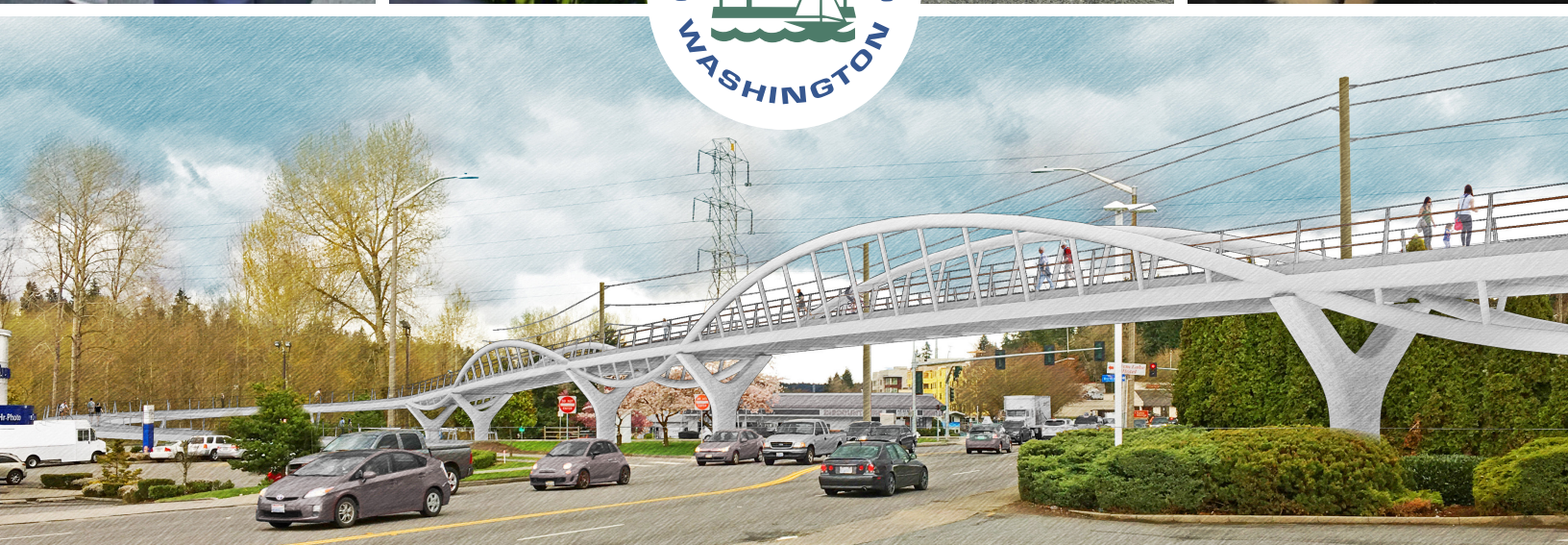
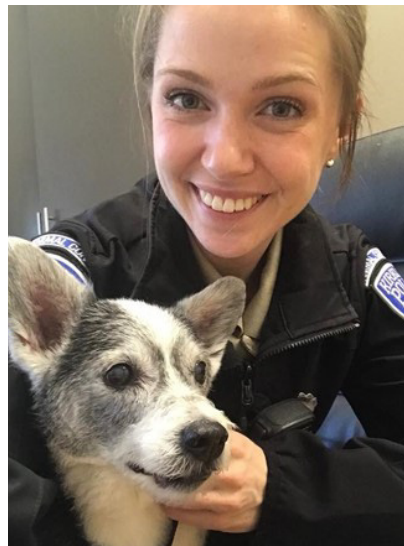
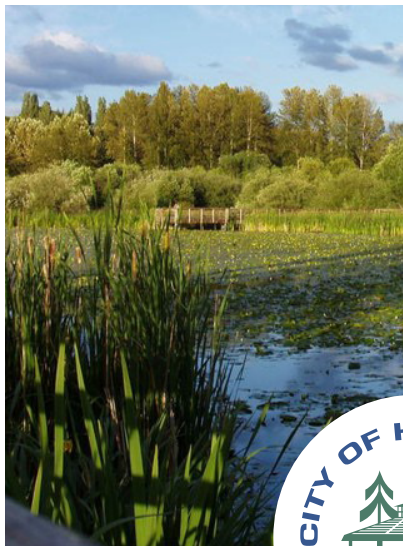
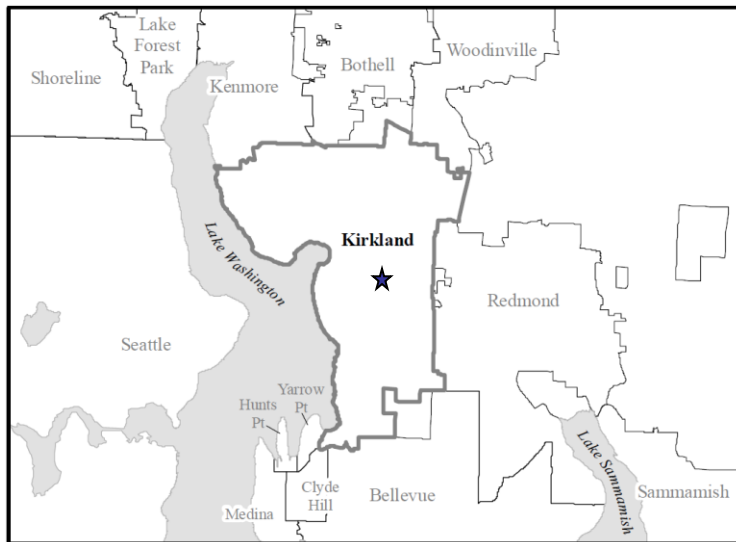


# City of Kirkland, WA 2019-2020

# BUDGET

SAFE · SUSTAINABLE · CONNECTED





### Kirkland at a Glance

Founded	1888
Incorporated	1905
Population	87,240
Elevation	18 to 534 feet
Land Area	18 square miles
Miles of City Streets	247
Miles of City Sewers	135
Miles of Water Lines	180
Residential Dwellings	38,652
Fire Department Rating Class	4
City Employees (Full-Time Equivalents)	631.40
General Obligation Bond Rating:	
Moody's	Aaa
Standard and Poor's	AAA

### City Council

Mayor, Amy Walen	♦	Deputy Mayor, Jay Arnold	♦	Dave Asher			
♦	Tom Neir	♦	Toby Nixon	♦	Jon Pascal	♦	Penny Sweet

#### Administrative Staff

##### *City Manager*

Kurt Triplett

##### *Deputy City Managers*

Marilynne Beard

Tracey Dunlap

##### *Assistant City Manager*

James Lopez

##### *Municipal Court Judge*

Michael Lambo

##### *City Attorney*

Kevin Raymond

##### *Director of Finance & Administration*

Michael Olson

##### *Fire Chief*

Joe Sanford

##### *Director of Human Resources*

Chris Thomas

##### *Chief Information Officer*

Brenda Cooper

##### *Director of Parks & Community Services*

Lynn Zwaagstra

##### *Director of Planning & Building*

Adam Weinstein

##### *Police Chief*

Cherie Harris

##### *Director of Public Works*

Kathy Brown

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

At the time of incorporation in 1905, the City of Kirkland's population was approximately 530. The current estimated population is 87,240. Kirkland is the thirteenth largest city in the State of Washington and the sixth largest in King County.

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

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

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

# 2019-2020 Budget

**KIRKLAND WASHINGTON**



**Michael Olson**  
**Director of Finance and Administration**

Prepared by

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With special thanks to the following for their extra efforts in producing this document:  
Marilynne Beard, Tracey Dunlap, Zach Kearn & Ellen Sumargo

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## City of Kirkland Mayor & City Council



Amy Walen  
Mayor



Jay Arnold  
Deputy Mayor



Dave Asher  
Council Member



Tom Neir  
Council Member



Toby Nixon  
Council Member



Jon Pascal  
Council Member



Penny Sweet  
Council Member





# CITY OF KIRKLAND

## 2019-2020 BUDGET

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City of Kirkland  
2019-2020 Budget  
**BUDGET MESSAGE**

Dear Council Members, Residents and Businesses of Kirkland,

Kirkland's Budget Leadership Team is pleased to deliver the City Manager's proposed 2019-2020 Budget, designed to keep Kirkland "**Safe, Sustainable and Connected.**" This budget proposal is greatly shaped by three key drivers. The first driver is the extensive and innovative public outreach effort that included focus groups, Town Halls, online surveys, social media engagement, Budget Spotlight videos and program information, as well as a budget exercise with nearly two hundred participants conducted at Farmers Markets, festivals and community events (see the [2019-20 Biennial Budget Community Engagement and Outreach Results Issue Paper](#) for further information on this process). The second critical driver is the reality that this will be the final budget adopted prior to the expiration of the Annexation Sales Tax Credit (ASTC) in 2021 and the loss of nearly \$4 million dollars per year in General Fund revenue. The final driver is the need to provide infrastructure and services that respond to the unprecedented growth in jobs, housing and commercial properties throughout Kirkland. The good news is that as the local and national economies continue to expand, the development has generated significant amounts of one time revenue. Thoughtful investments of these new revenues allows the proposed budget to fund community priorities, sustain basic government operations with on-going revenues, continue significant contributions to our reserves, and prepare the government for the expiration of the ASTC.

Kirkland's three Strategic Anchors continue as the foundation for the budget recommendations:

**The 2019-2024 Financial Forecast** – to ensure that Kirkland is always planning for balanced budgets, with sustainable services supported by sustainable revenues, while also maintaining Kirkland's AAA credit rating. When the forecast shows that expenditures will exceed revenues, the City takes proactive fiscal and policy actions to generate significant new tax revenue, curtail City expenditures, or identify combinations of new revenue and lower cost growth;

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

**The Kirkland Quad Chart** – to ensure that Kirkland remains a decisive, responsive government that funds the services that matter most to our residents and businesses, while also meeting our community's performance expectations for those services, as determined by surveys and outreach;

Along with the Strategic Anchors, the proposed budget implements key City Council initiatives developed through Council retreats, Committees and Council meetings, and suggests the preliminary 2019-2020

**City Work Program** to make measurable progress in implementing the **Council Goals**.

The influence of the anchors on the budget recommendations, and the impact of the budget proposals on the anchors, are described later in the budget message.

## Introduction

The 2019-2020 Budget is the result of extensive community outreach and focuses on the themes of keeping Kirkland "**Safe, Sustainable, and Connected.**"

## **Safe**

Once again public safety services, especially police and fire/emergency medical services, are the top priorities identified in our biennial community survey and public outreach. The proposed budget reflects these priorities to keep Kirkland *safe*. In addition to fully funding the existing Fire Department and Police Department budgets, the centerpiece of a safer Kirkland is the "Enhanced Police Services and Community Safety" ballot measure that the City Council placed before the voters on November 6, 2018 to further implement the Police Strategic Plan and respond to community feedback.

On May 1, 2018, the City Council unanimously adopted Resolution R-5312, launching extensive community engagement to identify specific actions to reduce gun violence and improve community safety. The City received hundreds of comments from experts, parents and children, and from stakeholders on all sides of the gun safety conversation. The ballot measure responds to the community's desire for a comprehensive approach to reduce gun violence, especially mass shootings, suicides and homicides.

The ballot measure generates a projected \$1.8 million per year. As we did with the 2012 Parks and Street levies, the proposed budget incorporates passage of the measure. This proposed budget invests 100% of these revenues in public safety as broadly defined by the Council. The largest portion provides a new "ProAct Unit" of proactive police officers to focus on property crimes such as mail theft, car prowls, residential burglaries and shoplifting. The budget funds a New Neighborhood Resource Officer paired with a mental health professional to help those struggling with mental illness, and four new School Resource Officers (SROs) in Kamiakin Middle School, Finn Hill Middle School, Kirkland Middle School and the International Community School. These SROs are intended to keep students physically, socially and emotionally safe, and to build positive relationships between police and all students, regardless of race, religion, ability, immigration status, or income level. The budget also dedicates hundreds of thousands of new dollars annually from the measure for human services, mental health services, youth counseling, afterschool programs for at-risk youth, and assistance to homeless families and students. Lastly, the initiative pays for gun safety education, gun safes, and gun locks to help keep weapons out of the hands of children, criminals or those suffering from mental illness or suicidal thoughts by reducing firearm loss and theft.

Each of the elements of the community safety measure are included in the proposed budget so that implementation of the programs can begin as early as possible in 2019. If the measure does not pass, the City Manager will return to the Council with proposed budget amendments.

Additional new safety investments beyond the ballot measure include: retaining the enhanced funding of human services grants and the ARCH Trust Fund contributions from 2017-2018; reserving \$200,000 for innovative Police recruitment strategies to attract more women and people of color to the Department; new Police evidence software, to store digital information and provide more streamlined storage, retrieval and disposal; over \$20 million dollars in the capital budget to build a new Fire Station 24 at the Rite Aid site in North Juanita, assist in acquiring property for a new Fire Station 27 on the east side of I-405, near Evergreen Health; and construct a new training facility at Fire Station 26 to train firefighters for responding to the new mixed-use and multi-family buildings being built throughout the City. The budget also includes money for a community stakeholder process and election costs for a potential ballot measure for fire station modernization and operations. Finally, the budget provides an on-going dedicated Emergency Management Coordinator to support keeping both the Kirkland organization, and the Kirkland community, safe, resilient and prepared for disasters (which was funded in previous budgets with one-time funds).



## Sustainable

This proposed budget also focuses on keeping Kirkland financially and environmentally sustainable. *Financial sustainability* is critical as the City faces the ASTC expiration in 2021. The proposed budget links sustainable services to sustainable revenue. Current “base” ongoing programs are fully funded with ongoing revenue sources. But as the financial forecast predicts a deficit beginning in 2021, this budget limits the addition of new levels of service. Council-initiated programs are prioritized in the budget submittal, but the following budget guidelines are used to curtail other increases that would exacerbate the financial gap:

- New service packages are supported by program reductions, or new revenues and fees;
- Any additional ongoing positions are funded with new revenue, or through an offsetting position reduction; and,
- Current one-time staffing and programs deemed necessary are proposed again as one-time service packages.

As a result of this financial discipline, only two new ongoing General Fund positions are authorized by the budget. The first is the Emergency Management Coordinator. The second is a new Signal Technician in Public Works to support extensive recent City investments in Intelligent Transportation Systems and Rectangular Rapid Flashing Beacons. This position is an important addition to maintain two key public priorities: improved traffic flow and pedestrian and bike safety.

Additional key features supporting financial sustainability include:

- Continued dedication of 1% of the operating budget to replenish reserves;
- Utilization of the modified two-year lag for sales tax revenue;
- Continued efforts to control wage and benefit growth, through refinements to the Healthy Kirkland Initiative and negotiated cost of living increases at or below inflation;
- Implementation of Munis, the new core financial system, that will modernize both Finance and Human Resource software systems to dramatically improve the efficiency and effectiveness of both the Finance and Human Resources Departments.
- Issuance of up to \$27.2 million in municipal bonds to help finance critical transportation and other public improvements to meet the needs of our rapidly growing community now, while spreading the cost over time.

This budget also makes important strides in keeping Kirkland *environmentally sustainable*. The base budget and utility rates continue the strong environmental programs in Planning, Public Works and Parks that protect our air quality, water quality, tree canopy, and natural resources. In addition, the proposal funds the development and adoption of Kirkland’s first ever **Sustainability Master Plan** that will guide our efforts to protect our environment over the next decade. We propose significant new funding for the Green Kirkland Partnership to expand stewardship of our open space, forests and wetlands. We fund Kirkland’s first full size all-weather turf field at 132<sup>nd</sup> Square Park, and Phase 1 of Totem Lake Park to meet the increased outdoor recreational needs of our community. We increase investments in Parks maintenance and strategies to reduce the use of pesticides in our parks. We add a new environmental enforcement officer to monitor construction site development to ensure that trees are protected, erosion controls are in place, and compliance with all other environmental regulations is met. Finally, we propose converting our development services inspection vehicles from combustion-based engines to an all-electric fleet, complete with new charging stations at City Hall.

## Connected

The final guiding theme that emerged from the public feedback and Council deliberations is for Kirkland to remain welcoming, inclusive and *connected*. The City Manager’s proposed budget keeps Kirkland residents and businesses connected - to the government, to the region, and to each other. One of the key ways connectivity is achieved is through technology. Included in the budget is money to develop

Kirkland's first **Smart Cities Plan**, which will map the way for Kirkland to remain on the leading edge of customer service, and identify technology implementation that will make our infrastructure more efficient and effective. The budget also proposes hundreds of thousands of dollars to move our information technology infrastructure to the Cloud. This critical investment will make Kirkland's data and software systems available anywhere, at any time. Migrating to the Cloud will provide better service to our staff and the public, while also ensuring Kirkland IT systems are always backed up and prepared for disasters and recovery. The proposed budget also funds implementation of a constituent management system, and GIS technology linked to permitting information so that the community can be more connected with City Hall, and with development occurring in our neighborhoods.

Most significantly, this budget devotes substantial resources to provide transportation projects that connect Kirkland neighborhoods, schools and businesses, as well as connecting Kirkland to the region. Included are dollars for staffing and consultants to create **Safer School Route Action Plans** for every Kirkland elementary school, middle school and high school. The accompanying capital budget dedicates tens of millions of dollars over the next six years to bike lanes, sidewalks, trails and Greenways. The cornerstone connectivity project is the \$18 million dollar Totem Lake Connector Bridge, linking the Totem Lake Urban Center to Downtown and the King County regional trail network through the Cross Kirkland Corridor. The budget also funds the necessary policy and capital project staffing for Kirkland to maximize the benefit of historic transit and transportation investments in the City from the Washington State Department of Transportation's 132<sup>nd</sup> Ramps, Sound Transit's NE 85<sup>th</sup> Street Bus Rapid Transit Station, and King County Metro Transit's Metro Connects plan.

The programs and projects listed above are only highlights of the overall budget. As with past documents since 2015, in the sections that follow we describe how these themes are implemented in the department budgets, we identify changes in revenues and expenditures, and we categorize all notable investments under the appropriate Council Goal. By keeping Kirkland Safe, Sustainable and Connected, this proposed budget continues the Council's promise that Kirkland will remain one of the best places in America to live, work and play.

## **BUDGET SUMMARY**

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

**The total biennial budget for 2019-2020 is \$789.2 million**, which is a 5% increase from the 2017-2018 revised budget of \$751.8 million. Factors contributing to the change include:

### *Major Increases*

- Increased Public Safety and Human Services investments due to the assumed passage of Proposition 1;
- Increased spending for Transportation improvements in the 2019-2020 Capital Budget intended to fund infrastructure to address regional population growth;
- Base budget increases in Personnel Service expenditures due to wage and salary growth associated with steps and contract wage escalation;
- Increases in expected revenues from impact fees due to the high level of development activity, which are used to fund capacity projects for Parks and Transportation;
- Increases to reserves for planned replenishments and setting-aside restricted development fee revenues for review and inspection activities that will occur in future budget periods;
- Water, sewer, solid waste, and surface water rate increases approved by Council on October 2, 2018, primarily to reflect pass through increases from other agencies, customer growth, and increased capital facility charge collections based on anticipated development activity; and,

- Higher debt service payments due to the inclusion of debt for Transportation concurrency projects and public improvements at The Village at Totem Lake.

*Major Decreases*

- Lower transfers to the Capital Budget from the General Fund and other funds than in 2017-2018, which included funding for the purchase of properties for the Public Works and Parks Maintenance Centers, and to fund Fire Station 24 land acquisition and construction;
- Lower costs for some external services, including liability insurance payments to the Washington Cities Insurance Authority (WCIA);
- Lower facilities internal rates due to energy efficiency savings; and,
- Planned drawdown in Health Fund reserves due to phased-in increase of high deductible plan premiums to bring premium revenue in line with plan costs over five years.

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

	<b>2017-2018 Amended Budget</b>	<b>2019-2020 Prelim. Budget</b>	<b>% Change</b>
<b>General Government</b>			
General Fund	227,827,159	245,083,307	7.6%
Other Operating	33,134,287	35,216,694	6.3%
Internal Service Funds	79,870,495	79,781,915	-0.1%
Non-Operating Funds	226,233,625	222,405,630	-1.7%
<b>Utilities</b>			
Water/Sewer	102,355,803	114,121,260	11.5%
Surface Water	45,901,319	52,867,870	15.2%
Solid Waste	36,503,963	39,720,466	8.8%
<b>Total Budget</b>	<b>751,826,651</b>	<b>789,197,142</b>	<b>5.0%</b>

The primary focus for the Council's budget discussion relates to the operating budget which accounts for basic services to the public. The most important (and largest) component of the operating budget is the General Fund which accounts for the majority of general government services and most of the City's general purpose revenue sources. **The General Fund budget totals \$245.1 million**, which represents a two-year increase of 7.6% over the previous two-year period.

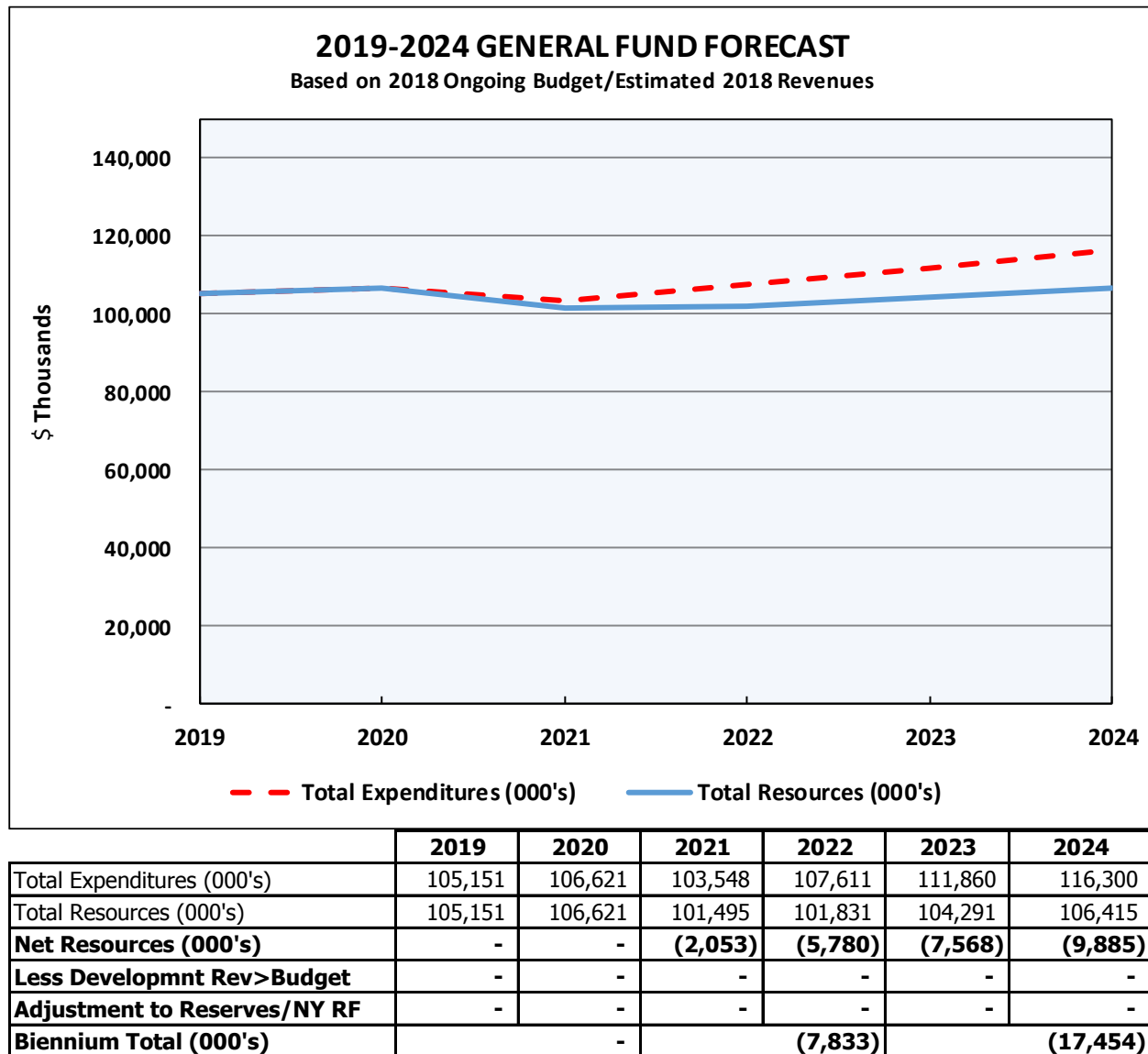
The following sections describe overall revenue and expenditure trends that influenced this budget recommendation and provide a context for understanding this budget and for future financial planning decisions.

#### **GENERAL FUND FORECAST**

The General Fund forecast for 2019-2024 presented at the City Council Retreat in May projected a very small surplus between ongoing revenues and expenditures in 2019-20 (approximately 0.59% of ongoing expenditures). The General Fund revenue and expenditure projections have been updated as part of the budget process to reflect current economic conditions and the budget information submitted by departments. The result is that there was a small amount of on-going General Fund revenue available during the biennium (before service packages) to fund selected on-going needs. In addition, one-time resources from revenues collected in 2017-2018 over budgeted amounts were available to fund one-time service packages. Nearly half of these available funds are the planned result of the City's policy to budget sales tax on a modified two-year lag. The major revenue and expenditure assumptions are discussed below.



The revised forecast reflects a balanced budget for 2019-2020, although there is still a structural imbalance in subsequent years due to the underlying mismatch between predictable growth in revenues and the rate of cost increase to provide City services. The imbalance is exacerbated by the expiration of the Annexation Sales Tax Credit in mid-2021. The gap continues to narrow compared to the prior forecast, due to actions taken to balance this budget and the City's continued focus on "bending the cost growth curve" to a more sustainable level. The following graph portrays the forecast of ongoing revenues and expenditures through 2024.



As described at the May retreat, there are a number of one-time expenditures in the 2017-2018 revised budget, including mid-biennial and mid-year adjustments, that are funded with one-time General Fund monies. The majority of those identified needs are funded again with one-time funds. The following table includes service packages that are funded as one-time (OT) in 2019 and 2020 that are not supported by offsetting revenue.

<b>One-Time General Funded Service Packages</b>	<b>2019 OT</b>	<b>2020 OT</b>
<b>Recurring One-Time</b>		
2020 Community Survey	-	40,000
4Culture Arts Sustained Support	8,000	8,000
ARCH Housing Trust Fund Addition	415,000	415,000
CIP Outreach Coordinator	69,283	69,702
Communications Program Specialist Web and Multi-Media Content	49,008	51,285
Community Programs and Events	64,000	48,000
Commute Trip Reduction Enhancements-ORCA	40,000	40,000
Court Security	105,608	91,953
Eastside Timebank Operating Support	3,000	3,000
Engineering Program Assistant	55,642	54,951
CIP Grant Consulting	25,000	25,000
Human Services Commission and Support <sup>1/</sup>	101,681	68,635
2017-18 Human Services Funding Enhancement and Option 3	171,149	171,149
Corrections Administrative Support Associate	86,599	92,566
Kirkland Performance Center (KPC) Operating Support	50,000	50,000
Leadership Eastside Leadership Enrichment Program	15,000	15,000
Neighborhood Services Matching Grant -One-time 30 percent Increase	5,101	5,101
Temp. Neighborhood Traffic Control Coordinator	74,580	72,952
State Legislative Advocacy Services	60,000	60,000
0.5 FTE Human Resources Assistant 2 year Temporary	23,623	25,106
Temporary Police Support Associate	87,648	94,220
Transportation Planner	130,467	135,900
Wildland Equipment and Training	40,000	40,000
Senior Applications Analyst (IT Fund) <sup>2/</sup>	115,449	119,500
GIS Analyst for Lucity Support (IT Fund) <sup>3/</sup>	97,604	-
Kirkland Green Trip	32,000	32,000
Planning Intern	12,792	12,892
Urban Forester <sup>1/</sup>	31,866	31,866
Arch-bright Professional Services	11,000	11,000
<b>New One-Time</b>		
Community Outreach and Engagement	25,000	25,000
Parks Safety Through Park Ranger Program	140,018	115,136
On-Call Office Specialist and Admin Support Funding	41,089	42,789
Neighborhood Routes to School Action Plans	260,950	260,950
On- call Transportation Planning & Engineering Services	25,000	50,000
Temporary CIP Planner 1.0 FTE <sup>4/</sup>	99,631	96,907
<b>Grand Total</b>	<b>2,572,788</b>	<b>2,475,560</b>

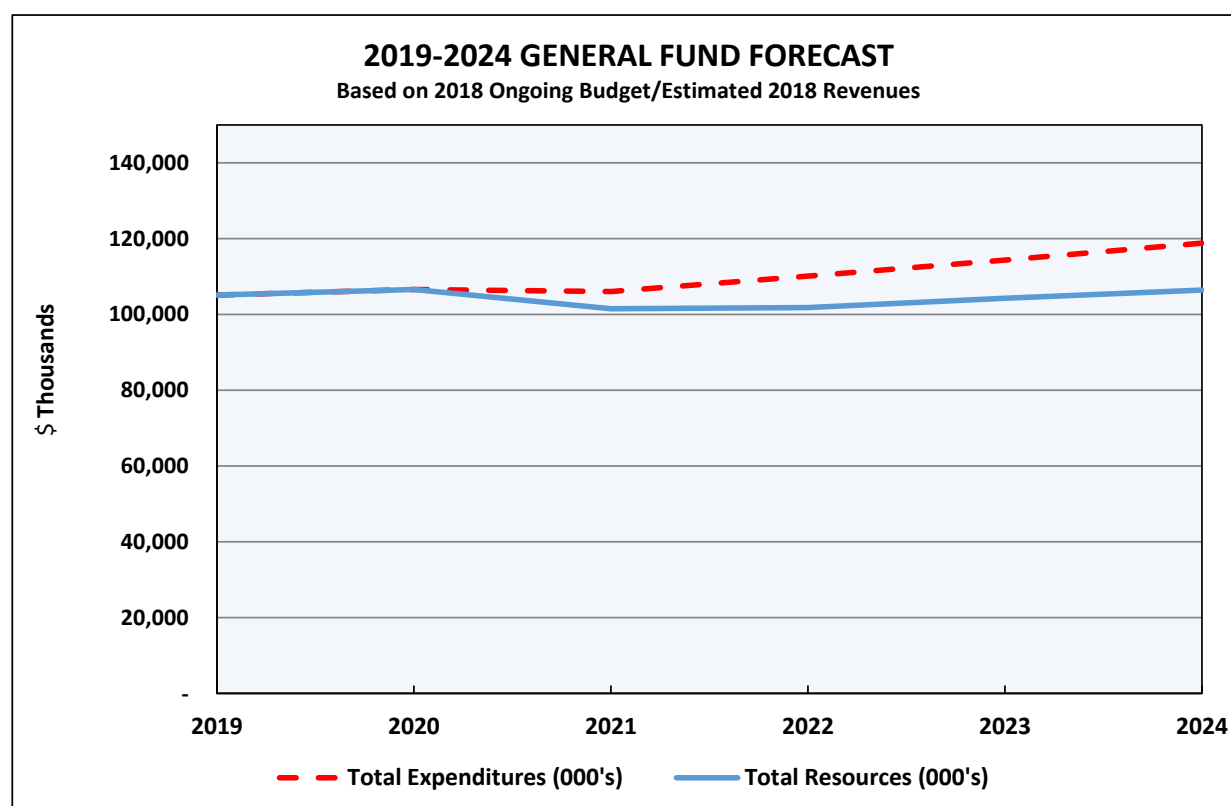
1/ Net of offset

2/ Funded with IT Fund excess balances

3/ Funded through charges to remaining Lucity project balances.

4/ Net of revenue offset

The following chart represents the financial projection if these uses were to continue beyond 2020.



	2019	2020	2021	2022	2023	2024
Total Expenditures (000's)	105,151	106,621	106,048	110,111	114,360	118,800
Total Resources (000's)	105,151	106,621	101,495	101,831	104,291	106,415
<b>Net Resources (000's)</b>	-	-	<b>(4,553)</b>	<b>(8,280)</b>	<b>(10,068)</b>	<b>(12,385)</b>
<b>Less Developmnt Rev&gt;Budget</b>	-	-	-	-	-	-
<b>Adjustment to Reserves/NY RF</b>	-	-	-	-	-	-
<b>Biennium Total (000's)</b>		-		<b>(12,833)</b>		<b>(22,454)</b>

As shown in the chart, the 2021-2022 biennial deficit would be approximately \$12.8 million, growing to \$22.5 million in 2023-2024.

#### GENERAL FUND REVENUE TRENDS

Overall revenues are expected to grow during 2019-2020, primarily led by revenues associated with development, including development fees to support development review, permitting and inspection services, and one-time collections from sales taxes on contracting. The assumptions for base revenue growth reflect optimism about continued growth against the backdrop of national uncertainty with regards to trade policy, with the understanding that continued growth through the next biennium would mark the longest U.S. economic expansion since the National Bureau of Economic Research started tracking this statistic.

The following table provides a summary of the assumed major General Fund revenue changes from the 2017-2018 Budget.

<b>GENERAL FUND REVENUE SUMMARY</b>			
<b>Category</b>	<b>2017-18 Budget</b>	<b>2019-20 Budget</b>	<b>% Change</b>
Property Tax	37,147,371	39,035,971	5.1
Retail Sales Tax	40,903,169	49,477,400	21.0
Annexation Sales Tax Credit	7,870,000	7,870,000	0.0
Utility Tax	29,518,927	28,446,819	-3.6
Business Licenses /Permits	6,448,609	7,317,362	13.5
Development Fees	18,617,270	21,725,177	16.7
Internal Charges	14,417,693	16,394,881	13.7
All Other	39,041,981	36,386,778	-6.8
<b>SUBTOTAL-CURRENT REVENUE</b>	<b>193,965,020</b>	<b>206,654,388</b>	<b>6.5</b>
Resources Forward	33,862,139	38,428,919	13.5
<b>TOTAL BUDGET</b>	<b>227,827,159</b>	<b>245,083,307</b>	<b>7.6</b>

**Property tax** supports services in the General Fund, Street Operating Fund (117), Parks Maintenance Fund (125), and 2012 Parks Levy Fund (128). A one percent increase in revenue from new construction is assumed for 2019 and 2020, along with a one percent optional increase in the levy each year. Note that with the annexation, three City property tax rates apply to different areas of the City, with the pre-annexation City paying for existing voted debt, those previously served by Fire District 41 paying a tax component toward the District's remaining debt, and those previously served by Woodinville Fire and Rescue paying only the base rate. Property tax revenues for both 2019 and 2020 will be adjusted in December or January after final assessed values, including revised new construction valuation numbers, have been provided by the King County Assessor.

**Sales tax** revenue has grown rapidly over the last biennium, led by construction sales taxes, which have contributed nearly half of total growth. The 2019-2020 Budget continues the "modified" two year lag strategy from the 2017-2018 budget. This approach sets the 2019 and 2020 budgeted sales tax revenues equal to estimated 2018 revenues. The modified approach represents a hedge against the expiration of the state annexation sales tax credit in 2021. By using this more conservative strategy, the City can use any actual growth in sales tax in each biennium toward capital or other one-time needs and then, in 2021, consider returning to a one-year lag strategy or other approach.

Above the level set using the two year lag, the 2019-2020 Sales Tax budget also assumes passage of Proposition 1, which levies an additional 0.1% Sales tax to support Public Safety and Human Services investments. This tax is expected to generate an additional \$1.35 million in 2019 and \$1.8 million in 2020.

**Annexation Sales Tax Credit** (ASTC) revenues are assumed to continue at the current level of approximately \$3.9 million per year through the biennium, which is consistent with the General Fund Financial Forecast.

**Utility taxes** represent another large General Fund revenue source. This category is composed of taxes on both public and private utilities. Public utility taxes, including Water/Sewer, surface water and solid waste, are projected to increase concurrent with rate changes adopted by the City Council on October 2, 2018. Private utility taxes, including electric, gas, telecommunications and cable utility taxes are budgeted to decline from 2017-2018 budgeted levels due largely to market shifts in the Cable and Telecommunications industries, as well as limited growth in Gas and Electric due to uncertainty about how usage can be impacted by weather conditions and market volatility.

**Business license fees** consist of a base fee of \$100 that is shown in the license and permit category and the revenue generating regulatory license (RGRL) fee of \$105 per full time equivalent employee

(FTEs), which is shown in the tax category. In general terms, this category is expected to grow commensurate with employment growth, however there are two unknown factors that complicate the forecast. First, the 2018 base includes past due collections, which can represent up to three years of payments. As such, the base can be artificially inflated from these collections. Second, beginning in 2018 the State will begin collecting business license and RGRL revenue on Kirkland's behalf. The ability to cross tabulate Kirkland receipts with statewide business license information may generate data about further revenue from past due licenses. Note that \$540,000 of the business license fee revenue is budgeted in the Street Fund and transferred to the Transportation Capital Fund for street preservation projects.

**Development fee** revenues have hit all-time highs during 2017-2018, driven in part by the redevelopment of Kirkland Urban and The Village at Totem Lake. The 2019-2020 budget assumes continued robust fee-generating development activity based on projects at various stages of the development process. Note that revenues collected may only be spent on development related expenditures, and unspent funds at the end of the biennium are set aside in reserves to accomplish future work.

**Internal charge** revenue is anticipated to increase largely due to the addition of capital projects engineering staff through proposed Service Packages described in more detail below. Project Engineers and Inspectors, which are budgeted in the General Fund, fully offset their direct cost and related overhead through billable-hours charges to the capital projects that they manage.

**All other** contains a number of different categories, including Fines and Forfeitures, Parks and Community Services Program charges, Interest Earnings and Property Sales Proceeds. The decline from the 2017-2018 Budget in this category is primarily due to the impact of \$2.4 million of proceeds from the sale of the 505 Market building in 2017, as well as the impact of a high level of developer affordable housing in-lieu payments received in 2017-2018, which are passed through to ARCH, that are assumed at a lower level for 2019-2020. Fines and Forfeitures have also declined largely due to fewer citations received at the Court, at least partially due to staffing shortages in the Police Department's Traffic Enforcement unit.

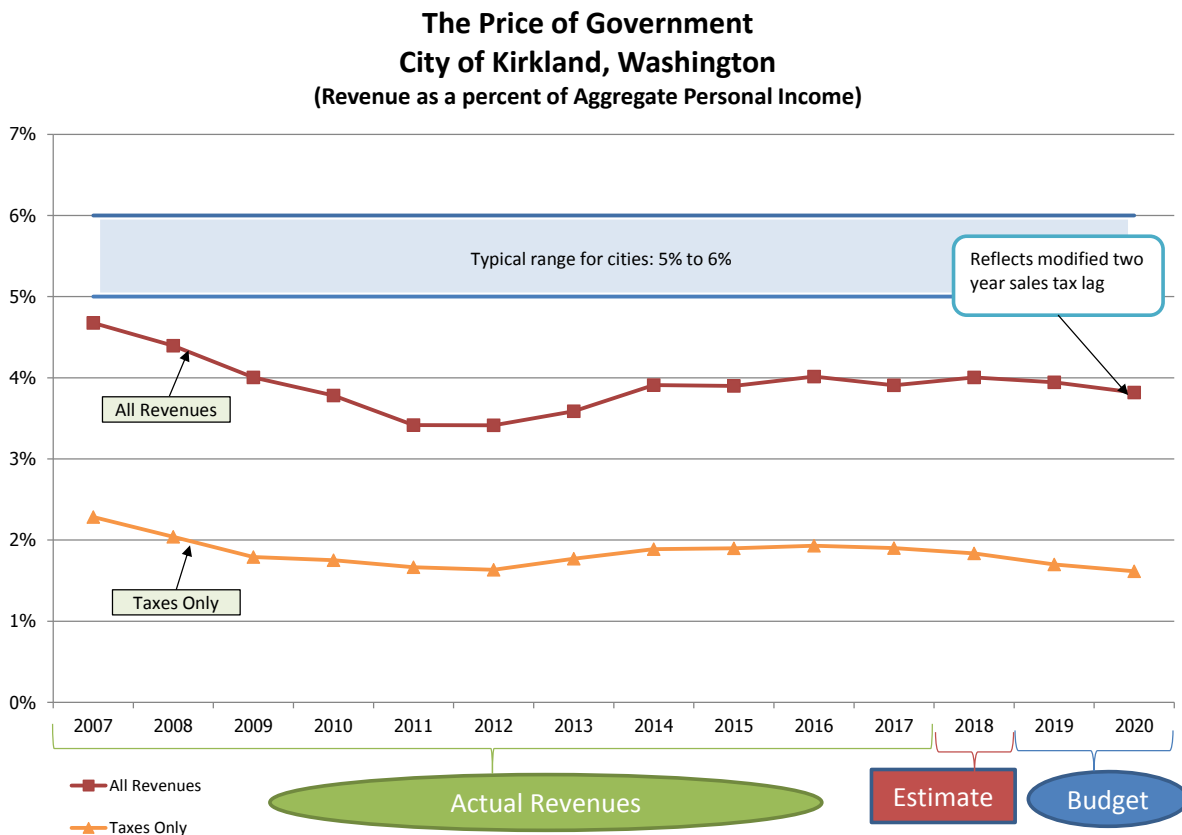
It is worth noting that the budgeted amount in several of the categories discussed above include an incremental adjustment for projected new revenue from The Village at Totem Lake. This impacts the property tax, sales tax (amounts included in 2018 estimated revenues), utility tax and business license fee categories. While generally the budget would not include specific new revenue from development that is not complete, it is included in this instance to offset the debt payment for the \$7.5 million of debt to be issued in 2019 to complete the City's \$15 million commitment to public infrastructure under the Totem Lake Development Agreement that spurred Mall redevelopment

#### **THE KIRKLAND "PRICE OF GOVERNMENT"**

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

The graph that follows shows Kirkland's Price of Government as a percent of personal income remaining generally flat over the past several years with projections of 3.9 percent in 2019 and 3.8 percent in 2020 in the proposed budget, reflecting the modified two-year sales tax lag. This includes the impact of the 0.1% sales tax increase from the assumed passage of Proposition 1. Since the last recession, total revenues as a percentage of personal income have ranged between three and four percent. According to the literature, a Price of Government between 5 percent and 6 percent is typical for local governments, as shown in the chart. This approach does not provide a tool for universal evaluation across cities.

Differences in economic base and service delivery approaches and expectations render multiple city comparisons of limited use. The value of this approach is largely with respect to the City's own history, and by this metric Kirkland continues to improve its affordability, even after including the impact of the 0.1% Sales Tax increase from the assumed passage of Proposition 1.



## EXPENDITURE TRENDS

The 2019-2020 Biennial Budget is developed within the context of a range of external and internal factors. Some of these issues transcend biennial budgets while others are more short term in nature and can take the form of state or federal external mandates or regional business cycle fluctuations, to which the City's financial plans must adapt. These issues can have a lasting impact on City financial administration.

One broader regional issue has been rapid population growth in the Puget Sound region since the last economic recession. This has been particularly acute in the City of Kirkland after the annexation of the north neighborhoods in 2011. Strong growth has brought economic success, best exemplified by the revitalization of the Totem Lake urban area and the Kirkland Urban development. Growth has also brought the challenge to build a City infrastructure to service the larger population and thriving business community, against the backdrop of increasing costs. Detail on how the City has adapted its capital project planning and management strategies is included in the [Capital Improvement Program Process Improvements Issue Paper](#).

Another external factor affecting the City's finances is how City customers pay for services. The City began accepting credit cards in 2005. Since then, the number and total dollar value of transactions has

increased. The convenience of using credit cards comes at a cost, by way of fees charged by card issuers. This raises the policy issue of how these fees are most efficiently balanced across the customer base. The City currently builds these costs into the overall fee structure. The [Credit Card Fees Issue Paper](#) provides an update on recent trends, approaches used by neighboring cities and emerging technologies to help inform this discussion.

Another consideration from a cost recovery perspective is Emergency Medical Service fees, which the City began charging in 2011. The [EMS Transport Fee Analysis Issue Paper](#) includes an analysis of how revenues from these fees have performed in comparison to the costs associated with the program and how they project into the next biennium.

With the completion of the 64 bed jail at the Kirkland Justice Center in 2014, the City expanded its capacity to house misdemeanor inmates. This allowed the City to significantly reduce the amount paid to external correctional facilities for inmate housing. This change occurred against the backdrop of the national opioid epidemic, which brings medical and mental health considerations that are outside the capacity of in-house corrections staff. Recently this has resulted in an increase in the amount paid to the South King Corrections Entity to house inmates with these conditions. To account for this, the 2018 budget was increased on a one-time basis by \$250,000. Since indications are that this trend will continue in the near term, the 2019-2020 budget continues this adjustment in 2019 and 2020. The [Kirkland Jail Cost Update Issue Paper](#) provides a detailed review of the underlying data and issues being tracked by staff.

As an initial step to help address this issue, in July 2017 the City Council approved \$150,000 for converting detoxification cells to general housing cells. The 2019-2020 preliminary budget reserves an additional \$200,000 from one-time General Fund balances to provide capacity to complete this conversion in face of higher than anticipated construction bids.

While not part of the budget process, with each biennial budget staff provides a report on public disclosure resources as required by Ordinance 4414, adopted by Council on July 6, 2013. A [Public Disclosure Resources Issue Paper](#) is included to satisfy that requirement.

Changes to state law governing wages and benefits, including State legislation and voter-authorizations are also impacting City costs, including:

- Paid Family Medical Leave law, which creates a state-run insurance program to cover qualified medical leave events, funded with employer and employee contributions; and,
- Minimum Wage and Paid Sick Leave law, which provides for scheduled incremental increases to the State minimum wage and entitles employees to paid sick leave.

**Salary and benefit** costs represent the largest share of the operating budget. As such, each of these external mandates will have an impact on the budget. An [Issue Paper on the Impacts of State Legislation on Employee Wage and Benefit Costs](#) is included to describe these changes, including the known and/or potential fiscal impacts and how they are addressed in the 2019-2020 budget.

**Health benefits** represent the second largest portion of personnel services costs after salaries and wages. In 2015, faced with the national issues of rising health care costs and the “Cadillac Tax” imposed as a provision of the Affordable Care Act, the City implemented the Healthy Kirkland Initiative to improve employee health and stabilize the cost of medical claims. A [Healthcare Program Update Issue Paper](#) is included to provide an update on the program’s budget impact in since it began in 2015.

**Pension system payments** represent the largest remaining piece of personnel services budgets for City operating funds. There are eight state-administered public retirement systems for state and local government employees. All Kirkland employees participate in one of these pension plans, depending on



position-type, managed by the State Department of Retirement Systems (DRS). Plan selection and enrollment depends on the employee's position eligibility. Contribution rates to meet each pension system's funding requirements have a direct impact on the City's budget. The [Pension Administration, Rates, Funding History and Forecast Issue Paper](#) provides detail on the plans that include City of Kirkland employees, including contribution rate history, plan funding status, and contribution rates for the 2019-2020 Biennial Budget.

The above issues have varied impacts on the 2019-2020 budget. However, they share the common thread that they do not represent new or expanded City services, but rather increases to the City's base service cost. These and other baseline cost growth factors represent a sizable share of the budget. As described earlier, the General Fund 2019-2020 Budget is projected to increase by 7.6%. As shown in the following table, nearly half of that growth, \$8.7 million over the biennium, is required to continue providing for base levels of service in City departments. This is due largely to contract wage and salary escalation.

<b>General Fund Base Budget by Department</b>	<b>2017-2018 Revised Budget <sup>1/</sup></b>	<b>2019-2020 Preliminary Budget</b>	<b>\$ Change</b>	<b>% Change</b>
City Council	1,042,814	1,080,901	38,087	3.7%
City Manager	4,228,926	4,376,109	147,183	3.5%
Human Resources	2,985,366	3,163,437	178,071	6.0%
City Attorney	2,473,583	2,489,901	16,318	0.7%
Finance and Administration	9,663,500	10,243,137	579,637	6.0%
Public Works	12,382,354	12,725,293	342,939	2.8%
Parks and Community Services	16,063,264	17,163,705	1,100,441	6.9%
Planning and Building	15,990,206	16,690,163	699,957	4.4%
Municipal Court	5,040,710	5,064,407	23,697	0.5%
Police	51,059,461	53,853,523	2,794,062	5.5%
Fire	43,585,572	46,762,032	3,176,460	7.3%
Non-Departmental	14,252,427	13,903,788	(348,639)	-2.4%
<b>Subtotal Ongoing Base</b>	<b>178,768,183</b>	<b>187,516,396</b>	<b>8,748,213</b>	<b>4.9%</b>
Service Packages, Reserves, Other Funding	49,058,976	57,566,911	8,507,935	17.3%
<b>Total Preliminary General Fund Budget</b>	<b>227,827,159</b>	<b>245,083,307</b>	<b>17,256,148</b>	<b>7.6%</b>
1/ Includes ongoing Service Packages, and other ongoing adjustments approved for 2017-2018, that are built into the 2019-2020 Base Budget.				

The remaining increase consists of increases to City reserves, including the addition of 1% of General Fund revenue to General Purpose Reserves in each year, as well as the reservation of historically high development revenues to support workloads that continue in years after the revenues are received and service packages as described below.

Given the known future impact of the expiration of the Annexation Sales Tax Credit in 2021 in the Financial Forecast, most available resources are one-time in nature. As noted above, there were a number of one-time service packages budgeted in 2017-2018, including additions at the mid-biennium. Many of these service packages are recommended for funding in 2019-2020, and most continue to be funded using one-time revenues. All **Service packages** were evaluated in the context of reprioritizing or trade-offs and many proposed additions are supported by new revenues or through reductions or

reallocations in other activities. The table that follows provides a brief summary of the staffing additions and the proposed funding sources, differentiated by whether the position is a renewal of a one-time authorization in 2017-2018, or a new addition in 2019-2020.

	New		Renewal	
General Fund	FTE	Temp	FTE	Temp
Development Fees	-	1.00	-	6.00
Development Reserves	-	-	-	4.50
Other Revenues/Offsets	1.00	1.00	-	1.25
Proposition 1	10.00	-	-	-
CIP Charges	4.00	-	-	1.50
General Fund Ongoing	0.50	-	-	-
General Fund One-time	-	3.00	-	6.80
Overhire - Authority Only	-	-	-	2.00
<b>Total</b>	<b>15.50</b>	<b>5.00</b>	<b>-</b>	<b>22.05</b>
Other Funds	FTE	Temp	FTE	Temp
Utility Supported	2.00	1.25	0.80	-
Internal Rate Supported	-	1.00	-	2.00
Special Revenues Funds	5.25	-	1.20	0.25
<b>Total</b>	<b>7.25</b>	<b>2.25</b>	<b>2.00</b>	<b>2.25</b>
<b>Grand Total Service Packages</b>	<b>22.75</b>	<b>7.25</b>	<b>2.00</b>	<b>24.30</b>

It is worth noting that, within the above table, 1.5 FTE positions are not funding by either new ongoing revenue or ongoing expenditure reductions. These include the 0.5 Emergency Preparedness Coordinator position in the Fire Department and the 1.0 Electronics Technician I in the Street Operating Fund. The City Manager's recommendations regarding service packages are summarized in the following sections, including a limited number of on-going service packages and requests funded using one-time resources. The full list and recommendations are summarized later in the budget document.

#### COMMUNITY AND COUNCIL PRIORITIES – RESIDENT SURVEY AND THE KIRKLAND QUAD

One of the main tools used to assess the **community's priorities** is the **Resident Survey** that the City conducts every two years. The results of the most recent survey (May 2018) were presented to the City Council at the May retreat. The overall results indicated that 82% of those surveyed rated Kirkland as a "very good" or "excellent" place to live. An additional 12% rated the City as "satisfactory". One of the key graphics from that survey is the *Quadrant Analysis*, which provides an important basis for prioritizing the proposed budget recommendations. The survey report describes the *Quadrant Analysis* as follows:

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

**1) High Importance & Performance (top-right quadrant)** – *These are the services that residents view as very important and that the City performs at a high level. Items in this category should be considered Kirkland's most valued strengths.*

**2) High Importance, Low Performance (top-left quadrant)** – *Services falling into this category should be viewed as opportunities for improvement. These are the items that residents feel are very important but where the City is not meeting expectations. Improving the services in this quadrant will have the greatest effect in improving residents' overall favorability of the City.*

**3) Low Importance & Performance (bottom-left quadrant)** – *Services in this category are low-priority items for residents and so lower performance here is not a critical issue for them.*

*The City should always strive to improve, but they will have a minimal impact on improving overall satisfaction with City services.*

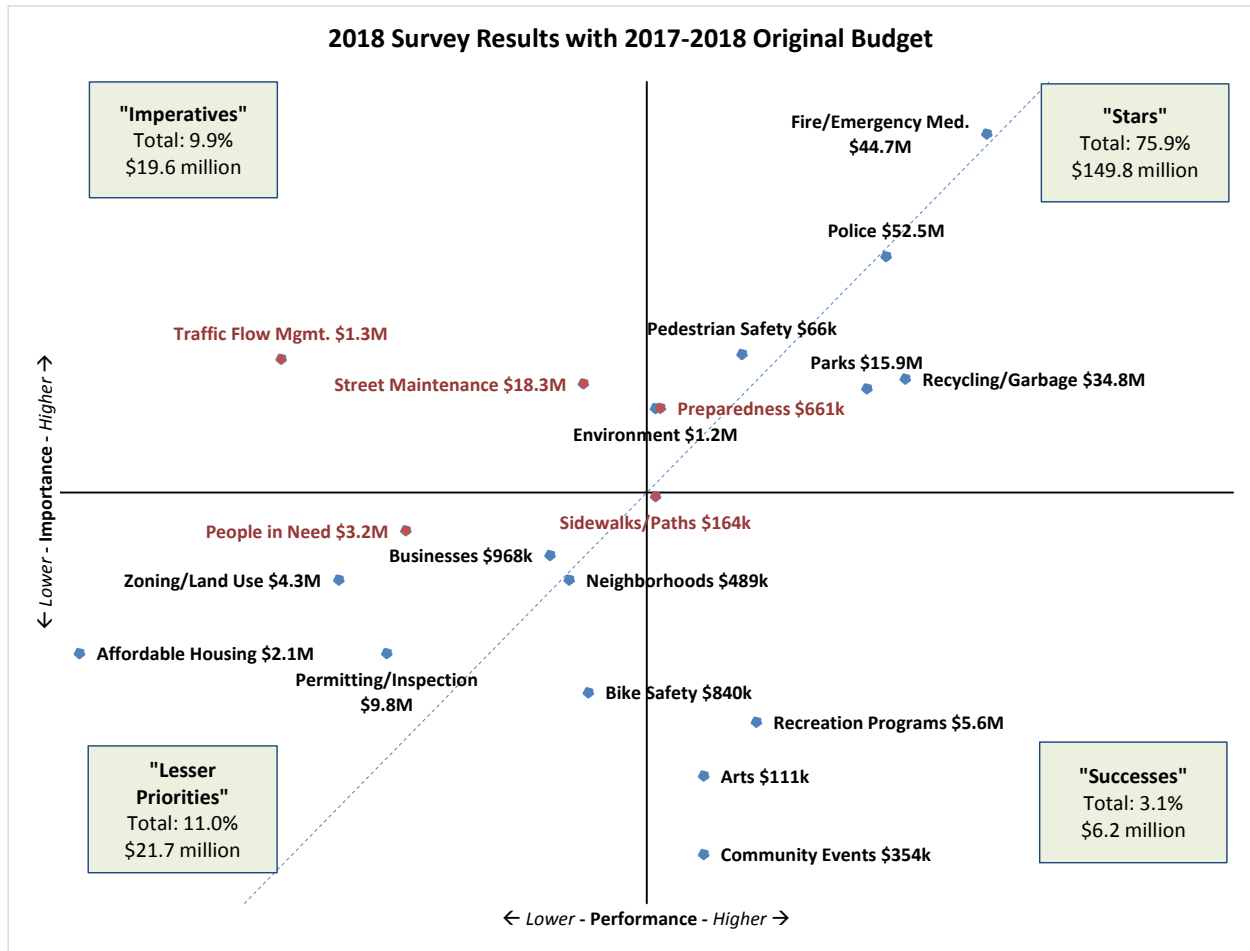
**4) Low Importance, High Performance (bottom-right quadrant)** – *This quadrant represents services that citizens think the City is doing well with but are believed to be less important. While items in this quadrant can be considered successes with certain groups, for most residents, they are not major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

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

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

*The most critical area for improvement opportunities is managing traffic flow.”*

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 2018 survey results with the related operating expenditures on the surveyed services in the 2017-2018 budget. The chart does not include capital investments. A version reflecting the 2019-2020 preliminary budget follows the *Key Recommendations by Goal Area* summarized below.



Of particular focus are the investments included in Proposition 1, which add resources for Public Safety, one the community's highest priorities. This initiative will provide new ongoing Public Safety and Human Services resources, as detailed in the following table:

Proposition 1 Financial Summary by Year			
Position	2019	2020	Total
<i>Expenditures</i>			
4 Pro Active Officers	667,590	566,259	1,233,849
4 School Resource Officers	636,351	565,927	1,202,278
1 Neighborhood Resource Officer	159,573	141,029	300,602
1 Police Analyst	89,655	108,051	197,706
Child/Teen Mental Health	2,953	350,000	352,953
Gun Safety	-	100,000	100,000
Shelters	-	100,000	100,000
Mental Health Professional	60,000	120,000	180,000
<i>Expenditures Subtotal</i>	1,616,122	2,051,266	3,667,388
<i>Revenues</i>			
Proposition 1 Sales Tax	1,350,000	1,800,000	3,150,000
Lake Washington School District <sup>1/</sup>	169,635	347,753	517,388
<i>Revenues Subtotal</i>	1,519,635	2,147,753	3,667,388
	96,487	(96,487)	-
1/ Represents Lake Washington School District contribution for half of School Resource Officer positions funding			

Due to the combining factors of the 90 day delay between passage of the rate increase and implementation by the State Department of Revenue and the two month lag between collection of sales taxes and distribution by the Department of Revenue, the City will not begin receiving revenues from the new sales tax until June of 2019. Because Kirkland will only receive approximately 58% of the revenue in 2019, an initial allocation of the funds is proposed that prioritizes hiring of the Police positions and related staffing and defers much of the human services and mental health services into 2020. However, if the Police hiring is delayed and money becomes available, staff will return to the Council with proposed reallocation of the funds in 2019.

#### KEY RECOMMENDATIONS BY GOAL AREA

The City Manager's recommendations were crafted to address the community and City Council priorities within the context of the City Council goals. The funded service packages, key policy recommendations, and major capital investments are presented within the goal area they primarily support, although many of the recommendations support multiple goals. Enhanced descriptions and funding details for each item are provided in the Service Package Detail document.



**NEIGHBORHOODS**

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

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

- Fund the 2020 Community Survey to assess priorities and satisfaction, \$40,000 one-time
- Continue 30 percent increase in Neighborhood Services Matching Grant, \$10,202 one-time
- Continue the CIP Neighborhood Services Outreach Coordinator position to enhance communication about capital projects, \$138,985 (temporary 0.5 FTE, funded with capital engineering charges)

- Continue to provide neighborhood leadership training through Leadership Eastside by funding registration for neighborhood leaders, Board or Commission members and City employees (three in 2019 and three in 2020), \$30,000 one-time
- Provide funding for Community Outreach and Engagement, \$50,000 one-time
- Continue funding for temporary 0.5 FTE Communications Program Specialist, including web and multi-media content development, \$100,293 one-time



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

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

- Add significant public safety investments with new 0.1% sales tax revenue from the passage of Proposition 1, if approved, including:
  - 4.0 FTE Pro Active Officers to the Police Department (\$993,940 ongoing, \$239,909 one-time)
  - 1.0 FTE Police Analyst ongoing to support to the Pro Active Unit (\$187,244 ongoing, \$10,462 one-time)
  - 4.0 FTE School Resource Officers ongoing to meet Lake Washington School District's request of Police presence in each of the District's Middle Schools in Kirkland (\$994,429 ongoing, \$207,849 one-time)
  - And 1.0 FTE Neighborhood Resources Officer to focus on community policing and emergency calls involving mental health complications (\$247,907 ongoing, \$52,695 one-time)
- Set aside \$150,000 for outreach related to a potential 2020 Fire Station and Operations Ballot Measure
- Funding for Police Officer Recruitment, \$200,000 one-time
- Fund Fire Station 24 replacement and continue to build funding towards property acquisition for Station 27, \$5.8 million in the 2019-2020 Capital Budget
- Continue 1.0 FTE temporary Justice Support Officer for Municipal Court Security, \$197,561 one-time
- Continue authority for 2.0 FTE over hire Police Officer positions: over hire positions are positions only, generally funded from vacancy salary savings
- Continue a temporary 1.0 FTE Police Support Associate to assist with records maintenance and requests and provide supplemental administrative support, \$181,868 one-time
- Continue a temporary 1.0 FTE Corrections Administrative Support Associate, \$179,165 one-time
- Provide funding for Digital Evidence Storage in the 2019-2020 Capital Budget, \$161,954 one-time and \$13,788 ongoing
- Continue funding for Wildland Fire Equipment and Training, \$80,000 one-time
- Add 0.5 FTE ongoing Emergency Preparedness Coordinator to existing 0.5 FTE ongoing position authority, to provide capacity to fully support preparedness programs, \$110,732 ongoing
- Funding for the Blue Card Incident Command Certification training for fire suppression staff, \$93,597 one-time and \$8,750 ongoing
- Funding for Promotional Testing in the Fire Department, \$10,000 one-time
- Funding for Thermal Imaging Equipment Auxiliary Equipment, \$25,000 one-time
- Funding for training, certification and equipment to purchase and operate a Drone in support of emergency responses, \$30,000 ongoing and \$25,000 one-time
- Funding for operating supplies in the Water Rescue Program, \$20,000 ongoing
- Funding to upgrade the Fire Department's shift scheduling software (Telestaff), \$60,000 one-time and \$20,480 ongoing
- Funding for Telestaff and ESO Records Management Software Training, \$15,000 one-time

- Provide funding for a Fire Training Prop at Station 26 in the 2019-2020 Capital Budget, \$300,000 (\$290,000 one-time and \$10,000 ongoing)
- Add a temporary 1.0 FTE Transportation Program Coordinator and professional services to create and update Neighborhood Routes to School Action plans, \$260,950 one-time
- Continue a temporary 0.5 FTE Neighborhood Traffic Control Coordinator, \$147,532 one-time
- Continue a temporary 0.5 FTE Engineering Program Assistant, funded through Parking Fees, and enhance capacity through an additional 0.5 FTE, for ongoing work tasks related to Kirkland's neighborhoods and public safety, \$221,186 one-time
- Purchase two De-icing Vehicles to maintain drivable streets in the winter, \$112,000 one-time, \$55,120 ongoing



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

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

- Add funding for mental health, human services, gun safety, and women/family shelter support with new 0.1% sales tax revenue from the passage of Proposition 1, if approved, including:
  - Programs supporting child/teenage mental health services, \$352,953 ongoing
  - Ongoing mental health professional support to help resolve police and emergency medical calls involving mental health complications, \$180,000
  - Firearms safety and storage training for the community, \$100,000 ongoing starting in 2020
  - Women and family shelter operational support, \$100,000 ongoing starting in 2020
- Maintain increased on-going funding level for human services agencies at 2017-2018 level at \$1.4 million
- Continue enhanced human services grant funding at current (2017-2018) levels, \$342,298 one-time
- Continue operating support to Eastside Timebank, \$6,000 one-time
- Continue CDBG funding of human service grants, \$67,374 on-going going (ARCH-related CDBG grants and Trust Fund allocations are listed under the Housing Goal)
- Continue staffing and support for the Human Service Commission, \$204,003 one-time
- For further information on [Human Services funding, see the related Issue Paper](#)



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

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

- Fund Non-motorized Transportation CIP projects totaling \$21.8 million for 2019-2020 (\$4.4 million of external funding), including \$5.6 million to complete the NE 124<sup>th</sup> St/124<sup>th</sup> Ave NE Pedestrian Bridge design and construction
- Fund Traffic Improvement CIP projects totaling \$6 million in 2019-2020 (\$1.9 million of external funding), including \$1.2 million for NE 132<sup>nd</sup> ST/108<sup>th</sup> Ave NE Intersection Improvements
- Continue a temporary 1.0 FTE Transportation Planner to respond to traffic/transportation-related issue, \$266,367
- Maintain and update Bellevue/Kirkland/Redmond (BKR) traffic demand model, \$55,845 one-time



- Continue the three transportation policy staffing positions for coordination with WSDOT, Sound Transit and King County Metro. These positions were fully funded in 2018 through 2020 by the Council using one time revenues
- Continue to provide Commute Trip Reduction Enhancements (ORCA card for employees), \$80,000 one-time
- Continue the Kirkland Green Trip (KGT) program through 2020, \$64,000 one-time
- Add on-call Transportation Planning & Engineering Services to assist with unforeseen transportation analyses, \$50,000 one-time
- Purchase Software Licenses for the City's Intelligent Transportation System cameras, \$11,000 one-time, \$6,000 ongoing



**PARKS, OPEN SPACES AND  
RECREATIONAL SERVICES**

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

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

- Add a temporary 1.0 FTE Park Ranger to enhance compliance with park system rules, \$255,154 one-time
- Add 3.0 FTE ongoing positions to maintain and operate park sites acquired and developed with 2012 Park Levy resources, including 1.50 FTE Groundperson positions, 1.0 FTE Parks Coordinator position and 0.5 Environmental Education and Outreach Specialist, \$874,590 ongoing and \$95,199 one-time. This is funded with a combination of levy resources, charges to the Surface Water Utility, and \$475,000 one-time support from General Fund balances as bridge funding until levy operating funding is available when the contribution from the Park Levy to the CIP is reduced to \$250,000 per year beginning in 2021
- Add On-Call Office Specialist and administrative support in Parks and Community Services, \$83,878 one-time
- Provide resources to implement strategies to reduce use of herbicides at City parks, \$45,000 one-time, \$7,500 ongoing
- Install Power Pedestals for Electric Boat Rental at the Marina, \$15,000 one-time and \$4,700 ongoing funded with new revenues from boat rental contractor
- Add ongoing 0.75 FTE Groundperson position and supplies to operate and maintain ballfields in the City School Playfields Partnership, including Finn Hill Middle School and Peter Kirk Elementary, using Park Levy funds \$211,716 ongoing and \$27,500 one-time
- Add ongoing 0.5 FTE Program Assistant for the Green Kirkland Partnership to expand the steward program, \$99,420 ongoing and \$2,047 one-time, funded with revenues from the Surface Water Utility
- Add ongoing 0.5 FTE Aquatics Coordinator position, \$127,248 ongoing and \$2,047 one-time, with offsetting revenue of \$120,000 from increased class and admission fees
- Fund Parks CIP projects totaling \$11.9 million in 2019-2020, including \$5.2 million for Totem Lake Park Development – Expanded Phase I



**HOUSING**

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

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

- Continue ARCH Housing Trust Fund parity contribution at \$830,000 over the biennium, on a one-time basis
- Continue CDBG contribution to ARCH Housing Trust Fund, \$256,024, on-going

- Provide a program to incentive construction of accessory dwelling units, \$100,000 one-time, of which \$50,000 represents waived development fees



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

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

- Continue compliance with the adopted Fiscal Policies:
  - No basic operations funded by one-time revenues
  - Continue incorporating a component into the on-going budget for replenishment of reserves based on 1% of the General Fund budget, \$2.0 million in the 2019-2020 proposed budget
  - Fund the revenue stabilization reserve to 100% of target
- Replenish and enhance reserves as summarized in the table that follows showing the recommended replenishments and target status according to current Fiscal Policies:

**2019-2020 General Purpose Reserves With Targets**

Reserves	Description	Estimated 2018 Ending Balance	Projected Changes	Estimated 2020 Ending Balance	2019-2020 Target	Over (Under) Target
<b>GENERAL PURPOSE</b>						
Contingency	Unforeseen expenditures	5,675,121	617,356	6,292,477	7,594,059	(1,301,582)
General Capital Contingency*	Changes to general capital projects	5,818,237	-	5,803,237	6,076,924	(273,687)
General Oper. Reserve (Rainy Day)	Unforeseen revenues/temporary events	4,829,865	819,423	5,649,288	5,649,288	-
Revenue Stabilization Reserve	Temporary revenue shortfalls	3,029,951	592,681	3,622,632	3,622,632	-
Council Special Projects Reserve	One-time special projects	250,000	-	250,000	250,000	-
Building & Property Reserve	Property-related transactions	697,099	-	697,099	600,000	97,099
<b>Total General Purpose</b>		<b>20,300,273</b>	<b>2,029,460</b>	<b>22,314,733</b>	<b>23,792,903</b>	<b>(1,478,170)</b>

\*Balance includes amount borrowed for Maintenance Center Capital Projects, that will be reimbursed via a scheduled series of payments beginning in 2021.

- As part of the 2019-2020 Budget Presentation, staff will bring forward a proposal related to potential Fiscal Policy revisions, including defining the specific reserves requiring Council approval prior to expenditure, the scheduled repayment of approved uses of the General Capital Contingency, and the appropriate level for the Contingency Reserve fund given recent double-digit growth in assessed values
- Continue partnership with King County to engage in Monetary Recovery Program, \$26,000 on-going
- Continue addition of temporary 0.30 FTE to an existing 0.70 FTE regular Human Resources Analyst position to focus on special projects, including implementation of Phase 2 of Munis ERP System implementation, \$48,729 one-time
- Continue funding for Archbright human resources training and legal consultation services, \$22,000 one-time
- Add temporary funding for a temporary Human Resources Assistant through June 2019, funded with charges to Project 12 (Munis ERP Implementation), \$45,564 one-time
- Continue funding Learning Management System (LMS), software offering safety/compliance training for staff, \$27,576 ongoing
- External review of investment policies and procedures, \$5,000 (offsetting interest earnings of \$5,000)
- Add ongoing 0.50 FTE and temporary on-call hours to increase acceptance hours for passport customers, \$85,296 ongoing and \$10,947 one-time (offsetting passport fee revenue of \$96,243)
- Add a Deputy Director of Finance & Administration with a net zero FTE increase due to the offsetting reduction of the Economic Development Manager position, \$281,212 ongoing and \$3,417 one-time. The new position is largely offset with salary savings from the eliminated position, with a resulting net ongoing increase of \$66,080

- Add funding for Tyler Connect conference training on the new Munis Enterprise Resource Planning software, \$12,000 one-time funded with unobligated balances from the Information Technology fund
- Upgrade and renew an existing temporary 1.0 FTE Office Specialist to a Customer Accounts Associate on a temporary basis to assist with Business License, False Alarm processing, and Cemetery Administration, \$108,856 one-time (offsetting revenue of \$108,856 from benefiting programs)
- Update the City's 18-year-old Fleet and Fuel Management software, \$110,000 one-time
- Consultant services in 2019 to review the City's fleet cost allocation model, \$50,000 one-time. The General Fund unobligated balance includes a \$400,000 placeholder of resources reserved in the event that the results of this study indicate a shift of total fleet cost to the General Fund
- Support for the City's legacy financial system (IFAS) for the first 6 months of 2019, \$40,600 one-time
- Increase on-call hours for digital communication, \$8,302 one-time
- Purchase licenses for business analytics software for IT staff, \$25,000 ongoing beginning in 2020
- Training and professional services to Develop a Framework for a Smart City Program, \$100,000 one-time
- Development of a Fiber Management and Funding Plan, \$50,000 one-time
- Leadership training for key Information Technology staff, \$24,000 one-time
- Purchase information technology best-practice documents from outside subject matter experts, \$22,000 ongoing
- Add a temporary 1.0 FTE Senior Application Analyst position for 6-months to facilitate migration of the City's major systems into the Cloud, \$80,873
- Business analytics training for key Information Technology and user department staff, \$30,000 one-time
- Reallocate IT CIP Sinking Fund revenues from server replacement to support Cloud migration of major IT systems



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

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

- Continue funding for a temporary 0.5 FTE Urban Forester position, \$127,461 one-time, of which \$63,730 is funded with Forestry Ordinance reserves
- Continue funding for Scope 5 Dashboard software to track and measure City and community greenhouse gas emissions as part of City's participation in the King County-Cities Climate Collaboration (K4C), \$15,000 ongoing
- Continue a temporary 1.0 FTE Critical Areas Ordinance and Surface Water Design Manual (CAO/SWDM) Environmental Planner position to foster efficient adherence of City capital projects to CAO/SWDM regulations, \$221,947 one-time funded with charges to capital projects
- Add Tree Removal and Replacement funding for removal of unhealthy cottonwood and poplar trees at City parks and the Cemetery, \$112,000 one-time funded with Cemetery Fund, Park Maintenance Fund and General Fund contributions
- Establish adequate rates to support the needs of the Sewer, Surface Water, and Solid Waste utilities, resulting in:
  - Sewer rate increases for single family residential of 4% in 2019 and 2.45% in 2020 and multifamily and commercial increases of 1.4% in 2019 and 0% in 2020
  - Surface Water 2.5% annual rate increases in 2019 and 2020
  - Solid Waste 3.4% average annual rate increase in 2019 and 2020

- Add professional services resources to the Green Kirkland Partnership to hire crews for restoration of native vegetation in riparian and other sensitive areas, \$160,000 ongoing with revenues from the Surface Water Utility
- Provide financing for Surface Water utility CIP projects totaling \$10.1 million for 2019-2020
- Provide financing for Sewer utility CIP projects totaling \$8.2 million for 2019-2020, including \$2 million for the Kirkland Avenue sewer main replacement
- Purchase a 4 inch Trailer Mounted Pump for creek and pond bypass, \$75,000 one-time and \$15,118 ongoing
- Add consulting funds for Stormwater Retrofit Planning, to conduct planning, outreach and design of facilities to mitigate storm water flows for existing development, \$350,000 one-time
- Add consulting services to conduct a drainage basin-wide Stormwater Capacity Analysis, \$200,000 one-time
- Add an ongoing 1.0 FTE Surface Water Engineer to conduct tree fencing inspections, implement Master Plan recommendations, assist the CIP group with stream and wetland mitigation monitoring, and conduct storm water and stream flow monitoring, \$270,110 ongoing and \$49,477 one-time
- Migrate Private Storm Inspection/Source Control Management system from legacy software to the City's new asset management system (Lucity), \$60,000 one-time
- Continue Multifamily Bulky Item Pilot professional services funding to reduce waste and increase recycling diversion at apartments and condominium complexes, \$80,000 one-time
- Provide an unlimited number of Yard Waste Extra units in November at no cost to Solid Waste Utility customers, \$30,000 one-time
- Add a temporary 0.25 FTE Environmental Education and Outreach Specialist position to support reuse, waste reduction, and recycling, \$49,536 one-time
- Add \$480,000 for infrastructure and vehicles to begin converting the existing development inspection fleet to electric power
- Continuing temporary 0.25 FTE Customer Accounts Associate , \$40,742 one-time



**ECONOMIC  
DEVELOPMENT**

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

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

- Provide funding for Management and Consulting Support of Start-Up 425, \$241,200 one-time (funded with \$120,000 from partner cities, \$65,000 from a Port of Seattle grant and \$56,200 of expenditure offsets)
- Provide for ongoing debt service to support \$7.5 million of debt financing (in addition to \$7.5 million set aside from Real Estate Excise Tax (REET)) to fully fund the City's \$15 million commitment to public infrastructure under the Totem Lake Development Agreement that spurred Mall redevelopment
- Continue Kirkland Performance Center (KPC) Operating Support, \$100,000 one-time
- Increase tourism staff support hours equal to a temporary 0.25 FTE, \$59,243 one-time
- Tourism Development Committee Grants from the Lodging Tax \$60,000 in 2019, TDC will make recommendations for 2020 funding in mid-biennial budget process
- Continue funding Community Programs and Events, \$128,000 one-time (\$64,000 from Waste Management matched with \$64,000 of City funds) (for further discussion on event funding, see the [Outside Agency Funding Issue Paper](#))
- Fund 4Culture Arts Sustained Support, \$16,000 one-time (grant funded)
- Add resources to Development Services to address workload and maintain/enhance customer service expectations (these activities are all funded from development revenues or related reserves):
  - Continue a temporary 1.0 FTE Associate Development Engineer position, \$272,955 one-time

- Continue a temporary 1.0 FTE Development Plans Examiner position, \$242,235 one-time
- Continue a temporary 1.0 FTE Permit Technician position, \$217,589 one-time
- Continue a temporary 1.0 FTE Building Inspector, \$222,189 one-time
- Continue 2.0 FTE temporary Plans Examiner II positions, \$500,214 one-time
- Continue 3.0 FTE temporary planning positions, including an Assistant Planner, Associate Planner and a Planner, \$720,225 one-time
- Continue increased overtime and hourly (on-call) wages for Building Inspectors and Permit Technicians, \$ 355,588 one-time
- Continue funding for a Planning Intern, \$25,684 one-time
- Convert an ongoing 1.0 FTE Inspector position to a temporary Lead Inspector position, \$9,642 one-time
- Provide a Land Use Consulting Contingency, \$20,000 one-time
- Add On-call support of records management for ongoing scanning work, \$28,728 one-time
- Add a temporary 1.0 Surface Water Engineer for development review, \$259,200 one-time
- Receptionist/Administrative Clerk in the Planning and Building Department, \$154,960 one-time
- Provide Equipment and Software Upgrades for Electronic Plan Review, \$33,706, of which \$33,310 is one-time and \$396 is ongoing
- Provide technology enhancements for improved customer service, \$28,800, of which \$26,800 is one-time and \$2,000 is ongoing
- Provide for a GIS-based Geo-notification Application to generate text or email alerts when development projects or legislative changes are proposed in their vicinity, and expand the notification radius from 300' to 500', \$110,000 one-time, funded with \$100,000 from development technology reserves and \$10,000 from development staffing reserves
- Provide an economic analysis tool for valuing the public benefits of Planned Unit Developments, \$40,000 one-time
- Redesign the Tourism Website, \$60,000 one-time funded from the Tourism Fund



**DEPENDABLE  
INFRASTRUCTURE**

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

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

- Establish adequate rates to support the needs of the Water Utility resulting in a 3% increase in 2019 and 2.8% increase in 2020 for single family customers, a 10% increase in both 2019 and 2020 for irrigation customers, and no increase in multifamily and commercial rates
- Finance Water utility CIP projects totaling \$3.5 million for 2019-2020, including \$1.5 million for the Kirkland Avenue water main replacement
- Finance Street CIP projects totaling \$28.7 million for 2019-2020, including \$5.3 million for Juanita Drive Auto Improvements
- Continue the opportunity fund to pay for street improvements, overhead utility line undergrounding and ADA upgrades in conjunction with development projects, \$100,000 one-time
- Purchase Asphalt Paving Equipment in the Street Operating Fund to enhance in-house street preservation capabilities, \$264,000 one-time and \$74,800 ongoing. Funded with a combination of Street Cut In-lieu Fees and transfers from the Solid Waste Utility to compensate for the impact of Solid Waste vehicle on the street surface
- Continue a temporary 1.0 FTE Transportation Planner to respond to traffic/transportation-related issues, \$266,367 one-time
- Continue temporary 1.0 FTE Permit Technician to assist with increased permit activity, \$217,589 one-time funded with engineering development fees

- Add resources to Capital Engineering and Development Engineering to expedite the delivery of the City's Capital Improvements Program and other public projects, including school district projects. These activities are largely funded through charges to capital projects, and include:
  - Add a CIP Street Preservation Field Technician and Inspector position and an inspection vehicle, \$235,547 ongoing, \$33,147 one-time
  - Update licenses for AutoCAD software, \$8,000 one-time
  - Add 3.0 FTE capital project engineering positions, including a Senior Project Engineer, a Project Engineer, and an Associate Project Engineer, to add project management capacity in light of the expanded CIP in 2019, \$799,400 ongoing and \$9,441 one-time
  - Add a temporary CIP Planner in the Planning and Building Department to provide focused review of public capital projects, \$246,538 one-time, of which \$196,539 is from non-fee resources
  - Add a temporary 1.0 FTE Surface Water Engineer to help expedite permit review times for Capital Improvement Projects, both City projects and the regional transportation projects being built by WSDOT and Sound Transit and to work on Surface Water Master Plan items, \$259,200 one-time, funded with an even split of charges to capital projects in the 2019-2020 Capital Budget and Surface Water Funds.
  - Provide technical and analytical support for pursuing grant funding for CIP projects, \$50,000 one-time
- Improve the Municipal Parking Garage operations and maintenance through seven day a week contract with a third party garage operator, \$400,000 one-time, funded with Parking Meter Fees
- Create a capital project to Repair the Municipal Parking Garage elevator, exterior doors and alarm devices, \$275,000 one-time, funded with monies from the Off-Street Parking Reserve in the Street Fund
- Repurpose unspent project balances to add an HVAC system to the City Hall Annex building in the 2019-2020 Capital Budget, \$220,000 one-time, funded with existing General Governmental Facilities CIP project balances
- Purchase a 5 yard dump truck, 80- series excavator and trailer equipment to excavate and repair aging and/or damaged sewer infrastructure, \$432,948 (\$324,000 one-time, \$108,948 ongoing)
- Contract with a civil design consultant to build a Water System Unidirectional Flushing Program in the Water Utility to reduce incidences of dirty water, \$50,000 one-time
- Add an ongoing 1.0 FTE Water Quality Specialist position in the Water Utility to centralize work being performed by multiple employees for our Cross Connection Control Program and allow better customer service and increased public health and safety through water system contamination prevention, \$323,117 (\$298,117 ongoing and \$25,000 one-time)
- Add professional services funding for a consultant to perform a Water and Sewer Utility Cost of Service Analysis, \$50,000 one-time
- Add a 1.0 FTE ongoing Electronics (Signal) Technician I position to address expansion in the City's traffic signal/electronic traffic control device inventory, \$239,746 ongoing
- Purchase a Stump Grinder in the Street Roadside Division to minimize the impacts of diseased tree removal on surrounding infrastructure, \$22,000 one-time, \$5,334 ongoing
- Convert equivalent seasonal laborer hours to 2.0 FTE Laborer positions, with 60% of time allocated to Streets Maintenance activities and 40% of time allocated to Surface Water Utility maintenance activities, to enhance year-round maintenance capacity, with a net zero cost due to reduced hourly wages
- Continue a temporary 1.0 FTE Senior GIS Analyst for Lucity support and maintenance through December 2019 using remaining balances in the Lucity Project, \$97,604 one-time
- Continue IT Interns to assist with PC Deployment, \$25,036 one-time
- Continue a temporary 1.0 FTE Senior Applications Analyst to support the increasing demand from technology projects and systems, \$234,949 one-time

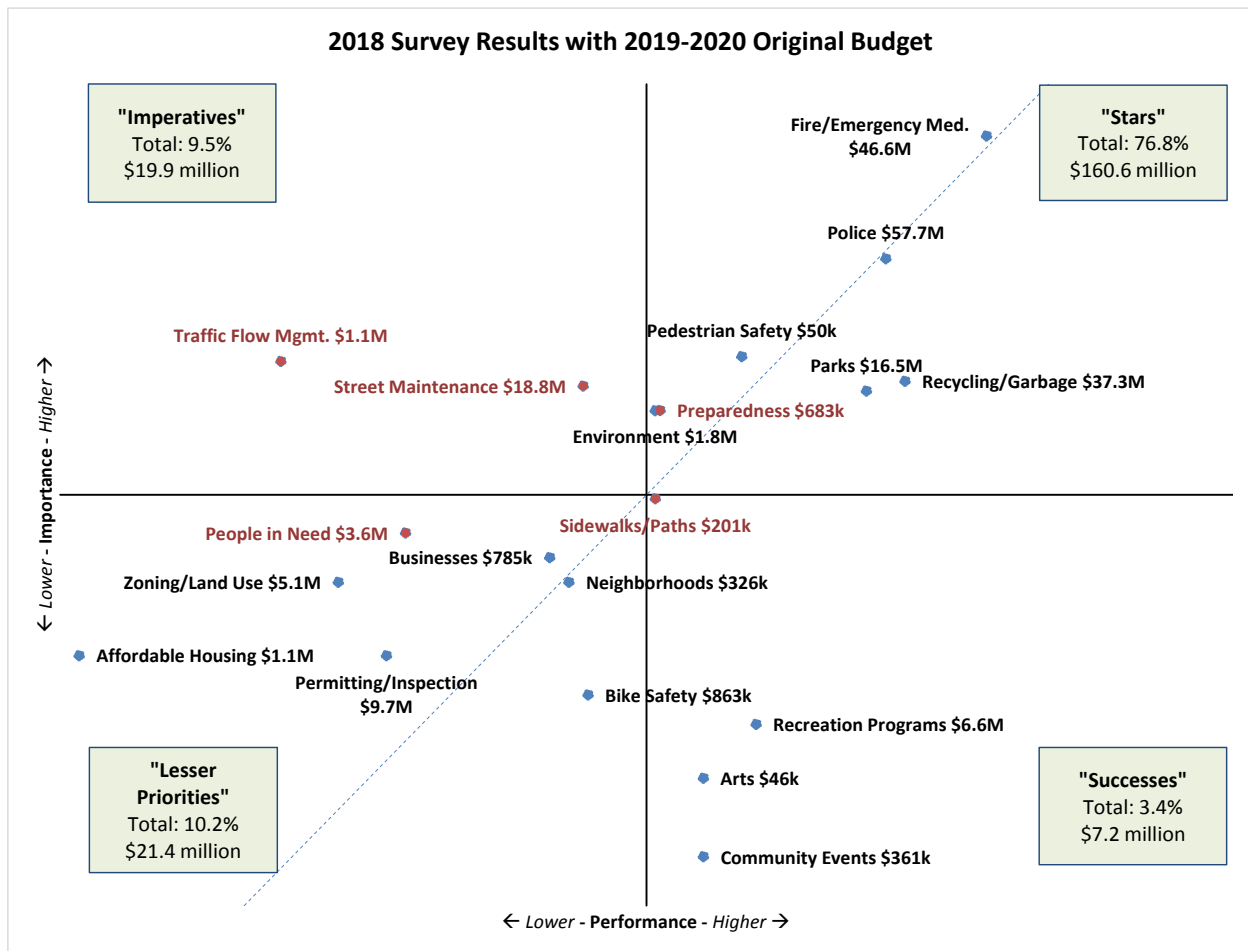


In addition to recommendations directly related to the Goal areas, the following service packages are recommended:

- Provide resources for facility rental fees for offsite Council retreats, \$1,600 ongoing
- Continue State Legislative Advocacy Services, \$120,000 one-time

## CONCLUSION

The proposed budget is focused on the City Council goals and community priorities by keeping **Kirkland Safe, Sustainable and Connected**. The recommended decisions result in proposed 2019-2020 investments in the services on the Kirkland Quad, as summarized below:



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



## 2019-2020 City Work Program

A Draft 2019-2020 City Work Program below is compiled from the recommendations by Council Goal Area and a continuation of some 2017-2018 Work Program elements. The following are preliminary recommendations for the 2019-2020 biennium:

- Construct the Totem Lake Connector and continue capital investments to support growth throughout the City and the Totem Lake Urban Center (Council Goals: Economic Development, Balanced Transportation, Parks, Open Spaces and Recreational Services).
- Invest the funds generated by the “Enhanced Police Services and Community Safety” ballot measure to facilitate Community Policing, improve school safety, reduce gun violence, and foster a safe, inclusive and welcoming City (Council Goals: Public Safety, Neighborhoods, Human Services).
- Migrate the City’s information technology infrastructure to the Cloud to improve resiliency and disaster preparedness (Council Goals: Public Safety, Financial Stability, Dependable Infrastructure).
- Improve Fire and Emergency Medical Services by constructing a new Station 24 and securing a site for new Station 27 (Council Goal: Public Safety, Dependable Infrastructure).
- Explore a potential ballot measure in 2020 to fund Fire Station modernization and operations (Council Goals: Public Safety, Dependable Infrastructure and Financial Stability).
- Continue to Partner with Sound Transit, the State Department of Transportation and King County Metro Transit to ensure that investments along I-405 serve Kirkland’s mobility needs (Council Goals: Balanced Transportation, Economic Development).
- Support construction and operation of a permanent shelter in Kirkland for women and families with children experiencing homelessness (Council Goals: Human Services, Housing).
- Renovate the new Parks Maintenance Center building to meet the service needs of the larger City (Council Goals: Dependable Infrastructure, Parks, Open Spaces and Recreational Services).

As always, we expect that we will be discussing the budget with the City Council frequently during the biennium and making adjustments as conditions warrant. At a minimum, we expect to provide an update at the Council Retreat in late spring, with the mid-year budget report in June, and with the mid-biennium budget update in November 2019.

The development of the preliminary budget requires an enormous commitment by all City Departments and the Budget Leadership Team. The Financial Planning staff especially have done extraordinary work on the coordination and calculations necessary to make this document possible and deserve recognition for their incredible efforts. We have every reason to be proud of the work done day in and day out by all City staff. With the support of the City Council, it is the efforts of our outstanding employees that make the City work for our residents and make Kirkland an exceptional place to live, work and play.

Respectfully Submitted,



Kurt Triplett  
City Manager



Tracey Dunlap  
Deputy City Manager



Michael Olson  
Director of Finance and Administration



Tom Mikesell  
Financial Planning Manager

**POSTSCRIPT**

Between October and December 2018, the City Council held a series of study sessions and public hearings to review the 2019-2020 Preliminary Budget proposed by the City Manager. The City Council adopted the 2019-2020 Final Budget on December 11, 2018. Overall, the 2019-2020 Final Budget totals \$793 million, which represents a 5.5 percent increase compared to the 2017-2018 Amended Budget. The 2019-2020 Final Budget is summarized in the following table by fund type:

	<b>2017-18 Amended Budget</b>	<b>2019-20 Final Budget</b>	<b>% Change</b>
<b>GENERAL GOV'T</b>			
General Fund	227,827,159	245,651,799	7.8%
Other Operating	33,134,287	35,409,895	6.9%
Internal Service Funds	79,870,495	79,781,915	-0.1%
Non-Operating Funds	226,233,625	225,344,630	-0.4%
<b>UTILITIES</b>			
Water/Sewer	102,355,803	114,121,260	11.5%
Surface Water	45,901,319	52,994,170	15.5%
Solid Waste	36,503,963	39,720,466	8.8%
<b>TOTAL BUDGET</b>	<b>751,826,651</b>	<b>793,024,135</b>	<b>5.48%</b>

The City Council requested changes to the preliminary budget totaling \$1 million, including increased funding for human services, resources for neighborhood planning, funding for the Juanita Beach Playground, additional funding for events, and additions to reserves to prepare for the expiration of the Annexation Sales Tax Credit in 2021. A full list of Council-directed changes is provided at the top of the table on the following page. In addition, the following appropriation adjustments were made:

- Adjusting Special Revenue fund budgets to account for higher property tax new construction estimates - these monies will be budgeted in the respective working capital balances for each fund; and,
- CIP adjustments related to changes made adopting the final 2019-2024 CIP as presented at the November 20, 2018 Study Session.

Note that a portion of these needs are either one-time in nature and funded using 2018 year-end resources (\$635,927) or represent allocations of funds within the preliminary budget recommendation, and therefore do not require an adjustment to the total budget appropriation. The 2019-2020 Biennial Budget increases \$3.8 million because of these changes as shown in the following table.

	2019-20 Cost		
	Ongoing	One-time	Total
<b>Preliminary 2019-20 Budget</b>			<b>789,230,676</b>
<b>General Fund</b>			
<i>Council Directed Actions</i>			
Allocate 2017-2018 Council Contingency	-	(131,927)	(131,927)
Synchronize 19PK18 - Ballfield Additions with CIP	-	(97,047)	(97,047)
General Neighborhood Planning	-	30,000	30,000
Juanita Beach Playground	-	366,000	366,000
Added Outside Events Funding (4th of July, Winterfest)	-	35,000	35,000
Allocated Human Services Funds from Proposition 1	-	(297,636)	(297,636)
Human Services Option C (Ongoing)	534,958		534,958
Human Services Option C (One-time)	-	439,116	439,116
Addition to Annexation Sales Tax Credit Reserve	-	160,494	160,494
<i>Subtotal Council Directed Action</i>	534,958	504,000	1,038,958
		-	-
Reserves Offset of Council Directed Action	-		(504,000)
<b>Subtotal General Fund Changes</b>	<b>534,958</b>	<b>504,000</b>	<b>534,958</b>
<b>Special Revenue Funds</b>			
Property Tax Adjustment	290,248	-	290,248
Synchronize 19PK18 - Ballfield Additions with CIP		(97,047)	(97,047)
<b>Subtotal Special Revenue Funds Changes</b>	<b>290,248</b>	<b>(97,047)</b>	<b>193,201</b>
<b>Capital Projects Funds</b>			
CIP Adjustments	-	2,939,000	2,939,000
<b>Subtotal General Capital Projects Fund Changes</b>	<b>-</b>	<b>2,939,000</b>	<b>2,939,000</b>
<b>Utility Funds</b>			
CIP Adjustments	-	126,300	126,300
<b>Subtotal Utilities Fund Changes</b>	<b>-</b>	<b>126,300</b>	<b>126,300</b>
<b>Final 2019-20 Biennial Budget</b>			<b>793,024,135</b>

In addition to formal adoption of the 2019-2020 Budget, the Council approved the following actions to implement the budget decisions on December 11, 2018:

- An update to the City's Fiscal Policies; and,
- A report on the use of Real Estate Excise tax proceeds for approved maintenance expenses in the operating budget.

The final 2019-2020 City Work Program will be adopted during the first quarter of 2019. If any budget adjustments are needed to implement the Work Program, they will be brought forward in June 2019.

**City of Kirkland**  
**2019-2020 Preliminary Budget**  
**Service Package Requests**

	2019-20 Department Request					2019-20 City Manager Recommended				
	FTE	Temp	Ongoing	One-time	Total	FTE	Temp	Ongoing	One-time	Total
<b>GENERAL FUND</b>										
<b>City Council</b>										
<b>Renewals of One time</b>										
19CC01 Operating Rentals	-	-	1,600	-	1,600	-	-	1,600	-	1,600
19CC02 Community Survey	-	-	-	40,000	40,000	-	-	-	40,000	40,000
<b>New</b>										
19CC03 City Council Meeting Food	-	-	5,300	-	5,300	-	-	5,300	-	5,300
<b>Subtotal City Council</b>	-	-	<b>6,900</b>	<b>40,000</b>	<b>46,900</b>	-	-	<b>6,900</b>	<b>40,000</b>	<b>46,900</b>
<b>City Manager</b>										
<b>Renewals of One time</b>										
19CM01 State Legislative Advocacy Services	-	-	-	120,000	120,000	-	-	-	120,000	120,000
19CM02 Communications Program Specialist Web and Multi-Media Content	-	0.50	-	100,293	100,293	-	0.50	-	100,293	100,293
19CM03 Neighborhood Services Matching Grants (one-time 30% increase)	-	-	-	10,202	10,202	-	-	-	10,202	10,202
19CM04 Community Programs and Events	-	-	-	128,000	128,000	-	-	-	128,000	128,000
19CM05 4Culture Arts Sustained Support	-	-	-	16,000	16,000	-	-	-	16,000	16,000
<b>New</b>										
19CM06 Community Outreach and Engagement	-	-	-	50,000	50,000	-	-	-	50,000	50,000
19CM07 Management and Consulting Support of Start-Up 425	-	-	-	241,200	241,200	-	-	-	241,200	241,200
<b>Subtotal City Manager</b>	-	<b>0.50</b>	-	<b>665,695</b>	<b>665,695</b>	-	<b>0.50</b>	-	<b>665,695</b>	<b>665,695</b>

**City of Kirkland**  
**2019-2020 Preliminary Budget**  
**Service Package Requests**

	2019-20 Department Request					2019-20 City Manager Recommended				
	FTE	Temp	Ongoing	One-time	Total	FTE	Temp	Ongoing	One-time	Total
<b>Parks &amp; Community Services</b>										
<b>Renewals of One-time</b>										
19PK01 Human Services Commission Support	1.00	-	204,003	-	204,003	-	1.00	-	204,003	204,003
19PK02 Kirkland Performance Center (KPC) Operating Support	-	-	-	100,000	100,000	-	-	-	100,000	100,000
19PK03 Eastside Timebank Operating Support	-	-	-	6,000	6,000	-	-	-	6,000	6,000
19PK04 2017-18 Human Services Funding Enhancement and Option 3	-	-	342,298	-	342,298	-	-	-	342,298	342,298
<b>New</b>										
19PK05 Parks Safety Through Park Ranger Program	1.00	-	227,654	27,500	255,154	-	1.00	-	255,154	255,154
19PK06 Senior Council Support	0.25	-	45,936	-	45,936	-	-	-	-	-
19PK07 Parks Automation (Gen. Fund Portion)	-	-	11,900	185,350	197,250	-	-	-	-	-
19PK08 Management Analyst and Training	-	1.00	-	285,319	285,319	-	-	-	-	-
19PK09 On-Call Office Specialist and Admin Support Funding	-	-	25,800	58,078	83,878	-	-	-	83,878	83,878
19PK10 Modifications to Reduce Herbicide Use	-	-	15,000	45,000	60,000	-	-	15,000	45,000	60,000
19PK11 Tree Removal and Replacement (Gen. Fund Portion)	-	-	-	55,000	55,000	-	-	-	55,000	55,000
19PK12 Marina Power Pedestals for Electric Boat Rental	-	-	4,700	15,000	19,700	-	-	4,700	15,000	19,700
19PK13 Aquatics Coordinator	0.50	-	127,248	2,047	129,295	0.50	-	127,248	2,047	129,295
19PK14 Year-Round Park Restrooms	0.75	-	207,855	-	207,855	-	-	-	-	-
19PK21 Mental Health, Gun Safety, and Shelters	-	-	732,953	-	732,953	-	-	732,953	-	732,953
<b>Subtotal Parks and Community Services</b>	<b>3.50</b>	<b>1.00</b>	<b>1,945,347</b>	<b>779,294</b>	<b>2,724,641</b>	<b>0.50</b>	<b>2.00</b>	<b>879,901</b>	<b>1,108,380</b>	<b>1,988,281</b>
<b>Human Resources</b>										
<b>Renewals of One-time</b>										
19HR01 Learning Management System	-	-	27,576	-	27,576	-	-	27,576	-	27,576
19HR02 Monetary Recovery Program	-	-	26,000	-	26,000	-	-	26,000	-	26,000
19HR03 0.3 FTE Human Resources Assistant 2 Year Temporary	-	0.30	-	48,729	48,729	-	0.30	-	48,729	48,729
19HR04 Leadership Eastside Enrichment Program	-	-	-	30,000	30,000	-	-	-	30,000	30,000
<b>New</b>										
19HR05 Arch-bright Professional Services	-	-	-	22,000	22,000	-	-	-	22,000	22,000
19HR06 Human Resources Assistant 1 Year Temporary	-	1.00	-	90,078	90,078	-	1.00	-	45,564	45,564
<b>Subtotal Human Resources</b>	<b>-</b>	<b>1.30</b>	<b>53,576</b>	<b>190,807</b>	<b>244,383</b>	<b>-</b>	<b>1.30</b>	<b>53,576</b>	<b>146,293</b>	<b>199,869</b>

**City of Kirkland**  
**2019-2020 Preliminary Budget**  
**Service Package Requests**

	2019-20 Department Request					2019-20 City Manager Recommended				
	FTE	Temp	Ongoing	One-time	Total	FTE	Temp	Ongoing	One-time	Total
<b>Public Works</b>										
<b>Renewal of One time</b>										
19PW01 Neighborhood Service Outreach Coordinator (NSOC)	0.50	-	138,985	-	138,985	-	0.50	-	138,985	138,985
19PW02 CAO/SWDM CIP Environmental Planner	-	1.00	-	221,947	221,947	-	1.00	-	221,947	221,947
19PW03 Temporary Associate Development Engineer	-	1.00	-	272,955	272,955	-	1.00	-	272,955	272,955
19PW04 Temporary Development Plans Examiner	-	1.00	-	242,235	242,235	-	1.00	-	242,235	242,235
19PW05 Temporary Permit Technician	-	1.00	-	217,589	217,589	-	1.00	-	217,589	217,589
19PW06 Transportation Planner	1.00	-	265,390	977	266,367	-	1.00	-	266,367	266,367
19PW07 Temporary Neighborhood Traffic Control Coordinator	-	0.50	-	147,532	147,532	-	0.50	-	147,532	147,532
19PW08 Engineering Program Assistant	0.50	-	109,616	977	110,593	-	0.50	-	110,593	110,593
19PW09 Temporary Engineering Program Assistant	-	0.50	-	110,593	110,593	-	0.50	-	110,593	110,593
19PW10 City Commute Trip Reduction Enhancements (Employee ORCA)	-	-	-	80,000	80,000	-	-	-	80,000	80,000
19PW11 BKR Transportation Model Maintenance and Support	-	-	-	55,845	55,845	-	-	-	55,845	55,845
19PW12 Kirkland Green Trip	-	-	-	64,000	64,000	-	-	-	64,000	64,000
19PW13 CIP Grant Consulting	-	-	-	50,000	50,000	-	-	-	50,000	50,000
<b>New</b>										
19PW14 CIP Street Preservation Field Technician & Inspector	1.00	-	235,547	33,147	268,694	1.00	-	235,547	33,147	268,694
19PW15 AutoCAD/AutoCivil 3D License - Annual Subscription	-	-	-	8,000	8,000	-	-	-	8,000	8,000
19PW16 Temp. Surface Water Engineer 1.0 (Development Review)	-	1.00	-	259,200	259,200	-	1.00	-	259,200	259,200
19PW17 CIP Staffing Package for Expanded 2019-24 CIP	3.00	-	789,999	9,441	799,440	3.00	-	789,999	9,441	799,440
19PW18 CIP Annex HVAC Update	-	-	-	220,000	220,000	-	-	-	220,000	220,000
19PW19 Neighborhood Routes to School Action Plans	-	1.00	-	260,950	260,950	-	1.00	-	260,950	260,950
19PW20 On-Call Transportation Engineering and Planning Services	-	-	-	50,000	50,000	-	-	-	50,000	50,000
<b>Subtotal Public Works</b>	<b>6.00</b>	<b>7.00</b>	<b>1,539,537</b>	<b>2,305,388</b>	<b>3,844,925</b>	<b>4.00</b>	<b>9.00</b>	<b>1,025,546</b>	<b>2,819,379</b>	<b>3,844,925</b>
<b>Finance &amp; Administration</b>										
<b>Renewals of One time</b>										
19FA01 Temporary Customer Accounts Associate (Gen. Fund Portion)	-	0.75	-	68,114	68,114	-	0.75	-	68,114	68,114
<b>New</b>										
19FA02 External Review of Investment Policies & Procedures	-	-	-	5,000	5,000	-	-	-	5,000	5,000
19FA03 Tyler Connect Conference	-	-	-	12,000	12,000	-	-	-	12,000	12,000
19FA04 Finance & Administration Deputy Director	1.00	-	281,212	3,417	284,629	1.00	-	281,212	3,417	284,629
19FA04 (Economic Development Manager - FTE Authority)	(1.00)	-	-	-	-	(1.00)	-	-	-	-
19FA05 Meeting Packet/Agenda Management Software	-	-	25,872	19,800	45,672	-	-	-	-	-
19FA06 Increase Passport Hours (0.5 FTE) & Add On-Call Hours	0.50	-	85,296	10,947	96,243	0.50	-	85,296	10,947	96,243
<b>Subtotal Finance &amp; Administration</b>	<b>0.50</b>	<b>0.75</b>	<b>392,380</b>	<b>119,278</b>	<b>511,658</b>	<b>0.50</b>	<b>0.75</b>	<b>366,508</b>	<b>99,478</b>	<b>465,986</b>



**City of Kirkland**  
**2019-2020 Preliminary Budget**  
**Service Package Requests**

	2019-20 Department Request					2019-20 City Manager Recommended				
	FTE	Temp	Ongoing	One-time	Total	FTE	Temp	Ongoing	One-time	Total
<b>Planning &amp; Building</b>										
<b>Renewals of One Time</b>										
19PB01 Temporary Building Inspector	-	1.00	-	222,189	222,189	-	1.00	-	222,189	222,189
19PB02 Temporary Plans Examiner II (2 Positions)	-	2.00	-	500,214	500,214	-	2.00	-	500,214	500,214
19PB03 Planning & Building Overtime and Hourly Wages	-	-	-	355,588	355,588	-	-	-	355,588	355,588
19PB04 Temporary Planner Positions (3 Positions)	-	3.00	-	720,225	720,225	-	3.00	-	720,225	720,225
19PB05 Land Use Consulting Contingency	-	-	-	20,000	20,000	-	-	-	20,000	20,000
19PB06 Receptionist/Administrative Clerk	1.00	-	152,660	2,300	154,960	-	1.00	-	154,960	154,960
19PB07 Scope 5 Dashboard and K4C Dues	-	-	15,000	-	15,000	-	-	15,000	-	15,000
19PB08 Planning Intern	-	-	-	25,684	25,684	-	-	-	25,684	25,684
19PB09 Urban Forester (0.50 temporary FTE Increase)	-	0.50	-	127,461	127,461	-	0.50	-	127,461	127,461
19PB10 Totem Lake Enhancement Plan - Wayfinding	-	-	-	25,000	25,000	-	-	-	-	-
19PB11 General Neighborhood Planning	-	-	-	30,000	30,000	-	-	-	-	-
19PB12 ARCH Housing Trust Fund (HTF)	-	-	-	830,000	830,000	-	-	-	830,000	830,000
19PB13 Records Management Specialist(s)	2.00	-	383,885	977	384,862	-	-	14,287	14,441	28,728
<b>New</b>										
19PB14 Temporary Lead Building Inspector	-	-	-	9,642	9,642	-	-	-	9,642	9,642
19PB15 Equipment/Software Upgrade for Electronic Plan Review	-	-	396	33,310	33,706	-	-	396	33,310	33,706
19PB16 Technology Enhancement for Improved Customer Service	-	-	2,000	26,800	28,800	-	-	2,000	26,800	28,800
19PB17 Temporary CIP Planner	-	1.00	-	246,538	246,538	-	1.00	-	246,538	246,538
19PB18 Development Geo-Notification Application	-	-	-	100,000	100,000	-	-	-	110,000	110,000
19PB19 Planned Unit Development Valuation Tool	-	-	-	40,000	40,000	-	-	-	40,000	40,000
19PB20 Incentivize Construction of Accessory Dwelling Units	-	-	-	100,000	100,000	-	-	-	100,000	100,000
<b>Subtotal Planning &amp; Building</b>	<b>3.00</b>	<b>7.50</b>	<b>553,941</b>	<b>3,415,928</b>	<b>3,969,869</b>	<b>-</b>	<b>8.50</b>	<b>31,683.00</b>	<b>3,537,052</b>	<b>3,568,735</b>
<b>Police</b>										
<b>Renewals of One time</b>										
19PD01 Court Security	-	1.00	-	197,561	197,561	-	1.00	-	197,561	197,561
19PD02 Corrections Administrative Support Associate	-	1.00	-	179,165	179,165	-	1.00	-	179,165	179,165
19PD03 Temporary Over Hire Authority	-	2.00	-	-	-	-	2.00	-	-	-
19PD04 Police Support Associate	-	1.00	-	181,868	181,868	-	1.00	-	181,868	181,868
<b>New</b>										
19PD05 Digital Evidence Storage	-	-	13,788	161,954	175,742	-	-	13,788	161,954	175,742
19PD06 Police Officer Recruitment	-	-	-	200,000	200,000	-	-	-	200,000	200,000
19PD07 ProAct Team, Sch. and Nbhd. Resource Officers	10.00	-	2,423,520	510,915	2,934,435	10.00	-	2,423,520	510,915	2,934,435
<b>Subtotal Police</b>	<b>10.00</b>	<b>5.00</b>	<b>2,437,308</b>	<b>1,431,463</b>	<b>3,868,771</b>	<b>10.00</b>	<b>5.00</b>	<b>2,437,308</b>	<b>1,431,463</b>	<b>3,868,771</b>

**City of Kirkland**  
**2019-2020 Preliminary Budget**  
**Service Package Requests**

	2019-20 Department Request					2019-20 City Manager Recommended				
	FTE	Temp	Ongoing	One-time	Total	FTE	Temp	Ongoing	One-time	Total
<b>Fire</b>										
<b>Renewals of One time</b>										
19FD01 Wildland Fire Equipment & Training	-	-	40,000	40,000	80,000	-	-	-	80,000	80,000
<b>New</b>										
19FD02 Blue Card Incident Command Certification Program	-	-	8,750	93,597	102,347	-	-	8,750	93,597	102,347
19FD03 Ongoing Increase of Emergency Preparedness Coordinator	0.50	-	110,732	-	110,732	0.50	-	110,732	-	110,732
19FD04 Promotional Testing	-	-	-	10,000	10,000	-	-	-	10,000	10,000
19FD05 Training Prop at Fire Station 26	-	-	10,000	290,000	300,000	-	-	10,000	290,000	300,000
19FD06 Sinking Fund Contribution for Training Prop Replacement	-	-	56,000	-	56,000	-	-	-	-	-
19FD07 Thermal Imaging Camera Auxiliary Equipment	-	-	-	25,000	25,000	-	-	-	25,000	25,000
19FD08 Drone	-	-	30,000	25,000	55,000	-	-	30,000	25,000	55,000
19FD09 Water Rescue Program	-	-	20,000	-	20,000	-	-	20,000	-	20,000
19FD10 ESO & Telestaff Training	-	-	-	15,000	15,000	-	-	-	15,000	15,000
19FD11 Telestaff Call Back Module	-	-	20,480	60,000	80,480	-	-	20,480	60,000	80,480
<b>Subtotal Fire</b>	<b>0.50</b>	<b>-</b>	<b>295,962</b>	<b>558,597</b>	<b>854,559</b>	<b>0.50</b>	<b>-</b>	<b>199,962</b>	<b>598,597</b>	<b>798,559</b>
<b>GENERAL FUND TOTAL</b>	<b>23.50</b>	<b>23.05</b>	<b>7,224,951</b>	<b>9,506,450</b>	<b>16,731,401</b>	<b>15.50</b>	<b>27.05</b>	<b>5,001,384</b>	<b>10,446,337</b>	<b>15,447,721</b>
<b>OTHER FUNDS</b>										
<b>Cemetery Operating Fund</b>										
<b>New</b>										
19FA01 Temporary Customer Accounts Associate (Cem. Fund Portion)	-	0.25	-	40,742	40,742	-	0.25	-	40,742	40,742
19PK11 Tree Removal and Replacement (Cem. Fund Portion)	-	-	-	22,000	22,000	-	-	-	22,000	22,000
<b>Subtotal Cemetery Operating Fund</b>	<b>-</b>	<b>0.25</b>	<b>-</b>	<b>62,742</b>	<b>62,742</b>	<b>-</b>	<b>0.25</b>	<b>-</b>	<b>62,742</b>	<b>62,742</b>
<b>Equipment Rental Fund</b>										
<b>New</b>										
19PW21 Fleet Management System Replacement	-	-	-	110,000	110,000	-	-	-	110,000	110,000
19PW22 Fleet Rate Model Consulting	-	-	-	50,000	50,000	-	-	-	50,000	50,000
19PW45 Development Inspection Vehicle Electric Conversion	-	-	-	480,000	480,000	-	-	-	480,000	480,000
<b>Subtotal Equipment Rental Fund</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>640,000</b>	<b>640,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>640,000</b>	<b>640,000</b>

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**City of Kirkland  
2019-2020 Preliminary Budget  
Service Package Requests**

	2019-20 Department Request					2019-20 City Manager Recommended				
	FTE	Temp	Ongoing	One-time	Total	FTE	Temp	Ongoing	One-time	Total
<b>Parks Maintenance Fund</b>										
<b>New</b>										
19PK07 Parks Automation (PM Fund Portion)	-	-	1,000	19,050	20,050	-	-	-	-	-
19PK11 Tree Removal and Replacement (PM Fund Portion)	-	-	-	35,000	35,000	-	-	-	35,000	35,000
19PK15 Wayfinding Master Plan	-	-	-	85,000	85,000	-	-	-	-	-
19PK16 Mutt Mitts	-	-	50,000	-	50,000	-	-	-	-	-
<b>Subtotal Parks Maintenance Fund</b>	-	-	<b>51,000</b>	<b>139,050</b>	<b>190,050</b>	-	-	-	<b>35,000</b>	<b>35,000</b>
<b>Parks Levy Fund</b>										
<b>New</b>										
19PK07 Parks Automation (PL Fund Portion)	-	-	3,000	52,100	55,100	-	-	-	-	-
19PK11 Tree Removal and Replacement (PL Fund Portion)	-	-	-	5,000	5,000	-	-	-	-	-
19PK17 Parks Levy Fund Service Level Increases	3.00	-	874,590	95,199	969,789	3.00	-	874,590	95,199	969,789
19PK18 Ballfield Additions - Finn Hill MS & Peter Kirk ES	0.75	-	211,716	27,500	239,216	0.75	-	211,716	27,500	239,216
19PK19 Green Kirkland Partnership Steward Expansion	0.50	-	99,420	2,047	101,467	0.50	-	99,420	2,047	101,467
19PK20 Crew Labor in Riparian and Sensitive Areas	-	-	160,000	-	160,000	-	-	160,000	-	160,000
<b>Subtotal Parks Levy Fund</b>	<b>4.25</b>	-	<b>1,348,726</b>	<b>181,846</b>	<b>1,530,572</b>	<b>4.25</b>	-	<b>1,345,726</b>	<b>124,746</b>	<b>1,470,472</b>
<b>Street Operating Fund</b>										
<b>Renewal of One time</b>										
19PW23 2.0 FTE Laborers (Street Op. Fund Portion) - FTE Authority	1.20	-	-	-	-	1.20	-	-	-	-
<b>New</b>										
19PW24 Asphalt Paving Equipment	-	-	74,800	264,000	338,800	-	-	74,800	264,000	338,800
19PW25 Stump Grinder	-	-	5,334	22,000	27,334	-	-	5,334	22,000	27,334
19PW26 Sidewalk/ADA Upgrades Opportunity Fund	-	-	-	100,000	100,000	-	-	-	100,000	100,000
19PW27 Electronics Technician I ("Signal Technician")	1.00	-	239,746	-	239,746	1.00	-	239,746	-	239,746
19PW28 Municipal Garage Repairs	-	-	-	275,000	275,000	-	-	-	275,000	275,000
19PW29 Parking Garage Operator	-	-	-	400,000	400,000	-	-	-	400,000	400,000
19PW30 De-Icing Vehicles	-	-	55,120	112,000	167,120	-	-	55,120	112,000	167,120
19PW31 Intelligent Transportation System (ITS) Camera Software Licenses	-	-	6,000	11,000	17,000	-	-	6,000	11,000	17,000
<b>Subtotal Street Operating Fund</b>	<b>2.20</b>	-	<b>381,000</b>	<b>1,184,000</b>	<b>1,565,000</b>	<b>2.20</b>	-	<b>381,000</b>	<b>1,184,000</b>	<b>1,565,000</b>
<b>Lodging Tax Fund</b>										
<b>Renewals of One Time</b>										
19CM08 Additional Hours to Support Tourism Program	-	0.25	-	53,429	53,429	-	0.25	-	53,429	53,429
<b>New</b>										
19CM09 Tourism Website Redesign	-	-	-	60,000	60,000	-	-	-	60,000	60,000
<b>Subtotal Lodging Tax Fund</b>	-	<b>0.25</b>	-	<b>113,429</b>	<b>113,429</b>	-	<b>0.25</b>	-	<b>113,429</b>	<b>113,429</b>

**City of Kirkland  
2019-2020 Preliminary Budget  
Service Package Requests**

	2019-20 Department Request					2019-20 City Manager Recommended				
	FTE	Temp	Ongoing	One-time	Total	FTE	Temp	Ongoing	One-time	Total
<b>Surface Water Management Fund</b>										
<b>Renewal of One time</b>										
19PW23 2.0 FTE Laborers (SWM Fund Portion) - FTE Authority	0.80	-	-	-	-	0.80	-	-	-	-
<b>New</b>										
19PW32 4" Trailer Mounted Pump	-	-	15,118	75,000	90,118	-	-	15,118	75,000	90,118
19PW33 Stormwater Retrofit Planning	-	-	-	350,000	350,000	-	-	-	350,000	350,000
19PW34 Stormwater Pipe Capacity Analysis	-	-	-	200,000	200,000	-	-	-	200,000	200,000
19PW35 Environmental Monitoring	1.00	-	270,110	49,477	319,587	1.00	-	270,110	49,477	319,587
19PW36 Private Stormwater Inspection/Source Control Software Migration	-	-	-	60,000	60,000	-	-	-	60,000	60,000
19PW37 Temporary CIP Surface Water Engineer	-	1.00	-	259,200	259,200	-	1.00	-	259,200	259,200
<b>Subtotal Surface Water Management Fund</b>	<b>1.80</b>	<b>1.00</b>	<b>285,228</b>	<b>993,677</b>	<b>1,278,905</b>	<b>1.80</b>	<b>1.00</b>	<b>285,228</b>	<b>993,677</b>	<b>1,278,905</b>
<b>Water/Sewer Operating Fund</b>										
<b>New</b>										
19PW38 Sewer Dump Truck, Excavator & Trailer	-	-	108,948	324,000	432,948	-	-	108,948	324,000	432,948
19PW39 Water System Unidirectional Flushing Program	-	-	-	50,000	50,000	-	-	-	50,000	50,000
19PW40 Water Division Backflow Program	1.00	-	298,117	25,000	323,117	1.00	-	298,117	25,000	323,117
19PW41 Water & Sewer Cost of Service Analysis	-	-	-	50,000	50,000	-	-	-	50,000	50,000
<b>Subtotal Water/Sewer Operating Fund</b>	<b>1.00</b>	<b>-</b>	<b>407,065</b>	<b>449,000</b>	<b>856,065</b>	<b>1.00</b>	<b>-</b>	<b>407,065</b>	<b>449,000</b>	<b>856,065</b>
<b>Solid Waste Fund</b>										
<b>New</b>										
19PW42 Multifamily Bulky Item Pilot	-	-	-	80,000	80,000	-	-	-	80,000	80,000
19PW43 Yard Waste Extras	-	-	-	30,000	30,000	-	-	-	30,000	30,000
19PW44 Environmental Education and Outreach Specialist	-	0.25	-	49,536	49,536	-	0.25	-	49,536	49,536
<b>Subtotal Solid Waste Fund</b>	<b>-</b>	<b>0.25</b>	<b>-</b>	<b>159,536</b>	<b>159,536</b>	<b>-</b>	<b>0.25</b>	<b>-</b>	<b>159,536</b>	<b>159,536</b>

**City of Kirkland  
2019-2020 Preliminary Budget  
Service Package Requests**

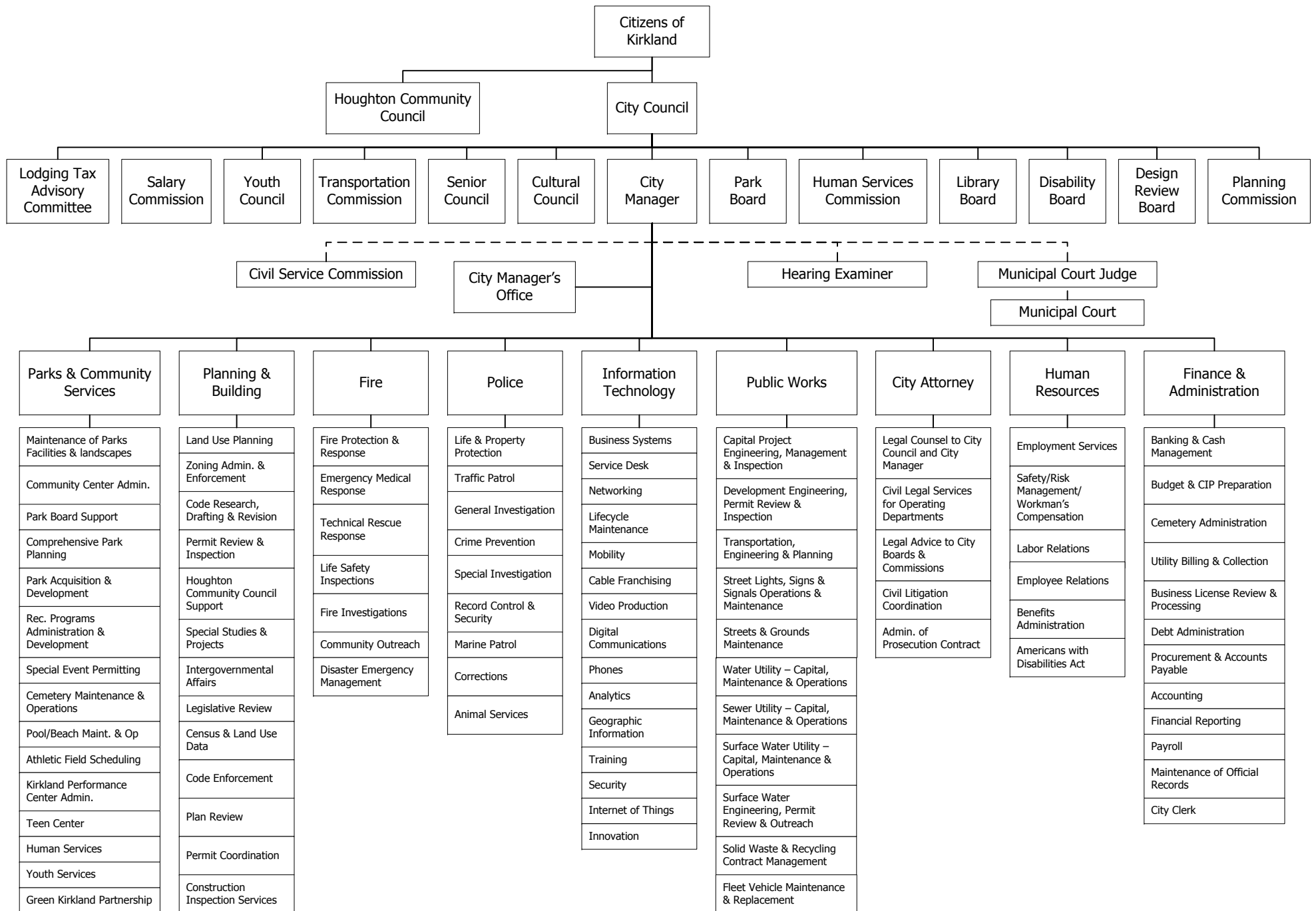
	2019-20 Department Request					2019-20 City Manager Recommended				
	FTE	Temp	Ongoing	One-time	Total	FTE	Temp	Ongoing	One-time	Total
<b>Information Technology Fund</b>										
<b>Renewals of One Time</b>										
19IT01 Senior GIS Analyst - Lucy	1.00	-	228,001	-	228,001	-	1.00	-	97,604	97,604
19IT02 IT Applications Analyst	1.00	-	234,949	-	234,949	-	1.00	-	234,949	234,949
19IT03 IT Interns for PC Deployment	-	-	-	25,036	25,036	-	-	-	25,036	25,036
<b>New</b>										
19IT04 Increase On-Call Hours for Digital Communication	-	-	-	8,302	8,302	-	-	-	8,302	8,302
19IT05 IFAS Sunset Support - 6 Months in 2019	-	-	-	40,600	40,600	-	-	-	40,600	40,600
19IT06 Analytics Software Licenses For Key IT Staff and Users	-	-	25,000	-	25,000	-	-	25,000	-	25,000
19IT07 Develop Framework for Smart City Program	-	-	-	75,000	75,000	-	-	-	100,000	100,000
19IT08 Develop Fiber Management and Funding Plan	-	-	-	50,000	50,000	-	-	-	50,000	50,000
19IT09 Leadership Training for IT Team	-	-	-	24,000	24,000	-	-	-	24,000	24,000
19IT10 Analytics Training for Key Staff	-	-	-	30,000	30,000	-	-	-	30,000	30,000
19IT11 Best Practices Documentation	-	-	22,000	-	22,000	-	-	22,000	-	22,000
19IT12 Cloud Migration Project Staff Support	-	1.00	-	80,873	80,873	-	1.00	-	80,873	80,873
<b>Subtotal Information Technology Fund</b>	<b>2.00</b>	<b>1.00</b>	<b>509,950</b>	<b>333,811</b>	<b>843,761</b>	<b>-</b>	<b>3.00</b>	<b>47,000</b>	<b>691,364</b>	<b>738,364</b>
<b>TOTAL OTHER FUNDS</b>	<b>11.25</b>	<b>2.75</b>	<b>2,982,969</b>	<b>4,257,091</b>	<b>7,240,060</b>	<b>9.25</b>	<b>4.75</b>	<b>2,466,019</b>	<b>4,453,494</b>	<b>6,919,513</b>
<b>TOTAL ALL FUNDS</b>	<b>34.75</b>	<b>25.80</b>	<b>10,207,920</b>	<b>13,763,541</b>	<b>23,971,461</b>	<b>24.75</b>	<b>31.80</b>	<b>7,467,403</b>	<b>14,899,831</b>	<b>22,367,234</b>

# KIRKLAND PROFILE



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# CITY OF KIRKLAND





# CITY COUNCIL VALUES AND GOALS

The purpose of the City Council Goals is to articulate key policy and service priorities for Kirkland. Council goals guide the allocation of resources through the budget and capital improvement program to assure that organizational work plans and projects are developed that incrementally move the community towards the stated goals. Council goals are long term in nature. The City's ability to make progress 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.
- **Community** - The City of Kirkland is one community composed of multiple neighborhoods. Achievement of Council goals will be respectful of neighborhood identity while supporting the needs and values of the community as a whole.

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

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

## PUBLIC SAFETY

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

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

## DEPENDABLE INFRASTRUCTURE

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

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

## BALANCED TRANSPORTATION

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

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

## ECONOMIC DEVELOPMENT

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

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

## PARKS AND RECREATION

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

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

## ENVIRONMENT

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

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

## FINANCIAL STABILITY

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

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

## HUMAN SERVICES

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

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

## NEIGHBORHOODS

The 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 character, services and infrastructure.

## HOUSING

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

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

# ***KIRKLAND'S CITY MANAGEMENT***

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

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

**Kirkland's Comprehensive Plan** is updated annually. As required by the Growth Management Act (GMA), the last major update process was completed as part of the Kirkland 2035 Comprehensive Plan Update and adopted in December 2015.

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

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

The City's 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.*

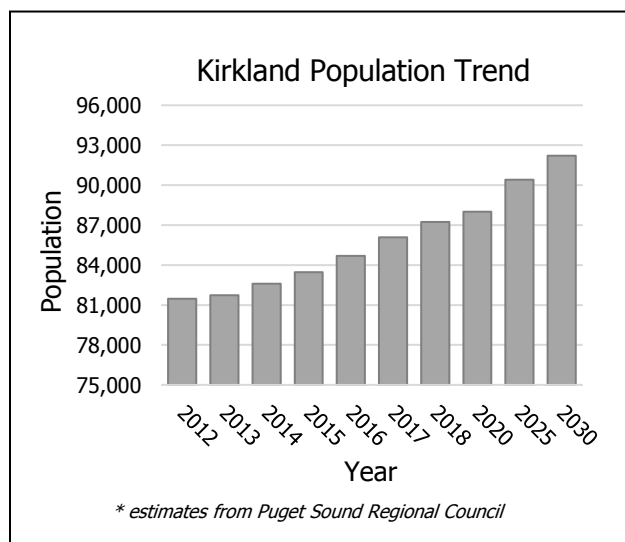
*Kirkland strives to be a model, sustainable city that values preserving and enhancing our natural environment for our enjoyment and future generations.*

## CITY OF KIRKLAND

# ECONOMIC ENVIRONMENT

### POPULATION

Kirkland has seen modest growth since the City annexed Finn Hill, Kingsgate, and Juanita in 2011. The estimated population in 2018 is 87,240. The City is expected to surpass 90,000 residents by 2025. The chart below shows city population over the past seven years including projections for 2020, 2025 and 2035.



### EMPLOYMENT BASE

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

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

Approximately 46,300 individuals are employed within the City limits. The following table presents the City's top 10 employers as of 2018.

### Kirkland's Major Employers

Employer	# of Employees
Evergreen Healthcare	4,281
Lake Washington School District	1,157
Google, Inc.	1,020
City of Kirkland	621
Astronics Advanced Electronic Systems	483
Wave Broadband	447
Kenworth Truck Company	402
Fairfax Hospital	376
Costco Wholesale	336
Greenpoint Technologies	330

### UNEMPLOYMENT RATE

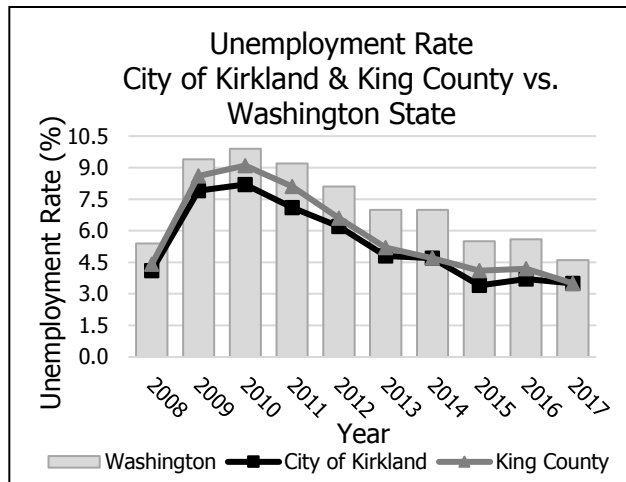
Unemployment rates in King County generally run parallel to state and national rates but at a lower level. Since 2004, King County's unemployment rate has consistently been below the national rate. Since that time, the City of Kirkland's unemployment rate has remained at or below King County rates. The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

### Unemployment Rates<sup>1</sup>

Year	City of Kirkland <sup>2</sup>	King County	State of Washington	United States
2008	4.1	4.4	5.4	5.8
2009	7.9	8.6	9.4	9.3
2010	8.2	9.1	9.9	9.6
2011	7.1	8.1	9.2	8.9
2012	6.2	6.6	8.1	8.1
2013	4.8	5.2	7.0	7.4
2014	4.7	4.7	7.0	6.2
2015	3.4	4.1	5.5	5.3
2016	3.7	4.2	5.6	4.9
2017	3.5	3.5	4.6	4.4

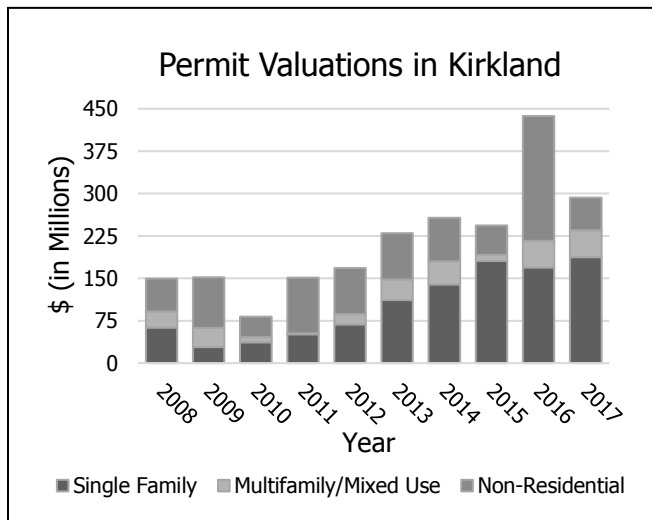
<sup>1</sup> Rate is per the U.S. Bureau of Labor Statistics.

<sup>2</sup> Rate for the pre-annexation City. According to the BLS, statistics for annexation areas will be included after the 2020 census.



## BUILDING ACTIVITY

Kirkland's local construction trends are a microcosm of the regional economy. A strong economy in the Puget Sound area drove development growth in Kirkland during the boom years of the mid 2000's. Construction activity was well above historical averages before declining in 2008 and 2009 during the recession. Kirkland's development hit its post-recession low in 2010 before construction started a slow climb back to pre-recession levels (as shown in the following chart and table). The annexation of Finn Hill, Kingsgate, and Juanita drove development up in 2011, but the level of activity was still slow due to a sluggish economy. By 2013, development began to grow and has remained at its higher rate up to the present. In 2016, large commercial and public projects, like Kirkland Urban and the Village at Totem Lake, drove permit valuations to its highest level in history.



## Permit Valuation in Millions of Dollars<sup>1</sup>

Year	Single Family	Multifamily Mixed Use	Non-Resident	Total
2008	63	28	59	150
2009	29	34	89	152
2010	37	9	36	82
2011	51	2	99	152
2012	69	18	82	169
2013	111	37	82	230
2014	140	41	77	258
2015	181	11	52	244
2016	169	47	221	437
2017	188	47	58	293

<sup>1</sup> Based on building permits issued by the City of Kirkland Building Division.

## OTHER ECONOMIC INDICATORS

### Office Vacancies

- According to the latest report available from CB Richard Ellis Real Estate Services, Kirkland's office vacancy rate was 3.9 percent at the end of the second quarter of 2018. There were only 4 areas in the Puget Sound with vacancy rates below 4 percent. The Eastside and the Puget Sound as a whole, have office vacancy rates of 9.5 percent and 10.3 percent, respectively.
- The Kirkland Urban development will increase the City's supply of rentable office space by 38 percent. Thirty percent of this 625,000 square foot development is already preleased.

### Housing Values

- Based on data from Zillow.com, Kirkland home values have continued to trend up since 2012, rising 16.4 percent between August 2016 and August 2017, and 7.1 percent between August 2017 and August 2018.

### Inflation

- The Seattle Metro Consumer Price Index (CPI), a measure of price changes for goods and services, has grown over the 2017-18 biennium with an increase of 2.5 percent from August 2016 to August 2017 and growth of 3.1 percent from August 2017 to August 2018.



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# BUDGET GUIDE

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



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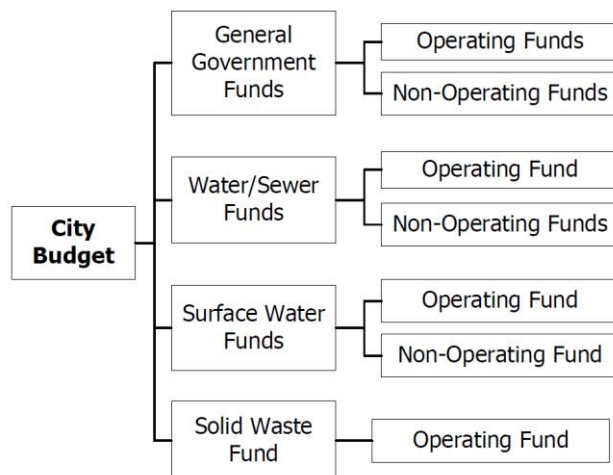
# ***GUIDE TO BUDGET FUND STRUCTURE***

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

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

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

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

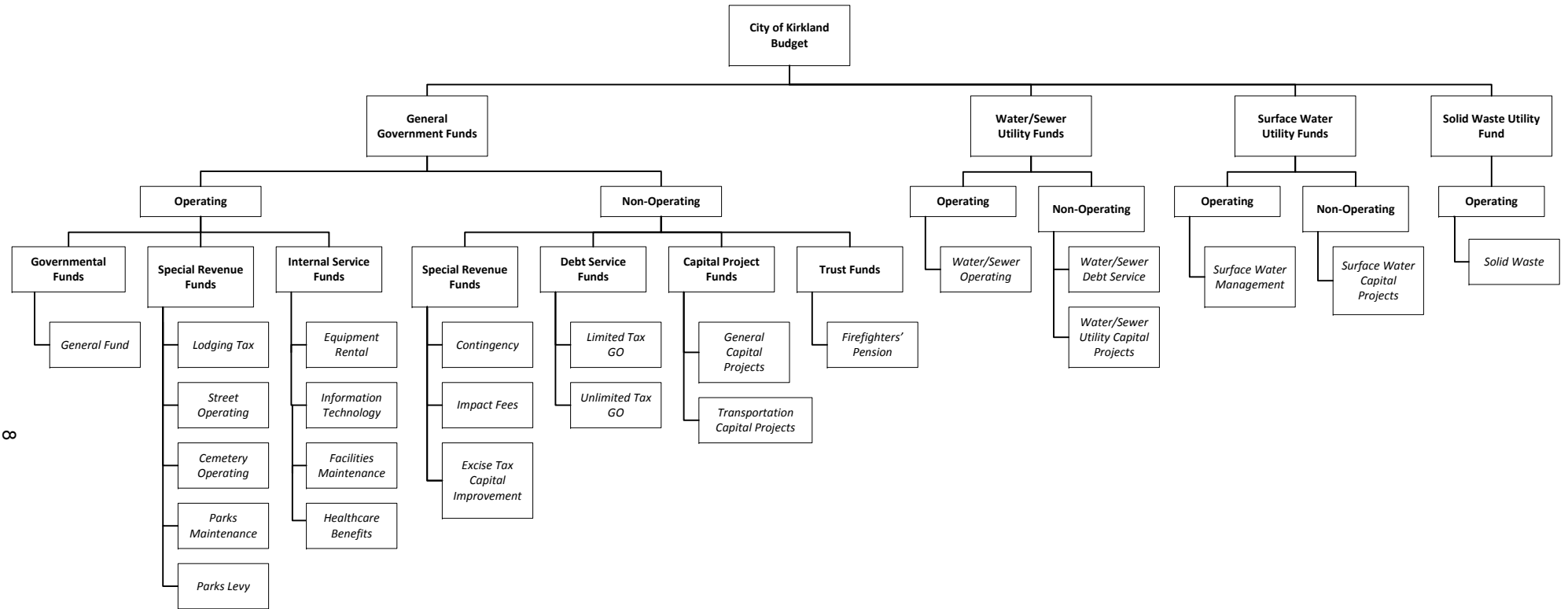


The chart on the following page illustrates the organization of funds in greater detail.



# CITY OF KIRKLAND

## Organization of Funds



# ***BUDGETING, ACCOUNTING AND REPORTING BASIS***

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

## **BUDGETARY BASIS**

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

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

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

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

## **ACCOUNTING AND REPORTING BASIS**

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

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

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

# ***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 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.
4. In late August, the Deputy City Manager, Director of Finance & Administration, Financial Planning Manager and Budget Analyst meet with each department to review their basic budget requests.
5. In early September, departments submit additional funding requests (called "service packages") for new positions, equipment, and projects which are over and above their basic budgets. The F&A Department reviews all service package requests by mid-September. In years when funding is limited, departments may also be asked to submit proposed expenditure reductions.
6. In 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 citizen input on proposed revenue sources for the coming biennium.
7. The City Manager finalizes the preliminary budget proposal, which includes recommended service packages and reductions (if any), by mid-September. In October, the City Manager and F&A Director brief the Council Finance & Administration Committee on the preliminary budget proposal.
8. In October, the F&A Department prepares and prints the preliminary budget document for the coming biennium. By November 1st, the preliminary budget document is filed with the City Clerk, distributed to the City Council and the departments, and made available to the public.
9. The City Council meets in October and/or November for a series of budget study sessions to review the City Manager's proposed budget and to determine if there are any changes they wish to make.
10. The City holds at least one public hearing in mid-November to gather citizen input on the preliminary budget as well as on any changes made by the City Council during their budget deliberations.
11. In December, the City Council adopts the final property tax levy for the coming year and the final budget for the coming biennium each by ordinance via a simple majority of the members present. The appropriation approved by the City Council is at the individual fund level.

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

#### **BUDGET ADJUSTMENT PROCESS**

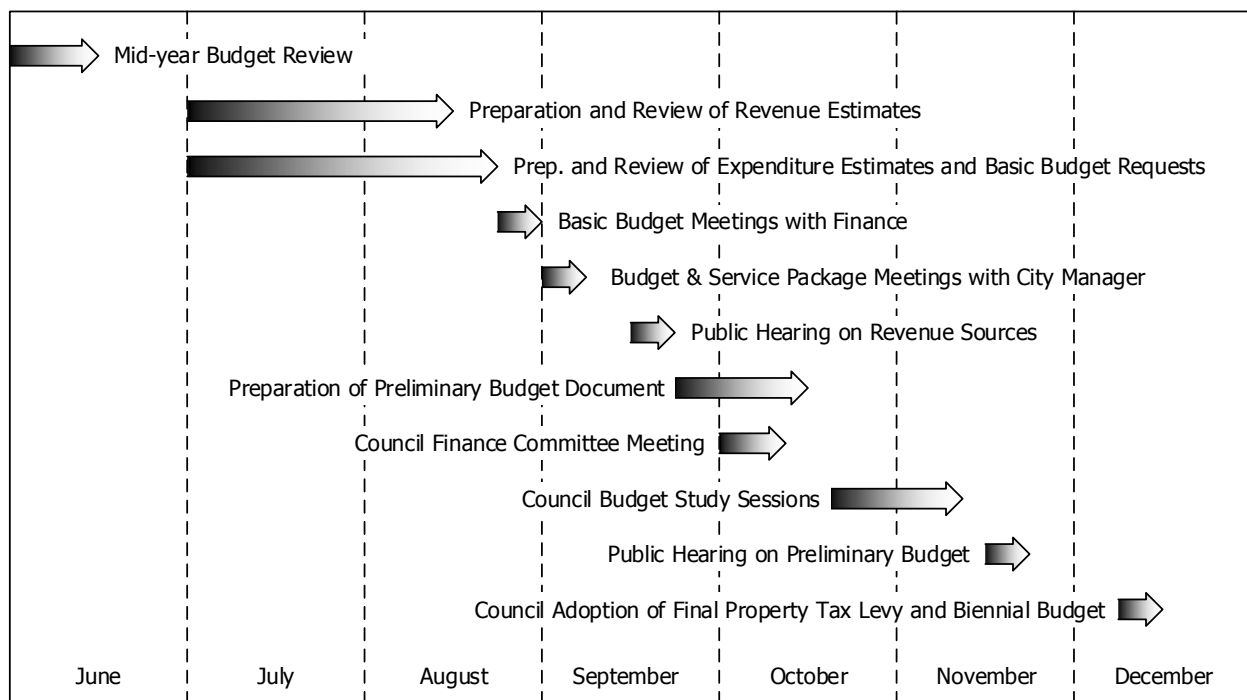
There are two types of adjustments related to the adopted budget: 1) transfers between line items or between departments within the same fund; and 2) changes to an individual fund's total appropriation. The former is handled administratively when needed with the approval of the F&A Director. The latter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

The first opportunity to adjust a fund's total appropriation generally occurs in 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. Also, this is when the General Fund's total appropriation is adjusted, if necessary, to provide the budgetary authority to transfer excess net resources to other funds in order to replenish or build-up reserves and to fund one-time service packages in the coming biennium. In addition to the three adjustment processes described above, other adjustments may occur during the biennium as needed.

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

1. Requests for budget adjustments are submitted in writing to the F&A Director.
2. If approved, requests are consolidated in an ordinance and presented to the City Council at a regular meeting at one of the 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.

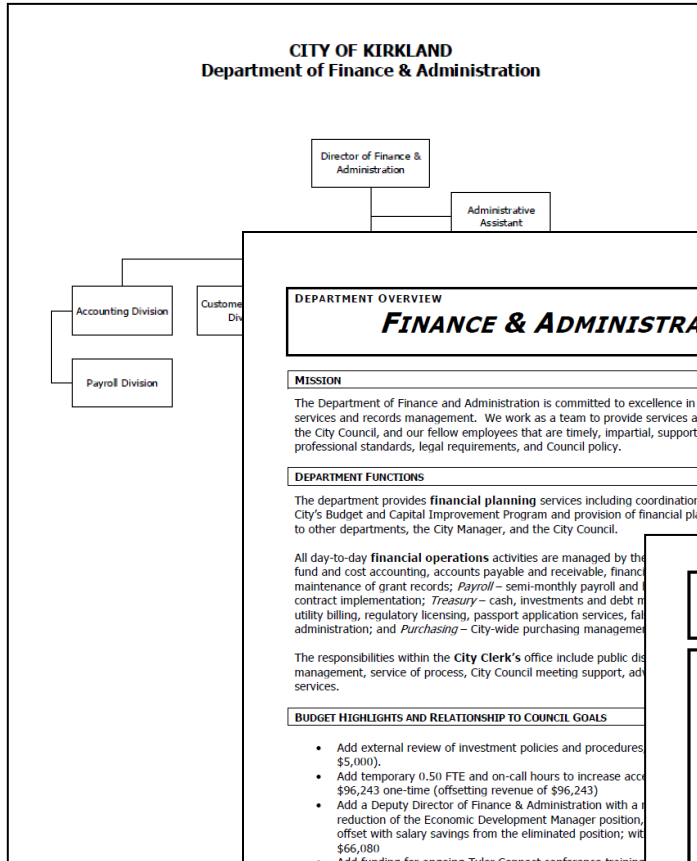
#### **BIENNIAL BUDGET PREPARATION TIMELINE**



# 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.



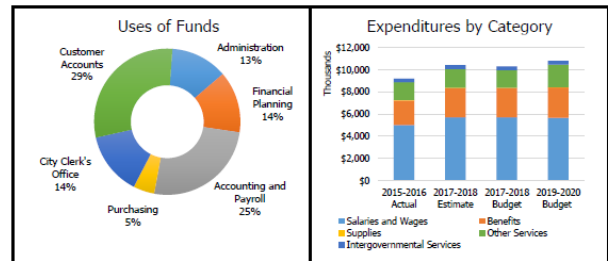
The reporting relationships are delineated in each department section. Positions and/or functions that are budgeted in a different fund are indicated by a dashed outline box.

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.

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

### FINANCIAL OVERVIEW

## FINANCE & ADMINISTRATION



### EXPENDITURE SUMMARY BY CATEGORY

	2015-2016 Actual	2017-2018 Estimate	2017-2018 Budget	2019-2020 Budget	Change
Salaries and Wages	5,011,620	5,722,713	5,720,975	5,675,274	-0.80%
Benefits	2,224,841	2,600,133	2,630,923	2,727,633	3.68%
Supplies	49,955	48,522	37,848	37,546	-0.80%
Other Services	1,612,562	1,708,319	1,589,741	2,021,646	27.17%
Intergovernmental Services	302,201	344,577	317,600	332,530	4.70%
Capital Outlay	-	-	-	n/a	n/a
Interfund Transfers	-	-	-	n/a	n/a
<b>TOTAL</b>	<b>9,201,179</b>	<b>10,424,265</b>	<b>10,297,087</b>	<b>10,794,629</b>	<b>4.83%</b>

### EXPENDITURE SUMMARY BY DIVISION

	2015-2016 Actual	2017-2018 Estimate	2017-2018 Budget	2019-2020 Budget	Change
Administration	1,131,396	1,384,192	1,350,853	1,362,031	0.83%
Financial Planning	1,344,540	1,413,400	1,453,372	1,471,221	1.23%
Accounting and Payroll	2,391,548	2,650,038	2,644,895	2,754,839	4.16%
Purchasing	492,544	475,156	484,138	507,203	4.76%
City Clerk's Office	1,336,485	1,469,655	1,462,024	1,504,989	2.94%
Customer Accounts	2,504,665	3,031,824	2,901,805	3,194,346	10.08%
<b>TOTAL</b>	<b>9,201,179</b>	<b>10,424,265</b>	<b>10,297,087</b>	<b>10,794,629</b>	<b>4.83%</b>

# **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.

<b>City of Kirkland 2019-2020 Budget General Fund Revenues</b>						
	<b>Object</b>	<b>2015-2016 Actual</b>	<b>2017-2018 Estimate</b>	<b>2017-2018 Budget</b>	<b>2019-2020 Budget</b>	<b>Percent Change</b>
<b>Taxes</b>						
Property Tax	311101	35,260,637	37,268,549	37,147,371	39,035,971	5.08%
Retail Sales Use Tax	313111	39,023,132	45,016,266	40,903,169	49,477,400	20.96%
Annexation Sales Tax	313121	7,890,956	8,088,965	7,870,000	7,870,000	0.00%
Brokered Nat Gax Tax	313611	4,302	5,362	3,780	5,362	41.85%
Crim Just Local Sales Tax	313711	4,401,218	4,801,462	4,668,000	5,130,423	9.91%
Rev Generating Regulatory Lic	316101	4,947,319	5,753,734	5,045,272	6,121,953	21.34%
Rev Generating Bus Lic Prior Yr	316102	-	72,753	-	-	0.00%
Electric Utility Tax	316411	7,335,259	7,827,958	7,801,000	8,096,522	3.79%
Gas Utility Tax	316431	2,564,052	2,784,321	2,428,000	2,637,271	8.62%
TelevisionCable-Private	316461	3,263,755	3,082,248	3,280,000	2,610,599	-20.41%
Telephone Utility Tax	316471	5,650,469	4,623,900	5,636,000	3,746,292	-33.53%
Telephone Utility Tax Audit	316472	119,475	-	-	-	0.00%
Water Customer Utility Tax	316481	2,989,925	3,109,252	2,948,116	3,317,470	12.53%
Sewer Cust Utility Tax	316482	2,639,834	2,819,259	2,802,319	3,003,056	7.16%
Solid Waste Utility Tax	316483	3,233,080	3,522,448	3,190,023	3,465,530	8.64%
Surface Water Cust Utility Tax	316484	1,406,263	1,474,149	1,433,469	1,570,079	9.53%
Punch Boards Pull Tabs	316811	543,106	466,948	720,522	434,738	-39.66%
Bingo & Raffle	316821	4,619	3,446	912	3,446	277.85%
Amusement Games	316831	4,049	3,661	3,124	2,506	-19.78%
Card Games	316841	2,025,698	2,373,919	1,713,088	2,336,921	36.42%
Leasehold Excise Tax	317201	143,606	140,788	163,490	138,418	-15.34%
Admissions Tax	318111	170,921	175,872	150,750	170,726	13.25%
<b>Total for Taxes</b>		<b>123,621,675</b>	<b>133,415,262</b>	<b>127,908,405</b>	<b>139,174,683</b>	<b>8.81%</b>
<b>License and Permits</b>						
Cabaret License	321703	775	225	250	250	0.00%
Amusement License	321709	25	100	-	-	0.00%
Franchise Fee	321911	8,024,090	7,967,855	8,033,307	7,565,369	-5.82%
Comm Registration Fees	321912	-	11,200	-	-	0.00%
Business License Fee	321991	1,319,133	1,468,085	1,403,337	1,005,409	-28.36%
Business License Fee Prior Yr	321992	-	50,000	-	190,000	0.00%
Building Permit	322101	4,658,937	6,453,195	4,225,987	6,680,728	58.09%
Plumbing Permit	322102	403,871	890,562	325,800	950,000	191.59%
Clear Grade Permit	322103	16,776	15,456	15,480	13,300	-14.08%
Side Sewer Permit	322104	253,845	226,001	180,000	180,000	0.00%
Mechanical Permit	322105	841,594	1,186,763	619,200	950,000	53.42%
Sign Permit	322106	55,913	53,156	36,000	38,000	5.56%
Electric Permit	322107	1,109,857	1,416,682	972,000	1,140,000	17.28%
House Moving Permit	322109	3,915	5,463	1,825	2,280	24.93%
Animal License	322301	-	234,985	284,330	504,000	77.26%
Street Curb Permit	322401	569,565	759,736	504,000	590,000	17.06%
Sidewalk Permit	322402	15,516	23,123	21,362	21,362	0.00%
Alarm Registration	322900	137,019	167,424	136,000	205,314	50.97%
Fireworks Permit	322901	-	(25)	-	-	0.00%
Fire Alarm Permit	322902	106,485	117,940	137,735	143,112	3.90%
Concealed Weapon Permit	322903	30,979	25,922	22,000	22,000	0.00%
Other License Permit	322905	29,467	19,026	24,000	22,000	-8.33%
Fire Sprinkler Permit	322906	133,602	211,545	142,415	286,739	101.34%
Fire Systems -Other Permits	322907	8,990	18,066	8,442	41,925	396.62%
Recreational Fire Permit	322909	79	-	-	-	0.00%
Public Property Permit	322911	-	7,007	-	-	0.00%



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# FISCAL POLICIES





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# ***FISCAL POLICIES***

## **BACKGROUND AND PURPOSE**

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

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

## **OPERATING BUDGET POLICIES**

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

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

## **REVENUE AND EXPENDITURE POLICIES**

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

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

- The City will maintain revenue and expenditure categories according to state statute and administrative regulation.
- Current revenues will be sufficient to support current expenditures.
- All revenue forecasts will be performed utilizing accepted analytical techniques.
- All fees for services shall be reviewed and adjusted (where necessary) at least every three years to ensure that rates are equitable and cover the total cost of service, or that percentage of total service cost deemed appropriate by the City.

- 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 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, Street Operating Fund and Parks Maintenance Fund) for the second year of the biennium. The General Operating Reserve is available to address unforeseen revenue shortfalls or expenditure needs that occur during the current biennium.
- The City will maintain a Revenue Stabilization Reserve to address temporary revenue losses due to economic cycles or other time-limited causes. The Revenue Stabilization Reserve will be maintained at ten percent of selected General Fund revenue sources which, in the judgment of the Director of Finance and Administration, are subject to volatility. The Revenue Stabilization Reserve may be used in its entirety; however, replenishment will be a priority, consistent with adopted policies.
- The City will maintain a Council Special Project Reserve, which is available to the City Council to fund special one-time projects that were unforeseen at the time the budget was prepared. When the reserve is used, it is replenished from the General Fund year-end fund balance to a target balance of \$250,000.
- The City will maintain a General Capital Contingency to address unforeseen project expenditures or external revenue shortfalls in an amount equivalent to ten percent of the funded two-year CIP budget, less proprietary fund projects 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 a Capital Improvement Project Reserve as a 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 reserve will be maintained in the Real Estate Excise Tax Capital Reserve Fund and will provide for \$1 million of Real Estate Excise Tax revenue from the first quarter percent of the tax and \$1 million of revenue from the second quarter percent of the Real Estate Excise Tax. These amounts will be maintained through excise tax revenue received over and above the annual allocation to the Capital Improvement Plan.
- The City will maintain a Building and Property Reserve with a minimum balance of \$600,000. This reserve is used for property purchases, building improvements and other property-related transactions. It can also be used as a general purpose reserve to fund Council-approved unanticipated expenditures.
- The City will maintain fully funded reserves for the replacement of vehicles and personal computers. Contributions will be made through assessments to the using funds and maintained on a per asset basis.
- Additional reserve accounts may be created to account for monies for future known expenditures, special projects, or other specific purposes.
- All reserves will be presented in the biennial budget.

#### *Reserve Replenishment*

- Reserve replenishments occur in 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% of the target level shall be set to at least 1% 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% of target and the revenue stabilization reserve is at 100% of target. Some or all of those unplanned funds may be used in place of planned (budgeted) amounts in the following biennium to the extent it meets or exceeds the 1% budgeted amount.
- Once reserves reach 80% of target and revenue stabilization reserve is at 100%, funds may be used to meet other one time or on-going needs. Additional funds should be used to fund a variety of needs, based on the following process:
  - Set 50% of available cash toward reserves until they are at 100% of target.
  - The remaining 50% shall be available for one or more of the following needs, depending on the nature of the funds available (one-time or on-going) and in the following order of priority:
    - Fund liabilities related to sinking funds for public safety and information technology equipment,
    - Maintain current service levels,
    - Fund one-time projects or studies,

- Increase funding for capital purposes,
  - Restore previous program service reductions,
  - Potential program and service enhancements.
- In terms of priority for replenishing the individual reserves, the following guidelines shall be used:
    - If the Council Special Projects reserve is below target, replenish to target at the start of each biennium.
    - If the revenue stabilization reserve is below target, prioritize replenishing the reserve.
    - To the extent cash is from volatile revenues above budgeted amounts, those funds should be applied to revenue stabilization reserve first.
    - If unplanned funds are available because planned reserve uses did not occur, those funds should be returned to the source reserve.
    - The source of uncommitted funds should be taken into consideration (for example, interest earnings over budget could be applied to the capital contingency, since they are one of the designated sources for this reserve).
    - The degree to which an individual reserve is below target (for example, the reserve that is furthest from its target level on a percentage basis might receive a larger share of the funds).
    - Decisions on how replenishments are allocated to specific reserves will be based on where available funds came from and on each reserve's status at the time the decision is made.
    - The replenishment policy will provide a mechanism whereby Council may take action to suspend replenishment policies if it was found that special conditions existed warranting such action.

<b>DEBT MANAGEMENT POLICIES</b>
---------------------------------

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

- The City will maintain a formal Debt Management Policy which is reviewed and endorsed by state and/or national professional organizations. The complete policy can be found in the appendix of this document.
- City Council approval is required prior to the issuance of debt.
- An analytical review shall be conducted prior to the issuance of debt.
- The City will continually strive to maintain its bond rating by improving financial policies, budget forecasts and the financial health of the City so its borrowing costs are minimized and its access to credit is preserved.
- All debt issued by the City will include a written opinion by bond counsel affirming that the City is authorized to issue the proposed debt.
- The City of Kirkland will not use long-term debt to support current operations.
- Long-term borrowing will only be used for capital improvements that cannot be financed from current revenues.
- Non-capital furnishings, supplies, and personnel will not be financed from bond proceeds.
- Interest, operating and/or maintenance expenses will be capitalized only for enterprise activities; and will be strictly limited to those expenses incurred prior to actual operation of the facilities.



- The general obligation debt of Kirkland will not exceed an aggregated total of 7.5% of the assessed valuation of the taxable property within the City.
- The following individual percentages shall not be exceeded in any specific debt category:
  - General Debt -- 2.5% of assessed valuation
  - Non-Voted -- 1.5% Limited Tax General Obligation (LTGO) Bonds
  - Voted -- 1.0% Unlimited Tax General Obligation Bonds
  - Utility Debt -- 2.5% of assessed valuation
  - Open Space and Park Facilities -- 2.5% of assessed valuation
- The City's policy is to plan and direct the use of debt so that debt service payments will be a predictable and manageable part of the Operating Budget.
- Short-term borrowing will only be used to meet the immediate financing needs of a project for which long-term financing has been secured but not yet received.
- Assessment bonds will be considered in place of general obligation bonds, where possible, to assure the greatest degree of public equity.
- Limited Tax General Obligation (LTGO) bonds will be issued only if:
  - A project requires funding not available from alternative sources;
  - Matching fund monies are available which may be lost if not applied for in a timely manner; or
  - Emergency conditions exist.
- The issuance of bonds shall be financed for a period not to exceed a conservative estimate of the asset's useful life.
- General Obligation bonds will be issued with maturities of 30 years or less unless otherwise approved by Council.
- The maturity of all assessment bonds shall not exceed statutory limitations. RCW 36.83.050.
- The City will use refunding bonds, where appropriate, when restructuring its current outstanding debt.

<b>CAPITAL IMPROVEMENT POLICIES</b>
-------------------------------------

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

- The City will establish and implement a comprehensive multi-year Capital Improvement Program.
- The Capital Improvement Program will be prepared biennially concurrent with the development of the biennial budget. A mid-biennium review and update will take place during the first year of the biennium.
- The City Council will designate annual ongoing funding levels for each of the major project categories within the Capital Improvement Program.
- Financial analysis of funding sources will be conducted for all proposed capital improvement projects.

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



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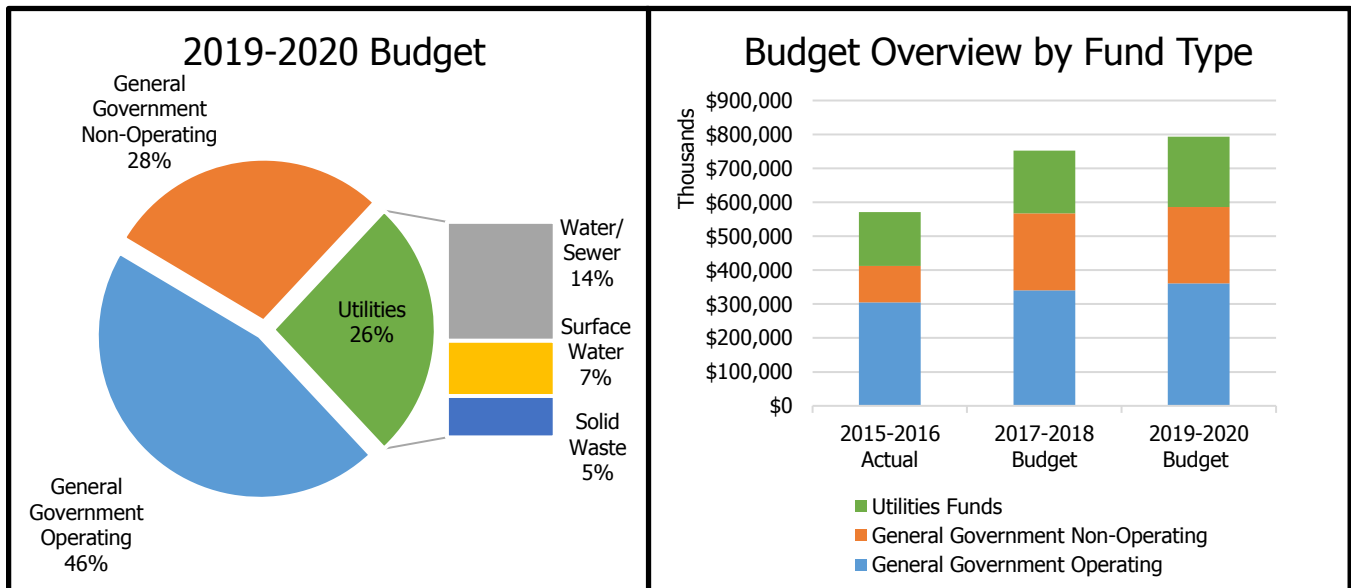
# Budget Summary

# CITY OF KIRKLAND

## 2019-2020 Budget

### Budget Summary

#### \$793,024,135



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

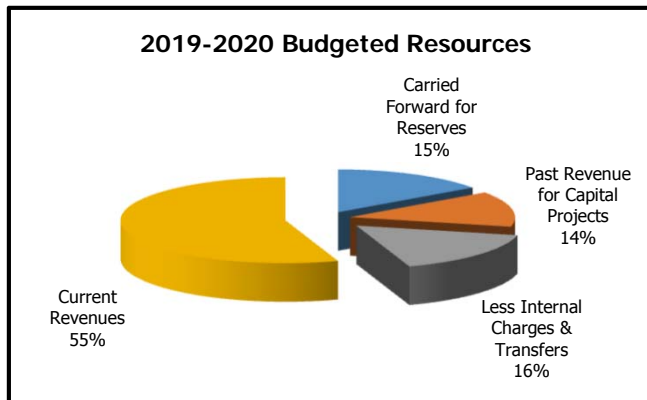


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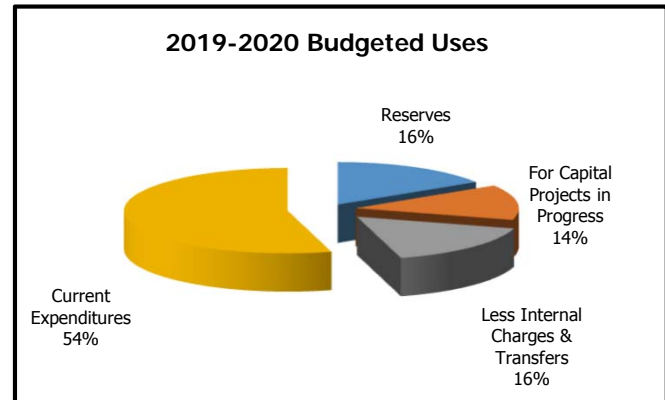
# CITY OF KIRKLAND

## 2019-2020 TOTAL RESOURCES AND USES

### WHERE THE MONEY COMES FROM



### WHERE THE MONEY GOES



<b>Total Budgeted Resources</b>	<b>\$793,024,135</b>
<b>Less Resources Forward (Cash)</b>	
Carried Forward for Reserves	(120,793,025)
Past Revenue for Capital Projects	(105,943,115)
<b>Less Internal Charges &amp; Transfers</b>	<b>(128,628,535)</b>
<b>Current Revenues</b>	<b><u>\$437,659,460</u></b>

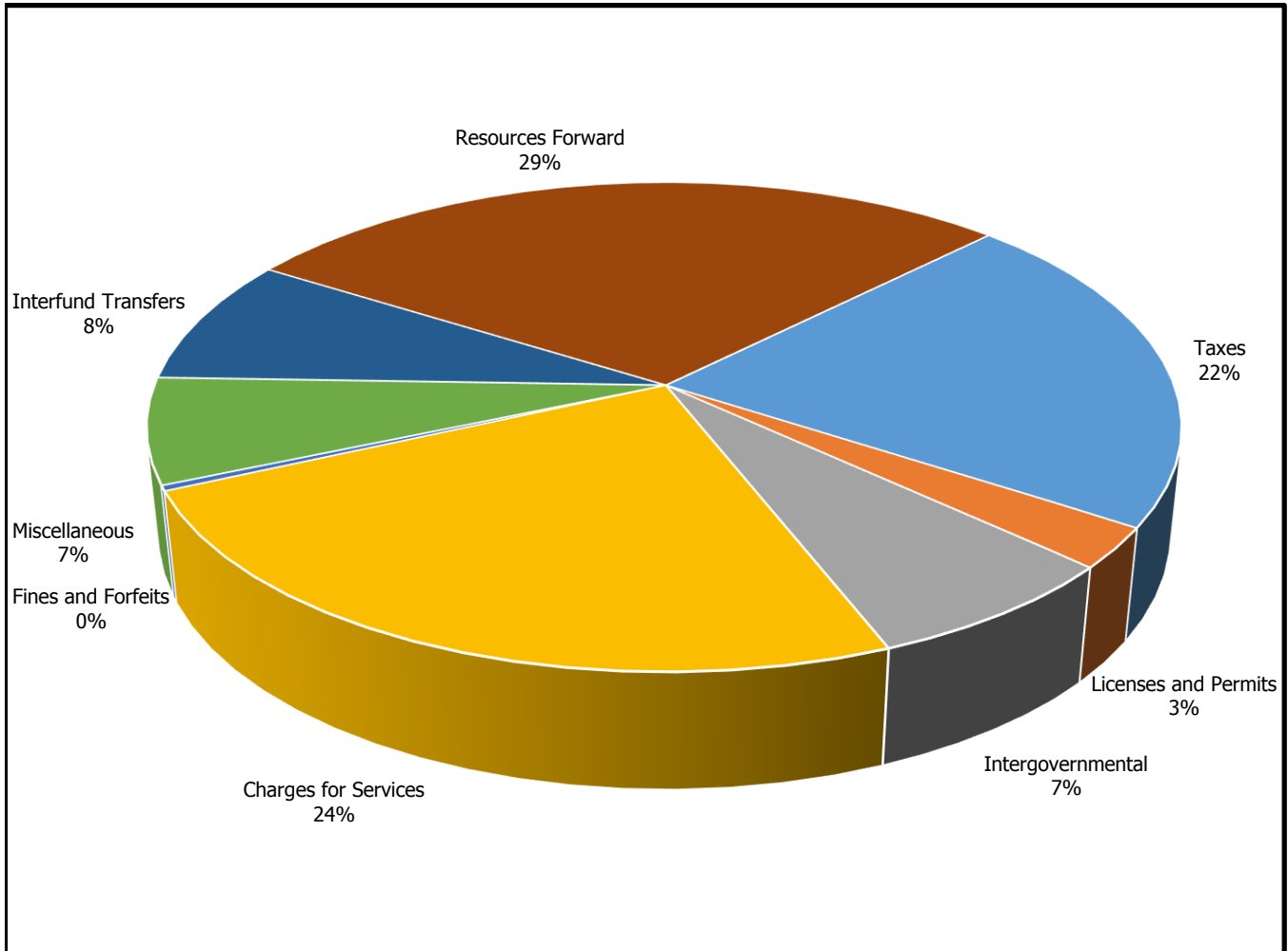
<b>Total Budgeted Uses</b>	<b>\$793,024,135</b>
<b>Less Reserves &amp; Working Capital</b>	
Reserves	(127,689,008)
For Capital Projects in Progress	(105,943,115)
<b>Less Internal Charges &amp; Transfers</b>	<b>(128,628,535)</b>
<b>Current Expenditures</b>	<b><u>\$430,763,477</u></b>

The total budget of \$793 million encompasses all resources and uses, including reserves, unreserved working capital, and internal transactions involving payments or transfers from one fund to another. Including these transactions in the budget provides a full accounting of the activities in each fund. However, they also have the effect of "grossing up" the total budget.

Current revenues reflect what the City expects to receive from external sources. Across all functions, about \$437.7 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 \$430.8 million is projected to be spent during the next biennium citywide. The \$6.9 million difference between current revenues and current expenditures represents an increase in reserve balance due to development activity and planned general purpose reserve replenishments.

**CITY OF KIRKLAND**  
**2019-2020 Budget**  
**Total Government Revenue Summary**

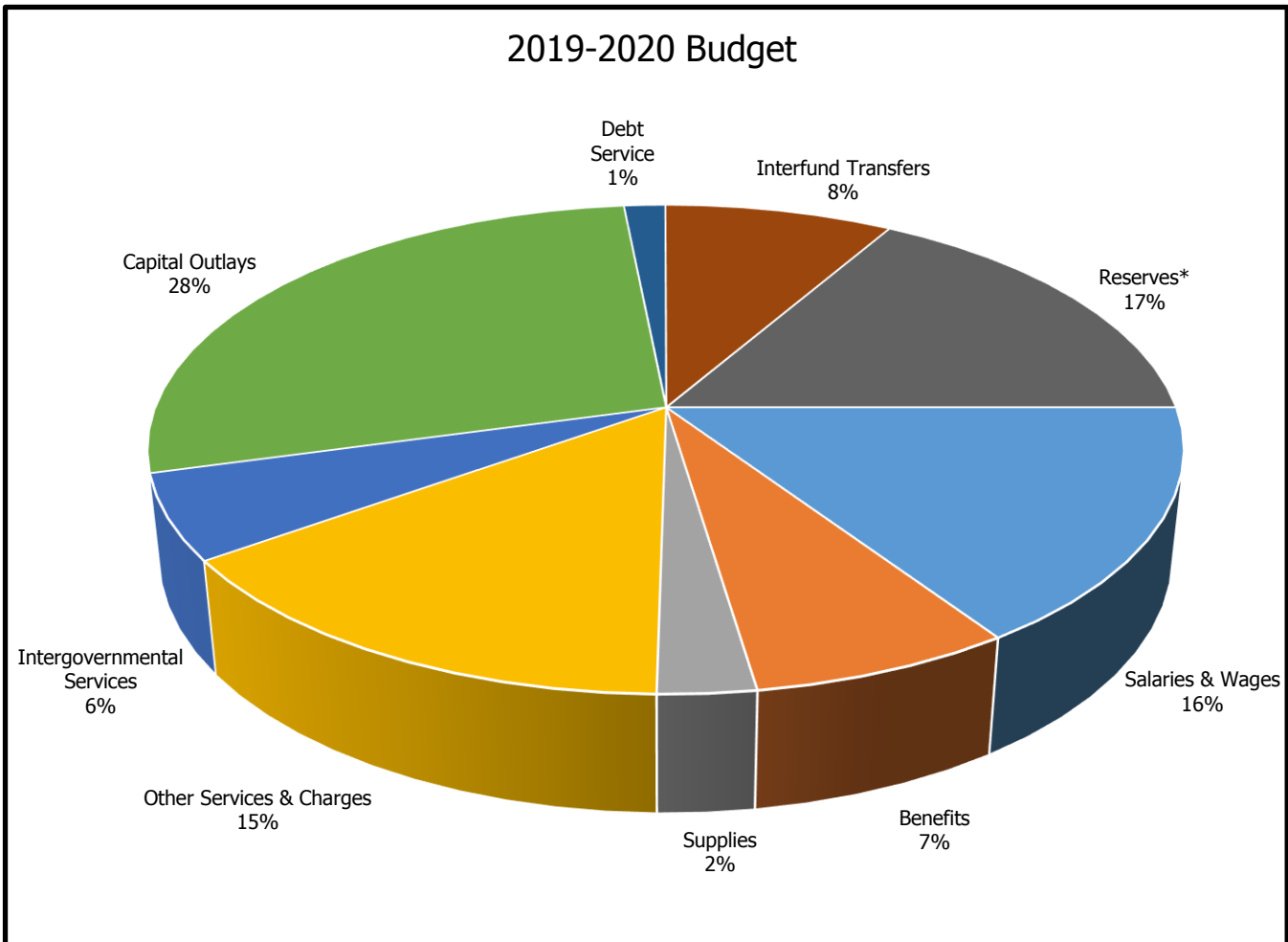


**Analysis of Change**

Revenue Type	2015-2016 Actual	2017-2018 Budget	2019-2020 Budget	Change
Taxes	165,275,335	165,274,065	171,902,690	4.01%
Licenses and Permits	18,367,028	17,575,009	21,413,026	21.84%
Intergovernmental	22,734,413	38,656,640	56,767,650	46.85%
Charges for Services	177,376,262	199,730,734	191,654,017	-4.04%
Fines and Forfeits	3,584,278	3,729,737	2,821,498	-24.35%
Miscellaneous	46,255,961	37,942,131	55,181,750	45.44%
Interfund Transfers	64,897,262	94,820,129	66,547,364	-29.82%
Resources Forward	156,874,306	194,098,206	226,736,140	16.82%
<b>Total Revenue</b>	<b>655,364,844</b>	<b>751,826,651</b>	<b>793,024,135</b>	<b>5.48%</b>



**CITY OF KIRKLAND**  
**2019-2020 Budget**  
**Total Government Expenditure Summary**



**Analysis of Change**

Expenditure Category	2015-2016 Actual	2017-2018 Budget	2019-2020 Budget	Change
Salaries & Wages	103,777,315	116,682,151	123,890,955	6.18%
Benefits	44,358,846	51,381,031	55,629,868	8.27%
Supplies	16,234,432	18,106,022	20,714,178	14.40%
Other Services & Charges	113,547,762	120,750,850	117,740,764	-2.49%
Intergovernmental Services	41,308,915	44,776,580	44,627,618	-0.33%
Capital Outlays	62,754,901	191,075,018	219,848,381	15.06%
Debt Service	14,492,678	9,169,670	12,061,372	31.54%
Interfund Transfers	64,897,262	94,383,822	66,547,364	-29.49%
Reserves*	109,486,410	105,501,507	131,963,635	25.08%
<b>Total Expenditure</b>	<b>570,858,521</b>	<b>751,826,651</b>	<b>793,024,135</b>	<b>5.48%</b>

*\* 2015-2016 actual and 2017-2018 estimated reserves are budgeted, but not spent*

**General Government Operating Funds  
2019-2020 Budget Overview: By Type/Fund**

<b>Fund</b>	<b>2015-2016 Actual</b>	<b>2017-2018 Budget</b>	<b>2019-2020 Budget</b>	<b>Change</b>
<i>General Fund</i>				
General Fund	198,268,839	227,827,159	245,651,799	7.82%
<i>Special Revenue Funds</i>				
Lodging Tax Fund	694,423	989,747	931,981	-5.84%
Street Operating Fund	21,536,797	21,768,985	22,765,763	4.58%
Cemetery Operating Fund	902,213	969,615	1,163,870	20.03%
Parks Maintenance Fund	2,985,191	3,442,036	3,671,012	6.65%
Parks Levy Fund	5,536,933	5,963,904	6,877,269	15.31%
<b>Total Special Revenues Funds</b>	<b>31,655,557</b>	<b>33,134,287</b>	<b>35,409,895</b>	<b>6.87%</b>
<i>Internal Service Funds</i>				
Health Benefits Fund	24,387,812	25,295,960	19,905,690	-21.31%
Equipment Rental Fund	20,035,698	23,485,279	27,675,835	17.84%
Information Technology Fund	14,683,889	16,339,696	16,428,916	0.55%
Facilities Maintenance Fund	15,844,614	14,749,560	15,771,474	6.93%
<b>Total Internal Service Funds</b>	<b>74,952,014</b>	<b>79,870,495</b>	<b>79,781,915</b>	<b>-0.11%</b>
<b>Gen. Gov't Operating Total</b>	<b>304,876,411</b>	<b>340,831,941</b>	<b>360,843,609</b>	<b>5.87%</b>

**General Government Non-Operating Funds**

<b>Fund</b>	<b>2015-2016 Actual</b>	<b>2017-2018 Budget</b>	<b>2019-2020 Budget</b>	<b>Change</b>
<i>Special Revenue Funds</i>				
Contingency Fund	4,036,425	5,675,121	6,292,477	10.88%
Impact Fees	10,364,617	15,031,070	14,394,618	-4.23%
Excise Tax Capital Improvement	22,218,497	37,089,546	20,964,701	-43.48%
<b>Total Special Revenues Funds</b>	<b>36,619,538</b>	<b>57,795,737</b>	<b>41,651,796</b>	<b>-27.93%</b>
<i>Debt Service Funds</i>				
LTGO Debt Service	8,273,048	7,205,293	10,164,749	41.07%
UTGO Debt Service	1,449,743	1,468,097	1,434,094	-2.32%
<b>Total Debt Service Funds</b>	<b>9,722,791</b>	<b>8,673,390</b>	<b>11,598,843</b>	<b>33.73%</b>
<i>Capital Projects Funds</i>				
General Capital Projects Fund	33,525,713	67,417,988	56,493,690	-16.20%
Transportation Capital Projects Fund	25,555,174	90,916,986	114,126,156	25.53%
<b>Total Capital Projects Funds</b>	<b>59,080,887</b>	<b>158,334,974</b>	<b>170,619,846</b>	<b>7.76%</b>
<i>Trust Funds</i>				
Firefighter's Pension	1,717,024	1,429,524	1,474,145	3.12%
<b>Total Trust Funds</b>	<b>1,717,024</b>	<b>1,429,524</b>	<b>1,474,145</b>	<b>3.12%</b>
<b>Gen. Gov't Non-Operating Total</b>	<b>107,140,240</b>	<b>226,233,625</b>	<b>225,344,630</b>	<b>-0.39%</b>

## Utility Funds

Fund	2015-2016 Actual	2017-2018 Budget	2019-2020 Budget	Change
<i>Water/Sewer Utility</i>				
Water/Sewer Operating Fund	59,025,520	68,416,084	74,147,610	8.38%
Water/Sewer Debt Service	606,576	956,438	923,742	-3.42%
Utility Capital Projects Fund	27,365,962	32,983,281	39,049,908	18.39%
<b>Water/Sewer Utility</b>	<b>86,998,059</b>	<b>102,355,803</b>	<b>114,121,260</b>	<b>11.49%</b>
<i>Surface Water Utility</i>				
Surface Water Operating Fund	22,838,328	27,814,939	29,631,615	6.53%
Surface Water Capital Projects Fund	14,785,267	18,086,380	23,362,555	29.17%
<b>Surface Water Utility</b>	<b>37,623,595</b>	<b>45,901,319</b>	<b>52,994,170</b>	<b>15.45%</b>
<i>Solid Waste Utility</i>				
Solid Waste Operating Fund	34,220,217	36,503,963	39,720,466	8.81%
<b>Solid Waste Utility</b>	<b>34,220,217</b>	<b>36,503,963</b>	<b>39,720,466</b>	<b>8.81%</b>
<b>Utility Funds Total</b>	<b>158,841,871</b>	<b>184,761,085</b>	<b>206,835,896</b>	<b>11.95%</b>
<b>All Funds</b>	<b>570,858,521</b>	<b>751,826,651</b>	<b>793,024,135</b>	<b>5.48%</b>



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# REVENUE

A guide to major revenue sources and trends



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## ***REVENUE TRENDS & ASSUMPTIONS***

### **TAXES**

#### **PROPERTY TAX**

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

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

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

Although property taxes represent a major source of funding for City services, the portion of each property owner's total tax bill allocated to the City is relatively small. Due to annexation, the City's rate varies depending on specific neighborhood. In 2019, the total typical property tax rate in Kirkland is \$8.78 per \$1,000 of assessed valuation. Of that total, about 12 percent, or \$1.04 per \$1,000

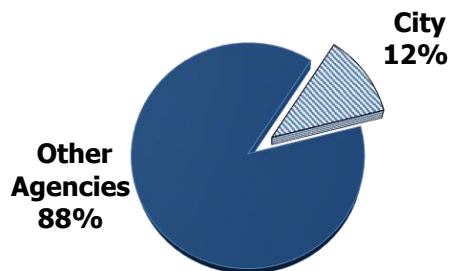
assessed valuation, goes to the City. This rate includes the 2002 and 2012 levy lid lifts for parks maintenance and the 2012 levy lid lift for street preservation and pedestrian safety.

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

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

The annual tax impact on a property owner is usually different than the percent increase of the levy, since it depends on several factors such as changes in the assessed valuation of the property, growth or decline in the City's overall assessed valuation, and levy increases by other taxing districts. The actual levy rate also changes based on these variables. The property tax rate is determined by dividing the levy amount by the assessed valuation per \$1,000.

#### **2019 Property Tax Distribution**



## **Budget**

Property Tax	2017-2018	2019-2020
	\$59,387,213	\$63,111,241
General Fund	\$37,147,371	\$39,570,929
Street Operating Fund	\$5,818,382	\$6,203,909
Street Maintenance/Pedestrian Safety Levy (Street Operating Fund)	\$6,484,885	\$6,914,611
Parks Maintenance	\$2,726,189	\$2,906,880
Parks Levy Fund	\$2,586,174	3,600,195
Parks Levy allocated to Capital Projects	\$2,500,000	\$1,823,000
Fire District Debt Service	\$960,352	\$960,352
Voted Debt Service (UTGO Fund)	\$1,163,860	\$1,131,365

## **Trends and Assumptions**

### *Methodology*

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

### *Trends*

- New construction as a percentage of each year's total base regular levy has ranged between 0.34 percent and 3.94 percent over the last ten years.
- The 2019-2020 Property Tax is based on final property tax information received from King County, including a new construction levy of \$727,726 that added 2.41 percent to the final levy.

### *Key Assumptions*

- One percent growth in new construction in 2020.
- One percent optional levy increase in 2019 and 2020.

## **SALES TAX**

Sales tax is one of the primary sources of funding for general City services and is budgeted to be the largest single source of General Fund revenue in the 2019-20 biennium.

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

The general sales tax rate within the City of Kirkland is 10.0 percent. Of the 10.0 percent, 0.85 percent is returned to the City of Kirkland, and the remainder is distributed to the State, King County, and other public agencies. An additional 0.3 percent sales tax is collected by Washington State on vehicle sales and leases to fund transportation improvements. With Proposition 1 passing, the total General Sales Tax Rate will increase to 10.1 percent, but the auto rate will remain at 10.3 percent based on state statute. The distribution of the sales tax is displayed in the table to the above.

Jurisdiction	Rate (%)
State of Washington	6.500
King County/METRO	1.000
King County Criminal Justice Levy	0.100
City of Kirkland	
(1.0 with 0.15 remitted to King County for administrative costs)	
Existing City Portion	0.850
New City Portion	0.085
Total City Portion	<b>0.935</b>
Existing County Portion	0.150
New County Portion	0.015
Total County Portion	<b>0.165</b>
Regional Transit Authority	1.400
<b>Total General Sales Tax Rate</b>	<b>10.100</b>
Additional Auto Sales/Lease Rate	0.300
Less 1% ballot measure (n/a)	-0.100
<b>Total Auto Sales/Lease Rate</b>	<b>10.300</b>



## **Budget**

Sales Tax	2017-2018	2019-2020
	<b>\$40,903,169</b>	<b>\$49,477,400</b>
General Fund	\$40,903,169	\$49,477,400

## **Trends and Assumptions**

### *Methodology*

- The City's fiscal policy is to budget in the coming 2 years an amount equivalent to the total expected sales tax revenue collected in the prior year. The 2018 revenue estimate projects revenues to be 6.0 percent higher than 2017. The 2019 and 2020 base budget amounts are equal to the 2018 estimated revenue.
- The City's preliminary base budget for 2019-2020 was increased by \$3.2 million based on the assumed passage of Proposition 1, which funds Public Safety and Human Services initiatives.

### *Trends*

Annual sales tax over the last 8 years:

	2011	2012	2013	2014	2015	2016	2017	2018 est.
Revenue (\$ millions)	13.39	14.34	16.34	17.96	18.94	20.08	21.85	23.16
% Change from Previous Year	4.5%	7.1%	13.9%	9.9%	5.5%	6.0%	8.8%	6.0%

- Sales taxes have been recovering strongly since the "great recession" in 2009, with particularly strong growth in 2013 and 2014.
- The City started receiving revenue from the annexation area in September 2011, which contributed about 1 percent of the gain for that year.
- Revenues over the past three years (2016-2018) have increased due strong improvement in development related activity and continued growth in the retail sectors.

### *Key Assumptions*

- City sales tax rate of 0.95 percent (one point one percent less 0.15 percent remitted to King County for administrative costs).
- 2019 and 2020 base budgeted sales taxes are based on 2018 estimated receipts, plus additional revenue from the 0.1% sales tax authorized by Proposition 1.
- Automobile sales are exempt from the 0.1% sales tax authorized by Proposition 1, pursuant to State statute.

## **STATE SALES TAX CREDIT**

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

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

Prior to March 1 of each year, the City must notify the Department of Revenue of the maximum amount of distributions it is allowed to receive for the upcoming fiscal year.

### **Budget**

<b>Sales Tax Credit</b>	<b>2017-2018</b>	<b>2019-2020</b>
	<b>\$7,870,000</b>	<b>\$7,870,000</b>
General Fund	\$7,870,000	\$7,870,000

### **Trends and Assumptions**

#### *Methodology*

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

#### *Trends*

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

#### *Key Assumptions*

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

### **KING COUNTY CRIMINAL JUSTICE LEVY**

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

### **Budget**

<b>Criminal Justice Levy</b>	<b>2017-2018</b>	<b>2019-2020</b>
	<b>\$4,668,000</b>	<b>\$5,130,423</b>
General Fund	\$4,668,000	\$5,130,423

### **Trends and Assumptions**

#### *Methodology*

- Distributed on the basis of population.

#### *Trends*

- 2018 revenues are estimated to increase over 2017 by 4.5 percent.

#### *Key Assumptions*

- 2019-20 budget based on 2018 estimate plus 3.0 percent in 2019 and 2020 is estimated to be 3.0 percent above 2019.

## **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 effective tax rates for both residential and commercial customers for City utilities are as follows:

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

## **Budget**

<b>Utility Taxes (General Fund)</b>	<b>2017-2018</b>	<b>2019-2020</b>
	<b>\$29,518,927</b>	<b>\$28,446,819</b>
Electric Utility (Private)	\$7,801,000	\$8,096,522
Gas Utility (Private)	\$2,428,000	\$2,637,271
Television Cable (Private)	\$3,280,000	\$2,610,599
Telephone Utility (Private)	\$5,636,000	\$3,746,292
Water Utility (City-owned)	\$2,948,116	\$3,317,470
Sewer Utility (City-owned)	\$2,802,319	\$3,003,056
Solid Waste Utility (City-contracted)	\$3,190,023	\$3,465,530
Surface Water Utility (City-owned)	\$1,433,469	\$1,570,079

## **Trends and Assumptions**

### *Methodology*

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

### *Trends*

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

### *Key Assumptions*

- 2019-20 budget is based on 2018 estimates with 2 percent increase for electric utilities, no increase for gas utilities, and an 8 percent and a 10 percent decline estimated for cable and telephone taxes respectively, based on recent declines and downward pressure on the tax base from increasing market competition and consumer 'cord-cutting' behavior.
- For public utilities growth assumptions are based on approved rate changes

## **REAL ESTATE EXCISE TAX**

The Real Estate Excise Tax is levied on all sales of real estate, measured by the full selling price, including the amount of any liens, mortgages, and other debts given to secure the purchase. The State levies this tax at the rate of 1.28 percent. Cities are also authorized to impose a local tax of 0.50 percent. The first 0.25 percent tax must be used primarily for local capital improvements identified under the capital facilities plan element of the City's Comprehensive Plan. The second 0.25 percent, which is optional, must be used primarily to fund transportation capital projects according to City ordinance. In addition, the legislature expanded eligible uses of the second 0.25 percent to include facilities to provide housing for the homeless.

State legislation allows for the use of a portion this revenue, with specific reporting requirements for maintenance of capital facilities. Given this provision, the preliminary 2019-2020 budget includes funding for park maintenance purposes.

### **Budget**

<b>Real Estate Excise Tax</b>	<b>2017-2018</b>	<b>2019-2020</b>
	<b>\$14,000,000</b>	<b>\$7,500,000</b>
Excise Tax Capital Improvement Fund	\$14,000,000	\$7,500,000

### **Trends and Assumptions**

#### *Methodology*

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

#### *Trends*

- 2017 revenues were significantly higher than expected, with actual revenues collected at 211 percent of the original budget. The 2017 budget was revised as part of the 2017-2022 CIP update to provide funding for capital projects. Revenue in 2018 is expected to match 2017 collections of around \$10 million.
- 2017-18 revenue is expected to be 7.5 percent higher than 2015-2016 actual revenues, reflecting an increase in median home values.

#### *Key Assumptions*

- Real Estate Excise Tax of 0.5 percent.
- Current allocation for 2019-20 budget are shown in the table to the right.

These allocations include amounts collected from prior years that are held in reserves.

<b>Current allocation</b>	<b>2019-2020</b>
	<b>\$14,998,217</b>
REET 1-	
Parks CIP	\$1,582,000
Transportation CIP	\$756,000
Fire Facilities	\$5,800,000
Parks Maintenance	\$424,217
REET 2-	
Transportation CIP	\$6,436,000

## **GAMBLING TAX**

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

## **Budget**

<b>Gambling Tax</b>	<b>2017-2018</b>	<b>2019-2020</b>
	<b>\$2,437,646</b>	<b>\$2,777,611</b>
Card Games (General Fund)	\$1,713,088	\$2,336,921
Other Revenue (General Fund)	\$724,558	\$440,690

## **Trends and Assumptions**

### *Methodology*

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

### *Trends*

- Gambling revenue expected to exceed budget and remain relatively constant between 2017 and 2018.

### *Key Assumptions*

- Current establishments will continue to operate with stable activity.

## **LODGING TAX**

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

## **Budget**

<b>Lodging Tax</b>	<b>2017-2018</b>	<b>2019-2020</b>
	<b>\$585,818</b>	<b>\$612,737</b>
Lodging Tax	\$585,818	\$612,737

## **Trends and Assumptions**

### *Methodology*

- Based on current year receipts.

### *Trends*

- 2018 revenue expected to decrease about 7.7 percent over 2017.

### *Key Assumptions*

- 2019 budget based on 1 percent growth over estimated 2018 and 2020 budget based on 1 percent growth over 2019.
- Current establishments will continue to operate.

## **LICENSES AND PERMITS**

### **BUILDING RELATED PERMITS**

This category consists of revenue collected by the Building Division and the Public Works Department. Included in this category are building permits, plumbing permits, 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**

<b>Building Permits</b>	<b>2017-2018</b>	<b>2019-2020</b>
	<b>\$9,306,984</b>	<b>\$9,954,308</b>
General Fund	\$9,306,984	\$9,954,308

## **Trends and Assumptions**

### *Methodology*

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

### *Trends*

- Development-related activity has improved dramatically in recent years and remains high as significant activity, particularly at Totem Lake and Kirkland Urban, continues.

### *Key Assumptions*

- The 2019-20 budget is approximately based on the average of the 2017-2018 estimate, with adjustments to specific categories based on trends.

## **BUSINESS LICENSES AND PERMITS**

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

The business license fee structure has a \$100 base fee for annual renewals and an annual charge of \$105 per full time equivalent (FTE) for all employees of non-exempt businesses. This program also requires businesses with no physical presence in Kirkland that are doing business in the City (e.g. contractors) to obtain a business license. The base fee is considered a license revenue and the per FTE charge is considered a "revenue generating regulatory license."

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

## **Budget**

<b>Business Licenses &amp; Permits</b>	<b>2017-2018</b>	<b>2019-2020</b>
	<b>\$6,988,859</b>	<b>\$7,857,612</b>
Revenue Generating Regulatory Fee	\$5,045,272	\$6,121,953
Business License Fee & Permits	\$1,403,587	\$1,195,659
Street Operating Fund (RGRL)	\$540,000	\$540,000

## **Trends and Assumptions**

### *Methodology*

- Based on current year receipts.

### *Trends*

- The 2018 Revenue Generating Regulatory fee revenues are estimated to be about 4.2 percent higher than 2017. This is largely due to efforts to bring a number of expired business licenses into compliance.

### *Key Assumptions*

- 2019-20 base budget is based on 2018 estimates, with 2019 revenues budgeted one percent higher than 2018 and 2020 revenues budgeted at one percent above 2019.

## **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	2017-2018	2019-2020
	<b>\$8,033,307</b>	<b>\$7,565,369</b>
General Fund	\$8,033,307	\$7,565,369

### **Trends and Assumptions**

#### *Methodology*

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

#### *Trends*

- 2019-20 revenue is estimated to decrease 5.8 percent over 2017-18 due to reduced telephone and cable revenues

#### *Key Assumptions*

- 2019-20 budget based on a contractual fees.

## **INTERGOVERNMENTAL**

### **EMERGENCY MEDICAL SERVICES (EMS) LEVY**

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

### **Budget**

EMS Levy	2017-2018	2019-2020
	<b>\$1,923,107</b>	<b>\$2,326,439</b>
General Fund	\$1,923,107	\$2,326,439

### **Trends and Assumptions**

#### *Methodology*

- The current levy is set at a rate \$0.22394 per \$1,000 of assessed valuation.
- Distribution is based on a formula that considers the number of calls for service and total assessed valuation.

#### *Trends*

- 2018 revenue is estimated to be 4.5 percent higher than 2017.
- Voters renewed the levy in 2013 to continue for 2014-2019.

#### *Key Assumptions*

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

## **LIQUOR BOARD PROFITS AND EXCISE TAX**

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

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

### **Budget**

<b>Liquor Board Profits &amp; Excise Tax</b>	<b>2017-2018</b>	<b>2019-2020</b>
	<b>\$2,235,679</b>	<b>\$2,335,000</b>
Liquor Board Profits (Licensing Fees)	\$1,427,984	\$1,420,800
Liquor Excise Tax	\$807,695	\$914,200

### **Trends and Assumptions**

#### *Methodology*

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

#### *Trends*

- 2018 revenue is estimated to be 2 percent higher than 2017.

#### *Key Assumptions*

- Per capita calculation from the MRSC:
  - Liquor Excise Tax: \$5.14 and \$5.27 per capita, for 2019 and 2020, respectively.
  - Liquor Board Profits: \$8.02 and \$8.16 per capita, for 2019 and 2020, respectively.

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

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

### **Budget**

<b>Motor Vehicle Fuel Tax (Street Operating Fund)</b>	<b>2017-2018</b>	<b>2019-2020</b>
	<b>\$3,732,779</b>	<b>\$3,848,827</b>
MVFT-Street Operations	\$2,500,779	\$2,567,827
MVFT-Capital	\$1,232,000	\$1,281,000

### **Trends and Assumptions**

#### *Methodology*

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

#### *Trends*

- 2018 revenue is estimated to be approximately the same as 2017.
- Statewide, the revenue base is increasing as consumer gas consumption increase with population growth.

#### *Key Assumptions*

- Estimated annual per capita amount of \$20.71 in 2019 and 2020.



## **CHARGES FOR SERVICES**

### **PLANNING FEES AND PLAN CHECK FEES**

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

#### **Budget**

Planning Fees	2017-2018	2019-2020
	<b>\$6,689,403</b>	<b>\$6,284,593</b>
General Fund	\$6,689,403	\$6,284,593

### **Trends and Assumptions**

#### *Methodology*

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

#### *Trends*

- 2018 revenue is expected to be 24 percent lower than 2017 as several large development projects work through the development pipeline.

#### *Key Assumptions*

- 2019-2020 budget based on 2018 estimates.

### **EMERGENCY TRANSPORT FEE**

The Kirkland Fire Department began its Basic Life Support (BLS) Transport User Fee Program in March 2011. The Program was established to create a sustainable revenue source to support essential emergency medical services. Fees from the BLS transport user fee help cover the cost of providing emergency medical service, including ongoing funding for 5 firefighters that were added in 2016 with one time funds, and the administrative staff of the program.

#### **Budget**

Emergency Transport Fee	2017-2018	2019-2020
	<b>\$1,923,658</b>	<b>\$1,854,623</b>
General Fund	\$1,923,658	\$1,854,623

### **Trends and Assumptions**

#### *Methodology*

- Based on historical trends.

#### *Trends*

- 2018 revenue is expected to be 10.6 percent higher than 2017, but for the biennium, revenues are still expected to come in 9.3 percent under budget.

#### *Key Assumptions*

- 2019-2020 budget based on 2018 actuals.

## **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	2017-2018	2019-2020
	\$2,873,763	\$3,247,824
General Fund	\$2,873,763	\$3,247,824

### **Trends and Assumptions**

#### *Methodology*

- Based on historical trends.

#### *Trends*

- 2018 revenue is estimated to exceed budget and is expected to be 11.8 percent higher than 2017 due to high levels of development. The current level of development activity is expected to continue in 2019-2020.

#### *Key Assumptions*

- 2019-20 budget based on the average revenues over the last 4 years.

## **TRANSPORTATION AND PARK IMPACT FEES**

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

### **Budget**

Impact Fees	2017-2018	2019-2020
	\$8,353,934	\$4,000,000
Road Impact Fees	\$5,853,934	\$2,000,000
Park Impact Fees	\$2,500,000	\$2,000,000

### **Trends and Assumptions**

#### *Methodology*

- Based on expected development.

#### *Trends*

- Increased development activity has improved this revenue significantly; 2018 revenues exceeded \$9.7 million due to several large projects. 2018 is estimated to finish the year with about 3.7 times the amount of revenue in 2017 due to large projects.

#### *Key Assumptions*

- 2019-20 budget matches the preliminary CIP assumptions and returns revenue amounts to the 2016 budget level.

## **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**

<b>General Fund</b>	<b>2017-2018</b>	<b>2019-2020</b>
	<b>\$4,998,148</b>	<b>\$3,515,498</b>
Fines and Forfeits	\$3,714,148	\$2,771,498
Probation Fees	\$1,100,000	\$600,000
Electronic Home Detention Fees	\$184,000	\$144,000

### **Trends and Assumptions**

#### *Methodology*

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

#### *Trends*

- 2018 fine revenues are expected to be 4.6 percent less than 2017 revenues. Actual revenues in Fines and Forfeits have been lower than budget in 2017-18 due to a significant reduction in traffic infraction citations, offset by higher than expected code enforcement fees and business license penalties.

#### *Key Assumptions*

- 2019-20 budget based on 2017 actuals plus additional court related fines revenue, based on an assumed 10 percent caseload increase.

## **MISCELLANEOUS REVENUE**

### **INVESTMENT INCOME**

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

### **Budget**

<b>Investment Income</b>	<b>2017-2018</b>	<b>2019-2020</b>
	<b>\$2,743,419</b>	<b>\$6,002,247</b>
Various Funds	\$2,743,419	\$6,002,247

## **Trends and Assumptions**

### *Methodology*

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

### *Trends*

- Interest revenue is expected to grow compared to last biennium due to the increase in interest rates and investment income is expected to exceed budget by 85.0 percent. Economic conditions are improving and the bond market is generating higher yields for the City's investments reflected in the 2019-20 revenue estimates.

### *Key Assumptions*

- Federal Funds rate is expected to rise 3 times in 2019 pushing interest rates higher in 2019 and 2020.

## **RESOURCES FORWARD**

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

### **Budget**

Resources Forward	2017-2018	2019-2020
	<b>\$194,098,206</b>	<b>\$227,736,140</b>
All Funds	\$194,098,206	\$227,736,140

## **Trends and Assumptions**

### *Methodology*

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

### *Trends*

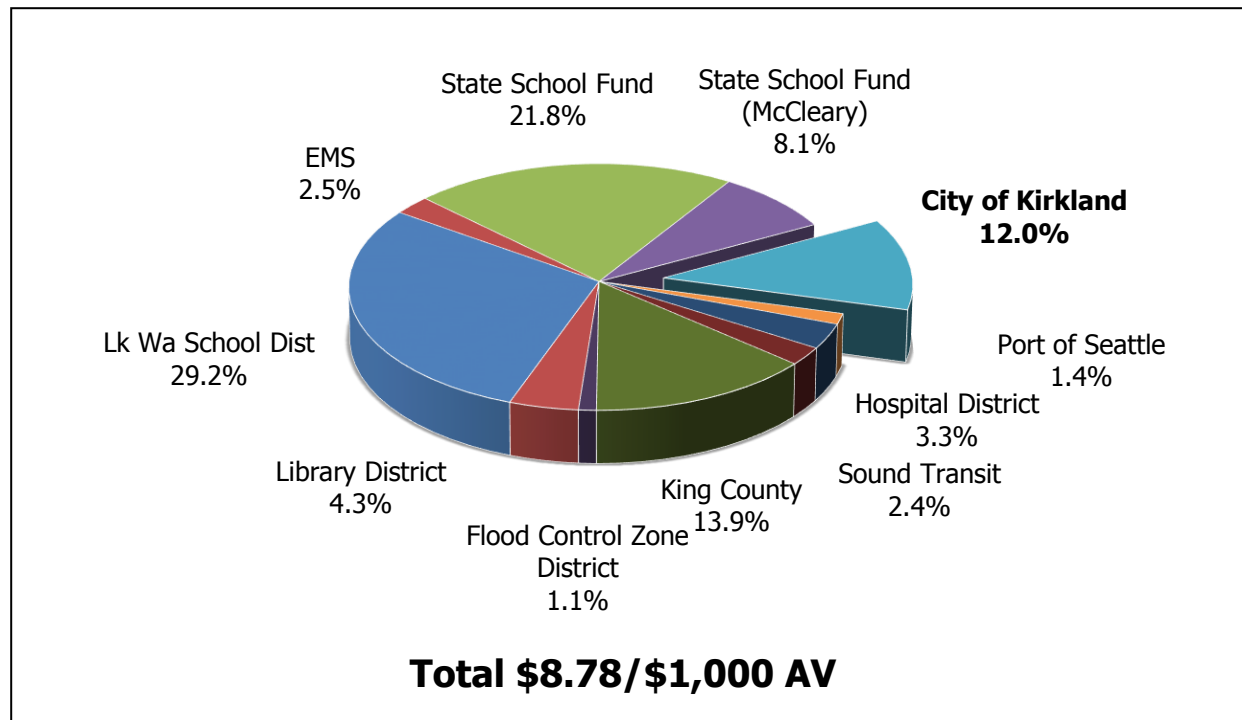
- Not applicable.

### *Key Assumptions*

- Not applicable.

# CITY OF KIRKLAND

## 2019 PROPERTY TAX DISTRIBUTION



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

Although property taxes represent a major source of funding for City services, the portion of each property owner's total tax bill that goes to the City is relatively small. In 2019, the total typical property tax rate in Kirkland is \$8.78 per \$1,000 of assessed valuation. Of that total, about 12.0%, or \$1.04 per \$1,000 assessed valuation, goes to the City, of which about \$0.03 is for voter-approved debt service (where applicable).

The graphic and narrative depict the most common tax distribution for Kirkland residents. Due to annexation, the City's rate varies from \$1.03 to \$1.10 depending on the specific neighborhood. Residents in the new neighborhoods do not pay for voter-approved debt prior to annexation. However, residents located within the former boundaries of Fire District #41 pay for bonds issued for fire station property acquisition and construction. In addition, there are variations in the taxing district boundaries within the city limits, so total tax rates vary as well.

# CITY OF KIRKLAND

## 2019-2020 DISTRIBUTION OF INVESTMENT INCOME

<b>Total Estimated Earnings</b>		\$ 6,002,247
Earned Interest Allocated to Utility Funds		
Water/Sewer	1,344,479	
Surface Water Management	707,537	
Solid Waste	<u>73,365</u>	
Subtotal to Utility Funds		2,125,381
Earned Interest Allocated to Lodging Tax Fund		13,938
Earned Interest Allocated to Cemetery Improvement/Operating Fund		34,723
Earned Interest Allocated to Park Maintenance Fund		28,254
Earned Interest Allocated to 2012 Park Levy Fund		30,471
Earned Interest Allocated to Impact Fee Fund		245,515
Earned Interest Allocated to REET Fund		968,972
Earned Interest Allocated to Self Insurance Fund		206,602
Earned Interest Allocated to Equipment Rental Fund		521,488
Earned Interest Allocated to Firefighter's Pension Fund		48,493
Net to Allocate		1,778,410
Dedicated Proceeds (General Fund):		
Investment Portfolio & Banking Expenditures		190,665
External Review of Investment Policies & Procedures		5,000
<b>Net to Distribute to General Fund</b>		<u><u>\$ 1,582,745</u></u>

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## BUDGET FOCUS

Selected schedules and charts focusing on key facts,  
issues and processes reflected in the 2019-2020 Budget



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

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

The chart following this narrative summarizes the changes in fund balance across all funds. An analysis of the changes in fund balance is included with each section of the budget (i.e. General Government Operating, Water/Sewer Utility, etc.) in addition to the summary provided here. The analysis shows the 2020 delineation between reserved fund balance and working capital. The following narrative highlights the major reserve policy components as they are incorporated in the 2019-2020 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 1% of General Fund revenues to reserve replenishment in 2019-20. These 1% 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 2018 Ending Balance	Projected Changes	Estimated 2020 Ending Balance
<b>GENERAL PURPOSE</b>				
Contingency	Unforeseen expenditures	5,675,121	617,356	<b>6,292,477</b>
General Capital Contingency*	Changes to general capital projects	5,818,237	-	<b>5,803,237</b>
General Oper. Reserve (Rainy Day)	Unforeseen revenues/temporary events	4,829,865	819,423	<b>5,649,288</b>
Revenue Stabilization Reserve	Temporary revenue shortfalls	3,029,951	592,681	<b>3,622,632</b>
Council Special Projects Reserve	One-time special projects	250,000	-	<b>250,000</b>
Building & Property Reserve	Property-related transactions	697,099	-	<b>697,099</b>
<b>Total General Purpose</b>		<b>20,300,273</b>	<b>2,029,460</b>	<b>22,314,733</b>

\*Balance includes amount borrowed for Maintenance Center Capital Projects, that will be reimbursed via a scheduled series of payments beginning in 2021.

## 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 2018 Ending Balance	Projected Changes	Estimated 2020 Ending Balance
<b>SPECIAL PURPOSE RESERVES</b>				
General Fund Reserves:				
General Fund (CM) Contingency	One-time special uses approved by CM	50,000		<b>50,000</b>
Annexation Sales Tax Reserve	Expiration of Annexation Sales Tax Credit	500,000	160,494	<b>660,494</b>
Litigation Reserve	Outside counsel costs contingency	80,000	70,000	<b>150,000</b>
Public Disclosure Reserve		20,000	80,000	<b>100,000</b>
Labor Relations Reserve	Labor negotiation costs contingency	56,037	-	<b>56,037</b>
Fire OT & Equipment Reserve		200,000	-	<b>200,000</b>
Police Equipment Reserve	Equipment funded from seized property	130,824	-	<b>130,824</b>
LEOFF 1 Police Reserve	Police long-term care benefits	618,079	-	<b>618,079</b>
Development Svcs Rsv	Revenue and staffing stabilization	12,183,382	4,312,550	<b>16,495,932</b>
Development Services Technology Rsv.	Permit system replacement	1,382,998	(160,110)	<b>1,222,888</b>
Tour Dock	Dock repairs	310,864	-	<b>310,864</b>
Forestry Ordinance	Replacement trees program	187,745	(78,730)	<b>109,015</b>
Donation Accounts		465,978	-	<b>465,978</b>
Revolving Accounts		283,401	111,725	<b>395,126</b>
Lodging Tax Fund	Operating Reserve	156,500	(183)	<b>156,317</b>
Street Operating Reserve	Operating Reserve	100,000	-	<b>100,000</b>
Cemetery Improvement	Cemetery improvements/debt service	999,862	(22,000)	<b>977,862</b>
Off-Street Parking	Downtown parking improvements	961,621	(405,000)	<b>556,621</b>
Fire Equipment Life Cycle		1,431,611	(253,300)	<b>1,178,311</b>
Police Equipment Life Cycle		1,162,708	(46,319)	<b>1,116,389</b>
Technology Equipment Life Cycle		1,230,013	(632,110)	<b>597,903</b>
Parks Facilities Life Cycle		213,000	(213,000)	<b>-</b>
Firefighter's Pension	Long-term care/pension benefits	978,508	274,037	<b>1,252,545</b>
<b>Total Special Purpose Reserves</b>		<b>23,703,131</b>	<b>3,198,054</b>	<b>26,901,185</b>

## 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 2019-20 biennium above the anticipated revenue to these funds.

Reserves		Estimated 2018 Ending Balance	Projected Changes	Estimated 2020 Ending Balance
<b>GENERAL CAPITAL RESERVES</b>				
Excise Tax Capital Improvement:				
REET 1	Parks capital projects	6,309,549	(4,320,709)	<b>1,988,840</b>
REET 2	Transportation capital projects	6,186,180	(2,219,987)	<b>3,966,193</b>
Impact Fees				
Roads	Transportation capacity projects	2,670,454	(1,009,654)	<b>1,660,800</b>
Parks	Parks capacity projects	7,478,649	(2,505,831)	<b>4,972,818</b>
<b>Total General Capital Reserves</b>		<b>22,644,832</b>	<b>(10,056,181)</b>	<b>12,588,651</b>

## 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 2020 estimated ending balance in these accounts.

Reserves	Description	Estimated 2018 Ending Balance	Projected Changes	Estimated 2020 Ending Balance
<b>UTILITY RESERVES</b>				
Water/Sewer Utility:				
Water/Sewer Operating Reserve	Operating contingency	2,761,433	132,560	<b>2,893,993</b>
Water/Sewer Working Capital	Fund Balance/operating cash	8,290,329	1,528,984	<b>9,819,313</b>
Water/Sewer Debt Service Reserve	Debt service reserve	62,022	(18,693)	<b>43,329</b>
Water/Sewer Capital Contingency	Changes to Water/Sewer capital projects	1,216,400	(37,800)	<b>1,178,600</b>
Water/Sewer Construction Reserve	Replacement/re-prioritized/new projects	4,815,428	6,285,235	<b>11,100,663</b>
Surface Water Utility:				
Surface Water Operating Reserve	Operating contingency	983,035	207,145	<b>1,190,180</b>
Surface Water Working Capital	Fund Balance/operating cash	4,164,027	(68,731)	<b>4,095,296</b>
Surface Water Capital Contingency	Changes to Surface Water capital projects	740,492	381,338	<b>1,121,830</b>
Surface Water Construction Reserve	Replacement/re-prioritized/new projects	354,949	1,953,016	<b>2,307,965</b>
Solid Waste Utility	Fund Balance/operating cash	1,671,195	736,250	<b>2,407,445</b>
<b>Total Utility Reserves</b>		<b>25,059,310</b>	<b>11,099,304</b>	<b>36,158,614</b>

## 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. Due to the higher than needed fund balance in the health benefits fund the City is continuing to reduce the fund balance by establishing health premiums charged to employees slightly below anticipated premium costs.

Reserves	Description	Estimated 2018 Ending Balance	Projected Changes	Estimated 2020 Ending Balance
<b>INTERNAL SERVICE FUND RESERVES</b>				
Health Benefits:				
Claims Reserve	Includes 16 week minimum claims balance	4,834,232	(1,102,818)	<b>3,731,414</b>
Equipment Rental:				
Operating Reserve	Unforeseen operating costs	277,916	15,892	<b>293,808</b>
Vehicle Reserve	Vehicle replacements	8,924,623	1,151,726	<b>9,897,973</b>
Radio Reserve	Radio replacements	17,961	20,176	<b>38,137</b>
Information Technology:				
Operating Reserve	Unforeseen operating costs	552,588	68,655	<b>621,243</b>
PC Replacement Reserve	PC equipment replacements	434,600	(76,722)	<b>357,878</b>
Major Systems Replacement Reserve	Major technology systems replacement	500,000	-	<b>500,000</b>
Facilities Maintenance:				
Operating Reserve	Unforeseen operating costs	800,000	-	<b>800,000</b>
Facilities Sinking Fund	20-year facility life cycle costs	5,403,872	1,319,902	<b>6,723,774</b>
<b>Total Internal Service Fund Reserves</b>		<b>21,745,792</b>	<b>1,396,811</b>	<b>22,964,227</b>

# RESERVES WITH TARGETS

There are some reserves listed above for which the City of Kirkland City Council has adopted reserve targets as described in the City Fiscal Policies. The table below compares the estimated ending 2020 balance to the 2019-20 reserve target.

Reserves	Estimated 2018 Ending Balance	Estimated 2020 Ending Balance	2019-2020 Target	Revised Over (Under) Target
<b>GENERAL PURPOSE RESERVES WITH TARGETS</b>				
Contingency	5,675,121	6,292,477	7,594,059	(1,301,582)
General Capital Contingency*	5,818,237	5,803,237	6,076,924	(273,687)
General Oper. Reserve (Rainy Day)	4,829,865	5,649,288	5,649,288	-
Revenue Stabilization Reserve	3,029,951	3,622,632	3,622,632	-
Council Special Projects Reserve	250,000	250,000	250,000	-
Building & Property Reserve	697,099	697,099	600,000	97,099
<b>General Purpose Reserves with Targets</b>	<b>20,300,273</b>	<b>22,314,733</b>	<b>23,792,903</b>	<b>(1,478,170)</b>
<b>ALL OTHER RESERVES WITH TARGETS</b>				
Excise Tax Capital Improvement:				
REET 1	6,309,549	1,988,840	1,000,000	988,840
REET 2	6,186,180	3,966,193	1,000,000	2,966,193
<b>Other Reserves with Targets</b>	<b>12,495,729</b>	<b>5,955,033</b>	<b>2,000,000</b>	<b>3,955,033</b>
<b>Total Reserves with Targets</b>	<b>32,796,002</b>	<b>28,269,766</b>	<b>25,792,903</b>	<b>2,476,863</b>

\*Balance includes amount borrowed for Maintenance Center Capital Projects, that will be reimbursed via a scheduled series of payments beginning in 2021.

**CITY OF KIRKLAND**  
**CHANGE IN FUND BALANCE (Beginning 2017 to Ending 2020)**  
**SUMMARY OF ALL FUNDS**

	General Government		Utility			All Funds
	Operating Funds	Non-Operating Funds	Water/Sewer Utility	Surface Water Utility	Solid Waste Utility	
<b>2017 Actual Beginning Fund Balance</b>	<b>68,535,342</b>	<b>74,080,966</b>	<b>31,871,341</b>	<b>18,052,068</b>	<b>1,558,489</b>	<b>194,098,206</b>
<i>Reserved</i>	<i>42,105,642</i>	<i>34,869,244</i>	<i>8,201,104</i>	<i>1,750,720</i>	-	<i>86,926,710</i>
<i>Unreserved Working Capital</i>	<i>26,429,700</i>	<i>39,211,722</i>	<i>23,670,237</i>	<i>16,301,348</i>	<i>1,558,489</i>	<i>107,171,496</i>
Plus: 2017-18 Estimated Revenues	283,586,116	130,630,184	75,802,559	27,471,679	35,615,505	553,106,042
Less: 2017-18 Estimated Expenditures	277,284,669	112,775,331	69,329,658	26,420,783	34,657,667	520,468,108
<b>2018 Estimated Ending/2019 Budgeted Beginning Fund Balance</b>	<b>74,836,789</b>	<b>91,935,819</b>	<b>38,344,242</b>	<b>19,102,964</b>	<b>2,516,326</b>	<b>226,736,140</b>
Plus: 2019-20 Budgeted Revenues	286,006,820	133,408,811	75,777,018	33,891,206	37,204,140	566,287,995
Less: 2019-20 Budgeted Expenditures	295,630,554	199,027,291	89,085,362	44,278,899	37,313,021	665,335,127
<b>2020 Budgeted Ending Fund Balance</b>	<b>65,213,055</b>	<b>26,317,339</b>	<b>25,035,898</b>	<b>8,715,271</b>	<b>2,407,445</b>	<b>127,689,008</b>
<i>Reserved</i>	<i>53,860,098</i>	<i>26,317,339</i>	<i>15,216,585</i>	<i>4,619,975</i>	-	<i>100,013,997</i>
<i>Unreserved Working Capital</i>	<i>11,352,957</i>	-	<i>9,819,313</i>	<i>4,095,296</i>	<i>2,407,445</i>	<i>27,675,011</i>
<b>Change in Fund Balance: Beginning 2017 to Ending 2020</b>	<b>(3,322,287)</b>	<b>(47,763,627)</b>	<b>(6,835,443)</b>	<b>(9,336,797)</b>	<b>848,956</b>	<b>(66,409,198)</b>

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

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

# CITY OF KIRKLAND

## POSITION SUMMARY

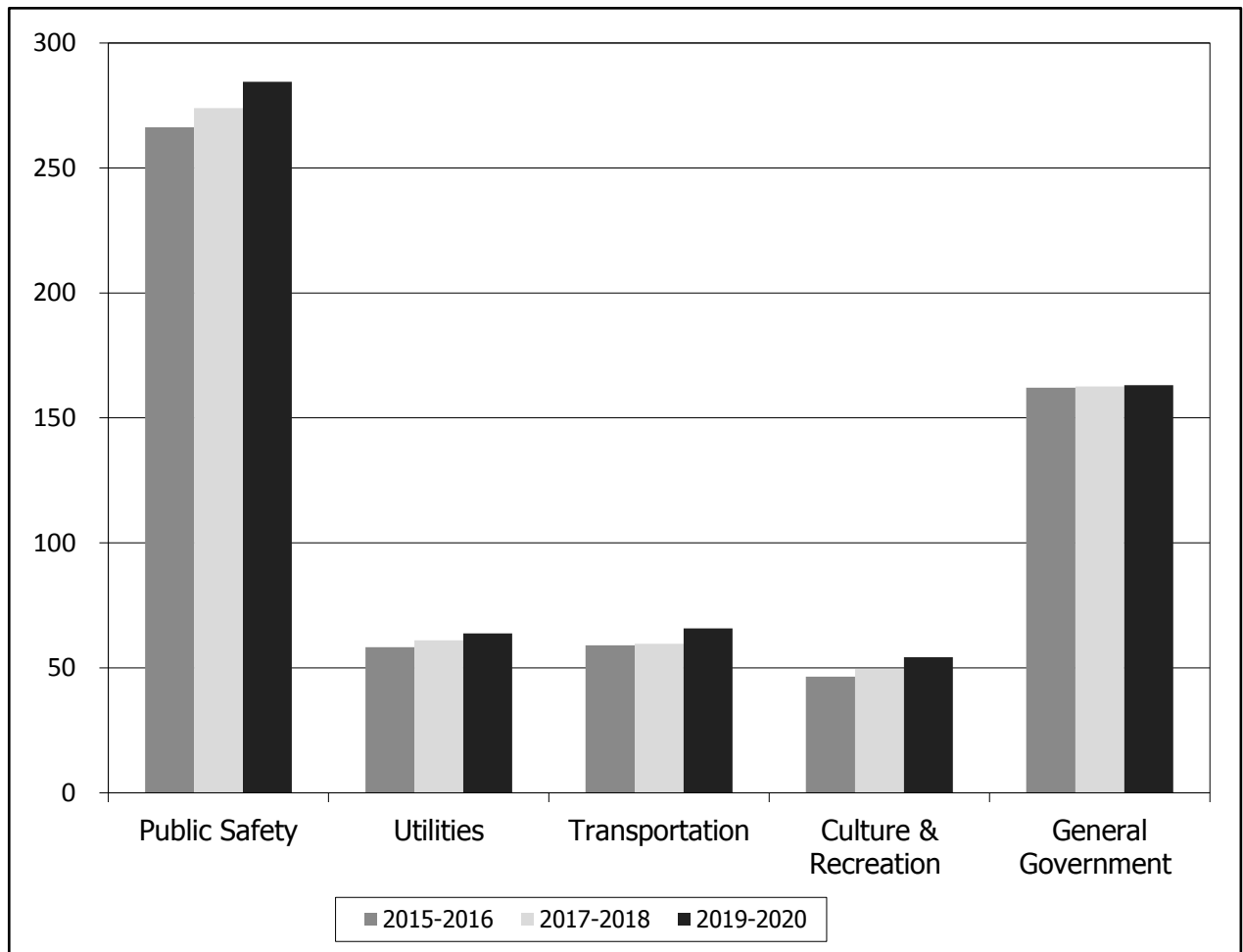
### By Fund

Fund/Department	2015-2016	2017-2018	2019-2020
<b><i>General Fund:</i></b>			
City Council	7.00	7.00	7.00
City Manager's Office	10.94	10.44	9.59
Human Resources	9.20	9.20	9.20
City Attorney's Office	4.00	4.00	4.00
Municipal Court	18.75	18.50	18.50
Parks and Community Services	31.00	34.00	34.50
Public Works	37.25	37.55	41.55
Finance and Administration	35.30	35.30	36.80
Planning & Building	52.85	53.35	53.35
Police	136.00	140.00	150.00
Fire	111.50	115.50	116.00
<b>Total General Fund</b>	<b>453.79</b>	<b>464.84</b>	<b>480.49</b>
<b><i>Other General Gov't Operating Funds:</i></b>			
Lodging Tax	0.66	0.66	0.51
Street Operating	21.79	22.04	24.24
Parks Maintenance	8.50	8.50	8.50
2012 Parks Levy	7.00	7.00	11.25
Facilities Maintenance	7.95	7.95	7.95
Equipment Rental	7.45	7.45	7.45
Information Technology	26.70	27.20	27.20
<b>Total Other General Gov't Operating Funds</b>	<b>80.05</b>	<b>80.80</b>	<b>87.10</b>
<b><i>Utility Funds:</i></b>			
Water/Sewer Operating	21.51	21.76	22.76
Surface Water Management	33.95	36.45	38.25
Solid Waste	2.80	2.80	2.80
<b>Total Utility Funds</b>	<b>58.26</b>	<b>61.01</b>	<b>63.81</b>
<b>Total Positions</b>	<b>592.10</b>	<b>606.65</b>	<b>631.40</b>

# CITY OF KIRKLAND POSITION SUMMARY

## By Program

Program	2015-2016	2017-2018	2019-2020
Public Safety	266.25	274.00	284.50
Utilities	58.26	61.01	63.81
Transportation	59.04	59.59	65.79
Culture & Recreation	46.50	49.50	54.25
General Government	162.05	162.55	163.05
<b>Total Positions</b>	<b>592.10</b>	<b>606.65</b>	<b>631.40</b>



## CITY OF KIRKLAND

### PAYMENTS TO OTHER GOVERNMENT AGENCIES

Approximately \$48.5 million, or 6.51 percent, of the City's total 2019-2020 budget for general government operations, water/sewer operations, surface water management operations, and solid waste operations is paid to other governmental agencies. The City either absorbs annual increases in payments to other agencies through growth in general revenue sources (e.g. Air Pollution Control) or passes them along to users through charges for service (e.g. Sewage Treatment and Water Purchases).

Service	Agency	2017-2018 Budget	2019-2020 Budget
Sewage Treatment <sup>1</sup>	King County	16,613,434	16,943,266
Alcohol Treatment <sup>1</sup>	King County	44,714	46,700
Air Pollution Control <sup>1</sup>	King County	170,684	181,585
Prisoner Expense <sup>1</sup>	Various <sup>2</sup>	474,850	1,061,910
Marine Patrol <sup>1</sup>	King County	201,000	234,248
Hazardous Waste Fee <sup>1</sup>	King County	900,000	840,000
Solid Waste "Tipping" Fees <sup>1</sup>	King County	7,178,031	7,680,144
Surface Water Billing Charge <sup>1</sup>	King County	412,436	350,000
Animal Control <sup>5</sup>	King County	24,600	-
Elections and Records Costs <sup>1</sup>	King County	630,000	859,530
Other Permits and Services <sup>1,3</sup>	King County	30,200	27,400
<b>Subtotal King County</b>		<b>26,679,949</b>	<b>28,224,783</b>
Water Purchase <sup>1</sup>	Cascade Water Alliance	9,902,678	10,834,186
Water Connection Charges <sup>1</sup>	Cascade Water Alliance	1,400,000	1,815,625
Police and Fire Dispatch <sup>1</sup>	NORCOM	5,358,540	5,358,540
Housing Trust Fund <sup>1,4</sup>	ARCH	1,080,000	1,080,000
ARCH Dues <sup>1</sup>	ARCH	209,200	234,550
State Purchasing Contract <sup>1</sup>	State of Washington	5,600	5,750
Financial Audits <sup>1</sup>	State of Washington	200,000	210,000
Regional Surface Water Monitoring <sup>1</sup>	State of Washington	70,000	70,000
800 MHz Radios (Public Safety) <sup>1</sup>	EPSCA	199,374	199,374
On-Line Services <sup>1</sup>	eCityGov Alliance	325,779	367,494
SWAT Membership <sup>1</sup>	Northsound Regional SWAT	16,000	18,890
WACIC, NCIC, ACCESS Service Lines <sup>1</sup>	Washington State Patrol	4,200	4,200
Community Connectivity Consortium <sup>1</sup>	Community Connectivity Consortium	10,710	10,710
Hazardous Materials Unit <sup>1</sup>	Regional Haz Mat Agreement	25,000	28,000
Healthcare Assessments <sup>1</sup>	U.S. Government	5,000	-
Other Permits and Services <sup>1,3</sup>	Various Gov't Agencies	16,700	20,700
<b>Total Payments to Other Agencies</b>		<b>45,508,730</b>	<b>48,482,802</b>
<b>Percent Increase (Decrease) from Prior Biennium</b>			<b>6.54%</b>

<sup>1</sup> These services are mandatory contractual obligations with other governments. The rates are established by the contractor agency.

<sup>2</sup> King County and South Correctional Entity.

<sup>3</sup> Includes fees such as: health permits, recording fees, Crimestoppers membership, and other miscellaneous fees

<sup>4</sup> These totals include \$250,000 in each biennium directed to ARCH by King County at the City's direction.

<sup>5</sup> Animal Control is now provided by City of Kirkland staff.



# CITY OF KIRKLAND

## HUMAN SERVICES FUNDING

Funding for Human Services is incorporated into a variety of operating and non-operating budgets. The following summary provides an overview of Human Services funding for 2019-2020.

Program/Funding Source	2017-2018 Budget	2019-2020 Budget
Human Services Program grants (including CDBG) <sup>1</sup>	1,805,815	2,842,579
Human Services Forum and Other Regional Programs <sup>1,2,3</sup>	25,000	120,000
Human Services Coordination <sup>3</sup>	418,925	505,140
Senior Center Operations <sup>3</sup>	1,095,233	790,011
King County Alcohol Treatment Programs	44,714	46,700
A Regional Coalition for Housing (ARCH) <sup>4</sup>	1,289,200	1,320,574
Community Youth Services Program/Teen Center <sup>3</sup>	675,561	577,158
Rent Subsidy for Youth Eastside Services <sup>5</sup>	55,998	78,000
Domestic Violence and Mental Health Response <sup>1,6</sup>	833,402	1,084,742
Police School Resource Program (City-funded portion) <sup>1</sup>	222,827	1,189,916
Senior Discounts for Utility and Garbage Services	78,384	91,402
Kirkland Cares (assistance with utility bills from utilities customer donations) <sup>7</sup>	8,000	6,450
Specialized Recreation Program	14,000	14,000
Recreation Class Discounts	6,000	6,000
<b>Total Human Services Funding</b>	<b>6,573,059</b>	<b>8,672,672</b>

**TOTAL SPENDING PER CAPITA 2017-2018: \$ 75.85**

**TOTAL SPENDING PER CAPITA 2019-2020: \$ 99.41**

<sup>1</sup> Includes funding for mental health and human services programs (\$352,953), homelessness reduction (\$100,000), mental health services supporting public safety efforts (\$180,000), and additional school resource officers (\$1,189,916) included in the Enhanced Police Services and Community Safety ballot measure passed by City voters in November 2018.

<sup>2</sup> In addition to these amounts, Real Estate Excise Tax revenues totaling \$1,500,000 were dedicated to funding for facilities to provide housing for the homeless as provided for in RCW 82.46.037 (1)(b) in the 2017-2018 Budget (2017-22 CIP Update) that is not reflected in the table above.

<sup>3</sup> A reorganization in the Parks and Community Services Department during the 2017-2018 biennium in conjunction with the rollout of a new chart of accounts developed for the new financial system has resulted in changes to what is and is not included within these categories. As a result, figures for 2017-2018 may be overstated.

<sup>4</sup> 2017-2018 ARCH funding reflects the base budget amount of \$209,200, ongoing funding of \$250,000 from Community Development Block Grants (CDBG), and one-time service package funding of \$830,000. In addition to these amounts, Affordable Housing in Lieu fees totaling \$1,366,850 have been remitted to ARCH or directly invested in affordable housing in 2017-2018 that are not reflected in the table above. The 2019-2020 Preliminary Budget includes the same funding elements with adjusted base budget (\$234,550) and CDBG (\$256,024) amounts.

<sup>5</sup> Rent was \$1/year in 2017-2018, now waived completely in 2019-2020; figure represents a conservative market rent equivalent.

<sup>6</sup> 2017-2018 funding includes only domestic violence response services. Proposed mental health response services are incorporated in the 2019-2020 Budget.

<sup>7</sup> Reduction is a result of fewer donations received than in prior years.

## CITY OF KIRKLAND

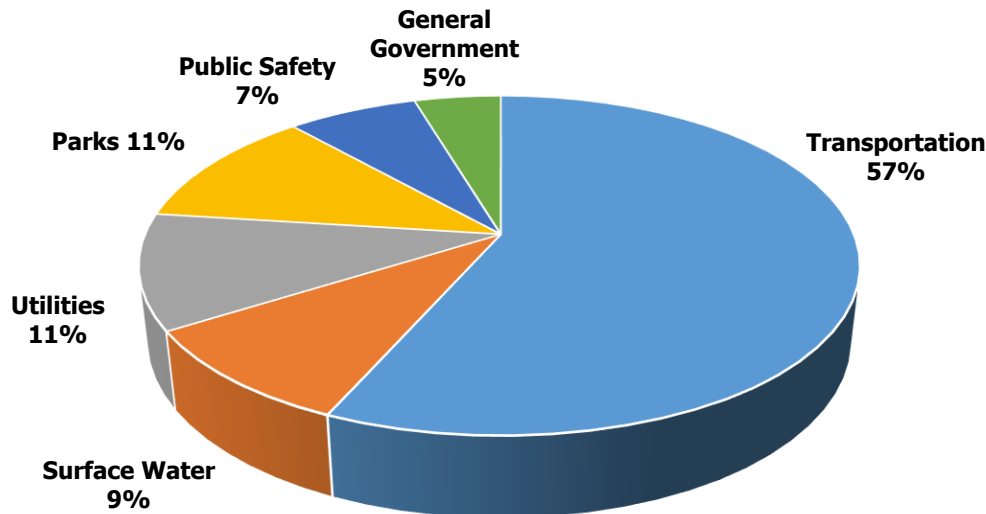
### SUMMARY OF LEGAL SERVICES

General legal counsel is provided by the in-house City Attorney's Office. Prosecution and public defender services are provided by outside attorneys through contracts with the City. The 2019-2020 budget includes an increase in Public Defender Legal Services due to an increase in conflict cases. In certain specialized matters, the City is represented by other outside counsel. The Litigation Reserve budget for 2019-2020 reflects setting aside funds for outside counsel in the event they were needed to resolve a potential legal matter. During 2017-2018, some Litigation Reserve funds were reallocated to General Legal Services to fund a legal intern position on a one-time basis.

Legal Service	Budgeted Fund	2017-2018 Budget	2019-2020 Budget	Percent Change
<b><i>General Legal Services</i></b>	General Fund	1,755,679	1,759,901	0.24%
<b><i>Litigation Reserve</i></b>	General Fund	137,973	150,000	8.72%
<b>Subtotal General Legal Services and Litigation</b>		<b>1,893,652</b>	<b>1,909,901</b>	<b>0.86%</b>
<b><i>Public Safety Legal Services</i></b>				
Prosecution	General Fund	730,000	730,000	0.00%
Public Defender	General Fund	572,900	597,600	4.31%
<b>Subtotal Public Safety Legal Services</b>		<b>1,302,900</b>	<b>1,327,600</b>	<b>1.90%</b>
<b>Total All Legal Services</b>		<b>3,196,552</b>	<b>3,237,501</b>	<b>1.28%</b>

## ***CAPITAL IMPROVEMENT PROGRAM (CIP)***

### **CIP AT A GLANCE**



### **2019-2020 Funded Projects - \$107,591,000**

- **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. Proposed 2019-2024 CIP project details are available electronically on the City's website

[https://www.kirklandwa.gov/depart/Finance\\_and\\_Administration/BudgetandFinance/Capital\\_Improvement\\_Program\\_CIP\\_/CIP\\_Document.htm](https://www.kirklandwa.gov/depart/Finance_and_Administration/BudgetandFinance/Capital_Improvement_Program_CIP_/CIP_Document.htm)

### **CIP POLICIES AND PROCESS**

The City will establish and implement a Comprehensive Six-Year Capital Improvement Program that will be prepared and formally adopted by the Council biennially 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 fixed asset.
- It has an estimated cost of \$50,000 or more (with the exception of land).
- It has a useful life of ten years or more, with the exception of certain equipment that may have a shorter life span.

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

#### **PROCESS FOR DEVELOPING THE CIP**

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

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

#### **FUNDING**

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

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

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

**Reserves** are cash resources that accumulate from prior years and are derived from a variety of revenue sources. The CIP utilizes reserves to 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 2019-2020 Budget also includes sinking funds for public safety 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 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 2019-2020 that are related to completed CIP projects are highlighted in each department's summary. Projects approved for 2019-2020 are included in the General Government and Utilities non-operating sections of this document. Estimated operating impacts are also included in the summary of 2019-2020 projects.

The table on the following page summarizes revenue sources as used in the 2019-2024 CIP.

**2019-2024 Capital Improvement Program  
Revenue Sources (in thousands)**

<b>Dedicated Revenue</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>6-Year Total</b>
<b>Transportation</b>							
Gas Tax	634	647	660	673	686	647	3,947
Gas Tax (Transportation Package)	200	200	200	200	200	200	1,200
Business License Fees	270	270	270	270	270	270	1,620
Real Estate Excise Tax (REET) 1	211	410	422	-	448	113	1,604
Real Estate Excise Tax (REET) 2	2,319	1,424	1,467	1,946	1,464	1,275	9,895
Street & Pedestrian Safety Levy	2,679	2,706	2,733	2,760	2,788	2,816	16,482
Transportation Impact Fees	2,220	1,000	1,000	702	1,298	472	6,692
King County Park Levy	300	-	-	-	-	-	300
Walkable Kirkland	400	400	-	-	-	-	800
Utility Rates	410	500	500	191	486	60	2,147
Utility Reserves	207	-	-	-	-	-	207
Solid Waste Street Preservation	300	300	300	300	300	300	1,800
REET 2 Reserve	2,213	480	480	-	215	695	4,083
REET 1 Reserve	135	-	-	-	-	-	135
Carryover PY Funds	-	659	-	-	-	-	659
Debt	17,818	2,407	-	-	-	-	20,225
External Sources	10,916	8,232	743	3,605	-	-	23,496
<b>Subtotal Transportation</b>	<b>41,232</b>	<b>19,635</b>	<b>8,775</b>	<b>10,647</b>	<b>8,155</b>	<b>6,848</b>	<b>95,292</b>
<b>Parks</b>							
Real Estate Excise Tax 1	938	135	160	160	833	833	3,059
Park Impact Fees	2,891	1,750	1,050	1,150	1,750	1,750	10,341
Parks Levy	1,000	823	250	250	250	250	2,823
REET 1 Reserve	509	-	-	-	-	-	509
Park Facilities Sinking Fund	162	151	162	169	146	160	950
Carryover PY Funds	1,425	-	-	-	-	-	1,425
Other Reserves	1,866	-	-	-	-	-	1,866
External Sources	325	-	-	-	-	-	325
<b>Subtotal Parks</b>	<b>9,116</b>	<b>3,159</b>	<b>1,922</b>	<b>2,029</b>	<b>3,279</b>	<b>3,293</b>	<b>22,798</b>
<b>General Government: Technology, Facilities &amp; Public Safety</b>							
General Fund Contributions for:							
Public Sfty. Equip. Sinking Fund	987	334	167	120	895	1,005	3,508
Technology Equip. Sinking Fund	452	625	456	590	733	574	3,430
Utility Rates	256	256	256	256	256	256	1,536
Facilities Life Cycle Reserve	1,009	522	279	150	347	1,082	3,389
REET 1 Reserves	2,000	-	-	-	-	-	2,000
General Fund Cash	746	174	114	174	114	114	1,436
Carryover PY Funds	213	787	-	-	-	-	1,000
REET 1	3,800	-	-	-	-	-	3,800
Other General Government Reserves	275	-	-	-	-	-	275
<b>Subtotal General Government</b>	<b>9,738</b>	<b>2,698</b>	<b>1,272</b>	<b>1,290</b>	<b>2,345</b>	<b>3,031</b>	<b>20,374</b>
<b>Utilities</b>							
Utility Connection Charges	865	865	865	865	865	865	5,190
Utility Rates - Surface Water	1,916	2,120	2,139	2,204	2,270	2,339	12,988
Utility Rates - Water/Sewer	3,992	4,941	5,165	5,329	5,583	5,850	30,860
Reserves	1,200	1,965	1,450	50	1,450	50	6,165
External Sources	3,023	1,126	1,111	769	-	-	6,029
<b>Subtotal Utilities</b>	<b>10,996</b>	<b>11,017</b>	<b>10,730</b>	<b>9,217</b>	<b>10,168</b>	<b>9,104</b>	<b>61,232</b>
<b>Total Revenues</b>	<b>71,082</b>	<b>36,509</b>	<b>22,699</b>	<b>23,183</b>	<b>23,947</b>	<b>22,276</b>	<b>199,696</b>

## PRIORITIZATION CRITERIA

The current capital budget is guided by the capital budgeting priorities ("Prioritization Criteria") adopted by the Council on May 1st, 2018 (Resolution R-5314), specifically:

1. Complete capital projects from the 2017-2018 City Work Plan.
2. Complete public safety capital investments that help implement the Police and Fire Strategic Plans.
3. Complete transportation projects necessary to ensure the success of WSDOT and Sound Transit investments in I-405 and Kirkland.
4. Complete projects necessary to ensure adequate transportation concurrency investments that keep pace with development.
5. Invest in parks projects that increase active recreation opportunities throughout the City to meet the needs of a growing population.
6. Invest in water, sewer and storm water projects according to the priorities contained in the recently adopted utility Master plans.
7. Prioritize projects that will rank high in federal, state and regional grant funding processes and reserve revenues necessary to provide required local grant matches.
8. Create measurable progress towards achieving the City Council's ten goals.
9. Reprioritize revenues from existing CIP projects that do not meet these priorities.

## POLICY ISSUES

As required by the State's Growth Management Act, public transportation investments must keep up with private development such that service levels do not deteriorate. Termed '**concurrency**', this requires the City to track the progress of delivering investments quantified by the number of 'trips' that the new capacity can accommodate. Due to the high levels of private development in Kirkland, the concurrency trip balance as of March 7, 2018 was 2,243, a more than 5,000 trip decrease from the January 1, 2016 level. This represents the number of trips available in the system to support development projects without reducing level of service. To ensure service levels remain high as growth continues the 2019-20 capital budget includes \$27.1 million in funding for Transportation concurrency projects. These projects are partially funded with the anticipated issuance of \$13.6 million in Councilmanic debt in 2019.

Funding capital investments to support growth in the **Totem Lake Urban Center** remains a key policy priority. The 2019-20 capital budget contains funding for a range of Transportation and Parks improvements including \$5.6 million in additional funding for the NE 124<sup>th</sup> Street/124<sup>th</sup> Ave NE Pedestrian Bridge and \$5.2m in new funding for the development of Totem Lake Park. These large projects are complimented by a range of other improvements in street preservation, Surface Water and multi-modal transportation.

Finding the optimal locations for **fire and emergency medical service delivery** in Kirkland, particularly in the new neighborhoods, has been a key policy issue since annexation in 2011. This will include new assets, coupled with addressing the depreciation of existing fire stations. Capital funding was allocated in the 2015-2016 and 2017-2018 capital budget to remodel Fire Station 25, and for the land purchase and construction of a new Station 24. The 2019-2020 capital budget builds on this progress by adding additional resources to the Fire Station 24 construction budget, and providing funding to acquire property for a new Station 27. Though substantial funding has been allocated to date, there is a total of approximately \$39.9 million of unfunded fire station replacement, expansion and remodel projects.

## PROJECT HIGHLIGHTS

### Notable project highlights for 2019-2020 include:

**Parks** — The continuation of the Totem Lake Park Master Plan and Development, mentioned above, will include a northern trail and boardwalk segment connecting the park's existing trail system to the Cross Kirkland Corridor, public restrooms, playground, picnicking amenities and parking. In addition, in 2018 the City purchased a site for a new Parks Maintenance Center and there is \$1.5 million allocated for tenant improvements in 2019, ahead of the site being ready for occupancy in 2020. This will enable the City to better meet the needs of the larger City.

**Public Safety** — As discussed above, the 2019-2020 Capital Budget includes funding for Fire Station 24 Replacement and Fire Station 27 Property Acquisition.

**Transportation** — Significant policy priorities include concurrency and the Totem Lake urban center, both described above as key investments in Transportation. Beyond this, the City continues to prioritize street and sidewalk preservation programs using the 2012 Street Levy, as well investing in a range of multimodal infrastructure projects and plans.

**Utilities (Water and Sewer)** — In 2019-2020, the City is investing in the 108<sup>th</sup> Avenue NE Sewer Main Replacement project, which requires an investment of \$6.2 million. Additional smaller investments throughout the City according to the Water/Sewer Masterplan will help extend the useful life of the water and sewer infrastructure.

**Surface Water** — The 2019-2020 Surface Water program includes the \$4 million grant funded 132<sup>nd</sup> Square Park Retrofit Facility, the first stage of the 132<sup>nd</sup> Square Park redevelopment. Other improvements set out in the 2014 Surface Water Master Plan are also scheduled at various locations.

**General Government** — As part of the Maintenance Center expansion the General Government capital program has \$250,000 budgeted for tenant improvements at the current maintenance center. This will help expand the useful space for the Public Works department, preparing the City for future service growth needs.



# Performance Measures

# City of Kirkland

# PERFORMANCE MEASURES 2017



# ACKNOWLEDGEMENTS

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Amy Walen

## Deputy Mayor

Jay Arnold

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**On the cover:** On Saturday, July 29, 2017, City Councilmembers and staff welcomed approximately 180 community members to City Hall for All, a welcoming and inclusive open house event. City Hall for All featured keynote speaker Lieutenant Governor Cyrus Habib, who spoke to attendees about the importance of civil discourse. The event also consisted of a World Café discussion activity, tours of the newly-renovated City Hall, food catered from restaurants around Kirkland and information about the City's various programs and services. The event was well-received by the community, and staff will use feedback from the 2017 event to inform the planning of future City Hall for All events.

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# MAYOR'S INTRODUCTION

**Your City Council strives to be a decisive, responsive government. This performance report is one of the key ways we accomplish this goal.**

Each year, with the help of a dedicated staff, we develop a work plan to successfully keep our City moving forward by establishing defined targets, setting concrete goals and reporting back to you, our community, so that you can assess how we are doing.

This Performance Measures Report helps us recognize, and share, our successes and areas in need of improvement. We design the report around the Council's ten goals:

**Balanced Transportation**

**Dependable Infrastructure**

**Attracting Economic Development**

**Coordinated Human Services**

**Housing for Diverse Income & Needs**

**Neighborhood Participation**

**Public Safety**

**Parks, Recreation and Open Space**

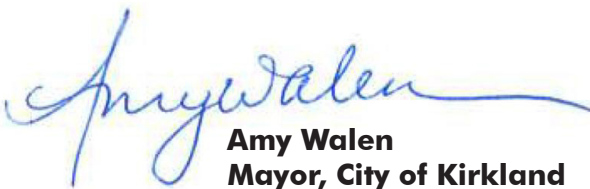
**Financial Stability**

**Environmental Protection**

The City Council and staff use this report as one of several tools to inform budgets, prioritize projects and establish strategies. These performance measures are City-wide, which means they encompass all departments and services from Parks and Recreation to Public Safety. These goals play an important role in achieving our commitment to transparent, responsive, decisive action united with fiscal responsibility in work plans and budgets.

This issue of the Performance Report shares the challenges and successes in 2017 that are the building blocks of a foundation for growth and community connection. In 2017, we saw a strong City that continues to prosper and implement strategies for maintaining the quality of life we all enjoy, while mitigating pressures from regional growth. The Kirkland Urban and Totem Lake projects are excellent examples of how strategic development helps us to accommodate growth while bringing exciting new services, new jobs and new housing opportunities to our community.

As I shared in my State of the City address, Kirkland continues to flourish. Our vision of new "urban villages" in Downtown and Totem Lake where housing, jobs and retail spaces occur in mixed-use communities served by transit is becoming a reality. Focusing growth into these new urban villages also allows us to preserve our single family neighborhoods. But the pace of this growth presents challenges like traffic and housing affordability. We strive to meet these challenges head on with innovative solutions, while maintaining a sustainable financial plan. We are committed to keeping our community engaged and connected through our changing times. This report provides insight into how we maintain Kirkland as a vibrant, livable city. Now we hope you will review our work and provide us with your comments and suggestions. Working together, we will keep Kirkland one of the best places in America to live, work and play.

  
**Amy Walen**  
**Mayor, City of Kirkland**



# CITY COUNCIL VISION AND GOALS

## VISION STATEMENT

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

## CITY COUNCIL GOALS

The purpose of the City Council Goals is to articulate key policy and service priorities for Kirkland. Council goals guide the allocation of resources through the budget and capital improvement program to assure that organizational work plans and projects are developed that incrementally move the community towards the stated goals. Council goals are long term in nature. The City's ability to make progress 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.

### PUBLIC SAFETY

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

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

### DEPENDABLE INFRASTRUCTURE

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

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

### BALANCED TRANSPORTATION

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

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

### ECONOMIC DEVELOPMENT

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

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

### PARKS AND RECREATION

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

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

### ENVIRONMENT

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

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

### FINANCIAL STABILITY

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

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

### HUMAN SERVICES

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

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

### NEIGHBORHOODS

The 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 character, services and infrastructure.

### HOUSING

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

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

## OPERATIONAL VALUES

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.
- **Community** - The City of Kirkland is one community composed of multiple neighborhoods. Achievement of Council goals will be respectful of neighborhood identity while supporting the needs and values of the community as a whole.

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

# WHY MEASURE OUR PERFORMANCE?

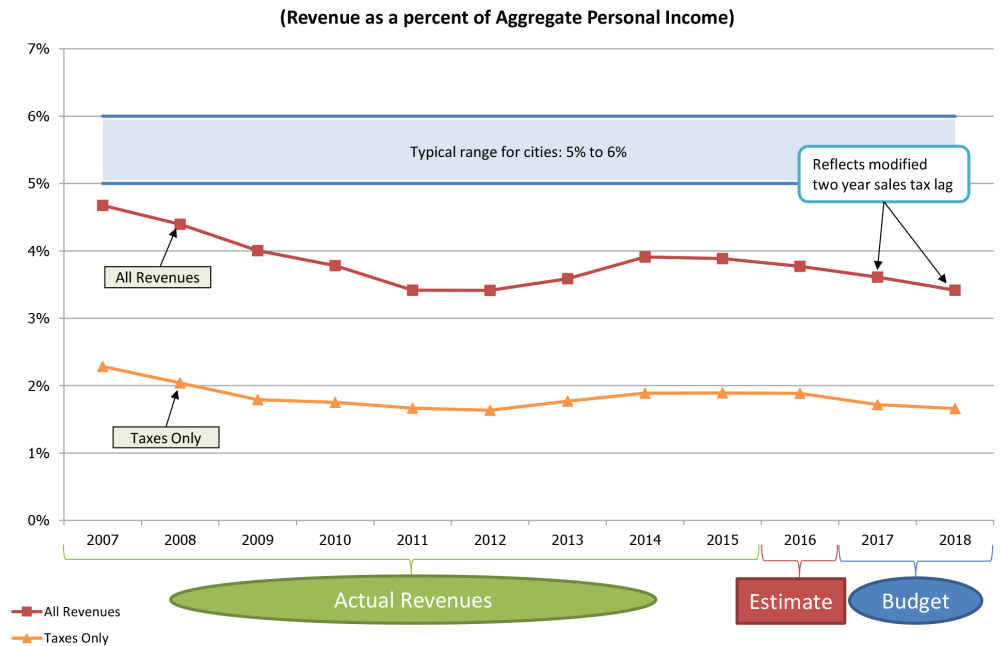
Measuring performance provides a quantifiable way in which to recognize successes and areas needing improvement. The City's progress is measured against data from previous years, targets set in master plans and benchmarks with other communities. By measuring our programs using a variety of data, we can see how Kirkland's present state relates to its past indicators and future plans. Performance measures offer transparency and allows the public to hold the City accountable. The report provides insight into costs, accomplishments, areas of improvement and citizen satisfaction as determined by the biennial community survey.

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

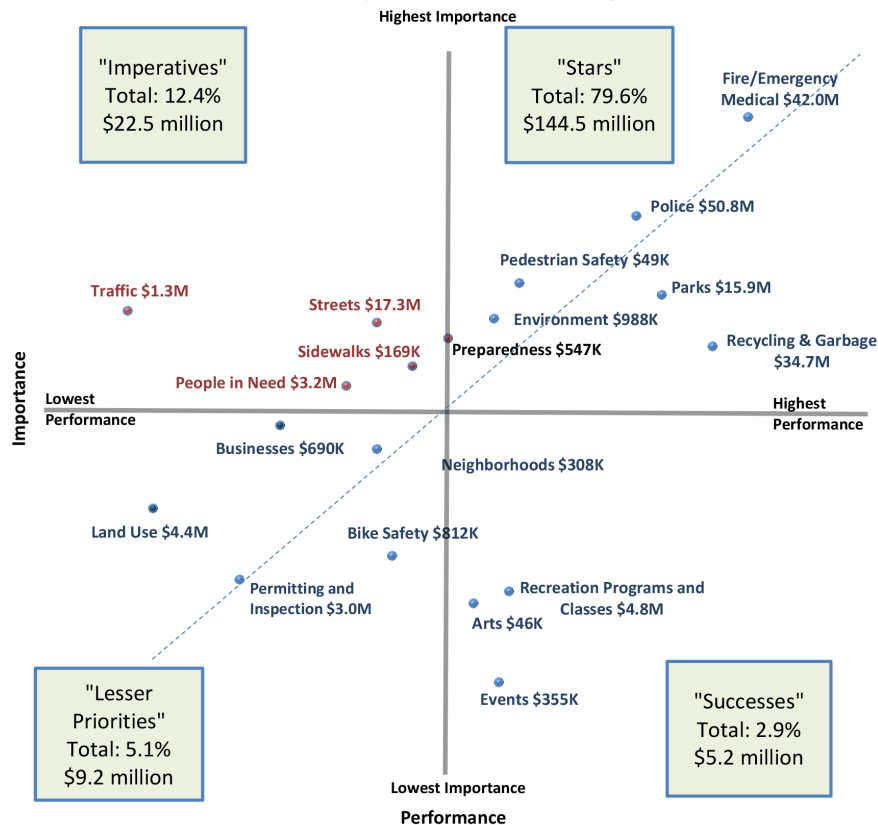
## AFFORDABLE

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

(Figure 1)  
**Price of Government**  
From 2017-2018 Budget Document



2016 Survey Results With 2017-18 Budget



## RESPONSIVE

The "Kirkland Quadrant" represents eighteen key policy areas (Priority Areas) and the ranking 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. 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 provide insight into possible areas of resource reprioritization.

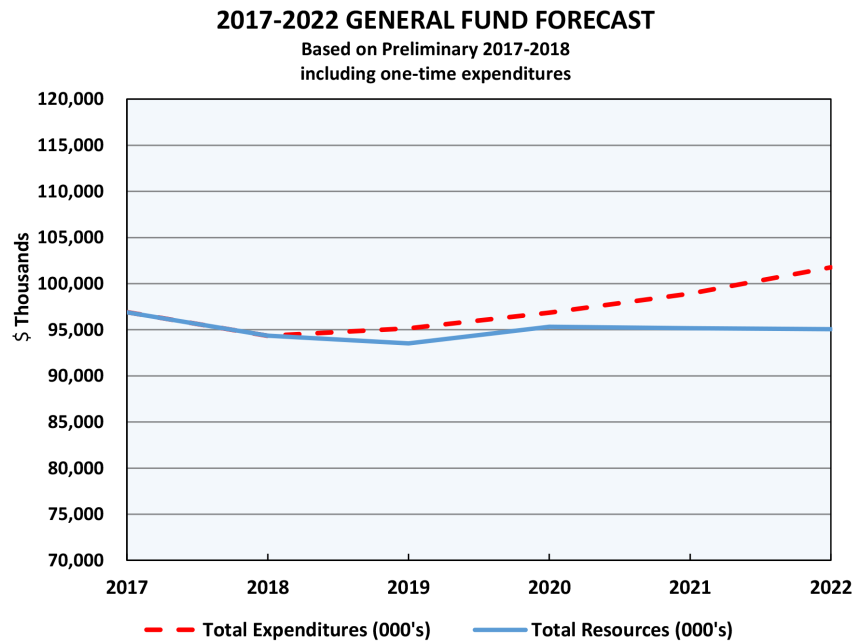
The City uses the Kirkland Quadrant to provide key guidance on the priority areas for investment where opportunities for improvement are identified by the community. In addition, the investment by quadrant is an indicator of how the City is allocating its limited resources to those services, with the majority of investments made in priority areas ranked by the community as being of highest importance. This chart represents the data from the 2016 Community Survey and 2017-2018 Budget.

(Figure 2)  
**Kirkland Quadrant Chart**  
From 2017-2018 Budget Document

## SUSTAINABLE

**Financial stability** is 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.

(Figure 3)  
**General Fund Forecast**  
From 2017-2018 Budget Document



	2017	2018	2019	2020	2021	2022
Total Expenditures (000's)	96,909	94,338	95,152	96,866	98,916	101,753
Total Resources (000's)	96,892	94,355	93,528	95,316	95,176	95,076
<b>Net Resources (000's)</b>	<b>(17)</b>	<b>17</b>	<b>(1,624)</b>	<b>(1,550)</b>	<b>(3,740)</b>	<b>(6,677)</b>
<b>Biennium Total (000's)</b>		<b>0</b>		<b>(3,174)</b>		<b>(10,417)</b>

The above three strategic anchors – **affordable**, **responsive**, and **sustainable** – ground the City's overall direction, and are used in conjunction with the ten goal areas set forth by the City Council to create a complete performance assessment of how resources have been used in response to community expectations.

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

**Future of the Report** – The City of Kirkland is changing and the needs of its citizens are changing as well. The goal of the performance report is to show how the City is responding to those needs. This may prompt changes in the scope and scale of performance measures to provide data for decision making at the City and regional level as Kirkland continues to grow as a regional voice. This expansion of impact to the regional level is evident in some of the reports as department leaders strive to find answers to challenges, be good stewards of public funds and provide the best services to the citizens of Kirkland.



# KEY FINDINGS BY COUNCIL GOAL

## Public Safety

- The Police Department focused on hiring officers in a challenging environment and implementing a new animal services program.
- The Fire Department implemented enhanced services through new staffing in the north end of the City.

## Balanced Transportation

- Sidewalk and curb ramp repairs improved mobility around the City.
- The City worked to balance tree planting and sidewalk maintenance.

## Economic Development

- The Tourism Development Committee continued to attract visitors to the City.
- The City made significant investment in the Kirkland Arts Center, resulting in seismic stability for this historic building.

## Parks & Recreation

- Parks programs continued to draw great registration numbers.
- New asset management program improved efficiency for maintenance and prioritization.

## Environment

- Recycling efforts continued to improve as the City made new strides in multi-family programs.
- The City expanded options for power resources in an effort to continue to reduce greenhouse emissions.

## Financial Stability

- The City continued reserve funding to offset Annexation Sales Tax Credit ending in 2021.
- Financial planning continued to implement strong financial management strategies.

## Human Services

- The City partnered with local churches and non-profits to secure a site for a permanent shelter for women and families experiencing homelessness.
- Partnerships between the City and local organizations continued to address needed issues in our community.

## Neighborhoods

- The City continued to work to build community and engage residents.
- The Neighborhood Safety Program continued to give voice to residents for certain capital project priorities.

## Housing

- The City made its largest ever contributions to the A Regional Coalition for Housing (ARCH) Trust Fund.
- City staff and the newly-formed Housing Strategy Advisory Group began work on a City-wide Housing Strategy Plan.

## Dependable Infrastructure

- City investment in Maintenance Management System improved responses to public.
- Work from Streets Levy continued to add life to City streets.

# GUIDING STRATEGIES

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



## 2017 Guiding Documents

- Comprehensive Plan
- Cross Kirkland Corridor Master Plan
- Neighborhood Safety Program
- Kirkland 2035
- Transportation Master Plan
- Fire Strategic Plan
- Police Strategic Plan
- Urban Forestry Strategic Management Plan
- Housing Strategy Plan
- Capital Improvement Project Plan
- Park Place and Totem Lake Development
- Parks, Recreation and Open Space (PROS) Plan

# PUBLIC SAFETY

## GOAL

Provide for public safety through a community-based approach that focuses on prevention of problems in a timely manner.

The City provides trained staff and funding

MEASURE	2013	2014	2015	2016	2017	Target
Total Police Services Funding	\$23,997,564	\$25,608,694	\$25,154,156	\$25,215,927	\$26,089,620	N/A
Total Fire and Emergency Management Services Funding	\$19,628,244	\$19,997,924	\$20,365,020	\$21,338,549	\$22,565,224	N/A
Sworn Police FTE's (authorized) per 1,000 population	1.2	1.2	1.2	1.2	1.2	N/A
Paid Fire and EMS staffing per 1,000 population served	1.1	1.1	1.1	1.1	1.1	N/A

So that...

Emergency services provide timely responses

EMS response times under 5 minutes	69%	51%	49%	49%	59%	90%
Fire response times under 5.5 minutes	62%	48%	48%	35%	48%	90%
Building fires contained to area of origin	56%	50%	55%	60%	60%	60%

So that...

Residents are prepared for an emergency and feel safe

Residents have at least two working smoke detectors in their residence	*	97%	*	95%	*	100%
Residents are prepared for a three day emergency	*	62%	*	65%	*	90%
Residents feel safe walking in their neighborhoods after dark	*	82%	*	82%	*	80%
Residents feel safe walking in their neighborhoods during the day	*	97%	*	97%	*	90%

So that...

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

\* Community survey occurs in even years

## HOW DO WE MEASURE PUBLIC SAFETY?

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

Having adequate Police staffing allows for the department to have timely responses to emergencies and non-emergencies alike. Adequate police staffing provides not only a measure of security and safety for the public, but also for the officers themselves.

Measures from the community survey provide standard indicators of how residents feel about public safety and how well they are prepared for emergencies. Since annexation, residents of the "existing" Kirkland continue to comment that there has been no drop in public safety services, while residents in the annexation areas continue to be satisfied with the police presence and response times.

# HOW ARE WE DOING?

2017 has been a year of transition for the Kirkland Police Department (KPD) due to anticipated retirements of veteran officers and the subsequent hiring of 15 new police officers. Seasoned personnel have stepped up to mentor our recruits recently graduated from the Washington State Criminal Justice Training Academy. They hand down their pride in service based on the values of our newly minted mission statement, "The mission of the Kirkland Police Department is to protect and serve our community with honor, integrity and courage." The department has maintained the high level of service for which the KPD is known.

Whether a minor injury or a complex, life-threatening event, Kirkland Fire Department (KFD) responds around the clock with trained, equipped and operationally ready personnel. Five fire stations, strategically positioned throughout our community, respond to the wide variety of emergencies that occur in our community. 9-1-1 calls for emergency medical services (EMS) account for the largest percentage of our emergency responses.

One or two KFD response vehicles staffed by Firefighter / Emergency Medical Technicians (EMTs) handle most EMS incidents. Our EMT personnel manage the treatment and transport of patients with Basic Life Support (BLS) needs. Patients with more severe injuries or illnesses, or those requiring Advance Life Support (ALS),

may require the support of paramedics from a neighboring agency, including those from Redmond, Shoreline, or Bellevue. With 2,500 hours of initial training and the support of King County Emergency Medical Services, the paramedics in King County's Medic One program are among the world's best. This BLS – ALS partnership between Kirkland Fire and our paramedic colleagues contributes to King County's successful and highly regarded EMS system.

Kirkland Fire also maintains "all-hazards" response capabilities that match the risks in our community including those encompassing technical rescue, high-angle rope rescue; confined space, trench, motor vehicle, and collapse rescue; hazardous materials response; and water rescue. In 2016 KFD placed two water rescue craft in service to better protect users of our beautiful shoreline.

Regional public safety and local community partnerships enhance our operational effectiveness. Kirkland is highly engaged with King County EMS and is an active partner with the East Metro Training Group (EMTG), a collection of fire departments providing unified training to area firefighters. Collaborations across north and east King County ensure the entire region maintains robust hazardous materials and technical rescue response capabilities.



As a fully accredited agency, the Kirkland Police Department has a long history of being an effective, responsive and professional agency. The dedicated men and women who choose to serve this community do so with courage, determination and self-sacrifice.

Specialty cadres and assignments allow individuals to train and equip to the highest standards. This includes those most visible, such as our front line Patrol Officers, K-9 Officer, Neighborhood Resource Officer and School Resource Officers. It also includes those less visible, but just as integral to the successful workings of the department, such as those who specialize in Investigations, Crisis Intervention, Less Lethal tactics, Honor Guard, and Hostage Negotiation, to name a few.

# WHAT ARE WE DOING?

The Police Department continues its commitment to the City of Kirkland through community-based policing utilizing high visibility strategies to reduce crime and maintain a high level of confidence in public safety. At the end of 2016, the Police Strategic Plan was developed in tandem with our community stakeholders to best determine areas of policing priority. 2017 was the first full year of prioritization and the beginning of implementation of the goals identified in the Police Strategic Plan. This includes a strong emphasis on community engagement. As such, command personnel and our Neighborhood Resource Officer make it a priority to participate in neighborhood meetings across the City. We listen to what concerns our neighbors on a day-to-day basis, present safety strategies and educate about our on-line, non-emergent reporting tool, CopLogic.

As a result of the goals defined in the Police Strategic Plan, we have established a detailed work plan and timeline for system and process improvements to include a more proactive patrol model, able to focus on community policing partnerships and crime prevention. This proactive model also calls for the restoration of a ProAct Unit who will focus their efforts on narcotics enforcement and property crimes.

The Kirkland Fire Department is a highly trained and well equipped organization, with the protection of resident's lives, property and the environment as its focus. The Fire Department provides fire prevention inspections of commercial properties, fire related plan checks, fire investigation activities, emergency medical response and transport,

fire suppression, hazardous material release responses, technical and specialized rescue and emergency management and preparedness to the over 86,000 residents of Kirkland.

The Work Program for the Fire Department for 2017 focused on recommendations from the Fire Strategic Plan including:

- Planning for the New Station 24 continued with site acquisition, planning, and construction originally scheduled to occur in 2018 and 2019.
- The City continued to explore options for relocating Station 27 from its current location to an area east of Interstate 405 and near Evergreen Health Medical Center.
- Renovations at Station 25 on Finn Hill began with updates to interior spaces, HVAC systems, and seismic and structural components.
- The department continues efforts to support accreditation through the Center for Public Safety Excellence.
- The department's Office of Emergency Management (OEM) focused on providing training and support to City of Kirkland staff and volunteers. OEM staff also completed key work on the City's Continuity of Operations and Continuity of Government. This work resulted in both plans being adopted by the Kirkland City Council.
- Fire Prevention personnel continued to evaluate software options that support field inspections.



# BALANCED TRANSPORTATION

## GOAL

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

The City funds active transportation options

So that...

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

So that...

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

MEASURE	2013	2014	2015	2016	2017	Target
Percent of Capital Improvement Program Transportation funding devoted to Active Transportation	38%	36%	41%	32% <sup>1</sup>	31% <sup>1</sup>	33%
Percent of proposed Intelligent Transportation System (ITS) projects completed	37%	38%	62%	63%	94%	100% of ITS Strategic Plan
Complete sidewalk construction on at least one side of all school walk routes	89%	89%	89% <sup>2</sup>	90%	90% <sup>3</sup>	100% by 2019
Percent of bicycle network construction improvement projects completed	64%	64%	71% <sup>4</sup>	71% <sup>4</sup>	79%	100% by 2018
Percentage of designated arterials that are complete streets	60%	60%	60%	62%	62%	100%
Residents surveyed are satisfied with maintenance of active transportation facilities	5	82%	5	No Data	5	90%
Automobile crashes involving bikes	25	14	24	16	18	0
Automobile crashes involving pedestrians	23	27	28	24	20	0

<sup>1</sup> The percent of CIP funding includes a significant reliance on unsecured grants, which may not be secured.

<sup>2</sup> The planning processes in 2013 and 2014 (Comprehensive Plan update, and the Transportation Master Plan) laid the groundwork for the 2015-2020 Capital Improvement Program update (CIP). In 2015, staff worked to align the CIP priorities with the adopted Kirkland 2035 Comprehensive Plan Vision Statement and Guiding Principles. The result was more emphasis on transit, bicycling, and walking networks. The following processes and programs are examples of this transformation: The City's Neighborhood Safety Program, School Walk Route Program, Walkable Kirkland Initiative, Cross Kirkland Corridor Connections, Suggest-A-Project, and increased coordination with King County Metro. Over \$30 million was allocated in the CIP for bicycle and pedestrian related improvements city-wide with nearly 20% of this funding targeted specifically towards School Walk Routes. Staff has been ramping up to deliver the highest priority projects by the 2019 target date.

<sup>3</sup> On target to reach 100% for 2019 goal.

<sup>4</sup> Data was adjusted to reflect available documentation and current status of the performance measure.

<sup>5</sup> Community Survey conducted in even years.

## HOW DO WE MEASURE BALANCED TRANSPORTATION?

On November 17, 2015 City Council adopted the City of Kirkland Transportation Master Plan. The Transportation Master Plan established goals, policies and actions for how the City will expand and maintain a multi-modal transportation system in support of the Comprehensive Plan vision of a livable, walkable, green and connected community. One of the eight goals in the Transportation Master Plan is to "[m]easure and report on progress toward achieving goals and completing actions." The plan provides policy support to implement a multimodal, plan-based concurrency system, establishes acceptable level of service for all modes, adopts a modal split goal for the Totem Lake Urban Center, and ensures Transportation Master Plan implementation by monitoring progress on goals.



City crews painting bike lanes.

## HOW ARE WE DOING?

The result of increasing the percentage of Capital Improvement Program (CIP) projects devoted to Active Transportation in 2014 meant that many of these projects progressed to the study and design phase during 2015 and 2016. A significant number of these projects moved to the construction phase during 2017.

It takes multiple years to fund, design, permit, acquire right-of-way and construct large capital projects and the City began a number of ambitious projects in 2016 in order accommodate future demand as our community continues to grow.



### Pedestrian Improvements

In 2017, the City of Kirkland repaired and replaced 1,200 linear-feet of damaged sidewalk along a one-block section of Sixth Avenue and Sixth Street. Kirkland's Sidewalk Maintenance Program restored a uniform sidewalk along both sides of the neighborhood streets. To restore the sidewalk and ensure its longevity, Kirkland's contractor removed 29 trees that were in the City's right-of-way. The City replaced some of those trees during construction. The 29 trees were originally planted in compacted soil and spaced too tightly, which forced their roots to grow toward the surface in their quest for loose soil and water. The sparse tree layout gives the trees' roots ample room to grow into loose soil, rather than upward, toward sidewalk panels.

## WHAT ARE WE DOING?

Every year, the City of Kirkland improves sidewalk access for those who travel by wheelchair or with the aid of a white cane. The City does this every time it rebuilds curb ramps that are too steep, too narrow and that too subtly transition from the safety of the sidewalk to the traffic of the street.

Kirkland has rebuilt 345 curb ramps since 2013, the first year Streets Levy funds became available. The levy paid for 134 of those. In 2017, Kirkland rebuilt 36 curb ramps. This is part of a long-term effort to ensure all travelers can safely ascend and descend each of Kirkland's nearly 4,000 curb ramps.

Fundamental to that effort is mounting the tactile warning strip, which is often the only clue to a vision-impaired traveler that he or she is entering a traffic zone.

For those who travel by wheelchair, having a landing at the top of the curb ramp—a flat space to turn—can make the difference between traveling on a sidewalk or in the street.



A Kirkland resident at a newly-installed tactile warning strip.



# ECONOMIC DEVELOPMENT

## GOAL

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

The City provides a welcoming, supportive environment for businesses

So that...  
Kirkland has a healthy business and tourism economy

So that...

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

MEASURE	2013	2014	2015	2016	2017	Target
Number of businesses helped with consultant services	187	178	174	189	181	N/A
Office space vacancy rate	7.6%	5.5%	3.3%	5.1%	4.7%	Eastside: 9.0%
Lodging tax revenue	\$247,075	\$270,607	\$305,564	\$312,521	\$326,919	Increase
Net new businesses	641	****	****	873	841	Increase
Visits to ExploreKirkland.com	90,523	86,017	111,866	83,954	60,896	Increase
New Green Businesses	1	3	***	***	7*	Increase
Annual number of jobs	32,722	33,828	34,803	37,342	39,281	Increase
Businesses are satisfied with Kirkland as a place to do business	**	**	81%	**	***	80%
Residents are satisfied with the availability of goods and services in Kirkland	**	80%	**	83%	**	80%

\* Envirostars program launched in Sept 2017

\*\* Community Survey conducted in even years

\*\*\* No data available

\*\*\*\* City staff are evaluating data for these years

## HOW DO WE MEASURE ECONOMIC DEVELOPMENT?

Net new businesses and office space vacancy rates are both indicators of the health of the local business economy. Lodging tax revenue measures the vitality of the hospitality industry, which in turn supports other tourism assets such as restaurants and retail shops. Internet visits to ExploreKirkland.com website demonstrate the public's interest in Kirkland and often translate to actual visits and extended stays in our City.

An architectural rendering of the planned Whole Foods marketplace in Totem Lake.



## HOW ARE WE DOING?

The Economic Development Office continues to recruit and retain businesses, and increases can be seen in the number of businesses and employees over the past year, despite the fact that two major mixed-use developments, the Village at Totem Lake and Kirkland Urban were under construction for a large part of the reporting period and their first phases are not expected to be completed until sometime

in 2018. The commercial vacancy rate in Kirkland is substantially lower than the King County average and the largest office parks including Carillon Point and Yarrow Bay have been approaching capacity. Much like the rest of the regional economy, we are a location where people want to come as well as want to stay, resulting in a limited and often expensive commercial space product.

## WHAT ARE WE DOING?

In the heart of downtown Kirkland is the Kirkland Performance Center (KPC), a vital and beloved entertainment resource for the Eastside community that also contributes significantly to the exceptional Kirkland quality of life. Less well known is the role of the facility in supporting the economic vitality of downtown Kirkland, especially in the shoulder seasons when weather forecloses on outdoor activities. Moreover, the theatre, the only commercial assembly space of its size in the City with over 400 seats, also hosts business conferences, thereby supporting the weekday business travel economy that helps to fill Kirkland hotels. In addition, the KPC occasionally serves as a recording and video production studio for private interests; revenue key to supporting the public performance and popular programming that Kirklanders appreciate.

However, by 2016, it was acknowledged by KPC staff that its sound equipment as well as lighting, recording and infrastructure had fallen short of industry standards. As compared to its competitors like the Edmonds Center for the Arts and Meydenbauer Center, the KPC could not take advantage of the market for entertainment and business events, and could not leverage these revenues to grow its programs including subsidies for community events.

In 2016, the KPC sought the assistance of the Kirkland Tourism Development Committee which oversees the expenditure of lodging tax funds. These funds are used to attract overnight visitors to Kirkland from fifty (50) miles and beyond. The KPC requested and was granted \$100,000 to implement a technology upgrade by the City Council. With the funding the KPC was able to upgrade its

front-of-house console, monitor system, sound speakers, cabling and digital wiring.

More recently, as a result of the efforts of Senator Kuderer, funds totaling \$500,000 were secured in the 2017 legislative session to provide additional upgrades to the theatre. Along with roof improvements, the funds also will be used to improve lobby and concession areas, and replace antiquated theatrical lighting.

The KPC is an economic development asset for Kirkland. The City is hopeful that the improvements will make it competitive with its peer facilities, and that it can, like other conference and event centers, draw business activities to Kirkland and enhance the revenues of nearby hotels and surrounding retail and restaurant businesses.



The Kirkland Performance Center



# PARKS AND RECREATION

## GOAL

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

Staff and volunteers maintain parks and manage recreation programs

So that...

The City invests in parks and recreational programs

So that...

The City progresses on the Park, Recreation and Open Space Plan

So that...

Kirkland has an exceptional parks and recreation system

MEASURE	2013	2014	2015	2016	2017	Target
FTE staff for parks maintenance and recreation programs	56.24	59.69	59.76	60.15	60.58	N/A
Park maintenance FTE's per 100 acres developed land	5.05	5.44	5.48	5.48	5.24	N/A
Number of volunteers	2,306	3,012	3,216	3,196	4,960	N/A
Volunteer hours	17,997	19,266	19,431	20,417	21,044	N/A
Parks Capital Improvement Program	\$3,537,578	\$3,823,583	\$3,552,615	\$3,677,400	\$6,558,900	N/A
Parks Operating & Maintenance Funding	\$4,969,719	\$5,097,601	\$5,900,339	\$5,951,738	\$5,853,592	N/A
Recreation Operating & Maintenance Funding	\$2,176,292	\$2,198,858	\$2,326,789	\$2,444,766	\$2,766,891	N/A
Residents with neighborhood park within 1/4 mile radius	68%	68%	68%	68%	74%	100%
Acres of natural area in restoration	48.5	58.6	64.5	80	95.7	487 acres by 2035
Percent of recreation classes meeting minimum enrollment	81.6%	85.4%	87.3%	82%	87%	80%
Residents rate City parks as satisfactory or better	*	95%	*	94%	*	95%
Residents rate recreation and community services as satisfactory or better	*	84%	*	79%	*	N/A

\* Community Survey occurs in even years

## HOW DO WE MEASURE PARKS AND RECREATION SERVICES?

The budget and number of FTE staff available to parks maintenance and operations helps measure the department's ability to maintain the parks. With the infusion of levy funds, park maintenance staffing was returned to nearly the level it was in 2010.

Given the important contribution that volunteers make to the City's work, the number of volunteers and their total number of hours is also tracked. The Green Kirkland Partnership carries out environmental restoration in parks almost exclusively through volunteers.

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

- Residents should have access to a neighborhood park within a quarter mile of their home.
- 487 acres of natural areas are targeted to be restored to their natural state by 2035.

Recreation and community services programs and classes are measured by tracking the percentage of programs and classes that meet minimum numbers to operate. This demonstrates how well they match residents' preferences. Over 87 percent of recreation classes met the minimum enrollment, which exceeds the City's target, a good indication that the classes offered meet the demands of community members.

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

## HOW ARE WE DOING?

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

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

Over 87 percent of recreation classes met the minimum enrollment, which exceeds the City's target, a good indication that the classes offered meet the demands of residents.

## WHAT ARE WE DOING?

Parks and Community Services has changed a great deal over the years. The department currently encompasses parks maintenance and operations, Green Kirkland Partnership, community centers, Peter Kirk Pool, recreation and community services programming, special event support services, youth services, senior services and human services. With the annexation in 2011, the department has increased its scope and responsibility. This includes an increase in park acreage from 490 acres to 601 City-owned acres and new acres have been added to the restoration program, growing it from 30 acres in 2011 to 95.7 acres in 2017. Additionally, the City maintains another 112.30 acres that are not City-owned but available for community use.

In 2017, the recreation and community services staff offered 2,228 unique programs and had 16,221 customers registered for those programs. Unfortunately, there were another 3,228 people on wait lists. The amount of money granted to non-profit organizations to provide human services increased

from \$535,671 in 2011 to \$902,800 in 2017. Finally, the Capital Improvement Program grew from \$888,000 in 2011 to \$6,558,900 in 2017.

The Parks and Community Services Department strives to keep pace with the community growth in order to meet the health, wellness and recreation needs of the community. So far, the department has been able to reorganize to meet the increasing needs. Parks and Community Services will continue to find ways to operate more efficiently, effectively and creatively. New technology is paving the way to automate how services are delivered to the community. Capital improvement projects in development for years have finally moved into construction. Customer service processes are being streamlined to better serve the community and the department is striving to allocate its resources to the community's top priorities. But as the Parks system expands to meet the needs of the growing community, the City will need to evaluate the need for additional resources.



*Trail walk at Edith Moulton Park.*

### Ongoing Improvements to Serve the Community

In 2017, the Parks and Community Services Department continued to strive for incremental improvements in the parks, programs and services offered. The City added to parks and open spaces with the expansion of McAuliffe Park, and acquisitions in the Kingsgate, Juanita Heights, and Totem Lake neighborhoods. These acquisitions added additional acreage, helping us achieve the 2015 Parks, Recreation, and Open Space (PROS) Plan goals. Additionally, we made substantial progress on capital improvement projects. We added irrigation at O. O. Denny, developed Edith Moulton with park amenities including restoration, an off-leash dog trail, restrooms, a picnic pavilion, and a play area, and made improvements to the Peter Kirk Pool.

In 2016, we upgraded our registration experience with the implementation of CivicRec. Technology also played an important role in 2017 with the implementation of Lucity, a new asset management software, for park maintenance and operations. Lucity has streamlined our data tracking procedures, making it more efficient to manage and prioritize all of our resources including people, parks, projects and programs.

*Participants in the Move and Grow recreation class.*



# ENVIRONMENT

## GOAL

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

The City implements comprehensive natural resource management system

So that...

Kirkland protects and enhances its natural environment

So that...

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

MEASURE	2013	2014	2015	2016	2017	Target
Compliance with NPDES Stormwater Permits	100%	100%	100%	100%	100%	100%
Recycling Diversion Rate	52.7%	53.7%	54.5%	53.9%	54.8%	Increase
City building electricity use (kilowatt/hour)	2,787,817	2,491,759	3,696,204*	3,532,456	3,664,878**	Decrease
City building natural gas usage (therm)	64,733	103,196	91,946*	95,927	111,938***	Decrease
Waste entering landfill from residences (tons)	22,033	21,840	21,742	21,869	20,980	Annual 2.5% decrease
Annual reduction in City's greenhouse gas emissions as a percent of 2005 levels	21%	14%	16%	-2.98%	.39%	80 % below 2005 levels by 2050

\*First full year of facility operations for the Kirkland Justice Center.

\*\* Note that 2015 – 2017 electricity fluctuations are due in part to City Hall remodel construction. Stabilized usage figures should be available for the 2018 report.

\*\*\* Puget Sound Energy notes that 2017 was much colder than 2016 and customers saw higher usage as a result. Staff will be evaluating usage by facility to determine if there are other factors contributing.

## HOW DO WE MEASURE ENVIRONMENTAL SUSTAINABILITY?

The National Pollutant Discharge Elimination System (NPDES) stormwater permit compliance encompasses a wide range of actions the City undertakes to improve surface water quality. Recycling diversion rates and waste entering the landfill both measure the effect of the City's waste reduction efforts. High resolution satellite imagery and remote sensing and geographic information system (GIS) mapping is used to determine the amount of tree leaf surface covering a large area.

Surface water grate along Park Lane.







City of Kirkland staff (left to right: Tracy Durnell, John MacGillivray, and Jenna McInnis) receive the Public Agency Recycler of the Year award.

## HOW ARE WE DOING?

In 2017, the City of Kirkland continued to work on reducing waste, and recycling and composting more. The combined single family and multifamily residential recycling diversion rate was 54.8 percent, up from 53.9 percent in 2016. The City of Kirkland was awarded Public Agency Recycler of the Year by the Washington State Recycling Association, in recognition of the City's Solid Waste Division's innovative programs and leadership in recycling.

## WHAT ARE WE DOING?

The City entered into a voluntary, long-term agreement with Puget Sound Energy (PSE) to provide nearly all of the City's electricity use through PSE's Green Direct program, which allows participants to directly invest in a specific renewable energy project while also locking into a stable and predictable price for electricity for ten years. This action will help remove the City's electricity costs from a sometimes-volatile and unpredictable energy market. PSE estimates that the City's use of Green Direct power will provide a reduction of 3,250,000 pounds of CO<sub>2</sub>.

City staff partnered with a local consultant to improve offerings for multifamily audiences. This work is ongoing, but has led to a website revamp, organization of materials, and onsite technical assistance at properties. Kirkland continues to offer special recycling collection events for tricky-to-recycle items, like mattresses, batteries, and electronics. The City continued to hold its popular monthly StyroFest events, offering a collection point for expanded polyethylene foam (EPS), and plastic bags for local residents. The City hosted its second

successful Halloween Costume Swap, a community event for sharing Halloween costumes and accessories.

The City expanded the availability of food scraps composting for multifamily residents in 2017. While there is a free optional composting program available for multifamily properties, some properties do not participate. To ensure that anyone who wants to compost can, Kirkland opened up community food scrap drop off locations. Residents can collect their food scraps at home, and bring them to the collection bins at Kirkland City Hall. There is also a food scrap drop off at North Kirkland Community Center.

For businesses, Kirkland launched its new green business program, EnviroStars. EnviroStars is a regional green business program, meaning one program for Kirkland, Seattle, Bellevue, Redmond, and beyond. This one-stop-shop program helps businesses take new environmental actions and get recognized for the work they're already doing. EnviroStars is a collaboration that makes it easier for businesses to take action, and easier for customers to support green businesses.



Above: food scrap collection bins at Kirkland City Hall.



The 2017 Costume Swap hosted at City Hall.

# FINANCIAL STABILITY

## GOAL

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

The City is fiscally responsible

So that...

The City can invest in community priorities

So that...

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

MEASURE	2013	2014	2015	2016	2017	Target
Percent of target balance in General Purpose Reserves	76%	78%	89%	88%	88%	80% of budgeted reserve target
Credit Rating	AAA	AAA	AAA	AAA	AAA	AAA
Percent of funding allocated to high priority services (Stars and Imperatives)	*	94.3%	*	92.3%	*	80% of rated services

\* Community Survey conducted in even years

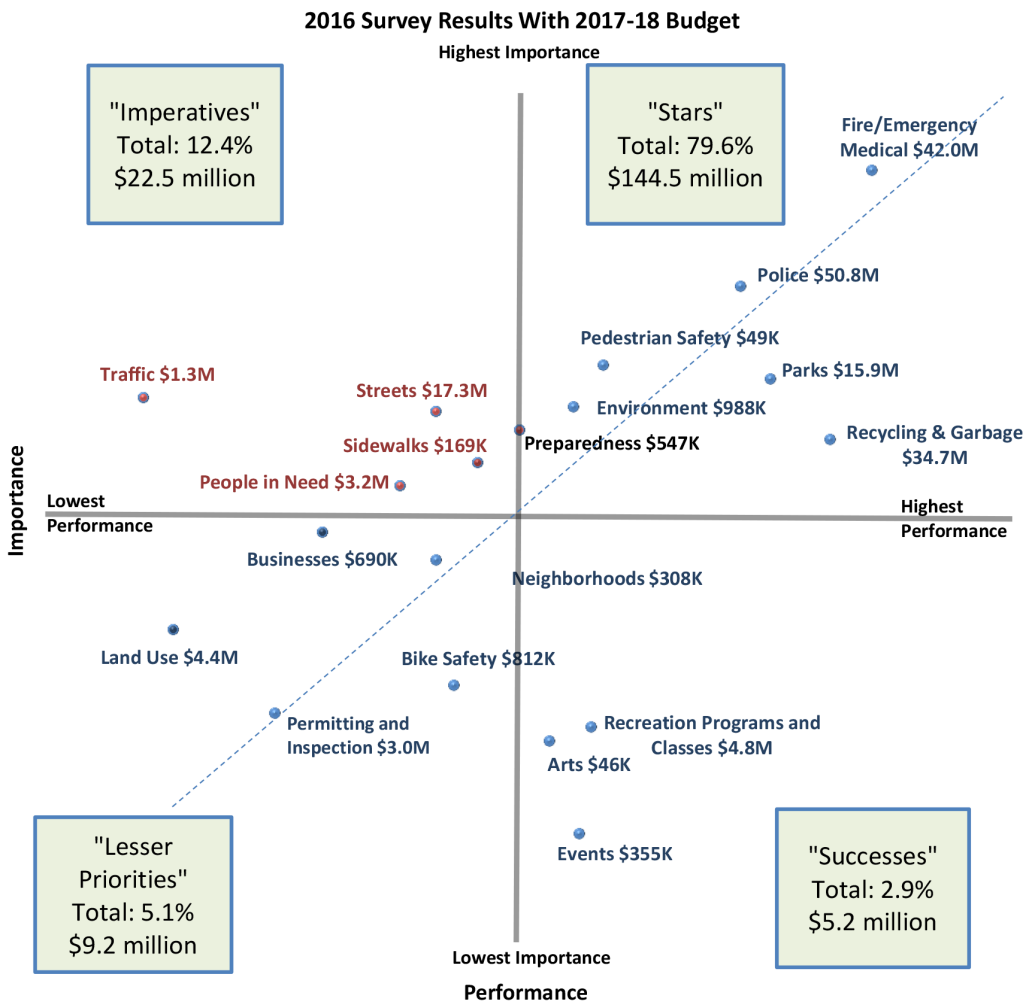


Figure: The Kirkland Quadrant

## HOW DO WE MEASURE FINANCIAL STABILITY?

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

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



## HOW ARE WE DOING?

Contingency reserves are used during the economic downturns, and in rare cases for large unforeseen expenditures or revenue reductions. The last time these reserves were used was during the 2008-2011 'Great Recession'. The Council began replenishing reserves with the start of the economic recovery in 2011 and following Council action, the City has continued to increase reserve levels in each subsequent budget, with reserves projected to reach the target by the end of the 2019-2020 biennium.

Standard and Poor's AAA credit rating is the highest rating that can be achieved by a municipality and saves Kirkland taxpayers money through lower interest rates when borrowing. Kirkland has retained its AAA rating in recent

years, including throughout the Great Recession. The rating reflects factors including community demographics, use of best practices and financial strength.

Despite constrained budgets, the City has continued to invest in areas that the community has highlighted as a priority. Further, the City has also made long-term decisions, such as the voter-enacted 2012 Streets and Parks Levies, to facilitate greater spending on areas the community has highlighted as important.

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

## Annexation Sales Tax Credit Reserve

During the 2017-2018 budget development process, the City Council established an Annexation Sales Tax Credit (ASTC) reserve as part of the City's commitment to financial stability and ensuring adequate levels of reserves. The first contribution to this reserve was scheduled for 2017.

Currently budgeted at approximately four million dollars per year the ASTC represents money received from the State of Washington to help the City with the additional costs associated with running a larger City. The ASTC lasts for ten years, and is set to expire mid-way through 2021. Building reserves is one of a number of proactive steps the City is taking to help offset the loss of this revenue source.

## WHAT ARE WE DOING?

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

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

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



# HUMAN SERVICES

## GOAL

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

City funds human service agencies

MEASURE	2013	2014	2015	2016	2017	Target
Total human services funding	\$2,654,433	\$2,786,692	\$2,921,624*	\$2,845,815	\$3,286,529	N/A
Human services funding per capita	\$32.58	\$34.13	\$35.01	\$33.99	\$37.67	N/A

So that...

The City supports programs that help people meet basic needs

Number of programs funded* in each community goal area: 1. Food to Eat and Roof Overhead	21	21	23	23	21	N/A
2. Supportive Relationships within Families, Neighborhoods and Communities	13	13	15	15	13	N/A
3. Safe Haven from All Forms of Violence and Abuse	4	4	5	5	6	N/A
4. Health Care to Be as Physically and Mentally Fit as Possible	15	15	16	16	16	N/A
5. Education and Job Skills to Lead an Independent Life	9	9	8	8	9	N/A

So that...

Kirkland meets the needs of our community

Funded agencies meet or exceed human services contract goals	94%	94%	94%	94%	95%	100%
Percent of applicant programs receiving funding from the City	84%	84%	88%	88%	81%	100% of eligible programs

\* Represents the 2015 share of the biennial funding (\$6.0 million) and per capita (\$71.67)

## HOW DO WE MEASURE HUMAN SERVICES?

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

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

Members of Kirkland's Youth Council help process donated food.



## HOW ARE WE DOING?

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

The City's investment in human services has continued to increase. The number of funded programs has grown from seven in 1987 to 65 in the 2017-2018 biennium. The amount of funding for grants has also increased to over \$1.8 million.

The percentage of funded agencies reaching or exceeding their targets remained high at 95 percent. The City will continue to work with funded agencies to ensure this number gets to the target of 100 percent.

## WHAT ARE WE DOING?

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

- A Senior Center Program
- A Community Youth Services Program and Teen Center
- Support for Domestic Violence Survivors
- A Police School Resource Program
- Kirkland Youth Council completes multiple service projects each year.

## REGIONAL PARTNERSHIPS

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

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

- All Home
- Alliance of Eastside Agencies
- Eastside Easy Rider Collaborative
- Eastside Homelessness Advisory Committee (EHAC)
- Eastside Human Services Forum
- Eastside Pathways Racial Equity Team
- Eastside Race and Leadership Coalition
- Eastside Refugee and Immigrant Coalition
- Governing for Regional Equity and Inclusion
- King County Community Development Block Grant Consortium
- North/East King County Funders Group
- United Way's Community Building Community



### Kirkland Shelter for Families and Women

In early 2017, the City of Kirkland entered into a Memorandum of Understanding with Holy Spirit Lutheran Church and Salt House Church to secure a Kirkland site for a permanent shelter for women and families with children experiencing homelessness. The shelter will be constructed by Catholic Housing Services, with the family services provided by Catholic Community Services (CCS) of Western Washington and the women's services provided by The Sophia Way.

The core component of the Kirkland Shelter for Families and Women is low-barrier access in an environment that is welcoming to all. CCS and The Sophia Way will provide case management for clients, which will be focused on obtaining housing and addressing other areas of need — offering a path from homelessness to stable independent living.

This project is the result of years of planning to address the need for a 24/7 facility that replaces day centers and rotating emergency shelters that require women and families with children to spend a great deal of time getting from place to place.

The public capital project funds have been secured. Partners include the King County Department of Community and Human Services, Housing and Community Development (\$2 million), the City of Kirkland (\$1.15 million), ARCH (A Regional Coalition for Housing) (\$1.224 million), the State of Washington (\$2.35 million), and other Eastside Cities (\$0.2 million). Private fundraising efforts led by The New Bethlehem Project and The Sophia Way are well on their way to meeting their goal of \$2 million.

The City anticipates that construction of the Kirkland Shelter for Families and Women will be completed in 2020.



# NEIGHBORHOODS

## GOAL

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

The City provides funding and outreach for neighborhood participation

So that...

Residents participate in their neighborhoods and citywide forums

So that...

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

MEASURE	2013	2014	2015	2016	2017	Target
Subscriptions/number of e-bulletins sent out	1231/283	1281/317	1313/264	1447/131	1678/62***	N/A
Neighborhood CIP funding	0	\$150,000	\$350,000	\$350,000	\$350,000	N/A
Number/amount of neighborhood matching grants	10/\$13,890	10/\$7,943	11/\$19,250	11/\$5,955	10/\$17,628	N/A

Value of Volunteer hours in neighborhood projects	\$30,199	\$73,862	\$39,452	\$40,675	\$69,190	N/A
Number of attendees at City Council neighborhood meetings	123	177	231*	79	101	N/A
Number of questions submitted to City Council neighborhood meetings	24	68	69	31	41	N/A
KAN Neighborhood University attendees	70	80	350	130	208	N/A

Residents surveyed are satisfied with neighborhood infrastructure and maintenance (satisfactory or better)	**	82%	**	82%	**	90%
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\* There was one less City Council meeting with neighborhoods in 2010, 2012, and 2015 (adjusted to accommodate the neighborhood's requested change)

\*\* Community Survey conducted in even years

\*\*\*Decrease in e-bulletins sent due to the consolidation of bulletins into the City's weekly email digest, "This Week in Kirkland"

## HOW DO WE MEASURE NEIGHBORHOOD SERVICES?

Resident satisfaction with Neighborhood Services demonstrates how well the City understands the needs of residents and subsequently invests in neighborhood planning and capital improvements.

Rates of resident participation in neighborhood activities reflect the neighborhood organizing work done through the Neighborhood Services Division.

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

## WHY DID WE CHOOSE THESE MEASURES?

These measures account for the neighborhood organizing work done through the Neighborhood Services Division of the City Manager's Office. This is only one element of what influences a resident's satisfaction with government and their neighborhood.

# WHAT IS THE CITY OF KIRKLAND'S ROLE?

The City is committed to supporting neighborhoods by:

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

The Neighborhood Services staff provides outreach and resources through personal contact, coordination with the City's Communication Program and the City website.

The City distributes neighborhood matching grants for neighborhood projects. Project creation and volunteerism enable residents to actively participate in local government, build community and improve the quality of life in their neighborhood.

Neighborhood Services connects residents with citywide issues by coordinating opportunities for community input on issues and decisions considered by the City Council. These opportunities

include large town hall style events as well as other civic engagement activities.

In previous years, Neighborhood Services has coordinated City Council meetings in four neighborhoods per year. Residents could talk directly to City Council members and ask questions regarding neighborhood and citywide issues.

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

Representatives from the Kirkland Alliance of Neighborhoods and other neighborhood leaders worked with City staff to develop and implement the Neighborhood Safety Program. The purpose of the program is to "reenergize neighborhoods through partnerships on capital projects implementation".



*Peter Kageyama speaking at the "For the Love of Kirkland" event.*



*The Crossing Kirkland event along the Cross Kirkland Corridor in 2017.*

## For the Love of Kirkland

The City of Kirkland wanted to celebrate the accomplishments of our neighborhoods and inspire new interest in neighborhood leadership and participation. Peter Kageyama, the author of "For the Love of Cities" and "Love Where You Live," was the ticket. On January 23, 2017, Peter came to Kirkland and spoke to over 160 people, including residents, business owners, artists, and elected officials.

As Peter outlines in his book "For the Love of Cities," he talked to participants about "the mutual love affair between people and their place is one of the most powerful influences in our lives, yet rarely thought of in terms of a relationship. As cities begin thinking of themselves as engaged in a relationship with their

citizens, and citizens begin to consider their emotional connections with their places, we open up new possibilities in community, social and economic development by including the most powerful of motivators—the human heart—in our toolkit of city-making."

On September 9, 2017, Kirkland had its first "Citywide block party", Crossing Kirkland, where neighbors shared food, fun and conversation. Neighborhood Associations from across the City sponsored stations spread out along the Cross Kirkland Corridor, including a scavenger hunt, a climbing wall, games, food trucks, craft projects, bike tune-ups and information stations.

With more than 1,000 attendees, the celebration was community building in action. Hatched out of the "For the Love of Kirkland" from January 2017, Crossing Kirkland beckoned the community to engage with the Cross Kirkland Corridor and each other in new ways.

"Crossing Kirkland brought neighbors together in a very special way," said Jonathan Heuer, co-leader of the Norkirk station and the main organizer of the event. "It was truly a ground-up enterprise organized by people who really love Kirkland and who are invested in creating and maintaining the small town atmosphere of the City while protecting the natural spaces the City has worked hard to preserve."

# HOUSING

## GOAL

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

The City funds affordable housing

So that...

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

MEASURE	2013	2014	2015	2016	2017	Target
City contributions to ARCH (A Regional Coalition for Housing) Trust Fund*	\$424,108	\$406,092	\$478,476	\$426,610	\$546,970	\$307,000 to \$455,000
Number of low income housing units produced	15	19	7**	101**	97***	69 units per year
Number of moderate income housing units produced	23	8	0**	174**	14**	49 units per year
Total number of low and moderate income units brought online	38	27	7**	275**	111***	118 units per year

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

\*\* 89 of the low income and 143 of the moderate income units are Residential Suites – single room living units of 120 to 350 square feet with shared bathroom and/or kitchen facilities.

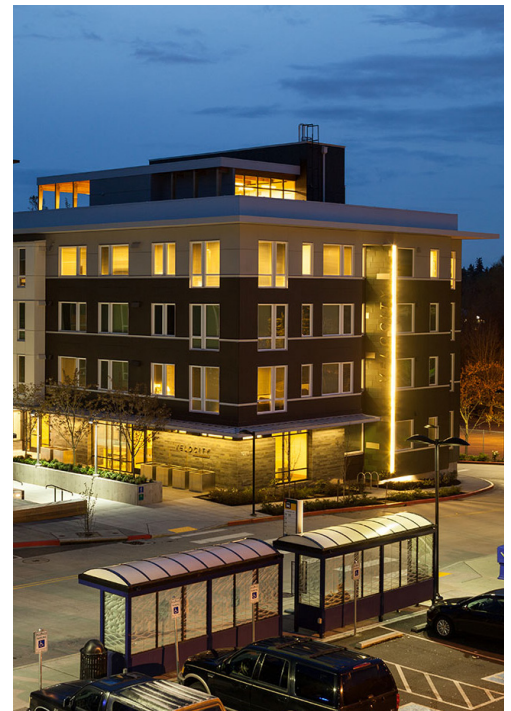
\*\*\* ADU and housing market survey units not included.

## HOW DO WE MEASURE AFFORDABLE HOUSING?

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

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

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



The Velocity Apartments, a low-income housing community at the South Kirkland Park and Ride.



## HOW ARE WE DOING?

The City continues to make significant contributions to the A Regional Coalition for Housing (ARCH) Trust Fund. Following the annexation of the North Juanita, Finn Hill and Kingsgate neighborhoods, the City's target for contributions to the Housing Trust Fund increased to reflect the larger population. The City has been contributing above targets from 2012 through 2017.

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

## WHAT ARE WE DOING?

Kirkland continues to take a multi-faceted approach to creating a diverse housing stock that meets a variety of income ranges and needs. Several multi-family and mixed use developments in areas where affordable housing will be required by zoning regulations are currently in the pipeline, based on conversations with developers prior to permit submittal through projects that are already under construction. The City's growing list of regulations to encourage and enable affordable and diverse housing include:

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

Planning staff and the Housing Strategy Advisory Group are in the process of preparing a new Housing Strategy Plan to provide direction for additional future initiatives that the City will undertake in support of affordable and diverse housing. In addition, the City sees a tremendous return on its annual investment in the ARCH Housing Trust Fund. All of the low income units and about 20% of the moderate income units that the City has been given credit for producing are a result of financial contributions made by the City to affordable housing projects within Kirkland and other ARCH cities through the ARCH Housing Trust Fund.



### The Houghton Apartments

In 2010, the Kirkland City Council adopted regulations that require the builders of certain multifamily and mixed commercial and residential communities to include ten percent affordable housing in their new developments. Those units provide housing to people who earn between 50% and 100% of the King County median income. That is currently \$37,000 to \$72,000 for a single person.

Over the first seven years of the program, developers have made payments in lieu of some of those units, resulting in \$1.98 million in payments in lieu of the construction of 8.5 units of affordable housing. In 2017, the City found a way to use that money to permanently preserve 15 units of affordable housing for those earning less than 60% of King County median income.

That project was made possible because in 2015 the City purchased the Houghton Apartments, two apartment buildings including a total of 15 units, in order to secure land to build a pedestrian bridge between the Cross Kirkland Corridor (CKC) and the Houghton Shopping Center as called for in the CKC Master Plan. With that project completed, the City owned a couple of apartment buildings in need of rehabilitation while the King County Housing Authority owned a separate commercial building that the City had been leasing to house part of its maintenance operations. The City and the Housing Authority agreed to trade properties, with the Housing Authority agreeing to rehabilitate and maintain the affordable housing provided in the 15 apartment units in perpetuity. The City was able to make the deal happen using the \$1.98 million in payments for affordable housing, resulting in the preservation of homes for 15 families.

# DEPENDABLE INFRASTRUCTURE

## GOAL

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

City funds and staffs infrastructure maintenance

So that...

Infrastructure monitoring indicates good conditions

So that...

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

MEASURE	2013	2014	2015	2016	2017	Target
Transportation Capital Projects Funding	\$12,848,300	\$11,917,000	\$11,089,300	\$28,835,500 <sup>1</sup>	\$33,555,200 <sup>1</sup>	N/A
Water/Sewer Capital Project Funding	\$5,080,070	\$5,597,000	\$5,679,000	\$4,477,000	\$7,905,000	N/A
Surface Water Capital Project Funding	\$4,899,200	\$3,382,300	\$2,360,900	\$2,531,900	\$4,818,000	N/A
Street Maintenance crew FTE's per 100 lane miles	3.23	3.23	3.07	3.07	3.14	N/A
Water/Sewer Maintenance crew FTE's per 100 miles of water and sewer mains	5.55	5.44	5.54	5.59	5.66	N/A
Pavement Condition Index for Major and Minor Arterial Streets	62.3	62.6	77.0 <sup>2</sup>	79.0	77.5	70 <sup>3</sup>
Pavement Condition Index for Collectors and Neighborhood Streets	74.7	72.8	78.3 <sup>2</sup>	80.2	80.0	65 <sup>3</sup>
Residents surveyed rate street maintenance as satisfactory or better	N/A <sup>4</sup>	82%	N/A <sup>4</sup>	82%	N/A <sup>4</sup>	90%
Water Main Breaks	2	2	2	4	5	0
Sewer Obstructions	2	2	1	0	0	0

<sup>1</sup> The CIP funding for 2016 & 2017 includes a reliance on city funding, external funding (developer improvements or direct contributions), secured and unsecured grants – the unsecured grant category has proven to be somewhat optimistic with 2016 at 21% in developer contributions, 17% in secured grants and 6% in unsecured grant funding; 2017: 31% developer, 9% secured grants and 14% unsecured grant funding. New strategies will be proposed for 2018.

<sup>2</sup> The increase in PCI results from a combination of improved conditions and a change in survey methodology.

<sup>3</sup> The optimal target for PCI, in terms of life cycle costs, is approximately 80. Given the new PCI survey, staff recommends changing the target to 80 in the future.

<sup>4</sup> Community Survey conducted in even years.

## HOW DO WE MEASURE DEPENDABLE INFRASTRUCTURE?

The City of Kirkland relies on four measures to determine how well it is maintaining its residents' infrastructure.

- The Pavement Condition Index measures the health of the street network
- The number of water main breaks in the previous year measures the condition of the City's water delivery system.
- The number of sewer obstructions in a given year measures the effectiveness of sewage treatment system.
- A biennial, statistically valid survey measures residents overall satisfaction in their local government and the services they get from it.

The availability of funding and staff directly affects how well the City of Kirkland can maintain these essential services.

## HOW ARE WE DOING?

Kirkland voters approved a permanent property tax levy in 2012 to fund the City's street maintenance and pedestrian safety measures. Since that year, the Pavement Condition Index, which measures the street network's condition, has improved. The condition of major and minor arterials improved from 60.8 in 2012 to 77.5 in 2017. The Pavement Condition Index score for collectors and neighborhood streets has improved as well—from 76.1 in 2012 to 80.0 in 2017. Despite this, citizens' satisfaction of street maintenance has remained below the 90 percent target. The improvement of Kirkland's street network score on the Pavement Condition Index results from two factors. The first is a successful pavement maintenance program. The second is a change to the way Kirkland measures its streets' conditions.

Throughout the last couple of years, water main breaks and sewer obstructions have been rare. Kirkland's water delivery system suffered from five water main breaks in 2017. Its sewer system had no sewer obstructions in 2017. Kirkland's goal is zero incidents per year.



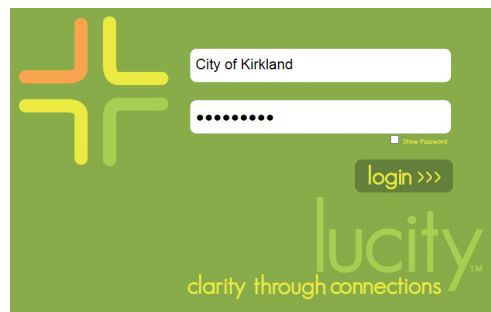
Kirkland's Capital Improvement Program lays the groundwork for redevelopment and maintains the infrastructure that enables residents to enjoy high qualities of life. That infrastructure includes the City's drinking water, sewer and stormwater systems, as well as its transportation systems—streets, sidewalks, trails and connections.

The 2012 Streets Levy is essential to the maintenance of this infrastructure. It empowers the City of Kirkland to maintain streets that would otherwise deteriorate, while expediting progress toward Kirkland's ambitious 20-year goals for walking and bicycling safety. In 2017, for example, Kirkland's capital improvement program repaved seven lane-miles of its more traveled streets and extended the useful lives of 13.2 lane miles of its residential streets. It also improved sidewalk access for all pedestrians by upgrading 66 sidewalk curb ramps to Americans with Disabilities Act standards, installing three new sets of rapid flashing beacons.

## WHAT ARE WE DOING?

Having begun in 2015, the City's \$1.4 million investment in a multi-departmental Maintenance Management Information System (MMIS) was completed in the fall of 2017 with the launch of Lucy. The three-year implementation process required detailed documentation of industry best practices and inventories of a number of assets beyond those already kept. Streamlining paperwork, staff communication, and improved responsiveness to citizen requests were key elements that have been able to be implemented with the new system. Complete integration with the City's robust Geographic Information Systems (GIS) is now a key function of the System allowing real time updates of asset conditions and status of work.

Lucy is now being used by more than 140 City employees in four departments (Information Technology, Parks and Community Services, Public Works, and Facilities within the City Manager's Office). The system efficiently tracks nearly 600 work processes from sweeping streets to exercising fire



hydrants and valves; from inspecting park playground equipment to business grease traps; from repairing HVAC systems within the Kirkland Justice Center to flashing pedestrian crosswalk lights. It allows City staff to record, track, monitor, and to proactively plan activities required to keep the City's myriad of infrastructure assets functioning at their best. While concurrently tracking the resources/parts/vehicles required to maintain the City's existing infrastructure, it will allow staff to document best management practices, staff accordingly, and develop annual work plans centered on keeping the City's growing infrastructure inventory running efficiently and at the best value to the community.





# DATA SOURCES

## NEIGHBORHOODS

- Neighborhoods Services Division
- Neighborhood Safety Program
- City of Kirkland Work Program 2015-2016
- 2012, 2014 and 2016 Community Opinion Surveys

## PUBLIC SAFETY

- Fire & Building Department
- Police Department
- 2012, 2014 and 2016 Community Opinion Surveys

## HUMAN SERVICES

- Human Services Division
- Parks & Community Services Department
- Agency Reports

## PARKS AND RECREATION

- Parks & Community Services Department
- Comprehensive Parks, Recreation and Open Space (PROS) Plan
- Cross Kirkland Corridor Master Plan
- 20 Year Forest & Natural Areas Restoration Plan
- 2012, 2014 and 2016 Community Opinion Surveys

## BALANCED TRANSPORTATION

- Transportation Division
- Active Transportation Plan
- City of Kirkland ITS Strategic Plan
- 2012, 2014 and 2016 Community Opinion Surveys
- Capital Improvement Program Division

## HOUSING

- Planning & Community Development Department
- A Regional Coalition for Housing (ARCH)
- Comprehensive Plan, City of Kirkland
- Community Development Block Grant Program
- Finance and Administration Department
- Standard and Poor's Credit Rating
- 2012, 2014 and 2016 Community Opinion Surveys

## FINANCIAL STABILITY

- Finance and Administration Department
- Standard and Poor's Credit Rating
- 2012, 2014 and 2016 Community Opinion Surveys
- Kirkland Reporter

## ENVIRONMENT

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

## ECONOMIC DEVELOPMENT

- Economic Development Program
- Finance and Administration Department
- 2012, 2014 and 2016 Community Opinion Surveys
- CB Richard Ellis Real Estate Services, Market View Puget Sound, 4th Quarter Report
- Washington State Employment Security Division, Puget Sound Regional Council, WA, Covered Employment by City, 2008-2011
- 2015 Business Satisfaction Survey

## DEPENDABLE INFRASTRUCTURE

- Public Works Department
- Capital Improvement Program Division
- American Public Works Association Water Quality Program
- 2012, 2014 and 2016 Community Opinion Surveys
- Surface Water Master Plan





**ENVIRONMENT**



**HUMAN  
SERVICES**



**PARKS, OPEN SPACES AND  
RECREATIONAL SERVICES**



**FINANCIAL  
STABILITY**



**ECONOMIC  
DEVELOPMENT**



**BALANCED  
TRANSPORTATION**



**HOUSING**



**NEIGHBORHOODS**



**PUBLIC  
SAFETY**



**DEPENDABLE  
INFRASTRUCTURE**

**Produced by the City of Kirkland  
City Manager's Office in cooperation with:**

- Parks and Community Services
- Fire and Building
- Police
- Public Works
- Information Technology
- Human Resources
- Planning and Community Development
- Finance and Administration



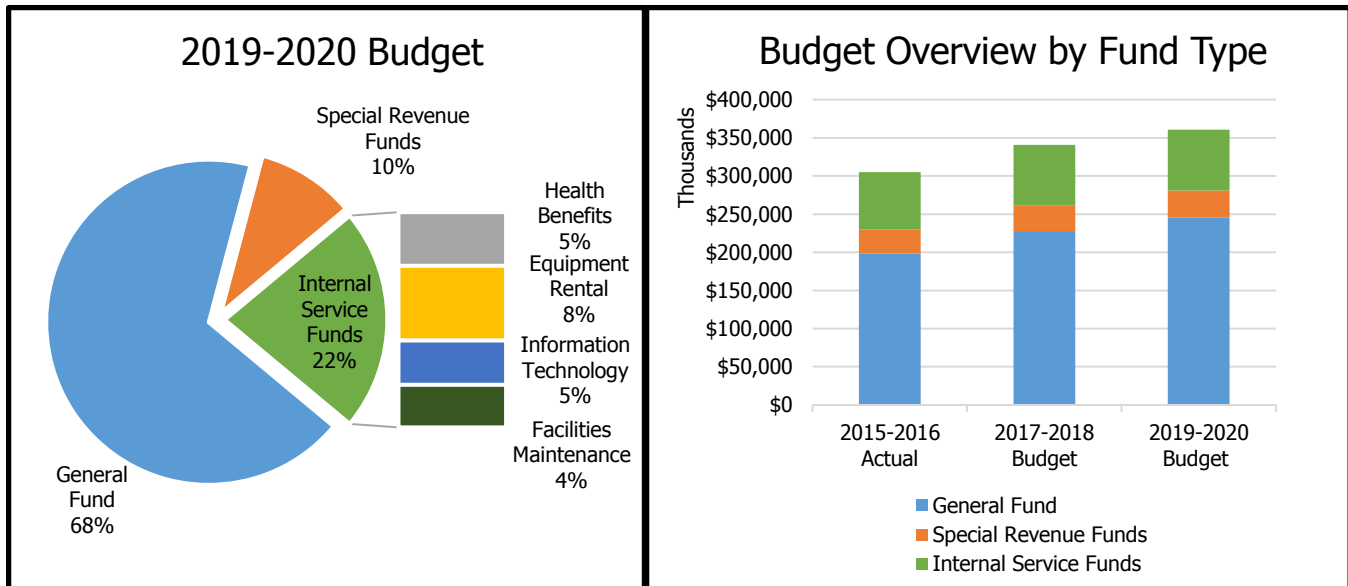
**[www.kirklandwa.gov](http://www.kirklandwa.gov)**

# General Government Operating

# CITY OF KIRKLAND

## 2019-2020 Budget

### General Government Operating Budget Summary



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

## Analysis of Change

Fund	2015-2016 Actual	2017-2018 Budget	2019-2020 Budget	Change
<i>General Fund</i>				
General Fund	198,268,839	227,827,159	245,651,799	7.82%
<i>Special Revenue Funds</i>				
Lodging Tax Fund	694,423	989,747	931,981	-5.84%
Street Operating Fund	21,536,797	21,768,985	22,765,763	4.58%
Cemetery Operating Fund	902,213	969,615	1,163,870	20.03%
Parks Maintenance Fund	2,985,191	3,442,036	3,671,012	6.65%
Parks Levy Fund	5,536,933	5,963,904	6,877,269	15.31%
<b>Total Special Revenues Funds</b>	<b>31,655,557</b>	<b>33,134,287</b>	<b>35,409,895</b>	<b>6.87%</b>
<i>Internal Service Funds</i>				
Health Benefits Fund	24,387,812	25,295,960	19,905,690	-21.31%
Equipment Rental Fund	20,035,698	23,485,279	27,675,835	17.84%
Information Technology Fund	14,683,889	16,339,696	16,428,916	0.55%
Facilities Maintenance Fund	15,844,614	14,749,560	15,771,474	6.93%
<b>Total Internal Service Funds</b>	<b>74,952,014</b>	<b>79,870,495</b>	<b>79,781,915</b>	<b>-0.11%</b>
<b>Gen. Gov't Operating Total</b>	<b>304,876,411</b>	<b>340,831,941</b>	<b>360,843,609</b>	<b>5.87%</b>

**CITY OF KIRKLAND**  
**CHANGE IN FUND BALANCE (Beginning 2017 to Ending 2020)**  
**GENERAL GOVERNMENT OPERATING FUNDS**

	<b>General<sup>1</sup></b>	<b>Lodging Tax<sup>2</sup></b>	<b>Street Operating<sup>3</sup></b>	<b>Cemetery Operating<sup>4</sup></b>
<b>2017 Actual Beginning Fund Balance</b>	<b>33,862,139</b>	<b>397,890</b>	<b>2,448,092</b>	<b>826,766</b>
<i>Reserved</i>	<i>20,735,190</i>	<i>156,500</i>	<i>422,678</i>	<i>-</i>
<i>Unreserved Working Capital</i>	<i>13,126,949</i>	<i>241,390</i>	<i>2,025,414</i>	<i>826,766</i>
Plus: 2017-18 Estimated Revenues	206,895,002	639,203	20,109,901	286,463
Less: 2017-18 Estimated Expenditures	202,294,689	731,787	20,274,566	154,824
<b>2018 Estimated Ending/2019 Budgeted Beginning Fund Balance</b>	<b>38,462,453</b>	<b>305,306</b>	<b>2,283,427</b>	<b>958,405</b>
Plus: 2019-20 Budgeted Revenues	207,189,346	626,675	20,482,336	205,465
Less: 2019-20 Budgeted Expenditures	211,372,825	712,756	21,242,191	186,008
<b>2020 Budgeted Ending Fund Balance</b>	<b>34,278,974</b>	<b>219,225</b>	<b>1,523,572</b>	<b>977,862</b>
<i>Reserved</i>	<i>30,993,788</i>	<i>156,317</i>	<i>656,621</i>	<i>-</i>
<i>Unreserved Working Capital</i>	<i>3,285,186</i>	<i>62,908</i>	<i>866,951</i>	<i>977,862</i>
<b>Change in Fund Balance: Beginning 2017 to Ending 2020</b>	<b>416,835</b>	<b>(178,665)</b>	<b>(924,520)</b>	<b>151,096</b>

**Notes:**

In 1998, the City Council adopted a policy to budget all estimated fund balances. Fund balance is comprised of the following: operating reserve, capital reserve, and unreserved working capital. Reserved fund balance is dedicated for a specific purpose such as equipment replacement. 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.

<sup>1</sup>The City's Fiscal Policies include conservative budgeting practices that provide the ability at year-end to replenish or build reserves toward targeted levels. The increase in fund balance reflects replenishment of reserves.

<sup>2</sup>Fund balance decreased from 2017 to 2019 due to planned uses of cash balance. There are plans to use an additional \$113,429 of cash balance for projects in 2019-2020.

<sup>3</sup>The Street Operating Fund shows a decline in fund balance due to planned uses of about \$1.0 million of reserves for one-time funded service packages in 2019-2020.

<sup>4</sup>The Cemetery Operating Fund shows an increase in fund balance as revenues continue to exceed expenditures. Some fund balance has been used for increased customer support and small projects.

<b>Parks Maintenance<sup>5</sup></b>	<b>2012 Parks Levy<sup>5</sup></b>	<b>Health Benefits<sup>5</sup></b>	<b>Equipment Rental<sup>6</sup></b>	<b>Information Technology<sup>6</sup></b>	<b>Facilities Maintenance<sup>6</sup></b>	<b>Total</b>
<b>677,076</b>	<b>526,786</b>	<b>7,130,429</b>	<b>12,733,393</b>	<b>3,204,512</b>	<b>6,728,259</b>	<b>68,535,342</b>
<i>355,583</i>	<i>250,000</i>	<i>2,022,685</i>	<i>9,220,500</i>	<i>2,515,671</i>	<i>6,426,835</i>	<i>42,105,642</i>
<i>321,493</i>	<i>276,786</i>	<i>5,107,744</i>	<i>3,512,893</i>	<i>688,841</i>	<i>301,424</i>	<i>26,429,700</i>
2,792,085	5,433,436	14,650,289	11,333,023	13,385,451	8,061,261	283,586,116
2,757,284	5,471,689	16,520,505	8,895,613	13,949,961	6,233,751	277,284,669
<b>711,878</b>	<b>488,533</b>	<b>5,260,213</b>	<b>15,170,803</b>	<b>2,640,002</b>	<b>8,555,769</b>	<b>74,836,789</b>
2,959,134	6,388,736	14,645,477	12,505,032	13,788,914	7,215,705	286,006,820
3,132,691	6,464,326	16,174,276	14,910,169	14,351,652	7,083,660	295,630,554
<b>538,321</b>	<b>412,943</b>	<b>3,731,414</b>	<b>12,765,666</b>	<b>2,077,264</b>	<b>8,687,814</b>	<b>65,213,055</b>
<i>387,883</i>	<i>250,000</i>	<i>1,650,271</i>	<i>10,229,918</i>	<i>1,668,774</i>	<i>7,866,526</i>	<i>53,860,098</i>
<i>150,438</i>	<i>162,943</i>	<i>2,081,143</i>	<i>2,535,748</i>	<i>408,490</i>	<i>821,288</i>	<i>11,352,957</i>
<b>(138,755)</b>	<b>(113,843)</b>	<b>(3,399,015)</b>	<b>32,273</b>	<b>(1,127,248)</b>	<b>1,959,555</b>	<b>(3,322,287)</b>

**Notes:**

<sup>5</sup> The Parks Maintenance Fund and Park Levy Fund budgets shows a decline in fund balance due to a budgeted structural imbalance caused by the fact that property tax revenues in the fund grow slower than the rate of cost growth. Actual performance historically has maintained fund balance.

<sup>5</sup>The Health Benefits Fund balance is declining due to the planned uses of reserves both in 2017-2018 and 2019-2020. In 2017-2018, \$1 million that had been set aside as a rate stabilization reserve, but no longer deemed necessary for that purpose, was used to help fund the replacement of the City's enterprise Resource Planning software system. In 2019-2020 unobligated reserves are being utilized to allow a five-year phased premium increase to bring premiums in-line with actuarial requirements according to the City's benefits consultant. The reserved fund balance represents required balance equivalent to 16 weeks of average claims (set by statute).

<sup>6</sup>In the Facilities Maintenance, Equipment Rental, and Information Technology Funds, reserved fund balance primarily represents cash earmarked for facilities renovations, vehicle replacements, and computer replacements respectively. Increases in fund balance reflect the accumulation of capital reserves. Decreases in fund balance reflect the use of unobligated cash to fund one-time projects and/or the use of capital reserves for facilities renovations, to purchase vehicle replacements, or to purchase computer replacements.



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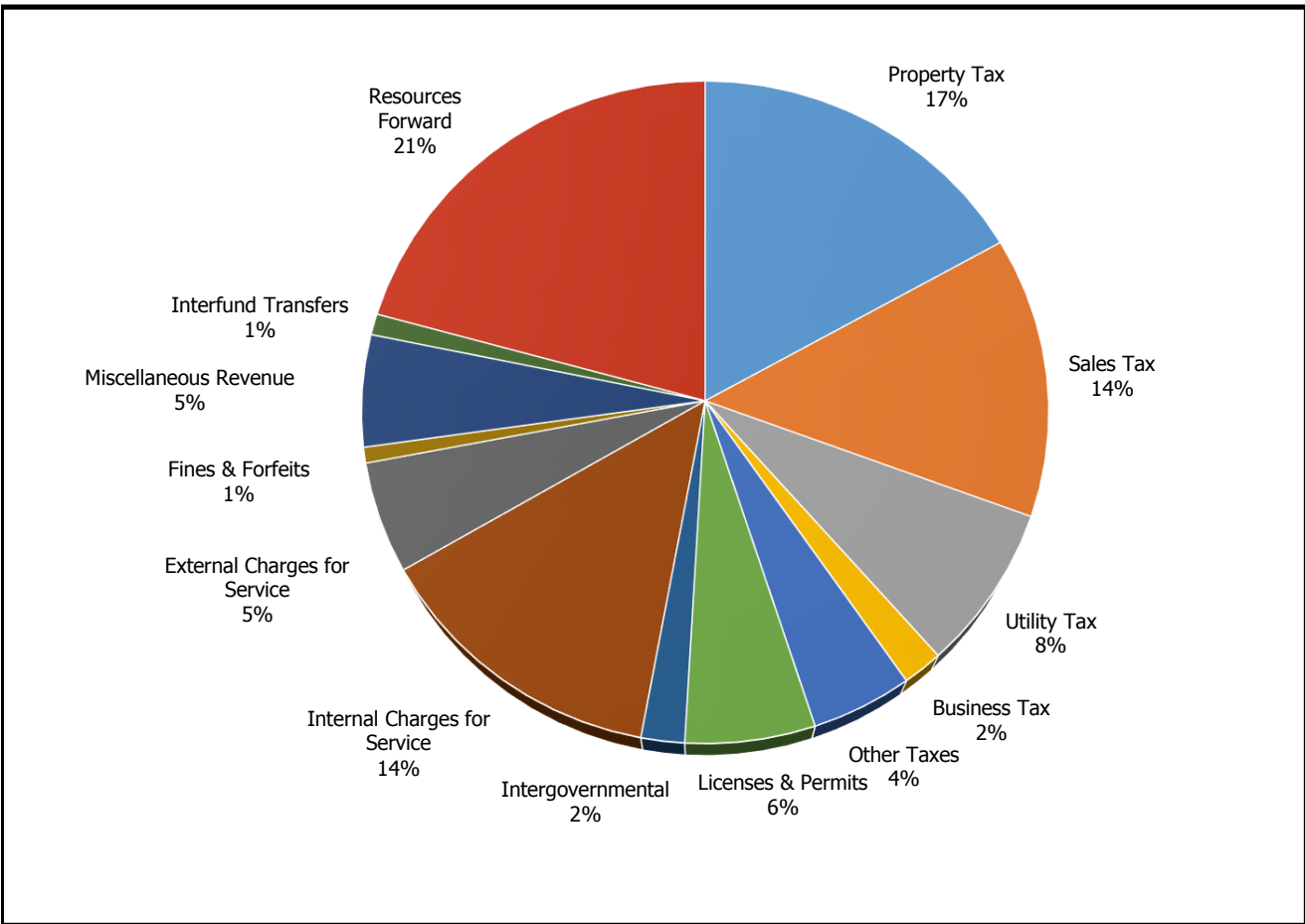
## REVENUE SUMMARY



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**CITY OF KIRKLAND**  
**2019-2020 Budget**  
**General Government Operating Revenue Summary**  
**\$360,843,609**



Taxes comprise 45% 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.

# CITY OF KIRKLAND

## 2019-2020 Budget

### General Government Operating Revenue Summary: By Revenue Type

Revenue Type	2015-2016 Actual	2017-2018 Estimate	2017-2018 Budget	2019-2020 Budget	Change
Property Tax	54,376,150	57,472,447	57,263,001	61,019,524	6.56%
Sales Tax					
General Sales Tax	39,023,132	45,016,266	40,903,169	49,477,400	20.96%
Annexation Sales Tax Credit	7,890,956	8,088,965	7,870,000	7,870,000	0.00%
Criminal Justice	4,401,218	4,801,462	4,668,000	5,130,423	9.91%
Utility Taxes					
Electric	7,335,259	7,827,958	7,801,000	8,096,522	3.79%
Gas	2,564,052	2,784,321	2,428,000	2,637,271	8.62%
Television Cable	3,263,755	3,082,248	3,280,000	2,610,599	-20.41%
Telephone	5,769,943	4,623,900	5,636,000	3,746,292	-33.53%
Water	2,989,925	3,109,252	2,948,116	3,317,470	12.53%
Sewer	2,639,834	2,819,259	2,802,319	3,003,056	7.16%
Garbage	3,233,080	3,522,448	3,190,023	3,465,530	8.64%
Surface Water	1,406,263	1,474,149	1,433,469	1,570,079	9.53%
Admissions Tax	170,921	175,872	150,750	170,726	13.25%
Revenue Gen. Reg. Tax	5,487,319	6,366,487	5,585,272	6,661,953	19.28%
Hotel/Motel Tax	618,085	628,745	585,818	612,737	4.60%
Gambling & Other Taxes	2,725,379	2,994,125	2,604,916	2,921,391	12.15%
<b>Total Taxes</b>	<b>143,895,272</b>	<b>154,787,905</b>	<b>149,149,853</b>	<b>162,310,973</b>	<b>8.82%</b>
Building and Structural	7,363,154	10,261,894	6,395,831	10,109,746	58.07%
Franchise Fees	8,024,090	7,967,855	8,033,307	7,565,369	-5.82%
Business and Other	2,979,784	3,833,806	3,145,871	3,737,911	18.82%
<b>Total Licenses and Permits</b>	<b>18,367,028</b>	<b>22,063,555</b>	<b>17,575,009</b>	<b>21,413,026</b>	<b>21.84%</b>
Motor Vehicle Fuel Tax	3,627,356	3,897,703	3,942,286	4,089,423	3.73%
Liquor Taxes	2,056,878	2,272,279	2,235,679	2,335,000	4.44%
Marijuana Taxes	111,413	333,537	226,114	289,071	27.84%
Grants & Other Intergov.	702,441	948,223	662,720	453,880	-31.51%
<b>Total Intergovernmental</b>	<b>6,498,088</b>	<b>7,451,741</b>	<b>7,066,799</b>	<b>7,167,374</b>	<b>1.42%</b>
Planning Fees	5,074,171	4,524,122	4,075,525	3,444,426	-15.49%
Plan Check Fees	3,838,919	4,357,058	3,600,000	2,794,767	-22.37%
Engineering Dev. Fees	4,090,842	5,643,151	3,905,499	4,537,224	16.18%
Recreation Charges	2,872,122	3,092,917	2,785,749	3,238,500	16.25%
Internal Charges	40,890,631	45,238,341	45,297,308	49,449,891	9.17%
EMS & Transport Fees	3,777,995	3,795,989	3,846,765	4,181,062	8.69%
Other Charges	1,675,940	1,282,827	1,936,041	1,256,480	-35.10%
<b>Total Charges for Services</b>	<b>62,220,620</b>	<b>67,934,405</b>	<b>65,446,887</b>	<b>68,902,350</b>	<b>5.28%</b>
<b>Fines and Forfeits</b>	<b>3,559,614</b>	<b>3,066,372</b>	<b>3,714,148</b>	<b>2,771,498</b>	<b>-25.38%</b>
<b>Miscellaneous</b>	<b>24,456,096</b>	<b>24,301,588</b>	<b>25,725,991</b>	<b>19,730,629</b>	<b>-23.30%</b>
<b>Interfund Transfers</b>	<b>5,073,946</b>	<b>3,980,549</b>	<b>3,617,912</b>	<b>3,710,970</b>	<b>2.57%</b>
<b>Resources Forward</b>	<b>62,278,933</b>	<b>68,535,342</b>	<b>68,535,342</b>	<b>74,836,789</b>	<b>9.19%</b>
<b>Gen. Gov't Operating Total</b>	<b>326,349,597</b>	<b>352,121,458</b>	<b>340,831,941</b>	<b>360,843,609</b>	<b>5.87%</b>

**CITY OF KIRKLAND**  
**2019-2020 Budget**  
**General Government Operating Revenue Summary: By Type Across Funds**

Revenue Type	General Fund	Lodging Tax Fund	Street Operating	Cemetery Operating	Parks Maintenance	2012 Parks Levy Fund	Health Benefits	Equipment Rental	Information Technology	Facilities Fund	Revenue Total
Property Tax	39,570,929	-	13,118,520	-	2,906,880	5,423,195	-	-	-	-	61,019,524
Sales Tax											-
General Sales Tax	49,477,400	-	-	-	-	-	-	-	-	-	49,477,400
Annexation Sales Tax Credit	7,870,000	-	-	-	-	-	-	-	-	-	7,870,000
Criminal Justice	5,130,423	-	-	-	-	-	-	-	-	-	5,130,423
Utility Taxes											-
Electric	8,096,522	-	-	-	-	-	-	-	-	-	8,096,522
Gas	2,637,271	-	-	-	-	-	-	-	-	-	2,637,271
Television Cable	2,610,599	-	-	-	-	-	-	-	-	-	2,610,599
Telephone	3,746,292	-	-	-	-	-	-	-	-	-	3,746,292
Water	3,317,470	-	-	-	-	-	-	-	-	-	3,317,470
Sewer	3,003,056	-	-	-	-	-	-	-	-	-	3,003,056
Garbage	3,465,530	-	-	-	-	-	-	-	-	-	3,465,530
Surface Water	1,570,079	-	-	-	-	-	-	-	-	-	1,570,079
Admissions Tax	170,726	-	-	-	-	-	-	-	-	-	170,726
Revenue Gen. Reg. Tax	6,121,953	-	540,000	-	-	-	-	-	-	-	6,661,953
Hotel/Motel Tax	-	612,737	-	-	-	-	-	-	-	-	612,737
Gambling & Other Taxes	2,921,391	-	-	-	-	-	-	-	-	-	2,921,391
<b>Total Taxes</b>	<b>139,709,641</b>	<b>612,737</b>	<b>13,658,520</b>	<b>-</b>	<b>2,906,880</b>	<b>5,423,195</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>162,310,973</b>
Building and Structural	10,109,746	-	-	-	-	-	-	-	-	-	10,109,746
Franchise Fees	7,565,369	-	-	-	-	-	-	-	-	-	7,565,369
Business and Other Licenses	3,032,111	-	705,800	-	-	-	-	-	-	-	3,737,911
<b>Total Licenses and Permits</b>	<b>20,707,226</b>	<b>-</b>	<b>705,800</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,413,026</b>
Motor Vehicle Fuel Tax	-	-	4,089,423	-	-	-	-	-	-	-	4,089,423
Liquor Taxes	2,335,000	-	-	-	-	-	-	-	-	-	2,335,000
Marijuana Taxes	289,071	-	-	-	-	-	-	-	-	-	289,071
Grants & Other Intergov.	453,880	-	-	-	-	-	-	-	-	-	453,880
<b>Total Intergovernmental</b>	<b>3,077,951</b>	<b>-</b>	<b>4,089,423</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,167,374</b>
Planning Fees	3,444,426	-	-	-	-	-	-	-	-	-	3,444,426
Plan Check Fees	2,794,767	-	-	-	-	-	-	-	-	-	2,794,767
Engineering Dev. Fees	4,389,224	-	56,000	80,000	-	-	-	12,000	-	-	4,537,224
Recreation Charges	3,238,500	-	-	-	-	-	-	-	-	-	3,238,500
Internal Charges	17,701,952	-	82,000	-	-	461,467	321,990	9,989,588	13,677,189	7,215,705	49,449,891
EMS & Transport Fees	4,181,062	-	-	-	-	-	-	-	-	-	4,181,062
Other Charges	1,256,480	-	-	-	-	-	-	-	-	-	1,256,480
<b>Total Charges for Services</b>	<b>37,006,411</b>	<b>-</b>	<b>138,000</b>	<b>80,000</b>	<b>-</b>	<b>461,467</b>	<b>321,990</b>	<b>10,001,588</b>	<b>13,677,189</b>	<b>7,215,705</b>	<b>68,902,350</b>
<b>Fines and Forfeits</b>	<b>2,771,498</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,771,498</b>
<b>Miscellaneous</b>	<b>3,381,558</b>	<b>13,938</b>	<b>850,593</b>	<b>125,465</b>	<b>52,254</b>	<b>56,121</b>	<b>14,323,487</b>	<b>815,488</b>	<b>111,725</b>	<b>-</b>	<b>19,730,629</b>
<b>Interfund Transfers</b>	<b>535,061</b>	<b>-</b>	<b>1,040,000</b>	<b>-</b>	<b>-</b>	<b>447,953</b>	<b>-</b>	<b>1,687,956</b>	<b>-</b>	<b>-</b>	<b>3,710,970</b>
<b>Resources Forward</b>	<b>38,462,453</b>	<b>305,306</b>	<b>2,283,427</b>	<b>958,405</b>	<b>711,878</b>	<b>488,533</b>	<b>5,260,213</b>	<b>15,170,803</b>	<b>2,640,002</b>	<b>8,555,769</b>	<b>74,836,789</b>
<b>Fund Total</b>	<b>245,651,799</b>	<b>931,981</b>	<b>22,765,763</b>	<b>1,163,870</b>	<b>3,671,012</b>	<b>6,877,269</b>	<b>19,905,690</b>	<b>27,675,835</b>	<b>16,428,916</b>	<b>15,771,474</b>	<b>360,843,609</b>



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# EXPENDITURE SUMMARY

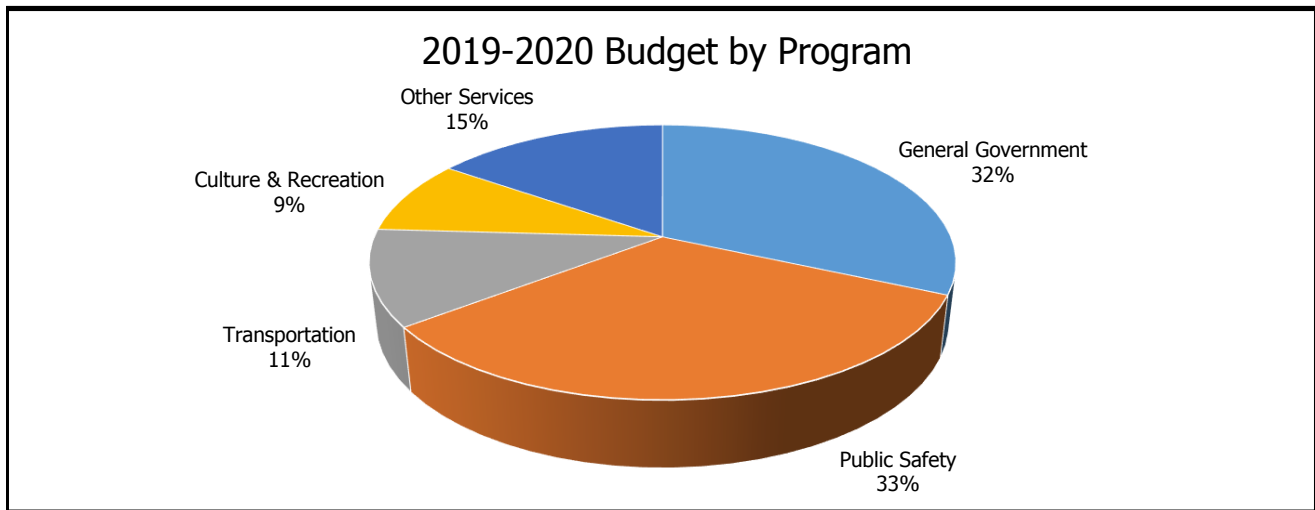


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# CITY OF KIRKLAND

## 2019-2020 Budget

### General Government Operating Expenditure Summary



The General Government Operating Funds account for about 45.6 percent of the City's total budget. The largest program area is Public Safety, comprising police, fire, and municipal court services. General Government represents the next largest program area, which includes legislative, executive, legal, administrative, financial, community planning, building inspection services, technology, and fleet services.

- General Government increased due to one-time additions of personnel to support workload, primarily related to development review and inspections, and investments to improve efficiency.
- The Public Safety category increased due to increasing personnel costs, the addition of revenue backed Police personnel to enhance services, and one-time investments to improve efficiency.
- Transportation increased due to one-time additions of personnel to support workload.
- Culture & Recreation increased due to additions of one-time personnel to enhance services and Human Services funding related to Proposition 1.
- Other Services changed little overall. Reserves increased substantially, but was offset by a decrease in interfund transfers.

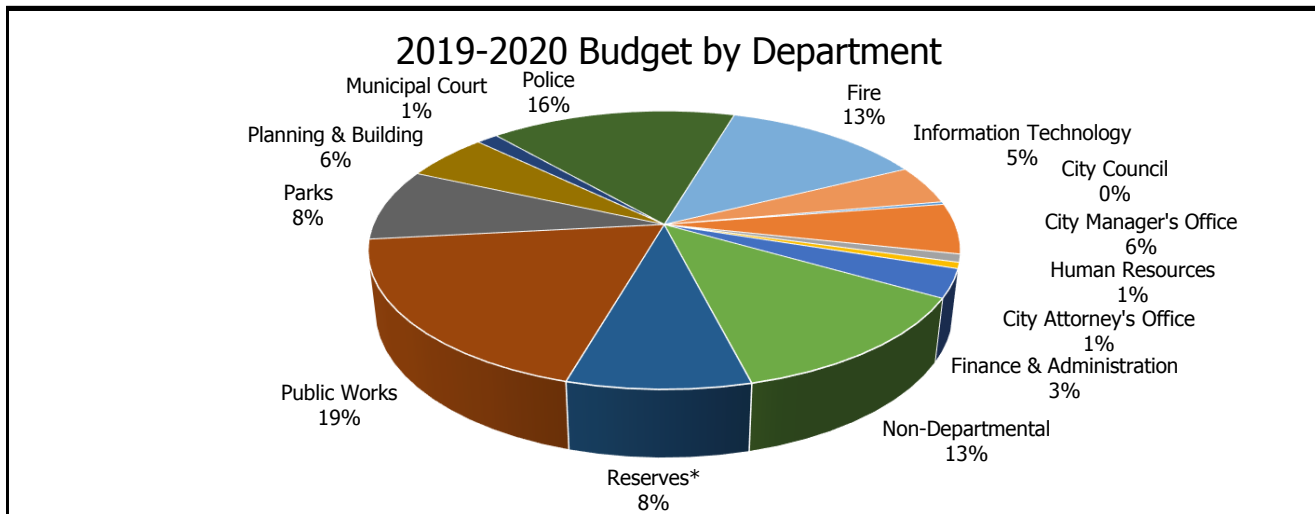
### Analysis of Change

Program	2015-2016 Actual	2017-2018 Estimate	2017-2018 Budget	2019-2020 Budget	Change
General Government	102,916,628	101,494,699	107,171,112	114,234,823	6.59%
Public Safety	103,555,398	111,486,476	111,884,569	119,024,260	6.38%
Transportation	32,793,689	36,022,991	37,721,018	40,674,849	7.83%
Culture & Recreation	25,153,888	28,850,738	29,096,269	31,568,910	8.50%
Other Services	40,456,806	52,878,880	54,958,973	55,340,767	0.69%
<b>Program Total</b>	<b>304,876,411</b>	<b>330,733,784</b>	<b>340,831,941</b>	<b>360,843,609</b>	<b>5.87%</b>

# CITY OF KIRKLAND

## 2019-2020 Budget

### General Government Operating Expenditure Summary



The largest department in the General Government Operating Funds is Public Works, consisting of engineering, transportation, public grounds, and fleet management services. Public safety services, Fire and Police, are the next two largest departments. Nondepartmental, while larger in total dollars, includes undistributed personnel costs that will apply to all departments once labor agreements are settled.

- Human Resources increased due to one-time additions of personnel and other services.
- Finance and Administration increased due to the addition of personnel and one-time services expenditures.
- Non-Departmental decreased due to significant one-time transfers out for capital projects, including fire stations, in 2017-18.
- General Government Reserves increased with additions to development reserves to support future workload.
- Public Works increased due to one-time staffing increases to support workload.
- Parks increased due to one-time additions to enhance services and Human Services funding related to Proposition 1.
- Planning & Building decreased due to large one-time pass through payments for affordable housing in 2017-18.
- Police increased due to the addition of personnel to improve proactive policing and neighborhood services and one-time investments to improve efficiency.
- Fire expenditures increased due to rising personnel costs.

## Analysis of Change

Department	2015-2016 Actual	2017-2018 Estimate	2017-2018 Budget	2019-2020 Budget	Change
City Council	894,164	1,052,918	1,103,766	1,127,801	2.18%
City Manager's Office	20,608,262	19,681,529	21,135,964	21,124,573	-0.05%
Human Resources	2,816,411	3,179,821	3,185,460	3,363,306	5.58%
City Attorney's Office	2,333,676	2,437,037	2,485,679	2,489,901	0.17%
Finance & Administration	10,047,602	11,307,821	11,217,740	11,874,843	5.86%
Non-Departmental	45,294,559	51,456,084	53,503,213	45,954,277	-14.11%
Reserves*	17,896,597	20,921,873	20,674,111	30,432,709	47.20%
Public Works	52,462,770	55,588,901	60,725,468	67,931,621	11.87%
Parks	24,390,612	26,732,765	27,013,232	30,204,987	11.82%
Planning & Building	17,709,080	20,002,618	20,524,537	19,835,337	-3.36%
Municipal Court	4,789,368	4,845,581	5,041,033	5,064,407	0.46%
Police	48,915,046	51,971,045	52,473,433	57,740,340	10.04%
Fire	42,034,375	45,752,451	45,408,609	47,270,591	4.10%
Information Technology	14,683,889	15,803,340	16,339,696	16,428,916	0.55%
<b>Department Total</b>	<b>304,876,411</b>	<b>330,733,784</b>	<b>340,831,941</b>	<b>360,843,609</b>	<b>5.87%</b>

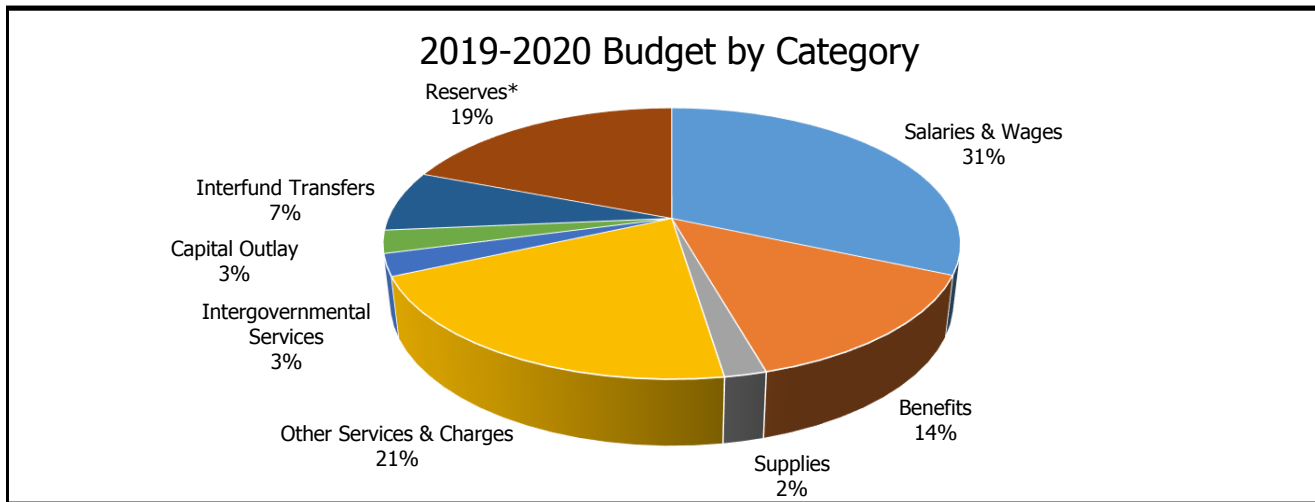
\* 2015-2016 actual and 2017-2018 estimated reserves are budgeted, but not spent



# CITY OF KIRKLAND

## 2019-2020 Budget

### General Government Operating Expenditure Summary



The largest category of expense in the General Government Operating Funds is Personnel Services (Salaries & Wages and Benefits), of which 50.6 percent is for public safety personnel. Other Services & Charges is the next largest category and includes mostly contracted direct services (such as jail and human services), contracted support services (such as consulting, printing, and repairs/maintenance services), and internal charges from one City fund to another (for information technology, fleet, facilities, and other internal services).

- Salary and Benefit increases are a combination of cost increases for two years, a number of revenue backed positions to meet the increased demand for development activity, and revenue backed positions to enhance Police services.
- Supplies increased due to increased replacements of computer hardware scheduled in 2019-20.
- Intergovernmental Services decreased due to large one-time pass-through expenditures for affordable housing in 2017-18.
- Capital Outlay increased due to more scheduled vehicle replacements and new additions of vehicles/equipment planned in 2019-20. Vehicle replacements are based on the lifecycle of each vehicle, with some vehicles extended. Fluctuation between biennia is part of normal operations.
- Interfund Transfers decreased due to large one-time transfers for capital projects, including fire stations, in 2017-18.
- Reserves increased due to ongoing replenishment, as well as money set aside to support development activity.

## Analysis of Change

Category	2015-2016 Actual	2017-2018 Estimate	2017-2018 Budget	2019-2020 Budget	Change
Salaries & Wages	96,753,317	106,385,746	107,932,217	113,983,803	5.61%
Benefits	40,964,164	44,135,647	46,848,429	50,535,461	7.87%
Supplies	5,214,132	5,941,595	6,447,582	7,149,101	10.88%
Other Services & Charges	67,952,659	70,060,829	73,927,145	74,681,056	1.02%
Intergovernmental Services	9,144,583	11,192,248	9,768,714	9,434,457	-3.42%
Capital Outlay	6,671,251	4,817,823	8,065,642	9,793,009	21.42%
Interfund Transfers	31,213,449	34,751,204	34,393,520	26,135,540	-24.01%
Reserves*	46,962,856	53,448,692	53,448,692	69,131,182	29.34%
<b>Category Total</b>	<b>304,876,411</b>	<b>330,733,784</b>	<b>340,831,941</b>	<b>360,843,609</b>	<b>5.87%</b>

\* 2015-2016 actual and 2017-2018 estimated reserves are budgeted, but not spent

**CITY OF KIRKLAND**  
**2019-2020 Budget**  
**General Government Operating Expenditure Summary Across Funds**

**By Program**

Program	General Fund	Lodging Tax Fund	Street Operating	Cemetery Operating	Parks Maintenance	Parks Levy Fund	Health Benefits	Equipment Rental	Information Technology	Facilities Fund	Expenditure Total
General Government	54,358,598	-	-	-	-	-	-	27,675,835	16,428,916	15,771,474	114,234,823
Public Safety	119,024,260	-	-	-	-	-	-	-	-	-	119,024,260
Transportation	17,909,086	-	22,765,763	-	-	-	-	-	-	-	40,674,849
Culture & Recreation	20,088,648	931,981	-	-	3,671,012	6,877,269	-	-	-	-	31,568,910
Other Services	34,271,207	-	-	1,163,870	-	-	19,905,690	-	-	-	55,340,767
<b>Fund Total</b>	<b>245,651,799</b>	<b>931,981</b>	<b>22,765,763</b>	<b>1,163,870</b>	<b>3,671,012</b>	<b>6,877,269</b>	<b>19,905,690</b>	<b>27,675,835</b>	<b>16,428,916</b>	<b>15,771,474</b>	<b>360,843,609</b>

**By Department**

Department	General Fund	Lodging Tax Fund	Street Operating	Cemetery Operating	Parks Maintenance	Parks Levy Fund	Health Benefits	Equipment Rental	Information Technology	Facilities Fund	Expenditure Total
City Council	1,127,801	-	-	-	-	-	-	-	-	-	1,127,801
City Manager's Office	4,802,055	931,981	-	-	-	-	-	-	-	15,390,537	21,124,573
Human Resources	3,363,306	-	-	-	-	-	-	-	-	-	3,363,306
City Attorney's Office	2,489,901	-	-	-	-	-	-	-	-	-	2,489,901
Finance & Administration	10,794,629	-	-	1,080,214	-	-	-	-	-	-	11,874,843
Non-Departmental	26,048,587	-	-	-	-	-	19,905,690	-	-	-	45,954,277
Reserves*	30,432,709	-	-	-	-	-	-	-	-	-	30,432,709
Public Works	17,109,086	-	22,765,763	-	-	-	-	27,675,835	-	380,937	67,931,621
Parks	19,573,050	-	-	83,656	3,671,012	6,877,269	-	-	-	-	30,204,987
Planning & Building	19,835,337	-	-	-	-	-	-	-	-	-	19,835,337
Municipal Court	5,064,407	-	-	-	-	-	-	-	-	-	5,064,407
Police	57,740,340	-	-	-	-	-	-	-	-	-	57,740,340
Fire	47,270,591	-	-	-	-	-	-	-	-	-	47,270,591
Information Technology	-	-	-	-	-	-	-	-	16,428,916	-	16,428,916
<b>Fund Total</b>	<b>245,651,799</b>	<b>931,981</b>	<b>22,765,763</b>	<b>1,163,870</b>	<b>3,671,012</b>	<b>6,877,269</b>	<b>19,905,690</b>	<b>27,675,835</b>	<b>16,428,916</b>	<b>15,771,474</b>	<b>360,843,609</b>

\* Reserves are budgeted, but not spent

## By Category

Category	General Fund	Lodging Tax Fund	Street Operating	Cemetery Operating	Parks Maintenance	Parks Levy Fund	Health Benefits	Equipment Rental	Information Technology	Facilities Fund	Expenditure Total
Salaries & Wages	98,408,862	189,632	3,397,696	35,143	1,291,073	1,911,686	-	1,339,234	6,119,601	1,290,876	113,983,803
Benefits	43,039,765	68,365	1,815,907	11,599	682,968	1,000,308	-	639,303	2,565,676	711,570	50,535,461
Supplies	2,453,193	3,500	1,004,903	34,850	152,340	253,516	1,000	1,746,590	1,162,925	336,284	7,149,101
Other Services & Charges	40,759,299	440,959	6,534,692	89,816	979,510	1,007,365	16,167,076	1,213,059	4,087,350	3,401,930	74,681,056
Intergovernmental Services	9,223,783	-	3,200	200	1,700	-	6,200	199,374	-	-	9,434,457
Capital Outlay	-	-	40,000	14,400	-	-	-	9,738,609	-	-	9,793,009
Interfund Transfers	14,202,296	-	8,367,593	-	-	2,243,651	-	-	12,000	1,310,000	26,135,540
Reserves*	37,564,601	229,525	1,601,772	977,862	563,421	460,743	3,731,414	12,799,666	2,481,364	8,720,814	69,131,182
<b>Fund Total</b>	<b>245,651,799</b>	<b>931,981</b>	<b>22,765,763</b>	<b>1,163,870</b>	<b>3,671,012</b>	<b>6,877,269</b>	<b>19,905,690</b>	<b>27,675,835</b>	<b>16,428,916</b>	<b>15,771,474</b>	<b>360,843,609</b>

\* Reserves are budgeted, but not spent



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## General Fund

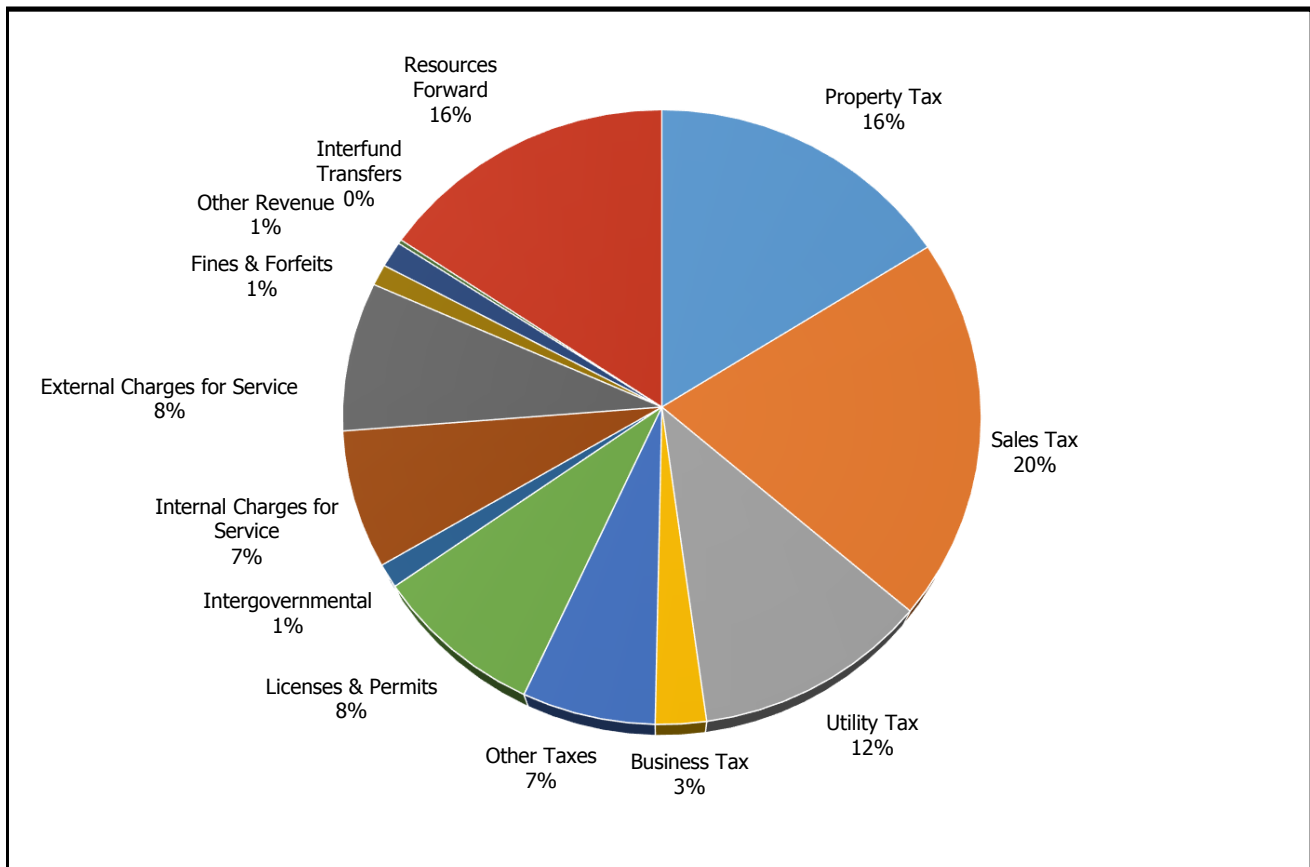
The General Fund is the primary operating fund of the City. The General Fund is used to account for resources traditionally associated with government which are not required by law or by sound financial management practice to be accounted for in another fund.

## GENERAL FUND REVENUE SUMMARY



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**CITY OF KIRKLAND**  
**2019-2020 Budget**  
**General Fund Revenue Summary**  
**\$245,651,799**



Taxes comprise 56.8% of all General Fund revenues, with sales tax being the single largest revenue, closely followed by property tax. Taxes are a general purpose revenue source which are used to support basic government services such as public safety and park maintenance. Internal charges for service reflect payments from other operating funds primarily for general administration, engineering, and billing services provided "in-house." Resources forward represents the beginning fund balance for the General Fund and is composed primarily of an operating reserve and unreserved working capital. In addition, resources forward is used to fund one-time service packages.



**CITY OF KIRKLAND**  
**2019-2020 Budget**  
**General Fund Revenue Summary: By Revenue Type**

Revenue Type	2015-2016 Actual	2017-2018 Estimate	2017-2018 Budget	2019-2020 Budget	Change
Property Tax	35,260,637	37,268,549	37,147,371	39,570,929	6.52%
Sales Tax					
General Sales Tax	39,023,132	45,016,266	40,903,169	49,477,400	20.96%
Annexation Sales Tax Credit	7,890,956	8,088,965	7,870,000	7,870,000	0.00%
Criminal Justice	4,401,218	4,801,462	4,668,000	5,130,423	9.91%
Utility Taxes					
Electric	7,335,259	7,827,958	7,801,000	8,096,522	3.79%
Gas	2,564,052	2,784,321	2,428,000	2,637,271	8.62%
Television Cable	3,263,755	3,082,248	3,280,000	2,610,599	-20.41%
Telephone	5,769,943	4,623,900	5,636,000	3,746,292	-33.53%
Water	2,989,925	3,109,252	2,948,116	3,317,470	12.53%
Sewer	2,639,834	2,819,259	2,802,319	3,003,056	7.16%
Garbage	3,233,080	3,522,448	3,190,023	3,465,530	8.64%
Surface Water	1,406,263	1,474,149	1,433,469	1,570,079	9.53%
Admissions Tax	170,921	175,872	150,750	170,726	13.25%
Revenue Gen. Reg. Tax	4,947,319	5,826,487	5,045,272	6,121,953	21.34%
Gambling & Other Taxes	2,725,379	2,994,125	2,604,916	2,921,391	12.15%
<b>Total Taxes</b>	<b>123,621,675</b>	<b>133,415,262</b>	<b>127,908,405</b>	<b>139,709,641</b>	<b>9.23%</b>
Building and Structural	7,363,154	10,261,894	6,395,831	10,109,746	58.07%
Franchise Fees	8,024,090	7,967,855	8,033,307	7,565,369	-5.82%
Business and Other	2,351,635	3,114,360	2,683,871	3,032,111	12.98%
<b>Total Licenses and Permits</b>	<b>17,738,879</b>	<b>21,344,109</b>	<b>17,113,009</b>	<b>20,707,226</b>	<b>21.00%</b>
Liquor Taxes	2,056,878	2,272,279	2,235,679	2,335,000	4.44%
Marijuana Taxes	111,413	333,537	226,114	289,071	27.84%
Grants & Other Intergov.	702,441	948,223	662,720	453,880	-31.51%
<b>Total Intergovernmental</b>	<b>2,870,732</b>	<b>3,554,039</b>	<b>3,124,513</b>	<b>3,077,951</b>	<b>-1.49%</b>
Planning Fees	5,074,171	4,524,122	4,075,525	3,444,426	-15.49%
Plan Check Fees	3,838,919	4,357,058	3,600,000	2,794,767	-22.37%
Engineering Dev. Fees	3,913,489	5,396,484	3,770,163	4,389,224	16.42%
Recreation Charges	2,872,122	3,092,917	2,785,749	3,238,500	16.25%
Internal Charges	12,950,027	15,264,325	15,053,223	17,701,952	17.60%
EMS & Transport Fees	3,777,995	3,795,989	3,846,765	4,181,062	8.69%
Other Charges	1,674,926	1,282,827	1,936,041	1,256,480	-35.10%
<b>Total Charges for Services</b>	<b>34,101,649</b>	<b>37,713,722</b>	<b>35,067,466</b>	<b>37,006,411</b>	<b>5.53%</b>
<b>Fines and Forfeits</b>	<b>3,559,614</b>	<b>3,066,372</b>	<b>3,714,148</b>	<b>2,771,498</b>	<b>-25.38%</b>
<b>Miscellaneous</b>	<b>3,286,882</b>	<b>7,244,618</b>	<b>6,341,943</b>	<b>3,381,558</b>	<b>-46.68%</b>
<b>Interfund Transfers</b>	<b>853,894</b>	<b>556,880</b>	<b>695,536</b>	<b>535,061</b>	<b>-23.07%</b>
<b>Resources Forward</b>	<b>26,183,995</b>	<b>33,862,139</b>	<b>33,862,139</b>	<b>38,462,453</b>	<b>13.59%</b>
<b>General Fund Total</b>	<b>212,217,320</b>	<b>240,757,141</b>	<b>227,827,159</b>	<b>245,651,799</b>	<b>7.82%</b>

**City of Kirkland  
2019-2020 Budget  
General Fund Revenues**

		<b>2015-2016</b>	<b>2017-2018</b>	<b>2017-2018</b>	<b>2019-2020</b>	<b>Percent</b>
	<b>Object</b>	<b>Actual</b>	<b>Estimate</b>	<b>Budget</b>	<b>Budget</b>	<b>Change</b>
<b>Taxes</b>						
Property Tax	311101	35,260,637	37,268,549	37,147,371	39,570,929	6.52%
Retail Sales Use Tax	313111	39,023,132	45,016,266	40,903,169	49,477,400	20.96%
Annexation Sales Tax	313121	7,890,956	8,088,965	7,870,000	7,870,000	0.00%
Brokered Nat Gax Tax	313611	4,302	5,362	3,780	5,362	41.85%
Crim Just Local Sales Tax	313711	4,401,218	4,801,462	4,668,000	5,130,423	9.91%
Rev Generating Regulatory Lic	316101	4,947,319	5,753,734	5,045,272	6,121,953	21.34%
Rev Generating Bus Lic Prior Yr	316102	-	72,753	-	-	0.00%
Electric Utility Tax	316411	7,335,259	7,827,958	7,801,000	8,096,522	3.79%
Gas Utility Tax	316431	2,564,052	2,784,321	2,428,000	2,637,271	8.62%
TelevisionCable-Private	316461	3,263,755	3,082,248	3,280,000	2,610,599	-20.41%
Telephone Utility Tax	316471	5,650,469	4,623,900	5,636,000	3,746,292	-33.53%
Telephone Utility Tax Audit	316472	119,475	-	-	-	0.00%
Water Customer Utility Tax	316481	2,989,925	3,109,252	2,948,116	3,317,470	12.53%
Sewer Cust Utility Tax	316482	2,639,834	2,819,259	2,802,319	3,003,056	7.16%
Solid Waste Utility Tax	316483	3,233,080	3,522,448	3,190,023	3,465,530	8.64%
Surface Water Cust Utility Tax	316484	1,406,263	1,474,149	1,433,469	1,570,079	9.53%
Punch Boards Pull Tabs	316811	543,106	466,948	720,522	434,738	-39.66%
Bingo & Raffle	316821	4,619	3,446	912	3,446	277.85%
Amusement Games	316831	4,049	3,661	3,124	2,506	-19.78%
Card Games	316841	2,025,698	2,373,919	1,713,088	2,336,921	36.42%
Leasehold Excise Tax	317201	143,606	140,788	163,490	138,418	-15.34%
Admissions Tax	318111	170,921	175,872	150,750	170,726	13.25%
<b>Total for Taxes</b>		<b>123,621,675</b>	<b>133,415,262</b>	<b>127,908,405</b>	<b>139,709,641</b>	<b>9.23%</b>
<b>License and Permits</b>						
Cabaret License	321703	775	225	250	250	0.00%
Amusement License	321709	25	100	-	-	0.00%
Franchise Fee	321911	8,024,090	7,967,855	8,033,307	7,565,369	-5.82%
Comm Registration Fees	321912	-	11,200	-	-	0.00%
Business License Fee	321991	1,319,133	1,468,085	1,403,337	1,005,409	-28.36%
Business License Fee Prior Yr	321992	-	50,000	-	190,000	0.00%
Building Permit	322101	4,658,937	6,453,195	4,225,987	6,680,728	58.09%
Plumbing Permit	322102	403,871	890,562	325,800	950,000	191.59%
Clear Grade Permit	322103	16,776	15,456	15,480	13,300	-14.08%
Side Sewer Permit	322104	253,845	226,001	180,000	180,000	0.00%
Mechanical Permit	322105	841,594	1,186,763	619,200	950,000	53.42%
Sign Permit	322106	55,913	53,156	36,000	38,000	5.56%
Electric Permit	322107	1,109,857	1,416,682	972,000	1,140,000	17.28%
House Moving Permit	322109	3,915	5,463	1,825	2,280	24.93%
Animal License	322301	-	234,985	284,330	504,000	77.26%
Street Curb Permit	322401	569,565	759,736	504,000	590,000	17.06%
Sidewalk Permit	322402	15,516	23,123	21,362	21,362	0.00%
Alarm Registration	322900	137,019	167,424	136,000	205,314	50.97%
Fireworks Permit	322901	-	(25)	-	-	0.00%
Fire Alarm Permit	322902	106,485	117,940	137,735	143,112	3.90%
Concealed Weapon Permit	322903	30,979	25,922	22,000	22,000	0.00%
Other License Permit	322905	29,467	19,026	24,000	22,000	-8.33%
Fire Sprinkler Permit	322906	133,602	211,545	142,415	286,739	101.34%
Fire Systems -Other Permits	322907	8,990	18,066	8,442	41,925	396.62%
Recreational Fire Permit	322909	79	-	-	-	0.00%
Public Property Permit	322911	-	7,007	-	-	0.00%
Other Hazardous Activities	322912	162	-	-	-	0.00%

**City of Kirkland  
2019-2020 Budget  
General Fund Revenues**

		<b>2015-2016</b>	<b>2017-2018</b>	<b>2017-2018</b>	<b>2019-2020</b>	<b>Percent</b>
	<b>Object</b>	<b>Actual</b>	<b>Estimate</b>	<b>Budget</b>	<b>Budget</b>	<b>Change</b>
IFC Requiring Review	322913	11,664	11,455	6,268	78,700	1155.58%
IFS Not Requiring Review	322914	4,795	3,160	7,283	70,750	871.44%
IFS Other	322915	1,826	-	5,988	5,988	0.00%
<b>Total for License and Permits</b>		<b>17,738,879</b>	<b>21,344,109</b>	<b>17,113,009</b>	<b>20,707,226</b>	<b>21.00%</b>
<b>Intergovernmental Revenue</b>						
Community Dev Block Grnt	331142	-	-	138,000	-	-100.00%
DOJ Bulletproof Vest Program	331166	-	8,465	-	-	0.00%
Equi Shar Fed Forfeited Prop	332210	10,119	39,911	-	-	0.00%
Ind Fed Comm Dev Block Grants	333142	29,370	113,069	-	134,748	0.00%
Ind Fed Hwy Plan Const	333202	-	130,341	-	-	0.00%
Intfd DOT Traffic Safety	333206	21,580	-	-	-	0.00%
Ind Fed NHTSA Safety Programs	333207	7,185	-	-	-	0.00%
Ind Fed DOE	333811	21,140	-	-	-	0.00%
Ind Fed EMPG	333974	115,943	95,853	-	-	0.00%
Ind Fed HL Security	333975	11,350	-	-	-	0.00%
Ind Fed HL Security	333976	11,472	3,299	-	-	0.00%
CJTC WASPC Grnt	334011	3,988	-	-	-	0.00%
WA State Patrol	334013	2,400	3,600	-	-	0.00%
Dept of Transportation	334036	33,517	26,436	-	-	0.00%
CTR Grnt COK Prg	334037	-	-	-	16,000	0.00%
Commute Trip Reduction Grant	334039	-	25,000	-	-	0.00%
Dept of Health	334049	4,556	2,492	-	-	0.00%
SST Mitigation	336009	162,617	109,195	109,000	-	-100.00%
Judical Contrib - State	336012	45,448	44,302	45,000	44,032	-2.15%
Crime Jus-Special Pgm	336026	164,673	176,896	178,725	194,100	8.60%
Violent Crimes	336062	45,056	47,941	53,620	58,900	9.85%
Marijuana Excise Tax	336063	-	238,591	-	204,599	0.00%
Marijuana Enforcement	336064	40,832	21,672	147,470	-	-100.00%
DUI Distribution	336065	25,525	25,333	25,024	25,572	2.19%
Liquor Excise	336094	614,251	842,873	807,695	914,200	13.19%
Liquor Board Profit	336095	1,442,627	1,429,406	1,427,984	1,420,800	-0.50%
Other King County Grants	337081	57,083	76,138	61,995	-	-100.00%
Port of Seattle	337092	-	93,227	130,000	65,000	-50.00%
<b>Total for Intergovernmental Revenue</b>		<b>2,870,732</b>	<b>3,554,039</b>	<b>3,124,513</b>	<b>3,077,951</b>	<b>-1.49%</b>
<b>Charges for Goods and Services</b>						
Civil Filing	341221	238	303	400	400	0.00%
Court Rec Services	341322	310	50	-	-	0.00%
Court Admin Fee	341331	26,805	18,148	29,000	17,000	-41.38%
Court Services	341491	154,710	157,286	200,000	162,000	-19.00%
Court Copy Fee	341621	2,229	2,231	2,000	2,000	0.00%
Public Disclosure Response	341705	316	527	-	-	0.00%
Sale Merch Non Taxable	341750	474	240	500	500	0.00%
Recording Fee	341811	102,862	101,847	90,000	89,460	-0.60%
Engineering Development	341820	2,825,597	4,172,622	2,873,763	3,247,824	13.02%
Public Defender Contribution	341950	250	250	-	-	0.00%
Interfund Accting	341960	1,715,648	2,072,123	1,798,257	1,935,764	7.65%
Interfund Citywide Overhead	341961	4,892,903	4,805,699	4,845,261	5,115,547	5.58%
Interfund - General	341963	237,446	288,600	291,616	321,990	10.42%
Interfund Engineering Cost of Service	341965	624,213	630,668	637,083	641,126	0.63%
Interfund Engineering CIP	341966	4,496,742	6,009,448	6,046,556	7,474,630	23.62%
Interfund Engineering Dev Services	341967	502,514	680,668	679,004	763,161	12.39%

**City of Kirkland  
2019-2020 Budget  
General Fund Revenues**

		<b>2015-2016</b>	<b>2017-2018</b>	<b>2017-2018</b>	<b>2019-2020</b>	<b>Percent</b>
	<b>Object</b>	<b>Actual</b>	<b>Estimate</b>	<b>Budget</b>	<b>Budget</b>	<b>Change</b>
Interfund Planning Services	341970	132,479	125,859	141,007	142,663	1.17%
Interfund General Govt Services	341971	246,683	489,311	516,588	980,828	89.87%
Passport Fee	341991	101,150	170,450	118,942	326,243	174.29%
Law Enforcement Services	342101	10,853	8,686	4,600	5,200	13.04%
Warrants Served	342140	51,188	4,639	60,000	5,000	-91.67%
Fire protection Services	342210	52,300	203,500	150,330	147,000	-2.22%
EMS	342211	1,953,586	2,051,018	1,923,107	2,326,439	20.97%
Adult Probation Charges	342331	984,514	625,855	1,100,000	600,000	-45.45%
Electric Home Detention	342361	191,411	82,064	184,000	144,000	-21.74%
Detention Jail Services	342364	23,405	19,346	15,120	15,120	0.00%
Booking Fee	342371	52,924	26,120	60,000	40,000	-33.33%
Protective Inspection	342401	906	303	800	800	0.00%
DUI Emergency Response	342501	19,242	22,932	18,000	28,000	55.56%
Emergency Transport Fee	342600	1,824,410	1,744,971	1,923,658	1,854,623	-3.59%
DUI Emergency Aid	342601	-	-	200	-	-100.00%
Res Strm Erosion Fee	343191	434,572	459,131	360,000	446,000	23.89%
SW Drainage Rpt	343192	524,783	615,992	432,000	570,000	31.94%
Res Water Sales	343401	-	(25)	-	-	0.00%
Family Water	343403	-	145	-	-	0.00%
PW Deposit Admin Fee	344111	69,287	84,127	54,000	76,000	40.74%
Traffic Control Plan Review	344130	3,168	8,312	5,000	4,000	-20.00%
Parking Study Rev Fee	344131	1,163	5,630	-	-	0.00%
PCD Official Modification	345810	51,491	73,881	60,000	80,000	33.33%
Subdivision Fee	345811	44,413	16,531	20,000	24,600	23.00%
Accessory Dwelling Unit	345812	638	226	-	-	0.00%
Street Improv Fee in Lieu	345816	189,152	-	-	-	0.00%
Fee In Lieu Tree	345817	18,900	16,250	2,000	2,000	0.00%
Permt Appeal	345819	2,349	1,094	850	904	6.35%
PCD Dir Modification	345821	9,328	17,963	6,000	14,000	133.33%
Other PCD Officl Dec	345825	126,273	129,278	80,000	100,000	25.00%
Other PCD Dir Dec	345826	93,831	102,264	100,000	100,000	0.00%
Process I Review	345827	1,003,136	565,322	750,000	880,890	17.45%
Process IIA Review	345828	362,595	80,394	250,000	80,000	-68.00%
Process IIB & III	345829	197,742	157,684	110,000	167,580	52.35%
Design Board Review	345830	261,674	301,873	150,000	299,000	99.33%
Plan Check Fee	345831	3,838,919	4,357,058	3,600,000	2,794,767	-22.37%
Energy Code Fee	345832	160,245	167,515	122,400	152,000	24.18%
Electric Plan Review	345833	82,630	142,822	86,400	152,000	75.93%
Fire Plan Review	345835	378,873	444,091	323,263	406,600	25.78%
Expedited Review	345836	85,486	66,091	75,600	68,400	-9.52%
Planning 3rd Party Review	345837	109,931	71,514	40,000	40,000	0.00%
Hearing Examiner	345838	1,089	-	-	-	0.00%
Short Plat Rec Review	345839	78,561	83,017	80,000	60,000	-25.00%
Affordable Housing	345840	912,600	1,031,522	1,031,522	-	-100.00%
SEPA Appeal	345861	643	432	426	452	6.10%
SEPA Tnsp Review Fee	345862	54,713	50,551	41,400	41,400	0.00%
Concurrency Review	345890	33,480	48,862	24,000	24,000	0.00%
MBP Service Fee	345891	623,232	800,075	572,400	620,000	8.32%
Environmental Review Fee	345892	84,676	54,680	40,000	30,000	-25.00%
Comprehensive Plan Request	345894	1,986	1,346	664	2,000	201.20%
Zoning Verification Letter	345895	6,588	3,406	-	-	0.00%
Plan Pre-Sub Mtg	345896	152,631	145,987	150,000	140,000	-6.67%
Road Imp Fee-Indir Calc	345898	207	-	4,000	4,000	0.00%

**City of Kirkland  
2019-2020 Budget  
General Fund Revenues**

		<b>2015-2016</b>	<b>2017-2018</b>	<b>2017-2018</b>	<b>2019-2020</b>	<b>Percent</b>
	<b>Object</b>	<b>Actual</b>	<b>Estimate</b>	<b>Budget</b>	<b>Budget</b>	<b>Change</b>
Pool Admission Fee	347301	138,548	170,914	163,794	180,000	9.89%
Boat Launch Fee	347303	65,098	58,016	70,000	60,000	-14.29%
Special Event Admission Fee	347401	5,445	4,007	5,400	4,000	-25.93%
Open Gym Fee	347601	-	10	-	-	0.00%
Recreational Sports	347602	555,057	590,806	572,000	662,000	15.73%
Team Sports	347603	115,529	121,478	132,000	144,000	9.09%
Physical Fitness	347604	125,908	92,199	132,000	76,000	-42.42%
Tennis Badminton	347605	14,142	4,188	21,000	4,000	-80.95%
Day Camp	347606	284,222	294,982	280,000	288,000	2.86%
Aquatics	347607	523,768	538,220	420,000	527,200	25.52%
Misc Rec Instr Activities	347608	107,627	109,476	94,000	94,000	0.00%
Preschool NKCC Pgm	347609	407,191	469,534	400,000	494,000	23.50%
Rec Edu Classes	347610	217,763	206,013	224,000	219,400	-2.05%
Misc Rec Activities	347611	-	-	3,955	-	-100.00%
Van Trips	347615	44,716	42,169	46,000	46,000	0.00%
Misc Youth Pgm	347616	219,921	245,379	180,000	260,000	44.44%
Open Gym	347617	9,387	8,376	8,000	8,000	0.00%
After School Pgm	347618	-	99,350	-	130,800	0.00%
Advertising	347902	6,711	3,714	8,000	3,500	-56.25%
Program Fee	347903	3,910	3,440	3,600	3,600	0.00%
PK Cncl Fee	347904	-	12,488	-	14,000	0.00%
Sp Event Srvc	347911	27,179	18,158	22,000	20,000	-9.09%
Interfund Personnel Services	349160	238	-	-	-	0.00%
<b>Total for Charges for Goods and Services</b>		<b>34,101,649</b>	<b>37,713,722</b>	<b>35,067,466</b>	<b>37,006,411</b>	<b>5.53%</b>
<b>Fines and Forfeits</b>						
Mandatory Insurance Costs	352301	47,759	10,390	60,000	10,266	-82.89%
Boating Safety Infractions	352400	64	101	200	-	-100.00%
Traffic Infraction Penalty	353101	1,090,549	565,302	1,300,000	580,000	-55.38%
Distracted Driving Prevention	353105	-	1	-	-	0.00%
Non-traffic Infrac Penalty	353701	3,374	1,503	5,000	928	-81.44%
Parking Infraction Penalty	354101	1,286,873	1,399,652	1,400,000	1,400,000	0.00%
DUI Fines	355201	117,566	102,634	120,000	120,000	0.00%
Crim Traffic Misdemeanor	355801	263,094	191,175	300,000	178,576	-40.47%
Othr Non-Traffic	356901	93,415	41,425	100,000	45,544	-54.46%
Domestic Violence Penalty	356908	4,009	4,238	4,000	3,600	-10.00%
Other Non-Traf Prostitution	356913	-	777	-	-	0.00%
Criminal Conviction	356914	-	584	-	-	0.00%
Court Cost Recoup	357310	-	59	-	-	0.00%
Public Defender	357330	128,384	105,363	140,000	100,000	-28.57%
Warrants Served	357340	-	380	-	-	0.00%
Forfeiture of Bond Deposit	359101	16,037	-	-	-	0.00%
Bus License Penalty	359201	335,882	424,938	130,000	172,000	32.31%
Bus Tax Penalty	359202	1,641	683	584	584	0.00%
Miscellaneous Fines	359901	7,158	4,275	-	-	0.00%
Code Enforcement	359902	102,778	100,819	40,578	60,000	47.86%
False Alarm Penalty	359903	61,030	112,075	113,786	100,000	-12.12%
<b>Total for Fines and Forfeits</b>		<b>3,559,614</b>	<b>3,066,372</b>	<b>3,714,148</b>	<b>2,771,498</b>	<b>-25.38%</b>
<b>Miscellaneous Revenues</b>						
Investment Interest	361111	-	-	409,968	5,000	-98.78%
Inv Interest-Dedicated	361112	1,035,960	2,197,811	750,582	1,773,410	136.27%
Unrealized Gains	361321	3,687	3,024	-	-	0.00%

**City of Kirkland  
2019-2020 Budget  
General Fund Revenues**

		<b>2015-2016</b>	<b>2017-2018</b>	<b>2017-2018</b>	<b>2019-2020</b>	<b>Percent</b>
	<b>Object</b>	<b>Actual</b>	<b>Estimate</b>	<b>Budget</b>	<b>Budget</b>	<b>Change</b>
Int Sales Tax	361401	176,277	156,051	160,000	160,000	0.00%
Moorage Rental	362401	217,881	220,721	255,781	241,700	-5.51%
Senior Center Facility Rental	362402	75,552	85,635	72,000	72,000	0.00%
NKCC Rental	362403	40,155	35,038	32,000	34,000	6.25%
Park Facility Rental	362405	198,241	292,552	170,900	231,100	35.23%
Locker Rental	362406	1	330	600	600	0.00%
Othr Park Rental	362407	49,087	41,718	36,000	36,000	0.00%
Facility Lease Other	362502	402,968	404,354	480,276	268,428	-44.11%
Tour Dock LT	362505	60,930	60,360	60,160	60,000	-0.27%
House Rental	362601	154,713	121,673	149,350	121,320	-18.77%
Concess Proc Non LET	362801	6,798	3,400	5,000	5,000	0.00%
Concession Proc LET	362802	95,380	74,054	62,000	51,000	-17.74%
CKC Rent Proceeds LET	362803	975	-	-	-	0.00%
Contributions and Donations	367000	353,245	258,457	151,747	96,500	-36.41%
Sales of Surplus	369101	432	12,858	7,099	-	-100.00%
Unclaimed Money Property	369201	23,803	11,713	3,000	8,000	166.67%
Confiscated Prop	369301	20,422	19,910	11,500	11,500	0.00%
Other Judgement Settlements	369401	33,968	47,193	-	-	0.00%
Cash Over Short	369811	129	69	-	-	0.00%
Other Miscellaneous Revenue	369910	124,951	139,907	148,825	106,000	-28.78%
<b>Total for Miscellaneous Revenues</b>		<b>3,075,554</b>	<b>4,186,829</b>	<b>2,966,788</b>	<b>3,281,558</b>	<b>10.61%</b>
<b>Other Financing Sources</b>						
Sale of Fixed Assets	395100	-	2,633,163	3,275,155	-	-100.00%
Operating Transfers In	397101	853,894	556,880	695,536	535,061	-23.07%
Insurance Recovery Gen Gov	398001	211,328	424,626	100,000	100,000	0.00%
Resources Forward	399991	26,183,995	33,862,139	33,862,139	38,462,453	13.59%
<b>Total for Other Financing Sources</b>		<b>27,249,217</b>	<b>37,476,808</b>	<b>37,932,830</b>	<b>39,097,514</b>	<b>3.07%</b>
<b>Total for General Fund</b>		<b>212,217,320</b>	<b>240,757,141</b>	<b>227,827,159</b>	<b>245,651,799</b>	<b>7.82%</b>



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# EXPENDITURE SUMMARY



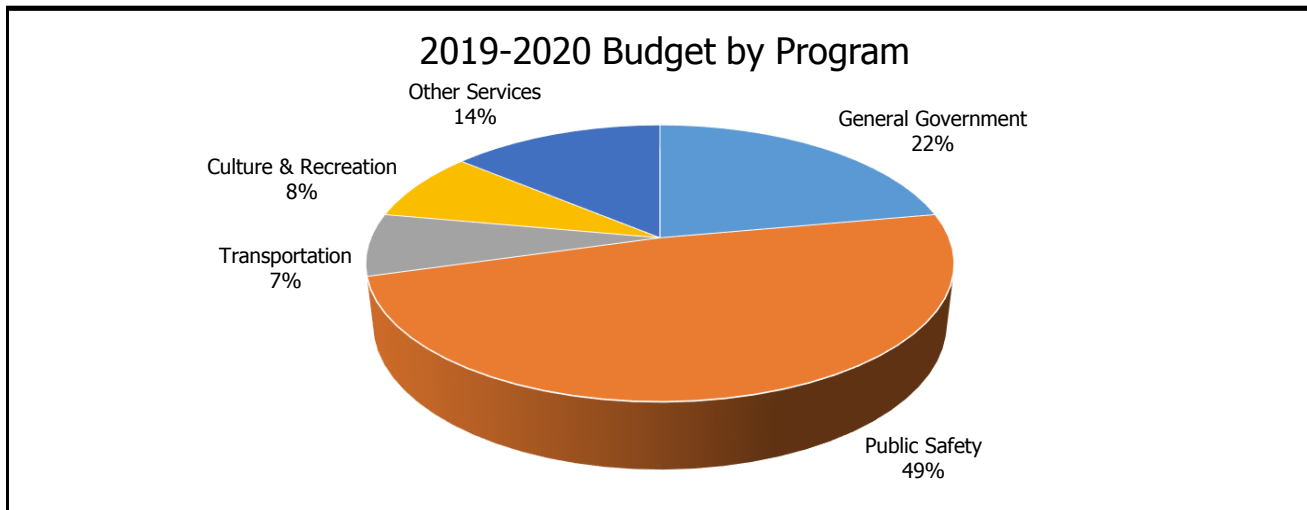


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# CITY OF KIRKLAND

## 2019-2020 Budget

### General Fund Expenditure Summary



The General Fund accounts for about 68.0 percent of the City's General Government Operating budget. The majority of the expenditures in the General Fund are devoted to Public Safety (police, fire, and municipal court services), with General Government (legislative, executive, legal, administrative, financial, community planning services, and building inspection services) being the next largest program area.

- Other Services increased due to development revenue set aside to support future workload.
- Transportation increased due to one-time additions of personnel to support workload.
- Public Safety increased due to increased salary and benefit costs and the addition of revenue backed personnel to enhance Police services.
- General Government increased due to carryover of 2017-18 funds to complete budgeted projects and other uses of one-time funds.

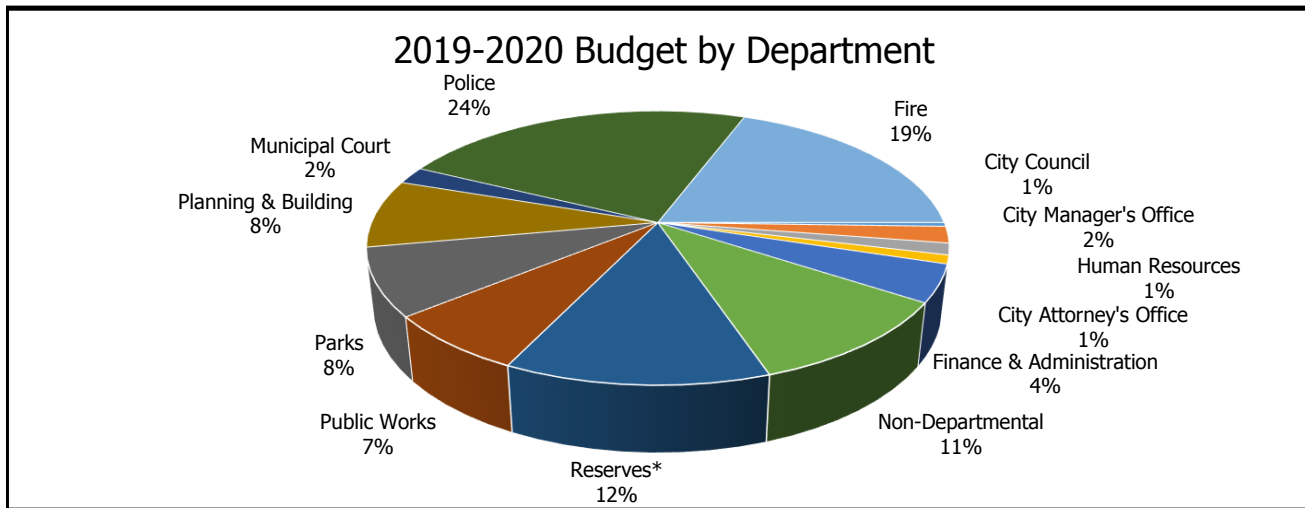
### Analysis of Change

Program	2015-2016 Actual	2017-2018 Estimate	2017-2018 Budget	2019-2020 Budget	Change
General Government	52,352,426	52,001,978	52,596,577	54,358,598	3.35%
Public Safety	103,555,398	111,486,476	111,884,569	119,024,260	6.38%
Transportation	11,256,893	14,549,907	15,952,033	17,909,086	12.27%
Culture & Recreation	15,937,341	18,663,374	18,700,582	20,088,648	7.42%
Other Services	15,166,781	29,261,441	28,693,398	34,271,207	19.44%
<b>Program Total</b>	<b>198,268,839</b>	<b>225,963,176</b>	<b>227,827,159</b>	<b>245,651,799</b>	<b>7.82%</b>

# CITY OF KIRKLAND

## 2019-2020 Budget

### General Fund Expenditure Summary



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

- Nondepartmental decreased due to large one-time transfers for capital projects, including fire stations, in 2017-18.
- Reserves increased due to money set aside for future Development Services workload.
- Public Works increased due to one-time addition of personnel to support workload.
- The City Council budget increased due to personnel expenditures.
- The City Manager's Office budget decreased due to large one-time expenditures in 2017-18 and a staff reduction.
- Planning and Building decreased due large one-time pass through expenditures for affordable housing in 2017-18.
- Police increased due to rising personnel costs and the addition of revenue backed positions to enhance services related to Proposition 1.
- Parks increased due to one-time expenditures on personnel and equipment to enhance services and funding related to Proposition 1.
- Human Resources, Fire, Finance & Administration, and City Council increased due to rising personnel costs.

## Analysis of Change

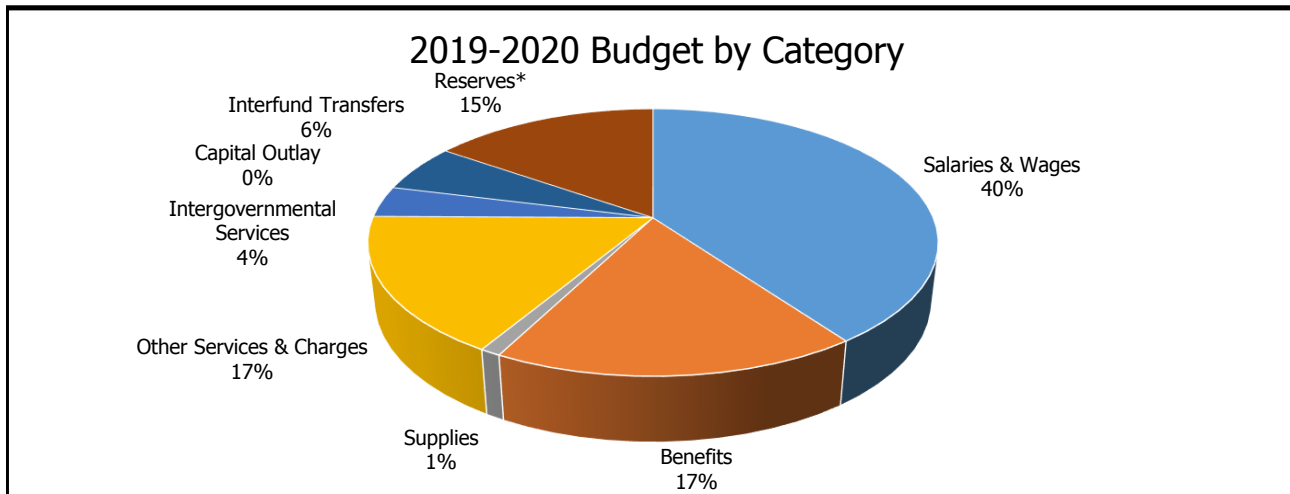
Department	2015-2016 Actual	2017-2018 Estimate	2017-2018 Budget	2019-2020 Budget	Change
City Council	894,164	1,052,918	1,103,766	1,127,801	2.18%
City Manager's Office	4,382,607	5,370,874	5,715,828	4,802,055	-15.99%
Human Resources	2,816,411	3,179,821	3,185,460	3,363,306	5.58%
City Attorney's Office	2,333,676	2,437,037	2,485,679	2,489,901	0.17%
Finance & Administration	9,201,179	10,424,265	10,297,087	10,794,629	4.83%
Non-Departmental	20,906,747	28,775,296	28,207,253	26,048,587	-7.65%
Reserves*	17,896,597	20,921,873	20,674,111	30,432,709	47.20%
Public Works	10,576,893	13,749,907	15,152,033	17,109,086	12.92%
Parks	15,812,698	17,479,490	17,558,330	19,573,050	11.47%
Planning & Building	17,709,080	20,002,618	20,524,537	19,835,337	-3.36%
Municipal Court	4,789,368	4,845,581	5,041,033	5,064,407	0.46%
Police	48,915,046	51,971,045	52,473,433	57,740,340	10.04%
Fire	42,034,375	45,752,451	45,408,609	47,270,591	4.10%
<b>Department Total</b>	<b>198,268,839</b>	<b>225,963,176</b>	<b>227,827,159</b>	<b>245,651,799</b>	<b>7.82%</b>

\* 2015-2016 actual and 2017-2018 estimated reserves are budgeted, but not spent

# CITY OF KIRKLAND

## 2019-2020 Budget

### General Fund Expenditure Summary



Salaries & Wages and Benefits comprise 57.7 percent of the General Fund budget, with Public Safety representing 58.9 percent of these expenditure categories. Other Services & Charges is the next largest category and is comprised mostly of contracted direct services (such as dispatch, jail and human services), contracted support services (such as consulting, printing, and repairs and maintenance services), and internal charges from one City fund to another (for information technology, fleet, and facilities maintenance).

- 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 and enhance Police Services.
- Supplies and Services increased due to one-time investments to improve efficiency.
- Reserves increased due to replenishment, as well as money set aside to support development services workload and capital projects in future years.
- Capital Outlay decreased due to a one-time expenditure for an affordable housing unit in 2017-18.
- Intergovernmental/Interfund decreased due to one-time capital transfers for fire stations in 2017-18.

## Analysis of Change

Category	2015-2016 Actual	2017-2018 Estimate	2017-2018 Budget	2019-2020 Budget	Change
Salaries & Wages	83,074,111	92,182,198	93,043,911	98,408,862	5.77%
Benefits	34,724,524	37,620,701	39,826,785	43,039,765	8.07%
Supplies	2,039,049	2,251,881	2,186,230	2,453,193	12.21%
Other Services & Charges	35,269,808	38,239,468	38,734,524	40,759,299	5.23%
Intergovernmental Services	8,797,718	10,957,830	9,484,126	9,223,783	-2.75%
Capital Outlay	248,612	253,344	272,083	-	-100.00%
Interfund Transfers	14,299,259	20,789,689	20,611,436	14,202,296	-31.10%
Reserves*	19,815,758	23,668,064	23,668,064	37,564,601	58.71%
<b>Category Total</b>	<b>198,268,839</b>	<b>225,963,176</b>	<b>227,827,159</b>	<b>245,651,799</b>	<b>7.82%</b>

\* 2015-2016 actual and 2017-2018 estimated reserves are budgeted, but not spent

# 2019 - 2020 BUDGET ANALYSIS

## GENERAL FUND

### ANALYSIS OF CHANGES

#### 2017-18 Approved Budget

One-Time Adjustments & Carryovers

(21,275,610)

227,827,159

*Percent Change Due to One-Time Adjustments, Carryovers, and Reserves*

-9.34%

#### Adjusted Biennial Basis of Comparison for 2017-18 Basic Budget

206,551,549

#### 2019-20 Basic Budget Changes:

2017-18 Impact on 2019-20 Salaries & Wages

430,000

2019-20 Impact on Salaries & Wages

6,566,938

Employee Benefits & Self Insurance Reserve

2,324,282

State Pension Contribution Cost Increase

172,506

Fleet - Internal Services Rate

343,035

IT - Internal Services Rate

800,331

Facilities - Internal Services Rate

(443,390)

Insurance

(156,046)

Development Services & Other One-time Staffing

1,214,709

Jail Contracted Services & Other Intergovernmental Services

944,315

Professional Services

414,577

Placeholder for anticipated 2019 Bond Issuance

2,400,000

Placeholder for anticipated 2020 Totem Lake Bond Issuance

487,886

Credit Card Fees

547,500

Parks Repairs & Maintenance Services

84,940

Juanita Beach Playground

366,000

Human Services Funding Increase

534,958

Change in Transfer out to Contingency Reserve

(1,021,340)

Net Miscellaneous Adjustments

701,238

Total Basic Budget Changes

16,712,439

*Percent Change Due to Basic Budget Changes*

7.34%

#### Subtotal 2019-20 Basic Budget

223,263,988

#### 2019-20 Recommended Service Packages

2017-18 Ongoing Service Packages

4,987,097

2017-18 One Time Service Packages

11,201,728

Estimated Impact of IT Service Packages on Internal Rates

37,600

Subtotal Service Package Costs

16,226,425

Expenditure Offsets and Use of Reserves to Fund Service Packages

(8,550,984)

Total Net Change

7,675,441

*Percent Change Due to Service Packages*

3.37%

#### Subtotal 2019-20 Preliminary Budget Before Reserves

230,939,429

#### 2019-20 Reserve Contributions

Development Services Reserves

11,358,011

Increase in Revenue Stabilization Reserve

592,681

One Percent General Purpose Reserve Replenishment

819,423

Increase to Annexation Sales Tax Reserve

160,494

Change in Revolving Funds Balance

133,452

Changes in Working Capital

1,648,309

Total Reserve Changes

14,712,370

*Percent Change Due to Reserves*

6.46%

### COMPARISON OF 2017-18 BUDGET TO 2019-20 BUDGET

#### Total 2019-20 Preliminary Budget

17,824,640

245,651,799

7.82%

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# GENERAL GOVERNMENT OPERATING RESERVES

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## **DEPARTMENT OVERVIEW**

# ***GENERAL GOVERNMENT OPERATING RESERVES***

## **MISSION**

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

## **DEPARTMENT FUNCTIONS**

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

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

General purpose reserves:

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

Special purpose reserves and expenditures include:

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

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

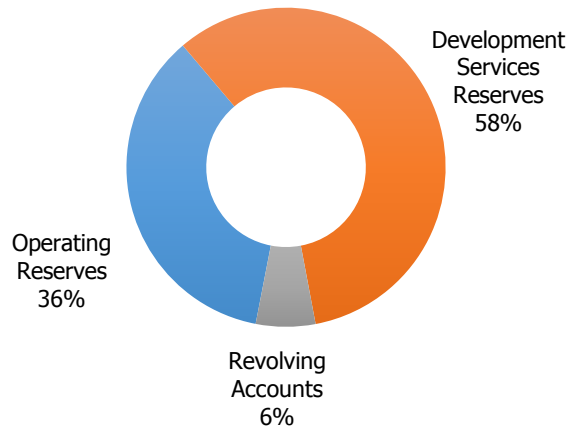
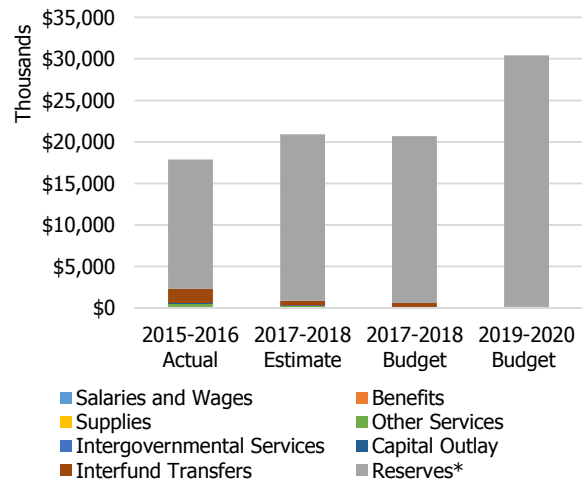
## **BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS**

- Continue compliance with the adopted Fiscal Policies:
  - No basic operations funded by one-time revenues
  - Continue incorporating a component into the on-going budget for replenishment of reserves based on 1% of the General Fund budget, \$2.0 million in the 2019-2020 proposed budget
  - Fund the revenue stabilization reserve to 100% of target



**FINANCIAL OVERVIEW**

# **GENERAL GOVERNMENT OPERATING RESERVES**

**Uses of Funds**

**Expenditures by Category**

**EXPENDITURE SUMMARY BY CATEGORY**

	2015-2016 Actual	2017-2018 Estimate	2017-2018 Budget	2019-2020 Budget	Change
Salaries and Wages	3,086	11,287	-	-	n/a
Benefits	273	2,350	-	-	n/a
Supplies	113,869	20,740	44,600	44,600	0.00%
Other Services	431,523	269,387	62,400	62,400	0.00%
Intergovernmental Services	-	16,698	-	-	n/a
Capital Outlay	69,000	-	-	-	n/a
Interfund Transfers	1,681,738	534,300	500,000	-	-100.00%
Reserves*	15,597,108	20,067,111	20,067,111	30,325,709	51.12%
<b>TOTAL</b>	<b>17,896,597</b>	<b>20,921,873</b>	<b>20,674,111</b>	<b>30,432,709</b>	<b>47.20%</b>

**EXPENDITURE SUMMARY BY DIVISION**

	2015-2016 Actual	2017-2018 Estimate	2017-2018 Budget	2019-2020 Budget	Change
Operating Reserves	12,748,346	10,095,442	10,095,442	10,879,513	7.77%
Development Services Reserves	3,549,740	8,239,772	8,239,772	17,718,820	115.04%
Revolving Accounts	1,598,511	2,586,659	2,338,897	1,834,376	-21.57%
<b>TOTAL</b>	<b>17,896,597</b>	<b>20,921,873</b>	<b>20,674,111</b>	<b>30,432,709</b>	<b>47.20%</b>

\* 2015-2016 actual and 2017-2018 estimated reserves are budgeted, but not spent

NON-DEPARTMENTAL



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**DEPARTMENT OVERVIEW*****Non-DEPARTMENTAL*****MISSION**

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

**DEPARTMENT FUNCTIONS**

Examples of expenses in this area include shared paper products, contracts with outside agencies, LEOFF 1 medical payments, and the Employee Transportation Program.

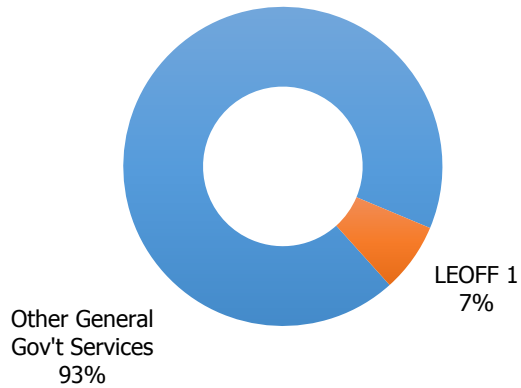
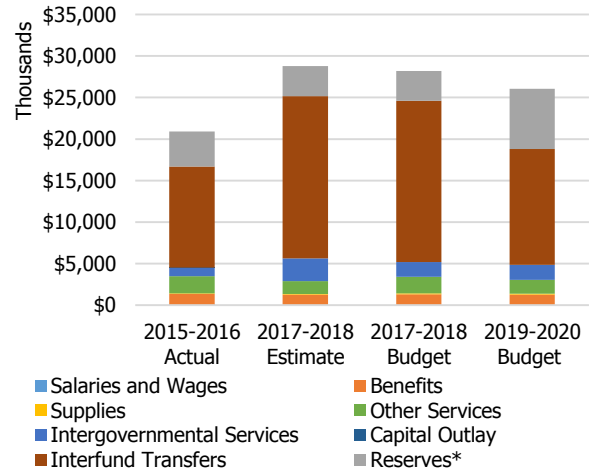
Non-departmental also includes transfers to reserves and debt service funds.

**BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS**

No budget highlights.

**FINANCIAL OVERVIEW**

# ***NON-DEPARTMENTAL***

**Uses of Funds**

**Expenditures by Category**

**EXPENDITURE SUMMARY BY CATEGORY**

	2015-2016 Actual	2017-2018 Estimate	2017-2018 Budget	2019-2020 Budget	Change
Salaries and Wages	5,636	-	-	-	n/a
Benefits	1,337,871	1,263,164	1,307,477	1,271,264	-2.77%
Supplies	66,795	81,207	92,000	96,000	4.35%
Other Services	2,071,223	1,548,103	2,029,676	1,688,405	-16.81%
Intergovernmental Services	1,034,433	2,742,276	1,757,254	1,809,035	2.95%
Capital Outlay	24,194	-	-	-	n/a
Interfund Transfers	12,147,944	19,539,593	19,419,893	13,944,991	-28.19%
Reserves*	4,218,650	3,600,953	3,600,953	7,238,892	101.03%
<b>TOTAL</b>	<b>20,906,747</b>	<b>28,775,296</b>	<b>28,207,253</b>	<b>26,048,587</b>	<b>-7.65%</b>

**EXPENDITURE SUMMARY BY DIVISION**

	2015-2016 Actual	2017-2018 Estimate	2017-2018 Budget	2019-2020 Budget	Change
Other General Gov't Services	19,025,372	26,949,005	26,341,697	24,219,244	-8.06%
LEOFF 1	1,881,375	1,826,291	1,865,556	1,829,343	-1.94%
<b>TOTAL</b>	<b>20,906,747</b>	<b>28,775,296</b>	<b>28,207,253</b>	<b>26,048,587</b>	<b>-7.65%</b>

\* 2015-2016 actual and 2017-2018 estimated reserves are budgeted, but not spent

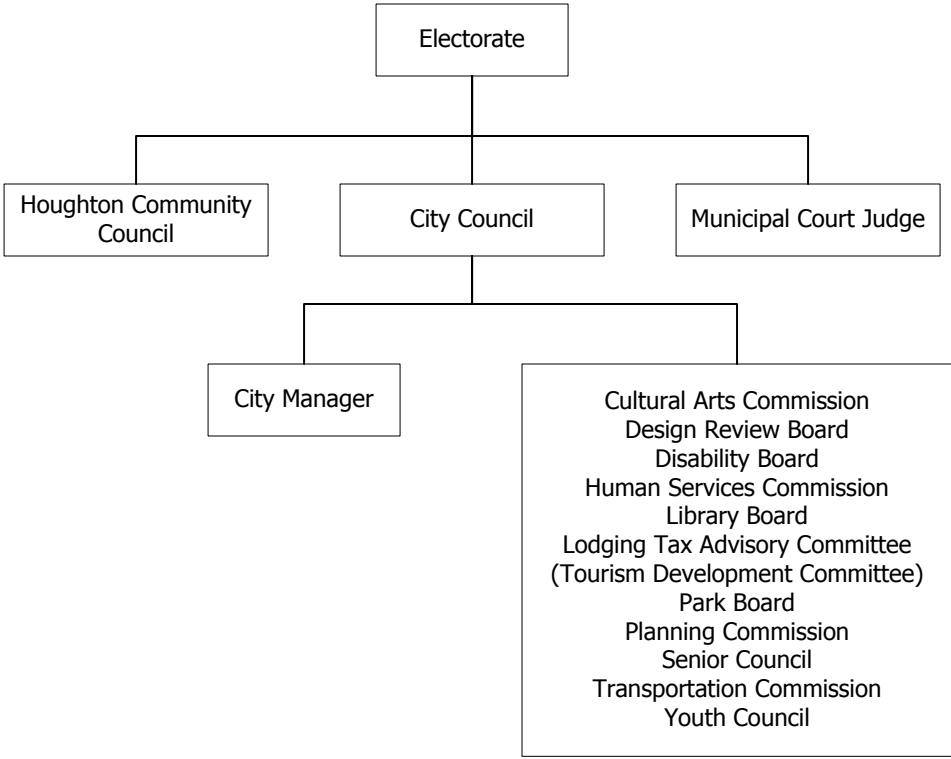
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**CITY COUNCIL**



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**CITY OF KIRKLAND**  
**City Council**







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## DEPARTMENT OVERVIEW

# ***CITY COUNCIL***

## MISSION

The City Council's responsibility is to provide general policy direction for the overall management of the City of Kirkland.

## DEPARTMENT FUNCTIONS

The primary responsibility of the City Council is to fulfill the legislative function, and to thereby determine the general direction and policies for the operation of the City, including local laws, allocation of resources, and determination of service levels.

## RELATIONSHIP TO COUNCIL GOALS

In 2009, the Council established ten service areas, value statements and goals. Service areas are identified as priorities by the City Council and through the biennial community survey. The Council reviews and reaffirms the goals annually to ensure they continue to speak to the needs of and input from the community, as well as changes in the external environment and community demographics. The goals help the Council achieve its mission of providing general policy direction for the overall management of the City of Kirkland and moving Kirkland toward its vision.

The City's ability to make progress towards their achievement is based on the availability of resources at any given time. Implicit in the allocation of resources is the need to balance levels of taxation and community impacts with service demands and the achievement of goals.

### **Council Goals:**

#### **Neighborhoods**

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

#### **Public Safety**

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

#### **Human Services**

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

#### **Balanced Transportation**

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

#### **Parks, Open Spaces and Recreational Services**

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

#### **Housing**

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

**Financial Stability**

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

**Environment**

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

**Economic Development**

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

**Dependable Infrastructure**

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

<b>BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS</b>
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**Neighborhoods**

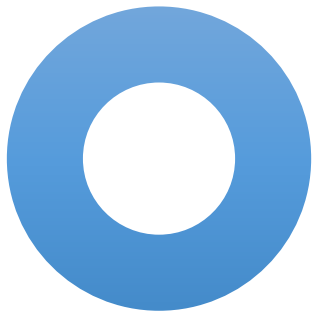
- Fund the 2020 Community Survey to assess priorities and satisfaction, \$40,000 one-time

**Other**

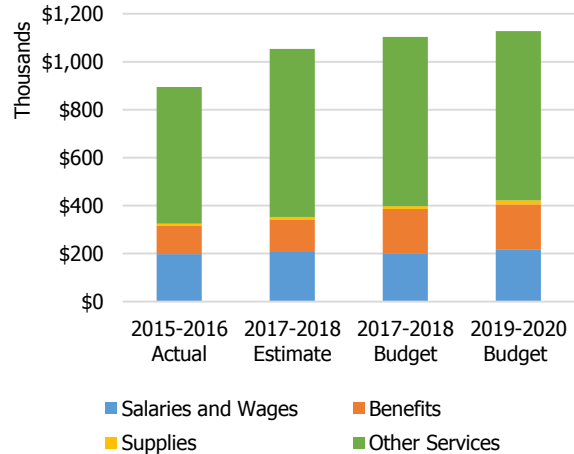
- Provide resources for facility rental fees for offsite Council retreats, \$1,600 ongoing
- Provide meals for Council Members at Council meetings, \$5,300 ongoing

**FINANCIAL OVERVIEW**

# ***CITY COUNCIL***

**Uses of Funds**


City Council  
100%

**Expenditures by Category**

**EXPENDITURE SUMMARY BY CATEGORY**

	2015-2016 Actual	2017-2018 Estimate	2017-2018 Budget	2019-2020 Budget	Change
Salaries and Wages	197,612	206,600	201,708	216,167	7.17%
Benefits	119,219	135,810	184,603	188,700	2.22%
Supplies	7,445	10,900	11,700	17,050	45.73%
Other Services	569,889	699,609	705,755	705,884	0.02%
Intergovernmental Services	-	-	-	-	n/a
Capital Outlay	-	-	-	-	n/a
Interfund Transfers	-	-	-	-	n/a
<b>TOTAL</b>	<b>894,164</b>	<b>1,052,918</b>	<b>1,103,766</b>	<b>1,127,801</b>	<b>2.18%</b>

**EXPENDITURE SUMMARY BY DIVISION**

	2015-2016 Actual	2017-2018 Estimate	2017-2018 Budget	2019-2020 Budget	Change
City Council	894,164	1,052,918	1,103,766	1,127,801	2.18%
<b>TOTAL</b>	<b>894,164</b>	<b>1,052,918</b>	<b>1,103,766</b>	<b>1,127,801</b>	<b>2.18%</b>

**2019 - 2020 POSITION SUMMARY*****CITY COUNCIL*****POSITION SUMMARY BY CLASSIFICATION**

<b>Classification</b>	<b>2017-2018 Positions</b>	<b>Service Packages</b>	<b>2019-2020 Positions</b>	<b>Budgeted 2019 Salary Range</b>
Mayor	1.00		1.00	18,372
Councilperson	6.00		6.00	14,424
<b>TOTAL</b>	7.00	0.00	7.00	

**POSITION SUMMARY BY DIVISION**

	<b>2017-2018 Positions</b>	<b>Service Packages</b>	<b>2019-2020 Positions</b>
City Council	7.00		7.00
<b>TOTAL</b>	7.00	0.00	7.00

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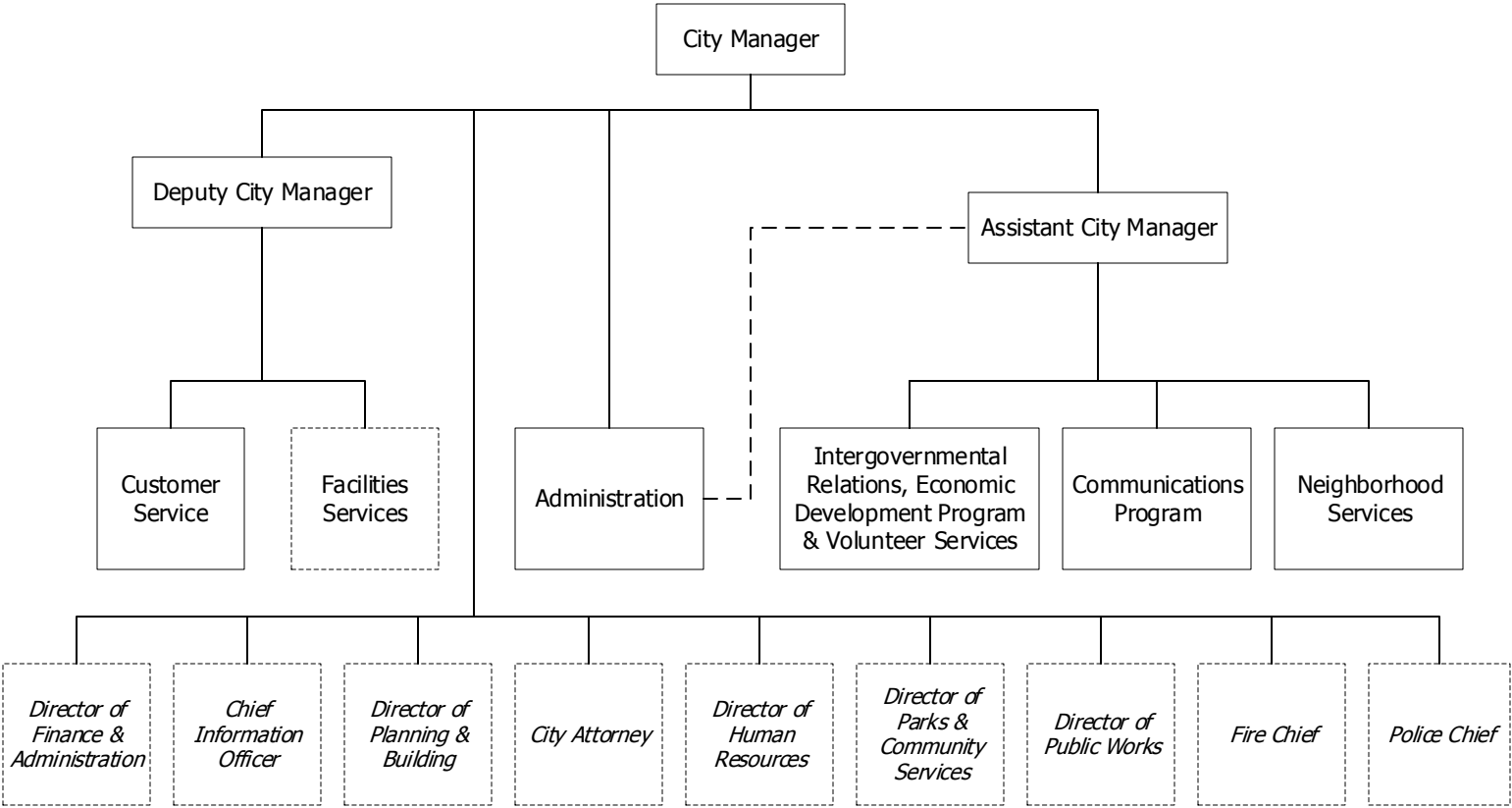
**CITY MANAGER**



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# CITY OF KIRKLAND

## City Manager's Office



*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.*





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## DEPARTMENT OVERVIEW

# ***CITY MANAGER'S OFFICE***

## MISSION

The mission of the City Manager's Office is to serve as the professional administrator of the City by effectively implementing the City Council's policies and coordinating day-to-day operations, administration, and communications.

## DEPARTMENT FUNCTIONS

The **City Manager's Office** implements the City Council's policies by overseeing the management of City departments, administering personnel and labor relations, the City budget, and the day-to-day operations of the City. The City Manager serves as the chief advisor to the City Council and is appointed by, and serves at the pleasure of, the City Council. The City Manager proposes an annual City work program to the City Council that implements priority goals.

The **Intergovernmental Relations and Economic Development Program** supports the City Council's economic development and legislative interests, and coordinates with other governmental bodies and organizations on regional economic development and legislative initiatives, partnerships and priorities. This program also oversees the City's tourism, cultural arts and volunteer programs providing resources to foster the economic, social, ecological and cultural well-being of the community.

The **Communications Program** supports the City Council and City departments in providing effective and timely communications about City issues and events and designs and delivers public involvement strategies for City departments.

The **Neighborhood Services Program** coordinates the City's relationship between the City Council and City departments and the thirteen neighborhood associations. This program also designs and delivers public engagement and information services.

The **Customer Services Program** functions as the first point of contact for City Hall customers, providing service directly or ensuring customers receive prompt, accurate information and are directed to appropriate departments to ensure the customer's needs are met. This program also performs several performance related functions including advising on internal process improvement, delivering program evaluation services and updating related policies and procedures.

## BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS

### Neighborhoods

- Continue 30 percent increase in Neighborhood Services Matching Grant, \$10,202 one-time
- Provide funding for Community Outreach and Engagement, \$50,000 one-time

### Economic Development

- Provide funding for Management and Consulting Support of Start-Up 425, \$241,200 one-time (funded with \$120,000 from partner cities, \$65,000 from a Port of Seattle grant and \$56,200 of expenditure offsets)
- Continue funding Community Programs and Events, \$128,000 one-time (\$64,000 from Waste Management matched with \$64,000 of City funds) **(for further discussion on event funding, see the [Outside Agency Funding Issue Paper](#))**

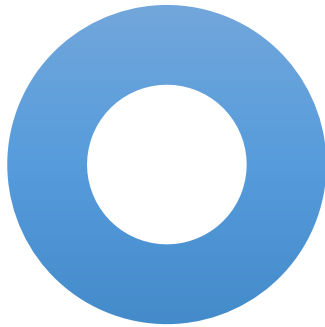
- Fund 4Culture Arts Sustained Support, \$16,000 one-time (grant funded)

**Other**

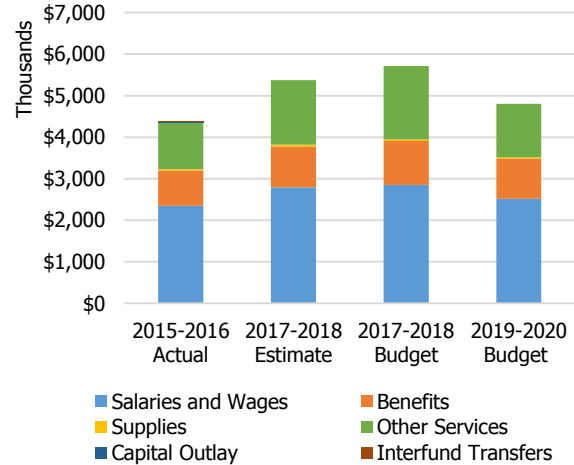
- Continue State Legislative Advocacy Services, \$120,000 one-time
- Continue funding for temporary 0.5 FTE Communications Program Specialist, including web and multi-media content development, \$100,293 one-time

**FINANCIAL OVERVIEW**

# ***CITY MANAGER***

**Uses of Funds**


City Manager  
100%

**Expenditures by Category**

**EXPENDITURE SUMMARY BY CATEGORY**

	2015-2016 Actual	2017-2018 Estimate	2017-2018 Budget	2019-2020 Budget	Change
Salaries and Wages	2,347,237	2,790,077	2,849,678	2,520,273	-11.56%
Benefits	851,073	987,642	1,058,553	963,599	-8.97%
Supplies	27,262	42,508	35,190	34,900	-0.82%
Other Services	1,133,344	1,550,646	1,772,407	1,283,283	-27.60%
Intergovernmental Services	-	-	-	-	n/a
Capital Outlay	2,378	-	-	-	n/a
Interfund Transfers	21,313	-	-	-	n/a
<b>TOTAL</b>	<b>4,382,607</b>	<b>5,370,874</b>	<b>5,715,828</b>	<b>4,802,055</b>	<b>-15.99%</b>

**EXPENDITURE SUMMARY BY DIVISION**

	2015-2016 Actual	2017-2018 Estimate	2017-2018 Budget	2019-2020 Budget	Change
City Manager	4,382,607	5,370,874	5,715,828	4,802,055	-15.99%
<b>TOTAL</b>	<b>4,382,607</b>	<b>5,370,874</b>	<b>5,715,828</b>	<b>4,802,055</b>	<b>-15.99%</b>

**2019 - 2020 POSITION SUMMARY**

# ***CITY MANAGER***

**POSITION SUMMARY BY CLASSIFICATION**

<b>Classification</b>	<b>2017-2018 Positions</b>	<b>Service Packages</b>	<b>2019-2020 Positions</b>	<b>Budgeted 2019 Salary Range</b>
City Manager	1.00		1.00	18,833
Deputy City Manager	2.00	(1.00)	1.00	12,002 - 15,488
Assistant City Manager	0.00	1.00	1.00	11,391 - 14,698
Economic Development Manager*	0.85	(0.85)	0.00	9,241 - 11,923
Intergovernmental Relations Manager	1.00		1.00	8,664 - 11,180
Communications Program Manager	1.00		1.00	7,413 - 9,565
Neighborhood Outreach Coordinator	1.00		1.00	6,999 - 8,234
Special Projects Coordinator	0.79		0.79	6,637 - 7,809
Customer Service Program Lead	1.00		1.00	5,969 - 7,022
Executive Assistant I	1.00		1.00	5,401 - 6,968
Administrative Assistant	0.80		0.80	5,232 - 6,154
<b>TOTAL</b>	10.44	(0.85)	9.59	

**POSITION SUMMARY BY DIVISION**

	<b>2017-2018 Positions</b>	<b>Service Packages</b>	<b>2019-2020 Positions</b>
City Manager	10.44	(0.85)	9.59
<b>TOTAL</b>	10.44	(0.85)	9.59

\*0.15 of this position in the Lodging Tax Fund was also reduced.

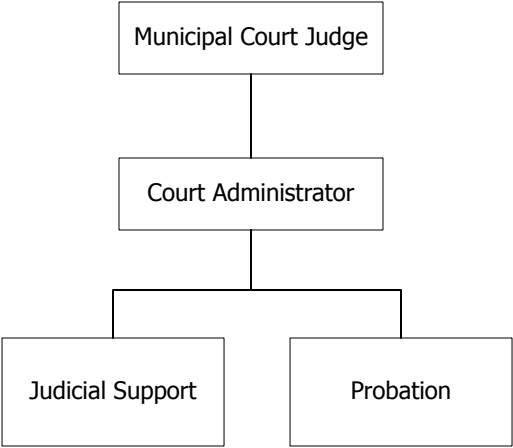
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**MUNICIPAL COURT**



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**CITY OF KIRKLAND**  
**Municipal Court**





## DEPARTMENT OVERVIEW

# ***MUNICIPAL COURT***

## MISSION

The **Municipal Court's** mission is to establish and maintain public trust and confidence in the judicial system. The Court proudly serves the citizens of Kirkland and the general public by providing access to justice and ensuring that all individuals are afforded due process of law as recognized by the Constitution of the United States and the State of Washington.

It is the Municipal Court's mission to continually seek excellence in providing fair, accessible, and timely resolution of alleged violations of the law in an atmosphere of respect for all parties, including members of the public, defendants, lawyers, witnesses, jurors and all Court and City employees.

The Municipal Court is a contributing partner of the City of Kirkland, working toward a safe and vital community.

## DEPARTMENT FUNCTIONS

The **Municipal Court** is a court of limited jurisdiction and an independent branch of government which is authorized by the laws of the State of Washington to preside over all criminal misdemeanors and gross misdemeanors, as well as traffic, non-traffic and parking infractions, and select civil matters occurring within the city limits of Kirkland. All cases filed are processed in accordance with court rules and the laws of the State of Washington, under the direction of the presiding judge.

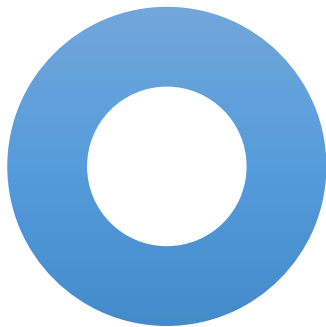
## BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS

### **Public Safety**

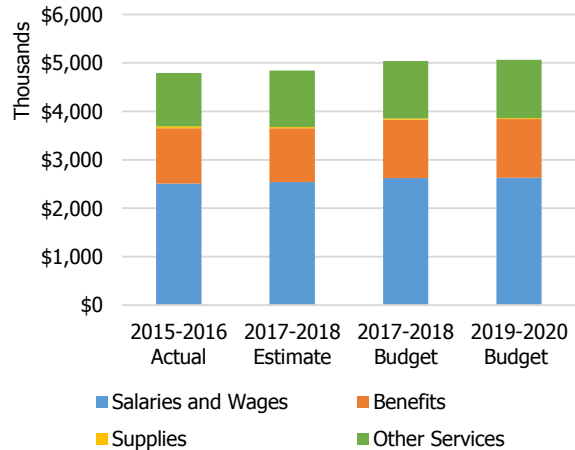
- There is funding within the Police Department budget to provide for Court security services

**FINANCIAL OVERVIEW**

# ***MUNICIPAL COURT***

**Uses of Funds**


Municipal Court  
100%

**Expenditures by Category**

**EXPENDITURE SUMMARY BY CATEGORY**

	2015-2016 Actual	2017-2018 Estimate	2017-2018 Budget	2019-2020 Budget	Change
Salaries and Wages	2,507,499	2,543,147	2,626,220	2,630,115	0.15%
Benefits	1,145,284	1,107,796	1,203,288	1,210,867	0.63%
Supplies	35,885	23,871	22,000	22,000	0.00%
Other Services	1,100,700	1,170,768	1,189,525	1,201,425	1.00%
Intergovernmental Services	-	-	-	-	n/a
Capital Outlay	-	-	-	-	n/a
Interfund Transfer	-	-	-	-	n/a
<b>TOTAL</b>	<b>4,789,368</b>	<b>4,845,581</b>	<b>5,041,033</b>	<b>5,064,407</b>	<b>0.46%</b>

**EXPENDITURE SUMMARY BY DIVISION**

	2015-2016 Actual	2017-2018 Estimate	2017-2018 Budget	2019-2020 Budget	Change
Municipal Court	4,789,368	4,845,581	5,041,033	5,064,407	0.46%
<b>TOTAL</b>	<b>4,789,368</b>	<b>4,845,581</b>	<b>5,041,033</b>	<b>5,064,407</b>	<b>0.46%</b>

\*\$134,307 adjustment to increase salaries and benefits budget will be in the June budget adjustment from working capital to correct a position missed in the preliminary budget.

**2019 - 2020 POSITION SUMMARY*****MUNICIPAL COURT*****POSITION SUMMARY BY CLASSIFICATION**

<b>Classification</b>	<b>2017-2018 Positions</b>	<b>Service Packages</b>	<b>2019-2020 Positions</b>	<b>Budgeted 2019 Salary Range</b>
Municipal Court Judge	1.00		1.00	13,008
Court Administrator	1.00		1.00	8,075 - 10,420
Probation Supervisor	1.00		1.00	5,912 - 7,628
Judicial Support Supervisor	1.00		1.00	5,846 - 7,542
Probation Officer	2.00		2.00	5,675 - 6,676
Judicial Support Associate Lead	2.00		2.00	5,084 - 5,982
Judicial Support Associate II	9.50		9.50	4,297 - 5,055
Judicial Support Associate I	1.00		1.00	3,824 - 4,500
<b>TOTAL</b>	18.50	0.00	18.50	

**POSITION SUMMARY BY DIVISION**

	<b>2017-2018 Positions</b>	<b>Service Packages</b>	<b>2019-2020 Positions</b>
Municipal Court	18.50		18.50
<b>TOTAL</b>	18.50	0.00	18.50

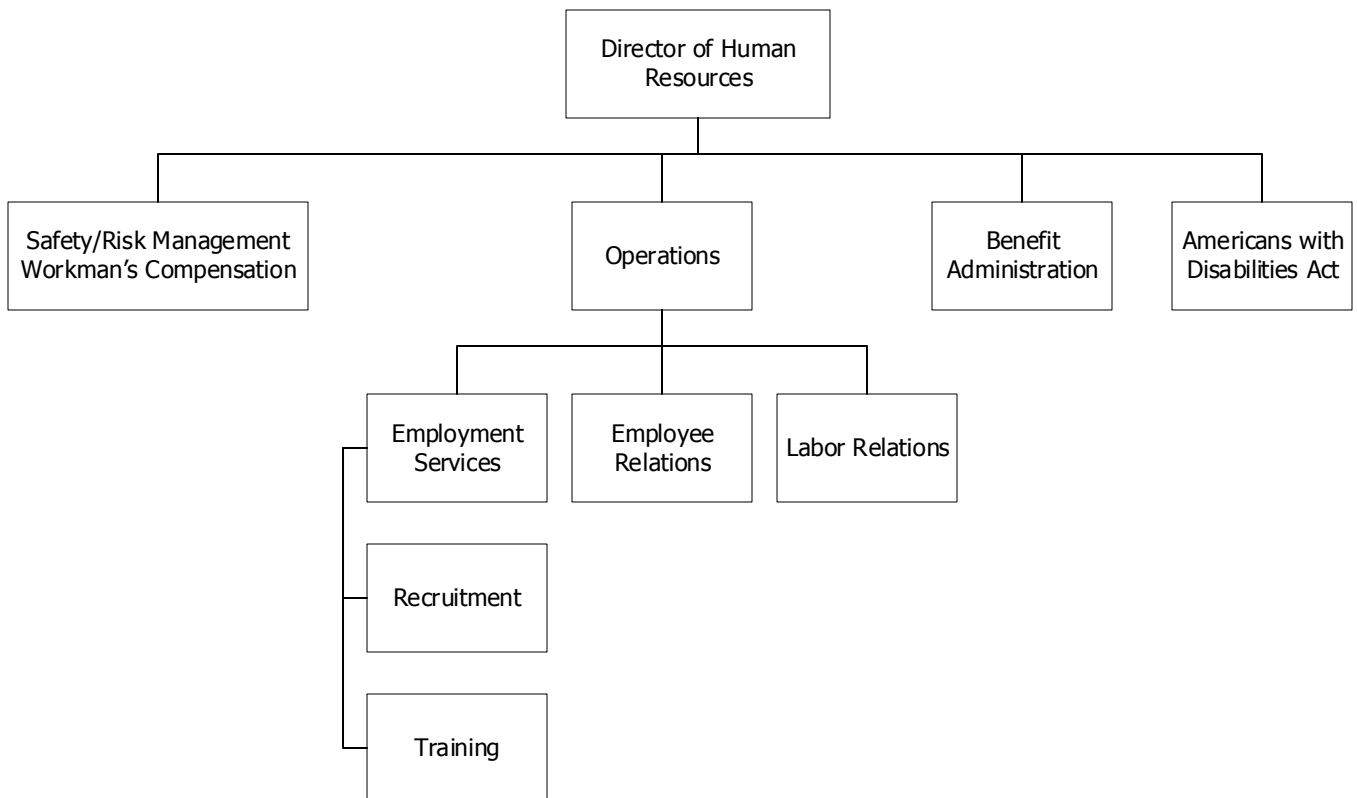
# HUMAN RESOURCES



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# **CITY OF KIRKLAND**

## **Human Resources Department**



**DEPARTMENT OVERVIEW*****HUMAN RESOURCES*****MISSION**

To build, develop and retain a high performing workforce whose work advances the mission, vision and values of the City of Kirkland.

**DEPARTMENT FUNCTIONS**

**Human Resources** is responsible for the successful design and implementation of the following functions: recruitment, training, employee relations, labor relations, compensation, benefit administration, risk management, workers compensation and legal workplace compliance.

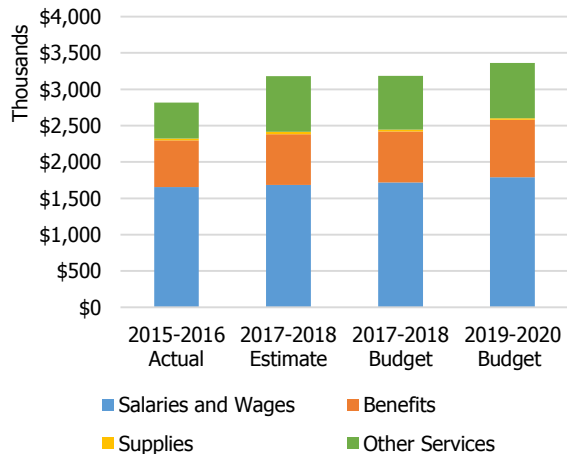
**BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS****Financial Stability**

- Continue partnership with King County to engage in Monetary Recovery Program, \$26,000 ongoing
- Continue addition of temporary 0.30 FTE to an existing 0.70 FTE regular Human Resources Analyst position to focus on special projects, including implementation of Phase 2 of Munis ERP System implementation, \$48,729 one-time
- Continue funding for Archbright human resources training and legal consultation services, \$22,000 one-time
- Add temporary funding for a temporary Human Resources Assistant through June 2019, funded with charges to Project 12 (Munis ERP Implementation), \$45,564 one-time
- Continue funding Learning Management System (LMS), software offering safety/compliance training for staff, \$27,576 ongoing

**FINANCIAL OVERVIEW**

# ***HUMAN RESOURCES***

**Uses of Funds**

**Expenditures by Category**

**EXPENDITURE SUMMARY BY CATEGORY**

	2015-2016 Actual	2017-2018 Estimate	2017-2018 Budget	2019-2020 Budget	Change
Salaries and Wages	1,655,404	1,683,886	1,719,647	1,791,427	4.17%
Benefits	642,618	697,761	699,988	788,681	12.67%
Supplies	26,222	33,328	24,460	22,560	-7.77%
Other Services	492,166	764,846	741,365	760,638	2.60%
Intergovernmental Services	-	-	-	-	n/a
Capital Outlay	-	-	-	-	n/a
Interfund Transfers	-	-	-	-	n/a
<b>TOTAL</b>	<b>2,816,411</b>	<b>3,179,821</b>	<b>3,185,460</b>	<b>3,363,306</b>	<b>5.58%</b>

**EXPENDITURE SUMMARY BY DIVISION**

	2015-2016 Actual	2017-2018 Estimate	2017-2018 Budget	2019-2020 Budget	Change
Human Resources	2,816,411	3,179,821	3,185,460	3,363,306	5.58%
<b>TOTAL</b>	<b>2,816,411</b>	<b>3,179,821</b>	<b>3,185,460</b>	<b>3,363,306</b>	<b>5.58%</b>



**2019 - 2020 POSITION SUMMARY*****HUMAN RESOURCES*****POSITION SUMMARY BY CLASSIFICATION**

<b>Classification</b>	<b>2017-2018 Positions</b>	<b>Service Packages</b>	<b>2019-2020 Positions</b>	<b>Budgeted 2019 Salary Range</b>
Director	1.00		1.00	10,892 - 14,054
Senior Human Resources Analyst	1.00		1.00	6,506 - 8,393
Human Resources Analyst	5.00		5.00	5,741 - 7,409
Safety/Risk Management Analyst	1.00		1.00	5,741 - 7,409
Human Resources Coordinator	1.00		1.00	5,103 - 6,584
Human Resources Assistant	0.20		0.20	4,624 - 5,966
<b>TOTAL</b>	9.20	0.00	9.20	

**POSITION SUMMARY BY DIVISION**

	<b>2017-2018 Positions</b>	<b>Service Packages</b>	<b>2019-2020 Positions</b>
Human Resources	9.20		9.20
<b>TOTAL</b>	9.20	0.00	9.20

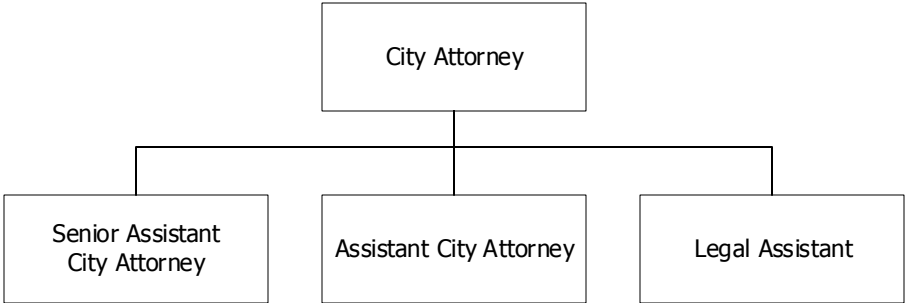
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**CITY ATTORNEY**



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**CITY OF KIRKLAND**  
**City Attorney's Office**



**DEPARTMENT OVERVIEW*****CITY ATTORNEY*****MISSION**

The City Attorney's Office mission is to provide outstanding, timely, and cost effective legal counsel and representation for the City. The objective of the department is to provide sound and practical legal support to City officials and staff to help them achieve the City Council Goals.

**DEPARTMENT FUNCTIONS**

The **City Attorney's Office** is the in-house law firm for the City. The City Attorney's Office works closely with the City Council, City Manager, and City departments. Reliance on outside counsel is limited to those instances where specialized expertise is needed or it is more efficient or cost-effective to outsource. In those instances where the City contracts with outside counsel for special legal services, the City Attorney's Office manages and coordinates these services.

The City Attorney's Office also contracts with a local law firm to serve as "City Prosecutor" for the prosecution of misdemeanors in Kirkland Municipal Court.

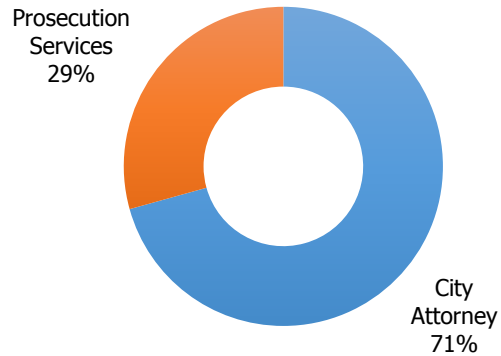
**BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS**

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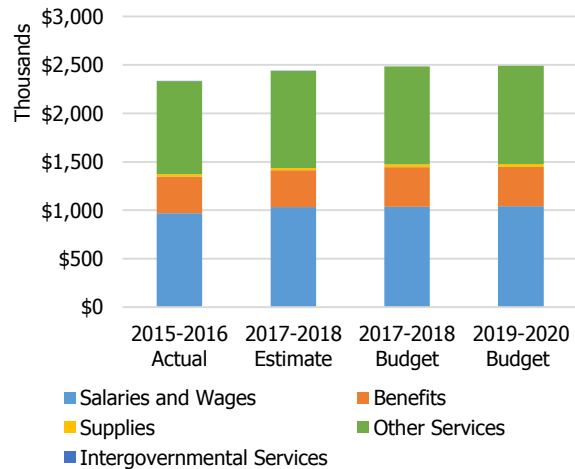
## FINANCIAL OVERVIEW

# CITY ATTORNEY

### Uses of Funds



### Expenditures by Category



## EXPENDITURE SUMMARY BY CATEGORY

	2015-2016 Actual	2017-2018 Estimate	2017-2018 Budget	2019-2020 Budget	Change
Salaries and Wages	970,808	1,032,085	1,035,580	1,042,846	0.70%
Benefits	375,607	379,651	408,815	406,162	-0.65%
Supplies	25,475	23,961	28,900	28,900	0.00%
Other Services	961,602	1,001,255	1,012,384	1,011,993	-0.04%
Intergovernmental Services	183	85	-	-	n/a
Capital Outlay	-	-	-	-	n/a
Interfund Transfers	-	-	-	-	n/a
<b>TOTAL</b>	<b>2,333,676</b>	<b>2,437,037</b>	<b>2,485,679</b>	<b>2,489,901</b>	<b>0.17%</b>

## EXPENDITURE SUMMARY BY DIVISION

	2015-2016 Actual	2017-2018 Estimate	2017-2018 Budget	2019-2020 Budget	Change
City Attorney	1,625,905	1,716,094	1,755,679	1,759,901	0.24%
Prosecution Services	707,771	720,943	730,000	730,000	0.00%
<b>TOTAL</b>	<b>2,333,676</b>	<b>2,437,037</b>	<b>2,485,679</b>	<b>2,489,901</b>	<b>0.17%</b>

**2019 - 2020 POSITION SUMMARY*****CITY ATTORNEY*****POSITION SUMMARY BY CLASSIFICATION**

<b>Classification</b>	<b>2017-2018 Positions</b>	<b>Service Packages</b>	<b>2019-2020 Positions</b>	<b>Budgeted 2019 Salary Range</b>
City Attorney	1.00		1.00	11,391 - 14,698
Senior Assistant City Attorney	1.00		1.00	9,222 - 11,900
Assistant City Attorney	1.00		1.00	8,618 - 11,121
Legal Assistant	1.00		1.00	4,837 - 6,241
<b>TOTAL</b>	4.00	0.00	4.00	

**POSITION SUMMARY BY DIVISION**

	<b>2017-2018 Positions</b>	<b>Service Packages</b>	<b>2019-2020 Positions</b>
City Attorney	4.00		4.00
<b>TOTAL</b>	4.00	0.00	4.00

**PARKS & COMMUNITY SERVICES**

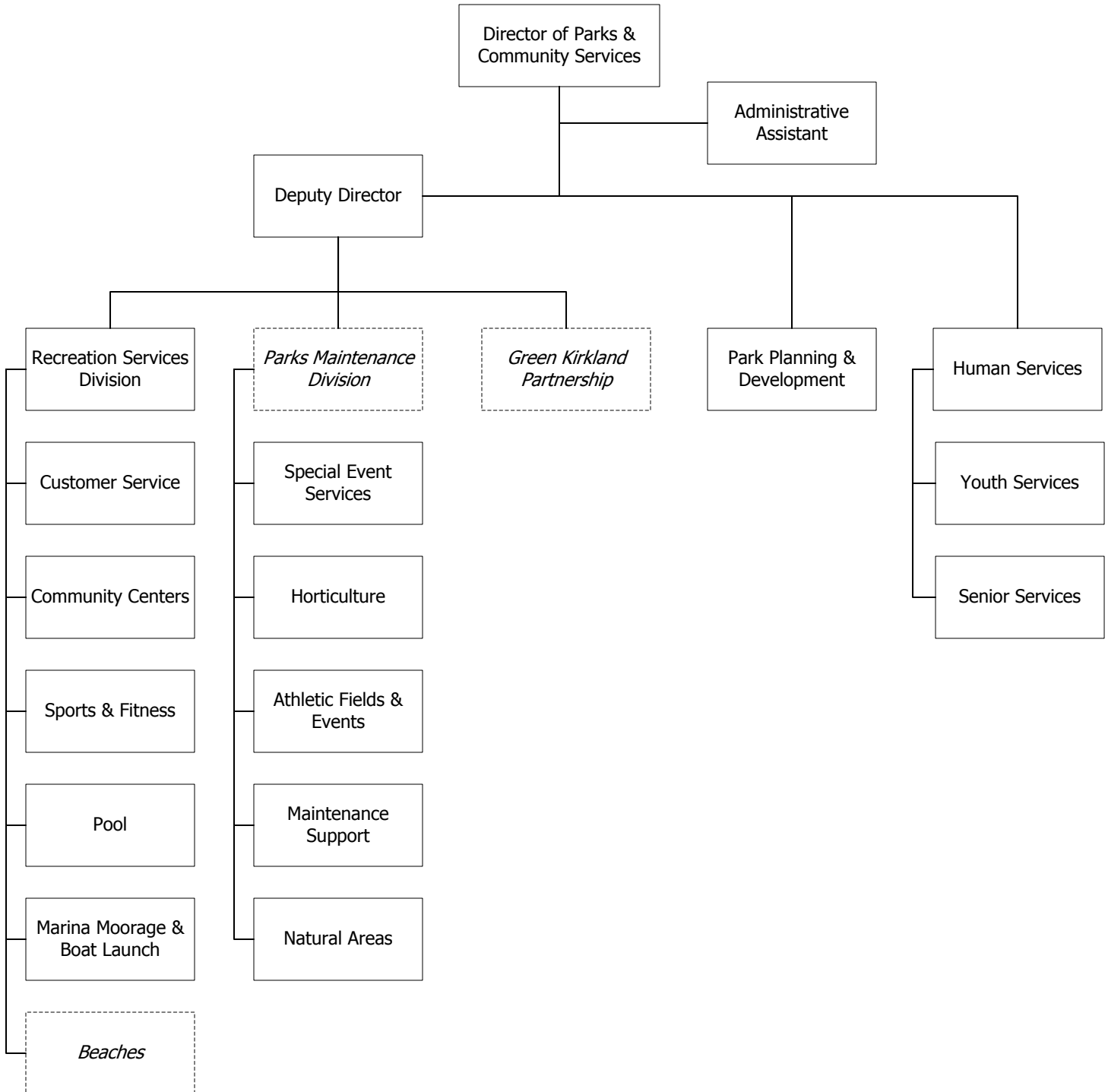




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# CITY OF KIRKLAND

## Parks & Community Services Department



*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.*



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## DEPARTMENT OVERVIEW

# ***PARKS & COMMUNITY SERVICES***

## MISSION

To support a healthy and sustainable community by providing high quality parks and recreation services, ensuring a collaborative community response to basic human needs, and protecting our natural areas.

## DEPARTMENT FUNCTIONS

The **Administration Division** handles 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, financial management, long-range strategic policy planning, park master planning, facility design, land acquisition, capital projects, grant preparation and overall direction for the Parks and Community Services Department. The division oversees implementation of the City's 20-year forest restoration plan, including the Green Kirkland Partnership.

The **Parks Maintenance Division** is responsible for grounds and structural maintenance of 51 parks totaling over 628 acres. In addition, this division maintains the City Cemetery, public art, Heritage Hall and the grounds of the Kirkland Performance Center, Peter Kirk Community Center, Teen Union Building, and Library. This division is also responsible for maintenance and repairs of the swimming pool, docks, the Marina, ball fields, boat launch, and other repair and construction projects. The division maintains all Lake Washington School District athletic fields included in the City-School Partnership program. Finally, the Parks Maintenance division administers the parks volunteer program, and property management functions for various rental facilities. This division also is responsible for the City's special events permitting functions.

The **Recreation Services Division** provides comprehensive programs that include year-round recreation opportunities, special events, enrichment programs, and specialized recreation. The division is responsible for programming and operation of the North Kirkland and Peter Kirk Community Centers, the Peter Kirk Pool, and Waverly, Juanita and Houghton Beaches. The division also coordinates community recreation programs at Lake Washington School District facilities through an interlocal Facility Use Agreement, and is the City liaison with Bellevue's Highland Center for Specialized Recreation. This division also administers many of the business services functions of the Department such as facility scheduling, the donation program, park food vendor concession management and operations of the Marina.

The **Human Services Division** is primarily responsible for the planning and administration of the Human Services Program which connects individuals or families to services that meet basic human needs. This division funds grant dollars to support human service organizations, facilitates the Human Services Commission, and assists with welcoming and inclusive community initiatives. In addition, the Youth Services section falls within this division. The role of Youth Services is to be a catalyst, facilitator, and advocate for community-based services for teens. Youth Services provides direct funding for: Teen Activity Grants, the Kirkland Youth Council, and for the lease/construction/administration of the Kirkland Teen Center. This division also facilitates the Senior Council advisory group that advocates, supports, and shapes programs and services that meet the needs of adults age 50+ in the community.

## BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS

### Human Services

- Add funding for mental health, gun safety, and women/family shelter support with the passage of Proposition 1, including:

- Programs supporting child/teenage mental health services, \$352,953 ongoing
- Ongoing mental health professional support to help resolve police and emergency medical calls involving mental health complications, \$180,000
- Firearms safety and storage training for the community, \$100,000 ongoing starting in 2020
- Women and family shelter operational support, \$100,000 ongoing starting in 2020
- Maintain increased ongoing funding level for human services agencies at \$1.4 million
- Continue operating support to Eastside Timebank, \$6,000 one-time
- Continue enhanced human services grant funding at current (2017-2018) levels, \$342,298 one-time
- Continue CDBG funding of human service grants, \$67,374 ongoing (ARCH-related CDBG grants and Trust Fund allocations are listed under the Housing Goal)
- Continue staffing and support for the Human Service Commission, \$204,003 one-time

### **Parks, Open Spaces and Recreational Services**

- Add a temporary 1.0 FTE Park Ranger to enhance compliance with park system rules, \$255,154 one-time
- Add On-Call Office Specialist and administrative support in Parks and Community Services, \$83,878 one-time
- Provide resources to implement strategies to reduce use of herbicides at City parks, \$45,000 one-time, \$15,000 ongoing
- Install Power Pedestals for Electric Boat Rental at the Marina, \$15,000 one-time and \$4,700 ongoing funded with new facility rental revenues
- Add ongoing 0.5 FTE Aquatics Coordinator position, \$127,248 ongoing and \$2,047 one-time, with offsetting revenue of \$120,000 from increased class and admission fees

### **Environment**

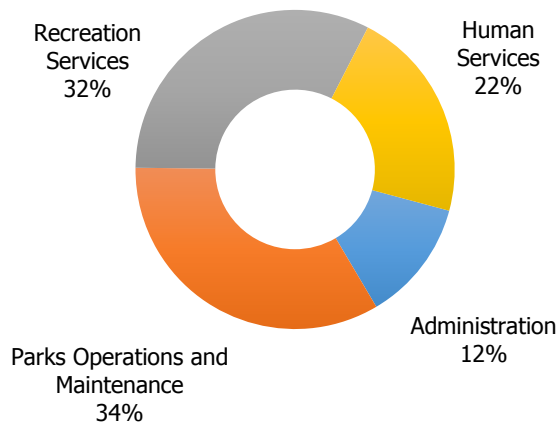
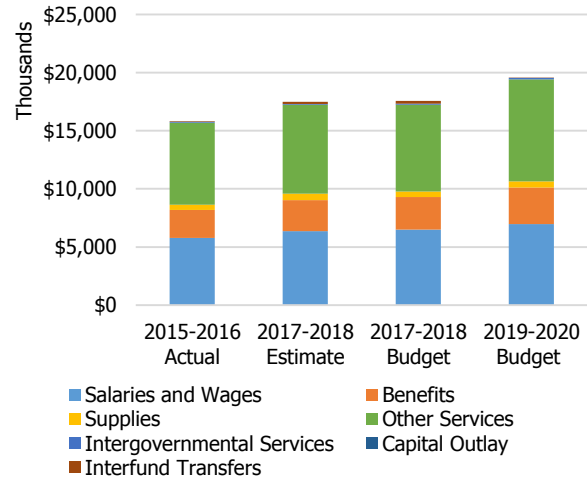
- Add Tree Removal and Replacement funding for removal of unhealthy cottonwood and poplar trees at City parks and the Cemetery, \$55,000 one-time

### **Economic Development**

- Continue Kirkland Performance Center (KPC) Operating Support, \$100,000 one-time

**FINANCIAL OVERVIEW**

# ***PARKS & COMMUNITY SERVICES***

**Uses of Funds**

**Expenditures by Category**

**EXPENDITURE SUMMARY BY CATEGORY**

	2015-2016 Actual	2017-2018 Estimate	2017-2018 Budget	2019-2020 Budget	Change
Salaries and Wages	5,779,923	6,374,818	6,497,190	6,971,537	7.30%
Benefits	2,420,761	2,669,594	2,810,875	3,146,452	11.94%
Supplies	436,491	542,641	459,251	522,110	13.69%
Other Services	7,049,488	7,627,247	7,447,391	8,780,171	17.90%
Intergovernmental Services	78,905	52,653	64,480	125,280	94.29%
Capital Outlay	-	41,511	55,781	-	-100.00%
Interfund Transfers	47,130	171,025	223,362	27,500	-87.69%
<b>TOTAL</b>	<b>15,812,698</b>	<b>17,479,490</b>	<b>17,558,330</b>	<b>19,573,050</b>	<b>11.47%</b>

**EXPENDITURE SUMMARY BY DIVISION**

	2015-2016 Actual	2017-2018 Estimate	2017-2018 Budget	2019-2020 Budget	Change
Administration	2,337,989	2,442,428	2,514,153	2,413,336	-4.01%
Parks Operations and Maintenance	6,470,072	6,472,591	6,512,828	6,590,838	1.20%
Recreation Services	4,403,552	5,374,467	5,345,848	6,336,968	18.54%
Human Services	2,601,085	3,190,005	3,185,501	4,231,908	32.85%
<b>TOTAL</b>	<b>15,812,698</b>	<b>17,479,490</b>	<b>17,558,330</b>	<b>19,573,050</b>	<b>11.47%</b>

**2019 - 2020 POSITION SUMMARY**

# ***PARKS & COMMUNITY SERVICES***

**POSITION SUMMARY BY CLASSIFICATION**

<b>Classification</b>	<b>2017-2018 Positions</b>	<b>Service Packages</b>	<b>2019-2020 Positions</b>	<b>Budgeted 2019 Salary Range</b>
Director	1.00		1.00	10,906 - 14,073
Deputy Director	1.00		1.00	8,722 - 11,254
Parks Operations Manager	1.00		1.00	7,668 - 9,896
Recreation Manager	1.00		1.00	7,668 - 9,896
Parks Planning & Development Manager	1.00		1.00	7,214 - 9,308
Recreation Supervisor	2.00		2.00	6,081 - 7,847
Parks Maintenance Supervisor	1.00		1.00	6,081 - 7,847
Human Services Supervisor	1.00		1.00	6,081 - 7,847
Customer Service Supervisor	1.00		1.00	6,081 - 7,847
Special Projects Coordinator	1.00		1.00	6,637 - 7,809
Leadperson	2.00		2.00	5,885 - 7,102
Program Coordinator	4.00	0.50	4.50	5,994 - 7,052
Field Arborist	1.00		1.00	5,367 - 6,538
Senior Groundsperson	7.00		7.00	5,237 - 6,378
Parks Administrative Assistant	1.00		1.00	5,232 - 6,154
Community Center Program Assistant	1.00		1.00	4,620 - 5,435
Recreation Program Assistant	3.00		3.00	4,620 - 5,435
Groundsperson	3.50		3.50	4,265 - 5,345
Accounts Associate	0.50		0.50	4,424 - 5,206
<b>TOTAL</b>	<b>34.00</b>	<b>0.50</b>	<b>34.50</b>	

**POSITION SUMMARY BY DIVISION**

	<b>2017-2018 Positions</b>	<b>Service Packages</b>	<b>2019-2020 Positions</b>
Administration	5.00		5.00
Parks Operations & Maintenance	16.00		16.00
Recreation Services	11.00	0.50	11.50
Human Services	2.00		2.00
<b>TOTAL</b>	<b>34.00</b>	<b>0.50</b>	<b>34.50</b>

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**PUBLIC WORKS**

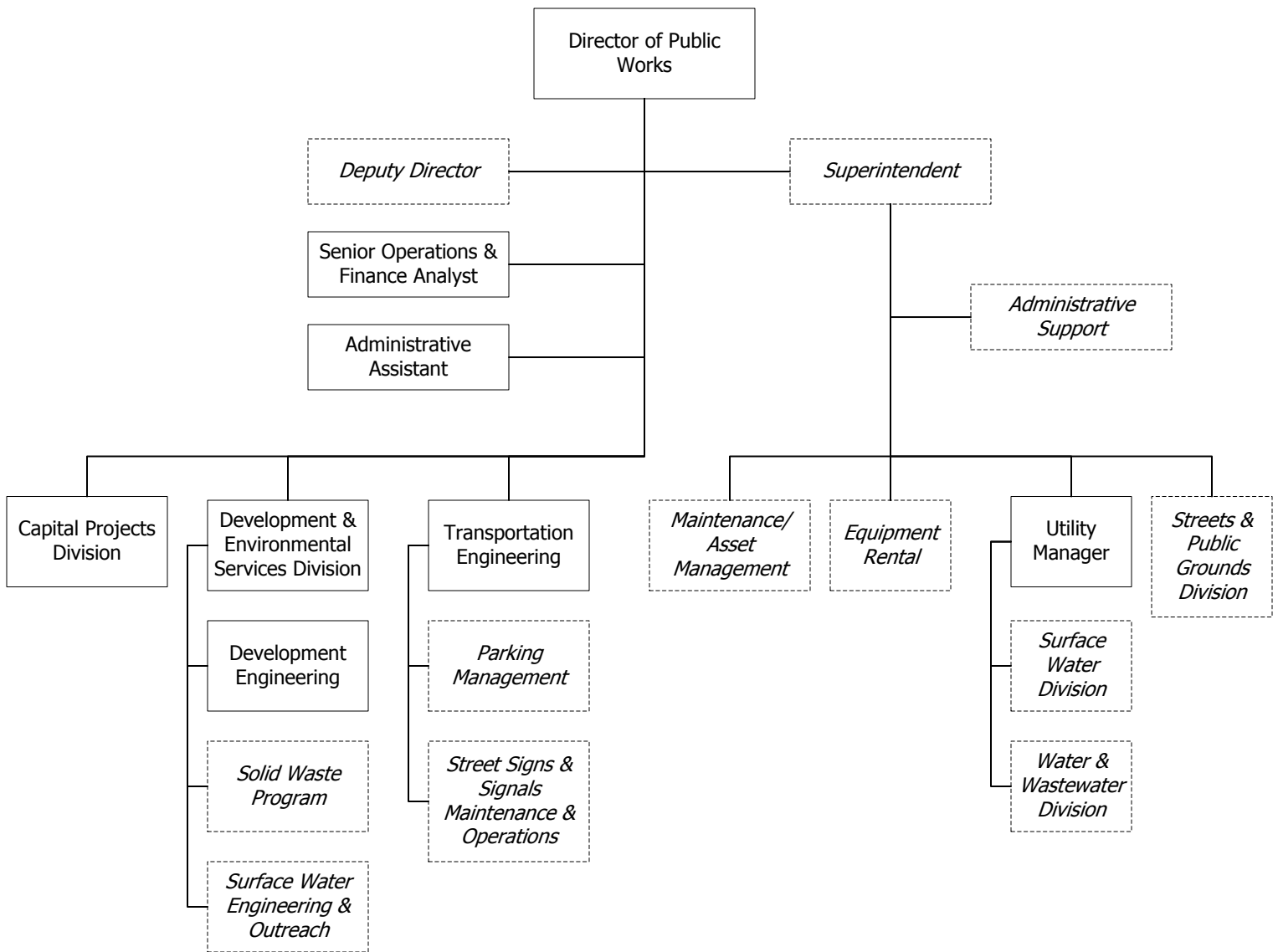




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# CITY OF KIRKLAND

## Public Works Department



*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.*

## DEPARTMENT OVERVIEW

# ***PUBLIC WORKS***

## MISSION

The Public Works Department is responsible for the overall planning, design, construction, and stewardship of the City's infrastructure and natural resources to provide for the continued health, safety, and vibrancy of the Community.

## DEPARTMENT FUNCTIONS

Public Works consists of two primary sections: Engineering & Programs and Operations & Maintenance. The sections work in close coordination and with the public and other agencies to ensure the effective development and on-going stewardship of public infrastructure including systems for water distribution and fire protection, wastewater collection, surface water management, the urban forest, both motorized and non-motorized transportation, solid waste disposal and recycling, public grounds maintenance, and City fleet services. Public Works Administration provides overall administrative support and policy direction for the Public Works Department.

### Engineering & Programs Section

The **Capital Projects** Division manages the design and construction of publicly funded infrastructure projects for the City's water, wastewater, and surface water utilities, park capital construction, transportation projects and major facilities.

The **Development and Environmental Services** Division oversees transportation and utility infrastructure projects initiated by private development and franchise utilities, administers the solid waste disposal and recycle program, and provides surface water engineering and program administration.

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

### Operations & Maintenance Section

The **Superintendent** oversees the Streets & Public Grounds, Water, Surface Water, Wastewater, Fleet Management, and Maintenance Center administrative support groups. Fleet Management provides for safe, cost effective, and reliable vehicles and equipment for all City departments. Using the City's asset management/maintenance management system, the Superintendent oversees planning, budgeting and performance monitoring for all maintenance and operations functions.

The **Streets & Public Grounds** Division is responsible for the maintenance, operation, and repair of the City transportation system including pavement, shoulders, bike lanes, walkways, traffic signals, signage, illumination, parking, landscaping and roadside vegetation. Stewardship of public grounds of City buildings and the urban tree canopy located within the public rights of way are also under the Division's care.

The **Water/Wastewater Division** provides daily maintenance and repair activities and assists with the long term planning and efficient operation of the City's water storage and distribution system and its control along with the City's wastewater system which includes collection pipes and manholes and the system of interconnected pumping facilities and their controls.

The **Surface Water Division** provides daily maintenance and repair activities and assists with the long term planning and efficient operation of the City's surface water system. Surface water 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**

### **Neighborhoods**

- Continue a Neighborhood Services Outreach Coordinator position to enhance communication about capital projects, \$138,985 one-time (temporary 0.5 FTE)

### **Public Safety**

- Continue a temporary 0.5 FTE Neighborhood Traffic Control Coordinator, \$147,532 one-time funded with capital engineering charges
- Continue a temporary 0.5 FTE Engineering Program Assistant, funded through Parking Fees and enhance capacity through an additional temporary 0.5 FTE, for ongoing work tasks related to Kirkland's neighborhoods and public safety, \$221,186 one-time
- Add a temporary 1.0 FTE Transportation Program Coordinator and professional services to create and update Neighborhood Routes to School Action plans, \$260,950 one-time

### **Balanced Transportation**

- Continue a temporary 1.0 FTE Transportation Planner to respond to traffic/transportation-related issues, \$266,367 one-time
- Maintain and update Bellevue/Kirkland/Redmond (BKR) traffic demand model, \$55,845 one-time
- Continue to provide Commute Trip Reduction Enhancements (ORCA card for employees), \$80,000 one-time
- Continue the Kirkland Green Trip (KGT) program through 2020, \$64,000 one-time
- Add on-call Transportation Engineering & Planning Services to assist with unforeseen transportation analyses, \$50,000 one-time
- Continue the three transportation policy staffing positions for coordination with WSDOT, Sound Transit and King County Metro. These positions were fully funded in 2018 through 2020 by the Council using one-time revenues

### **Environment**

- Continue a temporary 1.0 FTE Critical Areas Ordinance and Surface Water Design Manual (CAO/SWDM) Environmental Planner position to foster efficient adherence of City capital projects to CAO/SWDM regulations, \$221,947 one-time funded with changes to capital projects.

### **Economic Development**

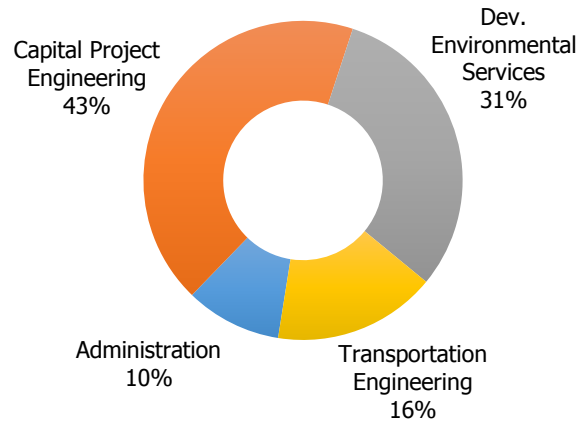
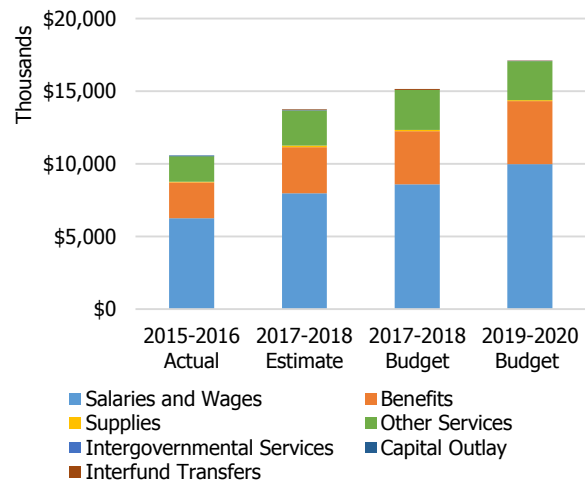
- Add resources to Development Services to address workload and maintain/enhance customer service expectations (these activities are all funded from development revenues or development reserves):
  - Continue a temporary 1.0 FTE Associate Development Engineer position, \$272,955 one-time
  - Continue a temporary 1.0 FTE Development Plans Examiner position, \$242,235 one-time
  - Continue a temporary 1.0 FTE Permit Technician position, \$217,589 one-time

## **Dependable Infrastructure**

- Add resources to Capital Engineering and Development Engineering to expedite the delivery of the City's Capital Improvements Program and other public projects, including school district projects. These activities are largely funded through charges to capital projects, and include:
  - Add a CIP Street Preservation Field Technician and Inspector position and an inspection vehicle, \$235,547 ongoing, \$33,147 one-time
  - Update licenses for AutoCAD software, \$8,000 one-time
  - Add 3.0 FTE capital project engineering positions, including a Senior Project Engineer, a Project Engineer, and an Associate Project Engineer, to add project management capacity in light of the expanded CIP in 2019, \$789,999 ongoing and \$9,441 one-time.
  - Provide technical and analytical support for pursuing grant funding for CIP projects, \$50,000 one-time
  - Add a temporary 1.0 Surface Water Engineer to help expedite permit review times for Capital Improvement Projects, both City projects and the regional transportation projects being built by WSDOT and Sound Transit and to work on Surface water Master Plan items, \$259,200 one-time, funded with an even split of charges to capital projects in the 2019-2020 Capital Budget and Surface Water Funds.
- Repurpose unspent project balances to add an HVAC system to the City Hall Annex building in the 2019-2020 Capital Budget, \$220,000 one-time, funded with existing General Governmental Facilities CIP project balances

**FINANCIAL OVERVIEW**

# ***PUBLIC WORKS***

**Uses of Funds**

**Expenditures by Category**

**EXPENDITURE SUMMARY BY CATEGORY**

	2015-2016 Actual	2017-2018 Estimate	2017-2018 Budget	2019-2020 Budget	Change
Salaries and Wages	6,247,959	7,979,736	8,584,600	9,969,532	16.13%
Benefits	2,468,046	3,169,307	3,661,726	4,337,130	18.44%
Supplies	46,855	94,287	79,950	64,340	-19.52%
Other Services	1,765,690	2,443,098	2,756,157	2,705,484	-1.84%
Intergovernmental Services	2,970	1,184	2,600	2,600	0.00%
Capital Outlay	45,372	131	-	-	n/a
Interfund Transfers	-	62,164	67,000	30,000	-55.22%
<b>TOTAL</b>	<b>10,576,893</b>	<b>13,749,907</b>	<b>15,152,033</b>	<b>17,109,086</b>	<b>12.92%</b>

**EXPENDITURE SUMMARY BY DIVISION**

	2015-2016 Actual	2017-2018 Estimate	2017-2018 Budget	2019-2020 Budget	Change
Administration	1,448,860	1,597,707	1,655,449	1,667,553	0.73%
Capital Project Engineering	3,974,582	5,447,309	5,862,248	7,324,597	24.95%
Dev. Environmental Services	3,695,170	4,524,640	4,989,098	5,287,605	5.98%
Transportation Engineering	1,458,281	2,180,250	2,645,238	2,829,331	6.96%
<b>TOTAL</b>	<b>10,576,893</b>	<b>13,749,907</b>	<b>15,152,033</b>	<b>17,109,086</b>	<b>12.92%</b>

**2019 - 2020 POSITION SUMMARY*****PUBLIC WORKS*****POSITION SUMMARY BY CLASSIFICATION**

<b>Classification</b>	<b>2017-2018 Positions</b>	<b>Service Packages</b>	<b>2019-2020 Positions</b>	<b>Budgeted 2019 Salary Range</b>
Director	1.00		1.00	11,049 - 14,257
Deputy Director	0.05		0.05	9,720 - 12,542
Development Engineering Manager	0.65		0.65	9,140 - 11,794
Capital Projects Manager	1.00		1.00	9,110 - 11,755
Transportation Engineering Manager	1.00		1.00	8,435 - 10,884
Development Engineer Supervisor	1.00		1.00	7,985 - 10,302
Capital Projects Supervisor	1.00		1.00	7,908 - 10,204
Senior Project Engineer	3.00	1.00	4.00	8,324 - 9,793
Senior Development Engineer	1.00		1.00	8,128 - 9,561
Transportation Engineer	3.00		3.00	7,660 - 9,012
Senior Capital Project Coordinator	1.00		1.00	7,649 - 8,999
Project Engineer	5.00	1.00	6.00	7,440 - 8,752
Sr. Neighborhood Outreach Coordinator	1.00		1.00	7,348 - 8,644
Development Engineer	2.00		2.00	7,126 - 8,384
Capital Project Coordinator	1.00		1.00	7,005 - 8,240
Neighborhood Outreach Coordinator	0.50		0.50	6,999 - 8,234
Senior Operations & Finance Analyst	1.00		1.00	6,804 - 8,005
Senior Development Engineering Analyst	1.00		1.00	6,796 - 7,995
Associate Development Engineer	1.00		1.00	6,680 - 7,860
Senior Construction Inspector	1.00		1.00	6,601 - 7,766
Associate Project Engineer	1.00	1.00	2.00	6,364 - 7,487
Construction Inspector	6.00	1.00	7.00	5,933 - 6,981
Engineering Technician	1.30		1.30	5,391 - 6,342
Senior Accounting Associate	0.05		0.05	5,301 - 6,237
Administrative Assistant	1.00		1.00	5,232 - 6,154
Public Works Office Specialist	1.00		1.00	4,258 - 5,009
<b>TOTAL</b>	37.55	4.00	41.55	

**POSITION SUMMARY BY DIVISION**

	<b>2017-2018 Positions</b>	<b>Service Packages</b>	<b>2019-2020 Positions</b>
Administration	3.10		3.10
Capital Project Engineering	17.50	4.00	21.50
Development Environmental Services	13.90		13.90
Transportation Engineering	3.05		3.05
<b>TOTAL</b>	37.55	4.00	41.55

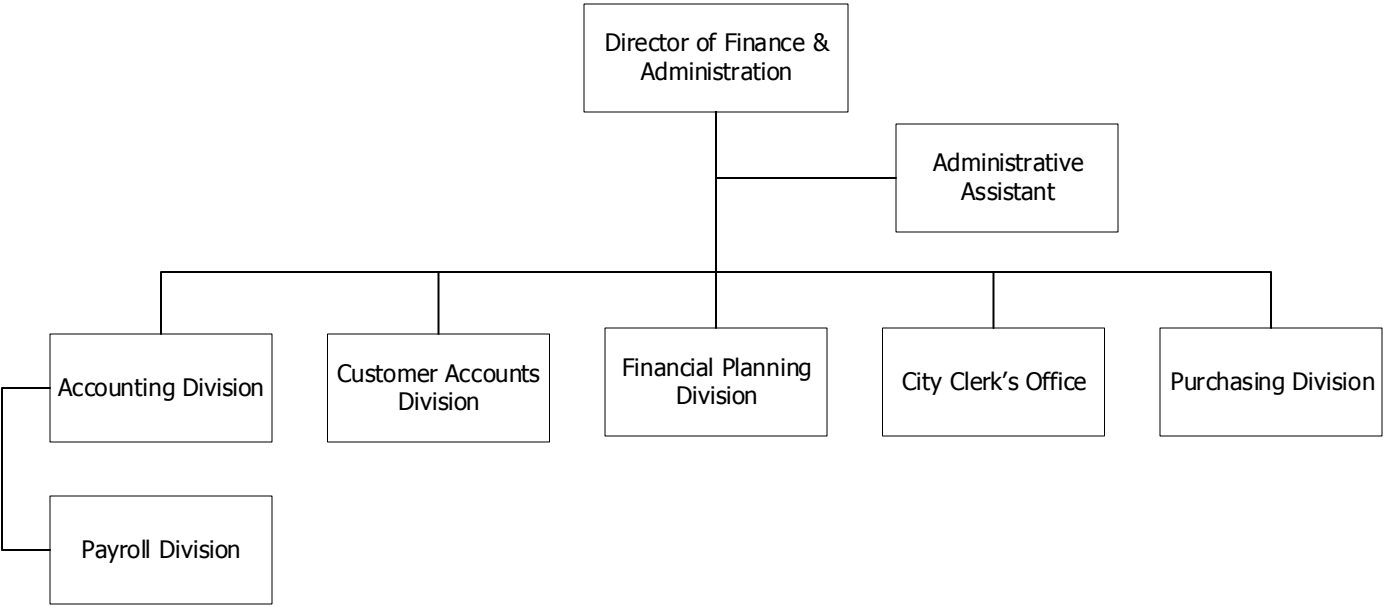
**FINANCE & ADMINISTRATION**





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**CITY OF KIRKLAND**  
**Department of Finance & Administration**



## DEPARTMENT OVERVIEW

# ***FINANCE & ADMINISTRATION***

## MISSION

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

## DEPARTMENT FUNCTIONS

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

All day-to-day **financial operations** activities are managed by the department including: *Accounting* – fund and cost accounting, accounts payable and receivable, financial reporting, auditing, and maintenance of grant records; *Payroll* – semi-monthly payroll and health benefits processing and labor contract implementation; *Treasury* – cash, investments and debt management; *Customer Accounts* – utility billing, regulatory licensing, passport application services, false alarm program, and cemetery administration; and *Purchasing* – City-wide purchasing management and coordination.

The responsibilities within the **City Clerk's** office include public disclosure, legal notices, records management, service of process, City Council meeting support, advisory board recruitments, and mail services.

## BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS

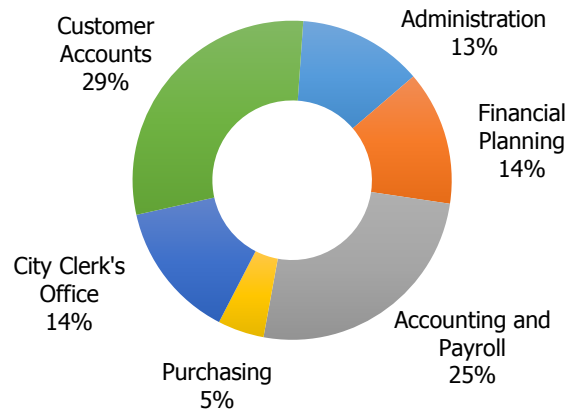
### Financial Stability

- Add external review of investment policies and procedures, \$5,000 one-time (offsetting interest earnings of \$5,000)
- Add ongoing 0.50 FTE and temporary on-call hours to increase acceptance hours for passport customers, \$85,296 ongoing and \$10,947 one-time (offsetting revenue of \$96,243)
- Add a Deputy Director of Finance & Administration with a net zero FTE increase due to the offsetting reduction of the Economic Development Manager position, \$281,212 ongoing, \$3,417 one-time. The new position is largely offset with salary savings from the eliminated position, with a resulting net ongoing increase of \$66,080
- Add funding for Tyler Connect conference training on the new Munis Enterprise Resource Planning software, \$12,000 one-time funded with unobligated balances from the Information Technology fund
- Upgrade an existing temporary 0.75 FTE Office Specialist to a Customer Accounts Associate on a temporary basis to assist with Business License, False Alarm processing, and Cemetery Administration, \$68,114 one-time (offsetting revenue of \$68,114)

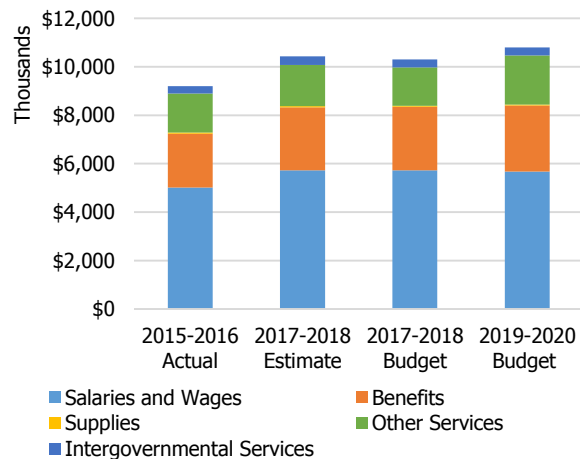
## FINANCIAL OVERVIEW

# FINANCE & ADMINISTRATION

### Uses of Funds



### Expenditures by Category



## EXPENDITURE SUMMARY BY CATEGORY

	2015-2016 Actual	2017-2018 Estimate	2017-2018 Budget	2019-2020 Budget	Change
Salaries and Wages	5,011,620	5,722,713	5,720,975	5,675,274	-0.80%
Benefits	2,224,841	2,600,133	2,630,923	2,727,633	3.68%
Supplies	49,955	48,522	37,848	37,546	-0.80%
Other Services	1,612,562	1,708,319	1,589,741	2,021,646	27.17%
Intergovernmental Services	302,201	344,577	317,600	332,530	4.70%
Capital Outlay	-	-	-	-	n/a
Interfund Transfers	-	-	-	-	n/a
<b>TOTAL</b>	<b>9,201,179</b>	<b>10,424,265</b>	<b>10,297,087</b>	<b>10,794,629</b>	<b>4.83%</b>

## EXPENDITURE SUMMARY BY DIVISION

	2015-2016 Actual	2017-2018 Estimate	2017-2018 Budget	2019-2020 Budget	Change
Administration	1,131,396	1,384,192	1,350,853	1,362,031	0.83%
Financial Planning	1,344,540	1,413,400	1,453,372	1,471,221	1.23%
Accounting and Payroll	2,391,548	2,650,038	2,644,895	2,754,839	4.16%
Purchasing	492,544	475,156	484,138	507,203	4.76%
City Clerk's Office	1,336,485	1,469,655	1,462,024	1,504,989	2.94%
Customer Accounts	2,504,665	3,031,824	2,901,805	3,194,346	10.08%
<b>TOTAL</b>	<b>9,201,179</b>	<b>10,424,265</b>	<b>10,297,087</b>	<b>10,794,629</b>	<b>4.83%</b>

**2019 - 2020 POSITION SUMMARY**

# ***FINANCE & ADMINISTRATION***

**POSITION SUMMARY BY CLASSIFICATION**

<b>Classification</b>	<b>2017-2018 Positions</b>	<b>Service Packages</b>	<b>2019-2020 Positions</b>	<b>Budgeted 2019 Salary Range</b>
Director	1.00		1.00	11,084 - 14,302
Deputy Director Finance & Admin.	-	1.00	1.00	9,280 - 11,974
Financial Planning Manager	1.00		1.00	8,068 - 10,410
Accounting Manager	1.00		1.00	7,736 - 9,982
City Clerk	1.00		1.00	7,293 - 9,410
Senior Financial Analyst	1.00		1.00	6,230 - 8,039
Public Safety Senior Financial Analyst	1.00		1.00	6,230 - 8,039
Senior Accountant	2.00		2.00	6,644 - 7,817
Purchasing Agent	1.00		1.00	6,634 - 7,804
Customer Accounts Supervisor	1.00		1.00	5,839 - 7,534
Budget Analyst	2.00		2.00	6,088 - 7,162
Deputy City Clerk	1.80		1.80	6,088 - 7,162
Payroll Systems Coordinator	1.00		1.00	5,754 - 6,769
Buyer	1.00		1.00	5,390 - 6,341
Senior Accounting Associate	3.00		3.00	5,301 - 6,237
Administrative Assistant	1.00		1.00	5,232 - 6,154
Customer Accounts Lead	1.00		1.00	5,084 - 5,982
Accounting Support Associate IV	3.00		3.00	4,763 - 5,604
Customer Accounts Associate Bus. Lic.	2.00		2.00	4,522 - 5,319
Customer Accounts Associate	7.00		7.00	4,465 - 5,253
Office Specialist	1.00		1.00	4,258 - 5,009
Receptionist/Administrative Clerk	0.50	0.50	1.00	3,666 - 4,310
Mail Clerk	1.00		1.00	3,666 - 4,310
<b>TOTAL</b>	35.30	1.50	36.80	

**POSITION SUMMARY BY DIVISION**

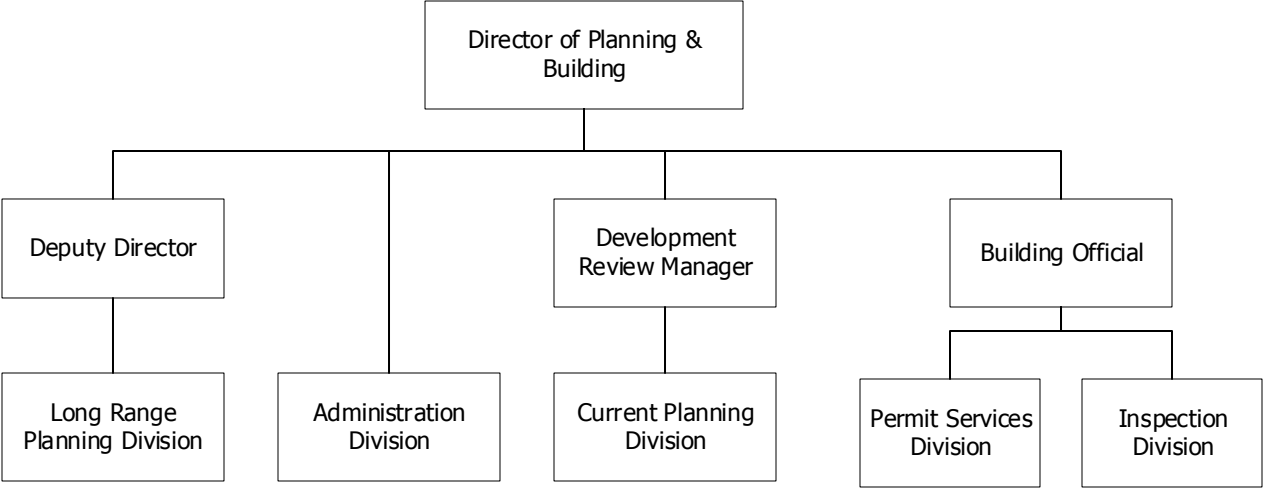
	<b>2017-2018 Positions</b>	<b>Service Packages</b>	<b>2019-2020 Positions</b>
Administration	2.00	1.00	3.00
Financial Planning	5.00		5.00
Accounting and Payroll	10.00		10.00
Purchasing	2.00		2.00
City Clerk's Office	4.80		4.80
Customer Accounts	11.50	0.50	12.00
<b>TOTAL</b>	35.30	1.50	36.80

# PLANNING & BUILDING



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**CITY OF KIRKLAND**  
**Planning & Building Department**







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## DEPARTMENT OVERVIEW

# ***PLANNING & BUILDING***

## 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 safeguarding the lives, property and environment of our community. 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 and assistance is provided in response to public inquiries. Activities are coordinated with state, regional, and other local governments.

## DEPARTMENT FUNCTIONS

The **Administration Division** coordinates the department budget, personnel, training, and general administrative activities.

The **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 the other Development Services departments, the division processes land use development applications, reviews building permits for land use code compliance, provides information about development regulations, and enforces development codes. Staff support is provided to the Hearing Examiner, Design Review Board, Houghton Community Council, and City Council in their roles of reviewing and approving development applications.

The **Long Range Planning Division** prepares the City's Comprehensive Plan, Zoning Code, Subdivision Ordinance, Shoreline Master Program, local SEPA ordinance, and other growth management plans and zoning and development regulations. Amendments to these documents are prepared annually in accordance with the Planning Work Program adopted by the City Council. Staff support is provided to the City Council, Planning Commission, Houghton Community Council, and a variety of citizen committees. The division coordinates with other agencies on regional and state-wide planning issues, monitors legislative activity, maintains development monitoring systems, and undertakes special projects as directed by the City Council or City Manager.

The **Building Division** provides the general public with the minimum standards for the safety and quality of construction of new and remodeled structures, and the installation of electrical, plumbing and mechanical systems. Building receives, routes, and coordinates all building and related permit applications. Building staff works closely with architects, contractors, owners, and developers, as well as working with other departments and agencies to ensure compliance with all City requirements and issuing the permits in a timely manner. This includes plan review, field inspection, accurate record keeping, archiving, public disclosure requests and 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

### Housing

- Continue ARCH Housing Trust Fund parity contribution at \$830,000 over the biennium, on a one-time basis
- Provide a program to incentivize construction of accessory dwelling units, \$100,000 one-time, of which \$50,000 represents waived development fees

## **Environment**

- Continue funding for a temporary 0.5 FTE Urban Forester position, \$127,461 one-time, of which \$63,730 is funded with Forestry Ordinance reserves
- Continue funding for Scope 5 Dashboard software to track and measure City and community greenhouse gas emissions as part of City's participation in the King County-Cities Climate Collaboration (K4C), \$15,000 ongoing

## **Economic Development**

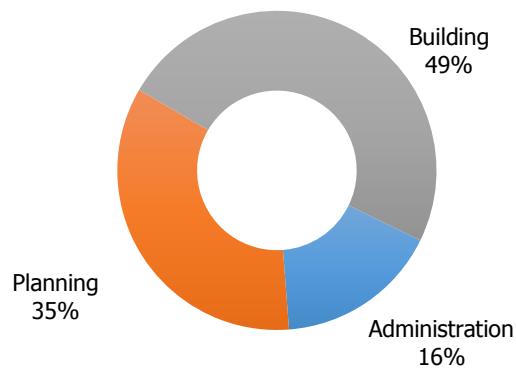
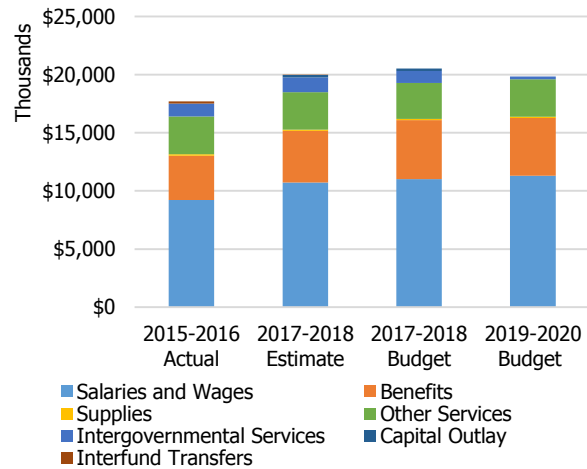
- Add resources to Development Services to address workload and maintain/enhance customer service expectations (these activities are all funded from development revenues or related reserves):
  - Continue a temporary 1.0 FTE Building Inspector, \$222,189 one-time
  - Continue 2.0 FTE temporary Plans Examiner II positions, \$500,214 one-time
  - Continue 3.0 FTE temporary planning positions, including an Assistant Planner, Associate Planner and a Planner, \$720,225 one-time
  - Continue increased overtime and hourly (on-call) wages for Building Inspectors and Permit Technicians, \$355,588 one-time
  - Continue funding for a Planning Intern, \$25,684 one-time
  - Convert an ongoing 1.0 FTE Inspector position to a temporary Lead Inspector position, \$9,642 one-time
  - Provide a Land Use Consulting Contingency, \$20,000 one-time
  - Add On-call support of records management in the Planning and Building Department, \$28,728 one-time increase hourly wages for ongoing scanning work, \$28,728 one-time
  - Convert a temporary 1.0 Office Specialist to a temporary 1.0 Receptionist/Administrative Clerk in the Planning and Building Department, \$154,960 one-time
  - Provide Equipment and Software Upgrades for Electronic Plan Review, \$33,706, of which \$396 is ongoing
  - Provide technology enhancements for improved customer service, \$28,800, of which \$26,800 is one-time and \$2,000 is ongoing
  - Provide for a GIS-based Geo-notification Application to generate text or email alerts when development projects or legislative changes are proposed in their vicinity, and expand the notification radius from 300' to 500', \$110,000 one-time, funded with \$100,000 from development technology reserves and \$10,000 one-time funded from development staffing reserves
  - Provide an economic analysis tool for valuing the public benefits of Planned Unit Developments, \$40,000 one-time

## **Dependable Infrastructure**

- Add a temporary CIP Planner in the Planning and Building Department to provide focused review of public capital projects, \$246,538 one-time, of which \$196,538 is from non-fee resources

**FINANCIAL OVERVIEW**

# ***PLANNING & BUILDING***

**Uses of Funds**

**Expenditures by Category**

**EXPENDITURE SUMMARY BY CATEGORY**

	2015-2016 Actual	2017-2018 Estimate	2017-2018 Budget	2019-2020 Budget	Change
Salaries and Wages	9,215,674	10,724,135	11,001,977	11,297,996	2.69%
Benefits	3,812,825	4,427,292	5,075,473	4,968,156	-2.11%
Supplies	119,435	118,001	104,564	110,537	5.71%
Other Services	3,251,710	3,211,570	3,101,601	3,223,898	3.94%
Intergovernmental Services	1,122,302	1,285,214	1,029,220	234,750	-77.19%
Capital Outlay	-	211,702	211,702	-	-100.00%
Interfund Transfers	187,134	24,704	-	-	n/a
<b>TOTAL</b>	<b>17,709,080</b>	<b>20,002,618</b>	<b>20,524,537</b>	<b>19,835,337</b>	<b>-3.36%</b>

**EXPENDITURE SUMMARY BY DIVISION**

	2015-2016 Actual	2017-2018 Estimate	2017-2018 Budget	2019-2020 Budget	Change
Administration	2,595,364	3,127,314	3,160,008	3,285,500	3.97%
Planning	7,046,109	7,544,907	7,524,305	6,869,781	-8.70%
Building	8,067,606	9,330,397	9,840,224	9,680,056	-1.63%
<b>TOTAL</b>	<b>17,709,080</b>	<b>20,002,618</b>	<b>20,524,537</b>	<b>19,835,337</b>	<b>-3.36%</b>

**2019 - 2020 POSITION SUMMARY*****PLANNING & BUILDING*****POSITION SUMMARY BY CLASSIFICATION**

<b>Classification</b>	<b>2017-2018 Positions</b>	<b>Service Packages</b>	<b>2019-2020 Positions</b>	<b>Budgeted 2019 Salary Range</b>
Director	1.00		1.00	10,712 - 13,821
Building Official	1.00		1.00	8,769 - 11,315
Deputy Director	1.00		1.00	8,575 - 11,064
Development Services Manager	1.00		1.00	8,158 - 10,525
Planning Supervisor	2.00		2.00	7,530 - 9,715
Plan Review Supervisor	1.00		1.00	7,264 - 9,373
Senior Plans Examiner	3.00		3.00	7,440 - 8,752
Inspection Supervisor	1.00		1.00	6,619 - 8,541
Senior Planner	5.50		5.50	7,232 - 8,508
Code Enforcement Officer	2.00		2.00	6,722 - 7,910
Electrical/Building Inspector	7.00		7.00	6,621 - 7,789
Associate Planner	1.00		1.00	6,549 - 7,704
Applications Analyst	1.00		1.00	6,540 - 7,694
Plans Examiner II	3.00		3.00	6,452 - 7,590
Building Inspector	1.00		1.00	6,320 - 7,436
Permit Tech Supervisor	1.00		1.00	5,682 - 7,331
Planner	5.00		5.00	6,109 - 7,184
Business Analyst	1.00		1.00	6,088 - 7,162
Development Review Arborist	1.00		1.00	6,045 - 7,111
Planning Administration Supervisor	0.85		0.85	5,248 - 6,604
Assistant Planner	2.00		2.00	5,447 - 6,409
Administrative Assistant	1.00		1.00	5,232 - 6,154
Permit Tech	6.00		6.00	4,962 - 5,837
Records Management Specialist	1.00		1.00	4,629 - 5,446
Office Specialist	3.00		3.00	4,258 - 5,009
<b>TOTAL</b>	<b>53.35</b>	<b>0.00</b>	<b>53.35</b>	

**POSITION SUMMARY BY DIVISION**

	<b>2017-2018 Positions</b>	<b>Service Packages</b>	<b>2019-2020 Positions</b>
Administration	6.99		6.99
Planning	19.36		19.36
Building	27.00		27.00
<b>TOTAL</b>	<b>53.35</b>	<b>0.00</b>	<b>53.35</b>

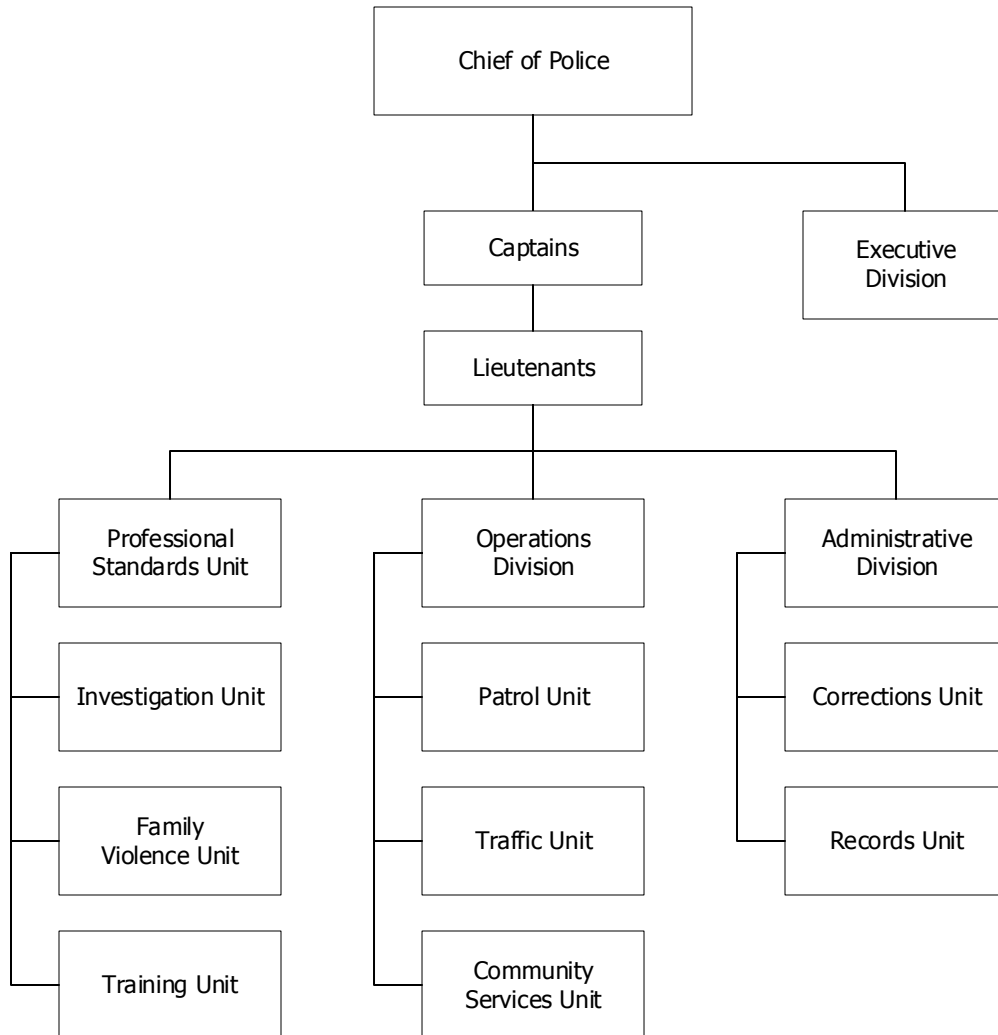
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**POLICE**



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# CITY OF KIRKLAND Police Department







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## DEPARTMENT OVERVIEW

# ***POLICE***

## 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 monitors budgets, and provides personnel and payroll support.

The **Operations Division** consists of Patrol, Traffic, and K-9. In addition to responding to 911 calls and proactively enforcing the law, this division is responsible for working with neighborhood groups, businesses, and other organizations to identify issues, build partnerships, and resolve mutual problems.

The **Patrol Unit** provides 24-hour-per-day service to the community and provides first-unit response for general calls for police service.

The **Traffic Unit** provides enforcement and education to reduce accidents and traffic congestion. The unit also coordinates and responds to community traffic complaint areas and investigates traffic collisions. Parking Enforcement Officers are part of the Traffic Unit and serve to educate the community about parking issues and enforce parking laws.

The **Administrative Division** consists of Corrections and Records and is also responsible for recruitment, hiring, evidence intake and storage, facility issues, fleet, scheduling, grant compliance, contracts, budget and liaison with NORCOM and other regional boards.

The **Corrections Unit** operates the jail, monitors home detention, work release, and performs all prisoner transports to courts and other detention facilities.

The **Records Unit** provides for the accurate flow and management of all record-keeping duties and provides front counter service during business for all walk-in customers of the Police Department.

The **Professional Standards Division** consists of Investigations, Family Violence, Special Response Team, Crisis Negotiations, Honor Guard, and Training. This division is also responsible for reviewing and updating the department general orders and standard operating procedures, accreditation, police review boards, internal investigations and risk management.

The **Investigation Unit** is an extension to, and a support group for, the Patrol Unit and is staffed by detectives. The main function of the division is to conduct follow-up investigations of all felony crimes and certain misdemeanor crimes. This unit is also responsible for the registration, tracking and community notifications of registered sex offenders within the City of Kirkland. One member of this unit is assigned to a regional electronic crimes task force with the FBI.

The **Crime Analyst** is attached to the Investigation Unit and monitors crime trends, provides analytical support and publishes informational bulletins on wanted subjects and officer safety issues.

The **Family Violence Unit (FVU)** is attached to the Investigation Unit. This unit is staffed by two detectives and a civilian Family/Youth Advocate. The unit conducts follow-up investigation on domestic violence cases, Child Protective Service & Adult Protective Service referrals and conducts training on domestic violence issues. In addition, they supervise the Domestic Abuse Response Team

(DART), which is a volunteer civilian program that provides support services to victims of domestic violence.

The **Training Unit** is responsible for ensuring that all Department training is conducted in accordance with state mandates and ensuring the professional development of all Department members.

<b>BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS</b>
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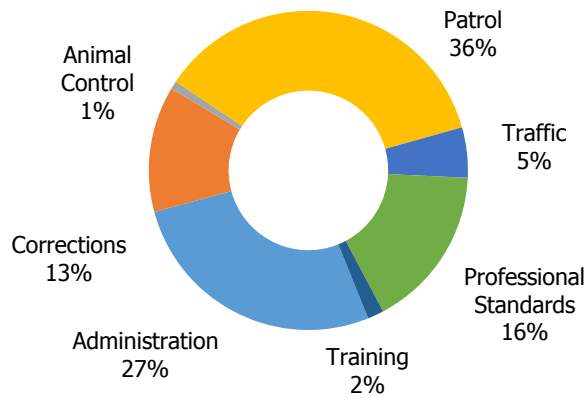
**Public Safety**

- Add significant public safety investments with new 0.1% sales tax revenue from the passage of Proposition 1, including:
  - 4.0 FTE Pro Active Officers to the Police Department (\$993,940 ongoing, \$239,909 one-time)
  - 1.0 FTE Police Analyst ongoing to support to the Pro Active Unit (\$187,244 ongoing, \$10,462 one-time)
  - 4.0 FTE School Resource Officers ongoing to meet Lake Washington School District's request of Police presence in each of the District's Middle Schools in Kirkland (\$994,429 ongoing, \$207,849 one-time)
  - And 1.0 FTE Neighborhood Resources Officer to focus on community policing and emergency calls involving mental health complications (\$247,907 ongoing, \$52,695 one-time)
- Funding for Police Officer Recruitment, \$200,000 one-time
- Continue 1.0 FTE temporary Justice Support Officer for Municipal Court Security, \$197,561 one-time
- Continue authority for 2.0 FTE over hire Police Officer positions: over hire positions are positions only, generally funded from vacancy salary savings
- Continue a temporary 1.0 FTE Police Support Associate to assist with records maintenance and requests and provide supplemental administrative support, \$181,868 one-time
- Continue a temporary 1.0 FTE Corrections Administrative Support Associate, \$179,165 one-time
- Provide funding for Digital Evidence Storage in the 2019-2020 Capital Budget, \$161,954 one-time and \$13,788 ongoing

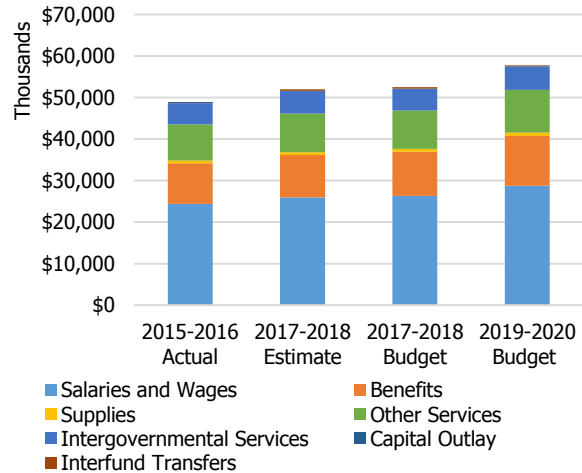
## FINANCIAL OVERVIEW

# POLICE

### Uses of Funds



### Expenditures by Category



## EXPENDITURE SUMMARY BY CATEGORY

	2015-2016 Actual	2017-2018 Estimate	2017-2018 Budget	2019-2020 Budget	Change
Salaries and Wages	24,395,714	25,932,553	26,288,305	28,773,026	9.45%
Benefits	9,729,870	10,204,147	10,703,020	11,949,642	11.65%
Supplies	668,558	710,758	678,720	820,876	20.94%
Other Services	8,730,223	9,279,655	9,202,021	10,305,108	11.99%
Intergovernmental Services	5,146,395	5,484,029	5,298,186	5,691,883	7.43%
Capital Outlay	107,667	-	-	-	n/a
Interfund Transfers	136,621	359,903	303,181	199,805	-34.10%
<b>TOTAL</b>	<b>48,915,046</b>	<b>51,971,045</b>	<b>52,473,433</b>	<b>57,740,340</b>	<b>10.04%</b>

## EXPENDITURE SUMMARY BY DIVISION

	2015-2016 Actual	2017-2018 Estimate	2017-2018 Budget	2019-2020 Budget	Change
Administration	14,368,246	14,736,471	15,508,582	15,544,731	0.23%
Corrections	6,064,896	6,644,346	6,836,939	7,361,839	7.68%
Animal Control	-	288,727	365,465	483,593	32.32%
Patrol	19,700,742	21,581,196	19,723,246	20,931,764	6.13%
Traffic	2,663,221	2,354,275	2,934,633	2,939,401	0.16%
Professional Standards	5,286,506	5,469,743	6,195,001	9,529,081	53.82%
Training	831,435	896,286	909,567	949,931	4.44%
<b>TOTAL</b>	<b>48,915,046</b>	<b>51,971,045</b>	<b>52,473,433</b>	<b>57,740,340</b>	<b>10.04%</b>

**2019 - 2020 POSITION SUMMARY*****POLICE*****POSITION SUMMARY BY CLASSIFICATION**

<b>Classification</b>	<b>2017-2018 Positions</b>	<b>Service Packages</b>	<b>2019-2020 Positions</b>	<b>Budgeted 2019 Salary Range</b>
Chief	1.00		1.00	11,392 - 14,698
Captain	2.00		2.00	10,372 - 13,383
Civilian Commander	1.00		1.00	9,814 - 12,663
Corrections Manager	1.00		1.00	9,347 - 12,060
Lieutenant	5.00		5.00	8,465 - 10,922
Corporal/Detective	21.00		21.00	7,351 - 9,083
Police Officer	63.00	9.00	72.00	5,774 - 9,083
Sergeant	8.00		8.00	8,508 - 8,734
Police Support Associate Supervisor	1.00		1.00	5,846 - 7,542
Police Analyst	1.00	1.00	2.00	5,501 - 6,868
Administrative Supervisor	1.00		1.00	5,249 - 6,772
Corrections Sergeant	2.00		2.00	5,415 - 6,761
Family-Youth Advocate	1.00		1.00	5,023 - 6,270
Corrections Corporal	4.00		4.00	4,986 - 6,223
Police Public Disclosure Analyst	1.00		1.00	4,902 - 6,120
Animal Control Officer	1.00		1.00	4,678 - 5,840
Administrative Assistant	1.00		1.00	4,634 - 5,784
Corrections Officer	13.00		13.00	4,539 - 5,666
Police Support Associate Lead	1.00		1.00	5,558
Evidence Technician II	1.00		1.00	4,408 - 5,504
Evidence Technician	1.00		1.00	4,280 - 5,343
Police Support Associate	6.00		6.00	4,020 - 5,019
Administrative Support Associate	1.00		1.00	4,014 - 5,012
Parking Enforcement Officer	2.00		2.00	3,722 - 4,646
<b>TOTAL</b>	140.00	10.00	150.00	

**POSITION SUMMARY BY DIVISION**

	<b>2017-2018 Positions</b>	<b>Service Packages</b>	<b>2019-2020 Positions</b>
Administration	25.00	1.00	26.00
Corrections	20.00		20.00
Animal Control	1.00		1.00
Patrol	64.00		64.00
Traffic	9.00		9.00
Professional Standards	19.00	9.00	28.00
Training	2.00		2.00
<b>TOTAL</b>	140.00	10.00	150.00

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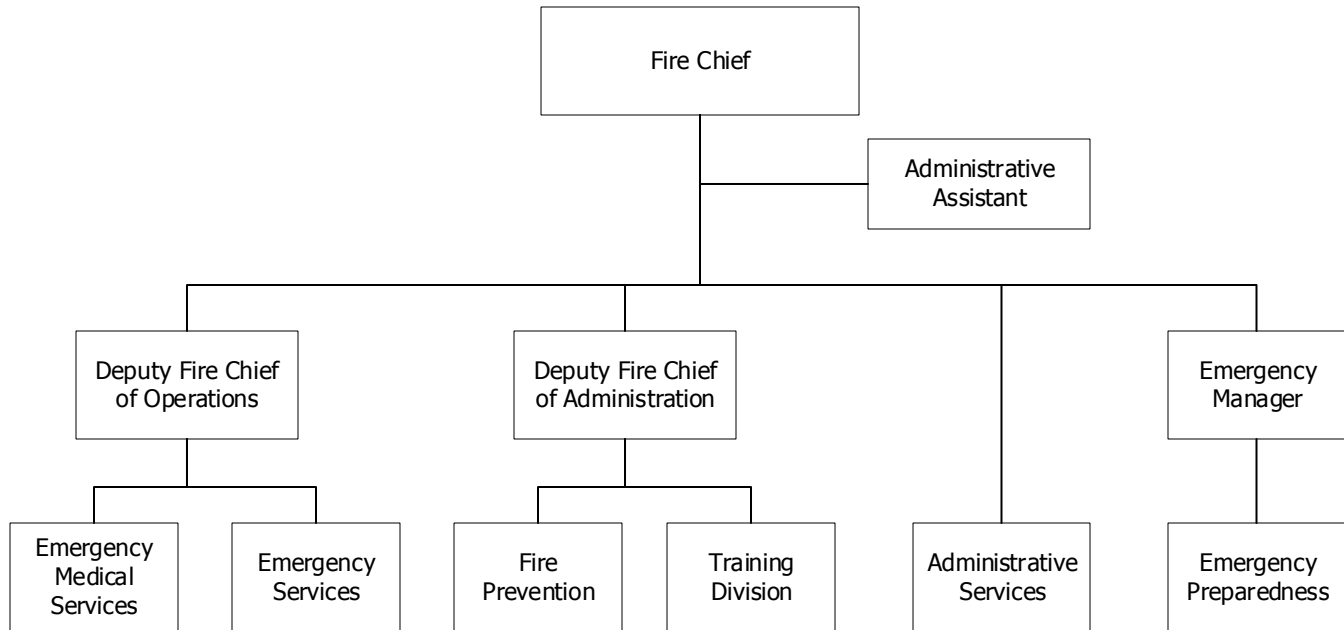
**FIRE**



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# CITY OF KIRKLAND

## Fire Department







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## DEPARTMENT OVERVIEW

# ***FIRE***

## MISSION

Providing timely emergency response and safeguarding the lives, property and environment of our community.

## DEPARTMENT FUNCTIONS

**Administrative Services** provides administrative and support functions for the bureaus and divisions within the department, as well as special boards and commissions. Responsibilities include establishing department priorities; communicating organizational goals and values; administering department policies and staffing requirements; developing and monitoring the financial, organizational, and developmental aspects of the department; implementing the Fire Strategic Plan; coordination and management of support services, project management, records management, and human resources activities.

**Community Risk Reduction** is provided by the Fire Prevention Bureau to prevent dangerous life safety situations before they happen. This is accomplished through application of the International Fire Code and local ordinances pertaining to permitted construction projects, operational permits and life safety inspections of existing occupancies such as schools, churches, businesses, convalescent homes and multi-family apartments and condominiums. Bureau staff is able to provide technical assistance to citizens and respond to safety concerns in the community. All members of the department provide fire and life safety education in our community, including schools, non-governmental organizations, and local businesses. The bureau is also responsible for investigating fires to determine origin and cause. All information from investigations is used to help prevent future fires.

**Emergency Management** prepares the City of Kirkland to respond, mitigate and recover from a disaster. This is accomplished through engaging all levels of the community, City staff, local non-government agencies, schools, businesses and residents to prepare for any disaster and to be ready to partner to serve our community during a time of need. The division is responsible for development and coordination of updates to the City's emergency management plans and to train City staff to operate the Emergency Operations Center (EOC). Emergency Management also participates, when possible, in regional projects, training, committees and other preparedness and response activities in recognition of the interdependence of the region and the City of Kirkland's role. Information is also provided to help educate residents, businesses and community groups on disaster preparation, response, and recovery.

**Emergency Services** responds to emergencies resulting from fires, trauma, disaster, hazardous materials incidents, and related incidents in order to minimize suffering, loss of life and property. The current work program of this division includes the maintenance of a well-trained force to: (1) Provide basic medical life support to victims of illness and trauma (2) Extinguish all fires (3) Perform technical rescues and (4) Mitigate hazardous materials incidents within the City.

**Training Division** develops and coordinates training programs for all emergency services personnel within the fire department. The division conducts and directs training activities within the department through participation in the Eastside Metro Training Group and ensures the department meets legally mandated training requirement. Ongoing training is vital in maintaining our overall level of expertise and safe emergency scene operating practices. The division oversees the health, safety and wellness program. Although hundreds of hours are spent doing on-the-job training, it is also essential that the firefighters are exposed to training programs outside of the department. This enables the department to capitalize on the knowledge of others and keeps us abreast of the ever-changing needs of society.

<b>BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS</b>
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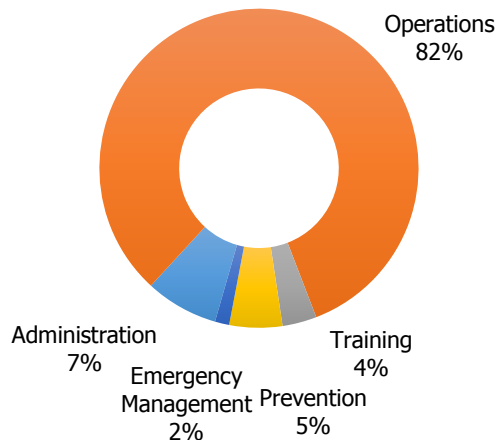
**Public Safety**

- Set aside \$150,000 for outreach related to a potential 2020 Fire Station and Operations Ballot Measure
- Fund Fire Station 24 replacement and continue to build funding towards property acquisition for Station 27, \$5.8 million in the 2019-2020 Capital Budget
- Continue funding for Wildland Fire Equipment and Training, \$80,000 one-time
- Add 0.5 FTE ongoing Emergency Preparedness Coordinator to existing 0.5 FTE ongoing position authority, to provide capacity to fully support preparedness programs, \$110,732 ongoing
- Funding for the Blue Card Incident Command Certification training for fire suppression staff, \$93,597 one-time and \$8,750 ongoing
- Funding for Promotional Testing in the Fire Department, \$10,000 one-time
- Funding for Thermal Imaging Equipment Auxiliary Equipment, \$25,000 one-time
- Funding for training, certification and equipment to purchase and operate a Drone in support of emergency responses, \$30,00 ongoing and \$25,000 one-time
- Funding for operating supplies in the Water Rescue Program, \$20,000 ongoing
- Funding to upgrade the Fire Department's shift scheduling software (Telestaff), \$60,000 one-time and \$20,480 ongoing
- Funding for Telestaff and ESO Records Management Software Training, \$15,000 one-time
- Provide funding for a Fire Training Prop at Station 26 in the 2019-2020 Capital Budget, \$300,000 (\$290,000 one-time and \$10,000 ongoing)

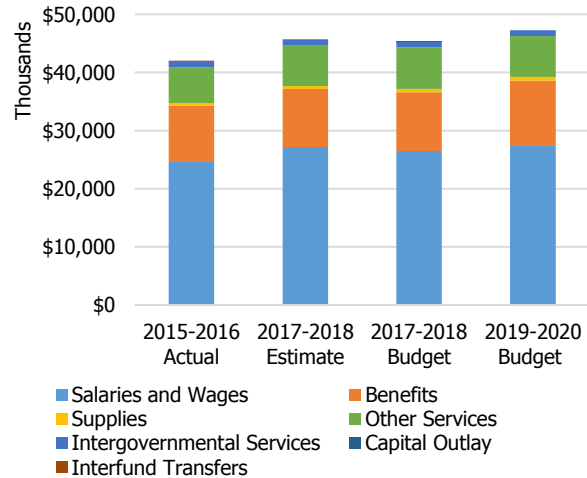
## FINANCIAL OVERVIEW

# FIRE

### Uses of Funds



### Expenditures by Category



## EXPENDITURE SUMMARY BY CATEGORY

	2015-2016 Actual	2017-2018 Estimate	2017-2018 Budget	2019-2020 Budget	Change
Salaries and Wages	24,735,939	27,181,160	26,518,031	27,520,669	3.78%
Benefits	9,596,237	9,976,053	10,082,044	11,081,479	9.91%
Supplies	414,802	501,158	567,047	631,774	11.41%
Other Services	6,099,687	6,964,965	7,124,101	7,008,964	-1.62%
Intergovernmental Services	1,110,330	1,031,115	1,014,786	1,027,705	1.27%
Capital Outlay	-	-	4,600	-	-100.00%
Interfund Transfers	77,380	98,000	98,000	-	-100.00%
<b>TOTAL</b>	<b>42,034,375</b>	<b>45,752,451</b>	<b>45,408,609</b>	<b>47,270,591</b>	<b>4.10%</b>

## EXPENDITURE SUMMARY BY DIVISION

	2015-2016 Actual	2017-2018 Estimate	2017-2018 Budget	2019-2020 Budget	Change
Administration	3,096,665	3,364,876	3,582,770	3,495,922	-2.42%
Operations	35,131,638	37,939,175	37,399,221	38,912,715	4.05%
Training	1,389,821	1,451,376	1,437,974	1,641,913	14.18%
Prevention	1,886,056	2,357,827	2,327,825	2,537,059	8.99%
Emergency Management	530,195	639,198	660,819	682,982	3.35%
<b>TOTAL</b>	<b>42,034,375</b>	<b>45,752,451</b>	<b>45,408,609</b>	<b>47,270,591</b>	<b>4.10%</b>

**2019 - 2020 POSITION SUMMARY*****FIRE*****POSITION SUMMARY BY CLASSIFICATION**

<b>Classification</b>	<b>2017-2018 Positions</b>	<b>Service Packages</b>	<b>2019-2020 Positions</b>	<b>Budgeted 2019 Salary Range</b>
Chief	1.00		1.00	11,310 - 14,594
Deputy Chief	2.00		2.00	9,897 - 12,771
Fire Marshal	1.00		1.00	11,584 - 12,167
Battalion Chief	4.00		4.00	11,084 - 12,167
City Emergency Manager	1.00		1.00	8,331 - 10,749
Captain	12.00		12.00	9,834 - 10,917
Fire Inspector	4.00		4.00	9,667 - 10,084
Assistant Fire Marshal	1.00		1.00	9,681
Lieutenant	11.00		11.00	9,167 - 9,584
Firefighter	74.00		74.00	6,167 - 8,334
Emergency Prep Coordinator	0.50	0.50	1.00	6,259 - 7,363
Administrative Supervisor	1.00		1.00	5,248 - 6,773
Administrative Assistant	1.00		1.00	5,232 - 6,154
Office Specialist	2.00		2.00	4,258 - 5,009
<b>TOTAL</b>	<b>115.50</b>	<b>0.50</b>	<b>116.00</b>	

**POSITION SUMMARY BY DIVISION**

	<b>2017-2018 Positions</b>	<b>Service Packages</b>	<b>2019-2020 Positions</b>
Administration	8.00		8.00
Operations	98.00		98.00
Training	2.00		2.00
Prevention	6.00		6.00
Emergency Management	1.50	0.50	2.00
<b>TOTAL</b>	<b>115.50</b>	<b>0.50</b>	<b>116.00</b>

# Special Revenue Funds Operating

Special Revenue Funds are established to account for specific resources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

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## LODGING TAX FUND

The Lodging Tax Fund accounts for the City's tourism program and expenditures related to the operation of tourism-related facilities. The primary source of revenue is a one percent lodging tax instituted in January 2002.

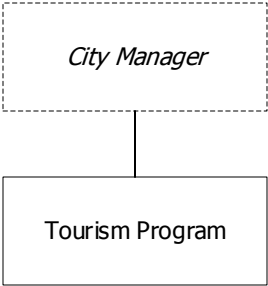


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**CITY OF KIRKLAND**  
**City Manager's Office**

Lodging Tax Fund



*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.*

**DEPARTMENT OVERVIEW*****LODGING TAX FUND*****MISSION**

The Lodging Tax Fund was created to account for Lodging Tax revenue that provides funding for tourism promotion and marketing activities to attract visitors to Kirkland resulting in increased day trips and overnight stays. The Tourism Program strives to optimize the assets of Kirkland to promote the City as a destination.

**DEPARTMENT FUNCTIONS**

The City Manager's Office oversees the Tourism Program in conjunction with the Economic Development Program, recognizing its role in generating revenue for the City. The program promotes events and programs through the ExploreKirkland.com website, a Facebook page, and monthly electronic event guides. It also provides printed visitor guides, dining guides and event guides to locations in Kirkland and cities throughout the region. It provides networking with local and regional tourism providers and familiarization tours for travel writers. The Tourism Program also provides media outreach and public relations to promote Kirkland as a destination and for selected events.

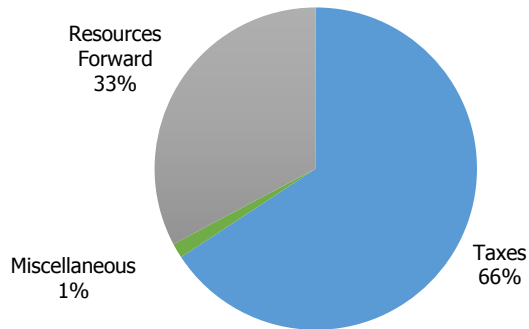
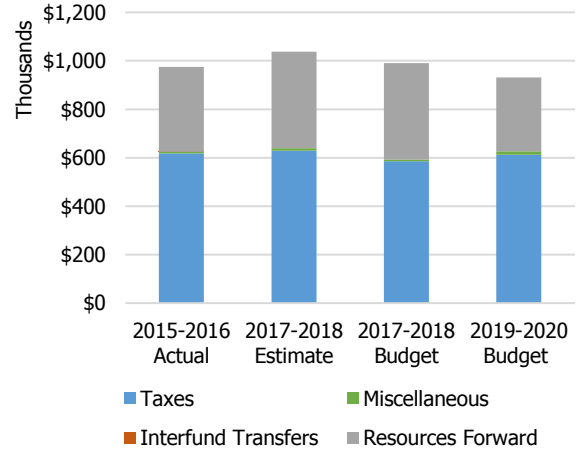
The revenue source for the Tourism Program is the Lodging Excise Tax collected from one percent of the sale of short-term accommodations as authorized by state statute. Use of the Lodging Excise Tax is limited to fund tourism promotion and operation of tourism-related facilities. The City Manager's Office provides staff support to the Tourism Development Committee whose role is to provide recommendations on the use of the lodging tax funds and help guide the tourism program priorities.

**BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS****Economic Development**

- Increase tourism staff support hours equal to a temporary 0.25 FTE, \$53,429 one-time
- Redesign the Tourism Website, \$60,000 one-time funded from the Tourism Fund
- Tourism Development Committee (TDC) Grants from Lodging Tax are \$60,000 for 2019. The TDC's 2020 recommendation will be included in the mid-bi process

**FINANCIAL OVERVIEW**

# ***LODGING TAX FUND***

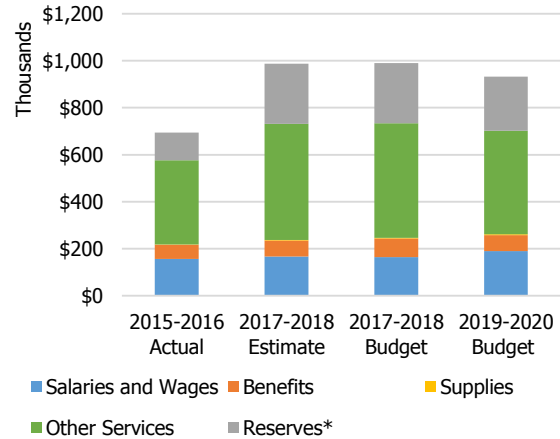
**Sources of Funds**

**Revenues by Type**

**REVENUE SUMMARY BY TYPE**

	2015-2016 Actual	2017-2018 Estimate	2017-2018 Budget	2019-2020 Budget	Change
Taxes	618,085	628,745	585,818	612,737	4.60%
Miscellaneous	5,418	10,458	6,039	13,938	130.80%
Interfund Transfers	500	-	-	-	n/a
Resources Forward	350,280	397,890	397,890	305,306	-23.27%
<b>TOTAL</b>	<b>974,282</b>	<b>1,037,093</b>	<b>989,747</b>	<b>931,981</b>	<b>-5.84%</b>

**FINANCIAL OVERVIEW**

# **LODGING TAX FUND**

**Uses of Funds**

**Expenditures by Category**

**EXPENDITURE SUMMARY BY CATEGORY**

	2015-2016 Actual	2017-2018 Estimate	2017-2018 Budget	2019-2020 Budget	Change
Salaries and Wages	156,113	166,295	164,512	189,632	15.27%
Benefits	60,933	68,239	79,009	68,365	-13.47%
Supplies	740	3,000	3,000	3,500	16.67%
Other Services	358,607	494,253	487,829	440,959	-9.61%
Intergovernmental Services	-	-	-	-	n/a
Capital Outlay	-	-	-	-	n/a
Interfund Transfers	-	-	-	-	n/a
Reserves*	118,031	255,397	255,397	229,525	-10.13%
<b>TOTAL</b>	<b>694,423</b>	<b>987,184</b>	<b>989,747</b>	<b>931,981</b>	<b>-5.84%</b>

**EXPENDITURE SUMMARY BY DIVISION**

	2015-2016 Actual	2017-2018 Estimate	2017-2018 Budget	2019-2020 Budget	Change
Tourism	694,423	987,184	989,747	931,981	-5.84%
<b>TOTAL</b>	<b>694,423</b>	<b>987,184</b>	<b>989,747</b>	<b>931,981</b>	<b>-5.84%</b>

\* 2015-2016 actual and 2017-2018 estimated reserves are budgeted, but not spent

**2019 - 2020 POSITION SUMMARY*****LODGING TAX FUND*****POSITION SUMMARY BY CLASSIFICATION**

<b>Classification</b>	<b>2017-2018 Positions</b>	<b>Service Packages</b>	<b>2019-2020 Positions</b>	<b>Budgeted 2019 Salary Range</b>
Economic Development Manager	0.15	(0.15)	0.00	9,241 - 11,923
Special Projects Coordinator	0.31		0.31	6,637 - 7,809
Administrative Assistant	0.20		0.20	5,232 - 6,154
<b>TOTAL</b>	0.66	(0.15)	0.51	

**POSITION SUMMARY BY DIVISION**

	<b>2017-2018 Positions</b>	<b>Service Packages</b>	<b>2019-2020 Positions</b>
Tourism	0.66	(0.15)	0.51
<b>TOTAL</b>	0.66	(0.15)	0.51

**City of Kirkland  
2019-2020 Budget  
Lodging Tax Fund Revenues**

	<b>Object</b>	<b>2015-2016 Actual</b>	<b>2017-2018 Estimate</b>	<b>2017-2018 Budget</b>	<b>2019-2020 Budget</b>	<b>Percent Change</b>
<b>Taxes</b>						
Hotel Motel Tax	313311	618,085	628,745	585,818	612,737	4.60%
<b>Total Taxes</b>		<b>618,085</b>	<b>628,745</b>	<b>585,818</b>	<b>612,737</b>	<b>4.60%</b>
<b>Miscellaneous Revenue</b>						
Investment Income	361111	5,418	10,458	6,039	13,938	130.80%
<b>Total for Miscellaneous Revenues</b>		<b>5,418</b>	<b>10,458</b>	<b>6,039</b>	<b>13,938</b>	<b>130.80%</b>
<b>Other Financing Sources</b>						
Operating Transfers In	397101	500	-	-	-	0.00%
Resources Forward	399991	350,280	397,890	397,890	305,306	-23.27%
<b>Total for Other Financing Sources</b>		<b>350,780</b>	<b>397,890</b>	<b>397,890</b>	<b>305,306</b>	<b>-23.27%</b>
<b>Total Revenues for Lodging Tax Fund</b>		<b>974,282</b>	<b>1,037,093</b>	<b>989,747</b>	<b>931,981</b>	<b>-5.84%</b>

Special Revenue Funds are established to account for specific resources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

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## STREET OPERATING FUND

The Street Operating Fund accounts for the administration, maintenance, and minor construction of the City's transportation infrastructure. The primary sources of revenue are property taxes and the State levied gasoline tax. This fund also includes the revenues from the 2012 Street Levy – Levy for City street maintenance and pedestrian safety.

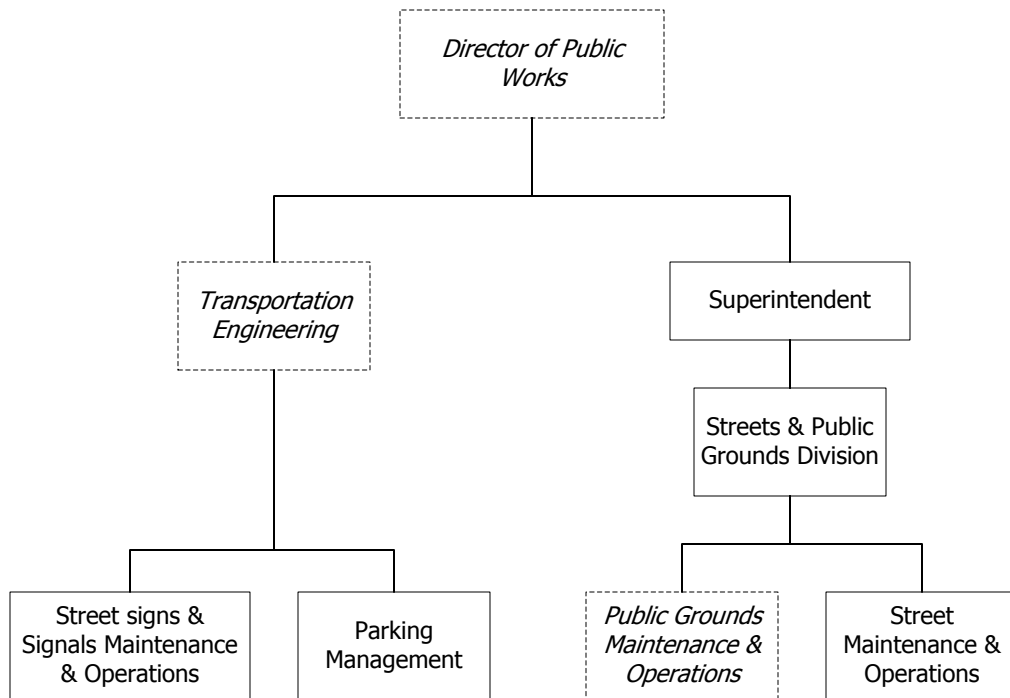


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**CITY OF KIRKLAND**  
**Public Works Department**

**Street Operating Fund**



*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.*

**DEPARTMENT OVERVIEW*****STREET OPERATING FUND*****MISSION**

The Street Operating Fund is established to account for the administration of all resources associated with the maintenance, operation, and minor construction of roadways, sidewalks, pathways, traffic signs and signals, and roadsides.

**DEPARTMENT FUNCTIONS**

The Street Maintenance Group within the Public Works Streets and Grounds Division, in cooperation with the Signal Maintenance Group and Sign Maintenance Group within the Public Works Transportation Division, administers and maintains 648 lane miles of streets with 247 center lane miles, 244 lane miles of sidewalks, 5¾ miles of rail corridor, 68 traffic signals, 28 school beacons, 29 radar signs, 55 flashing crosswalks, 1,147 street lights and approximately 15,000 street signs. The Streets and Grounds Division is also responsible for street sweeping, mowing of public right-of-ways, minor construction of sidewalk replacements and repairs that are not included in the Capital Improvement Program, and provides maintenance of 4 acres of City medians and gateways, 14 acres of Public Building grounds, and approximately 20,000 street/right of way trees.

**BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS****Public Safety**

- Purchase two De-icing Vehicles to maintain drivable streets in the winter, \$112,000 one-time, \$55,120 ongoing

**Balanced Transportation**

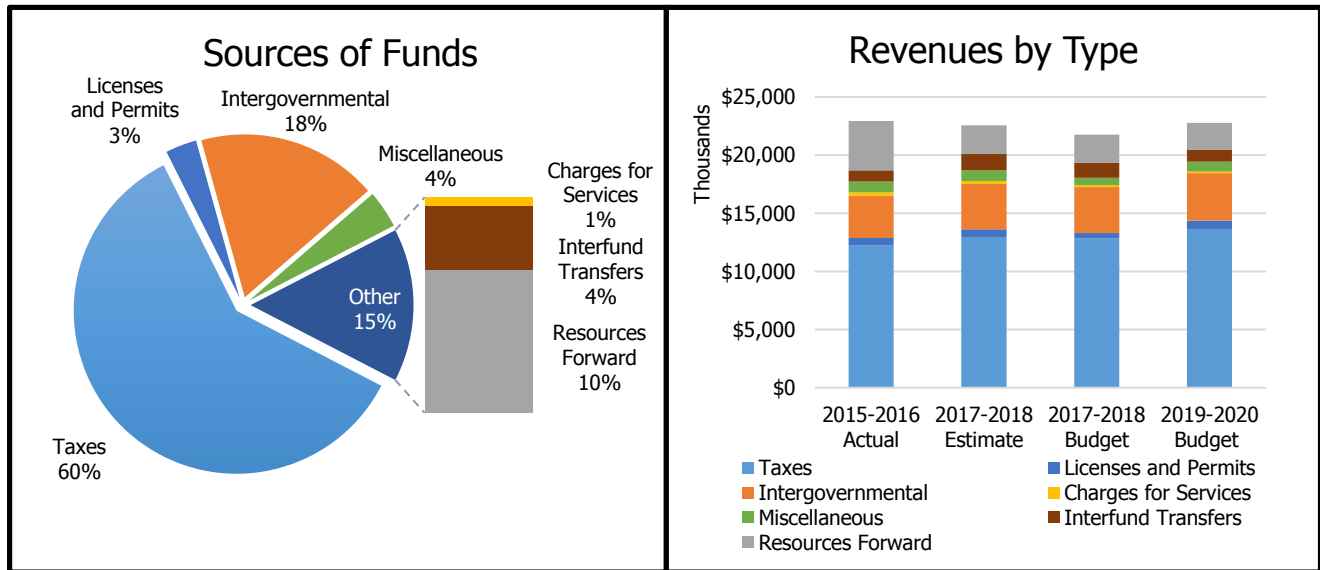
- Purchase Software Licenses for the City's Intelligent Transportation System cameras, \$11,000 one-time, \$6,000 ongoing

**Dependable Infrastructure**

- Improve the Municipal Parking Garage operations and maintenance through seven day a week contract with a third party garage operator, \$400,000 one-time, funded with Parking Meter Fees
- Create a capital project to repair the Municipal Parking Garage elevator, exterior doors and alarm devices, \$275,000 one-time, funded with monies from the Off-Street Parking Reserve in the Street Fund
- Continue the opportunity fund to pay for street improvements, overhead utility line undergrounding and ADA upgrades in conjunction with development projects, \$100,000 one-time
- Purchase Asphalt Paving Equipment in the Street Operating Fund to enhance in-house street preservation capabilities, \$264,000 one-time and \$74,800 ongoing. Funded with a combination of Street Cut In-lieu Fees and transfers from the Solid Waste Utility to compensate for the impact of Solid Waste vehicles on the street surface
- Add a 1.0 FTE ongoing Electronics (Signal) Technician I position to address expansion in the City's traffic signal/electronic traffic control device inventory, \$239,746 ongoing
- Purchase a Stump Grinder in the Street Roadside Division to minimize the impacts of diseased tree removal on surrounding infrastructure, \$22,000 one-time, \$5,334 ongoing
- Converts equivalent seasonal laborer hours to 2.0 FTE Laborer positions, with 60% of time allocated to Streets Maintenance activities and 40% of time allocated to Surface Water Utility maintenance activities, to enhance year-round maintenance capacity, with a net zero cost due to a reduction in hourly wages

## FINANCIAL OVERVIEW

# STREET OPERATING FUND

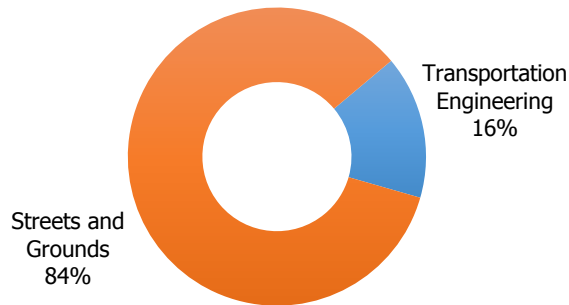
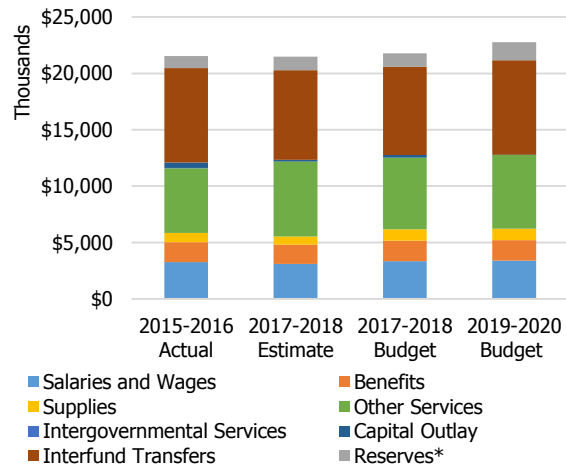


## REVENUE SUMMARY BY TYPE

	2015-2016 Actual	2017-2018 Estimate	2017-2018 Budget	2019-2020 Budget	Change
Taxes	12,245,194	12,897,248	12,843,267	13,658,520	6.35%
Licenses and Permits	628,149	719,446	462,000	705,800	52.77%
Intergovernmental	3,627,356	3,897,703	3,942,286	4,089,423	3.73%
Charges for Services	299,136	230,351	164,788	138,000	-16.26%
Miscellaneous	922,649	956,666	644,476	850,593	31.98%
Interfund Transfers	969,588	1,408,487	1,264,076	1,040,000	-17.73%
Resources Forward	4,231,808	2,448,092	2,448,092	2,283,427	-6.73%
<b>TOTAL</b>	<b>22,923,880</b>	<b>22,557,993</b>	<b>21,768,985</b>	<b>22,765,763</b>	<b>4.58%</b>

**FINANCIAL OVERVIEW**

# **STREET OPERATING FUND**

**Uses of Funds**

**Expenditures by Category**

**EXPENDITURE SUMMARY BY CATEGORY**

	2015-2016 Actual	2017-2018 Estimate	2017-2018 Budget	2019-2020 Budget	Change
Salaries and Wages	3,274,007	3,115,019	3,345,601	3,397,696	1.56%
Benefits	1,751,712	1,685,057	1,805,915	1,815,907	0.55%
Supplies	830,095	737,829	1,010,683	1,004,903	-0.57%
Other Services	5,740,677	6,655,139	6,373,422	6,534,692	2.53%
Intergovernmental Services	9,274	4,025	3,200	3,200	0.00%
Capital Outlay	498,171	130,053	220,621	40,000	-81.87%
Interfund Transfers	8,371,853	7,947,443	7,811,025	8,367,593	7.13%
Reserves*	1,061,009	1,198,518	1,198,518	1,601,772	33.65%
<b>TOTAL</b>	<b>21,536,797</b>	<b>21,473,084</b>	<b>21,768,985</b>	<b>22,765,763</b>	<b>4.58%</b>

**EXPENDITURE SUMMARY BY DIVISION**

	2015-2016 Actual	2017-2018 Estimate	2017-2018 Budget	2019-2020 Budget	Change
Transportation Engineering	3,040,176	3,358,288	3,597,417	3,541,096	-1.57%
Streets and Grounds	18,496,621	18,114,796	18,171,568	19,224,667	5.80%
<b>TOTAL</b>	<b>21,536,797</b>	<b>21,473,084</b>	<b>21,768,985</b>	<b>22,765,763</b>	<b>4.58%</b>

\* 2015-2016 actual and 2017-2018 estimated reserves are budgeted, but not spent

**2019 - 2020 POSITION SUMMARY**

# ***STREET OPERATING FUND***

**POSITION SUMMARY BY CLASSIFICATION**

<b>Classification</b>	<b>2017-2018 Positions</b>	<b>Service Packages</b>	<b>2019-2020 Positions</b>	<b>Budgeted 2019 Salary Range</b>
Deputy Director	0.24		0.24	9,720 - 12,542
Superintendent	0.10		0.10	8,684 - 11,205
Street Division Manager	0.95		0.95	7,726 - 9,970
Trans. Operations & Maint. Supervisor	1.00		1.00	7,045 - 9,092
Management Analyst	0.30		0.30	6,414 - 7,546
Leadperson	1.60		1.60	5,885 - 7,102
Electronics Technician II	1.00		1.00	5,708 - 6,865
Senior Maintenance Person	4.75		4.75	5,237 - 6,378
Yard Maint. & Inventory Control	0.25		0.25	5,237 - 6,378
Senior Craftperson	2.00		2.00	5,237 - 6,378
Senior Accounting Associate	0.05		0.05	5,301 - 6,237
Utility Craftsperson	0.10		0.10	5,000 - 5,883
Electronics Technician I	1.00	1.00	2.00	4,265 - 5,345
Utilityperson	5.50		5.50	4,265 - 5,345
Grounds Technician	2.95		2.95	4,265 - 5,345
Public Works Office Specialist	0.25		0.25	4,258 - 5,009
Laborer	0.00	1.20	1.20	3,702 - 4,177
<b>TOTAL</b>	<b>22.04</b>	<b>2.20</b>	<b>24.24</b>	

**POSITION SUMMARY BY DIVISION**

	<b>2017-2018 Positions</b>	<b>Service Packages</b>	<b>2019-2020 Positions</b>
Streets & Grounds	22.04	2.20	24.24
<b>TOTAL</b>	<b>22.04</b>	<b>2.20</b>	<b>24.24</b>

**City of Kirkland  
2019-2020 Budget  
Street Operating Fund Revenues**

	<b>Object</b>	<b>2015-2016 Actual</b>	<b>2017-2018 Estimate</b>	<b>2017-2018 Budget</b>	<b>2019-2020 Budget</b>	<b>Percent Change</b>
<b>Taxes</b>						
Property Tax	311101	5,537,701	5,843,907	5,818,382	6,203,909	6.63%
Property Tax 2012 Road Levy	311105	6,167,493	6,513,342	6,484,885	6,914,611	6.63%
Rev Generating Regulatory License	316101	540,000	540,000	540,000	540,000	0.00%
<b>Total Taxes</b>		<b>12,245,194</b>	<b>12,897,248</b>	<b>12,843,267</b>	<b>13,658,520</b>	<b>6.35%</b>
<b>Licenses and Permits</b>						
Street Cut Permit	322404	628,149	719,446	462,000	705,800	52.77%
<b>Total for License and Permits</b>		<b>628,149</b>	<b>719,446</b>	<b>462,000</b>	<b>705,800</b>	<b>52.77%</b>
<b>Intergovernmental Revenue</b>						
Multimodal Transportation	336007	85,399	210,297	209,507	240,596	14.84%
MVFT-City Streets	336008	3,541,957	3,687,405	3,732,779	3,848,827	3.11%
<b>Total for Intergovernmental Revenue</b>		<b>3,627,356</b>	<b>3,897,703</b>	<b>3,942,286</b>	<b>4,089,423</b>	<b>3.73%</b>
<b>Charges for Goods and Services</b>						
Interfund Tech Services	341962	146,815	52,294	59,788	-	-100.00%
Interfund General	341963	67,003	48,543	50,000	56,000	12.00%
Interfund Supplies	341964	7,729	11,350	-	-	0.00%
Road Maintenance Service	341969	10,070	18,568	-	-	0.00%
Interfund General Govt Services	341971	32,048	20,330	15,000	26,000	73.33%
PW Deposit Admin Fee	344111	400	-	-	-	0.00%
Street Sign Fee	344121	34,056	79,266	40,000	56,000	40.00%
Interfund Personnel Services	349160	1,014	-	-	-	0.00%
<b>Total for Charges for Goods and Services</b>		<b>299,136</b>	<b>230,351</b>	<b>164,788</b>	<b>138,000</b>	<b>-16.26%</b>
<b>Miscellaneous Revenue</b>						
Parking Meters	362301	456,529	771,910	445,118	810,593	82.11%
Parkg Meter Antique Mall	362303	78,997	-	-	-	0.00%
Temp Parking Permit	362304	-	225	-	-	0.00%
Facility Lease Garage	362501	34,230	31,288	40,000	32,000	-20.00%
Facility Lease Othr	362502	1,128	2,684	-	-	0.00%
Stall Parking Park Maintenance	362503	45,416	-	-	-	0.00%
Contributions Donation	367000	6,732	7,840	-	-	0.00%
Sales of Surplus	369101	-	1,329	-	-	0.00%
Other Judgement Settlements	369401	2,648	2,074	10,000	-	-100.00%
Other Miscellaneous Revenue	369910	13,101	5,388	139,358	8,000	-94.26%
<b>Total Miscellaneous Revenue</b>		<b>638,781</b>	<b>822,738</b>	<b>634,476</b>	<b>850,593</b>	<b>34.06%</b>
<b>Other Financing Sources</b>						
Sale of Capital Asset	395100	-	71	-	-	0.00%
Operating Transfers In	397101	969,588	1,408,487	1,264,076	1,040,000	-17.73%
Insurance Recovery Gen Gov	398001	283,868	133,858	10,000	-	-100.00%
Resources Forward	399991	4,231,808	2,448,092	2,448,092	2,283,427	-6.73%
<b>Total Other Financing Sources</b>		<b>5,485,264</b>	<b>3,990,508</b>	<b>3,722,168</b>	<b>3,323,427</b>	<b>-10.71%</b>
<b>Total Revenues for Street Operating Fund</b>		<b>22,923,880</b>	<b>22,557,993</b>	<b>21,768,985</b>	<b>22,765,763</b>	<b>4.58%</b>

Special Revenue Funds are established to account for specific resources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

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## CEMETERY OPERATING FUND

The Cemetery Operating Fund accounts for the operation of the City's cemetery.  
The primary source of revenue is user fees.



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**DEPARTMENT OVERVIEW*****CEMETERY OPERATING FUND*****MISSION**

The Cemetery Operating fund is responsible for operating and maintaining the City of Kirkland Cemetery.

**DEPARTMENT FUNCTIONS**

The Parks Department maintenance crews provide for the operation and maintenance of the cemetery and services for interment procedures, including ongoing maintenance service such as mowing, edging, weeding, installation of markers, and verification of gravesites.

The Finance and Administration Department provides cemetery administration support through the sale of lots and markers and maintenance of cemetery records.

The direct, non-labor costs and reimbursement for the labor costs in Finance and Administration are accounted for in the Cemetery Operating Fund. The labor costs for the Parks department are accounted for in the General Fund.

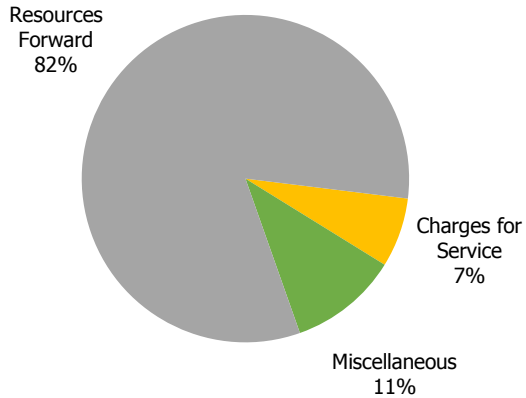
**BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS****Environment**

- Add funding for removal of unhealthy cottonwood and poplar trees at City parks and the Cemetery, \$22,000 one-time
- Continuing temporary 0.25 FTE Customer Accounts Associate, \$40,742 one-time

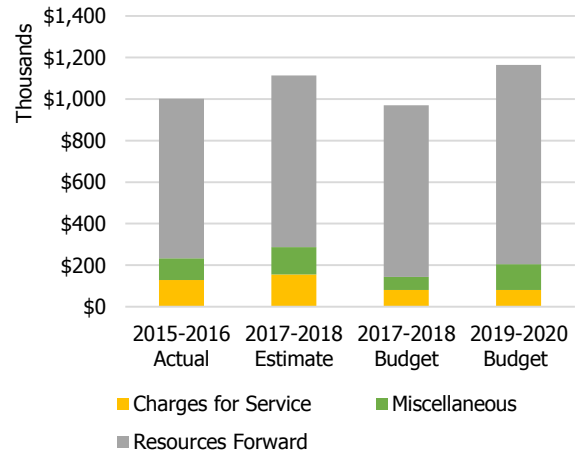
## FINANCIAL OVERVIEW

# CEMETERY OPERATING FUND

Sources of Funds



Revenues by Type

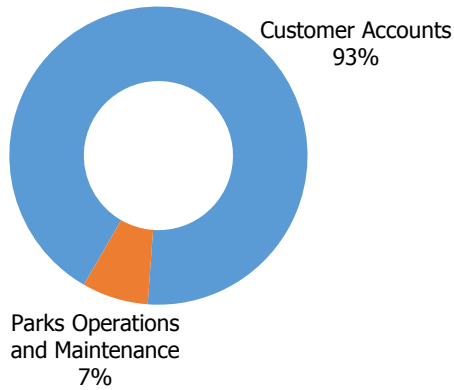
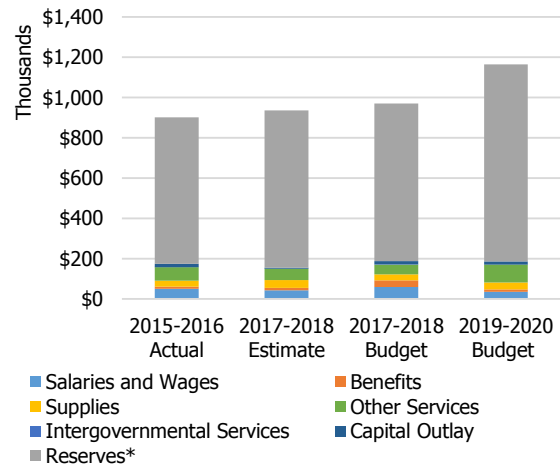


## REVENUE SUMMARY BY TYPE

	2015-2016 Actual	2017-2018 Estimate	2017-2018 Budget	2019-2020 Budget	Change
Charges for Service	129,125	154,965	80,000	80,000	0.00%
Miscellaneous	103,937	131,498	62,849	125,465	99.63%
Resources Forward	768,527	826,766	826,766	958,405	15.92%
<b>TOTAL</b>	<b>1,001,589</b>	<b>1,113,229</b>	<b>969,615</b>	<b>1,163,870</b>	<b>20.03%</b>

**FINANCIAL OVERVIEW**

# CEMETERY OPERATING FUND

**Uses of Funds**

**Expenditures by Category**

**EXPENDITURE SUMMARY BY CATEGORY**

	2015-2016 Actual	2017-2018 Estimate	2017-2018 Budget	2019-2020 Budget	Change
Salaries and Wages	50,773	42,386	58,702	35,143	-40.13%
Benefits	10,064	12,947	32,991	11,599	-64.84%
Supplies	29,171	38,318	30,600	34,850	13.89%
Other Services	68,252	56,511	48,095	89,816	86.75%
Intergovernmental Services	164	263	200	200	0.00%
Capital Outlay	16,400	4,400	17,200	14,400	-16.28%
Interfund Transfers	-	-	-	-	n/a
Reserves*	727,390	781,827	781,827	977,862	25.07%
<b>TOTAL</b>	<b>902,213</b>	<b>936,651</b>	<b>969,615</b>	<b>1,163,870</b>	<b>20.03%</b>

**EXPENDITURE SUMMARY BY DIVISION**

	2015-2016 Actual	2017-2018 Estimate	2017-2018 Budget	2019-2020 Budget	Change
Customer Accounts	846,423	883,557	920,653	1,080,214	17.33%
Parks Operations and Maintenance	55,790	53,094	48,962	83,656	70.86%
<b>TOTAL</b>	<b>902,213</b>	<b>936,651</b>	<b>969,615</b>	<b>1,163,870</b>	<b>20.03%</b>

\* 2015-2016 actual and 2017-2018 estimated reserves are budgeted, but not spent

**City of Kirkland  
2019-2020 Budget  
Cemetery Fund Revenues**

	<b>Object</b>	<b>2015-2016 Actual</b>	<b>2017-2018 Estimate</b>	<b>2017-2018 Budget</b>	<b>2019-2020 Budget</b>	<b>Percent Change</b>
<b>Charges for Goods and Services</b>						
Sale of Markers	343601	14,750	30,050	10,000	10,000	0.00%
Marker Setting Fee	343602	17,640	15,680	14,000	14,000	0.00%
Open and Close	343603	82,590	100,080	56,000	56,000	0.00%
Marker Engraving Fee	343605	14,145	9,155	-	-	0.00%
<b>Total for Charges of Goods and Services</b>		<b>129,125</b>	<b>154,965</b>	<b>80,000</b>	<b>80,000</b>	<b>0.00%</b>
<b>Miscellaneous Revenues</b>						
Investment Interest	361111	11,454	24,656	12,849	34,723	170.24%
Other Miscellaneous Revenue	369910	62	-	-	-	0.00%
<b>Total for Miscellaneous Revenues</b>		<b>11,515</b>	<b>24,656</b>	<b>12,849</b>	<b>34,723</b>	<b>170.24%</b>
<b>Other Financing Sources</b>						
Sale of Fixed Assets	395100	92,422	106,842	50,000	90,742	81.48%
Resources Forward	399991	768,527	826,766	826,766	958,405	15.92%
<b>Total Other Financing Sources</b>		<b>860,949</b>	<b>933,608</b>	<b>876,766</b>	<b>1,049,147</b>	<b>19.66%</b>
<b>Total Cemetery Fund Revenues</b>		<b>1,001,589</b>	<b>1,113,229</b>	<b>969,615</b>	<b>1,163,870</b>	<b>20.03%</b>

Special Revenue Funds are established to account for specific resources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

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## PARKS MAINTENANCE FUND

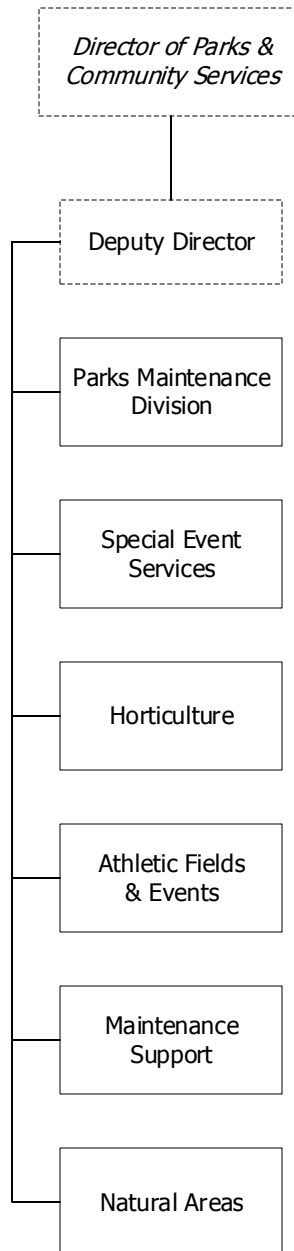
The Parks Maintenance Fund accounts for the maintenance and operation of park properties acquired and/or developed with a park bond passed in November 2002. The primary source of revenue is from a special property tax levy approved in November 2002.



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**CITY OF KIRKLAND**  
**Parks & Community Services Department**

Parks Maintenance Fund



*Boxes with a 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.*

## DEPARTMENT OVERVIEW

# ***PARKS MAINTENANCE FUND***

## MISSION

To operate and maintain park facilities funded from the voter-approved 2002 park bond and levy, including Juanita Beach Park, Carillon Woods, North Rose Hill Woodlands Park, and select Lake Washington School District school playfields.

## DEPARTMENT FUNCTIONS

The **Parks Maintenance Fund** accounts for the maintenance and operation of properties acquired and/or developed as a result of a parks bond approved by voters in November 2002. These properties and projects include future park land purchased with the Acquisition Opportunity Fund, and the City-School Partnership program which encompasses school playfield improvements, maintenance, and scheduling administration. The maintenance and operating costs are funded by a special property tax levy approved by the voters in November 2002.

This fund accounts for all landscape and horticulture services, athletic field maintenance and renovations, ball field scheduling and coordination, restroom and park amenity services, trail maintenance, park rentals, and other repair and construction projects of these properties.

## BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS

### Environment

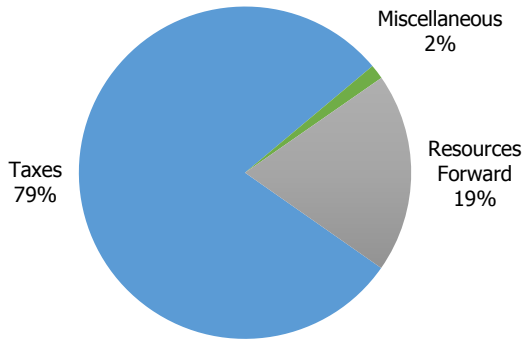
- Add funding for removal of unhealthy cottonwood and poplar trees at City parks and the Cemetery, \$35,000 one-time



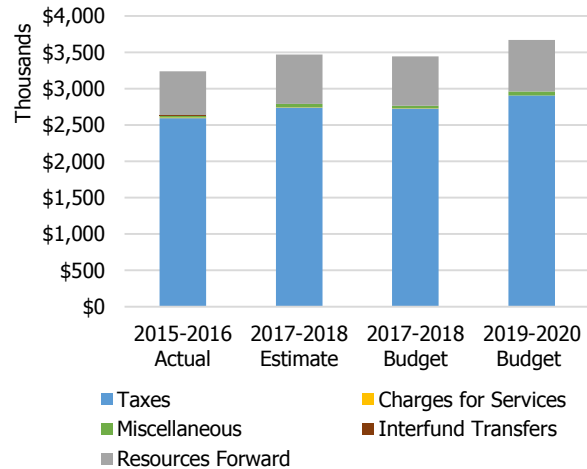
## FINANCIAL OVERVIEW

# PARKS MAINTENANCE FUND

Sources of Funds



Revenues by Type

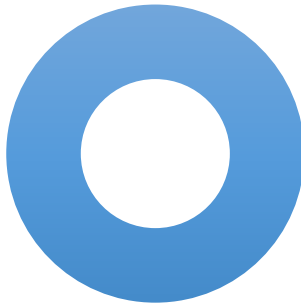


## REVENUE SUMMARY BY TYPE

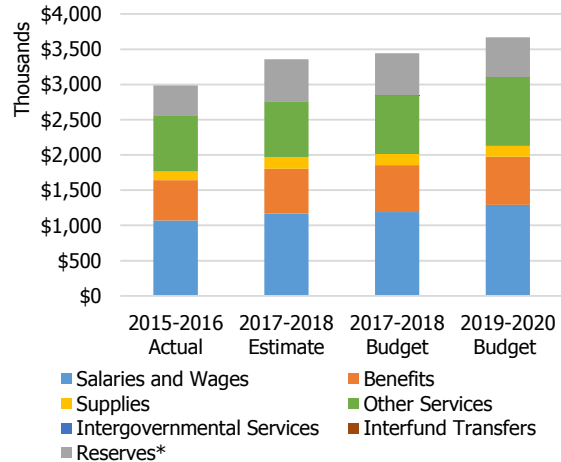
	2015-2016 Actual	2017-2018 Estimate	2017-2018 Budget	2019-2020 Budget	Change
Taxes	2,592,804	2,738,157	2,726,189	2,906,880	6.63%
Charges for Services	10,514	3,570	3,570	-	-100.00%
Miscellaneous	26,499	50,359	35,201	52,254	48.44%
Interfund Transfers	6,741	-	-	-	n/a
Resources Forward	601,486	677,076	677,076	711,878	5.14%
<b>TOTAL</b>	<b>3,238,045</b>	<b>3,469,161</b>	<b>3,442,036</b>	<b>3,671,012</b>	<b>6.65%</b>

**FINANCIAL OVERVIEW**

# **PARKS MAINTENANCE FUND**

**Uses of Funds**


Parks Operations  
and Maintenance  
100%

**Expenditures by Category**

**EXPENDITURE SUMMARY BY CATEGORY**

	2015-2016 Actual	2017-2018 Estimate	2017-2018 Budget	2019-2020 Budget	Change
Salaries and Wages	1,072,082	1,167,616	1,187,570	1,291,073	8.72%
Benefits	567,773	637,503	667,224	682,968	2.36%
Supplies	124,943	160,827	159,840	152,340	-4.69%
Other Services	793,941	789,916	820,930	979,510	19.32%
Intergovernmental Services	2,230	1,421	1,700	1,700	0.00%
Capital Outlay	-	-	-	-	n/a
Interfund Transfers	-	-	3,570	-	-100.00%
Reserves*	424,222	601,202	601,202	563,421	-6.28%
<b>TOTAL</b>	<b>2,985,191</b>	<b>3,358,486</b>	<b>3,442,036</b>	<b>3,671,012</b>	<b>6.65%</b>

**EXPENDITURE SUMMARY BY DIVISION**

	2015-2016 Actual	2017-2018 Estimate	2017-2018 Budget	2019-2020 Budget	Change
Parks Operations and Maintenance	2,985,191	3,358,486	3,442,036	3,671,012	6.65%
<b>TOTAL</b>	<b>2,985,191</b>	<b>3,358,486</b>	<b>3,442,036</b>	<b>3,671,012</b>	<b>6.65%</b>

\* 2015-2016 actual and 2017-2018 estimated reserves are budgeted, but not spent

**2019 - 2020 POSITION SUMMARY*****PARKS MAINTENANCE FUND*****POSITION SUMMARY BY CLASSIFICATION**

<b>Classification</b>	<b>2017-2018 Positions</b>	<b>Service Packages</b>	<b>2019-2020 Positions</b>	<b>Budgeted 2019 Salary Range</b>
Leadperson	2.00		2.00	5,885 - 7,102
Groundsperson	6.00		6.00	4,265 - 5,345
Parks Accounts Associate	0.50		0.50	4,424 - 5,206
<b>TOTAL</b>	8.50	0.00	8.50	

**POSITION SUMMARY BY DIVISION**

	<b>2017-2018 Positions</b>	<b>Service Packages</b>	<b>2019-2020 Positions</b>
Parks Operations and Maintenance	8.50		8.50
<b>TOTAL</b>	8.50	0.00	8.50

**City of Kirkland  
2019-2020 Budget  
Parks Maintenance Fund Revenues**

	<b>Object</b>	<b>2015-2016 Actual</b>	<b>2017-2018 Estimate</b>	<b>2017-2018 Budget</b>	<b>2019-2020 Budget</b>	<b>Percent Change</b>
<b>Taxes</b>						
Property Tax - Parks Levy	311102	2,592,804	2,738,157	2,726,189	2,906,880	6.63%
<b>Total for Taxes</b>		<b>2,592,804</b>	<b>2,738,157</b>	<b>2,726,189</b>	<b>2,906,880</b>	<b>6.63%</b>
<b>Charges for Goods and Services</b>						
Interfund - General	341963	10,514	3,570	3,570	-	-100.00%
<b>Total for Charges for Goods and Services</b>		<b>10,514</b>	<b>3,570</b>	<b>3,570</b>	<b>-</b>	<b>-100.00%</b>
<b>Miscellaneous Revenues</b>						
Investment Interest	361111	8,427	19,484	10,001	28,254	182.51%
Facility Rentals	362405	16,107	20,875	25,200	24,000	-4.76%
Parks Maint Contribution	367000	-	10,000	-	-	0.00%
Other Misc Revenue	369901	862	-	-	-	0.00%
<b>Total for Miscellaneous Revenues</b>		<b>25,396</b>	<b>50,359</b>	<b>35,201</b>	<b>52,254</b>	<b>48.44%</b>
<b>Other Financing Sources</b>						
Operating Transfers In	397101	6,741	-	-	-	0.00%
Insurance Recovery	398001	1,103	-	-	-	0.00%
Resources Forward	399991	601,486	677,076	677,076	711,878	5.14%
<b>Total for Other Financing Sources</b>		<b>609,330</b>	<b>677,076</b>	<b>677,076</b>	<b>711,878</b>	<b>5.14%</b>
<b>Total for Parks Maintenance Fund</b>		<b>3,238,045</b>	<b>3,469,161</b>	<b>3,442,036</b>	<b>3,671,012</b>	<b>6.65%</b>

Special Revenue Funds are established to account for specific resources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

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## 2012 PARKS LEVY FUND

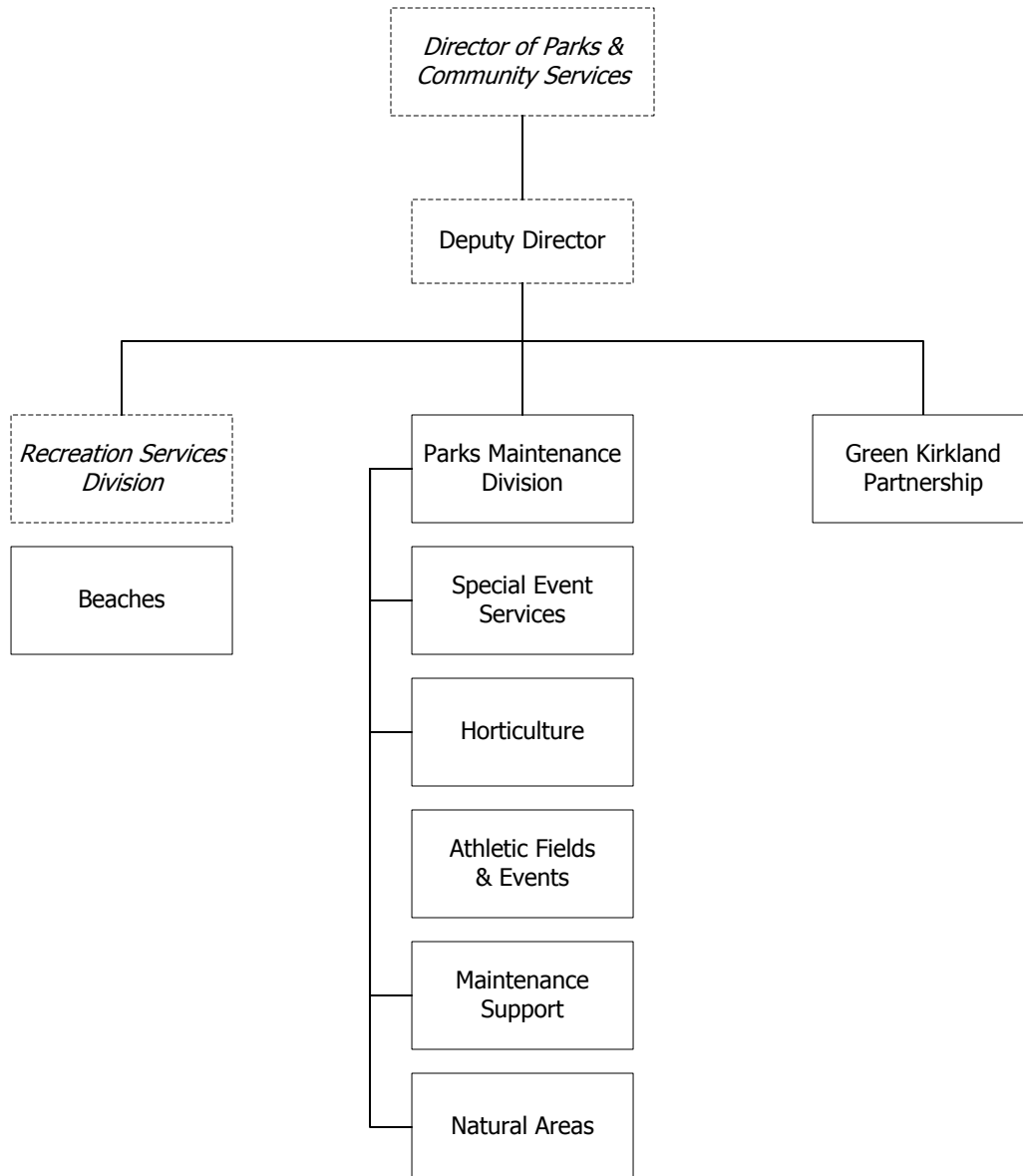
The Parks Levy Fund accounts for the maintenance and operation of park properties acquired and/or developed with the revenues from the 2012 Park Levy – Levy for City parks maintenance, restoration, and enhancement.



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**CITY OF KIRKLAND**  
**Parks & Community Services Department**

**2012 Parks Levy Fund**



*Boxes with a 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.*

## DEPARTMENT OVERVIEW

# ***2012 PARKS LEVY FUND***

## MISSION

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 **2012 Parks Levy Fund** accounts for the proceeds of parks levy approved by voters in November 2012. The levy restores maintenance and beach lifeguard services at Houghton, Waverly and Juanita beaches and restores maintenance at neighborhood parks including restroom operations and repairs. The levy also provides for maintenance of O.O. Denny Park, the Cross Kirkland Corridor and provides ongoing funding for the Green Kirkland Partnership. The levy includes annual capital funding for restoration of docks and park facilities, playfields and open space acquisition.

## BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS

### **Parks, Open Spaces and Recreational Services**

- Add 3.0 FTE ongoing positions to maintain and operate park sites acquired and developed with 2012 Park Levy resources, including 1.50 FTE Groundperson positions, 1.0 FTE Parks Coordinator position and 0.5 Environmental Education and Outreach Specialist, \$874,590 ongoing and \$95,199 one-time. This is funded with a combination of levy resources, charges to the Surface Water Utility, and \$475,000 one-time support from General Fund balances as bridge funding until levy operating funding is available when the contribution from the Park Levy to the CIP is reduced to \$250,000 per year beginning in 2021.
- Add ongoing 0.75 FTE Groundperson position and supplies to operate and maintain ballfields in the City School Playfields Partnership, including Finn Hill Middle School and Peter Kirk Elementary, using Park Levy Funds, \$211,716 ongoing and \$27,500 one-time
- Add ongoing 0.5 FTE Program Assistant for the Green Kirkland Partnership to expand the steward program, \$99,420 ongoing and \$2,047 one-time, funded with revenues from the Surface Water Utility

### **Environment**

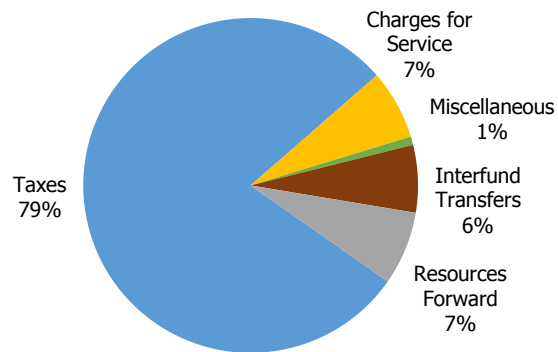
- Add professional services resources to the Green Kirkland Partnership to hire crews for restoration of native vegetation in riparian and other sensitive areas, \$160,000 ongoing funded with revenues from the Surface Water Utility



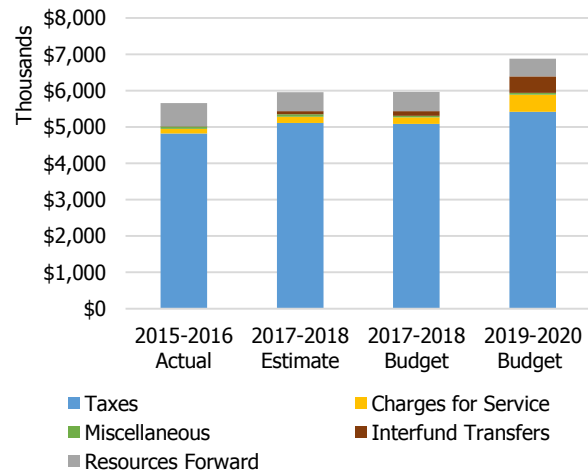
## FINANCIAL OVERVIEW

# 2012 PARKS LEVY FUND

### Sources of Funds



### Revenues by Type

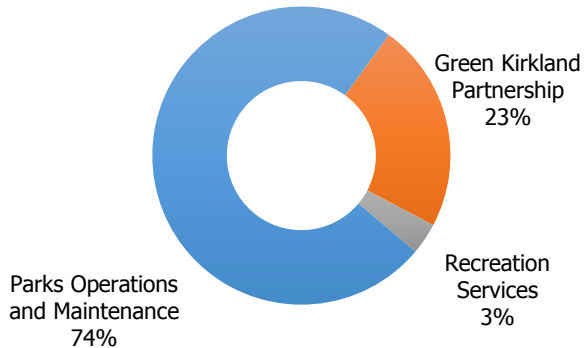
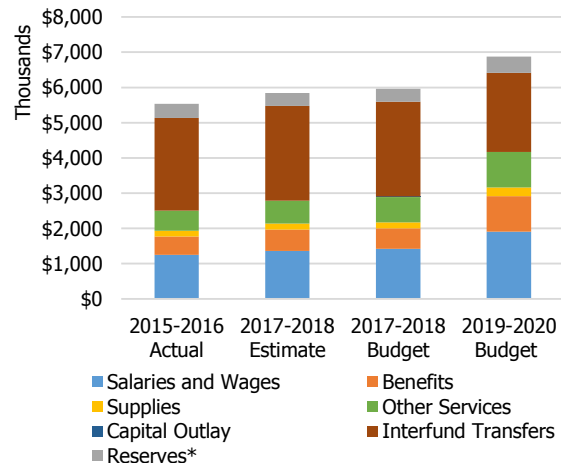


## REVENUE SUMMARY BY TYPE

	2015-2016 Actual	2017-2018 Estimate	2017-2018 Budget	2019-2020 Budget	Change
Taxes	4,817,515	5,108,493	5,086,174	5,423,195	6.63%
Charges for Service	135,079	172,291	178,973	461,467	157.84%
Miscellaneous	66,461	68,817	40,261	56,121	39.39%
Interfund Transfers	1,750	83,836	131,710	447,953	240.11%
Resources Forward	637,966	526,786	526,786	488,533	-7.26%
<b>TOTAL</b>	<b>5,658,771</b>	<b>5,960,222</b>	<b>5,963,904</b>	<b>6,877,269</b>	<b>15.31%</b>

**FINANCIAL OVERVIEW**

# 2012 PARKS LEVY FUND

**Uses of Funds**

**Expenditures by Category**

**EXPENDITURE SUMMARY BY CATEGORY**

	2015-2016 Actual	2017-2018 Estimate	2017-2018 Budget	2019-2020 Budget	Change
Salaries and Wages	1,254,374	1,364,124	1,417,526	1,911,686	34.86%
Benefits	514,151	603,092	586,539	1,000,308	70.54%
Supplies	160,739	169,109	171,475	253,516	47.84%
Other Services	574,122	646,763	713,759	1,007,365	41.14%
Intergovernmental Services	-	-	-	-	n/a
Capital Outlay	-	-	16,000	-	-100.00%
Interfund Transfers	2,630,000	2,688,600	2,688,600	2,243,651	-16.55%
Reserves*	403,548	370,005	370,005	460,743	24.52%
<b>TOTAL</b>	<b>5,536,933</b>	<b>5,841,694</b>	<b>5,963,904</b>	<b>6,877,269</b>	<b>15.31%</b>

**EXPENDITURE SUMMARY BY DIVISION**

	2015-2016 Actual	2017-2018 Estimate	2017-2018 Budget	2019-2020 Budget	Change
Parks Operations and Maintenance	4,445,728	4,609,460	4,752,212	5,081,067	6.92%
Green Kirkland Partnership	933,290	1,027,919	983,541	1,563,207	58.94%
Recreation Services	157,914	204,314	228,151	232,995	2.12%
<b>TOTAL</b>	<b>5,536,933</b>	<b>5,841,694</b>	<b>5,963,904</b>	<b>6,877,269</b>	<b>15.31%</b>

\* 2015-2016 actual and 2017-2018 estimated reserves are budgeted, but not spent

**2019 - 2020 POSITION SUMMARY*****2012 PARKS LEVY FUND*****POSITION SUMMARY BY CLASSIFICATION**

<b>Classification</b>	<b>2017-2018 Positions</b>	<b>Service Packages</b>	<b>2019-2020 Positions</b>	<b>Budgeted 2019 Salary Range</b>
Parks Maintenance Supervisor	1.00		1.00	6,081 - 7,847
Green Kirkland Partnership Sup.	1.00		1.00	6,081 - 7,847
Environ. Education & Outreach Spclst.	0.50	0.50	1.00	6,153 - 7,240
Program Coordinator	1.00	1.00	2.00	5,994 - 7,052
Senior Groundsperson	1.00		1.00	5,237 - 6,378
Program Assistant	0.00	0.50	0.50	4,620 - 5,435
Groundsperson	2.50	2.25	4.75	4,265 - 5,345
<b>TOTAL</b>	7.00	4.25	11.25	

**POSITION SUMMARY BY DIVISION**

	<b>2017-2018 Positions</b>	<b>Service Packages</b>	<b>2019-2020 Positions</b>
Parks Operations and Maintenance	3.50	3.00	6.50
Green Kirkland Partnership	3.50	1.25	4.75
<b>TOTAL</b>	7.00	4.25	11.25

**City of Kirkland  
2019-2020 Budget  
Parks Levy Fund Revenues**

	<b>Object</b>	<b>2015-2016 Actual</b>	<b>2017-2018 Estimate</b>	<b>2017-2018 Budget</b>	<b>2019-2020 Budget</b>	<b>Percent Change</b>
<b>Taxes</b>						
Property Tax 2012 Park Levy	311106	4,817,515	5,108,493	5,086,174	5,423,195	6.63%
<b>Total Taxes</b>		<b>4,817,515</b>	<b>5,108,493</b>	<b>5,086,174</b>	<b>5,423,195</b>	<b>6.63%</b>
<b>Charges for Goods and Services</b>						
Interfund General	341963	14,912	925	925	-	-100.00%
Interfund Engineering CIP	341966	7,667	21,366	28,048	-	-100.00%
Interfund Environmental Services	341968	112,500	150,000	150,000	461,467	207.64%
<b>Total for Charges for Goods and Services</b>		<b>135,079</b>	<b>172,291</b>	<b>178,973</b>	<b>461,467</b>	<b>157.84%</b>
<b>Miscellaneous Revenues</b>						
Investment Interest	361111	12,554	21,039	17,011	30,471	79.13%
Park Facility Rentals	362405	16,313	26,017	13,000	25,650	97.31%
Contributions Donation	367000	37,498	20,975	10,250	-	-100.00%
Sale of Surplus Asset	369101	96	-	-	-	0.00%
<b>Total Miscellaneous Revenue</b>		<b>66,461</b>	<b>68,032</b>	<b>40,261</b>	<b>56,121</b>	<b>39.39%</b>
<b>Other Financing Sources</b>						
Operating Transfers In	397101	1,750	83,836	131,710	447,953	240.11%
Parks Levy Insurance Recovery	398001	-	785	-	-	0.00%
Resources Forward	399991	637,966	526,786	526,786	488,533	-7.26%
<b>Total Other Financing Sources</b>		<b>639,716</b>	<b>611,407</b>	<b>658,496</b>	<b>936,486</b>	<b>42.22%</b>
<b>Total Revenues for Parks Levy Fund</b>		<b>5,658,771</b>	<b>5,960,222</b>	<b>5,963,904</b>	<b>6,877,269</b>	<b>15.31%</b>

# Internal Service Funds

Internal Service Funds account for the financing of goods and services provided by one department to other City departments on a cost reimbursement basis.

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## HEALTH BENEFITS FUND

The Health Benefits Fund accounts for programs established to provide employee medical health care coverage. Medical premiums received by the fund are used to pay claims for employees participating in the City's self-insured health care program, purchase "stop-loss" coverage for individual and aggregate claims in excess of self-insured limits, and maintain reserves for the payment of future claims based on actuarial estimates. Employee dental and vision coverage is purchased from an outside carrier.

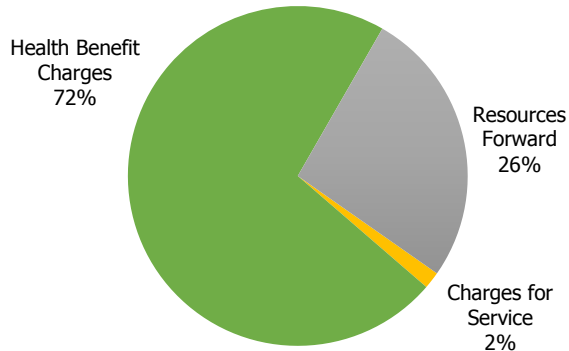


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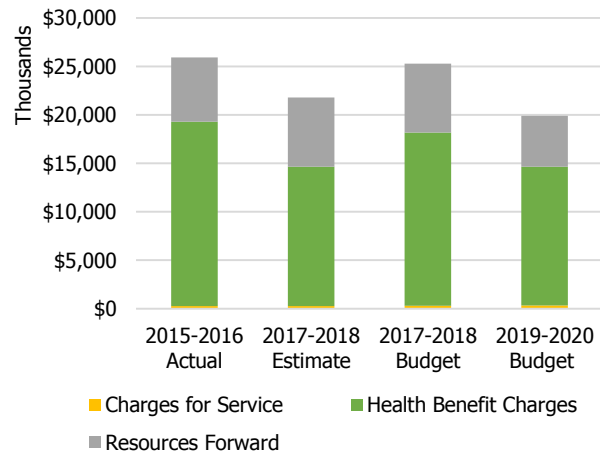
## FINANCIAL OVERVIEW

# HEALTH BENEFITS FUND

Sources of Funds



Revenues by Type



## REVENUE SUMMARY BY TYPE

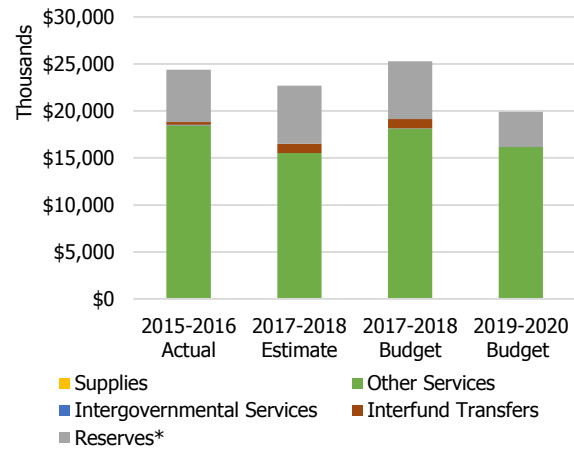
	2015-2016 Actual	2017-2018 Estimate	2017-2018 Budget	2019-2020 Budget	Change
Charges for Service	273,574	279,669	320,000	321,990	0.62%
Health Benefit Charges	19,022,084	14,370,620	17,845,531	14,323,487	-19.74%
Resources Forward	6,639,981	7,130,429	7,130,429	5,260,213	-26.23%
<b>TOTAL</b>	<b>25,935,639</b>	<b>21,780,718</b>	<b>25,295,960</b>	<b>19,905,690</b>	<b>-21.31%</b>



**FINANCIAL OVERVIEW**

# HEALTH BENEFITS FUND

**Uses of Funds**

**Expenditures by Category**

**EXPENDITURE SUMMARY BY CATEGORY**

	2015-2016 Actual	2017-2018 Estimate	2017-2018 Budget	2019-2020 Budget	Change
Salaries and Wages	-	-	-	-	n/a
Benefits	-	-	-	-	n/a
Supplies	-	31,029	1,000	1,000	0.00%
Other Services	18,461,632	15,483,468	18,125,677	16,167,076	-10.81%
Intergovernmental Services	78,327	6,008	9,000	6,200	-31.11%
Capital Outlay	-	-	-	-	n/a
Interfund Transfers	265,251	1,000,000	1,000,000	-	-100.00%
Reserves*	5,582,602	6,160,283	6,160,283	3,731,414	-39.43%
<b>TOTAL</b>	<b>24,387,812</b>	<b>22,680,788</b>	<b>25,295,960</b>	<b>19,905,690</b>	<b>-21.31%</b>

**EXPENDITURE SUMMARY BY DIVISION**

	2015-2016 Actual	2017-2018 Estimate	2017-2018 Budget	2019-2020 Budget	Change
Health Benefits	24,387,812	22,680,788	25,295,960	19,905,690	-21.31%
<b>TOTAL</b>	<b>24,387,812</b>	<b>22,680,788</b>	<b>25,295,960</b>	<b>19,905,690</b>	<b>-21.31%</b>

\* 2015-2016 actual and 2017-2018 estimated reserves are budgeted, but not spent

**City of Kirkland  
2019-2020 Budget  
Health Benefit Fund Revenues**

	<b>Object</b>	<b>2015-2016 Actual</b>	<b>2017-2018 Estimate</b>	<b>2017-2018 Budget</b>	<b>2019-2020 Budget</b>	<b>Percent Change</b>
<b>Charges for Goods and Services</b>						
Interfund Med Contr Employer	348000	273,574	279,669	320,000	321,990	0.62%
<b>Total for Charges of Goods and Services</b>		<b>273,574</b>	<b>279,669</b>	<b>320,000</b>	<b>321,990</b>	<b>0.62%</b>
<b>Miscellaneous Revenues</b>						
Investment Interest	361111	102,582	159,646	118,695	206,602	74.06%
Med Contribution Employer	367121	16,313,423	11,631,382	16,444,359	12,835,621	-21.95%
Med Contribution Retiree	367122	1,146,018	1,116,426	1,047,477	1,041,264	-0.59%
Contrib Rebates Prescription	367191	354,427	240,474	235,000	240,000	2.13%
Stop Loss Rebate	367192	1,082,644	1,122,692	-	-	0.00%
Contribution Wellness	367193	22,990	-	-	-	0.00%
Other Miscellaneous Revenue	369910	-	100,000	-	-	0.00%
<b>Total for Miscellaneous Revenues</b>		<b>19,022,084</b>	<b>14,370,620</b>	<b>17,845,531</b>	<b>14,323,487</b>	<b>-19.74%</b>
<b>Other Financing Sources</b>						
Resources Forward	399991	6,639,981	7,130,429	7,130,429	5,260,213	-26.23%
<b>Total Other Financing Sources</b>		<b>6,639,981</b>	<b>7,130,429</b>	<b>7,130,429</b>	<b>5,260,213</b>	<b>-26.23%</b>
<b>Total Health Benefit Fund Revenues</b>		<b>25,935,639</b>	<b>21,780,718</b>	<b>25,295,960</b>	<b>19,905,690</b>	<b>-21.31%</b>



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Internal Service Funds account for the financing of goods and services provided by one department to other City departments on a cost reimbursement basis.

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## EQUIPMENT RENTAL FUND

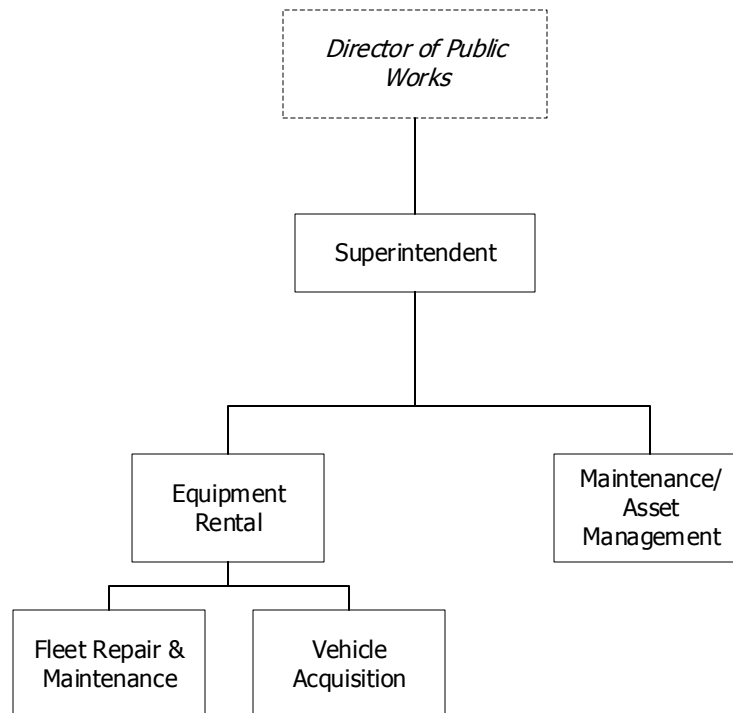
The Equipment Rental Fund accounts and assesses user charges for the cost of maintaining and replacing all City vehicles and heavy equipment.



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**CITY OF KIRKLAND**  
**Public Works Department**

Equipment Rental Fund



*Boxes with a 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.*

**DEPARTMENT OVERVIEW*****EQUIPMENT RENTAL FUND*****MISSION**

The Equipment Rental Fund is established to account for resources associated with providing safe, cost-effective vehicles and equipment to meet the operating needs of all City Departments.

**DEPARTMENT FUNCTIONS**

The Public Works Department administers the Equipment Rental Fund. Overseen by the Public Works Superintendent, the Fleet Management Group is responsible for efficient operations of the Fleet Maintenance shop, selection and coordination of outside vendors, vehicle repair and maintenance, fueling systems, acquisition and resale of all vehicles, and provides cost-accounting, rate recommendations, and replacement schedules for the City's fleet. All operations and purchases include environmental considerations. The fund also provides resources for the City's 800 MHz radio program, providing for staff support as a member of the Eastside Public Safety and Communications Agency (EPSCA). The division also maintains 800MHz radio and antenna systems, coordinates vendor repairs, maintenance contracts, and establishes user rates.

**BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS****Financial Stability**

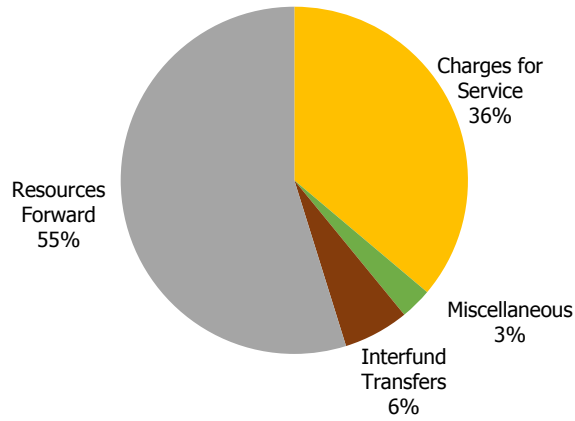
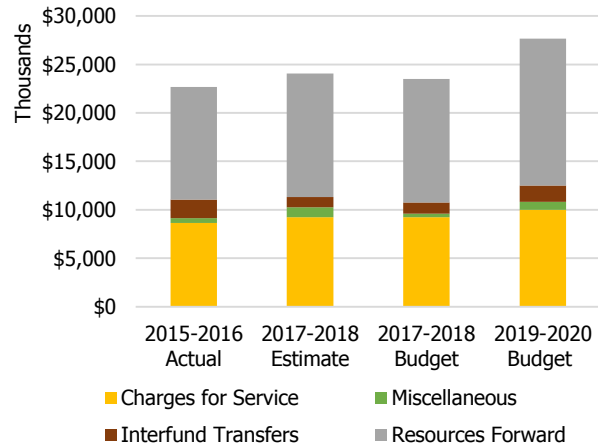
- Update the City's 18 year old Fleet and Fuel Management software, \$110,000 one-time
- Consultant services in 2019 to review the City's fleet cost allocation model, \$50,000 one-time

**Environment**

- Add \$480,000 for infrastructure and vehicles to begin converting the existing development inspection fleet to electronic

**FINANCIAL OVERVIEW**

# ***EQUIPMENT RENTAL FUND***

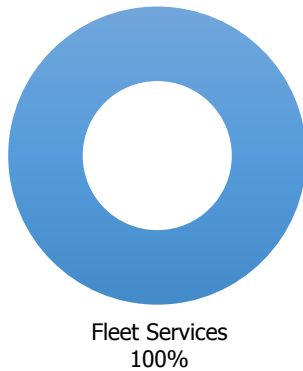
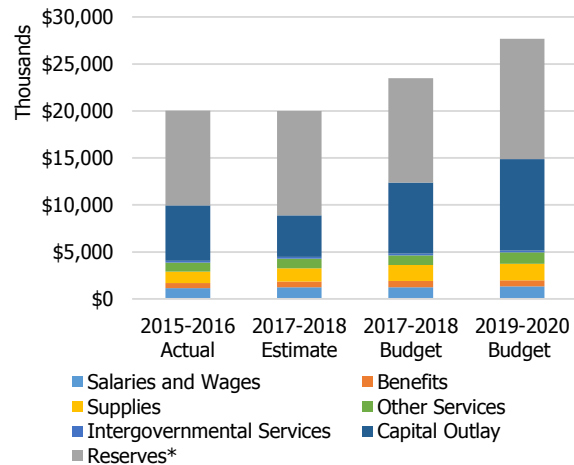
**Sources of Funds**

**Revenues by Type**

**REVENUE SUMMARY BY TYPE**

	2015-2016 Actual	2017-2018 Estimate	2017-2018 Budget	2019-2020 Budget	Change
Charges for Service	8,639,360	9,231,294	9,246,592	10,001,588	8.17%
Miscellaneous	484,847	1,034,251	342,571	815,488	138.05%
Interfund Transfers	1,923,998	1,067,479	1,162,723	1,687,956	45.17%
Resources Forward	11,629,007	12,733,393	12,733,393	15,170,803	19.14%
<b>TOTAL</b>	<b>22,677,212</b>	<b>24,066,416</b>	<b>23,485,279</b>	<b>27,675,835</b>	<b>17.84%</b>



**FINANCIAL OVERVIEW**

# ***EQUIPMENT RENTAL FUND***

**Uses of Funds**

**Expenditures by Category**

**EXPENDITURE SUMMARY BY CATEGORY**

	<b>2015-2016 Actual</b>	<b>2017-2018 Estimate</b>	<b>2017-2018 Budget</b>	<b>2019-2020 Budget</b>	<b>Change</b>
Salaries and Wages	1,137,359	1,236,724	1,253,049	1,339,234	6.88%
Benefits	557,663	605,255	644,395	639,303	-0.79%
Supplies	1,214,497	1,408,454	1,704,068	1,746,590	2.50%
Other Services	941,407	1,030,368	1,036,245	1,213,059	17.06%
Intergovernmental Services	211,832	184,785	199,374	199,374	0.00%
Capital Outlay	5,881,061	4,430,026	7,539,738	9,738,609	29.16%
Interfund Transfers	-	-	-	-	n/a
Reserves*	10,091,880	11,108,410	11,108,410	12,799,666	15.23%
<b>TOTAL</b>	<b>20,035,698</b>	<b>20,004,023</b>	<b>23,485,279</b>	<b>27,675,835</b>	<b>17.84%</b>

**EXPENDITURE SUMMARY BY DIVISION**

	<b>2015-2016 Actual</b>	<b>2017-2018 Estimate</b>	<b>2017-2018 Budget</b>	<b>2019-2020 Budget</b>	<b>Change</b>
Fleet Services	20,035,698	20,004,023	23,485,279	27,675,835	17.84%
<b>TOTAL</b>	<b>20,035,698</b>	<b>20,004,023</b>	<b>23,485,279</b>	<b>27,675,835</b>	<b>17.84%</b>

\* 2015-2016 actual and 2017-2018 estimated reserves are budgeted, but not spent

2019 - 2020 POSITION SUMMARY

# ***EQUIPMENT RENTAL FUND***

## **POSITION SUMMARY BY CLASSIFICATION**

<b>Classification</b>	<b>2017-2018 Positions</b>	<b>Service Packages</b>	<b>2019-2020 Positions</b>	<b>Budgeted 2019 Salary Range</b>
Deputy Director	0.05		0.05	9,720 - 12,542
Superintendent	0.25		0.25	8,684 - 11,205
Fleet Manager	1.00		1.00	7,351 - 9,486
Mechanic III	1.00		1.00	5,821 - 7,001
Emergency Vehicle Technician	4.00		4.00	5,708 - 6,865
Yard Maint. & Inventory Control	1.15		1.15	5,237 - 6,378
<b>TOTAL</b>	7.45	0.00	7.45	

## **POSITION SUMMARY BY DIVISION**

	<b>2017-2018 Positions</b>	<b>Service Packages</b>	<b>2019-2020 Positions</b>
Fleet Services	7.45		7.45
<b>TOTAL</b>	7.45	0.00	7.45

**City of Kirkland  
2019-2020 Budget  
Equipment Rental Fund Revenues**

	<b>Object</b>	<b>2015-2016 Actual</b>	<b>2017-2018 Estimate</b>	<b>2017-2018 Budget</b>	<b>2019-2020 Budget</b>	<b>Percent Change</b>
<b>Charges for Goods and Services</b>						
Sales of Fuel	344511	13,772	12,436	15,336	12,000	-21.75%
Interfund Vehicle Rental	348001	4,591,236	4,603,470	4,488,435	4,783,960	6.58%
Replace Reserve	348002	3,738,458	4,346,642	4,459,077	4,921,884	10.38%
Interfund Radio Rental	348003	221,826	194,678	209,676	209,676	0.00%
Interfund Radio Replacement	348004	74,069	74,068	74,068	74,068	0.00%
<b>Total for Charges of Goods and Services</b>		<b>8,639,360</b>	<b>9,231,294</b>	<b>9,246,592</b>	<b>10,001,588</b>	<b>8.17%</b>
<b>Miscellaneous Revenues</b>						
Investment Interest	361111	165,650	371,579	211,571	521,488	146.48%
Other Miscellaneous Revenue	369910	33,759	47,549	-	-	0.00%
<b>Total for Miscellaneous Revenues</b>		<b>199,409</b>	<b>419,128</b>	<b>211,571</b>	<b>521,488</b>	<b>146.48%</b>
<b>Proprietary Other Income</b>						
Insurance Recovery	372001	68,785	180,826	56,000	-	-100.00%
<b>Total Proprietary Other Income</b>		<b>68,785</b>	<b>180,826</b>	<b>56,000</b>	<b>-</b>	<b>-100.00%</b>
<b>Other Financing Sources</b>						
Sale of Fixed Assets	395100	216,653	434,296	75,000	294,000	292.00%
Operating Transfers In	397101	1,923,998	1,067,479	1,162,723	1,687,956	45.17%
Resources Forward	399991	1,323,378	2,182,783	2,182,783	2,639,324	20.92%
Resources Forward-Reserve	399992	10,305,629	10,550,610	10,550,610	12,531,479	18.77%
<b>Total Other Financing Sources</b>		<b>13,769,658</b>	<b>14,235,168</b>	<b>13,971,116</b>	<b>17,152,759</b>	<b>22.77%</b>
<b>Total Equipment Fund Revenue</b>		<b>22,677,212</b>	<b>24,066,416</b>	<b>23,485,279</b>	<b>27,675,835</b>	<b>17.84%</b>

## ***EQUIPMENT RENTAL CAPITAL REPLACEMENT***

Included in this section are three summary charts - one listing the vehicles costing \$50,000 or more to be replaced over the six-year period of 2019–2024, and the second and third charts listing all vehicle replacements, regardless of cost, for 2019 and 2020, 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 12 vehicles costing in excess of \$50,000 currently scheduled for replacement in 2019.

- The Fire Department is replacing the following two vehicles:
  - A 2008 Chevrolet Suburban (F216), extended three years beyond the end of its normal accounting life
  - A 2008 Ford Road Rescue Aid Vehicle (F317), extended three years beyond the end of its normal accounting life
- The Parks and Community Services Department is replacing the following four vehicles:
  - A 2003 Tractor (TR-10) extended six years beyond the end of its normal accounting life
  - Two 2014 Toro Grounds Master Mowers (M-21), (M-23), on schedule
  - A 2009 Ford F350 Super Cab (PU-79), extended two years beyond the end of its normal accounting life
- The Police Department will be replacing the following vehicle:
  - A 1993 Chevrolet G2 Van (D93-05), which has been extended 14 years beyond its normal accounting life
- The Public Works Department will be replacing the following five vehicles:
  - Three 2006 International 5 Yard Dump Trucks (D-1), (D-2), (D-3), on schedule
  - A 2008 Ford F350 4X4 (PU-72), extended three years beyond the end of its normal accounting life
  - A 2009 Case Backhoe (TR-12), on schedule
- In addition to these capital replacements, 55 vehicles will be replaced in 2019.

There are 24 vehicles costing in excess of \$50,000 currently scheduled for replacement in 2020.

- The Facilities Division will be replacing the following vehicle:
  - A Ford F250 (PU-107), on schedule
- The Fire Department is replacing the following three vehicles:
  - A 2009 Ford F250 (F218) extended three years beyond the end of its normal accounting life
  - A 2010 Ford Road Rescue Aid Vehicle (F318), extended two years beyond the end of its normal accounting life
  - A 2012 Ford Road Rescue Aid Vehicle (F319), on schedule
- The Parks and Community Service Department will be replacing two vehicles:
  - A 2012 Ford F550 XL (F-23), on schedule
  - A 2014 Toro 4500 D Mower (M-22), on schedule
- The Police Department is replacing the following twelve vehicles:
  - Two 2014 Ford Interceptor AWD (P139), (P140), extended four years beyond the end of the normal accounting life
  - A 2011 Ford F350 Custom Van (P110), extended four years beyond the end of the normal accounting life
  - A 2012 Ford Interceptor (P118), extended six years beyond the end of the normal accounting life
  - Seven 2017 Ford Interceptor SUV's (P163), (P164), (P165), (P166), (P167), (P168), (P171), on schedule for replacement
  - A 2006 Chevrolet 5C5 Special Response Van (P06-99), extended four years beyond its normal accounting life
- Public Works is replacing the following six vehicles:
  - A 2008 Peterbuilt Dump Truck (D-09), on schedule
  - A 2008 Ford F350 Flatbed Pickup (F-19), with a crane which has been extended four years.
  - A 2010 John Deere Roadside Mower (M-14), on schedule
  - A 2009 Ford F250 (PU-77) extended three years beyond the end of its normal accounting life
  - A 2008 Case Backhoe (TR-11) extended two years beyond the end of its normal accounting life
  - A 2006 International Bucket Truck (U-08) extended four years beyond the end of its normal accounting life
- In addition to these capital replacements, 36 vehicles will be replaced in 2020.

In addition to these normally scheduled replacements, the preliminary 2019-2020 Budget includes new funding to replace specific vehicles deployed for Development inspections with electric powered equivalents. The total new investment will replace 10 inspection vehicles in the 2 year budget, and will also include the installation of charging infrastructure at City Hall.

**City of Kirkland**  
**2019-2024 Fleet Replacement Plan**  
**Vehicle Replacements Over \$50,000**

**Fire**

Vehicle	Year / Description	Acct Life	Normal Replacement Date					2023	2024	Six Year Total Cost	Comments
				2019	2020	2021	2022				
F216	2008/ Chevrolet Suburban	8	6/1/2016	96,749						96,749	Extended 3 Years
F317	2008/ Ford Road Rescue Aid Vehicle F450 4x4	8	6/1/2016	231,444						231,444	Extended 3 Years
F218	2009/ Ford F250 Ext Cab-Custom	8	6/1/2017		67,633					67,633	Extended 3 Years
F318	2010/ Ford Road Rescue Aid Vehicle F450 4x4	8	6/1/2020		318,518					318,518	Extended 2 Years
F319	2012/ Ford Road Rescue Aid Vehicle F450 4x4	8	6/1/2020		308,579					308,579	On schedule
F611	2003/ Spartan H&W Pumper	18	6/1/2021			758,903				758,903	On schedule
F612	2003/ Spartan H&W Pumper	18	6/1/2021			758,903				758,903	On schedule
F320	2014/ Ford Road Rescue Aid Vehicle F450 4x4	8	6/1/2022				326,313			326,313	On schedule
F321	2014/ Ford Road Rescue Aid Vehicle F450 4x4	8	6/1/2022				326,592			326,592	On schedule
F221	2014/ Silverado 3500 Crew Cab (4x4)	8	6/1/2022				57,874			57,874	On schedule
F322	2016/ Ford Road Rescue Aid Vehicle F450 4x4	8	6/1/2023					344,662		344,662	On schedule
F323	2016/ Ford Road Rescue Aid Vehicle F450 4x4	8	6/1/2023					344,662		344,662	On schedule
F613	2005/ Spartan-H&W Pumper	18	6/1/2023					813,312		813,312	On schedule
F403	2006/ Spartan-H&W Special Ops Unit	18	6/1/2024						651,718	651,718	On schedule
<b>Total Fire Vehicles</b>				<b>328,193</b>	<b>694,730</b>	<b>1,517,806</b>	<b>710,779</b>	<b>1,502,636</b>	<b>651,718</b>	<b>5,405,862</b>	

**Facilities Division Vehicles**

Vehicle	Year / Description	Acct Life	Normal Replacement Date					2023	2024	Six Year Total Cost	Comments
				2019	2020	2021	2022				
PU-107	2012/ Ford F250 Utility	8	6/1/2020		51,223					51,223	On schedule
<b>Total Facilities Division Vehicles</b>				<b>-</b>	<b>51,223</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>51,223</b>	

**Parks & Community Services**

Vehicle	Year / Description	Acct Life	Normal Replacement Date					2023	2024	Six Year Total Cost	Comments
				2019	2020	2021	2022				
TR-10	2003 / Ford Ball field Tractor 5420	10	6/1/2013	59,788						59,788	Extended 6 Years
M-21	2014 / Toro 5910 Grounds master WAM	5	6/1/2019	88,560						88,560	On schedule
M-23	2014 / Toro Grounds master 360 4WD	5	6/1/2019	64,594						64,594	On schedule
PU-79	2009 / Ford F350 4X4 Super Cab	8	6/1/2017	54,443						54,443	Extended 2 Years
F-23	2012 / Ford F550XL 2/3 Yd. Dump Body	8	6/1/2020		67,923					67,923	On schedule
M-22	2014 / Toro 4500-D Grounds master	6	6/1/2020		76,930					76,930	On schedule
M-26	2017 / Toro Grounds master 5910-D 4WD	5	6/1/2022				133,236			133,236	On schedule
TL-43	2014 Bandit Model 1590XP Brush Chipper	10	6/1/2024						84,736	84,736	On schedule
<b>Total Parks &amp; Community Services Vehicles</b>				<b>267,385</b>	<b>144,853</b>	<b>-</b>	<b>133,236</b>	<b>-</b>	<b>84,736</b>	<b>630,210</b>	

## Police

Vehicle	Year / Description	Acct Life	Normal Replacement Date							Six Year Total Cost	Comments
				2019	2020	2021	2022	2023	2024		
D93-05	1993 / Chevrolet G2 Van	12	6/1/2005	78,584						78,584	Extended 14 years
P06-99	2006 / Chevrolet 5C5 Special Response	10	6/1/2016		259,233					259,233	Extended 4 years
P110	2011 / Ford F350 Corrections Van	5	6/1/2016		132,303					132,303	Extended 4 years
P139	2014 / Ford Interceptor AWD	2.5	10/1/2016		51,629					51,629	Extended 4 years
P140	2014 / Ford Interceptor AWD	2.5	10/1/2016		51,629					51,629	Extended 4 years
P118	2012 / Ford Interceptor Utility AWD	3	6/1/2014		51,629					51,629	Extended 6 years
P163	2017 / Ford Interceptor Utility AWD	3	6/1/2020		60,187					60,187	On Schedule
P164	2017 / Ford Interceptor Utility AWD	3	6/1/2020		60,187					60,187	On Schedule
P165	2017 / Ford Interceptor Utility AWD	3	6/1/2020		60,187					60,187	On Schedule
P166	2017 / Ford Interceptor Utility AWD	3	6/1/2020		60,187					60,187	On Schedule
P167	2017 / Ford Interceptor Utility AWD	3	6/1/2020		60,187					60,187	On Schedule
P168	2017 / Ford Interceptor Utility AWD	3	6/1/2020		60,187					60,187	On Schedule
P171	2017 / Ford Interceptor Utility AWD	3	6/1/2020		60,187					60,187	On Schedule
P173	2018 / Ford Interceptor Utility AWD	3	6/1/2021			60,187				60,187	On Schedule
P175	2018 / Ford Interceptor AWD	3	6/1/2021			60,187				60,187	On Schedule
P176	2018 / Ford Interceptor AWD	3	6/1/2021			60,187				60,187	On Schedule
P169	2017 / Ford F150 Crew Cab 4WD	5	6/1/2021				55,907			55,907	On Schedule
<b>Total Police Vehicles</b>				<b>78,584</b>	<b>967,732</b>	<b>180,561</b>	<b>55,907</b>	<b>-</b>	<b>-</b>	<b>1,282,784</b>	

## Public Works

Vehicle	Year / Description	Acct Life	Normal Replacement Date							Six Year Total Cost	Comments
				2019	2020	2021	2022	2023	2024		
PU-72	2008 / Ford F350 Ext. Cab 4X4	8	6/1/2016	54,414						54,414	Extended 3 years
D-01	2006 / International Dump Truck 5 Yd.	12	6/1/2019	169,389						169,389	On Schedule
D-02	2006 / International Dump Truck 5 Yd.	12	6/1/2019	169,389						169,389	On Schedule
D-03	2006 / International Dump Truck 5 Yd.	12	6/1/2019	169,389						169,389	On Schedule
TR-12	2009 / Case Backhoe SuperM (4x2)	10	6/1/2019	119,400						119,400	On Schedule
TR-11	2008 / Case Backhoe 580SM (4X4)	10	6/1/2018		140,794					140,794	Extended 2 years
D-09	2008 / Peterbuilt Dump Truck 10 Yd.	12	6/1/2020		250,433					250,433	On Schedule
F-19	2008 / Ford Flat Bed F350 w/ Crane	8	6/1/2016		84,220					84,220	Extended 4 years /Recent Crane Repair
U-08	2006 / International Bucket Truck	10	6/1/2016		249,877					249,877	Extended 4 years
M-14	2010 / J. Deere/Tyger Roadside Mower	10	6/1/2020		136,588					136,588	On Schedule
PU-77	2009 / Ford F350 Utility	8	6/1/2017		51,257					51,257	Extended 3 years
F-21	2011 / Ford F550 2/3 Yard Dump Body	10	6/1/2021			102,796				102,796	On Schedule
F-22	2011 / Ford F550 2/3 Yard Dump Body	10	6/1/2021			102,796				102,796	On Schedule
FL-01	1999 / Toyota Forklift (Propane)	15	6/1/2015			75,451				75,451	On Schedule
R-04	2001 / Hamm Vibratory Roller	10	6/1/2021			53,451				53,451	On Schedule
TH-01	2006 / Caterpillar 314C LCR Excavator	15	6/1/2021			160,568				160,568	On Schedule
TH-02	2011 / Bobcat E50 Excavator w/Attachments	10	6/1/2021			101,573				101,573	On Schedule
TR-12	2009 / Case Backhoe SuperM (4x2)	10	6/1/2019			128,759				128,759	Extended 2 years
L-02	2007 / Case 621D Loader	10	6/1/2017			220,944				220,944	Extended 4 years
M-17	2012 / J. Deere/Tyger Roadside Mower	10	6/1/2022				187,373			187,373	On Schedule
PU-104	2012 / Ford F550XL Crew 4X2 Utility Body	10	6/1/2022				84,349			84,349	On Schedule
F-25	2013 / Ford F350 2/3 Yard Dump	10	6/1/2023					59,273		59,273	On Schedule
PU-117	2013 / Ford F450 Crew Cab Utility Body	10	6/1/2023					79,164		79,164	On Schedule
R-05	2013 / Hamm Vibratory Roller	10	6/1/2023					65,615		65,615	On Schedule
TH-04	2013 / Komatsu PC55MR 3 Excavator	10	6/1/2023					137,358		137,358	On Schedule
TR-13	2013 / Caterpillar 420F Backhoe	10	6/1/2023					126,322		126,322	On Schedule
U-09	2013 / Ford F550 XL Reg Cab Water Utility	10	6/1/2023					59,561		59,561	On Schedule
D-10	2012 / Peterbuilt Dump Truck 10 Yd.	12	6/1/2024						363,656	363,656	On Schedule
F-26	2014 / F550 Diesel Reg Cab 4X2 2/3 Yard Dump	10	6/1/2024						119,863	119,863	On Schedule
<b>Total Public Works Vehicles</b>				<b>681,981</b>	<b>913,169</b>	<b>946,338</b>	<b>271,722</b>	<b>527,293</b>	<b>483,519</b>	<b>3,824,022</b>	

<b>Total All Vehicles</b>				<b>1,356,143</b>	<b>2,771,707</b>	<b>2,644,705</b>	<b>1,171,644</b>	<b>2,029,929</b>	<b>1,219,973</b>	<b>11,194,101</b>	
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## City of Kirkland

### Vehicle Replacements for Year 2019

All Vehicles listed will be considered for replacement dependent upon their condition and replacement funding.

Division	Vehicle	Year/Description	Acct Life	Normal Replacement Date	Replacement Cost	Comments
		<b>Facilities</b>				
Facilities	PU-62	2006 / Chevrolet Express Van Extended	8	6/1/2014	30,240	Extended 5 years
Facilities	PU-64	2006 / Chevrolet Express Access Van	8	6/1/2014	29,320	Extended 5 years
Facilities	PU-91	2009 / Chevrolet Express Cargo Van AWD	8	6/1/2017	33,569	Extended 2 years
		<b>Fire</b>				
Training	F216	2008 / Chevrolet Suburban	8	6/1/2016	96,749	Extended 3 year
Preven	F220	2011 / Ford F250 Ext Cab Custom	8	6/1/2019	47,381	On Schedule
Operations	F317	2008 / Ford Road Rescue Aid Vehicle F450 4x4	8	6/1/2016	231,444	Extended 3 years
		<b>Parks</b>				
Maintenance	BG-10	2011 / John Deere HPX (4x4) GAS	4	6/1/2015	12,926	Extended 4 year
Maintenance	BG-11	2012 / John Deere 1200A Field Rake	4	6/1/2016	14,591	Extended 3 year
Maintenance	BG-12	2012 / John Deere 1200A Field Rake	4	6/1/2016	14,591	Extended 3 year
Maintenance	BG-13	2013 / John Deere 1200A Field Rake	4	6/1/2017	14,260	Extended 2 years
Maintenance	PU-69	2007 / Ford F250 XL Reg 4x2	8	6/1/2015	27,955	Extended 4 years
Maintenance	PU-79	2009 / Ford F350 4x4 Supercab	8	6/1/2017	54,443	Extended 2 years
Maintenance	TL-02A	2007 / PJ Deckover Trailer	10	6/1/2017	11,170	Extended 2 years
Maintenance	TL-29	2009 / Cargo Mate 510SA Trailer	10	6/1/2019	3,498	On schedule
Maintenance	TL-30	2009 / Cargo Mate 510SA Trailer (Volunteer)	10	6/1/2019	3,360	On schedule
Maintenance	TR-10	2003 / John Deere 5420 Tractor	10	6/3/2013	59,788	Extended 6 years
PK Bond Maint.	M-15	2011 / Toro Groundsmaster 3505-D	5	6/1/2016	39,610	Extended 3 year
Maintenance	M-18	2013 / John Deere 1445 Series II Mower	6	6/1/2019	28,921	On schedule
PK Bond Maint.	M-21	2014 / Toro Groundsmaster 4010-D WAM	5	6/1/2019	88,560	On Schedule
PK Bond Maint.	M-23	2014 / Toro Groundsmaster 360 4WD	5	6/1/2019	64,594	On Schedule
PK Bond Maint.	M-25	2014 / Toro Groundsmaster 3280-D 4WD	6	6/1/2019	29,114	On Schedule
		<b>Planning &amp; Building</b>				
Building	PU-86	2006 / Ford Escape Hybrid*	8	6/1/2014	39,363	Extended 4 years.
Building	PU-87x	2006 / Ford Escape Hybrid*	8		39,363	Surplus
Building	PU-88	2006 / Ford Escape Hybrid*	8	6/1/2014	39,636	Extended 4 years
Building	PU-103	2011/ Chevrolet Colorado Ext. Cab. 4x4*	8	6/1/2019	32,629	On schedule
		<b>Police</b>				
Administration	A09-03	2009 / Toyota Camry Hybrid	8	6/1/2017	42,552	Extended 2 years
Administration	A09-06	2009 / Toyota Camry Hybrid	8	6/1/2017	45,950	Extended 2 years
Administration	D09-08	2009 / Ford Taurus SE	8	6/1/2017	32,852	Extended 2 years
Invest	A07-08	2007 / Toyota Camry Hybrid	8	6/1/2015	38,538	Extended 4 years
Invest	D05-07	2005 / Honda Accord LX	8	6/1/2013	33,817	Extended 6 years
Invest	D07-02	2007 / Toyota Camry Hybrid	8	6/1/2015	42,631	Extended 4 years
Invest	D08-04	2008 / Toyota Prius Hybrid	8	6/1/2016	33,584	Extended 3 years
Invest	D93-05	1993 / Chevrolet G2 Van	12	6/1/2005	78,584	Extended 14 years
Invest	P06-52	2006 / Dodge Durango	8	6/1/2014	43,015	Extended 5 year
Invest	P06-53	2006 / Chevrolet Impala	8	6/1/2014	38,719	Extended 5 year
Invest	P99-98X	1999 / Crime Scene Investigation Unit	8	6/1/2007	17,667	Extended 12 years
Administration	P109	2011 / Ford Explorer	8	6/1/2019	38,000	On schedule
Administration	P111	2011 / Ford Fusion SEL AWD	8	6/1/2019	27,331	On schedule
Invest	P116	2011 / Ford Fusion S	8	6/1/2019	38,243	On schedule
Patrol	P152	2016 / Ford Interceptor Utility AWD	3	10/1/2019	40,685	On schedule
Patrol	P153	2016 / Ford Interceptor Utility AWD	3	10/1/2019	40,685	On schedule
Patrol	P157	2016 / Ford Interceptor Utility AWD	3	10/1/2019	44,696	On schedule
Patrol	P158	2016 / Ford Interceptor Utility AWD	3	10/1/2019	44,696	On schedule
Patrol	P160	2017 / Ford Interceptor Utility AWD	3	10/1/2019	44,696	On schedule
Patrol	P161	2017 / Ford Interceptor Utility AWD	3	10/1/2019	44,696	On schedule
Patrol	P162	2017 / Ford Interceptor Utility AWD	3	10/1/2019	44,696	On schedule
Patrol	P151	2016 / Ford Interceptor Utility AWD	4	10/1/2019	42,109	On schedule
Traffic	P148	2015 / ford Interceptor Utility AWD	4	10/1/2019	42,109	On schedule
K-9	P137	2013 / Ford Interceptor Utility AWD	4	6/1/2017	42,433	Extended 2 years
Traffic	P118	2012 / Ford Interceptor Utility AWD	3	4/1/2015	47,980	Extended 4 years



## City of Kirkland

### Vehicle Replacements for Year 2019

All Vehicles listed will be considered for replacement dependent upon their condition and replacement funding.

Division	Vehicle	Year/Description	Acct Life	Normal Replacement Date	Replacement Cost	Comments
		<b>Public Works</b>				
Ops & Maint	D-1	2006 / International Dump-Truck 5 Yd	12	6/1/2019	169,389	On Schedule
Ops & Maint	D-2	2006 / International Dump-Truck 5 Yd	12	6/1/2019	169,389	On Schedule
Ops & Maint	D-3	2006 / International Dump-Truck 5 Yd	12	6/1/2019	169,304	On Schedule
Public Grnds	F-18	2006 / Chevrolet 3500 2/3 Yard Dump	10	6/1/2016	45,623	Extended 1 year
Surf Wat Mgt	PU-55	2005 / Grand Caravan (Pass/Cargo)	8	6/1/2013	25,374	Extended 6 years
Fleet	PU-72	2008 / F350 Ext Cab 4x4	8	6/1/2016	52,414	Extended 3 years
Cap Proj Eng	PU-92	2009 / Ford Escape Hybrid *	8	6/1/2017	42,322	Extended 2 years
Ops & Maint	PU-97	2011 / Ford F150 Ext Cab (Yard)	8	6/1/2019	27,664	On Schedule
Ops & Maint	PU-98	2011 / Ford F250 Utility 4x4 (Signal)	8	6/1/2019	41,957	On Schedule
Ops & Maint	PU-99	2011 / Ford F150 (SS Lead)	8	6/1/2019	40,605	On Schedule
Develop Eng	PU-100	2011 / Ford Escape Hybrid 4x4*	8	6/1/2019	30,085	On Schedule
Surf Wat Mgt	PU-101	2011 / Ford Escape Hybrid 4x4	8	6/1/2019	49,651	On Schedule
Ops & Maint	C-06	2003 / Toyota Prius (Hybrid)	8	6/1/2011	35,576	Extended 8 years
Ops & Maint	F104	2007 / Ford Escape Hybrid	8	6/1/2015	44,494	Extended 2 years
Ops & Maint	PU-71	2008 / Ford F250 (4x4)	8	6/1/2016	47,725	Extended 3 year
Ops & Maint	PU-78	2009 / Ford F350 SC 4x4 Utility	8	6/1/2017	48,306	Extended 2 years
Ops & Maint	TR-12	2009 / Case Backhoe SuperM	10	6/1/2019	119,400	On Schedule
Ops & Maint	TL-15A	2002 / Inger/Rand Air Compressor	12	6/1/2014	24,000	Extended 5 year
<b>Total All Vehicles</b>					<b>3,301,317</b>	

\*The City is looking to replace these with fully electric vehicles as proposed in Development Inspection Vehicle Electric Conversion Service Package within the preliminary 2019-20 budget.

## City of Kirkland

### Vehicle Replacements for Year 2020

All Vehicles listed will be considered for replacement dependent upon their condition and replacement funding.

Division	Vehicle	Year/Description	Acct Life	Normal Replacement Date	Replacement Cost	Comments
Facilities	PU-107	<b>Finance</b> Ford F250 Reg 4x2 Utility Body	8	6/1/2020	51,223	On Schedule
Operations	F318	<b>Fire</b> 2010 / Ford Road Rescue Aid Vehicle F450 4x4	8	6/1/2018	318,518	Extended 2 years
Operations	F319	2012 / Ford Road Rescue Aid Vehicle F450 4x4	8	6/1/2020	308,579	On Schedule
Fire Perv	F218	2009 / Ford F250 Ext Cab-Custom	8	6/1/2017	67,633	Extended 3 years
Info Tech	C-10	<b>IT</b> 2012/ Toyota Prius Hybrid	8	6/1/2020	28,573	On Schedule
Maintenance	BG-14	<b>Parks</b> 2004 / Cushman Utility Vehicle	4	6/1/2018	14,293	Extended 2 years
Maintenance	F-23	2012 / Ford F550 XL 2/3 Yard Dump	8	7/12/2020	70,923	On Schedule
Maintenance	PU-94	2010 / Ford F150 Pickup 4x2	8	6/1/2018	32,768	Extended 2 years
Maintenance	PU-95	2010 / Ford F150 Pickup 4x2	8	6/1/2018	32,376	Extended 2 years
Maintenance	PU-96	2011 / Ford F150 Pickup 4x2	8	6/1/2018	33,629	Extended 2 years
Maintenance	PU-105	2012 / Ford F250 Reg Cab 4x2	8	6/1/2020	32,073	On Schedule
Maintenance	PU-106	2012 / Ford F250 Reg Cab 4x2	8	6/1/2020	31,016	On Schedule
Maintenance	PU-111	2012 / Ford F250 Reg Cab 4x4 w/ Plow	8	6/1/2020	42,292	On Schedule
Maintenance	PU-112	2012 / Ford F250 Reg Cab 4x2 w/ Lift	8	6/1/2020	33,130	On Schedule
Maintenance	TL-25	2007 / Paros Tilt Flatbed Trailer	10	6/1/2017	4,454	Extended 3 year
Maintenance	TL-26	2007 / Paros Flatbed Trailer	10	6/1/2017	3,511	Extended 3 year
Maintenance	TL-27	2007 / Paros Tilt Flatbed Trailer	10	6/1/2017	4,013	Extended 3 year
Maintenance	TS-03	2010 / Smithco Star 60 Turf Sweeper	10	6/1/2020	45,028	On Schedule
Maintenance	M-22	2014 / Toro 4500-D Groundsmaster	6	6/1/2020	79,930	On Schedule
Maintenance	M-24	2014 / Toro Groundsmaster 3280 D 4WD	6	6/1/2020	28,887	On Schedule
Planning	C-08	<b>Planning &amp; Building</b> 2006 / Toyota Prius Hybrid*	8	6/1/2014	35,049	Extended 6 years
Building	PU-89	2008 / Ford Escape Hybrid (4x4)*	8	6/1/2016	36,677	Extended 2 years
Building	PU-90	2008 / Ford Escape Hybrid (4x4)*	8	6/1/2016	34,259	Extended 2 years
Administration	P144	<b>Police</b> 2013 / Ford Explorer XLT AWD	4	6/1/2018	45,826	Extended 2 years
Patrol	P139	2014 / Ford Interceptor AWD	2.5	10/1/2016	51,629	Extended 4 years
Patrol	P140	2014 / Ford Interceptor AWD	2.5	10/1/2016	51,629	Extended 4 years
Patrol	P145	2015 / Ford Interceptor AWD	2.5	4/1/2018	45,543	Extended 2 years
Patrol	P146	2015 / Ford Interceptor AWD	2.5	4/1/2018	43,013	Extended 2 years
Patrol	P147	2016 / Ford Interceptor Utility AWD	2.5	4/1/2018	43,013	Extended 2 years
Parking Enf	P149	2015 / Toyota Scion LQ	5	6/1/2020	30,558	On schedule
Parking Enf	P150	2015 / Toyota Scion LQ	5	6/1/2020	25,958	On schedule
Traffic	P118	2012 / Ford Interceptor Utility AWD	3	6/1/2014	51,629	Extended 6 years
Traffic	P123	2012 / Honda ST1300PA Motorcycle	6	6/1/2018	39,662	Extended 2 years
Traffic	P124	2012 / Honda ST1300PA Motorcycle	6	6/1/2018	39,662	Extended 2 years
Traffic	P125	2012 / Honda ST1300PA Motorcycle	6	6/1/2018	39,662	Extended 2 years
Traffic	P126	2012 / Honda ST1300PA Motorcycle	6	6/1/2018	39,662	Extended 2 years
Traffic	P156	2016 / Ford Interceptor Utility AWD	4	10/1/2020	41,901	On schedule
Detentions	P110	2011 / Ford F350 Custom Box (PSO)	5	6/1/2016	132,303	Extended 4 years
Detentions	P133	2013 / Ford Econoline Van (PSO Insert)	5	6/1/2018	43,752	Extended 2 years
Patrol	P163	2017 / Ford Interceptor Utility AWD	3	10/1/2020	60,187	On schedule
Patrol	P164	2017 / Ford Interceptor Utility AWD	3	10/1/2020	60,187	On schedule
Patrol	P165	2017 / Ford Interceptor Utility AWD	3	10/1/2020	60,187	On schedule
Patrol	P166	2017 / Ford Interceptor Utility AWD	3	10/1/2020	60,187	On schedule
Patrol	P167	2017 / Ford Interceptor Utility AWD	3	10/1/2020	60,187	On schedule
Patrol	P168	2017 / Ford Interceptor Utility AWD	3	10/1/2020	60,187	On schedule
Patrol	P171	2017 / Ford Interceptor Utility AWD	3	10/1/2020	60,187	On schedule
SRT	P06-99	2006 / Chevrolet 5C5 Special Response Van	10	3/1/2016	259,223	Extended 4 years
Crime Preven	P130	2017 / Chevrolet 15 Passenger Van	8	4/1/2020	29,941	On schedule

## City of Kirkland

### Vehicle Replacements for Year 2020

All Vehicles listed will be considered for replacement dependent upon their condition and replacement funding.

Division	Vehicle	Year/Description	Acct Life	Normal Replacement Date	Replacement Cost	Comments
		<b>Public Works</b>				
Ops & Maint	D-09	2008 / Peterbuilt Dump Truck 10 Yd	12	6/1/2020	250,433	On Schedule
Ops & Maint	F-19	2008 / Ford Flat Bed F350 w/crane	8	6/1/2016	84,220	Extended 4 years
Ops & Maint	M-14	2010 / John Deere/ Tyger Roadside Mower	10	6/1/2020	136,588	On Schedule
Ops & Maint	M-19	2013 / John Deere 1445 Front Mower	5	6/1/2018	25,921	On Schedule
Ops & Maint	PU-76	2009 / Ford F150 (4x2)	8	6/1/2017	28,824	Extended 3 year
Ops & Maint	PU-77	2009 / Ford F350 SC 4x4 Utility	8	6/1/2017	51,257	Extended 3 year
Surf Wat Mgt	PU-109	2012 / Ford F150 Reg Cab 4x2	8	6/1/2020	23,034	On Schedule
Ops & Maint	TL-06A	1998 / Atlas Copco Air Compressor	12	6/1/2010	27,703	Extended 10 years
Ops & Maint	TL-17A	2004 / Atlas Copco 185 CFM Air Compressor	12	6/1/2016	23,749	Extended 2 years
Ops & Maint	TL-20	2006 / Olympic Trailer	10	6/1/2021	43,969	Extended 4 years
Ops & Maint	TR-11	2008 / Case Backhoe 580SM (4X4)	10	6/1/2018	140,793	Extended 2 years
Ops & Maint	U-08	2006 / International Bucket Truck	10	6/1/2016	259,323	Extended 4 years
<b>Total All Vehicles</b>					<b>3,889,300</b>	

\*The City is looking to replace these with fully electric vehicles as proposed in Development Inspection Vehicle Electric Conversion Service Package within the preliminary 2019-20 budget.

Internal Service Funds account for the financing of goods and services provided by one department to other City departments on a cost reimbursement basis.

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## INFORMATION TECHNOLOGY FUND

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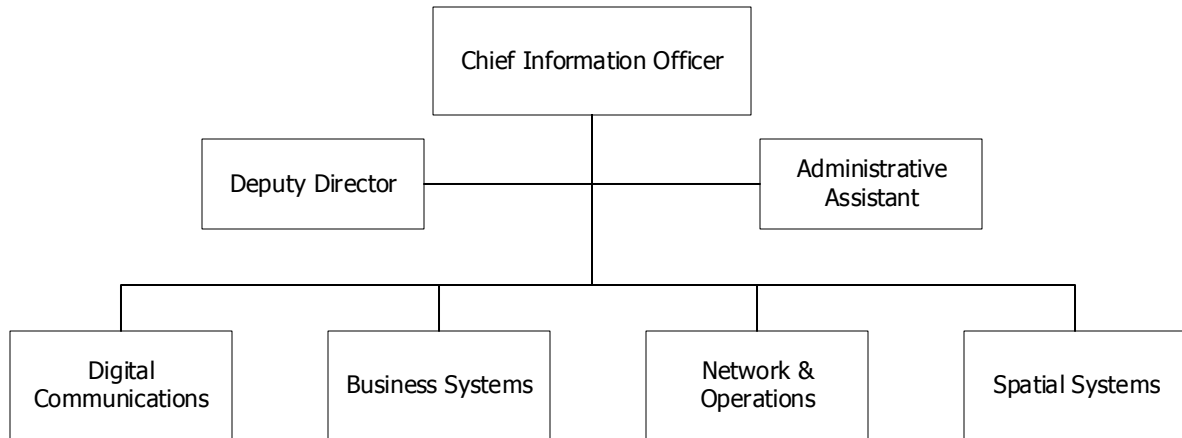
The Information Technology Fund accounts and assesses user charges for the cost of supporting the City's information processing and telecommunication functions and replacing all City computers.



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# **CITY OF KIRKLAND**

## **Information Technology Department**





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## DEPARTMENT OVERVIEW

# ***INFORMATION TECHNOLOGY***

## MISSION

We connect the City's information to the organization and our community anytime and anywhere to support decision making, public engagement, efficient and effective operations, and performance improvement.

## DEPARTMENT FUNCTIONS

The **Network & Operations Team** designs, maintains, and monitors the City's data and telephone networks. The team orders, delivers, repairs, and maintains all desktop and handheld personal computers, and manages the technology Service Desk. They also assure the integrity and security of data operations, and oversee and manage the City's data and communications infrastructure.

The **Business Systems Team** procures, maintains, and supports primary computer applications such as finance, payroll, utilities, permitting, public safety, and parks/ recreation systems. They maintain system databases, implement major IT projects, manage client/vendor relations and software support contracts.

The **Spatial Systems Team** designs, implements, manages, and maintains enterprise GeoSpatial platform and asset databases; develops, procures, and maintains location-based applications and analytics tools; performs data modeling and analysis; and integrates GIS with business systems such as permitting, maintenance management, and public safety systems. GIS implements enterprise GIS projects, manages vendor relationships and support contracts.

The **Digital Communications Team** supports telecommunications franchising, video and television programming, and manages the City's two public television stations. This group also manages the City's website and the City's intranet.

## BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS

### Financial Stability

- Fund support for the City's legacy financial system (IFAS) for the first 6 months of 2019, \$40,600 one-time
- Increase on-call hours for digital communication, \$8,302 one-time
- Purchase licenses for business analytics software, \$25,000 ongoing
- Fund training and professional services to Develop a Framework for a Smart City Program, \$100,000 one-time
- Development of a Fiber Management and Funding Plan, \$50,000 one-time
- Leadership training for key Information Technology staff, \$24,000 one-time
- Business analytics training for key Information Technology and user department staff, \$30,000 one-time
- Purchase information technology best-practice documents from outside subject matter experts, \$22,000 ongoing
- Add a temporary 1.0 FTE Senior Application Analyst position to facilitate migration of the City's major systems into the Cloud, \$80,873

### Dependable Infrastructure

- Continue a temporary 1.0 FTE Senior GIS Analyst for Lucity support and maintenance through December 2019 using remaining balances in the Lucity Project, \$97,604 one-time



- Continue IT Interns to assist with PC Deployment, \$25,036 one-time
- Continue a temporary 1.0 FTE Senior Applications Analyst to support the increasing demand from technology projects and systems, \$234,949 one-time

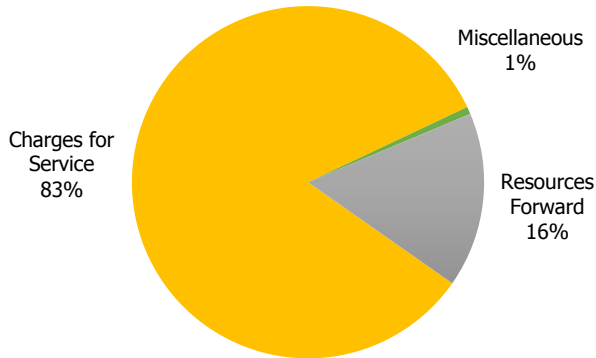
**Other**

- The reductions in the Administration and Applications divisions in the 2019-2020 Budget are due to the expiration of one-time staffing and use of the Major Systems Reserve in the 2017-2018 Budget related to the Munis ERP CIP project.

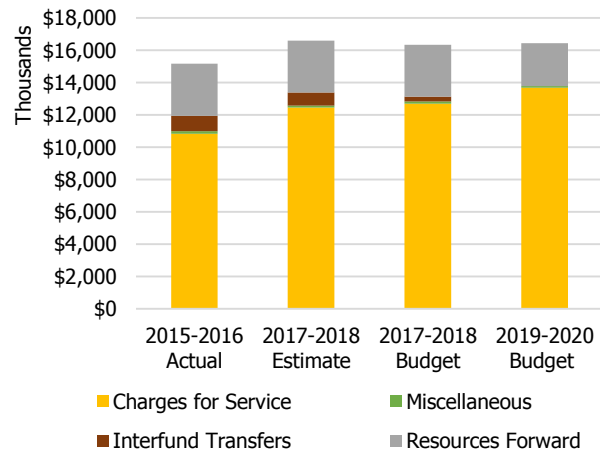
## FINANCIAL OVERVIEW

# INFORMATION TECHNOLOGY FUND

Sources of Funds



Revenues by Type

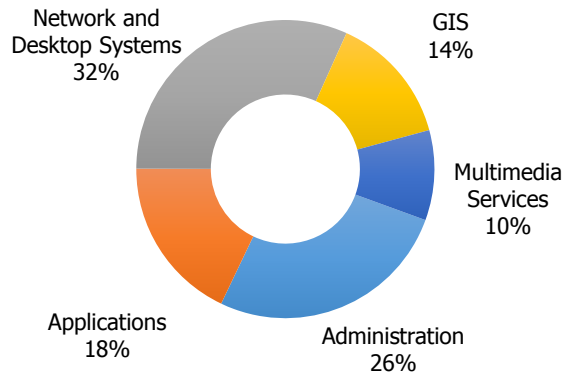
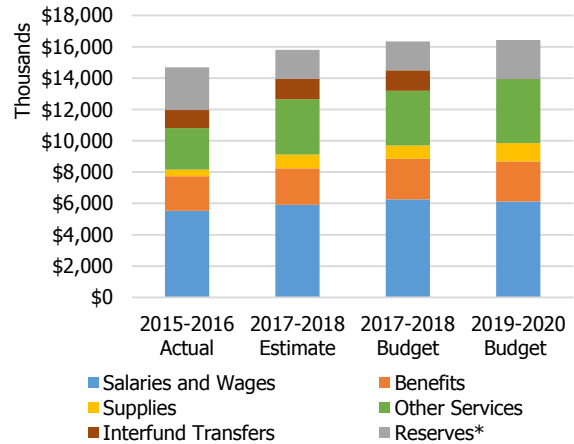


## REVENUE SUMMARY BY TYPE

	2015-2016 Actual	2017-2018 Estimate	2017-2018 Budget	2019-2020 Budget	Change
Charges for Service	10,839,390	12,449,256	12,686,474	13,677,189	7.81%
Miscellaneous	144,479	127,485	140,000	111,725	-20.20%
Interfund Transfers	955,659	808,710	308,710	-	-100.00%
Resources Forward	3,223,482	3,204,512	3,204,512	2,640,002	-17.62%
<b>TOTAL</b>	<b>15,163,010</b>	<b>16,589,963</b>	<b>16,339,696</b>	<b>16,428,916</b>	<b>0.55%</b>

**FINANCIAL OVERVIEW**

# ***INFORMATION TECHNOLOGY FUND***

**Uses of Funds**

**Expenditures by Category**

**EXPENDITURE SUMMARY BY CATEGORY**

	2015-2016 Actual	2017-2018 Estimate	2017-2018 Budget	2019-2020 Budget	Change
Salaries and Wages	5,530,345	5,906,833	6,263,269	6,119,601	-2.29%
Benefits	2,201,458	2,325,032	2,585,806	2,565,676	-0.78%
Supplies	431,421	879,550	851,076	1,162,925	36.64%
Other Services	2,646,673	3,538,258	3,485,877	4,087,350	17.25%
Intergovernmental Services	-	-	-	-	n/a
Capital Outlay	-	-	-	-	n/a
Interfund Transfers	1,148,600	1,300,289	1,300,289	12,000	-99.08%
Reserves*	2,725,392	1,853,379	1,853,379	2,481,364	33.88%
<b>TOTAL</b>	<b>14,683,889</b>	<b>15,803,340</b>	<b>16,339,696</b>	<b>16,428,916</b>	<b>0.55%</b>

**EXPENDITURE SUMMARY BY DIVISION**

	2015-2016 Actual	2017-2018 Estimate	2017-2018 Budget	2019-2020 Budget	Change
Administration	5,166,826	5,007,843	4,855,190	4,358,385	-10.23%
Applications	2,355,436	2,611,205	3,091,820	2,951,529	-4.54%
Network and Desktop Systems	3,786,017	4,716,108	4,743,907	5,204,631	9.71%
GIS	2,054,412	2,178,546	2,289,078	2,309,901	0.91%
Multimedia Services	1,321,198	1,289,637	1,359,701	1,604,470	18.00%
<b>TOTAL</b>	<b>14,683,889</b>	<b>15,803,340</b>	<b>16,339,696</b>	<b>16,428,916</b>	<b>0.55%</b>

\* 2015-2016 actual and 2017-2018 estimated reserves are budgeted, but not spent

**2019 - 2020 POSITION SUMMARY**

# ***INFORMATION TECHNOLOGY FUND***

**POSITION SUMMARY BY CLASSIFICATION**

<b>Classification</b>	<b>2017-2018 Positions</b>	<b>Service Packages</b>	<b>2019-2020 Positions</b>	<b>Budgeted 2019 Salary Range</b>
Chief Information Officer	1.00		1.00	11,084 - 14,302
Deputy Director	1.00		1.00	9,536 - 12,304
Network & Operations Manager	1.00		1.00	9,080 - 11,349
Enterprise Applications Manager	1.00		1.00	9,080 - 11,349
Spatial Systems Manager	1.00		1.00	9,080 - 11,349
Senior Applications Analyst	4.00		4.00	8,515 - 10,014
Webmaster	1.00		1.00	8,216 - 9,666
Senior Network Engineer	1.00		1.00	8,044 - 9,465
Network Engineer	1.00		1.00	7,844 - 9,228
Network Analyst	1.00		1.00	6,815 - 8,018
Senior GIS Analyst	3.00		3.00	6,614 - 7,781
Desktop Systems Analyst	1.00		1.00	6,298 - 7,409
GIS Analyst	3.00		3.00	6,212 - 7,309
Service Desk Lead	1.00		1.00	6,105 - 7,182
Video Production Specialist	1.00		1.00	5,945 - 6,995
Senior Design Specialist*	1.00		1.00	5,806 - 6,831
Front-End Web Designer	1.00		1.00	5,641 - 6,637
Service Desk Analyst	2.20		2.20	5,390 - 6,341
Administrative Assistant	1.00		1.00	5,232 - 6,154
<b>TOTAL</b>	<b>27.20</b>	<b>0.00</b>	<b>27.20</b>	

**POSITION SUMMARY BY DIVISION**

	<b>2017-2018 Positions</b>	<b>Service Packages</b>	<b>2019-2020 Positions</b>
Administration	3.00		3.00
Applications	5.00		5.00
Network and Desktop Systems	8.20		8.20
GIS	7.00		7.00
Multimedia Services	4.00		4.00
<b>TOTAL</b>	<b>27.20</b>	<b>0.00</b>	<b>27.20</b>

\*Senior Design Specialist reports to City Manager's Office

**City of Kirkland  
2019-2020 Budget  
Information Technology Fund Revenues**

	<b>Object</b>	<b>2015-2016 Actual</b>	<b>2017-2018 Estimate</b>	<b>2017-2018 Budget</b>	<b>2019-2020 Budget</b>	<b>Percent Change</b>
<b>Charges for Goods and Services</b>						
Interfund Tech Services	341962	-	1,498	-	-	0.00%
Interfund Engineering CIP	341966	255,187	270,554	448,504	97,604	-78.24%
Interfund General Govt Services	341971	373,409	395,113	388,907	405,720	4.32%
Interfund IT Charges	348801	9,597,955	11,097,491	11,164,463	12,334,193	10.48%
Interfund IT Replacement	348802	612,839	684,600	684,600	839,672	22.65%
<b>Total for Charges of Goods and Services</b>		<b>10,839,390</b>	<b>12,449,256</b>	<b>12,686,474</b>	<b>13,677,189</b>	<b>7.81%</b>
<b>Miscellaneous Revenues</b>						
Contributions Donation	367000	143,353	127,185	140,000	111,725	-20.20%
Sales of Surplus	369101	1,126	-	-	-	0.00%
Other Miscellaneous Revenue	369910	-	300	-	-	0.00%
<b>Total for Miscellaneous Revenues</b>		<b>144,479</b>	<b>127,485</b>	<b>140,000</b>	<b>111,725</b>	<b>-20.20%</b>
<b>Other Financing Sources</b>						
Operating Transfers In	397101	955,659	808,710	308,710	-	-100.00%
Resources Forward	399991	3,223,482	3,204,512	3,204,512	2,640,002	-17.62%
<b>Total Other Financing Sources</b>		<b>4,179,141</b>	<b>4,013,222</b>	<b>3,513,222</b>	<b>2,640,002</b>	<b>-24.86%</b>
<b>Total Information Tech Fund Revenue</b>		<b>15,163,010</b>	<b>16,589,963</b>	<b>16,339,696</b>	<b>16,428,916</b>	<b>0.55%</b>

Internal Service Funds account for the financing of goods and services provided by one department to other City departments on a cost reimbursement basis.

## FACILITIES MAINTENANCE FUND

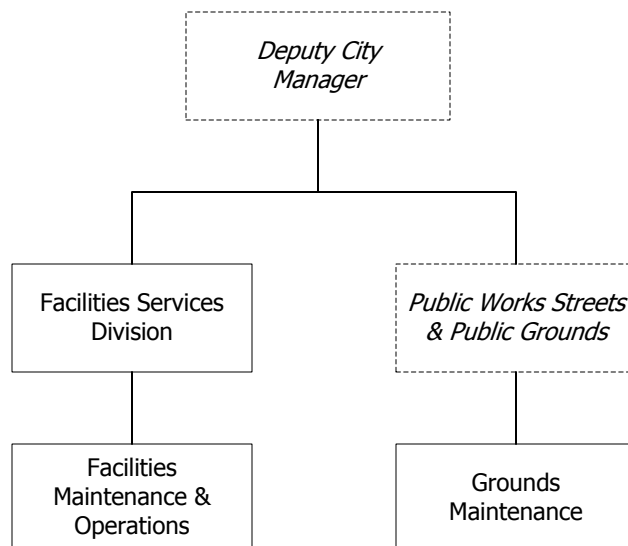
The Facilities Maintenance Fund accounts and assesses user charges for the operations and maintenance of the City's building facilities and public facilities ground maintenance and landscaping.



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**CITY OF KIRKLAND**  
**City Manager's Office**

**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.*



**DEPARTMENT OVERVIEW*****FACILITIES MAINTENANCE FUND*****MISSION**

The Facilities Maintenance Fund is established to account for resources associated with ensuring that City buildings, related equipment, and their properties receive the appropriate planning, scheduled maintenance, and repair services to provide a safe, efficient, and healthy environment at which to work, visit, or conduct business.

**DEPARTMENT FUNCTIONS**

The Facilities Maintenance Fund accounts for the Facilities Services group and a portion of the Public Grounds group that are responsible for the protection of City assets, building operations and maintenance, landscaping and grounds maintenance, preventative maintenance, remodels, construction, building life cycle replacement programs, janitorial, and facility security.

Facilities Services is responsible for all work orders for both major and minor repairs and responsible for capital construction and tenant improvements, and optimization of the life cycle program for all City buildings and infrastructure to support these facilities. The group is tasked with space planning, construction management, carpentry, mechanical, electrical, plumbing, finishes, and electronic services. The Public Grounds group, with daily operations overseen within the Public Works Street Maintenance Division, maintains the landscaping and grounds of City buildings including City Hall, City Hall Annex, Maintenance Center, five City Fire Stations and the Kirkland Justice Center.

In addition, Facilities Services serves as the City agent for one residential property in north Juanita and ensures that these facilities are maintained and rented for full market value. Facilities Services also manages the contracted janitorial services for City Hall, City Hall Annex, Kirkland Justice Center, the Maintenance Center Campus including the Parks Maintenance Annex, North Kirkland Community Center, Peter Kirk Community Center, and Kirkland Justice Center.

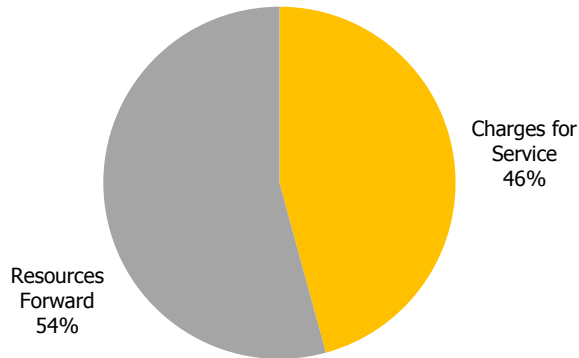
**BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS**

- Reduction in utility costs due to efficiency measures

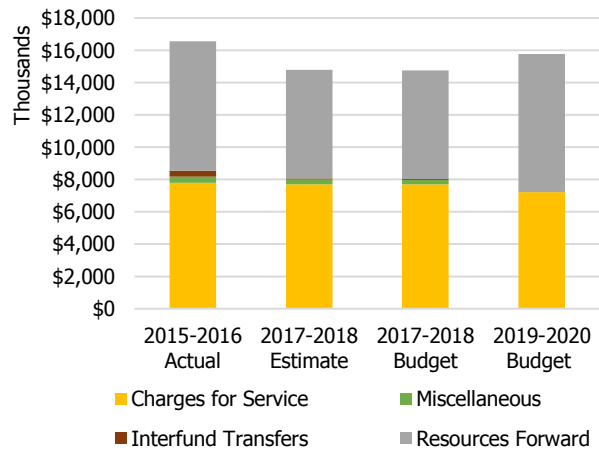
## FINANCIAL OVERVIEW

# ***FACILITIES MAINTENANCE FUND***

Sources of Funds



Revenues by Type

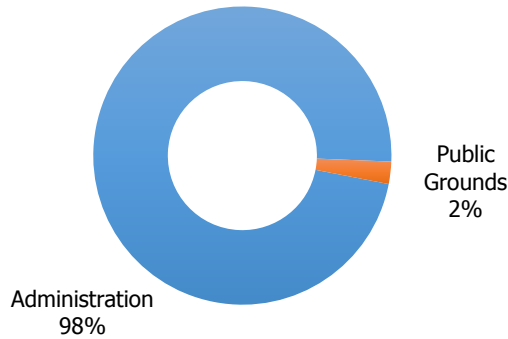
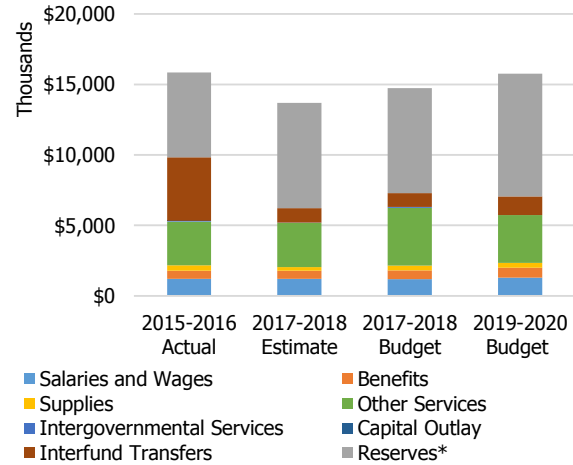


## REVENUE SUMMARY BY TYPE

	2015-2016 Actual	2017-2018 Estimate	2017-2018 Budget	2019-2020 Budget	Change
Charges for Service	7,792,792	7,699,288	7,699,024	7,215,705	-6.28%
Miscellaneous	392,841	306,816	267,120	-	-100.00%
Interfund Transfers	361,815	55,157	55,157	-	-100.00%
Resources Forward	8,012,401	6,728,259	6,728,259	8,555,769	27.16%
<b>TOTAL</b>	<b>16,559,849</b>	<b>14,789,520</b>	<b>14,749,560</b>	<b>15,771,474</b>	<b>6.93%</b>

**FINANCIAL OVERVIEW**

# ***FACILITIES MAINTENANCE FUND***

**Uses of Funds**

**Expenditures by Category**

**EXPENDITURE SUMMARY BY CATEGORY**

	2015-2016 Actual	2017-2018 Estimate	2017-2018 Budget	2019-2020 Budget	Change
Salaries and Wages	1,204,154	1,204,550	1,198,077	1,290,876	7.75%
Benefits	575,887	577,821	619,765	711,570	14.81%
Supplies	383,477	261,597	329,610	336,284	2.02%
Other Services	3,097,540	3,126,684	4,100,787	3,401,930	-17.04%
Intergovernmental Services	45,038	37,917	71,114	-	-100.00%
Capital Outlay	27,008	-	-	-	n/a
Interfund Transfers	4,498,486	1,025,183	978,600	1,310,000	33.86%
Reserves*	6,013,024	7,451,607	7,451,607	8,720,814	17.03%
<b>TOTAL</b>	<b>15,844,614</b>	<b>13,685,358</b>	<b>14,749,560</b>	<b>15,771,474</b>	<b>6.93%</b>

**EXPENDITURE SUMMARY BY DIVISION**

	2015-2016 Actual	2017-2018 Estimate	2017-2018 Budget	2019-2020 Budget	Change
Administration	15,531,232	13,323,471	14,430,389	15,390,537	6.65%
Public Grounds	313,382	361,887	319,171	380,937	19.35%
<b>TOTAL</b>	<b>15,844,614</b>	<b>13,685,358</b>	<b>14,749,560</b>	<b>15,771,474</b>	<b>6.93%</b>

\* 2015-2016 actual and 2017-2018 estimated reserves are budgeted, but not spent

**2019 - 2020 POSITION SUMMARY**

***FACILITIES MAINTENANCE FUND***

**POSITION SUMMARY BY CLASSIFICATION**

<b>Classification</b>	<b>2017-2018 Positions</b>	<b>Service Packages</b>	<b>2019-2020 Positions</b>	<b>Budgeted 2019 Salary Range</b>
Street Division Manager	0.05		0.05	7,726 - 9,970
Facilities Services Manager	1.00		1.00	7,668 - 9,896
Leadperson	1.35		1.35	5,885 - 7,102
Facilities Services Technician III	2.00		2.00	5,367 - 6,538
Yard Maint. & Inventory Control	1.00		1.00	5,237 - 6,378
Facilities Services Technician II	1.00		1.00	5,237 - 6,378
Facilities Services Technician I	1.00		1.00	4,265 - 5,345
Grounds Technician	0.55		0.55	4,265 - 5,345
<b>TOTAL</b>	7.95	0.00	7.95	

**POSITION SUMMARY BY DIVISION**

	<b>2017-2018 Positions</b>	<b>Service Packages</b>	<b>2019-2020 Positions</b>
Administration	7.00		7.00
Public Grounds	0.95		0.95
<b>TOTAL</b>	7.95	0.00	7.95

**City of Kirkland  
2019-2020 Budget  
Facilities Maintenance Fund Revenues**

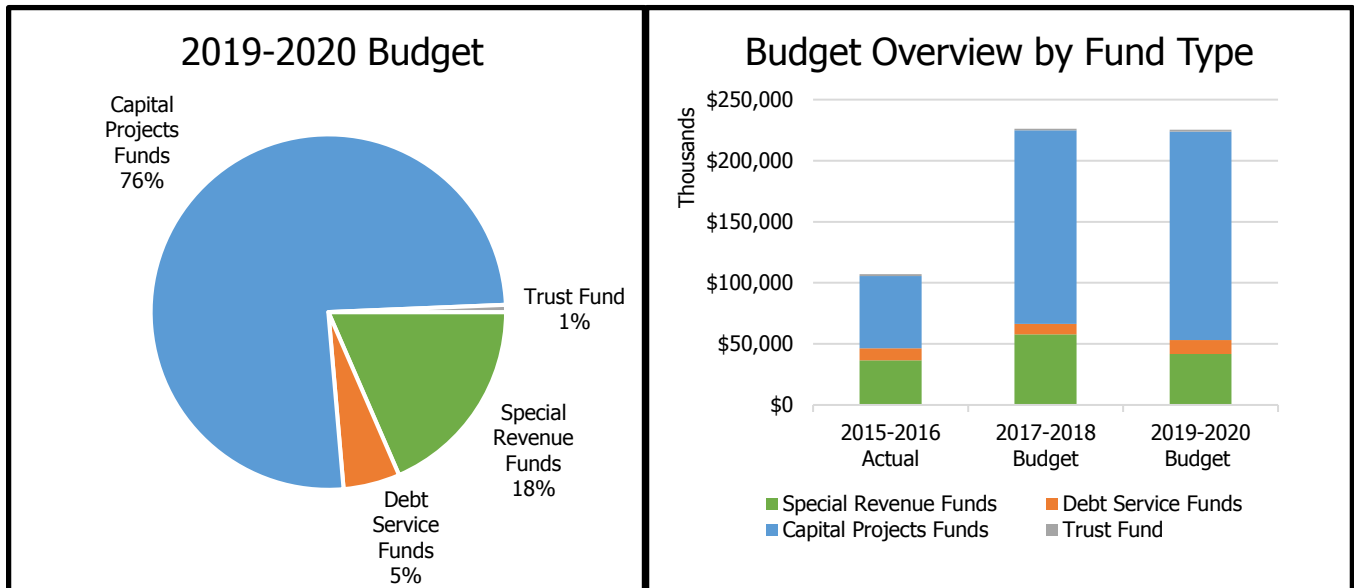
	<b>Object</b>	<b>2015-2016 Actual</b>	<b>2017-2018 Estimate</b>	<b>2017-2018 Budget</b>	<b>2019-2020 Budget</b>	<b>Percent Change</b>
<b>Charges for Goods and Services</b>						
Interfund General	341963	-	262	-	-	0.00%
Interfund General Govt Services	341971	4,800	4,800	4,800	4,800	0.00%
Interfund Public Safety	348114	1,674,272	1,637,209	1,637,209	1,506,697	-7.97%
Interfund City Hall Sinking Fund	348123	466,416	466,416	466,416	374,289	-19.75%
Interfund Maint Center Sinking Fund	348124	169,298	184,022	184,022	220,676	19.92%
Interfund Senior Sinking Fund	348125	89,614	89,614	89,614	86,162	-3.85%
Interfund NKCC Sinking Fund	348126	58,186	58,186	58,186	59,144	1.65%
Interfund Municipal Court Sinking Fund	348127	570,002	570,002	570,002	526,938	-7.56%
Interfund KPC Sinking Fund	348128	71,272	71,272	71,272	71,892	0.87%
Interfund Fire Stations Sinking Fund	348129	228,536	228,536	228,536	181,760	-20.47%
Interfund Teen Center Sinking Fund	348130	34,350	34,350	34,350	20,034	-41.68%
Interfund Heritage Hall Sinking Fund	348132	11,334	11,334	11,334	7,812	-31.07%
Interfund Parking Garage Sinking Fund	348133	24,652	24,652	24,652	17,678	-28.29%
Interfund Teen Center Sinking Fund	348181	22,736	23,497	23,497	22,262	-5.26%
Interfund City Hall Sinking Fund	348183	1,774,434	1,691,540	1,691,539	1,614,483	-4.56%
Interfund Maintenance Center	348184	1,075,228	1,113,044	1,113,043	959,161	-13.83%
Interfund Senior Center	348185	312,906	307,400	307,400	298,464	-2.91%
Interfund NKCC	348186	243,631	240,970	240,970	259,987	7.89%
Interfund KPC	348188	49,842	57,635	57,635	57,091	-0.94%
Interfund Fire Stations	348189	911,283	884,547	884,547	926,375	4.73%
<b>Total for Charges of Goods and Services</b>		<b>7,792,792</b>	<b>7,699,288</b>	<b>7,699,024</b>	<b>7,215,705</b>	<b>-6.28%</b>
<b>Miscellaneous Revenues</b>						
House Rental	362601	358,513	294,043	267,120	-	-100.00%
Contributions Donation	367000	33,886	568	-	-	0.00%
Sales of Surplus	369101	-	12	-	-	0.00%
Other Judgements Settlements	369401	-	28	-	-	0.00%
Other Miscellaneous Revenue	369910	-	4,291	-	-	0.00%
<b>Total for Miscellaneous Revenues</b>		<b>392,399</b>	<b>298,942</b>	<b>267,120</b>	<b>-</b>	<b>-100.00%</b>
<b>Proprietary Other Income</b>						
Insurance Recovery	372001	442	7,874	-	-	0.00%
<b>Total Proprietary Other Income</b>		<b>442</b>	<b>7,874</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>
<b>Other Financing Sources</b>						
Operating Transfers In	397101	361,815	55,157	55,157	-	-100.00%
Resources Forward	399991	8,012,401	6,728,259	6,728,259	8,555,769	27.16%
<b>Total Other Financing Sources</b>		<b>8,374,216</b>	<b>6,783,416</b>	<b>6,783,416</b>	<b>8,555,769</b>	<b>26.13%</b>
<b>Total Facilities Maint Fund Revenue</b>		<b>16,559,849</b>	<b>14,789,520</b>	<b>14,749,560</b>	<b>15,771,474</b>	<b>6.93%</b>

## General Government Non-Operating

# CITY OF KIRKLAND

## 2019-2020 Budget

### General Government Non-Operating Budget Summary



There are four types of funds in the general government non-operating budget:

- **Special Revenue** funds account for resources dedicated by policy or law to special purposes and for the City's reserves.
- **Debt Service** funds account for principal and interest payments on the City's general obligation debt.
- **Capital Projects** funds account for projects approved in the six-year CIP and for reserves specifically dedicated for capital purposes.
- **Firefighter's Pension** fund is a trust fund to be used for retired firefighter benefits.

### Analysis of Change

Fund	2015-2016 Actual	2017-2018 Budget	2019-2020 Budget	Change
<i>Special Revenue Funds</i>				
Contingency Fund	4,036,425	5,675,121	6,292,477	10.88%
Impact Fees	10,364,617	15,031,070	14,394,618	-4.23%
Excise Tax Capital Improvement	22,218,497	37,089,546	20,964,701	-43.48%
<b>Total Special Revenues Funds</b>	<b>36,619,538</b>	<b>57,795,737</b>	<b>41,651,796</b>	<b>-27.93%</b>
<i>Debt Service Funds</i>				
LTGO Debt Service	8,273,048	7,205,293	10,164,749	41.07%
UTGO Debt Service	1,449,743	1,468,097	1,434,094	-2.32%
<b>Total Debt Service Funds</b>	<b>9,722,791</b>	<b>8,673,390</b>	<b>11,598,843</b>	<b>33.73%</b>
<i>Capital Projects Funds</i>				
General Capital Projects Fund	33,525,713	67,417,988	56,493,690	-16.20%
Transportation Capital Projects Fund	25,555,174	90,916,986	114,126,156	25.53%
<b>Total Capital Projects Funds</b>	<b>59,080,887</b>	<b>158,334,974</b>	<b>170,619,846</b>	<b>7.76%</b>
<i>Trust Funds</i>				
Firefighter's Pension	1,717,024	1,429,524	1,474,145	3.12%
<b>Total Trust Funds</b>	<b>1,717,024</b>	<b>1,429,524</b>	<b>1,474,145</b>	<b>3.12%</b>
<b>Gen. Gov't Non-Operating Total</b>	<b>107,140,240</b>	<b>226,233,625</b>	<b>225,344,630</b>	<b>-0.39%</b>

**CITY OF KIRKLAND**  
**CHANGE IN FUND BALANCE (Beginning 2017 to Ending 2020)**  
**SUMMARY OF GENERAL GOVERNMENT NON-OPERATING FUNDS**

	<b>Special Revenue</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Trust</b>	<b>Total</b>
<b>2017 Actual Beginning Fund Balance</b>	<b>31,035,723</b>	<b>378,428</b>	<b>41,455,074</b>	<b>1,211,741</b>	<b>74,080,966</b>
<i>Reserved</i>	<i>31,035,723</i>	<i>378,428</i>	<i>2,243,352</i>	<i>1,211,741</i>	<i>34,869,244</i>
<i>Unreserved Working Capital</i>	<i>-</i>	<i>-</i>	<i>39,211,722</i>	<i>-</i>	<i>39,211,722</i>
Plus: 2017-18 Estimated Revenues	38,254,846	8,295,544	83,822,494	257,300	130,630,184
Less: 2017-18 Estimated Expenditures	40,970,616	8,275,795	63,270,719	258,201	112,775,331
<b>2018 Estimated Ending/2019 Budgeted Beginning Fund Balance</b>	<b>28,319,953</b>	<b>398,177</b>	<b>62,006,849</b>	<b>1,210,840</b>	<b>91,935,819</b>
Plus: 2019-20 Budgeted Revenues	13,331,843	11,200,666	108,612,997	263,305	133,408,811
Less: 2019-20 Budgeted Expenditures	22,770,668	11,180,959	164,854,064	221,600	199,027,291
<b>2020 Budgeted Ending Fund Balance</b>	<b>18,881,128</b>	<b>417,884</b>	<b>5,765,782</b>	<b>1,252,545</b>	<b>26,317,339</b>
<i>Reserved</i>	<i>18,881,128</i>	<i>417,884</i>	<i>5,765,782</i>	<i>1,252,545</i>	<i>26,317,339</i>
<i>Unreserved Working Capital</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<b>Change in Fund Balance: Beginning 2017 to Ending 2020</b>	<b>(12,154,595)</b>	<b>39,456</b>	<b>(35,689,292)</b>	<b>40,804</b>	<b>(47,763,627)</b>

**Notes:**

Greater detail regarding the change in fund balances can be found in the specific non-operating fund sections.



# Special Revenue Funds Non-Operating

Special Revenue Funds are established to account for specific resources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

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GENERAL GOVERNMENT  
NON-OPERATING SPECIAL REVENUE FUNDS

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CITY OF KIRKLAND

***GENERAL GOVERNMENT NON-OPERATING  
SPECIAL REVENUE FUNDS***

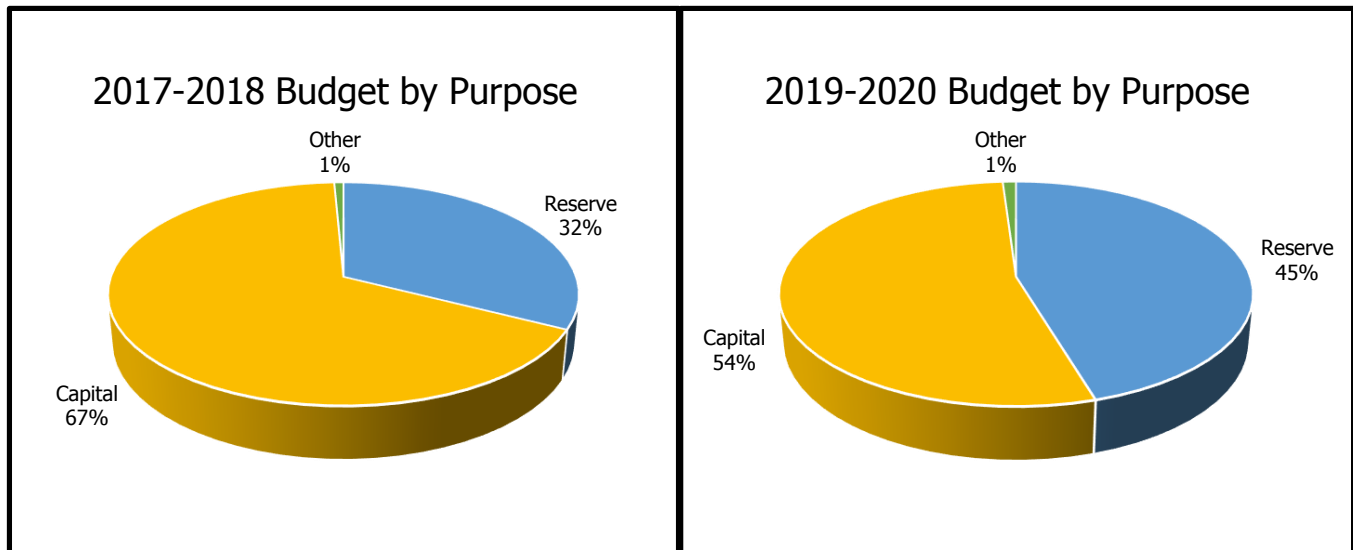
Special Revenue Funds are used to account for revenues that are dedicated for specific purposes either through statute or Council policy. The following Special Revenue Funds are part of the non-operating budget.

The **Contingency Fund** is provided for by state law and allows for the accumulation of resources up to \$0.375 per \$1,000 of assessed valuation for emergency uses.

The **Impact Fee** Fund accounts for transportation and park impact fees initiated in 1999. Impact fees, and the interest earned on them, are deposited in this fund and transferred out to the capital projects funds to pay for transportation and park capacity projects approved in the Capital Improvement Program (CIP).

The **Excise Tax Capital Improvement Fund** was created to account for revenue from both the first and second quarter percent real estate excise tax. Excise tax revenue must be used for capital projects within the categories authorized by state law including streets, sidewalks, traffic improvements, parks, fire protection facilities, and other public facilities as specified by statute. The second quarter percent real estate excise tax, adopted by the City Council in October 1996, is dedicated to transportation-related CIP projects. Funds are transferred out of the Excise Tax Capital Improvement Fund to the capital projects funds and allocated via the CIP funding process. Legislation effective in 2017 replaces previous temporary provisions that allowed cities to use a portion of this revenue for operations and maintenance of capital facilities. The new legislation requires cities to demonstrate they have adequate funding for all of the capital projects in their capital facilities plan for the succeeding two-year period in order to use a portion of this revenue for maintenance that will “preserve, prevent the decline of, or extend the useful life of a capital project.” The 2019-2020 Budget uses this revenue for on-going and one-time funded parks maintenance expenditures that meet the new requirements.

**CITY OF KIRKLAND**  
**General Government Non-Operating**  
**Special Revenue Funds**



**2017-2018 Budget by Purpose**

Fund	2017-2018 Budget	Budget by Purpose			
		Reserve	Debt	Capital	Other
Contingency	5,675,121	5,675,121	-	-	-
Impact Fees	15,031,070	6,623,136	-	8,407,934	-
Excise Tax Capital Improvement	37,089,546	6,463,715	-	30,201,614	424,217
<b>Total Special Revenue Funds</b>	<b>57,795,737</b>	<b>18,761,972</b>	<b>-</b>	<b>38,609,548</b>	<b>424,217</b>

**2019-2020 Budget by Purpose**

Fund	2019-2020 Budget	Budget by Purpose			
		Reserve	Debt	Capital	Other
Contingency	6,292,477	6,292,477	-	-	-
Impact Fees	14,394,618	6,633,618	-	7,761,000	-
Excise Tax Capital Improvement	20,964,701	5,955,033	-	14,574,200	435,468
<b>Total Special Revenue Funds</b>	<b>41,651,796</b>	<b>18,881,128</b>	<b>-</b>	<b>22,335,200</b>	<b>435,468</b>

**CITY OF KIRKLAND**  
**CHANGE IN FUND BALANCE (Beginning 2017 to Ending 2020)**  
**GENERAL GOVERNMENT NON-OPERATING**  
**SPECIAL REVENUE FUNDS**

	<b>Contingency<sup>1</sup></b>	<b>Impact Fees<sup>2</sup></b>	<b>Excise Tax Capital Improvement<sup>2</sup></b>	<b>Total</b>
<b>2017 Actual Beginning Fund Balance</b>	<b>4,036,425</b>	<b>6,360,984</b>	<b>20,638,314</b>	<b>31,035,723</b>
<i>Reserved</i>	<i>4,036,425</i>	<i>6,360,984</i>	<i>20,638,314</i>	<i>31,035,723</i>
<i>Unreserved Working Capital</i>	-	-	-	-
Plus: 2017-18 Estimated Revenues	1,638,696	12,271,053	24,345,097	38,254,846
Less: 2017-18 Estimated Expenditures	-	8,482,934	32,487,682	40,970,616
<b>2018 Estimated Ending/2019 Budgeted Beginning Fund Balance</b>	<b>5,675,121</b>	<b>10,149,103</b>	<b>12,495,729</b>	<b>28,319,953</b>
Plus: 2019-20 Budgeted Revenues	617,356	4,245,515	8,468,972	13,331,843
Less: 2019-20 Budgeted Expenditures	-	7,761,000	15,009,668	22,770,668
<b>2020 Budgeted Ending Fund Balance</b>	<b>6,292,477</b>	<b>6,633,618</b>	<b>5,955,033</b>	<b>18,881,128</b>
<i>Reserved</i>	<i>6,292,477</i>	<i>6,633,618</i>	<i>5,955,033</i>	<i>18,881,128</i>
<i>Unreserved Working Capital</i>	-	-	-	-
<b>Change in Fund Balance: Beginning 2017 to Ending 2020</b>	<b>2,256,052</b>	<b>272,634</b>	<b>(14,683,281)</b>	<b>(12,154,595)</b>

**Notes:**

<sup>1</sup>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 closer to target.

<sup>2</sup>Increases in fund balance of these special revenue funds reflect the building or replenishment of a reserve; whereas decreases in fund balance reflect the planned use of a reserve toward capital projects. Revenues for these funds can be economically sensitive.



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## Debt Service Funds



Debt Service Funds account for the payment of general obligation bond principal and interest from governmental resources and the payment of special assessment bond principal and interest from special assessment levies when the City is obligated in some manner for the payment.

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## GENERAL GOVERNMENT DEBT SERVICE FUNDS



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## CITY OF KIRKLAND

# ***GENERAL GOVERNMENT DEBT SERVICE FUNDS***

There are three types of debt generally issued by the City for general government purposes:

- **Unlimited Tax General Obligation (UTGO) Bonds** represent debt that was approved by voters for a specific purpose. In this case, citizens have agreed to levy property taxes to repay the debt generally over a twenty-year period.
- **Limited Tax General Obligation (LTGO) Bonds** (also called Councilmanic Bonds) can be issued with approval of the City Council. The debt is repaid from general revenues of the City.
- **Local Improvement District (LID) Bonds** represent debt that is repaid by the property owners who benefited from the capital improvement through annual assessments paid to the City. LIDs are formed by the City Council after a majority of property owners agree to the assessment. Currently the City has no LID Bonds outstanding.

The City's debt management policies provide guidelines for the appropriate use of debt. The complete policies are contained at the end of this document in the appendix. Some key debt management policies include:

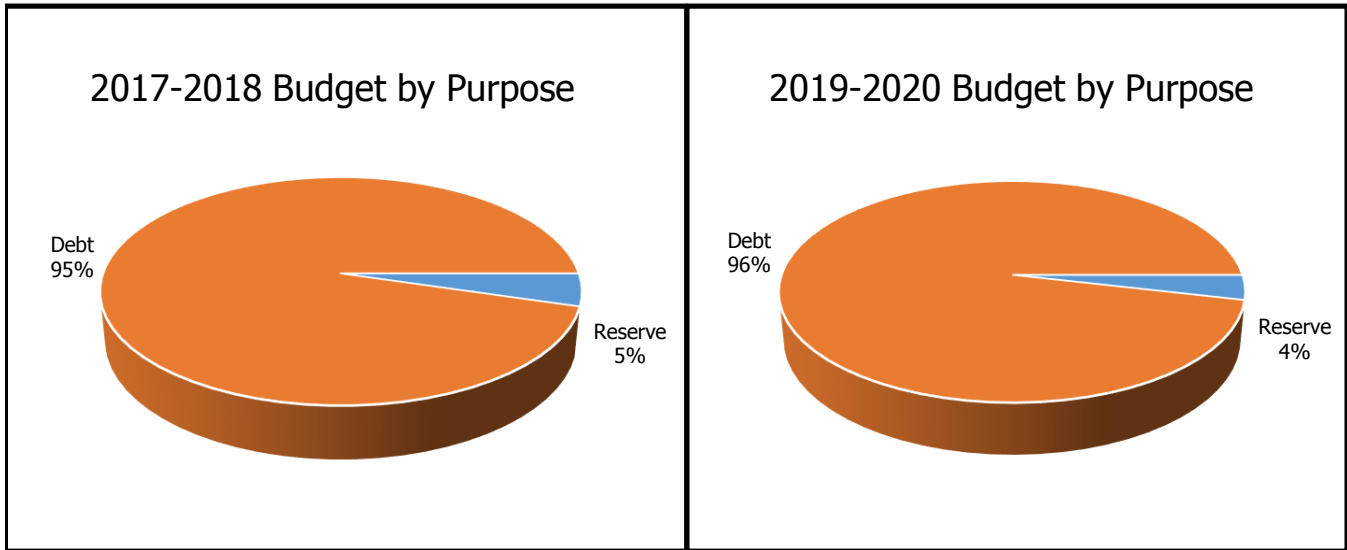
- *City Council approval is required prior to issuance of debt.*
- *The City will only use debt to finance capital improvements that cannot be financed through current revenues. The City will not use debt to finance current operations, non-capital furnishings, supplies, or personnel.*
- *Bonds will be issued for a period not to exceed the useful life of the asset being financed.*
- *The City will conduct a thorough analytical review before issuing debt and maintain a good credit rating at all times.*
- *The City's outstanding debt will remain within the limits stated in the City's fiscal policies.*
- *The City will use refunding bonds (refinancing) to restructure current outstanding debt when sufficient savings can be realized from lower interest rates.*

When the City issues debt, a thorough review of the City's financial condition is completed by bond rating agencies. Based on their findings, the bonds are given a rating. The City's bond rating is a reflection of its creditworthiness and affects the cost to the City of issuing debt. There are two rating agencies-- Standard and Poor's (S&P) and Moody's Investor Service--that rate Kirkland's bonds. On December 5, 2014 S&P affirmed the City's AAA rating, which is the highest rating. On November 13, 2018 Moody's upgraded Kirkland's rating to Aaa on the City's General Obligation Limited Tax bond ratings.

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. Separate funds have been created to track the principal and interest payments for limited and unlimited bonds. Each year a sufficient amount of revenue is budgeted and placed in each fund to pay the annual principal and interest due.

The 2019-2020 budget includes assumed LTGO debt payment amounts for anticipated issuances during the biennium. The first is \$19.7 million for transportation capital projects and includes NE 124<sup>th</sup> St/124<sup>th</sup> Ave NE Pedestrian Bridge Design and Construction. The second is \$7.5 million for public infrastructure improvements in Totem Lake.

**CITY OF KIRKLAND**  
**General Government Non-Operating**  
**Debt Service Funds**



Debt service funds are used to account for principal and interest payments used for the retirement of long-term debt. Debt is used by the City as a means of financing capital improvements. By extending the repayment of debt over the anticipated useful life of the improvement, the cost of an improvement can be more equitably spread among the citizens who benefit from the improvement. Bonds are sold and the proceeds (cash) are used to pay for the construction of capital improvements. The bonds are repaid over a period of time from taxes, fees, or other revenue sources dedicated for that purpose.

**2017-2018 Budget by Purpose**

Fund	2017-2018 Budget	Budget by Purpose			
		Reserve	Debt	Capital	Other
LTGO Debt Service	7,205,293	93,899	7,111,394	-	-
UTGO Debt Service	1,468,097	304,237	1,163,860	-	-
<b>Total Debt Service Funds</b>	<b>8,673,390</b>	<b>398,136</b>	<b>8,275,254</b>	<b>-</b>	<b>-</b>

**2019-2020 Budget by Purpose**

Fund	2019-2020 Budget	Budget by Purpose			
		Reserve	Debt	Capital	Other
LTGO Debt Service	10,164,749	115,155	10,049,594	-	-
UTGO Debt Service	1,434,094	302,729	1,131,365	-	-
<b>Total Debt Service Funds</b>	<b>11,598,843</b>	<b>417,884</b>	<b>11,180,959</b>	<b>-</b>	<b>-</b>

**CITY OF KIRKLAND**  
**CHANGE IN FUND BALANCE (Beginning 2017 to Ending 2020)**  
**GENERAL GOVERNMENT NON-OPERATING**

**DEBT SERVICE FUNDS**

	<b>Limited GO Debt</b>	<b>Unlimited GO Debt</b>	<b>Total</b>
<b>2017 Actual Beginning Fund Balance</b>	<b>74,191</b>	<b>304,237</b>	<b>378,428</b>
<i>Reserved</i>	<i>74,191</i>	<i>304,237</i>	<i>378,428</i>
<i>Unreserved Working Capital</i>	<i>-</i>	<i>-</i>	<i>-</i>
Plus: 2017-18 Estimated Revenues	7,132,652	1,162,892	8,295,544
Less: 2017-18 Estimated Expenditures	7,111,395	1,164,400	8,275,795
<b>2018 Estimated Ending/2019 Budgeted Beginning Fund Balance</b>	<b>95,448</b>	<b>302,729</b>	<b>398,177</b>
Plus: 2019-20 Budgeted Revenues	10,069,301	1,131,365	11,200,666
Less: 2019-20 Budgeted Expenditures	10,049,594	1,131,365	11,180,959
<b>2020 Budgeted Ending Fund Balance</b>	<b>115,155</b>	<b>302,729</b>	<b>417,884</b>
<i>Reserved</i>	<i>115,155</i>	<i>302,729</i>	<i>417,884</i>
<i>Unreserved Working Capital</i>	<i>-</i>	<i>-</i>	<i>-</i>
<b>Change in Fund Balance: Beginning 2017 to Ending 2020</b>	<b>40,964</b>	<b>(1,508)</b>	<b>39,456</b>

**Notes:**

Fund balances in debt service funds provide for cash flow needs.

**CITY OF KIRKLAND  
GENERAL GOVERNMENT NON-OPERATING  
DEBT SERVICE FUNDS  
2019-2020 PAYMENT AND RESERVE SUMMARY**

**2017-2018 Budget**

Fund	Payment		Reserve	Total
	Principal	Interest		
LTGO Debt Service	3,362,485	3,807,584	93,899	7,263,968
UTGO Debt Service	1,030,000	133,860	304,237	1,468,097
<b>Total Debt Service Funds</b>	<b>4,392,485</b>	<b>3,941,444</b>	<b>398,136</b>	<b>8,732,065</b>

**2019-2020 Budget**

Fund	Payment		Reserve	Total
	Principal	Interest		
LTGO Debt Service*	3,641,401	3,520,306	115,155	7,276,862
UTGO Debt Service	1,045,000	86,365	302,729	1,434,094
<b>Total Debt Service Funds</b>	<b>4,686,401</b>	<b>3,606,671</b>	<b>417,884</b>	<b>8,710,956</b>

\*Payments do not reflect placeholder amounts for anticipated 2019 debt issuance.

## CITY OF KIRKLAND

### SCHEDULE OF LONG TERM DEBT

The City uses long term debt to finance the cost of large capital improvements. Councilmanic debt is repaid from general revenues. Voter approved debt is retired from property tax increases put in place for the life of the bond issue. Revenue bonds are repaid from water/sewer utility rates. The following schedule identifies current outstanding long-term debt.

Type of Debt	Issue Date	Original Amount	Outstanding 12/31/2018	Cost Per \$1,000 AV	Avg Annual Debt Service*
<b><i>Councilmanic Bonds:</i></b>					
2015 Limited G.O. (City Hall Renovations)	11/20/15	5,800,000	5,120,000	N/A	421,727
2010 Limited G.O. (Facilities Expansion)	12/21/10	35,345,000	29,195,000	N/A	2,309,646
<b>Total Councilmanic Bonds</b>		<b>41,145,000</b>	<b>34,315,000</b>		<b>2,731,373</b>
<b><i>Voter Approved Bonds:</i></b>					
2013 Unlimited G.O. Refunding (Parks) <sup>1</sup>	10/29/13	4,670,000	2,135,000	0.085	568,030
<b>Total Voter Approved Bonds</b>		<b>4,670,000</b>	<b>2,135,000</b>	<b>0.085</b>	<b>568,030</b>
<b><i>Estimated Remaining Voter Approved Debt Capacity as of 12/31/2018</i></b>				<b>\$</b>	<b>1,856,455,732</b>
<b><i>Fire District #41 Bond:</i></b>					
2011 Limited G.O. (Fire Station Construction)	5/26/11	4,000,000	1,335,916	N/A	470,572
<b>Total Fire District #41 Bond</b>		<b>4,000,000</b>	<b>1,335,916</b>		<b>470,572</b>
<b><i>Public Works Trust Fund Loans:</i></b>					
2000 Lift Station Replacement-Design	7/1/00	227,500	12,535	N/A	12,660
2001 Lift Station Replacement-Construction	9/15/03	1,848,000	308,906	N/A	102,969
2004 Central Way Sewer Replacement	9/1/04	1,086,300	343,995	N/A	57,333
2012 NE 80th ST Water/Sewer Replacement <sup>2</sup>	10/8/12	4,038,000	3,502,815	N/A	260,209
<b>Total Revenue Bonds &amp; Trust Fund Loans</b>		<b>7,199,800</b>	<b>4,168,251</b>		<b>433,170</b>

\*The average annual debt service is based on the remaining principal and interest payments due until the debt is extinguished.

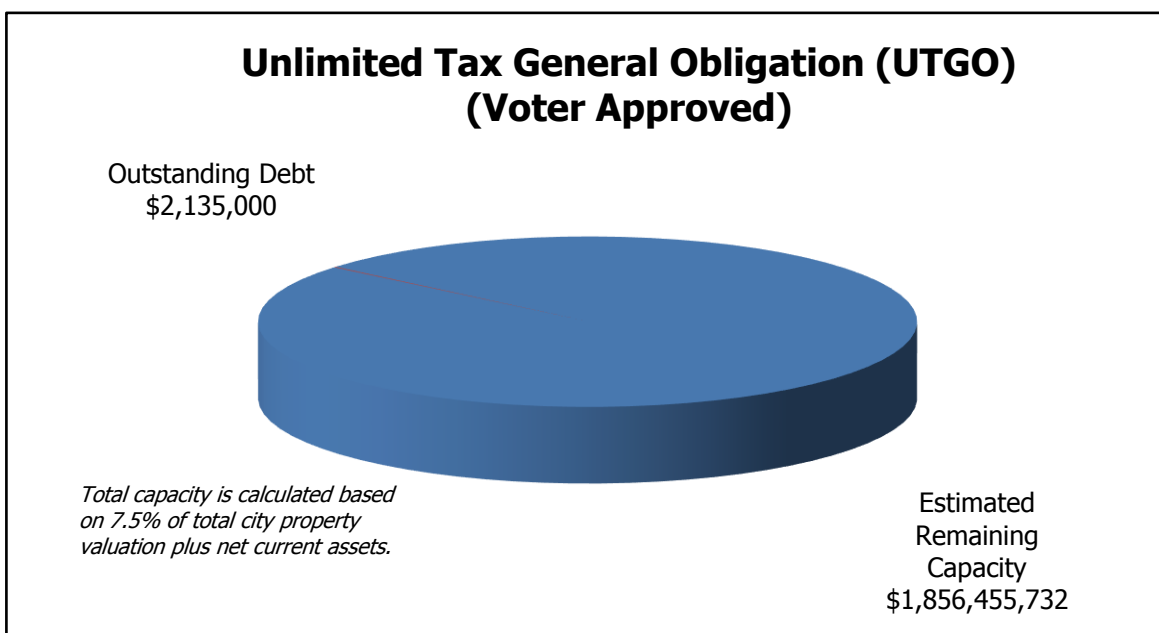
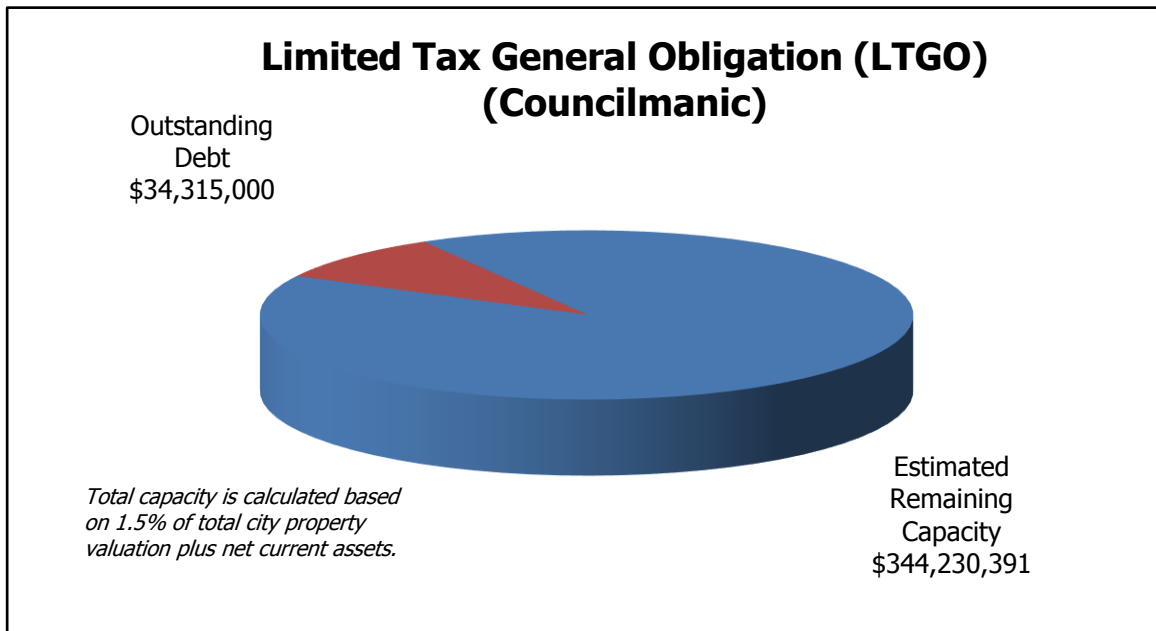
<sup>1</sup> Refunds Original 2003 Issue with 2013 Refund

<sup>2</sup> 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.

Note: On May 26, 2011, Fire Protection District #41 issued \$4 million in Limited Tax General Obligation Bonds to finance the Consolidated Fire Station Project. On June 1, 2011, the Fire District ceased operation when the City of Kirkland annexed all the territory served by the District. The outstanding debt remains an obligation of the taxable property which was annexed.

## CITY OF KIRKLAND DEBT CAPACITY

Washington State law imposes limitations on the total amount of debt that a city can have outstanding to 7.5 percent of total assessed property valuation plus the net of current assets and liabilities. This comprises the City's "Debt Capacity" at any one time. The City Council has authority to issue bonds without voter approval (Councilmanic) for a combined total of up to 1.5 percent of the City's assessed valuation. The following graphs compare the total estimated capacity available to the City's indebtedness:





**City of Kirkland**  
**2015 Limited General Obligation Bonds**

**Purpose: City Hall Renovations 2015**

Amount of Issue	\$5,800,000	Date of Bond Sale	11/20/2015
Ordinance	4490	Net Interest Rate	3.450%
		Org:	21018202

**DEBT SERVICE SCHEDULE**

Year	Interest Dates: June 1      December 1		Interest Rate	Maturity Date	Principal Amount	Total Payment	Principal Balance
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	0
Totals	1,109,686	1,103,566			5,800,000	8,013,252	

**City of Kirkland****2010 Build America Bonds and Recovery Zone Economic Development Bonds****Purpose: Facilities Expansion**

Amount of Issue	\$35,345,000	Date of Bond Sale	12/21/2010
Ordinance	4272	Net Interest Rate	3.583%
		Org:	21018201

**DEBT SERVICE SCHEDULE**

Year	Interest Dates:		Interest Rate	Maturity Date	Principal Amount	Total Payment	Principal Balance
	June 1	December 1					
2011	765,233	860,888	0.90%	12/1/2011	135,000	1,761,121	35,210,000
2012	860,280	860,280	1.20%	12/1/2012	640,000	2,360,560	34,570,000
2013	856,440	856,440	1.50%	12/1/2013	645,000	2,357,880	33,925,000
2014	851,603	851,603	1.80%	12/1/2014	655,000	2,358,205	33,270,000
2015	845,708	845,708	2.20%	12/1/2015	990,000	2,681,415	32,280,000
2016	834,818	834,818	2.75%	12/1/2016	1,010,000	2,679,635	31,270,000
2017	820,930	820,930	3.00%	12/1/2017	1,030,000	2,671,860	30,240,000
2018	805,480	805,480	3.40%	12/1/2018	1,045,000	2,655,960	29,195,000
2019	787,715	787,715	3.75%	12/1/2019	1,070,000	2,645,430	28,125,000
2020	767,653	767,653	4.00%	12/1/2020	1,195,000	2,730,305	26,930,000
2021	743,753	743,753	4.20%	12/1/2021	805,000	2,292,505	26,125,000
2022	726,848	726,848	4.40%	12/1/2022	1,000,000	2,453,695	25,125,000
2023	704,848	704,848	4.60%	12/1/2023	1,030,000	2,439,695	24,095,000
2024	681,158	681,158	4.75%	12/1/2024	1,060,000	2,422,315	23,035,000
2025	655,983	655,983	4.90%	12/1/2025	1,095,000	2,406,965	21,940,000
2026	629,155	629,155	5.10%	12/1/2026	1,125,000	2,383,310	20,815,000
2027	600,468	600,468	5.25%	12/1/2027	1,165,000	2,365,935	19,650,000
2028	569,886	569,886	5.40%	12/1/2028	1,205,000	2,344,773	18,445,000
2029	537,351	537,351	5.50%	12/1/2029	1,245,000	2,319,703	17,200,000
2030	503,114	503,114	5.55%	12/1/2030	1,290,000	2,296,228	15,910,000
2031	467,316	467,316	5.60%	12/1/2031	1,340,000	2,274,633	14,570,000
2032	429,796	429,796	5.875%	12/1/2032	1,390,000	2,249,593	13,180,000
2033	388,965	388,965	5.875%	12/1/2033	1,440,000	2,217,930	11,740,000
2034	346,665	346,665	5.875%	12/1/2034	1,495,000	2,188,330	10,245,000
2035	302,749	302,749	5.875%	12/1/2035	1,555,000	2,160,499	8,690,000
2036	257,071	257,071	5.875%	12/1/2036	1,610,000	2,124,143	7,080,000
2037	209,778	209,778	5.90%	12/1/2037	1,675,000	2,094,555	5,405,000
2038	160,365	160,365	5.90%	12/1/2038	1,735,000	2,055,730	3,670,000
2039	109,183	109,183	5.95%	12/1/2039	1,800,000	2,018,365	1,870,000
2040	55,633	55,633	5.95%	12/1/2040	1,870,000	1,981,265	0
Totals	17,275,940	17,371,594			35,345,000	69,992,535	

**City of Kirkland****Fire District #41 Bond (Issued by Fire District prior to Annexation)****Purpose: Fire Station Construction**

Denomination	n/a	Date of Bond Sale	5/26/2011
Amount of Issue	4,000,000	Net Interest Rate	3.200%
Ordinance	n/a	Org:	21018203

**DEBT SERVICE SCHEDULE**

Year	Interest Dates:		Interest Rate	Maturity Date	Principal Amount	Total Payment	Principal Balance
	June 1	December 1					
2011		65,778	3.20%	12/1/2011		65,778	4,000,000
2012	64,000	61,259	3.20%	12/1/2012	345,313	470,572	3,654,687
2013	58,475	55,646	3.20%	12/1/2013	356,451	470,572	3,298,236
2014	52,772	49,852	3.20%	12/1/2014	367,949	470,572	2,930,287
2015	46,885	43,870	3.20%	12/1/2015	379,817	470,572	2,550,470
2016	40,808	37,696	3.20%	12/1/2016	392,069	470,572	2,158,401
2017	34,534	31,322	3.20%	12/1/2017	404,715	470,572	1,753,686
2018	28,059	24,743	3.20%	12/1/2018	417,770	470,572	1,335,916
2019	21,375	17,952	3.20%	12/1/2019	431,245	470,572	904,670
2020	14,475	10,942	3.20%	12/1/2019	445,156	470,572	459,515
2021	7,352	3,705	3.20%	12/1/2019	459,515	470,572	-
Totals	368,734	402,766			4,000,000	4,771,500	

Note: On May 26, 2010, Fire Protection District #41 issued \$4 million in Limited Tax General Obligation Bonds to finance the Consolidated Fire Station Project. On June 1, 2011, the Fire District dissolved when the City of Kirkland annexed all the territory served by the District. The outstanding debt remains an obligation of the taxable property which was annexed.

**City of Kirkland**  
**2013 Unlimited General Obligation Bonds**

**Purpose: 2013 Refinance Existing Bonds**

Denomination			
Amount of Issue	\$4,670,000	Date of Bond Sale	10/29/2013
Ordinance	4420	Net Interest Rate	2.30%
Org Key	22018205		

Year	Interest Dates:		Interest Rate	Maturity Date	Principal Amount	Total Payment	Principal Balance
	June 1	December 1					
2014	63,253	53,705	2.30%	12/1/2014	540,000	656,958	4,130,000
2015	47,495	47,495	2.30%	12/1/2015	475,000	569,990	3,655,000
2016	42,033	42,033	2.30%	12/1/2016	490,000	574,065	3,165,000
2017	36,398	36,398	2.30%	12/1/2017	510,000	582,795	2,655,000
2018	30,533	30,533	2.30%	12/1/2018	520,000	581,065	2,135,000
2019	24,553	24,553	2.30%	12/1/2019	515,000	564,105	1,620,000
2020	18,630	18,630	2.30%	12/1/2020	530,000	567,260	1,090,000
2021	12,535	12,535	2.30%	12/1/2021	540,000	565,070	550,000
2022	6,325	6,325	2.30%	12/1/2022	550,000	562,650	0
Totals	281,753	272,205			4,670,000	5,223,958	

# Capital Project Funds

Capital Project Funds account for the acquisition and construction of capital facilities not financed by proprietary funds.

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## GENERAL GOVERNMENT CAPITAL PROJECT FUNDS



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**CITY OF KIRKLAND**

***GENERAL GOVERNMENT CAPITAL  
PROJECTS FUNDS***

Capital Projects Funds are used to fund and track the construction of projects approved in the Capital Improvement Program. The City Council adopts a six-year Capital Improvement Program (CIP) which is a plan for major improvements or purchases needed in the areas of transportation (streets, sidewalks, signals, and intersections), storm drains, water and sewer systems, parks, public safety, and other government facilities and equipment. The Council revises the CIP biennially. The General Government Capital Projects Funds include projects in all sections of the CIP except those associated with the water/sewer and surface water utilities.

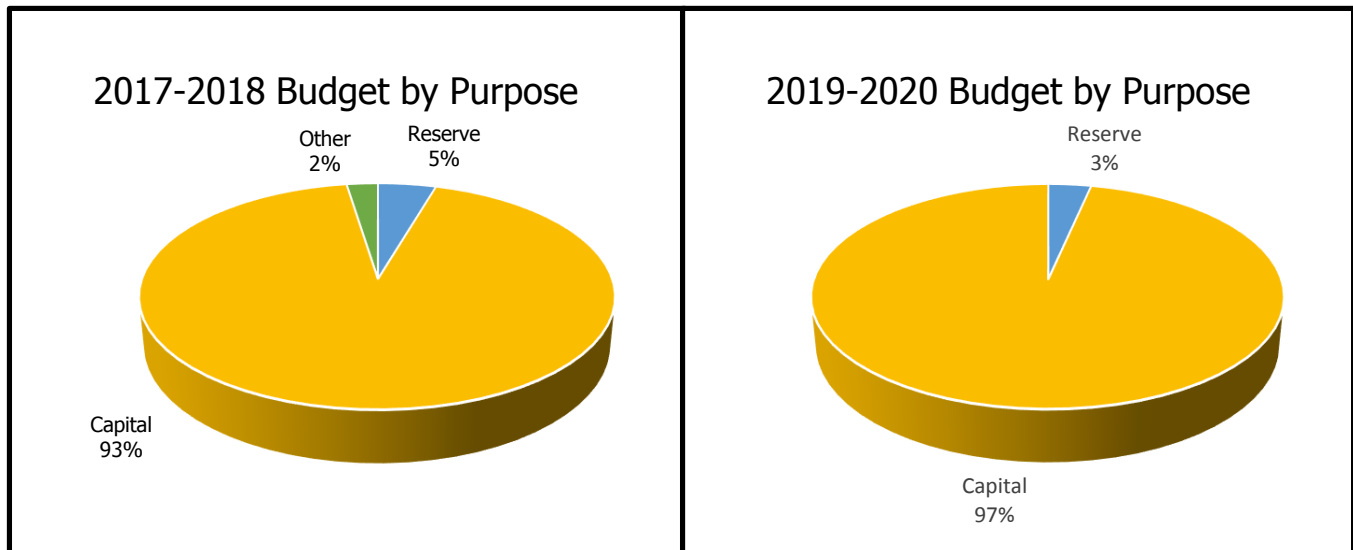
There are two general government capital projects funds:

The **General Capital Projects Fund** accounts for projects funded from general revenue sources. Resources are transferred in as needed, usually from the Excise Tax Capital Improvement Fund (REET), Impact Fee Fund, interest income, and sales tax allocations. Providing a cushion in the event of unanticipated changes in project scope or cost is the General Capital Contingency, which has a target of ten percent of the funded six-year CIP (less utility projects).

The **Transportation Capital Projects Fund** accounts for all general government transportation projects. City resources are transferred in as needed, usually from the Street Operating Fund, Impact Fee Fund, and the Excise Tax Capital Improvement Fund. Transportation projects also frequently receive external revenue from grants or other agencies such as Sound Transit. Utility portions of transportation projects (water/sewer and surface water) are funded in the respective utility capital funds.



**CITY OF KIRKLAND**  
**General Government Non-Operating**  
**Capital Projects Funds**



Capital Projects Funds are used for two purposes - capital construction of projects and capital reserves approved in the Capital Improvement Program. Other uses are transfers from the capital funds back to the original funding source e.g. REET. The City Council adopts a six-year Capital Improvement Program (CIP) biennially. The CIP is a plan for major improvements or purchases needed in the areas of transportation (streets, sidewalks, signals, and intersections), storm drains, water/sewer systems, parks, public safety, and other government facilities and equipment.

**2017-2018 Budget by Purpose**

Fund	2017-2018 Budget	Budget by Purpose			
		Reserve	Debt	Capital	Other
General Capital Projects	67,417,988	7,181,134	-	57,665,188	2,571,666
Transportation Capital Projects	90,916,986	29,036	-	89,582,405	1,305,545
<b>Total Capital Projects Funds</b>	<b>158,334,974</b>	<b>7,210,170</b>	<b>-</b>	<b>147,247,593</b>	<b>3,877,211</b>

**2019-2020 Budget by Purpose**

Fund	2019-2020 Budget	Budget by Purpose			
		Reserve	Debt	Capital	Other
General Capital Projects	56,493,690	5,736,746	-	50,756,944	-
Transportation Capital Projects	114,126,156	29,036	-	114,097,120	-
<b>Total Capital Projects Funds</b>	<b>170,619,846</b>	<b>5,765,782</b>	<b>-</b>	<b>164,854,064</b>	<b>-</b>

**CITY OF KIRKLAND**  
**CHANGE IN FUND BALANCE (Beginning 2017 to Ending 2020)**  
**GENERAL GOVERNMENT NON-OPERATING**

**CAPITAL PROJECTS FUNDS**

	<b>General Capital Projects</b>	<b>Transportation Capital Projects</b>	<b>Total</b>
<b>2017 Actual Beginning Fund Balance</b>	<b>29,371,124</b>	<b>12,083,950</b>	<b>41,455,074</b>
<i>Reserved</i>	<i>2,214,316</i>	<i>29,036</i>	<i>2,243,352</i>
<i>Unreserved Working Capital</i>	<i>27,156,808</i>	<i>12,054,914</i>	<i>39,211,722</i>
Plus: 2017-18 Estimated Revenues	42,694,010	41,128,484	83,822,494
Less: 2017-18 Estimated Expenditures	36,477,178	26,793,541	63,270,719
<b>2018 Estimated Ending/2019 Budgeted Beginning Fund Balance</b>	<b>35,587,956</b>	<b>26,418,893</b>	<b>62,006,849</b>
Plus: 2019-20 Budgeted Revenues	20,905,734	87,707,263	108,612,997
Less: 2019-20 Budgeted Expenditures	50,756,944	114,097,120	164,854,064
<b>2020 Budgeted Ending Fund Balance</b>	<b>5,736,746</b>	<b>29,036</b>	<b>5,765,782</b>
<i>Reserved</i>	<i>5,736,746</i>	<i>29,036</i>	<i>5,765,782</i>
<i>Unreserved Working Capital</i>	<i>-</i>	<i>-</i>	<i>-</i>
<b>Change in Fund Balance: Beginning 2017 to Ending 2020</b>	<b>(23,634,378)</b>	<b>(12,054,914)</b>	<b>(35,689,292)</b>

**Notes:**

The reductions in fund balance of the General Capital Projects Fund and the Transportation Capital Projects Fund are due to the completion of projects which were funded but not constructed in prior years. The General Capital Projects Fund reserves serve as contingency reserves for both General Capital Projects and the Transportation Capital Projects.

**CITY OF KIRKLAND  
CAPITAL IMPROVEMENT PROGRAM  
2019-2020 BUDGET**

**GENERAL CAPITAL PROJECTS FUND (310)**

<b>Project Category/ Project Title</b>	<b>Project Number</b>	<b>Funding Source</b>
<b>PARKS</b>		
Open Space, Park Land & Trail Acq Grant Match Program	PKC 04900	REET 1 Reserve
Parks, Play Areas & Accessibility Enhancements	PKC 06600	Kirkland Park Levy
Waverly Beach Park Renovation Phase II	PKC 08711	Kirkland Park Levy
Juanita Beach Park Playground	PKC 11903	General Fund
Green Kirkland Forest Restoration Program	PKC 12100	Kirkland Park Levy
Neighborhood Park Land Acquisition	PKC 13330	REET 1/ Impact Fees/ King County Parks Levy
132nd Square Park Playfields Renovation	PKC 13400	REET 1/ Kirkland Parks Levy/ Impact Fees
132nd Square Park Master Plan	PKC 13420	Kirkland Parks Levy
Totem Lake Park Development - Expanded Phase I	PKC 13902	Impact Fees/ External/ REET 1 Reserve
Doris Cooper Houghton Beach Park Restroom Replacement	PKC 14200	REET 1
Parks Maintenance Center	PKC 14700	General Capital Contingency
Park Facilities Life Cycle Projects	PKC 15100	Parks Facilities Sinking Fund
<b>Total Parks</b>		
<b>PUBLIC SAFETY</b>		
Defibrillator Unit Replacement	PSC 06200	Fire Sinking Fund Reserve
Thermal Imaging Cameras	PSC 06600	Fire Sinking Fund Reserve
Self Contained Breathing Apparatus (SCBA)	PSC 07100	Fire Sinking Fund Reserve
Personal Protective Equipment	PSC 07600	Fire Sinking Fund Reserve
Emergency Generators	PSC 08000	General Fund Revenue
Fire Station 26 Training Prop	PSC 08100	General Fund Revenue
Fire Equipment Replacement	PSC 20000	REET 1 Reserves
Police Equipment Replacement	PSC 10000	Police Sinking Fund Reserve
Fire Station 24 Replacement	PSC 30022	REET 1 Reserves
Fire Station 27 Land Acquisition	PSC 30030	REET 1
<b>Total Public Safety</b>		
<b>GENERAL GOVERNMENT</b>		
<b>Technology</b>		
Digital Evidence Storage	ITC 100300	General Fund Revenue
Network Infrastructure	ITC 11000	Technology Sinking Fund
Cloud Computing Services for Servers & Storage	ITC 12000	Technology Sinking Fund/Utilities
Network Phone Systems	ITC 13000	Technology Sinking Fund
Network Security	ITC 14000	Technology Sinking Fund
Geographic Information Systems	ITC 20000	General Fund/Utilities
Copier Replacements	ITC 50000	Technology Sinking Fund
<b>Total Technology</b>		
<b>Facilities</b>		
Municipal Garage Elevator Repair	GGC 03801	Street Levy Revenue
City Hall Annex HVAC Installation	GGC 03900	Prior Year Project Closures
Electrical, Energy Management, & Lighting Systems	GGC 00800	Facilities Sinking Fund Charges
Mechanical/HVAC Systems Replacements	GGC 00900	Facilities Sinking Fund Charges
Painting, Ceilings, Partition, & Window Replacements	GGC 01000	Facilities Sinking Fund Charges
Roofing, Gutter, Siding, & Deck Replacements	GGC 01100	Facilities Sinking Fund Charges
Flooring Replacements	GGC 01200	Facilities Sinking Fund Charges
Public Works Maintenance Center Tenant Improvements	GGC 01200	Prior Year Project Closures
<b>Total Facilities</b>		
<b>Total General Government</b>		
<b>TOTAL GENERAL CAPITAL PROJECTS FUND</b>		

2019 Budget	2020 Budget	Total 2019-2020 Budget	Additional Annual Maintenance & Operations	
			2019	2020
100,000		100,000	-	-
250,000	250,000	500,000	-	-
515,000		515,000	-	-
366,000			-	-
100,000	100,000	200,000	-	-
918,000	300,000	1,218,000	8,000	-
635,000	1,549,000	2,184,000	-	-
135,000		135,000	-	-
4,435,200	724,000	5,159,200	-	125,000
	85,000	85,000	-	-
1,500,000		1,500,000	-	-
162,000	151,000	313,000	-	-
<b>9,116,200</b>	<b>3,159,000</b>	<b>11,909,200</b>	<b>8,000</b>	<b>125,000</b>
	143,100	143,100	-	-
93,400		93,400	-	-
135,400		135,400	-	-
614,500	6,700	621,200	-	-
	60,000	60,000	-	-
290,000		290,000	-	-
31,700	8,000	39,700	-	-
111,600	175,900	287,500	-	-
4,500,000		4,500,000	-	-
1,300,000		1,300,000	-	-
<b>7,076,600</b>	<b>393,700</b>	<b>7,470,300</b>	<b>-</b>	<b>-</b>
162,000		162,000	-	-
114,000	1,006,600	1,120,600	-	-
581,700	330,700	912,400	-	-
125,300	95,300	220,600	-	-
75,000	30,000	105,000	-	-
285,000	285,000	570,000	-	-
34,000	34,600	68,600	-	-
<b>1,377,000</b>	<b>1,782,200</b>	<b>3,159,200</b>	<b>-</b>	<b>-</b>
275,000		275,000	-	-
220,000		220,000	-	-
17,800		17,800	-	-
361,700	88,100	449,800	-	-
121,900	210,800	332,700	-	-
	55,000	55,000	-	-
37,100	167,600	204,700	-	-
250,000		250,000	-	-
<b>1,283,500</b>	<b>521,500</b>	<b>1,805,000</b>	<b>-</b>	<b>-</b>
<b>2,660,500</b>	<b>2,303,700</b>	<b>4,964,200</b>	<b>-</b>	<b>-</b>
<b>18,853,300</b>	<b>5,856,400</b>	<b>24,343,700</b>	<b>8,000</b>	<b>125,000</b>

**CITY OF KIRKLAND  
CAPITAL IMPROVEMENT PROGRAM  
2019-2020 BUDGET**

**TRANSPORTATION CAPITAL PROJECTS FUND (320)**

<b>Project Category/ Project Title</b>	<b>Project Number</b>	<b>Funding Source</b>
<b>TRANSPORTATION</b>		
<b>Streets</b>		
Annual Street Preservation Program	STC 00600	Gas Tax/ RGRL/ REET 2/ REET 2 Rsv/ Solid Waste
Street Levy Street Preservation	STC 00603	Kirkland Street Levy
Central Way Street Preservation	STC 00604	Gas Tax/ External
Totem Lake Blvd Gateway & Roadway Repair	STC 00605	External
6th Street South Street Preservation	STC 00606	REET 2/ Street Levy
98th Avenue NE Street Preservation	STC 00607	Gas Tax/ Street Levy
124th Ave NE Roadway Improvements (North Section) ROW	STC 05912	REET 2/ Impact Fees/ External
Annual Striping Program	STC 08000	REET 1/ REET 2
100th Avenue NE Roadway Improvements (North Section)	STC 08313	Surface Water/ Impact Fees/ Debt/ External
100th Ave NE Roadway Imps (Mid-North Section)	STC 08314	Surface Water/ Impact Fees/ Debt/ External
Juanita Drive Auto Improvements	STC 08900	Debt
Regional Inter-Agency Coordination	STC 99990	REET 1
<b>Total Streets</b>		
<b>Non-Motorized</b>		
Street Levy-Pedestrian Safety	NMC 00620	Street Levy
Neighborhood Safety Program Improvements	NMC 00621	Walkable Kirkland
Central Way Crosswalk Upgrade	NMC 01204	REET 2
Annual Sidewalk Maintenance Program	NMC 05700	REET 2/ Surface Water
Grant Funded Sidewalk Maintenance Program	NMC 05701	External
NE 132nd Street Sidewalk Improvement	NMC 07100	Surface Water/ External
CKC to Redmond Central Connector	NMC 08100	Gas Tax/ REET 2/ Surface Water/ External
NE 124th St/124th Ave NE Ped Bridge Design & Construction	NMC 08610	REET 2/ King County Park Levy/ Debt
Citywide School Walk Route Enhancements	NMC 08700	Gas Tax/REET 1/ Srf Wtr/ Walkable Kirkland/ REET 2
North Kirkland/JFK School Walk Route Enhancements	NMC 08710	Street Levy/ External
Juanita Drive Multi-Modal (On-Street) Improvements	NMC 09010	Surface Water/ Impact Fees/ REET 2
124th Avenue NE Sidewalk Improvements	NMC 09500	Impact Fees
Citywide Trail Connections (Non-CKC)	NMC 10900	Impact Fees
Lake Front Promenade Design Study	NMC 10902	REET 1/ REET 2
Citywide Accessibility Improvements	NMC 11010	REET 2/ Walkable Kirkland
Citywide Greenways Networks	NMC 11300	Impact Fees/ REET 2
Citywide Greenways Network Project-128th Avenue NE	NMC 11302	REET 1/ Walkable Kirkland/ External
CKC Emergent Projects Opportunity Fund	NMC 11500	REET 2
Totem Lake Public Improvements Phase II	NMC 12400	REET 2/ REET 1/ Debt
<b>Total Non-Motorized</b>		
<b>Traffic Improvements</b>		
NE 132nd St/Juanita H.S. Access Rd Intersection Improvements	TRC 09300	Impact Fees
NE 132nd St/108th Avenue NE Intersect'n Imp	TRC 09400	REET 2/ Impact Fees/ Debt
Annual Signal Maintenance Program	TRC 11600	REET 2
Citywide Traffic Management Safety Improvements	TRC 11700	REET 2
Vision Zero Safety Improvement	TRC 11702	REET 2
Neighborhood Traffic Control	TRC 11703	REET 2
School Zone Beacon & Signage Improvements	TRC 11705	REET 1
Kirkland Intelligent Transportation System Phase 3	TRC 12000	REET 2/ External
116th Avenue NE/NE 124th Street Intersection Improvements	TRC 12400	External
100th Avenue NE/Simonds Road Intersection Imps	TRC 13500	Impact Fees/ External
100th Avenue NE/145th Street Intersection Imps	TRC 13600	Impact Fees/ External
Kirkland Avenue/Lake Street Intersection Improvements	TRC 13700	External
<b>Total Traffic Improvements</b>		
<b>TOTAL TRANSPORTATION CAPITAL PROJECTS FUND</b>		

2019 Budget	2020 Budget	Total 2019-2020 Budget	Additional Annual Maintenance & Operations	
			2019	2020
1,166,000	796,000	1,962,000	-	-
1,613,000	997,000	2,610,000	-	-
214,000		214,000	-	-
1,700,000	1,320,000	3,020,000	-	-
1,000,000	1,200,000	2,200,000	-	-
320,000	1,702,000	2,022,000	-	-
802,000	1,393,000	2,195,000	-	-
500,000	500,000	1,000,000	-	-
2,500,000	1,036,000	3,536,000	-	-
3,517,000	1,762,000	5,279,000	-	-
3,300,000	2,000,000	5,300,000	-	-
82,000	82,000	164,000	-	-
<b>16,714,000</b>	<b>12,788,000</b>	<b>29,502,000</b>	<b>-</b>	<b>-</b>
150,000	150,000	300,000	-	-
200,000	200,000	400,000	-	-
50,000	50,000	100,000	-	-
200,000	200,000	400,000	-	-
2,000,000		2,000,000	-	-
250,000		250,000	-	-
1,239,000		1,239,000	-	-
5,593,100		5,593,100	-	-
1,270,000	400,000	1,670,000	-	-
450,000	500,000	950,000	-	-
	525,000	525,000	-	-
400,000		400,000	-	-
	275,000	275,000	-	-
	75,000	75,000	-	-
100,000	100,000	200,000	-	-
	250,000	250,000	-	-
400,000		400,000	-	-
100,000		100,000	-	-
7,500,000		7,500,000	-	-
<b>19,902,100</b>	<b>2,725,000</b>	<b>22,627,100</b>	<b>-</b>	<b>-</b>
400,000		400,000	-	-
500,000	720,000	1,220,000	-	-
200,000	200,000	400,000	-	-
100,000	100,000	200,000	-	-
50,000	50,000	100,000	-	-
	50,000	50,000	-	-
50,000		50,000	-	-
400,000	450,000	850,000	-	-
800,000	700,000	1,500,000	-	-
800,000	389,000	1,189,000	-	-
836,000	390,000	1,226,000	-	-
480,000	1,073,000	1,553,000	-	-
<b>4,616,000</b>	<b>4,122,000</b>	<b>8,738,000</b>	<b>-</b>	<b>-</b>
<b>41,232,100</b>	<b>19,635,000</b>	<b>60,867,100</b>	<b>-</b>	<b>-</b>

**City of Kirkland**  
**2019-2024 Capital Improvement Program**

**PARK PROJECTS**

Funded Projects:

Project Number	Project Title	Prior Year Funding	2019	2020	2021	2022	2023	2024	2019-2024 Total	Funding Source						
										Current Revenue					External Sources	Reserves
										Real Estate Excise Tax	Kirkland Parks Levy	Parks Fac. Sinking Fund	Impact Fees	King County Parks Levy		
PKC 04900	Open Space, Park Land & Trail Acq Grant Match Program		100,000						100,000							100,000
PKC 06600	Parks, Play Areas & Accessibility Enhancements		250,000	250,000	150,000	150,000	150,000	150,000	1,100,000		1,100,000					
PKC 08711	Waverly Beach Park Renovation Phase II		515,000						515,000		515,000					
PKC 11903	Juanita Beach Park Playground		366,000						366,000							366,000
PKC 12100	Green Kirkland Forest Restoration Program		100,000	100,000	100,000	100,000	100,000	100,000	600,000		600,000					
PKC 13310	Dock & Shoreline Renovations				300,000	300,000	300,000	300,000	1,200,000					1,200,000		
PKC 13330	Neighborhood Park Land Acquisition		918,000	300,000	1,050,000	1,150,000	1,000,000	1,000,000	5,418,000	803,000			4,315,000	300,000		
PKC 13400 +	132nd Square Park Playfields Renovation		635,000	1,549,000					2,184,000	185,000	473,000		1,026,000			500,000
PKC 13420	132nd Square Park Master Plan		135,000						135,000		135,000					
PKC 13902	Totem Lake Park Development - Expanded Phase I	3,050,000	4,435,200	724,000					5,159,200				3,500,000		325,000	1,334,200
PKC 14200 +	Doris Cooper Houghton Beach Park Restroom Replacement			85,000					85,000	85,000						
PKC 14700	Parks Maintenance Center	8,150,000	1,500,000						1,500,000							1,500,000
PKC 15100	Park Facilities Life Cycle Projects		162,000	151,000	162,000	169,000	146,000	160,000	950,000			950,000				
PKC 15400	Indoor Recreation & Aquatic Facility Study				160,000				160,000	160,000						
PKC 15500	Finn Hill Neighborhood Green Loop Trail Master Plan					160,000			160,000	160,000						
PKC 15600	Park Restrooms Renovation/Replacement Program						1,583,000		1,583,000	833,000			750,000			
PKC 15700	Neighborhood Park Development Program							1,583,000	833,000	750,000						
Total Funded Park Projects		11,200,000	9,116,200	3,159,000	1,922,000	2,029,000	3,279,000	3,293,000	22,798,200	3,059,000	2,823,000	950,000	10,341,000	1,500,000	325,000	3,800,200

Notes

*Italics = Modification in timing and/or cost (see Project Modification/Deletion Schedule for more detail)*

**Bold = New projects**

+ = Moved from unfunded status to funded status

## **PARK PROJECTS**

### **Unfunded Projects:**

<b>Project Number</b>	<b>Project Title</b>	<b>Total</b>
<i>PKC 05610</i>	<i>Forbes Lake Park Trail Improvements Phase II</i>	<i>6,000,000</i>
<i>PKC 09510</i>	<i>Heritage Park Development - Phase III &amp; IV</i>	<i>4,000,000</i>
<i>PKC 09700</i>	<i>Reservoir Park Renovation Plan</i>	<i>50,000</i>
<i>PKC 10800</i>	<i>McAuliffe Park Development</i>	<i>7,000,000</i>
<i>PKC 11300</i>	<i>Spinney Homestead Park Renovation Plan</i>	<i>60,000</i>
<i>PKC 11400</i>	<i>Mark Twain Park Renovation Plan</i>	<i>75,000</i>
<i>PKC 11500</i>	<i>Terrace Park Renovation Plan</i>	<i>60,000</i>
<i>PKC 11600</i>	<i>Lee Johnson Field Artificial Turf Installation</i>	<i>5,000,000</i>
<i>PKC11902</i>	<i>Juanita Beach Park Development Phase II</i>	<i>10,000,000</i>
<i>PKC12210</i>	<i>Community Recreation Facility Construction</i>	<i>75,000,000</i>
<i>PKC 12400</i>	<i>Snyder's Corner Park Site Master Plan</i>	<i>100,000</i>
<i>PKC 12600</i>	<i>Watershed Park Master Plan</i>	<i>100,000</i>
<i>PKC 12700</i>	<i>Kiwanis Park Master Plan</i>	<i>75,000</i>
<i>PKC 12800</i>	<i>Yarrow Bay Wetlands Master Plan</i>	<i>200,000</i>
<i>PKC 12900</i>	<i>Heronfield Wetlands Master Planning &amp; Development</i>	<i>125,000</i>
<i>PKC 13100</i>	<i>Park &amp; Open Space Acquisition Program</i>	<i>10,000,000</i>
<i>PKC 13310</i>	<i>Dock &amp; Shoreline Renovations</i>	<i>3,000,000</i>
<i>PKC 13510</i>	<i>Juanita Heights Park Master Plan</i>	<i>150,000</i>
<i>PKC 13600</i>	<i>Kingsgate Park Master Planning and Park Development</i>	<i>150,000</i>
<i>PKC 13800 "</i>	<i>Everest Park Restroom/Storage Building Replacement</i>	<i>1,800,000</i>
<i>PKC 13903</i>	<i>Totem Lake Park Development Phase II</i>	<i>4,000,000</i>
<i>PKC 13904</i>	<i>Totem Lake Park Development Phase III</i>	<i>3,000,000</i>
<i>PKC 14100</i>	<i>South Norway Hill Park Site Master Plan</i>	<i>150,000</i>
<i>PKC 14300</i>	<i>Marsh Park Restroom Replacement</i>	<i>85,000</i>
<i>PKC 14400</i>	<i>Cedar View Park Improvement Plan</i>	<i>50,000</i>
<i>PKC 14500</i>	<i>Environmental Education Center</i>	<i>200,000</i>
<i>PKC 14800</i>	<i>Forbes House Renovation &amp; Historic Preservation Plan</i>	<i>50,000</i>
<i>PKC 14900</i>	<i>Taylor Playfields-Former Houghton Landfill Site Master Plan</i>	<i>300,000</i>
<i>PKC 15000</i>	<i>North Kirkland Community Center Renovation &amp; Expansion Plan</i>	<i>75,000</i>
<b>PKC 15300</b>	<b>Synthetic Turf Playfields Master Plan</b>	<b>135,000</b>
<b>Total Unfunded Parks Projects</b>		<b>130,990,000</b>

### **Notes**

*Italics = Modification in timing and/or cost*

" = Moved from funded status to unfunded status

~ = Partially funded project



**City of Kirkland**  
**2019-2024 Capital Improvement Program**

**PUBLIC SAFETY PROJECTS**

**Funded Projects:**

Project Number	Project Title	Prior Year(s)	2019	2020	2021	2022	2023	2024	2019-2024 Total	Funding Source		
										Reserve	Debt	External Source
<b>FIRE</b>												
<i>PSC 06200</i>	<i>Defibrillator Unit Replacement</i>			143,100					143,100	143,100		
PSC 06300	Air Fill Station Replacement							86,200	86,200	86,200		
<i>PSC 06600</i>	<i>Thermal Imaging Cameras</i>		93,400						93,400	93,400		
<i>PSC 07100</i>	<i>Self Contained Breathing Apparatus (SCBA)</i>		135,400				767,100	115,100	1,017,600	1,017,600		
<i>PSC 07600</i>	<i>Personal Protective Equipment</i>		614,500	6,700	6,800	6,900	7,100	678,500	1,320,500	1,320,500		
PSC 08000	Emergency Generators	120,000		60,000		60,000			120,000	120,000		
<b>PSC 08100</b>	<b>Fire Station 26 Training Prop</b>		<b>290,000</b>						<b>290,000</b>	<b>290,000</b>		
<i>PSC 20000</i>	<i>Fire Equipment Replacement</i>		31,700	8,000	43,000	8,300	28,600	27,000	146,600	146,600		
<b>POLICE</b>												
<i>PSC 10000</i>	<i>Police Equipment Replacement</i>		111,600	175,900	116,800	104,500	91,800	101,100	701,700	701,700		
<b>FACILITIES</b>												
<i>PSC 30022</i>	<i>Fire Station 24 Replacement</i>	10,133,300	4,500,000						4,500,000	4,500,000		
<i>PSC 30030+</i>	<i>Fire Station 27 Land Acquisition</i>		1,300,000						1,300,000	1,300,000		
<b>Total Funded Public Safety Projects</b>		<b>10,253,300</b>	<b>7,076,600</b>	<b>393,700</b>	<b>166,600</b>	<b>179,700</b>	<b>894,600</b>	<b>1,007,900</b>	<b>9,719,100</b>	<b>9,719,100</b>	-	-

Notes

*Italics = Modification in timing and/or cost (see Project Modification/Deletion Schedule for more detail)*

**Bold = New projects**

+ = Moved from unfunded status to funded status

## Public Safety Unfunded Projects:

Project Number	Project Title	Total
<b>FIRE</b>		
PSC 06800	Local Emergency/Public Communication AM Radio	119,100
<b>POLICE</b>		
PSC 12000	Police Strategic Plan Implementation	250,000
<b>FACILITIES</b>		
PSC 30030	Fire Station 27 Land Acquisition	4,700,000
PSC 30040	Fire Station 21 Expansion & Remodel	4,562,000
PSC 30050	Fire Station 22 Expansion & Remodel	7,452,000
PSC 30060	Fire Station 26 Expansion & Remodel	8,040,000
PSC 30070	Fire Station 27 Replacement	15,100,000
<b>Total Unfunded Public Safety Projects</b>		<b>40,223,100</b>

### Notes

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" = Moved from funded status to unfunded status

**City of Kirkland**  
**2019-2024 Capital Improvement Program**

**GENERAL GOVERNMENT PROJECTS - Technology**

**Funded Projects:**

Project Number	Project Title	Prior Year Funding	2019	2020	2021	2022	2023	2024	2019-2024 Total	Funding Source	
										Reserves	Utility Funds
<i>ITC 01003+</i>	<i>Police Evidence System Replacement</i>		<i>162,000</i>						<i>162,000</i>	<i>162,000</i>	-
<i>ITC 10000</i>	<i>Network Server Replacements</i>						<i>250,000</i>		<i>250,000</i>	<i>250,000</i>	-
ITC 11000	Network Infrastructure		114,000	1,006,600	49,100	117,900	83,000	202,800	1,573,400	1,573,400	-
<i>ITC 12000</i>	<i>Cloud Computing Services for Servers &amp; Storage</i>		<i>581,700</i>	<i>330,700</i>	<i>330,700</i>	<i>330,700</i>	<i>330,700</i>	<i>330,700</i>	<i>2,235,200</i>	<i>1,725,200</i>	<i>510,000</i>
<i>ITC 13000</i>	<i>Network Phone Systems</i>		<i>125,300</i>	<i>95,300</i>	<i>95,300</i>	<i>95,300</i>	<i>95,300</i>	<i>95,300</i>	<i>601,800</i>	<i>601,800</i>	-
ITC 14000	Network Security		75,000	30,000	30,000	75,000	30,000	30,000	270,000	270,000	-
ITC 20000	Geographic Information Systems		285,000	285,000	285,000	285,000	285,000	285,000	1,710,000	684,000	1,026,000
<i>ITC 50000</i>	<i>Copier Replacements</i>		<i>34,000</i>	<i>34,600</i>	<i>36,000</i>	<i>55,900</i>	<i>29,000</i>		<i>189,500</i>	<i>189,500</i>	-
<b>Total Funded General Government Projects - Technology</b>			<b>1,377,000</b>	<b>1,782,200</b>	<b>826,100</b>	<b>959,800</b>	<b>1,103,000</b>	<b>943,800</b>	<b>6,991,900</b>	<b>5,455,900</b>	<b>1,536,000</b>

Notes

*Italics = Modification in timing and/or cost (see Project Modification/Deletion Schedule for more detail)*

**Bold = New projects**

## Technology Unfunded Projects:

Project Number	Project Title	Total
ITC 00201	GIS Community Information Portal	100,000
<b>ITC 00304</b>	<b>New City Website &amp; Platform</b>	<b>200,000</b>
<b>ITC 00305</b>	<b>"Explore Kirkland" Redesign</b>	<b>75,000</b>
<b>ITC 00403</b>	<b>Tyler Content Management in EnerGov Implementation</b>	<b>21,000</b>
<b>ITC 00603</b>	<b>Information Technology Internal Process Improvement</b>	<b>251,200</b>
ITC 00701	Fleet Management Systems Replacement	110,000
<b>ITC 00906</b>	<b>Television Media Equipment Upgrade</b>	<b>210,000</b>
<b>ITC 01001</b>	<b>CodeSmart Court Applications Replacement Evaluation</b>	<b>13,600</b>
<b>ITC 01002</b>	<b>License Plate Reader for Patrol Cars</b>	<b>120,000</b>
<b>ITC 01101</b>	<b>WiFi in the Parks Expansion</b>	<b>400,000</b>
<b>ITC 01301</b>	<b>Parking Improvement Solutions Support</b>	<b>75,000</b>
<b>ITC 01401</b>	<b>New Technology Pilot Programs</b>	<b>78,800</b>
<b>ITC 01501</b>	<b>Enterprise Analytics</b>	<b>977,400</b>
<b>Total Unfunded General Government Projects - Technology</b>		<b>2,632,000</b>

### Notes

*Italics = Modification in timing and/or cost*

**Bold= New projects**

**City of Kirkland**  
**2019-2024 Capital Improvement Program**

**GENERAL GOVERNMENT PROJECTS - Facilities**

**Funded Projects:**

Facilities Sinking Fund													
Project Number	Project Title	Prior Year(s)	2019	2020	2021	2022	2023	2024	2019-2024 Total	Funding Source			
										Current Revenue	Reserve	Debt	External Source
GGC 00800	Electrical, Energy Management & Lighting Systems		17,800		27,200	96,400	28,400	152,600	322,400		322,400		
GGC 00900	Mechanical/HVAC Systems Replacements		361,700	88,100	14,600	12,000	106,800	239,400	822,600		822,600		
GGC 01000	Painting, Ceilings, Partition & Window Replacements		121,900	210,800	59,900	13,500	151,500	511,500	1,069,100		1,069,100		
GGC 01100	Roofing, Gutter, Siding and Deck Replacements			55,000	5,100		37,100	20,200	117,400				
GGC 01200	Flooring Replacements		37,100	167,600	172,500	28,400	22,700	157,900	586,200		586,200		
<b>Subtotal Funded General Government Projects - Facilities Sinking Fund</b>			-	538,500	521,500	279,300	150,300	346,500	1,081,600	2,917,700	-	2,917,700	-

Other Projects													
Project Number	Project Title	Prior Year(s)	2019	2020	2021	2022	2023	2024	2019-2024 Total	Funding Source			
										Current	Reserve	Debt	External
GGC 03704	Public Works Maintenance Center Tenant Improvements		250,000	-					250,000		250,000		
GGC 03801	Municipal Garage Repairs		275,000	-					275,000		275,000		
GGC 03900	City Hall Annex HVAC Installation		220,000	-					220,000		220,000		
<b>Subtotal Funded General Government - Other Projects</b>			-	745,000	-	-	-	-	745,000	-	745,000	-	-

<b>Total Funded General Government Projects - Facilities</b>		-	1,283,500	521,500	279,300	150,300	346,500	1,081,600	3,662,700	-	3,662,700	-	-
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City of Kirkland  
2019-2024 Capital Improvement Program

TRANSPORTATION PROJECTS

Funded Projects:

Project Number	Project Title	Prior Year(s)	2019	2020	2021	2022	2023	2024	2019-2024 Total	Funding Sources						
										Current Revenue	Street Levy	Impact Fees	Walkable Kirkland	Reserve	Debt	External/ Pending Source
STC 00600	Annual Street Preservation Program	2,120,000	1,166,000	796,000	1,750,000	1,750,000	1,750,000	1,750,000	8,962,000	8,962,000	12,507,000	314,000 1,015,000  100,000 164,000 456,000	400,000   			

Notes  
Italics = Modification in timing and/or cost (see Project Modification/Deletion Schedule for more detail)  
Bold = New projects  
+ = Moved from unfunded status to funded status  
" = Moved from funded status to unfunded status  
# = Projects to be funded with development-related revenues

**TRANSPORTATION PROJECTS****Unfunded Projects in the Capital Facilities Plan Years 7-20**

Project Number	Project Title	Total
STC 06300	120th Avenue NE Roadway Improvements	4,500,000
STC 07200	NE 120th Street Roadway Improvements (West Section)	15,780,600
STC 07700	NE 132nd St Rdwy Imprv.-Phase I (West Section)	1,739,000
STC 07800	NE 132nd St Rdwy Imprv-Phase II (Mid Section)	408,000
STC 07900	NE 132nd St Rdwy Imprv-Phase III (East Section)	1,444,000
STC 08100	Totem Lake Area Development Opportunity Program	500,000
STC 08315	100th Avenue NE Roadway Improvements (Mid-South Section)	5,530,000
STC 08316	100th Avenue NE Roadway Improvements (South Section)	3,619,000
STC 09400	Holmes Point Dr NE Road Embankment Stabilization Location 1	246,000
STC 09500	Holmes Point Dr NE Road Embankment Stabilization Location 2	412,000
STC 09600	Holmes Point Dr NE Road Embankment Stabilization Location 3	503,000
STC 09700	Holmes Point Dr NE Road Embankment Stabilization Location 4	551,000
STC 09800	Holmes Point Dr NE Road Embankment Stabilization Location 5	232,000
STC 09900	Champagne Pt Road NE Embankment Stabilization	563,000
STC 10000	62nd Ave NE Road Embankment Stabilization	823,000
STC 10100	114th Ave NE Road Reconstruction	1,900,000
STC 10200	90th Ave NE Road Surface Water Drainage Repair	420,000
NMC 01299	Crosswalk Upgrade Program	4,100,000
NMC 08630	CKC Roadway Crossings	3,370,100
NMC 09011	Juanita Drive Bicycle and Pedestrian Improvements	10,650,000
NMC 11100	108th Avenue NE Bicycle Lanes Upgrade	845,000
NMC 11399	Citywide Greenway Network	4,450,000
NMC 11700	On-Street Bicycle Network Phase I	1,120,000
NMC 88881	On-street Bicycle Network	3,280,000
NMC 99991	Sidewalk Completion Program	6,096,800
PTC 00200	Public Transit Speed and Reliability Improvements	500,000
PTC 00300	Public Transit Passenger Environment Improvements	500,000
PTC 00400	108th Avenue NE Transit Queue Jump - Phase I	4,875,000
PTC 00500	108th Avenue NE Transit Queue Jump - Phase II	5,640,000
TRC 09500	NE 132nd St/Fire Stn Access Dr Intersect'n Imp	480,000
TRC 09600	NE 132nd St/124th Ave NE Intersect'n Imp	7,400,000
TRC 09700	NE 132nd St/132nd Ave NE Intersect'n Imp	1,150,000
TRC 12500	Kirkland ITS Implementation Phase 4	2,620,000
TRC 12800	6th Street S/5th Place/CKC Transit Signal Priority	2,600,000
TRC 12900	NE 53rd Street Intersection Improvements	4,345,000
TRC 13000	NE 145th Street/Juanita-Woodinville Way Intersection Imps	2,100,000
TRC 13100	NE 80th Street/120th Avenue NE Intersection Improvements	1,700,000
TRC 13200	100th Avenue NE/132nd Street Intersection Improvements	1,647,000
TRC 13300	100th Avenue NE/Juanita-Woodinville Way Intersection Imps	2,161,000
TRC 13400	100th Avenue NE/137th Street Intersection Improvements	1,475,000
TRC 13800	NE 100th Street/132nd Ave NE Intersection Improvements	1,743,000
<b>Capacity Projects Subtotal</b>		<b>114,018,500</b>
STC 00600 ^	Annual Street Preservation Program	22,750,000
STC 00603 ^	Street Levy Street Preservation	31,107,000
STC 08000 ^	Annual Striping Program	500,000
STC 99990 ^	Regional Inter-Agency Coordination	820,000
NMC 00621 ^	Neighborhood Safety Program Improvements	3,000,000
NMC 05700 ^	Annual Sidewalk Maintenance Program	2,600,000
TRC 11600 ^	Annual Signal Maintenance Program	2,600,000
TRC 11700 ^	Citywide Traffic Management Safety Improvements	1,400,000
TRC 11702	Vision Zero Safety Improvement	650,000
TRC 11703	Neighborhood Traffic Control	325,000
<b>Non-Capacity Projects Subtotal</b>		<b>65,752,000</b>
<b>Total Transportation Master Plan Projects Yrs 7-20</b>		<b>179,770,500</b>

**Unfunded Projects in the Capital Facilities Plan Years 7-20 and Transportation Improvement Plan**

NMC 02412	Cross Kirkland Corridor Opportunity Fund	500,000
NMC 03100	Crestwoods Park/CKC Corridor Ped/Bike Facility	2,505,000
NMC08000	Juanita-Kingsgate Pedestrian Bridge at I-405	4,500,000
NMC 10600	Citywide CKC Connection	360,000
NMC10700	CKC to Downtown Surface Connection	2,000,000
<b>Capital Facilities Projects Not in TMP Subtotal</b>		<b>9,865,000</b>
<b>Total Capital Facilities Plan Projects Yrs 7-20</b>		<b>189,635,500</b>

**Unfunded Transportation Improvement Plan/External Funding Candidates**

Project Number	Project Title	Total
STC 05600	132nd Avenue NE Roadway Improvements	25,170,000
STC 06100	119th Avenue NE Roadway Extension	5,640,000
STC 06200	NE 130th Street Roadway Improvements	10,000,000
STC 06400	124th Avenue NE Roadway Extension	30,349,000
STC 07300	120th Avenue NE Roadway Extension	16,392,000
STC 08600	Finn Hill Emergency Vehicle Access Connection	900,000
NMC 03000	NE 90th Street/I-405 Pedestrian/Bicycle Overpass	3,740,700
NMC 03100	Crestwoods Park/CKC Corridor Ped/Bike Facility	2,505,000
NMC 03200	93rd Avenue Sidewalk	1,047,900
NMC 04300	NE 126th St Nonmotorized Facilities	4,277,200
NMC 04600	18th Avenue SW Sidewalk	2,255,000
NMC 05000	NE 80th Street Sidewalk	859,700
NMC 05400	13th Avenue Sidewalk	446,700
NMC 05500	122nd Ave NE Sidewalk	866,700
NMC 05800	111th Avenue Non-Motorized/Emergency Access Connection	2,000,000
NMC 06200	19th Avenue Sidewalk	814,200
NMC 07400	90th Ave NE Sidewalk	353,400
NMC 08000	Juanita-Kingsgate Pedestrian Bridge at I405	4,500,000
NMC 08600	Cross Kirkland Corridor Non-motorized Improvements	65,742,000
NMC 10600	Citywide CKC Connections	360,000
NMC 10700	CKC to Downtown Surface Connection	2,000,000
TRC 06700	Kirkland Way/CKC Bridge Abutment/Intersection Imprv	6,917,000
TRC 11400	Slater Avenue NE Traffic Calming - Phase I	247,000
TRC 11704	NE 68th Street Intersection Improvements/Access Management	4,375,000
TRC 12300	Slater Avenue NE (132nd Avenue NE)/NE 124th Street	2,124,000
<b>Subtotal Unfunded Transportation Improvement Plan/External Funding Candidates</b>		<b>193,882,500</b>
<b>Grand Total Unfunded Transportation Projects</b>		<b>383,518,000</b>

**Notes***Italics = Modification in timing and/or cost***Bold = New projects**

+ = Moved from unfunded status to funded status

" = Moved from funded status to unfunded status

# = Projects to be funded with development-related revenues

^ = Future, unfunded portion of projects funded in years 1-6

~ = Annual Programs with Candidate projects

**Potential Non-Motorized Projects Under Placeholders; Not Included in Totals**

Project Number	Project Title	Total
<b>NMC 88881 On-Street Bicycle Network Candidate Projects:</b>		
NMC 00100	116th Ave NE (So. Sect.) Non-Motorz'd Facil-Phase II	3,378,000
NMC 03600	NE 100th Street Bike lane	1,644,300
<b>NMC 99991 Sidewalk Completion Program Candidate Projects:</b>		
NMC 02600	NE 90th Street Sidewalk (Phase II)	706,200
NMC 03700	130th Avenue NE Sidewalk	833,600
NMC 04500	NE 95th Street Sidewalk (Highlands)	571,500
NMC 04700	116th Avenue NE Sidewalk (South Rose Hill)	840,000
NMC 04800	NE 60th Street Sidewalk	500,000
NMC 04900	112th Ave NE Sidewalk	527,600
NMC 06100	NE 104th Street Sidewalk	1,085,000
NMC 06300	Kirkland Way Sidewalk	414,500
NMC 07200	NE 132nd Street Sidewalk at Finn Hill Middle School	840,000
NMC 07500	84th Ave NE Sidewalk	4,052,800
NMC 07600	NE 140th St Sidewalk - Muir Elem Walk Rt Enhan. Phase 1	1,131,000
NMC 07700	NE 140th St Sidewalk - Keller Elem Walk Rt Enhan. - N	1,185,000
NMC 07800	NE 140th St Sidewalk - Keller Elem Walk Rt Enhan. - S	747,000
NMC 07900	NE 140th St Sidewalk - Muir Elem Walk Rt Enhan. Phase 2	648,000
NMC 08800	NE 124th Street Sidewalk	376,000
NMC 09700	132nd NE Sidewalk	732,000
NMC 10100	7th Avenue Sidewalk	208,000
NMC 10200	NE 120th Street Sidewalk	548,000
NMC 10300	120th Avenue NE Sidewalk	556,000
NMC 10400	NE 122nd Place/NE 123rd Street Sidewalk	1,294,000
NMC 10500	120th Avenue NE Sidewalk	812,000

# Trust Funds



Trust Funds account for resources held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds.

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## GENERAL GOVERNMENT TRUST FUNDS



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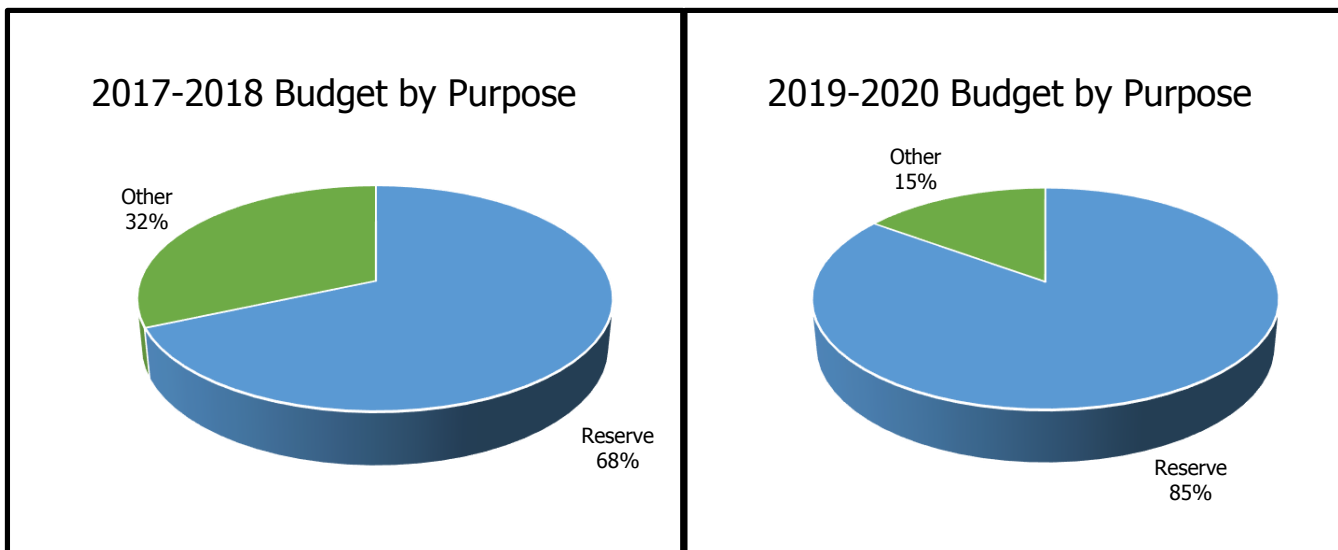
**CITY OF KIRKLAND**

***GENERAL GOVERNMENT TRUST FUNDS***

Trust Funds (fiduciary funds) report assets held in a trustee or agency capacity for others and therefore cannot be used to support the government's own programs. The City has one trust fund:

- The **Firefighter's Pension Fund** provides retirement and disability benefits for firefighters hired prior to March 1, 1970. Revenue includes proceeds of a state-imposed tax on fire insurance premiums and interest.
- Since the pension fund has been actuarially determined to be overfunded, it is also supplementing the cost of medical premiums for firefighter LEOFF 1 retirees.

**CITY OF KIRKLAND**  
**General Government Non-Operating**  
**Trust Funds**



**2017-2018 Budget by Purpose**

Fund	2017-2018 Budget	Budget by Purpose			
		Reserve	Debt	Capital	Other
Firefighter's Pension	1,429,524	978,508	-	-	451,016
<b>Total Trust Funds</b>	<b>1,429,524</b>	<b>978,508</b>	<b>-</b>	<b>-</b>	<b>451,016</b>

**2019-2020 Budget by Purpose**

Fund	2019-2020 Budget	Budget by Purpose			
		Reserve	Debt	Capital	Other
Firefighter's Pension	1,474,145	1,252,545	-	-	221,600
<b>Total Trust Funds</b>	<b>1,474,145</b>	<b>1,252,545</b>	<b>-</b>	<b>-</b>	<b>221,600</b>

**CITY OF KIRKLAND**  
**CHANGE IN FUND BALANCE (Beginning 2017 to Ending 2020)**  
**GENERAL GOVERNMENT NON-OPERATING**

**TRUST FUND**

	<b>Firefighter's Pension</b>
<b>2017 Actual Beginning Fund Balance</b>	<b>1,211,741</b>
<i>Reserved</i>	<i>1,211,741</i>
<i>Unreserved Working Capital</i>	<i>-</i>
Plus: 2017-18 Estimated Revenues	257,300
Less: 2017-18 Estimated Expenditures	258,201
<b>2018 Estimated Ending/2019 Budgeted Beginning Fund Balance</b>	<b>1,210,840</b>
Plus: 2019-20 Budgeted Revenues	263,305
Less: 2019-20 Budgeted Expenditures	221,600
<b>2020 Budgeted Ending Fund Balance</b>	<b>1,252,545</b>
<i>Reserved</i>	<i>1,252,545</i>
<i>Unreserved Working Capital</i>	<i>-</i>
<b>Change in Fund Balance: Beginning 2017 to Ending 2020</b>	<b>40,804</b>

**Note:**

The increase in fund balance reflects lower transfers out to the General Fund for Fire LEOFF 1 retiree medical costs in 2019-2020, compared to 2017-2018.



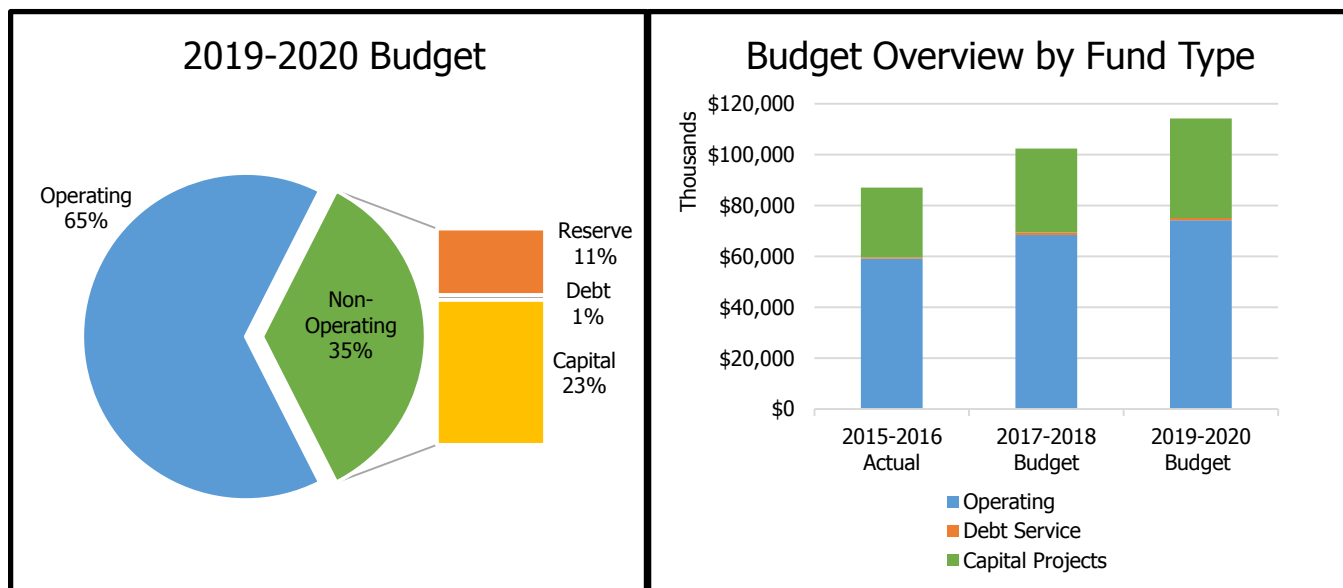
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## Water/Sewer Utility

# CITY OF KIRKLAND

## 2019-2020 Budget

### Water/Sewer Utility



The Water/Sewer Utility operating budget accounts for the purchase of water from the Cascade Water Alliance and sewage treatment services from METRO/King County as well as all maintenance and administrative costs. The non-operating budget accounts for principal and interest payments on utility debt, capital projects, and reserves.

## Analysis of Change

Fund	2015-2016 Actual	2017-2018 Budget	2019-2020 Budget	Change
<b><i>Operating Fund</i></b>				
Water/Sewer Operating Fund	59,025,520	68,416,084	74,147,610	8.38%
<b>Total Operating Funds</b>	<b>59,025,520</b>	<b>68,416,084</b>	<b>74,147,610</b>	<b>8.38%</b>
<b><i>Non-Operating Funds</i></b>				
Water/Sewer Debt Service Fund	606,576	956,438	923,742	-3.42%
Utility Capital Projects Fund	27,365,962	32,983,281	39,049,908	18.39%
<b>Total Non-Operating Funds</b>	<b>27,972,539</b>	<b>33,939,719</b>	<b>39,973,650</b>	<b>17.78%</b>
<b>Total Water/Sewer Utility Funds</b>	<b>86,998,059</b>	<b>102,355,803</b>	<b>114,121,260</b>	<b>11.49%</b>



**CITY OF KIRKLAND**  
**CHANGE IN FUND BALANCE (Beginning 2017 to Ending 2020)**  
**WATER/SEWER UTILITY FUNDS**

	Water/Sewer Operating <sup>1</sup>	Non-Operating		Total
		Water/Sewer Debt Service <sup>2</sup>	Water/Sewer Utility Capital Projects <sup>3</sup>	
<b>2017 Actual Beginning Fund Balance</b>	<b>10,988,367</b>	<b>53,485</b>	<b>20,829,489</b>	<b>31,871,341</b>
<i>Reserved</i>	<i>2,761,433</i>	<i>53,485</i>	<i>5,386,186</i>	<i>8,201,104</i>
<i>Unreserved Working Capital</i>	<i>8,226,934</i>	<i>-</i>	<i>15,443,303</i>	<i>23,670,237</i>
Plus: 2017-18 Estimated Revenues	57,630,444	800,000	17,372,115	75,802,559
Less: 2017-18 Estimated Expenditures	56,531,556	831,294	11,966,808	69,329,658
<b>2018 Estimated Ending/2019 Budgeted Beginning Fund Balance</b>	<b>12,087,255</b>	<b>22,191</b>	<b>26,234,796</b>	<b>38,344,242</b>
Plus: 2019-20 Budgeted Revenues	62,060,355	901,551	12,815,112	75,777,018
Less: 2019-20 Budgeted Expenditures	61,434,304	880,413	26,770,645	89,085,362
<b>2020 Budgeted Ending Fund Balance</b>	<b>12,713,306</b>	<b>43,329</b>	<b>12,279,263</b>	<b>25,035,898</b>
<i>Reserved</i>	<i>2,893,993</i>	<i>43,329</i>	<i>12,279,263</i>	<i>15,216,585</i>
<i>Unreserved Working Capital</i>	<i>9,819,313</i>	<i>-</i>	<i>-</i>	<i>9,819,313</i>
<b>Change in Fund Balance: Beginning 2017 to Ending 2020</b>	<b>1,724,939</b>	<b>(10,156)</b>	<b>(8,550,226)</b>	<b>(6,835,443)</b>

**Notes:**

<sup>1</sup> The increase in fund balance in the Operating Fund is due to expenditure savings in 2017-2018 as well as in 2019-2020 utility rates set to meet anticipated needs of the system in future years while avoiding sharp increases in rates.

<sup>2</sup> Requirement for debt service reserve has declined due to the size and nature of utility debt, which is reflected in the decrease in balance in the Debt Service Fund.

<sup>3</sup> The reduction in fund balance of the Water/Sewer Utility Capital Projects Fund is due to the completion of capital projects that were funded but not constructed in prior years. The water/sewer construction reserve within the Water/Sewer Utility Capital Projects Fund accumulates resources for future projects.

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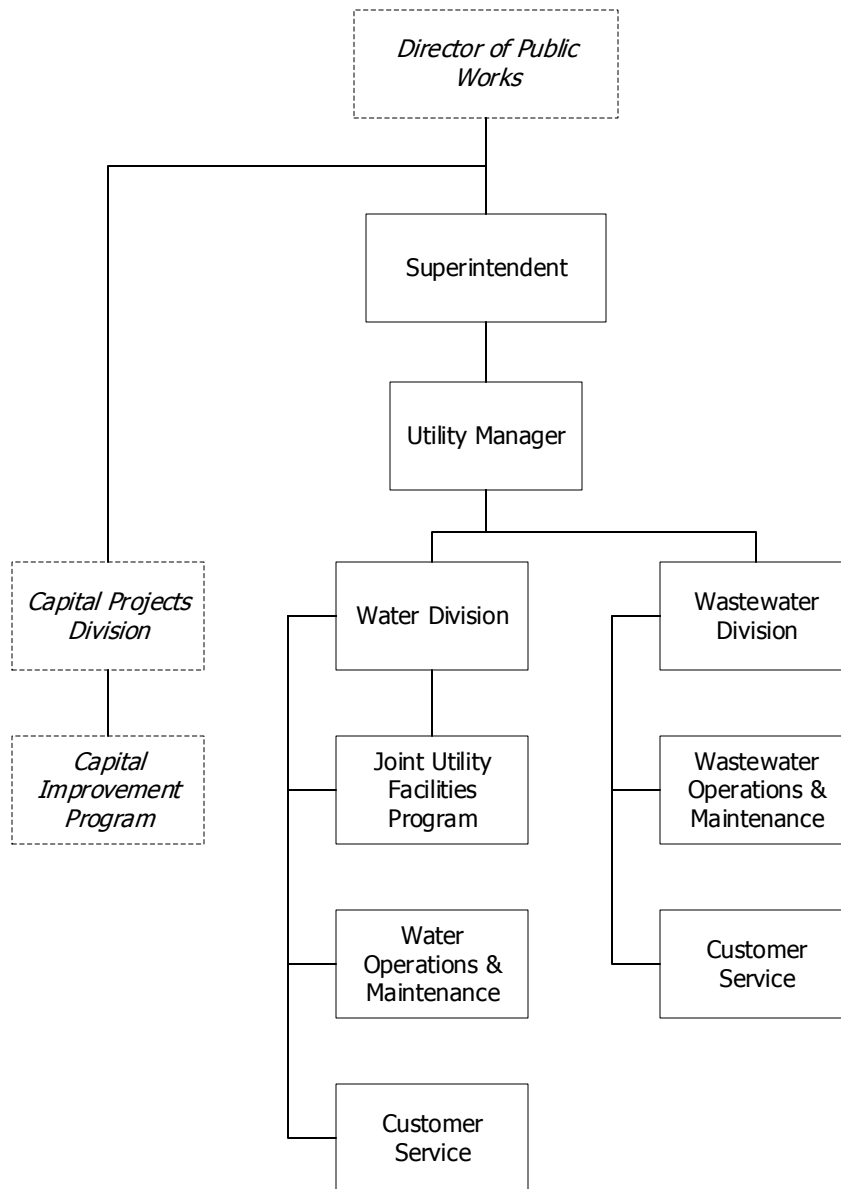
OPERATING



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**CITY OF KIRKLAND**  
**Public Works Department**

Water/Sewer Management 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.*

## DEPARTMENT OVERVIEW

# ***WATER/SEWER OPERATING FUND***

## MISSION

The **Water/Sewer Operating Fund** is established to provide community health and safety by financing the resources necessary for the maintenance, operation, and minor construction of water and sewer system appurtenances, including water and sewer services, mains, pump systems, and other related infrastructure.

## DEPARTMENT FUNCTIONS

The Water and Sewer Divisions of Public Works oversees 175.6 miles of water mains, 38 pressure-reducing stations (PRVs), three water supply/pump stations, two water reservoirs, 1,901 fire hydrants, 12,852 service connections and 4,569 backflow prevention devices. The Wastewater Division operates, maintains, and repairs 123 miles of sewer mains, 3,662 manholes and cleanouts, six sewer lift stations, and 10,973 side sewer connections.

The Water/Sewer utility provides for the repair and replacement of City infrastructure such as water service connections and meters, manhole replacement and rehabilitation, water valve, fire hydrant, and pressure reducing valve replacements that are not included in the Capital Improvement Program.

Major projects that allow the City to meet its water and waste water goals and objectives are administered within the Capital Improvement Program by the Capital Projects Division. Customer billing is administered by the Finance and Administration Department.

## BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS

### Environment

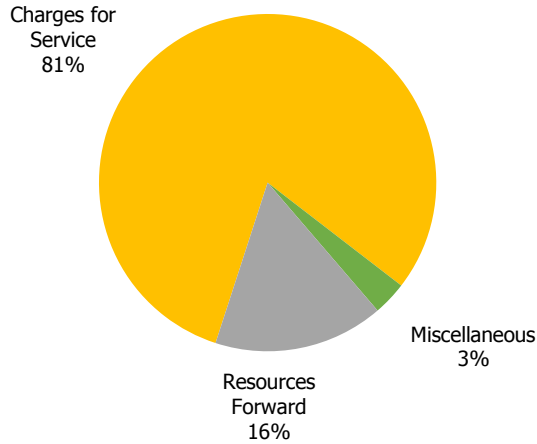
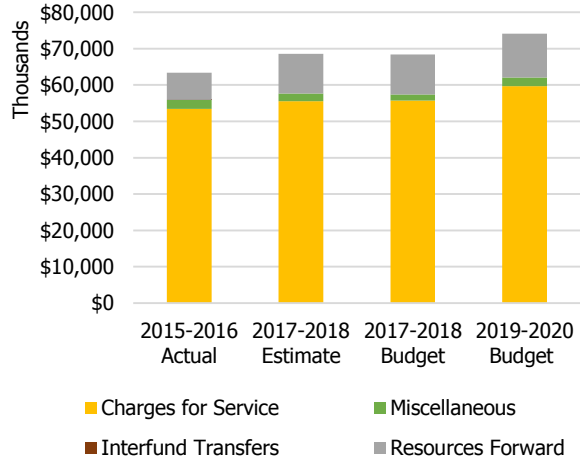
- Establish adequate rates to support the needs of Sewer utility, resulting in rate increases for single family residential of 4% in 2019 and 2.45% in 2020 and multifamily and commercial increases of 1.4% in 2019 and 0% in 2020

### Dependable Infrastructure

- Establish adequate rates to support the needs of the Water Utility resulting in a 3% increase in 2019 and 2.8% increase in 2020 for single family customers, a 10% increase in both 2019 and 2020 for irrigation customers, and no increase in multifamily and commercial rates
- Purchase a 5 yard dump truck, 80- series excavator and trailer equipment to excavate and repair aging and/or damaged sewer infrastructure, \$432,948 (\$324,000 one-time, \$108,948 ongoing)
- Contract with a civil design consultant to build a Water System Unidirectional Flushing Program to reduce incidences of dirty water, \$50,000 one-time
- Add an ongoing 1.0 FTE Water Quality Specialist position to centralize work being performed by multiple employees for our Cross Connection Control Program and allow better customer service and increased public health and safety through water system contamination prevention, \$323,117 (\$298,117 ongoing and \$25,000 one-time)
- Add professional services funding for a consultant to perform a Water and Sewer Utility Cost of Service Analysis, \$50,000 one-time

**FINANCIAL OVERVIEW**

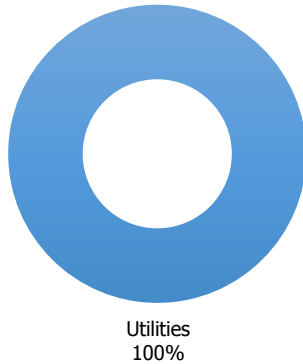
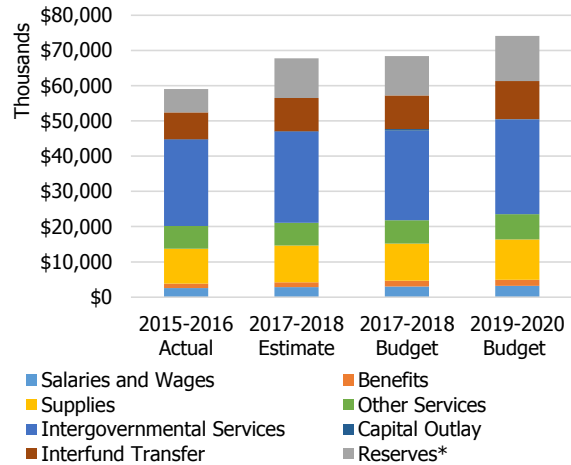
# ***WATER/SEWER OPERATING FUND***

**Sources of Funds**

**Revenues by Type**

**REVENUE SUMMARY BY TYPE**

	2015-2016 Actual	2017-2018 Estimate	2017-2018 Budget	2019-2020 Budget	Change
Charges for Service	53,471,550	55,565,718	55,749,621	59,649,251	6.99%
Miscellaneous	2,437,857	2,064,725	1,678,096	2,411,104	43.68%
Interfund Transfers	7,305	-	-	-	n/a
Resources Forward	7,459,135	10,988,367	10,988,367	12,087,255	10.00%
<b>TOTAL</b>	<b>63,375,848</b>	<b>68,618,811</b>	<b>68,416,084</b>	<b>74,147,610</b>	<b>8.38%</b>

**FINANCIAL OVERVIEW**

# ***WATER/SEWER OPERATING FUND***

**Budget by Division**

**Expenditures by Category**

**EXPENDITURE SUMMARY BY CATEGORY**

	2015-2016 Actual	2017-2018 Estimate	2017-2018 Budget	2019-2020 Budget	Change
Salaries and Wages	2,533,853	2,792,740	2,994,626	3,226,271	7.74%
Benefits	1,321,359	1,382,127	1,670,591	1,672,176	0.09%
Supplies	9,886,977	10,435,137	10,513,279	11,452,787	8.94%
Other Services	6,476,316	6,495,522	6,603,600	7,230,157	9.49%
Intergovernmental Services	24,560,778	25,964,122	25,465,434	26,788,076	5.19%
Capital Outlay	19,490	603	422,402	95,709	-77.34%
Interfund Transfer	7,588,707	9,461,307	9,548,806	10,873,128	13.87%
Reserves*	6,638,040	11,197,346	11,197,346	12,809,306	14.40%
<b>TOTAL</b>	<b>59,025,520</b>	<b>67,728,902</b>	<b>68,416,084</b>	<b>74,147,610</b>	<b>8.38%</b>

**EXPENDITURE SUMMARY BY DIVISION**

	2015-2016 Actual	2017-2018 Estimate	2017-2018 Budget	2019-2020 Budget	Change
Utilities	59,025,520	67,728,902	68,416,084	74,147,610	8.38%
<b>TOTAL</b>	<b>59,025,520</b>	<b>67,728,902</b>	<b>68,416,084</b>	<b>74,147,610</b>	<b>8.38%</b>

\* 2015-2016 actual and 2017-2018 estimated reserves are budgeted, but not spent

**2019 - 2020 POSITION SUMMARY**

# ***WATER/SEWER OPERATING FUND***

**POSITION SUMMARY BY CLASSIFICATION**

<b>Classification</b>	<b>2017-2018 Positions</b>	<b>Service Packages</b>	<b>2019-2020 Positions</b>	<b>Budgeted 2019 Salary Range</b>
Deputy Director	0.25		0.25	9,720 - 12,542
Superintendent	0.45		0.45	8,684 - 11,205
Utility Manager	0.40		0.40	7,794 - 10,056
Planning & Operations Manager	0.00		0.00	7,726 - 9,970
Utility Operations Supervisor	1.00		1.00	7,668 - 9,896
Management Analyst	0.50		0.50	6,414 - 7,546
Water Quality Specialist	0.00	1.00	1.00	6,153 - 7,240
Leadperson	2.00		2.00	5,885 - 7,102
Senior Craftsperson	0.50		0.50	5,237 - 6,378
Yard Maint. & Inventory Control	0.45		0.45	5,237 - 6,378
Senior Maintenance Person	4.00		4.00	5,237 - 6,378
Engineering Technician	0.40		0.40	5,391 - 6,342
Senior Accounting Associate	0.70		0.70	5,301 - 6,237
Utility Craftsperson	1.75		1.75	5,000 - 5,883
Grounds Technician	0.10		0.10	4,265 - 5,345
Utilityperson	8.10		8.10	4,265 - 5,345
Public Works Office Specialist	1.16		1.16	4,258 - 5,009
<b>TOTAL</b>	21.76	1.00	22.76	

**POSITION SUMMARY BY DIVISION**

	<b>2017-2018 Positions</b>	<b>Service Packages</b>	<b>2019-2020 Positions</b>
Utilities	21.76	1.00	22.76
<b>TOTAL</b>	21.76	1.00	22.76



**City of Kirkland**  
**2019-2020 Budget**  
**Water/Sewer Operating Fund Revenues**

		<b>2015-2016</b>	<b>2017-2018</b>	<b>2017-2018</b>	<b>2019-2020</b>	<b>Percent</b>
	<b>Object</b>	<b>Actual</b>	<b>Estimate</b>	<b>Budget</b>	<b>Budget</b>	<b>Change</b>
<b>Charges for Goods and Services</b>						
Interfund - General	341963	9,660	17,261	10,000	10,151	1.51%
Interfund General Govt Services	341971	169,946	153,274	130,000	131,305	1.00%
Interfund - Hydrant Rental	341972	519,985	566,679	566,679	604,130	6.61%
Residential Water Sales	343401	11,253,519	11,965,511	11,715,845	12,899,242	10.10%
Multifamily Water Sales	343403	5,665,243	5,629,912	5,509,409	6,138,398	11.42%
Commercial Water Sales	343404	4,883,758	4,793,449	4,808,507	4,979,903	3.56%
Water Service Penalties	343405	129,271	134,792	120,000	121,205	1.00%
Effective Utility Tax Revenue-Water	343408	2,905,459	2,984,495	2,948,116	3,213,546	9.00%
Residential Sewer Service	343501	14,415,482	15,522,039	15,993,752	16,909,409	5.73%
Multifamily Sewer Service	343503	5,769,325	5,962,100	5,857,977	6,191,106	5.69%
Commercial Sewer Service	343505	4,680,213	4,640,319	4,837,017	4,957,778	2.50%
Sewer Service Penalties	343507	160,101	164,195	150,000	151,450	0.97%
Effective Utility Tax Revenue-Sewer	343508	2,604,953	2,735,946	2,802,319	2,946,121	5.13%
Miscellaneous Utility Revenue	343891	102,525	95,725	100,000	193,506	93.51%
Water Off/On Charge	343901	150,791	148,405	160,000	161,607	1.00%
Estimated Final Bill Fee	343903	51,319	51,616	40,000	40,394	0.99%
<b>Total for Charges for Goods and Services</b>		<b>53,471,550</b>	<b>55,565,718</b>	<b>55,749,621</b>	<b>59,649,251</b>	<b>6.99%</b>
<b>Miscellaneous Revenues</b>						
Investment Interest	361111	140,136	330,343	156,096	471,944	202.34%
Facility Lease Other	362502	89,956	91,975	74,000	75,114	1.51%
Sales of Surplus	369101	7,743	6,564	27,000	27,408	1.51%
Other Judgement Settlements	369401	9,819	8,908	20,000	20,000	0.00%
Other Miscellaneous Revenue	369910	1,337	7,792	1,000	1,013	1.30%
<b>Total for Miscellaneous Revenues</b>		<b>248,991</b>	<b>445,583</b>	<b>278,096</b>	<b>595,479</b>	<b>114.13%</b>
<b>Other Proprietary Income</b>						
Insurance Recovery Proprietary Int Svcs	372001	6,048	15,676	-	-	0.00%
Regional Water Connection Charges	379103	2,182,819	1,603,467	1,400,000	1,815,625	29.69%
<b>Total for Other Proprietary Income</b>		<b>2,188,867</b>	<b>1,619,143</b>	<b>1,400,000</b>	<b>1,815,625</b>	<b>29.69%</b>
<b>Other Financing Sources</b>						
Operating Transfers In	397101	7,305	-	-	-	0.00%
Resources Forward	399991	7,459,135	10,988,367	10,988,367	12,087,255	10.00%
<b>Total for Other Financing Sources</b>		<b>7,466,440</b>	<b>10,988,367</b>	<b>10,988,367</b>	<b>12,087,255</b>	<b>10.00%</b>
<b>Total for Water/Sewer Operating Fund</b>		<b>63,375,848</b>	<b>68,618,811</b>	<b>68,416,084</b>	<b>74,147,610</b>	<b>8.38%</b>

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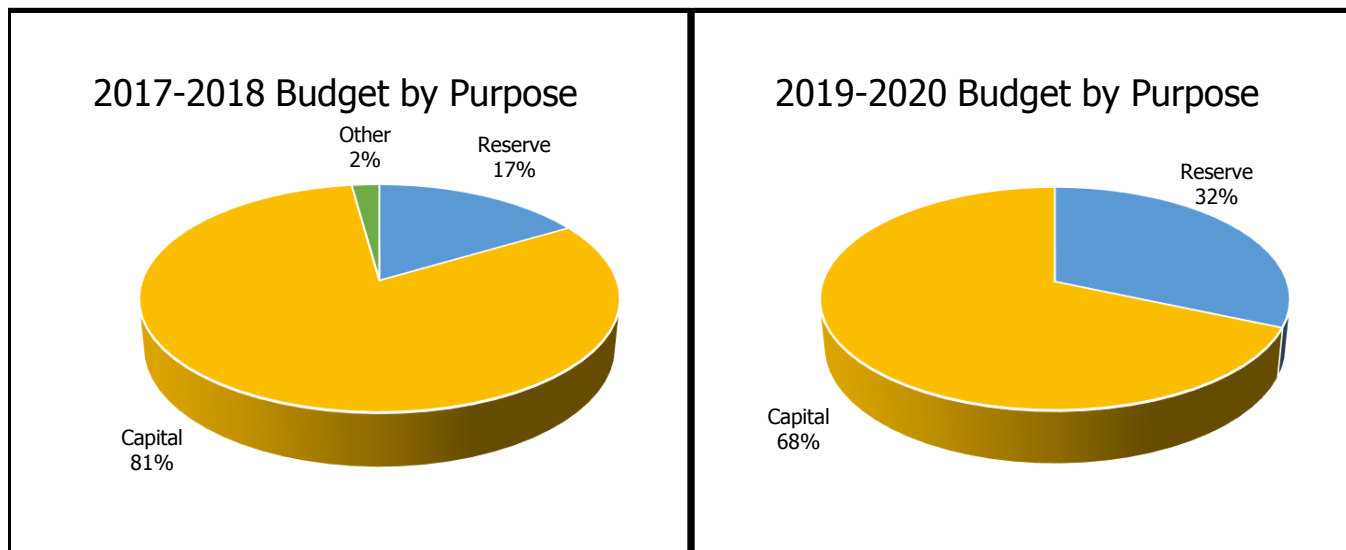
**NON-OPERATING**



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# CITY OF KIRKLAND

## Water/Sewer Utility Non-Operating



### 2017-2018 Budget by Purpose

Fund	2017-2018 Budget	Budget by Purpose			
		Reserve	Debt	Capital	Other
Water/Sewer Debt Service	956,438	62,022	894,416	-	-
Utility Capital Projects	32,983,281	5,386,186	-	26,884,595	712,500
<b>Total Non-Operating Funds</b>	<b>33,939,719</b>	<b>5,448,208</b>	<b>894,416</b>	<b>26,884,595</b>	<b>712,500</b>

### 2019-2020 Budget by Purpose

Fund	2019-2020 Budget	Budget by Purpose			
		Reserve	Debt	Capital	Other
Water/Sewer Debt Service	923,742	43,329	880,413	-	-
Utility Capital Projects	39,049,908	12,279,263	-	26,770,645	-
<b>Total Non-Operating Funds</b>	<b>39,973,650</b>	<b>12,322,592</b>	<b>880,413</b>	<b>26,770,645</b>	<b>-</b>

**CITY OF KIRKLAND**

***WATER/SEWER UTILITY DEBT SERVICE FUND***

There are two types of debt generally issued by the City for utility purposes:

- **Revenue Bonds** represent debt that is repaid from a designated revenue source such as fees. The City uses revenue bonds to pay for improvements related to the water and sewer utility. The annual debt service requirements of revenue bond issues are incorporated into the water and sewer rates which are paid bi-monthly by utility customers.
- **Local Improvement District (LID) Bonds** represent debt that is repaid by the property owners who benefited from the capital improvement through annual assessments paid to the City. LIDs are formed by the City Council after a majority of property owners agree to the assessment. Currently the City has no LID Bonds outstanding.

In addition to bonds, the City can take advantage of low interest loans from the state's **Public Works Trust Fund**. Loans for approved projects are granted with interest rates ranging from one-half to three percent depending on the amount of the City's matching funds. Loans are awarded through a competitive process. At this time, the City has one outstanding one percent loan and three one-half percent loans, which were issued for water/sewer capital improvement purposes. Debt service is repaid through utility rates.

The City's debt management policies provide guidelines for the appropriate use of debt. The complete policies are contained at the end of this document in the appendix. Some key debt management policies include:

- *City Council approval is required prior to issuance of utility debt.*
- *Revenue bonds shall be issued only when operating revenues are insufficient for the enterprise's capital financing needs.*
- *The City will conduct a thorough analytical review before issuing debt and maintain a good credit rating at all times.*
- *The City will insure that net operating revenues of the enterprise constitute a minimum of 1.5 times the annual debt service requirements.*
- *The City will use refunding bonds (refinancing) to restructure current outstanding debt when sufficient savings can be realized from lower interest rates.*

When the City issues debt, a thorough review of the City's financial condition is completed by bond rating agencies. Based on their findings, the bonds are given a rating. The City's bond rating is a reflection of its creditworthiness and affects the cost to the City of issuing debt. There are two rating agencies -- Standard and Poor's (S&P) and Moody's Investor Service -- that rate Kirkland's bonds. Standard and Poor's upgraded Kirkland's rating as of November 17, 2008 to AAA from AA- due to the utility's strong performance and the rating agency's revised criteria. As of April 2010, Moody's upgraded the utility's LTGO and UTGO rating from A1 to Aa2.

Once bonds are rated, the City enters the bond market to secure the necessary funding. The proceeds (cash) received from selling the bonds are placed in the Utility Capital Projects Fund to account for the cost of constructing the capital improvement. The Water/Sewer Utility Debt Service Fund was created to track the principal and interest payments for all utility-related debt and required reserves. Each year a sufficient amount of revenue is budgeted and placed in the fund to pay the annual principal and interest due.

**CITY OF KIRKLAND  
WATER/SEWER UTILITY  
DEBT SERVICE FUND  
2019-2020 PAYMENT AND RESERVE SUMMARY**

**2017-2018 Budget**

Fund	Payment		Reserve	Total
	Principal	Interest		
Water/Sewer Debt Service	1,490,272	35,539	62,022	1,587,833
<b>Total Debt Service Fund</b>	<b>1,490,272</b>	<b>35,539</b>	<b>62,022</b>	<b>1,587,833</b>

**2019-2020 Budget**

Fund	Payment		Reserve	Total
	Principal	Interest		
Water/Sewer Debt Service	840,761	39,652	43,329	923,742
<b>Total Debt Service Fund</b>	<b>840,761</b>	<b>39,652</b>	<b>43,329</b>	<b>923,742</b>

**City of Kirkland**  
**2000 Public Works Trust Fund Loan**

**Purpose: Juanita Lift Station Replacement Project-Design**

Amount of Loan      \$227,500  
Resolution              4236

Initial Loan Draw 7/01/2000  
Net Interest Rate      1.000%  
Org:                      41225700

**DEBT SERVICE SCHEDULE**

Year	Interest Amount	Interest Rate	Payment Date	Principal Amount	Total Payment	Principal Balance
2000						170,625
2001	1,616	1.00%	7/1/2001	8,980	10,596	161,645
2002	1,616	1.00%	7/1/2002	8,980	10,597	152,664
2003	1,527	1.00%	7/1/2003	8,980	10,507	200,560 *
2004	1,979	1.00%	7/1/2004	12,535	14,514	188,025
2005	1,880	1.00%	7/1/2005	12,535	14,415	175,490
2006	1,755	1.00%	7/1/2006	12,535	14,290	162,955
2007	1,629	1.00%	7/1/2007	12,535	14,164	150,420
2008	1,504	1.00%	7/1/2008	12,535	14,039	137,885
2009	1,379	1.00%	7/1/2009	12,535	13,914	125,350
2010	1,254	1.00%	7/1/2010	12,535	13,789	112,815
2011	1,128	1.00%	7/1/2011	12,535	13,663	100,280
2012	1,003	1.00%	7/1/2012	12,535	13,538	87,745
2013	877	1.00%	7/1/2013	12,535	13,412	75,210
2014	752	1.00%	7/1/2014	12,535	13,287	62,675
2015	627	1.00%	6/1/2015	12,535	13,162	50,140
2016	501	1.00%	6/1/2016	12,535	13,036	37,605
2017	376	1.00%	6/1/2017	12,535	12,911	25,070
2018	251	1.00%	6/1/2018	12,535	12,786	12,535
2019	125	1.00%	6/1/2019	12,535	12,660	0
Totals	21,780			227,500	249,280	

\*Additional principal \$56,875 received 3/15/03

**City of Kirkland**  
**2001 Public Works Trust Fund Loan**

**Purpose: Juanita Lift Station Replacement Project-Construction**

Amount of Loan \$1,848,000  
Resolution 4236

Initial Loan Draw 9/15/03  
Net Interest Rate 0.500%  
Org: 41225700

**DEBT SERVICE SCHEDULE**

Year	Interest Amount	Interest Rate	Payment Date	Principal Amount	Total Payment	Principal Balance
2003						1,755,600 *
2004	7,949	0.50%	7/1/2004	97,533	105,482	1,750,467 *
2005	8,588	0.50%	7/1/2005	102,969	111,557	1,647,498
2006	8,237	0.50%	7/1/2006	102,969	111,206	1,544,529
2007	7,723	0.50%	7/1/2007	102,968	110,691	1,441,561
2008	7,208	0.50%	7/1/2008	102,969	110,177	1,338,592
2009	6,693	0.50%	7/1/2009	102,968	109,661	1,235,624
2010	6,178	0.50%	7/1/2010	102,969	109,147	1,132,655
2011	5,663	0.50%	7/1/2011	102,969	108,632	1,029,686
2012	5,148	0.50%	7/1/2012	102,968	108,116	926,718
2013	4,634	0.50%	7/1/2013	102,969	107,603	823,749
2014	4,119	0.50%	7/1/2014	102,969	107,088	720,780
2015	3,604	0.50%	6/1/2015	102,968	106,572	617,812
2016	3,089	0.50%	6/1/2016	102,969	106,058	514,843
2017	2,574	0.50%	6/1/2017	102,968	105,542	411,875
2018	2,059	0.50%	6/1/2018	102,969	105,028	308,906
2019	1,545	0.50%	6/1/2019	102,969	104,514	205,937
2020	1,030	0.50%	6/1/2020	102,968	103,998	102,969
2021	515	0.50%	6/1/2021	102,969	103,484	0
Totals	86,556			1,848,000	1,934,556	

\* Initial draws totalling \$1,755,600 in 2003, balance drawn in 2004



**City of Kirkland**  
**2004 Public Works Trust Fund Loan**

**Purpose: Central Way Sewer Replacement**

Amount of Loan \$1,086,300  
Resolution 4451

Initial Loan Draw 9/01/04  
Net Interest Rate 0.500%  
Org: 41225700

**DEBT SERVICE SCHEDULE**

Year	Interest Amount	Interest Rate	Payment Date	Principal Amount	Total Payment	Principal Balance
2004						217,260 *
2005	757	0.50%	7/1/2005	0	757	1,031,985 *
2006	7,846	0.50%	7/1/2006	57,333	62,221	977,670
2007	4,888	0.50%	7/1/2007	57,333	62,221	974,653
2008	4,873	0.50%	7/1/2008	57,333	62,206	917,320
2009	4,587	0.50%	7/1/2009	57,333	61,919	859,988
2010	4,300	0.50%	7/1/2010	57,333	61,632	802,655
2011	4,013	0.50%	7/1/2011	57,333	61,346	745,323
2012	3,727	0.50%	7/1/2012	57,333	61,059	687,990
2013	3,440	0.50%	7/1/2013	57,333	60,772	630,658
2014	3,153	0.50%	7/1/2014	57,333	60,486	573,325
2015	2,867	0.50%	6/1/2015	57,333	60,199	515,993
2016	2,580	0.50%	6/1/2016	57,333	59,912	458,660
2017	2,293	0.50%	6/1/2017	57,333	59,626	401,328
2018	2,007	0.50%	6/1/2018	57,333	59,339	343,995
2019	1,720	0.50%	6/1/2019	57,333	59,052	286,663
2020	1,433	0.50%	6/1/2020	57,333	58,766	229,330
2021	1,147	0.50%	6/1/2021	57,333	58,479	171,998
2022	860	0.50%	6/1/2022	57,333	58,192	114,665
2023	573	0.50%	6/1/2023	57,333	57,906	57,333
2024	287	0.50%	6/1/2024	57,333	57,619	0
Totals	57,351			1,089,317	1,143,711	

\* Initial draw \$217,260 in 2004, balance drawn down in 2005

**City of Kirkland**  
**2013 Public Works Trust Fund Loan**

**Purpose: NE 80th Street Sewer/Water Main Replacement**

Amount of Loan \$4,038,000  
Resolution

Initial Loan Draw 6/06/13  
Net Interest Rate 0.500%  
Org: 41225700

**DEBT SERVICE SCHEDULE**

Year	Interest Amount	Interest Rate	Payment 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	0
Totals	161,052			4,038,000	4,199,052	

\* Initial draw in 2013, balance expected to be drawn throughout 2018.



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CITY OF KIRKLAND

## ***WATER/SEWER UTILITY CAPITAL PROJECTS FUND***

Capital Projects Funds are used to fund and track the construction of projects approved in the Capital Improvement Program. The City Council adopts a six-year Capital Improvement Program (CIP) which is a plan for major improvements or purchases needed in the areas of transportation (streets, sidewalks, signals, and intersections), storm drains, water and sewer systems, parks, public safety, and other government facilities and equipment. The Council revises the CIP biennially. The Water/Sewer portion of the CIP includes only those projects associated with the water/sewer utility.

The **Water/Sewer Capital Projects Fund** accounts for water and sewer projects that are ultimately funded by a portion of the water and sewer rates paid by utility customers. Included in the fund are the Water/Sewer CIP Contingency and the Water/Sewer Construction Reserve. The former has a target of ten percent of the funded six-year Utility CIP and provides a cushion in the event of unanticipated changes in project scope or cost. The latter is comprised of connection charges paid by new customers connecting to the City's water and sewer systems, and provides a one-time solution to address short term or time-limited funding needs.

**CITY OF KIRKLAND  
CAPITAL IMPROVEMENT PROGRAM  
2019-2020 BUDGET**

**WATER/SEWER UTILITY CAPITAL PROJECTS FUND (413)**

<b>Project Category/ Project Title</b>	<b>Project Number</b>	<b>Funding Source</b>
<b>UTILITIES</b>		
<b>Water</b>		
108th Avenue NE Watermain Replacement	WAC 05200	Water & Sewer Rates
104th Avenue NE Watermain Replacement	WAC 10200	Water & Sewer Rates/Connection Fees
South Reservoir Seismic & Recoating Pre-Design	WAC 12910	Water & Sewer Rates/ External
Kirkland Avenue Watermain Replacement	WAC 13300	Water & Sewer Rates/Connection Fees
3rd Street Watermain Improvement	WAC 15300	Water & Sewer Rates
NE 112th Street Watermain Improvement	WAC 15800	Water & Sewer Rates/Connection Fees
NE 113th Place Watermain Improvement	WAC 15900	Water & Sewer Rates/Connection Fees
<b>Total Water</b>		
<b>Sewer</b>		
108th Avenue NE Sewermain Replacement	SSC 05200	Connection Fees/ Reserves
Kirkland Avenue Sewermain Replacement	SSC 07200	Water & Sewer Rates
<b>Total Sewer</b>		
<b>TOTAL WATER/SEWER CAPITAL PROJECTS FUND</b>		

2019 Budget	2020 Budget	Total 2019-2020 Budget	Additional Annual Maintenance & Operations	
			2019	2020
	970,400	970,400	-	-
563,000		563,000	-	-
50,000		50,000	-	-
1,500,000		1,500,000	-	-
118,000		118,000	-	-
168,000		168,000	-	-
172,000		172,000	-	-
<b><u>2,571,000</u></b>	<b><u>970,400</u></b>	<b><u>3,541,400</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
1,394,000	4,835,600	6,229,600	-	-
2,015,000		2,015,000	-	-
<b><u>3,409,000</u></b>	<b><u>4,835,600</u></b>	<b><u>8,244,600</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>5,980,000</b>	<b>5,806,000</b>	<b>11,786,000</b>	<b>-</b>	<b>-</b>

# City of Kirkland

## 2019-2024 Preliminary Capital Improvement Program

### WATER/SEWER UTILITY PROJECTS

Funded Projects:

Project Number	Project Title	Prior Year(s)	2019	2020	2021	2022	2023	2024	2019-2024 Total	Funding Source		
										Current Revenue	Reserve	External Source
WAC 05200 +	108th Avenue NE Watermain Replacement			970,400	809,600				1,780,000	1,780,000		
WAC 10200	104th Avenue NE Watermain Replacement		563,000						563,000	563,000		
WAC 12900	South Reservoir Seismic & Recoating Construction				2,363,500	1,636,500			4,000,000	2,120,000		1,880,000
<b>WAC 12910</b>	<b>South Reservoir Seismic &amp; Recoating Pre-Design</b>		<b>50,000</b>						<b>50,000</b>	<b>27,000</b>		<b>23,000</b>
WAC 13300 +	Kirkland Avenue Watermain Replacement		1,500,000						1,500,000	1,500,000		
WAC 13400	5th Avenue S / 8th Street S Watermain Replacement				1,061,000	689,000			1,750,000	1,290,400	459,600	
WAC 15300	3rd Street Watermain Improvement	757,000	118,000						118,000	118,000		
WAC 15700	8th Avenue W Watermain Improvement				891,900	234,100			1,126,000	655,900	470,100	
WAC 15800	NE 112th Street Watermain Improvement	365,000	168,000						168,000	168,000		
WAC 15900	NE 113th Place Watermain Improvement	373,000	172,000						172,000	172,000		
WAC 16000	126th Avenue NE Watermain Improvement						700,000	800,000	1,500,000	1,500,000		
<b>WAC 16400</b>	<b>NE 116th Place Watermain Replacement</b>				<b>190,000</b>				<b>190,000</b>	<b>139,700</b>	<b>50,300</b>	
<b>WAC 16700</b>	<b>11th Avenue Watermain Replacement</b>				<b>420,000</b>				<b>420,000</b>		<b>420,000</b>	
<b>WAC 16800</b>	<b>11th Place Watermain Replacement</b>				<b>605,000</b>				<b>605,000</b>	<b>605,000</b>		
WAC 88880	Annual Watermain Replacement Program							269,700	269,700	269,700		
WAC 99990	Annual Water Pump Station/System Upgrade Program							269,800	269,800	269,800		
SSC 05200	108th Avenue NE Sewermain Replacement	711,400	1,394,000	4,835,600					6,229,600	5,129,600	1,100,000	
SSC 06200	NE 108th Street Sewermain Replacement					1,403,400	4,042,800	1,831,100	7,277,300	5,877,300	1,400,000	
SSC 07200	Kirkland Avenue Sewermain Replacement	285,000	2,015,000						2,015,000	2,015,000		
SSC 07710	West of Market Sewermain Replacement Phase I				2,200,000	3,000,000	2,500,000	2,500,000	10,200,000	10,200,000		
SSC 88880	Annual Sanitary Pipeline Replacement Program						302,600	522,200	824,800	824,800		
SSC 99990	Annual Sanitary Pump Station/System Upgrade Program						302,600	522,200	824,800	824,800		
<b>Total Funded Water/Sewer Utility Projects</b>		<b>2,491,400</b>	<b>5,980,000</b>	<b>5,806,000</b>	<b>8,541,000</b>	<b>6,963,000</b>	<b>7,848,000</b>	<b>6,715,000</b>	<b>41,853,000</b>	<b>36,050,000</b>	<b>3,900,000</b>	<b>1,903,000</b>

#### Notes

*Italics = Modification in timing and/or cost (see Project Modification/Deletion Schedule for more detail)*

**Bold = New projects**

+ = Moved from unfunded status to funded status

## WATER/SEWER UTILITY PROJECTS

### Unfunded Projects:

Project Number	Project Title	Total
WAC 05700	116th Avenue NE Watermain Replacement	2,869,000
WAC 06700	North Reservoir Pump Replacement	644,000
WAC 09600	NE 83rd Street Watermain Replacement	477,000
WAC 09800	126th Ave NE/NE 83rd & 84th St/128th Ave NE Watermain Replacement	1,261,000
WAC 10300	NE 113th Place/106th Ave NE Watermain Replacement	885,000
WAC 10400	111th Ave NE/NE 62nd St-NE 64th St Watermain Replacement	1,571,000
WAC 10800	109th Ave NE/NE 58th St Watermain Replacement	532,000
WAC 10900	112th Ave NE Watermain Replacement	1,242,000
WAC 11100	NE 45th St And 110th/111th Ave NE Watermain Replacement	1,371,000
WAC 11300	116th Ave NE/NE 70th-NE 80th St Watermain Replacement	2,336,000
WAC 11800	112th-114th Avenue NE/NE 67th-68th Street Watermain Replacement	3,531,000
WAC 11900	109th Ave NE/111th Way NE Watermain Replacement	2,421,000
WAC 12000	111th Avenue Watermain Replacement	195,000
WAC 12200	116th Avenue NE/NE 100th Street Watermain Replacement	1,584,000
WAC 12300	NE 91st Street Watermain Replacement	479,000
WAC 12400	NE 97th Street Watermain Replacement	722,000
WAC 12600	North Reservoir Outlet Meter Addition	80,000
WAC 12700	650 Booster Pump Station	1,686,000
WAC 12800	106th Ave NE-110th Ave NE/NE 116th St-NE 120th St Watermain Replacement	2,422,000
WAC 13000	11th Place Watermain Replacement	359,000
WAC 13100	Supply Station #1 Improvements	68,000
WAC 13200	7th Avenue/Central Avenue Watermain Replacement	955,000
WAC 13500	NE 75th Street Watermain Replacement	750,000
WAC 13600	NE 74th Street Watermain Replacement	206,000
WAC 13700	NE 73rd Street Watermain Replacement	696,000
WAC 13800	NE 72nd St/130th Ave NE Watermain Replacement	1,553,000
WAC 14500	6th Street South Watermain Replacement	618,000
WAC 14600	6th Street/Kirkland Way Watermain Replacement	731,000
WAC 14700	106th Avenue NE Watermain Replacement	697,000
WAC 14900	Lake Washington Blvd Watermain Replacement	690,000
WAC 16500	3rd Street Watermain Replacement - Phase 2	541,000
SSC 06800	124th Avenue NE Sewermain Replacement	1,384,000
SSC 07799	West Of Market Sewermain Replacement Phase 2	10,861,000
SSC 08000	20th Avenue Sewermain Replacement	855,000
SSC 08300	111th Avenue NE Sewer Main Rehabilitation	764,000
SSC 08400	Reclaimed Water (Purple Pipe) Opportunity Fund	5,252,000
<b>Subtotal Unfunded Water/Sewer Utility Projects</b>		<b>53,288,000</b>
<b>Funding Available from Annual Programs for Candidate Projects</b>		<b>2,189,100</b>
<b>Net Unfunded Water/Sewer Utility Projects</b>		<b>51,098,900</b>

### Notes

*Italics = Modification in timing and/or cost*





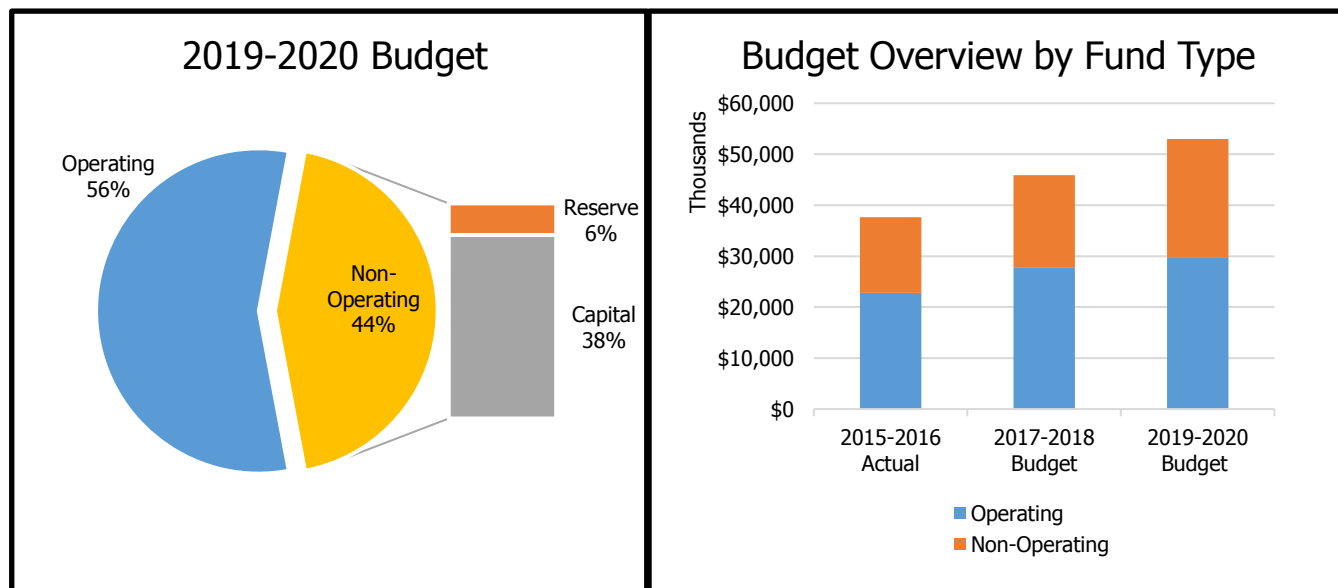
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# Surface Water Utility

# CITY OF KIRKLAND

## 2019-2020 Budget

### 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

Fund	2015-2016 Actual	2017-2018 Budget	2019-2020 Budget	Change
<i>Operating Fund</i>				
Surface Water Operating Fund	22,838,328	27,814,939	29,631,615	6.53%
<b>Total Operating Funds</b>	<b>22,838,328</b>	<b>27,814,939</b>	<b>29,631,615</b>	<b>6.53%</b>
<i>Non-Operating Fund</i>				
Surface Water Capital Projects Fund	14,785,267	18,086,380	23,362,555	29.17%
<b>Total Non-Operating Funds</b>	<b>14,785,267</b>	<b>18,086,380</b>	<b>23,362,555</b>	<b>29.17%</b>
<b>Total Water/Sewer Utility Funds</b>	<b>37,623,595</b>	<b>45,901,319</b>	<b>52,994,170</b>	<b>15.45%</b>

**CITY OF KIRKLAND**  
**CHANGE IN FUND BALANCE (Beginning 2017 to Ending 2020)**  
**SURFACE WATER UTILITY FUNDS**

	<b>Surface Water Management<sup>1</sup></b>	<b>Surface Water Capital Projects<sup>2</sup></b>	<b>Total</b>
<b>2017 Actual Beginning Fund Balance</b>	<b>6,494,544</b>	<b>11,557,524</b>	<b>18,052,068</b>
<i>Reserved</i>	<i>983,035</i>	<i>767,685</i>	<i>1,750,720</i>
<i>Unreserved Working Capital</i>	<i>5,511,509</i>	<i>10,789,839</i>	<i>16,301,348</i>
Plus: 2017-18 Estimated Revenues	21,446,942	6,024,737	27,471,679
Less: 2017-18 Estimated Expenditures	21,138,040	5,282,743	26,420,783
<b>2018 Estimated Ending/2019 Budgeted Beginning Fund Balance</b>	<b>6,803,446</b>	<b>12,299,518</b>	<b>19,102,964</b>
Plus: 2019-20 Budgeted Revenues	22,828,169	11,063,037	33,891,206
Less: 2019-20 Budgeted Expenditures	24,346,139	19,932,760	44,278,899
<b>2020 Budgeted Ending Fund Balance</b>	<b>5,285,476</b>	<b>3,429,795</b>	<b>8,715,271</b>
<i>Reserved</i>	<i>1,190,180</i>	<i>3,429,795</i>	<i>4,619,975</i>
<i>Unreserved Working Capital</i>	<i>4,095,296</i>	<i>-</i>	<i>4,095,296</i>
<b>Change in Fund Balance: Beginning 2017 to Ending 2020</b>	<b>(1,209,068)</b>	<b>(8,127,729)</b>	<b>(9,336,797)</b>

**Notes:**

<sup>1</sup> The decrease in the Surface Water Management Fund is due to the funding of service packages in the 2019-20 biennium using reserves accumulated from underspending in prior years.

<sup>2</sup> 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.

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OPERATING

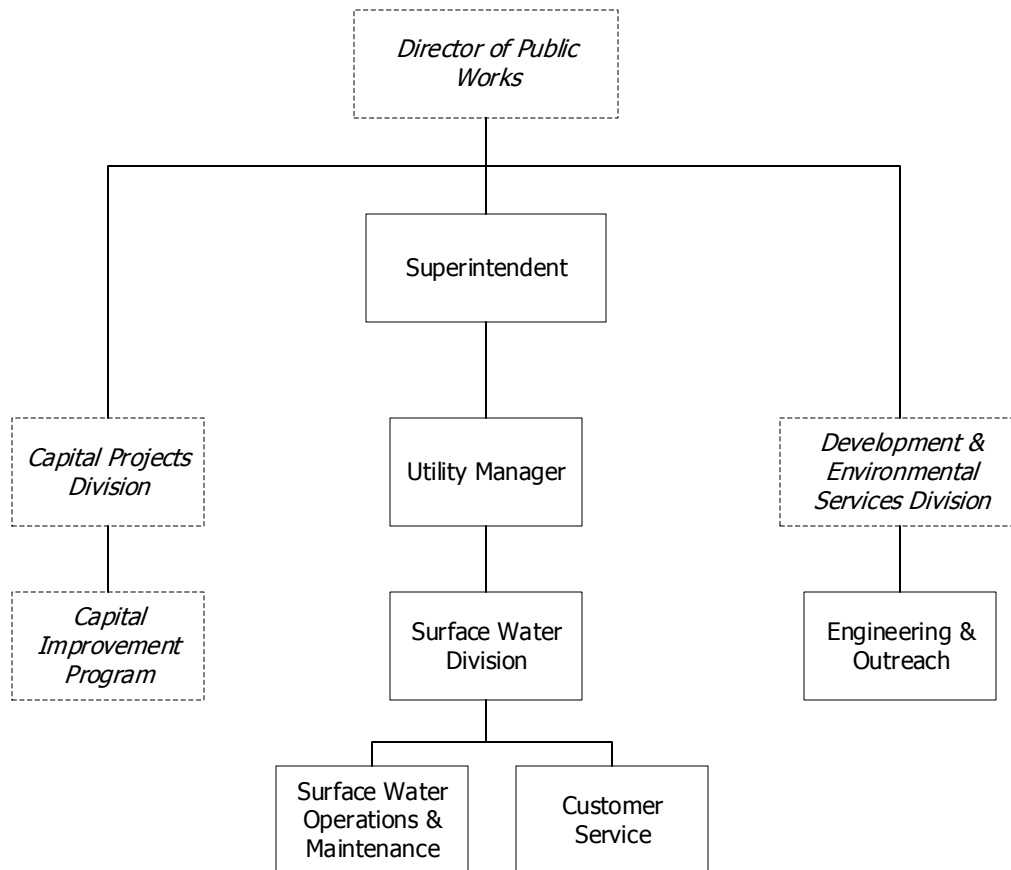


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# CITY OF KIRKLAND

## Public Works Department

### Surface Water Management 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.*



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**DEPARTMENT OVERVIEW*****SURFACE WATER MANAGEMENT FUND*****MISSION**

The Surface Water Management Fund is established to account for the resources associated with the maintenance, operation, and minor construction components of the City's surface water system; this system includes constructed elements such as pipes and catch basins, and natural resources such as streams and lakes.

**DEPARTMENT FUNCTIONS**

The Surface Water Operations and Maintenance Division of Public Works operates, maintains, and repairs storm drain infrastructure including pipes, manholes, catch basins, ditches, and detention ponds. The storm drain system serves all residential, multifamily, and commercial customers.

The Surface Water Engineering Group in the Development and Environmental Services Division conducts review of development proposals, ensures City compliance with state and federal surface water regulations, monitors the quality of water and aquatic habitat, investigates water quality and drainage complaints, conducts education and outreach programs, inspects private detention systems, and conducts watershed planning.

Capital projects, such as installation or replacement of pipes and manholes or restoration of stream channels, are managed within the Capital Projects Division of Public Works and funded by the Surface Water Utility.

**BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS****Environment**

- Establish adequate rates to support the needs of the Surface Water utility, resulting in 2.5% annual rate increases in 2019 and 2020
- Purchase a 4 inch Trailer Mounted Pump for creek and pond bypass, \$75,000 one-time and \$15,118 ongoing
- Add consulting funds for Stormwater Retrofit Planning, to conduct planning, outreach and design of facilities to mitigate storm water flows for existing development, \$350,000 one-time
- Add consulting services to conduct a drainage basin-wide Stormwater Capacity Analysis, \$200,000 one-time
- Add an ongoing 1.0 FTE Surface Water Engineer to conduct tree fencing inspections, implement Master Plan recommendations, assist the CIP group with stream and wetland mitigation monitoring, and conduct storm water and stream flow monitoring, \$270,110 ongoing and \$49,477 one-time
- Migrate Private Storm Inspection/Source Control Management system from legacy software to the City's new asset management system (Lucity), \$60,000 one-time

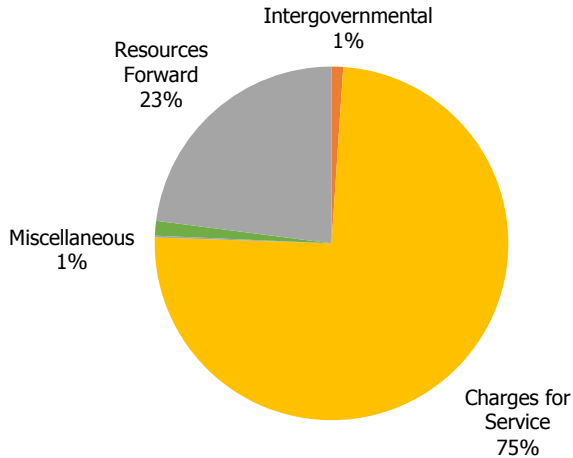
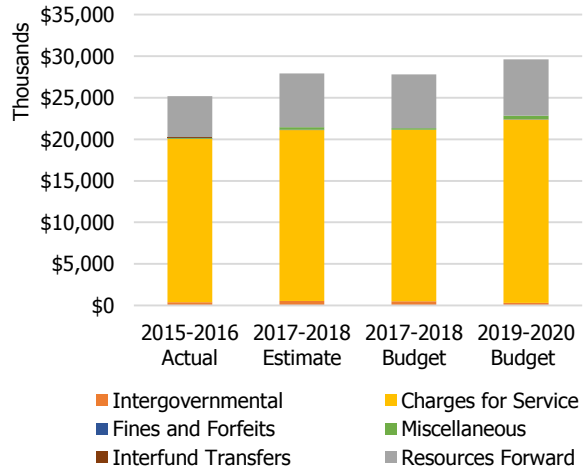
**Dependable Infrastructure**

- Add a temporary 1.0 FTE Surface Water Engineer position to help expedite permit review times for Capital Improvement Projects, both City projects and the regional transportation projects being built by WSDOT and Sound Transit and to work on Surface Water Master Plan items, \$259,000 one-time, funded with an even split of charges to capital projects in the 2019-2020 Capital Budget and Surface Water Funds.

- Convert equivalent seasonal laborer hours to 2.0 FTE Laborer positions, with 40% of time allocated to Surface Water Utility maintenance activities, to enhance year-round maintenance capacity with a net zero cost due to a reduction in hourly wages

**FINANCIAL OVERVIEW**

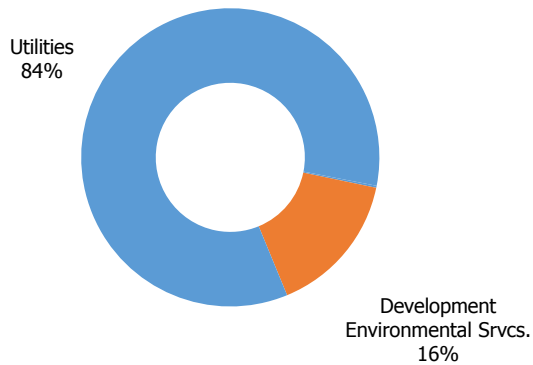
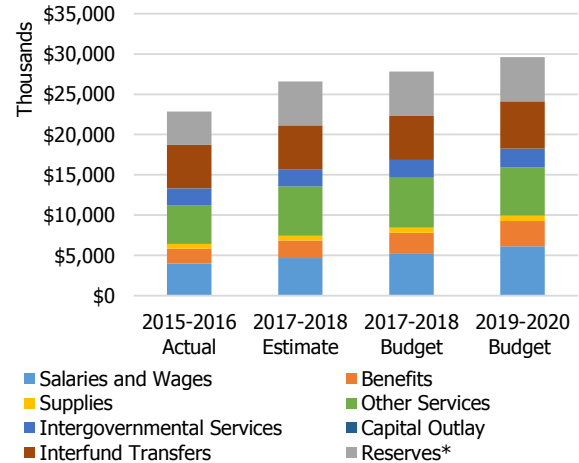
# ***SURFACE WATER MANAGEMENT FUND***

**Sources of Funds**

**Revenues by Type**

**REVENUE SUMMARY BY TYPE**

	2015-2016 Actual	2017-2018 Estimate	2017-2018 Budget	2019-2020 Budget	Change
Intergovernmental	381,692	522,452	499,400	315,000	-36.92%
Charges for Service	19,677,255	20,581,467	20,660,394	22,064,641	6.80%
Fines and Forfeits	14,500	37,250	-	50,000	n/a
Miscellaneous	163,338	305,772	160,601	398,528	148.15%
Interfund Transfers	19,489	-	-	-	n/a
Resources Forward	4,937,187	6,494,544	6,494,544	6,803,446	4.76%
<b>TOTAL</b>	<b>25,193,460</b>	<b>27,941,486</b>	<b>27,814,939</b>	<b>29,631,615</b>	<b>6.53%</b>

**FINANCIAL OVERVIEW**

# ***SURFACE WATER MANAGEMENT FUND***

**Budget by Division**

**Expenditures by Category**

**EXPENDITURE SUMMARY BY CATEGORY**

	2015-2016 Actual	2017-2018 Estimate	2017-2018 Budget	2019-2020 Budget	Change
Salaries and Wages	3,990,942	4,670,591	5,208,518	6,127,566	17.65%
Benefits	1,841,941	2,156,730	2,600,057	3,147,241	21.05%
Supplies	575,413	591,630	630,997	654,091	3.66%
Other Services	4,835,824	6,135,194	6,207,700	6,007,945	-3.22%
Intergovernmental Services	2,069,735	2,110,332	2,209,372	2,299,120	4.06%
Capital Outlay	37,589	55,000	89,735	33,548	-62.61%
Interfund Transfers	5,347,473	5,418,563	5,431,063	5,851,028	7.73%
Reserves*	4,139,412	5,437,497	5,437,497	5,511,076	1.35%
<b>TOTAL</b>	<b>22,838,328</b>	<b>26,575,537</b>	<b>27,814,939</b>	<b>29,631,615</b>	<b>6.53%</b>

**EXPENDITURE SUMMARY BY DIVISION**

	2015-2016 Actual	2017-2018 Estimate	2017-2018 Budget	2019-2020 Budget	Change
Streets and Grounds	105,652	51,048	189,796	64,975	-65.77%
Development Environmental Svcs.	3,086,531	4,012,469	3,885,168	4,593,782	18.24%
Utilities	19,646,145	22,512,019	23,739,975	24,972,858	5.19%
<b>TOTAL</b>	<b>22,838,328</b>	<b>26,575,537</b>	<b>27,814,939</b>	<b>29,631,615</b>	<b>6.53%</b>

\* 2015-2016 actual and 2017-2018 estimated reserves are budgeted, but not spent

**2019 - 2020 POSITION SUMMARY**

# ***SURFACE WATER MANAGEMENT FUND***

**POSITION SUMMARY BY CLASSIFICATION**

<b>Classification</b>	<b>2017-2018 Positions</b>	<b>Service Packages</b>	<b>2019-2020 Positions</b>	<b>Budgeted 2019 Salary Range</b>
Deputy Director	0.41		0.41	9,720 - 12,542
Development Engineering Manager	0.25		0.25	9,140 - 11,794
Superintendent	0.20		0.20	8,684 - 11,205
Surface Water Engineer Supervisor	1.00		1.00	7,985 - 10,302
Utility Manager	0.60		0.60	7,794 - 10,056
Planning & Operations Manager	0.00		0.00	7,726 - 9,970
Senior Surface Water Engineer	1.00		1.00	8,183 - 9,627
Surfacewater Supervisor	1.00		1.00	6,914 - 8,921
Surface Water Utility Engineer	1.00	1.00	2.00	7,126 - 8,384
Water Quality Programs Coordinator	1.00		1.00	7,122 - 8,378
Surface Water Planner	1.00		1.00	7,028 - 8,268
Urban Forester	0.50		0.50	6,555 - 7,712
Management Analyst	0.20		0.20	6,414 - 7,546
SW Engineering Analyst	1.00		1.00	6,335 - 7,453
Water Quality Specialist	1.00		1.00	6,153 - 7,240
Education Outreach Specialist	1.00		1.00	6,153 - 7,240
Leadperson	1.05		1.05	5,885 - 7,102
Field Arborist	1.00		1.00	5,367 - 6,538
Senior Maintenance Person	9.75		9.75	5,237 - 6,378
Yard Maint. & Inventory Control	0.15		0.15	5,237 - 6,378
Engineering Technician	0.20		0.20	5,391 - 6,342
Senior Accounting Associate	0.10		0.10	5,301 - 6,237
Utility Craftsperson	0.15		0.15	5,000 - 5,883
Utilityperson	9.40		9.40	4,265 - 5,345
Grounds Technician	1.40		1.40	4,265 - 5,345
Public Works Office Specialist	1.09		1.09	4,258 - 5,009
Laborer	1.00	0.80	1.80	3,702 - 4,177
<b>TOTAL</b>	<b>36.45</b>	<b>1.80</b>	<b>38.25</b>	

**POSITION SUMMARY BY DIVISION**

	<b>2017-2018 Positions</b>	<b>Service Packages</b>	<b>2019-2020 Positions</b>
Development Environmental Svcs.	8.75	1.00	9.75
Utilities	27.70	0.80	28.50
<b>TOTAL</b>	<b>36.45</b>	<b>1.80</b>	<b>38.25</b>

**City of Kirkland**  
**2019-2020 Budget**  
**Surface Water Management Fund Revenues**

	Object	2015-2016 Actual	2017-2018 Estimate	2017-2018 Budget	2019-2020 Budget	Percent Change
<b>Intergovernmental Revenue</b>						
Indirect Federal EPA Grants	333661	300,182	241,848	337,400	-	-100.00%
Department of Ecology	334031	50,000	155,000	50,000	315,000	530.00%
Department of Commerce	334042	-	-	-	-	0.00%
Other King County Grants	337081	23,619	125,604	112,000	-	-100.00%
King Conservation District	337085	7,892	-	-	-	0.00%
<b>Total for Intergovernmental Revenue</b>		<b>381,692</b>	<b>522,452</b>	<b>499,400</b>	<b>315,000</b>	<b>-36.92%</b>
<b>Charges for Goods and Services</b>						
Interfund - General	341963	14,810	15,472	10,000	80,600	706.00%
Interfund Engineering CIP	341966	-	730	-	129,600	0.00%
Interfund Engineering Dev Svcs	341967	77,439	80,431	104,000	104,000	0.00%
General Government Services	341971	-	2,425	-	-	0.00%
Residential Storm Drainage Fee	343111	10,511,265	11,060,501	11,095,053	11,745,238	5.86%
Commercial Storm Drainage Fee	343121	9,073,741	9,421,907	9,451,341	10,005,203	5.86%
<b>Total for Charges for Goods and Services</b>		<b>19,677,255</b>	<b>20,581,467</b>	<b>20,660,394</b>	<b>22,064,641</b>	<b>6.80%</b>
<b>Fines and Forfeits</b>						
Miscellaneous Fines	359901	14,500	37,250	-	50,000	0.00%
<b>Total for Fines and Forfeits</b>		<b>14,500</b>	<b>37,250</b>	<b>-</b>	<b>50,000</b>	<b>0.00%</b>
<b>Miscellaneous Revenues</b>						
Investment Interest	361111	88,317	200,678	99,601	287,528	188.68%
Interest on Sales Tax Contract AR	361401	39,977	35,163	50,000	40,000	-20.00%
Sales of Surplus	369101	-	18	-	-	0.00%
Other Judgement Settlements	369401	14,625	63,850	10,000	70,000	600.00%
Other Miscellaneous Revenue	369910	3,928	95	1,000	1,000	0.00%
<b>Total for Miscellaneous Revenues</b>		<b>146,846</b>	<b>299,804</b>	<b>160,601</b>	<b>398,528</b>	<b>148.15%</b>
<b>Other Proprietary Income</b>						
Insurance Recovery Proprietary Int Svcs	372001	16,491	5,968	-	-	0.00%
<b>Total for Other Proprietary Income</b>		<b>16,491</b>	<b>5,968</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>
<b>Other Financing Sources</b>						
Operating Transfers In	397101	19,489	-	-	-	0.00%
Resources Forward	399991	4,937,187	6,494,544	6,494,544	6,803,446	4.76%
<b>Total for Other Financing Sources</b>		<b>4,956,676</b>	<b>6,494,544</b>	<b>6,494,544</b>	<b>6,803,446</b>	<b>4.76%</b>
<b>Total for Surface Water Management Fund</b>		<b>25,193,460</b>	<b>27,941,486</b>	<b>27,814,939</b>	<b>29,631,615</b>	<b>6.53%</b>

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**NON-OPERATING**

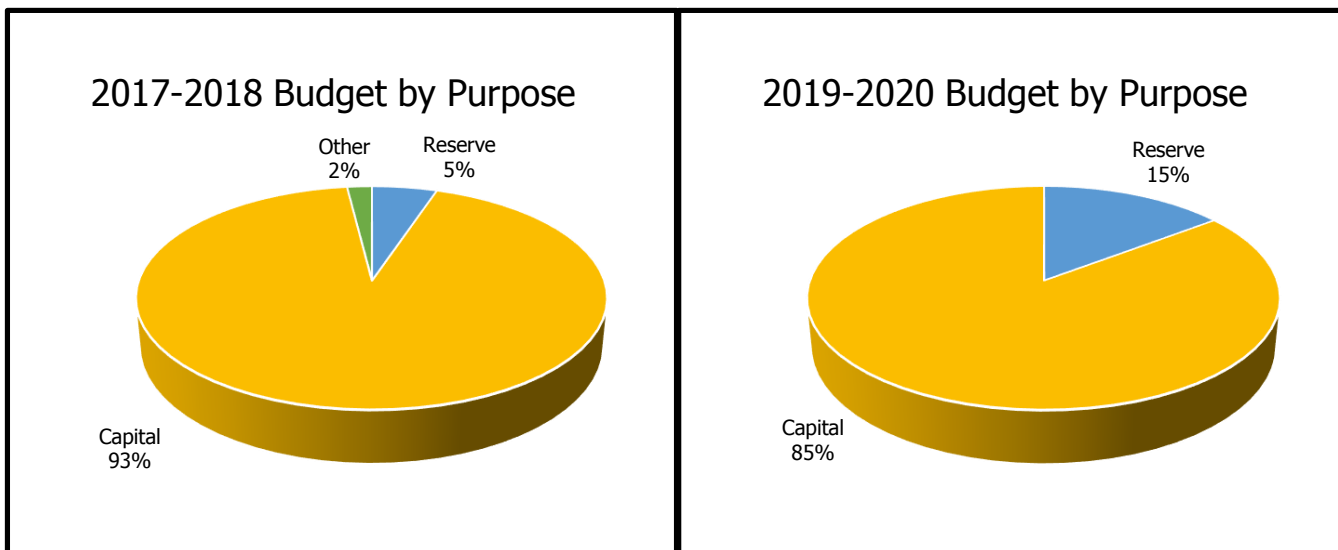


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# CITY OF KIRKLAND

## Surface Water Utility Non-Operating



### 2017-2018 Budget by Purpose

Fund	2017-2018 Budget	Budget by Purpose			
		Reserve	Debt	Capital	Other
Surface Water Capital Projects	18,086,380	932,685	-	16,797,445	356,250
<b>Total Non-Operating Funds</b>	<b>18,086,380</b>	<b>932,685</b>	<b>-</b>	<b>16,797,445</b>	<b>356,250</b>

### 2019-2020 Budget by Purpose

Fund	2019-2020 Budget	Budget by Purpose			
		Reserve	Debt	Capital	Other
Surface Water Capital Projects	23,362,555	3,429,795	-	19,932,760	-
<b>Total Non-Operating Funds</b>	<b>23,362,555</b>	<b>3,429,795</b>	<b>-</b>	<b>19,932,760</b>	<b>-</b>



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CITY OF KIRKLAND

## ***SURFACE WATER UTILITY CAPITAL PROJECTS FUND***

Capital Projects Funds are used to fund and track the construction of projects approved in the Capital Improvement Program. The City Council adopts a six-year Capital Improvement Program (CIP), which is a plan for major improvements or purchases needed in the areas of transportation (streets, sidewalks, signals, and intersections), storm drains, water and sewer systems, parks, public safety, and other general government facilities and equipment. The Council revises the CIP biennially. The Surface Water portion of the CIP includes only those projects associated with the surface water utility.

The **Surface Water Capital Projects Fund** accounts for surface water projects which are ultimately funded by a portion of the surface water fees paid by all property owners within the City. Included in the fund are the Surface Water CIP Contingency and the Surface Water Reserve. The former has a target of ten percent of the funded six-year Surface Water CIP and provides a cushion in the event of unanticipated changes in project scope or cost. The latter is comprised of depreciation funding from a portion of the surface water fees for funding future replacement of the Surface Water infrastructure.

**CITY OF KIRKLAND  
CAPITAL IMPROVEMENT PROGRAM  
2019-2020 BUDGET**

**SURFACE WATER CAPITAL PROJECTS FUND (423)**

<b>Project Category/ Project Title</b>	<b>Project Number</b>	<b>Funding Source</b>
<b>SURFACE WATER MANAGEMENT</b>		
Annual Replacement of Aging/Failing Infrastructure	SDC 04700	Surface Water Rates
Forbes Creek / Cross Kirkland Corridor Fish Passage Improvements	SDC 05400	Surface Water Rates
NE 141st Street / 111th Avenue NE Culvert Headwall Repair	SDC 07600	Surface Water Rates
Neighborhood Drainage Assistance Program (NDA)	SDC 08100	Surface Water Rates/ Reserves
Market Street Storm Main Rehabilitation	SDC 08400	Surface Water Rates
Comfort Inn Pond Modifications	SDC 08800	Surface Water Rates
NE 142nd Street Surface Water Drainage Improvements	SDC 08900	Surface Water Rates
Pleasant Bay Apartments Line Replacement	SDC 09300	Surface Water Rates
Property Acquisition Opportunity Fund	SDC 10500	Reserves
132nd Square Park Surface Water Retrofit Facility	SDC 10700	External
Kirkland Advanced Mitigation Project	SDC 12100	Surface Water Rates
Totem Lake Regional Detention Phase I	SDC 12200	Surface Water Rates
Lake Street Stormwater Repair	SDC 12300	Surface Water Rates
Cedar Creek Fish Passage/Culvert Replacement (100th Ave NE)	SDC 12411	Surface Water Rates/ Reserves
<b>TOTAL SURFACE WATER CAPITAL PROJECTS FUND</b>		

2019 Budget	2020 Budget	Total 2019-2020 Budget	Additional Annual Maintenance & Operations	
			2019	2020
200,000	200,000	400,000	-	-
	300,000	300,000	-	-
610,000		610,000	-	-
50,000		50,000	-	-
535,000		535,000	-	-
81,300		81,300	-	-
50,000		50,000	-	-
355,000		355,000	-	-
50,000	50,000	100,000	-	-
3,000,000	1,126,300	4,126,300	-	-
	1,000,000	1,000,000	-	-
	260,000	260,000	-	-
	160,000	160,000	-	-
84,700	2,115,300	2,200,000	-	-
<b>5,016,000</b>	<b>5,211,600</b>	<b>10,227,600</b>	<b>-</b>	<b>-</b>

**City of Kirkland**  
**2019-2024 Capital Improvement Program**

**SURFACE WATER MANAGEMENT UTILITY PROJECTS**

**Funded Projects:**

Project Number	Project Title	Prior Year(s)	2019	2020	2021	2022	2023	2024	2019-2024 Total	Funding Source		
										Current Revenue	Reserve	External Source
SDC 04700	Annual Replacement of Aging/Failing Infrastructure		200,000	200,000	200,000	200,000	200,000	200,000	1,200,000	1,200,000		
SDC 04900	Forbes Creek / 108th Avenue NE Fish Passage Improvements						595,100	728,000	1,323,100	1,323,100		
SDC 05300	Forbes Creek / Coors Pond Channel Grade Controls	260,200					440,000	600,000	1,040,000	1,040,000		
SDC 05400	Forbes Creek / Cross Kirkland Corridor Fish Passage Improvements			300,000	880,000	500,000			1,680,000	1,680,000		
SDC 06300	Everest Creek - Slater Avenue at Alexander Street						430,000	520,000	950,000	950,000		
SDC 07600	NE 141st Street / 111th Avenue NE Culvert Headwall Repair	941,500	610,000						610,000	610,000		
SDC 08100	Neighborhood Drainage Assistance Program (NDA)		50,000		50,000		50,000		150,000	100,000	50,000	
SDC 08400	Market Street Storm Main Rehabilitation	650,400	535,000						535,000	535,000		
SDC 08800	Comfort Inn Pond Modifications	1,470,100	81,300						81,300	81,300		
SDC 08900	NE 142nd Street Surface Water Drainage Improvements	194,000	50,000						50,000	50,000		
SDC 09000	Goat Hill Drainage Ditch Conveyance & Channel Stabilization				359,000	494,000			853,000	853,000		
SDC 09200	Juanita Creek Culvert at NE 137th Street	685,100			350,000	1,010,000	144,900		1,504,900	1,504,900		
SDC 09300	Pleasant Bay Apartments Line Replacement	322,000	355,000						355,000	355,000		
SDC 10000	Brookhaven Pond Modifications						410,000	290,000	700,000	700,000		
SDC 10500	Property Acquisition Opportunity Fund	150,000	50,000	50,000	50,000	50,000	50,000	50,000	300,000		300,000	
SDC 10700	132nd Square Park Surface Water Retrofit Facility	560,000	3,000,000	1,126,300					4,126,300			4,126,300
SDC 12100	Kirkland Advanced Mitigation Project			1,000,000	300,000				1,300,000	1,300,000		
SDC 12200	Totem Lake Regional Detention Phase I			260,000					260,000	260,000		
SDC 12300	Lake Street Stormwater Repair			160,000					160,000	160,000		
SDC 12411	Cedar Creek Fish Passage/Culvert Replacement (100th Ave NE)	300,000	84,700	2,115,300					2,200,000	284,700	1,915,300	
<b>Total Funded Surface Water Management Utility Projects</b>		<b>5,533,300</b>	<b>5,016,000</b>	<b>5,211,600</b>	<b>2,189,000</b>	<b>2,254,000</b>	<b>2,320,000</b>	<b>2,388,000</b>	<b>19,378,600</b>	<b>12,987,000</b>	<b>2,265,300</b>	<b>4,126,300</b>

Notes

*Italics = Modification in timing and/or cost (see Project Modification/Deletion Schedule for more detail)*

**Bold = New projects**

## SURFACE WATER MANAGEMENT UTILITY PROJECTS

### Unfunded Projects:

Project Number	Project Title	Total
SDC 04500	<i>Carillon Woods Erosion Control Measures</i>	600,000
SDC 04610	<i>Regional Detention in Forbes Creek Basin Phase I</i>	2,000,000
SDC 04699	<i>Regional Detention in Forbes and Juanita Creek Basins</i>	8,600,000
SDC 05100	<i>Forbes Creek/King County Metro Access Road Culvert Enhancement</i>	1,400,000
SDC 06100	<i>Everest Park Stream Channel/Riparian Enhancements</i>	1,200,000
SDC 08501	<i>Cross Kirkland Corridor Water Quality Retrofit</i>	1,000,000
SDC 09400 "	<i>NE 114th Place Stormline Replacement</i>	405,000
SDC 09700 "	<i>Champagne Creek Stabilization</i>	890,000
SDC 10100	<i>Holmes Point Pipe Replacement at Champagne Creek Basin</i>	260,000
SDC 10200	<i>Juanita Drive Culvert Replacement</i>	750,000
SDC 10300	<i>Lakeview Drive Conveyance Modification</i>	2,800,000
<b>SDC 11200</b>	<b>112th Avenue NE Pipe Repair</b>	<b>60,000</b>
<b>SDC 11300</b>	<b>113th Avenue NE Pipe Repair</b>	<b>120,000</b>
<b>SDC 11400</b>	<b>124th Avenue NE Pipe Repair</b>	<b>160,000</b>
<b>SDC 11500</b>	<b>Weaver's Pond Pipe Replacement</b>	<b>180,000</b>
<b>SDC 11600</b>	<b>NE 140th Street Pipe Replacement</b>	<b>100,000</b>
<b>SDC 11700</b>	<b>111th Avenue NE Pipe Repair</b>	<b>400,000</b>
<b>SDC 11800</b>	<b>Champagne Point Drive NE Pipe Repair</b>	<b>270,000</b>
<b>SDC 11900</b>	<b>NE 58th Street Pipe Repair</b>	<b>280,000</b>
<b>SDC 12000</b>	<b>Kingsgate Park Pipe Outfall Improvements</b>	<b>80,000</b>
<b>Total Unfunded Surface Water Management Utility Projects</b>		<b>21,555,000</b>
<b><i>Funding Available from Annual Programs for Candidate Projects</i></b>		<b><i>1,200,000</i></b>
<b>Net Unfunded Surface Water Management Utility Projects</b>		<b>20,355,000</b>

### Notes

*Italics = Modification in timing and/or cost (see Project Modification/Deletion Schedule for more detail)*

**Bold = New projects**

" = Moved from funded status to unfunded status



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# Solid Waste Utility

**CITY OF KIRKLAND**  
**CHANGE IN FUND BALANCE (Beginning 2017 to Ending 2020)**  
**SOLID WASTE UTILITY**

	<b>Solid Waste</b>
<b>2017 Actual Beginning Fund Balance</b>	<b>1,558,489</b>
<i>Reserved</i>	-
<i>Unreserved Working Capital</i>	<i>1,558,489</i>
Plus: 2017-18 Estimated Revenues	35,615,505
Less: 2017-18 Estimated Expenditures	34,657,667
<b>2018 Estimated Ending/2019 Budgeted Beginning Fund Balance</b>	<b>2,516,326</b>
Plus: 2019-20 Budgeted Revenues	37,204,140
Less: 2019-20 Budgeted Expenditures	37,313,021
<b>2020 Budgeted Ending Fund Balance</b>	<b>2,407,445</b>
<i>Reserved</i>	-
<i>Unreserved Working Capital</i>	<i>2,407,445</i>
<b>Change in Fund Balance: Beginning 2017 to Ending 2020</b>	<b>848,956</b>

**Note:**

The increase in fund balance is due to the intentional replenishment of working capital for cash-flow purposes during the 2017-18 biennium.

**CITY OF KIRKLAND**  
**Public Works Department**

**Solid Waste 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.*

**DEPARTMENT OVERVIEW*****SOLID WASTE FUND*****MISSION**

The Solid Waste Fund is established to account for the administration of all resources associated with solid waste and recycling services.

**DEPARTMENT FUNCTIONS**

The Public Works Department administers the Solid Waste Fund. The City collects all garbage within the city limits of Kirkland by contracting with a private hauler. The current contract is with Waste Management Inc. and expires June 30, 2020. The Solid Waste Group oversees and administers the waste collection contract and grants and coordinates waste reduction and recycling services, events, and programs for community outreach and education.

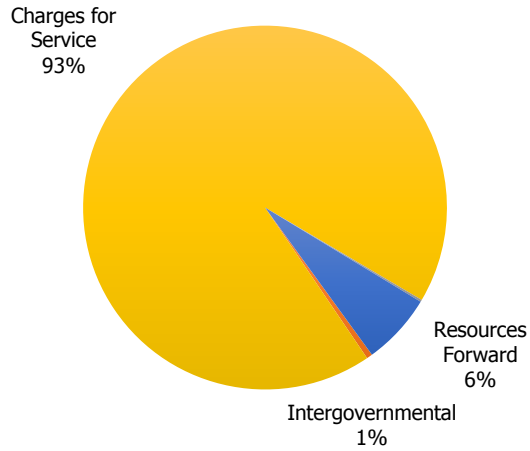
**BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS****Environment**

- Establish adequate rates to support the needs of the Solid Waste utility, resulting in 3.4% average annual rate increases in 2019 and 2020
- Continue Multifamily Bulky Item Pilot professional services funding to reduce waste and increase recycling diversion at apartments and condominium complexes, \$80,000 one-time
- Provide an unlimited number of Yard Waste Extra units in November at no cost to Solid Waste Utility customers, \$30,000 one-time
- Add a temporary 0.25 FTE Environmental Education and Outreach Specialist position to support reuse, waste reduction, and recycling, \$49,536 one-time

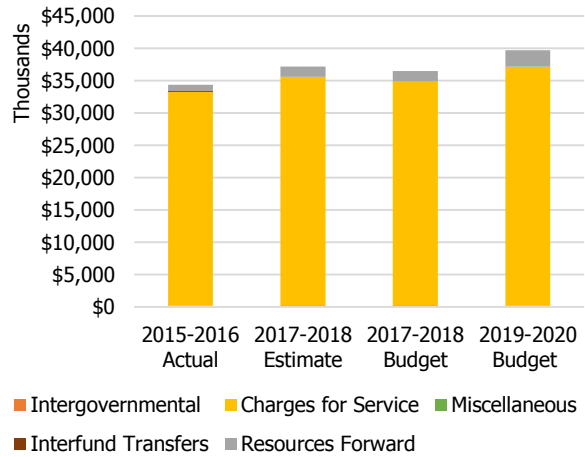
## FINANCIAL OVERVIEW

# ***SOLID WASTE FUND***

Sources of Funds



Revenues by Type

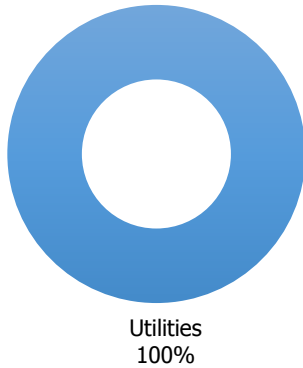
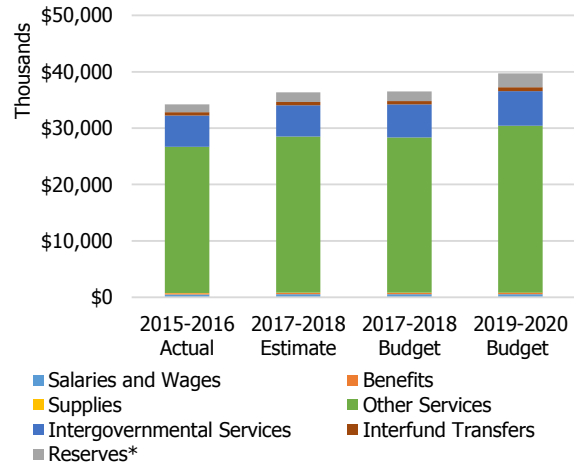


## REVENUE SUMMARY BY TYPE

	2015-2016 Actual	2017-2018 Estimate	2017-2018 Budget	2019-2020 Budget	Change
Intergovernmental	207,734	221,483	237,344	206,000	-13.21%
Charges for Service	33,150,033	35,330,801	34,687,197	36,924,775	6.45%
Miscellaneous	19,037	63,221	20,933	73,365	250.48%
Interfund Transfers	1,650	-	-	-	n/a
Resources Forward	993,391	1,558,489	1,558,489	2,516,326	61.46%
<b>TOTAL</b>	<b>34,371,844</b>	<b>37,173,994</b>	<b>36,503,963</b>	<b>39,720,466</b>	<b>8.81%</b>

**FINANCIAL OVERVIEW**

# ***SOLID WASTE FUND***

**Budget by Division**

**Expenditures by Category**

**EXPENDITURE SUMMARY BY CATEGORY**

	2015-2016 Actual	2017-2018 Estimate	2017-2018 Budget	2019-2020 Budget	Change
Salaries and Wages	499,203	534,249	546,790	553,315	1.19%
Benefits	204,793	225,244	231,954	241,990	4.33%
Supplies	61,607	36,273	48,300	36,800	-23.81%
Other Services	25,923,535	27,691,447	27,530,875	29,597,051	7.50%
Intergovernmental Services	5,524,217	5,545,763	5,833,060	6,105,965	4.68%
Capital Outlay	-	-	-	-	n/a
Interfund Transfers	600,000	624,691	624,691	743,000	18.94%
Reserves*	1,406,861	1,688,293	1,688,293	2,442,345	44.66%
<b>TOTAL</b>	<b>34,220,217</b>	<b>36,345,960</b>	<b>36,503,963</b>	<b>39,720,466</b>	<b>8.81%</b>

**EXPENDITURE SUMMARY BY DIVISION**

	2015-2016 Actual	2017-2018 Estimate	2017-2018 Budget	2019-2020 Budget	Change
Utilities	34,220,217	36,345,960	36,503,963	39,720,466	8.81%
<b>TOTAL</b>	<b>34,220,217</b>	<b>36,345,960</b>	<b>36,503,963</b>	<b>39,720,466</b>	<b>8.81%</b>

\* 2015-2016 actual and 2017-2018 estimated reserves are budgeted, but not spent

**2019 - 2020 POSITION SUMMARY*****SOLID WASTE FUND*****POSITION SUMMARY BY CLASSIFICATION**

<b>Classification</b>	<b>2017-2018 Positions</b>	<b>Service Packages</b>	<b>2019-2020 Positions</b>	<b>Budgeted 2019 Salary Range</b>
Development Engineering Manager	0.10		0.10	9,140 - 11,794
Solid Waste Program Supervisor	1.00		1.00	6,378 - 8,229
Recycling Programs Coordinator	1.00		1.00	6,153 - 7,240
Education Outreach Specialist	0.50		0.50	6,153 - 7,240
Engineering Technician	0.10		0.10	5,391 - 6,342
Senior Accounting Associate	0.10		0.10	5,301 - 6,237
<b>TOTAL</b>	2.80	0.00	2.80	

**POSITION SUMMARY BY DIVISION**

	<b>2017-2018 Positions</b>	<b>Service Packages</b>	<b>2019-2020 Positions</b>
Utilities	2.80		2.80
<b>TOTAL</b>	2.80	0.00	2.80

**City of Kirkland  
2019-2020 Budget  
Solid Waste Fund Revenues**

	<b>Object</b>	<b>2015-2016 Actual</b>	<b>2017-2018 Estimate</b>	<b>2017-2018 Budget</b>	<b>2019-2020 Budget</b>	<b>Percent Change</b>
<b>Intergovernmental Revenue</b>						
Department of Ecology	334031	75,162	50,293	63,344	33,000	-47.90%
Local Hazardous Waste	337083	50,045	52,439	52,000	53,000	1.92%
Waste Reduction Recycling	337084	82,527	118,751	122,000	120,000	-1.64%
<b>Total for Intergovernmental Revenue</b>		<b>207,734</b>	<b>221,483</b>	<b>237,344</b>	<b>206,000</b>	<b>-13.21%</b>
<b>Charges for Goods and Services</b>						
Interfund - General	341963	2,750	-	-	-	0.00%
Residential Collection	343701	14,654,001	15,919,082	16,065,331	17,481,380	8.81%
Multifamily Collection	343702	5,790,396	5,885,332	5,760,695	5,942,547	3.16%
Commercial Collection	343703	8,619,934	9,253,072	8,555,148	9,014,784	5.37%
Solid Waste Penalties	343704	226,524	237,404	200,000	220,000	10.00%
Effective Utility Tax Revenue Garbage	343708	3,028,262	3,231,413	3,190,023	3,406,064	6.77%
Miscellaneous Utility Revenue	343891	22,397	16,466	16,000	20,000	25.00%
King County Hazardous Waste	343902	805,770	788,032	900,000	840,000	-6.67%
<b>Total for Charges for Goods and Services</b>		<b>33,150,033</b>	<b>35,330,801</b>	<b>34,687,197</b>	<b>36,924,775</b>	<b>6.45%</b>
<b>Miscellaneous Revenues</b>						
Investment Interest	361111	19,037	51,988	20,933	73,365	250.48%
Other Judgement Settlements	369910	-	3,792	-	-	0.00%
<b>Total for Miscellaneous Revenues</b>		<b>19,037</b>	<b>55,780</b>	<b>20,933</b>	<b>73,365</b>	<b>250.48%</b>
<b>Other Proprietary Income</b>						
Insurance Recovery Proprietary Int Svcs	372001	-	7,441	-	-	0.00%
<b>Total for Other Proprietary Income</b>		<b>-</b>	<b>7,441</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>
<b>Other Financing Sources</b>						
Operating Transfers In	397101	1,650	-	-	-	0.00%
Resources Forward	399991	993,391	1,558,489	1,558,489	2,516,326	61.46%
<b>Total for Other Financing Sources</b>		<b>995,041</b>	<b>1,558,489</b>	<b>1,558,489</b>	<b>2,516,326</b>	<b>61.46%</b>
<b>Total for Solid Waste Fund</b>		<b>34,371,844</b>	<b>37,173,994</b>	<b>36,503,963</b>	<b>39,720,466</b>	<b>8.81%</b>





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# Appendix

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**POLICIES**



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# INVESTMENT POLICY



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**CITY OF KIRKLAND  
INVESTMENT POLICY  
(ADOPTED NOVEMBER 21, 2017)**

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**Policy Statement**

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.

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## 1.0 INTRODUCTION

This Investment Policy defines the parameters within which funds are to be invested by the City of Kirkland (City). This Policy also formalizes the framework to provide the investment authority and constraints for the City to maintain an effective and judicious management of funds within the scope of this Policy.

This Policy is intended to be broad enough to allow the Director of Finance and Administration, or authorized designee, to function properly within the parameters of responsibility and authority, yet specific enough to adequately safeguard the investment assets.

- Sets out guidelines for the prudent management of the City's funds;
- Describes realistic parameters and goals for safely investing those funds;
- Establishes expectations for generally acceptable returns at a suitable level of risk that matches the purpose of the City's funds;
- Provides the framework within which the Director of Finance and Administration will operate by setting out objectives, guidelines, and structure that include details on the universe of permitted investments and any restrictions of their use.

The City Council reserves the right to amend this policy as deemed necessary.

## 2.0 GOVERNING AUTHORITY

The City of Kirkland investment authority is derived from RCW Chapters 35, 39 and 43. The investment program shall be operated in conformance with the Revised Code of Washington and applicable Federal Law. All funds within the scope of this policy are subject to regulations established by the State of Washington.

The City Council has the direct authority to provide for the Director of Finance and Administration or his/her designee, the responsibility for the daily operations of the City's investment program and activities. (Kirkland Municipal Code (KMC) Chapter 5.24)

## 3.0 SCOPE OR IDENTIFICATION OF FUNDS

This policy applies to activities of the City of Kirkland with regard to investing the financial assets of all funds. The amount of funds expected to fall within the scope of this policy is \$90 million to \$120 million, which include, but not limited to, operating, capital improvement, and restricted funds.

This investment policy applies to all investment transactions involving the financial assets and related activity of all City funds.

## 4.0 OBJECTIVES

All funds will be invested in a manner that is in conformance with federal, state and other legal requirements. The objectives, in order of priority, of the investment activities will be as follows:

- 4.1 Safety:** Safety of principal is the primary objective of the City. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To obtain this

objective, funds will be diversified, utilizing highly rated securities, by investing in a variety of securities and financial institutions. The investment portfolio will be invested in a manner that meets RCW statutes and all legal requirements of the City.

**4.2 Liquidity:** The investment portfolio will provide liquidity sufficient to enable the City to meet all cash requirements that might reasonably be anticipated. Therefore, the investments shall be managed to maintain a minimum balance to meet daily obligations.

**4.3 Return on Investment:** The investment portfolio will be structured with the objective of attaining a market rate of return throughout economic cycles, commensurate with the investment risk parameters and the cash flow characteristics of the portfolio. Nevertheless, return on investment is a lesser objective than safety or liquidity.

## 5.0 STANDARDS OF CARE

### 5.1 Delegation of Authority:

*Governing Body:* The ultimate responsibility and authority for the investment of City funds resides with the City Council who has the authority to direct the management of the City investment program.

*Authority:* Pursuant to the KMC 5.24 and Resolution 5087, the overall management responsibility for the investment program is hereby delegated to the Director of Finance and Administration, or designee, who shall establish written procedures for the operation of the investment program, consistent with this investment policy. The Director of Finance and Administration shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

*Investment Advisor:* The City may contract with an external non-discretionary investment advisor (Advisor) to assist with the management of the City's investment portfolio in a manner that is consistent with the City's objectives and this policy. Such Advisors shall provide recommendations and advice regarding the City investment program including but not limited to advice related to the purchase and sale of investments by this Investment Policy.

### 5.2 Prudence:

The standard of prudence to be used by the Director of Finance and Administration or any designees in the context of managing the overall portfolio is the prudent person rule which states: *Investments will be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs not in regard to speculation but in regard to the permanent disposition of the funds considering the probable income as well as the probable safety of the capital.*

### 5.3 Ethics:

#### 5.3.1 Employees Involved in the City Investment Program Must Avoid Conflicts of Interest.

Association with the investment program in any capacity is considered employee involvement.

Employees must avoid personal business activity that may:

- Conflict with the proper execution of the investment program.
- Impair their ability to make impartial investment decisions.

*5.3.2 Employees Associated with the City Investment Program Must Disclose Certain Personal Information to the Director of Finance and Administration or his/her Designee.*

The disclosure should list:

- Any material interests in financial institutions that conduct business with the City.
- Any personal financial or investment positions that could influence the performance of the City's investment portfolio, particularly with regard to the timing of purchases and sales.

## **6.0 SAFEKEEPING, CUSTODY, AND CONTROLS**

### **6.1 Delivery vs. Payment:**

All trades of marketable securities will be executed (cleared and settled) on a delivery vs. payment (DVP) basis to ensure that securities are deposited in the City's safekeeping institution prior to the release of funds.

### **6.2 Third Party Safekeeping:**

Prudent treasury management requires that all purchased securities be bought on a delivery versus payment (DVP) basis and be held in safekeeping by an independent third-party financial institution or the City's designated depository.

The Director of Finance and Administration shall designate all safekeeping arrangements and an agreement of the terms shall be executed in writing. The third-party custodian shall be required to provide a statement to the City listing at a minimum each specific security, book yield, description, maturity date, market value, par value, purchase date, and CUSIP number.

All collateral securities pledged to the City for certificates of deposit or demand deposits shall be held in accordance with the State of Washington's Public Deposit Protection Commission (PDPC).

### **6.3 Internal Controls:**

The Director of Finance and Administration is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse. Specifics for the internal controls shall be documented in an investment procedures manual.

The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefits likely to be derived, and the valuation of costs and benefits requires estimates and judgments by management. The internal controls shall address the following points at a minimum:

- Control of collusion;
- Separation of transaction authority from accounting and recordkeeping;
- Custodial safekeeping;
- Avoidance of physical delivery of marketable securities;
- Clear delegation of authority to subordinate staff members;
- Written confirmation of transactions for investments and wire transfers;
- Dual authorizations of wire transfers;
- Staff training; and

- Review, maintenance and monitoring of security procedures both manual and automated.

#### **6.4 External Controls**

The City will have an external review of the Investment Policy and procedures every three (3) years. The City may enter contracts with third-party investment advisory firms when their services are required.

## **7.0 AUTHORIZED FINANCIAL DEALERS**

### **7.1 Broker/Dealers:**

The Director of Finance and Administration shall maintain and review annually a list of all authorized financial institutions and broker/dealers that are approved to transact with the City for investment purposes. The City shall follow GFOA best practices for evaluating and selecting financial institutions and broker/dealers.

The Director of Finance and Administration or designee may utilize the investment advisor's approved broker/dealer list in lieu of the City's own approved list. The Advisor must submit the approved list to the City annually and provide updates throughout the year as they occur. The Advisor must maintain documentation of appropriate license and professional credentials of broker/dealers on the list. The annual investment advisor broker/dealer review procedures include:

- a. FINRA Certification check:
  - i. Firm profile
  - ii. Firm history
  - iii. Firm operations
  - iv. Disclosures of arbitration awards, disciplinary and regulatory events
  - v. State Registration Verification
- b. Financial review of acceptable FINRA capital or letter of credit for clearing settlements.

The Advisor may be authorized through the contracted agreement to open accounts on behalf of the City with the broker/dealers on the approved broker dealer list.

### **7.2 Investment Advisors:**

Advisors must be registered under the Investment Advisers Act of 1940 and must act in a non-discretionary capacity, requiring approval from the City prior to all transactions.

### **7.3 Bank Institutions:**

The City will only place funds, exceeding the current FDIC insurance limits, with banks who are currently participating in the Washington State PDPC program. Compliance/listing with the PDPC will be verified by the Advisor or designated investment officer utilizing the Washington State Treasurer's website.

### **7.4 Competitive Transactions:**

Transactions must be executed on a competitive basis and documented. Competitive prices should be provided from at least three separate brokers, financial institutions or through a national electronic trading platform. If the purchased security is only offered by one broker then other securities with similar structure may be used for documentation purposes. When an Advisor handles trade executions, they must provide the competitive documentation as requested.

## 8.0 AUTHORIZED AND SUITABLE INVESTMENTS

### 8.1 Authorized Investments:

Eligible investments are only those securities and deposits authorized by statute (RCW 39.58, 39.59, 43.250, and 43.84.080):

Among the authorized investments are U.S. Treasury and Agency securities (i.e., obligations of any government sponsored enterprise eligible for collateral purposes at the Federal Reserve), municipal debt, certificates of deposit with qualified public depositories within statutory limits as promulgated by the Washington State PDPC at the time of investment, foreign and domestic Bankers Acceptances, Commercial Paper and the Washington State Local Government Investment Pool.

The State of Washington Local Government Investment Pool is the only government-sponsored Pool approved for investment of funds.

This policy recognizes S&P, Moody's and Fitch as the major Nationally Recognized Statistical Ratings Organizations (NRSRO).

In the case of split ratings, where the major NRSROs issue different ratings, the lower rating shall apply. Minimum credit ratings and percentage limitations apply to the time of purchase.

All securities must be purchased on the secondary market and may not be purchased directly from the issuer.

### 8.2 Suitable Investments:

The City is empowered to invest in the following types of securities:

**US Treasury Obligations:** Direct obligations of the United States Treasury.

**US Agency Obligations Primary Issuers:** Government Sponsored Enterprises (GSEs) – Federal Instrumentality Securities include, but are not limited to Federal National Mortgage Association (FNMA), the Federal Home Loan Mortgage Corporation (FHLMC), Federal Home Loan Banks (FHLB), and the Federal Farm Credit Banks (FFCB).

**US Agency Obligations Secondary Issuers:** Other US government sponsored enterprises that are less marketable are considered secondary GSEs. They include, but are not limited to: Private Export Funding Corporation (PEFCO), Tennessee Valley Authority (TVA), Financing Corporation (FICO) and Federal Agricultural Mortgage Corporation, (Farmer Mac).

**Municipal Debt Obligations:** Bonds of the State of Washington, any local government in the State of Washington, General Obligation bonds outside the State of Washington; at the time of investment the bonds must have at a minimum rating of AA- from S&P, Aa3 from Moody's or AA- from Fitch.

**Commercial Paper:** Unsecured debt obligations of corporate issuers that are rated at least A1+ by S&P, P1 by Moody's and F1+ by Fitch. Commercial paper holdings may not have maturities exceeding 270 days. Any commercial paper purchased with a maturity longer than 100 days must also have an underlying long-term credit rating at the time of purchase with a minimum rating of AA- by S&P, Aa3 by Moody's or AA- by Fitch.

**Certificates of Deposit:** Non-negotiable Certificates of Deposit of financial institutions that are qualified public depositories as defined in RCW 39.58.010(2) and by the restrictions within.

**Time Deposits and Savings Accounts Issued by Banks:** Deposits in PDPC approved banks.

**Banker's Acceptance:** Banker's Acceptances generally are created based on a letter of credit issued to finance transactions. They are used to finance the shipment of some specific goods within the United States. They are issued by qualified financial institutions eligible for discount by the Federal Reserve System and by a qualified institution whose long-term letter of credit rating is rated in the highest category: AAA.

**Local Government Investment Pool:** Investment Pool managed by the Washington State Treasurer's Office.

### 8.3 Bank Collateralization:

The PDPC makes and enforces regulations and administers a program to ensure public funds deposited in banks and thrifts are protected if a financial institution becomes insolvent. The PDPC approves which banks and thrifts can hold state and local government deposits and monitors collateral pledged to secure uninsured public deposits. Under RCW 39.58.240, all public treasurers and other custodians of public funds are relieved of the responsibility of executing tri-party agreements, reviewing pledged securities, and authorizing additions, withdrawals, and exchanges of collateral.

## 9.0 INVESTMENT PARAMETERS

### 9.1 Diversification:

The City will diversify the investment of all funds by adhering to the constraints by issuer type in accordance with the following table:

**Table of Constraints on the Portfolio**

Issue Type	Maximum % Holdings	Maximum % per Issuer	Ratings S&P	Ratings Moody's	Ratings Fitch
US Treasury Obligations	100%	None	N/A	N/A	N/A
US Agency Primary Securities FHLB, FNMA, FHLMC, FFCB	100%	30%	N/A	N/A	N/A
US Agency Secondary Securities FICO, FARMER MAC etc.	20%	10%	AA-	Aa3	AA-
Municipal Bonds	20%	5%	AA-	Aa3	AA-
Commercial Paper	25%	3%	A1+ Long Term AA-	P1 Long Term Aa3	F1+ Long Term AA-
Certificates of Deposit	10%	5%	Deposits in PDPC approved banks	Deposits in PDPC approved banks	Deposits in PDPC approved banks
Bank Time Deposits/Savings	50%	None	Deposits in PDPC approved banks	Deposits in PDPC approved banks	Deposits in PDPC approved banks
Banker's Acceptance	5%	5%	N/A	N/A	N/A
State LGIP	100%	None	N/A	N/A	N/A

## 9.2 Investment Maturity:

The City will not directly invest in securities maturing more than five (5) years from the date of purchase.

- The maximum weighted maturity of the total portfolio shall not exceed 3 years. This maximum is established to limit the portfolio to excessive price change exposure.
- Liquidity funds will be held in the State Pool, PDPC bank deposits, or cash matched securities.
- Investment funds will be defined as the funds in excess of liquidity requirements. The investments in this portion of the portfolio will have maturities between 1 day and 5 years and will be only invested in high quality and liquid securities.
- Total Portfolio Maturity Constraints:

<b>Maturity Constraints</b>	<b>Minimum % of Total Portfolio</b>
Under 30 days	10%
Under 1 year	25%
Under 5 years	100%
<b>Maturity Constraints</b>	<b>Maximum of Total Portfolio in Years</b>
Weighted Average Maturity	3.00
<b>Security Structure Constraint</b>	<b>Maximum % of Total Portfolio</b>
Callable Agency Securities	25%

- Exception to 5 year maturity maximum: Reserve or Capital Improvement Project monies may be invested in securities exceeding 5 years if the maturities of such investments are made to coincide as nearly as practicable with the expected use of the funds.

## 9.3 Strategic Allocations:

### 9.3.1 Funds and their Allocation

- a. Liquidity funds for the operating account will be allocated to LGIP, CD's, PDPC Bank Deposits, Bankers Acceptances, and Commercial Paper.
- b. The structure of the Investment Core Fund will be targeted to a selected market benchmark based on the risk and return objectives of the portfolio.
- c. Longer term restricted funds will have an identified market benchmark to manage risk and return.

9.3.2 Monitoring and Portfolio Adjustment: As a general practice, securities will be purchased with the intent to hold to maturity. However, it is acceptable for securities to be sold under the following circumstances:

- a. A security with a declining credit may be sold early to protect the principal value of the portfolio.

- b. The portfolio duration or maturity buckets should be adjusted to reflect better the structure of the underlying benchmark portfolio.
- c. A security exchange that would improve the quality, yield and target maturity of the portfolio based on market conditions.
- d. A sale of a security to provide for unforeseen liquidity needs.

#### **9.4 Prohibited Investments:**

9.4.1 The City shall not lend securities nor directly participate in a securities lending or reverse repurchase program.

9.4.2 The City shall not invest in:

- a. Mortgage-backed securities
- b. Derivative Products
- c. Securities that leverage the portfolio or are used for speculation of interest rates
- d. Any securities on negative credit watch
- e. Mutual Funds
- f. Repurchase Agreements
- g. Reverse Agreements

## **10.0 REPORTING REQUIREMENTS**

### **10.1 Reporting:**

The Director of Finance and Administration shall be responsible for investment reporting. At a minimum, quarterly reporting shall be made to the City Council including but not limited to securities holdings, cash balances, and market values in the investment portfolio.

Specific Requirements:

- Book Yield
- Holdings Report including mark-to-market and security description
- Transactions Report
- Weighted Average Maturity

### **10.2 Performance Standards:**

The portfolio shall be managed to obtain a fair rate of return and earnings rate that incorporates the primary objectives of protecting the City's capital and assuring adequate liquidity to meet cash flow needs.

For purposes of this policy, “earnings rate” will be compared to the LGIP rate. The goal is for the portfolio to generally perform better than the LGIP due to the longer weighted average maturity and the earnings rate is expected to trend in a similar manner as interest rates change.

The investment portfolio performance may be tracked against a market index such as the US treasury 0-3 year index or US treasury 0-5 year index on a total return basis. This will provide for accountability of price changes in the portfolio and help inform the strategy related to the duration of the portfolio.



### **10.3 Compliance Report**

A compliance report will be generated quarterly comparing the portfolio positions to this investment policy.

### **10.4 Accounting Method**

The City shall comply with all required legal provisions and Generally Accepted Accounting Principles (GAAP). The accounting principles are those contained in the pronouncements of authoritative bodies including but not necessarily limited to the Governmental Accounting Standards Board (GASB).

Pooling of Funds: Except for cash in certain restricted and special funds, the City will consolidate balances from all funds to maximize investment earnings. Investment income will be allocated to the various funds based on their respective participation in the investment program and in accordance with generally accepted accounting principles.

## **11.0 INVESTMENT POLICY ADOPTION**

The City's Investment Policy shall be adopted by the City Council.

The Policy shall be reviewed annually by the Investment Committee. Any modifications shall be submitted and approved by City Council.

## 12.0 GLOSSARY OF TERMS

**Accrued Interest:** The interest accumulated on a bond since issue date or the last coupon payment. The buyer of the bond pays the market price and accrued interest, which is payable to the seller.

**Agency:** A debt security issued by a federal or federally sponsored agency. Federal agencies are backed by the full faith and credit of the U.S. Government. Federally Sponsored Agencies (FSAs) are backed by each particular agency with a market perception that there is an implicit government guarantee. (Also see FEDERAL AGENCY SECURITIES and GOVERNMENT SECURITY)

**Agency Securities:** Government sponsored enterprises of the US Government.

**Amortization:** In portfolio accounting, periodic charges made against interest income on premium bonds in anticipation of receipt of the call price at call or of par value at maturity.

**Asset:** Available property, as for payment of debts

**Average Maturity:** A weighted average of the expiration dates for a portfolio of debt securities. An income fund's volatility can be managed by shortening or lengthening the average maturity of its portfolio.

**Bankers' Acceptances:** A time draft accepted (endorsed) by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer. BAs are short-term non-interest-bearing notes sold at a discount and redeemed by the accepting bank at maturity for full face value.

**Bank Wire:** A virtually instantaneous electronic transfer of funds between two financial institutions.

**Basis Point:** A measure of an interest rate, i.e., 1/100 of 1 percent, or .0001.

**Bid:** The indicated price at which a buyer is willing to purchase a security or commodity. When selling a security a bid is obtained. (See Offer)

**Bond:** An interest-bearing security issued by a corporation, government, governmental agency, or other body. It is a form of debt with an interest rate, maturity, and face value, and specific assets sometimes secure it. Most bonds have a maturity of greater than one year and generally pay interest semiannually.

**Broker:** An intermediary who brings buyers and sellers together and handles their orders, generally charging a commission for this service. In contrast to a principal or a dealer, the broker does not own or take a position in securities.

**Certificates of Deposit:** Instruments issued by a bank specifying that a sum of money has been deposited, payable with interest to the bearer of the certificate on a certain date.

**Collateral:** Securities or other property that a borrower pledges as security for the repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

**Commercial Paper:** Short-term, unsecured, negotiable promissory notes issued by corporations.

**Current Maturity:** The amount of time left until an obligation matures. For example, a one-year bill issued nine months ago has a current maturity of three months.

**CUSIP:** A CUSIP number identifies securities. CUSIP stands for Committee on Uniform Security Identification Procedures, which was established under the auspices of the American Bankers Association to develop a uniform method of identifying municipal, U.S. government, and corporate securities.

**Dealer:** An individual or firm that ordinarily acts as a principal in security transactions. Typically, dealers buy for their account and sell to a customer from their inventory. The dealer's profit is determined by the difference between the price paid and the price received.

**Delivery:** Either of two methods of delivering securities: delivery vs. payment and delivery vs. receipt (also called "free"). Delivery vs. payment is the delivery of securities with an exchange of money for the securities.

**Diversification:** Dividing available funds among a variety of securities and institutions so as to minimize market risk.

**Duration:** A measure used to calculate the price sensitivity of a bond or portfolio of bonds to changes in interest rates. This equals the sum of the present value of future cash flows.

**Full Faith and Credit:** Indicator that the unconditional guarantee of the United States government backs the repayment of debt.

**General Obligation Bonds (GOs):** Bonds secured by the pledge of the municipal issuer's full faith and credit, which usually includes unlimited taxing power.

**Government Bonds:** Securities issued by the federal government; they are obligations of the U.S. Treasury; also known as "governments."

**Interest:** Compensation paid or to be paid for the use of money. The rate of interest is generally expressed as an annual percentage.

**Investment Core Funds:** Core funds are defined as operating fund balance and other fund balances that exceeds the City's daily liquidity needs. Core funds are invested out the yield curve to diversify maturity structure in the overall portfolio. Having longer term investments in a portfolio will stabilize the overall portfolio interest earnings over interest rate cycles.

**Investment Securities:** Securities purchased for an investment portfolio, as opposed to those purchased for resale to customers.

**Liquidity:** The ease at which a security can be bought or sold (converted to cash) in the market. A large number of buyers and sellers and a high volume of trading activity are important components of liquidity.

**Liquidity Component:** A percentage of the total portfolio that is dedicated to providing liquidity needs for the City.

**LGIP:** Local Government Investment Pool run by the State of Washington Treasurer's office established to help cities with short-term investments.

**Mark to Market:** Adjustment of an account or portfolio to reflect actual market value rather than book price, purchase price or some other valuation.

**Market Value:** The market value of a security is the price at which can be sold on that date.

**Maturity:** The date upon which the principal or stated value of an investment becomes due.

**Municipals:** Securities, usually bonds, issued by a state, its agencies, by cities or other municipal entities. The interest on “munis” is usually exempt from federal income taxes and state and local income taxes in the state of issuance. Municipal securities may or may not be backed by the issuing agency’s taxation powers.

**Non-Discretionary Investment Advisor:** Non-discretionary investment advisor services may include investment management oversight, investment research, portfolio analysis, portfolio reporting and portfolio recommendations based upon the specific investment policy and investment objectives of each client. Clients must approve any such recommendations before the securities are purchased or sold in their accounts.

**Par Value:** The value of a security expressed as a specific dollar amount marked on the face of the security or the amount of money due at maturity. Par value should not be confused with market value.

**Portfolio:** A collection of securities held by an individual or institution.

**Principal:** The cost of an instrument on which interest is earned.

**Prudent Person Rule:** A long-standing common-law rule that requires a trustee who is investing for another to behave in the same way as a prudent individual of reasonable discretion and intelligence who is seeking a reasonable income and preservation of capital.

**Quotation or Quote:** A bid to buy or the lowest offer to sell a security in any market at a particular time.

**Repurchase Agreement:** Range in maturity from overnight to fixed time to open end. Repos involve a simultaneous sale of securities by a bank or government securities dealer to an investor with an agreement for the bank or government securities dealer to repurchase the securities at a fixed date at a specified rate of interest.

**Safekeeping:** An arrangement under which an organization’s securities are kept in a bank vault or in the case of book entry securities, are held and recorded in the customer’s name. Evidence of this arrangement is a safekeeping receipt.

**Secondary Market:** A market where certain securities may be bought and sold at prevailing market prices after their initial distribution but before their stated maturity date.

**Treasury Bill (T-Bill):** An obligation of the U.S. government with a maturity of one year or less. T-bills bear no interest but are sold at a discount.

**Treasury Bonds and Notes:** Obligations of the U.S. government that bear interest. Notes have maturities of one to ten years; bonds have longer maturities.

**Yield:** The annual rate of return on an investment expressed as a percentage of the investment. Income yield is obtained by dividing the current dollar income by the current market price for the security. Net yield, or yield to maturity, is the current income yield minus any premium above par or plus any discount from par in the purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

**Yield to Maturity:** The average annual yield on a security, assuming it is held to maturity; equals to the rate at which all principal and interest payments would be discounted to produce a present value equal to the purchase price of the bond.

RESOLUTION R-5283

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND  
ADOPTING A REVISED POLICY FOR INVESTMENT OF CITY FUNDS.

1 WHEREAS, the City Council of the City of Kirkland desires to have  
2 City funds invested in secure depositories and maximize returns on  
3 these investments; and  
4

5 WHEREAS, the City Council of the City of Kirkland desires to  
6 develop an investment policy to guide the investment of City funds to  
7 meet these objectives; and  
8

9 WHEREAS, the Kirkland City Treasurer (Director of Finance and  
10 Administration) has recommended revisions to the policy for investment  
11 of City funds; and  
12

13 WHEREAS, the Treasurer's recommended revisions have been  
14 reviewed and approved by the City's Investment Committee and the City  
15 Council's Finance and Administration Committee; and  
16

17 WHEREAS, the City of Kirkland investment policy has been  
18 written in accordance with the Washington Public Treasurers Association  
19 Model Investment Policy;  
20

21 NOW, THEREFORE, be it resolved by the City Council of the City  
22 of Kirkland as follows:  
23

24 Section 1. The policy for investment of City funds set forth in  
25 the document entitled "City of Kirkland Investment Policy November 21,  
26 2017" which is attached as Exhibit A and incorporated by this reference  
27 is adopted as the official policy for investment of City funds.  
28

29 Section 2. That the document entitled City of Kirkland  
30 Investment Policy November 21, 2017, replaces all previous City of  
31 Kirkland Investment Policies.  
32

33 Passed by majority vote of the Kirkland City Council in open  
34 meeting this 21st day of November, 2017.  
35

36 Signed in authentication thereof this 21st day of November,  
37 2017.

  
Amy Walen, Mayor

Attest:

  
Kathi Anderson, City Clerk

# DEBT MANAGEMENT POLICY



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**City of Kirkland**  
**Debt Management Policy**  
**Adopted by Resolution (R-4837) on September 21, 2010**

The Debt Policy for the City of Kirkland (City) is established to help ensure that all debt is issued both prudently and cost effectively. The Debt Policy sets forth guidelines for the issuance and management of all financings of the City. Adherence to the policy is essential to ensure that the City maintains a sound debt position and protects the credit quality of its obligations while providing flexibility and preserving financial stability.

**1.0 Uses of Debt**

- 1.1 City of Kirkland uses debt as a mechanism to equalize the costs of needed capital improvements for the benefit of both present and future citizens;
- 1.2 City of Kirkland uses debt as a mechanism to reduce the immediate costs of substantial public improvements.
- 1.3 The City of Kirkland will not use long-term debt to support current operations.
- 1.4 Long-term borrowing will only be used for capital improvements that cannot be financed from current revenues.
- 1.5 Non-capital furnishings, supplies, and personnel will not be financed from bond proceeds.
- 1.6 Interest, operating, and/or maintenance expenses will be capitalized only for enterprise activities; and will be strictly limited to those expenses incurred prior to actual operation of the facilities.

**2.0 Debt Limits**

**2.1 Legal Limits:**

- 2.1.1 The general obligation debt of Kirkland will not exceed an aggregated total of 7.5% of the assessed valuation of the taxable property within the City. RCW 39.36.020
- 2.1.2 The following individual percentages shall not be exceeded in any specific debt category:
  - General Debt - 2.5% of assessed valuation
    - Non-Voted      1.5%      Limited Tax General Obligation (LTGO) Bonds
    - Voted          1.0%      Unlimited Tax General Obligation (UTGO) Bonds
  - Utility Debt - 2.5% of assessed valuation
  - Open Space and Park Facilities - 2.5% of assessed valuation

**2.2 Public Policy Limits:**

- 2.2.1 The City will establish and implement a comprehensive multi-year Capital Improvement Program (CIP).
- 2.2.2 Financial analysis of funding sources will be conducted for all proposed capital improvement projects.
- 2.2.3 Debt will be issued in accordance with the CIP as necessary.
- 2.2.4 Where borrowing is recommended, the source of funds to cover debt service requirements must be identified.

**City of Kirkland**  
**Debt Management Policy**  
**Adopted by Resolution (R-4837) on September 21, 2010**

2.2.5 The City, as determined by the City Council, may consider using long term debt toward public improvements, which have an identified public benefit to the City, associated with economic development to the extent that new revenues from the project, in excess of those identified by the City Council for other City purposes can be agreed upon to support the debt service.

2.3 Financial Limits:

2.3.1 The City's policy is to plan and direct the use of debt so that debt service payments will be a predictable and manageable part of the Operating Budget.

2.3.2 The City will conduct a debt affordability analysis to evaluate the City's ability to support debt. The analysis will review available resources for the amount of debt the City can initiate each year, and project the effects of that financing through six years of the CIP.

3.0 Allowable Types of Debt

3.1 Short Term Obligations: Short-term borrowing will only be used to meet the immediate financing needs of a project for which long-term financing has been secured but not yet received. The City may issue interfund loans rather than outside debt instruments to meet short-term cash flow needs. Interfund loans will be permitted only if an analysis of the affected fund indicates excess funds are available and the use of the funds will not impact the fund's current operations. All interfund loans will be subject to Council approval, will bear interest based upon prevailing rates and have terms consistent with state guidelines for interfund loans.

3.2 Assessment/ LID Bonds: Assessment bonds will be considered in place of general obligation bonds, where possible, to assure the greatest degree of public equity. Local Improvement District (LID) Bonds represent debt that is repaid by the property owners who benefited from the capital improvement through annual assessments paid to the City. LID's are formed by the City Council after a majority of property owners agree to the assessment.

3.3 General Obligation Bonds Limited Tax: General Obligation debt is backed by the full faith and credit of the City and is payable from General Fund revenues and taxes collected by the City. Limited Tax General Obligation (LTGO) Bonds can be issued with the approval of the City Council and will only be issued if:  
A project requires funding not available from alternative sources;  
Matching fund monies are available which may be lost if not applied for in a timely manner; or Emergency conditions exist.

3.4 General Obligation Bonds Unlimited Tax: Unlimited Tax General Obligation (UTGO) Bonds are payable from excess tax levies and is subject to voter approval by 60% of the voters.

3.5 Revenue Bonds: Revenue bonds are used to finance construction or improvements to facilities of enterprise systems operated by the City in accordance with the Capital Improvement Program and are generally payable from the enterprise. No taxing power or general fund pledge is provided as security. Unlike general obligation bonds, revenue bonds are not subject to the City's statutory debt limitation nor is voter approval required.

3.6 Leases: Lease purchase or financing contracts are payment obligations that represent principal and interest components which are general obligations of the City.

**City of Kirkland**  
**Debt Management Policy**  
**Adopted by Resolution (R-4837) on September 21, 2010**

3.7 Other Loan Programs:

3.7.1 Public Works Trust Fund Loans are loans from the Public Works Board, authorized by state statute, RCW 43.155 to loan money to repair, replace, or create domestic water systems, sanitary sewer systems, storm sewer systems, roads, streets, solid waste and recycling facilities, and bridges.

3.7.2 The Local Option Capital Asset Lending (LOCAL) Program is a financing contract with the Office of the State Treasurer under RCW 39.94. It is an expanded version of the state agency lease/purchase program that allows pooling funding needs into larger offerings of securities. This program allows local government agencies the ability to finance equipment needs through the State Treasurer's office, subject to existing debt limitations and financial consideration.

3.7.3 Other state funded programs.

3.8 Alternative types of debt: No variable-rate debt or derivative products shall be utilized.

4.0 Debt Structuring Practices

4.1 Maximum term, Payback Period and Average maturity:

4.1.1 The issuance of bonds shall be financed for a period not to exceed a conservative estimate of the asset's useful life with the average life of the bonds less than or equal to the average life of the assets being financed.

4.1.2 General Obligation bonds will be issued with maturities of 30 years or less unless otherwise approved by Council.

4.1.3 The maturity of all assessment bonds shall not exceed statutory limitations. RCW 36.83.050.

4.2 Debt Service Structure:

4.2.1 Unless otherwise justified and deemed necessary, debt service should be structured on a level or declining repayment basis.

4.3 Criteria for issuance of advance refunding and current refunding bonds

4.3.1 The City will use refunding bonds, where appropriate, when restructuring its current outstanding debt. A debt refunding is a refinance of debt typically done to take advantage of lower interest rates. Unless otherwise justified, such as a desire to remove or change a bond covenant, a debt refunding will not be pursued without a sufficient net present value benefit after expenses.

4.4 Other structuring practices:

4.4.1 Bond amortization schedules will be structured to minimize interest expense with the constraints of revenues available for debt service. The bonds should include call features to maximize the City's ability to advance refund or retire the debt early. However, call features should be balanced with market conditions to ensure that the total cost of the financing is not adversely affected.

**City of Kirkland**  
**Debt Management Policy**  
Adopted by Resolution (R-4837) on September 21, 2010

**5.0 Debt Issuance Practices**

- 5.1 Council Approval: City Council approval is required prior to the issuance of debt.
- 5.2 Analytical Review: An analytical review shall be conducted prior to the issuance of debt including, but not limited to, monitoring of market opportunities and structuring and pricing of the debt.
- 5.3 Use of credit ratings, minimum bond ratings, determination of the number of ratings and selection of rating services: The City will continually strive to maintain its bond rating by improving financial policies, budget, forecasts and the financial health of the City so its borrowing costs are minimized and its access to credit is preserved. The City will maintain good communication with bond rating agencies about its financial condition, coordinating meetings, and presentations in conjunction with a new issuance as necessary.
- 5.4 Compliance with Statutes and Regulations: The Finance Director, City Attorney and bond counsel shall coordinate their activities and review all debt issuance to ensure that all securities are issued in compliance with legal and regulatory requirements by the State of Washington and the Federal Government's laws, rules and regulations.
- 5.5 Selection and use of professional service providers:
  - 5.5.1 The City's Finance and Administration Department shall be responsible for the solicitation and selection of professional services that are required to administer the City's debt program.
  - 5.5.2 Bond Counsel: All debt issued by the City will include a written opinion by bond counsel affirming that the City is authorized to issue the proposed debt. The opinion shall include confirmation that the City has met all city and state constitutional and statutory requirements necessary for issuance, a determination of the proposed debt's federal income tax status and any other components necessary for the proposed debt.
  - 5.5.3 Financial Advisor: A Financial Advisor(s) may be used to assist in the issuance of the City's debt. The Financial Advisor will provide the City with the objective advice and analysis on debt issuance. This includes, but is not limited to, monitoring of market opportunities, structuring and pricing of debt, and preparing official statements of disclosure.
  - 5.5.4 Underwriters: An Underwriter(s) will be used for all debt issued in a negotiated or private placement sale method. The Underwriter is responsible for purchasing negotiated or private placement debt and reselling the debt to investors.
  - 5.5.5 Fiscal Agent: A Fiscal Agent will be used to provide accurate and timely securities processing and timely payment to bondholders. In accordance with RCW 43.80, the City will use the Fiscal Agent that is appointed by the State.
- 5.6 Criteria for determining sales method and investment of proceeds:
  - 5.6.1 The Director of Finance and Administration shall determine the method of sale best suited for each issue of debt.
  - 5.6.2 The City will generally issue its debt through a competitive process. For any competitive sale of debt, the City will award the issue to the underwriter offering to buy the bonds at a price and interest rates that provides the lowest True Interest Cost (TIC).

**City of Kirkland**  
**Debt Management Policy**  
**Adopted by Resolution (R-4837) on September 21, 2010**

- 5.6.3 The City will provide for the sale of debt by negotiating the terms and conditions of sale when necessary to minimize the cost and risks of borrowing under the following conditions:
- i. The bond issue is, or contains, a refinancing that is dependent on market/interest rate timing.
  - ii. At the time of issuance, the interest rate environment or economic factors that affect the bond issue are volatile.
  - iii. The nature of the debt is unique and requires particular skills from the underwriter(s) involved.
  - iv. The debt issued is bound by a compressed time line due to extenuating circumstances such that time is of the essence and a competitive process cannot be accomplished.

- 5.7 Bond Insurance: For each issue, the City will evaluate the costs and benefits of bond insurance or other credit enhancements. Any credit enhancement purchases by the City shall be competitively procured.

## 6.0 Debt Management Practices

### 6.1 Investment of Bond Proceeds

The City shall comply with all applicable Federal, State and contractual restrictions regarding the investment of bond proceeds, including City of Kirkland Investment Policy.

### 6.2 Continuing Disclosure

The City shall provide annual disclosure information to established national information repositories and maintain compliance with disclosure statements as required by state and national regulatory bodies. Disclosure shall take the form of the Comprehensive Annual Financial Report (CAFR) unless information is required by a particular bond issue that is not necessarily contained within the CAFR.

### 6.3 Arbitrage Rebate monitoring and filing

The City will, unless otherwise justified, use bond proceeds within the established time frame pursuant to the bond ordinance, contract or other documents to avoid arbitrage. Arbitrage is the interest earned on the investment of the bond proceeds above the interest paid on the debt. If arbitrage occurs, the City will follow a policy of full compliance with all arbitrage rebate requirements of the federal tax code and Internal Revenue Service regulations, and will perform (internally or by contract consultants) arbitrage rebate calculations for each issue subject to rebate. All necessary rebates will be filed and paid when due in order to preserve the tax-exempt status of the outstanding debt.

### 6.4 Federal and state law compliance practices

Discussed in Debt Issuance Practices sections 5.3 and 5.4 and Debt Management Practices sections 6.1 and 6.3.

### 6.5 Market and investor relations efforts

The City shall endeavor to maintain a positive relationship with the investment community. The City shall communicate through its published Biennial Budget, Capital Improvement Program and Comprehensive Annual Financial Statements the City's indebtedness as well as its future financial plans.

### 6.6 Periodic review

The City's debt policy shall be adopted by City Council. The policy shall be reviewed every four years by the Council Finance Committee and modifications shall be submitted to and approved by City Council.

RESOLUTION R-4837

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND  
ADOPTING A REVISED POLICY FOR THE MANAGEMENT OF THE  
CITY'S DEBT.

WHEREAS, the City Council of the City of Kirkland deems to  
ensure that all debt is issued both prudently and cost effectively; and

WHEREAS, the City Council of the City of Kirkland desires to  
set forth guidelines for the issuance and management of all financings  
of the City; and

WHEREAS, the Kirkland City Treasurer (Deputy Director of  
Finance) has recommended revisions to the debt management  
policies; and

WHEREAS, the City of Kirkland debt management policy has  
been written in accordance with the Association of Public Treasurers of  
the United States & Canada (APT US&C) guidelines.

NOW, THEREFORE, be it resolved by the City Council of the  
City of Kirkland as follows:

Section 1. The policy for the management of the City's debt  
set forth in the document entitled "City of Kirkland Debt Management  
Policy September 1, 2010," which is attached hereto and incorporated  
herein by this reference as if set forth in full is hereby adopted as  
official policy for the management of the City's debt.

Section 2. That the document entitled City of Kirkland Debt  
Management Policy September 1, 2010, replaces all previous City of  
Kirkland Debt Management Policies.

Passed by majority vote of the Kirkland City Council in open  
meeting this 21st day of September, 2010.

Signed in authentication thereof this 21st day of September  
2010.

  
MAYOR

Attest:

  
City Clerk

# POST ISSUANCE COMPLIANCE POLICY



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**CITY OF KIRKLAND**  
**POST ISSUANCE COMPLIANCE POLICY**  
**Adopted by Resolution (R-5004) on October 15, 2013**

This policy is intended to guide the City of Kirkland in meeting its obligations under applicable statutes, regulations and documentation associated with publicly offered and privately placed securities of the City of Kirkland. This policy addresses obligations of the City of Kirkland that arise and will continue following the issuance of securities. The City of Kirkland maintains a separate Debt Policy with respect to matters related to the issuance of security obligations, including compliance with the City of Kirkland's disclosure obligations related to securities issuance. These obligations may arise as a result of federal tax law (with respect to tax-exempt securities) and securities laws (with respect to ongoing disclosure) or as a result of contractual commitments made by the City of Kirkland. This policy outlines obligations that may be applicable to each issue of securities and identifies the party to be responsible for monitoring compliance. In the City of Kirkland, the Director of Finance and Administration will be responsible for ensuring that the policy is followed and compliance checklist and records maintained. The Director of Finance and Administration may delegate responsibility to employees and outside agents for developing records, maintaining records and compliance checklist. The City of Kirkland will support educational opportunities provided by the Government Finance Officers Association (GFOA), Washington Finance Officers Association (WFOA) and Washington Municipal Treasurers Association (WMTA) for the parties identified in this policy with responsibilities for post-issuance compliance in order to facilitate their performance of these obligations.

A. Transcripts.

1. The City of Kirkland's bond counsel shall provide the City of Kirkland with two copies of a full transcript related to the issuance of securities (for each issue). The transcript shall be delivered in the following form: one hardcopy (paper) and one electronic on a CD; and transcripts shall be delivered to the City of Kirkland within three month[s] following the date of issuance of securities. It is expected that the transcript will include a full record of the proceedings related to the issuance of securities, including proof of filing an 8038-G or 8038-GC, if applicable.

2. Bond transcripts will be retained by the following parties and in the following locations within the City of Kirkland: City Clerk's Office.

B. Federal Tax Law Requirements (Applicable only if the securities are issued as "tax-exempt" securities).

1. *Use of Proceeds.*

a. If the project(s) to be financed with the proceeds of the securities will be funded with multiple sources of funds, the City of Kirkland will adopt an accounting methodology that:

♦ maintains each source of funding separately and monitors the actual expenditure of proceeds of the securities;

- ◆ commingles the proceeds and monitors the expenditures on a first in, first out basis; or
- ◆ provides for the expenditure of funds received from multiple sources on a proportionate basis.

b. Records of expenditures (timing of expenditure and object code) of the proceeds of securities will be maintained by the Department of Finance and Administration.

c. Records of investments and interest earnings on the proceeds of securities will be maintained by Department of Finance and Administration. Such records should include the amount of each investment, the date each investment is made, the date each investment matures and if sold prior to maturity, its sale date, and its interest rate and/or yield. Interest earnings on proceeds will be deposited in the fund in which the proceeds of the securities were deposited (if not, then the plan for use of interest earnings will be discussed with the City of Kirkland's bond counsel).

d. Records of interest earnings on reserve funds maintained for the securities.

2. *Arbitrage Rebate.* The Director of Finance and Administration or designee of the City of Kirkland ("Rebate Monitor") will monitor compliance with the arbitrage rebate obligations of the City of Kirkland for each issue ("issue") of securities which are described in further detail in the tax certificate if any, executed by the City of Kirkland for each issue and included in the transcript for the issue. If the City of Kirkland did not execute a tax certificate in connection with an issue, the Rebate Monitor should consult with the City of Kirkland's bond counsel regarding arbitrage rebate requirements.

a. If the Rebate Monitor determines that the total principal amount of tax-exempt governmental obligations (including all tax-exempt leases, etc.) of the City of Kirkland issued by or on behalf of the City of Kirkland and subordinate entities during the calendar year, including the issue, will not be greater than \$5,000,000, the Rebate Monitor will not be required to monitor arbitrage rebate compliance for the issue, except to monitor expenditures and the use of proceeds after completion of the project (see #3 below). For purposes of this paragraph, tax-exempt governmental obligations issued to currently refund a prior tax-exempt governmental obligation will only be taken into account to the extent they exceed the outstanding amount of the refunded bonds.

b. If the Rebate Monitor determines that the total principal amount of tax-exempt governmental obligations (including all tax-exempt leases, etc.) of the City of Kirkland issued or incurred any calendar year is greater than \$5,000,000, the Rebate Monitor will monitor rebate compliance for each issue of tax-exempt governmental obligations issued during that calendar year.

i. *Rebate Exceptions.* The Rebate Monitor will review the tax certificate, if any, in the transcript in order to determine whether the City of Kirkland is expected to comply with a spending exception that would permit the City of Kirkland to avoid having to pay arbitrage rebate. If the tax certificate identifies this spending exception (referred to as the six-month exception, the 18 month exception or the 2-year exception), then the Rebate Monitor will monitor the records of expenditures (see B.1 above) to determine whether the City of Kirkland met the spending exception (and thereby avoid having to pay any arbitrage rebate to the federal government). If the City of Kirkland did not execute a tax certificate in connection with an issue,

the Rebate Monitor should consult with bond counsel regarding the potential applicability of spending exceptions.

ii. *Rebate Compliance.* If the City of Kirkland does not meet or does not expect to meet any of the spending exceptions described in (i) above, the City of Kirkland will:

x. review the investment earnings records retained as described in B.1 above. If the investment earnings records clearly and definitively demonstrate that the rate of return on investments of all proceeds of the issue were lower than the yield on the issue (see the tax certificate in the transcript), then the City of Kirkland may opt not to follow the steps described in the following paragraph.

y. retain the services of an arbitrage rebate consultant in order to calculate any potential arbitrage rebate liability. The rebate consultant shall be selected no later than the completion of the project to be financed with the proceeds of the issue. A rebate consultant may be selected on an issue by issue basis or for all securities issues of the City of Kirkland. The Rebate Monitor will obtain the names of at least three qualified consultants and request that the consultants submit proposals for consideration prior to being selected as the City of Kirkland rebate consultant. The selected rebate consultant shall provide a written report to the City of Kirkland with respect to the issue and with respect to any arbitrage rebate owed if any.

z. based on the report of the rebate consultant, file reports with and make any required payments to the Internal Revenue Service, no later than the fifth anniversary of the date of each issue (plus 60 days), and every five years thereafter, with the final installment due no later than 60 days following the retirement of the last obligation of the issue.

c. *Yield Reduction Payments.* If the City of Kirkland fails to expend all amounts required to be spent as of the close of any temporary period specified in the Tax Certificate (generally 3 years for proceeds of a new money issue and 13 months for amounts held in a debt service fund), the City of Kirkland will follow the procedures described in B.2.b.ii above to determine and pay any required yield reduction payment.

3. *Unused Proceeds Following Completion of the Project.* Following completion of the project(s) financed with the issue proceeds, the Director of Finance and Administration or designee will:

a. review the expenditure records to determine whether the proceeds have been allocated to the project(s) intended (and if any questions arise, consult with bond counsel in order to determine the method of re-allocation of proceeds); and

b. direct the use of remaining unspent proceeds (in accordance with the limitations set forth in the authorizing proceedings (i.e., bond ordinance) and if no provision is otherwise made for the use of unspent proceeds, to the redemption or defeasance of outstanding securities of the issue.

4. *Use of the Facilities Financed with Proceeds.* In order to maintain tax-exemption of securities issued on a tax-exempt basis, the financed facilities (projects) are required to be used for governmental purposes during the life of the issue. The Director of Finance and Administration or designee of the City of Kirkland will monitor and maintain records regarding any private use of the projects financed with tax-exempt proceeds. The IRS Treasury Regulations prohibit private business use (use by private parties (including nonprofit organizations and the federal government)) of tax-exempt financed facilities beyond permitted *de minimus* amounts unless cured by a prescribed remedial action. Private use may arise as a result of:

- a. Sale of the facilities;
- b. Lease of the facilities (including leases, easements or use arrangements for areas outside the four walls, e.g., hosting of cell phone towers);
- c. Management contracts (in which the City of Kirkland authorizes a third party to operate a facility (e.g., cafeteria);
- d. Preference arrangements (in which the City of Kirkland grants a third party preference of the facilities, e.g., preference parking in a public parking lot).

If the Director of Finance and Administration or designee identifies private use of tax-exempt debt financed facilities, the Director of Finance and Administration or designee will consult with the City of Kirkland's bond counsel to determine whether private use will adversely affect the tax-exempt status of the issue and if so, what remedial action is appropriate. The private use may be allocated to those facilities (or portions of facilities) that were funded from sources other than bond proceeds. If the City of Kirkland determines that it is appropriate to complete a final allocation and accounting certification with respect to the expenditure of bond proceeds, pursuant to Treasury Regulation §1.148-6(d), the City of Kirkland will complete the allocation certification not later than the Final Allocation Date. The City of Kirkland may also elect to follow available remedial action procedures available under Treasury Regulations, e.g., allocate sales proceeds to other qualifying capital expenditures.

The City of Kirkland will verify at least once annually that the financed projects do not have impermissible private use. The verification will be noted on the Post Issuance Compliance Policy Checklist.

5. *Records Retention.*

a. Records with respect to matters described in this Subsection B will be retained by the City of Kirkland for the life of the securities issue (and any issue that refunds the securities issue) and for a period of three years thereafter.

- b. Records to be retained:
  - (i) The transcript;
  - (ii) Arbitrage rebate reports prepared by outside consultants;
  - (iii) Work papers that were provided to the rebate consultants;

(iv) Records of expenditures and investment receipts (showing timing of expenditure and the object code of the expenditure and in the case of investment, timing of receipt of interest earnings). (Maintenance of underlying invoices should not be required provided the records include the date of the expenditure, payee name, payment amount and object code; however, if those documents are maintained as a matter of policy in electronic form, then the City of Kirkland should continue to maintain those records in accordance with this policy);

(v) Copies of all certificates and returns filed with the IRS (e.g., for payment of arbitrage rebate); and

(vi) Copies of all leases, user agreements for use of the financed property (agreements that provide for use of the property for periods longer than 30 days), whether or not the use was within the four walls (e.g., use of the roof of the facility for a cell phone tower); and

(vii) Post Issuance Compliance Checklist documented annual review.

C. Ongoing Disclosure. Under the provisions of SEC Rule 15c2-12 (the "Rule"), underwriters are required to obtain an agreement for ongoing disclosure in connection with the public offering of securities. Unless the City of Kirkland is exempt from compliance with the Rule as a result of certain permitted exemptions, the transcript for each issue will include an undertaking by the City of Kirkland to comply with the Rule. The Department of Finance and Administration of the City of Kirkland will monitor compliance by the City of Kirkland with its undertakings. These undertakings may include the requirement for an annual filing of operating and financial information and will include a requirement to file notices of listed "material events." For some types of material events (early bond calls), the State's fiscal agent has undertaken the responsibility of filing notice of the applicable material event.

D. Other Notice Requirements. In some instances, the proceedings authorizing the issuance of securities will require the City of Kirkland to file information periodically with other parties, e.g., bond insurers, banks, rating agencies. The types of information required to be filed may include (1) budgets, (2) annual financial reports, (3) issuance of additional debt obligations, and (4) amendments to financing documents. The Department of Finance and Administration of the City of Kirkland will maintain a listing of those requirements and monitor compliance by the City of Kirkland.

RESOLUTION R-5004

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND ADOPTING THE KIRKLAND POST ISSUANCE COMPLIANCE POLICY SETTING FORTH THE POLICY OF THE CITY OF KIRKLAND WITH RESPECT TO MEETING ITS OBLIGATIONS UNDER FEDERAL TAX LAW FOLLOWING THE ISSUANCE OF SECURITIES.

WHEREAS, the City of Kirkland has certain obligations under federal tax law with respect to its publicly offered and privately placed securities; and

WHEREAS, many of these obligations continue to apply throughout the entire term of the securities issued; and

WHEREAS, the City of Kirkland Post Issuance Compliance Policy has been written in consultation with the City's bond counsel; and

WHEREAS, the Kirkland City Treasurer (Deputy Director of Finance) has recommended that the City Council formally adopt the Post Issuance Compliance Policy that the City is following, and will continue to follow, to maintain compliance with applicable federal tax law;

NOW, THEREFORE, be it resolved by the City Council of the City of Kirkland as follows:

Section 1. The "City of Kirkland Post Issuance Compliance Policy," which is attached as "Exhibit A" and incorporated by reference, is adopted as the official policy of the City of Kirkland for meeting its obligations under federal tax law following the issuance of securities by the City of Kirkland.

Passed by majority vote of the Kirkland City Council in open meeting this 15th day of October, 2013.

Signed in authentication thereof this 15th day of October, 2013.

  
MAYOR

Attest:

  
City Clerk

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## GLOSSARY



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## CITY OF KIRKLAND

# ***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, and Information Technology Funds prepare year-end reports on the accrual basis. Kirkland uses a modified accrual basis of accounting for the reporting of all other funds. The budget is prepared on a cash basis (see later glossary entry).

### **ACTUAL**

Denotes final audited revenue and expenditure results of operations for fiscal year(s) indicated.

**APPROPRIATION**

Through an appropriation ordinance, the City Council legally authorizes the City to spend money and to incur obligations for specific purposes. Budgetary/Operating fund appropriations lapse at the end of each biennium. Non-operating fund appropriations, on the other hand, continue in force until fully expended or until the City has accomplished or abandoned the purpose for which the Council granted the funds. Spending cannot exceed the level of appropriation without the Council's approval.

**ASSESSED VALUATION**

When the King County Assessor's Office determines the value of both real (land and buildings) and personal property, it arrives at the assessed valuation of the property. The County uses this value to compute property taxes.

**ASSET**

Property owned by the government and resources owned or held by a government that has monetary value.

**BARS**

The State of Washington Budgeting, Accounting, and Reporting System required for all governmental entities in the state.

**BASIC BUDGET**

Kirkland develops its basic budget when it estimates how much it will cost to continue providing the existing ongoing level of service in the next biennium. The basic budget incorporates mandatory increases due to inflation or contract obligations.

**BIENNIAL BUDGET**

The City's financial operating plan for the next two fiscal years. Washington state law requires that the first year of a biennial budget be an odd-numbered year. Accordingly, the preparation of the biennial budget falls on an even-numbered year.

**BIENNIUM**

A two-year period.

**BENEFITS**

City-paid benefits provided for employees, such as 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 IMPROVEMENT PROGRAM (CIP)**

The plan or schedule of expenditures and funding sources for major construction of roads, sidewalks, City facilities, and water/sewer systems, and for the purchase of equipment. Kirkland's CIP follows a six-year schedule and includes projects which cost \$50,000 or more to complete. These projects become fixed assets and, with the exception of certain equipment, have a useful life of ten years or more. Although the City adopts the CIP budget in a process which is separate from the adoption of the biennial budget, the biennial budget incorporates the first and second years of the program.

## **CAPITAL OUTLAY**

Expenditures for furnishings, equipment, vehicles, or machinery with an individual value greater than \$10,000 and a useful life of more than one year.

## **CAPITAL PROJECT**

The acquisition, construction, improvement, replacement or renovation of land, structures and improvements thereon, and equipment. When the City Council authorizes a capital project, it adopts a capital project budget which continues until the project is complete.

## **COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)**

A general purpose, federal grant primarily used to facilitate the production and preservation of low and moderate income housing and programs.

## **CONTINGENCY**

Kirkland appropriates money to these reserve funds which it can use in the future should specific budget allotments run out and the City needs additional funds. Contingency funds are especially useful when emergencies arise that require the City to make unforeseen expenditures.

## **COUNCILMANIC DEBT**

Debt which the City Council approves, but which does not require voter approval.

## **CREDIT RATING**

The credit worthiness of a governmental unit as determined by an independent rating agency. The City of Kirkland is rated by two rating agencies: 1) Moody's Investor Service and 2) Standard and Poor's.

**DEBT CAPACITY**

The amount of debt which the City can issue given legal limits and fiscal policies. Debt capacity is calculated based on a percentage of the total assessed city property valuation plus the net of current assets and liabilities.

**DEBT SERVICE**

The annual payment of principal and interest on the City's bonded indebtedness.

**DEFICIT**

An excess of expenditure over revenue.

**DEPARTMENT**

To facilitate organizational and budgetary accountability, Kirkland breaks its funds into departments. Each department serves a specific function as a distinct organizational unit of city government.

**DEPRECIATION**

An accounting recognition that reduces a portion of the original cost of a business asset over several years as the value of the asset decreases.

**DIVISION**

As subdivisions of departments, divisions are budgetary or organizational units of government with limited sets of work responsibilities within their department. Divisions also serve to increase budget accountability.

**ENCUMBRANCES**

The amount of funds committed to vendors for goods or services received or to be received by the City as specified in a City purchase order.

**ENTERPRISE FUND**

An accounting entity which the City uses to record and report transactions for its business-type activities. All expenditures must be supported by income dedicated to the fund. The most common enterprise funds are utility funds.

**EXPENDITURE**

The payment for goods and services. On the cash-basis, expenditures are recognized only when the payments are made for the cost of goods received or services rendered.

**FEES**

A general term for any charge for services levied by government associated with providing a service or permitting an activity. Major types of fees include business licenses and user charges.

**FINES AND FORFEITURES**

Revenue category which primarily includes court, police, traffic and parking fines, and forfeitures.

**FISCAL POLICY**

The City's policies with respect to revenues, spending, and debt management as these relate to government services, programs, and capital investment. Fiscal policy provides an agreed upon set of principles for the planning and programming of government budgets and their funding.

**FISCAL YEAR**

The twelve-month period which an organization designates as its operating year. In Kirkland, the fiscal year coincides with the calendar year. The City prepares a biennial budget for a period of two fiscal years, beginning in an odd-numbered year.

**FIXED ASSETS**

A long-term tangible piece of property that the City owns and is not expected to be consumed or converted into cash any sooner than at least one year's time.

**FULL-TIME EQUIVALENT (FTE)**

Kirkland budgets its employee positions in terms of the work year of a regular, full-time employee. For example, when the City budgets a position full-time for only six months, that position is 0.5 FTE. Likewise, a half-time position budgeted for a full year is also 0.5 FTE. A full-time position is 1.00 FTE.

**FUND**

Municipal governments organize and operate their accounting systems on a fund basis. The formal definition of the fund is an independent financial and accounting entity with a self-balancing set of accounts in which cities record financial transactions relating to revenues, expenditures, assets, and liabilities. Each fund must be budgeted independently with revenues equal to expenditures. With the exception of the General Fund, which accounts for general purpose activities and unrestricted revenue sources, each fund has a unique funding source and purpose. By establishing funds, the City can account for the use of restricted revenue sources and carry on specific activities or pursue specific objectives.

**FUND BALANCE**

The cumulative difference between expenditures and revenue over the life of a fund. A negative fund balance is usually referred to as a deficit.

**GAAP (GENERALLY ACCEPTED ACCOUNTING PRINCIPLES)**

Both industry and governments use Generally Accepted Accounting Principles as standards for accounting and reporting financial activity. The Governmental Accounting Standards Board (GASB) currently sets government GAAP. Adherence to GAAP assures that financial reports of all state and local governments - regardless of jurisdictional legal provisions and customs - contain the same type of financial statements and disclosures, for the same categories and types of funds and account groups, based on the same measurement and classification criteria.

**GASB 34**

Governmental Accounting Standards Board Statement 34 (GASB 34) sets requirements for the content and format of the annual financial report.

**GENERAL FUND**

The General Fund accounts for revenues and expenditures associated with ordinary City operations that are not required to be accounted for in another fund. Individual departments within the General Fund account for expenditures incurred to provide various general-purpose municipal services.

**GENERAL OBLIGATION BONDS**

Bonds for which the City pledges its full faith and credit (the general taxing power) for repayment. Debt Service is paid from property tax revenue levied (in the case of voter-approved bonds) or other general revenue (in the case of Councilmanic bonds).

**GRANT**

A transfer of county, state, or federal monies to the City, usually for specific programs or activities.

**INDIRECT COST**

Cost of centrally provided internal services for which there is a citywide benefit that cannot be readily identified to specific departments.

**INFRASTRUCTURE**

Long-lived capital assets that can be preserved for a significantly greater number of years than most capital assets and are stationary in nature.

**INTERFUND TRANSFERS**

When the City moves money between its various funds, it makes an interfund transfer.

**INTERGOVERNMENTAL REVENUES**

Revenues from other governments in the form of state shared revenue and grants.

**INTERNAL CONTROLS**

Policies and procedures established to provide reasonable assurance that specific government objectives will be achieved.

**INTERNAL SERVICE FUND**

An accounting entity which the City uses to record and report transactions for goods and services provided by one department to other City departments on a cost reimbursement basis. The City currently has four internal service funds, the Equipment Rental Fund, Facilities Maintenance Fund, the Health Benefits Fund and the Information Technology Fund.

**LEOFF**

The State of Washington's Law Enforcement Officers and Firefighters Retirement System.

**LEVY RATES**

The rate of tax to be imposed on the assessed value of real property for the computation of property tax revenues. (See also Property Tax Levy)

**LICENSES AND PERMITS**

Revenue category that includes building permits, business licenses, and any other miscellaneous licenses.

**LID**

In a Local Improvement District the City makes special assessments against certain properties to defray part or all of the cost of a specific improvement or service which it deems will primarily benefit those properties. The assessments can be paid in full or in installments over a set period of time.

**LINE-ITEM BUDGET**

In its biennial budget, Kirkland estimates revenues and expenditures at the line-item level. The line-item budget contains a great degree of detail since it indicates how the City spends its money and the sources from which it receives revenue. Examples of line items in Kirkland's budget are postage, uniforms and clothing, hourly wages, fuel, etc.

**MAINTENANCE**

The act of keeping capital assets in a state of good repair. It includes preventive maintenance, normal periodic repairs, replacement of parts, structural components and so forth, and other activities needed to maintain the asset so that it continues to provide normal services and achieves its optimum life.

**MODIFIED ACCRUAL BASIS**

Kirkland uses this basis of accounting for year-end reporting which is adapted to the governmental fund type spending. The City recognizes revenues when they become both "measurable" and "available" to finance expenditures of the current period (i.e., when it is received). The City recognizes an expenditure, other than accrued interest on general fiscal long-term debt, when it is incurred (i.e., an obligation is made).

**NONDEPARTMENTAL**

This department has the sole purpose of accounting for all expenditures that the City cannot specifically designate to any operating department within a fund. Examples of expenses in the area include shared paper products and support of outside organizations.

**NON-OPERATING BUDGET**

The non-operating budget contains non-operating funds which the City uses to finance projects with limited objectives and/or finite life spans. By law, these budgets do not lapse at the end of the biennium, but may be carried forward from year to year until the monies are fully expended or their purposes are accomplished or abandoned. As a matter of practice, Kirkland prepares biennial budgets for all non-operating funds. The non-operating budget accounts primarily for debt, reserves, and capital projects.

**OBJECTIVE**

A specific measurable achievement that may be accomplished within a specific time frame.

**OPERATING BUDGET**

The operating budget provides a plan for current expenditures and the proposed means of financing them. In a broader sense, the biennial operating budget is a statement of what services the municipality will deliver to its citizens.

**OPERATING REVENUES**

Funds that the government receives as income to pay for ongoing operations.

**ORDINANCE**

A formal legislative enactment by the Council or governing body of a governmental entity.

**PERFORMANCE INDICATOR**

Specific quantitative and qualitative measures of work performed as an indicator of specific department or program activity or accomplishment.

**PERFORMANCE MEASURE**

A measure of how well a particular result is being achieved. Indicators of program performance that are collected to show the impact of resources spent on city services directly tied to program results.

**PERS**

The State of Washington's Public Employees Retirement System for employees other than police and fire personnel.

**PERSONNEL SERVICES**

Expenditures which include salary costs, wages, and benefits, for full-time and part-time hourly employees and overtime expenses.

**PRELIMINARY BUDGET**

The recommended, but unapproved, biennial budget which the City Manager presents to the City Council and the public.

**PROGRAM BUDGET**

A program is made up of a group of similar services which have a common purpose. A program budget presents planned expenditures for each group of services without regard to the departments involved in performing the services. For example, most services performed by the Police and Fire departments are related to protecting the public and naturally become part of a Public Safety Program along with prosecuting personnel, the municipal court, and other related service activities.

**PROPERTY TAX LEVY – REGULAR**

This represents the amount of property tax allowable under State law which the City may levy annually without approval by the City's registered voters. Kirkland uses this tax primarily to support the General Fund and street-related services. The City also has a separately voted Parks Maintenance Levy. State law fixes the maximum levy in dollars per \$1,000 of assessed valuation and the annual rate at which total regular levy property taxes may increase.

**PROPERTY TAX LEVY – SPECIAL (OR EXCESS)**

This represents the amount of property tax which a city government may charge in excess of the "regular levy" upon the approval of this tax by a vote of the people. Cities most commonly use the revenue to pay the annual costs of voter-approved general obligation bonds. State law imposes a maximum limit on the dollar amount of such bonds which a city may have outstanding at any one time.

**PROPRIETARY FUND**

See Enterprise Fund.

**RESERVE**

An account which the City uses either to set aside budgeted revenues that it does not need to spend in the current biennium or to earmark revenues for a specific future purpose.

**RESOURCES**

Total dollars available for appropriation, including estimated revenues, interfund transfers, and other financing sources such as beginning resources forward balances.



**RESOURCES FORWARD**

Each City fund uses this revenue account to record estimated and actual resources available for expenditure in the biennium because of revenues collected in excess of the budget and/or expenditures less than the budget in the prior biennium. Can also be called Beginning Fund Balance.

**RESTRICTED/UNRESTRICTED REVENUE**

The City most commonly receives restricted revenue in three ways. First, a person pays a fee to the City and the City will use that money to provide a specific product, service, or capital asset. Second, the receipt of money is directly tied to an expenditure or is restricted by law. Finally, the City considers revenue restricted when voters or the City Council have designated it for a specific purpose. All other revenues are unrestricted.

**REVENUE**

Sources of income which the City receives during a fiscal year. Examples of revenue include taxes, intergovernmental grants, charges for service, and other financing sources such as the proceeds derived from the sale of fixed assets.

**REVENUE BONDS**

City-issued bonds which pledge future revenues, usually water, sewer, garbage, or drainage charges, to cover debt payments in addition to operating costs.

**SERVICE PACKAGE**

Capital equipment, a new service, or a project which City departments add to their basic budget to enhance the quality and/or quantity of service they provide to the public.

**SPECIAL REVENUE FUNDS**

Funds used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

**SUPPLIES**

Cost of goods consumed by the City in the course of its operations.

**TAX LEVY**

The total amount to be raised by general property taxes for the purposes stated in the tax levy ordinance. (See also Property Tax Levy and Levy Rate.)

**UNRESERVED FUND BALANCE**

The funds remaining after reduction for reserved balances.

**USER CHARGES**

The amount the government receives for the provision of services and commodities, or the performance of specific services benefiting the person charged. User charges tend to be voluntary in nature, in contrast to mandatory property and income taxes. Citizens only pay user charges when a specific service is received.



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## ACRONYM GUIDE



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## ***ACRONYM GUIDE***

<b>AC</b> —Asbestos/Cement	<b>CKC</b> —Cross Kirkland Corridor
<b>ACA</b> —Affordable Care Act	<b>CMAQ</b> —Congestion Mitigation and Air Quality
<b>ACP</b> —Asphalt Concrete Pavement	<b>CMO</b> —City Manager’s Office
<b>ADA</b> —Americans with Disabilities Act	<b>CMOM</b> —Capacity, Management, Operations and Maintenance Program (for sanitary sewer)
<b>AED</b> —Automated External Defibrillator	<b>COLA</b> —Cost of Living Adjustment
<b>AFSCME</b> —American Federation of State, County and Municipal Employees	<b>COPS</b> —Community Oriented Policing
<b>AKA</b> —Also Known As	<b>CPI</b> —Consumer Price Index
<b>ALS</b> —Advanced Life Support	<b>CPR</b> —Cardiopulmonary resuscitation
<b>AOC</b> —Administrative Office of the Courts	<b>CPS</b> —Child Protective Services
<b>APS</b> —Adult Protective Service	<b>CTR</b> —Commute Trip Reduction
<b>ARC</b> —Aquatics, Recreation and Community Center	<b>CWA</b> —Cascade Water Alliance
<b>ARCH</b> —A Regional Coalition of Housing	<b>DART (1)</b> —Dial-a-Ride Transportation
<b>ARRA</b> —American Recovery and Reinvestment	<b>DART (2)</b> —Domestic Abuse Response Team
<b>ASTC</b> —Annexation Sales Tax Credit	<b>DHS</b> —Department of Homeland Security
<b>AV</b> —Assessed Valuation	<b>DOC</b> —Department of Commerce
<b>AWC</b> —Association of Washington Cities	<b>DOE</b> —Department of Ecology
<b>BABS</b> —Build America Bonds	<b>DOL</b> —Department of Licensing
<b>BARS</b> —Budget Accounting Reporting System	<b>DOR</b> —Department of Revenue
<b>BLS (1)</b> —Basic Life Support	<b>DOT</b> —Department of Transportation
<b>BLS (2)</b> —Bureau of Labor Statistics	<b>DRS</b> —Department of Retirement Systems
<b>BNSF</b> —Burlington Northern Santa Fe (Railroad)	<b>DSHS</b> —Department of Social and Health Services
<b>CAFR</b> —Comprehensive Annual Financial Report	<b>DUI</b> —Driving under the Influence
<b>CAO (1)</b> —City Attorney’s Office	<b>EAP</b> —Employee Assistance Program
<b>CAO (2)</b> —Critical Areas Ordinance	<b>EIS</b> —Environmental Impact Statement
<b>CBD</b> —Central Business District	<b>EMPG</b> —Emergency Management Performance Grant
<b>CCTV</b> —Closed Circuit Television	<b>EMS</b> —Emergency Medical Services
<b>CDBG</b> —Community Development Block Grant	<b>EMT</b> —Emergency Medical Technician
<b>CFP</b> —Capital Facilities Plan	<b>EOC</b> —Emergency Operations Center
<b>CIP</b> —Capital Improvement Program	
<b>CJTC</b> —Criminal Justice Training Center	

**EPSCA**—Eastside Public Safety Communications Agency

**ER**—Equipment Rental

**ESP**—Emergency Sewer Program

**ETP**—Eastside Transportation Partnership

**F&A**—Finance and Administration

**FI**—Fire

**FASB**—Financial Accounting Standards Board

**FEMA**—Federal Emergency Management Agency

**FMR**—Financial Management Report

**FOG**—Fats, Oils and Grease

**FSA**—Flexible Spending Account

**FTE**—Full Time Equivalent

**FVU**—Family Violence Unit

**FY**—Fiscal Year

**FYA**—Flashing Yellow Arrows

**GAAP**—Generally Accepted Accounting Principles

**GASB**—Governmental Accounting Standards Board

**GFOA**—Government Finance Officers Association

**GIS**—Geographical Information Systems

**GMA**—Growth Management Act

**GO**—General Obligation

**HHS**—Health and Human Services

**HR**—Human Resources

**HRA**—Health Reimbursement Account

**HSA**—Health Savings Account

**HUD**—Housing and Urban Development

**HVAC**—Heating, Ventilation and Air Condition

**IAFF**—International Association of Firefighters

**ICMA**—International City/County Management Association

**IFAS**—Integrated Financial and Administrative Solution (financial software)

**IPD**—Implicit Price Deflator

**IT**—Information Technology

**ITS**—Intelligent Transportation System

**JOC**—Job Order Contracting

**KAC**—Kirkland Arts Center

**KAN**—Kirkland Alliance of Neighborhoods

**KDA**—Kirkland Downtown Association

**KFD**—Kirkland Fire Department

**KJC**—Kirkland Justice Center

**KMC (1)**—Kirkland Municipal Code

**KMC (2)**—Kirkland Municipal Court

**KPC**—Kirkland Performance Center

**KPD**—Kirkland Police Department

**LAN**—Local Area Network

**LEED**—Leadership in Energy and Environmental Design

**LEOFF**—Law Enforcement Officers and Firefighters (retirement system)

**LET**—Leasehold Excise Tax

**LF**—Linear Feet

**LID (1)**—Local Improvement District

**LID (2)**—Low Impact Development

**LTAC**—Lodging Tax Advisory Committee (aka TDC)

**LTGO**—Limited Tax General Obligation

**LWIT**—Lake Washington Institute of Technology

**LWSD**—Lake Washington School District

**MAC**—Management and Confidential Employees

**MEBT**—Municipal Employees Benefit Trust

**MMS**—Maintenance Management System

**MRSC**—Municipal Research and Services Center

**MSA**—Metropolitan Statistical Area

**MVFT**—Motor Vehicle Fuel Tax

**N/A**—Not Applicable *or* Not Available

**NEDC**—Northeast District Court

**NKCC**—North Kirkland Community Center

**NLC**—National League of Cities

**NORCOM**—North East King County Regional Public Safety Communication Agency

**NPDES**—National Pollutant Discharge Elimination System

**NRO**—Neighborhood Resource Officer

**NRSRO**—Nationally Recognized Statistical Rating Organization

**NTC**—Neighborhood Traffic Control

**O&M**—Operations and Maintenance

**OPEB**—Other Post-Employment Benefits

**PC**—Personal Computer

**PB**—Planning and Building

**PCI**—Payment Card Industry

**PCS**—Parks and Community Services

**PDA**—Public Disclosure Act

**PDR**—Public Disclosure Request

**PERS**—Public Employees Retirement System

**PKCC**—Peter Kirk Community Center

**PPE**—Personal Protective Equipment

**PROS**—Parks, Recreation and Open Space plan

**PRV**—Pressure Reducing Valve Vault

**PSERS**—Public Safety Employees Retirement System

**PSRC**—Puget Sound Regional Council

**PW**—Public Works

**PWTF**—Public Works Trust Fund

**RCW**—Revised Code of Washington

**REET**—Real Estate Excise Tax

**RF**—Resources Forward

**(R)RFB**—(Rectangular) Rapid Flashing Beacon

**RGRL**—Revenue Generating Regulatory License

**ROW**—Right of Way

**S&P**—Standard and Poor's

**SAN**—Storage Area Network

**SAO**—State Auditor's Office

**SCA**—Sound Cities Association

**SCBA**—Self Contained Breathing Apparatus

**SDP**—Shoreline Substantial Development Permit

**SEC**—Securities and Exchange Commission

**SEPA**—State Environmental Policy Act

**SQL**—Structured Query Language

**SRO**—School Resource Officer

**SWAT**—Special Weapons and Tactics

**TBD**—Transportation Benefit District

**TDC**—Tourism Development Committee (aka LTAC)

**TIB**—Transportation Improvement Board

**TIP**—Transportation Improvement Plan

**TMP**—Transportation Master Plan

**TOD**—Transit Oriented Development

**TUB**—Teen Union Building

**ULI**—Urban Land Institute

**UTGO**—Unlimited Tax General Obligation

**WAC**—Washington Administrative Code

**WAN**—Wide Area Network

**WCIA**—Washington Cities Insurance Authority

**WISHA**—Washington Industrial Safety and Health Act

**WNR**—Wants, Needs, Resources

**WSDOT**—Washington State Department of Transportation

**WSP**—Washington State Patrol



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