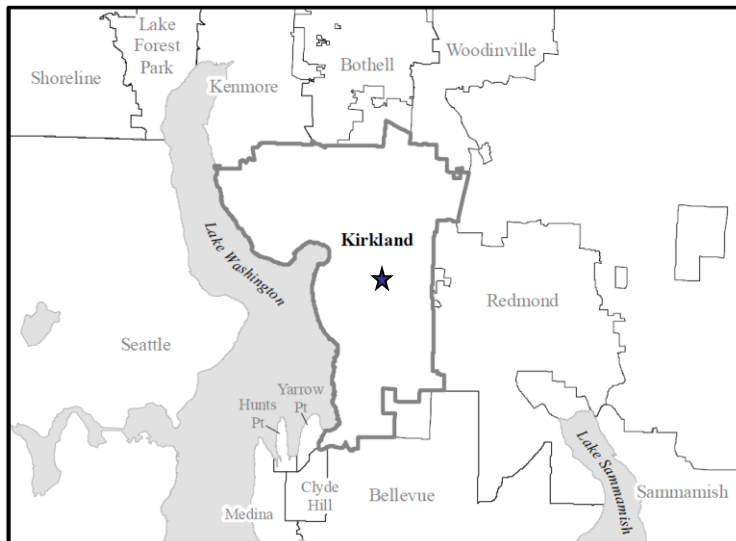


CITY OF KIRKLAND

2015~2016 BUDGET





Kirkland at a Glance

Founded	1888
Incorporated	1905
Population	82,590
Elevation	14 to 500 feet
Land Area	18 square miles
Average Temperature	46.8 degrees
Average Annual Precipitation	38.6 inches
Miles of City Streets	254
Miles of City Sewers	116
Miles of Water Lines	173
Residential Dwellings	37,450
Fire Department Rating Class	4
City Employees (Full-Time Equivalents)	573.28
General Obligation Bond Rating:	
Moody's	Aa2
Standard and Poor's	AAA

City Council

Mayor, Amy Walen ♦ Deputy Mayor, Penny Sweet ♦ Jay Arnold ♦ Dave Asher
 ♦ Shelley Kloba ♦ Doreen Marchione ♦ Toby Nixon

Administrative Staff

City Manager
Kurt Triplett

Deputy City Manager
Marilynne Beard

Municipal Court Judge
Michael Lambo

City Attorney
Robin Jenkinson

*Director of Finance &
Administration*
Tracey Dunlap

Director of Fire & Building
Kevin Nalder

*Director of Human Resources
& Performance Management*
James Lopez

Chief Information Officer
Brenda Cooper

*Director of Parks &
Community Services*
Jennifer Schroder

*Director of Planning &
Community Development*
Eric Shields

Chief of Police
Eric Olsen

Director of Public Works
Kathy Brown

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

At the time of incorporation in 1905, the City of Kirkland's population was approximately 530. The current estimated population is 82,590. Kirkland is the thirteenth largest city in the State of Washington and the sixth largest in King County.

Since its incorporation, Kirkland has grown in geographic size to eighteen square miles - approximately twenty times its original size. This growth occurred primarily through the consolidation of the cities of Houghton and Kirkland in 1968, the annexations of Rose Hill and Juanita in 1988 and the annexation of North Juanita, Finn Hill, and Kingsgate areas in 2011.

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

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

*Cover design – Kirkland 2035 Comprehensive Plan "Wordle"

2015 - 2016 Budget

KIRKLAND WASHINGTON



Tracey Dunlap, P.E.
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With special thanks to the following for their extra efforts in producing this document:
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City of Kirkland Mayor & City Council



Amy Walen
Mayor



Penny Sweet
Deputy Mayor



Jay Arnold
Council Member



Dave Asher
Council Member



Shelley Kloba
Council Member



Doreen Marchione
Council Member



Toby Nixon
Council Member



CITY OF KIRKLAND

2015-2016 BUDGET

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2015-2016 BUDGET
BUDGET MESSAGE

Dear Council Members and Citizens of Kirkland,

We are pleased to present to you the City Manager's proposed 2015-2016 budget which helps fulfill the Council's promise of decisive, responsive government. The proposed budget is balanced and financially sound, with all basic government operations funded with on-going, predictable revenues, significant contributions made to our reserves, and investments to fund community priorities and make progress on the Goals adopted by the City Council. As in the 2013-2014 budget, the recommendations are grounded in Kirkland's three Strategic Anchors:

- **The Price of Government** – to ensure that Kirkland's services remain affordable to the residents;
- **The Kirkland Quad Chart** – to ensure through surveys and outreach that the City provides the services that matter most to the community, and does so in a way that meets the performance expectations of the residents;
- **The 2015-2022 Financial Forecast** – to recognize that the projected revenue through 2021 is insufficient to meet the expenditures necessary to fund Kirkland's current level of service over that same time frame. This "diverging line" problem is compounded after 2021 with the expiration of the Annexation Sales Tax Credit. Solving the diverging line dilemma requires careful planning and either significant new tax revenue, curtailed City expenditures, or a combination of new revenue and lower cost growth.

The influence of the anchors on the budget recommendations, and the impact of the proposals on the anchors, are described later in the budget message. In the introduction that follows we highlight changes in revenues and expenditures and then categorize all notable investments under the appropriate **Council Goal**. We also show how the proposed budget addresses the "improvement opportunities" identified in the 2014 community survey. The proposed budget is the first step in a larger, on-going discussion of a framework to identify the "**Wants and Needs**" of the community and short, medium and long-term strategies to ensure that "**Resources**" become available to sequence and fund the services desired.

INTRODUCTION

The proposed 2015-2016 budget represents "A Tale of Two Budgets", with the dual perspectives described in terms applied by the Governor in discussing the State's budget:

- **Stay steady** given the long-term revenue outlook that includes temporary Real Estate Excise Tax (REET) use for maintenance and operations that ends after 2016 and anticipates the end of the State annexation sales tax credit (ASTC) in 2021; and
- **Get ready** to meet the challenge of matching the long-term needs and wants identified during the Kirkland 2035 visioning and planning process.

Improving revenues provide the opportunity to **stay steady** and prepare for the revenue challenges ahead. The budget was developed recognizing the following guidelines and recommendations:

- Budget sales tax on a **modified two-year lag**, assuming no growth in the 2015 or 2016 revenues from 2014 estimates, and set aside a portion of sales tax revenue growth toward one

time uses. This approach provides both a hedge against recession and a means to set aside revenue capacity for the loss of the ASTC.

- Evaluate service packages in the context of new revenue, reprioritizing or trade-offs. Positions and services currently funded with one-time resources were reviewed first to determine if they are basic services that should be funded from on-going revenues. Continuation of one-time packages was weighed against emerging needs, with many proposed additions evaluated in the context of whether they can be supported by new revenues or through reductions in lower priority programs.
- Continue to focus on replenishing reserves that served the City well in weathering the “Great Recession.”
- Set aside funds toward unfunded capital needs rather than spending available General Fund revenues solely on operations.

The majority of the General Fund budget is allocated to Public Safety, one of residents’ top priorities. Revenue projections were budgeted conservatively, with the modified two year sales tax lag included as a hedge against economic uncertainty and to prepare for the Annexation Sales Tax Credit expiration. Zero percent growth was assumed in the health benefits fund as a result of higher than expected health care reserves and in anticipation of the results of the **“Healthy Kirkland Plan”** a health care reform initiative built around empowered employees, a high-deductible, consumer-driven health plan and an employee clinic. The proposed budget minimizes on-going operational additions, sets aside substantial monies for reserve replenishment and sinking fund enhancements, and reserves REET, Impact Fees, and sales tax in excess of budget for the capital investments discussion in 2015.

To **get ready**, the budget also begins to increase quality of life investments. While the general fund budget is disciplined and conservative, the proposed budget recognizes that quality of life remains Kirkland’s most important economic development strategy. Therefore, considerable new investments are proposed in street maintenance, pedestrian and bicycle safety, and school walk routes through the Neighborhood Safety Program and the **Walkable Kirkland Initiative**. In addition, the budget proposes substantial infrastructure investments in parks, roads, sidewalks, surface water, solid waste, and water and sewer systems. The Kirkland 2035 planning process is helping to shape the infrastructure needs in all areas looking into the future.

The assumptions and recommendations in the preliminary budget reflect the City Manager’s suggested financial and policy strategies as part of the **“Wants, Needs, and Resources (WNR)”** framework. The purpose of the WNR framework is to identify integrated strategies to keep the Price of Government moderate, fund priority services and capital projects at a performance level residents expect, and close the diverging line gap by 2021. The framework will be discussed further toward the end of the budget message to help articulate how the City can prioritize investments today and in the future.

Along with the Strategic Anchors, the framework also builds off of key City Council initiatives to make measurable progress in implementing the **Council Goals** through an adopted biennial **City Work Program**, and to maintain Kirkland’s AAA credit rating.

Despite the steps to help ensure financial stability embodied in the budget, there are always unknowns and uncertainties in any financial projection. The major risk to the sustainability of the proposed budget is the overall health of the world, U.S. and local economies and the State’s fiscal challenges in funding the McCleary decision. While the economic outlook locally and in the U.S. are on a positive trajectory, the world economy continues to show signs of weakness and instability. On the positive side, the City’s financial outlook could be positively impacted by proposed major developments, such as Park Place and the Totem Lake Mall, and decisions of major employers to increase their local presence.

BUDGET SUMMARY

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

The total biennial budget for 2015-2016 is \$583.0 million which is a 0.2% increase from the 2013-2014 budget of \$581.8 million. Factors contributing to the change include:

Major Increases

- Higher revenue collections in 2014 for sales tax and development fees, which adjusts the basis used for both 2015 and 2016,
- Increased internal service charges, especially in facilities for operation of the Kirkland Justice Center (KJC) and fleet for vehicle replacements,
- Higher costs for external services, including NORCOM and liability insurance payments to the Washington Cities Insurance Authority (WCIA),
- Assumed reserve replenishment of one-percent of General Fund revenue and other substantial reserve additions described in later sections,
- Recommended funding to take responsibility for street lights in the annexation area using ASTC revenue transferred to the Street Fund (**see related issue paper**),
- Increases in expected revenues from Real Estate Excise Tax (REET), impact fees, and lodging tax due to the improving economy, and
- Water, sewer, surface water, and solid waste rate increases approved by Council on October 7, 2014.

Major Decreases

- Lower capital project spending due to completion of the Kirkland Justice Center and the Totem Lake culvert and other projects in the surface water utility,
- Lower debt service payments due to refunding of UTGO debt and retirement of bonds in 2014.

The following table shows the relative change in the budget's major components:

	2013-14 Budget	2015-16 Budget	% Change
GENERAL GOV'T			
General Fund	178,638,538	194,737,442	9.0
Other Operating	30,399,499	31,453,100	3.5
Internal Service Funds	69,527,520	77,886,892	12.0
Non-Operating Funds	146,657,455	113,905,152	(22.3)
UTILITIES			
Water/Sewer	80,092,537	89,148,000	11.3
Surface Water	44,112,640	41,966,491	(4.9)
Solid Waste	32,339,121	33,928,345	4.9
TOTAL BUDGET	581,767,310	583,025,422	0.2

The general fund budget totals \$194.7 million, which represents a two-year increase of 9.0% over the previous two-year period. Much of the increase in the General Fund is driven by assumed growth in wage and benefit costs, substantial additions to reserves, and funding of service packages, as described below.

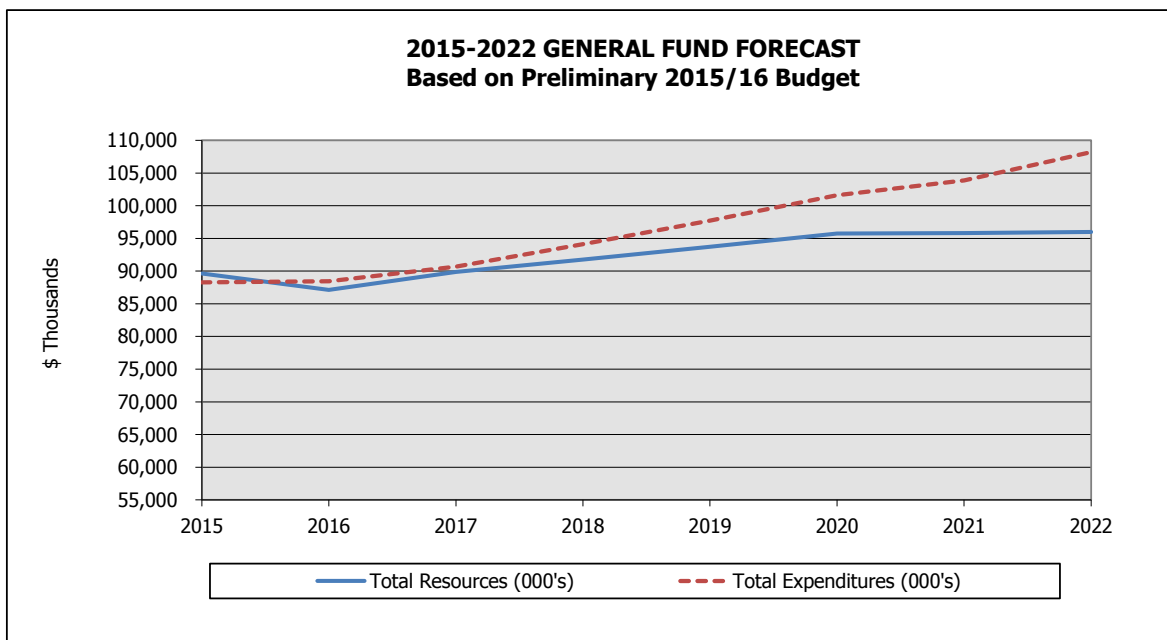
The typical focus for the Council's budget discussion relates to the operating budget which accounts for basic services to the public. The most important (and largest) component of the operating budget is the General Fund which accounts for the majority of general government services and most of the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

GENERAL FUND TRENDS

The General Fund forecast for the 2015-2016 biennium presented at the City Council Retreat in May projected a very small shortfall between ongoing revenues and expenditures in 2015-16 (less than 0.7%). Since that time, the General Fund revenue and expenditure projections have been refined as part of the budget process to reflect current economic conditions and the budget information submitted by departments. The result is that there was a small amount of on-going General Fund revenue available (before service packages) to fund identified on-going needs. In addition, one-time resources from revenues collected in 2013-2014 over budgeted amounts were available to fund one-time service packages. Over half these funds are the planned result of the City's policy to budget sales tax on a one-year lag. One significant change from the Council retreat is the recommendation to utilize a modified two year lag for sales tax revenue, which sets the sales tax assumptions for both 2015 and 2016 at 2014 expected revenues. The major revenue and expenditure assumptions, including the modified two year lag, are discussed further below.

One of the challenges in balancing the budget was the number of one-time expenditures from the 2013-2014 budget, including the additions at the mid-biennium. The revised financial projections allowed a few of those services to be funded with on-going revenues beginning in 2015, but the majority of those identified needs are funded again with one-time funds. Notably, a few previously funded one-time expenditures are not recommended for funding in the preliminary budget based on other funding priorities.

The revised forecast reflects a balanced budget for 2015-2016, although there is still a structural imbalance in subsequent years due to the underlying mismatch between predictable growth in revenues and the rate of cost increase to provide City services. It is also exacerbated by the expiration of the Annexation Sales Tax Credit in 2021. The gap is smaller than it was in the prior forecast, due to actions taken to balance this budget and the City's continued focus on "bending the cost growth curve" to a more sustainable level.



	2015	2016	2017	2018	2019	2020	2021	2022
Total Resources (000's)	89,620	87,126	89,879	91,781	93,735	95,742	95,837	95,989
Total Expenditures (000's)	88,285	88,461	90,690	94,124	97,729	101,602	103,894	108,202
Net Resources (000's)	1,334	(1,334)	(812)	(2,343)	(3,994)	(5,860)	(8,056)	(12,214)
Biennium Total (000's)	0		(3,155)		(9,854)		(20,270)	

REVENUE TRENDS

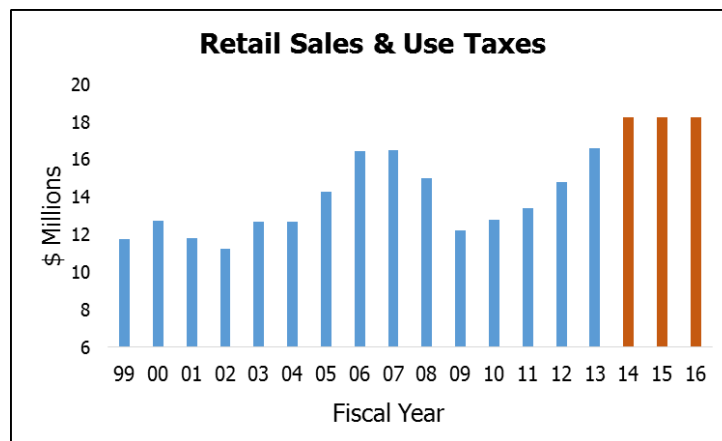
Revenues continued to improve during 2013-2014, with sales tax finally passing the pre-annexation peak in 2007 of \$16.5 million. The assumptions for revenue growth reflect cautious optimism related to continuation of moderate growth. No increases in tax rates are reflected in the preliminary budget, except for the 1% optional increase in property tax. Selected fee increases recommended by staff are highlighted later in this section. The table that follows provides a summary of the major General Fund revenue changes.

GENERAL FUND REVENUE SUMMARY			
Category	2013-14 Budget	2015-16 Budget	% Change
Property Tax	33,573,159	35,267,664	5.0
Retail Sales Tax	30,321,475	36,460,794	20.2
Annexation Sales Tax Credit	6,831,252	7,870,000	15.2
Utility Tax	29,398,309	30,071,556	2.3
Business Licenses /Permits	5,680,766	6,484,609	14.2
Liquor Profits/Excise Tax	1,813,911	1,768,501	(2.5)
Development Fees	9,594,414	12,180,084	26.9
Internal Charges	11,114,451	12,415,161	11.7
All Other	28,965,022	30,733,342	6.1
TOTAL BUDGET	157,292,759	173,251,711	10.1
Resources Forward	21,345,779	21,485,731	0.7
TOTAL BUDGET	178,638,538	194,737,442	9.0

Property tax is currently the largest source of revenue for the operating budget and supports services in the General Fund, Street Operating Fund (117), Parks Maintenance Fund (125), and 2012 Parks Levy Fund (128). A 1.65% percent increase in revenue from new construction is assumed for 2015 based on preliminary figures received from the King County Assessor's Office on September 17, along with a one percent optional increase in the levy (\$0.26 million across all four funds) resulting in an estimated 5% increase over the two-year period. Note that with the annexation, three City property tax rates apply to different areas of the City, with the pre-annexation City paying for existing voted debt, those previously served by Fire District 41 paying a tax component toward the District's remaining debt, and those previously served by Woodinville Fire and Rescue paying only the base rate.

For the Street, Parks Maintenance, and Parks Levy funds, property tax is the predominate or sole source of income which is legally restricted to one percent plus new construction growth. Historically, the growth in revenues has not been sufficient to offset the growth in costs, resulting in service level adjustments and/or some level of general fund subsidy. The Street Fund is projected to use cash reserves that are higher than required working capital that resulted from underexpenditures. However, in past years the fund under-expended at a sufficient rate so as not to require reserve use. To maintain the balance in the Parks Maintenance Fund, a 0.75 FTE position was moved to the General Fund to recognize that the position would be focused on rentals and moorage, revenues which appear in the General Fund. The 2012 Park Levy fund does not yet require a subsidy as additional revenues were built in to help recognize the costs of inflation in the early years and the expectation is that the level of capital funding will decline after the initial projects are completed to help revenues keep pace with future operating expenses. Given the complex dynamics of these funds, staff is planning to model the cash flow trends in more detail during the next biennium to help establish a strategy to address the structural imbalance issue.

Sales tax revenue has been volatile over the past few years, but has shown marked improvement over the last biennium. The following chart shows a comparison of sales tax revenue for a fifteen year period, including the budget projections for 2015-2016 with the modified two year lag. Note that the increase in 2012 and subsequent projections is due in part to the addition of revenues from the new neighborhoods.



A “modified” two year lag strategy was applied to the 2015-2016 Budget. The 2015 budgeted revenues reflect the City’s one-year “lag” budget strategy, which sets 2015 sales tax revenues equal to expected 2014 revenues. For 2016, the preliminary budget is also based on the expected 2014 revenues rather than the 4% growth rate discussed at the Revenue Public Hearing (a reduction of \$0.7 million). Note that at the time the City last employed a two-year lag strategy, revenue for the first year of the biennium would be set at the actual two years prior (e.g., 2015 would be set at 2013). This approach would have idled an additional \$1.1 million. The modified approach represents a hedge against the expiration of the state annexation sales tax credit in 2021. By using this more conservative strategy, the City can use any actual growth in sales tax in each biennium toward capital needs and then, in 2021, consider returning to the one-year lag strategy.

The budget assumes that the revenues from the Annexation Sales Tax Credit (ASTC) increase from the current level to help fund assuming responsibility for the street light utilities and maintenance in the annexation area which is estimated to cost an additional \$285,000 per year.

The state shares a portion of **Liquor Board Profits and Liquor Excise Taxes** with cities based on population. The total amounts available in each year are based on estimates provided by the Municipal Research Services Center (MRSC) applied to population forecasts from the State Office of Financial Management. While the revenue available to cities from Liquor Board Profits is projected to be stable, since it assumes a fixed revenue amount equivalent to collections prior to December 2011 per state law, the Liquor Excise Tax portion is subject to potential legislative changes in light of ongoing state budget challenges. To reflect this uncertainty, MRSC provided both a base and pessimistic scenario for this revenue source, the latter of which assumes the state continues, beyond its June 30, 2015 expiration, a provision that diverts a portion of these revenues to the state’s General Fund. The budget uses the pessimistic Liquor Excise Tax scenario from MRSC resulting in a budget of \$0.3 million for Excise Tax and \$1.45 million in Liquor Profits for the biennium. The funds continue to be used to fund part of the Public Safety and IT equipment sinking funds that were established in 2013.

Utility taxes represent another large General Fund revenue source. Overall, utility taxes are projected to grow at 1% each year, although actual changes by sector will vary based on utility rates and potential variations in consumption. Electric, gas, and water utility taxes can be significantly impacted by weather conditions. The telecommunications and cable sectors continue to be worth watching as the regulatory environment (and potentially taxing authority) changes to reflect current technology and consumer usage patterns respond to economic conditions.

Business license fees consist of a base fee of \$100 that is shown in the license and permit category and the revenue generating regulatory license fee of \$100 per full time equivalent employee (FTEs), which is shown in the tax category. The revenue for 2015 and 2016 assumes no fee increase and a 1% annual increase in FTEs over 2014 estimated revenues. In addition, the biennial contribution of sales tax to the Street Fund of \$540,000 has been swapped with business license fees based on the recommendation of the Finance and Administration Council Committee (**see the Retreat Follow Up issue paper**).

Development fee revenues have continued to be strong in 2014. The 2015-2016 revenues assume a similar amount of development activity in 2015-2016. The projections do not assume that the redevelopment of Park Place and Totem Lake will occur, however, staff has included unfunded service packages to identify resource needs for these major projects. Staff will bring back a resolution at budget adoption seeking contingent approval of the service packages to allow the City Manager to add resources rapidly if the projects occur, with the related appropriation change to be brought back with the next budget adjustment.

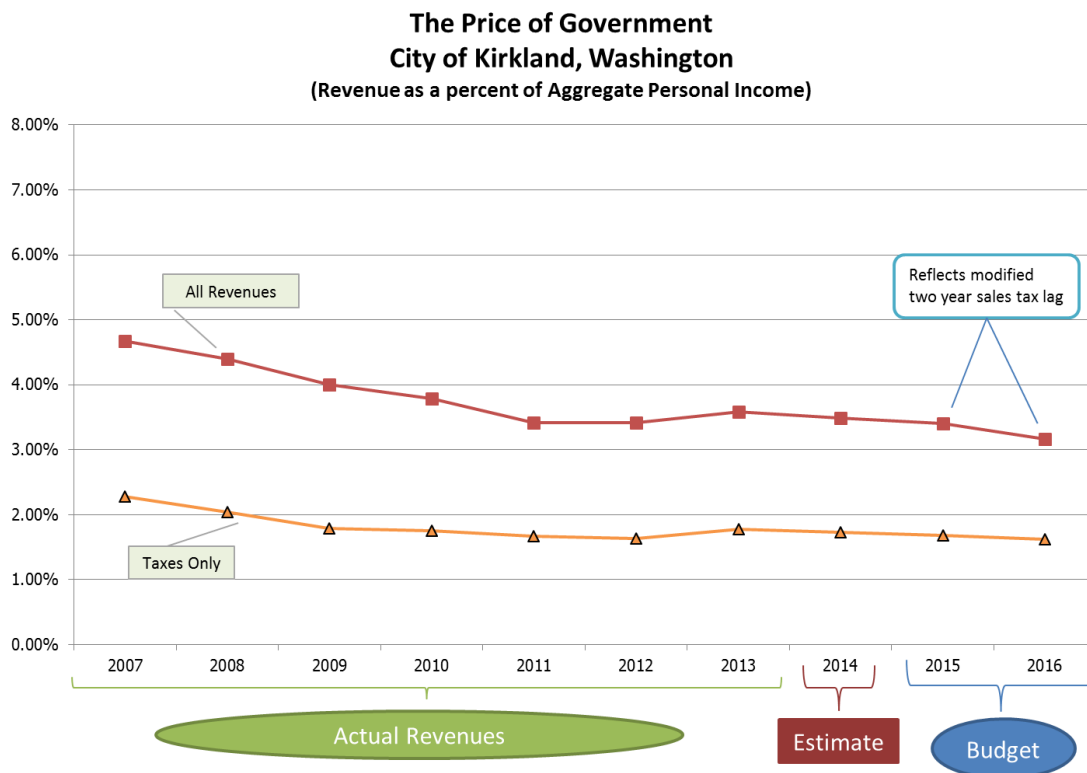
Consistent with adopted policies, the budget assumes an inflation adjustment to the City's **EMS transport fees** of 2.2% in 2015 and 2% in 2016.

While not a General Fund revenue, **Real Estate Excise Tax (REET)**, which is generated by the sale of real property, has been made available by the State Legislature provided for the use in the operations and maintenance of facilities constructed with REET funds through 2016. The budget reflects using REET revenues to support some street and parks maintenance during the upcoming biennium.

THE KIRKLAND "PRICE OF GOVERNMENT"

In evaluating these revenue assumptions, one question raised by taxpayers is "how affordable is government"? The "Price of Government" is a measure of this concept used by some jurisdictions as a comparison of the revenues from taxes and fees of the government to the aggregate personal income level of the City's constituents. In general terms, the calculation is used to help define a band in which residents are willing to pay for government services.

The graph that follows shows Kirkland's Price of Government over the past several years and the projection for the proposed budget. Over that period, total revenues as a percentage of personal income have slowly decreased from over 4% to just over 3% in the proposed budget. As noted in the last budget, a Price of Government between 5% and 6% is typical for local governments. This approach does not provide a tool for universal evaluation across cities (even similar cities) as to the "correct" price. Differences in service delivery approaches and expectations make cross city comparisons virtually impossible. The value of this approach is largely with respect to the city's own history.



EXPENDITURE TRENDS

Salary and benefit costs comprise over 61% of the General Fund budget. **Salary cost** increases are open for all of the City's bargaining units except for Police Non-commissioned, which will receive a 2.3% increase in 2015. Funds have been set aside in the Nondepartmental budget to be distributed for personnel cost increases for management & confidential employees (MAC) and in anticipated settlement of the open contracts, assuming potential annual raises of 2% each year. The City Manager recommends that the MAC salaries increase 2% in 2015 and consistent with the AFSCME and Teamsters contracts in 2016. The City Manager is also conducting a salary survey for MAC, AFSCME and Teamsters employees. The results of that study may also result in increased wages for specific positions that are determined to be out of line with comparable positions in the market.

Benefit costs in earlier forecasts assumed a 7% increase each year. In recognition that the City is expecting to transition the majority of employees to the new Healthy Kirkland Plan during 2015, there is no increase in medical costs from the 2014 level assumed during the biennium. One-time costs of the transition are expected to be paid from reserves in the Health Benefits fund and the Benefits fund will be used first to fund any unanticipated costs. In addition, a share of the projected General Fund savings from the transition (\$1.61 million) is recommended to be set aside in the City's Contingency (Fund 152) in the event that expected savings do not materialize. If the Healthy Kirkland program is successful, those funds will represent a reserve replenishment. The budgeted benefits also reflect the most recent pension contribution rates, which range from 5.23% to 11.0% annually depending on the plan (an increase from prior projections). These figures are subject to change based on the Legislature's final action.

The costs associated with the Northeast King County Regional Communications Agency (**NORCOM**) are increasing significantly from 2013-14 to 2015-16 due to two main factors. First, the payment made by Bellevue during the first seven years of NORCOM's operation to help smooth the impacts to other agencies from the transition are phasing out and will end in mid-2016. The second factor is that the share Kirkland's Police calls represent as a percentage of total Police calls continues to grow, increasing from 40.9% to 44.2% from 2013 to 2015. The shift reflects the impacts of reaching full staffing in Police post-annexation and variations in practices and operations at other Police agencies.

Another cost driver is the City's **liability insurance** premium that has increased significantly between the biennia. Staff has conducted an in-depth review of the driving factors and is actively pursuing risk reduction strategies, as **described in the related budget issue paper**. The preliminary budget includes implementation of the recommendations described in the issue paper including a sidewalk inventory and the closed circuit television (CCTV) truck and related staffing.

Approximately \$0.39 million per year resulting from retiring debt at the end of 2014 is included as a set-aside in the 2015-16 budget in anticipation of offsetting the loss of the annexation sales tax credit in 2021. These funds are available for one-time needs in 2015-2016 (a total of \$0.78 million) and the City Manager is recommending to use them to establish a **Walkable Kirkland Initiative that would continue through 2021**. This additional investment, and the potential use of the set-aside funds until the ASTC expiration, will supplement and accelerate the Street levy Pedestrian Safety and Safe School Walk route investments and related projects identified in the Transportation Master Plan.

Reserve Replenishment - Continuing planned reserve replenishment of one-percent of General Fund revenue results in a total of \$1.6 million of the projected 2015-2016 operating revenues being set aside toward the reserve target level based on the Council's reserve replenishment principles as adopted by resolution (R-4948). Staff is recommending other substantial additions to reserves, including:

- Placing the majority of the expected savings achieved in 2015-2016 from holding healthcare fund contributions constant into the Contingency Fund as a hedge against the programs performance (\$1.6 million),

- Setting aside \$3 million from sales tax in excess of the one-year lag in 2013-2014 in the Building and Property Reserve toward the construction of a new fire station in North Kirkland (recognizing that current plans exceed the \$5.2 million set aside for the project),
- Increasing the balance in the Police equipment sinking fund by \$650,000 and the Information Technology sinking fund by \$500,000 to recognize additional equipment identified and the impacts of the Kirkland Justice Center (KJC) and the intelligent transportation system (ITS),
- Adding \$500,000 to the major systems reserve as we build toward the eventual replacement of the Finance system, and
- Placing \$912,000 in development revenues into the development services reserve toward technology investments in a new permit center concept.

As a reminder, two of the strategies to absorb the loss of the ASTC in 2021 are the planned 1% of General Fund revenues used for reserve replenishment that can be discontinued once reserves meet targets and the use of revenues from retiring debt in 2014 and 2021 toward the Build America Bond (BAB) debt service payments used for the Kirkland Justice Center.

As discussed at the May Council Retreat, there were a number of one-time service packages budgeted in 2013-2014, including additions at the mid-biennium. Some of these service packages are recommended for on-going funding in 2015-2016, while many continue to be funded using one-time revenues and a few are not recommended to continue in favor of other funding priorities. **Service packages** were evaluated in the context of reprioritizing or trade-offs and many proposed additions are supported by new revenues or through reductions or reallocations in other activities. The table that follows provides a brief summary of the staffing additions and the proposed funding sources.

General Fund	FTE	Temp
Development Fees/Reserves	2.00	2.50
Other Revenues/Balances	0.95	1.30
CIP	-	0.50
One Time Cash	-	2.00
Ongoing General Fund Revenue	2.15	-
Subtotal General Fund	5.10	6.30
Other Funds		
Utility Supported	8.00	-
Internal Rate Supported	2.00	-
Other Revenues/Balances	0.50	-
Subtotal Other Funds	10.50	-
Grand Total - Service Packages	15.60	6.30

The City Manager's recommendations regarding these service packages are summarized in the following sections, including a limited number of on-going service packages and requests funded using one-time resources. The full list and recommendations are summarized later in the budget document.

COMMUNITY AND COUNCIL PRIORITIES

One of the main tools used to assess the **community's priorities** is through the **Citizen Survey** that the City conducts every two years. The results of the most recent survey (January 2014) were presented to the City Council at the May retreat. The overall results indicated that 86% of those surveyed rated Kirkland as a "very good" or "excellent" place to live. An additional 11% rated the City as "satisfactory". One of the key graphics from that survey is the *Quadrant Analysis*, which provides an important basis for prioritizing the proposed budget recommendations. The survey report describes the *Quadrant Analysis* as follows:

"Plotting the importance and performance on a quadrant chart allows items to be categorized in the following ways:

1) High Importance & Performance (top-right quadrant) – These are the services that residents view as very important and that the City is doing best with. Items in this category should be considered Kirkland’s most valued strengths.

2) High Importance, Low Performance (top-left quadrant) – Services falling into this category should be viewed as opportunities for improvement. These are the items that residents feel are very important but the City could be doing better with. Improving the services in this quadrant will have the greatest effect in improving citizens’ overall favorability of the City.

3) Low Importance & Performance (bottom-left quadrant) – Services in this category are low-priority items for residents and so lower performance here is not a critical issue for them. Some of these items may be raised by a vocal minority of residents but, for the most part, focusing too much on them will have a minimal impact on improving overall attitudes about the City.

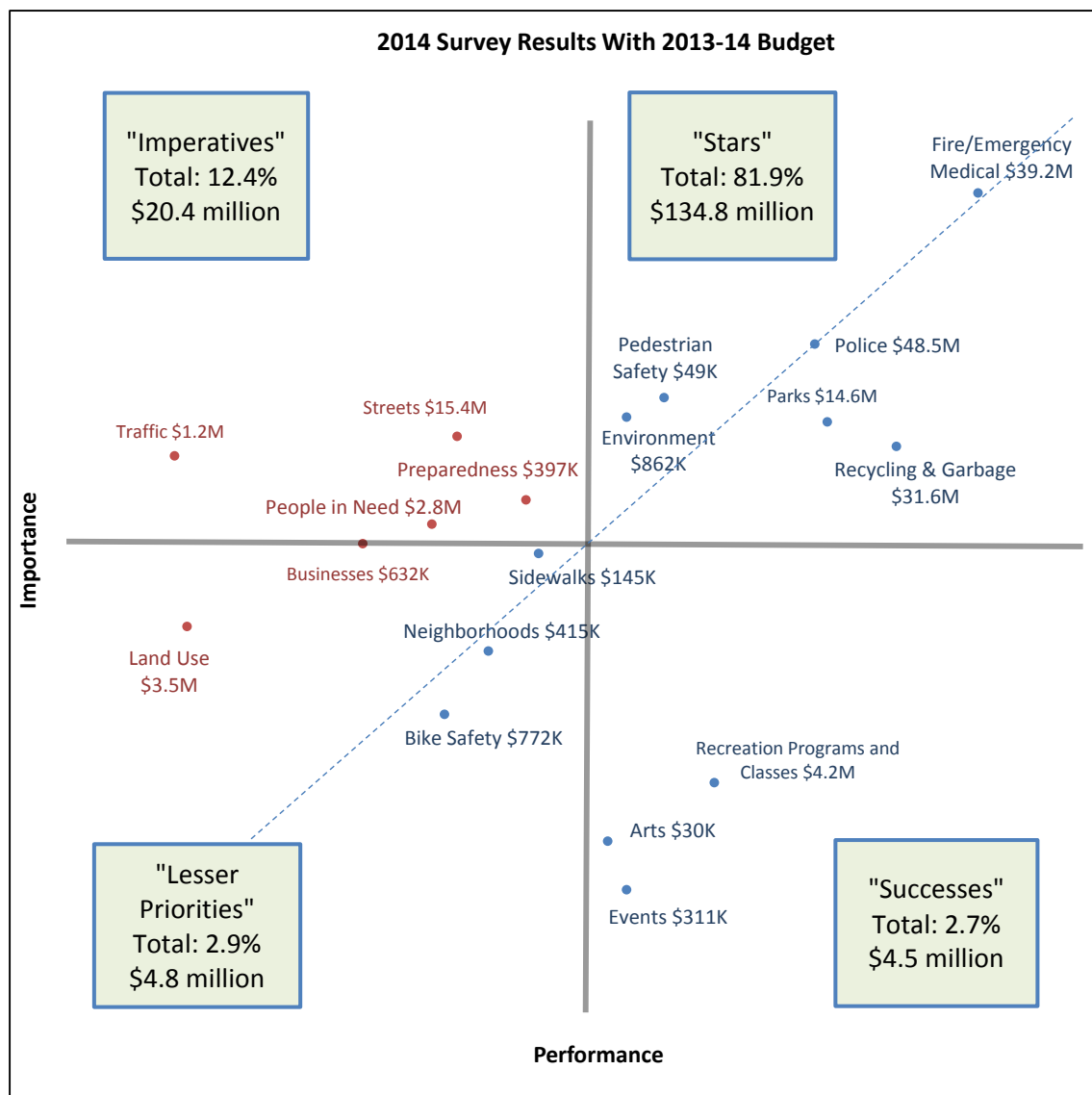
4) Low Importance, High Performance (bottom-right quadrant) – This quadrant represents services that citizens think the City is doing well with but are believed to be less important. While items in this quadrant can be considered successes with certain niche groups, for most citizens, they are not major drivers of the City’s favorability.

The diagonal line overlaying the chart represents where the ideal performance should be relative to the level of importance. Services falling on or near this line are performing optimally compared to how citizens value them. Items significantly left of the line may be potentially valuable improvement opportunities (even if they appear in quadrants 1 or 3) while items far right of the line may result in wasted resources if given too much focus.

This view shows that, overall, many items are exactly where they should be, with appropriate performance levels for their importance. Further, it once again shows that the City is doing well with most of the higher importance items – fire & emergency, police, parks, pedestrian safety, recycling/garbage and environment.

The most critical area for improvement opportunities is managing traffic flow. Among the higher importance services/functions, city parks and recycling/garbage services are over performing.”

The City turns the *Quadrant Analysis* into the “**Kirkland Quad**” by adding the budget allocated to each of the surveyed services and referring to the four quadrants described above as “Stars”, “Imperatives”, “Lesser Priorities”, and “Successes”. The Kirkland Quad below shows the 2014 survey results with the related expenditures on the surveyed services in the 2013-2014 budget. A version reflecting the 2015-2016 preliminary budget follows the *Key Recommendations by Goal Area* summarized below.



The survey and the Kirkland Quad provided key guidance on the areas that were opportunities for improvement identified by the community. The survey contains a *Gap Analysis* that analyzes the gap between importance and performance. Many of the recommendations that are summarized below focus on the five services identified in the survey as “underperforming”, for example:

<i>High Importance/Low Performance Quadrant – “Imperatives”</i>	
Managing Traffic Flow	<ul style="list-style-type: none"> Adding resources to focus on implementation of the City’s Intelligent Transportation System (ITS) to help improve traffic flow Accelerated capital investments in neighborhood traffic control, pedestrian safety, and safe school walk routes through the matching of Street Levy funds with one-time General fund capital dollars – the Walkable Kirkland Initiative
Maintaining Streets	<ul style="list-style-type: none"> Continued investments in street maintenance through the Street Levy Continuation of REET funded maintenance activities, including median upkeep and funds to convert median plants and materials on Market Street

Attracting and Keeping Businesses	<ul style="list-style-type: none"> Funding capital improvements in the City's business districts, including projects associated with the Google campus expansion Continuation of the suspension of impact fee for change of use Increased investment in the City's tourism program
Services for People in Need	<ul style="list-style-type: none"> Continuation of the supplemental one-time funding in addition to the on-going base Human Services funding levels Adding Community Development Block Grant (CDBG) funding for agencies Increased ARCH funding through the direct allocation of CDBG funds
Low Importance/Low Performance Quadrant – "Lesser Priorities"	
Zoning and Land Use	<ul style="list-style-type: none"> Continued Kirkland 2035 efforts, including the Finn Hill Neighborhood Plan update and Houghton/Everest Neighborhood Center community process Update of the Critical Areas Ordinance (CAO), including an evaluation of landslide hazards

Another major priority reflected in the preliminary budget is the **Customer Service Initiative**. This effort encompasses a comprehensive look at how customer service is provided at City Hall and through other media. Some of the recommendations have emerged from the LEAN process through which front counter staff evaluated how to improve the customer experience when they walk through the door of City Hall. Major highlights include:

- Add a 1.0 FTE Customer Service Coordinator to serve as a "concierge" as customers enter City Hall. The coverage for breaks, lunch, and vacations for this position would be cooperatively provided by existing front-line staff.
- Continuation of the one-time funded Public Disclosure Analyst to handle increasingly challenging public records requests, continue the successful implementation of the Council's Public Disclosure Ordinance, and keep up the web portal. Note that the level of resources budgeted to support the Public Disclosure process will be a topic of discussion during the October 30 Study Session, per the requirements of the Ordinance. **For further information, see the related Issue Paper.**
- Add one-time Graphic Designer hours to continue to make progress in creating fillable forms to streamline customer submittals.
- Fund an on-going 1.0 FTE Applications Analyst using funds from an increase in the MyBuildingPermit.com surcharge to focus on enhancing and automating the customer interface with development services (an addition supported by the Master Builders).
- Additional staff support of the Neighborhood Services Coordinator and Communications program.
- \$912,000 of permit fee revenue set aside for permit kiosks and permit customer service center.

KEY RECOMMENDATIONS BY GOAL AREA

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 are presented within the goal area they primarily support, although many of the recommendations support multiple goals.



The citizens of Kirkland experience a high quality of life in their neighborhoods.

Goal: Achieve active neighborhood participation and a high degree of satisfaction with neighborhood character, services and infrastructure.

- Fund the 2016 Community Survey to assess priorities and satisfaction (\$30,000 one-time)
- Add a 0.5 FTE Communications Program Specialist (offset by expenditure reductions) in the City Manager's Office to assist the Neighborhood Services Coordinator and Communications program
- Continue the Neighborhood Traffic Control (NTC) Coordinator to assist with implementing the NTC and Neighborhood Safety program, \$117,354 one-time (temporary 0.5 FTE)
- Establish a Kingsgate Traffic Calming Opportunity Fund, \$50,000 one-time
- Provide funding of the Finn Hill Neighborhood Plan using funds set aside in the prior biennium for Kirkland 2035 Neighborhood Plan Updates
- Continue the CIP Outreach Coordinator position to enhance communication about capital projects, \$123,873 (temporary 0.5 FTE)
- Add support to provide television broadcast of Planning Commission meetings to provide greater access to the public, \$8,746 on-going



Ensure that all those who live, work and play in Kirkland are safe.

Goal: Provide for public safety through a community-based approach that focuses on prevention of problems and a timely response.

- Continue Municipal Court Security, \$134,352 one-time
- Add a 0.5 FTE Police Support Associate to assist with records maintenance/requests and provide supplemental administrative support, \$91,497 on-going
- Increase Inmate Contracted Medical services to fund additional on-site hours beyond what was contemplated during Kirkland Justice Center (KJC) planning and to allow staff to assess the appropriate level of coverage required by the expanded jail, \$222,194 one-time
- Add a 1.0 FTE IT Service Desk Analyst to meet the on-going needs of the KJC, \$196,358 on-going and \$4,389 one-time
- Add supplemental one-time funding of \$650,000 to the Police Equipment sinking fund to recognize equipment that was not included when the fund was established in 2013 and provide reserves required for a 15-year horizon
- Police CIP equipment replacement totaling \$500,000
- Fire Strategic Plan and Standard of Cover Study implementation actions:
 - Set aside an additional \$3 million in sales tax collections above budgeted levels in 2013-2014 in the Building and Property reserve for use toward funding fire station options for North Kirkland
 - Continue North Neighborhoods Fourth Firefighter Staffing (\$1,060,582 one-time)
 - Senior Financial Analyst - The on-going 1.0 FTE Senior Financial Analyst in the Police Department (which is vacant at this time) will be restructured as an on-going 1.0 FTE Public Safety Senior Financial Analyst in the Finance & Administration Department that will focus on support of Fire and Police at no new net cost, allowing elimination of the one-time funded Fire Financial Analyst. Additional administrative resources are recommended for each public safety department to assist with tasks that do not require a Senior Financial Analyst's level of expertise.
 - Provide on-going funding for Lexipol service to keep policies and procedures current, \$14,500
 - Fully equip Reserve Engine and aid cars to minimize transition time required to place them in service, \$39,200 one-time
 - Fund on-going support of the Fire Corps Volunteer Program, \$14,628 on-going and \$2,000 one-time
 - Fund the purchase of two Water Rescue Craft to assist with open water rescue, \$158,507 funded in part with grant funds (\$37,000) and residual CIP project savings (\$55,000)

- **See related Issue Paper for further description of these items and discussion of implementation status**
- Add a temporary 0.5 FTE Office Technician to support the Fire Department Training Division and carry out other administrative duties, \$44,573 one-time (half of position is funded by expenditure savings)
- Establish a Public Access Automated External Defibrillator (AED) Opportunity Fund for use in adding AEDs in additional high use private locations, with related training and support, \$50,000 one-time
- Set aside \$14,000 as a grant match to purchase Body Armor (grants will be pursued in 2015 to make this purchase)
- Provide a match set aside for community fundraising to restore the Antique Pumper, \$25,000 one-time
- Increase EMS Transport Fee with inflation
- Fund upgrade of Telestaff scheduling and timekeeping software for Police and Fire (\$20,000 - IT)



Kirkland is a diverse and inclusive community that respects and welcomes everyone and is concerned for the welfare of all.

Goal: To support a regional coordinated system of human services designed to meet the special basic needs of our community and remove barriers to opportunity.

- Maintain on-going funding level for human services agencies at \$1.3 million
- Continue one-time enhanced human services grant funding of \$89,628 and recognize additional CDBG funding of \$37,280 for human services
- Fund administration of the Community Development Block Grant (CDBG) program to establish the City as a Joint Agreement City (funded with Federal grant funds) and \$160,000 in CDBG funds to ARCH Housing Trust Fund also listed under the *Housing* Goal
- Provide on-going funding of the Eastside Time Bank to the base budget (\$6,000)
- Continue staffing for participation in regional human services initiatives
- **For further information on Human Services funding, see the related Issue Paper**



Kirkland values an integrated multi-modal system of transportation choices.

Goal: To reduce reliance on single occupancy vehicles and improve connectivity and multimodal mobility in Kirkland in ways that maintain and enhance travel times, safety, health and transportation choices.

- Add 0.25 FTE Transportation Engineer to provide full support of the successful Intelligent Transportation System program to improve traffic flow, \$64,630 on-going
- Conduct a Citywide Sidewalk Condition Survey, \$100,600 one-time
- Fund Non-motorized Transportation CIP projects totaling \$3.1 million for 2015-2016, including \$1.2 million for the Cross Kirkland Corridor/South Kirkland Park and Ride Transit Oriented Development (TOD) Multimodal connector
- Fund Transportation CIP projects totaling \$3.5 million in 2015-2016, including \$2.5 million for 100th Ave. NE/132nd St. improvements
- Use one-time funds generated by setting aside on-going funding related to retiring debt (that will ultimately be used to help absorb the sales tax credit in 2021) to accelerate pedestrian safety and safe school walk route efforts in addition to the street levy, as part of the **Walkable Kirkland Initiative** (\$782,000 in this biennium)



**PARKS, OPEN SPACES AND
RECREATIONAL SERVICES**

Kirkland values an exceptional park, natural areas and recreation system that provides a wide variety of opportunities aimed at promoting the community's health and enjoyment.

Goal: To provide and maintain natural areas and recreational facilities and opportunities that enhance the health and well being of the community.

- Continue Parks Operation and Maintenance from Real Estate Excise Tax (REET), temporary 1.0 FTE, \$217,515 one-time
- Restore KPC Operating Support to pre-recession levels (\$100,000 total one-time, \$32,000 in new funding over 2013-2014 budget)
- Increase seasonal labor hours to support the Green Kirkland Partnership, \$43,286 one-time
- Add 0.5 FTE Environmental Outreach Specialist, \$115,095 ongoing, (offsetting expenditure savings of \$75,520)
- Add Program Assistant to Support Facility Rentals/Marina, 1.0 FTE, \$230,801 ongoing (offsetting revenue of \$117,001)
- Conduct a facility condition assessment of Parks structures and rental properties (\$27,600)
- Parks CIP projects totaling \$4.0 million in 2015-2016



HOUSING

The City's housing stock meets the needs of a diverse community by providing a wide range of types, styles, size and affordability.

Goal: To ensure the construction and preservation of housing stock that meets a diverse range of incomes and needs.

- Contribute Community Development Block Grant funding for ARCH, \$160,000 ongoing
- Continue ARCH Housing Trust Fund parity contribution, \$630,000 one-time
- Continue support of affordable housing projects in the City



**FINANCIAL
STABILITY**

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.

- In keeping with the 2013-2014 Work Plan item: "*Develop a cost effective 2015-2016 Budget that maintains Kirkland's AAA credit rating and implements and improved performance management system that delivers desired outcomes to further the goal of Financial Stability*":
 - No basic operations funded by one-time revenues
 - Set aside projected health benefit cost savings in the Contingency Fund (\$1.61 million) as a hedge against unanticipated costs
 - Continue incorporating a component into the on-going budget for replenishment based on 1% of the General Fund budget
 - Maintain the revenue stabilization reserve to 100% of target.
- Replenish and enhance reserves as summarized in table that follows showing the recommended replenishments and target status:

2015-2016 General Purpose Reserves with Targets

Reserve	2015-2016 Budget Target	2014 Estimated Ending Balance	Planned Additions to/(Use of) Reserves	2016 Estimated Ending Balance	(Under)/Over Target	2016 Ending Balance as % of Target
Contingency (Fund 152)	5,512,218	2,426,425	1,610,000	4,036,425	(1,475,793)	73.2%
General Capital Contingency (Fund 310)	5,607,221	3,729,946	1,193,843	4,923,789	(683,432)	87.8%
General Operating Reserve (Rainy Day Reserve)	4,804,388	2,806,513	1,997,875	4,804,388	-	100.0%
Revenue Stabilization Reserve	2,848,220	2,570,090	278,130	2,848,220	-	100.0%
Council Special Projects	250,000	29,072	220,928	250,000	-	100.0%
Building and Property Reserve	600,000	572,579	3,027,421	600,000	-	100.0%
<i>Expected Use for North Kirkland Fire Station</i>			<i>(3,000,000)</i>	-	-	
TOTAL	19,622,047	12,134,625	5,328,197	17,462,822	(2,159,225)	89.0%

- Restructure existing funding and add HR Coordinator resources to focus on Americans with Disabilities Act (ADA) compliance, performance management, and Healthy Kirkland Plan implementation. The proposal adds 0.20 FTE on-going and 0.30 temporary FTE to an existing 0.5 FTE, on-going net cost of \$111,316 paid from the Health Benefits fund
- Add 0.5 FTE Accounting Support Associate to increase the focus in collections of outstanding receivables and to implement centralized receivable tracking (the entire cost of this increase is expected to be more than offset by improved revenue collections)
- Provide on-going Senior Financial Analyst support to Fire and Building through the reorganization of the existing Police Senior Financial Analyst to a Public Safety Senior Financial Analyst in the Finance and Administration Department (no new net cost) *See "Public Safety" item*



ENVIRONMENT

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.

- Establish adequate rates to support the needs of the Sewer, Surface Water, and Solid Waste utilities, resulting in:
 - 4.1% rate increase in 2015 and 1.2% increase in 2016 for Sewer
 - 4% rate increases each year for Surface Water
 - 3.2% rate increase for 2015 and 3.3% increase in 2016 for Solid Waste
- Conduct Cross Kirkland Corridor (CKC) Eco-Charette, \$5,000 one-time
- Update Critical Areas Ordinance Regulations and related GIS data, \$305,000 (\$90,000 paid by Planning/\$215,000 paid by Surface Water)
- Purchase Urban Forestry Bucket Truck, \$190,000 one-time and \$56,664 on-going (75% of costs paid by Streets/25% by Parks)
- Implement the Surface Water Master Plan recommendations, including:
 - CCTV Inspection Program Expansion (Funded 50% from Surface Water and 50% from Sewer), 2.0 FTE, \$0.75 million
 - NPDES Field Inspection Program, 0.50 FTE, \$124,741 on-going and \$105,815 one-time
 - Ditch Maintenance Program, 4.0 FTE, \$1.5 million
 - Surface Water Rehab Catch-Up, \$147,564 one-time
 - Right of Way Tree Inventory, \$66,000 one-time
 - Cochran Spring Monitoring, \$6,520 on-going
 - Potential Property Acquisition ID & Prioritization, \$30,000 one-time
 - Environmental Permitting Maintenance Work, \$24,000 ongoing
 - Utility Engineer, 1.0 FTE, \$0.25 million
- Provide financing for Surface Water utility CIP projects totaling \$3.2 million for 2015-2016
- Conduct a Reclaimed Water Study, \$120,000 one-time
- Create a Sewer Improvement Opportunity Fund, \$20,000 onetime
- Add a Fats, Oils, and Grease (FOG) Inspector, 0.50 FTE, \$104,823 on-going
- Conduct a Sewer Master Plan Update (\$180,000)

- Provide financing for sewer utility CIP projects totaling \$5.1 million for 2015-2016, including \$2.6 million for the Rose Point Lift Station replacement and \$1.2 million for the 3rd Ave/2nd St. main replacement



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.

- Recognize 4Culture Arts Sustained Support, \$16,000 one-time
- Increase funding for Community Programs and Events, \$128,000 one-time (\$64,000 from Waste Management matched with an equal amount of City funds) **(for further discussion on event funding, see the related Issue Paper)**
- Increase tourism staff support hours, \$53,995 one-time
- Increase Tourism Outside Agency Grant funding, \$50,000 one-time
- Complete phase 2 of the Water Optimization Study, \$20,000 one-time
- Add resources to Development Services to address workload and maintain/enhance customer service expectations (these activities are all funded from development revenues or related reserves):
 - Convert temporary Planner position to on-going, 1.0 FTE, \$171,938 ongoing
 - Add Office Specialist, temporary 1.0 FTE, \$175,588 one-time
 - Engage Consultant Planner Professional Services, \$92,000 one-time
 - Increase overtime and hourly wages, \$169,730 one-time
 - Enhance public records request assistance, \$26,469 one-time
 - Add 1.0 FTE Applications Analyst to support permit system and electronic plans, 1.0 FTE, \$252,805 ongoing from MBP surcharge
 - GIS Support: Parcel and Address Database Management, Temp 0.50 FTE, \$108,738 one-time
 - Add 1.0 FTE temporary Records Specialist, Temp 1.0 FTE, \$84,683 one-time
- In addition to the Development Services additions above, staff is also asking the Council to provide contingent authorization of resources to address the pending Park Place and Totem Lake redevelopment efforts. The intent of the contingent authorization is to allow staff to maximize the ability to be responsive to the permitting needs of these major redevelopment efforts when and if they materialize. A separate resolution will be brought forward for Council consideration approving the FTEs and expenditures on a contingent basis, allowing the City Manager to authorize the resources as needed, with related appropriation changes to be processed at the next budget amendment date
- Fund capital projects in support of the Google campus expansion
- Replace the \$270,000 annual sales tax allocation in the Street Fund with business license revenues to provide a basis for the street maintenance allocation to grow as employment grows
- Continue suspension of impact fee for change of use, which proved to be a strong incentive for businesses to relocate within Kirkland
- Continue funding of programs with business and development interests, including the Kirkland Business Roundtable and the business retention program



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.

- Establish adequate rates to support the needs of the Water Utility resulting in a 4.9% increase in 2015 and 3.3% in 2016 for single family and irrigation customers and no increase in multifamily/commercial rates
- Finance Water utility CIP projects totaling \$1.0 million for 2015-2016, including \$0.8 million for the Kirkland Ave./6th St water main

- Set aside \$478,000 in utility reserves and \$535,000 in IT reserves to fully fund the upgrade and redeployment of the Hansen Maintenance Management system. The majority of the utility funds are expected to be generated by delaying hiring of the sewer and surface water positions until mid-year 2015
- Engage an Americans with Disabilities Act (ADA) Consultant to assist with drafting the City's compliance strategy, \$15,000 one-time
- Engage consultant services to assist with capital project cost estimating related to the soon to be completed master plans in anticipation of the comprehensive 2015 CIP Update (\$60,000 one-time)
- Assume responsibility for all utility and maintenance costs for street lights in the annexed neighborhoods funded initially from the Annexation Sales Tax Credit, \$570,000 one-time
- Maintain temporary Grounds Crew funded from Real Estate Excise Tax (REET) for landscape maintenance at all non-parks City facilities, \$186,192 one-time
- Purchase additional snow and ice-related equipment, \$91,600 one-time
- Reestablish the Street/Utility Undergrounding Opportunity Fund (\$50,000)
- Replace Market Street Medians with less maintenance-intensive approach, \$175,000 one-time
- Increase Seasonal Laborer hours to provide additional capacity to maintain medians and pathways (\$150,107)
- Finance Street CIP projects totaling \$11.2 million for 2015-2016, including \$9.4 million for street preservation
- Add a 1.0 FTE Network Engineer to address IT Network Security and provide additional backup in this critical area, \$269,333 on-going
- Increase Network Back-up and Storage Space, \$62,000 one-time
- Commission a survey to refine Business Connectivity needs, \$25,000 one-time
- Add \$500,000 one-time to the IT equipment sinking fund to recognize the new network equipment added as part of the Intelligent Transportation System and the Kirkland Justice Center and provide reserves required for a 15-year horizon
- Add \$500,000 to the Major Systems Reserve recognizing that the next major system that will need to be replaced or significantly upgraded will be the City's Finance system

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

- Upgrade National League of Cities Membership, \$14,000 ongoing
- Continue State Legislative Advocacy Services, \$96,000 one-time
- Increase training budget for Planning staff for one-time attendance at the American Planning Association National Conference that will be held in Seattle, \$7,000 one-time
- Complete City facilities CIP projects totaling \$8.5 million, including \$8 million for the City Hall renovation (the remainder of the \$10 million project was funded in prior years)
- Provide support for the Customer Service Initiative, as discussed earlier:
 - Add Customer Service Coordinator, 1.0 FTE, \$207,855 (\$202,811 ongoing and \$5,044 one-time)
 - \$912,000 in permit fees for permit kiosks and permit customer service center
 - Continue Public Disclosure Analyst, temporary 1.0 FTE, \$199,223 one-time
 - Add Graphic Designer hours to support Fillable Forms Project Support, \$44,324 one-time
 - Add an Applications Analyst to support Development Services, 1.0 FTE, as shown under *Economic Development*
 - Provide additional support for Neighborhood Services and Communications programs as described under *Neighborhoods*

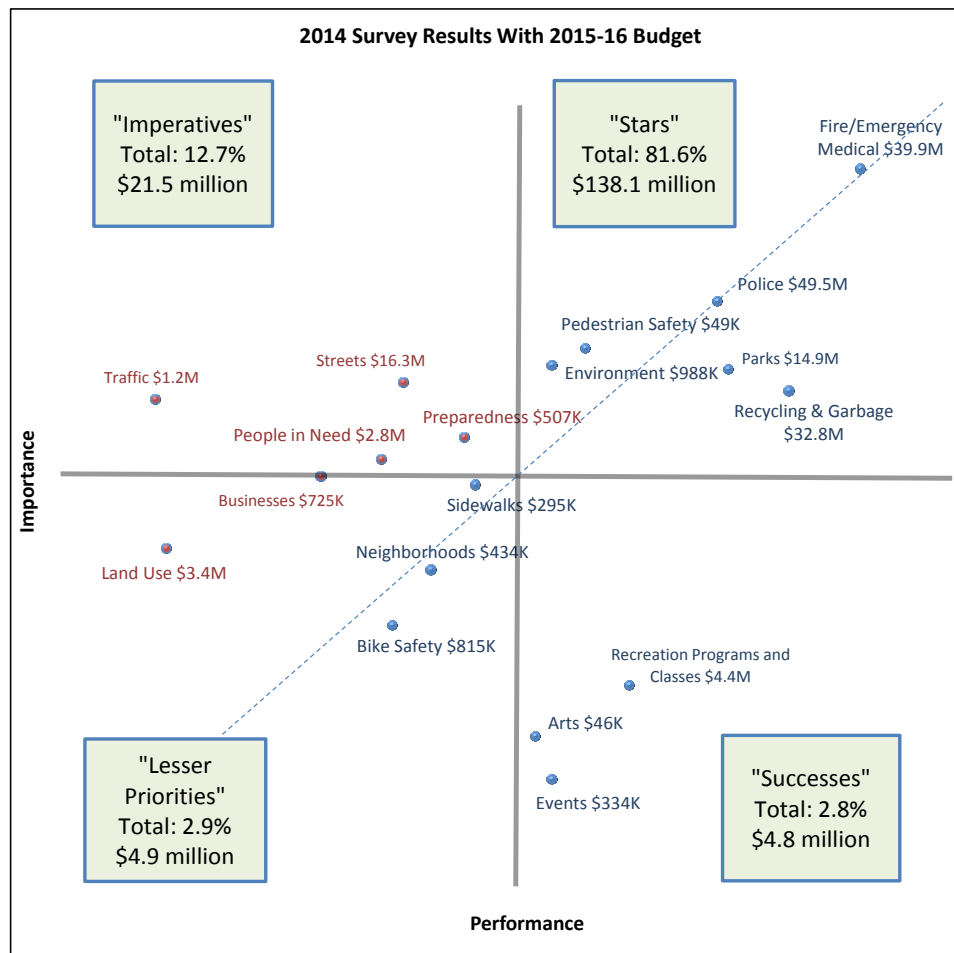
PRELIMINARY WORK PLAN

As with the 2013-2014 Budget, suggestions for the draft 2015-2016 City Work Plan emerged from the process. The following are preliminary recommendations for the 2015-2016 biennium:

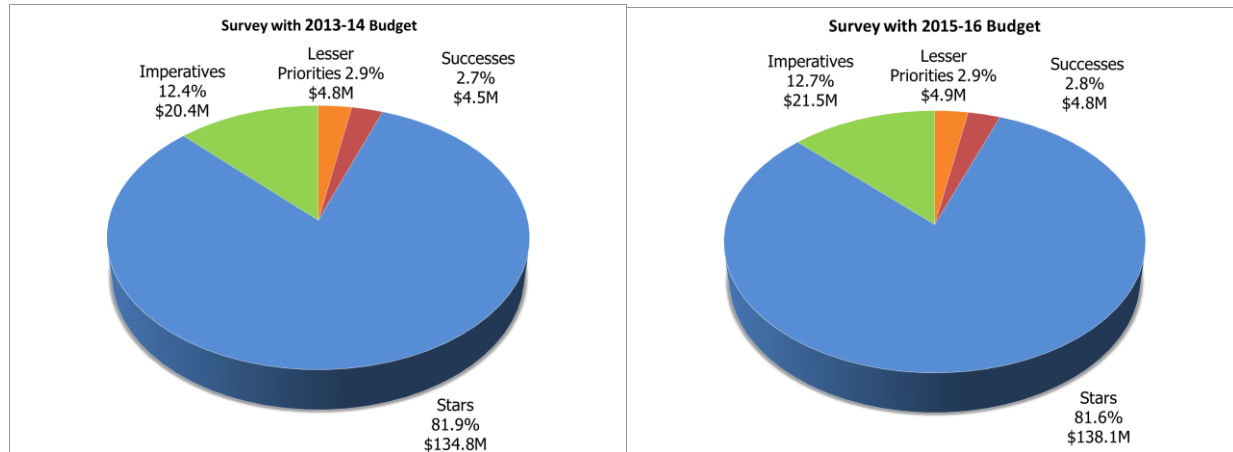
- Continue implementation of the Cross Kirkland Corridor Master Plan (Council Goals: Balanced Transportation, Parks and Recreation, Economic Development, Neighborhoods).
- Complete a comprehensive update of the Capital Improvement Program to incorporate the projects identified in the Kirkland 2035 master plans and Comprehensive Plan (Council Goals: Public Safety, Neighborhoods, Balanced Transportation, Parks and Recreation, Diverse Housing, Economic Development, Dependable Infrastructure).
- Site and begin construction of a new fire station in North Kirkland (Council Goals: Public Safety).
- Continue annexation-related facility investments by initiating the renovation of City Hall with a focus on enhancing customer service and identifying options to expand Maintenance Center capacity for both Parks and Public Works to serve the larger City (Council Goals: Neighborhoods, Economic Development, Parks and Recreation, Dependable Infrastructure).
- Cultivate private sector partnerships to attract tenants to business districts and respond to redevelopment opportunities, especially Park Place and Totem Lake (Council Goals: Economic Development, Financial Stability).
- Identify locations, costs and explore ballot measure options for funding an Aquatics, Recreation, and Community Center to replace the Juanita Aquatic Center (Council Goals: Parks and Recreation, Economic Development)
- Implement the Healthy Kirkland Plan, the consumer-driven healthcare initiative, including establishing an employee clinic as part of the effort to achieve sustainability of benefits (Council Goals: Financial Stability).

CONCLUSION

The proposed budget is focused on the City Council goals and community priorities. The recommended decisions result in proposed 2015-2016 investments in the services on the Kirkland Quad, as summarized below:



The pie charts that follow show the investments in each quadrant in the 2013-2014 budget versus the proposed 2015-2016 budget. The comparison shows that we have made incremental progress in addressing the “imperatives” in the upper left quadrant, after the significant gain in the last biennium, with the share of funding for the surveyed items in this quadrant increasing from 12.4% to 12.7%, or \$20.4 million to \$21.5 million. Although the percentage invested in “stars” decreased from 81.9% to 81.6%, the total dollars invested increased from \$134.8 million to \$138.1 million.



Wants, Needs and Resources Framework

The 2015-2016 budget represents a first step at prioritizing the City’s “Wants, Needs, and Resources”, which will be a continuing focus through 2021 and beyond. To provide a structure for this process into the future, we offer the following “Wants, Needs, and Resources” Framework.

Identifying the “Wants and Needs”

There are five primary ways that “Wants and Needs” will be identified between now and 2021:

- Citizen Surveys and Public Outreach to Neighborhood Associations, Business organizations, advocacy groups and residents which inform the Kirkland Quad Chart,
- Kirkland 2035 Community Outreach and Planning Process,
- Council Goal review and updates,
- Programmatic reviews of Departments or services that are highlighted by Quad Chart performance, or necessary to make progress on Council Goals,
- Department and City-wide Budget development where operational and capital needs are identified by professional staff and the public.

Most Capital Improvement Project (CIP) “Wants and Needs” will be identified initially through the current Kirkland 2035 Planning processes, particularly the Parks Recreation and Open Space (PROS) Plan, Transportation Master Plan, Surface Water Master Plan, and Water and Sewer Comprehensive Plan updates. These project lists will then be reviewed and updated by the City Council as part of future biennial budget processes. Note that the 2015 CIP update is “off-cycle” by one year due to the extensive Kirkland 2035 Planning process. The Council agreed to postpone the CIP update process until the Kirkland 2035 Plans are complete. In future years the CIP will likely be synchronized with the budget process.

CIP needs will also be identified through public outreach to Neighborhood Associations, Business organizations, advocacy groups, residents, “Suggest a Project” ideas, the Neighborhood Safety Program and Corridor Studies such as the Juanita and 100th Avenue Corridor Studies.

Identifying and Sequencing the "Resources" through 2021

Most on-going revenue sources, such as property tax, business license fees, utility tax and sales tax are analyzed in depth every two years as part of the biennial budget process, with an update at the mid-biennium. In addition, considerable sums have been set aside as part of the 2015-2016 preliminary budget to fund capital projects that will come from the Kirkland 2035 Plans. These unallocated revenues include Real Estate Excise Tax (REET I and II), sales tax revenue collected above projections, park and transportation impact fees generated by the rebound in development activity, unexpended fund balances, and potentially sales tax revenues resulting from growth (intentionally excluded by the modified two-year lag).

Key strategies to develop sufficient revenues to fund the desired services and close the gap between the diverging lines include:

- Replenish reserves (see Fiscal Policies adopted by R-4948 later in the document)
- Generate new revenue through economic development – Park Place, Totem Lake Mall, Google expansion, Waterfront revitalization
- Moderate the growth of employee wages and benefits to lower cost of future levels of service through collective bargaining, the budget process and the Healthy Kirkland Plan
- Generate new revenue through ballot measures

These strategies are prioritized by the City Council through the Council Goals and the City Work Program. **Council Goals** articulate the key policy and service priorities for Kirkland that are to be achieved over time. Goals should be reviewed and updated every two years in even-numbered years following Council elections to ensure that the Goals reflect the priorities of each new Council. The updated Goals will then form the basis for subsequent City Work Programs and budgets. **City Work Programs** are "action plans" adopted every two years by the Council following the budget process to accomplish major policy and administrative goals and demonstrate priority focus on major cross-departmental efforts with significant impacts designed to maintain the public health, safety and quality of life in Kirkland. The City Work Programs are essential to accomplishing Council Goals in a methodical and measurable manner.

The Role of Ballot Measures in Meeting Resource Needs

Kirkland has historically been judicious in its use of ballot measures. However the City has recently asked the voters to fund both "wants" through the Parks Maintenance and Enhancement Levy as well as "needs" through the Road Maintenance and Pedestrian Safety Levy.

Some critical keys to the success of both initiatives were:

- The services desired were identified by the Kirkland Quad Chart and resident surveys and implement Council Goals
- The Price of Government was low, which signifies that residents feel they have the capacity to invest in better service
- The measures were developed as part of the City Work Program so that the programs to be provided were clear and specific, with accountability and oversight built into the measures

Using these criteria as initial guidelines, there are three potential measures on the horizon that would invest new resources in programs identified by the public as important while the Price of Government is still low:

- Aquatic, Recreation and Community Center (ARC)
- Fire Strategic Plan implementation
- Transportation Benefit District – voter-approved revenue if the Council believes revenues beyond the \$20 car tab are necessary to help implement the Transportation Master Plan

The graphic below illustrates how all of these pieces fit into the prioritization of “Wants, Needs, and Resources”. In reality, the framework is a long-term process that will evolve with changes in economic conditions, City Council direction, and citizen priorities. Each process will need to be cognizant of its impacts on the long-term picture to ensure the City’s long-term financial strength.

	2014	2015	2016	2017	2018	2019	2020	2021
Citizen Survey	✓		✓		✓		✓	
Budget	Adopt 2015-2016 Budget	Mid-biennial Adjustments	Adopt 2017-2018 Budget	Mid-biennial Adjustments	Adopt 2019-2020 Budget	Mid-biennial Adjustments	Adopt 2021-2022 Budget	Mid-biennial Adjustments
Goals & Work Program	Amended 9/27/13	Adopt 2015-2016 Goals & Work Program	Review & Update Goals	Adopt 2017-2018 Goals & Work Program	Review & Update Goals	Adopt 2019-2020 Goals & Work Program	Review & Update Goals	Adopt 2021-2022 Goals & Work Program
Capital Improvement Program	CIP Update	Adopt 2015-2021 CIP Project List (Off-cycle)	Adopt 2016-2022 CIP Project List	CIP Update	Adopt 2018-2024 CIP Project List	CIP Update	Adopt 2020-2026 CIP Project List	CIP Update

Potential ARC
Ballot Measure

Fire Strategic Plan
Ballot Measure

Potential
Transportation
Benefit District
Ballot Measure

As always, we expect that we will be discussing the budget with the City Council frequently during the biennium and making adjustments as conditions warrant. At a minimum, we expect to provide an update at the Council Retreat in late spring, with the mid-year budget report in June, and with the mid-biennium budget update in November 2015.

The development of the preliminary budget requires an enormous commitment by the City staff, especially the Financial Planning staff. We have every reason to be proud of the work done day in and day out by all City staff. With the support of the City Council, it is their efforts that make the City work for our citizens and make Kirkland an exceptional place to live.

Respectfully Submitted,



Kurt Triplett
City Manager



Tracey Dunlap
Director of Finance and Administration

POSTSCRIPT

Between October and December 2014, the City Council held a series of study sessions and public hearings to review the 2015-2016 Preliminary Budget proposed by the City Manager. The City Council adopted the 2015-2016 Final Budget on December 9, 2014. Overall, the 2015-2016 Final Budget totals \$584.06 million, which represents a 0.39 percent increase compared to the 2013-2014 Amended Budget. The 2015-2016 Final Budget is summarized in the following table by fund type:

	2013-14 Amended Budget	2015-16 Final Budget	% Change
General Government			
General Fund	178,638,538	194,798,557	9.0%
Other Operating	30,399,499	31,384,551	3.2%
Internal Service Funds	69,527,520	77,886,892	12.0%
Non-Operating Funds	146,657,455	114,948,995	-21.6%
Utilities			
Water/Sewer	80,092,537	89,148,000	11.3%
Surface Water	44,112,640	41,966,491	-4.9%
Solid Waste	32,339,121	33,928,345	4.9%
Total Budget	581,767,310	584,061,831	0.39%

The City Council requested changes to the preliminary budget totaling \$0.58 million, including increased funding for human services, the addition of a School Resource Officer, professional services in support of updating the Totem Lake Development Agreement. A full list of Council-directed changes is provided at the top of the table on the following page. In addition, the following housekeeping adjustments were made, including recognition of contributions made subsequent to the Preliminary Budget:

- Adjusting Special Revenue fund budgets to account for higher property tax new construction estimates;
- Removing half of the 2015 appropriation in the General Fund and Street Fund for Street Lights in the annexation area to coincide with availability of the Annexation Sales Tax Credit, which is already fixed for half of 2015 based on the state fiscal year, which ends in June;
- Contribution to the General Capital Contingency from unallocated General Fund year end resources (these funds were identified as available in the preliminary budget, but not shown as transferred to the General Capital Fund);
- Development of wireless internet access in select City parks funded from outside contributions; and,
- Private contributions to support forestry projects in the Green Kirkland program.

Note that a portion of these needs are one-time in nature and funded through the use of unallocated year-end resources (\$386,454) and, therefore, do not require an adjustment to the total budget appropriation. The net appropriation increases \$1.04 million as a result of these changes as shown in the following table.

The table below summarizes the changes from the Preliminary Budget, which total \$1.04 million:

	2015-16 Cost		
	Ongoing	One-time	Total
Preliminary 2015-16 Budget			583,025,422
General Fund			
Council Directed Actions			
Human Services Option 3	-	116,226	116,226
School Resource Officer	224,118	15,843	239,961
Northshore Public Health Center Set-Aside	-	80,000	80,000
Leadership Eastside Scholarships ¹	-	24,000	24,000
KAN Request	-	10,202	10,202
Social Worker at John Muir Elementary	-	23,504	23,504
Cultural Organization Grant Matching	-	10,000	10,000
Totem Lake Development Agreement	-	75,000	75,000
<i>Subtotal Council Directed Action</i>	<i>224,118</i>	<i>354,775</i>	<i>578,893</i>
Annexation Street Lights adjusted to June 15	(142,500)	-	(142,500)
General Fund Housekeeping	(1,324)	12,500	11,176
Subtotal General Fund	80,294	367,275	447,569
Special Revenue Funds			
Property Tax Adjustments	44,755	29,196	73,951
Annexation Street Lights adjusted to June 15	(142,500)	-	(142,500)
Subtotal Special Revenue Funds	(97,745)	29,196	(68,549)
General Capital Fund			
General Capital Contingency Replacement from GF	-	793,843	793,843
Wireless in Parks Phase 2	-	200,000	200,000
Green Kirkland	-	50,000	50,000
Subtotal General Capital Fund	-	1,043,843	1,043,843
Grand Total All Funds	(17,451)	1,440,314	1,422,863
Less Use of Unallocated Year End Resources			(386,454)
Net Appropriation Impact			1,036,409
Final 2015-16 Biennial Budget			584,061,831

In addition to formal adoption of the 2015-2016 Budget, the Council approved the following actions to implement the budget decisions on December 9, 2014:

- Suspending reserve replenishment requirements to recognize that reserve contributions from uncommitted 2014 ending balances would be slightly below 50%, with the additional funds used to continue to support ARCH and the Kirkland Performance Center with one-time funds and make additional one-time investments in equipment sinking funds and high priority recommendations of the Fire Strategic Plan and Standard of Cover study;
- Authorizing the City Manager to deploy additional development services resources during the biennium contingent upon the commencement of development activity at the Totem Lake and/or Park Place projects; and,
- An update to the City's Investment Policy.

The final 2015-2016 City Work Program will be adopted during the first quarter of 2015. If any budget adjustments are needed to implement the Work Program, they will be brought forward in June 2015.

**City of Kirkland
2015-2016 Budget
Service Package Requests**

Pkg. #	2015-16 Department Request					2015-16 City Manager Recommended				
	FTE	Temp	Ongoing	One-time	Total	FTE	Temp	Ongoing	One-time	Total
GENERAL FUND										
City Council										
Renewals of One time										
15GCC01 2016 Community Survey	-	-	-	30,000	30,000	-	-	-	30,000	30,000
15GCC02 National League of Cities Membership	-	-	14,000	-	14,000	-	-	14,000	-	14,000
Subtotal City Council	-	-	14,000	30,000	44,000	-	-	14,000	30,000	44,000
City Manager										
Renewals of One time										
15GCM01 State Legislative Advocacy Services	-	-	-	96,000	96,000	-	-	-	96,000	96,000
New										
15GCM02 Communications Program Specialist	0.50	-	99,134	-	99,134	0.50	-	99,134	-	99,134
<i>reduce Neighborhood Outreach Coordinator/ Hrly Wages</i>	(0.10)	-	(99,134)	-	(99,134)	(0.10)	-	(99,134)	-	(99,134)
15GCM03 4Culture Arts Sustained Support	-	-	-	16,000	16,000	-	-	-	16,000	16,000
15GCM04 Community Programs and Events	-	-	-	128,000	128,000	-	-	-	128,000	128,000
15GCM05 Customer Service Coordinator	1.00	-	202,811	5,044	207,855	1.00	-	202,811	5,044	207,855
Subtotal City Manager	1.40	-	202,811	245,044	447,855	1.40	-	202,811	245,044	447,855
Parks & Community Services										
Renewals of One-time										
15GPK06 Parks Operation and Maintenance from REET*	-	1.00	-	217,515	217,515	-	1.00	-	217,515	217,515
15GPK01 KPC Operating Support	-	-	-	100,000	100,000	-	-	-	100,000	100,000
15GPK02 Enhanced Human Services Grant Funding	-	-	-	89,628	89,628	-	-	-	89,628	89,628
New										
15GPK08 Program Assistant to Support Facility Rentals/Marina*	1.00	-	230,801	-	230,801	1.00	-	230,801	-	230,801
<i>Reduce Office Technician from Parks Maint. Fund 125</i>	(0.75)	-	(117,001)	-	(117,001)	(0.75)	-	(117,001)	-	(117,001)
15GPK03 Community Development Block Grant	-	-	79,630	-	79,630	-	-	79,630	-	79,630
15GPK04 Community Development Block Grant-ARCH	-	-	160,000	-	160,000	-	-	160,000	-	160,000
15GPK07 Urban Forestry Bucket Truck (Parks portion - 25%)	-	-	14,166	47,500	61,666	-	-	14,166	47,500	61,666
15GPK05 Facilities Condition Assessment	-	-	-	27,600	27,600	-	-	-	27,600	27,600
Subtotal Parks and Community Services	0.25	1.00	367,596	482,243	849,839	0.25	1.00	367,596	482,243	849,839
Human Resources										
New										
15GHR01 CKC Eco-Charette	-	-	-	5,000	5,000	-	-	-	5,000	5,000
15GHR02 ADA Consultant	-	-	-	15,000	15,000	-	-	-	15,000	15,000
15GHR03 HR Coordinator	1.00	-	199,200	54,594	253,794	0.70	0.30	138,264	111,316	249,580
<i>reduce HR Assistant/Professional Services</i>	(0.50)	-	(138,850)	-	(138,850)	(0.50)	-	(138,264)	-	(138,264)
Subtotal Human Resources	0.50	-	60,350	74,594	134,944	0.20	0.30	-	131,316	131,316

*Partially or entirely funded with new revenue

**City of Kirkland
2015-2016 Budget
Service Package Requests**

Pkg. #	2015-16 Department Request					2015-16 City Manager Recommended				
	FTE	Temp	Ongoing	One-time	Total	FTE	Temp	Ongoing	One-time	Total
Public Works										
Renewal of One time										
15GPW01 CIP Outreach Coordinator*	-	0.50	-	123,873	123,873	-	0.50	-	123,873	123,873
15GPW02 Transportation Engineer	0.25	-	64,630	-	64,630	0.25	-	64,630	-	64,630
15GPW03 Neighborhood Traffic Control Coordinator	-	0.50	-	117,354	117,354	-	0.50	-	117,354	117,354
New										
15GPW04 Consultant Services 2015 CIP Update	-	-	-	60,000	60,000	-	-	-	60,000	60,000
15GPW05 Neighborhood Traffic Control Assistant	-	0.50	-	85,152	85,152	-	-	-	-	-
15GPW06 Kingsgate Traffic Calming Opportunity Fund	-	-	-	50,000	50,000	-	-	-	50,000	50,000
Subtotal Public Works	0.25	1.50	64,630	436,379	501,009	0.25	1.00	64,630	351,227	415,857
Finance & Administration										
Renewals of One time										
15GFA01 Public Disclosure Analyst	-	1.00	-	199,223	199,223	-	1.00	-	199,223	199,223
New										
15GFA02 Accounting Support Associate*	0.50	-	94,927	5,044	99,971	0.50	-	94,927	5,044	99,971
Subtotal Finance & Administration	0.50	1.00	94,927	204,267	299,194	0.50	1.00	94,927	204,267	299,194
Planning & Community Development										
Renewals of One Time										
15GPL01 ARCH Housing Trust Fund	-	-	-	630,000	630,000	-	-	-	630,000	630,000
15GPL02 Consultant Planner Professional Services*	-	-	-	92,000	92,000	-	-	-	92,000	92,000
New										
15GPL03 Planner Position, Temp to Ongoing*	1.00	-	171,938	-	171,938	1.00	-	171,938	-	171,938
15GPL04 Office Specialist, Temp*	-	1.00	-	175,588	175,588	-	1.00	-	175,588	175,588
15GPL05 Critical Areas Ord. Regulations Update (Planning portion)	-	-	-	90,000	90,000	-	-	-	90,000	90,000
15GPL06 Totem Lake Urban Design & Amenities Plan	-	-	-	35,000	35,000	-	-	-	-	-
15GPL07 Training - American Planning Assoc. Nat'l Conference	-	-	-	7,000	7,000	-	-	-	7,000	7,000
Subtotal Planning & Community Development	1.00	1.00	171,938	1,029,588	1,201,526	1.00	1.00	171,938	994,588	1,166,526
Police										
Renewals of One time										
15GPD01 Municipal Court Security	-	-	-	134,352	134,352	-	-	-	134,352	134,352
15GPD02 Police Support Associate	1.00	-	177,792	-	177,792	0.50	-	91,497	-	91,497
15GPD03 Inmate Contracted Medical Incremental Cost	-	-	-	222,194	222,194	-	-	-	222,194	222,194
Subtotal Police	1.00	-	177,792	356,546	534,338	0.50	-	91,497	356,546	448,043

*Partially or entirely funded with new revenue

**City of Kirkland
2015-2016 Budget
Service Package Requests**

Pkg. #	2015-16 Department Request					2015-16 City Manager Recommended				
	FTE	Temp	Ongoing	One-time	Total	FTE	Temp	Ongoing	One-time	Total
Fire & Building										
Fire										
Renewals of One time										
15GFB01 North Neighborhoods Four-Person Staffing	-	-	-	1,060,582	1,060,582	-	-	-	1,060,582	1,060,582
15GFB02 Senior Financial Analyst	-	1.00	-	205,013	205,013	Combined w/ Police Sr. Financial Analyst and organized in Finance				
15GFB03 Lexipol	-	-	14,500	-	14,500	-	-	14,500	-	14,500
New										
15GFB04 Public Access AEDS Opportunity Fund	-	-	-	50,000	50,000	-	-	-	50,000	50,000
15GFB05 Antique Pumper Restoration Community Match	-	-	-	49,000	49,000	-	-	-	25,000	25,000
15GFB06 Equip Reserve Engine and Aid Cars	-	-	-	39,200	39,200	-	-	-	39,200	39,200
15GFB07 Fire Corps Volunteer Program	-	-	14,628	2,000	16,628	-	-	14,628	2,000	16,628
15GFB08 Office Tech - Training Division	0.50	-	44,573	-	44,573	-	0.50	-	44,573	44,573
15GFB09 Water Craft	-	-	18,411	140,096	158,507	-	-	18,411	140,096	158,507
15GFB10 Body Armor Grant Match	-	-	-	14,000	14,000	-	-	-	14,000	14,000
Building										
Renewals of One time										
15GFB11 Overtime and Hourly Wages*	-	-	-	169,730	169,730	-	-	-	169,730	169,730
15GFB12 Public Records Request Assistance*	-	-	-	26,469	26,469	-	-	-	26,469	26,469
15GFB13 Applications Analyst (Development Services)*	1.00	-	252,805	-	252,805	1.00	-	252,805	-	252,805
New										
15GFB14 GIS Support: Parcel and Address Database Mgmt.	-	0.50	-	108,738	108,738	-	0.50	-	108,738	108,738
15GFB15 Temporary Records Specialist	-	1.00	-	84,683	84,683	-	1.00	-	84,683	84,683
Subtotal Fire & Building	1.50	2.50	344,917	1,949,511	2,294,428	1.00	2.00	300,344	1,765,071	2,065,415
GENERAL FUND TOTAL	6.40	7.00	1,498,961	4,808,172	6,307,133	5.10	6.30	1,307,743	4,560,302	5,868,045

*Partially or entirely funded with new revenue

**City of Kirkland
2015-2016 Budget
Service Package Requests**

Pkg. #	2015-16 Department Request					2015-16 City Manager Recommended				
	FTE	Temp	Ongoing	One-time	Total	FTE	Temp	Ongoing	One-time	Total
OTHER FUNDS										
Parks Levy Fund										
New										
15PPK01 Green Kirkland Partnership-Seasonal Labor	-	-	-	43,286	43,286	-	-	-	43,286	43,286
15PPK02 Environmental Outreach Specialist	0.50	-	115,095	-	115,095	0.50	-	115,095	-	115,095
reduce hourly wages/professional services	-	-	(75,520)	-	(75,520)	-	-	(75,520)	-	(75,520)
Subtotal	0.50	-	39,575	43,286	82,861	0.50	-	39,575	43,286	82,861
Street Operating Fund										
Renewal of One time										
15SPW01 Temporary Grounds Crew - REET*	-	-	-	186,192	186,192	-	-	-	186,192	186,192
New										
15SPW02 Snow Equipment	-	-	-	91,600	91,600	-	-	-	91,600	91,600
15SPW03 Street/Utility Undergrounding Opportunity Fund	-	-	-	50,000	50,000	-	-	-	50,000	50,000
15SPW04 Market Street Medians	-	-	-	175,000	175,000	-	-	-	175,000	175,000
15SPW05 City Wide Sidewalk Survey	-	-	-	100,600	100,600	-	-	-	100,600	100,600
15SPW06 Urban Forestry Bucket Truck (3/4 Streets)	-	-	42,498	142,500	184,998	-	-	42,498	142,500	184,998
15SPW07 Seasonal Laborers-Medians / Pathways	-	-	-	178,761	178,761	-	-	-	178,761	178,761
Subtotal Street Operating Fund	-	-	42,498	924,653	967,151	-	-	42,498	924,653	967,151
Lodging Tax Fund										
Renewals of One Time										
15LCM01 Tourism Staff Support Hours	-	-	-	53,995	53,995	-	-	-	53,995	53,995
New										
15LCM02 Tourism Outside Agency Funding	-	-	-	50,000	50,000	-	-	-	50,000	50,000
15LCM03 Water Optimization Study	-	-	-	20,000	20,000	-	-	-	20,000	20,000
Subtotal Lodging Tax Fund	-	-	-	123,995	123,995	-	-	-	123,995	123,995
Surface Water Fund										
New*										
15DPW01 CCTV Inspection Program Expansion (SW Portion-50%)	1.00	-	238,359	141,133	379,492	1.00	-	238,359	141,133	379,492
15DPW02 NPDES Field Inspection Program	0.50	-	124,741	105,815	230,556	0.50	-	124,741	105,815	230,556
15DPW03 Ditch Maintenance Program	4.00	-	983,631	526,112	1,509,743	4.00	-	983,631	526,112	1,509,743
15DPW04 Surface Water Rehab Catch-Up	-	-	-	147,564	147,564	-	-	-	147,564	147,564
15DPW05 Critical Areas Ord. Regulations Update (SW Portion)	-	-	-	215,000	215,000	-	-	-	215,000	215,000
15DPW06 Right of Way Tree Inventory	-	-	-	66,000	66,000	-	-	-	66,000	66,000
15DPW07 Cochran Spring Monitoring	-	-	6,520	-	6,520	-	-	6,520	-	6,520
15DPW08 Property Acquisition ID & Prioritization	-	-	-	30,000	30,000	-	-	-	30,000	30,000
15DPW09 Environmental Permitting Maint. Work	-	-	24,000	-	24,000	-	-	24,000	-	24,000
15DPW10 Utility Engineer	1.00	-	253,820	5,864	259,684	1.00	-	253,820	5,864	259,684
Subtotal Surface Water Fund	6.50	-	1,631,071	1,237,488	2,868,559	6.50	-	1,631,071	1,237,488	2,868,559

*Partially or entirely funded with new revenue

**City of Kirkland
2015-2016 Budget
Service Package Requests**

Pkg. #	2015-16 Department Request					2015-16 City Manager Recommended				
	FTE	Temp	Ongoing	One-time	Total	FTE	Temp	Ongoing	One-time	Total
Water/Sewer Fund										
New*										
15UPW01 Reclaimed Water Study	-	-	-	120,000	120,000	-	-	-	120,000	120,000
15UPW02 Sewer Improvement Opportunity Fund	-	-	-	20,000	20,000	-	-	-	20,000	20,000
15DPW01 CCTV Truck, Camera, Software (W/S Portion-50%)	1.00	-	238,359	141,133	379,492	1.00	-	238,359	141,133	379,492
15UPW03 FOG Inspector	0.50	-	104,773	50	104,823	0.50	-	104,773	50	104,823
15UPW04 Sewer Master Plan Update	-	-	-	180,000	180,000	-	-	-	180,000	180,000
Subtotal Water/Sewer Fund	1.50	-	343,132	461,183	804,315	1.50	-	343,132	461,183	804,315
Information Technology Fund										
Renewals of One Time										
15IIT01 Network Engineer- IT Network Security	1.00	-	269,333	-	269,333	1.00	-	269,333	-	269,333
15IIT02 GIS Analyst	0.50	-	110,784	-	110,784	-	-	-	-	-
15IIT03 Graphic Designer	0.75	-	139,456	-	139,456	-	-	-	-	-
15IIT04 Service Desk Analyst	1.00	-	196,358	4,389	200,747	1.00	-	196,358	4,389	200,747
New										
15IIT05 Graphic Designer-Forms Support	-	-	-	44,324	44,324	-	-	-	44,324	44,324
15IIT07 Television Broadcast of Planning Commission	-	-	8,746	-	8,746	-	-	8,746	-	8,746
15IIT08 Telestaff Upgrade	-	-	-	20,000	20,000	-	-	-	20,000	20,000
15IIT09 Survey to Refine Business Connectivity	-	-	-	25,000	25,000	-	-	-	25,000	25,000
15IIT06 Increase Network Backup Storage Space	-	-	-	62,000	62,000	-	-	-	62,000	62,000
Subtotal Information Technology Fund	3.25	-	724,677	155,713	880,390	2.00	-	474,437	155,713	630,150
TOTAL OTHER FUNDS	11.75	-	2,780,953	2,946,317	5,727,270	10.50	-	2,530,713	2,946,318	5,477,031
TOTAL ALL FUNDS	18.15	7.00	4,279,914	7,754,489	12,034,403	15.60	6.30	3,838,456	7,506,620	11,345,076

*Partially or entirely funded with new revenue



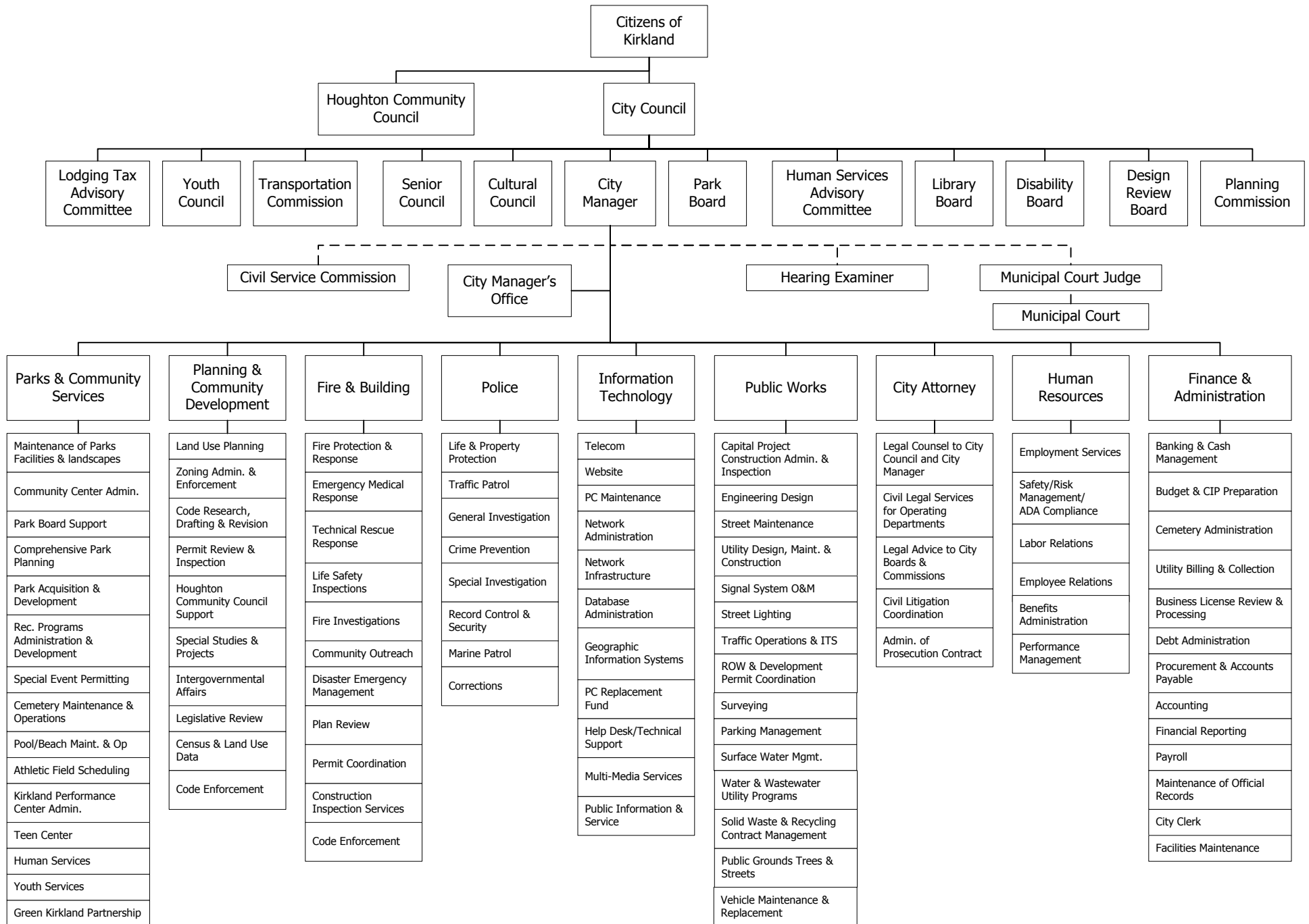
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KIRKLAND PROFILE



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CITY OF KIRKLAND





CITY OF KIRKLAND

CITY COUNCIL GOALS

The purpose of the City Council Goals is to articulate key policy and service priorities for Kirkland. Council goals guide the allocation of resources through the budget and capital improvement program to assure that organizational work plans and projects are developed that incrementally move the community towards the stated goals. Council goals are long term in nature. The City's ability to make progress towards their achievement is based on the availability of resources at any given time. Implicit in the allocation of resources is the need to balance levels of taxation and community impacts with service demands and the achievement of goals.

In addition to the Council goal statements, there are operational values that guide how the City organization works toward goal achievement:

- **Regional Partnerships** – Kirkland encourages and participates in regional approaches to service delivery to the extent that a regional model produces efficiencies and cost savings, improves customer service and furthers Kirkland's interests beyond our boundaries.
- **Efficiency** – Kirkland is committed to providing public services in the most efficient manner possible and maximizing the public's return on their investment. We believe that a culture of continuous improvement is fundamental to our responsibility as good stewards of public funds.
- **Accountability** – The City of Kirkland is accountable to the community for the achievement of goals. To that end, meaningful performance measures will be developed for each goal area to track our progress toward the stated goals. Performance measures will be both quantitative and qualitative with a focus on outcomes. The City will continue to conduct a statistically valid citizen survey every two years to gather qualitative data about the citizen's level of satisfaction. An annual Performance Measure Report will be prepared for the public to report on our progress.
- **Community** – The City of Kirkland is one community composed of multiple neighborhoods. Achievement of Council goals will be respectful of neighborhood identity while supporting the needs and values of the community as a whole.

The City Council Goals are dynamic. They should be reviewed on an annual basis and updated or amended as needed to reflect citizen input as well as changes in the external environment and community demographics.

Kirkland is an attractive, vibrant and inviting place to live, work and visit. Our lakefront community is a destination for residents, employees and visitors. Kirkland is a community with a small-town feel, retaining its sense of history, while adjusting gracefully to changes in the twenty-first century.

NEIGHBORHOODS

The citizens of Kirkland experience a high quality of life in their neighborhoods.

Council Goal: Achieve active neighborhood participation and a high degree of satisfaction with neighborhood character, services and infrastructure.

PUBLIC SAFETY

Ensure that all those who live, work and play in Kirkland are safe.

Council Goal: Provide for public safety through a community-based approach that focuses on prevention of problems and a timely response.

HUMAN SERVICES

Kirkland is a diverse and inclusive community that respects and welcomes everyone and is concerned for the welfare of all.

Council Goal: To support a regional coordinated system of human services designed to meet the basic needs of our community and remove barriers to opportunity.

BALANCED TRANSPORTATION

Kirkland values an integrated multi-modal system of transportation choices.

Council Goal: To reduce reliance on single occupancy vehicles and improve connectivity and multi-modal mobility in Kirkland in ways that maintain and enhance travel times, safety, health and transportation choices.

PARKS, OPEN SPACES AND RECREATIONAL SERVICES

Kirkland values an exceptional park, natural areas and recreation system that provides a wide variety of opportunities aimed at promoting the community's health and enjoyment.

Council Goal: To provide and maintain natural areas and recreational facilities and opportunities that enhance the health and well being of the community.

HOUSING

The City's housing stock meets the needs of a diverse community by providing a wide range of types, styles, sizes and affordability.

Council Goal: To ensure the construction and preservation of housing stock that meet a diverse range of incomes and needs.

FINANCIAL STABILITY

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

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

ENVIRONMENT

We are committed to the protection of the natural environment through an integrated natural resource management system.

Council Goal: To protect and enhance our natural environment for current residents and future generations.

ECONOMIC DEVELOPMENT

Kirkland has a diverse, business-friendly economy that supports the community's needs.

Council Goal: To attract, retain and grow a diverse and stable economic base that supports city revenues, needed goods and services and jobs for residents.

DEPENDABLE INFRASTRUCTURE

Kirkland has a well-maintained and sustainable infrastructure that meets the functional needs of the community.

Council Goal: To maintain levels of service commensurate with growing community requirements at optimum life-cycle costs.

(Updated November 2011)

KIRKLAND'S CITY MANAGEMENT

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

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

Kirkland's Comprehensive Plan is updated annually. As required by the Growth Management Act (GMA), the last major update process was completed in 2002 and 2003 to update Kirkland's vision statement and Comprehensive Plan. The next update is in process and will be completed in 2015.

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

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

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

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

Basic Values

Integrity

Excellence

Respect for the Individual

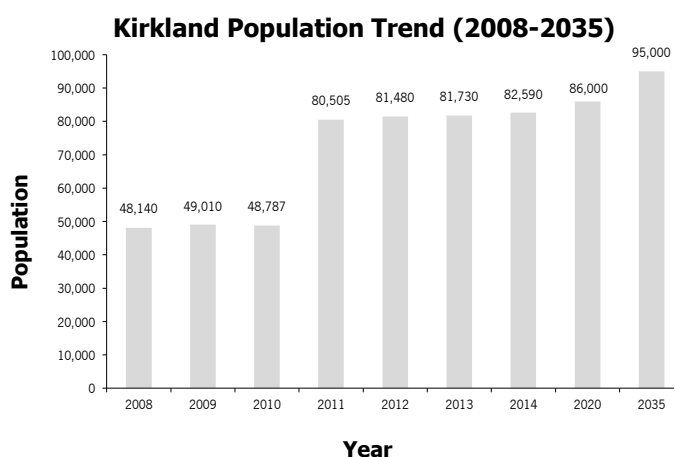
Responsiveness

CITY OF KIRKLAND

ECONOMIC ENVIRONMENT

POPULATION

Following the annexation of South Juanita, North Rose Hill and South Rose Hill in 1988, population growth has generally been modest, but steady. In 2011, the City annexed Finn Hill, Kingsgate, and Juanita increasing the population by 31,816. The following chart presents actual population data for the past seven years and projections for 2020 and 2035.



EMPLOYMENT BASE

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

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

Approximately 41,000 individuals are employed within the City limits. The following table presents the City's top 10 employers as of 2014.

Kirkland's Major Employers

Employer	# Persons Employed
Evergreen Healthcare	3762
Lake Washington School District	1112
Google, Inc.	774
City of Kirkland	580
Kenworth Truck Co.	410
Astronics Advanced Electronic Systems	388
Costco Wholesale	318
Isoftstone Inc	272
Wave Broadband	268
ATG Stores	253

UNEMPLOYMENT RATE

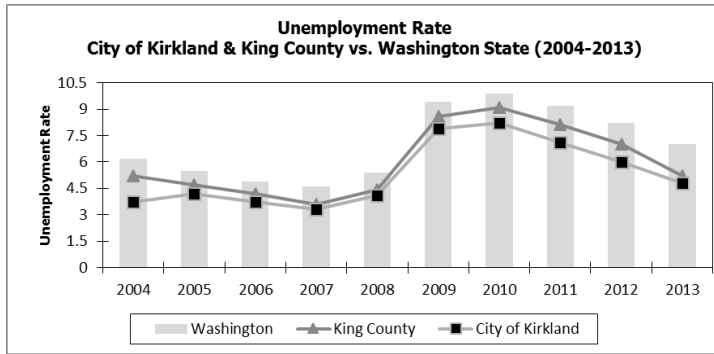
Unemployment rates in King County generally run parallel to state and national rates but at a lower level. Since 2004, King County's unemployment rate has been consistently below the national rate. The City of Kirkland unemployment rate consistently runs below the national, State of Washington and King County rates. The following table and chart provide comparative unemployment rate data for the past 10 years.

Unemployment Rates¹

Year	Kirkland*	King County	Washington State	United States
2004	3.7	5.2	6.2	5.5
2005	4.2	4.7	5.5	5.1
2006	3.7	4.2	4.9	4.6
2007	3.3	3.6	4.6	4.6
2008	4.1	4.4	5.4	5.8
2009	7.9	8.6	9.4	9.3
2010	8.2	9.1	9.9	9.6
2011	7.1	8.1	9.2	8.9
2012	6.2	6.6	8.1	8.1
2013	4.8	5.2	7.0	7.4

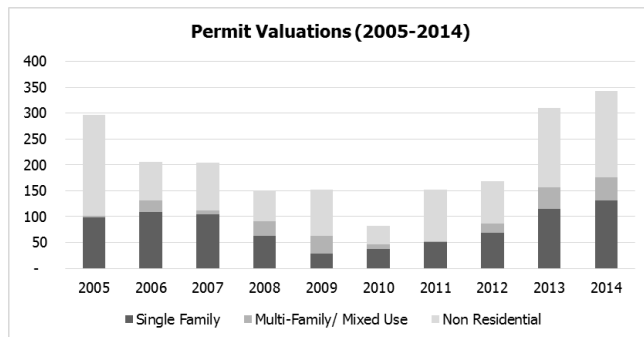
¹ Rate is per the U.S. Bureau of Labor Statistics.

*Rate for the pre-annexation City. According to the BLS, annexation areas statistics will be included after the 2020 census.



BUILDING ACTIVITY

Kirkland's local construction trends are a microcosm of the regional economy. The strong economy in the Puget Sound area beginning in 2004 drove development growth in Kirkland (as shown in the following chart and table) during the boom years of the mid 2000's. Construction activity skyrocketed in 2005 and continued at a rate above historical averages before declining in 2008 and 2009 due to the recession. Kirkland's development hit its post-recession low in 2010 before construction started its slow climb back to pre-recession levels. In 2011 and 2012 there was some growth in development, but the level of activity was still slowed due to a sluggish economy. Development picked up in 2013 and 2014, largely driven by some large commercial and public projects, which have brought project valuations to their highest level in Kirkland since 2005.



Permit Valuation in Millions of Dollars*

Year	Single Family	Multi-Family/ Mixed Use	Non Residential	Total
2005	98	3	196	297
2006	109	22	75	206
2007	105	7	92	204
2008	63	28	59	150
2009	29	34	89	152
2010	37	9	36	82
2011	51	2	99	152
2012	69	18	82	169
2013	115	41	154	310
2014	132	44	166	342

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

OTHER ECONOMIC INDICATORS

Office Vacancies

- According to latest report available from CB Richard Ellis Real Estate Services, the Eastside office vacancy rate dropped to 13.2 percent in the second quarter of 2014, the lowest vacancy rate since the first quarter of 2009. Kirkland's office vacancy rate has dropped to 4.5 percent, the lowest on the Eastside. The Puget Sound region's office vacancy rate is 14.2 percent.

Housing Values

- Kirkland home values trended up over the last two years, rising 17.9 percent from September 2012 to September 2013 and 6.4 percent from September 2013 to September 2014 according to Zillow.com, a 25.5 percent increase over 24 months.

Inflation

- The Seattle metro Consumer Price Index (CPI), a measure of price inflation for goods and services, has grown over the 2013-14 biennium with an increase of 1.37 percent from June 2012 to June 2013 and growth of 2.2 percent from June 2013 to June 2014.



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BUDGET GUIDE

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



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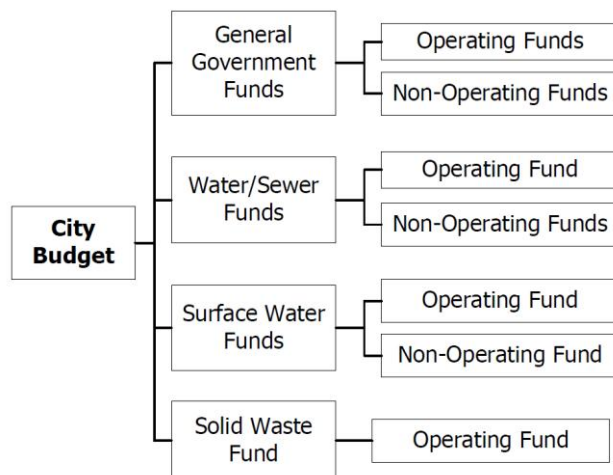
GUIDE TO BUDGET FUND STRUCTURE

The City Budget is composed of 24 separate funds that are each balanced independently – revenues equal expenditures. The City's budget is divided into four primary sections – General Government, Water/Sewer Utility, Surface Water Utility and Solid Waste Utility. Within each of these primary sections there are operating and non-operating funds, with the exception of the Solid Waste Utility which is comprised of an operating fund only.

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

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

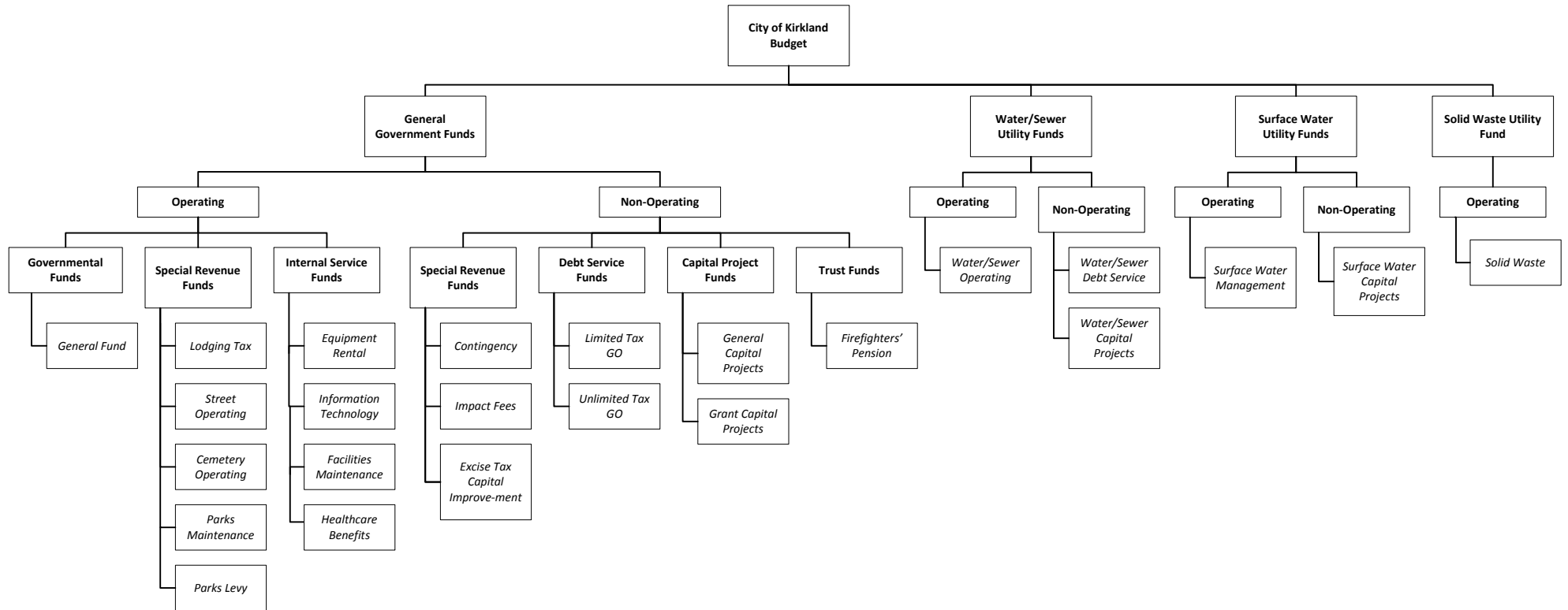
The budget document is presented in a manner that acknowledges these components as shown on the following chart.



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

CITY OF KIRKLAND

Organization of Funds



BUDGETING, ACCOUNTING AND REPORTING BASIS

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

BUDGETARY BASIS

Budget projections for revenues and expenditures are prepared on a cash basis. Cash basis of accounting means that transactions are recognized at the point when cash is received or paid. This method matches the cash projected to be available to the cash projected for necessary payments.

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

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

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

ACCOUNTING AND REPORTING BASIS

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

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

Proprietary operations of the City - enterprise and internal service functions - use the accrual basis of accounting. Under this method, revenues are recorded when earned (e.g., revenues for water/sewer utility services are recognized when the services are provided) and expenses are recorded at the time obligations are incurred. This method is similar to private business enterprises.

CITY OF KIRKLAND

BUDGET PROCESS

BUDGET PREPARATION PROCESS

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

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

12. The F&A Department publishes the final budget document during the first quarter of the following year, distributes the document to the City Council and the departments, and makes copies available to the public.

BUDGET ADJUSTMENT PROCESS

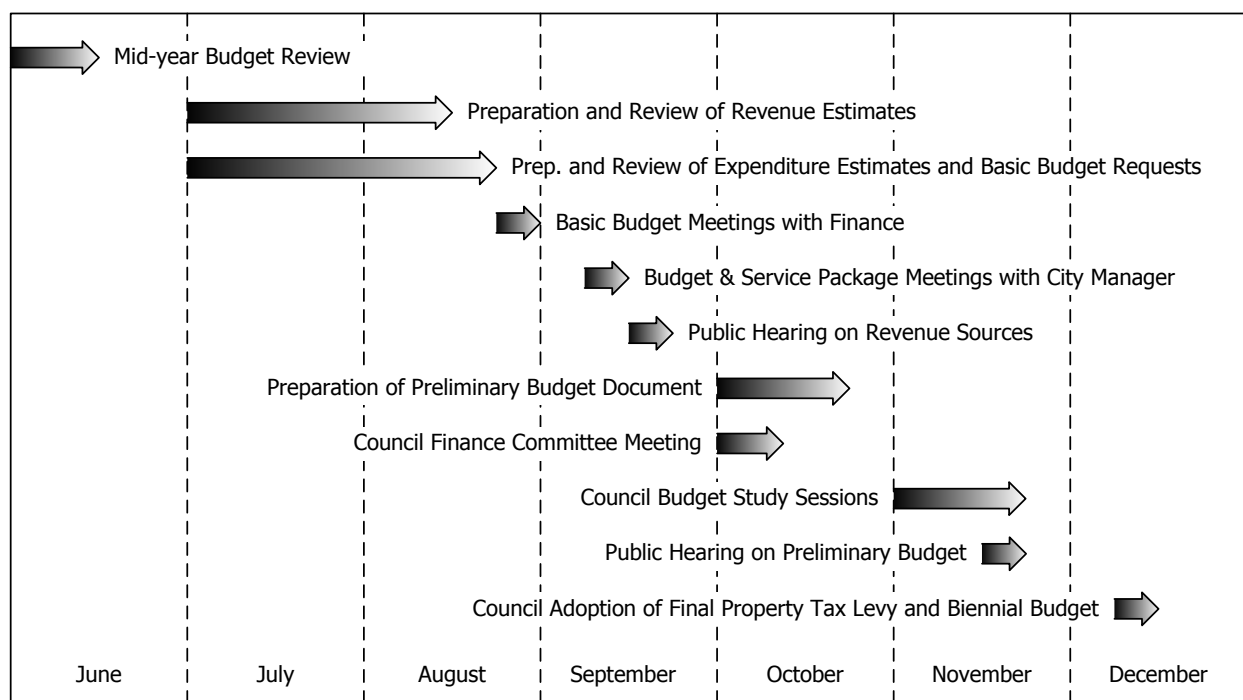
There are two types of adjustments related to the adopted budget: 1) transfers between line items or between departments within the same fund; and 2) changes to an individual fund's total appropriation. The former is handled administratively when needed with the approval of the F&A Director. The latter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

The first opportunity to adjust a fund's total appropriation generally occurs in March of the first year of the biennium. Typically, this is when funding for projects and other significant purchases that were not completed during the prior biennium is "carried over" to the new biennium. The second opportunity takes place during the mid-biennial budget review which culminates in December of the first year of the biennium. This adjustment primarily relates to the following: 1) outside agency and new service package funding requests for the second year of the biennium; 2) any unanticipated needs, events, or revenue sources. The final opportunity to adjust a fund's total appropriation occurs at the end of the biennium in December. This is the last time that adjustments for unanticipated needs, events, and revenue sources can be recognized and approved. Also, this is when the General Fund's total appropriation is adjusted, if necessary, to provide the budgetary authority to transfer excess net resources to other funds in order to replenish or build-up reserves and to fund one-time service packages in the coming biennium. In addition to the three adjustment processes described above, other adjustments may occur during the biennium as needed.

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

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

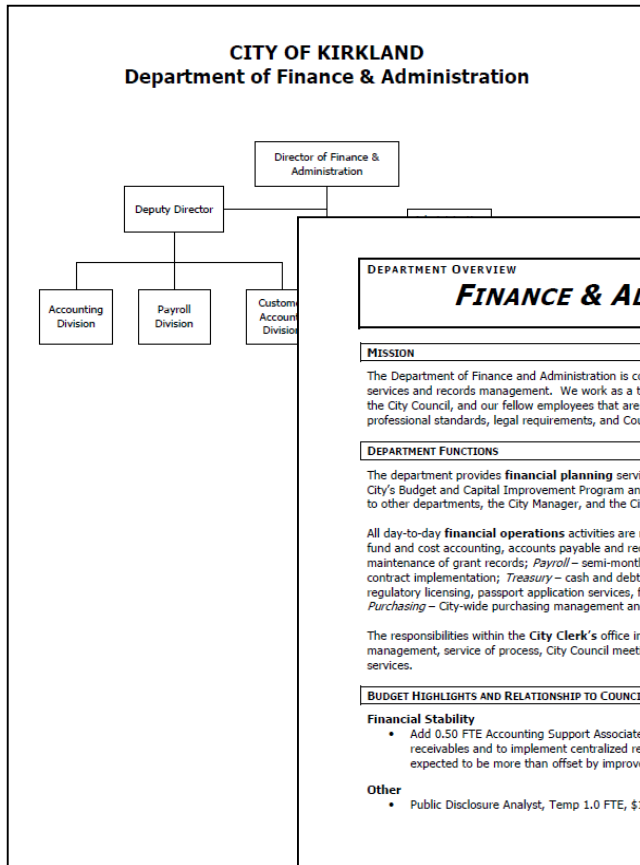
BIENNIAL BUDGET PREPARATION TIMELINE



GUIDE TO KIRKLAND'S BUDGET DOCUMENT

OPERATING FUND AND DEPARTMENT SECTIONS

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



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

DEPARTMENT OVERVIEW

FINANCE & ADMINISTRATION

MISSION

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

DEPARTMENT FUNCTIONS

The department provides **financial planning** services including coordination and preparation of the City's Budget and Capital Improvement Program and provision of financial planning and analysis support to other departments, the City Manager, and the City Council.

All day-to-day **financial operations** activities are managed by the department including: *Accounting* – fund and cost accounting, accounts payable and receivable, and maintenance of grant records; *Payroll* – semi-monthly contract implementation; *Treasury* – cash and debt regulatory licensing, passport application services, and *Purchasing* – City-wide purchasing management and services.

The responsibilities within the **City Clerk's** office include management, service of process, City Council meeting services.

BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL

Financial Stability

- Add 0.50 FTE Accounting Support Associate receivables and to implement centralized receivables expected to be more than offset by improved

Other

- Public Disclosure Analyst, Temp 1.0 FTE, \$1

The mission and functional areas are described in each department's overview along with the relationship of the department's activities to Council goals and budget highlights for the coming biennium.

2015-2016 FINANCIAL OVERVIEW

FINANCE & ADMINISTRATION

FINANCIAL SUMMARY BY OBJECT

	2011-2012 Actual	2013-2014 Estimate	2013-2014 Budget	2015-2016 Budget	Percent Change
Salaries and Wages	4,455,028	4,804,763	4,839,623	5,226,579	8.00%
Benefits	1,765,925	2,133,535	2,246,467	2,579,301	14.02%
Supplies	34,651	42,410	38,073	35,096	-7.82%
Other Services	1,366,683	1,417,921	1,473,137	1,512,983	2.70%
Government Services	486,774	805,265	833,100	253,000	-69.63%
Capital Outlay	-	-	-	-	n/a
TOTAL	8,109,061	9,203,894	9,430,400	9,606,959	1.87%

FINANCIAL SUMMARY BY DIVISION

	2011-2012 Actual	2013-2014 Estimate	2013-2014 Budget	2015-2016 Budget	Percent Change
Financial Planning & Admin.	2,465,778	2,577,331	2,572,000	2,931,042	13.96%
Treasury/Customer Services	2,152,541	2,334,486	2,450,484	2,570,968	4.92%
Financial Operations	2,318,312	2,545,320	2,582,178	2,763,063	7.01%
City Clerk	1,172,430	1,746,757	1,825,738	1,341,886	-26.50%
TOTAL	8,109,061	9,203,894	9,430,400	9,606,959	1.87%

POSITION SUMMARY BY DIVISION

	2011-2012 Actual	2013-2014 Budget	2015-2016 Budget
Financial Planning & Admin.	8.00	8.00	9.00
Treasury/Customer Services	10.50	11.50	11.50
Financial Operations	10.50	10.50	11.00
City Clerk	3.80	3.80	3.80
TOTAL	32.80	33.80	35.30

The Financial Overview contains financial summaries by category of expense and division.

GUIDE TO KIRKLAND'S BUDGET DOCUMENT

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

City of Kirkland 2015 - 2016 Budget Revenues						
		2011 - 2012 Actual	2013 - 2014 Estimate	2013- 2014 Budget	2015- 2016 Budget	Percent Change
Fund:	General Fund (010)					
Department:	General					
Division:	Not Applicable					
Key:	General Fund (0100000000)					
Taxes						
Property Tax-Real & Personal	3111001	29,082,652	33,252,361	33,573,159	35,267,664	5.04%
Property Tax-Fire Dist 41	3111003	1,872,041	0	0	0	0.00%
Property Tax-Fire Dist 34 36	3111004	441,120	0	0	0	0.00%
Retail* SalesUse Tax	3131001	27,258,446	0	0	0	0.00%
Retail Sales Use Tax	3131101	0	34,295,710	30,321,475	36,460,794	20.24%
Annexation Sales Tax	3131201	4,631,492	7,504,330	6,831,252	7,870,000	15.20%
Brokered* Nat Gas Use Tax	3136001	6,074	0	0	0	0.00%
Brokered Nat Gas Use Tax	3136101	0	5,335	6,400	5,454	-14.78%
Crim Justice-Local Sales Tax	3137101	2,813,084	3,659,472	3,301,260	4,133,831	25.21%
Rev Generating Regulatory Lic	3161001	4,718,880	5,062,372	4,679,290	4,702,714	0.50%
Admissions *Tax	3162001	246,073	0	0	0	0.00%
Electric Utility Tax-Private	3164101	6,997,634	7,561,025	8,019,140	7,727,244	-3.63%
Gas Utility Tax-Private	3164301	2,758,902	2,931,329	3,324,982	3,054,376	-8.13%
Television Cable-Private	3164601	2,753,645	3,160,298	3,128,271	3,223,700	3.05%
Telephone Utility Tax-Private	3164701	5,625,107	6,407,280	5,806,793	6,426,862	10.67%
Telephone Util Tax Priv Audit	3164702	0	403,040	0	0	0.00%
Water Customer Utility Tax	3164811	0	2,646,894	2,524,566	2,773,878	9.87%
Sewer Customer Utility Tax	3164812	0	2,438,745	2,422,103	2,566,069	5.94%
Solid Waste Customer Util Tax	3164813	0	3,014,513	2,908,321	3,018,155	3.77%
Surface Water Cust Util Tax	3164814	0	1,310,172	1,264,133	1,281,272	1.35%
Water *Customer Utility Tax	3167201	2,262,586	0	0	0	0.00%
Sewage* Customer Utility Tax	3167401	2,185,169	0	0	0	0.00%
Garb*Solid Waste Cust Util Tax	3167501	2,316,515	0	0	0	0.00%
Surface*Water Cust Utility Tax	3167801	1,122,291	0	0	0	0.00%
Punch Boards and Pull Tabs	3168101	0	292,961	242,233	273,585	12.94%
Bingo and Raffles	3168201	0	1,316	3,023	267	-91.16%
Amusement Games	3168301	0	2,554	2,408	2,151	-10.67%
Card Games	3168401	0	1,439,302	1,426,214	1,478,624	3.67%
Leasehold Excise Tax	3172001	229,036	276,048	236,000	183,924	-22.06%
Punch *Boards and Pull Tabs	3175101	253,040	0	0	0	0.00%
Bingo* and Raffles	3175201	6,211	0	0	0	0.00%
Amusement* Games	3175301	2,330	0	0	0	0.00%
Card *Games	3175401	820,085	0	0	0	0.00%
Admissions Tax	3181101	0	194,013	221,000	191,828	-13.20%
Business *Tax Penalty Interest	3196001	11,990	0	0	0	0.00%



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FISCAL POLICIES



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FISCAL POLICIES

BACKGROUND AND PURPOSE

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

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

OPERATING BUDGET POLICIES

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

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

REVENUE AND EXPENDITURE POLICIES

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

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

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

which are required by statute, ordinance, resolution or executive order.

- Biennial expenditures will be maintained within the limitations of biennial revenues. The City will not use short-term borrowing to finance current operating needs without full financial analysis and prior approval of the City Council.
- In order to ensure the continuity of services, the City will budget no more sales tax revenue than was received in the prior year as a hedge against possible future economic events.
- Interest income revenue will be used to finance one-time capital or time-limited goods or services including debt service on councilmanic bond issues.
- All authorized positions will be budgeted for a full year (or biennium) unless specifically designated by the City Council as a partial-year position.
- In the event that budget reductions are needed in order to balance revenues and expenditures, the City Council will provide policy direction to staff as to the priority order and combination for using the following strategies:
 - Raise revenue
 - Reduce expenditures
 - Use reserves
- The use of reserves to balance the budget will only be used to address short term temporary revenue shortfalls and expenditure increases.
- The biennial budget will be formally amended by the City Council as needed to acknowledge unforeseen expenditures. All requests for funding will be analyzed by the Finance and Administration Department. The Council will be provided with a discussion of the legality and/or policy basis of the expenditure, the recommended funding source, an analysis of the fiscal impact and a review of all reserves and previously approved amendments since budget adoption.

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

ENTERPRISE FUND POLICIES

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

- Enterprise funds will be established for City-operated utility services.
- Enterprise fund expenditures will be established at a level sufficient to properly maintain the fund's infrastructure and provide for necessary capital development.
- Each enterprise fund will maintain an adequate rate structure to cover the costs of all operations, including maintenance, depreciation, capital and debt service requirements, reserves (as established by fiscal policy or bond covenant), and any other cost deemed necessary.
- Rates may be offset from available fund cash after requirements are met for cash flow and scheduled reserve contributions.
- Enterprise fund services will establish and maintain reserves for general contingency and capital purposes consistent with those maintained for general governmental services.
- Revenue bonds shall be issued only when projected operating revenues are insufficient for the enterprise's capital financing needs.
- The City will insure that net operating revenues of the enterprise constitute a minimum of 1.5 times the annual debt service requirements.

- The City will limit the maturities of all utility revenue bond issues to 30 years or less.

CASH MANAGEMENT AND INVESTMENT POLICIES

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

- The City's idle cash will be invested on a continuous basis in accordance with the City's adopted investment policies.
- The City will maintain a formal investment policy which is reviewed and endorsed by state and/or national professional organizations. The complete policy can be found in the appendix of this document.
- The City will invest all funds (in excess of current requirements) based upon the following order of priority: 1) legality; 2) liquidity; 3) safety; and 4) yield.
- Investments with City funds shall not be made for purposes of speculation.
- The City is prohibited from investing in derivative financial instruments for the City's managed investment portfolio.
- Proper security measures will be taken to safeguard investments. The City's designated banking institution will provide adequate collateral to insure City funds.
- The City's investment portfolio will be reviewed every three years by a qualified portfolio valuation service to assess the portfolio's degree of risk and compliance with the adopted investment policies.
- An analysis of the City's cash position will be prepared at regular intervals throughout the fiscal year.

- The City Council will be provided with quarterly reports on the City's investment strategy and performance.
- Sufficient cash shall be maintained to provide adequate funds for current operating expenditures.
- Where permitted, the City will pool its cash resources from various funds ("Treasurer's Cash") for investment purposes.
- Net investment income from Treasurer's Cash will be allocated in accordance with KMC 5.24.060 considering 1) average cash balance of the participating fund and 2) the minimum cash balance needs of each fund as determined by the Director of Finance and Administration. Net investment income is the amount of annual investment proceeds after an allocation of earned interest is made to certain funds as required by the State and Council-directed obligations are met for General Fund purposes.
- The City of Kirkland will select its official banking institution through a formal bidding process in order to provide the City with the most comprehensive, flexible, and cost-effective banking services available.

ACCOUNTING, FINANCIAL REPORTING AND AUDITING POLICIES

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

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

RESERVE AND FUND BALANCE POLICIES

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

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

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

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

Reserve Purposes and Targets

- A Contingency Reserve Fund shall be maintained in accordance with RCW 35A.33.145 to meet any municipal expense, the necessity or extent of which could not have been reasonably foreseen at the time of adopting the biennial budget. The target balance will be set at 80 percent of the statutory maximum of \$0.375 per \$1,000 of assessed valuation.

- The City will maintain a General Operating Reserve at an amount equivalent to five percent of the tax-supported general government budgets (General Fund, Street Operating Fund and Parks Maintenance Fund) for the second year of the biennium. The General Operating Reserve is available to address unforeseen revenue shortfalls or expenditure needs that occur during the current biennium.
- The City will maintain a Revenue Stabilization Reserve to address temporary revenue losses due to economic cycles or other time-limited causes. The Revenue Stabilization Reserve will be maintained at ten percent of selected General Fund revenue sources which, in the judgment of the Director of Finance and Administration, are subject to volatility. The Revenue Stabilization Reserve may be used in its entirety; however, replenishment will be a priority, consistent with adopted policies.
- The City will maintain a Council Special Project Reserve, which is available to the City Council to fund special one-time projects that were unforeseen at the time the budget was prepared. When the reserve is used, it is replenished from the General Fund year-end fund balance to a target balance of \$250,000.
- The City will maintain a General Capital Contingency to address unforeseen project expenditures or external revenue shortfalls in an amount equivalent to ten percent of the funded two-year CIP budget, less proprietary fund projects.
- In establishing targets for the reserves defined above, voted property tax levies will be excluded from the calculations, since the levies are not intended to burden the General Fund and are expected to absorb unexpected costs from levy proceeds.
- The City Manager may authorize the use of capital funding reserves up to an aggregate total of \$100,000 per year in increments not to exceed \$25,000. The City Manager will provide regular reports to the City Council at a regular Council meeting if this authorization is used. Capital funding reserves include: General Capital Contingency, Street Improvement Reserve,

REET Reserves, Impact Fee Reserves, Water/Sewer Capital Contingency, Water/Sewer Construction Reserve, Surface Water Capital Contingency, and Surface Water Construction Reserve.

- The City will maintain a Capital Improvement Project Grant Match Reserve as a means of assuring the availability of cash resources to leverage external funding when the opportunity arises. The reserve will be maintained in the Real Estate Excise Tax Capital Reserve Fund and maintained through excise tax revenue received over and above the annual allocation to the Capital Improvement Plan.
- The City will maintain a Building and Property Reserve with a minimum balance of \$600,000. This reserve is used for property purchases, building improvements and other property-related transactions. It can also be used as a general purpose reserve to fund Council-approved unanticipated expenditures.
- The City will maintain fully funded reserves for the replacement of vehicles and personal computers. Contributions will be made through assessments to the using funds and maintained on a per asset basis.
- Additional reserve accounts may be created to account for monies for future known expenditures, special projects, or other specific purposes.
- All reserves will be presented in the biennial budget.

Reserve Replenishment

- Reserve replenishments occur in two ways during periods of economic recovery:
 - Planned - A specific amount is included in the adopted budget, and
 - Unplanned - Ending fund balances are higher than budgeted, either due to higher than budgeted revenues or under-expenditures.
- Planned amounts are included as part of the adopted budget. Planned replenishments toward 80% of the target level shall be set to at least 1% of the General Fund adopted budget.

- Unplanned amounts available at the end of each biennium (if any) should help replenish to target faster. A high percentage (up to all) uncommitted funds available at the end of a biennium should be used for reserve replenishment until reserves meet 80% of target and the revenue stabilization reserve is at 100% of target. Some or all of those unplanned funds may be used in place of planned (budgeted) amounts in the following biennium to the extent it meets or exceeds the 1% budgeted amount.
- Once reserves reach 80% of target and revenue stabilization reserve is at 100%, funds may be used to meet other one time or on-going needs. Additional funds should be used to fund a variety of needs, based on the following process:
 - Set 50% of available cash toward reserves until they are at 100% of target.
 - The remaining 50% shall be available for one or more of the following needs, depending on the nature of the funds available (one-time or on-going) and in the following order of priority:
 - Fund liabilities related to sinking funds for public safety and information technology equipment,
 - Maintain current service levels,
 - Fund one-time projects or studies,
 - Increase funding for capital purposes,
 - Restore previous program service reductions,
 - Potential program and service enhancements.
- In terms of priority for replenishing the individual reserves, the following guidelines shall be used:
 - If the Council Special Projects reserve is below target, replenish to target at the start of each biennium.
 - If the revenue stabilization reserve is below target, prioritize replenishing the reserve.
 - To the extent cash is from volatile revenues above budgeted amounts,

those funds should be applied to revenue stabilization reserve first.

- If unplanned funds are available because planned reserve uses did not occur, those funds should be returned to the source reserve.
- The source of uncommitted funds should be taken into consideration (for example, interest earnings over budget could be applied to the capital contingency, since they are one of the designated sources for this reserve).
- The degree to which an individual reserve is below target (for example, the reserve that is furthest from its target level on a percentage basis might receive a larger share of the funds).
- Decisions on how replenishments are allocated to specific reserves will be based on where available funds came from and on each reserve's status at the time the decision is made.
- The replenishment policy will provide a mechanism whereby Council may take action to suspend replenishment policies if it was found that special conditions existed warranting such action.

DEBT MANAGEMENT POLICIES

The amount of debt issued by the City is an important factor in measuring its financial performance and condition. Proper use and management of borrowing can yield significant advantages. From a policy perspective, the City of Kirkland uses debt in two ways: (1) as a mechanism to equalize the costs of needed improvements to both present and future citizens; and (2) as a mechanism to reduce the immediate costs of substantial public improvements.

- The City will maintain a formal Debt Management Policy which is reviewed and endorsed by state and/or national professional organizations. The complete policy can be found in the appendix of this document.
- City Council approval is required prior to the issuance of debt.

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

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

CAPITAL IMPROVEMENT POLICIES

Kirkland's City government is accountable for a considerable investment in buildings, parks, roads, sewers, equipment and other capital investments. The preservation, maintenance, and future improvement of these facilities are a primary responsibility of the City. Planning and implementing sound capital improvement policies and programs today will help the City avoid emergencies and major costs in the future, therefore:

- The City will establish and implement a comprehensive multi-year Capital Improvement Program.
- The Capital Improvement Program will be prepared biennially concurrent with the development of the biennial budget. A mid-

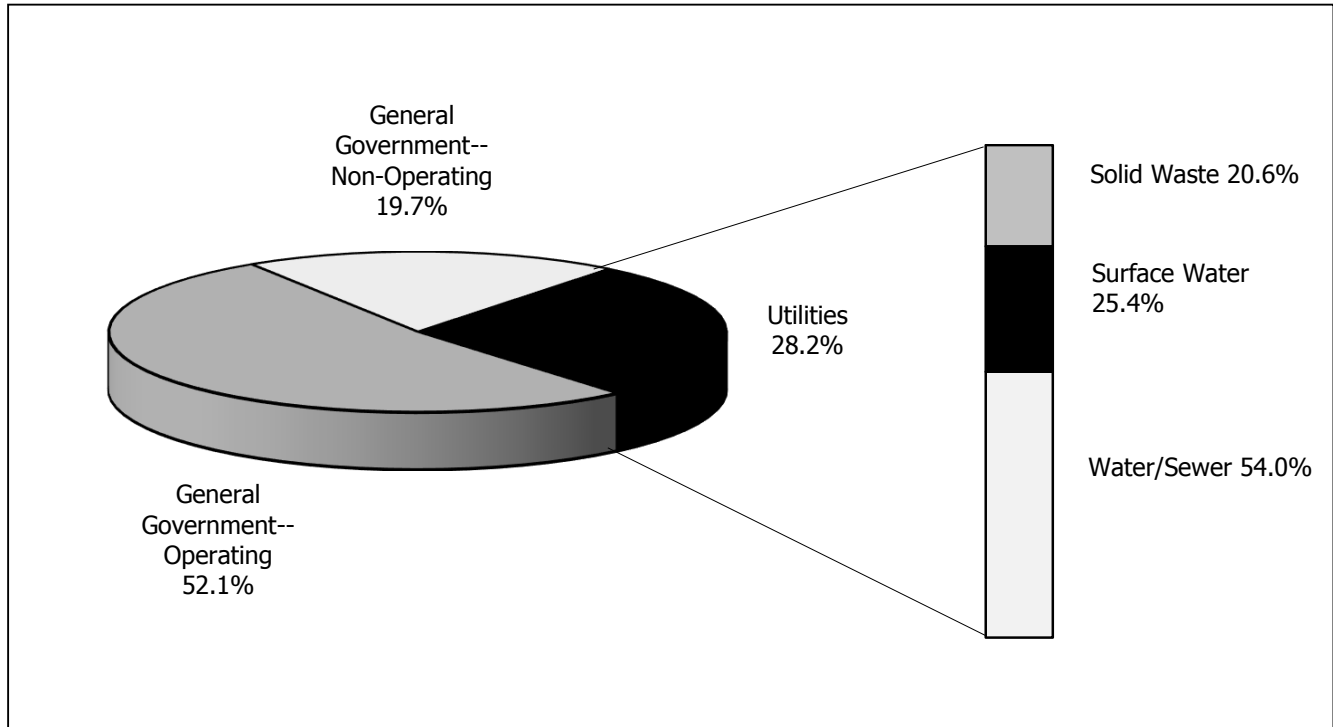
biennium review and update will take place during the first year of the biennium.

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



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CITY OF KIRKLAND
2015-16 BUDGET
\$584,061,831



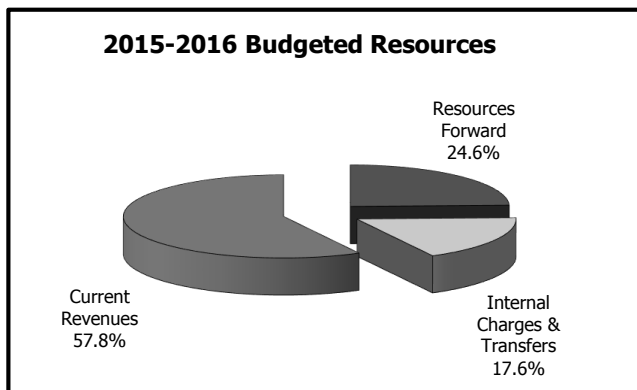
The City Budget is composed of General Government functions and the City's three Utilities which are operated as separate enterprises. Both the General Government and Utilities budgets have operating and non-operating components. The operating portion of the budget represents services to the public and support services within the organization. Non-operating budgets account for debt service, capital projects and reserves.



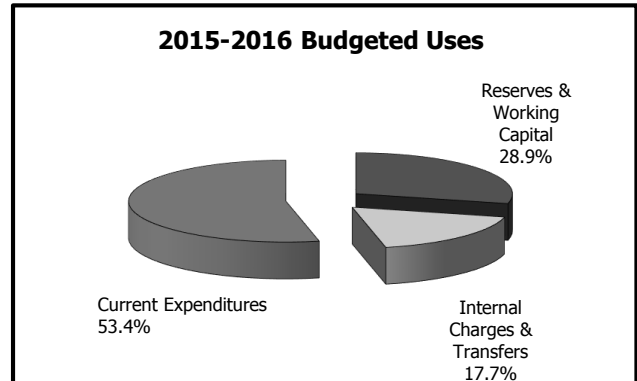
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CITY OF KIRKLAND 2015-2016 TOTAL RESOURCES AND USES

WHERE THE MONEY COMES FROM



WHERE THE MONEY GOES



Total Budgeted Resources	\$584,061,831
Less Resources Forward (Cash)	(143,171,171)
Less Internal Charges & Transfers	(103,320,266)
Current Revenues	<u>\$337,570,394</u>

Total Budgeted Uses	\$584,061,831
Less Reserves & Working Capital	(168,772,679)
Less Internal Charges & Transfers	(103,320,266)
Current Expenditures	<u>\$311,968,886</u>

The total budget of \$584 million encompasses all resources and uses, including reserves, unreserved working capital, and internal transactions involving payments or transfers from one fund to another. Including these transactions in the budget provides a full accounting of the activities in each fund. However, they also have the effect of "grossing up" the total budget.

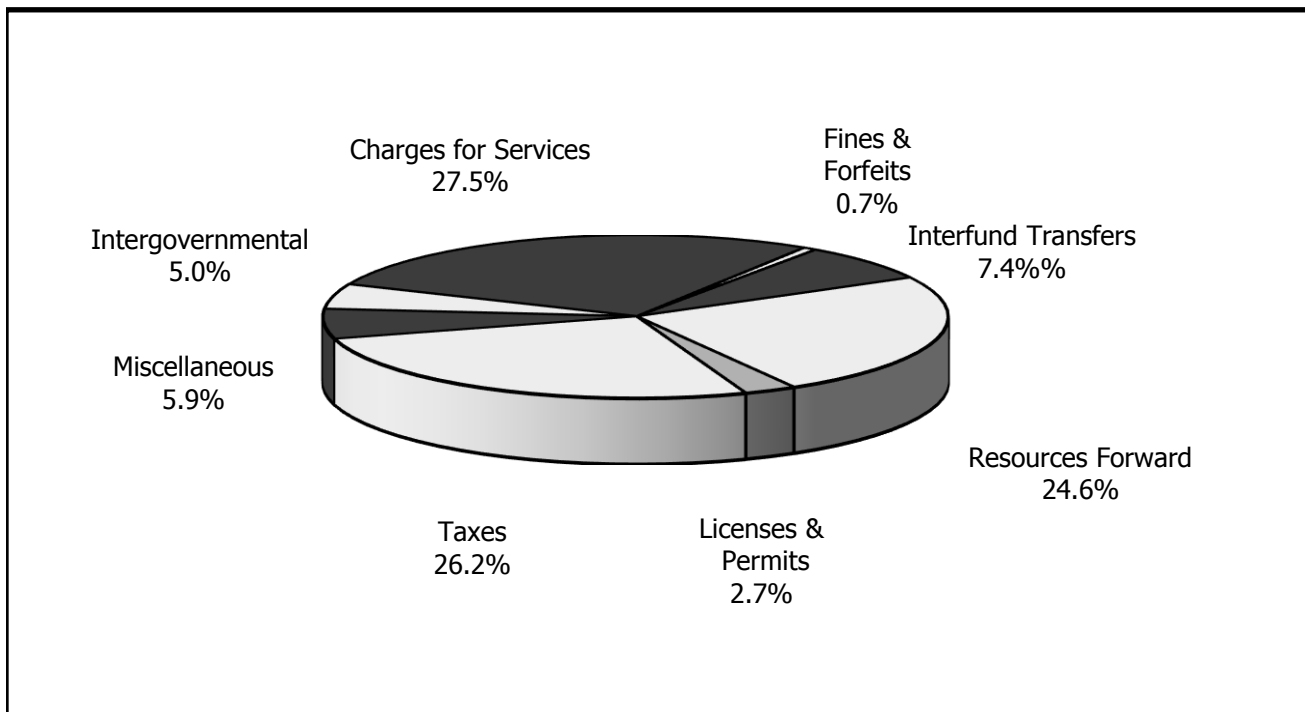
Current revenues reflect what the City expects to receive from external sources. Across all functions, about \$337.6 million is projected to be received during the next biennium, which is equivalent to the City's biennial income.

Current expenditures correspond to what the City plans to actually spend in terms of payments to employees, vendors, outside agencies, and other governments. About \$312 million is projected to be spent during the next biennium citywide. The \$25.6 million difference (current revenues in excess of current expenditures) primarily represents growth in reserves for future uses that are in the planning stages, including reserves for a fire station (\$3 million) and master plan projects that will be funded by impact fees (\$5.9 million) and Real Estate Excise Tax (\$14.99 million). Other various changes in reserves levels across funds account for the balance of the difference.

CITY OF KIRKLAND

TOTAL BUDGET

2015-2016 REVENUE SUMMARY: BY REVENUE TYPE



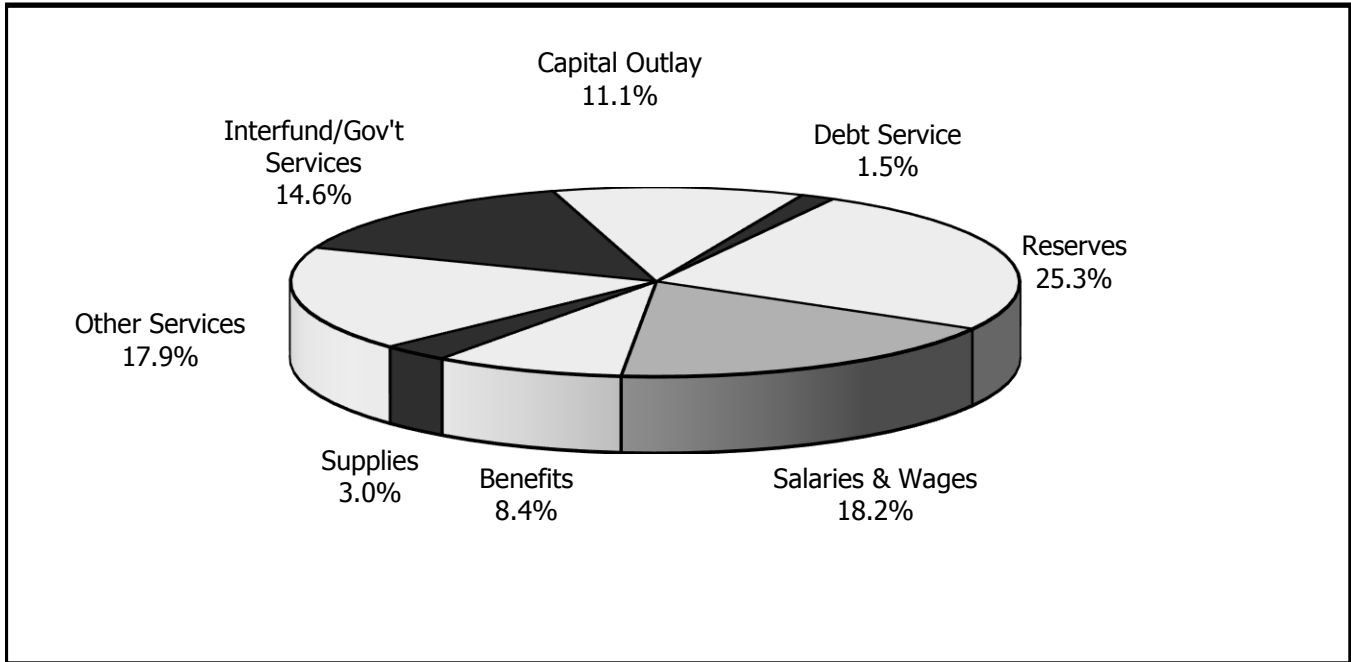
Analysis of Change

Revenue Sources	2011-12 Actual	2013-14 Budget	2015-16 Budget	Percent Change
Taxes	120,324,770	138,962,634	153,117,931	10.19%
Licenses and Permits	11,654,343	13,448,882	15,821,608	17.64%
Intergovernmental	16,292,052	37,841,486	29,468,850	-22.13%
Charges for Services	122,388,322	147,537,539	160,532,043	8.81%
Fines and Forfeits	3,951,553	3,858,924	4,380,426	13.51%
Miscellaneous	38,087,309	36,984,084	34,602,779	-6.44%
Interfund Transfers	48,711,883	55,213,706	42,967,023	-22.18%
Resources Forward	122,281,861	147,920,055	143,171,171	-3.21%
Total	483,692,093	581,767,310	584,061,831	0.39%

CITY OF KIRKLAND

TOTAL BUDGET

2015-2016 EXPENDITURE SUMMARY: BY CATEGORY



Analysis of Change

Category	2011-12 Actual*	2013-14 Budget	2015-16 Budget	Percent Change
Salaries & Wages	82,497,957	96,698,475	105,724,291	9.33%
Benefits	32,359,351	42,018,149	49,302,173	17.34%
Supplies	15,152,941	17,863,814	17,755,280	-0.61%
Other Services & Charges	87,024,316	103,664,228	104,438,450	0.75%
Intergovernmental/Interfund Services	67,507,659	87,646,222	85,082,075	-2.93%
Capital Outlay	31,829,075	132,017,774	64,960,823	-50.79%
Debt Service	11,173,045	10,843,493	8,802,159	-18.83%
Reserves	81,697,824	91,015,155	147,996,580	62.61%
Category Total	409,242,168	581,767,310	584,061,831	0.39%

*2011-12 reserves are budgeted, but not spent

CITY OF KIRKLAND
2015-2016 BUDGET OVERVIEW: BY FUND TYPE/FUND
General Government Operating Funds

Fund		2013-14 Budget	2015-16 Budget	Percent Change
<i>General Fund</i>				
010	General	178,638,538	194,798,557	9.05%
<i>Special Revenue Funds</i>				
112	Lodging Tax	707,327	834,672	18.00%
117	Street Operating	20,734,134	21,063,040	1.59%
122	Cemetery Operating	837,747	856,334	2.22%
125	Parks Maintenance	3,097,227	3,080,209	-0.55%
128	Parks Levy Fund	5,023,064	5,550,296	10.50%
Total Special Revenue Funds		30,399,499	31,384,551	3.24%
<i>Internal Service Funds</i>				
511	Health Benefits Fund	24,381,271	26,577,496	9.01%
521	Equipment Rental	19,112,149	21,842,793	14.29%
522	Information Technology	12,951,105	14,351,934	10.82%
527	Facilities Maintenance	13,082,995	15,114,669	15.53%
Total Internal Service Funds		69,527,520	77,886,892	12.02%
Total General Government Operating Funds		278,565,557	304,070,000	9.16%

General Government Non-Operating Funds

Fund		2013-14 Budget	2015-16 Budget	Percent Change
<i>Special Revenue Funds</i>				
152	Contingency	2,426,425	4,036,425	66.35%
156	Impact Fees	3,953,397	7,062,824	78.65%
190	Excise Tax Capital Improvement	12,846,786	20,864,944	62.41%
Total Special Revenue Funds		19,226,608	31,964,193	66.25%
<i>Debt Service Funds</i>				
210	LTGO Debt Service	7,721,892	6,837,479	-11.45%
220	UTGO Debt Service	6,364,593	1,453,331	-77.17%
Total Debt Service Funds		14,086,485	8,290,810	-41.14%
<i>Capital Projects Funds</i>				
310	General Capital Projects	60,789,680	37,855,498	-37.73%
320	Transportation Capital Projects	50,632,075	35,121,922	-30.63%
Total Capital Projects Funds		111,421,755	72,977,420	-34.50%

CITY OF KIRKLAND**2015-2016 BUDGET OVERVIEW: BY FUND TYPE/FUND****General Government Non-Operating Funds (Continued)**

Fund		2013-14 Budget	2015-16 Budget	Percent Change
<i>Trust Funds</i>				
620	Firefighter's Pension	1,922,607	1,716,572	-10.72%
Total Trust Funds		1,922,607	1,716,572	-10.72%
Total General Government Non-Op Funds		146,657,455	114,948,995	-21.62%

Water/Sewer Utility Funds

Fund		2013-14 Budget	2015-16 Budget	Percent Change
<i>Operating Fund</i>				
411	Water/Sewer Operating	54,516,992	59,759,516	9.62%
Total Operating Fund		54,516,992	59,759,516	9.62%
<i>Non-Operating Funds</i>				
412	Water/Sewer Debt Service	2,225,742	1,368,834	-38.50%
413	Utility Capital Projects	23,349,803	28,019,650	20.00%
Total Non-Operating Funds		25,575,545	29,388,484	14.91%
Total Water/Sewer Utility Funds		80,092,537	89,148,000	11.31%

CITY OF KIRKLAND
2015-2016 BUDGET OVERVIEW: BY FUND TYPE/FUND

Surface Water Utility Funds

Fund		2013-14 Budget	2015-16 Budget	Percent Change
<i>Operating Fund</i>				
421	Surface Water Management	22,912,385	23,888,452	4.26%
Total Operating Fund		22,912,385	23,888,452	4.26%
<i>Non-Operating Fund</i>				
423	Surface Water Capital Projects	21,200,255	18,078,039	-14.73%
Total Non-Operating Funds		21,200,255	18,078,039	-14.73%
Total Surface Water Utility Funds		44,112,640	41,966,491	-4.87%

Solid Waste Utility Fund

Fund		2013-14 Budget	2015-16 Budget	Percent Change
<i>Operating Fund</i>				
431	Solid Waste Utility	32,339,121	33,928,345	4.91%
Total Operating Fund		32,339,121	33,928,345	4.91%
Total Solid Waste Utility Fund		32,339,121	33,928,345	4.91%

TOTAL ALL FUNDS		581,767,310	584,061,831	0.39%
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REVENUE

A guide to major revenue sources and trends



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REVENUE TRENDS & ASSUMPTIONS

TAXES

PROPERTY TAX

In Kirkland, property taxes fund services in the General, Street Operating, Parks Maintenance, and Parks Levy Funds. The Parks Maintenance Fund was created in 2003 as a result of a levy lid lift approved by voters in November 2002 to fund maintenance and operations for new parks. Another parks levy lid lift was approved by voters in November 2012 and it funds parks maintenance, some recreation programming (accounted for in the Parks Levy Fund), and provides funding for parks capital projects. Voters also approved a street maintenance and pedestrian safety levy in November 2012, which funds street preservation and maintenance projects in the Street Operating and Transportation Capital Projects funds.

Property taxes are the single largest revenue source for the City and the second largest source of revenue in the General Fund behind sales taxes. They are the largest revenue source for the Street Operating Fund, and the primary source of revenue in the Parks Maintenance and Parks Levy Funds.

All real and personal property (except where exempt by law) is assessed by the King County Assessor at 100 percent of the property's fair market value. Assessed values are adjusted each year based on market value changes.

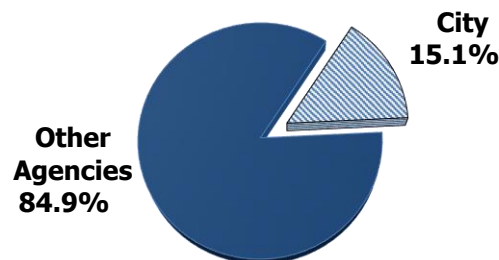
Although property taxes represent a major source of funding for City services, the portion of each property owner's total tax bill allocated to the City is relatively small. Due to annexation, the City's rate varies depending on specific neighborhood. In 2015, the total typical property tax rate in Kirkland is \$9.97 per \$1,000 of assessed valuation. Of that total, about 15.1 percent, or \$1.50 per \$1,000 assessed valuation, goes to the City. This rate includes the 2002 and 2012 levy lid lifts for parks maintenance and the 2012 levy lid lift for street preservation and pedestrian safety.

State statute limits the annual increase in the regular property tax levy to the lesser of one percent or the Implicit Price Deflator (an inflation factor published by the Bureau of Economic Analysis). The City can exceed the limitation with the approval of voters or by using levy capacity from prior years that was "banked" for future specified purposes. The City has used all of the banked levy.

The City is also provided an allowance for new construction, which entitles the City to the property tax revenue generated by newly constructed businesses and homes. The new construction levy does not increase the overall tax rate paid by property owners. The City's total rate cannot be more than \$3.15 per \$1,000 of assessed valuation.

The annual tax impact on a property owner is usually different than the percent increase of the levy, since it depends on several factors such as changes in the assessed valuation of the property, growth or decline in the City's overall assessed valuation, and levy increases by other taxing districts. The actual levy rate also

2015 Property Tax Distribution



changes based on these variables. The property tax rate is determined by dividing the levy amount by the assessed valuation per \$1,000.

Budget

Property Tax	2015-16	2013-14
	\$56,625,255	\$54,128,548
General Fund	\$35,343,807	\$33,573,159
Street Operating Fund	\$5,546,681	\$5,271,499
Street Maintenance/Pedestrian Safety Levy (Street Operating Fund)	\$6,182,047	\$5,872,746
Parks Maintenance	\$2,598,920	\$2,474,910
Parks Levy Fund	\$2,348,669	\$2,106,077
Parks Levy allocated to Capital Projects	\$2,500,000	\$2,500,000
Fire District Debt Service	\$961,076	\$941,144
Voted Debt Service (UTGO Fund)	\$1,144,055	\$1,389,013

Trends and Assumptions

Methodology

- Based on prior year's levy plus new construction and any additional levy increase up to one percent unless otherwise approved by voters.

Trends

- New construction as a percentage of each year's total base regular levy has ranged between 0.34 percent and 3.94 percent over the last ten years.
- The 2014 new construction levy of \$352,187 added 1.35 percent to the total base regular levy for 2014.
- 2015-2016 Property Tax based on final property tax data received from King County.

Key Assumptions

- 1.65 percent growth in new construction in both 2015 and 2016.
- One percent optional levy increase in 2015 and 2016.

SALES TAX

Sales tax is one of the primary sources of funding for general City services, and is budgeted to be the largest single source of General Fund revenue in the 2015-16 biennium.

Sales tax is levied on the sale of consumer goods (except most food products and some services) and construction. In Kirkland, retail businesses are the largest generator of sales tax, followed by contracting, services, and wholesale businesses. The amount of revenue generated by sales tax fluctuates from year to year due to changes in the economy, buying habits of consumers, and the level of construction taking place in the City.

The general sales tax rate within the City of Kirkland is 9.5 percent. Of the 9.5 percent, 0.85 percent is returned to the City of Kirkland, and the remainder is distributed to the State, King County, and other public agencies. An additional 0.3 percent sales tax is collected by Washington State on vehicle sales and leases to fund transportation improvements. The distribution of the sales tax is displayed in the table to the right.

Jurisdiction	Rate (%)
State of Washington	6.50
King County/METRO	1.00
King County Criminal Justice Levy	0.10
City of Kirkland (1.0 with 0.15 remitted to King County for administrative costs)	
City Portion	0.85
County Portion	0.15
Regional Transit Authority	0.90
Total General Sales Tax Rate	9.50
Additional Auto Sales/Lease Rate	0.30
Total Auto/Sales Lease Rate	9.80

Budget

Sales Tax	2015-16	2013-14
	\$36,460,794	\$30,861,475
General Fund	\$36,460,794	\$30,321,475
Street Operating Fund*	\$0	\$540,000

*Funding for Transportation Capital Projects - paid from business license revenue in 2015-16

Trends and Assumptions

Methodology

- The City's fiscal policy is to budget in the coming year an amount equivalent to the total expected sales tax revenue collected in the prior year. The 2014 revenue estimate projects revenues to be 9.9 percent higher than 2013. The 2015 and 2016 budget amounts are equal to the 2014 estimated revenue.

Trends

Annual sales tax over the last 6 years:

	2009	2010	2011	2012	2013	2014 Est.
Revenue (\$ millions)	12.24	12.81	13.39	14.34	16.34	17.96
% Change from Previous Year	-18.6%	4.7%	4.5%	7.1%	13.9%	9.9%

- Sales taxes have been recovering steadily since the "great recession" low in 2009, with particularly strong growth in 2013 and 2014.
- The City started receiving revenue from the annexation area in September 2011, which contributed about 1 percent of the gain for that year.

- Revenues over the past three years (2012-2014) have increased due to very large increases in automobile sales, strong improvement in development related activity and solid growth in the retail sectors.

Key Assumptions

- City sales tax rate of 0.85 percent (one percent less 0.15 percent remitted to King County for administrative costs).
- 2015 and 2016 budgeted sales taxes are based on 2014 estimated receipts.

STATE SALES TAX CREDIT

The City is eligible to receive a state sales tax credit for providing services in the annexation area and first imposed the tax in 2011 since annexation occurred in June of that year. The tax is a credit against the state sales tax, so it is not an additional tax to the consumer.

The purpose of the tax is to provide financial assistance to cities that annex an area where revenues received from the annexed area do not offset the costs of providing services to the area. For annexations greater than 20,000, a City can impose a rate of 0.2 percent. The tax is limited to no more than ten years from the date it is first imposed and must be used to provide services for the annexation area. If revenues do exceed the amount needed to provide services, the tax must be suspended for the remainder of the year. Prior to March 1 of each year, the City must notify the Department of Revenue of the maximum amount of distributions it is allowed to receive for the upcoming fiscal year.

Budget

Sales Tax Credit	2015-16	2013-14
	\$7,727,500	\$6,831,252
General Fund	\$7,727,500	\$6,831,252

Trends and Assumptions

Methodology

- Based on the difference of the amount the City deems necessary to provide services for the annexation area and the general revenue received from the annexation area.
- By state statute, the City must adopt a resolution each year and notify the Department of Revenue prior to March 1st of the estimated sales tax credit required to provide municipal services to the annexation area for the state fiscal year starting on July 1st.

Trends

- State sales tax credit is linked to regular sales tax and follows the same trends.

Key Assumptions

- 0.2 percent sales tax credit against the state sales tax.
- Based on estimated shortfall of revenue supporting municipal services in the neighborhoods in the annexation area.
- The amount of the credit is based on retail sales for the entire City of Kirkland, including the annexation area.

KING COUNTY CRIMINAL JUSTICE LEVY

Under the authority granted by the State and approved by the voters, King County levies an additional 0.1 percent sales tax to support criminal justice programs. The State collects this optional tax and retains 1.5 percent for administration. Of the amount remaining, 10 percent is distributed to the county and 90 percent is distributed to cities. This revenue must be used exclusively for criminal justice purposes and cannot replace existing funds designated for these purposes.

Budget

Criminal Justice Levy	2015-16	2013-14
	\$4,133,831	\$3,301,260
General Fund	\$4,133,831	\$3,301,260

Trends and Assumptions

Methodology

- Distributed on the basis of population.

Trends

- 2014 revenue increased over 2013 by 2.3 percent.

Key Assumptions

- 2015-16 budget based on 2014 estimate plus 4 percent in 2015 and 3 percent in 2016.

UTILITY TAXES

Utility taxes are levied on the gross operating revenues that public and private utilities earn from operations within the boundaries of the City. This applies to electric, natural gas, water, sewer, surface water, solid waste, telephone, and cable TV utilities. Legislation passed in 1982 limits the tax rate on electric, gas, steam, and telephone utilities to six percent. The Cable Communication Policy Act of 1984 states that cable tax rates should not be higher than tax rates on other utilities. Currently, a six percent tax rate applies to both residential and commercial customers of these utilities.

There are no restrictions on the tax rates for water, sewer, surface water, and solid waste utilities. A Washington State Supreme Court decision ruled that fire hydrant maintenance must be paid from taxes rather than water utility rates. As a result, water rates were reduced to remove the costs of the protection and the water utility tax rate was increased as of 2011 to pay for hydrant maintenance from the General Fund.

The current effective tax rates for both residential and commercial customers for City utilities are as follows:

- Surface water utility: 7.5 percent
- Sewer and Solid Waste: 10.5 percent
- Water: 13.38 percent (reflects the impact of hydrant charges mentioned above)

Budget

Utility Taxes (General Fund)	2015-16 \$30,071,556	2013-14 \$29,398,309
Electric Utility (Private)	\$7,727,244	\$8,019,140
Gas Utility (Private)	\$3,054,376	\$3,324,982
Television Cable (Private)	\$3,223,700	\$3,128,271
Telephone Utility (Private)	\$6,426,862	\$5,806,793
Water Utility (City-owned)	\$2,773,878	\$2,524,566
Sewer Utility (City-owned)	\$2,566,069	\$2,422,103
Solid Waste Utility (City-contracted)	\$3,018,155	\$2,908,321
Surface Water Utility (City-owned)	\$1,281,272	\$1,264,133

Trends and Assumptions

Methodology

- Based on historical trends with greater emphasis on current year receipts.

Trends

- Telephone utility tax revenue declining due to changes in consumer behavior.
- Electricity, gas, and water utility tax revenues are sensitive to weather conditions that impact consumer demand for services.

Key Assumptions

- 2015-16 budget based on 2014 estimates plus one percent growth assumptions each year for private utilities and growth in public utilities based on approved changes in public utility rates.

REAL ESTATE EXCISE TAX

The Real Estate Excise Tax is levied on all sales of real estate, measured by the full selling price, including the amount of any liens, mortgages, and other debts given to secure the purchase. The State levies this tax at the rate of 1.28 percent. Cities are also authorized to impose a local tax of 0.50 percent. The first 0.25 percent tax must be used primarily for local capital improvements identified under the capital facilities plan element of the City's Comprehensive Plan. The second 0.25 percent, which is optional, must be used to fund transportation capital projects according to City ordinance. State legislation temporarily allows for the use of a portion this revenue with restrictions for operations and maintenance of capital facilities as of 2011 through 2016. As a result, the City Council has approved one-time funding for park and street maintenance and operations, which continues through the 2015-2016 biennium.

Budget

Real Estate Excise Tax	2015-16	2013-14
	\$10,000,000	\$7,000,000
Excise Tax Capital Improvement Fund	\$10,000,000	\$7,000,000

Trends and Assumptions

Methodology

- Real estate excise tax collections are primarily a function of the real estate market and mortgage rates.

Trends

- 2013 revenues were significantly higher than expected, with actual revenues collected at 191 percent of budget. Revenue is expected to decrease about 18 percent in 2014 from 2013, but is still expected to finish the year at 158 percent of budget.
- 2013-14 revenue is expected to be 143 percent higher than 2011-2012 actual revenues, reflecting an increase in real estate sales activity.

Key Assumptions

- Real Estate Excise Tax of 0.5 percent.
- Current allocation for 2015-16 budget:
 - REET 1 -
 - Parks CIP \$1,547,000
 - Transportation CIP \$ 761,000
 - Teen Center Debt \$ 25,323
 - Parks Operations \$ 217,515
 - REET 2 -
 - Transportation CIP \$3,136,900
 - Streets Maintenance \$ 186,192

GAMBLING TAX

Gambling tax revenues are primarily used for gambling enforcement purposes. The maximum tax rates allowed by state statute are five percent for bingo, raffles, punchboards, and pull tabs and two percent for amusement games. The City Council amended the Kirkland Municipal Code (KMC) to prohibit card rooms beginning in 1999. On July 7, 2009, City Council adopted non-binding legislation (Resolution 4766), which expressed the City Council's intent to allow the continued operation of existing card rooms in the annexation area if any such license exists. State legislation adopted in 2011 allows for the continued operation of existing card rooms without requiring the City to license card rooms. There is currently one establishment that meets this "grandfathered" requirement. The current tax rate on card rooms is 11 percent.

Budget

Gambling Tax	2015-16	2013-14
	\$1,754,627	\$1,673,878
Card Games (General Fund)	\$1,478,624	\$1,426,214
Other Revenue (General Fund)	\$276,003	\$247,664

Trends and Assumptions

Methodology

- Based on historical trends with greater emphasis on current year's receipts.

Trends

- Gambling revenue expected to remain relatively constant between 2013 and 2014..

Key Assumptions

- Current establishments will continue to operate with stable activity.

LODGING TAX

A lodging excise tax of one percent is imposed on most short-term accommodations, such as hotels and motels. This revenue is limited to funding tourism promotion and the operation of tourism-related facilities.

Budget

Lodging Tax	2015-16	2013-14
	\$520,000	\$464,704
Lodging Tax Fund	\$520,000	\$464,704

Trends and Assumptions

Methodology

- Based on current year receipts.

Trends

- 2014 revenue expected to increase about 1.6 percent over 2013.

Key Assumptions

- Current establishments will continue to operate.

LICENSES AND PERMITS

BUILDING RELATED PERMITS

This category consists of revenue collected by the Building Division and the Public Works Department. Included in this category are building permits, plumbing permits, land surface modification permits, side-sewer permits, mechanical permits, electrical permits, and sign permits. Fees imposed for permits are subject to a base charge determined by the type of permit, plus additional fees determined by either the dollar value or size (square foot or number of units) of the project.

Budget

Building Permits	2015-16	2013-14
	\$5,555,118	\$4,043,050
General Fund	\$5,555,118	\$4,043,050

Trends and Assumptions

Methodology

- Based on historical trends, the number of permits pending in the planning process, and the Building Division's projections of upcoming construction projects.

Trends

- Development-related activity has improved dramatically in recent years, but trends have indicated that the rapid growth has leveled off to a sustained high level of activity; reflecting this trend, 2014 revenue is expected to be 1.6 percent higher than 2013.

Key Assumptions

- 2015-16 budget based on 2014 estimates, with current levels expected to continue.
- Potential impacts of redevelopment of two major shopping centers (Parkplace and Totem Lake) are not included in 2015-16 budget revenues.

BUSINESS LICENSES AND PERMITS

This category includes the issuance of business licenses and licenses for certain activities such as cabaret (live music/dancing), massage parlors, pawnbrokers or devices such as cigarette machines and amusement devices. The fee structure for business permits is typically an annual fee or one-time charge depending on the particular type of license or permit.

The business license fee structure has a \$100 base fee for annual renewals and an annual charge of \$100 per full time equivalent (FTE) for all employees of non-exempt businesses. This program also requires businesses with no physical presence in Kirkland that are doing business in the City (e.g. contractors) to obtain a business license. The base fee is considered a license revenue and the per FTE charge is considered a "revenue generating regulatory license."

Business license revenue is a dedicated funding source for transportation-related capital projects (\$540,000) during the biennium.

Budget

Business Licenses & Permits	2015-16	2013-14
	\$6,484,609	\$5,680,766
Revenue Generating Regulatory Fee	\$4,702,714	\$4,679,290
Business License Fee & Permits	\$1,241,895	\$1,001,476
Street Operating Fund (RGRL)*	\$540,000	\$0

*Funding for Transportation Capital Projects - paid from sales tax revenue in 2013-14

Trends and Assumptions

Methodology

- Based on current year receipts.

Trends

- The 2014 Revenue Generating Regulatory fee revenues are estimated to be about 4 percent higher than 2013.
- Economic improvements that have led to new businesses and employment growth have accounted for a strong increase in business license fees; 2014 is expected to increase 8.6% over 2013.

Key Assumptions

- 2015-16 budget based on 2014 estimates, with 2015 revenues budgeted one percent higher than 2014 and 2016 revenues budgeted at one percent above 2015.

FRANCHISE FEES

Franchise fees are charges levied on utilities for the right to use city streets, alleys and other public properties. Charges on light, natural gas, and telephone utilities are limited to the actual administrative expenses incurred by the City. Cable TV franchise fees are governed by federal rather than state law and may be levied at a rate of five percent of gross revenues, regardless of the cost of managing the franchise process. Franchise fees are also collected from the Northshore Utility District, Olympic Pipeline and Woodinville Water District.

Budget

Franchise Fees	2015-16	2013-14
	\$7,872,086	\$7,489,714
General Fund	\$7,872,086	\$7,489,714

Trends and Assumptions

Methodology

- Based on historical trends and rate increases approved at the time estimates are prepared.

Trends

- 2014 revenue is estimated to increase 2 percent over 2013 due to contractual increases.

Key Assumptions

- 2015-16 budget based on 2014 estimates plus the impact of utility rate increases and contractual increases.

INTERGOVERNMENTAL

EMERGENCY MEDICAL SERVICES (EMS) LEVY

This is a voter approved levy that is collected by King County and distributed to cities based on a formula. A six-year levy was approved by voters in November 2013.

Budget

EMS Levy	2015-16	2013-14
	\$1,822,723	\$1,769,290
General Fund	\$1,822,723	\$1,769,290

Trends and Assumptions

Methodology

- The current levy is set at a rate \$0.335 per \$1,000 of assessed valuation.
- Distribution is based on a formula that considers the number of calls for service, total assessed valuation, and the consumer price index (CPI-U).

Trends

- 2014 revenue is estimated to be equal to 2013
- Voters renewed the levy in 2013 to continue for 2014-2019.

Key Assumptions

- Estimate provided by King County.
- Growth of one percent from the optional property increase plus one percent new construction in each year.

LIQUOR BOARD PROFITS AND EXCISE TAX

A voter initiative approved in November 2011 eliminated the state monopoly on liquor sales and allows liquor sales in privately owned retail stores as of June 1, 2012. Profits from the state-owned liquor stores and liquor excise taxes have historically been shared with local governments to help defray the costs for policing of liquor establishments located within city limits.

The liquor board profits have been replaced with licensing fees charged to retailers as a result of the initiative (although the State is still calling them profits). Liquor taxes also continue to be collected on liquor sales. Under the law, profit distributions to local governments have been reduced by \$10 million per year but the law does require that local governments receive liquor board profits of no less than was received in the four quarters prior to passage of the initiative. In addition, \$10 million will be distributed to local governments statewide to enhance public safety programs due to the increased number of retailers.

Budget

Liquor Board Profits & Excise Tax	2015-16	2013-14
	\$1,768,501	\$1,813,911
Liquor Board Profits (Licensing Fees)	\$1,452,224	\$1,469,645
Liquor Excise Tax	\$316,277	\$344,266

Trends and Assumptions

Methodology

- Based on forecast provided by Municipal Research and Services Center (MRSC).

Trends

- 2014 revenue is estimated to be 15 percent higher than 2013.

Key Assumptions

- Per capita calculation from the MRSC (pessimistic forecast):
 - Liquor Excise Tax: \$1.91 per capita
 - Liquor Board Profits: \$8.77 per capita
- The pessimistic forecast for liquor excise tax assumes that diversions of liquor excise tax revenues in the State's current budget will continue into 2015-16.

MOTOR VEHICLE FUEL TAX ("GAS TAX")

In Washington State, cities receive a portion of the State-collected gasoline tax. The City allocates a set portion for capital construction and street preservation projects and the balance for street operations.

Budget

Motor Vehicle Fuel Tax (Street Operating Fund)	2015-16	2013-14
	\$3,359,821	\$3,388,658
MVFT-Street Operations	\$2,157,821	\$2,255,658
MVFT-Capital	\$1,202,000	\$1,133,000

Trends and Assumptions

Methodology

- Estimate based on forecast provided by MRSC. Gas tax is imposed as a fixed amount per gallon of gas purchased (i.e. fluctuations in the price of gas will effect gas tax revenues only if consumption changes).

Trends

- 2014 revenue is estimated to be less than one percent higher than 2013, indicating a steady level of consumption.
- Statewide, the revenue base is decreasing as consumer gas consumption declines in response to higher gas prices and more efficient vehicles.

Key Assumptions

- Estimated annual per capita amount of \$20.29 in 2015 and 2016.

CHARGES FOR SERVICES

PLANNING FEES AND PLAN CHECK FEES

These fees are collected for development-related services involving the issuance of permits and the review of plans for compliance with the City's codes. Fees are generally collected at a level estimated to recover the cost of the service provided.

Budget

Planning Fees & Plan Check Fees	2015-16	2013-14
	\$3,767,944	\$3,599,072
General Fund	\$3,767,944	\$3,599,072

Trends and Assumptions

Methodology

- Based on historical trends, the number of development plans pending in the planning process, and the Building Division's projections of upcoming construction projects.

Trends

- 2014 revenue is expected to be 14 percent lower than 2013 due to several large development projects in 2013. However, the level of development activity remains high and is expected to remain at this level in the near term.

Key Assumptions

- 2015-16 budget based on 2014 estimates, with development activity expected to continue at 2014 levels.

EMERGENCY TRANSPORT FEE

The Kirkland Fire Department began its Basic Life Support (BLS) Transport User Fee Program in March 2011. The Program was established to create a sustainable revenue source to support essential emergency medical services. Fees from the BLS transport user fee help cover the cost of providing emergency medical service.

Budget

Emergency Transport Fee	2015-16	2013-14
	\$1,782,785	\$1,787,136
General Fund	\$1,782,785	\$1,787,136

Trends and Assumptions

Methodology

- Based on historical trends.

Trends

- 2014 revenue is expected to be 3.7 percent lower than 2013.

Key Assumptions

- 2015 budget based on 2014 estimates and 2016 is assumed to increase by 2 percent over 2015.

ENGINEERING DEVELOPMENT FEES

These fees are collected from developers for the inspection of public improvements associated with private developments under construction.

Budget

Engineering Development Fees	2015-16	2013-14
	\$2,370,000	\$1,657,300
General Fund	\$2,370,000	\$1,657,300

Trends and Assumptions

Methodology

- Based on historical trends.

Trends

- 2014 revenue is estimated to exceed budget, but is expected to be 21 percent lower than 2013 due to several large projects in 2013. The current level of development activity is expected to continue in 2015-16.

Key Assumptions

- 2015-16 budget based on estimated development activity continuing at 2014 levels.

TRANSPORTATION AND PARK IMPACT FEES

The City collects impact fees for transportation and parks. As authorized under the Growth Management Act, applicants of new development are charged for a change in use to pay for the cost of new public facilities that provide future capacity needed to accommodate new growth and development. The fees cannot pay for existing deficiencies in level of service for the public facilities or normal maintenance and repairs. The fee charged to each development is based on a proportionate share of the new facilities.

Budget

Impact Fees	2015-16	2013-14
	\$1,600,000	\$1,200,000
Road Impact Fees	\$1,000,000	\$700,000
Park Impact Fees	\$600,000	\$500,000

Trends and Assumptions

Methodology

- Based on historical trends.

Trends

- Increased development activity has improved this revenue significantly; 2013 revenues exceeded \$2 million due to several large projects. 2014 is estimated to finish the year with about 11 percent less revenue than 2013 due to fewer large projects, though collections remain robust.

Key Assumptions

- 2015-16 budget based on conservative projections using recent historical trends.

FINES AND FORFEITS / ENFORCEMENT FEES

The City of Kirkland and the State of Washington share revenue that is collected from fines, forfeitures, fees, costs, and penalties associated with the enforcement of ordinances and statutes. The type of statute violated determines the percentage of each payment that is retained by the City.

Budget

General Fund	2015-16	2013-14
	\$5,875,426	\$5,382,924
Fines and Forfeits	\$4,380,426	\$3,858,924
Probation Fees	\$1,230,000	\$1,290,000
Electronic Home Detention Fees	\$265,000	\$234,000

Trends and Assumptions

Methodology

- Based on the number of cases filed with the court and their disposition.

Trends

- 2014 fine revenues are expected to be less than one percent higher than 2013 revenues. Actual revenues in Fines and Forfeits have been higher than budget in 2013-14 due the filling of a vacant parking enforcement position.

Key Assumptions

- 2015-16 budget based 2014 estimates.

MISCELLANEOUS REVENUE

INVESTMENT INCOME

Available cash is pooled and invested for the benefit of designated funds and the General Fund. The amount of interest received will vary with interest rates and the amount of cash available for investments during any particular budget year. After satisfying the interest income obligations to funds required by the State to receive their own interest earnings and for the debt service and capital project commitments made by the Council, any remaining interest income is allocated to the General Fund.

Budget

Investment Income	2015-16	2013-14
	\$1,672,453	\$1,141,758
Various Funds	\$1,672,453	\$1,141,758

Trends and Assumptions

Methodology

- Interest earnings are estimated based on the current portfolio and expected interest rate trends.

Trends

- Interest rates are expected to grow compared to last biennium's historically low rates, which will increase interest revenue income. Economic conditions are improving and the bond market is generating higher yields for the City's investments reflected in the 2015-16 revenue estimates.

Key Assumptions

- Rates are expected to improve in 2015-16 when compared to the historically low rates in 2013-14.

RESOURCES FORWARD

Resources Forward represents the beginning fund balance and is comprised of the following: capital reserve, operating reserve, and working capital. A capital reserve is dedicated for the replacement of vehicles and computers and for funding major capital improvement projects. It also includes unspent bond proceeds related to the facilities expansion bond and Consolidated Fire Station projects. An operating reserve is an appropriated contingency account set aside for unanticipated expenditures. Working capital consists of excess net operating resources brought forward from the prior year to fund one-time "service packages" and equipment costs and to provide an operating cash flow buffer against seasonal fluctuations in revenues and expenditures. At the end of each year, it is the City's practice to transfer net resources in excess of designated working capital from the General Fund to one or more of the City's reserve funds.

Budget

Resources Forward	2015-16	2013-14
	\$143,171,171	\$147,920,055
All Funds	\$143,171,171	\$147,920,055

Trends and Assumptions

Methodology

- Amount budgeted must cover one-time service packages approved in the budget, any designated working capital, and operating or capital reserves.

Trends

- Not applicable.

Key Assumptions

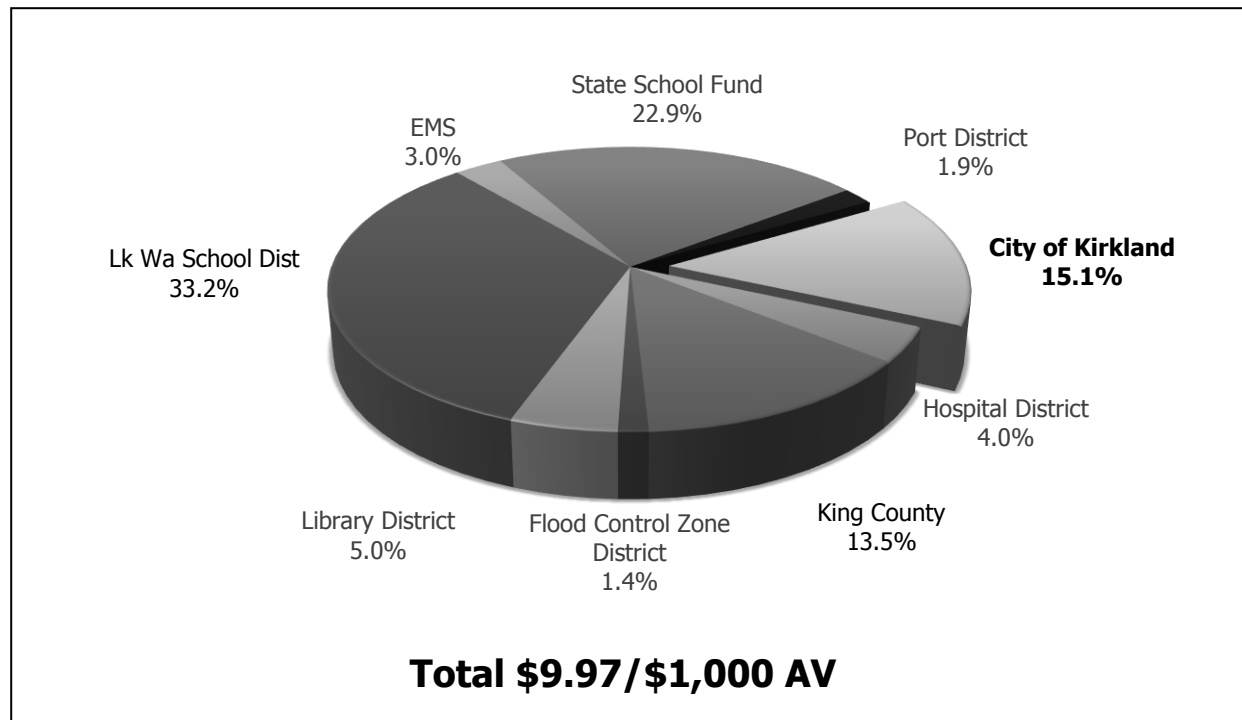
- Not applicable.



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CITY OF KIRKLAND

2015 PROPERTY TAX DISTRIBUTION



The City is limited to an annual increase on its regular property tax levy of the lesser of 1% or the Implicit Price Deflator, plus an allowance for new construction. The actual impact on an individual's property tax bill is not necessarily the same as the change in the levy. Other factors, such as the assessed valuation of the property, growth or decline in the City's overall assessed valuation, or levy increases (or decreases) of other governments will determine the final tax bill.

Although property taxes represent a major source of funding for City services, the portion of each property owner's total tax bill that goes to the City is relatively small. In 2015, the total typical property tax rate in Kirkland is \$9.97 per \$1,000 of assessed valuation. Of that total, about 15.1%, or \$1.50 per \$1,000 assessed valuation, goes to the City, of which \$0.04 is for voter-approved debt service (where applicable).

The graphic and narrative depict the most common tax distribution for Kirkland residents. Due to annexation, the City's rate varies from \$1.46 to \$1.57 depending on the specific neighborhood. Residents in the new neighborhoods do not pay for voter-approved debt prior to annexation. However, residents located within the former boundaries of Fire District #41 pay for bonds issued for the construction of a new fire station. In addition, there are variations in the taxing district boundaries within the city limits, so total tax rates vary as well.

CITY OF KIRKLAND

2015-2016 DISTRIBUTION OF INVESTMENT INCOME

Total Estimated Earnings		\$ 1,685,000
Earned Interest Allocated to Utility Funds		
Water/Sewer	341,037	
Surface Water Management	211,752	
Solid Waste	<u>10,598</u>	
Subtotal to Utility Funds		563,387
Earned Interest Allocated to Public Safety Building Bonds		-
Earned Interest Allocated to Consolidated Fire Station Bonds		54,196
Earned Interest Allocated to Self Insurance Fund		71,891
Earned Interest Allocated to Cemetery Improvement/Operating Fund		10,119
Earned Interest Allocated to Lodging Tax Fund		4,252
Earned Interest Allocated to Impact Fee Fund		71,239
Earned Interest Allocated to REET Fund		132,280
Earned Interest Allocated to Equipment Rental Fund		150,618
Earned Interest Allocated to the Firefighter's Pension Fund		<u>22,437</u>
Net to Allocate		604,581
Dedicated Proceeds (General Fund):		
Public Safety and Information Technology Equipment Replacement Sinking Fund		604,581
Net to Distribute		<u><u>\$ -</u></u>

BUDGET FOCUS

Selected schedules and charts focusing on key facts,
issues and processes reflected in the 2015-2016 Budget



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CITY OF KIRKLAND***FUND BALANCE AND RESERVES***

Reserves and fund balance are two important indicators of the City's fiscal health. Reserves represent "savings accounts" that are held to meet unforeseen budgetary needs ("general purpose reserves"). Some specialized reserves are dedicated by purpose and are held until an appropriate expenditure is needed ("special purpose reserves"). Fund balance includes both reserves and working capital. Working capital is needed within each fund to meet its cash flow needs.

The chart following this narrative summarizes the changes in fund balance across all funds. An analysis of the changes in fund balance is included with each section of the budget (i.e. General Government Operating, Water/Sewer Utility, etc.) in addition to the summary provided here. The analysis shows the 2016 delineation between reserved fund balance and working capital. The following narrative highlights the major reserve policy components as they are incorporated in the 2015-2016 Budget.

FUND BALANCE

Each fund begins the year with a beginning fund balance which may be comprised of: capital reserves, operating reserves, and unreserved working capital. As the year progresses, the expenditures made from the fund and revenues received will change the fund balance. A minimum amount of fund balance should be maintained in each operating fund to meet cash flow needs and, if needed, as a means of meeting commitments when a revenue shortfall occurs. A reduction in fund balance during the biennium (unless it is planned) can be seen as a potential sign of fiscal stress – current revenues are not adequate to meet current expenses. Fund balance in excess of the amount needed for minimum cash flow purposes can be used to fund one-time expenses or to replenish or enhance reserves. Budgeted fund balances recognize all cash resources estimated to be available as of the end of the biennium.

GENERAL PURPOSE RESERVES

General purpose reserves are available to meet a wide variety of contingencies. They are funded by general purpose revenues, which have no restrictions on the public purpose for which they are spent. The utility funds have a companion set of reserves distinct from those in the General Government category.

General Purpose Reserves are described in the City Fiscal Policies. The table below shows how the balance is expected to change during the biennium.

Reserves	Description	Estimated 2014 Ending Balance	Projected Changes	Estimated 2016 Ending Balance
GENERAL PURPOSE				
Contingency	Unforeseen expenditures	2,426,425	1,610,000	4,036,425
General Capital Contingency	Changes to general capital projects	3,729,946	1,193,843	4,923,789
General Oper. Reserve (Rainy Day)	Unforeseen revenues/temporary events	2,806,513	1,997,875	4,804,388
Revenue Stabilization Reserve	Temporary revenue shortfalls	2,570,090	278,130	2,848,220
Council Special Projects Reserve	One-time special projects	29,072	220,928	250,000
Building & Property Reserve	Property-related transactions	572,579	3,027,421	
<i>Expected Use for Northside Fire Station</i>			<i>(3,000,000)</i>	600,000
Total General Purpose		12,134,625	5,328,197	17,462,822

SPECIAL PURPOSE RESERVES

Special purpose reserves are set by Council policy, management practice, or by state or local laws that govern their use. The following table shows how the balance is expected to change during the biennium.

Reserves	Description	Estimated 2014 Ending Balance	Projected Changes	Estimated 2016 Ending Balance
SPECIAL PURPOSE RESERVES				
General Fund Reserves:				
Litigation Reserve	Outside counsel costs contingency	(150,255)	300,255	150,000
Labor Relations Reserve	Labor negotiation costs contingency	74,928	(10,320)	64,608
Police Equipment Reserve	Equipment funded from seized property	50,284	10,000	60,284
LEOFF 1 Police Reserve	Police long-term care benefits	618,079	-	618,079
Development Services Reserve	Revenue and staffing stabilization	2,572,520	(84,683)	2,487,837
Development Services Technology Rsv.	Permit system replacement	1,040,324	(108,738)	931,586
Tour Dock	Dock repairs	206,271	65,850	272,121
Tree Ordinance	Replacement trees program	56,267	10,000	66,267
Donation Accounts	Donations for specific purposes	296,523	(40,184)	256,339
Revolving Accounts	Fee/reimbursement for specific purposes	843,808	136,494	980,302
Lodging Tax Fund	Tourism program and facilities	310,420	(154,732)	155,688
Cemetery Improvement	Cemetery improvements/debt service	736,215	(1,487)	734,728
Off-Street Parking	Downtown parking improvements	259,161	130,650	389,811
Firefighter's Pension	Long-term care/pension benefits	1,493,687	(266,615)	1,227,072
Total Special Purpose Reserves		8,408,232	(13,510)	8,394,722

GENERAL CAPITAL RESERVES

In addition to the General Capital Contingency shown under General Purpose Reserves, there are other capital reserves dedicated either by Council policy or by state or local laws that govern their use. The following table shows how the balance is expected to change during the biennium.

Reserves	Description	Estimated 2014 Ending Balance	Projected Changes	Estimated 2016 Ending Balance
GENERAL CAPITAL RESERVES				
Excise Tax Capital Improvement:				
REET 1	Parks/transportation/facilities projects, parks debt service	5,843,876	2,517,874	8,361,750
REET 2	Transportation capital projects	4,888,788	1,740,476	6,629,264
Impact Fees				
Roads	Transportation capacity projects	3,663,839	354,146	4,017,985
Parks	Parks capacity projects	1,727,746	154,316	1,882,062
Street Improvement	Street improvements	995,958	-	995,958
Total General Capital Reserves		17,120,207	4,766,812	21,887,019

UTILITY RESERVES

Utility reserves are available to meet a wide variety of contingencies, either by Council policy, management practice, or by state or local laws that govern their use. However, they can only be used in the utility. Following is a table with the preliminary 2016 estimated ending balance in these accounts.

Reserves	Description	Estimated 2014 Ending Balance	Projected Changes	Estimated 2016 Ending Balance
UTILITY RESERVES				
Water/Sewer Utility:				
Water/Sewer Operating Reserve	Operating contingency	2,414,471	245,461	2,659,932
Water/Sewer Debt Service Reserve	Debt service reserve	498,591	2,433	501,024
Water/Sewer Capital Contingency	Changes to Water/Sewer capital projects	1,107,600	(494,300)	613,300
Water/Sewer Construction Reserve	Replacement/re-prioritized/new projects	10,051,937	539,970	10,591,907
Surface Water Utility:				
Surface Water Operating Reserve	Operating contingency	706,364	186,942	893,306
Surface Water Capital Contingency	Changes to Surface Water capital projects	845,163	(453,783)	391,380
Surface Water Construction Reserve	Replacement/re-prioritized/new projects	5,656,579	2,171,624	7,828,203
Total Utility Reserves		21,280,705	2,198,347	23,479,052

INTERNAL SERVICE FUND RESERVES

There are four internal service funds with reserves dedicated either by Council policy or by state or local laws that govern their use. These funds include the Health Benefits, Equipment Rental, Information Technology and Facilities Maintenance funds. Revenue to these funds is derived primarily from user charges to other funds. Following is a table with the preliminary 2016 estimated ending balance in these accounts.

Reserves	Description	Estimated 2014 Ending Balance	Projected Changes	Estimated 2016 Ending Balance
INTERNAL SERVICE FUND RESERVES				
Health Benefits:				
Claims Reserve	Health benefits self insurance claims	2,376,642	(318,331)	2,058,311
Rate Stabilization Reserve	Rate stabilization	1,000,000	-	1,000,000
Equipment Rental:				
Operating Reserve	Unforeseen operating costs	268,494	22,321	290,815
Vehicle Reserve	Vehicle replacements	10,068,738	(1,613,004)	8,455,734
Radio Reserve	Radio replacements	59,463	15,301	74,764
Information Technology:				
Operating Reserve	Unforeseen operating costs	413,663	88,412	502,075
PC Replacement Reserve	PC equipment replacements	459,063	162,402	621,465
Technology Initiative Reserve	Technology projects	207,517	(207,517)	-
Major Systems Replacement Reserve	Major technology systems replacement	656,200	215,800	872,000
Facilities Maintenance:				
Operating Reserve	Unforeseen operating costs	550,000	-	550,000
Facilities Sinking Fund	20-year facility life cycle costs	1,897,262	1,196,782	3,094,044
Total Internal Service Fund Reserves		17,957,042	(437,834)	17,519,208

RESERVES WITH TARGETS

There are some reserves listed above for which the City of Kirkland City Council has adopted reserve targets as described in the City Fiscal Policies. The table below compares the estimated ending 2016 balance to the 2015-16 reserve target.

Reserves	Estimated 2014 Ending Balance	Estimated 2016 Ending Balance	2015-16 Target	Revised Over (Under) Target
GENERAL PURPOSE RESERVES WITH TARGETS				
Contingency	2,426,425	4,036,425	5,536,076	(1,499,651)
General Capital Contingency	3,729,946	4,923,789	5,701,001	(777,212)
General Oper. Reserve (Rainy Day)	2,806,513	4,804,388	4,771,993	32,395
Revenue Stabilization Reserve	2,570,090	2,848,220	2,848,220	-
Council Special Projects Reserve	29,072	250,000	250,000	-
Building & Property Reserve	571,579	600,000	600,000	-
General Purpose Reserves with Targets	12,133,625	17,462,822	19,707,290	(2,244,468)
ALL OTHER RESERVES WITH TARGETS				
Excise Tax Capital Improvement:				
REET 1	5,843,876	8,361,750	1,732,329	6,629,421
REET 2	4,888,788	6,629,264	2,436,255	4,193,009
Other Reserves with Targets	10,732,664	14,991,014	4,168,584	10,822,430
Total Reserves with Targets	22,866,289	32,453,836	23,875,874	8,577,962

CITY OF KIRKLAND
CHANGE IN FUND BALANCE (Beginning 2013 to Ending 2016)
SUMMARY OF ALL FUNDS

	General Government		Utility			All Funds
	Operating Funds	Non-Operating Funds	Water/Sewer Utility	Surface Water Utility	Solid Waste Utility	
2013 Actual Beginning Fund Balance	49,501,858	60,202,814	21,538,939	15,917,614	508,830	147,670,055
<i>Reserved</i>	<i>28,231,930</i>	<i>19,716,172</i>	<i>9,525,977</i>	<i>6,002,901</i>	-	<i>63,476,980</i>
<i>Unreserved Working Capital</i>	<i>21,269,928</i>	<i>40,486,642</i>	<i>12,012,962</i>	<i>9,914,713</i>	508,830	<i>84,193,075</i>
Plus: 2013-14 Estimated Revenues	239,762,531	73,073,159	61,061,364	26,767,181	31,977,520	432,641,755
Less: 2013-14 Estimated Expenditures	233,715,289	87,672,468	57,164,982	26,730,692	31,857,208	437,140,639
2014 Estimated Ending/ 2015 Budgeted Beginning Fund Balance	55,549,100	45,603,505	25,435,321	15,954,103	629,142	143,171,171
Plus: 2015-16 Budgeted Revenues	248,520,900	69,345,490	63,712,679	26,012,388	33,299,203	440,890,660
Less: 2015-16 Budgeted Expenditures	254,568,092	79,482,764	71,627,268	30,262,145	32,765,202	468,705,471
2016 Budgeted Ending Fund Balance	49,501,908	35,466,231	17,520,732	11,704,346	1,163,143	115,356,360
<i>Reserved</i>	<i>37,389,667</i>	<i>35,109,770</i>	<i>14,366,163</i>	<i>9,112,889</i>	-	<i>95,978,489</i>
<i>Unreserved Working Capital</i>	<i>12,112,241</i>	<i>356,461</i>	<i>3,154,569</i>	<i>2,591,457</i>	<i>1,163,143</i>	<i>19,377,871</i>
Change in Fund Balance: Beginning 2013 to Ending 2016	50	(24,736,583)	(4,018,207)	(4,213,268)	654,313	(32,313,695)

Notes:

Change in Fund Balance depicts the effects of the current and coming year's financial transactions on available resources. A minimum level of fund balance must be maintained in each fund to assure adequate cash flow. In all cases, fund balance is at or above the minimum level. A negative change in fund balance is not necessarily a reflection of a problem. Rather, it typically reflects the use of accumulated resources for planned expenditures (e.g. use of bond proceeds for capital projects). The significant decline in non-operating funds is partially due to the planned expenditure of bond proceeds on capital projects during the biennium.

Greater detail regarding the change in fund balances can be found in the following sections: General Government Operating Funds, General Government Non-Operating Funds, Water/Sewer Utility Funds, Surface Water Utility Funds and Solid Waste Utility Fund.

CITY OF KIRKLAND

POSITION SUMMARY

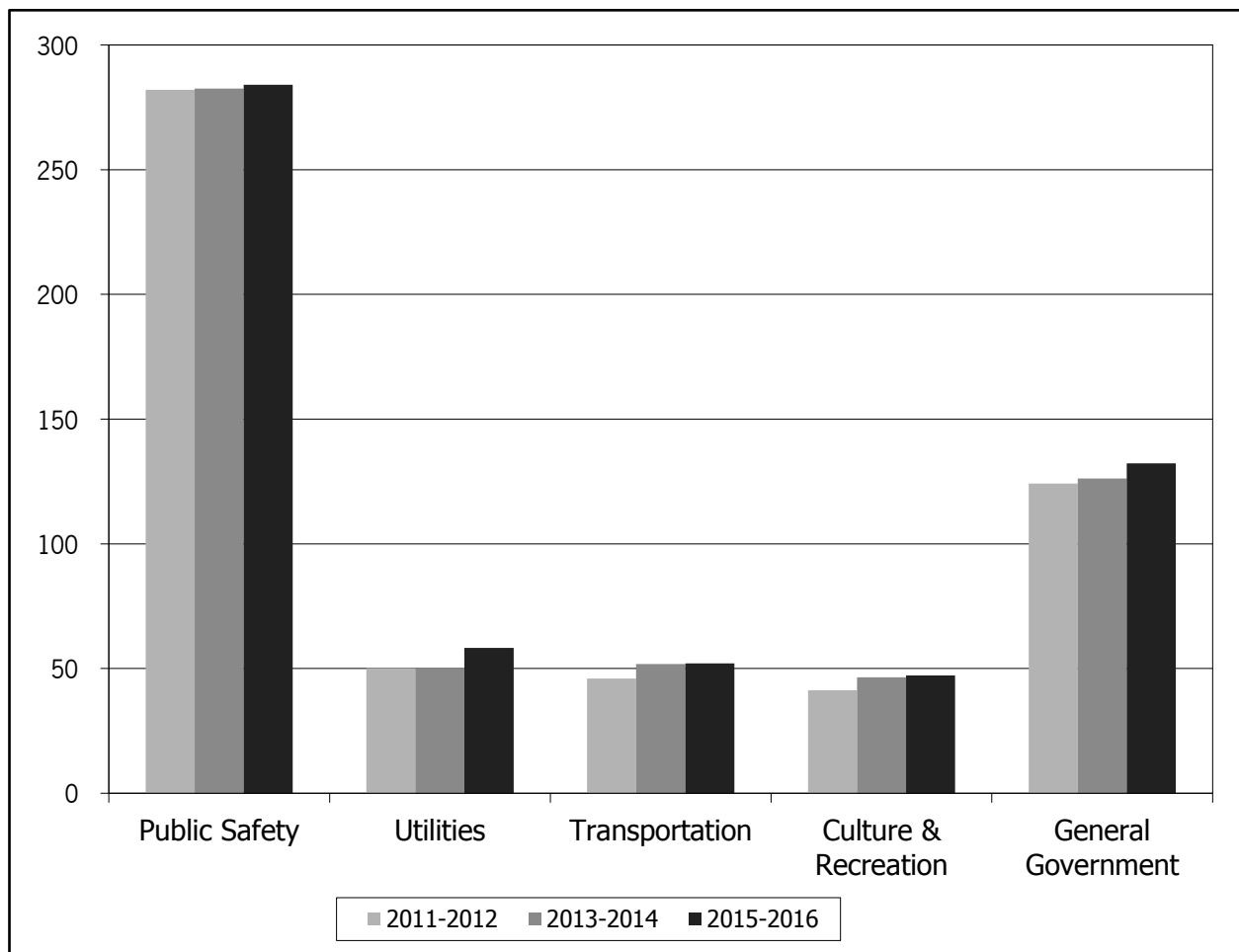
By Fund

Fund/Department	2011-2012	2013-2014	2015-2016
<i>General Fund:</i>			
City Council	7.00	7.00	7.00
City Manager's Office	8.65	8.54	9.94
Human Resources	8.70	8.70	8.90
City Attorney's Office	4.00	4.00	4.00
Municipal Court	22.25	18.75	18.75
Parks and Community Services	31.00	30.00	31.00
Public Works	25.35	30.95	31.20
Finance and Administration	32.80	33.80	35.30
Planning & Community Development	24.25	23.45	24.45
Police	137.50	135.50	136.00
Fire and Building	122.28	128.28	129.28
Total General Fund	423.78	428.97	435.82
<i>Other General Gov't Operating Funds:</i>			
Lodging Tax	0.60	0.66	0.66
Street Operating	20.65	20.90	20.90
Parks Maintenance	10.25	9.25	8.50
2012 Parks Levy	0.00	7.25	7.75
Facilities Maintenance	6.35	7.95	7.95
Equipment Rental	7.30	7.40	7.40
Information Technology	24.50	24.70	26.70
Total Other General Gov't Operating Funds	69.65	78.11	79.86
<i>Utility Funds:</i>			
Water/Sewer Operating	19.81	19.76	21.26
Surface Water Management	27.59	27.69	34.19
Solid Waste	2.80	2.80	2.80
Total Utility Funds	50.20	50.25	58.25
Total Positions	543.63	557.33	573.93

CITY OF KIRKLAND POSITION SUMMARY

By Program

Program	2011-2012	2013-2014	2015-2016
Public Safety	282.03	282.53	284.03
Utilities	50.20	50.25	58.25
Transportation	46.00	51.85	52.10
Culture & Recreation	41.25	46.50	47.25
General Government	124.15	126.20	132.30
Total Positions	543.63	557.33	573.93



CITY OF KIRKLAND

PAYMENTS TO OTHER GOVERNMENT AGENCIES

Approximately \$43.4 million, or 7.43 percent, of the City's total 2015-2016 budget for general government operations, water/sewer operations, surface water management operations, and solid waste operations is paid to other governmental agencies. The City either absorbs annual increases in payments to other agencies through growth in general revenue sources (e.g. Air Pollution Control) or passes them along to users through charges for service (e.g. Sewage Treatment and Water Purchases).

Service	Agency	2013-2014 Budget	2015-2016 Budget
Sewage Treatment ¹	King County	14,540,725	15,644,234
Alcohol Treatment ¹	King County	6,885	35,370
Air Pollution Control ¹	King County	89,395	159,954
Prisoner Expense ¹	Various ²	2,428,991	871,597
Marine Patrol ¹	King County	155,600	134,000
Hazardous Waste Fee ¹	King County	915,000	1,002,000
Solid Waste "Tipping" Fees ¹	King County	6,397,945	6,444,181
Surface Water Billing Charge ¹	King County	200,000	275,000
Animal Control ¹	King County	61,400	24,600
Election Costs ¹	King County	643,600	536,800
Other Permits and Services ^{1,3}	King County	41,800	33,600
Subtotal King County		25,481,341	25,161,336
Water Purchase ¹	Cascade Water Alliance	8,576,884	9,413,295
Water Connection Charges ¹	Cascade Water Alliance	1,020,000	1,300,000
Police and Fire Dispatch ¹	NORCOM	4,678,657	5,454,242
Housing Trust Fund ¹	ARCH	671,817	790,000
ARCH Dues ¹	ARCH	175,000	209,200
State Purchasing Contract ¹	State of Washington	2,500	4,000
Financial Audits ¹	State of Washington	157,000	157,000
800 MHz Radios (Public Safety) ¹	EPSCA	240,163	238,465
On-Line Services ¹	eCity Gov Alliance	283,114	402,745
SWAT Membership ¹	Northsound Regional SWAT	-	16,000
WACIC, NCIC, ACCESS Service Lines ¹	Washington State Patrol	5,280	4,200
Community Connectivity Consortium ¹	Community Connectivity Consortium	7,140	7,140
Hazardous Materials Unit ¹	Regional Haz Mat Agreement	15,104	19,078
Healthcare Assessments ¹	U.S. Government	2,000	192,654
Other Permits and Services ^{1,3}	Various Gov't Agencies	54,480	16,700
Total Payments to Other Agencies		41,370,480	43,386,055
Percent Increase (Decrease) from Prior Biennium			4.87%

¹ These services are mandatory contractual obligations with other governments. The rates are established by the contractor agency. 2013-2014 includes budgeted amount subsequently used to fund firing range construction.

² King, Snohomish, Yakima and Okanogan Counties; and Cities of Enumclaw and Issaquah. Utilization of these facilities is expected to decrease due to the completion of the jail at the Kirkland Justice Center.

³ Includes fees such as: health permits, recording fees, Crimestoppers membership, and other miscellaneous fees

CITY OF KIRKLAND HUMAN SERVICES FUNDING

Funding for Human Services is incorporated into a variety of operating and non-operating budgets. The following summary provides funding for 2015-2016.

Program/Funding Source	2013-2014 Budget	2015-2016 Budget
Human Services Program (includes per capita allocation)	1,428,516	1,559,742
Human Services Forum and Other Regional Programs	27,450	27,450
Social Worker at John Muir Elementary	-	23,504
Human Services Coordination	306,383	316,225
Senior Center Operations	1,069,672	1,107,224
King County Alcohol Treatment Programs	6,885	35,370
A Regional Coalition for Housing (ARCH)--Operations ^{1,2}	846,817	999,200
Community Youth Services Program/Teen Center	621,395	629,008
Teen Mini Grants	17,000	17,000
Domestic Violence Programs	754,835	796,847
Police School Resource Program	259,205	519,753
Senior Discounts for Utility and Garbage Services	78,967	79,996
Kirkland Cares (assistance with utility bills from utilities customer donations)	8,000	8,000
Specialized Recreation Program	14,000	14,000
Recreation Class Discounts	2,000	6,000
Total Human Services Funding	5,441,125	6,139,319

TOTAL SPENDING PER CAPITA 2013-2014: \$ 66.78

TOTAL SPENDING PER CAPITA 2015-2016: \$ 74.33

¹ 2013-14 ARCH funding reflects the base budget amount of \$175,000, one-time service package funding of \$600,000 and one-time

² 2015-16 ARCH funding reflects the base budget amount of \$ 209,200, ongoing service package funding of \$160,000 from Community one-time service package funding of \$630,000

CITY OF KIRKLAND

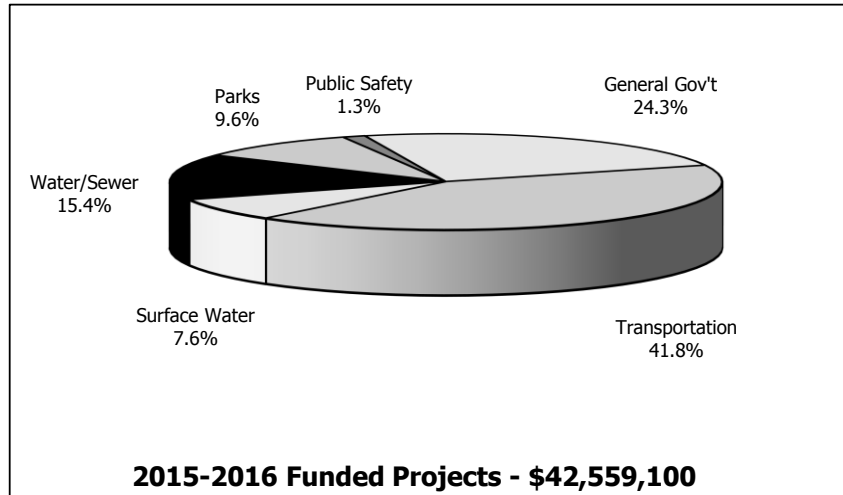
SUMMARY OF LEGAL SERVICES

General legal counsel is provided by the in-house City Attorney's Office. Prosecution and public defender services are provided by outside attorneys through contracts with the City. The 2015-2016 budget includes a decrease in Prosecution and an increase in Public Defender Legal Services. In certain specialized matters, the City is represented by other outside counsel. The Litigation Reserve budget for 2015-2016 reflects setting aside funds for outside counsel in the event they were needed to resolve a potential legal matter. The higher amount in 2013-2014 reflects activity associated with acquisition of the Cross Kirkland Corridor.

Legal Service	Budgeted Fund	2013-2014 Budget	2015-2016 Budget	Percent Change
<i>General Legal Services</i>	General Fund	1,473,768	1,618,046	9.79%
<i>Litigation Reserve</i>	General Fund	450,000	150,000	-66.67%
Subtotal General Legal Services and Litigation		1,923,768	1,768,046	-8.09%
<i>Public Safety Legal Services</i>				
Prosecution	General Fund	773,400	716,000	-7.42%
Public Defender	General Fund	508,800	510,000	0.24%
Subtotal Public Safety Legal Services		1,282,200	1,226,000	-4.38%
Total All Legal Services		3,205,968	2,994,046	-6.61%

CAPITAL IMPROVEMENT PROGRAM (CIP)

CIP AT A GLANCE



- **TRANSPORTATION** includes improvements to streets, sidewalks, intersections, and non-motorized facilities.
- **SURFACE WATER** includes improvements to the City's surface water management system.
- **UTILITIES** includes maintenance, replacement, and new capacity improvements for the City's water and sanitary sewer systems.
- **PARKS** includes projects for acquisition, development, repair, and replacement of park facilities and equipment and improvements to the Kirkland Cemetery.
- **PUBLIC SAFETY** includes buildings and equipment to support the City's police, fire, and emergency management functions.
- **GENERAL GOVERNMENT** includes improvements that are not specific to other areas and benefit all (or several) functions.

More information regarding capital projects is provided in this document in the Capital Project Funds, Water/Sewer and Surface Water Utility sections. Project details are available electronically with an interactive map on the City's website

http://www.kirklandwa.gov/depart/Public_Works/Construction_Projects/Capital_Improvements.htm

CIP POLICIES AND PROCESS

The City will establish and implement a Comprehensive Six-Year Capital Improvement Program that will be prepared and formally adopted by the Council biennially during an odd-numbered year. In the "off" years, however, the CIP can be modified as needed by Council based on changing priorities or new funding source opportunities.

A full update of the City's Capital Improvement Program (CIP) has been delayed until 2015 to coincide with the culmination of various citywide planning efforts that are part of the Kirkland 2035 plan, including:

- Parks and Recreation and Open Space Plan;
- Transportation Master Plan;
- Surface Water Master Plan; and,
- Water and Sewer Comprehensive Plan.

As such, project funding tables in the 2015-16 Budget document represent projects adopted in the 2013 - 2018 CIP, as modified by interim processes including the 2014 mid-biennial budget update.

A capital improvement is defined as the construction of new facilities; the expansion, large scale renovation, or replacement of existing facilities; the acquisition of land; or the purchase of major pieces of equipment, including major replacements funded by the Equipment Rental Fund or those that are associated with newly-acquired facilities.

A capital improvement must meet all of the following criteria:

- It is an expenditure that can be classified as a fixed asset.
- It has an estimated cost of \$50,000 or more (with the exception of land).
- It has a useful life of ten years or more, with the exception of certain equipment that may have a shorter life span.

The six-year CIP includes projects that replace or maintain existing assets, provide required capacity needed to meet growth projections and the adopted level of service, and projects that enhance capacity or services to the public.

PROCESS FOR DEVELOPING THE CIP

All capital improvement projects are subject to a biennial review and revision based upon community needs, priorities, and the availability of funding. The process reflects the need to periodically re-assess and re-prioritize the City's capital needs and includes the following steps:

- Each department is responsible for planning and prioritizing all capital project proposals within their scope of operational responsibility. Departments are provided broad funding guidelines and prepare descriptions of new projects to be considered, revisions to existing projects, and a progress report for current year projects.
- The City Manager reviews each department's requests and a recommended Preliminary Capital Improvement Program is prepared for consideration by the City Council.
- The City Council holds a public hearing to gather citizen comment and revises and/or adopts the CIP recommendation.
- The capital improvement budget for the first and second year of the adopted CIP are formally adopted by the City Council as part of the biennial budget process.
- During the first year of the adopted CIP (an odd-numbered year) an update is prepared by the departments and adopted by the Council to recognize any project modifications resulting from new funding opportunities, changing priorities and project timing changes. The second year of the revised capital improvement budget is incorporated into and adopted with the mid-biennial budget update.
- The City Manager and City departments implement the first two years of the CIP, providing periodic progress reports and updates to the City Council.

FUNDING

There are four major categories of funding for CIP projects: current revenue, reserves, debt and external sources.

Current Revenue is the estimate of annual new revenue that will be received from existing, authorized revenue sources. Certain revenue streams historically have been dedicated to funding the CIP either through legal mandate or Council policy. The funded projects in the CIP acknowledge those funding sources and also utilize reserves to some extent.

Legal restrictions apply to some revenue sources. Gas tax is dedicated to transportation purposes. Utility connection charges and utility rates are restricted to utility projects. The first quarter percent real estate excise tax (REET 1) is restricted to capital purposes, but can be utilized for almost any category of capital projects (except computer equipment). The second quarter percent real estate excise tax (REET 2) is designated for transportation capital improvements. Road impact fees are dedicated to transportation capital improvements that provide new capacity. Park impact fees are likewise dedicated to park

purposes. Recently voter-approved property tax levy lid lifts provide funding for transportation and park projects.

Reserves are cash resources that accumulate from prior years and are derived from a variety of revenue sources. The CIP utilizes reserves to a limited extent to fund projects. Although use of reserves is always an option to supplement annual revenue streams, it is a one-time solution using a finite resource. Reserves are used to address short term or time-limited funding deficits.

The 2015-2016 Budget also includes sinking funds for public safety and information technology equipment replacements that are funded by transfers-in of current revenues.

Debt represents a commitment to repay over a long period of time. Debt can take a number of forms including voter-approved general obligation bonds, councilmanic (non-voted) bonds, and utility revenue bonds. The City also has been awarded low interest loans from the State's Public Works Trust Fund that have an interest rate of one to three percent, depending on the amount of the City's matching funds.

External Sources are primarily grants, but could include contributions from the private sector or other governmental agencies.

Some capital projects generate future operating costs that are considered when the Council reviews the CIP. Operating costs are listed in the detailed project summaries of the CIP. New operating costs for 2015-2016 that are related to completed CIP projects are highlighted in each department's summary. Projects approved for 2015-2016 are included in the General Government and Utilities non-operating sections of this document. Estimated operating impacts are also included in the summary of 2015-2016 projects.

The table below summarizes annual funding sources as presented in the 2013-2018 CIP.

2014 Update to 2013-2018 Capital Improvement Program
Revenue Projections (in thousands)

Dedicated Revenue	2013	2014	2015	2016	2017	2018	6-Year Total
Transportation							
Gas Tax	567	575	592	610	628	647	3,619
Business License Fee/Sales Tax ¹	270	270	270	270	270	270	1,620
Utility Rates	950	1,200	500	500	500	500	4,150
REET 1	353	364	375	386	398	410	2,286
REET 2	1,071	1,103	1,071	1,170	1,205	1,242	6,862
Impact Fees	350	1,551	350	350	350	350	3,301
Street & Pedestrian Safety Levy	2,559	2,574	2,600	2,600	2,600	2,600	15,533
Parks Levy ²	500	-	-	-	-	-	500
Solid Waste Street Preservation	300	300	300	300	300	300	1,800
REET 2 Reserve	1,315	1,268	480	416	416	416	4,311
External Sources	4,444	16,265	4,974	-	-	-	25,683
Subtotal Transportation	12,679	25,470	11,512	6,602	6,667	6,735	69,665
Parks							
REET 1	718	740	762	785	809	833	4,647
Impact Fees	-	-	-	-	-	-	-
Parks Levy ²	725	1,250	1,250	1,250	1,250	1,250	6,975
REET 1 Reserve	385	764	-	-	-	-	1,149
King County Park Levy ³	200	200	200	200	200	200	1,200
External Sources	-	90	-	-	-	500	590
Subtotal Parks	2,028	3,044	2,212	2,235	2,259	2,783	14,561
General Government: Technology, Facilities & Public Safety							
General Fund Contributions for:							
Public Sfty. Equip. Sinking Fund	1,700	500	1,150	500	500	500	4,850
Technology Equip. Sinking Fund	950	450	950	450	450	450	3,700
Utility Rates	150	203	150	150	150	150	953
IT Fund Operating Cash	75	-	193	-	-	-	268
Tech Initiative Reserve	1,694	386	259	178	-	-	2,517
Maj Sys Replacement Rsv	746	59	78	207	-	-	1,090
Facilities Life Cycle Reserve	102	490	364	191	617	921	2,685
General Capital Reserves	434	8,021	95	-	-	-	8,550
Debt	20,907	4,978	5,805	-	-	-	31,690
External Sources	846	2,564	2,050	-	-	-	5,460
Subtotal General Government	27,604	17,651	11,094	1,676	1,717	2,021	61,763
Utilities							
Utility Connection Charges	865	865	865	865	865	865	5,190
Utility Rates - Surface Water	1,588	1,608	1,685	1,685	1,685	1,685	9,936
Utility Rates - Water/Sewer	2,656	2,950	3,387	3,612	3,612	3,612	19,829
Debt	886	3,152	-	-	-	-	4,038
Reserves	4,009	1,069	50	-	50	-	5,178
External Sources	224	1,183	-	-	-	-	1,407
Subtotal Utilities	10,228	10,827	5,987	6,162	6,212	6,162	45,578

¹ Allocation from Sales Tax 2013-2014; from Regulatory Business License Fee 2015-2018

² \$500,000 of Park Levy funding in 2013 is allocated for Cross Kirkland Corridor projects in the Transportation CIP

³ King County Park Levy funding 2014-2018 allocated for replenishment of General Capital Contingency for purchase of Yuppie Pawn Shop Property

POLICY ISSUES

Funding for capital projects continues to be a major issue facing the City. While progress has been made over the year in some areas (e.g. Parks), funding for transportation improvements has been below the level needed to meet many of the projects identified in the master planning processes. Two property tax levy lid lifts were approved by Kirkland voters in 2012 that provide additional funding for street preservation, pedestrian safety, and park projects, which are included in the current CIP.

Some specific funding sources for capital projects have been positively impacted by the recent economic upturn in development (impact fees) and real estate sales activities (REET). The allocation of these two revenues in the current CIP has been conservative pending the completion of the Transportation Master Plan and the Parks, Recreation & Open Space Plan. Excess revenues from these and other sources will be available to meet needs identified during the next CIP process in 2015.

Investment interest revenue was historically a source of funding for some general government projects. This revenue has remained very low due to the current interest rate environment, which created a funding deficit related to these needs. To address this issue, the City Council approved a sinking fund concept to provide stable funding for replacement of major public safety and technology infrastructure equipment that are included in general government projects. The sinking fund is funded from General Fund revenues, so this obligation has been incorporated in the operating budget in 2015-2016. The City has already established sinking funds for capital projects related to vehicle replacements and maintenance and repair of City-owned facilities.

Assessing capital needs in neighborhoods added during the 2011 annexation is a continuing process and an important component of the update to the various master plans. The full update of the CIP in 2015-2016 will provide an opportunity to prioritize needs and identify funding sources. Also, under Council direction, efforts are currently underway to study community support, design and siting of a large aquatics and recreational facility, which most likely require voter-approved debt for funding. This project is an unfunded project in the current CIP.

PROJECT HIGHLIGHTS

Notable project highlights for 2015-2016 include:

Parks — The property tax levy lid lift approved by voters in 2012 provides additional funding for projects, which for 2015-2016 include the Juanita Beach bathhouse and shelter replacement, dock and shoreline renovations, and Edith Moulton Park renovations.

Facilities — The City took advantage of an opportunity to issue debt at historically low interest rates toward the end of 2010 to address a significant facility issue facing the City—space. The Kirkland Justice Center was completed in 2014, which houses the Police Department, Jail and Municipal Court. Major projects addressing the space issue in 2015-2016 include a major renovation of City Hall and a fire station consolidation project. The fire station project is currently in review and may change depending on the outcome of coverage needs for response time in the area, which could result in building a new station and renovating an existing station. A project to renovate/expand the Maintenance Center was funded in a previous CIP, but the project is currently on hold until sizing and siting options are finalized.



Transportation — The property tax levy lid lift approved by voters in 2012 provides additional funding for street preservation, which supports the goal of dependable infrastructure. The levy will also provide funding for pedestrian safety projects, including safe school walk routes. The City acquired the 5.75 mile segment of rail corridor running through the middle of the city from the Port of Seattle in 2011. The corridor passes through several neighborhoods and connects two important transportation hubs. A master planning process started for the “Cross Kirkland Corridor” in 2013-2014, as well as construction of an interim trail. More information can be found on the City’s website http://www.kirklandwa.gov/Residents/Community/Cross_Kirkland_Corridor.htm.



Other significant projects currently underway include the implementation of an intelligent transportation system to address traffic congestion, Park Lane pedestrian improvements, 85th Corridor intersection and pedestrian improvements, and the extension of NE 120th Street, a key component for economic development of an important business district—the Totem Lake area. A significant project in 2015-2016 includes the construction of a pedestrian bridge, connecting the Cross Kirkland Corridor and South Kirkland Park and Ride. Infrastructure improvements around the Google campus, which has a major expansion under construction, include traffic signals and sidewalks primarily funded by the developer.

Utilities (Water and Sewer) — In 2015-2016, the City is investing in water and sewer main replacements around the new Google Campus expansion in the Houghton neighborhood. Significant projects in 2013-2014 include replacements along two important business districts, the 85th Corridor and Park Lane.

Surface Water — Surface water enhancements along Lake Washington Boulevard are highlighted in 2015-2016, along with replacements of other aging surface water infrastructure throughout the City. In 2013-2014, flooding issues in Totem Lake were remedied through the construction of culverts and other flood control measures. A project to construct a decant facility to handle material removed from surface water facilities during cleaning was budgeted in 2014 and is currently in development.



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CITY OF KIRKLAND

performance measures 2013



ACKNOWLEDGEMENTS

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MAYOR'S INTRODUCTION

I am pleased to share with you the City of Kirkland's 2013 Performance Measures Report.

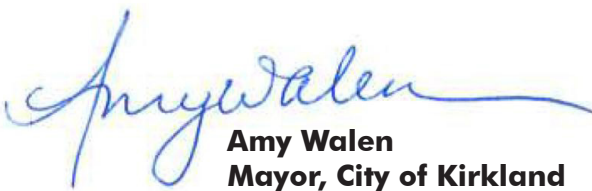
The report is designed around the City Council's ten goals for Kirkland – Balanced Transportation, Dependable Infrastructure, Economic Development, Human Services, Housing, Neighborhoods, Public Safety, Parks, Recreations and Open Space, Financial Stability and the Environment – and the long term goals associated with each of these key areas. Each year the Performance Measures Report is compiled to assess how well the City is meeting these goals and to impart to you the changes, challenges and accomplishments.

The City Council and staff use this report to inform budgets, prioritize projects and design business strategies. These performance measures are City-wide which means they encompass every department and service from Parks and Recreation to Public Safety and these goals drive the commitment to decisive action united with fiscal responsibility in every work plan and budget.

The Performance Measures Report is an illustration of where we have been, where we are now and a focus for priorities to achieve the established targets. It is the City's commitment to transparency and responsive government, sharing how we are meeting the goals the City Council.

We hope you use this report to inspire you to reveal the vision you have for your city through opportunities like the new "Kirkland 2035: Your Voice, Your Vision, Your Future" and to become an active participant in your neighborhood and other community-based initiatives.

As I shared with you in my State of the City address, Kirkland is poised to take on big issues and big ideas and move forward aligning our efforts and resources to the community's vision of an attractive, vibrant and livable Kirkland.



Amy Walen
Mayor, City of Kirkland



CITY COUNCIL VALUES AND GOALS

The purpose of the City Council Goals is to articulate key policy and service priorities for Kirkland. Council goals guide the allocation of resources through the budget and capital improvement program to assure that organizational work plans and projects are developed that incrementally move the community towards the stated goals. Council goals are long term in nature. The City's ability to make progress towards their achievement is based on the availability of resources at any given time. Implicit in the allocation of resources is the need to balance levels of taxation and community impacts with service demands and the achievement of goals. In addition to the Council goal statements, there are operational values that guide how the City organization works toward goal achievement:

- **Regional Partnerships** - Kirkland encourages and participates in the regional approaches to service delivery to the extent that a regional model produces efficiencies and cost savings, improves customer service and furthers Kirkland's interests beyond our boundaries.
- **Efficiency** - Kirkland is committed to providing public services in the most efficient manner possible and maximizing the public's return on their investment. We believe that a culture of continuous improvement is fundamental to our responsibility as good stewards of public funds.
- **Accountability** - The City of Kirkland is accountable to the community for the achievement of goals. To that end, meaningful performance measures will be developed for each goal area to track our progress toward the stated goals. Performance measures will be both quantitative and qualitative with a focus on outcomes. The City will continue to conduct a statistically valid citizen survey every two years to gather qualitative data about the citizen's level of satisfaction. An annual Performance Measure Report will be prepared for the public to report on our progress.
- **Community** - The City of Kirkland is one community composed of multiple neighborhoods. Achievement of Council goals will be respectful of neighborhood identity while supporting the needs and values of the community as a whole.

The City Council Goals are dynamic. They should be reviewed on an annual basis and updated or amended as needed to reflect citizen input as well as changes in the external environment and community demographics.

Kirkland is an attractive, vibrant and inviting place to live, work and visit. Our lakefront community is a destination for residents, employees and visitors. Kirkland is a community with a small-town feel, retaining its sense of history, while adjusting gracefully to changes in the twenty-first century.

PUBLIC SAFETY

Ensure that all those who live, work and play in Kirkland are safe.

Council Goal: Provide for public safety through a community-based approach that focuses on prevention of problems and a timely response.

DEPENDABLE INFRASTRUCTURE

Kirkland has a well-maintained and sustainable infrastructure that meets the functional needs of the community.

Council Goal: Maintain levels of service commensurate with growing community requirements at optimum life-cycle costs.

BALANCED TRANSPORTATION

Kirkland values an integrated multi-modal system of transportation choices.

Council Goal: Reduce reliance on single occupancy vehicles and improve connectivity and multi-modal mobility in Kirkland in ways that maintain and enhance travel times, safety, health and transportation choices.

ECONOMIC DEVELOPMENT

Kirkland has a diverse, business-friendly economy that supports the community's needs.

Council Goal: Attract, retain and grow a diverse and stable economic base that supports city revenues, needed goods and services and jobs for residents.

PARKS AND RECREATION

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.

Council Goal: Provide and maintain natural areas and recreational facilities and opportunities that enhance the health and well being of the community.

ENVIRONMENT

We are committed to the protection of the natural environment through an integrated natural resource management system.

Council Goal: Protect and enhance our natural environment for current residents and future generations.

FINANCIAL STABILITY

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

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

HUMAN SERVICES

Kirkland is a diverse and inclusive community that respects and welcomes everyone and is concerned for the welfare of all.

Council Goal: Support a regional coordinated system of human services designed to meet the basic needs of our community and remove barriers to opportunity.

NEIGHBORHOODS

The citizens of Kirkland experience a high quality of life in their neighborhoods.

Council Goal: Achieve active neighborhood participation and a high degree of satisfaction with neighborhood character, services and infrastructure.

HOUSING

The City's housing stock meets the needs of a diverse community by providing a wide range of types, styles, size and affordability

Council Goal: Ensure the construction and preservation of housing stock that meets a diverse range of incomes and needs.

WHY MEASURE OUR PERFORMANCE?

Measuring performance provides a quantifiable way in which to see successes and areas in need of improvement. The City's progress is measured against data from previous years, targets set in master plans and benchmarks with other communities. By measuring our programs using a variety of data, we can see how Kirkland's present state relates to its past indicators and future plans.

Performance measures offer transparency and allow the public to hold the City accountable. The report provides insight into costs, successes, areas of improvement and citizen satisfaction as determined by the biennial community survey.

Over the past few years the City has been guided by three key performance measures that have been accepted by City Council as "strategic anchors" on which to base every major decision. The anchors keep the City grounded and on a path to success by considering whether the City is affordable, responsive to the needs of its residents, and financially sustainable. Visual representations and explanations of each strategic anchor follow:

The Price of Government City of Kirkland, Washington

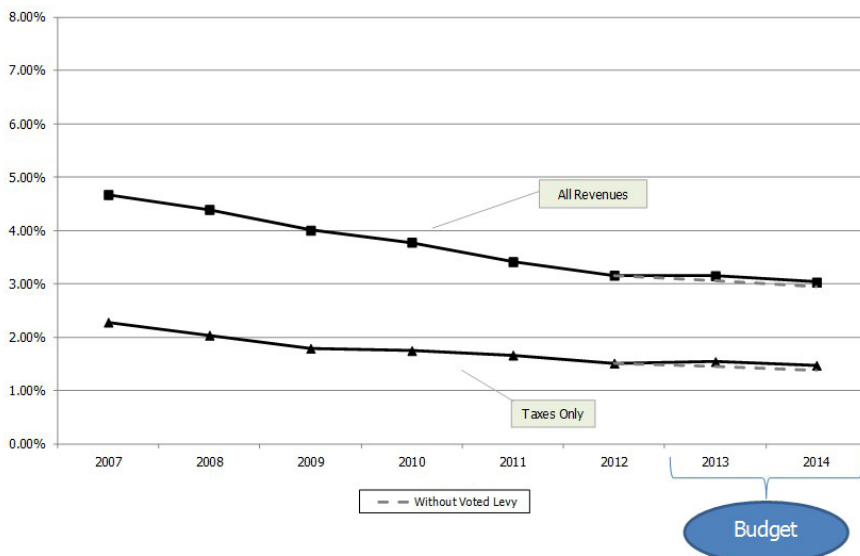


Figure 1: Affordable Government

Responsive and Decisive - The "Kirkland Quadrant" represents eighteen key policy areas (Priority Areas) and the ranking by the citizens through a survey of their importance and the city's performance levels. The dashed line represents the "goal" line to bring importance and performance into alignment. The City and staff use this Kirkland Quadrant to plan actions and budgets to better balance city efforts to citizen expectations.

Affordable Government – Price of government is the sum of all the taxes, fees and charges collected by the city divided by the aggregated personal income of its constituents. This yields a percentage that represents what citizens are willing to pay for government. A typical percentage for a Washington city is 5% to 6%. For the City of Kirkland the price of government is around 3%.

2012 Survey with 2013 - 14 Budget

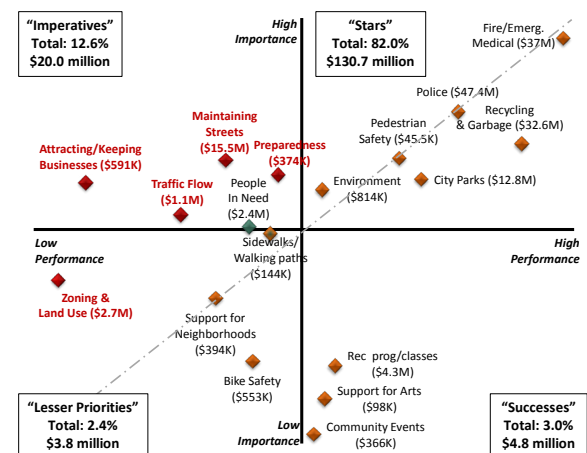


Figure 2: Responsive and Decisive Government

AAA Bond Rating

(Standard & Poor's Municipal Bond Rating)

Financially Sustainable – creating a balance to deal with the stresses to keep expenses in line with revenues. This means not only working to balance today's budget, but keeping in view the future needs and opportunities to be ready to respond as good stewards.

These three strategic anchors ground the performance evaluation about the state of the City and they are used in conjunction with the ten goal areas set forth by the City Council to create a complete performance assessment of how resources have been used in response to citizen expectations.

FORMAT OF REPORT

Performance measures provide a logical connection between City resources and desirable community outcomes through a "so that" format. If the City devotes resources to a service area, then it should be able to achieve desired outcomes in line with the Council goal. Each service area includes a performance measures chart of City inputs, outputs, results and outcomes. Each section provides a description of why the specific measures were chosen, how the City is performing and how the City is working toward achieving the targets and a case study that highlights specific work for that goal. Data comes from budgeted funding in final budget and Capital Improvement Program documents, department program tracking, master plans and community and business surveys.

Performance measures are tracked over time to show efficiency, output and outcome measures. The report this year works to strike a balance between all three anchors to address not only "How are we doing?", but "What are we doing?" and most importantly "How does this benefit the citizen?"

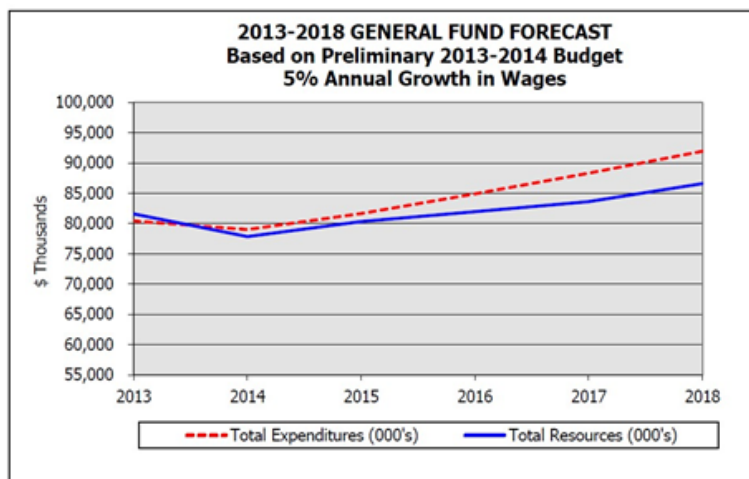


Figure 3: Financially Sustainable

FUTURE OF THE REPORT

Kirkland is growing and changing, so the City's performance measures will be growing and changing to better represent the values and concerns that the community has in regards to city services and functions. As the City establishes its updated Comprehensive Plan and obtains feedback from the Kirkland 2035 initiative, additional metrics may be included to assess not only output and efficiency, but outcomes to better answer the question, "Is anyone better off?" because of these actions.

KEY FINDINGS - COUNCIL GOALS

PUBLIC SAFETY

- CrimeMapping website equips citizens with tools to monitor crime
- Fire and EMS responses remain consistent with prior year. Dedication to inter-local training and cooperation

DEPENDABLE INFRASTRUCTURE

- Pavement condition indexes improved for major and minor arterial streets
- Surface Water Master Plan Update begins

BALANCED TRANSPORTATION

- Intelligent Transportation Systems (ITS) phase one is complete
- Progress continues on the Cross Kirkland Corridor Interim Trail

ECONOMIC DEVELOPMENT

- Decrease in office vacancy rate shows positive trend for business growth
- New business opportunities with Cross Kirkland Corridor

PARKS & RECREATION

- Volunteer program remains strong and vital source for parks program
- Continued increase in acreage of restored natural areas

ENVIRONMENT

- Green Business Program being revamped
- Tree Canopy goal met, focus now on maintenance and healthy cover

FINANCIAL STABILITY

- City retains its AAA Credit Rating
- City budget reflection of citizen needs and council priorities

HUMAN SERVICES

- Funding has increased for an expanding list of services
- More than 90% of funded agencies meet or exceed their target goals

NEIGHBORHOODS

- Connecting neighborhoods to Comprehensive Plan updates
- Neighborhoods participate in designing new Neighborhood Safety Program

HOUSING

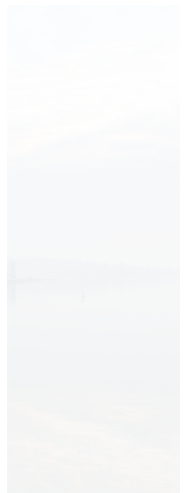
- City creating many options for affordable housing possibilities
- City received 100% return on investment for low income housing units produced

KEY INITIATIVES

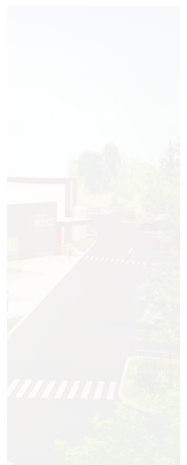
The following is a list of the key initiatives that are the actions and work plans for the City based on the ten goals to protect and enhance Kirkland's quality of life. These initiatives create a roadmap from the citizens' expectations to performance results that tie into future planning, so that the vision we have for tomorrow is being addressed by our actions today.



Marsh Park, Kirkland



Kirkland Justice Center



Key Initiatives for 2013

Comprehensive Plan Update

Fire Strategic Plan

Transportation Master Plan

Climate Protection Plan Update

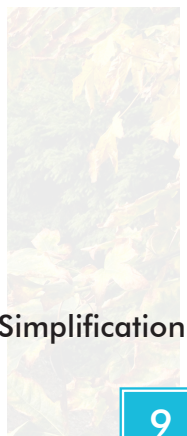
Urban Forestry Management Plan

Surface Water Master Plan

Parks and Recreation and Open Space Plan



Cross Kirkland Corridor



Juanita Drive Corridor Study

Transfer of Development Rights Study

Streets and Parks Levy Implementation

Cross Kirkland Corridor Master Plan

Kirkland Justice Center

Development Services Study and Zoning Code Simplification

PUBLIC SAFETY

GOAL Provide for public safety through a community-based approach that focuses on prevention of problems and a timely response.

The City provides trained staff and funding

MEASURE	2009	2010	2011	2012	2013	Target
Total Police Services Funding	\$16,557,994	\$15,613,828	\$22,763,553	\$24,139,113	\$23,997,564	N/A
Total Fire and Emergency Management Services Funding	\$15,665,379	\$15,480,119	\$18,119,738	\$18,137,506	\$19,628,244	N/A
Sworn Police FTE's (authorized) per 1,000 population	1.37	1.33	1.23	1.23	1.20	N/A
Paid fire and EMS staffing per 1,000 population served	1.08	1.21	1.20	1.11	1.10	N/A

So that...

Emergency services provide timely responses

EMS response times under 5 minutes	48%	53%	51%	52%	69%	90%
Fire response times under 5.5 minutes	51%	52%	52%	50%	62%	90%
Building fires contained to area of origin	70%	82%	84%	57%	56%	60%

So that...

Citizens are prepared for an emergency and feel safe

Citizens have at least two working smoke detectors in their residence	*	93%	*	96%	*	100%
Citizens are prepared for a three day emergency	*	70%	*	70%	*	90%
Citizens feel safe walking in their neighborhoods after dark	*	78%	*	79%	*	80%
Citizens feel safe walking in their neighborhoods during the day	*	98%	*	98%	*	90%

So that...

All those who live, work and play in Kirkland are safe.

*Community survey occurs in even years

HOW DO WE MEASURE PUBLIC SAFETY?

Staffing and funding help the City to provide timely responses to emergencies. Response times and containing fires to the area of origin are proxy measures for good performance. The likelihood of a successful outcome is higher the faster emergency services can reach the site of the emergency. Factors that affect response times include availability of personnel, the distances between a station and the incident, geographical barriers and traffic.

Measures from the Community Survey provide standard indicators of how citizens feel about public safety and how well they are prepared for emergencies.

HOW ARE WE DOING?

In 2013 the Police Department continued its commitment to community-based policing utilizing high visibility strategies to reduce crime and maintain a high level of confidence in public safety. By utilizing data driven policing the police resources were utilized in the areas needing more attention without sacrificing services to less affected areas.

Funding and staffing levels for the Fire Department remained mostly consistent between 2012 and 2013, although there was a slight decrease in fire and EMS staffing per 1,000 people due to an increase in City population. 2013 EMS response times improved over the same period in 2012, but are below the department goal.

WHAT ARE WE DOING?

The Police Department was pleased to go live with Crimemapping.com, an interactive online crime mapping system designed to help the public stay informed about crime in their neighborhood. Through the use of this free program, citizens can view up to 180 days of crime data by various search parameters, including date range, crime type, or distance from a specific address. The crimes are then illustrated on a map with various icons, each containing general details of the incident as well as other useful links such as crime prevention tips. Community members are also able to develop queries specific to their own interests and set automatic e-mails to alert them to particular crime updates

To keep up with the growing need for public safety, the construction of the new Kirkland Justice Center was started with a completion date of June 2014. The building is located more closely to the geographic center of Kirkland, and incorporates the Police Department, Jail Facility and the Municipal Court. The building eliminates the need for the transportation of misdemeanor inmates and provides for cost savings by retrofitting an existing building rather than constructing a new one. The building is designed to support more than 130 police and 20 court personnel and will include a 55-bed jail. The building will also include a community meeting room that will be available for public use.

The Kirkland Fire Department is a highly trained and well equipped organization, with the protection of our resident's lives, property and the environment as its focus. The Fire Department provides fire prevention inspections of commercial properties, fire related plan checks, fire investigations activities, emergency medical response and transport, fire suppression, hazardous material release responses, technical and specialized rescue and emergency management to the over 80,000 residents of Kirkland. The members of the Kirkland Fire Department provide these services with the very highest degree of dedication and professionalism.

a result the efficiency and the safety at emergency scenes is improved. When jurisdictions that respond and train together, skill levels improve, safety is increased and efficient scene management is obtained.

Some of the training provided to firefighters in 2013 includes:

- Mass Casualty Responses
- Command Post Training for Incident Commanders
- Live Fire Training
- Heavy Rescue Training
- Technical Rescue Training
- Water Rescue
- Hazardous Materials Training



Fire Department Training Division

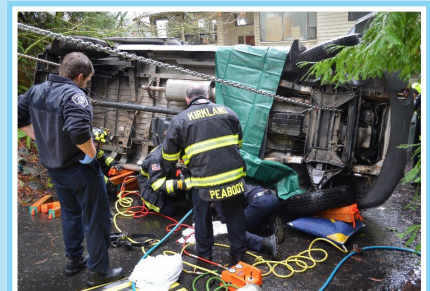
The Kirkland Fire Training Division is responsible for the competency of the firefighters that serve the residents of Kirkland and the safety of the residents and firefighters. All actions taken by the training division relates directly to these responsibilities.

The training of Kirkland Firefighters never stops. Firefighters constantly participate in company level training, shift level training and Chief Officer training. These training events are given by the training division to the crews for completion on a quarterly basis.

In 2013, the Kirkland Fire Department along with the fire departments of Bellevue, Redmond, Mercer Island and Northshore formally formed the East Metro Training Group (EMTG). The formal signing of an inter-local agreement solidifies the commitment to joint training between partner agencies that had been ongoing for several years.

The East Metro Training Group is a 500 plus member training group. The benefits of this cooperative effort are numerous and significant. Interoperability is increased and as

▼ Continued



DEPENDABLE INFRASTRUCTURE

GOAL

Maintain levels of service commensurate with growing community requirements at optimum life-cycle costs.

MEASURE	2009	2010	2011	2012	2013	TARGET
<i>Transportation Capital Projects Funding</i>	\$6,666,200	\$5,456,000	\$11,515,600	\$10,708,580	\$12,848,300	N/A
<i>Water/Sewer Capital Project Funding</i>	\$4,547,900	\$2,001,300	\$1,450,000	\$2,850,000	\$5,080,070	N/A
<i>Street Maintenance FTE</i>	12.3	12.3	19.3	16.25	19.65	N/A
<i>Water/Sewer Maintenance FTE</i>	16.2	16.2	20.3	19.81	19.66	N/A
<i>Pavement Condition Index¹ for Major and Minor Arterial Streets*</i>	52	50.3	60.8	60.8	62.3	70
<i>Pavement Condition Index for Collectors and Neighborhood Streets*</i>	68	68	76.1	76.1	74.7	65
<i>Citizens surveyed rate street maintenance as satisfactory or better</i>	**	94%	**	89%	**	90%
<i>Sewer inflow and infiltration rate⁺</i>	***	***	***	***	***	***
<i>Water Main Breaks</i>	0	1	1	2	2	0
<i>Sewer Obstructions</i>	3	3	0	0	2	0

*Pavement Condition Index (PCI) is a rating of the general condition of pavements based on a scale of 0 to 100. A PCI of 100 represents a newly constructed road with no distresses; a PCI below 10 corresponds to a failed road requiring complete reconstruction; a PCI of 41 or better equates to "fair or better". Data: 2009 PCI based on 2008 survey; 2010 Collector PCI based on 2010 Collector survey and 2008 Neighborhood Street survey

**Community survey occurs in even years

***Measure being developed for future reports

+ City is reviewing measure to make recommendation to City Council on the relevancy and accuracy of data

City funds and staffs infrastructure maintenance

So that...

Infrastructure monitoring indicates good conditions

So that...

Kirkland has well maintained and sustainable infrastructure that meets the functional needs of the community

HOW IS OUR PERFORMANCE?

The level of maintenance the City can perform is directly influenced by the availability of Capital Projects funding and manpower measured in full time equivalent (FTE) positions. Actual manpower time varies depending on turnover and position vacancies.

The pavement condition index (PCI) and the number of water main breaks and sewer obstructions demonstrate if the City is successfully maintaining infrastructure at desired levels of service.

Citizen satisfaction with streets helps determine whether or not the City is meeting the community's infrastructure expectations. A citizen survey is conducted every other year to obtain feedback on citizen satisfaction.

HOW ARE WE DOING?

After the Pavement Condition Index (PCI) fell below acceptable levels in 2010, voters passed the Proposition 1 Streets Levy in 2012. The overall city PCI improved with the addition of the annexation area, yet remained mostly unchanged in 2011 and 2012. In 2013, the PCI for major and minor arterial streets rose 1.5 points; however, the PCI for collector and neighborhood streets dropped slightly.

After a gap between performance and importance ratings in our 2012 citizen survey, resources were allocated from the Street Maintenance Levy to help improve street conditions by applying asphalt and slurry seal to extend the life of Kirkland's streets.

WHAT ARE WE DOING?

The Public Works Department maintains a comprehensive system of roads and sidewalks. The Streets Levy is providing additional resources to reduce the backlog of deferred street maintenance and to install safety improvements that meet aggressive 20 year targets. In 2013, Streets Levy funding helped to apply over 10 miles of slurry seal to protect and extend the life of Kirkland's streets. In addition, curb ramps that meet ADA standards have been installed in the same areas to improve access for everyone. Arterials with low PCI (Pavement Condition Index) ratings were overlaid. This robust street maintenance project was completed in 2013, and Street Levy resources enabled the City to almost double the improvements.

Professional personnel and reliable facilities ensure that citizens do not experience lapses in water or sewer service. Engineering staff are developing an updated Surface Water Master Plan that meets the requirements of the federal National Pollutant Discharge Elimination System (NPDES) permit as well as protecting the environment, homes, and businesses with surface water best management practices. By maintaining a safe and effective sewer system, wastewater and surface water employees improve the infrastructure for improved business vitality and growth as well as a healthy and clean quality of life for Kirkland's residents.

All Capital Improvement projects are managed by a team of engineering professionals in the Capital Improvement Division who are currently working on high profile projects such as the Cross Kirkland Corridor Interim Trail and the construction of the NE 85th Corridor improvements in the Rose Hill neighborhood, as well as annual maintenance projects to improve water, sewer, and streets infrastructure.

The City Council continues to explore and implement ways to help the City keep pace with infrastructure needs. Kirkland citizens can expect to maintain a high quality of life because of professional, reliable, and cost effective management of the City's infrastructure resources.



Slurry seal extends life of roadways

Left to its natural environment, the average neighborhood street would live about as long as the average dairy cow: 20 years. And the last of those years wouldn't be too kind. Time, weather and traffic would wear potholes and alligator cracks into its surface.

The streets in Kirkland, however, tend to age more gracefully. And they last a little longer too—more than seven years longer. That's because the City of Kirkland preserves each of its 400-plus lane miles of neighborhood roads with an asphalt armor that engineers call slurry seal. This mix of tiny gravel pieces and emulsified liquid asphalt—an oil-like substance—acts like sunscreen for these lightly trafficked roads—sealing out weather and moisture—thereby extending the lives of the roads by five to 10 years. And it does this at a rough cost of \$1,600 per city block.

Kirkland has been using slurry seal to extend the lives of its roads for the last decade. And for much of that decade, Kirkland was able to treat roughly 15 lanes miles of neighborhood roads every year—not nearly enough to keep up with the Kirkland road network's growing demand for street maintenance and preservation.

Voters responded in 2012, however, by approving the Streets Levy. This \$3 million annual levy has already enabled Kirkland to accomplish a lot of ambitious projects: installing Rapid Flashing Beacons, improving sidewalk access to residents who travel by wheelchair, and providing a street overlay for an additional 5.5 lane miles per year. The levy also enabled Kirkland in 2013 to preserve another 11 lane miles of neighborhood streets with slurry seal.

BALANCED TRANSPORTATION

GOAL

Reduce reliance on single occupancy vehicles and improve connectivity and multi-modal mobility in Kirkland in ways that maintain and enhance travel times, safety, health and transportation choices.

MEASURE	2009	2010	2011	2012	2013	Target
Percent of Capital Improvement Program Transportation funding devoted to Active Transportation	28.76%	34.48%	21%	29%	38%	33%
Percent of proposed Intelligent Transportation Systems projects completed	*	4%	6%	9%	37%	100% of ITS Strategic Plan
Complete sidewalk construction on at least one side of all school walk routes	*	81.1% ²	83% ²	88% ²	89% ²	100% by 2019
Percent of bicycle network construction improvement projects completed	*	50%	50%	50%	64%	100% by 2018
Percentage of arterials that are complete streets	*	58%	58%	59%	60%	100%
Residents surveyed are satisfied with maintenance of active transportation facilities ¹	**	84%	**	No Data	**	90%
Automobile crashes involving bikes	8	17	14	22	25	0
Automobile crashes involving pedestrians	13	16	20	25	23	0
Percent of total trips using active transportation mode (transit, pedestrian, bicycle)	***	***	***	***	***	***
Major arterial travel times	***	***	***	***	***	***

¹ Active Transportation Facilities include sidewalks, bike lanes, pedestrian flags, in-pavement lights, etc

² Does not include annexation area

* No data available

** Community Survey occurs in even years

*** Measure being developed for future reports

City funds active transportation options

So that...

City can implement the adopted Active Transportation and Intelligent Transportation System Plans

So that...

Kirkland has an integrated multi-modal system of transportation that provides mobility and safe travel

HOW DO WE MEASURE BALANCED TRANSPORTATION?

The Active Transportation Plan establishes specific transportation goals for sidewalk and bicycle facility completion. Measuring the funding levels and the amount of project completion demonstrates the City's progress toward providing the infrastructure needed to create a balanced transportation system.

Measuring residents' satisfaction with the maintenance of active transportation facilities (sidewalks, bike lanes, pedestrian flags, crosswalk technology, etc.) reveals its priority to the community at large. The number of crashes demonstrates the importance of building and maintaining these facilities in order to increase safety.

HOW ARE WE DOING?

Most of the Intelligent Transportation Systems (ITS) Program built to date has been funded with federal grants. A second phase of ITS improvements is under design and will focus on the busy Totem Lake area. With the completion of the Traffic Management Center at City Hall, the City has now completed 37% of the proposed ITS improvements allowing for real-time monitoring of traffic in some busy Kirkland intersections.

The percentage of school walk routes with completed sidewalk construction on at least one side of the street has increased slightly. The percentage of completed bicycle network improvements (as measured against the 2009 Active Transportation Plan) has increased with approximately 2.3 miles of bike lanes added in 2013.

Automobile crashes involving bikes and pedestrians have remained about the same in 2012 and 2013. These numbers include the entire annexation area of Kirkland.

WHAT ARE WE DOING?

Kirkland's Active Transportation Plan will be referenced in the Transportation Master Plan now under development and expected to be completed in 2015. This is part of a citywide initiative (Kirkland 2035) to update the Comprehensive Plan, and create a Transportation Master Plan part of which will become the Transportation Element of the Comprehensive Plan.

Providing a reliable, safe, and efficient transportation system in Kirkland is achieved by maximizing the efficiency of the existing transportation network and encouraging alternative modes of travel that help reduce congestion. One of the ways to increase mobility throughout the city is to utilize Intelligent Transportation System (ITS) technology to monitor traffic. ITS tools such as signal timing, traffic monitoring, real-time traffic information and transit signal priority give traffic engineering staff the information they need to make real-time adjustments during peak traffic times to improve traffic flow. The Transportation Management Center was completed in 2013, and a traffic engineer was hired to monitor and maintain the ITS system. Phase 2 of the ITS system will generate improvements in the Totem Lake area with signal technology at key intersections and commuter corridors.

The Proposition 1 Streets Levy that was passed in November 2012 is providing funding for several projects that will maintain and enhance safety and transportation choices. For example, the 2013 Crosswalk Initiative provided installation of 15 Flashing Beacons crosswalks near schools and busy intersections. This type of crosswalk has been proven to improve safety by increasing pedestrian visibility to drivers.

Significant progress was made in 2013 to the Cross Kirkland Corridor (CKC), a former railroad right-of-way purchased by Kirkland in 2012. (See story in right column.) The CKC Master Plan is under development at this time and is scheduled to be adopted in mid 2014.

Neighborhood traffic control has again emerged as a priority for citizens and businesses. A half time Traffic Control Coordinator has been hired through the end of 2014 to respond and work with people who have a parking or traffic issue in their neighborhoods. In 2013, a Memorial Sign program was established in the hope of raising driver awareness and encouraging careful driving habits.



Momentum Builds for the Cross Kirkland Corridor (CKC) Interim Trail

In 2012, Kirkland acquired the Cross Kirkland Corridor, an abandoned railroad grade running north and south through Kirkland. The City of Kirkland received \$3 million in grants for the development of an interim trail, and passed Proposition 2 Levy that can fund a Master Plan and ongoing maintenance of the corridor. Twenty-three individuals, organizations and businesses have adopted sections of the corridor to help with maintenance and litter control.

In October 2013, two hundred residents celebrated the removal of the rails with a community walk. Hundreds of residents provided input into the Corridor Master Plan while the design and permitting process pushed ahead. Today, even before the Interim Trail improvements, hundreds of Kirkland residents walk, jog or bike on the trail each week. The Corridor is proving to be one of the most significant investments Kirkland has ever made to enrich the lives of Kirkland residents.



ECONOMIC DEVELOPMENT

GOAL

Attract, retain and grow a diverse and stable economic base that supports city revenues, needed goods and services and jobs for residents.

City provides welcoming, supportive environment for businesses

So that...

Kirkland has a healthy business and tourism economy

So that...

Kirkland has a diverse, business-friendly economy that supports the community's needs

MEASURE	2009	2010	2011	2012	2013	Target
Number of businesses helped with consultant services	148	161	173	183	187	N/A
Office space vacancy rate	30.4%	24.2	7.9%	8.4%	7.6%	Eastside: 18%
Lodging tax revenue	\$235,000	265,000	\$205,583	\$220,145	\$247,075	Increase
Net new businesses	606	469	1,475	471	641	Increase
Visits to ExploreKirkland.com	148,442	*	N/A	105,570	90,523	Increase
New Green Businesses	30	12	12	9	1 [#]	Increase
Annual number of jobs	30,631	30,492	N/A	***	***	Increase
Businesses are satisfied with Kirkland as a place to do business	**	75%	**	***	***	80%
Residents are satisfied with the availability of goods and services in Kirkland	**	76%	**	81%	**	80%

* No data available due to website server crash

** Community survey occurs in even years

*** Business survey to be conducted in 2014

[#] Green Business program undergoing change (See Environment report for more details)

HOW DO WE MEASURE ECONOMIC DEVELOPMENT?

Net new businesses and office space vacancy rates are both indicators of the health of the local business economy. Kirkland's vacancy rates have decreased as the economy continues to recover from the recession. Lodging tax revenue measures the vitality of the hospitality industry, which in turn supports other tourism assets such as restaurants and retail shops. Internet visits to ExploreKirkland.com website demonstrate the public's interest in Kirkland and often translate to actual visits and extended stays in our city. The City's Green Business Program promotes business adoption of efficient and environmentally sound practices, hopefully resulting in more sustainable businesses that can weather difficult economic times and perpetuate stable City services.

HOW ARE WE DOING?

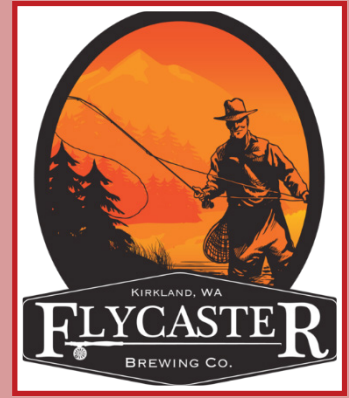
The City helps to grow the Kirkland economy by recruiting and retaining businesses, promoting Kirkland as a business location, and supporting arts and tourism. Together, these activities enhance the quality of life that residents of Kirkland enjoy and have come to expect. The Kirkland Economic Development Program ministers to small and large businesses. It has invested in a Retention Consultant who provides free services to small businesses in the areas of permitting, marketing, networking and expansion. New businesses are welcomed and can take advantage of a monthly orientation program. Technical assistance is provided through individual work sessions and group seminars and periodic education and networking events. The City-staffed Kirkland Business Roundtable offers CEO-level networking and input on City policy through quarterly meetings. In the past years, the Roundtable has weighed in on the 2035 Comprehensive Plan Update Economic Development Element, Downtown vision, and the Cross Kirkland Corridor.

The Tourism Program promotes recreational and leisure opportunities in Kirkland, and brings outside revenues into the City. Exposure to Kirkland through a business trip or attendance at an event can lead to a decision to relocate a home or business here. This past year the City has refreshed its website ExploreKirkland.com with professional photographs, distributed \$50,000 in lodging tax funds to agencies for tourism marketing and programs, and met with tourism assets such as the major hotels to get their input of the best ways that the City can help them.

WHAT ARE WE DOING?

The City helps develop the economy of Kirkland through supporting businesses and promoting tourism. Kirkland's Economic Development Program promotes a quality business climate for Kirkland businesses, assists businesses in locating in Kirkland and provides a liaison with City departments. The success of economic development efforts is highly dependent on the general economic climate, regional policies and competing cities' policies regarding business. Local programs help sustain businesses through economic cycles by being responsive to business needs.

In an effort to encourage more businesses like Flycaster Brewing Co., zoning has been adopted for parcels that border the Cross Kirkland Corridor in Totem Lake. The goal is to attract retail uses that have been associated with and brought economic development to corridors. Restaurants, breweries, wineries and distilleries are now allowed in areas of Totem Lake that were formerly zoned for industrial use only, with the expectation that high tech office will follow on the heels of this retail revival and eventually transform the district.



Attracting Business to the Cross Kirkland Corridor Flycaster Brewing Co.

Being located within one-tenth of a mile of the Cross Kirkland Corridor in the Totem Lake Business District ensures a future stream of thirsty bicyclists, walkers and runners. Flycaster Brewing Co. opened its doors at 12815 124th Street, in the heart of the Totem Lake Business District, in May 2014. This is exactly what the City Council envisioned when it approved the purchase of the Cross Kirkland Corridor and in November 2013 adopted code amendments that would provide for more retail establishments like Flycaster in Totem Lake.

Its owner, Jeremy Eubanks, began honing his craft as a home brewer over a decade ago. With the encouragement of his wife, Tara, he decided to take the plunge and open his own nanobrewery and tasting room to share his creations with the public. Along with beer brewing and tasting, Jeremy's other passion in life is fly fishing. His fishing trips are routinely paired with visits to local microbreweries. Hence the name for his enterprise – Flycaster Brewing Company. And, with names like Bonefish Blonde, Rocky Ford IPA, Yakima River Red, and Hopper Pale Ale, the company's beers sport names that include references to fly fishing experiences. Kirkland's Totem Lake Business Park meets his needs; a suite with high ceilings and roll-up door along with an area that could be converted to a taproom.

PARKS AND RECREATION

GOAL

Provide and maintain natural areas and recreational facilities and opportunities that enhance the health and well-being of the community.

Staff and volunteers maintain parks and manage recreation programs

MEASURE	2010	2011	2012	2013	Target
FTE staff for parks maintenance and recreation programs	47.72	48.3	49.43	56.24	N/A
Park maintenance FTE's per 100 acres developed land	5.156	4.72	4.65	5.05	N/A
Number of volunteers	3,112	1,909	2,439	2,306	N/A
Volunteer hours	21,865	14,751	13,901	17,997	N/A

So that...

City invests in parks and recreational programs

Parks Capital Improvement Program	\$1,220,500	\$888,000	\$1,028,000	\$3,537,578	N/A
Parks Operating & Maintenance Funding	\$3,754,612	\$3,726,109	\$4,135,489	\$4,969,719	N/A
Recreation Operating & Maintenance Funding	\$2,072,283	\$1,879,750	\$2,067,630	\$2,176,292	N/A

So that...

City progresses on the Park, Recreation and Open Space Plan

Residents with neighborhood park within 1/4 mile radius	76%	68%	68%	68%	100%
Acres of natural area in restoration	30.01	38	40.3	48.5	379 acres by 2028
Percent of recreation classes meeting minimum enrollment	79.8%	78%	83%	81.6%	80%

So that...

Kirkland has an exceptional parks and recreation system

Citizens rate City parks as satisfactory or better	95%	*	96%	*	95%
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*Community survey occurs in even years

HOW DO WE MEASURE PARKS AND RECREATION SERVICES?

The budget and number of FTE staff available to the Parks Department helps measure how often the City is able to maintain the parks. Given the important contribution that volunteers make to the City's work, the number of volunteers and their total number of hours is also tracked.

The Park, Recreation and Open Space (PROS) Plan sets targets that provide benchmarks by which to measure the development and maintenance of Kirkland's parks and natural spaces, including:

- Residents should have access to a neighborhood park within a quarter mile of their home.
- All 379 acres of natural areas should be restored to their natural state by 2028

Recreation services are measured by subscription rates. Tracking recreation class attendance demonstrates how well they match residents' preferences.

Citizen satisfaction with the parks, as determined by the Community Survey, provides another measure of how well the park system meets the community's needs.

HOW ARE WE DOING?

In 2012, Kirkland voters approved a permanent property tax levy to restore and enhance funding for daily park maintenance, summer beach lifeguards, major capital improvements and acquisition of park land, all of which support the health and well-being of the community.

With the infusion of levy funds, park maintenance staffing was returned to nearly the level it was in 2010.

About 82% of recreation classes met the minimum enrollment, and meets the City's target, a good indication that the classes offered meet the demands of citizens.

WHAT ARE WE DOING?

Between 2008 and 2012, the acreage maintained by Kirkland parks grew by 20%, mainly due to annexation; however during that period, the department saw funding for maintenance activities reduced by as much as 22%. In 2013, funding from the 2012 voter-approved Parks Levy became available which restored labor hours for parks maintenance, materials, supplies and utilities. Returned were amenities such as restroom service at neighborhood parks, irrigation of lawn areas, staff and materials for weeding and mulching landscape beds, as well as care of park benches and picnic shelters.

The levy also provided resources for the City to assume from the Finn Hill Park and Recreation District, the maintenance and operation responsibilities of the 46-acre O.O. Denny Park.

Further investment in the City's Parks Capital Improvement Program was made through the levy and a number of major projects were started in 2013, such as: developing the Cross Kirkland Corridor Master Plan, Waverly Beach Park Renovation, and Edith Moulton Park Master Plan. Also completed in 2013 was the acquisition of park land adjacent to Juanita Heights Park in the Finn Hill Neighborhood.

Funding was secured through the levy to keep lifeguards at Houghton and Waverly beaches as well as add water safety services to the ever-popular Juanita Beach Park.

Lastly, in 2013 the Green Kirkland Partnership received a dedicated, ongoing funding source from the Parks levy which allowed the urban forest restoration program to hire staff to recruit volunteers and business sponsors, write grants, train volunteer stewards, coordinate restoration events, develop restoration plans and provide education and outreach to schools and the community on the benefits of healthy forests and other natural areas.



Marina Park



Kirkland Swim Team Growing

Summer 2001 was the first season for the City of Kirkland Swim Team. The 42-member team named itself the "Kirkland Orcas" and joined the Craze Swim Team League which is comprised of seven community summer swim teams. Since then, the Orca Swim Team has grown to over 180 athletes. In 2012, after many years of waiting lists to join the team, an additional practice was added allowing for wait-listed swimmers to participate. Each summer swimmers are excited to return to the team and recruit new swimmers, spending their summer swimming with friends in the community.

The main objective of the Craze Summer Swim Team League is to provide a safe, recreational and competitive experience for area swimmers between the ages of 6 to 18. Swimming is a healthy, competitive sport, however developing quality swimmers is only one of the goals of the program. The league also strives to instill team pride, sportsmanship and respect for others. Summer swim team strives to maximize participation and provide an environment where children of all swimming abilities can have fun, as well as contributed to the team's success. Everyone is invited to participate. You don't have to be fast to be on the team, you just need to love to swim and have fun.

ENVIRONMENT

GOAL

Protect and enhance our natural environment for current residents and future generations.

City implements comprehensive natural resource management system

MEASURE	2009	2010	2011	2012	2013	Target
Compliance with NPDES Stormwater Permits	100%	100%	100%	100%	100%	100%
Solid Waste Diversion Rate	49.3%	50.1%	52%	53.3%	52.7%	Increase
City building electricity use (kilowatt/hour)	2,875,575 kWh -5% change	2,581,213 kWh -10% change	2,674,348 kWh	2,669,158 kWh	2,775,022 kWh	Decrease
City building natural gas usage (therm)	68,507 therm +16% change	55,557 therm -19% change	66,795 therm	61,944 therm	62,237 therm	Decrease

So that...

Kirkland protects and enhances its natural environment

Tree canopy coverage	*	36%	40.7%	*	**	40%
Benthic Index of Biotic Integrity in Forbes Creek ^{2 +}	17.3	16	18	17	***	Increase
Benthic Index of Biotic Integrity in Juanita Creek ^{2 +}	20.5	19.5	20.5	22.5	***	Increase
Waste entering landfill from residences	14,320 tons (0%)	13,726 tons (-4.1%)	17,861 tons (+30.0%)	22,109 tons (+23.8%)	22,033 tons (-0.34%)	Annual 2.5% decrease
Annual reduction in City's greenhouse gas emissions as a percent of 2005 levels	23%	38%	22%	10%	21%	80% below 2005 levels by 2050

So that...

Current and future citizens of Kirkland enjoy a healthy natural environment and resources

¹ Diversion rate-percent of waste materials diverted from the landfill to be recycled, composted or reused. Includes single family and multi-family residences.

² BIBI scores of 10-15 indicate very poor, 18-26 indicate poor stream conditions. Scores are an average of the 3-4 testing sites' scores in each creek.

* No data available due to data collection occurring less than annually.

**Not measured since City hit 40% target

*** Though Benthic Index of Biotic Integrity (BIBI) provides a general impression of stream health, a City review has revealed statistical validation issues with the data. New techniques are in development for future reporting.

+ City is reviewing measure to make recommendation to City Council as to relevancy and accuracy of the data.

HOW DO WE MEASURE ENVIRONMENTAL SUSTAINABILITY?

National Pollutant Discharge Elimination System (NPDES) stormwater permit compliance encompasses a wide range of actions the City undertakes to improve surface water quality. Recycling diversion rates and waste entering the landfill measure the effect of the City's waste reduction efforts. High resolution satellite imagery and remote sensing and geographic information system (GIS) mapping is used to determine the amount of tree leaf surface covering a large area. Urban tree canopy coverage is a gauge of growth balanced with development and natural resource protection. Low canopy coverage is linked to increased flooding, energy use and urban heat island effects and a decline in air quality.

H

OW ARE WE DOING?

Since the NPDES Phase II Stormwater Permit became effective in 2007, Kirkland has maintained 100% compliance. City staff has implemented energy saving measures in every department, keeping mindful of lighting, computers and heating and providing public education about energy reduction programs. Kirkland continues to have one of the highest total residential diversion rates, 68%, for all of King County cities. The City continues to work at improving multi-family and commercial recycling programs to increase the diversion rates for those sectors. Having met the 40% canopy cover goal through annexation, the City is shifting its focus to maintaining its current canopy cover while achieving optimal health and sustainability of the urban forest resource.

W

HAT ARE WE DOING?



A green business strives to have a positive impact on the environment and community. It develops and practices business strategies that go beyond regulation and demonstrates commitment to a healthy and sustainable future. A green business adopts principles, policies, and practices that improve the quality of life for its customers and employees.

Since its inception in 2007, Kirkland's Green Business Program has recognized nearly 100 businesses with window clings, a signed letter from the City Manager and recognition on the City's website showcasing their efforts. Numerous site visits, technical assistance, workshops and presentations have been held. In Jan-

uary 2014, with grant funds from the Department of Ecology, the program was evaluated on how it could gain more participation, increase value and improve recognition. Concurrently, a group of committed regional partners—City of Bellevue, City of Kirkland, City of Seattle, and Local Hazardous Waste Management Program of King County/EnviroStars – convened to discuss pooling resources to launch a regional green business program with a coordinated web portal and shared outreach and business recognition activities. Individually-funded and operated green business programs are not as efficient and affordable as regional programs and it has become challenging for businesses to navigate the growing number of local programs.

The comprehensive update of the Surface Water Master Plan is in progress. The Master Plan will evaluate the utility's current system, areas needing improvement and chart a 10 year course for programs and projects needed to comply with the NPDES II permit and improve water quality and habitat in Kirkland.

City of Kirkland Councilmembers and staff participated with the King County Climate Collaborative throughout the year with highlights including attendance at two summits facilitated by the King County Executive Dow Constantine with Governor Inslee's staff in attendance. Councilmembers, Deputy Mayor and staff participated in special events including the Sustainable Cities Roundtable fifth-anniversary event held in March at the new Bullitt Foundation Center for the Sustainable Program Award. Kirkland's government operations has met the carbon reduction goal for 2020 with a reduction of 21% from 2005 to 2013. Reduction results are much due to participating in PSE's Green Power Program for City Facilities.



Urban Forest Plan Committed to Sustainability

In 2013, the City of Kirkland began to implement a Six Year Work Plan, generated from the Urban Forestry Strategic Management Plan. These efforts were directed by an interdepartmental team focused on providing well-coordinated, consistent, efficient and sustainable urban forest management.

The group streamlined tree permit procedures to provide better customer service, revised the City's Pre-Approved Plan for tree grates, and procured a chipper that reduced contractor costs and hastened tree-related emergency response. A new full-time Field Arborist position enabled more proactive tree maintenance in city rights-of-way.

A \$50,000 King Conservation District grant enabled the City to update its 20-Year Forest Restoration Plan. Kirkland sought support from, and was provided crews from the Washington Department of Natural Resources to restore wooded areas in three Kirkland parks.

Kirkland continued to show its commitment to responsible urban forest management in 2013 by maintaining its status as a Tree City USA for twelve consecutive years and earned its fifth Growth Award from the National Arbor Day Foundation.

The Green Futures Lab at the University of Washington produced a 2013 report on urban forest management in the Puget Sound region. As one of four cities featured in the report, Kirkland was recognized "as a leader as of late in actively pursuing urban forestry initiatives and integrating forestry into city departments."

FINANCIAL STABILITY

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

City is fiscally responsible

So that...

City can invest in community priorities

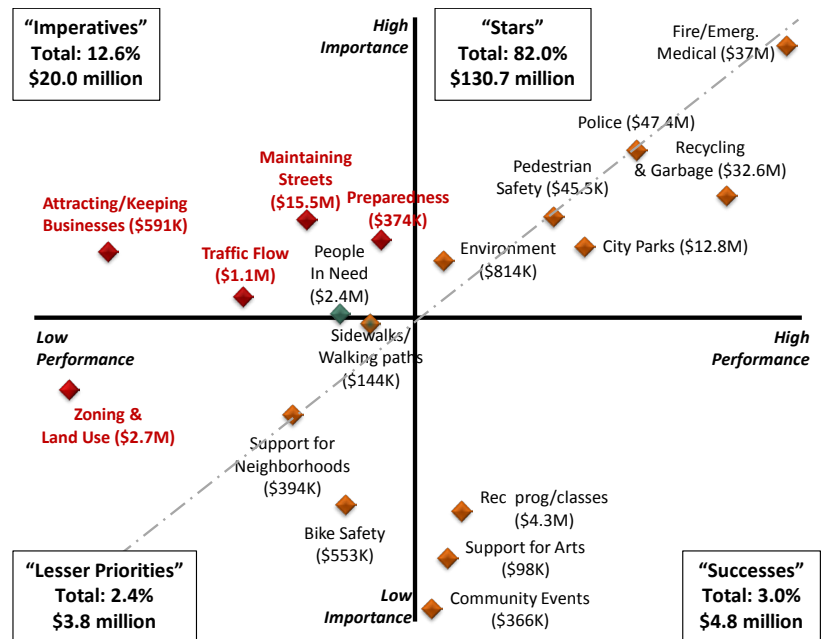
So that...

The citizens of Kirkland enjoy high quality services that meet the community's priorities

MEASURE	2009	2010	2011	2012	2013	Target
Minimum balance in General Purpose Contingency Reserves	55%	55%	72%	74%	76%	80% of budgeted reserve target
Credit Rating	AAA	AAA	AAA	AAA	AAA	AAA
Percent of funding allocated to high priority services (Stars and Imperatives) ¹	*	93%	*	94.2%	94.6%	80% of rated services

¹ Citizens rated City services by their importance and how well the City provided them. "Stars" have high importance and high performance ratings; "imperatives" have high importance and lower performance ratings.

*Community survey occurs in even years



HOW DO WE MEASURE FINANCIAL STABILITY?

Standard and Poor's credit rating provides an external assessment to the City's financial stability, and this measure is used in partnership with revenue and expenditure forecasts to create a picture of the City's stability.

The City also closely monitors available funding for reserves, which demonstrates the City's ability to respond to basic services through economic cycles and meet unforeseen needs.

HOW ARE WE DOING?

Contingency reserves were used to help balance the budget during the economic downturn, leading to a decrease in the minimum balance in the reserves. The Council began replenishing reserves with the start of the economic recovery in 2011. Replenishment to target will be a focus over the next several budget cycles.

Standard and Poor's AAA credit rating is the highest rating that can be achieved by a municipality and saves Kirkland taxpayers money through lower interest rates when borrowing. Kirkland has retained its AAA rating in recent years. The rating reflects factors including community demographics, use of best practices and financial strength.

Despite constrained budgets the City has continued to invest in areas that the community has highlighted as a priority. The most recent data shows that 94.6% of the budget has been allocated to high priority areas. Further, the City has also made long term decisions, such as the voter approved 2012 Streets and Parks Levies, to facilitate greater investment on areas citizens have highlighted as important.

Balancing affordability, sustainability and responsiveness to citizen needs means that the City is able to ensure improvements are made in a financially responsible manner, while sufficiently prioritizing areas citizens are most concerned about.

WHAT ARE WE DOING?

Financial stability is essential to the City of Kirkland. The City prioritizes maintaining a stable financial base from which to fund core services, and ensures all major decisions are affordable. Kirkland establishes strong financial management policies by:

- Realistically estimating revenues and expenditures
- Consistently monitoring and amending the budget based on actual performance
- Creating a long-term financial plan
- Ensuring long-term capital improvement funding
- Managing investments and debt
- Maintaining reserves to offset economic downturns

The City's biennial budget is an essential planning document and provides strategic insight into current spending allocations and future spending priorities. The City is also working to further integrate the budget with the overall performance management framework to ensure that the spending decisions are responsive to citizen needs and council priorities, as well as sustainable and affordable.



City Continues Award Winning Financial Practices

The City of Kirkland's biennial budget is more than a funding mechanism for departmental expenditures. It is an essential tool for strategic planning both in the near and long term. A successful budget requires the efforts of staff in every department, Council Members, and input from the public, and the City of Kirkland is proud of the clear and comprehensive result.

In 2013 these efforts were recognized as the City received the Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA) for the 2013-14 Biennial Budget. The award reflects the City's success in achieving the highest principles of governmental budgeting by creating a document that is a financial, communication and policy plan for the City.

The 2013-14 Budget was structured on the Council's adopted goals, reflecting their central place in the strategic and policy thinking of the City. This emphasis received particular praise from the GFOA, with one reviewer commenting "the reviewer appreciates the linkage to Council goals... and their connection to funding. Excellent job!"

This is the 13th time the City has received this award, which serves as an indicator of the City's long history of excellent financial management.

HUMAN SERVICES

GOAL

Support a regional coordinated system of human services designed to meet the basic needs of our community and remove barriers to opportunity.

City funds human service agencies

MEASURE	2009	2010	2011	2012	2013	Target
Total human services funding ¹	\$2,440,583	\$2,440,583	\$2,202,081	\$2,513,170	\$2,654,433	N/A
Human services funding per capita	\$49.80	\$50.02	\$32.29	\$30.84	\$32.58	N/A

So that...

The City supports programs that help people meet basic needs

Number of programs funded in each community goal area:						
1. Food to Eat and Roof Overhead	14	14	18	18	21	N/A
2. Supportive Relationships within Families, Neighborhoods and Communities	13	13	13	13	13	N/A
3. Safe Haven from All Forms of Violence and Abuse	8	8	9	9	4	N/A
4. Health Care to Be as Physically and Mentally Fit as Possible	8	8	10	10	15	N/A
5. Education and Job Skills to Lead an Independent Life	4	4	6	6	9	N/A

So that...

Kirkland meets the needs of our community

Percent of Eastside residents requesting assistance that agencies were able to serve ⁺	*	*	*	*	*	*
Funded agencies meet or exceed human services contract goals	96%	96%	95%	94%	94%	100%
Percent of applicant programs receiving funding from the City	81%	81%	77%	74%	84%	100% of eligible programs

¹Includes all human services funding as listed in the budget for 2013 figures - numbers as of May 2014.

*Measure being developed for future reports

+ City is reviewing measure to make recommendation to City Council as to the relevancy and accuracy of the data.

HOW DO WE MEASURE HUMAN SERVICES?

The City contracts with a range of non-profit agencies that have multiple funding sources. The City uses measures such as funding level, and funding per capita to help measure our commitment to the non-profits supported by the City.

The non-profit agencies have service delivery goals and outcome expectations that they are required to track and report to the City on a quarterly basis.

HOW ARE WE DOING?

Demand for human services in Kirkland remains high. Programs supported by grant funding deliver numerous essential services to provide a safety net for Kirkland residents. For the most part, agencies provide a great deal more service units of shelter, food, clothing, counseling, medical care, employment assistance, mentoring, training and other services to City residents than reimbursed by the City. Programs such as the Lake Washington Schools LINKS program highlighted on this page often utilize the time and talents of community volunteers to help bridge the gap.

The City's investment in human services has continued to increase. The number of funded programs has grown from seven in 1987 to 62 in the 2013-2014 biennium. The amount of funding has also increased to over \$2.5 million; a rise of more than \$300,000 since 2011. The 2011 annexation of 31,718 new residents to the city did cause a fall in per capita funding for Human Services.

The percentage of funded agencies reaching or exceeding their targets remained high at 94%. The City will continue to work with funded agencies to ensure this number gets to the target of 100%.

WHAT ARE WE DOING?

In addition to supporting local human service agencies, the City supports its residents through a number of efforts including:

- A Senior Center Program
- A Community Youth Services Program and Teen Center
- Support for Domestic Violence Survivors
- A Police School Resource Program
- Coordination of a neighborhood food drive each fall, where food and cash donations are raised to benefit local food banks. Kirkland Youth Council hosts its own food drive as well each year.

REGIONAL PARTNERSHIPS

The human service agencies that the City supports are part of a regional delivery system that addresses the needs of residents throughout the eastside. The City of Kirkland partners with other Eastside cities in a pooled funding program that streamlines the application and reporting process for each program.

The Human Services Division staff represents Kirkland on a number of regional collaborative efforts.

- Alliance of Eastside Agencies
- Committee to End Homelessness
- Eastside Easy Rider Collaborative
- Eastside Homelessness Advisory Committee
- Eastside Human Services Forum
- Eastside Refugee and Immigrant Coalition
- Eastside Winter Shelter Task Force
- King County Alliance for Human Services
- King County Community Development Block Grant Consortium
- Kirkland Nourishing Network
- North/East King County Funders Group



Lake Washington School District LINKS Program Leverages City Financial Support and Community Volunteers

Stephanie Baldwin became a LINKS volunteer because she wanted to give back to the community she lives in. She was paired with Scott Judge's 2nd grade class at Muir Elementary. Scott quickly realized the value of Stephanie's contribution and the impact it was having on his students. He shared, "I have benefited by having an extra set of 'hands' in the classroom to work with a diverse group of kids. Stephanie has assisted with creating second grade 'Sight Word' booklets to work with students on their sight-word recognition. Stephanie has also provided positive role-model skills when joining the class on the 'rug' during mini-lesson sessions." Scott commented, "I also see it benefiting my students by having a caring and positive adult role model, who gives support towards the development of young learners."

Stephanie shared the following comments regarding her perspective of the time she spends in Mr. Judge's classroom. "I work with a reading group of three kids who are working towards strengthening their reading skills. We read a different book every week, and each one challenges them with new words. We sound out the words together, and they definitely have an "ah-ha" moment each and every time they read the word correctly. It is extremely gratifying to see the progress they make from week to week."

When asked about how she would describe her experience at Muir Elementary, Stephanie said, "They are a great group of kids who have a genuine desire to learn. Mr. Judge is very enthusiastic in his teaching style, and the kids respond to his lessons in such a positive and respectful way. I would definitely recommend being a LINKS volunteer to others. It was such an easy process to get matched up with a school and teacher that worked best for me and my busy schedule. This has been such a wonderful experience and every week I look forward to my time in Mr. Judge's classroom."

NEIGHBORHOODS

GOAL

Achieve active neighborhood participation and a high degree of satisfaction with neighborhood character, services and infrastructure.

City provides funding and outreach for neighborhood participation

So that...

Citizens participate in their neighborhoods and citywide forums

So that...

Citizens are satisfied with City services and the quality of life in their neighborhoods

MEASURE	2010	2011	2012	2013	Target
Subscriptions/number of e-bulletins sent out	917/139	1086/137	1154/340	1231/283	N/A
Neighborhood CIP funding	\$25,000	0	0	0	N/A
Number/amount of neighborhood matching grants	9/\$5,493	11/\$11,130	13/\$14,570	10/\$13,890	N/A
Volunteer hours in neighborhood projects	\$62,162	\$31,776	\$30,836	\$30,199	N/A
Number of attendees at City Council neighborhood meetings*	68*	262*	67	123	50+ per meeting
Number of questions submitted to City Council neighborhood meetings	21	100	34	24	N/A
KAN Neighborhood University attendees*	**	130	20	70	N/A
Citizens surveyed are satisfied with neighborhood growth and character (satisfactory or better)	54%	No survey in 2011	***	****	90%
Citizens surveyed are satisfied with neighborhood infrastructure and maintenance (satisfactory or better)	**	90%	81%	****	90%

*There was one less City Council meeting with the neighborhoods in 2010 and 2012.

**Neighborhood University postponed from Fall 2010 to after Annexation May 2011.

*** Question not included in the 2012 Survey

**** No survey was conducted in 2013

HOW DO WE MEASURE NEIGHBORHOOD SERVICES?

Citizen satisfaction with neighborhood services and infrastructure demonstrates how well the City understands the needs of residents and subsequently invests in neighborhood planning and capital improvements.

Rates of citizen participation in neighborhood activities reflect the neighborhood organizing work done through the Neighborhood Services staff.

E-bulletin communications, neighborhood funding and outreach programs demonstrate how the City actively connects residents with resources and stimulates participation in local government.

HOW ARE WE DOING?

The City is committed to supporting neighborhoods by:

- Providing neighborhoods with resources to address needs;
- Strengthening the relationship between City Hall and the neighborhoods;
- Supporting the neighborhood associations in expanding their membership;
- Increasing awareness of City services; and
- Building partnerships to improve Kirkland's neighborhoods.

The Neighborhood Services staff provides outreach and resources through personal contact, e-bulletins and the City website. The City distributes neighborhood matching grants for neighborhood projects. Project creation and volunteerism enable residents to actively participate in local government, build community and improve the quality of life in their neighborhood.

Neighborhood Services connects residents with citywide issues by coordinating City Council meetings in four neighborhoods per year. Citizens can talk directly to City Council members and ask questions regarding neighborhood and citywide issues.

The Kirkland Alliance of Neighborhoods (KAN), with the help of the City, leads yearly Neighborhood University sessions. These classes teach residents about city government, neighborhood organizing, and leadership. KAN meets five times a year to exchange information about neighborhood issues, network, provide educational opportunities for neighborhood leaders, and connect with city services.

WHAT ARE WE DOING?

Reenergizing neighborhoods was the focus for 2013 (identified in the City's Work Program). As a result, the City Council, Kirkland Alliance of Neighborhoods (KAN) and staff embarked on a multitude of initiatives to create partnerships on capital project implementation and clarify roles in future planning and transportation efforts. The following lists some examples.

- Hundreds of residents participated actively in the Comprehensive Plan and Neighborhood Plan update process.
- KAN rewrote their mission statement and began inviting City Council members to their meetings for casual conversations.
- Seventy residents participated in the first Town Hall meeting offered by City Council.
- Three hundred requests were logged into the suggest-a-project interactive map.
- Seventy residents attended Neighborhood U (Growth Management – What Does It Mean for Kirkland's Future).
- Neighborhood leaders participated in the design of the new Neighborhood Safety Program being implemented as a pilot in 2014.

As part of the re-energizing neighborhoods, the spring City Council meetings in the neighborhoods was put on hold while the Council and KAN reassessed the schedule and structure of these meetings resulting in one less neighborhood (3 instead of 4) meeting with the City Council. However, the attendance (70) at the Town Hall meeting was included in the City Council meeting in the neighborhood measurement.



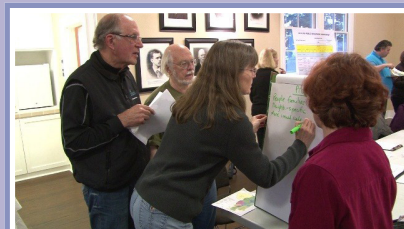
Neighborhoods in Action



The Juanita Neighborhoods replaced historical markers in Juanita.



First Citywide Town Hall meeting with the City Council, June 8, 2013.



KAN evaluates format and schedule of City Council Meetings in the neighborhoods for input to the City Council.



Evergreen Hill Neighborhood Association member suggestion spurs mile markers on the Cross Kirkland Corridor.

HOUSING

GOAL

Ensure the construction and preservation of housing stock that meets a diverse range of incomes and needs.

MEASURE	2009	2010	2011	2012	2013	Target
City contributions to ARCH Housing Trust Fund (A Regional Coalition for Housing) ¹	\$286,570	\$282,301	\$294,337	\$442,098	\$424,108	\$280,000 to \$350,000
Percent of annual average Growth Management Act low income housing target met (units affordable to those earning less than 50% of King County median income)	30	0	39	58*	15*	69 units per year **
Percent of annual average Growth Management Act moderate income housing target met (units affordable to those earning between 50-80% of King County median income)	62	7	21	1*	14*	49 units per year **
Total number of low and moderate income units brought online	92	7	60	59*	29*	118 units per year

*ADU and housing market survey units not included

¹Includes General Funds, Community Development Block Grant Funds, and reallocation of affordable housing loans that have been repaid.

** The City has reported this in percentages in prior years, but has moved to reporting units for clarity.

City funds affordable housing

So that...

City has a sufficient stock of affordable housing to meet the needs of the community

HOW DO WE MEASURE AFFORDABLE HOUSING?

King County's Countywide Planning Policies determine the affordable housing targets for cities based on a variety of factors, including the projected affordable housing needs of low and moderate income households, the existing stock of market rate and subsidized housing, and the number of jobs by wage level and location.

Kirkland's progress towards meeting those targets include affordable housing units that have been built as a result of:

- Housing Trust Fund contributions
- Housing regulations that the City has adopted, such as Accessory Dwelling Units, density bonuses and tax exemptions.
- Private housing development with market rents at affordable levels.

HOW ARE WE DOING?

The City continues to make significant contributions to the ARCH Housing Trust Fund. Following the annexation of the North Juanita, Finn Hill and Kingsgate neighborhoods, the City's target for contributions to the Housing Trust Fund increased to reflect the larger population. The combination of the City increasing its contributions, plus a one-time increase in Community Development Block Grant (CDBG) funds allocated to ARCH through King County, account for the large increase in funding in 2012. The City continued its increased contributions in 2013.

Progress towards meeting affordable housing targets established in the Countywide Planning Policies fluctuates annually. This is due to a variety of factors, including when the City's trust fund contributions get allocated and to which projects. The City gets credit for affordable housing units based on its monetary contributions, regardless of where the units are built, as well as affordable units that are built in the City through regulatory requirements and market forces. The good news is that affordable housing is being built in Kirkland!

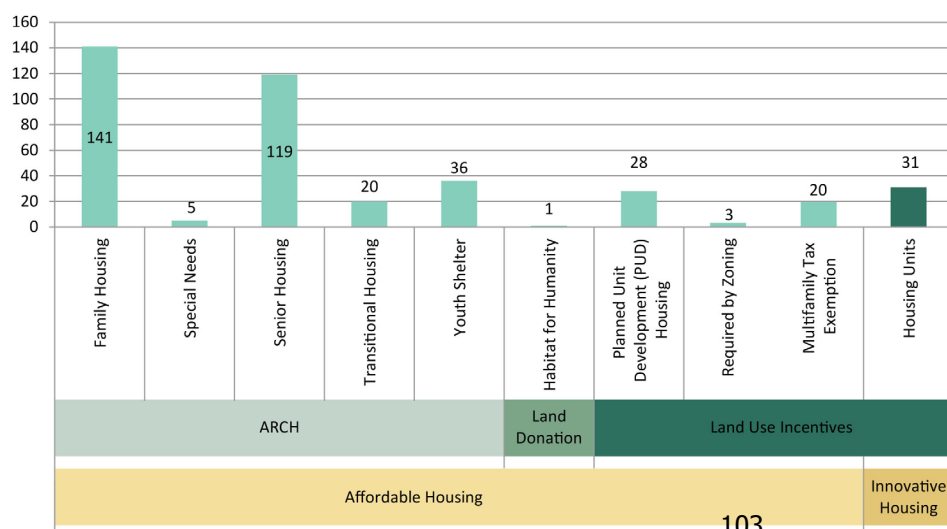
WHAT ARE WE DOING?

Kirkland continues to take a multi-faceted approach to creating a diverse housing stock that meets a variety of income ranges and needs. In 2012, the City enacted changes to the Municipal Code that allow the exemption of 80% of the transportation and park impact fees for units targeted to those earning 80% or less than King County median income without having to repay those fees from City funds. In 2013, the City granted over \$210,000 in impact fee exemptions for low income housing developments. The City's growing list of regulations to encourage and enable affordable and diverse housing include:

- Accessory Dwelling Units
- Small lot single family allowances
- Cottage and carriage housing regulations
- Affordable housing requirements with offsetting density bonuses
- Multifamily residential tax exemptions
- Standards for transit-oriented development at South Kirkland Park and Ride
- Impact fee exemptions for affordable housing

In addition, the City sees a tremendous return on its annual investment in the ARCH Housing Trust Fund. All of the low income units and about 10% of the moderate income units that the City has been given credit for producing are a result of financial contributions made by the City to affordable housing projects within Kirkland and other ARCH cities through the ARCH Housing Trust Fund.

AFFORDABLE & INNOVATIVE HOUSING LOCATED in KIRKLAND



Friends of Youth

Friends of Youth (FOY) delivers a broad range of services to youth and their families. Their vision is to create a world where all youth have every opportunity to succeed. In early 2012, FOY purchased the former Grace Chapel property in Kingsgate with the goal of consolidating several of their functions into one campus setting. Construction on the campus is nearing completion and includes the FOY headquarters in the previous church building plus five new residential buildings for youth with various housing needs.

The ARCH Housing Trust Fund awarded over \$670,000 in funding to help make the FOY campus and housing a reality. Kirkland was able to provide additional support for the development through its impact fee exemption regulations that were adopted in 2012. Under that program, the City was able to exempt 80% of the Transportation and Park Impact Fees for low income housing. This resulted in a total saving of \$25,250 for the FOY project.

The residential buildings on the campus include the Youth Haven building plus four single family homes. Youth Haven provides supervised temporary housing for ten girls and boys, ages 11 to 17, who have run away or are in the midst of a family crisis. Counseling for life skills and family reconciliation services are also provided.

The four single family homes will each provide housing for five unrelated youth in a supervised setting. Two of the homes will provide transitional housing for youth ages 16 to 21 that were previously homeless, helping them develop independent living skills and enter the job market. The other two homes will provide extended foster care for youth ages 18 to 21 under a new state program. These homes will help youth that have been in foster care as they pursue employment and education opportunities and transition from that program to become self-sufficient adults.

DATA SOURCES

Neighborhoods

Neighborhoods Services Division
2010 and 2012 Citizen Opinion Surveys

Public Safety

Fire & Building Department
Police Department
2010 and 2012 Citizen Opinion Surveys

Human Services

Human Services Division
Parks & Community Services Department
Agency Reports

Parks and Recreation

Parks & Community Services Department
Comprehensive Parks, Recreation and Open Space Plan, City of Kirkland
2010 and 2012 Citizen Opinion Surveys

Balanced Transportation

Transportation Division
Capital Improvement Program Division
Active Transportation Plan, City of Kirkland
ITS Strategic Plan, City of Kirkland
2010 and 2012 Citizen Opinion Surveys

Housing

Planning & Community Development Department
A Regional Coalition for Housing (ARCH)

DATA SOURCES

Financial Stability

Finance and Administration Department
Standard and Poor's Credit Rating
2010 and 2012 Citizen Opinion Surveys

Environment

Parks & Community Services Department
Planning & Community Development Department
Public Works Department

Economic Development

City Manager's Office
Economic Development Program
Finance and Administration Department
2010 and 2012 Citizen Opinion Surveys
2010 Business Satisfaction Survey
CB Richard Ellis Real Estate Services, Market View Puget Sound, 4th Quarter Report
Washington State Employment Security Division, Puget Sound Regional Council, WA, Covered Employment by City, 2008-2011

Dependable Infrastructure

Public Works Department
Capital Improvement Program Division
American Public Works Association Water Quality Program
2010 and 2012 Citizen Opinion Surveys

NOTES



NOTES





ENVIRONMENT



**HUMAN
SERVICES**



**PARKS, OPEN SPACES AND
RECREATIONAL SERVICES**



**FINANCIAL
STABILITY**



**ECONOMIC
DEVELOPMENT**



**BALANCED
TRANSPORTATION**



HOUSING



NEIGHBORHOODS



**PUBLIC
SAFETY**



**DEPENDABLE
INFRASTRUCTURE**



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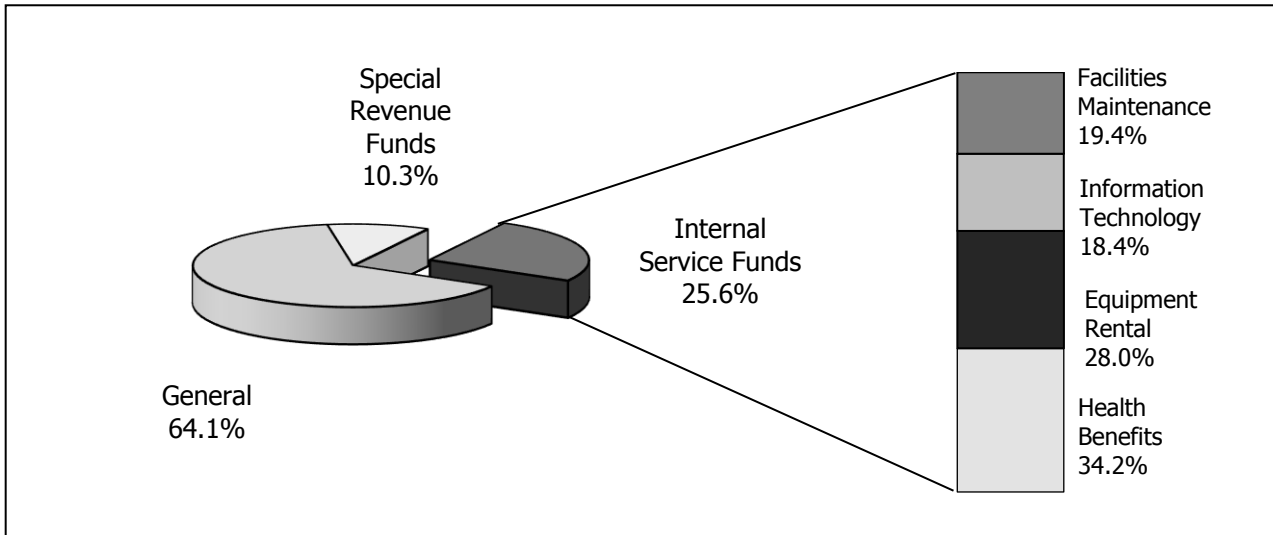
Parks and Community Services
Fire and Building
Police
Public Works
Information Technology

Human Resources
Planning and Community Development
Finance and Administration

CITY OF KIRKLAND

GENERAL GOVERNMENT OPERATING

2015-2016 BUDGET SUMMARY: BY FUND TYPE/FUND



Expenditures for the general government operations of the City are presented in ten separate operating funds. This pie shows the total operating budget by fund type. The General Fund makes up the largest portion of the operating budget and accounts for general purpose expenditures that do not have a dedicated funding source such as public safety and general government. State law requires that Washington cities adopt a balanced budget for each of their operating funds. These funds finance the normal non-utility service delivery functions of the municipality. Note that the internal service funds are, by definition, double budgeted, appearing once in their own fund and budgeted again as expenses in the other operating funds, including utilities. The Health Benefits Fund was created in 2011 when the City switched to self-insurance of health benefits. The following pages summarize the various operating funds and how they are budgeted.

Analysis of Change

Fund	2013-14 Budget	2015-16 Budget	Percent Change
<i>General Fund</i>			
010 General	178,638,538	194,798,557	9.05%
<i>Special Revenue Funds</i>			
112 Lodging Tax	707,327	834,672	18.00%
117 Street Operating	20,734,134	21,063,040	1.59%
122 Cemetery Operating	837,747	856,334	2.22%
125 Parks Maintenance	3,097,227	3,080,209	-0.55%
128 Parks Levy Fund	5,023,064	5,550,296	10.50%
Total Special Revenue Funds	30,399,499	31,384,551	3.24%
<i>Internal Service Funds</i>			
511 Health Benefits Fund	24,381,271	26,577,496	9.01%
521 Equipment Rental	19,112,149	21,842,793	14.29%
522 Information Technology	12,951,105	14,351,934	10.82%
527 Facilities Maintenance	13,082,995	15,114,669	15.53%
Total Internal Service Funds	69,527,520	77,886,892	12.02%
Total General Government Operating Funds	278,565,557	304,070,000	9.16%

CITY OF KIRKLAND
CHANGE IN FUND BALANCE (Beginning 2013 to Ending 2016)
GENERAL GOVERNMENT OPERATING FUNDS

	General¹	Lodging Tax²	Street Operating³	Cemetery Operating
2013 Actual Beginning Fund Balance	21,345,779	240,991	4,482,629	684,053
<i>Reserved</i>	<i>9,535,572</i>	<i>205,272</i>	<i>1,363,094</i>	<i>-</i>
<i>Unreserved Working Capital</i>	<i>11,810,207</i>	<i>35,719</i>	<i>3,119,535</i>	<i>684,053</i>
Plus: 2013-14 Estimated Revenues	167,796,698	498,153	16,870,854	194,958
Less: 2013-14 Estimated Expenditures	167,656,746	428,724	17,497,684	142,796
2014 Estimated Ending/2015 Budgeted Beginning Fund Balance	21,485,731	310,420	3,855,799	736,215
Plus: 2015-16 Budgeted Revenues	173,312,826	524,252	17,207,241	120,119
Less: 2015-16 Budgeted Expenditures	176,627,565	682,184	18,513,252	121,606
2016 Budgeted Ending Fund Balance	18,170,992	152,488	2,549,788	734,728
<i>Reserved</i>	<i>16,952,029</i>	<i>152,488</i>	<i>1,485,769</i>	<i>-</i>
<i>Unreserved Working Capital</i>	<i>1,218,963</i>	<i>-</i>	<i>1,064,019</i>	<i>734,728</i>
Change in Fund Balance: Beginning 2013 to Ending 2016	(3,174,787)	(88,503)	(1,932,841)	50,675

Notes:

The City Council adopted a policy in 1998 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. Unreserved working capital represents operating resources brought forward from the prior year to fund one-time "service package" costs and equipment purchases as well as operating contingencies to cover the cash flow needs of the fund.

¹The City's Fiscal Policies include conservative budgeting practices that provide the ability at year-end to replenish or build reserves toward targeted levels. The decrease in fund balance is due to planned use of reserves to complete the Public Safety Building and fund the City Hall renovation, replenishment of general purpose reserves located in other funds, and one-time funded service packages (i.e. projects) for 2015-2016.

²One-time projects in 2015-2016 of \$124,482 are planned use of the Lodging Tax Fund cash balance.

³ The Street Operating Fund budget shows a decline in fund balance due to a budgeted structural imbalance caused by the fact that property tax revenues in the fund grow slower than the rate of cost growth. Actual performance historically has maintained fund balance.

Parks Maintenance⁴	2012 Parks Levy⁵	Health Benefits⁶	Equipment Rental⁷	Information Technology⁷	Facilities Maintenance⁷	Total
617,517	-	3,060,490	10,110,537	2,599,833	6,360,029	49,501,858
<i>58,320</i>	<i>-</i>	<i>3,060,490</i>	<i>9,049,225</i>	<i>1,756,584</i>	<i>3,203,373</i>	<i>28,231,930</i>
<i>559,197</i>	<i>-</i>	<i>-</i>	<i>1,061,312</i>	<i>843,249</i>	<i>3,156,656</i>	<i>21,269,928</i>
2,475,159	5,040,032	20,674,353	8,887,064	10,465,909	6,859,351	239,762,531
2,621,587	4,541,691	17,389,946	7,455,121	10,065,713	5,915,281	233,715,289
471,089	498,341	6,344,897	11,542,480	3,000,029	7,304,099	55,549,100
2,609,120	5,051,955	20,232,599	10,300,313	11,351,905	7,810,570	248,520,900
2,845,331	5,212,000	20,888,974	11,920,153	11,303,243	6,453,784	254,568,092
234,878	338,296	5,688,522	9,922,640	3,048,691	8,660,885	49,501,908
<i>58,107</i>	<i>338,296</i>	<i>3,155,697</i>	<i>8,821,313</i>	<i>2,412,915</i>	<i>4,013,053</i>	<i>37,389,667</i>
<i>176,771</i>	<i>-</i>	<i>2,532,825</i>	<i>1,101,327</i>	<i>635,776</i>	<i>4,647,832</i>	<i>12,112,241</i>
(382,639)	338,296	2,628,032	(187,897)	448,858	2,300,856	50

Notes:

⁴ The Parks Maintenance Fund budget shows a decline in fund balance due to a budgeted structural imbalance caused by the fact that property tax revenues in the fund grow slower than the rate of cost growth. Actual performance historically has maintained fund balance.

⁵The Parks Levy Fund was established as of 2013 as the result of a voter-approved property tax increase and therefore has no beginning 2013 balance. This fund accounts for the levy revenue and corresponding expenses.

⁶The Health Benefits Fund was established in 2011 as a result of the City self-insuring medical benefits. The increase in reserved fund balance represents required balance equivalent to 16 weeks of average claims (set by statute) plus a City-established rate stabilization reserve and contributions in excess of actual claims.

⁷ 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.



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REVENUE SUMMARY



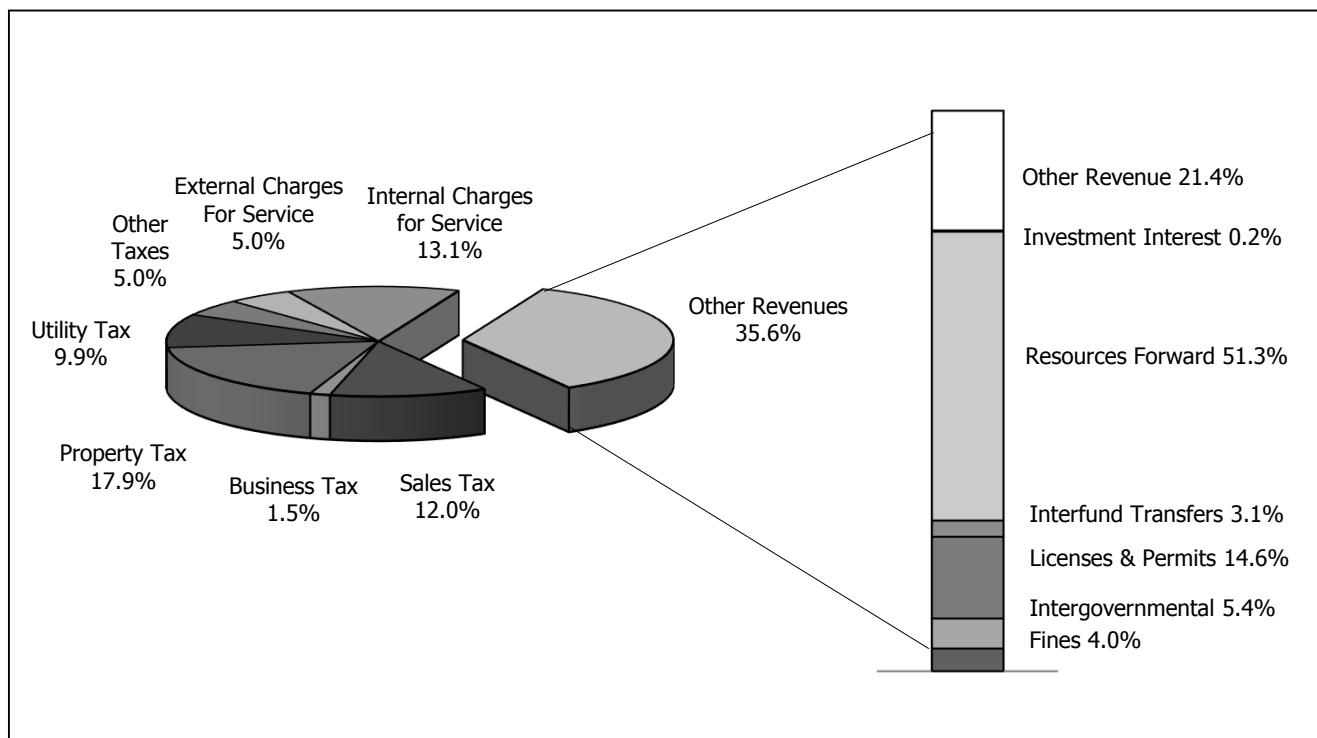
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CITY OF KIRKLAND

GENERAL GOVERNMENT OPERATING

2015-2016 REVENUE SUMMARY

\$304,070,000



Taxes comprise 46.3% of all General Government Operating revenues, with other revenues being the single largest revenue category. They are a general purpose revenue source which are used to support basic government services such as public safety, street maintenance, and park maintenance. Internal charges for service reflect payments from one operating fund to another primarily for information technology, fleet, general administration, facilities maintenance, engineering, and billing services provided "in-house." Resources forward represents the collective beginning fund balance for all General Government Operating Funds, and is composed primarily of capital reserves, operating reserves, and unreserved working capital. In addition, resources forward is used to fund one-time service packages.



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CITY OF KIRKLAND
GENERAL GOVERNMENT OPERATING
2015-2016 REVENUE SUMMARY: BY REVENUE TYPE

Revenue Sources	2011-12 Actual	2013-14 Estimate	2013-14 Budget	2015-16 Budget	Percent Change
<i>Taxes:</i>					
Property Tax	40,949,145	46,814,948	51,798,391	54,520,124	5.25%
Sales Tax:					
General	27,798,446	34,835,710	30,861,475	36,460,794	18.14%
Annexation Sales Tax Credit	4,631,492	7,504,330	6,831,252	7,727,500	13.12%
Criminal Justice	2,813,084	3,659,472	3,301,260	4,133,831	25.22%
Utility Taxes:					
Electric	6,997,634	7,561,025	8,019,140	7,727,244	-3.64%
Gas	2,758,902	2,931,329	3,324,982	3,054,376	-8.14%
Television Cable	2,753,645	3,160,298	3,128,271	3,223,700	3.05%
Telephone	5,625,107	6,810,320	5,806,793	6,426,862	10.68%
Garbage	2,262,586	2,646,894	2,524,566	2,773,878	9.88%
Sewer	2,185,169	2,438,745	2,422,103	2,566,069	5.94%
Water	2,316,515	3,014,513	2,908,321	3,018,155	3.78%
Surface Water	1,122,291	1,310,172	1,264,133	1,281,272	1.36%
Admissions Tax	246,073	194,013	221,000	191,828	-13.20%
Revenue Generating Regulatory License	4,718,880	5,062,372	4,679,290	5,242,714	12.04%
Hotel/Motel Tax	425,060	495,102	464,704	520,000	11.90%
Gambling & Other Taxes*	1,316,776	2,017,516	1,916,278	1,944,005	1.45%
Total Taxes	108,920,805	130,456,759	129,471,959	140,812,352	8.76%
<i>Licenses and Permits:</i>					
Building/Structural	4,018,115	5,585,134	4,043,358	5,556,146	37.41%
Franchise Fees	5,808,160	7,675,189	7,489,714	7,872,086	5.11%
Business & Other Licenses*	1,828,068	7,287,215	1,866,452	2,393,376	28.23%
Total Licenses and Permits	11,654,343	20,547,538	13,399,524	15,821,608	18.08%
<i>Intergovernmental:</i>					
Fire District Revenue**	1,586,765	-	-	-	N/A
Gas Tax	2,851,966	3,379,234	3,388,658	3,359,821	-0.85%
Liquor Taxes	1,775,834	1,694,779	1,813,911	1,768,501	-2.50%
Grants & Other Intergovernmental	1,446,168	745,180	779,501	684,003	-12.25%
Total Intergovernmental	7,660,733	5,819,193	5,982,070	5,812,325	-2.84%
<i>Charges for Services:</i>					
Planning Fees	1,364,566	2,161,403	1,523,714	2,349,088	54.17%
Plan Check Fees	1,521,090	2,265,142	2,362,134	1,905,878	-19.32%
Engineering Development Fees	1,969,186	2,775,067	1,665,516	2,370,000	42.30%
Recreation Charges*	2,214,696	2,424,298	2,298,600	2,369,600	3.09%
Internal Charges	31,374,279	34,530,509	35,061,738	39,973,368	14.01%
Emergency Medical Svcs & Transport Fee*	3,147,692	3,529,000	3,556,426	3,605,508	1.38%
Other Charges*	2,717,315	3,207,881	3,002,336	2,742,255	-8.66%
Total Charges for Services	44,308,824	50,893,300	49,470,464	55,315,697	11.82%
<i>Fines and Forfeits*</i>	3,766,826	4,354,926	3,858,924	4,380,426	13.51%
<i>Miscellaneous</i>	24,012,612	24,563,800	23,809,024	23,250,620	-2.35%
<i>Interfund Transfers</i>	3,662,017	3,127,195	2,821,734	3,127,872	10.85%
<i>Resources Forward†</i>	25,375,546	49,501,858	49,751,858	55,549,100	11.65%
General Government Operating Total	229,361,706	289,264,569	278,565,557	304,070,000	9.16%

* Comparisons to prior year periods are affected by changes to account coding required by the Washington State Auditor's Office as of January 1, 2013

** King County Fire District #41 was dissolved as of June 1, 2011 due to annexation into the City of Kirkland

† 2011-12 Resources Forward reflect the budgeted amount

CITY OF KIRKLAND

GENERAL GOVERNMENT OPERATING

2015-2016 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	35,343,807	-	11,728,728	-
Sales Tax:				
General	36,460,794	-	-	-
Annexation Sales Tax Credit	7,727,500	-	-	-
Criminal Justice	4,133,831	-	-	-
Utility Taxes:				
Electric	7,727,244	-	-	-
Gas	3,054,376	-	-	-
Television Cable	3,223,700	-	-	-
Telephone	6,426,862	-	-	-
Garbage	2,773,878	-	-	-
Sewer	2,566,069	-	-	-
Water	3,018,155	-	-	-
Surface Water	1,281,272	-	-	-
Admissions Tax	191,828	-	-	-
Revenue Generating Regulatory License	4,702,714	-	540,000	-
Hotel/Motel Tax	-	520,000	-	-
Gambling & Other Taxes	1,944,005	-	-	-
Total Taxes	120,576,035	520,000	12,268,728	-
<i>Licenses and Permits:</i>				
Building/Structural	5,556,146	-	-	-
Franchise Fees	7,872,086	-	-	-
Business & Other Licenses	2,013,376	-	380,000	-
Total Licenses and Permits	15,441,608	-	380,000	-
<i>Intergovernmental:</i>				
Gas Tax	-	-	3,359,821	-
Liquor Taxes	1,768,501	-	-	-
Grants & Other Intergovernmental	684,003	-	-	-
Total Intergovernmental	2,452,504	-	3,359,821	-
<i>Charges for Services:</i>				
Planning Fees	2,349,088	-	-	-
Plan Check Fees	1,905,878	-	-	-
Engineering Development Fees	2,370,000	-	-	-
Recreation Charges	2,369,600	-	-	-
Internal Charges	12,526,477	-	50,000	-
Emergency Medical Svcs & Transport Fee	3,605,508	-	-	-
Other Charges	2,623,455	-	40,000	74,000
Total Charges for Services	27,750,006	-	90,000	74,000
<i>Fines and Forfeits</i>	4,380,426	-	-	-
<i>Miscellaneous</i>	1,989,732	4,252	495,000	46,119
<i>Interfund Transfers</i>	722,515	-	613,692	-
<i>Resources Forward</i>	21,485,731	310,420	3,855,799	736,215
Fund Total	194,798,557	834,672	21,063,040	856,334

Parks Maintenance Fund	2012 Parks Levy Fund	Health Benefits Fund	Equipment Rental Fund	Information Technology Fund	Facilities Maintenance Fund	Revenue Total
2,598,920	4,848,669	-	-	-	-	54,520,124
-	-	-	-	-	-	36,460,794
-	-	-	-	-	-	7,727,500
-	-	-	-	-	-	4,133,831
-	-	-	-	-	-	7,727,244
-	-	-	-	-	-	3,054,376
-	-	-	-	-	-	3,223,700
-	-	-	-	-	-	6,426,862
-	-	-	-	-	-	2,773,878
-	-	-	-	-	-	2,566,069
-	-	-	-	-	-	3,018,155
-	-	-	-	-	-	1,281,272
-	-	-	-	-	-	191,828
-	-	-	-	-	-	5,242,714
-	-	-	-	-	-	520,000
-	-	-	-	-	-	1,944,005
2,598,920	4,848,669	-	-	-	-	140,812,352
-	-	-	-	-	-	5,556,146
-	-	-	-	-	-	7,872,086
-	-	-	-	-	-	2,393,376
-	-	-	-	-	-	15,821,608
-	-	-	-	-	-	3,359,821
-	-	-	-	-	-	1,768,501
-	-	-	-	-	-	684,003
-	-	-	-	-	-	5,812,325
-	-	-	-	-	-	2,349,088
-	-	-	-	-	-	1,905,878
-	-	-	-	-	-	2,370,000
-	-	-	-	-	-	2,369,600
-	193,286	-	8,841,837	10,573,778	7,787,990	39,973,368
-	-	-	-	-	-	3,605,508
-	-	-	-	-	4,800	2,742,255
-	193,286	-	8,841,837	10,573,778	7,792,790	55,315,697
-	-	-	-	-	-	4,380,426
10,200	10,000	20,232,599	304,938	140,000	17,780	23,250,620
-	-	-	1,153,538	638,127	-	3,127,872
471,089	498,341	6,344,897	11,542,480	3,000,029	7,304,099	55,549,100
3,080,209	5,550,296	26,577,496	21,842,793	14,351,934	15,114,669	304,070,000



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EXPENDITURE SUMMARY

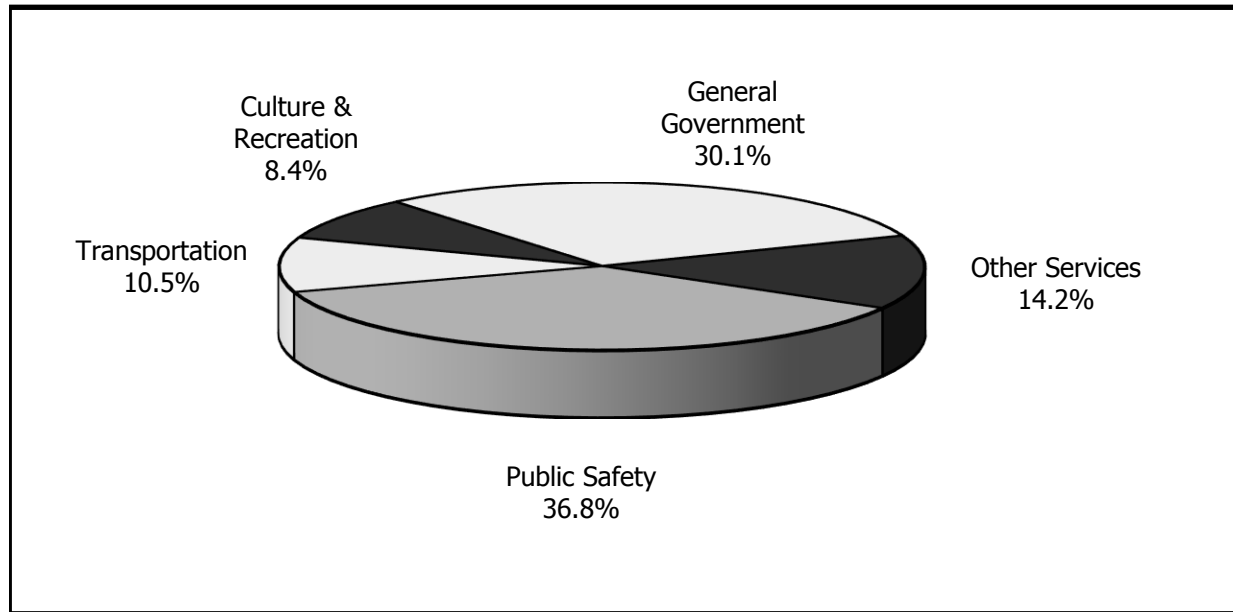


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CITY OF KIRKLAND

GENERAL GOVERNMENT OPERATING

2015-2016 EXPENDITURE SUMMARY: BY PROGRAM



The General Government Operating Funds account for about 52 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.

The 2015-2016 budget represents the second full biennial budget since the annexation of Finn Hill, North Juanita and Kingsgate in 2011. This allows for comparison between biennia for Kirkland's new boundaries. Significant factors contributing to changes include:

- The Public Safety category increases are due to debt payments and facilities operating expenses related to the new Kirkland Justice Center, and recommended service packages related to increases in revenue backed development activity.
- Transportation increases are related to increased expenditures in the revenue backed Engineering division of Public Works. Additionally, debt service payments for the library parking garage that were retired in 2014 are recommended to be used for transportation program investments in 2015-2016.
- General Government increases are due to an increase in the amount of general reserve replenishment budgeted in 2015-2016
- Increases to the Other Services category are due to the City's staffing reserve to cover future cost of living increases, as well increases the self-insurance costs for health benefits in prior biennia, and an increase in the amount of money set aside in reserves for development work, for which revenues have been collected but work is ongoing.

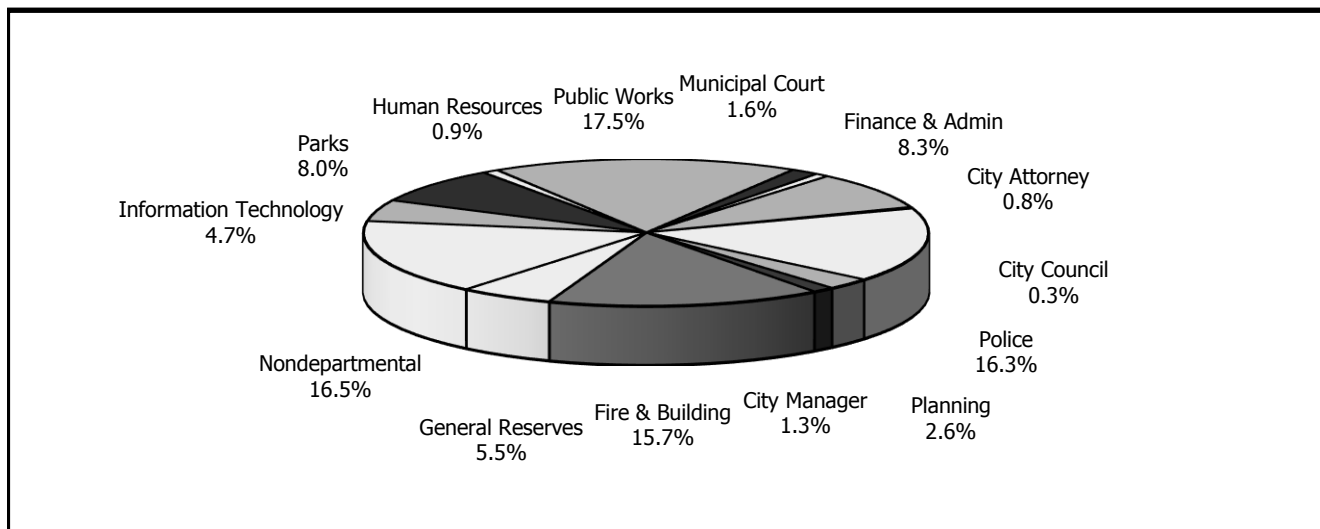
Analysis of Change

Program	2011-12 Actual	2013-14 Budget	2015-16 Budget	Percent Change
Public Safety	91,846,146	108,171,410	111,493,474	3.07%
Transportation	21,216,211	31,482,407	31,962,082	1.52%
Culture & Recreation	16,693,502	24,333,060	25,636,015	5.35%
General Government	71,900,191	81,401,619	91,653,963	12.59%
Other Services	19,953,062	33,177,061	43,324,466	30.59%
Program Total	221,609,112	278,565,557	304,070,000	9.16%

CITY OF KIRKLAND

GENERAL GOVERNMENT OPERATING

2015-2016 EXPENDITURE SUMMARY: BY DEPARTMENT



The largest department in the General Government Operating Funds is Public Works, consisting of engineering, transportation, public grounds, and fleet management services. Public safety services, Fire & Building and Police, are the next two largest departments. Facilities maintenance was moved from Public Works to Finance and Administration effective January 1, 2014 and is reflected in that line for 2013-2014 and 2015-2016.

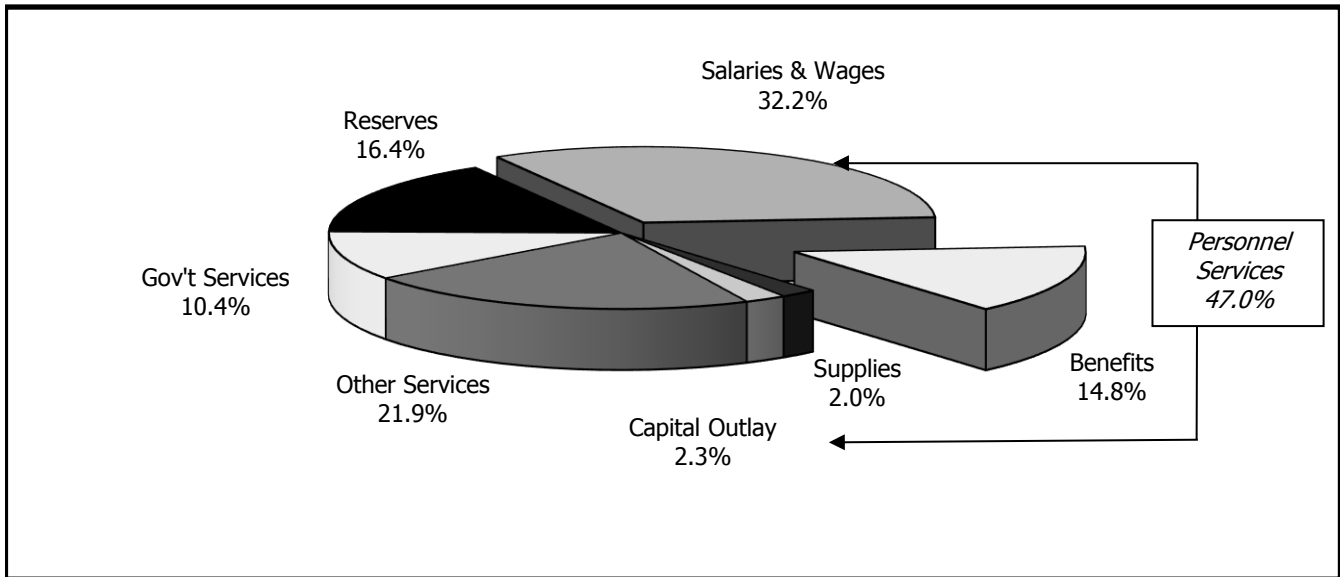
The 2015-16 budget represents the second full biennial budget since the annexation of Finn Hill, North Juanita and Kingsgate in 2011. This allows for comparison between biennia for Kirkland's new boundaries. Significant factors contributing to changes include:

- The decrease in Public Works and increase in Finance and Administration reflects the movement of the Facilities internal service fund from Public Works to Finance
- Nondepartmental increases are partly related to undistributed personnel costs, as well as internal facilities charges related to the Kirkland Justice Center. In addition, money set aside for activity is budgeted in Nondepartmental.
- Increases in General Government Reserves are due to replenishment of funds that were used during the recession to help fund the construction of the Kirkland Justice Center.
- Information Technology increases are related to higher transfers to capital funds for activities such as replacing the City's maintenance management system, and an increase in reserves set aside for computer and major systems replacement.
- Increase in Finance And Administration reflects the reorganization of Facilities Maintenance to the department from Public Works.
- The reduction in the City Manager's Office is because additional one-time money was budgeted in 2013-14 to support the Kirkland 2035 comprehensive plan.
- The City Attorney's Office decreased as the City's contract for public defense was moved into non-departmental.

Analysis of Change

Department	2011-12 Actual	2013-14 Budget	2015-16 Budget	Percent Change
General Government Reserves	12,986,328	11,269,900	16,386,954	45.40%
Nondepartmental	25,531,371	41,762,144	50,272,762	20.38%
City Council	668,721	861,402	954,984	10.86%
City Manager	3,322,650	3,975,579	3,840,272	-3.40%
Human Resources	2,439,091	2,714,325	2,844,028	4.78%
City Attorney	2,421,716	2,755,968	2,384,046	-13.50%
Municipal Court	3,858,613	4,549,025	4,861,901	6.88%
Parks & Community Services	16,261,870	23,294,571	24,387,537	4.69%
Public Works	47,603,182	62,901,934	53,341,274	-15.20%
Finance & Administration	8,821,166	10,195,761	25,231,585	147.47%
Planning & Community Development	5,974,703	7,624,229	7,865,314	3.16%
Police	42,084,541	48,475,673	49,710,826	2.55%
Fire & Building	39,554,484	45,233,941	47,636,583	5.31%
Information Technology	10,080,676	12,951,105	14,351,934	10.82%
Department Total	221,609,112	278,565,557	304,070,000	9.16%

CITY OF KIRKLAND GENERAL GOVERNMENT OPERATING 2015-2016 EXPENDITURE SUMMARY: BY CATEGORY



The largest category of expense in the General Government Operating Funds is Personnel Services (Salaries & Wages and Benefits), of which 54 percent is for public safety personnel. Other Services & Charges is the next largest category and includes mostly contracted direct services (such as jail and human services), contracted support services (such as consulting, printing, and repairs/maintenance services), and internal charges from one City fund to another (for information technology, fleet, facilities, and other internal services).

The 2015-16 budget represents the second full biennial budget since the annexation of Finn Hill, North Juanita and Kingsgate in 2011. This allows for comparison between biennia for Kirkland's new boundaries. Significant factors contributing to changes include:

- Personnel costs (salaries and benefits) are a combination of cost increases for two years, as well as a number of revenue backed positions to meet the increased demand for development activity. Benefit cost increases are largely due to state pension contribution rate changes and increases in medical costs between 2013 and 2014.
- Intergovernmental decrease due to reduction in contract jail costs due to the completion of the Kirkland Justice Center.
- Capital Outlay increased primarily due to replacements and new additions of vehicles and equipment planned in 2015-16. New additions are related to Public Safety and Public Works functions. Vehicle replacements are based on the lifecycle of each vehicle, with some vehicles extended. Fluctuation between biennia is part of normal operations.
- Reserves increased due to replenishment following the recession, as well as money set aside to support future development and capital projects in future years.
- Supplies decreased because of lower fuel and computer replacement costs in 2015-16, compared to 2013-14.

Analysis of Change

Category	2011-12 Actual*	2013-14 Budget	2015-16 Budget	Percent Change
Salaries & Wages	76,882,189	89,927,089	97,802,290	8.76%
Benefits	29,907,595	38,514,723	44,860,279	16.48%
Supplies	5,828,695	6,473,060	6,092,384	-5.88%
Other Services & Charges	51,182,781	66,838,479	66,644,130	-0.29%
Intergovernmental/Interfund Services	19,620,476	34,013,183	31,669,879	-6.89%
Capital Outlay	4,189,613	5,006,785	7,052,811	40.87%
Reserves	33,997,763	37,792,238	49,948,227	32.17%
Category Total	221,609,112	278,565,557	304,070,000	9.16%

*2011-12 reserves are budgeted, but not spent

CITY OF KIRKLAND
GENERAL GOVERNMENT OPERATING
2015-2016 EXPENDITURE SUMMARY: ACROSS FUNDS

By Program

Program	General Fund	Lodging Tax Fund	Street Operating Fund
Public Safety	111,493,474	-	-
Transportation	10,899,042	-	21,063,040
Culture & Recreation	16,170,838	834,672	-
General Government	40,344,567	-	-
Other Services	15,890,636	-	-
Fund Total	194,798,557	834,672	21,063,040

By Department

Department	General Fund	Lodging Tax Fund	Street Operating Fund
General Government Reserves	16,386,954	-	-
Nondepartmental	22,860,594	834,672	-
City Council	954,984	-	-
City Manager	3,840,272	-	-
Human Resources	2,844,028	-	-
City Attorney	2,384,046	-	-
Municipal Court	4,861,901	-	-
Parks & Community Services	15,704,558	-	-
Public Works	10,116,538	-	21,063,040
Finance & Administration	9,631,959	-	-
Planning & Community Development	7,865,314	-	-
Police	49,710,826	-	-
Fire & Building	47,636,583	-	-
Information Technology	-	-	-
Fund Total	194,798,557	834,672	21,063,040

By Category

Category	General Fund	Lodging Tax Fund	Street Operating Fund
Salaries & Wages	85,044,809	151,138	2,859,092
Benefits	35,416,241	67,678	1,705,430
Supplies	1,810,880	6,000	1,056,453
Other Services & Charges	34,094,926	453,319	5,605,577
Intergovernmental/Interfund Services	20,260,709	-	7,087,700
Capital Outlay	-	-	79,000
Reserves	18,170,992	156,537	2,669,788
Fund Total	194,798,557	834,672	21,063,040

Cemetery Operating Fund	Parks Maintenance Fund	Parks Levy Fund	Health Benefits Fund	Equipment Rental Fund	Information Technology Fund	Facilities Maintenance Fund	Program Total
-	-	-	-	-	-	-	111,493,474
-	-	-	-	-	-	-	31,962,082
-	3,080,209	5,550,296	-	-	-	-	25,636,015
-	-	-	-	21,842,793	14,351,934	15,114,669	91,653,963
856,334	-	-	26,577,496	-	-	-	43,324,466
856,334	3,080,209		26,577,496	21,842,793	14,351,934	15,114,669	304,070,000

Cemetery Operating Fund	Parks Maintenance Fund	Parks Levy Fund	Health Benefits Fund	Equipment Rental Fund	Information Technology Fund	Facilities Maintenance Fund	Department Total
-	-	-	26,577,496	-	-	-	16,386,954
-	-	-	-	-	-	-	50,272,762
-	-	-	-	-	-	-	954,984
-	-	-	-	-	-	-	3,840,272
-	-	-	-	-	-	-	2,844,028
-	-	-	-	-	-	-	2,384,046
-	-	-	-	-	-	-	4,861,901
52,474	3,080,209	5,550,296	-	-	-	-	24,387,537
-	-	-	-	21,842,793	-	318,903	53,341,274
803,860	-	-	-	-	-	14,795,766	25,231,585
-	-	-	-	-	-	-	7,865,314
-	-	-	-	-	-	-	49,710,826
-	-	-	-	-	-	-	47,636,583
-	-	-	-	-	14,351,934	-	14,351,934
856,334	3,080,209	5,550,296	26,577,496	21,842,793	14,351,934	15,114,669	304,070,000

Cemetery Operating Fund	Parks Maintenance Fund	Parks Levy Fund	Health Benefits Fund	Equipment Rental Fund	Information Technology Fund	Facilities Maintenance Fund	Category Total
6,000	1,112,856	1,302,325	-	1,150,408	5,033,768	1,141,894	97,802,290
-	653,648	663,584	2,963,630	582,246	2,190,840	616,982	44,860,279
25,000	152,340	140,200	1,000	2,006,650	548,719	345,142	6,092,384
85,606	874,787	574,551	17,723,690	934,409	2,551,831	3,745,434	66,644,130
200	1,700	2,500,000	200,654	238,465	819,851	560,600	31,669,879
4,800	-	-	-	6,969,011	-	-	7,052,811
734,728	284,878	369,636	5,688,522	9,961,604	3,206,925	8,704,617	49,948,227
856,334	3,080,209	5,550,296	26,577,496	21,842,793	14,351,934	15,114,669	304,070,000



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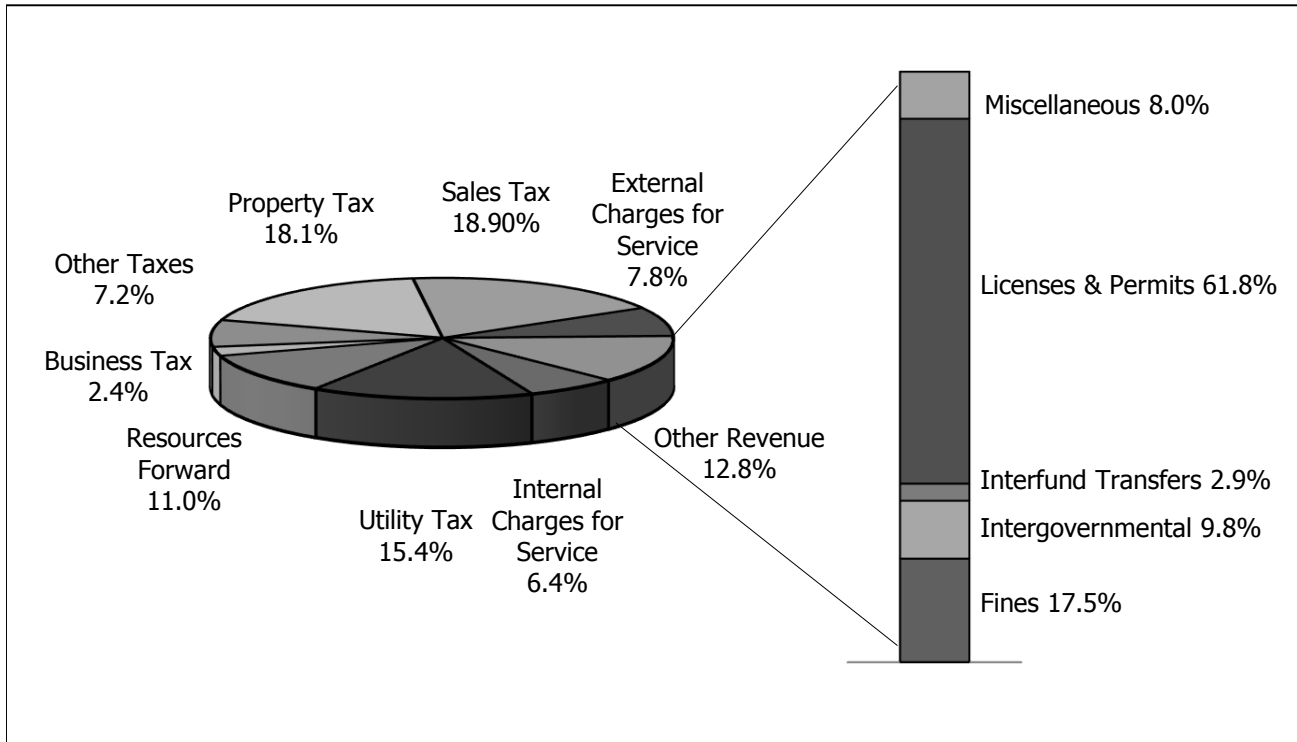
The General Fund is the primary operating fund of the City. The General Fund is used to account for resources traditionally associated with government which are not required by law or by sound financial management practice to be accounted for in another fund.

GENERAL FUND REVENUE SUMMARY



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**CITY OF KIRKLAND
GENERAL GOVERNMENT OPERATING
GENERAL FUND
2015-2016 REVENUE SUMMARY
\$194,798,557**



Taxes comprise 62.0% of all General Fund revenues, with sales tax being the single largest revenue, closely followed by property tax. Taxes are a general purpose revenue source which are used to support basic government services such as public safety and park maintenance. Internal charges for service reflect payments from other operating funds primarily for general administration, engineering, and billing services provided "in-house." Resources forward represents the beginning fund balance for the General Fund and is composed primarily of an operating reserve and unreserved working capital. In addition, resources forward is used to fund one-time service packages.

**CITY OF KIRKLAND
GENERAL GOVERNMENT OPERATING
GENERAL FUND
2015-2016 REVENUE SUMMARY: BY REVENUE TYPE**

Revenue Sources	2011-12 Actual	2013-14 Estimate	2013-14 Budget	2015-16 Budget	Percent Change
<i>Taxes:</i>					
Property Tax	31,395,813	33,252,361	33,573,159	35,343,807	5.27%
Sales Tax:					
General	27,258,446	34,295,710	30,321,475	36,460,794	20.25%
Annexation Sales Tax Credit	4,631,492	7,504,330	6,831,252	7,727,500	13.12%
Criminal Justice	2,813,084	3,659,472	3,301,260	4,133,831	25.22%
Utility Taxes:					
Electric	6,997,634	7,561,025	8,019,140	7,727,244	-3.64%
Gas	2,758,902	2,931,329	3,324,982	3,054,376	-8.14%
Television Cable	2,753,645	3,160,298	3,128,271	3,223,700	3.05%
Telephone	5,625,107	6,810,320	5,806,793	6,426,862	10.68%
Water	2,262,586	2,646,894	2,524,566	2,773,878	9.88%
Sewer	2,185,169	2,438,745	2,422,103	2,566,069	5.94%
Garbage	2,316,515	3,014,513	2,908,321	3,018,155	3.78%
Surface Water	1,122,291	1,310,172	1,264,133	1,281,272	1.36%
Admissions Tax	246,073	194,013	221,000	191,828	-13.20%
Revenue Generating Regulatory License	4,718,880	5,062,372	4,679,290	4,702,714	0.50%
Other Taxes*	1,316,776	2,017,516	1,916,278	1,944,005	1.45%
Total Taxes	98,402,413	115,859,070	110,242,023	120,576,035	9.37%
<i>Licenses and Permits:</i>					
Building/Structural	4,018,115	5,585,134	4,043,358	5,556,146	37.41%
Franchise Fees	5,808,160	7,675,189	7,489,714	7,872,086	5.11%
Business and Other*	1,584,810	2,175,963	1,646,452	2,013,376	22.29%
Total Licenses and Permits	11,411,085	15,436,286	13,179,524	15,441,608	17.16%
<i>Intergovernmental:</i>					
Fire District Revenue**	1,586,765	-	-	-	N/A
Liquor Taxes	1,775,834	1,694,779	1,813,911	1,768,501	-2.50%
Grants & Other Intergovernmental*	1,278,498	728,171	760,085	684,003	-10.01%
Total Intergovernmental	4,641,097	2,422,950	2,573,996	2,452,504	-4.72%
<i>Charges for Services:</i>					
Planning Fees	1,364,566	2,161,403	1,523,714	2,349,088	54.17%
Plan Check Fees	1,521,090	2,265,142	2,362,134	1,905,878	-19.32%
Engineering Development Fees	1,969,186	2,775,067	1,665,516	2,370,000	42.30%
Recreation Charges*	2,214,696	2,424,298	2,298,600	2,369,600	3.09%
Internal Charges	10,774,617	10,801,040	11,114,451	12,526,477	12.70%
Emergency Medical Svcs & Transport Fee*	3,147,692	3,529,000	3,556,426	3,605,508	1.38%
Other Charges*	2,407,758	2,735,480	2,711,143	2,623,455	-3.23%
Total Charges for Services	23,399,605	26,691,430	25,231,984	27,750,006	9.98%
<i>Fines and Forfeits*</i>	3,761,008	4,354,076	3,858,924	4,380,426	13.51%
<i>Miscellaneous</i>	5,373,869	2,310,923	1,503,765	1,989,732	32.32%
<i>Interfund Transfers</i>	428,588	721,963	702,543	722,515	2.84%
<i>Resources Forward†</i>	12,877,021	21,345,779	21,345,779	21,485,731	0.66%
General Fund Total	160,294,686	189,142,477	178,638,538	194,798,557	9.05%

* Comparisons to prior year periods are affected by changes to account coding required by the Washington State Auditor's Office as of January 1, 2013

** King County Fire District #41 was dissolved as of June 1, 2011 due to annexation into the City of Kirkland

† 2011-12 Resources Forward reflect the budgeted amount

**City of Kirkland
2015 - 2016 Budget
Revenues**

		2011 -2012 Actual	2013 - 2014 Estimate	2013- 2014 Budget	2015- 2016 Budget	Percent Change
Fund:	General Fund (010)					
Department:	General					
Division:	Not Applicable					
Key:	General Fund (0100000000)					
Taxes						
Property Tax-Real & Personal	3111001	29,082,652	33,252,361	33,573,159	35,343,807	5.27%
Property Tax-Fire Dist 41	3111003	1,872,041	0	0	0	0.00%
Property Tax-Fire Dist 34 36	3111004	441,120	0	0	0	0.00%
Retail* SalesUse Tax	3131001	27,258,446	0	0	0	0.00%
Retail Sales Use Tax	3131101	0	34,295,710	30,321,475	36,460,794	20.24%
Annexation Sales Tax	3131201	4,631,492	7,504,330	6,831,252	7,727,500	13.11%
Brokered* Nat Gas Use Tax	3136001	6,074	0	0	0	0.00%
Brokered Nat Gas Use Tax	3136101	0	5,335	6,400	5,454	-14.78%
Crim Justice-Local Sales Tax	3137101	2,813,084	3,659,472	3,301,260	4,133,831	25.21%
Rev Generating Regulatory Lic	3161001	4,718,880	5,062,372	4,679,290	4,702,714	0.50%
Admissions *Tax	3162001	246,073	0	0	0	0.00%
Electric Utility Tax-Private	3164101	6,997,634	7,561,025	8,019,140	7,727,244	-3.63%
Gas Utility Tax-Private	3164301	2,758,902	2,931,329	3,324,982	3,054,376	-8.13%
Television Cable-Private	3164601	2,753,645	3,160,298	3,128,271	3,223,700	3.05%
Telephone Utility Tax-Private	3164701	5,625,107	6,407,280	5,806,793	6,426,862	10.67%
Telephone Util Tax Priv Audit	3164702	0	403,040	0	0	0.00%
Water Customer Utility Tax	3164811	0	2,646,894	2,524,566	2,773,878	9.87%
Sewer Customer Utility Tax	3164812	0	2,438,745	2,422,103	2,566,069	5.94%
Solid Waste Customer Util Tax	3164813	0	3,014,513	2,908,321	3,018,155	3.77%
Surface Water Cust Util Tax	3164814	0	1,310,172	1,264,133	1,281,272	1.35%
Water *Customer Utility Tax	3167201	2,262,586	0	0	0	0.00%
Sewage* Customer Utility Tax	3167401	2,185,169	0	0	0	0.00%
Garb*Solid Waste Cust Util Tax	3167501	2,316,515	0	0	0	0.00%
Surface*Water Cust Utility Tax	3167801	1,122,291	0	0	0	0.00%
Punch Boards and Pull Tabs	3168101	0	292,961	242,233	273,585	12.94%
Bingo and Raffles	3168201	0	1,316	3,023	267	-91.16%
Amusement Games	3168301	0	2,554	2,408	2,151	-10.67%
Card Games	3168401	0	1,439,302	1,426,214	1,478,624	3.67%
Leasehold Excise Tax	3172001	229,036	276,048	236,000	183,924	-22.06%
Punch *Boards and Pull Tabs	3175101	253,040	0	0	0	0.00%
Bingo* and Raffles	3175201	6,211	0	0	0	0.00%
Amusement* Games	3175301	2,330	0	0	0	0.00%
Card *Games	3175401	820,085	0	0	0	0.00%
Admissions Tax	3181101	0	194,013	221,000	191,828	-13.20%
Business *Tax Penalty Interest	3196001	11,990	0	0	0	0.00%

**City of Kirkland
2015 - 2016 Budget
Revenues**

		2011 -2012 Actual	2013 - 2014 Estimate	2013- 2014 Budget	2015- 2016 Budget	Percent Change
Total for Taxes:		98,414,403	115,859,070	110,242,023	120,576,035	9.37%
License and Permits						
Pool Table License	3217001	650	0	1,300	0	0.00%
Cabaret License	3217003	3,855	800	2,790	812	-70.89%
Electronic Games	3217004	0	0	201	0	0.00%
Amusement License	3217009	450	50	0	0	0.00%
Penalties*on Business Licenses	3218001	99,651	0	0	0	0.00%
Business* License Fee	3219001	1,121,705	0	0	0	0.00%
House* Moving Permits	3219003	2,725	0	0	0	0.00%
Franchise Fees	3219101	5,808,160	7,675,189	7,489,714	7,872,086	5.10%
Business License Fee	3219901	0	1,174,338	997,185	1,241,083	24.45%
Building Permits	3221001	2,331,282	3,396,187	2,690,920	3,533,864	31.32%
Plumbing Permits	3221002	184,274	321,914	145,218	317,784	118.83%
Clear Grade Permits	3221003	19,079	27,142	15,610	25,588	63.92%
Side Sewer Permits	3221004	139,581	220,460	61,620	180,000	192.11%
Mechanical Permits	3221005	515,066	656,916	507,626	556,782	9.68%
Sign Permits	3221006	45,700	56,263	57,512	58,524	1.75%
Electrical Permits	3221007	710,394	901,979	562,944	880,556	56.41%
Temporary Membrane Structure	3221008	3,871	2,022	1,600	2,020	26.25%
House Moving Permits	3221009	0	2,172	308	1,028	233.76%
Temporary Place of Assembly	3221010	0	79	0	0	0.00%
Animal License	3223001	43	0	0	0	0.00%
Street and Curb Permits	3224001	186,705	658,663	377,120	420,000	11.37%
Sidewalk Cafe Permit	3224002	12,305	17,600	21,362	21,362	0.00%
Street Vacation Permit	3224003	0	10,270	10,270	10,270	0.00%
Fireworks Permits	3229001	358	200	400	200	-50.00%
Fire Alarm Permits	3229002	34,852	54,881	32,000	55,400	73.12%
Concealed Weapon Permits	3229003	23,531	26,342	16,000	22,000	37.50%
Other Licenses and Permits	3229005	32,582	18,792	15,530	17,500	12.68%
Fire Sprinkler System Permit	3229006	59,206	79,399	60,000	80,200	33.66%
Fire Systems-Other Permits	3229007	1,740	200	1,200	200	-83.33%
Liquid Tank Install/Remove	3229008	148	1,264	300	1,260	320.00%
Recreational Fire Permit	3229009	790	1,248	158	620	292.40%
Alarm Registration	3229010	104,890	131,916	110,636	142,469	28.77%
Public Property Permit	3229011	1,000	0	0	0	0.00%
Interfund* Buildg Permit Fee	3290001	57,072	0	0	0	0.00%
Interfund* Planning Fees	3290020	1,029	0	0	0	0.00%
Interfund *SEPA Review Fee	3290021	2,208	0	0	0	0.00%
Interfund* Dev Eng Curb ROW	3290030	5,437	0	0	0	0.00%
Interfund *Street Permit Fee	3290040	397	0	0	0	0.00%

**City of Kirkland
2015 - 2016 Budget
Revenues**

		2011 -2012 Actual	2013 - 2014 Estimate	2013- 2014 Budget	2015- 2016 Budget	Percent Change
Total for License and Permits:		11,510,736	15,436,286	13,179,524	15,441,608	17.16 %
Intergovernmental Revenue						
Community Dev Block Grants	3311420	0	0	0	239,630	0.00 %
DOJ Bulletproof Vest Prgrm	3311660	10,726	7,717	0	0	0.00 %
Dept. of Justice Prgm Grants	3311670	9,692	0	0	0	0.00 %
Fed DOJ COPS Grant	3311671	151,982	0	0	0	0.00 %
Equi Shar Fed Forfeited Prop	3322100	85,377	0	85,377	0	0.00 %
Ind Fed Summer Food Program	3331055	961	-961	0	0	0.00 %
Dept of Natural Resources	3331066	20,000	0	0	0	0.00 %
Forest Svc Urban Comm Frstry	3331067	6,401	3,599	3,597	0	0.00 %
Dept of Justice VAWA	3331658	0	894	894	0	0.00 %
Dept of Justice Grants	3331670	12,269	0	0	0	0.00 %
Ind Fed DOT Traffic Safety	3332060	57,081	44,182	24,794	0	0.00 %
Ind Fed NHTSA Safety Program	3332061	0	4,896	0	0	0.00 %
Ind Fed DOT Pipeline Safety	3332072	3,000	0	0	0	0.00 %
Ind Fed EPA Grants	3336612	0	50,000	50,000	0	0.00 %
Ind Fed DOE	3338111	0	8,000	0	0	0.00 %
Indirect FEMA	3339703	12,704	350	0	0	0.00 %
Ind Fed EMPG	3339704	156,224	44,421	44,421	0	0.00 %
Homeland Security Ind Fed	3339706	73,232	4,092	4,092	0	0.00 %
CJTC WASPC Grants	3340111	21,447	2,707	100	0	0.00 %
WA State Patrol	3340130	4,689	0	0	0	0.00 %
Military Department	3340180	2,100	0	0	0	0.00 %
Traffic Safety Commission	3340350	2,881	0	20,000	0	0.00 %
CTR Grants-COK Programs	3340362	1,223	50,000	50,000	0	0.00 %
Dept of Social Health Svcs	3340460	3,272	1,208	0	0	0.00 %
Dept of Health	3340490	0	1,473	0	0	0.00 %
Streamlined Sales Tax Mitigatn	3360099	205,387	185,685	195,000	165,000	-15.38 %
Judicial Contributions - State	3360129	45,100	45,390	45,264	45,000	-0.58 %
Criminal Just-Violent Crimes	3360621	30,850	41,096	40,960	41,398	1.06 %
Criminal Justice-Special Pgms	3360626	116,180	152,983	145,818	147,375	1.06 %
DUI Distribution	3360651	26,975	29,680	30,000	29,600	-1.33 %
Liquor Excise Tax	3360694	577,522	235,497	344,266	316,277	-8.13 %
Liquor Control Board Profits	3360695	1,198,312	1,459,282	1,469,645	1,452,224	-1.18 %
Other King County Grants	3370801	43,205	41,243	19,768	16,000	-19.06 %
King Conservation District	3370805	96,953	9,516	0	0	0.00 %
Intergovt *Court Costs	3381201	140,215	0	0	0	0.00 %
Intergovt*Other Gen Govt Svcs	3381901	15,250	0	0	0	0.00 %
Intergovt*Building Services	3381902	37,990	0	0	0	0.00 %
Law Enforcement*Intergov Svcs	3382101	50,052	0	0	0	0.00 %

**City of Kirkland
2015 - 2016 Budget
Revenues**

		2011 -2012 Actual	2013 - 2014 Estimate	2013- 2014 Budget	2015 - 2016 Budget	Percent Change
Law Enf*Sec Svc Revenue	3382102	11,183	0	0	0	0.00%
Fire*Control Services	3382201	84,074	0	0	0	0.00%
Fire*District 41	3382202	1,586,765	0	0	0	0.00%
Detention*Jail Intergovtl Svcs	3382301	38,860	0	0	0	0.00%
EMS*	3382501	1,695,237	0	0	0	0.00%
ARRA Dir Fed EECBG	3391811	30,000	0	0	0	0.00%
ARRA Ind Fed JAG	3392168	10,597	0	0	0	0.00%
Total for Intergovernmental Revenue:		6,675,968	2,422,950	2,573,996	2,452,504	-4.71%
Charges for Goods and Services						
Civil Filing	3412201	579	397	400	400	0.00%
Court Administration Fees	3413301	117,896	30,092	280,000	0	0.00%
Court Services	3414901	0	88,260	0	100,000	0.00%
Copy*Tape Fees	3416001	706	0	0	0	0.00%
Court CopyTape Fees	3416201	2,944	3,204	3,000	3,000	0.00%
Merchandise Sales Non Food	3417001	137	0	0	0	0.00%
Food Sales-Non Taxable	3417003	4,590	0	0	0	0.00%
Sale of Merch Taxable	3417010	0	770	0	0	0.00%
Sale of Merch Non Taxable	3417050	0	1,246	4,000	1,500	-62.50%
Sale*of Merchandise Taxable	3417101	464	0	0	0	0.00%
Sale*of Merch Non Taxable	3417501	1,779	0	0	0	0.00%
Recording Fees	3418101	0	77,321	36,000	90,000	150.00%
Other*General Government Svcs	3419001	161,173	0	0	0	0.00%
PW * Deposit Admin Fees	3419002	41,586	0	0	0	0.00%
Special*Event Services	3419003	23,932	0	0	0	0.00%
General Govt Services	3419601	7,258	169,850	161,779	291,503	80.18%
Passport Fees	3419901	61,350	68,594	65,450	69,671	6.44%
Law Enforcement Services	3421001	767	54,033	28,466	9,180	-67.75%
Law Enf Sec Svc Rev	3421002	0	358	357	0	0.00%
Fire Protection Services	3422001	0	88,550	0	40,000	0.00%
EMS	3422101	0	1,769,290	1,769,290	1,822,723	3.02%
Adult Probation Charges	3423301	1,204,583	1,223,032	1,290,000	1,230,000	-4.65%
Electronic Home Detention	3423601	245,672	233,758	234,000	265,000	13.24%
Detention Jail Services	3423604	0	11,240	38,000	6,400	-83.15%
Booking Fees	3423701	42,932	63,892	44,000	60,000	36.36%
Protective Inspec Spec Hse	3424001	436	900	120	972	710.00%
DUI Emergency Response	3425001	0	10,579	3,071	14,000	355.87%
DUI Emergency Aid	3426001	656	250	500	500	0.00%
Emergency Transport Fee	3426010	1,452,455	1,759,710	1,787,136	1,782,785	-0.24%
Communication Intergovt Svcs	3428101	0	406,932	400,000	0	0.00%
Crim *Conv Fee Court	3429002	40,202	0	0	0	0.00%

**City of Kirkland
2015 - 2016 Budget
Revenues**

	2011 -2012 Actual	2013 - 2014 Estimate	2013- 2014 Budget	2015- 2016 Budget	Percent Change
Res/Storm Erosion Review Fee 3431901	20,384	357,151	61,620	270,000	338.16 %
SW Drainage Rpt Review Fee 3431902	0	371,096	51,350	270,000	425.80 %
Engineering* Development 3432001	1,566,647	0	0	0	0.00 %
Res*Storm/Erosion Review Fee 3432002	167,957	0	0	0	0.00 %
SW*Drainage Report Review Fee 3432003	164,835	0	0	0	0.00 %
Traffic*Control Plan Review 3432004	7,777	0	0	0	0.00 %
Engineering Development 3438801	0	1,955,158	1,519,682	1,760,000	15.81 %
Public Access Sign Fee 3439101	142	0	0	0	0.00 %
PW Deposit Admin Fees 3441101	0	74,543	24,648	58,000	135.31 %
Traffic Control Plan Review 3441310	0	17,119	8,216	12,000	46.05 %
Parking Study Review Fee 3441311	0	1,603	0	0	0.00 %
Subdivision Fee 3458101	21,906	25,111	9,244	51,000	451.70 %
Permit Appeal/Interpretation 3458109	2,070	1,061	850	850	0.00 %
Accessory Dwelling Unit 3458110	621	850	425	0	0.00 %
Street Improvement Fee in Lieu 3458116	0	24,376	0	0	0.00 %
Fee In Lieu of Planting 3458117	2,600	4,325	2,000	2,000	0.00 %
PCD Off Decisions Modification 3458120	26,330	46,924	28,756	40,000	39.10 %
PCD Dir Decisions Modification 3458121	10,224	8,184	10,270	6,000	-41.57 %
Other PCD Official Decisions 3458125	195,104	144,781	205,400	200,000	-2.62 %
Other PCD Director Decisions 3458126	44,038	88,020	61,620	80,000	29.82 %
Process I Review 3458127	265,183	639,266	328,640	600,000	82.57 %
Process IIA Review 3458128	124,081	205,784	205,400	180,000	-12.36 %
Process IIB and III Review 3458129	128,688	69,076	84,320	200,000	137.19 %
Design Board Review 3458130	114,430	84,606	144,590	250,000	72.90 %
Affordable Housing Fee In Lieu 3458140	0	71,817	71,817	0	0.00 %
Plan Check Fee 3458301	1,521,090	2,265,142	2,362,134	1,905,878	-19.31 %
Energy Code Fee 3458302	56,680	122,815	53,404	126,732	137.30 %
Electrical Plan Review 3458303	58,503	58,730	56,876	50,640	-10.96 %
Fire Department Plan Review 3458305	31,251	62,884	24,000	63,400	164.16 %
Expedited Review 3458306	30,000	126,367	24,000	158,400	560.00 %
Planning 3rd Party Review 3458307	24,079	51,000	20,000	40,000	100.00 %
Short Plat Rec Review 3458309	7,632	53,268	3,081	40,000	1,198.27 %
SEPA Appeal 3458601	0	213	426	426	0.00 %
SEPA Transp Review Fee 3458602	0	51,002	41,080	46,000	11.97 %
Concurrency Review 3458901	21,521	23,954	20,540	24,000	16.84 %
Environmental Review Fee 3458902	39,180	23,674	20,540	22,000	7.10 %
SEPA* Appeal 3458903	1,035	0	0	0	0.00 %
Comprehensive Plan Requests 3458904	2,890	-310	655	3,640	455.72 %
Planning Pre-Submittal Meeting 3458906	95,334	170,416	102,700	160,000	55.79 %
Rd Impact Fee-Ind Calculations 3458908	7,400	1,606	3,080	4,000	29.87 %

**City of Kirkland
2015 - 2016 Budget
Revenues**

		2011 - 2012 Actual	2013 - 2014 Estimate	2013 - 2014 Budget	2015 - 2016 Budget	Percent Change
SEPA*Transp Review Fee	3458910	53,786	0	0	0	0.00%
MBP Service Fee	3458911	116,118	179,234	100,000	419,329	319.32%
Pool Admission Fees	3473001	126,957	143,137	144,000	144,000	0.00%
Boat Launch Fees	3473003	58,292	65,131	63,000	60,000	-4.76%
Special Event Admissions	3474001	5,532	5,608	5,400	5,400	0.00%
Open Gym Fees	3476001	0	-77	0	0	0.00%
Recreational Sports	3476002	323,743	417,622	316,000	396,000	25.31%
Team Sports	3476003	123,463	124,561	152,000	134,000	-11.84%
Physical Fitness	3476004	160,525	140,244	164,000	150,000	-8.53%
Tennis Badminton	3476005	21,571	19,142	22,000	21,000	-4.54%
Day Camp	3476006	236,151	243,746	240,000	252,000	5.00%
Aquatics	3476007	384,326	419,458	390,000	390,000	0.00%
Misc Rec Instructional Activ	3476008	54,098	59,250	70,000	54,000	-22.85%
Preschool NKCC Programs	3476009	317,889	359,832	320,000	334,000	4.37%
Recreation Educ Classes	3476010	205,221	212,725	224,000	224,000	0.00%
Van Trips	3476015	39,198	34,049	46,000	46,000	0.00%
Misc Youth Programs	3476016	124,928	160,021	110,000	140,000	27.27%
Open Gym	3476017	8,261	7,956	8,000	8,000	0.00%
Bazaars and Flea Markets	3479001	0	8	0	0	0.00%
Parks Advertising	3479002	18,259	8,645	20,000	8,000	-60.00%
Conference/Program Fees	3479003	6,282	3,240	4,200	3,200	-23.80%
Special Event Services	3479101	0	22,988	22,000	22,000	0.00%
Interfund-Accounting Services	3491401	1,565,335	1,564,987	1,569,518	1,715,648	9.31%
Interfund Personnel Services	3491601	29,012	7,952	6,038	0	0.00%
Interfund Citywide Overhead	3491801	4,603,273	4,353,673	4,353,673	4,984,624	14.49%
Interfund-Other Gen Govnmt	3491901	232,813	289,906	344,910	349,407	1.30%
Interfund Services-Doc Mgt	3491902	35,392	0	0	0	0.00%
Interfund Engineering-COS	3493201	579,046	938,383	778,641	595,460	-23.52%
Interfund Engineering-CIP Eng	3493202	3,001,183	3,191,825	3,500,211	4,255,714	21.58%
Intrfnd Engineering-Develp Svc	3493205	479,922	330,236	330,236	502,514	52.16%
Interfund - Planning Services	3495801	114,599	124,078	131,224	123,110	-6.18%
Interfund-Parks Planning Svcs	3497901	37,860	0	100,000	0	0.00%
Interfund Svcs-Environmnt Svcs	3497902	96,182	0	0	0	0.00%
Total for Charges for Goods and Services:		21,330,926	26,691,430	25,231,984	27,750,006	9.97%
Fines and Forfeits						
Mandatory Insurance Costs	3523001	103,881	98,217	110,000	100,000	-9.09%
Boating Safety Infractions	3524000	218	618	500	1,000	100.00%
Traffic Infraction Penalties	3531001	1,663,099	1,556,992	1,670,000	1,600,000	-4.19%
Non-Traffic Infraction Penalty	3537001	8,595	5,413	7,000	7,000	0.00%

**City of Kirkland
2015 - 2016 Budget
Revenues**

		2011 -2012 Actual	2013 - 2014 Estimate	2013- 2014 Budget	2015- 2016 Budget	Percent Change
Parking Infraction Penalties	3541001	961,087	1,498,360	980,000	1,400,000	42.85%
DUI Fines	3552001	99,403	114,935	102,000	110,000	7.84%
Criminal Traffic Misdemeanor	3558001	373,972	378,445	430,000	390,000	-9.30%
NEDC* Court Fines	3559001	1,265	0	0	0	0.00%
Other Non-Traffic Fines	3569001	154,155	116,579	174,000	130,000	-25.28%
Domestic Violence Penalty Ass.	3569008	5,127	4,792	5,000	5,000	0.00%
Court* Cost Recoupments	3573001	2,391	-5	0	0	0.00%
Court Cost Recoupment	3573100	0	372	4,000	0	0.00%
Public Defender Fees	3573300	126,621	138,874	140,000	140,000	0.00%
Warrants Served	3573400	0	90,247	0	110,000	0.00%
Forfeiture of Bonds Deposits	3591001	19,888	0	0	0	0.00%
Business Lic Penalty	3592001	0	159,299	102,526	191,185	86.47%
Business Tax Penalty	3592002	0	26,488	16,080	18,305	13.83%
Code Enforcement Fines	3599002	29,950	34,420	20,540	40,000	94.74%
False Alarm Penalty	3599003	99,715	130,030	97,278	137,936	41.79%
Total for Fines and Forfeits:		3,649,367	4,354,076	3,858,924	4,380,426	13.51%
Miscellaneous Revenues						
Investment Interest-Dedicated	3611102	486,075	649,410	481,200	604,581	25.64%
Unrealized Gain Loss Invest	3613201	1,677	1,039	0	0	0.00%
Int on Sales Tax Contract AR	3614001	129,461	166,431	120,000	150,000	25.00%
Moorage Rentals	3624001	229,514	201,915	204,000	231,150	13.30%
Senior Center Facility Rentals	3624002	36,900	57,888	12,000	32,000	166.66%
NKCC Rentals	3624003	27,414	36,518	22,000	30,000	36.36%
Park Facility Rentals	3624005	152,213	179,412	114,500	153,700	34.23%
Pool Locker Rentals	3624006	214	450	600	600	0.00%
Other Park Rentals	3624007	47,998	37,760	56,600	34,000	-39.92%
Facilities Leases LT-Other	3625002	189,987	300,164	185,261	222,851	20.29%
Facilities Lease LT-Tour Dock	3625005	799	33,160	0	45,850	0.00%
Housing Rental Leases	3626001	118,528	170,300	135,360	147,300	8.82%
Concession Proceeds Non LET	3628001	30,411	11,543	4,000	5,000	25.00%
Concession Proceeds LET	3628002	28,276	53,058	36,000	62,000	72.22%
Sr Charters-Commissions	3629001	245	0	0	0	0.00%
ContribDonations Private	3679901	280,251	166,804	65,300	98,200	50.38%
Sale of Scrap Material	3691001	0	862	0	0	0.00%
Unclaimed Money Property	3692001	937	8,156	0	3,000	0.00%
ConfiscatedForfeited Property	3693001	21,247	8,934	10,000	11,500	15.00%
Other Judgements Settlements	3694001	18,570	30,680	10,000	0	0.00%
Cash Over Short	3698101	-74	-1,653	0	0	0.00%
Other Misc Revenue	3699001	100,389	79,726	30,000	158,000	426.66%
Recording*Charges	3699002	33,808	0	0	0	0.00%

City of Kirkland
2015 - 2016 Budget
Revenues

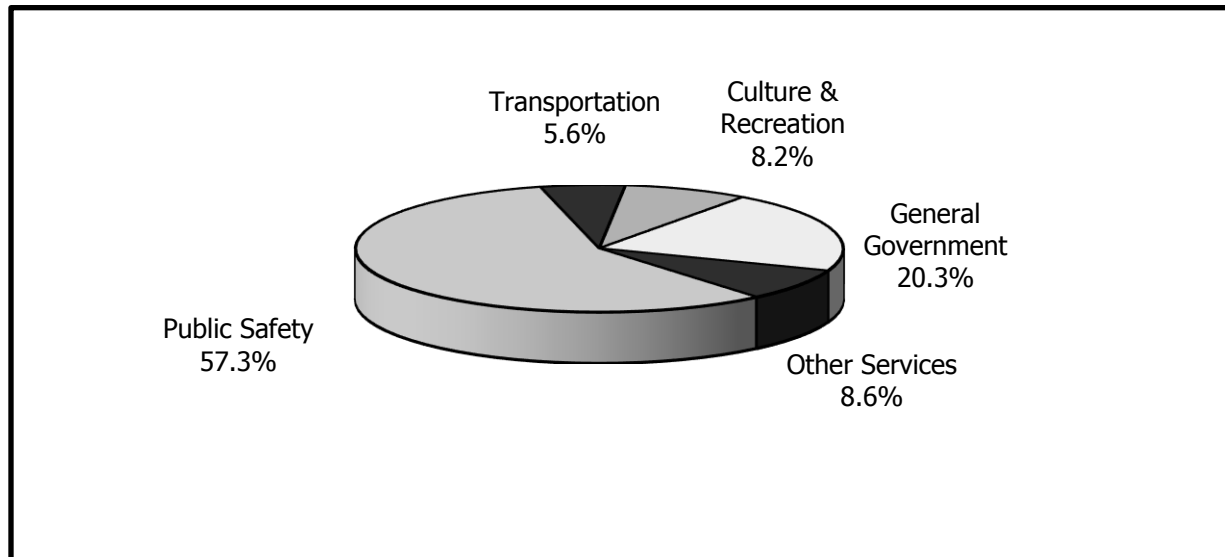
		2011 -2012 Actual	2013 - 2014 Estimate	2013- 2014 Budget	2015- 2016 Budget	Percent Change
Total for Miscellaneous Revenues:		1,934,840	2,192,557	1,486,821	1,989,732	33.82 %
Non-Revenues						
Other Inc to FB or Assets	3888001	3,467,255	0	0	0	0.00 %
Total for Non-Revenues:		3,467,255	0	0	0	0.00 %
Other Financing Sources						
Proceeds Sales of Fixed Assets	3951001	5,582	0	0	0	0.00 %
Operating Transfer In	3971001	428,588	721,963	702,543	722,515	2.84 %
Ins Rec Gen Govt Non Capital	3980001	0	118,366	16,944	0	0.00 %
Resources Forward	3999901	0	21,345,779	21,345,779	21,485,731	0.65 %
Total for Other Financing Sources:		434,170	22,186,108	22,065,266	22,208,246	0.64 %
Total for General Fund (0100000000):		147,417,665	189,142,477	178,638,538	194,798,557	9.04 %
Total for Not Applicable:		147,417,665	189,142,477	178,638,538	194,798,557	9.04 %
Total for General:		147,417,665	189,142,477	178,638,538	194,798,557	9.04 %
Total for General Fund:		147,417,665	189,142,477	178,638,538	194,798,557	9.04 %

EXPENDITURE SUMMARY



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CITY OF KIRKLAND
GENERAL GOVERNMENT OPERATING
GENERAL FUND
2015-2016 EXPENDITURE SUMMARY: BY PROGRAM



The General Fund accounts for about 57.2 percent of the City's General Government Operating budget. The majority of the expenditures in the General Fund are devoted to Public Safety (police, fire, building inspection, and municipal court services), with General Government (legislative, executive, legal, administrative, financial, community planning services) being the next largest program area.

The 2015-16 budget represents the second full biennial budget since the annexation of Finn Hill, North Juanita and Kingsgate in 2011. This allows for comparison between biennia for Kirkland's new boundaries. Significant factors contributing to changes include:

- Increases to the Other Services category are primarily due to undistributed salary and benefit costs, as well funds set aside in the Contingency Fund (152) from assumed savings in healthcare costs as a hedge against the program's success, and facilities operating charges for the currently unoccupied space at City Hall.
- General Government increased due to additional resources being committed to reserves, including reserve replenishment and money set aside for future development activity.
- Spending in Public Safety, Transportation and Culture and Recreation has increased because of salary and benefit costs, as well as debt service on the Kirkland Justice Center.

Analysis of Change

Program	2011-12 Actual*	2013-14 Budget	2015-16 Budget	Percent Change
Public Safety	91,846,146	108,171,410	111,493,474	3.07%
Transportation	7,767,650	10,748,273	10,899,042	1.40%
Culture & Recreation	13,898,519	15,505,442	16,170,838	4.29%
General Government	34,635,518	36,255,370	40,344,567	11.28%
Other Services	3,309,502	7,958,043	15,890,636	99.68%
Program Total	151,457,335	178,638,538	194,798,557	9.05%

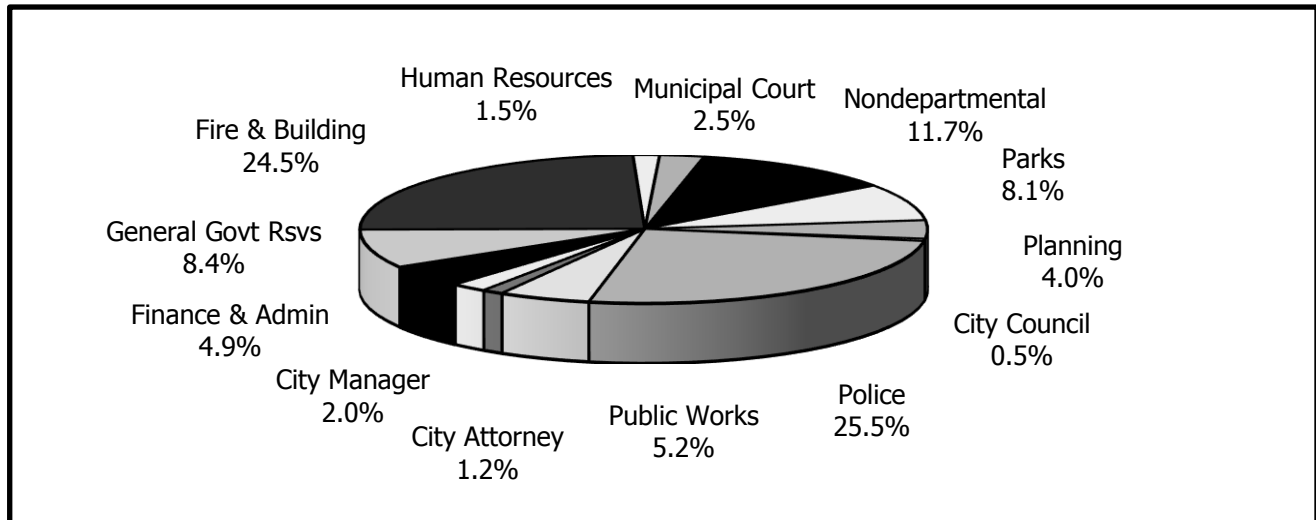
*2011-12 reserves are budgeted, but not spent

CITY OF KIRKLAND

GENERAL GOVERNMENT OPERATING

GENERAL FUND

2015-2016 EXPENDITURE SUMMARY: BY DEPARTMENT



The two largest departments in the General Fund are Police and Fire & Building, which provide public safety services. Next is Parks & Community Services which provides recreational and cultural programs, operates/develops the park system and community centers, and provides youth and human services. Nondepartmental, while larger in total dollars, includes undistributed personnel costs that are applicable to all departments once labor agreements are settled.

The 2015-16 budget represents the second full biennial budget since the annexation of Finn Hill, North Juanita and Kingsgate in 2011. This allows for comparison between biennia for Kirkland's new boundaries. Significant factors contributing to changes include:

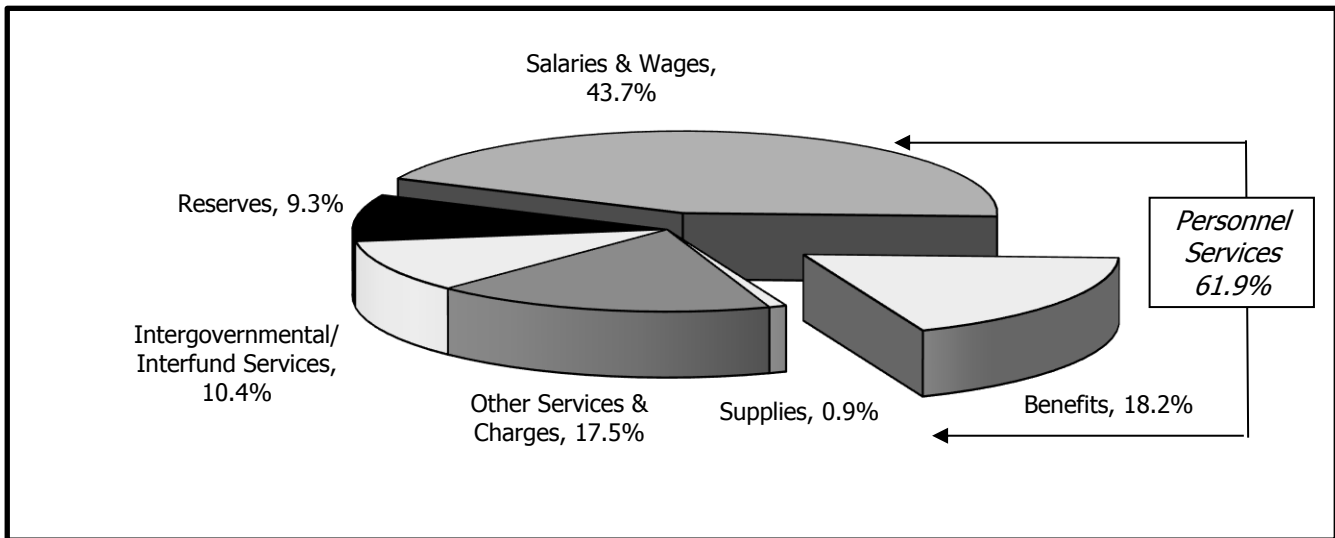
- Nondepartmental increases are primarily due to undistributed budgets for personnel costs, reserves for funding Police LEOFF 1 retiree medical costs, relocation of election and public defender costs from Finance & Administration and the City Attorney's Office, and facilities operating costs to cover the portion of City Hall vacated by the Police Department.
- General Government Reserves increases reflect money set aside for future Development Services work, contingency in case of higher than anticipated healthcare costs and money towards a fire station to serve the North Neighborhoods.
- The City Attorney's Office decreased as the City's budget for contracted for public defense was moved into non-departmental.
- The City Manager's Office budget decreases are due to additional one-time money allocated in 2013-14 for the Kirkland 2035 Comprehensive Plan process, which is not budgeted in 2015-16.
- The City Council budget increased due to Council benefits being budgeted for the full two years and a travel allowance approved by the salary commission.

Analysis of Change

Department	2011-12 Actual*	2013-14 Budget	2015-16 Budget	Percent Change
General Government Reserves	12,986,328	11,269,900	16,386,954	45.40%
Nondepartmental	9,201,587	16,673,546	22,860,594	37.11%
City Council	668,721	861,402	954,984	10.86%
City Manager	3,322,650	3,975,579	3,840,272	-3.40%
Human Resources	2,439,091	2,714,325	2,844,028	4.78%
City Attorney	2,421,716	2,755,968	2,384,046	-13.50%
Municipal Court	3,858,613	4,549,025	4,861,901	6.88%
Parks & Community Services	13,865,216	15,101,894	15,704,558	3.99%
Public Works	6,970,624	9,972,656	10,116,538	1.44%
Finance & Administration	8,109,061	9,430,400	9,631,959	2.14%
Planning & Community Development	5,974,703	7,624,229	7,865,314	3.16%
Police	42,084,541	48,475,673	49,710,826	2.55%
Fire & Building	39,554,484	45,233,941	47,636,583	5.31%
Department Total	151,457,335	178,638,538	194,798,557	9.05%

*2011-12 reserves are budgeted, but not spent

**CITY OF KIRKLAND
GENERAL GOVERNMENT OPERATING
GENERAL FUND
2015-2016 EXPENDITURE SUMMARY: BY CATEGORY**



Salaries & Wages and Benefits comprise 61.9 percent of the General Fund budget, with Public Safety representing 64.1 percent of these expenditure categories. Other Services & Charges is the next largest category and is comprised mostly of contracted direct services (such as dispatch, 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, and facilities maintenance).

The 2015-16 budget represents the second full biennial budget since the annexation of Finn Hill, North Juanita and Kingsgate in 2011. This allows for comparison between biennia for Kirkland's new boundaries. Significant factors contributing to changes include:

- Personnel costs (salaries and benefits) are a combination of cost increases for two years and the impact of additional recommended staff, mostly to support revenue backed development activity.
- Other Services & Charges increased primarily due to internal charges, including facilities charges related to Kirkland Justice Center.
- Reserves increased due to replenishment, as well as money set aside to support future development and capital projects in future years.
- Intergovernmental/Interfund Services decreases due to the reduction of contract jail costs with the completion of the Kirkland Justice Center.

Analysis of Change

Category	2011-12 Actual*	2013-14 Budget	2015-16 Budget	Percent Change
Salaries & Wages	68,034,713	77,612,073	85,044,809	9.58%
Benefits	26,307,937	32,639,833	35,416,241	8.51%
Supplies	2,510,775	1,797,846	1,810,880	0.72%
Other Services & Charges	26,819,612	32,043,040	34,094,926	6.40%
Intergovernmental/Interfund Services	15,199,199	23,443,947	20,260,709	-13.58%
Capital Outlay	79,313	143,440	-	N/A
Reserves	12,505,786	10,958,359	18,170,992	65.82%
Category Total	151,457,335	178,638,538	194,798,557	9.05%

*2011-12 reserves are budgeted, but not spent

2015 - 2016 BUDGET ANALYSIS

GENERAL FUND

ANALYSIS OF CHANGES

2013-14 Approved Budget		178,638,538	
One-Time Adjustments & Carryovers	(14,145,187)		
<i>Percent Change Due to One-Time Adjustments, Carryovers, and Reserves</i>			-7.92%
Adjusted Biennial Basis of Comparison for 2013-14 Basic Budget		164,493,351	
2015-16 Basic Budget Changes:			
2013-14 Impact on 2015-16 Salaries & Wages	1,187,583		
2015-16 Impact on Salaries & Wages	4,605,625		
Employee Benefits & Self Insurance Reserve	1,514,376		
State Pension Contribution Cost Increase	930,171		
Fleet - Internal Services Rate	526,291		
IT - Internal Services Rate	546,627		
Facilities - Internal Services Rate	1,222,872		
Jail Contracted Services	(1,557,394)		
Insurance	740,362		
Professional Services	294,055		
NORCOM	827,259		
Annexation Sales Tax Credit Transfer for Street lights	427,500		
Credit Card Fees	175,800		
Retired Parking Garage Debt	(782,504)		
Walkable Kirkland Initiative	782,504		
Intergovernmental & Interfund Charges	259,384		
Net Miscellaneous Adjustments	226,447		
Total Basic Budget Changes		11,926,958	
<i>Percent Change Due to Basic Budget Changes</i>			6.68%
Subtotal 2015-16 Basic Budget		176,420,309	
2015-16 Recommended Service Packages			
2015-16 Ongoing Service Packages	1,881,419		
2015-16 One Time Service Packages	4,686,577		
Total Net Change		6,567,996	
<i>Percent Change Due to Service Packages</i>			3.68%
Subtotal 2015-16 Preliminary Budget Before Reserves		182,988,305	
Addition to Development Services Reserves	912,090		
Transfers to Equipment Replacement Sinking Funds			
Police	650,000		
Information Technology	500,000		
Transfer to Major Systems Reserve	500,000		
Transfer to Contingency	1,610,000		
One Percent General Purpose Reserve Replenishment	1,610,131		
Fire Station Construction Reserve	3,000,000		
80% of Uncommitted Balance	1,487,138		
Changes in Working Capital and Other Replenishments	1,540,893		
Total Reserve Changes		11,810,252	
<i>Percent Change Due to Reserves</i>			6.61%

COMPARISON OF 2013-14 BUDGET TO 2015-16 BUDGET

Total 2015-16 Preliminary Budget	16,160,019	194,798,557	9.05%
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GENERAL GOVERNMENT OPERATING RESERVES



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DEPARTMENT OVERVIEW

GENERAL GOVERNMENT OPERATING RESERVES

MISSION

The purpose of General Government Operating Reserves is to account for reserves in the General Fund, which include general purpose reserves as approved by Council, as well as special purpose reserves that are designated for specific uses. Other General Fund reserves, including a general operating contingency, working capital, and Police LEOFF 1 Pension reserve are located in the Non-departmental section.

DEPARTMENT FUNCTIONS

This department is the accumulation of general and special purpose reserves, along with related special purpose expenditures.

Monies are accumulated over a period of time and used as needed for operating contingencies or specific projects or purposes, which include:

General purpose reserves:

- General Operating Reserve (Rainy Day): unforeseen revenue changes or temporary events
- Revenue Stabilization Reserve: temporary revenue shortfalls
- Council Special Projects Reserve: one-time projects approved by Council
- Building and Property Reserve: property-related transactions

Special purpose reserves and expenditures include:

- Litigation Reserve: outside counsel costs
- Labor Relations Reserve: labor negotiations costs
- Development Services Reserves: revenue/staffing stabilization and technology support/permit system replacement
- Donations for Fire, Police, and Parks
- Equipment and overtime reserves for Fire, Police and Parks
- Other miscellaneous reserves set aside for obligations for specific activities, such as tree ordinance and required monitoring of closed capital projects

The General Purpose reserves, their targets, and replenishment policies are established in the City's *Fiscal Policies* and adopted by Council resolution.

BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS

Public Safety

- An additional \$3 million has been set aside in the Building and Property reserve in anticipation of the likelihood of additional funding needed for a new fire station in North Kirkland.

Financial Stability

- Planned replenishments to the General Operating, Revenue Stabilization, and Building and Property Reserves of about \$2.3 million will bring these reserves to target for 2015-2016.
- In addition to the replenishments noted above, \$1.6 million is planned to be added to the City Contingency Fund (Fund 152) from planned savings in medical costs.

2015 - 2016 FINANCIAL OVERVIEW
GENERAL GOVERNMENT OPERATING RESERVES
FINANCIAL SUMMARY BY OBJECT

	2011-2012 Actual	2013-2014 Estimate	2013-2014 Budget	2015-2016 Budget	Percent Change
Salaries and Wages	12,888	-	-	-	n/a
Benefits	138	-	-	-	n/a
Supplies	70,761	69,248	-	27,000	n/a
Other Services	203,859	735,001	-	82,920	n/a
Government Services	192,896	2,923,994	2,889,875	-	n/a
Capital Outlay	-	-	-	-	n/a
Reserves*	12,505,786	9,930,254	8,380,025	16,277,034	n/a
TOTAL	12,986,328	13,658,497	11,269,900	16,386,954	n/a

FINANCIAL SUMMARY BY DIVISION

	2011-2012 Actual	2013-2014 Estimate	2013-2014 Budget	2015-2016 Budget	Percent Change
Gen'l. Govt. Oper. Reserves	12,986,328	13,658,497	11,269,900	16,386,954	n/a
TOTAL	12,986,328	13,658,497	11,269,900	16,386,954	n/a

POSITION SUMMARY BY DIVISION

	2011-2012 Actual	Adjustments	2013-2014 Budget	Adjustments	2015-2016 Budget
Gen'l. Govt. Oper. Reserves	0.00	0.00	0.00	0.00	0.00
TOTAL	0.00	0.00	0.00	0.00	0.00

*2011-12 actual and 2013-14 estimates reserves are budgeted, but not spent

NON-DEPARTMENTAL



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DEPARTMENT OVERVIEW***Non-DEPARTMENTAL*****MISSION**

The purpose of Non-departmental is to account for all expenditures that cannot be specifically designated to any operating department within the General Fund.

DEPARTMENT FUNCTIONS

Examples of expenses in this area include shared paper products, contracts with outside agencies, LEOFF 1 medical payments, and the Employee Transportation Program.

Non-departmental also includes transfers to reserves and debt service funds.

BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS**Public Safety**

- Transfer contracted Public Defender services from City Attorney Office budget to non-departmental.

Other

- Transfer election costs from Finance and Administration budget to non-departmental.
- Budget facilities costs for vacant City Hall space due to Police relocation, pending the renovation of City Hall.

2015 - 2016 FINANCIAL OVERVIEW
NON - DEPARTMENTAL
FINANCIAL SUMMARY BY OBJECT

	2011-2012 Actual	2013-2014 Estimate	2013-2014 Budget	2015-2016 Budget	Percent Change
Salaries and Wages	-	13,749	-	4,150,000	n/a
Benefits	1,052,180	1,285,551	1,268,144	1,343,537	5.95%
Supplies	49,535	74,674	59,200	81,000	36.82%
Other Services	987,607	890,739	1,000,834	2,566,181	156.40%
Government Services	7,099,543	12,029,003	11,767,034	12,825,918	9.00%
Capital Outlay	12,722	-	-	-	0.00%
Reserves*	-	2,578,334	2,578,334	1,893,958	n/a
TOTAL	9,201,587	16,872,050	16,673,546	22,860,594	37.11%

FINANCIAL SUMMARY BY DIVISION

	2011-2012 Actual	2013-2014 Estimate	2013-2014 Budget	2015-2016 Budget	Percent Change
Nondepartmental	9,201,587	16,872,050	16,673,546	22,860,594	37.11%
TOTAL	9,201,587	16,872,050	16,673,546	22,860,594	37.11%

POSITION SUMMARY BY DIVISION

	2011-2012 Actual	Adjustments	2013-2014 Budget	Adjustments	2015-2016 Budget
Nondepartmental	0.00	0.00	0.00	0.00	0.00
TOTAL	0.00	0.00	0.00	0.00	0.00

*2011-12 actual and 2013-14 estimates reserves are budgeted, but not spent

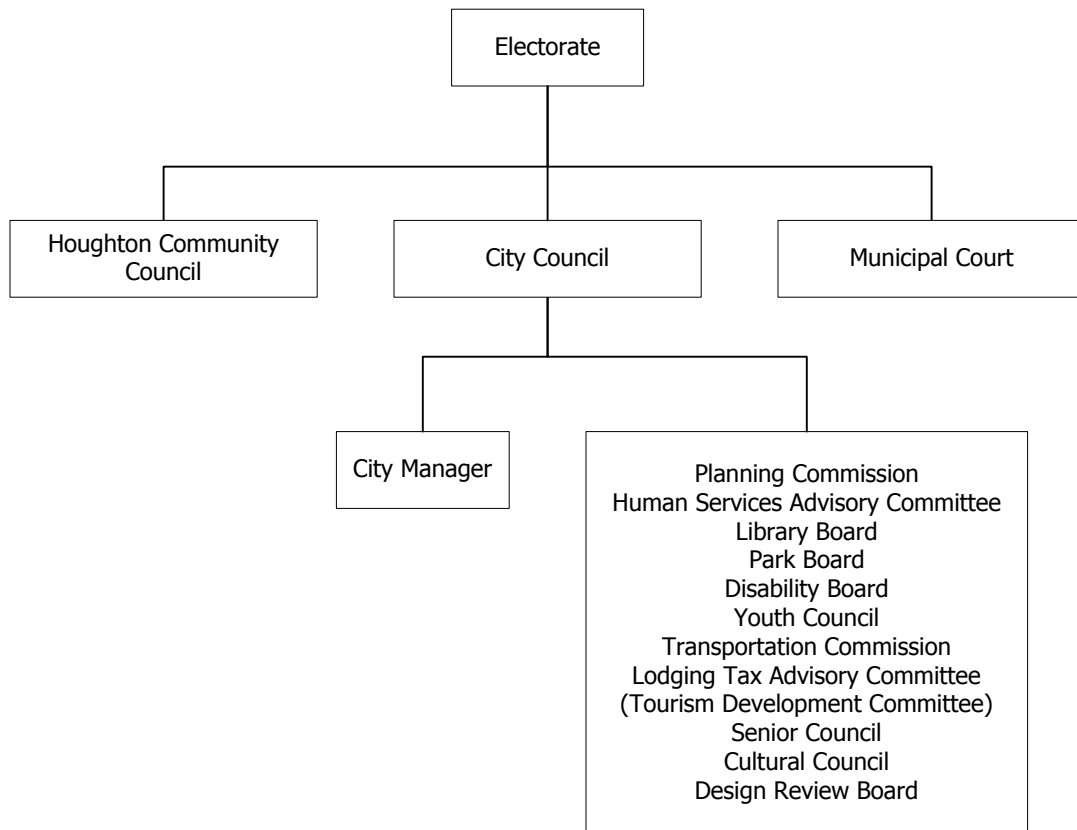
CITY COUNCIL



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CITY OF KIRKLAND

City Council





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DEPARTMENT OVERVIEW

CITY COUNCIL

MISSION

The City Council's responsibility is to provide general policy direction for the overall management of the City of Kirkland.

DEPARTMENT FUNCTIONS

The primary responsibility of the City Council is to fulfill the legislative function, and to thereby determine the general direction and policies for the operation of the City, including local laws, allocation of resources, and determination of service levels.

RELATIONSHIP TO COUNCIL GOALS

In 2009, the Council established ten service areas, value statements and goals. Service areas are identified as priorities by the City Council and through the biennial community survey. The Council reviews and reaffirms the goals annually to ensure they continue to speak to the needs of and input from the community, as well as changes in the external environment and community demographics. The goals help the Council achieve its mission of providing general policy direction for the overall management of the City of Kirkland and moving Kirkland toward its vision.

The City's ability to make progress towards their achievement is based on the availability of resources at any given time. Implicit in the allocation of resources is the need to balance levels of taxation and community impacts with service demands and the achievement of goals.

Council Goals:

Neighborhoods

Achieve active neighborhood participation and a high degree of satisfaction with neighborhood character, services and infrastructure.

Public Safety

Provide for public safety through a community-based approach that focuses on prevention of problems and a timely response.

Human Services

To support a regional coordinated system of human services designed to meet the basic needs of our community and remove barriers to opportunity.

Balanced Transportation

To reduce reliance on single occupancy vehicles and improve connectivity and multi-modal mobility in Kirkland in ways that maintain and enhance travel times, safety, health and transportation choices.

Parks, Open Spaces and Recreational Services

To provide and maintain natural areas and recreational facilities and opportunities that enhance the health and well-being of the community.

Housing

To ensure the construction and preservation of housing stock that meet a diverse range of incomes and needs.

Financial Stability

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

Environment

To protect and enhance our natural environment for current residents and future generations.

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.

Dependable Infrastructure

To maintain levels of service commensurate with growing community requirements at optimum life-cycle costs.

BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS
--

Neighborhoods

- Fund the 2016 Community Survey to assess priorities and citizen satisfaction, \$30,000 one-time

Other

- Upgrade National League of Cities Membership, \$14,000 ongoing

2015 - 2016 FINANCIAL OVERVIEW

CITY COUNCIL

FINANCIAL SUMMARY BY OBJECT

	2011-2012 Actual	2013-2014 Estimate	2013-2014 Budget	2015-2016 Budget	Percent Change
Salaries and Wages	186,908	190,545	192,000	192,000	0.00%
Benefits	72,690	99,653	115,804	186,443	61.00%
Supplies	2,941	5,101	4,000	3,500	-12.50%
Other Services	406,182	538,462	549,598	573,041	4.27%
Government Services	-	-	-	-	n/a
Capital Outlay	-	-	-	-	n/a
TOTAL	668,721	833,761	861,402	954,984	10.86%

FINANCIAL SUMMARY BY DIVISION

	2011-2012 Actual	2013-2014 Estimate	2013-2014 Budget	2015-2016 Budget	Percent Change
City Council	668,721	833,761	861,402	954,984	10.86%
TOTAL	668,721	833,761	861,402	954,984	10.86%

POSITION SUMMARY BY DIVISION

	2011-2012 Actual	Adjustments	2013-2014 Budget	Adjustments	2015-2016 Budget
City Council	7.00	0.00	7.00	0.00	7.00
TOTAL	7.00	0.00	7.00	0.00	7.00

2015-2016 POSITION SUMMARY***CITY COUNCIL*****POSITION SUMMARY BY CLASSIFICATION**

Classification	2013-2014 Budget	Service Packages	2015-2016 Positions	Budgeted 2015 Salary Range
Mayor	1.00		1.00	16,800
Councilperson	6.00		6.00	13,200
TOTAL	7.00	0.00	7.00	

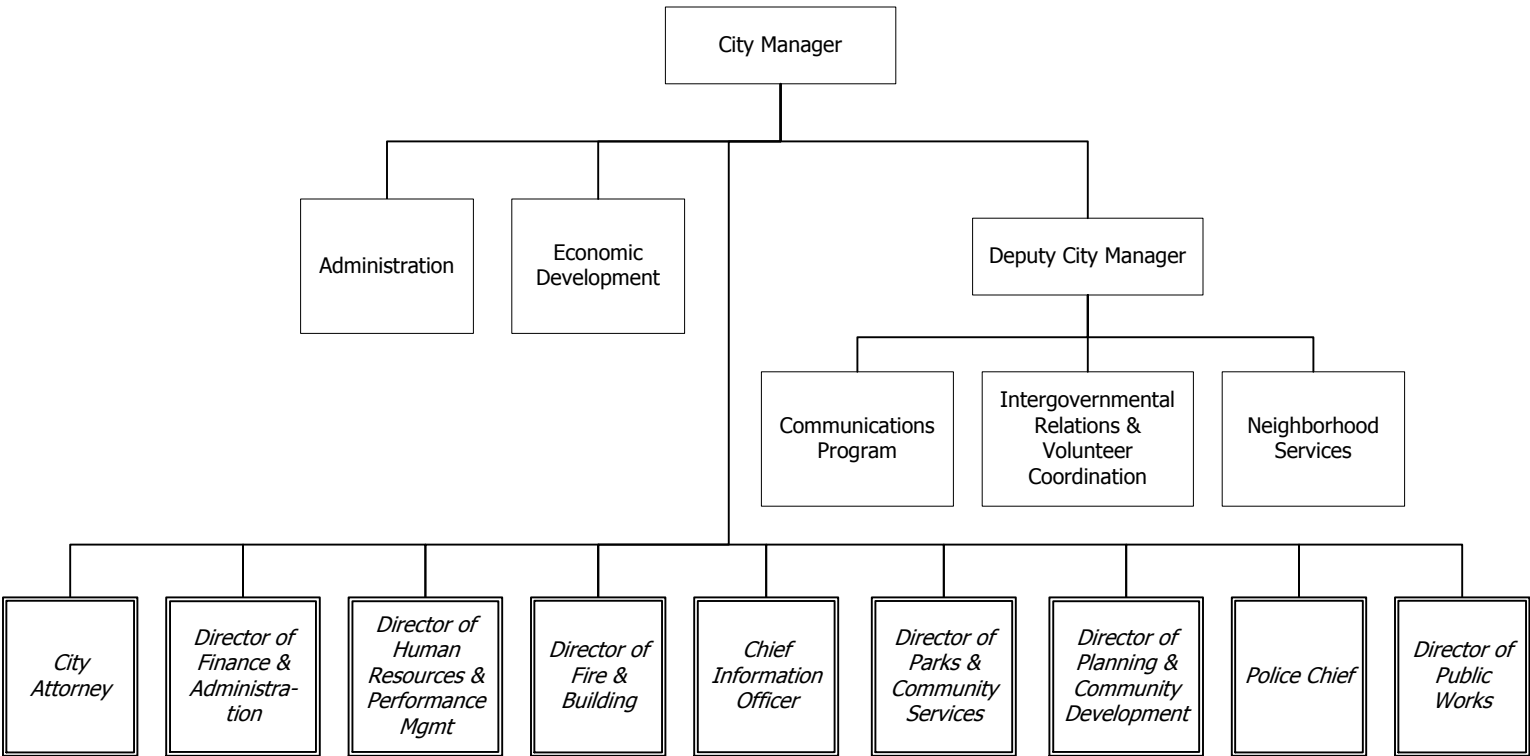
CITY MANAGER



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CITY OF KIRKLAND

City Manager's Office



Boxes with a double outline and italic text indicate positions which report to this department but which are budgeted in a separate department and/or operating fund.

DEPARTMENT OVERVIEW

CITY MANAGER'S OFFICE

MISSION

The mission of the City Manager's Office is to serve as the professional administrator of the City by effectively implementing the City Council's policies and coordinating day-to-day operations, administration, and communications.

DEPARTMENT FUNCTIONS

The **City Manager's Office** implements the City Council's policies by overseeing the management of City departments, administering personnel and labor relations, the City budget, and the day-to-day operations of the City. The City Manager serves as the chief advisor to the City Council and is appointed by, and serves at the pleasure of, the City Council. The City Manager proposes an annual City work program to the City Council that implements priority goals.

The **Economic Development Manager** provides business recruitment and retention services and manages the City's tourism and cultural arts programs.

The **Intergovernmental Relations Manager** supports the City Council's legislative agenda and coordinates with other governmental bodies on regional initiatives and partnerships.

The **Communications Program Manager** supports the City Council and City departments in providing effective and timely communications about City issues and events and designs and delivers public involvement strategies for City departments.

The **Neighborhood Outreach Coordinator** serves as the City's liaison between the City Council and City departments and the thirteen neighborhood associations. This position also designs and delivers public involvement and information services.

The **Special Projects** Coordinator manages the City's volunteer program and supports tourism and cultural arts programs.

BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS

Neighborhoods

- Add a 0.5 FTE Communications Program Specialist (offset by expenditure reductions) to assist the Neighborhood Services Coordinator and Communications program

Economic Development

- Recognize 4Culture Arts Sustained Support, \$16,000 one-time
- Increase funding for Community Programs and Events, \$128,000 one-time (\$64,000 from Waste Management matched with an equal amount of City funds) **(for further discussion on event funding, please see the related Issue Paper)**

Other

- Continue State Legislative Advocacy Services, \$96,000 one-time
- Add Customer Service Coordinator, 1.0 FTE, \$207,855 (\$202,811 ongoing and \$5,044 one-time)

2015 - 2016 FINANCIAL OVERVIEW

CITY MANAGER

FINANCIAL SUMMARY BY OBJECT

	2011-2012 Actual	2013-2014 Estimate	2013-2014 Budget	2015-2016 Budget	Percent Change
Salaries and Wages	1,882,719	1,979,676	1,993,700	2,051,913	2.92%
Benefits	604,070	699,385	726,383	842,547	15.99%
Supplies	26,158	30,833	29,723	28,222	-5.05%
Other Services	809,643	1,260,581	1,225,773	917,590	-25.14%
Government Services	60	-	-	-	n/a
Capital Outlay	-	-	-	-	n/a
TOTAL	3,322,650	3,970,475	3,975,579	3,840,272	-3.40%

FINANCIAL SUMMARY BY DIVISION

	2011-2012 Actual	2013-2014 Estimate	2013-2014 Budget	2015-2016 Budget	Percent Change
City Manager	3,322,650	3,970,475	3,975,579	3,840,272	-3.40%
TOTAL	3,322,650	3,970,475	3,975,579	3,840,272	-3.40%

POSITION SUMMARY BY DIVISION

	2011-2012 Actual	Adjustments	2013-2014 Budget	Adjustments	2015-2016 Budget
City Manager	8.40	0.14	8.54	1.40	9.94
TOTAL	8.40	0.14	8.54	1.40	9.94

2015 - 2016 POSITION SUMMARY

CITY MANAGER

POSITION SUMMARY BY CLASSIFICATION

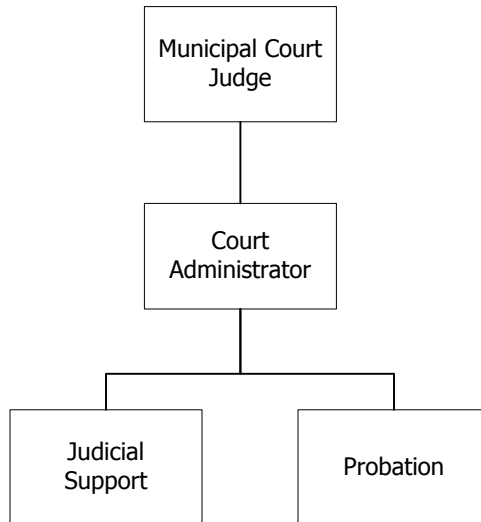
Classification	2013-2014 Budget	Service Packages	2015-2016 Positions	Budgeted 2015 Salary Range
City Manager	1.00		1.00	15,234
Deputy City Manager	1.00		1.00	10,057 - 12,976
Economic Development Manager	0.85		0.85	8,105 - 10,459
Intergovernmental Relations Manager	1.00		1.00	7,008 - 9,043
Communications Program Manager	1.00		1.00	7,159 - 8,419
Neighborhood Outreach Coordinator	1.10	(0.10)	1.00	6,217 - 7,313
Special Projects Coordinator	0.79		0.79	5,895 - 6,936
Customer Service Coordinator	0.00	1.00	1.00	4,960 - 5,835
Communications Program Specialist	0.00	0.50	0.50	4,912 - 5,827
Executive Assistant I	1.00		1.00	4,754 - 6,134
Administrative Assistant	0.80		0.80	4,647 - 5,466
TOTAL	8.54	1.40	9.94	

MUNICIPAL COURT



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CITY OF KIRKLAND Municipal Court



DEPARTMENT OVERVIEW

MUNICIPAL COURT

MISSION

The **Municipal Court's** mission is to establish and maintain public trust and confidence in the judicial system. The Court proudly serves the citizens of Kirkland and the general public by providing access to justice and ensuring that all individuals are afforded due process of law as recognized by the Constitution of the United States and the State of Washington.

It is the municipal court's mission to continually seek excellence in providing fair, accessible, and timely resolution of alleged violations of the law in an atmosphere of respect for all parties, including members of the public, defendants, lawyers, witnesses, jurors and all Court and City employees.

The Municipal Court is a contributing partner of the City of Kirkland, working toward a safe and vital community.

DEPARTMENT FUNCTIONS

The **Municipal Court** is a court of limited jurisdiction and an independent branch of government which is authorized by the laws of the State of Washington to preside over all criminal misdemeanors and gross misdemeanors, as well as traffic, non-traffic and parking infractions, and select civil matters occurring within the city limits of Kirkland. All cases filed are processed in accordance with court rules and the laws of the State of Washington, under the direction of the presiding judge.

BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS

No significant highlights.

2015 - 2016 FINANCIAL OVERVIEW

MUNICIPAL COURT

FINANCIAL SUMMARY BY OBJECT

	2011-2012 Actual	2013-2014 Estimate	2013-2014 Budget	2015-2016 Budget	Percent Change
Salaries and Wages	1,978,043	2,308,320	2,359,900	2,443,691	3.55%
Benefits	805,250	1,077,855	1,176,038	1,283,496	9.14%
Supplies	33,882	19,252	15,000	21,000	40.00%
Other Services	1,041,438	985,849	998,087	1,113,714	11.58%
Government Services	-	-	-	-	n/a
Capital Outlay	-	-	-	-	n/a
TOTAL	3,858,613	4,391,276	4,549,025	4,861,901	6.88%

FINANCIAL SUMMARY BY DIVISION

	2011-2012 Actual	2013-2014 Estimate	2013-2014 Budget	2015-2016 Budget	Percent Change
Municipal Court	3,858,613	4,391,276	4,549,025	4,861,901	6.88%
TOTAL	3,858,613	4,391,276	4,549,025	4,861,901	6.88%

POSITION SUMMARY BY DIVISION

	2011-2012 Actual	Adjustments	2013-2014 Budget	Adjustments	2015-2016 Budget
Municipal Court	22.25	-3.50	18.75	0.00	18.75
TOTAL	22.25	-3.50	18.75	0.00	18.75

2015-2016 POSITION SUMMARY***MUNICIPAL COURT*****POSITION SUMMARY BY CLASSIFICATION**

Classification	2013-2014 Budget	Service Packages	2015-2016 Positions	Budgeted 2015 Salary Range
Municipal Court Judge	1.00		1.00	11,786
Court Administrator	1.00		1.00	6,449 - 8,321
Probation Supervisor	1.00		1.00	5,075 - 6,548
Judicial Support Supervisor	1.00		1.00	4,776 - 6,162
Probation Officer	2.00		2.00	5,041 - 5,930
Judicial Support Associate Lead	1.00		1.00	4,516 - 5,313
Judicial Support Associate II	11.75		11.75	3,802 - 4,473
TOTAL	18.75	0.00	18.75	

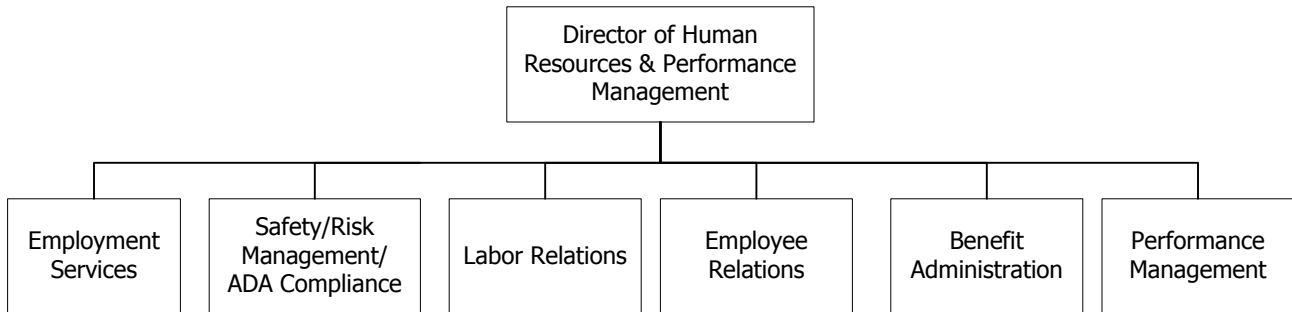
HUMAN RESOURCES



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CITY OF KIRKLAND

Human Resources Department



DEPARTMENT OVERVIEW***HUMAN RESOURCES*****MISSION**

To build, develop and retain a high performing 21st Century workforce whose work advances the mission, vision and values of the City of Kirkland.

DEPARTMENT FUNCTIONS

Human Resources is responsible for the successful design and implementation of the following functions: recruitment, training, employee relations, labor relations, compensation, benefit administration, risk management, workers compensation and performance management.

BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS**Financial Stability**

- Restructure existing funding to add HR Coordinator resources to focus on ADA compliance, performance management, and healthcare reform implementation. The proposal adds 0.20 FTE on-going and 0.30 temporary FTE to an existing 0.5 FTE, ongoing net cost of \$111,316 paid from the Health Benefits fund

Environment

- Conduct Cross Kirkland Corridor Eco-Charette, \$5,000 one-time

Dependable Infrastructure

- Engage an Americans with Disabilities Act (ADA) Consultant to assist with drafting the City's compliance strategy, \$15,000 one-time

2015 - 2016 FINANCIAL OVERVIEW

HUMAN RESOURCES

FINANCIAL SUMMARY BY OBJECT

	2011-2012 Actual	2013-2014 Estimate	2013-2014 Budget	2015-2016 Budget	Percent Change
Salaries and Wages	1,419,045	1,543,661	1,568,597	1,555,080	-0.86%
Benefits	542,690	682,001	655,638	740,650	12.97%
Supplies	15,400	24,190	26,521	26,987	1.76%
Other Services	461,956	461,268	463,569	521,311	12.46%
Government Services	-	-	-	-	n/a
Capital Outlay	-	-	-	-	n/a
TOTAL	2,439,091	2,711,120	2,714,325	2,844,028	4.78%

FINANCIAL SUMMARY BY DIVISION

	2011-2012 Actual	2013-2014 Estimate	2013-2014 Budget	2015-2016 Budget	Percent Change
Human Resources	2,439,091	2,711,120	2,714,325	2,844,028	4.78%
TOTAL	2,439,091	2,711,120	2,714,325	2,844,028	4.78%

POSITION SUMMARY BY DIVISION

	2011-2012 Actual	Adjustments	2013-2014 Budget	Adjustments	2015-2016 Budget
Human Resources	8.70	0.00	8.70	0.20	8.90
TOTAL	8.70	0.00	8.70	0.20	8.90

2015-2016 POSITION SUMMARY***HUMAN RESOURCES*****POSITION SUMMARY BY CLASSIFICATION**

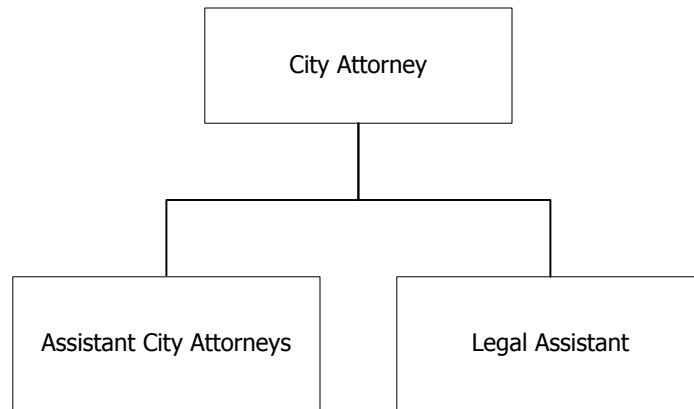
Classification	2013-2014 Budget	Service Packages	2015-2016 Positions	Budgeted 2015 Salary Range
Director	1.00		1.00	9,372 - 12,093
Senior Human Resources Analyst	1.70		1.70	5,778 - 7,455
Human Resources Analyst	3.00		3.00	5,100 - 6,581
Safety/Risk Management Analyst	1.00		1.00	5,100 - 6,581
Human Resources Coordinator	1.00	0.70	1.70	4,455 - 5,748
Human Resources Assistant	1.00	(0.50)	0.50	4,107 - 5,299
TOTAL	8.70	0.20	8.90	

CITY ATTORNEY



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CITY OF KIRKLAND
City Attorney's Office



DEPARTMENT OVERVIEW***CITY ATTORNEY*****MISSION**

The City Attorney's Office mission is to provide outstanding, timely, and cost effective legal counsel and representation for the City. The objective of this department is to provide sound and practical legal support to City officials and staff to help them achieve the City Council Goals.

DEPARTMENT FUNCTIONS

The **City Attorney's Office** is the in-house law firm for the City. The City Attorney's Office works closely with the City Council, City Manager, and City departments. Reliance on outside counsel is limited to those instances where specialized expertise is needed or it is more efficient or cost-effective to outsource. In those instances where the City contracts with outside counsel for special legal services, the City Attorney's Office manages and coordinates these services.

The City Attorney's Office also contracts with a local law firm to serve as "City Prosecutor" for the prosecution of misdemeanors in Kirkland Municipal Court.

BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS

- Reduce costs by issuing a request for proposals for prosecution services and selecting a local law firm at less than previous contract amount.
- Work closely with the Washington Cities Insurance Authority to receive pre-defense specialized legal services for potential liability claims.
- Transfer Public Defender contract costs to Non-departmental.

2015 - 2016 FINANCIAL OVERVIEW
CITY ATTORNEY
FINANCIAL SUMMARY BY OBJECT

	2011-2012 Actual	2013-2014 Estimate	2013-2014 Budget	2015-2016 Budget	Percent Change
Salaries and Wages	869,951	903,247	903,706	919,950	1.80%
Benefits	281,912	329,102	325,889	355,840	9.19%
Supplies	2,125	6,778	12,000	28,600	138.33%
Other Services	1,267,728	1,425,304	1,514,373	1,079,656	-28.71%
Government Services	-	63	-	-	n/a
Capital Outlay	-	-	-	-	n/a
TOTAL	2,421,716	2,664,494	2,755,968	2,384,046	-13.50%

FINANCIAL SUMMARY BY DIVISION

	2011-2012 Actual	2013-2014 Estimate	2013-2014 Budget	2015-2016 Budget	Percent Change
City Attorney	2,421,716	2,664,494	2,755,968	2,384,046	-13.50%
TOTAL	2,421,716	2,664,494	2,755,968	2,384,046	-13.50%

POSITION SUMMARY BY DIVISION

	2011-2012 Actual	Adjustments	2013-2014 Budget	Adjustments	2015-2016 Budget
City Attorney	4.00	0.00	4.00	0.00	4.00
TOTAL	4.00	0.00	4.00	0.00	4.00

2015-2016 POSITION SUMMARY***CITY ATTORNEY*****POSITION SUMMARY BY CLASSIFICATION**

<u>Classification</u>	<u>2013-2014 Budget</u>	<u>Service Packages</u>	<u>2015-2016 Positions</u>	<u>Budgeted 2015 Salary Range</u>
City Attorney	1.00		1.00	9,575 - 12,355
Assistant City Attorney	2.00		2.00	7,655 - 9,878
Legal Assistant	1.00		1.00	4,296 - 5,543
TOTAL	4.00	0.00	4.00	

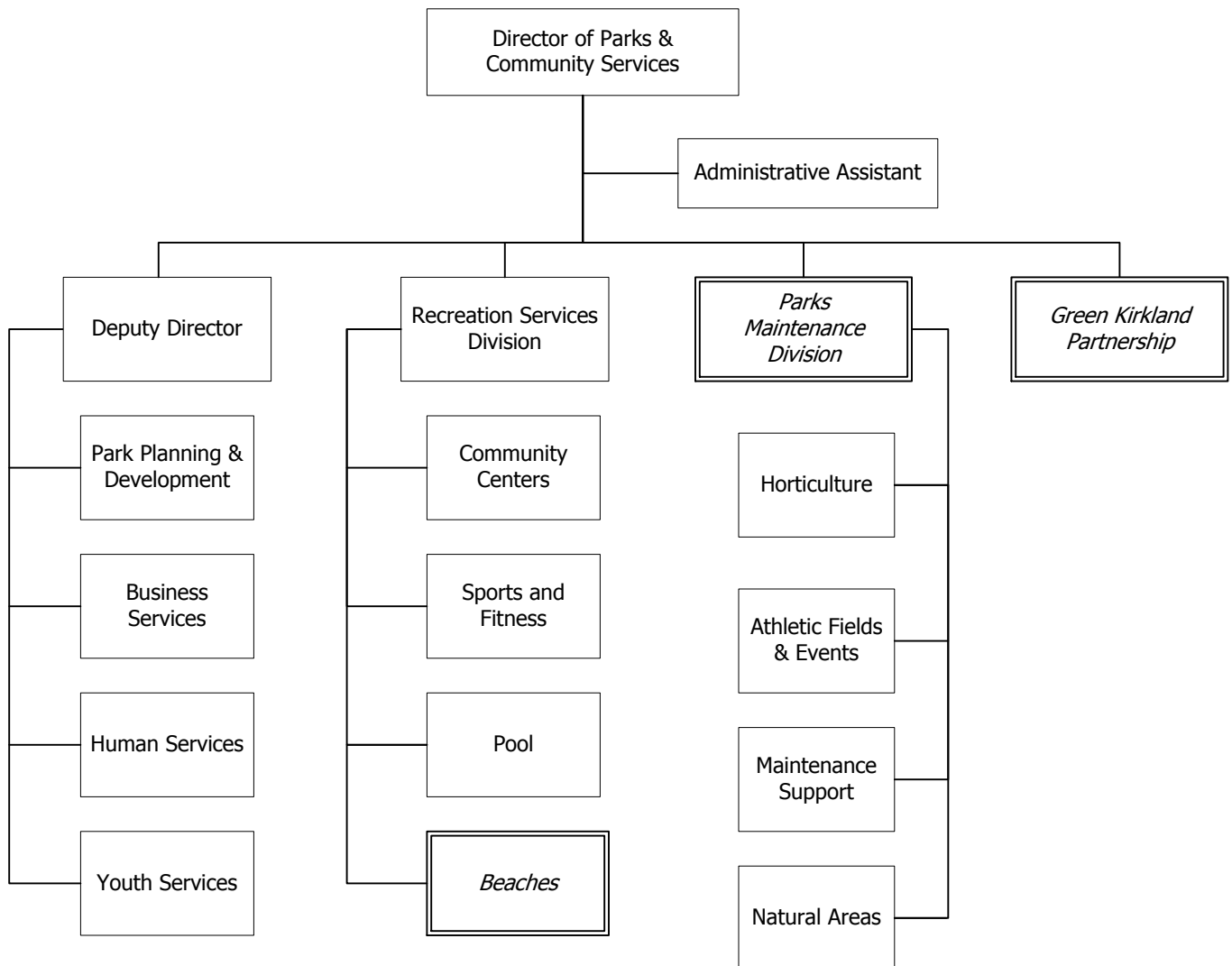
PARKS & COMMUNITY SERVICES



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CITY OF KIRKLAND

Parks & Community Services Department



Boxes with a double outline and italic text indicate positions which report to this department but which are budgeted in a separate operating fund.



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DEPARTMENT OVERVIEW

PARKS & COMMUNITY SERVICES

MISSION

To support a healthy and sustainable community by providing high quality parks and recreation services, ensuring a collaborative community response to basic human needs, and protecting our natural areas.

DEPARTMENT FUNCTIONS

The **Administration Division** handles all of the basic policy planning, budget preparation and tracking, and provides staff support to the Park Board. It is responsible for park master planning, facility design, land acquisition, capital projects, grant preparation and long-range strategic policy planning for the Parks and Community Services Department. The division oversees implementation of the City's 20-year forest restoration plan, including the Green Kirkland Partnership. It is responsible for Youth and Human Services programs, which includes providing staff support to the Youth Council, the Human Services Advisory Committee, and the Senior Council. The Youth Council provides an opportunity for youth to be involved in their community. The Human Services Advisory Committee works with agencies in the delivery of crisis intervention, stabilization, and prevention services for various human service needs. The Senior Council mission is to maintain and improve the quality of life for Kirkland residents age 50+ by identifying their concerns, advocating for their needs, and creating programs that advance their well-being. This division also is responsible for the City's special events permitting function.

The **Parks Maintenance Division** is responsible for grounds and structural maintenance of 45 parks totaling over 550 acres. In addition, this division maintains the City Cemetery, public art, Heritage Hall and the grounds of the Kirkland Performance Center, Peter Kirk Community Center, Teen Union Building, and Library. This division is also responsible for maintenance and repairs of the swimming pool, docks, moorage, ball fields, boat launch, and other repair and construction projects. The division administers the City-School Partnership program, donations program, parks volunteer program, and scheduling functions of all park space and various property management functions. This division also administers many of the business services functions of the Department such as park food vendor concessions and marina business activities.

The **Recreation Services Division** provides comprehensive programs that include year-round recreation opportunities, special events, enrichment programs, and specialized recreation. The division is responsible for programming and operation of the North Kirkland and Peter Kirk Community Centers, the Peter Kirk Pool and Waverly and Houghton Beaches. The division also coordinates community recreation programs at Lake Washington School district facilities through an interlocal Facility Use Agreement, and is the City liaison with Bellevue's Highland Center for Specialized Recreation.

BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS

Parks, Open Spaces and Recreational Services

- Continue Parks Operation and Maintenance from Real Estate Excise Tax, temporary 1.0 FTE, \$217,515 one-time
- Restore KPC Operating Support to pre-recession levels, \$100,000 one-time
- Add Program Assistant to Support Facility Rentals/Marina, 1.0 FTE, \$230,801 ongoing (offsetting revenue \$117,001)
- Conduct a facility condition assessment of Parks structures and rental properties (\$27,600)

Human Services

- Continue one-time enhanced human services grant funding of \$89,628
- Recognize additional CDBG funding of \$37,280

- Fund administration of the Community Development Block Grant (CDBG) program to establish the City as a Joint Agreement City (funded with Federal grant funds)
- Provide ongoing funding of the Eastside Time Bank to the base budget, \$6,000 ongoing
- Continued staffing for participation in regional human services initiatives

Housing

- Contribute Community Development Block Grant funding for ARCH,\$160,000 ongoing

Environment

- Purchase Urban Forestry Bucket Truck, \$190,000 one-time and \$56,664 ongoing (75% of costs paid by Streets/25% by Parks)

2015 - 2016 FINANCIAL OVERVIEW
PARKS & COMMUNITY SERVICES
FINANCIAL SUMMARY BY OBJECT

	2011-2012 Actual	2013-2014 Estimate	2013-2014 Budget	2015-2016 Budget	Percent Change
Salaries and Wages	5,442,130	5,358,760	5,283,015	5,665,361	7.24%
Benefits	2,060,712	2,319,177	2,327,831	2,651,977	13.92%
Supplies	390,645	406,723	406,570	395,010	-2.84%
Other Services	5,677,644	6,949,367	7,021,598	6,743,680	-3.96%
Government Services	294,085	42,185	36,380	248,530	583.15%
Capital Outlay	-	10,000	26,500	-	n/a
TOTAL	13,865,216	15,086,212	15,101,894	15,704,558	3.99%

FINANCIAL SUMMARY BY DIVISION

	2011-2012 Actual	2013-2014 Estimate	2013-2014 Budget	2015-2016 Budget	Percent Change
Administration	1,834,832	2,138,444	2,152,241	1,711,381	-20.48%
Parks Maintenance	5,576,701	5,881,713	5,835,968	6,525,862	11.82%
Community Services	2,040,666	2,636,365	2,630,479	2,732,929	3.89%
Business Services	646,768	310,304	311,238	333,640	7.20%
Culture & Recreation	3,766,249	4,119,386	4,171,968	4,400,746	5.48%
TOTAL	13,865,216	15,086,212	15,101,894	15,704,558	3.99%

POSITION SUMMARY BY DIVISION

	2011-2012 Actual	Adjustments	2013-2014 Budget	Adjustments	2015-2016 Budget
Administration	3.00	0.00	3.00	0.00	3.00
Parks Maintenance	16.00	0.00	16.00	1.00	17.00
Community Services	2.00	0.00	2.00	0.00	2.00
Business Services	2.00	-1.00	1.00	0.00	1.00
Culture & Recreation	8.00	0.00	8.00	0.00	8.00
TOTAL	31.00	-1.00	30.00	1.00	31.00

2015-2016 POSITION SUMMARY

PARKS & COMMUNITY SERVICES

POSITION SUMMARY BY CLASSIFICATION

Classification	2013-2014 Budget	Service Packages	2015-2016 Positions	Budgeted 2015 Salary Range
Director	1.00		1.00	9,372 - 12,093
Deputy Director	1.00		1.00	7,354 - 9,490
Parks Operations Manager	1.00		1.00	6,811 - 8,790
Recreation Manager	1.00		1.00	6,220 - 8,025
Special Projects Coordinator	1.00		1.00	5,895 - 6,936
Human Services Coordinator	1.00		1.00	5,864 - 6,898
Parks Maintenance Supervisor	1.00		1.00	5,308 - 6,849
Leadperson	2.00		2.00	5,228 - 6,308
Recreation Coordinator	4.00		4.00	5,165 - 6,076
Youth Services Coordinator	1.00		1.00	4,960 - 5,835
Parks Coordinator	1.00		1.00	4,877 - 5,736
Field Arborist	1.00		1.00	4,496 - 5,808
Senior Groundsperson	6.00		6.00	4,386 - 5,665
Parks Administrative Assistant	1.00		1.00	4,647 - 5,466
Recreation Systems Administrator	1.00		1.00	4,203 - 4,944
Groundsperson	3.50		3.50	3,452 - 4,748
Community Center Program Assistant	1.00		1.00	4,030 - 4,740
Recreation Program Assistant	1.00	1.00	2.00	4,030 - 4,740
Accounts Associate	0.50		0.50	3,929 - 4,624
TOTAL	30.00	1.00	31.00	

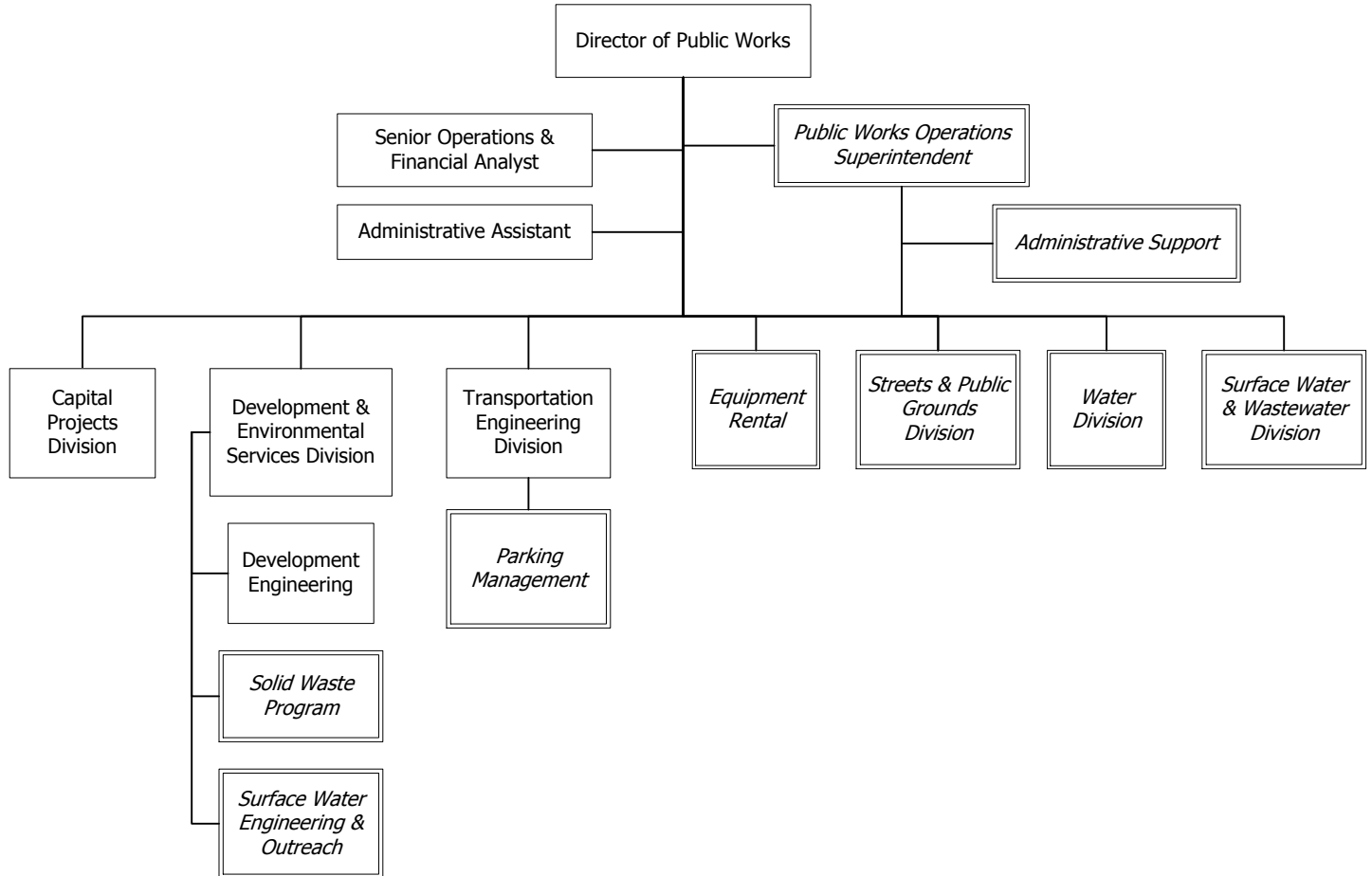
PUBLIC WORKS



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CITY OF KIRKLAND

Public Works Department



Boxes with a double outline and italic text indicate positions which report to this department but which are budgeted in a separate operating fund.



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DEPARTMENT OVERVIEW

PUBLIC WORKS

MISSION

The Public Works Department is responsible for the overall planning, design, construction, and stewardship of the City's infrastructure and natural resources to provide for the continued health, safety, and vibrancy of the Community.

DEPARTMENT FUNCTIONS

Public Works consists of two primary sections: Engineering & Programs and Operations & Maintenance. The sections work in close coordination and with the public and other agencies to ensure the effective development and on-going stewardship of public infrastructure including systems for water distribution and fire protection, wastewater collection, surface water management, the urban forest, both motorized and non-motorized transportation, solid waste disposal and recycling, public grounds maintenance, and City fleet services. Public Works Administration provides overall administrative support and policy direction for the Public Works Department.

Engineering & Programs Section

The **Capital Projects** Division manages the design and construction of publicly funded infrastructure projects for the City's water, wastewater, and surface water utilities, park capital construction, transportation projects and major facilities.

The **Development and Environmental Services** Division oversees transportation and utility infrastructure projects initiated by private development and franchise utilities, administers the solid waste disposal and recycle program, and provides surface water engineering and program administration.

The **Transportation Engineering** Division coordinates with other Divisions and Departments to plan, design, and operate the City's multimodal transportation system, manages the downtown parking and neighborhood traffic control programs, provides staff support for the Kirkland Transportation Commission and participates in regional transportation planning.

Operations & Maintenance Section

The **PW Superintendent of Operations** oversees Fleet Management and administrative support groups. Fleet Management provides for safe, cost effective, and reliable vehicles and equipment for all City departments. The Superintendent also oversees the Streets & Public Grounds, Water, and Surface Water & Wastewater Divisions.

The **Streets & Public Grounds** Division is responsible for the maintenance, operation, and repair of the City transportation system including pavement, shoulders, bike lanes, walkways, traffic signals, signage, illumination, parking, landscaping and roadside vegetation. Stewardship of public grounds of City buildings and the urban tree canopy located within the public rights of way are also under the Division's care.

The **Water Division** provides daily maintenance and repair activities and assists with the long term planning and efficient operation of the City's water storage and distribution system and its control.

The **Surface Water and Wastewater** Division provides daily maintenance and repair activities and assists with the long term planning and efficient operation of the City's surface and waste water systems. Surface water components include the built system of inlets, pipes, and vaults and the natural system of

streams, ditches and bodies of water. The waste water components include collection pipes and manholes and the system of interconnected pumping facilities and their controls.

BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS
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Neighborhoods

- Continue the CIP Outreach Coordinator position to enhance communication about capital projects, \$123,873 one-time (temporary 0.50 FTE)
- Continue the Neighborhood Traffic Control (NTC) Coordinator to assist with implementing NTC and Neighborhood Safety programs, \$117,354 one-time (temporary 0.50 FTE)
- Establish a Kingsgate Traffic Calming Opportunity Fund, \$50,000 one-time

Balanced Transportation

- Add 0.25 FTE Transportation Engineer to provide full support of the successful Intelligent Transportation System program to improve traffic flow, \$64,630 ongoing

Dependable Infrastructure

- Engage consultant services to assist with capital project cost estimating related to the soon-to-be completed master plans in anticipation of the comprehensive 2015 CIP Update, \$60,000 one-time

2015 - 2016 FINANCIAL OVERVIEW
PUBLIC WORKS
FINANCIAL SUMMARY BY OBJECT

	2011-2012 Actual	2013-2014 Estimate	2013-2014 Budget	2015-2016 Budget	Percent Change
Salaries and Wages	4,216,763	5,175,045	5,537,685	5,849,002	5.62%
Benefits	1,460,735	2,167,658	2,299,705	2,535,320	10.25%
Supplies	50,866	49,077	59,195	47,350	-20.01%
Other Services	1,135,638	1,814,511	1,936,174	1,682,266	-13.11%
Government Services	106,622	169,861	139,897	2,600	n/a
Capital Outlay	-	-	-	-	n/a
TOTAL	6,970,624	9,376,152	9,972,656	10,116,538	1.44%

FINANCIAL SUMMARY BY DIVISION

	2011-2012 Actual	2013-2014 Estimate	2013-2014 Budget	2015-2016 Budget	Percent Change
Engineering Policy & Prog.	1,230,603	1,606,580	1,707,714	1,457,524	-14.65%
Capital Proj. Engineering	2,636,754	3,395,831	3,781,779	4,077,023	7.81%
Development Engineering	2,124,049	3,088,305	3,177,211	3,136,240	-1.29%
Transportation Engineering	979,218	1,285,436	1,305,952	1,445,751	10.70%
TOTAL	6,970,624	9,376,152	9,972,656	10,116,538	1.44%

POSITION SUMMARY BY DIVISION

	2011-2012 Actual	Adjustments	2013-2014 Budget	Adjustments	2015-2016 Budget
Engineering Policy & Prog.	3.05	0.00	3.05	0.00	3.05
Capital Proj. Engineering	12.20	1.00	13.20	0.00	13.20
Development Engineering	7.95	3.55	11.50	0.00	11.50
Transportation Engineering	2.15	1.05	3.20	0.25	3.45
TOTAL	25.35	5.60	30.95	0.25	31.20

2015-2016 POSITION SUMMARY***PUBLIC WORKS*****POSITION SUMMARY BY CLASSIFICATION**

Classification	2013-2014 Budget	Service Packages	2015-2016 Positions	Budgeted 2015 Salary Range
Director	1.00		1.00	9,575 - 12,355
Capital Projects Manager	1.00		1.00	7,982 - 10,298
Development Engineering Manager	0.65		0.65	7,982 - 10,298
Transportation Engineering Manager	1.00		1.00	7,735 - 9,668
Capital Projects Supervisor	1.00		1.00	6,940 - 8,957
Development Engineer Supervisor	1.00		1.00	6,745 - 8,703
Senior Project Engineer	2.00		2.00	7,220 - 8,551
Project Engineer	6.70		6.70	6,608 - 7,774
Transportation Engineer	2.75	0.25	3.00	6,601 - 7,765
Development Engineer	2.00		2.00	6,243 - 7,344
Neighborhood Outreach Coordinator	0.50		0.50	6,217 - 7,313
Senior Construction Inspector	1.00		1.00	5,864 - 6,898
Senior Operations & Finance Analyst	1.00		1.00	5,960 - 7,012
Senior Development Plans Examiner	1.00		1.00	5,934 - 6,981
Development Engineering Analyst	1.00		1.00	5,590 - 6,577
Construction Inspector	4.00		4.00	5,270 - 6,201
Administrative Assistant	1.00		1.00	4,647 - 5,466
Senior Accounting Associate	0.05		0.05	4,606 - 5,419
Permit Technician	1.30		1.30	4,407 - 5,185
Public Works Office Specialist	1.00		1.00	3,766 - 4,432
TOTAL	30.95	0.25	31.20	

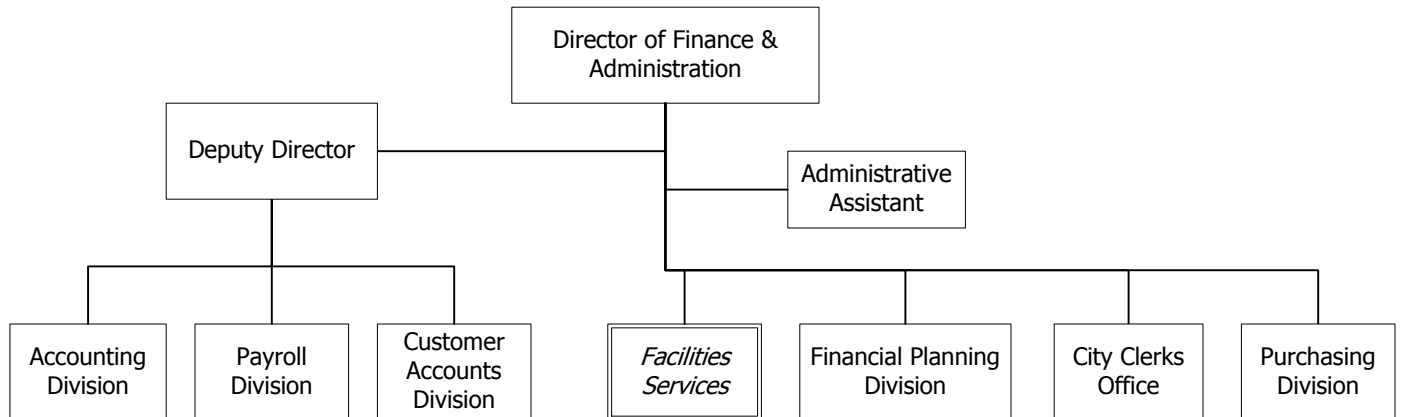
FINANCE & ADMINISTRATION



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CITY OF KIRKLAND

Department of Finance & Administration



DEPARTMENT OVERVIEW

FINANCE & ADMINISTRATION

MISSION

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

DEPARTMENT FUNCTIONS

The department provides **financial planning** services including coordination and preparation of the City's Budget and Capital Improvement Program and provision of financial planning and analysis support to other departments, the City Manager, and the City Council.

All day-to-day **financial operations** activities are managed by the department including: *Accounting* – fund and cost accounting, accounts payable and receivable, financial reporting, auditing, and maintenance of grant records; *Payroll* – semi-monthly payroll and health benefits processing and labor contract implementation; *Treasury* – cash and debt management; *Customer Accounts* – utility billing, regulatory licensing, passport application services, false alarm program and cemetery administration; and *Purchasing* – City-wide purchasing management and coordination.

The responsibilities within the **City Clerk's** office include public disclosure, legal notices, records management, service of process, City Council meeting support, advisory board recruitments, and mail services.

BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS

Financial Stability

- Add 0.50 FTE Accounting Support Associate to increase focus on collection of outstanding receivables and to implement centralized receivable tracking (the entire cost of this increase is expected to be more than offset by improved revenue collections, \$99,971)
- Transfer Senior Financial Analyst from Police Department to the Finance and Administration Department to provide centralized financial analyst support to Police and Fire and Building Services

Other

- Continue Public Disclosure Analyst, temporary 1.0 FTE, \$199,223 one-time
- Transfer election costs previously budgeted in the City Clerk Division to Nondepartmental as City-wide cost.

2015 - 2016 FINANCIAL OVERVIEW
FINANCE & ADMINISTRATION
FINANCIAL SUMMARY BY OBJECT

	2011-2012 Actual	2013-2014 Estimate	2013-2014 Budget	2015-2016 Budget	Percent Change
Salaries and Wages	4,455,028	4,804,763	4,839,623	5,226,579	8.00%
Benefits	1,765,925	2,133,535	2,246,467	2,579,301	14.82%
Supplies	34,651	42,410	38,073	35,096	-7.82%
Other Services	1,366,683	1,417,921	1,473,137	1,537,983	4.40%
Government Services	486,774	805,265	833,100	253,000	-69.63%
Capital Outlay	-	-	-	-	n/a
TOTAL	8,109,061	9,203,894	9,430,400	9,631,959	2.14%

FINANCIAL SUMMARY BY DIVISION

	2011-2012 Actual	2013-2014 Estimate	2013-2014 Budget	2015-2016 Budget	Percent Change
Financial Planning & Admin.	2,465,778	2,577,331	2,572,000	2,956,042	14.93%
Treasury/Customer Services	2,152,541	2,334,486	2,450,484	2,570,968	4.92%
Financial Operations	2,318,312	2,545,320	2,582,178	2,763,063	7.01%
City Clerk	1,172,430	1,746,757	1,825,738	1,341,886	-26.50%
TOTAL	8,109,061	9,203,894	9,430,400	9,631,959	2.14%

POSITION SUMMARY BY DIVISION

	2011-2012 Actual	Adjustments	2013-2014 Budget	Adjustments	2015-2016 Budget
Financial Planning & Admin.	8.00	0.00	8.00	1.00	9.00
Treasury/Customer Services	10.50	1.00	11.50	0.00	11.50
Financial Operations	10.50	0.00	10.50	0.50	11.00
City Clerk	3.80	0.00	3.80	0.00	3.80
TOTAL	32.80	1.00	33.80	1.50	35.30

2015 - 2016 POSITION SUMMARY

FINANCE & ADMINISTRATION

POSITION SUMMARY BY CLASSIFICATION

Classification	2013-2014 Budget	Service Packages	2015-2016 Positions	Budgeted 2015 Salary Range
Director	1.00		1.00	9,845 - 12,703
Deputy Director Finance & Admin.	1.00		1.00	8,243 - 10,635
Financial Planning Manager	1.00		1.00	7,166 - 9,247
Accounting Manager	1.00		1.00	6,802 - 8,776
City Clerk	1.00		1.00	6,449 - 8,321
Senior Financial Analyst	1.00		1.00	5,534 - 7,140
Public Safety Senior Financial Analyst*	0.00	1.00	1.00	5,534 - 7,140
Purchasing Agent	1.00		1.00	5,893 - 6,932
Customer Accounts Supervisor	1.00		1.00	5,007 - 6,461
Budget Analyst	2.00		2.00	5,408 - 6,362
Deputy City Clerk	0.80		0.80	5,408 - 6,362
Accountant	2.00		2.00	5,297 - 6,232
Payroll Systems Coordinator	1.00		1.00	5,111 - 6,013
Buyer	1.00		1.00	4,770 - 5,610
Finance Administrative Assistant	1.00		1.00	4,647 - 5,466
Senior Accounting Associate	3.00		3.00	4,606 - 5,419
Accounting Support Associate IV	2.50	0.50	3.00	4,210 - 4,953
Customer Accounts Associate Bus. Lic.	2.00		2.00	4,017 - 4,725
Customer Accounts Associate	8.00		8.00	3,911 - 4,602
City Clerk Assistant	1.00		1.00	3,627 - 4,267
Receptionist/Administrative Clerk	0.50		0.50	3,256 - 3,828
Mail Clerk	1.00		1.00	3,108 - 3,656
TOTAL	33.80	1.50	35.30	

*Senior Financial Analyst previously reported to Police Department

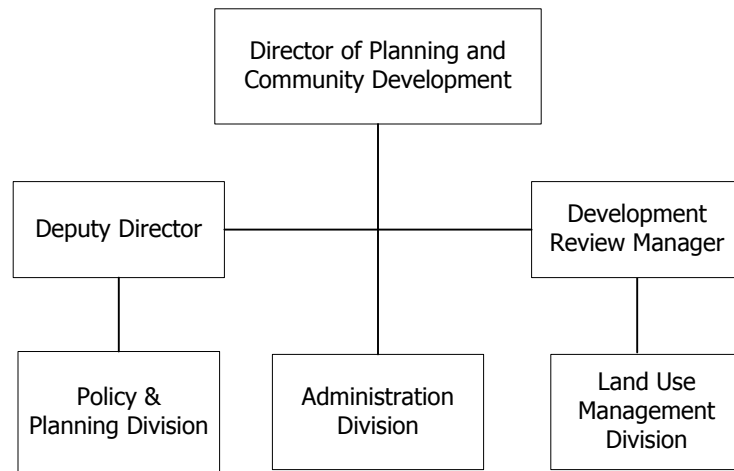
PLANNING & COMMUNITY DEVELOPMENT



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CITY OF KIRKLAND

Planning and Community Development Department



DEPARTMENT OVERVIEW

PLANNING & COMMUNITY DEVELOPMENT

MISSION

The **Planning and Community Development Department** is responsible for the preparation, administration, and enforcement of the City's growth management policies, regulations, and programs. The department prepares growth plans and development regulations and assures regulatory compliance by reviewing proposed development projects and undertaking code enforcement. Public outreach is conducted and assistance is provided in response to public inquiries. Activities are coordinated with state, regional, and other local governments.

DEPARTMENT FUNCTIONS

The **Administration Division** coordinates the department budget, personnel, training, and general administrative activities.

The **Land Use Management Division** performs all regulatory functions required to implement the Comprehensive Plan, Zoning Code, Subdivision Ordinance, State Environmental Policy Act (SEPA), and Shoreline Master Program. While coordinating with the other Development Services departments, the division processes land use development applications, reviews building permits for land use code compliance, provides information about development regulations, and enforces development codes. Staff support is provided to the Hearing Examiner, Design Review Board, Houghton Community Council, and City Council in their roles of reviewing and approving development applications.

The **Policy and Planning Division** prepares the City's Comprehensive Plan, Zoning Code, Subdivision Ordinance, Shoreline Master Program, local SEPA ordinance, and other growth management plans and zoning and development regulations. Amendments to these documents are prepared annually in accordance with the Planning Work Program adopted by the City Council. Staff support is provided to the City Council, Planning Commission, Houghton Community Council, and a variety of citizen committees. The division coordinates with other agencies on regional and state-wide planning issues, monitors legislative activity, maintains development monitoring systems, and undertakes special projects as directed by the City Council or City Manager.

BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS

Neighborhoods

- Provide funding of the Finn Hill Neighborhood Plan using funds set aside in the prior biennium for Kirkland 2035 Neighborhood Plan Updates, \$35,000

Housing

- Continue ARCH Housing Trust Fund contribution, \$630,000 one-time

Environment

- Update Critical Areas Ordinance Regulations and related GIS data, \$305,000 (\$90,000 paid by Planning/\$215,000 paid by Surface Water)

Economic Development

- Add resources to Development Services to address workload and maintain/enhance customer service expectations (these activities are all funded from development revenues or related reserves):
 - Consultant Planner Professional Services, \$92,000 one-time
 - Convert temporary Planner to ongoing, 1.0 FTE, \$171,938 ongoing
 - Add Office Specialist, temporary 1.0 FTE, \$175,588 one-time

Other

- Increase training budget for Planning staff for one-time attendance at the American Planning Association National Conference that will be held in Seattle, \$7,000

2015 - 2016 FINANCIAL OVERVIEW
PLANNING & COMMUNITY DEVELOPMENT
FINANCIAL SUMMARY BY OBJECT

	2011-2012 Actual	2013-2014 Estimate	2013-2014 Budget	2015-2016 Budget	Percent Change
Salaries and Wages	3,703,636	4,053,555	4,158,756	4,416,394	6.20%
Benefits	1,252,724	1,598,090	1,716,733	1,989,167	15.87%
Supplies	17,006	32,247	18,612	27,122	45.72%
Other Services	881,784	1,176,826	1,554,928	1,223,231	-21.33%
Government Services	119,553	181,483	175,200	209,400	19.52%
Capital Outlay	-	-	-	-	n/a
TOTAL	5,974,703	7,042,201	7,624,229	7,865,314	3.16%

FINANCIAL SUMMARY BY DIVISION

	2011-2012 Actual	2013-2014 Estimate	2013-2014 Budget	2015-2016 Budget	Percent Change
Administration	2,721,424	1,986,660	1,747,884	2,942,688	68.36%
Land Use Management	2,078,506	3,335,702	3,501,530	3,444,037	-1.64%
Policy and Planning	1,174,773	1,719,839	2,374,815	1,478,589	-37.74%
TOTAL	5,974,703	7,042,201	7,624,229	7,865,314	3.16%

POSITION SUMMARY BY DIVISION

	2011-2012 Actual	Adjustments	2013-2014 Budget	Adjustments	2015-2016 Budget
Administration	3.85	0.00	3.85	0.00	3.85
Land Use Management	14.50	-0.50	14.00	1.00	15.00
Policy and Planning	5.90	-0.30	5.60	0.00	5.60
TOTAL	24.25	-0.80	23.45	1.00	24.45

2015-2016 POSITION SUMMARY***PLANNING & COMMUNITY DEVELOPMENT*****POSITION SUMMARY BY CLASSIFICATION**

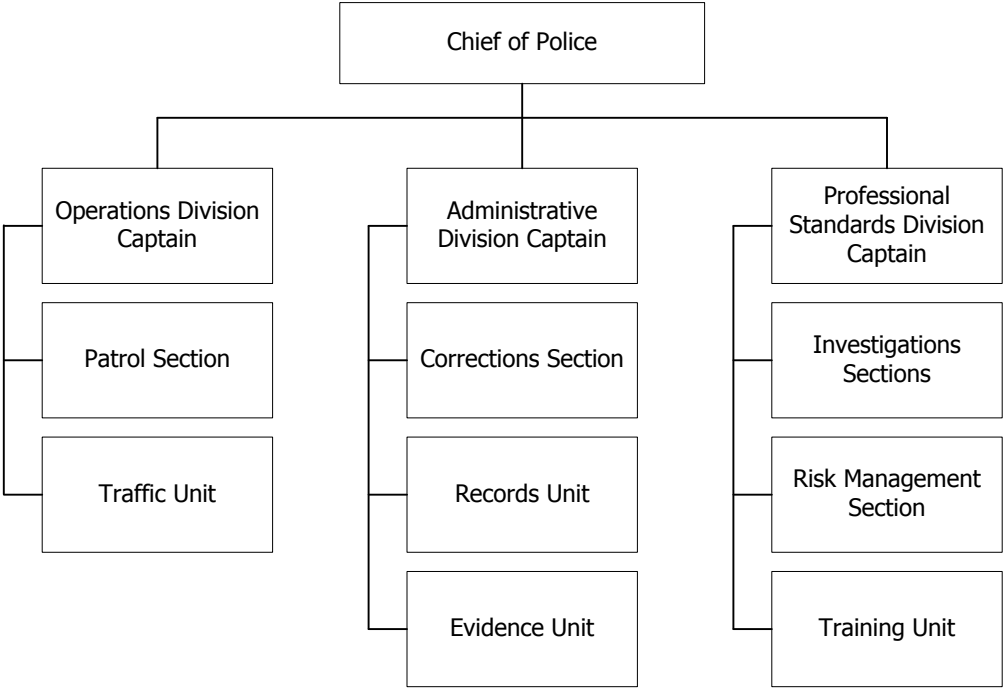
Classification	2013-2014 Budget	Service Packages	2015-2016 Positions	Budgeted 2015 Salary Range
Director	1.00		1.00	9,372 - 12,093
Deputy Director	1.00		1.00	7,492 - 9,668
Development Review Manager	1.00		1.00	7,155 - 9,232
Planning Supervisor	2.00		2.00	6,513 - 8,403
Senior Planner	5.10		5.10	6,386 - 7,513
Code Enforcement Officer	2.00		2.00	5,971 - 7,026
Urban Forester	0.50		0.50	5,823 - 6,850
Associate Planner	1.00		1.00	5,769 - 6,787
Planner	4.00	1.00	5.00	5,402 - 6,355
Planning Administration Supervisor	0.85		0.85	4,449 - 5,742
Assistant Planner	2.00		2.00	4,838 - 5,692
Senior Office Specialist	1.00		1.00	4,210 - 4,953
Office Specialist	1.00		1.00	3,766 - 4,432
Office Technician	1.00		1.00	3,589 - 4,222
TOTAL	23.45	1.00	24.45	

POLICE



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CITY OF KIRKLAND
Police Department





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DEPARTMENT OVERVIEW

POLICE

MISSION

To provide quality law enforcement, with fair and respectful treatment of our community, through partnerships, personal dedication and courage.

DEPARTMENT FUNCTIONS

The **Executive Division** provides overall coordination of department activities, coordinates with other departments and agencies, prepares and monitors budgets, and provides personnel and payroll support.

The **Operations Division** consists of Patrol, Traffic and K-9. In addition to responding to 911 calls and proactively enforcing the law, this division is responsible for working with neighborhood groups, businesses, and other organizations to identify issues, build partnerships, and resolve mutual problems.

The **Patrol Unit** provides 24-hour-per-day service to the community and provides first-unit response for general calls for police service.

The **Traffic Unit** provides enforcement and education to reduce accidents and traffic congestion. The unit also coordinates and responds to community traffic complaint areas and investigates traffic collisions. Parking Enforcement Officers are part of the Traffic Unit and serve to educate the community about parking issues and enforce parking laws.

The **Administrative Division** consists of Corrections and Records and is also responsible for recruitment, hiring, evidence intake and storage, facility issues, fleet, scheduling, grant compliance, contracts, budget and liaison with NORCOM and other regional boards.

The **Corrections Unit** operates the jail, monitors home detention, work release and performs all prisoner transports to courts and other detention facilities.

The **Records Unit** provides for the accurate flow and management of all record-keeping duties and provides front counter service during business for all walk-in customers of the Police Department.

The **Professional Standards Division** consists of Investigations, Family Violence, Special Response Team, Crisis Negotiations, Honor Guard, and Training. This division is also responsible for reviewing and updating the department general orders and standard operating procedures, accreditation, police review boards, internal investigations and risk management.

The **Investigation Unit** is an extension to, and a support group for, the Patrol Unit and is staffed by detectives. The main function of the division is to conduct follow-up investigations of all felony crimes and certain misdemeanor crimes. This unit is also responsible for the registration, tracking and community notifications of registered sex offenders within the City of Kirkland. One detective from this unit is assigned to the Eastside Narcotics Task Force, which is a regional asset. In addition, one member of this unit is assigned to a regional electronic crimes task force with the FBI.

The **Crime Analyst** is attached to the Investigation Unit and monitors crime trends, provides analytical support and publishes informational bulletins on wanted subjects and officer safety issues.

The **Family Violence Unit (FVU)** is attached to the Investigation Unit. This unit is staffed by a detective and a civilian Family/Youth Advocate. The unit conducts follow-up investigation on domestic violence cases, Child Protective Service & Adult Protective Service referrals and conducts

training on domestic violence issues. In addition, they supervise the Domestic Abuse Response Team (DART), which is a volunteer civilian program that provides support services to victims of domestic violence.

The **Training Unit** is responsible for ensuring that all Department training is conducted in accordance with state mandates and ensuring the professional development of all Department members.

BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS
--

Public Safety

- Continue Municipal Court Security, \$134,352 one-time
- Add a 0.5 FTE Police Support Associate to assist with records maintenance/requests and provide supplemental administrative support, \$91,497 ongoing
- Increase Inmate Contracted Medical services to fund additional on-site hours beyond what was contemplated during Kirkland Justice Center (KJC) planning and to allow staff to assess the appropriate level of coverage required by the expanded jail, \$222,194 one-time
- Transfer Senior Financial Analyst position to Finance and Administration Department to provide centralized public safety financial analysis support to Police and Fire and Building Services (no net new cost)

2015 - 2016 FINANCIAL OVERVIEW

POLICE

FINANCIAL SUMMARY BY OBJECT

	2011-2012 Actual	2013-2014 Estimate	2013-2014 Budget	2015-2016 Budget	Percent Change
Salaries and Wages	20,764,629	23,369,165	23,633,063	24,637,506	4.25%
Benefits	7,909,973	9,541,753	9,662,239	10,324,420	6.85%
Supplies	850,043	481,594	668,466	626,629	-6.26%
Other Services	6,658,271	7,483,663	7,766,269	8,659,761	11.50%
Government Services	5,835,034	7,232,028	6,656,196	5,462,510	-17.93%
Capital Outlay	66,591	89,440	89,440	-	-100.00%
TOTAL	42,084,541	48,197,643	48,475,673	49,710,826	2.55%

FINANCIAL SUMMARY BY DIVISION

	2011-2012 Actual	2013-2014 Estimate	2013-2014 Budget	2015-2016 Budget	Percent Change
Administration	9,622,954	10,200,158	10,309,650	12,142,519	17.78%
Police Investigation	4,033,497	4,457,234	4,402,319	4,659,666	5.85%
Patrol	18,008,864	18,986,935	19,299,788	19,786,060	2.52%
Traffic	2,136,833	2,646,327	2,608,681	2,769,141	6.15%
Police Services	7,738,690	11,281,263	11,229,140	9,732,078	-13.33%
Community Services	543,703	625,726	626,095	621,362	-0.76%
TOTAL	42,084,541	48,197,643	48,475,673	49,710,826	2.55%

POSITION SUMMARY BY DIVISION

	2011-2012 Actual	Adjustments	2013-2014 Budget	Adjustments	2015-2016 Budget
Administration	11.00	0.00	11.00	-1.00	10.00
Police Investigation	11.00	0.00	11.00	0.00	11.00
Patrol	75.00	-4.00	71.00	1.00	72.00
Traffic	6.00	0.00	6.00	0.00	6.00
Police Services	32.50	2.00	34.50	0.50	35.00
Community Services	2.00	0.00	2.00	0.00	2.00
TOTAL	137.50	-2.00	135.50	0.50	136.00

2015-2016 POSITION SUMMARY

POLICE

POSITION SUMMARY BY CLASSIFICATION

Classification	2013-2014 Budget	Service Packages	2015-2016 Positions	Budgeted 2015 Salary Range
Chief	1.00		1.00	9,575 - 12,355
Captain	3.00		3.00	9,023 - 11,643
Lieutenant	5.00		5.00	7,545 - 9,736
Corrections Manager	1.00		1.00	8,302 - 10,712
Sergeant	9.00		9.00	7,545 - 8,181
Police Officer**	57.00	1.00	58.00	5,147 - 8,002
Corporal/Detective	22.00		22.00	6,554 - 8,080
Senior Financial Analyst*	1.00	(1.00)	0.00	5,534 - 7,140
Police Analyst	1.00		1.00	5,067 - 6,326
Corrections Sergeant	1.00		1.00	4,732 - 6,106
Police Support Associate Supervisor	1.00		1.00	5,451 - 5,781
Family-Youth Advocate	1.00		1.00	4,627 - 5,776
Corrections Corporal	2.00		2.00	4,458 - 5,565
Administrative Assistant	1.00		1.00	4,268 - 5,328
Corrections Officer	16.00		16.00	4,059 - 5,067
Evidence Technician	2.00		2.00	3,923 - 4,898
Executive Assistant II	1.00		1.00	3,769 - 4,863
Police Support Associate	7.50	0.50	8.00	3,703 - 4,623
Administrative Support Associate	1.00		1.00	3,590 - 4,482
Parking Enforcement Officer	2.00		2.00	3,428 - 4,280
TOTAL	135.50	0.50	136.00	

*Senior Financial Analyst reports to Finance & Administration Department

**Council Addition: 1.00 FTE School Resource Officer

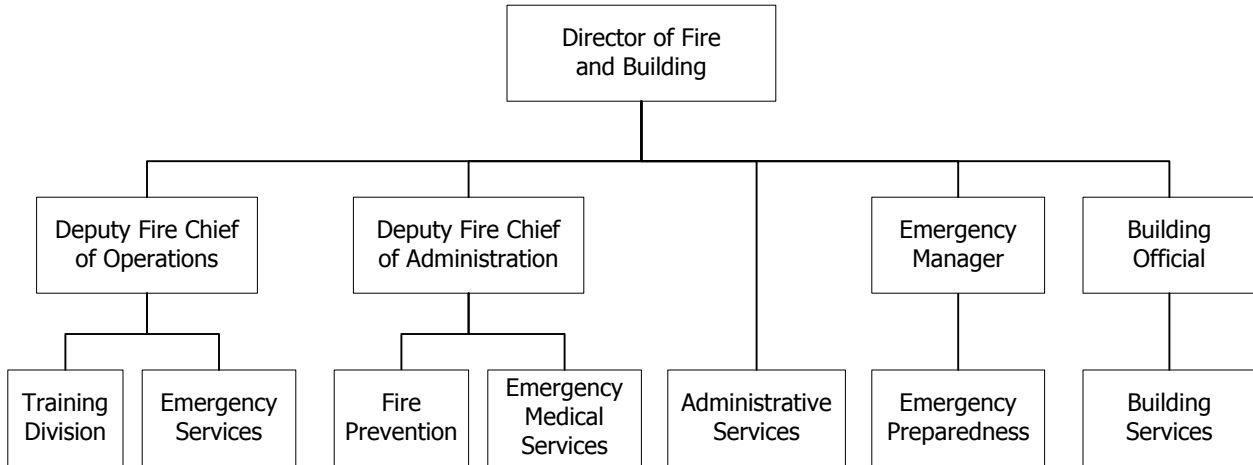
FIRE & BUILDING



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CITY OF KIRKLAND

Fire and Building Department





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DEPARTMENT OVERVIEW

FIRE & BUILDING

MISSION

Providing timely emergency response and safeguarding the lives, property and environment of our community.

DEPARTMENT FUNCTIONS

Administrative Services provides administrative and support functions for the bureaus and divisions within the department, as well as special boards and commissions. Responsibilities include establishing department priorities; communicating organizational goals and values; administering department policies and staffing requirements; developing and monitoring the financial, organizational, and developmental aspects of the department; implementing the Fire Strategic Plan; coordination and management of support services, project management, records management, and human resources activities.

Community Risk Reduction is provided by the Fire Prevention Bureau to prevent dangerous life safety situations before they happen. This is accomplished through application of the International Fire Code and local ordinances pertaining to permitted construction projects, operational permits and life safety inspections of existing occupancies such as schools, churches, businesses, convalescent homes and multi-family apartments and condominiums. Bureau staff is able to provide technical assistance to citizens and respond to safety concerns in the community. All members of the department provide fire and life safety education in our community, including schools, non-governmental organizations, and local businesses. The bureau is also responsible for investigating fires to determine origin and cause. All information from investigations is used to help prevent future fires.

Emergency Management prepares the City of Kirkland to respond, mitigate and recover from a disaster. This is accomplished through engaging all levels of the community, City staff, local non-government agencies, schools, businesses and residents to prepare for any disaster and to be ready to partner to serve our community during a time of need. The division is responsible for development and coordination of updates to the City's emergency management plans and to train City staff to operate the Emergency Operations Center (EOC). Emergency Management also participates, when possible, in regional projects, training, committees and other preparedness and response activities in recognition of the interdependence of the region and the City of Kirkland's role. Information is also provided to help educate residents, businesses and community groups on disaster preparation, response, and recovery.

Emergency Services responds to emergencies resulting from fires, trauma, disaster, hazardous materials incidents, and related incidents in order to minimize suffering, loss of life and property. The current work program of this division includes the maintenance of a well-trained force to: (1) Provide basic medical life support to victims of illness and trauma (2) Extinguish all fires (3) Perform technical rescues and (4) Mitigate hazardous materials incidents within the City.

Training Division develops and coordinates training programs for all emergency services personnel within the fire department. The division conducts and directs training activities within the department through participation in the Eastside Metro Training Group and ensures the department meets legally mandated training requirement. Ongoing training is vital in maintaining our overall level of expertise and safe emergency scene operating practices. The division oversees the health, safety and wellness program. Although hundreds of hours are spent doing on-the-job training, it is also essential that the firefighters are exposed to training programs outside of the department. This enables the department to capitalize on the knowledge of others and keeps us abreast of the ever-changing needs of society.

Building Services provides the general public with the minimum standards for the safety and quality of construction of new and remodeled structures, and the installation of electrical, plumbing and mechanical systems. Building Services receives, routes, and coordinates all building and related permit applications. Building Services staff works closely with architects, contractors, owners, and developers, as well as working with other departments and agencies to ensure compliance with all City requirements and issuing permits in a timely manner. This includes plan review (both paper and electronic), field inspection, accurate record keeping, archiving, public disclosure and code enforcement.

BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS
--

Public Safety

- Fire Strategic Plan and Standard of Cover Study implementation actions:
 - Continue North Neighborhoods fourth firefighter staffing, \$1,060,582 one-time
 - Provide on-going Senior Financial Analyst support to Fire and Building through the reorganization of the existing Police Senior Financial Analyst to a Public Safety Senior Financial Analyst in the Finance and Administration Department (no new net cost)
 - Provide on-going funding for Lexipol service to keep policies and procedures current, \$14,500
 - Fully equip reserve engine and aid cars to minimize transition time required to place them in service, \$39,200 one-time
 - Fund on-going support of the Fire Corps Volunteer Program, \$14,628 on-going and \$2,000 one-time
 - Fund the purchase of two Water Rescue Craft to assist with open water rescue, \$158,507, (funded in part with grant funds (\$37,000) and I CIP project savings \$55,000)
- Add a temporary 0.5 FTE Office Technician to support the Training Division and carry out other administrative duties, \$44,753 one-time (half of position is funded by expenditure savings)
- Establish a Public Access AEDS Opportunity Fund for use in adding AEDs in additional high use private locations, with related training and support, \$50,000 one-time
- Set aside \$14,000 as a grant match to purchase Body Armor (grants will be pursued in 2015 to make this purchase)
- Provide match set-aside for community fundraising to restore the Antique Pumper, \$25,000 one-time

Economic Development

- Add resources to the Building Division to address workload and maintain/enhance customer service expectations (these activities are all funded from development revenues or related reserves):
 - Increase overtime and hourly wages, \$169,730 one-time
 - Enhance public records request assistance, \$26,469 one-time
 - Add 1.0 FTE Applications Analyst to support permit system and electronic plans, \$252,805 ongoing
 - Add .50 temporary GIS Support for parcel and address database management, , \$108,738 one-time
 - Add 1.0 FTE temporary Records Specialist, \$84,683 one-time

2015 - 2016 FINANCIAL OVERVIEW
FIRE & BUILDING
FINANCIAL SUMMARY BY OBJECT

	2011-2012 Actual	2013-2014 Estimate	2013-2014 Budget	2015-2016 Budget	Percent Change
Salaries and Wages	23,102,973	26,790,734	27,142,028	27,937,333	2.93%
Benefits	8,498,938	10,233,767	10,118,962	10,583,543	4.59%
Supplies	966,762	450,069	460,486	463,364	0.62%
Other Services	5,921,179	6,532,527	6,538,700	7,393,592	13.07%
Government Services	1,064,632	939,670	946,265	1,258,751	33.02%
Capital Outlay	-	-	27,500	-	n/a
TOTAL	39,554,484	44,946,767	45,233,941	47,636,583	5.31%

FINANCIAL SUMMARY BY DIVISION

	2011-2012 Actual	2013-2014 Estimate	2013-2014 Budget	2015-2016 Budget	Percent Change
Administration	2,532,325	3,050,349	3,113,884	3,141,288	0.88%
Emergency Services	31,158,908	34,369,302	34,363,081	35,152,626	2.30%
Fire Prevention	1,416,436	1,697,737	1,708,601	1,584,354	-7.27%
Building Services	4,126,215	5,552,366	5,650,890	7,241,581	28.15%
Emergency Management	320,600	277,013	397,485	516,734	30.00%
TOTAL	39,554,484	44,946,767	45,233,941	47,636,583	5.31%

POSITION SUMMARY BY DIVISION

	2011-2012 Actual	Adjustments	2013-2014 Budget	Adjustments	2015-2016 Budget
Administration	7.50	0.50	8.00	0.00	8.00
Emergency Services	92.00	0.00	92.00	0.00	92.00
Fire Prevention	4.00	1.00	5.00	0.00	5.00
Building Services	18.78	3.00	21.78	1.00	22.78
Emergency Management	0.00	1.50	1.50	0.00	1.50
TOTAL	122.28	6.00	128.28	1.00	129.28

2015 - 2016 POSITION SUMMARY***FIRE & BUILDING*****POSITION SUMMARY BY CLASSIFICATION**

Classification	2013-2014 Budget	Service Packages	2015-2016 Positions	Budgeted 2015 Salary Range
Fire and Building Director	1.00		1.00	9,575 - 12,355
Deputy Chief	2.00		2.00	8,521 - 10,994
Fire Marshal	1.00		1.00	10,289 - 10,807
Building Services Manager	1.00		1.00	7,788 - 10,050
City Emergency Manager	1.00		1.00	7,400 - 9,309
Battalion Chief	4.00		4.00	9,845 - 10,363
Assistant Fire Marshall	1.00		1.00	9,178 - 9,697
Captain	12.00		12.00	8,734 - 9,253
Fire Inspector	2.00		2.00	8,586 - 8,956
Lieutenant	11.00		11.00	8,142 - 8,512
Plan Review Supervisor	1.00		1.00	5,988 - 7,726
Inspection Supervisor	1.00		1.00	5,852 - 7,551
Firefighter	66.00		66.00	5,477 - 7,402
Fire Protection Engineer	1.00		1.00	7,000*
Applications Analyst	0.00	1.00	1.00	5,809 - 6,834
Plans Examiner II	5.00		5.00	5,731 - 6,742
Emergency Prep Coordinator	0.50		0.50	5,559 - 6,540
Business Analyst	1.00		1.00	5,408 - 6,362
Electrical/Building Inspector	6.00		6.00	5,528 - 6,503
Permit Technician Supervisor	1.00		1.00	4,818 - 6,217
Administrative Supervisor	1.00		1.00	4,450 - 5,742
Administrative Assistant	1.00		1.00	4,647 - 5,466
Permit Technician	4.28		4.28	4,407 - 5,185
Office Specialist	0.50		0.50	3,766 - 4,432
Office Technician	3.00		3.00	3,589 - 4,222
TOTAL	128.28	1.00	129.28	

*Salary for new position is estimate only

Special Revenue Funds are established to account for specific resources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

LODGING TAX FUND

The Lodging Tax Fund accounts for the City's tourism program and expenditures related to the operation of tourism-related facilities. The primary source of revenue is a one percent lodging tax instituted in January 2002.

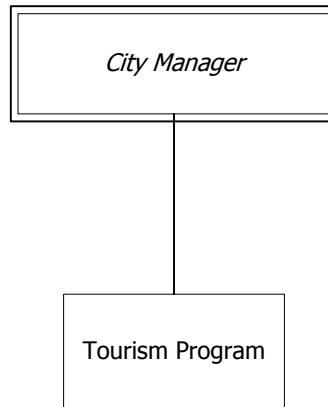


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CITY OF KIRKLAND

City Manager's Office

Lodging Tax Fund



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DEPARTMENT OVERVIEW***LODGING TAX FUND*****MISSION**

The Lodging Tax Fund was created to account for Lodging Tax revenue that provides funding for tourism promotion and marketing activities to attract visitors to Kirkland resulting in increased day trips and overnight stays. The Tourism Program strives to optimize the assets of Kirkland to promote the City as a destination.

DEPARTMENT FUNCTIONS

The City Manager's Office oversees the Tourism Program in conjunction with the Economic Development Program, recognizing its role in generating revenue for the City. The program promotes events and programs through the ExploreKirkland.com website, a Facebook page, and monthly electronic event guides. It also provides printed visitor guides, dining guides and event guides to 175 locations in Kirkland and neighboring cities. It provides networking with local and regional tourism providers and familiarization tours for travel writers. The Tourism Program also provides media outreach and public relations to promote Kirkland as a destination and for selected events.

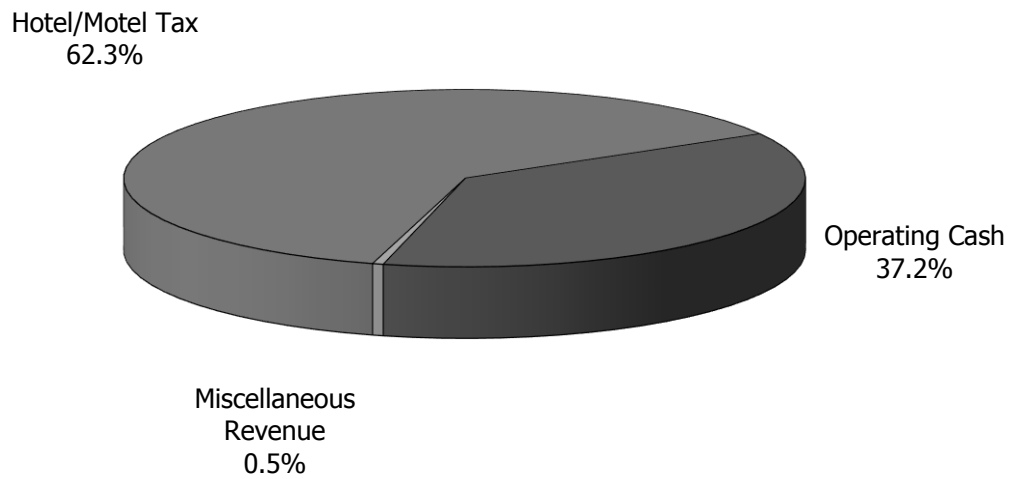
The revenue source for the Tourism Program is the Lodging Excise Tax collected from one percent of the sale of short-term accommodations as authorized by state statute. Use of the Lodging Excise Tax is limited to fund tourism promotion and operation of tourism-related facilities. The City Manager's Office provides staff support to the Tourism Development Committee whose role is to provide recommendations on the use of the lodging tax funds and help guide the tourism program priorities.

BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS**Economic Development**

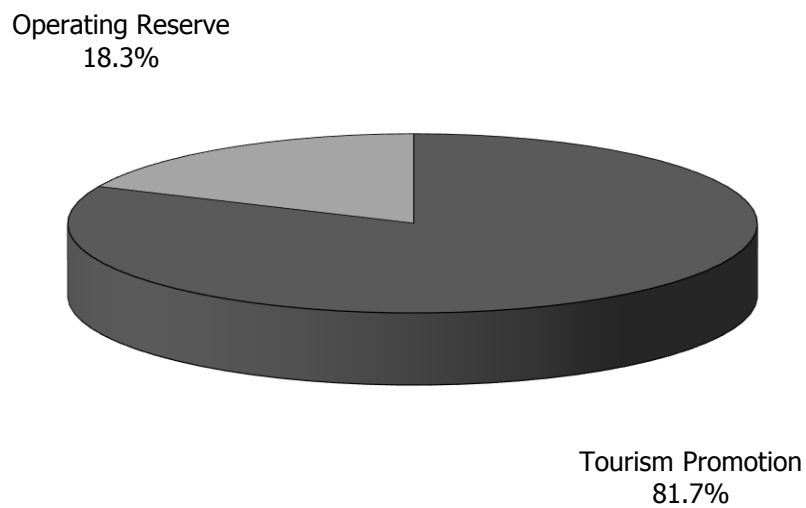
- Increase tourism staff support hours, \$53,995 one-time
- Increase tourism Outside Agency grant funding, \$50,000 one-time
- Complete phase 2 of the Water Optimization Study, \$20,000 one-time

2015-2016 BUDGET LODGING TAX FUND

Sources of Funds



Uses of Funds



2015 - 2016 FINANCIAL OVERVIEW
LODGING TAX FUND
FINANCIAL SUMMARY BY OBJECT

	2011-2012 Actual	2013-2014 Estimate	2013-2014 Budget	2015-2016 Budget	Percent Change
Salaries and Wages	82,535	110,387	121,073	151,138	24.83%
Benefits	21,783	41,222	52,167	67,678	29.73%
Supplies	3,859	3,887	6,400	6,000	-6.25%
Other Services	225,501	273,228	314,297	453,319	44.23%
Government Services	-	-	-	-	n/a
Capital Outlay	-	-	-	-	n/a
Reserves*	103,975	213,390	213,390	156,537	-26.64%
TOTAL	437,653	642,114	707,327	834,672	18.00%

FINANCIAL SUMMARY BY DIVISION

	2011-2012 Actual	2013-2014 Estimate	2013-2014 Budget	2015-2016 Budget	Percent Change
City Manager	437,653	642,114	707,327	834,672	18.00%
TOTAL	437,653	642,114	707,327	834,672	18.00%

POSITION SUMMARY BY DIVISION

	2011-2012 Actual	Adjustments	2013-2014 Budget	Adjustments	2015-2016 Budget
City Manager	0.60	0.06	0.66	0.00	0.66
TOTAL	0.60	0.06	0.66	0.00	0.66

*2011-12 actual and 2013-14 estimates reserves are budgeted, but not spent

2015-2016 POSITION SUMMARY***LODGING TAX FUND*****POSITION SUMMARY BY CLASSIFICATION**

Classification	2013-2014 Budget	Service Packages	2015-2016 Positions	Budgeted 2015 Salary Range
Economic Development Manager	0.15		0.15	8,105 - 10,459
Special Projects Coordinator	0.31		0.31	5,895 - 6,936
Administrative Assistant	0.20		0.20	4,647 - 5,466
TOTAL	0.66	0.00	0.66	

**City of Kirkland
2015 - 2016 Budget
Revenues**

		2011 -2012 Actual	2013 - 2014 Estimate	2013- 2014 Budget	2015- 2016 Budget	Percent Change
Fund:	Lodging Tax Fund (112)					
Department:	General					
Division:	Not Applicable					
Key:	Lodging Tax (1120000000)					
Taxes						
Hotel* Motel Tax	3133001	425,060	0	0	0	0.00%
Hotel Motel Tax	3133101	0	495,102	464,704	520,000	11.89%
Total for Taxes:		425,060	495,102	464,704	520,000	11.89%
Total for Intergovernmental Revenue:		0	0	0	0	0.00%
Miscellaneous Revenues						
Investment Interest	3611101	3,225	3,131	1,632	4,252	160.53%
Total for Miscellaneous Revenues:		3,225	3,131	1,632	4,252	160.53%
Other Financing Sources						
Resources Forward	3999901	0	240,991	240,991	310,420	28.80%
Total for Other Financing Sources:		0	240,991	240,991	310,420	28.80%
Total for Lodging Tax (1120000000):		428,285	739,224	707,327	834,672	18.00%
Total for Not Applicable:		428,285	739,224	707,327	834,672	18.00%
Total for General:		428,285	739,224	707,327	834,672	18.00%
Total for Lodging Tax Fund:		428,285	739,224	707,327	834,672	18.00%



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Special Revenue Funds are established to account for specific resources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

STREET OPERATING FUND

The Street Operating Fund accounts for the administration, maintenance, and minor construction of the City's transportation infrastructure. The primary sources of revenue are property taxes and the State levied gasoline tax. This fund also includes the revenues from the 2012 Street Levy – Levy for City street maintenance and pedestrian safety.

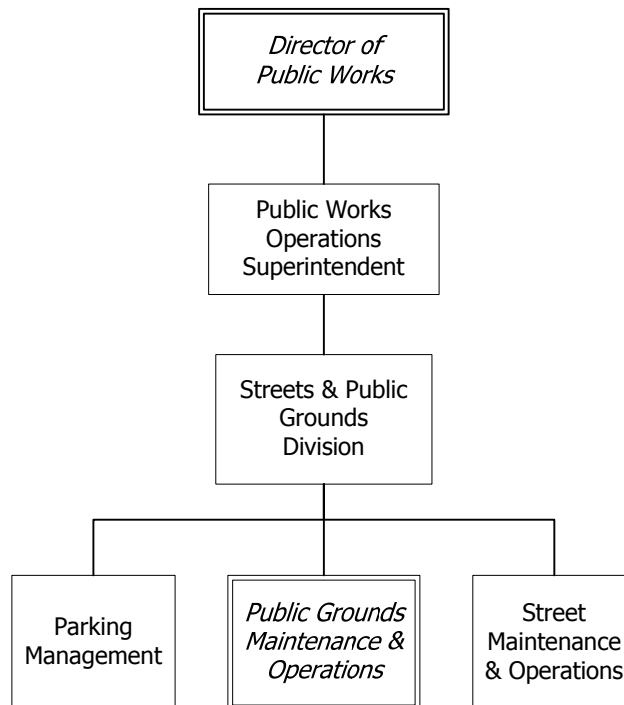


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CITY OF KIRKLAND

Public Works Department

Street Operating Fund



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DEPARTMENT OVERVIEW***STREET OPERATING FUND*****MISSION**

The Street Operating Fund is established to account for the administration of all resources associated with the maintenance, operation, and minor construction of roadways, sidewalks, pathways, traffic signs and signals, and roadsides.

DEPARTMENT FUNCTIONS

Within the Streets and Grounds Division of Public Works, the Street Maintenance Group administers and maintains 593 lane miles of streets, 234 lane miles of sidewalks, 5¾ miles of rail corridor, 58 traffic signals, 20 school beacons, 22 radar signs, 48 flashing crosswalks, and approximately 13,000 street signs. The Division is also responsible for street sweeping and mowing public right-of-ways. The Construction Group provides for minor construction of new sidewalks and related equipment costs that are not included in the Capital Improvement Program. Public Grounds provides maintenance of 4 acres of City medians and gateways, 14 acres of Public Building grounds, and approximately 20,000 street trees.

BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS**Balanced Transportation**

- Conduct a citywide Sidewalk condition survey, \$100,600 one-time

Environment

- Purchase an Urban Forestry Bucket Truck, \$190,000 one-time and \$56,664 ongoing (75% of costs paid by Streets/25% by Parks)

Economic Development

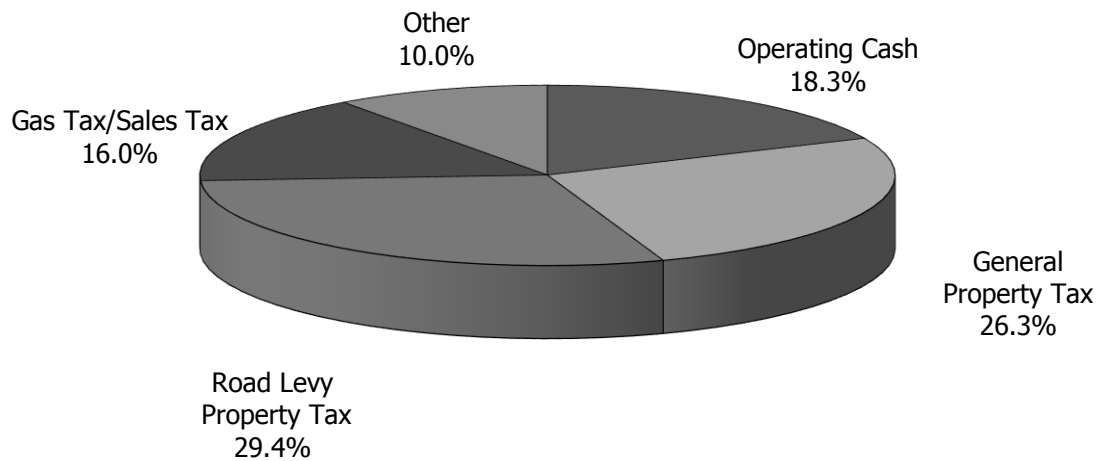
- Replace the \$270,000 annual sales tax allocation in the Street Fund with business license revenues to provide a basis for the allocation to grow as employment grows

Dependable Infrastructure

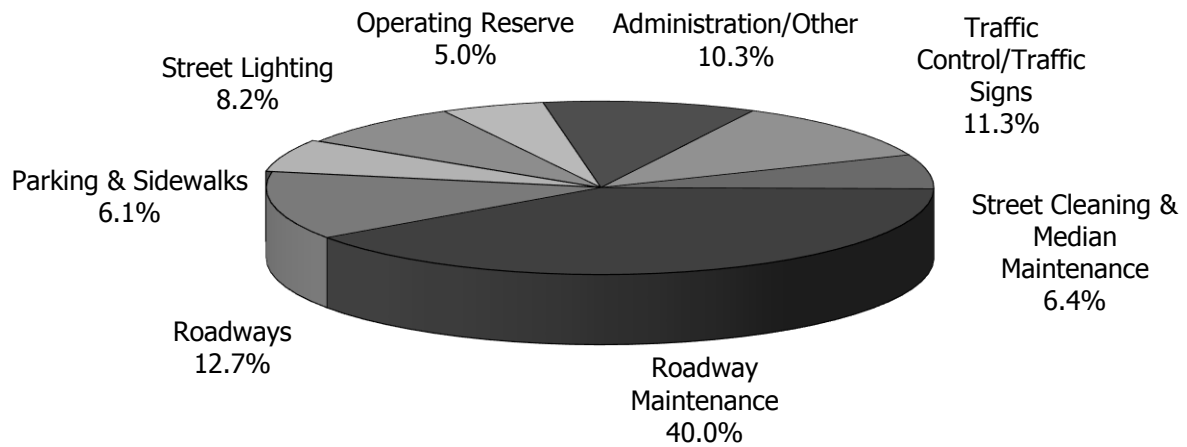
- Maintain temporary Grounds Crew funded from Real Estate Excise Tax for landscape maintenance at all non-parks City facilities, \$186,192 one-time
- Purchase additional snow and ice-related equipment, \$91,600 one-time
- Reestablish the Street/Utility Undergrounding Opportunity Fund, (\$50,000
- Replace Market Street Medians with less maintenance-intensive approach, \$175,000 one-time
- Temporarily increase seasonal Laborer hours to provide additional capacity to maintain medians and pathways, \$150,107
- Assume responsibility for all utility and maintenance costs for street lights in the annexed neighborhoods funded initially from the Annexation Sales Tax Credit, \$570,000 one-time

2015-2016 BUDGET STREET OPERATING FUND

Sources of Funds



Uses of Funds



2015 - 2016 FINANCIAL OVERVIEW
STREET OPERATING FUND
FINANCIAL SUMMARY BY OBJECT

	2011-2012 Actual	2013-2014 Estimate	2013-2014 Budget	2015-2016 Budget	Percent Change
Salaries and Wages	2,131,724	2,764,797	2,715,634	2,859,092	5.28%
Benefits	1,052,586	1,632,469	1,518,932	1,705,430	12.28%
Supplies	672,038	925,884	1,136,219	1,056,453	-7.02%
Other Services	4,477,746	4,778,870	4,852,374	5,605,577	15.52%
Government Services	2,425,213	7,204,616	7,184,209	7,087,700	-1.34%
Capital Outlay	67,173	191,048	158,000	79,000	-50.00%
Reserves*	2,622,081	3,855,799	3,168,766	2,669,788	-15.75%
TOTAL	13,448,561	21,353,483	20,734,134	21,063,040	1.59%

FINANCIAL SUMMARY BY DIVISION

	2011-2012 Actual	2013-2014 Estimate	2013-2014 Budget	2015-2016 Budget	Percent Change
Transportation Engineering	292,715	403,481	501,297	574,941	14.69%
Maintenance	5,018,971	6,046,592	6,434,944	6,705,901	4.21%
Administrative/General	8,136,875	14,903,410	13,797,893	13,782,198	-0.11%
TOTAL	13,448,561	21,353,483	20,734,134	21,063,040	1.59%

POSITION SUMMARY BY DIVISION

	2011-2012 Actual	Adjustments	2013-2014 Budget	Adjustments	2015-2016 Budget
Maintenance	18.40	0.00	18.40	0.00	18.40
Administrative/General	2.25	0.25	2.50	0.00	2.50
TOTAL	20.65	0.25	20.90	0.00	20.90

*2011-12 actual and 2013-14 estimates reserves are budgeted, but not spent

2015 - 2016 POSITION SUMMARY***STREET OPERATING FUND*****POSITION SUMMARY BY CLASSIFICATION**

Classification	2013-2014 Budget	Service Packages	2015-2016 Positions	Budgeted 2015 Salary Range
Public Works Superintendent	0.25		0.25	7,483 - 9,656
Street Manager	0.95		0.95	6,863 - 8,856
Internal Services Manager	0.00		0.00	6,811 - 8,790
Management Analyst	0.40		0.40	5,698 - 6,703
Electronics Technician I	1.00		1.00	5,600 - 6,682
Leadperson	1.60		1.60	5,228 - 6,308
Electronics Technician II	2.00		2.00	4,540 - 6,098
Senior Maintenance Person	5.50		5.50	4,386 - 5,665
Yard Maint. & Inventory Control	0.25		0.25	4,386 - 5,665
Senior Craftperson	1.00		1.00	4,386 - 5,665
Senior Accounting Associate	0.05		0.05	4,606 - 5,419
Utility Craftsperson	0.10		0.10	4,088 - 5,225
Accounting Support Associate IV	0.00		0.00	4,210 - 4,953
Utilityperson	5.50		5.50	3,452 - 4,748
Grounds Technician	2.05		2.05	3,452 - 4,748
Public Works Office Specialist	0.25		0.25	3,766 - 4,432
TOTAL	20.90	0.00	20.90	

**City of Kirkland
2015 - 2016 Budget
Revenues**

		2011 -2012 Actual	2013 - 2014 Estimate	2013- 2014 Budget	2015- 2016 Budget	Percent Change
Fund:	Street Operating (117)					
Department:	General					
Division:	Not Applicable					
Key:	Street Operating (1170000000)					
Taxes						
Property Tax-Real & Personal	3111001	2,845,074	5,241,003	5,271,499	5,546,681	5.22%
Property Tax 2012 Road Levy	3111005	0	5,860,681	5,872,746	6,182,047	5.26%
Diverted Cnty Road Prop Tax	3112001	4,542,113	0	0	0	0.00%
Retail* SalesUse Tax	3131001	540,000	0	0	0	0.00%
Retail Sales Use Tax	3131101	0	540,000	540,000	0	0.00%
Rev Generating Regulatory Lic	3161001	0	0	0	540,000	0.00%
Total for Taxes:		7,927,187	11,641,684	11,684,245	12,268,728	5.00%
License and Permits						
Street Cut Permit	3224004	243,058	514,638	220,000	380,000	72.72%
Interfund *Street Permit Fee	3290040	200	0	0	0	0.00%
Total for License and Permits:		243,258	514,638	220,000	380,000	72.72%
Intergovernmental Revenue						
Indirect FEMA	3339703	58,999	0	0	0	0.00%
Military Department	3340180	9,833	0	0	0	0.00%
Traffic Safety Commission	3340350	0	17,009	19,416	0	0.00%
MVFT-City Streets	3360087	1,753,966	3,379,234	3,388,658	3,359,821	-0.85%
MVFT-*Arterial Streets Hwys	3360088	1,098,000	0	0	0	0.00%
Total for Intergovernmental Revenue:		2,920,798	3,396,243	3,408,074	3,359,821	-1.41%
Charges for Goods and Services						
Other*General Government Svcs	3419001	30,058	0	0	0	0.00%
Special*Event Services	3419003	150	0	0	0	0.00%
General Govt Services	3419601	0	15,844	10,000	10,000	0.00%
PW Deposit Admin Fees	3441101	0	6,700	0	0	0.00%
Street Sign Fee	3441201	0	30,678	20,000	30,000	50.00%
Street*Sign Fee	3449010	29,228	0	0	0	0.00%
Street Improvement Fee in Lieu	3458116	0	3,730	0	0	0.00%
Interfund Personnel Services	3491601	32,819	1,494	0	0	0.00%
Interfund-Other Gen Govnmt	3491901	93	13,658	32,453	50,000	54.06%
Interfund Supplies	3491903	7,568	8,747	0	0	0.00%
Interfund-Road Maint Services	3494201	130,331	106,383	0	0	0.00%
Total for Charges for Goods and Services:		230,247	187,234	62,453	90,000	44.10%
Fines and Forfeits						
Forfeiture of Bonds Deposits	3591001	5,818	850	0	0	0.00%

**City of Kirkland
2015 - 2016 Budget
Revenues**

		2011 -2012 Actual	2013 - 2014 Estimate	2013- 2014 Budget	2015 - 2016 Budget	Percent Change
Total for Fines and Forfeits:		5,818	850	0	0	0.00 %
Miscellaneous Revenues						
Parking Meters	3623001	278,030	316,414	271,320	330,000	21.62 %
Parking Park Main Ant Mall	3623003	135,402	176,543	160,000	90,000	-43.75 %
Facilities Leases LT-Garage	3625001	34,272	37,510	30,000	40,000	33.33 %
Facilities Leases LT-Other	3625002	2,116	705	0	0	0.00 %
Stall Parking Park Main Ant	3625003	13,644	20,553	20,000	10,000	-50.00 %
Contrib Rebates Prescription	3671901	165	0	0	0	0.00 %
ContribDonations Private	3679901	150	124	0	0	0.00 %
Sale of Scrap Material	3691001	9,827	0	0	0	0.00 %
Other Judgements Settlements	3694001	45,259	15,713	10,000	10,000	0.00 %
Cash Over Short	3698101	-2,959	0	0	0	0.00 %
Other Misc Revenue	3699001	1,095	8,411	5,000	5,000	0.00 %
Total for Miscellaneous Revenues:		517,001	575,973	496,320	485,000	-2.28 %
Total for Proprietary Other Income:		0	0	0	0	0.00 %
Other Financing Sources						
Operating Transfer In	3971001	200,000	380,413	380,413	613,692	61.32 %
Ins Rec Gen Govt Non Capital	3980001	818	173,919	0	10,000	0.00 %
Resources Forward	3999901	0	4,482,629	4,482,629	3,855,799	-13.98 %
Total for Other Financing Sources:		200,818	5,036,961	4,863,042	4,479,491	-7.88 %
Total for Street Operating (1170000000):		12,045,127	21,353,583	20,734,134	21,063,040	1.58 %
Total for Not Applicable:		12,045,127	21,353,583	20,734,134	21,063,040	1.58 %
Total for General:		12,045,127	21,353,583	20,734,134	21,063,040	1.58 %
Total for Transportation Engineering:		0	0	0	0	0.00 %
Total for Public Works:		0	0	0	0	0.00 %
Total for Street Operating:		12,045,127	21,353,583	20,734,134	21,063,040	1.58 %

Special Revenue Funds are established to account for specific resources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

CEMETERY OPERATING FUND

The Cemetery Operating Fund accounts for the operation of the City's cemetery.
The primary source of revenue is user fees.



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DEPARTMENT OVERVIEW***CEMETERY OPERATING FUND*****MISSION**

The Cemetery Operating fund is responsible for operating and maintaining the City of Kirkland Cemetery.

DEPARTMENT FUNCTIONS

The Parks Department maintenance crews provide for the operation and maintenance of the cemetery and services for interment procedures, including ongoing maintenance service such as mowing, edging, weeding, installation of markers, and verification of gravesites.

The Finance and Administration Department provides cemetery administration support through the sale of lots and markers and maintenance of cemetery records.

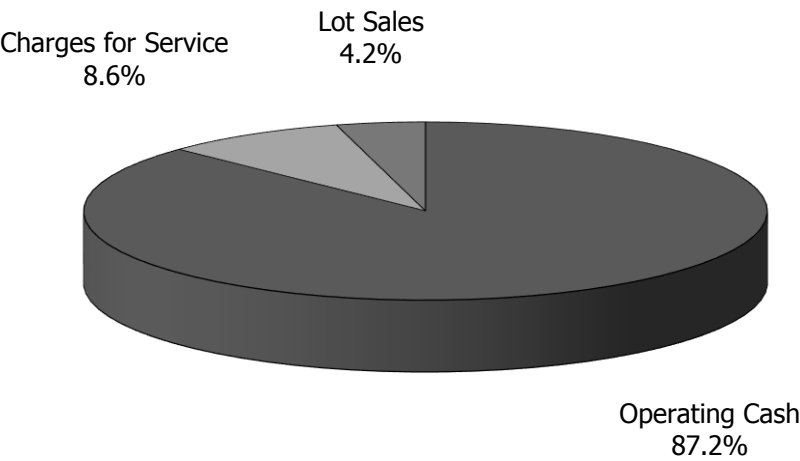
The direct, non-labor costs and reimbursement for the labor costs in Finance and Administration are accounted for in the Cemetery Operating Fund. The labor costs for the Parks department are accounted for in the General Fund.

BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS

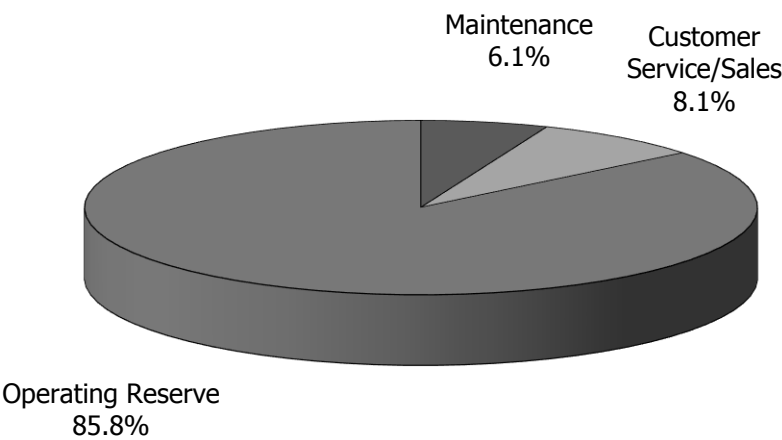
No significant highlights.

2015-2016 BUDGET
CEMETERY OPERATING FUND

Sources of Funds



Uses of Funds



2015 - 2016 FINANCIAL OVERVIEW
CEMETERY OPERATING FUND
FINANCIAL SUMMARY BY OBJECT

	2011-2012 Actual	2013-2014 Estimate	2013-2014 Budget	2015-2016 Budget	Percent Change
Salaries and Wages	-	8,692	6,000	6,000	n/a
Benefits	-	-	-	-	n/a
Supplies	24,996	29,672	36,618	25,000	-31.73%
Other Services	38,675	99,511	95,882	85,606	-10.72%
Government Services	113,016	121	200	200	n/a
Capital Outlay	10,800	4,800	9,600	4,800	-50.00%
Reserves*	563,942	689,447	689,447	734,728	6.57%
TOTAL	751,429	832,243	837,747	856,334	2.22%

FINANCIAL SUMMARY BY DIVISION

	2011-2012 Actual	2013-2014 Estimate	2013-2014 Budget	2015-2016 Budget	Percent Change
Parks Maintenance	39,324	83,047	72,386	52,474	-27.51%
Customer Services	712,105	749,196	765,361	803,860	5.03%
TOTAL	751,429	832,243	837,747	856,334	2.22%

POSITION SUMMARY BY DIVISION

	2011-2012 Actual	Adjustments	2013-2014 Budget	Adjustments	2015-2016 Budget
Parks Maintenance	0.00	0.00	0.00	0.00	0.00
Customer Services	0.00	0.00	0.00	0.00	0.00
TOTAL	0.00	0.00	0.00	0.00	0.00

*2011-12 actual and 2013-14 estimates reserves are budgeted, but not spent

**City of Kirkland
2015 - 2016 Budget
Revenues**

		2011 -2012 Actual	2013 - 2014 Estimate	2013- 2014 Budget	2015 - 2016 Budget	Percent Change
Fund:	Cemetery Operating (122)					
Department:	General					
Division:	Not Applicable					
Key:	Cemetery Operating (1220000000)					
Charges for Goods and Services						
Sale of Markers	3436001	18,006	12,444	20,000	10,000	-50.00%
Marker Setting Fee	3436002	22,515	17,460	22,740	16,000	-29.63%
Open and Close	3436003	92,659	75,090	41,200	48,000	16.50%
Cemetery Liner Fee	3436004	250	500	0	0	0.00%
Marker Engraving Fee	3436005	4,050	5,450	0	0	0.00%
Total for Charges for Goods and Services:		137,480	110,944	83,940	74,000	-11.84%
Miscellaneous Revenues						
Investment Interest	3611101	10,496	7,826	5,754	10,119	75.86%
Housing Rental Leases	3626001	8,625	0	0	0	0.00%
Total for Miscellaneous Revenues:		19,121	7,826	5,754	10,119	75.86%
Other Financing Sources						
Proceeds Sales of Fixed Assets	3951001	76,246	76,188	64,000	36,000	-43.75%
Resources Forward	3999901	0	684,053	684,053	736,215	7.62%
Total for Other Financing Sources:		76,246	760,241	748,053	772,215	3.22%
Total for Cemetery Operating (1220000000):		232,847	879,011	837,747	856,334	2.21%
Total for Not Applicable:		232,847	879,011	837,747	856,334	2.21%
Total for General:		232,847	879,011	837,747	856,334	2.21%
Total for Cemetery Operating:		232,847	879,011	837,747	856,334	2.21%

Special Revenue Funds are established to account for specific resources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

PARKS MAINTENANCE FUND

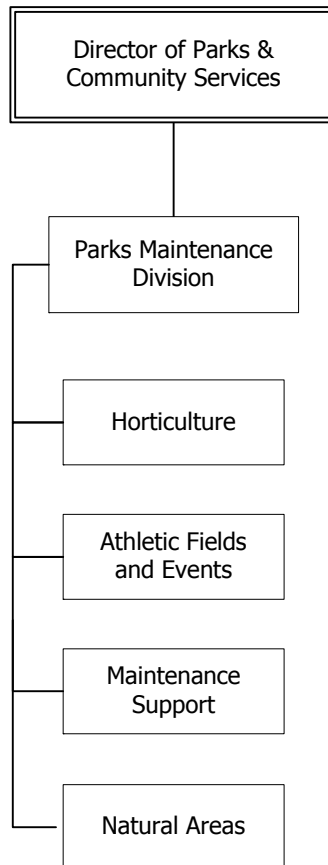
The Parks Maintenance Fund accounts for the maintenance and operation of park properties acquired and/or developed with a park bond passed in November 2002. The primary source of revenue is from a special property tax levy approved in November 2002.



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CITY OF KIRKLAND
Parks & Community Services Department

Parks Maintenance Fund



Boxes with a double outline and italic text indicate positions which report to this department but which are budgeted in a separate operating fund.



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DEPARTMENT OVERVIEW

PARKS MAINTENANCE FUND

MISSION

To operate and maintain park facilities funded from the voter-approved 2002 park bond and levy, including Juanita Beach Park, Carillon Woods, North Rose Hill Woodlands Park, and select Lake Washington School District school playfields.

DEPARTMENT FUNCTIONS

The **Parks Maintenance Fund** accounts for the maintenance and operation of properties acquired and/or developed as a result of a parks bond approved by voters in November 2002. These properties and projects include future park land purchased with the Acquisition Opportunity Fund, and the City-School Partnership program which encompasses school playfield improvements, maintenance, and scheduling administration. The maintenance and operating costs are funded by a special property tax levy approved by the voters in November 2002.

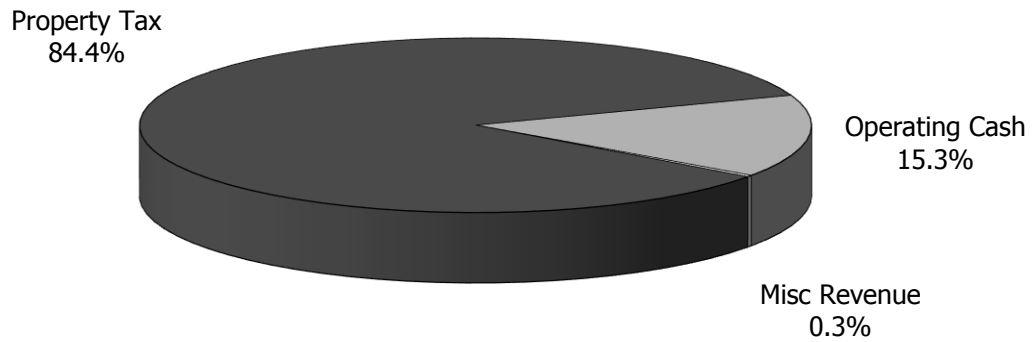
This fund accounts for all landscape and horticulture services, athletic field maintenance and renovations, ball field scheduling and coordination, restroom and park amenity services, trail maintenance, park rentals, and other repair and construction projects of these properties.

BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS

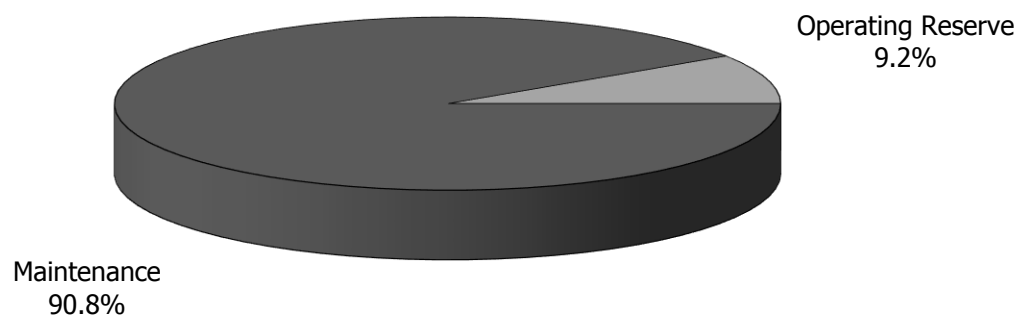
- Move 0.75 FTE Office Technician position to the General Fund to recognize that the position will be focused on rentals and moorage, revenues which appear in the General Fund.

2015-2016 BUDGET PARKS MAINTENANCE FUND

Sources of Funds



Uses of Funds



2015 - 2016 FINANCIAL OVERVIEW
PARKS MAINTENANCE FUND
FINANCIAL SUMMARY BY OBJECT

	2011-2012 Actual	2013-2014 Estimate	2013-2014 Budget	2015-2016 Budget	Percent Change
Salaries and Wages	988,354	1,108,881	1,143,471	1,112,856	-2.68%
Benefits	458,021	551,461	643,080	653,648	1.64%
Supplies	91,486	147,715	147,840	152,340	3.04%
Other Services	539,100	813,530	814,690	874,787	7.38%
Government Services	4,186	19,386	1,700	1,700	0.00%
Capital Outlay	-	-	-	-	n/a
Reserves*	276,183	346,446	346,446	284,878	-17.77%
TOTAL	2,357,330	2,987,419	3,097,227	3,080,209	-0.55%

FINANCIAL SUMMARY BY DIVISION

	2011-2012 Actual	2013-2014 Estimate	2013-2014 Budget	2015-2016 Budget	Percent Change
Parks Maintenance	2,357,330	2,987,419	3,097,227	3,080,209	-0.55%
TOTAL	2,357,330	2,987,419	3,097,227	3,080,209	-0.55%

POSITION SUMMARY BY DIVISION

	2011-2012 Actual	Adjustments	2013-2014 Budget	Adjustments	2015-2016 Budget
Parks Maintenance	10.25	-1.00	9.25	-0.75	8.50
TOTAL	10.25	-1.00	9.25	-0.75	8.50

*2011-12 actual and 2013-14 estimates reserves are budgeted, but not spent

2015-2016 POSITION SUMMARY***PARKS MAINTENANCE FUND*****POSITION SUMMARY BY CLASSIFICATION**

Classification	2013-2014 Budget	Service Packages	2015-2016 Positions	Budgeted 2015 Salary Range
Leadperson	2.00		2.00	5,228 - 5,308
Groundsperson	6.00		6.00	3,452 - 4,748
Parks Accounts Associate	0.50		0.50	3,929 - 4,624
Office Technician	0.75	(0.75)	0.00	3,589 - 4,222
TOTAL	9.25	(0.75)	8.50	

**City of Kirkland
2015 - 2016 Budget
Revenues**

		2011 -2012 Actual	2013 - 2014 Estimate	2013- 2014 Budget	2015 - 2016 Budget	Percent Change
Fund:	Parks Maintenance Fund (125)					
Department:	General					
Division:	Not Applicable					
Key:	Parks Maintenance Fund (1250000000)					
Taxes						
Property Tax - Parks M&O Levy3111002		2,166,145	2,460,903	2,474,910	2,598,920	5.01 %
Total for Taxes:		2,166,145	2,460,903	2,474,910	2,598,920	5.01 %
Miscellaneous Revenues						
Park Facility Rentals	3624005	7,624	14,256	4,800	10,200	112.50 %
Other Misc Revenue	3699001	25	0	0	0	0.00 %
Total for Miscellaneous Revenues:		7,649	14,256	4,800	10,200	112.50 %
Other Financing Sources						
Operating Transfer In	3971001	28,270	0	0	0	0.00 %
Resources Forward	3999901	0	617,517	617,517	471,089	-23.71 %
Total for Other Financing Sources:		28,270	617,517	617,517	471,089	-23.71 %
Total for Parks Maintenance Fund (1250000000):		2,202,064	3,092,676	3,097,227	3,080,209	-0.54 %
Total for Not Applicable:		2,202,064	3,092,676	3,097,227	3,080,209	-0.54 %
Total for General:		2,202,064	3,092,676	3,097,227	3,080,209	-0.54 %
Total for Parks Maintenance Fund:		2,202,064	3,092,676	3,097,227	3,080,209	-0.54 %



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Special Revenue Funds are established to account for specific resources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

2012 PARKS LEVY FUND

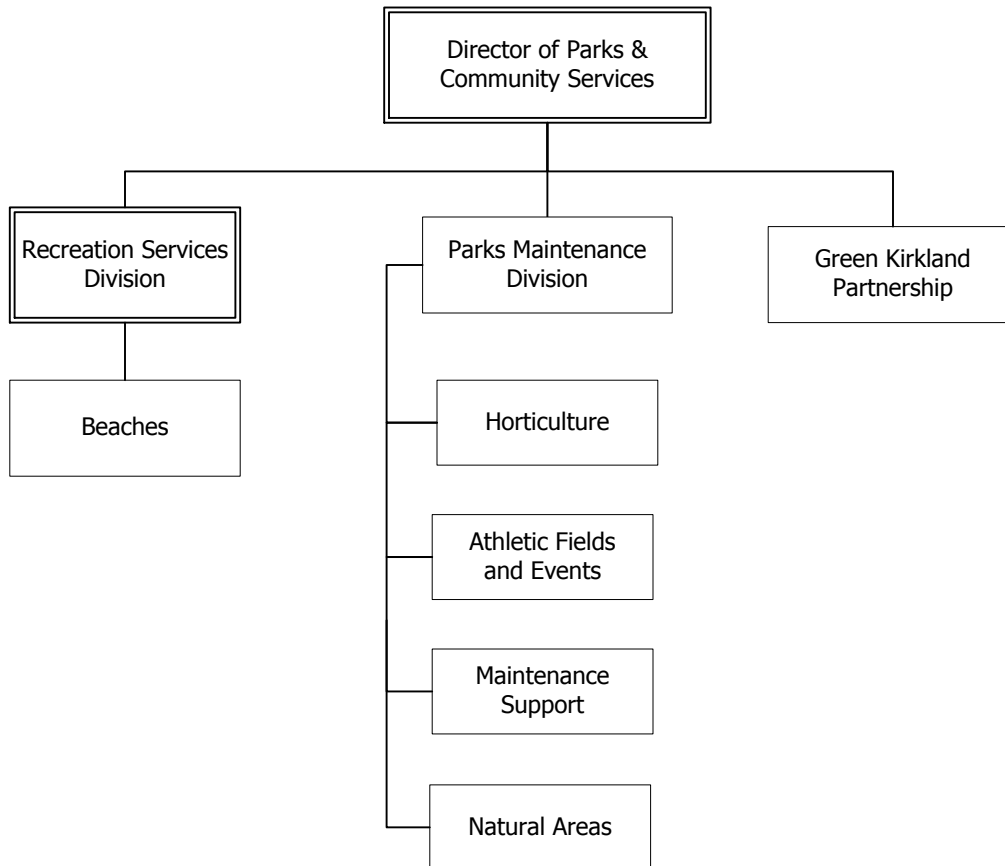
The Parks Levy Fund accounts for the maintenance and operation of park properties acquired and/or developed with the revenues from the 2012 Park Levy – Levy for City parks maintenance, restoration, and enhancement.



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CITY OF KIRKLAND
Parks & Community Services Department

2012 Parks Levy Fund



Boxes with a double outline and italic text indicate positions which report to this department but which are budgeted in a separate operating fund.



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DEPARTMENT OVERVIEW***2012 PARKS LEVY FUND*****MISSION**

To restore and enhance funding for park maintenance and beach lifeguards and to maintain, renovate and enhance docks, park facilities, trails and playfields and to acquire park land and open space.

DEPARTMENT FUNCTIONS

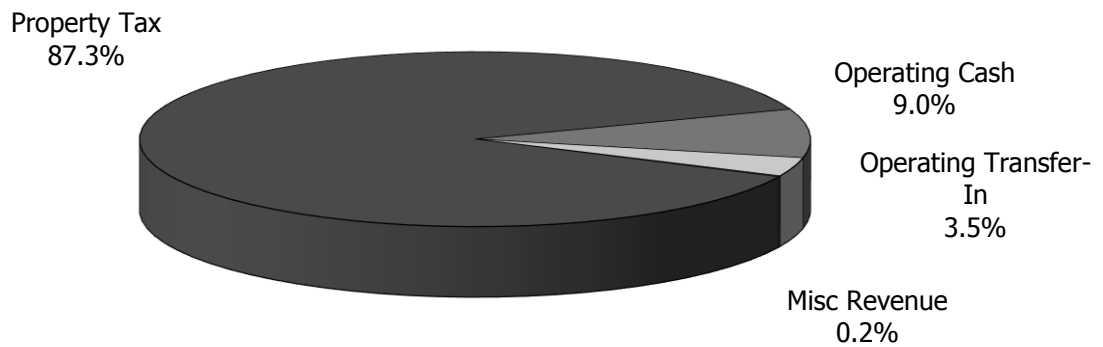
The **2012 Parks Levy Fund** accounts for the proceeds of parks levy approved by voters in November 2012. The levy restores maintenance and beach lifeguard services at Houghton, Waverly and Juanita beaches and restores maintenance at neighborhood parks including restroom operations and repairs. The levy also provides for maintenance of O.O. Denny Park, the Cross Kirkland Corridor and provides ongoing funding for the Green Kirkland Partnership. The levy includes annual capital funding for restoration of docks and park facilities, playfields and open space acquisition.

BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS**Parks, Open Spaces and Recreational Services**

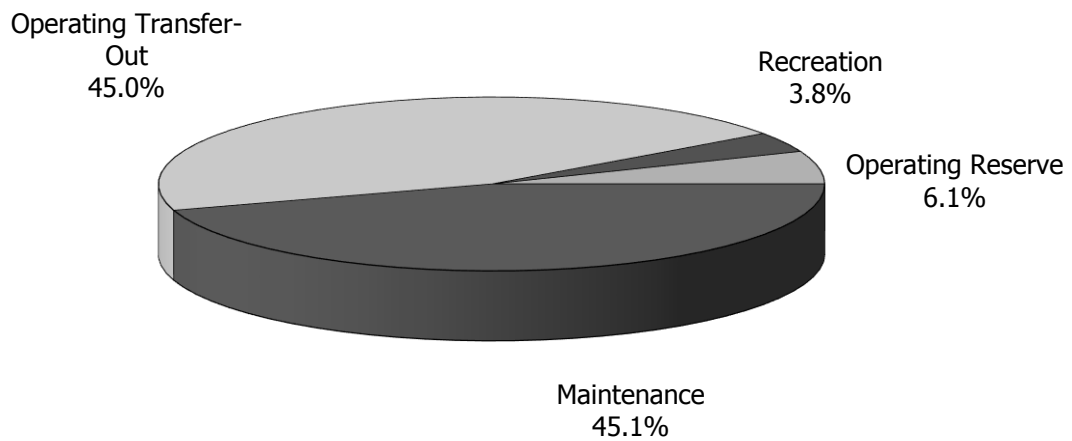
- Increase seasonal labor hours to support the Green Kirkland Partnership, \$43,286 one-time
- Add .50 FTE Environmental Outreach Specialist, , \$115,095 ongoing (offsetting revenue of \$75,520)

2015-2016 BUDGET 2012 PARKS LEVY FUND

Sources of Funds



Uses of Funds



2015 - 2016 FINANCIAL OVERVIEW
2012 PARKS LEVY FUND
FINANCIAL SUMMARY BY OBJECT

	2011-2012 Actual	2013-2014 Estimate	2013-2014 Budget	2015-2016 Budget	Percent Change
Salaries and Wages	-	1,077,060	1,207,363	1,302,325	7.87%
Benefits	-	468,834	576,570	663,584	15.09%
Supplies	-	142,338	137,022	140,200	2.32%
Other Services	-	503,508	519,524	574,551	10.59%
Government Services	-	2,350,050	2,350,000	2,500,000	6.38%
Capital Outlay	-	-	-	-	n/a
Reserves*	-	232,585	232,585	369,636	58.93%
TOTAL	-	4,774,375	5,023,064	5,550,296	10.50%

FINANCIAL SUMMARY BY DIVISION

	2011-2012 Actual	2013-2014 Estimate	2013-2014 Budget	2015-2016 Budget	Percent Change
Parks Maintenance	-	4,591,610	4,819,882	5,341,567	10.82%
Community Services	-	182,765	203,182	208,729	2.73%
TOTAL	-	4,774,375	5,023,064	5,550,296	10.50%

POSITION SUMMARY BY DIVISION

	2011-2012 Actual	Adjustments	2013-2014 Budget	Adjustments	2015-2016 Budget
Parks Maintenance	0.00	4.25	4.25	0.00	4.25
Community Services	0.00	3.00	3.00	0.50	3.50
TOTAL	0.00	7.25	7.25	0.50	7.75

*2011-12 actual and 2013-14 estimates reserves are budgeted, but not spent

2015-2016 POSITION SUMMARY

2012 PARKS LEVY FUND

POSITION SUMMARY BY CLASSIFICATION

Classification	2013-2014 Budget	Service Packages	2015-2016 Positions	Budgeted 2015 Salary Range
Parks Maintenance Supervisor	1.00		1.00	5,308 - 6,849
Green Kirkland Partnership Sup.	1.00		1.00	5,307 - 6,849
Environ. Education & Outreach Spclst.	0.00	0.50	0.50	5,465 - 6,431
Senior Groundsperson	1.00		1.00	4,386 - 5,665
Groundsperson	3.25		3.25	3,452 - 4,748
Program Assistant	1.00		1.00	4,030 - 4,740
TOTAL	7.25	0.50	7.75	

**City of Kirkland
2015 - 2016 Budget
Revenues**

		2011 -2012 Actual	2013 - 2014 Estimate	2013- 2014 Budget	2015- 2016 Budget	Percent Change
Fund:	2012 Parks Levy (128)					
Department:	General					
Division:	Not Applicable					
Key:	2012 Parks Levy (1280000000)					
Taxes						
Property Tax 2012 Park Levy	3111006	0	4,596,614	4,606,077	4,848,669	5.26 %
Total for Taxes:		0	4,596,614	4,606,077	4,848,669	5.26 %
Charges for Goods and Services						
Fee In Lieu of Planting	3458117	0	4,000	0	0	0.00 %
Interfund Svcs-Environmnt Svcs	3497902	0	150,000	150,000	193,286	28.85 %
Total for Charges for Goods and Services:		0	154,000	150,000	193,286	28.85 %
Miscellaneous Revenues						
Park Facility Rentals	3624005	0	9,495	0	10,000	0.00 %
ContribDonations Private	3679901	0	13,936	1,000	0	0.00 %
Total for Miscellaneous Revenues:		0	23,431	1,000	10,000	900.00 %
Other Financing Sources						
Operating Transfer In	3971001	0	265,987	15,987	0	0.00 %
Resources Forward	3999901	0	0	250,000	498,341	99.33 %
Total for Other Financing Sources:		0	265,987	265,987	498,341	87.35 %
Total for 2012 Parks Levy (1280000000):		0	5,040,032	5,023,064	5,550,296	10.49 %
Total for Not Applicable:		0	5,040,032	5,023,064	5,550,296	10.49 %
Total for General:		0	5,040,032	5,023,064	5,550,296	10.49 %
Total for 2012 Parks Levy:		0	5,040,032	5,023,064	5,550,296	10.49 %



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Internal Service Funds account for the financing of goods and services provided by one department to other City departments on a cost reimbursement basis.

HEALTH BENEFITS FUND

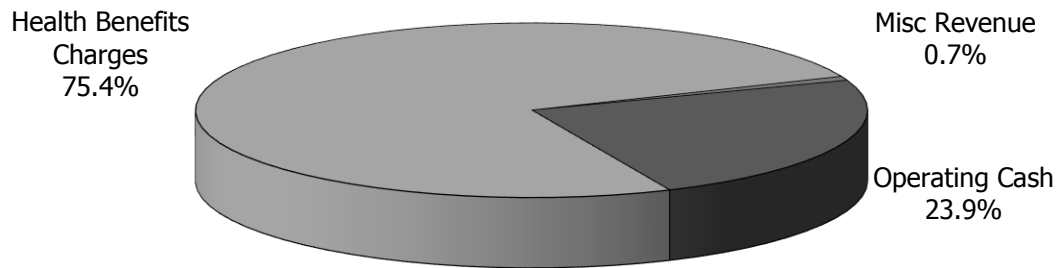
The Health Benefits Fund accounts for programs established to provide employee medical health care coverage. Medical premiums received by the fund are used to pay claims for employees participating in the City's self-insured health care program, purchase "stop-loss" coverage for individual and aggregate claims in excess of self-insured limits, and maintain reserves for the payment of future claims based on actuarial estimates. Employee dental and vision coverage is purchased from an outside carrier.



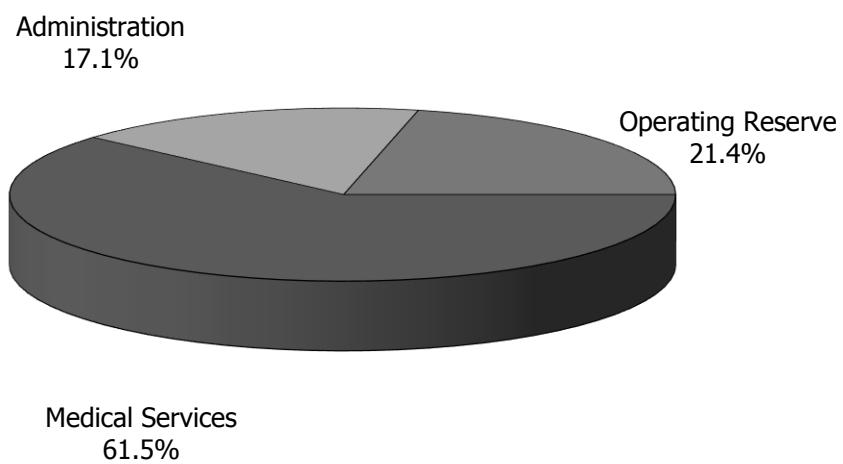
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2015-2016 BUDGET HEALTH BENEFITS FUND

Sources of Funds



Uses of Funds





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2015 - 2016 FINANCIAL OVERVIEW

HEALTH BENEFITS FUND

FINANCIAL SUMMARY BY OBJECT

	2011-2012 Actual	2013-2014 Estimate	2013-2014 Budget	2015-2016 Budget	Percent Change
Salaries and Wages	-	-	-	-	n/a
Benefits	9,243	-	-	2,963,630	n/a
Supplies	-	3,192	-	1,000	n/a
Other Services	13,957,734	17,290,998	20,883,415	17,723,690	-15.13%
Government Services	682	95,756	2,000	200,654	n/a
Capital Outlay	-	-	-	-	n/a
Reserves*	1,924,472	3,495,856	3,495,856	5,688,522	62.72%
TOTAL	15,892,131	20,885,802	24,381,271	26,577,496	9.01%

FINANCIAL SUMMARY BY DIVISION

	2011-2012 Actual	2013-2014 Estimate	2013-2014 Budget	2015-2016 Budget	Percent Change
Health Benefits	15,892,131	20,885,802	24,381,271	26,577,496	9.01%
TOTAL	15,892,131	20,885,802	24,381,271	26,577,496	9.01%

POSITION SUMMARY BY DIVISION

	2011-2012 Actual	Adjustments	2013-2014 Budget	Adjustments	2015-2016 Budget
Health Benefits	0.00	0.00	0.00	0.00	0.00
TOTAL	0.00	0.00	0.00	0.00	0.00

*2011-12 actual and 2013-14 estimates reserves are budgeted, but not spent

**City of Kirkland
2015 - 2016 Budget
Revenues**

		2011 -2012 Actual	2013 - 2014 Estimate	2013- 2014 Budget	2015- 2016 Budget	Percent Change
Fund:	Health Benefits Fund (511)					
Department:	General					
Division:	Not Applicable					
Key:	Health Benefits Fund (5110000000)					
Intergovernmental Revenue						
COBRA Payroll Tax Credit	3322110	9,243	0	0	0	0.00%
Total for Intergovernmental Revenue:		9,243	0	0	0	0.00%
Miscellaneous Revenues						
Investment Interest	3611101	32,687	50,265	19,781	71,891	263.43%
Interfund Medical Cont ER	3665001	1,281,174	224,876	1,430,000	238,091	-83.35%
Contrib Rebates Prescription	3671901	115,676	132,345	100,000	130,000	30.00%
Stop Loss Rebate	3671902	258,144	867,345	0	0	0.00%
Contrib Wellness	3671903	53,430	140,650	130,000	0	0.00%
Medical Contributions EE	3697201	13,958,974	17,938,493	18,000,000	18,637,080	3.53%
Medical Cont Retiree	3697202	1,318,820	1,320,379	1,641,000	1,155,537	-29.58%
Total for Miscellaneous Revenues:		17,018,905	20,674,353	21,320,781	20,232,599	-5.10%
Other Financing Sources						
Resources Forward	3999901	0	3,060,490	3,060,490	6,344,897	107.31%
Total for Other Financing Sources:		0	3,060,490	3,060,490	6,344,897	107.31%
Total for Health Benefits Fund (5110000000):		17,028,148	23,734,843	24,381,271	26,577,496	9.00%
Total for Not Applicable:		17,028,148	23,734,843	24,381,271	26,577,496	9.00%
Total for General:		17,028,148	23,734,843	24,381,271	26,577,496	9.00%
Total for Health Benefits Fund:		17,028,148	23,734,843	24,381,271	26,577,496	9.00%

Internal Service Funds account for the financing of goods and services provided by one department to other City departments on a cost reimbursement basis.

EQUIPMENT RENTAL FUND

The Equipment Rental Fund accounts and assesses user charges for the cost of maintaining and replacing all City vehicles and heavy equipment.

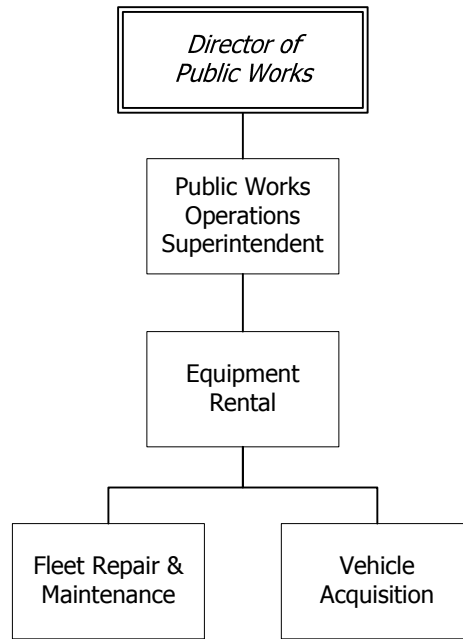


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CITY OF KIRKLAND

Public Works Department

Equipment Rental Fund



Boxes with a double outline and italic text indicate positions which report to this department but which are budgeted in a separate operating fund.



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DEPARTMENT OVERVIEW***EQUIPMENT RENTAL FUND*****MISSION**

The Equipment Rental Fund is established to account for resources associated with providing safe, cost-effective vehicles and equipment to meet the operating needs of all City Departments.

DEPARTMENT FUNCTIONS

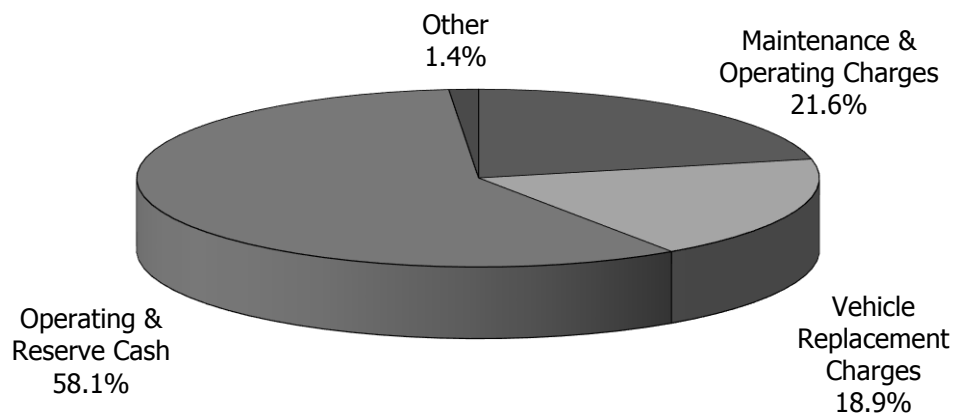
The Public Works Department administers the Equipment Rental Fund. Overseen by the Public Works Superintendent, the Fleet Management Group is responsible for efficient operations of the Fleet Maintenance shop, selection and coordination of outside vendors, vehicle repair and maintenance, fueling systems, acquisition and resale of all vehicles, and provides cost-accounting, rate recommendations, and replacement schedules for the City's fleet. All operations and purchases include environmental considerations. The fund also provides resources for the City's 800 MHz radio program, providing for staff support as a member of the Eastside Public Safety and Communications Agency (EPSCA). The division also maintains 800MHz radio and antenna systems, coordinates vendor repairs, maintenance contracts, and establishes user rates.

BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS

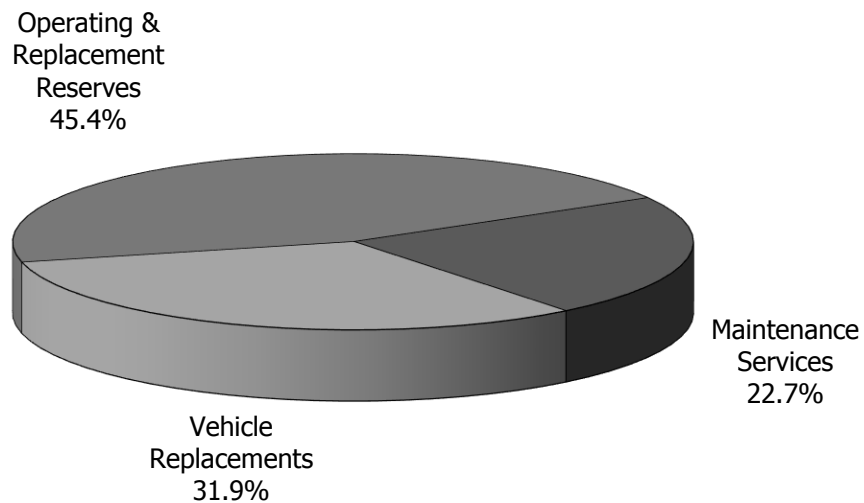
No significant highlights.

2015-2016 BUDGET EQUIPMENT RENTAL FUND

Sources of Funds



Uses of Funds



2015 - 2016 FINANCIAL OVERVIEW
EQUIPMENT RENTAL FUND
FINANCIAL SUMMARY BY OBJECT

	2011-2012 Actual	2013-2014 Estimate	2013-2014 Budget	2015-2016 Budget	Percent Change
Salaries and Wages	883,970	961,123	1,017,843	1,150,408	13.02%
Benefits	349,489	439,903	487,113	582,246	19.53%
Supplies	1,681,371	1,812,676	2,137,560	2,006,650	-6.12%
Other Services	875,593	833,115	948,606	934,409	-1.50%
Government Services	206,324	188,551	244,027	238,465	-2.28%
Capital Outlay	4,032,327	3,219,753	4,695,745	6,969,011	48.41%
Reserves*	9,432,924	11,542,480	9,581,255	9,961,604	3.97%
TOTAL	17,461,998	18,997,601	19,112,149	21,842,793	14.29%

FINANCIAL SUMMARY BY DIVISION

	2011-2012 Actual	2013-2014 Estimate	2013-2014 Budget	2015-2016 Budget	Percent Change
Fleet Management	17,461,998	18,997,601	19,112,149	21,842,793	14.29%
TOTAL	17,461,998	18,997,601	19,112,149	21,842,793	14.29%

POSITION SUMMARY BY DIVISION

	2011-2012 Actual	Adjustments	2013-2014 Budget	Adjustments	2015-2016 Budget
Fleet Management	7.30	0.10	7.40	0.00	7.40
TOTAL	7.30	0.10	7.40	0.00	7.40

*2011-12 actual and 2013-14 estimates reserves are budgeted, but not spent

2015 - 2016 POSITION SUMMARY***EQUIPMENT RENTAL FUND*****POSITION SUMMARY BY CLASSIFICATION**

Classification	2013-2014 Budget	Service Packages	2015-2016 Positions	Budgeted 2015 Salary Range
Public Works Superintendent	0.25		0.25	7,483 - 9,656
Fleet Manager	1.00		1.00	6,448 - 8,320
Mechanic I	1.00		1.00	5,170 - 6,219
Emergency Vehicle Technician	4.00		4.00	4,540 - 6,098
Yard Maint. & Inventory Control	1.15		1.15	4,386 - 5,665
TOTAL	7.40	0.00	7.40	

**City of Kirkland
2015 - 2016 Budget
Revenues**

		2011 -2012 Actual	2013 - 2014 Estimate	2013- 2014 Budget	2015 - 2016 Budget	Percent Change
Fund:	Fleet Services (521)					
Department:	General					
Division:	Not Applicable					
Key:	Equipment Rental (5210000000)					
Intergovernmental Revenue						
Indirect FEMA	3339703	4,355	0	0	0	0.00%
Military Department	3340180	726	0	0	0	0.00%
ARRA Ind Fed DOE PSCCC	3392810	83,960	0	0	0	0.00%
Total for Intergovernmental Revenue:		89,041	0	0	0	0.00%
Charges for Goods and Services						
General Govt Services	3419601	0	10,449	0	0	0.00%
Sale of Fuel	3445101	0	20,818	0	0	0.00%
Total for Charges for Goods and Services:		0	31,267	0	0	0.00%
Miscellaneous Revenues						
Investment Interest	3611101	147,727	116,038	79,712	150,618	88.95%
Other*Interest Earnings	3619001	364	0	0	0	0.00%
Interfund Vehicle Rental	3651001	3,653,982	4,339,610	4,454,419	4,715,819	5.86%
Replacement Reserve	3651002	2,672,308	3,256,548	3,375,760	3,812,684	12.94%
Interfund Radio Rental	3651004	215,362	239,058	244,023	239,256	-1.95%
Interfund Radio Repair	3651005	59,546	68,017	59,548	74,078	24.40%
Other Judgements Settlements	3694001	286	0	0	0	0.00%
Other Misc Revenue	3699001	50,980	18,068	16,000	23,320	45.75%
Total for Miscellaneous Revenues:		6,800,555	8,037,339	8,229,462	9,015,775	9.55%
Proprietary Other Income						
Insur Recovery Prop IntSvc	3720001	80,958	147,959	60,000	56,000	-6.66%
Total for Proprietary Other Income:		80,958	147,959	60,000	56,000	-6.66%
Other Financing Sources						
Proceeds Sales of Fixed Assets	3951001	184,117	152,006	88,300	75,000	-15.06%
Operating Transfer In	3971001	2,262,432	518,493	623,850	1,153,538	84.90%
Resources Forward	3999901	0	955,753	955,753	1,364,628	42.78%
Resources Forward - Reserve	3999902	0	9,154,784	9,154,784	10,177,852	11.17%
Total for Other Financing Sources:		2,446,549	10,781,036	10,822,687	12,771,018	18.00%
Total for Equipment Rental (5210000000):		9,417,103	18,997,601	19,112,149	21,842,793	14.28%
Total for Not Applicable:		9,417,103	18,997,601	19,112,149	21,842,793	14.28%
Total for General:		9,417,103	18,997,601	19,112,149	21,842,793	14.28%

**City of Kirkland
2015 - 2016 Budget
Revenues**

	2011 -2012 Actual	2013 - 2014 Estimate	2013- 2014 Budget	2015- 2016 Budget	Percent Change
Total for Fleet Services:	<u>9,417,103</u>	<u>18,997,601</u>	<u>19,112,149</u>	<u>21,842,793</u>	14.28 %

CITY OF KIRKLAND

EQUIPMENT RENTAL CAPITAL REPLACEMENT

Included in this section are three summary charts - one listing the vehicles costing \$50,000 or more to be replaced over the six-year period of 2013–2018, and the second and third charts listing all vehicle replacements, regardless of cost, for 2015 and 2016, respectively.

The vehicles planned for replacement costing \$50,000 or more are subject to the same process as the entire fleet with respect to replacement standards. In June of each year, each vehicle whose normal accounting life expires in the coming five budget years is examined to determine if extending its service life is financially sound. Considerations include engine hours, mileage, maintenance history, structural wear, declining resale value, and future intended use of the proposed replacement vehicle. If a determination is made that a vehicle is to be replaced, “right-sizing” of the vehicle for its intended use will be conducted. A vehicle will be replaced in kind or “right-sized” if possible (at a lesser cost). Upgraded vehicles for specific functions will require an approved service package in an amount covering the difference between the replaced vehicle’s replacement reserve account and the cost of the proposed replacement vehicle.

Savings are incurred when the operational life of vehicles can be extended beyond their normal accounting life. This is usually due to low engine hours, mileage, or major repairs that have been performed to the vehicle. The vehicles on the six-year schedule that are measured by engine hours have their replacement reserve based on these hours. If a vehicle has reached its normal accounting life but not the original estimated engine hours, the useful life of that vehicle may be extended.

There are eight vehicles costing in excess of \$50,000 currently scheduled for replacement in 2015. The Fire & Building Department is replacing a 2006 Chevrolet Suburban (F213), extended one year beyond the end of its normal accounting life, and an Aid Vehicle (F316) also extended one year beyond its scheduled replacement. Parks and Community Services Department is replacing two 2/3 yard Dump Trucks (F-15, F-16), as well as a flatbed truck (F-14), all of which have been extended three years past their normal accounting life. The Public Works Department will be replacing three vehicles costing in excess of \$50,000. One of the three, a 10 Yard Dumptruck (D-08) has been extended two years beyond its normal accounting life, the other vehicles, a Video Inspector Truck (F450) and a Dump truck (F-17), are being replaced on schedule. In addition to this, 68 vehicles are scheduled to be replaced, either because their normal accounting life ends in 2015, or because they have been extended from previous years.

For 2016, there are nine vehicles over \$50,000, all of which are being replaced on schedule. Public Works is replacing five vehicles (V-03, V-04, U-08, TR-11, F-19) including two Aquatech Sewer trucks and a Bucket Truck which will cost a total of \$1 million. In addition three Public Safety vehicles, Police (P110) and Fire (F216, F317) are being replaced, while Parks is scheduled to replace one truck (F-20). In addition to these capital replacements 22 vehicles will reach the end of their normal accounting life in 2016 and are scheduled for replacement.

City of Kirkland
2013-2018 Capital Improvement Program
Vehicle Replacements Over \$50,000

Fire & Building

Vehicle	Year / Description	Acct Life	Normal Replacement Date	Planned Replacement Year and Cost						Six Year Total Cost	Comments
				2013	2014	2015	2016	2017	2018		
F314	2006 / Ford Road Rescue Aid Vehicle	8	6/1/2014		203,271					203,271	On schedule
F315	2006 / Ford Road Rescue Aid Vehicle	8	6/1/2014		203,271					203,271	On schedule
F213	2006 / Chevrolet Suburban Command	8	6/1/2014			73,788				73,788	Retain One Year
F316	2007 / Ford Road Rescue Aid Vehicle	8	6/1/2015			213,927				213,927	On schedule
F506	1997 / Simon-LTI Tillered Aerial Ladder	18	6/1/2015		1,167,114					1,167,114	On schedule
F609	1995 / Seagrave Pumper	18	6/1/2013		600,229					600,229	Extended Due to Annexation
F216	2008 / Chevrolet Suburban Command	8	6/1/2016				81,492			81,492	On schedule
F317	2008 / Ford Road Rescue Aid Vehicle	8	6/1/2016				229,520			229,520	On schedule
F218	2009 / Ford F250 Ext. Cab. Custom	8	6/1/2017					59,796		59,796	On schedule
F313	2002 / Ford Road Rescue Aid Vehicle	8	6/1/2011					236,481		236,481	Extended Due to Annexation
F610	1999 / H&W Spartan Pumper	18	6/1/2017					660,698		660,698	On schedule
F318	2010 / Ford Road Rescue Aid Vehicle	8	6/1/2018						246,224	246,224	On schedule
F219	2010 / Chevrolet Suburban Command	8	6/1/2018						75,484	75,484	On schedule
Total Fire & Building Vehicles				-	2,173,885	287,715	311,012	956,975	321,708	4,051,295	

Parks & Community Services

Vehicle	Year / Description	Acct Life	Normal Replacement Date	Planned Replacement Year and Cost						Six Year Total Cost	Comments
				2013	2014	2015	2016	2017	2018		
M-3B	2007 / Jacobsen 16' Wide Area Mower	5	6/1/2012		105,221					105,221	Extended Two Years, Good Condition
M-9A	2007 / Toro Groundsmaster 4500D	6	6/1/2013		65,024					65,024	Extended One Year, Good Condition
M-10	2008 / Jacobsen 16' Wide Area Mower	5	6/1/2013		56,913					56,913	Extended One Year, Good Condition
M-16	2012 / Toro Grounds 4000 (Stolen)	5	6/1/2015		77,227					77,227	Stolen - Insurance Replacement
F-14	2004 / Ford F450 Flatbed	8	6/1/2012			59,966				59,966	Extend Three Years, Good Condition
F-15	2004 / Ford F450 2/3 Yard Dump Body	8	6/1/2012			59,966				59,966	Extend Three Years, Good Condition
F-16	2004 / Ford F450 2/3 Yard Dump Body	8	6/1/2012			59,966				59,966	Extend Three Years, Good Condition
F-20	2008 / Ford F450 2/3 Yard Dump Body	8	6/1/2015				64,705			64,705	On schedule
T-04	2007 / Aerotech Passenger Bus	10	6/1/2017					107,996		107,996	On schedule
Total Parks & Community Services Vehicles				-	304,385	179,898	64,705	107,996	-	656,984	

Police

Vehicle	Year / Description	Acct Life	Normal Replacement Date	Planned Replacement Year and Cost						Six Year Total Cost	Comments
				2013	2014	2015	2016	2017	2018		
P110	2011 / Ford F350 Corrections Van	5	6/1/2016				113,079			113,079	May change due to PSB
Total Police Vehicles				-	-	-	113,079	-	-	113,079	

Public Works

Vehicle	Year / Description	Acct Life	Normal Replacement Date	Planned Replacement Year and Cost						Six Year Total Cost	Comments
				2013	2014	2015	2016	2017	2018		
TR-07A	2003 / Case Backhoe 580SL 4x4	10	6/1/2013	98,060						98,060	On schedule
U-05	2000 / Ford F450 Utility Truck	10	6/1/2010		75,570					75,570	Extended Four Years, Good Condition
U-06	2003 / Ford F450 Utility Truck	10	6/1/2013		77,124					77,124	On schedule
D-08	2001 / International 10 Yard Dumptruck	12	6/1/2013			161,624				161,624	Extended Two Years, Good Condition
F-17	2004 / UD Cabover Dump Body	10	6/1/2014			91,117				91,117	On schedule
K-01	2006 / Ford F450 Video Inspection Truck	9	6/1/2015			189,393				189,393	On schedule
V-03	2006 / International Aquatech	10	6/1/2016				385,882			385,882	On schedule
V-04	2006 / International Aquatech	10	6/1/2016				380,686			380,686	On schedule
U-08	2006 / International Bucket Truck	10	6/1/2016				235,182			235,182	On schedule
TR-11	2008 / Case Backhoe 580SM (4X4)	10	6/1/2016				142,635			142,635	On schedule
F-19	2008 / Ford Flat Bed F350 w/crane	8	6/1/2016				68,282			68,282	On schedule
M-14	2010 / John Deere Tiger Roadside Mower	7	6/1/2017					116,971		116,971	On schedule
S-06	2011 / Ford Tymco Sweeper	7	6/1/2018						236,769	236,769	On schedule
S-07	2011 / Ford Tymco Sweeper	7	6/1/2018						236,769	236,769	On schedule
S-08	2011 / Ford Tymco Sweeper	7	6/1/2018						236,769	236,769	On schedule
Total Public Works Vehicles				98,060	152,694	442,134	1,212,667	116,971	710,307	2,732,833	
Total All Vehicles				98,060	2,630,964	909,747	1,701,463	1,181,942	1,032,015	7,554,191	

City of Kirkland

Vehicle Replacements for Year 2015

All Vehicles listed will be considered for replacement dependent upon their condition and replacement funding.

Division	Vehicle	Year/Description	Acct Life	Normal Replacement Date	Replacement Cost	Comments
		Finance				
Facilities	PU-62	2006 / Chevrolet Express Van Extended	8	6/1/2014	27,566	Extended 1 year.
Facilities	PU-64	2006 / Chevrolet Express Access Van	8	6/1/2014	26,793	Extended 1 year.
		Fire & Building				
Building	PU-86	2006 / Ford Escape Hybrid	8	6/1/2014	36,482	Extended 1 year.
Building	PU-87	2006 / Ford Escape Hybrid	8	6/1/2014	36,482	Extended 1 year.
Building	PU-88	2006 / Ford Escape Hybrid	8	6/1/2014	36,482	Extended 1 year.
Operations	F213	2006 / Chevrolet Suburban	8	6/1/2014	73,788	Extended 1 year.
Operations	F316	2007 / Ford Road Rescue Aid Vehicle	8	6/1/2015	213,927	On schedule.
		Information Technology				
Info Tech	PU-84X	2000 / Chevrolet Astro Cargo Van AWD	8	6/1/2008	25,416	Extended 7 years.
		Parks				
Cemetery	PU-65	2007 / Chevrolet Colorado Ext. 4x4	8	6/1/2015	26,890	Extended 1 year.
Maintenance	BG-9	2009 / John Deere HPX (4x4) Gator	4	6/1/2013	12,648	Extended 1 year.
Maintenance	F-14	2004 / Ford F450 2/3 Yard Dump Body (4x4)	8	6/1/2013	59,966	Extended 2 years.
Maintenance	F-15	2004 / Ford F350 2/3 Yard Dump Body	8	6/1/2013	59,966	Extended 2 years.
Maintenance	PU-38	2006 / Chevrolet Silverado 3500 Crew 4x4	8	6/1/2014	43,794	Extended 1 year.
Maintenance	PU-39	2006 / Chevrolet Silverado 1500	8	6/1/2014	29,093	Extended 1 year.
Maintenance	BG-10	2011 / John Deere HPX (4x4) GAS	4	6/1/2015	12,648	On schedule.
Maintenance	PU-66	2007 / Ford F150 Ext. Cab 4x2	8	6/1/2015	24,664	On schedule.
Maintenance	PU-67	2007 / Chevrolet 1500 Silverado Reg 4x2	8	6/1/2015	23,113	On schedule.
Maintenance	PU-68	2007 / Chevrolet 1500 Silverado Reg 4x2	8	6/1/2015	22,167	On schedule.
Maintenance	PU-69	2007 / Ford F250 XL Reg 4x2	8	6/1/2015	25,222	On schedule.
Maintenance	F-16	2004 / Ford F450 2/3 Yard Dump Body (4x2)	8	6/12/2012	59,966	Extended 3 years.
Maintenance	TR-09	2003 / John Deere 4710 Tractor	10	6/3/2013	38,339	Extended 2 years.
Maintenance	TR-10	2003 / John Deere 5420 Tractor	10	6/3/2013	49,102	Extended 2 years.
PKCC Center	PU-56	2005 / Dodge Grand Caravan	8	6/1/2013	30,343	Extended 2 years.
		Planning				
Planning	C-08	2006 / Toyota Prius Hybrid	8	6/1/2014	29,120	Extended 1 year.
Planning	C-09	2005 / Volkswagen Passat Bio-Diesel	10	6/1/2015	41,300	On schedule.
		Police				
Crime Prev	C98-04	1998 / Dodge Grand Caravan SE	8	6/1/2006	33,693	On schedule.
Invest	D93-05	1993 / Chevrolet G2 Van	12	6/1/2005	49,770	Extended 10 years.
Invest	P99-98X	1999 / Crime Scene Investigation Unit (SP)	8	6/1/2007	13,016	Extended 8 years.
Invest	D03-06	2003 / Chevrolet Silverado Ext. Cab	10	6/1/2013	32,867	Extended 2 years.
Invest	D05-07	2005 / Honda Accord LX	8	6/1/2013	33,435	Extended 2 years.
Invest	D05-10	2005 / Chevrolet Trailblazer	8	6/1/2013	31,300	Extended 2 years.
Invest	P06-51	2006 / Jeep Grand Cherokee	8	6/1/2014	40,752	Extended 1 year.
Invest	P06-52	2006 / Dodge Durango	8	6/1/2014	39,228	Extended 1 year.
Invest	P06-53	2006 / Chevrolet Impala	8	6/1/2014	35,484	Extended 1 year.
Invest	A07-01	2007 / Ford Escape Hybrid (4x4)	8	6/1/2015	36,414	On schedule.
Invest	A07-08	2007 / Toyota Camry Hybrid	8	6/1/2015	39,168	On schedule.
Invest	D07-01	2007 / Toyota Camry Hybrid	8	6/1/2015	39,148	On schedule.
Invest	D07-02	2007 / Toyota Camry Hybrid	8	6/1/2015	40,255	On schedule.
Patrol	P106	2011 / Dodge Charger	3	10/1/2014	43,915	On schedule.
Patrol	P113	2011 / Dodge Charger	3	10/1/2014	43,915	Extended 1 year.
Patrol	P119	2012 / Dodge Charger	3	4/1/2015	39,821	On schedule.
Patrol	P121	2012 / Dodge Charger	3	4/1/2015	40,173	On schedule.
Patrol	P128	2012 / Dodge Charger	3	4/1/2015	39,713	On schedule.
Patrol	P129	2012 / Dodge Charger	3	4/1/2015	39,062	On schedule.
Patrol	P127	2012 / Ford Interceptor Utility AWD	3	4/1/2015	40,461	On schedule.
Patrol	P115	2011 / Ford Expedition 4X2	4	6/1/2015	44,823	On schedule.
Patrol	P108	2011 / Ford Expedition	4	10/1/2015	46,167	On schedule.
Patrol	P131	2013 / Ford Interceptor AWD	3	10/1/2015	45,185	On schedule.
Patrol	P132	2013 / Ford Interceptor AWD	3	10/1/2015	45,087	On schedule.
Patrol	P138	2013 / Ford Interceptor AWD	3	10/1/2015	46,622	On schedule.
Parking	S04-04	2004 / Go-4 Police Vehicle (Parking)	5	6/1/2009	38,312	Extended 6 years.
Parking	S04-07	2004 / Go-4 Police Vehicle (Parking)	5	6/1/2009	36,995	Extended 6 years.
Traffic	P107	2011 / Dodge Charger	3	4/1/2014	45,509	Extended 1 year.
Traffic	P118	2012 / Ford Interceptor Utility AWD	3	4/1/2014	41,812	On schedule.
Traffic	T07-02	2007 / Ford Expedition	4	6/1/2011	48,658	Extended 4 years
Traffic	P120	2012 / Dodge Charger	3	10/1/2015	37,114	On schedule.

City of Kirkland

Vehicle Replacements for Year 2015

All Vehicles listed will be considered for replacement dependent upon their condition and replacement funding.

Division	Vehicle	Year/Description	Acct Life	Normal Replacement Date	Replacement Cost	Comments
Traffic	P122	2012 / Dodge Charger	3	10/1/2015	37,114	On schedule.
		Public Works				
Ops & Maint	K-01	2006 / Ford F450 Video Inspection Truck	9	6/1/2015	189,393	On schedule.
Ops & Maint	D-08	2001 / International 10 Yard Dumptruck	12	6/1/2013	161,624	Extended 2 years.
Ops & Maint	F-17	2004 / UD Cabover Dump Body	10	6/1/2014	91,117	Extended 1 year.
Ops & Maint	F104	2007 / Ford Escape Hybrid	8	6/1/2015	43,036	On schedule.
Public Grnds	PU-58	2006 / Ford F250 Crew 4x4	8	6/1/2014	37,301	Extended 1 year.
Ops & Maint	TL-16X	1988 / Wisconsin Trailer	20	6/1/2015	29,851	Extended 7 years.
Tran Eng	PU-49	2000 / Chevrolet 1500 Pickup	8	6/1/2014	29,164	Extended 7 years.
Ops & Maint	C-06	2003 / Toyota Prius (Hybrid)	8	6/1/2011	28,942	Extended 4 years.
Ops & Maint	98P-40X	1998 / Dodge Grand Caravan SE	8	6/1/2014	27,411	Extended 9 years.
Ops & Maint	PU-73	2007 / Chevrolet HHR Panel	8	6/1/2015	27,411	On schedule.
Public Grnds	PU-63	2006 / Chevrolet 2500 Pick-Up	8	6/1/2014	26,295	Extended 1 year.
Dev Eng	PU-40	2006 / Chevrolet Silverado 1500 Ext. Cab	8	6/1/2014	25,837	Extended 1 year.
Cap Prog Eng	PU-41	2006 / Chevrolet Silverado 1500 Ext. Cab	8	6/1/2014	25,837	Extended 1 year.
Surf Wat Mgt	PU-55	2005 / Grand Caravan (Pass/Cargo)	8	6/1/2013	24,886	Extended 2 years.
Public Grnds	PU-12	2001 / GMC Sonoma Pickup Ext. Cab	8	6/1/2009	22,682	Extended 6 years.
Ops & Maint	TL-15A	2002 / Inger/Rand Air Compressor	12	6/1/2014	21,050	Extended 1 year.
Ops & Maint	TL-06A	1998 / Atlas Copco Air Compressor	12	6/1/2014	19,610	Extended 5 years.
Total All Vehicles					3,161,712	

City of Kirkland

Vehicle Replacements for Year 2016

All Vehicles listed will be considered for replacement dependent upon their condition and replacement funding.

Division	Vehicle	Year/Description	Acct Life	Normal Replacement Date	Replacement Cost	Comments
Fire & Building						
Building	PU-89	2008 / Ford Escape Hybrid	8	6/1/2016	35,424	On schedule.
Building	PU-90	2008 / Ford Escape Hybrid	8	6/1/2016	35,424	On schedule.
Operations	F216	2008 / Chevrolet Suburban	8	6/1/2016	81,492	On schedule.
Operations	F317	2008 / Ford Road Rescue Aid Vehicle F450 4x4	8	6/1/2016	229,520	On schedule.
Preparedness	F217	2008 / Chevrolet Uplander	8	6/1/2016	26,624	On schedule.
Parks						
Maintenance	BG-11	2012 / John Deere 1200A Field Rake	4	6/1/2016	13,091	On schedule.
Maintenance	BG-12	2012 / John Deere 1200A Field Rake	4	6/1/2016	13,091	On schedule.
Maintenance	F-20	2008 / Ford F450 Crew 2/3 Yard Dump - D	8	6/1/2016	64,705	On schedule.
Maintenance	M-15	2011 / Toro Groundsmaster 3505-D	5	6/1/2016	34,518	On schedule.
Maintenance	PU-74	2008 / Ford F150 Pickup 4x4	8	6/1/2016	32,275	On schedule.
Maintenance	TR-10	2003 / Ford Ballfield Tractor	10	6/1/2013	32,275	Extended 3 Years.
Police						
Detentions	P110	2011 / Ford F350 Custom Box (PSO)	5	6/1/2016	113,079	On schedule.
Invest	D08-04	2008 / Toyota Prius Hybrid	8	6/1/2016	31,011	On schedule.
Invest	P139	2014 / Ford Interceptor AWD	2.5	10/1/2016	48,196	On schedule.
Patrol	P140	2014 / Ford Interceptor AWD	2.5	10/1/2016	48,196	On schedule.
Patrol	P141	2014 / Ford Utility AWD	2.5	10/1/2016	48,196	On schedule.
Patrol	P142	2014 / Ford Utility AWD	2.5	10/1/2016	48,196	On schedule.
Patrol	P145	2014 / Ford Interceptor AWD	2.5	10/1/2016	48,196	On schedule.
Patrol	P146	2014 / Ford Interceptor AWD	2.5	10/1/2016	48,196	On schedule.
Public Works						
Ops & Maint	V-03	2006 / International Aquatech	10	6/1/2016	385,882	On schedule.
Ops & Maint	V-04	2006 / International Aquatech	10	6/1/2016	380,686	On schedule.
Ops & Maint	U-08	2006 / International Bucket Truck	10	6/1/2016	235,182	On schedule.
Ops & Maint	TR-11	2008 / Case Backhoe 580SM (4X4)	10	6/1/2016	142,635	On schedule.
Ops & Maint	F-19	2008 / Ford Flat Bed F350 w/crane	8	6/1/2016	68,282	On schedule.
Fleet	PU-72	2008 / Ford F350 Ext. Cab 4x4	8	6/1/2016	49,778	On schedule.
Ops & Maint	PU-71	2008 / Ford F250 (4x4)	8	6/1/2016	43,045	On schedule.
Ops & Maint	TL-20	2006 / Olympic Trailer	10	6/1/2016	34,301	On schedule.
Cap Proj Eng	PU-75	2008 / Chevrolet Uplander Passenger Van	8	6/1/2016	26,859	On schedule.
Ops & Maint	TL-17A	2004 / Atlas Copco 185 CFM Air Compressor	12	6/1/2016	23,170	On schedule.
Public Grnds	F-18	2006 / Chevrolet 3500 2/3 Yard Dump	10	6/1/2016	48,080	On schedule.
Public Grnds	PU-70	2008 / Ford F250 Ext. Cab 4x2	8	6/1/2016	29,661	On schedule.
Total All Vehicles					2,499,266	



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Internal Service Funds account for the financing of goods and services provided by one department to other City departments on a cost reimbursement basis.

INFORMATION TECHNOLOGY FUND

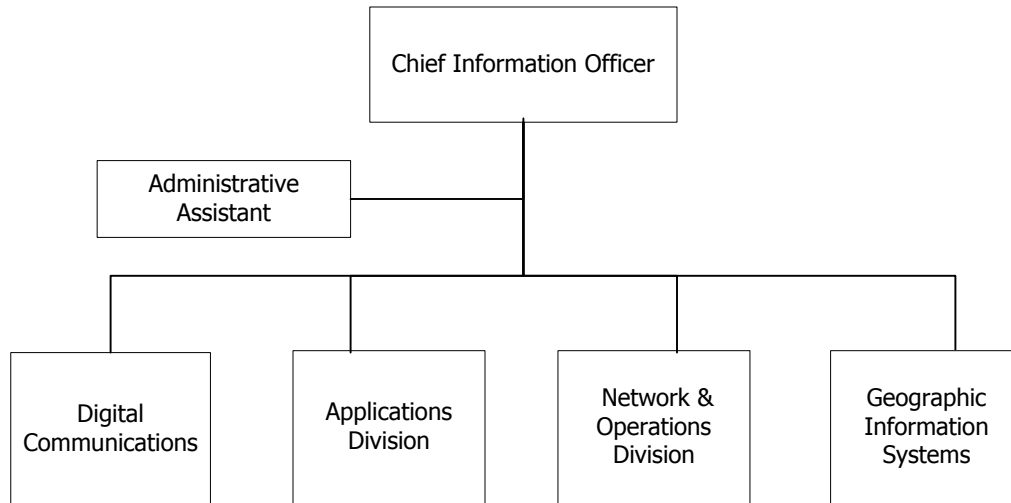
The Information Technology Fund accounts and assesses user charges for the cost of supporting the City's information processing and telecommunication functions and replacing all City computers.



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CITY OF KIRKLAND

Information Technology Department





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DEPARTMENT OVERVIEW

INFORMATION TECHNOLOGY

MISSION

Proactively provide cost effective, reliable, standardized, and current information technology tools, systems, and services including customer focused support.

DEPARTMENT FUNCTIONS

The **Network & Operations Division** designs, maintains, and monitors the City's data and telephone networks. The division orders, delivers, repairs, and maintains all desktop and handheld personal computers, and staffs and manages the technology Service Desk. They also assure the integrity and security of data operations, and oversee and manage the City's data and communications infrastructure.

The **Applications Division** procures, maintains, and supports primary computer applications such as finance, payroll, utilities, permitting, public safety, and parks and recreation systems. They maintain system databases, implement major IT projects, manage client/vendor relations and software support contracts.

The **Geographic Information Systems (GIS) Division** designs, implements, manages, and maintains enterprise GeoSpatial platform and asset databases; develops, procures, and maintains location-based applications and analytics tools; performs data modeling and analysis; and integrates GIS with business systems such as permitting, maintenance management, and public safety systems. GIS implements enterprise GIS projects, manages vendor relationships and support contracts.

The **Digital Communications Division** supports telecommunications franchising, graphic design for print and other media, video and television programming, and manages the City's two public television stations. This group also manages the City's web site and the City's intranet.

BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS

Neighborhoods

- Add support to provide televised broadcast of Planning Commission meetings to provide greater access to the public, \$8,746 ongoing

Public Safety

- Add a 1.0 FTE Service Desk Analyst to meet the on-going needs of the Kirkland Justice Center, \$196,358 on-going and \$4,389 one-time
- Fund upgrade of Telestaff scheduling and timekeeping software for Police and Fire, \$20,000

Dependable Infrastructure

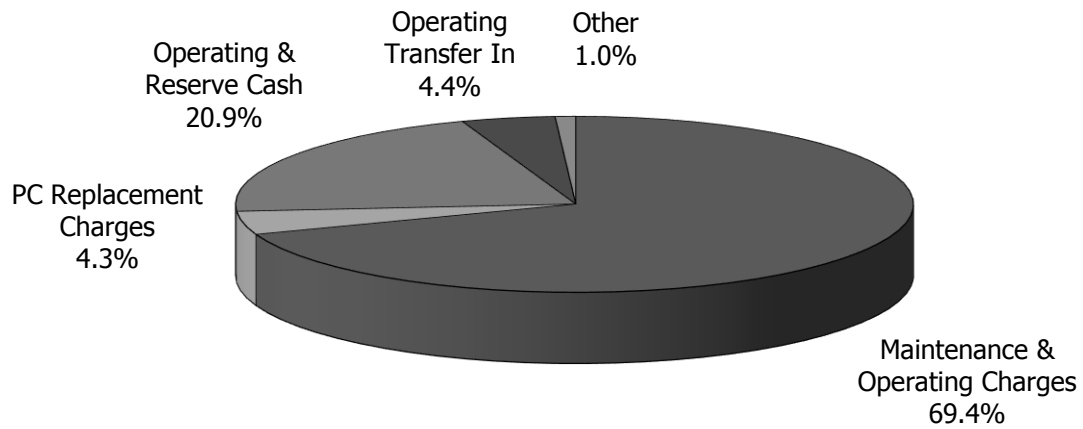
- Add a 1.0 FTE Network Engineer to address IT Network Security and provide additional backup in this critical area, \$269,333 ongoing
- Commission a survey to refine Business Connectivity needs, \$25,000 one-time
- Increase Network Back-up and Storage Space, \$62,000 one-time

Other

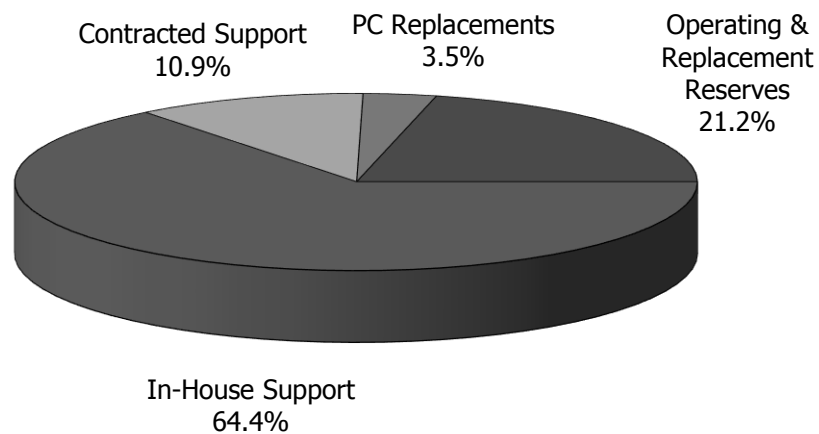
- Add Graphic Designer hours to support Fillable Forms project, \$44,324 one-time

2015-2016 BUDGET INFORMATION TECHNOLOGY FUND

Sources of Funds



Uses of Funds



2015 - 2016 FINANCIAL OVERVIEW
INFORMATION TECHNOLOGY FUND
FINANCIAL SUMMARY BY OBJECT

	2011-2012 Actual	2013-2014 Estimate	2013-2014 Budget	2015-2016 Budget	Percent Change
Salaries and Wages	3,945,954	5,004,686	5,090,994	5,033,768	-1.12%
Benefits	1,318,444	1,980,529	2,091,517	2,190,840	4.75%
Supplies	678,333	759,645	767,653	548,719	-28.52%
Other Services	1,935,825	2,135,119	2,732,702	2,551,831	-6.62%
Government Services	885,700	164,300	164,300	819,851	399.00%
Capital Outlay	-	21,434	-	-	n/a
Reserves*	1,316,420	3,000,029	2,103,939	3,206,925	52.42%
TOTAL	10,080,676	13,065,742	12,951,105	14,351,934	10.82%

FINANCIAL SUMMARY BY DIVISION

	2011-2012 Actual	2013-2014 Estimate	2013-2014 Budget	2015-2016 Budget	Percent Change
Information Technology	10,080,676	13,065,742	12,951,105	14,351,934	10.82%
TOTAL	10,080,676	13,065,742	12,951,105	14,351,934	10.82%

POSITION SUMMARY BY DIVISION

	2011-2012 Actual	Adjustments	2013-2014 Budget	Adjustments	2015-2016 Budget
Information Technology	24.50	0.20	24.70	2.00	26.70
TOTAL	24.50	0.20	24.70	2.00	26.70

*2011-12 actual and 2013-14 estimates reserves are budgeted, but not spent

2015-2016 POSITION SUMMARY
INFORMATION TECHNOLOGY FUND
POSITION SUMMARY BY CLASSIFICATION

Classification	2013-2014 Budget	Service Packages	2015-2016 Positions	Budgeted 2015 Salary Range
Chief Information Officer	1.00		1.00	9,845 - 12,703
Network & Operations Manager	1.00		1.00	7,470 - 9,638
Applications Division Manager	1.00		1.00	7,470 - 9,638
Geographic Info. Sys. Administrator	1.00		1.00	6,876 - 8,873
Senior Applications Analyst	4.00		4.00	7,141 - 8,402
Network Engineer	1.00	1.00	2.00	6,951 - 8,177
Webmaster	1.00		1.00	6,725 - 7,912
Service Desk Supervisor	1.00		1.00	5,892 - 7,602
Network Analyst	1.00		1.00	6,054 - 7,122
Senior GIS Analyst	3.00		3.00	5,809 - 6,834
Desktop Systems Analyst	1.00		1.00	5,574 - 6,558
GIS Analyst	2.50		2.50	5,339 - 6,281
Video Production Specialist	1.00		1.00	5,205 - 6,122
Web & Multimedia Content Spec.	1.00		1.00	4,912 - 5,827
Service Desk Analyst	2.20	1.00	3.20	4,760 - 5,601
Senior Design Specialist	1.00		1.00	4,674 - 5,499
Administrative Assistant	1.00		1.00	4,647 - 5,466
TOTAL	24.70	2.00	26.70	

**City of Kirkland
2015 - 2016 Budget
Revenues**

		2011 -2012 Actual	2013 - 2014 Estimate	2013- 2014 Budget	2015- 2016 Budget	Percent Change
Fund:	Information Technology (522)					
Department:	General					
Division:	Not Applicable					
Key:	Information Technology (5220000000)					
Intergovernmental Revenue						
Intergovt*Other Gen Govt Svcs	3381901	144,996	0	0	0	0.00%
Total for Intergovernmental Revenue:		144,996	0	0	0	0.00%
Charges for Goods and Services						
General Govt Services	3419601	0	202,050	151,416	162,994	7.64%
Interfund Communications	3481001	222,544	0	0	0	0.00%
Interfund Multimedia Services	3486003	326,727	0	0	0	0.00%
Interfund Data Processing	3488001	6,906,403	8,414,647	8,417,882	9,797,908	16.39%
Data Process Replacement Chg	3488002	468,163	581,855	588,033	612,876	4.22%
Interfund Personnel Services	3491601	0	16,629	0	0	0.00%
Interfund-Other Gen Govnmt	3491901	0	0	25,000	0	0.00%
Total for Charges for Goods and Services:		7,923,837	9,215,181	9,182,331	10,573,778	15.15%
Miscellaneous Revenues						
ContribDonations Private	3679901	18,739	145,480	70,000	140,000	100.00%
Other Misc Revenue	3699001	12,107	1,595	0	0	0.00%
Total for Miscellaneous Revenues:		30,846	147,075	70,000	140,000	100.00%
Proprietary Other Income						
Insur Recovery Prop IntSvc	3720001	0	4,712	0	0	0.00%
Total for Proprietary Other Income:		0	4,712	0	0	0.00%
Other Financing Sources						
Operating Transfer In	3971001	663,538	1,098,941	1,098,941	638,127	-41.93%
Resources Forward	3999901	0	2,599,833	2,599,833	3,000,029	15.39%
Total for Other Financing Sources:		663,538	3,698,774	3,698,774	3,638,156	-1.63%
Total for Information Technology (5220000000):		8,763,217	13,065,742	12,951,105	14,351,934	10.81%
Total for Not Applicable:		8,763,217	13,065,742	12,951,105	14,351,934	10.81%
Total for General:		8,763,217	13,065,742	12,951,105	14,351,934	10.81%
Total for Information Technology:		8,763,217	13,065,742	12,951,105	14,351,934	10.81%



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Internal Service Funds account for the financing of goods and services provided by one department to other City departments on a cost reimbursement basis.

FACILITIES MAINTENANCE FUND

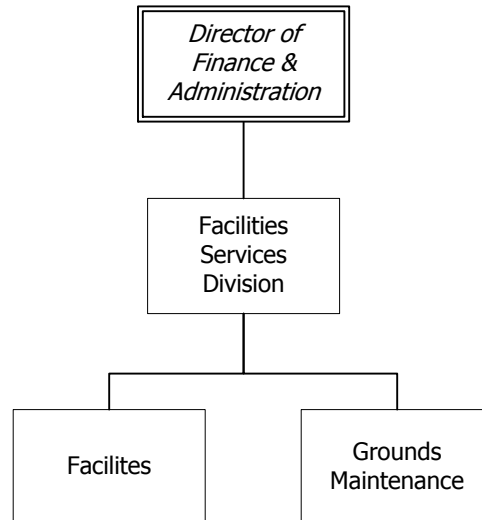
The Facilities Maintenance Fund accounts and assesses user charges for the operations and maintenance of the City's building facilities and public facilities ground maintenance and landscaping.



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CITY OF KIRKLAND
Department of Finance & Administration

Facilities Maintenance Fund



Boxes with a double outline and italic text indicate positions which report to this department but which are budgeted in a separate operating fund.



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DEPARTMENT OVERVIEW***FACILITIES MAINTENANCE FUND*****MISSION**

The Facilities Maintenance Fund is established to account for resources associated with ensuring that City buildings, related equipment, and their properties receive the appropriate planning, scheduled maintenance, and repair services to provide a safe, efficient, and healthy environment at which to work, visit, or conduct business.

DEPARTMENT FUNCTIONS

The Facilities Maintenance Fund accounts for the Facilities Services group and a portion of the Public Grounds group that are responsible for the protection of City assets, building operations and maintenance, landscaping and grounds maintenance, preventative maintenance, remodels, construction, building life cycle replacement programs, janitorial, and facility security.

Facilities Services is responsible for all work orders for both major and minor repairs and responsible for capital construction and tenant improvements, and optimization of the life cycle program for all City buildings and infrastructure to support these facilities. The group is tasked with space planning, construction management, carpentry, mechanical, electrical, plumbing, finishes, and electronic services. The Public Grounds group, with daily operations overseen within the Street Maintenance Division, maintains the landscaping and grounds of City buildings including City Hall, City Hall Annex, Maintenance Center, six City Fire Stations, 505 Market and the new Kirkland Justice Center.

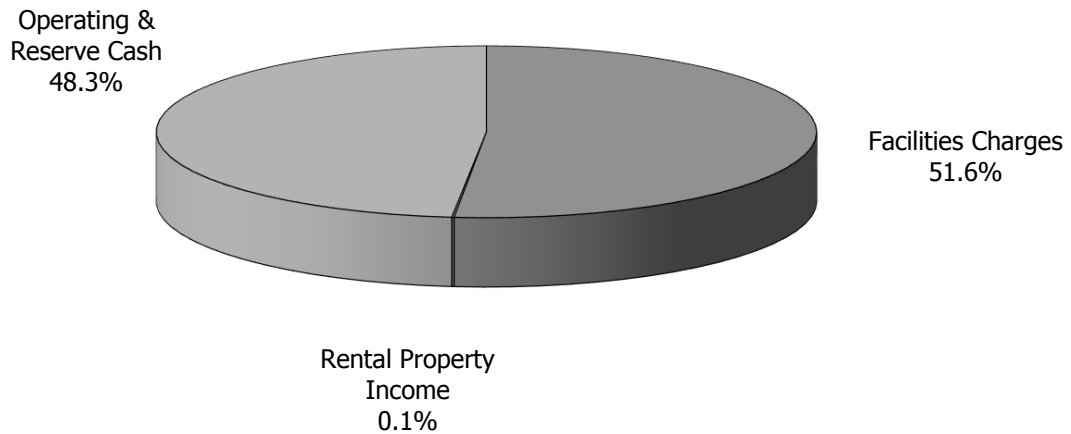
In addition, Facilities Services serves as the City agent for three residential rental properties that the City owns adjacent to City Hall and ensures that these facilities are maintained and rented for full market value. Facilities Services also manages the contracted janitorial services for City Hall, City Hall Annex, Kirkland Justice Center, 505 Market, the Maintenance Center Campus including the Parks Maintenance Annex, North Kirkland Community Center, Peter Kirk Community Center, and Kirkland Justice Center.

BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS**Public Safety**

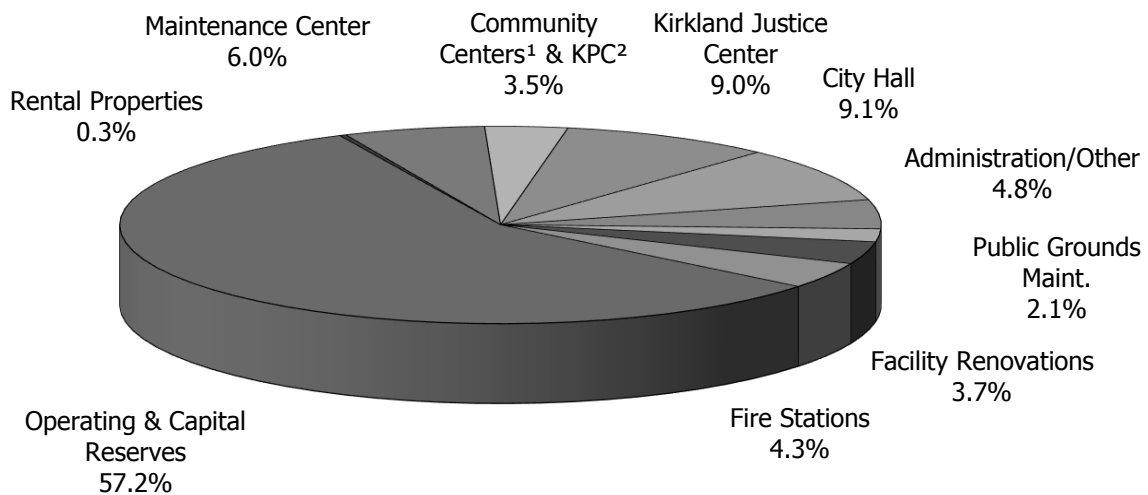
- Budget reflects full biennium of operating costs at the Kirkland Justice Center

2015-2016 BUDGET FACILITIES MAINTENANCE FUND

Sources of Funds



Uses of Funds



¹ Community Centers include: Peter Kirk Community Center, Teen Center and North Kirkland Community Center

² Kirkland Performance Center

2015 - 2016 FINANCIAL OVERVIEW
FACILITIES MAINTENANCE FUND
FINANCIAL SUMMARY BY OBJECT

	2011-2012 Actual	2013-2014 Estimate	2013-2014 Budget	2015-2016 Budget	Percent Change
Salaries and Wages	814,939	965,338	1,012,638	1,141,894	12.76%
Benefits	390,092	486,346	505,511	616,982	22.05%
Supplies	165,837	172,923	305,902	345,142	12.83%
Other Services	2,312,995	2,761,876	3,633,949	3,745,434	3.07%
Government Services	786,156	1,078,798	622,800	560,600	-9.99%
Capital Outlay	-	-	-	-	n/a
Reserves*	5,251,980	7,304,099	7,002,195	8,704,617	24.31%
TOTAL	9,721,999	12,769,380	13,082,995	15,114,669	15.53%

FINANCIAL SUMMARY BY DIVISION

	2011-2012 Actual	2013-2014 Estimate	2013-2014 Budget	2015-2016 Budget	Percent Change
Facilities Services	9,482,042	12,466,172	12,774,806	14,795,766	15.82%
Grounds Maintenance	239,957	303,208	308,189	318,903	3.48%
TOTAL	9,721,999	12,769,380	13,082,995	15,114,669	15.53%

POSITION SUMMARY BY DIVISION

	2011-2012 Actual	Adjustments	2013-2014 Budget	Adjustments	2015-2016 Budget
Facilities Services	5.45	1.60	7.05	0.00	7.05
Grounds Maintenance	0.90	0.00	0.90	0.00	0.90
TOTAL	6.35	1.60	7.95	0.00	7.95

*2011-12 actual and 2013-14 estimates reserves are budgeted, but not spent

2015-2016 POSITION SUMMARY***FACILITIES MAINTENANCE FUND*****POSITION SUMMARY BY CLASSIFICATION**

Classification	2013-2014 Budget	Service Packages	2015-2016 Positions	Budgeted 2015 Salary Range
Street Manager	0.05		0.05	6,863 - 8,856
Facilities Services Manager	1.00		1.00	6,811 - 8,790
Internal Services Manager	0.00		0.00	6,811 - 8,790
Leadperson	1.00		1.00	5,228 - 6,308
Facilities Services Technician I	1.00		1.00	4,496 - 5,808
Facilities Services Technician II	1.00		1.00	4,386 - 5,665
Yard Maint. & Inventory Control	1.00		1.00	4,386 - 5,665
Facilities Services Technician III	2.00		2.00	3,452 - 4,748
Grounds Technician	0.90		0.90	3,452 - 4,748
TOTAL	7.95	0.00	7.95	

**City of Kirkland
2015 - 2016 Budget
Revenues**

		2011 -2012 Actual	2013 - 2014 Estimate	2013- 2014 Budget	2015- 2016 Budget	Percent Change
Fund:	Facilities (527)					
Department:	General					
Division:	Not Applicable					
Key:	Facilities Fund (5270000000)					
Intergovernmental Revenue						
Indirect FEMA	3339703	475	0	0	0	0.00%
Military Department	3340180	79	0	0	0	0.00%
Total for Intergovernmental Revenue:		554	0	0	0	0.00%
Charges for Goods and Services						
Other*General Government Svc	3419001	4,800	0	0	0	0.00%
General Govt Services	3419601	0	4,800	4,800	4,800	0.00%
Interfund-City Hall Facilities	3481803	1,858,677	1,716,950	1,716,949	1,774,434	3.34%
Interfund-Maintenance Center	3481804	975,980	1,045,731	1,045,730	1,075,226	2.82%
Interfund-Senior Center	3481805	243,016	296,423	296,423	312,906	5.56%
Interfund-NKCC	3481806	209,447	229,396	229,397	244,215	6.45%
Interfund-Municipal Court	3481807	384,425	369,529	369,529	0	0.00%
Interfund-KPC	3481808	48,617	50,458	50,457	49,258	-2.37%
Interfund-Fire Stations	3481809	820,567	928,441	928,441	911,283	-1.84%
Interfund-Teen Center	3481810	17,651	26,533	26,533	22,736	-14.31%
Interfund Public Safety	3481814	0	628,089	654,089	1,674,272	155.97%
Interfund-City Hall(sinking)	3481823	459,625	466,416	466,416	466,416	0.00%
Interfund-Maint Ctr(sinking)	3481824	166,832	169,299	169,298	169,298	0.00%
Interfund-Senior Ctr sinking	3481825	88,309	89,615	89,614	89,614	0.00%
Interfund-NKCC sinking	3481826	57,338	58,185	58,186	58,186	0.00%
Interfund Muni Court Sinking	3481827	150,000	150,000	150,000	570,002	280.00%
Interfund-KPCsinking	3481828	70,234	71,272	71,272	71,272	0.00%
Interfund-Fire Stns sinking	3481829	225,207	228,536	228,536	228,536	0.00%
Teen Center sinking	3481830	33,850	34,351	34,350	34,350	0.00%
Interfund-Hertge Hallsinking	3481832	11,169	11,335	11,334	11,334	0.00%
Interfund-Prk Garagesinking	3481833	24,293	24,652	24,652	24,652	0.00%
Interfund Personnel Services	3491601	21,424	0	0	0	0.00%
Total for Charges for Goods and Services:		5,871,461	6,600,011	6,626,006	7,792,790	17.60%
Miscellaneous Revenues						
Facilities Leases LT-Other	3625002	390,826	3,914	0	0	0.00%
Housing Rental Leases	3626001	99,442	102,849	96,960	17,780	-81.66%
Other Judgements Settlements	3694001	687	1,862	0	0	0.00%
Other Misc Revenue	3699001	6,039	8,846	0	0	0.00%
Total for Miscellaneous Revenues:		496,994	117,471	96,960	17,780	-81.66%
Proprietary Other Income						

**City of Kirkland
2015 - 2016 Budget
Revenues**

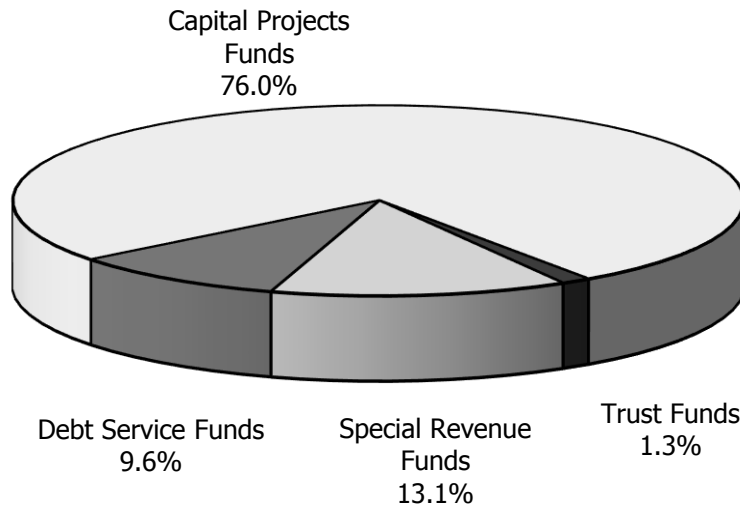
		2011 -2012 Actual	2013 - 2014 Estimate	2013- 2014 Budget	2015- 2016 Budget	Percent Change
Insur Recovery Prop IntSvc	3720001	3,506	471	0	0	0.00 %
Total for Proprietary Other Income:		3,506	471	0	0	0.00 %
Other Financing Sources						
Operating Transfer In	3971001	79,189	141,398	0	0	0.00 %
Resources Forward	3999901	0	6,360,029	6,360,029	7,304,099	14.84 %
Total for Other Financing Sources:		79,189	6,501,427	6,360,029	7,304,099	14.84 %
Total for Facilities Fund (5270000000):		6,451,704	13,219,380	13,082,995	15,114,669	15.52 %
Total for Not Applicable:		6,451,704	13,219,380	13,082,995	15,114,669	15.52 %
Total for General:		6,451,704	13,219,380	13,082,995	15,114,669	15.52 %
Total for Facilities:		6,451,704	13,219,380	13,082,995	15,114,669	15.52 %

CITY OF KIRKLAND

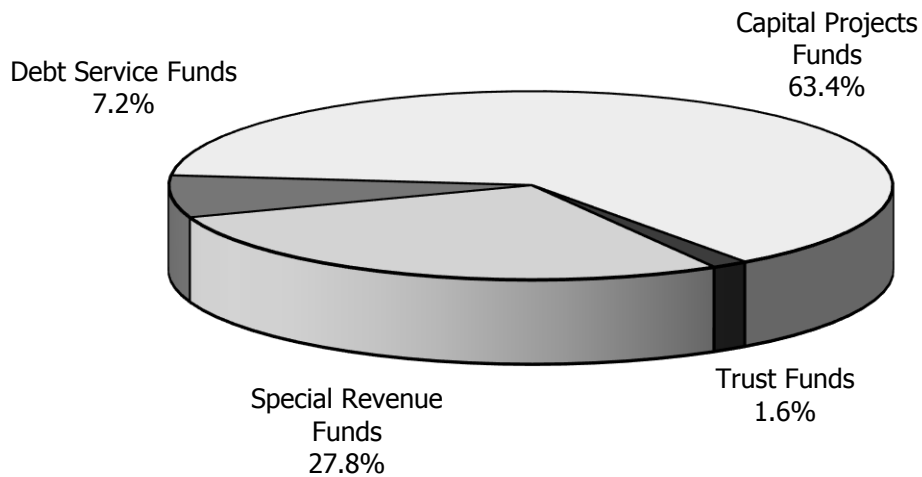
GENERAL GOVERNMENT NON-OPERATING

2015-2016 BUDGET SUMMARY: BY FUND TYPE/FUND

2013-2014



2015-2016



There are four types of funds in the general government non-operating budget:

Special Revenue funds account for resources dedicated by policy or law to special purposes and for the City's reserves.

Debt Service funds account for principal and interest payments on the City's general obligation debt.

Capital Projects funds account for projects approved in the six-year CIP and for reserves specifically dedicated for capital purposes.

Firefighter's Pension fund is a trust fund to be used for retired firefighter benefits.

CITY OF KIRKLAND
GENERAL GOVERNMENT NON-OPERATING
2015-2016 BUDGET SUMMARY: BY FUND TYPE/FUND

Fund	2013-14 Budget	2015-16 Budget	Percent Change
<i>Special Revenue Funds</i>			
152 Contingency	2,426,425	4,036,425	66.35%
156 Impact Fees	3,953,397	7,062,824	78.65%
190 Excise Tax Capital Improvement	12,846,786	20,864,944	62.41%
Total Special Revenue Funds	19,226,608	31,964,193	66.25%
<i>Debt Service Funds</i>			
210 LTGO Debt Service	7,721,892	6,837,479	-11.45%
220 UTGO Debt Service	6,364,593	1,453,331	-77.17%
Total Debt Service Funds	14,086,485	8,290,810	-41.14%
<i>Capital Projects Funds</i>			
310 General Capital Projects	60,789,680	37,855,498	-37.73%
320 Grant Capital Projects	50,632,075	35,121,922	-30.63%
Total Capital Projects Funds	111,421,755	72,977,420	-34.50%
<i>Trust Funds</i>			
620 Firefighter's Pension	1,922,607	1,716,572	-10.72%
Total Trust Funds	1,922,607	1,716,572	-10.72%
Total General Gov't Non-Op Funds	146,657,455	114,948,995	-21.62%

CITY OF KIRKLAND
CHANGE IN FUND BALANCE (Beginning 2013 to Ending 2016)
SUMMARY OF GENERAL GOVERNMENT NON-OPERATING FUNDS

	Special Revenue	Debt Service	Capital Projects	Trust	Total
2013 Actual Beginning Fund Balance	10,710,911	315,143	47,430,462	1,746,298	60,202,814
<i>Reserved</i>	<i>10,710,911</i>	<i>315,143</i>	<i>6,943,820</i>	<i>1,746,298</i>	<i>19,716,172</i>
<i>Unreserved Working Capital</i>	<i>-</i>	<i>-</i>	<i>40,486,642</i>	<i>-</i>	<i>40,486,642</i>
Plus: 2013-14 Estimated Revenues	17,019,774	13,787,797	42,058,350	207,238	73,073,159
Less: 2013-14 Estimated Expenditures	9,180,011	13,766,911	64,265,697	459,849	87,672,468
2014 Estimated Ending/ 2015 Budgeted Beginning Fund Balance	18,550,674	336,029	25,223,115	1,493,687	45,603,505
Plus: 2015-16 Budgeted Revenues	13,413,519	7,954,781	47,754,305	222,885	69,345,490
Less: 2015-16 Budgeted Expenditures	7,036,707	7,934,349	64,022,208	489,500	79,482,764
2016 Budgeted Ending Fund Balance	24,927,486	356,461	8,955,212	1,227,072	35,466,231
<i>Reserved</i>	<i>24,927,486</i>	<i>-</i>	<i>8,955,212</i>	<i>1,227,072</i>	<i>35,109,770</i>
<i>Unreserved Working Capital</i>	<i>-</i>	<i>356,461</i>	<i>0</i>	<i>-</i>	<i>356,461</i>
Change in Fund Balance: Beginning 2013 to Ending 2016	14,216,575	41,318	(38,475,250)	(519,226)	(24,736,583)

Notes:

Greater detail regarding the change in fund balances can be found in the specific non-operating fund sections.



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Special Revenue Funds are established to account for specific resources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

GENERAL GOVERNMENT NON-OPERATING SPECIAL REVENUE FUNDS



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CITY OF KIRKLAND

***GENERAL GOVERNMENT Non-OPERATING
SPECIAL REVENUE FUNDS***

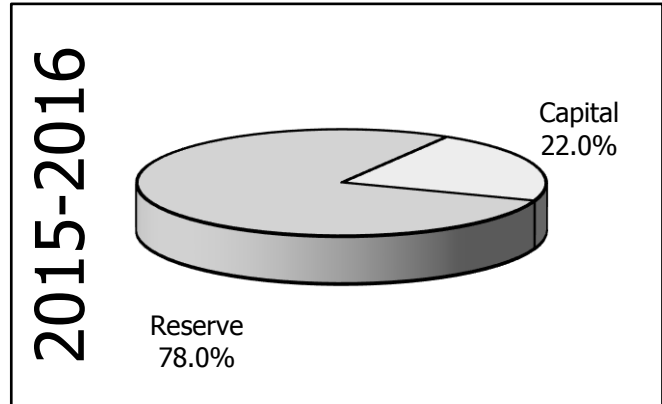
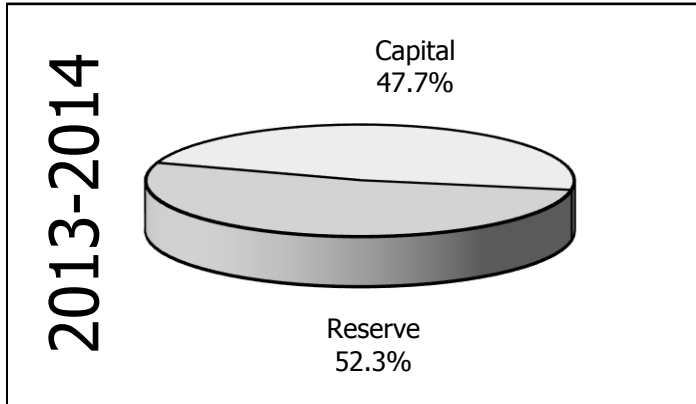
Special Revenue Funds are used to account for revenues that are dedicated for specific purposes either through statute or Council policy. The following Special Revenue Funds are part of the non-operating budget.

The **Contingency Fund** is provided for by state law and allows for the accumulation of resources up to \$0.375 per \$1,000 of assessed valuation for emergency uses.

The **Impact Fee Fund** accounts for road and park impact fees initiated in 1999. Impact fees, and the interest earned on them, are deposited in this fund and transferred out to the capital projects funds to pay for road and park capacity projects approved in the Capital Improvement Program (CIP).

The **Excise Tax Capital Improvement Fund** was created to account for revenue from both the first and second quarter percent real estate excise tax. Excise tax revenue must be used for capital projects within the categories authorized by state law including streets, sidewalks, traffic improvements, parks, fire protection facilities, and other public facilities as specified by statute. The second quarter percent real estate excise tax, adopted by the City Council in October 1996, is dedicated to transportation-related CIP projects. Funds are transferred out of the Excise Tax Capital Improvement Fund to the capital projects funds and allocated via the CIP funding process. Legislation passed in 2011 allows cities to use a portion of this revenue for operations and maintenance of capital facilities. This "flexibility" expires in 2016. The 2015-2016 uses this revenue for one-time funded park and street operations and maintenance expenditures.

CITY OF KIRKLAND GENERAL GOVERNMENT NON-OPERATING SPECIAL REVENUE FUNDS



2013-2014 BUDGET SUMMARY: BY PURPOSE

Fund	2013-14 Budget	Budget by Purpose			
		Reserve	Debt	Capital	Other
152 Contingency	2,426,425	2,426,425	-	-	-
156 Impact Fees	3,953,397	2,664,760	-	1,288,637	-
190 Excise Tax Capital Improvement	12,846,786	4,964,543	-	7,882,243	-
Total Special Revenue Funds	19,226,608	10,055,728	-	9,170,880	-

2015-2016 BUDGET SUMMARY: BY PURPOSE

Fund	2015-16 Budget	Budget by Purpose			
		Reserve	Debt	Capital	Other
152 Contingency	4,036,425	4,036,425	-	-	-
156 Impact Fees	7,062,824	5,900,047	-	1,162,777	-
190 Excise Tax Capital Improvement	20,864,944	14,991,014	-	5,873,930	-
Total Special Revenue Funds	31,964,193	24,927,486	-	7,036,707	-

CITY OF KIRKLAND
CHANGE IN FUND BALANCE (Beginning 2013 to Ending 2016)
GENERAL GOVERNMENT NON-OPERATING
SPECIAL REVENUE FUNDS

	Contingency¹	Impact Fees²	Excise Tax Capital Improvement²	Total
2013 Actual Beginning Fund Balance	2,201,870	2,746,267	5,762,774	10,710,911
<i>Reserved</i>	<i>2,201,870</i>	<i>2,746,267</i>	<i>5,762,774</i>	<i>10,710,911</i>
<i>Unreserved Working Capital</i>	-	-	-	-
Plus: 2013-14 Estimated Revenues	224,555	3,933,955	12,861,264	17,019,774
Less: 2013-14 Estimated Expenditures	-	1,288,637	7,891,374	9,180,011
2014 Estimated Ending/ 2015 Budgeted Beginning Fund Balance	2,426,425	5,391,585	10,732,664	18,550,674
Plus: 2015-16 Budgeted Revenues	1,610,000	1,671,239	10,132,280	13,413,519
Less: 2015-16 Budgeted Expenditures	-	1,162,777	5,873,930	7,036,707
2016 Budgeted Ending Fund Balance	4,036,425	5,900,047	14,991,014	24,927,486
<i>Reserved</i>	<i>4,036,425</i>	<i>5,900,047</i>	<i>14,991,014</i>	<i>24,927,486</i>
<i>Unreserved Working Capital</i>	-	-	-	-
Change in Fund Balance: Beginning 2013 to Ending 2016	1,834,555	3,153,780	9,228,240	14,216,575

Notes:

¹Contingency Fund is a reserve set aside for unexpected general government expenditures. The increase in fund balance is due to replenishment from the General Fund to bring the reserve closer to target.

²Increases in fund balance of these special revenue funds reflect the building or replenishment of a reserve; whereas decreases in fund balance reflect the planned use of a reserve toward capital projects. Revenues for these funds are economically sensitive and the current expected increases to fund balances reflect the significant improvement in development and real estate sales activity. Several master plans are expected to be completed which will likely identify significant capital needs and resources may be reallocated from these funds for capital projects during the 2015-2016 biennium.



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Debt Service Funds account for the payment of general obligation bond principal and interest from governmental resources and the payment of special assessment bond principal and interest from special assessment levies when the City is obligated in some manner for the payment.

GENERAL GOVERNMENT DEBT SERVICE FUNDS



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CITY OF KIRKLAND

GENERAL GOVERNMENT DEBT SERVICE FUNDS

There are three types of debt generally issued by the City for general government purposes:

- **Unlimited Tax General Obligation (UTGO) Bonds** represent debt that was approved by voters for a specific purpose. In this case, citizens have agreed to levy property taxes to repay the debt generally over a twenty-year period.
- **Limited Tax General Obligation (LTGO) Bonds** (also called Councilmanic Bonds) can be issued with approval of the City Council. The debt is repaid from general revenues of the City.
- **Local Improvement District (LID) Bonds** represent debt that is repaid by the property owners who benefited from the capital improvement through annual assessments paid to the City. LIDs are formed by the City Council after a majority of property owners agree to the assessment. Currently the City has no LID Bonds outstanding.

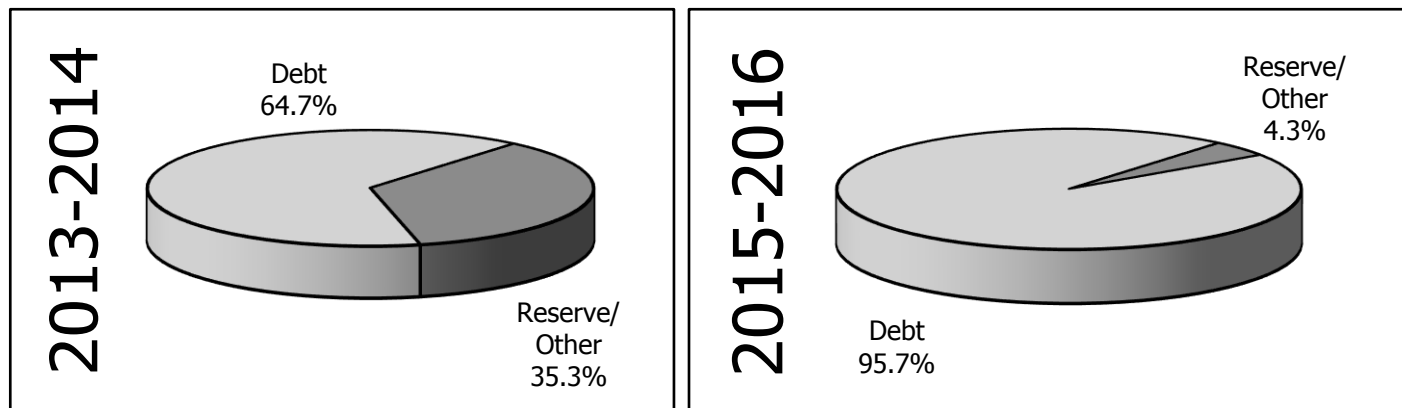
The City's debt management policies provide guidelines for the appropriate use of debt. The complete policies are contained at the end of this document in the appendix. Some key debt management policies include:

- *City Council approval is required prior to issuance of debt.*
- *The City will only use debt to finance capital improvements that cannot be financed through current revenues. The City will not use debt to finance current operations, non-capital furnishings, supplies, or personnel.*
- *Bonds will be issued for a period not to exceed the useful life of the asset being financed.*
- *The City will conduct a thorough analytical review before issuing debt and maintain a good credit rating at all times.*
- *The City's outstanding debt will remain within the limits stated in the City's fiscal policies.*
- *The City will use refunding bonds (refinancing) to restructure current outstanding debt when sufficient savings can be realized from lower interest rates.*

When the City issues debt, a thorough review of the City's financial condition is completed by bond rating agencies. Based on their findings, the bonds are given a rating. The City's bond rating is a reflection of its creditworthiness and affects the cost to the City of issuing debt. There are two rating agencies--Standard and Poor's (S&P) and Moody's Investor Service--that rate Kirkland's bonds. As of November 2008, S&P upgraded the City's rating from AA to AAA, which is the highest rating. This AAA rating was reaffirmed on August 16, 2011. As of April 2010, Moody's upgraded the City's rating from Aa2 to Aa1 for the UTGO Bonds and from Aa3 to Aa2 for the LTGO Bonds. Moody's reaffirmed Kirkland's rating for LTGO bonds at Aa2 on August 15, 2011.

Once bonds are rated, the City enters the bond market to secure the necessary funding. Occasionally, the City will conduct an "over-the-counter" sale where City staff sell bonds directly to Kirkland residents. The proceeds (cash) received from selling the bonds are placed in a capital projects fund to account for the cost of constructing the capital improvement. Separate funds have been created to track the principal and interest payments for limited and unlimited bonds. Each year a sufficient amount of revenue is budgeted and placed in each fund to pay the annual principal and interest due.

CITY OF KIRKLAND GENERAL GOVERNMENT NON-OPERATING DEBT SERVICE FUNDS



Debt service funds are used to account for principal and interest payments used for the retirement of long-term debt. Debt is used by the City as a means of financing capital improvements. By extending the repayment of debt over the anticipated useful life of the improvement, the cost of an improvement can be more equitably spread among the citizens who benefit from the improvement. Bonds are sold and the proceeds (cash) are used to pay for the construction of capital improvements. The bonds are repaid over a period of time from taxes, fees, or other revenue sources dedicated for that purpose.

2013-2014 BUDGET SUMMARY: BY PURPOSE

Fund	2013-14 Budget	Budget by Purpose			
		Reserve	Debt	Capital	Other
210 LTGO Debt Service	7,721,892	9,563	7,712,329	-	-
220 UTGO Debt Service	6,364,593	4,960,580	1,404,013	-	-
Total Debt Service Funds	14,086,485	4,970,143	9,116,342	-	-

2015-2016 BUDGET SUMMARY: BY PURPOSE

Fund	2015-16 Budget	Budget by Purpose			
		Reserve	Debt	Capital	Other
210 LTGO Debt Service	6,837,479	47,185	6,790,294	-	-
220 UTGO Debt Service	1,453,331	309,276	1,144,055	-	-
Total Debt Service Funds	8,290,810	356,461	7,934,349	-	-

CITY OF KIRKLAND
CHANGE IN FUND BALANCE (Beginning 2013 to Ending 2016)
GENERAL GOVERNMENT NON-OPERATING

DEBT SERVICE FUNDS

	Limited GO Debt	Unlimited GO Debt	Total
2013 Actual Beginning Fund Balance	9,563	305,580	315,143
<i>Reserved</i>	<i>9,563</i>	<i>305,580</i>	<i>315,143</i>
<i>Unreserved Working Capital</i>	<i>-</i>	<i>-</i>	<i>-</i>
Plus: 2013-14 Estimated Revenues	7,729,548	6,058,249	13,787,797
Less: 2013-14 Estimated Expenditures	7,712,358	6,054,553	13,766,911
2014 Estimated Ending/2015 Budgeted Beginning Fund Balance	26,753	309,276	336,029
Plus: 2015-16 Budgeted Revenues	6,810,726	1,144,055	7,954,781
Less: 2015-16 Budgeted Expenditures	6,790,294	1,144,055	7,934,349
2016 Budgeted Ending Fund Balance	47,185	309,276	356,461
<i>Reserved</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Unreserved Working Capital</i>	<i>47,185</i>	<i>309,276</i>	<i>356,461</i>
Change in Fund Balance: Beginning 2013 to Ending 2016	37,622	3,696	41,318

Notes:

Fund balances in debt service funds provide for cash flow needs.

**CITY OF KIRKLAND
GENERAL GOVERNMENT NON-OPERATING
DEBT SERVICE FUNDS
2015-2016 PAYMENT AND RESERVE SUMMARY**

2013-2014 Budget

Fund	Payment		Reserve	Total
	Principal	Interest		
210 LTGO Debt Service	3,889,400	3,759,819	9,563	7,658,782
220 UTGO Debt Service	990,000	474,160	306,693	1,770,853
Total Debt Service Funds	4,879,400	4,233,979	316,256	9,429,635

2015-2016 Budget

Fund	Payment		Reserve	Total
	Principal	Interest		
210 LTGO Debt Service	3,186,886	3,603,408	47,185	6,837,479
220 UTGO Debt Service	965,000	179,055	309,276	1,453,331
Total Debt Service Funds	4,151,886	3,782,463	356,461	8,290,810

CITY OF KIRKLAND

SCHEDULE OF LONG TERM DEBT

The City uses long term debt to finance the cost of large capital improvements. Councilmanic debt is repaid from general revenues. Voter approved debt is retired from property tax increases put in place for the life of the bond issue. Revenue bonds are repaid from water/sewer utility rates. The following schedule identifies current outstanding long-term debt.

Type of Debt	Issue Date	Original Amount	Outstanding 12/31/2014	Cost Per \$1,000 AV	Avg Annual Debt Service*
<i>Councilmanic Bonds:</i>					
2011 Limited G.O. Refunding (Teen Center) ¹	9/2/11	430,000	280,000	N/A	60,948
2011 Limited G.O. Refunding (McAuliffe) ²	9/2/11	1,781,031	1,145,000	N/A	182,973
2010 Limited G.O. (Facilities Expansion)	12/21/10	35,345,000	33,270,000	N/A	2,352,106
Total Councilmanic Bonds		37,556,031	34,695,000		2,596,027
<i>Voter Approved Bonds:</i>					
2013 Unlimited G.O. Refunding (Parks) ³	10/29/13	4,670,000	4,130,000	0.262	570,875
Total Voter Approved Bonds		4,670,000	4,130,000	0.262	570,875
<i>Estimated Remaining Voter Approved Debt Capacity as of 12/31/2014</i>				\$	1,144,570,840
<i>Fire District #41 Bond:</i>					
2011 Limited G.O. (Fire Station Construction)	5/26/11	4,000,000	2,930,287	N/A	470,572
Total Fire District #41 Bond		4,000,000	2,930,287		470,572
<i>Public Works Trust Fund Loans:</i>					
1995 Lift Station	6/9/95	794,850	44,522	N/A	45,412
2000 Lift Station Replacement-Design	7/1/00	227,500	62,675	N/A	13,036
2001 Lift Station Replacement-Construction	9/15/03	1,848,000	720,780	N/A	105,543
2004 Central Way Sewer Replacement	9/1/04	1,086,300	573,325	N/A	59,195
2012 NE 80th ST Water/Sewer Replacement ⁴	10/8/12	4,038,000	N/A	N/A	N/A
Total Revenue Bonds & Trust Fund Loans		7,994,650	1,401,302		223,186

*The average annual debt service is based on the remaining principal and interest payments due until the debt is extinguished.

¹ Refunds Original 1999 Issue with 2011 Refund

² Refunds 2001 Refund with 2011 Refund

³ Refunds Original 2003 Issue with 2013 Refund

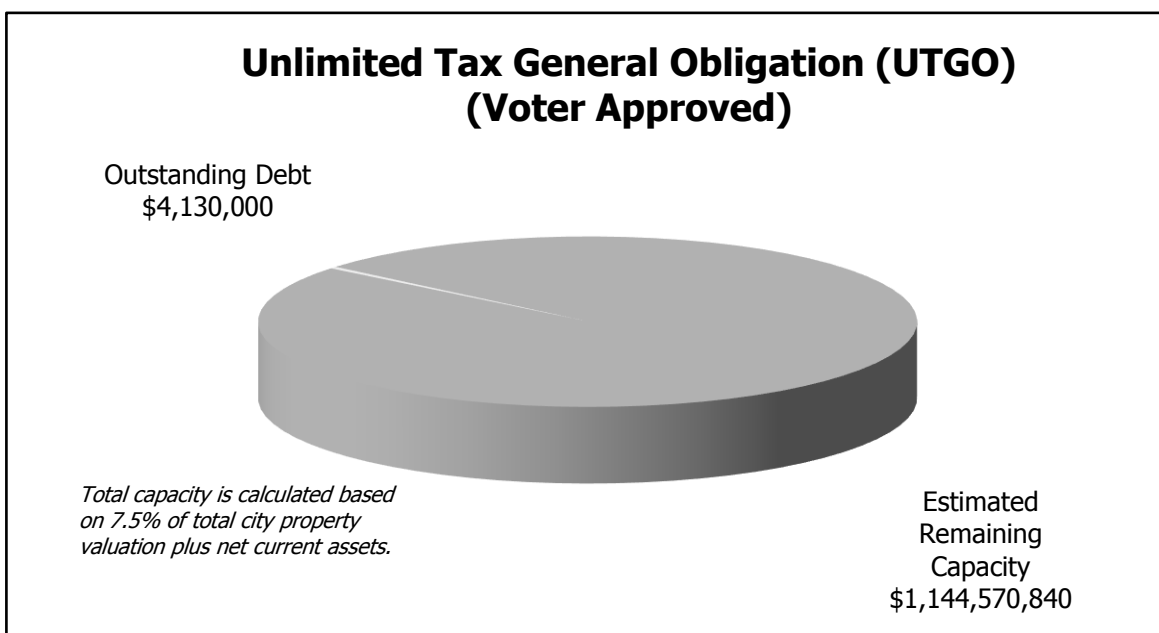
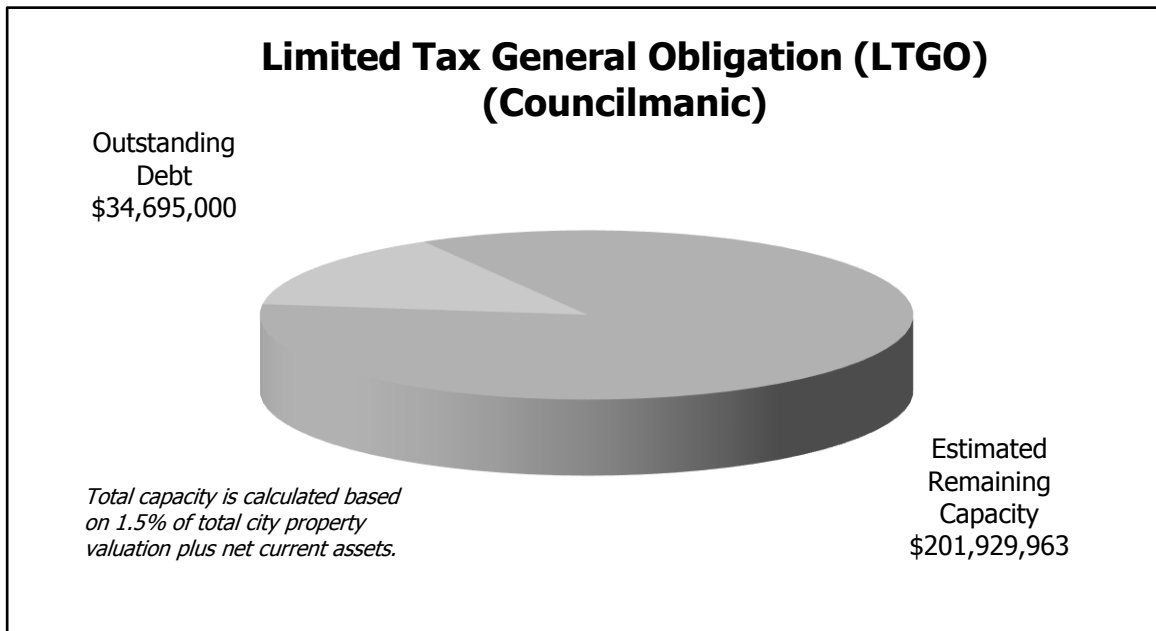
⁴ Active PWTF project; draws occur until project is complete. Total amortization schedule unknown until draws are complete.

Note: On May 26, 2011, Fire Protection District #41 issued \$4 million in Limited Tax General Obligation Bonds to finance the Consolidated Fire Station Project. On June 1, 2011, the Fire District ceased operation when the City of Kirkland annexed all the territory served by the District. The outstanding debt remains an obligation of the taxable property which was annexed.

CITY OF KIRKLAND

DEBT CAPACITY

Washington State law imposes limitations on the total amount of debt that a city can have outstanding to 7.5 percent of total assessed property valuation plus the net of current assets and liabilities. This comprises the City's "Debt Capacity" at any one time. The City Council has authority to issue bonds without voter approval (Councilmanic) for a combined total of up to 1.5 percent of the City's assessed valuation. The following graphs compare the total estimated capacity available to the City's indebtedness:



City of Kirkland
2010 Build America Bonds and Recovery Zone Economic Development Bonds

Purpose: Facilities Expansion

Amount of Issue	\$35,345,000	Date of Bond Sale	12/21/2010
Ordinance	4272	Net Interest Rate	3.593%
		Org:	2100009010

DEBT SERVICE SCHEDULE

Year	Interest Dates:		Interest Rate	Maturity Date	Principal Amount	Total Payment	Principal Balance
	June 1	December 1					
2011	765,233	860,888	0.90%	12/1/2011	135,000	1,761,121	35,210,000
2012	860,280	860,280	1.20%	12/1/2012	640,000	2,360,560	34,570,000
2013	856,440	856,440	1.50%	12/1/2013	645,000	2,357,880	33,925,000
2014	851,603	851,603	1.80%	12/1/2014	655,000	2,358,205	33,270,000
2015	845,708	845,708	2.20%	12/1/2015	990,000	2,681,415	32,280,000
2016	834,818	834,818	2.75%	12/1/2016	1,010,000	2,679,635	31,270,000
2017	820,930	820,930	3.00%	12/1/2017	1,030,000	2,671,860	30,240,000
2018	805,480	805,480	3.40%	12/1/2018	1,045,000	2,655,960	29,195,000
2019	787,715	787,715	3.75%	12/1/2019	1,070,000	2,645,430	28,125,000
2020	767,653	767,653	4.00%	12/1/2020	1,195,000	2,730,305	26,930,000
2021	743,753	743,753	4.20%	12/1/2021	805,000	2,292,505	26,125,000
2022	726,848	726,848	4.40%	12/1/2022	1,000,000	2,453,695	25,125,000
2023	704,848	704,848	4.60%	12/1/2023	1,030,000	2,439,695	24,095,000
2024	681,158	681,158	4.75%	12/1/2024	1,060,000	2,422,315	23,035,000
2025	655,983	655,983	4.90%	12/1/2025	1,095,000	2,406,965	21,940,000
2026	629,155	629,155	5.10%	12/1/2026	1,125,000	2,383,310	20,815,000
2027	600,468	600,468	5.25%	12/1/2027	1,165,000	2,365,935	19,650,000
2028	569,886	569,886	5.40%	12/1/2028	1,205,000	2,344,773	18,445,000
2029	537,351	537,351	5.50%	12/1/2029	1,245,000	2,319,703	17,200,000
2030	503,114	503,114	5.55%	12/1/2030	1,290,000	2,296,228	15,910,000
2031	467,316	467,316	5.60%	12/1/2031	1,340,000	2,274,633	14,570,000
2032	429,796	429,796	5.88%	12/1/2032	1,390,000	2,249,593	13,180,000
2033	388,965	388,965	5.88%	12/1/2033	1,440,000	2,217,930	11,740,000
2034	346,665	346,665	5.88%	12/1/2034	1,495,000	2,188,330	10,245,000
2035	302,749	302,749	5.88%	12/1/2035	1,555,000	2,160,499	8,690,000
2036	257,071	257,071	5.88%	12/1/2036	1,610,000	2,124,143	7,080,000
2037	209,778	209,778	5.90%	12/1/2037	1,675,000	2,094,555	5,405,000
2038	160,365	160,365	5.90%	12/1/2038	1,735,000	2,055,730	3,670,000
2039	109,183	109,183	5.95%	12/1/2039	1,800,000	2,018,365	1,870,000
2040	55,633	55,633	5.95%	12/1/2040	1,870,000	1,981,265	-
Totals	17,275,940	17,371,594			35,345,000	69,992,535	

City of Kirkland**Fire District #41 Bond (Issued by Fire District prior to Annexation)****Purpose: Fire Station Construction**

Denomination	n/a	Date of Bond Sale	5/26/2011
Amount of Issue	4,000,000	Net Interest Rate	3.200%
Ordinance	n/a	Org:	2100009110

DEBT SERVICE SCHEDULE

Year	Interest Dates:		Interest Rate	Maturity Date	Principal Amount	Total Payment	Principal Balance
	June 1	December 1					
2011	-	65,778	3.20%	12/1/2011	-	65,778	4,000,000
2012	64,000	61,259	3.20%	12/1/2012	345,313	470,572	3,654,687
2013	58,475	55,646	3.20%	12/1/2013	356,451	470,572	3,298,236
2014	52,772	49,852	3.20%	12/1/2014	367,949	470,572	2,930,287
2015	46,885	43,870	3.20%	12/1/2015	379,817	470,572	2,550,470
2016	40,808	37,696	3.20%	12/1/2016	392,069	470,572	2,158,401
2017	34,534	31,322	3.20%	12/1/2017	404,715	470,572	1,753,686
2018	28,059	24,743	3.20%	12/1/2018	417,770	470,572	1,335,916
2019	21,375	17,952	3.20%	12/1/2019	431,245	470,572	904,670
2020	14,475	10,942	3.20%	12/1/2019	445,156	470,572	459,515
2021	7,352	3,705	3.20%	12/1/2019	459,515	470,572	-
Totals	368,734	402,766			4,000,000	4,771,500	

Note: On May 26, 2011, Fire Protection District #41 issued \$4 million in Limited Tax General Obligation Bonds to finance the Consolidated Fire Station Project. On June 1, 2011, the Fire District dissolved when the City of Kirkland annexed all the territory served by the District. The outstanding debt remains an obligation of the taxable property which was annexed.

City of Kirkland**1999 Limited General Obligation Bonds****Now a portion of the 2011 LTGO REFUNDING BONDS****Purpose: Teen Center Design and Construction**

Denomination	\$5,000	Date of Bond Sale	9/2/2011
Amount of Issue	\$430,000	Net Interest Rate	1.380%
Ordinance	4317	Org:	2100009111

DEBT SERVICE SCHEDULE

Year	Interest Dates:		Interest Rate	Maturity Date	Principal Amount	Total Payment	Principal Balance
	June 1	December 1					
2011	-	-	2.00%	12/1/2011	-	-	430,000
2012	7,189	4,810	2.00%	12/1/2012	45,000	56,999	385,000
2013	4,431	4,431	2.00%	12/1/2013	50,000	58,862	335,000
2014	4,055	4,055	2.00%	12/1/2014	55,000	63,110	280,000
2015	3,792	3,792	2.00%	12/1/2015	50,000	57,584	230,000
2016	3,252	3,252	2.00%	12/1/2016	55,000	61,504	175,000
2017	2,625	2,625	3.00%	12/1/2017	55,000	60,250	120,000
2018	1,800	1,800	3.00%	12/1/2018	60,000	63,600	60,000
2019	900	900	3.00%	12/1/2019	60,000	61,800	-
Totals	28,044	25,665			430,000	483,709	

City of Kirkland
2011 Limited General Obligation Bonds

Purpose: Refunds McAuliffe Private Placement Takeout Bonds 2001

Denomination	\$5,000	Date of Bond Sale	9/2/2011
Amount of Issue	\$1,781,031	Net Interest Rate	1.380%
Ordinance	4317	Org:	2100009111

DEBT SERVICE SCHEDULE

Year	Interest Dates:		Interest Rate	Maturity Date	Principal Amount	Total Payment	Principal Balance
	June 1	December 1					
2011	-	-	2.00%	12/1/2011	-	-	1,781,031
2012	29,776	19,924	2.00%	12/1/2012	210,137	259,837	1,570,894
2013	18,081	18,081	2.00%	12/1/2013	215,330	251,492	1,355,564
2014	16,408	16,408	2.00%	12/1/2014	210,564	243,380	1,145,000
2015	15,508	15,508	2.00%	12/1/2015	155,000	186,016	990,000
2016	13,998	13,998	2.00%	12/1/2016	155,000	182,996	835,000
2017	12,525	12,525	3.00%	12/1/2017	155,000	180,050	680,000
2018	10,200	10,200	3.00%	12/1/2018	160,000	180,400	520,000
2019	7,800	7,800	3.00%	12/1/2019	170,000	185,600	350,000
2020	5,250	5,250	3.00%	12/1/2020	175,000	185,500	175,000
2021	2,625	2,625	3.00%	12/1/2021	175,000	180,250	-
Totals	132,171	122,319			1,781,031	2,035,521	

City of Kirkland
Unlimited Tax General Obligation Refunding Bonds, 2013

Purpose: Refund 2003 UTGO Park Bonds

Denomination	\$5,000	Date of Bond Sale	10/29/2013
Amount of Issue	\$4,670,000	Net Interest Rate	2.3%
Ordinance	4420	Org:	2200009113

DEBT SERVICE SCHEDULE

Year	Interest Dates:		Interest Rate	Maturity Date	Principal Amount	Total Payment	Principal Balance
	June 1	December 1					
2013	-	-	2.30%		-	-	4,670,000
2014	63,253	53,705	2.30%	12/1/2014	540,000	656,958	4,130,000
2015	47,495	47,495	2.30%	12/1/2015	475,000	569,990	3,655,000
2016	42,033	42,032	2.30%	12/1/2016	490,000	574,065	3,165,000
2017	36,398	36,397	2.30%	12/1/2017	510,000	582,795	2,655,000
2018	30,533	30,532	2.30%	12/1/2018	520,000	581,065	2,135,000
2019	24,553	24,552	2.30%	12/1/2019	515,000	564,105	1,620,000
2020	18,630	18,630	2.30%	12/1/2020	530,000	567,260	1,090,000
2021	12,535	12,535	2.30%	12/1/2021	540,000	565,070	550,000
2022	6,325	6,325	2.30%	12/1/2022	550,000	562,650	-
Totals	281,755	272,203			4,670,000	5,223,958	



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Capital Project Funds account for the acquisition and construction of capital facilities not financed by proprietary funds.

GENERAL GOVERNMENT CAPITAL PROJECT FUNDS



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CITY OF KIRKLAND

***GENERAL GOVERNMENT CAPITAL
PROJECTS FUNDS***

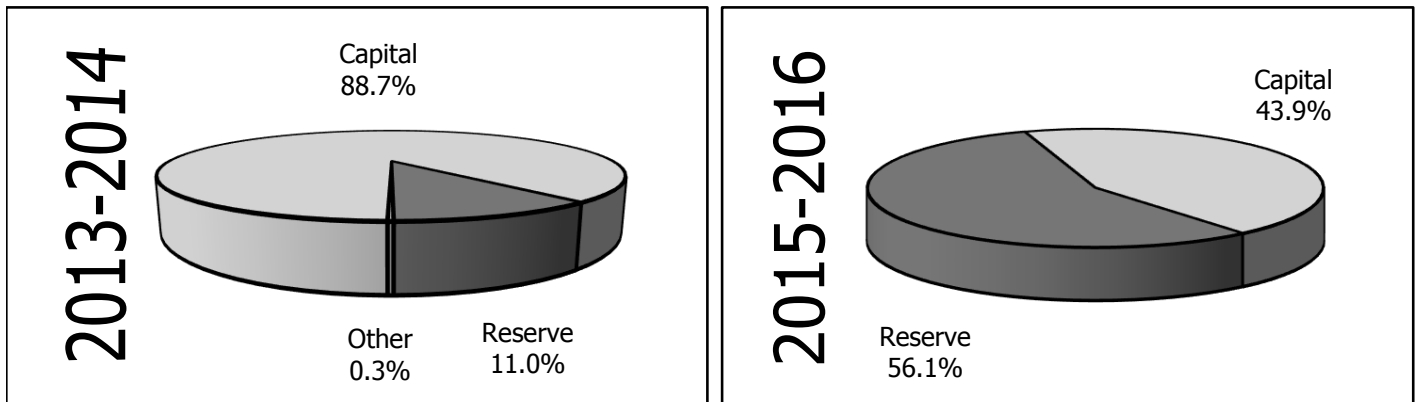
Capital Projects Funds are used to fund and track the construction of projects approved in the Capital Improvement Program. The City Council adopts a six-year Capital Improvement Program (CIP) which is a plan for major improvements or purchases needed in the areas of transportation (streets, sidewalks, signals, and intersections), storm drains, water and sewer systems, parks, public safety, and other government facilities and equipment. The Council revises the CIP biennially. The General Government Capital Projects Funds include projects in all sections of the CIP except those associated with the water/sewer and surface water utilities.

There are two general government capital projects funds:

The **General Capital Projects Fund** accounts for projects funded from general revenue sources. Resources are transferred in as needed, usually from the Excise Tax Capital Improvement Fund, interest income and sales tax allocations. Providing a cushion in the event of unanticipated changes in project scope or cost is the General Capital Contingency, which has a target of ten percent of the funded six-year CIP (less utility projects).

The **Transportation Capital Projects Fund** accounts for all general government transportation projects. City resources are transferred in as needed, usually from the Street Operating Fund, Impact Fee Fund, and the Excise Tax Capital Improvement Fund. Transportation projects also frequently receive external revenue from grants or other agencies such as Sound Transit. Utility portions of transportation projects (water/sewer and surface water) are funded in the respective utility capital funds.

CITY OF KIRKLAND GENERAL GOVERNMENT NON-OPERATING CAPITAL PROJECTS FUNDS



Capital Projects Funds are used for two purposes - capital construction of projects and capital reserves approved in the Capital Improvement Program. The City Council adopts a six-year Capital Improvement Program (CIP) biennially. The CIP is a plan for major improvements or purchases needed in the areas of transportation (streets, sidewalks, signals, and intersections), storm drains, water/sewer systems, parks, public safety, and other government facilities and equipment.

2013-2014 BUDGET SUMMARY: BY PURPOSE

Fund	2013-14 Budget	Budget by Purpose			
		Reserve	Debt	Capital	Other
310 General Capital Projects	60,789,680	6,473,122	-	54,085,662	230,896
320 Transportation Capital Projects	50,632,075	5,824,011	-	44,682,346	125,718
Total Capital Projects Funds	111,421,755	12,297,133	-	98,768,008	356,614

2015-2016 BUDGET SUMMARY: BY PURPOSE

Fund	2015-16 Budget	Budget by Purpose			
		Reserve	Debt	Capital	Other
310 General Capital Projects	37,855,498	22,896,598	-	14,958,900	-
320 Transportation Capital Projects	35,121,922	18,008,522	-	17,113,400	-
Total Capital Projects Funds	72,977,420	40,905,120	-	32,072,300	-

CITY OF KIRKLAND
CHANGE IN FUND BALANCE (Beginning 2013 to Ending 2016)
GENERAL GOVERNMENT NON-OPERATING

CAPITAL PROJECTS FUNDS

	General Capital Projects	Transportation Capital Projects	Total
2013 Actual Beginning Fund Balance	43,375,432	4,055,030	47,430,462
<i>Reserved</i>	<i>6,473,122</i>	<i>470,698</i>	<i>6,943,820</i>
<i>Unreserved Working Capital</i>	<i>36,902,310</i>	<i>3,584,332</i>	<i>40,486,642</i>
Plus: 2013-14 Estimated Revenues	19,959,830	22,098,520	42,058,350
Less: 2013-14 Estimated Expenditures	41,256,485	23,009,212	64,265,697
2014 Estimated Ending/2015 Budgeted Beginning Fund Balance	22,078,777	3,144,338	25,223,115
Plus: 2015-16 Budgeted Revenues	15,776,721	31,977,584	47,754,305
Less: 2015-16 Budgeted Expenditures	28,965,366	35,056,842	64,022,208
2016 Budgeted Ending Fund Balance	8,890,132	65,080	8,955,212
<i>Reserved</i>	<i>8,890,132</i>	<i>65,080</i>	<i>8,955,212</i>
<i>Unreserved Working Capital</i>	<i>-</i>	<i>-</i>	<i>0</i>
Change in Fund Balance: Beginning 2013 to Ending 2016	(34,485,300)	(3,989,950)	(38,475,250)

Notes:

The reductions in fund balance of the General Capital Projects Fund and the Transportation Capital Projects Fund are due to the completion of projects which were funded but not constructed in prior years. The largest project in the General Capital Projects Fund to be completed in 2013-14 is the new Kirkland Justice Center. The General Capital Projects Fund reserves serve as contingency reserves for the Transportation Capital Projects as well.

**CITY OF KIRKLAND
CAPITAL IMPROVEMENT PROGRAM
2015-2016 BUDGET**

GENERAL CAPITAL PROJECTS FUND (310)

Project Category/ Project Title	Project Number	Funding Source
PARKS		
Park Play Area Enhancements	PK 0066	REET 1 (1st quarter percent)
Juanita Beach Bathhouse Replacement & Shelter	PK 0119 100	Kirkland Park Levy
Green Kirkland Forest Restoration Program	PK 0121	REET 1 (1st quarter percent)
Dock & Shoreline Renovations	PK 0113 100	Kirkland Park Levy
Edith Moulton Park Renovation	PK 0133 400	Kirkland Park Levy
132nd Park Playfields Renovation	PK 0134	REET 1 (1st quarter percent)
Everest Park Restroom / Storage Building Replacement	PK 0138	REET 1 (1st quarter percent)
Total Parks		
PUBLIC SAFETY		
Fire Equipment Replacement	PS 200	General Fund Revenue
Police Equipment Replacement	PS 1000	General Fund Revenue
Total Public Safety		
GENERAL GOVERNMENT		
Technology		
Network Server Replacements	IT 0100	General Fund/Utilities
Network Infrastructure	IT 0110	General Fund/Utilities
Network Storage	IT 0120	General Fund/Utilities
Network Phone Systems	IT 0130	Utilities/Tech Initiative/IT Cash
Network Security	IT 0140	General Fund
Geographic Information Systems	IT 0200	Utilities/Tech Initiative/IT Cash
Finance and HR System Modules	IT 0300	Tech Initiative
Financial System Replacement	IT 0402	Major Systems Reserve/Tech Initiative
Copier Replacements	IT 0500	General Fund
Help Desk System Replacement Phase II	IT 0601	Major System Reserve/IT Cash
Maintenance Management System Upgrade	IT 0702	Major System Reserve
Recreation Registration System Replacement	IT 0802	Major System Reserve
Wireless in Parks Phase 2	IT 0903	External
Total Technology		
Facilities		
Electrical, Energy Management & Lighting Systems	GG 0008	Facilities Sinking Fund Charges
Mechanical/HVAC Systems Replacements	GG 0009	Facilities Sinking Fund Charges
Painting, Ceilings, Partition & Window Replacements	GG 0010	Facilities Sinking Fund Charges
Roofing, Gutter, Sliding & Deck Replacements	GG 0011	Facilities Sinking Fund Charges
Flooring Replacements	GG 0012	Facilities Sinking Fund Charges
City Hall Expansion	GG 0035 100	General Government Reserves/Debt/External
Total Facilities		
Total General Government		
TOTAL GENERAL CAPITAL PROJECTS FUND		

**Total project cost over the 6-year CIP

2015 Budget	2016 Budget	Estimated Total Project Cost**	Additional Annual Maintenance & Operations	
			2015	2016
50,000	50,000	200,000	-	-
200,000	1,000,000	1,200,000	-	-
125,000	75,000	500,000	-	-
250,000	250,000	800,000	-	-
800,000	-	1,000,000	-	-
637,000	-	712,000	-	-
-	660,000	735,000	-	-
2,062,000	2,035,000	5,147,000	-	-
25,400	40,100	97,700	-	-
183,900	318,000	1,091,000	-	-
209,300	358,100	1,188,700	-	-
36,000	23,800	518,100	-	-
39,000	36,600	404,300	-	-
18,400	20,100	2,177,000	-	-
395,000	-	445,000	-	-
55,000	-	355,000	-	-
250,000	250,000	1,355,000	-	-
49,300	5,800	123,600	-	-
-	150,000	150,000	-	-
52,200	15,000	136,700	-	-
66,000	-	66,000	-	-
45,000	-	222,600	-	-
-	83,000	83,000	-	-
200,000	-	200,000	-	-
1,205,900	584,300	6,236,300	-	-
66,400	10,200	139,600	-	-
47,000	-	826,700	-	-
144,400	122,600	735,200	-	-
-	34,600	608,200	-	-
105,800	23,300	374,000	-	-
7,950,000	-	9,833,500	-	-
8,313,600	190,700	12,517,200	-	-
9,519,500	775,000	18,753,500	-	-
11,790,800	3,168,100	25,089,200	-	-

**CITY OF KIRKLAND
CAPITAL IMPROVEMENT PROGRAM
2015-2016 BUDGET**

TRANSPORTATION CAPITAL PROJECTS FUND (320)

Project Category/ Project Title	Project Number	Funding Source
TRANSPORTATION		
Streets		
Annual Street Preservation Program	ST 0006	Gas Tax/Sales Tax/REET 2/Solid Waste
Annual Street Preservation Program-One-Time Project	ST 0006 002	External
Street Maintenance & Pedestrian Safety	ST 0006 003	Kirkland Road Levy
Annual Striping Program	ST 0080	REET 2 (2nd quarter percent)
Annual Concurrency Street Improvements	ST 8888*	REET 1/REET 2/Impact Fees/Utilities
Regional Inter-Agency Coordination	ST 9999	REET 1 (1st quarter percent)
Total Streets		
Non-Motorized		
Street Levy - Safe School Walk Routes	NM 0006 100	Kirkland Road Levy
Street Levy - Pedestrian Safety	NM 0006 200	Kirkland Road Levy
Crosswalk Upgrade Program	NM 0012	REET 1 (1st quarter percent)
Annual Sidewalk Maintenance Program	NM 0057*	REET 1/REET 2/Utilities
South Kirkland TOD/CKC Multi-Modal Connection	NM 0084	External
Annual Non-Motorized Program	NM 8888*	REET 2 Rsv/Utilities
Total Non-Motorized		
Traffic Improvements		
100th Ave NE/NE 132nd Street Intersection Improvement	TR 0083	External
Annual Concurrency Traffic Improvements	TR 8888*	Impact Fees/REET 2 Rsv/Utilities
Total Traffic Improvements		
TOTAL TRANSPORTATION CAPITAL PROJECTS FUND		

* A portion of this project is funded through Surface Water Capital Projects Fund (423).

**Total project cost over the 6-year CIP

2015 Budget	2016 Budget	Estimated Total Project Cost**	Additional Annual Maintenance & Operations	
			2015	2016
1,750,000	1,750,000	10,500,000	-	-
1,268,500	-	1,469,000	-	-
2,300,000	2,300,000	13,733,000	-	-
350,000	350,000	2,050,000	-	-
482,400	480,000	2,029,900	-	-
82,000	82,000	492,000	-	-
6,232,900	4,962,000	30,273,900	-	-
150,000	150,000	600,000	-	-
150,000	150,000	1,190,000	-	-
70,000	-	210,000	-	-
200,000	200,000	1,209,000	-	-
1,204,000	-	1,450,000	-	-
208,300	605,000	2,899,800	-	-
1,982,300	1,105,000	7,558,800	-	-
2,501,000	-	3,201,000	-	-
475,000	543,000	1,399,300	-	-
2,976,000	543,000	4,600,300	-	-
11,191,200	6,610,000	42,433,000	-	-

City of Kirkland
2014 Update to 2013-2018 Capital Improvement Program

PARK PROJECTS

Funded Projects:

Project Number	Project Title	Prior Year(s)	2013	2014	2015	2016	2017	2018	2013-2018 Total	Funding Source		
										Current Revenue	Reserve	External Source
Prior Year Active Projects:		952,500 288,414 215,000 175,000 75,000										
PK 0056	Forbes Lake Park Development											
PK 0108	McAuliffe Park Development											
PK 0109	Juanita Bay Park Wetland Restoration											
PK 0123	Peter Kirk Pool Upgrades											
PK 0124	Snyder's Corner Park Site Development											
Subtotal Prior Year Active Projects with no new funding planned		1,705,914										
Current 2013-18 CIP:		3,450,000 396,703	100,000 115,000 50,000 493,000 75,000 150,000 3,450,000 75,000 150,000 250,000 125,000 508,000 150,000 100,000 75,000 120,000	624,000	50,000	50,000	50,000	75,000	100,000	1,207,000	508,000	
PK 0049	Open Space, Pk Land & Trail Acq Grant Match Program											
PK 0066	Park Play Area Enhancements											
PK 0087 100#	Waverly Beach Park Renovation											
PK 0095 200	Heritage Park - Heritage Hall Renovations											
PK 0113 100	Spinney Homestead Park Renovation											
PK 0114 101	Mark Twain Park Renovation (Design)											
PK 0115	Terrace Park Renovation											
PK 0116 100	Lee Johnson Field Lighting Replacements											
PK 0119	Juanita Beach Park Development Phase 2											
PK 0119 100#	Juanita Beach Bathhouse Replacement & Shelter											
PK 0121*	Green Kirkland Forest Restoration Program											
PK 0131	Park and Open Space Acquisition Program											
PK 0131 008	Park Acq-Yuppie Pawn Shop Property											
PK 0133 100#	Dock & Shoreline Renovations											
PK 0133 200#	City-School Playfield Partnership											
PK 0133 300#	Neighborhood Park Land Acquisition											
PK 0133 400#	Edith Moulton Park Renovation											
PK 0134	132nd Park Playfields Renovation											
PK 0138	Everest Park Restroom/Storage Building Replacement											
PK 0139 100	Totem Lake Park Master Plan											
Total Funded Park Projects		5,552,617	1,353,000	3,954,000	2,062,000	2,035,000	2,058,000	2,582,000	14,044,000	12,255,000	1,149,000	640,000

Notes

* = Modification in timing and/or cost

= Park Levy Candidates

" = Moved from funded status to unfunded status

Shaded year(s) = Previous timing

Bold italics = New projects

City of Kirkland
2014 Update to 2013-2018 Capital Improvement Program

PARK PROJECTS

Unfunded Projects:

Project Number	Project Title	Total
PK 0078 600	A.G. Bell Elementary Playfields Improvements	200,000
PK 0078 800	International Comm. School Playfield Improvements	300,000
PK 0086	Totem Lake Neighborhood Park Acquisition & Development	2,500,000
PK 0087 101	Waverly Beach Parks Renovation (Phase 2)	1,000,000
PK 0095 100	Heritage Park Development - Phase III & IV	2,500,000
PK 0096	Ohde Avenue Park Development	250,000
PK 0097	Reservoir Park Renovation	500,000
PK 0099	N. Juanita (East) Neighborhood Park Acquisition/Development	2,500,000
PK 0100	N. Juanita (West) Neighborhood Park Acquisition/Development	2,500,000
PK 0101	N. Rose Hill Neighborhood Park Acquisition/Development (North)	2,500,000
PK 0102	N. Rose Hill Neighborhood Park Acquisition/Development (Central)	2,500,000
PK 0103	Market Neighborhood Park Acquisition/Development	3,500,000
PK 0108	McAuliffe Park Development	7,000,000
PK 0114	Mark Twain Park Renovation	750,000
PK 0116	Lee Johnson Field Artificial Turf Installation	1,500,000
PK 0117	Lake Avenue West Street End Park Enhancement	100,000
PK 0119 200	Juanita Beach Park Development (Phase 3)	10,000,000
PK 0122 100	Community Recreation Facility Construction	42,000,000
PK 0124"	Snyder's Corner Park Site Development	1,000,000
PK 0125	Dock Renovations	250,000
PK 0126	Watershed Park Master Planning & Park Development	1,100,000
PK 0127	Kiwanis Park Master Planning & Park Development	1,100,000
PK 0128	Yarrow Bay Wetlands Master Planning & Park Development	1,600,000
PK 0129	Heronfield Wetlands Master Planning & Development	1,600,000
PK 0133 500	Lee Johnson Field Synthetic Turf and Lighting	1,500,000
PK 0135	Juanita Heights Park Master Planning and Development	1,125,000
PK 0136	Kingsgate Park Master Planning and Park Development	1,150,000
PK 0137	Windsor Vista Park Master Planning and Park Development	1,150,000
PK 0139	Highlands Park Renovation	750,000
PK 0139 101	Totem Lake Park Acquisition	3,000,000
Total Unfunded Parks Projects		97,425,000

Notes

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Bold italics = New projects

City of Kirkland
2014 Update to 2013-2018 Capital Improvement Program

PUBLIC SAFETY PROJECTS

Funded Projects:

Project Number	Project Title	Prior Year(s)	2013	2014	2015	2016	2017	2018	2013-2018 Total	Funding Source										
										Current Revenue	Reserve	External Source								
Prior Year Active Projects		142,700 70,000 253,900 300,000																		
PS 0056	Disaster Supply Storage Units																			
PS 0057	Disaster Care Response Vehicle																			
PS 0062	Defibrillator Unit Replacement																			
PS 0065	Disaster Response Portable Generator																			
Subtotal Prior Year Active Projects with no new funding planned		766,600																		
Current 2013-18 CIP																				
FIRE																				
PS 0067	Dive Rescue Equipment	741,600	55,000	183,900	318,000	278,800	145,500	1,091,000	1,091,000											
PS 0071	Self Contained Breathing Apparatus (SCBA)												741,600	55,000	183,900	318,000	278,800	145,500	1,091,000	1,091,000
PS 0075	Portable Radios																			
PS 0076	Personal Protective Equipment																			
PS 0077	Hose Replacement																			
PS 200*	Fire Equipment Replacement	35,000	1,300	25,400	40,100	17,400	14,800	36,300	36,300											
POLICE																				
PS 1000	Police Equipment Replacement		53,100	111,700	183,900	318,000	278,800	145,500	1,091,000	1,091,000										
Total Funded Public Safety Projects		766,600	829,700	686,200	209,300	358,100	643,600	169,300	2,896,200	2,896,200	0	0								

Unfunded Projects:

Project Number	Project Title	Total
PS 0068	Local Emergency/Public Communication AM Radio	119,100
Total Unfunded Public Safety Projects		119,100

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City of Kirkland **2014 Update to 2013-2018 Capital Improvement Program**

GENERAL GOVERNMENT PROJECTS - Technology

Funded Projects:

Project Number	Project Title	Prior Year(s)	2013	2014	2015	2016	2017	2018	2013-2018 Total	Funding Source		
										Current Revenue	Reserves/ Prior Yr	External Source
Prior Year Active Projects												
GG 0006 110	Records Management System	1,297,200 50,000										
GG 0006 205	Municipal Court Technology Projects											
Subtotal Prior Year Active Projects with no new funding planned		1,347,200										
Prior Year Active Projects												
GG 0006 501	Permit System Replacement	906,412	75,000						75,000		75,000	
IT 0100 000	Network Server Replacements	176,158	161,000	66,400	36,000	23,800	164,500	66,400	518,100	507,100	11,000	
IT 0110 000	Network Infrastructure	310,312	50,000	200,000	39,000	36,600	41,100	37,600	404,300	250,300	154,000	
IT 0120 000	Network Storage, Backup & Archiving	332,384	987,100		18,400	20,100	80,000	1,071,400	2,177,000	1,514,900	662,100	
IT 0130 000	Network Phone Systems			50,000	395,000				445,000	309,557	135,443	
IT 0140 000	Network Security	30,000	130,000	65,000	55,000		75,000	30,000	355,000	206,000	149,000	
IT 0200 000	Geographic Information Systems		170,000	185,000	250,000	250,000	250,000	250,000	1,355,000	958,100	396,900	
IT 0300 000	Finance and HR System Modules		47,400	21,100	49,300	5,800			123,600		123,600	
IT 0402 000	Financial System Replacement					150,000			150,000		150,000	
IT 0500 000	Copier Replacements				52,200	15,000	39,000	30,500	136,700	136,700		
IT 0601 000	Help Desk System Replacement Phase 2				66,000				66,000	33,400	32,600	
IT 0702 000*	Maintenance Management System Upgrade		30,000	147,600	45,000				222,600	53,100	169,500	
IT 0802 000	Recreation Registration System Replacement					83,000			83,000		83,000	
IT 0901 000	Disaster Recovery System Improvement			125,000					125,000	125,000		
IT 0903 000	Wireless in Parks Phase 2				200,000				200,000			200,000
Total Funded General Gov. Projects - Technology		3,102,466	1,650,500	860,100	1,205,900	584,300	649,600	1,485,900	6,436,300	4,094,157	2,142,143	200,000

Unfunded Projects:

Project Number	Project Title	Total
IT 0401 000	Utility Billing/Cashiering System Replacement	491,700
IT 0501 000	Police ProAct Unit NCIC Handheld Computers	52,000
IT 0602 000	Standard Reporting Tool	379,700
IT 0701 000	Fleet Management Systems Replacement	80,000
IT 0902 000	Customer Relationship Management System	414,000
Total Unfunded General Government Projects - Technology		1,417,400

Notes
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 Shaded year(s) = Previous timing
Bold italics = New projects

City of Kirkland **2014 Update to 2013-2018 Capital Improvement Program**

GENERAL GOVERNMENT PROJECTS - Facilities

Funded Projects:

Project Number	Project Title	Prior Year(s)	2013	2014	2015	2016	2017	2018	2013-2018 Total	Funding Source			
										Current Revenue	Reserve	Debt	External Source
Prior Year Active Projects													
GG 0037	Maintenance Center Expansion	1,450,000											
Subtotal Prior Year Active Projects with no new funding planned		1,450,000											
Current 2013-18 CIP													
GG 0008	Electrical, Energy Management & Lighting Systems		18,900		66,400	10,200		44,100	139,600		139,600		
GG 0009	Mechanical/HVAC Systems Replacements		41,000	222,800	47,000		198,300	317,600	826,700		814,700		
GG 0010	Painting, Ceilings, Partition & Window Replacements			68,000	144,400	122,600	194,900	205,300	735,200		735,200		
GG 0011	Roofing, Gutter, Siding and Deck Replacements		41,800	132,300	34,600	141,800	257,700	608,200	608,200		608,200		
GG 0012	Flooring Replacements			66,400	105,800	23,300	82,000	96,500	374,000		374,000		
GG 0013 102	Public Safety Building Phase II	1,504,000	17,045,200	14,113,000					31,158,200		8,020,790	22,023,327	1,114,083
GG 0014	City Facilities Energy Efficiency Project		846,000						846,000		586,000		260,000
GG 0035 100	City Hall Expansion	166,500	433,500	1,450,000	7,950,000				9,833,500		528,924	5,804,576	3,500,000
GG 0039	Consolidated Fire Station No 25	1,368,000	3,862,000						3,862,000			3,862,000	
Total Funded General Government Projects - Facilities		4,488,500	22,288,400	16,052,500	8,313,600	190,700	617,000	921,200	48,383,400	0	11,807,414	31,689,903	4,874,083

Notes

* = Modification in timing and/or cost (see Project Modification/Deletion Schedule for greater detail)

" = Moved from funded status to unfunded status

Shaded year(s) = Previous timing

Bold italics = New projects

City of Kirkland
2014 Update to 2013-2018 Capital Improvement Program

TRANSPORTATION PROJECTS

Funded Projects:

Project Number	Project Title	Prior Year(s)	2013	2014	2015	2016	2017	2018	2013-2018 Total	Funding Sources			
										Current Revenue	Reserve	Debt	External/ Pending Source
Prior Year Active Projects:													
NM 0034 001	Peter Kirk Elementary Sidewalk Phase II	438,000											
NM 0059	6th Street Sidewalk	265,000											
NM 0065	Central Way Pedestrian Enhancements	441,000											
NM 0068	Lakeview School Walk Route Enhancements	374,300											
NM 0069	100th Ave NE Bike Lanes	274,000											
TR 0070	NE 124th & 124th Ave Intersection Improvements	1,857,873											
TR 0102	GTEC	743,000											
Subtotal Prior Year Active Projects with no new funding planned		4,393,173											
Current 2013-2018 CIP:													
ST 0006	Annual Street Preservation Program		1,750,000	1,750,000	1,750,000	1,750,000	1,750,000	1,750,000	10,500,000	10,500,000			
ST 0006 002	Annual Street Preservation Program-One-time Project		42,500	158,000	1,268,500				1,469,000				1,469,000
ST 0006 003	Street Levy Street Preservation		1,959,000	2,574,000	2,300,000	2,300,000	2,300,000	2,300,000	13,733,000	13,733,000			
ST 0055	98th Avenue Bridge		390,000	1,025,000					1,415,000		15,000		1,400,000
ST 0057 001	NE 120th Street Roadway Extension (East Section)	2,867,000	556,300	3,085,800					3,642,100	839,300	800		2,802,000
ST 0075	NE 85th Street Utility Conversion	1,916,800	774,700						774,700	9,200	765,500		
ST 0080	Annual Striping Program		300,000	350,000	350,000	350,000	350,000	350,000	2,050,000	2,050,000			
ST 0082	Juanita Drive Corridor Study		200,000	80,000					280,000	280,000			
ST 0083	100th Ave NE Corridor Study		70,000						70,000	20,000	50,000		
ST 8888	Annual Concurrency Street Improvements				482,400	480,000	215,000	852,500	2,029,900	1,823,400	206,500		
ST 9999	Regional Inter-Agency Coordination		82,000	82,000	82,000	82,000	82,000	82,000	492,000	492,000			
NM 0006 100	Street Levy-Safe School Walk Routes				150,000	150,000	150,000	150,000	600,000	600,000			
NM 0006 200	Street Levy-Pedestrian Safety		590,000		150,000	150,000	150,000	150,000	1,190,000	1,190,000			
NM 0012	Crosswalk Upgrade Program		70,000		70,000		70,000		210,000	210,000			
NM 0024 000*	Cross Kirkland Corridor Trail (Interim)	203,000	2,158,000	1,780,400					3,938,400	276,800	79,200		3,582,400
NM 0024 101	Cross Kirkland Corridor Master Plan		350,000	150,000					500,000	252,200	247,800		
NM 0051	Rose Hill Business District Sidewalks	3,715,500	1,156,800	3,202,700					4,359,500				4,359,500
NM 0053	NE 112th Street Sidewalk		291,700						291,700	35,600	169,800		86,300
NM 0057	Annual Sidewalk Maintenance Program		209,000	200,000	200,000	200,000	200,000	200,000	1,209,000	909,000	300,000		
NM 0064 001*	Park Lane Pedestrian Corridor Enhancements Phase II		350,000	2,899,200					3,249,200	1,442,900	210,300		1,596,000
NM 0073	JFK Non-Motorized Program		75,000	75,000					150,000	30,000	120,000		
NM 0082*	6th Street S. Sidewalk			583,150					583,150	-			583,150
NM 0084	South Kirkland TOD/CKC Multi-Modal Connection			246,000	1,204,000				1,450,000				1,450,000
NM 8888	Annual Non-Motorized Program				208,300	605,000	1,043,000	1,043,500	2,899,800	1,660,000	1,239,800		
TR 0004 002	Peter Kirk Restroom Renovation	12,600	127,400						127,400		5,300		122,100
TR 0065*	6th Street/Kirkland Way Traffic Signal			1,200,550					1,200,550				-
TR 0078	NE 85th St/132nd Ave NE Intersection Improvements	1,182,500	42,000	925,400					967,400				967,400
TR 0080	NE 85th St/124th Ave NE Intersection Improvements	767,600	31,300	1,223,400					1,254,700				1,254,700
TR 0083	100th Ave NE/NE 132nd Street Intersection Improvements		350,000	350,000	2,501,000				3,201,000	700,000			2,501,000
TR 0111 000**	Kirkland ITS Implementation Phase I	2,081,000		90,000					90,000		90,000		
TR 0111 003	Kirkland ITS Implementation Phase IIC		453,000	2,498,000					2,951,000	240,000	509,900		2,201,100
TR 0113	Citywide Safety & Traffic Flow Improvements		150,600	193,300					343,900		49,500		294,400
TR 0115	9th Street/6th Street Traffic Signal			1,013,300					1,013,300				1,013,300
TR 8888	Annual Concurrency Traffic Improvements				475,000	543,000	381,300		1,399,300	1,169,300	230,000		
Total Funded Transportation Projects		17,139,173	12,529,300	25,735,200	11,191,200	6,610,000	6,691,300	6,878,000	69,635,000	38,462,700	4,289,400	0	25,682,350

Notes

* = Modification in timing and/or cost

^ = Annual Program Project Candidates

** = Moved from "Prior Year Active Projects" to "Current 2013-2018 CIP"

" = Moved from funded status to unfunded status

= Projects to be funded with development-related revenues

Shaded year(s) = Previous timing

Bold italics = New projects

City of Kirkland **2014 Update to 2013-2018 Capital Improvement Program**

TRANSPORTATION PROJECTS

Unfunded Projects:

Project Number	Project Title	Total
ST 0056	132nd Avenue NE Roadway Improvements	25,170,000
ST 0059 ^A	124th Ave NE Roadway Improvements (North Section)	10,000,000
ST 0060	118th Avenue NE Roadway Extension	6,440,000
ST 0061	119th Avenue NE Roadway Extension	5,640,000
ST 0062	NE 130th Street Roadway Extension	10,000,000
ST 0063 ^A	120th Avenue NE Roadway Improvements	8,988,500
ST 0064	124th Ave NE Roadway Widening Imprv (So. Sect'n)	30,349,000
ST 0070	120th Ave NE/Totem Lake Plaza Roadway Imprvmnts	3,000,000
ST 0072	NE 120th St Roadway Improvements (West Section)	5,870,000
ST 0073	120th Avenue NE Roadway Extension	16,392,000
ST 0077	NE 132nd St Rdwy Imprv.-Phase I (West Section)	1,348,000
ST 0078	NE 132nd St Rdwy Imprv-Phase II (Mid Section)	316,000
ST 0079	NE 132nd St Rdwy Imprv-Phase III (East Section)	1,119,000
ST 0081	Totem Lake Area Development Opportunity Program	500,000
ST 0083 101*	100th Ave NE Roadway Improvements	13,500,000
ST 0084	Finn Hill Emergency Vehicle Access Improvement Study	150,000
ST 0086	Finn Hill Emergency Vehicle Access Connection	900,000
NM 0001	116th Ave NE (So. Sect.) Non-Motorz'd Facil-Phase II	3,378,000
NM 0007	NE 52nd Street Sidewalk	1,068,600
NM 0024 201	Cross Kirkland Corridor Opportunity Fund	500,000
NM 0026	NE 90th Street Sidewalk (Phase II)	2,584,200
NM 0030	NE 90th Street/I-405 Pedestrian/Bicycle Overpass	3,740,700
NM 0031	Crestwoods Park/BNSFR Ped/Bike Facility	2,505,000
NM 0032 ^A	93rd Avenue Sidewalk	1,047,900
NM 0036 ^A	NE 100th Street Bikelane	1,644,300
NM 0037	130th Avenue NE Sidewalk	833,600
NM 0041	Forbes Valley Pedestrian Facility	1,996,600
NM 0043 ^A	NE 126th St Nonmotorized Facilities	4,277,200
NM 0045	NE 95th Street Sidewalk (Highlands)	571,500
NM 0046 ^A	18th Avenue SW Sidewalk	2,255,000
NM 0047	116th Avenue NE Sidewalk (South Rose Hill)	422,100
NM 0048	NE 60th Street Sidewalk	4,979,800
NM 0049 ^A	112th Ave NE Sidewalk	527,600
NM 0050 ^A	NE 80th Street Sidewalk	859,700
NM 0054	13th Avenue Sidewalk	446,700
NM 0055 ^A	122nd Ave NE Sidewalk	866,700
NM 0056	NE 90th Street Sidewalk (Phase I)	1,165,700
NM 0058	111th Avenue Non-Motorized/Emergency Access Connection	2,000,000
NM 0061	NE 104th Street Sidewalk	1,085,000
NM 0062	19th Avenue Sidewalk	814,200
NM 0063	Kirkland Way Sidewalk	414,500
NM 0071	NE 132nd Street Sidewalk Improvement	363,000
NM 0072	NE 132nd Street Sidewalk at Finn Hill Middle School	693,000
NM 0074	90th Ave NE Sidewalk	353,400
NM 0075	84th Ave NE Sidewalk	4,052,800
NM 0076	NE 140th St Sidewalk - Muir Elem Walk Rt Enhan. Phase 1	1,131,000
NM 0077	NE 140th St Sidewalk - Keller Elem Walk Rt Enhan. - N	1,185,000
NM 0078	NE 140th St Sidewalk - Keller Elem Walk Rt Enhan. - S	747,000
NM 0079	NE 140th St Sidewalk - Muir Elem Walk Rt Enhan. Phase 2	648,000
NM 0080	Juanita-Kingsgate Pedestrian Bridge at I-405	4,500,000
NM 0081	CKC to Redmond Central Connector	3,656,000
NM 0086	Cross Kirkland Corridor Non-motorized Improvements	90,000,000
NM 0087	Citywide School Walkroute Enhancements	16,300,000
NM 0088	NE 124th Street Sidewalk	326,700
NM 0089	Lakefront Pedestrian & Bicycle Improvements	1,000,000
NM 0090	Juanita Drive "Quick Wins"	1,350,000
NM 0091	Totem Lake Non-motorized Bridge	1,067,000
Subtotal Unfunded ST and NM Projects		307,040,000

Project Number	Project Title	Total
TR 0056 ^A	NE 85th Street HOV Queue Bypass	841,000
TR 0057	NE 124th Street HOV Queue Bypass	1,722,000
TR 0067	Kirkland Way/CKC Bridge Abutment/Intersection Imprv	6,917,000
TR 0068	Lake Washington Boulevard HOV Queue Bypass	6,580,000
TR 0072	NE 116th Street Eastbound HOV Queue Bypass	7,337,000
TR 0073	NE 70th Street Eastbound HOV Queue Bypass	1,702,000
TR 0074	NE 85th Street Westbound HOV Queue Bypass	1,775,000
TR 0075	NE 124th Street Westbound HOV Queue Bypass	1,275,000
TR 0082 ^A	Central Way/Park Place Center Traffic Signal	200,000
TR 0084	100th Ave NE/NE 124th St Intersection Improvements	2,230,000
TR 0086 ^A	NE 70th St/132nd Ave NE Intersection Improvements	4,590,600
TR 0088 ^A	NE 85th St/120th Ave NE Intersection Improvements	5,272,300
TR 0089	NE 85th St/132nd Ave NE Intersection Imp (Phase II)	1,825,700
TR 0090 ^A	Lake Washington Blvd/NE 38th Place Intersection Imp	500,000
TR 0091 ^A	NE 124th St/124th Ave NE Intersection Improvements	3,503,300
TR 0092	NE 116th St/124th Ave NE N-bound Dual Lft Turn Lanes	1,717,000
TR 0093	NE 132nd St/Juanita H.S. Access Rd Intersect'n Imp	916,000
TR 0094	NE 132nd St/108th Avenue NE Intersect'n Imp	618,000
TR 0095	NE 132nd St/Fire Stn Access Dr Intersect'n Imp	366,000
TR 0096 ^A	NE 132nd St/124th Ave NE Intersect'n Imp	5,713,000
TR 0097	NE 132nd St/132nd Ave NE Intersect'n Imp	889,000
TR 0098 ^A	NE 132nd St/ 116th Way NE (I-405) Intersect'n Imp	300,000
TR 0099	120th Ave/Totem Lake Way Intersection Improvements	2,845,500
TR 0100 100	6th Street & Central Way Intersection Imprvmnts Phase 2	1,866,800
TR 0103 ^A	Central Way/4th Street Intersection Improvements	31,000
TR 0104 ^A	6th Street/4th Ave Intersection Improvements	580,000
TR 0105 ^A	Central Way/5th Street Intersection Improvements	564,000
TR 0106 ^A	6th Street/7th Avenue Intersection Improvements	89,400
TR 0107 ^A	Market Street/15th Avenue Intersection Improvements	564,000
TR 0108 ^A	NE 85th Street/124th Ave NE Intersection Improvements	889,000
TR 0109 ^A	Totem Lake Plaza/Totem Lake Blvd Intersection Imprv.	1,500,000
TR 0110 ^A	Totem Lake Plaza/120th Ave NE Intersection Imprv.	1,500,000
TR 0111 001	Kirkland ITS Implementation Phase II	1,189,000
TR 0111 002	Kirkland ITS Implementation Phase IIB	2,644,000
TR 0114	Slater Avenue NE Traffic Calming - Phase I	247,000
Subtotal Unfunded TR Projects		71,299,600
Total Unfunded Transportation (ST, NM, and TR) Projects		378,339,600
Funding Available from Annual Programs for Candidate Projects		6,329,000
Net Unfunded Transportation Projects		372,010,600

Notes

* = Modification in timing and/or cost

^A = Annual Program Project Candidates

** = Moved from "Prior Year Active Projects" to "Current 2013-2018 CIP"

" = Moved from funded status to unfunded status

= Projects to be funded with development-related revenues

Shaded year(s) = Previous timing

Bold italics = New projects

Trust Funds account for resources held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds.

GENERAL GOVERNMENT TRUST FUNDS



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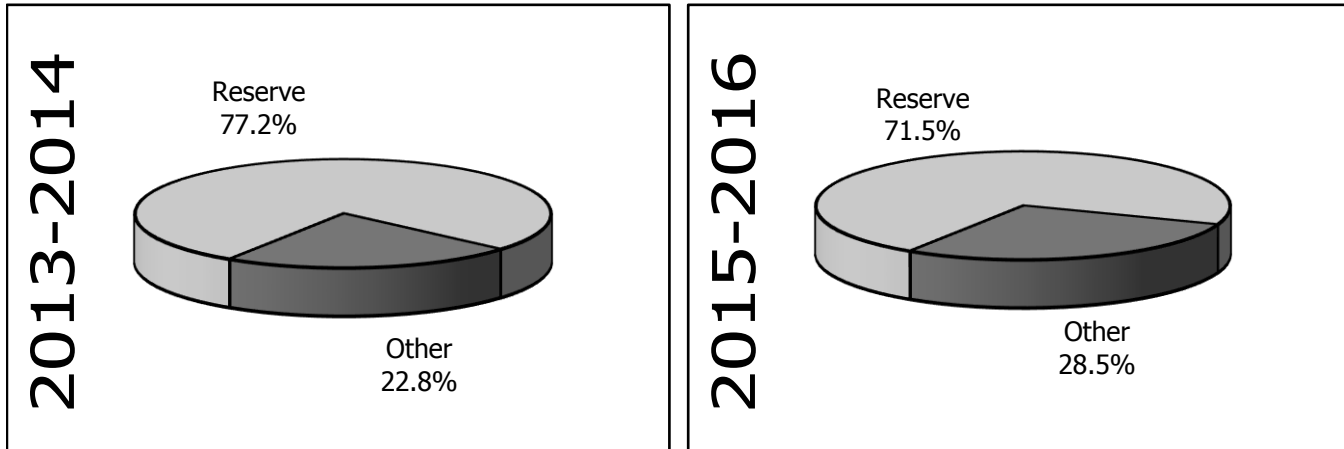
CITY OF KIRKLAND

GENERAL GOVERNMENT TRUST FUNDS

Trust Funds (fiduciary funds) report assets held in a trustee or agency capacity for others and therefore cannot be used to support the government's own programs. The City has one trust fund:

- The **Firefighter's Pension Fund** provides retirement and disability benefits for firefighters hired prior to March 1, 1970. Revenue includes proceeds of a state-imposed tax on fire insurance premiums and interest.
- Since the pension fund has been actuarially determined to be overfunded, it is also supplementing the cost of medical premiums for firefighter LEOFF 1 retirees.

CITY OF KIRKLAND GENERAL GOVERNMENT NON-OPERATING TRUST FUNDS



2013-2014 BUDGET SUMMARY: BY PURPOSE

Fund	2013-14 Budget	Budget by Purpose			
		Reserve	Debt	Capital	Other
620 Firefighter's Pension	1,922,607	1,484,958	-	-	437,649
Total Trust Funds	1,922,607	1,484,958	-	-	437,649

2015-2016 BUDGET SUMMARY: BY PURPOSE

Fund	2015-16 Budget	Budget by Purpose			
		Reserve	Debt	Capital	Other
620 Firefighter's Pension	1,716,572	1,227,072	-	-	489,500
Total Trust Funds	1,716,572	1,227,072	-	-	489,500

CITY OF KIRKLAND
CHANGE IN FUND BALANCE (Beginning 2013 to Ending 2016)
GENERAL GOVERNMENT NON-OPERATING

TRUST FUND

	Firefighter's Pension
2013 Actual Beginning Fund Balance	1,746,298
<i>Reserved</i>	<i>1,746,298</i>
<i>Unreserved Working Capital</i>	<i>-</i>
Plus: 2013-14 Estimated Revenues	207,238
Less: 2013-14 Estimated Expenditures	459,849
2014 Estimated Ending/2015 Budgeted Beginning Fund Balance	1,493,687
Plus: 2015-16 Budgeted Revenues	222,885
Less: 2015-16 Budgeted Expenditures	489,500
2016 Budgeted Ending Fund Balance	1,227,072
<i>Reserved</i>	<i>1,227,072</i>
<i>Unreserved Working Capital</i>	<i>-</i>
Change in Fund Balance: Beginning 2013 to Ending 2016	(519,226)

Note:

The decrease in fund balance reflects the payment of Fire LEOFF 1 retiree medical costs in the General Fund, per recommendations from the 2014 Actuarial Valuation Report.

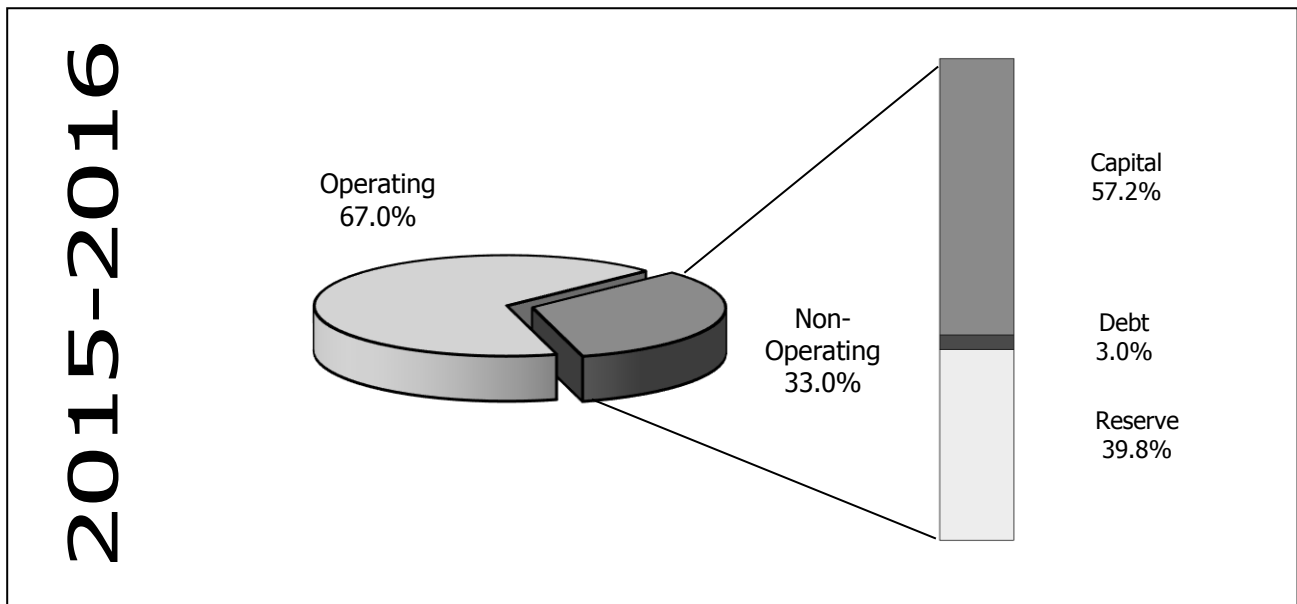


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CITY OF KIRKLAND

WATER/SEWER UTILITY

2015-2016 BUDGET OVERVIEW: BY FUND TYPE/FUND



The Water/Sewer Utility operating budget accounts for the purchase of water from the Cascade Water Alliance and sewage treatment services from METRO/King County as well as all maintenance and administrative costs. The non-operating budget accounts for principal and interest payments on utility debt, capital projects, and reserves.

Analysis of Change

Fund	2013-14 Budget	2015-16 Budget	Percent Change
<i>Operating Fund</i>			
411 Water/Sewer Operating	54,516,992	59,759,516	9.62%
Total Operating Fund	54,516,992	59,759,516	9.62%
<i>Non-Operating Funds</i>			
412 Water/Sewer Debt Service	2,225,742	1,368,834	-38.50%
413 Utility Capital Projects	23,349,803	28,019,650	20.00%
Total Non-Operating Funds	25,575,545	29,388,484	14.91%
Total Water/Sewer Utility Funds	80,092,537	89,148,000	11.31%

CITY OF KIRKLAND
CHANGE IN FUND BALANCE (Beginning 2013 to Ending 2016)
WATER/SEWER UTILITY FUNDS

	Water/Sewer Operating ¹	Non-Operating		Total
		Water/Sewer Debt Service	Utility Capital Projects ²	
2013 Actual Beginning Fund Balance	5,939,841	488,200	15,110,898	21,538,939
<i>Reserved</i>	<i>2,414,471</i>	<i>488,200</i>	<i>6,623,306</i>	<i>9,525,977</i>
<i>Unreserved Working Capital</i>	<i>3,525,370</i>	<i>-</i>	<i>8,487,592</i>	<i>12,012,962</i>
Plus: 2013-14 Estimated Revenues	50,260,950	1,810,644	8,989,770	61,061,364
Less: 2013-14 Estimated Expenditures	49,798,833	1,805,010	5,561,139	57,164,982
2014 Estimated Ending/2015 Budgeted Beginning Fund Balance	6,401,958	493,834	18,539,529	25,435,321
Plus: 2015-16 Budgeted Revenues	53,357,558	875,000	9,480,121	63,712,679
Less: 2015-16 Budgeted Expenditures	53,945,015	867,810	16,814,443	71,627,268
2016 Budgeted Ending Fund Balance	5,814,501	501,024	11,205,207	17,520,732
<i>Reserved</i>	<i>2,659,932</i>	<i>501,024</i>	<i>11,205,207</i>	<i>14,366,163</i>
<i>Unreserved Working Capital</i>	<i>3,154,569</i>	<i>-</i>	<i>-</i>	<i>3,154,569</i>
Change in Fund Balance: Beginning 2013 to Ending 2016	(125,340)	12,824	(3,905,691)	(4,018,207)

Notes:

¹The small decrease in the Operating Fund is due to investment in one-time projects related to the implementation of the master plans.

²The reduction in fund balance of the Utility Capital Projects Fund is due to the completion of capital projects that were funded but not constructed in prior years. The water/sewer construction reserve within the Utility Capital Projects Fund accumulates resources for future projects.

OPERATING

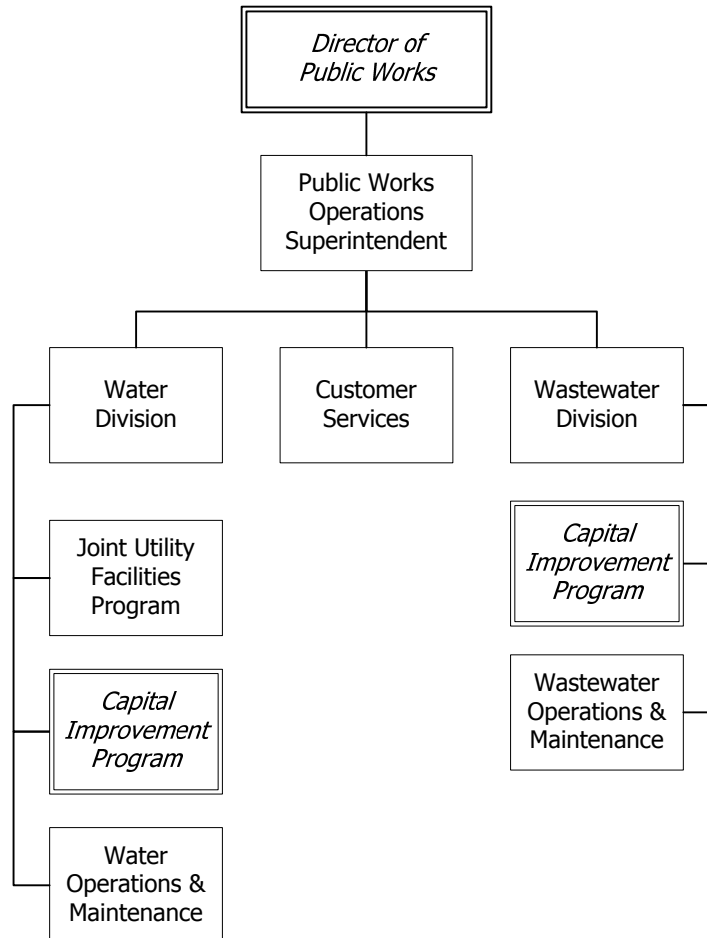


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CITY OF KIRKLAND

Public Works Department

Water/Sewer Fund



Boxes with a double outline and italic text indicate positions which report to this department but which are budgeted in a separate operating fund.



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DEPARTMENT OVERVIEW

WATER/SEWER OPERATING FUND

MISSION

The **Water/Sewer Operating Fund** is established to account for the resources necessary for the maintenance, operation, and minor construction of water and sewer system appurtenances, including water and sewer services, mains, pump systems, and other related infrastructure.

DEPARTMENT FUNCTIONS

The Water and Sewer Divisions of Public Works oversees 173 miles of water mains, 38 pressure-reducing stations (PRVs), three water supply/pump stations, two water reservoirs, and 1,899 fire hydrants. The Wastewater Division operates, maintains, and repairs 122 miles of sewer mains, 3,184 manholes, and six sewer lift stations.

The Water/Sewer utility provides for construction of all new services such as installation of new single-family water connections, manhole construction, and water valve construction that are not included in the Capital Improvement Program.

Major projects that allow the City to meet its water and waste water goals and objectives are administered within the Capital Improvement Program by the Capital Projects Division. Customer billing is administered by the Finance and Administration Department.

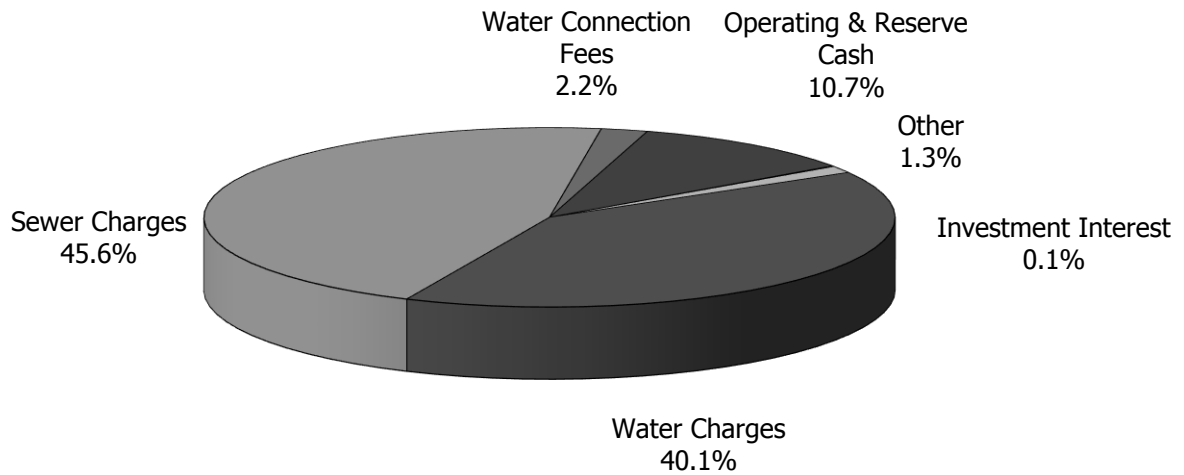
BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS

Environment and Dependable Infrastructure

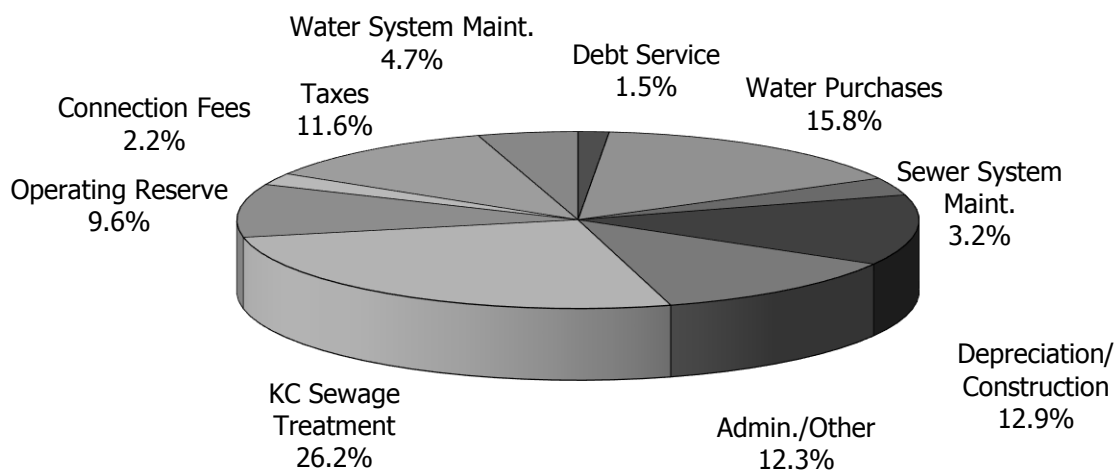
- Establish adequate rates to support the needs of the Water/Sewer resulting in:
 - 4.1% rate increase in 2015 and 1.2% increase in 2016 for Sewer
 - 4.9% increase in 2015 and 3.3% in 2016 for single family and irrigation customers and no increase in multifamily/commercial rates
- Expand the CCTV Inspection Program including 2.0 FTE, and CCTV vehicle, \$379,492 (Funded 50% from Surface Water and 50% from Sewer)
- Conduct a Reclaimed Water Study, \$120,000 one-time
- Restore the Sewer Improvement Opportunity Fund, \$20,000 onetime
- Add a .50 FTE Fats, Oils, and Grease (FOG) Inspector, \$104,173
- Complete Sewer Master Plan Update, \$180,000

2015-2016 BUDGET WATER/SEWER OPERATING FUND

Sources of Funds



Uses of Funds



2015 - 2016 FINANCIAL OVERVIEW
WATER/SEWER OPERATING FUND
FINANCIAL SUMMARY BY OBJECT

	2011-2012 Actual	2013-2014 Estimate	2013-2014 Budget	2015-2016 Budget	Percent Change
Salaries and Wages	2,513,745	2,536,970	2,596,428	2,779,210	7.04%
Benefits	1,179,067	1,348,734	1,359,425	1,586,774	16.72%
Supplies	8,701,316	9,123,619	9,211,184	10,040,795	9.01%
Other Services	5,918,393	6,325,340	6,286,698	6,957,957	10.68%
Government Services	21,786,182	30,213,763	29,376,258	32,300,722	9.96%
Capital Outlay	99,886	250,407	249,957	187,013	-25.18%
Reserves*	4,475,083	5,437,042	5,437,042	5,907,045	8.64%
TOTAL	44,673,672	55,235,875	54,516,992	59,759,516	9.62%

FINANCIAL SUMMARY BY DIVISION

	2011-2012 Actual	2013-2014 Estimate	2013-2014 Budget	2015-2016 Budget	Percent Change
Utility Operations/Maint.	29,676,522	29,295,304	28,764,054	31,391,135	9.13%
Administration	9,317,338	19,428,240	19,267,709	20,354,371	5.64%
Capital Construction	5,418,944	6,123,812	6,092,679	7,648,168	25.53%
Utility Joint Facilities	260,868	388,519	392,550	365,842	-6.80%
TOTAL	44,673,672	55,235,875	54,516,992	59,759,516	9.62%

POSITION SUMMARY BY DIVISION

	2011-2012 Actual	Adjustments	2013-2014 Budget	Adjustments	2015-2016 Budget
Utility Operations/Maint.	15.30	0.00	15.30	1.50	16.80
Administration	4.51	-0.05	4.46	0.00	4.46
TOTAL	19.81	-0.05	19.76	1.50	21.26

*2011-12 actual and 2013-14 estimates reserves are budgeted, but not spent

2015 - 2016 POSITION SUMMARY***WATER/SEWER OPERATING FUND*****POSITION SUMMARY BY CLASSIFICATION**

Classification	2013-2014 Budget	Service Packages	2015-2016 Positions	Budgeted 2015 Salary Range
Public Works Superintendent	0.25		0.25	7,483 - 9,656
Stormwater/Sewer Division Manager	0.50		0.50	6,811 - 8,790
Water Manager	1.00		1.00	6,811 - 8,790
Management Analyst	0.60		0.60	5,698 - 6,703
Leadperson	1.25		1.25	5,228 - 6,308
Yard Maint. & Inventory Control	0.45		0.45	4,386 - 5,665
Senior Maintenance Person	3.50	1.00	4.50	4,386 - 5,665
Senior Accounting Associate	0.70		0.70	4,606 - 5,419
Utility Craftsperson	1.75		1.75	4,088 - 5,225
Permit Technician	0.40		0.40	4,407 - 5,185
Grounds Technician	0.10		0.10	3,452 - 4,748
Utilityperson	8.10	0.50	8.60	3,452 - 4,748
Public Works Office Specialist	0.50		0.50	3,766 - 4,432
Utility Data Entry Clerk	0.66		0.66	3,409 - 4,011
TOTAL	19.76	1.50	21.26	

**City of Kirkland
2015 - 2016 Budget
Revenues**

		2011 -2012 Actual	2013 - 2014 Estimate	2013- 2014 Budget	2015 - 2016 Budget	Percent Change
Fund:	WaterSewer Utility Operating (411)					
Department:	General					
Division:	Not Applicable					
Key:	Water Sewer Utility Operating (4110000000)					
Intergovernmental Revenue						
Indirect FEMA	3339703	2,505	0	0	0	0.00 %
Military Department	3340180	417	0	0	0	0.00 %
Other King County Grants	3370801	0	0	0	60,000	0.00 %
Intergovt*Other Gen Govt Svcs	3381901	115,173	0	0	0	0.00 %
Total for Intergovernmental Revenue:		118,095	0	0	60,000	0.00 %
Charges for Goods and Services						
Other*General Government Svcs	3419001	22,982	0	0	0	0.00 %
General Govt Services	3419601	0	110,982	130,000	130,000	0.00 %
Residential Water Sales	3434001	8,908,574	9,796,319	9,600,414	10,813,660	12.63 %
Multi-Family Water Service	3434003	4,620,663	5,073,619	4,984,830	5,300,009	6.32 %
Commercial Water Sales	3434004	3,770,580	4,154,529	3,877,091	4,578,426	18.08 %
Water Service Penalties	3434005	121,739	121,932	120,000	120,000	0.00 %
Eff Utility Tax Revenue Wtr	3434008	0	2,568,197	2,524,566	2,768,602	9.66 %
Residential Sewer Svc-City	3435001	12,254,336	13,385,200	13,389,057	14,455,549	7.96 %
Multi-Family Sewer Svc-City	3435003	4,576,926	5,212,682	5,181,383	5,635,214	8.75 %
Commercial Sewer Svc-City	3435005	4,017,006	4,273,093	4,356,028	4,410,167	1.24 %
Sewer Service Penalties	3435007	138,721	154,121	150,000	150,000	0.00 %
Eff Utility Tax Revenue Swr	3435008	0	2,405,687	2,422,103	2,536,569	4.72 %
Misc Utility Revenue	3438901	61,733	102,785	0	100,000	0.00 %
Water OffOn Charge	3439001	195,751	169,558	232,000	160,000	-31.03 %
Estimated Final Bill Fee	3439003	28,767	45,353	0	40,000	0.00 %
Interfund Personnel Services	3491601	16,093	4,181	0	0	0.00 %
Interfund-Other Gen Govnmt	3491901	34,325	37,102	36,000	36,000	0.00 %
Total for Charges for Goods and Services:		38,768,196	47,615,340	47,003,472	51,234,196	9.00 %
Fines and Forfeits						
Forfeiture of Bonds Deposits	3591001	6,805	0	0	0	0.00 %
Total for Fines and Forfeits:		6,805	0	0	0	0.00 %
Miscellaneous Revenues						
Investment Interest	3611101	105,209	65,576	70,000	76,377	9.11 %
Facilities Leases LT-Other	3625002	114,698	130,578	116,000	116,000	0.00 %
Hydrant Rental-Interfund	3662001	471,557	455,679	455,679	519,985	14.11 %
Sale of Scrap Material	3691001	35,529	27,348	30,000	30,000	0.00 %
Other Judgements Settlements	3694001	31,738	17,899	20,000	20,000	0.00 %
Other Misc Revenue	3699001	2,611	252	2,000	1,000	-50.00 %

**City of Kirkland
2015 - 2016 Budget
Revenues**

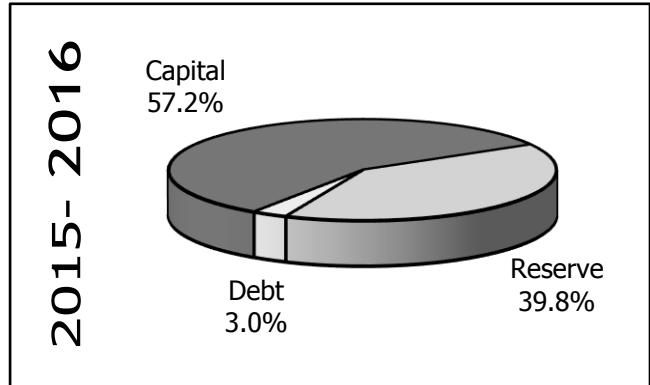
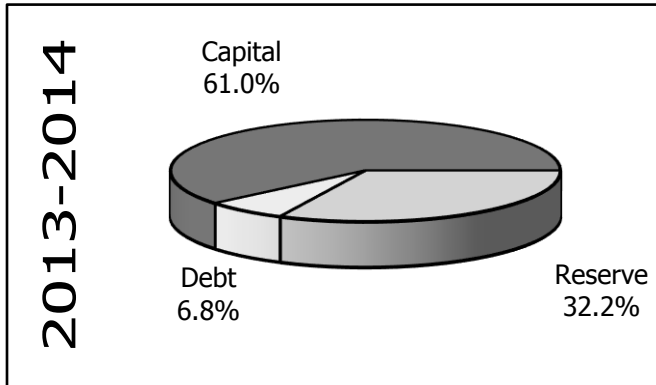
	2011 -2012 Actual	2013 - 2014 Estimate	2013- 2014 Budget	2015- 2016 Budget	Percent Change
Total for Miscellaneous Revenues:	761,342	697,332	693,679	763,362	10.04%
Proprietary Other Income					
Insur Recovery Prop IntSvc 3720001	0	7,428	0	0	0.00%
Regional Water Connection Chg3791003	871,584	1,590,850	880,000	1,300,000	47.72%
Emergency Sewer Program Coll3791006	14,487	0	0	0	0.00%
Total for Proprietary Other Income:	886,071	1,598,278	880,000	1,300,000	47.72%
Other Financing Sources					
Oper Transfer In-Intra Utility 3971002	0	100,000	0	0	0.00%
Resources Forward 3999901	0	6,189,841	5,939,841	6,401,958	7.77%
Total for Other Financing Sources:	0	6,289,841	5,939,841	6,401,958	7.77%
Total for Water Sewer Utility Operating (4110000000):	40,540,509	56,200,791	54,516,992	59,759,516	9.61%
Total for Not Applicable:	40,540,509	56,200,791	54,516,992	59,759,516	9.61%
Total for General:	40,540,509	56,200,791	54,516,992	59,759,516	9.61%
Total for WaterSewer Utility Operating:	40,540,509	56,200,791	54,516,992	59,759,516	9.61%

NON-OPERATING



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CITY OF KIRKLAND WATER/SEWER UTILITY



2013-2014 BUDGET SUMMARY: BY PURPOSE

Fund	2013-14 Budget	Purpose			
		Reserve	Debt	Capital	Other
412 Debt Service	2,225,742	498,591	1,727,151	-	-
413 Utility Capital Projects	23,349,803	7,730,906	-	15,618,897	-
Total Non-Operating Funds	25,575,545	8,229,497	1,727,151	15,618,897	-

2015-2016 BUDGET SUMMARY: BY PURPOSE

Fund	2015-16 Budget	Purpose			
		Reserve	Debt	Capital	Other
412 Debt Service	1,368,834	501,024	867,810	-	-
413 Utility Capital Projects	28,019,650	11,205,207	-	16,814,443	-
Total Non-Operating Funds	29,388,484	11,706,231	867,810	16,814,443	-

CITY OF KIRKLAND

WATER/SEWER UTILITY DEBT SERVICE FUND

There are two types of debt generally issued by the City for utility purposes:

- **Revenue Bonds** represent debt that is repaid from a designated revenue source such as fees. The City uses revenue bonds to pay for improvements related to the water and sewer utility. The annual debt service requirements of revenue bond issues are incorporated into the water and sewer rates which are paid bi-monthly by utility customers.
- **Local Improvement District (LID) Bonds** represent debt that is repaid by the property owners who benefited from the capital improvement through annual assessments paid to the City. LIDs are formed by the City Council after a majority of property owners agree to the assessment. Currently the City has no LID Bonds outstanding.

In addition to bonds, the City can take advantage of low interest loans from the state's **Public Works Trust Fund**. Loans for approved projects are granted with interest rates ranging from one-half to three percent depending on the amount of the City's matching funds. Loans are awarded through a competitive process. At this time, the City has two outstanding one percent loans and three one-half percent loans, which were issued for water/sewer capital improvement purposes. Debt service is repaid through utility rates.

The City's debt management policies provide guidelines for the appropriate use of debt. The complete policies are contained at the end of this document in the appendix. Some key debt management policies include:

- *City Council approval is required prior to issuance of utility debt.*
- *Revenue bonds shall be issued only when operating revenues are insufficient for the enterprise's capital financing needs.*
- *The City will conduct a thorough analytical review before issuing debt and maintain a good credit rating at all times.*
- *The City will insure that net operating revenues of the enterprise constitute a minimum of 1.5 times the annual debt service requirements.*
- *The City will use refunding bonds (refinancing) to restructure current outstanding debt when sufficient savings can be realized from lower interest rates.*

When the City issues debt, a thorough review of the City's financial condition is completed by bond rating agencies. Based on their findings, the bonds are given a rating. The City's bond rating is a reflection of its creditworthiness and affects the cost to the City of issuing debt. There are two rating agencies -- Standard and Poor's (S&P) and Moody's Investor Service -- that rate Kirkland's bonds. Standard and Poor's upgraded Kirkland's rating as of November 17, 2008 to AAA from AA- due to the utility's strong performance and the rating agency's revised criteria. As of April 2010, Moody's upgraded the utility's LTGO and UTGO rating from A1 to Aa2.

Once bonds are rated, the City enters the bond market to secure the necessary funding. The proceeds (cash) received from selling the bonds are placed in the Utility Capital Projects Fund to account for the cost of constructing the capital improvement. The Water/Sewer Utility Debt Service Fund was created to track the principal and interest payments for all utility-related debt and required reserves. Each year a sufficient amount of revenue is budgeted and placed in the fund to pay the annual principal and interest due.

**CITY OF KIRKLAND
WATER/SEWER UTILITY
DEBT SERVICE FUND
2015-2016 PAYMENT AND RESERVE SUMMARY**

2013-2014 Budget

Fund	Payment		Reserve	Total
	Principal	Interest		
412 Water/Sewer Debt Service	1,666,021	61,129	498,591	2,225,742
Total Debt Service Fund	1,666,021	61,129	498,591	2,225,742

2015-2016 Budget

Fund	Payment		Reserve	Total
	Principal	Interest		
412 Water/Sewer Debt Service	815,247	52,564	501,024	1,368,835
Total Debt Service Fund	815,247	52,564	501,024	1,368,835

City of Kirkland**1995 Public Works Trust Fund Loan****Purpose: Lake Shore Plaza Lift Station**

Amount of Loan	\$794,850	Initial Loan Draw	6/09/1995
Ordinance	3419	Net Interest Rate	1.000%
		Org:	4120008941

DEBT SERVICE SCHEDULE

Year	Interest Amount	Interest Rate	Payment Date	Principal Amount	Total Payment	Principal Balance
1995	-	-	-	-	-	119,228 *
1996	1,268	1.00%	7/1/1996	-	1,268	360,766 *
1997	2,494	1.00%	7/1/1997	18,988	21,482	341,778
1998	3,418	1.00%	7/1/1998	18,988	22,405	322,791
1999	3,674	1.00%	7/1/1999	44,522	48,196	712,353 *
2000	7,124	1.00%	7/1/2000	44,522	51,646	667,831
2001	6,678	1.00%	7/1/2001	44,522	51,200	623,309
2002	6,233	1.00%	7/1/2002	44,522	50,755	578,787
2003	5,788	1.00%	7/1/2003	44,522	50,310	534,265
2004	5,343	1.00%	7/1/2004	44,522	49,865	489,743
2005	4,897	1.00%	7/1/2005	44,522	49,419	445,221
2006	4,452	1.00%	7/1/2006	44,522	48,974	400,699
2007	4,007	1.00%	7/1/2007	44,522	48,529	356,177
2008	3,562	1.00%	7/1/2008	44,522	48,084	311,655
2009	3,117	1.00%	7/1/2009	44,522	47,639	267,133
2010	2,671	1.00%	7/1/2010	44,522	47,193	222,611
2011	2,226	1.00%	7/1/2011	44,522	46,748	178,089
2012	1,781	1.00%	7/1/2012	44,522	46,303	133,566
2013	1,336	1.00%	7/1/2013	44,522	45,858	89,044
2014	890	1.00%	7/1/2014	44,522	45,412	44,522
2015	445	1.00%	7/1/2015	44,522	44,967	-
Totals	71,404			794,850	866,254	

* Principal received in three installments: \$119,228 on 6/7/95, \$241,538 on 12/9/96, and \$434,084 on 5/24/99.

City of Kirkland
2000 Public Works Trust Fund Loan

Purpose: Juanita Lift Station Replacement Project-Design

Amount of Loan	\$227,500	Initial Loan Draw	7/01/2000
Resolution	4236	Net Interest Rate	1.000%
		Org:	4120008941

DEBT SERVICE SCHEDULE

Year	Interest Amount	Interest Rate	Payment Date	Principal Amount	Total Payment	Principal Balance
2000	-	-	-	-	-	170,625
2001	1,616	1.00%	7/1/2001	8,980	10,596	161,645
2002	1,616	1.00%	7/1/2002	8,980	10,597	152,664
2003	1,527	1.00%	7/1/2003	8,980	10,507	200,560 *
2004	1,979	1.00%	7/1/2004	12,535	14,514	188,025
2005	1,880	1.00%	7/1/2005	12,535	14,415	175,490
2006	1,755	1.00%	7/1/2006	12,535	14,290	162,955
2007	1,629	1.00%	7/1/2007	12,535	14,164	150,420
2008	1,504	1.00%	7/1/2008	12,535	14,039	137,885
2009	1,379	1.00%	7/1/2009	12,535	13,914	125,350
2010	1,254	1.00%	7/1/2010	12,535	13,789	112,815
2011	1,128	1.00%	7/1/2011	12,535	13,663	100,280
2012	1,003	1.00%	7/1/2012	12,535	13,538	87,745
2013	877	1.00%	7/1/2013	12,535	13,412	75,210
2014	752	1.00%	7/1/2014	12,535	13,287	62,675
2015	627	1.00%	7/1/2015	12,535	13,162	50,140
2016	501	1.00%	7/1/2016	12,535	13,036	37,605
2017	376	1.00%	7/1/2017	12,535	12,911	25,070
2018	251	1.00%	7/1/2018	12,535	12,786	12,535
2019	125	1.00%	7/1/2019	12,535	12,660	-
Totals	21,780			227,500	249,280	

*Additional principal \$56,875 received 3/15/03

City of Kirkland**2001 Public Works Trust Fund Loan****Purpose: Juanita Lift Station Replacement Project-Construction**

Amount of Loan	\$1,848,000	Initial Loan Draw	9/15/03
Resolution	4236	Net Interest Rate	0.500%
		Org:	4120008941

DEBT SERVICE SCHEDULE

Year	Interest Amount	Interest Rate	Payment Date	Principal Amount	Total Payment	Principal Balance
2003	-	-	-	-	-	1,755,600 *
2004	7,949	0.50%	7/1/2004	97,533	105,482	1,750,467 *
2005	8,588	0.50%	7/1/2005	102,969	111,557	1,647,498
2006	8,237	0.50%	7/1/2006	102,969	111,206	1,544,529
2007	7,723	0.50%	7/1/2007	102,968	110,691	1,441,561
2008	7,208	0.50%	7/1/2008	102,969	110,177	1,338,592
2009	6,693	0.50%	7/1/2009	102,968	109,661	1,235,624
2010	6,178	0.50%	7/1/2010	102,969	109,147	1,132,655
2011	5,663	0.50%	7/1/2011	102,969	108,632	1,029,686
2012	5,148	0.50%	7/1/2012	102,968	108,116	926,718
2013	4,634	0.50%	7/1/2013	102,969	107,603	823,749
2014	4,119	0.50%	7/1/2014	102,969	107,088	720,780
2015	3,604	0.50%	7/1/2015	102,968	106,572	617,812
2016	3,089	0.50%	7/1/2016	102,969	106,058	514,843
2017	2,574	0.50%	7/1/2017	102,968	105,542	411,875
2018	2,059	0.50%	7/1/2018	102,969	105,028	308,906
2019	1,545	0.50%	7/1/2019	102,969	104,514	205,937
2020	1,030	0.50%	7/1/2020	102,968	103,998	102,969
2021	515	0.50%	7/1/2021	102,969	103,484	-
Totals	86,556			1,848,000	1,934,556	

* Initial draws totalling \$1,755,600 in 2003, balance drawn in 2004

City of Kirkland**2004 Public Works Trust Fund Loan****Purpose: Central Way Sewer Replacement**

Amount of Loan	\$1,086,300	Initial Loan Draw	9/01/04
Resolution	4451	Net Interest Rate	0.500%
		Org:	4120008941

DEBT SERVICE SCHEDULE

Year	Interest Amount	Interest Rate	Payment Date	Principal Amount	Total Payment	Principal Balance
2004	-	-	-	-	-	217,260 *
2005	757	0.50%	7/1/2005	-	757	1,031,985 *
2006	3,738	0.50%	7/1/2006	54,315	58,053	977,670
2007	4,888	0.50%	7/1/2007	57,333	62,221	974,653
2008	4,873	0.50%	7/1/2008	57,333	62,206	917,320
2009	4,587	0.50%	7/1/2009	57,333	61,919	859,988
2010	4,300	0.50%	7/1/2010	57,333	61,632	802,655
2011	4,013	0.50%	7/1/2011	57,333	61,346	745,323
2012	3,727	0.50%	7/1/2012	57,333	61,059	687,990
2013	3,440	0.50%	7/1/2013	57,333	60,772	630,658
2014	3,153	0.50%	7/1/2014	57,333	60,486	573,325
2015	2,867	0.50%	7/1/2015	57,333	60,199	515,993
2016	2,580	0.50%	7/1/2016	57,333	59,912	458,660
2017	2,293	0.50%	7/1/2017	57,333	59,626	401,328
2018	2,007	0.50%	7/1/2018	57,333	59,339	343,995
2019	1,720	0.50%	7/1/2019	57,333	59,052	286,663
2020	1,433	0.50%	7/1/2020	57,333	58,766	229,330
2021	1,147	0.50%	7/1/2021	57,333	58,479	171,998
2022	860	0.50%	7/1/2022	57,333	58,192	114,665
2023	573	0.50%	7/1/2023	57,333	57,906	57,333
2024	287	0.50%	7/1/2024	57,333	57,619	-
Totals	53,243			1,086,300	1,139,543	

* Initial draw \$217,260 in 2004, balance expected to be drawn throughout 2005



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CITY OF KIRKLAND

WATER/SEWER UTILITY CAPITAL PROJECTS FUND

Capital Projects Funds are used to fund and track the construction of projects approved in the Capital Improvement Program. The City Council adopts a six-year Capital Improvement Program (CIP) which is a plan for major improvements or purchases needed in the areas of transportation (streets, sidewalks, signals, and intersections), storm drains, water and sewer systems, parks, public safety, and other government facilities and equipment. The Council revises the CIP biennially. The Water/Sewer portion of the CIP includes only those projects associated with the water/sewer utility.

The **Water/Sewer Capital Projects Fund** accounts for water and sewer projects that are ultimately funded by a portion of the water and sewer rates paid by utility customers. Included in the fund are the Water/Sewer CIP Contingency and the Water/Sewer Construction Reserve. The former has a target of ten percent of the funded six-year Utility CIP and provides a cushion in the event of unanticipated changes in project scope or cost. The latter is comprised of connection charges paid by new customers connecting to the City's water and sewer systems, and provides a one-time solution to address short term or time-limited funding needs.

**CITY OF KIRKLAND
CAPITAL IMPROVEMENT PROGRAM
2015-2016 BUDGET**

WATER/SEWER CAPITAL PROJECTS FUND (413)

Project Category/ Project Title	Project Number	Funding Source
UTILITIES		
Water		
Emergency Sewer Program Watermain Replacement Pgm	WA 0090	Connection Fees
Kirkland Avenue / 6th Street S. Watermain Replacement	WA 0145	Water & Sewer Rates
6th Street Watermain Replacement	WA 0150	Water & Sewer Rates
7th Avenue S. Watermain Replacement	WA 0151	Water & Sewer Rates
4th Street Watermain Replacement	WA 0152	Water & Sewer Rates
Total Water		
Sewer		
Rose Point Sewer Lift Station	SS 0073	Water & Sewer Rates/Connection Fees
5th Avenue S. Sewermain Replacement	SS 0078	Water & Sewer Rates
3rd Avenue S. & 2nd Street S. Sewermain Replacement	SS 0079	Connection Fees
Annual Sanitary Pipeline Replacement Program	SS 8888	Water & Sewer Rates
Annual Sanitary Pump Station/System Upgrade Program	SS 9999	Water & Sewer Rates
Total Sewer		
TOTAL WATER/SEWER CAPITAL PROJECTS FUND		

2015 Budget	2016 Budget	Estimated Total Project Cost**	Additional Annual Maintenance & Operations	
			2015	2016
50,000	-	150,000	-	-
-	785,000	785,000	-	-
148,000	-	520,500	-	-
53,000	-	378,000	-	-
440,000	-	440,000	-	-
691,000	785,000	2,273,500	-	-
1,088,400	1,471,400	2,559,800	-	-
38,000	-	226,900	-	-
487,000	740,000	1,227,000	-	-
497,800	138,300	1,818,400	-	-
497,800	138,300	1,818,500	-	-
2,609,000	2,488,000	7,650,600	-	-
3,300,000	3,273,000	9,924,100	-	-

City of Kirkland
2014 Update to 2013-2018 Capital Improvement Program

WATER/SEWER UTILITY PROJECTS

Funded Projects:

Project Number	Project Title	Prior Year(s)	2013	2014	2015	2016	2017	2018	2013-18 Total	Funding Source			
										Current Revenue	Reserve	Debt	External Source
Prior Year Active Projects:													
WA 0093	Vulnerability Analysis	367,900 150,000 200,000											
WA 0115	Telemetry Upgrades												
SS 0075	Inflow/Infiltration Reduction Upgrade												
Subtotal Prior Year Active Projects with no new funding planned		717,900											
Current 2013-18 CIP:													
WA 0090	Emergency Sewer Pgm Watermain Replacement Pgm	215,000 626,000 62,000 100,000 600,000 354,000 217,400 217,400	50,000		50,000		50,000		150,000	150,000	130,000 <		

Notes

* = Modification in timing and/or cost

^ = Annual Watermain or Sanitary Pipeline Replacement Program Project Candidates

= Annual Pump Station/System Upgrade Program Project Candidates

" = Moved from funded status to unfunded status

Shaded year(s) = Previous timing

Bold italics = New projects

WATER/SEWER UTILITY PROJECTS

Unfunded Projects:

Project Number	Project Title	Total
WA 0052	108th Avenue NE Watermain Replacement	1,584,000
WA 0057	116th Avenue NE Watermain Replacement	2,731,000
WA 0067#	North Reservoir Pump Replacement	611,000
WA 0096	NE 83rd Street Watermain Replacement	450,000
WA 0097	NE 80th Street Watermain Replacement (Phase III)	1,386,000
WA 0098	126th Ave NE/NE 83rd & 84th St/128th Ave NE Watermain Replacement	1,197,000
WA 0103^	NE 113th Place/106th Ave NE Watermain Replacement	841,000
WA 0104	111th Ave NE/NE 62nd St-NE 64th St Watermain Replacement	1,493,000
WA 0108	109th Ave NE/NE 58th St Watermain Replacement	504,000
WA 0109	112th Ave NE Watermain Replacement	1,179,000
WA 0111	NE 45th St And 110th/111th Ave NE Watermain Replacement	1,303,000
WA 0113**	116th Ave NE/NE 70th-NE 80th St Watermain Replacement	2,222,100
WA 0118^	112th -114th Avenue NE/NE 67th-68th Street Watermain Replacement	3,360,100
WA 0119	109th Ave NE/111th Way NE Watermain Replacement	2,304,000
WA 0120^	111th Avenue Watermain Replacement	182,000
WA 0122	116th Avenue NE/NE 100th Street Watermain Replacement	1,506,000
WA 0123	NE 91st Street Watermain Replacement	453,000
WA 0124^	NE 97th Street Watermain Replacement	685,000
WA 0126#	North Reservoir Outlet Meter Addition	72,300
WA 0127#	650 Booster Pump Station	1,603,000
WA 0128	106th Ave NE-110th Ave NE/NE 116th St-NE 120th St Watermain Replacement	2,305,000
WA 0129	South Reservoir Recoating	981,000
WA 0130^	11th Place Watermain Replacement	339,000
WA 0131#	Supply Station #1 Improvements	61,500
WA 0132	7th Avenue/Central Avenue Watermain Replacement	907,000
WA 0133	Kirkland Avenue Watermain Replacement	446,000
WA 0135	NE 75th Street Watermain Replacement	711,000
WA 0136^	NE 74th Street Watermain Replacement	193,000
WA 0137^	NE 73rd Street Watermain Replacement	660,000
WA 0138	NE 72nd St/130th Ave NE Watermain Replacement	1,476,000
WA 0139"	6th Street S Watermain Replacement	785,000
WA 0146^	6th Street/Kirkland Way Watermain Replacement	693,000
WA 0147^	106th Avenue NE from NE 60th Street to NE 68th Street	661,500
SS 0051	6th Street South Sewermain Replacement	804,000
SS 0052	108th Avenue NE Sewermain Replacement	5,110,000
SS 0062^	NE 108th Street Sewermain Replacement/Rehabilitation	4,405,000
SS 0068	124th Avenue NE Sewermain Replacement	1,315,000
SS 0069	1st Street Sewermain Replacement	3,945,000
SS 0070	5th Street Sewermain Replacement	1,354,000
SS 0071	6th Street Sewermain Replacement	308,000
SS 0072	Kirkland Avenue Sewermain Replacement	1,980,000
SS 0077	West Of Market Sewermain Replacement	21,681,000
SS 0082	3rd Street & Central Way Sanitary Sewer Crossing	270,000
Subtotal Unfunded Water/Sewer Utility Projects		77,057,500
Funding Available from Annual Programs for Candidate Projects		5,566,500
Net Unfunded Water/Sewer Utility Projects		71,491,000

Notes

* = Modification in timing and/or cost

^ = Annual Watermain or Sanitary Pipeline Replacement Program Project Candidates

= Annual Pump Station/System Upgrade Program Project Candidates

" = Moved from funded status to unfunded status

Shaded year(s) = Previous timing

Bold italics = New projects

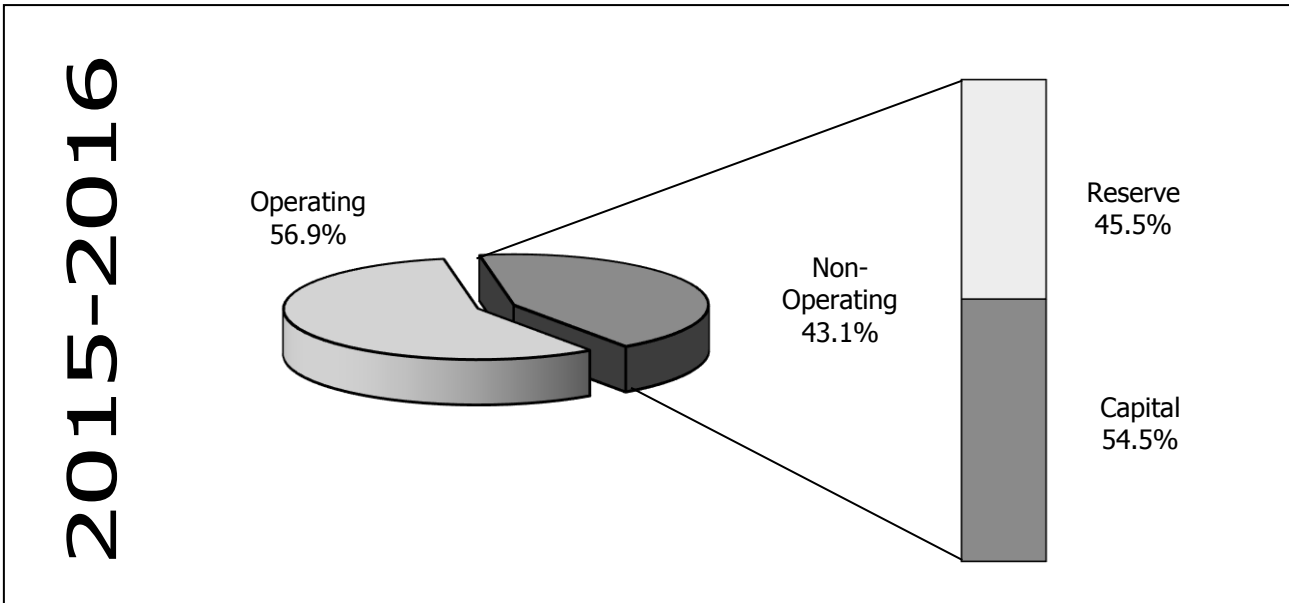


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CITY OF KIRKLAND

SURFACE WATER UTILITY

2015-2016 BUDGET SUMMARY: BY FUND TYPE/FUND



The Surface Water Utility operating budget accounts for the operation and maintenance of the City's surface water system. The non-operating budget accounts for capital projects and reserves.

Analysis of Change

Fund	2013-14 Budget	2015-16 Budget	Percent Change
<i>Operating Fund</i>			
421 Surface Water Management	22,912,385	23,888,452	4.26%
Total Operating Fund	22,912,385	23,888,452	4.26%
<i>Non-Operating Fund</i>			
423 Surface Water Capital Projects	21,200,255	18,078,039	-14.73%
Total Non-Operating Fund	21,200,255	18,078,039	-14.73%
Total Surface Water Utility Funds	44,112,640	41,966,491	-4.87%

CITY OF KIRKLAND
CHANGE IN FUND BALANCE (Beginning 2013 to Ending 2016)
SURFACE WATER UTILITY FUNDS

	Surface Water Management¹	Surface Water Capital Projects²	Total
2013 Actual Beginning Fund Balance	4,227,023	11,690,591	15,917,614
<i>Reserved</i>	<i>706,364</i>	<i>5,296,537</i>	<i>6,002,901</i>
<i>Unreserved Working Capital</i>	<i>3,520,659</i>	<i>6,394,054</i>	<i>9,914,713</i>
Plus: 2013-14 Estimated Revenues	18,710,463	8,056,718	26,767,181
Less: 2013-14 Estimated Expenditures	18,569,489	8,161,203	26,730,692
2014 Estimated Ending/2015 Budgeted Beginning Fund Balance	4,367,997	11,586,106	15,954,103
Plus: 2015-16 Budgeted Revenues	19,520,455	6,491,933	26,012,388
Less: 2015-16 Budgeted Expenditures	20,403,689	9,858,456	30,262,145
2016 Budgeted Ending Fund Balance	3,484,763	8,219,583	11,704,346
<i>Reserved</i>	<i>893,306</i>	<i>8,219,583</i>	<i>9,112,889</i>
<i>Unreserved Working Capital</i>	<i>2,591,457</i>	<i>-</i>	<i>2,591,457</i>
Change in Fund Balance: Beginning 2013 to Ending 2016	(742,260)	(3,471,008)	(4,213,268)

Notes:

¹The decrease in the Management Fund is due to significant investment in one-time projects related to the implementation of the Surface Water Master Plan.

² The reduction in fund balance of the Surface Water Capital Projects Fund is due to the completion of capital projects that were funded but not constructed in prior years. Surface Water Construction Reserve within the Surface Water Projects Fund accumulates resources for future projects.

OPERATING

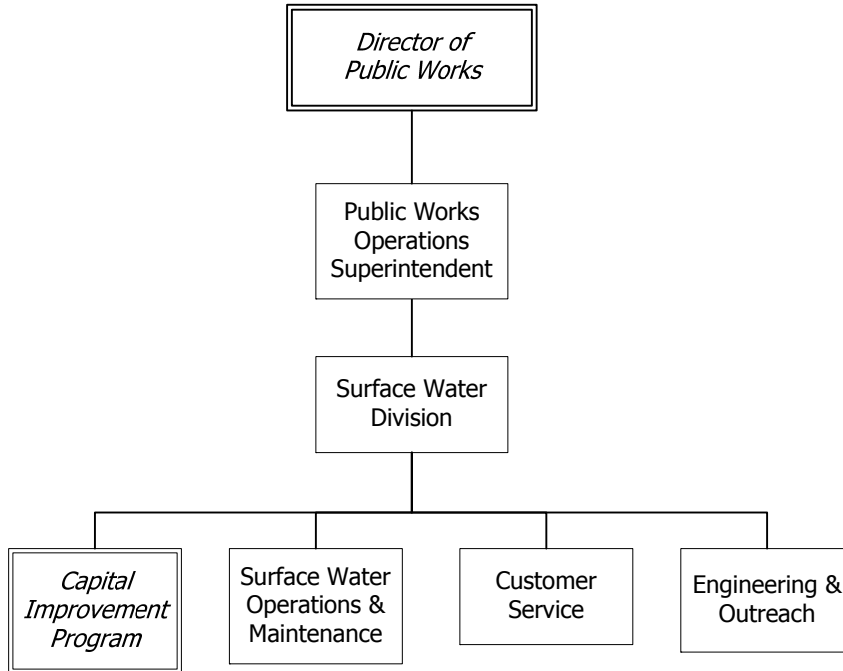


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CITY OF KIRKLAND

Public Works Department

Surface Water Management Fund



Boxes with a double outline and italic text indicate positions which report to this department but which are budgeted in a separate operating fund.



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DEPARTMENT OVERVIEW

SURFACE WATER MANAGEMENT FUND

MISSION

The Surface Water Management Fund is established to account for the resources associated with the maintenance, operation, and minor construction components of the City's surface water system; this system includes constructed elements such as pipes and catch basins, and natural resources such as streams and lakes.

DEPARTMENT FUNCTIONS

The Surface Water Operations and Maintenance Division of Public Works operates, maintains, and repairs storm drain infrastructure including pipes, manholes, catch basins, ditches, and detention ponds. The storm drain system serves all residential, multifamily, and commercial customers.

The Surface Water Engineering Group in the Development and Environmental Services Division conducts review of development proposals, ensures City compliance with state and federal surface water regulations, monitors the quality of water and aquatic habitat, investigates water quality and drainage complaints, conducts education and outreach programs, inspects private detention systems, and conducts watershed planning.

Capital projects, such as installation or replacement of pipes and manholes or restoration of stream channels, are managed within the Capital Projects Division of Public Works and funded by the Surface Water Utility.

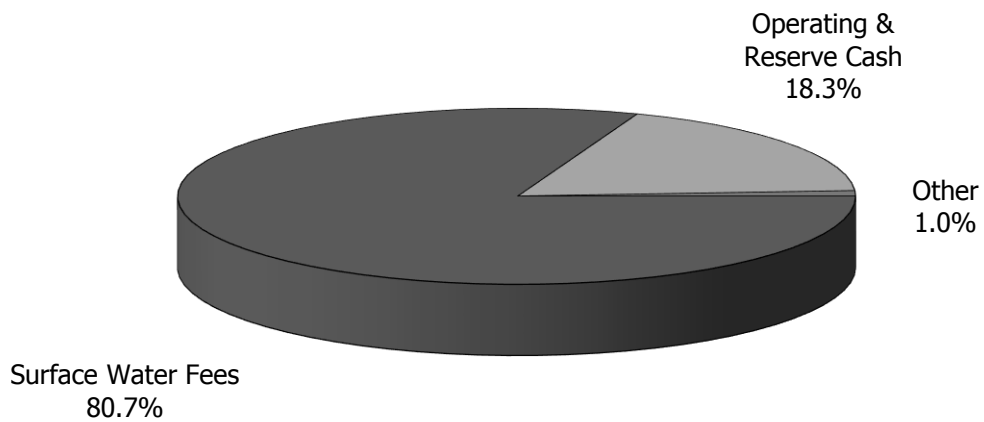
BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS

Environment and Dependable Infrastructure

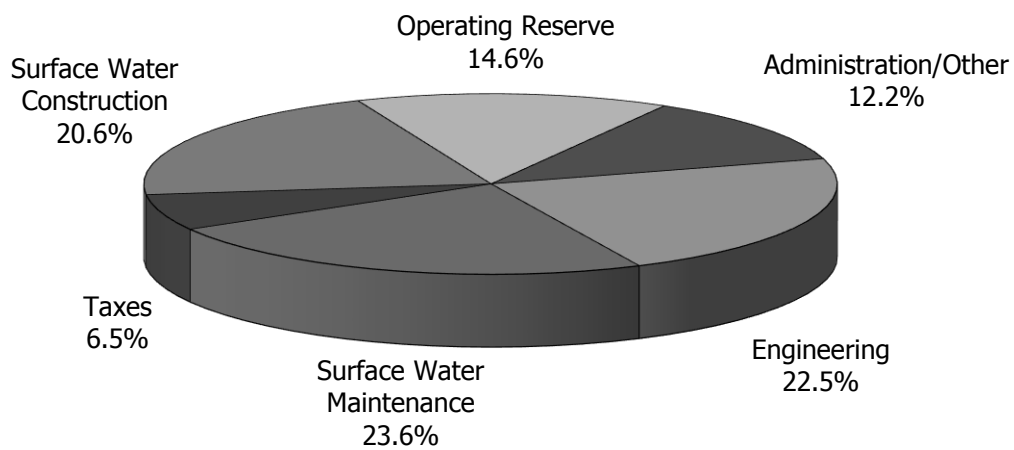
- Establish adequate rates to support the needs of the Surface Water resulting in 4% rate increases each year
- Update Critical Areas Ordinance Regulations and related GIS utility data, \$305,000 (\$90,000 paid by Planning/\$215,000 paid by Surface Water)
- Implement the Surface Water Master Plan recommendations, including:
 - Expand the CCTV Inspection Program including 2.0 FTE, and CCTV vehicle, \$379,492 (Funded 50% from Surface Water and 50% from Sewer)
 - Add NPDES Field Inspection Program, 0.50 FTE, \$124,741 on-going and \$105,815 one-time
 - Increase Ditch Maintenance Program, 4.0 FTE, \$983,631 ongoing and \$526,112 one-time
 - Perform deferred Surface Water system rehabilitation, \$147,564 one-time
 - Conduct right of way tree Inventory, \$66,000 one-time
 - Perform required Cochran Spring monitoring, \$6,520 ongoing
 - Provide funding for potential property acquisition identification and prioritization, \$30,000 one-time
 - Enhance environmental permitting maintenance work, \$24,000 ongoing
 - Add 1.0 FTE Utility Engineer, \$253,820 ongoing

2015-2016 BUDGET SURFACE WATER MANAGEMENT FUND

Sources of Funds



Uses of Funds



2015 - 2016 FINANCIAL OVERVIEW

SURFACE WATER MANAGEMENT FUND

FINANCIAL SUMMARY BY OBJECT

	2011-2012 Actual	2013-2014 Estimate	2013-2014 Budget	2015-2016 Budget	Percent Change
Salaries and Wages	2,752,244	3,277,521	3,739,421	4,691,138	25.45%
Benefits	1,122,245	1,529,077	1,926,399	2,616,018	35.80%
Supplies	429,078	501,433	649,325	591,401	-8.92%
Other Services	3,374,170	4,823,505	4,764,054	4,992,381	4.79%
Government Services	6,443,760	8,289,515	8,278,498	7,343,957	-11.29%
Capital Outlay	146,390	87,743	94,927	33,000	-65.24%
Reserves*	2,365,034	4,428,692	3,459,761	3,620,557	4.65%
TOTAL	16,632,921	22,937,486	22,912,385	23,888,452	4.26%

FINANCIAL SUMMARY BY DIVISION

	2011-2012 Actual	2013-2014 Estimate	2013-2014 Budget	2015-2016 Budget	Percent Change
Customer Service	1,956,935	3,258,973	3,502,032	3,437,774	-1.83%
Administration	6,127,773	10,147,904	9,502,389	11,193,064	17.79%
Capital Construction	5,461,574	6,436,156	6,495,058	4,889,034	-24.73%
Operations and Maint.	3,086,639	3,094,453	3,412,906	4,368,580	28.00%
TOTAL	16,632,921	22,937,486	22,912,385	23,888,452	4.26%

POSITION SUMMARY BY DIVISION

	2011-2012 Actual	Adjustments	2013-2014 Budget	Adjustments	2015-2016 Budget
Customer Service	7.75	0.00	7.75	0.00	7.75
Administration	1.44	0.20	1.64	0.00	1.64
Operations and Maint.	18.40	-0.10	18.30	6.50	24.80
TOTAL	27.59	0.10	27.69	6.50	34.19

*2011-12 actual and 2013-14 estimates reserves are budgeted, but not spent

2015 - 2016 POSITION SUMMARY***SURFACE WATER MANAGEMENT FUND*****POSITION SUMMARY BY CLASSIFICATION**

Classification	2013-2014 Budget	Service Packages	2015-2016 Positions	Budgeted 2015 Salary Range
Development Engineering Manager	0.25		0.25	7,982 - 10,298
Public Works Superintendent	0.25		0.25	7,483 - 9,656
Internal Services Manager	0.00		0.00	6,811 - 8,790
Stormwater/Sewer Division Manager	0.50		0.50	6,811 - 8,790
Surface Water Engineer Supervisor	1.00		1.00	6,745 - 8,703
Senior Surface Water Engineer	1.00		1.00	7,268 - 8,551
Surface Water Utility Engineer	1.00	1.00	2.00	6,243 - 7,344
Water Quality Programs Coordinator	1.00		1.00	6,080 - 7,153
Urban Forester	0.50		0.50	5,823 - 6,850
SW Engineering Analyst	1.00		1.00	5,611 - 6,601
Water Quality Specialist	1.00		1.00	5,465 - 6,431
Education Outreach Specialist	1.00		1.00	5,465 - 6,431
Leadperson	1.80		1.80	5,228 - 6,308
Field Arborist	1.00		1.00	4,496 - 5,808
Senior Maintenance Person	7.00	2.00	9.00	4,386 - 5,665
Yard Maint. & Inventory Control	0.15		0.15	4,386 - 5,665
Senior Accounting Associate	0.10		0.10	4,606 - 5,419
Utility Craftsperson	0.15		0.15	4,088 - 5,225
Permit Technician	0.20		0.20	4,407 - 5,185
Utilityperson	7.40	3.50	10.90	3,452 - 4,748
Grounds Technician	0.30		0.30	3,452 - 4,748
Public Works Office Specialist	0.75		0.75	3,766 - 4,432
Utility Data Entry Clerk	0.34		0.34	3,409 - 4,011
TOTAL	27.69	6.50	34.19	

**City of Kirkland
2015 - 2016 Budget
Revenues**

		2011 -2012 Actual	2013 - 2014 Estimate	2013- 2014 Budget	2015- 2016 Budget	Percent Change
Fund:	Surface Water Managment (421)					
Department:	General					
Division:	Not Applicable					
Key:	Surface Water Mgmt Utility (4210000000)					
License and Permits						
Public Property Permit	3229011	0	4,000	0	0	0.00%
Total for License and Permits:		0	4,000	0	0	0.00%
Intergovernmental Revenue						
US Fish and Wildlife	3331560	33,383	3,802	17,500	0	0.00%
Indirect FEMA	3339703	29,655	0	0	0	0.00%
Military Department	3340180	4,942	0	0	0	0.00%
Dept of Ecology	3340310	57,347	532,900	387,100	0	0.00%
Other King County Grants	3370801	48,072	0	0	0	0.00%
King Conservation District	3370805	-284	0	0	0	0.00%
Intergovt*Other Gen Govt Svcs	3381901	0	0	23,524	0	0.00%
Total for Intergovernmental Revenue:		173,115	536,702	428,124	0	0.00%
Charges for Goods and Services						
Other*General Government Svcs	3419001	528	0	0	0	0.00%
Residential Storm Drain Fee	3431101	0	9,717,168	9,772,508	10,413,115	6.55%
Commercial Storm Drainage Fee	3431201	0	8,306,012	8,324,730	8,870,430	6.55%
Residential*Storm Drainage Fee	3438301	7,635,446	0	0	0	0.00%
Commercial*Storm Drainage	3438302	7,330,500	0	0	0	0.00%
Misc Utility Revenue	3438901	160	0	0	0	0.00%
Interfund Personnel Services	3491601	8,655	0	0	0	0.00%
Interfund-Other Gen Govnmt	3491901	0	5,000	40,000	10,000	-75.00%
Interfund Engineering-CIP Eng	3493202	9,051	0	20,000	0	0.00%
Intrfrnd Engineering-Develp Svc	3493205	0	0	0	104,000	0.00%
Total for Charges for Goods and Services:		14,984,340	18,028,180	18,157,238	19,397,545	6.83%
Miscellaneous Revenues						
Investment Interest	3611101	60,244	52,714	40,000	61,910	54.77%
Int on Sales Tax Contract AR	3614001	35,482	49,339	38,000	50,000	31.57%
Other Judgements Settlements	3694001	38,555	17,689	20,000	10,000	-50.00%
Cash Over Short	3698101	35	0	0	0	0.00%
Other Misc Revenue	3699001	67	303	2,000	1,000	-50.00%
Total for Miscellaneous Revenues:		134,383	120,045	100,000	122,910	22.91%
Proprietary Other Income						
Insur Recovery Prop IntSvc	3720001	0	2,490	0	0	0.00%
Total for Proprietary Other Income:		0	2,490	0	0	0.00%

**City of Kirkland
2015 - 2016 Budget
Revenues**

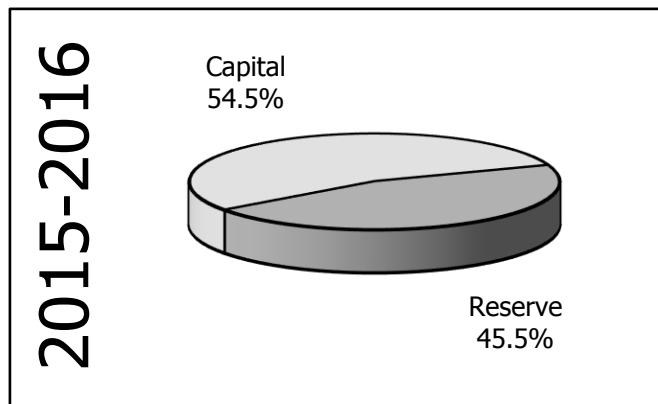
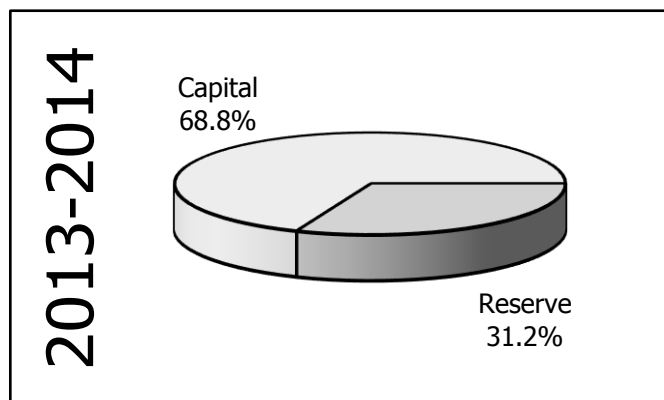
		2011 -2012 Actual	2013 - 2014 Estimate	2013- 2014 Budget	2015- 2016 Budget	Percent Change
Other Financing Sources						
Operating Transfer In	3971001	0	19,046	0	0	0.00 %
Resources Forward	3999901	0	4,227,023	4,227,023	4,367,997	3.33 %
Total for Other Financing Sources:		0	4,246,069	4,227,023	4,367,997	3.33 %
<hr/>						
Total for Surface Water Mgmt Utility (4210000000):		15,291,838	22,937,486	22,912,385	23,888,452	4.25 %
<hr/>						
Total for Not Applicable:		15,291,838	22,937,486	22,912,385	23,888,452	4.25 %
<hr/>						
Total for General:		15,291,838	22,937,486	22,912,385	23,888,452	4.25 %
<hr/>						
Total for Surface Water Managment:		15,291,838	22,937,486	22,912,385	23,888,452	4.25 %

NON-OPERATING



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CITY OF KIRKLAND SURFACE WATER UTILITY



2013-2014 BUDGET SUMMARY: BY PURPOSE

Fund	2013-14 Budget	Purpose			
		Reserve	Debt	Capital	Other
423 Surface Water Capital Projects	21,200,255	6,606,227	-	14,594,028	-
Total Non-Operating Funds	21,200,255	6,606,227	-	14,594,028	-

2015-2016 BUDGET SUMMARY: BY PURPOSE

Fund	2015-16 Budget	Purpose			
		Reserve	Debt	Capital	Other
423 Surface Water Capital Projects	18,078,039	8,219,583	-	9,858,456	-
Total Non-Operating Funds	18,078,039	8,219,583	-	9,858,456	-



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CITY OF KIRKLAND

SURFACE WATER UTILITY CAPITAL PROJECTS FUND

Capital Projects Funds are used to fund and track the construction of projects approved in the Capital Improvement Program. The City Council adopts a six-year Capital Improvement Program (CIP), which is a plan for major improvements or purchases needed in the areas of transportation (streets, sidewalks, signals, and intersections), storm drains, water and sewer systems, parks, public safety, and other general government facilities and equipment. The Council revises the CIP biennially. The Surface Water portion of the CIP includes only those projects associated with the surface water utility.

The **Surface Water Capital Projects Fund** accounts for surface water projects which are ultimately funded by a portion of the surface water fees paid by all property owners within the City. Included in the fund are the Surface Water CIP Contingency and the Surface Water Reserve. The former has a target of ten percent of the funded six-year Surface Water CIP and provides a cushion in the event of unanticipated changes in project scope or cost. The latter is comprised of depreciation funding from a portion of the surface water fees for funding future replacement of the Surface Water infrastructure.

**CITY OF KIRKLAND
CAPITAL IMPROVEMENT PROGRAM
2015-2016 BUDGET**

SURFACE WATER CAPITAL PROJECTS FUND (423)

Project Category/ Project Title	Project Number	Funding Source
SURFACE WATER MANAGEMENT		
Annual Replacement Of Aging/Failing Infrastructure	SD 0047	Surface Water Rates
Cochran Springs / Lake Washington Blvd Crossing Enh.	SD 0048	Surface Water Rates
Surface Water Sediment Pond Reclamation Phase II	SD 0058	Surface Water Rates
NE 129th Place / Juanita Creek Rockery Repair	SD 0067	Surface Water Rates
Neighborhood Drainage Assistance Program (NDA)	SD 0081	Reserves
Annual Streambank Stabilization Program	SD 8888	Surface Water Rates
Annual Surface Water Infrastructure Replacement Program	SD 9999	Surface Water Rates
TOTAL SURFACE WATER CAPITAL PROJECTS FUND		

2015 Budget	2016 Budget	Estimated Total Project Cost**	Additional Annual Maintenance & Operations	
			2015	2016
200,000	200,000	1,200,000	-	-
667,100	450,000	1,457,100	-	-
497,600	238,000	735,600	-	-
223,300	-	223,300	-	-
50,000	-	150,000	-	-
-	350,000	1,342,900	-	-
-	350,000	1,345,600	-	-
1,638,000	1,588,000	6,454,500	-	-

City of Kirkland
2014 Update to 2013-2018 Capital Improvement Program

SURFACE WATER MANAGEMENT UTILITY PROJECTS

Funded Projects:

Project Number	Project Title	Prior Year(s)	2013	2014	2015	2016	2017	2018	2013-2018 Total	Funding Source			
										Current Revenue	Reserve	Debt	External Source
Prior Year Active Projects:													
SD 0025	NE 85th Street Detention	621,800											
Subtotal Prior Year Active Projects with no new funding planned		621,800											
Current 2013-18 CIP:													
SD 0047	Annual Replacement of Aging/Failing Infrastructure		200,000	200,000	200,000	200,000	200,000	200,000	1,200,000	1,200,000			
SD 0048	Cochran Springs / Lake Washington Blvd Crossing Enh.	180,000		340,000	667,100	450,000			1,457,100	1,457,100			
SD 0051	Forbes Creek/KC Metro Access Road Culvert Enh.	232,200					688,000	370,700	1,058,700	1,058,700			
SD 0053	Forbes Creek/Coors Pond Channel Grade Controls	260,200						164,700	164,700	164,700			
SD 0058	Surface Water Sediment Pond Reclamation Phase II	115,400			497,600	238,000			735,600	735,600			
SD 0059	Totem Lake Boulevard Flood Control Measures	585,400	302,800	1,048,000					1,350,800	1,014,800			336,000
SD 0067	NE 129th Place/Juanita Creek Rockery Repair	115,500			223,300				223,300	223,300			
SD 0075	Totem Lake Twin 42 Inch Culvert Replacement	922,000	3,494,000						3,494,000	1,253,200	2,240,800		
SD 0076#	NE 141st Street/111th Avenue NE Culvert Repair		181,500						181,500		181,500		
SD 0077#	Goat Hill Storm Drainage Repair			153,700					153,700	153,700			
SD 0078#	Billy Creek Ravine Stabilization Phase II			87,600					87,600	34,500	53,100		
SD 0079	Public Safety Building Stormwater Quality Demonstration		160,000						160,000		160,000		
SD 0081	Neighborhood Drainage Assistance Program (NDA)		50,000		50,000		50,000		150,000		150,000		
SD 0082	Kirkland Decant Facility Expansion		75,000	1,193,000					1,268,000		317,100		950,900
SD 0083	7th Avenue S Storm Main Replacement			240,000					240,000		240,000		
SD 0085	Cross Kirkland Corridor (CKC) Storm Water Retrofit			120,000					120,000		-		120,000
SD 8888	Annual Streambank Stabilization Program		217,900			350,000	350,000	425,000	1,342,900	1,125,000	217,900		
SD 9999	Annual Surface Water Infrastructure Replacement Program		218,000			350,000	350,000	427,600	1,345,600	1,127,600	218,000		
Total Funded Surface Water Management Utility Projects		3,032,500	4,899,200	3,382,300	1,638,000	1,588,000	1,638,000	1,588,000	14,733,500	9,548,200	3,778,400	0	1,406,900

SURFACE WATER MANAGEMENT UTILITY PROJECTS

Unfunded Projects:

Project Number	Project Title	Total
SD 0045^	Carillon Woods Erosion Control Measures	549,600
SD 0046#	Regional Detention in Forbes and Juanita Creek Basins	2,810,200
SD 0049#	Forbes Creek/108th Avenue NE Fish Passage Improvements	332,900
SD 0050#	NE 95th Street/126th Avenue NE Flood Control Measures	55,900
SD 0052^	Forbes Creek/Slater Avenue Embankment Stabilization	139,700
SD 0054#	Forbes Creek/BNSFRR Fish Passage Improvements	424,200
SD 0055	Forbes Creek / 98th Avenue NE Riparian Plantings	75,500
SD 0056^	Forbes Creek Ponds Fish Passage/Riparian Plantings	213,000
SD 0061^	Everest Park Stream Channel/Riparian Enhancements	1,095,500
SD 0062^	Stream Flood Control Measures at Kirkland Post Office	345,400
SD 0063^	Everest Creek-Slater Avenue at Alexander Street	830,300
SD 0068	128th Ave NE/NE 60th Street To NE 64th St Drainage Imp	270,300
SD 0070	Juanita Creek Watershed Enhancement Study	50,000
SD 0074	Streambank Stabilization Program – NE 86th Street	640,200
SD 0084	Market Street Storm Main Rehabilitation	700,000
SD 0085 001	Cross Kirkland Water Quality	920,000
Subtotal Unfunded Surface Water Management Utility Projects		9,452,700
Funding Available from Annual Programs for Candidate Projects		2,688,500
Net Unfunded Surface Water Management Utility Projects		6,764,200

Notes

* = Modification in timing and/or cost

^ = Annual Program Project Candidates

= Annual Storm Drain Replacement Program Project Candidates

" = Moved from funded status to unfunded status

Shaded year(s) = Previous timing

Bold italics = New projects

CITY OF KIRKLAND
CHANGE IN FUND BALANCE (Beginning 2013 to Ending 2016)
SOLID WASTE UTILITY

	Solid Waste
2013 Actual Beginning Fund Balance	508,830
<i>Reserved</i>	-
<i>Unreserved Working Capital</i>	<i>508,830</i>
Plus: 2013-14 Estimated Revenues	31,977,520
Less: 2013-14 Estimated Expenditures	31,857,208
2014 Estimated Ending/2015 Budgeted Beginning Fund Balance	629,142
Plus: 2015-16 Budgeted Revenues	33,299,203
Less: 2015-16 Budgeted Expenditures	32,765,202
2016 Budgeted Ending Fund Balance	1,163,143
<i>Reserved</i>	-
<i>Unreserved Working Capital</i>	<i>1,163,143</i>
Change in Fund Balance: Beginning 2013 to Ending 2016	654,313

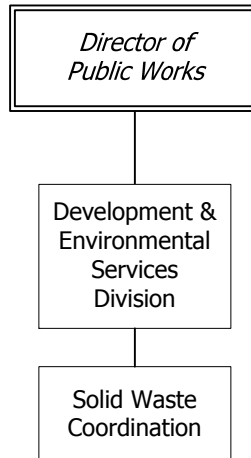
Note:

The increase in fund balance is due to the intentional replenishment of working capital for cash-flow purposes.

CITY OF KIRKLAND

Public Works Department

Solid Waste Fund



Boxes with a double outline and italic text indicate positions which report to this department but which are budgeted in a separate operating fund.

DEPARTMENT OVERVIEW***SOLID WASTE FUND*****MISSION**

The Solid Waste Fund is established to account for the administration of all resources associated with solid waste and recycling services.

DEPARTMENT FUNCTIONS

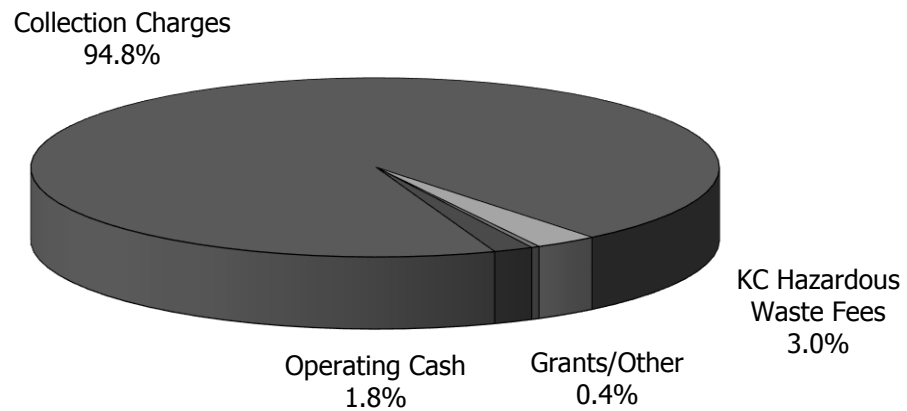
The Public Works Department administers the Solid Waste Fund. The City collects all garbage within the city limits of Kirkland by contracting with a private hauler. The current contract is with Waste Management Inc. The Solid Waste Group oversees and administers the waste collection contract and coordinates recycling grants, events, and programs for community outreach and education.

BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS**Environment**

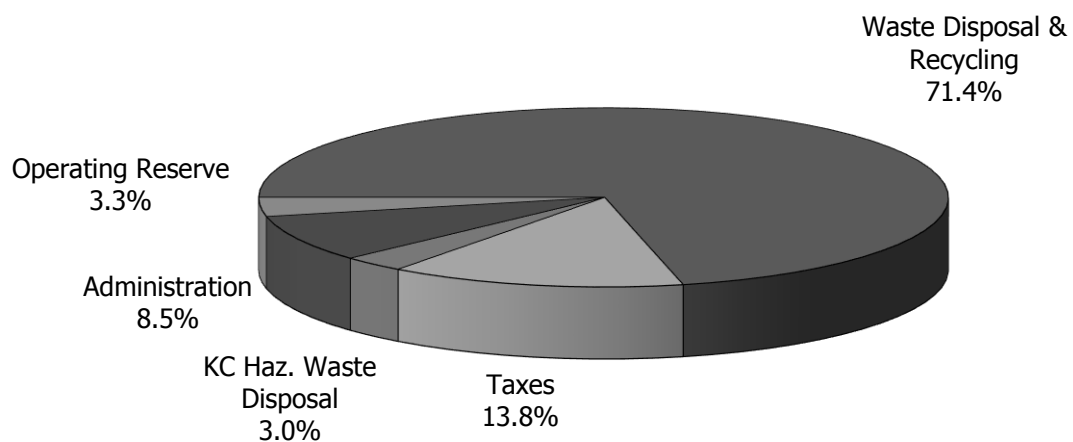
- Establish adequate rates to support the needs of the Solid Waste Utility resulting in 3.2% rate increase for 2015 and 3.3% increase in 2016 for Solid Waste

2015-2016 BUDGET SOLID WASTE FUND

Sources of Funds



Uses of Funds



2015 - 2016 FINANCIAL OVERVIEW
SOLID WASTE FUND
FINANCIAL SUMMARY BY OBJECT

	2011-2012 Actual	2013-2014 Estimate	2013-2014 Budget	2015-2016 Budget	Percent Change
Salaries and Wages	349,779	429,814	435,537	451,653	3.70%
Benefits	124,702	186,693	190,002	208,102	9.53%
Supplies	83,380	45,659	44,200	45,500	2.94%
Other Services	20,162,991	25,171,755	24,938,589	25,763,482	3.31%
Government Services	2,660,358	6,023,287	6,048,365	6,280,810	3.84%
Capital Outlay	-	-	-	-	n/a
Reserves*	1,297,298	629,142	682,428	1,178,798	72.74%
TOTAL	24,678,508	32,486,350	32,339,121	33,928,345	4.91%

FINANCIAL SUMMARY BY DIVISION

	2011-2012 Actual	2013-2014 Estimate	2013-2014 Budget	2015-2016 Budget	Percent Change
Solid Waste	24,678,508	32,486,350	32,339,121	33,928,345	4.91%
TOTAL	24,678,508	32,486,350	32,339,121	33,928,345	4.91%

POSITION SUMMARY BY DIVISION

	2011-2012 Actual	Adjustments	2013-2014 Budget	Adjustments	2015-2016 Budget
Solid Waste	2.80	0.00	2.80	0.00	2.80
TOTAL	2.80	0.00	2.80	0.00	2.80

*2011-12 actual and 2013-14 estimates reserves are budgeted, but not spent

2015 - 2016 POSITION SUMMARY***SOLID WASTE FUND*****POSITION SUMMARY BY CLASSIFICATION**

Classification	2013-2014 Budget	Service Packages	2015-2016 Positions	Budgeted 2015 Salary Range
Development Engineering Manager	0.10		0.10	7,982 - 10,298
Solid Waste Programs Lead	1.00		1.00	6,080 - 7,153
Recycling Programs Coordinator	1.00		1.00	5,465 - 6,431
Education Outreach Specialist	0.50		0.50	5,465 - 6,431
Senior Accounting Associate	0.10		0.10	4,606 - 5,419
Permit Technician	0.10		0.10	4,407 - 5,185
TOTAL	2.80	0.00	2.80	

**City of Kirkland
2015 - 2016 Budget
Revenues**

		2011 -2012 Actual	2013 - 2014 Estimate	2013- 2014 Budget	2015- 2016 Budget	Percent Change
Fund:	Solid Waste (431)					
Department:	General					
Division:	Not Applicable					
Key:	Solid Waste (4310000000)					
Intergovernmental Revenue						
Indirect FEMA	3339703	358	0	0	0	0.00 %
Military Department	3340180	59	0	0	0	0.00 %
Dept of Ecology	3340310	51,684	117,440	119,161	140,000	17.48 %
Local Hazardous Waste	3370803	31,512	46,592	43,090	48,000	11.39 %
Waste Reduction Recycling	3370804	129,865	137,545	120,430	116,000	-3.67 %
Total for Intergovernmental Revenue:		213,478	301,577	282,681	304,000	7.54 %
Charges for Goods and Services						
Residential Collection	3437001	10,020,184	13,828,903	13,772,144	14,663,357	6.47 %
Multi-Family Collection	3437002	4,549,376	5,776,425	5,784,301	6,037,852	4.38 %
Commercial Collection	3437003	6,386,380	7,953,390	7,987,844	8,050,470	0.78 %
Solid Waste Penalties	3437004	150,815	229,851	150,000	200,000	33.33 %
Eff Utility Tax Revenue Gbg	3437008	0	2,895,042	2,908,321	3,018,926	3.80 %
Misc Utility Revenue	3438901	6,684	13,791	4,000	12,000	200.00 %
King County Hazardous Waste	3439002	698,712	919,349	915,000	1,002,000	9.50 %
Total for Charges for Goods and Services:		21,812,151	31,616,751	31,521,610	32,984,605	4.64 %
Miscellaneous Revenues						
Investment Interest	3611101	31,537	8,501	26,000	10,598	-59.23 %
Other Judgements Settlements	3694001	0	50,000	0	0	0.00 %
Total for Miscellaneous Revenues:		31,537	58,501	26,000	10,598	-59.23 %
Proprietary Other Income						
Insur Recovery Prop IntSvc	3720001	0	691	0	0	0.00 %
Total for Proprietary Other Income:		0	691	0	0	0.00 %
Other Financing Sources						
Resources Forward	3999901	0	508,830	508,830	629,142	23.64 %
Total for Other Financing Sources:		0	508,830	508,830	629,142	23.64 %
Total for Solid Waste (4310000000):		22,057,166	32,486,350	32,339,121	33,928,345	4.91 %
Total for Not Applicable:		22,057,166	32,486,350	32,339,121	33,928,345	4.91 %
Total for General:		22,057,166	32,486,350	32,339,121	33,928,345	4.91 %
Total for Solid Waste:		22,057,166	32,486,350	32,339,121	33,928,345	4.91 %



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POLICIES



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INVESTMENT POLICY



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CITY OF KIRKLAND INVESTMENT POLICY

December 9, 2014

1.0 Policy Statement

It is the policy of the City of Kirkland, ("the City") to invest public funds in a manner which provides a market rate of return while meeting safety objectives, the daily cash flow requirements and conforming to all state and local statutes governing the investment of public funds.

2.0 Scope

This investment policy applies to all financial assets for the City of Kirkland. These funds are accounted for in the City's annual financial report and include:

- General Fund
 - Special Revenue Funds
 - Capital Project Funds
 - Enterprise Funds
 - Trust and Agency Funds
 - Debt Service Funds
- Any new funds created by the Finance Director unless specifically exempted.

3.0 Objective

The primary objectives, in order of priority, for the City of Kirkland's investment activities are as follows:

- 3.1 **Legality:** The City's investments will be in compliance with all statutes governing the investment of public funds in the State of Washington.
- 3.2 **Liquidity:** The City's investments will remain sufficiently liquid to enable the city to meet all operating requirements which might be reasonably anticipated.
- 3.3 **Safety:** Investments of the City will be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from other investments.
- 3.4 **Yield:** The City's investments will be designed with the objective of attaining a market rate return throughout budgetary and economic cycles, taking into account the City's investment risk constraints and cash flow characteristics.

Investment Core Fund is limited to relatively low-risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall generally be held until maturity with the following exceptions:

- a. A security with declining credit may be sold early to minimize loss of principal.
- b. A security swap that would improve the quality, yield or target duration in the portfolio.
- c. Liquidity needs of the portfolio require that the security be sold.

4.0 Delegation of Authority

In accordance with City of Kirkland Municipal code, Ordinance No.1020, an Investment Committee was created consisting of the City Manager and Finance Director. Authority is granted to these individuals to invest any portion of the monies in the City's inactive funds or other funds in excess of current needs. The Finance Director may designate a person or a non-discretionary investment advisor to coordinate the day to day operations of the investment portfolio.

5.0 Prudence

Investments will be made with judgment and care, under circumstances then prevailing, which person of prudence, discretion and intelligence would use in the management of their own affairs, not for speculation, but for investment purposes (Prudent Person Standard).

The standard of prudence to be used by investment officials will be the "prudent person" and will be applied in the context of managing an overall portfolio. Investment officers meeting the "prudent person" standard will be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

6.0 Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that may conflict with the proper execution of the investment program, or may impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to Investment Committee any material financial interests in financial institutions that conduct business within this jurisdiction, and they shall further disclose any personal financial/investment positions that could be related to the performance of the City's portfolio.

7.0 Authorized Financial Dealers and Institutions

Financial Institutions

The Investment Committee will maintain a list of financial institutions as required by the Public Deposit Protection Commission (PDPC), authorized to provide investment services as outlined in R.C.W. 39.58.080. No public deposits will be made except in a qualified public depository in the State of Washington.

Broker/Dealers

A list will also be maintained of approved security broker/dealers selected by credit worthiness. The Finance Director will review the FINRA (Financial Industry Regulatory Authority) report on both the firm and the broker and maintain documentation of the review. A certification of having read the City's investment policy and receipt of the City's Trading Authorization must be completed by all brokers prior to transacting business. The Brokers Dealers may include "primary" dealers or "secondary" regional dealers that qualify under SEC Rule 15C3-1 (uniform net capital rule). The Finance Director can assign the responsibility of broker/dealer due diligence process to the Investment Adviser and the Broker/Dealer List will be provided by the Investment Advisor to the investment committee annually.

8.0 Broker Allocation

Investment transactions will be based upon the financial institution or brokerage firm that offers the best price to the City on each particular transaction. The City will make its best effort to obtain three bids for purchase or sale of government agency securities other than new issues. If circumstances dictate fewer than three bids due to the volatility of the market place, lack of bids, etc. the Finance Director or the Deputy Director has the authority to waive this. Generally all brokers will not have the same inventory of agency securities available to sell, but should be able to offer comparable alternatives. Banker's acceptances and Certificates of Deposit (other than a compensating balance CD) also require the acquisition of at least three bids, and acceptance of the most attractive rate from among comparable alternatives. Where two or more institutions or brokers have offered the same low bid, allocation will go to the lowest bidder that has provided the best service to the City. The City's investment adviser that is providing transactional services must provide documentation of competitive pricing execution on each transaction. The investment adviser will retain documentation and provide upon request.

9.0 Authorized and Suitable Investments

The City is empowered to invest in the following types of securities:

Eligible investments are only those securities and deposits authorized by statute (RCW 39.58, 39.59, 43.250, and 43.84.080) Eligible investments include:

- Obligations of the U.S. government;
U.S. Treasury Notes, Bonds and Bills
- Obligations of U.S. government agencies, corporations wholly owned by the U.S. government or any Government Sponsored Enterprises (GSE's)

Specific listing:

Federal Home Loan Bank - FHLB Federal

Farm Credit Bank - FFCB

Federal Home Loan Mortgage Corporation - FHLMC

Federal National Mortgage Association - FNMA Federal

Agricultural Mortgage Corporation - FAMC

Tennessee Valley Authority - TVA

* Other issuers may qualify if they meet the above criteria.

- Banker's acceptances purchased on the secondary market rated with the highest short-term credit rating of any two Nationally Recognized Statistical Rating Organizations (NRSROs), at the time of purchase. A-1+, A1+, or P-1. If the banker's acceptance is rated by more than two NRSROs, it must have the highest rating from all the organizations. Banker's Acceptances are considered illiquid as there is no active secondary market for these securities.
- Commercial Paper, provided that the Finance Director adheres with the policies and procedures of the State Investment Board regarding commercial paper (RCW 43.84.080(7), including the following:
 - Must have the highest short-term credit rating of any two Nationally Recognized Statistical Rating Organizations (NRSROs), at the time of purchase. A-1+, A1+, or P-1.
 - Must be approved by the Investment Committee.
 - Procedures for steps to be taken should an issuer be placed on credit watch or downgraded are included in the Investment Procedures.
- Certificates of deposit with financial institutions qualified by the Washington Public Deposit Protection Commission;
- Local Government Investment Pool, for proceeds of bonds, liquidity funds or other debt obligations;
- Obligations of the State of Washington or its political sub-divisions with the following guidelines:
 - Limited to securities which have one of the two highest rating categories by two of the NRSROs. Requiring AA- or better from Fitch and Standard & Poors and a Aa3 by Moodys
 - Procedures for steps to be taken should an issuer be placed on credit watch or downgraded are included in the Investment Procedures.
- Obligations of a state other than the State of Washington or its political sub-divisions, with the following guidelines:
 - Limited to securities which have one of the two highest rating categories by two of the NRSROs. Requiring AA- or better from Fitch and Standard & Poors and a Aa3 by Moodys Procedures for steps to be taken should an issuer be placed on credit watch or downgraded are included in the Investment Procedures.
- Repurchase Agreements. The City does not actively invest in repurchase agreements for short term investments. However, if a repurchase agreement is utilized collateralization is required. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be (102%) of market value of principal and accrued interest. Re-pricing of the collateral should occur daily.

The City chooses to limit the collateral to Treasury and GSE Agency securities only, with a maximum maturity of three years.

Collateral will always be held by an independent third party with whom the entity has a current custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the entity and retained.

If the City chooses to invest in repurchase agreements, only primary dealers are to be used as counterparties to repurchase agreements, short term credit rating must be the highest credit rating, A-1 or the equivalent and a long term rating of A or the equivalent, the approved Bond Market Association's master repurchase agreement must be executed and on file prior to entering into these transactions and the maximum term for a repurchase agreement shall be limited to 30 days.

10.0 Prohibited Securities

- Mortgage Backed Securities including CMO's are prohibited.
- Derivative Products are prohibited
- The City is prohibited from purchasing securities that leverage the portfolio or are used for speculation of interest rates
- Purchases of any security on negative credit watch are prohibited.
- Purchases in Mutual Funds are prohibited

11.0 Investment Pools

The City is allowed to invest in the Washington State Local Government Investment Pool as authorized by City of Kirkland Resolution 3370.

12.0 Safekeeping and Custody

All security transactions, including collateral for repurchase agreements, entered into by the City of Kirkland will be conducted on a delivery-versus-payment (DVP) basis. Securities will be held in safekeeping by a third party custodian.

13.0 Diversification

The City will diversify its investments by security type and institution so that reliance on any one issuer or financial institution will not place an undue financial burden on the City. The City's policy is to assure that no single institution or security is invested to such an extent that a delay of liquidation at maturity is likely to cause a current cash flow emergency.

The following table provides maximum portfolio and issuer limit guidelines for the eligible securities which shall be complied with at the time of a security purchase, unless an exception waiver is approved by the Investment Committee. However, no sale of securities shall be required to meet revised limits due to a decrease in the total size of the portfolio.

Investment	Percent of Fund	Percent Per Issuer	Maturity
US Treasury Obligations	100	100	5 Years
US Agency Obligations	100	30	5 Years
Callable Agency Securities	50	30	5 Years
State or Political Subdivision	20	5	5 Years
Certificates of Deposits	10	5	5 years
Bankers Acceptances	5	5	180 days
A-1/P-1 Commercial Paper	5	5	180 days

14.0 Maximum Maturities

To the extent possible, the City will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, or estimated to cash flow needs, the City will not directly invest in securities maturing more than five (5) years from the date of settlement.

The maximum weighted average maturity (WAM) of the total portfolio shall not exceed 3 years. This maximum is established to limit the portfolio to excessive market exposure. The WAM refers to the final WAM not the effective WAM.

Reserve or Capital Improvement Project monies may be invested in securities exceeding five (5) years if the maturities of such investments are made to coincide as nearly as practicable with the expected use of the funds.

15.0 Internal Control

On an annual basis, the Investment Committee, in conjunction with the State Auditor's Office, will evaluate conformance with the Investment Policy and audit internal controls. The purpose of these examinations shall be to audit the accountability of the City's Investment Portfolio and to verify that Investment Officials have acted in accordance with the investment policies and procedures. Should the Investment Procedures be in conflict with the Investment Policy, the Investment Policy is the final authority.

16.0 External Control

The City will have an external review of the investment policy and procedures every three (3) years. The City may enter contracts with third-party investment advisory firms when their services are required.

17.0 Performance Standards

The portfolio shall be managed to obtain a fair rate of return, keeping in mind the primary objectives of protecting the City's capital and assuring adequate liquidity to meet cash flow needs.

For purposes of this policy, "fair rate of return" will be a band between the average yield of the ninety-day Treasury bill and the 2-year Treasury note for the period of time being evaluated. The goal is for the portfolio to generally perform within or above the band.

In addition, the Investment Core component duration may be tracked against a market index such as the US treasury 0-5 year index on a total return basis. This will provide for accountability of price changes in the portfolio and help inform the strategy related to the duration of the portfolio.

18.0 Reporting Requirements

18.1 The Finance Director shall prepare a quarterly and annual investment report summarizing the activity of the investment portfolio as to types of investments, yields, maturities and other related data.

18.2 Monthly reports will be submitted to the Investment Committee that report market value changes and investment income.

18.3 A Compliance report will be provided to the Investment Committee on at least a quarterly basis.

18.4 Additional reporting requirements are outlined in the Investment Procedures.

19.0 Investment Policy Adoption

The City's investment policy shall be adopted by City Council. The policy shall be reviewed annually by the Investment Committee. Any modifications shall be submitted and approved by City Council.

GLOSSARY

BANKERS' ACCEPTANCES (Bas) – Bankers Acceptances are a form of a loan used in import-export financing transactions which becomes negotiable when accepted by a bank. The issuing bank is liable for the payment at its maturity. Terms vary but normally they are under six months and are purchased on a discount basis.

BROKER – A middleman who brings buyers and sellers together and handles their orders generally charging a commission for their services.

CERTIFICATES OF DEPOSIT – Instruments issued by a bank specifying that a sum of money has been deposited, payable with interest to the bearer of the certificate on a certain date.

COMMERCIAL PAPER - A short – term promissory note issued by a bank holding company, for the purpose of financing current transactions. Issues are sold on a discount basis with maturities up to 270 days.

DELIVERY VS PAYMENT – Physical delivery of collateral securities or book entry control in exchange for the cash payment. Under this system funds are not transferred until the securities are delivered. If a third party acts as custodian, funds are released by the custodian only when delivery is accomplished.

DEPOSITORY – A bank or financial institution accepting cash deposits and investments.

DIVERSIFICATION – Dividing available funds among a variety of securities and institutions so as to minimize market risk.

DURATION - The number of years required to receive the present value of future payments, both of interest and principle, of a bond, often used as an indicator of a bond's price volatility resulting from changes in interest rates.

FEDERAL CREDIT AGENCIES - Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g., S&L's, small business firms, students, farmers, farm cooperatives and exporters.

FEDERAL HOME LOAN BANKS (FHLB) - The 12 Federal Home Loan Banks are a system of regional banks from which local lending institutions everywhere in America borrow funds to finance housing, economic development, infrastructure and jobs. About 80 percent of U.S. lending institutions rely on the Federal Home Loan Banks. Because the Federal Home Loan Banks are cooperatives, their low costs are passed on to consumers and communities.

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA, or Fannie Mae) - FNMA, like GNMA, was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of

Housing & Urban Development, H.U.D. It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

GOVERNMENT SPONSORED ENTERPRISES (GSE's) - A group of financial services corporations created by the United States Congress. Their function is to reduce interest rates for specific borrowing sectors of the economy, farmers, and homeowners. The mortgage borrowing segment is by far the largest of the borrowing segments that the GSE's operate in.

LIQUIDITY - The length of time required to convert any investment to cash.

LOCAL GOVERNMENT INVESTMENT POOL (LGIP) – The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

MARKET VALUE – The market value of a security is the price at which the last sale of the same issue was sold.

MATURITY – The date upon which the principal or stated value of an investment becomes due.

NON-DISCRETIONARY INVESTMENT ADVISOR - Non-discretionary investment advisor services may include investment management oversight, investment research, portfolio analysis, portfolio reporting and portfolio recommendations based upon the specific investment policy and investment objectives of each client. Clients must approve any such recommendations before the securities are purchased or sold in their accounts.

PRINCIPAL – The cost of an instrument on which interest is earned.

REPURCHASE AGREEMENT – Range in maturity from overnight to fixed time to open end. Repo's involve a simultaneous sale of securities by a bank or government securities dealer to a city with an agreement for the bank to repurchase the securities at a fixed date at a specified rate of interest.

SAFEKEEPING – An arrangement under which an organization's securities are kept in a bank vault or in the case of book entry securities, are held and recorded in the customer's name. Evidence of this arrangement is a safekeeping receipt.

SECONDARY MARKET – A market where certain securities may be bought and sold at prevailing market prices after their initial distribution but before their state maturity date.

TREASURY BILLS – Short-term marketable securities issued by the U.S. Treasury and secured by the Federal Government and have maximum liquidity.

TREASURY NOTES AND BONDS – These are direct obligations of the U.S. Government

with maturities from one to ten years on the notes and 10 to 30 years on the bonds.

UNIFORM NET CAPITAL RULE - Securities & Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities. Liquid capital includes cash and assets easily converted into cash.

WEIGHTED AVERAGE MATURITY - The average time it takes for securities in a portfolio to mature, weighted in proportion to the dollar amount that is invested in the portfolio. Weighted average maturity measures the sensitivity of fixed-income portfolios to interest rate changes. Portfolios with longer WAMs are more sensitive to changes in interest rates because the longer a bond is held, the greater the opportunity for interest rates to move up or down and affect the performance of the bonds in the portfolio.

EFFECTIVE WEIGHTED AVERAGE MATURITY - For a single bond, it is a measure of maturity that takes into account the possibility that a bond might be called back to the issuer.

For a portfolio of bonds, average effective maturity is the weighted average of the maturities of the underlying bonds. The measure is computed by weighing each bond's maturity by its market value with respect to the portfolio and the likelihood of any of the bonds being called.

YIELD – The rate of annual return on an investment expressed as a percentage.

RESOLUTION R-5087

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND
ADOPTING A REVISED POLICY FOR INVESTMENT OF CITY FUNDS.

WHEREAS, the City Council of the City of Kirkland desires to have City funds invested in secure depositories and maximize returns on these investments; and

WHEREAS, the City Council of the City of Kirkland desires to develop an investment policy to guide the investment of City funds to meet these objectives; and

WHEREAS, the Kirkland City Treasurer (Deputy Director of Finance and Administration) has recommended revisions to the policy for investment of City funds; and

WHEREAS, the City of Kirkland investment policy has been written in accordance with the Washington Public Treasurers Model Investment Policy;

NOW, THEREFORE, be it resolved by the City Council of the City of Kirkland as follows:

Section 1. The policy for investment of City funds set forth in the document entitled "City of Kirkland Investment Policy December 9, 2014" which is attached as Attachment A and incorporated by this reference is adopted as the official policy for investment of City funds.

Section 2. That the document entitled City of Kirkland Investment Policy December 9, 2014, replaces all previous City of Kirkland Investment Policies.

Passed by majority vote of the Kirkland City Council in open meeting this 9th day of December, 2014.

Signed in authentication thereof this 9th day of December, 2014.


MAYOR

Attest:


City Clerk



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DEBT MANAGEMENT POLICY



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City of Kirkland
Debt Management Policy
Adopted by Resolution (R-4837) on September 21, 2010

The Debt Policy for the City of Kirkland (City) is established to help ensure that all debt is issued both prudently and cost effectively. The Debt Policy sets forth guidelines for the issuance and management of all financings of the City. Adherence to the policy is essential to ensure that the City maintains a sound debt position and protects the credit quality of its obligations while providing flexibility and preserving financial stability.

1.0 Uses of Debt

- 1.1 City of Kirkland uses debt as a mechanism to equalize the costs of needed capital improvements for the benefit of both present and future citizens;
- 1.2 City of Kirkland uses debt as a mechanism to reduce the immediate costs of substantial public improvements.
- 1.3 The City of Kirkland will not use long-term debt to support current operations.
- 1.4 Long-term borrowing will only be used for capital improvements that cannot be financed from current revenues.
- 1.5 Non-capital furnishings, supplies, and personnel will not be financed from bond proceeds.
- 1.6 Interest, operating, and/or maintenance expenses will be capitalized only for enterprise activities; and will be strictly limited to those expenses incurred prior to actual operation of the facilities.

2.0 Debt Limits

2.1 Legal Limits:

- 2.1.1 The general obligation debt of Kirkland will not exceed an aggregated total of 7.5% of the assessed valuation of the taxable property within the City. RCW 39.36.020
- 2.1.2 The following individual percentages shall not be exceeded in any specific debt category:
 - General Debt - 2.5% of assessed valuation
 - Non-Voted 1.5% Limited Tax General Obligation (LTGO) Bonds
 - Voted 1.0% Unlimited Tax General Obligation (UTGO) Bonds
 - Utility Debt - 2.5% of assessed valuation
 - Open Space and Park Facilities - 2.5% of assessed valuation

2.2 Public Policy Limits:

- 2.2.1 The City will establish and implement a comprehensive multi-year Capital Improvement Program (CIP).
- 2.2.2 Financial analysis of funding sources will be conducted for all proposed capital improvement projects.
- 2.2.3 Debt will be issued in accordance with the CIP as necessary.
- 2.2.4 Where borrowing is recommended, the source of funds to cover debt service requirements must be identified.

City of Kirkland
Debt Management Policy
Adopted by Resolution (R-4837) on September 21, 2010

2.2.5 The City, as determined by the City Council, may consider using long term debt toward public improvements, which have an identified public benefit to the City, associated with economic development to the extent that new revenues from the project, in excess of those identified by the City Council for other City purposes can be agreed upon to support the debt service.

2.3 Financial Limits:

2.3.1 The City's policy is to plan and direct the use of debt so that debt service payments will be a predictable and manageable part of the Operating Budget.

2.3.2 The City will conduct a debt affordability analysis to evaluate the City's ability to support debt. The analysis will review available resources for the amount of debt the City can initiate each year, and project the effects of that financing through six years of the CIP.

3.0 Allowable Types of Debt

3.1 Short Term Obligations: Short-term borrowing will only be used to meet the immediate financing needs of a project for which long-term financing has been secured but not yet received. The City may issue interfund loans rather than outside debt instruments to meet short-term cash flow needs. Interfund loans will be permitted only if an analysis of the affected fund indicates excess funds are available and the use of the funds will not impact the fund's current operations. All interfund loans will be subject to Council approval, will bear interest based upon prevailing rates and have terms consistent with state guidelines for interfund loans.

3.2 Assessment/ LID Bonds: Assessment bonds will be considered in place of general obligation bonds, where possible, to assure the greatest degree of public equity. Local Improvement District (LID) Bonds represent debt that is repaid by the property owners who benefited from the capital improvement through annual assessments paid to the City. LID's are formed by the City Council after a majority of property owners agree to the assessment.

3.3 General Obligation Bonds Limited Tax: General Obligation debt is backed by the full faith and credit of the City and is payable from General Fund revenues and taxes collected by the City. Limited Tax General Obligation (LTGO) Bonds can be issued with the approval of the City Council and will only be issued if:
A project requires funding not available from alternative sources;
Matching fund monies are available which may be lost if not applied for in a timely manner; or Emergency conditions exist.

3.4 General Obligation Bonds Unlimited Tax: Unlimited Tax General Obligation (UTGO) Bonds are payable from excess tax levies and is subject to voter approval by 60% of the voters.

3.5 Revenue Bonds: Revenue bonds are used to finance construction or improvements to facilities of enterprise systems operated by the City in accordance with the Capital Improvement Program and are generally payable from the enterprise. No taxing power or general fund pledge is provided as security. Unlike general obligation bonds, revenue bonds are not subject to the City's statutory debt limitation nor is voter approval required.

3.6 Leases: Lease purchase or financing contracts are payment obligations that represent principal and interest components which are general obligations of the City.

City of Kirkland
Debt Management Policy
Adopted by Resolution (R-4837) on September 21, 2010

3.7 Other Loan Programs:

3.7.1 Public Works Trust Fund Loans are loans from the Public Works Board, authorized by state statute, RCW 43.155 to loan money to repair, replace, or create domestic water systems, sanitary sewer systems, storm sewer systems, roads, streets, solid waste and recycling facilities, and bridges.

3.7.2 The Local Option Capital Asset Lending (LOCAL) Program is a financing contract with the Office of the State Treasurer under RCW 39.94. It is an expanded version of the state agency lease/purchase program that allows pooling funding needs into larger offerings of securities. This program allows local government agencies the ability to finance equipment needs through the State Treasurer's office, subject to existing debt limitations and financial consideration.

3.7.3 Other state funded programs.

3.8 Alternative types of debt: No variable-rate debt or derivative products shall be utilized.

4.0 Debt Structuring Practices

4.1 Maximum term, Payback Period and Average maturity:

4.1.1 The issuance of bonds shall be financed for a period not to exceed a conservative estimate of the asset's useful life with the average life of the bonds less than or equal to the average life of the assets being financed.

4.1.2 General Obligation bonds will be issued with maturities of 30 years or less unless otherwise approved by Council.

4.1.3 The maturity of all assessment bonds shall not exceed statutory limitations. RCW 36.83.050.

4.2 Debt Service Structure:

4.2.1 Unless otherwise justified and deemed necessary, debt service should be structured on a level or declining repayment basis.

4.3 Criteria for issuance of advance refunding and current refunding bonds

4.3.1 The City will use refunding bonds, where appropriate, when restructuring its current outstanding debt. A debt refunding is a refinance of debt typically done to take advantage of lower interest rates. Unless otherwise justified, such as a desire to remove or change a bond covenant, a debt refunding will not be pursued without a sufficient net present value benefit after expenses.

4.4 Other structuring practices:

4.4.1 Bond amortization schedules will be structured to minimize interest expense with the constraints of revenues available for debt service. The bonds should include call features to maximize the City's ability to advance refund or retire the debt early. However, call features should be balanced with market conditions to ensure that the total cost of the financing is not adversely affected.

City of Kirkland
Debt Management Policy
Adopted by Resolution (R-4837) on September 21, 2010

5.0 Debt Issuance Practices

- 5.1 Council Approval: City Council approval is required prior to the issuance of debt.
- 5.2 Analytical Review: An analytical review shall be conducted prior to the issuance of debt including, but not limited to, monitoring of market opportunities and structuring and pricing of the debt.
- 5.3 Use of credit ratings, minimum bond ratings, determination of the number of ratings and selection of rating services: The City will continually strive to maintain its bond rating by improving financial policies, budget, forecasts and the financial health of the City so its borrowing costs are minimized and its access to credit is preserved. The City will maintain good communication with bond rating agencies about its financial condition, coordinating meetings, and presentations in conjunction with a new issuance as necessary.
- 5.4 Compliance with Statutes and Regulations: The Finance Director, City Attorney and bond counsel shall coordinate their activities and review all debt issuance to ensure that all securities are issued in compliance with legal and regulatory requirements by the State of Washington and the Federal Government's laws, rules and regulations.
- 5.5 Selection and use of professional service providers:
 - 5.5.1 The City's Finance and Administration Department shall be responsible for the solicitation and selection of professional services that are required to administer the City's debt program.
 - 5.5.2 Bond Counsel: All debt issued by the City will include a written opinion by bond counsel affirming that the City is authorized to issue the proposed debt. The opinion shall include confirmation that the City has met all city and state constitutional and statutory requirements necessary for issuance, a determination of the proposed debt's federal income tax status and any other components necessary for the proposed debt.
 - 5.5.3 Financial Advisor: A Financial Advisor(s) may be used to assist in the issuance of the City's debt. The Financial Advisor will provide the City with the objective advice and analysis on debt issuance. This includes, but is not limited to, monitoring of market opportunities, structuring and pricing of debt, and preparing official statements of disclosure.
 - 5.5.4 Underwriters: An Underwriter(s) will be used for all debt issued in a negotiated or private placement sale method. The Underwriter is responsible for purchasing negotiated or private placement debt and reselling the debt to investors.
 - 5.5.5 Fiscal Agent: A Fiscal Agent will be used to provide accurate and timely securities processing and timely payment to bondholders. In accordance with RCW 43.80, the City will use the Fiscal Agent that is appointed by the State.
- 5.6 Criteria for determining sales method and investment of proceeds:
 - 5.6.1 The Director of Finance and Administration shall determine the method of sale best suited for each issue of debt.
 - 5.6.2 The City will generally issue its debt through a competitive process. For any competitive sale of debt, the City will award the issue to the underwriter offering to buy the bonds at a price and interest rates that provides the lowest True Interest Cost (TIC).

City of Kirkland
Debt Management Policy
Adopted by Resolution (R-4837) on September 21, 2010

- 5.6.3 The City will provide for the sale of debt by negotiating the terms and conditions of sale when necessary to minimize the cost and risks of borrowing under the following conditions:
- i. The bond issue is, or contains, a refinancing that is dependent on market/interest rate timing.
 - ii. At the time of issuance, the interest rate environment or economic factors that affect the bond issue are volatile.
 - iii. The nature of the debt is unique and requires particular skills from the underwriter(s) involved.
 - iv. The debt issued is bound by a compressed time line due to extenuating circumstances such that time is of the essence and a competitive process cannot be accomplished.

- 5.7 Bond Insurance: For each issue, the City will evaluate the costs and benefits of bond insurance or other credit enhancements. Any credit enhancement purchases by the City shall be competitively procured.

6.0 Debt Management Practices

6.1 Investment of Bond Proceeds

The City shall comply with all applicable Federal, State and contractual restrictions regarding the investment of bond proceeds, including City of Kirkland Investment Policy.

6.2 Continuing Disclosure

The City shall provide annual disclosure information to established national information repositories and maintain compliance with disclosure statements as required by state and national regulatory bodies. Disclosure shall take the form of the Comprehensive Annual Financial Report (CAFR) unless information is required by a particular bond issue that is not necessarily contained within the CAFR.

6.3 Arbitrage Rebate monitoring and filing

The City will, unless otherwise justified, use bond proceeds within the established time frame pursuant to the bond ordinance, contract or other documents to avoid arbitrage. Arbitrage is the interest earned on the investment of the bond proceeds above the interest paid on the debt. If arbitrage occurs, the City will follow a policy of full compliance with all arbitrage rebate requirements of the federal tax code and Internal Revenue Service regulations, and will perform (internally or by contract consultants) arbitrage rebate calculations for each issue subject to rebate. All necessary rebates will be filed and paid when due in order to preserve the tax-exempt status of the outstanding debt.

6.4 Federal and state law compliance practices

Discussed in Debt Issuance Practices sections 5.3 and 5.4 and Debt Management Practices sections 6.1 and 6.3.

6.5 Market and investor relations efforts

The City shall endeavor to maintain a positive relationship with the investment community. The City shall communicate through its published Biennial Budget, Capital Improvement Program and Comprehensive Annual Financial Statements the City's indebtedness as well as its future financial plans.

6.6 Periodic review

The City's debt policy shall be adopted by City Council. The policy shall be reviewed every four years by the Council Finance Committee and modifications shall be submitted to and approved by City Council.

RESOLUTION R-4837

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND
ADOPTING A REVISED POLICY FOR THE MANAGEMENT OF THE
CITY'S DEBT.

WHEREAS, the City Council of the City of Kirkland deems to
ensure that all debt is issued both prudently and cost effectively; and

WHEREAS, the City Council of the City of Kirkland desires to
set forth guidelines for the issuance and management of all financings
of the City; and

WHEREAS, the Kirkland City Treasurer (Deputy Director of
Finance) has recommended revisions to the debt management
policies; and

WHEREAS, the City of Kirkland debt management policy has
been written in accordance with the Association of Public Treasurers of
the United States & Canada (APT US&C) guidelines.

NOW, THEREFORE, be it resolved by the City Council of the
City of Kirkland as follows:

Section 1. The policy for the management of the City's debt
set forth in the document entitled "City of Kirkland Debt Management
Policy September 1, 2010," which is attached hereto and incorporated
herein by this reference as if set forth in full is hereby adopted as
official policy for the management of the City's debt.

Section 2. That the document entitled City of Kirkland Debt
Management Policy September 1, 2010, replaces all previous City of
Kirkland Debt Management Policies.

Passed by majority vote of the Kirkland City Council in open
meeting this 21st day of September, 2010.

Signed in authentication thereof this 21st day of September
2010.


MAYOR

Attest:


City Clerk

POST ISSUANCE COMPLIANCE POLICY



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CITY OF KIRKLAND
POST ISSUANCE COMPLIANCE POLICY
Adopted by Resolution (R-5004) on October 15, 2013

This policy is intended to guide the City of Kirkland in meeting its obligations under applicable statutes, regulations and documentation associated with publicly offered and privately placed securities of the City of Kirkland. This policy addresses obligations of the City of Kirkland that arise and will continue following the issuance of securities. The City of Kirkland maintains a separate Debt Policy with respect to matters related to the issuance of security obligations, including compliance with the City of Kirkland's disclosure obligations related to securities issuance. These obligations may arise as a result of federal tax law (with respect to tax-exempt securities) and securities laws (with respect to ongoing disclosure) or as a result of contractual commitments made by the City of Kirkland. This policy outlines obligations that may be applicable to each issue of securities and identifies the party to be responsible for monitoring compliance. In the City of Kirkland, the Director of Finance and Administration will be responsible for ensuring that the policy is followed and compliance checklist and records maintained. The Director of Finance and Administration may delegate responsibility to employees and outside agents for developing records, maintaining records and compliance checklist. The City of Kirkland will support educational opportunities provided by the Government Finance Officers Association (GFOA), Washington Finance Officers Association (WFOA) and Washington Municipal Treasurers Association (WMTA) for the parties identified in this policy with responsibilities for post-issuance compliance in order to facilitate their performance of these obligations.

A. Transcripts.

1. The City of Kirkland's bond counsel shall provide the City of Kirkland with two copies of a full transcript related to the issuance of securities (for each issue). The transcript shall be delivered in the following form: one hardcopy (paper) and one electronic on a CD; and transcripts shall be delivered to the City of Kirkland within three month[s] following the date of issuance of securities. It is expected that the transcript will include a full record of the proceedings related to the issuance of securities, including proof of filing an 8038-G or 8038-GC, if applicable.

2. Bond transcripts will be retained by the following parties and in the following locations within the City of Kirkland: City Clerk's Office.

B. Federal Tax Law Requirements (Applicable only if the securities are issued as "tax-exempt" securities).

1. *Use of Proceeds.*

a. If the project(s) to be financed with the proceeds of the securities will be funded with multiple sources of funds, the City of Kirkland will adopt an accounting methodology that:

◆ maintains each source of funding separately and monitors the actual expenditure of proceeds of the securities;

- ◆ commingles the proceeds and monitors the expenditures on a first in, first out basis; or
- ◆ provides for the expenditure of funds received from multiple sources on a proportionate basis.

b. Records of expenditures (timing of expenditure and object code) of the proceeds of securities will be maintained by the Department of Finance and Administration.

c. Records of investments and interest earnings on the proceeds of securities will be maintained by Department of Finance and Administration. Such records should include the amount of each investment, the date each investment is made, the date each investment matures and if sold prior to maturity, its sale date, and its interest rate and/or yield. Interest earnings on proceeds will be deposited in the fund in which the proceeds of the securities were deposited (if not, then the plan for use of interest earnings will be discussed with the City of Kirkland's bond counsel).

d. Records of interest earnings on reserve funds maintained for the securities.

2. *Arbitrage Rebate.* The Director of Finance and Administration or designee of the City of Kirkland ("Rebate Monitor") will monitor compliance with the arbitrage rebate obligations of the City of Kirkland for each issue ("issue") of securities which are described in further detail in the tax certificate if any, executed by the City of Kirkland for each issue and included in the transcript for the issue. If the City of Kirkland did not execute a tax certificate in connection with an issue, the Rebate Monitor should consult with the City of Kirkland's bond counsel regarding arbitrage rebate requirements.

a. If the Rebate Monitor determines that the total principal amount of tax-exempt governmental obligations (including all tax-exempt leases, etc.) of the City of Kirkland issued by or on behalf of the City of Kirkland and subordinate entities during the calendar year, including the issue, will not be greater than \$5,000,000, the Rebate Monitor will not be required to monitor arbitrage rebate compliance for the issue, except to monitor expenditures and the use of proceeds after completion of the project (see #3 below). For purposes of this paragraph, tax-exempt governmental obligations issued to currently refund a prior tax-exempt governmental obligation will only be taken into account to the extent they exceed the outstanding amount of the refunded bonds.

b. If the Rebate Monitor determines that the total principal amount of tax-exempt governmental obligations (including all tax-exempt leases, etc.) of the City of Kirkland issued or incurred any calendar year is greater than \$5,000,000, the Rebate Monitor will monitor rebate compliance for each issue of tax-exempt governmental obligations issued during that calendar year.

i. *Rebate Exceptions.* The Rebate Monitor will review the tax certificate, if any, in the transcript in order to determine whether the City of Kirkland is expected to comply with a spending exception that would permit the City of Kirkland to avoid having to pay arbitrage rebate. If the tax certificate identifies this spending exception (referred to as the six-month exception, the 18 month exception or the 2-year exception), then the Rebate Monitor will monitor the records of expenditures (see B.1 above) to determine whether the City of Kirkland met the spending exception (and thereby avoid having to pay any arbitrage rebate to the federal government). If the City of Kirkland did not execute a tax certificate in connection with an issue,

the Rebate Monitor should consult with bond counsel regarding the potential applicability of spending exceptions.

ii. *Rebate Compliance.* If the City of Kirkland does not meet or does not expect to meet any of the spending exceptions described in (i) above, the City of Kirkland will:

x. review the investment earnings records retained as described in B.1 above. If the investment earnings records clearly and definitively demonstrate that the rate of return on investments of all proceeds of the issue were lower than the yield on the issue (see the tax certificate in the transcript), then the City of Kirkland may opt not to follow the steps described in the following paragraph.

y. retain the services of an arbitrage rebate consultant in order to calculate any potential arbitrage rebate liability. The rebate consultant shall be selected no later than the completion of the project to be financed with the proceeds of the issue. A rebate consultant may be selected on an issue by issue basis or for all securities issues of the City of Kirkland. The Rebate Monitor will obtain the names of at least three qualified consultants and request that the consultants submit proposals for consideration prior to being selected as the City of Kirkland rebate consultant. The selected rebate consultant shall provide a written report to the City of Kirkland with respect to the issue and with respect to any arbitrage rebate owed if any.

z. based on the report of the rebate consultant, file reports with and make any required payments to the Internal Revenue Service, no later than the fifth anniversary of the date of each issue (plus 60 days), and every five years thereafter, with the final installment due no later than 60 days following the retirement of the last obligation of the issue.

c. *Yield Reduction Payments.* If the City of Kirkland fails to expend all amounts required to be spent as of the close of any temporary period specified in the Tax Certificate (generally 3 years for proceeds of a new money issue and 13 months for amounts held in a debt service fund), the City of Kirkland will follow the procedures described in B.2.b.ii above to determine and pay any required yield reduction payment.

3. *Unused Proceeds Following Completion of the Project.* Following completion of the project(s) financed with the issue proceeds, the Director of Finance and Administration or designee will:

a. review the expenditure records to determine whether the proceeds have been allocated to the project(s) intended (and if any questions arise, consult with bond counsel in order to determine the method of re-allocation of proceeds); and

b. direct the use of remaining unspent proceeds (in accordance with the limitations set forth in the authorizing proceedings (i.e., bond ordinance) and if no provision is otherwise made for the use of unspent proceeds, to the redemption or defeasance of outstanding securities of the issue.

4. *Use of the Facilities Financed with Proceeds.* In order to maintain tax-exemption of securities issued on a tax-exempt basis, the financed facilities (projects) are required to be used for governmental purposes during the life of the issue. The Director of Finance and Administration or designee of the City of Kirkland will monitor and maintain records regarding any private use of the projects financed with tax-exempt proceeds. The IRS Treasury Regulations prohibit private business use (use by private parties (including nonprofit organizations and the federal government)) of tax-exempt financed facilities beyond permitted *de minimus* amounts unless cured by a prescribed remedial action. Private use may arise as a result of:

- a. Sale of the facilities;
- b. Lease of the facilities (including leases, easements or use arrangements for areas outside the four walls, e.g., hosting of cell phone towers);
- c. Management contracts (in which the City of Kirkland authorizes a third party to operate a facility (e.g., cafeteria);
- d. Preference arrangements (in which the City of Kirkland grants a third party preference of the facilities, e.g., preference parking in a public parking lot).

If the Director of Finance and Administration or designee identifies private use of tax-exempt debt financed facilities, the Director of Finance and Administration or designee will consult with the City of Kirkland's bond counsel to determine whether private use will adversely affect the tax-exempt status of the issue and if so, what remedial action is appropriate. The private use may be allocated to those facilities (or portions of facilities) that were funded from sources other than bond proceeds. If the City of Kirkland determines that it is appropriate to complete a final allocation and accounting certification with respect to the expenditure of bond proceeds, pursuant to Treasury Regulation §1.148-6(d), the City of Kirkland will complete the allocation certification not later than the Final Allocation Date. The City of Kirkland may also elect to follow available remedial action procedures available under Treasury Regulations, e.g., allocate sales proceeds to other qualifying capital expenditures.

The City of Kirkland will verify at least once annually that the financed projects do not have impermissible private use. The verification will be noted on the Post Issuance Compliance Policy Checklist.

5. *Records Retention.*

a. Records with respect to matters described in this Subsection B will be retained by the City of Kirkland for the life of the securities issue (and any issue that refunds the securities issue) and for a period of three years thereafter.

- b. Records to be retained:
 - (i) The transcript;
 - (ii) Arbitrage rebate reports prepared by outside consultants;
 - (iii) Work papers that were provided to the rebate consultants;

(iv) Records of expenditures and investment receipts (showing timing of expenditure and the object code of the expenditure and in the case of investment, timing of receipt of interest earnings). (Maintenance of underlying invoices should not be required provided the records include the date of the expenditure, payee name, payment amount and object code; however, if those documents are maintained as a matter of policy in electronic form, then the City of Kirkland should continue to maintain those records in accordance with this policy);

(v) Copies of all certificates and returns filed with the IRS (e.g., for payment of arbitrage rebate); and

(vi) Copies of all leases, user agreements for use of the financed property (agreements that provide for use of the property for periods longer than 30 days), whether or not the use was within the four walls (e.g., use of the roof of the facility for a cell phone tower); and

(vii) Post Issuance Compliance Checklist documented annual review.

C. Ongoing Disclosure. Under the provisions of SEC Rule 15c2-12 (the "Rule"), underwriters are required to obtain an agreement for ongoing disclosure in connection with the public offering of securities. Unless the City of Kirkland is exempt from compliance with the Rule as a result of certain permitted exemptions, the transcript for each issue will include an undertaking by the City of Kirkland to comply with the Rule. The Department of Finance and Administration of the City of Kirkland will monitor compliance by the City of Kirkland with its undertakings. These undertakings may include the requirement for an annual filing of operating and financial information and will include a requirement to file notices of listed "material events." For some types of material events (early bond calls), the State's fiscal agent has undertaken the responsibility of filing notice of the applicable material event.

D. Other Notice Requirements. In some instances, the proceedings authorizing the issuance of securities will require the City of Kirkland to file information periodically with other parties, e.g., bond insurers, banks, rating agencies. The types of information required to be filed may include (1) budgets, (2) annual financial reports, (3) issuance of additional debt obligations, and (4) amendments to financing documents. The Department of Finance and Administration of the City of Kirkland will maintain a listing of those requirements and monitor compliance by the City of Kirkland.

RESOLUTION R-5004

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND ADOPTING THE KIRKLAND POST ISSUANCE COMPLIANCE POLICY SETTING FORTH THE POLICY OF THE CITY OF KIRKLAND WITH RESPECT TO MEETING ITS OBLIGATIONS UNDER FEDERAL TAX LAW FOLLOWING THE ISSUANCE OF SECURITIES.

WHEREAS, the City of Kirkland has certain obligations under federal tax law with respect to its publicly offered and privately placed securities; and

WHEREAS, many of these obligations continue to apply throughout the entire term of the securities issued; and

WHEREAS, the City of Kirkland Post Issuance Compliance Policy has been written in consultation with the City's bond counsel; and

WHEREAS, the Kirkland City Treasurer (Deputy Director of Finance) has recommended that the City Council formally adopt the Post Issuance Compliance Policy that the City is following, and will continue to follow, to maintain compliance with applicable federal tax law;

NOW, THEREFORE, be it resolved by the City Council of the City of Kirkland as follows:

Section 1. The "City of Kirkland Post Issuance Compliance Policy," which is attached as "Exhibit A" and incorporated by reference, is adopted as the official policy of the City of Kirkland for meeting its obligations under federal tax law following the issuance of securities by the City of Kirkland.

Passed by majority vote of the Kirkland City Council in open meeting this 15th day of October, 2013.

Signed in authentication thereof this 15th day of October, 2013.


MAYOR

Attest:


City Clerk

GLOSSARY



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GLOSSARY OF BUDGET TERMS

ACCOUNT NUMBER

Kirkland utilizes an account structure that conforms to the state BARS (Budgeting, Accounting, and Reporting System) requirements. The account number is separated into the following parts:

XXX	--	XXX	--	XXXX *	X	--	XX	--	XXXX
FUND		DEPT		FUNCTION	CLASS		CATEGORY		ELEMENT

FUND groups indicate a discrete set of revenues and expenditures. Funds help maintain financial records of transactions. By state law, cities must balance revenues and expenditures at the fund level. BARS assigns the fund groups and the City assigns specific fund numbers.

DEPARTMENT/DIVISION numbers indicate the organizational unit making an expenditure. For example, the Fire and Building Department uses all codes in the 900 group and the Training Division within the Fire and Building Department uses the number 920. Revenue accounts do not contain department numbers; instead, the code 000 occupies the department/division slot. BARS does not dictate department/division numbers.

FUNCTION codes indicate the governmental function associated with an expenditure and are assigned by BARS. For example, an expenditure account with the function code 1880 indicates that the expenditure is related to data processing. Revenue accounts do not contain function codes; instead, the code 0000 occupies the function slot.

CLASS indicates the type of activity, with a 3 indicating revenue and a 5 designating expenditures. These numbers are assigned by BARS.

CATEGORY describes the "what" of the transaction. For expenditures the category indicates the specific item purchased or services obtained. For revenues the category indicates the source from which the revenues are obtained. For example, an expenditure with a category of 31 would be the purchase of office

and operating supplies. Revenue with a category of 11 would indicate property tax.

ELEMENT is a further segregation of the Category information.

ACCRUAL BASIS

An accounting basis which recognizes transactions when they occur. An organization records expenses when the liability occurs and posts revenues when they are earned. The Water/Sewer, Surface Water, Equipment Rental, and Information Technology Funds prepare year-end reports on the accrual basis. Kirkland uses a modified accrual basis of accounting for the reporting of all other funds. The budget is prepared on a cash basis (see later glossary entry).

ACTUAL

Denotes final audited revenue and expenditure results of operations for fiscal year(s) indicated.

APPROPRIATION

Through an appropriation ordinance, the City Council legally authorizes the City to spend money and to incur obligations for specific purposes. Budgetary/Operating fund appropriations lapse at the end of each biennium. Non-operating fund appropriations, on the other hand, continue in force until fully expended or until the City has accomplished or abandoned the purpose for which the Council granted the funds. Spending cannot exceed the level of appropriation without the Council's approval.

ASSESSED VALUATION

When the King County Assessor's Office determines the value of both real (land and buildings) and personal property, it arrives at the assessed valuation of the property. The County uses this value to compute property taxes.

ASSET

Property owned by the government and resources owned or held by a government that has monetary value.

BARS

The State of Washington Budgeting, Accounting, and Reporting System required for all governmental entities in the state.

BASIC BUDGET

Kirkland develops its basic budget when it estimates how much it will cost to continue providing the existing ongoing level of service in the next biennium. The basic budget incorporates mandatory increases due to inflation or contract obligations.

BIENNIAL BUDGET

The City's financial operating plan for the next two fiscal years. Washington state law requires that the first year of a biennial budget be an odd-numbered year. Accordingly, the preparation of the biennial budget falls on an even-numbered year.

BIENNIUM

A two-year period.

BENEFITS

City-paid benefits provided for employees, such as Social Security, retirement, worker's compensation, life insurance, and medical insurance.

BOND

A bond is a written promise to pay a specified sum of money (called the face value or principal amount) at a specified date or dates in the future (called the maturity date) together with period interest at a specified rate. Kirkland uses the sale of bonds to finance some of its large capital projects.

BOND RATING

When the City issues debt, a thorough review of the City's financial condition is completed by bond rating agencies. Based on their findings, the bonds are given a rating. The City's bond rating is a reflection of its creditworthiness and

affects the cost to the City of issuing debt. There are two rating agencies -- Standard and Poor's (S&P) and Moody's Investor Service -- that rate Kirkland's bonds. As of January 2003, the City's ratings were AA (S&P) and Aa2 (Moody's).

BUDGET

As the City's financial operating plan for the fiscal biennium, the budget displays the estimated expenditures (costs) for providing services and the estimated sources of revenue (income) to pay for them. Once the City Council appropriates the fund totals shown in the budget, the totals become maximum spending limits. By state law, the City must balance its budget with expenditures equaling available revenues. RCW 35A.33 contains the legal authority and requirements for Kirkland's budget.

BUDGET MESSAGE

A general discussion of the proposed budget as presented in writing by the City Manager to the legislative body.

CASH BASIS

A basis of accounting where revenues are recorded when the cash is received and expenditures are recorded when paid. Kirkland prepares its budget on a cash basis.

CAPITAL IMPROVEMENT PROGRAM (CIP)

The plan or schedule of expenditures and funding sources for major construction of roads, sidewalks, City facilities, and water/sewer systems, and for the purchase of equipment. Kirkland's CIP follows a six-year schedule and includes projects which cost \$50,000 or more to complete. These projects become fixed assets and, with the exception of certain equipment, have a useful life of ten years or more. Although the City adopts the CIP budget in a process which is separate from the adoption of the biennial budget, the biennial budget incorporates the first and second years of the program.

CAPITAL OUTLAY

Expenditures for furnishings, equipment, vehicles, or machinery with an individual value

greater than \$10,000 and a useful life of more than one year.

CAPITAL PROJECT

The acquisition, construction, improvement, replacement or renovation of land, structures and improvements thereon, and equipment. When the City Council authorizes a capital project, it adopts a capital project budget which continues until the project is complete.

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)

A general purpose, federal grant primarily used to facilitate the production and preservation of low and moderate income housing and programs.

CONTINGENCY

Kirkland appropriates money to these reserve funds which it can use in the future should specific budget allotments run out and the City needs additional funds. Contingency funds are especially useful when emergencies arise that require the City to make unforeseen expenditures.

COUNCILMANIC DEBT

Debt which the City Council approves, but which does not require voter approval.

CREDIT RATING

The credit worthiness of a governmental unit as determined by an independent rating agency. The City of Kirkland is rated by two rating agencies: 1) Moody's Investor Service and 2) Standard and Poor's.

DEBT CAPACITY

The amount of debt which the City can issue given legal limits and fiscal policies. Debt capacity is calculated based on a percentage of the total assessed city property valuation plus the net of current assets and liabilities.

DEBT SERVICE

The annual payment of principal and interest on the City's bonded indebtedness.

DEFICIT

An excess of expenditure over revenue.

DEPARTMENT

To facilitate organizational and budgetary accountability, Kirkland breaks its funds into departments. Each department serves a specific function as a distinct organizational unit of city government.

DEPRECIATION

An accounting recognition that reduces a portion of the original cost of a business asset over several years as the value of the asset decreases.

DIVISION

As subdivisions of departments, divisions are budgetary or organizational units of government with limited sets of work responsibilities within their department. Divisions also serve to increase budget accountability.

ENCUMBRANCES

The amount of funds committed to vendors for goods or services received or to be received by the City as specified in a City purchase order.

ENTERPRISE FUND

An accounting entity which the City uses to record and report transactions for its business-type activities. All expenditures must be supported by income dedicated to the fund. The most common enterprise funds are utility funds.

EXPENDITURE

The payment for goods and services. On the cash-basis, expenditures are recognized only when the payments are made for the cost of goods received or services rendered.

FEES

A general term for any charge for services levied by government associated with providing a service or permitting an activity. Major types of fees include business licenses and user charges.

FINES AND FORFEITURES

Revenue category which primarily includes court, police, traffic and parking fines, and forfeitures.

FISCAL POLICY

The City's policies with respect to revenues, spending, and debt management as these relate to government services, programs, and capital investment. Fiscal policy provides an agreed upon set of principles for the planning and programming of government budgets and their funding.

FISCAL YEAR

The twelve-month period which an organization designates as its operating year. In Kirkland, the fiscal year coincides with the calendar year. The City prepares a biennial budget for a period of two fiscal years, beginning in an odd-numbered year.

FIXED ASSETS

A long-term tangible piece of property that the City owns and is not expected to be consumed or converted into cash any sooner than at least one year's time.

FULL-TIME EQUIVALENT (FTE)

Kirkland budgets its employee positions in terms of the work year of a regular, full-time employee. For example, when the City budgets a position full-time for only six months, that position is 0.5 FTE. Likewise, a half-time position budgeted for a full year is also 0.5 FTE. A full-time position is 1.00 FTE.

FUND

Municipal governments organize and operate their accounting systems on a fund basis. The formal definition of the fund is an independent financial and accounting entity with a self-balancing set of accounts in which cities record financial transactions relating to revenues, expenditures, assets, and liabilities. Each fund must be budgeted independently with revenues equal to expenditures. With the exception of the General Fund, which accounts for general purpose activities and unrestricted revenue sources, each fund has a unique funding source and purpose. By establishing funds, the City can account for the use of restricted revenue

sources and carry on specific activities or pursue specific objectives.

FUND BALANCE

The cumulative difference between expenditures and revenue over the life of a fund. A negative fund balance is usually referred to as a deficit.

GAAP (GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)

Both industry and governments use Generally Accepted Accounting Principles as standards for accounting and reporting financial activity. The Governmental Accounting Standards Board (GASB) currently sets government GAAP. Adherence to GAAP assures that financial reports of all state and local governments - regardless of jurisdictional legal provisions and customs - contain the same type of financial statements and disclosures, for the same categories and types of funds and account groups, based on the same measurement and classification criteria.

GASB 34

Governmental Accounting Standards Board Statement 34 (GASB 34) sets requirements for the content and format of the annual financial report.

GENERAL FUND

The General Fund accounts for revenues and expenditures associated with ordinary City operations that are not required to be accounted for in another fund. Individual departments within the General Fund account for expenditures incurred to provide various general-purpose municipal services.

GENERAL OBLIGATION BONDS

Bonds for which the City pledges its full faith and credit (the general taxing power) for repayment. Debt Service is paid from property tax revenue levied (in the case of voter-approved bonds) or other general revenue (in the case of Councilmanic bonds).

GRANT

A transfer of county, state, or federal monies to the City, usually for specific programs or activities.

INDIRECT COST

Cost of centrally provided internal services for which there is a citywide benefit that cannot be readily identified to specific departments.

INFRASTRUCTURE

Long-lived capital assets that can be preserved for a significantly greater number of years than most capital assets and are stationary in nature.

INTERFUND TRANSFERS

When the City moves money between its various funds, it makes an interfund transfer.

INTERGOVERNMENTAL REVENUES

Revenues from other governments in the form of state shared revenue and grants.

INTERNAL CONTROLS

Policies and procedures established to provide reasonable assurance that specific government objectives will be achieved.

INTERNAL SERVICE FUND

An accounting entity which the City uses to record and report transactions for goods and services provided by one department to other City departments on a cost reimbursement basis. The City currently has three internal service funds, the Equipment Rental Fund, Facilities Fund and the Information Technology Fund.

LEOFF

The State of Washington's Law Enforcement Officers and Firefighters Retirement System.

LEVY RATES

The rate of tax to be imposed on the assessed value of real property for the computation of property tax revenues. (See also Property Tax Levy)

LICENSES AND PERMITS

Revenue category that includes building permits, business licenses, and any other miscellaneous licenses.

LID

In a Local Improvement District the City makes special assessments against certain properties to defray part or all of the cost of a specific improvement or service which it deems will primarily benefit those properties. The assessments can be paid in full or in installments over a set period of time.

LINE-ITEM BUDGET

In its biennial budget, Kirkland estimates revenues and expenditures at the line-item level. The line-item budget contains a great degree of detail since it indicates how the City spends its money and the sources from which it receives revenue. Examples of line items in Kirkland's budget are postage, uniforms and clothing, hourly wages, fuel, etc.

MAINTENANCE

The act of keeping capital assets in a state of good repair. It includes preventive maintenance, normal periodic repairs, replacement of parts, structural components and so forth, and other activities needed to maintain the asset so that it continues to provide normal services and achieves its optimum life.

MODIFIED ACCRUAL BASIS

Kirkland uses this basis of accounting for year-end reporting which is adapted to the governmental fund type spending. The City recognizes revenues when they become both "measurable" and "available" to finance expenditures of the current period (i.e., when it is received). The City recognizes an expenditure, other than accrued interest on general fiscal long-term debt, when it is incurred (i.e., an obligation is made).

NONDEPARTMENTAL

This department has the sole purpose of accounting for all expenditures that the City cannot specifically designate to any operating department within a fund. Examples of expenses in the area include shared paper products and support of outside organizations.

NON-OPERATING BUDGET

The non-operating budget contains non-operating funds which the City uses to finance projects with limited objectives and/or finite life

spans. By law, these budgets do not lapse at the end of the biennium, but may be carried forward from year to year until the monies are fully expended or their purposes are accomplished or abandoned. As a matter of practice, Kirkland prepares biennial budgets for all non-operating funds. The non-operating budget accounts primarily for debt, reserves, and capital projects.

OBJECTIVE

A specific measurable achievement that may be accomplished within a specific time frame.

OPERATING BUDGET

The operating budget provides a plan for current expenditures and the proposed means of financing them. In a broader sense, the biennial operating budget is a statement of what services the municipality will deliver to its citizens.

OPERATING REVENUES

Funds that the government receives as income to pay for ongoing operations.

ORDINANCE

A formal legislative enactment by the Council or governing body of a governmental entity.

PERFORMANCE INDICATOR

Specific quantitative and qualitative measures of work performed as an indicator of specific department or program activity or accomplishment.

PERFORMANCE MEASURE

A measure of how well a particular result is being achieved. Indicators of program performance that are collected to show the impact of resources spent on city services directly tied to program results.

PERS

The State of Washington's Public Employees Retirement System for employees other than police and fire personnel.

PERSONNEL SERVICES

Expenditures which include salary costs, wages, and benefits, for full-time and part-time hourly employees and overtime expenses.

PRELIMINARY BUDGET

The recommended, but unapproved, biennial budget which the City Manager presents to the City Council and the public.

PROGRAM BUDGET

A program is made up of a group of similar services which have a common purpose. A program budget presents planned expenditures for each group of services without regard to the departments involved in performing the services. For example, most services performed by the Police and Fire departments are related to protecting the public and naturally become part of a Public Safety Program along with prosecuting personnel, the municipal court, and other related service activities.

PROPERTY TAX LEVY – REGULAR

This represents the amount of property tax allowable under State law which the City may levy annually without approval by the City's registered voters. Kirkland uses this tax primarily to support the General Fund and street-related services. The City also has a separately voted Parks Maintenance Levy. State law fixes the maximum levy in dollars per \$1,000 of assessed valuation and the annual rate at which total regular levy property taxes may increase.

PROPERTY TAX LEVY – SPECIAL (OR EXCESS)

This represents the amount of property tax which a city government may charge in excess of the "regular levy" upon the approval of this tax by a vote of the people. Cities most commonly use the revenue to pay the annual costs of voter-approved general obligation bonds. State law imposes a maximum limit on the dollar amount of such bonds which a city may have outstanding at any one time.

PROPRIETARY FUND

See Enterprise Fund.

RESERVE

An account which the City uses either to set aside budgeted revenues that it does not need to spend in the current biennium or to earmark revenues for a specific future purpose.

RESOURCES

Total dollars available for appropriation, including estimated revenues, interfund transfers, and other financing sources such as beginning resources forward balances.

RESOURCES FORWARD

Each City fund uses this revenue account to record estimated and actual resources available for expenditure in the biennium because of revenues collected in excess of the budget and/or expenditures less than the budget in the prior biennium. Can also be called Beginning Fund Balance.

RESTRICTED/UNRESTRICTED REVENUE

The City most commonly receives restricted revenue in three ways. First, a person pays a fee to the City and the City will use that money to provide a specific product, service, or capital asset. Second, the receipt of money is directly tied to an expenditure or is restricted by law. Finally, the City considers revenue restricted when voters or the City Council have designated it for a specific purpose. All other revenues are unrestricted.

REVENUE

Sources of income which the City receives during a fiscal year. Examples of revenue include taxes, intergovernmental grants, charges for service, and other financing sources such as the proceeds derived from the sale of fixed assets.

REVENUE BONDS

City-issued bonds which pledge future revenues, usually water, sewer, garbage, or drainage charges, to cover debt payments in addition to operating costs.

SERVICE PACKAGE

Capital equipment, a new service, or a project which City departments add to their basic budget to enhance the quality and/or quantity of service they provide to the public.

SPECIAL REVENUE FUNDS

Funds used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

SUPPLIES

Cost of goods consumed by the City in the course of its operations.

TAX LEVY

The total amount to be raised by general property taxes for the purposes stated in the tax levy ordinance. (See also Property Tax Levy and Levy Rate.)

UNRESERVED FUND BALANCE

The funds remaining after reduction for reserved balances.

USER CHARGES

The amount the government receives for the provision of services and commodities, or the performance of specific services benefiting the person charged. User charges tend to be voluntary in nature, in contrast to mandatory property and income taxes. Citizens only pay user charges when a specific service is received.



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ACRONYM GUIDE



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ACRONYM GUIDE

AC —Asbestos/Cement	CJTC —Criminal Justice Training Center
ACA —Affordable Care Act	CKC —Cross Kirkland Corridor
ACP —Asphalt Concrete Pavement	CMAQ —Congestion Mitigation and Air Quality
ADA —Americans with Disabilities Act	CMO —City Manager’s Office
AED —Automated External Defibrillator	cMOM —Capacity, Management and Operations Program
AFSCME —American Federal, State, County and Municipal Employees	COLA —Cost of Living Adjustment
AKA —Also Known As	COPS —Community Oriented Policing
ALS —Advanced Life Support	CPI —Consumer Price Index
AOC —Administrative Office of the Courts	CPR —Cardiopulmonary resuscitation
APS —Adult Protective Service Act	CPS —Child Protective Services
ARC —Aquatics, Recreation and Community Center	CTR —Commute Trip Reduction
ARCH —A Regional Coalition of Housing	CWA —Cascade Water Alliance
ARRA —American Recovery and Reinvestment	DART (1) —Dial-a-Ride Transportation
ASTC —Annexation Sales Tax Credit	DART (2) —Domestic Abuse Response Team
AV —Assessed Valuation	DHS —Department of Homeland Security
AWC —Association of Washington Cities	DOC —Department of Commerce
BABS —Build America Bonds	DOE —Department of Ecology
BARS —Budget Accounting Reporting System	DOL —Department of Licensing
BLS (1) —Basic Life Support	DOR —Department of Revenue
BLS (2) —Bureau of Labor Statistics	DOT —Department of Transportation
BNSF —Burlington Northern Santa Fe (Railroad)	DRS —Department of Retirement Systems
CAFR —Comprehensive Annual Financial Report	DSHS —Department of Social and Health Services
CAO (1) —City Attorney’s Office	DUI —Driving under the Influence
CAO (2) —Critical Areas Ordinance	EAP —Employee Assistance Program
CBD —Central Business District	EIS —Environmental Impact Statement
CCTV —Closed Circuit Television	EMPG —Emergency Management Performance Grant
CDBG —Community Development Block Grant	EMS —Emergency Medical Services
CFP —Capital Facilities Plan	EMT —Emergency Medical Technician
CIP —Capital Improvement Program	EOC —Emergency Operations Center

EPSCA—Eastside Public Safety Communications Agency

ER—Equipment Rental

ESP—Emergency Sewer Program

ETP—Eastside Transportation Partnership

F&A—Finance and Administration

F&B—Fire and Building

FASB—Financial Accounting Standards Board

FEMA—Federal Emergency Management Agency

FMR—Financial Management Report

FOG—Fats, Oils and Grease

FSA—Flexible Spending Account

FTE—Full Time Equivalent

FVU—Family Violence Unit

FY—Fiscal Year

FYA—Flashing Yellow Arrows

GAAP—Generally Accepted Accounting Principles

GASB—Governmental Accounting Standards Board

GFOA—Government Finance Officers Association

GIS—Geographical Information Systems

GMA—Growth Management Act

GO—General Obligation

HHS—Health and Human Services

HR—Human Resources

HRA—Health Retirement Account

HSA—Health Savings Account

HUD—Housing and Urban Development

HVAC—Heating, Ventilation and Air Condition

IAFF—International Association of Firefighters

ICMA—International City/County Management Association

IFAS—Integrated Financial and Administrative Solution (financial software)

IPD—Implicit Price Deflator

IT—Information Technology

ITS—Intelligent Transportation System

JOC—Job Order Contracting

KAC—Kirkland Arts Center

KAN—Kirkland Alliance of Neighborhoods

KDA—Kirkland Downtown Association

KFD—Kirkland Fire Department

KJC—Kirkland Justice Center

KMC (1)—Kirkland Municipal Code

KMC (2)—Kirkland Municipal Court

KPC—Kirkland Performance Center

KPD—Kirkland Police Department

LAN—Local Area Network

LEED—Leadership in Energy and Environmental Design

LEOFF—Law Enforcement Officers and Firefighters (retirement system)

LET—Leasehold Excise Tax

LF—Linear Feet

LID (1)—Local Improvement District

LID (2)—Low Impact Development

LTAC—Lodging Tax Advisory Committee (aka TDC)

LTGO—Limited Tax General Obligation

LWIT—Lake Washington Institute of Technology

LWSD—Lake Washington School District

MAC—Management and Confidential Employees

MEBT—Municipal Employees Benefit Trust

MMS—Maintenance Management System

MRSC—Municipal Research and Services Center

MSA—Metropolitan Statistical Area

MVFT—Motor Vehicle Fuel Tax

N/A—Not Applicable *or* Not Available

NEDC—Northeast District Court

NKCC—North Kirkland Community Center

NLC—National League of Cities

NORCOM—North East King County Regional Public Safety Communication Agency

NPDES—National Pollutant Discharge Elimination System

NRO—Neighborhood Resource Officer

NRSRO—Nationally Recognized Statistical Rating Organization

NTC—Neighborhood Traffic Control

O&M—Operations and Maintenance

OPEB—Other Post-Employment Benefits

PC—Personal Computer

PCD—Planning and Community Development

PCI—Payment Card Industry

PCS—Parks and Community Services

PDA—Public Disclosure Act

PDR—Public Disclosure Request

PERS—Public Employees Retirement System

PKCC—Peter Kirk Community Center

PPE—Personal Protective Equipment

PROS—Parks, Recreation and Open Space plan

PRV—Pressure Reducing Valve Vault

PSERS—Public Safety Employees Retirement System

PSRC—Puget Sound Regional Council

PW—Public Works

PWTF—Public Works Trust Fund

RCW—Revised Code of Washington

REET—Real Estate Excise Tax

RF—Resources Forward

(R)RFB—(Rectangular) Rapid Flashing Beacon

RGRL—Revenue Generating Regulatory License

ROW—Right of Way

S&P—Standard and Poor's

SAN—Storage Area Network

SAO—State Auditor's Office

SCA—Sound Cities Association

SCBA—Self Contained Breathing Apparatus

SDP—Shoreline Substantial Development Permit

SEC—Securities and Exchange Commission

SEPA—State Environmental Policy Act

SQL—Structured Query Language

SRO—School Resource Officer

SWAT—Special Weapons and Tactics

TBD—Transportation Benefit District

TDC—Tourism Development Committee (aka LTAC)

TIB—Transportation Improvement Board

TIP—Transportation Improvement Plan

TMP—Transportation Master Plan

TOD—Transit Oriented Development

TUB—Teen Union Building

ULI—Urban Land Institute

UTGO—Unlimited Tax General Obligation

WAC—Washington Administrative Code

WAN—Wide Area Network

WCIA—Washington Cities Insurance Authority

WISHA—Washington Industrial Safety and Health Act

WNR—Wants, Needs, Resources

WSDOT—Washington State Department of Transportation

WSP—Washington State Patrol



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