






City of Kirkland **2027-2028**

***PRELIMINARY***

# BUDGET

*A Community-Focused Budget in a Time of Uncertainty*







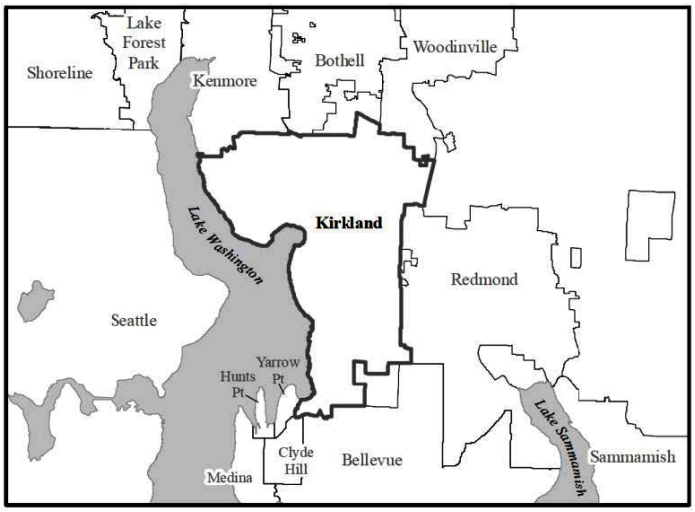













## Kirkland at a Glance

| | |
|---|---|
| Founded | 1888 |
| Incorporated | 1905 |
| Population | 98,860 |
| Elevation | 18 to 534 feet |
| Land Area | 18 sq. miles |
| Miles of City Streets | 252 |
| Miles of City Sewers | 125 |
| Miles of Water Lines | 174 |
| Residential Dwellings | 42,644 |
| Fire Department Rating Class | 3 |
| City Employees (Full-Time Equivalents) | 789.25 |

| General Obligation Bond Rating: | |
|---|---|
| Moody's | Aaa |
| Standard and Poor's | AAA |

## City Council

**Mayor, Kelli Curtis**

**Deputy Mayor, Neal Black**

**Jay Arnold** **Amy Falcone** **Jon Pascal** **Shilpa Prem** **John Tymczyszyn**

### Administrative Staff

***City Manager***
Kurt Triplett

***Deputy City Manager of Operations***
Tracey Dunlap

***Deputy City Manager for External Affairs***
James Lopez

***Municipal Court Judge***
John Olson

***City Attorney***
Darcey Eilers

***Director of Finance & Administration***
Michael Olson

***Fire Chief***
Patrick LeDoux

***Interim Director of Human Resources***
Lauren Knox

***Information Technology Director***
Smitha Krishnan

***Director of Parks & Community Services***
Lynn Zwaagstra

***Director of Planning & Building***
Adam Weinstein

***Police Chief***
Mike St Jean

***Director of Public Works***
Julie Underwood

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 98,860. Kirkland is the 13th largest city in the State of Washington and the sixth largest in King County. Since its incorporation, Kirkland has grown in geographic size to 18 square miles – approximately 20 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 11 operating departments. The City boasts over 53 parks, including 11 that are located on the waterfront, as well as two community centers, a swimming pool, and a teen center. The broad range of parks and recreational facilities provides year-round services for community members of all ages.

# 2027-2028 Preliminary **Budget**


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With special thanks to Grant Raupp and Andrea Peterman for their extra efforts in producing this document.


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# City of Kirkland Mayor & City Council



Kelli Curtis
Mayor



Neal Black
Deputy Mayor



Jay Arnold
Council Member



Amy Falcone
Council Member



Jon Pascal
Council Member



Shilpa Prem
Council Member



John Tymczyszyn
Council Member

CITY OF KIRKLAND
WASHINGTON

GOVERNMENT FINANCE OFFICERS ASSOCIATION

# *Distinguished Budget Presentation Award*

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For the Biennium Beginning

**January 01, 2025**

Christopher P. Morrill

**Executive Director**

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# 2027-2028 Budget Message

Dear City Council, Kirkland Residents, Kirkland Business Owners, and all members of the Kirkland Community:

Kirkland's Budget Leadership Team is pleased to deliver the City Manager's 2027-2028 Preliminary Budget, "A Community-Focused Budget in a Time of Uncertainty." The proposed 2027-2028 budget has been crafted to maintain, and where possible, enhance service levels to the community consistent with the Council Goals and City Work Plan, while balancing fiscal discipline and flexibility during a time of economic and political uncertainty. Factors creating an unknown future include federal policy changes, global conflicts, state budget pressures, market forces, rising interest rates, and inflation. As we approach 2027, the impacts of inflation on labor, fuel, technology, and utilities are particularly acute for the City's budget and decision-making.

In the context of these factors, we are proud to present the City Manager's preliminary budget proposal in which:

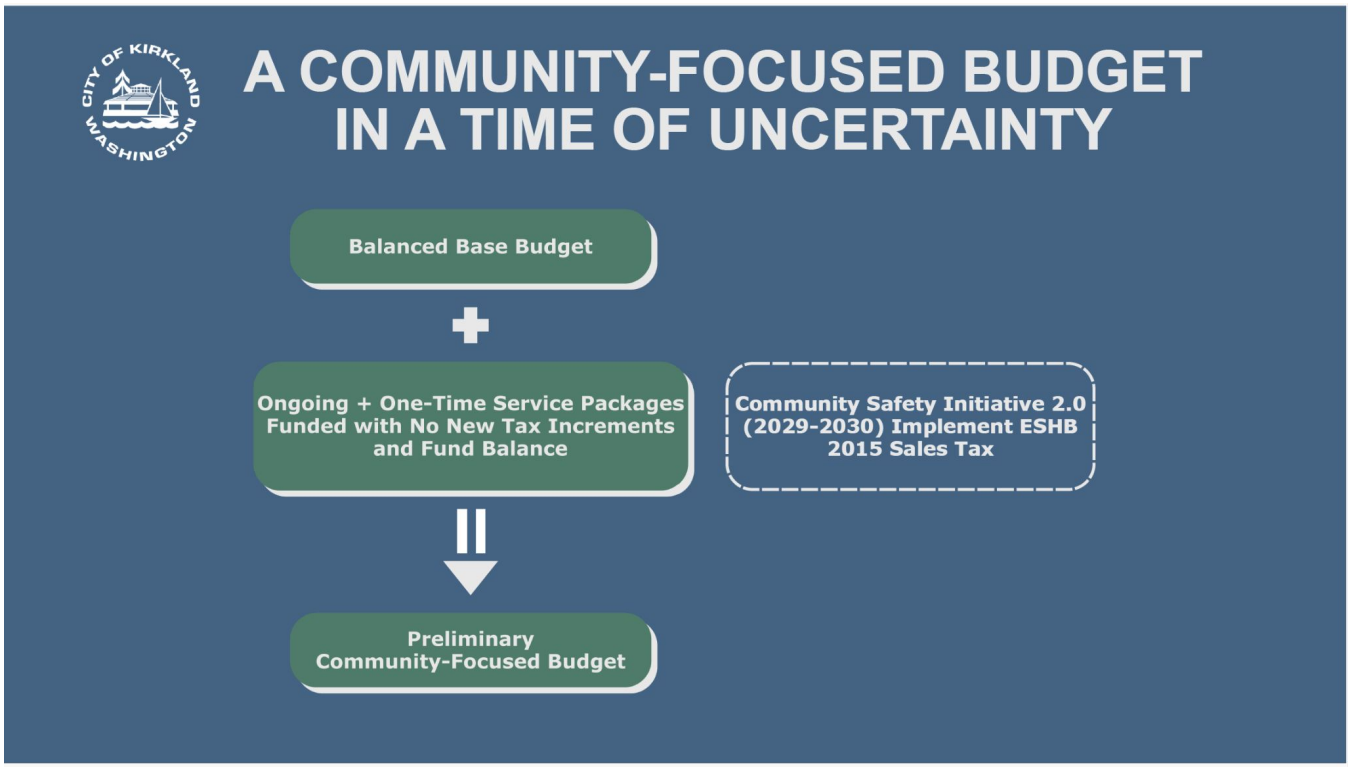
- The 2027-2028 budget is balanced;
- The Kraken Iceplex and Kirkland Community Center is fully funded;
- All current programs and services are funded;
- General purpose reserves are fully funded;
- Financial policies necessary to retain Kirkland's AAA credit rating are maintained; and
- No new general taxes are included beyond the 1% property tax increase.

Funding all current levels of service while adding the Kraken Iceplex and Kirkland Community Center (KIKCC) is a major accomplishment of this budget. Many jurisdictions in King County are facing budget reductions due to the challenging economic environment. To achieve this outcome, we had to dig deep into available non-reserve cash balances. There is less margin for error or a slowing economy in this budget than in past years. The alternative approach would have been to recommend targeted budget reductions to preserve fiscal flexibility. However, the need for community services in this time of uncertainty is great and so the use of one-time balances is proposed instead. The future impact of this choice is that it will be much more challenging to continue current service levels while balancing the 2029-2030 budget.

As discussed further in this message, the budget proposal contains two elements:

- The balanced 2027-2028 budget; and
- An optional "Community Safety Initiative 2.0" utilizing a new public safety sales tax revenue source to provide ongoing funding for critical community safety services in 2029-2030.

The graphic below illustrates this approach. The Community Safety Initiative 2.0 is outlined in detail in the Conclusion section of this budget message.

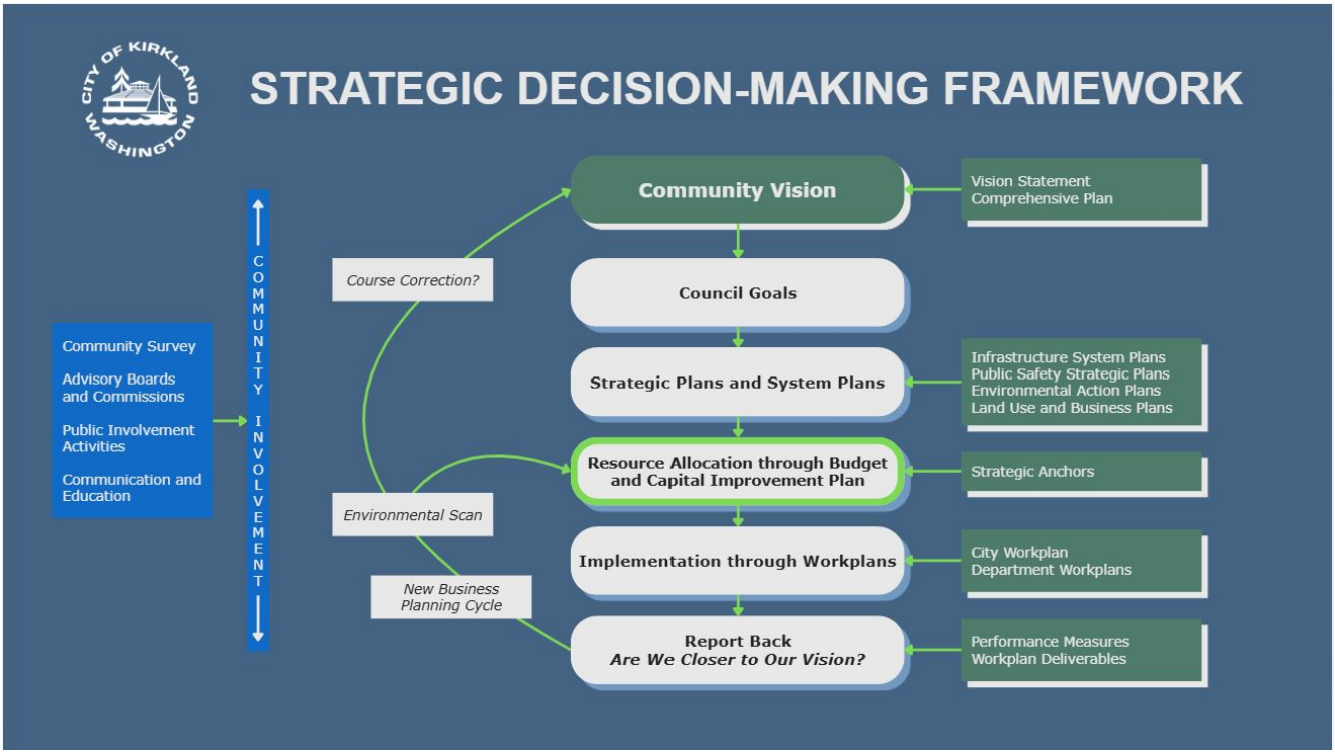



The preliminary budget was constructed to implement the 2025-2026 City Work Program directive:

> *Develop an equitable, sustainable 2027-2028 budget that maintains the City's financial stability. The budget should identify options for dedicated funding for streets, human services, and parks operations and maintenance, while investing in other community priorities and retaining Kirkland's AAA credit rating.*

Accomplishing this City Work Program objective during this uncertain time has required grounding our work in the City's strategic decision-making framework and identifying trade-offs. The objective is to continue to provide critical services to the most vulnerable in our community while ensuring Kirkland remains one of the best places to live, work, and play.

The budget and capital improvement programs are a key element in the City's strategic decision-making framework, as shown in the figure on the following page.




Using the framework, the City establishes the vision for our community through the Comprehensive Planning Process and the City Council goals. The guideposts inform the development of needs assessments and policy frameworks that are established by the Strategic Plans and System Plans that the Council adopts periodically. Based on these documents and community feedback, the City Manager and staff develop budget and capital improvement programs to make progress toward the goals and vision. Each budget requires prioritizing services for the community to fit funding constraints. The major initiatives embodied in the proposed budget are adopted by Council as part of the City Work Program. Staff reports back periodically to determine progress on those tasks and whether we are getting closer to our vision.

## BUDGET SUMMARY

The 2027-2028 Preliminary Budget is presented in the biennial budget format. Most descriptions and comparisons presented in the budget reflect two-year totals, although in some cases annual amounts are shown to illustrate trends. Many parts of the budget continue to change as of the development of this document, but information is shown as up-to-date as possible given the need to produce a complete draft for Council review and consideration. Staff will continually update the Council throughout the process as numbers are changed or new information is received.

**The total biennial budget for 2027-2028 is $1.147 billion**, which is 0.59% less than the revised 2025-2026 budget of $1.153 billion. The following table compares the change in the biennial budget by major component funds:

| Major Components | 2025-2026 Revised Budget | 2027-2028 Preliminary Budget | Percent Change |
|---|---|---|---|
| **General Government:** | | | |
| General Fund | 341,897,317 | 361,870,237 | 5.84% |
| Other Operating Funds | 108,189,200 | 105,670,065 | (2.33%) |
| Internal Service Funds | 106,779,076 | 102,379,478 | (4.12%) |
| Non-Operating Funds | 304,850,804 | 241,641,828 | (20.73%) |
| Utilities: | | | |
| Water Funds* | 156,822,364 | 112,413,058 | |
| Sewer Funds* | - | 85,687,368 | 26.32% |
| Surface Water Funds | 63,422,702 | 58,629,039 | (7.56%) |
| Solid Waste Fund | 71,406,011 | 78,301,783 | 9.66% |
| **Total Budget** | **1,153,367,474** | **1,146,592,856** | **(0.59%)** |

**The Water/Sewer Fund is separated to Water and Sewer Funds beginning in the 2027-2028 Budget, so the two are shown combined in 2025-2026 and the percent change is for both together.*

Selected highlights include:

- The General Fund budget increases from $341.9 million to $361.9 million driven by funding decisions and economic factors described in detail in this message. Additional information on revenue and expenditure trends assumed in developing the budget can be found in the body of the budget document.
- Other Operating Funds decrease from $108.2 million to $105.7 million. The decrease is driven by the Development Services Fund (down $5.2 million), which made large one-time transfers from its technology reserves to the Information Technology CIP in 2025-2026. The Street Operating Fund is increasing (up $3.8 million), consistent with the past pattern of expenses growing faster than revenues (primarily property tax), which requires additional funding to keep the fund in balance. In this biennium, balancing the fund includes pass-through King County Transportation Benefit District sales tax funding and additional parking revenues, as discussed further below.
- Internal Service Funds decrease from $106.8 million to $102.4 million (4.1 percent), driven by a large spend-down in the Fleet Fund (down $6.1 million) in 2025-2026 as departments caught up on priority vehicle purchases. The decrease is offset partially by rising costs of technology equipment, fuel, and utilities that impact the cost of providing many City services.
- Non-Operating Funds, which include the Capital Improvement Program (CIP), debt service, and capital reserves, decrease from $304.9 million to $241.6 million (20.7 percent). The decrease mostly reflects the timing of capital project funding. The 2025-2026 budget included large appropriations for transportation capital projects (down $44.9 million) and general government capital projects (down $13.6 million) that are now underway or complete.
- Utility rates are increasing, with primary drivers being cost increases from external agencies for services they provide (Cascade Water Alliance, King County Wastewater, and King County Solid Waste/Waste Management). Rate increases are also based on replenishing reserves in several utilities, phased in to be

completed by or in 2032. Surface Water funds are decreasing primarily because the 2025-2026 budget included a large, planned debt issuance for a surface water utility project at the Houghton Park and Ride site that is now planned at a much smaller scale. The Council has been addressing the challenges to rate affordability by actively participating in regional bodies that inform our external providers and by seeking ways to moderate rate increases through managing reserves, as highlighted later in this message.

**General Fund**

The primary focus for the Council's budget deliberations relates to the operating budget that accounts for the most visible basic services to the public. The most important (and largest) component of the operating budget is the General Fund, which accounts for most general government services such as Police, Fire, Public Works and Parks, and most of the City's general-purpose revenues. The discussion that follows focuses mostly on the General Fund priorities and challenges.

The 2027-2028 Preliminary Budget maintains all base budget funding and most one-time levels of services while accomplishing the City Work Plan and making progress on other community priorities. Key highlights include:

**Community Safety Net**

- The level of base budget **Human Services** funding (Option A in the *Human Services* issue paper) is proposed to increase $433,000 for the biennium by adding the ongoing funds generated by Substitute House Bill (SHB) 1406. This additional funding first allows the City to backfill the loss of Federal Emergency Housing Voucher (EHV) funds that are slated to end in 2026. This funding would then become part of the on-going base in 2029. One-time funding of $1.26 million for the biennium is proposed to fund the remainder of Option B as identified in the issue paper. Ongoing Human Services funding for 2027-2028 is proposed at $3.96 million, including $433,000 in new SHB 1406 funding, consistent with the 2025-2026 Work Plan objective to "*identify options for dedicated funding for…human services.*"
- **Homelessness Initiatives** funded in the prior biennium and identified in the Homelessness Action Plan are continued with both ongoing and one-time funding. These initiatives include the hotel pilot program, shower and laundry services, severe weather vouchers, move-in ministry support, and case management software.
- Continuation of one-time funding of a 0.5 LTE office specialist and 1.0 LTE Sr. Management Analyst is proposed to **support implementation of the Human Services grants and Homelessness programs**.
- Increased one-time funding for **A Regional Coalition for Housing (ARCH)** over the 2025-2026 budget from REET funds ($100,000 per year) and projected revenues generated by the recently adopted residential fee-in-lieu of affordable housing, a charge applied to new residential units over 2,000 square feet. The combination replaces the SHB 1406 funds now applied to Human Services and increases Kirkland's overall ARCH Trust Fund contribution from $801,769 per year to $888,657 per year including Community Development Block Grant (CDBG) funding.

**Community Safety and Criminal Justice**

- **Public Safety** services (Police, Fire, and the Regional Crisis Response Agency [RCR]) are fully funded as shown in the table below. This is a significant accomplishment given that the cost of wages and benefits necessary to attract and retain the best public servants, especially in the public safety functions, continues to grow faster than City revenues.

**2027-2028 Public Safety Budget**

| | 2027-2028 Budget | FTEs |
|---|---|---|
| Police | 92,348,084 | 163.0 |
| Fire | 81,665,716 | 144.0 |
| Regional Crisis Response (RCR) Agency | 6,136,420 | 14.0 |
| **Total Public Safety** | **180,150,220** | **321.0** |

- Continuation of the **Jail Navigator** program that helps released inmates with successful re-entry and access to services through 2028 when its grant funding runs out in mid-2027. Note that staff have applied for additional grant funding for this program but it has not been awarded as of this writing, as discussed later and in the *Community Safety Initiative 2.0* issue paper.
- Continuation of the **Community Court** program that provides alternatives to incarceration, which is currently funded by a grant from the Administrative Office of the Courts.
- Ongoing funding of increasing **Public Defense** costs necessitated by Washington Supreme Court-mandated reductions in caseloads.
- One-time funding to prepare a **Fire Strategic Plan** to chart the course for the department and identify options for continued reliable funding, recognizing that the last strategic plan was prepared in 2012 and those initiatives are now complete.
- General Fund balance ($750,000) has been set-aside toward the potential match required in the event that the City receives grant funding under ESHB 2015 to fund 6.0 Police Officer FTEs to ensure that specialty units are fully staffed in 2027-2028. Given the grant has not yet been awarded and accepted as of this writing, the cost of these officers and receipt of the grant funds have not been included in the proposed budget. An implementation strategy, should the grant be received, is discussed in more detail below and in the *Community Safety Initiative 2.0* issue paper. The grant decision is expected sometime in October.

**Community Center Facilities**

The Preliminary Budget fully funds existing parks programs and community centers, as shown in the table below.

**Parks & Community Services (PCS) Budget**

| | 2025-2026 | | 2027-2028 | |
|---|---|---|---|---|
| | **Budget** | **FTEs** | **Budget** | **FTEs** |
| Parks General Fund* | 26,256,527 | 37.00 | 30,707,911 | 42.5 |
| Parks Levy Fund | 14,380,898 | 22.00 | 13,450,122 | 22.0 |
| **Total Parks & Community Services** | **40,637,425** | **59.00** | **44,158,033** | **64.5** |

**Excludes human services + pooled human services which total $14.3M and 6.0 FTEs in 2027-2028*

The 2022 Parks, Recreation, and Open Space Plan (PROS Plan) identified the need for additional Community Center space in Kirkland to reduce waitlists and enhance programs. The preliminary budget expands community center space through the following key initiatives:

- The **Kraken Iceplex and Kirkland Community Center (KIKCC)** will be accomplished by the City through three main categories as shown in the following table: *implementation* (project management, legal, and facilities resources), *operations* (program development, setup, and activation), and *capital investments in parking*. When the Community Center becomes operational in 2028, the City conservatively expects to recover over 67% of the operating costs from program and user fees, while still providing discounted or free programs to those in need. The facility will offer almost 2,500 classes and programs each year, serving almost 20,000 recreation program participants, an additional 20,000 drop-in visits, and between 5,000-10,000 monthly/annual passholders. Hours of operation will be from 6 a.m. to 9 p.m. Monday through Friday and 8 a.m. to 8 p.m. Saturday and Sunday.

**Kraken Iceplex and Kirkland Community Center Cost and Funding Summary ($ Thousands)**

| Costs | 2027 | 2028 | Total |
|---|---|---|---|
| Implementation Costs (One-Time) | 667 | 187 | 854 |
| STC 00601 - Parking Lot Improvements | 784 | - | 784 |
| Start-up Costs (One-time) | 740 | - | 740 |
| Operations Costs (Ongoing) | 420 | 2,489 | 2,909 |
| **Total Costs** | **2,611** | **2,676** | **5,287** |
| **Funding** | | | |
| King County Parks Levy - One-time | 501 | - | 501 |
| Parking Fees-Juanita/Houghton Beach Parks | - | 435 | 435 |
| CIP Funding | 784 | - | 784 |
| Program Revenue - Ongoing | - | 1,679 | 1,679 |
| General Fund | | | |
| One-time | 923 | 185 | 1,108 |
| Ongoing | 403 | 377 | 780 |
| **Total Funding** | **2,611** | **2,676** | **5,287** |
| Total One-time | 2,209 | 184 | 2,393 |
| Total Ongoing | 402 | 2,492 | 2,894 |
| **Grand Total** | **2,611** | **2,676** | **5,287** |

- The **Kirkland Teen Union Building (KTUB)** is fully funded, including comprehensive programs and mental health services for teens, expanded teen recreation programs, high school internships, mobile recreation, and daytime activation of the facility to expand youth camps, preschool programs, and adult programs.
- Planning for use of the future **"Kingsgate" Community Center** site (former LDS Church) to provide programs to this underserved quadrant of the City. Kirkland officially closed on the purchase of the property on October 6, 2026. Council has authorized staff to pursue options to lease the site consistent with Park purposes until such time as the City has the financial capacity to open it as a Community Center.

**Community-Building Capital Investments**

- Installation of **Turf Infields at Crestwoods #3** and **132nd Square Park** to enable longer year-round use at a cost of $1.3 million.
- Improvements to **Peter Kirk Pool** (PROS Plan) to address major maintenance needs with the pool deck, lighting and electrical systems, bathhouse structure, and general pool operating systems. The pool will see ADA accessibility upgrades around the pool and in the bathhouse, enlarging the existing wading pool into a more versatile activity pool and adding all gender, family changing rooms with an adult changing table.
- Replacing and upgrading the **South Reservoir.** This critical water system infrastructure is currently a ground-supported, welded steel water tank constructed in 1971. This is a multigenerational project identified in the Water System Plan that will expand storage capacity, improve seismic stability, and meet current regulatory standards. The tank also serves parts of the cities of Bellevue and Redmond, who will share proportionally in the costs. Kirkland has set aside some funds toward the project and

applied to Washington State for low interest financing for part of the costs. Kirkland will issue bonds to pay the remaining costs in recognition of the decades-long life of the new tank.

- As identified in the 2025-2026 Work Program, the **renovation of the Public Works Maintenance Center** will occur in phases to ensure staff are operating in safe and suitable facilities. With the acquisition of adjacent properties, work will begin in earnest to ensure there is space, technology, tools, equipment, and vehicles needed to protect and sustain the water, sewer, stormwater, transportation, and environmental infrastructure of the City. Initial improvements include replacing fleet doors and installing all-weather enclosures to protect heavy equipment and covering mineral storage bins to protect contents and eliminate run-off.

Financing for the "Kingsgate" Community Center purchase and Peter Kirk Pool renovations will be funded in part by issuing bonds that are also anticipated to repay any remaining interfund loan debt from the purchase of Houghton Village. If the sale of Houghton Village closes with sufficient proceeds to entirely repay the interfund loan, planned debt issuance may either be reduced or redirected to the pool and the Kingsgate Community Center.

**Community Infrastructure Services**

- Utility rates necessary to operate Kirkland's water, sewer, stormwater and solid waste enterprises represent a large cost to Kirkland households and businesses. As noted earlier, **utility costs and rates** are rising, impacting affordability not only in the City but across the region. This budget reflects proposed cost increases from external agencies (Cascade Water Alliance, King County Wastewater, and King County Solid Waste/Waste Management) for the services they provide. Paying these agencies' costs is contractually required. Rate increases are also based on replenishing reserves in several utilities, phased in to be completed by or in 2032 to help moderate rate increases. The City's prudent fiscal policies have provided the wherewithal to phase in the reserve replenishments, but it is important to rebuild reserves to provide on-going financial strength and mitigate against emergencies. Staff is actively planning for future infrastructure improvements and replacement of our aging and failing utility infrastructure.

**Proposed and Projected 2027-2028 Utility Rate Increases***

| | Proposed | | Projected | | | |
|---|---|---|---|---|---|---|
| **Utility** | **2027** | **2028** | **2029** | **2030** | **2031** | **2032** |
| Water | 6.75% | 6.75% | 6.75% | 6.75% | 6.75% | 6.75% |
| Sewer - Kirkland | 8.85% | 8.85% | 8.85% | 8.85% | 8.85% | 8.85% |
| Sewer - King County | 13.29% | 12.75% | 12.75% | 12.75% | 11.25% | 11.25% |
| Surface Water | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% | 5.90% |
| Solid Waste | 5.30% | 5.30% | 5.30% | 5.30% | 5.30% | 5.30% |
| Total for All Utilities | 8.40% | 8.35% | 8.43% | 8.51% | 8.13% | 8.18% |

** Rates are currently being set for 2027-2028. Rates for 2029-2032 are shown to illustrate the impact of the chosen rates over the 6-year planning horizon*

The Council is working to solve utility rate affordability challenges by actively participating in regional bodies that inform the decisions of our external providers, including consideration of potential state and federal legislation to address issues driving cost increases.

- The **Street Operating Fund** continues to require additional funding to keep the fund in balance due to the ongoing pattern of expenses growing faster than revenues (primarily property tax). Consistent with the 2025-2026 Work Plan objective to "*identify options for dedicated funding for streets,*" the King County Transportation Benefit District sales tax funding pass-through and additional parking revenues have been allocated to the Street Operating fund.

**Funding Challenges**

Maintaining all current levels of service while adding the Kraken Iceplex and Kirkland Community Center (KIKCC) was difficult to achieve financially. Kirkland's conservative fiscal policies and strong reserves have positioned the City to weather turbulent times that have forced many other municipalities to cut services. However, this budget is a crossroads for Kirkland. To sustain current service levels and pursue community priorities, staff made difficult decisions and used a variety of creative funding strategies. Sustaining service levels in 2029 will require additional ongoing funding.

The challenge begins with the base budget. Before any new service packages, such as the KIKCC and the Kirkland Teen Union Building (KTUB), the General Fund has a structural deficit of about **$10.6 million** over 2027-2028. A structural deficit means that ongoing expenses exceed ongoing revenues. It is driven mainly by labor cost increases, with additional cost pressures from services including public defense costs, which are growing much faster than general government revenue.

The discussion that follows describes the City Manager's recommended budget in four steps:

- How conservative budgeting helps close the deficit;
- How the City proposes to pay for the services Council has prioritized;
- How the budget impacts the Strategic Anchors and Council Goals, and what happens to the budget after 2028; and
- What options exist to help address this structural challenge including the potential Community Safety Initiative 2.0.

**Disciplined Budgeting Closes the 2027-2028 Deficit**

Kirkland's conservative budgeting has allowed the City to close the 2027-2028 deficit and keep services in place. Three long-standing practices do much of the work:

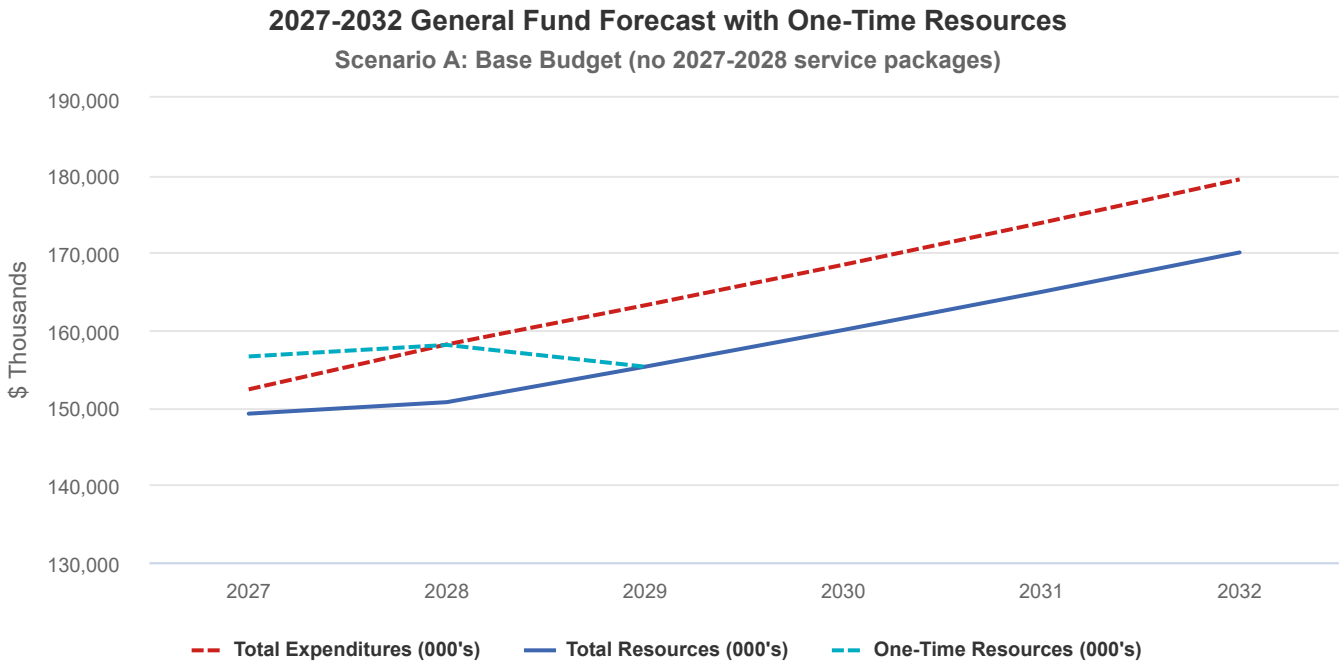
- **Sales tax is budgeted on a two-year lag.** Each budget is built on sales tax the City has already collected the previous year, not on projected growth. Growth is invested only once it appears in actual collections.
- **Positions are budgeted as fully staffed.** The budget assumes every authorized position is filled for the full year, with no vacancy, so every service the City provides is fully funded. Each year, staff turnover results in some under-expenditures that accrue some salary savings. The amount of savings varies each year and so is not assumed when the budget is balanced.
- **Private utility tax revenue projections do not assume full requested rate increases.** Private utilities like Puget Sound Energy (PSE) ask the Washington Utilities and Transportation Commission (WUTC) for rate increases that are often reduced or delayed before final approval. The City does not budget utility tax revenues based on the full requested rate increases, so a smaller approval by the WUTC does not create a tax revenue shortfall for Kirkland.

In a normal economic environment, these sound financial practices mean the budget rarely overestimates revenue or underestimates personnel costs, which make up roughly two thirds of General Fund expenses. Together with conservative interest earnings and tax and fee projections, they produced about $14.8 million of one-time General Fund balance available for 2027-2028, as shown on the following page.

### Results of 2025-2026 disciplined budget strategies

| Budget Practice | How it works | Fund Balance Generated ($000s) |
|---|---|---|
| Two-year sales tax lag | Sales tax budgeted on actual collections, not projected growth | $ 4,000 |
| Assume fully staffed personnel (0% vacancy) | Every authorized position funded for the full biennium | $ 6,000 |
| Utility tax rate increases not assumed in full | Private utility taxes not budgeted at full requested PSE rate increases | $ 2,500 |
| Conservative interest earnings estimates | Rates budgeted below interest actually earned | $ 1,500 |
| Conservative tax and fee estimates | Gambling and admissions taxes, public safety charges | $ 800 |
| **Total** | | **$ 14,800** |

The General Fund forecast below shows what that fund balance accomplishes. Scenario A is the ongoing base budget with no new service packages. Expenditures (dashed red line) exceed resources (solid blue line) by $10.6 million over the biennium. Applying $14.8 million of one-time fund balance, shown as $7.4 million in each year, covers the deficit and leaves about **$4.2 million** in fund balance to be used toward service packages.




| | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 |
|---|---|---|---|---|---|---|
| Total Expenditures (000's) | 152,337 | 158,145 | 163,200 | 168,433 | 173,851 | 179,459 |
| Total Resources (000's) | 149,198 | 150,684 | 155,264 | 160,009 | 164,927 | 170,024 |
| **Net Change (000's)** | **(3,139)** | **(7,461)** | **(7,936)** | **(8,424)** | **(8,924)** | **(9,435)** |
| **Biennial Net Resources (000's)** | | **(10,600)** | | **(16,361)** | | **(18,360)** |
| One-Time Resources (000's) | 7,391 | 7,391 | | | | |
| **Biennial Net Resources incl. One-Time (000's)** | | 4,181 | | (16,361) | | (18,360) |

### Investing in Council Priorities

The $4.2 million that remains is small compared with the cost of continuing and enhancing service levels as requested by the departments to help make progress towards Council Goals. Departments submitted 66 service packages totaling **$18.5 million** of General Fund requests, including full operations for the KIKCC, continued support for KTUB, a high level of human services grants, and extending one-time positions. The City Manager did not recommend 7 packages ($1.6 million), approved 4 at reduced levels ($0.2 million), and added funding to two Council priorities: increasing ongoing human services grants budget and a larger contribution to ARCH. That leaves 59 packages costing $17.3 million.

Table A below shows how the service packages are paid for. Table B, on the following page, summarizes how General Fund balances have been used and what funds remain. Program revenue from KIKCC and KTUB, the renewed King County Parks Levy, new affordable housing fees, school zone camera fines, summer paid parking at Juanita and Houghton Beach parks, grants and other dedicated sources provide $9.3 million. The remaining $8.0 million is covered by the $4.2 million in General Fund balance left after the base budget and $4.9 million of GEMT reserves. About **$616,000** remains after every package and the $750,000 set-aside for a possible ESHB 2015 police grant match (as described later in this discussion), above the City's $850,000 working capital target.

| Table A: Service Package Summary | 2027-28 ($000s) | Notes |
|---|---|---|
| **Service package requests that would draw on the General Fund** | | |
| Requested by departments (66 packages) | $ 18,501 | General Fund packages, plus Street and Development Services packages and the ARCH contribution funded from General Fund balance. |
| Not approved or approved at reduced levels (11 packages) | $ (1,771) | 7 packages not approved ($1.60M), including park security cameras and gates, school zone enhancements and the speed limit pilot; 4 approved at reduced levels ($0.17M). |
| Additional investments from the City Manager | $ 603 | Increased human services grants base funding and a larger ARCH contribution. |
| **Approved service package cost (59 packages)** | **$ 17,333** | |
| **How the approved packages are paid for** | | |
| KIKCC and KTUB program revenue | $ 2,803 | KIKCC admissions, memberships, programs and rentals ($1.68M) and KTUB program fees and partner revenue ($1.12M). |
| Summer paid parking at Juanita Beach and Houghton Beach parks | $ 435 | Net revenue transferred to the General Fund in 2028 for KIKCC operations, after $475K one-time setup. Estimated at $421K a year ongoing. |
| Increase from renewed King County Parks Levy | $ 1,400 | KIKCC implementation and the rest of KTUB. |
| New affordable housing fee-in-lieu revenue and REET for the ARCH contribution | $ 1,433 | Pays for the increased contribution to the ARCH Housing Trust Fund and transfer of SHB 1406 money to HS grants. |
| Increase lowest-tier school zone camera fine and recommend an additional school zone safety camera location | $ 604 | Pays for the additional camera ($293K) and the Municipal Court business analyst conversion ($311K). |
| Fire Prop 1 and GEMT | $ 579 | Fire and emergency management investments. |
| Other Sources | $ 2,082 | Business license revenue ($0.50M), grants and sponsorships ($0.65M), opioid settlement revenues ($0.092M), and utility rates, Development Services reserves and other funds ($0.84M). |
| General Fund balances used | $ 7,996 | Includes KIKCC operations net of revenue, human services Option B and renewed one-time positions. |
| **Total paid** | **$ 17,333** | |

| Table B: General Fund Balance Summary | 2027-2028 ($000s) | Notes |
|---|---|---|
| General Fund balance for packages, net of revenue above cost | $ 7,745 | $8.00M less $0.25M of business license, outreach, and court analyst revenue above the cost of those packages. |
| Set-aside for ESHB 2015 police grant match | $ 750 | |
| **Total General Fund balance needed** | **$ 8,495** | |
| General Fund base budget fund balance | $ 4,181 | $14.8M of one-time funds less the $10.6M base budget gap. |
| GEMT replaces General Fund contributions for selected Fire Department costs | $ 4,931 | IAFF retro pay, Fire fleet replacement and the Fire sinking fund. In addition to the $14.8M. |
| **Remaining one-time balance** | **$ 616** | **Unprogrammed balance after service packages and set-aside above $850K working capital target.** |

### GEMT Funding in the 2027-2028 Preliminary Budget

GEMT is a federal Medicaid supplemental payment for ground emergency medical transports (GEMT). GEMT partially reimburses the City for the cost of transporting patients to hospitals by the Kirkland Fire Department. Because the Fire Department budget comes primarily from the General Fund, GEMT reimbursements return to the General Fund and may be used for any General Fund purpose. Kirkland has deliberately limited use of GEMT funds for ongoing operating costs and budgeted expected reimbursements conservatively. This is because federal Medicaid policy has been uncertain and the long-term future of GEMT is unclear. GEMT has been used for capital projects such as new Fire Station 24 and to purchase Fire Department equipment and vehicles. GEMT also contributes part of Kirkland's share of the Regional Crisis Response Agency (RCR). This conservative approach has resulted in accumulating a GEMT reserve fund balance over time. The GEMT reserve balance provides $5.2 million (including $245,460 for two service packages) in one-time funding for the 2027-2028 Preliminary Budget, in addition to the $14.8 million of General Fund balance. GEMT has been applied to the 2025-2026 IAFF retroactive wage settlement, Fire fleet replacement charges, Fire sinking fund contributions and several service packages, as shown in the table below.

**GEMT Investments That Helped Balance the Budget**

| | 2025-2026 | 2027-2028 | Total |
|---|---|---|---|
| IAFF retroactive wage settlement (2025-2026) | 2,558,630 | - | 2,558,630 |
| Fire fleet replacement charges | - | 1,621,879 | 1,621,879 |
| Fire sinking fund contribution | - | 750,000 | 750,000 |
| OEM Office Specialist (27FD04) | - | 223,830 | 223,830 |
| RFID asset tracking (27FD05) | - | 21,630 | 21,630 |
| **Total GEMT** | **2,558,630** | **2,617,339** | **5,175,969** |

*IAFF retro was charged to GEMT in 2026, freeing the same amount of General Fund balance for 2027-2028. GEMT balance falls from $6.0M in 2026 to $1.4M in 2028.*

The caution around using GEMT for ongoing operations is now proving justified. In May 2026, the Centers for Medicare & Medicaid Services proposed a rule that would cap these payments at Medicare ambulance fee schedule rates. If adopted, this rule would sharply reduce GEMT funding to Kirkland as early as January 2029. As a result, it is unlikely that a new fund balance will be replenished from GEMT revenues. This one-time source of funding is not likely to be available in future budgets.

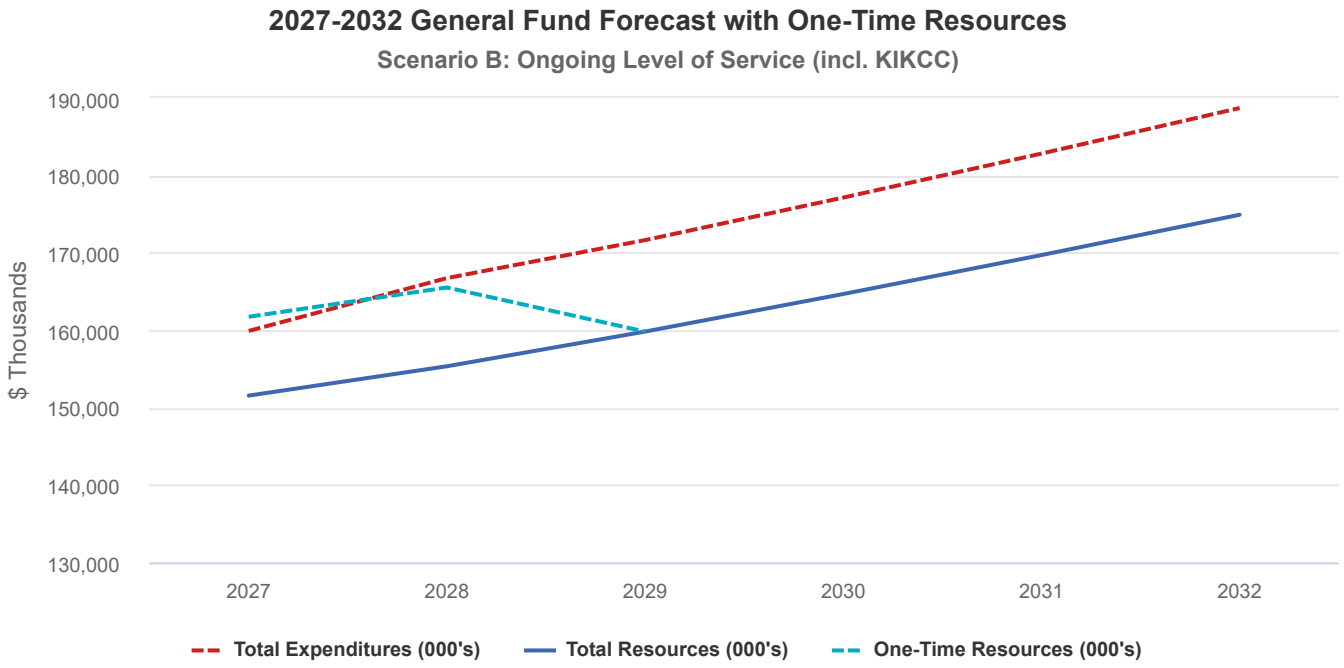
### Marina Park and Lake & Central Parking Lot Rate Increase

One additional revenue action that does not appear in the table is an assumed increase in parking rates at the Marina Park and Lake & Central parking lots to help close the gap in the Street Operating Fund. The Preliminary Budget assumes increasing the rate to $2 per hour and charging for parking on Sundays in the Marina and Lake

& Central parking lots. These increases generate an estimated $396,000 over the biennium (after factoring out operating costs of $42,500 per year) and are budgeted in the proposed 2027-2028 Street Fund.

### The Gap Returns After 2028

Balancing 2027-2028 depends heavily on one-time resources, and those cannot be relied upon in 2029-2030 and beyond. The forecast below shows Scenario B, the City Manager's preliminary budget with all ongoing levels of service, including KIKCC and KTUB. Without one-time resources, the 2027-2028 deficit would be $19.7 million. With about $20.4 million of one-time resources, the biennial budget is balanced, but the deficit returns at $24.3 million in 2029-2030 and $26.9 million in 2031-2032.




| | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 |
|---|---|---|---|---|---|---|
| Total Expenditures (000's) | 159,898 | 166,722 | 171,632 | 177,125 | 182,810 | 188,694 |
| Total Resources (000's) | 151,544 | 155,333 | 159,814 | 164,668 | 169,697 | 174,908 |
| **Net Change (000 's)** | **(8,354)** | **(11,389)** | **(11,818)** | **(12,457)** | **(13,113)** | **(13,786)** |
| **Biennial Net Resources (000 's)** | | **(19,743)** | | **(24,275)** | | **(26,899)** |
| One-Time Resources (000's) | 10,180 | 10,180 | | | | |
| **Biennial Net Resources incl. One-Time (000 's)** | | 616 | | (24,275) | | (26,899) |

### Kirkland's Strategic Anchors

Kirkland established three Strategic Budget Anchors as guiding principles for developing sustainable, affordable, and responsive government services to the community.

- **The Financial Forecast** – As presented in Scenarios A and B above, the forecast recognizes that the projected revenue is insufficient to fund Kirkland's current level of service starting in 2029. This "diverging line" problem is compounded if new services are added with one-time resources. Solving the diverging line dilemma requires careful planning and either curtailed City expenditures, significant new tax revenue, or a combination of new revenue and lower costs.

The other two anchors are presented in the next section:

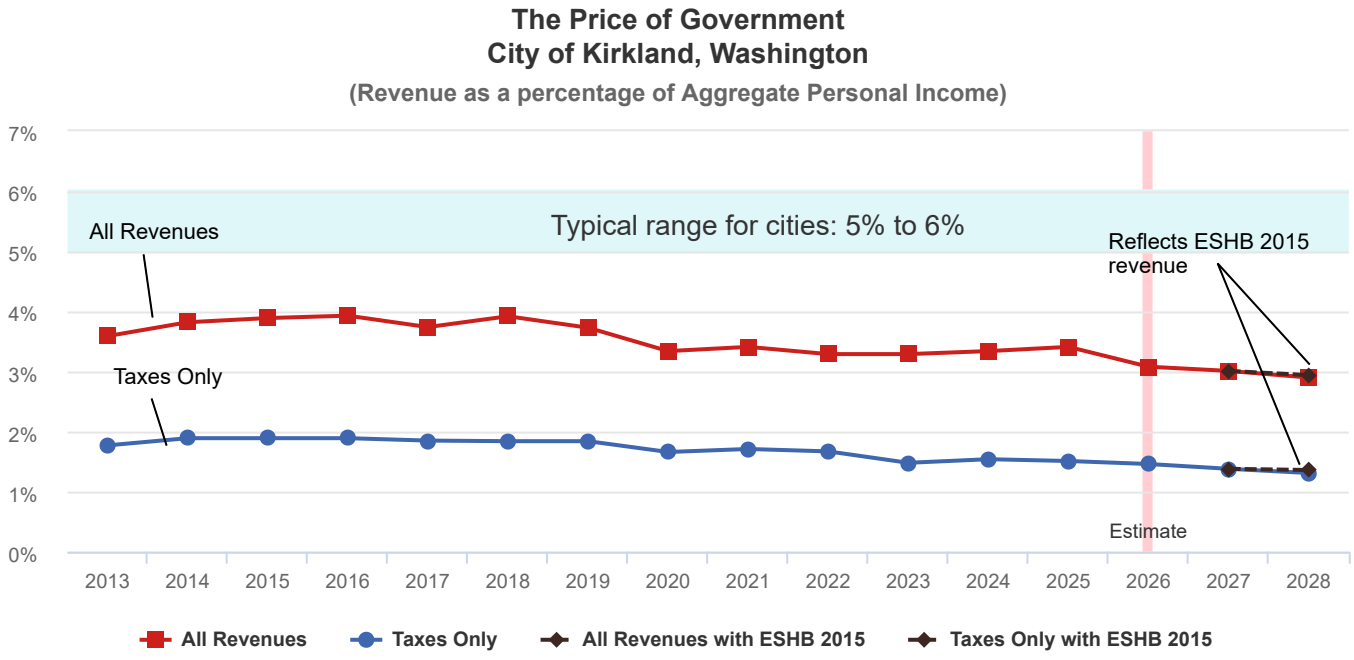
- **The Price of Government** – to ensure that Kirkland's services remain affordable to residents;

- **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 residents.

The balance among the Strategic Anchors is part of the framework for establishing a budget that makes measurable progress in implementing the Council Goals through an adopted biennial City Work Program.

**The Price of Government**

One test of any budget is whether city government remains affordable to the community. The Price of Government measures this by comparing the revenue the City collects from taxes, fees and utility rates with the aggregate personal income of Kirkland residents. Local governments typically fall between 5 and 6 percent. This concept is based on *The Price of Government: Getting the Results We Need in an Age of Permanent Fiscal Crisis* by David Osborne and Peter Hutchinson (2004). Kirkland has stayed well below that range for more than a decade, generally between 3 and 4 percent of personal income, and the proposed budget lowers it further: 3.01 percent in 2027 and 2.90 percent in 2028. Taxes alone amount to 1.38 and 1.31 percent. Part of this decline reflects the conservative budgeting practices described above, as well as rapid growth in per-capita personal income in Kirkland.




The Price of Government also shows how the Community Safety Initiative 2.0 would change affordability. If Council were to impose the 0.1 percent sales tax authorized by ESHB 2015, described in the final section of this message, the 2028 Price of Government would rise only from 2.90 to 2.94 percent, and from 1.31 to 1.36 percent for taxes alone. Kirkland would still remain far below the typical range.

**The Kirkland Quad – Resident Survey and Community Priorities**

One of the main tools used to assess responsiveness to the **community's priorities** is the **Community Survey**. The City conducts this survey every two years. The results of the most recent survey (in which data collection took place between May 4 and May 18, 2026) were presented to the City Council at the May 29 City Council retreat. The overall results indicated that 81 percent of those surveyed rated Kirkland as a "very good" or "excellent" place to live. An additional 13 percent 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 the following ways:*

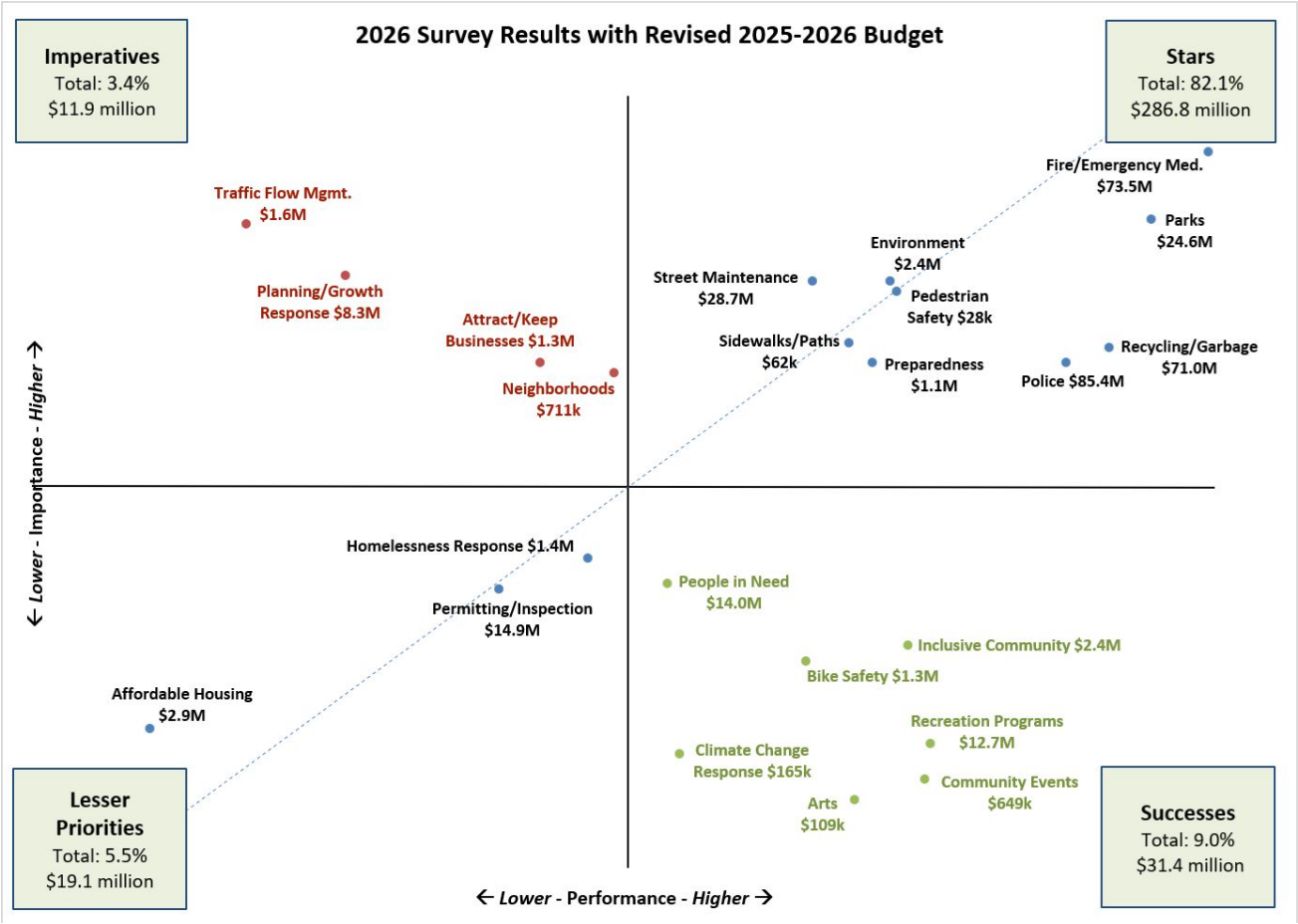
1. ***Improvement Opportunities: High Importance, Low Performance*** *(top-left quadrant) Services falling into this category should be viewed as opportunities for improvement. These are the items that residents feel are very important but the City could be doing a better job delivering. Improving the services in this quadrant are likely to have the greatest impact on improving residents' overall favorability of the City of the items tested.*
2. ***Satisfactory Performance: Comparable Importance & Performance*** *(bottom-left and top-right quadrants) Services in these two quadrants may be rated differently by residents; but in both scenarios, City performance for these services matches the importance that the residents attribute to them. The items in the top-right quadrant have been identified as relatively strong drivers of satisfaction with City services.*
3. ***Overperformance: Low Importance, High Performance*** *(bottom-right quadrant) This quadrant represents services where residents rank the City as performing well but are believed to be less important. While items in this quadrant can be considered successes with certain niche groups, for most residents, they are not major drivers of overall satisfaction with the City.*

*The diagonal line overlapping 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 residents value them. Items significantly left of the line may be potentially valuable improvement opportunities while items far right of the line may result in wasted resources if given too much focus.*"

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 that follows shows the 2026 survey results with the related operating expenditures on the services surveyed in the 2025-2026 Revised Budget. The chart does not include capital investments.

Key differences from the 2024 Community Survey & Kirkland Quad are as follows:

- **Neighborhoods** has shifted from Lesser Priorities to Imperatives due to increased importance.
- **Street Maintenance** has shifted from Imperatives to Stars due to increased performance.
- **People in Need** has shifted from Lesser Priorities to Successes due to increased performance.




A version of the Quad chart reflecting the 2027-2028 Preliminary Budget follows the *Key Recommendations by Goal Area* that are summarized in the next section.

**Key Recommendations by Goal Area**

The 2027-2028 Preliminary Budget recommendations are crafted to address the community and City Council priorities as much as possible with current resource constraints. As with past budgets, the recommendations are also shown in the context of the City Council adopted 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. Enhanced descriptions and funding details for each item are provided in the Service Package Detail document. These service packages are also noted in each of the department overviews, where they link departmental objectives to achieving Council goals. Note that Full Time Equivalent (FTE) refers to regular ongoing positions. Limited Term Employee (LTE) is a term for temporary positions that have an end date. Specific policy issue papers that are included with the budget have also been highlighted under the appropriate Council goal.



Inclusive and Equitable Community

**Kirkland is a diverse and inclusive community that is concerned for the welfare of all community members and where everyone is respected, valued, and has a sense of belonging.**

**Goal:** Protect and serve all those who live in, work in or visit Kirkland without regard for race, religion, color, national origin, gender identity, age, income or economic status, political affiliation, military status, sexual orientation, or physical, mental or sensory ability; strive for equitable access to justice and eliminate systemic barriers to equality.

- Restart the City's Supported Employment Program by adding two 0.5 FTEs and one part-time intern to provide paid employment opportunities for individuals with developmental disabilities in integrated work settings. These positions are unfunded and housed in HR. As supported employment opportunities are identified in departments, HR will move the position to the department and fund with identified budget savings. The positions do not require medical benefits since these individuals receive benefits from the State. [27HR05]
- Continue a 0.75 LTE Service Desk Analyst position through the end of 2028, filled by a young adult with learning disabilities, in alignment with the Department's and City's DEIB goals. The position supports the Service Desk team including supporting laptop replacement, completing onboarding/offboarding tickets, surplusing of aged equipment, organizing and tracking IT equipment, and monitoring the IT ticket queue, $225,093 one-time, offset by $225,093 in IT reserves. [27IT02]
- Continue funding for the City newsletter, the Kirklander. Continuing funding supports the ongoing production and citywide distribution of the Kirklander newsletter, allowing the City to provide residents with accessible information about major initiatives, services, programs, and opportunities for community involvement, $70,000 one-time. [27CM04]
- Continue funding for specialized professional services for various outreach and engagement activities, cultural group sponsorships, cultural events, and cultural art that support Kirkland's expansion of being a safe, inclusive, and welcoming place where everyone belongs, $100,000 one-time. [27CM05]
- Continue one-time funding for citywide employee development programs administered through the Career Development Team, including Leadership Bootcamp, Women's Leadership Summit, Managing to Excellence, and DEIB training, $50,000 one-time. [27HR03]
- Continue a 1.0 LTE Administrative Assistant through 2027 that provides essential support to the Building Division, handling payroll, invoicing, contracts, onboarding and recruitment, special projects, and other high-level administrative responsibilities, allowing other staff to deliver an inclusive and equitable experience for the community, $140,611 one-time, offset by $140,611 in Development Services reserves. [27PB02]
- Increase the Public Disclosure Reserve to be responsive to the public while responding to workload, staffing, litigation, or other significant public disclosure needs. $250,000 one-time, offset by current Public Disclosure Reserve funding of $100,000. [27FA04]

- Convert the ongoing Judicial Specialist to Business Analyst position (1.0 FTE) to support JIS operations, ongoing technology initiatives including the Enterprise Justice transition/implementation. The Business Analyst role will focus on developing accessible, user-friendly solutions, and identify opportunities to remove process barriers for underserved communities—ensuring fair, transparent, and inclusive services for court users and employees, $311,164 ongoing, offset by $254,155 in expenditure savings from the reclass of the Judicial Specialist, and $77,791 in one-time additional School Zone Safety Camera (SZSC) fine revenue from increasing the lowest-tier SZSC fine. [27MC01]
- Absorb significantly increased ongoing costs of public defense due to reduced case load standards as mandated by the Washington Supreme Court.



Vibrant Neighborhoods

**Kirkland community members experience a high quality of life in their neighborhoods**

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

- Fund the 2028 Community Survey to assess priorities and satisfaction, $80,000 one-time. [27CC01]
- Continue funding for Community-Building Events Sponsorship Programs (formerly Neighborhood Matching Grants) to give the community access to City funds to improve engagement and participation opportunities through partnerships between the City and the applicant groups–building community participation and volunteerism (e.g., picnics and traffic circle maintenance) and help build a sense of civic connection and place, $25,990 one-time. [27CM09]
- Continue Community Engagement Coordinator (1.0 LTE) to support Council community engagement activities, such as the Conversations with Council program and others. This supports the City's DEIB efforts by creating more accessible and inclusive opportunities for community members to engage directly with the City Council, $355,400 one-time. [27CM11]
- Establish a Community Building Facilities Grant Program to support community-based nonprofit organizations serving Kirkland residents. Funding helps eligible organizations address capital, infrastructure, facility improvement, and furniture, fixtures, and equipment (FF&E) needs that may otherwise be difficult to fund, $100,000 one-time. [27CM12]
- Continue providing support for the Kirkland Performance Center (KPC) annual operations. $100,000 one-time. [27PK08]
- Increase Neighborhood Safety Program funding from $350,000 to $425,000 per year to expand the program's reach each year, and seek Council direction on the program's future structure (current competitive model, four-year neighborhood cohorts, or four-quadrant community enhancement program), evaluation process, and funding level. For more information, see the *Neighborhood Safety Program* issue paper.



Community Safety

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

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

- The City is proposing to add two additional automated safety cameras in a new school zone. This aligns with the Transportation Safety Action Plan. Staff have identified several candidate locations based on crash data, speeds, and multimodal activity, with final placement to be determined through engineering study and City Council discussion, $287,851 ongoing, $5,000 one-time, offset by $828,000 in school zone camera fines. [27PD03]
- Modernization of the Kirkland Fire Department's key system by implementing the Knox eKey electronic access platform. This includes installing eKeys, KeySecure and KeyDefender devices, and eCore hardware across all stations and emergency vehicles, replacing outdated mechanical keys with cost estimates at $5,600 ongoing, $94,300 one-time. [27FD01]
- Replace existing Fire Department systems and manual workflows with integrated technology to support pre-incident planning, inspection activities, and fire investigations, $35,400 ongoing, $4,300 one-time and $19,600 in expenditure savings by sunsetting existing software. [27FD02]
- Funding to support maintenance of the unique technologies that support Fire response operations and the health and wellness of responders. Failure to maintain its locution alerting and audio visual systems reduces the ability to respond quickly and effectively to 911 dispatches. Failures of the Nederman exhaust system expose our staff to unhealthy and carcinogenic particulates and undermine the work done to design our recently remodeled stations with "health-in health-out" standards. These maintenance costs are currently not part of the facility fees that the department currently pays, $34,000 ongoing. [27FD03]
- Maintain staffing of the Office of Emergency Management (OEM) at current levels by funding the OEM Office Specialist 1.0 LTE position. This position is critical for maintaining the operational readiness of the EOC, the OEM SharePoint and public webpage, and the care and sustainment of the City's disaster, mass care, and public outreach supply inventory, $223,830 one-time. [27FD04]
- Enable radio-frequency identification (RFID) capabilities in Fire Asset/Inventory control software to ensure accurate and consistent tracking of hard assets and consumable resources, $16,530 one-time, $5,100 ongoing. [27FD05]
- Funding for a fire strategic plan which is a long-range roadmap that a fire department uses to guide its services, investments, staffing, and community programs over several years. It lays out where the department is today, where it needs to go, and how it will get there, $200,000 one-time. [27FD06]
- Fund the addition of 0.25 FTE to the ongoing Community Court Coordinator position increasing from 0.75 FTE to 1.0 FTE. The position sits at the intersection of court operations, community partnerships, and equity initiatives and is anticipated to serve approximately 50 participants during 2027–2028, $64,135 ongoing, offset by $64,135 Therapeutic Court Funding from the Washington State Administrative Office of the Courts (AOC). [27MC02]
- Continue professional services funding through 2028 to meet plan review obligations and provide structural and building plan reviews for complex projects. The cost of this service is directly paid by permit applicants, $200,000 one-time. [27PB03]
- Receive an update on Fire Operations overtime, which has trended down since its 2024 peak but remains driven by the 24-person daily minimum staffing requirement, sick leave use up 22% in 2026, and retirement-related vacancies. This information helps staff and Council identify opportunities for savings in controllable areas such as committee, administrative, and training-related overtime. See the *Fire Operations Overtime* issue paper.

Supportive Human Services

**Kirkland supports a regional coordinated system of human services designed to meet the basic needs of our community and remove barriers to opportunity**

**Goal:** Meet basic human needs, help people through economic and personal crises, help individuals thrive, and strive to remove barriers to allow all equal opportunities to succeed.

- Human Services program grants funding totaling $5.22 million for 2027-2028. Of this, $3,956,121 is ongoing base funding which includes $89,126 in funding from CDBG (ARCH-related CDBG grants and Trust Fund allocations are listed under the Housing Goal), $189,200 in Multifamily Tax Exemption paid to the City to support the Eastside Women and Family Shelter, and $433,000 of SHB 1406 affordable and supportive housing sales tax reallocated this biennium to rental assistance grants. The $5.22 million total grants funding also includes one-time funding for the following:
  - Human Services enhanced grant funding (Option B) of $1,268,628, one-time. [27PK07]
  - For more information about ongoing and onetime funding in the 2027-2028 budget, see the *Human Services* issue paper.
- Continue funding the Kirkland Health and Wellness Fair to provide free access to healthcare services, including flu shots, basic screenings, dental procedures, and a community resource fair, $110,000 one-time. [27PK05]
- Revised pilot with the King County Sexual Assault Resource Center (KCSARC) for a Sexual Assault Advocate (SA Advocate) dedicated to serving SA victims in Kirkland, $100,000 one-time. [27CM06]
- Continue funding the 1.0 LTE Jail Navigator, who supports Kirkland City Jail residents by connecting them with treatment, behavioral health care, housing, benefits, and other reentry resources, $298,998 one-time, offset by $46,063 in COSSUP grant funding. [27PD01]
- Continue funding the 1.0 LTE Kirkland Cares Low Income Support Program (KCLISP) Program Coordinator, providing utility discounts and rebates for income-qualified residents to help mitigate the impacts of inflation and higher utility rates. $316,396 one-time, offset by $19,793 of Low Income Utility Discount Program (LIUDP) reserve funding. [27FA03]
- Continue funding a 0.5 LTE Office Specialist to support the administrative infrastructure needed to continue the human service pooled fund agreement with eight neighboring cities, $125,796 one-time, offset by $63,710 in payments from participating cities. [27PK11]
- Continue funding direct services for unsheltered residents, including homeless outreach flexible funds, the hotel set-aside pilot, shower and laundry services, Move-in Ministry, case management software, and severe weather hotel vouchers, $245,260 one-time. [27PK06]
- Continue funding the 1.0 LTE Senior Management Analyst to support policy development, especially for human services and homelessness response, along with procedural updates, Council memos, data analysis, and special projects. This role is critical to keeping the Parks and Community Services department functional and responsive by maintaining service levels and department capacity, $356,203 one-time. [27PK03]
- Receive the biennial update on the Homelessness Continuum of Care Action Plan (10 of 77 actions complete, 40 ongoing, 27 proposed) and consider additional investments to sustain 14 ongoing actions at current service levels. For further information, see the *Homelessness Continuum of Care Action Plan* issue paper.



Balanced Transportation

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

**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.

- Fund a 1.0 LTE Utility Craftsperson in the Sign Shop to maintain service levels as sign inventory grows from recent transportation projects. The position will also support the Council-directed Speed Reduction Implementation Project, upcoming parking signage changes and Station Area signage, and will help reduce the preventive maintenance backlog, $264,831 one-time. [27ST01]
- Fund implementation of the Council-directed Parking Study in two phases. In 2027, raise Lakeshore and Lake St. parking rates from $1 to $2 per hour, extend paid parking to Sundays, start summer paid parking at the Houghton Beach and Juanita Beach lots, and install counters and dynamic signage in the Municipal Garage. In 2028, conduct outreach on establishing on-street parking fees, $229,000 ongoing, $557,700 one-time, offset by $1,467,278 in new parking revenue and $193,980 of off-street parking reserves. Net revenue from increases to existing parking areas will support the Street Operating Fund. [27ST06]
- Funding for an additional Miovision Mobile camera unit traffic counter and a Vivacity Labs camera traffic counter, $4,300 ongoing, $20,000 one-time. [27PW02]
- Fund continuation of the three-city partnership to operate and maintain the existing Bellevue/Kirkland/Redmond (BKR) Traffic Model, $84,000 ongoing, $10,000 one-time. [27PW03]
- Add funding to update existing Intelligent Transportation System (ITS) Plan, $85,000 one-time. [27PW05]
- Fund software subscriptions for transportation analysis, design, and data collection, $22,000 ongoing, $10,000 one-time. [27PW07]
- Funding agreement with Eastrail Partners to implement community-informed programming, communications, and coalition building to support the regional Eastrail trail system, $20,328 one-time. [27PW08]
- Review the Automated Safety Camera Program Evaluation, which found 85$^{th}$ percentile speeds fell 3 to 9.5 mph at all eight school-zone camera locations, and consider future expansion beginning with candidate locations near Lake Washington High, Juanita High, and Juanita Elementary Schools. For further information, see the related *Automated Safety Camera Program Evaluation* issue paper.
- Fund safety enhancing Non-motorized Transportation CIP projects totaling $13.3 million for 2027-2028 ($1.4 million in external funding), including $2.6 million for improvements at 7$^{th}$ Ave/NE 87$^{th}$ ST.
- Fund Traffic Improvement CIP projects totaling $4.2 million in 2027-2028, including $3.0 million to complete intersection improvements at 122$^{nd}$ Avenue NE at NE 70$^{th}$ Street.



Abundant 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:** Provide and maintain natural areas and recreational facilities and opportunities that enhance the health and wellbeing of the community.

- The Kraken will finance and construct the entire Kraken Iceplex and the Kirkland Community Center, including the City-operated community center on the second floor. To ensure that the City-operated community space is designed according to Kirkland community needs, staff have contracted design review services and outside legal counsel to provide assistance on the multiple complex agreements to ensure alignment with the City's stated goals and objectives. In addition, supplemental resource is included to allow staff to

dedicate the appropriate capacity to ensure the successful completion of this project, $851,399 one-time, $3,040 ongoing, offset by $501,414 in King County Parks Levy funds. [27CM01]

- In 2027, the City will begin summer paid parking at the Houghton Beach and Juanita Beach lots. After one-time and ongoing expenses, $435,202 net revenue from summer parking in the two parks lots will contribute to fund the Kraken Iceplex and Kirkland Community Center (KIKCC) operational expenses. [27ST06]
- Fund the ongoing operations of the Kraken Iceplex and Kirkland Community Center (KIKCC) with an anticipated opening date of January 2028. The facility will expand access to recreation, fitness, and community gathering space in a rapidly growing area of the city. Designed to meet diverse community needs, the center will offer daily access to fitness amenities, robust program offerings for all ages, and flexible rental space, $2,890,946 ongoing, $18,250 one-time, offset by $1,679,201 in program revenue and $435,202 in parking fees. [27PK01a]
- Fund the start-up costs required to prepare and outfit KIKCC, including supplies, furniture, and computer hardware required to furnish the facility. $739,792 one-time. [27PK01b]
- Continue funding popular community-building events such as Harvest Festival, Dia de los Muertos, Lunar New Year, See Spot Splash, Junk in the Trunk, and the award-winning International Night Market, $454,458 one-time, offset by $206,000 of revenue. [27PK02]
- Continue funding the 1.0 LTE Education and Outreach coordinator to strengthen Parks and Community Services' (PCS) ability to ensure residents are better informed about programs, projects, construction updates, registration opportunities, and public input processes, while also improving the department's capacity to engage the community in a timely, coordinated, and accessible manner. $362,912 one-time, offset with $400,000 in revenue. [27PK04]
- Provide funding for the Kirkland Teen Union Building (KTUB) operations, including comprehensive programs and services for teens, a mental health clinician, expanded teen recreation programs, high school internships, mobile recreation, and daytime activation of the facility to expand youth camps, preschool programs, and adult programs. Youth Eastside Services (YES) and 4 Tomorrow are operating partners offering mental health services and art therapy, $2,002,834 one-time and $19,046 ongoing, offset by $1,123,294 in grants, new program fees, and rental revenues. [27PK09]
- Continue to fund the use of Special Event Permitting Software to centralize applications, documentation, and departmental reviews, streamlining the permitting process for special events organizers. $116,000 ongoing, offset with $80,000 of expenditure savings. [27PK12]
- Fund maintenance for additions in service levels, including Juanita Beach North, the Kingsgate church acquisition, Miller and Daniels properties, and other parcel acquisitions. $488,513 one-time, offset with $172,470 of revenue. [27PK13]



Attainable Housing

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

**Goal:** Provide access to housing and encourage the construction and preservation of housing stock that meet a diverse range of incomes and needs.

- Increase A Regional Coalition for Housing (ARCH) Housing Trust Fund contribution to $1,433,000 over the biennium, on a one-time basis. [27PB05]
- Continue CDBG contribution to ARCH Housing Trust Fund, $344,314 one-time.
- Explore opportunities to deploy existing REET set-aside to purchase and expand affordable housing development.
- Continue funding Building Division overtime to maintain current operations and accommodate peak workloads. The additional overtime hours will be used during peak workloads to ensure the City is meeting permit intake timelines, plan review deadlines, and inspection obligations. $100,000 one-time, offset by $100,000 in Development Services reserves. [27PB06]

- Upgrade Planning software to allow staff to organize tasks, track duties, and provide timelines of projects for long-range and other projects, and increase project management efficacy and efficiency, $5,800 ongoing, $10,000 one-time, offset by $15,800 in Development Services reserves. [27PB07]
- Continuing a 1.0 LTE Senior Planner responsible for bridging the gap between the Department's long-range and current planning work, $367,514 one-time, offset by $367,514 in Development Services reserves. [27PB08]




**Kirkland community members enjoy high-quality services that meet the community's priorities**

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

- Continue compliance with the adopted Fiscal Policies that retain Kirkland's AAA credit rating.
- Continue modified two-year sales tax lag to protect against economic downturn.
- Continue funding a 1.0 LTE Paralegal to ensure that the City is receiving high-quality legal services in the most cost-effective way, freeing up time for attorneys to work on more complex client issues. $313,299 one-time. [27CA01]
- Fund a comprehensive cost of service and fee study for Development Services, aligning development-related revenues with expenditures and reducing General Fund support of development review. $150,000 one-time, funded via Development Services reserves. [27FA01]
- Continue funding a 1.0 LTE Customer Accounts Associate for Business License Enforcement to identify unlicensed businesses and coordinate compliance efforts with the Code Enforcement Division and the City Attorney's Office. $259,041 one-time, offset with $200,000 of ongoing revenue and $254,000 of one-time revenue. [27FA02]
- Continue funding to extend the One-time Human Resources Assistant (1.0 LTE) for 2027-2028. This position supports the HR Department's growing workload by supporting recruitment, onboarding staff and providing customer service along with other clerical functions including scheduling meetings, planning special events, maintaining records among others, $254,437 one-time. [27HR01]
- Fund a comprehensive benefits benchmarking and market competitiveness study to evaluate the City's total rewards package against comparable public-sector employers and relevant labor market peers, $80,000 one-time. [27HR04]
- Continue contracting for State Legislative Advocacy services to support the City's interests. Under the current contract, in addition to a host of priority policy successes, the City's contractor has helped secure millions of dollars in Capital and Transportation funding, $192,000 one-time. [27CM07]
- Continue contracting for Federal Lobbying services. The Federal lobbyists track policy implications for Kirkland and the community, often identifying potential impacts to our underserved population, $48,000 one-time. [27CM08]
- Replenish and enhance reserves as summarized in the table that follows showing the recommended replenishments and target status according to current Fiscal Policies:

| Reserves | Estimated 2027 Beginning Balance | Projected Changes | Projected 2028 Ending Balance | 2027-2028 Target | Revised Over (Under) Budget |
|---|---|---|---|---|---|
| **General Purpose Reserves With Targets** | | | | | |
| Contingency | 7,210,156 | 273,989 | **7,484,145** | **7,484,145** | **-** |
| General Capital Contingency [1,2] | 5,797,951 | - | **5,797,951** | **4,443,283** | **1,354,668** |
| General Oper. Reserve (Rainy Day) | 7,417,705 | 89,583 | **7,507,288** | **7,507,288** | **-** |
| Revenue Stabilization Reserve | 4,917,775 | 635,863 | **5,553,638** | **5,553,638** | **-** |
| Council Special Projects Reserve | 250,000 | - | **250,000** | **250,000** | **-** |
| Building & Property Reserve | 886,599 | - | **886,599** | **600,000** | **286,599** |
| **General Purpose Reserves with Targets** | **26,480,186** | **999,435** | **27,479,621** | **25,838,354** | **1,641,267** |
| **All Other Reserves With Targets** | | | | | |
| REET CIP Contingency: | | | | | |
| REET 1 | 5,201,312 | (1,469,956) | **3,731,356** | **1,557,560** | **2,173,796** |
| REET 2 | 2,491,280 | 1,379,857 | **3,871,137** | **1,557,560** | **2,313,577** |
| **Other Reserves with Targets** | **7,692,592** | **(90,099)** | **7,602,493** | **3,115,120** | **4,487,373** |

[1] Balance includes $3,500,000 borrowed for Parks Maintenance Center Capital Projects that will be reimbursed via ten scheduled payments beginning in 2021, as well as $4,400,000 borrowed for Kingsgate property purchase that will be reimbursed in the 2027-2028 biennium.

[2] General Capital Contingency is equal to ten percent of the funded two-year CIP budget.

- Continue funding Learning Management System (LMS) software offering safety and compliance training for staff.
- Continue funding NeoGov subscription as a citywide recruitment and candidate management tool.
- Continue partnering with the Association of Washington Cities to administer the City's Workers' Compensation Program.
- Provide ongoing support for Wellness Program for the health and well-being of employees, including health incentive awards and prizes.
- Review the *Credit Card Fees* issue paper, which shows the City collected $64.7 million in card sales in 2025 (up 14%) at roughly $1.0 million in fees (1.6%), and studies the experience of Bellevue, Redmond, and the Court in advance of the budget process to inform Council consideration of whether to pass fees to customers.
- For further information about the City's investment and progress in the Healthy Kirkland Initiative, see the related *Healthcare Program* issue paper.



Sustainable Environment

## Kirkland is committed to the protection of the natural environment through an integrated natural resource management system

**Goal:** Protect our natural environment through sustainable goals and practices to meet the needs of community members for a healthy environment and clean energy without compromising the needs of future generations.

- Funding consultant services for a land capacity analysis update to monitor forecasted growth in the 2044 Comprehensive Plan and run additional modeling scenarios (including middle housing growth assumptions) to inform land use decisions, transportation modeling, and utility systems plans, $40,000 one-time. [27PB01]
- Continue funding to use outside consultants for environmental review and for short plats or other land use permits when volumes exceed capacity, $20,000 one-time. [27PB04]
- Continue the Energy Smart Eastside (ESE) program administration to retain the City's participation in the ESE program as part of the Eastside Climate Partnership (ECP) ILA. Funding this request preserves

existing service levels and provides ongoing funding of an energy advisor who provides grant writing, grant administration, marketing and education for community members city-wide, one-time $300,000. [27PB10]

- Continue funding the Bi-annual Carbon Emission Reporting as directed by the Comprehensive Plan and Sustainability Strategic Plan, $20,000 one-time. [27PB11]
- Establish ongoing funding to provide ORCA transit passes to City employees to encourage transit ridership and meet Commute Trip Reduction (CTR) goals. Providing transit passes to all employees is an equitable way to ensure employees can safely and conveniently commute to work, $80,000 ongoing. [27PW04]
- Continue funding Kirkland's Advanced Mitigation Program for ongoing maintenance in the Juanita Bay Advanced Mitigation Program site. This funding will maintain the site in perpetuity so as to sustain the ecosystem gains accomplished by the capital project. $25,000 ongoing. [27PK14]
- Provide financing for Sewer utility CIP projects totaling $5.0 million for 2027-2028, including $2.0 million for I-405 Crossing from NE 70th ST to NE 68th St.
- Establish adequate 2027-2028 rates for the Sewer, Surface Water, Solid Waste, and Water utilities to invest in maintaining and enhancing services to provide safe drinking water, safely dispose of waste and support recycling, treat wastewater, protect water quality, reduce flooding and improve fish habitat, resulting in:
  - $9.0 million increase in Sewer revenues
  - $3.8 million increase in Surface Water revenues
  - $7.4 million increase in Solid Waste revenues
  - $5.7 million increase in Water revenues
- Provide financing for Surface Water utility CIP projects totaling $5.6 million for 2027-2028, including $3.0 million for High Woodlands Stormwater Mgmt near NE 145th Street-Site 1.



Thriving Economy

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

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

- The City historically receives $60,000 per year in grant funding through the Port of Seattle. This grant funds various economic development programs and activities such as the ShopLocalKirkland.com and ExploreKirkland.com websites, and specialized consultants for small business support and digital marketing, $120,000 one-time. [27CM03]
- Continue funding for community programs and events, $112,000 one-time, $80,000 offset by Waste Management grant funding. [27CM02]
- Recognizing 4Culture 2025 Arts Sustained Grant Funding - $36,000 each year for three years (2025-2027) - $108,000 in total. Used to fund public art through the Kirkland Cultural Arts Commission (KCAC), $72,000 one-time. [27CM10]
- Establish an AI-Based permitting tool along with a new 1.0 LTE Business Analyst to make the permitting process easier to navigate, faster, and more efficient for both permit applicants and City staff, $407,654 one-time offset by $407,654 in Development Services reserves [27PB12]
- Consultant services to support evaluating the long-term market viability of light industrial and office uses, identify key opportunities and constraints that may influence future land use decisions and development potential, assess the potential for residential and mixed-use development, and potentially initiate work on the Totem Lake Southern Industrial Subarea (SIS) Plan, $150,000 one-time. [27PB13]
- Tourism Development Committee (TDC) Grants from Lodging Tax are $80,000 for 2027. The TDC's 2028 recommendation will be included in the mid-biennial budget process. See the *Outside Agencies and Tourism Funding* issue paper for more information.



Dependable Infrastructure

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

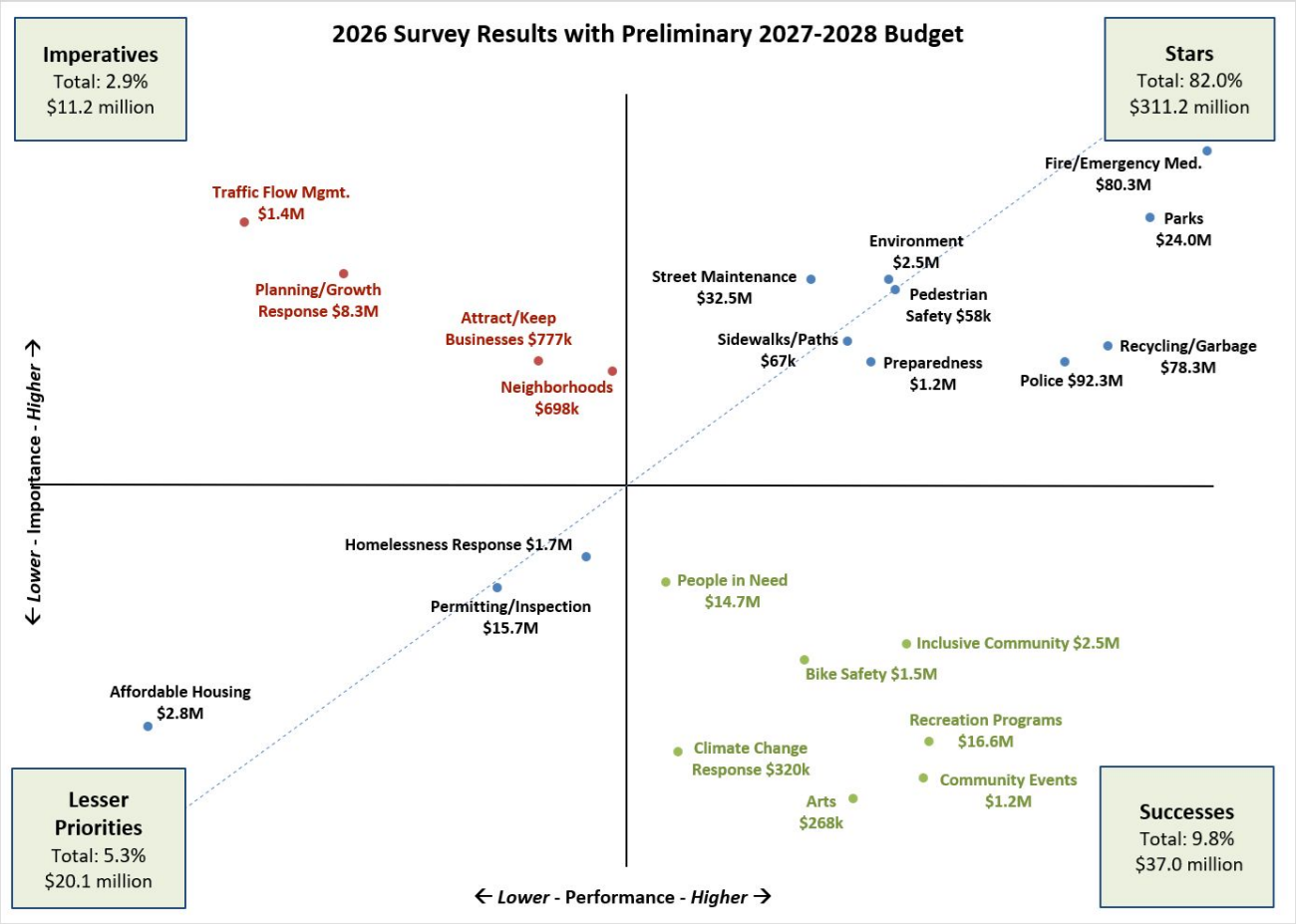
**Goal:** Maintain levels of service commensurate with growing community requirements at optimum life-cycle costs.

- Continue existing Office Specialist position (1.0 LTE) to maintain Public Works development review capacity. This position assists the public at the front desk in City Hall to free up Permit Technicians and Engineers to focus on permit review, one-time $237,595, offset by $237,595 of development reserves [27DE01]
- Continue existing Temporary Construction Inspector position (1.0 LTE) for Public Works development review. The proposed temporary Construction Inspector position would continue to facilitate the Division's continuity of service if the need to backfill the current full-time position were to arise and address increased workload, one-time $328,205, offset by $328,205 of development reserves. [27DE02]
- Continue existing 1.0 LTE GIS Technician position through the end of 2028. This role provides essential support by taking on routine technical tasks, allowing GIS Analysts to focus on complex work and innovative solutions. Continuing the position will sustain team capacity and advance ongoing GIS initiatives, $278,628 one-time, offset by $278,628 in IT Reserves. [27IT01]
- Continue existing 1.0 LTE Technical Project Manager in Information Technology (IT) as a 0.5 LTE and convert a 0.5 FTE Office Specialist to make the position an ongoing/one-time 0.5 FTE/0.5 LTE position through the end of 2028. The TPM role has added significant efficiencies in the planning and execution of technology projects for other departments, $217,040 ongoing, $217,041 one-time, offset by $127,039 in salary savings and $307,042 in IT Reserves. [27IT03]
- Fund additional cloud storage for SharePoint, to support the migration of the H: Drive. The June 2024 outage highlighted the City's reliance on the H: Drive, and several departments have since expressed the need to migrate this data to SharePoint. This transition would strengthen business continuity and resilience while enabling improved integration with Microsoft Copilot, automated data governance, and enhanced protection of sensitive information, $130,000 one-time, offset by $130,000 in IT Reserves. [27IT04]
- Add a Facilities Technician 1 (1.0 FTE) starting 2028 to help manage increased building square footage as the City's building portfolio grows with the addition of the Iceplex Community Center in 2028, $130,457 ongoing, $74,107 one-time. [27FC01]
- Add funding for training for project management staff in the Public Works Capital Improvement Program (CIP), $22,900 one-time. [27PW01]
- Fund on-call support for development review services, $150,000 one-time, offset by $150,000 in development services fee revenue. [27PW06]
- Fund the Surface Water Opportunity Fund for repairs and replacement of surface water infrastructure adjacent to new development projects by leveraging private development, $150,000 one-time. [27SD01]
- Fund Surface Water Aging Pipe Implementation Plan to provide for prioritization of critical pipe replacements, $100,000 one-time. [27SD02]
- Increase the one-time LTE hours for the Public Works Maintenance Center (PWMC) Office Specialist from 0.25 to 0.50 through the 2027-2028 biennium, bringing the position from its ongoing 0.50 FTE to a full 1.0. A 0.25 LTE has supplemented the position since 2023, and the additional hours address rising Fleet and Facilities invoice volume and provide backup support for the Maintenance Center, $127,036 one-time. [27ST03]
- Fund Phase 2 of the Utility Rate Study to complete a cost of service and rate design analysis across the water, sewer, surface water, and solid waste utilities and update the Capital Facility Charges model, with $25,000 costs shared equally among the four utilities, $100,000 total one-time. [27WA01]
- Add a Water and Wastewater Utility Policy Advisor (1.0 LTE) or equivalent contracted resource starting 2027 to provide strategic guidance on the Cascade Water Alliance Supply Project and Phase 1 planning of the Capital Funding Plan, $533,014 one-time. [27WA02]

- Finance Water Utility CIP projects totaling $21.7 million for 2027-2028 including $16.4 million for the Replacement of South Reservoir and $4.9 million for Highlands Water System Improvements/116th Ave NE Watermain Replacement.
- Fund Street Improvement CIP projects totaling $12.8 million in 2027-2028, including the Annual Street Preservation Program and the NE 132nd Street Preservation project.
- Finance Information Technology CIP projects totaling $4.1 million for 2027-2028 including $770,000 for On-Premise Virtual Hyperconverged Infrastructure (HCI) Replacement, and $3.2 million for the Network Refresh.
- Finance Facilities CIP projects totaling $2.6 million for 2027-2028 including $751,600 for Mechanical/HVAC System Replacements and $1.4 million for Painting, Ceilings, Partition, and Window Replacements.

The version of the Quad that follows reflects the 2027-2028 Preliminary Budget. The City is investing an additional $24.4 million into goal areas identified as strong priorities with higher performance ("Stars") by survey respondents. Highlights of these investments include:

- **Recycling and Garbage Collection** is increasing $7.3 million to meet the higher regional and local costs of providing Solid Waste services.
- **Police Services** are increasing $6.9 million due to increased investments in personnel wages and benefits and services charges required to support the department's capacity.
- **Fire and Emergency Medical Services** are increasing by $6.8 million due to increased investments in personnel wages and benefits and increased investments in the Mobile Integrated Health (MIH) program, funded with EvergreenHealth Levy dollars.
- **Streets Maintenance** is increasing $3.8 million due to additional Transportation Benefit District (TBD) investments, as well as increased capacity with new personnel.
- Additionally, **Recreation Programs and Classes** ("Successes") are increasing $3.9 million due to investments into the Kraken Iceplex and Kirkland Community Center (KIKCC), which is scheduled to open in January 2028.



The three Strategic Anchors demonstrate that the Preliminary 2027-2028 Budget is balanced, responsive and affordable. No general tax increase beyond the 1% property tax was used, all required reserves are fully funded, and all fiscal policies needed to maintain Kirkland's AAA credit rating have been met. However, using one-time resources to maintain existing service levels in 2027-2028 makes the long-term deficit harder to solve, given economic uncertainty.

**Sustainable Funding Options**

A sustainable 2029-2030 budget will either require cuts or ongoing revenue solutions in future budgets to maintain current service levels. This scenario has been the case for at least the last two decades where growth in property tax revenues is limited. One key option for Council consideration is the **Community Safety Initiative 2.0,** which is presented below. Other sustainable funding strategies that Council may wish to consider during 2027-2028 include:

- Evaluating **dedicated transportation funding for sidewalks and street preservation** such as increases to Transportation Benefit District (TBD) car tabs or potential implementation of the 0.1% sales tax authorized for local TBDs.
- Evaluating **Parks and Open Space funding options** including further expansion of charging for parking and ensuring fees stay competitive and meet cost recovery targets.
- Exploring potential voter-approved measures for parks, streets, or community safety.

**Optional Community Safety Initiative (CSI) 2.0**

The proposed budget is balanced without a general tax increase beyond the 1% authorized property tax but does use significant amounts of one-time revenue that is unlikely to be available for the 2029-2030 budget. During both Council retreats in 2026, staff presented a new public safety revenue option provided by the state legislature in 2025. The new revenue was authorized through the passage of ESHB 2015, establishing two new funding sources for public safety:

- A $100 million grant program for hiring, retaining, and training new police officers and co-responders
- A 0.1% sales and use tax option for broad public safety and criminal justice needs that can be enacted by the Council if it is implemented by June 30, 2028.

During the Council retreat discussions of ESHB 2015, no decisions were made about whether to implement the ESHB 2015 sales tax. Councilmembers expressed interest in learning more and seeing options for how the money would be invested before committing to any course of action.

To provide the Council with options for consideration, the City Manager proposes a discretionary initiative utilizing both the state grant program and the new sales tax authority to bring stability, sustain and enhance the City's community safety and human services programs, and maintain a strong financial position. The centerpiece is the **Community Safety Initiative 2.0**, which combines grant funding with the ongoing 0.1 percent sales tax authorized by ESHB 2015, as described in the *Community Safety Initiative 2.0* issue paper. As a reminder, the original Community Safety Initiative was primarily funded by the 2018 voter-approved *Enhanced Police Services and Community Safety Proposition 1* and led to the creation of the Regional Crisis Response Agency (RCR), provided funding for the women and family shelter and other human services resources, funded the dedicated proactive police unit (Pro-Act) and Neighborhood and Community Safety officers, established the City's firearm safety programs, and more.

Kirkland has applied for **grant funding** for $1.1 million to strengthen public safety through a comprehensive investment in Police staffing, reentry services, and officer wellness. The grant application proposes funding to:

- Hire six new entry-level law enforcement officers. These positions are currently unfunded vacant overhire FTEs, currently filled when funding is available due to vacancies to reduce the timeline to deploy replacement staffing.
- Continue one Jail Navigator position following the full utilization of the Bureau of Justice Assistance Comprehensive Opioid, Stimulant, and Substance Use Site-based Program (COSSUP) grant.

- Deploy a one-time Sigma Tactical Wellness screening for all 114 commissioned officers.

Details on this request are provided in the issue paper. The grant requires a match and limits the per officer amount reimbursed and is only valid for expenses through June 30, 2028. As a result, $750,000 in General Fund balance has been set-aside toward the local match if the City is awarded and accepts the grant, award of which is expected by the end of October.

ESHB 2015 also allows the legislative body of a city or county to establish a new local option **0.1% public safety enhancement sales and use tax**. The sales tax is permanent and can be imposed by councilmanic action if authorized by the Council by June 30, 2028. If implemented, staff estimate that the sales and use tax could generate approximately $4.2 million if it was in place for the full year in 2027. The City's current sales tax receipts amount to approximately $4.2 million for each tenth of a percent of sales tax. The taxes can stack with other sales taxes and all revenues remain in Kirkland.

Funding from the public safety enhancement sales and use tax may be used for broadly defined criminal justice purposes, including:

- Domestic violence services, including community and legal advocates
- Public defense
    - Staff believe that prosecution services also fall under the broad definition of criminal justice as defined by RCW 82.14.345(a)
- Diversion programs
- Reentry work for inmates
- Reducing homelessness or improving behavioral health
- Community placements for juvenile offenders
- Community outreach, alternative response, mental health crisis response

While this new public safety enhancement sales tax increment provides a valuable tool to enhance services, it is important to acknowledge that there are downsides to implementing a new tax. Authorizing the public safety sales tax will impact the affordability of goods and services in Kirkland. As evidenced by the rising scale of human services grant requests, many in our community are already struggling with the rising cost of living. Sales tax is considered a regressive tax because it is disproportionately impactful to low-income communities; sales tax is an increment that all consumers pay, regardless of their income. Authorizing the public safety enhancement sales tax would further burden these individuals with extra costs.

Additionally, revenue from sales tax is volatile because consumer decisions are sensitive to economic conditions. During periods of recession or high inflation, consumers may reduce discretionary spending, causing a reduction in revenue receipts from sales tax. When sales tax receipts are lower than budgeted, the City services supported by the sales tax may be underfunded.

Conversely, the public safety enhancement sales tax could provide a future ongoing revenue source for high-priority programs, services, and staff currently funded as one-time in the 2027-2028 budget. The table below outlines the one-time service packages that are funded in the 2027-2028 preliminary budget that could qualify for the sales tax and that are currently funded from other sources, primarily General Fund balance. For a full description of these investments, please see the 2027-2028 Service Packages.

One-Time 2027-2028 Service Packages That Could Qualify for Public Safety Enhancement Sales Tax Funding

| Expenses | 2027 | 2028 | 2027-2028 Total |
|---|---|---|---|
| *Homelessness & Human Services - Totals* | 1,041,079 | 1,054,808 | 2,095,887 |
| KCSARC / Sexual Assault Resource | 50,000 | 50,000 | 100,000 |
| Human Services Grant Funding "Option B" | 634,314 | 634,314 | 1,268,628 |
| Homelessness Response | 122,340 | 122,920 | 245,260 |
| Pooled Human Services Office Specialist (0.5 LTE) | 61,235 | 64,561 | 125,796 |
| PCS Sr. Management Analyst (1.0 LTE) | 173,190 | 183,013 | 356,203 |
| *Criminal Justice System - Totals* | 177,403 | 185,730 | 363,133 |
| Jail Navigation Coordinator (1.0 LTE) | 145,404 | 153,594 | 298,998 |
| Community Court Coordinator (0.25 FTE)* | 31,999 | 32,136 | 64,135 |
| *Expense Totals* | 1,218,482 | 1,240,538 | 2,459,020 |

** The Community Court Coordinator is one position funded in two increments: 0.75 of the position was previously funded as an ongoing position and an additional 0.25 is funded as an ongoing service package in 2027-2028. In both increments, the position is fully funded through a grant from the Administrative Office of the Courts (AOC)*

| Revenues | 2027 | 2028 | 2027-2028 Total |
|---|---|---|---|
| Jail Navigator COSSUP Grant | 46,063 | - | 46,063 |
| Administrative Office of the Courts (AOC) Grant | 31,999 | 32,136 | 64,135 |
| Administrative Fee from Pooled Cities | 31,855 | 31,855 | 63,710 |
| General Fund Balance (including Jail Navigator) | 1,108,565 | 1,176,547 | 2,285,112 |
| **Revenue Totals** | **1,218,482** | **1,240,538** | **2,459,020** |

Staff estimate that the sales tax would generate $4.5 million in 2029 based on a 3.5% average annual growth rate in sales tax ($9.0 million in 2029-2030 biennium). In addition to funding 2027-2028 one-time funded priorities as ongoing, this revenue could fund other priorities and mitigate expected cost increases in 2029-2030. The following examples are for illustrative purposes of current and enhanced services that could be funded by the potential sales tax in 2029-2030; the Council would make these on-going funding decisions during the development of the 2029-2030 biennium budget.

Potential Funding Uses for Public Safety Enhancement Sales Tax in 2029-2030

| Expenses | 2029 | 2030 | 2029-2030 Total |
|---|---|---|---|
| *Homelessness & Human Services - Totals* | 1,434,711 | 1,445,010 | 2,879,721 |
| KCSARC / Sexual Assault Resource | 50,000 | 50,000 | 100,000 |
| Human Services Ongoing Increment | 1,000,000 | 1,000,000 | 2,000,000 |
| Homelessness Response | 127,234 | 127,234 | 254,468 |
| Pooled Human Services Office Specialist (0.5 LTE) | 67,143 | 69,829 | 136,972 |
| PCS Sr. Management Analyst (1.0 LTE) | 190,334 | 197,947 | 388,281 |
| *Criminal Justice System - Totals* | 1,238,334 | 1,308,373 | 2,546,707 |
| Jail Navigation Coordinator | 159,114 | 165,478 | 324,592 |
| Community Court Contingency* | 170,460 | 177,279 | 347,739 |
| RCR Crisis Responder I | 177,244 | 184,333 | 361,577 |
| Primary Public Defender Set Aside | 109,600 | 147,400 | 257,000 |
| Conflict Public Defender Set Aside | 200,000 | 200,000 | 400,000 |
| Prosecutor Set Aside | 71,916 | 83,883 | 155,799 |
| Jail Medical Service Set Aside | 350,000 | 350,000 | 700,000 |
| *Policing - Totals* | 1,279,713 | 1,136,834 | 2,416,547 |
| Continue Grant-Funded 6 Patrol Officers Salary & Benefits | 1,079,713 | 1,136,834 | 2,216,547 |
| Police Strategic Plan | 200,000 | 0 | 200,000 |
| *Expense Totals* | 3,952,758 | 3,890,217 | 7,842,975 |

** The Community Court contingency includes overhead and ProTem costs and the Community Court Coordinator, which are currently grant funded. However, because grant funding is subject to change, it is included here as ongoing contingency funding in the event that the grant funding ends.*

| Public Safety Enhancement Tax Allocations | 2029 | 2030 | 2029-2030 Total |
|---|---|---|---|
| Anticipated Funding Receipts | 4,500,000 | 4,500,000 | 9,000,000 |
| Potential Full Year Expenses | 3,952,758 | 3,890,217 | 7,842,975 |
| **Funding Left to Allocate** | **547,242** | **609,783** | **1,157,025** |

**Community Safety Initiative 2.0 Opportunities for 2027-2028 Budget**

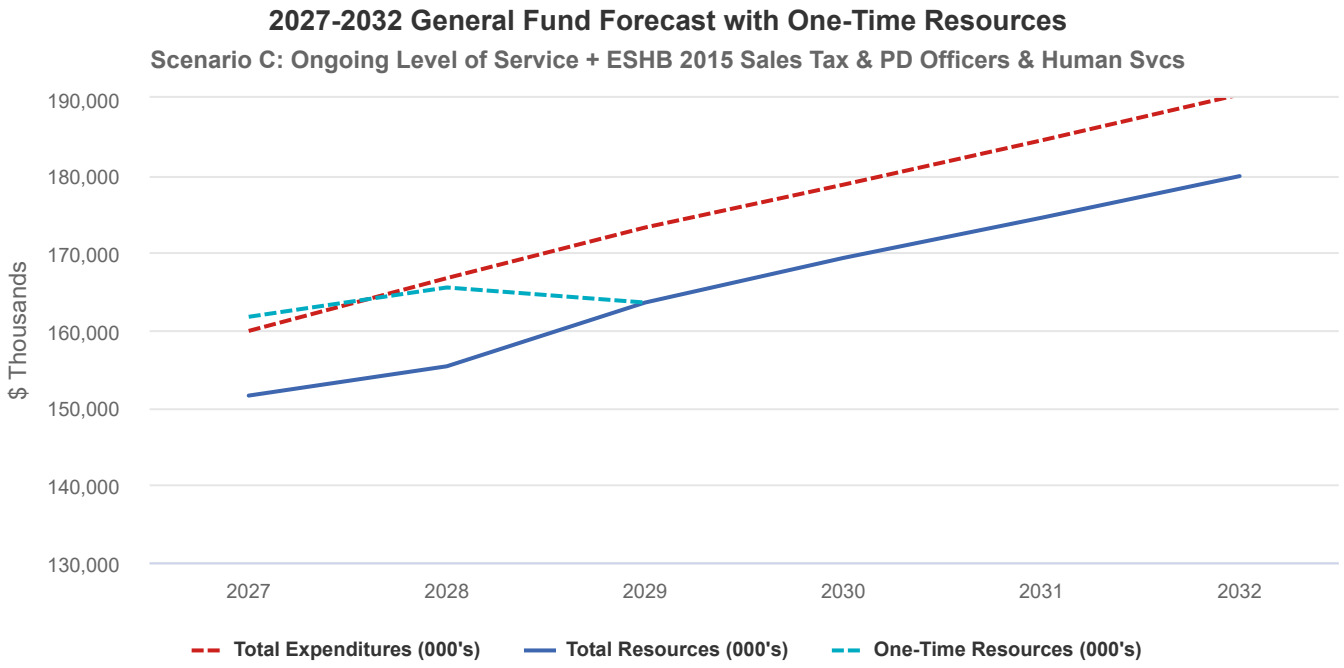
The 2027-2028 Preliminary Budget, as transmitted, is balanced and ***does not*** assume receipt of the grant or implementation of the sales tax. This information is provided as an option to better maintain and enhance service levels beyond 2028 for Council consideration.

In addition to the potential ongoing services listed above, Council may consider setting aside one-time funding from the public safety enhancement sales tax for future use. For example, Council could consider increasing contributions to the sinking fund for police and fire equipment (including radios) or contribute to the fleet fund for public safety vehicles.

Councilmanic implementation of the sales tax must take place no later than June 30, 2028. The amount of revenue generated is based on statutory effective dates. Depending on the effective date selected, the sales tax could generate between $1.4-2.45 million in 2027 and/or $1.4-4.2 million in 2028, as described in the issue

paper. This additional funding could be used to free up general fund balance used to fund eligible one-time needs and service enhancements in the 2027-2028 budget or reserve replenishments, totaling as much as $3 million for the biennium.

The forecast below shows this alternative as Scenario C. Using the most conservative approach, it assumes the tax begins January 1, 2029, so 2029 collects ten months (about $3.75 million) and in later years the full amount of about $4.5 million, which grows with other sales tax revenue. It also adds about $1.25 million per year of police patrol salaries, a Regional Crisis Responder (RCR) position, and additional ongoing human services funding from 2029 beyond what is currently budgeted. Even after that added cost, the tax improves the biennial position by $5.1 million in 2029-2030 and $6.4 million in 2031-2032, shrinking the deficit to $19.2 million and $20.5 million, as shown in Scenario C below.




| | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 |
|---|---|---|---|---|---|---|
| Total Expenditures (000's) | 159,898 | 166,722 | 173,259 | 178,789 | 184,513 | 190,438 |
| Total Resources (000's) | 151,544 | 155,333 | 163,564 | 169,325 | 174,517 | 179,897 |
| **Net Change (000 's)** | **(8,354)** | **(11,389)** | **(9,695)** | **(9,464)** | **(9,996)** | **(10,541)** |
| **Biennial Net Resources (000 's)** | | **(19,743)** | | **(19,160)** | | **(20,536)** |
| One-Time Resources (000's) | 10,180 | 10,180 | | | | |
| **Biennial Net Resources incl. One-Time (000 's)** | | 616 | | (19,160) | | (20,536) |

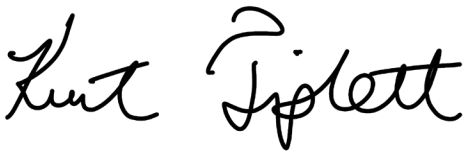
**The Community Safety Initiative 2.0 is not assumed in the 2027-2028 Preliminary Budget and will be presented in further detail for Council feedback and deliberation at the Council's November 17, 2026 study session.**

### Draft 2027-2028 City Work Program Items

The preliminary budget message is also where the City Manager proposes initial items for potential inclusion in the 2027-2028 City Work Program. As a starting point for Council deliberations, staff suggests the following ten draft initiatives:

- Complete the Kraken Iceplex and Kirkland Community Center (KIKCC) and initiate operations to provide additional community recreation opportunities, funded from KIKCC program revenues and paid parking
- Develop and implement a strategic plan to provide recreation programs and services at the Kingsgate Community Center that complement the operations of the other Kirkland community centers
- Establish and maintain target levels of investment for Human Services and Homelessness Response.
- Implement Public Works Maintenance Center renovations and expansion.
- Complete a new Fire Strategic Plan and Standards of Coverage Study.
- Streamline permit processes and reduce regulatory barriers to redevelopment
- Explore new dedicated transportation funding for sidewalks, safety investments, and street preservation.
- Implement the Community Safety Initiative 2.0 using the ESHB 2015 0.1% Public Safety Enhancement Sales and Use tax as dedicated funding for high-priority community safety programs.
- Explore setting a minimum wage beyond Washington State's hourly rate through community engagement with Kirkland residents and businesses (if this option is selected by Council on November 4th)
- Propose a responsive and responsible 2029-2030 budget that balances service levels to sustainable revenues and retains Kirkland's AAA credit rating.

The Budget Leadership Team and Department Directors are proud to present the 2027-2028 Preliminary Budget. We look forward to discussions with the Council, residents and businesses to make the proposal even better to keep Kirkland a welcoming community where everyone belongs, and one of the best places in the nation to live, work and play.



Kurt Triplett
City Manager



Tracey Dunlap
Deputy City Manager of Operations



Michael Olson
Director of Finance and Administration



Kevin Pelstring
Financial Planning Manager

# SERVICE PACKAGE REQUESTS

| | | 2027-2028 Department Request | | | | | | 2027-2028 City Manager Recommended | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | FTE | Temp | Ongoing | One-time | Revenue or Expenditure Offset | Total | FTE | Temp | Ongoing | One-time | Revenue or Expenditure Offset | Total |
| **GENERAL FUND** | | | | | | | | | | | | | |
| **City Council** | | | | | | | | | | | | | |
| **Renewals of One-time** | | | | | | | | | | | | | |
| 27CC01 | Biennial Community Survey | - | - | - | 80,000 | - | 80,000 | - | - | - | 80,000 | - | 80,000 |
| **Subtotal City Council** | | **-** | **-** | **-** | **80,000** | **-** | **80,000** | **-** | **-** | **-** | **80,000** | **-** | **80,000** |
| **City Manager's Office** | | | | | | | | | | | | | |
| **Renewals of One-time** | | | | | | | | | | | | | |
| 27CM02 | Waste Management - Community Programs and Events | - | - | - | 112,000 | (80,000) | 32,000 | - | - | - | 112,000 | (80,000) | 32,000 |
| 27CM03 | Port of Seattle - Economic Development Program | - | - | - | 120,000 | (120,000) | - | - | - | - | 120,000 | (120,000) | - |
| 27CM04 | Semiannual Printed and Mailed Kirklander Newsletter | - | - | - | 70,000 | - | 70,000 | - | - | - | 70,000 | - | 70,000 |
| 27CM05 | Engagement to Support a Safe, Inclusive, and Welcoming Community | - | - | - | 100,000 | - | 100,000 | - | - | - | 100,000 | - | 100,000 |
| 27CM06 | KSARC Sexual Assault Advocate | - | - | - | 200,000 | - | 200,000 | - | - | - | 100,000 | - | 100,000 |
| 27CM07 | State Lobbyists Advocacy | - | - | - | 192,000 | - | 192,000 | - | - | - | 192,000 | - | 192,000 |
| 27CM08 | Federal Lobbying Services | - | - | - | 48,000 | - | 48,000 | - | - | - | 48,000 | - | 48,000 |
| 27CM09 | Community-Building Events Sponsorship Programs | - | - | - | 25,990 | - | 25,990 | - | - | - | 25,990 | - | 25,990 |
| 27CM10 | 4Culture Arts Sustained Support | - | - | - | 72,000 | (72,000) | - | - | - | - | 72,000 | (72,000) | - |
| 27CM11 | Community Engagement Coordinator (1.0 LTE) | - | 1.00 | - | 355,400 | - | 355,400 | - | 1.00 | - | 355,400 | - | 355,400 |
| **New** | | | | | | | | | | | | | |
| 27CM01 | Kraken Iceplex and Kirkland Community Center (KIKCC) Implementation | - | 1.80 | 3,040 | 851,399 | (501,414) | 353,025 | - | 1.80 | 3,040 | 851,399 | (501,414) | 353,025 |
| 27CM12 | Community-Building Facilities Grant Program | - | - | - | 100,000 | - | 100,000 | - | - | - | 100,000 | - | 100,000 |
| **Subtotal City Manager's Office** | | **-** | **2.80** | **3,040** | **2,246,789** | **(773,414)** | **1,476,415** | **-** | **2.80** | **3,040** | **2,146,789** | **(773,414)** | **1,376,415** |
| **Finance and Administration** | | | | | | | | | | | | | |
| **Renewals of One-time** | | | | | | | | | | | | | |
| 27FA02 | Renewal of CAA for Business License Enforcement (1.0 LTE) | - | 1.00 | - | 259,041 | (454,000) | (194,959) | - | 1.00 | - | 259,041 | (454,000) | (194,959) |
| 27FA03 | Renewal of Kirkland Cares Low Income Support Program Coordinator (1.0 LTE) | - | 1.00 | - | 316,396 | (19,793) | 296,603 | - | 1.00 | - | 316,396 | (19,793) | 296,603 |
| **New** | | | | | | | | | | | | | |
| 27FA01 | Development Services Cost of Service & Fee Study | - | - | - | 150,000 | - | 150,000 | - | - | - | 150,000 | - | 150,000 |
| 27FA04 | Additional Reserve Funding for Public Disclosure | - | - | - | 270,561 | (100,000) | 170,561 | - | - | - | 250,000 | (100,000) | 150,000 |
| **Subtotal Finance and Administration** | | **-** | **2.00** | **-** | **995,998** | **(573,793)** | **422,205** | **-** | **2.00** | **-** | **975,437** | **(573,793)** | **401,644** |

# SERVICE PACKAGE REQUESTS (CONTINUED)

| | | 2027-2028 Department Request | | | | | | 2027-2028 City Manager Recommended | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | FTE | Temp | Ongoing | One-time | Revenue or Expenditure Offset | Total | FTE | Temp | Ongoing | One-time | Revenue or Expenditure Offset | Total |
| **Parks & Community Services** | | | | | | | | | | | | | |
| **Renewals of One-time** | | | | | | | | | | | | | |
| 27PK02 | Funding to Continue Popular Community-Building Events (1.0 LTE + Seasonals) | - | 1.00 | - | 436,104 | (206,000) | 230,104 | - | 1.00 | - | 436,104 | (206,000) | 230,104 |
| 27PK03 | Senior Management Analyst to Advance Work Plan Priorities (1.0 LTE) | - | 1.00 | - | 356,203 | - | 356,203 | - | 1.00 | - | 356,203 | - | 356,203 |
| 27PK04 | Community Outreach through Education and Outreach Coordinator (1.0 LTE) | - | 0.63 | - | 242,953 | (278,000) | (35,047) | - | 0.63 | - | 242,953 | (278,000) | (35,047) |
| 27PK05 | 2027-2028 Health and Wellness Fair | - | - | - | 110,000 | - | 110,000 | - | - | - | 110,000 | - | 110,000 |
| 27PK06 | PCS Homelessness Response | - | - | - | 245,260 | - | 245,260 | - | - | - | 245,260 | - | 245,260 |
| 27PK07 | 27-28 Human Services Grants Option B | - | - | - | 1,268,628 | - | 1,268,628 | - | - | 433,000 | 1,268,628 | - | 1,701,628 |
| 27PK08 | Kirkland Performance Center Funding Support | - | - | - | 100,000 | - | 100,000 | - | - | - | 100,000 | - | 100,000 |
| 27PK09 | Kirkland Teen Union Building (KTUB) Services (3.0 LTE + Seasonals) | - | 3.00 | 19,046 | 2,002,834 | (1,123,294) | 898,586 | - | 3.00 | 19,046 | 2,002,834 | (1,123,294) | 898,586 |
| 27PK10 | Security Cameras & Electric Gates in Parks - Phase II | - | - | 8,000 | 350,000 | - | 358,000 | - | - | - | - | - | - |
| 27PK11 | Pooled Human Services Contracts Office Specialist (0.5 LTE) | - | 0.50 | - | 125,796 | (63,710) | 62,086 | - | 0.50 | - | 125,796 | (63,710) | 62,086 |
| 27PK12 | Special Event Permitting Software | - | - | 116,000 | - | - | 116,000 | - | - | 116,000 | - | - | 116,000 |
| **New** | | | | | | | | | | | | | |
| 27PK01a | Kraken Iceplex and Kirkland Community Center (KIKCC) Operations | 5.50 | - | 2,890,946 | 18,250 | (2,114,403) | 794,793 | 5.50 | - | 2,890,946 | 18,250 | (2,114,403) | 794,793 |
| 27PK01b | Kraken Iceplex and Kirkland Community Center (KIKCC) Start-up Costs | - | - | - | 739,792 | - | 739,792 | - | - | - | 739,792 | - | 739,792 |
| **Subtotal Parks and Community Services** | | **5.50** | **6.13** | **3,033,992** | **5,995,820** | **(3,785,407)** | **5,244,405** | **5.50** | **6.13** | **3,458,992** | **5,645,820** | **(3,785,407)** | **5,319,405** |
| **Human Resources** | | | | | | | | | | | | | |
| **Renewals of One-time** | | | | | | | | | | | | | |
| 27HR01 | Temporary HR Assistant Extension (1.0 LTE) | - | 1.00 | - | 254,437 | - | 254,437 | - | 1.00 | - | 254,437 | - | 254,437 |
| 27HR03 | Citywide Training to support Council Work Program and DEIB Roadmap | - | - | 50,000 | - | - | 50,000 | - | - | - | 50,000 | - | 50,000 |
| **New** | | | | | | | | | | | | | |
| 27HR02 | Implement NeoGov's Onboard and eForms Modules | - | - | 43,680 | 11,365 | - | 55,045 | - | - | - | - | - | - |
| 27HR04 | Benefits Benchmarking and Competitiveness Study | - | - | - | 80,000 | - | 80,000 | - | - | - | 80,000 | - | 80,000 |
| 27HR05 | Supported Employment Program (2x 0.5 FTEs & a Contingent Intern) | 1.00 | - | - | - | - | - | 1.00 | - | - | - | - | - |
| 27HR06 | Implement NeoGov's Perform Module | - | - | 31,995 | 8,565 | - | 40,560 | - | - | - | - | - | - |
| **Subtotal Human Resources** | | **1.00** | **1.00** | **125,675** | **354,367** | **-** | **480,042** | **1.00** | **1.00** | **-** | **384,437** | **-** | **384,437** |

## SERVICE PACKAGE REQUESTS (CONTINUED)

| | | 2027-2028 Department Request | | | | | | 2027-2028 City Manager Recommended | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | FTE | Temp | Ongoing | One-time | Revenue or Expenditure Offset | Total | FTE | Temp | Ongoing | One-time | Revenue or Expenditure Offset | Total |
| **City Attorney's Office** | | | | | | | | | | | | | |
| **Renewals of One-time** | | | | | | | | | | | | | |
| 27CA01 | Temporary Paralegal Extension (1.0 LTE) | - | 1.00 | - | 313,299 | - | 313,299 | - | 1.00 | - | 313,299 | - | 313,299 |
| **Subtotal City Attorney's Office** | | **-** | **1.00** | **-** | **313,299** | **-** | **313,299** | **-** | **1.00** | **-** | **313,299** | **-** | **313,299** |
| **Municipal Court** | | | | | | | | | | | | | |
| **New** | | | | | | | | | | | | | |
| 27MC01 | Convert Judicial Specialist to Business Analyst (1.0 FTE) | - | - | 311,164 | - | (331,946) | (20,782) | - | - | 311,164 | - | (331,946) | (20,782) |
| 27MC02 | Convert Community Court Coordinator to 1.0 FTE (Net new 0.25 FTE) | 0.25 | - | 64,135 | - | (64,135) | - | 0.25 | - | 64,135 | - | (64,135) | - |
| **Subtotal Municipal Court** | | **0.25** | **-** | **375,299** | **-** | **(396,081)** | **(20,782)** | **0.25** | **-** | **375,299** | **-** | **(396,081)** | **(20,782)** |
| **Public Works** | | | | | | | | | | | | | |
| **Renewals of One-time** | | | | | | | | | | | | | |
| 27PW04 | City Staff ORCA Cards and Vanpool Pilot | - | - | 80,000 | 30,000 | - | 110,000 | - | - | 80,000 | - | - | 80,000 |
| **New** | | | | | | | | | | | | | |
| 27PW01 | CIP - Increase Travel and Training | - | - | 45,800 | - | - | 45,800 | - | - | - | 22,900 | - | 22,900 |
| 27PW02 | Additional Mobile Camera Traffic Counters | - | - | 4,300 | 20,000 | - | 24,300 | - | - | 4,300 | 20,000 | - | 24,300 |
| 27PW03 | Bellevue-Kirkland-Redmond Regional Travel Model Support | - | - | 84,000 | 10,000 | - | 94,000 | - | - | 84,000 | 10,000 | - | 94,000 |
| 27PW05 | Intelligent Transportation System (ITS) Plan Update | - | - | - | 85,000 | - | 85,000 | - | - | - | 85,000 | - | 85,000 |
| 27PW06 | Transportation On-Call Development Review | - | - | 150,000 | - | (150,000) | - | - | - | - | 150,000 | (150,000) | - |
| 27PW07 | Software - Transp. Analysis, Design, and Data Collection | - | - | 22,000 | 10,000 | - | 32,000 | - | - | 22,000 | 10,000 | - | 32,000 |
| 27PW08 | 2027-28 Eastrail Partners Funding | - | - | - | 20,328 | - | 20,328 | - | - | - | 20,328 | - | 20,328 |
| **Subtotal Public Works** | | **-** | **-** | **386,100** | **175,328** | **(150,000)** | **411,428** | **-** | **-** | **190,300** | **318,228** | **(150,000)** | **358,528** |
| **Police** | | | | | | | | | | | | | |
| **New** | | | | | | | | | | | | | |
| 27PD01 | Jail Navigator (1.0 LTE) | - | 1.00 | - | 298,998 | (46,063) | 252,935 | - | 1.00 | - | 298,998 | (46,063) | 252,935 |
| 27PD02 | Tyler Software Suite | - | - | 220,000 | - | - | 220,000 | - | - | - | - | - | - |
| 27PD03 | Additional School Zone Safety Camera | 0.25 | - | 287,851 | 5,000 | (828,000) | (535,149) | 0.25 | - | 287,851 | 5,000 | (828,000) | (535,149) |
| **Subtotal Police** | | **0.25** | **1.00** | **507,851** | **303,998** | **(874,063)** | **(62,214)** | **0.25** | **1.00** | **287,851** | **303,998** | **(874,063)** | **(282,214)** |
| **Fire** | | | | | | | | | | | | | |
| **Renewals of One-time** | | | | | | | | | | | | | |
| 27FD04 | OEM Office Specialist Extension (1.0 LTE) | - | 1.00 | - | 223,830 | - | 223,830 | - | 1.00 | - | 223,830 | - | 223,830 |
| **New** | | | | | | | | | | | | | |
| 27FD01 | Knox Key Security | - | - | 5,600 | 94,300 | - | 99,900 | - | - | 5,600 | 94,300 | - | 99,900 |

# SERVICE PACKAGE REQUESTS (CONTINUED)

| | | 2027-2028 Department Request | | | | | | 2027-2028 City Manager Recommended | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | FTE | Temp | Ongoing | One-time | Revenue or Expenditure Offset | Total | FTE | Temp | Ongoing | One-time | Revenue or Expenditure Offset | Total |
| 27FD02 | Integrated Fire Prevention Software | - | - | 35,400 | 4,300 | (19,600) | 20,100 | - | - | 35,400 | 4,300 | (19,600) | 20,100 |
| 27FD03 | Fire Department Station Technology Maintenance | - | - | 34,000 | - | - | 34,000 | - | - | 34,000 | - | - | 34,000 |
| 27FD05 | RFID Enablement for Fire Asset/Inventory Control | - | - | 5,100 | 16,530 | - | 21,630 | - | - | 5,100 | 16,530 | - | 21,630 |
| 27FD06 | Fire Strategic Plan Update | - | - | - | 200,000 | - | 200,000 | - | - | - | 200,000 | - | 200,000 |
| **Subtotal Fire** | | **-** | **1.00** | **80,100** | **538,960** | **(19,600)** | **599,460** | **-** | **1.00** | **80,100** | **538,960** | **(19,600)** | **599,460** |
| **General Fund Total** | | **7.00** | **14.93** | **4,512,057** | **11,004,559** | **(6,572,358)** | **8,944,258** | **7.00** | **14.93** | **4,395,582** | **10,706,968** | **(6,572,358)** | **8,530,192** |
| **OTHER FUNDS** | | | | | | | | | | | | | |
| **Street Operating Fund** | | | | | | | | | | | | | |
| **New** | | | | | | | | | | | | | |
| 27ST01 | Temporary Utility Craftsperson (1.0 LTE) | - | 1.00 | - | 264,831 | - | 264,831 | - | 1.00 | - | 264,831 | - | 264,831 |
| 27ST02 | Seasonal Landscape Maintenance Help | - | - | - | 30,155 | - | 30,155 | - | - | - | - | - | - |
| 27ST03 | Office Specialist Increase (.50 FTE) | 0.10 | - | 25,407 | - | - | 25,407 | - | 0.10 | - | 25,407 | - | 25,407 |
| 27ST04 | Pilot Reduction of Neighborhood-Level Speed Limit | - | - | - | 180,000 | - | 180,000 | - | - | - | - | - | - |
| 27ST05 | Implementation of School Zone Enhancements | - | - | - | 544,000 | - | 544,000 | - | - | - | - | - | - |
| 27ST06 | Parking Study Implementation | - | - | 229,000 | 557,700 | (1,661,258) | (874,558) | - | - | 229,000 | 557,700 | (1,661,258) | (874,558) |
| **Subtotal Street Operating Fund** | | **0.10** | **1.00** | **254,407** | **1,576,686** | **(1,661,258)** | **169,835** | **-** | **1.10** | **229,000** | **847,938** | **(1,661,258)** | **(584,320)** |
| **Development Services Fund** | | | | | | | | | | | | | |
| **Planning & Building** | | | | | | | | | | | | | |
| **Renewals of One-time** | | | | | | | | | | | | | |
| 27PB02 | Administrative Assistant Extension (1.0 LTE) | - | 1.00 | - | 284,831 | - | 284,831 | - | 1.00 | - | 140,611 | - | 140,611 |
| 27PB03 | Third Party Structural Review Consulting | - | - | - | 200,000 | (200,000) | - | - | - | - | 200,000 | (200,000) | - |
| 27PB04 | Land Use Contingency Consulting | - | - | - | 20,000 | - | 20,000 | - | - | - | 20,000 | - | 20,000 |
| 27PB05 | ARCH Housing Trust Fund (HTF) | - | - | - | 1,263,000 | - | 1,263,000 | - | - | - | 1,433,000 | (1,433,000) | - |
| 27PB06 | Building Division Overtime | - | - | - | 100,000 | - | 100,000 | - | - | - | 100,000 | - | 100,000 |
| 27PB08 | Senior Planner (1.0 LTE) | - | 1.00 | - | 367,514 | - | 367,514 | - | 1.00 | - | 367,514 | - | 367,514 |
| 27PB09 | Records Management Specialist (0.75 LTE) | - | 0.75 | - | 200,150 | (74,486) | 125,664 | - | - | - | - | - | - |
| 27PB10 | Energy Smart Eastside - Renewal | - | - | - | 300,000 | - | 300,000 | - | - | - | 300,000 | - | 300,000 |
| 27PB11 | Bi-annual Carbon Emission Reporting | - | - | - | 20,000 | - | 20,000 | - | - | - | 20,000 | - | 20,000 |
| **New** | | | | | | | | | | | | | |
| 27PB01 | 2028-2029 Land Capacity Consulting | - | - | - | 40,000 | - | 40,000 | - | - | - | 40,000 | - | 40,000 |
| 27PB07 | Microsoft Planner Software and Training | - | - | 5,800 | 10,000 | - | 15,800 | - | - | 5,800 | 10,000 | - | 15,800 |
| 27PB12 | AI-Based Permitting Tool (1.0 LTE) | - | 1.00 | - | 407,654 | - | 407,654 | - | 1.00 | - | 407,654 | - | 407,654 |
| 27PB13 | Totem Lake SIS Subarea Plan Consulting | - | - | - | 150,000 | - | 150,000 | - | - | - | 150,000 | - | 150,000 |

## SERVICE PACKAGE REQUESTS (CONTINUED)

| | | 2027-2028 Department Request | | | | | | 2027-2028 City Manager Recommended | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | FTE | Temp | Ongoing | One-time | Revenue or Expenditure Offset | Total | FTE | Temp | Ongoing | One-time | Revenue or Expenditure Offset | Total |
| 27PB14 | Energy Smart Eastside - New Service Level | - | - | - | 200,000 | - | 200,000 | - | - | - | - | - | - |
| **Subtotal Planning & Building** | | **-** | **3.75** | **5,800** | **3,563,149** | **(274,486)** | **3,294,463** | **-** | **3.00** | **5,800** | **3,188,779** | **(1,633,000)** | **1,561,579** |
| **Public Works Engineering** | | | | | | | | | | | | | |
| **Renewals of One-time** | | | | | | | | | | | | | |
| 27DE01 | Office Specialist Extension (1.0 LTE) | - | 1.00 | - | 237,595 | - | 237,595 | - | 1.00 | - | 237,595 | - | 237,595 |
| 27DE02 | Construction Inspector Extension (1.0 LTE) | - | 1.00 | - | 328,205 | - | 328,205 | - | 1.00 | - | 328,205 | - | 328,205 |
| **Subtotal Public Works Engineering** | | **-** | **2.00** | **-** | **565,800** | **-** | **565,800** | **-** | **2.00** | **-** | **565,800** | **-** | **565,800** |
| **Subtotal Development Services Fund** | | **-** | **5.75** | **5,800** | **4,128,949** | **(274,486)** | **3,860,263** | **-** | **5.00** | **5,800** | **3,754,579** | **(1,633,000)** | **2,127,379** |
| **Parks Levy Fund** | | | | | | | | | | | | | |
| **Renewals of One-time** | | | | | | | | | | | | | |
| 27PK02 | Funding to Continue Popular Community-Building Events (1.0 LTE + Seasonals) | - | - | - | 18,354 | - | 18,354 | - | - | - | 18,354 | - | 18,354 |
| 27PK04 | Community Outreach through Education and Outreach Coordinator (1.0 LTE) | - | 0.37 | - | 119,959 | (122,000) | (2,041) | - | 0.37 | - | 119,959 | (122,000) | (2,041) |
| 27PK12 | Special Event Permitting Software | - | - | - | - | (80,000) | (80,000) | - | - | - | - | (80,000) | (80,000) |
| 27PK13 | Renewal of Added Maintenance Service Levels (1.0 LTE + Seasonals) | - | 1.00 | - | 488,513 | (172,470) | 316,043 | - | 1.00 | - | 488,513 | (172,470) | 316,043 |
| 27PK14 | Advanced Mitigation Program - Ongoing Maintenance | - | - | 25,000 | - | - | 25,000 | - | - | 25,000 | - | - | 25,000 |
| **Subtotal Parks Levy Fund** | | **-** | **1.37** | **25,000** | **626,826** | **(374,470)** | **277,356** | **-** | **1.37** | **25,000** | **626,826** | **(374,470)** | **277,356** |
| **Water Operating Fund** | | | | | | | | | | | | | |
| **Renewals of One-time** | | | | | | | | | | | | | |
| 27WA01 | 2027 Cost of Service Study | - | - | - | 25,000 | - | 25,000 | - | - | - | 25,000 | - | 25,000 |
| **New** | | | | | | | | | | | | | |
| 27WA02 | Water Utility Policy Advisor (1.0 LTE) | - | 0.50 | - | 266,507 | - | 266,507 | - | 0.50 | - | 266,507 | - | 266,507 |
| 27ST03 | Office Specialist Increase (.50 FTE) | 0.08 | - | 19,056 | - | - | 19,056 | - | 0.08 | - | 19,056 | - | 19,056 |
| **Subtotal Water Operating Fund** | | **0.08** | **0.50** | **19,056** | **291,507** | **-** | **310,563** | **-** | **0.58** | **-** | **310,563** | **-** | **310,563** |
| **Sewer Operating Fund** | | | | | | | | | | | | | |
| **Renewals of One-time** | | | | | | | | | | | | | |
| 27WA01 | 2027 Cost of Service Study | - | - | - | 25,000 | - | 25,000 | - | - | - | 25,000 | - | 25,000 |
| **New** | | | | | | | | | | | | | |
| 27ST03 | Office Specialist Increase (.50 FTE) | 0.08 | - | 19,056 | - | - | 19,056 | - | 0.08 | - | 19,056 | - | 19,056 |
| 27WA02 | Water Utility Policy Advisor (1.0 LTE) | - | 0.50 | - | 266,507 | - | 266,507 | - | 0.50 | - | 266,507 | - | 266,507 |
| **Subtotal Sewer Operating Fund** | | **0.08** | **0.50** | **19,056** | **291,507** | **-** | **310,563** | **-** | **0.58** | **-** | **310,563** | **-** | **310,563** |
| **Surface Water Management Fund** | | | | | | | | | | | | | |
| **Renewals of One-time** | | | | | | | | | | | | | |
| 27WA01 | 2027 Cost of Service Study | - | - | - | 25,000 | - | 25,000 | - | - | - | 25,000 | - | 25,000 |

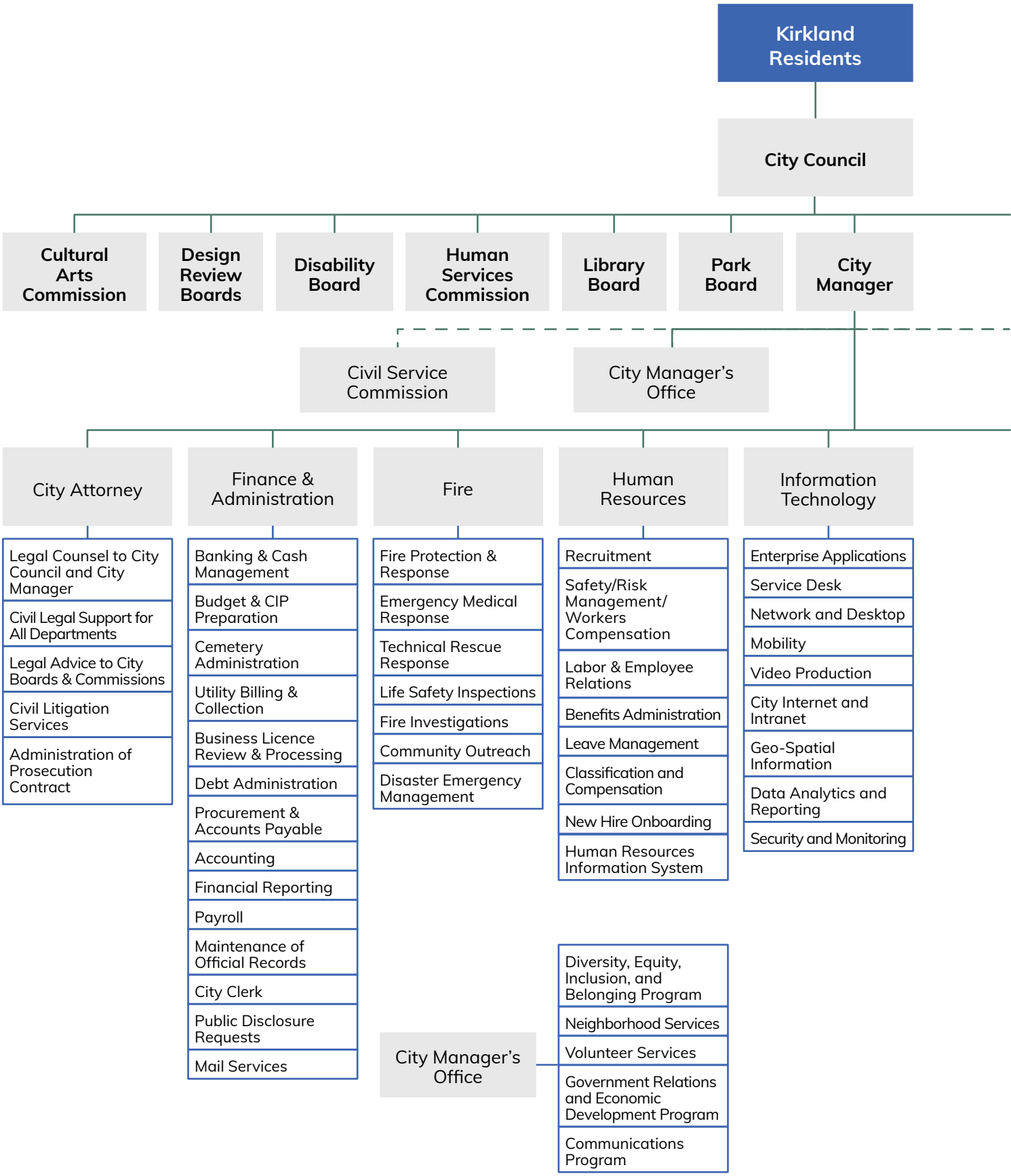
## SERVICE PACKAGE REQUESTS (CONTINUED)

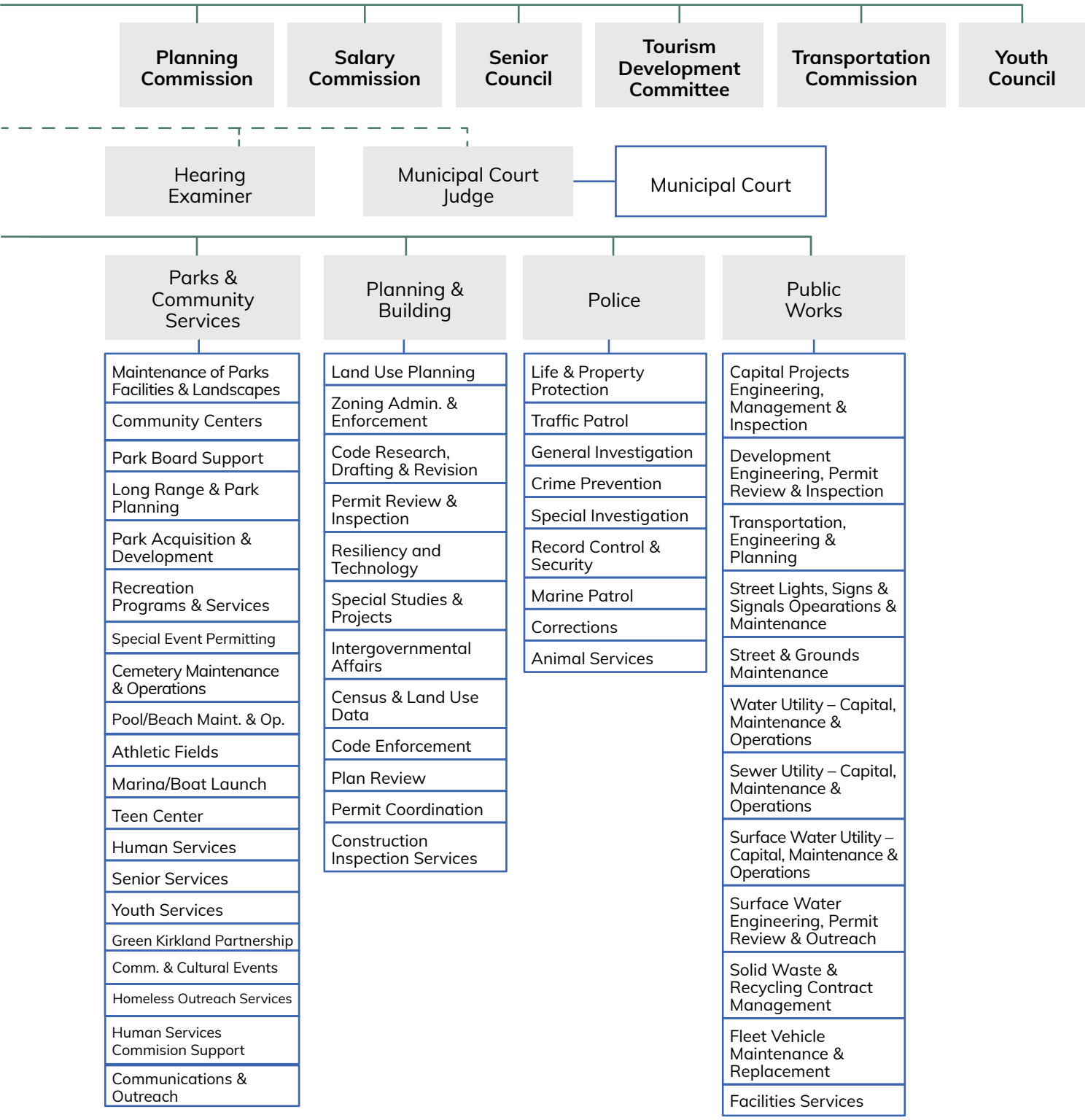
| | | 2027-2028 Department Request | | | | | | 2027-2028 City Manager Recommended | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | FTE | Temp | Ongoing | One-time | Revenue or Expenditure Offset | Total | FTE | Temp | Ongoing | One-time | Revenue or Expenditure Offset | Total |
| 27SD01 | Surface Water Opportunity Fund | - | - | - | 150,000 | - | 150,000 | - | - | - | 150,000 | - | 150,000 |
| **New** | | | | | | | | | | | | | |
| 27SD02 | Aging Pipe Implementation Plan | - | - | - | 100,000 | - | 100,000 | - | - | - | 100,000 | - | 100,000 |
| 27ST03 | Office Specialist Increase (.50 FTE) | 0.10 | - | 25,407 | - | - | 25,407 | - | 0.10 | - | 25,407 | - | 25,407 |
| **Subtotal Surface Water Management Fund** | | **0.10** | **-** | **25,407** | **275,000** | **-** | **300,407** | **-** | **0.10** | **-** | **300,407** | **-** | **300,407** |
| **Solid Waste Fund** | | | | | | | | | | | | | |
| **Renewals of One-time** | | | | | | | | | | | | | |
| 27WA01 | 2027 Cost of Service Study | - | - | - | 25,000 | - | 25,000 | - | - | - | 25,000 | - | 25,000 |
| **Subtotal Solid Waste Fund** | | **-** | **-** | **-** | **25,000** | **-** | **25,000** | **-** | **-** | **-** | **25,000** | **-** | **25,000** |
| **Equipment Rental Fund** | | | | | | | | | | | | | |
| **New** | | | | | | | | | | | | | |
| 27ST03 | Office Specialist Increase (.50 FTE) | 0.10 | - | 25,407 | - | - | 25,407 | - | 0.10 | - | 25,407 | - | 25,407 |
| **Subtotal Equipment Rental Fund** | | **0.10** | **-** | **25,407** | **-** | **-** | **25,407** | **-** | **0.10** | **-** | **25,407** | **-** | **25,407** |
| **Information Technology Fund** | | | | | | | | | | | | | |
| **Renewals of One-time** | | | | | | | | | | | | | |
| 27IT01 | GIS Technician Extension (1.0 LTE) | - | 1.00 | - | 278,628 | - | 278,628 | - | 1.00 | - | 278,628 | - | 278,628 |
| 27IT02 | Service Desk Analyst Extension (0.75 LTE) | - | 0.75 | - | 225,093 | - | 225,093 | - | 0.75 | - | 225,093 | - | 225,093 |
| **New** | | | | | | | | | | | | | |
| 27IT03 | Technical Project Manager (net new 0.5 FTE, reclass 0.5 FTE) | 0.50 | - | 434,081 | - | (127,039) | 307,042 | - | 0.50 | 217,040 | 217,041 | (127,039) | 307,042 |
| 27IT04 | SharePoint Storage for H: Drive Migration | - | - | - | 130,000 | - | 130,000 | - | - | - | 130,000 | - | 130,000 |
| **Subtotal Information Technology Fund** | | **0.50** | **1.75** | **434,081** | **633,721** | **(127,039)** | **940,763** | **-** | **2.25** | **217,040** | **850,762** | **(127,039)** | **940,763** |
| **527 Facilities Fund** | | | | | | | | | | | | | |
| **New** | | | | | | | | | | | | | |
| 27FC01 | Facilities Tech 1 (1.0 FTE) | 1.00 | - | 130,457 | 74,107 | - | 204,564 | 1.00 | - | 130,457 | 74,107 | - | 204,564 |
| 27ST03 | Office Specialist Increase (.50 FTE) | 0.05 | - | 12,703 | - | - | 12,703 | - | 0.05 | - | 12,703 | - | 12,703 |
| **Subtotal 527 Facilities Fund** | | **1.05** | **-** | **143,160** | **74,107** | **-** | **217,267** | **1.00** | **0.05** | **130,457** | **86,810** | **-** | **217,267** |
| **Total Other Funds** | | **2.00** | **10.87** | **951,374** | **7,923,303** | **(2,437,253)** | **6,437,424** | **1.00** | **11.12** | **607,297** | **7,138,855** | **(3,795,767)** | **3,950,385** |
| **TOTAL ALL FUNDS** | | **9.00** | **25.80** | **5,463,431** | **18,927,862** | **(9,009,611)** | **15,381,682** | **8.00** | **26.05** | **5,002,879** | **17,845,823** | **(10,368,125)** | **12,480,577** |



# Kirkland Profile

**City of Kirkland 2027-2028 Preliminary Budget**


Kirkland Residents
City Council
Cultural Arts Commission
Design Review Boards
Disability Board
Human Services Commission
Library Board
Park Board
City Manager
Civil Service Commission
City Manager's Office
City Attorney
Legal Counsel to City Council and City Manager
Civil Legal Support for All Departments
Legal Advice to City Boards & Commissions
Civil Litigation Services
Administration of Prosecution Contract
Finance & Administration
Banking & Cash Management
Budget & CIP Preparation
Cemetery Administration
Utility Billing & Collection
Business Licence Review & Processing
Debt Administration
Procurement & Accounts Payable
Accounting
Financial Reporting
Payroll
Maintenance of Official Records
City Clerk
Public Disclosure Requests
Mail Services
Fire
Fire Protection & Response
Emergency Medical Response
Technical Rescue Response
Life Safety Inspections
Fire Investigations
Community Outreach
Disaster Emergency Management
Human Resources
Recruitment
Safety/Risk Management/ Workers Compensation
Labor & Employee Relations
Benefits Administration
Leave Management
Classification and Compensation
New Hire Onboarding
Human Resources Information System
Information Technology
Enterprise Applications
Service Desk
Network and Desktop
Mobility
Video Production
City Internet and Intranet
Geo-Spatial Information
Data Analytics and Reporting
Security and Monitoring
City Manager's Office
Diversity, Equity, Inclusion, and Belonging Program
Neighborhood Services
Volunteer Services
Government Relations and Economic Development Program
Communications Program


Planning Commission
Salary Commission
Senior Council
Tourism Development Committee
Transportation Commission
Youth Council
Hearing Examiner
Municipal Court Judge
Municipal Court
Parks & Community Services
Maintenance of Parks Facilities & Landscapes
Community Centers
Park Board Support
Long Range & Park Planning
Park Acquisition & Development
Recreation Programs & Services
Special Event Permitting
Cemetery Maintenance & Operations
Pool/Beach Maint. & Op.
Athletic Fields
Marina/Boat Launch
Teen Center
Human Services
Senior Services
Youth Services
Green Kirkland Partnership
Comm. & Cultural Events
Homeless Outreach Services
Human Services Commision Support
Communications & Outreach
Planning & Building
Land Use Planning
Zoning Admin. & Enforcement
Code Research, Drafting & Revision
Permit Review & Inspection
Resiliency and Technology
Special Studies & Projects
Intergovernmental Affairs
Census & Land Use Data
Code Enforcement
Plan Review
Permit Coordination
Construction Inspection Services
Police
Life & Property Protection
Traffic Patrol
General Investigation
Crime Prevention
Special Investigation
Record Control & Security
Marine Patrol
Corrections
Animal Services
Public Works
Capital Projects Engineering, Management & Inspection
Development Engineering, Permit Review & Inspection
Transportation, Engineering & Planning
Street Lights, Signs & Signals Opearations & Maintenance
Street & Grounds Maintenance
Water Utility – Capital, Maintenance & Operations
Sewer Utility – Capital, Maintenance & Operations
Surface Water Utility – Capital, Maintenance & Operations
Surface Water Engineering, Permit Review & Outreach
Solid Waste & Recycling Contract Management
Fleet Vehicle Maintenance & Replacement
Facilities Services

# 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 toward 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 community survey every two years to gather qualitative data about the resident's level of satisfaction. An annual Performance Measure Report will be prepared for the public to report on our progress.
- **Civic Engagement and Community** – The City of Kirkland is one community composed of multiple neighborhoods. Achievement of Council goals will be informed by civic engagement and 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 community input as well as changes in the external environment and community demographics.



**Kirkland is one of the most livable cities in America. We are a vibrant, attractive, green and welcoming place to live, work and play. Civic engagement, innovation and diversity are highly valued. We are respectful, fair, and inclusive. We honor our rich heritage while embracing the future. Kirkland strives to be a model, sustainable city that values preserving and enhancing our natural environment for our enjoyment and future generations.**

## Inclusive and Equitable Community

Kirkland is a diverse and inclusive community that is concerned for the welfare of all community members and where everyone is respected, valued, and has a sense of belonging.

**Council Goal:** Complete priority tasks of the Diversity, Equity, Inclusion and Belonging Five Year Roadmap and update the Roadmap with new tasks identified by the community, the Council and the staff.

## Vibrant Neighborhoods

The residents 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 services and infrastructure.

## Community Safety

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

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

## Supportive Human Services

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

**Council Goal:** Meet basic human needs, help people through economic and personal crises, help individuals thrive, and strive to remove barriers to allow all equal opportunities to succeed.

## 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.

## Abundant 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:** Provide and maintain natural areas and recreational facilities and opportunities that enhance the health and wellbeing of the community.

## Attainable Housing

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

**Council Goal:** Provide access to housing and encourage the construction and preservation of housing stock that meet a diverse range of incomes and needs.

## Financial Stability

Kirkland community members 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.

## Sustainable Environment

Kirkland is committed to the protection of the natural environment through an integrated natural resource management system.

**Council Goal:** Protect our natural environment through sustainable goals and practices to meet the needs of community members for a healthy environment and clean energy without compromising the needs of future generations.

## Thriving Economy

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 community members.

## 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.

# 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 Policy** that dictates the manner in which excess funds will be invested. The most updated policy was adopted in July 2025 by Council as Resolution 5688[1].
- 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 Strategic Plan, the General Sewer Plan (GSP), the Surface Water Strategic Plan, and the Water System Plan (WSP).

**Kirkland's Comprehensive Plan** is updated annually to incorporate amendments to the Capital Facilities Plan (CFP) and/or other necessary amendments to the elements or neighborhood plans. As required by the Washington State Growth Management Act (GMA), the City must update the full Comprehensive Plan every 8 years to incorporate new growth targets for jobs and housing units, and holistically address goals and policies in each element for the next 20 years. This is called a periodic update. The last periodic update process was the Kirkland 2044 Comprehensive Plan Update, which was developed between 2022-2024 and adopted by Council in December 2024.

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 strategic 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.

Finally, the **Diversity, Equity, Inclusion, and Belonging 5-Year Roadmap** is the City's way of achieving the adopted Vision of the Comprehensive Plan as it relates to diversity, equity, inclusion, and belonging.

**The City's vision statement summarizes the qualities that are an integral part of its management efforts:**

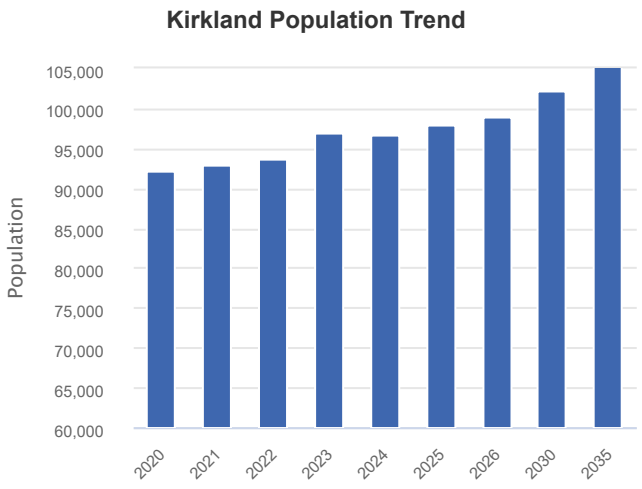
Kirkland is one of the most livable cities in America. We are a vibrant, attractive, green and welcoming place to live, work and play. Civic engagement, innovation and diversity are highly valued. We are respectful, fair, and inclusive. We honor our rich heritage while embracing the future. Safe, walkable, bikeable and friendly neighborhoods are connected to each other and to thriving mixed use activity centers, schools, parks and our scenic waterfront. Convenient transit service provides a viable alternative to driving. Diverse and affordable housing is available throughout the city. Kirkland strives to be a model, sustainable city that values preserving and enhancing our natural environment for our enjoyment and future generations.

[1] Resolution 5688 can be found at this link: https://kirkland.municipal.codes/enactments/Res5688

# Economic Environment

## POPULATION

Kirkland has seen modest growth since the City annexed Finn Hill, Kingsgate, and Juanita in 2011. The estimated population in 2026 is 98,860. The City is expected to surpass 100,000 residents by 2030. The chart below shows the City's population over the past six years including projections for 2030 and 2035.




* Estimates from WA State Office of Financial Management

## 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 44,086 individuals are employed within the City limits. The following table presents the City's top employers as of 2026.

## KIRKLAND'S MAJOR EMPLOYERS

| Employer | # of Employees |
|---|---|
| Evergreen Healthcare | 5,200 |
| Google Inc. | 5,076 |
| Lake Washington School District | 1,196 |
| City of Kirkland | 771 |
| Lake Washington Institute of Technology | 713 |
| Kenworth Truck Company | 586 |
| Amazon Kuiper Manufacturing Enterprises | 574 |
| Astronics AES | 532 |
| Fred Meyer Stores, Inc. | 469 |
| Electronic Arts | 404 |

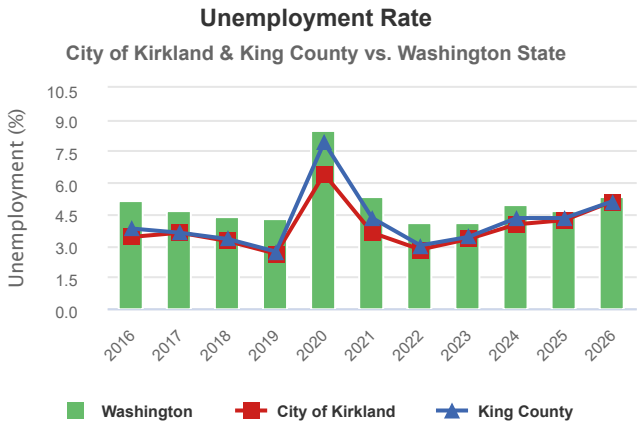
## UNEMPLOYMENT RATE

Unemployment rates in King County generally run parallel to state and national rates. Since 2004, King County's unemployment rate has consistently been below the national rate and the City of Kirkland's unemployment rate has remained close to King County rates. However, the recent layoffs in tech has pushed the state and Kirkland's unemployment rate above the national average. The table and chart below provide comparative unemployment rates for the past 10 years. Data for 2026 is through August.

## UNEMPLOYMENT RATES [1]

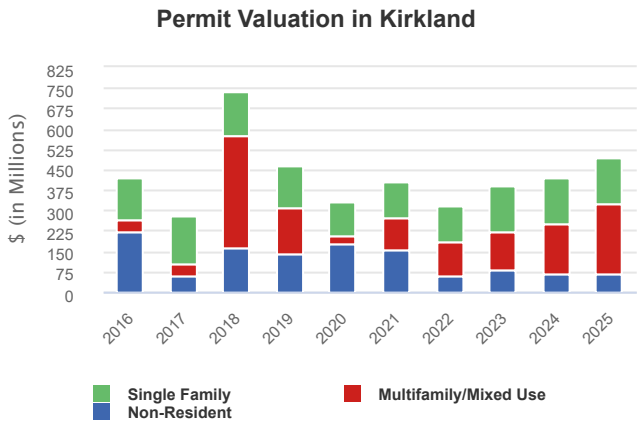
| Year | City of Kirkland | King County | State of Washington | United States |
|---|---|---|---|---|
| 2016 | 3.4 | 3.8 | 5.2 | 4.9 |
| 2017 | 3.6 | 3.6 | 4.7 | 4.4 |
| 2018 | 3.2 | 3.3 | 4.4 | 3.9 |
| 2019 | 2.6 | 2.7 | 4.3 | 3.7 |
| 2020 | 6.4 | 7.9 | 8.5 | 8.1 |
| 2021 | 3.6 | 4.3 | 5.3 | 5.4 |
| 2022 | 2.8 | 3 | 4.1 | 3.7 |
| 2023 | 3.3 | 3.4 | 4.1 | 3.6 |
| 2024 | 4.0 | 4.3 | 5.0 | 4.0 |
| 2025 | 4.2 | 4.3 | 4.7 | 4.2 |
| 2026 | 5.1 | 5.1 | 5.3 | 4.3 |

[1] U.S. Bureau of Labor Statistics.




## BUILDING ACTIVITY

Kirkland's local construction trends are a microcosm of the regional economy. Construction activity was strong between 2001 and 2007, before declining significantly during the 2008-2009 Great Recession. Kirkland's development hit its post-recession low in 2010 before construction started a slow climb back to pre-recession levels and continued to grow throughout the last decade. Large commercial and public projects like Kirkland Urban and the Village at Totem Lake drove permit valuations to the highest level on record in 2018. Activity has remained relatively strong since 2019, supported by development in the broader Totem Lake neighborhood, Kirkland Urban, and the downtown core, as well as additions to multiple schools in the Lake Washington School District and some larger mixed-use projects in the NE 85th Street corridor. More recently, construction activity has leveled off from the elevated levels seen in the late 2010's and early 2020's, with activity remaining steady but somewhat less robust than in the peak years.




## PERMIT VALUATION IN MILLIONS OF DOLLARS [1]

| Year | Single Family | Multifamily Mixed Use | Non-Residential | Total |
|---|---|---|---|---|
| 2016 | 154 | 47 | 221 | 422 |
| 2017 | 176 | 47 | 58 | 281 |
| 2018 | 160 | 411 | 163 | 734 |
| 2019 | 157 | 166 | 140 | 463 |
| 2020 | 123 | 29 | 180 | 332 |
| 2021 | 131 | 121 | 154 | 406 |
| 2022 | 134 | 122 | 60 | 316 |
| 2023 | 170 | 144 | 80 | 394 |
| 2024 | 172 | 182 | 65 | 419 |
| 2025 | 173 | 258 | 66 | 497 |

[1] Based on building permits issued by the City of Kirkland Building Division.

## OTHER ECONOMIC INDICATORS

### Office Vacancies

According to the latest report available from Kidder Mathews, Kirkland's office vacancy rate was 10.4 percent at the end of the second quarter of 2026, while the Eastside and the Puget Sound region had office vacancy rates of 21.0 percent and 23.4 percent, respectively.

### Housing Values

Based on data from Zillow.com, Kirkland home values peaked in the spring of 2025, and continued to decline as of August 2026. Home values decreased 8.88 percent between March 2025 and August 2026.

### Inflation

The Seattle Metro Consumer Price Index (CPI), a measure of price changes for goods and services, has ebbed and flowed over the 2025-2026 biennium. While inflation decreased to 2.7 percent from June 2024 to June 2025, it rose again from June 2025 to June 2026 to 3.8 percent.



# Budget Guide

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

**City of Kirkland 2027-2028 Preliminary Budget**

# Guide to Budget Fund Structure

The City Budget is composed of 29 separate funds that are each balanced independently – revenues equal expenditures. The City's budget is divided into five primary sections – General Government, Water Utility, 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.

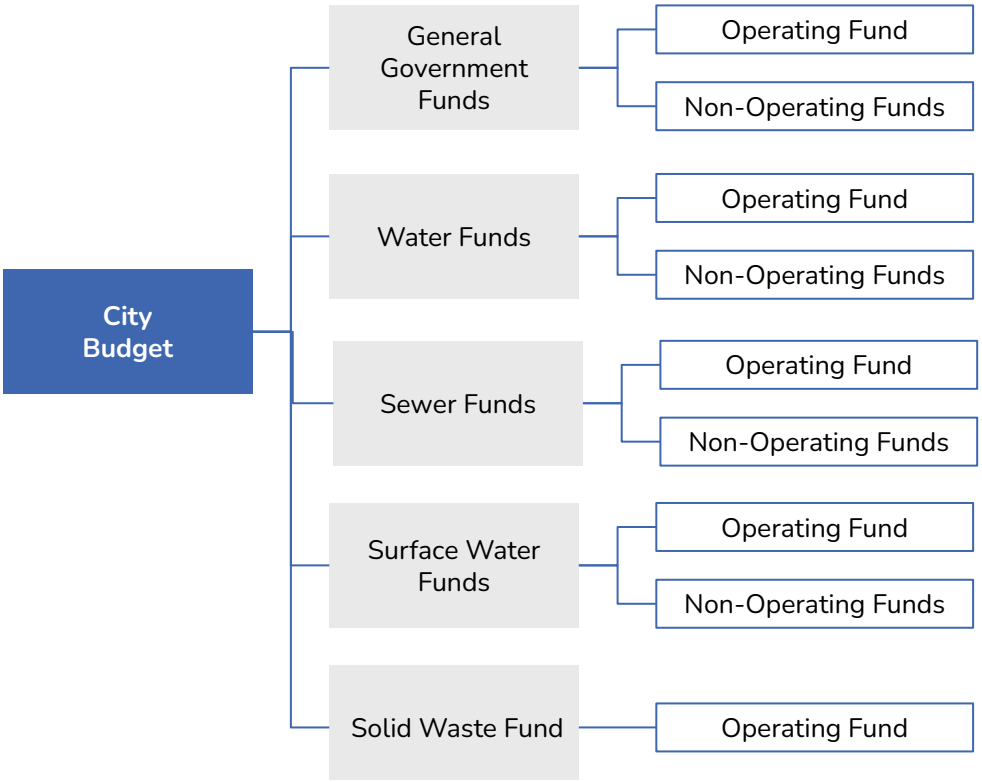
The general government operating funds include three Governmental Funds Groups – including the General Fund, three special revenue funds, and four internal service funds. General government operating funds account for services to the public including public safety, street maintenance, land use, parks 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, capital revenues, and reserves related to these funds.

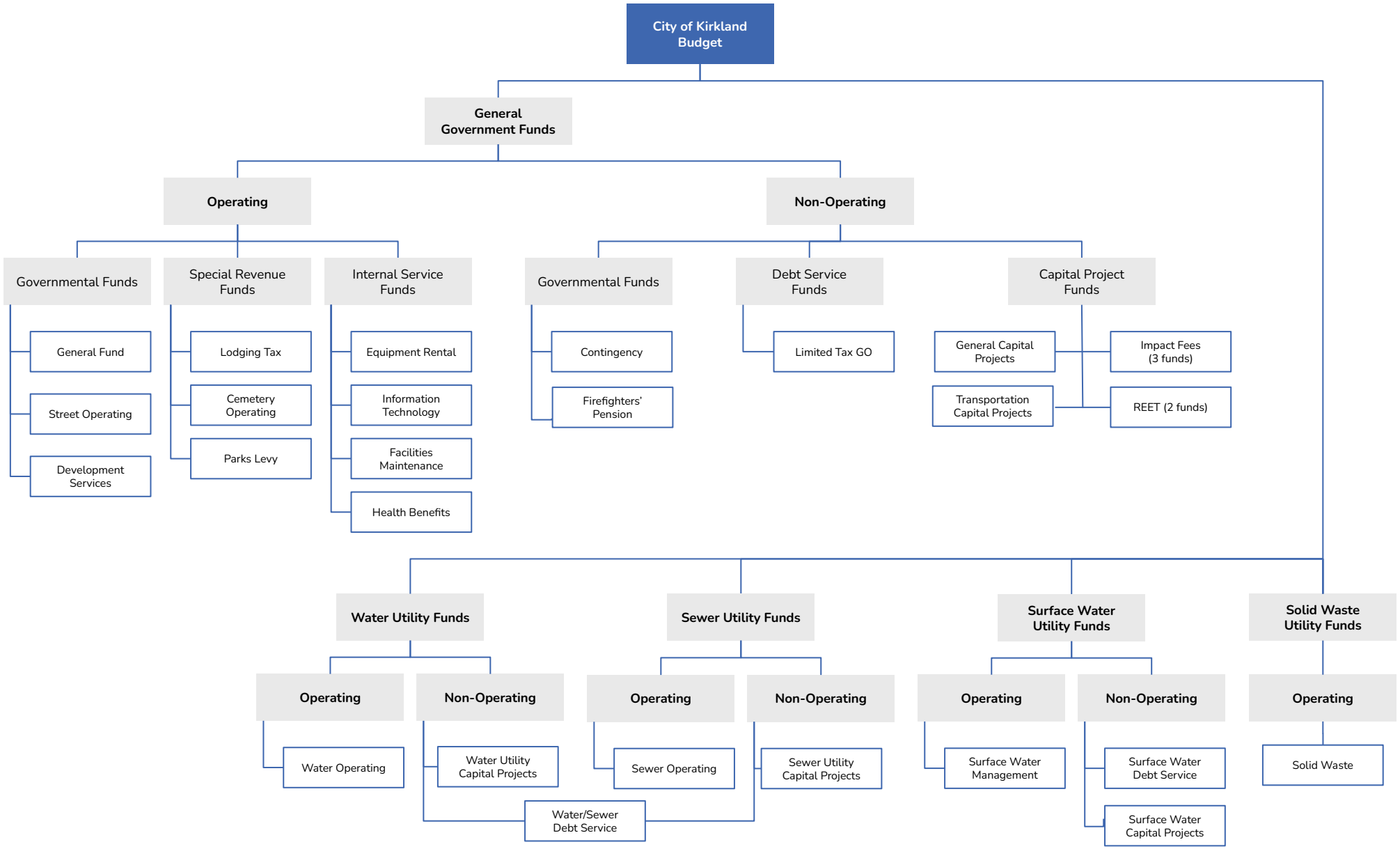
Like the general government funds, the Water Utility, Sewer Utility, and Surface Water Utility each have operating and non-operating components. The Solid Waste Utility consists of only an operating fund. All utility operating funds account for the cost of providing and maintaining services to its customers.

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 Budget
General Government Funds
Operating
Non-Operating
Governmental Funds
Special Revenue Funds
Internal Service Funds
General Fund
Street Operating
Development Services
Lodging Tax
Cemetery Operating
Parks Levy
Equipment Rental
Information Technology
Facilities Maintenance
Health Benefits
Governmental Funds
Debt Service Funds
Capital Project Funds
Contingency
Firefighters' Pension
Limited Tax GO
General Capital Projects
Transportation Capital Projects
Impact Fees (3 funds)
REET (2 funds)
Water Utility Funds
Sewer Utility Funds
Surface Water Utility Funds
Solid Waste Utility Funds
Operating
Non-Operating
Operating
Non-Operating
Operating
Non-Operating
Operating
Water Operating
Water Utility Capital Projects
Water/Sewer Debt Service
Sewer Operating
Sewer Utility Capital Projects
Surface Water Management
Surface Water Debt Service
Surface Water Capital Projects
Solid Waste

# 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 primarily on a cash basis.** Cash basis of accounting means that transactions are recognized at the point when cash is received or paid. Most accrual entries are excluded, such as long-term pension liability changes, and unrealized gains/losses in the City's investment portfolio. This creates a budgetary fund balance which represents current resources available to cover expenses.

**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 biennia.

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.

# 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 May 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 June, the Director of Finance & Administration 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 City conducts a biennial community survey to gauge resident satisfaction with City services and to help establish priorities for the budget. The results are based on a statistically valid phone and a corresponding online survey. The phone survey is the source of the "Kirkland Quad" that indicates resident ratings of the importance and performance of priority areas, as well as providing key data points for department priorities and the City's Performance Measures Report. The results of the online survey provide supplemental information for City Council consideration and can be found on the Biennial Community Survey Landing Page online.
4. The Finance & Administration (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.
5. In late August, the Deputy City Manager, Director of Finance & Administration, Deputy Director of Finance & Administration, Financial Planning Manager and Budget Analysts meet with each department to review their basic budget requests.
6. 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.
7. In early-September, the City Manager meets with each department director and key staff to review their basic budget and service package requests. In addition, the City holds a public hearing in mid- September to gather community members' input on proposed revenue sources for the coming biennium.
8. The City Manager finalizes the preliminary budget proposal, which includes recommended service packages and reductions (if any), by mid-September.
9. 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.
10. 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.
11. The City holds at least one public hearing in mid-November to gather community members' input on the preliminary budget as well as on any changes made by the City Council during their budget deliberations.

12. 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.
13. 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

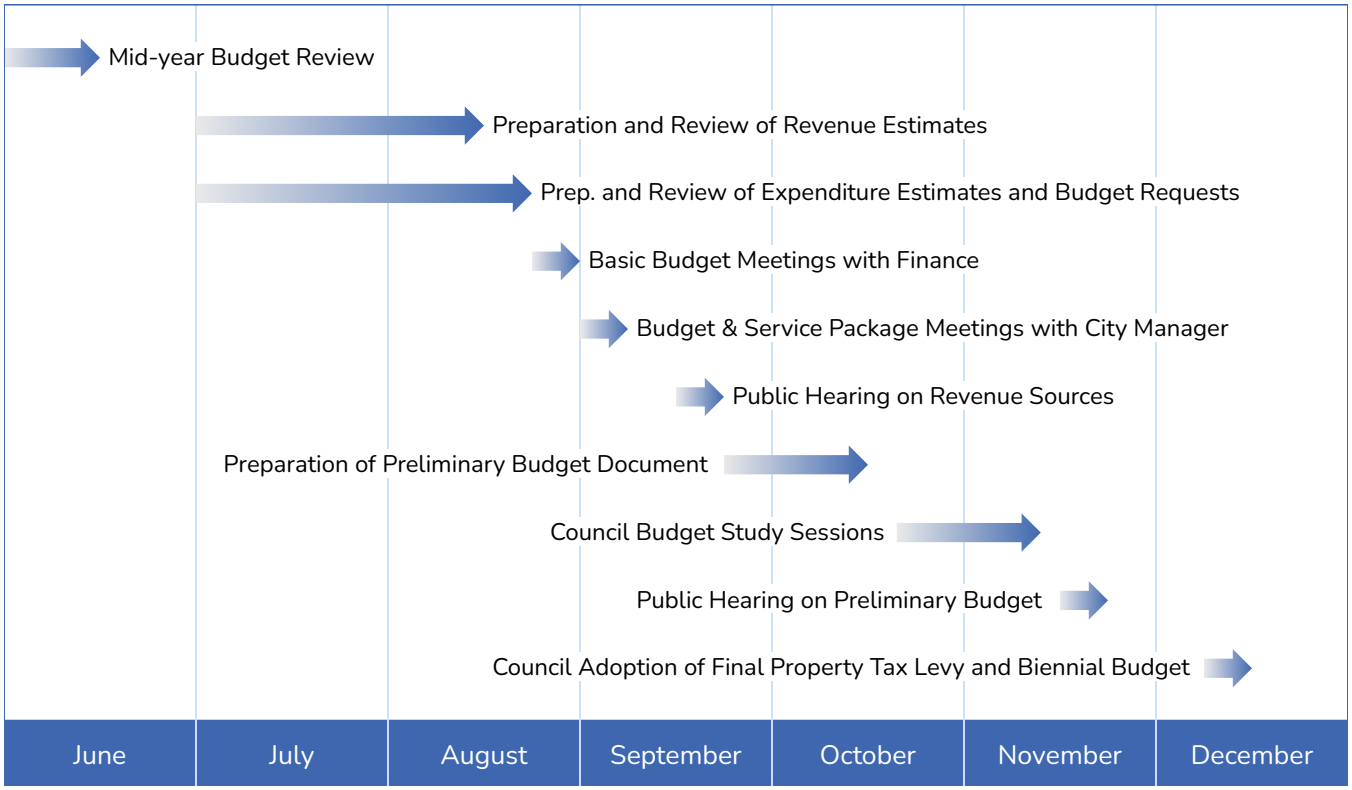
There are two types of adjustments related to the adopted budget: 1) transfers between line items or between departments within the same fund; and 2) changes to an individual fund's total appropriation. The former is handled administratively when needed with the approval of the F&A Director. The latter takes 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 June 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. Review at midyear of the second year of the biennium assesses any needed adjustments for anticipated needs 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. This is also 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 four 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.

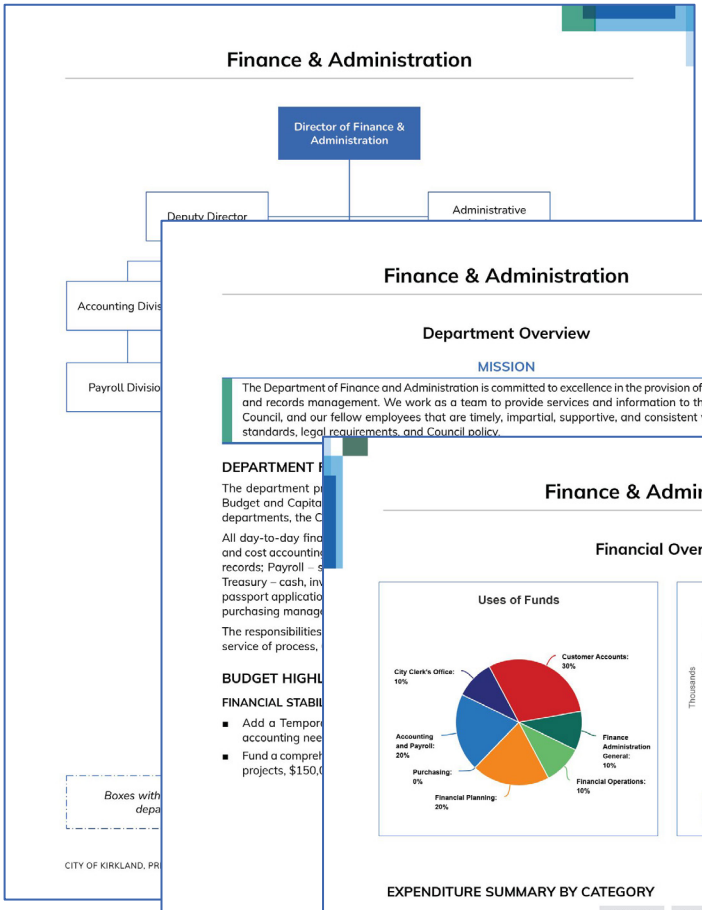
## BIENNIAL BUDGET PREPARATION TIMELINE



# 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, and financial overviews are provided for each department as well as detailed schedules of revenues.*




*The reporting relationships are delineated in each department section. Positions and/or functions that are budgeted in a different fund are indicated by a dashed outline box.*




*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.*




**EXPENDITURE SUMMARY BY CATEGORY**

| | 2019-2020 Actual | 2021-2022 Estimate | 2021-2022 Budget | 2023-2024 Budget | Change |
|---|---|---|---|---|---|
| Salaries and Wages | 5,819,830 | 6,094,674 | 6,766,586 | 7,511,427 | 11.01% |
| Benefits | 2,596,789 | 2,705,789 | 2,981,289 | 3,324,785 | 11.52% |
| Supplies | 52,596 | 43,934 | 34,796 | 24,002 | (31.02%) |
| Other Services | 1,737,612 | 2,248,184 | 2,823,467 | 2,781,797 | (1.48%) |
| Intergovernmental Services | 329,254 | 452,008 | 429,201 | 552,765 | 28.79% |
| **TOTAL** | **10,536,081** | **11,544,589** | **13,035,340** | **14,194,776** | **8.89%** |

**EXPENDITURE SUMMARY BY DIVISION**

| | 2019-2020 Actual | 2021-2022 Estimate | 2021-2022 Budget | 2023-2024 Budget | Change |
|---|---|---|---|---|---|
| Accounting and Payroll | 2,682,615 | 2,834,616 | 3,032,061 | 3,042,515 | 0.34% |
| City Clerk's Office | 1,483,939 | 1,587,313 | 1,631,486 | 1,969,229 | 20.70% |
| Customer Accounts | 3,115,881 | 3,365,553 | 3,606,737 | 3,557,435 | (1.37%) |
| Finance Administration General | 1,340,628 | 1,391,686 | 1,499,834 | 1,594,097 | 6.28% |
| Financial Operations | - | 95,612 | - | 831,634 | |
| Financial Planning | 1,417,207 | 1,630,761 | 2,566,170 | 2,611,084 | 1.75% |
| Purchasing | 495,811 | 639,049 | 699,052 | 588,782 | (15.77%) |
| **TOTAL** | **10,536,081** | **11,544,589** | **13,035,340** | **14,194,776** | **8.89%** |

*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. Note that revenues associated with development activity were moved to the Development Services Fund in 2023-2024.*

## GENERAL FUND REVENUES

| | Object | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|---|
| Prop Tax | 311101 | 59,884,832 | 63,046,140 | 63,107,829 | 66,181,378 | 4.87% |
| Rtl Sales Use Tax | 313111 | 66,276,506 | 71,825,915 | 69,055,066 | 72,000,000 | 4.26% |
| Spec Purpose Tx Public Safety | 313150 | 5,689,706 | 6,336,487 | 5,510,390 | 6,426,686 | 16.63% |
| Affrdbl Spprtv Hsng SalesUseTx | 313270 | 437,012 | 436,720 | 423,338 | 433,000 | 2.28% |
| Brok Nat Gax Tax | 313611 | 7,569 | 5,859 | 8,400 | 5,400 | (35.71%) |
| Criminal Justice Loc Tax | 313711 | 6,295,213 | 7,393,827 | 5,858,440 | 7,734,618 | 32.03% |
| Rev Gen Reg License | 316101 | 8,098,273 | 10,071,629 | 11,243,000 | 10,150,000 | (9.72%) |
| Rev Gen Bus Lic Prior Yr | 316102 | 534,409 | 132,927 | 40,000 | 140,000 | 250.00% |
| Electric Utility Tax | 316411 | 10,123,464 | 13,500,990 | 11,287,649 | 16,886,000 | 49.60% |
| Gas Utility Tax | 316431 | 3,618,519 | 3,850,175 | 3,658,134 | 4,060,000 | 10.99% |
| TV Cable-Private | 316461 | 2,099,742 | 1,943,023 | 2,009,046 | 1,599,000 | (20.41%) |
| Telephone Utility Tax | 316471 | 2,215,943 | 2,077,499 | 1,884,993 | 1,866,000 | (1.01%) |
| Water Cus Utility Tx | 316481 | 3,652,980 | 4,154,378 | 4,181,023 | 4,664,785 | 11.57% |
| Sewer Cus Utility Tx | 316482 | 3,415,201 | 3,956,776 | 4,044,494 | 4,777,167 | 18.12% |
| Sld Waste Utility Tx | 316483 | 6,051,014 | 6,783,917 | 6,759,341 | 7,622,683 | 12.77% |
| SW Cus Util Tx | 316484 | 1,835,265 | 1,989,411 | 1,990,135 | 2,193,726 | 10.23% |
| Pnch Bds Pull Tb | 316811 | 674,931 | 713,308 | 656,000 | 760,000 | 15.85% |
| Bingo and Raffle | 316821 | 2,776 | 7,228 | 3,000 | 4,000 | 33.33% |
| Amusement Games | 316831 | 1,806 | 544 | 2,600 | 1,000 | (61.54%) |
| Card Games | 316841 | 3,509,830 | 3,629,053 | 3,137,000 | 3,200,000 | 2.01% |
| Leasehold Excise | 317201 | 161,587 | 152,848 | 160,000 | 160,000 | -% |
| Admissions Tax | 318111 | 798,377 | 619,802 | 720,000 | 600,000 | (16.67%) |
| **Total for Taxes** | | **185,384,955** | **202,628,454** | **195,739,878** | **211,465,443** | **(3.26%)** |
| **License and Permits** | | | | | | |
| Amusement License | 321709 | - | 25 | - | - | |
| Franchise Fees | 321911 | 8,641,530 | 8,629,695 | 8,966,401 | 9,108,999 | 1.59% |
| Business License Fee | 321991 | 1,620,893 | 1,645,203 | 1,600,000 | 1,650,000 | 3.13% |
| Business Lic Fee Prior Yr | 321992 | 30,846 | 48,776 | 32,000 | 36,000 | 12.50% |
| Busking Permit Fee | 321995 | 2,400 | 2,975 | 2,400 | 2,400 | -% |
| Animal License | 322301 | 266,552 | 196,893 | 330,000 | 168,210 | (49.03%) |
| Street Vacation Permit | 322403 | 16,508 | - | - | - | |
| Alarm Registration | 322900 | 136,490 | 103,300 | 130,000 | 100,000 | (23.08%) |
| C Weapon Permit | 322903 | 30,012 | 27,988 | 26,400 | 26,400 | -% |
| Special Event Permit | 322905 | 49,745 | 47,868 | 30,000 | 30,000 | -% |
| IFC Other | 322915 | 397 | - | - | - | |




# Fiscal Policies

**City of Kirkland 2027-2028 Preliminary Budget**

# 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.
- Credit card fee surcharges, cash discounts and online payment methods shall be reviewed and evaluated every two years as part of the biennial budget process to ensure that the cost of service is being covered and the City is taking advantage of improving technology.

- 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.
- Net 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.
- Annual expenditures from the Excise Tax Capital Improvement Fund will be prioritized such that available resources are sufficient to meet all operating budget commitments for the year. Subject to review and approval by the City Council, projected shortfalls in the Excise Tax Capital Improvement Fund in any given year will be balanced with offsetting reductions to capital budget commitments, or use of available reserves, prior to any reduction in transfers to the operating budget.

## 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) in a manner that is in conformance with federal, state and other legal requirements based upon the following order of priority: 1) safety; 2) liquidity and 3) return on investment.
- 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 first providing for all costs and expenses incurred in the administration of the common investment fund and 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 General Purpose Reserves 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. General Purpose Reserves include the following, as listed below and described in the *Reserve Purposes and Targets* section:
    - Contingency Reserve Fund;
    - General Capital Contingency;
    - General Operating Reserve;
    - Revenue Stabilization Reserve;
    - Council Special Projects Reserve; and,
    - Building and Property Reserve.

### *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 the lower of 80 percent of the statutory maximum of $0.375 per $1,000 of assessed valuation or the budgeted 2020 year end balance plus inflation in the following years as measured by the CPI-W.
- The City will maintain a General Operating Reserve at an amount equivalent to five percent of the tax-supported general government budgets (General Fund, Lodging Tax Fund, Street Operating Fund, and Parks

Levy 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. The City Council's Special Projects Reserve is primarily intended to be used for Council or staff-initiated requests that support Council initiatives and direction, and not to fund outside organization requests. The reserve is limited to one-time projects, pilot programs, budget amendments, or special events. The Council may use the reserve to fund outside organization emergency requests on a case-by-case basis. 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 and debt proceeds.
- 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 two Capital Improvement Program reserves from Real Estate Excise Tax revenue as means of assuring the availability of cash resources to leverage external funding when the opportunity arises and to provide flexibility for project scope changes and unanticipated costs. The reserves will be maintained in the REET Funds.
  - The first, "REET CIP Contingency", will provide for reserves equal to 15 percent of Real Estate Excise Tax revenue from the previous five (5) full years, split equally of revenue from the first quarter percent of the tax and revenue from the second quarter percent of the Real Estate Excise Tax. The combined reserve should not fall below $2 million unless its use is instructed by Council.
  - Beginning in 2027-2028, the second, "Matching Fund Reserve", will provide for $500,000 of revenue from the first quarter percent of the Real Estate Excise Tax and $500,000 of revenue from the second quarter percent of the tax. It can be cited as eligible matching funds in applications for external funding by City Staff and authorized by Council upon grant obligation.
- These amounts will be maintained through excise tax revenue received over and above the annual allocation to the Capital Improvement Plan. These reserves will be calculated and replenished at the completion of each biennium, although the Matching Fund Reserve may be replenished at Council direction at the Mid-Biennial Budget Adjustment.
- 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 three ways during periods of economic recovery:
  - Planned – A specific amount is included in the adopted budget,
  - Scheduled – After uses of reserves occur, a repayment schedule can be established to repay the use over a specific time period, 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 percent of the target level shall be set to at least 1 percent of the General Fund adopted expenditures less reserves.
- Scheduled amounts are included in the adopted budgets according to the repayment schedule. The amount scheduled for repayment will be assumed as part of the balance for determining performance against reserve targets.
- 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 percent of target and the revenue stabilization reserve is at 100 percent 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 percent budgeted amount.
- Once reserves reach 80 percent of target and revenue stabilization reserve is at 100 percent, 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 percent of available cash toward reserves until they are at 100 percent of target.
  - The remaining 50 percent 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 community members; 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

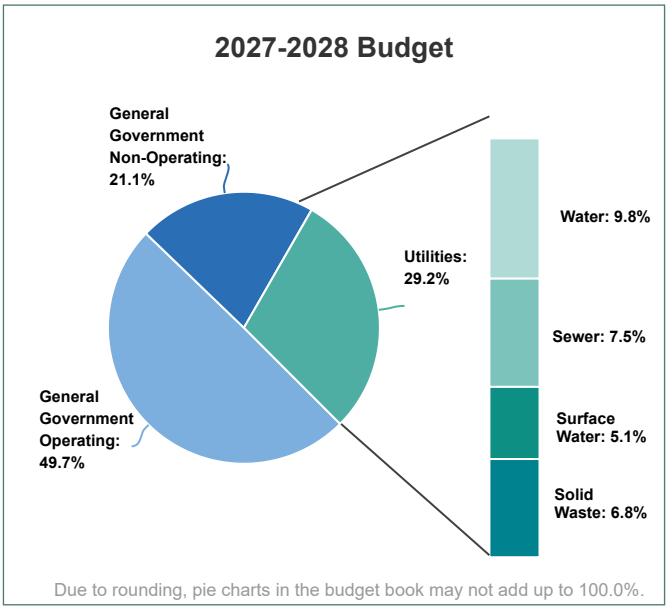
Kirkland's City government is accountable for a considerable investment in buildings, parks, roads, sewers, equipment and other capital investments. The preservation, maintenance, and future improvement of these facilities are a primary responsibility of the City. Planning and implementing sound capital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

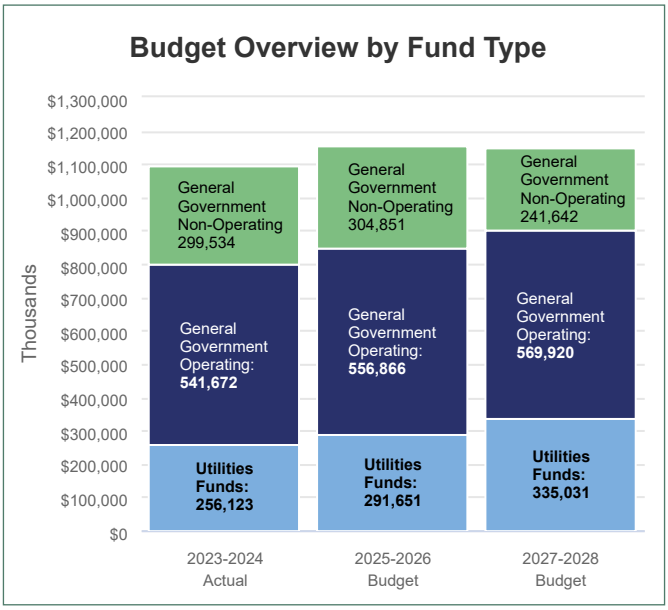
- The City will establish and implement a comprehensive multi-year Capital Improvement Program.
- The Capital Improvement Program will be prepared biennially concurrent with the development of the biennial budget. A mid-biennium review and update will take place during the first year of the biennium.
- 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.

# Budget Summary



## BUDGET SUMMARY
## $1,146,592,856



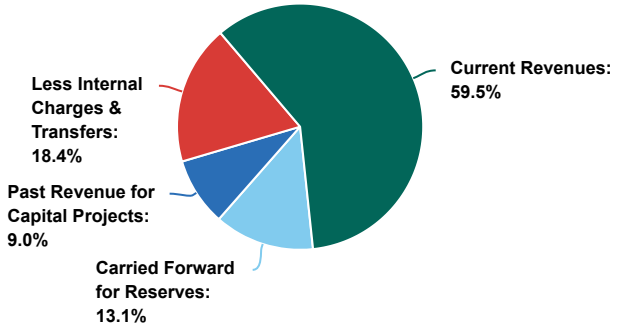




The City Budget is composed of General Government functions and the City's four Utilities which are operated as separate enterprises. Both the General Government and Utilities budgets have operating and non-operating components. The operating portion of the budget represents services to the public and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

## 2027-2028 Total Resources and Uses

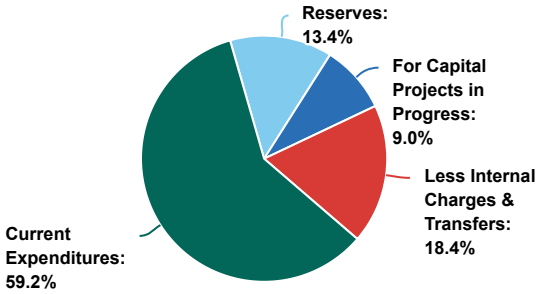
### Where the Money Comes From

2027-2028 Budgeted Resources




### Where the Money Goes

2027-2028 Budgeted Uses




| | |
|---|---|
| Total Budgeted Resources | $ 1,146,592,856 |
| Less Resources Forward (Cash) | |
| Carried Forward for Reserves | (150,764,863) |
| Past Revenue for Capital Projects | (102,697,847) |
| Less Internal Charges & Transfers | (210,463,570) |
| Current Revenues | $ 682,666,576 |

| | |
|---|---|
| Total Budgeted Uses | $ 1,146,592,856 |
| Less Reserves & Working Capital | |
| Reserves | (154,180,330) |
| For Capital Projects in Progress | (102,697,847) |
| Less Internal Charges & Transfers | (210,463,570) |
| Current Expenditures | $ 679,251,109 |

The total budget of $1.15 billion 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.

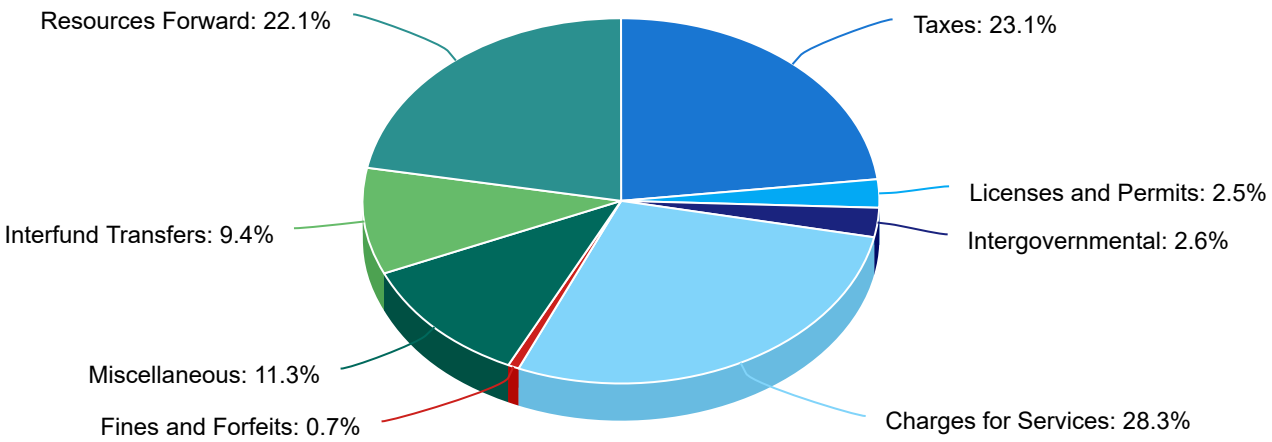
Current revenues reflect what the City expects to receive from external sources. Across all functions, about $682.7 million is projected to be received during the next biennium, which is equivalent to the City's biennial income.

Current expenditures correspond to what the City plans to actually spend in terms of payments to employees, vendors, outside agencies, and other governments. About $679.3 million is projected to be spent during the next biennium citywide. Current revenues exceed current expenditures by $3.4 million (i.e., reserves grow from $150.8 million to $154.2 million). The General Fund draws down $11.9 million of fund balance and reserves, which is offset by planned increases in equipment replacement, facilities, and utility reserves.

Budget Overview

## Total Government Revenue Summary

$1,146,592,856

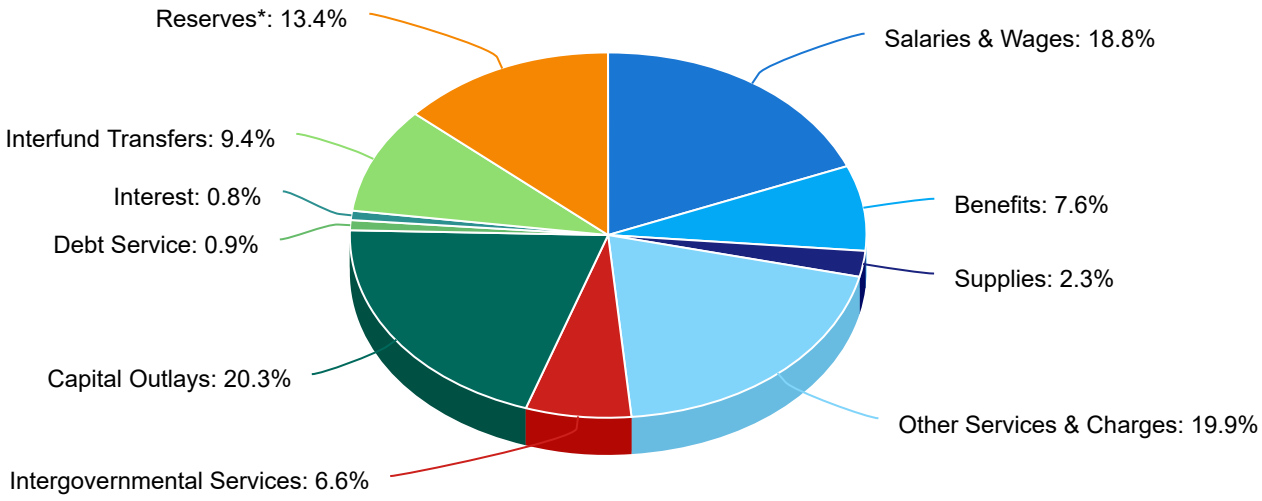



## ANALYSIS OF CHANGE

| Revenue Type | 2023-2024 Actual | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|
| Taxes | 237,664,347 | 246,825,961 | 264,924,577 | 7.33% |
| Licenses and Permits | 30,107,798 | 28,425,771 | 28,649,126 | 0.79% |
| Intergovernmental | 32,283,235 | 70,711,679 | 30,228,292 | (57.25%) |
| Charges for Services | 262,598,275 | 307,776,818 | 324,103,218 | 5.30% |
| Fines and Forfeits | 8,281,666 | 7,338,200 | 8,123,079 | 10.70% |
| Miscellaneous | 102,029,941 | 74,033,005 | 129,169,786 | 74.48% |
| Interfund Transfers | 135,208,826 | 123,040,402 | 107,932,068 | (12.28%) |
| Resources Forward | 289,394,276 | 295,215,638 | 253,462,710 | (14.14%) |
| **Total Revenue** | **1,097,568,365** | **1,153,367,474** | **1,146,592,856** | **(0.59%)** |

## Total Government Expenditure Summary

$1,146,592,856




## ANALYSIS OF CHANGE

| Expenditure Category | 2023-2024 Actual | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|
| Salaries & Wages | 176,893,131 | 199,301,334 | 215,936,958 | 8.35% |
| Benefits | 67,420,904 | 82,534,656 | 86,627,011 | 4.96% |
| Supplies | 24,352,249 | 24,250,037 | 26,266,227 | 8.31% |
| Other Services & Charges | 179,465,134 | 212,940,678 | 227,881,461 | 7.02% |
| Intergovernmental Services | 63,093,967 | 63,922,360 | 75,725,688 | 18.47% |
| Capital Outlays | 150,861,181 | 298,588,442 | 232,262,076 | (22.21%) |
| Debt Service | 5,080,000 | 8,222,624 | 10,258,755 | 24.76% |
| Interest | 5,978,999 | 10,169,686 | 9,522,282 | (6.37%) |
| Interfund Transfers | 134,845,509 | 127,796,552 | 107,932,068 | (15.54%) |
| Reserves* | 125,655,393 | 125,641,105 | 154,180,330 | 22.71% |
| **Total Expenditure** | **933,646,468** | **1,153,367,474** | **1,146,592,856** | **(0.59%)** |

* 2023-2024 Actual reserves are budgeted, but not spent

## GENERAL GOVERNMENT OPERATING FUNDS 2027-2028 BUDGET OVERVIEW: BY TYPE/FUND

| Fund | 2023-2024 Actual | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|
| *Governmental Funds* | | | | |
| General Fund | 330,484,913 | 341,897,317 | 361,870,237 | 5.84% |
| Street Operating Fund | 28,656,790 | 31,700,797 | 35,469,320 | 11.89% |
| Development Services Fund | 77,111,640 | 59,212,185 | 53,966,460 | (8.86%) |
| **Total Governmental Funds** | **436,253,344** | **432,810,299** | **451,306,017** | **4.27%** |
| *Special Revenue Funds* | | | | |
| Lodging Tax Fund | 1,104,553 | 1,225,875 | 948,988 | (22.59%) |
| Cemetery Operating Fund | 1,617,996 | 1,669,445 | 1,835,175 | 9.93% |
| Parks Levy Fund | 15,376,186 | 14,380,898 | 13,450,122 | (6.47%) |
| **Total Special Revenues Funds** | **18,098,735** | **17,276,218** | **16,234,285** | **(6.03%)** |
| *Internal Service Funds* | | | | |
| Health Benefits Fund | 25,941,302 | 29,323,764 | 31,412,151 | 7.12% |
| Equipment Rental Fund | 22,258,607 | 34,109,552 | 27,979,584 | (17.97%) |
| Information Technology Fund | 21,955,259 | 24,471,053 | 24,690,276 | 0.90% |
| Facilities Maintenance Fund | 17,164,842 | 18,874,707 | 18,297,467 | (3.06%) |
| **Total Internal Service Funds** | **87,320,009** | **106,779,076** | **102,379,478** | **(4.12%)** |
| **Gen. Gov't Operating Total** | **541,672,089** | **556,865,593** | **569,919,780** | **2.34%** |

## GENERAL GOVERNMENT NON-OPERATING FUNDS

| Fund | 2023-2024 Actual | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|
| *Governmental Funds* | | | | |
| Contingency Fund | 6,959,697 | 7,210,246 | 7,484,145 | 3.80% |
| Firefighters' Pension | 1,774,335 | 1,988,601 | 2,365,197 | 18.94% |
| **Total Governmental Funds** | **8,734,032** | **9,198,847** | **9,849,342** | **7.07%** |
| *Debt Service Funds* | | | | |
| LTGO Debt Service | 10,867,255 | 16,371,880 | 17,394,350 | 6.25% |
| UTGO Debt Service | 3,314 | - | - | |
| **Total Debt Service Funds** | **10,870,569** | **16,371,880** | **17,394,350** | **6.25%** |
| *Capital Projects Funds* | | | | |
| Impact Fees | 13,356,139 | 15,547,931 | 10,566,845 | (32.04%) |
| Excise Tax Capital Improvement (REET) | 42,980,992 | 31,711,532 | 30,321,701 | (4.38%) |
| General Capital Projects Fund | 103,789,425 | 108,734,418 | 95,123,889 | (12.52%) |
| Transportation Capital Projects Fund | 119,803,149 | 123,286,196 | 78,385,701 | (36.42%) |
| **Total Capital Projects Funds** | **279,929,704** | **279,280,077** | **214,398,136** | **(23.23%)** |
| **Gen. Gov't Non-Operating Total** | **299,534,305** | **304,850,804** | **241,641,828** | **(20.73%)** |

## UTILITY FUNDS

| Fund | 2023-2024 Actual | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|
| *Water Utility* | | | | |
| Water Operating Fund | 79,831,083 | 84,566,266 | 47,710,740 | (43.58%) |
| Water/Sewer Debt Service | 687,971 | 567,370 | 2,427,398 | 327.83% |
| Water Utility Capital Projects Fund | 53,878,388 | 71,688,728 | 62,274,920 | (13.13%) |
| **Water Utility** [1] | **134,397,443** | **156,822,364** | **112,413,058** | **(28.32%)** |
| *Sewer Utility* | | | | |
| Sewer Operating Fund | - | - | 53,756,836 | |
| Sewer Utility Capital Projects Fund | - | - | 31,930,532 | |
| **Sewer Utility** [1] | **-** | **-** | **85,687,368** | |
| *Surface Water Utility* | | | | |
| Surface Water Operating Fund | 34,147,754 | 36,900,073 | 37,928,264 | 2.79% |
| Surface Water Capital Projects Fund | 24,548,721 | 25,184,893 | 20,700,775 | (17.80%) |
| **Surface Water Utility** | **58,696,475** | **62,084,966** | **58,629,039** | **(5.57%)** |
| *Solid Waste Utility* | | | | |
| Solid Waste Operating Fund | 63,028,634 | 71,406,011 | 78,301,783 | 9.66% |
| **Solid Waste Utility** | **63,028,634** | **71,406,011** | **78,301,783** | **9.66%** |
| **Utility Funds Total** | **256,122,552** | **290,313,341** | **335,031,248** | **15.40%** |
| **All Funds** | **1,097,328,945** | **1,153,367,474** | **1,146,592,856** | **(0.59%)** |

(1) Beginning in 2027-2028, the Water/Sewer fund is being split in to two funds, a Water utility fund and Sewer utility fund. Combined numbers will appear in prior years.



# Revenue

A guide to major revenue sources and trends.

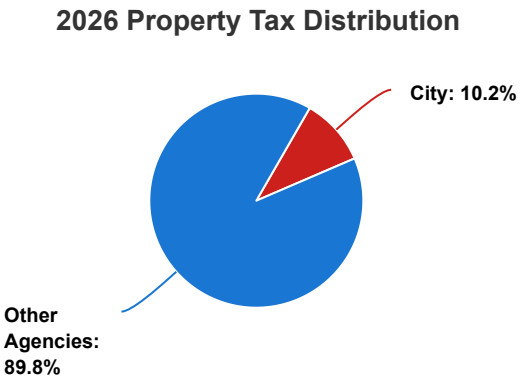
**City of Kirkland 2027-2028 Preliminary Budget**

# Revenue Trends & Assumptions

**Taxes**

## *PROPERTY TAX*

In Kirkland, property taxes fund services in the General, Street Operating and Parks Levy Funds. The City has two Parks levies, a 2002 Parks Maintenance levy to fund maintenance and operations for new parks, and a November 2012 Parks levy that funds parks maintenance, recreation, and some capital funding (both receipted in the Parks Levy Fund). Kirkland voters have also approved a 2012 street maintenance and pedestrian safety levy which funds street preservation and maintenance projects in the Street Operating Fund, and a 2020 Fire ballot measure that funds additional firefighters, fire services, and facilities, within the General Fund.




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 Levy Fund.

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. In 2026, the total typical property tax rate in Kirkland is $8.46 per $1,000 of assessed valuation. Of that total, about 10.21 percent, or $0.864 per $1,000 assessed valuation, goes to the City. This rate includes the 2002 and 2012 levy lid lifts for parks maintenance, the 2012 levy lid lift for street preservation and pedestrian safety, and the 2020 fire prop 1 measure.

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 does not have any banked levy capacity.

The City is also provided an allowance for new construction, which entitles the City to the property tax revenue generated by newly constructed homes and businesses and by new additions to existing homes and businesses. The new construction levy does not increase the overall property tax rate paid by property owners. The City's total tax rate cannot be more than $3.59 per $1,000 of assessed valuation.

For each property owner, the change in the annual property tax bill is driven by the following: 1) the annual levy increase (or decrease) by each taxing jurisdiction; and 2) the change in assessed valuation of a property relative to the change in total assessed valuation of each taxing jurisdiction. The latter impacts how a levy increase for each taxing jurisdiction, which is generally limited to one percent per year, with some exceptions, is distributed among property owners. The levy rate for each taxing jurisdiction is determined by dividing the annual levy amount by the total assessed valuation per $1,000.

### Budget

| Property Tax | 2025-2026 $88,959,812 | 2027-2028 $93,283,049 |
|---|---|---|
| General Fund | $ 47,368,415 | $ 49,645,157 |
| Fire Prop 1 | $ 15,739,414 | $ 16,536,221 |
| Street Operating Fund | $ 7,664,728 | $ 8,036,217 |
| Street Operating Fund (Street Maintenance/ Pedestrian Safety Levy) | $ 8,268,444 | $ 8,666,291 |
| Parks Levy Fund | $ 9,918,811 | $ 10,399,163 |

## 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 from 1.2 percent to 2.7 percent over the last 10 years.

### Key Assumptions

- 1.5 percent new construction in 2027 and 2028.
- 1.0 percent optional levy increase in 2027 and 2028.

## *SALES TAX*

Sales tax is one of the primary sources of funding for general government services and is the largest single source of General Fund revenue in the 2027-2028 biennium.

Sales tax is levied on the sale of consumer goods (except most food products and some services) and construction. In Kirkland, the retail sector is the largest generator of sales tax, followed by the contracting and services sectors. 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 activity in the City.

As of January 1, 2027, the general sales tax rate in the City of Kirkland is 10.51 percent. Of this, 0.935 percent is returned to the City: 0.85 percent from the local sales tax and 0.085 percent from the public safety sales tax approved by voters in 2018. The remaining 9.575 percent is distributed to the State, King County, and other public agencies. The 2027 rate includes a new King County sales tax of one-hundredth of one percent (0.01 percent) for children and family services (ESHB 2442).

The State collects an additional 0.5 percent sales tax on vehicle sales and leases to fund transportation improvements. Under state statute, the 0.1 percent public safety sales tax does not apply to vehicle sales and leases. The net additional rate on vehicles is therefore 0.4 percent, for a total vehicle sales and lease rate of 10.91 percent. The distribution of sales tax is shown in the table to the right.

| Jurisdiction | Rate (%) |
|---|---|
| State of Washington | 6.500 |
| King County/METRO | 0.900 |
| King County Criminal Justice Levy | 0.100 |
| King County Mental Health | 0.100 |
| King County Housing | 0.100 |
| King County Cultural Access Program | 0.100 |
| King County Transportation Benefit District | 0.100 |
| Local Law Enforcement Program (ESHB 2015) | 0.100 |
| Children and Family Services (ESHB 2442) | 0.010 |
| City of Kirkland | |
| (1.0 with 0.15 remitted to King County for administrative costs) | |
| City Portion | 0.850 |
| County Portion | 0.165 |
| Public Safety | 0.085 |
| Regional Transit Authority | 1.400 |
| **Total General Sales Tax Rate** | **10.510** |
| Net Additional Auto Sales/Lease Rate | 0.400 |
| **Total Auto Sales/Lease Rate** | **10.910** |

### Budget

| Sales Tax | 2025-2026 $74,565,456 | 2027-2028 $78,426,686 |
|---|---|---|
| General Retail Sales Tax (General Fund) | $ 69,055,066 | $ 72,000,000 |
| Public Safety Retail Sales Tax (General Fund) | $ 5,510,390 | $ 6,426,686 |

## TRENDS AND ASSUMPTIONS

### Methodology

- Kirkland budgets sales tax revenue using a modified two-year lag policy, which sets 2027 and 2028 budgeted sales tax equal to estimated 2026 revenue. This policy was also utilized for 2025 and 2026 budgeted sales tax, which equaled 2024 estimated revenue.

### Trends

- Actual general retail sales tax and public safety retail sales tax revenues for the past 5 years (2021-2025) as well as the current year estimates (2026) for both revenues are shown in the following page (numbers are in millions).

| | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 Est |
|---|---|---|---|---|---|---|
| General Retail Sales Tax ($M) | $30.39 | $32.06 | $31.24 | $35.03 | $35.83 | $36.00 |
| % Change vs. Previous Year | 10.3% | 5.5% | (2.5%) | 12.1% | 2.3% | 0.5% |
| Public Safety Retail Sales Tax ($M)* | $2.55 | $2.64 | $2.77 | $2.92 | $3.12 | $3.21 |
| % Change vs. Previous Year | 13.0% | 3.4% | 4.9% | 5.6% | 6.9% | 2.9% |

- The growth in 2021-2026 is related to a high level of development activity and strong retail growth.
- General retail sales tax revenue is projected to be $36,000,000 in 2026, which is 0.49 percent higher than 2025.
- Public safety sales tax revenue is projected to be $3,213,343 in 2026, which is 2.89 percent higher than 2025.

**Key Assumptions**

- 10.51 percent City sales tax rate (effective January 1, 2027) of which 0.85 percent is returned to the City of Kirkland and 9.65 percent is distributed to the State, King County, and other public agencies.
- General retail sales tax and public safety retail sales tax revenues in 2027 and 2028 are projected to be the same as 2026 estimated revenues.
- Automobile sales are exempt from the 0.1 percent sales tax authorized by the Public Safety Sales Tax Ballot Measure per State statute.

## *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 remaining amount, 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 | 2025-2026 $5,858,440 | 2027-2028 $7,734,618 |
|---|---|---|
| General Fund | $ 5,858,440 | $ 7,734,618 |

## TRENDS AND ASSUMPTIONS

**Methodology**

- Distributed on the basis of population. A modified two-year lag policy sets the budget for 2027 and 2028 equal to estimated 2026 revenue.

**Trends**

- Revenue is projected to be $3,867,309 in 2026, which is 9.7 percent more than 2025.

**Key Assumptions**

- Revenue in 2027 and 2028 is projected to be the same as 2026 estimated revenue, which is higher than budgeted 2025-2026 revenue.

## *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 2008 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. In 2013, the Washington State Legislature passed clarifying law enabling hydrant maintenance to be paid from either general government charges or water rates. Kirkland has continued to use increased utility tax rates to pay for these charges.

The current 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) | 2025-2026 $35,814,815 | 2027-2028 $43,669,361 |
|---|---|---|
| Electric Utility Tax (Private) | $ 11,287,649 | $ 16,886,000 |
| Gas Utility Tax (Private) | $ 3,658,134 | $ 4,060,000 |
| Television Cable Utility Tax (Private) | $ 2,009,046 | $ 1,599,000 |
| Telephone Utility Tax (Private) | $ 1,884,993 | $ 1,866,000 |
| Water Utility Tax (City Owned) | $ 4,181,023 | $ 4,664,785 |
| Sewer Utility Tax (City Owned) | $ 4,044,494 | $ 4,777,167 |
| Solid Waste Utility Tax (City Contracted) | $ 6,759,341 | $ 7,622,683 |
| Surface Water Utility Tax (City Owned) | $ 1,990,135 | $ 2,193,726 |

## TRENDS AND ASSUMPTIONS

### Methodology

- City utilities (Water, Sewer, Surface Water, Solid Waste) based on projected rate increases for 2027-2028.
- Gas and Electric utility tax rates based on requested rates from Puget Sound Energy (PSE) and recent demand trends.
- Other rates based on historical trends with greater emphasis on current year revenues.

### Trends

- Electric utility tax revenue increased 10.6 percent per year, on average, in 2020-2025, and is projected to increase 20.5 percent in 2026 (relative to 2025 actual). It should be noted that 2025-2026 actual revenue is expected to substantially exceed budget, with actual 2025 revenue and 2026 estimated revenue collectively being 19.6 percent more than budget. The primary drivers are Puget Sound Energy (PSE) electric utility rates and demand increases.
- Gas utility tax revenue increased 8.1 percent per year, on average, in 2020-2025, and is projected to increase 0.8 percent in 2026 (relative to 2025 actual). The long-term primary drivers of uneven growth are Puget Sound Energy gas utility rates, winter weather conditions, and population growth. However, recent government incentives for electrification, warmer winters, and consumers' response to higher prices may be responsible for the decrease in 2026.

- Television cable utility tax revenue declined 4.4 percent per year, on average, in 2020-2025, and is projected to decline 12.7 percent in 2026 (relative to 2025 actual) due to changes in consumer behavior as residents move away from traditional cable television service.
- Telephone utility tax revenue declined 5.7 percent per year, on average, in 2020-2025, and is projected to decline 5.9 percent in 2026 (relative to 2025 actual) due to changes in consumer behavior as residents move away from landlines. Revenue is projected to continue to decline going forward.
- Collectively, water, sewer, solid waste, and surface water utility revenues increased 7.6 percent per year, on average, in 2020-2025, and they are projected to increase 3.5 percent in 2026 (relative to 2025 actuals). The primary drivers are utility rates, summer weather conditions (impacts water utility only), and population growth.

### Key Assumptions

- Electric utility tax revenue is projected to increase 11.1 percent in 2027 (relative to 2026 estimate) and 6.0 percent in 2028 (relative to 2027 budget) due to requested rate increases from PSE and forecasted increases in demand.
- Gas utility tax revenue is projected to increase 3.5 percent in 2027 (relative to 2026 estimate) and 3.0 percent in 2028 (relative to 2027 budget) due to requested rate increases from PSE and forecasted increases in demand.
- Television cable utility tax revenue is projected to decrease 8.0 percent in 2027 (relative to 2026 estimate) and decrease 8.0 percent in 2028 (relative to 2027 budget).
- Telephone utility tax revenue is projected to decrease 5.0 percent in 2027 (relative to 2026 estimate) and 5.0 percent in 2028 (relative to 2027 budget).
- Collectively, water, sewer, solid waste, and surface water utility tax revenues are projected to increase 8.4 percent in 2027 (relative to 2026 estimate) and 6.9 percent in 2028 (relative to 2027 budget).

## *REAL ESTATE EXCISE TAX*

The real estate excise tax is levied on all sales of real estate based on the full selling price, including the amount of any liens, mortgages, and other debts given to secure the purchase. The State's tax rate used to be a flat 1.28 percent; however, beginning January 1, 2020, the state implemented a graduated tax scale based on the selling price of the property, ranging from 1.1 percent to 3.0 percent. Cities are also authorized to impose a local tax of 0.50 percent. The .50 percent was split into two separate funding options with differing allowable uses, classified as REET 1 and REET 2. In 2025 and 2026, new legislation broadens the allowable uses of REET 2, consistent with REET 1. REET 2 remains limited to jurisdictions planning under the Growth Management Act. Allowable uses include capital projects, limited maintenance of capital facilities, and affordable housing projects. Affordable housing uses include the planning, acquisition, construction, repair, replacement, rehabilitation, or improvement of related facilities. This can mean the planning, acquisition, construction of affordable housing projects. Given this provision, the 2027-2028 Budget includes funding for park and street purposes.

### Budget

| Real Estate Excise Tax | 2025-2026<br>$22,000,000 | 2027-2028<br>$22,000,000 |
|---|---|---|
| REET Funds | $ 22,000,000 | $ 22,000,000 |

## TRENDS AND ASSUMPTIONS

### Methodology

- Real estate excise tax collections are primarily a function of the real estate market and mortgage rates. Revenue projections are intentionally conservative given the inherent volatility of this revenue source.

**Trends**

- Revenues amounted to $14,049,211 in 2024 and $13,050,901 in 2025, and are projected to be $12.2 million in 2026, which is 6.3 percent lower than 2025.

**Key Assumptions**

- The City's real estate excise tax rate is 0.5 percent.
- Revenues are projected to be $11 million in 2027 and 2028 (10.0 percent less than the 2026 estimate) due to the volatility issue noted above. After an extensive analysis of commercial and residential real estate sales since 2019, staff developed the current projection level, which remains conservative as the analysis excluded very large transactions.
- The 2027-2028 Budget contains planned uses of current revenues and reserves for major capital projects such as Peter Kirk Pool renovations and improvements ($1.8 million), $2.8 million for additional parks capital projects, and over $12.2 million for transportation capital projects. As REET revenues have grown steadily for the past decade, and even accounting for the volatility in this revenue source, the City was also able to allocate $2.2 million in REET revenues annually to fund debt service for transportation and parks capital projects.

## *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 gambling tax rate levied by the city of Kirkland is as follows: (1) Bingo: five percent of gross receipts less the amount awarded as cash or merchandise prizes. (2) Raffles: five percent of gross receipts less the amount awarded as cash or merchandise prizes. (3) Amusement games: two percent of gross receipts less the amount awarded as prizes. (4) Punch boards and/or pull-tabs: five percent of gross receipts. (5) Social card games, including but not limited to house banked social card games: eleven percent of gross revenue. (6) Contests of chance: seven percent of gross receipts.

### Budget

| Gambling Tax | 2025-2026 $3,798,600 | 2027-2028 $3,965,000 |
|---|---|---|
| Card Games (General Fund) | $ 3,137,000 | $ 3,200,000 |
| Other Gambling Tax Revenue (General Fund) | $ 661,600 | $ 765,000 |

## TRENDS AND ASSUMPTIONS

**Methodology**

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

**Trends**

- Revenues are projected to be $2,261,287 in 2026, 8.3 percent more than 2025.

**Key Assumptions**

- Revenues are projected to be $1,982,500 in 2027 and 2028 (12.3 percent less than the 2026 estimate).

## *LODGING TAX*

A lodging excise tax of 1.0 percent was adopted in January 2002 and corrected to 0.8 percent in April 2026 to ensure the City does not exceed the excise tax limit. It is imposed on most short-term accommodations, including

hotels, motels, Airbnb, and VRBO. This revenue is limited to funding tourism promotion and the operation of tourism-related facilities.

### Budget

| Lodging Tax | 2025-2026 $651,334 | 2027-2028 $597,445 |
|---|---|---|
| Lodging Tax Fund | $ 651,334 | $ 597,445 |

## TRENDS AND ASSUMPTIONS

### Methodology

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

### Trends

- Revenue is projected to be $292,727 in 2026, which is 17.78 percent lower than 2025 actuals and 14 percent lower than 2026 Budget, as the adopted lodging tax rate of 1.0 percent was corrected to 0.8 percent in April 2026 to ensure the City does not exceed the excise tax rate limit.

### Key Assumptions

- Revenue is projected to be $294,308 in 2027 (0.54 percent higher than the 2026 estimate) and $303,137 in 2028 (3 percent higher than 2027 budget).
- Current establishments will continue to operate.

## LICENSES AND PERMITS
## *BUILDING-RELATED PERMITS*

This category consists of the following revenues, which are collected by the Building Division and the Public Works Department: building permits, plumbing permits, clear grade permits, side-sewer permits, mechanical permits, electrical permits, sign permits, and house moving 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-Related Permits | 2025-2026 $14,228,428 | 2027-2028 $14,195,137 |
|---|---|---|
| Development Services Fund | $ 14,228,428 | $ 14,195,137 |

## 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.
- Based on the development fee schedule adopted by Council in 2024.
- Assumes construction will remain constant for 2027 and 2028. Based on pre-application activity and projects currently in design review.

### Trends

- Development activity remained strong in 2024-2025, due partly to larger projects that reached completion in 2025, but in 2026 activity slowed somewhat. Revenues are projected to be $6,832,893 in the 2026 estimates, 18 percent lower than 2025.

### Key Assumptions

- Revenues are projected to be $7,094,208 in 2027 (4 percent more than the 2026 estimate) and $7,100,929 in 2028 (Less than 1 percent more than the 2027 budget). This is due to the expectation of relatively flat permit levels at slightly higher fees.

## *BUSINESS LICENSES AND PERMITS*

This category includes the issuance of business licenses and licenses for cabarets (live music/dancing), massage parlors, pawnbrokers, cigarette machines, and amusement devices. The license fee structure is typically an annual fee or one-time charge depending on the particular type of license. The base fee is considered a license revenue and the per FTE charge is considered a "revenue generating regulatory license" (RGRL), which is a tax.

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. As of the 2023-2024 budget, the business license fee structure has a tax of $130 per full time equivalent (FTE), and also increased the threshold under which a business located in Kirkland does not need a license from $12,000 in gross receipts to $20,000.

In the 2027-2028 budget, 20 percent of the budgeted RGRL revenue is dedicated to the Street Operating Fund, with a portion going towards transportation-related capital projects.

### Budget

| Business Licenses & Permits | 2025-2026 $12,915,000 | 2027-2028 $11,976,000 |
|---|---|---|
| Revenue Generating Regulatory License Fee (General Fund) | $ 11,283,000 | $ 10,290,000 |
| Business License & Permit Fees (General Fund) | $ 1,632,000 | $ 1,686,000 |
| Revenue Generating Regulatory License Fee (Street Operating Fund) | $ - | $ - |

## TRENDS AND ASSUMPTIONS

### Methodology

- Based on current year revenues.
- Includes per FTE fee of $130.

### Trends

- RGRL revenue in the General Fund is projected to be $5,080,499 in 2026, which is 0.86 percent less than 2025 due in part to increased compliance activity in 2025 leading to greater than normal revenue.
- Business license revenues are projected to be $854,751 in 2026, which is 1.9 percent more than 2025.

### Key Assumptions

- RGRL revenue in the General Fund is projected to be $5,145,000 in 2027 (0.41 percent more than the overall 2026 estimate) and $5,145,000 in 2028 (flat relative to the 2027 budget). The 2027-2028 RGRL revenue budget assumes a 0.84 percent increase over prior year revenues.
- Business license revenues are projected to be $843,000 in 2027 (1.39 percent less than the 2026 estimate) and $843,000 in 2028 (flat relative to the 2027 budget). The 2027-2028 Business license fees are based on trend analysis through 2025 actuals.

## *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 | 2025-2026 $8,966,401 | 2027-2028 $9,108,999 |
|---|---|---|
| General Fund | $ 8,966,401 | $ 9,108,999 |

## TRENDS AND ASSUMPTIONS

### Methodology

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

### Trends

- Revenues are projected to be $4,307,624 in 2026, which is 0.3 percent less than 2025. Declines in cable TV and telephone franchise fees are offsetting the growth in other franchise fees.

### Key Assumptions

- Revenues are projected to be $4,498,697 in 2027 (4.4 percent more than the 2026 estimate) and $4,610,302 in 2028 (2.5 percent more than 2027 budget).

## 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 2025 for 2026-2031.

### Budget

| EMS Levy | 2025-2026 $4,724,162 | 2027-2028 $4,888,882 |
|---|---|---|
| General Fund | $ 4,724,162 | $ 4,888,882 |

## TRENDS AND ASSUMPTIONS

### Methodology

- The current levy (2026) is set at a rate $0.25 per $1,000 of assessed valuation (AV).
- Distribution for Basic Life Support (BLS) and BLS Core Services is based on a formula that considers the number of calls for service and total assessed valuation.
- Distribution for Mobile Integrated Health (MIH) is based on a formula that increases the prior year allocation by CPI-W plus 1 percent.

### Trends

- Revenue is projected to be $2,465,161 in 2026, which is 1.08 percent less than 2025 due primarily to exhausting all existing funds to close out the levy period.
- EMS property taxes collected per year is limited to 1% plus new construction per RCW. Since AV is projected to increase at a rate higher than 1%, to stay within the legal limit King County projects 2026-2031 levy rates will decrease from $.25 per $1,000 AV in 2026 to $.2294 cents per $1,000 AV by 2031.
- Calls for service increased 2.4 percent in Kirkland from 2024 to 2025, however, for the region calls for service decreased 3.23 percent across all agencies.

### Key Assumptions

- Revenue is projected to be $2,444,441 in 2027 (about on par with 2026) and $2,444,441 in 2028 (same as 2027 to maintain a conservative approach to revenue estimation).
- The MIH revenue, $964,514, is included to support program operations.
- Basic Life Support (BLS) revenue is anticipated to be $3,884,368 for the biennium.
- BLS Core Services revenue is projected to be $40,000.

## *LIQUOR BOARD PROFITS AND EXCISE TAX*

A voter initiative approved in November 2011 eliminated the state monopoly on liquor sales and allowed 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 | 2025-2026 $2,687,572 | 2027-2028 $2,676,738 |
|---|---|---|
| Liquor Board Profits (General Fund) | $ 1,416,802 | $ 1,440,000 |
| Liquor Excise Tax (General Fund) | $ 1,270,770 | $ 1,236,738 |

## TRENDS AND ASSUMPTIONS

### Methodology

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

### Trends

- Liquor excise tax revenue is projected to be $636,563 in 2026, 2.5 percent more than 2025.
- Statewide, the amount of liquor purchased increased by 11 percent between 2019 and 2021, shifting from 78 percent sold directly to consumers in 2019 to 90 percent in 2020 due to COVID-19 restrictions. The general public pays a higher excise tax (20.5 percent) than restaurants and bars (13.7 percent) so the shift in behavior drove up tax revenue by 19 percent in the same period. Total amount of liquor consumed in the state has been relatively stable since 2021 with a small decrease in 2023, and the distribution of liquor purchased from bars and restaurants has normalized as consumers returned to their pre-COVID habits. These trends, in addition to a small increase in the Kirkland population as calculated by the State Office of Financial Management (OFM), have led to a small increase in liquor excise tax revenue for the City from the 2025-2026 budgeted amount.
- Liquor Board profits are projected to be $721,071 in 2026, 0.0 percent more than 2025.
- Total liquor board profits distributed to cities by the State remain the same but per capita amounts decrease as the statewide population grows. Because Kirkland experienced a small increase in population according to the OFM, the City's share is budgeted to increase slightly in 2027-2028.

### Key Assumptions

- Per MRSC, liquor excise tax is projected to be $6.24 per capita in 2027 and $6.27 per capita in 2028.
- Per MRSC, liquor board profits are projected to be $7.31 per capita in 2027 and $7.31 per capita in 2028.

## *MOTOR VEHICLE FUEL TAX ("GAS TAX")*

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

### Budget

| Motor Vehicle Fuel Tax | 2025-2026 $3,762,020 | 2027-2028 $3,636,070 |
|---|---|---|
| Street Operations (Street Operating Fund) | $ 2,250,020 | $ 2,196,070 |
| Capital Projects (Street Operating Fund) | $ 1,512,000 | $ 1,440,000 |

## TRENDS AND ASSUMPTIONS

### Methodology

- 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 affect gas tax revenues only if consumption changes).

### Trends

- Revenue is projected to be $1,800,000 in 2026, which is 6.7 percent ($158,215) more than 2025 actual revenue of $1,687,246. The 2026 estimate is based on a four-year average of proportional collections through June and reflects an increase in gas tax received by Cities as adopted by the State in 2025 and effective July 1, 2025.
- Overall consumer changes and adoption of electric vehicles has led to a long-term decline in gas tax revenues, which staff expects to continue after this temporary increase from a legislative change.

### Key Assumptions

- Per MRSC, motor vehicle fuel tax is projected to be $18.39 per capita in 2027 and $18.39 per capita in 2028. In comparison, the 2025-2026 budget was based on $17.06 per capita.

## CHARGES FOR SERVICES
## *PLANNING FEES AND PLAN CHECK FEES*

These fees are collected for development 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 | 2025-2026 $8,402,672 | 2027-2028 $9,320,226 |
|---|---|---|
| Development Services Fund | $ 8,402,672 | $ 9,320,226 |

## TRENDS AND ASSUMPTIONS

### Methodology

- Planning revenue projections are based on the historical trends for land use permit applications along with an assessment of predicted land use permits resulting from pre submittal applicants.
- Based on the number of development plans pending in the planning process, and the Building Division's projections of upcoming construction projects.
- Based on the development fee schedule adopted by Council in 2024.

### Trends

- Revenue is projected to be $4,730,412 in 2026, which is 2.5 percent less than 2025. The 2027-2028 budget has been aligned with collection trends in 2026.
- Single-family development remains strong, with recent trends in cottage and multiple accessory dwelling units continuing. With the recent adoption of regulations allowing for more flexible Unit Lot Subdivisions and Residential Lot Splitting, land use permit revenue for short plats is expected to remain steady.
- Wireless permit revenues are based on industry technology modifications and funding releases. It is very challenging to predict the number of applications that will be received and revenue from new wireless permits has been conservatively estimated.
- Several large design review projects in the Station Area did not materialize this biennium and staff are currently estimating several smaller design review applications throughout the City.

### Key Assumptions

- Revenue is projected to be $4,627,613 in 2027 (2.2 percent less than the 2026 estimate) and $4,692,613 in 2028 (1.4 percent more than the 2027 budget).

## *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. BLS transport user fees help cover the cost of providing emergency medical services, including ongoing funding for five firefighters that were added in 2016 and for administrative staff.

### Budget

| Emergency Transport Fee | 2025-2026 $1,084,654 | 2027-2028 $1,600,000 |
|---|---|---|
| General Fund | $ 1,084,654 | $ 1,600,000 |

## TRENDS AND ASSUMPTIONS

### Methodology

- Based on historical trends of receipting of billable services revenues.

### Trends

- Revenue is projected to be $800,000 in 2026, which is 24.34 percent less than 2025 actuals. The current year, 2026, has seen some anomalies. A government shut down delayed Medicare reimbursements. However, even after resumption of Medicare payments, the static predictability of prior EMT revenues has not materialized making estimates from prior year activities more difficult.

### Key Assumptions

- Revenue is projected to be $800,000 in 2027 (flat relative to 2026 estimate) and $800,000 in 2028.

## *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 | 2025-2026 $7,531,941 | 2027-2028 $7,983,440 |
|---|---|---|
| Development Services Fund | $ 7,531,941 | $ 7,983,440 |

## TRENDS AND ASSUMPTIONS

### Methodology

- Based on historical trends.

### Trends

- Revenue is projected to be $3,795,682 in 2026, which is 16.75 percent less than 2025.

### Key Assumptions

- Revenue is projected to be $3,917,590 in 2027 (3.2 percent more than the 2026 estimate) and $4,065,850 in 2028 (3.8 percent more than the 2027 budget).

## *TRANSPORTATION, PARK, AND FIRE IMPACT FEES*

The City collects impact fees for transportation, parks, and fire. As authorized under the Growth Management Act, new development applicants 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 the public facilities, in terms of level of service, or normal maintenance and repairs. The fee charged to each development is based on a proportionate share of the new facilities.

### Budget

| Impact Fees | 2025-2026 $9,450,000 | 2027-2028 $7,500,000 |
|---|---|---|
| Transportation Impact Fees (Impact Fee Fund) | $ 4,000,000 | $ 4,000,000 |
| Park Impact Fees (Impact Fee Fund) | $ 4,950,000 | $ 3,000,000 |
| Fire Impact Fees (Impact Fee Fund) | $ 500,000 | $ 500,000 |

## TRENDS AND ASSUMPTIONS

### Methodology

- Based on average expected development.

### Trends

- Transportation impact fees are projected to be $2,000,000 in 2026, which is 17.2 percent less than 2025 actuals.
- Park impact fees are projected to be $620,000 in 2026, 85.8 percent less than 2025 actuals.
- Fire impact fees are projected to be $360,000 in 2026, an increase of 11.1 percent over 2025 actuals.
- Impact fee categories above saw significant reductions in 2026 when compared to the past three years. Modest recovery is projected for the 2027-2028 biennium.

### Key Assumptions

- Transportation impact fees are projected to be $2,000,000 in 2027 ( flat relative to 2026 estimate) and $2,000,000 in 2028.
- Park impact fees are projected to be $1,500,000 in 2027 (141.9 percent more than the 2026 estimate) and $1,500,000 in 2028.
- Fire impact fees are projected to be $250,000 in both 2027 and 2028 (30.5 percent lower than the 2026 estimate).
- Impact fees are overwhelmingly driven by a few payments from very large development projects whose timing is difficult to precisely forecast because of delays and external factors. Therefore assumptions for revenue are set at a level that can be expected every year, and large payments can be recognized and programmed as they are received.

## 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

| Fines & Forfeits / Enforcement Fees | 2025-2026 $7,638,200 | 2027-2028 $8,422,570 |
|---|---|---|
| Fines & Forfeits (General Fund) | $ 7,198,200 | $ 7,962,570 |
| Probation Fees (General Fund) | $ 440,000 | $ 460,000 |

## TRENDS AND ASSUMPTIONS

### Methodology

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

### Trends

- Fines and forfeits are projected to be $3,482,330 in 2026, which is 20 percent less than 2025 primarily due to decline in revenue from School Zone Penalty and Parking Infraction Penalty.
- Probation fees are projected to be $193,049 in 2026, which is 20 percent less than 2025.

### Key Assumptions

- Fines and forfeits are projected to be $3,981,285 in 2027 (14 percent more than the 2026 estimate) and $3,981,285 in 2028 (flat relative to 2027 budget) primarily due lowered assumptions for parking infractions, DUI fines, traffic misdemeanor, and false alarm penalties based on current trends.
- Probation fees are projected to be $230,000 in 2027 (flat relative to the 2026 estimate) and $230,000 in 2028 (flat relative to 2027 budget) due to reduced level of current activity.

## 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 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 | 2025-2026 $14,635,611 | 2027-2028 $14,910,593 |
|---|---|---|
| Various Funds | $ 14,635,611 | $ 14,910,593 |

## TRENDS AND ASSUMPTIONS

### Methodology

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

### Trends

- Revenue is projected to be $9,164,060 in 2026, which is 2.8 percent lower than 2025. Interest rates began 2025 within the Federal Reserve target rate of 4.25 - 4.5 percent, dropping to 3.5 - 3.75 percent by the beginning of 2026. The Federal Reserve remained steady until increasing the rates by a quarter percent in September 2026.

### Key Assumptions

- Revenue is projected to be $7,735,056 in 2027 (15.6 percent less than the 2026 estimate) and $7,175,537 in 2028 (7.2 percent less than 2027 budget). Anticipated interfund loan repayment driving interest expectations in 2027.

## *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. 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.

### Budget

| | 2025-2026 | 2027-2028 |
|---|---|---|
| **Resources Forward** | **$295,215,638** | **$253,462,710** |
| All Funds | $ 295,215,638 | $ 253,462,710 |

## TRENDS AND ASSUMPTIONS

### Methodology

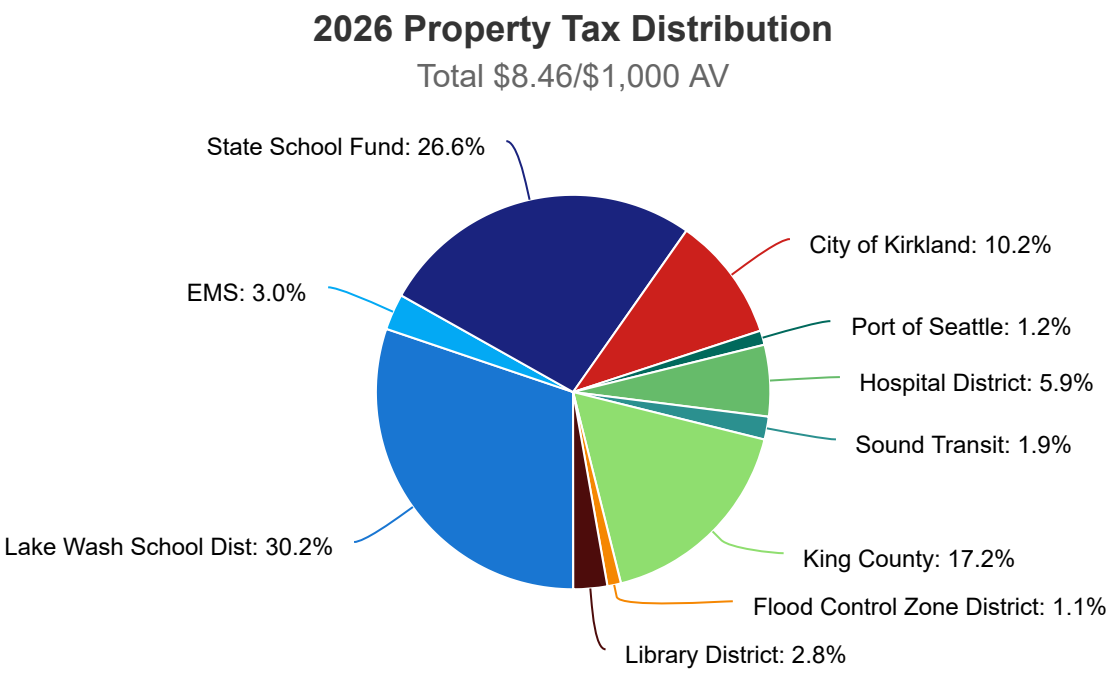
- Amount budgeted must cover one-time service packages approved in the budget, any designated working capital, and operating or capital reserves.

### Trends

- The very large decrease in resources forward reflects the spend down of 2024 bond issuance for transportation benefit district projects, the completion of large transportation capital projects (e.g., 124$^{th}$ and Juanita Drive improvements) in the Transportation Capital Fund, and an interfund loan and use of Technology and Staffing Stability reserves in the Development Services Fund.

### Key Assumptions

- This number does include over $800,000 of 2026 carryover budget expected to be added to the 2027 Resources Forward once approved by the City Manager and City Council in early 2027, shown in change in fund balance sheets in the budget book.




The City is limited to an annual increase on its regular property tax levy of the lesser of 1 percent 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 2026, the total typical property tax rate in Kirkland is $8.46 per $1,000 of assessed valuation. Of that total, about 10.2 percent, or $0.864 per $1,000 assessed valuation, goes to the City.

## 2027-2028 DISTRIBUTION OF INVESTMENT INCOME

| | | |
|---|---|---|
| **Total Estimated Earnings** | | $ 14,910,593 |
| Earned Interest Allocated to Utility Funds | | |
| Water | 1,303,585 | |
| Sewer | 1,323,096 | |
| Surface Water Management | 905,584 | |
| Solid Waste | 82,419 | |
| **Subtotal to Utility Funds** | | 3,614,684 |
| | | |
| Earned Interest Allocated to Lodging Tax Fund | | 26,599 |
| Earned Interest Allocated to Street Operating Fund | | 101,424 |
| Earned Interest Allocated to Development Services Fund | | 849,704 |
| Earned Interest Allocated to Cemetery Improvement/Operating Fund | | 76,958 |
| Earned Interest Allocated to Park Levy Fund | | 168,947 |
| Earned Interest Allocated to Impact Fee Funds | | 317,086 |
| Earned Interest Allocated to REET Funds | | 629,110 |
| Earned Interest Allocated to Self Insurance Fund | | 302,863 |
| Earned Interest Allocated to Equipment Rental Fund | | 451,969 |
| Earned Interest Allocated to Information Technology Fund | | 209,689 |
| Earned Interest Allocated to Facilities Fund | | 159,120 |
| Earned Interest Allocated to Firefighters' Pension Fund | | 90,132 |
| **Subtotal to Other Funds** | | 3,383,601 |
| | | |
| **Earmed Interest Available to General Fund** | | 7,912,308 |
| | | |
| Dedicated Proceeds (General Fund): | | |
| Investment Portfolio & Banking Expenditures | | 415,220 |
| External Review of Investment Policies & Procedures | | 5,000 |
| | | |
| **Net to Distribute to General Fund** | | $ 7,492,088 |



# Budget Focus

Selected schedules and charts focusing on key facts, issues and processes reflected in the 2027-2028 Budget.

**City of Kirkland 2027-2028 Preliminary Budget**

# 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 charts following this narrative summarize 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 2028 delineation between reserved fund balance and working capital. The following narrative highlights the major reserve policy components as they are incorporated in the 2027-2028 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. As dictated by fiscal policy the City has committed up to 1 percent of General Fund revenues to reserve replenishment in 2027-2028 as needed. These resources are allocated to the General Operating Reserve and the Revenue Stabilization Reserve, both held within the General Fund, as well as the Contingency Fund.

| Reserves | Description | Estimated 2026 Ending Balance | Projected Changes | Projected 2028 Ending Balance |
|---|---|---|---|---|
| **GENERAL PURPOSE** | | | | |
| Contingency | Unforeseen expenditures | 7,210,156 | 273,989 | 7,484,145 |
| General Capital Contingency [1,2] | Changes to general capital projects | 5,797,951 | - | 5,797,951 |
| General Oper. Reserve (Rainy Day) | Unforeseen revenues/temporary events | 7,417,705 | 89,583 | 7,507,288 |
| Revenue Stabilization Reserve | Temporary revenue shortfalls | 4,917,775 | 635,863 | 5,553,638 |
| Council Special Projects Reserve | One-time special projects | 150,000 | 100,000 | 250,000 |
| Building & Property Reserve | Property-related transactions | 886,599 | - | 886,599 |
| **Total General Purpose** | | **26,380,186** | **1,099,435** | **27,479,621** |

[1] Balance includes $3,500,000 borrowed for Parks Maintenance Center Capital Projects that will be reimbursed via ten scheduled payments beginning in 2021, as well as $4,400,000 borrowed for Kingsgate property purchase that will be reimbursed in the 2027-2028 biennium.

[2] General Capital Contingency is equal to ten percent of the funded two-year CIP budget.

## 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. Of particular note, the large balance in development services reserves reflects obligations for significant staffing resources required to complete future inspections.

| Reserves | Description | Estimated 2026 Ending Balance | Projected Changes | Projected 2028 Ending Balance |
|---|---|---|---|---|
| **SPECIAL PURPOSE RESERVES** | | | | |
| General Fund (CM) Contingency | One-time special uses approved by CM | 50,000 | - | 50,000 |
| Public Disclosure Reserve[1] | | 100,000 | 150,000 | 250,000 |
| Labor Relations Reserve | Labor negotiation costs contingency | - | - | - |
| Fire OT & Equipment Reserve | | 200,000 | - | 200,000 |
| Police Equipment Reserve | Equipment funded from seized property | 1,197,063 | - | 1,197,063 |
| LEOFF 1 Police Reserve | Police long-term care benefits | 618,079 | (618,079) | - |
| GEMT Reserve | | 4,380,470 | (2,961,814) | 1,418,656 |
| Development Srvcs Staffing Stability Rsv[2,3] | Revenue and staffing stabilization | 1,151,063 | 1,016,771 | 2,167,834 |
| Development Srvcs Workload Liability Rsv[2] | Dev work paid for but not complete | 3,717,000 | (1,281,852) | 2,435,148 |
| Development Services Technology Rsv[2,4] | EnerGov replacement/tech improvements | 2,899,953 | (1,075,261) | 1,824,692 |
| Litigation & Legal Services Reserve[5] | Outside counsel costs contingency | 100,000 | 150,000 | 250,000 |
| School Zone Safety Camera Penalties | | 1,923,752 | (1,182,573) | 741,179 |
| Tour Dock | Dock repairs | 312,928 | - | 312,928 |
| Forestry Ordinance | Replacement trees program | 213,914 | - | 213,914 |
| Donation Accounts | Donations for specific purposes | 379,159 | - | 379,159 |
| Revolving Accounts | | 440,076 | - | 440,076 |
| Lodging Tax Fund | Operating Reserve | 151,297 | (4,934) | 146,363 |
| Street Operating Reserve | Operating Reserve | 100,000 | - | 100,000 |
| Cemetery Improvement | Cemetery improvements | 1,488,217 | 28,931 | 1,517,148 |
| Off-Street Parking | Downtown parking improvements | 193,980 | (193,980) | - |
| Fire Equipment Life Cycle | | 641,511 | 231,089 | 872,600 |
| Police Equipment Life Cycle | | 1,997,922 | (122,256) | 1,875,666 |
| Technology Equipment Life Cycle | | 2,718,829 | (2,574,000) | 144,829 |
| Parks Facilities Life Cycle | | 165,074 | (27,602) | 137,472 |
| Facilities Life Cycle (310) | | 99,062 | - | 99,062 |
| Firefighter's Pension | Long-term care/pension benefits | 1,787,697 | 44,318 | 1,832,015 |
| **Total Special Purpose Reserves** | | **27,027,046** | **(8,421,242)** | **18,605,804** |

[1] The Public Disclosure Reserve has a starting balance of $250,000 at the beginning of the 2027-2028 biennium, including $100,000 by policy and an additional $150,000 via approved service package, 27FA04.

[2] As part of the creation of the Development Services Fund in the 2023-24 budget, development services reserves were consolidated into four reserves: Staffing Stability, fund-wide Workload Liability Reserve, Technology Reserve, and Development Services Working Capital. Working Capital is shown as part of the Staffing Stability Reserve in this sheet, as it is restricted to uses on development services activities.

[3] Balance includes repayments of $4.07 million borrowed for the purchase of Houghton Village and $3.15 million borrowed for the purchase of the Kingsgate property, including interest, are budgeted in 2027-2028.

[4] Uses of reserve planned for the 2027-2028 IT CIP, including $231,000 towards ongoing investments in on-premise server infrastructure, improving EnerGov usability.

[5] The Legal Services & Litigation Reserve has a starting balance of $250,000 at the beginning of the 2027-2028 biennium, increasing from the previous policy amount of $150,000, of which $50,000 was used as an offset in 2025-2026 for a service package.

## 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 projected changes shown in the following table represents the use of these funding sources during the 2027-2028 biennium above the anticipated revenue to these funds.

| Reserves | Description | Estimated 2026 Ending Balance | Projected Changes | Projected 2028 Ending Balance |
|---|---|---|---|---|
| **GENERAL CAPITAL RESERVES** | | | | |
| **REET CIP Contingency** [1] | | | | |
| REET 1 | Capital projects | 5,201,312 | (1,469,956) | 3,731,356 |
| REET 2 | Capital projects | 2,491,280 | 1,379,857 | 3,871,137 |
| **Impact Fees** | | | | |
| Roads | Transportation capacity projects | 2,147,049 | 104,276 | 2,251,325 |
| Parks | Parks capacity projects | 388,932 | 175,729 | 564,661 |
| Fire | Fire protection facility projects | 213,778 | 537,081 | 750,859 |
| **Total General Capital Reserves** | | **10,442,351** | **726,987** | **11,169,338** |

## 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 2028 estimated ending balance in these accounts.

| Reserves | Description | Estimated 2026 Ending Balance | Projected Changes | Projected 2028 Ending Balance |
|---|---|---|---|---|
| **UTILITY RESERVES** | | | | |
| **Water Utility:** | | | | |
| Water Operating Reserve | Operating contingency | 2,096,134 | 1,852,432 | 3,948,566 |
| Water Working Capital | Fund Balance/operating cash | 796,394 | (379,888) | 416,506 |
| Water/Sewer Debt Service Reserve | Debt service reserve | 40,711 | - | 40,711 |
| Water Capital Contingency | Changes to Water capital projects | 2,291,978 | 1,385,421 | 3,677,399 |
| Water Construction Reserve | Replacement/re-prioritized/new projects | 3,372,265 | 1,657,616 | 5,029,881 |
| **Sewer Utility:** | | | | |
| Sewer Operating Reserve | Operating contingency | 3,289,847 | - | 3,289,847 |
| Sewer Working Capital | Fund Balance/operating cash | 501,689 | 1,989,888 | 2,491,577 |
| Sewer Capital Contingency | Changes to Sewer capital projects | 2,458,236 | 331,210 | 2,789,446 |
| Sewer Construction Reserve | Replacement/re-prioritized/new projects | 11,175,849 | 2,537,977 | 13,713,826 |
| **Surface Water Utility:** | | | | |
| Surface Water Working Capital | Fund Balance | 5,747,242 | (1,353,297) | 4,393,945 |
| Surface Water Capital Contingency | Changes to Surface Water capital projects | 2,271,897 | 481,200 | 2,753,097 |
| Surface Water Construction Reserve | Replacement/re-prioritized/new projects | 2,616,557 | 2,077,224 | 4,693,781 |
| **Solid Waste Utility** | Fund Balance/operating cash | 1,298,520 | 568,510 | 1,867,030 |
| **Total Utility Reserves** | | **37,957,319** | **11,148,293** | **49,105,612** |

## 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 are the Health Benefits, Equipment Rental, Information Technology and Facilities Maintenance funds. Revenue to these funds is derived primarily from user charges to other funds.

| Reserves | Description | Estimated 2026 Ending Balance | Projected Changes | Projected 2028 Ending Balance |
|---|---|---|---|---|
| **INTERNAL SERVICE FUND RESERVES** | | | | |
| **Health Benefits:** | | | | |
| Operating Reserve | 16 weeks minimum claims requirement | 2,743,691 | - | 2,743,691 |
| Working Capital | Health benefits self insurance claims | 2,183,745 | (1,807,739) | 376,006 |
| **Equipment Rental:** | | | | |
| Operating Reserve | Unforeseen operating costs | 489,541 | 44,831 | 534,372 |
| Vehicle Reserve [1] | Vehicle replacements | 3,915,062 | 8,667,530 | 12,582,592 |
| Radio Reserve [2] | Radio replacements | - | - | - |
| **Information Technology:** | | | | |
| Operating Reserve | Unforeseen operating costs | 1,108,884 | 95,508 | 1,204,392 |
| PC Replacement Reserve | PC equipment replacements | 1,131,155 | 605,044 | 1,736,199 |
| **Facilities Maintenance:** | | | | |
| Operating Reserve | Unforeseen operating costs | 800,000 | - | 800,000 |
| Facilities Sinking Fund [3] | 20-year facility life cycle costs | (237,248) | 2,722,256 | 2,485,008 |
| **Total Internal Service Fund Reserves** | | **12,134,830** | **10,327,430** | **22,462,260** |

[1] Balance includes $7,750,000 borrowed for the purchase of Houghton Village that is programmed to be reimbursed in 2027-2028.

[2] Radio Replacement Reserve was funded in 2025-2026 for improvements at the Kirkland Justice Center. Not funded for 2027-2028 .

[3] Balance in 2028 includes $2,945,000 borrowed for the purchase of Houghton Village that is programmed to be reimbursed in 2027-2028. The Sinking Fund balance ending 2026 will be updated in the Final Budget after transfers of unspent balances from Facilities Capital Projects are complete.

## RESERVES WITH TARGETS

There are some reserves 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 2028 balance to the 2027-2028 reserve target.

| Reserves | Estimated 2026 Ending Balance | Projected Changes | Projected 2028 Ending Balance | 2027-2028 Target | Revised Over (Under) Budget |
|---|---|---|---|---|---|
| **GENERAL PURPOSE RESERVES WITH TARGETS** | | | | | |
| Contingency | 7,210,156 | 273,989 | 7,484,145 | 7,484,145 | - |
| General Capital Contingency [1,2] | 5,797,951 | - | 5,797,951 | 4,443,283 | 1,354,668 |
| General Oper. Reserve (Rainy Day) | 7,417,705 | 89,583 | 7,507,288 | 7,507,288 | - |
| Revenue Stabilization Reserve | 4,917,775 | 635,863 | 5,553,638 | 5,553,638 | - |
| Council Special Projects Reserve | 150,000 | 100,000 | 250,000 | 250,000 | - |
| Building & Property Reserve | 886,599 | - | 886,599 | 600,000 | 286,599 |
| **General Purpose Reserves with Targets** | **26,380,186** | **1,099,435** | **27,479,621** | **25,838,354** | **1,641,267** |
| **ALL OTHER RESERVES WITH TARGETS** | | | | | |
| **REET CIP Contingency:** | | | | | |
| REET 1 | 5,201,312 | (1,469,956) | 3,731,356 | 1,557,560 | 2,173,796 |
| REET 2 | 2,491,280 | 1,379,857 | 3,871,137 | 1,557,560 | 2,313,577 |
| **Other Reserves with Targets** | **7,692,592** | **(90,099)** | **7,602,493** | **3,115,120** | **4,487,373** |
| **Total Reserves with Targets** | **34,072,778** | **1,009,336** | **35,082,114** | **28,953,474** | **6,128,640** |

[1] Balance includes $3,500,000 borrowed for Parks Maintenance Center Capital Projects that will be reimbursed via ten scheduled payments beginning in 2021, as well as $4,400,000 borrowed for Kingsgate property purchase that will be reimbursed in the 2027-2028 biennium.

[2] General Capital Contingency is equal to ten percent of the funded two-year CIP budget.

## CHANGE IN FUND BALANCE (BEGINNING 2025 TO ENDING 2028)
## SUMMARY OF ALL FUNDS

| | General Government | | Utility | | | | |
|---|---|---|---|---|---|---|---|
| | Operating Funds | Non-Operating Funds | Water Utility | Sewer Utility | Surface Water Utility | Solid Waste Utility | All Funds |
| **2025 Actual Beginning Fund Balance** | **92,856,237** | **136,983,552** | **44,258,437** | **-** | **16,224,041** | **1,149,561** | **291,471,828** |
| Reserved | 63,405,429 | 23,944,014 | 8,814,309 | - | 3,122,671 | 33,533 | 99,319,956 |
| Unreserved Working Capital | 29,450,808 | 113,039,538 | 35,444,128 | - | 13,101,370 | 1,116,028 | 192,151,872 |
| Plus: 2025-26 Estimated Revenues | 466,746,343 | 159,093,870 | 97,377,261 | - | 39,014,478 | 69,611,123 | 831,843,075 |
| Less: 2025-26 Estimated Expenditures | 480,785,136 | 190,557,602 | 88,518,787 | - | 39,728,504 | 69,462,164 | 869,052,193 |
| Less: 2026 Estimated Carryovers | 800,000 | - | - | - | - | - | 800,000 |
| **2026 Estimated Ending/2027 Budgeted Beginning Fund Balance** | **78,017,444** | **105,519,820** | **25,264,029** | **27,852,882** | **15,510,015** | **1,298,520** | **253,462,710** |
| Plus: 2027-28 Budgeted Revenues | 491,902,336 | 136,122,008 | 87,149,029 | 57,834,486 | 43,119,024 | 77,003,263 | 893,130,146 |
| Less: 2027-28 Budgeted Expenditures | 496,591,718 | 209,895,173 | 99,299,995 | 63,402,671 | 46,788,216 | 76,434,753 | 992,412,526 |
| **2028 Budgeted Ending Fund Balance** | **73,328,062** | **31,746,655** | **13,113,063** | **22,284,697** | **11,840,823** | **1,867,030** | **154,180,330** |
| Reserved | 68,813,637 | 31,746,655 | 7,666,676 | 6,079,293 | 6,940,084 | 45,537 | 121,291,882 |
| Unreserved Working Capital | 4,514,426 | - | 5,446,387 | 16,205,404 | 4,900,739 | 1,821,493 | 32,888,449 |
| **Change in Fund Balance:** | | | | | | | |
| **Beginning 2025 to Ending 2028** | **(19,528,175)** | **(105,236,897)** | **(31,145,374)** | **22,284,697** | **(4,383,218)** | **717,469** | **(137,291,498)** |

**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, Water, and Surface Water funds is due to the use of accumulated balance on capital projects.

The Water/Sewer Fund is being separated into two funds beginning in the 2027-2028 biennium so 2025-2026 totals above include balances and actuals for both Water and Sewer activity.

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 Utility Funds, Sewer Utility Funds, Surface Water Utility Funds, and Solid Waste Utility Fund.

## POSITION SUMMARY BY FUND

| Fund/Department | 2023-2024 | 2025-2026 | 2027-2028 |
|---|---|---|---|
| **General Fund:** | | | |
| City Council | 7.00 | 7.00 | 7.00 |
| City Manager | 14.24 | 15.24 | 15.24 |
| Human Resources | 9.00 | 10.00 | 11.00 |
| City Attorney | 4.00 | 5.00 | 5.00 |
| Finance and Administration | 46.50 | 46.50 | 46.50 |
| General Services | 13.00 | 14.00 | 14.00 |
| Public Works | 43.06 | 43.16 | 43.16 |
| Parks and Community Services | 41.00 | 43.00 | 48.50 |
| Municipal Court | 21.25 | 22.25 | 22.75 |
| Police | 159.00 | 163.00 | 163.00 |
| Fire | 141.00 | 144.00 | 144.00 |
| **Total General Fund** | **499.05** | **513.15** | **520.15** |
| **Other General Gov't Operating Funds:** | | | |
| Lodging Tax | 0.76 | 0.76 | 0.76 |
| Street Operating | 29.30 | 30.27 | 30.32 |
| Development Services Fund | 95.79 | 95.79 | 95.79 |
| Parks Levy | 21.00 | 22.00 | 22.00 |
| Facilities Fund | 8.95 | 8.95 | 10.00 |
| Equipment Rental | 8.90 | 9.90 | 10.00 |
| Information Technology | 29.50 | 31.50 | 31.50 |
| **Total Other General Gov't Operating Funds** | **194.20** | **199.17** | **200.37** |
| **Utility Funds:** | | | |
| Water Sewer Utility Operating[(1)] | 23.66 | 24.91 | 14.74 |
| Sewer Utility Operating | - | - | 10.42 |
| Surface Water Mgmt. Utility | 41.14 | 41.26 | 40.93 |
| Solid Waste | 2.95 | 2.77 | 2.65 |
| **Total Utility Funds** | **67.75** | **68.93** | **68.73** |
| **Total Positions** | **761.00** | **781.25** | **789.25** |

(1) Water Sewer Utility Operating Fund split into Water Utility Operating and Sewer Utility Operating in 2027-2028. This row reflects the FTEs in the Water Utility Operating Fund in 2027-2028.

*Note: Salary information for City of Kirkland positions can be found at https://www.kirklandwa.gov/Government/Departments/Human-Resources/Collective-Bargaining-Agreements*

## PAYMENTS TO OTHER GOVERNMENT AGENCIES

Approximately $82.5 million, or 10.5 percent, of the City's total 2027-2028 operating expenditures budget for general government operations, water, sewer, surface water, 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 | 2025-2026 Budget | 2027-2028 Budget |
|---|---|---|---|
| Sewage Treatment [1] | King County | 23,874,710 | 30,055,080 |
| Air Pollution Control [1] | King County | 251,218 | 261,845 |
| King County Alcohol Treatment Programs [1] | King County | 56,850 | 57,700 |
| Inmate Expense [1] | King County | 240,000 | 240,000 |
| Marine Patrol [1] | King County | 199,386 | 178,000 |
| Hazardous Waste Fee [1] | King County | 1,290,000 | 1,345,956 |
| Solid Waste "Tipping" Fees [1] | King County | 12,959,110 | 16,241,825 |
| Surface Water Billing Charge [1] | King County | 414,920 | 425,040 |
| Elections and Records Costs [1] | King County | 480,000 | 640,000 |
| Other Permits and Services [1,3] | King County | 42,460 | 29,420 |
| **Subtotal King County** | | **39,808,654** | **49,474,866** |
| Electronic Home Detention & Pre-Trial Monitoring [2] | Washington Association of Sheriffs & Police Chiefs | 144,000 | 144,000 |
| Inmate Expense [1] | South Correctional Entity (SCORE) | 695,260 | 940,024 |
| Water Purchase [1] | Cascade Water Alliance | 12,725,401 | 14,156,807 |
| Water Connection Charges [1] | Cascade Water Alliance | 1,843,129 | 3,960,901 |
| Police and Fire Dispatch [1] | NORCOM | 6,857,146 | 8,026,560 |
| Housing Trust Fund [1,4] | ARCH | 830,000 | 1,433,000 |
| ARCH Dues [1] | ARCH | 849,136 | 830,669 |
| State Purchasing Contract [1] | State of Washington | 8,000 | 9,000 |
| Financial Audits [1] | State of Washington | 426,386 | 346,200 |
| Regional Surface Water Monitoring [1] | State of Washington | 119,180 | 119,180 |
| 800 MHz Radios (Public Safety) [1] | EPSCA / PSERN | 383,310 | 387,450 |
| On-Line Services [1] | eCityGov Alliance | 555,206 | 683,214 |
| S.W.A.T. Membership [1] | Northsound Regional S.W.A.T. | 18,890 | 62,748 |
| WACIC, NCIC, ACCESS Service Lines [1] | Washington State Patrol | 4,800 | 4,800 |
| Community Connectivity Consortium [1] | Community Connectivity Consortium | 11,849 | 30,049 |
| Hazardous Materials Unit [1] | Regional Haz-Mat Agreement | 36,000 | 36,000 |
| Healthcare Assessments [1] | U.S. Government | 2,000 | 2,000 |
| Other Permits and Services [1,3] | Various Gov't Agencies | 8,000 | 8,000 |
| Regional Crisis Response [5] | Regional Crisis Response (RCR) Agency | 1,728,747 | 1,858,715 |
| **Total Payments to Other Agencies** | | **67,055,094** | **82,514,183** |
| **Percent Increase (Decrease) from Prior Biennium** | | | **23.05%** |

[1] These services are mandatory contractual obligations with other governments and rates are established by the contractor agency.

[2] Paid to WASPC to rent and monitor the equipment provided to individuals under electronic home detention.

[3] Includes fees such as health permits, recording fees, Crimestoppers membership, and other miscellaneous fees.

[4] These totals include $250,000 in each biennium directed to ARCH by King County at the City's direction.

[5] City Contribution to the Regional Crisis Response (RCR) Agency, funded by Fire Prop 1 "Penny" portion, PD Prop 1- MHP, and GF.

## HUMAN SERVICES AND RELATED ACTIVITIES FUNDING

Funding for Human Services and related activities is incorporated into a variety of operating and non-operating budgets. The following summary provides an overview of that funding for 2027-2028 by assigned area in the Kirkland Quad.

| Program/Funding Source | 2025-2026 Budget | 2027-2028 Budget | Budget Department |
|---|---|---|---|
| Human Services Program grants (including CDBG) [1] | 4,887,351 | 3,994,880 | Parks & Comm. Svcs. |
| Prop 1: Additional Grant Funding [2] | 312,354 | 312,354 | Parks & Comm. Svcs. |
| Human Services Forum and Other Regional Programs | 134,695 | 62,086 | Parks & Comm. Svcs. |
| Prop 1: Women and Family Shelter Operations | 200,000 | 200,000 | Parks & Comm. Svcs. |
| Prop 1: Mental Health and Human Services Programs | 441,211 | 384,340 | Parks & Comm. Svcs. |
| Prop 1: Mental Health and Human Services Program Coordination | 302,439 | 315,660 | Parks & Comm. Svcs. |
| Human Services Coordination (including CDBG) | 761,916 | 931,769 | Parks & Comm. Svcs. |
| Homeless Outreach Coordination and Support [3] | 1,211,746 | 1,484,588 | Parks & Comm. Svcs. |
| Sexual Assault Victim Advocate | 200,000 | 100,000 | General Services |
| WA HB 1406 (Affordable Housing Sales Tax): Rental Assistance [4] | - | 433,000 | Parks & Comm. Svcs. |
| Senior Center Operations | 775,557 | 781,571 | Parks & Comm. Svcs. |
| **People in Need Subtotal** | **9,227,269** | **9,000,248** | |
| A Regional Coalition for Housing (ARCH) [5] | 2,350,668 | 2,607,983 | Planning & Bldg. |
| Housing Initiative | 300,000 | - | General Services |
| **Affordable Housing Subtotal** | **2,650,668** | **2,607,983** | |
| Regional Crisis Response Program (City Contribution) [6] | 1,728,747 | 1,858,716 | General Services |
| Diversity, Equity, Inclusion and Belonging - Manager/Outreach | 513,788 | 553,574 | CMO |
| Community Court | 167,763 | 254,245 | Municipal Court/CAO |
| **Inclusive & Welcoming Community Subtotal** | **2,410,298** | **2,666,535** | |
| MIH-Funded Firefighter/EMT and Social Worker | 928,656 | 1,321,753 | Fire |
| **Fire & Emergency Medical Services Subtotal** | **928,656** | **1,321,753** | |
| Domestic Violence Advocacy in the Police Department | 1,187,774 | 1,234,534 | Police |
| Prop 1: Neighborhood Resource Officers (NROs) [7] | 635,350 | 744,574 | Police |
| Prop 1: 2.0 CROs in Kirkland Middle Schools (City-funded portion) | 609,315 | 611,976 | Police |
| Jail Navigator [8] | 125,476 | 252,935 | Police |
| **Police Services Subtotal** | **2,557,915** | **2,844,019** | |
| Low-Income Discounts for Utility and Garbage Services (directly billed only) | 285,656 | 356,771 | Utilities |
| Kirkland Cares Low-Income Support Program Administration and Support [9] | 368,122 | 512,752 | Utilities |
| **Recycling & Garbage Collection Subtotal** | **653,778** | **869,523** | |
| King County Alcohol Treatment Programs | 56,850 | 57,700 | General Services |
| Community Youth Services Program/Teen Center [10] | 1,961,689 | 2,007,896 | Parks & Comm. Svcs. |
| Rent Subsidy for Youth Eastside Services [11] | 78,000 | 78,000 | In-kind |
| Recreation Class Discounts | 32,000 | 32,000 | Parks & Comm. Svcs. |
| **Other Program Areas Subtotal** | **2,128,539** | **2,175,596** | |
| **Total Human Services and Related Activities Funding** | **20,557,123** | **21,485,657** | |

| | | |
|---|---|---|
| **Total Spending Per Capita 2025-2026:** | **$** | **207.94** |
| **Total Spending Per Capita 2027-2028:** | **$** | **217.33** |
| **Spending without Police Services Per Capita 2025-2026:** | **$** | **182.07** |
| **Spending without Police Services Per Capita 2027-2028:** | **$** | **188.57** |

(1) The 2025-26 budget represents the revised budget and includes $658,498 of opioid settlement funding to support grants. Additional Human Services funding approved by the Council after budget adoption is not included in 2027-28 figures.

(2) Additional Prop 1 budget of $186,406 per year was authorized by Council in 2022; of this, $60,458 will offset the Homeless Outreach Coordinator position.

(3) 2.0 FTE added in 2025 (Human Services Supervisor, Housing Navigation Coordinator).

(4) In 2023-24, rental assistance was funded by the Affordable Housing Sales Tax (HB1406); in 2025-26, this funding was moved to ARCH for affordable housing. The prior level of funding has been maintained by General Fund resources for Human Services grants. In the 2027-2028 budget, rental assistance will be funded by $433,000 of Affordable Housing Sales Tax funds.

(5) The 2025-26 budget includes $747,130 in ARCH dues, $350,200 from CDBG Block Grants sent from King County to ARCH , and one-time service package funding of $1,253,338 for ARCH Housing Trust Fund. The 2027-28 budget includes $830,669 in ARCH dues, $344,314 from CDBG Block Grants sent from King County to ARCH , and one-time service package funding of $1,433,000 for ARCH Housing Trust Fund.

(6) The City provides funding to support the Regional Crisis Response Agency (RCR), a regional partnership with other cities.

(7) The program includes budget for 1.63 FTE NROs.

(8) The Jail Navigator is an integral part of Kirkland City Jail operations, connecting individuals with treatment, behavioral health services, housing, health care, benefits, transportation, and other resources to support successful reentry.

(9) The City launched the Kirkland Cares Low-Income Support Program in 2024, expanding the low-income senior utility discount program to all low-income residents and adding additional discounted City services.

(10) Includes the full expenses of running the Kirkland Teen Union Building.

(11) Rent is waived completely; figure represents a conservative market rent equivalent.

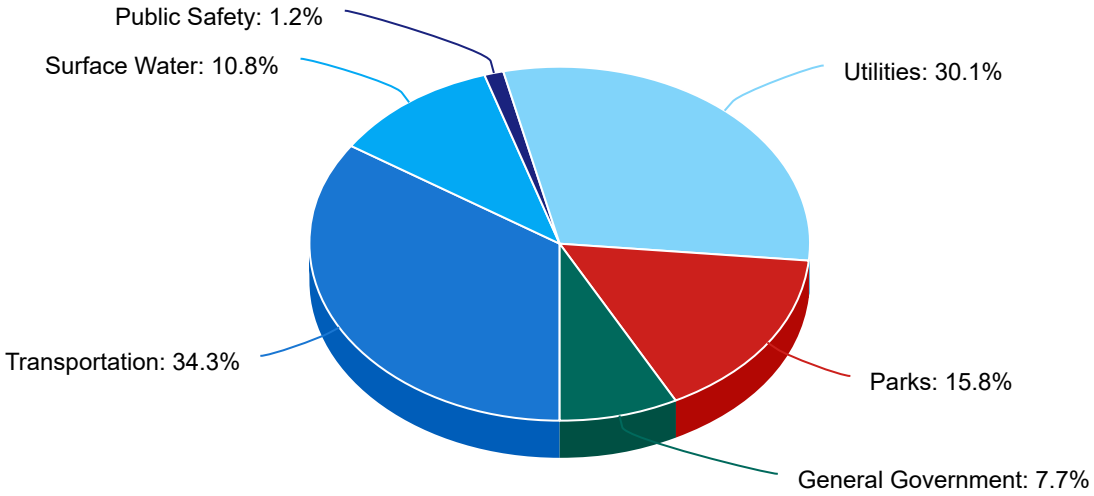
## SUMMARY OF LEGAL SERVICES

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. In certain specialized matters, the City is represented by other outside counsel. The 2027-2028 budget includes a slight increase to the Prosecution Services Budget, with the current contract scheduled through September 2027. Public Defender Legal Services are increasing significantly with increases in cost estimates. The Litigation Reserve budget for 2027-2028 reflects setting aside funds for outside counsel in the event they were needed to resolve a potential legal matter. The policy in the 2025-2026 budget for the Litigation Reserve was to have a starting balance of $150,000. The 2025-26 service package 25CA01 included an offset of $50,000 from the Litigation Reserve in lieu of estimated savings in outside legal counsel expenses with the addition of 1.0 FTE Assistant City Attorney. An additional $300,000 was provided in 2025 to offset costs for outside counsel. In the 2027-2028 budget, the Litigation Reserve has been renamed the Litigation & Legal Services Reserve and has been increased to $250,000.

| Legal Service | Budgeted Fund | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|
| ***General Legal Services*** | General Fund | 3,049,340 | 3,144,612 | 3.12% |
| ***Litigation & Legal Services Reserve*** | General Fund | 400,000 | 250,000 | (37.50%) |
| **Subtotal General Legal Services and Litigation** | | **3,449,340** | **3,394,612** | **(1.59%)** |
| ***Public Safety Legal Services*** | | | | |
| Prosecution | General Fund | 922,000 | 1,026,760 | 11.36% |
| Public Defender | General Fund | 997,233 | 1,974,505 | 98.00% |
| **Subtotal Public Safety Legal Services** | | **1,919,233** | **3,001,265** | **56.38%** |
| **Total All Legal Services** | | **5,368,573** | **6,395,877** | **19.14%** |

# Capital Improvement Program (CIP)

## 2027-2028 Funded Projects - $88,620,860




## 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 for the adopted 2027-2032 CIP are available electronically on the City's website:

www.kirklandwa.gov/Government/Departments/Finance-and-Administration/Budget-Information.

## 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 concurrent with the development of the operating budget. In the "off" years, however, the CIP can be modified as needed by Council based on changing priorities or new funding source opportunities.

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 capital 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 reassess 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 community members' comments 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 capital improvement budget is then incorporated into and adopted with the biennial budget adoption in December of the even numbered year.
- The City Manager and City departments implement the first two years of the CIP, providing periodic progress reports and updates to the City Council.

## MAINTENANCE AND OPERATIONS IMPACTS

Long-term financial planning is essential for aligning resources with the city's strategic priorities, especially for capital improvement projects. During the 2027-2032 CIP process, staff prioritized evaluating the operation and maintenance (O&M) costs of new capital assets funded in 2027-2028, focusing on three main categories of projects: replacement, improvements/expansions, and new infrastructure. Key considerations include the potential need for additional staff, vehicles or fleet resources, the need for new technologies, and the maintenance requirements for new materials or equipment. All of which are important for effective asset management. By forecasting O&M expenses, the city promotes responsible financial planning that supports long-term goals and aligns with best practices.

The maintenance and operations impact of prior year capital projects is reflected in service packages across operating departments, including:

- 27CM01 - Kraken Iceplex and Kirkland Community Center (KIKCC) Implementation
- 27ST06 - Parking Study Implementation
- 27PK01a - Kraken Iceplex and Kirkland Community Center (KIKCC) Operations
- 27PK01b - Kraken Iceplex and Kirkland Community Center (KIKCC) Start-up Costs
- 27PK13 - Renewal of Added Maintenance Service Levels (1.0 LTE + Seasonals)

Additionally, increases to the Street and Utility Operating Funds reflect the growth in the City's infrastructure, particularly the additional Revenue Generating Regulatory License (RGRL) revenue that is used to support additional street maintenance.

Four service packages reflect the growth of the overall capital program, these are:

- 27PW01 - CIP - Increase Travel and Training
- 27WA02 - Water Utility Policy Advisor (1.0 LTE)
- 27SD01 - Surface Water Opportunity Fund
- 27SD02 - Aging Pipe Implementation Plan

Future projects that were determined to have potential O&M costs related to FTE needs in 2027-2028 are reflected in the capital project tables for each program. It should be noted that at this time, this data is only an estimate. Actual costs would vary depending on factors such as: specific project scopes, property purchased, amenities included, etc. Service packages may be brought forward in a future budget cycle to add any operating costs resulting from specific projects.

Staff also evaluated utilities projects expected to be complete in the next two years, but determined that each project will either have net zero impact on O&M or potential *savings* because it is primarily addressing aging and failing assets.

Although staff also evaluated funded facilities and public safety projects, it was determined that sinking fund projects are intended for replacement of in-kind assets that will not lead to additional O&M impacts

## 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 primarily 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 primarily 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. 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 fund projects, consistent with the restrictions on the original revenue source. 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 budget also includes sinking funds for public safety and information technology equipment replacements and Parks facility maintenance, which are funded by transfers-in of current revenues. In addition, monies reserved in the facilities fund in the operating budget are available to fund facility repair projects in the General Government program.

**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 half 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 2027-2028 that are related to completed CIP projects are highlighted in each department's summary.

Projects approved for 2027-2028 are included in the General Government and Utilities non-operating sections of this document. Estimated operating impacts are also included in the summary of 2027-2028 projects.

## PRIORITIZATION CRITERIA

The current capital budget is guided by the capital budgeting priorities ("Prioritization Criteria") discussed by the Council at the April 7, 2026 meeting, specifically:

1. **Complete capital projects from the 2025-2026 City Work Plan, including investing in infrastructure to catalyze the 85th Street Station Area Plan, renovation and expansion of the Public Works Maintenance Center, and the partnership with the Seattle Kraken to develop an iceplex and community center.**

   These include paving the City-owned parking lot at the Kraken Iceplex and community center, the Safer Routes to School (SRTS), Active Transportation Plan (ATP), and Vision Zero priority projects funded by the Transportation Benefit District (TBD) vehicle license fee, bonds, and related revenues.

2. **Invest in multi-modal transportation projects to support the Transportation Strategic Plan, the Kirkland Transportation Safety Action Plan, and the Kirkland 2044 Comprehensive Plan, including maintenance and preservation of existing transportation infrastructure.**

   Major transportation projects are scheduled to be completed in the next six years, to provide multi-modal capacity and concurrency trip credits and prepare for future development. Some recent key projects that will add significant trip credits include Juanita Drive improvements, 100th Avenue NE improvements, and 124th Avenue NE improvements. Of particular importance are projects that improve access to regional transit infrastructure. Grant funding has been secured for a number of these projects and staff are pursuing further funding opportunities to move towards completion.

3. **Invest in parks property acquisition and parks projects that maintain current facilities and increase active recreation opportunities throughout the City to meet the needs of a growing population.**

   Implement the Green Loop trail, renovate and maintain current facilities such as the Marina Park docks and complete park improvement projects that meet the level of service goals laid out in the 2022 PROS Plan to add recreational amenities and increase capacity. This includes expansion or improvement of playgrounds and play courts.

4. **Invest in water, sewer, and stormwater projects according to the priorities contained in the adopted utility strategic plans**.

   Because water, sewer and stormwater projects are funded by rates, they do not compete with general fund capital projects for funding. Utility projects are prioritized by the policy and project priorities outlined in the recently adopted strategic plans for each utility. Some utility projects are also prioritized when major public or private developments occur, as environmental regulations change, or as grant opportunities emerge. This includes completion of a pilot for both West of Market sewer main improvements, pre-design of the South Reservoir replacement or renovation options, and planning for preventative maintenance on the system's aging pipe network. Both the water and sewer general plans are being updated in 2027, and new project priorities will be identified for both as part of the 2027 mid-bi update.

5. **Invest in the maintenance, replacement, and operation of City buildings and facilities.**

   One critical focus of the 2027-2032 CIP is on building sustainable plans to maintain aging City infrastructure. An emphasis will be placed on what is critical to maintain reliable, resilient public services such as street and sidewalk maintenance and the striping program. With completion of the Facilities Condition Assessment in 2024, staff will develop an updated funding plan to save for the timely maintenance, renovation, and

replacement of major City facilities. Consistent with the City's sustainability and electrification goals, this includes a focus on building out the necessary infrastructure for electric vehicle charging and energy-efficient HVAC solutions.

6. **Invest in unique opportunities that create measurable progress towards achieving one or more of the City Council's eleven goals**.

   Any CIP project proposed by staff should demonstrate how it advances the accomplishment of one or more of the City Council's goals. Contingency funding is a vital component of this because unanticipated opportunities may arise that work toward the furtherance of these goals, and having sufficient funding available to deploy will help seize these opportunities.

7. **Seek regional, state, and federal grants as appropriate to accomplish the capital project principles and reserve funding in the Capital Improvement Plan to be available as local matching funds**.

   Grant funding has been instrumental in supporting capital investments. Programs will research and review grant and other external funding opportunities that align with planned project goals and for which the project meets eligibility requirements. Federal grant opportunities will be evaluated against restrictive new federal grant requirements.

## PROJECT HIGHLIGHTS

Notable project highlights for 2027-2028 include:

**Parks —** Significant progress is being made in Kirkland's parks infrastructure with major projects planned in the 2027-2028 Capital Improvement Program (CIP). Marina Park Dock & Shoreline Renovations is prioritized with additional funding to address infrastructure, safety, and accessibility. The Peter Kirk Pool Renovation is prioritized with additional funding to address critical mechanical upgrades and renovations which will support expanded service capacity. A total of $4.5 million is allocated to complete the project. Additionally, field improvements are planned for Lee Johnson Fields. The City has also been awarded a new King County Parks Levy allocation of $1.65 million annually through 2031 in support of the Green Loop Acquisition and Master Plan.

**Public Safety —** The funded 2027-2028 CIP includes replacement of necessary equipment for both Police and Fire. Significant projects in process include replacement of Disaster Storage Units at critical citywide infrastructure, replacement of police body armor, replacement of fire air fill station, and replacement of key fire personal protective equipment.

**Transportation** — Key projects including the Kraken Iceplex Parking Lot Improvements and the Central Way Bike & Pedestrian Improvements continue progress towards completion in 2027-2028. Other significant projects continuing in 2027-2028 are 122nd Ave at NE 70th Street Intersection Improvements, Street Levy Street Preservation improvements, and crosswalk upgrade and striping programs.

**Utilities (Water and Sewer)** — The City continues to make progress on the completion of several projects including the South Reservoir Replacement, the Highlands water system improvements, and the I-405 Crossing from NE 70th Street to NE 68th Street.. The 2027-2028 budget also includes an Emergency/Normal Supply Well Feasibility Study.

**Surface Water —** The 2027-2028 Surface Water program includes continuation of several key projects including the Neighborhood Drainage Assistance Program and the Annual Replacement of Aging/Failing Infrastructure project. A new project in 2027 is the High Woodlands Stormwater Management Near NE 145th Street-Site 1 project with an estimated cost of $3.0 million.

**General Government —** The 2027-2028 IT CIP includes the On-Premise Virtual Infrastructure (HCI) and EnerGov Replacement projects as well as support and replacement for mission-critical applications. The Facilities CIP includes investments in mechanical and HVAC system replacements, painting, ceilings, partition, and window replacements, and electrical energy management and lighting systems.

# Performance Measurement Report



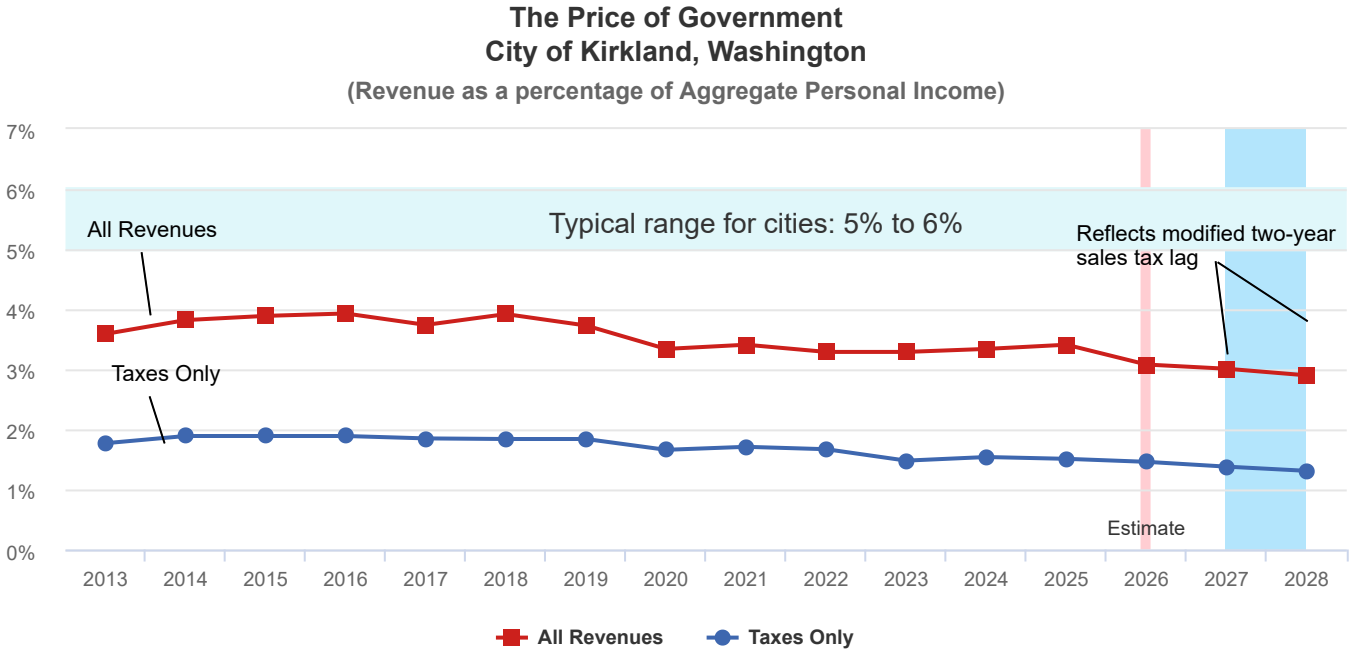
# Performance Measurement

Since 2021, the Performance Measurement report has been included in the Budget Book. The process of measuring and planning based on these metrics is reflected in the data collection shown below.

Measuring performance provides a quantifiable way in which to recognize success and to identify areas needing improvement. Performance measures also offer transparency, and allow the public to hold the City accountable for stated objectives. To achieve this transparency the City's progress is measured against data from previous years, targets set in strategic 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.

As mentioned in the introduction to this budget, Kirkland's budget development is guided by three key performance measures that have been accepted by City Council as "strategic anchors" on which to base major decisions. 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



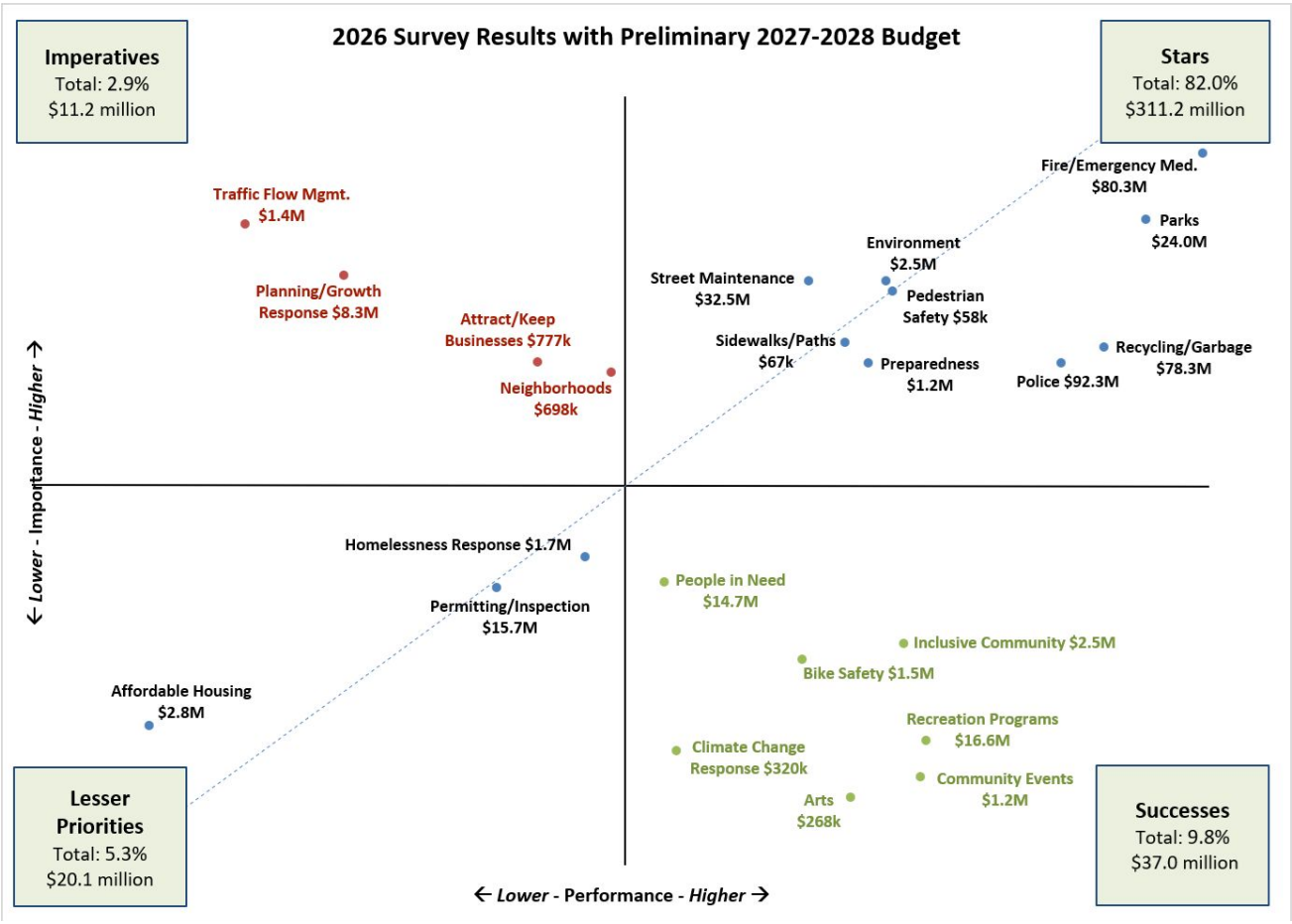

The price of government is the sum of all the taxes, fees and charges collected by the City divided by the aggregated personal income of its constituents. This yields a percentage that represents what community members are willing to pay for government. A typical percentage for a city is 5 to 6 percent. For the City of Kirkland the actual price of government for the past several years has been in the 3 to 4 percent range.

## THE KIRKLAND QUAD

The "Kirkland Quad" represents 23 key policy areas (Priority Areas) ranked by community members through a survey of their importance and the City's performance levels, coupled with the level of investment that the City makes in each area. Beginning with the 2026 Community Survey, two additional priority areas were added to

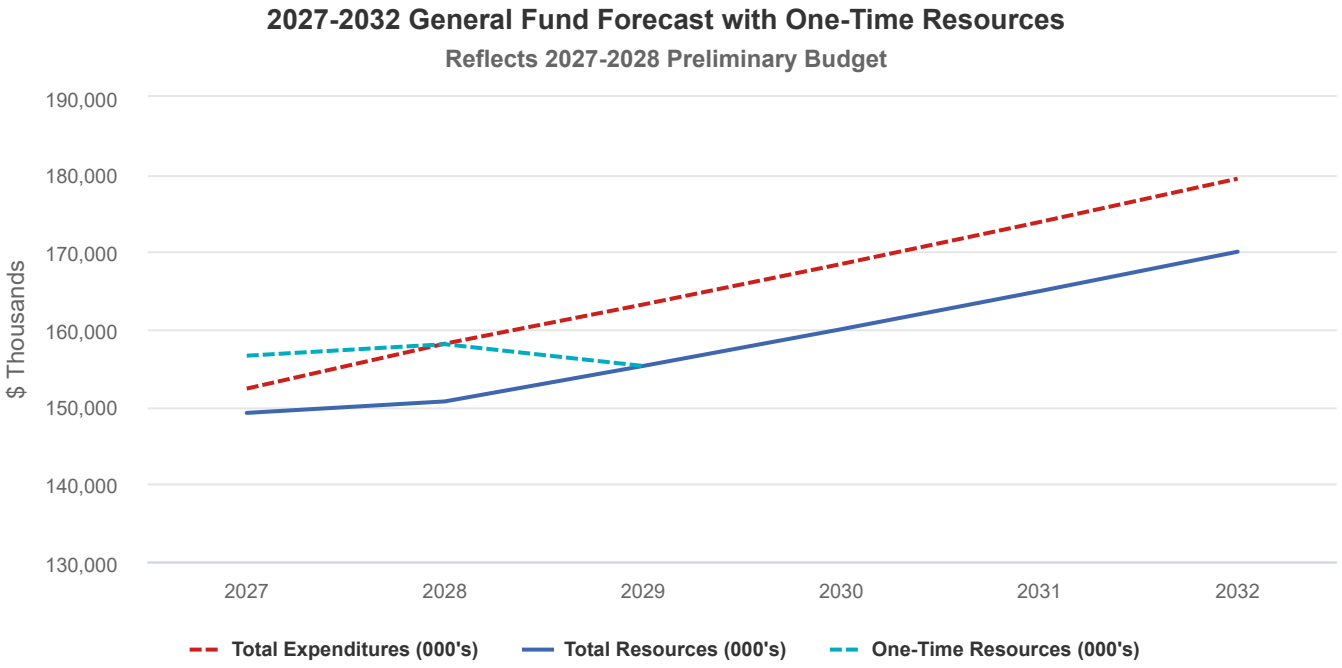
the survey (Homelessness Response and Climate Change Response). The dashed line represents the theoretical balance of performance in relation to the level of importance that community members place on that service. Items significantly to the left of the line may be potentially valuable improvement opportunities, while items far to the right of the line may result in wasted resources if given too much focus. The chart below represents the data from the 2026 Community Survey with the 2027-2028 Preliminary Budget. This shows the majority of the budget spent on the 23 areas below (84.9 percent) will be invested in those areas community members consider to be of high importance. Key differences from the 2024 Community Survey & Kirkland Quad are as follows:

- Neighborhoods has shifted from Lesser Priorities to Imperatives due to increased importance.
- Street Maintenance has shifted from Imperatives to Stars due to increased performance.
- People in Need has shifted from Lesser Priorities to Successes due to increased performance.



## THE FORECAST

Creating a balance in the City's efforts to achieve desired outcomes while keeping expenses in line with revenues. This means not only working to balance today's budget, but also keeping in view future needs and opportunities as the City strives to be an excellent steward of the public trust. With that in mind, the third strategic anchor is the six-year General Fund forecast. Updated versions of this forecast are presented to the City Council throughout the year, and the budget decision making process is made within the context of the long term financial health of the City.




These three strategic anchors ground the City's strategic direction and they are used in conjunction with the other major components of the City's strategic framework: the eleven goal areas set forth by the City Council, and the biennial Council workplan. These create a complete performance assessment of how resources have been used in response to expectations of community members. These long term goals and anchors are complemented by an annual look at performance across the 11 Council goals. These goals undergo regular review by the City Council and will next be updated in 2027.

## PERFORMANCE MEASUREMENT BY COUNCIL GOALS

Using information from the community survey, resources allocated through the Budget, and a range of external factors the City is able to assess performance against the Council goals. This process provides regular feedback against strategic priorities and provides metrics that are used when determining resource allocation.

Inclusive and Equitable Community

**Kirkland is a diverse and inclusive community that is concerned for the welfare of all community members and where everyone is respected, valued, and has a sense of belonging.**

**Goal:** Protect and serve all those who live in, work in or visit Kirkland without regard for race, religion, color, national origin, gender identity, age, income or economic status, political affiliation, military status, sexual orientation, or physical, mental or sensory ability; strive for equitable access to justice and eliminate systemic barriers to equality.

| Measure | 2023 | 2024 | 2025 | 2026 | Target** |
|---|---|---|---|---|---|
| **DEIB Roadmap Outcomes (Total Outcomes / %)** | | | | | |
| Complete | 37/54% | 42/62% | 59/87% | * | 100% |
| In Progress | 24/35% | 26/38% | 9/13% | * | - |
| Pending | 7/10% | 0/0% | 0/0% | * | - |
| **Events with a focus on DEIB** | | | | | |
| ***CMO (# of attendees)*** | | | | | |
| City Hall for All | 3,000 | 1,000 | 1,500 | * | |
| Office of Minority and Women's Business Enterprises (OMWBE) Training | 30 | | 50 | * | |
| Community Appreciation Night | | 250 | 250 | * | |
| Come Out Kirkland Pride Celebration*** | | 300 | 1000 | * | |
| Kirkland Initiative | 20 | 49 | 20 | * | |
| ***DEIB Trainings**** | | | | | |
| Diversity, Equity, and Inclusion Trainings (# of registrations) | 230 | 274 | 303 | * | |
| History Webinars and Presentations (# of registrations) | 39 | 248 | | * | |
| ***Parks (# of attendees)*** | | | | | |
| Dia de los Muertos | 400 | 500 | 500 | * | |
| Lunar New Year | 400 | 800 | 800 | * | |
| Harvest Festival | 5,000 | 8,000 | 5,000 | * | |
| See Spot Splash | 1,000 people /400 dogs | 1,600 people /485 dogs | 600 | * | |
| Movies in the Parks | 2,500 | 2,500 | 1,500 | * | |
| **CMO Sponsorships** | | | | | |
| CMO Sponsorships**** | $3,010 3 events | $1,625 2 events | $6,295 13 events | * | |
| **Proclamations with a focus on DEIB** | 23 | 23 | 26 | | |

* Data available upon publication of 2026 DEIB Report in Q1 2027

** Targets for each performance indicator will be developed in the next Performance Report.

*** In 2025, the City did not host Come Out Kirkland and instead partnered with Kirkland Urban Pride.

**** Examples of trainings: Racial Healing Training; Implicit Bias Training for Managers; History of Exclusion in Kirkland; Native American Heritage Day Presentation; Encore! LGBTQIA+ Cultural Competency in the Workplace; Mental Health First Aid Training; and others.

***** Includes events such as Africans on the Eastside Fashion Show, Pride Across the Bridge Holiday Potluck, Liveable Kirkland History of Exclusion, Juneteenth Cookout, Disability Fashion Show, and others.

^ Figures represents attendance at the training sessions.

**2026 Community Survey: Priority Audience - Key Takeaways**

***People of Color***

Survey finds few statistical differences between by race and ethnicity across the survey.

Nearly 69 percent of Asian Kirkland Residents say the City does a good job of keeping residents informed, compared to 66 percent among white residents, and 51 percent among other Communities of Color.

Communities of Color feel better about growth than other residents. Overall, POC rate the City's response to growth average of 2.8 (out of a maximum of 5 point scale) compared to 3.0 among residents who identify as white alone. Asian residents rate the City's response to growth 3.3.

***Renters***

Renters in Kirkland are younger, have lower incomes, and are newer to the community.
Cost is the top issue for renters in Kirkland.
Homeowners and renters rate satisfaction with priority service areas similarly.

***Seniors***

Seniors are more likely to own homes, but also more likely to have annual income between $25,000 and $50,000.
Seniors are less satisfied with city services than non-seniors.
Walkability and a small-town feel are senior's favorite parts about living in Kirkland.
Growth and its symptoms appear to drive seniors' lower ratings. Police services are the only priority area that seniors rated more important than non-seniors.

Vibrant Neighborhoods

## Kirkland community members experience a high quality of life in their neighborhoods

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

| Measure | 2022 | 2023 | 2024 | 2025 | 2026 | Target |
|---|---|---|---|---|---|---|
| Subscriptions/ number of e-bulletins sent out | 5,906/37 | 7,817/53 | 8,657/30 | 9,433/53 | 9,830/31 | N/A |
| Neighborhood CIP Funding (S) | $350,000* | $350,000 | $350,000 | $350,000 | $350,000 | N/A |
| Number/amount of neighborhood matching grants | 9/$13,505 | 5/$5,439 | 10/$20,633 | 12/$21,918 | 12/$6,267 | N/A |
| Value of Volunteer hours in neighborhood projects (S) | * | $24,062 | $35,312 | $26,890 | $8,857 | N/A |
| Number of attendees at City Council neighborhood meetings/topical town halls | 268 | 636 | 213 | 255 | 232 | 50+ per meeting |
| Residents surveyed are satisfied with neighborhood infrastructure and maintenance | 77% | ** | 80% | ** | 84% | 90% |

* Neighborhood Safety Program 2022 delayed due to staff vacancies.

** Community survey occurs in even years.

The Council Goal of achieving active neighborhood participation was severely impacted by the COVID-19 pandemic. The City resumed topical town halls in 2022 and attendance has returned to pre-pandemic levels. The 2026 Community Survey results show that 84 percent of residents are satisfied with the infrastructure in their neighborhood.

Community Safety

## 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 and appropriate response.

| Measure | 2022 | 2023 | 2024 | 2025 | 2026 | Target |
|---|---|---|---|---|---|---|
| Total Police Services Funding ($) | 34,122,757 | 35,891,481 | 38,781,261 | 42,792,764 | 42,555,548 | N/A |
| Total Fire and Emergency Management Services Funding ($) | 28,489,778 | 35,325,519 | 33,338,024 | 37,505,765 | 36,869,255 | N/A |
| Sworn Police FTE's (authorized) per 1,000 population | 1.12 | 1.08 | 1.09 | 1.16 | 1.09 | N/A |
| Paid Fire and EMS staffing per 1,000 population served | 1.30 | 1.30 | 1.44 | 1.44 | 1.43 | N/A |
| EMS responses meeting travel standard(all calls) | 66% | 62% | 58% | 57% | 53%^ | 90% |
| Fire responses meeting travel standard(all calls) | 54% | 53% | 48% | 51% | 50%^ | 90% |
| EMS response times under 5 minutes | 48% | 50% | 47% | 39% | 38%^ | 90% |
| Fire response times under 5.5 minutes | 39% | 41% | 47% | 40% | 39%^ | 90% |
| Residents are prepared for a seven day emergency | 52% | ** | 69% | ** | 55% | 90% |
| Residents feel safe walking in their neighborhoods after dark | 69% | ** | 80% | ** | 78% | 80% |
| Residents feel safe walking in their neighborhoods during the day | 92% | ** | 97% | ** | 96% | 90% |

* Data not yet available

** Community survey occurs in even years

^ Data through Q2 2026

The 2026 Community Survey results were largely consistent with prior surveys for overall satisfaction with Kirkland as a safe place to live. Strong majorities give the City positive marks for the job it is doing overall with eight out of ten say it is an excellent or good place to live. Residents are especially satisfied with the services they rate the most important: emergency services, parks, pedestrian safety, and garbage/recycling.

Supportive Human Services

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

**Goal:** Meet basic human needs, help people through economic and personal crises, help individuals thrive, and strive to remove barriers to allow all equal opportunities to succeed.

| Measure | 2022 | 2023 | 2024 | 2025 | 2026 | Target |
|---|---|---|---|---|---|---|
| Total human services grant funding ($) | 4,118,624** | 2,615,132 | 2,615,132 | 3,140,048 | 3,140,048 | N/A |
| Human services grant funding per capita | $44.02 | $26.98 | $27.04 | $32.18 | $31.76 | N/A |
| Number of programs funded in each community goal area: | | | | | | |
| 1. Food to Eat and Roof Overhead | 20 | 25 | 25 | 33 | 33 | N/A |
| 2. Supportive Relationships within Families, Neighborhoods and Communities | 14 | 16 | 16 | 14 | 14 | N/A |
| 3. Safe Haven from All Forms of Violence and Abuse | 4 | 4 | 4 | 5 | 5 | N/A |
| 4. Health Care to Be as Physically and Mentally Fit as Possible | 16 | 21 | 21 | 17 | 17 | N/A |
| 5. Education and Job Skills to Lead an Independent Life | 10 | 8 | 8 | 3 | 3 | N/A |
| Funded agencies meet or exceed human services contract goals | 59% | 58% | 99% | 96% | * | 100% |
| Percent of applicant programs receiving funding from the City | 76% | 60% | 60% | 57% | 57% | 100% of eligible |

* Data not available

** Includes $2,017,839 of one-time pandemic funds

The total human services funding for 2025-2026 is $7.9 million. Staff report 57 percent of applicant programs received funding from the City for 2025, compared to 60 percent in 2024.

Balanced Transportation

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

**Goal:** 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.

| Measure | 2022 | 2023 | 2024 | 2025 | 2026 | Target |
|---|---|---|---|---|---|---|
| Percent of Capital Improvement Program Transportation funding devoted to Active Transportation | 16% | 35% | 66%^ | 37% | * | 33% |
| Percent of City of Kirkland operated signalized intersections fully updated to City's standard | 90% | 90% | 90% | 68%*** | * | 100% of ITS Strategic Plan |
| Complete sidewalk construction on at least one side of all school walk routes on all collectors and arterials | 99% | 99% | 85%*** | 85% | * | 100% |
| Completion of Transportation Strategic Plan Bike Lane Network | 81% | 81% | 40%*** | 41% | * | 100% |
| Residents surveyed are satisfied with neighborhood infrastructure | 77% | ** | 80% | ** | 84% | 90% |
| Automobile crashes involving bikes | 15 | 29 | 25 | 33 | * | 0 |
| Automobile crashes involving pedestrians | 14 | 30 | 23 | 31 | * | 0 |

^Increase due to 2024 TBD Debt Issuance

* Data not available

** Community survey occurs in even years

*** Measurement criteria changed at the beginning of this year to provide more accurate definition of completion.

City staff report 68 percent sidewalk construction on at least one side of all school walk routes on all collectors and arterials completed consistent since 2021. The percentage of bicycle network construction improvement projects completed is consistent at 81 percent from 2022 to 2023. Staff revised how this percentage is calculated in 2025 onward. In 2025, 85 percent of City of Kirkland operated signalized intersections fully updated to City's standard.

The 2026 Community Survey results show that 75 percent of residents reported that they are satistifed with City's sidewalks and 74 percent are satisfied with street maintenance.

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

| Measure | 2022 | 2023 | 2024 | 2025 | 2026 | Target |
|---|---|---|---|---|---|---|
| Full-time equivalents in parks and recreation | 70.74 | 76.62 | 85.70 | 93.43 | * | N/A |
| Park maintenance full-time equivalents per 100 acres parkland | 6.14 | 6.08 | 6.32 | 6.70 | * | N/A |
| Total volunteers | 845 | 1,304 | 2,794.00 | 2,913.00 | * | N/A |
| Total volunteer hours | 13,648 | 14,695 | 14,579.00 | 14,709.00 | * | N/A |
| Parks Capital Improvement Program ($) | 2,194,000 | 4,238,480 | 4,074,565 | 5,778,777 | 5,668,208 | N/A |
| Parks Operating & Maintenance Budget ($) | 10,644,729 | 9,156,313 | 12,356,054 | 10,396,098 | 12,305,849 | N/A |
| Recreation Operating Budget ($) | 3,860,532 | 4,979,541 | 4,786,155 | 6,678,114 | 6,526,642 | N/A |
| Percent of households with a park within ¼ mile radius | 84% | 85% | 75% | 74% | * | 100% |
| Acres of natural area in restoration | 315.4 | 325.6 | 334.0 | 337.0 | * | 509 acres by 2035 |
| Percent of recreation classes meeting minimum enrollment | 81% | 84% | 73% | 72% | * | 80% |
| Percent of residents who rate City parks as satisfactory or better | 94% | ** | 81% | * | 86% | 95% |
| Percent of residents who rate recreation and community services as satisfactory or better | 85% | ** | 62% | * | 77% | N/A |

* Data not available

** Community survey occurs in even years

*** The COVID-19 pandemic resulted in the cancellation of volunteer opportunities that would otherwise have occurred.

The 25-26 Parks CIP is $11.4 million and O&M funding is $22.7 million. The Community Survey 2026 reports that residents continue to rank Kirkland's parks among the strongest performing services and 89 percent of residents rank parks to be an important City service to their households.

Attainable Housing

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

**Goal:** Provide access to housing and encourage the construction and preservation of housing stock that meet a diverse range of incomes and needs.

| Measure | 2022 | 2023 | 2024 | 2025 | 2026 | Target** |
|---|---|---|---|---|---|---|
| City contributions to ARCH (A Regional Coalition for Housing) Trust Fund ($) | 618,801 | 627,695 | 604,675 | 1,101,807 | 1,127,466 | $372,000 to $778,000 |
| Number of low income housing units produced | 83 | 144 | 42 | 202 | * | 418 units per year |
| Number of moderate income housing units produced | 152 | 112 | 3 | 321 | * | 41 units per year |
| Total number of low and moderate income units brought online | 235 | 256 | 45 | 523 | * | 459 units per year |

* Data is not yet available for 2026 when the 2027-2028 Budget Book was published.

** Affordable Housing Target based on King County adopted targets for 2019 - 2044.

Data on production of low and moderate income units of housing includes units created through the ARCH Housing Trust Fund, which are funded regionally via contributions from Kirkland and other ARCH cities. These units represent a substantial proportion of affordable housing units produced. While some are located within Kirkland, many that the City of Kirkland has funded are located throughout east King County.



Financial Stability

## Kirkland community members enjoy high quality services that meet the community's priorities

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

| Measure | 2022 | 2023 | 2024 | 2025 | 2026 | Target |
|---|---|---|---|---|---|---|
| Minimum balance in General Purpose Reserves | 100.0% | ^ | 99.6%* | ^ | 100.0% | 80% of budgeted reserve target |
| Credit Rating | AAA | AAA | AAA | AAA | AAA | AAA |
| Contingency reserve | 100% | 100% | 100% | 100% | 100% | 100% |
| Percent of funding allocated to high priority services (Stars and Imperatives) | 87% | ** | 87% | ** | 86% | 80% of rated services |

^ Reserves are calculated at the end of each biennium.

* 2024 figure is an estimate based on expected reserve additions and uses.

** Community survey occurs in even years

The City continues to maintain its AAA Credit Rating and has achieved its target of budgeted reserves in 2026. The 2026 Community Survey results show 37 percent of residents rate the City as 'Excellent/Good' for managing the public's money and 30 percent reporting 'Fair/Poor'. And 33 percent of residents are unable to rate the City on these issues.

Sustainable Environment

## Kirkland is committed to the protection of the natural environment through an integrated natural resource management system

**Goal:** Protect our natural environment through sustainable goals and practices to meet the needs of community members for a healthy environment and clean energy without compromising the needs of future generations.

| Measure | 2022 | 2023 | 2024 | 2025 | 2026 | Target |
|---|---|---|---|---|---|---|
| Compliance with NPDES Stormwater Permits | 100% | 100% | 100% | 100% | * | 100% |
| Recycling Diversion Rate | 58% | 57% | 54% | 54% | * | Increase |
| City building electricity use (kilowatt/ hour) | 3,917,318 | 4,248,534 | * | * | * | Decrease |
| City building natural gas usage (therm) | 113,680 | 112,428 | * | * | * | Decrease |
| Waste entering landfill from residences (tons) | 18,582 | 18,221 | 19,209 | 18,665 | * | Annual 2.5% decrease |
| Annual reduction in City's greenhouse gas emissions as a percent of 2005 levels | -16.0% | -16.7% | * | * | * | 80% below 2005 levels by 2050 |

* Data not yet available

Thriving Economy

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

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

| Measure | 2022 | 2023 | 2024 | 2025 | 2026 | Target |
|---|---|---|---|---|---|---|
| Number of businesses helped with consultant services | * | * | * | 140 | 135 YTD | N/A |
| Number of grants/ $ offered to businesses | * | * | 3/$15,000 | 3/$15,000 | 3/$15,000 | N/A |
| Real Estate Industry stakeholders engaged**** | * | * | * | 200 | 350 YTD | N/A |
| Number of Businesses helped with Business Liaison Services**** | * | * | * | 21 | 63 YTD | N/A |
| Office space vacancy rate | 5.5% | 3.9% | 6.8% | 7.9% | 9.0% YTD | Decrease |
| Retail space vacancy rate**** | 0.8% | 1.0% | 1.3% | 2.1% | 2% YTD | Decrease |
| Net new businesses | * | 163 | 109 | (124) | 313 | Increase |
| Annual number of jobs | 42,690 | 43,756 | 43,860 | 44,086 | * | Increase |
| Lodging tax revenue*** | 249,510 | 274,461 | 288,185 | 317,724 | 292,727 Projected | Increase |
| Visits to ExploreKirkland.com | 149,956 | 305,536 | 184,431 | 251,075 | 183,984 YTD | Increase |
| Shop Local Kirkland Page visits /direct leads to businesses | 11,562 | 36,771 | 33,198 | 46,476 | * | Increase |
| Residents are satisfied with the City's ability to attract and keep businesses in Kirkland | 38% | ** | 54% | ** | 33% | 80% |

* Data not yet available

** Community survey occurs in even years

*** Finance notes that this is budgeted revenue, not actual collected

**** New Performance Measurement indicators

Dependable Infrastructure

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

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

| Measure | 2022 | 2023 | 2024 | 2025 | 2026 | Target |
|---|---|---|---|---|---|---|
| Transportation Capital Projects Funding ($) | 29,157,613 | 29,303,519 | 36,588,019 | 25,162,874 | 20,463,934 | N/A |
| Water/Sewer Capital Project Funding ($) | 12,622,783 | 11,365,686 | 10,078,263 | 5,651,454 | 5,802,086 | N/A |
| Surface Water Capital Project Funding ($) | 5,993,815 | 7,453,148 | 6,995,393 | 4,698,038 | 1,983,104 | N/A |
| | | | | | | |
| Pavement Condition Index for Major and Minor Arterial Streets | 72.8 | 71.4 | 71.0 | 72.5 | * | 70 |
| Pavement Condition Index for Collectors and Neighborhood Streets | 73.1 | 72.7 | 73.1 | 71.2 | * | 65 |
| Residents surveyed rate street maintenance as satisfactory or better | 77% | ** | 59% | ** | 63% | 90% |
| Water Main Breaks^ | 3 | 7 | 15 | 10 | 3 | - |
| Sewer Obstructions^ | 1 | - | 4 | 1 | 1 | - |

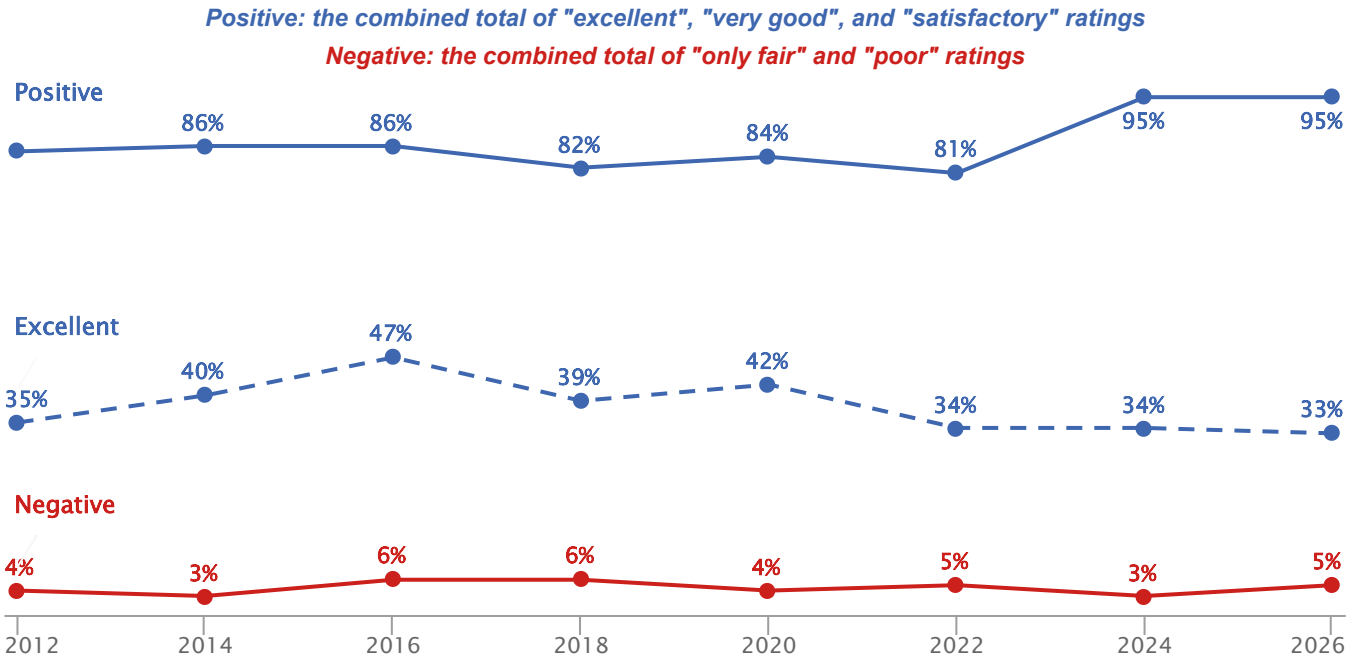
* Data not available

** Community survey occurs in even years

## "Kirkland as a Place to Live" Trend

Kirkland's overall quality-of-life rating remains steady with past years, although with fluctuating intensity.

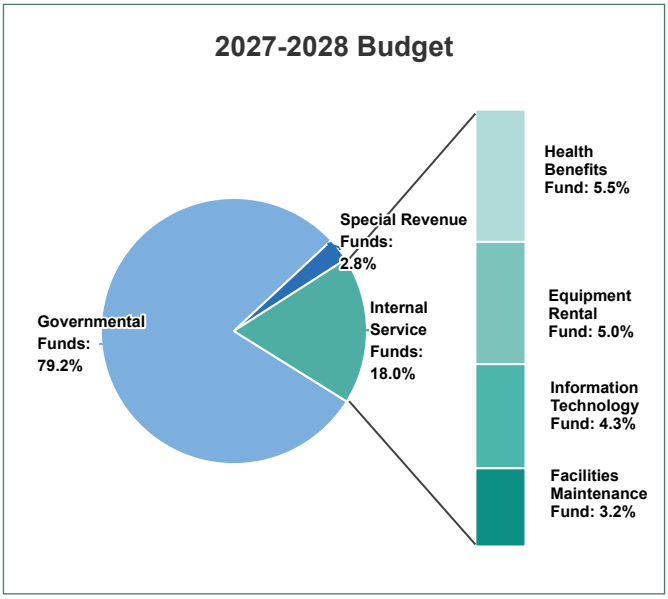
Kirkland's residents overall attitude towards their community is very positive, with eight-in-ten residents continuing to rate Kirkland as a "very good" or "excellent" place to live. A strong majority of residents continue to rate the quality of life in Kirkland, positively; most consider Kirkland an "excellent" (33 percent) or "very good" (48 percent) place to live. A small share of residents continue to rate Kirkland's quality of life more critically, with "satisfactory" (13 percent).

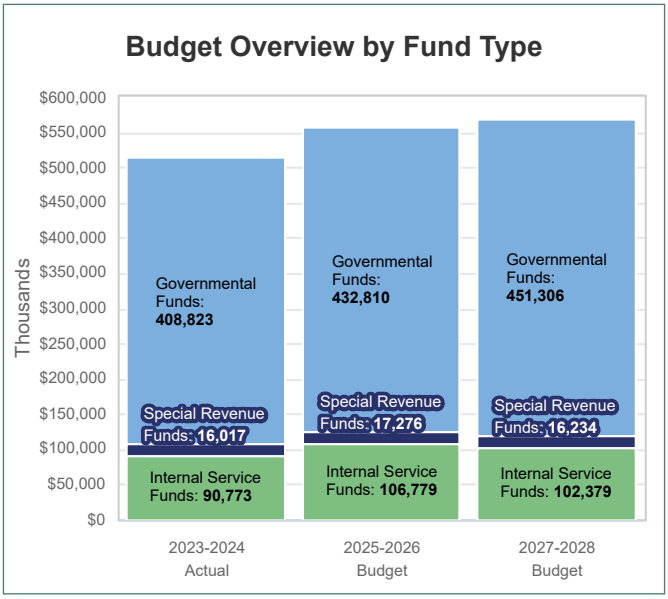


# General Government Operating



## GENERAL GOVERNMENT OPERATING BUDGET SUMMARY




Expenditures for the general government operations of the City are presented in 10 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 incurred to provide various general-purpose municipal services. 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 following pages summarize the various operating funds and how they are budgeted.

## ANALYSIS OF CHANGE

| | 2023-2024 Actual | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|
| *Governmental Funds* | | | | |
| General Fund | 324,308,799 | 341,897,317 | 361,870,237 | 5.84% |
| Street Operating Fund | 28,984,955 | 31,700,797 | 35,469,320 | 11.89% |
| Development Services Fund | 55,529,465 | 59,212,185 | 53,966,460 | (8.86%) |
| **Total Governmental Funds** | **408,823,220** | **432,810,299** | **451,306,017** | **4.27%** |
| *Special Revenue Funds* | | | | |
| Lodging Tax Fund | 866,597 | 1,225,875 | 948,988 | (22.59%) |
| Cemetery Operating Fund | 1,503,753 | 1,669,445 | 1,835,175 | 9.93% |
| Parks Levy Fund | 13,646,650 | 14,380,898 | 13,450,122 | (6.47%) |
| **Total Special Revenues Funds** | **16,017,000** | **17,276,218** | **16,234,285** | **(6.03%)** |
| *Internal Service Funds* | | | | |
| Health Benefits Fund | 29,339,543 | 29,323,764 | 31,412,151 | 7.12% |
| Equipment Rental Fund | 22,595,651 | 34,109,552 | 27,979,584 | (17.97%) |
| Information Technology Fund | 22,033,038 | 24,471,053 | 24,690,276 | 0.90% |
| Facilities Maintenance Fund | 16,804,827 | 18,874,707 | 18,297,467 | (3.06%) |
| **Total Internal Service Funds** | **90,773,059** | **106,779,076** | **102,379,478** | **(4.12%)** |
| **Gen. Gov't Operating Total** | **515,613,278** | **556,865,593** | **569,919,780** | **2.34%** |

## CHANGE IN FUND BALANCE (BEGINNING 2025 TO ENDING 2028)
## GENERAL GOVERNMENT OPERATING FUNDS

| | General [1] | Lodging Tax [2] | Street Operating [3] | Development Services [4] | Cemetery Operating [5] |
|---|---|---|---|---|---|
| **2025 Actual Beginning Fund Balance** | **50,299,326** | **487,549** | **356,453** | **17,707,079** | **1,329,594** |
| Reserved | 31,819,644 | 160,955 | 578,093 | 10,773,192 | - |
| Unreserved Working Capital | 18,479,682 | 326,594 | (221,640) | 6,933,887 | 1,329,594 |
| Plus: 2025-26 Estimated Revenues | 307,280,060 | 680,125 | 31,767,466 | 41,306,421 | 450,244 |
| Less: 2025-26 Estimated Expenditures | 307,866,322 | 842,730 | 29,764,772 | 50,412,563 | 291,622 |
| Less: 2026 Estimated Carryovers | 800,000 | - | - | - | - |
| **2026 Estimated Ending/2027 Budgeted Beginning Fund Balance** | **48,913,064** | **324,944** | **2,359,146** | **8,600,937** | **1,488,216** |
| Plus: 2027-28 Budgeted Revenues | 312,957,173 | 624,044 | 33,110,174 | 45,365,523 | 346,958 |
| Less: 2027-28 Budgeted Expenditures | 324,824,335 | 598,038 | 34,857,135 | 45,824,574 | 318,027 |
| **2028 Budgeted Ending Fund Balance** | **37,045,902** | **350,950** | **612,185** | **8,141,886** | **1,517,147** |
| Reserved | 34,829,765 | 158,079 | 576,666 | 8,141,886 | - |
| Unreserved Working Capital | 2,216,137 | 192,871 | 35,519 | - | 1,517,147 |
| **Change in Fund Balance:** | | | | | |
| **Beginning 2025 to Ending 2028** | **(13,253,424)** | **(136,599)** | **255,732** | **(9,565,193)** | **187,553** |

**Notes:**

In 1998, the City Council adopted a policy to budget all estimated fund balances. Fund balance is comprised of the following: operating reserves, 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.

[1] The General Fund shows a decrease in fund balance of about $13.3 million, almost all of it in 2027-2028. Budgeted expenditures exceed revenues by $11.9 million in that biennium, driven by growth in salaries, benefits, facilities and intergovernmental costs, conservatively budgeted GEMT revenue, and about $8.8 million net new 2027-2028 service packages including KIKCC operations and start-up, KTUB operations, and human services grants. Reserved fund balance increases over the period, so the decrease comes entirely from unreserved working capital, which falls by $19.9 million from the end of 2026 to the end of 2028.

[2] Fund balance has remained stable as tourism revenues recover from the volatility of the COVID-19 pandemic and the years that followed. However, in April 2026 the State reduced the City's Lodging Tax rate from the previously adopted 1.0% to 0.8% so that it would not exceed the excise tax limit, which will lower revenue going forward.

[3] The Street Operating Fund shows a small increase in fund balance from the beginning of 2025 to the end of 2028, reflecting different results in each biennium. In 2025-2026, fund balance grew by about $2.0 million due to a temporary Council-approved reduction in the Street Levy transfer to the CIP, street cut fees and investment interest above budget, substantial personnel savings, and the state gas tax increase, which helped offset the downward trend in gas tax revenue. In 2027-2028, the Street Levy transfer returns to its full level while liability insurance, utility, and personnel costs rise and gas tax revenue slows as consumers shift to electric vehicles and respond to high prices, reducing fund balance by about $1.7 million. New King County Transportation District sales tax pass-through revenue and new paid parking revenue partially offset this decline.

[4] The Development Services Fund shows a decrease in fund balance, driven by a reduction in building permit activity and one-time investments in capital projects from the Technology Reserves. This decrease is somewhat offset by the scheduled repayments of two interfund loans in 2027-2028.

[5] The Cemetery Operating Fund shows an increase in fund balance as revenues continue to exceed expenditures. Some fund balance has been used for increased administrative support and small projects.

# CHANGE IN FUND BALANCE (BEGINNING 2025 TO ENDING 2028)
# GENERAL GOVERNMENT OPERATING FUNDS (CONTINUED)

| | Parks Levy [6] | Health Benefits [7] | Equipment Rental [8] | Information Technology [8] | Facilities Maintenance [8] | Total |
|---|---|---|---|---|---|---|
| **2025 Actual Beginning Fund Balance** | **3,378,468** | **5,424,956** | **7,720,100** | **2,890,959** | **3,261,753** | **92,856,237** |
| Reserved | 913,668 | 1,943,400 | 10,238,969 | 2,183,738 | 4,793,770 | 63,405,429 |
| Unreserved Working Capital | 2,464,800 | 3,481,556 | (2,518,869) | 707,221 | (1,532,017) | 29,450,808 |
| Plus: 2025-26 Estimated Revenues | 11,061,819 | 23,268,784 | 18,641,680 | 20,174,397 | 12,115,346 | 466,746,343 |
| Less: 2025-26 Estimated Expenditures | 12,460,132 | 23,766,304 | 21,799,223 | 19,575,388 | 14,006,079 | 480,785,136 |
| Less: 2026 Estimated Carryovers | - | - | - | - | - | 800,000 |
| **2026 Estimated Ending/2027 Budgeted Beginning Fund Balance** | **1,980,156** | **4,927,436** | **4,562,558** | **3,489,968** | **1,371,020** | **78,017,444** |
| Plus: 2027-28 Budgeted Revenues | 11,469,968 | 26,484,715 | 23,417,026 | 21,200,308 | 16,926,447 | 491,902,336 |
| Less: 2027-28 Budgeted Expenditures | 12,933,396 | 28,292,454 | 14,741,146 | 21,055,374 | 13,147,239 | 496,591,718 |
| **2028 Budgeted Ending Fund Balance** | **516,728** | **3,119,697** | **13,238,438** | **3,634,902** | **5,150,228** | **73,328,062** |
| Reserved | 516,728 | 2,743,691 | 13,238,438 | 3,524,246 | 5,084,138 | 68,813,637 |
| Unreserved Working Capital | - | 376,006 | - | 110,656 | 66,090 | 4,514,426 |
| **Change in Fund Balance:** | | | | | | |
| **Beginning 2025 to Ending 2028** | **(2,861,740)** | **(2,305,259)** | **5,518,338** | **743,943** | **1,888,475** | **(19,528,175)** |

## Notes:

[6] The Parks Levy Fund shows an overall decrease in fund balance due to a budgeted structural imbalance caused by slow growth in property tax revenues that do not keep up with the faster growth of expenditures (e.g., personnel), especially in recent years of elevated inflation. This was an expected pattern when the initial 2012 Parks Levy was developed and passed.

[7] The Health Benefits Fund balance will continue to be utilized in 2027-2028. Rate increases have been set in line with expected health care costs. The City's plan is to bring overall fund balance in line with the reserved fund balance requirement set by statute – this is represented by the reserved fund balance.

[8] 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. Both the Equipment Rental and Facilities Maintenance ending 2028 fund balance represent the scheduled repayment of an interfund loan made from these funds for the Houghton Village property purchase.

# FORECASTED FUND BALANCE (BEGINNING 2029 TO ENDING 2030) GENERAL GOVERNMENT OPERATING FUNDS

These fund forecasts are for planning purposes and represent a high level look at the trajectory of reserves, revenues, and expenditures. Consistent with the GFOA Distinguished Budget Award criteria and principles of sound budgeting, staff has included these forecasts although there is considerable uncertainty about future growth and inflation. Their exact figures are less important than the general stability and balance of the funding sources and expense categories in each fund. The City does not budget beyond the two year biennium so projected deficits are important indicators of potential issues but do not require immediate action to bring the fund into balance.

| | General [1] | Lodging Tax | Street Operating [2] | Development Services [3] | Cemetery Operating |
|---|---|---|---|---|---|
| **2028 Budgeted Ending Fund Balance** | **37,045,902** | **350,950** | **612,185** | **8,141,886** | **1,517,147** |
| Reserved | 34,829,765 | 158,079 | 576,666 | 8,141,886 | - |
| Unreserved Working Capital | 2,216,137 | 192,871 | 35,519 | - | 1,517,147 |
| Plus: 2029-30 Forecasted Revenues | 324,481,255 | 660,381 | 34,237,510 | 38,886,155 | 354,525 |
| Less: 2029-30 Forecasted Expenditures | 348,756,697 | 632,532 | 36,766,932 | 48,339,479 | 337,322 |
| **2030 Forecasted Ending Fund Balance** | **12,770,460** | **378,799** | **(1,917,237)** | **(1,311,438)** | **1,534,350** |
| | | | | | |
| **Change in Fund Balance:** | | | | | |
| **Ending 2028 / Beginning 2029 to Ending 2030** | **(24,275,442)** | **27,849** | **(2,529,422)** | **(9,453,324)** | **17,203** |

## Notes:

[1] The City uses conservative assumptions for forecasting with expenditure forecast rates that are higher than revenues. This results in a decrease in the forecasted General Fund balance and other funds, as reflected in the forecasted ending fund balances shown on this and the following page. Each biennium, the City is able to balance the budget with one-time revenue, use of fund balance, or reducing expenditures.

[2] The Street Operating and Parks Levy Funds both face structural deficits under conservative forecasting assumptions, as growth in their primary revenue source, property tax, lags behind faster-growing expenditures such as personnel, fuel, vehicle purchases, and other key supplies and services. City staff and leadership will determine the appropriate approach to bring each fund into balance before the 2029-2030 biennium.

[3] Based on current development trends shifting from larger commercial projects to more single-family development and slowing permit revenues, the City may work to reduce one-time expenditures in future biennia to keep the Development Services Fund in balance. In addition, the planned development services fee study planned in 2027-2028 will inform Council to assist in any decisions regarding fee updates in 2029-2030 which may affect forecasted revenues.

## FORECASTED FUND BALANCE (BEGINNING 2029 TO ENDING 2030)
## GENERAL GOVERNMENT OPERATING FUNDS (CONTINUED)

| | Parks Levy [1] | Health Benefits | Equipment Rental | Information Technology | Facilities Maintenance | Total |
|---|---|---|---|---|---|---|
| **2028 Budgeted Ending Fund Balance** | **516,728** | **3,119,697** | **13,238,438** | **3,634,902** | **5,150,228** | **73,328,062** |
| Reserved | 516,728 | 2,743,691 | 13,238,438 | 3,524,246 | 5,084,138 | 68,813,637 |
| Unreserved Working Capital | - | 376,006 | - | 110,656 | 66,090 | 4,514,426 |
| Plus: 2029-30 Forecasted Revenues | 12,026,163 | 29,884,359 | 16,991,589 | 22,649,512 | 15,189,037 | 495,360,486 |
| Less: 2029-30 Forecasted Expenditures | 13,682,582 | 30,365,886 | 18,886,928 | 21,703,254 | 13,698,507 | 533,170,119 |
| **2030 Forecasted Ending Fund Balance** | **(1,139,691)** | **2,638,170** | **11,343,099** | **4,581,160** | **6,640,758** | **35,518,429** |
| | | | | | | |
| **Change in Fund Balance:** | | | | | | |
| **Ending 2028 / Beginning 2029 to Ending 2030** | **(1,656,419)** | **(481,527)** | **(1,895,339)** | **946,258** | **1,490,530** | **(37,809,633)** |

[1] The Street Operating and Parks Levy Funds both face a structural deficit in any conservative forecast, reflecting the slow growth of their primary revenue source, property taxes, as compared to the faster growing expenditures including personnel, fuel, vehicle purchases, and other key supplies and services. City staff and leadership will determine the appropriate approach to bring each fund into balance before the next biennium.

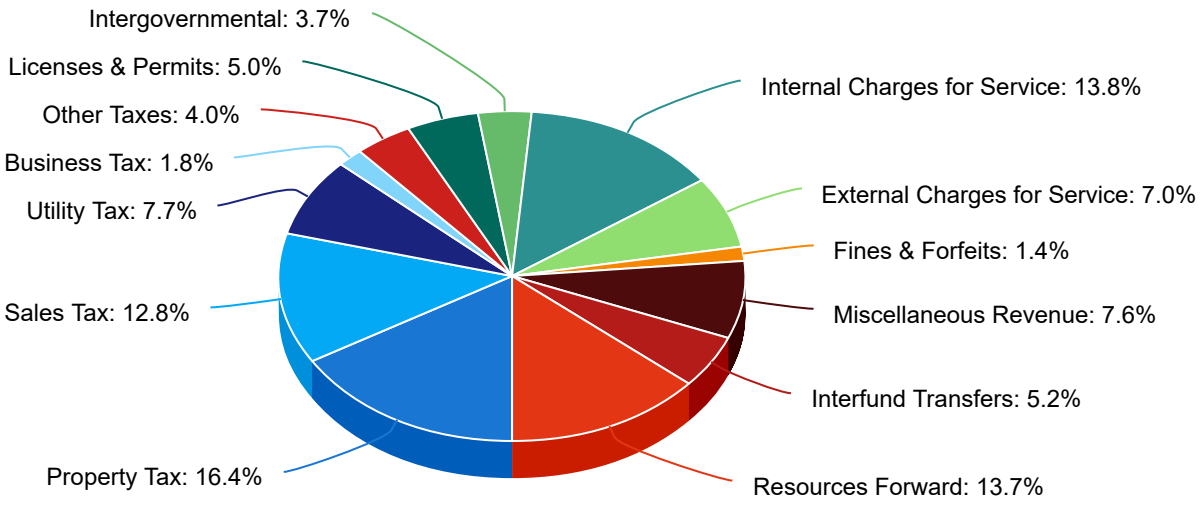


# Revenue Summary

**City of Kirkland 2027-2028 Preliminary Budget**

## General Government Operating Revenue Summary

$569,919,780




Taxes comprise 42.6 percent of all General Government Operating revenues, representing 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.

## GENERAL GOVERNMENT OPERATING REVENUE SUMMARY: BY TYPE ACROSS FUNDS

| Revenue Type | General Fund | Lodging Tax Fund | Street Operating | Development Services | Cemetery Operating | Parks Levy Fund | Health Benefits | Equipment Rental | Information Technology | Facilities Fund | Revenue Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Property Tax | 66,181,378 | - | 16,702,508 | - | - | 10,399,163 | - | - | - | - | 93,283,049 |
| Sales Tax | | | | | | | | | | | |
| General Sales Tax | 72,000,000 | - | 1,038,000 | - | - | - | - | - | - | - | 73,038,000 |
| Annexation Sales Tax Credit | - | - | - | - | - | - | - | - | - | - | - |
| Criminal Justice | 7,734,618 | - | - | - | - | - | - | - | - | - | 7,734,618 |
| Utility Taxes | | | | | | | | | | | - |
| Electric | 16,886,000 | - | - | - | - | - | - | - | - | - | 16,886,000 |
| Gas | 4,060,000 | - | - | - | - | - | - | - | - | - | 4,060,000 |
| Television Cable | 1,599,000 | - | - | - | - | - | - | - | - | - | 1,599,000 |
| Telephone | 1,866,000 | - | - | - | - | - | - | - | - | - | 1,866,000 |
| Water | 4,664,785 | - | - | - | - | - | - | - | - | - | 4,664,785 |
| Sewer | 4,777,167 | - | - | - | - | - | - | - | - | - | 4,777,167 |
| Garbage | 7,622,683 | - | - | - | - | - | - | - | - | - | 7,622,683 |
| Surface Water | 2,193,726 | - | - | - | - | - | - | - | - | - | 2,193,726 |
| Admissions Tax | 600,000 | - | - | - | - | - | - | - | - | - | 600,000 |
| Revenue Gen. Reg. Tax | 10,290,000 | - | - | - | - | - | - | - | - | - | 10,290,000 |
| Motor Vehicle License Fees | - | - | 2,722,018 | - | - | - | - | - | - | - | 2,722,018 |
| Hotel/Motel Tax | - | 597,445 | - | - | - | - | - | - | - | - | 597,445 |
| Gambling & Other Taxes | 10,990,086 | - | - | - | - | - | - | - | - | - | 10,990,086 |
| **Total Taxes** | **211,465,443** | **597,445** | **20,462,526** | **-** | **-** | **10,399,163** | **-** | **-** | **-** | **-** | **242,924,577** |
| Building and Structural | - | - | - | 14,280,097 | - | - | - | - | - | - | 14,280,097 |
| Franchise Fees | 9,108,999 | - | - | - | - | - | - | - | - | - | 9,108,999 |
| Business and Other Licenses | 2,013,010 | - | 970,000 | 2,277,020 | - | - | - | - | - | - | 5,260,030 |
| **Total Licenses and Permits** | **11,122,009** | **-** | **970,000** | **16,557,117** | **-** | **-** | **-** | **-** | **-** | **-** | **28,649,126** |
| Motor Vehicle Fuel Tax | - | - | 3,636,070 | - | - | - | - | - | - | - | 3,636,070 |
| Liquor Taxes | 2,676,738 | - | - | - | - | - | - | - | - | - | 2,676,738 |
| Marijuana Taxes | 540,400 | - | - | - | - | - | - | - | - | - | 540,400 |
| Grants & Other Intergov. | 14,394,029 | - | - | - | - | 50,000 | - | - | - | - | 14,444,029 |
| **Total Intergovernmental** | **17,611,167** | **-** | **3,636,070** | **-** | **-** | **50,000** | **-** | **-** | **-** | **-** | **21,297,237** |
| Planning Fees | 1,233,000 | - | - | 4,814,066 | - | - | - | - | - | - | 6,047,066 |
| Plan Check Fees | - | - | - | 4,506,160 | - | - | - | - | - | - | 4,506,160 |
| Engineering Dev. Fees | - | - | 29,000 | 6,734,144 | 170,000 | - | - | - | - | - | 6,933,144 |
| Recreation Charges | 6,717,095 | - | - | - | - | - | - | - | - | - | 6,717,095 |
| RCR Fiscal Agent Fees | 6,080,096 | - | - | - | - | - | - | - | - | - | 6,080,096 |
| Internal Charges | 28,869,943 | - | 70,000 | 291,614 | - | 285,518 | 433,831 | 14,414,800 | 20,908,906 | 13,162,811 | 78,437,423 |
| EMS & Transport Fees | 6,488,882 | - | - | - | - | - | - | - | - | - | 6,488,882 |
| Other Charges | 3,076,920 | - | - | 800 | - | - | - | - | - | - | 3,077,720 |
| **Total Charges for Services** | **52,465,936** | **-** | **99,000** | **16,346,784** | **170,000** | **285,518** | **433,831** | **14,414,800** | **20,908,906** | **13,162,811** | **118,287,586** |
| **Fines and Forfeits** | **7,962,570** | **-** | **-** | **100,000** | **-** | **-** | **-** | **-** | **-** | **-** | **8,062,570** |
| **Miscellaneous** | **10,912,614** | **26,599** | **2,367,702** | **849,704** | **176,958** | **665,287** | **26,050,884** | **1,020,551** | **291,402** | **703,599** | **43,065,300** |
| **Interfund Transfers** | **1,417,434** | **-** | **5,574,876** | **11,511,918** | **-** | **70,000** | **-** | **7,981,675** | **-** | **3,060,037** | **29,615,940** |
| **Resources Forward** | **48,913,064** | **324,944** | **2,359,146** | **8,600,937** | **1,488,217** | **1,980,154** | **4,927,436** | **4,562,558** | **3,489,968** | **1,371,020** | **78,017,444** |
| **Fund Total** | **361,870,237** | **948,988** | **35,469,320** | **53,966,460** | **1,835,175** | **13,450,122** | **31,412,151** | **27,979,584** | **24,690,276** | **18,297,467** | **569,919,780** |

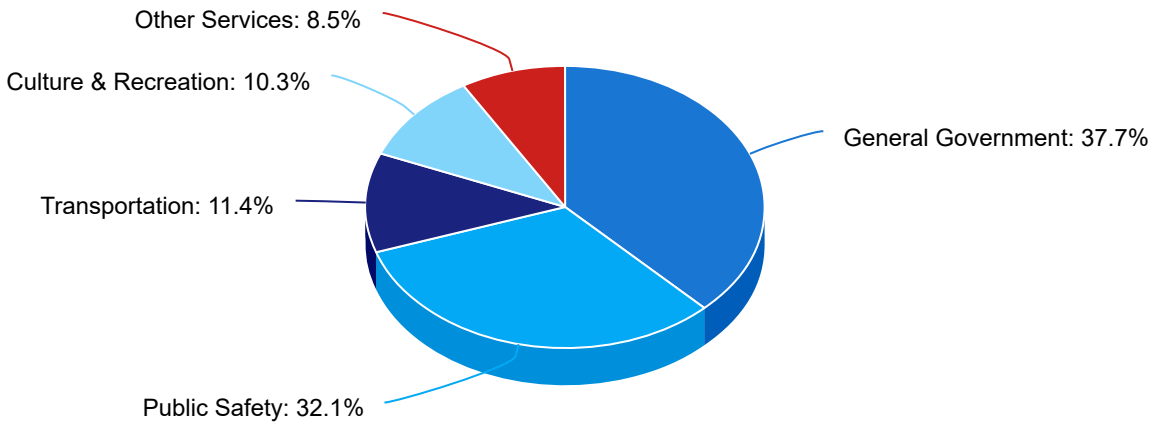


# Expenditure Summary

**City of Kirkland 2027-2028 Preliminary Budget**

## General Government Operating Expenditure Summary

2027-2028 Budget by Program




The General Government Operating Funds account for about 49.7 percent of the City's total budget. The largest program area is the General Government ($215.1 million), which includes legislative, executive, legal, administrative, financial, community planning, building inspection services, and internal service funds. The next largest program area is Public Safety ($183.1 million), comprising police, fire, and municipal court services.

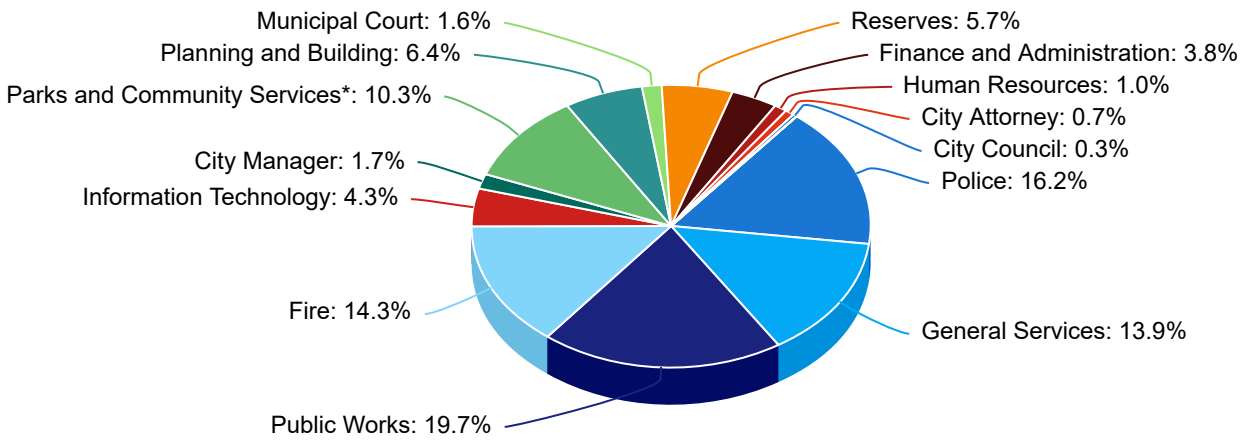
- Public Safety increased due to increasing salary and benefit costs, school safety zone program, and fire training program.
- Transportation increased due to new revenue from King County Transportation Benefit District (TBD) sales tax and parking revenues. Expenditures increased due to rising costs of utilities (particularly street lights), insurance, and internal service costs.
- The Other Services budget includes an increase in reserves including General Purpose reserves such as the Rainy Day Fund and the Revenue Stabilization Reserve.

## ANALYSIS OF CHANGE

| Program | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|
| General Government | 214,617,914 | 216,133,020 | 229,102,745 | 215,065,862 | (6.13%) |
| Public Safety | 153,587,416 | 169,041,812 | 168,104,321 | 183,106,990 | 8.92% |
| Transportation | 53,296,551 | 61,257,090 | 61,943,482 | 65,161,133 | 5.19% |
| Culture & Recreation | 42,365,313 | 54,089,450 | 55,096,090 | 58,587,266 | 6.34% |
| Other Services | 51,746,084 | 61,713,090 | 42,618,955 | 47,998,529 | 12.62% |
| **Program Total** | **515,613,278** | **562,234,461** | **556,865,593** | **569,919,780** | **2.34%** |

## General Government Operating Expenditure Summary

2027-2028 Budget by Department




The total General Government Operating Expenditures budget in 2027-2028 is estimated at $569.9 million. The largest share and department is Public Works ($112.1 million) which includes engineering, transportation, public grounds, and fleet management services. Police ($92.3 million), Fire ($81.7 million) and General Services ($79.4 million) are the next three largest departments. Followed by Parks and Community Services ($58.6 million) and Planning & Building ($36.4 million). The table below shows the budget by department across all General Government Operating Funds.

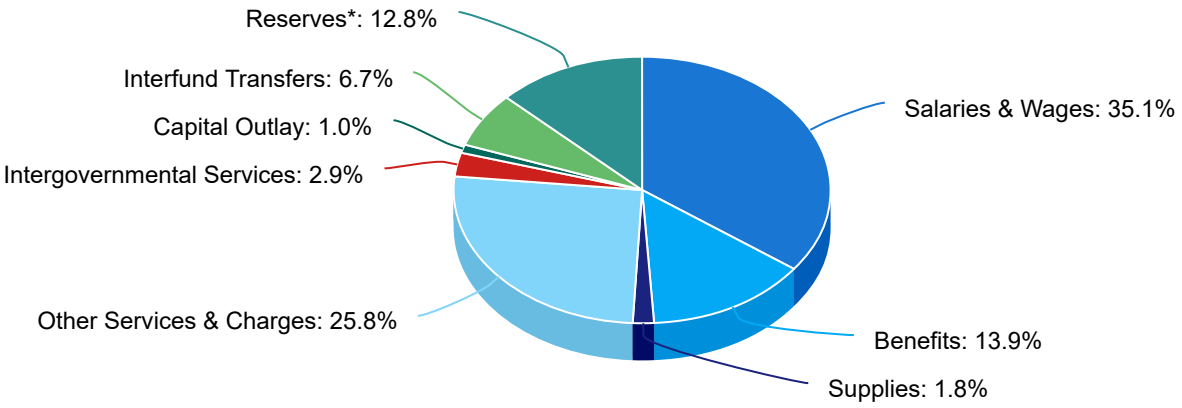
## ANALYSIS OF CHANGE

| Department | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|
| City Council | 1,420,949 | 1,735,704 | 1,793,418 | 1,895,331 | 5.68% |
| City Manager | 8,055,683 | 9,196,334 | 9,752,607 | 9,716,769 | (0.37%) |
| Human Resources | 4,728,399 | 5,588,877 | 5,759,172 | 5,843,847 | 1.47% |
| City Attorney | 3,160,857 | 3,951,790 | 3,971,340 | 4,171,372 | 5.04% |
| Information Technology | 22,033,038 | 23,237,215 | 24,471,053 | 24,690,276 | 0.90% |
| Finance and Administration | 17,536,040 | 19,961,240 | 20,468,613 | 21,352,206 | 4.32% |
| General Services | 81,085,628 | 91,099,127 | 71,942,719 | 79,410,680 | 10.38% |
| Reserves | 52,822,755 | 45,297,600 | 44,356,791 | 32,721,898 | (26.23%) |
| Public Works | 93,222,463 | 104,469,296 | 115,482,004 | 112,072,677 | (2.95%) |
| Parks and Community Services | 42,365,313 | 54,089,450 | 55,096,090 | 58,587,266 | 6.34% |
| Planning and Building | 35,594,738 | 34,566,018 | 35,667,465 | 36,350,468 | 1.91% |
| Municipal Court | 6,860,337 | 7,958,548 | 8,281,875 | 9,093,190 | 9.80% |
| Police | 75,154,782 | 84,584,590 | 85,447,426 | 92,348,084 | 8.08% |
| Fire | 71,572,297 | 76,498,674 | 74,375,020 | 81,665,716 | 9.80% |
| **Department Total** | **515,613,278** | **562,234,461** | **556,865,593** | **569,919,780** | **2.34%** |

* 2023-2024 actual and 2025-2026 estimated reserves are budgeted, but not spent

## General Government Operating Expenditure Summary

2027-2028 Budget by Category




The largest category in the General Government Operating Funds is Personnel (i.e., Salaries, Wages and Benefits) estimated at $278.9 million, of which 48.9 percent is for public safety personnel. Excluding Reserves, Other Services & Charges is the next largest category ($147.1 million) and includes contracted direct services (e.g., jail and human services), contracted support services (e.g., consulting, maintenance services), and internal charges from one City fund to another (e.g., IT, Equipment Rental, Facilities and other Internal Services).

- Interfund transfers are estimated at $38.1 million, down 20.9 percent compared to the 2025-2026 budget. General Fund transfers are lower ($5.2 million) as the 2025-2026 budget included transfers to Fleet Fund for capital work equipment and other purchases including the ladder trucks. Development Services transfers are lower ($3.3 million) due to one-time CIP transfers from Development Services Tech Reserves in 2025-2026.
- Intergovernmental services estimated at $16.3 million, an increase of 14.1 percent due to the ARCH Housing Trust Fund contributions being directly paid out of the General Fund, and NORCOM 911 Dispatch (Public Safety Answering Point, PSAP) service fee allocation.
- Reserves are estimated at $73.3 million, 0.44 percent lower compared to 2025-2026 budgeted reserves. General Fund and Equipment Rental reserves are increasing whereas the reserves are decreasing for Health Benefits, Parks and Development Services. The repayment of the interfund loan to purchase the Houghton Village property was included in the 2025-2026 budget in the Equipment Rental, Development Services, and Facilities Maintenance Funds. The interfund loan has been included in the 2027-2028 budget as the funding from the sale of Houghton Village is scheduled to occur in 2027-2028.

### ANALYSIS OF CHANGE

| Category | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|
| Salaries & Wages | 164,767,206 | 186,241,962 | 185,458,234 | 199,811,395 | 7.74% |
| Benefits | 61,961,944 | 70,138,116 | 75,856,308 | 79,117,952 | 4.30% |
| Supplies | 9,466,554 | 9,539,956 | 9,926,467 | 10,313,713 | 3.90% |
| Other Services & Charges | 114,536,823 | 136,362,635 | 136,396,689 | 147,069,068 | 7.82% |
| Intergovernmental Services | 16,951,697 | 13,671,502 | 14,315,846 | 16,339,915 | 14.14% |
| Capital Outlay | 9,482,875 | 13,491,128 | 13,050,454 | 5,804,218 | (55.52%) |
| Interfund Transfers | 70,602,567 | 54,771,718 | 48,211,459 | 38,135,457 | (20.90%) |
| Reserves* | 67,843,611 | 78,017,444 | 73,650,136 | 73,328,062 | (0.44%) |
| **Category Total** | **515,613,278** | **562,234,461** | **556,865,593** | **569,919,780** | **2.34%** |

* 2023-2024 actual and 2025-2026 estimated reserves are budgeted, but not spent



# General Government Operating Reserves

**City of Kirkland 2027-2028 Preliminary Budget**

# Department Overview

## MISSION

The purpose of General Government Operating Reserves is to account for reserves in the General Fund and Development Services 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 and working capital are located in the General Services 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:**

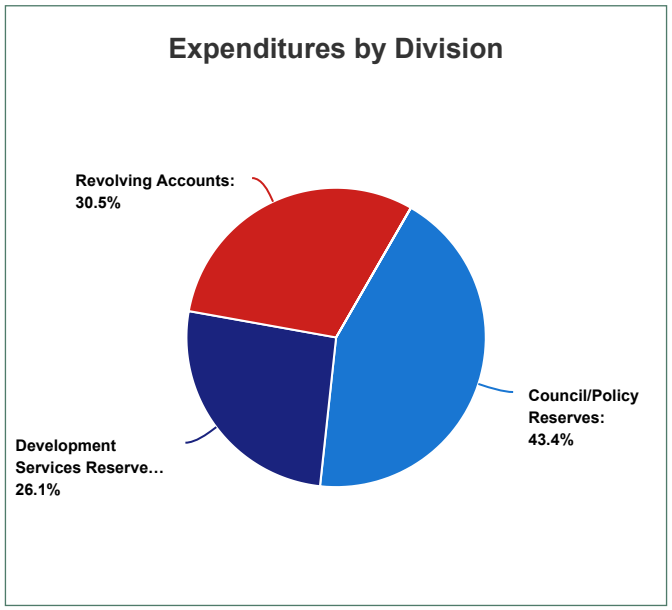
- Litigation & Legal Services Reserve: outside counsel costs
- Public Records Disclosure Reserve: additional costs related to public records requests
- Labor Relations Reserve: labor negotiations costs
- Restricted revenue reserves: revenues above operating expenses available for programming from School Zone Safety Camera penalties, Fire & EMS Proposition 1, Police Proposition 1, and GEMT
- 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

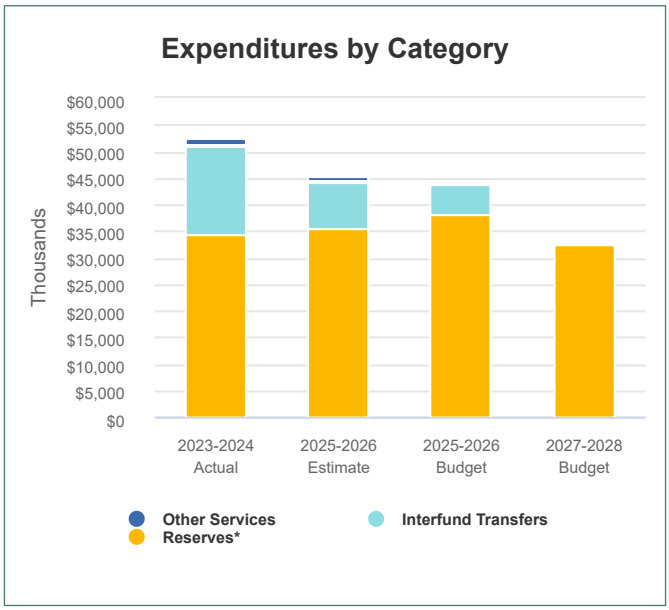
The General Purpose reserves, their targets, and replenishment policies are established in the City's *Fiscal Policies* and adopted by Council with the adoption of the Biennial Budget.

## BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS

- Continue compliance with the adopted Fiscal Policies:
  - General Purpose Reserves were budgeted to be fully funded to targets at the end of the 2025-2026 Budget. Additional funding to keep these reserves at target is planned as part of the 2027-2028 budget.

# Financial Overview




## EXPENDITURE SUMMARY BY CATEGORY

| | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|
| Benefits [1] | 3,592 | 861 | 2,000 | - | (100.00%) |
| Supplies [1] | 208,687 | 178,104 | 45,260 | - | (100.00%) |
| Other Services [1] | 1,129,032 | 680,924 | 647,516 | - | (100.00%) |
| Intergovernmental Services [1] | 278,331 | 56,848 | - | - | |
| Capital Outlay | 226,764 | 111,089 | 6,721 | - | (100.00%) |
| Interfund Transfers [2] | 16,489,251 | 8,715,451 | 5,467,761 | 401,100 | (92.66%) |
| Reserves [3] | 34,487,098 | 35,554,323 | 38,187,533 | 32,320,798 | (15.36%) |
| **TOTAL** | **52,822,755** | **45,297,600** | **44,356,791** | **32,721,898** | **(26.23%)** |

## EXPENDITURE SUMMARY BY DIVISION

| | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|
| Council/Policy Reserves | 12,922,394 | 13,372,079 | 13,715,676 | 14,197,525 | 3.51% |
| Development Services Reserves | 28,794,693 | 15,378,571 | 14,685,134 | 8,542,986 | (41.83%) |
| Revolving Accounts | 11,105,668 | 16,546,950 | 15,955,981 | 9,981,387 | (37.44%) |
| **TOTAL** | **52,822,755** | **45,297,600** | **44,356,791** | **32,721,898** | **(26.23%)** |

[1] Various expenditure categories in 2027-2028 no longer include budget because Zone 1 Training costs were transferred to City of Bellevue.

[2] Interfund Transfers are very high in 2023-2024 Actuals due to the transfer of Development Services reserves from the General Fund to the 119 Fund at the onset of the biennium. This has the effect of showing double the Development Services Reserves in 2023-2024. Transfers in 2025-2026 are related to the one-time use of the Development Services Technology Reserve for IT CIP projects, as well as one-time transfers of Fire restricted funding to purchase fleet vehicles.

[3] Reserves are lower in 2027-2028 due to planned decreases of Development Services Technology and Workload Liability Reserves; and uses of GEMT and School Zone Safety Camera restricted funding. Police Reserves are lower because 2025-2026 included several one-time large transfers from federal seizure monies.

# GENERAL GOVERNMENT OPERATING EXPENDITURE SUMMARY ACROSS FUNDS

## BY PROGRAM

| Program | General Fund | Street Operating | Development Services | Lodging Tax Fund | Cemetery Operating | Parks Levy Fund | Health Benefits | Equipment Rental | Information Technology | Facilities Fund | Expenditure Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| General Government | 65,103,635 | - | 44,893,454 | 948,988 | 1,740,307 | - | 31,412,151 | 27,979,584 | 24,690,276 | 18,297,467 | 215,065,862 |
| Public Safety | 183,106,990 | - | - | - | - | - | - | - | - | - | 183,106,990 |
| Transportation | 20,618,807 | 35,469,320 | 9,073,006 | - | - | - | - | - | - | - | 65,161,133 |
| Culture & Recreation | 45,042,276 | - | - | - | 94,868 | 13,450,122 | - | - | - | - | 58,587,266 |
| Other Services | 47,998,529 | - | - | - | - | - | - | - | - | - | 47,998,529 |
| **Fund Total** | **361,870,237** | **35,469,320** | **53,966,460** | **948,988** | **1,835,175** | **13,450,122** | **31,412,151** | **27,979,584** | **24,690,276** | **18,297,467** | **569,919,780** |

## BY DEPARTMENT

| Department | General Fund | Street Operating | Development Services | Lodging Tax Fund | Cemetery Operating | Parks Levy Fund | Health Benefits | Equipment Rental | Information Technology | Facilities Fund | Expenditure Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| City Council | 1,895,331 | - | - | - | - | - | - | - | - | - | 1,895,331 |
| City Manager's Office | 9,402,274 | - | - | 948,988 | - | - | - | - | - | 17,662,974 | 28,014,236 |
| Human Resources | 5,843,847 | - | - | - | - | - | - | - | - | - | 5,843,847 |
| City Attorney's Office | 4,171,372 | - | - | - | - | - | - | - | - | - | 4,171,372 |
| Finance & Administration | 19,611,899 | - | - | - | 1,740,307 | - | - | - | - | - | 21,352,206 |
| General Services | 47,998,529 | - | - | - | - | - | 31,412,151 | - | - | - | 79,410,680 |
| Reserves* | 24,178,912 | - | 8,542,986 | - | - | - | - | - | - | - | 32,721,898 |
| Public Works | 20,618,807 | 35,469,320 | 9,073,006 | - | - | - | - | 27,979,584 | - | 634,493 | 93,775,210 |
| Parks | 45,042,276 | - | - | - | 94,868 | 13,450,122 | - | - | - | - | 58,587,266 |
| Planning & Building | - | - | 36,350,468 | - | - | - | - | - | - | - | 36,350,468 |
| Municipal Court | 9,093,190 | - | - | - | - | - | - | - | - | - | 9,093,190 |
| Police | 92,348,084 | - | - | - | - | - | - | - | - | - | 92,348,084 |
| Fire | 81,665,716 | - | - | - | - | - | - | - | - | - | 81,665,716 |
| Information Technology | - | - | - | - | - | - | - | - | 24,690,276 | - | 24,690,276 |
| **Fund Total** | **361,870,237** | **35,469,320** | **53,966,460** | **948,988** | **1,835,175** | **13,450,122** | **31,412,151** | **27,979,584** | **24,690,276** | **18,297,467** | **569,919,780** |

* Reserves are budgeted, but not spent

# GENERAL GOVERNMENT OPERATING EXPENDITURE SUMMARY ACROSS FUNDS

## BY CATEGORY

| Category | General Fund | Street Operating | Development Services | Lodging Tax Fund | Cemetery Operating | Parks Levy Fund | Health Benefits | Equipment Rental | Information Technology | Facilities Fund | Expenditure Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Salaries & Wages | 150,202,807 | 6,213,479 | 23,959,979 | 175,486 | 84,598 | 5,530,971 | - | 2,279,910 | 9,307,613 | 2,056,552 | 199,811,395 |
| Benefits | 59,955,617 | 2,997,780 | 8,479,301 | 70,813 | 44,355 | 2,446,484 | - | 967,170 | 3,216,207 | 940,225 | 79,117,952 |
| Supplies | 4,184,709 | 1,176,000 | 126,157 | 8,100 | 47,200 | 562,050 | - | 3,070,159 | 645,103 | 494,235 | 10,313,713 |
| Other Services & Charges | 72,942,884 | 13,474,674 | 12,005,368 | 343,639 | 127,174 | 3,392,191 | 28,283,121 | 2,290,639 | 7,256,451 | 6,952,927 | 147,069,068 |
| Intergovernmental Services | 15,095,463 | 5,000 | 840,669 | - | 300 | 1,700 | 9,333 | 387,450 | - | - | 16,339,915 |
| Capital Outlay | - | 44,000 | - | - | 14,400 | - | - | 5,745,818 | - | - | 5,804,218 |
| Interfund Transfers | 22,442,855 | 10,946,202 | 413,100 | - | - | 1,000,000 | - | - | 630,000 | 2,703,300 | 38,135,457 |
| Reserves* | 37,045,902 | 612,185 | 8,141,886 | 350,950 | 1,517,148 | 516,726 | 3,119,697 | 13,238,438 | 3,634,902 | 5,150,228 | 73,328,062 |
| **Fund Total** | **361,870,237** | **35,469,320** | **53,966,460** | **948,988** | **1,835,175** | **13,450,122** | **31,412,151** | **27,979,584** | **24,690,276** | **18,297,467** | **569,919,780** |

* Reserves are budgeted, but not spent



# General Fund

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



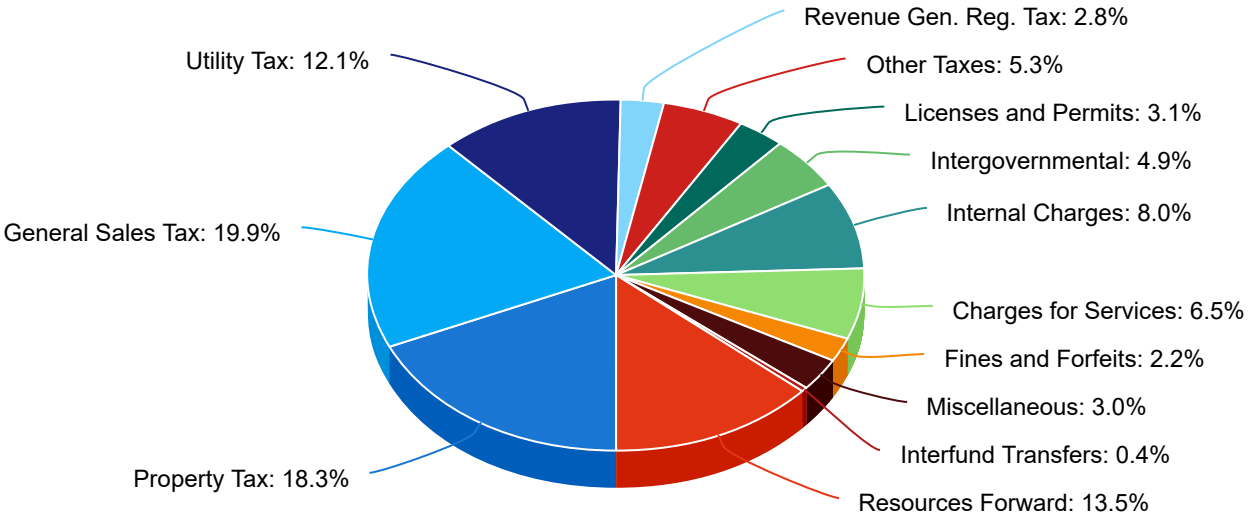
# General Fund Revenue Summary

The General Fund is the primary operating fund of the City. The primary sources of revenue are general purpose taxes (property, sales, utility). The General Fund also contains revenues from specific activities such as parks, recreation, emergency medical transportation, fines and forfeits and some grants.

**City of Kirkland 2027-2028 Preliminary Budget**

## General Fund Revenue Summary

$361,870,237




Taxes comprise 58.44 percent 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.

## GENERAL FUND REVENUES

| | Object | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|---|
| **Taxes** | | | | | | |
| Prop Tax | 311101 | 59,884,832 | 63,046,140 | 63,107,829 | 66,181,378 | 4.87% |
| Rtl Sales Use Tax | 313111 | 66,276,506 | 71,825,915 | 69,055,066 | 72,000,000 | 4.26% |
| Spec Purpose Tx Public Safety | 313150 | 5,689,706 | 6,336,487 | 5,510,390 | 6,426,686 | 16.63% |
| Affrdbl Spprtv Hsng SalesUseTx | 313270 | 437,012 | 436,720 | 423,338 | 433,000 | 2.28% |
| Brok Nat Gax Tax | 313611 | 7,569 | 5,859 | 8,400 | 5,400 | (35.71%) |
| Criminal Justice Loc Tax | 313711 | 6,295,213 | 7,393,827 | 5,858,440 | 7,734,618 | 32.03% |
| Rev Gen Reg License | 316101 | 8,098,273 | 10,071,629 | 11,243,000 | 10,150,000 | (9.72%) |
| Rev Gen Bus Lic Prior Yr | 316102 | 534,409 | 132,927 | 40,000 | 140,000 | 250.00% |
| Electric Utility Tax | 316411 | 10,123,464 | 13,500,990 | 11,287,649 | 16,886,000 | 49.60% |
| Gas Utility Tax | 316431 | 3,618,519 | 3,850,175 | 3,658,134 | 4,060,000 | 10.99% |
| TV Cable-Private | 316461 | 2,099,742 | 1,943,023 | 2,009,046 | 1,599,000 | (20.41%) |
| Telephone Utility Tax | 316471 | 2,215,943 | 2,077,499 | 1,884,993 | 1,866,000 | (1.01%) |
| Water Cus Utility Tx | 316481 | 3,652,980 | 4,154,378 | 4,181,023 | 4,664,785 | 11.57% |
| Sewer Cus Utility Tx | 316482 | 3,415,201 | 3,956,776 | 4,044,494 | 4,777,167 | 18.12% |
| Sld Waste Utility Tx | 316483 | 6,051,014 | 6,783,917 | 6,759,341 | 7,622,683 | 12.77% |
| SW Cus Util Tx | 316484 | 1,835,265 | 1,989,411 | 1,990,135 | 2,193,726 | 10.23% |
| Pnch Bds Pull Tb | 316811 | 674,931 | 713,308 | 656,000 | 760,000 | 15.85% |
| Bingo and Raffle | 316821 | 2,776 | 7,228 | 3,000 | 4,000 | 33.33% |
| Amusement Games | 316831 | 1,806 | 544 | 2,600 | 1,000 | (61.54%) |
| Card Games | 316841 | 3,509,830 | 3,629,053 | 3,137,000 | 3,200,000 | 2.01% |
| Leasehold Excise | 317201 | 161,587 | 152,848 | 160,000 | 160,000 | -% |
| Admissions Tax | 318111 | 798,377 | 619,802 | 720,000 | 600,000 | (16.67%) |
| **Total for Taxes** | | **185,384,955** | **202,628,454** | **195,739,878** | **211,465,443** | **8.03%** |
| | | | | | | |
| **License and Permits** | | | | | | |
| Amusement License | 321709 | - | 25 | - | - | |
| Franchise Fees | 321911 | 8,641,530 | 8,629,695 | 8,966,401 | 9,108,999 | 1.59% |
| Business License Fee | 321991 | 1,620,893 | 1,645,203 | 1,600,000 | 1,650,000 | 3.13% |
| Business Lic Fee Prior Yr | 321992 | 30,846 | 48,776 | 32,000 | 36,000 | 12.50% |
| Busking Permit Fee | 321995 | 2,400 | 2,975 | 2,400 | 2,400 | -% |
| Animal License | 322301 | 266,552 | 196,893 | 330,000 | 168,210 | (49.03%) |
| Street Vacation Permit | 322403 | 16,508 | - | - | - | |
| Alarm Registration | 322900 | 136,490 | 103,300 | 130,000 | 100,000 | (23.08%) |
| C Weapon Permit | 322903 | 30,012 | 27,988 | 26,400 | 26,400 | -% |
| Special Event Permit | 322905 | 49,745 | 47,868 | 30,000 | 30,000 | -% |
| IFC Other | 322915 | 397 | - | - | - | |
| **Total for License and Permits** | | **10,795,373** | **10,702,723** | **11,117,201** | **11,122,009** | **0.04%** |
| | | | | | | |
| **Intergovernmental Revenue** | | | | | | |
| Direct Federal DOJ Grants | 331160 | 369,167 | 835,222 | 906,035 | 379,640 | (58.10%) |

## GENERAL FUND REVENUES (CONTINUED)

| | Object | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|---|
| DOJ Bulletproof Vest Program | 331166 | 30,253 | 28,985 | 32,000 | 36,000 | 12.50% |
| Medicare/caid Emer Med Transp | 332934 | 3,819,997 | 5,550,940 | 2,692,204 | 2,692,204 | -% |
| Indr Fed CBDG/Entitlement | 333142 | 563,549 | 221,703 | 181,554 | 178,514 | (1.67%) |
| Indirect Federal DOJ Grants | 333160 | 20,613 | - | - | - | |
| Ind Fed DoJ MEC | 333166 | 2,916 | - | - | - | |
| Indirect Federal DOT Grants | 333201 | - | 224,228 | 240,000 | - | (100.00%) |
| Ind Fed FTA | 333205 | 124,098 | - | - | - | |
| Indr Federal DOT Traffic | 333206 | 77,706 | 95,150 | - | 19,000 | |
| GF - Indirect Fed HHS | 333930 | 60,244 | - | - | - | |
| Indr Fed FEMA | 333973 | 29,767 | - | - | - | |
| Indr Fed EMPG | 333974 | 125,656 | 90,509 | 98,000 | - | (100.00%) |
| CJTC WASPC Grant | 334011 | 298,188 | 530,047 | 204,000 | 458,689 | 124.85% |
| Other Judicial Agency Grant | 334012 | 104,332 | 383,798 | 393,526 | 508,150 | 29.13% |
| Dept of Ecology | 334031 | - | 47,850 | - | - | |
| Traffic Safety Commission | 334035 | - | 2,801 | - | - | |
| Dept of Transportation | 334036 | 160,704 | 74,538 | - | - | |
| Commute Trip Reduction Grant | 334039 | 51,437 | 10,469 | - | - | |
| Comm Trade Econo | 334042 | 106,635 | - | - | - | |
| Dept of Health | 334049 | 1,320 | 1,743 | 1,600 | 1,600 | -% |
| State Shared Revenue | 335010 | 41,974 | - | - | - | |
| Judical Contribution | 336012 | 44,870 | 44,780 | 43,104 | 44,776 | 3.88% |
| Crime Jus-Spc Program | 336026 | 253,731 | 284,020 | 279,453 | 316,352 | 13.20% |
| Violent Crimes | 336062 | 686,487 | 80,788 | 79,844 | 91,800 | 14.97% |
| Marijuana Excise Tax | 336063 | 474,341 | 420,738 | 542,147 | 429,500 | (20.78%) |
| DUI Distribution | 336065 | 17,846 | 19,861 | 19,100 | 19,100 | -% |
| Liquor Excise | 336094 | 1,178,669 | 1,257,326 | 1,270,770 | 1,236,738 | (2.68%) |
| Liquor Board Profit | 336095 | 1,601,485 | 1,442,075 | 1,416,802 | 1,440,000 | 1.64% |
| Local Govn Paymts | 337060 | 839,380 | 7,241,302 | 6,583,113 | 6,447,032 | (2.07%) |
| Local Grants | 337061 | - | 486,500 | 511,644 | 986,142 | |
| KC Parks Levy | 337070 | - | 514,765 | 514,765 | 2,129,530 | |
| Other KC Grants | 337081 | 170,499 | 147,811 | 54,000 | 76,400 | |
| Port of Seattle | 337092 | 90,437 | 130,000 | 120,000 | 120,000 | |
| **Total for Intergovernmental Revenue** | | **11,346,301** | **20,167,950** | **16,183,661** | **17,611,167** | **8.82%** |
| | | | | | | |
| **Charges for Goods and Services** | | | | | | |
| Civil Filing | 341221 | 261 | 305 | 120 | 120 | -% |
| Court Administration Fees | 341331 | 64,380 | 87,362 | 60,000 | 80,000 | 33.33% |
| Fiscal Agent Svcs | 341430 | 3,635,898 | 5,280,457 | 5,580,287 | 6,080,096 | 8.96% |
| Court Srvcs | 341491 | 200,520 | 223,073 | 340,812 | 731,200 | 114.55% |
| Court Copy Fees | 341621 | 1,483 | 1,503 | 1,300 | 1,600 | 23.08% |
| Public Disclosure | 341705 | 55 | 60 | - | - | |

## GENERAL FUND REVENUES (CONTINUED)

| | Object | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|---|
| Sales Merch NonTx | 341750 | 3,454 | 2,325 | - | - | |
| Recording Fee | 341811 | 517,050 | 714,314 | 480,000 | 640,000 | 33.33% |
| Engineer Develop | 341820 | (24,546) | - | - | - | |
| Public Defender Contract | 341950 | 2,089 | - | - | - | |
| Interfund-Accounting | 341960 | 2,369,660 | 2,798,232 | 2,773,215 | 3,126,749 | 12.75% |
| Interfund City OH | 341961 | 12,291,064 | 12,062,275 | 11,241,550 | 12,215,050 | 8.66% |
| Interfund-Gen | 341963 | 358,637 | 401,965 | 397,392 | 583,831 | 46.92% |
| Interfund-Engineering | 341965 | 484,475 | 2,325,682 | 2,231,857 | 1,631,063 | (26.92%) |
| Interfund Eng-CIP | 341966 | 9,173,242 | 9,609,925 | 10,901,371 | 10,735,798 | (1.52%) |
| Gen Government Srvcs | 341971 | 376,441 | 210,422 | 293,947 | 347,452 | 18.20% |
| Passport Fees | 341991 | 231,445 | 155,785 | 230,000 | 230,000 | -% |
| Law Enforcement Srvcs | 342101 | 464 | 220 | 5,000 | - | (100.00%) |
| Law Enforcement Srvc | 342102 | - | 20,244 | - | - | |
| Fire Prot Srvc | 342210 | 1,082,482 | 1,786,895 | 1,981,643 | 862,000 | (56.50%) |
| EMS | 342211 | 4,369,469 | 4,957,210 | 4,724,162 | 4,888,882 | 3.49% |
| Adult Probation | 342331 | 445,492 | 433,481 | 440,000 | 460,000 | 4.55% |
| Electronic Home Det | 342361 | 16,585 | 7,565 | 18,552 | 6,000 | (67.66%) |
| Detention Jail Srvc | 342364 | 370,704 | 643,651 | 186,000 | 280,000 | 50.54% |
| Booking Fees | 342371 | 5,559 | 2,298 | 5,600 | 2,000 | (64.29%) |
| DUI Emerg Resp | 342501 | 15,353 | 14,772 | 18,000 | 14,000 | (22.22%) |
| Disaster Preparation Services | 342502 | 27,624 | 68,458 | - | - | |
| Emergency Transportation | 342600 | 1,931,389 | 1,857,305 | 1,084,654 | 1,600,000 | 47.51% |
| PW Deposit Administration | 344111 | (142) | - | - | - | |
| Park Standby Revenue Fee | 344131 | 4,259 | 4,434 | - | - | |
| Anml Cntrl Shelter Srvcs Bond | 345230 | 30 | 180 | - | - | |
| Street Fee inLieu | 345816 | (9,982) | - | - | - | |
| Fire Plan Review | 345835 | - | 12,887 | - | - | |
| Affordable Housing | 345840 | 472,289 | 497,943 | 486,311 | 1,233,000 | 153.54% |
| MBP Srvc Fee | 345891 | 22 | - | - | - | |
| Zoning Vrfc Lttr | 345895 | 27,722 | 17,226 | - | - | |
| Plan Pre-Sub Mtg | 345896 | (22) | - | - | - | |
| Pool Admission Fee | 347350 | 212,566 | 259,333 | 220,000 | 260,000 | 18.18% |
| Marina Boat Launch Fee | 347351 | 52,309 | 67,239 | 60,000 | 61,200 | 2.00% |
| KIKCC Admission Fee | 347352 | - | - | - | 247,081 | |
| Rec Event Admission Fee | 347490 | 86 | - | - | - | |
| Rec 50 General Programs | 347650 | 131,489 | 160,241 | 130,000 | 268,098 | 106.23% |
| Senior Trips | 347651 | 24,102 | 32,985 | 20,000 | 40,000 | 100.00% |
| Aquatics Programs | 347660 | 383,793 | 398,433 | 440,000 | 400,000 | (9.09%) |
| Aquatics Swim Team | 347661 | 53,610 | 58,611 | 61,600 | 61,600 | -% |
| Aquatic Private Lessons | 347662 | 25,616 | 29,226 | 28,000 | 28,000 | -% |
| Adult Sports | 347670 | 229,426 | 249,825 | 210,000 | 241,728 | 15.11% |

## GENERAL FUND REVENUES (CONTINUED)

| | Object | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|---|
| Adult Fitness | 347671 | 160,198 | 217,119 | 140,000 | 844,464 | 503.19% |
| Adult General Programs | 347672 | 117,948 | 122,350 | 116,880 | 161,900 | 38.52% |
| Youth Sports | 347680 | 249,973 | 225,102 | 220,000 | 230,000 | 4.55% |
| Preschool Sports | 347681 | 157,844 | 229,125 | 140,000 | 214,000 | 52.86% |
| Youth Camp | 347682 | 1,651,767 | 1,797,996 | 2,047,840 | 2,161,256 | 5.54% |
| Preschool General Programs | 347683 | 360,047 | 470,112 | 512,800 | 443,040 | (13.60%) |
| Youth General Programs | 347684 | 170,610 | 192,625 | 140,000 | 322,784 | 130.56% |
| After School Program | 347685 | 134,995 | 152,383 | 120,000 | 214,650 | 78.88% |
| Teen Programs | 347686 | 33,524 | 138,880 | 202,972 | 280,494 | 38.19% |
| Advertising | 347940 | 108,775 | 135,100 | 204,500 | 155,000 | (24.21%) |
| Rec Community Events | 347945 | 29,556 | 56,692 | 41,200 | 16,800 | (59.22%) |
| Special Event Services | 347950 | 17,337 | 13,750 | 15,000 | 15,000 | -% |
| Rec Cancel/Admin Fee | 347999 | 44,239 | 47,731 | 40,000 | 50,000 | 25.00% |
| Interfund Personnel Services | 349160 | - | 1,170 | - | - | |
| **Total for Charges for Goods and Services** | | **42,794,713** | **49,254,481** | **48,592,565** | **52,465,936** | **7.97%** |
| | | | | | | |
| **Fines and Forfeits** | | | | | | |
| Mandatory Insurance Co | 352301 | 2,631 | 4,468 | 2,400 | 5,000 | 108.33% |
| Boating Safety Infractions | 352400 | 206 | - | - | - | |
| Traffic Infraction Penalty | 353101 | 505,619 | 689,791 | 470,000 | 530,000 | 12.77% |
| Distracted Driving Prevention | 353105 | 106 | 122 | - | - | |
| School Zone Penalty | 353109 | 5,377,525 | 4,337,071 | 5,000,000 | 5,000,270 | 0.01% |
| Non-Traffic | 353701 | 1,563 | 2,541 | 200 | 1,600 | 700.00% |
| Pkg Infraction Penalty | 354101 | 1,665,662 | 2,020,661 | 1,400,000 | 2,000,000 | 42.86% |
| DUI Fines | 355201 | 36,635 | 56,728 | 40,000 | 50,000 | 25.00% |
| Crime Traffic Misdemeanor | 355801 | 71,743 | 64,538 | 78,000 | 70,000 | (10.26%) |
| Other Non-Traffic | 356901 | 14,762 | 48,267 | 19,000 | 36,000 | 89.47% |
| Domestic Volence Penlty Ass | 356908 | 935 | 443 | 1,400 | 700 | (50.00%) |
| Court Cost Recoupment | 357310 | 1,818 | 317 | - | - | |
| Public Defender | 357330 | 49,665 | 35,387 | 51,000 | 36,000 | (29.41%) |
| Warrants Served | 357340 | 582 | 890 | 200 | 200 | -% |
| Court Interpreter Recoupment | 357350 | 51,809 | 30,100 | 56,000 | 2,800 | (95.00%) |
| Business License Penlty | 359201 | 246,860 | 160,372 | - | 150,000 | |
| Bus Tax Penalty | 359202 | 3,826 | 22,581 | - | - | |
| Misc Fines | 359901 | 27,788 | 4,624 | - | - | |
| Code Enforcement | 359902 | 58,000 | 88,600 | - | - | |
| False Alarm Penalty | 359903 | 85,561 | 83,946 | 80,000 | 80,000 | -% |
| **Total for Fines and Forfeits** | | **8,203,296** | **7,651,448** | **7,198,200** | **7,962,570** | **10.62%** |

## GENERAL FUND REVENUES (CONTINUED)

| | Object | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|---|
| **Miscellaneous Revenues** | | | | | | |
| Investment Interest | 361111 | 67,386 | 448,224 | 149,824 | 3,137 | (97.91%) |
| Inv-Int Dedicatd | 361112 | 9,116,657 | 8,667,784 | 7,555,267 | 7,909,171 | 4.68% |
| Realized Gains (Losses) | 361300 | (489,243) | - | - | - | |
| Interfund Loan Interest | 361400 | 42,559 | - | - | - | |
| Interest Sales Tax | 361401 | 253,464 | 214,277 | - | 180,000 | |
| Other Park Rental | 362407 | 2,400 | - | - | - | |
| GF-Juanita Market Stall Rntl | 362445 | 49,650 | 50,125 | 35,000 | 65,000 | 85.71% |
| Marina Moorage Rental | 362450 | 147,882 | 133,435 | 110,000 | 42,000 | (61.82%) |
| Rentals PKCC | 362452 | 92,713 | 100,936 | 87,000 | 96,000 | 10.34% |
| Rentals KTUB | 362453 | - | 70,235 | 50,800 | 60,000 | 18.11% |
| Rentals NKCC | 362454 | 72,281 | 75,345 | 95,000 | 70,000 | (26.32%) |
| Rentals KIKCC | 362455 | - | - | - | 105,500 | |
| Rentals Park Fields and Courts | 362456 | 376,396 | 421,921 | 341,117 | 354,000 | 3.78% |
| Rentals Other Park Facilities | 362458 | 268,857 | 302,474 | 337,670 | 288,790 | (14.48%) |
| Rentals Pool and Locker | 362460 | 48,575 | 49,963 | 48,000 | 48,000 | -% |
| Facility Leases Other | 362502 | 264,411 | 248,516 | 329,461 | 369,736 | 12.22% |
| Marina Commercial Lease | 362550 | 56,358 | 48,307 | 47,800 | 47,800 | -% |
| House Rental | 362601 | 155,427 | 174,493 | 165,840 | 175,092 | 5.58% |
| Concession Proceed Non LET | 362850 | 4,400 | 6,700 | 4,400 | 4,700 | 6.82% |
| Concession Proceed LET | 362852 | 126,901 | 154,203 | 140,000 | 65,200 | (53.43%) |
| Contribution Donation | 367000 | 679,711 | 379,140 | 380,854 | 289,200 | (24.07%) |
| Nongovernmental Local Grants | 367200 | - | 474,482 | 274,977 | 234,396 | (14.76%) |
| Sales of Surplus | 369101 | 7,590 | 13,662 | - | - | |
| Unclaimed Property | 369201 | 15,020 | 22,451 | 8,000 | 8,000 | -% |
| Confiscated Prop | 369301 | 2,762,550 | 47,322 | 11,500 | 11,500 | -% |
| Other Judgements | 369401 | 963,592 | 302,691 | 182,004 | 258,892 | 42.25% |
| Misc. Retail Sales | 369500 | - | - | - | 6,500 | |
| Other Misc Rev | 369910 | 252,665 | 185,327 | 243,256 | 220,000 | (9.56%) |
| **Total for Miscellaneous Revenues** | | **15,338,203** | **12,592,012** | **10,597,770** | **10,912,614** | **2.97%** |
| **Other Financing Sources** | | | | | | |
| Operating Transfers In | 397101 | 1,595,176 | 1,219,208 | 1,219,205 | 1,417,434 | 16.26% |
| Insurance Rec Gen Government | 398001 | 298,620 | 796,303 | - | - | |
| Resources Forward | 399991 | 54,728,278 | 51,248,837 | 51,248,837 | 48,913,064 | (4.56%) |
| **Total for Other Financing Sources** | | **56,622,073** | **53,264,348** | **52,468,042** | **50,330,498** | **(4.07%)** |
| **Fund Total** | | **330,484,913** | **356,261,417** | **341,897,317** | **361,870,237** | **5.84%** |

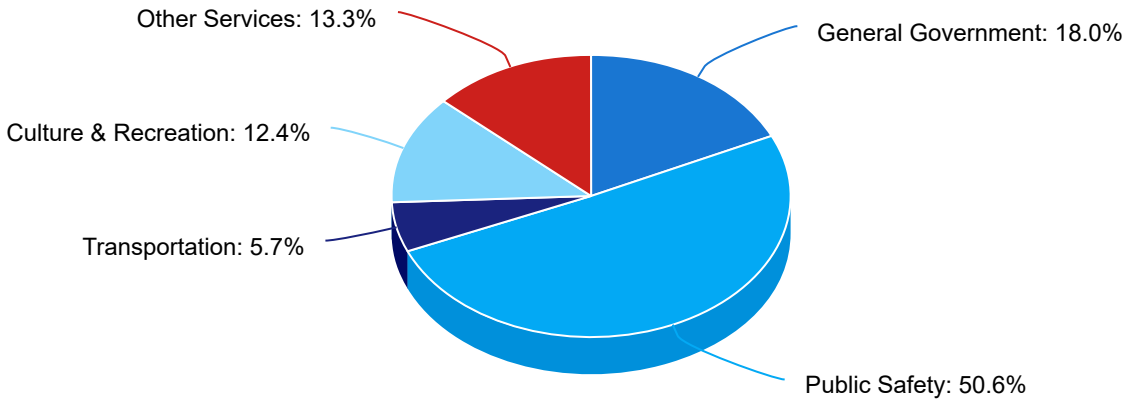



# Expenditure Summary

**City of Kirkland 2027-2028 Preliminary Budget**

## General Fund Expenditure Summary

2027-2028 Budget by Program




The General Fund accounts for about 63.5 percent of the City's General Government Operating budget. The largest portion of expenditures in the General Fund are devoted to Public Safety (police, fire, and municipal court services). The second largest program area is General Government (legislative, executive, legal, administrative, financial, community planning services, and building inspection services). Other Services including debt service, transfers and reserves is the third largest category.

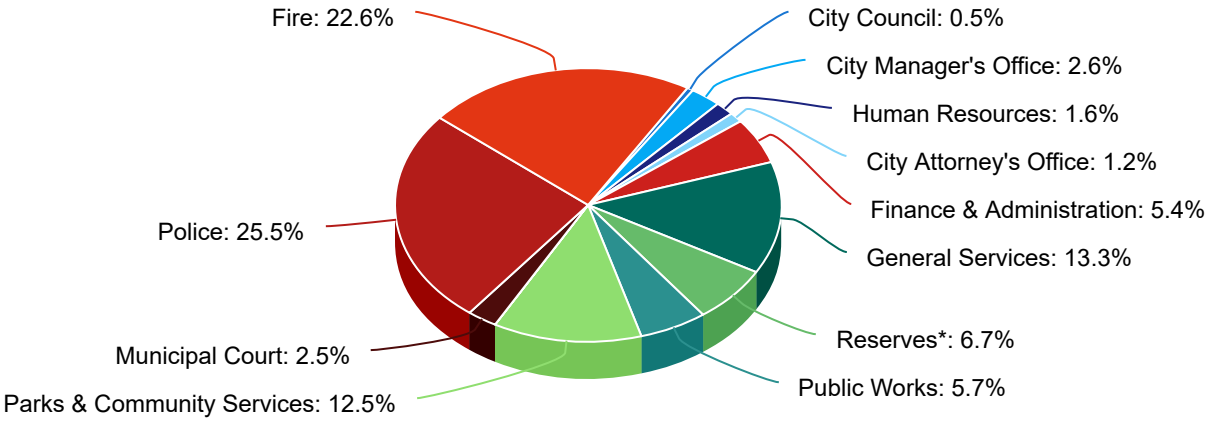
- General Government shows a decrease from 2025-2026 reflecting one-time transfers of reserves (e.g., federal seizure money) and planned spending of GEMT reserved balance in 2027-2028.
- Public Safety increased due to increasing salary and benefit costs and increasing internal services rates (facilities and fleet).
- Transportation shows a small decrease as some one-time funded items drop off from the 2025-2026 budget, offset by some new service packages in 2027-2028.
- Culture & Recreation shows a large increase from 2025-2026 reflecting new operations for the Kraken Iceplex and Kirkland Community Center and increases in Human Services.
- Other Services have increased due primarily to growth in the COLA reserve for 2027-2028, moving ARCH contributions to be paid directly out of the General Fund, and increasing cost of public defender services.

## ANALYSIS OF CHANGE

| Program | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Change |
|---|---|---|---|---|---|
| General Government | 73,148,413 | 67,857,728 | 69,172,899 | 65,103,635 | (5.88%) |
| Public Safety | 153,587,416 | 169,041,812 | 168,104,321 | 183,106,990 | 8.92% |
| Transportation | 17,153,001 | 20,245,940 | 21,383,099 | 20,618,807 | (3.57%) |
| Culture & Recreation | 28,673,885 | 39,493,364 | 40,618,043 | 45,042,276 | 10.89% |
| Other Services | 51,746,084 | 61,713,090 | 42,618,955 | 47,998,529 | 12.62% |
| **Program Total** | **324,308,799** | **358,351,934** | **341,897,317** | **361,870,237** | **5.84%** |

## General Fund Expenditure Summary

2027-2028 Budget by Department



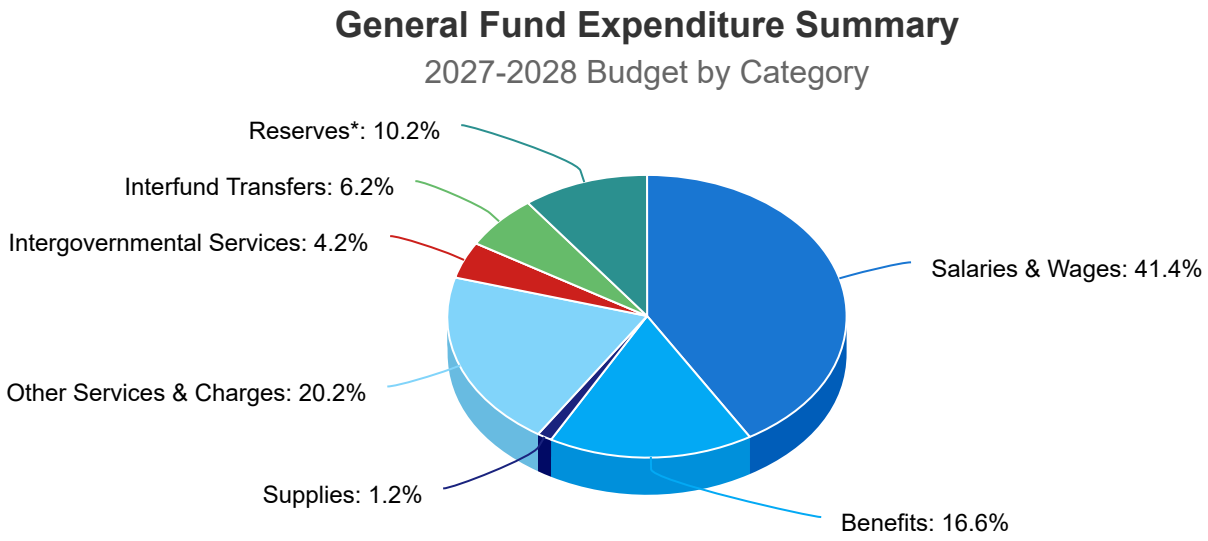

The two largest departments in the General Fund are Police and Fire, which provide public safety services for the City. Followed by General Services which includes reserves and transfers. Parks & Community Services is fourth, which provides recreational and cultural programs, operates/develops the park system and community centers, and provides youth and human services. Public Works is the fifth largest department responsible for the overall planning, design, construction, and stewardship of the City's infrastructure.

- The Police budget increased by $6.9 million or 8.1 percent primarily due to increases in salaries and wages and professional services. The increase in Professional Services is primarily due to costs of new hire pre-employment background checks and other testing and an increase in Jail Medical services for Opioid Abuse treatment services provided through a federal grant.
- The Fire budget increased by $7.3 million or 9.8 percent primarily due to increases in personnel which results in higher discretionary expenses and training costs for mandatory certifications. The increase also includes anticipated increases in professional services for 3rd party dispatch operations.
- Parks budget increased by $4.4 million or 10.9 percent due to the addition of funding for the new Kirkland Iceplex, as well as increases in personnel costs and recreation services and programs.
- Finance & Administration's budget increased by $715,000 or 3.8 percent due to increase in salaries and benefits.
- The budget for General Services increased primarily due to higher operating transfers.
- The Reserve budget has decreased by $5.5 million or 18.5 percent due to the settlement of several public safety labor contracts.

## ANALYSIS OF CHANGE

| Department | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|
| City Council | 1,420,949 | 1,735,704 | 1,793,418 | 1,895,331 | 5.68% |
| City Manager | 7,714,520 | 8,400,359 | 9,080,995 | 9,402,274 | 3.54% |
| Human Resources | 4,728,399 | 5,588,877 | 5,759,172 | 5,843,847 | 1.47% |
| City Attorney | 3,160,857 | 3,951,790 | 3,971,340 | 4,171,372 | 5.04% |
| Finance and Administration | 16,077,065 | 18,261,970 | 18,896,317 | 19,611,899 | 3.79% |
| General Services | 51,746,084 | 61,713,090 | 42,618,955 | 47,998,529 | 12.62% |
| Reserves | 40,046,623 | 29,919,029 | 29,671,657 | 24,178,912 | (18.51%) |
| Public Works | 17,153,001 | 20,245,940 | 21,383,099 | 20,618,807 | (3.57%) |
| Parks and Community Services | 28,673,885 | 39,493,364 | 40,618,043 | 45,042,276 | 10.89% |
| Municipal Court | 6,860,337 | 7,958,548 | 8,281,875 | 9,093,190 | 9.80% |
| Police | 75,154,782 | 84,584,590 | 85,447,426 | 92,348,084 | 8.08% |
| Fire | 71,572,297 | 76,498,674 | 74,375,020 | 81,665,716 | 9.80% |
| **Department Total** | **324,308,799** | **358,351,934** | **341,897,317** | **361,870,237** | **5.84%** |

* 2023-2024 Actual and 2025-2026 Estimated reserves are budgeted, but not spent




Salaries & Wages and Other Services & Charges, which is comprised of contracted direct services (such as dispatch, jail, and human services), contracted professional and support services (such as consulting, printing, and repairs and maintenance services), and internal charges from one City fund to another (e.g., Information Technology, Equipment Rental, and Facilities Maintenance), are the two largest categories of the General Fund budget (over 60 percent). Benefits are the third largest category (16.6 percent). Reserves is the next largest category (10.2 percent) which represent funding set aside by City's policies.

- Wages saw a significant increase of $9.5 million or 7.3 percent driven mostly by Public Safety and Parks.
- Internal operating charge increases of $3.2 million or 7.0 percent are due mostly to increases in Facility and Fleet operating charges.
- Industrial Insurance across all departments saw an increase of $2.6 million or 55.2 percent but felt most acutely in Public Safety.
- Intergovernmental Professional Services increase is due mostly to the continued funding for The Regional Crisis Responder Agency, this accounted for 24.4 percent increase or $3.0 million.
- Rising healthcare costs drove Self Insurance Medical up $1.7 million or 13.7 percent.

## ANALYSIS OF CHANGE

| Category | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|
| Salaries & Wages | 125,166,774 | 140,054,990 | 139,088,783 | 150,202,807 | 7.99% |
| Benefits | 46,605,565 | 53,435,045 | 57,313,304 | 59,955,617 | 4.61% |
| Supplies | 3,585,358 | 3,482,679 | 3,721,339 | 4,184,709 | 12.45% |
| Other Services & Charges | 53,173,865 | 68,795,190 | 68,689,359 | 72,942,884 | 6.19% |
| Intergovernmental Services | 12,587,839 | 12,010,111 | 12,153,013 | 15,095,463 | 24.21% |
| Capital Outlay | 229,021 | 335,071 | 91,721 | - | (100.00%) |
| Interfund Transfers | 55,271,096 | 31,325,784 | 27,664,902 | 22,442,855 | (18.88%) |
| Reserves* | 27,689,282 | 48,913,064 | 33,174,896 | 37,045,902 | 11.67% |
| **Category Total** | **324,308,799** | **358,351,934** | **341,897,317** | **361,870,237** | **5.84%** |

* 2023-2024 Actual and 2025-2026 Estimated reserves are budgeted, but not spent



# General Services

**City of Kirkland 2027-2028 Preliminary Budget**

# General Services

## Department Overview

### MISSION

The purpose of General Services is to account for all expenditures that cannot be specifically designated to any operating department within the General Fund.

### DEPARTMENT FUNCTIONS

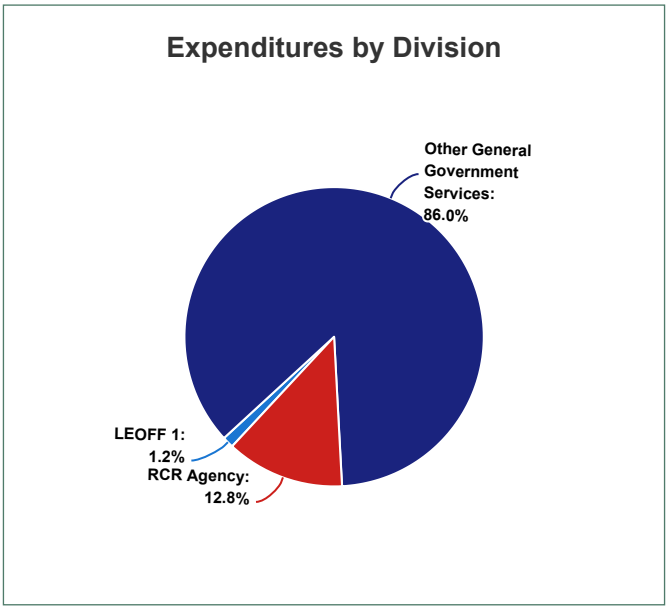
Examples of expenses include LEOFF 1 medical payments for retired police, Kirkland Fiscal Agent Support of Regional Crisis Response Agency (RCR), Employee Transportation Program, shared supplies, contracts with outside agencies including Public Defender Services, payments to other agencies including Liquor & Excise Tax paid to King County.

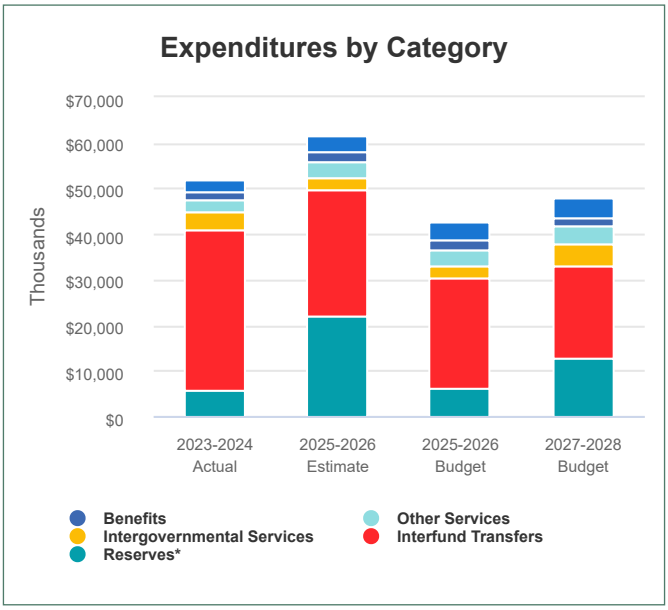
General Services also includes transfers to reserves and debt service funds.

As the City serves as both the program host and fiscal agent of the RCR, the adopted budget includes the salaries and benefits of the City of Kirkland employees in the RCR Agency.

# General Services

## Financial Overview




## EXPENDITURE SUMMARY BY CATEGORY

| | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|
| Salaries and Wages | 2,284,465 | 3,603,738 | 3,668,114 | 4,221,457 | 15.09% |
| Benefits | 1,952,194 | 2,217,476 | 2,468,618 | 1,899,549 | (23.05%) |
| Supplies | 77,827 | 83,514 | 96,000 | 112,000 | 16.67% |
| Other Services | 2,602,449 | 3,515,001 | 3,166,193 | 4,115,275 | 29.98% |
| Intergovernmental Services | 3,719,111 | 2,626,846 | 2,942,315 | 4,489,273 | 52.58% |
| Interfund Transfers | 35,350,730 | 27,706,836 | 24,319,023 | 20,293,985 | (16.55%) |
| Reserves* | 5,759,309 | 21,959,678 | 5,958,692 | 12,866,990 | 115.94% |
| **TOTAL** | **51,746,084** | **61,713,090** | **42,618,955** | **47,998,529** | **12.62%** |

## EXPENDITURE SUMMARY BY DIVISION

| | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|
| Other General Government Services | 44,835,599 | 54,602,647 | 35,217,134 | 41,270,105 | 17.19% |
| LEOFF 1 | 1,776,750 | 1,685,189 | 1,734,034 | 592,004 | (65.86%) |
| RCR Agency | 5,133,735 | 5,425,253 | 5,667,787 | 6,136,420 | 8.27% |
| **TOTAL** | **51,746,084** | **61,713,090** | **42,618,955** | **47,998,529** | **12.62%** |

* 2023-2024 Actual and 2025-2026 Estimate reserves are budgeted, but not spent

# General Services

## 2027-2028 Position Summary

### POSITION SUMMARY BY CLASSIFICATION

| Classification | 2025-2026 Positions | Additions/ Reductions | 2027-2028 Positions |
|---|---|---|---|
| EXECUTIVE DIRECTOR | 1.00 | - | 1.00 |
| CRISIS RESPONDER SUPERVISOR | 2.00 | - | 2.00 |
| CRISIS RESPONDER LEAD | 3.00 | - | 3.00 |
| CRISIS RESPONDER II | 6.00 | - | 6.00 |
| CRISIS RESPONDER I | 1.00 | - | 1.00 |
| EXECUTIVE ASSISTANT | - | 1.00 | 1.00 |
| ADMINISTRATIVE ASSISTANT | 1.00 | (1.00) | - |
| **TOTAL** | **14.00** | **-** | **14.00** |

**Salary information for City of Kirkland positions can be found at https://www.kirklandwa.gov/Government/Departments/Human-Resources/Collective-Bargaining-Agreements*

### POSITION SUMMARY BY DIVISION

| Classification | 2025-2026 Positions | Additions/ Reductions | 2027-2028 Positions |
|---|---|---|---|
| RCR Agency | 14.00 | - | 14.00 |
| **TOTAL** | **14.00** | **-** | **14.00** |

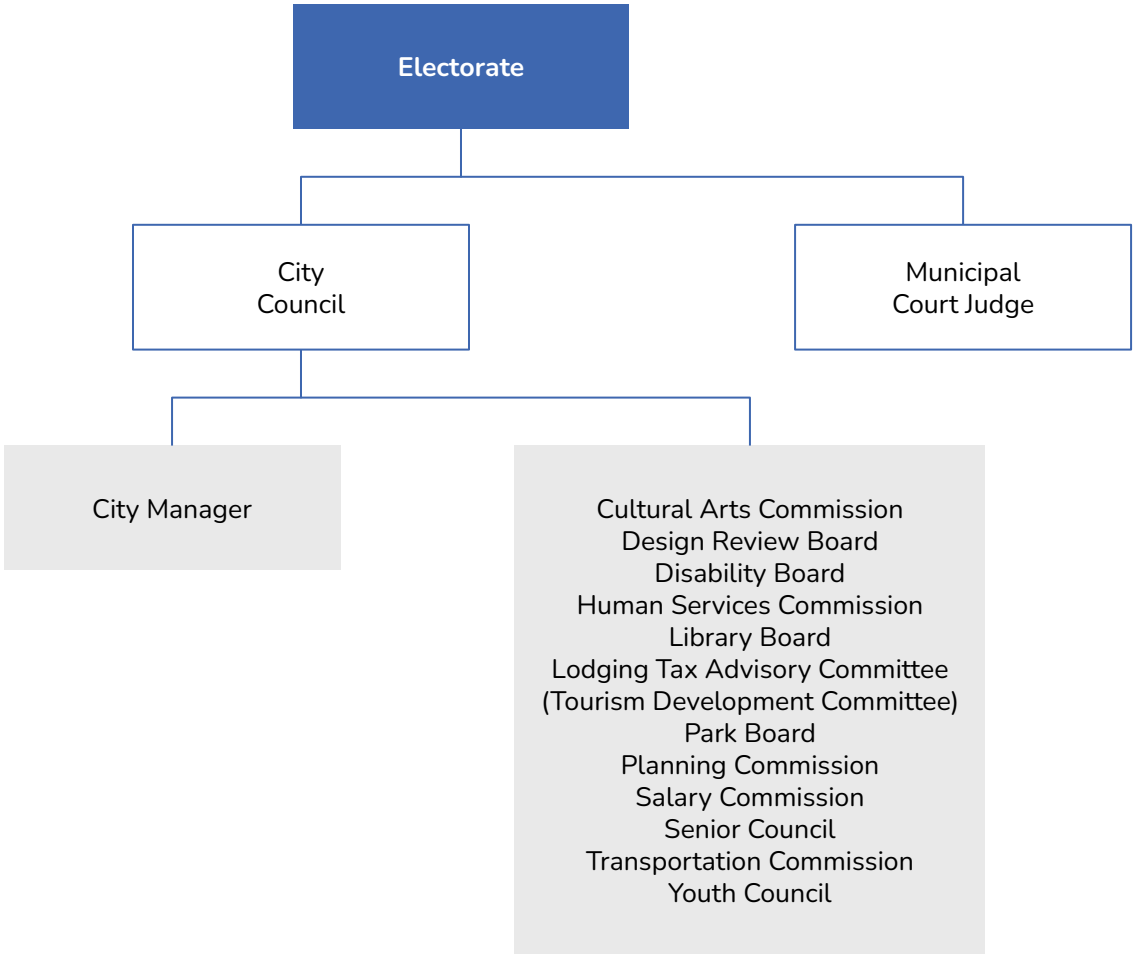
-



# City Council

**City of Kirkland 2027-2028 Preliminary Budget**

# City Council



# City Council

## Department Overview

### 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 Council adopted an eleventh goal area and updated all the goal names in 2020.

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:

#### INCLUSIVE AND EQUITABLE COMMUNITY

Protect and serve all those who live in, work in or visit Kirkland without regard for race, religion, color, national origin, gender identity, age, income or economic status, political affiliation, military status, sexual orientation, or physical, mental or sensory ability; strive for equitable access to justice and eliminate systemic barriers to equality.

#### VIBRANT NEIGHBORHOODS

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

#### COMMUNITY SAFETY

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

#### SUPPORTIVE HUMAN SERVICES

Meet basic human needs, help people through economic and personal crises, help individuals thrive, and strive to remove barriers to allow all equal opportunities to succeed.

#### BALANCED TRANSPORTATION

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.

# City Council

### ABUNDANT PARKS, OPEN SPACES AND RECREATIONAL SERVICES

Provide and maintain natural areas and recreational facilities and opportunities that enhance the health and wellbeing of the community.

### ATTAINABLE HOUSING

Provide access to housing and encourage 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.

### SUSTAINABLE ENVIRONMENT

Protect our natural environment through sustainable goals and practices to meet the needs of community members for a healthy environment and clean energy without compromising the needs of future generations.

### THRIVING ECONOMY

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

### DEPENDABLE INFRASTRUCTURE

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

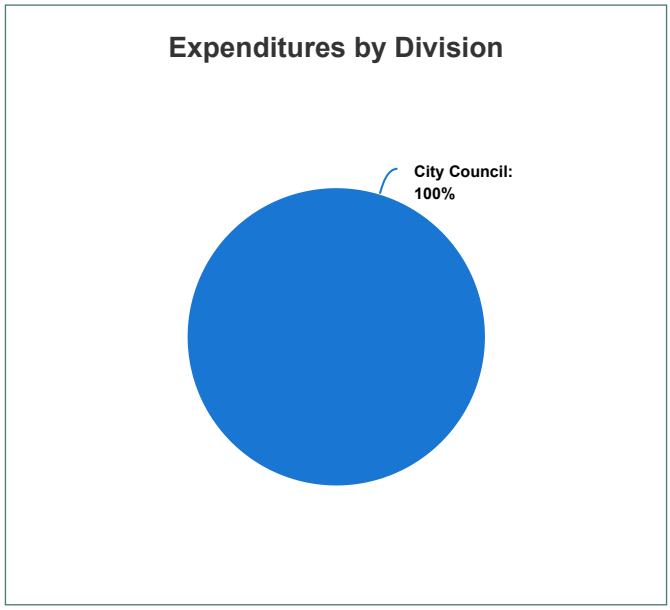
## BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS

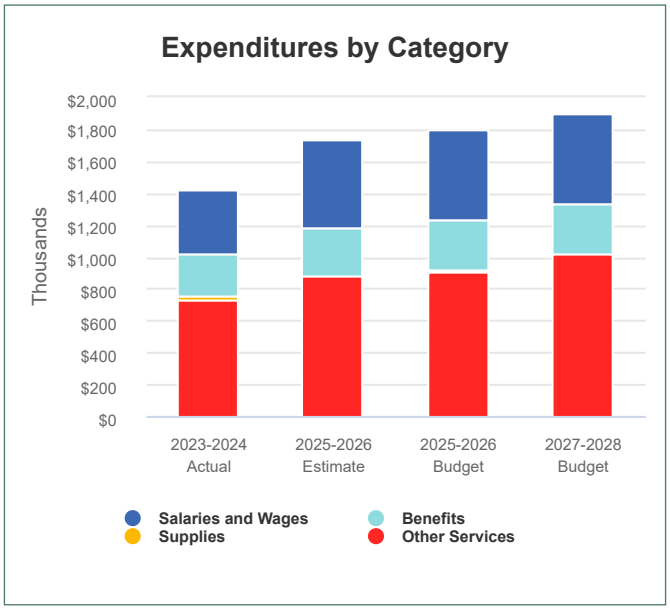
### VIBRANT NEIGHBORHOODS

- Fund the 2028 Community Survey to assess priorities and satisfaction, $80,000 one-time. [27CC01]

# City Council

## Financial Overview




## EXPENDITURE SUMMARY BY CATEGORY

| | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|
| Salaries and Wages | 404,735 | 556,520 | 556,800 | 556,800 | -% |
| Benefits | 257,356 | 292,577 | 318,203 | 316,957 | (0.39%) |
| Supplies | 27,047 | 8,016 | 8,350 | 8,350 | -% |
| Other Services | 731,811 | 878,592 | 910,065 | 1,013,224 | 11.34% |
| **TOTAL** | **1,420,949** | **1,735,704** | **1,793,418** | **1,895,331** | **5.68%** |

## EXPENDITURE SUMMARY BY DIVISION

| | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|
| City Council | 1,420,949 | 1,735,704 | 1,793,418 | 1,895,331 | 5.68% |
| **TOTAL** | **1,420,949** | **1,735,704** | **1,793,418** | **1,895,331** | **5.68%** |

# City Council

## 2027-2028 Position Summary

### POSITION SUMMARY BY CLASSIFICATION

| Classification | 2025-2026 Positions | Additions/ Reductions | 2027-2028 Positions |
|---|---|---|---|
| MAYOR | 1.00 | - | 1.00 |
| COUNCIL MEMBER | 6.00 | - | 6.00 |
| **TOTAL** | **7.00** | **-** | **7.00** |

**Salary information for City of Kirkland positions can be found at https://www.kirklandwa.gov/Government/Departments/Human-Resources/Collective-Bargaining-Agreements*

### POSITION SUMMARY BY DIVISION

| Classification | 2025-2026 Positions | Additions/ Reductions | 2027-2028 Positions |
|---|---|---|---|
| City Council | 7.00 | - | 7.00 |
| **TOTAL** | **7.00** | **-** | **7.00** |

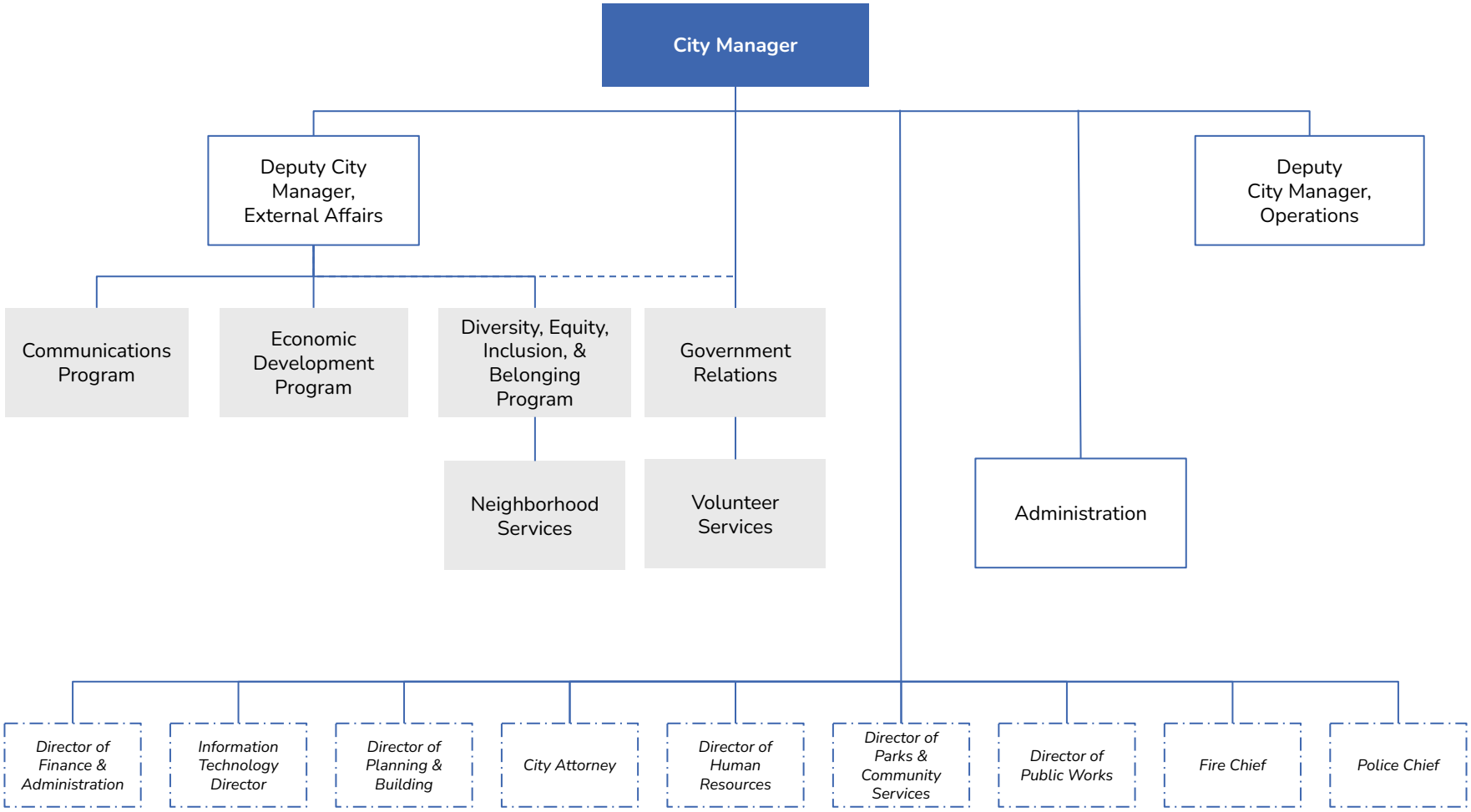
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# City Manager

**City of Kirkland 2027-2028 Preliminary Budget**

# City Manager




*Boxes with a dashed outline and italic text indicate positions and/or functions which report to this department but which are budgeted in a separate department and/or operating fund.*

# City Manager

## Department Overview

### MISSION

The mission of the City Manager's Office is to effectively implement the City Council's policies and coordinate day-to-day operations, administration, and communications of the City.

**Department Functions**

The **City Manager** 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 to the City Council a biannual City budget and work program that implements the Council's priority goals.

The **Government Affairs Program** develops and maintains strategic relationships at the local, regional, state, and federal levels to advance the City's interests and advocate for policies that align with Council goals and priorities. The program leads the development of the City's annual legislative agenda and coordinates advocacy efforts throughout the legislative session by staffing Council's Legislative Work Group, monitoring legislation, and analyzing policy impacts. In addition, the program staffs Councilmembers on regionally appointed boards and committees and serves as a key point of coordination between the City and community stakeholders on issues of regional significance. The program also staffs the Library Board.

The **Economic Development Program** helps businesses start, grow, and succeed in Kirkland by connecting them with resources, facilitating problem-solving across City departments, and promoting a positive business climate. Through business outreach, strategic partnerships, and implementation of the City's economic development goals, the program supports economic growth and vitality that will enhance the community, create great places, and maintain a high quality of life. This program also oversees the Tourism Development Committee (TDC), investing in initiatives that attract visitors, support local businesses, and increase overnight hotel stays.

The **Communications Program** supports the City Council and City departments in providing effective and timely communications about City issues and events while also designing and delivering public involvement strategies for the City.

The **Diversity, Equity, Inclusion, and Belonging Program** guides the implementation of the City's Diversity, Equity, Inclusion, and Belonging Five Year Roadmap and advances the City's work of being safe, inclusive, and welcoming by convening City meetings, collaborating with other regional groups, and fostering relationships in the community. This program also oversees the Cultural Arts Commission, which advises the City Council on art purchases, manages the public art collection,and promotes strategic arts planning.

The **Neighborhood Services Program** coordinates the City's relationship between the City Council and City departments and the neighborhood associations and other community groups. The Neighborhood Services Program also designs and delivers themed resident engagement for public engagement in the decision-making process, as well as neighborhood-related information services.

The **Volunteer Services Program** connects community members with opportunities to contribute their time and talents to the City programs, projects, and events. The program coordinates one-time and ongoing volunteer assignments across City departments, supports volunteers and staff throughout the placement process, and promotes meaningful community services that strengthens connections between residents and local government.

### Budget Highlights and Relationship to Council Goals

#### ABUNDANT PARKS, OPEN SPACES AND RECREATIONAL SERVICES

- The Kraken will finance and construct the entire Kraken Iceplex and the Kirkland Community Center, including the City-operated community center on the second floor. To ensure that the City-operated community

# City Manager

space is designed according to Kirkland community needs, staff have contracted design review services and outside legal counsel to provide assistance on the multiple complex agreements to ensure alignment with the City's stated goals and objectives. In addition, supplemental resource is included to allow staff to dedicate the appropriate capacity to ensure the successful completion of this project, $851,399 one-time, $3,040 ongoing, offset by $501,414 in King County Parks Levy funds. [27CM01]

**THRIVING ECONOMY**

- The City historically receives $60,000 per year in grant funding through the Port of Seattle. This grant funds various economic development programs and activities such as the ShopLocalKirkland.com and ExploreKirkland.com websites, and specialized consultants for small business support and digital marketing, $120,000 one-time. [27CM03]
- Continue funding for community programs and events, $112,000 one-time, $80,000 offset by Waste Management grant funding. [27CM02]
- Recognizing 4Culture 2025 Arts Sustained Grant Funding - $36,000 each year for three years (2025-2027) - $108,000 in total. Used to fund public art through the Kirkland Cultural Arts Commission (KCAC), $72,000 one-time. [27CM10]

**VIBRANT NEIGHBORHOODS**

- Continue funding for Community-Building Events Sponsorship Programs (formerly Neighborhood Matching Grants) to give the community access to City funds to improve engagement and participation opportunities through partnerships between the City and the applicant groups–building community participation and volunteerism (e.g., picnics and traffic circle maintenance) and help build a sense of civic connection and place, $25,990 one-time. [27CM09]
- Continue Community Engagement Coordinator (1.0 LTE) to support Council community engagement activities, such as the Conversations with Council program and others. This supports the City's DEIB efforts by creating more accessible and inclusive opportunities for community members to engage directly with the City Council, $355,400 one-time. [27CM11]
- Establish a Community Building Facilities Grant Program to support community-based nonprofit organizations serving Kirkland residents. Funding helps eligible organizations address capital, infrastructure, facility improvement, and furniture, fixtures, and equipment (FF&E) needs that may otherwise be difficult to fund, $100,000 one-time. [27CM12]

**INCLUSIVE AND EQUITABLE COMMUNITY**

- Continue funding for the City newsletter, the Kirklander. Continuing funding supports the ongoing production and citywide distribution of the Kirklander newsletter, allowing the City to provide residents with accessible information about major initiatives, services, programs, and opportunities for community involvement, $70,000 one-time. [27CM04]
- Continue funding for specialized professional services for various outreach and engagement activities, cultural group sponsorships, cultural events, and cultural art that support Kirkland's expansion of being a safe, inclusive, and welcoming place where everyone belongs, $100,000 one-time. [27CM05]

**SUPPORTIVE HUMAN SERVICES**

- Revised pilot with the King County Sexual Assault Resource Center (KCSARC) for a Sexual Assault Advocate (SA Advocate) dedicated to serving SA victims in Kirkland, $100,000 one-time. [27CM06]

**FINANCIAL STABILITY**

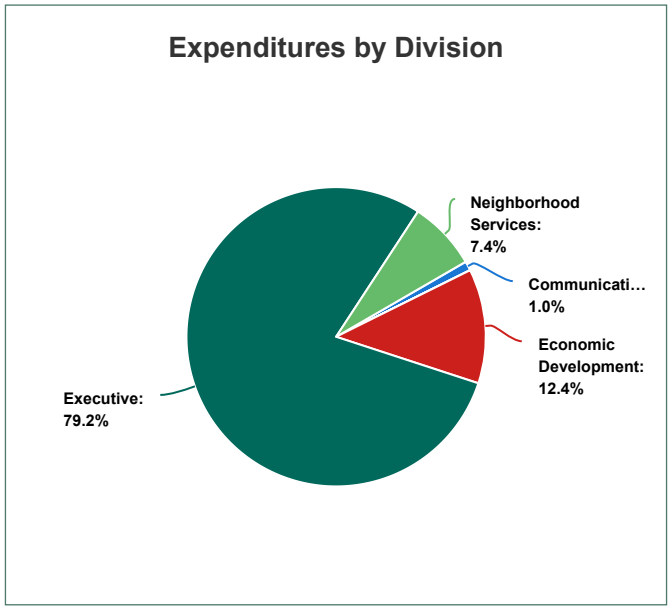
- Continuing contracting for State Legislative Advocacy services to support the City's interests. Under the current contract, in addition to a host of priority policy successes, the City's contractor has helped secure millions of dollars in Capital and Transportation funding, $192,000 one-time. [27CM07]

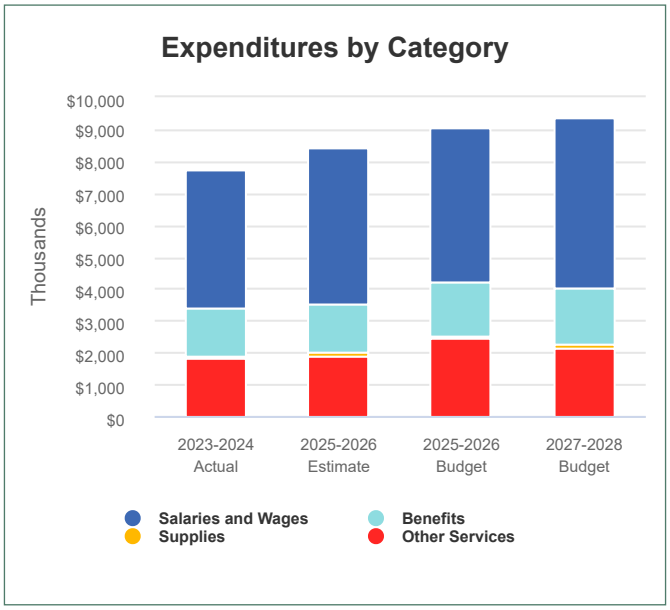
# City Manager

- Continuing contracting for Federal Lobbying services. The Federal lobbyists track policy implications for Kirkland and the community, often identifying potential impacts to our underserved population, $48,000 one-time. [27CM08]

# City Manager

## Financial Overview




### EXPENDITURE SUMMARY BY CATEGORY

| | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|
| Salaries and Wages | 4,347,472 | 4,862,415 | 4,857,695 | 5,404,683 | 11.26% |
| Benefits | 1,455,546 | 1,514,246 | 1,706,463 | 1,704,773 | (0.10%) |
| Supplies | 108,628 | 127,581 | 78,717 | 146,000 | 85.47% |
| Other Services | 1,802,874 | 1,895,683 | 2,438,120 | 2,146,818 | (11.95%) |
| Intergovernmental Services | - | 434 | - | - | |
| **TOTAL** | **7,714,520** | **8,400,359** | **9,080,995** | **9,402,274** | **3.54%** |

### EXPENDITURE SUMMARY BY DIVISION

| | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|
| Communication | - | 51,205 | 70,000 | 140,000 | 100.00% |
| Community Responders | 311,309 | - | - | - | |
| Economic Development | 827,611 | 1,165,954 | 1,522,134 | 1,157,116 | (23.98%) |
| Executive | 6,145,889 | 6,730,169 | 6,778,460 | 7,406,662 | 9.27% |
| Neighborhood Services | 429,712 | 453,032 | 710,401 | 698,496 | (1.68%) |
| **TOTAL** | **7,714,520** | **8,400,359** | **9,080,995** | **9,402,274** | **3.54%** |

# City Manager

## 2027-2028 Position Summary

### POSITION SUMMARY BY CLASSIFICATION*

| Classification | 2025-2026 Positions | Additions/ Reductions | 2027-2028 Positions |
|---|---|---|---|
| CITY MANAGER | 1.00 | - | 1.00 |
| DEPUTY CITY MANAGER OF OPERATIONS | 1.00 | - | 1.00 |
| DEPUTY CITY MANAGER FOR EXTERNAL AFFAIRS | 1.00 | - | 1.00 |
| ECONOMIC DEVELOPMENT MANAGER | 1.00 | - | 1.00 |
| COMMUNICATIONS PROGRAM MANAGER | 1.00 | - | 1.00 |
| DIVERSITY, EQUITY, INCLUSION, AND BELONGING MANAGER | 1.00 | - | 1.00 |
| GOVERNMENT AFFAIRS MANAGER | 1.00 | - | 1.00 |
| SENIOR COMMUNITY ENGAGEMENT COORDINATOR | 1.00 | - | 1.00 |
| SENIOR MANAGEMENT ANALYST | 1.00 | - | 1.00 |
| COMMUNICATIONS PROGRAM COORDINATOR  COMMUNITY SAFETY | 1.00 | - | 1.00 |
| SPECIAL PROJECTS COORDINATOR | 1.44 | - | 1.44 |
| EXECUTIVE ASSISTANT | 1.00 | - | 1.00 |
| DIGITAL CONTENT SPECIALIST | 1.00 | - | 1.00 |
| COMMUNICATIONS PROGRAM SPECIALIST | 1.00 | - | 1.00 |
| ADMINISTRATIVE ASSISTANT | 0.80 | - | 0.80 |
| **TOTAL** | **15.24** | **-** | **15.24** |

**Salary information for City of Kirkland positions can be found at https://www.kirklandwa.gov/Government/Departments/Human-Resources/Collective-Bargaining-Agreements*

### POSITION SUMMARY BY DIVISION*

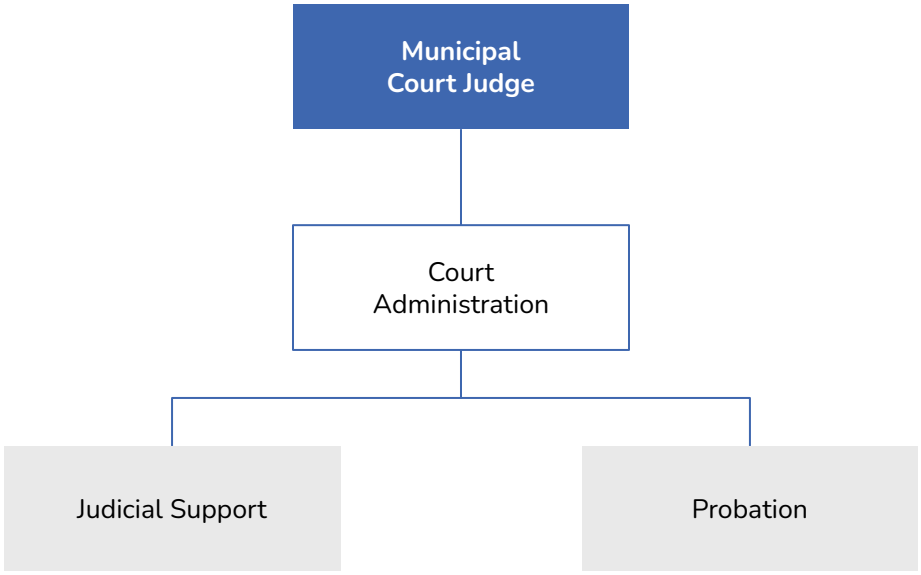
| Classification | 2025-2026 Positions | Additions/ Reductions | 2027-2028 Positions |
|---|---|---|---|
| Economic Development | 1.44 | - | 1.44 |
| Executive | 12.90 | - | 12.90 |
| Neighborhood Services | 0.90 | - | 0.90 |
| **TOTAL** | **15.24** | **-** | **15.24** |



# Municipal Court

**City of Kirkland 2027-2028 Preliminary Budget**

# Municipal Court



# Municipal Court

## Department Overview

### MISSION

The Municipal Court's mission is to establish and maintain public trust and confidence in the judicial system. The Court proudly serves the residents 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 also 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 and within contract cities. 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

### INCLUSIVE AND EQUITABLE COMMUNITY

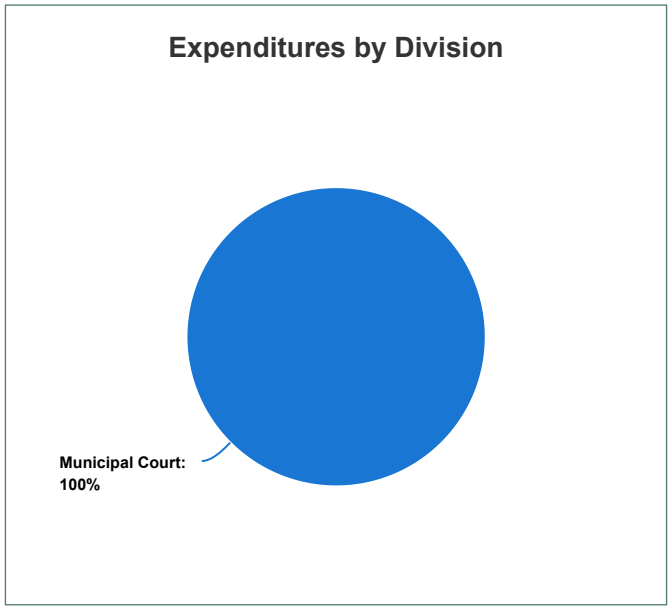
- Convert the ongoing Judicial Specialist to Business Analyst position (1.0 FTE) to support JIS operations, ongoing technology initiatives including the Enterprise Justice transition/implementation. The Business Analyst role will focus on developing accessible, user-friendly solutions, and identify opportunities to remove process barriers for underserved communities—ensuring fair, transparent, and inclusive services for court users and employees, $311,164 ongoing, offset by $254,155 in expenditure savings from the reclass of the Judicial Specialist, and $77,791 in one-time additional School Zone Safety Camera (SZSC) fine revenue from increasing the lowest-tier SZSC fine. [27MC01]

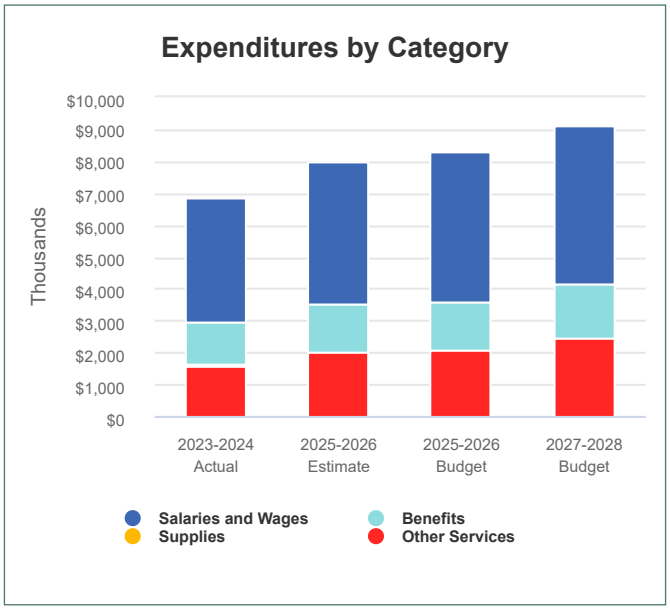
### COMMUNITY SAFETY

- Fund the addition of 0.25 FTE to the ongoing Community Court Coordinator position increasing from 0.75 FTE to 1.0 FTE. The position sits at the intersection of court operations, community partnerships, and equity initiatives and is anticipated to serve approximately 50 participants during 2027–2028, $64,135 ongoing, offset by $64,135 Therapeutic Court Funding from the Washington State Administrative Office of the Courts (AOC). [27MC02]

# Municipal Court

## Financial Overview




## EXPENDITURE SUMMARY BY CATEGORY

| | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|
| Salaries and Wages | 3,919,537 | 4,458,461 | 4,675,367 | 4,933,831 | 5.53% |
| Benefits | 1,299,810 | 1,466,077 | 1,528,480 | 1,692,941 | 10.76% |
| Supplies | 39,691 | 25,758 | 28,406 | 28,886 | 1.69% |
| Other Services | 1,601,298 | 2,008,253 | 2,049,622 | 2,437,532 | 18.93% |
| **TOTAL** | **6,860,337** | **7,958,548** | **8,281,875** | **9,093,190** | **9.80%** |

## EXPENDITURE SUMMARY BY DIVISION

| | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|
| Municipal Court | 6,860,337 | 7,958,548 | 8,281,875 | 9,093,190 | 9.80% |
| **TOTAL** | **6,860,337** | **7,958,548** | **8,281,875** | **9,093,190** | **9.80%** |

# Municipal Court

## 2027-2028 Position Summary

### POSITION SUMMARY BY CLASSIFICATION

| Classification | 2025-2026 Positions | Additions/ Reductions | 2027-2028 Positions |
|---|---|---|---|
| MUNICIPAL COURT JUDGE | 1.00 | - | 1.00 |
| COURT ADMINISTRATOR | 1.00 | - | 1.00 |
| ASSISTANT COURT ADMINISTRATOR | 1.00 | - | 1.00 |
| PROBATION SUPERVISOR | 1.00 | - | 1.00 |
| COURT OPERATIONS SUPERVISOR | 1.00 | - | 1.00 |
| PROBATION OFFICER | 2.00 | - | 2.00 |
| COMMUNITY COURT COORDINATOR | 0.75 | 0.25 | 1.00 |
| BUSINESS ANALYST | - | 1.00 | 1.00 |
| JUDICIAL SPECIALIST LEAD | 1.00 | - | 1.00 |
| JUDICIAL SPECIALIST LEAD - SCHOOL ZONE SAFETY | 1.00 | - | 1.00 |
| JUDICIAL SPECIALIST | 9.75 | 0.25 | 10.00 |
| JUDICIAL SPECIALIST - SCHOOL ZONE SAFETY | 1.75 | (1.00) | 0.75 |
| JUDICIAL SPECIALIST - WOODINVILLE SCHOOL ZONE | 1.00 | - | 1.00 |
| **TOTAL** | **22.25** | **0.50** | **22.75** |

**Salary information for City of Kirkland positions can be found at https://www.kirklandwa.gov/Government/Departments/Human-Resources/Collective-Bargaining-Agreements*

### POSITION SUMMARY BY DIVISION

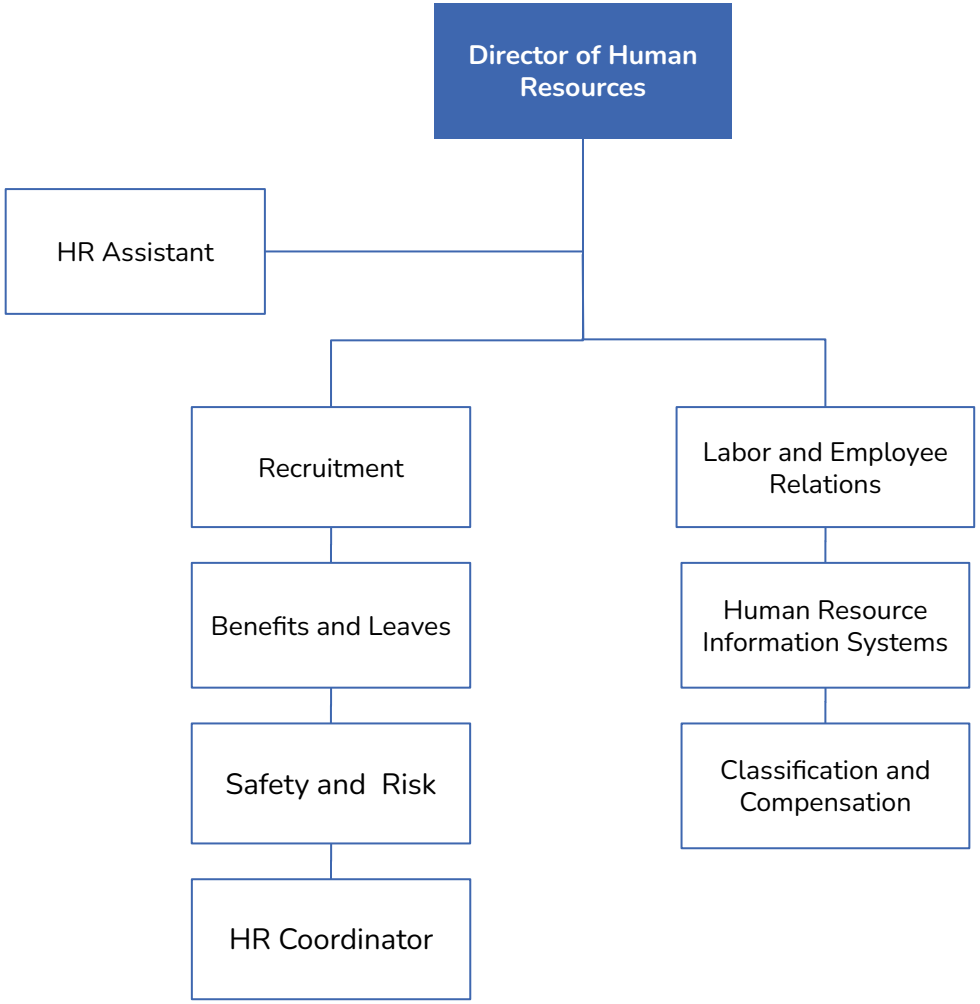
| Classification | 2025-2026 Positions | Additions/ Reductions | 2027-2028 Positions |
|---|---|---|---|
| Municipal Court | 22.25 | 0.50 | 22.75 |
| **TOTAL** | **22.25** | **0.50** | **22.75** |



# Human Resources

**City of Kirkland 2027-2028 Preliminary Budget**

# Human Resources



# Human Resources

## Department Overview

### MISSION

To build, develop and retain a high performing 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, new hire orientation, training, employee relations including employee performance and discipline, labor relations including contract administration and negotiations, compensation, and classification analysis, HRIS administration, benefit and leaves administration, risk and safety management, civil service administration, policy review and analysis, workers compensation, and legal workplace compliance.

### Budget Highlights and Relationship to Council Goals

#### INCLUSIVE AND EQUITABLE COMMUNITY

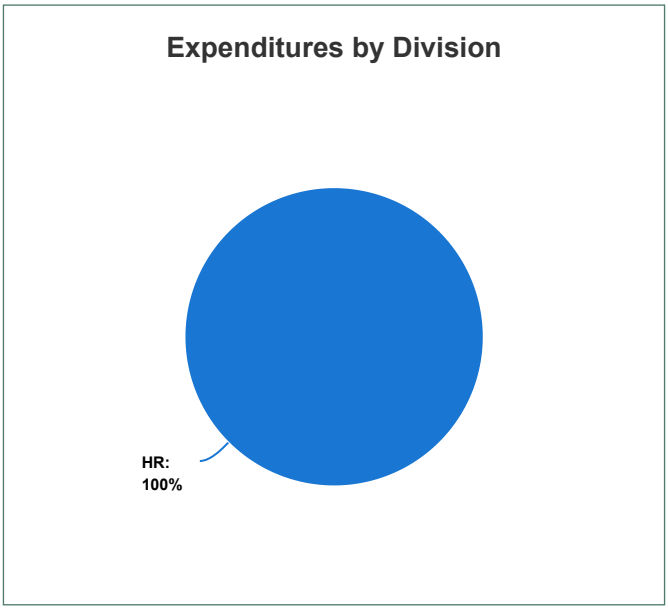
- Continue one-time funding for citywide employee development programs administered through the Career Development Team, including Leadership Bootcamp, Women's Leadership Summit, Managing to Excellence, and DEIB training, $50,000 one-time. [27HR03]
- Restart the City's Supported Employment Program by adding two 0.5 FTEs and one part-time intern to provide paid employment opportunities for individuals with developmental disabilities in integrated work settings. These positions are unfunded and housed in HR. As supported employment opportunities are identified in departments, HR will move the position to the department and fund with identified budget savings. The positions do not require medical benefits since these individuals receive benefits from the State. [27HR05]
- Drive diversity recruitment through innovative outreach and advertising strategies, including collaboration with departments.
- Complete Diversity, Equity, Inclusion, and Belonging Training Program objectives, including Implicit Bias Training in collaboration with the DEIB Manager, utilizing local and national resources.
- Develop compliance procedures, programs, and tools to drive consistency and Equity in Human Resources practices, including creating an Employee Handbook, a more robust employee performance review program, and streamlined processes.

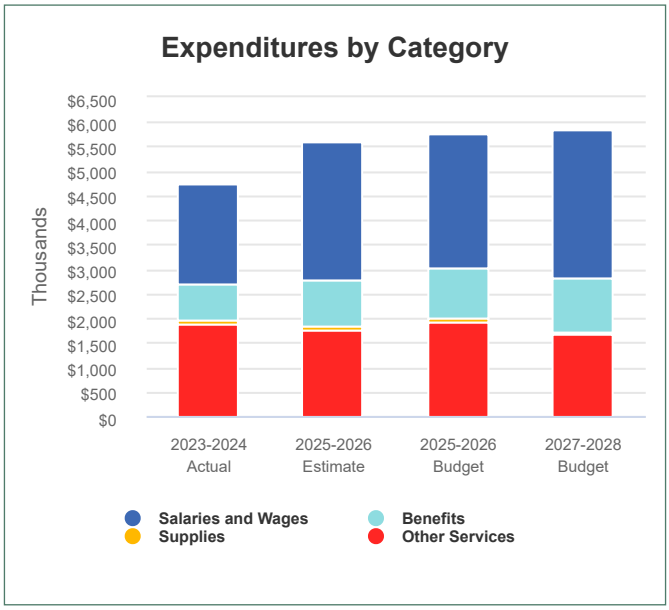
#### FINANCIAL STABILITY

- Fund a comprehensive benefits benchmarking and market competitiveness study to evaluate the City's total rewards package against comparable public-sector employers and relevant labor market peers, $80,000 one-time. [27HR04]
- Continue funding Learning Management System (LMS) software offering safety and compliance training for staff.
- Continue funding NeoGov subscription as a citywide recruitment and candidate management tool.
- Continue partnering with the Association of Washington Cities to administer the city's Worker's Compensation Program and to develop policies and programs to manage costs for the City related to risk management.
- Provide ongoing support for Wellness Program for the health and well-being of employees, including health incentive awards and prizes.
- Continue funding to extend the One-time Human Resources Assistant (1.0 LTE) for 2027-2028. This position supports the HR Department's growing workload by supporting recruitment, onboarding staff and providing customer service along with other clerical functions including scheduling meetings, planning special events, maintaining records among others, $254,437 one-time. [27HR01]

# Human Resources

## Financial Overview




## EXPENDITURE SUMMARY BY CATEGORY

| | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|
| Salaries and Wages | 2,021,151 | 2,799,352 | 2,719,686 | 3,013,816 | 10.81% |
| Benefits | 764,322 | 969,828 | 1,032,980 | 1,109,541 | 7.41% |
| Supplies | 61,110 | 70,525 | 76,880 | 51,108 | (33.52%) |
| Other Services | 1,881,817 | 1,749,171 | 1,929,626 | 1,669,382 | (13.49%) |
| **TOTAL** | **4,728,399** | **5,588,877** | **5,759,172** | **5,843,847** | **1.47%** |

## EXPENDITURE SUMMARY BY DIVISION

| | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|
| HR | 4,728,399 | 5,588,877 | 5,759,172 | 5,843,847 | 1.47% |
| **TOTAL** | **4,728,399** | **5,588,877** | **5,759,172** | **5,843,847** | **1.47%** |

# Human Resources

## 2027-2028 Position Summary

### POSITION SUMMARY BY CLASSIFICATION

| Classification* | 2025-2026 Positions | Additions/ Reductions | 2027-2028 Positions |
|---|---|---|---|
| HUMAN RESOURCES DIRECTOR | 1.00 | - | 1.00 |
| HUMAN RESOURCES MANAGER | 1.00 | - | 1.00 |
| LABOR AND EMPLOYEE RELATIONS MANAGER | 1.00 | - | 1.00 |
| HR ANALYST - HRIS | 1.00 | - | 1.00 |
| HR ANALYST - BENEFITS | 1.00 | - | 1.00 |
| HR ANALYST - COMPENSATION & CLASSIFICATION | 1.00 | - | 1.00 |
| HR ANALYST - SAFETY & RISK | 1.00 | - | 1.00 |
| HR ANALYST - RECRUITER | 1.00 | - | 1.00 |
| HR ANALYST | 1.00 | - | 1.00 |
| HUMAN RESOURCES COORDINATOR | 1.00 | - | 1.00 |
| OFFICE SPECIALIST | - | 1.00 | 1.00 |
| **TOTAL** | **10.00** | **1.00** | **11.00** |

* Office Specialist represents the two unfunded 0.5 FTEs approved as part of the Supported Employment Program Service Package (27HR05).

***Salary information for City of Kirkland positions can be found at https://www.kirklandwa.gov/Government/Departments/Human-Resources/Collective-Bargaining-Agreements*

### POSITION SUMMARY BY DIVISION

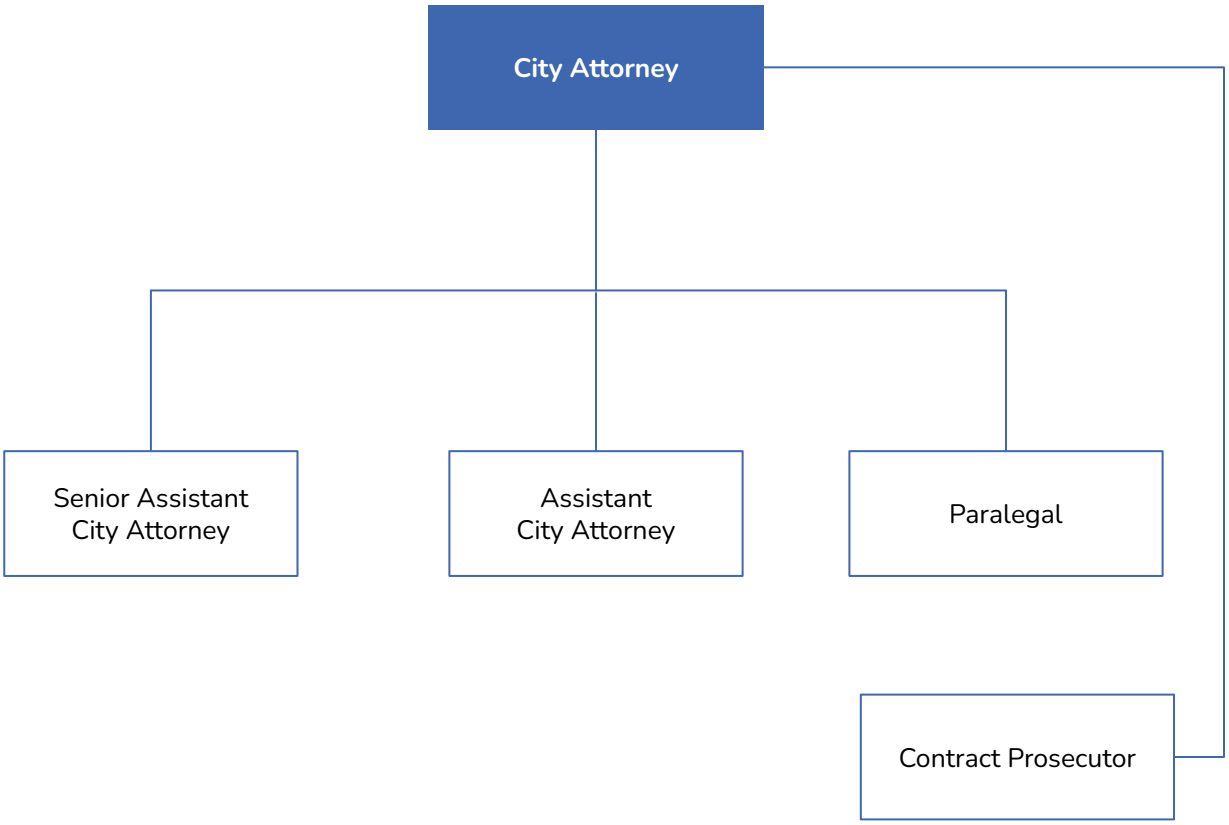
| Classification | 2025-2026 Positions | Additions/ Reductions | 2027-2028 Positions |
|---|---|---|---|
| HR | 10.00 | 1.00 | 11.00 |
| **TOTAL** | **10.00** | **1.00** | **11.00** |



# City Attorney's Office

**City of Kirkland 2027-2028 Preliminary Budget**

# City Attorney's Office



# City Attorney's Office

## Department Overview

### MISSION

The mission of the City Attorney's Office is to provide trusted, high-quality legal advice and representation to the City in a timely, meaningful, and cost-effective manner. The City Attorney's Office is committed to supporting effective and lawful governance; safeguarding and advancing the City's interests, mission, and values; and partnering with City leaders and staff to serve the community with integrity, professionalism, and accountability.

### DEPARTMENT FUNCTIONS

The City Attorney's Office is an internal service department, with work driven largely by the needs of other City departments. The City Attorney's Office provides legal advice to the City Council, City Manager, City departments, and City boards and commissions. The City Attorney's Office prepares legislation; drafts and reviews agreements and other legal documents for the City; represents the City in and coordinates the defense and prosecution of civil litigation involving the City; manages and coordinates outside counsel for specialized legal services; and assists and advises the City in its day-to-day operations, development of policies and programs, and provision of services to the community. The City Attorney's Office takes a proactive approach in providing legal services to maintain a foundation of credibility, preserve valuable resources, protect the City and community, and support the City's goals.

The City Attorney's Office also contracts with a local law firm to serve as the City's prosecutors for the prosecution of misdemeanor criminal cases in the Kirkland Municipal Court and to represent the City in administrative forfeiture, impound, and animal control proceedings.

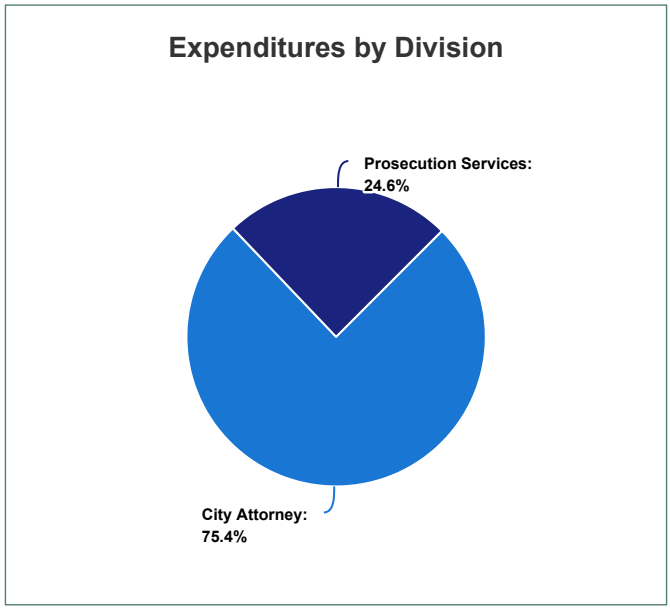
#### Budget Highlights and Relationship to Council Goals

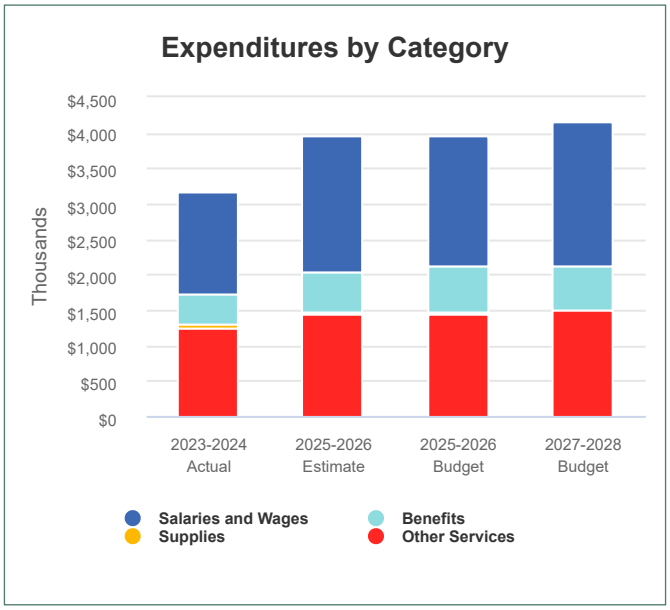
**FINANCIAL STABILITY**

- The Litigation Reserve has been renamed the Litigation & Legal Services Reserve and has been increased to a starting balance of $250,000.
- Continue funding a 1.0 LTE Paralegal to ensure that the City is receiving high-quality legal services in the most cost-effective way, freeing up time for attorneys to work on more complex client issues. $313,299 one-time. [27CA01]
- Continuation of legal services for Community Court.

# City Attorney's Office

## Financial Overview




## EXPENDITURE SUMMARY BY CATEGORY

| | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|
| Salaries and Wages | 1,429,695 | 1,919,351 | 1,855,969 | 2,038,971 | 9.86% |
| Benefits | 439,215 | 546,648 | 637,576 | 618,329 | (3.02%) |
| Supplies* | 37,406 | 30,070 | 34,323 | 3,000 | (91.26%) |
| Other Services | 1,254,540 | 1,455,414 | 1,443,472 | 1,511,072 | 4.68% |
| Intergovernmental Services | - | 308 | - | - | |
| **TOTAL** | **3,160,857** | **3,951,790** | **3,971,340** | **4,171,372** | **5.04%** |

## EXPENDITURE SUMMARY BY DIVISION

| | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|
| City Attorney | 2,254,729 | 3,014,076 | 3,049,340 | 3,144,612 | 3.12% |
| Prosecution Services | 906,128 | 937,714 | 922,000 | 1,026,760 | 11.36% |
| **TOTAL** | **3,160,857** | **3,951,790** | **3,971,340** | **4,171,372** | **5.04%** |

*Software expenses are moving from Supplies to Other Services in the 2027-2028 budget.

# City Attorney's Office

## 2027-2028 Position Summary

### POSITION SUMMARY BY CLASSIFICATION

| Classification | 2025-2026 Positions | Additions/ Reductions | 2027-2028 Positions |
|---|---|---|---|
| CITY ATTORNEY | 1.00 | - | 1.00 |
| SENIOR ASSISTANT CITY ATTORNEY | 2.00 | - | 2.00 |
| ASSISTANT CITY ATTORNEY | 1.00 | - | 1.00 |
| PARALEGAL | 1.00 | - | 1.00 |
| **TOTAL** | **5.00** | **-** | **5.00** |

**Salary information for City of Kirkland positions can be found at https://www.kirklandwa.gov/Government/Departments/Human-Resources/Collective-Bargaining-Agreements*

### POSITION SUMMARY BY DIVISION

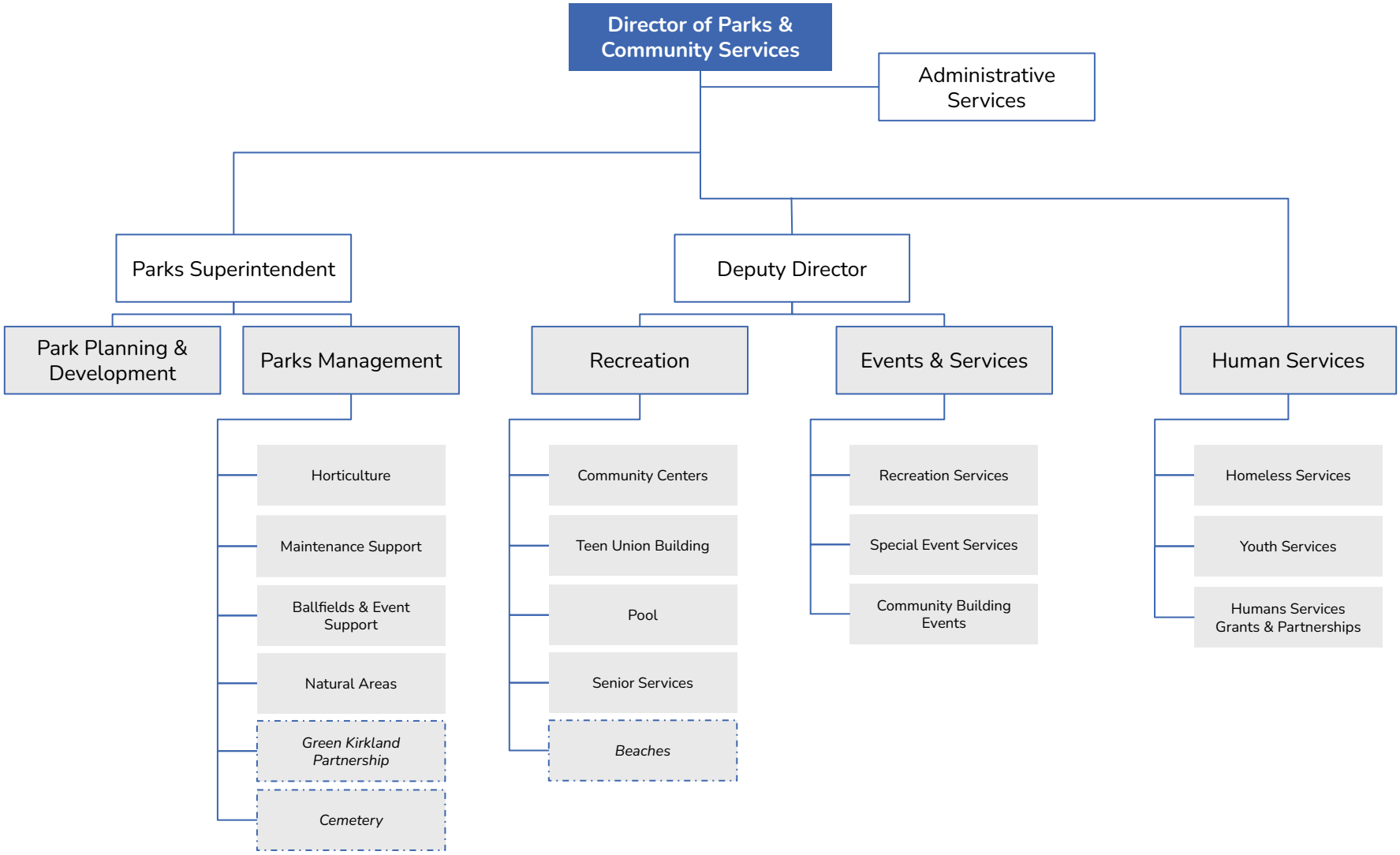
| Classification | 2025-2026 Positions | Additions/ Reductions | 2027-2028 Positions |
|---|---|---|---|
| City Attorney | 5.00 | - | 5.00 |
| **TOTAL** | **5.00** | **-** | **5.00** |



# Parks & Community Services

**City of Kirkland 2027-2028 Preliminary Budget**

# Parks & Community Services




*Boxes with a dashed outline and italic text indicate positions and/or functions which report to this department but which are budgeted in a separate department and/or operating fund.*

# Parks & Community Services

## Department Overview

### 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 the strategic and tactical leadership for the department, including coordination and communication with the community and the Park Board. It is responsible for staff leadership, manages finances and personnel, oversees training and risk management, develops long-range strategic policy planning, and overall direction for the Parks and Community Services Department.

The **Events & Services Division** is responsible for community building events including the Celebrate Kirkland Independence Day Parade. This division provides Special Events services to help event organizers put on successful events by issuing permits for fairs, festivals, concerts, races/walks, and more. This division administers many of the recreation services such as facility and field scheduling, the scholarship program, park vendor concession management and operations of the Marina. The division also organizes and hosts the Juanita Friday Market each summer.

The **Human Services Division** is primarily responsible for the planning and administration of the Human Services program which connects individuals or families to local service providers that meet basic human needs. This division is also an integral part of the Homelessness Assistance & Response Team, in which the Homeless Outreach Coordinator and Housing Navigation Coordinator provide direct services to individuals in the community experiencing homelessness. This division administrates a pooled regional contract with partner cities to fund grant dollars to support human service organizations in the region, facilitates the Human Services Commission, and assists with welcoming and inclusive community initiatives. In addition, Youth Services and the Kirkland Youth Council fall within this division.

The **Parks Management Division** oversees the maintenance and management of safe, attractive and sustainable park facilities and land totaling over 740 acres. In addition, this division maintains the City Cemetery, public art, Heritage Hall and the grounds of the Community Centers and Teen Union Building. This division is responsible for maintenance and repairs of the swimming pool, docks, the Marina, city athletic fields, boat launch, and other repair and construction projects. Park Planning and Development is part of this division and is responsible for park development planning, facility design, land acquisition, capital projects, construction management, and grant administration. Finally, the Parks Management division administers several parks volunteer programs including the Green Kirkland Partnership.

The **Recreation Division** provides comprehensive programs that include year-round recreation opportunities, enrichment programs, and special interest recreation for all ages. The division is responsible for the programming and operation of the North Kirkland and Peter Kirk Community Centers, the Kirkland Teen Union Building, the Peter Kirk Pool, and the seasonal Waverly, Juanita and Houghton Beaches. This division offers programs for athletics, arts, fitness, dance, preschool, youth, and more. This division also facilitates the Senior Council advisory group that advocates, and shapes programs and services that meet the needs of adults age 50+ in the community as well as a high school intern program which provides opportunities to gain job skills.

**Budget Highlights and Relationship to Council Goals**

**SUPPORTIVE HUMAN SERVICES**

- Human Services program grants funding totaling $5.22 million for 2027-2028. Of this, $3,956,121 is ongoing base funding which includes $89,126 in funding from CDBG (ARCH-related CDBG grants and Trust Fund allocations are listed under the Housing Goal), $189,200 in Multifamily Tax Exemption paid to

# Parks & Community Services

the City to support the Eastside Women and Family Shelter, and $433,000 of SHB 1406 affordable and supportive housing sales tax reallocated this biennium to rental assistance grants. The $5.22 million total grants funding also includes one-time funding for the following:

- Human Services enhanced grant funding (Option B) of $1,268,628, one-time. [27PK07]
- For more information about ongoing and onetime funding in the 2027-2028 budget, see the *Human Services* issue paper.

- Continue funding the Kirkland Health and Wellness Fair to provide free access to healthcare services, including flu shots, basic screenings, dental procedures, and a community resource fair, $110,000 one-time. [27PK05]
- Continue funding a 0.5 LTE Office Specialist to support the administrative infrastructure needed to continue the human service pooled fund agreement with eight neighboring cities, $125,796 one-time, offset by $63,710 in payments from participating cities. [27PK11]
- Continue funding direct services for unsheltered residents, including homeless outreach flexible funds, the hotel set-aside pilot, shower and laundry services, Move-in Ministry, case management software, and severe weather hotel vouchers, $245,260 one-time. [27PK06]
- For further information on Human Services funding, see the related Human Services Issue Paper.

**ABUNDANT PARKS, OPEN SPACES AND RECREATIONAL SERVICES**

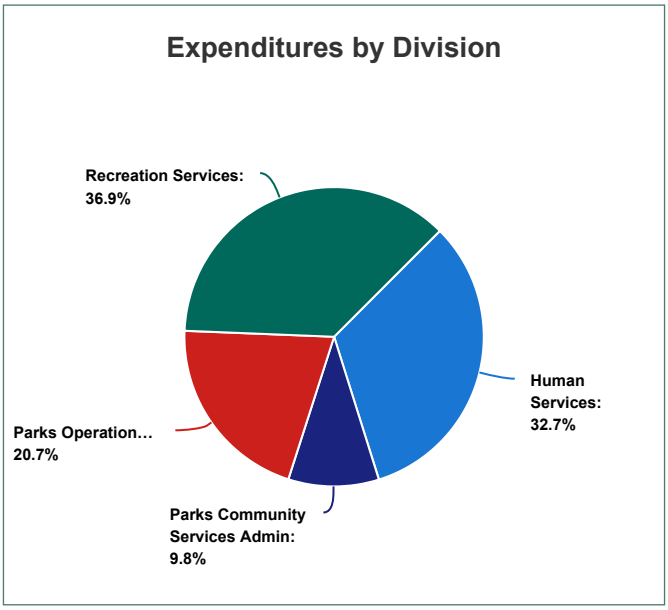
- Fund the ongoing operations of the Kraken Iceplex and Kirkland Community Center (KIKCC) with an anticipated opening date of January 2028. The facility will expand access to recreation, fitness, and community gathering space in a rapidly growing area of the city. Designed to meet diverse community needs, the center will offer daily access to fitness amenities, robust program offerings for all ages, and flexible rental space, $2,890,946 ongoing, $18,250 one-time, offset by $1,679,201 in program revenue and $435,202 in parking fees. [27PK01a]
- Fund the start-up costs required to prepare and outfit KIKCC, including supplies, furniture, and computer hardware required to furnish the facility. $739,792 one-time. [27PK01b]
- Continue funding popular community-building events such as Harvest Festival, Dia de los Muertos, Lunar New Year, See Spot Splash, Junk in the Trunk, and the award-winning International Night Market, $436,104 one-time General Fund impact, offset by $206,000 of revenue. [27PK02]
- Continue funding the 1.0 LTE Senior Management Analyst to support policy development, especially for human services and homelessness response, along with procedural updates, Council memos, data analysis, and special projects. This role is critical to keeping the Parks and Community Services department functional and responsive by maintaining service levels and department capacity, $356,203 one-time. [27PK03]
- Continue funding the 1.0 LTE Education and Outreach coordinator to strengthen Parks and Community Services' (PCS) ability to ensure residents are better informed about programs, projects, construction updates, registration opportunities, and public input processes, while also improving the department's capacity to engage the community in a timely, coordinated, and accessible manner. $242,953 one-time General Fund impact, offset with $278,000 in revenue. [27PK04]
- Provide funding for the Kirkland Teen Union Building (KTUB) operations, including comprehensive programs and services for teens, a mental health clinician, expanded teen recreation programs, high school internships, mobile recreation, and daytime activation of the facility to expand youth camps, preschool programs, and adult programs. Youth Eastside Services (YES) and 4 Tomorrow are operating partners offering mental health services and art therapy, $2,002,834 one-time and $19,046 ongoing, offset by $1,123,294 in grants, new program fees, and rental revenues. [27PK09]
- Continue to fund the use of Special Event Permitting Software to centralize applications, documentation, and departmental reviews, streamlining the permitting process for special events organizers. $116,000 ongoing, offset with $80,000 of expenditure savings. [27PK12]

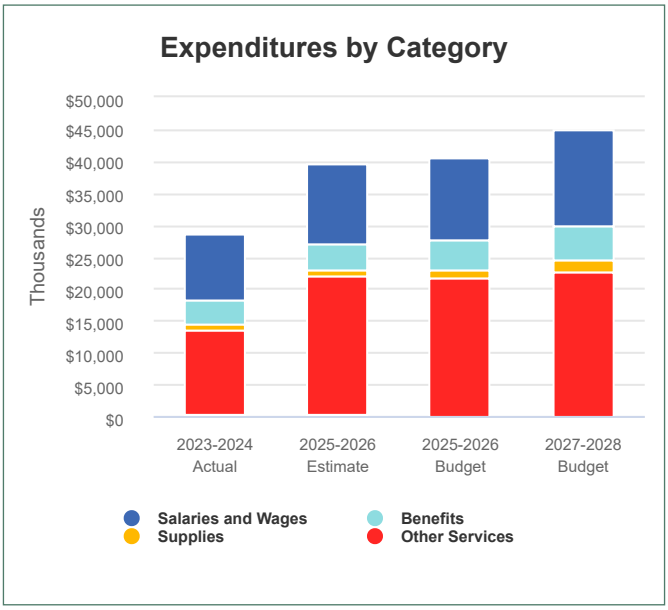
**VIBRANT NEIGHBORHOODS**

- Continue providing support for the Kirkland Performance Center (KPC) annual operations. $100,000 one-time. [27PK08]

# Parks & Community Services

## Financial Overview




## EXPENDITURE SUMMARY BY CATEGORY

| | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|
| Salaries and Wages | 10,513,768 | 12,372,862 | 12,876,870 | 15,307,442 | 18.88% |
| Benefits | 3,717,514 | 4,157,323 | 4,665,856 | 5,324,344 | 14.11% |
| Supplies | 969,753 | 1,050,908 | 1,284,747 | 1,874,305 | 45.89% |
| Other Services | 13,164,224 | 21,690,932 | 21,636,720 | 22,453,665 | 3.78% |
| Intergovernmental Services | 39,190 | 82,198 | 68,850 | 56,720 | (17.62%) |
| Capital Outlay | - | 139,140 | 85,000 | - | (100.00%) |
| Interfund Transfers | 269,437 | - | - | 25,800 | |
| **TOTAL** | **28,673,885** | **39,493,364** | **40,618,043** | **45,042,276** | **10.89%** |

## EXPENDITURE SUMMARY BY DIVISION

| | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|
| Human Services | 7,494,314 | 14,997,438 | 14,737,298 | 14,717,112 | (0.14%) |
| Parks Community Services Admin | 4,230,489 | 4,119,865 | 4,957,021 | 4,394,949 | (11.34%) |
| Parks Operations and Maintenance | 7,510,115 | 8,818,546 | 8,667,609 | 9,305,561 | 7.36% |
| Recreation Services | 9,438,967 | 11,557,515 | 12,256,115 | 16,624,654 | 35.64% |
| **TOTAL** | **28,673,885** | **39,493,364** | **40,618,043** | **45,042,276** | **10.89%** |

# Parks & Community Services

## 2027-2028 Position Summary

### POSITION SUMMARY BY CLASSIFICATION

| Classification | 2025-2026 Positions | Additions/ Reductions | 2027-2028 Positions |
|---|---|---|---|
| PARKS & CS DIRECTOR | 1.00 | - | 1.00 |
| PCS DEPUTY DIRECTOR | 1.00 | - | 1.00 |
| PARKS SUPERINTENDENT | 1.00 | - | 1.00 |
| HUMAN SERVICES MANAGER | 1.00 | - | 1.00 |
| PARKS PLANNING & DEVELOP MGR | 1.00 | - | 1.00 |
| EVENTS AND CUSTOMER SERVICE MANAGER | 1.00 | - | 1.00 |
| RECREATION MANAGER | 1.00 | - | 1.00 |
| HUMAN SERVICES SUPERVISOR | 1.00 | - | 1.00 |
| PARKS MAINTENANCE SUPERVISOR | 1.00 | - | 1.00 |
| SPECIAL PROJECTS COORDINATOR | 1.00 | - | 1.00 |
| RECREATION SUPERVISOR | 2.00 | 1.00 | 3.00 |
| HOMELESS OUTREACH COORDINATOR | 1.00 | - | 1.00 |
| HOUSING NAVIGATION COORDINATOR | 1.00 | - | 1.00 |
| LEADPERSON | 2.00 | - | 2.00 |
| HUMAN SERVICES COORDINATOR | 1.00 | - | 1.00 |
| HUMAN SERVICES COORDINATOR - EQUITY | 1.00 | - | 1.00 |
| HUMAN SERVICES COORDINATOR - WELLBEING | 1.00 | - | 1.00 |
| PROGRAM COORDINATOR | 6.00 | 2.00 | 8.00 |
| FIELD ARBORIST | 1.00 | - | 1.00 |
| SENIOR GROUNDSPERSON | 8.00 | - | 8.00 |
| ADMINISTRATIVE ASSISTANT | 2.00 | - | 2.00 |
| HUMAN RESOURCES ASSISTANT | - | 0.50 | 0.50 |
| GROUNDSPERSON | 2.50 | - | 2.50 |
| PARKS ACCOUNTS ASSOCIATE | 0.50 | - | 0.50 |
| PROGRAM ASSISTANT | 3.00 | 2.00 | 5.00 |
| PARK RANGER | 1.00 | - | 1.00 |
| **TOTAL** | **43.00** | **5.50** | **48.50** |

Salary information for City of Kirkland positions can be found at https://www.kirklandwa.gov/Government/Departments/Human-Resources/Collective-Bargaining-Agreements

### POSITION SUMMARY BY DIVISION

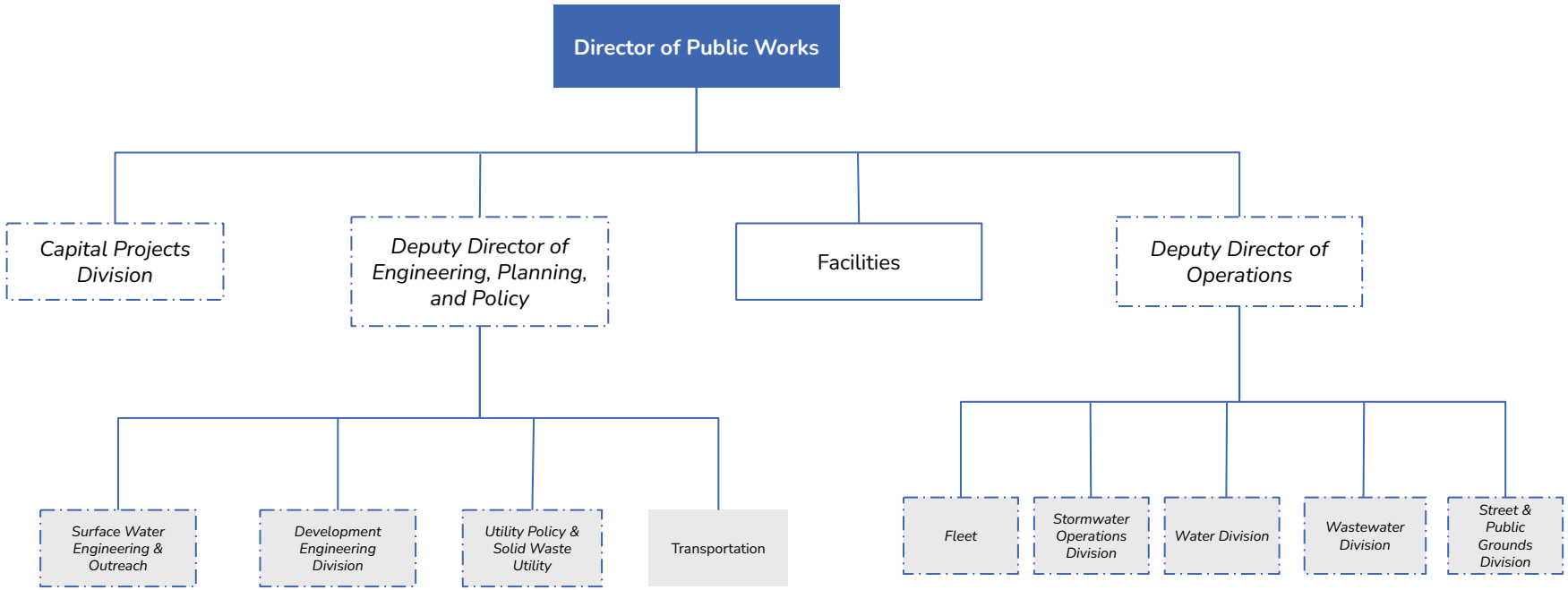
| Classification | 2025-2026 Positions | Additions/ Reductions | 2027-2028 Positions |
|---|---|---|---|
| Human Services | 7.00 | - | 7.00 |
| Parks Community Services Admin | 5.00 | - | 5.00 |
| Parks Operations and Maintenance | 18.00 | - | 18.00 |
| Recreation Services | 13.00 | 5.50 | 18.50 |
| **TOTAL** | **43.00** | **5.50** | **48.50** |




# Public Works General Fund

**City of Kirkland 2027-2028 Preliminary Budget**

# Public Works General Fund




*Boxes with a dashed outline and italic text indicate positions and/or functions which report to this department but which are budgeted in a separate department and/or operating fund.*

# Public Works General Fund

## Department Overview

### 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 with each other, other City Departments, the public, and other local and state agencies to ensure the effective development and ongoing 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 facilities maintenance and fleet services.

### Engineering & Programs Section

**Public Works Administration**, which includes the Public Works Director and Deputy Director of Engineering, Planning, and Development Services, provides overall administrative support and policy direction for the Public Works Department.

The **Capital Projects** Division manages the scoping/development, 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 Services** Division handles the review, permitting, and inspection work for water, sewer, storm drainage, and roadway infrastructure projects initiated by private development and franchise utilities.

**Surface Water Engineering** Division provides surface water engineering and program administration, which includes protecting and improving the health of Kirkland creeks, lakes, and wetlands; reducing flooding of streets and neighborhoods; and ensuring that all surface water systems in the City comply with the National Pollutant Discharge Elimination System (NPDES) permit.

The **Transportation** Division coordinates with other Divisions and Departments to plan, design, and operate the City's multimodal transportation system, including management of the City's sign and signal maintenance, illumination, downtown parking, and neighborhood traffic control programs. The Division also provides staff support for the Kirkland Transportation Commission and participates in regional transportation planning.

**Utility Policy and Solid Waste** Program administers the solid waste disposal and recycle program and provides utility policy analyses and staff support to Councilmembers serving on regional utility commissions.

### Operations & Maintenance Section

Operations & Maintenance consists of Streets & Public Grounds, Water, Stormwater, Wastewater, Fleet Management, Facilities, and Maintenance Center administrative support groups. The Section is managed by the Deputy Director of Operations who oversees planning, budgeting and performance monitoring for all maintenance and operations functions.

**Facilities Management** performs maintenance, repair, and operations of all City occupied buildings including preventative maintenance, energy reduction, and building security and access control. This includes planning, design and construction for current and future City facilities.

**Fleet Management** provides safe, cost effective, and reliable vehicles and equipment for all City departments.

# Public Works General Fund

The **Streets & Public Grounds** Division is responsible for the maintenance, operation, and repair of the City's right-of-way (ROW) and transportation system, including pavement, shoulders, bike lanes, sidewalks, walkways, landscaping, and roadside vegetation. Stewardship of public grounds of City buildings and the urban tree canopy located within the public ROW are also under the Division's care.

The **Water and Wastewater** Divisions provide daily maintenance and repair activities and assist with the long-term planning and efficient operation of the City's water storage and distribution system and well as the City's wastewater system. This includes collection pipes and maintenance hole cover and the system of interconnected pumping facilities and their controls.

The **Stormwater Operations** Division provides daily maintenance and repair activities and assists with the long-term planning and ensures proper and efficient operation of the public system. Stormwater components include the built system of inlets, pipes, and vaults and the natural system of streams, ditches and bodies of water.

## BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS

### BALANCED TRANSPORTATION

- Funding for an additional Miovision Mobile camera unit traffic counter and a Vivacity Labs camera traffic counter, $4,300 ongoing, $20,000 one-time. [27PW02]
- Fund continuation of the three-city partnership to operate and maintain the existing Bellevue/Kirkland/Redmond (BKR) Traffic Model, $84,000 ongoing, $10,000 one-time. [27PW03]
- Add funding to update existing Intelligent Transportation System (ITS) Plan, $85,000 one-time. [27PW05]
- Fund software subscriptions for transportation analysis, design, and data collection, $22,000 ongoing, $10,000 one-time. [27PW07]
- Funding agreement with Eastrail Partners to implement community-informed programming, communications, and coalition building to support the regional Eastrail trail system, $20,328 one-time. [27PW08]
- Review the Automated Safety Camera Program Evaluation, which found 85$^{th}$ percentile speeds fell 3 to 9.5 mph at all eight school-zone camera locations, and consider future expansion beginning with candidate locations near Lake Washington High, Juanita High, and Juanita Elementary Schools. For further information, see the related Automated Safety Camera Program Evaluation Issue Paper.
- Fund safety enhancing Non-motorized Transportation CIP projects totaling $13.3 million for 2027-2028 ($1.4 million in external funding), including $2.6 million for improvements at 7$^{th}$ Ave/NE 87$^{th}$ ST.
- Fund Traffic Improvement CIP projects totaling $4.2 million in 2027-2028, including $3.0 million to complete intersection improvements at 122$^{nd}$ Avenue NE at NE 70$^{th}$ Street.

### SUSTAINABLE ENVIRONMENT

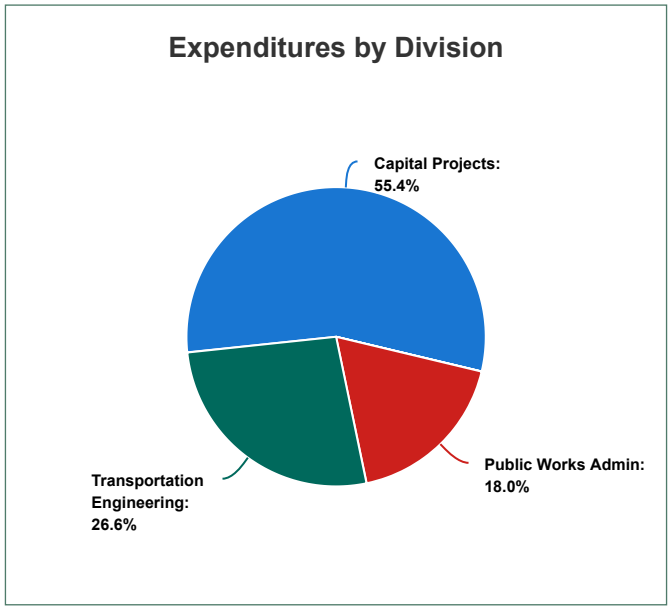
- Establish ongoing funding to provide ORCA transit passes to City employees to encourage transit ridership and meet Commute Trip Reduction (CTR) goals. Providing transit passes to all employees is an equitable way to ensure employees can safely and conveniently commute to work, $80,000 ongoing. [27PW04]

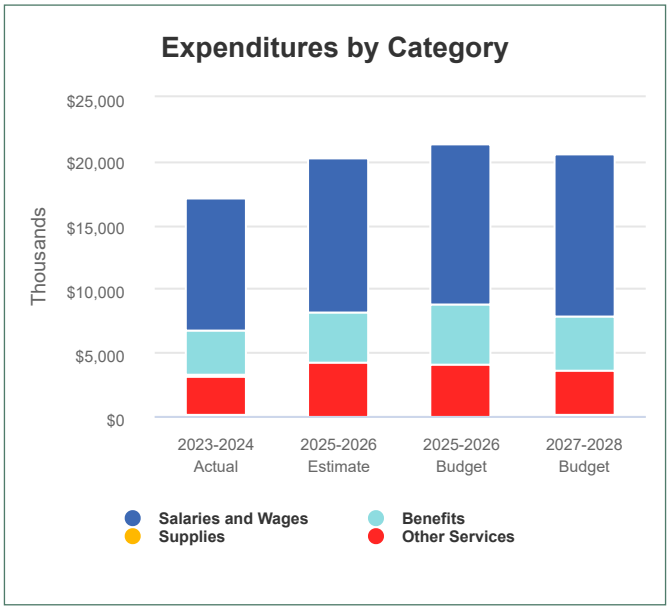
### DEPENDABLE INFRASTRUCTURE

- Add funding for training for project management staff in the Public Works Capital Improvement Program (CIP), $22,900 one-time. [27PW01]
- Fund on-call support for development review services, $150,000 one-time, offset by $150,000 in development services fee revenue. [27PW06]

# Public Works General Fund

## Financial Overview




## EXPENDITURE SUMMARY BY CATEGORY

| | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|
| Salaries and Wages | 10,318,738 | 12,092,325 | 12,621,776 | 12,744,241 | 0.97% |
| Benefits | 3,533,721 | 3,895,986 | 4,626,773 | 4,210,840 | (8.99%) |
| Supplies | 156,887 | 88,603 | 60,521 | 102,002 | 68.54% |
| Other Services | 3,024,325 | 4,166,799 | 4,071,429 | 3,479,124 | (14.55%) |
| Intergovernmental Services [1] | 2,073 | 2,227 | 2,600 | 82,600 | 3076.92% |
| Capital Outlay | 2,256 | - | - | - | |
| Interfund Transfers | 115,000 | - | - | - | |
| **TOTAL** | **17,153,001** | **20,245,940** | **21,383,099** | **20,618,807** | **(3.57%)** |

(1) ORCA Card program added as ongoing in 2027-2028 through Service Package 27PW04. In addition, the classification of the projected cost shifted from Professional Services to Intergovernmental.

## EXPENDITURE SUMMARY BY DIVISION

| | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|
| Capital Projects | 10,492,324 | 11,500,908 | 12,524,406 | 11,423,436 | (8.79%) |
| Development Environmental Svcs | - | (1,135) | - | - | |
| Public Works Admin | 2,260,491 | 3,115,657 | 3,201,793 | 3,720,364 | 16.20% |
| Transportation Engineering | 4,400,186 | 5,630,510 | 5,656,900 | 5,475,007 | (3.22%) |
| **TOTAL** | **17,153,001** | **20,245,940** | **21,383,099** | **20,618,807** | **(3.57%)** |

# Public Works General Fund

## 2027-2028 Position Summary

### POSITION SUMMARY BY CLASSIFICATION

| Classification | 2025-2026 Positions | Additions/ Reductions | 2027-2028 Positions |
|---|---|---|---|
| DIRECTOR OF PUBLIC WORKS | 1.00 | - | 1.00 |
| DEPUTY DIRECTOR OF ENGINEERING, PLANNING, AND DEVELOPMENT SERVICES | 1.00 | - | 1.00 |
| CAPITAL DIVISION MANAGER | 1.00 | - | 1.00 |
| TRANSPORTATION MANAGER | 1.00 | - | 1.00 |
| UTILITY CAPITAL PROJECT ENGINEERING SUPERVISOR | 1.00 | - | 1.00 |
| CAPITAL PROJECTS SUPERVISOR | 3.00 | - | 3.00 |
| TRANSPORTATION ENGINEERING SUPERVISOR | 1.00 | - | 1.00 |
| SENIOR PROJECT ENGINEER | 4.00 | - | 4.00 |
| SENIOR UTILITY ENGINEER | 1.00 | - | 1.00 |
| SENIOR TRANSPORTATION ENGINEER | 1.00 | - | 1.00 |
| UTILITY POLICY & COMMUNITY RELATIONS SUPERVISOR | 0.10 | - | 0.10 |
| TRANSPORTATION ENGINEER | 3.35 | - | 3.35 |
| PRINCIPAL TRANSPORTATION PLANNER | 1.00 | - | 1.00 |
| PROJECT ENGINEER | 6.00 | - | 6.00 |
| PROJECT ENGINEER - TRANSPORTATION BENEFIT DISTRICT | 2.00 | - | 2.00 |
| CAPITAL PROJECT COORDINATOR | 1.00 | - | 1.00 |
| CAPITAL PROJECTS COORDINATOR | 1.00 | - | 1.00 |
| TRANSPORTATION PLANNER | 1.00 | - | 1.00 |
| SENIOR FINANCIAL ANALYST | 1.00 | - | 1.00 |
| SENIOR FINANCIAL ANALYST - CIP | 1.00 | - | 1.00 |
| COMMUNITY ENGAGEMENT COORDINATOR | 2.00 | - | 2.00 |
| SENIOR CONSTRUCTION INSPECTOR | 2.00 | - | 2.00 |
| CONSTRUCTION INSPECTOR | 1.00 | - | 1.00 |
| TRANSPORTATION PRG COORD | 1.00 | - | 1.00 |
| PROPERTY ANALYST | 0.66 | - | 0.66 |
| SAFETY AND TRAINING COORDINATOR | 1.00 | - | 1.00 |
| TRANSPORTATION ENGINEERING ANALYST | 1.00 | - | 1.00 |
| SENIOR ACCOUNTING ASSOCIATE | 0.05 | - | 0.05 |
| ADMINISTRATIVE ASSISTANT | 2.00 | - | 2.00 |
| **TOTAL** | **43.16** | **-** | **43.16** |

**Salary information for City of Kirkland positions can be found at https://www.kirklandwa.gov/Government/Departments/Human-Resources/Collective-Bargaining-Agreements*

### POSITION SUMMARY BY DIVISION

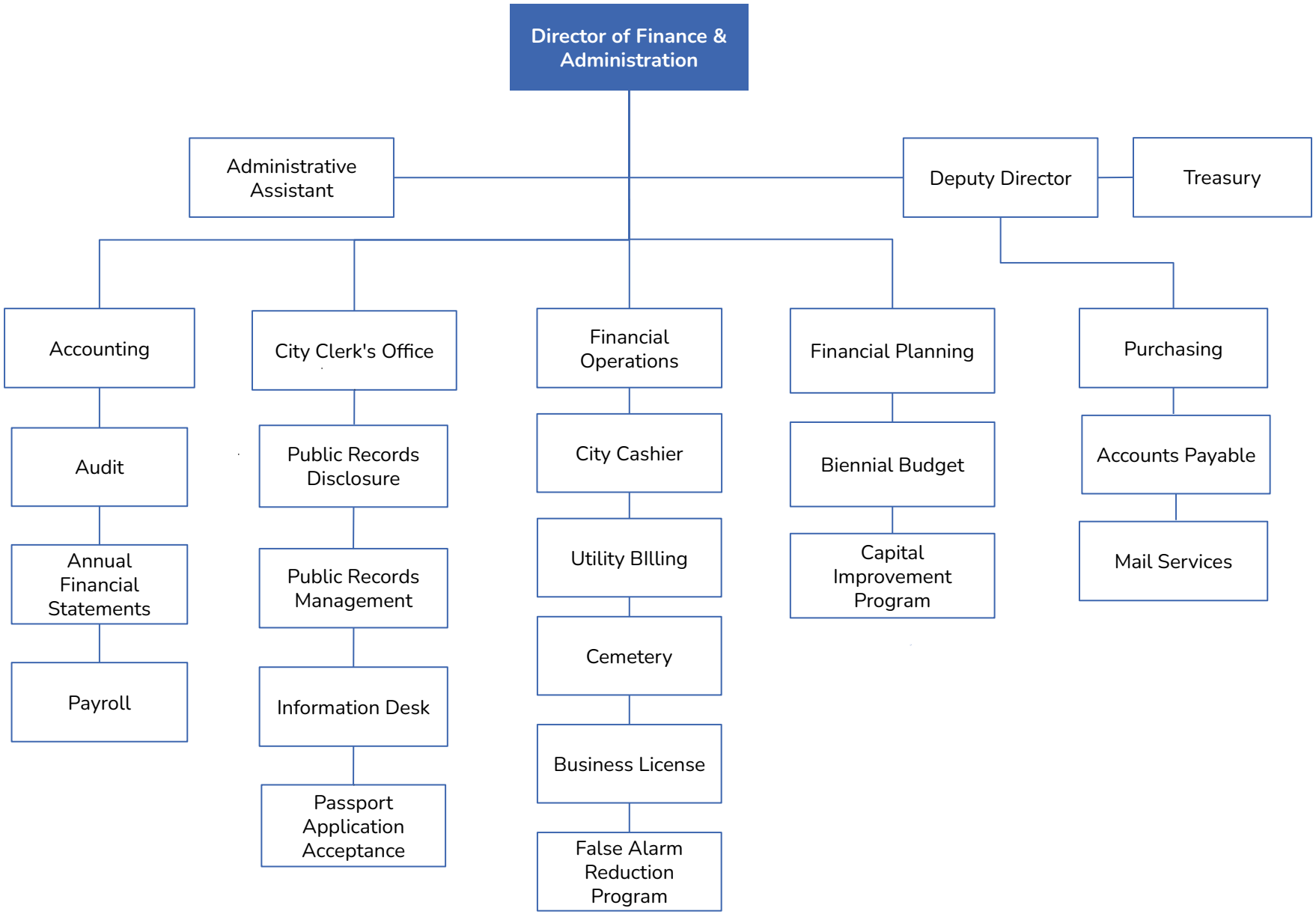
| Classification | 2025-2026 Positions | Additions/ Reductions | 2027-2028 Positions |
|---|---|---|---|
| Capital Projects | 27.00 | - | 27.00 |
| Public Works Admin | 5.81 | - | 5.81 |
| Transportation Engineering | 10.35 | - | 10.35 |
| **TOTAL** | **43.16** | **-** | **43.16** |



# Finance & Administration

**City of Kirkland 2027-2028 Preliminary Budget**

# Finance & Administration



# Finance & Administration

## Department Overview

### 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 Administration portion of the department is the City Clerk's Office. The responsibilities within the City Clerk's office include public disclosure, legal notices, records management, service of process, passport application services, City Council meeting support, and advisory board recruitment.

The department provides financial planning services including coordination and preparation of the City's Budget and Capital Improvement Program and provision of forecasting and analytical 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, financial reporting, auditing, and maintenance of grant records; Payroll – semi-monthly payroll and health benefits processing and labor contract implementation; Treasury – cash and liquidity management, investments, and debt management, banking services, cash forecasting, compliance and investment financial risk management; Financial Operations – utility billing, regulatory licensing, false alarm program, and cemetery administration; Purchasing – City-wide purchasing management and coordination, accounts payable and receivable, and Mail Services.

## BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS

### FINANCIAL STABILITY

- Continue compliance with the adopted Fiscal Policies that retain Kirkland's AAA credit rating.
- Continue modified two-year sales tax lag to protect against economic downturn.
- Fund a comprehensive cost of service and fee study for Development Services, aligning development-related revenues with expenditures and reducing General Fund support of development review. $150,000 one-time, funded via Development Services reserves. [27FA01]
- Continue funding a 1.0 LTE Customer Accounts Associate for Business License Enforcement to identify unlicensed businesses and coordinate compliance efforts with the Code Enforcement Division and the City Attorney's Office. $259,041 one-time, offset with $200,000 of ongoing revenue and $254,000 of one-time revenue. [27FA02]

### SUPPORTIVE HUMAN SERVICES

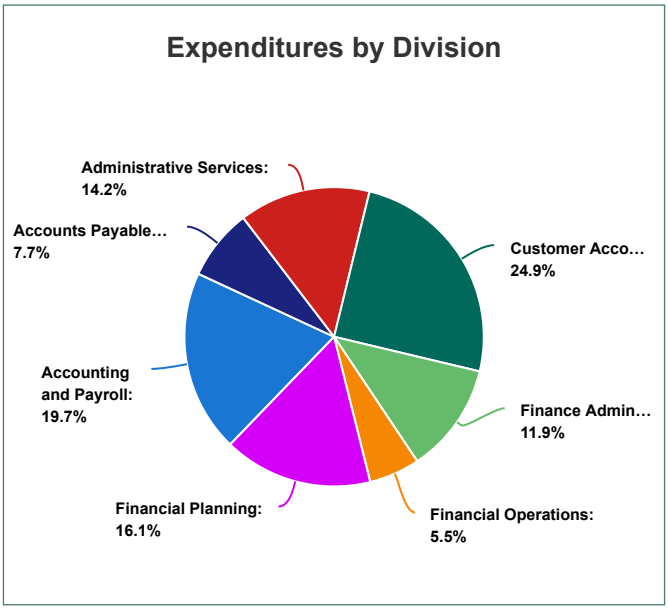
- Continue funding the 1.0 LTE Kirkland Cares Low Income Support Program (KCLISP) Program Coordinator, providing utility discounts and rebates for income-qualified residents to help mitigate the impacts of inflation and higher utility rates. $316,396 one-time, offset by $19,793 of Low Income Utility Discount Program (LIUDP) reserve funding. [27FA03]

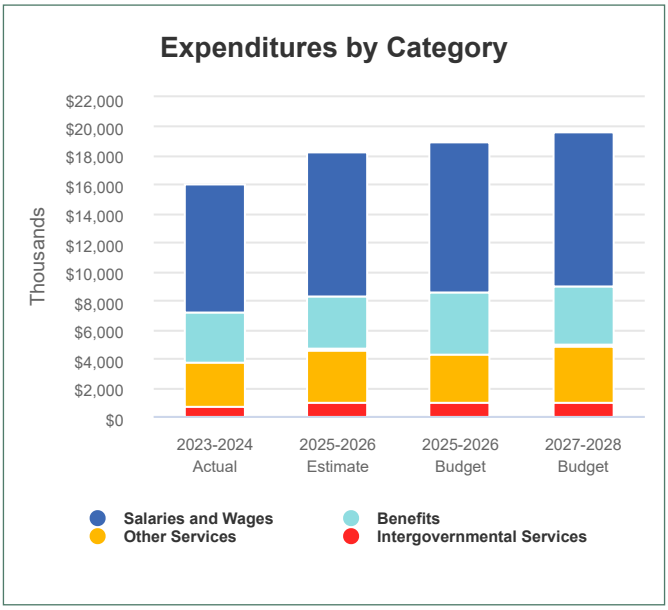
### INCLUSIVE AND EQUITABLE COMMUNITY

- Increase the Public Disclosure Reserve to be responsive to the public while responding to workload, staffing, litigation, or other significant public disclosure needs. $250,000 one-time, offset by current Public Disclosure Reserve funding of $100,000. [27FA04]

# Finance & Administration

## Financial Overview




## EXPENDITURE SUMMARY BY CATEGORY

| | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|
| Salaries and Wages | 8,850,014 | 9,957,118 | 10,320,771 | 10,605,759 | 2.76% |
| Benefits | 3,485,298 | 3,641,814 | 4,264,130 | 4,078,364 | (4.36%) |
| Supplies | 59,134 | 51,311 | 32,514 | 32,444 | (0.22%) |
| Other Services* | 2,977,052 | 3,650,470 | 3,349,356 | 3,884,972 | 15.99% |
| Intergovernmental Services | 705,567 | 961,258 | 929,546 | 1,010,360 | 8.69% |
| **TOTAL** | **16,077,065** | **18,261,970** | **18,896,317** | **19,611,899** | **3.79%** |

*Increase in Other Services driven by Low Income Utility Discount Program (LIUDP) reimbursements and Utility Billing credit card fees.

## EXPENDITURE SUMMARY BY DIVISION

| | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|
| Accounting and Payroll | 3,436,317 | 3,440,035 | 3,684,572 | 3,859,978 | 4.76% |
| Accounts Payable & Purchasing | 628,178 | 1,566,940 | 1,405,798 | 1,507,137 | 7.21% |
| Administrative Services | 2,315,524 | 2,957,603 | 3,119,362 | 2,784,881 | (10.72%) |
| Customer Accounts | 3,991,506 | 4,466,262 | 4,271,941 | 4,892,415 | 14.52% |
| Finance Administration General | 1,652,980 | 2,109,738 | 2,105,346 | 2,329,826 | 10.66% |
| Financial Operations | 1,141,085 | 868,801 | 1,242,635 | 1,074,619 | (13.52%) |
| Financial Planning | 2,911,474 | 2,852,590 | 3,066,663 | 3,163,043 | 3.14% |
| **TOTAL** | **16,077,065** | **18,261,970** | **18,896,317** | **19,611,899** | **3.79%** |

# Finance & Administration

## 2027-2028 Position Summary

### POSITION SUMMARY BY CLASSIFICATION

| Classification | 2025-2026 Positions | Additions/ Reductions | 2027-2028 Positions |
|---|---|---|---|
| FINANCE DIRECTOR | 1.00 | - | 1.00 |
| DEPUTY DIRECTOR FINANCE & ADMIN | 1.00 | - | 1.00 |
| FINANCIAL PLANNING MANAGER | 1.00 | - | 1.00 |
| ACCOUNTING MANAGER | 1.00 | - | 1.00 |
| FINANCIAL OPERATIONS MANAGER | 1.00 | - | 1.00 |
| CITY CLERK | 1.00 | - | 1.00 |
| FINANCIAL PLANNING SUPERVISOR | 1.00 | - | 1.00 |
| FINANCIAL OPERATIONS SUPERVISOR | 1.00 | - | 1.00 |
| SENIOR FINANCIAL ANALYST | 2.00 | - | 2.00 |
| SENIOR ACCOUNTANT | 2.00 | - | 2.00 |
| CUSTOMER ACCOUNTS SUPERVISOR | 1.00 | - | 1.00 |
| SENIOR PROCUREMENT SPECIALIST | 1.00 | - | 1.00 |
| DEPUTY CITY CLERK | 2.00 | - | 2.00 |
| BUDGET ANALYST | 2.00 | - | 2.00 |
| BUSINESS ANALYST | 1.00 | - | 1.00 |
| ACCOUNTANT | 2.00 | - | 2.00 |
| OG/OT ACCOUNTANT | 0.50 | - | 0.50 |
| PROGRAM COORDINATOR | 1.00 | - | 1.00 |
| PAYROLL ANALYST | 3.00 | - | 3.00 |
| PROCUREMENT SPECIALIST | 1.00 | - | 1.00 |
| CUST ACCOUNTS LEAD | 1.00 | - | 1.00 |
| SENIOR ACCOUNTING ASSOCIATE | 2.00 | - | 2.00 |
| SENIOR ACCOUNTING ASSOCIATE - CIP | 1.00 | - | 1.00 |
| ADMINISTRATIVE ASSISTANT | 1.00 | - | 1.00 |
| ACCOUNTING ASSOCIATE | 2.00 | - | 2.00 |
| CUST ACCTS ASSOC BUSINESS LIC | 2.00 | - | 2.00 |
| CUSTOMER ACCOUNTS ASSOCIATE | 6.00 | - | 6.00 |
| OFFICE SPECIALIST | 4.00 | - | 4.00 |
| MAIL CLERK | 1.00 | - | 1.00 |
| **TOTAL** | **46.50** | **-** | **46.50** |

**Salary information for City of Kirkland positions can be found at https://www.kirklandwa.gov/Government/Departments/Human-Resources/Collective-Bargaining-Agreements*

### POSITION SUMMARY BY DIVISION

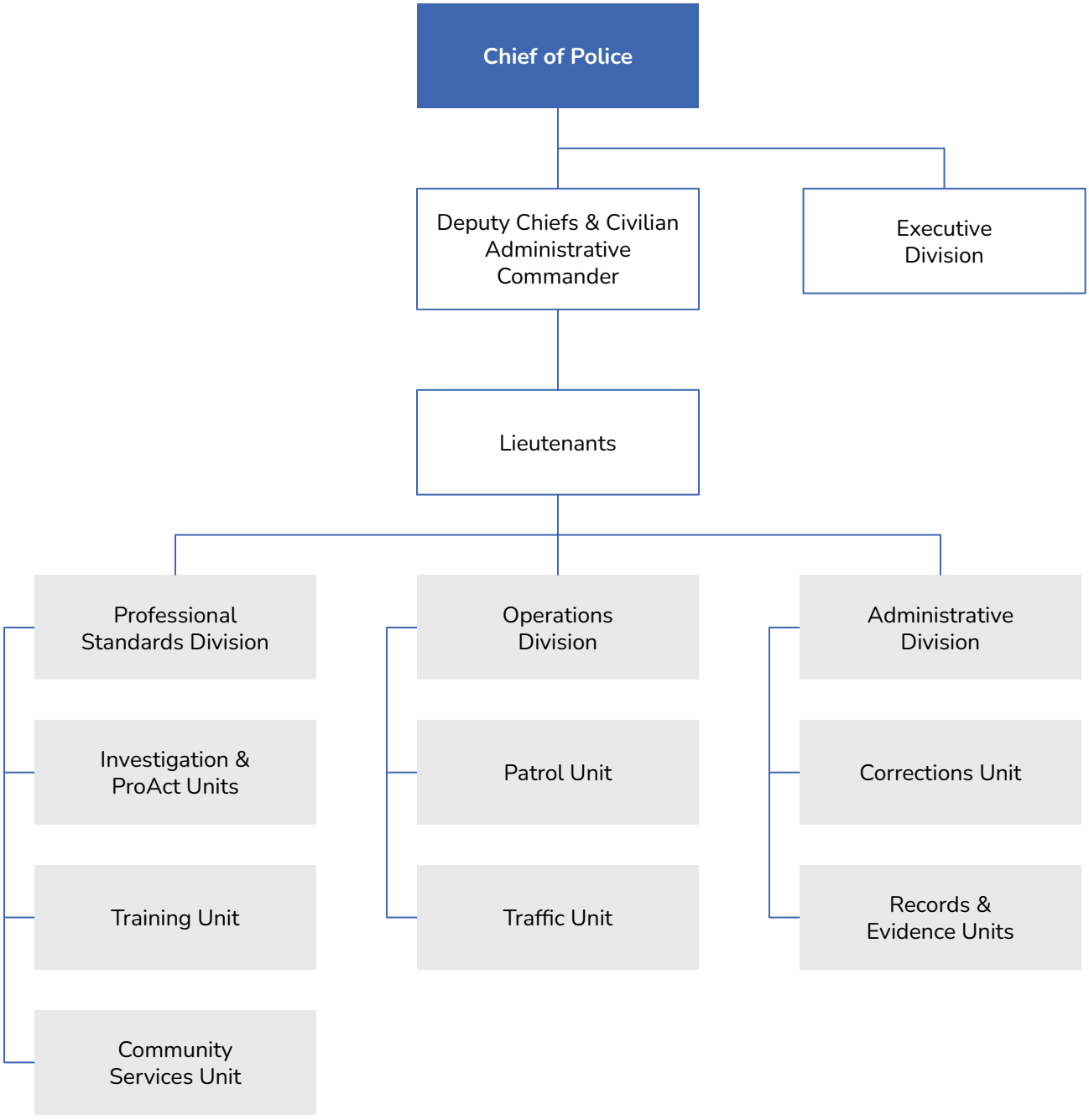
| Classification | 2025-2026 Positions | Additions/ Reductions | 2027-2028 Positions |
|---|---|---|---|
| Accounting and Payroll | 9.50 | - | 9.50 |
| Accounts Payable & Purchasing | 5.00 | - | 5.00 |
| City Clerks Office | 6.50 | - | 6.50 |
| Customer Accounts | 11.50 | - | 11.50 |
| Finance Administration | 4.00 | - | 4.00 |
| Financial Operations | 2.00 | - | 2.00 |
| Financial Planning | 8.00 | - | 8.00 |
| **TOTAL** | **46.50** | **-** | **46.50** |




# Police

**City of Kirkland 2027-2028 Preliminary Budget**

# Police


Chief of Police
Deputy Chiefs & Civilian Administrative Commander
Executive Division
Lieutenants
Professional Standards Division
Investigation & ProAct Units
Training Unit
Community Services Unit
Operations Division
Patrol Unit
Traffic Unit
Administrative Division
Corrections Unit
Records & Evidence Units

# Police

## Department Overview

### MISSION

The mission of the Kirkland Police Department is to protect and serve our community with honor, integrity and courage.

### DEPARTMENT FUNCTIONS

The **Executive Division** provides overall coordination of department activities, coordinates with other departments and agencies, prepares and assists with budgets, provides administrative support to Command Staff and Department Divisions, 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, accreditation, 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 **Evidence Unit** manages the intake, storage, security, release or disposal of all evidence, found property, and items held for safekeeping.

The **Professional Standards Division** consists of Investigations, ProAct, Family Violence, Special Response Team, Crisis Negotiations, and Training. This division is also responsible for reviewing and updating the department general orders and standard operating procedures, 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, as well as Child Protective Service and Adult Protective Service referrals. This unit is also responsible for the registration, tracking and community notifications of registered sex offenders within the City of Kirkland.

The **Pro-Act Unit** focus is on illegal drugs, car prowls, burglaries, mail theft, shoplifting, organized retail theft (ORT), and enforcing extreme risk protection orders and court-ordered gun forfeitures.

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 civilian Family/Youth Advocate and is supported by detectives. The unit conducts follow-up on domestic violence

# Police

cases, 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.

The **Community Services Unit** Consists of the Neighborhood Resource Officers and the Community Resource Officers. The Neighborhood Resource Officers serve as a liaison between the community and the police department. The Community Resource Officers are committed to community policing through our local schools in partnership with the Lake Washington School District.

The **Animal Services Unit** includes an Animal Control Officer responsible for supporting Kirkland community members by returning lost pets, providing education and enforcement for domestic animal concerns and complaints.

## Budget Highlights and Relationship to Council Goals

### COMMUNITY SAFETY

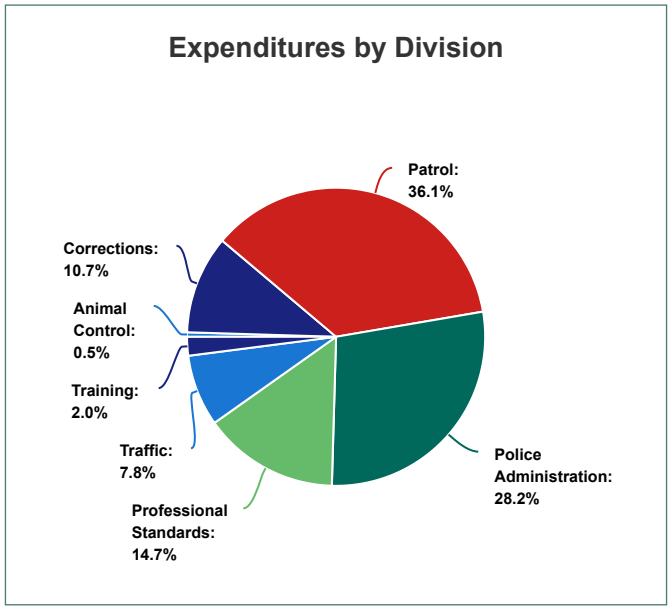
- The City is proposing to add two additional automated safety cameras in a new school zone. This aligns with the Transportation Safety Action Plan. Staff have identified several candidate locations based on crash data, speeds, and multimodal activity, with final placement to be determined through engineering study and City Council discussion, $287,851 ongoing, $5,000 one-time, offset by $828,000 in school zone camera fines. [27PD03]

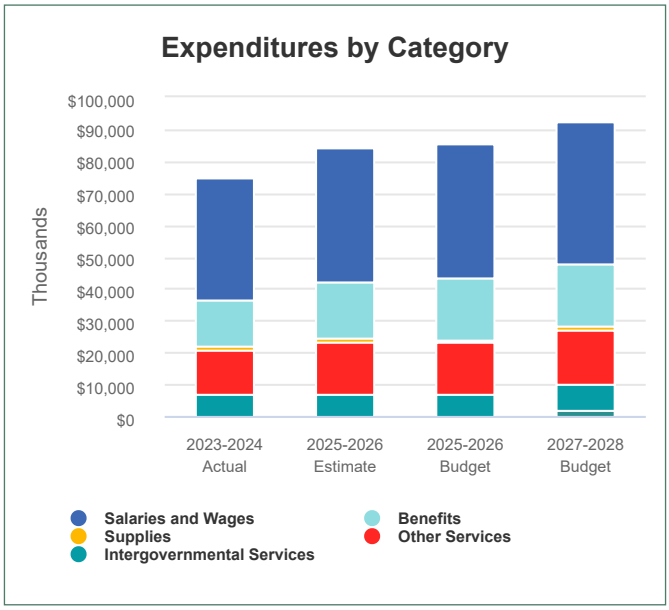
### SUPPORTIVE HUMAN SERVICES

- Continue funding the 1.0 LTE Jail Navigator, who supports Kirkland City Jail residents by connecting them with treatment, behavioral health care, housing, benefits, and other reentry resources, $298,998 one-time, offset by $46,063 in COSSUP grant funding. [27PD01]

# Police

## Financial Overview




## EXPENDITURE SUMMARY BY CATEGORY

| | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|
| Salaries and Wages | 38,547,793 | 42,637,223 | 42,238,071 | 44,373,562 | 5.06% |
| Benefits | 14,458,980 | 17,566,355 | 19,239,733 | 19,748,308 | 2.64% |
| Supplies | 1,191,654 | 946,609 | 976,418 | 901,834 | (7.64%) |
| Other Services | 14,193,903 | 16,356,225 | 15,996,585 | 17,323,224 | 8.29% |
| Intergovernmental Services | 6,592,247 | 6,936,254 | 6,897,505 | 7,878,086 | 14.22% |
| Capital Outlay | - | 84,842 | - | - | |
| Interfund Transfers[1] | 170,206 | 57,083 | 99,114 | 2,123,070 | 2042.05% |
| **TOTAL** | **75,154,782** | **84,584,590** | **85,447,426** | **92,348,084** | **8.08%** |

[1] This represents a consolidation of transfer expenses related to the School Zone Safety Cameras and not necessarily new costs.

## EXPENDITURE SUMMARY BY DIVISION

| | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|
| Animal Control | 328,821 | 333,300 | 438,073 | 450,902 | 2.93% |
| Corrections | 8,348,241 | 9,384,540 | 9,721,291 | 9,859,176 | 1.42% |
| Patrol | 28,167,543 | 32,859,727 | 31,524,102 | 33,377,999 | 5.88% |
| Police Administration | 21,365,737 | 23,959,660 | 23,936,337 | 26,005,794 | 8.65% |
| Professional Standards | 11,521,412 | 12,017,741 | 13,173,398 | 13,603,000 | 3.26% |
| Traffic | 3,908,964 | 4,350,131 | 5,130,010 | 7,166,041 | 39.69% |
| Training | 1,514,065 | 1,679,491 | 1,524,215 | 1,885,172 | 23.68% |
| **TOTAL** | **75,154,782** | **84,584,590** | **85,447,426** | **92,348,084** | **8.08%** |

# Police

## 2027-2028 Position Summary

### POSITION SUMMARY BY CLASSIFICATION

| Classification | 2025-2026 Positions | Additions/ Reductions | 2027-2028 Positions |
|---|---|---|---|
| CHIEF OF POLICE | 1.00 | - | 1.00 |
| DEPUTY CHIEF OF PROFESSIONAL STANDARDS | 1.00 | - | 1.00 |
| DEPUTY CHIEF OF OPERATIONS | 1.00 | - | 1.00 |
| CIVILIAN ADMINISTRATIVE COMMANDER | 1.00 | - | 1.00 |
| OPERATIONS LIEUTENANT | 3.00 | - | 3.00 |
| ADMINISTRATIVE LIEUTENANT | 1.00 | - | 1.00 |
| INVESTIGATIONS LIEUTENANT | 1.00 | - | 1.00 |
| RISK MANAGEMENT LIEUTENANT | 1.00 | - | 1.00 |
| CORRECTIONS MANAGER | 1.00 | - | 1.00 |
| DETECTIVE SERGEANT | 1.00 | - | 1.00 |
| TRAFFIC SERGEANT | 1.00 | - | 1.00 |
| PROACT SERGEANT | 1.00 | - | 1.00 |
| CSU SERGEANT | 1.00 | - | 1.00 |
| TRAINING SERGEANT | 1.00 | - | 1.00 |
| PATROL SERGEANT | 6.00 | - | 6.00 |
| DETECTIVE CORPORAL | 2.00 | - | 2.00 |
| TRAFFIC CORPORAL | 1.00 | - | 1.00 |
| PRO-ACT CORPORAL | 1.00 | - | 1.00 |
| CSU CORPORAL | 1.00 | - | 1.00 |
| PATROL CORPORAL | 9.00 | - | 9.00 |
| DETECTIVE | 9.00 | - | 9.00 |
| FAMILY VIOLENCE OFFICER | 2.00 | - | 2.00 |
| TRAFFIC OFFICER | 5.00 | - | 5.00 |
| K-9 OFFICER | 1.00 | - | 1.00 |
| PRO-ACT DETECTIVE | 4.00 | - | 4.00 |
| NRO OFFICER | 3.00 | - | 3.00 |
| CRO OFFICER | 3.00 | - | 3.00 |
| TRAINING OFFICER | 1.00 | - | 1.00 |
| LE REFORM TRAINING OFFICER | 1.00 | - | 1.00 |
| PATROL OFFICER OVERHIRE | 6.00 | - | 6.00 |
| PATROL OFFICER | 45.00 | - | 45.00 |
| PATROL OFFICER - PROP 1 | 1.00 | - | 1.00 |
| PSA SUPERVISOR | 1.00 | - | 1.00 |
| ADMINISTRATIVE SUPERVISOR | 1.00 | - | 1.00 |
| CORRECTIONS SERGEANT | 2.00 | - | 2.00 |
| POLICE ANALYST | 1.00 | - | 1.00 |
| POLICE ANALYST - PROP 1 | 1.00 | - | 1.00 |

# Police

## 2027-2028 Position Summary

### POSITION SUMMARY BY CLASSIFICATION (CONTINUED)

| Classification | 2025-2026 Positions | Additions/ Reductions | 2027-2028 Positions |
|---|---|---|---|
| CORRECTIONS CORPORAL | 4.00 | - | 4.00 |
| DOMESTIC VIOLENCE ADVOCATE | 1.00 | - | 1.00 |
| QUARTERMASTER | 1.00 | - | 1.00 |
| POLICE PUBLIC DISC ANALYST | 1.00 | - | 1.00 |
| POLICE DISCLOSURE ANALYST BWC | 1.00 | - | 1.00 |
| PD ADMINISTRATIVE ASSISTANT | 1.00 | - | 1.00 |
| ANIMAL CONTROL OFFICER | 1.00 | - | 1.00 |
| CORRECTIONS OFFICER | 13.00 | - | 13.00 |
| EVIDENCE TECHNICIAN | 3.00 | - | 3.00 |
| POLICE SUPPORT ASSOCIATE LEAD | 1.00 | - | 1.00 |
| PARKING ENFORCEMENT OFFICER 2 | 1.00 | - | 1.00 |
| POLICE SUPPORT ASSOCIATE | 6.00 | - | 6.00 |
| CORRECTIONS ADMIN SUPPORT ASSOCIATE | 1.00 | - | 1.00 |
| ADMIN SUPPORT ASSOCIATE | 1.00 | - | 1.00 |
| POLICE PROGRAMS SPECIALIST | 1.00 | - | 1.00 |
| PARKING ENFORCEMENT OFFICER | 2.00 | - | 2.00 |
| COURT SECURITY OFFICER | 1.00 | - | 1.00 |
| **TOTAL** | **163.00** | **-** | **163.00** |

**Salary information for City of Kirkland positions can be found at https://www.kirklandwa.gov/Government/Departments/Human-Resources/Collective-Bargaining-Agreements*

### POSITION SUMMARY BY DIVISION

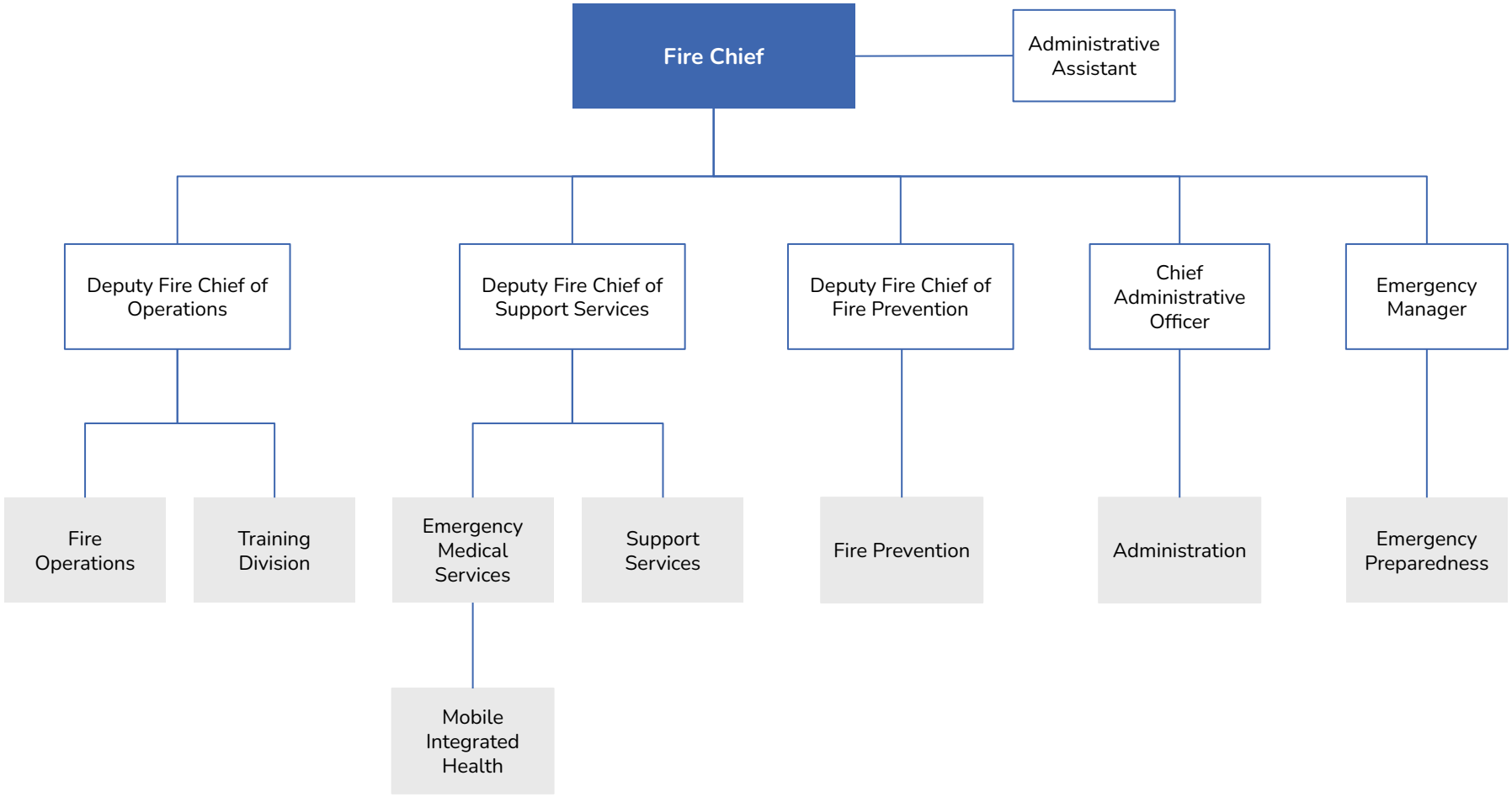
| Classification | 2025-2026 Positions | Additions/ Reductions | 2027-2028 Positions |
|---|---|---|---|
| Animal Control | 1.00 | - | 1.00 |
| Corrections | 20.00 | - | 20.00 |
| Patrol | 71.00 | - | 71.00 |
| Police Administration | 33.00 | - | 33.00 |
| Professional Standards | 26.00 | - | 26.00 |
| Traffic | 9.00 | - | 9.00 |
| Training | 3.00 | - | 3.00 |
| **TOTAL** | **163.00** | **-** | **163.00** |



# Fire

**City of Kirkland 2027-2028 Preliminary Budget**

# Fire


Fire Chief
Administrative Assistant
Deputy Fire Chief of Operations
Deputy Fire Chief of Support Services
Deputy Fire Chief of Fire Prevention
Chief Administrative Officer
Emergency Manager
Fire Operations
Training Division
Emergency Medical Services
Support Services
Fire Prevention
Administration
Emergency Preparedness
Mobile Integrated Health

# Fire

## Department Overview

### 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 divisions within the department. Responsibilities include establishing department priorities; communicating organizational goals and values; administering department policies; developing and monitoring the financial, organizational, and developmental aspects of the department; project management, records management, technology, asset management and human resources activities.

**Support Services** provide coordination and supervision to the Emergency Medical Services Captain and the Mobile Integrated Health team. Support Services also oversees facilities and fleet for the department, strategic planning, standards of cover, KCEMS liaison, recruitment and promotions.

**Community Risk Reduction** is provided by the Fire Prevention Division 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. Prevention staff is able to provide technical assistance to community members 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** respond to emergencies resulting from fires, medical emergencies, disaster, hazardous materials incidents, technical rescues, 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/or injury (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 and ensures the department meets legally mandated training requirements. 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.

# Fire

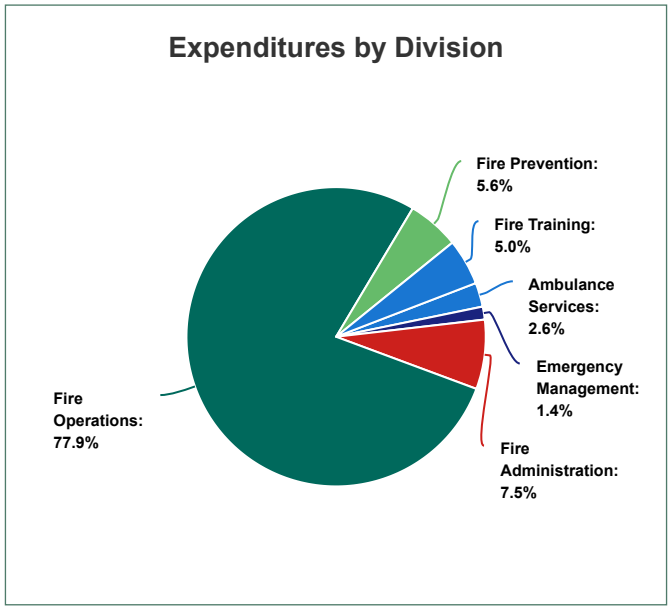
**Budget Highlights and Relationship to Council Goals**

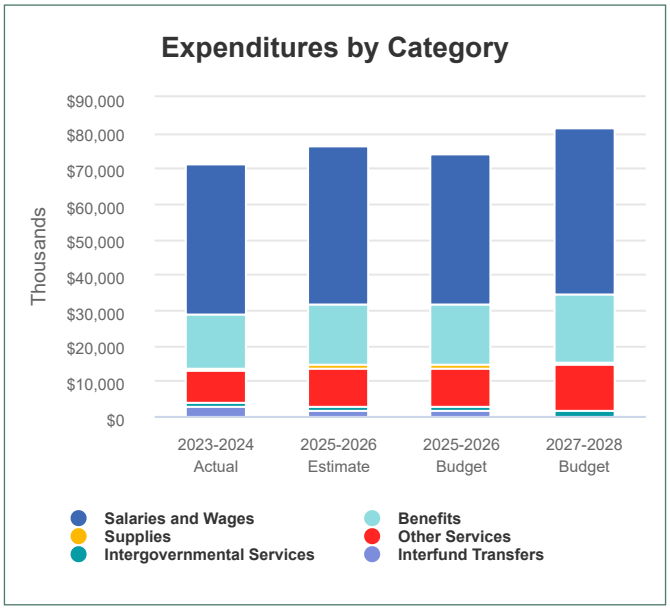
**COMMUNITY SAFETY**

- Modernization of the Kirkland Fire Department's key system by implementing the Knox eKey electronic access platform. This includes installing eKeys, KeySecure and KeyDefender devices, and eCore hardware across all stations and emergency vehicles replacing outdated mechanical keys with cost estimates at $5,600 ongoing, $94,300 one-time. [27FD01]
- Replace existing Fire Department systems and manual workflows with integrated technology to support pre-incident planning, inspection activities, and fire investigations, $35,400 ongoing, $4,300 one-time and $19,600 in expenditure savings by sunsetting existing software. [27FD02]
- Funding to support maintenance of the unique technologies that support Fire response operations and the health and wellness of responders. Failure to maintain its locution alerting and audio visual systems reduces the ability to respond quickly and effectively to 911 dispatches. Failures of the Nederman exhaust system expose our staff to unhealthy and carcinogenic particulates and undermine the work done to design our recently remodeled stations with "health-in health-out" standards. These maintenance costs are currently not part of the facility fees that the department currently pays, $34,000 ongoing. [27FD03]
- Maintain staffing of the Office of Emergency Management (OEM) at current levels by funding the OEM Office Specialist 1.0 LTE position. This position is critical for maintaining the operational readiness of the EOC, the OEM SharePoint and public Webpage, and the care and sustainment of the City's disaster, mass care, and public outreach supply inventory, $223,830 one-time. [27FD04]
- Funding for a fire strategic plan which is a long-range roadmap that a fire department uses to guide its services, investments, staffing, and community programs over several years. It lays out where the department is today, where it needs to go, and how it will get there, $200,000 one-time. [27FD06]
- Enable radio-frequency identification (RFID) capabilities in Fire Asset/Inventory control software to ensure accurate and consistent tracking of hard assets and consumable resources, $16,530 one-time, $5,100 ongoing. [27FD05]

# Fire

## Financial Overview




## EXPENDITURE SUMMARY BY CATEGORY

| | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|
| Salaries and Wages | 42,529,406 | 44,795,625 | 42,697,664 | 47,002,245 | 10.08% |
| Benefits | 15,238,016 | 17,165,854 | 16,822,492 | 19,251,671 | 14.44% |
| Supplies | 714,735 | 911,543 | 999,203 | 924,780 | (7.45%) |
| Other Services | 8,938,347 | 10,768,692 | 11,050,655 | 12,908,596 | 16.81% |
| Intergovernmental Services | 1,251,321 | 1,343,739 | 1,312,197 | 1,578,424 | 20.29% |
| Interfund Transfers | 2,900,473 | 1,513,220 | 1,492,809 | - | (100.00%) |
| **TOTAL** | **71,572,297** | **76,498,674** | **74,375,020** | **81,665,716** | **9.80%** |

## EXPENDITURE SUMMARY BY DIVISION[(1)]

| | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|
| Ambulance Services | 1,130,694 | 1,932,090 | 1,912,843 | 2,127,520 | 11.22% |
| Emergency Management | 987,940 | 1,039,459 | 1,108,633 | 1,159,584 | 4.60% |
| Fire Administration | 4,997,220 | 5,546,991 | 5,679,987 | 6,138,235 | 8.07% |
| Fire Operations | 57,810,954 | 61,297,805 | 58,278,036 | 63,606,084 | 9.14% |
| Fire Prevention | 3,362,980 | 3,249,524 | 3,955,359 | 4,584,823 | 15.91% |
| Fire Training | 3,282,510 | 3,432,804 | 3,440,162 | 4,049,470 | 17.71% |
| **TOTAL** | **71,572,297** | **76,498,674** | **74,375,020** | **81,665,716** | **9.80%** |

# 2027-2028 Position Summary

## POSITION SUMMARY BY CLASSIFICATION

| Classification | 2025-2026 Positions | Additions/ Reductions | 2027-2028 Positions |
|---|---|---|---|
| FIRE CHIEF | 1.00 | - | 1.00 |
| DEPUTY FIRE CHIEF - FIRE OPERATIONS | 1.00 | - | 1.00 |
| DEPUTY FIRE CHIEF - SUPPORT SERVICES | 1.00 | - | 1.00 |
| DEPUTY FIRE CHIEF - FIRE PREVENTION | 1.00 | - | 1.00 |
| CHIEF ADMINISTRATIVE OFFICER | 1.00 | - | 1.00 |
| BATTALION CHIEF | 4.00 | - | 4.00 |
| FIRE CAPTAIN-TRAINING | 1.00 | - | 1.00 |
| FIRE CAPTAIN-EMS | 1.00 | - | 1.00 |
| ASSISTANT FIRE MARSHAL - ROTATIONAL | 1.00 | - | 1.00 |
| ASSISTANT FIRE MARSHAL - ANCHOR | 1.00 | - | 1.00 |
| FIRE CAPTAIN | 11.00 | - | 11.00 |
| EMERGENCY MANAGER | 1.00 | - | 1.00 |
| FIRE INSPECTOR | 4.00 | - | 4.00 |
| FIRE LIEUTENANT TRAINING | 1.00 | - | 1.00 |
| FIREFIGHTER - MIH | 2.00 | - | 2.00 |
| FIRE LIEUTENANT | 10.00 | - | 10.00 |
| FIRE BUSINESS OPERATIONS SUPERVISOR | 1.00 | - | 1.00 |
| CLINICAL SOCIAL WORK COORDINATOR | 1.00 | - | 1.00 |
| FIREFIGHTER | 94.00 | - | 94.00 |
| CASEWORKER I | 1.00 | - | 1.00 |
| EMERGENCY PREP COORDINATOR | 1.00 | - | 1.00 |
| ADMINISTRATIVE ASSISTANT | 1.00 | - | 1.00 |
| TRAINING DIVISION ADMINISTRATIVE ASSISTANT | 1.00 | - | 1.00 |
| PERMIT TECHNICIAN | 1.00 | - | 1.00 |
| OFFICE SPECIALIST | 1.00 | - | 1.00 |
| **TOTAL** | **144.00** | **-** | **144.00** |

**Salary information for City of Kirkland positions can be found at https://www.kirklandwa.gov/Government/Departments/Human-Resources/Collective-Bargaining-Agreements*

## POSITION SUMMARY BY DIVISION

| Classification | 2025-2026 Positions | Additions/ Reductions | 2027-2028 Positions |
|---|---|---|---|
| Ambulance Services | 4.00 | - | 4.00 |
| Emergency Management | 2.00 | - | 2.00 |
| Fire Administration | 8.00 | - | 8.00 |
| Fire Operations | 118.00 | - | 118.00 |
| Fire Prevention | 8.00 | - | 8.00 |
| Fire Training | 4.00 | - | 4.00 |
| **TOTAL** | **144.00** | **-** | **144.00** |




# Street Operating Fund

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.

**City of Kirkland 2027-2028 Preliminary Budget**



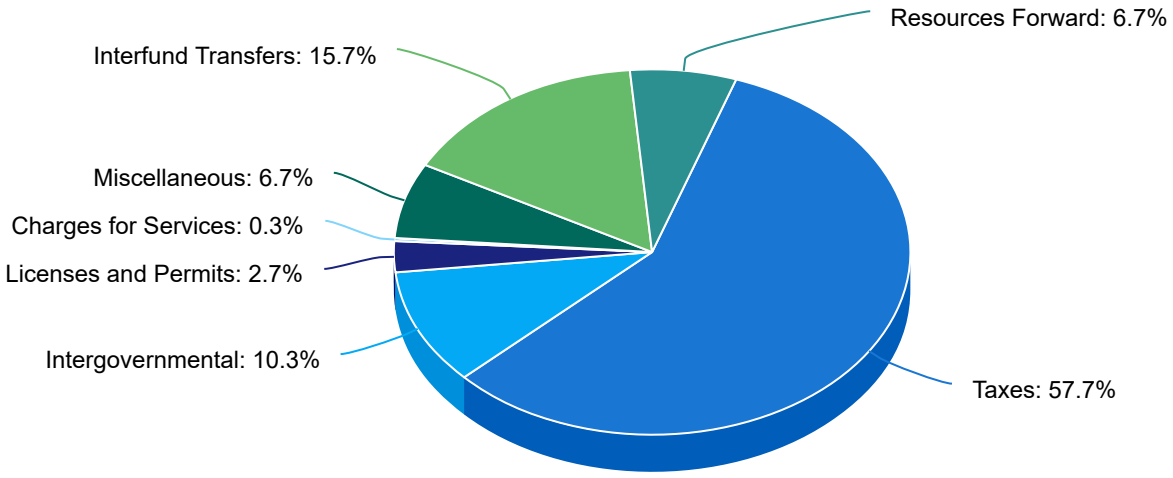
# Street Operating Revenue Summary

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.

**City of Kirkland 2027-2028 Preliminary Budget**

## Street Operating Revenue Summary

$35,469,320




Taxes comprise 57.6 percent of all Street Operating Fund revenues. They include Property Tax, Kirkland Transportation Benefit District Vehicle License Fees, and a new pass-through portion of the King County Transportation Benefit District (TBD) 0.1 percent countywide sales tax. The sales tax was adopted by the King County Council in June 2026 and will go into effect January 1, 2027. Kirkland City Council took no action to impose it, and 12.5 percent of the new tax revenue is distributed to cities by the County based on population.

Intergovernmental Revenues, at 10.3 percent, are the next largest source. They include Multimodal Transportation and Motor Vehicle Fuel Tax (MVFT, or gas tax). License and Permits make up 2.7 percent of total revenues and consist of Street Cut Permit revenues. Charges for Services comprise 0.3 percent of total revenues and includes street sign fees.

Resources forward represents the beginning fund balance and is composed primarily of an unreserved working capital and reserves. Resources forward, reserves, and transfers from the General Fund are used to fund one-time service packages.

## STREET OPERATING FUND REVENUES

| | Object | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|---|
| **Taxes** | | | | | | |
| Prop Tax | 311101 | 7,281,687 | 7,666,210 | 7,664,728 | 8,036,217 | 4.85% |
| Prop Tax 12 Road | 311105 | 7,867,575 | 8,247,532 | 8,268,444 | 8,666,291 | 4.81% |
| Rtl Sales Use Tax | 313111 | - | - | - | 1,038,000 | |
| Rev Gen Reg License | 316101 | 1,540,000 | - | - | - | |
| TBD Vehicle Fees | 317600 | 1,313,186 | 2,775,752 | 2,582,766 | 2,722,018 | 5.39% |
| **Total for Taxes** | | **18,002,448** | **18,689,494** | **18,515,938** | **20,462,526** | **10.51%** |
| **License and Permits** | | | | | | |
| Street Cut Permit | 322404 | 911,097 | 1,195,462 | 780,000 | 970,000 | 24.36% |
| **Total for License and Permits** | | **911,097** | **1,195,462** | **780,000** | **970,000** | **24.36%** |
| **Intergovernmental Revenue** | | | | | | |
| Multimodal Transportation | 336007 | 245,748 | 245,264 | 245,644 | 245,172 | (0.19%) |
| MVFT-City Street | 336008 | 3,454,039 | 3,487,246 | 3,516,376 | 3,390,898 | (3.57%) |
| **Total for Intergovernmental Revenue** | | **3,699,787** | **3,732,510** | **3,762,020** | **3,636,070** | **(3.35%)** |
| **Charges for Goods and Services** | | | | | | |
| Other*General Government Svcs | 341901 | 2,860 | - | - | - | |
| Interfund-Gen | 341963 | 158,424 | 94,032 | 70,000 | 70,000 | -% |
| Gen Government Srvcs | 341971 | 1,510 | 6,599 | - | - | |
| Street Sign Fee | 344121 | 26,677 | 31,136 | 26,000 | 29,000 | 11.54% |
| Interfund Personnel Services | 349160 | 2,740 | - | - | - | |
| **Total for Charges for Goods and Services** | | **192,211** | **131,767** | **96,000** | **99,000** | **3.13%** |
| **Miscellaneous Revenues** | | | | | | |
| Investment Interest | 361111 | 53,540 | 172,656 | - | 101,424 | |
| Parking Meters | 362301 | 751,719 | 792,547 | 740,000 | 2,227,278 | 200.98% |
| Temporary Parking Permit | 362304 | 2,007 | 2,452 | - | - | |
| Facility Leases Garage | 362501 | 37,946 | 40,532 | 38,000 | 39,000 | 2.63% |
| Facility Leases Other | 362502 | 4,257 | 850 | - | - | |
| Contribution Donation | 367000 | 9,300 | 6,200 | 3,338 | - | (100.00%) |
| Other Judgements | 369401 | 11,822 | 16,140 | 7,212 | - | (100.00%) |
| Other Misc Rev | 369910 | 2,142 | 98,334 | 113,888 | - | (100.00%) |
| **Total for Miscellaneous Revenues** | | **872,733** | **1,129,711** | **902,438** | **2,367,702** | **162.37%** |

## STREET OPERATING FUND REVENUES (CONTINUED)

| | Object | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|---|
| **Other Financing Sources** | | | | | | |
| Operating Transfers In | 397101 | 3,396,472 | 7,027,327 | 6,850,170 | 5,574,876 | (18.62%) |
| Insurance Rec Gen Government | 398001 | 4,989 | (6,704) | - | - | |
| Resources Forward | 399991 | 1,577,054 | 794,231 | 794,231 | 2,359,146 | 197.04% |
| **Total for Other Financing Sources** | | **4,978,515** | **7,814,854** | **7,644,401** | **7,934,022** | **3.79%** |
| | | | | | | |
| **Fund Total** | | **28,656,790** | **32,693,798** | **31,700,797** | **35,469,320** | **11.89%** |

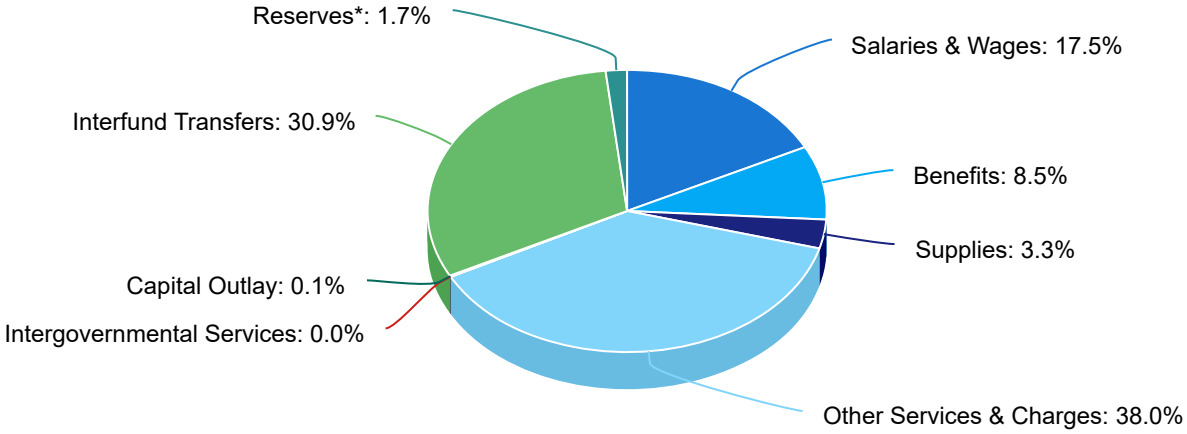



# Street Operating Expenditure Summary

**City of Kirkland 2027-2028 Preliminary Budget**

## Street Operating Expenditure Summary

2027-2028 Budget by Category




Interfund Transfers comprise 30.9 percent of the Street Operating Fund budget. This is primarily revenue from the 2012 Street Levy, which is receipted into the Street Fund, being transferred to the Transportation Capital Fund to support CIP street preservation work. Other Services & Charges is the next largest category comprising mostly of contracted direct 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).

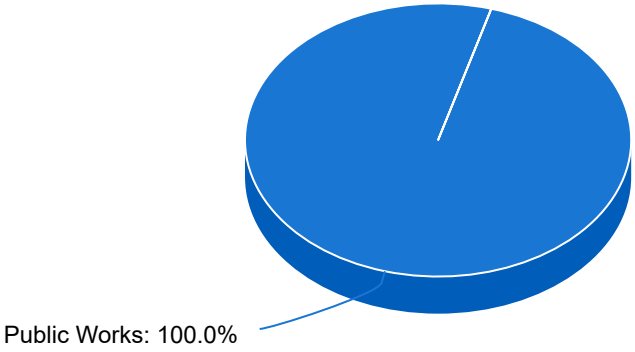
- Personnel costs (salaries and benefits) are a combination of cost increases for two years.
- Supplies and Services include costs for upcoming staff training and other uses.
- Reserves include surplus revenue set aside for the operating reserve and restricted funding including Transportation Benefit District vehicle license fee.

### ANALYSIS OF CHANGE

| Category | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|
| Salaries & Wages | 4,510,633 | 5,175,910 | 5,556,153 | 6,213,479 | 11.83% |
| Benefits | 2,327,144 | 2,522,967 | 2,745,375 | 2,997,780 | 9.19% |
| Supplies | 1,062,532 | 1,581,955 | 1,757,388 | 1,176,000 | (33.08%) |
| Other Services & Charges | 10,304,914 | 11,366,218 | 11,447,337 | 13,474,674 | 17.71% |
| Intergovernmental Services | 5,652 | 2,575 | 3,200 | 5,000 | 56.25% |
| Capital Outlay | 50,385 | 195,178 | 233,592 | 44,000 | (81.16%) |
| Interfund Transfers | 9,610,384 | 9,024,817 | 9,051,550 | 10,946,202 | 20.93% |
| Reserves | 1,113,313 | 2,359,146 | 906,202 | 612,185 | (32.44%) |
| **Category Total** | **28,984,955** | **32,228,766** | **31,700,797** | **35,469,320** | **11.89%** |

## Street Fund Expenditure Summary

2027-2028 Budget by Department




Public Works is the only department operating within the Street Operating Fund. Public Works 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. The Public Works budget only consists of the Street Operating division responsible for maintenance, operation, and minor construction of roadways, sidewalks, pathways, traffic signs and signals, and roadsides.

## ANALYSIS OF CHANGE

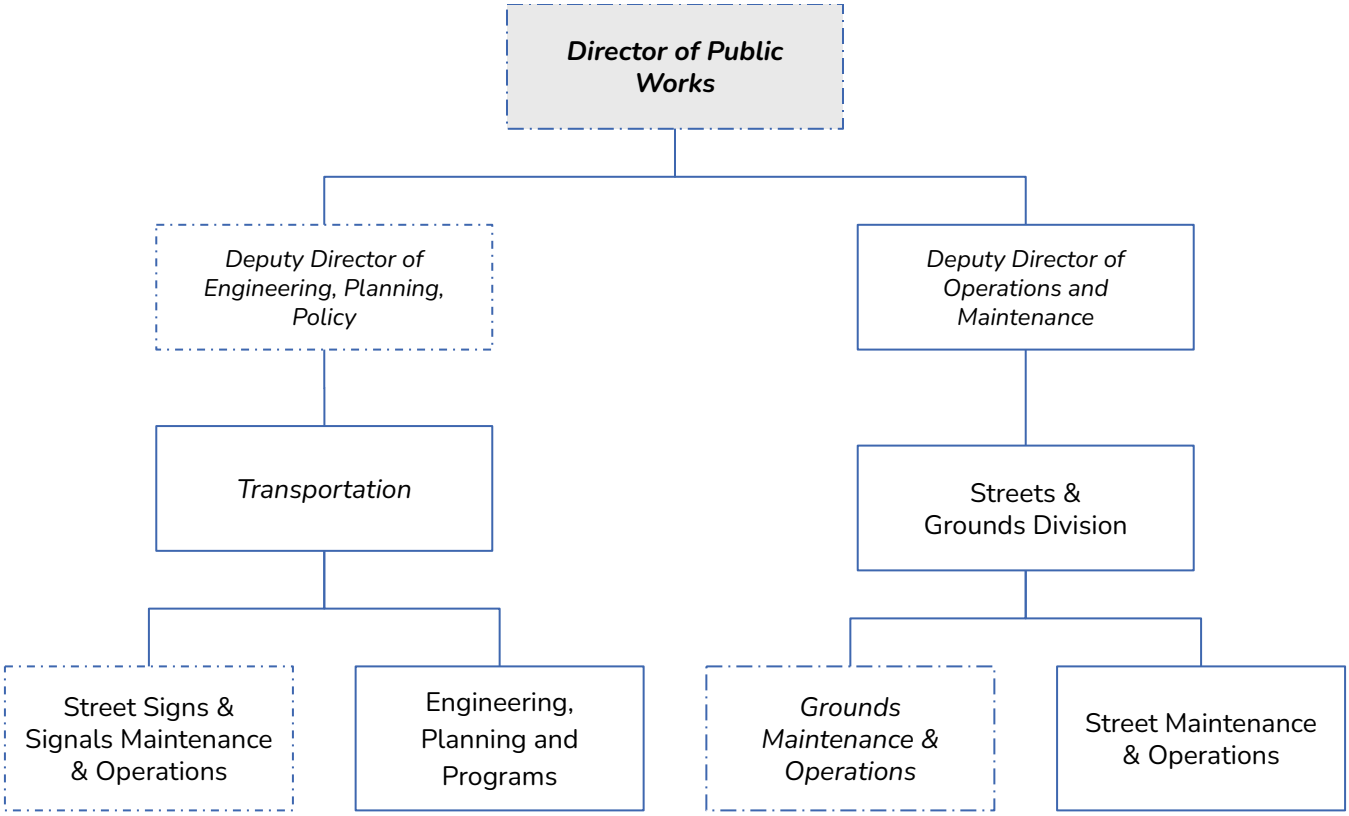
| Department | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|
| Public Works | 28,984,955 | 32,228,766 | 31,700,797 | 35,469,320 | 11.89% |
| **Department Total** | **28,984,955** | **32,228,766** | **31,700,797** | **35,469,320** | **11.89%** |




# Public Works

**City of Kirkland 2027-2028 Preliminary Budget**

# Public Works




*Boxes with a dashed outline and italic text indicate positions and/or functions which report to this department but which are budgeted in a separate department and/or operating fund.*

# Public Works

## Department Overview

### MISSION

The Street Operating Fund is responsible for the maintenance, operation, and minor construction of roadways, sidewalks, pathways, traffic signs and signals, and roadsides.

**DIVISION FUNCTIONS**

The Street Maintenance Division within the Public Works Streets and Grounds Division, in cooperation with the Signal and Sign Maintenance Division within the Public Works Transportation Division, administers and maintains approximately 660 lane miles of streets with 255 centerline miles, nearly 270 miles of sidewalks, 5¾ miles of Cross Kirkland Corridor, 69 traffic signals, over 30 school beacons, approximately 30 radar signs, nearly 80 rapid flashing beacons at crosswalks, about 1,650 street lights, and approximately 17,000 street signs. The Streets and Grounds Division is also responsible for street sweeping, mowing of public rights-of-way, minor construction and repairs that are not included in the Capital Improvement Program, and provides maintenance of over 6 acres of City medians and gateways, 14 acres of Public Building grounds, and approximately 50,000 street/right-of-way trees.

**BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS**

**BALANCED TRANSPORTATION**

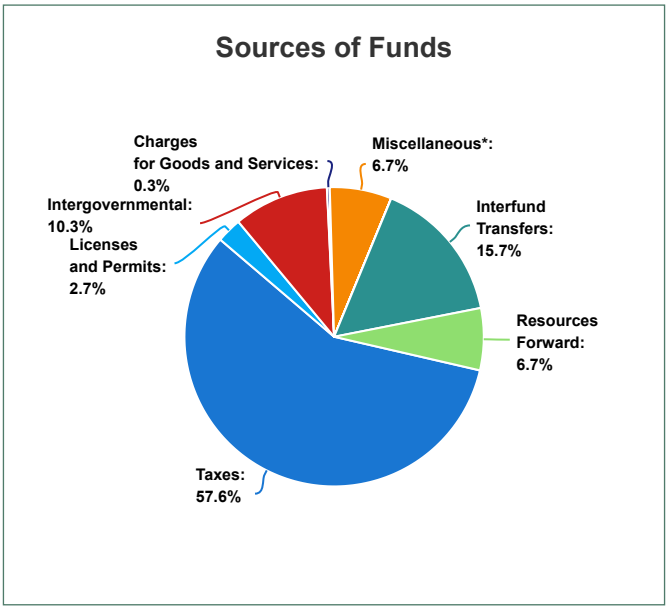
- Fund a 1.0 LTE Utility Craftsperson in the Sign Shop to maintain service levels as sign inventory grows from recent transportation projects. The position will also support the Council-directed Speed Reduction Implementation Project, upcoming parking signage changes and Station Area signage, and will help reduce the preventive maintenance backlog, $264,831 one-time. [27ST01]
- Fund implementation of the Council-directed Parking Study in two phases. In 2027, raise Lakeshore and Lake St. parking rates from $1 to $2 per hour, extend paid parking to Sundays, start summer paid parking at the Houghton Beach and Juanita Beach lots, and install counters and dynamic signage in the Municipal Garage. In 2028, conduct outreach on establishing on-street parking fees, $229,000 ongoing, $557,700 one-time, offset by $1,467,278 in new parking revenue and $193,980 of off-street parking reserves. Net revenue from increases to existing parking areas will support the Street Operating Fund and net revenue from summer parking in the two park lots will contribute to support the Kraken Iceplex and Kirkland Community Center (KIKCC). [27ST06]

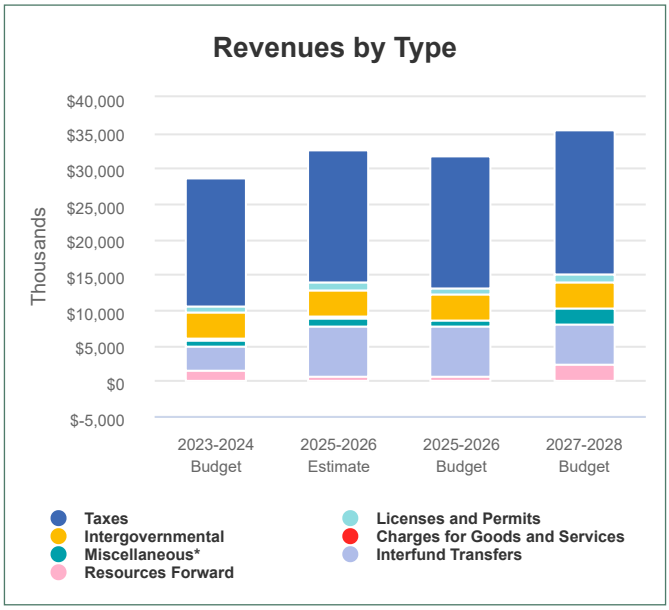
**DEPENDABLE INFRASTRUCTURE**

- Increase the one-time LTE hours for the Public Works Maintenance Center (PWMC) Office Specialist from 0.25 to 0.50 through the 2027-2028 biennium, bringing the position from its ongoing 0.50 FTE to a full 1.0. A 0.25 LTE has supplemented the position since 2023, and the additional hours address rising Fleet and Facilities invoice volume and provide backup support for the Maintenance Center, $127,036 one-time. [27ST03]
- Fund Street Improvement CIP projects totaling $12.8 million in 2027-2028, including the Annual Street Preservation Program, and the NE 132nd Street Preservation project.

# Public Works

## Financial Overview



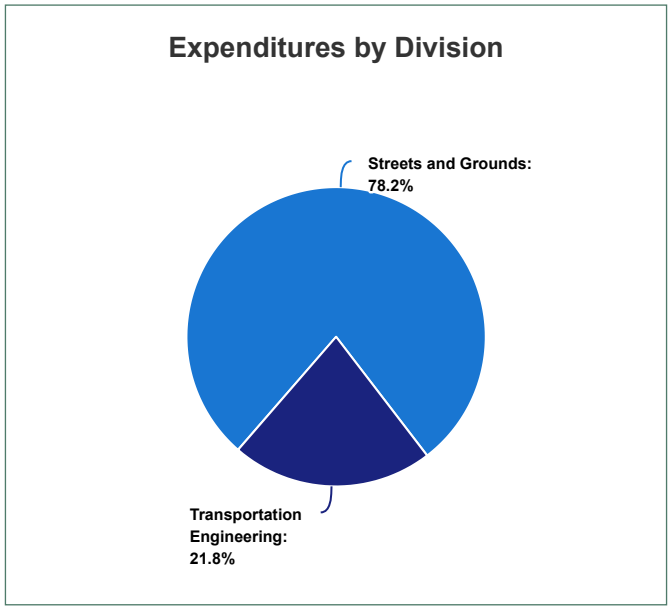

## REVENUE SUMMARY BY TYPE

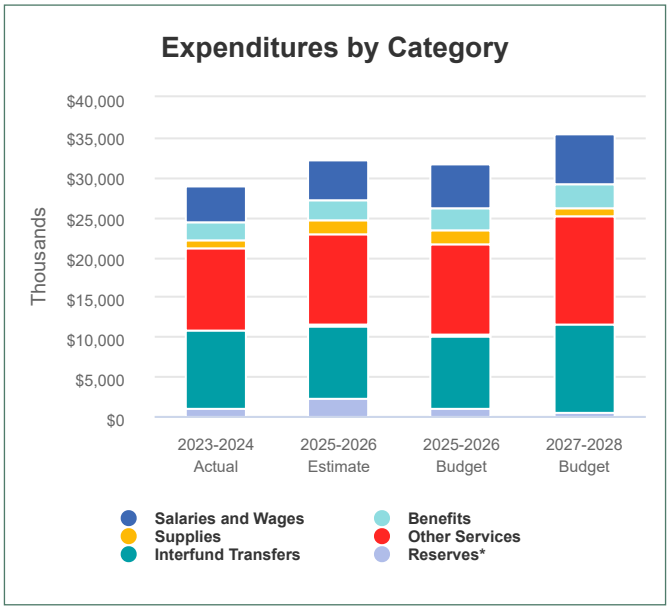
| | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|
| Taxes | 18,002,448 | 18,689,494 | 18,515,938 | 20,462,526 | 10.51% |
| Licenses and Permits | 911,097 | 1,195,462 | 780,000 | 970,000 | 24.36% |
| Intergovernmental | 3,699,787 | 3,732,510 | 3,762,020 | 3,636,070 | (3.35%) |
| Charges for Goods and Services | 192,211 | 131,767 | 96,000 | 99,000 | 3.13% |
| Miscellaneous* | 872,733 | 1,129,711 | 902,438 | 2,367,702 | 162.37% |
| Other Revenue | 4,989 | (6,704) | - | - | |
| Interfund Transfers | 3,396,472 | 7,027,327 | 6,850,170 | 5,574,876 | (18.62%) |
| Resources Forward | 1,577,054 | 794,231 | 794,231 | 2,359,146 | 197.04% |
| **TOTAL** | **28,656,790** | **32,693,798** | **31,700,797** | **35,469,320** | **11.89%** |

* Miscellaneous includes parking revenues which increase from $1/hour to $2/hour in the 2027-2028 budget, and include new paid parking areas at Houghton Beach and Juanita Beach parks during the summer.

# Public Works

## Financial Overview




## EXPENDITURE SUMMARY BY CATEGORY

| | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|
| Salaries and Wages | 4,510,633 | 5,175,910 | 5,556,153 | 6,213,479 | 11.83% |
| Benefits | 2,327,144 | 2,522,967 | 2,745,375 | 2,997,780 | 9.19% |
| Supplies | 1,062,532 | 1,581,955 | 1,757,388 | 1,176,000 | (33.08%) |
| Other Services | 10,304,914 | 11,366,218 | 11,447,337 | 13,474,674 | 17.71% |
| Intergovernmental Services | 5,652 | 2,575 | 3,200 | 5,000 | 56.25% |
| Capital Outlay | 50,385 | 195,178 | 233,592 | 44,000 | (81.16%) |
| Interfund Transfers | 9,610,384 | 9,024,817 | 9,051,550 | 10,946,202 | 20.93% |
| Reserves* | 1,113,313 | 2,359,146 | 906,202 | 612,185 | (32.44%) |
| **TOTAL** | **28,984,955** | **32,228,766** | **31,700,797** | **35,469,320** | **11.89%** |

## EXPENDITURE SUMMARY BY DIVISION

| | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|
| Streets and Grounds | 24,650,853 | 27,969,413 | 28,115,535 | 27,754,054 | (1.29%) |
| Transportation Engineering | 4,334,102 | 4,259,353 | 3,585,262 | 7,715,266 | 115.19% |
| **TOTAL** | **28,984,955** | **32,228,766** | **31,700,797** | **35,469,320** | **11.89%** |

* 2023-2024 Actual and 2025-2026 Estimate reserves are budgeted, but not spent

# Public Works

## 2027-2028 Position Summary

### POSITION SUMMARY BY CLASSIFICATION

| Classification | 2025-2026 Positions | Additions/ Reductions | 2027-2028 Positions |
|---|---|---|---|
| PUBLIC WORKS DEPUTY DIRECTOR OF OPERATIONS | 0.10 | - | 0.10 |
| STREETS AND GROUNDS MANAGER | 0.95 | - | 0.95 |
| TRANS OP MAINT SUPERVISOR | 1.00 | - | 1.00 |
| STREETS AND GROUNDS SUPERVISOR | 1.00 | - | 1.00 |
| MANAGEMENT ANALYST | 0.30 | - | 0.30 |
| TRAFFIC SIGNAL TECHNICIAN III | 1.00 | - | 1.00 |
| LEADPERSON | 1.60 | - | 1.60 |
| TRAFFIC SIGNAL TECHNICIAN II | 2.00 | - | 2.00 |
| CONTRACT AND PURCHASING SPECIALIST | 0.20 | - | 0.20 |
| SENIOR CRAFTSPERSON | 2.00 | - | 2.00 |
| SENIOR MAINTENANCE | 6.70 | - | 6.70 |
| SENIOR MAINTENANCE WORKER | 0.90 | - | 0.90 |
| YARD MAINT/INV CONTROL | 0.25 | - | 0.25 |
| SENIOR ACCOUNTING ASSOCIATE | 0.05 | - | 0.05 |
| ADMINISTRATIVE ASSISTANT | 0.25 | - | 0.25 |
| UTILITY CRAFTSPERSON | 1.25 | - | 1.25 |
| MAINTENANCE WORKER | 9.75 | - | 9.75 |
| MAINTENANCE WORKER OVERHIRE | 0.92 | - | 0.92 |
| OG/OT OFFICE SPECIALIST | 0.05 | 0.05 | 0.10 |
| **TOTAL** | **30.27** | **0.05** | **30.32** |

**Salary information for City of Kirkland positions can be found at https://www.kirklandwa.gov/Government/Departments/Human-Resources/Collective-Bargaining-Agreements*

### POSITION SUMMARY BY DIVISION

| Classification | 2025-2026 Positions | Additions/ Reductions | 2027-2028 Positions |
|---|---|---|---|
| Streets and Grounds | 30.27 | (6.95) | 23.32 |
| Transportation Engineering | - | 7.00 | 7.00 |
| **TOTAL** | **30.27** | **0.05** | **30.32** |



# Development Services Fund

The Development Services Fund accounts for activity related to providing review, permit, inspection, planning, and code enforcement services for private and public development projects throughout the City of Kirkland.

**City of Kirkland 2027-2028 Preliminary Budget**



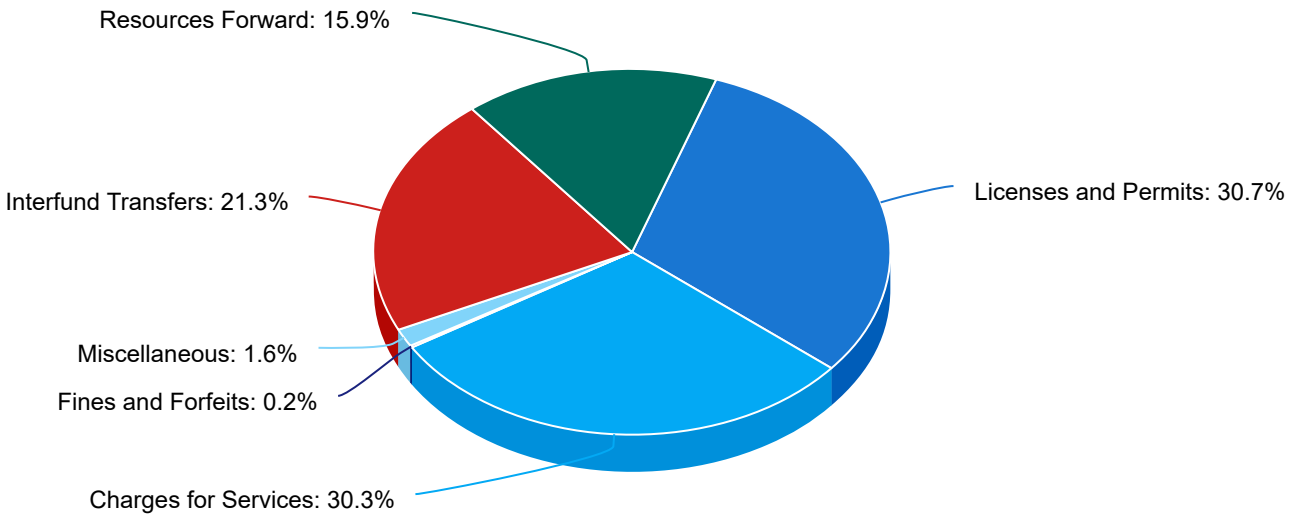
# Development Services Revenue Summary

The Development Services Fund accounts for the development services provided by the City. The primary sources of revenue are fees collected for plan review and building inspection services.

**City of Kirkland 2027-2028 Preliminary Budget**

## Development Services Revenue Summary

$53,966,460




Licenses and Permits comprise 30.7 percent of all Development Services Fund revenues, closely followed by Charges for Services 30.3 percent. License and Permits include fees for permits issued by Building Services. Charges for Services mainly include fees for various land use approvals issued by Planning Services. Interfund transfers consist of the General Fund transfer to support non-development activity. Resources forward represents the beginning fund balance for the Development Services Fund and is composed primarily of an unreserved working capital and operating, replacement, and staffing reserve. Resources forward and the reserves are used to fund one-time service packages.

## DEVELOPMENT SERVICES REVENUE

| | Object | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|---|
| **License and Permits** | | | | | | |
| Building Permit | 322101 | 7,945,502 | 7,400,274 | 8,567,509 | 7,000,000 | (18.30%) |
| Plumbing Permit | 322102 | 1,035,163 | 774,423 | 752,306 | 719,336 | (4.38%) |
| Clear Grade Permit | 322103 | 16,685 | 18,402 | 19,430 | 18,860 | (2.93%) |
| Side Sewer Permit | 322104 | 324,567 | 354,555 | 336,757 | 360,419 | 7.03% |
| Mechanical Permit | 322105 | 2,658,608 | 3,013,350 | 2,045,668 | 2,666,556 | 30.35% |
| Sign Permit | 322106 | 83,286 | 73,147 | 89,678 | 77,432 | (13.66%) |
| Electric Permit | 322107 | 3,618,021 | 3,525,500 | 2,414,242 | 3,349,696 | 38.75% |
| Temporary Membrane Struct | 322108 | 8,800 | 8,692 | - | - | |
| House Moving Permit | 322109 | 1,246 | 2,469 | 2,838 | 2,838 | -% |
| Street Curb Permit | 322401 | 1,211,936 | 1,453,383 | 1,174,244 | 1,227,296 | 4.52% |
| Sidewalk Permit | 322402 | 4,258 | 20,755 | 55,000 | 22,000 | (60.00%) |
| Fireworks Permits | 322901 | 63,272 | - | - | - | |
| Fire Alarm Permit | 322902 | 440,395 | 395,056 | 389,131 | 380,000 | (2.35%) |
| Fire Sprinkler | 322906 | 940,625 | 822,741 | 595,683 | 620,000 | 4.08% |
| Fire System-Other | 322907 | 33,252 | 26,862 | 22,170 | 27,724 | 25.05% |
| IFC Other | 322915 | 15,712 | 87,174 | 63,914 | 84,960 | 32.93% |
| **Total for License and Permits** | | **18,401,328** | **17,976,783** | **16,528,570** | **16,557,117** | **0.17%** |
| | | | | | | |
| **Intergovernmental Revenue** | | | | | | |
| Comm Trade Econo | 334042 | 175,000 | - | - | - | |
| Local Grants | 337061 | 57,806 | 11,000 | - | - | |
| **Total for Intergovernmental Revenue** | | **232,806** | **11,000** | **-** | **-** | |
| | | | | | | |
| **Charges for Goods and Services** | | | | | | |
| Recording Fee | 341811 | (2,546) | (3,064) | - | - | |
| Engineer Develop | 341820 | 4,376,816 | 4,673,546 | 4,320,032 | 4,623,576 | 7.03% |
| Interfund-Planning | 341970 | 213,805 | 80,087 | 291,614 | 291,614 | -% |
| Protective Inspection | 342401 | 1,323 | 1,417 | 800 | 800 | -% |
| ResStrmErosFee | 343191 | 527,359 | 575,136 | 524,216 | 561,049 | 7.03% |
| Storm Water Drainage Rpt | 343192 | 1,200,908 | 1,151,300 | 1,161,663 | 1,243,286 | 7.03% |
| PW Deposit Administration | 344111 | 195,521 | 207,165 | 188,718 | 201,978 | 7.03% |
| Traffic Contribution Revenue | 344130 | 108,237 | 128,449 | 88,068 | 94,255 | 7.03% |
| PCD Official Mods | 345810 | 47,453 | 89,356 | 36,000 | 60,000 | 66.67% |
| Subdivision Fee | 345811 | - | - | 70,000 | - | (100.00%) |
| Accessory Dwelling Unit | 345812 | 868 | 618 | - | - | |
| Fee In Lieu Tree | 345817 | 146,250 | 264,900 | 80,000 | 250,000 | 212.50% |
| Permit Appeal | 345819 | 1,803 | 3,263 | 1,300 | 1,400 | 7.69% |
| PCD Dir Mods | 345821 | 15,713 | 12,215 | 20,000 | 20,000 | -% |
| Other PCD Official | 345825 | 413,438 | 557,648 | 510,000 | 750,000 | 47.06% |
| Other PCD Dir | 345826 | 105,679 | 147,679 | 175,000 | 180,000 | 2.86% |

## DEVELOPMENT SERVICES REVENUE (CONTINUED)

| | Object | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|---|
| Process I Rev | 345827 | 430,861 | 768,577 | 580,000 | 600,000 | 3.45% |
| Process IIA Rev | 345828 | 52,512 | 65,973 | - | - | |
| Process IIB&III | 345829 | 19,899 | 228,377 | 100,000 | - | (100.00%) |
| Design Board Rev | 345830 | 277,846 | 8,984 | 200,000 | - | (100.00%) |
| Plan Check Fee | 345831 | 5,152,139 | 4,347,060 | 3,444,928 | 4,506,160 | 30.81% |
| Energy Code Fee | 345832 | 201,917 | 164,374 | 214,234 | 143,444 | (33.04%) |
| Electric Plan Review | 345833 | 591,693 | 439,482 | 705,842 | 427,380 | (39.45%) |
| Fire Plan Review | 345835 | 1,180,584 | 848,933 | 895,180 | 880,000 | (1.70%) |
| Expedited Review | 345836 | 6,574 | 1,892 | 410 | 410 | -% |
| Short Plat Rec Revenue | 345839 | 49,323 | 100,173 | 60,000 | 100,000 | 66.67% |
| SEPA Appeal | 345861 | - | - | 1,300 | - | (100.00%) |
| SEPA Tnsp Rv Fee | 345862 | 17,255 | 17,505 | 20,000 | 10,000 | (50.00%) |
| Concurrent Review | 345890 | 14,151 | 14,565 | - | - | |
| MBP Srvc Fee | 345891 | 1,167,798 | 1,134,898 | 958,478 | 1,026,432 | 7.09% |
| Environment Review Fee | 345892 | 55,421 | 72,258 | 50,000 | 75,000 | 50.00% |
| Compensation Plan Request | 345894 | 15,127 | - | - | - | |
| Plan Pre-Sub Mtg | 345896 | 279,742 | 308,613 | 300,000 | 300,000 | -% |
| **Total for Charges for Goods and Services** | | **16,865,468** | **16,411,380** | **14,997,783** | **16,346,784** | **8.99%** |
| | | | | | | |
| **Fines and Forfeits** | | | | | | |
| Code Enforcement | 359902 | 14,583 | 118,450 | 80,000 | 100,000 | 25.00% |
| **Total for Fines and Forfeits** | | **14,583** | **118,450** | **80,000** | **100,000** | **25.00%** |
| | | | | | | |
| **Miscellaneous Revenues** | | | | | | |
| Investment Interest | 361111 | 519,928 | 1,274,387 | 661,644 | 849,704 | 28.42% |
| Interfund Loan Interest | 361400 | 43,169 | 43,573 | - | - | |
| Nongovernmental Local Grants | 367200 | - | 59,500 | 74,500 | - | (100.00%) |
| Other Judgements | 369401 | 1,419 | - | - | - | |
| Other Misc Rev | 369910 | - | 3,691 | - | - | |
| **Total for Miscellaneous Revenues** | | **564,516** | **1,381,150** | **736,144** | **849,704** | **15.43%** |
| | | | | | | |
| **Other Financing Sources** | | | | | | |
| Operating Transfers In | 397101 | 24,991,832 | 9,140,885 | 8,756,608 | 11,511,918 | 31.47% |
| Resources Forward | 399991 | 16,021,452 | 18,113,080 | 18,113,080 | 8,600,937 | (52.52%) |
| **Total for Other Financing Sources** | | **41,013,284** | **27,253,965** | **26,869,688** | **20,112,855** | **(25.15%)** |
| | | | | | | |
| **Fund Total** | | **77,091,986** | **63,152,728** | **59,212,185** | **53,966,460** | **(8.86%)** |

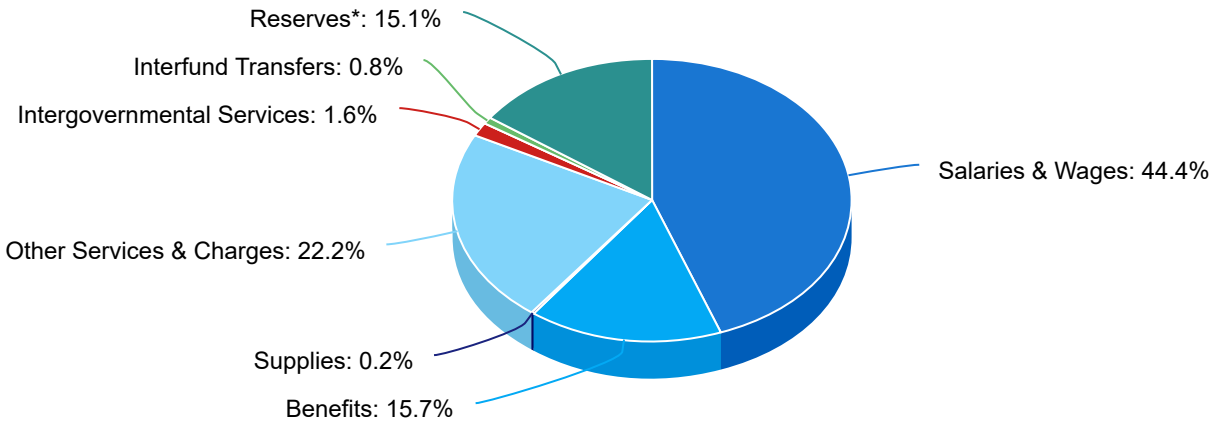


# Expenditure Summary

**City of Kirkland 2027-2028 Preliminary Budget**

## Development Services Expenditure Summary

2027-2028 Budget by Category




Salaries & Wages and Benefits comprise 60 percent of the Development Services Fund budget. Other Services & Charges is the next largest category and is comprised mostly of contracted direct services (such as 3rd party speciality structural review and land-use 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).

- Personnel costs (salaries and benefits) are a combination of cost increases for two years and the impact of additional recommended staff to support revenue-backed development activity.
- Supplies and Services include costs for upcoming staff training and other uses.
- Interfund transfers include cost for interdepartmental staff support.
- Reserves include surplus revenue set aside for future work, staff stability, and technology.

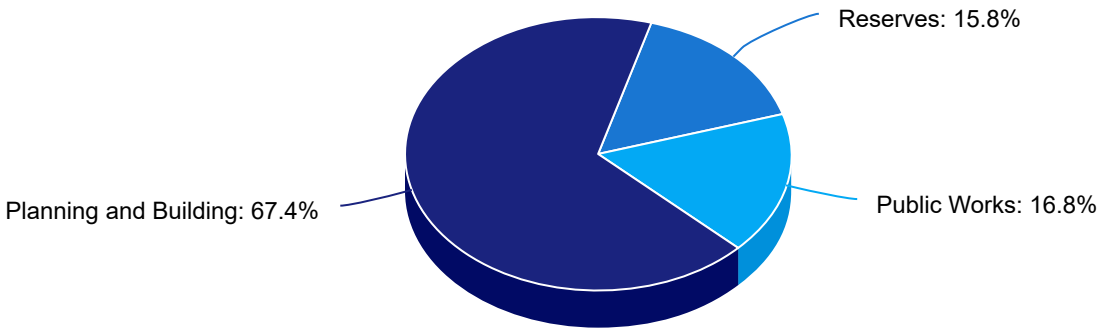
## ANALYSIS OF CHANGE

| Category | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|
| Salaries & Wages | 19,947,160 | 22,573,782 | 22,718,227 | 23,959,979 | 5.47% |
| Benefits | 6,968,402 | 7,484,718 | 8,356,576 | 8,479,301 | 1.47% |
| Supplies | 212,095 | 171,324 | 134,029 | 126,157 | (5.87%) |
| Other Services & Charges | 11,717,164 | 12,052,068 | 11,638,883 | 12,005,368 | 3.15% |
| Intergovernmental Services | 3,974,927 | 1,177,338 | 1,679,336 | 840,669 | (49.94%) |
| Interfund Transfers[1] | 152,593 | 6,666,805 | 3,713,805 | 413,100 | (88.88%) |
| Reserves | 12,557,125 | 8,600,937 | 10,971,329 | 8,141,886 | (25.79%) |
| **Category Total** | **55,529,465** | **58,726,972** | **59,212,185** | **53,966,460** | **(8.86%)** |

[1] Interfund Transfers increased in the 2025-2026 budget because of one-time transfers out of the Development Services Technology Reserve for the IT CIP related to the replacement of EnerGov and returning servers on-premises that improve EnerGov usability.

## Development Services Expenditure Summary

2027-2028 Budget by Department




There are two departments operating within the Development Services Fund, Planning & Building and Public Works. The Planning & Building department prepares growth plans and development regulations and assures regulatory compliance by reviewing and inspecting proposed development projects and undertaking code enforcement. Public Works 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.

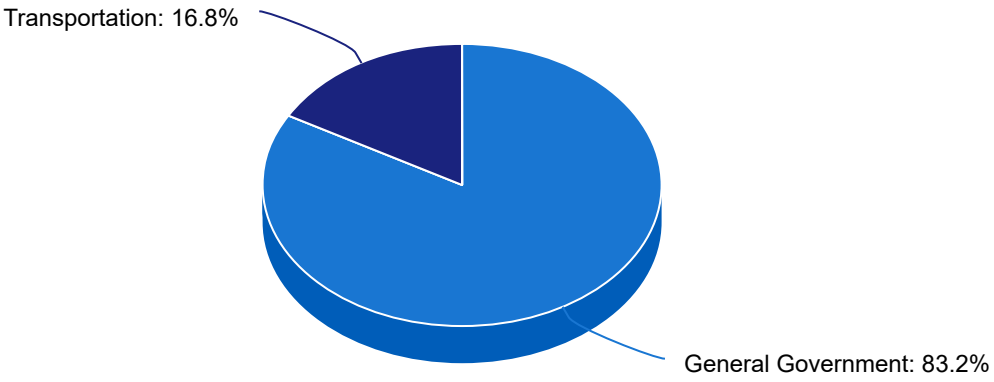
- The Planning & Building budget contains the entire department. The majority of services provided by the department supports development activity while the non-development activity will be supported by the General Fund through scheduled interfund transfers.
- The Public Works budget only consists of the Development Engineering division. This division reviews the impact of new development on the water, sewer and surface water systems as well as the corresponding transportation impact.
- The Reserves budget consists of the current balance of development reserves in accordance with the City fiscal policies.

## ANALYSIS OF CHANGE

| Department | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|
| Reserves | 12,776,132 | 15,378,571 | 14,685,134 | 8,542,986 | (41.83%) |
| Public Works | 7,158,595 | 8,782,384 | 8,859,586 | 9,073,006 | 2.41% |
| Planning and Building | 35,594,738 | 34,566,018 | 35,667,465 | 36,350,468 | 1.91% |
| **Department Total** | **55,529,465** | **58,726,972** | **59,212,185** | **53,966,460** | **(8.86%)** |

## Development Services Expenditure Summary

2027-2028 Budget by Program




The Development Services Fund accounts for about 9.5 percent of the City's total General Government Operating budget. The majority of the expenditures in the Development Services Fund are devoted to the General Government (administrative, financial, planning services, and building inspection services). Transportation is the other program area which includes Public Works.

## ANALYSIS OF CHANGE

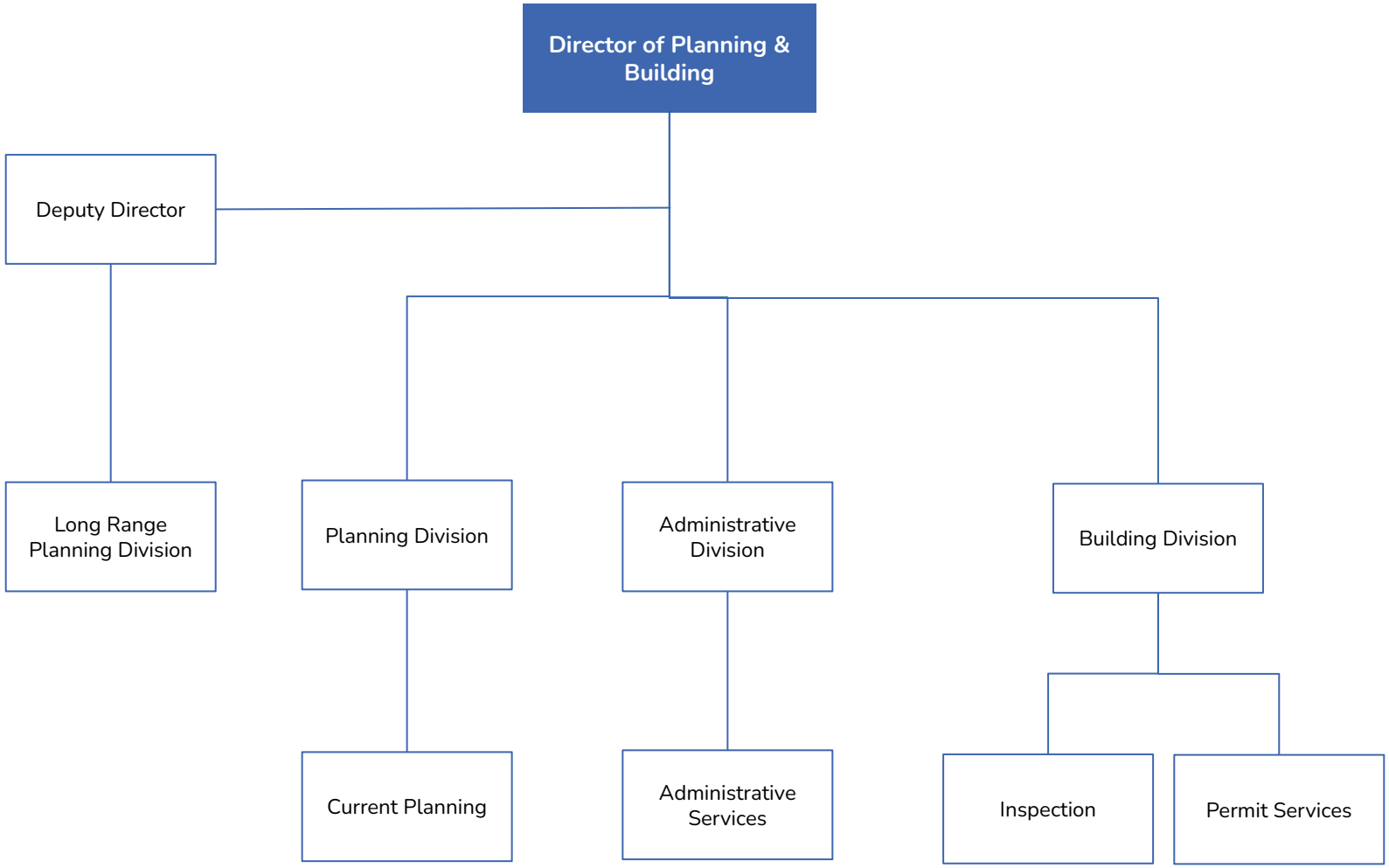
| Program | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|
| General Government | 48,370,871 | 49,944,589 | 50,352,599 | 44,893,454 | (10.84%) |
| Transportation | 7,158,595 | 8,782,384 | 8,859,586 | 9,073,006 | 2.41% |
| **Program Total** | **55,529,465** | **58,726,972** | **59,212,185** | **53,966,460** | **(8.86%)** |



# Planning & Building

**City of Kirkland 2027-2028 Preliminary Budget**

# Planning & Building



# Planning & Building

## Department Overview

### MISSION

The **Planning and Building Department** is responsible for the preparation, administration, and enforcement of the City's growth management policies, regulations, and programs, and for helping shape the long-term growth of the City in a way that is consistent with the Comprehensive Plan and other guiding City policy documents. The department prepares growth plans and development regulations and assures regulatory compliance by reviewing and inspecting proposed development projects and undertaking code enforcement. The department coordinates permit processing with Public Works and Fire, ensuring compliance with zoning and building code regulations. Public outreach is conducted for regulatory, plan, and policy development, 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 of the Planning and Building Department. The division supports the Current and Long Range Planning Divisions through public legal noticing, distribution of land use permit decisions, and coordinating and distributing meeting materials to the Hearing Examiner, Design Review Board, and Planning Commission. The Administrative Division also provides oversight of record keeping and public disclosure requests.

The **Current Planning 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 other Development Services staff, the division processes land use development applications, reviews building permits for land use code compliance, provides information about development regulations, enforces development codes, and maintains development monitoring systems. Staff support is provided to the Hearing Examiner, Design Review Board, Planning Commission, and City Council in their roles of reviewing and adopting policy, developing recommendations, and approving development applications.

The **Long Range Planning Division** prepares the City's Comprehensive Plan, Zoning Code, Subdivision Ordinance, Shoreline Master Program, local SEPA ordinance, and environmental initiatives. Amendments to these documents are prepared in accordance with the Planning Work Program adopted by the City Council. Staff support is provided to the City Council and the Planning Commission in their roles of shaping and adopting policies. The division works with the community to seek inclusive public engagement on policies and programs that shape Kirkland's future. The division coordinates with other agencies on regional and state-wide planning issues, monitors legislative activity, and undertakes special projects as directed by the City Council or City Manager.

The **Building Division** provides the general public with the standards for the safety and quality of construction of new and existing structures, and the installation of electrical, plumbing and mechanical systems. Building receives, routes, coordinates, and approves all building and related permit applications, and then inspects completed structures. Building staff works closely with architects, engineers, contractors, owners, and developers, as well as with other departments and agencies to ensure compliance with all City requirements and to ensure prompt permit issuance. Oversight areas include the permit center, plan review, field inspections, and building code enforcement. The Division also improves the quality of the City's adopted construction codes by participating in the code development process at the local, state and national levels.

## BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS

### INCLUSIVE AND EQUITABLE COMMUNITY

- Continue a 1.0 LTE Administrative Assistant through 2027 that provides essential support to the Building Division, handling payroll, invoicing, contracts, onboarding and recruitment, special projects, and other

# Planning & Building

high-level administrative responsibilities allowing other staff to deliver an inclusive and equitable experience for the community, $140,611 one-time, offset by $140,611 in Development Services reserves. [27PB02]

**ATTAINABLE HOUSING**

- Increase A Regional Coalition for Housing (ARCH) Housing Trust Fund contribution to $1,433,000 over the biennium, on a one-time basis. [27PB05]
- Continue funding Building Division overtime to maintain current operations and accommodate peak workloads. The additional overtime hours will be used during peak workloads to ensure the City is meeting permit intake timelines, plan review deadlines and inspection obligations. $100,000 one-time, offset by $100,000 in Development Services reserves. [27PB06]
- Upgrade Planning software to allow staff to organize tasks, track duties, and provide timelines of projects for long-range and other projects, and increase project management efficacy and efficiency, $5,800 ongoing, $10,000 one-time, offset by $15,800 in Development Services reserves. [27PB07]
- Continuing a 1.0 LTE Senior Planner responsible for bridging the gap between the Department's long-range and current planning work, $367,514 one-time, offset by $367,514 in Development Services reserves. [27PB08]

**SUSTAINABLE ENVIRONMENT**

- Funding consultant services for a land capacity analysis update to monitor forecasted growth in the 2044 Comprehensive Plan and run additional modeling scenarios (including middle housing growth assumptions) to inform land use decisions, transportation modeling, and utility systems plans, $40,000 one-time. [27PB01]
- Continue funding to use outside consultants for environmental review and for short plats or other land use permits when volumes exceed capacity, $20,000 one-time. [27PB04]
- Continue the Energy Smart Eastside (ESE) program administration to retain the City's participation in the ESE program as part of the Eastside Climate Partnership (ECP) ILA. Funding this request preserves existing service levels and provides ongoing funding of an energy advisor who provides grant writing, grant administration, marketing and education for community members city-wide, one-time $300,000. [27PB10]
- Continue funding the Bi-annual Carbon Emission Reporting as directed by the Comprehensive Plan and Sustainability Strategic Plan, $20,000 one-time. [27PB11]

**THRIVING ECONOMY**

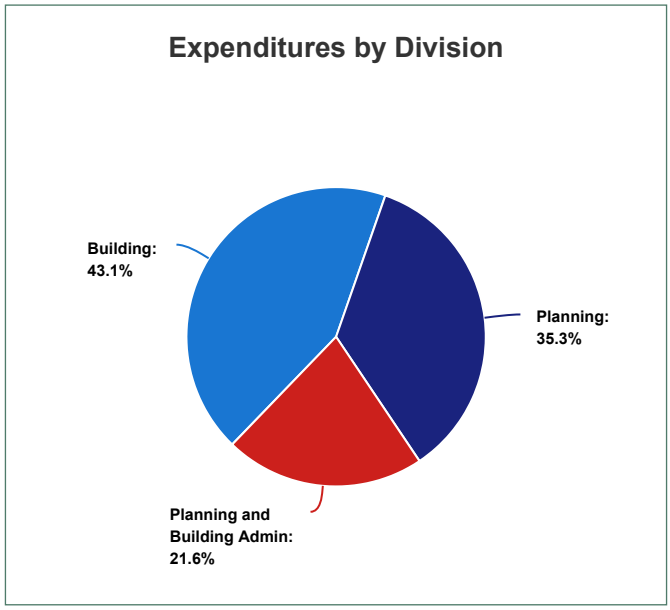
- Establish an AI-Based permitting tool along with a new 1.0 LTE Business Analyst to make the permitting process easier to navigate, faster, and more efficient for both permit applicants and City staff, $407,654 one-time offset by $407,654 in Development Services reserves [27PB12]
- Consultant services to support evaluating the long-term market viability of light industrial and office uses, identify key opportunities and constraints that may influence future land use decisions and development potential, assess the potential for residential and mixed-use development, and potentially initiate work on the Totem Lake Southern Industrial Subarea (SIS) Plan, $150,000 one-time. [27PB13]

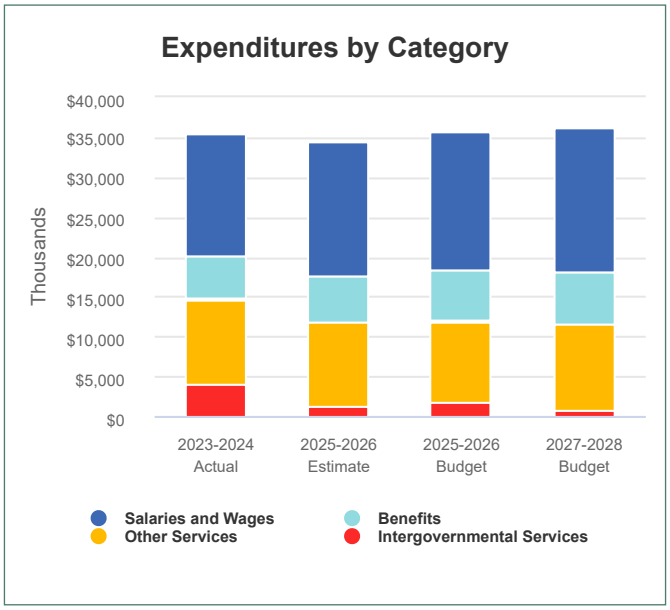
**COMMUNITY SAFETY**

- Continue professional services funding through 2028 to meet plan review obligations and provide structural and building plan reviews for complex projects. The cost of this service is directly paid by permit applicants, $200,000 one-time. [27PB03]

# Planning & Building

## Financial Overview




## EXPENDITURE SUMMARY BY CATEGORY

| | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|
| Salaries and Wages | 15,367,441 | 16,990,811 | 17,265,604 | 18,178,595 | 5.29% |
| Benefits | 5,405,795 | 5,674,551 | 6,362,826 | 6,492,987 | 2.05% |
| Supplies | 126,014 | 68,887 | 117,306 | 112,157 | (4.39%) |
| Other Services | 10,685,561 | 10,654,431 | 10,242,393 | 10,714,060 | 4.61% |
| Intergovernmental Services | 3,974,927 | 1,177,338 | 1,679,336 | 840,669 | (49.94%) |
| Interfund Transfers | 35,000 | - | - | 12,000 | |
| **TOTAL** | **35,594,738** | **34,566,018** | **35,667,465** | **36,350,468** | **1.91%** |

## EXPENDITURE SUMMARY BY DIVISION

| | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|
| Building | 13,450,295 | 14,553,105 | 14,871,421 | 15,674,334 | 5.40% |
| Planning | 15,133,181 | 12,590,026 | 13,856,168 | 12,817,731 | (7.49%) |
| Planning and Building Admin | 7,011,263 | 7,422,887 | 6,939,876 | 7,858,403 | 13.24% |
| **TOTAL** | **35,594,738** | **34,566,018** | **35,667,465** | **36,350,468** | **1.91%** |

# Planning & Building

## 2027-2028 Position Summary

### POSITION SUMMARY BY CLASSIFICATION

| Classification | 2025-2026 Positions | Additions/ Reductions | 2027-2028 Positions |
|---|---|---|---|
| PLANNING & BUILDING DIRECTOR | 1.00 | - | 1.00 |
| DEPUTY PLANNING DIRECTOR | 1.00 | - | 1.00 |
| BUILDING OFFICIAL | 1.00 | - | 1.00 |
| PLANNING MANAGER - DEV SERV | 1.00 | - | 1.00 |
| ADMINISTRATIVE SERVICES MANAGER | 1.00 | - | 1.00 |
| PLANNING SUPERVISOR | 3.00 | - | 3.00 |
| INSPECTION SUPERVISOR | 1.00 | - | 1.00 |
| PLAN REVIEW SUPERVISOR | 1.00 | - | 1.00 |
| SENIOR ELECTRICAL PLANS EXAMINER | 1.00 | - | 1.00 |
| SENIOR PLANS EXAMINER | 4.00 | - | 4.00 |
| LEAD INSPECTOR | 1.00 | - | 1.00 |
| SENIOR PLANNER | 7.00 | - | 7.00 |
| ENVIRONMENTAL PROGRAM COORDINATOR | 0.50 | - | 0.50 |
| ELECTRICAL/BUILDING INSPECTOR II | 4.00 | - | 4.00 |
| ELECTRICAL/BUILDING INSPECTOR | 4.00 | - | 4.00 |
| PERMIT TECH SUPERVISOR | 1.00 | - | 1.00 |
| CODE ENFORCEMENT OFFICER | 3.00 | - | 3.00 |
| BUILDING INSPECTOR II | 1.00 | - | 1.00 |
| PLANS EXAMINER | 3.00 | - | 3.00 |
| ASSOCIATE PLANNER | 3.00 | - | 3.00 |
| BUILDING INSPECTOR I | 1.00 | - | 1.00 |
| BUILDING INSPECTOR I OVERHIRE | 1.00 | - | 1.00 |
| PLANNER | 6.00 | - | 6.00 |
| PLANNER OVERHIRE | 1.00 | - | 1.00 |
| DEVELOPMENT REVIEW ARBORIST | 1.00 | - | 1.00 |
| BUSINESS ANALYST | 1.00 | - | 1.00 |
| SENIOR PERMIT TECHNICIAN | 1.00 | - | 1.00 |
| ASSISTANT PLANNER | 6.00 | - | 6.00 |
| ASSISTANT PLANNER OVERHIRE | 3.00 | - | 3.00 |
| PUBLIC DISCLOSURE ANALYST | 1.00 | - | 1.00 |
| ADMINISTRATIVE ASSISTANT | 1.00 | - | 1.00 |
| PERMIT TECHNICIAN | 6.00 | - | 6.00 |
| PROGRAM SPECIALIST | 2.00 | - | 2.00 |
| OFFICE SPECIALIST | 2.00 | - | 2.00 |
| **TOTAL** | **75.50** | **-** | **75.50** |

*Salary information for City of Kirkland positions can be found at https://www.kirklandwa.gov/Government/Departments/Human-Resources/Collective-Bargaining-Agreements

### POSITION SUMMARY BY DIVISION

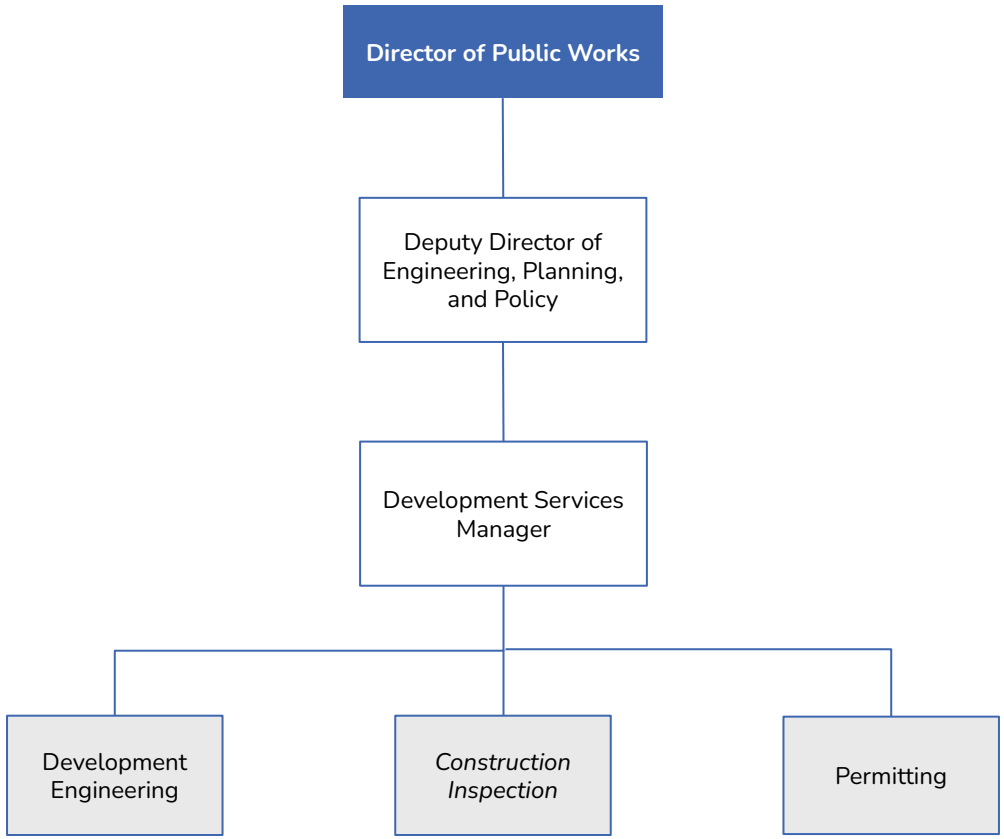
| Classification | 2025-2026 Positions | Additions/ Reductions* | 2027-2028 Positions |
|---|---|---|---|
| Building | 34.65 | - | 34.65 |
| Planning | 33.40 | - | 33.40 |
| Planning and Building Admin | 7.45 | - | 7.45 |
| **TOTAL** | **75.50** | **-** | **75.50** |



# Public Works Development Services

**City of Kirkland 2027-2028 Preliminary Budget**

# Public Works Development Services




*Boxes with a dashed outline and italic text indicate positions and/or functions which report to this department but which are budgeted in a separate department and/or operating fund.*

# Public Works Development Services

## Department Overview

### 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.

## DIVISION FUNCTIONS

Development Services Division manages the review, permitting, and construction inspection of private sector development connections to the City's water, sewer, storm drainage, and roadway infrastructure.

Engineering staff maintain daily counter hours offering consultations on applications and permitting processes, document recording, receiving service requests, general customer service and public notary.

Construction inspection staff monitor construction for compliance with approved plans and permits including erosion control, tree fencing, traffic control and monitoring work hours. These efforts ensure residents have reliable and safe infrastructure and city maintenance and operation staff receive well-constructed infrastructure to maintain.

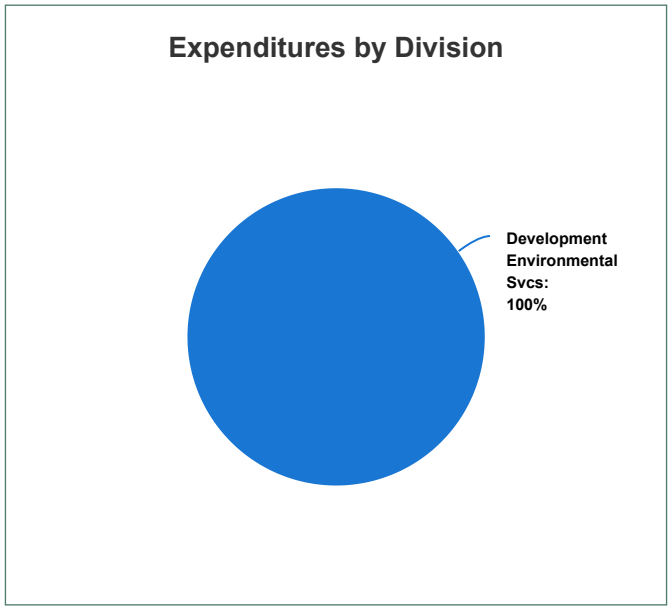
### Budget Highlights and Relationship to Council Goals

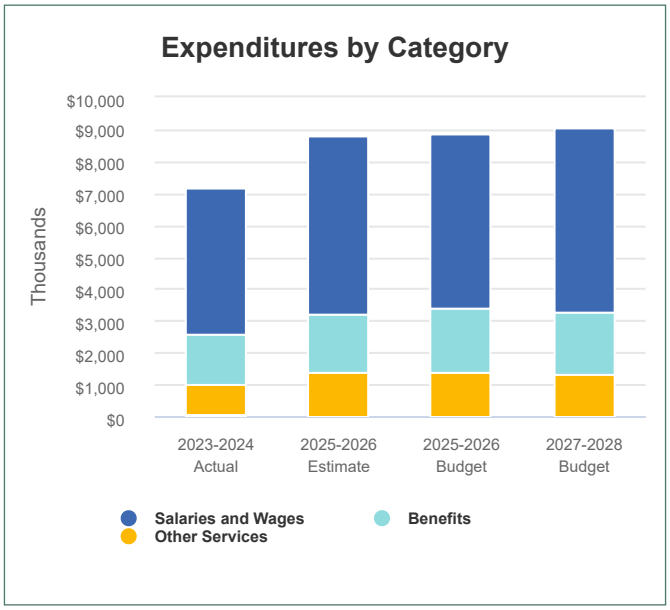
#### DEPENDABLE INFRASTRUCTURE

- Continue existing Office Specialist position (1.0 LTE) to maintain Public Works development review capacity. This position assists the public at the front desk in City Hall to free up Permit Technicians and Engineers to focus on permit review, one-time $237,595, offset by $237,595 of development reserves [27DE01]
- Continue existing Temporary Construction Inspector position (1.0 LTE) for Public Works development review. The proposed temporary Construction Inspector position would continue to facilitate the Division's continuity of service if the need to backfill the current full-time position were to arise and address increased workload, one-time $328,205, offset by $328,205 of development reserves. [27DE02]

# Public Works Development Services

## Financial Overview




## EXPENDITURE SUMMARY BY CATEGORY

| | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|
| Salaries and Wages | 4,579,718 | 5,582,971 | 5,452,623 | 5,781,384 | 6.03% |
| Benefits | 1,562,607 | 1,810,167 | 1,993,750 | 1,986,314 | (0.37%) |
| Supplies | 18,880 | 12,574 | 16,723 | 14,000 | (16.28%) |
| Other Services | 903,796 | 1,376,672 | 1,396,490 | 1,291,308 | (7.53%) |
| Interfund Transfers | 93,593 | - | - | - | |
| **TOTAL** | **7,158,595** | **8,782,384** | **8,859,586** | **9,073,006** | **2.41%** |

## EXPENDITURE SUMMARY BY DIVISION

| | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|
| Development Environmental Svcs | 7,158,595 | 8,782,384 | 8,859,586 | 9,073,006 | 2.41% |
| **TOTAL** | **7,158,595** | **8,782,384** | **8,859,586** | **9,073,006** | **2.41%** |

# Public Works Development Services

## 2027-2028 Position Summary

### POSITION SUMMARY BY CLASSIFICATION

| Classification | 2025-2026 Positions | Additions/ Reductions | 2027-2028 Positions |
|---|---|---|---|
| DEVELOPMENT ENGINEERING MANAGER | 1.00 | - | 1.00 |
| DEVELOPMENT ENGINEER SPVR | 1.00 | - | 1.00 |
| SENIOR DEV ENGINEER | 1.00 | - | 1.00 |
| TRANSPORTATION ENGINEER | 0.65 | - | 0.65 |
| CONSTRUCTION INSPECTION SUPERVISOR | 1.00 | - | 1.00 |
| DEVELOPMENT ENGINEER | 4.00 | - | 4.00 |
| SENIOR CONSTRUCTION INSPECTOR | 3.00 | - | 3.00 |
| SENIOR DEV ENGINEERING ANALYST | 1.00 | - | 1.00 |
| ASSOCIATE DEVELOPMENT ENGINEER | 2.00 | - | 2.00 |
| CONSTRUCTION INSPECTOR | 2.00 | - | 2.00 |
| PROPERTY ANALYST | 0.34 | - | 0.34 |
| DEVELOPMENT PLANS EXAMINER | 1.00 | - | 1.00 |
| ENGINEERING TECHNICIAN | 1.30 | - | 1.30 |
| PERMIT TECHNICIAN | 1.00 | - | 1.00 |
| **TOTAL** | **20.29** | **-** | **20.29** |

**Salary information for City of Kirkland positions can be found at https://www.kirklandwa.gov/Government/Departments/Human-Resources/Collective-Bargaining-Agreements*

### POSITION SUMMARY BY DIVISION

| Classification | 2025-2026 Positions | Additions/ Reductions* | 2027-2028 Positions |
|---|---|---|---|
| Development Environmental Svcs | 20.29 | - | 20.29 |
| **TOTAL** | **20.29** | **-** | **20.29** |

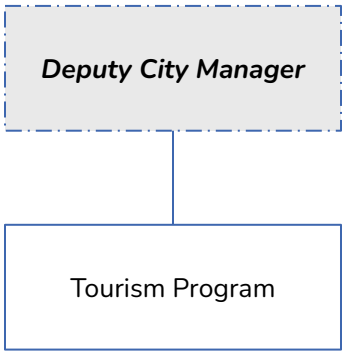


# Lodging Tax Fund

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 1.0 percent lodging tax adopted in January 2002, which was corrected to 0.8 percent in April 2026 so that the City would not exceed the excise tax limit.

**City of Kirkland 2027-2028 Preliminary Budget**

# Lodging Tax Fund




*Boxes with a dashed outline and italic text indicate positions and/or functions which report to this department but which are budgeted in a separate department and/or operating fund.*

# Lodging Tax Fund

## Department Overview

### 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, an Instagram account, a Facebook page, and monthly email event guides. It also 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 0.8 percent of the sale of short-term accommodations as authorized by state statute. This is a reduction from the 1.0 percent rate adopted in January 2002 due to a correction made in April 2026 to ensure the City does not exceed the excise tax limit. 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.

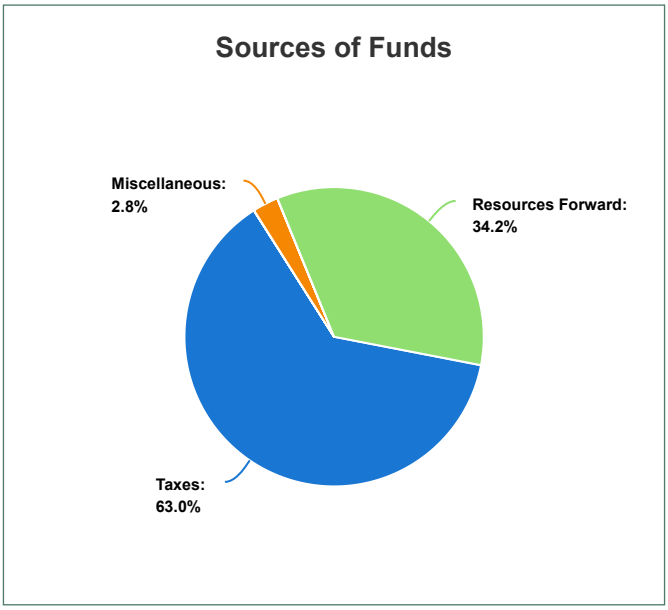
## BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS

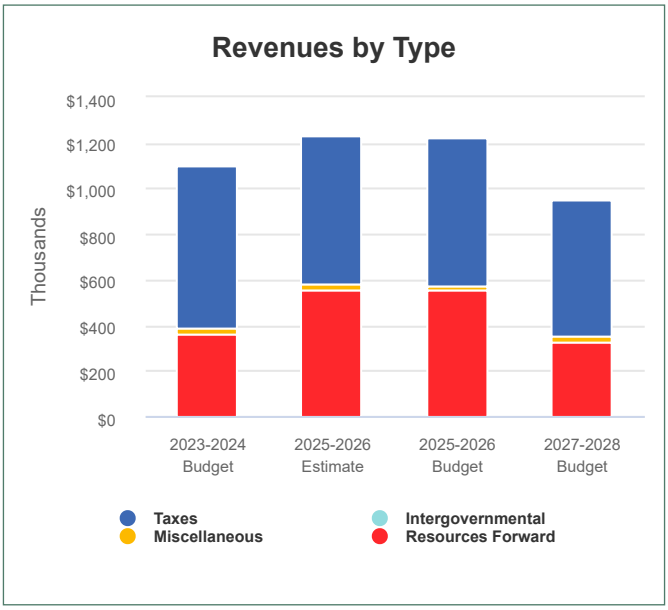
### THRIVING ECONOMY

- Tourism Development Committee (TDC) Grants from Lodging Tax are $80,000 for 2027. The TDC's 2028 recommendation will be included in the mid-biennial budget process. See the *Outside Agencies and Tourism Funding* issue paper for more information.

# Lodging Tax Fund

## Financial Overview



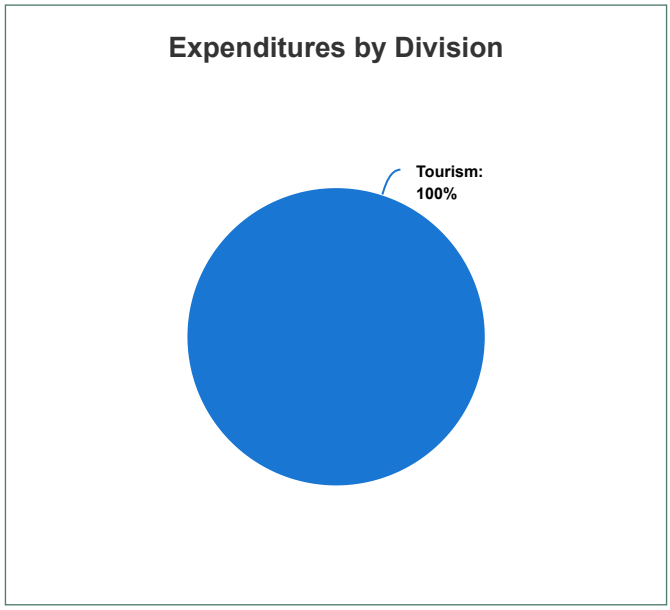



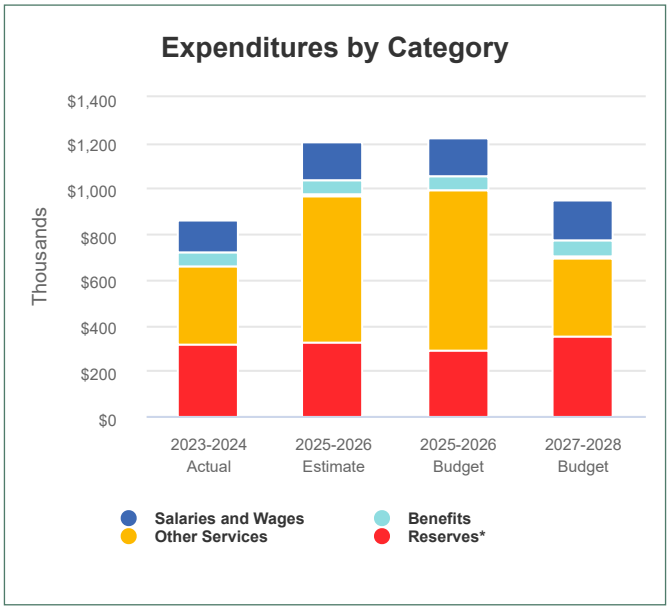

## REVENUE SUMMARY BY TYPE

| | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|
| Taxes | 714,176 | 648,746 | 651,334 | 597,445 | (8.27%) |
| Intergovernmental | 7,000 | - | - | - | |
| Miscellaneous | 20,825 | 31,070 | 20,759 | 26,599 | 28.13% |
| Resources Forward | 362,552 | 553,782 | 553,782 | 324,944 | (41.32%) |
| **TOTAL** | **1,104,553** | **1,233,598** | **1,225,875** | **948,988** | **(22.59%)** |

# Lodging Tax Fund

## Financial Overview




## EXPENDITURE SUMMARY BY CATEGORY

| | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|
| Salaries and Wages | 148,482 | 163,550 | 167,433 | 175,486 | 4.81% |
| Benefits | 60,731 | 63,952 | 66,652 | 70,813 | 6.24% |
| Supplies | 388 | 5,728 | 200 | 8,100 | 3950.00% |
| Other Services | 340,154 | 643,942 | 704,701 | 343,639 | (51.24%) |
| Reserves* | 316,842 | 324,944 | 286,889 | 350,950 | 22.33% |
| **TOTAL** | **866,597** | **1,202,116** | **1,225,875** | **948,988** | **(22.59%)** |

## EXPENDITURE SUMMARY BY DIVISION

| | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|
| Tourism | 866,597 | 1,202,116 | 1,225,875 | 948,988 | (22.59%) |
| **TOTAL** | **866,597** | **1,202,116** | **1,225,875** | **948,988** | **(22.59%)** |

* 2023-2024 Actual and 2025-2026 Estimate reserves are budgeted, but not spent

# Lodging Tax Fund

## 2027-2028 Position Summary

### POSITION SUMMARY BY CLASSIFICATION

| Classification | 2025-2026 Positions | Additions/ Reductions | 2027-2028 Positions |
|---|---|---|---|
| SPECIAL PROJECTS COORDINATOR | 0.56 | - | 0.56 |
| ADMINISTRATIVE ASSISTANT | 0.20 | - | 0.20 |
| **TOTAL** | **0.76** | **-** | **0.76** |

*Salary information for City of Kirkland positions can be found at https://www.kirklandwa.gov/Government/Departments/Human-Resources/Collective-Bargaining-Agreements*

### POSITION SUMMARY BY DIVISION

| Classification | 2025-2026 Positions | Additions/ Reductions | 2027-2028 Positions |
|---|---|---|---|
| Tourism | 0.76 | - | 0.76 |
| **TOTAL** | **0.76** | **-** | **0.76** |

# Lodging Tax Fund

## LODGING TAX FUND REVENUES

| | Object | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|---|
| **Taxes** | | | | | | |
| Hotel Motel Tax | 313311 | 714,176 | 648,746 | 651,334 | 597,445 | (8.27%) |
| **Total for Taxes** | | **714,176** | **648,746** | **651,334** | **597,445** | **(8.27%)** |
| | | | | | | |
| **Intergovernmental Revenue** | | | | | | |
| Port of Seattle | 337092 | 7,000 | - | - | - | |
| **Total for Intergovernmental Revenue** | | **7,000** | **-** | **-** | **-** | |
| | | | | | | |
| **Miscellaneous Revenues** | | | | | | |
| Investment Interest | 361111 | 20,825 | 31,070 | 20,759 | 26,599 | 28.13% |
| **Total for Miscellaneous Revenues** | | **20,825** | **31,070** | **20,759** | **26,599** | **28.13%** |
| | | | | | | |
| **Other Financing Sources** | | | | | | |
| Resources Forward | 399991 | 362,552 | 553,782 | 553,782 | 324,944 | (41.32%) |
| **Total for Other Financing Sources** | | **362,552** | **553,782** | **553,782** | **324,944** | **(41.32%)** |
| | | | | | | |
| **Fund Total** | | **1,104,553** | **1,233,598** | **1,225,875** | **948,988** | **(22.59%)** |



# Cemetery Operating Fund

The Cemetery Operating Fund accounts for the administration support of the City's cemetery. The primary source of revenue is user fees.

**City of Kirkland 2027-2028 Preliminary Budget**

# Cemetery Operating Fund

## Department Overview

### MISSION

The Cemetery Operating Fund is responsible for administration support of the City of Kirkland Cemetery.

### DEPARTMENT FUNCTIONS

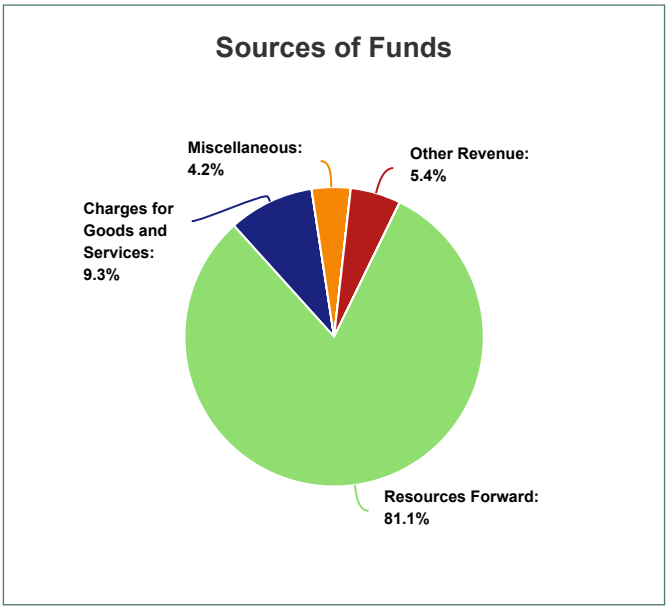
The Parks and Community Services Department maintenance crews provide the operation and maintenance of the cemetery and services for interment procedures, including ongoing maintenance service such as mowing, edging, weeding, installation of markers, and verification of gravesites.

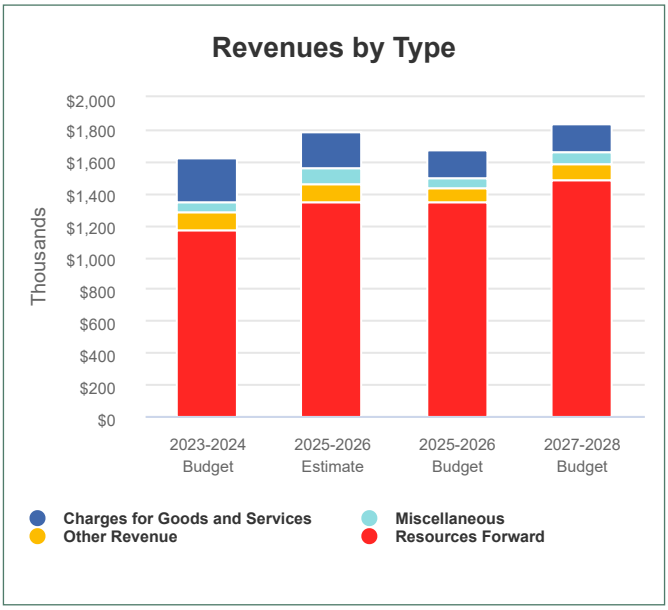
The Finance and Administration Department provides cemetery administration support through the sale of lots and markers and maintenance of cemetery records.

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.

# Cemetery Operating Fund

## Financial Overview



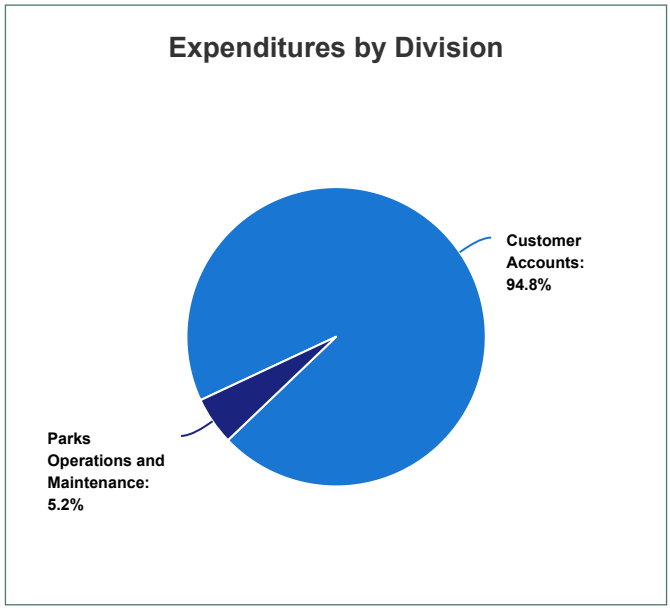



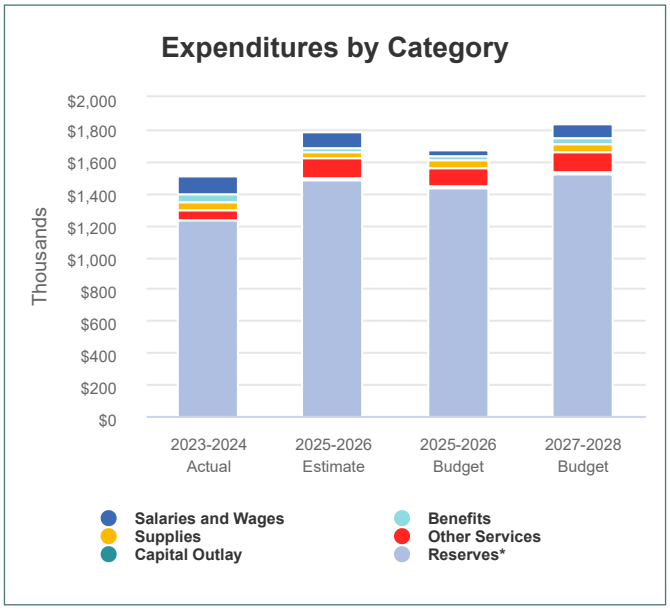

## REVENUE SUMMARY BY TYPE

| | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|
| Charges for Goods and Services | 266,971 | 237,728 | 167,000 | 170,000 | 1.80% |
| Miscellaneous | 66,096 | 89,046 | 69,819 | 76,958 | 10.23% |
| Other Revenue | 116,930 | 121,810 | 90,000 | 100,000 | 11.11% |
| Resources Forward | 1,167,999 | 1,342,626 | 1,342,626 | 1,488,217 | 10.84% |
| **TOTAL** | **1,617,996** | **1,791,210** | **1,669,445** | **1,835,175** | **9.93%** |

# Cemetery Operating Fund

## Financial Overview




## EXPENDITURE SUMMARY BY CATEGORY

| | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|
| Salaries and Wages | 109,192 | 103,605 | 39,869 | 84,598 | 112.19% |
| Benefits | 52,619 | 20,712 | 24,106 | 44,355 | 84.00% |
| Supplies | 45,090 | 37,046 | 44,200 | 47,200 | 6.79% |
| Other Services | 67,392 | 123,750 | 113,863 | 127,174 | 11.69% |
| Intergovernmental Services | 376 | 281 | 300 | 300 | -% |
| Capital Outlay | 2,400 | 14,625 | 14,400 | 14,400 | -% |
| Reserves* | 1,226,685 | 1,488,217 | 1,432,707 | 1,517,148 | 5.89% |
| **TOTAL** | **1,503,753** | **1,788,236** | **1,669,445** | **1,835,175** | **9.93%** |

## EXPENDITURE SUMMARY BY DIVISION

| | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|
| Customer Accounts | 1,458,975 | 1,699,270 | 1,572,296 | 1,740,307 | 10.69% |
| Parks Operations and Maintenan | 44,777 | 88,966 | 97,149 | 94,868 | (2.35%) |
| **TOTAL** | **1,503,753** | **1,788,236** | **1,669,445** | **1,835,175** | **9.93%** |

* 2023-2024 Actual and 2025-2026 Estimate reserves are budgeted, but not spent

# Cemetery Operating Fund

## CEMETERY OPERATING FUND REVENUES

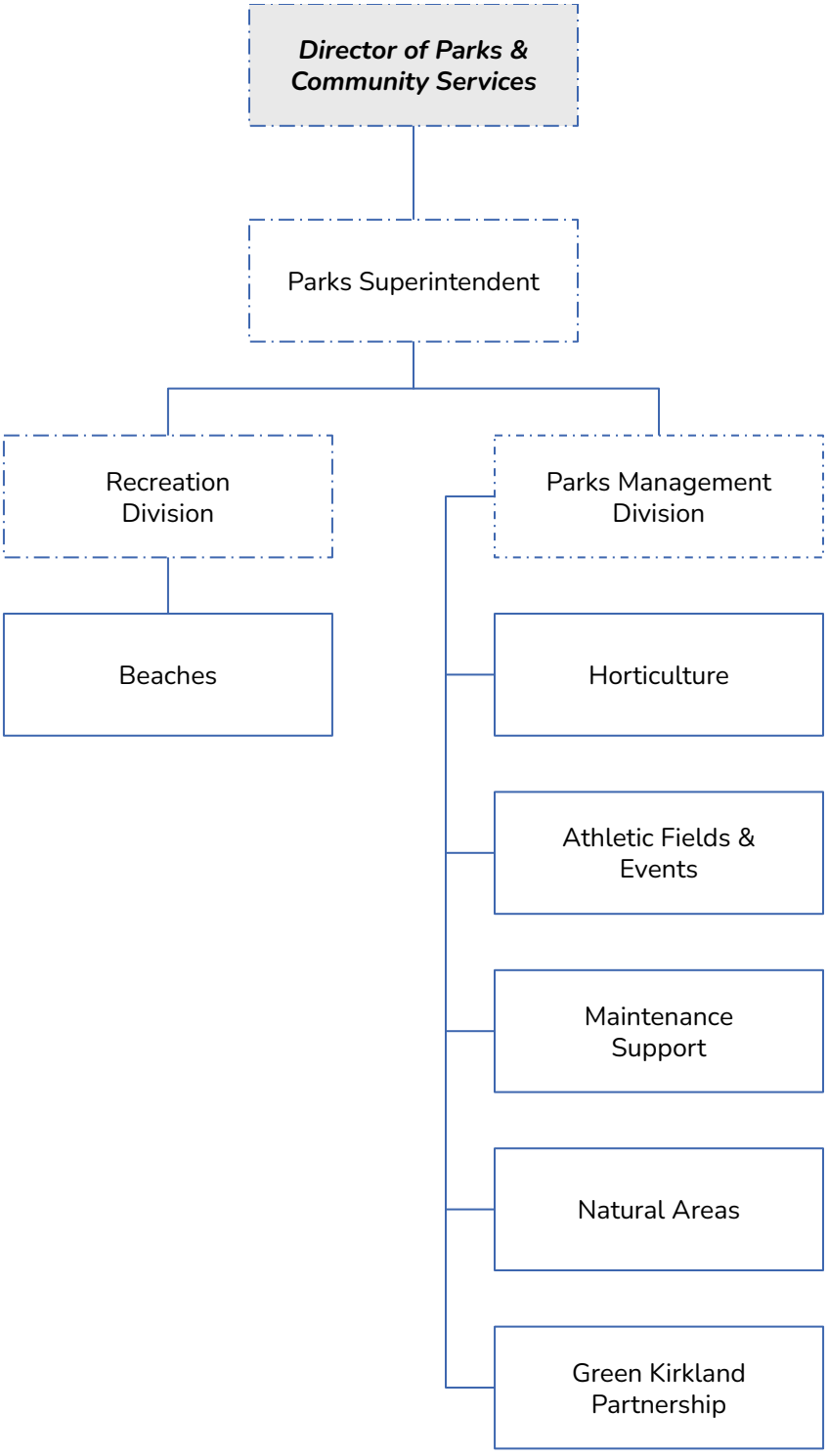
| | Object | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|---|
| **Charges for Goods and Services** | | | | | | |
| Sale of Markers | 343601 | 37,646 | 2,556 | 30,000 | 30,000 | -% |
| Marker Setting Fee | 343602 | 20,120 | 25,950 | 20,000 | 20,000 | -% |
| Open and Close | 343603 | 187,370 | 186,835 | 100,000 | 100,000 | -% |
| Marker Engraving | 343605 | 21,835 | 22,387 | 17,000 | 20,000 | 17.65% |
| **Total for Charges for Goods and Services** | | **266,971** | **237,728** | **167,000** | **170,000** | **1.80%** |
| **Miscellaneous Revenues** | | | | | | |
| Investment Interest | 361111 | 66,096 | 89,046 | 69,819 | 76,958 | 10.23% |
| **Total for Miscellaneous Revenues** | | **66,096** | **89,046** | **69,819** | **76,958** | **10.23%** |
| **Other Financing Sources** | | | | | | |
| Sale Capital Asset | 395100 | 116,930 | 121,810 | 90,000 | 100,000 | 11.11% |
| Resources Forward | 399991 | 1,167,999 | 1,342,626 | 1,342,626 | 1,488,217 | 10.84% |
| **Total for Other Financing Sources** | | **1,284,929** | **1,464,436** | **1,432,626** | **1,588,217** | **10.86%** |
| **Fund Total** | | **1,617,996** | **1,791,210** | **1,669,445** | **1,835,175** | **9.93%** |



# Parks Levy Fund

The Parks Levy Fund accounts for the maintenance and operation of park properties acquired and/or developed with the revenues from levies approved by voters in November 2002 and November 2012. The Parks Maintenance Fund (2002 levy) was merged with the Parks Levy fund in 2024.

# Parks Levy Fund




*Boxes with a dashed outline and italic text indicate positions and/or functions which report to this department but which are budgeted in a separate department and/or operating fund.*

# Parks Levy Fund

## Department Overview

### MISSION

To operate and maintain park facilities and service levels funded by the voter-approved 2002 and 2012 park levies, and to restore and enhance funding for park maintenance and beach lifeguards, acquire park land and open space, and to maintain, renovate, and enhance docks, park facilities, trails, and playfields.

## DEPARTMENT FUNCTIONS

The **Parks Levy Fund** accounts for the proceeds of levies approved by voters in November 2002 and November 2012. The funds generated by these levies provide ongoing funding for the maintenance and operation of Kirkland Parks; restores maintenance and beach lifeguard services at Houghton, Waverly, and Juanita beaches; and restores service levels at neighborhood parks, including restroom operations and repairs. These levies provide funding for repair and upkeep of sports courts, playgrounds (including replacement), city and school athletic field improvements, docks and marina, park facilities, and trails. Funds are also used for maintenance of O.O. Denny Park and the Cross Kirkland Corridor (managed by Public Works) and provide ongoing funding for the Green Kirkland Partnership.

## BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS

### ABUNDANT PARKS, OPEN SPACES AND RECREATIONAL SERVICES

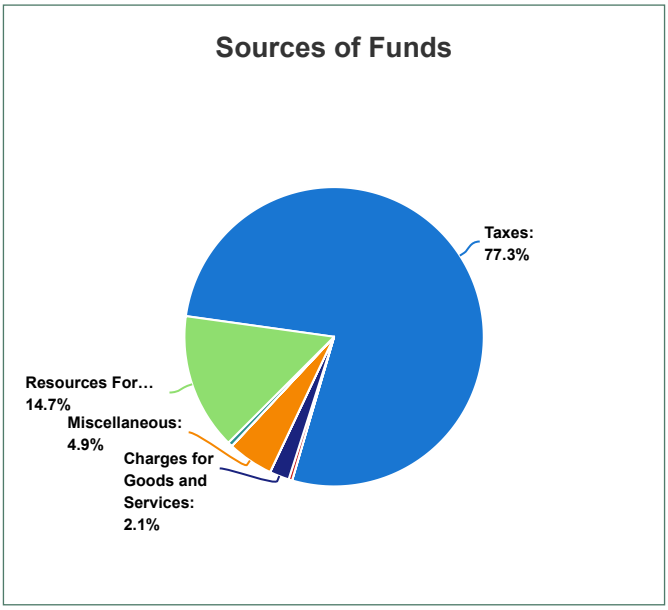
- Continue funding the 1.0 LTE Education and Outreach coordinator to strengthen Parks and Community Services' (PCS) ability to ensure residents are better informed about programs, projects, construction updates, registration opportunities, and public input processes, while also improving the department's capacity to engage the community in a timely, coordinated, and accessible manner. $119,959 one-time Parks Levy funding, offset with $122,000 in revenue. [27PK04]
- Continue funding popular community-building events such as Harvest Festival, Dia de los Muertos, Lunar New Year, See Spot Splash, Junk in the Trunk, and the award-winning International Night Market, $18,354 one-time Parks Levy funding. [27PK02]
- Fund maintenance for additions in service levels, including Juanita Beach North, the Kingsgate church acquisition, Miller and Daniels properties, and other parcel acquisitions. $488,513 one-time, offset with $172,470 of revenue. [27PK13]

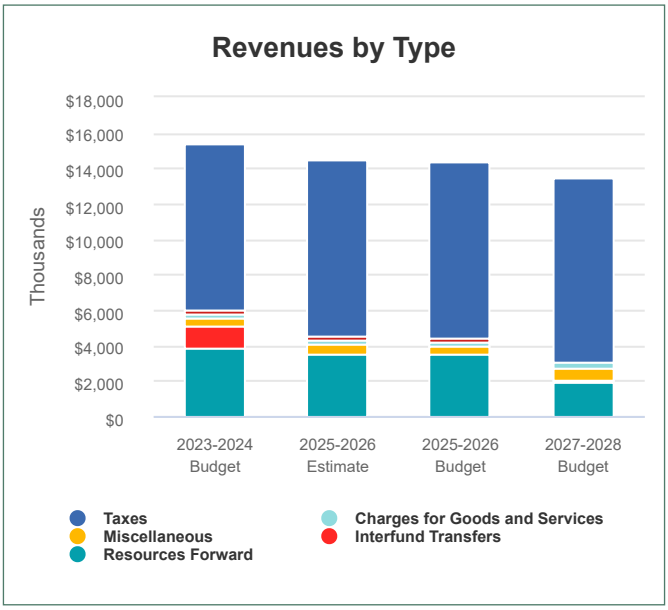
### SUSTAINABLE ENVIRONMENT

- Continue funding Kirkland's Advanced Mitigation Program for ongoing maintenance in the Juanita Bay Advanced Mitigation Program site. This funding will maintain the site in perpetuity so as to sustain the ecosystem gains accomplished by the capital project. $25,000 ongoing. [27PK14]

# Parks Levy Fund

## Financial Overview



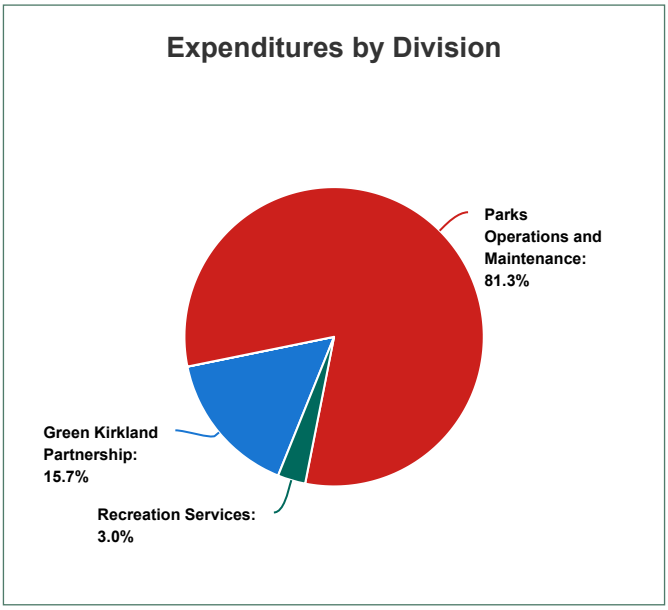



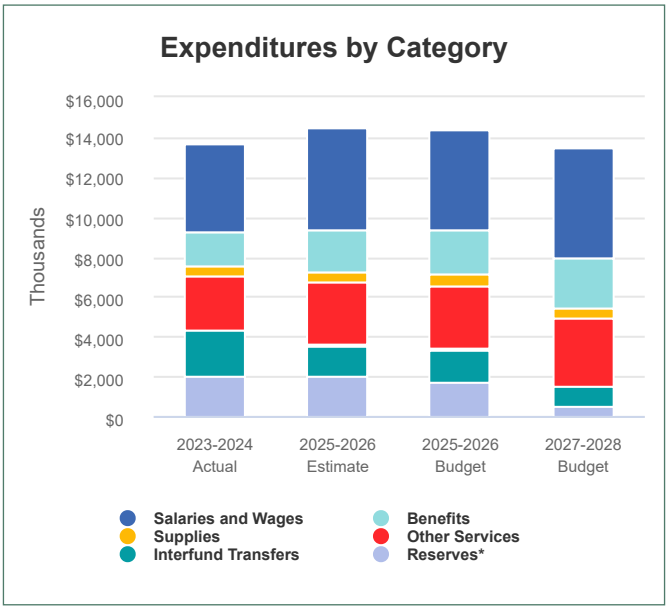

## REVENUE SUMMARY BY TYPE

| | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|
| Taxes | 9,395,124 | 9,899,264 | 9,918,811 | 10,399,163 | 4.84% |
| Intergovernmental | 162,501 | 224,380 | 217,369 | 50,000 | (77.00%) |
| Charges for Goods and Services | 242,653 | 287,633 | 285,518 | 285,518 | -% |
| Miscellaneous | 502,160 | 521,481 | 429,530 | 665,287 | 54.89% |
| Other Revenue | 335 | - | - | - | |
| Interfund Transfers | 1,206,039 | 70,000 | 70,000 | 70,000 | -% |
| Resources Forward | 3,867,374 | 3,459,670 | 3,459,670 | 1,980,154 | (42.76%) |
| **TOTAL** | **15,376,186** | **14,462,428** | **14,380,898** | **13,450,122** | **(6.47%)** |

# Parks Levy Fund

## Financial Overview




## EXPENDITURE SUMMARY BY CATEGORY

| | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|
| Salaries and Wages | 4,372,322 | 5,176,938 | 5,022,351 | 5,530,971 | 10.13% |
| Benefits | 1,753,442 | 2,058,775 | 2,199,037 | 2,446,484 | 11.25% |
| Supplies | 483,266 | 506,301 | 571,725 | 562,050 | (1.69%) |
| Other Services | 2,756,333 | 3,107,732 | 3,123,581 | 3,392,191 | 8.60% |
| Intergovernmental Services | - | 850 | 1,700 | 1,700 | -% |
| Capital Outlay | - | 96,901 | 115,000 | - | (100.00%) |
| Interfund Transfers | 2,313,708 | 1,579,467 | 1,606,360 | 1,000,000 | (37.75%) |
| Reserves* | 1,967,579 | 1,980,154 | 1,741,144 | 516,726 | (70.32%) |
| **TOTAL** | **13,646,650** | **14,507,120** | **14,380,898** | **13,450,122** | **(6.47%)** |

## EXPENDITURE SUMMARY BY DIVISION

| | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|
| Green Kirkland Partnership | 1,920,433 | 2,159,868 | 2,235,103 | 2,111,586 | (5.53%) |
| Parks Operations and Maintenance | 11,392,234 | 11,948,563 | 11,702,086 | 10,935,264 | (6.55%) |
| Recreation Services | 333,983 | 398,688 | 443,709 | 403,272 | (9.11%) |
| **TOTAL** | **13,646,650** | **14,507,120** | **14,380,898** | **13,450,122** | **(6.47%)** |

* 2023-2024 Actual and 2025-2026 Estimate reserves are budgeted, but not spent

# Parks Levy Fund

## 2027-2028 Position Summary

### POSITION SUMMARY BY CLASSIFICATION

| Classification | 2025-2026 Positions | Additions/ Reductions | 2027-2028 Positions |
|---|---|---|---|
| PARKS MAINTENANCE SUPERVISOR | 1.00 | - | 1.00 |
| GREEN KIRKLAND PARTNERSHIP SUPERVISOR | 1.00 | - | 1.00 |
| LEADPERSON | 2.00 | - | 2.00 |
| NATURAL RESOURCES COORDINATOR | 1.00 | - | 1.00 |
| PROGRAM COORDINATOR | 2.00 | - | 2.00 |
| SENIOR GROUNDSPERSON | 2.00 | - | 2.00 |
| GROUNDSPERSON | 12.50 | - | 12.50 |
| PARKS ACCOUNTS ASSOCIATE | 0.50 | - | 0.50 |
| **TOTAL** | **22.00** | **-** | **22.00** |

*Salary information for City of Kirkland positions can be found at https://www.kirklandwa.gov/Government/Departments/Human-Resources/Collective-Bargaining-Agreements*

### POSITION SUMMARY BY DIVISION

| Classification | 2025-2026 Positions | Additions/ Reductions | 2027-2028 Positions |
|---|---|---|---|
| Green Kirkland Partnership | 5.00 | - | 5.00 |
| Parks Operations and Maintenance | 17.00 | - | 17.00 |
| **TOTAL** | **22.00** | **-** | **22.00** |

# Parks Levy Fund

## PARKS LEVY FUND REVENUES

| | Object | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|---|
| **Taxes** | | | | | | |
| Prop Tax Park | 311102 | 3,258,077 | 3,451,463 | 3,461,286 | 3,628,877 | 4.84% |
| Prop Tax 12 Park | 311106 | 6,137,047 | 6,447,801 | 6,457,525 | 6,770,286 | 4.84% |
| **Total for Taxes** | | **9,395,124** | **9,899,264** | **9,918,811** | **10,399,163** | **4.84%** |
| **Intergovernmental Revenue** | | | | | | |
| Dept of Ecology | 334031 | 34,720 | 70,516 | 27,662 | - | (100.00%) |
| Other KC Grants | 337081 | 109,031 | 63,238 | 139,707 | - | (100.00%) |
| King Conserv Dis | 337085 | 18,750 | 90,626 | 50,000 | 50,000 | -% |
| **Total for Intergovernmental Revenue** | | **162,501** | **224,380** | **217,369** | **50,000** | **(77.00%)** |
| **Charges for Goods and Services** | | | | | | |
| Interfund-Gen | 341963 | - | 5,128 | - | - | |
| Intfnd-Envir Srvc | 341968 | 242,653 | 282,505 | 285,518 | 285,518 | -% |
| **Total for Charges for Goods and Services** | | **242,653** | **287,633** | **285,518** | **285,518** | **-%** |
| **Miscellaneous Revenues** | | | | | | |
| Investment Interest | 361111 | 188,669 | 159,254 | 206,630 | 168,947 | (18.24%) |
| Rentals Park Fields and Courts | 362456 | 80,376 | 131,444 | 84,500 | 126,600 | 49.82% |
| Rentals Other Park Facilities | 362458 | 216,593 | 215,770 | 120,000 | 197,270 | 64.39% |
| Facility Leases Other | 362502 | - | - | - | 126,470 | |
| House Rental | 362601 | - | - | - | 46,000 | |
| Contribution Donation | 367000 | 16,522 | 15,013 | 18,400 | - | (100.00%) |
| **Total for Miscellaneous Revenues** | | **502,160** | **521,481** | **429,530** | **665,287** | **54.89%** |
| **Other Financing Sources** | | | | | | |
| Operating Transfers In | 397101 | 1,206,039 | 70,000 | 70,000 | 70,000 | -% |
| Insurance Rec Gen Government | 398001 | 335 | - | - | - | |
| Resources Forward | 399991 | 3,867,374 | 3,459,670 | 3,459,670 | 1,980,154 | (42.76%) |
| **Total for Other Financing Sources** | | **5,073,748** | **3,529,670** | **3,529,670** | **2,050,154** | **(41.92%)** |
| **Fund Total** | | **15,376,186** | **14,462,428** | **14,380,898** | **13,450,122** | **(6.47%)** |

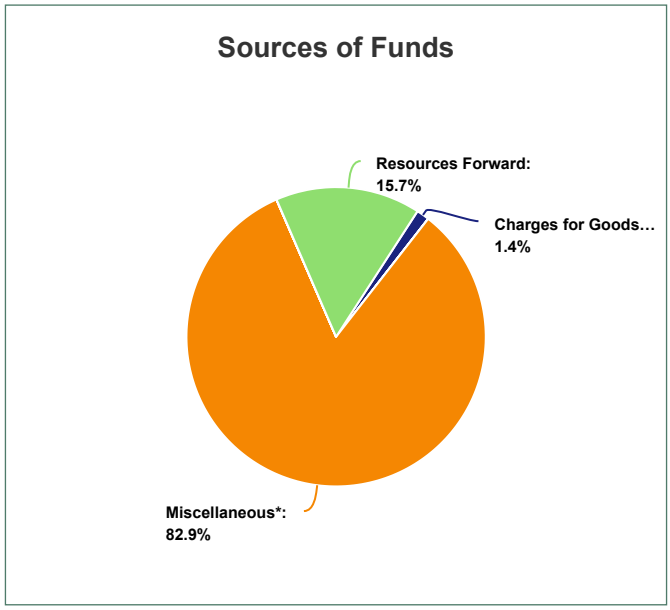


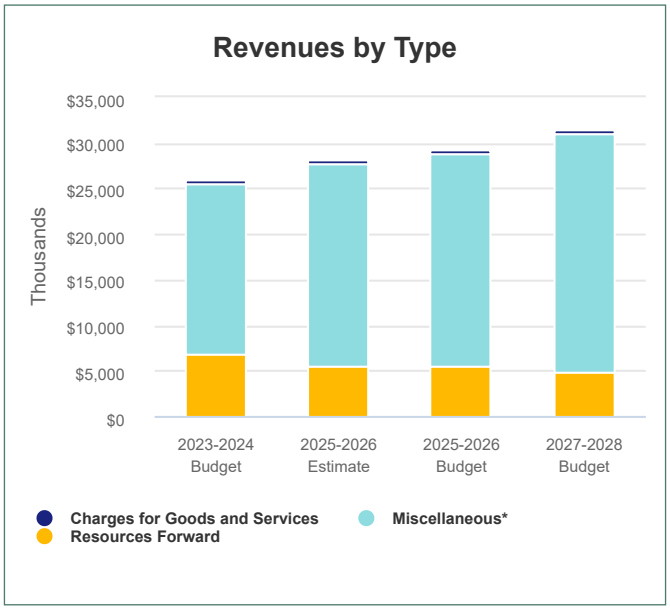
# Health Benefits Fund

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.

# Health Benefits Fund

## Financial Overview



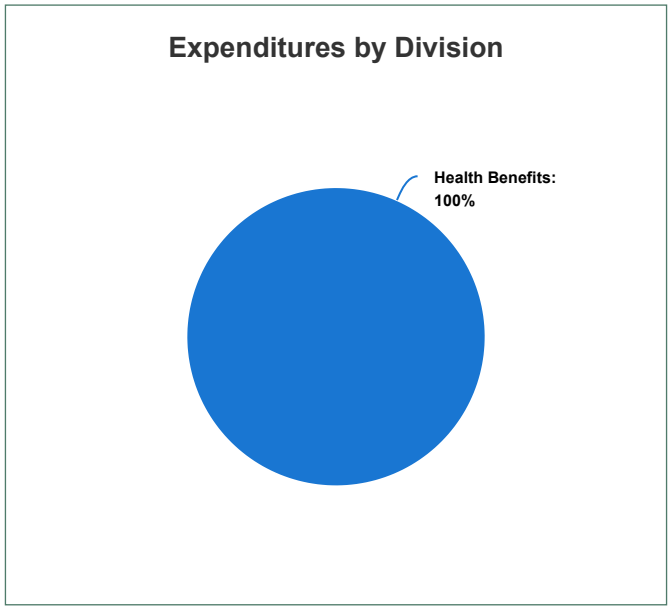

### REVENUE SUMMARY BY TYPE

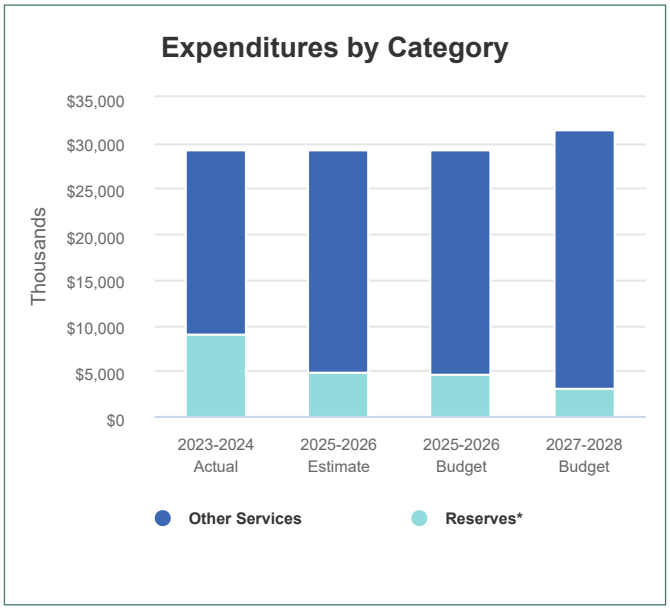
| | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|
| Charges for Goods and Services | 358,637 | 393,215 | 397,392 | 433,831 | 9.17% |
| Miscellaneous* | 18,671,211 | 22,362,094 | 23,501,416 | 26,050,884 | 10.85% |
| Resources Forward | 6,911,454 | 5,424,956 | 5,424,956 | 4,927,436 | (9.17%) |
| **TOTAL** | **25,941,302** | **28,180,265** | **29,323,764** | **31,412,151** | **7.12%** |

*Miscellaneous includes Medical Premiums, Investment Interest, Prescription and Stop Loss Rebates.

# Health Benefits Fund

## Financial Overview




## EXPENDITURE SUMMARY BY CATEGORY

| | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|
| Other Services | 20,207,895 | 24,450,616 | 24,675,776 | 28,283,121 | 14.62% |
| Intergovernmental Services | 6,210 | 7,986 | 7,822 | 9,333 | 19.32% |
| Reserves* | 9,125,438 | 4,927,436 | 4,640,166 | 3,119,697 | (32.77%) |
| **TOTAL** | **29,339,543** | **29,386,037** | **29,323,764** | **31,412,151** | **7.12%** |

## EXPENDITURE SUMMARY BY DIVISION

| | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|
| Health Benefits | 29,339,543 | 29,386,037 | 29,323,764 | 31,412,151 | 7.12% |
| **TOTAL** | **29,339,543** | **29,386,037** | **29,323,764** | **31,412,151** | **7.12%** |

* 2023-2024 Actual and 2025-2026 Estimate reserves are budgeted, but not spent

# Health Benefits Fund

## HEALTH BENEFITS FUND REVENUES

| | Object | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|---|
| **Charges for Goods and Services** | | | | | | |
| Interfund Medical Contribution | 348000 | 358,637 | 393,215 | 397,392 | 433,831 | 9.17% |
| **Total for Charges for Goods and Services** | | **358,637** | **393,215** | **397,392** | **433,831** | **9.17%** |
| | | | | | | |
| **Miscellaneous Revenues** | | | | | | |
| Investment Interest | 361111 | 312,117 | 346,799 | 307,239 | 302,863 | (1.42%) |
| Medical Contribution EE | 367121 | 15,966,139 | 20,540,888 | 21,496,355 | 23,779,483 | 10.62% |
| Medical Contribution Ret | 367122 | 192,549 | 224,608 | 287,885 | 317,251 | 10.20% |
| Contribution Rebates Prescript | 367191 | 1,308,199 | 1,648,377 | 1,226,023 | 1,651,287 | 34.69% |
| Stop Loss Rebate | 367192 | 866,490 | (434,560) | 183,914 | - | (100.00%) |
| Other Misc Rev | 369910 | 25,716 | 35,982 | - | - | |
| **Total for Miscellaneous Revenues** | | **18,671,211** | **22,362,094** | **23,501,416** | **26,050,884** | **10.85%** |
| | | | | | | |
| **Other Financing Sources** | | | | | | |
| Resources Forward | 399991 | 6,911,454 | 5,424,956 | 5,424,956 | 4,927,436 | (9.17%) |
| **Total for Other Financing Sources** | | **6,911,454** | **5,424,956** | **5,424,956** | **4,927,436** | **(9.17%)** |
| | | | | | | |
| **Fund Total** | | **25,941,302** | **28,180,265** | **29,323,764** | **31,412,151** | **7.12%** |

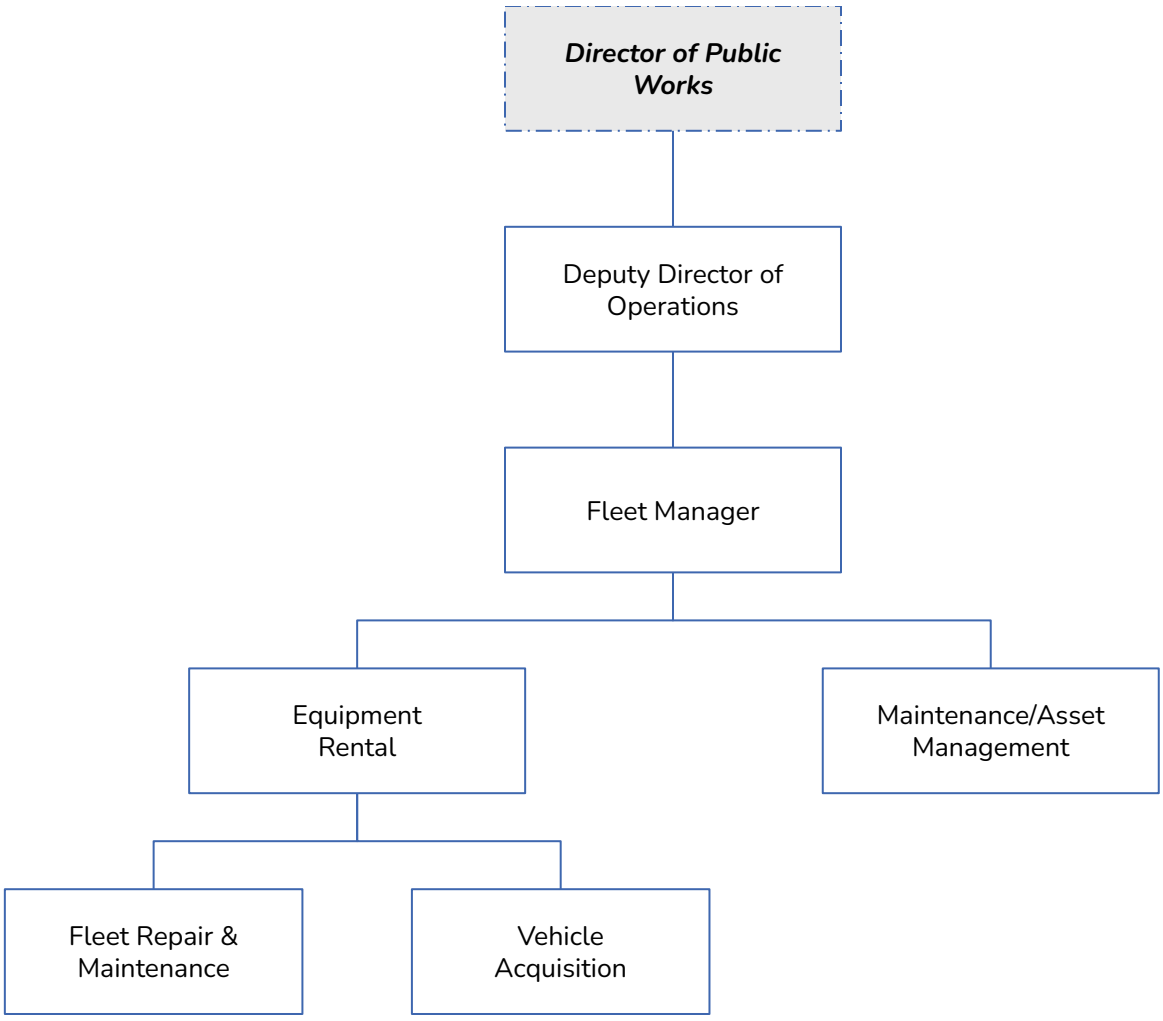


# Equipment Rental Fund

The Equipment Rental Fund accounts and assesses user charges for the cost of maintaining and replacing all City vehicles and heavy equipment.

**City of Kirkland 2027-2028 Preliminary Budget**

# Equipment Rental Fund




*Boxes with a dashed outline and italic text indicate positions and/or functions which report to this department but which are budgeted in a separate department and/or operating fund.*

# Equipment Rental Fund

## Department Overview

### MISSION

The Equipment Rental Fund provides safe, reliable, cost-effective vehicles and equipment to meet the operating needs of all City departments.

### DIVISION FUNCTIONS

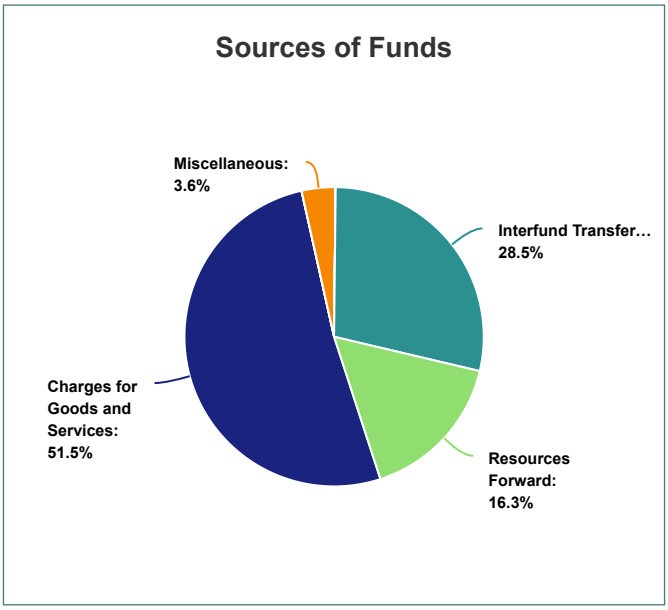
Overseen by the Public Works Deputy Director of Operations, the Fleet Division is responsible for efficient operations of the Fleet Maintenance shops (Kirkland Maintenance Center and Kirkland Justice Center), selection and coordination of outside vendors, vehicle repair and maintenance, fueling systems (petroleum and electric) including EV chargers, acquisition and resale of all vehicles and equipment, and provides cost-accounting, rate recommendations, and replacement schedules for the City's fleet of approximately 450 pieces of equipment. All operations and purchases include environmental considerations, including the conversion to electric technology.

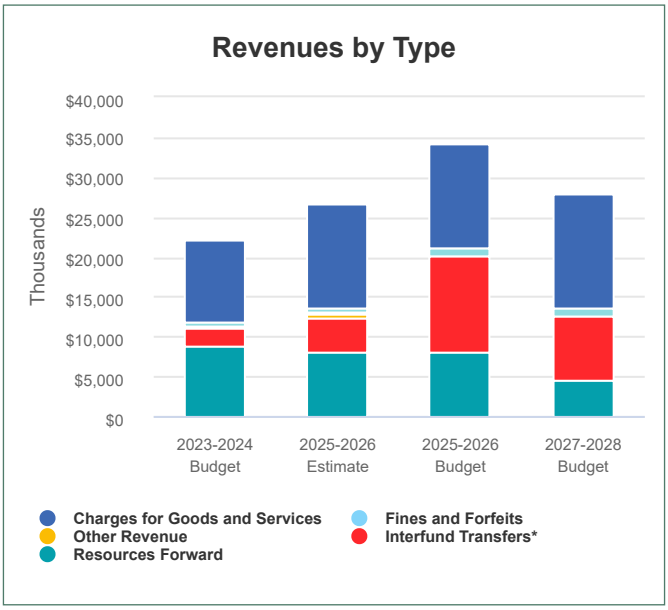
### BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS

- Fund the replacement of 43 pieces of equipment through the 2027-2028 biennium budget, $5,685,818.

# Equipment Rental Fund

## Financial Overview



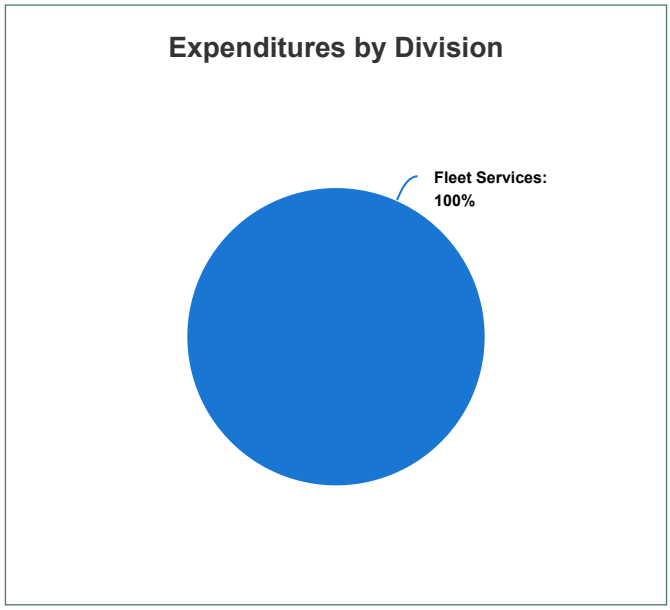

## REVENUE SUMMARY BY TYPE

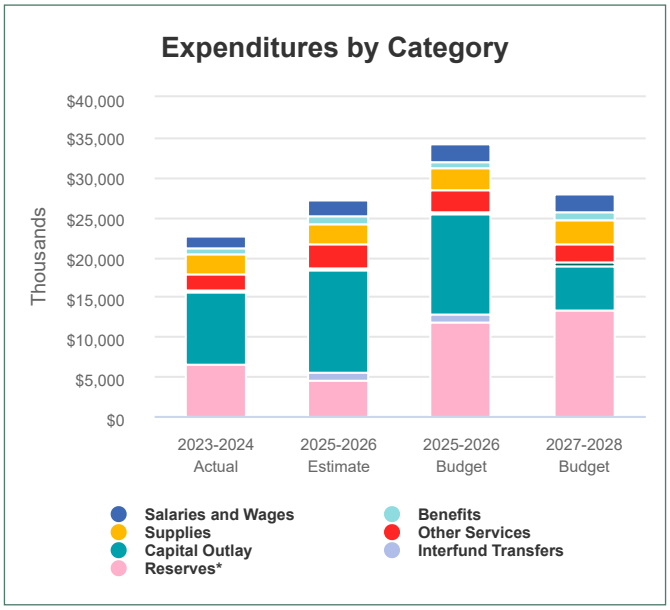
| | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|
| Charges for Goods and Services | 10,442,002 | 13,085,119 | 13,051,898 | 14,414,800 | 10.44% |
| Miscellaneous | 585,491 | 650,884 | 945,605 | 1,020,551 | 7.93% |
| Proprietary Other Income | 185,219 | 175,167 | - | - | |
| Other Revenue | 82,709 | 479,477 | 45,800 | - | (100.00%) |
| Interfund Transfers* | 2,117,555 | 4,305,446 | 12,020,132 | 7,981,675 | (33.60%) |
| Resources Forward | 8,845,630 | 8,046,117 | 8,046,117 | 4,562,558 | (43.29%) |
| **TOTAL** | **22,258,607** | **26,742,210** | **34,109,552** | **27,979,584** | **(17.97%)** |

* 2025-2026 increase due to scheduled repayment of a 2022 interfund loan to purchase Houghton Village property.

# Equipment Rental Fund

## Financial Overview




## EXPENDITURE SUMMARY BY CATEGORY

| | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|
| Salaries and Wages | 1,540,845 | 2,015,600 | 2,068,268 | 2,279,910 | 10.23% |
| Benefits | 679,176 | 821,637 | 864,202 | 967,170 | 11.91% |
| Supplies | 2,445,895 | 2,694,580 | 2,756,600 | 3,070,159 | 11.37% |
| Other Services | 1,979,549 | 2,905,243 | 2,736,879 | 2,290,639 | (16.30%) |
| Intergovernmental Services | 256,927 | 328,221 | 383,310 | 387,450 | 1.08% |
| Capital Outlay | 9,165,957 | 12,837,261 | 12,595,741 | 5,745,818 | (54.38%) |
| Interfund Transfers | - | 889,815 | 889,812 | - | (100.00%) |
| Reserves* | 6,527,302 | 4,562,558 | 11,814,740 | 13,238,438 | 12.05% |
| **TOTAL** | **22,595,651** | **27,054,915** | **34,109,552** | **27,979,584** | **(17.97%)** |

## EXPENDITURE SUMMARY BY DIVISION

| | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|
| Fleet Services | 22,595,651 | 27,054,915 | 34,109,552 | 27,979,584 | (17.97%) |
| **TOTAL** | **22,595,651** | **27,054,915** | **34,109,552** | **27,979,584** | **(17.97%)** |

* 2023-2024 Actual and 2025-2026 Estimate reserves are budgeted, but not spent

# Equipment Rental Fund

## 2027-2028 Position Summary

### POSITION SUMMARY BY CLASSIFICATION

| Classification | 2025-2026 Positions | Additions/ Reductions | 2027-2028 Positions |
|---|---|---|---|
| PUBLIC WORKS DEPUTY DIRECTOR OF OPERATIONS | 0.25 | - | 0.25 |
| FLEET MANAGER | 1.00 | - | 1.00 |
| MECHANIC 3 | 1.00 | - | 1.00 |
| EMERGENCY VEHICLE TECHNICIAN | 5.00 | - | 5.00 |
| CONTRACT AND PURCHASING SPECIALIST | 0.50 | - | 0.50 |
| YARD MAINT/INV CONTROL | 0.15 | - | 0.15 |
| FLEET PARTS SPECIALIST | 1.00 | - | 1.00 |
| OFFICE SPECIALIST | 1.00 | - | 1.00 |
| OG/OT OFFICE SPECIALIST | - | 0.10 | 0.10 |
| **TOTAL** | **9.90** | **0.10** | **10.00** |

**Salary information for City of Kirkland positions can be found at https://www.kirklandwa.gov/Government/Departments/Human-Resources/Collective-Bargaining-Agreements*

### POSITION SUMMARY BY DIVISION

| Classification | 2025-2026 Positions | Additions/ Reductions | 2027-2028 Positions |
|---|---|---|---|
| Fleet Services | 9.90 | 0.10 | 10.00 |
| **TOTAL** | **9.90** | **0.10** | **10.00** |

# Equipment Rental Fund

## EQUIPMENT RENTAL FUND REVENUES

| | Object | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|---|
| **Charges for Goods and Services** | | | | | | |
| Interfund-Gen | 341963 | 2,638 | - | - | - | |
| Sales of Fuel | 344511 | 18,726 | 23,414 | 12,000 | - | (100.00%) |
| Interfund Vehicles Rent | 348001 | 5,790,884 | 7,758,494 | 7,755,640 | 8,471,135 | 9.23% |
| Replace Reserve | 348002 | 4,336,794 | 4,902,699 | 4,900,948 | 5,475,263 | 11.72% |
| Interfund Radio | 348003 | 265,184 | 348,797 | 309,242 | 431,346 | 39.48% |
| Interfund-Radio Replcmnt | 348004 | 27,776 | 51,715 | 74,068 | 37,056 | (49.97%) |
| **Total for Charges for Goods and Services** | | **10,442,002** | **13,085,119** | **13,051,898** | **14,414,800** | **10.44%** |
| **Miscellaneous Revenues** | | | | | | |
| Investment Interest | 361111 | 406,479 | 536,072 | 397,982 | 451,969 | 13.57% |
| Interfund Loan Interest | 361400 | 167,002 | 84,882 | - | - | |
| Sales of Surplus | 369101 | - | - | 547,623 | 568,582 | 3.83% |
| Other Judgements | 369401 | - | 6,175 | - | - | |
| Other Misc Rev | 369910 | 12,010 | 23,756 | - | - | |
| **Total for Miscellaneous Revenues** | | **585,491** | **650,884** | **945,605** | **1,020,551** | **7.93%** |
| **Proprietary Other Income** | | | | | | |
| Ins Recovery Prop | 372001 | 185,219 | 175,167 | - | - | |
| **Total for Proprietary Other Income** | | **185,219** | **175,167** | **-** | **-** | |
| **Other Financing Sources** | | | | | | |
| Sale Capital Asset | 395100 | 82,709 | 479,477 | 45,800 | - | (100.00%) |
| Operating Transfers In | 397101 | 2,117,555 | 4,305,446 | 12,020,132 | 7,981,675 | (33.60%) |
| Resources Forward | 399991 | 2,385,615 | 1,939,949 | 1,939,949 | 647,496 | (66.62%) |
| Resources Forward - Reserve | 399992 | 6,460,015 | 6,106,168 | 6,106,168 | 3,915,062 | (35.88%) |
| **Total for Other Financing Sources** | | **11,045,895** | **12,831,040** | **20,112,049** | **12,544,233** | **(37.63%)** |
| **Fund Total** | | **22,258,607** | **26,742,210** | **34,109,552** | **27,979,584** | **(17.97%)** |

# Equipment Rental Fund

## Equipment Rental Capital Replacement

This section includes three summary tables– one listing the vehicles costing $50,000 or more to be replaced over the six-year period of 2027-2032, and the second and third list vehicle replacements for 2027 and 2028, 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 7 vehicles costing in excess of $50,000 currently scheduled for replacement in 2027.
- There are 10 vehicles costing in excess of $50,000 currently scheduled for replacement in 2028.

# Equipment Rental Fund

## 2027-2032 FLEET REPLACEMENT PLAN
## VEHICLE REPLACEMENTS OVER $50,000

### Fire

| Vehicle | Year / Description | Service Life | In Service Date | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | Six Year Total Cost | Comments |
|---|---|---|---|---|---|---|---|---|---|---|---|
| F226 | 2017 CHEVROLET SUBURBAN 1500 SUV | 12 | 5/24/2017 | | | 93,080 | | | | 93,080 | Active - First Life |
| F227 | 2018 FORD F250 PICKUP | 12 | 4/3/2018 | | | | 77,576 | | | 77,576 | Active - First Life |
| F228 | 2018 CHEVROLET SILVERADO 3500HD PICKUP | 12 | 5/11/2018 | | | | 65,734 | | | 65,734 | Active - First Life |
| F229 | 2018 FORD F150 PICKUP | 12 | 10/23/2018 | | | | 65,291 | | | 65,291 | Active - First Life |
| F231 | 2022 KIA NIRO EV CAR | 10 | 9/29/2021 | | | | | 57,380 | | 57,380 | Active - First Life |
| F232 | 2022 KIA NIRO EV CAR | 10 | 9/24/2021 | | | | | 57,603 | | 57,603 | Active - First Life |
| F325 | 2019 FORD F450 FIRE AID UNIT | 8 | 1/30/2020 | | 437,780 | | | | | 437,780 | Active - First Life |
| F614 | 2009 SPARTAN GLADIATOR FIRE PUMPER | 18 | 5/20/2010 | | 1,630,005 | | | | | 1,630,005 | Active - First Life |
| F615 | 2013 SPARTAN GLADIATOR FIRE PUMPER | 18 | 12/2/2013 | | | | | 958,775 | | 958,775 | Active - First Life |
| **Total Fire Vehicles** | | | | **-** | **2,067,785** | **93,080** | **208,601** | **1,073,758** | **-** | **3,443,224** | |

# Equipment Rental Fund

## FLEET REPLACEMENT PLAN
## VEHICLE REPLACEMENTS OVER $50,000

### Parks & Community Services

| Vehicle | Year / Description | Service Life | In Service Date | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | Six Year Total Cost | Comments |
|---|---|---|---|---|---|---|---|---|---|---|---|
| B6 | 2018 FORD E350 BUS | 12 | 4/4/2018 | | | | 98,709 | | | 98,709 | Active - First Life |
| BC43 | 2013 BANDIT 1590XP CHIPPER | 15 | 1/28/2014 | | | 96,902 | | | | 96,902 | Active - First Life |
| LM27 | 2021 TORO 4300-D MOWER | 8 | 2/9/2022 | | | | 81,580 | | | 81,580 | Active - First Life |
| LM28 | 2021 TORO GROUNDSMASTER 4500-D T4 MOWER | 8 | 7/1/2022 | | | | 110,340 | | | 110,340 | Active - First Life |
| LM29 | 2022 TORO GROUNDSMASTER 4000-D T4 MOWER | 8 | 8/3/2022 | | | | 101,817 | | | 101,817 | Active - First Life |
| LM30 | 2022 TORO GROUNDSMASTER 4000-D T4 MOWER | 8 | 8/24/2022 | | | | 101,854 | | | 101,854 | Active - First Life |
| LM35 | 2022 TORO GROUNDSMASTER 4000-D T4 MOWER | 8 | 8/24/2022 | | | | 101,854 | | | 101,854 | Active - First Life |
| MDT12 | 2018 INTERNATIONAL 7400 DUMP TRUCK | 14 | 8/23/2017 | | | | | 140,365 | | 140,365 | Active - First Life |
| PU140 | 2017 CHEVROLET SILVERADO 3500 PICKUP | 12 | 2/16/2017 | | | 60,217 | | | | 60,217 | Active - First Life |
| PU144 | 2017 CHEVROLET SILVERADO 2500 PICKUP | 12 | 2/16/2017 | | | 54,156 | | | | 54,156 | Active - First Life |
| PU167 | 2019 FORD F350 PICKUP | 12 | 11/20/2019 | | | | | 62,466 | | 62,466 | Active - First Life |
| PU168 | 2019 FORD F250 PICKUP | 12 | 11/26/2019 | | | | | 51,415 | | 51,415 | Active - First Life |
| PU169 | 2019 FORD F250 PICKUP | 12 | 12/17/2019 | | | | | 51,342 | | 51,342 | Active - First Life |
| PU170 | 2019 FORD F250 PICKUP | 12 | 11/26/2019 | | | | | 51,972 | | 51,972 | Active - First Life |
| PU174 | 2020 FORD F250 PICKUP | 12 | 12/7/2020 | | | | | | 65,002 | 65,002 | Active - First Life |
| SDT27 | 2015 FORD F550 DUMP TRUCK | 15 | 10/16/2014 | | | 67,911 | | | | 67,911 | Active - First Life |
| SDT31 | 2017 FORD F550 DUMP TRUCK | 14 | 4/17/2017 | | | | | 101,038 | | 101,038 | Active - First Life |
| SDT32 | 2018 FORD F550 DUMP TRUCK | 14 | 5/14/2018 | | | | | | 98,064 | 98,064 | Active - First Life |
| TR14 | 2016 JOHN DEERE 4052R TRACTOR | 12 | 11/16/2016 | | 59,479 | | | | | 59,479 | Active - First Life |
| UT139 | 2017 FORD F450 UTILITY BODY | 12 | 11/8/2016 | | 65,884 | | | | | 65,884 | Active - First Life |
| **Total Parks & Community Services Vehicles** | | | | **-** | **125,363** | **279,186** | **596,154** | **458,598** | **163,066** | **1,622,367** | |

### Planning & Building

| Vehicle | Year / Description | Service Life | In Service Date | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | Six Year Total Cost | Comments |
|---|---|---|---|---|---|---|---|---|---|---|---|
| ESU172 | 2020 KIA NIRO EV SUV | 10 | 9/22/2020 | | | | 53,813 | | | 53,813 | Active - First Life |
| ESU173 | 2020 KIA NIRO EV SUV | 10 | 9/22/2020 | | | | 53,813 | | | 53,813 | Active - First Life |
| ESU175 | 2020 KIA NIRO EV SUV | 10 | 2/16/2021 | | | | | 52,347 | | 52,347 | Active - First Life |
| ESU176 | 2020 KIA NIRO EV SUV | 10 | 2/16/2021 | | | | | 52,347 | | 52,347 | Active - First Life |
| **Total Planning & Building Vehicles** | | | | **-** | **-** | **-** | **107,626** | **104,694** | **-** | **212,320** | |

# Equipment Rental Fund

## FLEET REPLACEMENT PLAN
## VEHICLE REPLACEMENTS OVER $50,000

### Police

| Vehicle | Year / Description | Service Life | In Service Date | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | Six Year Total Cost | Comments |
|---|---|---|---|---|---|---|---|---|---|---|---|
| P174 | 2018 FORD INTERCEPTOR SUV | 10 | 3/28/2018 | | 59,822 | | | | | 59,822 | Active - First Life |
| P183 | 2020 FORD EXPLORER SUV | 10 | 9/12/2019 | | | 55,944 | | | | 55,944 | Active - First Life |
| P184 | 2020 FORD EXPLORER SUV | 10 | 9/6/2019 | | | 57,552 | | | | 57,552 | Active - First Life |
| P191 | 2019 FORD F150 PICKUP | 10 | 10/10/2019 | | | 58,559 | | | | 58,559 | Active - First Life |
| P193 | 2019 FORD F150 PICKUP | 10 | 10/9/2019 | | | 60,600 | | | | 60,600 | Active - First Life |
| P198 | 2020 FORD INTERCEPTOR SUV HYBRID SUV | 7 | 1/16/2020 | 86,202 | | | | | | 86,202 | Active - First Life |
| P200 | 2019 CHEVROLET BOLT CAR | 10 | 10/1/2019 | | | 62,835 | | | | 62,835 | Active - First Life |
| P201 | 2020 TOYOTA SIENNA VAN | 10 | 4/6/2020 | | | | 51,064 | | | 51,064 | Active - First Life |
| P202 | 2020 FORD INTERCEPTOR SUV | 7 | 5/7/2020 | 81,331 | | | | | | 81,331 | Active - First Life |
| P203 | 2021 FORD EXPLORER SUV | 10 | 4/15/2021 | | | | | 60,529 | | 60,529 | Active - First Life |
| P205 | 2023 FORD INTERCEPTOR SUV | 7 | 6/30/2024 | | | | | 62,745 | | 62,745 | Active - First Life |
| P206 | 2023 FORD INTERCEPTOR SUV | 7 | 7/20/2024 | | | | | 62,745 | | 62,745 | Active - First Life |
| P207 | 2023 FORD INTERCEPTOR SUV | 7 | 7/20/2024 | | | | | 62,745 | | 62,745 | Active - First Life |
| P208 | 2023 FORD INTERCEPTOR SUV | 7 | 8/10/2024 | | | | | 62,745 | | 62,745 | Active - First Life |
| P209 | 2023 FORD INTERCEPTOR SUV | 7 | 8/23/2024 | | | | | 62,745 | | 62,745 | Active - First Life |
| P210 | 2023 CHEVROLET TAHOE PPV SUV | 7 | 8/22/2023 | | | | 92,868 | | | 92,868 | Active - First Life |
| P211 | 2023 CHEVROLET TAHOE PPV SUV | 7 | 8/22/2023 | | | | 92,868 | | | 92,868 | Active - First Life |
| P214 | 2025 FORD INTERCEPTOR HYBRID SUV | 7 | 11/7/2025 | | | | | | 67,034 | 67,034 | Active - First Life |
| P215 | 2025 FORD INTERCEPTOR HYBRID SUV | 7 | 11/25/2025 | | | | | | 67,034 | 67,034 | Active - First Life |
| P216 | 2025 FORD INTERCEPTOR HYBRID SUV | 7 | 11/6/2025 | | | | | | 67,034 | 67,034 | Active - First Life |
| P217 | 2025 FORD INTERCEPTOR HYBRID SUV | 7 | 11/3/2025 | | | | | | 67,034 | 67,034 | Active - First Life |
| P218 | 2025 FORD INTERCEPTOR HYBRID SUV | 7 | 12/15/2025 | | | | | | 67,034 | 67,034 | Active - First Life |
| P220 | 2025 FORD INTERCEPTOR HYBRID SUV | 7 | 11/22/2025 | | | | | | 67,034 | 67,034 | Active - First Life |
| P222 | 2025 FORD INTERCEPTOR HYBRID SUV | 7 | 7/9/2025 | | | | | | 67,034 | 67,034 | Active - First Life |
| P223 | 2025 FORD INTERCEPTOR HYBRID SUV | 7 | 11/22/2025 | | | | | | 67,034 | 67,034 | Active - First Life |
| P224 | 2025 FORD INTERCEPTOR HYBRID SUV | 7 | 11/8/2025 | | | | | | 67,034 | 67,034 | Active - First Life |
| P225 | 2025 FORD INTERCEPTOR HYBRID SUV | 7 | 12/18/2025 | | | | | | 67,034 | 67,034 | Active - First Life |
| **Total Police Vehicles** | | | | **167,533** | **59,822** | **295,490** | **236,800** | **374,254** | **670,340** | **1,804,239** | |

# Equipment Rental Fund

## FLEET REPLACEMENT PLAN
## VEHICLE REPLACEMENTS OVER $50,000
### Public Works

| Vehicle | Year / Description | Service Life | In Service Date | 2027 | 2028 | 2029 | 2030 | 2031 | 2032 | Six Year Total Cost | Comments |
|---|---|---|---|---|---|---|---|---|---|---|---|
| BT12 | 2016 FREIGHTLINER M2106 TEREX BUCKET TRUCK | 15 | 1/5/2016 | | | | | 296,749 | | 296,749 | Active - First Life |
| CV2 | 2015 FORD E450 VAN | 13 | 7/15/2015 | | 399,356 | | | | | 399,356 | Active - First Life |
| CV3 | 2015 GMC SAVANA VAN | 13 | 7/15/2015 | | 332,518 | | | | | 332,518 | Active - First Life |
| DT10 | 2013 PETERBILT 367 DUMP TRUCK | 15 | 11/2/2012 | 234,321 | | | | | | 234,321 | Active - First Life |
| DT13 | 2018 PETERBILT 367 DUMP TRUCK | 15 | 8/23/2017 | | | | | | 453,861 | 453,861 | Active - First Life |
| EM7 | 2022 SEWER EQUIP CO OF AMERICA JAJ-600WH EASEMENT MACHINE | 10 | 3/31/2022 | | | | | | 128,103 | 128,103 | Active - First Life |
| ESU177 | 2020 KIA NIRO EV SUV | 10 | 2/16/2021 | | | | | 52,347 | | 52,347 | Active - First Life |
| ESU183 | 2020 KIA NIRO EV SUV | 10 | 5/7/2021 | | | | | 52,347 | | 52,347 | Active - First Life |
| ESU184 | 2020 KIA NIRO EV SUV | 10 | 5/7/2021 | | | | | 52,347 | | 52,347 | Active - First Life |
| ESU185 | 2020 KIA NIRO EV SUV | 10 | 5/24/2021 | | | | | 52,347 | | 52,347 | Active - First Life |
| FB1 | 2019 FORD F450 PICKUP | 12 | 1/17/2020 | | | | | | 123,200 | 123,200 | Active - First Life |
| FB162 | 2019 FORD F350 PICKUP | 12 | 12/12/2019 | | | | | 77,380 | | 77,380 | Active - First Life |
| FB2 | 2019 FORD F450 PICKUP | 12 | 1/17/2020 | | | | | | 123,200 | 123,200 | Active - First Life |
| MDT11 | 2016 INTERNATIONAL WORKSTAR 7500 DUMP TRUCK | 14 | 7/9/2015 | | | 154,133 | | | | 154,133 | Active - First Life |
| MM1 | 2016 WIRTGEN W130CFI MILLING MACHINE | 12 | 9/29/2016 | | 835,312 | | | | | 835,312 | Active - First Life |
| PM1 | 2019 VOGELE SUPER 700 PAVING MACHINE | 12 | 4/19/2019 | | | | | 272,242 | | 272,242 | Active - First Life |
| PU128 | 2015 CHEVROLET Silverado 2500HD PICKUP | 12 | 5/1/2015 | 51,321 | | | | | | 51,321 | Active - First Life |
| PU151 | 2018 FORD F350 PICKUP | 12 | 2/21/2018 | | | | 60,397 | | | 60,397 | Active - First Life |
| PU154 | 2019 FORD F250 PICKUP | 12 | 10/19/2018 | | | | 50,370 | | | 50,370 | Active - First Life |
| R6 | 2022 HAMM HD 12i VV ROLLER | 10 | 5/19/2022 | | | | | | 77,661 | 77,661 | Active - First Life |
| S12 | 2024 PETERBILT ELGIN SWEEPER | 6 | 5/14/2024 | | | | 497,594 | | | 497,594 | Active - First Life |
| S13 | 2024 PETERBILT ELGIN SWEEPER | 6 | 5/14/2024 | | | | 497,594 | | | 497,594 | Active - First Life |
| S14 | 2024 PETERBILT ELGIN SWEEPER | 6 | 9/17/2024 | | | | 513,495 | | | 513,495 | Active - First Life |
| S3 | 2018 GREEN MACHINES 636 SWEEPER | 12 | 4/15/2018 | | | | 172,225 | | | 172,225 | Active - First Life |
| SDT26 | 2015 FORD F550 DUMP TRUCK | 14 | 7/15/2014 | | 67,528 | | | | | 67,528 | Active - First Life |
| SDT28 | 2016 FORD F550 UTILITY BODY | 14 | 8/14/2015 | | | 77,602 | | | | 77,602 | Active - First Life |
| SDT30 | 2017 FORD F550 DUMP TRUCK | 14 | 12/15/2016 | | | | 59,197 | | | 59,197 | Active - First Life |
| SUT129 | 2015 FORD F350 UTILITY BODY | 12 | 5/11/2015 | 67,478 | | | | | | 67,478 | Active - First Life |
| TH5 | 2015 BOBCAT E55 TRACKHOE | 13 | 9/24/2015 | | 129,959 | | | | | 129,959 | Active - First Life |
| TH6 | 2019 KOMATSU PC88MR-10 TRACKHOE | 13 | 3/19/2019 | | | | | | 231,171 | 231,171 | Active - First Life |
| UT10 | 2015 FORD F550 UTILITY BODY | 12 | 4/3/2015 | 98,002 | | | | | | 98,002 | Active - First Life |
| UT29 | 2016 FORD F550 UTILITY BODY | 12 | 8/12/2015 | 97,801 | | | | | | 97,801 | Active - First Life |
| **Total Public Works Vehicles** | | | | **548,923** | **1,764,673** | **231,735** | **1,850,872** | **855,759** | **1,137,196** | **6,389,158** | |
| **Total All Vehicles** | | | | **716,456** | **4,017,643** | **899,491** | **3,000,053** | **2,867,063** | **1,970,602** | **13,471,308** | |

# Equipment Rental Fund

## VEHICLE REPLACEMENT PLAN FOR 2027

All vehicles listed will be considered for replacement dependent upon their condition and replacement funding.

| Division | Vehicle | Year/Description | Service Life | In Service Date | Replacement Cost | Comments |
|---|---|---|---|---|---|---|
| **Parks** | | | | | | |
| PARKS MAINTENANCE | M31 | 2021 JOHN DEERE Z994R MOWER | 6 | 11/17/2021 | 21,214 | Active - First Life |
| PARKS MAINTENANCE | M32 | 2021 JOHN DEERE 1570 MOWER DECK BUFFALO TURBINE MOWER | 6 | 12/16/2021 | 37,290 | Active - First Life |
| PARKS MAINTENANCE | M34 | 2021 JOHN DEERE 1570 MOWER DECK BUFFALO TURBINE MOWER | 6 | 11/17/2021 | 38,127 | Active - First Life |
| PARKS MAINTENANCE | PU125 | 2015 CHEVROLET COLORADO PICKUP | 12 | 3/25/2015 | 44,718 | Active - First Life |
| PARKS MAINTENANCE | TA4 | 2019 TORO PRO-CORE SR70-S UTILITY VEHICLE | 8 | 3/29/2019 | 34,818 | Active - First Life |
| PARKS MAINTENANCE | TB6 | 2017 SCAG TLB25-37CH BLOWER | 8 | 9/24/2019 | 14,429 | Active - First Life |
| **Planning and Building** | | | | | | |
| INSPECTIONS | PU123 | 2015 CHEVROLET COLORADO PICKUP | 12 | 2/24/2015 | 46,989 | Active - First Life |
| INSPECTIONS | SU149 | 2017 JEEP RENEGADE SUV | 10 | 7/20/2017 | 32,931 | Active - First Life |
| **Police** | | | | | | |
| PROACT | P172 | 2017 FORD ESCAPE SUV | 10 | 9/29/2017 | 38,141 | Active - First Life |
| TRAFFIC | P194 | 2019 BMW R1250 RT-P MOTORCYCLE | 8 | 10/17/2019 | 42,857 | Active - First Life |
| TRAFFIC | P195 | 2019 BMW R1250 RT-P MOTORCYCLE | 8 | 10/17/2019 | 42,857 | Active - First Life |
| PATROL | P198 | 2020 FORD INTERCEPTOR HYBRID SUV | 7 | 1/16/2020 | 86,202 | Active - First Life |
| PATROL | P202 | 2020 FORD INTERCEPTOR SUV | 7 | 5/7/2020 | 81,331 | Active - First Life |
| **Public Works** | | | | | | |
| STREETS MAINTENANCE | DT10 | 2013 PETERBILT 367 DUMP TRUCK | 15 | 11/2/2012 | 234,321 | Active - First Life |
| GROUNDS | PU126 | 2015 FORD F250 PICKUP | 12 | 4/10/2015 | 43,598 | Active - First Life |
| GROUNDS | PU128 | 2015 CHEVROLET SILVERADO 2500HD PICKUP | 12 | 5/1/2015 | 51,321 | Active - First Life |
| STREETS MAINTENANCE | SDT25 | 2013 FORD F350 DUMP TRUCK | 14 | 5/9/2013 | 37,892 | Active - First Life |
| ADMINISTRATION | SU145 | 2017 FORD ESCAPE SUV | 10 | 2/9/2017 | 33,168 | Active - First Life |
| DEVELOPMENT | SU146 | 2017 FORD ESCAPE SUV | 10 | 2/14/2017 | 33,168 | Active - First Life |
| STORMWATER | SUT129 | 2015 FORD F350 UTILITY BODY | 12 | 5/11/2015 | 67,478 | Active - First Life |
| WASTEWATER | UT10 | 2015 FORD F550 UTILITY BODY | 12 | 4/3/2015 | 98,002 | Active - First Life |
| STORMWATER | UT29 | 2016 FORD F550 UTILITY BODY | 12 | 8/12/2015 | 97,801 | Active - First Life |
| **Total Vehicles** | | | | | **1,258,653** | |

# Equipment Rental Fund

## VEHICLE REPLACEMENT PLAN 2028

All vehicles listed will be considered for replacement dependent upon their condition and replacement funding.

| Division | Vehicle | Year/Description | Service Life | In Service Date | Replacement Cost | Comments |
|---|---|---|---|---|---|---|
| **Fire** | | | | | | |
| OPERATIONS | F325 | 2019 FORD F450 FIRE AID UNIT | 8 | 1/30/2020 | 437,780 | Active - First Life |
| OPERATIONS | F614 | 2009 SPARTAN GLADIATOR FIRE PUMPER | 18 | 5/20/2010 | 1,630,005 | Active - First Life |
| **Parks** | | | | | | |
| PARKS MAINTENANCE | M33 | 2021 JOHN DEERE 1570 MOWER DECK MOWER | 6 | 7/14/2022 | 38,127 | Active - First Life |
| PARKS MAINTENANCE | TR14 | 2016 JOHN DEERE 4052R TRACTOR | 12 | 11/16/2016 | 59,479 | Active - First Life |
| PARKS MAINTENANCE | UT139 | 2017 FORD F450 UTILITY BODY | 12 | 11/8/2016 | 65,884 | Active - First Life |
| PARKS MAINTENANCE | UV18 | 2020 JOHN DEERE GATOR HPX615E UTILITY VEHICLE | 8 | 6/10/2020 | 17,204 | Active - First Life |
| **Planning/Building** | | | | | | |
| PLANNING | PU136 | 2016 CHEVROLET COLORADO PICKUP | 12 | 9/7/2016 | 38,775 | Active - First Life |
| INSPECTIONS | SU155 | 2018 FORD ESCAPE SUV | 10 | 8/28/2018 | 35,935 | Active - First Life |
| **Police** | | | | | | |
| DETENTION/CORRECTIONS | P133 | 2013 FORD E350 VAN | 15 | 3/5/2013 | 49,363 | Active - First Life |
| DETENTION/CORRECTIONS | P174 | 2018 FORD INTERCEPTOR SUV | 10 | 3/28/2018 | 59,822 | Active - First Life |
| INVESTIGATIONS | P178 | 2018 FORD FUSION HYBRID CAR | 10 | 4/12/2018 | 42,845 | Active - First Life |
| INVESTIGATIONS | P179 | 2018 FORD ESCAPE SUV | 10 | 5/14/2018 | 41,015 | Active - First Life |
| INVESTIGATIONS | P180 | 2018 FORD TAURUS CAR | 10 | 4/17/2018 | 39,917 | Active - First Life |
| ADMINISTRATION | P230 | 2018 FORD ESCAPE CAR | 10 | 11/2/2018 | 37,889 | Active - First Life |
| **Public Works** | | | | | | |
| WASTEWATER | CV2 | 2015 FORD E450 VAN | 13 | 7/15/2015 | 399,356 | Active - First Life |
| STORMWATER | CV3 | 2015 GMC SAVANA VAN | 13 | 7/15/2015 | 332,518 | Active - First Life |
| STREETS MAINTENANCE | MM1 | 2016 WIRTGEN W130CFI MILLING MACHINE | 12 | 9/29/2016 | 835,312 | Active - First Life |
| STREETS MAINTENANCE | SDT26 | 2015 FORD F550 DUMP TRUCK | 14 | 7/15/2014 | 67,528 | Active - First Life |
| SOLID WASTE | SU152 | 2018 FORD ESCAPE SUV | 10 | 4/1/2018 | 32,720 | Active - First Life |
| SURFACE WATER | SU156 | 2018 FORD ESCAPE SUV | 10 | 9/27/2018 | 35,732 | Active - First Life |
| STORMWATER | TH5 | 2015 BOBCAT E55 TRACKHOE | 13 | 9/24/2015 | 129,959 | Active - First Life |
| **Total All Vehicles** | | | | | **4,427,165** | |

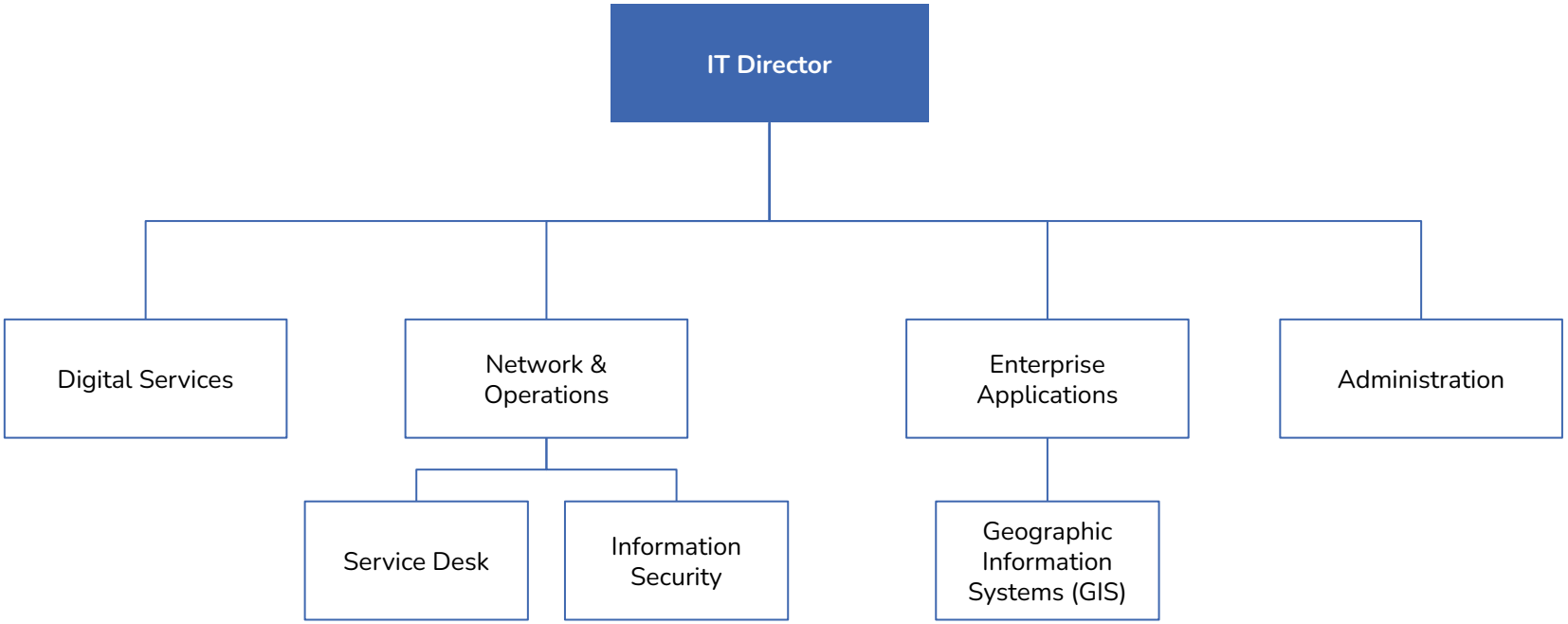



# Information Technology Fund

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.

**City of Kirkland 2027-2028 Preliminary Budget**

# Information Technology Fund



# Information Technology Fund

## Department Overview

### MISSION

To deliver operational excellence to City of Kirkland staff and community through reliable, resilient, and secure technology services; enable the safe and effective adoption of emerging technologies; foster regional partnerships; and advance organizational success by following industry best practices.

## DEPARTMENT FUNCTIONS

The **Network & Operations Team** is responsible for operating and maintaining the City's technology and data infrastructure, including telephone networks, personal computers, mobile devices, and the City's expanding fiber-based connectivity systems. The team supports City building infrastructure by ensuring reliable network availability across facilities, field sites, and public services. In addition, the team oversees hybrid cloud and on-premise environments that power the City's critical applications and operational systems.

The team includes the IT Service Desk, which is responsible for providing technical support and assistance to internal and external customers. A key area of focus for these teams is the security of the City's technology assets, infrastructure, data, users, and facilities through strong technology security controls, practices, and continuous monitoring.

The **Enterprise Applications Team** procures, maintains, and supports mission-critical applications such as finance, payroll, utilities, permitting, public safety, parks and recreation systems, and the City's intranet and website. The team also administers and maintains the databases that support these applications, ensuring reliable and secure access to business information. Additionally, the team provides application configuration, integration, and reporting services to meet the operational needs of City departments.

The **Geographic Information Systems (GIS) Team** procures, maintains, and supports the City's geospatial platform, including location-based products and services, integrations to key enterprise applications, reporting, analytics, and business intelligence to support various City initiatives and projects.

The **Digital Services Team** manages the City's two public television stations (KGov and KLife), video and television programming, including broadcasting City Council and other public meetings, content creation for the City's website and social media channels, production of the weekly City podcast, video coverage of City events, and minor repair and maintenance of AV/Broadcast technology equipment.

## BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS

### INCLUSIVE AND EQUITABLE COMMUNITY

- Continue a 0.75 LTE Service Desk Analyst position through the end of 2028, filled by a young adult with learning disabilities, in alignment with the Department's and City's DEIB goals. The position supports the Service Desk team including supporting laptop replacement, completing onboarding/offboarding tickets, surplusing of aged equipment, organizing and tracking IT equipment, and monitoring the IT ticket queue, $225,093 one-time, offset by $225,093 in IT reserves. [27IT02]

### DEPENDABLE INFRASTRUCTURE

- Continue existing 1.0 LTE GIS Technician position through the end of 2028. This role provides essential support by taking on routine technical tasks, allowing GIS Analysts to focus on complex work and innovative solutions. Continuing the position will sustain team capacity and advance ongoing GIS initiatives, $278,628 one-time, offset by $278,628 in IT Reserves. [27IT01]
- Continue existing 1.0 LTE Technical Project Manager in Information Technology (IT) as a 0.5 LTE and convert a 0.5 FTE Office Specialist to make the position an ongoing/one-time 0.5 LTE/0.5 FTE position through the

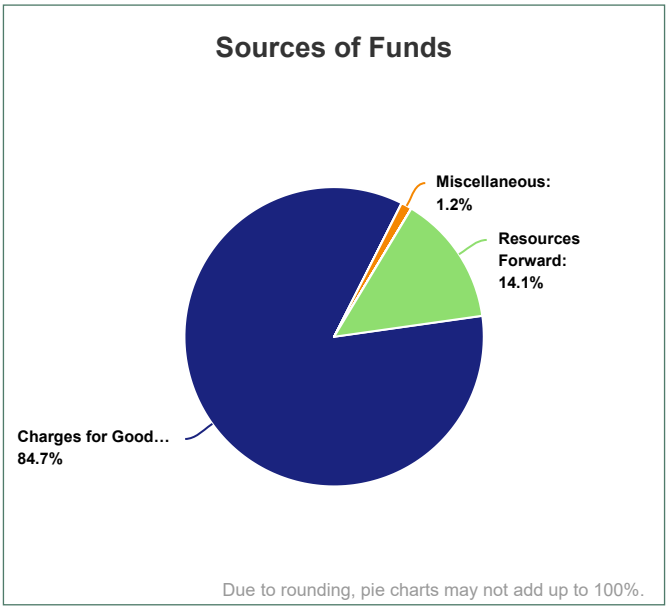
# Information Technology Fund

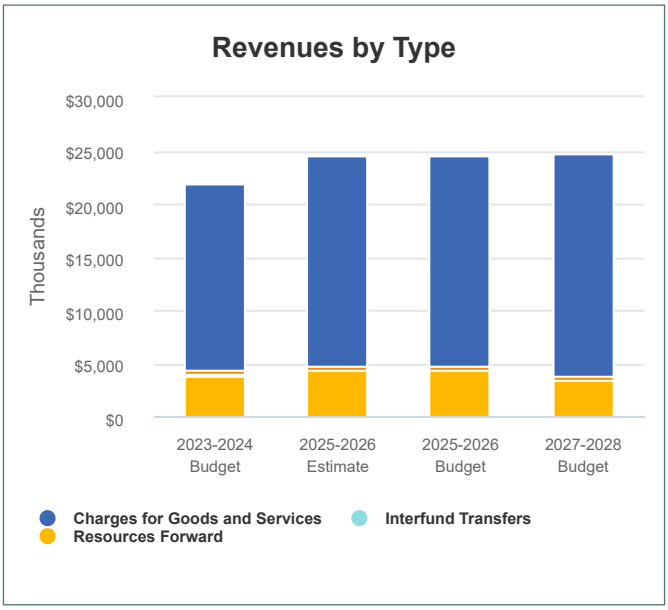
end of 2028. The TPM role has added significant efficiencies in the planning and execution of technology projects for other departments, $217,040 ongoing, $217,041 one-time, offset by $127,039 in salary savings and $307,042 in IT Reserves. [27IT03]

- Fund additional cloud storage for SharePoint, to support the migration of the H: Drive. The June 2024 outage highlighted the City's reliance on the H: Drive, and several departments have since expressed the need to migrate this data to SharePoint. This transition would strengthen business continuity and resilience while enabling improved integration with Microsoft CoPilot, automated data governance, and enhanced protection of sensitive information, $130,000 one-time, offset by $130,000 in IT Reserves. [27IT04]

# Information Technology Fund

## Financial Overview



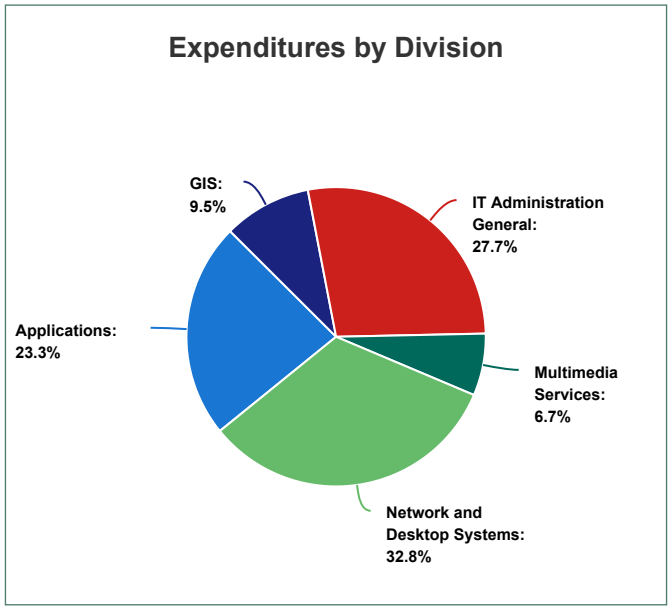



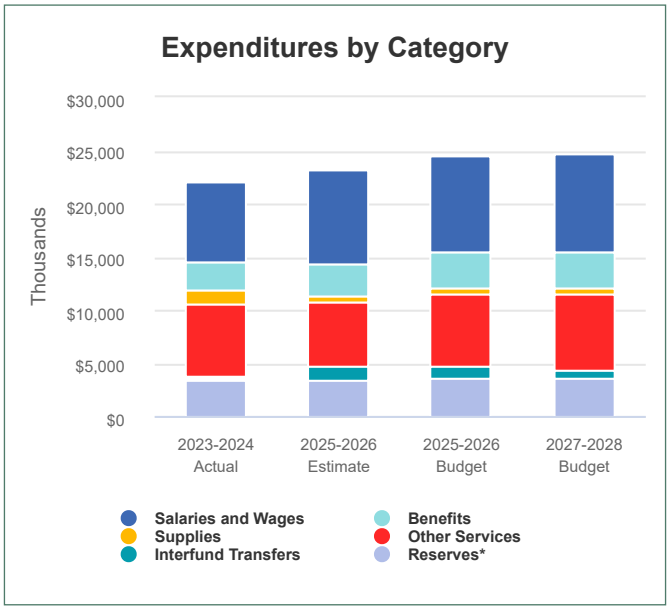

### REVENUE SUMMARY BY TYPE

| | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|
| Charges for Goods and Services | 17,600,512 | 19,724,528 | 19,717,496 | 20,908,906 | 6.04% |
| Miscellaneous | 438,133 | 357,449 | 333,399 | 291,402 | (12.60%) |
| Interfund Transfers | 128,604 | 97,584 | 97,584 | - | (100.00%) |
| Resources Forward | 3,788,010 | 4,322,574 | 4,322,574 | 3,489,968 | (19.26%) |
| **TOTAL** | **21,955,259** | **24,502,135** | **24,471,053** | **24,690,276** | **0.90%** |

# Information Technology Fund

## Financial Overview




## EXPENDITURE SUMMARY BY CATEGORY

| | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|
| Salaries and Wages | 7,412,999 | 8,981,046 | 8,988,807 | 9,307,613 | 3.55% |
| Benefits | 2,737,641 | 2,902,827 | 3,389,611 | 3,216,207 | (5.12%) |
| Supplies | 1,266,343 | 597,725 | 585,004 | 645,103 | 10.27% |
| Other Services | 6,930,995 | 6,103,557 | 6,815,139 | 7,256,451 | 6.48% |
| Capital Outlay | 33,744 | 12,092 | - | - | |
| Interfund Transfers | 337,342 | 1,150,000 | 1,150,000 | 630,000 | (45.22%) |
| Reserves* | 3,313,973 | 3,489,968 | 3,542,492 | 3,634,902 | 2.61% |
| **TOTAL** | **22,033,038** | **23,237,215** | **24,471,053** | **24,690,276** | **0.90%** |

## EXPENDITURE SUMMARY BY DIVISION

| | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|
| Applications | 4,914,899 | 5,173,270 | 5,615,767 | 5,757,593 | 2.53% |
| GIS | 1,968,775 | 2,326,490 | 2,251,664 | 2,354,443 | 4.56% |
| IT Administration General | 5,888,136 | 6,646,975 | 6,970,053 | 6,836,135 | (1.92%) |
| Multimedia Services | 1,208,327 | 2,134,980 | 1,909,810 | 1,650,068 | (13.60%) |
| Network and Desktop Systems | 8,052,901 | 6,955,500 | 7,723,759 | 8,092,037 | 4.77% |
| **TOTAL** | **22,033,038** | **23,237,215** | **24,471,053** | **24,690,276** | **0.90%** |

* 2023-2024 Actual and 2025-2026 Estimate reserves are budgeted, but not spent

# Information Technology Fund

## 2027-2028 Position Summary

### POSITION SUMMARY BY CLASSIFICATION

| Classification | 2025-2026 Positions | Additions/ Reductions | 2027-2028 Positions |
|---|---|---|---|
| INFORMATION TECHNOLOGY DIRECTOR | 1.00 | - | 1.00 |
| DEPUTY DIRECTOR IT | 1.00 | - | 1.00 |
| IT MANAGER - ENTERPRISE APPLICATIONS | 1.00 | - | 1.00 |
| IT SUPERVISOR - SERVICE DESK | 1.00 | - | 1.00 |
| IT SUPERVISOR - GIS | 1.00 | - | 1.00 |
| TECHNICAL PROJECT MANAGER | 1.00 | 0.50 | 1.50 |
| SENIOR APPLICATIONS ANALYST | 6.00 | - | 6.00 |
| SENIOR NETWORK ENGINEER | 2.00 | - | 2.00 |
| INFORMATION SECURITY ANALYST | 1.00 | - | 1.00 |
| SENIOR IT BUSINESS ANALYST | 1.00 | - | 1.00 |
| SENIOR GIS ANALYST | 2.00 | - | 2.00 |
| NETWORK ANALYST | 1.00 | - | 1.00 |
| SENIOR SERVICE DESK ANALYST | 1.00 | - | 1.00 |
| APPLICATIONS ANALYST | 2.00 | - | 2.00 |
| DESKTOP SYS ANALYST | 1.00 | - | 1.00 |
| GIS ANALYST | 2.00 | - | 2.00 |
| VIDEO PRODUCTION SPECIALIST | 2.00 | - | 2.00 |
| SERVICE DESK ANALYST | 3.00 | - | 3.00 |
| ADMINISTRATIVE ASSISTANT | 1.00 | - | 1.00 |
| OG/OT OFFICE SPECIALIST | 0.50 | (0.50) | - |
| **TOTAL** | **31.50** | **-** | **31.50** |

* 1.0 FTE Senior Applications Analyst and 0.75 FTE Applications Analyst paid for by Planning & Building

**Salary information for City of Kirkland positions can be found at https://www.kirklandwa.gov/Government/Departments/Human-Resources/Collective-Bargaining-Agreements

### POSITION SUMMARY BY DIVISION

| Classification | 2025-2026 Positions | Additions/ Reductions | 2027-2028 Positions |
|---|---|---|---|
| Applications* | 10.00 | - | 10.00 |
| GIS | 5.00 | - | 5.00 |
| IT Administration General | 4.50 | - | 4.50 |
| Multimedia Services | 2.00 | - | 2.00 |
| Network and Desktop Systems | 10.00 | - | 10.00 |
| **TOTAL** | **31.50** | **-** | **31.50** |

# Information Technology Fund

## INFORMATION TECHNOLOGY FUND REVENUES

| | Object | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|---|
| **Charges for Goods and Services** | | | | | | |
| Interfund-Tech Srvc | 341962 | 305,833 | 295,681 | 349,475 | 704,525 | 101.60% |
| Gen Government Srvcs | 341971 | 1,836 | - | - | - | |
| Interfund IT Operating | 348801 | 16,630,195 | 18,562,508 | 18,501,897 | 19,030,114 | 2.85% |
| Interfund IT Replace Chg | 348802 | 662,648 | 866,339 | 866,124 | 1,174,267 | 35.58% |
| **Total for Charges for Goods and Services** | | **17,600,512** | **19,724,528** | **19,717,496** | **20,908,906** | **6.04%** |
| | | | | | | |
| **Miscellaneous Revenues** | | | | | | |
| Investment Interest | 361111 | 315,345 | 260,103 | 214,751 | 209,689 | (2.36%) |
| Contribution Donation | 367000 | 67,163 | 80,471 | 101,773 | 81,713 | (19.71%) |
| Other Judgements | 369401 | 55,625 | 16,875 | 16,875 | - | (100.00%) |
| **Total for Miscellaneous Revenues** | | **438,133** | **357,449** | **333,399** | **291,402** | **(12.60%)** |
| | | | | | | |
| **Other Financing Sources** | | | | | | |
| Operating Transfers In | 397101 | 128,604 | 97,584 | 97,584 | - | (100.00%) |
| Resources Forward | 399991 | 3,788,010 | 4,322,574 | 4,322,574 | 3,489,968 | (19.26%) |
| **Total for Other Financing Sources** | | **3,916,614** | **4,420,158** | **4,420,158** | **3,489,968** | **(21.04%)** |
| | | | | | | |
| **Fund Total** | | **21,955,259** | **24,502,135** | **24,471,053** | **24,690,276** | **0.90%** |

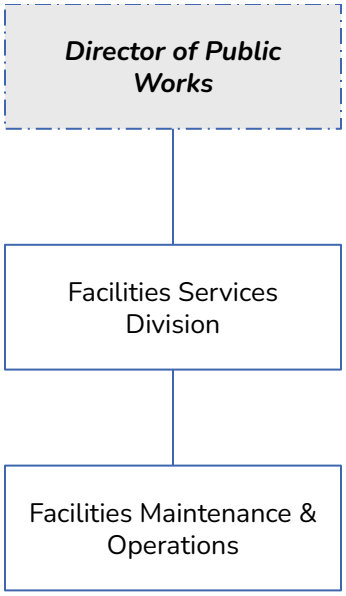



# Facilities Maintenance Fund

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.

**City of Kirkland 2027-2028 Preliminary Budget**

# Facilities Maintenance Fund




*Boxes with a dashed outline and italic text indicate positions and/or functions which report to this department but which are budgeted in a separate department and/or operating fund.*

# Facilities Maintenance Fund

## Department Overview

### MISSION

The Facilities Maintenance Fund ensures that City buildings, related equipment and mechanical systems, and interior furnishings receive the appropriate planning, scheduled maintenance, and repair services to provide a safe, efficient, and healthy environment for employees, visitors, customers, and patrons.

## DIVISION FUNCTIONS

The Facilities Services Division is responsible for building operations and maintenance, preventative maintenance, remodels, construction, building life cycle replacement programs, janitorial, and facility security for City owned and occupied buildings, including City Hall and Annex, Public Works Maintenance Center Campus, Kirkland Justice Center, Community Centers, KTUB, Performance Theater, Parks Maintenance and Operations Center, and all Fire stations.

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 Division is tasked with space planning, construction management, carpentry, mechanical, electrical, plumbing, finishes, and electronic services.

The Public Works Streets and Grounds Division maintains the landscaping and grounds of City buildings including City Hall and the Annex, PW Maintenance Center, Fire Stations and the Kirkland Justice Center (excluding Parks).

In addition, Facilities Services serves as the property management agent for two commercial properties (Houghton Village and Perrin Building) and addresses tenant requests and facility maintenance. Facilities Services also manages the contracted janitorial services for City owned and occupied buildings, including City Hall and Annex, Public Works Maintenance Center Campus, Kirkland Justice Center, Community Centers, KTUB, and the Parks Maintenance and Operations Center.

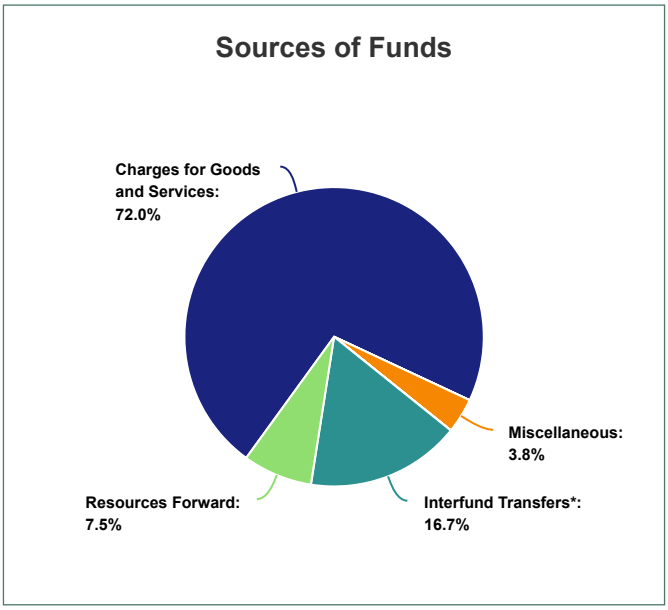
## BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS

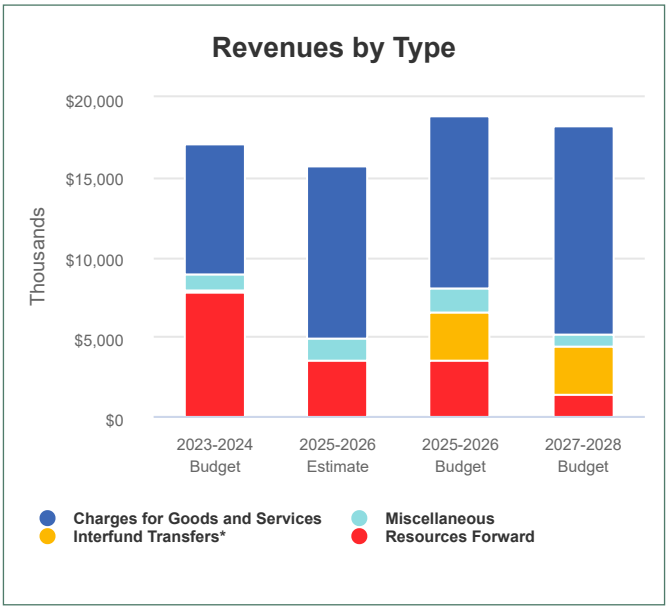
### DEPENDABLE INFRASTRUCTURE

- Add a Facilities Technician 1 (1.0 FTE) starting 2028 to help manage increased building square footage as the City's building portfolio grows with the addition of the Iceplex Community Center in 2028, $130,457 ongoing, $74,107 one-time. [27FC01]
- Finance Facilities CIP projects totaling $2.6 million for 2027-2028 including $751,600 for Mechanical/HVAC System Replacements and $1.4 million for Painting, Ceilings, Partition, and Window Replacements.

# Facilities Maintenance Fund

## Financial Overview



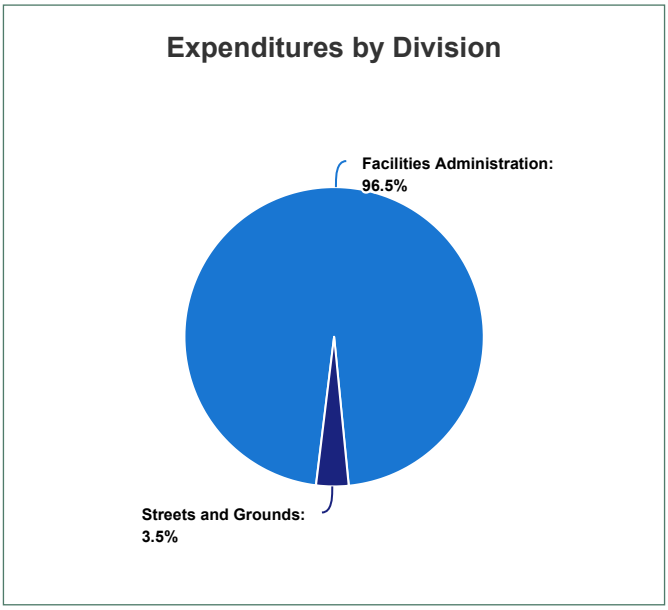

## REVENUE SUMMARY BY TYPE

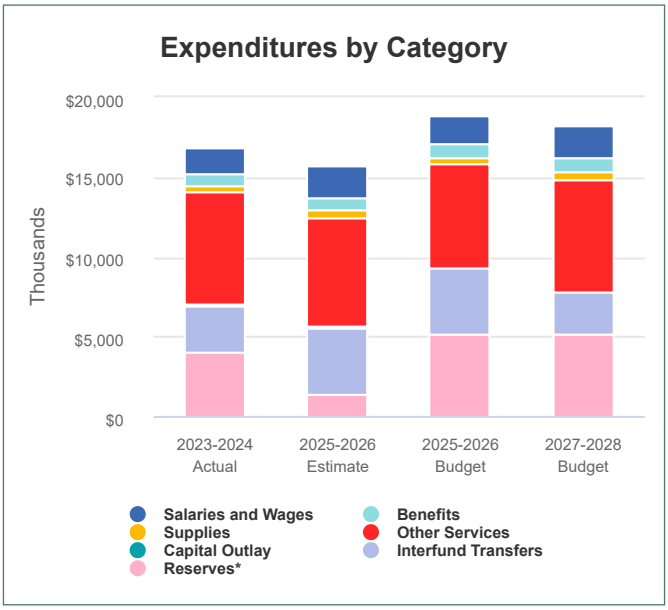
| | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|
| Charges for Goods and Services | 8,242,947 | 10,833,236 | 10,838,036 | 13,162,811 | 21.45% |
| Miscellaneous | 1,022,422 | 1,314,973 | 1,511,484 | 703,599 | (53.45%) |
| Interfund Transfers* | 72,849 | - | 2,945,088 | 3,060,037 | 3.90% |
| Resources Forward | 7,826,624 | 3,580,099 | 3,580,099 | 1,371,020 | (61.70%) |
| **TOTAL** | **17,164,842** | **15,728,308** | **18,874,707** | **18,297,467** | **(3.06%)** |

* 2025-2026 increase due to previously expected repayment of a 2022 interfund loan to purchase Houghton Village property. The interfund loan is now expected to be repaid in 2027-2028 pending sale of the Houghton Village property.

# Facilities Maintenance Fund

## Financial Overview




## EXPENDITURE SUMMARY BY CATEGORY

| | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|
| Salaries and Wages | 1,558,800 | 1,996,541 | 1,808,343 | 2,056,552 | 13.73% |
| Benefits | 777,225 | 827,483 | 897,445 | 940,225 | 4.77% |
| Supplies | 365,587 | 462,617 | 355,982 | 494,235 | 38.84% |
| Other Services | 7,058,562 | 6,814,320 | 6,451,171 | 6,952,927 | 7.78% |
| Intergovernmental Services | 119,767 | 144,139 | 87,165 | - | (100.00%) |
| Capital Outlay | 1,369 | - | - | - | |
| Interfund Transfers | 2,917,445 | 4,135,030 | 4,135,030 | 2,703,300 | (34.62%) |
| Reserves* | 4,006,072 | 1,371,020 | 5,139,571 | 5,150,228 | 0.21% |
| **TOTAL** | **16,804,827** | **15,751,149** | **18,874,707** | **18,297,467** | **(3.06%)** |

## EXPENDITURE SUMMARY BY DIVISION

| | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|
| Facilities Administration | 16,279,393 | 15,345,008 | 18,320,444 | 17,662,974 | (3.59%) |
| Streets and Grounds | 525,434 | 406,142 | 554,263 | 634,493 | 14.48% |
| **TOTAL** | **16,804,827** | **15,751,149** | **18,874,707** | **18,297,467** | **(3.06%)** |

* 2023-2024 Actual and 2025-2026 Estimate reserves are budgeted, but not spent

# Facilities Maintenance Fund

## 2027-2028 Position Summary

### POSITION SUMMARY BY CLASSIFICATION

| Classification | 2025-2026 Positions | Additions/ Reductions | 2027-2028 Positions |
|---|---|---|---|
| FACILITIES SERVICES MANAGER | 1.00 | - | 1.00 |
| LEADPERSON | 1.00 | - | 1.00 |
| FACILITIES SERVICES TECH 3 | 3.00 | - | 3.00 |
| FACILITIES SERVICES TECH 2 | 1.00 | - | 1.00 |
| FACILITIES SPECIALIST | 1.00 | - | 1.00 |
| FACILITIES SERVICES TECH 1 | 1.00 | 1.00 | 2.00 |
| OG/OT OFFICE SPECIALIST | - | 0.05 | 0.05 |
| **TOTAL** | **8.00** | **1.05** | **9.05** |

**Salary information for City of Kirkland positions can be found at https://www.kirklandwa.gov/Government/Departments/Human-Resources/Collective-Bargaining-Agreements*

### POSITION SUMMARY BY DIVISION

| Classification | 2025-2026 Positions | Additions/ Reductions | 2027-2028 Positions |
|---|---|---|---|
| Facilities Administration | 8.00 | 1.05 | 9.05 |
| **TOTAL** | **8.00** | **1.05** | **9.05** |

## 2027-2028 Position Summary

### POSITION SUMMARY BY CLASSIFICATION

| Classification | 2025-2026 Positions | Additions/ Reductions | 2027-2028 Positions |
|---|---|---|---|
| STREETS AND GROUNDS MANAGER | 0.05 | - | 0.05 |
| LEADPERSON | 0.35 | - | 0.35 |
| MAINTENANCE WORKER | 0.55 | - | 0.55 |
| **TOTAL** | **0.95** | **-** | **0.95** |

**Salary information for City of Kirkland positions can be found at https://www.kirklandwa.gov/Government/Departments/Human-Resources/Collective-Bargaining-Agreements*

### POSITION SUMMARY BY DIVISION

| Classification | 2025-2026 Positions | Additions/ Reductions | 2027-2028 Positions |
|---|---|---|---|
| Streets and Grounds | 0.95 | - | 0.95 |
| **TOTAL** | **0.95** | **-** | **0.95** |

# Facilities Maintenance Fund

## FACILITIES MAINTENANCE FUND REVENUES

| | Object | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|---|
| **Charges for Goods and Services** | | | | | | |
| Gen Government Srvcs | 341971 | 2,400 | - | 4,800 | - | (100.00%) |
| Interfund Pub Safety | 348114 | 1,830,997 | 2,434,813 | 2,434,813 | 3,020,463 | 24.05% |
| Interfund-CH Sinking | 348123 | 376,366 | 398,948 | 398,948 | 422,886 | 6.00% |
| Interfund-Maint Ctr Sinking | 348124 | 320,040 | 339,242 | 339,242 | 359,598 | 6.00% |
| Interfund-Senior Sinking | 348125 | 134,606 | 142,682 | 142,682 | 151,244 | 6.00% |
| Interfund-NKCC Sinking | 348126 | 65,064 | 68,968 | 68,968 | 177,871 | 157.90% |
| Interfund-MC Sinking | 348127 | 643,784 | 682,412 | 682,412 | 723,356 | 6.00% |
| Interfund-KPC Sinking | 348128 | 102,208 | 108,340 | 108,340 | 114,840 | 6.00% |
| Interfund-Fire S Sinking | 348129 | 287,514 | 304,764 | 304,764 | 323,050 | 6.00% |
| Teen Center Sink | 348130 | 43,270 | 45,866 | 45,866 | 48,618 | 6.00% |
| Interfund-HH Sinking | 348132 | 10,476 | 11,104 | 11,104 | 11,770 | 6.00% |
| Interfund-Park Gar Sinking | 348133 | 19,656 | 20,836 | 20,836 | 22,086 | 6.00% |
| Interfund-Teen Center | 348181 | 141,821 | 186,091 | 186,091 | 211,092 | 13.43% |
| Interfund-City Hall | 348183 | 1,490,303 | 2,243,308 | 2,243,308 | 2,534,326 | 12.97% |
| Interfund-Maintenance | 348184 | 1,178,357 | 1,562,489 | 1,562,489 | 1,953,524 | 25.03% |
| Interfund-Senior | 348185 | 311,512 | 423,350 | 423,350 | 409,282 | (3.32%) |
| Interfund-NKCC | 348186 | 255,715 | 339,194 | 339,194 | 543,611 | 60.27% |
| Interfund-KPC | 348188 | 75,688 | 114,548 | 114,548 | 139,116 | 21.45% |
| Interfund-Fire Supp | 348189 | 953,170 | 1,406,281 | 1,406,281 | 1,996,078 | 41.94% |
| **Total for Charges for Goods and Services** | | **8,242,947** | **10,833,236** | **10,838,036** | **13,162,811** | **21.45%** |
| | | | | | | |
| **Miscellaneous Revenues** | | | | | | |
| Investment Interest | 361111 | 230,080 | 136,621 | 255,035 | 159,120 | (37.61%) |
| Interfund Loan Interest | 361400 | 63,461 | 32,255 | - | - | |
| House Rental | 362601 | 728,607 | 1,144,122 | 1,256,449 | 544,479 | (56.67%) |
| Sales of Surplus | 369101 | - | 1,367 | - | - | |
| Other Judgements | 369401 | - | 608 | - | - | |
| Other Misc Rev | 369910 | 275 | - | - | - | |
| **Total for Miscellaneous Revenues** | | **1,022,422** | **1,314,973** | **1,511,484** | **703,599** | **(53.45%)** |
| | | | | | | |
| **Other Financing Sources** | | | | | | |
| Operating Transfers In | 397101 | 72,849 | - | 2,945,088 | 3,060,037 | 3.90% |
| Resources Forward | 399991 | 7,826,624 | 3,580,099 | 3,580,099 | 1,371,020 | (61.70%) |
| **Total for Other Financing Sources** | | **7,899,473** | **3,580,099** | **6,525,187** | **4,431,057** | **(32.09%)** |
| | | | | | | |
| **Fund Total** | | **17,164,842** | **15,728,308** | **18,874,707** | **18,297,467** | **(3.06%)** |



# General Government Non-Operating Governmental Funds

**City of Kirkland 2027-2028 Preliminary Budget**

# General Government Non-Operating Governmental Funds

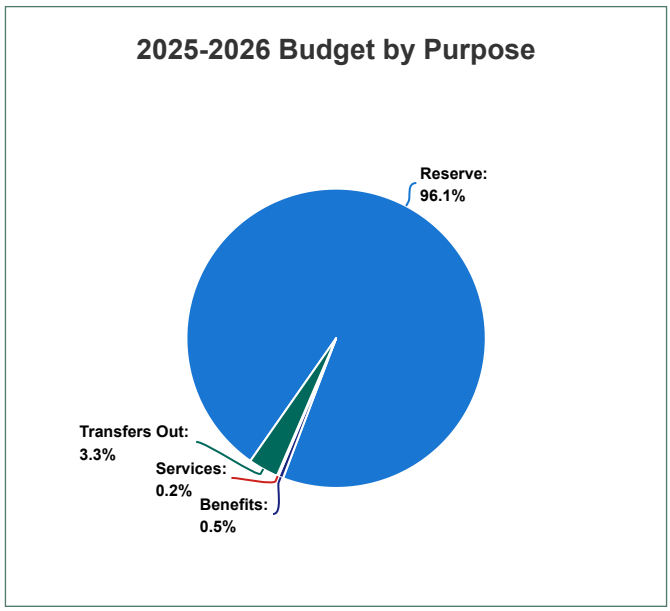
The General Governmental Funds in the non-operating budget include the Contingency Fund and the Firefighters' Pension Fund.

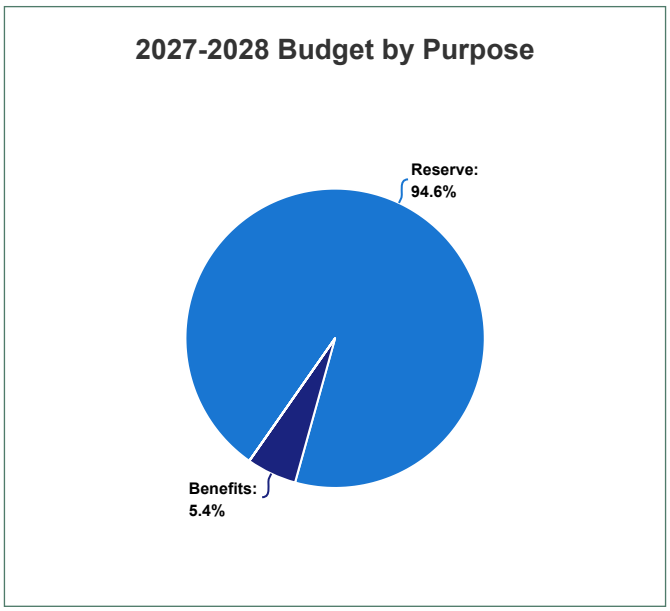
The **Contingency Fund** is provided for by state law and allows for the accumulation of resources up to $0.375 per $1,000 of assessed valuation for emergency uses. The target balance will be set at the lower of 80 percent of the statutory maximum of $0.375 per $1,000 of assessed valuation or the budgeted 2020 year-end balance plus inflation as measured by the CPI-W.

The **Firefighters' Pension Fund** is pooled monetary contributions set up originally by the City to fund pre-LEOFF 1 firefighters' retirement benefits.

- The Firefighters' Pension Fund was formed to provide 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 and there are no remaining firefighters hired prior to March 1, 1970, it is now funding the cost of medical benefits for firefighter LEOFF 1 retirees.

# GENERAL GOVERNMENT NON-OPERATING GOVERNMENTAL FUNDS




## 2025-2026 BUDGET BY PURPOSE

| Budget Summary by Purpose | | Budget by Purpose | | | |
|---|---|---|---|---|---|
| Fund | 2025-2026 Budget | Reserve | Benefits | Services | Transfers Out |
| Firefighters Pension | 1,988,601 | 1,625,626 | 48,000 | 14,975 | 300,000 |
| Contingency | 7,210,246 | 7,210,246 | - | - | - |
| **Total Governmental Funds** | **9,198,847** | **8,835,872** | **48,000** | **14,975** | **300,000** |

## 2027-2028 BUDGET BY PURPOSE

| | | Budget by Purpose | | | |
|---|---|---|---|---|---|
| Fund | 2027-2028 Budget | Reserve | Benefits | Services | Transfers Out |
| Firefighters Pension | 2,365,197 | 1,832,015 | 533,182 | - | - |
| Contingency | 7,484,145 | 7,484,145 | - | - | - |
| **Total Governmental Funds** | **9,849,342** | **9,316,160** | **533,182** | **-** | **-** |

# CHANGE IN FUND BALANCE (BEGINNING 2025 TO ENDING 2028)
# GENERAL GOVERNMENT NON-OPERATING

## Governmental Funds

| | Firefighters' Pension | Contingency [1] | Total |
|---|---|---|---|
| **2025 Actual Beginning Fund Balance** | **1,512,217** | **6,959,697** | **8,471,914** |
| Reserved | 1,512,217 | 6,959,697 | 8,471,914 |
| Unreserved Working Capital | - | - | - |
| Plus: 2025-26 Estimated Revenues | 584,566 | 250,459 | 835,025 |
| Less: 2025-26 Estimated Expenditures | 309,087 | - | 309,087 |
| **2026 Estimated Ending/2027 Budgeted Beginning Fund Balance** | **1,787,697** | **7,210,156** | **8,997,853** |
| Plus: 2027-28 Budgeted Revenues | 577,500 | 273,989 | 851,489 |
| Less: 2027-28 Budgeted Expenditures | 533,182 | - | 533,182 |
| **2028 Budgeted Ending Fund Balance** | **1,832,015** | **7,484,145** | **9,316,160** |
| Reserved | 1,832,015 | 7,484,145 | 9,316,160 |
| Unreserved Working Capital | - | - | - |
| **Change in Fund Balance:** | | | |
| **Beginning 2025 to Ending 2028** | **319,798** | **524,448** | **844,246** |

**Notes:**

The increase in fund balance reflects 2025-2026 estimated revenues above expenditures and 2027-2028 budgeted revenues above expenditures.

[1] Contingency 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 to target.



# General Government Debt Service Funds

**City of Kirkland 2027-2028 Preliminary Budget**

# General Government Debt Service Funds

There are two 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, residents have agreed to levy property taxes to repay the debt generally over a twenty-year period. The City has no UTGO Bonds outstanding as of December 1, 2025.
- **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.

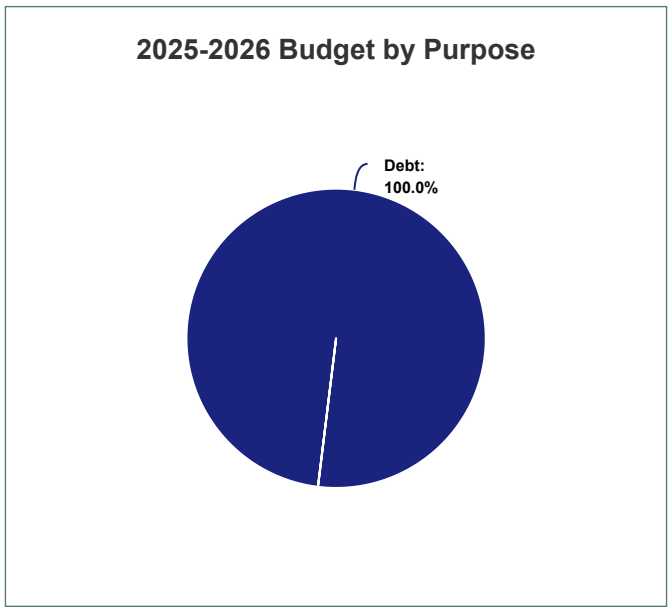
The City's debt management policies provide guidelines for the appropriate use of debt. The complete policies can be found at the links noted at the end of this document in the appendix. Some key debt management policies include:

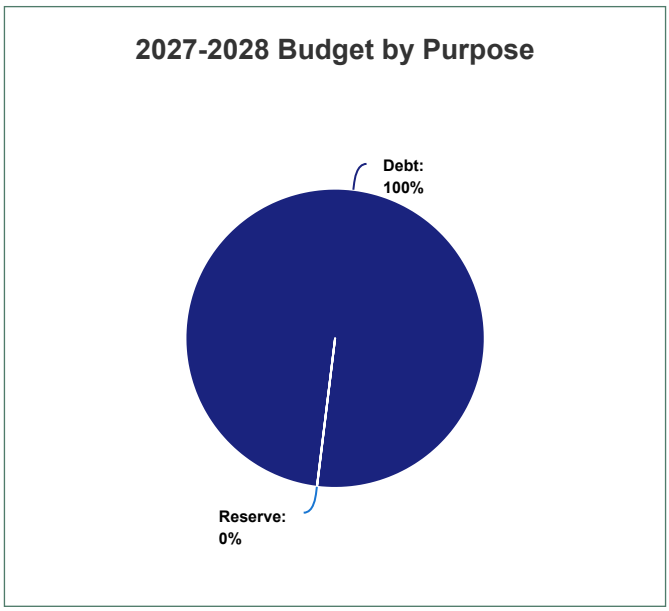
- *City Council approval is required prior to issuance of debt.*
- *The City will only use debt to finance capital improvements that cannot be financed through current revenues. The City will not use debt to finance current operations, non-capital furnishings, supplies, or personnel.*
- *Bonds will be 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 City's cost to issue debt. There are two rating agencies used by the City to rate Kirkland's bonds – Standard and Poor's (S&P) and Moody's Investor Service. On March 22, 2024, S&P affirmed the City's AAA rating, which is the highest rating, and on August 21, 2026, Moody's affirmed Kirkland's Aaa rating on the City's General Obligation Limited Tax bond ratings. The City of Kirkland has held the Aaa rating from Moody's since November 13, 2018, and the AAA rating from S&P since November 24, 2008.

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 a capital projects fund to account for the cost of constructing the capital improvement. A separate fund has been created to track the principal and interest payments. Each year a sufficient amount of revenue is budgeted and placed in the fund to pay the annual principal and interest due.

# 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 community members 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.

## 2025-2026 BUDGET BY PURPOSE

| Budget Summary by Purpose | | Budget by Purpose | | | |
|---|---|---|---|---|---|
| Fund | 2025-2026 Budget | Reserve | Debt | Capital | Other |
| LTGO Debt Service | 16,371,880 | - | 16,371,880 | - | - |
| **Total Debt Service Funds** | **16,371,880** | **-** | **16,371,880** | **-** | **-** |

## 2027-2028 BUDGET BY PURPOSE

| | | Budget by Purpose | | | |
|---|---|---|---|---|---|
| Fund | 2027-2028 Budget | Reserve | Debt | Capital | Other |
| LTGO Debt Service | 17,394,350 | - | 17,394,350 | - | - |
| **Total Debt Service Funds** | **17,394,350** | **-** | **17,394,350** | **-** | **-** |

## CHANGE IN FUND BALANCE (BEGINNING 2025 TO ENDING 2028)
## GENERAL GOVERNMENT NON-OPERATING

### Debt Service Funds

| | Limited GO Debt | Total |
|---|---|---|
| **2025 Actual Beginning Fund Balance** | **-** | **-** |
| Reserved | - | - |
| Unreserved Working Capital | - | - |
| Plus: 2025-26 Estimated Revenues | 15,000,880 | 15,000,880 |
| Less: 2025-26 Estimated Expenditures | 15,000,880 | 15,000,880 |
| **2026 Estimated Ending/2027 Budgeted Beginning Fund Balance** | **0** | **0** |
| Plus: 2027-28 Budgeted Revenues | 17,394,350 | 17,394,350 |
| Less: 2027-28 Budgeted Expenditures | 17,394,350 | 17,394,350 |
| **2028 Budgeted Ending Fund Balance** | **0** | **0** |
| Reserved | - | - |
| Unreserved Working Capital | - | - |
| **Change in Fund Balance:** | | |
| **Beginning 2025 to Ending 2028** | **0** | **0** |

**Notes:**

Fund balances in debt service funds provide for cash flow needs.

# GENERAL GOVERNMENT NON-OPERATING DEBT SERVICE FUNDS
# 2027-2028 PAYMENT AND RESERVE SUMMARY

## 2025-2026 Budget

| | Payment | | | |
|---|---|---|---|---|
| Fund | Principal | Interest | Reserve | Total |
| LTGO Debt Service | 7,715,000 | 8,656,880 | 0 | 16,371,880 |
| **Total Debt Service Funds** | **7,715,000** | **8,656,880** | **0** | **16,371,880** |

## 2027-2028 Budget

| | Payment | | | |
|---|---|---|---|---|
| Fund | Principal | Interest | Reserve | Total |
| LTGO Debt Service | 8,570,000 | 8,824,350 | 0 | 17,394,350 |
| **Total Debt Service Funds** | **8,570,000** | **8,824,350** | **0** | **17,394,350** |

## 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. Public Works Trust Fund loans are repaid from water/sewer utility rates. The following schedule identifies current outstanding long-term debt. This schedule includes debt issued prior to October 2026, and so does not include any planned 2027-2028 debt issuances.

| Type of Debt | Issue Date | Original Amount | Outstanding Principal 12/31/2026 | Cost Per $1,000 AV | Avg Annual Debt Service* |
|---|---|---|---|---|---|
| **Councilmanic Bonds:** | | | | | |
| 2015 Limited Tax G.O. (City Hall Renovations) | 11/20/15 | 5,800,000 | 2,910,000 | N/A | 422,331 |
| 2020 Limited Tax G.O. (Refinance Kirkland Justice Center) [1] | 6/30/20 | 25,105,000 | 19,570,000 | N/A | 1,647,860 |
| 2021 Limited Tax G.O. (Transportation Capital) | 6/3/21 | 14,580,000 | 11,925,000 | N/A | 951,616 |
| 2021 Limited Tax G.O. (Fire Station Construction) | 6/3/21 | 22,330,000 | 18,270,000 | N/A | 1,457,766 |
| 2024 Limited Tax G.O. (Transportation Capital) | 4/17/24 | 18,355,000 | 17,300,000 | N/A | 1,485,850 |
| 2024 Limited Tax G.O. (Fire Station Construction) | 4/17/24 | 18,795,000 | 17,715,000 | N/A | 1,521,626 |
| **Total Councilmanic Bonds** | | **104,965,000** | **87,690,000** | **-** | **7,487,049** |
| **Voter Approved Bonds:** | | | | | |
| No Voter Approved Bonds after December 1, 2022. | | | | | |
| **Estimated Remaining Voter Approved Debt Capacity as of 12/31/2026** | | | | **$** | **3,869,103,411** |
| **Public Works Trust Fund Loans:** | | | | | |
| 2013 NE 80th ST Water/Sewer Replacement [2] | 6/6/13 | 4,038,000 | 1,522,872 | N/A | 253,812 |
| **Total Public Works Trust Fund Loans** | | **4,038,000** | **1,522,872** | **-** | **253,812** |

* The average annual debt service is based on the remaining principal and interest payments due until the debt is extinguished.

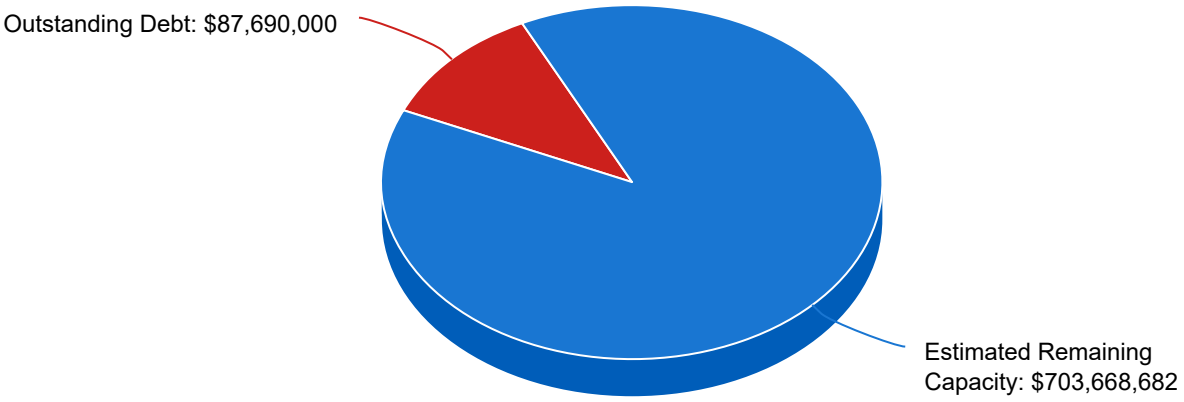
[1] Refinance of 2010 LTGO Build America Bonds used to purchase and renovate Kirkland Justice Center.

[2] Active PWTF project; draws occur until project is complete. Total amortization schedule may change until draws are complete. Detailed debt schedules are in the Water/Sewer Utility section.

## Debt Capacity

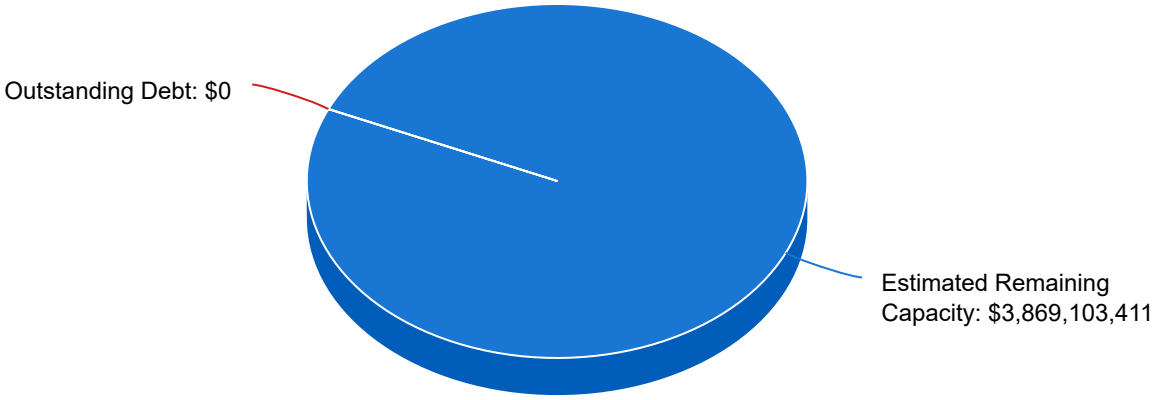
Washington State law imposes limitations on the total amount of debt that a city can have outstanding to 7.5 percent of total assessed property valuation plus the net of current assets and liabilities. This comprises the City's "Debt Capacity" at any one time. The City Council has authority to issue 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:

### Limited Tax General Obligation (LTGO) (Councilmanic)




*Total capacity is calculated based on 1.5% of total city property valuation plus net current assets.*

### Unlimited Tax General Obligation (UTGO) (Voted Approved)




*Total capacity is calculated based on 7.5% of total city property valuation plus net current assets.*

## 2015 LIMITED TAX GENERAL OBLIGATION BONDS

### Purpose: City Hall Renovation

| | | | |
|---|---|---|---|
| Denomination | $ 5,000 | Date of Bond Sale | 11/20/2015 |
| Ordinance | $ 5,800,000 | Net Interest Rate | 3.45% |

## DEBT SERVICE SCHEDULE

| Year | Interest Dates | | Interest Rate | Maturity Date | Principal Amount | Total Payment | Principal Balance |
|---|---|---|---|---|---|---|---|
| | June 1 | December 1 | | | | | |
| 2016 | 106,164 | 100,050 | 3.45% | 12/1/2016 | 215,000 | 421,214 | 5,585,000 |
| 2017 | 96,341 | 96,341 | 3.45% | 12/1/2017 | 230,000 | 422,682 | 5,355,000 |
| 2018 | 92,374 | 92,374 | 3.45% | 12/1/2018 | 235,000 | 419,748 | 5,120,000 |
| 2019 | 88,320 | 88,320 | 3.45% | 12/1/2019 | 245,000 | 421,640 | 4,875,000 |
| 2020 | 84,094 | 84,094 | 3.45% | 12/2/2020 | 255,000 | 423,188 | 4,620,000 |
| 2021 | 79,695 | 79,695 | 3.45% | 12/1/2021 | 260,000 | 419,390 | 4,360,000 |
| 2022 | 75,210 | 75,210 | 3.45% | 12/1/2022 | 270,000 | 420,420 | 4,090,000 |
| 2023 | 70,553 | 70,552 | 3.45% | 12/1/2023 | 280,000 | 421,105 | 3,810,000 |
| 2024 | 65,723 | 65,722 | 3.45% | 12/1/2024 | 290,000 | 421,445 | 3,520,000 |
| 2025 | 60,720 | 60,720 | 3.45% | 12/1/2025 | 300,000 | 421,440 | 3,220,000 |
| 2026 | 55,545 | 55,545 | 3.45% | 12/1/2026 | 310,000 | 421,090 | 2,910,000 |
| 2027 | 50,198 | 50,197 | 3.45% | 12/1/2027 | 320,000 | 420,395 | 2,590,000 |
| 2028 | 44,678 | 44,677 | 3.45% | 12/1/2028 | 335,000 | 424,355 | 2,255,000 |
| 2029 | 38,899 | 38,899 | 3.45% | 12/1/2029 | 345,000 | 422,798 | 1,910,000 |
| 2030 | 32,948 | 32,947 | 3.45% | 12/1/2030 | 355,000 | 420,895 | 1,555,000 |
| 2031 | 26,824 | 26,824 | 3.45% | 12/1/2031 | 370,000 | 423,648 | 1,185,000 |
| 2032 | 20,441 | 20,441 | 3.45% | 12/1/2032 | 380,000 | 420,882 | 805,000 |
| 2033 | 13,886 | 13,886 | 3.45% | 12/1/2033 | 395,000 | 422,772 | 410,000 |
| 2034 | 7,073 | 7,072 | 3.45% | 12/1/2034 | 410,000 | 424,145 | - |
| **Totals** | **1,109,686** | **1,103,566** | | | **5,800,000** | **8,013,252** | |

## 2020 LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS

**Purpose: Refinance 2010 LTGO Build America Bonds used to purchase and renovate the Kirkland Justice Center**

| | | | |
|---|---|---|---|
| Denomination | $ 5,000 | Date of Bond Sale | 6/30/2020 |
| Amount of Issue | $ 25,105,000 | Net Interest Rate | 1.76% |

### DEBT SERVICE SCHEDULE

| Year | Interest Dates | | Interest Rate | Maturity Date | Principal Amount | Total Payment | Principal Balance |
|---|---|---|---|---|---|---|---|
| | June 1 | December 1 | | | | | |
| 2020 | | 341,679 | 5.00% | 12/1/2020 | - | 341,679 | 25,105,000 |
| 2021 | 407,300 | 407,300 | 5.00% | 12/1/2021 | 675,000 | 1,489,600 | 24,430,000 |
| 2022 | 390,425 | 390,425 | 5.00% | 12/1/2022 | 880,000 | 1,660,850 | 23,550,000 |
| 2023 | 368,425 | 368,425 | 5.00% | 12/1/2023 | 925,000 | 1,661,850 | 22,625,000 |
| 2024 | 345,300 | 345,300 | 5.00% | 12/1/2024 | 970,000 | 1,660,600 | 21,655,000 |
| 2025 | 321,050 | 321,050 | 5.00% | 12/1/2025 | 1,020,000 | 1,662,100 | 20,635,000 |
| 2026 | 295,550 | 295,550 | 5.00% | 12/1/2026 | 1,065,000 | 1,656,100 | 19,570,000 |
| 2027 | 268,925 | 268,925 | 5.00% | 12/1/2027 | 1,120,000 | 1,657,850 | 18,450,000 |
| 2028 | 240,925 | 240,925 | 5.00% | 12/1/2028 | 1,175,000 | 1,656,850 | 17,275,000 |
| 2029 | 211,550 | 211,550 | 5.00% | 12/1/2029 | 1,230,000 | 1,653,100 | 16,045,000 |
| 2030 | 180,800 | 180,800 | 5.00% | 12/1/2030 | 1,290,000 | 1,651,600 | 14,755,000 |
| 2031 | 148,550 | 148,550 | 2.00% | 12/1/2031 | 1,355,000 | 1,652,100 | 13,400,000 |
| 2032 | 135,000 | 135,000 | 2.00% | 12/1/2032 | 1,385,000 | 1,655,000 | 12,015,000 |
| 2033 | 121,150 | 121,150 | 2.00% | 12/1/2033 | 1,405,000 | 1,647,300 | 10,610,000 |
| 2034 | 107,100 | 107,100 | 2.00% | 12/1/2034 | 1,435,000 | 1,649,200 | 9,175,000 |
| 2035 | 92,750 | 92,750 | 2.00% | 12/1/2035 | 1,465,000 | 1,650,500 | 7,710,000 |
| 2036 | 78,100 | 78,100 | 2.00% | 12/1/2036 | 1,485,000 | 1,641,200 | 6,225,000 |
| 2037 | 63,250 | 63,250 | 2.00% | 12/1/2037 | 1,515,000 | 1,641,500 | 4,710,000 |
| 2038 | 48,100 | 48,100 | 2.00% | 12/1/2038 | 1,540,000 | 1,636,200 | 3,170,000 |
| 2039 | 32,700 | 32,700 | 2.00% | 12/1/2039 | 1,570,000 | 1,635,400 | 1,600,000 |
| 2040 | 17,000 | 17,000 | 2.13% | 12/1/2040 | 1,600,000 | 1,634,000 | - |
| **Totals** | **3,873,950** | **4,215,629** | | | **25,105,000** | **33,194,579** | |

## 2021 LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS

### Purpose: Transportation Infrastructure

| | | | | | |
|---|---|---|---|---|---|
| Denomination | $ | 5,000 | Date of Bond Sale | | 6/3/2021 |
| Amount of Issue | $ | 14,580,000 | Net Interest Rate | | 1.70% |

## DEBT SERVICE SCHEDULE

| Year | Interest Dates | | Interest Rate | Maturity Date | Principal Amount | Total Payment | Principal Balance |
|---|---|---|---|---|---|---|---|
| | June 1 | December 1 | | | | | |
| 2021 | | 233,699 | 1.70% | | | 233,699 | 14,580,000 |
| 2022 | 236,325 | 236,325 | 1.70% | | 480,000 | 952,650 | 14,100,000 |
| 2023 | 224,325 | 224,325 | 1.70% | | 505,000 | 953,650 | 13,595,000 |
| 2024 | 211,700 | 211,700 | 1.70% | | 530,000 | 953,400 | 13,065,000 |
| 2025 | 198,450 | 198,450 | 1.70% | | 555,000 | 951,900 | 12,510,000 |
| 2026 | 184,575 | 184,575 | 1.70% | | 585,000 | 954,150 | 11,925,000 |
| 2027 | 169,950 | 169,950 | 1.70% | | 610,000 | 949,900 | 11,315,000 |
| 2028 | 154,700 | 154,700 | 1.70% | | 640,000 | 949,400 | 10,675,000 |
| 2029 | 138,700 | 138,700 | 1.70% | | 675,000 | 952,400 | 10,000,000 |
| 2030 | 121,825 | 121,825 | 1.70% | | 710,000 | 953,650 | 9,290,000 |
| 2031 | 104,075 | 104,075 | 1.70% | | 745,000 | 953,150 | 8,545,000 |
| 2032 | 85,450 | 85,450 | 1.70% | | 780,000 | 950,900 | 7,765,000 |
| 2033 | 77,650 | 77,650 | 1.70% | | 795,000 | 950,300 | 6,970,000 |
| 2034 | 69,700 | 69,700 | 1.70% | | 810,000 | 949,400 | 6,160,000 |
| 2035 | 61,600 | 61,600 | 1.70% | | 830,000 | 953,200 | 5,330,000 |
| 2036 | 53,300 | 53,300 | 1.70% | | 845,000 | 951,600 | 4,485,000 |
| 2037 | 44,850 | 44,850 | 1.70% | | 860,000 | 949,700 | 3,625,000 |
| 2038 | 36,250 | 36,250 | 1.70% | | 880,000 | 952,500 | 2,745,000 |
| 2039 | 27,450 | 27,450 | 1.70% | | 895,000 | 949,900 | 1,850,000 |
| 2040 | 18,500 | 18,500 | 1.70% | | 915,000 | 952,000 | 935,000 |
| 2041 | 9,350 | 9,350 | 1.70% | | 935,000 | 953,700 | - |
| **Totals** | **2,228,725** | **2,462,424** | | | **14,580,000** | **19,271,149** | |

## 2021 LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS

### Purpose: Fire Station Construction & Renovation

| | | | |
|---|---|---|---|
| Denomination | $ 5,000 | Date of Bond Sale | 6/3/2021 |
| Amount of Issue | $ 22,330,000 | Net Interest Rate | 1.70% |

## DEBT SERVICE SCHEDULE

| Year | Interest Dates | | Interest Rate | Maturity Date | Principal Amount | Total Payment | Principal Balance |
|---|---|---|---|---|---|---|---|
| | June 1 | December 1 | | | | | |
| 2021 | | 357,879 | 1.70% | | | 357,879 | 22,330,000 |
| 2022 | 361,900 | 361,900 | 1.70% | | 735,000 | 1,458,800 | 21,595,000 |
| 2023 | 343,525 | 343,525 | 1.70% | | 770,000 | 1,457,050 | 20,825,000 |
| 2024 | 324,275 | 324,275 | 1.70% | | 810,000 | 1,458,550 | 20,015,000 |
| 2025 | 304,025 | 304,025 | 1.70% | | 850,000 | 1,458,050 | 19,165,000 |
| 2026 | 282,775 | 282,775 | 1.70% | | 895,000 | 1,460,550 | 18,270,000 |
| 2027 | 260,400 | 260,400 | 1.70% | | 935,000 | 1,455,800 | 17,335,000 |
| 2028 | 237,025 | 237,025 | 1.70% | | 985,000 | 1,459,050 | 16,350,000 |
| 2029 | 212,400 | 212,400 | 1.70% | | 1,035,000 | 1,459,800 | 15,315,000 |
| 2030 | 186,525 | 186,525 | 1.70% | | 1,085,000 | 1,458,050 | 14,230,000 |
| 2031 | 159,400 | 159,400 | 1.70% | | 1,140,000 | 1,458,800 | 13,090,000 |
| 2032 | 130,900 | 130,900 | 1.70% | | 1,195,000 | 1,456,800 | 11,895,000 |
| 2033 | 118,950 | 118,950 | 1.70% | | 1,220,000 | 1,457,900 | 10,675,000 |
| 2034 | 106,750 | 106,750 | 1.70% | | 1,245,000 | 1,458,500 | 9,430,000 |
| 2035 | 94,300 | 94,300 | 1.70% | | 1,270,000 | 1,458,600 | 8,160,000 |
| 2036 | 81,600 | 81,600 | 1.70% | | 1,295,000 | 1,458,200 | 6,865,000 |
| 2037 | 68,650 | 68,650 | 1.70% | | 1,320,000 | 1,457,300 | 5,545,000 |
| 2038 | 55,450 | 55,450 | 1.70% | | 1,345,000 | 1,455,900 | 4,200,000 |
| 2039 | 42,000 | 42,000 | 1.70% | | 1,375,000 | 1,459,000 | 2,825,000 |
| 2040 | 28,250 | 28,250 | 1.70% | | 1,400,000 | 1,456,500 | 1,425,000 |
| 2041 | 14,250 | 14,250 | 1.70% | | 1,425,000 | 1,453,500 | - |
| **Totals** | **3,413,350** | **3,771,229** | | | **22,330,000** | **29,514,579** | |

## 2024 LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS

### Purpose: Transportation Infrastructure

| | | | | | |
|---|---|---|---|---|---|
| Denomination | $ | 5,000 | | Date of Bond Sale | 4/17/2024 |
| Amount of Issue | $ | 18,355,000 | | Net Interest Rate | 3.64% |

## DEBT SERVICE SCHEDULE

| Year | Interest Dates | | Interest Rate | Maturity Date | Principal Amount | Total Payment | Principal Balance |
|---|---|---|---|---|---|---|---|
| | June 1 | December 1 | | | | | |
| 2024 | | 607,569 | 3.64% | | - | 607,569 | 18,355,000 |
| 2025 | 488,225 | 488,225 | 3.64% | | 510,000 | 1,486,450 | 17,845,000 |
| 2026 | 470,375 | 470,375 | 3.64% | | 545,000 | 1,485,750 | 17,300,000 |
| 2027 | 451,300 | 451,300 | 3.64% | | 585,000 | 1,487,600 | 16,715,000 |
| 2028 | 430,825 | 430,825 | 3.64% | | 625,000 | 1,486,650 | 16,090,000 |
| 2029 | 408,950 | 408,950 | 3.64% | | 670,000 | 1,487,900 | 15,420,000 |
| 2030 | 385,500 | 385,500 | 3.64% | | 715,000 | 1,486,000 | 14,705,000 |
| 2031 | 367,625 | 367,625 | 3.64% | | 750,000 | 1,485,250 | 13,955,000 |
| 2032 | 348,875 | 348,875 | 3.64% | | 790,000 | 1,487,750 | 13,165,000 |
| 2033 | 329,125 | 329,125 | 3.64% | | 825,000 | 1,483,250 | 12,340,000 |
| 2034 | 308,500 | 308,500 | 3.64% | | 870,000 | 1,487,000 | 11,470,000 |
| 2035 | 286,750 | 286,750 | 3.64% | | 910,000 | 1,483,500 | 10,560,000 |
| 2036 | 264,000 | 264,000 | 3.64% | | 960,000 | 1,488,000 | 9,600,000 |
| 2037 | 240,000 | 240,000 | 3.64% | | 1,005,000 | 1,485,000 | 8,595,000 |
| 2038 | 214,875 | 214,875 | 3.64% | | 1,055,000 | 1,484,750 | 7,540,000 |
| 2039 | 188,500 | 188,500 | 3.64% | | 1,110,000 | 1,487,000 | 6,430,000 |
| 2040 | 160,750 | 160,750 | 3.64% | | 1,165,000 | 1,486,500 | 5,265,000 |
| 2041 | 131,625 | 131,625 | 3.64% | | 1,220,000 | 1,483,250 | 4,045,000 |
| 2042 | 101,125 | 101,125 | 3.64% | | 1,285,000 | 1,487,250 | 2,760,000 |
| 2043 | 69,000 | 69,000 | 3.64% | | 1,345,000 | 1,483,000 | 1,415,000 |
| 2044 | 35,375 | 35,375 | 3.64% | | 1,415,000 | 1,485,750 | - |
| **Totals** | **5,681,300** | **6,288,869** | | | **18,355,000** | **30,325,169** | |

## 2024 LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS

### Purpose: Fire Station Construction & Renovation

| | | | | | |
|---|---|---|---|---|---|
| Denomination | $ | 5,000 | Date of Bond Sale | | 4/17/2024 |
| Amount of Issue | $ | 18,795,000 | Net Interest Rate | | 3.64% |

## DEBT SERVICE SCHEDULE

| Year | Interest Dates | | Interest Rate | Maturity Date | Principal Amount | Total Payment | Principal Balance |
|---|---|---|---|---|---|---|---|
| | June 1 | December 1 | | | | | |
| 2024 | | 622,129 | 3.64% | | - | 622,129 | 18,795,000 |
| 2025 | 499,925 | 499,925 | 3.64% | | 520,000 | 1,519,850 | 18,275,000 |
| 2026 | 481,725 | 481,725 | 3.64% | | 560,000 | 1,523,450 | 17,715,000 |
| 2027 | 462,125 | 462,125 | 3.64% | | 600,000 | 1,524,250 | 17,115,000 |
| 2028 | 441,125 | 441,125 | 3.64% | | 640,000 | 1,522,250 | 16,475,000 |
| 2029 | 418,725 | 418,725 | 3.64% | | 685,000 | 1,522,450 | 15,790,000 |
| 2030 | 394,750 | 394,750 | 3.64% | | 730,000 | 1,519,500 | 15,060,000 |
| 2031 | 376,500 | 376,500 | 3.64% | | 770,000 | 1,523,000 | 14,290,000 |
| 2032 | 357,250 | 357,250 | 3.64% | | 805,000 | 1,519,500 | 13,485,000 |
| 2033 | 337,125 | 337,125 | 3.64% | | 850,000 | 1,524,250 | 12,635,000 |
| 2034 | 315,875 | 315,875 | 3.64% | | 890,000 | 1,521,750 | 11,745,000 |
| 2035 | 293,625 | 293,625 | 3.64% | | 935,000 | 1,522,250 | 10,810,000 |
| 2036 | 270,250 | 270,250 | 3.64% | | 980,000 | 1,520,500 | 9,830,000 |
| 2037 | 245,750 | 245,750 | 3.64% | | 1,030,000 | 1,521,500 | 8,800,000 |
| 2038 | 220,000 | 220,000 | 3.64% | | 1,080,000 | 1,520,000 | 7,720,000 |
| 2039 | 193,000 | 193,000 | 3.64% | | 1,135,000 | 1,521,000 | 6,585,000 |
| 2040 | 164,625 | 164,625 | 3.64% | | 1,190,000 | 1,519,250 | 5,395,000 |
| 2041 | 134,875 | 134,875 | 3.64% | | 1,250,000 | 1,519,750 | 4,145,000 |
| 2042 | 103,625 | 103,625 | 3.64% | | 1,315,000 | 1,522,250 | 2,830,000 |
| 2043 | 70,750 | 70,750 | 3.64% | | 1,380,000 | 1,521,500 | 1,450,000 |
| 2044 | 36,250 | 36,250 | 3.64% | | 1,450,000 | 1,522,500 | - |
| **Totals** | **5,817,875** | **6,440,004** | | | **18,795,000** | **31,052,879** | |



# General Government Capital Project Funds

**City of Kirkland 2027-2028 Preliminary Budget**

# 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 seven general government capital projects funds:

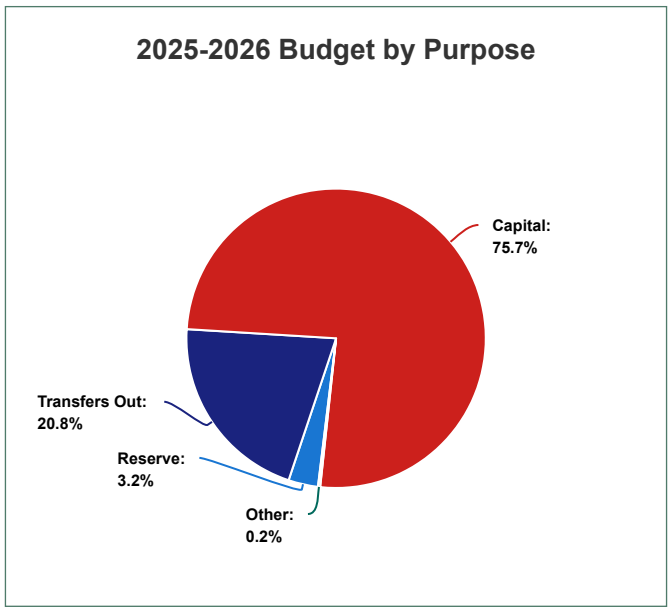
The **General Capital Projects Fund** accounts for projects funded from general revenue sources. Resources are transferred in as needed, usually from the REET Funds, Impact Fee Funds, interest income, and sales tax allocations. Providing a cushion in the event of unanticipated changes in project scope or cost is the General Capital Contingency, which has a target of ten percent of the funded 2-year CIP (less utility projects and debt proceeds) that corresponds with the biennial budget.

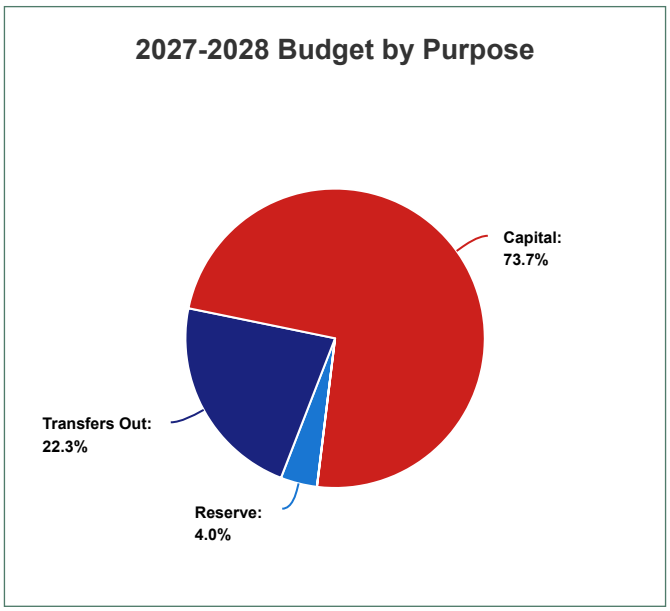
The **Transportation Capital Projects Fund** accounts for all general government transportation projects. City resources are transferred in as needed, usually from the Street Operating Fund, Impact Fee Fund, and the REET Fund. Transportation projects also frequently receive external revenue from grants 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.

The three **Impact Fee Funds** account for Transportation, Park, and Fire Impact Fee Funds. Transportation and Park impact fees were initiated in 1999, and fire impact fees went into effect in 2021. Impact fees, and the interest earned on them, are deposited in this fund and transferred out to the capital projects funds to pay for transportation, fire suppression, and park capacity projects approved in the Capital Improvement Program (CIP).

The two **REET Funds** were created to account for revenue from both the first and second quarter percent real estate excise tax (REET 1 and REET 2). Excise tax revenue used to be primarily 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 (REET 2), adopted by the City Council in October 1996, was primarily dedicated to transportation-related CIP projects. Funds are transferred out of the REET Funds to the capital projects funds and allocated via the CIP funding process. The legislature expanded eligible uses of REET 2 to include facilities to provide housing for the homeless, and allows a portion of REET revenue to be used for maintenance of capital facilities. Although REET funds previously had different allowable uses, the legislature amended the RCW in 2025 to allow any REET revenues to be used for any purposes allowable for either REET 1 or REET 2; there are no longer different restrictions between the two taxes. The 2027-2028 Budget uses this revenue for on-going and one-time funded expenditures that meet these requirements.

# GENERAL GOVERNMENT NON-OPERATING CAPITAL PROJECT FUNDS




Capital Projects Funds are used for three purposes – capital construction of projects, capital reserves approved in the Capital Improvement Program, and capital revenues (REET and Impact Fees). 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 and sewer systems, parks, public safety, and other government facilities and equipment.

## 2025-2026 BUDGET BY PURPOSE

| | | Budget by Purpose | | | |
|---|---|---|---|---|---|
| Fund | 2025-2026 Budget | Reserve | Transfers Out | Capital | Other |
| General Capital Projects | 108,734,418 | 8,959,053 | 14,857,136 | 84,271,794 | 646,435 |
| Transportation Capital Project | 123,286,196 | - | 1,999,971 | 121,286,225 | - |
| Impact Fees | 15,547,931 | - | 13,571,564 | 1,976,367 | - |
| REET | 31,711,532 | - | 27,742,785 | 3,968,747 | - |
| **Total Capital Projects Funds** | **279,280,077** | **8,959,053** | **58,171,456** | **211,503,133** | **646,435** |

## 2027-2028 BUDGET BY PURPOSE

| | | Budget by Purpose | | | |
|---|---|---|---|---|---|
| Fund | 2027-2028 Budget | Reserve | Transfers Out | Capital | Other |
| General Capital Projects | 95,123,889 | 8,483,235 | 18,148,372 | 68,492,282 | - |
| Transportation Capital Project | 78,385,701 | - | - | 78,385,701 | - |
| Impact Fees | 10,566,845 | - | 7,000,000 | 3,566,845 | - |
| REET | 30,321,701 | - | 22,719,208 | 7,602,493 | - |
| **Total Capital Projects Funds** | **214,398,136** | **8,483,235** | **47,867,580** | **158,047,321** | **-** |

# CHANGE IN FUND BALANCE (BEGINNING 2025 TO ENDING 2028)
# GENERAL GOVERNMENT NON-OPERATING

## Capital Projects Funds

| | Impact Fees | REET | General Capital Projects | Transportation Capital Projects | Total |
|---|---|---|---|---|---|
| **2025 Actual Beginning Fund Balance** | **5,902,850** | **9,225,898** | **52,385,640** | **60,997,250** | **128,511,638** |
| Ongoing Project Balances & Reserves | 5,902,850 | 9,225,898 | 52,385,640 | 60,997,250 | 128,511,638 |
| Plus: 2025-26 Estimated Revenues | 16,313,874 | 36,370,132 | 51,905,486 | 38,668,472 | 143,257,963 |
| Less: 2025-26 Estimated Expenditures | 19,466,965 | 37,903,439 | 57,539,029 | 60,338,202 | 175,247,635 |
| **2026 Estimated Ending/2027 Budgeted Beginning Fund Balance** | **2,749,759** | **7,692,591** | **46,752,097** | **39,327,520** | **96,521,967** |
| Plus: 2027-28 Budgeted Revenues [1] | 7,817,086 | 22,629,110 | 48,371,792 | 39,058,181 | 117,876,169 |
| Less: 2027-28 Budgeted Expenditures [2] | 7,000,000 | 22,719,208 | 85,855,654 | 76,392,779 | 191,967,641 |
| **2028 Budgeted Ending Fund Balance** | **3,566,845** | **7,602,493** | **9,268,235** | **1,992,922** | **22,430,495** |
| Reserved [3] | 3,566,845 | 7,602,493 | 9,268,235 | 1,992,922 | 22,430,495 |
| Unreserved Working Capital | - | - | - | - | - |
| **Change in Fund Balance:** | | | | | |
| **Beginning 2025 to Ending 2028 [4]** | **(2,336,005)** | **(1,623,405)** | **(43,117,405)** | **(59,004,328)** | **(106,081,143)** |

### Notes:

[1] Budgeted revenues do not directly match revenues shown in the 2027-2028 CIP as the budget may include full revenues received by the fund but not amounts transferred to project budgets. For example, debt proceeds are received in one year but often transferred to projects over several years. The 2027-2032 CIP shows sinking fund distributions to individual projects, but the annual contributions to the sinking funds are represented in the budgeted revenues.

[2] The chart above assumes that all planned project budgets will be expended in the biennium, although in actual experience the project spending will occur over a period of several years that may go beyond the 2027-2028 biennium.

[3] The General Capital Projects Fund reserves serve as contingency reserves for both General Capital Projects and the Transportation Capital Projects Funds as well as the balances of Sinking Funds for Information Technology, Public Safety, and Parks Facilities.

[4] The reduction in fund balance of both the General Capital Projects Fund and Transportation Capital Projects Fund is due to the completion of projects which were funded but not constructed in prior years.

# CAPITAL IMPROVEMENT PROGRAM
# 2027-2028 BUDGET

## General Capital Projects Fund (310)

| Project Category/Project Title | Project Number | Legend | Funding Source |
|---|---|---|---|
| **Parks** | | | |
| PARK PLAYGROUNDS, SPORT COURTS & AMENITY REPAIR, | PKC 06600 | B | Kirkland Park Levy/Impact Fees/REET 1 |
| LEE JOHNSON FIELDS UPGRADES | PKC 11600 | B | Kirkland Park Levy/REET 1 |
| DOCK AND SHORELINE RENOVATIONS | PKC 13310 | B | REET 1 |
| NEIGHBORHOOD PARK LAND ACQUISITION | PKC 13330 | B | Impact Fees/King County CFT |
| PARK FACILITIES LIFE CYCLE PROJECTS | PKC 15100 | | Reserves/Sinking Fund |
| GREEN LOOP MASTER PLAN, ACQUISITIONS, EASEMENTS | PKC 15500 | B | King County Parks Levy/External |
| OFF-LEASH DOG AREAS | PKC 15900 | B | Impact Fees |
| WAYFINDING AND PARK SIGNAGE PROGRAM | PKC 16900 | D | REET 1 |
| ADA COMPLIANCE UPGRADES | PKC 17000 | B | Kirkland Park Levy/REET 1 |
| PETER KIRK POOL RENOVATION | PKC 20400 | B | REET 2 |
| **Total Parks** | | | |
| **Public Safety** | | | |
| DISASTER STORAGE UNITS | PSC 05600 | B | Reserves/Sinking Fund |
| PERSONAL PROTECTIVE EQUIPMENT | PSC 07600 | B | Reserves/Sinking Fund |
| WATER RESCUE CRAFT STORAGE & LIFT | PSC 08200 | B | Reserves/Sinking Fund |
| POLICE EQUIPMENT REPLACEMENT | PSC 10000 | B | Reserves/Sinking Fund |
| FIRE EQUIPMENT REPLACEMENT | PSC 20000 | B | Reserves/Sinking Fund |
| **Total Public Safety** | | | |

| Project Number | 2027 Budget | 2028 Budget | Total 2027-2028 Budget | Additional Annual Maintenance & Operations 2027 | 2028 |
|---|---|---|---|---|---|
| PKC 06600 | 598,100 | 200,000 | 798,100 | - | - |
| PKC 11600 | 573,000 | - | 573,000 | - | - |
| PKC 13310 | 1,000,000 | 1,250,000 | 2,250,000 | - | - |
| PKC 13330 | 2,798,400 | 800,000 | 3,598,400 | - | - |
| PKC 15100 | 213,860 | 113,742 | 327,602 | - | - |
| PKC 15500 | 1,708,350 | 1,650,000 | 3,358,350 | - | - |
| PKC 15900 | - | 500,000 | 500,000 | - | - |
| PKC 16900 | 409,000 | - | 409,000 | - | - |
| PKC 17000 | - | 409,000 | 409,000 | - | - |
| PKC 20400 | 4,515,000 | - | 4,515,000 | - | - |
| | **11,815,710** | **4,922,742** | **16,738,452** | **-** | **-** |
| PSC 05600 | - | 50,293 | 50,293 | - | - |
| PSC 07600 | 150,541 | 170,916 | 321,457 | - | - |
| PSC 08200 | - | 21,655 | 21,655 | - | - |
| PSC 10000 | 64,482 | 307,774 | 372,256 | - | - |
| PSC 20000 | 100,477 | 275,029 | 375,506 | **-** | **-** |
| | **315,500** | **825,667** | **1,141,167** | **-** | **-** |

| Project Category/Project Title | Project Number | Legend | Funding Source |
|---|---|---|---|
| **General Government** | | | |
| **Technology** | | | |
| ON-PREMISE VIRTUAL INFRASTRUCTURE (HCI) REPLACEMENT | ITC 10000 | B | Technology Sinking Fund/Development Services Reserves |
| NETWORK REFRESH | ITC 11000 | B | Technology Sinking Fund |
| GEOGRAPHIC INFORMATION SYSTEMS | ITC 20000 | B | General Fund/Utilities |
| MISSION-CRITICAL APPLICATION SUPPORT AND REPLACEMENT | ITC 30000 | B | General Fund/Utilities |
| **Total Technology** | | | |
| **Facilities** | | | |
| FOUNDATIONS | GGC 06000 | B | Facilities Sinking Fund Charges |
| FURNISHINGS AND EQUIPMENT | GGC 07000 | B | Facilities Sinking Fund Charges |
| ELECTRICAL, ENERGY MANAGEMENT, AND LIGHTING SYSTEMS | GGC 08000 | B | Facilities Sinking Fund Charges |
| MECHANICAL/HVAC SYSTEMS REPLACEMENTS | GGC 09000 | B | Facilities Sinking Fund Charges |
| PAINTING, CEILINGS, PARTITION, & WINDOW REPLACEMENTS | GGC 10000 | B | Facilities Sinking Fund Charges |
| ROOFING, GUTTER, SIDING AND DECK REPLACEMENTS | GGC 11000 | B | Facilities Sinking Fund Charges |
| PERMANENT SUPPORTIVE HOUSING | GGC 13000 | | REET 2 |
| **Total Facilities** | | | |
| **Total General Government** | | | |
| **Total General Capital Projects Fund** | | | |

| Project Number | 2027 Budget | 2028 Budget | Total 2027-2028 Budget | Additional Annual Maintenance & Operations 2027 | Additional Annual Maintenance & Operations 2028 |
|---|---|---|---|---|---|
| ITC 10000 | 385,000 | 385,000 | 770,000 | - | - |
| ITC 11000 | 800,000 | 2,400,000 | 3,200,000 | - | - |
| ITC 20000 | - | 55,000 | 55,000 | - | - |
| ITC 30000 | 50,000 | 50,000 | 100,000 | - | - |
| | **1,235,000** | **2,890,000** | **4,125,000** | **-** | **-** |
| GGC 06000 | - | 110,300 | 110,300 | **-** | **-** |
| GGC 07000 | - | 34,100 | 34,100 | **-** | **-** |
| GGC 08000 | 173,200 | 110,300 | 283,500 | - | - |
| GGC 09000 | 486,900 | 264,700 | 751,600 | - | - |
| GGC 10000 | 780,300 | 574,800 | 1,355,100 | - | - |
| GGC 11000 | 19,100 | 89,600 | 108,700 | - | - |
| GGC 13000 | - | - | - | - | - |
| | **1,459,500** | **1,183,800** | **2,643,300** | **-** | **-** |
| | **2,694,500** | **4,073,800** | **6,768,300** | **-** | **-** |
| | **14,825,710** | **9,822,209** | **24,647,919** | **-** | **-** |

**LEGEND**

A=New
B=Modified
C=Moved from Unfunded
D=Name Change
BLANK=No Change

# CAPITAL IMPROVEMENT PROGRAM
# 2027-2028 BUDGET

## Transportation Capital Projects Fund (320)

| Project Category/Project Title | Project Number | Legend | Funding Source |
|---|---|---|---|
| **Transportation** | | | |
| **Streets** | | | |
| ANNUAL STREET PRESERVATION PROGRAM | STC 00600 | | Gas Tax/ RGRL/ REET 1/REET 2 |
| KRAKEN ICEPLEX PARKING LOT IMPROVEMENTS | STC 00601 | A | Project Transfer |
| NE 132ND STREET PRESERVATION | STC 00602 | | Project Transfer/External |
| STREET LEVY STREET PRESERVATION | STC 00603 | | Street Levy |
| LOCAL ROAD MAINTENANCE | STC 00608 | | Gas Tax |
| ANNUAL STRIPING PROGRAM | STC 08000 | | REET 1/REET 2/Gas Tax |
| REGIONAL INTER-AGENCY COORDINATION | STC 99990 | | REET 1/REET 2 |
| **Total Streets** | | | |
| **Non-Motorized** | | | |
| STREET LEVY - NEIGHBORHOOD SAFETY PROGRAM IMPROVE. | NMC 00621 | | Street Levy/School Zone Safety Camera |
| NE 87TH ST/116TH AVE NE INTERSECTION IMPROVE.(SAP SCOPE P3) | NMC 10100 | B | REET 2/External |
| NMC 10101 - 7TH AVE/NE 87TH ST COMPLETE STREET (SAP SCOPE 10) | NMC 10101 | B | Tax Increment Financing/Impact Fees/ REET 2 |
| CITYWIDE ACCESSIBILITY IMPROVEMENTS | NMC 11010 | | Gas Tax |
| SAP IMPLEMENTATION | NMC 16000 | B | Impact Fees/ REET 2 |
| CROSSWALK UPGRADE PROGRAM | NMC 16100 | | REET 1 |
| CITYWIDE GREENWAY NETWORK | NMC 16200 | | REET 1/REET 2 |
| SIDEWALK COMPLETION PROGRAM | NMC 16300 | | REET 1 |
| CKC OPPORTUNITY FUND | NMC 16400 | | REET 1/REET 2 |
| CENTRAL WAY BIKE & PEDESTRIAN IMPROVEMENTS | NMC 16700 | C | Project Transfer |
| TRANSPORTATION BENEFIT DISTRICT IMPLEMENTATION | NMC 30000 | B | Street Levy/Surface Water Rates |
| **Total Non-Motorized** | | | |
| **Traffic Improvements** | | | |
| ANNUAL SIGNAL MAINTENANCE PROGRAM | TRC 11600 | | REET 1/ REET 2 |
| CITYWIDE TRAFFIC MANAGEMENT SAFETY IMPROVEMENTS | TRC 11700 | | Gas Tax |
| VISION ZERO SAFETY IMPROVEMENT | TRC 11702 | | REET 1/Gas Tax |
| NEIGHBORHOOD TRAFFIC CONTROL | TRC 11703 | | REET 1 |
| KIRKLAND INTELLIGENT TRANSPORTATION SYSTEM PHASE 3 | TRC 12000 | | Impact Fees |
| 122ND AVENUE NE AT NE 70TH STREET INTERSECTION IMPROVEMENTS | TRC 14200 | | REET 1/REET 2 |
| ARTERIAL TRAFFIC CALMING | TRC 14700 | | REET 1 |
| STREET LIGHTING & DESIGN IMPROVEMENTS | TRC 14800 | | REET 2 |
| **Total Traffic Improvements** | | | |
| **Total Transportation Capital Projects Fund** | | | |

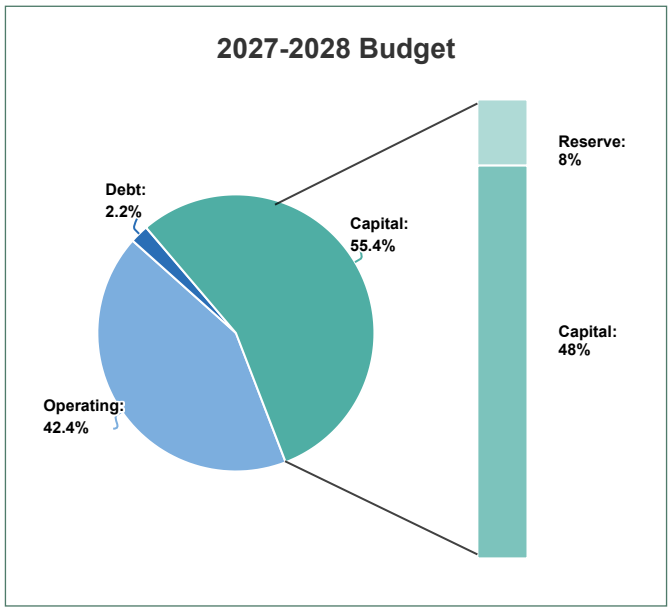
| Project Number | 2027 Budget | 2028 Budget | Total 2027-2028 Budget | Additional Annual Maintenance & Operations 2027 | Additional Annual Maintenance & Operations 2028 |
|---|---|---|---|---|---|
| STC 00600 | 1,700,000 | 1,700,000 | 3,400,000 | - | - |
| STC 00601 | 713,400 | - | 713,400 | - | - |
| STC 00602 | - | 1,310,000 | 1,310,000 | - | - |
| STC 00603 | 2,777,000 | 2,854,000 | 5,631,000 | - | - |
| STC 00608 | 50,000 | 50,000 | 100,000 | - | - |
| STC 08000 | 750,000 | 750,000 | 1,500,000 | - | - |
| STC 99990 | 82,000 | 82,000 | 164,000 | - | - |
| | **6,072,400** | **6,746,000** | **12,818,400** | **-** | **-** |
| NMC 00621 | 350,000 | 350,000 | 700,000 | - | - |
| NMC 10100 | - | 1,723,000 | 1,723,000 | - | - |
| NMC 10101 | 500,000 | 2,100,000 | 2,600,000 | - | - |
| NMC 11010 | 50,000 | 100,000 | 150,000 | - | - |
| NMC 16000 | 1,680,000 | 80,000 | 1,760,000 | - | - |
| NMC 16100 | 550,000 | 550,000 | 1,100,000 | - | - |
| NMC 16200 | 500,000 | 500,000 | 1,000,000 | - | - |
| NMC 16300 | 500,000 | 500,000 | 1,000,000 | - | - |
| NMC 16400 | 500,000 | 500,000 | 1,000,000 | - | - |
| NMC 16700 | 1,000,000 | - | 1,000,000 | - | - |
| NMC 30000 | 650,000 | 650,000 | 1,300,000 | - | - |
| | **6,280,000** | **7,053,000** | **13,333,000** | **-** | **-** |
| TRC 11600 | 100,000 | 100,000 | 200,000 | 14,858 | 14,858 |
| TRC 11700 | 100,000 | - | 100,000 | 14,858 | 14,858 |
| TRC 11702 | 50,000 | 50,000 | 100,000 | 14,858 | 14,858 |
| TRC 11703 | 50,000 | 50,000 | 100,000 | 14,858 | 14,858 |
| TRC 12000 | 390,000 | - | 390,000 | 37,146 | 37,146 |
| TRC 14200 | 2,000,000 | 951,961 | 2,951,961 | 14,858 | 14,858 |
| TRC 14700 | 100,000 | 100,000 | 200,000 | - | - |
| TRC 14800 | 90,000 | 90,000 | 180,000 | - | - |
| | **2,880,000** | **1,341,961** | **4,221,961** | **111,436** | **111,436** |
| | **15,232,400** | **15,140,961** | **30,373,361** | **111,436** | **111,436** |

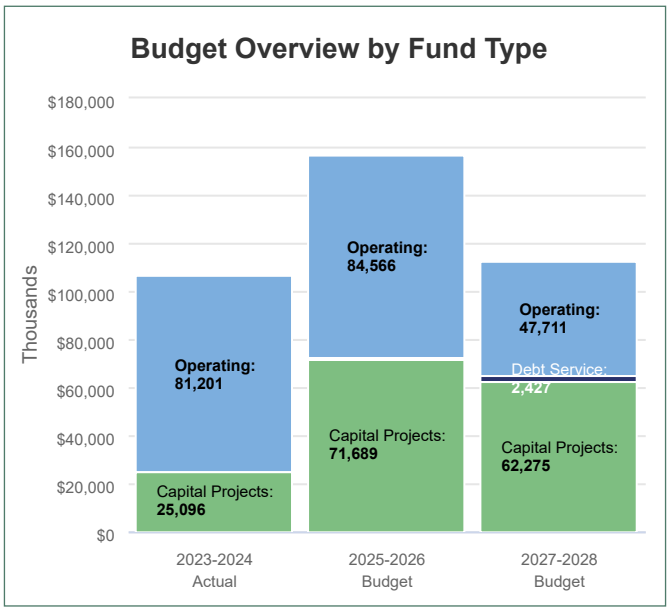
| LEGEND |
|---|
| A=New |
| B=Modified |
| C=Moved from Unfunded |
| D=Name Change |
| BLANK=No Change |

# Water Utility



# WATER UTILITY




The Water Utility operating budget accounts for the purchase of water from the Cascade Water Alliance 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. **In 2027-2028, the Water and Sewer Utilities are split into separate accounting funds. The 2023-2024 and 2025-2026 bienniums reflect the combined utilities actuals and budgets.**

## ANALYSIS OF CHANGE

| | 2023-2024 Actual | 2025-2026 Budget | 2027-2028 Budget [1] | Percent Change |
|---|---|---|---|---|
| *Operating Fund* | | | | |
| Water Operating Fund | 81,201,402 | 84,566,266 | 47,710,740 | (43.58%) |
| **Total Operating Funds** | **81,201,402** | **84,566,266** | **47,710,740** | **(43.58%)** |
| *Non-Operating Funds* | | | | |
| Water Debt Service Fund | 65,680 | 567,370 | 2,427,398 | 327.83% |
| Utility Capital Projects Fund | 25,095,675 | 71,688,728 | 62,274,920 | (13.13%) |
| **Total Non-Operating Funds** | **25,161,355** | **72,256,098** | **64,702,318** | **(10.45%)** |
| **Total Water Utility Funds** | **106,362,756** | **156,822,364** | **112,413,058** | **(28.32%)** |

[1] In 2027-2028, the Water and Sewer Utilities are split into separate accounting funds. The 2023-2024 and 2025-2026 bienniums reflect the combined utilities actuals and budgets.

## CHANGE IN FUND BALANCE (BEGINNING 2025 TO ENDING 2028)
## WATER UTILITY FUNDS

| | Water Operating [1] | Non-Operating | | Total |
|---|---|---|---|---|
| | | Water Debt Service [2] | Utility Capital Projects [3] | |
| **2025 Actual Beginning Fund Balance** | **4,272,463** | **40,711** | **39,945,263** | **44,258,437** |
| Reserved | 4,023,384 | 40,711 | 4,750,214 | 8,814,309 |
| Unreserved Working Capital | 249,079 | - | 35,195,049 | 35,444,128 |
| Plus: 2025-26 Estimated Revenues | 79,557,043 | 526,659 | 17,293,559 | 97,377,261 |
| Less: 2025-26 Estimated Expenditures | 77,367,767 | 526,659 | 10,624,361 | 88,518,787 |
| Less: 2026 Estimated Carryovers | - | - | - | - |
| **2026 Estimated Ending/2027 Budgeted Beginning Fund Balance [5]** | **2,892,528** | **40,711** | **22,330,790** | **25,264,029** |
| Plus: 2027-28 Budgeted Revenues [4] | 44,818,212 | 2,386,687 | 39,944,130 | 87,149,029 |
| Less: 2027-28 Budgeted Expenditures | 43,345,668 | 2,386,687 | 53,567,640 | 99,299,995 |
| **2028 Budgeted Ending Fund Balance** | **4,365,072** | **40,711** | **8,707,280** | **13,113,063** |
| Reserved | 3,948,566 | 40,711 | 3,677,399 | 7,666,676 |
| Unreserved Working Capital | 416,506 | - | 5,029,881 | 5,446,387 |
| **Change in Fund Balance:** | | | | |
| **Beginning 2025 to Ending 2028** | **92,609** | **-** | **(31,237,983)** | **(31,145,374)** |

### Notes:

[1] The increase in fund balance in the Operating Fund is due to the combined effect of expenditure savings in 2025-2026 as well as 2027-2028 utility rates set to meet needs of the system by using accumulated fund balance. The 2027-2028 rates increased 6.75 percent in Water.

[2] Debt service reserve has decreased due to budgeted transfers below expenses in 2025-2026 related to conservative rounding for cash flow purposes, which is reflected in the decrease in balance in the Debt Service Fund.

[3] The decrease 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. Also, includes the impact of separately accounting for water and sewer activities effective January 1, 2027. The water construction reserve within the Water Utility Capital Projects Fund accumulates resources for future projects.

[4] Budgeted revenues do not directly match revenues shown in the 2027-2028 CIP as the budget may include full revenues received but not amounts transferred to project budgets.

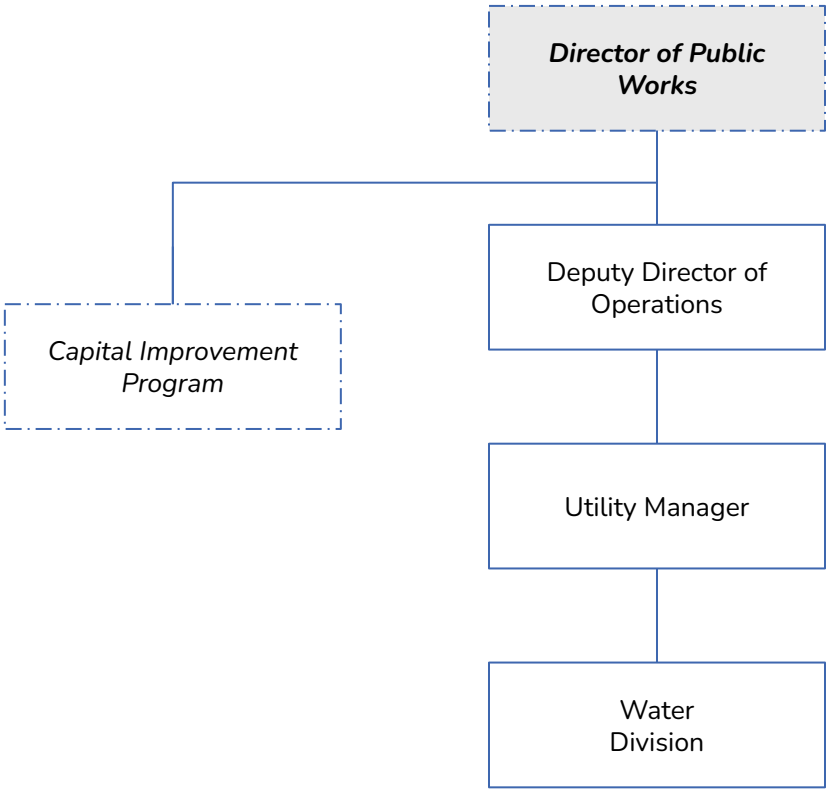
[5] The Water/Sewer Fund is being separated into two funds beginning in the 2027-2028 biennium so 2025-2026 totals above include balances and actuals for both Water and Sewer activity.



# Water Operating

**City of Kirkland 2027-2028 Preliminary Budget**

# Water Operating




*Boxes with a dashed outline and italic text indicate positions and/or functions which report to this department but which are budgeted in a separate department and/or operating fund.*

# Water Operating

## Department Overview

### MISSION

The **Water Operating Fund** addresses community health and safety by financing the resources necessary for the maintenance, operation, and minor construction of water system appurtenances, including water conveyance, mains, pump systems, and other related infrastructure.

## DIVISION FUNCTIONS

The Water Division of Public Works oversees approximately 180 miles of water mains, nearly 80 pressure reducing stations (PRVs), three water supply/pump stations, two water reservoirs, nearly 2,000 fire hydrants, more than 13,000 water service connections, and approximately 5,300 backflow prevention assemblies.

The Water Utility provides for the operation, repair, and replacement of water infrastructure.

Major capital projects that allow the City to meet its water goals and objectives are administered by the Capital Projects Division. Customer billing is administered by the Finance and Administration Department.

## BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS

### SUSTAINABLE ENVIRONMENT

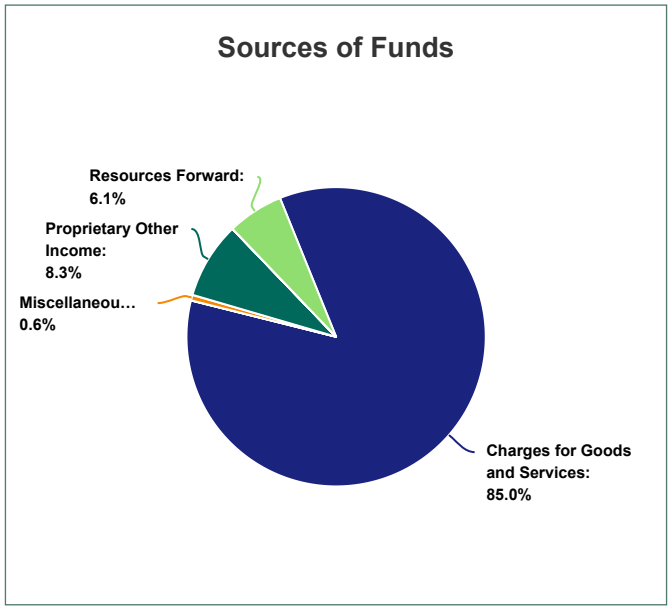
- Establish adequate 2027-2028 rates for the Water Utility to invest in maintaining and enhancing services to provide safe drinking water, resulting in:
  - $5.7 million increase in Water revenues

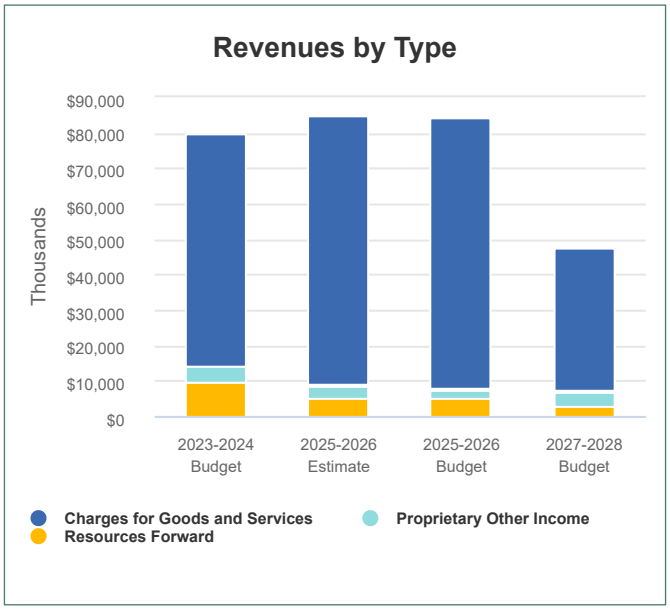
### DEPENDABLE INFRASTRUCTURE

- Fund Phase 2 of the Utility Rate Study to complete a cost of service and rate design analysis across the water, sewer, surface water, and solid waste utilities and update the Capital Facility Charges model, with costs shared equally among the four utilities, $25,000 one-time. [27WA01]
- Add a Water and Wastewater Utility Policy Advisor (1.0 LTE) or equivalent contracted resource starting 2027 to provide strategic guidance on the Cascade Water Alliance Supply Project and Phase 1 planning of the Capital Funding Plan, $266,507 one-time. [27WA02]
- Increase the one-time LTE hours for the Public Works Maintenance Center (PWMC) Office Specialist from 0.25 to 0.50 through the 2027-2028 biennium, bringing the position from its ongoing 0.50 FTE to a full 1.0. A 0.25 LTE has supplemented the position since 2023, and the additional hours address rising Fleet and Facilities invoice volume and provide backup support for the Maintenance Center, $19,056 one-time. [27ST03]

# Water Operating

## Financial Overview



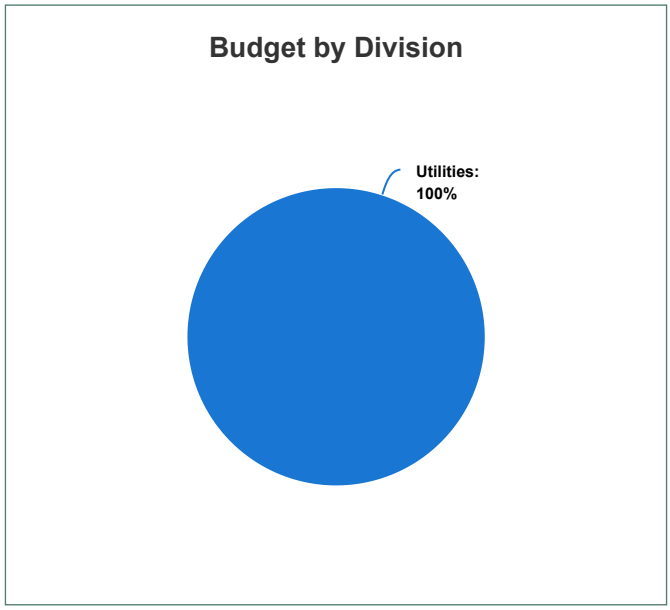

### REVENUE SUMMARY BY TYPE

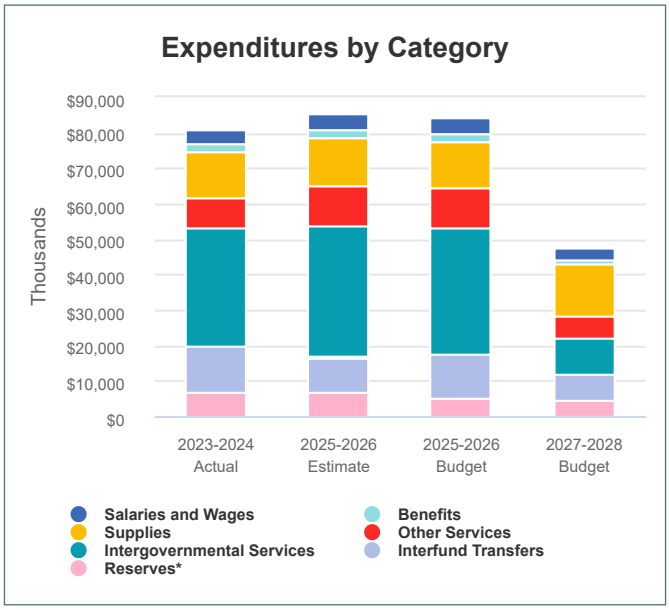
| | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget [1] | Percent Change |
|---|---|---|---|---|---|
| Charges for Goods and Services | 65,477,632 | 75,711,693 | 76,879,399 | 40,565,285 | (47.24%) |
| Miscellaneous | 468,102 | 467,193 | 515,427 | 292,026 | (43.34%) |
| Proprietary Other Income | 4,039,658 | 3,236,418 | 1,843,837 | 3,960,901 | 114.82% |
| Interfund Transfers | 7,424 | - | - | - | |
| Resources Forward | 9,838,267 | 5,327,603 | 5,327,603 | 2,892,528 | (45.71%) |
| **TOTAL** | **79,831,083** | **84,742,907** | **84,566,266** | **47,710,740** | **(43.58%)** |

**(1) In 2027-2028, the Water and Sewer Utilities are split into separate accounting funds. The 2023-2024 and 2025-2026 bienniums reflect the combined utilities actuals and budgets.**

# Water Operating

## Financial Overview




## EXPENDITURE SUMMARY BY CATEGORY

| | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget [1] | Percent Change |
|---|---|---|---|---|---|
| Salaries and Wages | 4,303,844 | 4,847,736 | 4,560,535 | 3,331,346 | (26.95%) |
| Benefits | 2,082,827 | 2,169,820 | 2,256,843 | 1,434,109 | (36.46%) |
| Supplies | 12,918,255 | 13,549,087 | 13,420,292 | 14,778,515 | 10.12% |
| Other Services | 8,573,758 | 11,203,524 | 10,926,445 | 6,000,037 | (45.09%) |
| Intergovernmental Services | 33,510,788 | 37,127,880 | 35,698,899 | 10,064,943 | (71.81%) |
| Capital Outlay | 2,130 | 61,666 | 91,178 | 70,000 | (23.23%) |
| Interfund Transfers | 13,231,263 | 9,975,779 | 12,363,115 | 7,666,718 | (37.99%) |
| Reserves* | 6,578,537 | 6,684,065 | 5,248,959 | 4,365,072 | (16.84%) |
| **TOTAL** | **81,201,402** | **85,619,555** | **84,566,266** | **47,710,740** | **(43.58%)** |

## EXPENDITURE SUMMARY BY DIVISION

| | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget [1] | Percent Change |
|---|---|---|---|---|---|
| Utilities | 81,201,402 | 85,619,555 | 84,566,266 | 47,710,740 | (43.58%) |
| **TOTAL** | **81,201,402** | **85,619,555** | **84,566,266** | **47,710,740** | **(43.58%)** |

**(1) In 2027-2028, the Water and Sewer Utilities are split into separate accounting funds. The 2023-2024 and 2025-2026 bienniums reflect the combined utilities actuals and budgets.**

* 2023-2024 Actual and 2025-2026 Estimate reserves are budgeted, but not spent

# Water Operating

## 2027-2028 Position Summary

### POSITION SUMMARY BY CLASSIFICATION

| Classification | 2025-2026 Positions | Additions/ Reductions [1] | 2027-2028 Positions |
|---|---|---|---|
| PUBLIC WORKS DEPUTY DIRECTOR OF OPERATIONS | 0.45 | (0.18) | 0.27 |
| UTILITY OPERATIONS MANAGER | 0.40 | (0.16) | 0.24 |
| UTILITY POLICY & COMMUNITY RELATIONS SUPERVISOR | 0.45 | (0.18) | 0.27 |
| WATER AND WASTEWATER SUPERVISOR | 1.00 | (0.40) | 0.60 |
| MANAGEMENT ANALYST | 0.50 | (0.20) | 0.30 |
| LEADPERSON - WATER LEAD | 1.00 | - | 1.00 |
| LEADPERSON - WASTE WATER LEAD | 1.00 | (1.00) | - |
| CROSS CONNECTION PROGRAM COORDINATOR | 1.00 | - | 1.00 |
| CONTRACT AND PURCHASING SPECIALIST | 0.10 | (0.04) | 0.06 |
| CROSS CONNECTION SPECIALIST | 1.00 | (0.50) | 0.50 |
| SENIOR MAINTENANCE | 4.00 | (2.00) | 2.00 |
| YARD MAINT/INV CONTROL | 0.45 | (0.22) | 0.23 |
| ENGINEERING TECHNICIAN | 0.40 | (0.16) | 0.24 |
| SENIOR ACCOUNTING ASSOCIATE | 0.70 | (0.28) | 0.42 |
| ADMINISTRATIVE ASSISTANT | 0.50 | (0.20) | 0.30 |
| UTILITY CRAFTSPERSON | 2.40 | (0.99) | 1.41 |
| MAINTENANCE WORKER | 8.10 | (3.05) | 5.05 |
| MAINTENANCE WORKER OVERHIRE | 0.74 | (0.36) | 0.38 |
| OFFICE SPECIALIST | 0.66 | (0.27) | 0.39 |
| OG/OT OFFICE SPECIALIST | 0.06 | 0.02 | 0.08 |
| **TOTAL** | **24.91** | **(10.17)** | **14.74** |

**Salary information for City of Kirkland positions can be found at https://www.kirklandwa.gov/Government/Departments/Human-Resources/Collective-Bargaining-Agreements*

| Classification | 2025-2026 Positions | Additions/ Reductions [1] | 2027-2028 Positions |
|---|---|---|---|
| Utilities | 24.91 | (10.17) | 14.74 |
| **TOTAL** | **24.91** | **(10.17)** | **14.74** |

**(1) In 2027-2028, the Water and Sewer Utilities are split into separate accounting funds. The Sewer positions are shown as reductions to the previously combined total positions for Water and Sewer presented in 2025-2026.**

# Water Operating

## WATER OPERATING FUND REVENUES

| | Object | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget [1] | Percent Change |
|---|---|---|---|---|---|---|
| **Charges for Goods and Services** | | | | | | |
| Interfund-Gen | 341963 | 82,159 | 27,423 | 1,188 | 722 | (39.23%) |
| Gen Government Srvcs | 341971 | 167,043 | 151,964 | 138,180 | 138,544 | 0.26% |
| Hydrant Rent | 341972 | 755,765 | 821,680 | 821,680 | 909,641 | 10.71% |
| Residential Water Sales | 343401 | 14,038,266 | 16,028,261 | 15,989,201 | 18,338,013 | 14.69% |
| Multi-Family Water | 343403 | 6,479,678 | 7,473,756 | 7,522,528 | 8,638,267 | 14.83% |
| Comm Water Sales | 343404 | 5,035,176 | 5,983,069 | 6,139,878 | 6,928,007 | 12.84% |
| Water Srvc-Penalty | 343405 | 149,220 | 129,860 | 127,550 | 127,886 | 0.26% |
| Eff Utility Tax Water | 343408 | 3,400,119 | 3,942,356 | 3,981,334 | 5,168,779 | 29.83% |
| Residential Sewer Srvc -City | 343501 | 20,041,680 | 23,329,444 | 23,087,079 | - | (100.00%) |
| MF Sewer Srvc | 343503 | 6,762,613 | 7,627,909 | 8,009,923 | - | (100.00%) |
| Comm Sewer-City | 343505 | 4,794,282 | 5,741,663 | 6,464,189 | - | (100.00%) |
| Sewer Srvc Penlty | 343507 | 167,935 | 175,120 | 159,564 | - | (100.00%) |
| Eff Utility Tax Sewer | 343508 | 3,347,326 | 3,914,209 | 3,980,673 | - | (100.00%) |
| Misc Utility Rev | 343891 | 71,290 | 160,175 | 243,827 | 123,580 | (49.32%) |
| Water Off On Charge | 343901 | 143,189 | 158,718 | 170,070 | 170,518 | 0.26% |
| Final Bill Fee | 343903 | 41,893 | 46,086 | 42,535 | 21,328 | (49.86%) |
| **Total for Charges for Goods and Services** | | **65,477,632** | **75,711,693** | **76,879,399** | **40,565,285** | **(47.24%)** |
| **Miscellaneous Revenues** | | | | | | |
| Investment Interest | 361111 | 376,240 | 377,617 | 377,842 | 187,484 | (50.38%) |
| Facility Leases Other | 362502 | 89,708 | 73,455 | 86,035 | 87,514 | 1.72% |
| Sales of Surplus | 369101 | 66 | 490 | 30,790 | 15,660 | (49.14%) |
| Other Judgements | 369401 | 3,408 | 14,912 | 20,076 | - | (100.00%) |
| Other Misc Rev | 369910 | (1,320) | 720 | 684 | 1,368 | 100.00% |
| **Total for Miscellaneous Revenues** | | **468,102** | **467,193** | **515,427** | **292,026** | **(43.34%)** |
| **Proprietary Other Income** | | | | | | |
| Ins Recovery Prop | 372001 | 3,385 | - | 708 | - | (100.00%) |
| Reg Water Connection | 379103 | 4,036,273 | 3,236,418 | 1,843,129 | 3,960,901 | 114.90% |
| **Total for Proprietary Other Income** | | **4,039,658** | **3,236,418** | **1,843,837** | **3,960,901** | **114.82%** |

# Water Operating

## WATER OPERATING FUND REVENUES (CONTINUED)

| | Object | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|---|
| **Other Financing Sources** | | | | | | |
| Operating Transfers In | 397101 | 7,424 | - | - | - | |
| Resources Forward | 399991 | 9,838,267 | 5,327,603 | 5,327,603 | 2,892,528 | (45.71%) |
| **Total for Other Financing Sources** | | **9,845,691** | **5,327,603** | **5,327,603** | **2,892,528** | **(45.71%)** |
| | | | | | | |
| **Fund Total** | | **79,831,083** | **84,742,907** | **84,566,266** | **47,710,740** | **(43.58%)** |

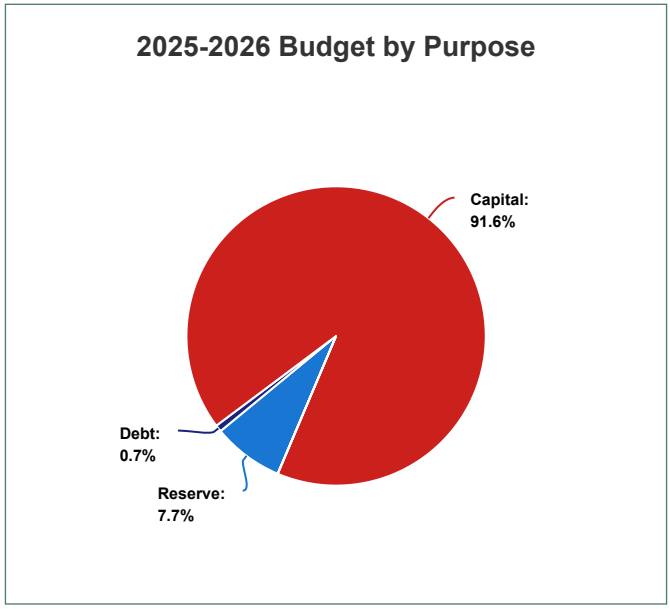
**(1) In 2027-2028, the Water and Sewer Utilities are split into separate accounting funds. The 2023-2024 and 2025-2026 bienniums reflect the combined utilities actuals and budgets.**

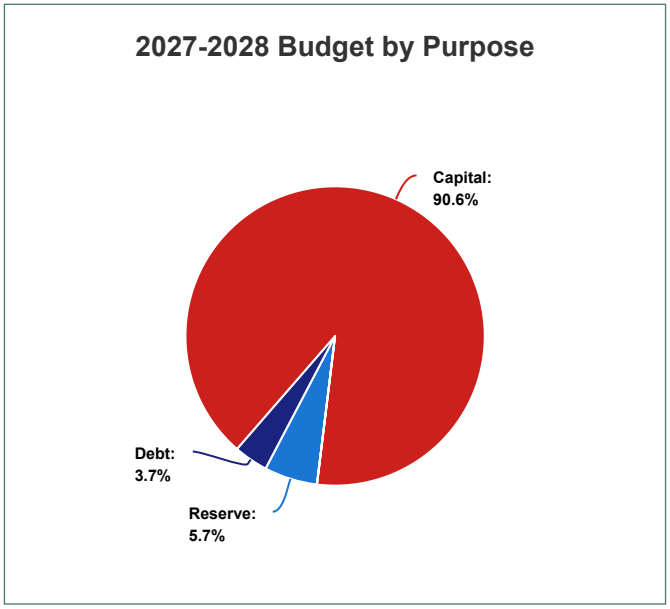



# Water Non-Operating

**City of Kirkland 2027-2028 Preliminary Budget**

## WATER UTILITY NON-OPERATING




## 2025-2026 BUDGET BY PURPOSE

| Fund | 2025-2026 Budget | Budget by Purpose | | | |
|---|---|---|---|---|---|
| | | Reserve | Debt | Capital | Other |
| Water Debt Service | 567,370 | 40,711 | 526,659 | - | - |
| Water Construction | 71,688,728 | 5,490,214 | - | 66,198,514 | - |
| **Total Non-Operating Funds** | **72,256,098** | **5,530,925** | **526,659** | **66,198,514** | **-** |

## 2027-2028 BUDGET BY PURPOSE

| Fund | 2027-2028 Budget | Budget by Purpose | | | |
|---|---|---|---|---|---|
| | | Reserve | Debt | Capital | Other |
| Water Debt Service | 2,427,398 | 40,711 | 2,386,687 | - | - |
| Water Construction | 62,274,920 | 3,677,399 | - | 58,597,521 | - |
| **Total Non-Operating Funds** | **64,702,318** | **3,718,110** | **2,386,687** | **58,597,521** | **-** |

# 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. Currently, the City has no revenue bonds outstanding.
- **Public Works Trust Fund Loans (PWTFL)** are low-interest loans from the state for cities, counties, and other municipalities. 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 one one-half percent loan, which was 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.*

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 used by the City to rate Kirkland's bonds – Standard and Poor's (S&P) and Moody's Investor Service.

For Kirkland's general obligation debt, S&P affirmed the City's AAA rating on March 22, 2024, which is the highest rating. On August 21, 2026, Moody's affirmed Kirkland's Aaa rating on the City's outstanding general obligation debt.

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.

# WATER AND SEWER UTILITIES
# DEBT SERVICE FUNDS
# 2027-2028 PAYMENT AND RESERVE SUMMARY

## 2025-2026 Budget

| | Payment | | | |
|---|---|---|---|---|
| Fund | Principal | Interest | Reserve | Total |
| Water and Sewer Debt Service | 507,624 | 19,035 | 40,711 | 567,370 |
| **Total Debt Service Funds** | **507,624** | **19,035** | **40,711** | **567,370** |

## 2027-2028 Budget

| | Payment | | | |
|---|---|---|---|---|
| Fund | Principal | Interest | Reserve | Total |
| Water and Sewer Debt Service | 1,688,755 | 697,932 | 40,711 | 2,427,398 |
| **Total Debt Service Funds** | **1,688,755** | **697,932** | **40,711** | **2,427,398** |

## 2013 PUBLIC WORKS TRUST FUND LOAN

### Purpose: NE 80th Street Sewer/Water Main Replacement

| | |
|---|---|
| Amount of Loan | $ 4,038,000 |

| | |
|---|---|
| Initial Loan Draw | 6/06/13 |
| Net Interest Rate | 0.500% |

## DEBT SERVICE SCHEDULE

| Year | Interest Amount | Interest Rate | Maturity Date | Principal Amount | Total Payment | Principal Balance | |
|---|---|---|---|---|---|---|---|
| 2013 | | | | | | 26,843 | * |
| 2014 | 125 | 0.50% | 6/1/2014 | 5,511 | 5,635 | 21,333 | |
| 2014 | | | Draws | 150,679 | | 172,011 | |
| 2015 | 739 | 0.50% | 6/1/2015 | 9,556 | 10,295 | 162,455 | |
| 2015 | | | Draws | 172,725 | | 335,180 | |
| 2016 | 1,425 | 0.50% | 6/1/2016 | 19,717 | 21,141 | 315,464 | |
| 2016 | | | Draws | 2,993,002 | | 3,308,466 | |
| 2017 | 9,382 | 0.50% | 6/1/2017 | 206,779 | 216,161 | 3,101,687 | |
| 2017 | | | Draws | 544,351 | | 3,646,037 | |
| 2018 | 16,597 | 0.50% | 6/1/2018 | 243,069 | 259,666 | 3,402,968 | |
| 2018 | | | Draws | 150,400 | | 3,553,368 | |
| 2019 | 17,301 | 0.50% | 6/1/2019 | 253,812 | 271,113 | 3,299,556 | |
| 2020 | 16,498 | 0.50% | 6/1/2020 | 253,812 | 270,310 | 3,045,744 | |
| 2021 | 15,229 | 0.50% | 6/1/2021 | 253,812 | 269,041 | 2,791,932 | |
| 2022 | 13,960 | 0.50% | 6/1/2022 | 253,812 | 267,772 | 2,538,120 | |
| 2023 | 12,691 | 0.50% | 6/1/2023 | 253,812 | 266,503 | 2,284,308 | |
| 2024 | 11,422 | 0.50% | 6/1/2024 | 253,812 | 265,234 | 2,030,496 | |
| 2025 | 10,152 | 0.50% | 6/1/2025 | 253,812 | 263,965 | 1,776,684 | |
| 2026 | 8,883 | 0.50% | 6/1/2026 | 253,812 | 262,695 | 1,522,872 | |
| 2027 | 7,614 | 0.50% | 6/1/2027 | 253,812 | 261,426 | 1,269,060 | |
| 2028 | 6,345 | 0.50% | 6/1/2028 | 253,812 | 260,157 | 1,015,248 | |
| 2029 | 5,076 | 0.50% | 6/1/2029 | 253,812 | 258,888 | 761,436 | |
| 2030 | 3,807 | 0.50% | 6/1/2030 | 253,812 | 257,619 | 507,624 | |
| 2031 | 2,538 | 0.50% | 6/1/2031 | 253,812 | 256,350 | 253,812 | |
| 2032 | 1,269 | 0.50% | 6/1/2032 | 253,812 | 255,081 | - | |
| **Totals** | **161,053** | | | **4,038,000** | **4,199,052** | | |

* Initial draw in 2013, balance expected to be drawn throughout 2018

# 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 government facilities and equipment. The Council revises the CIP biennially. The Water portion of the CIP includes only those projects associated with the water utility.

The **Water Utility Capital Projects Fund** accounts for water projects that are ultimately funded by a portion of the water rates paid by utility customers. Included in the fund are the Water CIP Contingency and the Water 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 consists of depreciation funding from a portion of utility rates and connection charges paid by new customers connecting to the City's water systems, providing a one-time solution to address short term or time-limited funding needs.

**DEPENDABLE INFRASTRUCTURE**

- Finance Water Utility CIP projects totaling $21.7 million for 2027-2028 including $16.4 million for the Replacement of South Reservoir and $4.9 million for Highlands Water System Improvements/116th Ave NE Watermain Replacement.

# CAPITAL IMPROVEMENT PROGRAM
# 2027-2028 BUDGET

## Water Utility Capital Projects Fund (413)

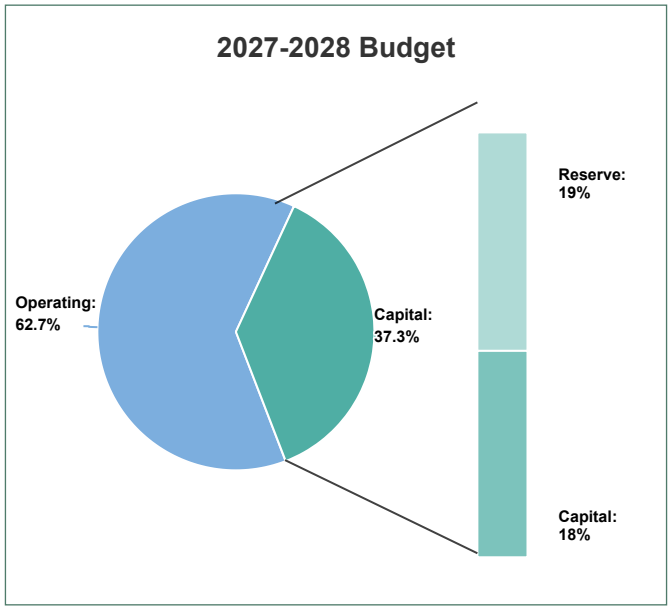
| Project Category/ Project Title | Project Number | Legend | Funding Source | 2027 Budget | 2028 Budget | Total 2027-2028 Budget | Additional Annual Maintenance & Operations 2027 | Additional Annual Maintenance & Operations 2028 |
|---|---|---|---|---|---|---|---|---|
| **Utilities** | | | | | | | | |
| **Water** | | | | | | | | |
| HIGHLANDS WATER SYSTEM IMPROV/ 116TH AVENUE NE WATERMAIN REPLACEMENT | WAC 05700 | B | Water Rates/Connection Fees | 1,860,000 | 3,000,000 | 4,860,000 | - | - |
| SOUTH RESERVOIR REPLACEMENT | WAC 12900 | B | Water Rates/Debt/External | 12,613,761 | 3,768,807 | 16,382,568 | - | - |
| EMERGENCY/NORMAL SUPPLY WELL - FEASIBILITY STUDY | WAC 17400 | A | Connection Fees | 500,000 | | 500,000 | | |
| **Total Water** | | | | **14,973,761** | **6,768,807** | **21,742,568** | **-** | **-** |

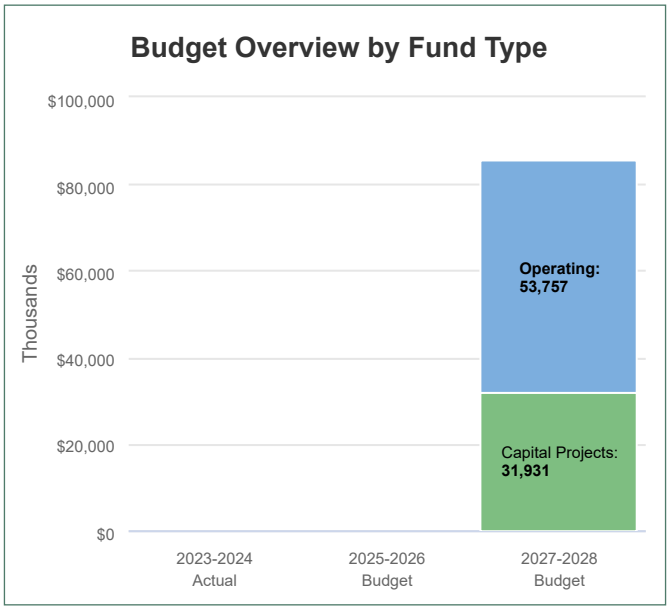
| LEGEND |
|---|
| A=New |
| B=Modified |
| C=Moved from Unfunded |
| D=Name Change |
| BLANK=No Change |

# Sewer Utility



## SEWER UTILITY




The Sewer Utility operating budget accounts for the purchase of 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

| | 2023-2024 Actual | 2025-2026 Budget | 2027-2028 Budget [1] | Percent Change |
|---|---|---|---|---|
| *Operating Fund* | | | | |
| Sewer Operating Fund | - | - | 53,756,836 | |
| **Total Operating Funds** | **-** | **-** | **53,756,836** | |
| *Non-Operating Funds* | | | | |
| Utility Capital Projects Fund | - | - | 31,930,532 | |
| **Total Non-Operating Funds** | **-** | **-** | **31,930,532** | |
| **Total Sewer Utility Funds** | **-** | **-** | **85,687,368** | |

[1] **In 2027-2028, the Water and Sewer Utilities are split into separate accounting funds. The Sewer totals for 2023-2024 and 2025-2026 bienniums are reflected in the Water Utility section.**

## CHANGE IN FUND BALANCE (BEGINNING 2027 TO ENDING 2028)
## SEWER UTILITY FUNDS

| | Sewer Operating [1] | Non-Operating Utility Capital Projects [2] | Total |
|---|---|---|---|
| **2026 Estimated Ending/2027 Budgeted Beginning Fund Balance** | **3,791,536** | **24,061,346** | **27,852,882** |
| Plus: 2027-28 Budgeted Revenues [3] | 49,965,299 | 7,869,187 | 57,834,486 |
| Less: 2027-28 Budgeted Expenditures | 47,975,411 | 15,427,260 | 63,402,671 |
| **2028 Budgeted Ending Fund Balance** | **5,781,424** | **16,503,273** | **22,284,697** |
| Reserved | 3,289,847 | 2,789,446 | 6,079,293 |
| Unreserved Working Capital | 2,491,577 | 13,713,827 | 16,205,404 |
| **Change in Fund Balance:** | | | |
| **Beginning 2025 to Ending 2028 [4]** | **1,989,888** | **(7,558,073)** | **(5,568,185)** |

**Notes:**

The Water/Sewer Fund is being separated into two funds beginning in the 2027-2028 biennium so 2025-2026 totals in the book include balances and actuals for both Water and Sewer activity.

[1] The increase in fund balance in the Operating Fund is due to the combined effect of expenditure savings in 2023-2024 as well as 2025-2026 utility rates set to meet needs of the system by using accumulated fund balance. The 2025-2026 rates increased 8.85 percent in Sewer.

[2] The decrease 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 sewer construction reserve within the Utility Capital Projects Fund accumulates resources for future projects.

[3] Budgeted revenues do not directly match revenues shown in the 2027-2028 CIP as the budget may include full revenues received but not amounts transferred to project budgets.

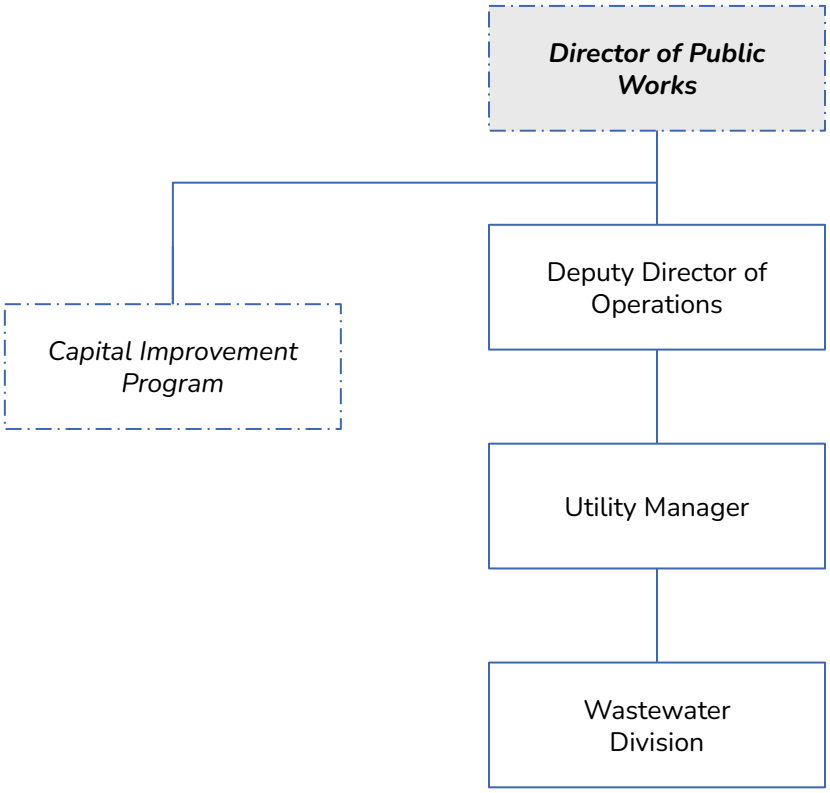
[4] Effective January 1, 2027, Sewer and Water Utility accounting is separately tracked in two Funds. The 2027 Budgeted Beginning Fund Balance is based on the separation of activity and balances as of December 31, 2026.



# Sewer Operating

**City of Kirkland 2027-2028 Preliminary Budget**

# Sewer Operating




*Boxes with a dashed outline and italic text indicate positions and/or functions which report to this department but which are budgeted in a separate department and/or operating fund.*

# Sewer Operating

## Department Overview

### MISSION

The **Sewer Operating Fund** addresses community health and safety by financing the resources necessary for the maintenance, operation, and minor construction of sewer system appurtenances, including wastewater conveyance, mains, pump systems, and other related infrastructure.

## DIVISION FUNCTIONS

The Wastewater Division of Public Works operates, maintains, and repairs nearly 137 miles of sewer mains, nearly 3,500 manholes, six sewer lift stations, and collects wastewater from more than 11,300 side sewer connections.

The Sewer Utility provides for the operation, repair, and replacement of wastewater infrastructure.

Major capital projects that allow the City to meet its wastewater goals and objectives are administered by the Capital Projects Division. Customer billing is administered by the Finance and Administration Department.

## BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS

### SUSTAINABLE ENVIRONMENT

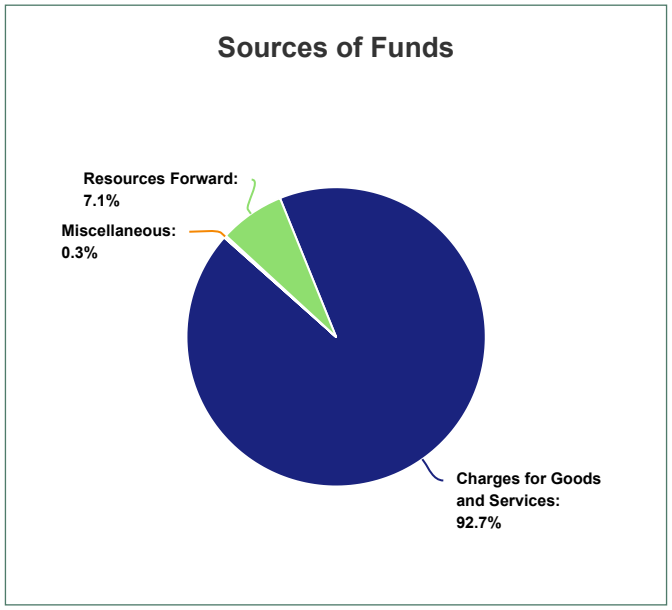
- Establish adequate 2027-2028 rates for the Sewer Utility to invest in maintaining and enhancing services to treat wastewater, resulting in:
  - $9.0 million increase in Sewer revenues

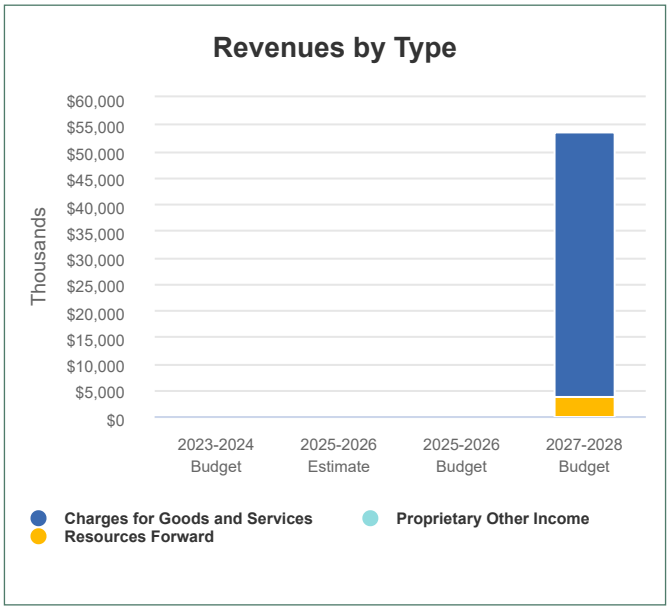
### DEPENDABLE INFRASTRUCTURE

- Fund Phase 2 of the Utility Rate Study to complete a cost of service and rate design analysis across the water, sewer, surface water, and solid waste utilities and update the Capital Facility Charges model, with costs shared equally among the four utilities, $25,000 one-time. [27WA01]
- Add a Water and Wastewater Utility Policy Advisor (1.0 LTE) or equivalent contracted resource starting 2027 to provide strategic guidance on the Cascade Water Alliance Supply Project and Phase 1 planning of the Capital Funding Plan, $266,507 one-time. [27WA02]
- Increase the one-time LTE hours for the Public Works Maintenance Center (PWMC) Office Specialist from 0.25 to 0.50 through the 2027-2028 biennium, bringing the position from its ongoing 0.50 FTE to a full 1.0. A 0.25 LTE has supplemented the position since 2023, and the additional hours address rising Fleet and Facilities invoice volume and provide backup support for the Maintenance Center, $19,056 one-time. [27ST03]

# Sewer Operating

## Financial Overview



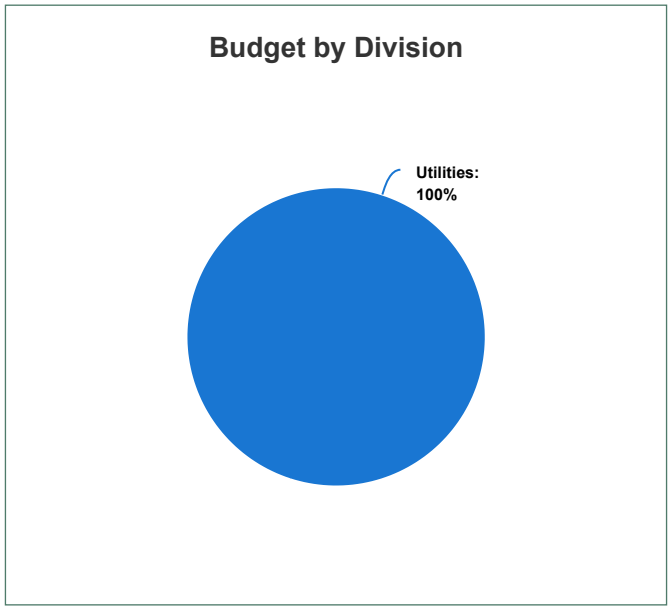

## REVENUE SUMMARY BY TYPE

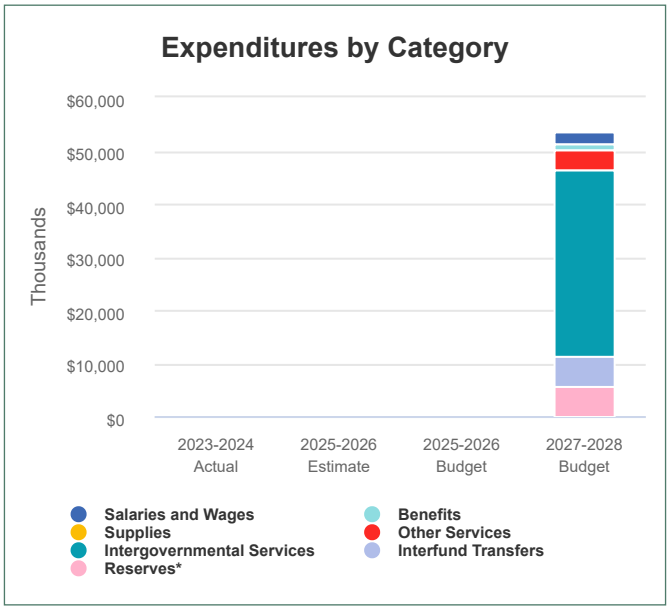
| | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|
| Charges for Goods and Services | - | - | - | 49,823,439 | |
| Miscellaneous | - | - | - | 141,860 | |
| Resources Forward | - | - | - | 3,791,537 | |
| **TOTAL** | **-** | **-** | **-** | **53,756,836** | |

(1) In 2027-2028, the Water and Sewer Utilities are split into separate accounting funds. The Sewer totals for 2023-2024 and 2025-2026 bienniums are reflected in the Water Utility section.

# Sewer Operating

## Financial Overview




## EXPENDITURE SUMMARY BY CATEGORY

| | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|
| Salaries and Wages | - | - | - | 2,369,384 | |
| Benefits | - | - | - | 1,085,764 | |
| Supplies | - | - | - | 176,372 | |
| Other Services | - | - | - | 3,649,236 | |
| Intergovernmental Services | - | - | - | 34,979,616 | |
| Capital Outlay | - | - | - | 36,000 | |
| Interfund Transfers | - | - | - | 5,679,039 | |
| Reserves* | - | - | - | 5,781,425 | |
| **TOTAL** | **-** | **-** | **-** | **53,756,836** | |

## EXPENDITURE SUMMARY BY DIVISION

| | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|
| Utilities | - | - | - | 53,756,836 | |
| **TOTAL** | **-** | **-** | **-** | **53,756,836** | |

**(1) In 2027-2028, the Water and Sewer Utilities are split into separate accounting funds. The Sewer totals for 2023-2024 and 2025-2026 bienniums are reflected in the Water Utility section.**

* 2023-2024 Actual and 2025-2026 Estimate reserves are budgeted, but not spent

# Sewer Operating

## 2027-2028 Position Summary

### POSITION SUMMARY BY CLASSIFICATION

| Classification | 2025-2026 Positions | Additions/ Reductions [1] | 2027-2028 Positions |
|---|---|---|---|
| PUBLIC WORKS DEPUTY DIRECTOR OF OPERATIONS | - | 0.18 | 0.18 |
| UTILITY OPERATIONS MANAGER | - | 0.16 | 0.16 |
| UTILITY POLICY & COMMUNITY RELATIONS SUPERVISOR | - | 0.18 | 0.18 |
| WATER AND WASTEWATER SUPERVISOR | - | 0.40 | 0.40 |
| MANAGEMENT ANALYST | - | 0.20 | 0.20 |
| LEADPERSON - WASTE WATER LEAD | - | 1.00 | 1.00 |
| CONTRACT AND PURCHASING SPECIALIST | - | 0.04 | 0.04 |
| CROSS CONNECTION SPECIALIST | - | 0.50 | 0.50 |
| SENIOR MAINTENANCE | - | 2.00 | 2.00 |
| YARD MAINT/INV CONTROL | - | 0.22 | 0.22 |
| ENGINEERING TECHNICIAN | - | 0.16 | 0.16 |
| SENIOR ACCOUNTING ASSOCIATE | - | 0.28 | 0.28 |
| ADMINISTRATIVE ASSISTANT | - | 0.20 | 0.20 |
| UTILITY CRAFTSPERSON | - | 1.19 | 1.19 |
| MAINTENANCE WORKER | - | 3.00 | 3.00 |
| MAINTENANCE WORKER OVERHIRE | - | 0.36 | 0.36 |
| OFFICE SPECIALIST | - | 0.27 | 0.27 |
| OG/OT OFFICE SPECIALIST | - | 0.08 | 0.08 |
| **TOTAL** | **-** | **10.42** | **10.42** |

**Salary information for City of Kirkland positions can be found at https://www.kirklandwa.gov/Government/Departments/Human-Resources/Collective-Bargaining-Agreements*

### POSITION SUMMARY BY DIVISION

| Classification | 2025-2026 Positions | Additions/ Reductions [1] | 2027-2028 Positions |
|---|---|---|---|
| Utilities | - | 10.42 | 10.42 |
| **TOTAL** | **-** | **10.42** | **10.42** |

**(1) In 2027-2028, the Water and Sewer Utilities are split into separate accounting funds. The Sewer positions are shown as additions. Sewer positions for 2025-2026 are presented in the Water Utility section.**

# Sewer Operating

## SEWER OPERATING FUND REVENUES

| | Object | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget [1] | Percent Change |
|---|---|---|---|---|---|---|
| **Charges for Goods and Services** | | | | | | |
| Interfund-Gen | 341963 | - | - | - | 491 | |
| Residential Sewer Srvc -City | 343501 | - | - | - | 28,722,796 | |
| MF Sewer Srvc | 343503 | - | - | - | 9,027,118 | |
| Comm Sewer-City | 343505 | - | - | - | 6,676,448 | |
| Sewer Srvc Penlty | 343507 | - | - | - | 161,750 | |
| Eff Utility Tax Sewer | 343508 | - | - | - | 5,088,391 | |
| Misc Utility Rev | 343891 | - | - | - | 124,891 | |
| Final Bill Fee | 343903 | - | - | - | 21,554 | |
| **Total for Charges for Goods and Services** | | **-** | **-** | **-** | **49,823,439** | |
| **Miscellaneous Revenues** | | | | | | |
| Investment Interest | 361111 | - | - | - | 126,034 | |
| Sales of Surplus | 369101 | - | - | - | 15,826 | |
| **Total for Miscellaneous Revenues** | | **-** | **-** | **-** | **141,860** | |
| **Other Financing Sources** | | | | | | |
| Resources Forward | 399991 | - | - | - | 3,791,537 | |
| **Total for Other Financing Sources** | | **-** | **-** | **-** | **3,791,537** | |
| **Fund Total** | | **-** | **-** | **-** | **53,756,836** | |

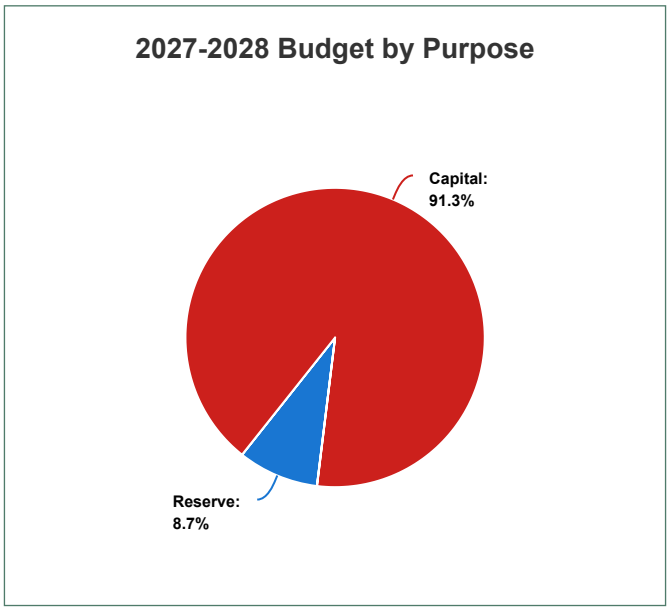
**[1] In 2027-2028, the Water and Sewer Utilities are split into separate accounting funds. The Sewer totals for 2023-2024 and 2025-2026 bienniums are reflected in the Water Utility section.**




# Sewer Non-Operating

**City of Kirkland 2027-2028 Preliminary Budget**

## SEWER UTILITY NON-OPERATING




## 2027-2028 BUDGET BY PURPOSE

| Fund | 2027-2028 Budget | Budget by Purpose | | | |
|---|---|---|---|---|---|
| | | Reserve | Debt | Capital | Other |
| Sewer Construction | 31,930,532 | 2,789,446 | - | 29,141,086 | - |
| **Total Non-Operating Funds** | **31,930,532** | **2,789,446** | **-** | **29,141,086** | **-** |

**(1) In 2027-2028, the Water and Sewer Utilities are split into separate accounting funds. The Sewer totals for the 2025-2026 biennium are reflected in the Water Utility section.**

# 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 Sewer portion of the CIP includes only those projects associated with the sewer utility.

The **Sewer Utility Capital Projects Fund** accounts for sewer projects that are ultimately funded by a portion of the sewer rates paid by utility customers. Included in the fund are the Sewer CIP Contingency and the 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 consists of depreciation funding from a portion of utility rates and connection charges paid by new customers connecting to the City's sewer systems, providing a one-time solution to address short term or time-limited funding needs.

**DEPENDABLE INFRASTRUCTURE**

- **P**rovide financing for Sewer utility CIP projects totaling $5.0 million for 2027-2028, including $2.0 million for I-405 Crossing from NE 70th ST to NE 68th St.

# CAPITAL IMPROVEMENT PROGRAM
# 2027-2028 BUDGET

## Sewer Utility Capital Projects Fund (415)

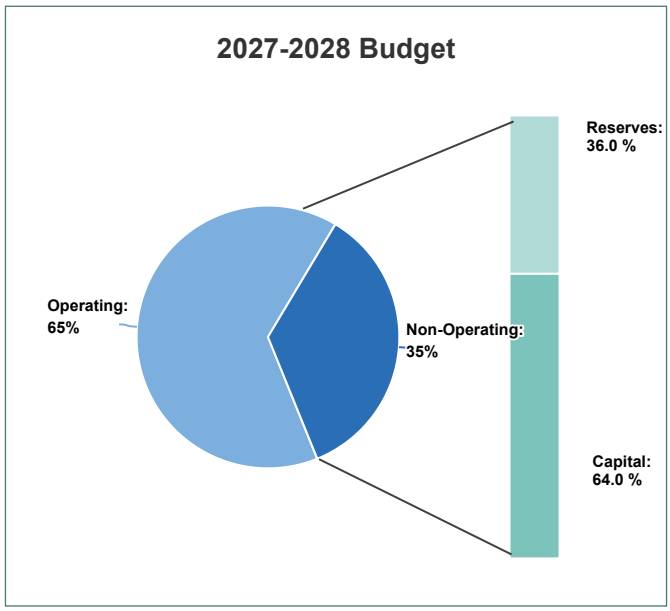
| Project Category/ Project Title | Project Number | Legend | Funding Source | 2027 Budget | 2028 Budget | Total 2027-2028 Budget | Additional Annual Maintenance & Operations 2027 | Additional Annual Maintenance & Operations 2028 |
|---|---|---|---|---|---|---|---|---|
| **Utilities** | | | | | | | | |
| **Sewer** | | | | | | | | |
| ANNUAL SANITARY SEWER PIPELINE REPLACEMENT | SSC 15700 | A | Sewer Rates | 1,000,000 | 1,500,000 | 2,500,000 | - | - |
| EAST OF I-405 BASIN FEASIBILITY STUDY | SSC 15810 | A | Sewer Rates | 500,000 | - | 500,000 | - | - |
| I-405 CROSSING FROM NE 70TH ST TO NE 68TH ST | SSC 15820 | A | Sewer Rates/ Connection Fees | - | 2,000,000 | 2,000,000 | | |
| **Total Sewer Capital Projects Fund** | | | | **1,500,000** | **3,500,000** | **5,000,000** | | |

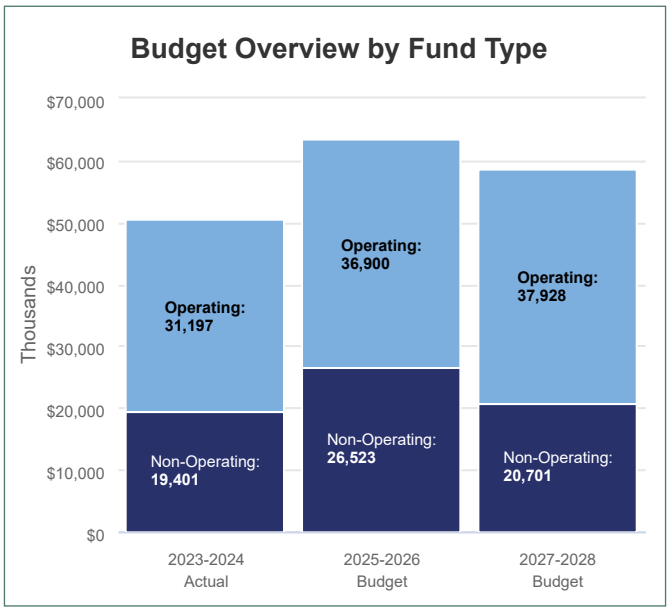
| LEGEND |
|---|
| A=New |
| B=Modified |
| C=Moved from Unfunded |
| D=Name Change |
| BLANK=No Change |

# Surface Water Utility



## SURFACE WATER UTILITY




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

| | 2023-2024 Actual | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|
| *Operating Fund* | | | | |
| Surface Water Operating Fund | 31,197,055 | **36,900,073** | **37,928,264** | 2.79% |
| **Total Operating Funds** | **31,197,055** | **36,900,073** | **37,928,264** | **2.79%** |
| *Non-Operating Funds* | | | | |
| Surface Water Debt Service Fund | - | **1,337,736** | - | (100.00%) |
| Surface Water Capital Projects Fund | 19,400,864 | **25,184,893** | **20,700,775** | (17.80%) |
| **Total Non-Operating Funds** | **19,400,864** | **26,522,629** | **20,700,775** | **(21.95%)** |
| **Total Surface Water Utility** | **50,597,919** | **63,422,702** | **58,629,039** | **(7.56%)** |

## CHANGE IN FUND BALANCE (BEGINNING 2025 TO ENDING 2028)
## SURFACE WATER UTILITY FUNDS

| | Surface Water Management [1] | Surface Water Capital Projects [2] | Total |
|---|---|---|---|
| **2025 Actual Beginning Fund Balance** | **7,155,432** | **9,068,609** | **16,224,041** |
| Reserved | 360,374 | 2,525,555 | 2,885,929 |
| Unreserved Working Capital [3] | 6,795,058 | 6,543,054 | 13,338,112 |
| Plus: 2025-26 Estimated Revenues | 29,977,766 | 9,036,712 | 39,014,478 |
| Less: 2025-26 Estimated Expenditures | 31,385,956 | 8,342,548 | 39,728,504 |
| Less: 2026 Estimated Carryovers | - | - | - |
| **2026 Estimated Ending/2027 Budgeted Beginning Fund Balance** | **5,747,242** | **9,762,773** | **15,510,015** |
| Plus: 2027-28 Budgeted Revenues [4] | 32,181,022 | 10,938,002 | 43,119,024 |
| Less: 2027-28 Budgeted Expenditures | 33,534,319 | 13,253,897 | 46,788,216 |
| **2028 Budgeted Ending Fund Balance** | **4,393,945** | **7,446,878** | **11,840,823** |
| Reserved | 4,186,987 | 2,753,097 | 6,940,084 |
| Unreserved Working Capital | 206,958 | 4,693,781 | 4,900,739 |
| **Change in Fund Balance:** | | | |
| **Beginning 2025 to Ending 2028** | **(2,761,487)** | **(1,621,731)** | **(4,383,218)** |

### Notes:

[1] The decrease in the Surface Water Management Fund is due to the funding of service packages in the 2027-28 biennium using reserves accumulated from underspending in prior years.

[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. The Surface Water Construction Reserve within the Surface Water Projects Fund accumulates resources for future projects.

[3] In the Surface Water Capital Fund, unreserved working capital represents funded capital projects in progress from previous years.

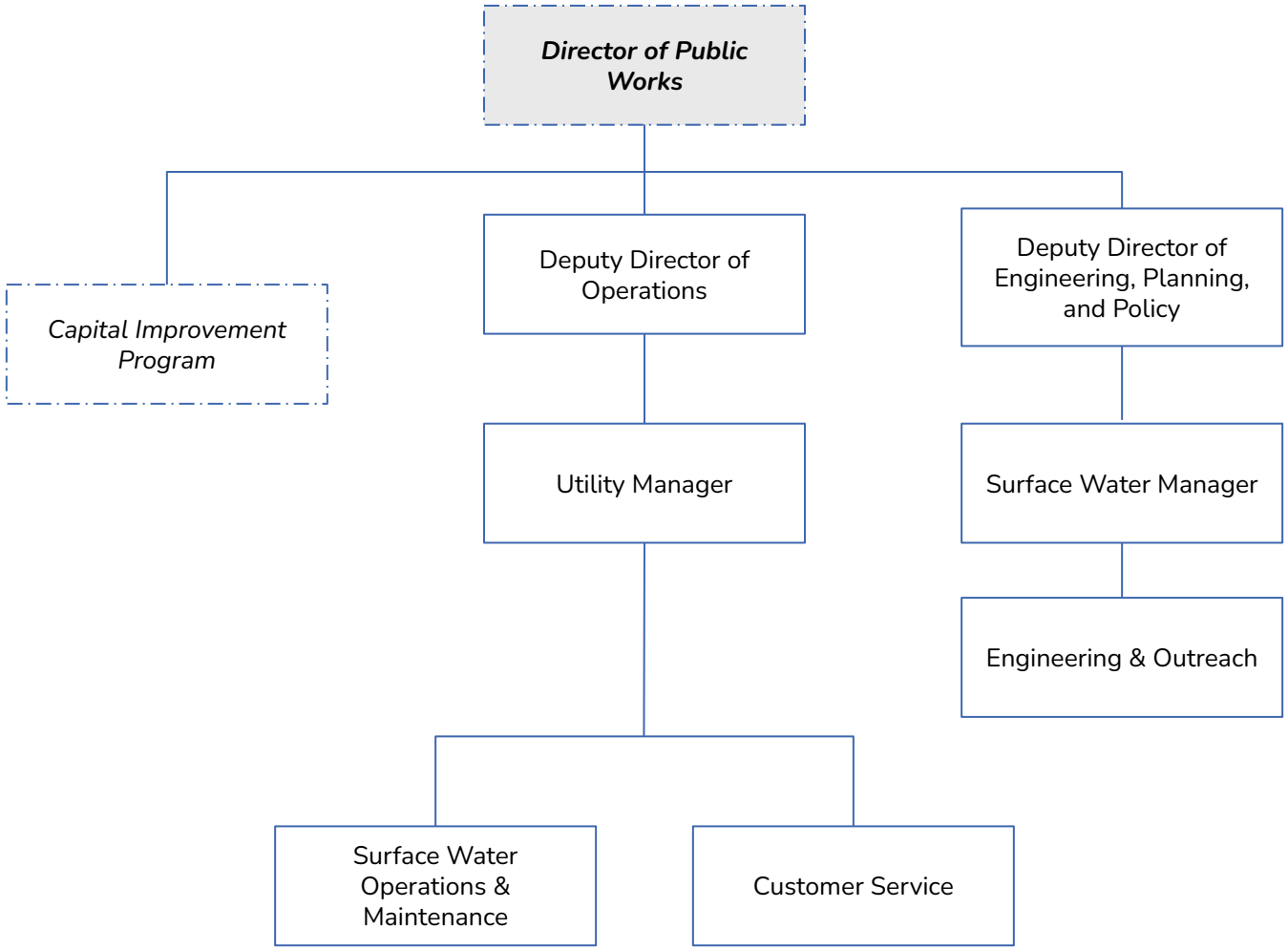
[4] Budgeted revenues do not directly match revenues shown in the 2025-2026 CIP as the budget may include full revenues received but not amounts transferred to project budgets.



# Surface Water Operating

**City of Kirkland 2027-2028 Preliminary Budget**

# Surface Water Operating




*Boxes with a dashed outline and italic text indicate positions and/or functions which report to this department but which are budgeted in a separate department and/or operating fund.*

# Surface Water Operating

## Department Overview

### MISSION

The Surface Water Management Fund is responsible for the maintenance, operation, engineering and planning, and construction components of the City's surface water system; this system includes constructed elements such as pipes and catch basins, and natural resources like streams, wetlands and lakes.

## DIVISION FUNCTIONS

The Stormwater Division of Public Works operates, maintains, and repairs storm drain infrastructure including pipes, maintenance holes, catch basins, ditches, and detention systems (including tanks, vaults, ponds, etc.). The storm drain system serves all residential, multifamily, and commercial customers.

The Surface Water Engineering and Planning Division works to provide strategic planning and engineering expertise, education and outreach, regulatory compliance, environmental monitoring and assessment, and pollution prevention assistance.

The Capital Improvement Program Division provides strategic and timely development of funding, design, property acquisition, and construction of surface water utility projects.

## BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS

### SUSTAINABLE ENVIRONMENT

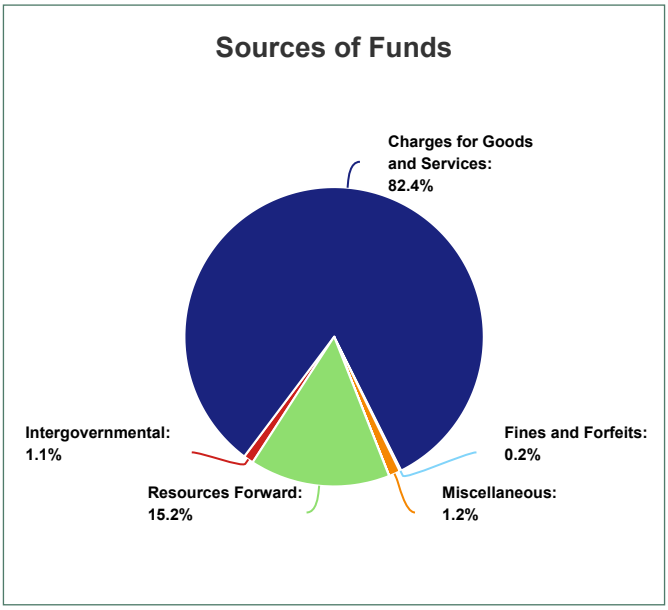
- Establish adequate 2027-2028 rates for the Surface Water Utility to invest in maintaining and enhancing services to protect water quality, reduce flooding, and improve fish habitat, resulting in:
  - $3.8 million increase in Surface Water revenues

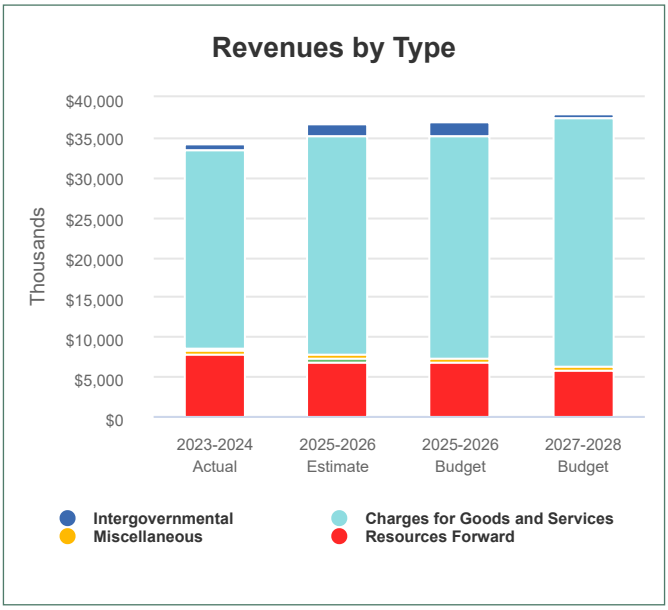
### DEPENDABLE INFRASTRUCTURE

- Fund the Surface Water Opportunity Fund for repairs and replacement of surface water infrastructure adjacent to new development projects by leveraging private development, $150,000 one-time. [27SD01]
- Fund Surface Water Aging Pipe Implementation Plan to provide for prioritization of critical pipe replacements, $100,000 one-time. [27SD02]
- Fund Phase 2 of the Utility Rate Study to complete a cost of service and rate design analysis across the water, sewer, surface water, and solid waste utilities and update the Capital Facility Charges model, with costs shared equally among the four utilities, $25,000 one-time. [27WA01]
- Increase the one-time LTE hours for the Public Works Maintenance Center (PWMC) Office Specialist from 0.25 to 0.50 through the 2027-2028 biennium, bringing the position from its ongoing 0.50 FTE to a full 1.0. A 0.25 LTE has supplemented the position since 2023, and the additional hours address rising Fleet and Facilities invoice volume and provide backup support for the Maintenance Center, $25,407 one-time. [27ST03]

# Surface Water Operating

## Financial Overview



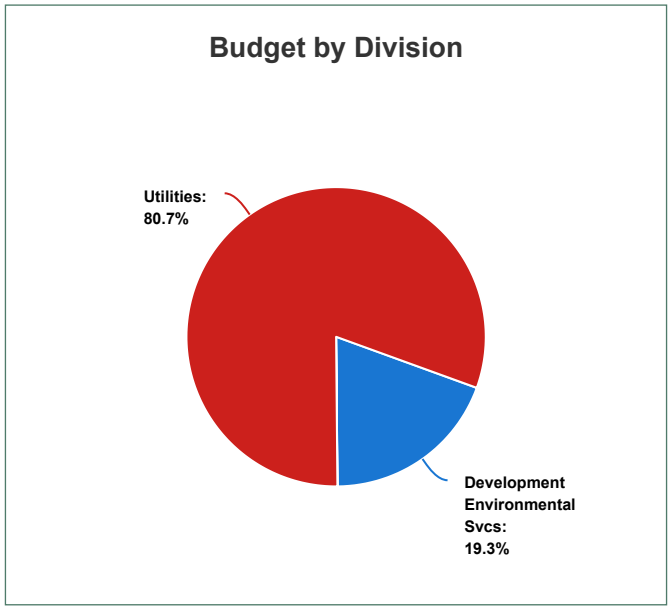



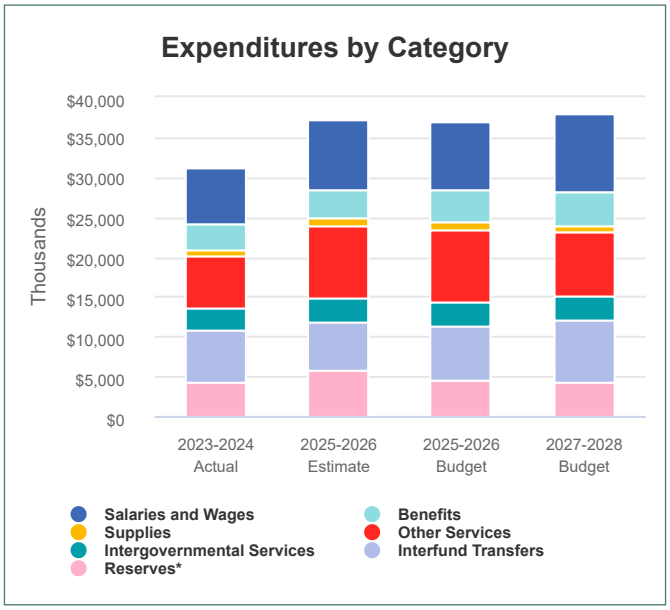

## REVENUE SUMMARY BY TYPE

| | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|
| Intergovernmental | 799,628 | 1,370,591 | 1,653,113 | 414,549 | (74.92%) |
| Charges for Goods and Services | 24,903,341 | 27,475,075 | 27,924,012 | 31,233,952 | 11.85% |
| Fines and Forfeits | 63,787 | 42,750 | 60,000 | 60,509 | 0.85% |
| Miscellaneous | 549,589 | 484,773 | 568,250 | 472,012 | (16.94%) |
| Proprietary Other Income | 443 | (443) | - | - | |
| Non-Revenue | - | 646,435 | - | - | |
| Interfund Transfers | 148,910 | - | - | - | |
| Resources Forward | 7,682,056 | 6,694,698 | 6,694,698 | 5,747,242 | (14.15%) |
| **TOTAL** | **34,147,754** | **36,713,879** | **36,900,073** | **37,928,264** | **2.79%** |

# Surface Water Operating

## Financial Overview




## EXPENDITURE SUMMARY BY CATEGORY

| | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|
| Salaries and Wages | 7,149,525 | **8,671,238** | **8,483,326** | **9,722,113** | 14.60% |
| Benefits | 3,083,582 | 3,511,441 | **4,064,203** | **4,203,004** | 3.42% |
| Supplies | 724,700 | **1,056,811** | **943,702** | **948,902** | 0.55% |
| Other Services | 6,726,766 | 9,188,189 | **9,105,012** | **7,916,384** | (13.05%) |
| Intergovernmental Services | 2,671,307 | **2,949,219** | **2,892,854** | **3,184,623** | 10.09% |
| Capital Outlay | 6,438 | **2,465** | **68,000** | **3,000** | (95.59%) |
| Interfund Transfers | 6,481,710 | **6,026,638** | **6,696,263** | **7,556,293** | 12.84% |
| Reserves* | 4,353,025 | **5,747,242** | **4,646,713** | **4,393,945** | (5.44%) |
| **TOTAL** | **31,197,055** | **37,153,242** | **36,900,073** | **37,928,264** | **2.79%** |

## EXPENDITURE SUMMARY BY DIVISION

| | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|
| Development Environmental Svcs | 5,868,135 | 8,147,898 | 8,608,426 | 7,321,732 | (14.95%) |
| Streets and Grounds | 57,059 | 62,771 | - | - | |
| Utilities | 25,271,861 | 28,942,574 | 28,291,647 | 30,606,532 | 8.18% |
| **TOTAL** | **31,197,055** | **37,153,242** | **36,900,073** | **37,928,264** | **2.79%** |

* 2023-2024 Actual and 2025-2026 Estimate reserves are budgeted, but not spent

# Surface Water Operating

## 2027-2028 Position Summary

### POSITION SUMMARY BY CLASSIFICATION

| Classification | 2025-2026 Positions | Additions/ Reductions | 2027-2028 Positions |
|---|---|---|---|
| PUBLIC WORKS DEPUTY DIRECTOR OF OPERATIONS | 0.20 | - | 0.20 |
| SURFACE WATER MANAGER | 1.00 | - | 1.00 |
| UTILITY OPERATIONS MANAGER | 0.60 | - | 0.60 |
| OG/OT SURFACE WATER STRATEGIC ADVISOR | 0.38 | 0.12 | 0.50 |
| SENIOR SURFACE WATER ENGINEER | 1.00 | - | 1.00 |
| SURFACE WATER PLANNING SUPERVISOR | 1.00 | - | 1.00 |
| SURFACE WATER SUPERVISOR | 1.00 | - | 1.00 |
| SURFACE WATER UTILITY ENGINEER | 1.00 | - | 1.00 |
| SURFACE WATER ENGINEER | 1.00 | - | 1.00 |
| STREETS AND GROUNDS SUPERVISOR | 1.00 | - | 1.00 |
| SURFACE WATER ENVIRONMENTAL ANALYST | 1.00 | - | 1.00 |
| ENVIRONMENTAL PROGRAM COORDINATOR | 0.50 | - | 0.50 |
| WATER QUALITY PROGRAM COORD | 1.00 | - | 1.00 |
| SURFACE WATER PLANNER | 1.00 | - | 1.00 |
| MANAGEMENT ANALYST | 0.20 | - | 0.20 |
| SURFACE WATER ENGINEERING ANALYST | 1.00 | - | 1.00 |
| EDUCATION AND OUTREACH COORDINATOR | 1.00 | - | 1.00 |
| LEADPERSON | 0.05 | - | 0.05 |
| LEADPERSON - STORM WATER LEAD | 2.00 | - | 2.00 |
| WATER QUALITY SPECIALIST | 1.00 | - | 1.00 |
| ENVIRO EDUCATION & OUTREACH SPECIALIST | 1.00 | - | 1.00 |
| CONTRACT AND PURCHASING SPECIALIST | 0.20 | - | 0.20 |
| FIELD ARBORIST | 1.00 | - | 1.00 |
| SENIOR MAINTENANCE | 9.30 | - | 9.30 |
| SENIOR MAINTENANCE WORKER | 0.10 | - | 0.10 |
| YARD MAINT/INV CONTROL | 0.15 | - | 0.15 |
| ENGINEERING TECHNICIAN | 0.20 | - | 0.20 |
| SENIOR ACCOUNTING ASSOCIATE | 0.10 | - | 0.10 |
| ADMINISTRATIVE ASSISTANT | 0.25 | - | 0.25 |
| UTILITY CRAFTSPERSON | 0.35 | (0.20) | 0.15 |
| MAINTENANCE WORKER | 10.60 | 0.05 | 10.65 |
| MAINTENANCE WORKER OVERHIRE | 0.34 | - | 0.34 |
| OFFICE SPECIALIST | 0.34 | - | 0.34 |
| OG/OT OFFICE SPECIALIST | 0.40 | (0.30) | 0.10 |
| **TOTAL** | **41.26** | **(0.33)** | **40.93** |

**Salary information for City of Kirkland positions can be found at https://www.kirklandwa.gov/Government/Departments/Human-Resources/Collective-Bargaining-Agreements*

### POSITION SUMMARY BY DIVISION

| Classification | 2025-2026 Positions | Additions/ Reductions | 2027-2028 Positions |
|---|---|---|---|
| Development Environmental Svcs | 13.88 | 0.22 | 14.10 |
| Utilities | 27.38 | (0.54) | 26.83 |
| **TOTAL** | **41.26** | **(0.33)** | **40.93** |

# Surface Water Operating

## SURFACE WATER MANAGEMENT FUND REVENUES

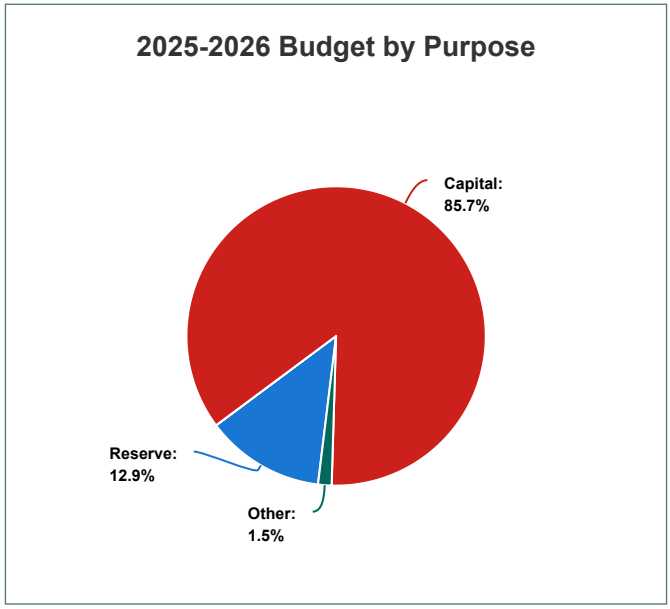
| | Object | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|---|
| **Intergovernmental Revenue** | | | | | | |
| Dept of Ecology | 334031 | 666,464 | **951,752** | **1,183,564** | - | (100.00%) |
| Other KC Grants | 337081 | 131,887 | **411,987** | **469,549** | **414,549** | (11.71%) |
| King Conserv Dis | 337085 | 1,278 | **6,853** | - | - | |
| **Total for Intergovernmental Revenue** | | **799,628** | **1,370,591** | **1,653,113** | **414,549** | **(74.92%)** |
| **Charges for Goods and Services** | | | | | | |
| Interfund-Gen | 341963 | 102,746 | **83,174** | **70,600** | **74,748** | 5.88% |
| Interfund Eng-CIP | 341966 | 320,006 | **164,268** | **189,720** | **189,720** | -% |
| Interfund Eng-Dev | 341967 | 106,222 | **93,626** | **104,000** | **104,000** | -% |
| Residential Strm Drn Fee | 343111 | 13,162,158 | **14,652,364** | **14,882,234** | **16,280,254** | 9.39% |
| Comm Strm Drn Fee | 343121 | 11,212,209 | **12,481,642** | **12,677,458** | **14,354,817** | 13.23% |
| Misc Utility Rev | 343891 | - | - | - | **230,413** | |
| **Total for Charges for Goods and Services** | | **24,903,341** | **27,475,075** | **27,924,012** | **31,233,952** | **11.85%** |
| **Fines and Forfeits** | | | | | | |
| Misc Fines | 359901 | 63,787 | **42,750** | **60,000** | **60,509** | 0.85% |
| **Total for Fines and Forfeits** | | **63,787** | **42,750** | **60,000** | **60,509** | **0.85%** |
| **Miscellaneous Revenues** | | | | | | |
| Investment Interest | 361111 | 405,031 | **321,775** | **457,250** | **360,070** | (21.25%) |
| Interest Sales Tax | 361401 | 49,019 | **104,003** | **40,000** | **40,339** | 0.85% |
| Other Interest | 361411 | 21,005 | **16,891** | - | - | |
| Other Judgements | 369401 | 74,534 | **41,666** | **70,000** | **70,594** | 0.85% |
| Other Misc Rev | 369910 | - | **437** | **1,000** | **1,009** | 0.90% |
| **Total for Miscellaneous Revenues** | | **549,589** | **484,773** | **568,250** | **472,012** | **(16.94%)** |
| Ins Recovery Prop | 372001 | 443 | **(443)** | - | - | |
| **Total for Proprietary Other Income** | | **443** | **(443)** | **-** | **-** | |
| **Non-Revenue** | | | | | | |
| Interfund Loan Repay | 381200 | - | **646,435** | - | - | |
| **Total for Non-Revenue** | | **-** | **646,435** | **-** | **-** | |
| **Other Financing Sources** | | | | | | |
| Operating Tfr Interfund-Util | 397102 | 148,910 | - | - | - | |
| Resources Forward | 399991 | 7,682,056 | 6,694,698 | 6,694,698 | 5,747,242 | (14.15%) |
| **Total for Other Financing Sources** | | **7,830,966** | **6,694,698** | **6,694,698** | **5,747,242** | **(14.15%)** |
| **Fund Total** | | **34,147,754** | **36,713,879** | **36,900,073** | **37,928,264** | **2.79%** |

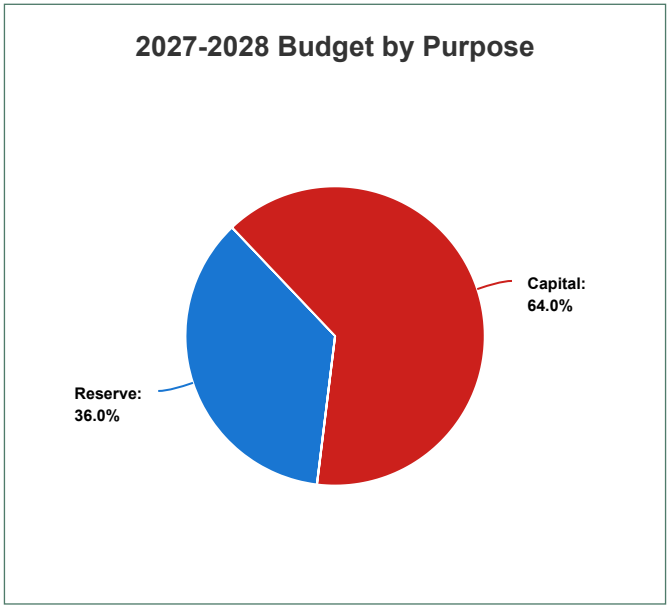


# Surface Water Non-Operating

**City of Kirkland 2027-2028 Preliminary Budget**

# SURFACE WATER UTILITY NON-OPERATING




## 2025-2026 BUDGET BY PURPOSE

| Fund | 2025-2026 Budget | Budget by Purpose | | |
|---|---|---|---|---|
| | | Reserve | Capital | Other |
| Surface Water Mgmt Constructio | 25,184,893 | 3,243,006 | 21,571,887 | 370,000 |
| **Total Non-Operating Funds** | **25,184,893** | **3,243,006** | **21,571,887** | **370,000** |

## 2027-2028 BUDGET BY PURPOSE

| Fund | 2027-2028 Budget | Budget by Purpose | | |
|---|---|---|---|---|
| | | Reserve | Capital | Other |
| Surface Water Mgmt Constructio | 20,700,775 | 7,446,878 | 13,253,897 | - |
| **Total Non-Operating Funds** | **20,700,775** | **7,446,878** | **13,253,897** | **-** |

# 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 Construction 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.

**SUSTAINABLE ENVIRONMENT**

- Provide financing for Surface Water utility CIP projects totaling $5.6 million for 2027-2028, including $3.0 million ($2.6 million is unsecured external funding pending final approval) for High Woodlands Stormwater Mgmt near NE 145th Street-Site 1.

# CAPITAL IMPROVEMENT PROGRAM
# 2027-2028 BUDGET

## Surface Water Capital Projects Fund (423)

| Project Category/ Project Title | Project Number | Legend | Funding Source | 2027 Budget | 2028 Budget | Total 2027-2028 Budget | Additional Annual Maintenance & Operations 2027 | Additional Annual Maintenance & Operations 2028 |
|---|---|---|---|---|---|---|---|---|
| **Surface Water Management** | | | | | | | | |
| ANNUAL REPLACEMENT OF AGING /FAILING INFRASTRUCTURE | SDC 04700 | B | Utility Rates | 815,000 | 500,000 | 1,315,000 | - | - |
| NEIGHBORHOOD DRAINAGE ASSISTANCE PROGRAM (NDA) | SDC 08100 | | Utility Rates | 50,000 | - | 50,000 | - | - |
| PROPERTY ACQUISITION OPPORTUNITY FUND | SDC 10500 | | Utility Rates | 50,000 | 50,000 | 100,000 | - | - |
| STORM LINE REHABILITATION ON NE 136TH STREET | SDC 14100 | B | Utility Rates/Connection Fees | 1,812,339 | - | 1,812,339 | - | - |
| HOLMES POINT DRIVE NE PIPE INSTALLATION | SDC 15600 | B | Utility Rates/Connection Fees | 500,000 | 1,361,639 | 1,861,639 | - | - |
| HIGH WOODLANDS STORMWATER MGMT NEAR NE 145TH STREET-SITE 1 (1) | SDC 18000 | C | External | 425,000 | - | 425,000 | - | - |
| **Total Surface Water Capital Projects Fund** | | | | **3,652,339** | **1,911,639** | **5,563,978** | **-** | **-** |

(1) $2.6 million of anticipated funding is unsecured external funding pending final approval and therefore not budgeted.

| LEGEND |
|---|
| A=New |
| B=Modified |
| C=Moved from Unfunded |
| D=Name Change |
| BLANK=No Change |

# Solid Waste Utility

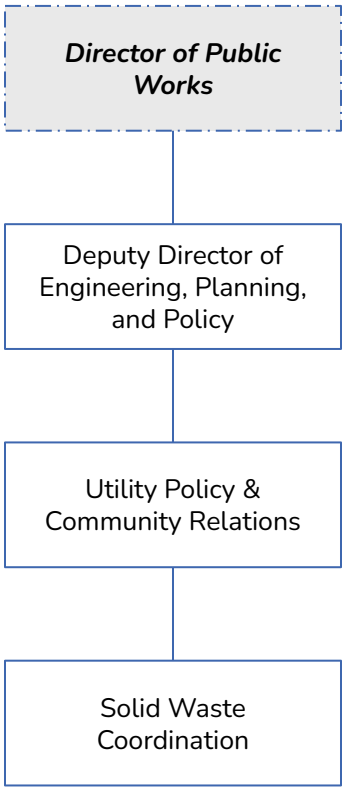




# Solid Waste Operating

City of Kirkland 2027-2028 Preliminary Budget

# Solid Waste Operating




*Boxes with a dashed outline and italic text indicate positions and/or functions which report to this department but which are budgeted in a separate department and/or operating fund.*

# Solid Waste Operating

## Department Overview

### MISSION

The Solid Waste Fund is established to account for the administration of all resources associated with solid waste and recycling services.

## DIVISION FUNCTIONS

The Public Works Department administers the Solid Waste Fund. The City collects all solid waste within the city limits of Kirkland by contracting with a private hauler. The current contract is with Waste Management Inc. and expires December 31, 2032. Solid Waste oversees and administers the waste collection contract, grants, and coordinates waste reduction and recycling, garbage, and compost services, recycling events, and education and outreach programs for the community.

### Budget Highlights and Relationship to Council Goals

#### SUSTAINABLE ENVIRONMENT

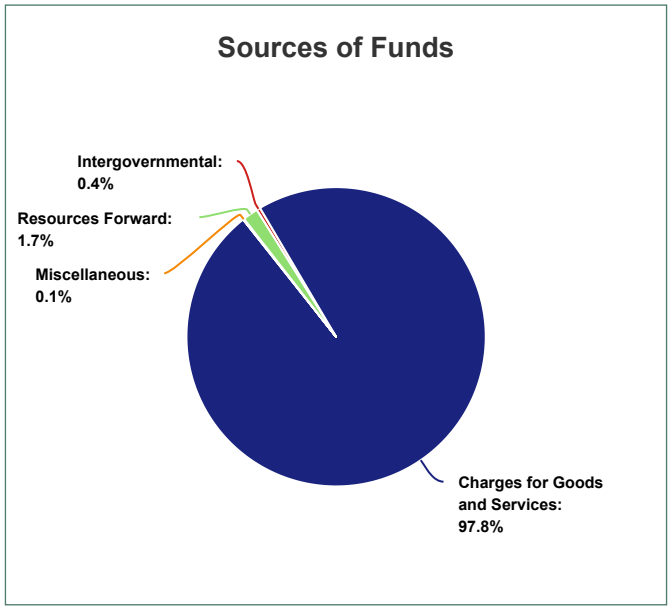
- Establish adequate 2027-2028 rates for the Solid Waste Utility to invest in maintaining and enhancing services to provide for safe disposal of waste and support recycling:
  - $7.4 million increase in Solid Waste revenues

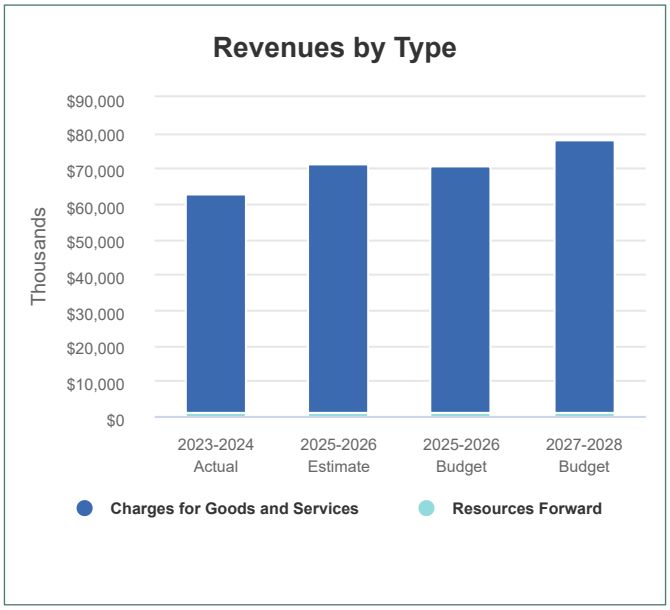
#### DEPENDABLE INFRASTRUCTURE

- Fund Phase 2 of the Utility Rate Study to complete a cost of service and rate design analysis across the water, sewer, surface water, and solid waste utilities and update the Capital Facility Charges model, with costs shared equally among the four utilities, $25,000 one-time. [27WA01]

# Solid Waste Operating

## Financial Overview



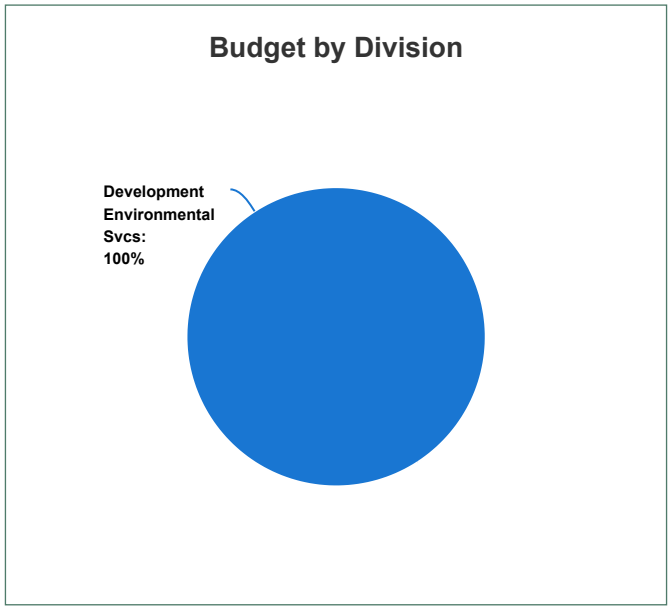



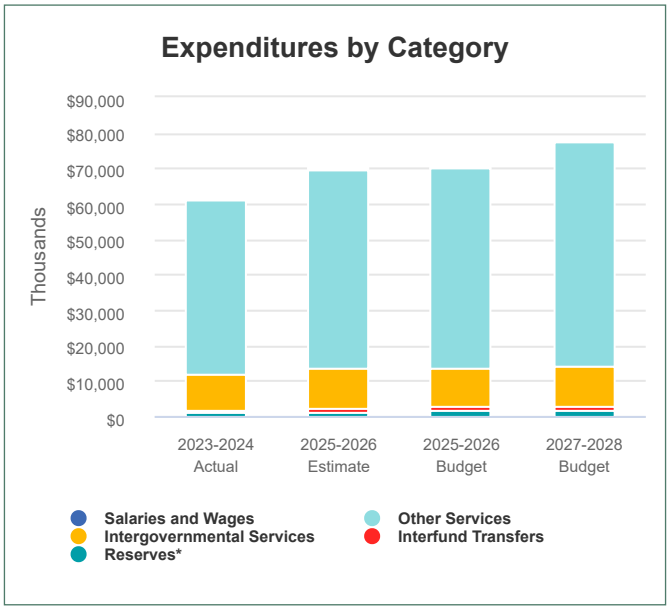

### REVENUE SUMMARY BY TYPE

| | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|
| Intergovernmental | 475,390 | 326,766 | 761,470 | 317,888 | (58.25%) |
| Charges for Goods and Services | 61,641,956 | 69,851,434 | 69,414,012 | 76,602,956 | 10.36% |
| Miscellaneous | 57,776 | 86,327 | 80,968 | 82,419 | 1.79% |
| Resources Forward | 853,512 | 1,149,561 | 1,149,561 | 1,298,520 | 12.96% |
| **TOTAL** | **63,028,634** | **71,414,087** | **71,406,011** | **78,301,783** | **9.66%** |

# Solid Waste Operating

## Financial Overview




## EXPENDITURE SUMMARY BY CATEGORY

| | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|
| Salaries and Wages | 672,555 | 724,314 | 799,239 | 702,720 | (12.08%) |
| Benefits | 246,932 | 276,927 | 309,302 | 253,000 | (18.20%) |
| Supplies | 64,705 | 26,609 | 16,600 | 48,725 | 193.52% |
| Other Services | 49,304,883 | 56,477,295 | 56,497,557 | 63,246,736 | 11.95% |
| Intergovernmental Services | 9,958,360 | 11,158,580 | 11,014,761 | 11,156,591 | 1.29% |
| Interfund Transfers | 1,003,424 | 944,259 | 944,259 | 1,026,981 | 8.76% |
| Reserves* | 889,791 | 1,298,520 | 1,824,293 | 1,867,030 | 2.34% |
| **TOTAL** | **62,140,651** | **70,906,504** | **71,406,011** | **78,301,783** | **9.66%** |

## EXPENDITURE SUMMARY BY DIVISION

| | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|
| Development Environmental Svcs | 62,140,651 | 70,906,504 | 71,406,011 | 78,301,783 | 9.66% |
| **TOTAL** | **62,140,651** | **70,906,504** | **71,406,011** | **78,301,783** | **9.66%** |

* 2023-2024 Actual and 2025-2026 Estimate reserves are budgeted, but not spent

# Solid Waste Operating

## CHANGE IN FUND BALANCE (BEGINNING 2025 TO ENDING 2028)
## SOLID WASTE UTILITY

| | Solid Waste |
|---|---|
| **2025 Actual Beginning Fund Balance** | **1,149,561** |
| Reserved | 33,533 |
| Unreserved Working Capital | 1,116,028 |
| Plus: 2025-26 Estimated Revenues | 69,611,123 |
| Less: 2025-26 Estimated Expenditures | 69,462,164 |
| **2026 Estimated Ending/2027 Budgeted Beginning Fund Balance** | **1,298,520** |
| Plus: 2027-28 Budgeted Revenues | 77,003,263 |
| Less: 2027-28 Budgeted Expenditures | 76,434,753 |
| **2028 Budgeted Ending Fund Balance** | **1,867,030** |
| Reserved | 45,537 |
| Unreserved Working Capital | 1,821,493 |
| **Change in Fund Balance:** | |
| **Beginning 2025 to Ending 2028** | **717,469** |

# Solid Waste Operating

## 2027-2028 Position Summary

### POSITION SUMMARY BY CLASSIFICATION

| Classification | 2025-2026 Positions | Additions/ Reductions | 2027-2028 Positions |
|---|---|---|---|
| OG/OT SURFACE WATER STRATEGIC ADVISOR | 0.12 | (0.12) | - |
| UTILITY POLICY & COMMUNITY RELATIONS SUPERVISOR | 0.45 | - | 0.45 |
| SENIOR MANAGEMENT ANALYST - SOLID WASTE | 1.00 | - | 1.00 |
| EDUCATION AND OUTREACH COORDINATOR | 1.00 | - | 1.00 |
| ENGINEERING TECHNICIAN | 0.10 | - | 0.10 |
| SENIOR ACCOUNTING ASSOCIATE | 0.10 | - | 0.10 |
| **TOTAL** | **2.77** | **(0.12)** | **2.65** |

**Salary information for City of Kirkland positions can be found at https://www.kirklandwa.gov/Government/Departments/Human-Resources/Collective-Bargaining-Agreements*

### POSITION SUMMARY BY DIVISION

| Classification | 2025-2026 Positions | Additions/ Reductions | 2027-2028 Positions |
|---|---|---|---|
| Development Environmental Svcs | 2.77 | (0.12) | 2.65 |
| **TOTAL** | **2.77** | **(0.12)** | **2.65** |

# Solid Waste Operating

## SOLID WASTE FUND REVENUES

| | Object | 2023-2024 Actual | 2025-2026 Estimate | 2025-2026 Budget | 2027-2028 Budget | Percent Change |
|---|---|---|---|---|---|---|
| **Intergovernmental Revenue** | | | | | | |
| Dept of Ecology | 334031 | 285,632 | 121,584 | 317,258 | 154,508 | (51.30%) |
| Other KC Grants | 337081 | - | 148,072 | 286,382 | - | (100.00%) |
| Hazard Waste | 337083 | 62,941 | - | 43,612 | 47,443 | 8.78% |
| Waste Red Recy | 337084 | 126,817 | 57,109 | 114,218 | 115,937 | 1.51% |
| **Total for Intergovernmental Revenue** | | **475,390** | **326,766** | **761,470** | **317,888** | **(58.25%)** |
| **Charges for Goods and Services** | | | | | | |
| Gen Government Srvcs | 341971 | 36,485 | - | - | - | |
| Residential Coll | 343701 | 29,305,509 | 32,674,072 | 32,866,775 | 36,299,411 | 10.44% |
| MFam Collection | 343702 | 9,690,358 | 11,515,248 | 11,003,699 | 12,171,363 | 10.61% |
| Comm Collection | 343703 | 15,498,721 | 17,601,688 | 17,503,293 | 19,654,289 | 12.29% |
| Solid Waste Penalty | 343704 | 431,491 | 421,716 | 300,000 | 300,000 | -% |
| Eff Utility Tax Rev | 343708 | 5,658,023 | 6,447,604 | 6,444,245 | 6,729,395 | 4.42% |
| Misc Utility Rev | 343891 | 10,653 | 15,940 | 6,000 | 6,000 | -% |
| KC Hazard Waste | 343902 | 1,010,716 | 1,175,166 | 1,290,000 | 1,442,498 | 11.82% |
| **Total for Charges for Goods and Services** | | **61,641,956** | **69,851,434** | **69,414,012** | **76,602,956** | **10.36%** |
| **Miscellaneous Revenues** | | | | | | |
| Investment Interest | 361111 | 57,326 | 86,327 | 79,968 | 82,419 | 3.06% |
| Sales of Surplus | 369101 | 450 | - | 1,000 | - | (100.00%) |
| **Total for Miscellaneous Revenues** | | **57,776** | **86,327** | **80,968** | **82,419** | **1.79%** |
| **Other Financing Sources** | | | | | | |
| Resources Forward | 399991 | 853,512 | 1,149,561 | 1,149,561 | 1,298,520 | 12.96% |
| **Total for Other Financing Sources** | | **853,512** | **1,149,561** | **1,149,561** | **1,298,520** | **12.96%** |
| **Fund Total** | | **63,028,634** | **71,414,087** | **71,406,011** | **78,301,783** | **9.66%** |

# Appendix





# City of Kirkland Investment and Debt Management Policies

**City of Kirkland 2027-2028 Preliminary Budget**

# City of Kirkland Investment and Debt Management Policies

The Policies are hyperlinked. To view the full policy, hover the pointer finger on the title and click the mouse.

**Investment Policy** Adopted by Resolution (R-5688) on July 17, 2025

This Policy establishes standards and guidelines for the direction, management and oversight for all of the City of Kirkland's ("City") investable funds. These funds include cash for liquidity purposes, intermediate investments for ongoing operations and long-term investments for dedicated accounts. Funds must be invested prudently to assure preservation of principal, provide needed liquidity for daily cash requirements, and provide a market rate of return. For purposes of the City's Investment Policy, safety and liquidity are higher priorities than return on investment. All investments must conform to federal, state, and local statutes governing the City of Kirkland public funds investments.

**Debt Management Policy** Adopted by Resolution (R-5458) on November 17, 2020

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.

**Bond Procedure and Post Issuance Compliance Policy** Adopted by Resolution (R-5454) on November 17, 2020

The Kirkland Bond Procedure and Post Issuance Compliance Policy sets forth the policy of the City of Kirkland with respect to meeting its obligations under federal tax law and securities law in connection with its securities.



# Glossary

**City of Kirkland 2027-2028 Preliminary Budget**

# 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 | XX | XXX | XXXXX | XXXX | - | XXXXXX |
|---|---|---|---|---|---|---|
| Fund | Department | Division | Cost Center | Function | | Object Code |

* For revenues only Fund and Object Code are used

Fund/Department/Division/Cost Center/Function define the place within the City's organization structure the expense or revenue is to be placed; for example Police Parking Enforcement. The object code defines the category or item being purchases; for example Professional Services.

**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/Cost Center** numbers indicate the organizational unit making an expenditure. These sections of the account structure build upon each other, becoming more specific with each addition. For example, the Police Department uses all codes in the 70 group, the Police Traffic Division uses number 705, and the Parking Enforcement cost center uses 70512. As noted revenue accounts do not contain department numbers as 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.

**Object Code** is a single six-digit code with identifiers that conform to the BARS standard. The first digit **Class** indicates the type of activity, with a 3 indicating revenue and a 5 designating expenditures. These numbers are assigned by BARS. **Category** is a two-digit identifier that 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. **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/Solid Waste, Equipment Rental, Information Technology, Facilities, and Health Benefits 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 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.

### Audit

An official inspection of an individual's or organization's accounts, typically by an independent body. In Washington State all audits of municipalities are performed by the Washington State Auditor's Office.

### Balanced Budget

A balanced budget is where total expected revenues are equal to total planned spending.

### BARS

The State of Washington Budgeting, Accounting, and Reporting System required for all governmental entities in the state.

### Base Budget

Kirkland develops its base budget when it estimates how much it will cost to continue providing the existing ongoing level of service in the next biennium. The base 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 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. The City's current ratings are AAA (S&P) and Aaa (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 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.

### 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 capital 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.

### Full-Time Equivalent (FTE)

These positions are budgeted ongoing employees. 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.

### Governmental Funds

Generally used to account for tax-supported (governmental) 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 four internal service funds, the Equipment Rental Fund, Facilities Maintenance Fund, the Health Benefits Fund and the Information Technology Fund.

### International Fire Code

Regulations to safeguard life and property from fires and explosion hazards. Categories include general precautions, emergency planning and preparedness, fire department access and water supplies, automatic sprinkler systems, fire alarm systems, special hazards, and the storage and use of hazardous materials.

### 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 (LID) 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.

### Limited Term Employee (LTE)

Temporary employees funded for a finite 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).

### 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 community members.

### 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 capital 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 base budget to enhance the quality and/or quantity of service they provide to the public.

### Sinking Funds

A fund containing money set aside or saved to pay for the replacement of public safety, information technology, and fleet equipment and Parks facility maintenance.

### 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.)

### Transcreation

The process of adapting content from one language to another while preserving the original's intent, tone, and style. It's a combination of the words "translation" and "creation".

### 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. Community members only pay user charges when a specific service is received.

### Working Capital

The capital of an organization which is used in its day-to-day trading operations, calculated as the current assets minus the current liabilities. For Kirkland, 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.




# Acronym Guide

**City of Kirkland 2027-2028 Preliminary Budget**

Acronym Guide

| | |
|---|---|
| **ACA** | Affordable Care Act |
| **ACFR** | Annual Comprehensive Financial Report |
| **ACP** | Asphalt Concrete Pavement |
| **ADA** | Americans with Disabilities Act |
| **AED** | Automated External Defibrillator |
| **AFSCME** | American Federation of State, County and Municipal Employees |
| **AKA** | Also Known As |
| **ALS** | Advanced Life Support |
| **AOC** | Administrative Office of the Courts |
| **APS** | Adult Protective Service |
| **ARC** | Aquatics, Recreation and Community Center |
| **ARCH** | A Regional Coalition of Housing |
| **ARPA** | American Rescue Plan Act of 2021 |
| **ASTC** | Annexation Sales Tax Credit |
| **ATP** | Active Transport Program |
| **AV** | Assessed Valuation |
| **AWC** | Association of Washington Cities |
| **BABS** | Build America Bonds |
| **BARS** | Budgeting, Accounting, and Reporting System |
| **BCA** | Benefit-Cost Analysis |
| **BIPOC** | Black, Indigenous, and People of Color |
| **BLS(1)** | Basic Life Support |
| **BLS(2)** | Bureau of Labor Statistics |
| **BNSF** | Burlington Northern Santa Fe (Railroad) |
| **BRT** | Bus Rapid Transit |
| **CAO(1)** | City Attorney's Office |
| **CAO(2)** | Critical Areas Ordinance |
| **CBA** | Collective Bargaining Agreement |
| **CBD** | Central Business District |
| **CBO** | Community-Based Organizations |
| **CCTV** | Closed Circuit Television |
| **CDBG** | Community Development Block Grant |
| **CFP** | Capital Facilities Plan |
| **CIP** | Capital Improvement Program |
| **CJTC** | Criminal Justice Training Center |
| **CKC** | Cross Kirkland Corridor |
| **CMAQ** | Congestion Mitigation and Air Quality |
| **CMO** | City Manager's Office |
| **CMOM** | Capacity, Management, Operations and Maintenance Program (for sanitary sewer) |
| **COLA** | Cost of Living Adjustment |
| **COPS** | Community Oriented Policing |
| **COVID-19** | Coronavirus Disease 2019 |
| **CPI** | Consumer Price Index |
| **CPR** | Cardiopulmonary Resuscitation |
| **CPS** | Child Protective Services |
| **CRO** | Community Resource Officer |
| **CTR** | Commute Trip Reduction |
| **CWA** | Cascade Water Alliance |
| **DART(1)** | Dial-a-Ride Transportation |
| **DART(2)** | Domestic Abuse Response Team |
| **DAS** | Distributed Antenna System |
| **DEIB** | Diversity, Equity, Inclusion, and Belonging |
| **DHS** | Department of Homeland Security |
| **DOC** | Department of Commerce |
| **DOE** | Department of Ecology |
| **DOL** | Department of Licensing |
| **DOR** | Department of Revenue |
| **DOT** | Department of Transportation |
| **DOJ** | Department of Justice |
| **DPS** | Diamond Parking Services |
| **DRS** | Department of Retirement Systems |
| **DSA** | Desktop Systems Analyst |
| **DSHS** | Department of Social and Health Services |
| **DUI** | Driving under the Influence |
| **DVP** | Delivery vs. Payment |
| **EAP** | Employee Assistance Program |
| **ECP** | Eastside Climate Partnership |

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|---|---|
| **EIS** | Environmental Impact Statement |
| **EMPG** | Emergency Management Performance Grant |
| **EMS** | Emergency Medical Services |
| **EMT** | Emergency Medical Technician |
| **EOC** | Emergency Operations Center |
| **EPSCA** | Eastside Public Safety Communications Agency |
| **ERR** | Equipment Rental and Replacement |
| **ERRCS** | Emergency Responder Radio Communications System |
| **ESE** | Energy Smart Eastside |
| **ESP** | Emergency Sewer Program |
| **ETP** | Eastside Transportation Partnership |
| **EV** | Electric Vehicle |
| **EVT** | Emergency Vehicle Technician |
| **F&A** | Finance and Administration |
| **FD** | Fire Department |
| **FASB** | Financial Accounting Standards Board |
| **FEMA** | Federal Emergency Management Agency |
| **FHWA** | Federal Highway Administration |
| **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 |
| **GEMT** | Ground Emergency Medical Transportation |
| **GSP** | General Sewer Plan |
| **GF** | General Fund |
| **GFOA** | Government Finance Officers Association |
| **GHG** | Greenhouse Gas |
| **GIS** | Geographical Information Systems |
| **GMA** | Growth Management Act |
| **GO** | General Obligation |
| **HART** | Homeless Assistance and Response Team |
| **HHS** | Health and Human Services |
| **HR** | Human Resources |
| **HRA** | Health Reimbursement Account |
| **HRIS** | Human Resources Information System |
| **HSA** | Health Savings Account |
| **HTF** | Housing Trust Fund |
| **HUD** | Housing and Urban Development |
| **HVAC** | Heating, Ventilation and Air Condition |
| **IAFF** | International Association of Firefighters |
| **ICMA** | International City/County Management Association |
| **IFC** | International Fire Code |
| **ILA** | Interlocal Agreement |
| **IPD** | Implicit Price Deflator |
| **ISE** | Identity Services Engine |
| **IT** | Information Technology |
| **ITS** | Intelligent Transportation System |
| **JOC** | Job Order Contracting |
| **KAC** | Kirkland Arts Center |
| **KAN** | Kirkland Alliance of Neighborhoods |
| **KC** | King County |
| **KCPN** | King County Promotores Network |
| **KDA** | Kirkland Downtown Association |
| **KFD** | Kirkland Fire Department |
| **KIKCC** | Kraken Iceplex and Kirkland Community Center |
| **KJC** | Kirkland Justice Center |
| **KMC(1)** | Kirkland Municipal Code |
| **KMC(2)** | Kirkland Municipal Court |
| **KPC** | Kirkland Performance Center |
| **KPD** | Kirkland Police Department |

| | |
|---|---|
| **KSARC** | King County Sexual Assault Resource Center |
| **KCFCD** | King County Flood Control District |
| **KTUB** | Kirkland Teen Union Building |
| **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 |
| **LGBTQIA+** | Lesbian, Gay, Bisexual, Transgender, Queer, Intersex, and Asexual+ |
| **LID(1)** | Local Improvement District |
| **LID(2)** | Low Impact Development |
| **LMS** | Learning Management Software |
| **LTAC** | Lodging Tax Advisory Committee (aka TDC) |
| **LTE** | Limited Term Employee |
| **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 |
| **MIH** | Mobile Integrated Health |
| **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 |
| **NTCP** | Neighborhood Traffic Control Program |
| **OEM** | Office of Emergency Management |
| **OFM** | Office of Financial Management |
| **OH** | Overhead |
| **O&M** | Operations and Maintenance |
| **OLS** | Occupational & Life Skills |
| **OMWBE** | Office of Minority & Women's Business Enterprises |
| **OPEB** | Other Post-Employment Benefits |
| **ORCA** | One Regional Card for All |
| **ORT** | Organized Retail Theft |
| **OT** | Overtime |
| **PAR** | Personnel Accountability Report |
| **PC** | Personal Computer |
| **PCN** | Position Control Number |
| **PB** | Planning and Building |
| **PCI** | Payment Card Industry |
| **PCS** | Parks and Community Services |
| **PD** | Police Department |
| **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 |
| **PSE** | Puget Sound Energy |
| **PSERN** | Puget Sound Emergency Radio Network |
| **PSERS** | Public Safety Employees Retirement System |
| **PSRC** | Puget Sound Regional Council |
| **PW** | Public Works |

| | |
|---|---|
| **PWTF** | Public Works Trust Fund |
| **RAADAR** | Real-Time Agency Activity Display and Reporting |
| **RADAR** | Response, Awareness, De-escalation, and Referral |
| **RCR** | Regional Crisis Response Agency |
| **RCW** | Revised Code of Washington |
| **REET** | Real Estate Excise Tax |
| **REAP** | Racial Equity Action Plan |
| **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 |
| **SAP** | Station Area Plan |
| **SCA** | Sound Cities Association |
| **SCADA** | Supervisory Control and Data Acquisition |
| **SCBA** | Self-Contained Breathing Apparatus |
| **SCORE** | South Correctional Entity |
| **SDP** | Shoreline Substantial Development Permit |
| **SEC** | Securities and Exchange Commission |
| **SEPA** | State Environmental Policy Act |
| **SP** | Service Package |
| **SQL** | Structured Query Language |
| **SSP** | Sustainability Strategic Plan |
| **SWAT** | Special Weapons and Tactics |
| **TBD** | Transportation Benefit District |
| **TDC** | Tourism Development Committee (aka LTAC) |
| **TDM** | Transportation Demand Management |
| **TIB** | Transportation Improvement Board |
| **TIP** | Transportation Improvement Plan |
| **TOD** | Transit Oriented Development |
| **TSP** | Transportation Strategic Plan |
| **TUB** | Teen Union Building |
| **UAS** | Unmanned Aerial Systems |
| **UAV** | Unmanned Aerial Vehicle |
| **ULI** | Urban Land Institute |
| **UTGO** | Unlimited Tax General Obligation |
| **VLF** | Vehicle License Fee |
| **WAC** | Washington Administrative Code |
| **WAN** | Wide Area Network |
| **WASPC** | Washington Association of Sheriffs and Police Chiefs |
| **WCIA** | Washington Cities Insurance Authority |
| **WFOA** | Washington Finance Officers Association |
| **WISHA** | Washington Industrial Safety and Health Act |
| **WNR** | Wants, Needs, Resources |
| **WSDOT** | Washington State Department of Transportation |
| **WSP** | Water System Plan |
| **WSRB** | Washington Surveying and Rating Bureau |
| **YES** | Youth Eastside Services |
| **YTD** | Year-to-Date |

CITY OF KIRKLAND
WASHINGTON

