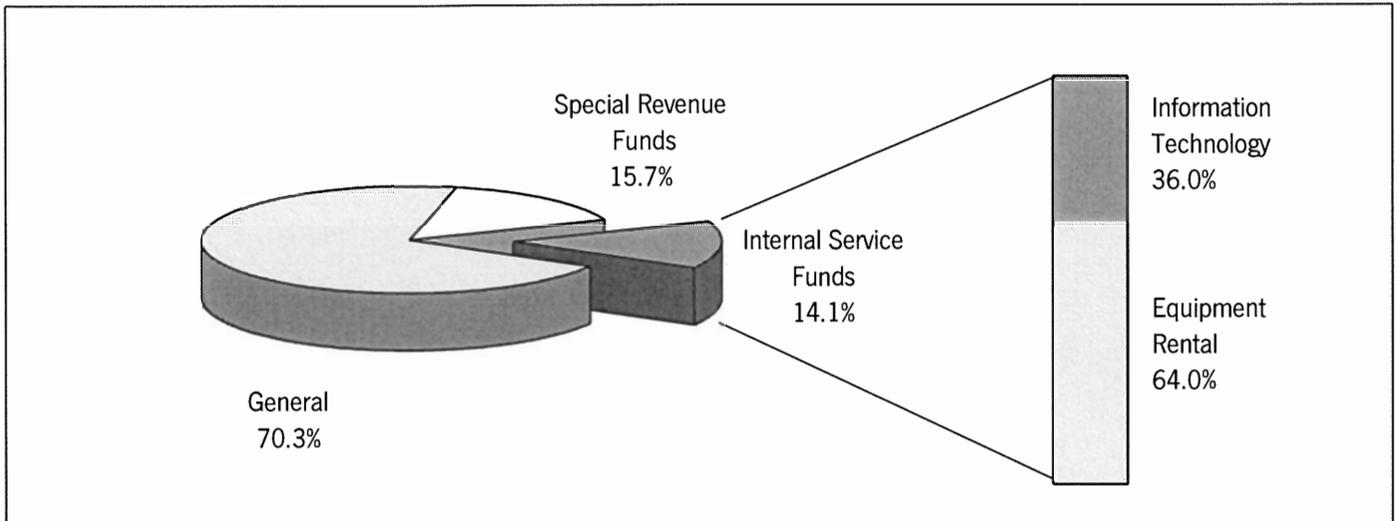


**CITY OF KIRKLAND
GENERAL GOVERNMENT OPERATING
2005-2006 BUDGET SUMMARY: BY FUND TYPE/FUND**



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

Analysis of Change

Fund	2001-2002 Actual*	2003-2004 Budget	2005-2006 Budget	Percent Change
General Fund				
010 General	74,337,922	82,989,914	92,461,592	11.41%
Special Revenue Funds				
112 Lodging Tax	40,149	292,643	377,884	29.13%
117 Street Operating	6,137,759	7,798,706	7,988,192	2.43%
122 Cemetery Operating	189,630	322,371	305,024	-5.38%
125 Parks Maintenance	0	1,526,682	1,651,206	8.16%
126 Recreation Revolving	1,301,917	1,730,738	1,863,341	7.66%
127 Facilities Maintenance	5,697,911	8,433,720	8,355,588	-0.93%
Total Special Revenue Funds	13,367,366	20,104,860	20,541,235	2.17%
Internal Service Funds				
521 Equipment Rental	3,783,501	11,155,689	12,009,124	7.65%
522 Information Technology	3,763,685	5,393,986	6,488,151	20.28%
Total Internal Service Funds	7,547,186	16,549,675	18,497,275	11.77%
Total General Government Operating Funds	95,252,474	119,644,449	131,500,102	9.91%

*2001-2002 actual does not include reserves.

CITY OF KIRKLAND
CHANGE IN FUND BALANCE (Beginning 2004 to Ending 2006)
GENERAL GOVERNMENT OPERATING FUNDS

	General¹	Lodging Tax	Street Operating²	Cemetery Operating
2004 Actual Beginning Fund Balance	3,808,390	121,310	1,322,538	136,436
<i>Reserved</i>	<i>708,783</i>	<i>101,572</i>	<i>0</i>	<i>0</i>
<i>Unreserved Working Capital</i>	<i>3,099,607</i>	<i>19,738</i>	<i>1,322,538</i>	<i>136,436</i>
Plus: 2004 Estimated Revenues	41,997,138	126,000	3,444,570	84,000
Less: 2004 Estimated Expenditures	41,522,064	67,326	3,570,202	95,412
Less: 2004 Amount Available for Year-End Transfer	750,000	N/A	N/A	N/A
2004 Estimated Ending Fund Balance	3,533,464	179,984	1,196,906	125,024
Less: Funding for Carryovers to 2005	667,754	17,100	110,032	0
Less: Funding for 2006 Service Packages	250,763	0	0	0
2005 Budgeted Beginning Fund Balance	2,614,947	162,884	1,086,874	125,024
Plus: 2005 Budgeted Revenues	44,567,631	105,000	3,355,016	90,000
Less: 2005 Budgeted Expenditures	44,509,994	119,970	3,581,051	100,208
Plus: 2006 Budgeted Revenues	45,028,251	110,000	3,546,302	90,000
Less: 2006 Budgeted Expenditures	47,035,474	110,743	3,655,619	101,072
2006 Budgeted Ending Fund Balance	916,124	147,171	751,522	103,744
<i>Reserved</i>	<i>66,124</i>	<i>147,171</i>	<i>0</i>	<i>0</i>
<i>Unreserved Working Capital</i>	<i>850,000</i>	<i>0</i>	<i>751,522</i>	<i>103,744</i>
Change in Fund Balance: Beginning 2004 to Ending 2006	(2,892,266)	25,861	(571,016)	(32,692)

Notes:

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

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

Parks Maintenance	Recreation Revolving	Facilities Maintenance³	Equipment Rental³	Information Technology³	Total
95,615	105,315	2,215,153	5,374,550	1,122,435	14,301,742
<i>95,615</i>	<i>0</i>	<i>1,353,439</i>	<i>5,027,682</i>	<i>590,186</i>	<i>7,877,277</i>
<i>0</i>	<i>105,315</i>	<i>861,714</i>	<i>346,868</i>	<i>532,249</i>	<i>6,424,465</i>
764,729	852,885	3,024,687	2,542,034	2,279,008	55,115,051
600,057	828,001	2,903,540	1,808,259	2,338,213	53,733,074
N/A	N/A	N/A	N/A	N/A	750,000
260,287	130,199	2,336,300	6,108,325	1,063,230	14,933,719
77,163	16,708	103,575	0	21,984	1,014,316
0	0	0	0	24,271	275,034
183,124	113,491	2,232,725	6,108,325	1,016,975	13,644,369
730,415	950,075	2,979,972	3,149,605	2,602,050	58,529,764
676,967	885,438	3,139,105	3,501,447	2,847,685	59,361,865
737,667	799,775	3,142,891	2,751,194	2,844,855	59,050,935
802,009	925,938	3,169,322	2,226,185	2,801,022	60,827,384
172,230	51,965	2,047,161	6,281,492	839,444	11,310,853
<i>172,230</i>	<i>0</i>	<i>1,605,016</i>	<i>6,281,492</i>	<i>653,335</i>	<i>8,925,368</i>
<i>0</i>	<i>51,965</i>	<i>442,145</i>	<i>0</i>	<i>186,109</i>	<i>2,385,485</i>
76,615	(53,350)	(167,992)	906,942	(282,991)	(2,990,889)

Notes:

² In the Street Operating Fund, the significant reduction in fund balance reflects the use of unreserved working capital (i.e. cash) to fund one-time service packages (i.e. projects).

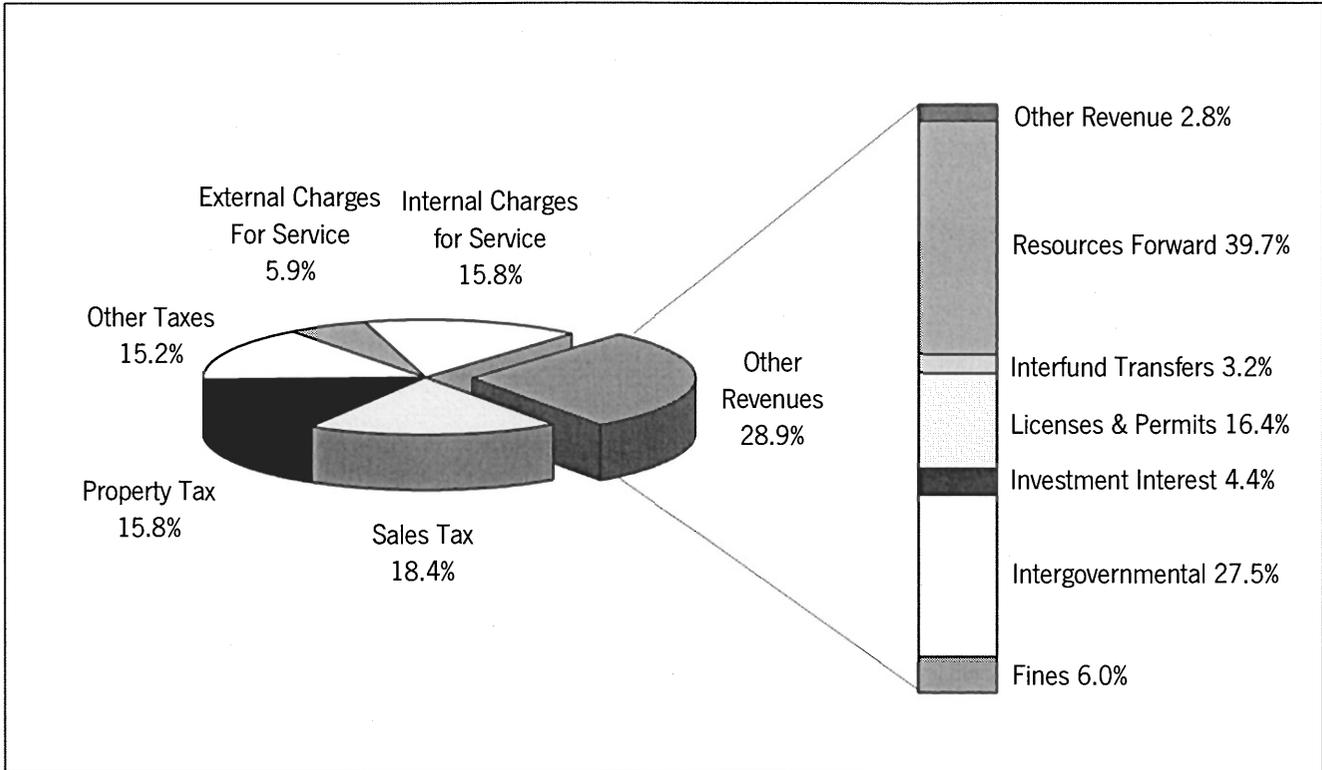
³ In the Facilities Maintenance, Equipment Rental, and Information Technology Funds, reserved fund balance primarily represents cash earmarked for facilities renovations, vehicle replacements, and computer replacements respectively. Increases in fund balance reflect the accumulation of capital reserves.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



REVENUE SUMMARY



**CITY OF KIRKLAND
 GENERAL GOVERNMENT OPERATING
 2005-2006 REVENUE SUMMARY
 \$131,500,102**



Taxes comprise almost 50% of all General Government Operating revenues, with sales tax being the single largest revenue category. They are a general purpose revenue source which are used to support basic government services such as public safety, street maintenance, and park maintenance. Internal charges for service reflect payments from one operating fund to another primarily for information technology, fleet, general administration, facilities maintenance, engineering, and billing services provided "in-house." Resources forward represents the collective beginning fund balance for all General Government Operating Funds, and is composed primarily of capital reserves, operating reserves, and unreserved working capital. In addition, resources forward is used to fund one-time service packages.



**CITY OF KIRKLAND
GENERAL GOVERNMENT OPERATING
2005-2006 REVENUE SUMMARY: BY REVENUE TYPE**

Revenue Sources	2001-2002 Actual	2003-2004 Estimate	2003-2004 Budget	2005-2006 Budget	Percent Change
Taxes:					
Property Tax	17,162,890	19,618,140	19,756,583	20,835,092	5.46%
Sales Tax:					
General	21,518,186	23,702,849	21,030,080	24,182,022	14.99%
Criminal Justice	1,789,449	1,731,778	1,700,000	1,765,000	3.82%
Utility Taxes:					
Electric	3,141,094	3,514,191	3,412,000	3,694,600	8.28%
Gas	1,327,052	1,279,570	1,482,000	1,550,500	4.62%
Television Cable	894,635	1,232,642	940,000	1,320,000	40.43%
Telephone	5,379,162	5,361,495	5,438,116	5,380,000	-1.07%
Garbage	900,143	973,477	1,018,000	940,000	-7.66%
Sewer	603,570	835,599	797,000	939,700	17.90%
Water	623,751	914,823	880,000	898,000	2.05%
Surface Water	142,830	302,609	304,800	320,000	4.99%
Admissions Tax	188,736	219,354	205,000	225,000	9.76%
Revenue Generating Regulatory License	0	1,398,494	1,350,229	1,800,000	33.31%
Hotel/Motel Tax	105,932	252,860	210,000	215,000	2.38%
Gambling & Other Taxes	749,189	1,000,782	850,577	929,450	9.27%
Total Taxes	54,526,619	62,338,663	59,374,385	64,994,364	9.47%
Licenses and Permits:					
Building/Structural	2,529,987	3,184,879	2,559,408	3,678,508	43.72%
Franchise Fees	1,246,739	1,508,934	1,357,000	1,587,000	16.95%
Business & Other Licenses	455,319	869,048	714,862	978,590	36.89%
Total Licenses and Permits	4,232,045	5,562,861	4,631,270	6,244,098	34.82%
Intergovernmental:					
Emergency Medical Services	841,532	899,870	899,840	965,107	7.25%
Fire District Revenue	4,851,782	4,950,079	4,967,457	5,914,269	19.06%
Gas Tax	1,346,394	1,276,614	1,305,044	1,301,066	-0.30%
Liquor Taxes	808,414	939,791	829,551	1,042,880	25.72%
Local Government Assistance	436,848	0	0	0	N/A
Grants & Other Intergovernmental	1,079,764	1,174,216	1,158,820	1,246,649	7.58%
Total Intergovernmental	9,364,734	9,240,570	9,160,712	10,469,971	14.29%
Charges for Services:					
Planning Fees	2,106,179	3,546,502	2,313,525	3,917,597	69.33%
Engineering Development Fees	653,699	645,762	600,000	800,000	33.33%
Recreation Charges	1,413,242	1,666,677	1,652,210	1,683,750	1.91%
Internal Charges	15,737,729	18,197,896	18,246,317	20,766,179	13.81%
Other Charges	859,096	1,216,604	988,733	1,312,982	32.79%
Total Charges for Services	20,769,945	25,273,441	23,800,785	28,480,508	19.66%
Fines and Forfeits	2,465,589	2,324,042	2,400,115	2,284,300	-4.83%
Miscellaneous	2,989,539	2,241,528	2,271,619	2,714,170	19.48%
Interfund Transfers	1,581,323	1,834,793	1,908,975	1,211,152	-36.55%
Resources Forward	13,923,800	16,689,637	16,096,588	15,101,539	-6.18%
General Government Operating Total	109,853,594	125,505,535	119,644,449	131,500,102	9.91%

**CITY OF KIRKLAND
GENERAL GOVERNMENT OPERATING
2005-2006 REVENUE SUMMARY: BY REVENUE TYPE ACROSS FUNDS**

Revenue Sources	General Fund	Lodging Tax Fund	Street Operating Fund	Cemetery Operating Fund
<i>Taxes:</i>				
Property Tax	14,106,116	0	5,271,494	0
Sales Tax:				
General	24,182,022	0	0	0
Criminal Justice	1,765,000	0	0	0
Utility Taxes:				
Electric	3,694,600	0	0	0
Gas	1,550,500	0	0	0
Television Cable	0	0	0	0
Telephone	5,380,000	0	0	0
Garbage	940,000	0	0	0
Sewer	939,700	0	0	0
Water	898,000	0	0	0
Surface Water	320,000	0	0	0
Admissions Tax	0	0	0	0
Revenue Generating Regulatory License	1,800,000	0	0	0
Hotel/Motel Tax	0	215,000	0	0
Gambling & Other Taxes	929,450	0	0	0
Total Taxes	56,505,388	215,000	5,271,494	0
<i>Licenses and Permits:</i>				
Building/Structural	3,678,508	0	0	0
Franchise Fees	1,587,000	0	0	0
Business & Other Licenses	978,590	0	0	0
Total Licenses and Permits	6,244,098	0	0	0
<i>Intergovernmental:</i>				
Emergency Medical Services	965,107	0	0	0
Fire District Revenue	5,788,989	0	0	0
Gas Tax	0	0	1,301,066	0
Liquor Taxes	1,042,880	0	0	0
Local Government Assistance	0	0	0	0
Grants & Other Intergovernmental	1,214,445	0	0	0
Total Intergovernmental	9,011,421	0	1,301,066	0
<i>Charges for Services:</i>				
Planning Fees	3,917,597	0	0	0
Engineering Development Fees	800,000	0	0	0
Recreation Charges	148,000	0	0	0
Internal Charges	6,920,770	0	22,803	0
Other Charges	1,169,282	0	5,200	136,000
Total Charges for Services	12,955,649	0	28,003	136,000
<i>Fines and Forfeits</i>	2,284,300	0	0	0
<i>Miscellaneous</i>	978,028	0	222,500	44,000
<i>Interfund Transfers</i>	498,117	0	15,000	0
<i>Resources Forward</i>	3,984,591	162,884	1,150,129	125,024
Fund Total	92,461,592	377,884	7,988,192	305,024

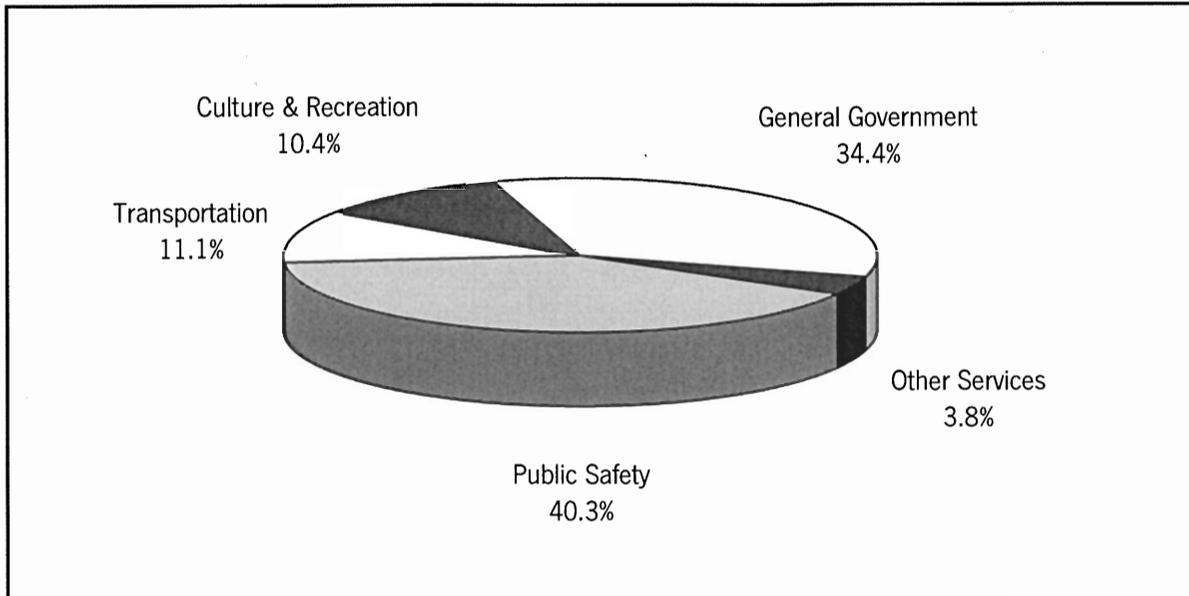
Parks Maintenance Fund	Recreation Revolving Fund	Facilities Maintenance Fund	Equipment Rental Fund	Information Technology Fund	Revenue Total
1,457,482	0	0	0	0	20,835,092
0	0	0	0	0	24,182,022
0	0	0	0	0	1,765,000
0	0	0	0	0	3,694,600
0	0	0	0	0	1,550,500
0	0	1,320,000	0	0	1,320,000
0	0	0	0	0	5,380,000
0	0	0	0	0	940,000
0	0	0	0	0	939,700
0	0	0	0	0	898,000
0	0	0	0	0	320,000
0	0	225,000	0	0	225,000
0	0	0	0	0	1,800,000
0	0	0	0	0	215,000
0	0	0	0	0	929,450
1,457,482	0	1,545,000	0	0	64,994,364
0	0	0	0	0	3,678,508
0	0	0	0	0	1,587,000
0	0	0	0	0	978,590
0	0	0	0	0	6,244,098
0	0	0	0	0	965,107
0	0	0	125,280	0	5,914,269
0	0	0	0	0	1,301,066
0	0	0	0	0	1,042,880
0	0	0	0	0	0
0	0	0	0	32,204	1,246,649
0	0	0	125,280	32,204	10,469,971
0	0	0	0	0	3,917,597
0	0	0	0	0	800,000
0	1,535,750	0	0	0	1,683,750
0	0	3,356,871	5,255,349	5,210,386	20,766,179
0	2,500	0	0	0	1,312,982
0	1,538,250	3,356,871	5,255,349	5,210,386	28,480,508
0	0	0	0	0	2,284,300
10,600	56,600	1,220,992	181,450	0	2,714,170
0	155,000	0	338,720	204,315	1,211,152
183,124	113,491	2,232,725	6,108,325	1,041,246	15,101,539
1,651,206	1,863,341	8,355,588	12,009,124	6,488,151	131,500,102



EXPENDITURE SUMMARY



**CITY OF KIRKLAND
GENERAL GOVERNMENT OPERATING
2005-2006 EXPENDITURE SUMMARY: BY PROGRAM**



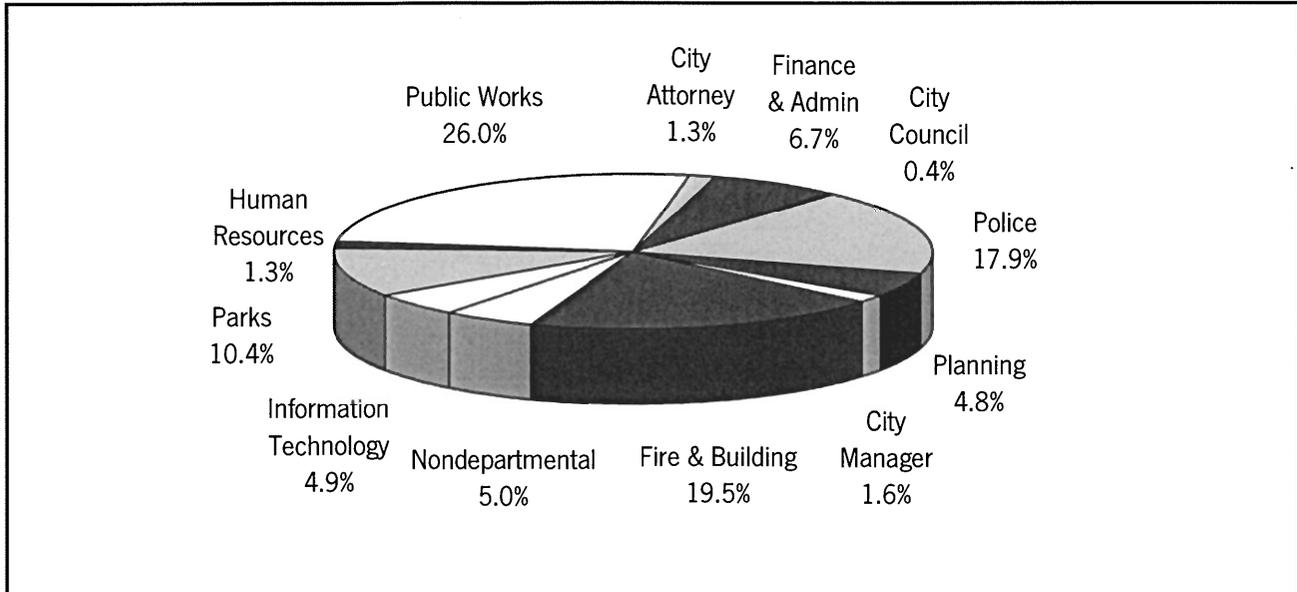
The General Government Operating Funds account for over 47 percent of the City's total budget. The largest program area is Public Safety comprising police, fire, building inspection, and municipal court services. General Government represents the next largest program area, which includes legislative, executive, legal, administrative, financial, community planning, technology, and fleet services. Noteworthy budget changes from 2003-2004 to 2005-2006 include the following: (1) 49.59% increase in Other Services primarily due to undistributed salaries and benefits for employee contract negotiations and cost of living increases; (2) 11.71% increase in Public Safety due to increased salary and benefit costs (i.e. higher medical and state retirement rates, contractual obligations for market and cost of living increases for employees with settled contracts, and additional staffing for Police dispatch, development services, and the Forbes Creek Fire Station), and increased facilities costs related to a new evidence storage building; and (3) 7.90% increase in General Government due to increased technology charges, increases in medical and state retirement rates, and contractual obligations for market and cost of living increases for employees with settled contracts.

Analysis of Change

Program	2001-2002 Actual*	2003-2004 Budget	2005-2006 Budget	Percent Change
Public Safety	41,699,302	47,474,304	53,034,026	11.71%
Transportation	11,665,342	14,064,324	14,567,572	3.58%
Culture & Recreation	9,904,743	12,865,196	13,691,182	6.42%
General Government	27,436,671	41,894,749	45,202,378	7.90%
Other Services	4,546,416	3,345,876	5,004,944	49.59%
Program Total	95,252,474	119,644,449	131,500,102	9.91%

*2001-2002 actual does not include reserves.

**CITY OF KIRKLAND
GENERAL GOVERNMENT OPERATING
2005-2006 EXPENDITURE SUMMARY: BY DEPARTMENT**



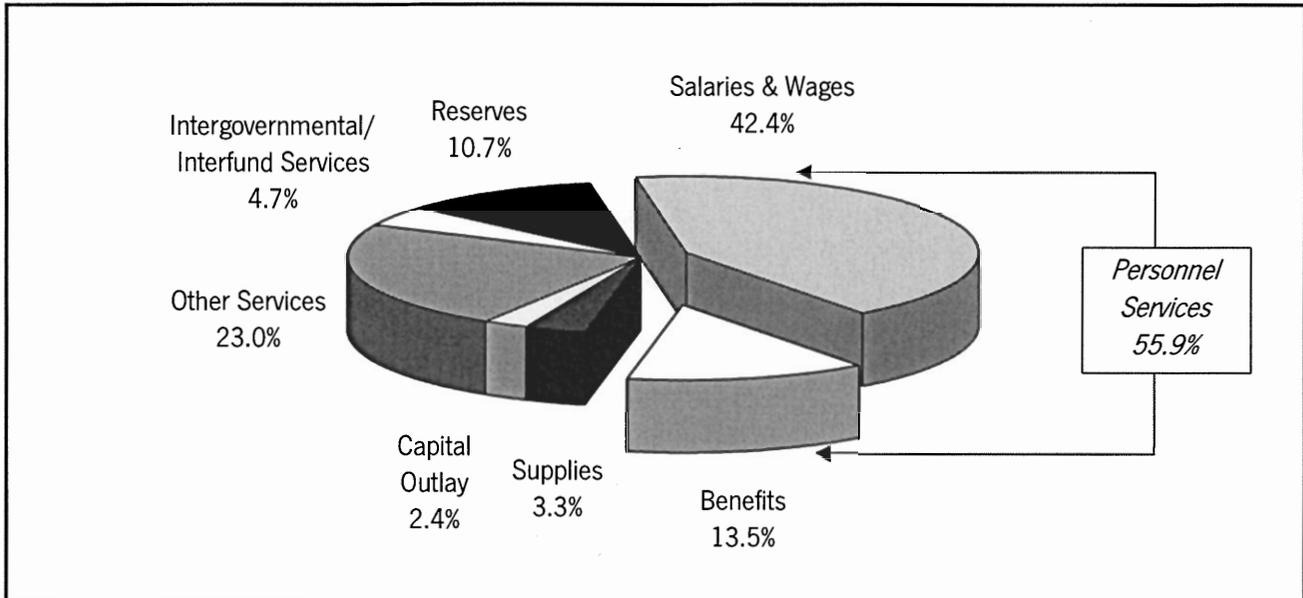
The largest department in the General Government Operating Funds is Public Works, which consists of engineering, transportation, facilities maintenance, and fleet management services. Fire & Building and Police, which provide public safety services, are the next two largest departments. Noteworthy budget changes from 2003-2004 to 2005-2006 include the following: (1) 65.99% increase in Nondepartmental primarily due to undistributed salaries and benefits for employee contract negotiations and cost of living increases; (2) 20.28% increase in Information Technology due to increased staffing costs and new technology systems; (3) 10.22% increase in Fire & Building mostly due to higher medical and state retirement rates and additional staffing at the Forbes Creek Fire Station; and (4) 9.72% increase in Police mostly due to three additional dispatch staff, higher medical and state retirement rates, and a new dispatch and records system.

Analysis of Change

Department	2001-2002 Actual*	2003-2004 Budget	2005-2006 Budget	Percent Change
Nondepartmental	5,248,312	3,994,087	6,629,856	65.99%
City Council	330,347	458,791	591,306	28.88%
City Manager	1,912,053	1,913,910	2,121,220	10.83%
Human Resources	1,269,167	1,383,810	1,679,824	21.39%
City Attorney	1,451,685	1,642,410	1,774,627	8.05%
Parks & Community Services	9,862,574	12,832,007	13,675,548	6.57%
Public Works	20,435,063	32,861,757	34,129,108	3.86%
Finance & Administration	7,320,102	8,458,335	8,864,108	4.80%
Planning & Community Development	4,329,476	5,961,490	6,336,605	6.29%
Police	18,366,782	21,428,359	23,511,259	9.72%
Fire & Building	20,963,228	23,315,507	25,698,490	10.22%
Information Technology	3,763,685	5,393,986	6,488,151	20.28%
Department Total	95,252,474	119,644,449	131,500,102	9.91%

*2001-2002 actual does not include reserves.

**CITY OF KIRKLAND
GENERAL GOVERNMENT OPERATING
2005-2006 EXPENDITURE SUMMARY: BY CATEGORY**



The largest category of expense in the General Government Operating Funds is Personnel Services (which includes Salaries & Wages and Benefits), over half of which is for public safety personnel. Other Services & Charges is the next largest category and is comprised mostly of contracted direct services (such as jail and human services), contracted support services (such as consulting, printing, and repairs and maintenance services), and internal charges from one City fund to another (for information technology, fleet, facilities maintenance, and other internal services). Noteworthy budget changes from 2003-2004 to 2005-2006 include the following: (1) 25.23% increase in Reserves due to the accumulation of funds for future vehicle replacements and unsettled labor contracts; (2) 24.99% increase in Benefits due to significant increases in medical insurance rates for employees with settled contracts and in state retirement rates; (3) 8.02% increase in Salaries & Wages mostly due to market adjustments and cost of living increases for employees with settled contracts and to additional temporary and ongoing staff; and (4) 26.53% decrease in Capital Outlay primarily due to reductions in scheduled vehicle replacements and new vehicle and equipment purchases.

Analysis of Change

Category	2001-2002 Actual*	2003-2004 Budget	2005-2006 Budget	Percent Change
Salaries & Wages	45,463,624	51,592,604	55,728,347	8.02%
Benefits	11,103,762	14,228,897	17,785,063	24.99%
Supplies	3,397,873	3,700,082	4,355,390	17.71%
Other Services & Charges	24,710,201	28,372,592	30,195,025	6.42%
Intergovernmental/Interfund Services	8,129,323	6,116,941	6,119,064	0.03%
Capital Outlay	2,447,691	4,366,827	3,208,156	-26.53%
Reserves	0	11,266,506	14,109,057	25.23%
Category Total	95,252,474	119,644,449	131,500,102	9.91%

*2001-2002 actual does not include reserves.

**CITY OF KIRKLAND
GENERAL GOVERNMENT OPERATING
2005-2006 EXPENDITURE SUMMARY: ACROSS FUNDS**

By Program

Program	General Fund	Lodging Tax Fund	Street Operating Fund
Public Safety	53,034,026	0	0
Transportation	6,579,380	0	7,988,192
Culture & Recreation	10,176,635	0	0
General Government	18,349,515	0	0
Other Services	4,322,036	377,884	0
Fund Total	92,461,592	377,884	7,988,192

By Department

Department	General Fund	Lodging Tax Fund	Street Operating Fund
Nondepartmental	6,251,972	377,884	0
City Council	591,306	0	0
City Manager	2,121,220	0	0
Human Resources	1,679,824	0	0
City Attorney	1,774,627	0	0
Parks & Community Services	10,000,319	0	0
Public Works	5,776,204	0	7,988,192
Finance & Administration	8,719,766	0	0
Planning & Community Development	6,336,605	0	0
Police	23,511,259	0	0
Fire & Building	25,698,490	0	0
Information Technology	0	0	0
Fund Total	92,461,592	377,884	7,988,192

By Category

Category	General Fund	Lodging Tax Fund	Street Operating Fund
Salaries & Wages	48,507,216	14,480	2,011,994
Benefits	15,391,880	4,258	750,389
Supplies	1,806,831	12,000	687,037
Other Services & Charges	19,661,709	199,270	3,587,807
Intergovernmental/Interfund Services	3,486,199	0	2,326
Capital Outlay	102,300	0	120,000
Reserves	3,505,457	147,876	828,639
Fund Total	92,461,592	377,884	7,988,192

Cemetery Operating Fund	Parks Maintenance Fund	Recreation Revolving Fund	Facilities Maintenance Fund	Equipment Rental Fund	Information Technology Fund	Program Total
0	0	0	0	0	0	53,034,026
0	0	0	0	0	0	14,567,572
0	1,651,206	1,863,341	0	0	0	13,691,182
0	0	0	8,355,588	12,009,124	6,488,151	45,202,378
305,024	0	0	0	0	0	5,004,944
305,024	1,651,206	1,863,341	8,355,588	12,009,124	6,488,151	131,500,102

Cemetery Operating Fund	Parks Maintenance Fund	Recreation Revolving Fund	Facilities Maintenance Fund	Equipment Rental Fund	Information Technology Fund	Department Total
0	0	0	0	0	0	6,629,856
0	0	0	0	0	0	591,306
0	0	0	0	0	0	2,121,220
0	0	0	0	0	0	1,679,824
0	0	0	0	0	0	1,774,627
160,682	1,651,206	1,863,341	0	0	0	13,675,548
0	0	0	8,355,588	12,009,124	0	34,129,108
144,342	0	0	0	0	0	8,864,108
0	0	0	0	0	0	6,336,605
0	0	0	0	0	0	23,511,259
0	0	0	0	0	0	25,698,490
0	0	0	0	0	6,488,151	6,488,151
305,024	1,651,206	1,863,341	8,355,588	12,009,124	6,488,151	131,500,102

Cemetery Operating Fund	Parks Maintenance Fund	Recreation Revolving Fund	Facilities Maintenance Fund	Equipment Rental Fund	Information Technology Fund	Category Total
0	622,903	701,641	682,832	629,676	2,557,605	55,728,347
0	286,806	182,736	254,909	223,305	690,780	17,785,063
38,352	93,595	51,507	170,985	834,767	660,316	4,355,390
158,728	455,833	862,788	2,769,574	963,438	1,535,878	30,195,025
200	0	120	2,306,860	228,395	94,964	6,119,064
4,000	0	0	100,000	2,818,350	63,506	3,208,156
103,744	192,069	64,549	2,070,428	6,311,193	885,102	14,109,057
305,024	1,651,206	1,863,341	8,355,588	12,009,124	6,488,151	131,500,102

**CITY OF KIRKLAND
GENERAL GOVERNMENT OPERATING FUNDS
2005-2006 BUDGET ANALYSIS**

2004 Approved Budget		67,482,060
Less Reserves		(11,037,412)
2004 Approved Budget (Excluding Reserves)		56,444,648
2005 Basic Budget Increases:		
Salaries & Wages (Including Undistributed Salaries & Benefits for Employee Contract Negotiations & Cost of Living Increases)	925,833	
Employee Benefits (Relates to Settled Labor Contracts & Reflects Increase in State Retirement Rates for All Employees)	776,743	
Technology, Fleet & Facilities Maintenance Internal Charges	316,573	
Scheduled Vehicle & PC Replacements & Other Capital Replacement	314,316	
Outside Agency Support (2005 Funding Requests Only)	212,550	
Central Services & Engineering Services Internal Charges	127,767	
LEOFF I Retiree Medical Costs (Police & Fire Only)	126,246	
Liability & Property Insurance	92,032	
Fuel (Unleaded Gasoline & Diesel)	60,000	
Utilities	56,955	
New Municipal Court Lease & Related Operating Costs	49,597	
Software Licensing/Maintenance/Support & Hardware Maintenance	48,746	
Contracted Services (Fire Dispatch, Outside Legal Counsel & Consulting)	42,735	
Public Safety Training & Related Travel	26,950	
Rental Properties (Management, Landscaping & Leasehold Excise Taxes)	24,200	
Printing & Advertising Costs	20,578	
Office, Operating & Repair Supplies	16,417	
Net Miscellaneous Increases	15,497	
Court Assistance for Mercer Island (Reimbursed)	15,004	
Dues & Memberships	12,639	
Total Basic Budget Increases		3,281,378
2005 Basic Budget Decreases:		
One-Time Adjustments & Carryovers	(3,521,279)	
Facilities Life Cycle Transfers to Capital Improvement Program	(114,283)	
Allocation of Public Works Staff to Solid Waste Fund	(62,790)	
Total Basic Budget Decreases		(3,698,352)
2005 Basic Budget		56,027,674
2005 Service Packages (Net of Expenditure Savings)		3,334,191
2005 Final Budget (Excluding Reserves)		59,361,865
Percent Change: 2004 Approved Budget (Excluding Reserves) to 2005 Final Budget (Excluding Reserves)		5.17%

Note: See "2005-2006 Budget Analysis" for each operating department in the General Fund section for more detail.

**CITY OF KIRKLAND
GENERAL GOVERNMENT OPERATING FUNDS
2005-2006 BUDGET ANALYSIS**

2005 Final Budget (Excluding Reserves)		59,361,865
2006 Basic Budget Increases:		
Salaries & Wages (Including Undistributed Salaries & Benefits for Employee Contract Negotiations & Cost of Living Increases)	2,220,924	
Employee Benefits (Relates to Settled Labor Contracts & Reflects Increase in State Retirement Rates for All Employees)	512,038	
Technology, Fleet & Facilities Maintenance Internal Charges	274,311	
Facilities Life Cycle Transfers to Capital Improvement Program	87,675	
LEOFF I Retiree Medical Costs (Police & Fire Only)	78,124	
Liability & Property Insurance	57,602	
Contracted Services (Outside Legal Counsel, Tourism, Janitorial & Other)	49,418	
Utilities	46,591	
Election Costs	45,125	
Central Services & Engineering Services Internal Charges	33,458	
Software Maintenance Contracts	13,674	
Tourism Brochures	10,000	
Office, Operating & Repair Supplies	8,350	
Net Miscellaneous Increases	8,066	
New Municipal Court Lease & Related Operating Costs	6,424	
Repairs & Maintenance	5,925	
Total Basic Budget Increases		3,457,705
2006 Basic Budget Decreases:		
One-Time Adjustments	(2,973,991)	
Scheduled Vehicle & PC Replacements & Other Capital Replacement	(1,024,553)	
Outside Agency Support (2006 Funding Requests Will Be Considered During the Mid-Biennial Budget Review)	(231,900)	
Total Basic Budget Decreases		(4,230,444)
2006 Basic Budget		58,589,126
2006 Service Packages (Net of Expenditure Savings)		2,238,258
2006 Final Budget (Excluding Reserves)		60,827,384
Plus Reserves		11,310,853
2006 Final Budget (Including Reserves)		72,138,237
2005-2006 Final Budget (Including Reserves)		131,500,102
Percent Change: 2005 Final Budget (Excluding Reserves) to 2006 Final Budget (Excluding Reserves)		2.47%

Note: See "2005-2006 Budget Analysis" for each operating department in the General Fund section for more detail.

