



CITY OF KIRKLAND
Department of Finance & Administration
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MEMORANDUM

To: Kurt Triplett, City Manager

From: Tracey Dunlap, Director of Finance and Administration
Sri Krishnan, Financial Planning Manager

Date: October 23, 2013

Subject: **2013-2014 MID-BIENNIAL BUDGET UPDATE**

RECOMMENDATION:

City Council holds its Mid-Biennial Budget Review on November 6th to receive an update on the City's financial condition and to review the City Manager's recommendation for adjustments to the 2013-2014 biennial budget.

BACKGROUND DISCUSSION:

State law requires that a mid-biennial review be completed after September 1st and before December 31st during the first year of the biennium. The purpose of this memo and its attachments is to provide a brief financial update to the City Council, report on the status of the various efforts and investments within Council goal areas as adopted in the 2013-2014 Budget, present recommended adjustments that are needed to the adopted 2013-2014 Budget, and provide information on related policy decisions.

Financial Update

The third quarter Financial Management Report (FMR) provides an analysis of year-to-date results through September 2013 (Attachment A). The September dashboard report (Attachment B) provides high level monitoring of the General Fund revenues and expenditures status and a few key revenue and expenditure indicators across funds that are especially important to watch.

Revenues

As part of the mid-biennial review, departments were asked to provide updated revenue estimates for 2013. Based on these estimates, General Fund revenue collection is estimated to be higher than budget in 2013 primarily because of these three sources:

- **Sales tax** revenue through September is 12.6 percent higher than the same period last year. Based on the data to date, sales tax revenue for the year is estimated to be

approximately 11.9 percent higher than budgeted (approximately \$1.7 million more). The City conservatively budgets sales tax with a one-year lag – the 2013 budget was set at the estimated 2012 revenue so the current estimate being over budget is not unexpected. The September sales tax memo (Attachment C) includes an analysis of sales tax revenue trends by business sectors and compares monthly and year-to-date data to last year. Year-to-date revenue has exceeded budget expectations primarily because of substantial increases in the service, contracting, and retail sectors (particularly automotive sales), and positive growth in all major sectors. Those sectors with significant growth are also economically sensitive and inherently volatile; however, year-to-date results are encouraging. Since a large portion of the sales tax revenue may be one-time in nature, staff recommends that these revenues be used to address one-time needs and the remainder be set aside in reserves to address future needs.

- **Fines and forfeitures** revenue is projected to be approximately \$120,000 higher than the 2013 budget (about 6.2 percent over budget) primarily because Parking Infraction Penalties are estimated to be higher than budget by approximately \$180,000 due to parking enforcement being fully staffed in 2013. This will help offset shortfalls in other revenues in this category.
- **Development services** revenue is projected to be approximately \$2.66 million over the 2013 budget (about 61.9 percent over budget). Previously authorized expenditures in 2013 (\$222,952), one-time costs associated with recommended 2014 service packages and other expenses account for \$1.03 million or about 38.6 percent of the 2013 revenue over budget. Of the remainder, \$1.41 million is actually for work that will be done in 2014 and will be set aside in reserves and the balance (\$224,134) would be used to replenish the Development Services Technology reserve. The table below summarizes the uses of the development services revenues projected over budget in 2013.

Item	Amount
2013 Budgeted Development Services Revenue	4,300,656
2013 Estimated Development Services Revenue	6,961,800
2013 Estimated Revenue Over Budget	2,661,144
Previously Authorized Uses of 2013 Revenue	222,952
2014 Service Packages & Other Expenses:	
Cashier	11,620
Credit Card Charges	60,000
Public Works Development Services Reimbursement to Surface Water Fund	100,000
Building	261,566
Public Works	308,380
Planning	62,492
Subtotal 2013 Uses & 2014 Service Packages & Other Expenses	1,027,010
Set Aside for Future Work:	
Building	700,000
Public Works	600,000
Planning	110,000
Subtotal Set Aside for Future Work	1,410,000
Technology Reserve Replenishment	224,134

Revised 2014 development services revenues are projected to be adequate to cover the ongoing costs of the service packages being recommended by the City Manager.

Other non-General Fund revenues that are estimated to be higher than budgeted in 2013 include:

- **Real Estate Excise Tax (REET)** revenue through September is about 150 percent higher than budgeted for this year and 37.2 percent ahead of the same period last year, reflecting the stronger real estate market. The additional revenues are set aside in the REET Reserve to address the City’s capital needs. Once the current Kirkland 2035 planning efforts are complete in 2014, these funds will be reviewed in context of the prioritized capital projects identified in the plans.

Currently the City is able to use REET revenue for operations and maintenance (O&M) due to the REET flexibility legislation passed by the State (HB 1953). The table below summarizes the use of REET for O&M as authorized in the adopted 2013-2014 Budget.

Item	2013	2014	2013-14
Public Grounds	100,064	100,052	200,116
Median Maintenance	70,000	50,000	120,000
Subtotal Streets	170,064	150,052	320,116
Park Maintenance	90,384	94,955	185,339
Total REET Flexibility	260,448	245,007	505,455

REET revenue is also being recommended as the source of funding for a 2014 service package for the purchase of a wood chipper at a one-time cost of \$61,350.

- **Impact Fees** were budgeted conservatively because of the drop in development activity during the recession. The receipts through September reflect the increased development activity in the community. The transportation impact fees are 332 percent higher than budgeted and 72.2 percent ahead of the same period last year. Similarly, park impact fee revenue is 226 percent higher than budgeted and 68.9 percent ahead of the same period last year. As with REET, no additional use of this source has been planned in the CIP update and uses will be identified based on the Kirkland 2035 plans. Impact fees can only be used for eligible capacity projects. Park Impact fees are currently only used for debt service payments for the KTUB and McAuliffe Park.

Expenditures

Following the recent economic downturn and the implementation of annexation in 2011, the 2013-2014 Budget established a new baseline for expenditures. The budget was developed under the Council’s goal of providing a sustainable level of core services that are funded from predictable revenues. In addition to recasting the budget, departments were asked to continue to closely monitor their expenditures. The estimated under-expenditures at the end of 2013 are partially the result of this stewardship. The following are selected highlights of General Fund expenditures:

- Overall, General Fund expenditures are trailing budget expectations through September. The under-expenditure in 2013 is estimated to be approximately \$1.3 million of which approximately \$0.5 million is in personnel costs, primarily from

vacancies, and the remainder is primarily savings in jail contract costs. About \$75,000 of these under-expenditures have already been identified as the source of funding for the “shelling out” of the firing range at the Public Safety Building.

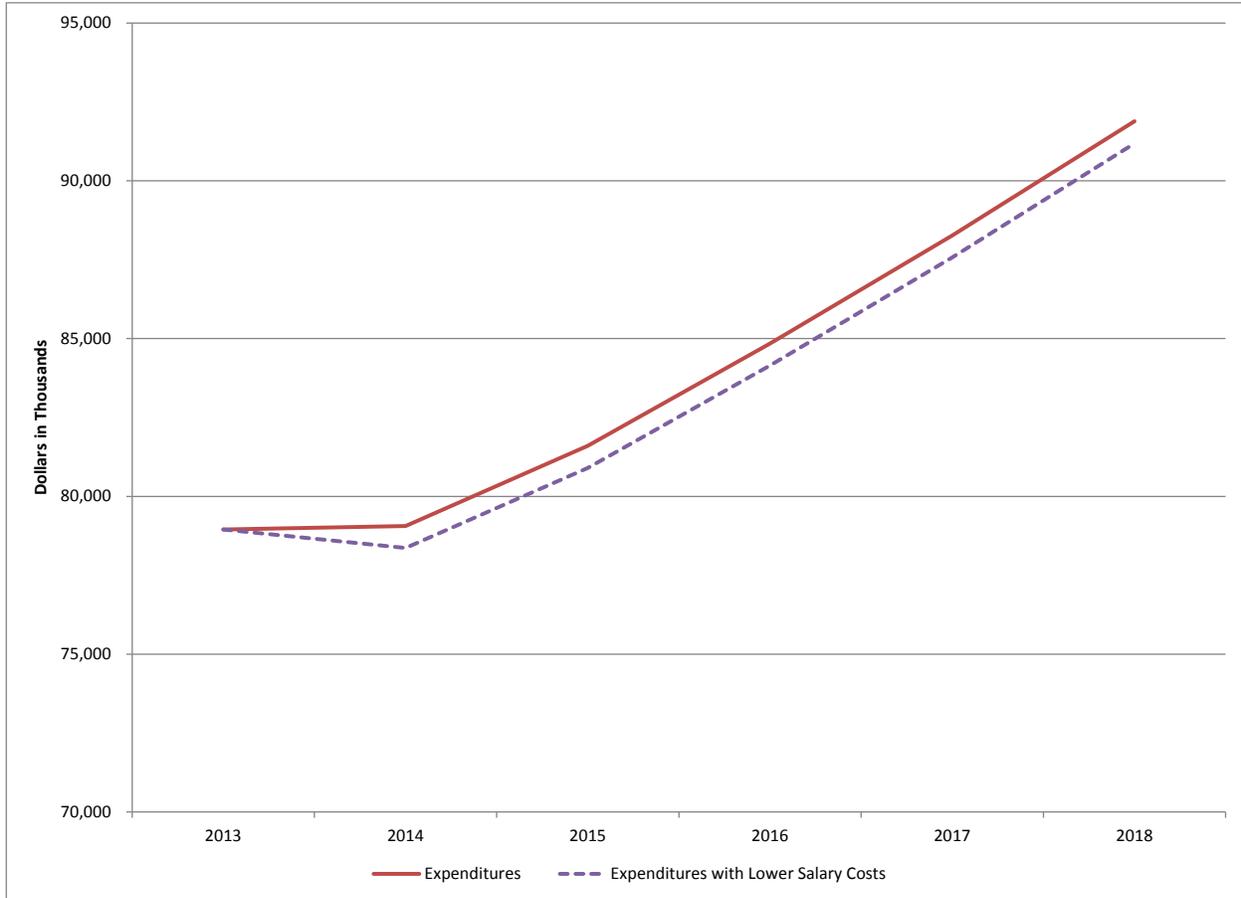
- Fire suppression overtime is projected to be over budget by approximately \$59,000 by year end, which may result in some use of the overtime contingency. A reserve has been set aside as a fire overtime contingency (budgeted as \$100,000 for each year of the biennium). The table below summarizes the Fire overtime expenditures in 2013 and includes the pending adjustment to the budget to serve the Finn Hill area with overtime staffing at Station 25 – moving the estimated under-expenditure (resulting from staffing starting in August) in this category to 2014.

Fire Overtime	Budget	Actuals Through 9/30	Balance as of 9/30	Estimated Rest of Year	Estimated Total For 2013	Variance (Over) / Under
Suppression	677,895	529,198	148,697	188,763	717,961	(40,066)
North Finn Hill*	143,568	53,838	89,730	89,730	143,568	-
Subtotal Suppression	821,463	583,036	238,427	278,493	861,529	(40,066)
Training	118,284	67,324	50,960	50,960	118,284	-
Prevention	40,216	35,284	4,932	24,076	59,360	(19,144)
Total	979,963	685,644	294,319	353,529	1,039,173	(59,210)

*With Pending Budget Adjustment to adjust funding between 2013 and 2014; Shifts started 8/15/13

Expenditure in this category will continue to be monitored and any changes to the budget will be brought forward for Council discussion in 2014.

- Although the General Fund personnel costs were under budget, some departments were over budget in the benefits category because their demographics varied from the average used to budget benefits. This is not a line item or program that can be “managed” by a Department Director so budget reconciliation of the benefits category is done centrally by Finance.
- The 2013 expenditure estimates do not include salary and benefit increases resulting from the implementation of the IAFF labor contract. The adjustment to budget (distribution of the COLA reserve) and estimates will be reflected in the documents presented to Council at the December 10th meeting. At the Council’s direction in the adopted work plan and in an effort to build sustainable budgets, staff has made efforts to slow the growth of personnel costs and this is reflected in the new labor contracts that established fixed percentage salary increases. It is estimated that the efforts to date have resulted in the City reducing personnel costs for the 3-year period of 2012 through 2014 by just under \$1 million over the cost of CPI-based wages for that same time period. Of this amount, \$0.7 million represents an on-going savings. The chart below illustrates the potential long-term savings from this reduction in personnel costs.



The ongoing benefit of controlling the rate of growth in personnel costs would be developing budgets in line with Council's goal of **Financial Stability**: *Provide a sustainable level of core services that are funded from predictable revenue.*

In the 2013-2014 Budget, the City Manager's recommendations were crafted to address the community and City Council priorities within the context of the City Council goals. The funded service packages, key policy recommendations, and major capital investments were presented within the goal areas that they primarily supported. An update on the status of these recommendations is included as Attachment D.

2014 Service Packages

As part of this mid-biennial budget review process, the City Manager requested departments to restrict service packages for 2014 to the following categories: 1) funded with new revenue or offsetting expenditure reductions; 2) directly related to the 2013-2014 City Work Plan; or 3) necessary to fulfill a priority identified by the City Council. All the service packages recommended by the City Manager are fully funded through expenditure offsets, available one-time cash or reserves, REET revenues, or external funding. A summary of the recommendations and funding sources and the service package request details are included as Attachment E.

2014 SERVICE PACKAGE RECOMMENDATIONS BY GOAL AREA

The City Manager's recommended service packages reflect Council direction and have been identified as supportive of the City's work plan for the current biennium. Similar to the

presentation in the 2013-2014 Budget message, the recommended 2014 service packages are presented within the context of the City Council goal area they primarily support, although many of them support multiple goals.

 NEIGHBORHOODS	<p><i>The citizens of Kirkland experience a high quality of life in their neighborhoods.</i></p> <p>Goal: Achieve active neighborhood participation and a high degree of satisfaction with neighborhood character, services and infrastructure.</p>
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- **Temporary CIP Outreach Coordinator** – One-time funding to assist the City in delivering on its commitment to keep the community informed and engaged on the implementation of the Cross Kirkland Corridor project in 2014 at a cost of \$62,373. The current project budget is expected to support this use.

 PUBLIC SAFETY	<p><i>Ensure that all those who live, work and play in Kirkland are safe.</i></p> <p>Goal: Provide for public safety through a community-based approach that focuses on prevention of problems and a timely response.</p>
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- **Police Support Associate** – Recommended as one-time funding for a 0.75 FTE to support the Police Records Unit and implement the new rules regarding public disclosure adopted by the Council at a cost of \$79,463.
- **Office Specialist** – Ongoing funding of 0.5 FTE Office Specialist at a cost of \$41,793 in the Fire & Building Department to handle records for EMS and Investigations/Prevention and other cross-functional general administrative functions. The Department proposed administrative reorganization is not recommended by the City Manager at this time but will be evaluated during the 2015-2016 budget process.
- **Fire Protection Engineer** – Ongoing funding of 1.0 FTE Fire Protection Engineer at a cost of \$131,271, primarily supported by development services revenues and expenditure offset of \$2,600, to provide capacity to address the increased volume and complexity of development permits.
- **Emergency Preparedness Coordinator** – Ongoing funding of \$55,779 for a 0.5 FTE Emergency Preparedness Coordinator position funded from Emergency Management Performance Grant (\$44,421) and General Fund contribution of \$11,358.
- **FireRMS Upgrade** – One-time funding of \$25,000 and ongoing funding of \$14,000 for a total of \$39,000 towards the payment of support services for the current software and the evaluation of alternative systems for fire inspection functions into the future.

 BALANCED TRANSPORTATION	<p><i>Kirkland values an integrated multi-modal system of transportation choices.</i></p> <p>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.</p>
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- **Outside Transportation Consultant Plan Review** – One-time funding for consultant services to help address peak permit workloads using anticipated Public Works development services review fees of \$25,000.



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.

- **Aquatic Facility Study** – One-time use of available fund balance of \$215,000 to partner with the Lake Washington School District and other interested public and private organizations to explore options for replacing the Juanita Aquatic Center by 2017.
- **Wood Chipper** – One-time use of Real Estate Excise Tax (REET) revenues of \$61,350 to purchase a dedicated Parks wood chipper as authorized by the passage of HB 1953 (effective July 22, 2011 through December 31, 2016) permitting the use of REET revenues for operations and maintenance.



Citizens of Kirkland enjoy high quality services that meet the community's priorities.

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

- **Pet License Marketing** – One-time use of \$4,434 of the \$9,434 refund received from the 2012 prepayment to King County towards pet license promotions and sales in 2014, which will help the City raise the revenues needed to meet the program's cost in 2015.
- **Health Benefits Education and Analysis** – One-time use of \$120,000 from the available fund balance in the Health Benefits Fund to develop and support implementation of the five year framework for the City's health benefits and align the City's efforts with the Affordable Care Act by 2018. These funds will be used primarily for efforts around employee education and plan design.
- **Additional 1.0 FTE Utility Billing Staff** – Ongoing funding of 1.0 FTE utility billing position to address increased work volume due to annexation and increased development activity. The cost of this position (\$82,499) is funded by development services revenues, utility rates, and expenditure offsets.
- **Telecommunications Audit** – One-time funding to identify and implement recommendations of an audit of current telephone services (fax lines, phones, emergency lines, etc.) at a cost of \$25,000. Some savings will result from the audit as unused lines are identified and cancelled. This effort should occur before the Public Safety Building move to ensure no unused lines are carried to the new facility.



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.

- **Comprehensive Plan Update (Environmental Impact Statement)** – One-time supplemental funding based on new estimates for the Environmental Impact Statement (EIS) element required to comply with the State Environmental Policy Act (SEPA) as the City updates its Comprehensive Plan at a cost of \$150,000.

- **Spill Bucket Replacement at Fire Station # 27** – One-time funding to remove existing spill buckets that capture any spillage when the fuel tanks are filled and replace with three new spill buckets (one for each underground tank). The replacement will be funded by the Equipment Rental Fund at a cost of \$20,000.



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.

- **Waterfront Optimization Evaluation** – One-time funding of a study to research, evaluate and develop a preliminary feasibility study of options to better utilize the City's waterfront. The study, funded by Lodging Tax Funds, is expected to cost \$16,000.
- **Development Services Web Page Redesign** – Implementing a recommendation of the Development Services Study to redesign the City's development services web page to make it easier and more powerful for the customer at a one-time professional services contract cost of \$100,000 funded by permit revenues.
- Planning Department's portion of development services revenues that exceeded budget expectations in 2013 will support the following expenditures in 2014 to address peak workloads as a result of the increased development activity:
 - **Assistant Planner Overtime** – One-time funding to address peak workloads resulting from increased development activity in the community at a cost of \$20,492.
 - **Additional Professional Services** – Implementing a recommendation from the Development Services Study to fund consultant services to support staff during peak periods of permit activity at a cost of \$42,000.
- **Zoning Codes "Charts to Tables" Streamlining Project** – At Council direction, converting the Use Zone Charts to tables in order to simplify the City's Zoning Code with one-time funding of \$25,000 from the General Fund.
- Building Division's portion of development services revenues will support the following expenditures:
 - **Building Services Analyst** – Ongoing funding of 1.0 FTE Building Services Analyst to assist the Building Division in researching, analyzing and developing policies and programs at a cost of \$124,380.
 - **Electrical-Building Inspector** – Ongoing funding of 1.0 FTE Electrical-Building Inspector to address the increased development activity in the community at a cost of \$161,984.
 - **Temporary Building Inspector** – One-time funding of a Temporary Building Inspector in 2014 – a continuation of the level of service in 2013 – to address the level of development activity in the community at a cost of \$109,386.

- **Overhead Projector for Rose Hill Room** – One-time funding to purchase and install an overhead projector and related computer hardware for permit review to better serve customers (as nearly all permits are now electronic) at a cost of \$10,039.
- **Building On-Call Hours** – One-time funding for on-call administrative support to address peak workloads for Building Permit Technicians at a cost of \$57,244.
- **Building – Increase Overtime Hours** – One-time funding of overtime for Building Services Plans Examiners to address peak workloads at a cost of \$45,000.



**DEPENDABLE
INFRASTRUCTURE**

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.

- **Parking Space Feasibility Evaluation** – One-time funding of consulting services to make recommendations for short, medium and long-term actions to create new parking spaces and improve parking in downtown Kirkland. The evaluation, funded by the Street Maintenance Fund parking reserve, is expected to cost \$50,000.
- **Franchising Legal Fees** – One-time funding to complete the franchise agreement with Comcast that will provide for the management of public rights-of-way at a cost of \$25,000.
- **Cost of Service Analysis for Water/Sewer Operating Fund** – One-time funding for consultant services to review the water rate structure within the context of the capital needs identified during the Water Comprehensive Plan update currently under way at a cost of \$30,000 paid from the Water/Sewer Operating Fund.
- Public Works development services revenues that exceeded budget expectations in 2013 will support the following expenditures:
 - **Temporary Development Engineer** – One-time funding for a temporary Development Engineer to address increased workloads at a total cost of \$122,386.
 - **On-Going Construction Inspector** – Ongoing funding of a 1.0 FTE Construction Inspector position to address increased demand at a total cost of \$151,382.
 - **Development Engineering On-Call Funding** – One-time funding for on-call administrative support to address peak workloads for Public Works Permit Technicians at a cost of \$20,002.
 - **Increase in Overtime Funding – PW Development Services** – One-time funding to address increased review and inspection workloads at a cost of \$5,000.
- **IT Network/Operations Intern** – One-time funding of \$7,901 funded by expenditure offsets to hire an intern to assist the IT Service Desk staff deploy 204 computers scheduled for replacement in 2014.

In addition to recommendations directly related to the Goal areas, the following service packages are recommended:

Council/City Manager Directed

- **City Clerk Public Records Analyst** – One-time funding of resources needed to address the new rules adopted by Council regarding public records and provide capacity for the City Clerk to implement changes to the legislative process at a cost of \$87,901.
- The following support the City’s work plan item, “Implement the Development Services Organization Review Recommendations:”
 - **Adobe LiveCycle Enterprise** – One-time funding of \$102,684 (net of \$4,000 of expenditure offsets) and ongoing funding of \$12,739 for a total of \$115,423 towards the payment of support services for the current software and the evaluation of alternative systems for fire inspection functions into the future.
 - **eCityGov Dues Increase** – Reflecting an increase in annual dues as set by the eCityGov Executive Board of \$19,500 related to site improvements.

The table below summarizes the various sources used to fund the recommended service packages in 2014.

Funding Source	Amount
General Fund	
Available One-time Cash/Fund Balance	605,515
External Source	44,421
Development Services Revenue	1,127,966
All Other General Fund Fees & Charges	85,367
CIP - Interfund Charges	62,373
Reserves	
REET	61,350
Health Benefits Fund	120,000
Expenditure Offsets	11,150
Subtotal General Fund Service Packages	2,118,142
Other Funds	
Available Fund Balance	204,923
Expenditure Offsets	36,901
Lodging Tax	16,000
IT Rates	14,000
Reserves	
Street Maintenance	50,000
Water/Sewer Operating	30,000
Subtotal Other Funds Service Packages	351,824
Total Recommended 2014 Service Packages	2,469,966

Other Budget Adjustments

In addition to the budget adjustments to recognize unanticipated revenues described above, there will be a variety of other budget adjustments brought forward for Council approval in December. The details of these adjustments will be provided in the mid-biennial budget amendment packet, and they will include the following:

- *2014 Service Package Requests* – Reflects changes related to the recommended service packages as summarized in Attachment E. As in prior budget documents, the attachment includes the original service package requests from the departments so the Council can compare these to the final recommendations from the City Manager. The first page of Attachment E is a spreadsheet that shows the original request and the CM recommendations side by side.
- *2013 Reserve Replenishment* – Addition to the Development Services Reserve with \$1.27 million from 2013 revenues recognizing that these revenues are for work to be completed in the future and replenishing the Development Services Technology Reserve.
- *Council Directed/Other Requests and Previously Approved Adjustments* - Any additional changes identified by Council and formalizing previously approved actions (fiscal notes, etc). Such as adjustments related to the facilities energy efficiency grant and the 100th Avenue Bicycle Lanes project.
- *CIP Adjustments* - Formalizing changes based on the 2013-2018 CIP update presented to the City Council in September including any updates since that time.
- *Housekeeping Items* - Adjustments that may be needed to budget accounts, fund balances, etc. Examples include recognizing donations to Parks and Fire.

Other Policy Issues

Council Benefits

Based on Council direction, the mid-biennial budget adjustments will include the cost of four councilmembers opting for employee only health coverage through the City based on the recent action of the salary commission. The estimated annual cost of this change is \$19,000 in 2014.

Use of City's Manager's Contingency

The adopted 2013-2014 Budget includes a General Fund Operating Reserve Contingency (or City Manger's Contingency) of \$50,000 funded from general purpose revenues, which have no restrictions on the public purpose for which they are spent. In 2013 the City Manager has approved the following uses: \$2,500 for the Employee Appreciation Barbeque; \$2,000 for the Kirkland Time Bank; and \$4,618 to pay for temporary administrative support in the City Manager's Office between September and December, 2013 to support the transition to a new Executive Assistant.

Liability Insurance

The City has been informed that based on recent trends in claims and activity, the liability insurance rates are expected to increase in 2014. The current estimated increase in 2014 is

\$123,000 net of increases to the General Fund (approximately \$167,000 more) and other several funds (approximately \$26,000 more) and projected decreases to the Water/Sewer Fund (approximately \$68,000 less) and the Street Fund (approximately \$1,700 less).

Credit Card Charges

Credit card charges have increased across all activities reflecting an increased use in this form of payment for many of the services provided by the City. In 2013, a large portion of the costs are directly related to increased development activity and current revenues are expected to offset the charges. Looking ahead, it is anticipated that such charges will be a topic of discussion in setting new fees and charges for services.

Public Safety Equipment Sinking Funds

As part of the 2013-2014 Budget, Council established new sinking funds for the replacement of public safety equipment and information technology infrastructure based on an assessment of needs and replacement over a 10 year period. The supporting analysis highlighted that some of the assets included had a life up to 20 years and that additional contributions would be necessary to fully fund the identified needs. At the 2013 Council Retreat, staff informed Council that an addition of \$1.1 million in initial contribution plus an additional annual contribution of approximately \$100,000 per year would be needed to fund the 20 year horizon. The review of the public safety equipment sinking fund conducted as part of this mid-biennial review process has identified the need to add police radios assigned to officers (in addition to those in vehicles) to the list of items replaced using the sinking fund contributions. This change is estimated to require a one-time contribution of \$200,000 to the police equipment sinking fund. The sinking funds will be recalibrated as part of the 2015-2016 budget development process and funding options for the 20-year horizon will be brought forward for Council direction.

Police Firing Range Financing

The original scope of work for the Public Safety Building project construction bid included a bid alternate to construct the firing range. That bid alternate has now expired; however, conditions have changed that have made it advantageous for the City to authorize the firing range scope of work. These changed conditions include interest expressed by the King County Sheriff's Office (KCSO) to contribute funding in exchange for use of the range, the availability of one-time funding from under-expenditures in the 2013 Police Department budget, and the cost differential between constructing the range during the current active project versus as a separate project in the future. The City Council has already authorized \$160,000 to build out the shell of the firing range and the contractor has provided a proposal to complete the project for an additional \$1.12 million. A more comprehensive discussion of the Police firing range will be presented in a separate memorandum for Council discussion at the regular meeting on November 6, 2013.

The table below summarizes the potential funding scenario based on information developed as part of the mid-biennial budget review process. The intent is to pursue participation by the KCSO in an amount that would contribute to the "additional funding needed"; those discussions are currently in progress. If those negotiations are not successful, the remaining funds could be authorized from one-time resources from unallocated revenues or additional expenditure savings from 2013. Staff expects that the final funding source should be identified before the final budget action in December.

Item	Amount
Estimated Cost of Firing Range:	
Previously Authorized Amount to Construct Shell	160,000
Estimate to Complete Firing Range	1,112,000
2013 Estimated Cost of Firing Range	1,272,000
Funding:	
2013 Police Department Under-Expenditures:	
Personnel Costs	291,217
Supplies, Services & Other Costs	157,637
Jail Contract Costs	626,943
2013 Estimated Police Department Under-Expenditures	1,075,797
Previously Authorized Use of Secret Service Seizure Funds	85,000
Add'l Funding Needed (One-time revenues, savings, and/or external revenue)	196,203

Health Benefits Costs

The 2014 budget was set assuming an increase in benefit rates of 7 percent over 2013 rates and staff is recommending no change to this assumption. A more detailed discussion of health benefits costs and the status of the Health Benefits Fund are included as Attachment F.

Telecommunications Utility Tax One-Time Recoveries

The City did not realize as large an increase as expected in telecommunications utility tax revenues after the annexation was completed, despite early and frequent notification of the providers. Other agencies recommended using a contract auditor to evaluate whether the providers were correctly reporting their revenues and the City Manager authorized \$10,000 for a contract auditor to review the filings of the top 10 providers (who constitute over 90 percent of the revenues). Based on the results through the first quarter of 2013, staff expanded the auditor's scope to include cable utility tax revenues and cable franchise fees, at an additional cost of \$10,000 from funds previously budgeted for franchise audit purposes in the IT Fund. As of this writing, the City has received \$136,000 of the \$338,000 in back billings invoiced to providers. Staff recommends that any one-time recoveries be set aside in a reserve until the current, unrelated utility tax refund claims are resolved.

Litigation Reserve

The 2013-2014 Budget established a Litigation Reserve balance of \$350,000. Based on the use to date and the estimated expenditures for the remainder of this biennium, it is anticipated that this reserve will require the addition of approximately \$140,000 from year-end cash to return the balance in this reserve to \$50,000. One-time sales tax revenue in 2013 is a potential source of funding this reserve replenishment.

2014 Property Tax Levies

The City Council will be adopting two separate property tax levy ordinances for 2014. One for the City as a whole, including the new neighborhoods and a second ordinance to establish the levy to pay the Fire District 41 debt service. The second ordinance will set the tax to be levied on the properties within the area previously served by the District associated with the District's outstanding debt. The adopted 2014 budget assumed that the City would implement the optional levy increase of 1 percent. The preliminary property tax levy for the City and District need to be adopted on November 19, 2013. Staff will prepare ordinances establishing the

preliminary property tax levies for the City and the District for the November 19 regular meeting.

General Purpose Reserve Replenishment

The adopted 2013-2014 Budget includes replenishment of general purpose reserves at an annual rate of 1 percent of the General Fund expenditures each year of the biennium from current revenues. The table below summarizes the potential uses of revenues that are significantly higher than budget, recommended uses, and the amount remaining that could be used toward additional general purpose reserve replenishment or other purposes. The City Manager is recommending that at least \$500,000 be considered for additional reserve replenishment. Note that any change in reserve replenishment would occur in 2014 after financial data for the current year is finalized. Staff will bring forward for Council deliberations updated information regarding the amount available for general purpose reserve replenishment in the second quarter of 2014.

Item	Amount
Estimated Sales Tax Revenue Over 2013 Budget	1,712,216
Estimated Fines & Forfeitures Revenues Over 2013 Budget	120,836
2013 Estimated Revenue Over Budget	1,833,052
Potential Funding Source for:	
Litigation Reserve Replenishment	140,000
Liability Insurance - General Fund portion	170,000
2014 Service Packages	605,515
Police Equipment Sinking Fund Adjustments (Police Radios)	200,000
Available for Reserve Replenishment or Other Uses	717,537

Next Steps

The next steps for the mid-biennial process are:

November 16 Mid-Biennial Budget Special Study Session (continued if needed)

Topics: Follow up from November 6 Study Session

Regular Meeting

Public Hearings on Budget & Preliminary Levy
Preliminary Levy Adoption (must occur on this date)

December 10 Mid-Biennial Budget Adoption

Final Levy Adoption



Financial Management Report as of September 30, 2013

AT A GLANCE:

The City of Kirkland and community partners provide summer feeding program for a second year (page 2 sidebar)

2013 revenues through September increased over 2012 (page 3)

Sales tax revenue increased again in the third quarter (page 5)

Unemployment continues to decrease, inflation is low and the housing market continues to improve (pages 7-8)

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Summary of All Operating Funds: *Revenue*

- General Fund** actual 2013 revenue ended the third quarter **6.3 percent ahead** of the same period last year, an increase of nearly \$3.5 million. Higher than budgeted sales tax and development services fees are primarily responsible for the increased revenues. The actual general fund revenues are at **76 percent of budget**. A more detailed analysis of General Fund revenue can be found on page 3, and details on sales tax revenue begin on page 5.
 - Other General Government Funds** actual 2013 revenue is **26.7 percent higher** than it was through the same period in 2012, up nearly \$3.4 million. Every fund with the exception of facilities maintenance and cemetery operating had increased revenues. The large growth in revenues over 2012 can be attributed to an adjusted appropriation of funds to Parks Maintenance and new levy revenues from the 2012 Parks and Streets levies. These funds have collected **68.1 percent** of budget so far this year and are set to bring in the remainder when second-half property taxes are collected in October.
- There were internal accounting changes for revenues of Water/Sewer, Surface Water, and Solid Waste utilities that contributed to the increases in revenues when comparing 2013 to 2012, however, there was no net increase to the ratepayer due to the change.*
- The **Water/Sewer Operating Fund** actual 2013 revenue is **up 20.3 percent** over the same period last year due to an accounting change and rate increases; **73.3 percent of budget** has been collected thus far in 2013. This is slightly low because of seasonal variations and timing of the billing cycle.
 - The **Surface Water Management Fund** has received **57 percent of budgeted revenues** so far this year. Surface water charges are paid with property taxes which are primarily received in April and October. This year's revenues are **10.8 percent higher** than they were at the end of September 2012.
 - The **Solid Waste Fund** actual 2013 revenue is **12.9 percent ahead** compared to the same period last year. This fund has received **74.3 percent of budget** as of the end of September. Rate increases and an accounting change factored into this growth.

Resources by Fund	Year-to-Date Actual			Budget			% of Budget	
	9/30/2012	9/30/2013	% Change	2012	2013	% Change	2012	2013
General Gov't Operating:								
General Fund	54,861,507	58,322,727	6.3%	76,303,969	76,780,959	0.6%	71.9%	76.0%
Other General Gov't Operating Funds	12,605,676	15,966,070	26.7%	18,954,113	23,431,652	23.6%	66.5%	68.1%
Total General Gov't Operating	67,467,183	74,288,797	10.1%	95,258,082	100,212,611	5.2%	70.8%	74.1%
Utilities:								
Water/Sewer Operating Fund	14,493,982	17,440,492	20.3%	20,540,187	23,794,608	15.8%	70.6%	73.3%
Surface Water Management Fund	4,744,298	5,255,788	10.8%	8,391,990	9,224,823	9.9%	56.5%	57.0%
Solid Waste Fund	9,543,988	10,776,198	12.9%	13,228,950	14,495,498	9.6%	72.1%	74.3%
Total Utilities	28,782,268	33,472,478	16.3%	42,161,127	47,514,929	12.7%	68.3%	70.4%
Total All Operating Funds	96,249,451	107,761,275	12.0%	137,419,209	147,727,540	7.5%	70.0%	72.9%



Kirkland's Summer Feeding Program has another successful year

Free sack lunches were provided each Tuesday from June 25-August 27 at 132nd Square Park and Juanita Beach Park to needy Kirkland children, making 2013's Summer Feeding Program a great success once again this year. This meal program helped kids continue to get nutritious lunches during the summer, growing in its second year to provide a total of 450 nutritious meals. The number of free lunches provided increased 50% over last year.

The lunches were coordinated by the Youth Services division of Kirkland's Parks and Community Services Department. The City provided administrative oversight and meal transportation and City staff was helped with weekly assistance from community volunteers. Sodexo, a food services contractor, prepared meals for the program at Redmond Middle School. Community volunteers were able to raise over \$3,000 in donations toward the meal program, with significant contributions made by Sodexo (\$1,000 credit toward meals), Kirkland Kiwanis (\$1,000), and Metropolitan Market (\$1,000). QFC, Fred Meyer, and Costco all contributed toward the program as well.

This was truly a community effort, with time, money and facilities being donated by private citizens, businesses, Lake Washington School District, and the City of Kirkland. No direct City funds were used for the program, and City contributed funds will remain available to continue the program in 2014.

Summary of All Operating Funds: *Expenditures*

- **General Fund** actual expenditures finished September **up 4 percent** from last year. Expenditures are at **71.1 percent of budget** three-quarters of the way through the year. A more detailed analysis of General Fund expenditures by department is found on page 4.
- **Other Operating Funds** actual expenditures were **up 6.5 percent** due to higher expenditures for parks maintenance, facilities maintenance, street operating, cemetery operating, and operations paid for by the new parks levy. These particular increases totaled nearly \$1.7 million but were partially offset by savings of over \$870,000 in equipment rental, information technology and lodging tax expenditures. The overall increase in other operating funds is over \$1.55 million and most of this is directly from the new 2012 Parks Levy funded maintenance operations which have totaled \$1.25 million so far this year. These are completely new expenditures funded solely by dedicated levy revenues. This rise in expenses was anticipated in the budget, and actual expenditures are **lower than budget at 60.5 percent**.

Expenditures in the Water/Sewer, Surface Water, and Solid Waste utility funds have increased mostly due to the internal accounting change, with the taxes now flowing through the utility fund. This results in an expenditure in the utilities as the funds are moved to the General Fund, offset by tax revenues appearing in the utilities, resulting in zero net effect to ratepayers.

- **Water/Sewer Operating Fund** actual expenditures finished the third quarter **30.6 percent higher** than they did in the first three quarters of 2012, and they were **above budget at 82.6 percent**. The majority of this increase is due to the accounting change, which has amounted to more than \$1.15 million of new flow-through expenditures from this fund. The expenses are higher than 75 percent three quarters of the way through the year because of the timing of a payment to Cascade Water Alliance and a metro sewer payment. If these two items are taken out then this fund is at 75.8 percent of budget for the year.
- **Surface Water Management Fund** actual expenditures at the end of the third quarter were **15.3 percent higher** than last year. These expenditures have due to the new accounting requirements for utility taxes that pass through this fund. This change was anticipated and is reflected in the budget. Expenditures through September are at **60.4 percent of budget**.
- **Solid Waste Fund** has spent **44.9 percent more** so far in 2013 than it did in 2012. This increase is due to the timing of payments for the solid waste contract and the utility tax accounting change that was implemented for all utilities. So far in 2013, **76 percent of budget has been spent** expenses are in line with budget expectations.

Expenditures by Fund	Year-to-Date Actual			Budget			% of Budget	
	9/30/2012	9/30/2013	% Change	2012	2013	% Change	2012	2013
General Gov't Operating:								
General Fund	47,731,670	49,637,925	4.0%	67,597,127	69,822,135	3.3%	70.6%	71.1%
Other General Gov't Operating Funds	12,463,300	13,270,691	6.5%	18,885,127	21,952,801	16.2%	66.0%	60.5%
Total General Gov't Operating	60,194,970	62,908,616	4.5%	86,482,254	91,774,936	6.1%	69.6%	68.5%
Utilities:								
Water/Sewer Operating Fund	12,758,408	16,657,584	30.6%	17,325,319	20,169,257	16.4%	73.6%	82.6%
Surface Water Management Fund	3,375,147	3,892,944	15.3%	5,495,211	6,449,354	17.4%	61.4%	60.4%
Solid Waste Fund	8,006,086	11,598,724	44.9%	13,135,052	15,260,157	16.2%	61.0%	76.0%
Total Utilities	24,139,640	32,149,253	33.2%	35,955,582	41,878,768	16.5%	67.1%	76.8%
Total All Operating Funds	84,334,610	95,057,869	12.7%	122,437,836	133,653,704	9.2%	68.9%	71.1%

General Fund Revenue

- **Sales tax** revenue allocated to the General Fund is **14.5 percent higher** than it was last year. This is **ahead of budget**, which is based on the prior year, with **83.8 percent of budget** collected thus far. A detailed analysis of total sales tax revenue can be found starting on page 5.
- **Property tax** is at **54.4 percent of budget**, this is slightly ahead of last year in dollar terms with **0.4 percent more** collected through the second quarter. Property tax is mostly collected semiannually in April and October.
- **Utility tax** collections are **below budget expectations at 73.5 percent**. Revenues are **up 2.2 percent** compared to the third quarter of 2012 in spite of lower electricity and gas utility tax revenues. This offsetting revenue growth was due to moderately higher tax revenues across the board in all other utilities.
- **Other taxes** actual revenue is **6.4 percent lower** than the same period in 2012 due to drops in revenue from the admissions tax and the leasehold excise tax. However, this category is at **92.3 percent of budget**.
- The **business licenses (base fee) and franchise fees** have collected **1.2 percent more** than they did at this point last year and are **above budget at 78.2 percent**.
- The **revenue generating regulatory license fee** has brought in **3.1 percent less** than it had by September 2012. However, this drop was anticipated and the revenues are coming in above forecast at **79.4 percent of budget**. This tax is charged to employers on a per-employee basis, and it can fluctuate based on the timing of when businesses submit their payments.
- The **development-related fee** revenues are collectively **up 25.3 percent** and are ahead of projections at **130.8 percent** of their budgeted revenue. **Plan check fees** are **up 50.1 percent** and **Building, Structural and Equipment permits** are **up 16.7 percent** over last year. **Planning fees** revenue has increased **23.2 percent**. **Engineering Services** has collected **26.9 percent more** than last year. Note that a portion of this additional revenue is for work to be done in subsequent years and will be set aside in reserve for that purpose.
- **Fines and Forfeitures** are **up 30.4 percent** due to the increase of parking and traffic fines being collected. Parking fines have increased because the city has filled the formerly vacant parking enforcement officer position; this revenue source is slightly **above budget expectations at 78 percent**.
- The **other financing sources** category in 2012 reflected the one-time asset transfer from Woodinville Fire & Rescue. So far in 2013, 27.8 percent of budgeted interfund transfers have been posted.

Other Intergovernmental Services were consolidated into Other Charges for Services as part of a Statewide accounting change.

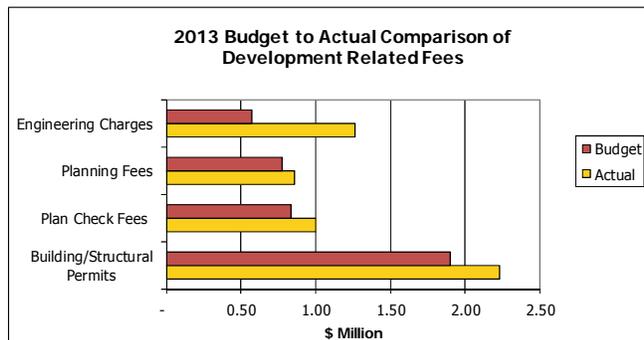
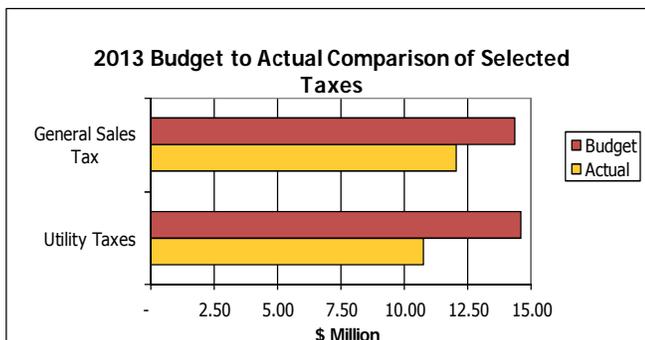
General Fund 2013 revenues ended the third quarter \$4 million higher than the same period last year largely due to growth in sales tax, and development permits and fees.

The General Fund is the largest of the General Government Operating funds. It is primarily tax supported and accounts for basic services such as public safety, parks and recreation, and community development.

- Many significant General Fund revenue sources are economically sensitive, such as sales tax and development-related fees.
- In 2013 about 424 of the City's 544 regular employees are budgeted within the general fund.

General Fund Resource Category	Year-to-Date Actual			Budget			% of Budget	
	9/30/2012	9/30/2013	% Change	2012	2013	% Change	2012	2013
Taxes:								
Retail Sales Tax: General	10,517,292	12,041,445	14.5%	13,972,010	14,368,962	2.8%	75.3%	83.8%
Retail Sales Tax Credit: Annexation	2,583,004	2,757,965	6.8%	3,409,791	3,415,626	0.2%	75.8%	80.7%
Retail Sales Tax: Criminal Justice	1,226,615	1,331,907	8.6%	1,568,112	1,634,287	4.2%	78.2%	81.5%
Property Tax	9,002,553	9,037,102	0.4%	16,049,865	16,619,200	3.5%	56.1%	54.4%
Utility Taxes	10,513,435	10,749,860	2.2%	14,468,333	14,618,866	1.0%	72.7%	73.5%
Rev Generating Regulatory License	1,906,727	1,848,246	-3.1%	2,386,300	2,328,005	-2.4%	79.9%	79.4%
Other Taxes	1,049,284	982,071	-6.4%	1,005,488	1,063,975	5.8%	104.4%	92.3%
Total Taxes	36,798,911	38,748,595	5.3%	52,859,899	54,048,921	2.2%	69.6%	71.7%
Licenses & Permits:								
Building, Structural & Equipment Permits	1,909,181	2,227,352	16.7%	2,343,612	1,900,182	-18.9%	81.5%	117.2%
Business Licenses/Franchise Fees	3,238,725	3,277,986	1.2%	4,109,869	4,193,597	2.0%	78.8%	78.2%
Other Licenses & Permits	194,233	373,783	92.4%	217,579	317,128	45.8%	89.3%	117.9%
Total Licenses & Permits	5,342,139	5,879,121	10.1%	6,671,060	6,410,907	-3.9%	80.1%	91.7%
Intergovernmental:								
Grants and Federal Entitlements	262,836	54,987	-79.1%	137,835	98,974	-28.2%	190.7%	55.6%
State Shared Revenues & Entitlements	1,095,398	716,390	-34.6%	909,967	1,033,781	13.6%	120.4%	69.3%
EMS	427,546	442,323	3.5%	866,729	884,645	2.1%	49.3%	50.0%
Other Intergovernmental Services	261,639	-	N/A	328,932	-	-100.0%	79.5%	N/A
Total Intergovernmental	2,047,419	1,213,700	-40.7%	2,243,463	2,017,400	-10.1%	91.3%	60.2%
Charges for Services:								
Internal Charges	4,015,177	3,936,674	-2.0%	5,894,286	5,208,912	-11.6%	68.1%	75.6%
Engineering Services	994,344	1,261,859	26.9%	555,852	574,093	3.3%	178.9%	219.8%
Plan Check Fee	666,155	999,774	50.1%	814,484	836,864	2.7%	81.8%	119.5%
Planning Fees	696,167	857,680	23.2%	544,619	776,347	42.5%	127.8%	110.5%
Recreation	1,028,940	1,105,843	7.5%	1,152,963	1,160,300	0.6%	89.2%	95.3%
Other Charges for Services	1,396,756	2,048,614	46.7%	2,187,273	3,075,552	40.6%	63.9%	66.6%
Total Charges for Services	8,797,539	10,210,444	16.1%	11,149,477	11,632,068	4.3%	78.9%	87.8%
Fines & Forfeits	1,154,356	1,505,155	30.4%	2,781,169	1,928,925	-30.6%	41.5%	78.0%
Miscellaneous	721,142	765,712	6.2%	598,901	742,738	24.0%	120.4%	103.1%
Total Revenues	54,861,507	58,322,727	6.3%	76,303,969	76,780,959	0.6%	71.9%	76.0%
Other Financing Sources:								
Transfer of FD 41 & WFR Balances	-	-	N/A	1,426,568	-	N/A	N/A	N/A
Interfund Transfers	-	99,780	N/A	153,560	359,228	133.9%	N/A	27.8%
Total Other Financing Sources	-	99,780	N/A	1,580,128	359,228	-77.3%	N/A	27.8%
Total Resources	54,861,507	58,422,507	6.5%	77,884,097	77,140,187	-1.0%	70.4%	75.7%

General Fund Revenue *continued*



General Fund Expenditures

General Fund Department Expenditures	Year-to-Date Actual			Budget			% of Budget	
	9/30/2012	9/30/2013	% Change	2012	2013	% Change	2012	2013
Non-Departmental	753,305	1,007,453	33.7%	1,043,302	1,515,099	45.2%	72.2%	66.5%
City Council	299,983	322,743	7.6%	443,849	403,932	-9.0%	67.6%	79.9%
City Manager's Office	1,299,859	1,303,131	0.3%	1,829,449	2,015,043	10.1%	71.1%	64.7%
Municipal Court	1,510,188	1,578,443	4.5%	2,590,750	2,249,404	-13.2%	58.3%	70.2%
Human Resources	915,953	922,001	0.7%	1,274,208	1,288,257	1.1%	71.9%	71.6%
City Attorney's Office	978,790	998,617	2.0%	1,365,836	1,371,489	0.4%	71.7%	72.8%
Parks & Community Services	5,165,487	5,225,318	1.2%	7,313,947	7,391,021	1.1%	70.6%	70.7%
Public Works (Engineering)	2,614,402	3,072,053	17.5%	3,977,350	4,746,309	19.3%	65.7%	64.7%
Finance and Administration	2,968,923	3,051,782	2.8%	4,245,377	4,167,957	-1.8%	69.9%	73.2%
Planning & Community Development	2,251,178	2,400,893	6.7%	3,319,899	3,596,809	8.3%	67.8%	66.8%
Police	14,140,311	14,524,786	2.7%	20,049,726	20,345,284	1.5%	70.5%	71.4%
Fire & Building	14,833,289	15,253,464	2.8%	20,143,434	20,691,614	2.7%	73.6%	73.7%
Total Expenditures	47,731,670	49,660,684	4.0%	67,597,127	69,782,218	3.2%	70.6%	71.2%
<i>Other Financing Uses:</i>								
Interfund Transfers	4,622,288	6,618,508	43.2%	9,981,716	12,127,609	21.5%	46.3%	54.6%
Total Other Financing Uses	4,622,288	6,618,508	43.2%	9,981,716	12,127,609	21.5%	46.3%	54.6%
Total Expenditures & Other Uses	52,353,958	56,279,192	7.5%	77,578,843	81,909,827	5.6%	67.5%	68.7%

Comparing 2013 actual expenditures to the same period last year:

Overall, excluding interfund transfers, General Fund expenditures are **4.0 percent higher** than 2012, yet they are under budget for the year. So far in 2013, the City has spent **71.2 percent** of total budgeted expenses.

- Expenditures for **Non-departmental** are **up 33.7 percent** largely due to an increase in medical benefit costs. This was budgeted for and spending is **below budget expectations at 66.5 percent**.
- Actual 2013 expenditures for the **City Council** have **grown 7.6 percent** at this point in the year because the cost of the annual memberships are now paid at the beginning of the year. This timing change also caused expenditures to finish the third quarter at **79.9 percent of budget**.
- The **City Manager's Office** costs are **up 0.3 percent** compared to 2012 due to a slight rise in salaries and benefit expenses. These expenses are below planned spending at **64.7 percent of budget**.
- The **Municipal Court** actuals are **up 4.5 percent** compared to the same period last year due to increased personnel costs, but it is below projections at **70.2 percent of budget**.
- Actual 2013 expenditures for **Human Resources** are **up 0.7 percent** versus last year. This increase can be attributed mostly to salary and wage increases, and the department is at **71.6 percent of budget**.
- **The City Attorney's Office** expenditures are **up 2 percent** above 2012 due to small increases in salaries and wages, along with increased payments for contracted legal services. This result is in line with projections at **72.8 percent of budget**.
- Third quarter 2013 expenditures for the **Parks & Community Services Department** are **up 1.2 percent** compared to the same period last year. This increase is tied to salary increases and seasonal variations in staffing for summer programs. Expenses are below expectations at **70.7 percent of budget**.

2013 General Fund actual expenditures (excluding "other financing uses") are 4.0 percent higher than they were in 2012.

Continued on page 5

Financial Management Report as of September 30, 2013

- **Public Works** expenditures have used **64.7 percent of budget**. In dollar terms, spending has been **17.5 percent higher** than the third quarter of 2012 due to growth in wages, salaries, and benefits as new employees have been hired to accommodate post-annexation community needs.
- The **Finance and Administration Department** expenditures are at **73.2 percent of budget**, rising **2.8 percent** in dollar terms versus last year due to increases in spending on salaries, wages and benefits.
- Actual third quarter expenditures for the **Planning and Community Development Department** finished **up 6.7 percent** over last year because of increased personnel costs due to filling positions that were vacant in 2012 and the high number of permit applications that are driving a need for contract services and overtime; **66.8 percent of their annual budget** has been used thus far.
- The **Police Department** has spent **2.7 percent more** than it had at this point last year, which is within budget expectations with spending at **71.4 percent of budget** at the end of the third quarter. Jail costs continue to be under budget due to contracts with other agencies for lower rates than those charged by King County and an increase in the use of electronic home detention and other sentencing measures as alternatives to jail time.
- Expenditures for the **Fire & Building Department** grew **2.8 percent** over last year. This increase is related to slightly higher personnel costs and increased workload from development services activities that has resulted in higher contract work and overtime costs (which are offset by revenues). This department's expenses are within projections at **73.7 percent of budget**. A summary of Fire District #41 funds is shown in the table to the right. Currently these funds are dedicated to the consolidated fire station capital project.

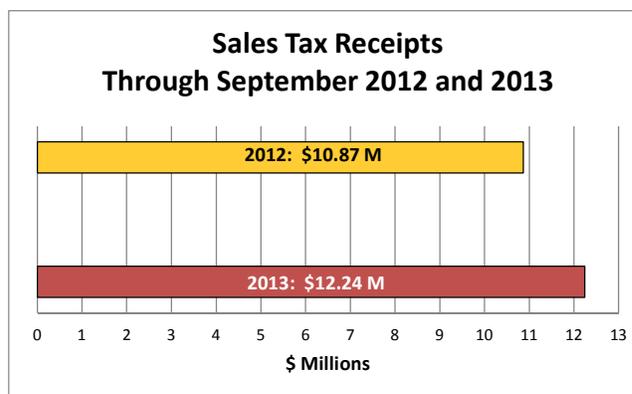
Summary of Fire District 41 Funds	
2013 Revenues & Expenditures	
Beginning Balance	5,224,166
Investment Interest	\$ 1,309
Expenditures:	\$ -
Current Balance	\$ 5,225,475

Sales Tax Revenue Analysis

Year-to-date revenue is **up 12.6 percent** compared to the same period last year. This growth in revenue has been concentrated in three sectors; services, contracting and auto/gas retail, with car sales making up the largest single increase. The sales tax revenue received through the third quarter is from November 2012 – July 2013 sales.

Review by business sectors:

- **Contracting is up 12.5 percent** through September compared to 2012. This is the result of several large commercial and multi-family projects along with steady growth in residential construction.
- Sales tax from the retail sectors is collectively **up 10.7 percent** compared to 2012.
- The **auto/gas retail sector is up 15 percent** compared to last year due to solid sales increases at all of the dealerships in town, the addition of one new dealership, and a general national trend of increased car buying driven by pent-up demand.
- The **general merchandise/miscellaneous retail sector is up 8.2 percent** compared to 2012 largely due to positive performance by two key retailers.
- The **retail eating/drinking sector performance is up 6.9 percent** versus last year. Revenue increases can be attributed to many established restaurants posting improved sales along with the opening of several new restaurants late last year.
- **Other retail is up 7.8 percent** compared to last year due to positive performance in most categories with the exception of food and beverage stores. Food and beverage stores experienced a 3.3 percent drop that may be due to increased competition with other retailers that offer similar products and selection.
- The **services sector is up 32.4 percent** compared to 2012. This increase can be attributed to growth from publishing, information, internet, broadcasting, arts & entertainment, healthcare and other services in the sector. This raw gain is skewed upward because of a large sales tax refund that was paid out to a business in May 2012; however, even if that amount is factored out, the services sector is still up 21.8 percent over last year.
- **Wholesale is up 3.1 percent** compared to last year. Strong gains from the first quarter were offset by slower growth in the second and third quarters.
- The **miscellaneous sector is up 9.1 percent** compared to last year due to higher revenues across many categories, and mostly from manufacturing and finance.



Neighboring Cities Sales Tax

Bellevue was up 5.0 percent and Redmond was up 3.7 percent through September compared to the same period in 2012. Redmond's increase is moderated by a large tax recovery received in 2012.

King County Sales Tax

King County's sales tax receipts are 6.7 percent higher than they were through the third quarter of 2012.

Business Sector Group	January-September		Dollar Change	Percent Change	Percent of Total		Percent of Change
	2012	2013			2012	2013	
Services	1,184,874	1,568,898	384,024	32.4%	10.9%	12.8%	27.9%
Contracting	1,737,961	1,955,530	217,569	12.5%	16.0%	16.0%	15.8%
Communications	330,465	337,886	7,421	2.2%	3.0%	2.8%	0.5%
Auto/Gas Retail	2,661,641	3,060,550	398,909	15.0%	24.5%	25.0%	29.0%
Gen Merch/Misc Retail	1,406,857	1,522,248	115,391	8.2%	12.9%	12.4%	8.4%
Retail Eating/Drinking	937,774	1,002,622	64,848	6.9%	8.6%	8.2%	4.7%
Other Retail	1,468,917	1,584,154	115,237	7.8%	13.5%	12.9%	8.4%
Wholesale	551,757	569,045	17,288	3.1%	5.1%	4.6%	1.3%
Miscellaneous	589,546	643,012	53,466	9.1%	5.4%	5.3%	3.9%
Total	10,869,792	12,243,945	1,374,153	12.6%	100.0%	100.0%	100.0%

Kirkland's sales tax base is comprised of a variety of businesses which are grouped and analyzed by business sector (according to NAICS, or "North American Industry Classification System"). Nine business sector groupings are used to compare 2012 and 2013 year-to-date sales tax receipts in the table to the left.

City of Kirkland Actual Monthly Sales Tax Receipts

Month	Sales Tax Receipts		Dollar Change	Percent Change
	2012	2013		
January	1,104,023	1,333,113	229,090	20.8%
February	1,413,587	1,618,028	204,441	14.5%
March	1,054,686	1,225,511	170,825	16.2%
April	1,086,848	1,181,984	95,136	8.8%
May	1,132,774	1,387,795	255,021	22.5%
June	1,147,892	1,264,563	116,671	10.2%
July	1,287,015	1,380,475	93,460	7.3%
August	1,313,808	1,369,409	55,601	4.2%
September	1,329,159	1,483,067	153,908	11.6%
Total	10,869,792	12,243,945	1,374,153	12.6%

When analyzing monthly sales tax receipts, there are two items of special note: First, most businesses remit their sales tax collections to the Washington State Department of Revenue on a monthly basis. Small businesses only have to remit their sales tax collections either quarterly or annually, which can create anomalies when comparing the same month between two years. Second, for those businesses which remit sales tax monthly, there is a two month lag from the time that sales tax is collected to the time it is distributed to the City.

Kirkland's sales tax base is further broken down by business district (according to geographic area), as well as "unassigned or no district" for small businesses and businesses with no physical presence in Kirkland.

Comparing to the same period last year:

Totem Lake, which accounts for 29.5 percent of the total sales tax receipts, was **up 11.5 percent** due to the continued sales growth in the automotive/gas retail sector and improvements in most retail

categories. Sixty two percent of this business district's revenue comes from the auto/gas retail sector.

NE 85th Street, which makes up 14.3 percent of the total sales tax receipts, is **up 7.7 percent**. This area's sales grew due to improving auto retail and general retail sales. These two retail sectors contribute 82.3 percent of this business district's revenue.

Downtown, which accounts for 6.5 percent of the total sales tax receipts, was **up 41.9 percent** largely due to the return of information services revenues (which were low in 2012 because of a one-time taxpayer refund that reduced the City's revenues). Factoring out this one-time event, this district would be about 15.9 percent ahead of last year. Improvements to information services and retail eating and drinking are the primary reason for the increase. Retail businesses contribute about 65 percent of this business district's revenue.

- Monthly sales tax revenues have maintained a rising trend through the third quarter of 2013 with gains over the same months in 2012 averaging 7.7 percent.
- July's revenues rose 7.3 percent year-over-year on the strength of improved performance from the auto retail, contracting, and service sectors.
- August revenues improved 4.2 percent over last year with this growth being led by of services and auto retail, which offset lower revenues in the contracting sector this month.
- September also had increased revenues, with a jump of 11.6 percent over September 2012, with the main growth coming from services, auto retail, and general/other retail.

While growth in sales from auto retail, contracting, and service businesses has contributed to the increase in sales tax revenue, it is still lower than its peak in 2007 prior to annexation. These three sectors account for \$1 million in sales tax increases over last year; on the whole, the city's sales tax revenues have grown \$1.37 million. These big three sectors have accounted for 73 percent of the sales tax growth over the last year. Because these sectors are economically sensitive, they tend to drop off more than other sectors when the economy is weak, and grow more when the economy is strong. This growth trend has been maintained so far this year and consumer confidence levels remain at consistent levels.

Carillon Point & Yarrow Bay, which account for 2.1 percent of the total sales tax receipts, were **down 0.1 percent** compared to last year. About 64.7 percent of this business district's revenue comes from retail eating/drinking and accommodations.

Houghton & Bridle Trails, which have produced 2.4 percent of the total sales tax receipts this year, were **up 4.2 percent** due to rebounding sales at eating & drinking establishments.

Juanita, which has generated 1.5 percent of the total sales tax receipts, was **down 0.4 percent** compared to 2012. This neighborhood saw decreases in revenue in most categories, but this was mostly offset by a positive trend in eating & drinking revenues.

North Juanita, Kingsgate, & Finn Hill account for 3.3 percent of the total sales tax receipts and were **up 2.9 percent** over 2012. Much of this growth came from the personal services, healthcare, and apparel and general merchandise sectors.

Year-to-date sales tax receipts by business district for 2012 and 2013 are compared in the table on the next page.

Financial Management Report as of September 30, 2013

When reviewing sales tax receipts by business district, it's important to be aware that 45.2 percent of the revenue received so far in 2013 is in the "unassigned or no district" category largely due to contracting and other revenue, which includes revenue from internet, catalog sales and other businesses located outside of the City.

City of Kirkland Sales Tax by Business District

Business District	Jan - Sept Receipts		Dollar Change	Percent Change	Percent of Total	
	2012	2013			2012	2013
Totem Lake	3,244,271	3,616,371	372,099	11.5%	29.8%	29.5%
NE 85th St	1,621,182	1,746,594	125,412	7.7%	14.9%	14.3%
Downtown	557,684	791,320	233,636	41.9%	5.1%	6.5%
Carillon Pt/Yarrow Bay	252,915	252,780	(135)	-0.1%	2.3%	2.1%
Houghton & Bridle Trails	284,404	296,293	11,889	4.2%	2.6%	2.4%
Juanita	188,829	188,115	(714)	-0.4%	1.7%	1.5%
Kingsgate	133,025	134,081	1,056	0.8%	1.2%	1.1%
North Juanita	168,262	175,050	6,788	4.0%	1.5%	1.4%
Finn Hill	69,647	72,283	2,636	3.8%	0.6%	0.6%
Unassigned or No District:						
Contracting	1,736,116	1,953,644	217,528	12.5%	16.0%	16.0%
Other	2,613,456	3,017,414	403,958	15.5%	29.3%	29.2%
Total	10,869,792	12,243,945	1,374,153	12.6%	100.0%	100.0%

Sales Tax Revenue Outlook Sales tax receipts for the third quarter of 2013 continued the upward trend in revenues for the City, but at a slower pace than in either the first or second quarters. The higher growth in year-over-year sales tax in earlier quarters was expected to slow since revenues had strengthened in the second half of 2012. Big ticket items such as auto purchases and contracting services continue to drive Kirkland's upward growth. The contracting and automotive/gas retail sectors have contributed 44.9 percent of 2013's overall sales tax gains compared to 2012. All other major sectors in the City have continued to experience growth compared to the third quarter of 2012. The broad category of "services" has posted the second strongest gains overall with a 32.4 percent increase over 2012, accounting for 27.9 percent of Kirkland's sales tax gains in 2013 over last year.

OFFICE VACANCIES:

Third quarter data is not yet available as of 10/24/13.

According to the latest report from CB Richard Ellis Real Estate Services, the Eastside office vacancy rate rose from 13.8 percent in the second quarter of 2012 to 14.7 percent in the second quarter of 2013. However, the Eastside is still the second strongest office market in the Puget Sound region, following only Downtown Seattle. Kirkland's vacancy rate was 7.6 percent, much lower than the Puget Sound average, but higher than the 7.1 percent vacancy rate in the second quarter of 2012.

Occupancy rates have gone down, but much of this trend is linked to new construction and higher rent prices for office space.

The region currently has 1,179,947 SF of office space under construction, including large projects on the Eastside and the continued expansion of Amazon near their current South Lake Union headquarters.

LODGING TAX REVENUE:

Lodging tax revenue grew compared to the third quarter of 2012, finishing the third quarter of 2013 up 11.5 percent, an increase of \$17,479.

Economic Environment Update The Washington State economy has continued to expand, adding 11,400 new jobs in the third quarter according to the October 2013 report from the Washington State Economic and Revenue Forecast Council. Locally, the construction industry has been the fastest growing employment sector, while aerospace manufacturing has declined by 200 jobs. The housing market recovery has continued with rising prices and strong permit applications. Consumer spending and sales tax revenues to the state have outperformed their forecast by nearly 1 percent. Federal fiscal policy remained favorable to borrowers in the third quarter, allowing interest rates to remain relatively low for the time being.

Consumer confidence fell slightly at the end of the third quarter, with the Conference Board's Consumer Confidence Index declining to 79.7 in September, down from 81.8 in August. Despite the drop, confidence levels have remained near the score of 80 for the past four months, and monthly variations are expected. According to The Conference Board: "While overall economic conditions appear to have moderately improved, consumers are uncertain that the momentum can be sustained in the months ahead."

U.S. unemployment for August 2013 was 7.3 percent, while Washington State reported a 6.8 percent unemployment rate. These rates are down from 8.2 percent nationally and 8.1 percent in Washington in August 2012. King County's unemployment rate was 5.1 percent in July 2013 compared to 7.5 percent in July 2012. The unemployment rate in Kirkland was lower than the County, State and Nation with the unemployment rate at 4.3 percent in July 2013, down from 6.3 percent in June 2012. Unemployment data is reported on a one month lag at the national and state levels and on a two month lag at the county and city levels.

The Western Washington Purchasing Manager Index indicated continued growth in economic activity in September 2013. The index was at 54.4, down 0.5 points from August, while this is still positive, it indicates a slowing of this year's growth trend. Index numbers less than 50 indicate a shrinking economy, while those over 50 signal an expanding economy.

Local **development activity** in terms of the valuation of the City's building permits through Sep-

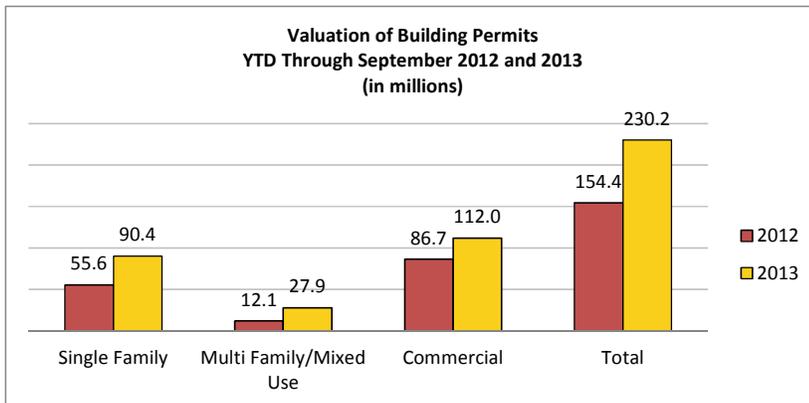
(Continued on page 8)

Economic Environment Update *continued*

tember has risen compared to last year. This is illustrated in the chart to the right. Development activity has increased across the board, with the largest increase in dollar terms coming from commercial building permits and the largest increase by percentage coming from multi-family/mixed use permits. This growth has largely come in the second and third quarters. Single family building permits have experienced strong growth and make up nearly 40 percent of the City's total building permit revenues.

Closed sales of **new and existing single-family homes** on the Eastside were up 18.2 percent in the third quarter of 2013 over last year. The median price of a single family home also increased from \$507,500 in September 2012 to \$569,000 in September 2013. Closed sales of houses across King County were up 22.3 percent, with median prices increasing from \$375,000 to \$420,000. Closed sales of condos on the Eastside increased 22.2 percent between September 2012 and September 2013. The median price of a condo on the Eastside rose from \$234,950 to \$267,500 during this time, an increase of 13.85 percent. Across King County the median price of a condo was \$229,500 in September 2013, up 6.99 percent from \$214,500 in September 2012.

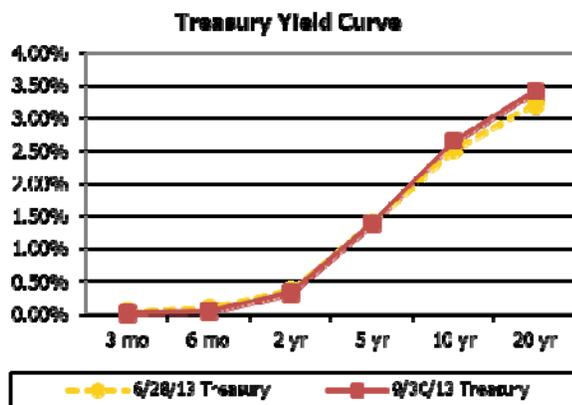
Seattle metro consumer price index (CPI) is calculated bi-monthly and the most recent index from August 2013 was 1.1 percent. This is a lower inflation rate than the CPI through August in 2012, which rose 2.5 percent. The national CPI was 1.5 percent at the end of August 2013, which is lower than the 2.1 percent average for 2012. Seattle's inflation has been mostly consistent with national trends so far this year.



Investment Report

MARKET OVERVIEW

The Fed Funds rate remained at 0.25 percent during the third quarter of 2013. The slow but steady improvement in the economic recovery continues. The yield curve changed very little at the end of the third quarter, rising slightly on the long end and dropping almost to zero on the short end.



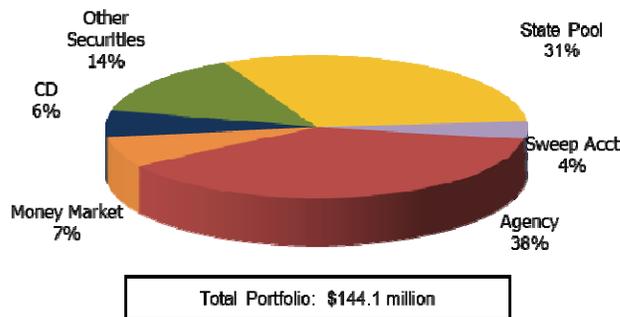
CITY PORTFOLIO

The primary objectives for the City of Kirkland's investment activities are: legality, safety, liquidity and yield. Additionally, the City diversifies its investments according to established maximum allowable exposure limits so that reliance on any one issuer will not place an undue financial burden on the City.

The City's portfolio decreased in the third quarter of 2013 to \$144.1 million compared to \$153.7 million on June 30, 2013. The decrease in the portfolio is in part related to the normal cash

flows of the third quarter, as the second half of property taxes is received at the end of October and early November. A portion of the decrease for the third quarter is due to the construction costs of the Public Safety Building which began in June.

Investments by Category



Diversification

The City's current investment portfolio is composed of Government Sponsored Enterprises (GSEs) bonds, US Agency bonds, State and Local Government bonds, the State Investment Pool, an overnight bank sweep account, a bank money market account and bank certificates of deposit. City investment procedures allow for 100% of the portfolio to be invested in U.S. Treasury or Federal Government obligations.

Financial Management Report as of September 30, 2013

2013 ECONOMIC OUTLOOK and INVESTMENT STRATEGY

The outlook for growth in the U.S. economy is weaker than that of three months ago, according to 41 forecasters surveyed by the Federal Reserve Bank of Philadelphia. The U.S. economy is expected to grow at an annual rate of 1.5 percent in 2013 and 2.6 percent in 2014. CPI inflation is expected to average 1.8 percent in 2013 and 2.0 percent in 2014. The unemployment rate is expected to average 7.5 percent in 2013 and fall to 7.1 percent in 2014. The Fed Funds rate, currently at 0.25 percent, is expected to remain at this level well into 2016.

The portfolio duration has increased as securities have matured and cash balances in the portfolio have decreased. The focus on the next 2 quarters will be purchasing shorter term securities to continue reducing the duration during this period of rising interest rates. The opportunities for increasing portfolio returns are scarce as short term interest rates continue at historically low levels. During periods of low interest rates the portfolio duration should be kept shorter with greater liquidity so that the City is in a position to be able to purchase securities with higher returns when interest rates begin to rise. The State Pool is currently at 0.12 percent and will continue to remain low as the Fed Funds rate remains at 0.00 to 0.25 percent. Total estimated investment income for 2013 is \$790,000.

Investment Report *continued*

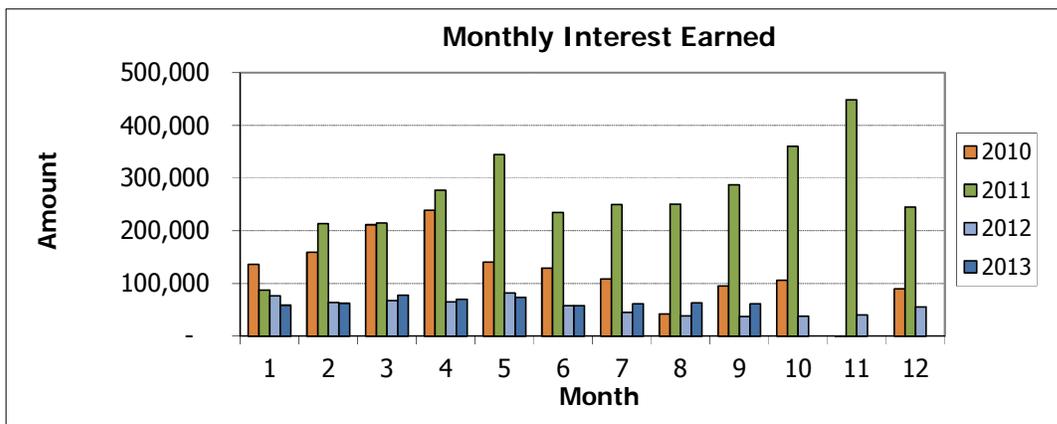
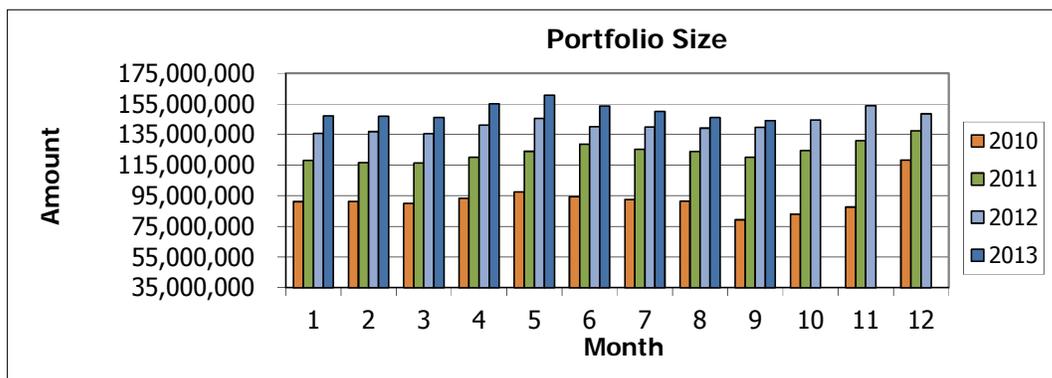
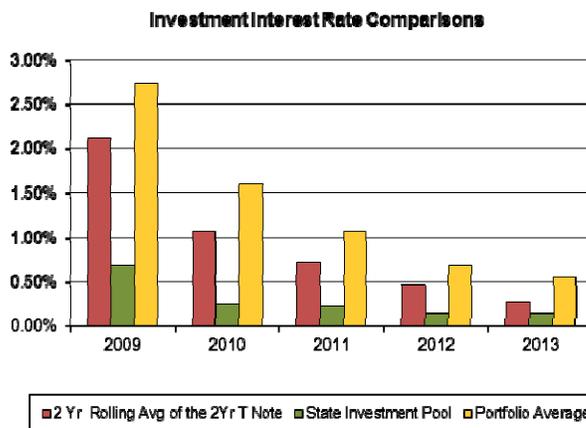
Liquidity

The target duration for the City's portfolio is based on the 0-5 year U.S. Treasury. The average maturity of the City's investment portfolio increased from 1.84 years on June 30, 2013 to 1.92 years on September 30, 2013 due to the decrease in the cash of the portfolio.

Yield

The City Portfolio yield to maturity increased from 0.52 percent on June 30, 2013 to 0.56 percent on September 30, 2013. Through September 30, 2013, the City's annual average yield to maturity was 0.58 percent. The City's portfolio benchmark is the range between the 90 day Treasury Bill and the 2 year rolling average of the 2 year Treasury Note. This benchmark is used as it is reflective of the maturity guidelines required in the Investment Policy adopted by City Council. The City's portfolio outperformed both the 90 day T Bill and the 2 year rolling average of the 2 year Treasury Note, which was 0.28 percent on September 30, 2013.

The City's practice of investing further out on the yield curve than the State Investment Pool results in earnings higher than the State Pool during declining interest rates and lower earnings than the State Pool during periods of rising interest rates. This can be seen in the adjacent graph.



Reserves are an important indicator of the City's fiscal health and effectively represent "savings accounts" that are established to meet unforeseen budgetary needs (general purpose reserves) or are dedicated to a specific purpose. The reserves are listed with their revised estimated balances as of September 30, 2013.

Reserve Analysis

General Purpose Reserves

- The **Revenue Stabilization Reserve** was used almost in its entirety during the 2009-10 biennium as part of the budget balancing strategy to address the severe economic downturn, which allowed the City to mitigate some negative impacts to services. Contributions have been made to replenish the reserves since then and with planned contributions in 2013 and 2014, the reserve is expected to be at target by the end of 2014.
- The **Building and Property Reserve** has been identified as an available funding source for facility expansion and renovation projects and a significant portion is planned to be used during the current biennium, which will bring the reserve just slightly below target.
- The **General Capital Contingency Reserve** was used to fund project cost over-runs in the previous biennium, so replenishment from General Fund 2012 year-end cash was planned in 2013.

General Capital Reserves

- Real estate activity remains strong in 2013. **Real Estate Excise Tax (REET)** collections are 37 percent ahead of the same period last year. Revenue through the third quarter are almost 150 percent of budget, so the current budgeted ending balance does not reflect actual revenue trends and will be reviewed later in the year for potential adjustment. REET 2 reserves were used in 2012 to assist in the re-payment of the loan from the utilities for the purchase of the Cross Kirkland Corridor in 2011.
- **Impact fees** are also significantly ahead of last year as the result of the high level of development activity in 2013 and ahead of budget. Transportation impact fees are 72 percent ahead of the same period last year and park impact fees are 70 percent ahead. There is minimal planned use of transportation impact fees for capital projects and no planned use of park impact fees for park capital projects in the current budget cycle except for debt related to parks. As with REET, the budgeted ending balance for Impact Fees will be reviewed at the end of 2013 for possible adjustment.

Reserves	Est. 2013 Beginning Balance	Adopted 2014 Ending Balance	Revised 2014 Ending Balance	2013-14 Target	Revised Over (Under) Target
GENERAL PURPOSE RESERVES WITH TARGETS					
General Fund Reserves:					
General Fund Contingency	50,000	50,000	50,000	50,000	0
General Oper. Reserve (Rainy Day)	2,806,513	2,806,513	2,806,513	4,219,482	(1,412,969)
Revenue Stabilization Reserve	1,231,431	2,468,068	2,468,068	2,468,068	0
Building & Property Reserve	2,137,598	571,579	571,579	600,000	(28,421)
Council Special Projects Reserve	250,000	178,372	171,372	250,000	(78,628)
Contingency	2,201,870	2,426,425	2,426,425	4,275,442	(1,849,017)
General Capital Contingency*	2,686,587	4,810,795	4,810,795	5,735,330	(924,535)
General Purpose Reserves with Targets	11,363,999	13,311,752	13,304,752	17,598,322	(4,293,570)
ALL OTHER RESERVES WITH TARGETS					
General Fund Reserves:					
Litigation Reserve	350,000	350,000	350,000	50,000	300,000
Firefighter's Pension Reserve*	1,746,298	1,484,958	1,484,958	1,568,207	(83,249)
Health Benefits Fund:					
Claims Reserve*	1,187,813	2,615,856	2,615,856	1,424,472	1,191,384
Rate Stabilization Reserve	1,000,000	1,000,000	1,000,000	500,000	500,000
Excise Tax Capital Improvement:					
REET 1**	3,477,948	4,507,512	4,210,481	1,071,000	3,139,481
REET 2**	2,284,826	2,319,112	1,952,797	2,225,500	(272,703)
Water/Sewer Operating Reserve:	2,414,471	2,414,471	2,414,471	1,979,380	435,091
Water/Sewer Debt Service Reserve:	488,200	498,591	498,591	508,717	(10,126)
Water/Sewer Capital Contingency:	1,107,600	1,107,600	1,107,600	250,000	857,600
Surface Water Operating Reserve:	706,364	706,364	706,364	412,875	293,489
Surface Water Capital Contingency:	816,480	816,480	816,480	758,400	58,080
Other Reserves with Targets	15,580,000	17,820,944	17,157,598	10,748,551	6,409,047
Reserves without Targets	35,751,424	35,847,270	35,099,316	n/a	n/a
Total Reserves	62,695,423	66,979,966	65,561,666	n/a	n/a

The target comparison reflects revised ending balances to the targets established in the budget process for those reserves with targets.

General Purpose reserves are funded from general revenue and may be used for any general government function.

All Other Reserves with Targets have restrictions for use either from the funding source or by Council-directed policy (such as the Litigation Reserve).

*Includes replenishments adopted in early April 2013 and adjustments to actual cash balances adopted in June.

**Includes replenishments adopted in early April 2013 and adjustments to actual cash balances adopted in June; does not reflect increased collections in 2013, which will be considered for budget adjustments.

The summary to the right details all Council authorized uses and additions through September 30, 2013.

USES AND ADDITIONS HIGHLIGHTS

RESERVE	AMOUNT	DESCRIPTION
2013-14 Council Authorized Uses		
2013 First Quarter Uses	\$302,000	
2013 Second Quarter Uses	\$626,319	
Real Estate Excise Tax 2 - Transp.	\$61,600	100th Avenue Bicycle Lanes
Real Estate Excise Tax 2 - Transp.	\$3,670	Lakeview School Walkroute
Real Estate Excise Tax 2 - Transp.	\$19,000	Peter Kirk Elementary Sidewalk
Facilities Sinking Fund	\$475,711	Facilities Energy Efficiency Grant Match
2013-14 Council Authorized Additions		
Surface Water Transportation Reserve	\$21,000	Central Way Pedestrian Enhancements
Surface Water Transportation Reserve	\$49,000	Peter Kirk Elementary Sidewalk

General Fund and Contingency reserves are funded from general purpose revenue and are governed by Council-adopted policies.

Special Purpose reserves reflect both restricted and dedicated revenue for specific purpose, as well as general revenue set aside for specific purposes.

General Capital Reserves provide the City the ability to respond to unexpected changes in costs and accumulate funds for future projects. It is funded from both general revenue and restricted revenue.

Utility reserves are funded from utility rates and provide the utilities with the ability to respond to unexpected costs and accumulate funds for future replacement projects.

Internal service funds are funded by charges to operating departments. They provide for the accumulation of funds for replacement of equipment, as well as the ability to respond to unexpected costs.

Reserves	Description	Est. 2013 Beginning Balance	Adopted 2014 Ending Balance	Additional Authorized Uses/Additions	Revised 2014 Ending Balance
GENERAL FUND/CONTINGENCY					
General Fund Reserves:					
General Fund Contingency	Unexpected General Fund expenditures	50,000	50,000	0	50,000
General Oper. Reserve (Rainy Day)	Unforeseen revenues/temporary events	2,806,513	2,806,513	0	2,806,513
Revenue Stabilization Reserve	Temporary revenue shortfalls	1,231,431	2,468,068	0	2,468,068
Building & Property Reserve	Property-related transactions	2,137,598	571,579	0	571,579
Council Special Projects Reserve	One-time special projects	250,000	178,372	(7,000)	171,372
Contingency	Unforeseen expenditures	2,201,870	2,426,425	0	2,426,425
Total General Fund/Contingency		8,677,412	8,500,957	(7,000)	8,493,957
SPECIAL PURPOSE RESERVES					
General Fund Reserves:					
Litigation Reserve	Outside counsel costs contingency	350,000	350,000	0	350,000
Labor Relations Reserve*	Labor negotiation costs contingency	65,348	65,348	0	65,348
Police Equipment Reserve*	Equipment funded from seized property	48,685	58,685	0	58,685
LEOFF 1 Police Reserve	Police long-term care benefits	618,079	618,079	0	618,079
Facilities Expansion Reserve	Special facilities expansions reserve	800,000	-	0	0
Development Services Reserve*	Revenue and staffing stabilization	1,004,194	1,187,020	0	1,187,020
Development Svcs. Technology Reserve	Permit system replacement	264,810	159,792	0	159,792
Tour Dock*	Dock repairs	138,892	171,392	0	171,392
Tree Ordinance*	Replacement trees program	29,717	29,717	0	29,717
Revolving/Donation Accounts*	Fees/Donations for specific purposes	451,090	537,890	0	537,890
Lodging Tax Fund*	Tourism program and facilities	240,991	221,951	0	221,951
Cemetery Improvement*	Cemetery improvements/debt service	662,614	712,174	0	712,174
Off-Street Parking	Downtown parking improvements	147,016	212,836	0	212,836
Firefighter's Pension*	Long-term care/pension benefits	1,746,298	1,484,958	0	1,484,958
Total Special Purpose Reserves		6,567,734	5,809,842	0	5,809,842
GENERAL CAPITAL RESERVES					
Excise Tax Capital Improvement:					
REET 1**	Parks/transportation/facilities projects, parks debt service	3,477,948	4,507,512	(297,031)	4,210,481
REET 2**	Transportation and other capital projects	2,284,826	2,319,112	(366,315)	1,952,797
Impact Fees					
Roads**	Transportation capacity projects	2,060,540	2,066,737	0	2,066,737
Parks**	Parks capacity projects	685,727	598,023	0	598,023
Street Improvement	Street improvements	995,958	995,958	0	995,958
General Capital Contingency*	Changes to General capital projects	2,686,587	4,810,795	0	4,810,795
Total General Capital Reserves		12,191,586	15,298,137	(663,346)	14,634,791
UTILITY RESERVES					
Water/Sewer Utility:					
Water/Sewer Operating Reserve	Operating contingency	2,414,471	2,414,471	0	2,414,471
Water/Sewer Debt Service Reserve*	Debt service reserve	488,200	498,591	0	498,591
Water/Sewer Capital Contingency	Changes to Water/Sewer capital projects	1,107,600	1,107,600	0	1,107,600
Water/Sewer Construction Reserve	Replacement/re-prioritized/new projects	9,093,871	8,228,606	0	8,228,606
Surface Water Utility:					
Surface Water Operating Reserve	Operating contingency	706,364	706,364	0	706,364
Surface Water Capital Contingency	Changes to Surface Water capital projects	816,480	816,480	0	816,480
Surface Water-Transp. Related Rsv	Replacement/re-prioritized/new projects	3,794,629	4,580,229	44,757	4,624,986
Surface Water Construction Reserve	Trans. related surface water projects	1,990,126	1,485,091	(317,000)	1,168,091
Total Utility Reserves		20,411,741	19,837,432	(272,243)	19,565,189
INTERNAL SERVICE FUND RESERVES					
Health Benefits:					
Claims Reserve*	Health benefits self insurance claims	1,187,813	2,615,856	0	2,615,856
Rate Stabilization Reserve	Rate stabilization	1,000,000	1,000,000	0	1,000,000
Equipment Rental:					
Vehicle Reserve*	Vehicle replacements	9,154,784	9,260,709	0	9,260,709
Radio Reserve	Radio replacements	7,686	7,686	0	7,686
Information Technology:					
PC Replacement Reserve*	PC equipment replacements	308,256	482,150	0	482,150
Technology Initiative Reserve	Technology projects	690,207	523,835	0	523,835
Major Systems Replacement Reserve	Major technology systems replacement	245,500	656,200	0	656,200
Facilities Maintenance:					
Operating Reserve	Unforeseen operating costs	550,000	550,000	0	550,000
Facilities Sinking Fund*	20-year facility life cycle costs	1,702,704	2,437,162	(475,711)	1,961,451
Total Internal Service Fund Reserves		14,846,950	17,533,598	(475,711)	17,057,887
Grand Total		62,695,423	66,979,966	(1,418,300)	65,561,666

*Includes replenishments adopted in early April 2013 and adjustments to actual cash balances adopted in June.

**Includes replenishments adopted in early April 2013 and adjustments to actual cash balances adopted in June; does not reflect increased collections in 2013, which will be considered for budget adjustments.



The Financial Management Report (FMR) is a high-level status report on the City's financial condition that is produced quarterly.

- It provides a **summary budget to actual and year over year comparisons** for year-to-date revenues and expenditures for all operating funds.
 - The **Sales Tax Revenue Analysis** report takes a closer look at one of the City's larger and most economically sensitive revenue sources.
 - **Economic environment** information provides a brief outlook at the key economic indicators for the Eastside and Kirkland such as office vacancies, residential housing prices/sales, development activity, inflation and unemployment.
 - The **Investment Summary** report includes a brief market overview, a snapshot of the City's investment portfolio, and the City's year-to-date investment performance.
 - The **Reserve Summary** report highlights the uses of and additions to the City's reserves in the current year as well as the projected ending reserve balance relative to each reserve's target amount.
- Tracey Dunlap, Director of Finance & Administration
 - Michael Olson, Deputy Director of Finance & Administration
 - Sri Krishnan, Financial Planning Manager
 - Neil Kruse, Senior Financial Analyst
 - Kyle Butler, Budget Analyst
 - George Dugdale, Budget Analyst



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Economic Environment Update References:

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- Quarterly Economic & Revenue Publication, September 2013—Washington State Economic & Revenue Forecast Council
- CB Richard Ellis Real Estate Services, Market View Puget Sound, Second Quarter 2013
- Northwest Multiple Listing Service
- U.S. Bureau of Labor Statistics
- Washington State Employment Security Department
- Washington State Department of Revenue
- Washington State Department of Labor & Industries
- City of Kirkland Building Division
- City of Kirkland Finance & Administration Department

September 2013 Financial Dashboard Highlights

October 16, 2013

- The dashboard report reflects the 2013 share of the biennial budget adopted by the City Council on December 11, 2012, as amended on April 2, 2013 and June 18, 2013. The actual revenues and expenditures summarized in the dashboard reflect nine months of data, or 75 percent of the calendar year.
- Total General Fund revenues received through September were at 76.2 percent of budget; at this time last year 2012 receipts were at 70.26 percent of budget.
 - Some large portions of General Fund revenues are received only periodically, including property tax (which is mostly received in April/May and October/November) and King County's semi-annual Emergency Medical Services (EMS) payments. The second half EMS payment and the second half property taxes are not yet reflected in General Fund revenues.
 - Utility tax receipts were 75 percent at the end of September. This number does not include the \$135,700 received through a utility tax audit carried out in 2013, which is being set aside against pending refund claims. In 2012, these revenues were at 72.67 percent of budget through September.
 - Sales tax revenues at the end of September were at 83.6 percent of budget. Year-to-date sales tax revenue is up 12.6 percent in dollar terms compared to year-to-date through September last year, an increase of \$1.37 million. This increase has been largely due to improved performance in the service, contracting, and auto/gas retail sectors. The year to date sales tax revenue reflects activity from November, 2012 through July, 2013 due to the two month lag from sales tax collection to Kirkland's receipt of the funds from the Department of Revenue.
 - Business license revenues through September are at 81 percent of budget; this is a similar position as last September, when business license revenues were also at 81 percent of budget.
 - Development fees in September exceeded the budget for the full year and finished the month at 136.6 percent of annual budget. Note that a significant portion of these revenues will be set aside for work that will occur in subsequent years and used for additional overtime and staffing to help process the development activity. Development activities and revenues are volatile and can increase or decrease significantly as market conditions change. Revenue predictions for 2014 assume that the rate of change will slow in 2014, a trend that has started in 2013.
 - Gas taxes were slightly below target at 73.1 percent of budget through the end of September. This is slightly higher than last year when gas tax was at 71.22 percent of budget through September. In dollar terms, the total gas tax collected is up \$26,700 compared to last September.
- Total General Fund expenditures were under budget at 67.3 percent through September, or three quarters of the way through the year.
 - General fund salaries and benefits are under budget at 72 percent at the end of September.
 - Contract jail costs are below budget expectations at 37.3 percent of budget. Most of the savings are due to the use of lower-cost electronic home detention and other sentencing measures as alternatives to jail time. Note that these under expenditures may be used to help with expenditures related to the Public Safety Building starting in 2014.
 - Fire suppression overtime is slightly over budget at 78.2 percent. The year-to-date spending is also slightly over 2012 when 75.93 percent of the overtime budget had been used through September. The 2013 one-time service package for \$253,230 of additional overtime funding to staff Fire Station #24 is shown separately on the Dashboard. Staffing at Station #24 began in September with 696 hours of staffing, costing an estimated 13.7 percent of budget, or \$34,700.
 - Fuel costs are under budget expectation at 57.3 percent of budget as of the end of September.

Attachments: September Dashboard

Development Services Report

10/16/2013

City of Kirkland Budget Dashboard

Annual Budget Status as of **9/30/2013** (Note 1)
Percent of Year Complete **75.00%**

	2013 Budget	Year-to-Date Actual	% Received/ % Expended	Status		Notes
				Current Report	Last Report	
General Fund						
Total Revenues (2)	76,087,621	57,980,185	76.2%			
Total Expenditures	83,626,705	56,289,519	67.3%			

Key Indicators (All Funds)

<i>Revenues</i>						
Sales Tax	14,638,962	12,243,945	83.6%			Prior YTD = \$10,869,792
Utility Taxes	14,618,866	10,961,655	75.0%			Excludes \$135,743 recovered through utility tax audit
Business License Fees	2,824,117	2,288,718	81.0%			
Development Fees	4,300,656	5,588,438	129.9%			
Gas Tax	1,696,178	1,240,679	73.1%			
<i>Expenditures</i>						
GF Salaries/Benefits	52,680,752	37,925,465	72.0%			Excludes Fire Suppression Overtime
Fire Suppression Overtime	677,895	530,398	78.2%			Excludes FS 24 Overtime
F.S. #24 Overtime Staffing	253,230	34,696	13.7%			
Contract Jail Costs	1,611,741	601,586	37.3%			
Fuel Costs	794,758	485,026	61.0%			

Status Key

Revenue is higher than expected or expenditure is lower than expected

Revenue/expenditure is within expected range

WATCH - Revenue/expenditure outside expected range



Note 1 - Report shows annual values during the first year of the biennium (2013).

Note 2 - Total budgeted expenditures in 2013 and 2014 exceed budgeted revenues due to planned use of reserves (ex: funding of CIP sinking fund reserves and use of Building and Property Reserve).

n/a - not applicable

Development Services Report – September 2013

Development Services is comprised of the Fire and Building, Public Works and Planning Departments. The Building Department reports on all building construction related permits including electrical, mechanical and plumbing trade permits, signs and grading permits. Fire permits are not reported on since they are tracked separately from the Building Department budget. Public Works Department revenue is generated from infrastructure improvement permits and Planning Department revenue is the result of land use permits. A review of the September, 2013 permit data allows us to offer the following:

- The September, 2013 Building Permit related statistics continue the upward trend that we witnessed throughout 2012. New single-family residential permit applications for September were up with 24 applications received compared to 12 last year. So far this year we have received 263 applications compared to 159 last year which is a 65% increase in new single-family permit activity. In contrast, commercial tenant improvement permits and single-family remodel permits were flat with 33 applications received compared to 33 last September.
- The monthly average of total building related permits received so far this year (466) continues to exceed the monthly average for 2012 (451), with the total number of permits received in September (451) exceeding September 2012 (359) by 26%.
- Building Department revenue for September was \$300,655 which is 11% of our budgeted \$2,822,576 and 128% of the average monthly projected revenue of \$235,215. Year to date revenue of \$3,335,997 is ahead by \$1,219,065 (118% of the budgeted annual revenue has been collected). The Building Department recently hired a Permit Technician and a Plans Examiner and has made several additional service package requests to meet this on-going permit demand.
- Public Works Department development revenue for September, 2013 was \$105,930 which is \$36,941 more than the average monthly projected revenue of \$68,989 and year-to-date revenue is ahead by \$1,006,802 (197% of the budgeted annual revenue has been collected). The permit activity continues to exceed our workload capacity and permit review times for large projects have fallen below our target review times. Public Works is in the process of hiring a Temporary Development Engineer to assist with permit review services.
- Planning Department revenue for September, 2013 was \$67,787 which is \$13,603 above our adjusted monthly projected revenue average of \$54,184 for 2013. Year-to-date revenue is ahead by \$66,331 (85% of the budgeted annual revenue has been collected).



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

To: Kurt Triplett, City Manager

From: Tracey Dunlap, Director of Finance & Administration
 George Dugdale, Budget Analyst

Date: October 15, 2013

Subject: September Sales Tax Revenue Analysis

September sales tax revenue is **up 11.6 percent** over September 2012. **Year-to-date** revenue is **up 12.6 percent** compared to the same period last year. Sales tax revenue from the service, contracting, and retail sectors has increased substantially, with positive growth in all major sectors. The sales tax revenue received in September comes from July sales.

Comparing September 2013 sales tax collections to September 2012 indicates that revenues remain higher in many categories with the percentage year to year increase being higher than at any point since May:

- The **services** sector is **up 33.3 percent** over September 2012, or about \$46,633. This is substantially higher than the increase between August 2013 and August 2012, with particularly strong growth seen in healthcare, up 137 percent or \$12,600.
- The **retail** sectors are collectively **up 9.8 percent** compared to the same month in 2012, which translates to around \$79,400 in growth over last September. This is slightly lower than the growth seen last month compared to August 2012 as strong growth in auto/gas retail was offset by weaker growth in retail eating/drinking and other retail.
 - **Auto/gas retail's** receipts **increased 13.5 percent** over last September, totaling growth of about \$43,200.
 - **Other retail** performance is **up 10.9 percent** or about \$17,700 compared to September 2012.
 - The **retail eating/drinking** sector is **up 3.6 percent** versus September 2012, an increase of \$4,100. This is down from the 9.8 percent increase between August 2013 and August 2012, due to a fall in receipts from some major restaurants.
 - The **General merchandise/miscellaneous retail** sector is **up 6.9 percent** over September 2012 or about \$14,338 due to increased receipts from major retailers.
- The **miscellaneous** sector is **up 25.7 percent** from September 2012 or about \$17,000, largely because of a refund paid to a business last year.
- The **communications** sector is **up 6.3 percent** or about \$2,600.
- **Contracting** for September 2013 was **up 5.2 percent** compared to September 2012, or about \$11,000. This is a return to growth for the sector following two months which were lower than the same period in 2012.
- **Wholesale** is **down 4.4 percent** compared to September 2012, about \$2,700. This is the first time this year that the sector has been down compared with the same month last year.

City of Kirkland Actual Monthly Sales Tax Receipts

Business Sector Group	September		Dollar Change	Percent Change	Percent of Total	
	2012	2013			2012	2013
Services	140,146	186,779	46,633	33.3%	10.5%	12.6%
Contracting	213,242	224,231	10,989	5.2%	16.0%	15.1%
Communications	41,273	43,883	2,610	6.3%	3.1%	3.0%
Auto/Gas Retail	320,211	363,402	43,191	13.5%	24.1%	24.5%
Gen Merch/Misc Retail	208,717	223,055	14,338	6.9%	15.7%	15.0%
Retail Eating/Drinking	115,615	119,733	4,118	3.6%	8.7%	8.1%
Other Retail	162,039	179,777	17,738	10.9%	12.2%	12.1%
Wholesale	61,750	59,027	(2,723)	-4.4%	4.6%	4.0%
Miscellaneous	66,166	83,179	17,013	25.7%	5.1%	5.6%
Total	1,329,159	1,483,066	153,907	11.6%	100.0%	100.0%

Year-to-date business sector review:

The 12.6 percent growth in year to date sales tax revenue is concentrated in three sectors, services, contracting and auto/gas retail, with car sales making up the largest single increase. Car sales are up \$389,000 over 2012. All three of these sectors are volatile and saw large declines during the recession:

- The **services** sector is **up 32.4 percent** compared to 2012, the largest percentage growth of any sector in the City. This growth is widely spread across arts & entertainment, healthcare, publishing, information, internet, and broadcasting. The growth is skewed because of a large sales tax refund to a business in May 2012; however, even when that amount is factored out, the services sector is still up 21.7 percent over last year.
- Gains in **contracting** sales tax remain higher than in 2012, although the size of the increase has fallen from 19.3 percent in July 2013 to being **up 12.5 percent** in September 2013.
- **Retail** sales tax revenue is collectively **up 10.7 percent** compared to last year.
 - The **auto/gas retail** sector is **up 15.0 percent** compared to 2012 due to the addition of one new dealership and improved revenues at the established dealerships. This sector has posted gains for twenty three consecutive months and has the largest growth in dollar amount of any sector (\$398,900).
 - **General merchandise/miscellaneous retail** sales taxes are **up 8.2 percent** from increased revenues across the sector, led by two large retailers.
 - **Retail eating/drinking** sales tax revenue is **up 6.9 percent** compared to 2012. Revenue increases can be attributed to many established restaurants posting improved sales along with a net increase in the total number of restaurants in the City.
 - **Other retail** is **up 7.8 percent** compared to last year due to positive performance in most categories particularly non-store retailers, which continue to increase in size. However, there has been a decline in food and beverage store sales.
- The **miscellaneous** sector is **up 9.1 percent** compared to last year due to higher revenues from the finance and utilities categories.
- **Wholesale** is **up 3.1 percent** compared to last year.
- The **communications** sector has also grown slightly compared to last year, **up 2.2 percent**.

City of Kirkland Actual Sales Tax Receipts

Business Sector Group	January-September		Dollar Change	Percent Change	Percent of Total		Percent of Change
	2012	2013			2012	2013	
Services	1,184,874	1,568,898	384,024	32.4%	10.9%	12.8%	27.9%
Contracting	1,737,961	1,955,530	217,569	12.5%	16.0%	16.0%	15.8%
Communications	330,465	337,886	7,421	2.2%	3.0%	2.8%	0.5%
Auto/Gas Retail	2,661,641	3,060,550	398,909	15.0%	24.5%	25.0%	29.0%
Gen Merch/Misc Retail	1,406,857	1,522,248	115,391	8.2%	12.9%	12.4%	8.4%
Retail Eating/Drinking	937,774	1,002,622	64,848	6.9%	8.6%	8.2%	4.7%
Other Retail	1,468,917	1,584,154	115,237	7.8%	13.5%	12.9%	8.4%
Wholesale	551,757	569,045	17,288	3.1%	5.1%	4.6%	1.3%
Miscellaneous	589,546	643,012	53,466	9.1%	5.4%	5.3%	3.9%
Total	10,869,792	12,243,945	1,374,153	12.6%	100.0%	100.0%	100.0%

National and State Context

Consumer confidence, which increased in August to 81.8 fell to 79.7 at the end of September. According to Lynn Franco of the Conference Board, "Consumer Confidence decreased in September as concerns about the short-term outlook for both jobs and earnings resurfaced, while expectations for future business conditions were little changed. Consumers' assessment of current business and labor market conditions, however, was more positive. While overall economic conditions appear to have moderately improved, consumers are uncertain that the momentum can be sustained in the months ahead." Slight fluctuations in consumer confidence have been the pattern throughout the summer as scores have remained between 82 and 79. This followed a rise in consumer confidence during the first half of the year as consumers moved past earlier fears about the debt ceiling and federal government closure. It remains to be seen what the reemergence of these factors does to consumer confidence through fall 2013.

National and state unemployment data is reported by the Bureau of Labor Statistics (BLS) on a one month lag, and according to the BLS' preliminary August 2013 data, Washington State's unemployment rate has increased slightly from 6.9 percent in July to 7.0 percent in August while the national rate has fallen from 7.4 percent in July to 7.3 percent in August. The most recent local unemployment data is from July which showed that King County's unemployment rate was unchanged at 5.1 percent. The City of Kirkland's unemployment was revised to 4.3 percent in June and July. August data is not yet available for local unemployment and is currently not being updated due to the federal government shutdown. It should be noted that unemployment data for Kirkland does not currently include the recently annexed neighborhoods. Staff has been in contact with BLS and they will be including the new neighborhoods in their Kirkland data as of early 2015.

The Washington State Economic Forecast Council (WSEFC) released their quarterly forecast in September and reported good growth in the Washington job market with 11,200 jobs added since June, 200 more than expected. These jobs were almost all in private service-providing sectors including 3,900 in trade, transportation and utilities. There was a net addition of 2,200 jobs in the construction sector, which has become the fastest growing sector in the state. This trend is reflected in the City's sales tax data.

State-wide housing construction experienced a sharp drop in the second quarter of 2013 after a sustained rapid rise through 2012 and the first quarter of 2013. This was due to a decline in the number of multi-family units authorized from 17,200 in the first quarter to 8,500 in the second. Preliminary data for the third quarter suggests little change from the second quarter declines. In spite of this market correction, WSEFC believes the overall outlook for the housing market in Washington remains positive, particularly as the number of permits for single-family units continues to grow. Permits for single-family

units were up from 18,900 in the first quarter of 2013 to 19,200 in the second. House prices have also continued to rise in Washington State and have risen for 17 consecutive months in the Seattle metro area. Even with these, gains Seattle area home prices are 18.1 percent lower than their 2007 peak.

After a decline in April and May, light vehicle registrations rebounded through the summer months, reaching a four year high of 279,800 in August. The Institute of Supply Management's – Western Washington Index (WWI) continues to suggest there will be sustained moderate growth in the manufacturing sector. The August 2013 WWI was 55.7, higher than in July 2013 and above 50, the number which indicates positive growth.

Inflation in the Seattle area has remained low in 2013 and close to the national rate, and the WSEFC predicts this trend will continue through the rest of the year. In August 2013, the Seattle CPI-W was 1.1 percent. The core index, which excludes food and energy, increased 1.3 percent over the year, compared to 1.8 percent for the nation. National average gas prices have fallen from \$3.64 per gallon at the end of July to \$3.57 per gallon at the end of August.

Conclusion

Sales tax revenues continued their upward trend in September, and the rate of growth also increased following three months of decreasing gains. However, the trend is still slower than in the first half of the year. In May 2013, year to date sales tax receipts had grown 16.5 percent, and at the end of September this has pulled back to 12.6 percent. Year-to-date growth has been maintained in every major sales sector in Kirkland, however, most of this growth, 72.8 percent, has been in three sectors: services, contracting, and automotive/gas sales, which are historically volatile, meaning the growth seen so far in 2013 should be viewed with caution.

As a reminder, the City uses the one-year "lag" method when budgeting for expected sales tax revenue, meaning that the 2013 budget is based off of estimates for 2012 tax revenue. When comparing actual 2013 revenues with budgeted revenues, please be aware that budgeted revenues are conservative figures and that actual 2013 revenues are expected to exceed budgeted amounts, which has been the case so far this year.

STATUS OF KEY RECOMMENDATIONS BY GOAL AREA

The 2013-2014 Budget included funded service packages, key policy recommendations, and major capital investments which were presented within the context of the City Council goal areas they primarily supported. The following tables provide the current status on the progress made to date under each of the goal areas.

 <p>NEIGHBORHOODS</p> <p><i>The citizens of Kirkland experience a high quality of life in their neighborhoods.</i></p> <p>Goal: Achieve active neighborhood participation and a high degree of satisfaction with neighborhood character, services and infrastructure.</p>	
Goals	Status
<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • Installed 14 Rectangular Rapid Flash Beacons (RRFB) on school routes with Proposition 1 Streets Levy - \$600,000 • Filled 0.5 FTE CIP outreach position to enhance communication about projects • Updating Growth Management Act (GMA) Comprehensive Plan and Environmental Impact Statement (EIS) – on schedule and had successful open house • Established opportunity funds for improvements in the new neighborhoods for sidewalks and pedestrian safety – consultant reports being reviewed for potential projects

 <p>PUBLIC SAFETY</p> <p><i>Ensure that all those who live, work and play in Kirkland are safe.</i></p> <p>Goal: Provide for public safety through a community-based approach that focuses on prevention of problems and a timely response.</p>	
Goals	Status
<ul style="list-style-type: none"> • Completing the Public Safety Building CIP project (\$27.4 million in 2013-2014) • Commencing operation of the Public Safety Building (One-time and Ongoing) <ul style="list-style-type: none"> ○ 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 	<ul style="list-style-type: none"> • Construction of the Public Safety Building is in progress with an estimated completion date mid-year 2014 <p style="font-size: 2em; margin-left: 10px;">}</p> <ul style="list-style-type: none"> • Public Safety Building operation-related costs are anticipated to occur in 2014

<ul style="list-style-type: none"> • Police Strategic Plan, \$100,000 • Establish Police equipment sinking fund, \$250,000 one-time and \$250,000 ongoing • Municipal Court Security, \$86,076 • Fire Strategic Plan implementation actions: <ul style="list-style-type: none"> ○ Finn Hill Fire Station Staffing (50% of 12-hour aid car coverage), \$649,130 one-time <i>[This funding is an opportunity fund to create an initial partnership with Northshore Fire District. The staffing is not likely to be financially sustainable beyond 2014 without a strong economic recovery or some sort of voter approved revenue.]</i> ○ 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 • 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) 	<ul style="list-style-type: none"> • The Police Strategic Plan process is scheduled to begin in 2014 • The Police equipment sinking fund has been established and is expected to be further refined as part of the 2015-2016 budget development process • Municipal Court Security cost is included in the current biennium • Action items related to the implementation of the Fire Strategic Plan: <ul style="list-style-type: none"> ○ Staffing to serve the Finn Hill area using overtime began in August 2013 at Station 25 ○ The department has hired a consultant to update the Policy & Procedure Manual ○ The City Emergency Manager position was filled on a temporary basis during part of 2013 and is expected to be filled on an on-going basis early in 2014 ○ The Senior Financial Analyst was hired in early 2013 ○ The Administrative Assistant has been reclassified to Administrative Supervisor • Fire Records Specialist to support the EMS transport fee program is in place for 2013 • The City has undertaken the public outreach process-related to the Consolidated Fire Station CIP Project
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<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • Fire equipment CIP has been updated to include hose replacement costs in 2013-2014 • The Fire equipment sinking fund has been established and is expected to be further refined as part of the 2015-2016 budget development process • The 2013 EMS Transport Fee was increased by the inflation factor and the 2014 fee is scheduled to be increased as well by 1.4%
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 <p>HUMAN SERVICES</p>	<p><i>Kirkland is a diverse and inclusive community that respects and welcomes everyone and is concerned for the welfare of all.</i></p> <p>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.</p>	
	Goals	Status
<ul style="list-style-type: none"> • Maintained on-going funding levels for human service agencies at \$1.3 million • Continued staffing for participation in regional human services initiatives 	<ul style="list-style-type: none"> • The on-going funding levels for human service agencies and staffing for participation in regional human services initiatives are in place and have been effective to date 	

 <p>BALANCED TRANSPORTATION</p>	<p><i>Kirkland values an integrated multi-modal system of transportation choices.</i></p> <p>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.</p>	
	Goals	Status
<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • Progress has been made on the funded Non-motorized Transportation CIP projects including the Cross Kirkland Corridor, where the rails have now been removed • Permit revenues are fully able to support the Transportation Engineer position • The Transportation Engineer - Traffic Signal Operations has been filled 	

<ul style="list-style-type: none"> • Intelligent Transportation System (ITS) Software Support, \$50,000 – Ongoing cost of ITS system • 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 	<ul style="list-style-type: none"> • Updates to the Transportation CIP projects were presented to Council in September and the revised 2013-2018 CIP will be brought forward for Council adoption in December along with the mid-biennial budget adjustments.
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<div style="display: flex; align-items: center;">  <div> <p><i>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.</i></p> <p>Goal: To provide and maintain natural areas and recreational facilities and opportunities that enhance the health and well being of the community.</p> </div> </div>	
Goals	Status
<ul style="list-style-type: none"> • Parks CIP projects totaling \$3.6 million in 2013-2014, including \$2 million from the Proposition 2 Parks Levy (if passed) • Parks Operations and Maintenance (REET Funded) - \$299,928 <ul style="list-style-type: none"> ○ 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 • Ongoing Parks Operations & Maintenance service levels funded from the Proposition 2 Parks Levy (if passed) <ul style="list-style-type: none"> ○ 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) 	<ul style="list-style-type: none"> • Approximately \$2.3 million per year in Proposition 2 Parks Levy funding has been programmed in to the operating and capital budgets in 2013 and 2014 • REET funded Parks Operations and Maintenance have been implemented in 2013 • The following Parks Operations & Maintenance service levels were funded from the Proposition 2 Parks Levy: <ul style="list-style-type: none"> ○ Restore Maintenance and Operations, 2.5 FTE ○ Additional lifeguards added in 2013 ○ 3.0 FTE added for Green Kirkland (Forest Restoration) ○ OO Denny Park Maintenance has been implemented ○ Edith Moulton Park Renovation is in master planning phase

<ul style="list-style-type: none"> ○ City-School Partnership Projects, \$5,960 (O&M only) ○ Cross Kirkland Corridor Trail Maintenance, 0.75 FTE, \$197,669 ● Boat Launch Pay Station, \$19,500 (\$3,000 – Ongoing) ● Kirkland Performance Center one-time funding, \$68,000 	<ul style="list-style-type: none"> ○ City-School Partnership Projects funded in 2017-18 (O&M only) ○ Cross Kirkland Corridor Trail Maintenance, 0.75 FTE ● Boat Launch Pay Station has not been installed due to public feedback against it ● The Kirkland Performance Center received one-time funding of \$34,000 in 2013 and is scheduled to receive another \$34,000 next year
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 HOUSING	<p><i>The City's housing stock meets the needs of a diverse community by providing a wide range of types, styles, size and affordability.</i></p> <p>Goal: To ensure the construction and preservation of housing stock that meets a diverse range of incomes and needs.</p>
Goals	Status
<ul style="list-style-type: none"> ● 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 	<ul style="list-style-type: none"> ● The adopted 2013-2014 Budget includes increased funding for ARCH and continued support of affordable housing projects in the City

 FINANCIAL STABILITY	<p><i>Citizens of Kirkland enjoy high quality services that meet the community's priorities.</i></p> <p>Goal: Provide a sustainable level of core services that are funded from predictable revenue.</p>
Goals	Status
<ul style="list-style-type: none"> ● No basic operations funded by one-time revenues ● Incorporating a component into the on-going budget for replenishment based on 1% of the General Fund budget ● Restoring the revenue stabilization reserve to 100% of target 	<p>The adopted 2013-2014 Budget includes:</p> <ul style="list-style-type: none"> ● No basic operations funded by one-time revenues ● On-going budget for reserve replenishment based on 1% of the General Fund budget ● Revenue stabilization reserve at 100% of target

<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • Sinking funds for Public Safety and Information Technology equipment • New on-going revenue was secured from the passage of Propositions 1 and 2 in November 2012 • The City is in the process of signing a contract for the purchase of a performance management tool and related professional services
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	<p><i>We are committed to the protection of the natural environment through an integrated natural resource management system.</i></p>	
	<p>Goal: To protect and enhance our natural environment for current residents and future generations.</p>	
<p style="text-align: center;">Goals</p>	<p style="text-align: center;">Status</p>	
<ul style="list-style-type: none"> • Establish adequate rates to support the needs of the Sewer, Surface Water, and Solid Waste utilities, resulting in: <ul style="list-style-type: none"> ○ 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 • 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 	<ul style="list-style-type: none"> • The adopted 2013-2014 Budget established adequate rates to support the needs of the Sewer, Surface Water, and Solid Waste utilities • Utility CIP projects in 2013-2014 are adequately funded. Revisions to the CIP will be brought forward for adoption in December • Rain Garden Program has been implemented • Maintenance Center administrative support is being evaluated prior to this position being filled 	

<ul style="list-style-type: none"> • Surface Water Equipment, \$79,966 (\$18,880 – Ongoing) • Ongoing funding for the Green Kirkland program through the Proposition 2 Parks Levy (if passed) 	<ul style="list-style-type: none"> • Surface Water Equipment is adequately funded • The Proposition 2 Parks Levy funding was used to fund the Green Kirkland program on an ongoing basis
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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.

Goals	Status
<ul style="list-style-type: none"> • Continued implementation of the Totem Lake Action Plan, including: <ul style="list-style-type: none"> ○ 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 • As part of the tax and regulatory review to remove barriers to new businesses: <ul style="list-style-type: none"> ○ 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 • Continued 85th Street Corridor capital investments (\$2.4 million in 2013-2014) • Lodging tax funding for special events, \$50,000 for 2013 	<ul style="list-style-type: none"> • Totem Lake Action Plan: <ul style="list-style-type: none"> ○ Market Study of Totem Lake in progress ○ Surface water capital projects in the Totem Lake Area designed to address flooding and surface water control are currently underway and are expected to be completed by 2014 ○ Funds for 120th Ave Project are obligated; contract will be advertised in November 2013 for project completion in 2014 • The suspension of impact fee for change of use and waiver of the per FTE revenue generating regulatory license fee for new small businesses in the first year of operation remain in place • Additional funding is being pursued for the completion of the 85th Street Corridor capital investments as presented to Council on July 2, 2013. The revised 2013-2018 CIP included potential external sources in the funding matrix to complete these investments • Lodging tax funds were used to market special events in 2013

<ul style="list-style-type: none"> • 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 • Ongoing Cultural Arts Commission support - \$30,000 	<ul style="list-style-type: none"> • The development fee and impact fee studies are scheduled for 2014 • The Kirkland Business Roundtable has contributed to the discussion on the Cross Kirkland Corridor and Kirkland 2035 • The Cultural Arts Commission supported by the City with 5 hours/wk of special events coordinator time in 2013
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 <p>DEPENDABLE INFRASTRUCTURE</p>	
<p><i>Kirkland has a well-maintained and sustainable infrastructure that meets the functional needs of the community.</i></p> <p>Goal: To maintain levels of service commensurate with growing community requirements at optimum life-cycle costs.</p>	
Goals	Status
<ul style="list-style-type: none"> • 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 Best Practices Study & Retrofit (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) 	<ul style="list-style-type: none"> • The adopted 2013-2014 Budget established adequate rates to support the needs of the Water utility • Revisions to the CIP will be brought forward for adoption in December • Right-of-way Construction Inspector funded from ongoing ROW permit fees has been hired • REET funded operations and maintenance activities have been implemented, the majority of the work is during spring and summer months. Median Maintenance best practices & retrofit scheduled to begin in 2014 • Ongoing funding for Street Overlay was increased through the successful passage of Proposition 1 - Streets Levy

**City of Kirkland
2013 Mid-Bi Budget Review
2014 Service Package Requests**

Pkg. #		2014 Department Request				2014 City Manager Recommended				Funding Source							Total Funding Sources
		FTE	Ongoing	One-time	Total	FTE	Ongoing	One-time	Total	Available Fund Balance	External Source	Expenditure Offset	Fees/Charges	REET	CIP	Reserves	
GENERAL FUND																	
City Manager's Office																	
010CM01	Pet License Marketing	-	-	4,434	4,434	-	-	4,434	4,434	-	-	-	4,434	-	-	-	4,434
City Manager's Office		-	-	4,434	4,434	-	-	4,434	4,434	-	-	-	4,434	-	-	-	4,434
Human Resources																	
010HR01	Health Benefits Education & Analysis	-	-	120,000	120,000	-	-	120,000	120,000	-	-	-	-	-	-	120,000	120,000
Human Resources		-	-	120,000	120,000	-	-	120,000	120,000	-	-	-	-	-	-	120,000	120,000
Parks																	
010PK01	Aquatic Facility Study	-	-	215,000	215,000	-	-	215,000	215,000	215,000	-	-	-	-	-	-	215,000
010PK02	Wood Chipper	-	6,984	61,350	68,334	-	6,984	61,350	68,334	-	-	-	6,984	61,350	-	-	68,334
Subtotal Parks		-	6,984	276,350	283,334	-	6,984	276,350	283,334	215,000	-	-	6,984	61,350	-	-	283,334
Public Works																	
010PW01	On-Going Construction Inspector	1.00	115,390	35,992	151,382	1.00	115,390	35,992	151,382	-	-	-	151,382	-	-	-	151,382
010PW02	Temporary Development Engineer	-	-	122,386	122,386	-	-	122,386	122,386	-	-	-	122,386	-	-	-	122,386
010PW03	Development Engineering On-Call Funding	-	-	20,002	20,002	-	-	20,002	20,002	-	-	-	20,002	-	-	-	20,002
010PW04	Increase in Overtime Funding	-	-	5,000	5,000	-	-	5,000	5,000	-	-	-	5,000	-	-	-	5,000
010PW05	Outside Transportation Consultant Plan Review	-	-	25,000	25,000	-	-	25,000	25,000	-	-	-	25,000	-	-	-	25,000
010PW06	Development Services Web Page Redesign	-	-	100,000	100,000	-	-	100,000	100,000	-	-	-	100,000	-	-	-	100,000
010PW07	Temporary CIP Outreach Coordinator	-	-	62,373	62,373	-	-	62,373	62,373	-	-	-	-	-	62,373	-	62,373
Subtotal Public Works		1.00	115,390	370,753	486,143	1.00	115,390	370,753	486,143	-	-	-	423,770	-	-	62,373	486,143
Finance & Administration																	
010FA01	Additional 1.0 FTE Utility Billing Staff	1.00	77,968	4,531	82,499	1.00	77,968	4,531	82,499	-	-	-	8,550	73,949	-	-	82,499
010FA02	City Clerk Public Records Analyst	1.00	90,151	4,531	94,682	-	-	87,901	87,901	87,901	-	-	-	-	-	-	87,901
Subtotal Finance & Administration		2.00	168,119	9,062	177,181	1.00	77,968	92,432	170,400	87,901	-	-	8,550	73,949	-	-	170,400
Planning & Community Development																	
010PL01	Comp Plan Update (Environ. Impact Stmt)	-	-	169,479	169,479	-	-	150,000	150,000	150,000	-	-	-	-	-	-	150,000
010PL02	Assistant Planner Overtime	-	-	20,492	20,492	-	-	20,492	20,492	-	-	-	20,492	-	-	-	20,492
010PL03	Additional Professional Services	-	-	42,000	42,000	-	-	42,000	42,000	-	-	-	42,000	-	-	-	42,000
010PL04	Zoning Code "Charts to Tables" Streamlining Proj.	-	-	25,000	25,000	-	-	25,000	25,000	25,000	-	-	-	-	-	-	25,000
Subtotal Planning & Community Development		-	-	256,971	256,971	-	-	237,492	237,492	175,000	-	-	62,492	-	-	-	237,492
Police																	
010PD01	Police Support Associate (Recommended 0.75 FTE)	1.00	89,151	12,600	101,751	-	-	79,463.25	79,463	79,463	-	-	-	-	-	-	79,463
Subtotal Police		1.00	89,151	12,600	101,751	-	-	79,463	79,463	79,463	-	-	-	-	-	-	79,463
Fire & Building																	
010FB01	Building Services Analyst	1.00	119,941	4,439	124,380	1.00	119,941	4,439	124,380	-	-	-	124,380	-	-	-	124,380
010FB02	Building Administrative Assistant	1.00	103,603	4,887	108,490	-	-	-	-	-	-	-	-	-	-	-	-
010FB03	Electrical Building Inspector	1.00	129,449	32,535	161,984	1.00	129,449	32,535	161,984	-	-	-	161,984	-	-	-	161,984
010FB04	Temporary Building Inspector	-	-	109,386	109,386	-	-	109,386	109,386	-	-	-	109,386	-	-	-	109,386
010FB05	Overhead Projector for Rose Hill Room	-	-	10,039	10,039	-	-	10,039	10,039	-	-	-	10,039	-	-	-	10,039
010FB06	Building - On-call Hours	-	-	57,244	57,244	-	-	57,244	57,244	-	-	-	57,244	-	-	-	57,244
010FB07	Building - Increase Overtime Hours	-	-	45,000	45,000	-	-	45,000	45,000	-	-	-	45,000	-	-	-	45,000
010FB08	MSA - Medical Services Administrator	-	2,266	-	2,266	-	-	-	-	-	-	-	-	-	-	-	-
010FB09	Office Specialist - Reorg not recommended	0.50	41,793	-	41,793	0.50	41,793	-	41,793	36,793	-	-	5,000	-	-	-	41,793
010FB10	Fire Protection Engineer	1.00	128,348	2,923	131,271	1.00	128,348	2,923	131,271	-	-	2,600	128,671	-	-	-	131,271
010FB11	Emergency Preparedness Coordinator	1.00	105,712	2,923	108,635	0.50	52,856	2,923	55,779	11,358	44,421	-	-	-	-	-	55,779
Subtotal Fire & Building		5.50	631,112	269,376	900,488	4.00	472,387	264,489	736,876	48,151	44,421	2,600	641,704	-	-	-	736,876
GENERAL FUND TOTAL		9.50	1,010,756	1,319,546	2,330,302	6.00	672,729	1,445,413	2,118,142	605,515	44,421	11,150	1,213,333	61,350	62,373	120,000	2,118,142

**City of Kirkland
2013 Mid-Bi Budget Review
2014 Service Package Requests**

Pkg. #		2014 Department Request				2014 City Manager Recommended				Funding Source							Total Funding Sources
		FTE	Ongoing	One-time	Total	FTE	Ongoing	One-time	Total	Available Fund Balance	External Source	Expenditure Offset	Fees/Charges	REET	CIP	Reserves	
OTHER FUNDS																	
Lodging Tax Fund																	
112CM01	Waterfront Optimization Evaluation	-	-	16,000	16,000	-	-	16,000	16,000	-	-	-	4,000	-	-	12,000	16,000
Lodging Tax Fund		-	-	16,000	16,000	-	-	16,000	16,000	-	-	-	4,000	-	-	12,000	16,000
Street Maintenance Fund																	
117PW01	Parking Space Feasibility Evaluation	-	-	50,000	50,000	-	-	50,000	50,000	-	-	-	-	-	-	50,000	50,000
Street Maintenance Fund		-	-	50,000	50,000	-	-	50,000	50,000	-	-	-	-	-	-	50,000	50,000
Equipment Rental Fund																	
521PW01	Spill Bucket Replacement at Fire Station 27	-	-	20,000	20,000	-	-	20,000	20,000	20,000	-	-	-	-	-	-	20,000
Equipment Rental Fund		-	-	20,000	20,000	-	-	20,000	20,000	20,000	-	-	-	-	-	-	20,000
Information Technology Fund																	
522IT01	Adobe LiveCycle Enterprise	-	14,200	114,847	129,047	-	12,739	106,684	119,423	115,423	-	4,000	-	-	-	-	119,423
522IT02	eCityGov Dues Increase	-	19,500	-	19,500	-	19,500	-	19,500	19,500	-	-	-	-	-	-	19,500
522IT03	Telecommunications Audit	-	-	25,000	25,000	-	-	25,000	25,000	-	-	25,000	-	-	-	-	25,000
522IT04	Franchising Legal Fees	-	-	25,000	25,000	-	-	25,000	25,000	25,000	-	-	-	-	-	-	25,000
522IT05	FireRMS Upgrade, 2014 Support/Fire Inspections	-	14,000	25,000	39,000	-	14,000	25,000	39,000	25,000	-	-	14,000	-	-	-	39,000
522IT06	IT Net/Ops Intern	-	-	7,901	7,901	-	-	7,901	7,901	-	-	7,901	-	-	-	-	7,901
Information Technology Fund		-	47,700	197,748	245,448	-	46,239	189,585	235,824	184,923	-	36,901	14,000	-	-	-	235,824
Water/Sewer Operating Fund																	
411PW01	Cost of Service Analysis	-	-	30,000	30,000	-	-	30,000	30,000	-	-	-	-	-	-	30,000	30,000
Water/Sewer Operating Fund		-	-	30,000	30,000	-	-	30,000	30,000	-	-	-	-	-	-	30,000	30,000
TOTAL OTHER FUNDS		-	47,700	313,748	361,448	-	46,239	305,585	351,824	204,923	-	36,901	18,000	-	-	92,000	351,824
TOTAL ALL FUNDS		9.50	1,058,456	1,633,294	2,691,750	6.00	718,968	1,750,998	2,469,966	810,438	44,421	48,051	1,231,333	61,350	62,373	212,000	2,469,966

CITY OF KIRKLAND

2014 SERVICE PACKAGE REQUEST

TITLE	Pet License Marketing	010CM01			
DEPARTMENT	DIVISION	FUND			
City Manager's Office	Communications	General			
CITY COUNCIL GOALS					
<p>Financial Stability: Provide a sustainable level of core services that are funded from predictable revenue.</p> <p>Operational Values:</p> <ul style="list-style-type: none"> • Regional Partnerships • Efficiency 					
DESCRIPTION AND JUSTIFICATION					
<p>The City contracts with King County Regional Animal Services (control, shelter & licensing), the costs of which are covered by the sale of pet licenses to pet-owners within the City of Kirkland.</p> <p>In 2012, the total program cost for Kirkland was \$268,590. Pet license sales generated \$235,146, leaving a net cost of \$33,444. Under the terms of the 2010 ILA, a mitigation credit of \$30,569 was applied to the net cost resulting in a final net cost of \$2,875. The City pre-paid \$12,309 to King County for the 2012 service year. The City received a refund of \$9,434.</p> <p>Animal Services is estimated to cost a total of \$243,000 in 2013; \$248,000 in 2014; and \$261,000 in 2015.</p> <p>Through deliberate and varied approaches to pet license promotions and sales efforts, the City will contain the overall costs of animal services. Paid advertisements, utility bill inserts, renewal calls, direct mail, door-to-door outreach and other efforts are among the City's obligations under the terms of the 2013 ILA with King County for Regional Animal Services.</p> <p>CMO Communications request that \$4,434 of the \$9,434 refund received be allocated toward pet license promotions and sales in 2014 which will better position the City to raise the necessary revenue to meet the program's cost in 2015.</p>					
Is this Service Package tied to a CIP Project? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes CIP # _____					
NUMBER OF FTE'S REQUESTED	0.00				
COST SUMMARY	2013		2014		Total
	Ongoing	One-Time	Ongoing	One-Time	
Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies & Services	\$ -	\$ -	\$ -	\$ 4,434	\$ 4,434
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -
Total Service Package Cost	\$ -	\$ -	\$ -	\$ 4,434	\$ 4,434
Expenditure Savings	\$ -	\$ -	\$ -	\$ -	\$ -
Offsetting Revenue	\$ -	\$ -	\$ -	\$ 4,434	\$ 4,434
Net Service Package Cost	\$ -	\$ -	\$ -	\$ -	\$ -

2014 SERVICE PACKAGE REQUEST

TITLE Pet License Marketing	010CM01
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Description	Org Key	Object	2013		2014		Total
			Ongoing	One-Time	Ongoing	One-Time	
PERSONNEL SERVICES							
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

SUPPLIES & SERVICES							
CMO Communications	0100201310	5490400				\$ 4,434	\$ 4,434
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ 4,434	\$ 4,434

CAPITAL OUTLAY							
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

CORRESPONDING EXPENDITURE SAVINGS (if applicable)							
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

CORRESPONDING OFFSETTING REVENUE (if applicable)							
RASKC Rebate from 2012 PL sales	010*					\$ 4,434	\$ 4,434
							\$ -
Total			\$ -	\$ -	\$ -	\$ 4,434	\$ 4,434

NET SERVICE PACKAGE REQUEST	\$ -	\$ -	\$ -	\$ -	\$ -
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CITY OF KIRKLAND

2014 SERVICE PACKAGE REQUEST

TITLE	Health Benefits Education & Analysis			010HR01	
DEPARTMENT	DIVISION		FUND		
Human Resources			General		
CITY COUNCIL GOALS					
Financial Stability - Citizens of Kirkland enjoy high-quality services that meet the community's priorities.					
DESCRIPTION AND JUSTIFICATION					
<p>Requesting a temporary Analyst to develop and support a five-year framework aligning with the Affordable Care Act and the Performance Management Program for the organization as the effective next step to meet council goals and envisioned leadership directives. The requested position will be a temporary position in the Human Resources Department, dedicated to strategic planning and development of a long-term plan for the City's health benefits.</p> <p>The addition of a temporary Analyst position will provide the dedicated assistance required to develop and promote a predictable long-term healthcare strategy across all employee groups, aligning with increased organizational efficiencies across our government. This long-term strategy will be targeted at improving the quality of healthcare while moderating costs.</p> <p>This position would be a full time position funded for 2014.</p>					
Is this Service Package tied to a CIP Project? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes CIP # _____					
NUMBER OF FTE'S REQUESTED	0.00				
COST SUMMARY	2013		2014		Total
	Ongoing	One-Time	Ongoing	One-Time	
Personnel Services	\$ -	\$ -	\$ -	\$ 114,399	\$ 114,399
Supplies & Services	\$ -	\$ -	\$ -	\$ 5,601	\$ 5,601
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -
Total Service Package Cost	\$ -	\$ -	\$ -	\$ 120,000	\$ 120,000
Expenditure Savings	\$ -	\$ -	\$ -	\$ -	\$ -
Offsetting Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Net Service Package Cost	\$ -	\$ -	\$ -	\$ 120,000	\$ 120,000

2014 SERVICE PACKAGE REQUEST

TITLE Health Benefits Education & Analysis	010HR01
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Description	Org Key	Object	2013		2014		Total
			Ongoing	One-Time	Ongoing	One-Time	
PERSONNEL SERVICES							
Salaries/wages	0100301811	5100100				\$ 78,972	\$ 78,972
Benefits	0100301811	5200100				\$ 35,427	\$ 35,427
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ 114,399	\$ 114,399

SUPPLIES & SERVICES							
Standard PC	0100301811	5350300				\$ 1,301	\$ 1,301
Standard PC software	0100301811	5490500				\$ 938	\$ 938
Standard Telephone	0100301811	5350200				\$ 280	\$ 280
Desk Chair	0100301620	5350200				\$ 500	\$ 500
Standard Workstation	0100301620	5350200				\$ 1,200	\$ 1,200
Office Supplies	0100301811	5310100				\$ 300	\$ 300
IT Replacement Charge	0100301811	5459102				\$ 271	\$ 271
Training	0100301811	5490200				\$ 300	\$ 300
Professional Services	0100301811	5410100				\$ 511	\$ 511
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ 5,601	\$ 5,601

CAPITAL OUTLAY							
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

CORRESPONDING EXPENDITURE SAVINGS (if applicable)							
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

CORRESPONDING OFFSETTING REVENUE (if applicable)							
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

NET SERVICE PACKAGE REQUEST	\$ -	\$ -	\$ -	\$ 120,000	\$ 120,000
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CITY OF KIRKLAND

2014 SERVICE PACKAGE REQUEST

TITLE	Aquatic Facility Study			010PK01	
DEPARTMENT	DIVISION		FUND		
Parks and Community Services	Administration		General		
CITY COUNCIL GOALS					
2013-2014 City Work Program					
DESCRIPTION AND JUSTIFICATION					
Partner with the Lake Washington School District and other interested public and private organizations to explore options for replacing the Juanita Aquatic Center by 2017. This project will require additional resources for project management, aquatic facility expertise, analysis of potential site or sites, and evaluation of financing options under different participation scenarios.					
Is this Service Package tied to a CIP Project? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes CIP # _____					
NUMBER OF FTE's REQUESTED	0.00				
COST SUMMARY	2013		2014		Total
	Ongoing	One-Time	Ongoing	One-Time	
Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies & Services	\$ -	\$ -	\$ -	\$ 215,000	\$ 215,000
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -
Total Service Package Cost	\$ -	\$ -	\$ -	\$ 215,000	\$ 215,000
Expenditure Savings	\$ -	\$ -	\$ -	\$ -	\$ -
Offsetting Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Net Service Package Cost	\$ -	\$ -	\$ -	\$ 215,000	\$ 215,000

2014 SERVICE PACKAGE REQUEST

TITLE Aquatic Facility Study	010PK01
-------------------------------------	---------

Description	Org Key	Object	2013		2014		Total
			Ongoing	One-Time	Ongoing	One-Time	
PERSONNEL SERVICES							
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

SUPPLIES & SERVICES							
Project Mgmt		5410100				\$ 75,000	\$ 75,000
Design Consultant		5410100				\$ 80,000	\$ 80,000
Site Analysis		5410100				\$ 45,000	\$ 45,000
Financial Analysis		5410100				\$ 15,000	\$ 15,000
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ 215,000	\$ 215,000

CAPITAL OUTLAY							
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

CORRESPONDING EXPENDITURE SAVINGS (if applicable)							
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

CORRESPONDING OFFSETTING REVENUE (if applicable)							
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

NET SERVICE PACKAGE REQUEST	\$ -	\$ -	\$ -	\$ 215,000	\$ 215,000
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CITY OF KIRKLAND

2014 SERVICE PACKAGE REQUEST

TITLE	Wood Chipper			010PK02	
DEPARTMENT	DIVISION		FUND		
PW & Parks	Streets & Parks		Various		
CITY COUNCIL GOALS					
Public Safety, Transportation, Emergency Preparedness, Dependable Infrastructure, Environment, Efficiency/Effectiveness/Responsiveness, Parks & Open Space.					
DESCRIPTION AND JUSTIFICATION					
<p>Currently the City has one wood chipper. This particular piece of equipment is used by Public Works and Parks in weekly cooperation. With our community doubling in size it has become apparent that a second chipper would be very beneficial to operations and at times very necessary. Situations have arisen whether it be storm related, mechanical breakdown, and/or imminent operational need that have emphasized the need to request this piece of equipment. The merits of a wood chipper are extremely valuable to staff for effective work production and the facilitation of the tree limbs being ground up and returned to our natural areas. The practice not only saves time and resources, it's a great benefit to our community in helping to suppress weeds, retain moisture, and soil health. In the scenario of a storm that deposits limbs throughout the right-of-way, chainsaws and chippers are key tools in clearing the streets of blocking vegetation.</p>					
Is this Service Package tied to a CIP Project? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes CIP # _____					
NUMBER OF FTE's REQUESTED		0.00			
COST SUMMARY	2013		2014		Total
	Ongoing	One-Time	Ongoing	One-Time	
Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies & Services	\$ -	\$ -	\$ 6,984	\$ -	\$ 6,984
Capital Outlay	\$ -	\$ -	\$ -	\$ 61,350	\$ 61,350
Total Service Package Cost	\$ -	\$ -	\$ 6,984	\$ 61,350	\$ 68,334
Expenditure Savings	\$ -	\$ -	\$ -	\$ -	\$ -
Offsetting Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Net Service Package Cost	\$ -	\$ -	\$ 6,984	\$ 61,350	\$ 68,334

CITY OF KIRKLAND

2014 SERVICE PACKAGE REQUEST

TITLE	On-Going Construction Inspector			010PW01	
DEPARTMENT	DIVISION		FUND		
Public Works	Development Engineering		General		
CITY COUNCIL GOALS					
Economic Development and Dependable Infrastructure					
DESCRIPTION AND JUSTIFICATION					
<p>Fund an on-going Construction Inspector to meet development demand.</p> <ul style="list-style-type: none"> • Public Works has two permanent Construction Inspectors and one Temporary Construction Inspector. We also have one Right-of-Way (ROW) Construction Inspector that is solely responsible for the inspection of Franchise work in the ROW; this position is fully funded by Franchise ROW Permit Revenue. • The Public Works development inspection workload has sustained itself for close to two years now with no signs of slowing. • Through August of 2013 Public Works issued permits with utility and street improvements valued at over \$9 million and our overall permit revenue for 2013 is projected to be \$1.8 million over the budgeted revenue. • Our previous record for street and utility improvements installed by private development was \$6.6 million in 2006. At this time we had three full-time permanent Construction Inspectors and the City was about half the size it is today. • Construction activity continues to show no signs of slowing as evidenced by the record number of short plats, subdivisions and commercial projects that are in various stages of review by the City. 					
Is this Service Package tied to a CIP Project? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes CIP # _____					
NUMBER OF FTE'S REQUESTED		1.00			
COST SUMMARY	2013		2014		Total
	Ongoing	One-Time	Ongoing	One-Time	
Personnel Services	\$ -	\$ -	\$ 99,713	\$ -	\$ 99,713
Supplies & Services	\$ -	\$ -	\$ 15,677	\$ 8,992	\$ 24,669
Capital Outlay	\$ -	\$ -	\$ -	\$ 27,000	\$ 27,000
Total Service Package Cost	\$ -	\$ -	\$ 115,390	\$ 35,992	\$ 151,382
Expenditure Savings	\$ -	\$ -	\$ -	\$ -	\$ -
Offsetting Revenue	\$ -	\$ -	\$ 115,390	\$ 35,992	\$ 151,382
Net Service Package Cost	\$ -	\$ -	\$ -	\$ -	\$ -

2014 SERVICE PACKAGE REQUEST

TITLE On-Going Construction Inspector	010PW01
----------------------------------------------	---------

Description	Org Key	Object	2013		2014		Total
			Ongoing	One-Time	Ongoing	One-Time	
PERSONNEL SERVICES							
Construction Inspector - Step C	0102334422	5100100			\$ 66,504		\$ 66,504
Benefits	0102334422	5200100			\$ 33,209		\$ 33,209
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ 99,713	\$ -	\$ 99,713

SUPPLIES & SERVICES							
							\$ -
Office Furniture	0102334422	5350200				\$ 2,000	\$ 2,000
Computer	0102334422	5350300				\$ 5,116	\$ 5,116
Fleet Repl Chrg	0102334422	5459202			\$ 4,200		\$ 4,200
Fleet Oper Chrg	0102334422	5459201			\$ 2,580		\$ 2,580
IT operating	0102334422	5459101			\$ 6,781		\$ 6,781
IT replacement	0102334422	5459102			\$ 666		\$ 666
Communication	0102334422	5420100			\$ 600		\$ 600
Office Supplies	0102334422	5310100			\$ 50		\$ 50
Travel	0102334422	5430100			\$ 100		\$ 100
Training	0102334422	5490200			\$ 500		\$ 500
Boot Allowance	0102334422	5204200			\$ 200		\$ 200
computer software	0102334422	5490500				\$ 1,876	\$ 1,876
Total			\$ -	\$ -	\$ 15,677	\$ 8,992	\$ 24,669

CAPITAL OUTLAY							
Vehicle-hybrid or Equal	0102334422	5550100				\$ 27,000	\$ 27,000
							\$ -
Total			\$ -	\$ -	\$ -	\$ 27,000	\$ 27,000

CORRESPONDING EXPENDITURE SAVINGS (if applicable)							
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -				

CORRESPONDING OFFSETTING REVENUE (if applicable)							
2013 Development Revenue	multiple see 2013 Est					\$ 35,992	\$ 35,992
2014 Development Revenue	multiple see 2014 Est				\$ 115,390		\$ 115,390
Total			\$ -	\$ -	\$ 115,390	\$ 35,992	\$ 151,382

NET SERVICE PACKAGE REQUEST	\$ -				
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CITY OF KIRKLAND

2014 SERVICE PACKAGE REQUEST

TITLE	Temporary Development Engineer			010PW02	
DEPARTMENT	DIVISION		FUND		
Public Works	Development Engineering		General		
CITY COUNCIL GOALS					
Economic Development and Dependable Infrastructure					
DESCRIPTION AND JUSTIFICATION					
<p>Fund a temporary Development Engineer to meet development engineering permit review demand.</p> <ul style="list-style-type: none"> Approximately 80% of the street and utility improvements installed by private development is given to the City upon completion. Because the improvements will be owned and maintained by the City, a Development Engineer must serve as a permit reviewer and a project manager. When staffing levels are balanced, Development Engineers spend approximately 50% of their time reviewing projects, 30% of their time working on active projects (issued permits), and the remaining 20% of their time answering development questions. As the number of active projects increases, there is a shift to more time spent on active projects and the time available for plan review decreases. This shift in time results in longer permit review times. The Public Works development permitting workload has sustained itself for close to two years now with no signs of slowing as evidenced by the record number of short plats, subdivisions and commercial projects that are in various stages of review by the City. Through August of 2013 Public Works issued permits with utility and street improvements valued at over \$9 million and our overall permit revenue for 2013 is projected to be \$1.8 million over the budgeted revenue. In order to meet or exceed our permit review timelines, a temporary Development Engineer is needed in 2014 to review and manage the existing permits issued in 2013 and the planned projects in 2014. 					
Is this Service Package tied to a CIP Project? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes CIP # _____					
NUMBER OF FTE'S REQUESTED		0.00			
COST SUMMARY	2013		2014		Total
	Ongoing	One-Time	Ongoing	One-Time	
Personnel Services	\$ -	\$ -	\$ -	\$ 115,685	\$ 115,685
Supplies & Services	\$ -	\$ -	\$ -	\$ 6,701	\$ 6,701
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -
Total Service Package Cost	\$ -	\$ -	\$ -	\$ 122,386	\$ 122,386
Expenditure Savings	\$ -	\$ -	\$ -	\$ -	\$ -
Offsetting Revenue	\$ -	\$ -	\$ -	\$ 122,386	\$ 122,386
Net Service Package Cost	\$ -	\$ -	\$ -	\$ -	\$ -

2014 SERVICE PACKAGE REQUEST

TITLE Temporary Development Engineer	010PW02
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Description	Org Key	Object	2013		2014		Total
			Ongoing	One-Time	Ongoing	One-Time	
PERSONNEL SERVICES							
Temp Development Eng-salary	0102334422	5100100				\$ 80,064	\$ 80,064
Temp Development Eng-benefits	0102334422	5200100				\$ 35,621	\$ 35,621
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ 115,685	\$ 115,685

SUPPLIES & SERVICES							
Computer & monitor	0102334422	5350300				\$ 3,492	\$ 3,492
Office Furniture	0102334422	5350200				\$ 2,000	\$ 2,000
Software	0102334422	5350300				\$ 938	\$ 938
IT Replacement Charge	0102334422	5459102				\$ 271	\$ 271
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ 6,701	\$ 6,701

CAPITAL OUTLAY							
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

CORRESPONDING EXPENDITURE SAVINGS (if applicable)							
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

CORRESPONDING OFFSETTING REVENUE (if applicable)							
2013 Development Revenue	multiple-see 2013 estimate					\$ 122,386	\$ 122,386
							\$ -
Total			\$ -	\$ -	\$ -	\$ 122,386	\$ 122,386

NET SERVICE PACKAGE REQUEST	\$ -	\$ -	\$ -	\$ -	\$ -
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CITY OF KIRKLAND

2014 SERVICE PACKAGE REQUEST

TITLE	Development Engineering On-Call Funding			010PW03	
DEPARTMENT	DIVISION		FUND		
Public Works	Development Engineering		General		
CITY COUNCIL GOALS					
Economic Development and Dependable Infrastructure					
DESCRIPTION AND JUSTIFICATION					
<p>Due to sustained increase in development permit activity, the Public Works Permit Technicians have had to dedicate all of their working time to permit processing and customer inquires. This has caused the normal routine administrative duties such as filing and electronic scanning of records to be put on hold in 2013. One-time funding of \$20,000 is being requested to pay for temporary help from the Human Resources Department on-call pool to assist in 2014 with administrative duties. The other benefit of having an employee from the on-call pool is that this person can also receive Public Works customer service training and can then be available to assist the department on an as-needed basis (such as when a regular employee is on an extended leave period). It is also important to note that the Zucker Development Services Study recommended additional staff to assist with the electronic record scanning project (recommendation 193 and 194). This request can be off-set by 2013 Public Works permit revenue.</p>					
Is this Service Package tied to a CIP Project? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes CIP # _____					
NUMBER OF FTE's REQUESTED		0.00			
COST SUMMARY	2013		2014		Total
	Ongoing	One-Time	Ongoing	One-Time	
Personnel Services	\$ -	\$ -	\$ -	\$ 20,002	\$ 20,002
Supplies & Services	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -
Total Service Package Cost	\$ -	\$ -	\$ -	\$ 20,002	\$ 20,002
Expenditure Savings	\$ -	\$ -	\$ -	\$ -	\$ -
Offsetting Revenue	\$ -	\$ -	\$ -	\$ 20,002	\$ 20,002
Net Service Package Cost	\$ -	\$ -	\$ -	\$ -	\$ -

2014 SERVICE PACKAGE REQUEST

TITLE Development Engineering On-Call Funding	010PW03
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Description	Org Key	Object	2013		2014		Total
			Ongoing	One-Time	Ongoing	One-Time	
PERSONNEL SERVICES							
Hourly Wages - On-call	0102334422	5100200				\$ 16,851	\$ 16,851
Hourly Benefits - On-call	0102334422	5200200				\$ 3,151	\$ 3,151
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ 20,002	\$ 20,002

SUPPLIES & SERVICES							
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

CAPITAL OUTLAY							
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

CORRESPONDING EXPENDITURE SAVINGS (if applicable)							
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

CORRESPONDING OFFSETTING REVENUE (if applicable)							
2013 PW Development Revenue	multiple-see 2013 estimate					\$ 20,002	\$ 20,002
							\$ -
Total			\$ -	\$ -	\$ -	\$ 20,002	\$ 20,002

NET SERVICE PACKAGE REQUEST	\$ -	\$ -	\$ -	\$ -	\$ -
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CITY OF KIRKLAND

2014 SERVICE PACKAGE REQUEST

TITLE	Increase in Overtime Funding			010PW04	
DEPARTMENT	DIVISION		FUND		
Public Works	Development Engineering		General		
CITY COUNCIL GOALS					
Economic Development					
DESCRIPTION AND JUSTIFICATION					
In order to be responsive to review and inspection workload demands, additional overtime funding is being requested for 2014.					
Is this Service Package tied to a CIP Project? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes CIP # _____					
NUMBER OF FTE's REQUESTED	0.00				
COST SUMMARY	2013		2014		Total
	Ongoing	One-Time	Ongoing	One-Time	
Personnel Services	\$ -	\$ -	\$ -	\$ 5,000	\$ 5,000
Supplies & Services	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -
Total Service Package Cost	\$ -	\$ -	\$ -	\$ 5,000	\$ 5,000
Expenditure Savings	\$ -	\$ -	\$ -	\$ -	\$ -
Offsetting Revenue	\$ -	\$ -	\$ -	\$ 5,000	\$ 5,000
Net Service Package Cost	\$ -	\$ -	\$ -	\$ -	\$ -

2014 SERVICE PACKAGE REQUEST

TITLE Increase in Overtime Funding	010PW04
-------------------------------------------	---------

Description	Org Key	Object	2013		2014		Total
			Ongoing	One-Time	Ongoing	One-Time	
PERSONNEL SERVICES							
Overtime Pay	0102334422	5100300				\$ 5,000	\$ 5,000
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ 5,000	\$ 5,000

SUPPLIES & SERVICES							
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

CAPITAL OUTLAY							
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

CORRESPONDING EXPENDITURE SAVINGS (if applicable)							
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

CORRESPONDING OFFSETTING REVENUE (if applicable)							
2013 permit revenue						\$ 5,000	\$ 5,000
							\$ -
Total			\$ -	\$ -	\$ -	\$ 5,000	\$ 5,000

NET SERVICE PACKAGE REQUEST	\$ -	\$ -	\$ -	\$ -	\$ -
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CITY OF KIRKLAND

2014 SERVICE PACKAGE REQUEST

TITLE	Outside Transportation Consultant Plan Review			010PW05	
DEPARTMENT	DIVISION		FUND		
Public Works	Transportation Engineering		General		
CITY COUNCIL GOALS					
Economic Development and Dependable Infrastructure					
DESCRIPTION AND JUSTIFICATION					
<p>This request provides funding for a consultant to supplement review of traffic impact analysis reports and parking studies. Recently, reviews have been taking longer than is desirable due to a larger than normal number of projects and because of a large volume of projects. Consultant services will be retained as needed to provide help during times when large developments are taking staff's time to review, or when the volume of projects becomes too large to review in a timely manner.</p>					
Is this Service Package tied to a CIP Project? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes CIP # _____					
NUMBER OF FTE'S REQUESTED		0.00			
COST SUMMARY	2013		2014		Total
	Ongoing	One-Time	Ongoing	One-Time	
Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies & Services	\$ -	\$ -	\$ -	\$ 25,000	\$ 25,000
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -
Total Service Package Cost	\$ -	\$ -	\$ -	\$ 25,000	\$ 25,000
Expenditure Savings	\$ -	\$ -	\$ -	\$ -	\$ -
Offsetting Revenue	\$ -	\$ -	\$ -	\$ 25,000	\$ 25,000
Net Service Package Cost	\$ -	\$ -	\$ -	\$ -	\$ -

2014 SERVICE PACKAGE REQUEST

TITLE Outside Transportation Consultant Plan Review	010PW05
------------------------------------------------------------	---------

Description	Org Key	Object	2013		2014		Total
			Ongoing	One-Time	Ongoing	One-Time	
PERSONNEL SERVICES							
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

SUPPLIES & SERVICES							
Professional Services	0102334422	5410100				\$ 25,000	\$ 25,000
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ 25,000	\$ 25,000

CAPITAL OUTLAY							
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

CORRESPONDING EXPENDITURE SAVINGS (if applicable)							
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

CORRESPONDING OFFSETTING REVENUE (if applicable)							
2013 PW Development revenue	multiple-see 2013 estimate					\$ 25,000	\$ 25,000
							\$ -
Total			\$ -	\$ -	\$ -	\$ 25,000	\$ 25,000

NET SERVICE PACKAGE REQUEST	\$ -	\$ -	\$ -	\$ -	\$ -
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CITY OF KIRKLAND

2014 SERVICE PACKAGE REQUEST

TITLE	Development Services Web Page Redesign			010PW06	
DEPARTMENT	DIVISION		FUND		
Public Works (+Building/Planning)	Public Works Engineering		General		
CITY COUNCIL GOALS					
Economic Development					
DESCRIPTION AND JUSTIFICATION					
<p>The Development Services Study recommended a redesign of the City's web page for Development Services so that it is easier and more powerful for the customer to use. It is anticipated that the new web page would be very interactive and allow users a better experience when seeking information about development in Kirkland. The Development Services Managers will meet with the Information Technology Department to refine the scope for this project. The listed service package price is a "not to exceed" dollar amount and we will look for ways to make the project as inexpensive as possible, while at the same time designing a world-class web page that is looked upon by customers as the best around.</p>					
Is this Service Package tied to a CIP Project? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes CIP # _____					
NUMBER OF FTE'S REQUESTED		0.00			
COST SUMMARY	2013		2014		Total
	Ongoing	One-Time	Ongoing	One-Time	
Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies & Services	\$ -	\$ -	\$ -	\$ 100,000	\$ 100,000
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -
Total Service Package Cost	\$ -	\$ -	\$ -	\$ 100,000	\$ 100,000
Expenditure Savings	\$ -	\$ -	\$ -	\$ -	\$ -
Offsetting Revenue	\$ -	\$ -	\$ -	\$ 100,000	\$ 100,000
Net Service Package Cost	\$ -	\$ -	\$ -	\$ -	\$ -

2014 SERVICE PACKAGE REQUEST

TITLE Development Services Web Page Redesign	010PW06
-----------------------------------------------------	---------

Description	Org Key	Object	2013		2014		Total
			Ongoing	One-Time	Ongoing	One-Time	
PERSONNEL SERVICES							
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

SUPPLIES & SERVICES							
Professional Services	0102334422	5410100				\$ 100,000	\$ 100,000
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ 100,000	\$ 100,000

CAPITAL OUTLAY							
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

CORRESPONDING EXPENDITURE SAVINGS (if applicable)							
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

CORRESPONDING OFFSETTING REVENUE (if applicable)							
2013 Dev Srvcs Permit Revenue	Multiple					\$ 100,000	\$ 100,000
							\$ -
Total			\$ -	\$ -	\$ -	\$ 100,000	\$ 100,000

NET SERVICE PACKAGE REQUEST	\$ -	\$ -	\$ -	\$ -	\$ -
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CITY OF KIRKLAND

2014 SERVICE PACKAGE REQUEST

TITLE	Temporary CIP Outreach Coordinator			010PW07	
DEPARTMENT	DIVISION		FUND		
Public Works	Capital Improvement Program		General		
CITY COUNCIL GOALS					
Neighborhoods					
DESCRIPTION AND JUSTIFICATION					
<p>Request for a .50 temporary FTE through 2014 to assist the City in delivering its commitment to keep the community and beyond informed about the status of the Cross Kirkland Corridor. 2014 will be key to molding the future vision of the corridor and public outreach and coordination is essential. The interim gravel trail will be constructed in 2014, and the Master Plan, currently underway will help scope out a future regional paved trail and a regional transit pathway on the Corridor. Kirkland 2035 is also underway and will provide many opportunities for public involvement and input on the Cross Kirkland Corridor Master Plan. The temporary Neighborhood Outreach Coordinator will coordinate outreach activities through ongoing contact with the community residents in and around the Cross Kirkland Corridor, and other stakeholders. Support efforts of the Capital Projects team working with neighborhood and community stakeholders, to improve the level of awareness of the CKC project and receive community input. This is a temporary position to be funded by the Capital Improvement Program.</p>					
Is this Service Package tied to a CIP Project? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes CIP # Various					
NUMBER OF FTE's REQUESTED	0.00				
COST SUMMARY	2013		2014		Total
	Ongoing	One-Time	Ongoing	One-Time	
Personnel Services	\$ -	\$ -	\$ -	\$ 62,373	\$ 62,373
Supplies & Services	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -
Total Service Package Cost	\$ -	\$ -	\$ -	\$ 62,373	\$ 62,373
Expenditure Savings	\$ -	\$ -	\$ -	\$ -	\$ -
Offsetting Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Net Service Package Cost	\$ -	\$ -	\$ -	\$ 62,373	\$ 62,373

2014 SERVICE PACKAGE REQUEST

TITLE Temporary CIP Outreach Coordinator	010PW07
-------------------------------------------------	---------

Description	Org Key	Object	2013		2014		Total
			Ongoing	One-Time	Ongoing	One-Time	
PERSONNEL SERVICES							
Neighborhood Outreach -salary	0102323815	5100100				\$ 43,878	\$ 43,878
Neighborhood Outreach -benefits	0102323815	5200100				\$ 18,495	\$ 18,495
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ 62,373	\$ 62,373

SUPPLIES & SERVICES							
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

CAPITAL OUTLAY							
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

CORRESPONDING EXPENDITURE SAVINGS (if applicable)							
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

CORRESPONDING OFFSETTING REVENUE (if applicable)							
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

NET SERVICE PACKAGE REQUEST	\$ -	\$ -	\$ -	\$ 62,373	\$ 62,373
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CITY OF KIRKLAND

2014 SERVICE PACKAGE REQUEST

TITLE	Additional 1.0 FTE Utility Billing Staff			010FA01		
DEPARTMENT	DIVISION		FUND			
Finance & Administration	Customer Accounts		General			
CITY COUNCIL GOALS						
Financial Stability Environment						
DESCRIPTION AND JUSTIFICATION						
<p>There are currently six Utility Billing Customer Account Associates who process all of the billing and handle customer service for Kirkland's utility accounts and provide backup to the City cashier. Kirkland has approximately 22,500 solid waste, 12,200 water and 10,200 sewer utility customers. This includes the additional 10,000+ solid waste customers that were added when the JFK area was annexed in 2011. A 1.0 FTE was requested and approved in 2011 in anticipation of the increased workload due to annexation, a 20% increase in staffing. However, the actual increase in activity for a number of utility billing processes and customer service interactions has increased from 75% to 200% compared to pre-annexation levels. The current level of staffing has resulted in a backlog of work, for example addressing delinquent accounts and placing liens on properties. In May of this year, staff hours were dedicated to pursuing collections on delinquent accounts with overtime. More than \$117,000 in past due balances was successfully collected, out of a total outstanding balance of over \$221,000. It is anticipated that an addition of the proposed resources would begin to assist with the on-going workload, address the backlog and avoid potential loss of revenues. Additional process and workload reviews will be conducted in 2014 to determine if this additional resource is adequate to meet the increased workload or whether further resources will be needed (potential 2015-2016 service package).</p> <p>Half of this position (0.5 FTE) will back up the cashier and be funded similar to the cashier funding sources and 0.5 will support utility billing. Staffing the cashier position for all hours that City hall is open and covering for paid leaves requires 1.5 staff. This addition will allow the current utility staff who backup the cashier to focus on utility billing workload. The position would be funded in part by development revenues and expenditure savings due to reduced billing costs. The remainder of the cost would be paid from utility reserves in 2014 and the cost would be built into on-going rates thereafter.</p>						
Is this Service Package tied to a CIP Project? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes CIP # _____						
NUMBER OF FTE'S REQUESTED		1.00				
COST SUMMARY		2013		2014		Total
		Ongoing	One-Time	Ongoing	One-Time	
Personnel Services		\$ -	\$ -	\$ 77,472	\$ -	\$ 77,472
Supplies & Services		\$ -	\$ -	\$ 496	\$ 4,531	\$ 5,027
Capital Outlay		\$ -	\$ -	\$ -	\$ -	\$ -
Total Service Package Cost		\$ -	\$ -	\$ 77,968	\$ 4,531	\$ 82,499
Expenditure Savings		\$ -	\$ -	\$ (8,550)	\$ -	\$ (8,550)
Offsetting Revenue		\$ -	\$ -	\$ 69,418	\$ 4,531	\$ 73,949
Net Service Package Cost		\$ -	\$ -	\$ -	\$ -	\$ -

2014 SERVICE PACKAGE REQUEST

TITLE Additional 1.0 FTE Utility Billing Staff	010FA01
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Description	Org Key	Object	2013		2014		Total
			Ongoing	One-Time	Ongoing	One-Time	
PERSONNEL SERVICES							
Salary	0104313812	5100100			\$ 31,196		\$ 31,196
Benefits	0104313812	5100200			\$ 19,446		\$ 19,446
							\$ -
Salary	0104311481	5100100			\$ 16,426		\$ 16,426
Benefits	0104311481	5100200			\$ 10,404		\$ 10,404
							\$ -
Total			\$ -	\$ -	\$ 77,472	\$ -	\$ 77,472

SUPPLIES & SERVICES							
Office Furniture & Equipment	0104313812	5350200				\$ 2,271	\$ 2,271
Computer	0104313812	5350300				\$ 2,260	\$ 2,260
IT Replacement	0104313812	5459102			\$ 271		\$ 271
Training	0104313812	5490200			\$ 200		\$ 200
Supplies	0104313812	5310100			\$ 25		\$ 25
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ 496	\$ 4,531	\$ 5,027

CAPITAL OUTLAY							
							\$ -
							\$ -
Total			\$ -				

CORRESPONDING EXPENDITURE SAVINGS (if applicable)							
Printing Services contract savings	0104313812	5410100			\$ (8,550)		\$ (8,550)
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ (8,550)	\$ -	\$ (8,550)

CORRESPONDING OFFSETTING REVENUE (if applicable)							
Development Services Revenue					\$ 11,620		\$ 11,620
Utility Revenues/Reserves					\$ 57,798	\$ 4,531	\$ 62,329
Total			\$ -	\$ -	\$ 69,418	\$ 4,531	\$ 73,949

NET SERVICE PACKAGE REQUEST	\$ -				
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CITY OF KIRKLAND

2014 SERVICE PACKAGE REQUEST

TITLE	City Clerk Public Records Analyst	010FA02			
DEPARTMENT	DIVISION	FUND			
Finance & Administration	City Clerk	General			
CITY COUNCIL GOALS					
Open and transparent government					
DESCRIPTION AND JUSTIFICATION					
<p>In July 2013, the City Council adopted new rules related to public records. The City Clerk's Office has been evaluating the on-going resource needs of this function as the new process is being implemented and requests are tracked in more detail. Based on review of the data, there have been at least six major requests over the past two+ years that would be classified as Category 5 (large number of records not easily identified requiring legal review and exemption logs). Responding to these requests has taken 6 months to over 18 months. The City Clerk's Office currently expends approximately 0.5 FTE of the City Clerk's time responding to public disclosure requests and the related training and management of the City-wide process. The level of staffing in the City Clerk's Office has not increased in several years, despite increases in the volume and complexity of public records requests and the annexation in 2011. The City of Bellevue has a full-time Public Disclosure Analyst with a paralegal background who reports to the Public Records Manager (who in turn reports to the Bellevue City Clerk). We have identified several other jurisdictions that apply this approach as well. If Kirkland adopted this approach, the City Clerk would continue to be the City's Public Records Officer responsible for policy implementation and providing backup, but the new position would be responsible for maintaining the software and responding to the bulk of public records requests. This position would also be responsible for on-going training to ensure that the new, more complex procedures are followed consistently throughout the City. This would free up about a third of the City Clerk's time to focus on refining and formalizing the City's legislative support process (a priority of the City Manager) and supporting the Council and the City Manager. If the person in the position has paralegal training, they could also assist the City Attorney's Office with document review and exemption log preparation, one of the cited benefits of the Bellevue position.</p> <p>[City Manager's recommendation is to fund one-time]</p>					
Is this Service Package tied to a CIP Project? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes CIP # _____					
NUMBER OF FTE'S REQUESTED	1.00				
COST SUMMARY	2013		2014		Total
	Ongoing	One-Time	Ongoing	One-Time	
Personnel Services	\$ -	\$ -	\$ 83,099	\$ -	\$ 83,099
Supplies & Services	\$ -	\$ -	\$ 7,052	\$ 4,531	\$ 11,583
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -
Total Service Package Cost	\$ -	\$ -	\$ 90,151	\$ 4,531	\$ 94,682
Expenditure Savings	\$ -	\$ -	\$ -	\$ -	\$ -
Offsetting Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Net Service Package Cost	\$ -	\$ -	\$ 90,151	\$ 4,531	\$ 94,682

2014 SERVICE PACKAGE REQUEST

TITLE City Clerk Public Records Analyst	010FA02
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Description	Org Key	Object	2013		2014		Total
			Ongoing	One-Time	Ongoing	One-Time	
PERSONNEL SERVICES							
Salary (Step A)	0104511425	5100100			\$ 52,399		\$ 52,399
Benefits	0104511425	5100200			\$ 30,700		\$ 30,700
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ 83,099	\$ -	\$ 83,099

SUPPLIES & SERVICES							
Office Furniture & Equipment	0104511425	5350200				\$ 2,271	\$ 2,271
Computer	0104511425	5350300				\$ 2,260	\$ 2,260
IT Replacement	0104511425	5459102			\$ 271		\$ 271
IT Operating	0104511425	5459101			\$ 6,781		\$ 6,781
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ 7,052	\$ 4,531	\$ 11,583

CAPITAL OUTLAY							
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

CORRESPONDING EXPENDITURE SAVINGS (if applicable)							
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

CORRESPONDING OFFSETTING REVENUE (if applicable)							
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

NET SERVICE PACKAGE REQUEST	\$ -	\$ -	\$ 90,151	\$ 4,531	\$ 94,682
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CITY OF KIRKLAND

2014 SERVICE PACKAGE REQUEST

TITLE	Comprehensive Plan Update (Environmental Impact Statement)	010PL01			
DEPARTMENT	DIVISION	FUND			
Planning	Policy & Planning	General			
CITY COUNCIL GOALS					
Balanced Transportation Dependable Infrastructure Diverse Housing Economic Development Environment Neighborhoods Parks, Open Spaces and Recreation Services					
DESCRIPTION AND JUSTIFICATION					
<p>The City has begun the process to update the Comprehensive Plan as required by the Growth Management Act. A revised plan is due by June 30, 2015 and is noted on the Citywide 2013-2014 Work Program. As part of the Comprehensive Plan update, an Environmental Impact Statement (EIS) is needed to comply with the State Environmental Policy Act (SEPA). The last major EIS and plan update was done almost 9 years ago in 2005. The current EIS does not cover the additional land area and population as a result of annexation. In addition, the City has new 20-year housing and employment targets to plan for.</p> <p>The purpose of an EIS is to assist the public and decision-makers in considering decisions on the goals, policies and development regulations for the Comprehensive Plan. It will also save staff time and money since it will reduce or eliminate the need for future SEPA analysis for code and plan updates as well as minimizing the requirements for SEPA for some development applications. The EIS will also be necessary to analyze and document the transportation impacts based on future land use by incorporating the Transportation Master Plan into the Comprehensive Plan.</p> <p>Partial funding in the amount of \$100,000 for the Comprehensive Plan update and EIS was approved as part of the 2013-2014 budget. An additional \$150,000 is requested due to anticipated costs to undertake a comprehensive EIS. This is based on the known costs of other EIS's for site specific areas (MRM at \$150,000 and Potala at \$90,000). The EIS for the Comprehensive Plan will cover the entire city. The request also includes one-time funding of \$19,497 for a .50 intern assistance for 2014. Having an intern is a more cost effective way to undertake routine tasks such as data collection, basic research, and public outreach materials and events rather than senior level staff.</p> <p>It is possibly (but unlikely) that the legislature will fund some costs for local governments to comply with GMA. The City should continue to note this as part of our legislative effort for the upcoming session. In the past the city has received GMA grants around \$40,000. [City Manager's recommendation is to fund at \$150,000]</p>					
Is this Service Package tied to a CIP Project? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes CIP # _____					
NUMBER OF FTE's REQUESTED	0.00				
COST SUMMARY	2013		2014		Total
	Ongoing	One-Time	Ongoing	One-Time	
Personnel Services	\$ -	\$ -	\$ -	\$ 19,479	\$ 19,479
Supplies & Services	\$ -	\$ -	\$ -	\$ 150,000	\$ 150,000
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -
Total Service Package Cost	\$ -	\$ -	\$ -	\$ 169,479	\$ 169,479
Expenditure Savings	\$ -	\$ -	\$ -	\$ -	\$ -
Offsetting Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Net Service Package Cost	\$ -	\$ -	\$ -	\$ 169,479	\$ 169,479

2014 SERVICE PACKAGE REQUEST

TITLE Comprehensive Plan Update (Environmental Impact Statement)	010PL01
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Description	Org Key	Object	2013		2014		Total
			Ongoing	One-Time	Ongoing	One-Time	
PERSONNEL SERVICES							
Intern hourly wages	0105305851	5100200				\$ 16,338	\$ 16,338
Intern hourly benefits	0105305851	5200200				\$ 3,141	\$ 3,141
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ 19,479	\$ 19,479

SUPPLIES & SERVICES							
Professional Services	0105305851	5410100				\$ 150,000	\$ 150,000
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ 150,000	\$ 150,000

CAPITAL OUTLAY							
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

CORRESPONDING EXPENDITURE SAVINGS (if applicable)							
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

CORRESPONDING OFFSETTING REVENUE (if applicable)							
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

NET SERVICE PACKAGE REQUEST	\$ -	\$ -	\$ -	\$ 169,479	\$ 169,479
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CITY OF KIRKLAND

2014 SERVICE PACKAGE REQUEST

TITLE	Assistant Planner Overtime			010PL02	
DEPARTMENT	DIVISION		FUND		
Planning	Land Use Management		General		
CITY COUNCIL GOALS					
<p>Implement the Development Services Organizational Review recommendations - faster processing times was recommended to respond to customer feedback, particularly for single family permits. The dramatic increase in development activity has created greater competition for qualified staff and the sheer volume has been overwhelming. Review times, therefore, have not improved but are being maintained.</p>					
DESCRIPTION AND JUSTIFICATION					
<p>The Assistant Planners perform the bulk of the work that is at it's highest level in years. This includes: 1) single family building permit review and 2) counter and telephone inquiries. They also perform review of expedited single family and short plat reviews on overtime (funded by the applicants). In addition, in 2013 they have each had 4 hours/week (total 8 hours) of general funded overtime approved to complete non-expedited work. They do not have time every week to use this OT, but it is important when faced with peak levels to have it available. It is important because it enables them to maintain the established permit review timeframes. This request is to continue the same level of non-expedited overtime work but to change the funding source to the building plan check fee funds. The building plan check fees, 43% of which are allocated to Planning, are at high levels as a result of the high number of permits some of which the Assistant Planners process.</p>					
Is this Service Package tied to a CIP Project? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes CIP # _____					
NUMBER OF FTE's REQUESTED		0.00			
COST SUMMARY	2013		2014		Total
	Ongoing	One-Time	Ongoing	One-Time	
Personnel Services	\$ -	\$ -	\$ -	\$ 20,492	\$ 20,492
Supplies & Services	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -
Total Service Package Cost	\$ -	\$ -	\$ -	\$ 20,492	\$ 20,492
Expenditure Savings	\$ -	\$ -	\$ -	\$ -	\$ -
Offsetting Revenue	\$ -	\$ -	\$ -	\$ 20,492	\$ 20,492
Net Service Package Cost	\$ -	\$ -	\$ -	\$ -	\$ -

2014 SERVICE PACKAGE REQUEST

TITLE Assistant Planner Overtime	010PL02
-----------------------------------------	---------

Description	Org Key	Object	2013		2014		Total
			Ongoing	One-Time	Ongoing	One-Time	
PERSONNEL SERVICES							
Overtime, assistant planner	0105105850	5100300				\$ 20,492	\$ 20,492
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ 20,492	\$ 20,492

SUPPLIES & SERVICES							
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

CAPITAL OUTLAY							
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

CORRESPONDING EXPENDITURE SAVINGS (if applicable)							
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

CORRESPONDING OFFSETTING REVENUE (if applicable)							
Building Plan Check Fee	0109502420	3458301				\$ 20,492	\$ 20,492
							\$ -
Total			\$ -	\$ -	\$ -	\$ 20,492	\$ 20,492

NET SERVICE PACKAGE REQUEST	\$ -	\$ -	\$ -	\$ -	\$ -
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CITY OF KIRKLAND

2014 SERVICE PACKAGE REQUEST

TITLE	Additional Professional Services			010PL03	
DEPARTMENT	DIVISION		FUND		
Planning	Land Use Management		General		
CITY COUNCIL GOALS					
<p>Implement the Development Services Organizational Review recommendations - faster processing times was recommended to respond to customer feedback, particularly for single family permits. The dramatic increase in development activity has created greater competition for qualified staff and the sheer volume has been overwhelming. Review times, therefore, have not improved but are being maintained.</p>					
DESCRIPTION AND JUSTIFICATION					
<p>Use of consultants is a recommended relief valve when permit levels are high. Short plat activity has been exceeding projections (2013 6 month actual is 77% of revenue budget for Process I permits). PCD contracted with Ron Hanson (who processed short plat applications for the City during the peak periods from 2006 - 2008) in Sept. 2012 to process short plats. Ron is extremely proficient in this work and handles expedited (applicant paid) short plat applications, as well. This Service Package will enable the department to continue to use Ron for this work in 2014 if the levels remain high as expected. The short plat pre-submittal activity is an indicator of a continuation of the high levels. In 2013, Ron was paid from the PCD Professional Services fund and from PCD reserves. PCD was approved to use reserves for the consultant in March 2013. For 2014 PCD is requesting shifting the funding source to the building plan check fees which have been at high levels. The building plan check fees, 43% of which are allocated to Planning, are at high levels as a result of the high number of permits. Although Ron does not process building permits, his work on short plats provides planners more time to work on building permits and maintain established timeframes.</p>					
Is this Service Package tied to a CIP Project? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes CIP # _____					
NUMBER OF FTE's REQUESTED		0.00			
COST SUMMARY	2013		2014		Total
	Ongoing	One-Time	Ongoing	One-Time	
Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies & Services	\$ -	\$ -	\$ -	\$ 42,000	\$ 42,000
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -
Total Service Package Cost	\$ -	\$ -	\$ -	\$ 42,000	\$ 42,000
Expenditure Savings	\$ -	\$ -	\$ -	\$ -	\$ -
Offsetting Revenue	\$ -	\$ -	\$ -	\$ 42,000	\$ 42,000
Net Service Package Cost	\$ -	\$ -	\$ -	\$ -	\$ -

2014 SERVICE PACKAGE REQUEST

TITLE Additional Professional Services	010PL03
-----------------------------------------------	---------

Description	Org Key	Object	2013		2014		Total
			Ongoing	One-Time	Ongoing	One-Time	
PERSONNEL SERVICES							
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

SUPPLIES & SERVICES							
Professional Services	0105305851	5410100				\$ 42,000	\$ 42,000
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ 42,000	\$ 42,000

CAPITAL OUTLAY							
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

CORRESPONDING EXPENDITURE SAVINGS (if applicable)							
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

CORRESPONDING OFFSETTING REVENUE (if applicable)							
Building Plan Check Fee	0109502420	3458301				\$ 42,000	\$ 42,000
							\$ -
Total			\$ -	\$ -	\$ -	\$ 42,000	\$ 42,000

NET SERVICE PACKAGE REQUEST	\$ -	\$ -	\$ -	\$ -	\$ -
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CITY OF KIRKLAND

2014 SERVICE PACKAGE REQUEST

TITLE	Zoning Code "Charts to Tables" Streamlining Project			010PL04	
DEPARTMENT	DIVISION		FUND		
Planning	Policy & Planning		General		
CITY COUNCIL GOALS					
Implement the Development Services Organization Review recommendations - simplify the Zoning Code to further the goals of Economic Development and Neighborhoods.					
DESCRIPTION AND JUSTIFICATION					
<p>PCD laid out prototypes taking the existing Use Zone Charts and converting them into tables to respond to the Zucker report. Code Publishing took this work and estimated the cost to make the change. This is not the complete implementation of the Zucker recommendations for the code, but is a major step forward. The advantages are: 1) Reduces volume of code by approx. 350 pages, 2) Makes code more user friendly, 2) Saves money on printing future supplements, 3) Makes code easier to amend, 3) Improves code searching capability – current PDF charts cannot be searched, and 4) Enables eNotes and Pop-up zoning definitions* – cannot use these features with PDF charts.</p> <p>*New features that will be provided when the code hosting is transitioned from Bellevue to Code Publishing</p>					
Is this Service Package tied to a CIP Project? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes CIP # _____					
NUMBER OF FTE'S REQUESTED		0.00			
COST SUMMARY	2013		2014		Total
	Ongoing	One-Time	Ongoing	One-Time	
Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies & Services	\$ -	\$ -	\$ -	\$ 25,000	\$ 25,000
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -
Total Service Package Cost	\$ -	\$ -	\$ -	\$ 25,000	\$ 25,000
Expenditure Savings	\$ -	\$ -	\$ -	\$ -	\$ -
Offsetting Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Net Service Package Cost	\$ -	\$ -	\$ -	\$ 25,000	\$ 25,000

2014 SERVICE PACKAGE REQUEST

TITLE Zoning Code "Charts to Tables" Streamlining Project	010PL04
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Description	Org Key	Object	2013		2014		Total
			Ongoing	One-Time	Ongoing	One-Time	
PERSONNEL SERVICES							
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

SUPPLIES & SERVICES							
Professional Services	0105305851	5410100				\$ 25,000	\$ 25,000
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ 25,000	\$ 25,000

CAPITAL OUTLAY							
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

CORRESPONDING EXPENDITURE SAVINGS (if applicable)							
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

CORRESPONDING OFFSETTING REVENUE (if applicable)							
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

NET SERVICE PACKAGE REQUEST	\$ -	\$ -	\$ -	\$ 25,000	\$ 25,000
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CITY OF KIRKLAND

2014 SERVICE PACKAGE REQUEST

TITLE	Police Support Associate			010PD01	
DEPARTMENT	DIVISION		FUND		
Police	Administration		General		
CITY COUNCIL GOALS					
Public Safety					
DESCRIPTION AND JUSTIFICATION					
<p>The Kirkland Police Department (KPD) is requesting one (1) new FTE Police Support Associate to provide additional public disclosure support in the Records Unit. The Records Unit has processed approximately 1,498 public disclosure requests (excluding government agency requests) from January to September 2013. On average, 166 public disclosure requests are processed each month. In order to timely respond to the overwhelming public disclosure requests, the police department requests one (1) new FTE Police Support Associate to focus on processing public disclosure requests and assist with purging case reports that are past the retention schedule. If a case report is past its retention schedule and has not been purged, the Records Unit is required by State law to disclose the case report to the public.</p> <p>The Records Unit has a significant backlog of case reports that have not been purged due to limited resources. In early 2013, the police department hired a temporary employee to alleviate the backlog. The temporary employee has been successful in purging case reports back to 1992. The end date for the temporary employee is December 2013. It is imperative that the Records Unit continues to purge case reports that are past the retention schedule in order to reduce the amount of information that is available for public disclosure requests.</p> <p>[City Manager's recommendation to fund one-time at .75 FTE]</p>					
Is this Service Package tied to a CIP Project? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes CIP # _____					
NUMBER OF FTE'S REQUESTED		1.00			
COST SUMMARY	2013		2014		Total
	Ongoing	One-Time	Ongoing	One-Time	
Personnel Services	\$ -	\$ -	\$ 79,261	\$ -	\$ 79,261
Supplies & Services	\$ -	\$ -	\$ 9,890	\$ 12,600	\$ 22,490
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -
Total Service Package Cost	\$ -	\$ -	\$ 89,151	\$ 12,600	\$ 101,751
Expenditure Savings	\$ -	\$ -	\$ -	\$ -	\$ -
Offsetting Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Net Service Package Cost	\$ -	\$ -	\$ 89,151	\$ 12,600	\$ 101,751

2014 SERVICE PACKAGE REQUEST

TITLE Police Support Associate	010PD01
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Description	Org Key	Object	2013		2014		Total
			Ongoing	One-Time	Ongoing	One-Time	
PERSONNEL SERVICES							
SALARY & WAGES	0108502111	5100100			\$ 48,819		\$ 48,819
BENEFITS	0108502111	5200100			\$ 30,063		\$ 30,063
OVERTIME, ANNUAL	0108502111	5100300			\$ 379		\$ 379
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ 79,261	\$ -	\$ 79,261

SUPPLIES & SERVICES							
BACKGROUND SERVICES	0108202121	5410100				\$ 4,125	\$ 4,125
DUES & MEMBERSHIPS	0108102110	5490300			\$ 34		\$ 34
OFFICE SUPPLIES	0108502111	5310100			\$ 150		\$ 150
TRAINING OFFICE SUPPLIES	0108102140	5310100			\$ 5		\$ 5
TRAINING OPERATING SUPPLIES	0108102140	5310200			\$ 20		\$ 20
TRAINING REGISTRATIONS	0108102140	5490200			\$ 800		\$ 800
TRAINING TRAVEL & SUBSIST.	0108102140	5430100			\$ 400		\$ 400
UNIFORM & MAINTENANCE	0108502111	5204200			\$ 750	\$ 600	\$ 1,350
IT OPERATING	0108502111	5459101			\$ 7,460		\$ 7,460
IT REPLACEMENT RESERVE	0108102110	5459102			\$ 271		\$ 271
SMALL TOOLS & EQUIPMENT	0108502111	5350100				\$ 700	\$ 700
OFFICE FURNITURE/EQUIPMENT	0108502111	5350200				\$ 4,675	\$ 4,675
COMPUTER EQUIPMENT	0108502111	5350300				\$ 2,500	\$ 2,500
Total			\$ -	\$ -	\$ 9,890	\$ 12,600	\$ 22,490

CAPITAL OUTLAY							
							\$ -
							\$ -
Total			\$ -				

CORRESPONDING EXPENDITURE SAVINGS (if applicable)							
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -				

CORRESPONDING OFFSETTING REVENUE (if applicable)							
							\$ -
							\$ -
Total			\$ -				

NET SERVICE PACKAGE REQUEST	\$ -	\$ -	\$ 89,151	\$ 12,600	\$ 101,751
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CITY OF KIRKLAND

2014 SERVICE PACKAGE REQUEST

TITLE	Building Services Analyst			010FB01	
DEPARTMENT	DIVISION		FUND		
Fire and Building	Building Services		General		
CITY COUNCIL GOALS					
<ul style="list-style-type: none"> To ensure the construction and preservation of housing stock that meet a diverse range of incomes and needs. Provide a sustainable level of core services that are funded from predictable revenue. To maintain levels of service commensurate with growing community requirements at optimum life-cycle costs. 					
DESCRIPTION AND JUSTIFICATION					
<p>This service package will provide a Building Services Analyst for the Building Division which will be modeled after the Development Engineering Analyst in Public Works. This position will assist in researching, analyzing and developing Building Services tasks, policies and programs. The essential responsibilities of this position will include:</p> <ol style="list-style-type: none"> 1. Create and edit EnerGov reports using Crystal reports. 2. Create and administer a program to resolve expired permits. 3. Provide technical support to Building Services staff with EnerGov and MybuildingPermit.com (MBP) issues. 4. Make minor configuration changes to EnerGov and MBP. 5. Create and update operating procedures and policies for the operation of EnerGov, MBP and other permitting procedures. 6. Assist in forecasting construction activity trends. <p>The Building Services Division has never had an Analyst or specialist to help resolve more complex tasks. Since annexation our workload has increased to the point that some key tasks are not getting done. This position will give the Building Services Division the staff and expertise to accomplish these tasks.</p>					
Is this Service Package tied to a CIP Project? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes CIP # _____					
NUMBER OF FTE's REQUESTED		1.00			
COST SUMMARY	2013		2014		Total
	Ongoing	One-Time	Ongoing	One-Time	
Personnel Services	\$ -	\$ -	\$ 112,089	\$ -	\$ 112,089
Supplies & Services	\$ -	\$ -	\$ 7,852	\$ 4,439	\$ 12,291
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -
Total Service Package Cost	\$ -	\$ -	\$ 119,941	\$ 4,439	\$ 124,380
Expenditure Savings	\$ -	\$ -	\$ -	\$ -	\$ -
Offsetting Revenue	\$ -	\$ -	\$ 119,941	\$ 4,439	\$ 124,380
Net Service Package Cost	\$ -	\$ -	\$ -	\$ -	\$ -

2014 SERVICE PACKAGE REQUEST

TITLE Building Services Analyst	010FB01
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Description	Org Key	Object	2013		2014		Total
			Ongoing	One-Time	Ongoing	One-Time	
PERSONNEL SERVICES							
Salary	0109502420	5100100			\$ 76,920		\$ 76,920
Benefits	0109502420	5200100			\$ 35,169		\$ 35,169
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ 112,089	\$ -	\$ 112,089

SUPPLIES & SERVICES							
Work Station/telephone	0109502420	5350200				\$ 1,900	\$ 1,900
Computer Hardware	0109502420	5350300				\$ 2,539	\$ 2,539
Training	0109502420	5490200			\$ 400		\$ 400
Travel & Subsistance	0109502420	5430100			\$ 400		\$ 400
IT Operating Charge	0109502420	5459101			\$ 6,781		\$ 6,781
IT Replacement Charge	0109502420	5459102			\$ 271		\$ 271
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ 7,852	\$ 4,439	\$ 12,291

CAPITAL OUTLAY							
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

CORRESPONDING EXPENDITURE SAVINGS (if applicable)							
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

CORRESPONDING OFFSETTING REVENUE (if applicable)							
Plan Check Fees	0109502420	3458301			\$ 119,941	\$ 4,439	\$ 124,380
							\$ -
Total			\$ -	\$ -	\$ 119,941	\$ 4,439	\$ 124,380

NET SERVICE PACKAGE REQUEST	\$ -	\$ -	\$ -	\$ -	\$ -
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CITY OF KIRKLAND

2014 SERVICE PACKAGE REQUEST

TITLE	Building Administrative Assistant			010FB02	
DEPARTMENT	DIVISION		FUND		
Fire and Building	Building Services		General		
CITY COUNCIL GOALS					
<ul style="list-style-type: none"> To ensure the construction and preservation of housing stock that meet a diverse range of incomes and needs. Provide a sustainable level of core services that are funded from predictable revenue. To maintain levels of service commensurate with growing community requirements at optimum life-cycle costs. 					
DESCRIPTION AND JUSTIFICATION					
<p>This service package will provide an Administrative Assistant for the Building Division who will be primarily responsible for Building's payroll, purchasing, accounts payable/accounts receivable and the Division's record management system. This work is currently being done by the Administrative Assistant in the Administrative Division of the Fire and Building Department. Other duties will include assisting Building staff with correspondence, special projects and other duties listed in the job description. Transferring this work to the Building Division will ensure these duties will be paid for with permit revenue.</p> <p>[Not recommended for funding]</p>					
Is this Service Package tied to a CIP Project? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes CIP # _____					
NUMBER OF FTE'S REQUESTED	1.00				
COST SUMMARY	2013		2014		Total
	Ongoing	One-Time	Ongoing	One-Time	
Personnel Services	\$ -	\$ -	\$ 95,751	\$ -	\$ 95,751
Supplies & Services	\$ -	\$ -	\$ 7,852	\$ 4,887	\$ 12,739
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -
Total Service Package Cost	\$ -	\$ -	\$ 103,603	\$ 4,887	\$ 108,490
Expenditure Savings	\$ -	\$ -	\$ -	\$ -	\$ -
Offsetting Revenue	\$ -	\$ -	\$ 103,603	\$ 4,887	\$ 108,490
Net Service Package Cost	\$ -	\$ -	\$ -	\$ -	\$ -

2014 SERVICE PACKAGE REQUEST

TITLE Building Administrative Assistant	010FB02
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Description	Org Key	Object	2013		2014		Total
			Ongoing	One-Time	Ongoing	One-Time	
PERSONNEL SERVICES							
Salary	1099502420	5100100			\$ 63,036		\$ 63,036
Benefits	1099502420	5200100			\$ 32,715		\$ 32,715
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ 95,751	\$ -	\$ 95,751

SUPPLIES & SERVICES							
Work Station/telephone	0109502420	5350200				\$ 2,648	\$ 2,648
Computer Hardware	0109502420	5350300				\$ 2,239	\$ 2,239
Training	0109502420	5490200			\$ 400		\$ 400
Travel	0109502420	5430100			\$ 400		\$ 400
IT Operating Charge	0109502420	5459101			\$ 6,781		\$ 6,781
IT Replacement Charge	0109502420	5459102			\$ 271		\$ 271
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ 7,852	\$ 4,887	\$ 12,739

CAPITAL OUTLAY							
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

CORRESPONDING EXPENDITURE SAVINGS (if applicable)							
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

CORRESPONDING OFFSETTING REVENUE (if applicable)							
Building Permits	0109502420	3221001			\$ 103,603	\$ 4,887	\$ 108,490
							\$ -
Total			\$ -	\$ -	\$ 103,603	\$ 4,887	\$ 108,490

NET SERVICE PACKAGE REQUEST	\$ -	\$ -	\$ -	\$ -	\$ -
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CITY OF KIRKLAND

2014 SERVICE PACKAGE REQUEST

TITLE	Electrical-Building Inspector			010FB03	
DEPARTMENT	DIVISION		FUND		
Fire and Building	Building Services		General		
CITY COUNCIL GOALS					
<ul style="list-style-type: none"> • To ensure the construction and preservation of housing stock that meet a diverse range of incomes and needs. • Provide a sustainable level of core services that are funded from predictable revenue. • To maintain levels of service commensurate with growing community requirements at optimum life-cycle costs. 					
DESCRIPTION AND JUSTIFICATION					
<p>This service package will provide an additional Electrical-Building inspector for the Building Services Division. The recent Zucker study recommends an average workload of 10 to 15 inspections per day. Kirkland's inspectors are unique in that all of the regular, full time inspectors are electrical-building combination inspectors, making them more efficient than inspectors in most other cities. With this efficiency, they can average 15 inspections a day. When averaging more than 15 inspections per day, the quality of the inspection and the related documentation can become substandard. They often average 18 inspections per day and occasionally the inspectors average 25 inspections per day.</p> <p>For the past 18 months we have had an average of five inspectors; four of those regular, fulltime, and the fifth being a combination of temporary and on-call inspectors. This service package recognizes that we need a minimum of five regular, fulltime, Electrical-Building Inspectors and possibly a sixth temporary inspector.</p>					
Is this Service Package tied to a CIP Project? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes CIP # _____					
NUMBER OF FTE'S REQUESTED		1.00			
COST SUMMARY	2013		2014		Total
	Ongoing	One-Time	Ongoing	One-Time	
Personnel Services	\$ -	\$ -	\$ 113,497	\$ -	\$ 113,497
Supplies & Services	\$ -	\$ -	\$ 15,952	\$ 32,535	\$ 48,487
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -
Total Service Package Cost	\$ -	\$ -	\$ 129,449	\$ 32,535	\$ 161,984
Expenditure Savings	\$ -	\$ -	\$ -	\$ -	\$ -
Offsetting Revenue	\$ -	\$ -	\$ 129,449	\$ 32,535	\$ 161,984
Net Service Package Cost	\$ -	\$ -	\$ -	\$ -	\$ -

2014 SERVICE PACKAGE REQUEST

TITLE Electrical-Building Inspector	010FB03
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Description	Org Key	Object	2013		2014		Total
			Ongoing	One-Time	Ongoing	One-Time	
PERSONNEL SERVICES							
Salary	0109502420	5100100			\$ 78,036		\$ 78,036
Benefits	0109502420	5200100			\$ 35,461		\$ 35,461
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ 113,497	\$ -	\$ 113,497

SUPPLIES & SERVICES							
Work Station/telephone	0109502420	5350200				\$ 1,900	\$ 1,900
Computer hardware	0109502420	5350300				\$ 3,135	\$ 3,135
Training	0109502420	5490200			\$ 400		\$ 400
Travel	0109502420	5430100			\$ 400		\$ 400
New Ford Escape	0109502420	5646404				\$ 27,500	\$ 27,500
IT Operating	0109502420	5459101			\$ 6,781		\$ 6,781
IT Replacement	0109502420	5459102			\$ 271		\$ 271
Fleet Operating	0109502420	5459201			\$ 3,948		\$ 3,948
Fleet Replacement	0109502420	5459502			\$ 4,152		\$ 4,152
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ 15,952	\$ 32,535	\$ 48,487

CAPITAL OUTLAY							
							\$ -
							\$ -
Total			\$ -				

CORRESPONDING EXPENDITURE SAVINGS (if applicable)							
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -				

CORRESPONDING OFFSETTING REVENUE (if applicable)							
Plan Check Fees	0109502420	3458301			\$ 129,449	\$ 32,535	\$ 161,984
							\$ -
Total			\$ -	\$ -	\$ 129,449	\$ 32,535	\$ 161,984

NET SERVICE PACKAGE REQUEST	\$ -				
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CITY OF KIRKLAND

2014 SERVICE PACKAGE REQUEST

TITLE	Temporary Building Inspector (Renew Existing)			010FB04	
DEPARTMENT	DIVISION		FUND		
Fire and Building	Building Services		General		
CITY COUNCIL GOALS					
<ul style="list-style-type: none"> To ensure the construction and preservation of housing stock that meet a diverse range of incomes and needs. Provide a sustainable level of core services that are funded from predictable revenue. To maintain levels of service commensurate with growing community requirements at optimum life-cycle costs. 					
DESCRIPTION AND JUSTIFICATION					
<p>This service package will provide a temporary Building Inspector for the Building Services Division to replace the temporary inspector position that was approved through the end of 2013. The recent Zucker study recommends an average workload of 10 to 15 inspections per day. Kirkland's inspectors are unique in that all of the regular, full time inspectors are electrical-building combination inspectors, making them more efficient than inspectors in most other cities. With this efficiency, they can average 15 inspections a day. When averaging more than 15 inspections per day, the quality of the inspection and the related documentation can become substandard. They often average 18 inspections per day and occasionally the inspectors average 25 inspections per day.</p> <p>For the past 18 months we have had an average of five inspectors; four of those regular, fulltime, and the fifth being a combination of temporary and on-call inspectors. Four the past two months we have been using 5.5 inspectors and still exceeding 15 inspections per day. This service package will help us get to our goal of averaging 15 inspections per day, per inspector.</p> <p>The use of temporary employees, on-call employees and overtime are part of Building Services strategy for working through peak workload periods while minimizing the risk of layoffs during off peak periods.</p>					
Is this Service Package tied to a CIP Project? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes CIP # _____					
NUMBER OF FTE's REQUESTED		0.00			
COST SUMMARY	2013		2014		Total
	Ongoing	One-Time	Ongoing	One-Time	
Personnel Services	\$ -	\$ -	\$ -	\$ 109,115	\$ 109,115
Supplies & Services	\$ -	\$ -	\$ -	\$ 271	\$ 271
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -
Total Service Package Cost	\$ -	\$ -	\$ -	\$ 109,386	\$ 109,386
Expenditure Savings	\$ -	\$ -	\$ -	\$ -	\$ -
Offsetting Revenue	\$ -	\$ -	\$ -	\$ 109,386	\$ 109,386
Net Service Package Cost	\$ -	\$ -	\$ -	\$ -	\$ -

2014 SERVICE PACKAGE REQUEST

TITLE Temporary Building Inspector (Renew Existing)	010FB04
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Description	Org Key	Object	2013		2014		Total
			Ongoing	One-Time	Ongoing	One-Time	
PERSONNEL SERVICES							
Salary	0109502420	05100100			\$ -	\$ 74,316	\$ 74,316
Benefits	0109502420	5200100			\$ -	\$ 34,799	\$ 34,799
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ 109,115	\$ 109,115

SUPPLIES & SERVICES							
IT Replacement Charge	0109502420	5459102				\$ 271	\$ 271
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ 271	\$ 271

CAPITAL OUTLAY							
							\$ -
							\$ -
Total			\$ -				

CORRESPONDING EXPENDITURE SAVINGS (if applicable)							
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -				

CORRESPONDING OFFSETTING REVENUE (if applicable)							
Plan Check Fees	0109502420	3458301				\$ 109,386	\$ 109,386
							\$ -
Total			\$ -	\$ -	\$ -	\$ 109,386	\$ 109,386

NET SERVICE PACKAGE REQUEST	\$ -				
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CITY OF KIRKLAND

2014 SERVICE PACKAGE REQUEST

TITLE	Overhead Projector for Rose Hill Room			010FB05	
DEPARTMENT	DIVISION		FUND		
Fire and Building	Building Services		General		
CITY COUNCIL GOALS					
<ul style="list-style-type: none"> To ensure the construction and preservation of housing stock that meet a diverse range of incomes and needs. Provide a sustainable level of core services that are funded from predictable revenue. To maintain levels of service commensurate with growing community requirements at optimum life-cycle costs. 					
DESCRIPTION AND JUSTIFICATION					
<p>This service package will provide an overhead projector, screen and computer in the Rose Hill, room similar to the one installed in the Houghton room. The projector in the Houghton room was purchased and installed with development services revenue for use by development services staff. Due to the increased use of electronic plans and the rise in construction activity, the Houghton room is often reserved, so another projector is needed in another room. If needed, this new equipment can be relocated as part of the upcoming city hall remodel.</p>					
Is this Service Package tied to a CIP Project? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes CIP # _____					
NUMBER OF FTE's REQUESTED		0.00			
COST SUMMARY	2013		2014		Total
	Ongoing	One-Time	Ongoing	One-Time	
Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies & Services	\$ -	\$ -	\$ -	\$ 10,039	\$ 10,039
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -
Total Service Package Cost	\$ -	\$ -	\$ -	\$ 10,039	\$ 10,039
Expenditure Savings	\$ -	\$ -	\$ -	\$ -	\$ -
Offsetting Revenue	\$ -	\$ -	\$ -	\$ 10,039	\$ 10,039
Net Service Package Cost	\$ -	\$ -	\$ -	\$ -	\$ -

2014 SERVICE PACKAGE REQUEST

TITLE Overhead Projector for Rose Hill Room	010FB05
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Description	Org Key	Object	2013		2014		Total
			Ongoing	One-Time	Ongoing	One-Time	
PERSONNEL SERVICES							
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

SUPPLIES & SERVICES							
Projector and screen (installed)	0109502420	5350300				\$ 7,500	\$ 7,500
Computer hardware	0109502420	5350300				\$ 2,539	\$ 2,539
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ 10,039	\$ 10,039

CAPITAL OUTLAY							
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

CORRESPONDING EXPENDITURE SAVINGS (if applicable)							
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

CORRESPONDING OFFSETTING REVENUE (if applicable)							
Plan Check Fees	0109502420	3458301				\$ 10,039	\$ 10,039
							\$ -
Total			\$ -	\$ -	\$ -	\$ 10,039	\$ 10,039

NET SERVICE PACKAGE REQUEST	\$ -	\$ -	\$ -	\$ -	\$ -
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CITY OF KIRKLAND

2014 SERVICE PACKAGE REQUEST

TITLE	Building - On-Call Hours			010FB06	
DEPARTMENT	DIVISION		FUND		
Fire and Building	Building Services		General		
CITY COUNCIL GOALS					
<ul style="list-style-type: none"> To ensure the construction and preservation of housing stock that meet a diverse range of incomes and needs. Provide a sustainable level of core services that are funded from predictable revenue. To maintain levels of service commensurate with growing community requirements at optimum life-cycle costs. 					
DESCRIPTION AND JUSTIFICATION					
<p>This service package will provide an additional \$57,244 for on-call hours, in addition to the \$4,148 already provided for 2014 in the 2013/2014 budget. This money will provide 832 hours for an on-call Electrical-Building Inspector which will help us to reach our goal of not exceeding an average of 15 inspections per day, per inspector. This service package will also provide 616 hours for an on-call Permit Technician. The Permit Technician group is at full capacity and recently took on more work by doing the intake completeness checks for all development services departments for electronic plans. These hours will ensure adequate staffing during periods of training, vacations and sick leave use. The \$4,148 originally approved for 2014 will be used for an on-call Electrical-Building Inspector who will be used to review electrical plans.</p>					
Is this Service Package tied to a CIP Project? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes CIP # _____					
NUMBER OF FTE's REQUESTED	0.00				
COST SUMMARY	2013		2014		Total
	Ongoing	One-Time	Ongoing	One-Time	
Personnel Services	\$ -	\$ -	\$ -	\$ 57,244	\$ 57,244
Supplies & Services	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -
Total Service Package Cost	\$ -	\$ -	\$ -	\$ 57,244	\$ 57,244
Expenditure Savings	\$ -	\$ -	\$ -	\$ -	\$ -
Offsetting Revenue	\$ -	\$ -	\$ -	\$ 57,244	\$ 57,244
Net Service Package Cost	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF KIRKLAND

2014 SERVICE PACKAGE REQUEST

TITLE	Building - Increase Overtime Hours	010FB07			
DEPARTMENT	DIVISION	FUND			
Fire and Building	Building Services	General			
CITY COUNCIL GOALS					
<ul style="list-style-type: none"> To ensure the construction and preservation of housing stock that meet a diverse range of incomes and needs. Provide a sustainable level of core services that are funded from predictable revenue. To maintain levels of service commensurate with growing community requirements at optimum life-cycle costs. 					
DESCRIPTION AND JUSTIFICATION					
<p>This service package will provide an additional \$45,000 for overtime hours in addition to the \$5,000 already approved for 2014 in the 2013-2014 budget. The hours will be used primarily for the Building Services Plans Examiners. Most of the overtime will be used for Expedited Plan Review, which is reimbursed by the customer. We expect to spend \$28,080 for Expedited Plan Review in 2013 and 2014. We had only budgeted \$3,000 each year. The remaining \$21,920 will be used to ensure we are meeting our plan review deadlines and for miscellaneous inspection and Permit Technician overtime as needed.</p> <p>The use of temporary employees, on-call employees and overtime are part of Building Services strategy for working through peak workload periods while minimizing the risk of layoffs during off peak periods.</p>					
Is this Service Package tied to a CIP Project? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes CIP # _____					
NUMBER OF FTE'S REQUESTED	0.00				
COST SUMMARY	2013		2014		Total
	Ongoing	One-Time	Ongoing	One-Time	
Personnel Services	\$ -	\$ -	\$ -	\$ 45,000	\$ 45,000
Supplies & Services	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -
Total Service Package Cost	\$ -	\$ -	\$ -	\$ 45,000	\$ 45,000
Expenditure Savings	\$ -	\$ -	\$ -	\$ -	\$ -
Offsetting Revenue	\$ -	\$ -	\$ -	\$ 45,000	\$ 45,000
Net Service Package Cost	\$ -	\$ -	\$ -	\$ -	\$ -

2014 SERVICE PACKAGE REQUEST

TITLE Building - Increase Overtime Hours	010FB07
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Description	Org Key	Object	2013		2014		Total
			Ongoing	One-Time	Ongoing	One-Time	
PERSONNEL SERVICES							
Overtime Pay	0109502420	5100300				\$ 45,000	\$ 45,000
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ 45,000	\$ 45,000

SUPPLIES & SERVICES							
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

CAPITAL OUTLAY							
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

CORRESPONDING EXPENDITURE SAVINGS (if applicable)							
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

CORRESPONDING OFFSETTING REVENUE (if applicable)							
Plan Check Fees	0109502420	3458301				\$ 45,000	\$ 45,000
							\$ -
Total			\$ -	\$ -	\$ -	\$ 45,000	\$ 45,000

NET SERVICE PACKAGE REQUEST	\$ -	\$ -	\$ -	\$ -	\$ -
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CITY OF KIRKLAND

2014 SERVICE PACKAGE REQUEST

TITLE	MSA - Medical Services Administrator			010FB08	
DEPARTMENT	DIVISION		FUND		
Fire & Building	Administration		General		
CITY COUNCIL GOALS					
Public Safety - Goal : Provide for public safety through a community-based approach that focuses on prevention of problems and a timely response. Financial Stability - Goal: Provide a sustainable level of core services that are funded from predictable revenue.					
DESCRIPTION AND JUSTIFICATION					
Reorganize the current 1.0 FTE EMS Captain to an MSA - Medical Services Administrator/Deputy Chief. Per the 2012 Strategic Plan, Recommendation #6, add a Medical Services Administrator (MSA) at the rank of division chief to manage the medical division. The MSA would be responsible for training, quality assurance, quality improvement, regional medical protocol participation and implementation, risk management, and grants. With the reorganization, the department would be able to meet the recommendation of the strategic plan with no financial impact to the city; current additional funding from BLS Transport Fee revenue. Potential funding, to offset General Fund expenditures, could include access to regional Medic One monies.					
[Not recommended for funding]					
Is this Service Package tied to a CIP Project? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes CIP # _____					
NUMBER OF FTE's REQUESTED		0.00			
COST SUMMARY	2013		2014		Total
	Ongoing	One-Time	Ongoing	One-Time	
Personnel Services	\$ -	\$ -	\$ 2,266	\$ -	\$ 2,266
Supplies & Services	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -
Total Service Package Cost	\$ -	\$ -	\$ 2,266	\$ -	\$ 2,266
Expenditure Savings	\$ -	\$ -	\$ -	\$ -	\$ -
Offsetting Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Net Service Package Cost	\$ -	\$ -	\$ 2,266	\$ -	\$ 2,266

2014 SERVICE PACKAGE REQUEST

TITLE MSA - Medical Services Administrator	010FB08
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Description	Org Key	Object	2013		2014		Total
			Ongoing	One-Time	Ongoing	One-Time	
PERSONNEL SERVICES							
Medical Services Administrator	0109102210	5100100			\$ 2,266		\$ 2,266
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ 2,266	\$ -	\$ 2,266

SUPPLIES & SERVICES							
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

CAPITAL OUTLAY							
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

CORRESPONDING EXPENDITURE SAVINGS (if applicable)							
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

CORRESPONDING OFFSETTING REVENUE (if applicable)							
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

NET SERVICE PACKAGE REQUEST	\$ -	\$ -	\$ 2,266	\$ -	\$ 2,266
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CITY OF KIRKLAND

2014 SERVICE PACKAGE REQUEST

TITLE	Office Specialist			010FB09	
DEPARTMENT	DIVISION		FUND		
Fire & Building	Administration		General		
CITY COUNCIL GOALS					
<p>Public Safety - Goal : Provide for public safety through a community-based approach that focuses on prevention of problems and a timely response. Financial Stability - Goal: Provide a sustainable level of core services that are funded from predictable revenue.</p>					
DESCRIPTION AND JUSTIFICATION					
<p>Currently, the department has a temporary 0.25 FTE Fire Records Specialist to support the EMS transport fee program for 2013. This is one-time funding, though the revenue to support this position (BLS Transport Fees) is on-going and increasing. This position handles transport billing, HIPPA compliance, records management and the coordination of scheduling for training and other requirements. The department also has a 0.5 FTE Office Tech which we would like to reclassify and combine with the 0.25 FTE Fire Records Specialist and increase by 0.25 FTE to achieve a 1.0 FTE Office Specialist to handle records for EMS and Investigations/Prevention and much needed cross-functional general administrative functions. While the City added emergency response personnel to serve the newly annexed area, there was not a corresponding increase in administration and support. In fact, there was a decrease in Administrative Assistant FTE's. The loss of the 0.9 Fire District 41 FTE has been significant. The fire strategic plan consultant concluded this "hampers both strategic and day-to-day effectiveness".</p> <p>[Funding of 0.5 FTE Office Specialist recommended but not the proposed reorganization]</p>					
<p>Is this Service Package tied to a CIP Project? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes CIP # _____</p>					
NUMBER OF FTE's REQUESTED		0.50			
COST SUMMARY	2013		2014		Total
	Ongoing	One-Time	Ongoing	One-Time	
Personnel Services	\$ -	\$ -	\$ 41,793	\$ -	\$ 41,793
Supplies & Services	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -
Total Service Package Cost	\$ -	\$ -	\$ 41,793	\$ -	\$ 41,793
Expenditure Savings	\$ -	\$ -	\$ -	\$ -	\$ -
Offsetting Revenue	\$ -	\$ -	\$ 5,000	\$ -	\$ 5,000
Net Service Package Cost	\$ -	\$ -	\$ 36,793	\$ -	\$ 36,793

2014 SERVICE PACKAGE REQUEST

TITLE Office Specialist	010FB09
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Description	Org Key	Object	2013		2014		Total
			Ongoing	One-Time	Ongoing	One-Time	
PERSONNEL SERVICES							
.50 Office Specialist	0109102210	5100100			\$ 41,793		\$ 41,793
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ 41,793	\$ -	\$ 41,793

SUPPLIES & SERVICES							
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

CAPITAL OUTLAY							
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

CORRESPONDING EXPENDITURE SAVINGS (if applicable)							
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

CORRESPONDING OFFSETTING REVENUE (if applicable)							
BLS Transport Fees					\$ 5,000		\$ 5,000
							\$ -
Total			\$ -	\$ -	\$ 5,000	\$ -	\$ 5,000

NET SERVICE PACKAGE REQUEST	\$ -	\$ -	\$ 36,793	\$ -	\$ 36,793
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CITY OF KIRKLAND

2014 SERVICE PACKAGE REQUEST

TITLE	Fire Protection Engineer	010FB10			
DEPARTMENT	DIVISION	FUND			
Fire & Building	Prevention	General			
CITY COUNCIL GOALS					
<p>Public Safety: Goal - Provide for public safety through a community-based approach that focuses on prevention of problems and a timely response. Financial Stability: Goal - Provide a sustainable level of core services that are funded from predictable revenue.</p>					
DESCRIPTION AND JUSTIFICATION					
<p>Fire prevention has need of an additional plan reviewer based on increased volumes of development within single family housing and commercial development. Increased size and complexity of developments also require a higher level of expertise than is currently available in-house. To meet demand, provide timely and efficient service to developers, and to reduce liability associated with development design, a qualified Fire Protection Engineer (FPE) is requested for the Fire Prevention Bureau.</p> <p>Offsetting costs may include monies from the current professional services line, increased fee rates to match similar jurisdictions (currently under review) and the increased volumes of permits being collected in 2013 (up 30%) and looking forward. Opportunities to contract out FPE services to smaller jurisdictions may also be explored to enhance offsets for ongoing costs.</p> <p>Estimated costs are drawn from similar positions via the cities of Bellevue and Seattle.</p> <p>[City Manager's recommendation is based on the position reporting to the Building Division plan review section]</p>					
Is this Service Package tied to a CIP Project? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes CIP # _____					
NUMBER OF FTE'S REQUESTED	1.00				
COST SUMMARY	2013		2014		Total
	Ongoing	One-Time	Ongoing	One-Time	
Personnel Services	\$ -	\$ -	\$ 120,422	\$ -	\$ 120,422
Supplies & Services	\$ -	\$ -	\$ 7,926	\$ 2,923	\$ 10,849
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -
Total Service Package Cost	\$ -	\$ -	\$ 128,348	\$ 2,923	\$ 131,271
Expenditure Savings	\$ -	\$ -	\$ -	\$ 2,600	\$ 2,600
Offsetting Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Net Service Package Cost	\$ -	\$ -	\$ 128,348	\$ 5,523	\$ 133,871

2014 SERVICE PACKAGE REQUEST

TITLE Fire Protection Engineer	010FB10
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Description	Org Key	Object	2013		2014		Total
			Ongoing	One-Time	Ongoing	One-Time	
PERSONNEL SERVICES							
Salary	0109302230	5100100			\$ 84,000		\$ 84,000
Benefits	0109302230	5200100			\$ 36,222		\$ 36,222
Uniform	0109302230	5204200			\$ 200		\$ 200
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ 120,422	\$ -	\$ 120,422

SUPPLIES & SERVICES							
Standard laptop w/ docking	0109302230	5350300				\$ 1,798	\$ 1,798
Computer licensing software	0109302230	5490500				\$ 1,125	\$ 1,125
Travel	0109302230	5430100			\$ 400		\$ 400
Training	0109302230	5490200			\$ 400		\$ 400
IT Operating Charge	0109302230	5459101			\$ 6,781		\$ 6,781
IT Replacement Charge	0109302230	5459102			\$ 345		\$ 345
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ 7,926	\$ 2,923	\$ 10,849

CAPITAL OUTLAY							
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

CORRESPONDING EXPENDITURE SAVINGS (if applicable)							
Contract with Bellevue	0109302230	5410100				\$ 2,600	\$ 2,600
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ 2,600	\$ 2,600

CORRESPONDING OFFSETTING REVENUE (if applicable)							
	0109302230	541					\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

NET SERVICE PACKAGE REQUEST	\$ -	\$ -	\$ 128,348	\$ 5,523	\$ 133,871
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CITY OF KIRKLAND

2014 SERVICE PACKAGE REQUEST

TITLE	Emergency Preparedness Coordinator			010FB11	
DEPARTMENT	DIVISION		FUND		
Fire & Building	Office of Emergency Management		General		
CITY COUNCIL GOALS					
Public Safety - Goal : Provide for public safety through a community-based approach that focuses on prevention of problems and a timely response. Financial Stability - Goal: Provide a sustainable level of core services that are funded from predictable revenue.					
DESCRIPTION AND JUSTIFICATION					
<p>This service package is to fund the much needed Emergency Preparedness Coordinator position. Emergency Preparedness is an essential function of government; residents expect and depend on the City to be prepared to function during a disaster and to be able to recover from one. It is vital to support, train, and educate City of Kirkland employees in order for them to effectively support the City of Kirkland community. Employees must be supplied with up-to-date disaster plans and equipment to effectively manage a disaster situation and training to practice their disaster role. One person cannot complete all the work needed to get the city prepared; the Emergency Preparedness Coordinator position is the key that coordinates a City-wide cross departmental team that moves the City of Kirkland toward preparedness while assisting the City Emergency Manager.</p> <p>[City Manager's recommendation is to fund 0.5 FTE on-going]</p>					
Is this Service Package tied to a CIP Project? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes CIP # _____					
NUMBER OF FTE'S REQUESTED		1.00			
COST SUMMARY	2013		2014		Total
	Ongoing	One-Time	Ongoing	One-Time	
Personnel Services	\$ -	\$ -	\$ 97,736	\$ -	\$ 97,736
Supplies & Services	\$ -	\$ -	\$ 7,976	\$ 2,923	\$ 10,899
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -
Total Service Package Cost	\$ -	\$ -	\$ 105,712	\$ 2,923	\$ 108,635
Expenditure Savings	\$ -	\$ -	\$ -	\$ -	\$ -
Offsetting Revenue	\$ -	\$ -	\$ 44,421	\$ -	\$ 44,421
Net Service Package Cost	\$ -	\$ -	\$ 61,291	\$ 2,923	\$ 64,214

2014 SERVICE PACKAGE REQUEST

TITLE Emergency Preparedness Coordinator	010FB11
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Description	Org Key	Object	2013		2014		Total
			Ongoing	One-Time	Ongoing	One-Time	
PERSONNEL SERVICES							
Salary	0109602510	5100100			\$ 76,308		\$ 76,308
Benefits	0109602510	5200100			\$ 21,378		\$ 21,378
Uniforms	0109602510	5204200			\$ 50		\$ 50
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ 97,736	\$ -	\$ 97,736

SUPPLIES & SERVICES							
Standard Laptop w/ docking	0109602510	5350300				\$ 1,798	\$ 1,798
Computer Licensing Software	0109602510	5490500				\$ 1,125	\$ 1,125
Travel	0109602510	5430100			\$ 400		\$ 400
Training	0109602510	5490200			\$ 400		\$ 400
IT Operating Charge	0109602510	5459101			\$ 6,781		\$ 6,781
IT Replacement Charge	0109602510	5459102			\$ 395		\$ 395
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ 7,976	\$ 2,923	\$ 10,899

CAPITAL OUTLAY							
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

CORRESPONDING EXPENDITURE SAVINGS (if applicable)							
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

CORRESPONDING OFFSETTING REVENUE (if applicable)							
EMPG Grant					\$ 44,421		\$ 44,421
							\$ -
Total			\$ -	\$ -	\$ 44,421	\$ -	\$ 44,421

NET SERVICE PACKAGE REQUEST	\$ -	\$ -	\$ 61,291	\$ 2,923	\$ 64,214
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CITY OF KIRKLAND

2014 SERVICE PACKAGE REQUEST

TITLE	Waterfront Optimization Evaluation			112CM01	
DEPARTMENT	DIVISION		FUND		
City Manager	Tourism		Lodging Tax		
CITY COUNCIL GOALS					
<p>Economic Development: To attract, retain and grow a diverse and stable economic base that supports city revenues, needed goods and services and jobs for residents. Parks, Open Spaces and Recreational Services: To provide and maintain natural areas and recreational facilities and opportunities that enhance the health and wellbeing of the community</p>					
DESCRIPTION AND JUSTIFICATION					
<p>The waterfront is Kirkland's most treasured asset and favorite visitor destination. Activity on the waterfront benefits retail, restaurant, office and hospitality businesses immediate to it, and also, increases the value of residential properties with views and/or access to it. A recent study completed by the Parks and Community Services Department identified repairs and maintenance items of the waterfront infrastructure. This service package would supplement that \$30,000 study by identifying added infrastructure (such as additional transient moorage), programs and services that would attract more visitors to the City, enhance resident use of the waterfront, provide revenues for parks maintenance and staffing, etc. The elements of the study would include: 1) Provide a baseline of current improvements and use of waterfront parks, and future plans; 2) Gather information about programming of comparable city waterfronts; 3) Launch an online survey of residents and businesses to generate ideas for new programs; 4) Hold focus groups with watersport interests (e.g. kayak, paddle boat, canoe, sailboat), concessionaires (e.g. restaurants), transportation providers (e.g. electric ferries). Ideas will be ranked and a preliminary feasibility study will be prepared for two–three top priorities. A committee consisting of Parks and Tourism Development Committee members will be used to oversee the study and report to City Council at draft and final stages.</p> <p>This request is to apply 2013 projected revenue: \$4,000; and Tourism Reserves (1120905730 3999901): \$12,000 toward the total cost of the WOE study in 2014. We would also apply 2013 savings of \$2,000 as well as 2014 Professional Services funding in the amount of \$12,000.</p>					
Is this Service Package tied to a CIP Project? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes CIP # _____					
NUMBER OF FTE's REQUESTED		0.00			
COST SUMMARY	2013		2014		Total
	Ongoing	One-Time	Ongoing	One-Time	
Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies & Services	\$ -	\$ -	\$ -	\$ 16,000	\$ 16,000
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -
Total Service Package Cost	\$ -	\$ -	\$ -	\$ 16,000	\$ 16,000
Expenditure Savings	\$ -	\$ -	\$ -	\$ -	\$ -
Offsetting Revenue	\$ -	\$ -	\$ -	\$ 16,000	\$ 16,000
Net Service Package Cost	\$ -	\$ -	\$ -	\$ -	\$ -

2014 SERVICE PACKAGE REQUEST

TITLE Waterfront Optimization Evaluation	112CM01
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Description	Org Key	Object	2013		2014		Total
			Ongoing	One-Time	Ongoing	One-Time	
PERSONNEL SERVICES							
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

SUPPLIES & SERVICES							
Professional Services Study	1120905730	5410100				\$ 16,000	\$ 16,000
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ 16,000	\$ 16,000

CAPITAL OUTLAY							
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

CORRESPONDING EXPENDITURE SAVINGS (if applicable)							
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

CORRESPONDING OFFSETTING REVENUE (if applicable)							
Projected 2013 Revenue	1120000000	3133001				\$ 4,000	\$ 4,000
LTAC Reserves	1120905730	3999901				\$ 12,000	\$ 12,000
Total			\$ -	\$ -	\$ -	\$ 16,000	\$ 16,000

NET SERVICE PACKAGE REQUEST	\$ -	\$ -	\$ -	\$ -	\$ -
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CITY OF KIRKLAND

2014 SERVICE PACKAGE REQUEST

TITLE	Parking Space Feasibility Evaluation			117PW01	
DEPARTMENT	DIVISION		FUND		
Public Works	Streets		Street Maintenance		
CITY COUNCIL GOALS					
Dependable Infrastructure					
DESCRIPTION AND JUSTIFICATION					
<p>Parking continues to be a concern to those who visit, work and live in downtown Kirkland, and to a lesser extent in other neighborhoods. These concerns were discussed at a recent Economic Development Committee meeting. This service package would pay for consulting services to make recommendations for short, medium and long term actions to improve parking in Kirkland. The scope of work would include items such as:</p> <ol style="list-style-type: none"> 1. Understand and assess parking services currently delivered by the City of Kirkland. Not an in-depth analysis, but rather an overview of principal strengths, areas for improvements and resulting needs. Interview key stakeholders, evaluate available data and synthesize information. 2. Evaluate applications of new technology from up to 5 different vendors for their appropriateness to Kirkland. These would include systems that implement web-based parking solutions that are vertically integrated from users finding available stalls, through payment, data collection, enforcement and ticket payment. Discuss integration into Kirkland's ITS system. Make recommendations for next steps. 3. Perform pro-forma evaluations on the financial viability of development of additional public parking supply on up to 3 different sites in downtown Kirkland. Describe funding options involving nearby property owners, pay parking customers, general city revenue and any other viable funding sources. Evaluate the feasibility of partnering with developers to provide added public parking. Make recommendations. 4. Evaluate parking wayfinding on-street & in city owned facilities & recommend improvements. 					
Is this Service Package tied to a CIP Project? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes CIP # _____					
NUMBER OF FTE'S REQUESTED		0.00			
COST SUMMARY	2013		2014		Total
	Ongoing	One-Time	Ongoing	One-Time	
Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies & Services	\$ -	\$ -	\$ -	\$ 50,000	\$ 50,000
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -
Total Service Package Cost	\$ -	\$ -	\$ -	\$ 50,000	\$ 50,000
Expenditure Savings	\$ -	\$ -	\$ -	\$ -	\$ -
Offsetting Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Net Service Package Cost	\$ -	\$ -	\$ -	\$ 50,000	\$ 50,000

2014 SERVICE PACKAGE REQUEST

TITLE Parking Space Feasibility Evaluation	117PW01
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Description	Org Key	Object	2013		2014		Total
			Ongoing	One-Time	Ongoing	One-Time	
PERSONNEL SERVICES							
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

SUPPLIES & SERVICES							
Professional Services	1172344450	5410100				\$ 50,000	\$ 50,000
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ 50,000	\$ 50,000

CAPITAL OUTLAY							
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

CORRESPONDING EXPENDITURE SAVINGS (if applicable)							
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

CORRESPONDING OFFSETTING REVENUE (if applicable)							
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

NET SERVICE PACKAGE REQUEST	\$ -	\$ -	\$ -	\$ 50,000	\$ 50,000
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CITY OF KIRKLAND

2014 SERVICE PACKAGE REQUEST

TITLE	Spill Bucket Replacement at Fire Station 27			521PW01	
DEPARTMENT	DIVISION		FUND		
Public Works	Fleet		Equipment Rental		
CITY COUNCIL GOALS					
Environment & Public Safety					
DESCRIPTION AND JUSTIFICATION					
<p>Summary: To furnish labor, equipment, and material necessary to remove existing spill buckets and replace with three new spill buckets (one for each underground tank) elevated higher than existing spill buckets to alleviate the introduction of water intrusion into the tanks.</p> <p>Background: The 3 underground tanks for Fire Station #27's fueling system were installed over 20 years ago (1992). The spill bucket surrounds the "fill tube" for each tank. The spill bucket is covered with a steel lid. The surrounding concrete is not elevated to sufficient height to prevent rain water from entering the spill bucket. The spill bucket (named for catching overspill of fuel when the tanks are being refueled) has become rusty and corroded over the years due to water introduction. Water has also been introduced into the fuel tanks themselves resulting in fuel degradation due to bacteria growth. This growth plugs pump and vehicle filters, and progressed to a condition which necessitated cleaning of the three fuels tanks over the last 2 years for a total cost of \$17,735.24. This service package will prevent similar problems in the future and protect our investment in the cleaning of the fuel tanks. This expense can be covered by the Fleet operating reserve.</p>					
Is this Service Package tied to a CIP Project? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes CIP # _____					
NUMBER OF FTE'S REQUESTED	0.00				
COST SUMMARY	2013		2014		Total
	Ongoing	One-Time	Ongoing	One-Time	
Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies & Services	\$ -	\$ -	\$ -	\$ 20,000	\$ 20,000
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -
Total Service Package Cost	\$ -	\$ -	\$ -	\$ 20,000	\$ 20,000
Expenditure Savings	\$ -	\$ -	\$ -	\$ -	\$ -
Offsetting Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Net Service Package Cost	\$ -	\$ -	\$ -	\$ 20,000	\$ 20,000

2014 SERVICE PACKAGE REQUEST

TITLE Spill Bucket Replacement at Fire Station 27	521PW01
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Description	Org Key	Object	2013		2014		Total
			Ongoing	One-Time	Ongoing	One-Time	
PERSONNEL SERVICES							
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

SUPPLIES & SERVICES							
Repair & Maintenance	5212414860	5636301				\$ 20,000	\$ 20,000
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ 20,000	\$ 20,000

CAPITAL OUTLAY							
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

CORRESPONDING EXPENDITURE SAVINGS (if applicable)							
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

CORRESPONDING OFFSETTING REVENUE (if applicable)							
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

NET SERVICE PACKAGE REQUEST	\$ -	\$ -	\$ -	\$ 20,000	\$ 20,000
------------------------------------	------	------	------	-----------	-----------

CITY OF KIRKLAND

2014 SERVICE PACKAGE REQUEST

TITLE	Adobe LiveCycle Enterprise			522IT01	
DEPARTMENT	DIVISION		FUND		
Information Technology	Applications / Digital Communications		Information Technology		
CITY COUNCIL GOALS					
<p>This project directly supports the work plan item to "Implement the Development Services Organizational Review Recommendations" - the need for forms is called out in the report. It also supports Council goals for public safety through supporting numerous Court projects. The operational values of efficiency and accountability are both served by this project as this software (over the long run) will prevent double-entry, minimize mistakes, allow greater citizen interaction and reduce paper.</p>					
DESCRIPTION AND JUSTIFICATION					
<p>Adobe LiveCycle Enterprise is an enterprise forms creation tool that allows for complex and unlimited forms creation. It provides the city with licenses for the unlimited distribution, use, and design of forms across multiple technology platforms (including mobile, tablet, and full-screen browsers). Many departments including the development services departments (Fire and Building, Public Works, and Planning), the Court, Finance, and Human Resources have expressed interest in this project. The first groups to begin using it will be Development Services and the Court. The ongoing portion of this request will be billed out through IT rates, probably via FTE.</p>					
Is this Service Package tied to a CIP Project? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes CIP # _____					
NUMBER OF FTE's REQUESTED		0.00			
COST SUMMARY	2013		2014		Total
	Ongoing	One-Time	Ongoing	One-Time	
Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies & Services	\$ -	\$ -	\$ 12,739	\$ 106,684	\$ 119,423
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -
Total Service Package Cost	\$ -	\$ -	\$ 12,739	\$ 106,684	\$ 119,423
Expenditure Savings	\$ -	\$ -	\$ -	\$ (4,000)	\$ (4,000)
Offsetting Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Net Service Package Cost	\$ -	\$ -	\$ 12,739	\$ 102,684	\$ 115,423

2014 SERVICE PACKAGE REQUEST

TITLE Adobe LiveCycle Enterprise	522IT01
-----------------------------------------	---------

Description	Org Key	Object	2013		2014		Total
			Ongoing	One-Time	Ongoing	One-Time	
PERSONNEL SERVICES							
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

SUPPLIES & SERVICES							
Software Licensing	5226101881	5490500				\$ 63,900	\$ 63,900
Travel for Trainers	5226101881	5430100				\$ 4,000	\$ 4,000
Training	5226101881	5410100				\$ 12,100	\$ 12,100
Hardware	5226101881	5350300				\$ 4,927	\$ 4,927
Tax	5226101881	5490500				\$ 9,018	\$ 9,018
Contingency	5226101881	5410100				\$ 12,739	\$ 12,739
Annual support	5226101881	5480100			\$ 12,739		\$ 12,739
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ 12,739	\$ 106,684	\$ 119,423

CAPITAL OUTLAY							
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

CORRESPONDING EXPENDITURE SAVINGS (if applicable)							
Reduction in Acrobat Pro licenses	5226101882	5490500				\$ (4,000)	\$ (4,000)
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ (4,000)	\$ (4,000)

CORRESPONDING OFFSETTING REVENUE (if applicable)							
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

NET SERVICE PACKAGE REQUEST	\$ -	\$ -	\$ 12,739	\$ 102,684	\$ 115,423
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CITY OF KIRKLAND

2014 SERVICE PACKAGE REQUEST

TITLE	eCityGov Dues Increase	522IT02			
DEPARTMENT	DIVISION	FUND			
Information Technology	Administration	Information Technology			
CITY COUNCIL GOALS					
<p>The eCityGov Alliance's product MyBuildingPermit.com directly supports the Council work plan item "Implement the Development Services Organization Review recommendations." Additionally, the eCityGov Alliance NWMAPS.net and NWProperty.net support the Economic Development Goal, and other portals support operation values of regional partnership and efficiency.</p>					
DESCRIPTION AND JUSTIFICATION					
<p>The City of Kirkland is a founding member of the eCityGov Alliance, and provides regional permitting, plan review, job application, a parks and trails search, a recreation search, economic development information, mapping and other electronic services. After years of price stability during the recession, the eCityGov Executive Board increased the annual dues owed from \$58,000 to \$77,326. Going into this budget period, one large partner dropped out (Renton). This change plus inflation increased Kirkland's dues by approximately \$12,500. Additional voted funding of just under \$7,000 will support technical work and additional outreach related to the regional eCityGov applications that we use for hiring, mapping, economic development, and other activities. It will also fund a study of a regional Open Government portal. This is anticipated to be an ongoing change in Kirkland's dues. Further investments are being contemplated for future years and so this may increase yet again.</p>					
Is this Service Package tied to a CIP Project? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes CIP # _____					
NUMBER OF FTE'S REQUESTED	0.00				
COST SUMMARY	2013		2014		Total
	Ongoing	One-Time	Ongoing	One-Time	
Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies & Services	\$ -	\$ -	\$ 19,500	\$ -	\$ 19,500
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -
Total Service Package Cost	\$ -	\$ -	\$ 19,500	\$ -	\$ 19,500
Expenditure Savings	\$ -	\$ -	\$ -	\$ -	\$ -
Offsetting Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Net Service Package Cost	\$ -	\$ -	\$ 19,500	\$ -	\$ 19,500

2014 SERVICE PACKAGE REQUEST

TITLE eCityGov Dues Increase	522IT02
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Description	Org Key	Object	2013		2014		Total
			Ongoing	One-Time	Ongoing	One-Time	
PERSONNEL SERVICES							
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

SUPPLIES & SERVICES							
ECityGov Dues Increase	5226101880	5490300			\$ 19,500		\$ 19,500
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ 19,500	\$ -	\$ 19,500

CAPITAL OUTLAY							
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

CORRESPONDING EXPENDITURE SAVINGS (if applicable)							
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

CORRESPONDING OFFSETTING REVENUE (if applicable)							
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

NET SERVICE PACKAGE REQUEST	\$ -	\$ -	\$ 19,500	\$ -	\$ 19,500
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CITY OF KIRKLAND

2014 SERVICE PACKAGE REQUEST

TITLE	Telecommunications Audit			522IT03	
DEPARTMENT	DIVISION		FUND		
Information Technology	Network and Operations		Information Technology		
CITY COUNCIL GOALS					
The Telecommunications Audit supports the Council's "Financial Stability" goal.					
DESCRIPTION AND JUSTIFICATION					
<p>Over time, phone bills become incorrect and unwieldy. Here are some examples:</p> <ul style="list-style-type: none"> As phone services are added and subtracted, departments sometimes end up paying for services they no longer use. Less expensive options can become available, but if city staff are not aware of them then the city can continue to pay old (and high) rates for services that are now available for less. <p>This audit will look at our traditional telephone services (fax lines, phones, emergency lines, etc.) as well as our cellular services. It is very likely that at least some ongoing costs will be eliminated and/or reduced through this process. This project includes funding to implement audit recommendations.</p>					
Is this Service Package tied to a CIP Project? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes CIP # _____					
NUMBER OF FTE's REQUESTED		0.00			
COST SUMMARY	2013		2014		Total
	Ongoing	One-Time	Ongoing	One-Time	
Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies & Services	\$ -	\$ -	\$ -	\$ 25,000	\$ 25,000
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -
Total Service Package Cost	\$ -	\$ -	\$ -	\$ 25,000	\$ 25,000
Expenditure Savings	\$ -	\$ -	\$ -	\$ (25,000)	\$ (25,000)
Offsetting Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Net Service Package Cost	\$ -	\$ -	\$ -	\$ -	\$ -

2014 SERVICE PACKAGE REQUEST

TITLE Telecommunications Audit	522IT03
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Description	Org Key	Object	2013		2014		Total
			Ongoing	One-Time	Ongoing	One-Time	
PERSONNEL SERVICES							
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

SUPPLIES & SERVICES							
Professional Services	5226101882	5410100				\$ 25,000	\$ 25,000
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ 25,000	\$ 25,000

CAPITAL OUTLAY							
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

CORRESPONDING EXPENDITURE SAVINGS (if applicable)							
						\$ (25,000)	\$ (25,000)
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ (25,000)	\$ (25,000)

CORRESPONDING OFFSETTING REVENUE (if applicable)							
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

NET SERVICE PACKAGE REQUEST	\$ -	\$ -	\$ -	\$ -	\$ -
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CITY OF KIRKLAND

2014 SERVICE PACKAGE REQUEST

TITLE	Franchising Legal Fees	522IT04			
DEPARTMENT	DIVISION	FUND			
Information Technology	Administration	Information Technology			
CITY COUNCIL GOALS					
<p>Franchising the City's telecommunications providers helps with management of the public rights of way, which is a key element in the Council's Dependable Infrastructure goal. Cable companies - by law - must have franchises from Local Franchising Authorities (in this case, the City) in order to operate as cable providers.</p>					
DESCRIPTION AND JUSTIFICATION					
<p>The Information Technology Department had anticipated needing money to pay legal fees associated with the Comcast cable franchise in 2015. Comcast requested that we begin negotiations in 2013. IT has been charging 2013 costs against part of a carryover project of \$25,000 to audit Comcast. The Finance department is spending \$5,000 to perform a limited audit of Comcast's compliance. The other \$20,000 is expected to be sufficient to pay 2013 legal expenses associated with this effort. We anticipate that we will need up to an existing \$25,000 in additional funds to complete the Comcast franchise.</p>					
<p>Is this Service Package tied to a CIP Project? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes CIP # _____</p>					
NUMBER OF FTE'S REQUESTED	0.00				
COST SUMMARY	2013		2014		Total
	Ongoing	One-Time	Ongoing	One-Time	
Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies & Services	\$ -	\$ -	\$ -	\$ 25,000	\$ 25,000
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -
Total Service Package Cost	\$ -	\$ -	\$ (25,000)	\$ 25,000	\$ 25,000
Expenditure Savings	\$ -	\$ -	\$ -	\$ (25,000)	\$ (25,000)
Offsetting Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Net Service Package Cost	\$ -	\$ -	\$ -	\$ -	\$ -

2014 SERVICE PACKAGE REQUEST

TITLE Franchising Legal Fees	522IT04
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Description	Org Key	Object	2013		2014		Total
			Ongoing	One-Time	Ongoing	One-Time	
PERSONNEL SERVICES							
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

SUPPLIES & SERVICES							
Legal fees for Comcast franchise	5226101892	5410100				\$ 25,000	\$ 25,000
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ 25,000	\$ 25,000

CAPITAL OUTLAY							
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

CORRESPONDING EXPENDITURE SAVINGS (if applicable)							
						\$ (25,000)	\$ (25,000)
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ (25,000)	\$ (25,000)

CORRESPONDING OFFSETTING REVENUE (if applicable)							
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

NET SERVICE PACKAGE REQUEST	\$ -	\$ -	\$ -	\$ -	\$ -
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CITY OF KIRKLAND

2014 SERVICE PACKAGE REQUEST

TITLE	FireRMS Upgrade, 2014 Support and Fire Inspections			522IT05	
DEPARTMENT	DIVISION		FUND		
Information Technology	APPS		Information Technology		
CITY COUNCIL GOALS					
The service package supports the Public Safety goal directly and also supports the operational values of efficiency and accountability.					
DESCRIPTION AND JUSTIFICATION					
We only budgeted for FireRMS (Zoll) support through the end of 2013 and based on NORCOM's schedule for decision about changes to the FireRMS function, we anticipate that we will need to pay support for at least one more year. We are additionally requesting \$35,000 (\$30,000 in one-time funds and \$5,000 in ongoing costs) to select a system to move the fire inspections function into. This is not a precise estimate. Until work is done later this year to develop requirements and survey the possibilities, we will not have a better number. It would be possible to re-visit funding when we have a better number. Note that if Zoll meets Fire's needs for inspection, this cost could be zero.					
Is this Service Package tied to a CIP Project? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes CIP # _____					
NUMBER OF FTE's REQUESTED	0.00				
COST SUMMARY	2013		2014		Total
	Ongoing	One-Time	Ongoing	One-Time	
Personnel Services	\$ -	\$ -	\$ -	\$ 25,000	\$ 25,000
Supplies & Services	\$ -	\$ -	\$ 14,000	\$ -	\$ 14,000
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -
Total Service Package Cost	\$ -	\$ -	\$ 14,000	\$ 25,000	\$ 39,000
Expenditure Savings	\$ -	\$ -	\$ -	\$ -	\$ -
Offsetting Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Net Service Package Cost	\$ -	\$ -	\$ 14,000	\$ 25,000	\$ 39,000

CITY OF KIRKLAND

2014 SERVICE PACKAGE REQUEST

TITLE	IT Net/Ops Intern			522IT06	
DEPARTMENT	DIVISION		FUND		
Information Technology	Network and Operations		Information Technology		
CITY COUNCIL GOALS					
The IT Net/Ops Intern position supports the Council's "Efficiency" operational value.					
DESCRIPTION AND JUSTIFICATION					
Next year, IT is scheduled to deploy 204 computers. This work will go much more smoothly with an intern to assist the Service Desk staff with delivery of computers and with wiping computers clean so that they can be surplus. Also, by adding this position, there will be less impact on the Service Desk's ability to deliver their regular services in a timely manner. This request will fund a 40 hour a week position for 13 weeks.					
Is this Service Package tied to a CIP Project? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes CIP # _____					
NUMBER OF FTE's REQUESTED	0.00				
COST SUMMARY	2013		2014		Total
	Ongoing	One-Time	Ongoing	One-Time	
Personnel Services	\$ -	\$ -	\$ -	\$ 7,901	\$ 7,901
Supplies & Services	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -
Total Service Package Cost	\$ -	\$ -	\$ -	\$ 7,901	\$ 7,901
Expenditure Savings	\$ -	\$ -	\$ -	\$ (7,901)	\$ (7,901)
Offsetting Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Net Service Package Cost	\$ -	\$ -	\$ -	\$ -	\$ -

2014 SERVICE PACKAGE REQUEST

TITLE IT Net/Ops Intern	522IT06
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Description	Org Key	Object	2013		2014		Total
			Ongoing	One-Time	Ongoing	One-Time	
PERSONNEL SERVICES							
Salary	5226101882	5100200				\$ 6,630	\$ 6,630
Benefits	5226101882	5200200				\$ 1,271	\$ 1,271
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ 7,901	\$ 7,901

SUPPLIES & SERVICES							
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

CAPITAL OUTLAY							
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

CORRESPONDING EXPENDITURE SAVINGS (if applicable)							
						\$ (7,901)	\$ (7,901)
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ (7,901)	\$ (7,901)

CORRESPONDING OFFSETTING REVENUE (if applicable)							
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

NET SERVICE PACKAGE REQUEST	\$ -	\$ -	\$ -	\$ -	\$ -
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CITY OF KIRKLAND

2014 SERVICE PACKAGE REQUEST

TITLE	Cost of Service Analysis				411PW01
DEPARTMENT	DIVISION		FUND		
Public Works	Water Operating		Water/Sewer Fund		
CITY COUNCIL GOALS					
Dependable Infrastructure & Financial Stability					
DESCRIPTION AND JUSTIFICATION					
<p>The City is in the process of updating the Water Comprehensive Plan, and it is expected to be completed this winter. This service package would pay for consulting services to review the rate structure in the context of the capital needs identified in the Water Comprehensive Plan and review policy issues related to conservation, fire flow and other operations. Allocation of water system costs among customer classes will also be reviewed at this time.</p>					
Is this Service Package tied to a CIP Project? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes CIP # _____					
NUMBER OF FTE's REQUESTED		0.00			
COST SUMMARY	2013		2014		Total
	Ongoing	One-Time	Ongoing	One-Time	
Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies & Services	\$ -	\$ -	\$ -	\$ 30,000	\$ 30,000
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -
Total Service Package Cost	\$ -	\$ -	\$ -	\$ 30,000	\$ 30,000
Expenditure Savings	\$ -	\$ -	\$ -	\$ -	\$ -
Offsetting Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Net Service Package Cost	\$ -	\$ -	\$ -	\$ 30,000	\$ 30,000

2014 SERVICE PACKAGE REQUEST

TITLE Cost of Service Analysis	411PW01
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Description	Org Key	Object	2013		2014		Total
			Ongoing	One-Time	Ongoing	One-Time	
PERSONNEL SERVICES							
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

SUPPLIES & SERVICES							
Professional Services	4112513457	5410100				\$ 30,000	\$ 30,000
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ 30,000	\$ 30,000

CAPITAL OUTLAY							
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

CORRESPONDING EXPENDITURE SAVINGS (if applicable)							
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

CORRESPONDING OFFSETTING REVENUE (if applicable)							
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

NET SERVICE PACKAGE REQUEST	\$ -	\$ -	\$ -	\$ 30,000	\$ 30,000
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CITY OF KIRKLAND
Department of Finance & Administration
123 Fifth Avenue, Kirkland, WA 98033 425.587.3100
www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager

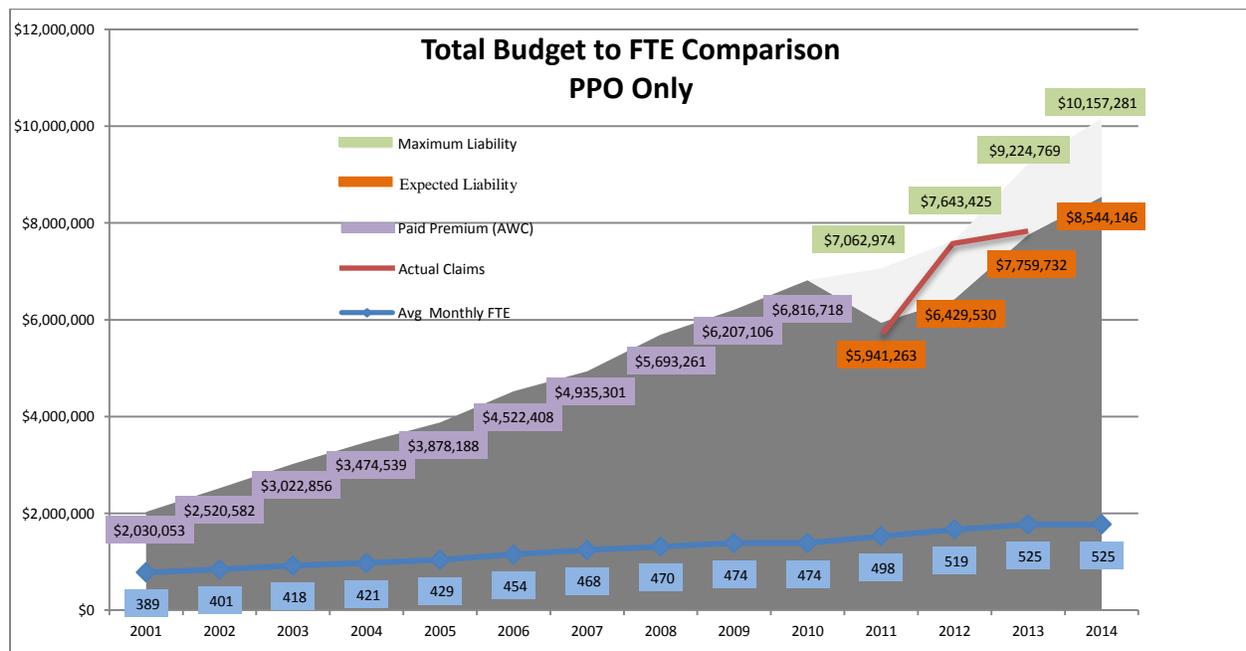
From: Tracey Dunlap, Director of Finance & Administration
 Neil Kruse, Senior Financial Analyst
 Nicole Bruce, Senior Human Resources Analyst

Date: October 25, 2013

Subject: Healthcare Costs and the Health Benefits Fund

The purpose of this memorandum is to provide a more in-depth discussion of the self-insured medical cost budget recommendation, in the context of the healthcare discussion that took place at the October 15 City Council Study Session.

A version of the graph below was presented at the study session. That version illustrated a combination of actual and projected medical claims. To better understand how we develop our internal budget and how that varies from actuarial projections, we have created a more expansive version of the graph below to try and further explain this complex subject.



The figures through 2010 represent the actual amounts paid to the AWC Trust before the City changed to a self-insured model. The 2011 through 2014 figures represent the actuarial projections on which our stop loss insurance premiums were based, which is a conjectural figure calculated based on the number of projected participants at the point in time of each

renewal. The top figure (green) is the maximum aggregate liability after which the City's stop loss insurance kicks in and the lower figure (orange) is the expected liability (claims) based on actuarial analysis. The actual claims the City incurred is illustrated by the red line.

The City's actual premium contributions are based on the actual number of participants and policy decisions about whether the City wants to add to or use reserves to fund a portion of the difference between the expected liability and the maximum liability. The actual activity in the fund for 2011 and 2012 is summarized below, with the estimated 2013 figures and the proposed 2014 budget.

Recap of Health Benefits Fund Activity

	Actual 2011	Actual 2012	2013 Estimate	2014 Estimate
RESOURCES				
Resources Forward	-	2,208,954	3,060,490	4,465,165
Medical Contributions	7,135,504	8,142,290	9,343,439	9,997,480
Rate Stabilization Contribution	500,000	500,000	-	-
Prescription Rebates	40,753	74,923	77,967	50,000
Stop Loss Rebates	-	258,144	260,857	-
Staffing	97,000	107,594	111,432	113,861
Wellness Contributions	43,980	53,430	65,000	65,000
Miscellaneous Revenue	56,345	18,185	22,110	10,172
Subtotal Other Resources	238,078	512,276	537,366	239,033
TOTAL RESOURCES	7,873,582	11,363,520	12,941,295	14,701,678

USES				
Medical Premium Services	4,545,018	6,804,665	7,256,672	9,148,493
Internal Professional Services	97,000	107,472	111,446	113,861
Fixed Costs Professional Svcs	1,013,367	1,390,188	1,102,709	1,091,512
Wellness Program	-	24	3,193	65,000
2014 Outreach Program	-	-	-	120,000
Miscellaneous Expenses	9,243	681	2,111	93,950
TOTAL EXPENSES	5,664,628	8,303,030	8,476,131	10,632,816
Reserves:				
Claims Reserve	863,405	2,258,660	2,232,822	2,814,921
Rate Stabilization Reserve	500,000	1,000,000	1,000,000	1,000,000
Wellness Program	43,980	97,386	159,193	159,193
Total Reserves:	1,407,385	3,356,046	3,392,015	3,974,114
Additional/Use of Reserves	801,570	(295,556)	1,073,150	94,748
TOTAL USES	7,873,582	11,363,520	12,941,295	14,701,678

A discussion of the dynamics in each year follows.

- Actual activity in 2011 (the first year of the plan):
 - The City's actual premium contribution was \$7.1 million (consistent with the maximum liability based on the actual participants),
 - The actual claims paid and associated program costs totaled \$5.7 million,

- In addition to the medical premium contribution, there were other revenues (rebates, interest earnings) and contributions toward non-premium costs (staffing, wellness) of \$0.2 million,
- By Council policy, a rate stabilization set aside of \$0.5 million was made,
- This activity resulted in an accumulated cash balance of \$2.2 million. Of this amount:
 - \$0.9 million was the legally required claims reserve (8 weeks of claims for the first year of the plan),
 - \$0.04 million was set aside for wellness programs,
 - \$0.5 million was the rate stabilization reserve, and
 - The remaining \$0.8 million represented additional reserves toward the second year legal requirement (a good result).
- Actual activity in 2012:
 - The City's actual premium contribution was \$8.1 million (which was higher than the actuarial results due to increased staffing from annexation),
 - The actual claims paid and associated program costs totaled \$8.3 million,
 - Other revenues and contributions toward non-premium costs totaled \$0.5 million,
 - Another set aside for the rate stabilization reserve of \$0.5 million was made,
 - This activity resulted in an accumulated cash balance of \$3.0 million. Of this amount:
 - \$2.3 million was the legally required claims reserve (16 weeks of claims),
 - \$0.1 million was set aside for wellness programs,
 - A net reserve use of \$0.3 million was required,
 - Leaving a net balance of \$0.7 million in the rate stabilization reserve due to higher than expected claims (a not so good result).
- Projected activity in 2013:
 - The renewal from the stop loss insurer reflected an 18% increase over the prior year due to the high claims activity in 2012. The City made a policy decision to raise the premiums about 13% (contribution of \$9.3 million given changes in staffing) with a plan to use approximately \$500,000 in the rate stabilization reserve to insure the difference, if needed.
 - Unlike 2012, actual/estimated claims paid are less than projected, increasing approximately 7% from the prior year, resulting in no projected use of the rate stabilization balance and in fact restoring it to the \$1 million level,
 - Taken with the other resources of \$0.5 million, the estimated reserve balance is \$4.5 million, consisting of:
 - \$2.2 million for the legally required balance,
 - \$0.1 million was set aside for wellness programs,
 - \$1.0 million in the rate stabilization reserve, and
 - Additional reserves over the legal requirement of \$1.1 million (a very good result).

- Estimated activity in 2014:
 - The adopted 2014 budget reflects a 7% overall increase in premium contributions to \$10.0 million.
 - The 2014 stop loss renewal represents a 10% increase in the maximum liability from the previous year's renewal and a 26% increase over the estimated claims, still reflecting the impact of 2012's high claims activity.
 - Staff is recommending that the contributions remain at the budgeted level, which results in the potential use of up to \$0.7 million in the reserves over the legal requirement before the City reaches the actuarial maximum liability.
 - In addition, a new tax associated with the Affordable Care Act takes effect in 2014 (\$0.1 million) and the City Manager is recommending funding of a \$0.1 million one-time service package to help address the changes to the health care program, a total use of \$0.2 million.
 - In the (hopefully unlikely) event that the City reaches the actuarial maximum liability, the projected reserve balance would be:
 - \$2.8 million for the legally required balance (with the increase based on this higher claims),
 - \$0.2 million was set aside for wellness programs,
 - \$1.0 million in the rate stabilization reserve, and
 - Additional reserves over the legal requirement of \$0.1 million.

While staff believes that the recommended actions in the current biennium are prudent, it is important to recognize that steps need to be taken to slow the growth in these costs. The continued assumed uses of reserves helps us to moderate increases while changes are taking place, but at some point, the plan will need to "true up" the funding contributions. One of the objectives of moving to a self-insured program was greater visibility into the program and the ability to make adjustments as needed. The five-year framework for healthcare contemplates making changes to the plans to better control costs and behaviors, some of which were discussed at the October 15 Study Session. The impact of these changes will hopefully moderate the rate of growth in medical costs in anticipation of the "Cadillac Tax" element of the Affordable Care Act in 2018.