

City of  
Kirkland  
2023-2024  
Budget

SUSTAINING SERVICES  
& BUILDING A  
COMMUNITY WHERE  
EVERYONE BELONGS

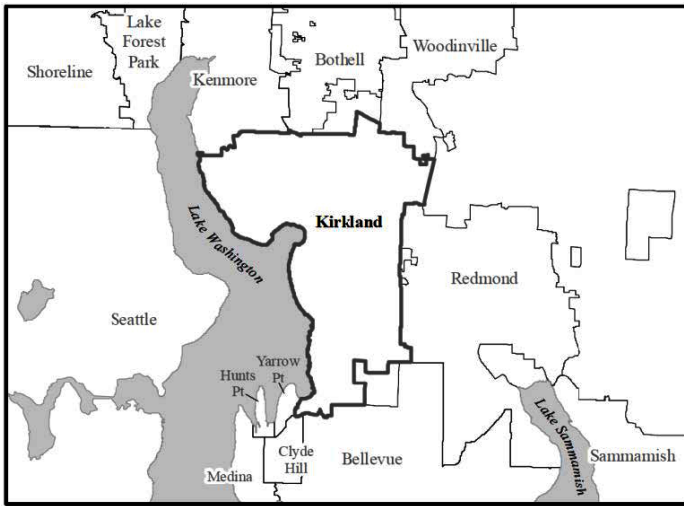


**Money**  
BEST PLACES  
TO LIVE  
★ 2022-2023 ★

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## Kirkland at a Glance

Founded	1888
Incorporated	1905
Population	93,570
Elevation	18 to 534 feet
Land Area	18 square miles
Miles of City Streets	255 miles
Miles of City Sewers	137
Miles of Water Lines	180
Residential Dwellings	40,939
Fire Department Rating Class	4
City Employees (Full-Time Equivalents)	749.25
General Obligation Bond Rating:	
Moody's	Aaa
Standard and Poor's	AAA

## City Council

**Mayor, Penny Sweet**

**Neal Black**

**Kelli Curtis**

**Amy Falcone**

**Deputy Mayor, Jay Arnold**

**Toby Nixon**

**Jon Pascal**

## Administrative Staff

### City Manager

Kurt Triplett

### Deputy City Manager

Beth Goldberg

### Deputy City Manager

James Lopez

### Municipal Court Judge

John Olson

### City Attorney

Kevin Raymond

### Director of Finance & Administration

Michael Olson

### Fire Chief

Joe Sanford

### Director of Human Resources

Truc Dever

### Information Technology Director

Smitha Krishnan

### Director of Parks & Community Services

Lynn Zwaagstra

### Director of Planning & Building

Adam Weinstein

### Police Chief

Cherie Harris

### Director of Public Works

Julie Underwood

The City of Kirkland is located on the eastern shore of Lake Washington. It is a suburban city, surrounded by other suburban cities and pockets of unincorporated King County. The City is near several major transportation routes including Interstate 405, State Route 520, and Interstate 5. These routes connect the City economically and socially to the greater Seattle area. At the time of incorporation in 1905, the City of Kirkland's population was approximately 530. The current estimated population is 93,570. 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-four 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 community members of all ages.

# 2023-2024 Budget



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Award*

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**City of Kirkland  
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For the Biennium Beginning

**January 01, 2021**

*Christopher P. Morill*

Executive Director

# City of Kirkland Mayor & City Council



Penny Sweet  
Mayor



Jay Arnold  
Deputy Mayor



Neal Black  
Council Member



Kelli Curtis  
Council Member



Amy Falcone  
Council Member



Toby Nixon  
Council Member



Jon Pascal  
Council Member



**INSTRUCTIONS FOR NAVIGATING 2023-2024 BUDGET PDF DOCUMENT**  
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## 2023-2024 Budget Message

Dear City Council, Kirkland Residents, Kirkland Business Owners and all members of the Kirkland Community, Kirkland's Budget Leadership Team is pleased to deliver the City Manager's 2023-2024 Budget, **"Sustaining Services and Building a Community Where Everyone Belongs."**

Once again, the Kirkland biennial budget was developed during a time of historic change. The City and the nation are grappling with three unique challenges. First, while COVID-19 has moved from the headlines, the pandemic is still being felt both economically and socially and continues to disproportionately impact lower income and historically disadvantaged populations. In addition, the country is experiencing the highest inflation rates in decades, raising the cost of rents, labor, vehicles, services, materials, and construction. To combat this inflation, the Federal Reserve has raised interest rates faster, and by higher increments than ever before, increasing financing and debt costs throughout the public and private sectors. Finally, these factors, along with near full employment economy, have helped create the "Great Reshuffle" of the workforce. Employees can and do move anywhere at any time to find new opportunities for themselves and their families. This makes attracting and retaining diverse and talented workers even more imperative for Kirkland to provide the efficient, effective services such as public safety, street maintenance, parks, recreational opportunities and more that allow our community to thrive.

Therefore, in this time of economic and social uncertainty, this budget is focused on the related themes of sustaining existing services, while maintaining and enhancing those efforts that make Kirkland a safe, inclusive and welcoming community where everyone belongs.

### Sustaining Services

The Budget Leadership Team is proud to present a focused, balanced, budget that accomplishes these goals. Despite inflation raising the cost of wages and benefits substantially, no current services are reduced, and some critical functions are enhanced. The budget sustains current base budget government operations with stable ongoing revenues. The budget is balanced for 2023-2024 and narrows the projected 2025-2026 financial gap to approximately \$700,000. The 2023-2024 budget fully funds the Community Safety and the Diversity, Equity, Inclusion and Belonging (DEIB) initiatives that started in 2021-2022. Finally, this proposal retains all existing financial reserves and adds to those reserves where required by our financial policies. These strong reserves position Kirkland well to retain our AAA credit rating and protect the City against a potential economic downturn. Finance staff were able to sustain these services and balance the budget utilizing several primary strategies. First, the budget uses surplus funds from the 2021-2022 budget and maximizes the use of Real Estate Excise Tax (REET) flexibility for operations. The budget also benefits from increased tax revenues from a strong local economy. Finally, the budget reallocates existing and new revenues from state Ground Emergency

Medical Transport (GEMT) funds, and both the 2018 Police Proposition 1 and the 2020 Fire Proposition 1 ballot measures approved by Kirkland's voters.

### **A Community Where Everyone Belongs**

Sustaining existing programs in public safety, human services funding, affordable housing and behavioral health crisis response are key foundations to building a safe, inclusive and welcoming community. However, this budget goes beyond existing services and makes important new investments to keep Kirkland a community where everyone belongs, regardless of race, culture, gender identity, age, income, or ability.

#### *Human Services Grant Recommendations*

One of the most critical ways this is accomplished is through the City's investments in human services agency grant funding. The City received the largest ever requests for support, both in the number of applications and the amounts requested. This budget responds by proposing Kirkland's highest ever allocation of funding to the human services grant programs. Through a combination of base budget funding and one-time allocations, the budget proposal increases grant allocations from \$1.81 million per year to \$2.34 million per year. The budget achieves this increase by leveraging House Bill 1406 dollars and American Rescue Plan Act revenues to address some of the gap in unmet needs in the community.

#### *State House Bill 1406 Dollars*

HB 1406 dollars supported rental assistance programs in 2021-22. For the 2023-24 biennium, 1406 dollars were slated for reallocation to A Regional Coalition For Housing (ARCH) Trust Fund to support affordable housing construction. Due to the level of need, the proposed budget continues using HB 1406 dollars to support rent assistance programs for 2023-24. The estimated funding available is expected to be \$253,726 per year. The budget also replaces the HB 1406 money with \$250,000 per year of REET that will be transferred to ARCH, increasing the Trust Fund contribution from \$830,000 to \$1.33 million for the biennium.

#### *American Rescue Plan Act Funds (ARPA)*

In 2022, the City Council allocated over \$2 million in ARPA funds to human services agencies to support food, shelter, healthcare, and rental assistance needs in the Kirkland community. Staff anticipate approximately \$720,000 in unspent human services ARPA dollars will become available at the end of the year. The budget proposes to reallocate the unspent dollars to help fund 2023-24 human services grants, providing an additional \$360,000 per year for service agencies.

While approximately \$274,314 per year of the Human Services Commission requests of the Council remains unfunded, the budget increases Kirkland's "per capita" human services grant allocation from \$19.35 per person in 2022 to \$24.71 in 2023 and \$24.46 in 2024.

#### *Regional Crisis Response Agency and Crisis Clinic*

The budget contains full funding for Kirkland's participation as a founding city and fiscal agent for the new Regional Crisis Response (RCR) Agency that will provide trained Mental Health Professionals (MHPs) for those experiencing behavioral health crises. The other RCR founding cities are Bothell, Kenmore, Lake Forest Park and Shoreline. The RCR agency's mission is to provide MHPs in partnership with police, fire, public health, human service organizations and 988 and 911 dispatch centers 24 hours a day, 7 days per week for all community members who need help. The budget also includes pilot program money for an MHP in the NORCOM dispatch center to assist with crisis calls and support dispatch telecommunicators. The five-city partnership is also supporting siting a "no wrong door" regional crisis clinic in north King County for those who need immediate behavioral health treatment.

#### *Street Outreach Position*

The budget also recommends a new Street Outreach Coordinator position in the Human Services Division to support residents who are unhoused and experiencing homelessness. The outreach position was originally an agency contract in the 2021-22 grants budget. Experience shows a full time Kirkland employee will more consistently meet the increased demand for services to support those unhoused. An internal position focused

on homeless response increases collaboration and capacity at the City level among first responders, Human Services staff, and other stakeholders to better coordinate how the City is addressing homelessness. The addition of this position will add capacity to the Division, bolstering the City's ability to respond and support those who are unhoused, first responders, Parks staff, the business community, and residents.

#### *Universal Low-Income Discount*

Recognizing the impact of inflation and utility rate increases on low-income residents, this budget includes \$680,000 in new funding for Kirkland's first ever "Universal" low-income rate discount. While the specifics of the program are still being developed for implementation in 2023, the budget reserves the money to provide a utility rate discount and a Transportation Benefit District \$20 car tab rebate for all income qualified residents.

#### *Affordable Housing and Public Facilities*

In addition to increased funding for ARCH, \$800,000 more REET is also provided for resident-led investments at King County's Through Housing facility (formally La Quinta Inn and Suites) to create a sense of place and community. This budget also supports the acquisition of both Houghton Village and the Houghton Park and Ride to create public benefits such as affordable housing, supporting public schools, providing non-profit office and program space, and the potential for aquatic, recreation and cultural facilities.

### **Investing In Community Priorities**

As will be discussed later in this message, the budget is also shaped by Kirkland's three "Strategic Anchors." One of these anchors, the "Kirkland Quad," highlights community priorities from the biennial telephone survey. In 2022, residents identified the need for better street maintenance, improved traffic flow, responsive planning and permitting, and more housing affordability. Housing affordability efforts were detailed above, but new revenue sources and permit fee increases are proposed in the budget to respond to the other three priorities.

#### *Street Maintenance – Business License Fee Increase*

Labor and materials costs for street and sidewalk maintenance have dramatically reduced the purchasing power of existing revenue streams. Gas tax revenues that also fund street maintenance have declined significantly since COVID-19 struck in 2020. Street maintenance directly benefits Kirkland businesses by providing safe and smooth streets for delivery of goods and services and for employees to commute to and from work in all travel modes. To shore up the street fund and street maintenance, the budget includes an increase in the business license fee for each employee from \$105 to \$130, applied to businesses with greater than \$20,000 per year in revenue. The business license fee increase is below inflation since the fee was last raised in 2017. The new fee results in \$1.75 million in new revenue over the next two years which will be invested primarily in street maintenance work.

#### *Traffic Flow Management/Transportation Benefit District (TBD)*

The budget funds a new traffic engineer, contract engineering services, a Transportation Master Plan update, and traffic demand management and city speed zone limit studies, all aimed at improving traffic flow and increasing the safety of Kirkland's streets. But one of the best ways to improve traffic flow is to reduce the number of automobiles on the road by providing travelers with safe alternatives to cars. The budget proposes a \$20 car tab allowed under Kirkland's TBD authority which generates approximately \$1.3 million per year in new revenue. These funds are invested in a debt issuance to accelerate over \$20 million dollars of safety projects from the Safer Routes to School Action Plans and bicycle and pedestrian safety projects from the Active Transportation Plan. The TBD revenues also fund a new "tree and median maintenance team" that will partner with new Public Works maintenance staff funded by REET for street sweeping, vegetation control and snow and storm event response.

#### *Planning and Response to Growth*

The budget improves the focus, transparency and accountability of planning and permit activity by creating a new separate development services fund. Higher permit fees and utility rates fund new inspectors, planning

and permitting staff, and make significant investments in Public Works staffing, vehicles and equipment across all areas to better meet the needs of the growing city.

Lastly, the sound financial management policies and strategies that have served the City so well are retained in the 2023-2024 Preliminary Budget. Kirkland's three Strategic Anchors below continue to be key foundations for the budget recommendations:

**The 2023-2028 Financial Forecast:** To ensure that Kirkland is always striving 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 curtail City expenditures, generate new tax revenue, or identify combinations of new revenue and reduced costs;

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

**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.

The reciprocal relationship between the Strategic Anchors, the budget recommendations, and Council Goals are described below in the budget summary.

## BUDGET SUMMARY

*This Budget Summary was prepared for the Preliminary Budget, and reflects the amounts prior to the Council deliberations. A postscript section has been added to this budget message that discusses the results of the Council process, and shows the final budget numbers.*

The overarching theme of the 2023-2024 Budget is "Sustaining Services and Building a Community Where Everyone Belongs." 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 2023-2024 is \$1.02 billion**, which is 4.8 percent more than the 2021-2022 revised biennial budget of \$974.0 million. The following table shows the relative change in the biennial budget's major components:

Major Components	2021-2022 Revised Budget	2023-2024 Prelim. Budget	% Change
<b>General Government:</b>			
General Fund	302,615,996	294,173,866	(2.79%)
Other Operating Funds	39,969,788	97,188,005	143.15%
Internal Service Funds	92,364,927	85,209,208	(7.75%)
Non-Operating Funds	321,372,771	291,668,555	(9.24%)
<b>Utilities:</b>			
Water/Sewer Funds	118,283,162	137,620,388	16.35%
Surface Water Funds	53,633,857	52,166,122	(2.74%)
Solid Waste Fund	45,733,307	62,922,035	37.58%
<b>Total Budget</b>	<b>973,973,808</b>	<b>1,020,948,179</b>	<b>4.82%</b>

Factors contributing to the change include:

### Major Increases

- Increases in Other Operating Funds primarily due to the addition of the Development Services Fund.
- Increases in the Street Fund due to the addition of REET maintenance funding for positions and median work (\$800,000), and revenue from the Vehicle License Fee (VLF) (\$1.3 million) beginning in January

2024. Note that \$1 million of the VLF fee will be used to pay debt service on a 2024 bond issuance supporting projects in the Transportation Capital Fund.

- Higher costs for some external services, including liability insurance payments to the Washington Cities Insurance Authority (WCIA).
- Increases in reserves including planned replenishment of the Rainy Day Fund (\$1.4 million) and the Revenue Stabilization Reserve (\$963,000). A full list of reserve balances and replenishments can be found starting on page 61.
- Large increases in the Solid Waste fund due to the new Waste Management contract that was phased in beginning in 2022.

#### Major Decreases

- Reduction in General Fund balance due to the creation of the new Development Services Fund. The new fund contains all activities in the Planning and Building Department (\$30.3 million), Public Works Engineering (\$7.0 million), and development reserves (\$16 million) for a total of \$53.3 million.
- Without this reduction the General Fund would have increased by 12.4% due to increases in personnel, transfers out and reserves.
- Temporary reduction in the total size of the internal service funds, due to a 2022 interfund loan from Fleet (\$7.5 million), Facilities, and Development Services Reserves (combined \$6.7 million).
- Declining fund balances in the City's non-operating funds 2023-2024 due to large expenditures in capital projects such as fire station construction and NE 85<sup>th</sup> corridor projects.

The primary focus for the Council's budget discussion relates to the operating budget which accounts for the most visible basic services to the public. The most important (and largest) component of the operating budget is the General Fund, which accounts for most general government services and most of the City's general-purpose revenue sources. **The 2023-2024 General Fund budget totals \$886.5 million**, which represents a 2.4 percent decrease from the current biennium. However this is due to the movement of Development Services into a new fund, without this the General Fund would be increasing by 12.4%.

The following sections describe overall General Fund 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

At the May 2022 retreat, Council were presented with two forecasts for the period 2023-2028. The base scenario assumed that all one-time costs currently being funded would continue. This forecast showed a deficit of \$14.7 million in 2023-2024, rising to \$28.2 million in 2027-2028. The second removed all one-time costs and showed a significantly smaller \$3.6 million deficit in 2023-2024, rising to \$14.5 million in 2027-2028. At this time there was an estimated \$16 million in one-time resources available within the General Fund to help balance the 2023-2024 budget, but the City's policy of funding ongoing needs with ongoing funding presented the challenge of how to sustainably fund the City's current level of service.

Since that forecast was presented, a number of actions have been taken to help close the gap and make service delivery sustainable. These actions included recommendations from the July 2022 Revenue Equity and Sustainability Report. This report was completed by the consultant group ECONW, and focused on revenue options available to the City to help fund the budget sustainably, while using an equity lens to analyze the policy options.

Sustaining services into 2023-2024 and beyond has been a key focus of Council since the 2021-2022 budget was adopted and the City Manager's Proposed 2023-2024 budget presents a balanced budget that includes funding for positions that were converted to ongoing, recent significant policy issues such as the Community Responder program, and also significantly closes the budget deficit in future years. The actions taken to reach this point have fallen into one of three categories:

• BUDGET MESSAGE

1. Actions taken by Council ahead of the budget process– these include the adoption of a new development fee schedule, and investment of school safety camera revenue in staffing and projects to improve pedestrian and bike safety.
2. Actions proposed as part of the City Manager’s proposed budget – including the removal of one-time costs, the use of Real Estate Excise Tax (REET) revenues for maintenance and operations, the addition of a \$20 car tab (VLF) for school walk and bike route safety improvements, and an increased Revenue Generating Regulatory License (RGRL) fee revenue invested primarily in street maintenance.
3. Changes to the external environment that have impacted the forecast.

### **Actions Prior to the Budget Process**

At the adoption of the 2021-2022 budget, a budget issue paper was produced highlighting the deficit in 2023-2024. At this time, Council assigned \$500,000 to a reserve to help close this gap and provided funding for a report on revenue sustainability, along with other initiatives. The result of this was that ahead of the current budget development process, some actions had already been completed. These included bringing development services fee levels closer to full cost recovery and the addition of new School Zone Safety Cameras (SZC). Although SZCs are installed for safety and are designed to slow speeds and change behavior, the additional cameras provided opportunities to fund some pedestrian and bike safety service packages, and provide support to the Street Fund.

### **Actions as Part of the Budget Process**

The recommendations from the revenue equity study provided two key approaches to developing a sustainable budget. The first was the recommendation to increase the City’s RGRL fee to \$130 per FTE, from \$105 per FTE, a move which is projected to generate about \$1.75 million across the biennium. This fee was last increased in 2008 and the \$25 increase proposed as part of this budget process leaves the per FTE amount lower than it would have been if an inflationary increase was applied each year. This increase is also accompanied by a move to increase the threshold under which a business is exempt from the tax from \$12,000 in annual gross receipts to \$20,000, which provides relief for very small businesses.

The majority of this funding, \$1 million, is planned to go to the Street Fund to support essential work maintaining and improving the City’s street network. The remainder is available to fund ongoing General Fund needs including the Community Building Events service package.

	2023	2024	Total
<b>Base Revenue</b>	<b>4,054,650</b>	<b>4,257,300</b>	<b>8,311,950</b>
Revenue reduction from raised threshold	(111,000)	(111,000)	(222,000)
Revenue increase from per FTE fee increase	965,393	1,013,643	1,979,036
<b>New Revenue Level</b>	<b>4,909,043</b>	<b>5,159,943</b>	<b>10,068,986</b>
Change	854,393	902,643	1,757,036
Uses			
Street Fund Operations	500,000	500,000	1,000,000
Community Building Events Service Package	248,301	232,135	480,436
General Fund Operations	106,092	170,508	276,600

Beyond incorporating new revenues into the budget, the ECONW report also recommended using REET revenue to support maintenance of capital assets, something that has been expanded in this budget process. In addition to uses for median and parks maintenance, which were also funded in previous budgets, the 2023-2024 budget funds additional hours of eligible maintenance in the Street Fund that allows for an additional 2.0 FTE employees to be hired for work in this critical area. This is in addition to the 2.0 FTE hired through the car tab specifically for median maintenance.

The use of restricted revenues to fund eligible uses is a key component of balancing this budget sustainably. In addition to the REET maintenance uses listed above, this budget also uses School Zone Camera revenue, Fire and Police Prop 1, and Ground Emergency Medical Transport (GEMT) revenue to fund eligible service packages. In recent years, balances in restricted funds has been building and using these funding sources allows the City to focus general purpose revenues on necessary ongoing services. The table below shows the use of these funding sources for service packages in the General Fund and Street Fund.

		FTE	Temp	Ongoing	One-time	Total
<b>Fire &amp; Police Prop 1</b>						
23PK06	Homeless Outreach Coordinator (partially funded from Police Prop 1)	1.00		162,390		162,390
23HR01	Public Safety Recruitment			200,000		200,000
23FD04	Fire Suppression Cordless Tools			8,500	86,000	94,500
23FD05	Fire Suppression Replacement of Lifting Bags and Stabilizers			1,500	96,000	97,500
23FD12	Safety Training			58,378		58,378
<b>Subtotal Police and Fire Prop 1</b>		<b>1.00</b>		<b>430,768</b>	<b>182,000</b>	<b>612,768</b>
<b>Real Estate Excise Tax (REET 1)</b>						
23PW06	Maintenance Center Upgrades			-	500,000	500,000
23SO02	Median Enhancement Project			-	400,000	400,000
23SO10	Add 1 FTE - Maintenance Street Division	1.00		252,988	2,776	255,764
23SO11	Add 1 FTE - Utility Street Division	1.00		201,359	-	201,359
<b>Subtotal REET 1</b>		<b>2.00</b>		<b>454,347</b>	<b>902,776</b>	<b>1,357,123</b>
<b>School Zone Camera Revenue</b>						
23PW16	Reevaluation of City Speed Limit Setting Policy and Policy Implementation				50,000	50,000
23PW18	Transportation Engineer	1.00		328,324	6,162	334,486
23SO14	Sidewalk Undergrounding and ADA Opportunity Fund			-	150,000	150,000
<b>Subtotal School Zone Cameras</b>		<b>1.00</b>		<b>328,324</b>	<b>206,162</b>	<b>534,486</b>
<b>Ground Emergency Medical Transport (GEMT)</b>						
23FD01	Regional Training Consortium - Training Lieutenant (1 FTE)	1.00		375,884	5,162	381,046
23FD02	Regional Training Consortium Administrative Assistant (1 FTE)	1.00		238,344	5,162	243,506
23FD07	Station 24 Training Capacity				2,700,000	2,700,000
23FD13	Station 24 Site Prep.			30,000	80,000	110,000
<b>Subtotal GEMT</b>		<b>2.00</b>		<b>644,228</b>	<b>2,790,324</b>	<b>3,434,552</b>
<b>Total General Fund and Street Fund Service Packages Funded with Restricted Revenue</b>		<b>6.00</b>		<b>1,857,667</b>	<b>4,081,262</b>	<b>5,938,929</b>

## Changes in the External Environment

At the time the May forecast was produced the City conservatively estimated revenues based on trends in recent years. Since then there has been growth in a number of revenue areas, particularly utility taxes, parks recreation revenue, and investment interest. In the case of utility taxes, high inflation pressures have led to higher than normal rate increases for both City utilities (water, sewer, surface water, solid waste) and private utilities (gas, electric). The combination of these increases is projected to lead to \$2 million more in utility tax revenue than was forecast in May. Similarly, higher interest rates have led to an increase in investment interest income. Finally, parks recreation revenues are higher than projected in May due to a recovery in overall activity and the launch of some new offerings. The increase in Parks recreation fees is offset by a corresponding increase in expenditures.

The table below shows the major changes described above that have enabled the City to sustainably fund the 2023-2024 budget.

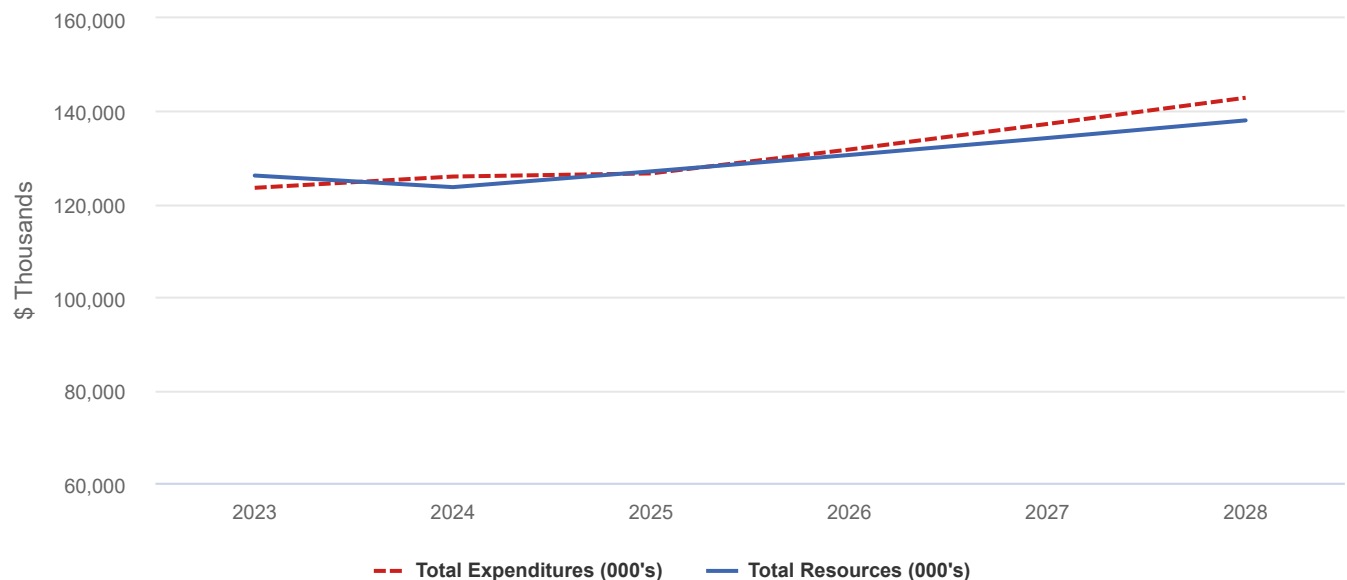
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Category	2023-2024 Revenues*	2023-2024 Expenditures*	Surplus/ Deficit*
<b>May forecast</b>	<b>257,094</b>	<b>271,843</b>	<b>(14,749)</b>
Removal of Development Services	(21,269)	(22,645)	1,376
<b>May forecast net of Development Services</b>	<b>235,825</b>	<b>249,198</b>	<b>(13,373)</b>
Revenue Changes			
Additional Property Tax Revenues	1,679		
Additional Utility Tax Revenue	2,185		
Parks Recreation Revenues	1,200		
Additional RGRL Revenue to GF	754		
Use of One-Time Resources	4,689		
School Zone Camera Revenue	1,600		
Investment Interest	800		
Other	1,090		
<b>Total Revenue Changes</b>	<b>13,997</b>		
Expenditure Changes			
Removal of one-time costs		(6,772)	
One-Time Service Packages		4,689	
Ongoing Service Packages		2,347	
<b>Total Expenditure Changes</b>		<b>264</b>	
<b>October forecast</b>	<b>249,822</b>	<b>249,462</b>	<b>360</b>

\* Numbers in 1,000s

The combined impact of these changes means that the base forecast for the 2023-2024 preliminary budget is now balanced, and the projected 2027-2028 deficit has been reduced to around \$7.9 million.

### 2023-2028 General Fund Forecast Reflects 2023-2024 Preliminary Budget



	2023	2024	2025	2026	2027	2028
Total Expenditures (000's)	123,517	125,945	126,618	131,764	137,268	142,911
Total Resources (000's)	126,161	123,661	127,060	130,585	134,243	138,039
<b>Net Change (000 's)</b>	<b>2,644</b>	<b>(2,284)</b>	<b>442</b>	<b>(1,179)</b>	<b>(3,025)</b>	<b>(4,872)</b>
<b>Biennial Net Resources (000 's)</b>		<b>360</b>		<b>(737)</b>		<b>(7,897)</b>

## GENERAL FUND REVENUE TRENDS

The following table compares major General Fund revenues in the 2023-2024 Preliminary Budget to the 2021-2022 Revised Budget.

Resource	2021-2022 Revised Budget	2023-2024 Prelim. Budget	% Change
General Retail Sales Tax	48,193,572	61,769,600	28.17%
Property Tax	56,037,517	60,066,940	7.19%
Utility Taxes (Public & Private)	27,022,539	30,589,474	13.20%
Development Fees	20,997,788	-	(100.00%)
Internal Charges	18,798,790	23,821,938	26.72%
Annexation Sales Tax Credit	2,467,500	-	(100.00%)
Franchise Fees	8,057,771	8,560,295	6.24%
Business License Fees*	7,926,123	11,151,403	40.69%
All Other Revenues	52,672,599	49,172,911	(6.64%)
<b>Total Revenues</b>	<b>242,174,199</b>	<b>245,132,561</b>	<b>1.22%</b>
Resources Forward	60,441,797	49,041,305	(18.86%)
<b>Total Resources</b>	<b>302,615,996</b>	<b>294,173,866</b>	<b>(2.79%)</b>

Total revenues are projected to decline 2.8 percent in the 2023-2024 Preliminary Budget primarily due to the removal of Development Services departments from the General Fund. With these departments excluded the General Fund is growing by 12.4%.

Additional information is provided for the following General Fund revenues:

- **General retail sales tax** is projected to increase 28.2 percent in 2023-2024 relative to the 2021-2022 revised budget. However, a large portion of this increase is due to large differences between the budgeted and estimated sales tax revenue in 2021-2022. Sales tax revenue is budgeted to be only 0.8 percent above the 2021-2022 estimate. This is due to the City's two-year-lag policy, whereby sales tax budget for 2023 and 2024 is set at the estimated 2022 level.
- **Property tax** supports services in the General Fund, Street Operating Fund, Parks Maintenance Fund, and Parks Levy Fund. New construction is projected to generate one and half percent in new revenue in 2023 and 2024. In addition, a one percent optional increase, which must be approved by the Council, is assumed in the City's 2023 and 2024 budgeted property tax levies. In prior budget cycles there were three property tax rates depending on where someone lived in the City of Kirkland, but in 2021-2022 two bond issuances that only applied to part of the City, one voted and the other assumed from the former Fire District 41, were retired. This means that beginning in 2023 Kirkland will have one uniform property tax rate. Budgeted property tax revenues for 2023 and 2024 will be adjusted after the City's assessed valuation, including new construction additions, has been finalized by the King County Assessor, which typically occurs in December prior to the new levy year.
- **Utility taxes** encompass both public and private utilities. Public utility taxes, which include water, sewer, surface water, and solid waste utilities, are budgeted to increase concurrent with rate increases adopted by the City Council at the October 18 meeting. Electric and gas utility taxes are also forecast to rise, due to anticipated rate increases in those utilities. However, telecommunications, and cable television utilities are budgeted to continue to decline in line with recent trends.
- **Business license fees** consist of a base fee of \$100, which is accounted for as a license and permit revenue, and the revenue generating regulatory license (RGRL) fee, which is budgeted to increase to \$130 per per full-time equivalent employee (FTE) up from \$105 per FTE in recent years. The RGRL is accounted for as a tax revenue. In addition to the increase in amount, this tax revenue is conservatively estimated to increase

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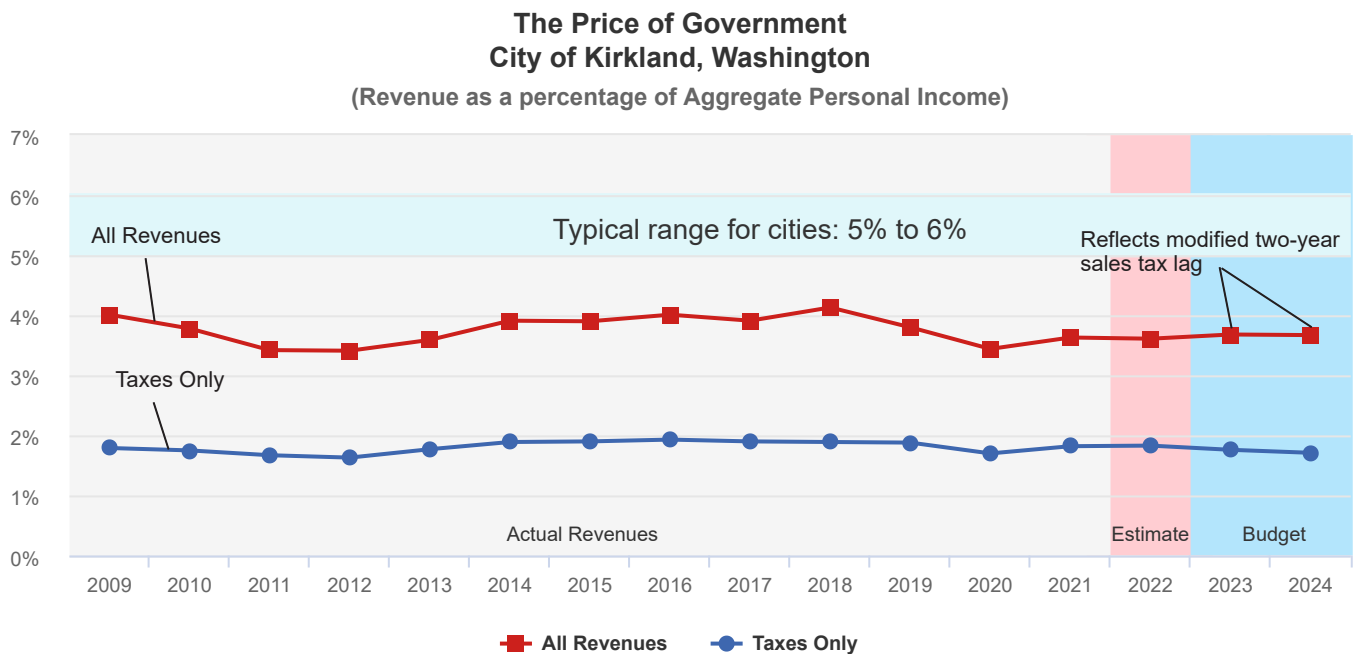
at 2.5% per year in 2023-2024. Note that \$1,540,000 of the business license fee revenue in 2023-2024 is budgeted in the Street Fund and transferred to the Transportation Capital Fund for street preservation projects.

- **Internal charges** are budgeted to increase 26.7 percent in 2023-2024 largely due to an increase in interfund charges for citywide overhead (for services provided by the General Fund to other Operating Funds) and capital project engineering services. Project Engineers and Inspectors, budgeted in the General Fund, fully offset their direct and related overhead costs through billable hours charged to the capital projects they manage.
- **“All other revenues”** contains several different categories, including Intergovernmental Revenues, Fines and Forfeitures, Recreation Fees, and Investment Earnings. The 6.6 percent decline in 2023-2024 is primarily due to a 58.7 percent drop in intergovernmental revenues, which in 2021 included the one-time American Recovery Plan Act (ARPA) funding from the federal government.
- **Development Fees** are no longer budgeted in the General Fund, and are now found in the Development Services Fund. However, they are projected to increase significantly based on a new fee model that was approved in 2022 and will be implemented for the start of 2023.
- Additionally, in 2021 the City received the final **Annexation Sales Tax Credit** revenue from the State of Washington. This revenue is no longer in the budget.

## THE KIRKLAND “PRICE OF GOVERNMENT”

In evaluating these revenue assumptions, an important question to answer for taxpayers is “how affordable is Kirkland’s 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 residents. The “All Revenue” category includes all utility rates and other fees in addition to general government taxes such as property tax and sales tax. 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 3.68 percent in 2023 and 3.67 percent in 2024 in the proposed budget, reflecting the modified two-year sales tax lag. 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. This chart reflects both the increase in RGRL and the passage of the proposed \$20 Vehicle License Fee (VLF) as part of the Kirkland Transportation Benefit District planned to start in January 2024.



## GENERAL FUND EXPENDITURE TRENDS

The 2023-2024 Preliminary Budget is developed within the context of a range of external and internal factors. Some of these factors transcend biennial budgets, while others are more short term in nature and can take the form of state or federal 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, which is best exemplified by the revitalization of the Totem Lake urban area and the Kirkland Urban development. Growth has also brought the challenge to build, maintain, and operate City infrastructure to serve the larger population and thriving business community against the backdrop of increasing costs.

**Salary and benefit** costs represent the largest share of the operating budget. The City operates with six bargaining units, four representing public safety employees (IAFF for Fire, and Police Commissioned, Police Non-Commissioned, and Police Lieutenant's Union for Police), as well as two groups for non-public safety employees (AFSCME and Teamsters). The remaining full time employees, the City's Management Confidential (MAC) group are not represented by labor unions.

Each of these groups has a contract that has either expired, or will expire at the end of 2022 with no agreement currently in place. Per City practice, funding for projected increases in salaries is held in reserve until contracts are settled. Given the current high inflation environment, and the number of open contracts, the City currently has a large COLA reserve. This also impacts the presentation of personnel costs within the budget, as all salaries are budgeted at 2022 levels for both 2023 and 2024.

**Health benefits** represent the second largest portion of personnel costs after salaries. 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. The "Cadillac Tax" has since been repealed, but the Healthy Kirkland Initiative's successes in managing healthcare cost growth helped contribute to Kirkland's ability to balance the budget amid the COVID-19 pandemic and the related economic downturn. A [Healthcare Program Update Issue Paper](#) is included to provide an update on the program's budget impact since it began in 2015.

**State pension contributions** represent the third largest component of personnel costs. There are eight state-administered public retirement systems for state and local government employees. Kirkland employees participate in one of these pension plans, depending on position-type, which are managed by the State Department of Retirement Systems (DRS). Plan selection and enrollment depend on the employee's position eligibility. Contribution rates to meet each pension system's funding requirements are set by the state and have a direct impact on the City's budget.

The above issues have varied impacts on the 2023-2024 Budget. However, they share the common thread that they do not represent new or expanded City services but rather cost increases to the City's base level of service. As described earlier, the 2023-2024 General Fund Budget is projected to decrease by 2.4 percent. The following table identifies the General Fund base budget by department in 2023-2024 versus 2021-2022. Note that the change shown here is different as this table does not include reserves. Significant changes include the creation of new fund for Development Services which reduces the General Fund by \$29.1 million from 2021-2022, and the reduction of the City Manager's Office by the Community Responders program, \$3.6 million, which moves to General Services in support of the Regional Crisis Response Agency.

General Fund Base Budget by Department <sup>(1)</sup>	2021-2022 Preliminary Budget <sup>(2)</sup>	2023-2024 Preliminary Budget	\$ Change	% Change
City Council	1,112,771	1,165,843	53,072	4.77%
City Manager <sup>(3)</sup>	9,805,504	6,760,768	(3,044,736)	(31.05%)
Human Resources	4,087,208	4,215,636	128,428	3.14%
City Attorney	2,698,735	2,874,379	175,644	6.51%
Finance & Administration	13,121,705	15,538,500	2,416,795	18.42%
Public Works <sup>(4)</sup>	18,592,753	15,566,534	(3,026,219)	(16.28%)
Parks & Community Services	26,931,857	26,440,373	(491,484)	(1.82%)
Planning & Building <sup>(4)</sup>	26,074,231	-	(26,074,231)	(100.00%)
Municipal Court	5,676,789	6,310,094	633,305	11.16%
Police	65,473,045	69,790,397	4,317,352	6.59%
Fire	55,186,236	60,118,712	4,932,476	8.94%
General Services	38,267,653	64,024,929	25,757,276	67.31%
<b>Total General Fund Base Budget</b>	<b>267,028,486</b>	<b>272,806,165</b>	<b>5,777,679</b>	<b>2.16%</b>

<sup>(1)</sup> Does not include reserve accounts

<sup>(2)</sup> Includes ongoing Service Packages and other adjustments approved for 2021-2022 that are built into the 2023-2024 Base Budget.

<sup>(3)</sup> In 2021-2022 the City Manager's Office included the Community Responder program.

<sup>(4)</sup> In 2021-2022 Planning and Building and Public Works Engineering were budgeted in the General Fund. In 2023-2024 Base Budget they are shown in the new Development Services Fund.

The City Manager's service packages are summarized under Key Recommendations by Goal Area.

## 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 (in which data collection took place from June 2 to June 19, 2022) were presented to the City Council at the September 6, 2022 City Council meeting. The overall results indicated that 81 percent of those surveyed rated Kirkland as a "very good" or "excellent" place to live. An additional 15 percent rated the City as "satisfactory". One of the key graphics from that survey is the Quadrant Analysis, which provides an important basis for prioritizing the proposed budget recommendations. The survey report describes the Quadrant Analysis as follows:

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

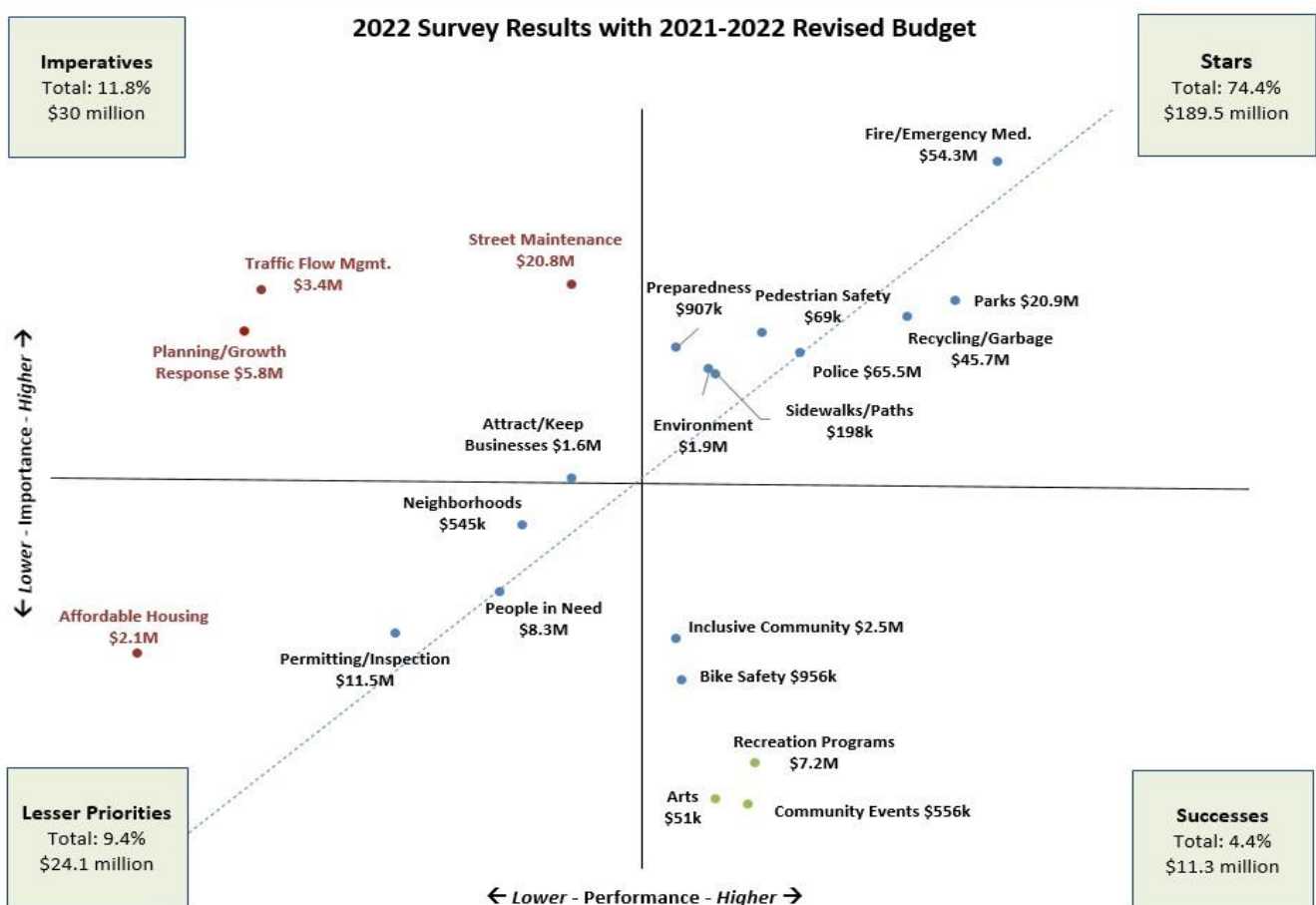
1. **Improvement Opportunities: High Importance, Low Performance** (top-left quadrant) Services falling into this category should be viewed as opportunities for improvement. These are the items that residents feel are very important but the City could be doing a better job delivering. Improving the services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

The diagonal line overlapping the chart represents where the ideal performance should be relative to the level of importance. Services falling on or near this line are performing optimally compared to how residents value

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them. Items significantly left of the line may be potentially valuable improvement opportunities while items far right of the line may result in wasted resources if given too much focus.”

The City turns the Quadrant Analysis into the “**Kirkland Quad**” by adding the budget allocated to each of the surveyed services and referring to the four quadrants described above as “Stars”, “Imperatives”, “Lesser Priorities”, and “Successes”. The Kirkland Quad that follows shows the 2022 survey results with the related operating expenditures on the surveyed services in the 2021-2022 Revised Budget. The chart does not include capital investments.



A version of the Quad chart reflecting the 2023-2024 Preliminary Budget follows the Key Recommendations by Goal Area that are summarized in the next section.

## 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. Note that Full Time Employee (FTE) refers to regular ongoing positions. Limited Term Employee (LTE) is an updated term in the new financial system for temporary positions that have an end date.



### Inclusive and Equitable Community

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

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

- Increase funding for Outreach and Engagement to Support a Safe, Inclusive, and Welcoming Community, \$100,000 one-time. This funding supports specialized professional services to implement outreach and engagement objectives set by the Diversity, Equity, Inclusion, and Belonging (DEIB) 5-Year Roadmap (Roadmap) adopted by the Council in July 2022, as well as continued funding for Volunteer Coordinator support in the City Manager's Office.
- Develop recruitment strategies to bring more diversity to Kirkland's public safety workforce and better reflect the community it serves, \$200,000 ongoing.
- Drive diversity recruitment through innovative outreach and advertising strategies, including collaboration with Public Safety Testing for public safety recruitments.
- Complete Diversity, Equity, Inclusion, and Belonging Training Program objectives, including Implicit Bias Training in collaboration with the new DEIB Manager and utilizing local and national resources.
- Continue to offer cultural and inclusive community building events in Kirkland such as the Kirkland Harvest Festival, See Spot Splash, drive-in movies and movies in the park, Kirkland's Taste of the World, Light Up Kirkland, Día de Los Muertos, Lunar New Year, and the Polar Bear Plunge, \$456,160 ongoing, \$24,276 one-time.
- Add resources for the Reevaluation of City Speed Limit Setting Policy and Policy Implementation to provide consultant support to assist with updating the City's speed limit setting policy, identify potential updates based on the new policy, and implementing speed limit updates in coordination with the community, Transportation Commission, and City Council, \$50,000 one-time.
- Continue to fund resources for the Transportation Master Plan Update to support development of the 20-year Transportation Capital Facilities Plan project list by integrating projects from various modal plans, reviewing and updating project cost estimates, and assisting public engagement through targeted outreach, \$115,000 one-time.
- Implementation of Mobile Integrated Health (MIH) program; funded through the King County Emergency Medical Services (EMS) Levy, \$733,808 ongoing. Adding 1.0 FTE Social Worker.
- Add resources for the ArcGIS Urban Implementation to enable City staff to use shared visualization to achieve common ground in addressing complex issues such as housing affordability, sustainability goals, and economic growth for future planning, \$50,000 ongoing, \$9,000 one-time.



### Vibrant Neighborhoods

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

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

- Fund the 2024 Community Survey to assess priorities and satisfaction, \$81,300 one-time.
- Increase funding for the Neighborhood Matching Grant Program to support the partnerships between the City and the 13 Neighborhood Associations to support neighborhood participation and volunteerism, \$10,202 one-time.

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- Add \$150,000 annually in ongoing Street Levy funding for the Neighborhood Safety Program in the 2023-2028 Preliminary CIP.
- Reclass 1.0 FTE Planner to an Associate Planner to maintain improved service levels on the CIP permit review work team, \$17,467 ongoing.
- Add resources for 1.0 FTE Planning Supervisor to enable training, mentoring, and quality control of current planning staff who are reviewing a growing number of permits and responding to community inquiries on a wide range of planning and development matters, \$332,282 ongoing, \$5,076 one-time.
- Add resources for 1.0 FTE Development Engineer to assist with the sustained increase in permit activity and provide resources to maintain current levels of service, \$329,281 ongoing, \$5,776 one-time.
- Continue Community Court program implemented as pilot in 2021.
- Continue funding for a 1.0 FTE Web and Multimedia Specialist to support community communications and the City of Kirkland website.



Community  
Safety

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

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

- Provide funding to allow NORCOM to hire a mental health professional to take 911 calls and collaborate with dispatches to better address those who call 911 with mental or behavioral health issues, \$136,295 one-time.
- The Community Responders Program was implemented as part of the Community Safety Initiative in response to the murder of George Floyd in May 2020. The City committed to taking action towards implementing a program that makes Kirkland a more equitable and safer city. The 2021-2022 budget for the Community Responders Program was \$1.707 million which included funding for 1.0 Community Responder Manager, 1 Lead and 4.0 Community Safety Responders. The Community Responders Program is evolving into a Regional partnership between the City and other cities. In 2023-2024, the City will provide funding to support the Regional Crisis Response Agency (RCR) to better serve community members experiencing behavioral health challenges, \$2,336,132 ongoing, (for further discussion, see the Appendix, Regional Crisis Response Agency).
- Court Security Officer for courtroom security funded in the Police Department budget.
- Provide funding for external professional court security services to ensure lobby safety.
- Implement Ready Rebound, a healthcare navigation service that expedites access to mental and physical healthcare for injured employees in public safety and other physically demanding jobs, \$138,816 ongoing.
- Continue legal services for Community Court added in 2022.
- Litigation Reserve to have a starting balance of \$150,000 set by policy.
- Add resources for 1.0 FTE Safety & Training Coordinator to work with all divisions in the H.R. Department to coordinate required H.R. City training, track Commercial Drivers License job requirements, and develop a robust Learning & Development Plan, \$306,292 ongoing, \$3,775 one-time.
- Implementation of Body-Worn Camera program, \$1,050,529, ongoing.
- Increase authority for 2.0 FTE over-hire Police Officer positions for a total of 4.0 FTE positions.
- Funding to hire 5 firefighter/EMTs provided for by approved Fire Proposition 1 ballot measure (\$1,995,472 ongoing). This completes the hiring of a total of 20 new firefighters/EMTs approved by ballot measure.
- Add 1 FTE Training Lieutenant to support the Regional Training Consortium, \$375,884 ongoing, \$5,162 one-time.

- Add 1 FTE Administrative Assistant to support the Regional Training Consortium, \$238,344 ongoing, \$5,162 one-time.
- Convert fire suppression tools to cordless tools, \$86,000 one-time, \$8,500 ongoing.
- Replace lifting bags and stabilizers in Fire Operations, \$96,000 one-time, \$1,500 ongoing.
- Construction of Training Prop at Fire Station 24, \$2,780,000 one-time, \$30,000 ongoing.
- Add 1 Reserve Engine for Fire Training Division, \$57,600 ongoing.
- Implement new Safety Situational Awareness Training, \$58,738 ongoing.
- Create a covered storage area offsite from the Maintenance Center for salt and sand to respond to snow and ice events, including an additional deicer storage tank of 12,000 gallons, \$200,000 one-time.
- New equipment to maintain current service levels and provide proactive response during snow/ice events, \$27,750/year ongoing and \$150,000 one-time.
- Add a 1.0 FTE Utilityperson to focus on sidewalk repairs throughout the city, \$201,359 ongoing.
- Funding to finish/connect sidewalks, underground overhead utility lines, and upgrade ADA facilities adjacent to new development projects, \$150,000 one-time.
- Reclass 1.0 FTE Plans Examiner to Senior Electrical Plans Examiner to perform electrical permit reviews on a full-time basis, \$38,969 ongoing.
- Add resources for Third Party Structural Plan Review services to provide structural and building plan review of complex projects and during periods of peak permit activity, \$200,000 one-time.
- Fund Police equipment replacement totaling \$301,000 for 2023-2024.
- Provide financing for Fire Department CIP projects totaling \$26.9 million for 2023-2024, including \$21.3 million for the expansion, remodel or replacement of Fire Stations 21, 22, 26 and 27.
- Convert 0.5 FTE current Senior Craftsperson – Pretreatment Tech (PCN 541) to 1.0 FTE Water Quality Specialist position to maintain the Fats, Oils and Grease Program in wastewater and add support to the expanding Cross Connection Control Program (CCCCP) in water, \$168,828 ongoing, \$49,000 one-time.
- Funding to replace outdated and non-serviceable components of the City's SCADA System, \$380,000 one-time.
- Funding for a valve twister/cleaner combo skid to help reduce employee's risk of injury, increase valve life, and increase efficiency and productivity, \$30,200 ongoing, \$80,000 one-time.
- Conversion of 2 FTE School Resource Officers (SRO) to 1 FTE Pro-Act Officer and 1 FTE Neighborhood Resource Officer.



#### Supportive Human Services

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

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

- Fund a 1.0 FTE Homeless Outreach Coordinator to connect people experiencing homelessness with appropriate services. \$325,720 ongoing, \$3,162 one-time (funded by Community Safety Prop 1 and Opioid Settlement revenues).
- Expand Low Income Senior Utility Discount Program to support residents for whom paying their utility bills is a significant cost, especially in light of recent utility rate increases, \$680,000 one-time (funding split between General Fund, Water/Sewer Operating and Solid Waste Fund). As part of this program a similar program for the City's new \$20 car tab will also be developed.
- Continue ongoing human service grant funding of \$1.94 million for 2023-2024.

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- Continue enhanced human services grant funding at \$720,000, one-time for 2023-2024.
- Continue CDBG funding of human service grants, \$83,570 ongoing (ARCH-related CDBG grants and Trust Fund allocations are listed under the Housing Goal)
- Add Community Safety Prop 1 budget of \$186,460 per year authorized by Council in 2022 for human services grants and partial offset of the Homeless Outreach Coordinator position.
- The total Human Services grant funding has risen biennially by \$1,053,202 for the 2023-2024 budget. This increases the per capita Human Services spending from \$19.49 in 2021 to \$24.46 in 2024. For further information on Human Services funding, see the related Issue Paper.



Balanced  
Transportation

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

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

- Add resources for 2.0 FTE Project Managers to implement the school walk route action plan and the Active Transportation Plan, \$680,176 ongoing, \$6,324 one-time.
- Continue the Bellevue-Kirkland-Redmond (BKR) Transportation Model to enable the City to provide current travel forecast data for development review, CIP projects, Transportation Master Plan and Impact Fee Update, NE 85<sup>th</sup> St Station Area Planning, and other studies, \$45,000 one-time.
- Continue the Kirkland Green Trip and Transportation Demand Management program to help Kirkland residents, employees, and employers reduce their drive alone trips by offering resources and information to encourage people to use carpools, vanpools, transit, bicycling, and walking, \$32,500 one-time.
- Replace existing, dated parking-related technologies with new innovative parking technology to provide better parking availability information to the community, collect more accurate parking data, help refine programs and services, and enhance parking services in high demand areas of the City, \$500,000 one-time.
- Fund safety enhancing Non-motorized Transportation CIP projects totaling \$12.4 million for 2023-2024, including \$4.2 million for Safer Routes to School and Active Transportation Plan Implementation.
- Fund Traffic Improvement CIP projects totaling \$7.1 million in 2023-2024, including \$3.1 million to complete intersection improvements at NE 100<sup>th</sup> Street and 132<sup>nd</sup> Ave NE.
- Fund Public Transit CIP projects totaling \$2 million in 2023-2024 for the 108<sup>th</sup> Avenue NE Transit Queue Jump - Phases I & II.



Abundant Parks,  
Open Spaces and  
Recreational  
Services

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

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

- \$10 million in one-time General Fund balance set aside for the purchase of Houghton Park and Ride, for potential aquatic and recreation facilities and/or affordable housing partnership project.
- Continue the Parks Ballot Measure exploratory process in 2023 by continuing to fund the 1.0 LTE Management Analyst and 1.0 LTE Communications Program Specialist, as well as expenses for outreach, facilitation, and consulting, \$400,042 one-time.
- Provide four (4) pop-up off-leash locations throughout the community, \$45,292 ongoing, \$24,400 one-time.

- Make 2022 Summer Action Plan contingent employee wage increases ongoing, \$63,996 ongoing.
- Purchase an Arbor Pro lift truck on tracks for tree maintenance, allowing for safe and efficient tree inspection without the use of climbing gear and reducing the need for outside vendors, \$235,646 one-time.
- Add resources for the Kalakala Preliminary Design and Cost Estimate to preserve and display the remaining large pieces of the Kalakala, \$38,500 one-time.
- Capital investments of \$8.2 million in Kirkland's parks, including \$3 million for Neighborhood Park Land Acquisition and \$2.5 million for Park Restroom Additions, Renovations & Replacement Program.



#### Attainable Housing

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

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

- Continue ARCH Housing Trust Fund parity contribution at \$830,000 over the biennium, on a one-time basis. Additional increase of \$500,000 to ARCH using REET 2 funds to support affordable housing in Kirkland. This increases the total ARCH contribution to \$1,330,000 for the biennium.
- \$250,000 allocated for investment in community amenities for Health Through Housing site in Kirkland.
- Continue CDBG contribution to ARCH Housing Trust Fund, \$323,566 ongoing.
- Add resources for an online Permit Fee Estimator to develop a comprehensive self-service tool for estimating development services permit fees. This self-service tool will improve the City's existing services, especially for smaller-scale developers, homeowners, and small businesses, \$5,000 one-time.
- Reclass 2.0 FTE temporary Construction Inspectors to ongoing Senior Construction Inspectors for inspecting complex construction projects, inspection of intersection upgrades, large construction sites in high vehicular and pedestrian areas, complex utility work, and coordination with outside agencies, \$26,058 ongoing.



#### Financial Stability

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

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

- Continue compliance with the adopted Fiscal Policies that retain Kirkland's AAA credit rating.
- Continue modified two-year sales tax lag to protect against economic downturn.
- Replenish and enhance reserves as summarized in the table that follows showing the recommended replenishments and target status according to current Fiscal Policies:

• BUDGET MESSAGE

Reserves	Estimated 2023 Beginning Balance	Projected Changes	Projected 2024 Ending Balance	2023-2024 Target	Revised Over (Under) Budget
<b>General Purpose Reserves With Targets</b>					
Contingency	6,355,888	603,809	6,959,697	6,959,697	-
General Capital Contingency <sup>(1,2)</sup>	5,447,951	558,243	6,006,194	6,006,194	-
General Oper. Reserve (Rainy Day)	6,008,197	1,355,989	7,364,186	7,364,186	-
Revenue Stabilization Reserve	3,489,891	962,854	4,452,745	4,452,745	-
Council Special Projects Reserve	250,000	-	250,000	250,000	-
Building & Property Reserve	661,599	-	661,599	600,000	61,599
<b>General Purpose Reserves with Targets</b>	<b>22,213,526</b>	<b>3,480,895</b>	<b>25,694,421</b>	<b>25,632,822</b>	<b>61,599</b>
<b>All Other Reserves With Targets</b>					
Excise Tax Capital Improvement:					
REET 1 <sup>(3)</sup>	9,058,838	(2,254,287)	6,804,551	1,000,000	5,804,551
REET 2	10,544,394	(1,732,520)	8,811,874	1,000,000	7,811,874
<b>Other Reserves with Targets</b>	<b>19,603,232</b>	<b>(3,986,807)</b>	<b>15,616,425</b>	<b>2,000,000</b>	<b>13,616,425</b>

<sup>(1)</sup> Balance includes \$3,500,000 borrowed for Parks Maintenance Center Capital Projects that will be reimbursed via ten scheduled payments beginning in 2021.

<sup>(2)</sup> General Capital Contingency is equal to ten percent of the funded two-year CIP budget.

<sup>(3)</sup> Note that an additional \$1.27 million of the projected ending 2024 REET 1 balance has been set aside for potential use on an identified facilities investment.

- Continue funding Learning Management System (LMS) software offering safety and compliance training for staff.
- Continue funding NeoGov subscription as a citywide recruitment and candidate management tool.
- Continue partnering with the Association of Washington Cities to administer the city's Worker's Compensation Program.
- Provide ongoing support for Wellness Program for the health and well-being of employees, including health incentive awards and prizes.
- Add resources for 1.0 FTE Telecommunications Franchise and Right-of-Way Analyst to negotiate/manage leases and agreements, as well as determine associated payments or lease rates for utility and private uses of right-of-way and City-owned properties, \$277,758 ongoing, \$1,000 one-time.
- Add resources for CIP Consulting Services for capital improvement finances including quarterly budget reports, reviewing financial delivery needs, grants, utility rates, service packages, and capital improvement evaluation processes, \$350,000 one-time.
- Convert one-time Office Specialist (Business License) to 1.0 FTE to ongoing, \$201,516 ongoing, \$1,776 one-time. This position will provide additional capacity to Business License, False Alarm Reduction and Cemetery Administration.
- Convert one-time temporary 1.0 LTE Office Specialist (Financial Operations) to ongoing to support accounts payable and payroll, \$201,072 ongoing.
- Convert 0.5 Accountant to ongoing to support City's accounting needs, \$140,676 ongoing, \$2,776 one-time.
- Add a 1.0 FTE Business Analyst for needed capacity in implementing, updating, and troubleshooting softwares for service delivery, \$274,965 ongoing, \$3,178 one-time.
- Add a 1.0 Administrative Services Manager will add needed capacity for Regional Crisis Response Agency fiscal agent work, proactive management of programs, support current workload, and provide management oversight to new programs, \$305,196 ongoing, \$3,176 one-time.
- Add a temporary six-month Customer Accounts Associate to support the City's utility billing software upgrade to provide efficiencies to the utility customers in allowing paperless billing options, \$48,701 one-time.

- Fund the Impact Fees Study that will update the City's Impact Fee rates across Transportation, Parks, and Fire, \$200,000 one-time.
- Provide funding for wireless data communication and back-office software needed to operate existing downtown Kirkland pay stations for pay parking, \$5,000 ongoing.



Sustainable  
Environment

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

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

- \$500,000 in ARPA funding to transition leaf blowers and other two stroke diesel engine equipment to electric motors by 2025, in order to improve air quality and reduce noise. This program will be 50% to replace City equipment and 50% in funding to support private sector replacement.
- Add resources for various Sustainability Master Plan actions, focusing on assisting low-income households in installing energy efficient heating/cooling systems and providing inclusive community education on energy efficiency options, \$301,000 one-time.
- Continue providing ORCA transit passes to City employees in order to encourage transit ridership and meet Commute Trip Reduction (CTR) goals, \$50,000 one-time.
- Add resources for Multimodal Transportation Data Collection to better understand the number of people walking and bicycling throughout the City to improve project identification, scoping, and prioritization, \$50,000 one-time.
- Funding to improve the appearance and condition of the City's medians, landscaping, and right-of-way trees, \$400,000 one-time.
- Add 2.0 FTE Utilityperson positions to address tree and median maintenance and response, \$440,490 ongoing, \$47,776 one-time.
- Add resources for Land Use Consulting to address situations where additional expertise is needed to address highly technical questions related to resources such as wetlands, streams, landslide zones, and other critical areas, \$20,000 one-time.
- Increase the Green Kirkland Program Assistant from 0.5 FTE to 1.0 FTE to continue to support Steward lead volunteer events and to lead corporate volunteer events. \$61,116 ongoing.
- Add 1.0 FTE Facilities Technician to support maintenance and repair City assets, \$280,207 ongoing.
- Fund Facilities Conditions Assessment, a comprehensive reporting of the current condition and performance of City buildings and equipment system, \$300,000 one-time.
- Fund hiring of an Energy Service company to perform the analysis and submit compliance reporting to comply with 2019 Clean Buildings Act, \$50,000, one-time.
- Establish adequate 2023-2024 rates for the Sewer, Surface Water, and Solid Waste utilities to invest in maintaining and enhancing services to provide safe drinking water, safely dispose of waste and support recycling, treat wastewater, protect water quality, reduce flooding and improve fish habitat, resulting in:
  - \$4.0 million increase in Sewer revenues
  - \$2.3 million increase in Surface Water revenues
  - \$19.4 million increase in Solid Waste revenues
  - \$2.2 million increase in Water revenues
- Provide financing for Sewer utility CIP projects totaling \$13.7 million for 2023-2024, including \$7.1 million for West of Market Sewermain Replacement - Phase 1 and \$2.8 million for NE 108<sup>th</sup> Street Sewermain Replacement.

• BUDGET MESSAGE

- Provide financing for Surface Water utility CIP projects totaling \$6.7 million for 2023-2024, including \$1.8 million for Silver Spurs Storm System Upgrade and \$1.0 million for 122<sup>nd</sup> Avenue NE Storm Replacement.



Thriving  
Economy

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

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

- Continue operating support for the Kirkland Performance Center (KPC), \$100,000 one-time.
- Continued funding for community programs and events, \$144,000 ongoing. For further discussion on event funding, please see the Outside Agency Funding Issue Paper.
- The City historically receives \$60,000 per year in grant funding through the Port of Seattle. This grant funds various economic development programs and activities such as the ShopLocalKirkland.com website, the Kirkland Ca\$h program and specialized consultants for small business support and digital marketing.
- The City historically receives a \$8,000 per year sustained support grant from 4Culture to support programs and activities of the Kirkland Cultural Arts Commission, \$16,000 one-time.
- Fund a 0.75 LTE Temporary Program Assistant to help support the various programs of CMO, \$52,166 one-time.
- Reclass 1.0 FTE Permit Technician to Senior Permit Technician to perform more complex technical tasks to improve review times in the Plans Examiner group, \$7,533 ongoing.
- Add resources for Building Division Overtime to meet customer service goals, inspection obligations, and plan review deadlines during peak workloads, \$175,262 one-time.
- Add resources for a 1.0 LTE temporary Intern to add capacity to assist planners with complex projects, and provide an opportunity for an emerging professional to be exposed to local government work in the field, \$32,318 one-time.
- Tourism Development Committee (TDC) Grants from Lodging Tax are \$60,000 for 2023. The TDC's 2024 recommendation will be included in the mid-biennial budget process.
- Fund a Surface Water Development Opportunity Fund to repair and replace surface water infrastructure adjacent to new development projects by leveraging private development. One-time cost of \$150,000.
- Fund replacement of Theatrical Ropes and Rigging System and Electronic Control System at Kirkland Performance Center, \$1,269,207 one-time contingent, matching funds.



Dependable  
Infrastructure

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

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

- Finance Water utility CIP projects totaling \$11.1 million for 2023-2024 including \$6.3 million for the South Reservoir Seismic & Recoating Construction and \$3.6 million for NE 73<sup>rd</sup> Street Watermain Replacement.
- Finance Street CIP projects totaling \$30.6 million for 2023-2024 (\$9.9 million in external funding), including \$2.2 million for 124<sup>th</sup> Ave NE Roadway Improvements, \$4.3 million 100<sup>th</sup> Avenue NE Roadway Improvements, and \$3.7 million for Juanita Drive Auto Improvements.
- Finance Information Technology CIP projects totaling \$1.6 million for 2023-2024 including \$220,000 for major replacement of Mission-Critical Applications including GIS, \$400,000 for the replacement of Audio Video Equipment in Council Chambers and Meeting rooms both at City Hall and the Kirkland Justice Center (KJC), and \$81,000 for Network Refresh project (increased security and performance of internal network).

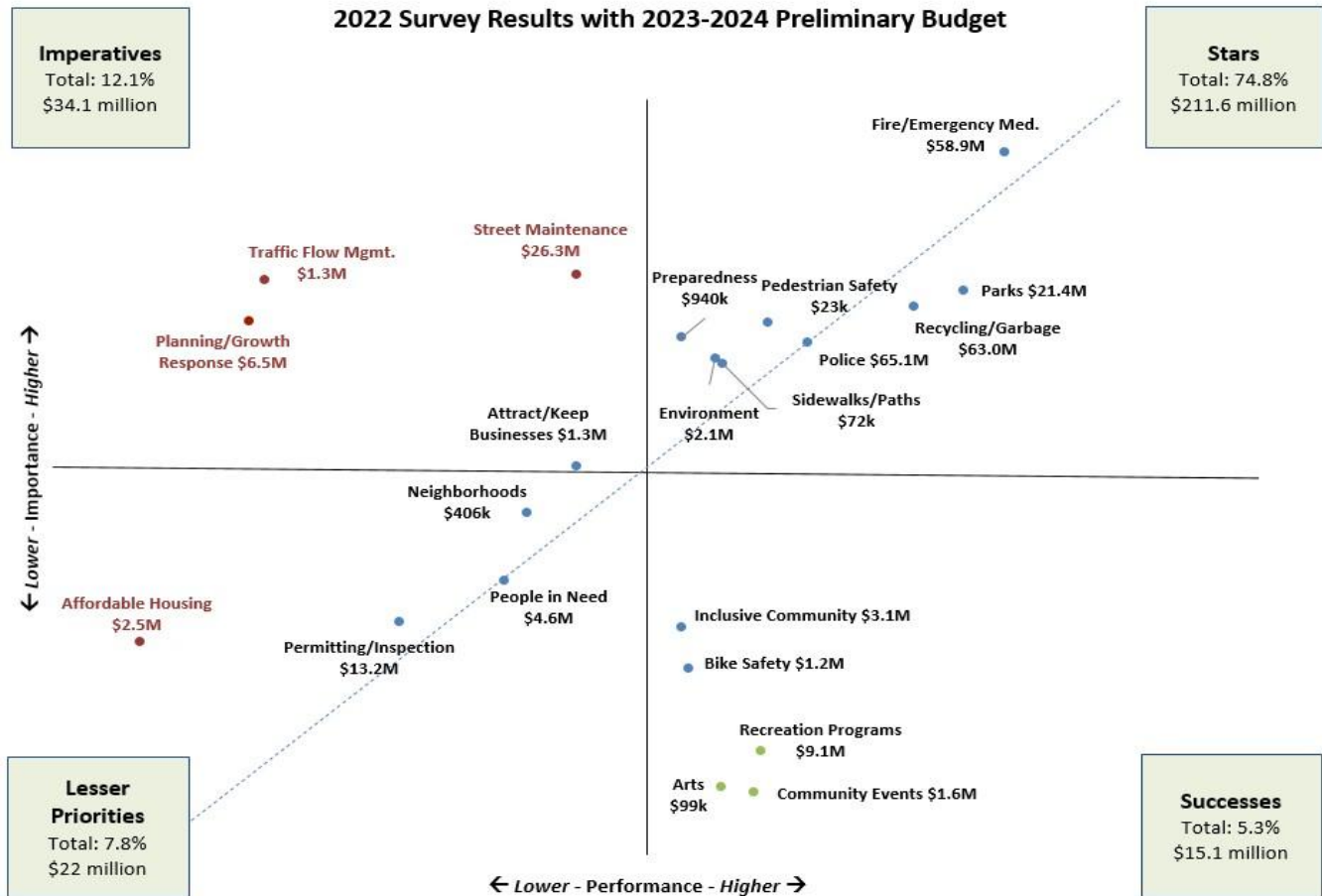
- Finance Facilities CIP projects totaling \$1.6 million for 2023-2024 including \$800,000 for Permanent Supportive Housing and \$700,000 for Public Works Maintenance Center Upgrades to address safety, code compliance, security, and long-term planning.
- Add resources for implementation of Capital Project Management Software to improve coordination with stakeholder groups/owners, and improve the quality of records and project decisions, \$25,000 ongoing and \$125,000 one-time.
- Add resources for On-call Transportation Planning and Engineering Services to allow the City to respond to complex transportation issues more rapidly using an established relationship with a team of consultants, \$50,000 one-time.
- Add resources for 1.0 FTE Transportation Engineer to work on and support a broad array of transportation engineering related tasks, including development review, traffic operations, CIP design and construction, studies, and programs, \$328,324 ongoing and \$6,162 one-time.
- Early replacement of three City street sweepers due to heavy use and maintenance costs, \$250,000 one-time.
- Upgrade asphalt roller during scheduled replacement in 2023, \$4,625/year ongoing, \$25,000 one-time.
- Replace existing outdated and unsupported Downtown Employee Parking Program (DEP) permit database, \$10,000/year, \$45,000 one-time.
- Fund a 1.0 FTE Street Division Senior Maintenance position to better meet the levels of service for street work including asphalt patching, sidewalk repair and replacement and crack sealing, \$252,988 ongoing, \$2,776 one-time.
- Add a 1.0 FTE Utility Craftsperson position in the Sign Shop to help maintain current service levels and address the ongoing backlog of preventative maintenance needs, \$201,627 ongoing, \$3,872 one-time.
- Fund 1.0 FTE Surface Water Program Manager to lead the Surface Water utility, allowing for closer coordination between operations and engineering/program sides of the utility and direct collaboration with other departments on CIP development, master planning, and policy development. Ongoing cost of \$388,067, one-time cost of \$7,176.
- Fund the installation of a pilot live surface water system flow monitoring equipment to track and analyze flow rates and volumes for maintenance and CIP planning, a step towards more comprehensive system management. One-time cost of \$40,000.
- Fund 1.0 FTE Surface Water Lead Person in the operation and maintenance division to better support our existing infrastructure through inspection, cleaning and repair as well as with increased employee development, training and retention. Ongoing net cost of \$82,923, one-time cost of \$102,776.
- Fund hook lift hot box allowing staff to install permanent asphalt patches on excavations during initial restoration efforts and keep hot asphalt on-site for multiple days for potholes and miscellaneous work, \$37,500 ongoing, \$150,000 one-time (funding split between Streets and Surface Water Management funds).
- Add 1.0 FTE Utility Craftsperson (Meter Reader/Locator) and vehicle to meet the increased workload for utility locates and meter reads as well as grow the division's ability to meet the goals written in the Water Comprehensive Plan, \$269,431 ongoing, \$67,776 one-time (funding split between Streets, Water/Sewer Operating and Surface Water Management funds).
- Funding for a consultant to model and propose infrastructure locations and ownership between Kirkland and Redmond along the full 132<sup>nd</sup> Ave NE corridor to prevent duplicate sewer infrastructure while planning to reach unsewered properties, \$60,000 one-time.
- Funding for consultants to update both the 2025 General Sewer Plan and 2025 Water System Plan, \$360,000 one-time and \$320,000 one-time respectively.
- Funding for a consultant to assist staff in meeting requirements of the Lead and Copper Rule Revisions (LCRR), \$80,000 one-time.
- Replacement upgrades to increase efficiency, functionality and productivity for the following vehicles:
  - PU-77 Replacement (2009 Ford F350 Utility Pick-up), \$39,800 ongoing, \$50,000 one-time.

• BUDGET MESSAGE

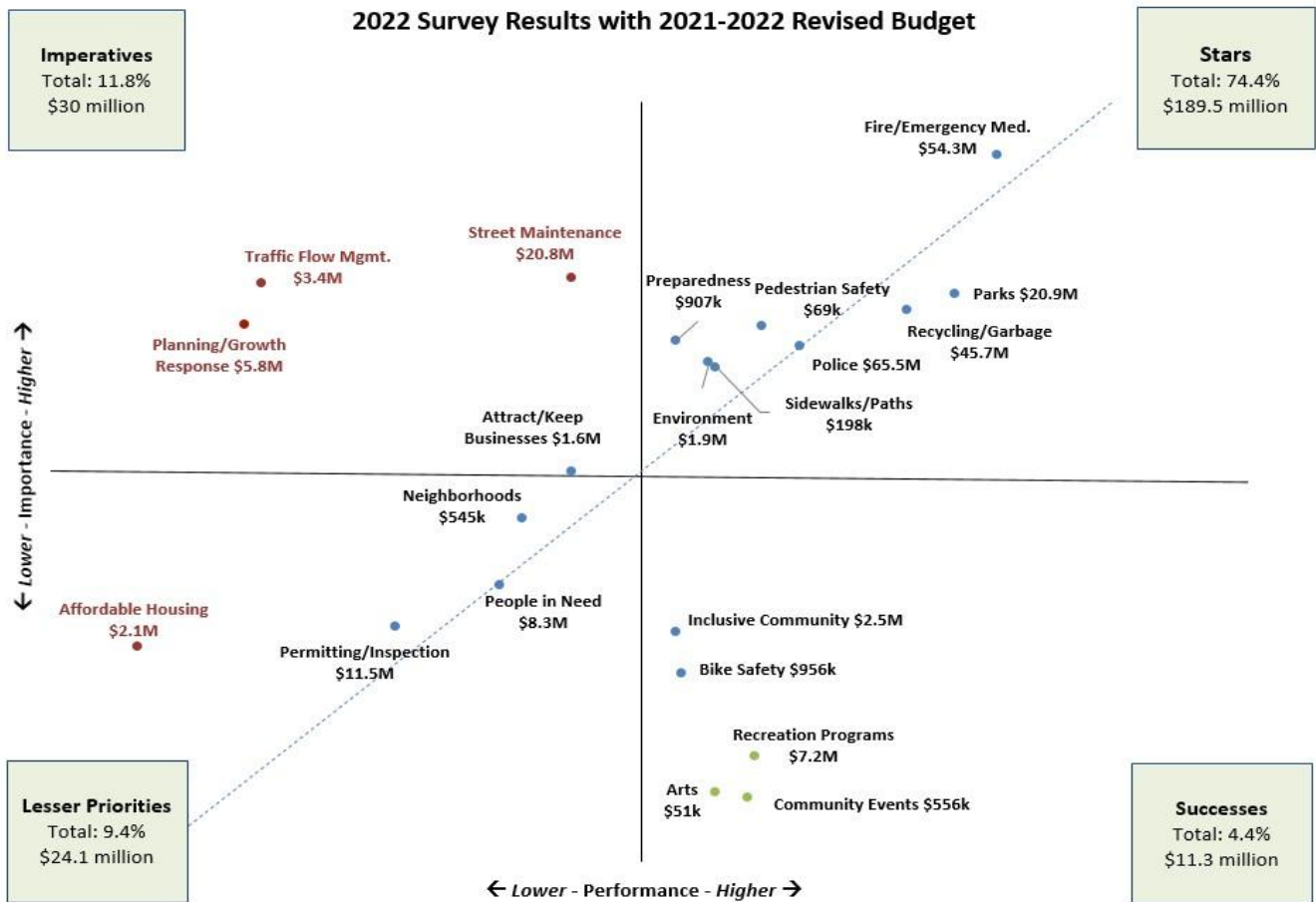
- PU-78 (2009 Ford F350 Utility Pick-up), \$53,400 ongoing, \$111,000 one-time.
- PU-108 Replacement (2012 Chevrolet Colorado Extended Cab 2WD), \$27,800 ongoing, \$64,200 one-time.
- Add resources for 1.0 FTE Development Inspection Supervisor to take over supervision of inspection staff and support inspections during peak periods, \$331,144 ongoing, \$56,032 one-time.
- Add resources for 1.0 LTE temporary Construction Inspector to facilitate continuity of service in anticipation of at least one staff retirement and address the increased permit workload, \$297,467 one-time.
- Convert Fleet Office Specialist from temporary to permanent to support paying invoices and management of Fleet vendor accounts, \$203,704 ongoing.
- Add a 1.0 FTE Fleet Buyer position to work with customers on vehicle and equipment specifications as well as radios and EV charging stations, \$251,499 ongoing, \$2,776 ongoing.
- Fund replacement of used and new Oil Distribution System, \$100,000 one-time.
- Fund new service trucks to enhance ability to provide Road Call and on site customer support, one-time funded by sale of surplus vehicles, \$215,000 one-time, \$43,000 ongoing.
- Convert One-Time Video Production Specialist to ongoing to provide trained backup for the existing Video Production Specialist and meet the needs of supporting hybrid public meetings. \$278,548 ongoing.
- Fund Arc Flash Hazard Assessment to adhere to the Fire code that requires arc flash and shock hazard labels on electrical equipment, \$104,000 ongoing.
- Fund Public Works Maintenance Center Fire Panels to ensure the fire alarm system comply with NFPA code, \$250,000 ongoing.
- Fund a Compact Boom Lift to provide safe access to service building systems and landscaping, \$210,150, one-time.

## CONCLUSION

The proposed budget is focused on the City Council goals and community priorities, as well as addressing the emerging imperative to **Sustain Services and Build a Community Where Everyone Belongs**. The preliminary 2023-2024 budget recommendations result in investments in the services on the Kirkland Quad, as summarized below. The Kirkland Quad with the 2021-2022 revised budget is also shown for comparison:



• BUDGET MESSAGE



Guided by the Strategic Anchors and the Council Goals, the proposed budget sustains existing programs and staffing that have made Kirkland Money Magazine's third best place to live in America as well as 425 Magazine's Best Eastside City. The budget implements new programs that create a belonging community and makes major new safety investments in street maintenance, school walk routes for children and pedestrian and bicycle improvements throughout Kirkland.

The Budget Leadership Team and Department Directors appreciate the opportunity to develop and present the 2023-2024 budget. We look forward to discussions with the Council and the community about making the proposal even better to keep Kirkland one of the best places in the nation to live, work and play.



Kurt Triplett  
City Manager



Beth Goldberg  
Deputy City Manager of Operations



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Director of Finance and Administration



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Deputy Director of Finance and Administration



George Dugdale  
Financial Planning Manager

## Postscript

Between October and December 2022, the City Council held a series of study sessions and public hearings to review the 2023-2024 Preliminary Budget proposed by the City Manager. The City Council adopted the 2023-2024 Final Budget on December 13, 2022. Overall, the 2023-2024 Final Budget totals \$1.04 billion, which represents a 6.1 percent increase compared to the 2021-2022 Amended Budget. The 2023-2024 Final Budget is summarized in the following table by fund type:

	2021-2022 Amended Budget	2023-2024 Final Budget	% Change
<b>General Government:</b>			
General Fund	302,645,360	298,135,553	(1.5%)
Other Operating	39,969,788	97,733,128	144.5%
Internal Service Funds	92,520,832	85,204,494	(7.9%)
Non-Operating Funds	327,053,830	304,737,762	(6.8%)
<b>Utilities:</b>			
Water/Sewer	118,302,606	137,620,388	16.3%
Surface Water	53,387,562	52,596,122	(1.5%)
Solid Waste	45,733,307	62,922,035	37.6%
<b>Total Budget</b>	<b>979,613,285</b>	<b>1,038,949,482</b>	<b>6.07%</b>

The City Council requested changes to the preliminary budget totaling \$1.5 million, including increased funding for human services, resources for park planning, funding for the Sustainability Master Plan, and additional funding for community events. A full list of Council-directed changes is provided in the table below.

Proposed Expenditure	Cost Estimate
23PK16: Increase Funding for Lifeguard Hours	36,529
Traffic Calming Capital Program	50,000
23PB15: Implements Various Sustainability Master Plan Actions	301,000
Juanita Public Pathway Study	20,000
Additional Data Collection & Speed Monitoring Study	7,930
Remaining Unfunded Human Services Request	385,202
Funding for Diverse Arts & Events	18,000
Eastrail Revenue Share	38,551
Consultant funding to explore partners & development ideas for Houghton Village	50,000
Snow Removal Incentive Program (shovel brigade)	20,000
Together Center Capital Funds	30,000
Special Events Support (contract or temporary resources)	300,000
23PK11: Continuation of Teen Programs and Mobile Recreation	399,884
Parks Planning Support	300,000
Additional Jail Medical Costs	436,000
<b>Total</b>	<b>2,393,096</b>

With these changes included, the overall budget increased by \$18.2 million between the preliminary and final budget. The majority of these changes were adjustments to the City's Capital Improvement Plan, as well an increase in the General Fund to budget the personnel costs for the new Regional Crisis Response Agency (RCR). Kirkland is acting as the fiscal agent for RCR, so the budget amount reflects the total program budget for personnel which is funded by both Kirkland and the cities of Bothell, Kenmore, Lake Forest Park, and Shoreline. A table showing all of the changes that caused an increase in the overall appropriation is shown here.

Adjustments by Fund to Preliminary 2023-2024 Budget		Appropriation Change
<b>General Fund</b>		
Regional Crisis Response Agency personnel costs		4,117,201
23PK11 Teen Programs and Mobile Recreation - new external revenue		80,000
23PK16 Increase Funding for Lifeguard hours - new external revenue		118,000
23PK19 4th of July Parade and Movies in the Parks - new external revenue		7,000
Move forestry reserve to Development Services Fund		(386,572)
Conversion of Senior Construction Inspectors		26,058
Opioid settlement funding for 2023-2024		166,492
<b>Subtotal</b>		<b>4,128,179</b>
<b>Other Management Funds</b>		
Street Operating adjustments (shovel brigade, Eastrail revenue share)		58,551
Development Services Fund (ARPA heat pump funding, forestry reserve)		486,572
<b>Subtotal</b>		<b>545,123</b>
<b>Capital Projects Funds</b>		
General Capital Projects Fund (310)		11,369,207
Transportation Capital Fund (320)		1,700,000
Surface Water Construction Fund (423)		430,000
<b>Subtotal</b>		<b>13,499,207</b>
<b>Internal Service Funds</b>		
Correction to Fleet Rates		(4,714)
<b>Subtotal</b>		<b>(4,714)</b>
<b>Total Adjustments (All Funds)</b>		<b>18,167,795</b>
Preliminary 2023-2024 Budget		1,020,781,687
Final 2023-2024 Budget		1,038,949,482

In addition to formal adoption of the 2023-2024 Budget, the Council approved the following actions to implement the budget decisions on December 13, 2022:

- Creation of a new "General Services" department, primarily to support the Regional Crisis Response Agency.
- A report on the use of Real Estate Excise tax proceeds for approved maintenance expenses in the operating budget.

The final 2023-2024 City Work Program will be adopted during the first quarter of 2023. If any budget adjustments are needed to implement the Work Program, they will be brought forward in June 2023.

## SERVICE PACKAGE REQUESTS

		2023-2024 Department Request					2023-2024 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>											
23CC01	2024 Community Survey	-	-	-	81,300	81,300				81,300	81,300
<b>Subtotal City Council</b>		-	-	-	<b>81,300</b>	<b>81,300</b>	-	-	-	<b>81,300</b>	<b>81,300</b>
<b>City Manager's Office</b>											
<b>Renewals of One time</b>											
23CM01	Community Programs & Events (Waste Management Grant)	-	-	144,000	-	144,000			144,000		144,000
23CM02	Neighborhood Services Matching Grant	-	-	-	10,202	10,202				10,202	10,202
23CM03	Economic Development Program - Port of Seattle Grant	-	-	-	120,000	120,000				120,000	120,000
23CM04	4Culture Arts Sustained Support	-	-	-	16,000	16,000				16,000	16,000
<b>New</b>											
23CM05	Temporary CMO Program Assistant	-	0.75	-	52,166	52,166		0.75		52,166	52,166
23CM06	Outreach and Engagement to Support a Safe, Inclusive, and Welcoming Community	-	-	-	100,000	100,000				100,000	100,000
23CM07	NORCOM Dispatch - Mental Health Professional	-		-	136,295	136,295				136,295	136,295
<b>Subtotal City Manager's Office</b>		-	<b>0.75</b>	<b>144,000</b>	<b>434,663</b>	<b>578,663</b>	-	<b>0.75</b>	<b>144,000</b>	<b>434,663</b>	<b>578,663</b>
<b>Parks &amp; Community Services</b>											
<b>Renewals of One-time</b>											
23PK01	Continuation of the Parks Ballot Measure Exploratory Process	-	2.00	-	400,042	400,042		2.00		400,042	400,042
23PK02	Kirkland Performance Center Operating Support	-	-	-	100,000	100,000				100,000	100,000
23PK03	Contingent Employee wage schedule adjustment	-	-	53,402	-	53,402			53,402	-	53,402
23PK04	Community Building Events & 4th of July Parade	2.00	-	617,779	29,552	647,331					-
23PK05	Pop-Up Off Leash Areas / (4) Sites	-	-	17,292	-	17,292			17,292		17,292
23PK06	Homeless Outreach Coordinator	1.00	-	325,720	3,162	328,882	1.00		325,720	3,162	328,882
23PK09	Management Analyst Position, 2024	1.00	-	135,769	-	135,769					-
23PK10	Communications Program Specialist, 2024	1.00	-	125,108	750	125,858					-
23PK11	Teen Programs and Mobile Recreation	1.00	-	354,419	45,465	399,884		1.00		399,884	399,884
23PK12	Language and Interpretation Services	-	-	-	160,000	160,000					-
23PK13	Parks Security	1.00	-	261,241	443,916	705,157					-
23PK14	Parks Planning Position	1.00	-	318,197	3,162	321,359					-
23PK15	Regional Human Services Needs Assessment	-	-	-	57,000	57,000					-
23PK17	4th of July Parade	2.00	-	543,494	5,552	549,046					-
23PK19	City Manager Recommended: PCS 4th of July Parade and Movies in the Parks	1.00	-	477,637	2,776	480,413	1.00	-	477,637	2,776	480,413
<b>Subtotal Parks and Community Services</b>		<b>11.00</b>	<b>2.00</b>	<b>3,230,058</b>	<b>1,251,377</b>	<b>4,481,435</b>	<b>2.00</b>	<b>3.00</b>	<b>874,051</b>	<b>905,864</b>	<b>1,779,915</b>

## SERVICE PACKAGE REQUESTS (CONTINUED)

		2023-2024 Department Request					2023-2024 City Manager Recommended				
		FTE	Temp	Ongoing	One-time	Total	FTE	Temp	Ongoing	One-time	Total
<b>Human Resources</b>											
<b>New</b>											
23HR01	Public Safety Recruitment	-	-	200,000	-	200,000			200,000		200,000
23HR02	Ready Rebound-L&I Healthcare Services	-	-	138,816	-	138,816			138,816		138,816
<b>Subtotal Human Resources</b>		-	-	<b>338,816</b>	-	<b>338,816</b>	-	-	<b>338,816</b>	-	<b>338,816</b>
<b>Public Works</b>											
<b>New</b>											
23PW01	Telecommunications Franchise and Right-of-Way Analyst	0.66	-	183,320	660	183,980	0.66		183,320	660	183,980
23PW02	CIP Business Consultant	-	-	-	350,000	350,000	-		-	350,000	350,000
23PW03	CIP Planner Senior Reclassification	-	-	17,467	-	17,467	-		17,467	-	17,467
23PW04	Project Management Software	-	-	25,000	125,000	150,000	-		25,000	125,000	150,000
23PW05	Transportation Benefit District Project Managers	2.00		680,176	6,324	686,500	2.00		680,176	6,324	686,500
23PW06	Maintenance Center Upgrades	-	-	-	500,000	500,000	-		-	500,000	500,000
23PW07	Professional Development & Recruitment	-	-	-	30,000	30,000					
23PW08	Safety & Training Coordinator	1.00	-	306,292	3,775	310,067	1.00		306,292	3,775	310,067
23PW09	Bellevue, Redmond, Kirkland Transportation Model Maintenance and Support	-	-	-	45,000	45,000	-		-	45,000	45,000
23PW10	City Staff ORCA Card Transportation Benefit	-	-	-	50,000	50,000	-		-	50,000	50,000
23PW11	Electric Bicycle Fleet	-	-	2,000	12,000	14,000					
23PW12	Kalakala Preliminary Design and Cost estimate	-	-	-	38,500	38,500	-		-	-	-
23PW13	Kirkland Green Trip and Transportation Demand Management	-	-	-	32,500	32,500	-		-	32,500	32,500
23PW14	Multimodal Transportation Data Collection	-	-	-	50,000	50,000	-		-	50,000	50,000
23PW15	On-call Transportation Planning and Engineering Services	-	-	-	50,000	50,000	-		-	50,000	50,000
23PW16	Reevaluation of City Speed Limit Setting Policy and Policy Implementation	-	-	-	50,000	50,000	-		-	50,000	50,000
23PW17	Transportation Master Plan Update	-	-	-	115,000	115,000	-		-	115,000	115,000
23PW18	Transportation Engineer	1.00	-	328,324	6,162	334,486	1.00		328,324	6,162	334,486
<b>Subtotal Public Works</b>		<b>4.66</b>	-	<b>1,542,579</b>	<b>1,464,921</b>	<b>3,007,500</b>	<b>4.66</b>	-	<b>1,540,579</b>	<b>1,384,421</b>	<b>2,925,000</b>
<b>Finance &amp; Administration</b>											
<b>Renewals of One Time</b>											
23FA01	Office Specialist - Business License (converting one-time to ongoing)	1.00		201,516	1,776	203,292	1.00		201,516	1,776	203,292
23FA02	Office Specialist - Financial Operations (converting one-time to ongoing)	1.00		201,072	-	201,072	1.00		201,072	-	201,072
23FA03	0.5 Accountant (convert to ongoing)	0.50		140,676	2,776	143,452	0.50		140,676	2,776	143,452
<b>New</b>											
23FA04	Business Analyst	1.00		274,965	3,178	278,143	1.00		274,965	3,178	278,143

## SERVICE PACKAGE REQUESTS (CONTINUED)

		2023-2024 Department Request					2023-2024 City Manager Recommended				
		FTE	Temp	Ongoing	One-time	Total	FTE	Temp	Ongoing	One-time	Total
23FA05	Administrative Services Manager	1.00		305,196	3,176	308,372	1.00		305,196	3,176	308,372
23FA06	Customer Accounts Associate to support City's Utility Billing Software upgrade (Springbrook)		0.50		48,701	48,701		0.50		48,701	48,701
23FA07	Impact Fee Studies				250,000	250,000				200,000	200,000
23FA08	Expanded Low Income Utility Discount Program				330,000	330,000				330,000	330,000
23FA09	Senior Accounting Associate - Payroll	1.00		243,578	3,176	246,754					-
23FA10	Summer Interns (Accounting, City Clerk, Financial Planning, Financial Operations)				67,407	67,407					-
Subtotal Finance & Administration		5.50	0.50	1,367,003	710,190	2,077,193	4.50	0.50	1,123,425	589,607	1,713,032
Fire											
New											
23FD01	Regional Training Consortium - Training Lieutenant (1FTE)	1.00		375,884	5,162	381,046	1.00		375,884	5,162	381,046
23FD02	Regional Training Consortium Administrative Assistant (1FTE)	1.00		238,344	5,162	243,506	1.00		238,344	5,162	243,506
23FD03	Regional Training Consortium Backfill FF (1FTE)	1.00		247,967	22,500	270,467					-
23FD04	Fire Suppression Cordless Tools			8,500	86,000	94,500			8,500	86,000	94,500
23FD05	Fire Suppression Replacement of Lifting Bags and Stabilizers			1,500	96,000	97,500	-		1,500	96,000	97,500
23FD06	Fire Honor Guard Team			50,000	-	50,000					-
23FD07	Station 24 Training Capacity Configuration 1 of 4 Options				2,700,000	2,700,000				2,700,000	2,700,000
23FD11	Additional Training Division Fleet Reserve Engine			57,600		57,600	-		57,600		57,600
23FD12	Safety Training			58,378	-	58,378			58,378		58,378
23FD13	Station 24 Site Prep.			30,000	80,000	110,000			30,000	80,000	110,000
Subtotal Fire		3.00	-	1,068,173	2,994,824	4,062,997	2.00	-	770,206	2,972,324	3,742,530
General Fund Total		24.16	3.25	7,690,629	6,937,275	14,627,904	13.16	4.25	4,791,077	6,368,179	11,159,256

### OTHER FUNDS

#### Street Operating Fund

<b>New</b>											
23SO01	Early Replacement of Sweepers <sup>(3)</sup>	-			250,000	250,000	-			250,000	250,000
23SO02	Median Enhancement Project	-		-	400,000	400,000	-		-	400,000	400,000
23SO03	Roller Upgrade	-		9,250	25,000	34,250	-		9,250	25,000	34,250
23SO04	Salt and Sand Storage	-		-	200,000	200,000	-		-	200,000	200,000
23SO05	Snow Program Enhancements	-		55,500	150,000	205,500	-		55,500	150,000	205,500
23SO06	Downtown Parking Pay Stations Operating Costs	-		5,000	-	5,000	-		5,000	-	5,000
23SO07	Moving to a Higher Level of Service in the Municipal Parking Garage	-		-	240,000	240,000					-
23SO08	New Parking Technology in Downtown and at Waterfront Parks	-		-	1,200,000	1,200,000	-		-	500,000	500,000

## SERVICE PACKAGE REQUESTS (CONTINUED)

		2023-2024 Department Request				2023-2024 City Manager Recommended					
		FTE	Temp	Ongoing	One-time	Total	FTE	Temp	Ongoing	One-time	Total
23SO09	Parking Permit Management Software	-		20,000	45,000	65,000	-		20,000	45,000	65,000
23SO10	Add 1 FTE - Maintenance Street Division	1.00		252,988	2,776	255,764	1.00		252,988	2,776	255,764
23SO11	Add 1 FTE - Utility Street Division	1.00		201,359	-	201,359	1.00		201,359	-	201,359
23SO12	Add 2 FTE - Grounds Division	2.00		440,490	47,776	488,266	2.00		440,490	47,776	488,266
23SO13	Add 1 FTE - Sign Shop	1.00		225,627	3,872	229,499	1.00		201,627	3,872	205,499
23SO14	Sidewalk Undergrounding and ADA Opportunity Fund	-		-	150,000	150,000	-		-	150,000	150,000
23SW01	Hook Lift Hot Box			18,750	75,000	93,750			18,750	75,000	93,750
23WS10	1.0 FTE Utility Craftsperson - Meter Reader/Locator	0.15		40,415	10,166	50,581	0.15		40,415	10,166	50,581
Subtotal Street Operating Fund		5.15	-	1,269,379	2,799,590	4,068,969	5.15	-	1,245,379	1,859,590	3,104,969
Development Services Fund											
Planning & Building											
Renewals of One Time											
23PB01	Convert Vacant Journey Plans Examiners to Senior Electrical Plans Examiner	-		38,969		38,969	-		38,969		38,969
23PB02	Convert Permit Tech to Senior Permit Tech	-		7,553		7,553	-		7,553		7,553
23PB03	Extend Temp Senior Planner				159,149	159,149					-
New											
23PB04	3rd Party Specialty Structural & Plan Review Services				200,000	200,000				200,000	200,000
23PB05	ArcGIS Urban Implementation (3 Licenses)			9,000	50,000	59,000			9,000	50,000	59,000
23PB06	ARCH Contributions (23-24)				830,000	830,000				830,000	830,000
23PB07	Overtime for Inspectors & Plans Examiners				175,262	175,262				175,262	175,262
23PB08	Hybrid Admin Support Staff for Board & Commission Meetings	0.50		109,835		109,835					-
23PB09	Planning Intern		-		32,318	32,318		-		32,318	32,318
23PB10	3rd Party Specialty Environmental/Land Use Review Services				20,000	20,000				20,000	20,000
23PB11	Data Collection Consulting Services for Parking Policy Update				40,000	40,000					-
23PB12	Online tool to Estimate Development Services Permit Fees				5,000	5,000				5,000	5,000
23PB13	Planner	1.00		281,436	5,476	286,912					-
23PB14	Planning Supervisor	1.00		332,282	5,076	337,358	1.00		332,282	5,076	337,358
23PB15	Implements Various Sustainability Master Plan (SMP) Actions		-		301,000	301,000				301,000	301,000
Subtotal Planning & Building		2.50	-	779,075	1,823,281	2,602,356	1.00	-	387,804	1,618,656	2,006,460
Public Works Engineering											
New											
23PW01	Telecommunications Franchise and Right-of-Way Analyst	0.34		94,438	340	94,778	0.34		94,438	340	94,778
23DS01	Development Engineer	1.00		329,281	5,776	335,057	1.00		329,281	5,776	335,057

## SERVICE PACKAGE REQUESTS (CONTINUED)

		2023-2024 Department Request					2023-2024 City Manager Recommended				
		FTE	Temp	Ongoing	One-time	Total	FTE	Temp	Ongoing	One-time	Total
23DS02	Inspection Supervisor	1.00		331,144	56,032	387,176	1.00		331,144	56,032	387,176
23DS03	Sr. Construction Inspector Reclassifications (2 FTE)	-		26,058	-	26,058	-		26,058	-	26,058
23DS04	Temporary Construction Inspector (Training Opportunity)		1.00	-	297,467	297,467		1.00	-	297,467	297,467
Subtotal Public Works Engineering		2.34	1.00	780,921	359,615	1,140,536	2.34	1.00	780,921	359,615	1,140,536
Subtotal Development Services Fund		4.84	1.00	1,559,996	2,182,896	3,742,892	3.34	1.00	1,168,725	1,978,271	3,146,996
Parks Maintenance Fund											
New											
23PK13	Parks Security			48,826		48,826					-
23PK18	Kirkland Heights / Playfield & Sport Court M&O	0.25		61,795		61,795					-
Subtotal Parks Maintenance Fund		0.25	-	110,621	-	110,621	-	-	-	-	-
Parks Levy Fund											
Renewal of One time											
23PK03	Contingent Employee wage schedule adjustment		-	10,594	-	10,594			10,594	-	10,594
New											
23PK05	Pop-Up Off Leash Areas / (4) Sites			28,000	24,400	52,400			28,000	24,400	52,400
23PK07	92HD Arbor Pro for Tree Maintenance (Lift Truck on Tracks)			-	235,646	235,646				235,646	235,646
23PK08	Green Kirkland Program Assistant 0.5 to 1.0 (Pos. 690)	0.50		61,116		61,116	0.50		61,116		61,116
23PK13	Parks Security			48,826		48,826					-
23PK16	Increase Funding for Lifeguard Hours			44,947		44,947			44,947		44,947
23PK18	Kirkland Heights / Playfield & Sport Court M&O	0.25		61,795		61,795					-
Subtotal Parks Levy Fund		0.75	-	255,278	260,046	515,324	0.50	-	144,657	260,046	404,703
Water/Sewer Operating Fund											
New											
23WS01	132nd Ave NE Sewer Area Plan	-		-	60,000	60,000	-		-	60,000	60,000
23WS02	2025 General Sewer Plan Update	-		-	360,000	360,000	-		-	360,000	360,000
23WS03	2025 Water System Plan update	-		-	320,000	320,000	-		-	320,000	320,000
23WS04	FOG-CCS Add .5 FTE (Pos. 541) to increase to 1 FTE	0.50		168,828	49,000	217,828	0.50		168,828	49,000	217,828
23WS05	Lead and Copper Rule Revision Compliance	-		-	80,000	80,000	-		-	80,000	80,000
23WS06	PU-77 Upgrade	-		39,800	50,000	89,800	-		39,800	50,000	89,800
23WS07	PU-78 Upgrade	-		53,400	111,000	164,400	-		53,400	111,000	164,400
23WS08	PU-108 Upgrade	-		27,800	64,200	92,000	-		27,800	64,200	92,000
23WS09	SCADA Upgrades	-		-	380,000	380,000	-		-	380,000	380,000
23WS10	1.0 FTE Utility Craftsperson - Meter Reader/Locator	0.65		175,130	44,054	219,184	0.65		175,130	44,055	219,185
23WS11	Valve Twister-Cleaner Combo Skid	-		30,200	80,000	110,200	-		30,200	80,000	110,200
23FA08	Expanded Low Income Utility Discount Program				175,000	175,000	-			175,000	175,000
Subtotal Water/Sewer Operating Fund		1.15	-	495,158	1,773,254	2,268,412	1.15	-	495,158	1,773,255	2,268,413
Surface Water Management Fund											

## SERVICE PACKAGE REQUESTS (CONTINUED)

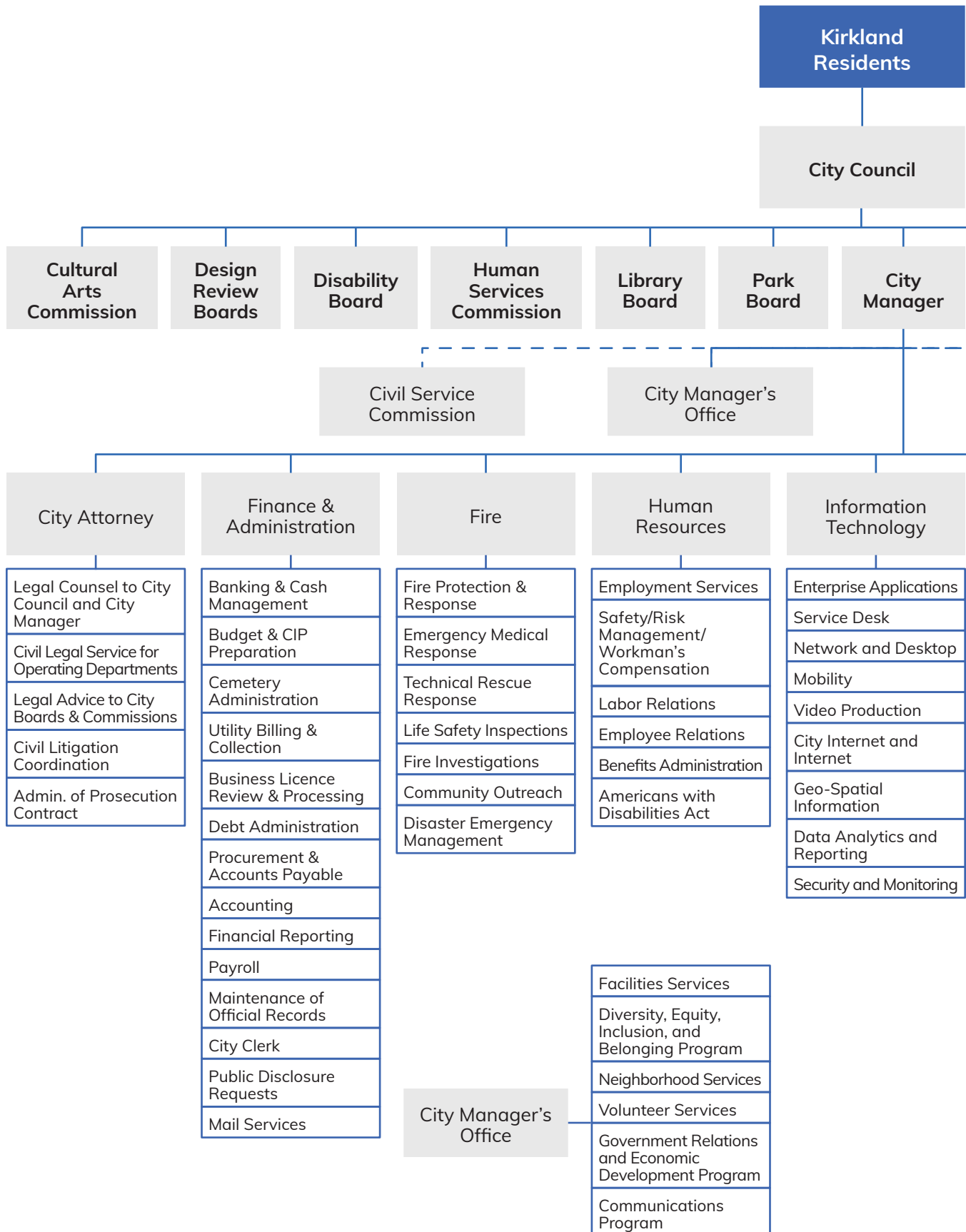
		2023-2024 Department Request				2023-2024 City Manager Recommended					
		FTE	Temp	Ongoing	One-time	Total	FTE	Temp	Ongoing	One-time	Total
New											
23WS10	1.0 FTE Utility Craftsperson - Meter Reader/Locator	0.20		53,886	13,555	67,441	0.20		53,886	13,555	67,441
23SW01	Hook Lift Hot Box			18,750	75,000	93,750			18,750	75,000	93,750
23SW02	Storm Lead 2	1.00		82,923	102,776	185,699	1.00		82,923	102,776	185,699
23SW03	Storm System Live Flow Monitoring	-		-	40,000	40,000	-		-	40,000	40,000
23SW04	Surface Water Development Opportunity Fund	-		-	150,000	150,000	-		-	150,000	150,000
23SW05	Surface Water Program Manager	1.00		388,067	7,176	395,243	1.00		388,067	7,176	395,243
23SW06	Water Quality Program Coordinator	1.00		321,957	55,876	377,833					-
Subtotal Surface Water Management Fund		3.20	-	865,583	444,383	1,309,966	2.20	-	543,626	388,507	932,133
Solid Waste Fund											
New											
23FA08	Expanded Low Income Utility Discount Program				175,000	175,000				175,000	175,000
Subtotal Solid Waste Fund		-	-	-	175,000	175,000	-	-	-	175,000	175,000
Equipment Rental Fund											
New											
23ER01	Fleet Office Specialist (temp to permanent)	1.00		203,704		203,704	1.00		203,704		203,704
23ER02	Fleet Buyer	1.00		251,499	2,776	254,275	1.00		251,499	2,776	254,275
23ER03	Replace used and new Oil Tank System				100,000	100,000				100,000	100,000
23ER04	New Fleet Service Trucks			43,000	215,000	258,000			43,000	215,000	258,000
Subtotal Equipment Rental Fund		2.00	-	498,203	317,776	815,979	2.00	-	498,203	317,776	815,979
Information Technology Fund											
New											
23IT01	Convert One-Time Video Production Specialist to Ongoing	1.00		278,548		278,548	1.00		278,548		278,548
23IT02	Third-party (non-WCIA) Insurance - Cyber Security Incidents				350,000	350,000					-
23IT03	Temporary Business Analyst - Telestaff		1.00		204,206	204,206					-
Subtotal Information Technology Fund		1.00	1.00	278,548	554,206	832,754	1.00	-	278,548	-	278,548

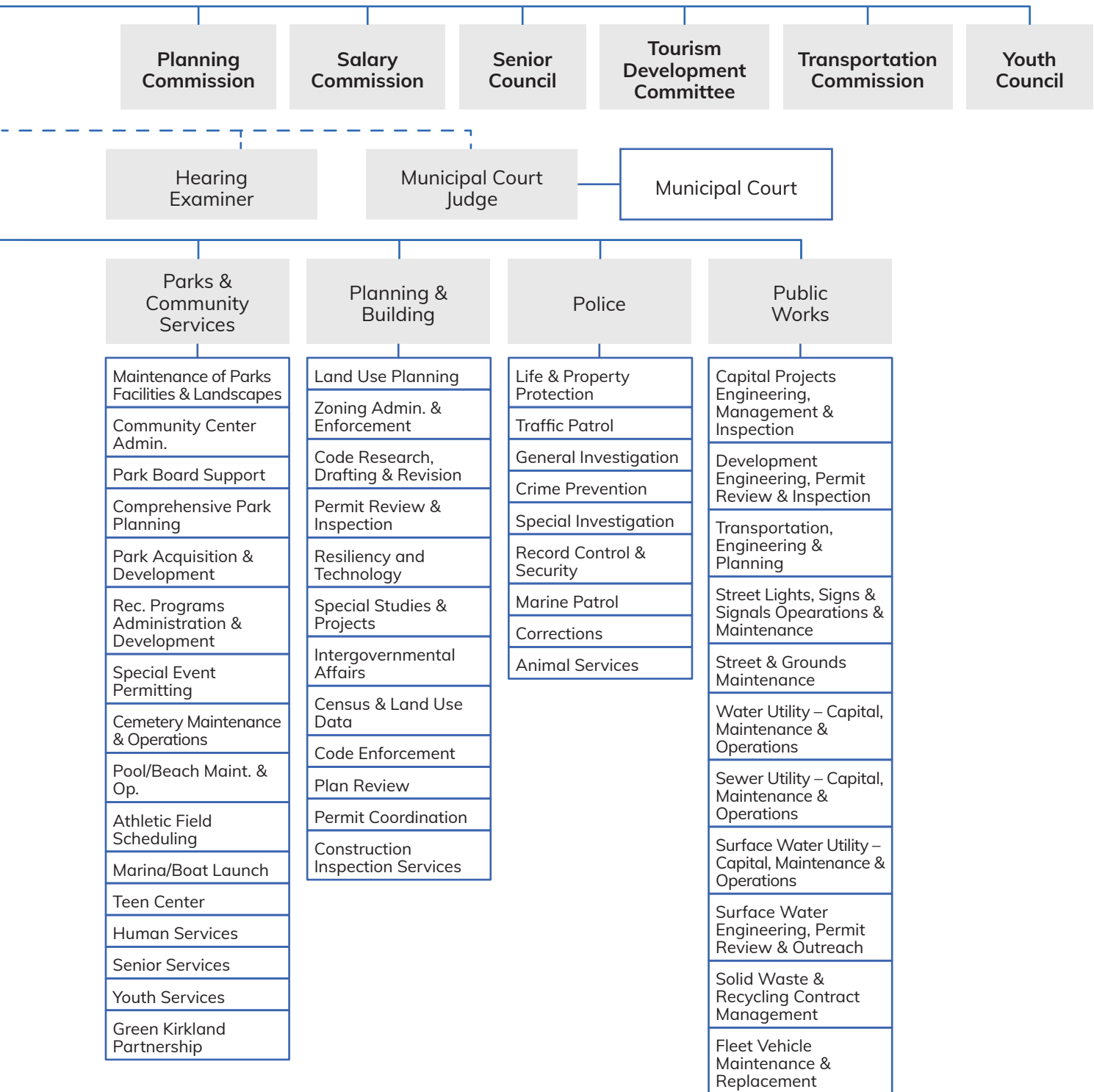
## SERVICE PACKAGE REQUESTS (CONTINUED)

		2023-2024 Department Request				2023-2024 City Manager Recommended					
		FTE	Temp	Ongoing	One-time	Total	FTE	Temp	Ongoing	One-time	Total
527 Facilities Fund											
New											
23FF01	Facilities Services Technician	1.00		280,207		280,207	1.00		280,207		280,207
23FF02	Facilities Conditions Assessment				300,000	300,000				300,000	300,000
23FF03	ARC Flash Study			104,000		104,000			104,000		104,000
23FF04	Public Works Maintenance Center Fire Panels				250,000	250,000				250,000	250,000
23FF05	Clean Building				50,000	50,000				50,000	50,000
23FF06	Articulating Compact Boom Lift			35,150	175,000	210,150			35,150	175,000	210,150
23FF07	KPC Theatrical Rigging contingent, matching funds				2,538,414	2,538,414				1,269,207	1,269,207
23FF08	Kirkland Women's Club Building Repairs				170,000	170,000					-
23FF09	Public Works Maintenance Center Building F Renovation				750,000	750,000					-
23FF10	Old Station 27 Redevelopment				785,000	785,000					-
23FF11	City Hall LED Lighting Upgrade				186,265	186,265					-
Subtotal 527 Facilities Fund		1.00	-	419,357	5,204,679	5,624,036	1.00	-	419,357	2,044,207	2,463,564
Total Other Funds		19.34	2.00	5,752,123	13,711,830	19,463,953	16.34	1.00	4,793,653	8,796,652	13,590,305
TOTAL ALL FUNDS		43.50	5.25	13,442,752	20,649,105	34,091,857	29.50	5.25	9,584,730	15,164,831	24,749,561



# Kirkland Profile





## City Council Values and Goals

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

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

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

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



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

### Inclusive and Equitable Community

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

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

### Vibrant Neighborhoods

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

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

### Community Safety

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

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

### Supportive Human Services

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

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

### Balanced Transportation

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

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

### Abundant Parks, Open Spaces and Recreational Services

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

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

### Attainable Housing

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

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

### Financial Stability

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

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

### Sustainable Environment

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

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

### Thriving Economy

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

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

### Dependable Infrastructure

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

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

# Kirkland's City Management

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

- **Fiscal Policies** which are adopted by the City Council and provide guidance in the areas of budgeting, capital improvements, reserves, debt, cash management and investments, and financial reporting.
- **Investment 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 to incorporate amendments to the Capital Facilities Plan (CFP) and/or other necessary amendments to the elements or neighborhood plans. As required by the Washington State Growth Management Act (GMA), the City must update the full Comprehensive Plan every 8 years to incorporate new growth targets for jobs and housing units, and holistically address goals and policies in each element for the next 20 years. This is called a periodic update. The last periodic update process was the Kirkland 2035 Comprehensive Plan Update, and was adopted in December 2015. The City has begun work on the periodic update for the 2044 Comprehensive Plan in 2022, and the update must be adopted by the end of 2024.

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

Other 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.

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

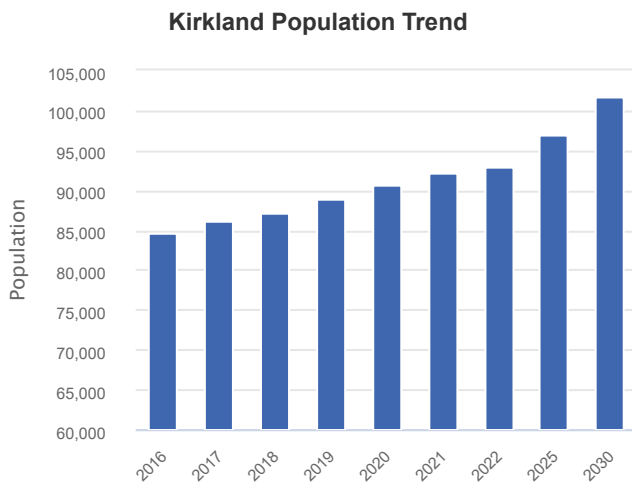
## The City's vision statement summarizes the qualities that are an integral part of its management efforts:

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

# Economic Environment

## POPULATION

Kirkland has seen modest growth since the City annexed Finn Hill, Kingsgate, and Juanita in 2011. The estimated population in 2022 is 93,570. The City is expected to surpass 95,000 residents by 2025. The chart below shows the City's population over the past seven years including projections for 2025 and 2030.



\* Estimates from WA State Office of Financial Management

## EMPLOYMENT BASE

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

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

Approximately 42,732 individuals are employed within the City limits. The following table presents the City's top employers as of 2022.

## KIRKLAND'S MAJOR EMPLOYERS

Employer	# of Employees
Evergreen Healthcare	4,668
Google Inc.	2,737
Lake Washington School District	1,259
City of Kirkland	749
Fred Meyer Stores, Inc.	552
Salesforce, Inc.	525
Tableau Software, LLC	494
Kenworth Truck Company	485
Lake Washington Institute of Technology	411
Servicenow, Inc.	384
GoDaddy.Com	381

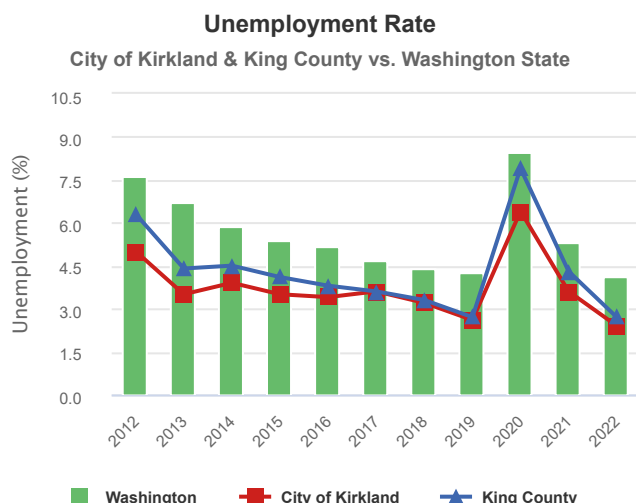
## UNEMPLOYMENT RATE

Unemployment rates in King County generally run parallel to state and national rates. Since 2004, King County's unemployment rate has consistently been below the national rate and the City of Kirkland's unemployment rate has remained close to King County rates. The impact of COVID-19 led to a significantly higher rate of unemployment in 2020. It dropped back down in 2021 and is currently at a 10-year low of 2.4 percent. The table and chart below provide comparative unemployment rates for the past 10 years. Data for 2022 is through August.

## UNEMPLOYMENT RATES <sup>(1)</sup>

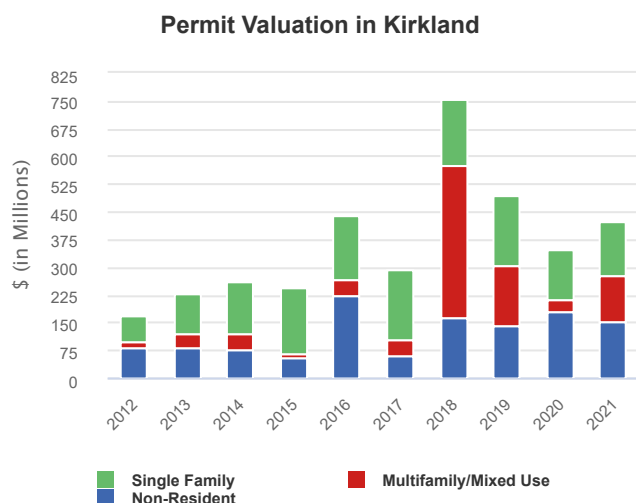
Year	City of Kirkland	King County	State of Washington	United States
2012	5.0	6.3	7.6	8.1
2013	3.5	4.4	6.7	7.4
2014	3.9	4.5	5.9	6.2
2015	3.5	4.1	5.4	5.3
2016	3.4	3.8	5.2	4.9
2017	3.6	3.6	4.7	4.4
2018	3.2	3.3	4.4	3.9
2019	2.6	2.7	4.3	3.7
2020	6.4	7.9	8.5	8.1
2021	3.6	4.3	5.3	5.4
2022	2.4	2.7	4.1	3.7

<sup>(1)</sup> U.S. Bureau of Labor Statistics.



## BUILDING ACTIVITY

Kirkland's local construction trends are a microcosm of the regional economy. Construction activity was strong between 2001 and 2007, before declining significantly during the 2008-2009 Great Recession. Kirkland's development hit its post-recession low in 2010 before construction started a slow climb back to pre-recession levels and continued to grow throughout the last decade. Large commercial and public projects like Kirkland Urban and the Village at Totem Lake drove permit valuations to the highest level on record in 2018. Activity has remained strong since 2019, driven by development in the broader Totem Lake neighborhood, Kirkland Urban, and the downtown core, as well as additions to multiple schools in the Lake Washington School District and some larger mixed-use projects in the NE 85<sup>th</sup> Street corridor.



## PERMIT VALUATION IN MILLIONS OF DOLLARS <sup>(1)</sup>

Year	Single Family	Multifamily Mixed Use	Non-Resident	Total
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
2018	178	411	163	752
2019	186	166	140	492
2020	136	29	180	345
2021	147	121	154	422

<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 Kidder Mathews, Kirkland's office vacancy rate was 5.0 percent at the end of the second quarter of 2022, while the Eastside and the Puget Sound region had office vacancy rates of 5.47 percent and 10.19 percent, respectively.

### Housing Values

Based on data from Zillow.com, Kirkland home values have continued to trend upward since 2014. Home values increased 21.1 percent between August 2020 and August 2021, and 21.7 percent between August 2021 and August 2022.

### Inflation

The Seattle Metro Consumer Price Index (CPI), a measure of price changes for goods and services, has grown significantly over the 2021-2022 biennium, increasing 5.2 percent from August 2020 to August 2021 and 9.0 percent from August 2021 to August 2022.



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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 25 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.

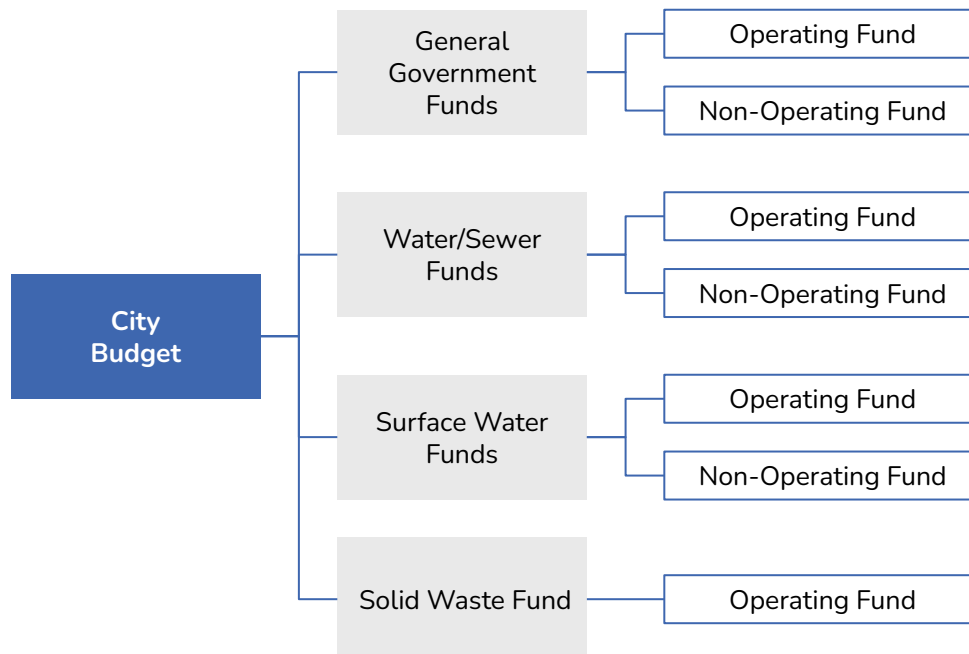
The general government operating funds include three Governmental Funds - including the General Fund, four special revenue funds, and four internal service funds. General government operating funds account for services to the public including public safety, street maintenance, land use, parks and administrative 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 funds.

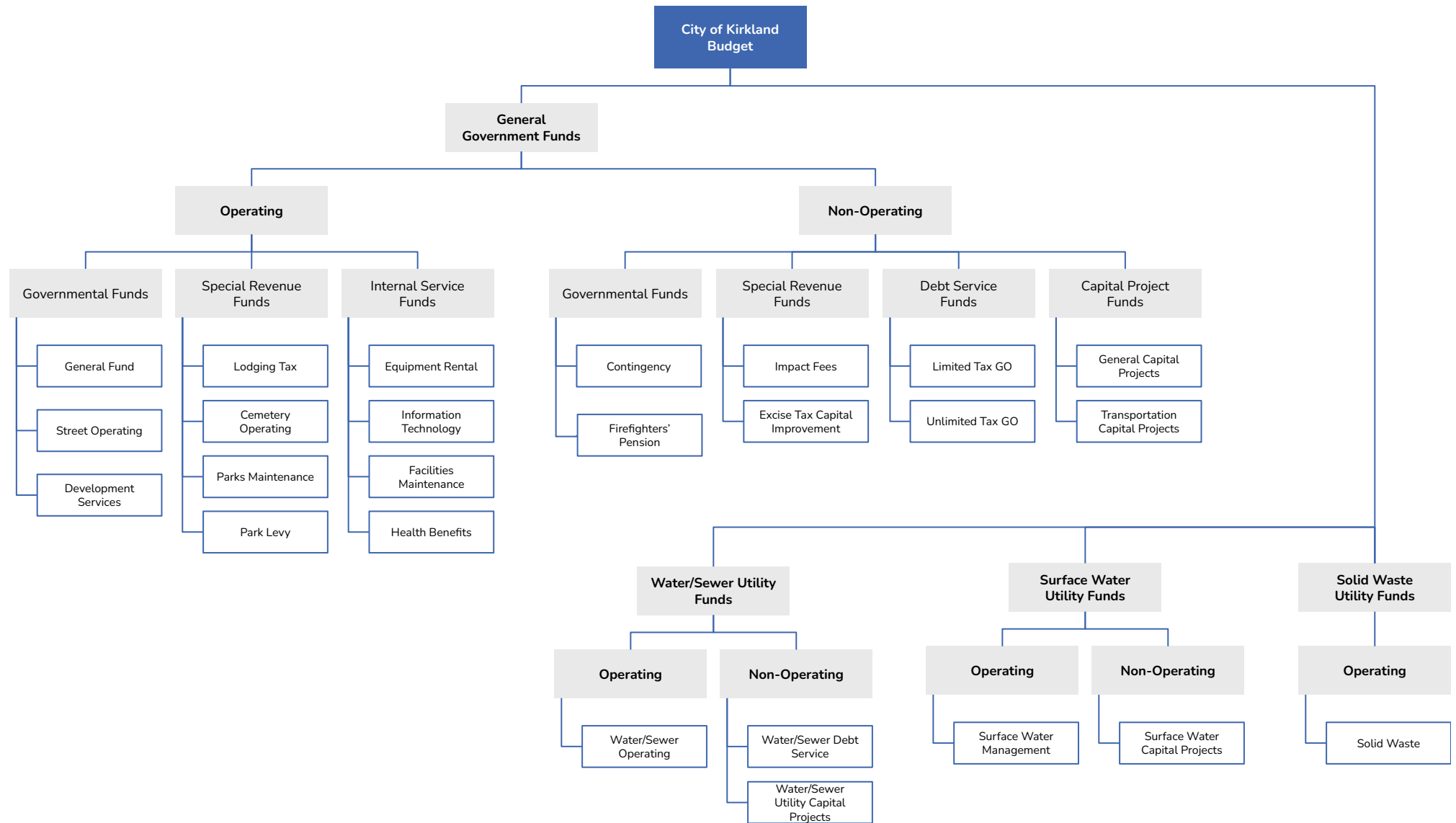
Like the general government funds, the Water/Sewer Utility and the Surface Water Utility both have operating and non-operating components. The Solid Waste Utility consists of only an operating fund. All utility operating funds account for the cost of providing and maintaining services to its customers.

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.





# Budgeting, Accounting and Reporting Basis

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

## BUDGETARY BASIS

**Budget projections for revenues and expenditures are prepared primarily on a cash basis.** Cash basis of accounting means that transactions are recognized at the point when cash is received or paid. In addition, for budgeting purposes the City includes some transactions that occur in one year, but are accrued back to the prior year for accounting entries. For example, revenue that arrives within 60 days for the start of the calendar year, or an invoice received in January for a service completed in December. However, all other accrual entries are excluded, such as long-term pension liability changes, and unrealized gains/losses in the City's investment portfolio. This creates a budgetary fund balance which represents current resources available to cover expenses.

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

**Expenditure budgets, like revenues, are prepared at the "line-item" or object-of-expense level** (e.g., regular wages, uniforms and clothing, office supplies, professional services, etc.). Summary totals are provided for "object groups" (e.g., wages, benefits, supplies, capital outlay etc.). Subtotals are provided by organizational units (divisions) within each department which represent costs by function. The financial overview page contained within each department section provides summary level financial data with data for comparative 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 City conducts a biennial community survey to gauge resident satisfaction with City services and to help establish priorities for the budget. The results are based on a statistically valid phone and a corresponding online survey. The phone survey is the source of the “Kirkland Quad” that indicates resident ratings of the importance and performance of priority areas, as well as providing key data points for department priorities and the City’s Performance Measures Report. The results of the online survey provide supplemental information for City Council consideration.
4. The Finance & Administration (F&A) Department prepares all general-purpose revenue estimates, which mostly consist of taxes, state shared revenues and entitlements, and intergovernmental service revenues, during the first half of August. In addition, the F&A Department receives and reviews all departmental revenue estimates during the same time period. All departmental expenditure estimates for the current year and “basic budget” requests for the coming biennium, which represent the estimated cost of maintaining the current service level, are received and reviewed by the F&A Department during the second half of August.
5. In late August, the Deputy City Manager, Director of Finance & Administration, Deputy Director of Finance & Administration, Financial Planning Manager and Budget Analysts meet with each department to review their basic budget requests.
6. In early September, departments submit additional funding requests (called “service packages”) for new positions, equipment, and projects which are over and above their basic budgets. The F&A Department reviews all service package requests by mid-September. In years when funding is limited, departments may also be asked to submit proposed expenditure reductions.
7. In early-September, the City Manager meets with each department director and key staff to review their basic budget and service package requests. In addition, the City holds a public hearing in mid- September to gather community members’ input on proposed revenue sources for the coming biennium.
8. The City Manager finalizes the preliminary budget proposal, which includes recommended service packages and reductions (if any), by mid-September.
9. In October, the F&A Department prepares and prints the preliminary budget document for the coming biennium. By November 1<sup>st</sup>, the preliminary budget document is filed with the City Clerk, distributed to the City Council and the departments, and made available to the public.
10. The City Council meets in October and/or November for a series of budget study sessions to review the City Manager’s proposed budget and to determine if there are any changes they wish to make.
11. The City holds at least one public hearing in mid-November to gather community members’ input on the preliminary budget as well as on any changes made by the City Council during their budget deliberations.

12. In December, the City Council adopts the final property tax levy for the coming year and the final budget for the coming biennium each by ordinance via a simple majority of the members present. The appropriation approved by the City Council is at the individual fund level.
13. The F&A Department publishes the final budget document during the first quarter of the following year, distributes the document to the City Council and the departments, and makes copies available to the public.

## BUDGET ADJUSTMENT PROCESS

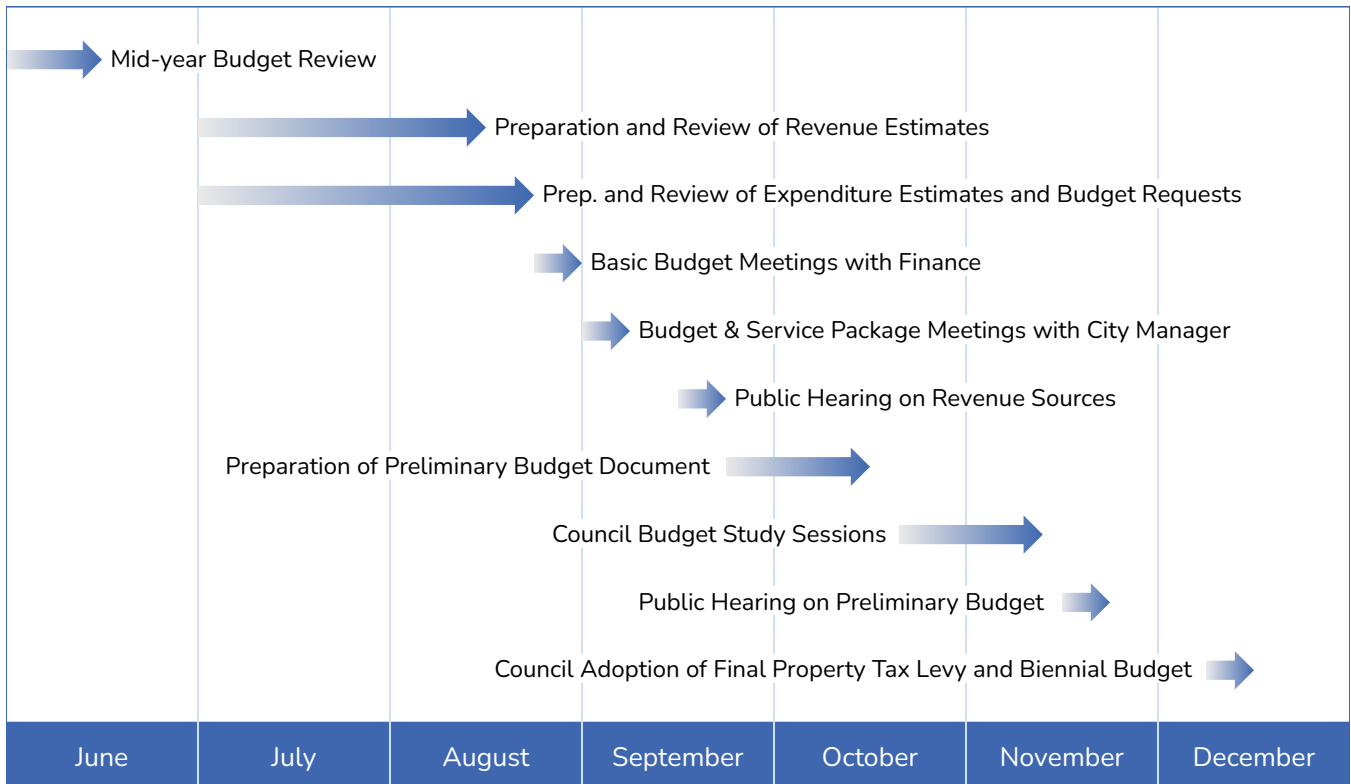
There are two types of adjustments related to the adopted budget: 1) transfers between line items or between departments within the same fund; and 2) changes to an individual fund's total appropriation. The former is handled administratively when needed with the approval of the F&A Director. The latter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

**Finance & Administration**

**Finance & Administration**

**Department Overview**

**MISSION**

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

**DEPARTMENT FUNCTIONS**

The department provides financial services to the City of Kirkland, including budget and capital budgeting, accounting, payroll, and purchasing. The department also manages the City's financial records and provides financial planning and analysis.

**BUDGET HIGHLIGHTS**

**FINANCIAL STABILITY**

- Add a Temporary Accounting position
- Fund a complete projects, \$150,000

*Boxes with dashed outlines represent positions or functions budgeted in a different fund.*

**Finance & Administration**

**Financial Overview**

**Uses of Funds**

**Expenditures by Category**

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

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

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

# Guide to Kirkland's Budget Document

Revenue needed to support fund activities is presented in detail with summaries at the revenue category level. For each revenue item, data is presented for the prior biennium actual amount received, the total estimated for the current biennium, the current biennial budget, and the budgeted amount for the coming biennium. Note that permit and charges for service revenues associated with development activity have been moved to the Development Services Fund beginning in 2023-2024.

## GENERAL FUND REVENUES

	Object	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Percent Change
Prop Tax	311101	39,724,622	56,733,063	56,037,517	60,066,940	7.19%
Rtl Sales Use Tax	313111	54,152,654	61,278,129	48,193,572	61,769,600	28.17%
Annex Sales Tx	313121	9,718,017	151,983	2,467,500	-	(100.00%)
Spec Purpose Tx Public Safety	313150	3,996,572	5,008,785	3,921,998	5,060,929	29.04%
Affrdbl Sprrtv Hsng SalesUseTx	313270	123,478	383,416	423,336	507,452	19.87%
Brok Nat Gax Tax	313611	5,453	7,558	5,362	7,600	41.74%
Criminal Justice Loc Tax	313711	5,304,791	5,881,912	4,956,280	5,699,722	15.00%
Rev Gen Reg License	316101	6,217,090	8,020,224	6,360,204	9,272,278	45.79%
Rev Gen Bus Lic Prior Yr	316102	255,534	264,370	136,800	145,000	5.99%
Electric Utility Tax	316411	7,350,519	8,037,959	7,337,245	8,804,079	19.99%
Gas Utility Tax	316431	2,634,623	3,042,901	2,951,333	3,428,297	16.16%
TV Cable-Private	316461	2,715,350	2,438,030	2,528,008	2,164,563	(14.38%)
Telephone Utility Tax	316471	3,133,875	2,074,456	2,204,096	1,438,696	(34.73%)
Water Cus Utility Tx	316481	3,169,906	3,467,611	3,428,161	3,727,646	8.74%
Sewer Cus Utility Tx	316482	2,902,415	3,085,966	3,114,219	3,558,270	14.26%
Sld Waste Utility Tx	316483	3,755,134	3,868,764	3,858,277	5,705,823	47.89%
SW Cus Util Tx	316484	1,602,494	1,628,320	1,601,200	1,762,100	10.05%
Pnch Bds Pull Tb	316811	357,364	657,292	386,949	686,000	77.28%
Bingo and Raffle	316821	5,474	552	6,643	500	(92.47%)
Amusement Games	316831	1,929	2,112	2,378	2,000	(15.90%)
Card Games	316841	1,993,892	2,434,470	1,993,644	2,666,449	33.75%
Leasehold Excise	317201	154,283	131,456	158,682	120,000	(24.38%)
Admissions Tax	318111	124,900	281,131	89,071	356,167	299.87%
<b>Total for Taxes</b>		<b>149,400,369</b>	<b>168,880,457</b>	<b>152,162,475</b>	<b>176,950,111</b>	<b>(3.26%)</b>
<b>License and Permits</b>						
Cabaret License	321703	-	-	250	-	(100.00%)
Franchise Fees	321911	7,966,999	7,981,078	8,057,771	8,560,295	6.24%
Lease Franchise Revenue	321913	-	-	-	-	-
Business License Fee	321991	1,494,505	1,696,518	1,344,778	1,700,000	26.41%
Busking Permit Fee	321995	-	450	-	1,200	-
Building Permit	322101	5,848,319	6,195,380	5,693,483	-	(100.00%)
Plumbing Permit	322102	582,774	628,028	480,000	-	(100.00%)
Clear Grade Permit	322103	13,974	16,577	9,600	-	(100.00%)
Side Sewer Permit	322104	195,783	179,457	180,000	-	(100.00%)
Mechanical Permit	322105	1,481,264	1,450,986	1,062,000	-	(100.00%)
Sign Permit	322106	69,766	69,913	48,100	-	(100.00%)
Temporary Membrane Struct	322108	-	-	-	-	-
Temporary Place of Assembly	322110	-	-	-	-	-
Animal License	322301	378,035	332,167	415,000	330,000	(20.48%)
Street Curb Permit	322401	737,398	752,771	737,350	-	(100.00%)
Street Vacation Permit	322403	-	-	-	-	-
Fireworks Permits	322901	-	-	-	-	-
Fire Alarm Permit	322902	280,147	273,753	150,644	-	(100.00%)
C Weapon Permit	322903	29,897	29,000	26,400	26,400	-%
Special Event Permit	322905	10,990	16,251	20,000	20,000	-%
IFS Other	322915	1,730	5,978	5,410	5,410	-%



# 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.

## • FISCAL POLICIES

- 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.

## • FISCAL POLICIES

- 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.

## • FISCAL POLICIES

- 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.

## DEBT MANAGEMENT POLICIES

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

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

- City Council approval is required prior to the issuance of debt.
- An analytical review shall be conducted prior to the issuance of debt.
- The City will continually strive to maintain its bond rating by improving financial policies, budget forecasts and the financial health of the City so its borrowing costs are minimized and its access to credit is preserved.
- All debt issued by the City will include a written opinion by bond counsel affirming that the City is authorized to issue the proposed debt.
- The City of Kirkland will not use long-term debt to support current operations.
- Long-term borrowing will only be used for capital improvements that cannot be financed from current revenues.
- Non-capital furnishings, supplies, and personnel will not be financed from bond proceeds.
- Interest, operating and/or maintenance expenses will be capitalized only for enterprise activities; and will be strictly limited to those expenses incurred prior to actual operation of the facilities.
- The general obligation debt of Kirkland will not exceed an aggregated total of 7.5% of the assessed valuation of the taxable property within the City.
- The following individual percentages shall not be exceeded in any specific debt category:
  - General Debt – 2.5% of assessed valuation
  - Non-Voted – 1.5% Limited Tax General Obligation (LTGO) Bonds
  - Voted – 1.0% Unlimited Tax General Obligation Bonds
  - Utility Debt – 2.5% of assessed valuation
  - Open Space and Park Facilities – 2.5% of assessed valuation
- The City's policy is to plan and direct the use of debt so that debt service payments will be a predictable and manageable part of the Operating Budget.
- Short-term borrowing will only be used to meet the immediate financing needs of a project for which long-term financing has been secured but not yet received.
- Assessment bonds will be considered in place of general obligation bonds, where possible, to assure the greatest degree of public equity.
- Limited Tax General Obligation (LTGO) bonds will be issued only if:
  - A project requires funding not available from alternative sources;
  - Matching fund monies are available which may be lost if not applied for in a timely manner; or
  - Emergency conditions exist.
- The issuance of bonds shall be financed for a period not to exceed a conservative estimate of the asset's useful life.
- General Obligation bonds will be issued with maturities of 30 years or less unless otherwise approved by Council.
- The maturity of all assessment bonds shall not exceed statutory limitations. RCW 36.83.050.
- The City will use refunding bonds, where appropriate, when restructuring its current outstanding debt.

## CAPITAL IMPROVEMENT POLICIES

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

- The City will establish and implement a comprehensive multi-year Capital Improvement Program.



- FISCAL POLICIES

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

# Budget Summary

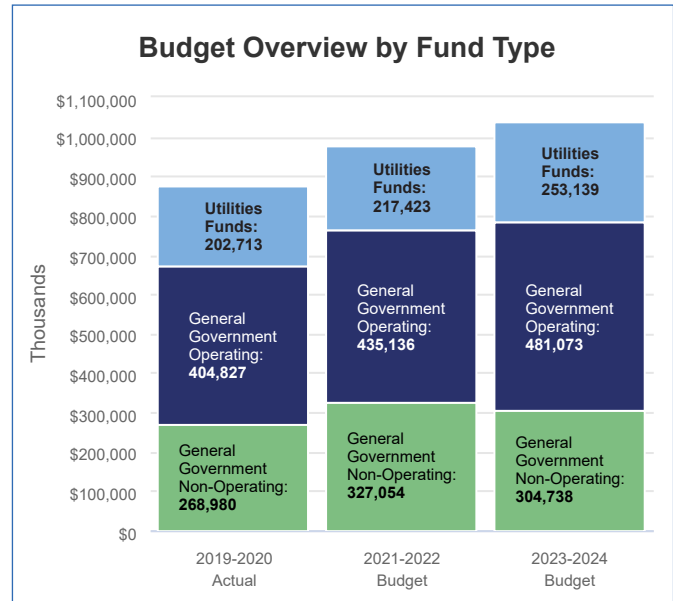
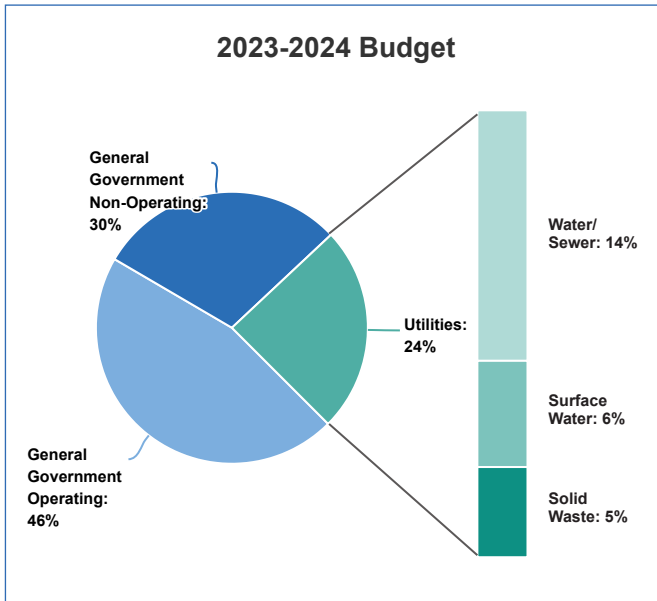




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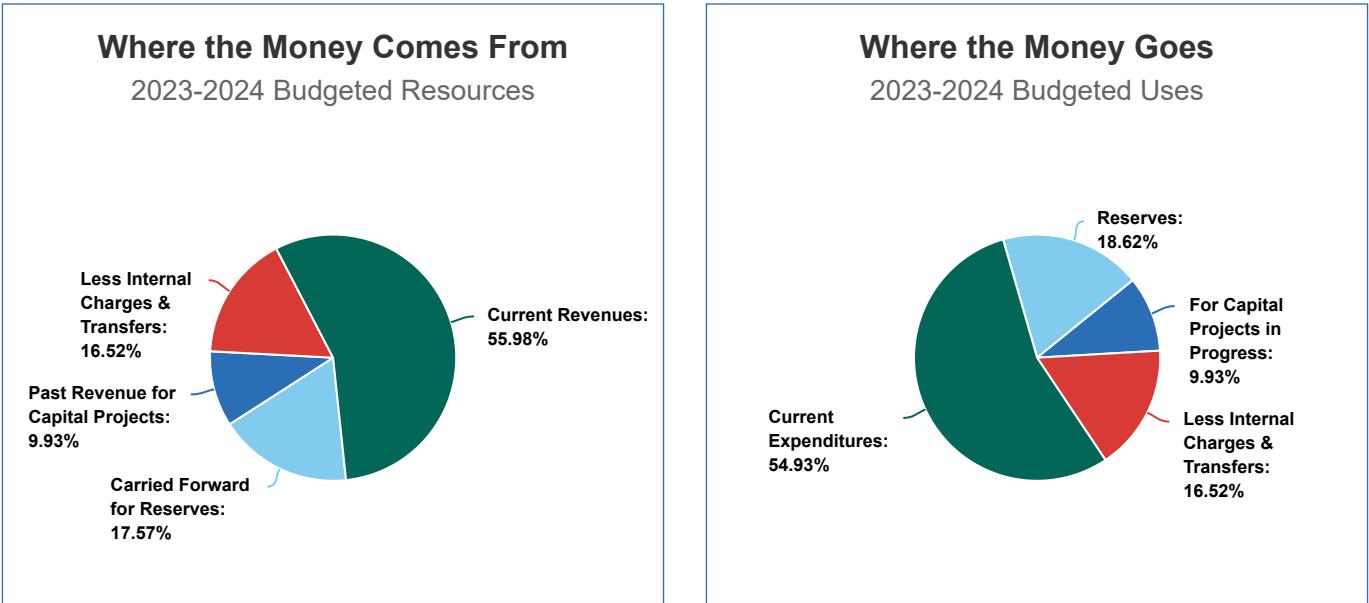
## BUDGET SUMMARY

### \$1,038,949,482



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.

2023-2024 Total Resources and Uses



Total Budgeted Resources	\$ 1,038,949,482	Total Budgeted Uses	\$ 1,038,949,482
Less Resources Forward (Cash)		Less Reserves & Working Capital	
Carried Forward for Reserves	(178,748,406)	Reserves	(173,539,979)
Past Revenue for Capital Projects	(101,430,628)	For Capital Projects in Progress	(101,430,628)
Less Internal Charges & Transfers	(168,810,532)	Less Internal Charges & Transfers	(168,810,532)
Current Revenues	\$ 589,959,916	Current Expenditures	\$ 595,168,343

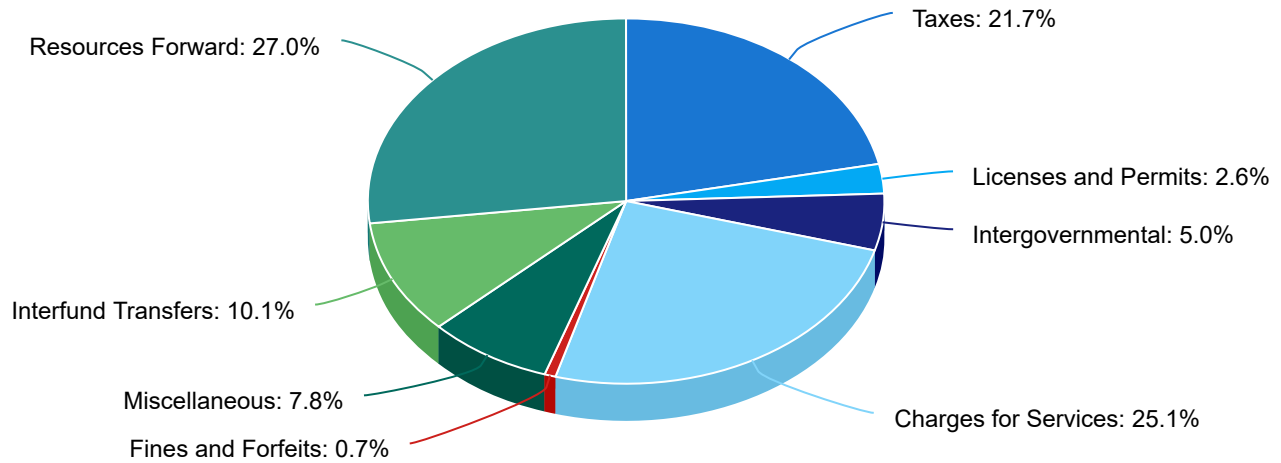
The total budget of \$1.04 billion encompasses all resources and uses, including reserves, unreserved working capital, and internal transactions involving payments or transfers from one fund to another. Including these transactions in the budget provides a full accounting of the activities in each fund. However, they also have the effect of “grossing up” the total budget.

Current revenues reflect what the City expects to receive from external sources. Across all functions, about \$590.0 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 \$595.2 million is projected to be spent during the next biennium citywide. The \$5.2 million difference between current revenues and current expenditures represents an increase in fund balance, and is primarily due to two planned debt issuances in 2023-24 that will generate significant revenue, but will not be fully spent in this biennium.

## Total Government Revenue Summary

### 2023-2024 Budget

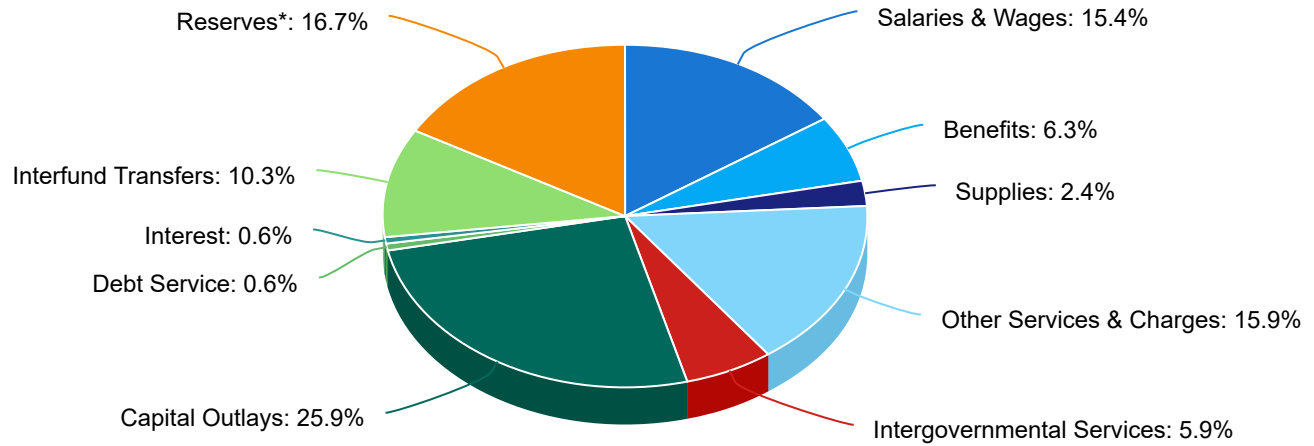


## ANALYSIS OF CHANGE

Revenue Type	2019-2020 Actual	2021-2022 Budget	2023-2024 Budget	Change
Taxes	201,927,236	196,923,731	225,613,605	14.57%
Licenses and Permits	22,519,245	20,839,273	27,221,706	30.63%
Intergovernmental	27,420,777	92,743,890	52,147,433	(43.77%)
Charges for Services	195,018,362	210,044,439	259,694,913	23.64%
Fines and Forfeits	3,685,529	5,319,245	6,899,700	29.71%
Miscellaneous	67,610,540	95,266,232	81,416,448	(14.54%)
Interfund Transfers	109,501,055	119,673,917	105,776,643	(11.61%)
Resources Forward	248,837,043	238,802,558	280,179,034	17.33%
<b>Total Revenue</b>	<b>876,519,787</b>	<b>979,613,285</b>	<b>1,038,949,482</b>	<b>6.06%</b>

## Total Government Expenditure Summary

### 2023-2024 Budget



## ANALYSIS OF CHANGE

Expenditure Category	2019-2020 Actual	2021-2022 Budget	2023-2024 Budget	Change
Salaries & Wages	126,177,613	143,066,172	160,080,736	11.89%
Benefits	52,479,721	62,634,452	65,545,925	4.65%
Supplies	19,214,257	21,663,118	24,571,484	13.43%
Other Services & Charges	123,638,033	152,330,976	165,225,809	8.47%
Intergovernmental Services	46,710,333	48,933,112	61,588,424	25.86%
Capital Outlays	108,349,635	286,793,185	269,450,819	(6.05%)
Debt Service	4,686,401	7,712,625	6,718,190	(12.89%)
Interest	9,091,181	4,728,982	6,397,473	35.28%
Interfund Transfers	109,501,055	130,405,292	105,830,643	(18.84%)
Reserves*	145,613,271	121,345,372	173,539,979	43.01%
<b>Total Expenditure</b>	<b>745,461,501</b>	<b>979,613,285</b>	<b>1,038,949,482</b>	<b>6.06%</b>

\* 2019-2020 Actual and 2021-2022 Estimate reserves are budgeted, but not spent

## GENERAL GOVERNMENT OPERATING FUNDS 2023-2024 BUDGET OVERVIEW: BY TYPE/FUND

Fund	2019-2020 Actual	2021-2022 Budget	2023-2024 Budget	Change
<i>Governmental Funds</i>				
General Fund	287,349,005	302,645,360	298,135,553	(1.49%)
Street Operating Fund	22,337,430	25,347,562	28,053,264	10.67%
Development Services Fund	-	-	53,810,527	
<b>Total Governmental Funds</b>	<b>309,686,435</b>	<b>327,992,922</b>	<b>379,999,344</b>	<b>15.86%</b>
<i>Special Revenue Funds</i>				
Lodging Tax Fund	878,959	885,592	901,619	1.81%
Cemetery Operating Fund	1,237,329	1,330,738	1,411,246	6.05%
Parks Maintenance Fund	3,724,010	4,077,284	4,400,196	7.92%
Parks Levy Fund	7,894,825	8,328,612	9,156,276	9.94%
<b>Total Special Revenues Funds</b>	<b>13,735,124</b>	<b>14,622,226</b>	<b>15,869,337</b>	<b>8.53%</b>
<i>Internal Service Funds</i>				
Health Benefits Fund	20,771,835	23,303,951	25,708,788	10.32%
Equipment Rental Fund	27,401,316	29,453,486	21,374,265	(27.43%)
Information Technology Fund	16,870,344	18,655,463	21,444,279	14.95%
Facilities Maintenance Fund	16,361,992	21,107,932	16,677,162	(20.99%)
<b>Total Internal Service Funds</b>	<b>81,405,487</b>	<b>92,520,832</b>	<b>85,204,494</b>	<b>(7.91%)</b>
<b>Gen. Gov't Operating Total</b>	<b>404,827,046</b>	<b>435,135,980</b>	<b>481,073,175</b>	<b>10.56%</b>

## GENERAL GOVERNMENT NON-OPERATING FUNDS

Fund	2019-2020 Actual	2021-2022 Budget	2023-2024 Budget	Change
<i>Governmental Funds</i>				
Contingency Fund	6,292,477	6,355,888	6,959,697	9.50%
Firefighters' Pension	1,501,865	1,530,506	1,680,663	9.81%
<b>Total Governmental Funds</b>	<b>7,794,342</b>	<b>7,886,394</b>	<b>8,640,360</b>	<b>9.56%</b>
<i>Special Revenue Funds</i>				
Impact Fees	19,788,794	11,431,274	7,968,207	(30.29%)
Excise Tax Capital Improvement	53,822,104	37,222,312	41,691,867	12.01%
<b>Total Special Revenues Funds</b>	<b>73,610,898</b>	<b>48,653,586</b>	<b>49,660,074</b>	<b>2.07%</b>
<i>Debt Service Funds</i>				
LTGO Debt Service	35,368,788	8,787,933	13,109,943	49.18%
UTGO Debt Service	1,425,947	1,422,655	-	(100.00%)
<b>Total Debt Service Funds</b>	<b>36,794,735</b>	<b>10,210,588</b>	<b>13,109,943</b>	<b>28.40%</b>
<i>Capital Projects Funds</i>				
General Capital Projects Fund	82,039,085	114,839,942	104,815,386	(8.73%)
Transportation Capital Projects Fund	68,741,146	145,463,320	128,511,999	(11.65%)
<b>Total Capital Projects Funds</b>	<b>150,780,231</b>	<b>260,303,262</b>	<b>233,327,385</b>	<b>(10.36%)</b>
<b>Gen. Gov't Non-Operating Total</b>	<b>268,980,206</b>	<b>327,053,830</b>	<b>304,737,762</b>	<b>(6.82%)</b>

## UTILITY FUNDS

Fund	2019-2020 Actual	2021-2022 Budget	2023-2024 Budget	Change
Water/Sewer Utility				
Water/Sewer Operating Fund	72,436,918	75,889,834	83,868,206	10.51%
Water/Sewer Debt Service	922,191	798,683	687,971	(13.86%)
Utility Capital Projects Fund	39,223,788	41,614,089	53,064,211	27.52%
<b>Water/Sewer Utility</b>	<b>112,582,897</b>	<b>118,302,606</b>	<b>137,620,388</b>	<b>16.33%</b>
Surface Water Utility				
Surface Water Operating Fund	29,784,524	31,360,173	32,425,239	3.40%
Surface Water Capital Projects Fund	20,149,884	22,027,389	20,170,883	(8.43%)
<b>Surface Water Utility</b>	<b>49,934,407</b>	<b>53,387,562</b>	<b>52,596,122</b>	<b>(1.48%)</b>
Solid Waste Utility				
Solid Waste Operating Fund	40,195,230	45,733,307	62,922,035	37.58%
<b>Solid Waste Utility</b>	<b>40,195,230</b>	<b>45,733,307</b>	<b>62,922,035</b>	<b>37.58%</b>
<b>Utility Funds Total</b>	<b>202,712,535</b>	<b>217,423,475</b>	<b>253,138,545</b>	<b>16.43%</b>
<b>All Funds</b>	<b>876,519,787</b>	<b>979,613,285</b>	<b>1,038,949,482</b>	<b>6.06%</b>



# Revenue

A guide to major revenue sources and trends.



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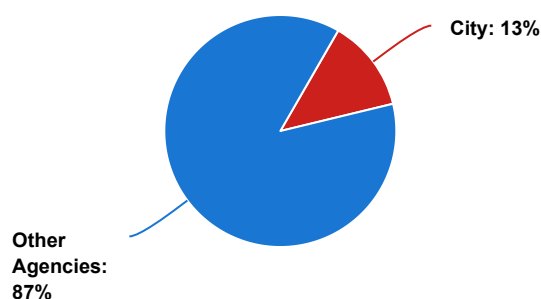
# Revenue Trends & Assumptions

## TAXES

### Property Tax

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

**2022 Property Tax Distribution**



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 Fund and Parks Levy Fund.

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

Although property taxes represent a major source of funding for City services, the portion of each property owner's total tax bill allocated to the City is relatively small. In the 10 years after the 2011 annexation the City's rate varied slightly depending on the specific neighborhood due voter approved and assumed debt that predated the annexation. However, in 2021-22 both the assumed debt from the old Fire District 41 area, and the 2003 Refunded Unlimited Tax Government Obligation (UTGO) bonds voted on by residents within the old boundaries of the City were both paid in full. Beginning in 2023 there will be one rate for the entire City. In 2022, the total typical property tax rate in Kirkland is \$8.71 per \$1,000 of assessed valuation. Of that total, about 13 percent, or \$1.12 per \$1,000 assessed valuation, goes to the City. This rate includes the 2002 and 2012 levy lid lifts for parks maintenance, the 2012 levy lid lift for street preservation and pedestrian safety, and the 2020 fire prop 1 measure.

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

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

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

## BUDGET

	2021-2022	2023-2024
Property Tax	\$80,499,343	\$84,627,788
General Fund	\$ 41,372,782	\$ 44,327,526
Fire Prop 1	\$ 14,664,735	\$ 15,739,414
Street Operating Fund	\$ 6,778,947	\$ 7,283,046
Street Operating Fund (Street Maintenance/ Pedestrian Safety Levy)	\$ 7,312,510	\$ 7,854,981
Parks Maintenance Fund	\$ 3,061,122	\$ 3,288,205
Parks Levy Fund	\$ 5,710,954	\$ 6,134,616
LTGO Debt Service Fund (Fire District Debt)	\$ 470,573	\$ -
UTGO Debt Service Fund (Voted Debt)	\$ 1,127,720	\$ -

## TRENDS AND ASSUMPTIONS

### Methodology

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

### Trends

- New construction as a percentage of each year's total base regular levy has ranged from 1.35 percent to 2.7 percent over the last 10 years.

### Key Assumptions

- 1.5 percent new construction in 2023 and 2024.
- 1.0 percent optional levy increase in 2023 and 2024.

## Sales Tax

Sales tax is one of the primary sources of funding for general government services and is the largest single source of General Fund revenue in the 2023-2024 biennium.

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

The general sales tax rate within the City of Kirkland is 10.2 percent, of which 0.85 percent is returned to the City of Kirkland and 9.35 percent is distributed to the State, King County, and other public agencies. An additional 0.3 percent is collected by the State on vehicle sales and leases to fund transportation improvements. Note that the Public Safety Sales Tax Ballot Measure passed in 2018, which increased the total General Sales Tax Rate by 0.1 percent in 2019, does not impact the total auto sales/lease rate of 10.4 percent per state statute. The distribution of the sales tax is displayed in the table above.

Jurisdiction	Rate (%)
State of Washington	6.500
King County/METRO	0.900
King County Criminal Justice Levy	0.100
King County Mental Health	0.100
King County Housing	0.100
City of Kirkland	
(1.0 with 0.15 remitted to King County for administrative costs)	
City Portion	0.850
County Portion	0.150
Public Safety	0.100
Regional Transit Authority	1.400
<b>Total General Sales Tax Rate</b>	<b>10.200</b>
Additional Auto Sales/Lease Rate	0.300
<b>Total Auto Sales/Lease Rate</b>	<b>10.400</b>

## BUDGET

Sales Tax	2021-2022	2023-2024
	<b>\$52,115,570</b>	<b>\$66,830,529</b>
General Retail Sales Tax (General Fund)	\$ 48,193,572	\$ 61,769,600
Public Safety Retail Sales Tax (General Fund)	\$ 3,921,998	\$ 5,060,929

## TRENDS AND ASSUMPTIONS

### Methodology

- Kirkland budgets sales tax revenue using a modified two-year lag policy, which sets 2023 and 2024 budgeted sales tax equal to estimated 2022 revenue. This policy was also utilized for 2021 and 2022 budgeted sales tax, which equaled 2020 estimated revenue.

### Trends

- Actual general retail sales tax and public safety retail sales tax revenues for the past 5 years (2017-2021) as well as the current year estimates (2022) for both revenues are shown in the table below (numbers are in millions).

	2017	2018	2019	2020	2021	2022 Est
General Retail Sales Tax (\$M)	\$ 22.16	\$ 24.50	\$ 25.60	\$ 27.56	\$ 30.39	\$ 30.88
% Change vs. Previous Year	10.4%	10.6%	4.5%	7.7%	10.3%	1.6%
Public Safety Retail Sales Tax (\$M)*	-	-	\$ 1.74	\$ 2.26	\$ 2.55	\$ 2.46
% Change vs. Previous Year	-	-	-	29.9%	12.8%	(3.5%)

\* Voters approved a Public Safety Sales Tax in November 2018, but the City did not receive any revenue until April 2019.

- The growth in 2017-2021 is related to a high level of development activity and strong retail growth.
- General retail sales tax revenue is projected to be \$30,884,800 in 2022, which is 1.6 percent higher than 2021.
- Public safety sales tax revenue is projected to be \$2,456,669 in 2022, which is 3.5 percent less than 2021.

**Key Assumptions**

- 9.35 percent City sales tax rate (10.2 percent less 1.65 percent remitted to King County for administrative costs).
- General retail sales tax and public safety retail sales tax revenues in 2023 and 2024 are projected to be the same as 2022 estimated revenues.
- Automobile sales are exempt from the 0.1 percent sales tax authorized by the Public Safety Sales Tax Ballot Measure per State statute.

**King County Criminal Justice Levy**

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

**BUDGET**

	2021-2022	2023-2024
Criminal Justice Levy	\$4,956,280	\$5,699,722
General Fund	\$ 4,956,280	\$ 5,699,722

**TRENDS AND ASSUMPTIONS**

**Methodology**

- Distributed on the basis of population. A modified two-year lag policy sets the budget for 2023 and 2024 equal to estimated 2022 revenue.

**Trends**

- Revenue is projected to be \$2,849,861 in 2022, which is 6 percent less than 2021.

**Key Assumptions**

- Revenue in 2023 and 2024 is projected to be the same as 2022 estimated revenue, which is higher than budgeted 2021-2022 revenue.

**Utility Taxes**

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

There are no restrictions on the tax rates for water, sewer, surface water, and solid waste utilities. A 2008 Washington State Supreme Court decision ruled that fire hydrant maintenance must be paid from taxes rather than water utility rates. As a result, water rates were reduced to remove the costs of the protection and the water utility tax rate was increased as of 2011 to pay for hydrant maintenance from the General Fund. In 2013, the Washington State Legislature passed clarifying law enabling hydrant maintenance to be paid from

either general government charges or water rates. Kirkland has continued to use increased utility tax rates to pay for these charges.

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

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

## BUDGET

Utility Taxes (General Fund)	2021-2022 \$27,022,539	2023-2024 \$30,589,474
Electric Utility Tax (Private)	\$ 7,337,245	\$ 8,804,079
Gas Utility Tax (Private)	\$ 2,951,333	\$ 3,428,297
Television Cable Utility Tax (Private)	\$ 2,528,008	\$ 2,164,563
Telephone Utility Tax (Private)	\$ 2,204,096	\$ 1,438,696
Water Utility Tax (City Owned)	\$ 3,428,161	\$ 3,727,646
Sewer Utility Tax (City Owned)	\$ 3,114,219	\$ 3,558,270
Solid Waste Utility Tax (City Contracted)	\$ 3,858,277	\$ 5,705,823
Surface Water Utility Tax (City Owned)	\$ 1,601,200	\$ 1,762,100

## TRENDS AND ASSUMPTIONS

### Methodology

- City utilities (Water, Sewer, Surface Water, Solid Waste) based on projected rate increases for 2023-2024.
- Gas and Electric utility tax rates based on requested rates from Puget Sound Energy (PSE).
- Other rates based on historical trends with greater emphasis on current year revenues.

### Trends

- Electric utility tax revenue increased 2.8 percent per year, on average, in 2019-2021, and is projected to decline 1.9 percent in 2022 (relative to 2021 actual). It should be noted that 2021-2022 actual revenue is expected to exceed budget, with actual 2021 revenue and 2022 estimated revenue collectively being 9.6 percent more than budget. The primary drivers are Puget Sound Energy (PSE) electric utility rates and summer weather conditions.
- Gas utility tax revenue increased 5.6 percent per year, on average, in 2019-2021, and is projected to increase 3.8 percent in 2022 (relative to 2021 actual). The primary drivers are Puget Sound Energy gas utility rates, winter weather conditions, and population growth.
- Television cable utility tax revenue declined 4.1 percent per year, on average, in 2019-2021, and is projected to decline 8.0 percent in 2022 (relative to 2021 actual) due to changes in consumer behavior.
- Telephone utility tax revenue declined 18.3 percent per year, on average, in 2019-2021, and is projected to decline 21.1 percent in 2022 (relative to 2021 actual) due to changes in consumer behavior.
- Collectively, water, sewer, solid waste, and surface water utility revenues increased 2.1 percent per year, on average, in 2019-2021, and they are projected to increase 1.8 percent in 2022 (relative to 2021 actuals). The primary drivers are utility rates, summer weather conditions (impacts water utility only), and population growth.

### Key Assumptions

- Electric utility tax revenue is projected to increase 9.5 percent in 2023 (relative to 2022 estimate) and 2.0 percent in 2024 (relative to 2023 budget) due to requested rate increases from PSE.

- Gas utility tax revenue is projected to increase 9.5 percent in 2023 (relative to 2022 estimate) and 2.0 percent in 2024 (relative to 2023 budget).
- Television cable utility tax revenue is projected to decrease 5.0 percent in 2023 (relative to 2022 estimate) and decrease 5.0 percent in 2024 (relative to 2023 budget).
- Telephone utility tax revenue is projected to decrease 15.0 percent in 2023 (relative to 2022 estimate) and 15.0 percent in 2024 (relative to 2023 budget).
- Collectively, water, sewer, solid waste, and surface water utility tax revenues are projected to increase 17.6 percent in 2023 (relative to 2022 estimate) and 6.3 percent in 2024 (relative to 2023 budget).

**Real Estate Excise Tax**

The real estate excise tax is levied on all sales of real estate based on the full selling price, including the amount of any liens, mortgages, and other debts given to secure the purchase. The State's tax rate used to be a flat 1.28 percent; however, beginning January 1, 2020, the state implemented a graduated tax scale based on the selling price of the property, ranging from 1.1 percent to 3.0 percent. Cities are also authorized to impose a local tax of 0.50 percent. The 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, has been designated by City ordinance to be used primarily to fund transportation capital projects. 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 of this revenue, with specific reporting requirements, for the maintenance of capital facilities. Given this provision, the 2023-2024 Budget includes funding for park, street, and median maintenance purposes.

**BUDGET**

	2021-2022	2023-2024
Real Estate Excise Tax	\$19,257,845	\$22,000,000
Excise Tax Capital Improvement Fund	\$ 19,257,845	\$ 22,000,000

**TRENDS AND ASSUMPTIONS**

**Methodology**

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

**Trends**

- Revenues amounted to \$12,963,726 in 2020 and \$17,927,250 in 2021, and are projected to be \$16,000,000 in 2022, which is 10.8 percent less than 2021.

**Key Assumptions**

- The City's real estate excise tax rate is 0.5 percent.
- Revenues are projected to be \$11,000,000 in 2023 and 2024 (45.4 percent less than the 2022 estimate) due to the volatility issue noted above. This projection is higher than in previous years and addresses increasing REET revenues that have exceeded budget for the last several years. After an extensive analysis of commercial and residential real estate sales since 2019, staff developed the current projection level, which remains conservative as the analysis excluded very large transactions.
- As REET revenue has been consistently above budget expectations in recent budget cycles, significant balances have accumulated in both REET 1 and REET 2. The 2023-2024 Budget contains planned uses of current revenues and reserves for major capital projects such as 100<sup>th</sup> Avenue Improvements (\$2.175 million), \$2.8 million for parks capital projects, and over \$10 million for transportation capital projects.

Additionally, \$1.55 million has been reserved for Affordable Housing in 2023-2024 as allowed by the state REET flexibility for housing championed by Kirkland, including \$250,000 for Houghton Village improvements. As REET revenues have grown steadily for the past decade, and even accounting for the volatility in this revenue source, the City was also able to allocate \$953,650 in REET revenues annually to fund debt service for transportation capital projects.

### Gambling Tax

Gambling tax revenues are primarily used for gambling enforcement purposes. The maximum tax rates allowed by state statute are five percent for bingo, raffles, punchboards, and pull tabs and two percent for amusement games. The City Council amended the Kirkland Municipal Code (KMC) to prohibit card rooms beginning in 1999. On July 7, 2009, the 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 licenses exist. 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

	2021-2022	2023-2024
<b>Gambling Tax</b>	<b>\$2,389,614</b>	<b>\$3,354,949</b>
Card Games (General Fund)	\$ 1,993,644	\$ 2,666,449
Other Revenue (General Fund)	\$ 395,970	\$ 688,500

### TRENDS AND ASSUMPTIONS

#### Methodology

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

#### Trends

- Revenues are projected to be \$1,619,360 in 2022, 9.8 percent more than 2021.

#### Key Assumptions

- Revenues are projected to be \$1,657,772 in 2023 (2.3 percent higher than the 2022 estimate) and \$1,697,177 in 2024 (2.3 percent than 2023 budget).

### 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

	2021-2022	2023-2024
<b>Lodging Tax</b>	<b>\$501,585</b>	<b>\$562,646</b>
Lodging Tax Fund	\$ 501,585	\$ 562,646

### TRENDS AND ASSUMPTIONS

#### Methodology

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

Trends

- Revenue is projected to be \$249,510 in 2022, which is 14.3 percent more than 2021, as revenues have increased since the pandemic related restrictions have been lifted.

Key Assumptions

- Revenue is projected to be \$274,461 in 2023 (10 percent higher than the 2022 estimate) and \$288,185 in 2024 (5 percent higher than 2023 budget).
- Current establishments will continue to operate.

LICENSES AND PERMITS

Building-Related Permits

This category consists of the following revenues, which are collected by the Building Division and the Public Works Department: building permits, plumbing permits, clear grade permits, side-sewer permits, mechanical permits, electrical permits, sign permits, and house moving permits. Fees imposed for permits are subject to a base charge determined by the type of permit, plus additional fees determined by either the dollar value or size (square foot or number of units) of the project.

BUDGET

	2021-2022	2023-2024
Building-Related Permits	\$8,755,463	\$12,922,318
General Fund and Development Services Fund	\$ 8,755,463	\$ 12,922,318

TRENDS AND ASSUMPTIONS

Methodology

- Based on historical trends, the number of permits pending in the planning process, and the Building Division’s projections of upcoming construction projects.
- Based on new development fee schedule adopted by Council in 2022, which brings cost recovery targets to 100% for many development activities.
- Assumes construction will remain constant for 2023 and 2024.

Trends

- Development activity remained strong in 2020-2022 due partly to continued development at the Village at Totem Lake and Kirkland Urban. Revenues are projected to be \$5,109,933 in 2022, 1.2 percent lower than 2021.

Key Assumptions

- Revenues are projected to be \$6,154,857 in 2023 (20.4 percent more than the 2022 estimate) and \$6,767,461 in 2024 (10 percent more than the 2023 budget). This is due to increased fee levels.

Business Licenses and Permits

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

In recent budget cycles 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 2023-2024 budget includes an increased tax of \$130 per FTE, and also increases the threshold under which a business does not need a license from \$12,000 in gross receipts to \$20,000.

A portion (\$770,000 per year) of the revised RGRL revenue is dedicated to transportation-related capital projects.

## BUDGET

	2021-2022	2023-2024
<b>Business Licenses &amp; Permits</b>	<b>\$8,446,077</b>	<b>\$12,691,403</b>
Revenue Generating Regulatory License Fee (General Fund)	\$ 6,497,004	\$ 9,417,278
Business License & Permit Fees (General Fund)	\$ 1,409,073	\$ 1,734,125
Revenue Generating Regulatory License Fee (Street Operating Fund)	\$ 540,000	\$ 1,540,000

## TRENDS AND ASSUMPTIONS

### Methodology

- Based on current year revenues.
- Includes increased per FTE fee of \$130 beginning in 2023.

### Trends

- RGRL revenue in the General Fund is projected to be \$4,192,464 in 2022, which is 2.5 percent more than 2021. Because the 2020 RGRL fee paid by each business was based on the number of Kirkland-based employees in 2020, the negative economic impact of COVID-19 was delayed to 2021.
- Business license revenues are projected to be \$862,856 in 2022, which is 5.4 percent less than 2021.

### Key Assumptions

- RGRL revenue in the General Fund is projected to be \$4,589,446 in 2023 (9.5 percent more than the 2022 estimate) and \$4,827,832 in 2024 (5.2 percent more than the 2023 budget). The 2023-2024 RGRL revenue budget assumes a 2.5% increase over prior year revenues and additional revenues from the RGRL per FTE increase.
- Business license revenues are projected to be \$869,500 in 2023 (0.7 percent more than the 2022 estimate) and \$864,625 in 2024 (0.6 percent more than 2023 budget).

## 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

	2021-2022	2023-2024
<b>Franchise Fees</b>	<b>\$8,057,771</b>	<b>\$8,560,295</b>
General Fund	\$ 8,057,771	\$ 8,560,295

## TRENDS AND ASSUMPTIONS

### Methodology

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

Trends

- Revenues are projected to be \$4,020,429 in 2022, which is 1.5 percent more than 2021. Declines in cable TV and telephone franchise fees are offsetting the growth in other franchise fees.

Key Assumptions

- Revenues are projected to be \$4,226,794 in 2023 (5.1 percent more than the 2022 estimate) and \$4,333,501 in 2024 (2.5 percent more than 2023 budget).

INTERGOVERNMENTAL

Emergency Medical Services (EMS) Levy

This is a voter approved levy that is collected by King County and distributed to cities based on a formula. A six-year levy was approved by voters in November 2019 for 2020-2025.

BUDGET

	2021-2022	2023-2024
EMS Levy	\$2,672,767	\$3,837,243
General Fund	\$ 2,672,767	\$ 3,837,243

TRENDS AND ASSUMPTIONS

Methodology

- The current levy (2022) is set at a rate \$0.24841 per \$1,000 of assessed valuation (AV).
- Distribution for Basic Life Support (BLS) and BLS Core Services is based on a formula that considers the number of calls for service and total assessed valuation.
- Distribution for Mobile Integrated Health (MIH) is based on a formula that increases the prior year allocation by CPI-W plus 1%.

Trends

- Revenue is projected to be \$1,432,844 in 2022, which is 14.5 percent more than 2021.
- 2021 assessed valuations for 2022 taxes increased 14.8 percent over prior year and represents a 2.0 percent increase over the average for all agencies.
- Calls for service increased 15.6 percent over prior year, representing a 2.1 percent increase over the average across all agencies.

Key Assumptions

- Revenue is projected to be \$1,919,535 in 2023 (33.9 percent more than 2022 estimate) and \$1,917,708 in 2024 (a slight reduction from 2023 budget due to variable spending in the BLS Core Service allocation).
- The Mobile Integrated Health (MIH) revenue, \$733,808, is included to support the new program operations.
- Basic Life Support (BLS) revenue is anticipated to be \$2,998,848, an 11.2 percent increase over 2022.
- BLS Core Services revenue is projected to be \$104,587.

Liquor Board Profits and Excise Tax

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

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

## BUDGET

	2021-2022	2023-2024
<b>Liquor Board Profits &amp; Excise Tax</b>	<b>\$2,460,513</b>	<b>\$2,723,823</b>
Liquor Board Profits (General Fund)	\$ 1,421,549	\$ 1,417,586
Liquor Excise Tax (General Fund)	\$ 1,038,964	\$ 1,306,237

## TRENDS AND ASSUMPTIONS

### Methodology

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

### Trends

- Liquor excise tax revenue is projected to be \$498,945 in 2022, 0.5 percent less than 2021.
- Liquor Board profits are projected to be \$721,294 in 2022, 16.3 percent less than 2021.

### Key Assumptions

- Per MRSC, liquor excise tax is projected to be \$6.86 per capita in 2023 and \$7.10 per capita in 2024.
- Per MRSC, liquor board profits are projected to be \$7.65 per capita in 2023 and \$7.50 per capita in 2024.

## Motor Vehicle Fuel Tax (“Gas Tax”)

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

## BUDGET

	2021-2022	2023-2024
<b>Motor Vehicle Fuel Tax</b>	<b>\$4,396,083</b>	<b>\$4,398,762</b>
Street Operations (Street Operating Fund)	\$ 2,663,083	\$ 2,665,762
Capital Projects (Street Operating Fund)	\$ 1,733,000	\$ 1,733,000

## TRENDS AND ASSUMPTIONS

### Methodology

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

### Trends

- Revenue is projected to be \$1,671,780 in 2022, which is 5.1 percent less than 2021, a decline attributed to reduced commuting miles due to work-from-home policies and an increase in electric vehicle use.

### Key Assumptions

- Per MRSC, motor vehicle fuel tax is projected to be \$21.24 per capita in 2023 and \$21.45 per capita in 2024.

## CHARGES FOR SERVICES

### Planning Fees and Plan Check Fees

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

#### BUDGET

	2021-2022	2023-2024
Planning Fees	\$7,330,699	\$10,089,705
General Fund and Development Services Fund	\$ 7,330,699	\$ 10,089,705

## 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.
- Based on new development fee schedule adopted by Council in 2022, which brings cost recovery targets to 100% for many development activities.

### Trends

- Revenue is projected to be \$4,427,485 in 2022, which is 4.9 percent less than 2021.

### Key Assumptions

- Revenue is projected to be \$5,018,432 in 2023 (13.4 percent more than the 2022 estimate) and \$5,071,273 in 2024 (1 percent more than 2023 budget).

### Emergency Transport Fee

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

#### BUDGET

	2021-2022	2023-2024
Emergency Transport Fee	\$1,084,654	\$1,084,654
General Fund	\$ 1,084,654	\$ 1,084,654

## TRENDS AND ASSUMPTIONS

### Methodology

- Based on historical trends.

### Trends

- Revenue is projected to be \$568,597 in 2022, which is 23.9 percent less than 2021.

### Key Assumptions

- Revenue is projected to be \$542,327 in 2023 (29.6 percent more than the 2022 estimate) and \$542,327 in 2024 (flat relative to 2023).

## Engineering Development Fees

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

### BUDGET

	2021-2022	2023-2024
Engineering Development Fees	\$3,684,870	\$5,037,216
General Fund and Development Services Fund	\$ 3,684,870	\$ 5,037,216

### TRENDS AND ASSUMPTIONS

#### Methodology

- Based on historical trends.

#### Trends

- Revenue is projected to be \$1,897,500 in 2022, which is 5.8 percent more than 2021.

#### Key Assumptions

- Revenue is projected to grow by around 40% from the 2022 estimate in 2023. This is due to the change in fee structure. In 2024 growth is expected to be 3.5%.

## Transportation and Park Impact Fees

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

### BUDGET

	2021-2022	2023-2024
Impact Fees	\$9,432,450	\$7,200,000
Transportation Impact Fees (Impact Fee Fund)	\$ 6,530,000	\$ 4,000,000
Park Impact Fees (Impact Fee Fund)	\$ 2,902,450	\$ 3,000,000
Fire Impact Fees (Impact Fee Fund)	\$ -	\$ 200,000

### TRENDS AND ASSUMPTIONS

#### Methodology

- Based on expected development.

#### Trends

- Transportation impact fees are projected to be \$867,078 in 2022, which is 81.9 percent less than 2021.
- Park impact fees are projected to be \$700,000 in 2022, 55.1 percent less than 2021.
- Fire impact fees are projected to be \$115,833 in 2022, an increase of 1,474.9 percent over 2021.

#### Key Assumptions

- Transportation impact fees are projected to be \$2,000,000 in 2023 (130.7 percent more than the 2022 estimate) and \$2,000,000 in 2024.

- Park impact fees are projected to be \$1,500,000 in 2023 (114.3 percent more than the 2022 estimate) and \$1,500,000 in 2024.
- Fire impact fees are projected to be \$100,000 in both 2023 and 2024.

## 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

	2021-2022	2023-2024
<b>Fines &amp; Forfeits / Enforcement Fees</b>	<b>\$5,780,928</b>	<b>\$7,259,700</b>
Fines & Forfeits (General Fund)	\$ 5,199,928	\$ 6,779,700
Probation Fees (General Fund)	\$ 581,000	\$ 480,000

## TRENDS AND ASSUMPTIONS

### Methodology

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

### Trends

- Fines and forfeits are projected to be \$2,947,337 in 2022, which is 6.5 percent more than 2021.
- Probation fees are projected to be \$239,881 in 2022, which is 8.0 percent less than 2021.
- Electronic home detention fees are projected to be \$15,053 in 2022, which is 10.0 percent less than 2021.

### Key Assumptions

- Fines and forfeits are projected to be \$3,389,850 in 2023 (15.0 percent more than the 2022 estimate) and \$3,389,850 in 2024 (flat relative to 2023 budget) primarily due to the school safety zone camera program.
- Probation fees are projected to be \$240,000 in 2023 (flat relative to the 2022 estimate) and \$240,000 in 2024 (flat relative to 2023 budget).

## MISCELLANEOUS REVENUE

### Investment Income

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

### BUDGET

	2021-2022	2023-2024
<b>Investment Income</b>	<b>\$5,135,803</b>	<b>\$8,057,309</b>
Various Funds	\$ 5,135,803	\$ 8,057,309

## TRENDS AND ASSUMPTIONS

### Methodology

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

### Trends

- Revenue is projected to be \$1,947,380 in 2022, which is 41.5 percent less than 2021. Interest rates fell to historic lows during the pandemic, but the Fed Funds rate currently sits at 4.0 percent, up from 0.25 percent in January 2022.

### Key Assumptions

- Revenue is projected to be \$3,948,538 in 2023 (102.8 percent more than 2022 estimate) and \$4,108,771 in 2024 (4.1 percent more than 2023 budget).

### Resources Forward

Resources Forward represents the beginning fund balance and is comprised of the following: capital reserve, operating reserve, and working capital. A capital reserve is dedicated for the replacement of vehicles and computers and for funding major capital improvement projects. An operating reserve is an appropriated contingency account set aside for unanticipated expenditures. Working capital consists of excess net operating resources brought forward from the prior year to fund one-time “service packages” and equipment costs and to provide an operating cash flow buffer against seasonal fluctuations in revenues and expenditures. 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

	2021-2022	2023-2024
Resources Forward	\$238,802,558	\$280,179,034
All Funds	\$ 238,802,558	\$ 280,179,034

## 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

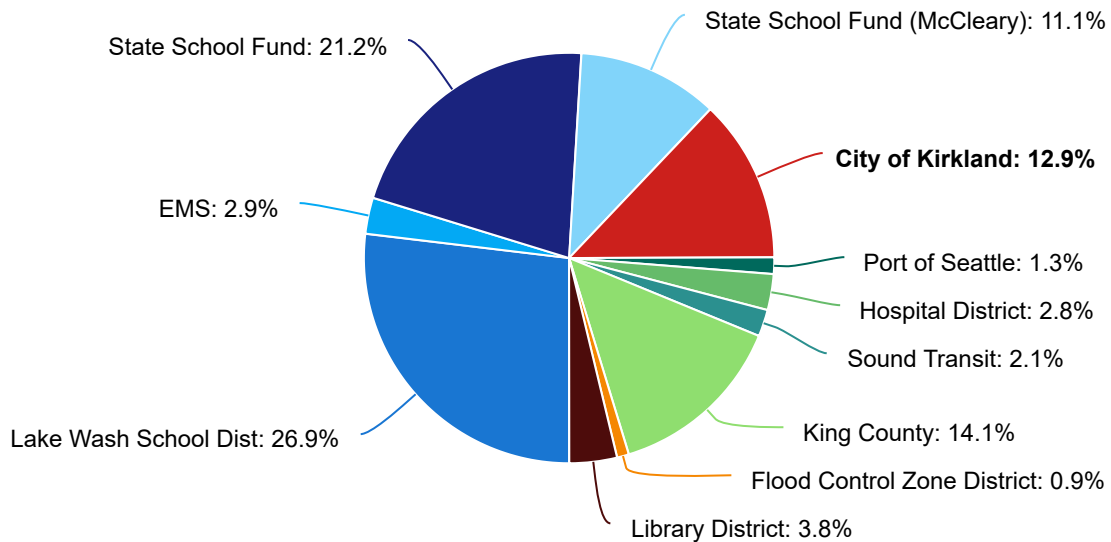
- This number does not include over \$3 million of 2022 carryover budget expected to be added to the 2023 Resources Forward once approved by the City Manager and City Council in early 2023, shown in change in fund balance sheets in the budget book.



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## 2022 Property Tax Distribution

Total \$8.71/\$1,000 AV



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 2022, the total typical property tax rate in Kirkland is \$8.71 per \$1,000 of assessed valuation. Of that total, about 12.9%, or \$1.12 per \$1,000 assessed valuation, goes to the City, of which about \$0.01 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 tax rate in prior years varied by neighborhood because residents in the annexed neighborhoods did not pay debt that was voter approved before annexation. Because the assumed debt from the old Fire District 41 area and the voted 2013 Unlimited Tax Government Obligation (UTGO) Refunding bonds have now been paid in full, beginning in 2023 all residents will pay the same rate.

## 2023-2024 DISTRIBUTION OF INVESTMENT INCOME

<b>Total Estimated Earnings</b>	\$ 8,057,309
Earned Interest Allocated to Utility Funds	
Water/Sewer	962,640
Surface Water Management	361,026
Solid Waste	54,743
<b>Subtotal to Utility Funds</b>	<b>1,378,409</b>
Earned Interest Allocated to Lodging Tax Fund	10,530
Earned Interest Allocated to Development Services Fund	417,500
Earned Interest Allocated to Cemetery Improvement/Operating Fund	37,878
Earned Interest Allocated to Park Maintenance Fund	31,858
Earned Interest Allocated to 2012 Park Levy Fund	74,362
Earned Interest Allocated to Impact Fee Fund	144,623
Earned Interest Allocated to REET Fund	268,885
Earned Interest Allocated to General Capital Projects Fund	45,597
Earned Interest Allocated to Transportation Capital Projects Fund	41,532
Earned Interest Allocated to Self Insurance Fund	171,401
Earned Interest Allocated to Equipment Rental Fund	527,754
Earned Interest Allocated to Information Technology Fund	108,420
Earned Interest Allocated to Facilities Fund	265,729
Earned Interest Allocated to Firefighters' Pension Fund	43,426
Net to Distribute	4,489,405
Dedicated Proceeds (General Fund):	
Investment Portfolio & Banking Expenditures	144,000
External Review of Investment Policies & Procedures	4,000
<b>Net to Distribute to General Fund</b>	<b>\$ 4,341,405</b>



# Budget Focus

Selected schedules and charts focusing on key facts, issues and processes reflected in the 2023-2024 Budget.



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## 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 2024 delineation between reserved fund balance and working capital. The following narrative highlights the major reserve policy components as they are incorporated in the 2023-2024 Budget.

### FUND BALANCE

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

## GENERAL PURPOSE RESERVES

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

General Purpose Reserves are described in the City Fiscal Policies. The table below shows how the balance is expected to change during the biennium. As dictated by fiscal policy the City has committed up to 1% of General Fund revenues to reserve replenishment in 2023-2024 as needed. These resources are allocated to the General Operating Reserve and the Revenue Stabilization Reserve, both held within the General Fund, as well as the Contingency Fund.

Reserves	Description	Estimated 2022 Ending Balance	Projected Changes	Projected 2024 Ending Balance
<b>GENERAL PURPOSE</b>				
Contingency	Unforeseen expenditures	6,355,888	603,809	6,959,697
General Capital Contingency <sup>(1,2)</sup>	Changes to general capital projects	5,447,951	558,243	6,006,194
General Oper. Reserve (Rainy Day)	Unforeseen revenues/temporary events	6,008,197	1,355,989	7,364,186
Revenue Stabilization Reserve	Temporary revenue shortfalls	3,489,891	962,854	4,452,745
Council Special Projects Reserve	One-time special projects	250,000	-	250,000
Building & Property Reserve	Property-related transactions	661,599	-	661,599
<b>Total General Purpose</b>		<b>22,213,526</b>	<b>3,480,895</b>	<b>25,694,421</b>

<sup>(1)</sup> Balance includes \$3,500,000 borrowed for Parks Maintenance Center Capital Projects that will be reimbursed via ten scheduled payments beginning in 2021.

<sup>(2)</sup> General Capital Contingency is equal to ten percent of the funded two-year CIP budget.

## SPECIAL PURPOSE RESERVES

Special purpose reserves are set by Council policy, management practice, or by state or local laws that govern their use. The following table shows how the balance is expected to change during the biennium. Of particular note, the large balance in development services reserves reflects obligations for significant staffing resources required to complete future inspections. As of the 2023-2024 Budget, these reserves have been moved out of the General Fund to the Development Services Fund.

Reserves	Description	Estimated 2022 Ending Balance	Projected Changes	Projected 2024 Ending Balance
<b>SPECIAL PURPOSE RESERVES</b>				
<b>General Fund Reserves:</b>				
General Fund (CM) Contingency	One-time special uses approved by CM	50,000	-	50,000
Litigation Reserve	Outside counsel costs contingency	150,000	-	150,000
Public Disclosure Reserve		100,000	-	100,000
Labor Relations Reserve	Labor negotiation costs contingency	56,037	-	56,037
Fire OT & Equipment Reserve		200,000	-	200,000
Police Equipment Reserve	Equipment funded from seized property	97,853	-	97,853
LEOFF 1 Police Reserve	Police long-term care benefits	618,079	-	618,079
GEMT Reserve		5,146,695	(3,056,401)	2,090,294
Development Svcs Staffing Stability Rsv <sup>(1,2)</sup>	Revenue and staffing stabilization	7,287,293	(4,691,744)	2,595,549
Development Svcs Workload Liability Rsv <sup>(1)</sup>	Dev work paid for but not complete	-	4,500,000	4,500,000
Development Services Technology Rsv <sup>(1)</sup>	EnerGov replacement/tech improvements	5,843,653	(308,886)	5,534,767
School Zone Camera Penalties		2,100,000	(1,583,412)	516,588
Tour Dock	Dock repairs	312,928	-	312,928
Forestry Ordinance	Replacement trees program	386,572	-	386,572
Donation Accounts	Donations for specific purposes	237,046	-	237,046
Revolving Accounts		358,240	-	358,240
Lodging Tax Fund	Operating Reserve	77,937	171,573	249,510
Street Operating Reserve	Operating Reserve	100,000	-	100,000
Cemetery Improvement	Cemetery improvements	1,185,586	58,686	1,244,272
Off-Street Parking	Downtown parking improvements	149,119	(75,000)	74,119
Fire Equipment Life Cycle		1,808,373	(1,717,800)	90,573
Police Equipment Life Cycle		1,461,789	(51,200)	1,410,589
Technology Equipment Life Cycle		2,123,031	(721,000)	1,402,031
Parks Facilities Life Cycle		142,000	34,455	176,455
Facilities Life Cycle (310)		275,630	-	275,630
Firefighter's Pension	Long-term care/pension benefits	1,005,719	109,265	1,114,984
<b>Total Special Purpose Reserves</b>		<b>31,273,580</b>	<b>(7,331,464)</b>	<b>23,942,116</b>

<sup>(1)</sup> As part of the creation of the Development Services Fund in the 2023-24 budget, development services reserves were consolidated into four reserves: Staffing Stability, fund-wide Workload Liability Reserve, Technology Reserve, and Development Services Working Capital. Working Capital is shown as part of the Staffing Stability Reserve in this sheet, as it is restricted to uses on development services activities.

<sup>(2)</sup> Balance includes \$3,850,000 borrowed for the purchase of Houghton Village that will be reimbursed within 3 years of purchase in 2022.

## 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 2023-2024 biennium above the anticipated revenue to these funds.

Reserves	Description	Estimated 2022 Ending Balance	Projected Changes	Projected 2024 Ending Balance
<b>GENERAL CAPITAL RESERVES</b>				
<b>Excise Tax Capital Improvement <sup>(1)</sup></b>				
REET 1	Capital projects	9,003,588	(3,891,994)	5,111,594
REET 2	Transportation capital projects	10,544,394	(2,146,020)	8,398,374
<b>Impact Fees</b>				
Roads	Transportation capacity projects	288,461	114,251	402,712
Parks	Parks capacity projects	211,692	29,440	241,132
Fire	Fire protection facility projects	123,431	200,932	324,363
<b>Total General Capital Reserves</b>		<b>20,171,566</b>	<b>(5,894,323)</b>	<b>14,277,243</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 2024 estimated ending balance in these accounts.

Reserves	Description	Estimated 2022 Ending Balance	Projected Changes	Projected 2024 Ending Balance
<b>UTILITY RESERVES</b>				
<b>Water/Sewer Utility:</b>				
Water/Sewer Operating Reserve	Operating contingency	3,351,932	305,133	3,657,065
Water/Sewer Working Capital	Fund Balance/operating cash	8,156,529	(3,303,836)	4,852,693
Water/Sewer Debt Service Reserve	Debt service reserve	41,713	(1,005)	40,708
Water/Sewer Capital Contingency	Changes to Water/Sewer capital projects	4,546,548	1,909,487	6,456,035
Water/Sewer Construction Reserve <sup>(1)</sup>	Replacement/re-prioritized/new projects	10,705,107	(6,177,096)	4,528,011
<b>Surface Water Utility:</b>				
Surface Water Working Capital	Fund Balance	6,176,640	(1,976,805)	4,199,835
Surface Water Capital Contingency	Changes to Surface Water capital projects	1,696,906	(237,281)	1,459,625
Surface Water Construction Reserve <sup>(1)</sup>	Replacement/re-prioritized/new projects	-	-	-
Solid Waste Utility		1,960,340	181,809	2,142,149
<b>Total Utility Reserves</b>		<b>36,635,715</b>	<b>(9,299,594)</b>	<b>27,336,121</b>

<sup>(1)</sup> Reserve balance is projected to decrease substantially to fund 2023-24 Utilities CIP while keeping rate increases down. It does not account for planned project closeouts.

## 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.

The City continues to experience lower healthcare costs than actuarial projections have forecast, unexpectedly growing the fund balance of the Health Benefits Fund. The adopted 2023-24 budget reflects premium increases that begin to close the current gap between claims and costs. Because actual claims have been lower than projected during the current biennium, Staff assumed the recommended zero percent growth in 2023, deferring the next rate increase to 2024.

Reserves	Description	Estimated 2022 Ending Balance	Projected Changes	Projected 2024 Ending Balance
<b>INTERNAL SERVICE FUND RESERVES</b>				
<b>Health Benefits:</b>				
Operating Reserve	16 weeks minimum claims requirement	1,926,269	(482,554)	1,443,715
Working Capital	Health benefits self insurance claims	5,278,005	2,696,538	7,974,543
<b>Equipment Rental:</b>				
Operating Reserve	Unforeseen operating costs	294,224	71,615	365,839
Vehicle Reserve <sup>(1)</sup>	Vehicle replacements	13,080,650	(770,900)	12,309,750
Radio Reserve	Radio replacements	70,030	-	70,030
<b>Information Technology:</b>				
Operating Reserve	Unforeseen operating costs	702,892	76,105	778,997
PC Replacement Reserve	PC equipment replacements	931,916	(13,481)	918,435
<b>Facilities Maintenance:</b>				
Operating Reserve	Unforeseen operating costs	800,000	-	800,000
Facilities Sinking Fund <sup>(2)</sup>	20-year facility life cycle costs	5,643,790	144,884	5,788,674
<b>Total General Purpose</b>		<b>28,727,776</b>	<b>1,722,207</b>	<b>30,449,983</b>

<sup>(1)</sup> Balance includes \$7,500,000 borrowed for the purchase of Houghton Village that will be reimbursed within 3 years of purchase in 2022.

<sup>(2)</sup> Balance includes \$2,850,000 borrowed for the purchase of Houghton Village that will be reimbursed within 3 years of purchase in 2022.

## 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 2024 balance to the 2023-2024 reserve target.

Reserves	Estimated 2022 Ending Balance	Projected Changes	Projected 2024 Ending Balance	2023-2024 Target	Revised Over (Under) Budget
<b>GENERAL PURPOSE RESERVES WITH TARGETS</b>					
Contingency	6,355,888	603,809	6,959,697	6,959,697	-
General Capital Contingency <sup>(1,2)</sup>	5,447,951	558,243	6,006,194	6,006,194	-
General Oper. Reserve (Rainy Day)	6,008,197	1,355,989	7,364,186	7,364,186	-
Revenue Stabilization Reserve	3,489,891	962,854	4,452,745	4,452,745	-
Council Special Projects Reserve	250,000	-	250,000	250,000	-
Building & Property Reserve	661,599	-	661,599	600,000	61,599
<b>General Purpose Reserves with Targets</b>	<b>22,213,526</b>	<b>3,480,895</b>	<b>25,694,421</b>	<b>25,632,822</b>	<b>61,599</b>
<b>ALL OTHER RESERVES WITH TARGETS</b>					
<b>Excise Tax Capital Improvement <sup>(3)</sup></b>					
REET 1	9,003,588	(3,891,994)	5,111,594	1,000,000	4,111,594
REET 2	10,544,394	(2,146,020)	8,398,374	1,000,000	7,398,374
<b>Other Reserves with Targets</b>	<b>19,547,982</b>	<b>(6,038,014)</b>	<b>13,509,968</b>	<b>2,000,000</b>	<b>11,509,968</b>
<b>Total Reserves with Targets</b>	<b>41,761,508</b>	<b>(2,557,119)</b>	<b>39,204,389</b>	<b>27,632,822</b>	<b>11,571,567</b>

<sup>(1)</sup> Balance includes \$3,500,000 borrowed for Parks Maintenance Center Capital Projects that will be reimbursed via ten scheduled payments beginning in 2021.

<sup>(2)</sup> General Capital Contingency is equal to ten percent of the funded two-year CIP budget.

## CHANGE IN FUND BALANCE (BEGINNING 2021 TO ENDING 2024)

### SUMMARY OF ALL FUNDS

	General Government		Utility			All Funds
	Operating Funds	Non-Operating Funds	Water/Sewer Utility	Surface Water Utility	Solid Waste Utility	
<b>2021 Actual Beginning Fund Balance</b>	<b>101,979,139</b>	<b>90,189,244</b>	<b>29,974,875</b>	<b>15,290,914</b>	<b>2,156,554</b>	<b>239,590,726</b>
Reserved	47,019,047	13,804,628	8,115,065	2,829,843	0	71,768,582
Unreserved Working Capital	54,960,092	76,384,616	21,859,810	12,461,071	2,156,554	167,822,144
Plus: 2021-22 Estimated Revenues	351,732,535	197,165,572	86,359,358	33,518,122	43,908,465	712,684,052
Less: 2021-22 Estimated Expenditures	352,903,234	166,944,872	70,440,165	32,484,322	44,104,679	666,877,272
Less: 2022 Estimated Carryovers	19,746,983	-	50,000	350,000	-	20,146,983
<b>2022 Estimated Ending/2023 Budgeted Beginning Fund Balance</b>	<b>97,447,637</b>	<b>120,409,944</b>	<b>45,844,068</b>	<b>15,974,713</b>	<b>1,960,340</b>	<b>281,636,703</b>
Plus: 2023-24 Budgeted Revenues	383,775,538	184,327,819	92,293,556	37,411,840	60,961,695	758,770,448
Less: 2023-24 Budgeted Expenditures	387,669,685	253,398,680	117,628,304	46,054,805	60,658,029	865,409,503
<b>2024 Budgeted Ending Fund Balance</b>	<b>93,553,490</b>	<b>51,339,083</b>	<b>20,509,320</b>	<b>7,331,748</b>	<b>2,264,006</b>	<b>174,997,648</b>
Reserved	71,599,601	32,365,751	10,611,380	2,341,482	122,076	117,040,290
Unreserved Working Capital	21,953,889	18,973,332	9,897,940	4,990,266	2,141,930	57,957,357
<b>Change in Fund Balance:</b>						
<b>Beginning 2021 to Ending 2024</b>	<b>(8,425,649)</b>	<b>(38,850,161)</b>	<b>(9,465,555)</b>	<b>(7,959,166)</b>	<b>107,452</b>	<b>(64,593,078)</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 increase in General Government Operating funds is related to health premiums coming in consistently below actuarial expectations causing an increasing fund balance in the Health Benefits Fund, increasing IT Fund balance, and growth in the General Fund. 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.

## POSITION SUMMARY BY FUND

Fund/Department	2019-2020	2021-2022	2023-2024
<b>General Fund:</b>			
City Council	7.00	7.00	7.00
City Manager	9.59	20.24	14.24
Human Resources	9.20	9.00	9.00
City Attorney	4.00	4.00	4.00
Finance and Administration	18.50	41.00	45.50
General Services	-	-	13.00
Public Works	34.50	52.60	40.61
Parks and Community Services	41.55	39.00	41.00
Planning and Building	36.80	68.50	-
Municipal Court	53.35	21.00	21.00
Police	150.00	157.00	159.00
Fire	116.00	133.00	141.00
<b>Total General Fund</b>	<b>480.49</b>	<b>552.34</b>	<b>495.35</b>
<b>Other General Gov't Operating Funds:</b>			
Lodging Tax	0.51	0.76	0.76
Street Operating	24.24	24.99	30.14
Development Services	-	-	91.79
Parks Maintenance Fund	8.50	8.75	8.75
Parks Programs	11.25	11.75	12.25
Facilities Fund	7.95	7.95	8.95
Equipment Rental	7.45	7.45	9.45
Information Technology	27.20	28.50	29.50
<b>Total Other General Gov't Operating Funds</b>	<b>87.10</b>	<b>90.15</b>	<b>191.59</b>
<b>Utility Funds:</b>			
Water Sewer Utility Operating	22.76	22.76	23.91
Surface Water Mgmt Utility	38.25	40.55	42.45
Solid Waste	2.80	3.95	2.95
<b>Total Utility Funds</b>	<b>63.81</b>	<b>67.26</b>	<b>69.31</b>
<b>Total Positions</b>	<b>631.40</b>	<b>709.75</b>	<b>756.25</b>

## PAYMENTS TO OTHER GOVERNMENT AGENCIES

Approximately \$62.4 million, or 12.9 percent, of the City's total 2023-2024 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	2021-2022 Budget	2023-2024 Budget
Sewage Treatment <sup>(1)</sup>	King County	18,443,467	20,922,202
Air Pollution Control <sup>(1)</sup>	King County	193,163	196,950
King County Alcohol Treatment Programs <sup>(1)</sup>	King County	48,000	56,000
Inmate Expense <sup>(1)</sup>	King County	240,000	240,000
Marine Patrol <sup>(1)</sup>	King County	177,886	178,000
Hazardous Waste Fee <sup>(1)</sup>	King County	905,000	1,110,000
Solid Waste "Tipping" Fees <sup>(1)</sup>	King County	8,053,408	10,909,386
Surface Water Billing Charge <sup>(1)</sup>	King County	350,000	350,000
Elections and Records Costs <sup>(1)</sup>	King County	118,440	233,000
Other Permits and Services <sup>(1,3)</sup>	King County	43,510	42,460
<b>Subtotal King County</b>		<b>28,572,874</b>	<b>34,237,998</b>
Electronic Home Detention & Pre-Trial Monitoring <sup>(2)</sup>	Washington Association of Sheriffs & Police Chiefs	144,000	144,000
Inmate Expense <sup>(1)</sup>	South Correctional Entity (SCORE)	489,924	695,260
Water Purchase <sup>(1)</sup>	Cascade Water Alliance	10,899,552	12,263,117
Water Connection Charges <sup>(1)</sup>	Cascade Water Alliance	2,740,865	2,858,644
Police and Fire Dispatch <sup>(1)</sup>	NORCOM	5,991,168	6,982,879
Housing Trust Fund <sup>(1,4)</sup>	ARCH	1,080,000	1,080,000
ARCH Dues <sup>(1)</sup>	ARCH	360,689	562,567
State Purchasing Contract <sup>(1)</sup>	State of Washington	5,250	6,000
Financial Audits <sup>(1)</sup>	State of Washington	290,351	298,605
Regional Surface Water Monitoring <sup>(1)</sup>	State of Washington	70,000	80,530
800 MHz Radios (Public Safety) <sup>(1)</sup>	EPSCA	252,624	252,624
On-Line Services <sup>(1)</sup>	eCityGov Alliance	366,065	459,918
S.W.A.T. Membership <sup>(1)</sup>	Northsound Regional S.W.A.T.	18,890	18,890
WACIC, NCIC, ACCESS Service Lines <sup>(1)</sup>	Washington State Patrol	4,200	4,800
Community Connectivity Consortium <sup>(1)</sup>	Community Connectivity Consortium	10,710	10,710
Hazardous Materials Unit <sup>(1)</sup>	Regional Haz Mat Agreement	28,000	36,000
Healthcare Assessments <sup>(1)</sup>	U.S. Government	2,000	2,000
Other Permits and Services <sup>(1,3)</sup>	Various Gov't Agencies	23,500	23,920
Regional Crisis Response Agency <sup>(5)</sup>	Regional Crisis Response (RCR) Agency	-	2,336,132
<b>Total Payments to Other Agencies</b>		<b>51,350,662</b>	<b>62,354,594</b>
<b>Percent Increase (Decrease) from Prior Biennium</b>			<b>21.43%</b>

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

<sup>(2)</sup> Paid to WASPC to rent and monitor the equipment provided to individuals under electronic home detention.

<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> City Contribution to the Regional Crisis Response (RCR) Agency, funded by Fire Prop 1 "Penny" portion, PD Prop 1- MHP, and GEMT.

## HUMAN SERVICES AND RELATED ACTIVITIES FUNDING

Funding for Human Services and related activities is incorporated into a variety of operating and non-operating budgets. The following summary provides an overview of that funding for 2023-2024 by assigned area in the Kirkland Quad.

Program/Funding Source	2021-2022 Budget	2023-2024 Budget	Budget Department
Human Services Program grants (including CDBG) <sup>(1)</sup>	3,353,834	3,297,110	Parks & Comm. Svcs.
Prop 1: Additional Grant Funding <sup>(2)</sup>	-	312,354	Parks & Comm. Svcs.
Human Services Forum and Other Regional Programs	15,028	15,112	Parks & Comm. Svcs.
Prop 1: Women and Family Shelter Operations	200,000	200,000	Parks & Comm. Svcs.
Prop 1: Mental Health and Human Services Programs	420,000	441,211	Parks & Comm. Svcs.
Prop 1: Mental Health and Human Services Program Coordination	280,000	258,789	Parks & Comm. Svcs.
Human Services Coordination (including CDBG)	781,424	642,455	Parks & Comm. Svcs.
Homeless Outreach Coordination	-	328,882	Parks & Comm. Svcs.
WA HB 1406 (Affordable Housing Sales Tax): Rental Assistance <sup>(3)</sup>	546,814	712,058	Parks & Comm. Svcs.
Senior Center Operations	572,369	647,019	Parks & Comm. Svcs.
<b>People in Need Subtotal</b>	<b>6,169,469</b>	<b>6,854,990</b>	
Human Services Reserve Programming Uses	977,345	-	Parks & Comm. Svcs.
ARPA Funded Rent Assistance, Healthcare, Housing Programs	1,916,289	-	Parks & Comm. Svcs.
<b>People in Need - One Time Funding After Budget Adoption Subtotal</b>	<b>2,893,634</b>	<b>-</b>	
A Regional Coalition for Housing (ARCH) <sup>(4)</sup>	1,486,561	2,216,133	Planning & Bldg.
Housing Initiative	150,000	800,000	General Services
<b>Affordable Housing Subtotal</b>	<b>1,636,561</b>	<b>3,016,133</b>	
Regional Crisis Response Program <sup>(5)</sup>	1,819,026	2,336,132	General Services
Diversity, Equity, Inclusion and Belonging - Manager/Outreach	476,367	553,791	CMO
Community Court	145,487	145,567	Municipal Court/CAO
<b>Inclusive &amp; Welcoming Community Subtotal</b>	<b>2,440,880</b>	<b>3,035,490</b>	
Community Safety Initiative: MIH-Funded Firefighter/EMT and Social Worker	648,376	733,808	Fire
<b>Fire &amp; Emergency Medical Services Subtotal</b>	<b>648,376</b>	<b>733,808</b>	
Domestic Violence Advocacy in the Police Department	996,089	1,021,011	Police
Prop 1: Neighborhood Resource Officers (NROs) <sup>(6)</sup>	556,796	539,518	Police
Police School Resource Program (City-funded portion) <sup>(7)</sup>	377,928	-	Police
Prop 1: 4 SROs in Kirkland Middle Schools (City-funded portion) <sup>(8)</sup>	755,856	587,979	Police
<b>Police Services Subtotal</b>	<b>2,686,669</b>	<b>2,148,508</b>	
Senior and Disabled Discounts for Utility and Garbage Services	97,475	125,473	Utilities
Kirkland Cares (assistance with utility bills from utilities customer donations)	6,450	6,953	Utilities
<b>Recycling &amp; Garbage Collection Subtotal</b>	<b>103,925</b>	<b>132,426</b>	
King County Alcohol Treatment Programs	48,000	56,000	General Services
Community Youth Services Program/Teen Center <sup>(9)</sup>	534,591	828,043	Parks & Comm. Svcs.
Rent Subsidy for Youth Eastside Services <sup>(10)</sup>	78,000	78,000	In-kind
Recreation Class Discounts	14,000	32,000	Parks & Comm. Svcs.
<b>Other Program Areas Subtotal</b>	<b>674,591</b>	<b>994,043</b>	
<b>Total Human Services and Related Activities Funding</b>	<b>17,254,105</b>	<b>16,915,398</b>	

<b>Total Spending Per Capita 2021-2022:</b>	<b>\$</b>	<b>185.06</b>
<b>Total Spending Per Capita 2023-2024:</b>	<b>\$</b>	<b>180.78</b>
<b>Spending without Police Services Per Capita 2021-2022:</b>	<b>\$</b>	<b>156.24</b>
<b>Spending without Police Services Per Capita 2023-2024:</b>	<b>\$</b>	<b>157.82</b>

<sup>(1)</sup> Additional Human Services funding approved by the Council is not included in these figures. The Council approved \$749,196 of CDBG-CV CARES Act funding for Human Services needs; \$426,945 of this will carry over to 2023. Projected carryovers are included in the 2023-2024 budget.

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

<sup>(3)</sup> Affordable Housing Sales Tax budget in 2021-2022 includes a 2020 carryover of \$123,478. The 2023-24 budget is \$253,726 per year and also includes a carryover of \$204,606 from 2022.

<sup>(4)</sup> 2021-2022 ARCH funding reflects the base budget amount of \$360,689, ongoing funding of \$295,872 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 \$3,449,153 are expected to be remitted to ARCH or directly invested in affordable housing in 2021-22 that are not reflected in the table above. The 2023-2024 budget includes the same funding elements with adjusted base budget (\$562,567) and CDBG (\$323,566) amounts.

<sup>(5)</sup> The 2021-2022 budget for the Community Responders Program included funding for 1.0 Community Responder Manager, 1.0 Lead, and 4.0 Community Safety Responders. The Community Responders Program has evolved into a regional partnership between the City and other cities. In 2023-2024, the City will provide funding to support the Regional Crisis Response Agency (RCR). For further discussion, see the Appendix, Regional Crisis Response Agency.

<sup>(6)</sup> The 2021-2022 program originally included mental health professional services budget that was then moved to the Community Responders Program. The 2023-2024 program includes budget for 1.63 FTE NROs.

<sup>(7)</sup> In 2022, two SRO positions were converted to NRO and ProAct officer positions.

<sup>(8)</sup> Program was reduced to 4 SRO positions in 2022, which is reflected in the 2023-2024 budget.

<sup>(9)</sup> 2023-2024 budget includes the full expenses of running the Kirkland Teen Union Building.

<sup>(10)</sup> Rent is waived completely; figure represents a conservative market rent equivalent.

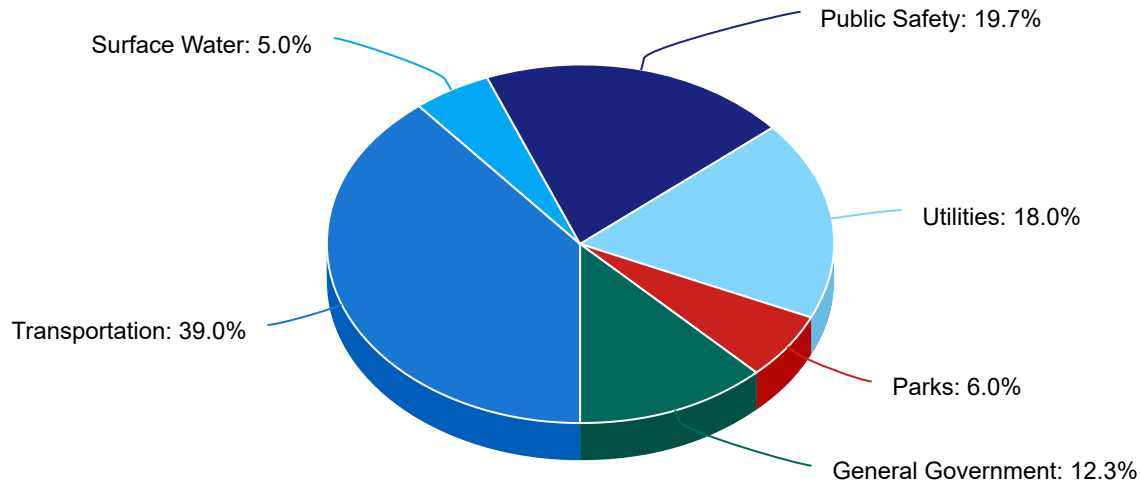
## SUMMARY OF LEGAL SERVICES

General legal counsel is provided by the in-house City Attorney's Office. Prosecution and public defender services are provided by outside attorneys through contracts with the City. The 2023-2024 budget includes an increase in Prosecution and Public Defender Legal Services due to new contracts. In certain specialized matters, the City is represented by other outside counsel. The Litigation Reserve budget for 2023-2024 reflects setting aside funds for outside counsel in the event they were needed to resolve a potential legal matter. The current policy for the Litigation Reserve is to have a starting balance of \$150,000.

Legal Service	Budgeted Fund	2021-2022 Budget	2023-2024 Budget	Percent Change
<b>General Legal Services</b>	General Fund	1,942,735	1,952,379	0.50%
<b>Litigation Reserve</b>	General Fund	638,201	150,000	(76.50%)
<b>Subtotal General Legal Services and Litigation</b>		<b>2,580,936</b>	<b>2,102,379</b>	<b>(18.54%)</b>
<b>Public Safety Legal Services</b>				
Prosecution	General Fund	756,000	922,000	21.96%
Public Defender	General Fund	622,000	826,000	32.80%
<b>Subtotal Public Safety Legal Services</b>		<b>1,378,000</b>	<b>1,748,000</b>	<b>26.85%</b>
<b>Total All Legal Services</b>		<b>3,958,936</b>	<b>3,850,379</b>	<b>(2.74%)</b>

# Capital Improvement Program (CIP)

2023-2024 Funded Projects – \$124,917,740



## CIP AT A GLANCE

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

More information regarding capital projects is provided in this document in the Capital Project Funds Water/Sewer and Surface Water Utility sections. Project details for the adopted 2023-2028 CIP are available electronically on the City's website:

[www.kirklandwa.gov/Government/Departments/Finance-and-Administration/Budget-Information](http://www.kirklandwa.gov/Government/Departments/Finance-and-Administration/Budget-Information).

## CIP POLICIES AND PROCESS

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

A capital improvement is defined as the construction of new facilities; the expansion, large scale renovation, or replacement of existing facilities; the acquisition of land; or the purchase of major pieces of equipment, including

major replacements funded by the Equipment Rental Fund or those that are associated with newly-acquired facilities.

A capital improvement must meet all of the following criteria:

- It is an expenditure that can be classified as a 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 reassess and re-prioritize the City's capital needs and includes the following steps:

- Each department is responsible for planning and prioritizing all capital project proposals within their scope of operational responsibility. Departments are provided broad funding guidelines and prepare descriptions of new projects to be considered, revisions to existing projects, and a progress report for current year projects.
- The City Manager reviews each department's requests and a recommended Preliminary Capital Improvement Program is prepared for consideration by the City Council.
- The City Council holds a public hearing to gather community members' 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.

## MAINTENANCE AND OPERATIONS IMPACTS

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

- 23PW03 - CIP Planner Senior Reclassification
- 23SO10 - Add 1 FTE - Maintenance Street Division
- 23PK18 - Kirkland Heights/Playfield & Sport Court M&O

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

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

- 23PW02 - CIP Business Consultant
- 23PW03 - CIP Planner Senior Reclassification
- 23PW04 - Project Management Software

## ■ 23PW05 - Transportation Benefit District Project Managers

There are no known operating and maintenance impacts of specific future capital projects, as reflected in the capital project tables for 2023-2024, but this will be reviewed ahead of the 2025-26 budget and service packages will be brought forward to add any operating costs resulting from specific projects.

## FUNDING

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

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

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

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

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

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

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

Some capital projects generate future operating costs that are considered when the Council reviews the CIP. Operating costs are listed in the detailed project summaries of the CIP. New operating costs for 2023-2024 that are related to completed CIP projects are highlighted in each department's summary.

Projects approved for 2023-2024 are included in the General Government and Utilities non-operating sections of this document. Estimated operating impacts are also included in the summary of 2023-2024 projects.

The table on the following page summarizes revenue sources as used in the 2023-2028 CIP.

## 2023-2028 CAPITAL IMPROVEMENT PROGRAM PROGRAMMED REVENUE SOURCES (IN THOUSANDS)

Dedicated Revenue	2023	2024	2025	2026	2027	2028	6-Year Total
<b>General Government – Facilities Funding</b>							
Facilities Sinking Fund	936	922	385	557	12	223	3,035
General Fund	10,000	-	-	-	-	-	10,000
REET 2 Reserves	750	300	300	-	-	-	1,350
REET 2	250	250	250	250	250	250	1,500
REET 1	700	1,269	-	-	-	-	1,969
<b>Subtotal Facilities Funding</b>	<b>12,636</b>	<b>2,742</b>	<b>935</b>	<b>807</b>	<b>262</b>	<b>473</b>	<b>17,854</b>
<b>General Government – IT Funding</b>							
General Fund	95	35	56	35	81	35	336
Surface Water Rates	54	5	8	5	12	5	88
Technology Sinking Fund	341	916	91	1,041	1,730	41	4,158
Water/Sewer Rates	107	10	16	10	23	10	176
<b>Subtotal IT Funding</b>	<b>596</b>	<b>966</b>	<b>171</b>	<b>1,091</b>	<b>1,845</b>	<b>91</b>	<b>4,758</b>
<b>Parks Funding</b>							
King County Park Levy	365	365	365	-	-	-	1,095
Kirkland Park Levy	250	250	250	250	250	250	1,500
Park Facilities Sinking Fund	165	101	167	124	214	114	884
Park Impact Fees	1,500	1,500	1,500	1,500	1,500	1,500	9,000
Parks REET 1	1,409	1,409	1,409	1,409	1,409	1,409	8,454
Parks Secured External	450	450	450	450	-	-	1,799
Parks REET 1 Reserves	100	-	-	-	-	-	100
<b>Subtotal Parks Funding</b>	<b>4,238</b>	<b>4,075</b>	<b>4,141</b>	<b>3,733</b>	<b>3,373</b>	<b>3,273</b>	<b>22,832</b>
<b>Public Safety Funding</b>							
Fire Sinking Fund	1,867	851	35	33	279	185	3,250
General Fund	2,962	-	-	-	-	-	2,962
General Gov Debt (Fire Stations)	21,296	-	-	-	-	-	21,296
Police Sinking Fund	171	130	223	221	134	289	1,168
<b>Subtotal Public Safety Funding</b>	<b>26,296</b>	<b>980</b>	<b>259</b>	<b>254</b>	<b>413</b>	<b>474</b>	<b>28,676</b>
<b>Transportation – Developer Provided</b>							
Funded Through SAP Mechanisms			14,327		2,509		16,836
<b>Subtotal Transportation – Developer Provided</b>			<b>14,327</b>		<b>2,509</b>		<b>16,836</b>

## 2023-2028 CAPITAL IMPROVEMENT PROGRAM PROGRAMMED REVENUE SOURCES (IN THOUSANDS)

Dedicated Revenue	2023	2024	2025	2026	2027	2028	6-Year Total
<b>Transportation Funding</b>							
Business License Fees (RGRL)	270	270	270	270	270	270	1,620
Funded Through SAP Mechanisms	-	-	2,261	-	3,998	15,042	21,301
Gas Tax	565	582	599	617	636	655	3,654
Gas Tax (Transportation Package)	225	200	225	200	225	200	1,275
General Fund	-	300	-	-	-	-	300
Solid Waste Rates	401	415	430	445	461	477	2,629
Street Levy	2,788	2,858	2,929	3,002	3,077	3,154	17,808
Surface Water Rates	460	500	500	500	500	200	2,660
TBD Debt	-	4,200	5,600	5,600	5,600	-	21,000
Transportation Impact Fees	2,000	2,000	-	-	-	-	4,000
Transportation REET 1	1,918	1,873	1,888	1,481	2,130	1,488	10,777
Transportation REET 1 Reserves	3,673	-	-	-	-	-	3,673
Transportation REET 2	3,337	3,278	3,328	3,084	3,463	1,092	17,582
Transportation REET 2 Reserves	4,028	-	-	-	-	-	4,028
Transportation Secured Grants	10,033	165	-	-	-	-	10,198
Transportation Unsecured Grants & External	-	4,567	1,000	7,000	-	-	12,567
School Zone Safety Camera Reserve	1,500	1,500	-	-	-	-	3,000
<b>Subtotal Transportation Funding</b>	<b>31,198</b>	<b>22,707</b>	<b>19,029</b>	<b>22,199</b>	<b>20,360</b>	<b>22,578</b>	<b>138,072</b>
<b>Utilities Funding</b>							
Connection Fees	1,303	1,316	1,330	1,343	1,356	-	6,648
Funded Through SAP Mechanisms	-	-	-	4,800	11,305	-	16,105
Surface Water Rates	2,820	2,887	2,953	3,017	3,118	2,998	17,793
Surface Water Reserves	160	609	-	-	-	-	769
Surface Water Unsecured External	-	-	450	874	-	-	1,324
Water/Sewer Debt	-	-	-	-	4,000	4,000	8,000
Water/Sewer Project Transfer	2,682	-	-	-	-	-	2,682
Water/Sewer Rates	5,078	5,401	5,604	5,858	2,763	-	24,704
Water/Sewer Reserves	4,432	3,348	1,611	-	-	-	9,391
Water/Sewer Secured External	1,318	-	-	-	-	-	1,318
REET 1 Reserves	230	-	-	-	-	-	230
Water/Sewer Secured External	200	-	-	-	-	-	200
<b>Subtotal Utilities Funding</b>	<b>18,223</b>	<b>13,561</b>	<b>11,948</b>	<b>15,892</b>	<b>22,541</b>	<b>6,998</b>	<b>89,163</b>
<b>Total Revenues</b>	<b>93,187</b>	<b>45,030</b>	<b>50,809</b>	<b>43,976</b>	<b>51,304</b>	<b>33,887</b>	<b>318,192</b>

## PRIORITIZATION CRITERIA

The current capital budget is guided by the capital budgeting priorities ("Prioritization Criteria") discussed by the Council at the April 5, 2022 meeting, specifically:

**1. Complete capital projects from the 2021-2022 City Work Plan.**

These include design and initiation of the Juanita Drive & 100<sup>th</sup> Ave NE projects, continued work on the Totem Lake Connector, and major park improvements at Totem Lake Park and 132<sup>nd</sup> Square Parks.

**2. Complete public safety capital investments that help implement the Police and Fire Strategic Plans.**

Continue delivery of the Fire Station program as detailed with the adoption of Fire & EMS Prop 1, including the construction of Fire Station 27 & renovation of Fire Station 22.

**3. Identify and complete utility and transportation projects necessary to ensure the success of WSDOT and Sound Transit investments in I-405 and Kirkland, and support transit-oriented redevelopment incentivized by the NE 85<sup>th</sup> St. Station Area Plan.**

Sound Transit and WSDOT will be investing hundreds of millions of dollars in these major transportation projects which are scheduled to be completed by 2026. To ensure the maximum benefit and minimum impact of these mega-projects, it is vital that local investments on NE 132<sup>nd</sup> Street and the NE 85<sup>th</sup> ST/I-405 interchange be completed. Planning for the delivery of projects identified in the NE 85<sup>th</sup> Station Area Planning process is being prioritized to encourage an equitable and sustainable transit-oriented community as part of the significant growth expected in Greater Downtown Kirkland.

**4. Complete projects necessary to ensure adequate transportation concurrency investments that keep pace with development.**

Major transportation projects are scheduled to be completed in the next six years to provide multi-modal capacity and concurrency trip credits. Some key projects that will add significant trip credits include Juanita Drive improvements, 100<sup>th</sup> Avenue NE improvements, 124<sup>th</sup> Ave NE improvements, and the Totem Lake Connector Bridge. Grant funding has been secured for a number of these projects and staff are pursuing further funding opportunities, including debt financing, to move towards completion.

**5. Invest in parks projects that increase active recreation opportunities throughout the City to meet the diverse needs of a growing population.**

Complete major park improvement projects, such as 132<sup>nd</sup> Square Park and David Brink Park, that add recreational amenities and increase capacity. This includes improvement projects such as conversion of athletic fields to synthetic turf or the expansion or improvement of playgrounds and play courts for all ages and abilities. Complete feasibility and costing assessment of candidate park projects for a potential Parks' ballot measure.

**6. Invest in water, sewer, and stormwater projects according to the needs contained in the adopted utility Master Plans and identified in the NE 85<sup>th</sup> St. Station Area Plan.**

Because water, sewer and stormwater projects are funded by rates, they do not compete with general fund capital projects for funding. The most recently developed master plans are used to identify specific needs for each utility, which provide guidance to the CIP. Utility projects are then prioritized by the policy and project priorities outlined in the CIP process. Some utility projects are also prioritized when major public or private developments occur, as environmental regulations change, or as grant opportunities emerge.

**7. Create measurable progress towards achieving the City Council's eleven goals.**

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

## POLICY ISSUES

### Economic Conditions

Given the uncertainty around the current economic conditions, the City Council adopted the following strategies for prioritization in addition to the principles detailed above. These strategies will help deliver a recommended list of projects that account for the current situation.

1. Potentially defer projects and reprioritize funding if high inflation continues.
  - Identify projects that are being impacted by permitting delays, construction delays or bids exceeding budgets and determine whether to defer these projects to future years. Focus on what needs to be completed for critical operations and safety if inflation necessitates project cuts.
2. Complete projects with grant, contractual or regulatory requirements.
  - Determine the impact of the current situation on grant/externally funded projects and identify options to mitigate potential loss of funding or non-compliance. Review projects that reflect Kirkland's commitments to regional partners to ensure that the City is meeting contractual or other obligations.

### Equity Mapping

Consistent with objectives 17.1 and 17.2 in the Diversity, Equity, Inclusion, and Belonging (DEIB) 5-year Roadmap, Staff has prepared a preliminary Equity Map to evaluate funding in the adopted 2023-2028 CIP. These scores for each potential capital project were integrated into the CIP prioritization as an initial attempt to systematize equity as a key consideration for the City's capital investments. Staff is working closely to further integrate this process with a citywide equity analysis tool and plans to bring back additional details during 2023-28 CIP Update process in 2023.

Mirroring similar "equity indices" (e.g., Racial & Social Justice Equity Index Mapping by Seattle's Office of Planning & Community Development, or OPCD), Staff collected and weighted various data from the American Community Survey to identify census tracts with more vulnerable communities or with a higher likelihood of displacement. Each of the characteristics were collected by census tract in the Eastside and separated into quintile distributions (i.e., 20<sup>th</sup> percentile, 40<sup>th</sup> percentile, etc.) to reflect the true demographic variability in the region. Depending on whether those characteristics make a population more or less vulnerable, they were given a rank 1-5 which were weighted and aggregated to determine an Equity Index Rating for each census tract, as calculated in the 'Compiled Ranks' tab. An Equity Index ranking of 5 indicates that a census tract is of 'higher equity concern' and is likely to have been historically underserved or in greater need of government services. Staff applied these census tract scores to the adjacent projects in the adopted CIP, which makes up one of the business prioritization criteria that the Capital Projects team uses to determine which projects are funded in the 6-year time horizon.

## PROJECT HIGHLIGHTS

Notable project highlights for 2023-2024 include:

**Parks** — Progress continues to be made in renovating the City's shoreline parks with additional funding programmed in 2023 and 2024 in the Dock and Shoreline Renovations project. The Green Loop Master Plan & Acquisition project began in 2022 with a grant from King County that continues in the current CIP plan through 2026. Additional improvements are planned for various park playgrounds, sport courts and restroom facilities.

**Public Safety** — The funded 2023-2024 CIP includes replacement of necessary equipment for both Police and Fire. Significant projects in process include the expansion and remodel of Fire Stations 21, 22 and 26 as well as the replacement of Fire Station 27. A significant new project in 2023-2028 is the Fire Station 24 Training Capacity Configuration with an estimated cost of \$2.8 million.

**Transportation** — Key projects including 124<sup>th</sup> Ave NE Roadway Improvements, 100<sup>th</sup> Ave NE Roadway Improvements, and Juanita Drive Intersection & Safety Improvements continue progress towards completion by receiving additional funding in 2023-2024. Other significant projects continuing in the 2023-2024 CIP are NE

85<sup>th</sup> Street improvements including a new pedestrian and bike connection, an additional eastbound lane from 120<sup>th</sup> Ave to 122<sup>nd</sup> Ave and a westbound transit queue jump. These NE 85<sup>th</sup> Street improvements are funded in part by an agreement with Sound Transit totaling \$15.9 million.

**Utilities (Water and Sewer)** — The City continues to make progress on the completion of several projects including the South Reservoir Seismic & Recoating Construction and the NE 85<sup>th</sup> St and I-405 Watermain Replacement. The 2023-2024 CIP also includes several Water/Sewer Main Improvement projects including the West of Market Sewermain Replacement - Phase 1 with initial funding of \$4.3 million in 2023-2024.

**Surface Water** — The 2023-2024 Surface Water program includes continuation of several key projects including the Neighborhood Drainage Assistance Program, Goat Hill Drainage Ditch Conveyance & Channel Stabilization project, and the Annual Replacement of Aging/Failing Infrastructure project. A new project in 2024 is the Silver Spurs Storm System Upgrade with an estimated cost of \$1.7 million.

**General Government** — New IT projects in the 2023-2024 CIP include replacing the AV equipment in the Council Chambers and City Hall meeting rooms as well as support and replacement for mission-critical applications. The Facilities CIP includes investments in permanent supportive housing, ARCH Project in Kirkland, Houghton Village Capital Improvements, and upgrades to the PW Maintenance Center. A significant new project in 2023 is the \$10.0 million acquisition of the Houghton Park & Ride.

# Performance Measurement Report





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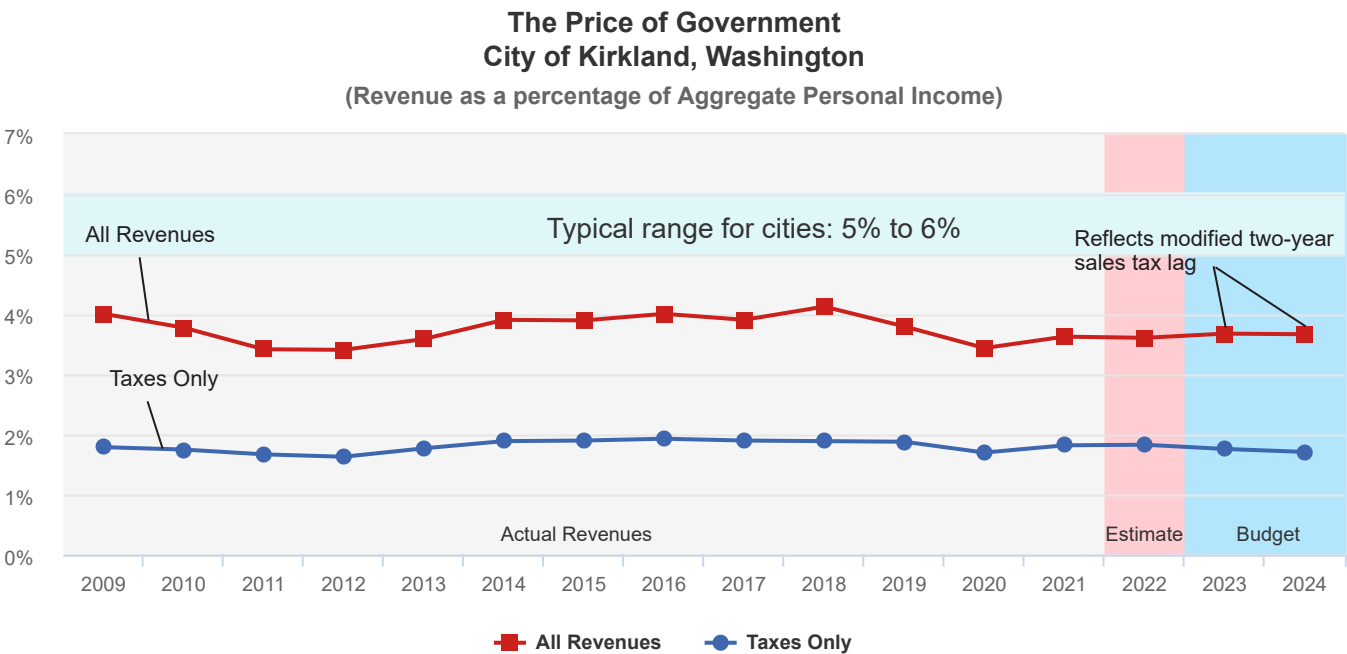
# Performance Measurement

In recent budget cycles Kirkland has produced an annual performance report focused on each Council goal area, however, due to COVID-19 resource and staffing constraints this budget combines 2021 and 2022 into a single report, with reduced narrative sections. However, the process of measuring and planning based on these metrics has continued and that is reflected in the data collection shown below.

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

As mentioned in the introduction to this budget, Kirkland's budget development is guided by three key performance measures that have been accepted by City Council as "strategic anchors" on which to base major decisions. The anchors keep the City grounded and on a path to success by considering whether the City is affordable, responsive to the needs of its residents, and financially sustainable. Visual representations and explanations of each strategic anchor follow:

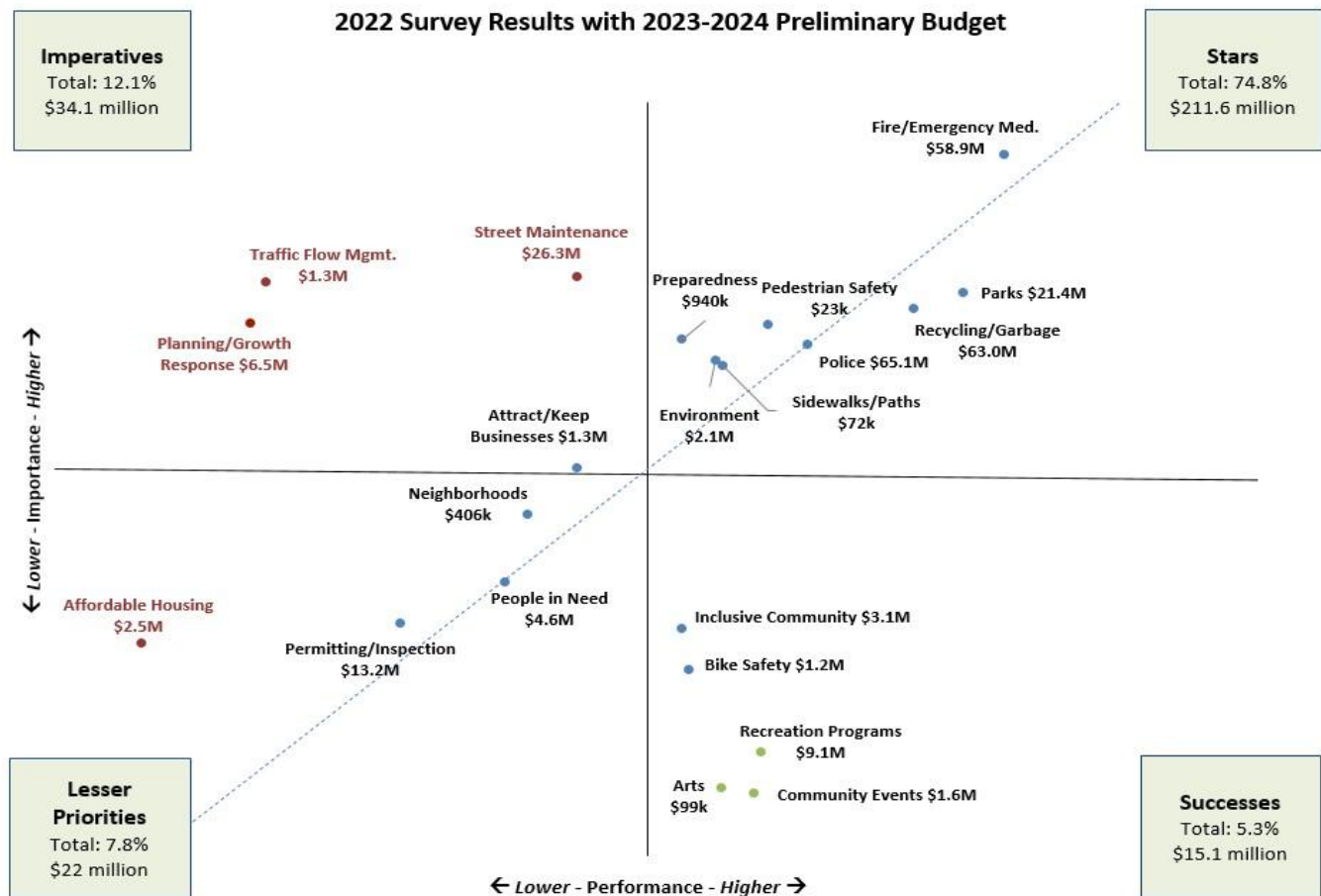
## THE PRICE OF GOVERNMENT



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

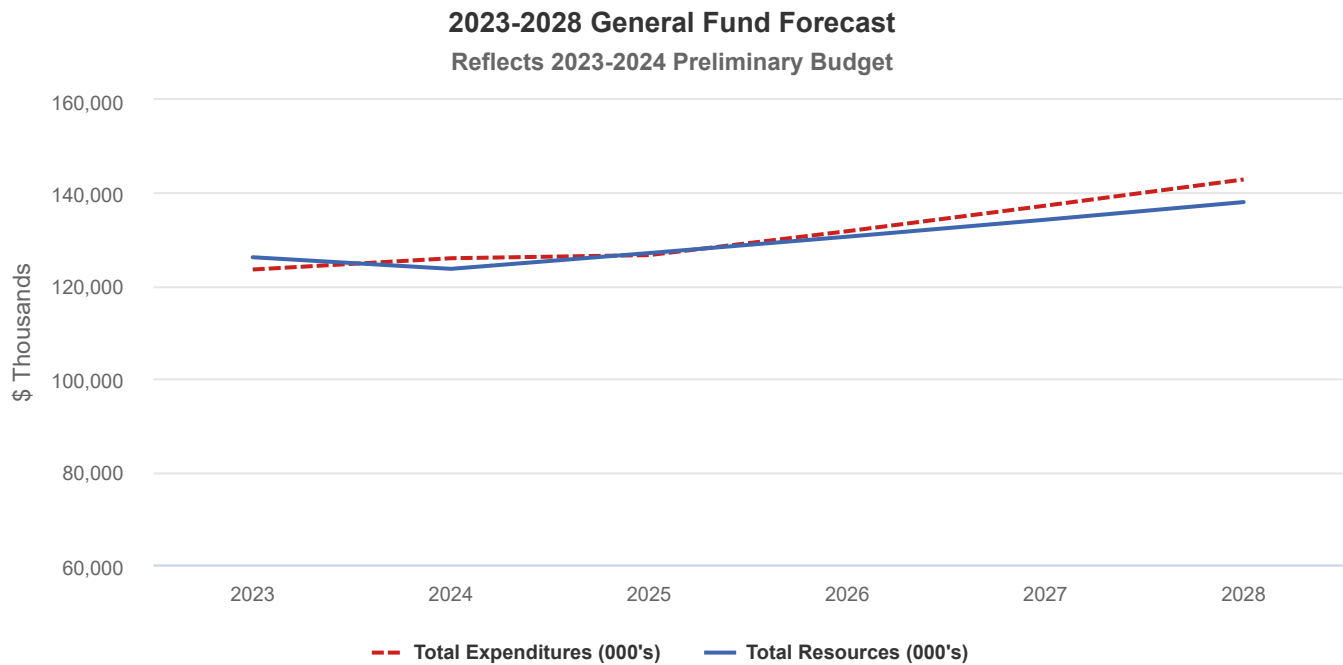
## THE KIRKLAND QUAD

The “Kirkland Quad” represents 21 key policy areas (Priority Areas) ranked by community members through a survey of their importance and the City’s performance levels, coupled with the level of investment that the City makes in each area. The dashed line represents the theoretical balance of performance in relation to the level of importance that community members place on that service. Items significantly to the left of the line may be potentially valuable improvement opportunities, while items far to the right of the line may result in wasted resources if given too much focus. The chart below represents the data from the 2022 Community Survey with the 2023-2024 Preliminary Budget. This shows the majority of the budget spent on the 21 areas below (86.9%) will be invested in those areas community members consider to be of high importance.



## THE FORECAST

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



These three strategic anchors ground the City's strategic direction and they are used in conjunction with the other major components of the City's strategic framework: the eleven goal areas set forth by the City Council, and the biennial Council workplan. These create a complete performance assessment of how resources have been used in response to expectations of community members. These long term goals and anchors are complemented by an annual look at performance across the 11 Council goals. These goals undergo regular review by the City Council and will next be updated in 2023.



Inclusive and  
Equitable  
Community

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

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

The City Council adopted an eleventh goal and updated all council goals to reflect the City's commitment to an inclusive and equitable community. Quantitative metrics to track this goal will be developed in light of the Diversity, Equity, Inclusion & Belonging (DEIB) 5 Year Roadmap adopted on July 5, 2022.

However, below are some key highlights from 2021-2022:

- The DEIB Manager was hired in June 2022 to support the City's various efforts around DEIB, including implementing the Roadmap and completing the various objectives.
- Increase in funding for Outreach and Engagement to Support a Safe, Inclusive, and Welcoming Community included as a service package, \$100,000 one-time.
- The City hired 1 Community Responder Lead and 4 Community Responders during 2021-2022.

For the first time in the budget development process, a DEIB tool was developed to assist departments in thinking about the various DEIB components and incorporating them into each of the Service Packages. The various categories of considerations included Language Access, ADA accommodations, Personnel requests, Acquisition and Procurement, Communications and Outreach, Data Collection, and Federal Funding/Title VI. Departments were requested to identify any items needed to successfully execute a project in an equitable manner, that includes all the diversity that the City of Kirkland community represents.

## PERFORMANCE MEASUREMENT BY COUNCIL GOALS

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



### Vibrant Neighborhoods

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

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

Measure	2018	2019	2020	2021	2022	Target
Subscriptions/ number of e-bulletins sent out	2,486/59	3,395/51	3,395/92	5,660/57	5,906/37	N/A
Neighborhood CIP Funding (\$)	\$350,000	\$350,000	\$350,000	\$350,000	\$350,000*	N/A
Number/amount of neighborhood matching grants	10/\$8,031	10/\$19,394	10/\$5,889	9/\$13,505	9/\$13,505	N/A
Value of Volunteer hours in neighborhood projects (\$)	\$18,148	\$48,483	\$7,606**	**	**	N/A
Number of attendees at City Council neighborhood meetings/topical town halls	273	206	268	**	268	50+ per meeting
Residents surveyed are satisfied with neighborhood infrastructure and maintenance	81%	***	83%	***	79%	90%

\* Neighborhood Safety Program 2022 delayed due to staff vacancies.

\*\* No updates to the 2020 values. The COVID-19 pandemic resulted in the cancellation of volunteer opportunities and Council town hall meetings that would otherwise have occurred.

\*\*\* Community survey occurs in even years.

The Council Goal of achieving active neighborhood participation was severely impacted by the COVID-19 pandemic during 21-22. City Council neighborhood meetings/topical town halls as well as volunteer opportunities were cancelled due to social distancing requirements. The City resumed topical town halls in 2022 and attendance has returned to pre-pandemic levels. The 2022 Community Survey results show that 79% residents rank support for neighborhoods positively “average or higher”.



## Community Safety

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

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

Measure	2018	2019	2020	2021	2022	Target
Total Police Services Funding (\$)	26,265,977	28,986,815	30,942,240	31,323,997	34,139,978	N/A
Total Fire and Emergency Management Services Funding (\$)	23,772,231	23,894,333	24,750,289	26,574,933	28,392,778	N/A
Sworn Police FTE's (authorized) per 1,000 population	1.20	1.23	1.20	1.18	*	N/A
Paid Fire and EMS staffing per 1,000 population served	1.10	1.07	1.05	0.96	*	N/A
EMS responses meeting travel standard(all calls)	65%	71%	67%	63%	*	90%
Fire responses meeting travel standard(all calls)	48%	66%	64%	58%	*	90%
EMS response times under 5 minutes	65%	61%	46%	46%	*	90%
Fire response times under 5.5 minutes	48%	55%	55%	48%	*	90%
Residents have active, working smoke detector in their residence	98%	**	92%	**	92%	100%
Residents are prepared for a seven day emergency	62%	**	67%	**	52%	90%
Residents feel safe walking in their neighborhoods after dark	79%	**	78%	**	75%	80%
Residents feel safe walking in their neighborhoods during the day	98%	**	92%	**	92%	90%

\* Data not yet available

\*\* Community survey occurs in even years

The 2022 Community Survey results were largely consistent with prior surveys for overall satisfaction with Kirkland as a safe place to live. Kirkland residents' overall attitude towards their community is very positive, with eight in ten residents reporting Kirkland as an excellent or good place to live, with a modest decrease since 2020. Kirkland's City government continues to earn high marks for the job it does overall and in delivering services efficiently.



### Supportive Human Services

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

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

Measure	2018	2019	2020	2021	2022	Target
Total human services funding (\$)	3,635,591	3,950,627	4,462,230	6,868,840	10,385,265	N/A
Human services funding per capita	\$41.67	\$43.90	\$49.69	\$73.67	\$111.39	N/A
Number of programs funded in each community goal area:						
1. Food to Eat and Roof Overhead	21	28	28	22	*	N/A
2. Supportive Relationships within Families, Neighborhoods and Communities	13	18	18	14	*	N/A
3. Safe Haven from All Forms of Violence and Abuse	6	4	4	4	*	N/A
4. Health Care to Be as Physically and Mentally Fit as Possible	16	27	27	14	*	N/A
5. Education and Job Skills to Lead an Independent Life	9	9	9	10	*	N/A
Funded agencies meet or exceed human services contract goals	93%	86%	87%	86%	*	100%
Percent of applicant programs receiving funding from the City	81%	94%	94%	70%	*	100% of eligible
City's representation on regional collaborative organizations**	*	*	*	11**	*	N/A
City's representation on local collaborative organizations**	*	*	*	5**	*	N/A

\* Data not yet available

\*\* New Performance Measure added

The total human services and related activities funding for 2021-2022 is \$17.25 million. The increase is primarily due to ARPA funded programs in 2021-2022, increasing the funding per capita to \$185.06. Staff report 70% of applicant programs received funding from the City and 86% of funded agencies met or exceeded human services contract goals.



### Balanced Transportation

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

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

Measure	2018	2019	2020	2021	2022	Target
Percent of Capital Improvement Program Transportation funding devoted to Active Transportation	30%	28%	16%	27%	16%	33%
Percent of City of Kirkland operated signalized intersections fully updated to City's standard	66%	80%	-	87%	*	100% of ITS Strategic Plan
Complete sidewalk construction on at least one side of all school walk routes on all collectors and arterials	95%	95%	96%	99%	*	100%
Percent of bicycle network construction improvement projects completed	79%	79%	79%	82%	*	100%
Residents surveyed are satisfied with neighborhood infrastructure	81%	**	82%	**	77%	90%
Automobile crashes involving bikes	31	24	12	20	*	0.00
Automobile crashes involving pedestrians	28	29	14	23	*	0.00

\* Data not available

\*\* Community survey occurs in even years

City staff report 99% sidewalk construction on at least one side of all school walk routes on all collectors and arterials completed in 2021, a 3% increase from 2020. The percentage of bicycle network construction improvement projects completed increased from 79% to 82% in 2021. 87% of City of Kirkland operated signalized intersections fully updated to City's standard.

The 2022 Community Survey results show that three-quarters (77%) of residents report being satisfied with their neighborhood infrastructure, including streets, sidewalks, and roadside landscaping, including nearly a third (29%) who are very satisfied.



## Abundant Parks, Open Spaces and Recreational Services

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

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

Measure	2018	2019	2020	2021	2022	Target
FTE staff for parks maintenance and recreation programs	59.76	60.15	60.15	60.11	*	N/A
Park maintenance FTE's per 100 acres developed land	5.48	5.48	5.48	5.28	*	N/A
Number of volunteers	3,216	3,196	784***	1,252	*	N/A
Volunteer hours	19,431	20,417	7,840	8,804	*	N/A
Parks Capital Improvement Program (\$)	3,961,000	12,513,900	7,635,000	3,777,000	2,194,000	N/A
Parks Operating & Maintenance Funding (\$)	5,863,484	8,013,518	8,507,180	7,248,847	10,644,729	N/A
Recreation Operating & Maintenance Funding (\$)	2,807,888	3,286,392	3,369,340	3,376,796	3,860,532	N/A
Residents with neighborhood park within 1/4 mile radius	75%	75%	76%	84%	84%	100%
Acres of natural area in restoration	107.7	119.0	123.1	299.8	311.8* as of June	509 acres by 2035
Percent of recreation classes meeting minimum enrollment	83%	82%	53%	88%	*	80%
Residents rate City parks as satisfactory or better	97%	**	92%	**	94%	95%
Residents rate recreation and community services as satisfactory or better	84%	**	84%	**	85%	N/A

\* Data not available

\*\* Community survey occurs in even years

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

The 21-22 Parks CIP is \$5.971 million and O&M funding is \$17.89 million. The Community Survey 2022 reports that residents continue to rank Kirkland's parks among the strongest performing services and 84% of residents rank parks to be an important City service to their households. Approximately 94% of residents rate City Parks as satisfactory or better. While 85% rate recreation and community services as satisfactory or better. Despite the pandemic, the number of volunteers and volunteer hours increased in 2021.



### Attainable Housing

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

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

Measure	2018	2019	2020	2021	2022	Target
City contributions to ARCH (A Regional Coalition for Housing) Trust Fund (\$)	590,560	645,669	588,691	639,378	*	\$280,000 to \$350,000
Number of low income housing units produced	41	89	208	25	*	69 units per year
Number of moderate income housing units produced	3	58	*	13	*	49 units per year
Total number of low and moderate income units brought online	44	147	208	38	*	118 units per year

\* Data is missing for 2020 and not yet available for 2022.

Data on production of low and moderate income units of housing does not include units created through the ARCH Housing Trust Fund, which are funded regionally via contributions from Cities such as Kirkland. These units represent a substantial proportion of units produced.

The City contributions to ARCH Trust Fund increased by 9% in 2021 to \$639,378. However, due to the pandemic the City was unable to meet its targets of producing low and moderate income housing units in 2021.



Financial  
Stability

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

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

Measure	2018	2019	2020	2021	2022	Target
Minimum balance in General Purpose Reserves	95.2%	93.8%	93.6%	95.4%	*	80% of budgeted reserve target
Credit Rating	AAA	AAA	AAA	AAA	AAA	AAA
Contingency reserve**	100%	100%	100%	100%	100%	
Percent of funding allocated to high priority services (Stars and Imperatives)	86%	***	87%	***	90%	80% of rated services

\* Data not available

\*\* New Performance Measures

\*\*\* Community survey occurs in even years

The City continues to maintain its AAA Credit Rating and has achieved its target of budgeted reserves in 2021. The 2022 Community Survey results show 44% of residents rate the City as 'Excellent/Good' for managing the public's money and 38% reporting 'Fair/Poor'. Around one in five (18%) of residents are unable to rate the City on these issues.



## Sustainable Environment

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

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

Measure	2018	2019	2020	2021	2022	Target
Compliance with NPDES Stormwater Permits	100%	100%	100%	100%	100%	100%
Recycling Diversion Rate	59%	59%	59%	58%	*	Increase
City building electricity use (kilowatt/hour)	3,504,970	3,654,798	3,680,258	3,666,423	*	Decrease
City building natural gas usage (therm)	100,835	106,739	101,355	99,878	*	Decrease
Waste entering landfill from residences (tons)	18,535	18,650	19,169	18,880	*	Annual 2.5% decrease
Annual reduction in City's greenhouse gas emissions as a percent of 2005 levels	11.73%	(12.45%)	14.15%	(19.15%)	*	80% below 2005 levels by 2050

\* Data not yet available



### Thriving Economy

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

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

Measure	2018	2019	2020	2021	2022	Target
Number of businesses helped with consultant services	185	413	554	1,742 / \$287,784	*	N/A
Number of grants/ \$ offered to businesses****	-	-	-	806/ \$2,106,254	*	N/A
Regional Partnerships signed / \$ ****	-	-	-	1,129/ \$174,500	*	N/A
ARPA funding for small business/\$ ****	-	-	-	1,980/ \$2,218,899	*	N/A
Office space vacancy rate	4.10%	4.80%	4.80%	6.10%	7.5% Q3,22	N/A
Net new businesses	706	262	913	1,596	*	Increase
Annual number of jobs	41,934	38,655	46,935	41,846	*	Increase
Lodging tax revenue	329,043	334,390	125,794***	218,224	249,510	Increase
Visits to ExploreKirkland.com	53,808	46,576	33,846	139,279	149,956	Increase
Shop Local Kirkland Page visits /direct leads to businesses****	-	-	-	90,038 / 3,365	*	Increase
Residents are satisfied with the City's ability to attract and keep businesses in Kirkland	78%	**	78%	**	80%	80%
Residents are satisfied with the availability of goods and services in Kirkland	90%	**	85%	**	80%	80%

\* Data not yet available

\*\* Community survey occurs in even years

\*\*\* Lodging tax revenue was heavily impacted by the COVID-19 pandemic

\*\*\*\* New Performance Measurement indicators



## Dependable Infrastructure

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

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

Measure	2018	2019	2020	2021	2022	Target
Transportation Capital Projects Funding (\$)	27,431,400	38,097,100	31,279,900	21,034,980	24,357,780	N/A
Water/Sewer Capital Project Funding (\$)	5,095,000	7,127,700	6,125,400	7,430,000	11,365,400	N/A
Surface Water Capital Project Funding (\$)	3,760,500	7,994,800	5,856,000	3,662,919	3,436,380	N/A
Pavement Condition Index for Major and Minor Arterial Streets	75.3	74.6	75.7	75.7	*	70
Pavement Condition Index for Collectors and Neighborhood Streets	77	75.5	75.8	75.8	*	65
Residents surveyed rate street maintenance as satisfactory or better	81%	**	82%	**	77%	90%
Water Main Breaks	12	9	6	6	3	-
Sewer Obstructions	1	2	3	2	0	-

\* Data not available

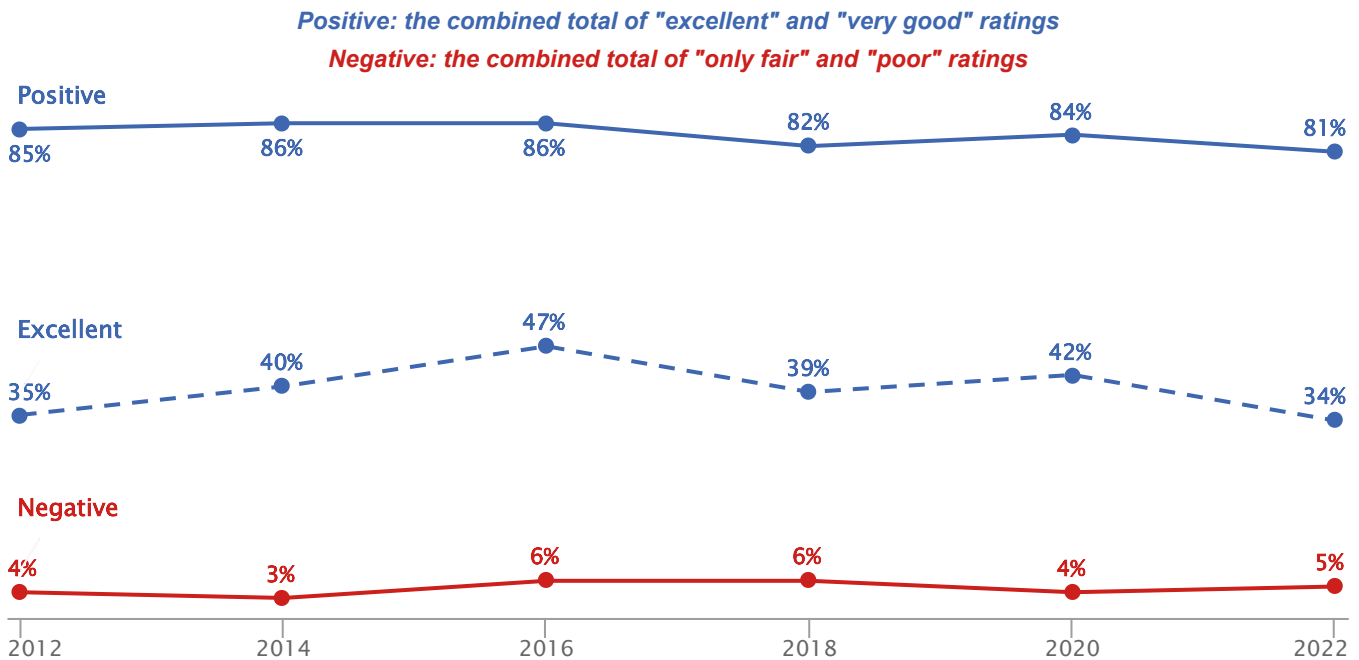
\*\* Community survey occurs in even years



### “Kirkland as a Place to Live” Trend

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

Kirkland’s residents overall attitude towards their community is very positive, with eight-in-ten residents continuing to rate Kirkland as a “very good” or “excellent” place to live. A strong majority of residents continue to rate the quality of life in Kirkland, positively; most consider Kirkland an “excellent” (34%) or “very good” (47%) place to live. A small share of residents continue to rate Kirkland’s quality of life more critically, with either “only fair or poor” (5%).





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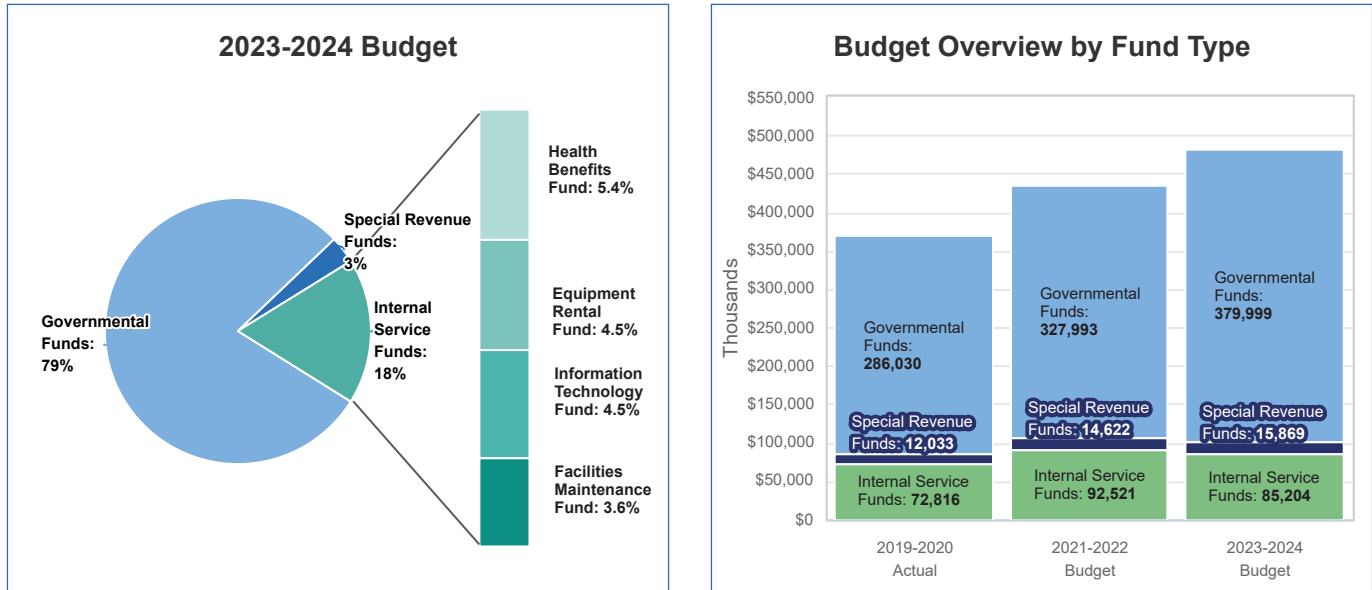
# General Government Operating





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## GENERAL GOVERNMENT OPERATING BUDGET SUMMARY



Expenditures for the general government operations of the City are presented in 11 separate operating funds. This pie shows the total operating budget by fund type. The General Fund makes up the largest portion of the operating budget and accounts for general purpose expenditures incurred to provide various general-purpose municipal services. State law requires that Washington cities adopt a balanced budget for each of their operating funds. These funds finance the normal non-utility service delivery functions of the municipality. Note that the internal service funds are, by definition, double budgeted, appearing once in their own fund and budgeted again as expenses in the other operating funds, including utilities. The following pages summarize the various operating funds and how they are budgeted.

## ANALYSIS OF CHANGE

	2019-2020 Actual	2021-2022 Budget	2023-2024 Budget	Change
<b>Governmental Funds</b>				
General Fund	263,291,374	302,645,360	298,135,553	(1.49%)
Street Operating Fund	22,738,651	25,347,562	28,053,264	10.67%
Development Services Fund	-	-	53,810,527	-%
<b>Total Governmental Funds</b>	<b>286,030,026</b>	<b>327,992,922</b>	<b>379,999,344</b>	<b>15.86%</b>
<b>Special Revenue Funds</b>				
Lodging Tax Fund	812,371	885,592	901,619	1.81%
Cemetery Operating Fund	1,082,391	1,330,738	1,411,246	6.05%
Parks Maintenance Fund	3,381,837	4,077,284	4,400,196	7.92%
Parks Levy Fund	6,756,121	8,328,612	9,156,276	9.94%
<b>Total Special Revenues Funds</b>	<b>12,032,721</b>	<b>14,622,226</b>	<b>15,869,337</b>	<b>8.53%</b>
<b>Internal Service Funds</b>				
Health Benefits Fund	19,281,625	23,303,951	25,708,788	10.32%
Equipment Rental Fund	21,949,952	29,453,486	21,374,265	(27.43%)
Information Technology Fund	15,726,129	18,655,463	21,444,279	14.95%
Facilities Maintenance Fund	15,858,268	21,107,932	16,677,162	(20.99%)
<b>Total Internal Service Funds</b>	<b>72,815,975</b>	<b>92,520,832</b>	<b>85,204,494</b>	<b>(7.91%)</b>
<b>Gen. Gov't Operating Total</b>	<b>370,878,721</b>	<b>435,135,980</b>	<b>481,073,175</b>	<b>10.56%</b>

## CHANGE IN FUND BALANCE (BEGINNING 2021 TO ENDING 2024)

### GENERAL GOVERNMENT OPERATING FUNDS

	General <sup>(1)</sup>	Lodging Tax <sup>(2)</sup>	Street Operating <sup>(3)</sup>	Development Services <sup>(4)</sup>	Cemetery Operating <sup>(5)</sup>	Parks Maintenance <sup>(6)</sup>
<b>2021 Actual Beginning Fund Balance</b>	<b>61,157,193</b>	<b>372,969</b>	<b>1,293,139</b>	<b>-</b>	<b>1,089,802</b>	<b>954,973</b>
Reserved	32,129,128	97,118	470,008	-	-	514,854
Unreserved Working Capital	29,028,065	275,851	823,131	-	1,089,802	440,119
Plus: 2021-22 Estimated Revenues	262,908,524	474,896	23,474,554	-	334,173	3,228,283
Less: 2021-22 Estimated Expenditures	255,462,429	519,422	23,812,358	-	266,608	3,137,123
Less: 2022 Estimated Carryovers	19,411,983	-	242,000	-	-	-
<b>2022 Estimated Ending/2023 Budgeted Beginning Fund Balance</b>	<b>49,191,305</b>	<b>328,443</b>	<b>713,335</b>	<b>16,386,180</b>	<b>1,157,368</b>	<b>1,046,133</b>
Plus: 2023-24 Budgeted Revenues	249,480,820	573,176	27,339,929	37,037,775	253,878	3,354,063
Less: 2023-24 Budgeted Expenditures	255,441,980	599,327	27,356,587	37,405,394	195,192	3,707,273
<b>2024 Budgeted Ending Fund Balance</b>	<b>43,230,145</b>	<b>302,292</b>	<b>696,677</b>	<b>16,018,561</b>	<b>1,216,054</b>	<b>692,923</b>
Reserved	37,040,513	267,348	673,694	15,133,749	-	609,313
Unreserved Working Capital	6,189,632	34,944	22,983	884,812	1,216,054	83,610
<b>Change in Fund Balance:</b>						
<b>Beginning 2021 to Ending 2024</b>	<b>(17,927,048)</b>	<b>(70,677)</b>	<b>(596,462)</b>	<b>16,018,561</b>	<b>126,252</b>	<b>(262,050)</b>

#### Notes:

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

<sup>(1)</sup> The reduction in fund balance reflects the transfer of Development Services departments to a separate fund, removing roughly \$53.3 million from the General Fund. Without this reduction, the General Fund would have increased by 12.4% due to increases in personnel, transfers out, and reserves. The large carryover at the end of 2022 includes \$16.4 million in resources being transferred to the new Development Services Fund.

<sup>(2)</sup> Fund balance decreased from 2021 to 2024 due to planned uses of cash balance in 2021 and significant revenue shortfalls in 2022 due to continued impacts of the COVID-19 Pandemic. Reserved fund balance is set at 50% of prior year revenues, reflecting the drop in economic activity in 2020. Revenues were conservatively estimated in 2023-2024 at levels below 2019 actuals, and a use of \$17,838 in fund balance is planned in 2023-2024.

<sup>(3)</sup> The Street Operating Fund shows a decline in fund balance due to gas tax and parking revenue shortfalls in 2022 from COVID-19 related changes in economic activity and planned uses of about \$340k of reserves for one-time funded service packages in 2023-2024.

<sup>(4)</sup> The new Development Services Fund shows an increase in fund balance, representing reserves transferred from operations previously tracked in the General Fund.

<sup>(5)</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.

<sup>(6)</sup> The Parks Maintenance Fund shows an overall decrease 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.

## CHANGE IN FUND BALANCE (BEGINNING 2021 TO ENDING 2024)

### GENERAL GOVERNMENT OPERATING FUNDS (CONTINUED)

	2012 Parks Levy <sup>(7)</sup>	Health Benefits <sup>(8)</sup>	Equipment Rental <sup>(9)</sup>	Information Technology <sup>(10)</sup>	Facilities Maintenance <sup>(11)</sup>	Total
<b>2021 Actual Beginning Fund Balance</b>	<b>1,779,855</b>	<b>5,896,381</b>	<b>18,406,454</b>	<b>2,236,668</b>	<b>8,791,705</b>	<b>101,979,139</b>
Reserved	354,639	1,926,269	5,494,292	1,678,938	4,353,800	47,019,047
Unreserved Working Capital	1,425,216	3,970,112	12,912,162	557,730	4,437,905	54,960,092
Plus: 2021-22 Estimated Revenues	6,433,223	16,269,492	10,721,749	16,337,453	11,550,187	351,732,535
Less: 2021-22 Estimated Expenditures	5,741,502	14,961,599	20,929,921	14,679,946	13,392,325	352,903,234
Less: 2022 Estimated Carryovers	-	-	-	93,000	-	19,746,983
<b>2022 Estimated Ending/2023 Budgeted Beginning Fund Balance</b>	<b>2,471,576</b>	<b>7,204,275</b>	<b>8,198,282</b>	<b>3,801,174</b>	<b>6,949,567</b>	<b>97,447,637</b>
Plus: 2023-24 Budgeted Revenues	6,684,700	18,504,514	13,175,983	17,643,105	9,727,595	383,775,538
Less: 2023-24 Budgeted Expenditures	6,964,062	16,290,530	13,698,060	16,260,092	9,751,188	387,669,685
<b>2024 Budgeted Ending Fund Balance</b>	<b>2,192,214</b>	<b>9,418,259</b>	<b>7,676,205</b>	<b>5,184,187</b>	<b>6,925,974</b>	<b>93,553,490</b>
Reserved	484,898	1,443,715	6,197,215	3,233,725	6,515,431	71,599,601
Unreserved Working Capital	1,707,316	7,974,544	1,478,990	1,950,462	410,543	21,953,890
<b>Change in Fund Balance:</b>						
<b>Beginning 2021 to Ending 2024</b>	<b>412,359</b>	<b>3,521,878</b>	<b>(10,730,249)</b>	<b>2,947,519</b>	<b>(1,865,731)</b>	<b>(8,425,649)</b>

#### Notes:

<sup>(7)</sup> The Parks Levy fund shows an increase in fund balance due to expenditures below budget expectations in 2021-2022.

<sup>(8)</sup> The Health Benefits Fund balance continued to grow in 2021-2022 and 2023-2024. In 2023-2024 rate increases are being held lower than actuarial recommendations to slow the growth of fund balance. The City's six year plan is to bring overall fund balance in-line with the reserved fund balance requirement set by statute – this is represented by the reserved fund balance.

<sup>(9)</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 in both the Equipment Rental and Facilities Maintenance fund balance represent an interfund loan made from these funds for a property purchase. This loan will be repaid by May 2025.



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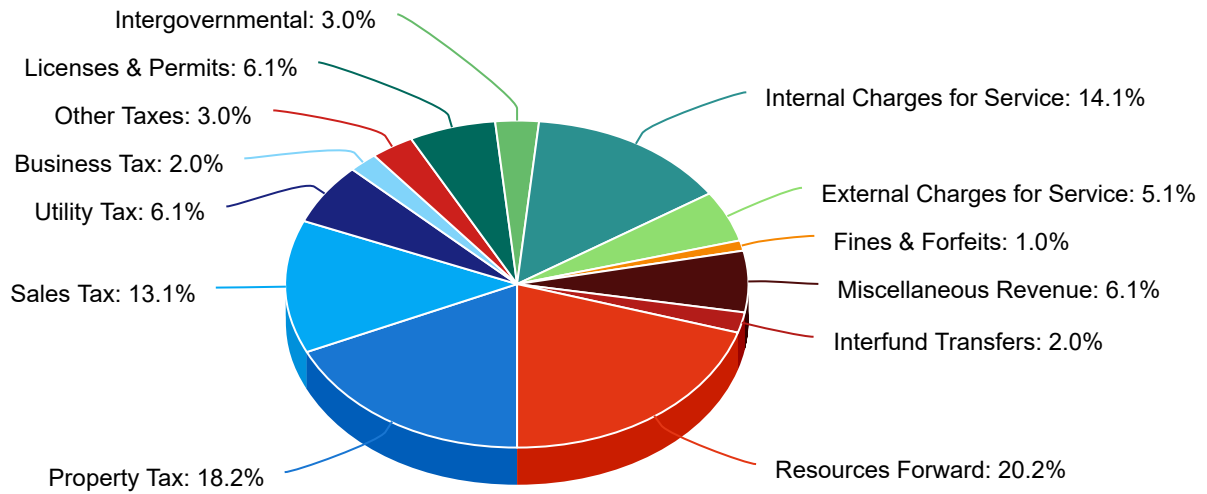
# Revenue Summary



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## General Government Operating Revenue Summary

\$481,073,175



Taxes comprise 42.3 percent of all General Government Operating revenues, representing the single largest revenue category. They are a general purpose revenue source which are used to support basic government services such as public safety, street maintenance, and park maintenance. Internal charges for service reflect payments from one operating fund to another primarily for information technology, fleet, general administration, facilities maintenance, engineering, and billing services provided “in-house.” Resources forward represents the collective beginning fund balance for all General Government Operating Funds, and is composed primarily of capital reserves, operating reserves, and unreserved working capital. In addition, resources forward is used to fund one-time service packages.

## GENERAL GOVERNMENT OPERATING REVENUE SUMMARY: BY REVENUE TYPE

Revenue Type	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
Property Tax	61,275,436	79,944,425	78,901,050	84,627,788	7.26%
Sales Tax					
General Sales Tax	54,152,654	61,278,129	48,193,572	61,769,600	28.17%
Annexation Sales Tax Credit	9,718,017	151,983	2,467,500	-	(100.00%)
Criminal Justice	5,304,791	5,881,912	4,956,280	5,699,722	15.00%
Utility Taxes					
Electric	7,350,519	8,037,959	7,337,245	8,804,079	19.99%
Gas	2,634,623	3,042,901	2,951,333	3,428,297	16.16%
Television Cable	2,715,350	2,438,030	2,528,008	2,164,563	(14.38%)
Telephone	3,133,875	2,074,456	2,204,096	1,438,696	(34.73%)
Water	3,169,906	3,467,611	3,428,161	3,727,646	8.74%
Sewer	2,902,415	3,085,966	3,114,219	3,558,270	14.26%
Garbage	3,755,134	3,868,764	3,858,277	5,705,823	47.89%
Surface Water	1,602,494	1,628,320	1,601,200	1,762,100	10.05%
Admissions Tax	124,900	281,131	89,071	356,167	299.87%
Revenue Gen. Reg. Tax	6,742,623	8,824,594	7,037,004	10,957,278	55.71%
Hotel/Motel Tax	460,184	467,734	501,585	562,646	12.17%
Gambling & Other Taxes	6,638,445	8,625,640	6,898,992	9,050,930	31.19%
<b>Subtotal Taxes</b>	<b>171,681,367</b>	<b>193,099,553</b>	<b>176,067,593</b>	<b>203,613,605</b>	<b>15.65%</b>
Building and Structural	10,113,836	10,361,055	8,884,873	13,051,728	46.90%
Franchise Fees	7,966,999	7,981,078	8,057,771	8,560,295	6.24%
Business and Other	4,438,409	4,459,726	3,896,629	5,609,683	43.96%
<b>Subtotal Licenses and Permits</b>	<b>22,519,245</b>	<b>22,801,859</b>	<b>20,839,273</b>	<b>27,221,706</b>	<b>30.63%</b>
Motor Vehicle Fuel Tax	3,693,152	3,675,385	4,396,083	4,398,762	0.06%
Liquor Taxes	2,499,997	2,583,402	2,460,513	2,723,823	10.70%
Marijuana Taxes	399,897	505,267	285,347	635,123	122.58%
Grants & Other Intergov.	10,225,164	17,316,770	16,738,257	4,500,434	(73.11%)
<b>Subtotal Intergovernmental</b>	<b>16,818,210</b>	<b>24,080,824</b>	<b>23,880,200</b>	<b>12,258,142</b>	<b>(48.67%)</b>
Planning Fees	7,910,567	4,180,824	2,934,156	5,940,736	102.47%
Plan Check Fees	4,503,551	4,829,679	4,396,543	4,148,969	(5.63%)
Engineering Dev. Fees	3,416,471	3,867,967	3,866,870	5,219,216	34.97%
Motor Vehicle License Fees	-	-	-	1,272,236	
Recreation Charges	1,857,032	2,938,345	2,527,738	3,980,210	57.46%
Internal Charges	48,726,017	49,271,182	51,699,746	65,754,811	27.19%
EMS & Transport Fees	3,853,679	4,000,817	3,757,421	4,921,897	30.99%
Other Charges	1,555,053	1,891,547	1,499,820	2,108,480	40.58%
<b>Subtotal Charges for Services</b>	<b>71,822,368</b>	<b>70,980,360</b>	<b>70,682,294</b>	<b>93,346,555</b>	<b>32.06%</b>
<b>Fines and Forfeits</b>	<b>3,616,128</b>	<b>5,713,979</b>	<b>5,199,928</b>	<b>6,839,700</b>	<b>31.53%</b>
<b>Miscellaneous</b>	<b>24,753,884</b>	<b>24,219,658</b>	<b>25,994,367</b>	<b>29,039,804</b>	<b>11.72%</b>
<b>Interfund Transfers</b>	<b>4,664,414</b>	<b>10,836,302</b>	<b>11,208,582</b>	<b>11,456,026</b>	<b>2.21%</b>
<b>Resources Forward</b>	<b>88,951,430</b>	<b>101,979,139</b>	<b>101,263,743</b>	<b>97,297,637</b>	<b>(3.92%)</b>
<b>Gen. Gov't Operating Total</b>	<b>404,827,046</b>	<b>453,711,674</b>	<b>435,135,980</b>	<b>481,073,175</b>	<b>10.56%</b>

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

Revenue Type	General Fund	Lodging Tax Fund	Street Operating	Development Services	Cemetery Operating	Parks Maintenance	2012 Parks Levy Fund	Health Benefits	Equipment Rental	Information Technology	Facilities Fund	Revenue Total
Property Tax	60,066,940	-	15,138,027	-	-	3,288,205	6,134,616	-	-	-	-	84,627,788
Sales Tax												
General Sales Tax	61,769,600	-	-	-	-	-	-	-	-	-	-	61,769,600
Annexation Sales Tax Credit	-	-	-	-	-	-	-	-	-	-	-	-
Criminal Justice	5,699,722	-	-	-	-	-	-	-	-	-	-	5,699,722
Utility Taxes												
Electric	8,804,079	-	-	-	-	-	-	-	-	-	-	8,804,079
Gas	3,428,297	-	-	-	-	-	-	-	-	-	-	3,428,297
Television Cable	2,164,563	-	-	-	-	-	-	-	-	-	-	2,164,563
Telephone	1,438,696	-	-	-	-	-	-	-	-	-	-	1,438,696
Water	3,727,646	-	-	-	-	-	-	-	-	-	-	3,727,646
Sewer	3,558,270	-	-	-	-	-	-	-	-	-	-	3,558,270
Garbage	5,705,823	-	-	-	-	-	-	-	-	-	-	5,705,823
Surface Water	1,762,100	-	-	-	-	-	-	-	-	-	-	1,762,100
Admissions Tax	356,167	-	-	-	-	-	-	-	-	-	-	356,167
Revenue Gen. Reg. Tax	9,417,278	-	1,540,000	-	-	-	-	-	-	-	-	10,957,278
Hotel/Motel Tax	-	562,646	-	-	-	-	-	-	-	-	-	562,646
Gambling & Other Taxes	9,050,930	-	-	-	-	-	-	-	-	-	-	9,050,930
<b>Total Taxes</b>	<b>176,950,111</b>	<b>562,646</b>	<b>16,678,027</b>	<b>-</b>	<b>-</b>	<b>3,288,205</b>	<b>6,134,616</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>203,613,605</b>
Building and Structural	129,410	-	-	12,922,318	-	-	-	-	-	-	-	13,051,728
Franchise Fees	8,560,295	-	-	-	-	-	-	-	-	-	-	8,560,295
Business and Other Licenses	2,281,725	-	710,000	2,617,958	-	-	-	-	-	-	-	5,609,683
<b>Total Licenses and Permits</b>	<b>10,971,430</b>	<b>-</b>	<b>710,000</b>	<b>15,540,276</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27,221,706</b>
Motor Vehicle Fuel Tax	-	-	4,398,762	-	-	-	-	-	-	-	-	4,398,762
Liquor Taxes	2,723,823	-	-	-	-	-	-	-	-	-	-	2,723,823
Marijuana Taxes	635,123	-	-	-	-	-	-	-	-	-	-	635,123
Grants & Other Intergov.	4,450,434	-	-	-	-	-	50,000	-	-	-	-	4,500,434
<b>Total Intergovernmental</b>	<b>7,809,380</b>	<b>-</b>	<b>4,398,762</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,258,142</b>
Planning Fees	-	-	-	5,940,736	-	-	-	-	-	-	-	5,940,736
Plan Check Fees	-	-	-	4,148,969	-	-	-	-	-	-	-	4,148,969
Engineering Dev. Fees	-	-	40,000	5,037,216	126,000	-	-	-	16,000	-	-	5,219,216
Motor Vehicle License Fees	-	-	1,272,236	-	-	-	-	-	-	-	-	1,272,236
Recreation Charges	3,980,210	-	-	-	-	-	-	-	-	-	-	3,980,210
Internal Charges	29,003,919	-	70,000	-	-	-	284,922	362,355	10,340,229	17,461,311	8,232,075	65,754,811
EMS & Transport Fees	4,921,897	-	-	-	-	-	-	-	-	-	-	4,921,897
Other Charges	2,107,680	-	-	800	-	-	-	-	-	-	-	2,108,480
<b>Total Charges for Services</b>	<b>40,013,706</b>	<b>-</b>	<b>1,382,236</b>	<b>15,127,721</b>	<b>126,000</b>	<b>-</b>	<b>284,922</b>	<b>362,355</b>	<b>10,356,229</b>	<b>17,461,311</b>	<b>8,232,075</b>	<b>93,346,555</b>
<b>Fines and Forfeits</b>	<b>6,779,700</b>	<b>-</b>	<b>-</b>	<b>60,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,839,700</b>
Miscellaneous	6,493,449	10,530	836,400	417,500	127,878	65,858	100,162	18,142,159	1,168,554	181,794	1,495,520	29,039,804
Interfund Transfers	463,044	-	3,334,504	5,892,278	-	-	115,000	-	1,651,200	-	-	11,456,026
Resources Forward	48,654,733	328,443	713,335	16,772,752	1,157,368	1,046,133	2,471,576	7,204,274	8,198,282	3,801,174	6,949,567	97,297,637
<b>Fund Total</b>	<b>298,135,553</b>	<b>901,619</b>	<b>28,053,264</b>	<b>53,810,527</b>	<b>1,411,246</b>	<b>4,400,196</b>	<b>9,156,276</b>	<b>25,708,788</b>	<b>21,374,265</b>	<b>21,444,279</b>	<b>16,677,162</b>	<b>481,073,175</b>



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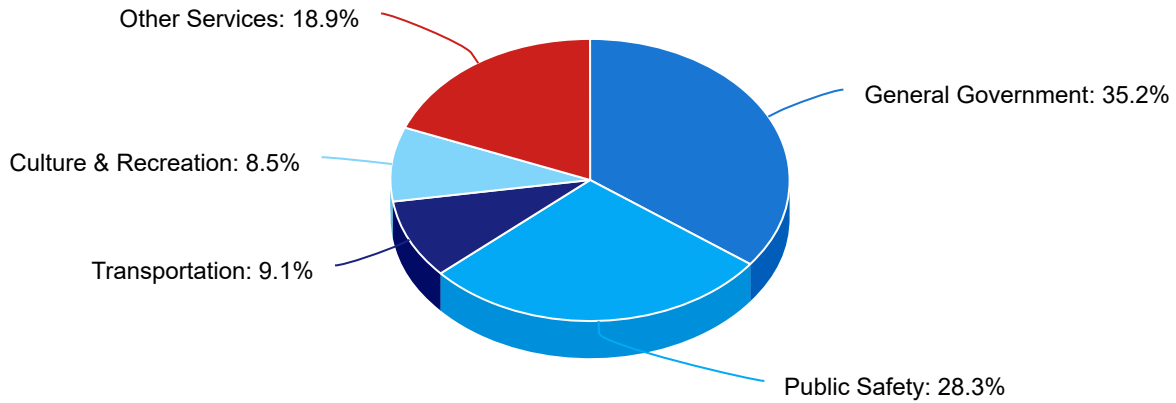
# Expenditure Summary



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## General Government Operating Expenditure Summary

### 2023-2024 Budget by Program



The General Government Operating Funds account for about 43.4 percent of the City's total budget. The largest program area is the General Government (\$169.1 million), which includes legislative, executive, legal, administrative, financial, community planning, building inspection services, and internal service funds. The next largest program area is Public Safety (\$136.2 million), comprising police, fire, and municipal court services.

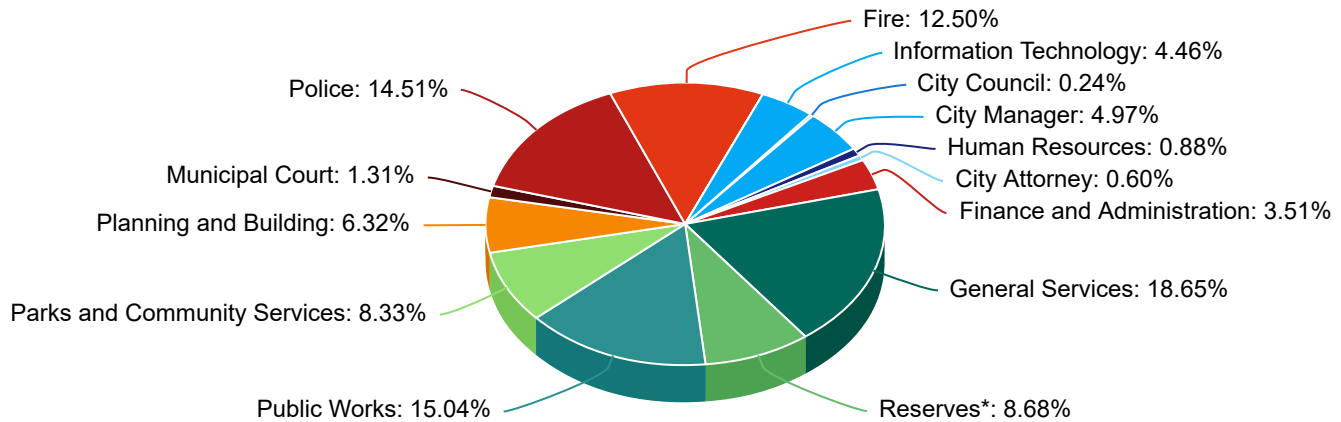
- Public Safety increased due to increasing salary and benefit costs, and the Body Worn Camera Program.
- Transportation decreased due to a reduction in Public Works one-time costs when compared with 2021-2022.
- The Other Services budget includes an increase in reserves including General Purpose reserves such as the Rainy Day Fund and the Revenue Stabilization Reserve.

## ANALYSIS OF CHANGE

Program	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
General Government	138,600,920	162,169,449	161,733,908	169,190,747	4.61%
Public Safety	113,748,181	121,925,507	126,336,070	136,219,203	7.82%
Transportation	39,340,955	41,969,915	43,940,315	43,619,798	(0.73%)
Culture & Recreation	30,062,370	37,876,604	40,223,345	40,898,464	1.68%
Other Services	49,126,295	88,740,834	62,902,342	91,144,963	44.90%
<b>Program Total</b>	<b>370,878,721</b>	<b>452,682,309</b>	<b>435,135,980</b>	<b>481,073,175</b>	<b>10.56%</b>

## General Government Operating Expenditure Summary

### 2023-2024 Budget by Department



The total General Government Operating Expenditures in 2023-2024 is estimated at \$481.1 million. This represents an increase of \$45.9 million or 10.6% from 2021-2022. Inflationary pressures have contributed to the increase in expenditures across all departments.

The largest share is in General Services (\$89.7 million) which includes transfers between funds, unreserved working capital and the General Fund share of the cost of living reserve. The largest department is Public Works (\$72.4 million), consisting of engineering, transportation, public grounds, and fleet management services. Public safety services, Police (\$69.7 million) and Fire (\$60.1 million), are the next two largest departments. Followed by Planning & Building (\$30.4 million) and Parks and Community Services (\$40.1 million). The Reserve budget has increased by 17.2% to \$41.7 million, in part due to non General Fund reserves for anticipated cost of living increases. The table below shows the budget by department across all General Government Operating Funds.

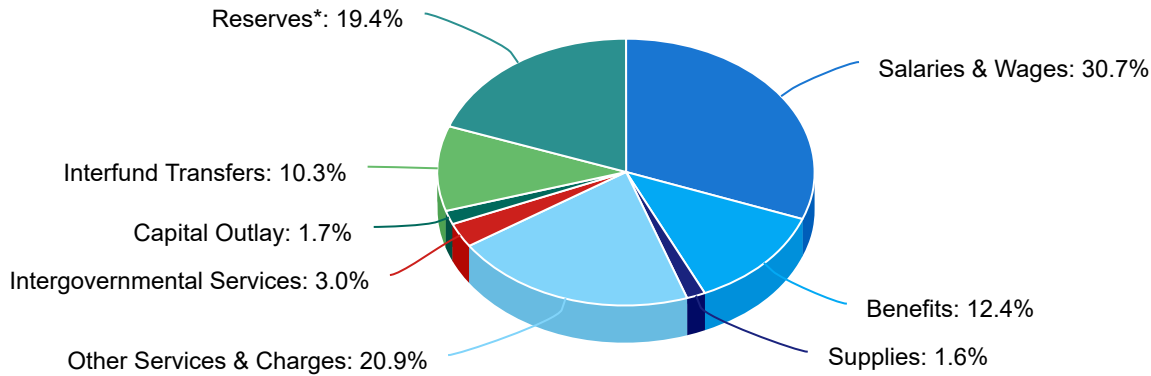
## ANALYSIS OF CHANGE

Department	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
City Council	1,051,488	1,060,279	1,112,771	1,165,843	4.77%
City Manager	23,134,716	28,469,645	31,489,838	23,890,555	(24.13%)
Human Resources	3,398,930	3,835,430	4,087,208	4,215,636	3.14%
City Attorney	2,629,901	2,677,263	2,698,735	2,874,379	6.51%
Information Technology	15,726,129	18,574,120	18,655,463	21,444,279	14.95%
Finance and Administration	12,614,180	14,364,718	14,333,067	16,890,676	17.84%
General Services	48,043,904	87,316,859	61,571,604	89,733,717	45.74%
Reserves	37,148,884	40,538,036	35,616,874	41,734,521	17.18%
Public Works	61,733,625	70,510,417	73,702,991	72,429,319	(1.73%)
Parks and Community Services	29,302,945	37,140,407	39,457,129	40,055,915	1.52%
Planning and Building	22,345,839	26,269,629	26,074,231	30,419,132	16.66%
Municipal Court	5,011,198	5,409,401	5,676,789	6,310,094	11.16%
Police	59,580,358	63,188,373	65,473,045	69,790,397	6.59%
Fire	49,156,625	53,327,733	55,186,236	60,118,712	8.94%
<b>Department Total</b>	<b>370,878,721</b>	<b>452,682,309</b>	<b>435,135,980</b>	<b>481,073,175</b>	<b>10.56%</b>

\* 2019-2020 actual and 2021-2022 estimated reserves are budgeted, but not spent

## General Government Operating Expenditure Summary

### 2023-2024 Budget by Category



The largest category in the General Government Operating Funds is Personnel (Salaries, Wages and Benefits) estimated at \$207.6 million, of which 46.11 percent is for public safety personnel. Excluding Reserves, Other Services & Charges is the next largest category (\$100.5 million) and includes contracted direct services (e.g. jail and human services), contracted support services (e.g. consulting, maintenance services), and internal charges from one City fund to another (e.g. IT, Equipment Rental, Facilities and other Internal Services).

- Interfund transfers estimated at \$49.5 million, decreased by 14.4% as there were large one time transfers to capital projects in 2021-2022, due to contributions from the Fire Prop 1 levy. Additionally, the interfund loan for the purchase of Houghton Village increased interfund transfers. This loan will be repaid before June 2025, but is not currently programmed in the 2023-2024 Budget.
- Intergovernmental services estimated at \$14.2 million, an increase of 40.3% due to the Regional Crisis Response Agency (RCR), whose personnel are budgeted in the City of Kirkland's General Fund and are funded via intergovernmental contributions from the RCR.
- Capital Outlay decreased by 15.5% due to a large number of vehicles being used beyond their expected useful life. Moreover, less vehicles purchased due to the pandemic, supply chain issues and longer lead times.
- Reserves estimated at \$93.4 million, increased by 54.1% partly due to the increase in operating reserves for the Health Benefits, Development Services, and Facilities Maintenance Funds. It is also due to larger than normal undistributed personnel costs reserve, which reflects higher than expected salary increases due to inflation.

## ANALYSIS OF CHANGE

Category	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
Salaries & Wages	117,201,907	127,278,521	132,564,023	147,925,081	11.59%
Benefits	48,651,275	51,700,405	57,390,616	59,665,354	3.96%
Supplies	6,831,128	7,374,263	7,291,879	7,671,763	5.21%
Other Services & Charges	79,562,147	89,004,482	99,684,233	100,526,874	0.85%
Intergovernmental Services	10,879,461	12,750,340	10,156,311	14,246,722	40.27%
Capital Outlay	4,570,661	7,988,158	9,558,303	8,076,723	(15.50%)
Interfund Transfers	30,210,014	56,807,065	57,886,135	49,557,168	(14.39%)
Reserves*	72,972,127	99,779,075	60,604,480	93,403,490	54.12%
<b>Category Total</b>	<b>370,878,721</b>	<b>452,682,309</b>	<b>435,135,980</b>	<b>481,073,175</b>	<b>10.56%</b>

\* 2019-2020 actual and 2021-2022 estimated reserves are budgeted, but not spent



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# General Government Operating Reserves



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## Department Overview

### MISSION

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

### DEPARTMENT FUNCTIONS

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

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

#### General purpose reserves:

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

#### Special purpose reserves and expenditures include:

- Litigation 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

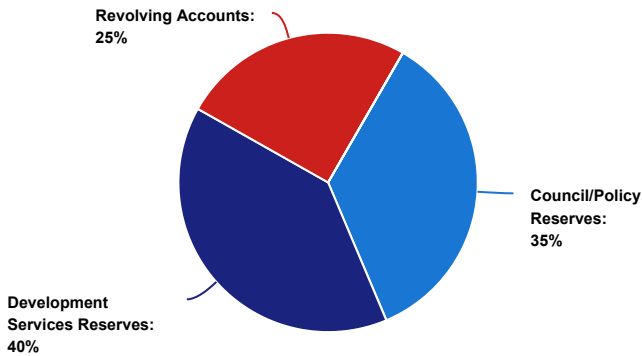
The General Purpose reserves, their targets, and replenishment policies are established in the City's *Fiscal Policies* and adopted by Council resolution.

### BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS

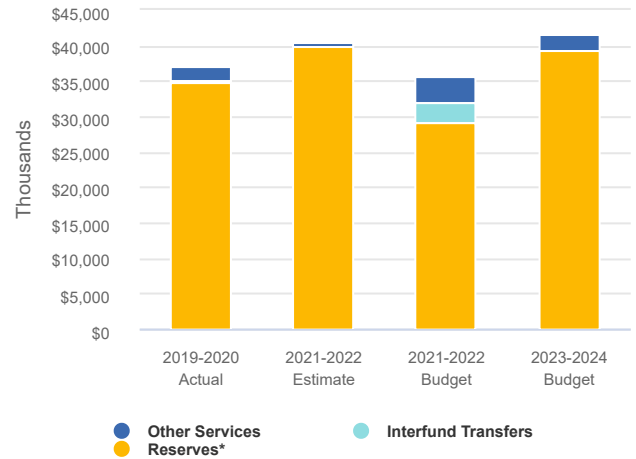
- Continue compliance with the adopted Fiscal Policies:
  - General Purpose Reserves were budgeted to be fully funded to targets at the end of the 2021-2022 Budget. Additional funding to keep these reserves at target is planned as part of the 2023-2024 budget.

## Financial Overview

### Expenditures by Division



### Expenditures by Category



### EXPENDITURE SUMMARY BY CATEGORY

	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
Salaries and Wages	56	-	-	-	
Benefits	3,083	574	-	-	
Supplies	137,315	97,873	44,600	20,000	(55.16%)
Other Services	1,967,774	427,661	3,497,612	2,274,642	(34.97%)
Intergovernmental Services	1,531	1,583	-	-	
Interfund Transfers	334,627	223,617	3,057,847	150,000	(95.09%)
Reserves*	34,704,498	39,786,728	29,016,815	39,289,879	35.40%
<b>TOTAL</b>	<b>37,148,884</b>	<b>40,538,036</b>	<b>35,616,874</b>	<b>41,734,521</b>	<b>17.18%</b>

### EXPENDITURE SUMMARY BY DIVISION

	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
Council/Policy Reserves	8,992,093	11,786,336	17,337,468	14,795,508	(14.66%)
Development Services Reserves	24,714,442	16,502,373	11,762,738	16,405,133	39.47%
Revolving Accounts	3,442,348	12,249,327	6,516,668	10,533,880	61.65%
<b>TOTAL</b>	<b>37,148,884</b>	<b>40,538,036</b>	<b>35,616,874</b>	<b>41,734,521</b>	<b>17.18%</b>

\* 2019-2020 Actual and 2021-2022 Estimate reserves are budgeted, but not spent

## GENERAL GOVERNMENT OPERATING EXPENDITURE SUMMARY ACROSS FUNDS

## BY PROGRAM

Program	General Fund	Street Operating	Development Services	Lodging Tax Fund	Cemetery Operating	Parks Maintenance	Parks Levy Fund	Health Benefits	Equipment Rental	Information Technology	Facilities Fund	Expenditure Total
General Government	55,884,514	-	46,824,265	901,619	1,352,176	-	-	-	-	21,444,279	16,677,162	143,084,015
Public Safety	136,219,203	-	-	-	-	-	-	-	-	-	-	136,219,203
Transportation	15,566,534	28,053,264	6,986,262	-	-	-	-	-	21,374,265	-	-	71,980,325
Culture & Recreation	26,440,373	-	-	-	59,070	4,400,196	9,156,276	-	-	-	-	40,055,915
Other Services	64,024,929	-	-	-	-	-	-	25,708,788	-	-	-	89,733,717
<b>Fund Total</b>	<b>298,135,553</b>	<b>28,053,264</b>	<b>53,810,527</b>	<b>901,619</b>	<b>1,411,246</b>	<b>4,400,196</b>	<b>9,156,276</b>	<b>25,708,788</b>	<b>21,374,265</b>	<b>21,444,279</b>	<b>16,677,162</b>	<b>481,073,175</b>

## BY DEPARTMENT

Department	General Fund	Street Operating	Development Services	Lodging Tax Fund	Cemetery Operating	Parks Maintenance	Parks Levy Fund	Health Benefits	Equipment Rental	Information Technology	Facilities Fund	Expenditure Total
City Council	1,165,843	-	-	-	-	-	-	-	-	-	-	1,165,843
City Manager's Office	6,760,768	-	-	901,619	-	-	-	-	-	-	16,228,168	23,890,555
Human Resources	4,215,636	-	-	-	-	-	-	-	-	-	-	4,215,636
City Attorney's Office	2,874,379	-	-	-	-	-	-	-	-	-	-	2,874,379
Finance & Administration	15,538,500	-	-	-	1,352,176	-	-	-	-	-	-	16,890,676
General Services	64,024,929	-	-	-	-	-	-	25,708,788	-	-	-	89,733,717
Reserves*	25,329,388	-	16,405,133	-	-	-	-	-	-	-	-	41,734,521
Public Works	15,566,534	28,053,264	6,986,262	-	-	-	-	-	21,374,265	-	448,994	72,429,319
Parks	26,440,373	-	-	-	59,070	4,400,196	9,156,276	-	-	-	-	40,055,915
Planning & Building	-	-	30,419,132	-	-	-	-	-	-	-	-	30,419,132
Municipal Court	6,310,094	-	-	-	-	-	-	-	-	-	-	6,310,094
Police	69,790,397	-	-	-	-	-	-	-	-	-	-	69,790,397
Fire	60,118,712	-	-	-	-	-	-	-	-	-	-	60,118,712
Information Technology	-	-	-	-	-	-	-	-	-	21,444,279	-	21,444,279
<b>Fund Total</b>	<b>298,135,553</b>	<b>28,053,264</b>	<b>53,810,527</b>	<b>901,619</b>	<b>1,411,246</b>	<b>4,400,196</b>	<b>9,156,276</b>	<b>25,708,788</b>	<b>21,374,265</b>	<b>21,444,279</b>	<b>16,677,162</b>	<b>481,073,175</b>

\* Reserves are budgeted, but not spent

## GENERAL GOVERNMENT OPERATING EXPENDITURE SUMMARY ACROSS FUNDS

## BY CATEGORY

Category	General Fund	Street Operating	Development Services	Lodging Tax Fund	Cemetery Operating	Parks Maintenance	Parks Levy Fund	Health Benefits	Equipment Rental	Information Technology	Facilities Fund	Expenditure Total
Salaries & Wages	109,955,911	4,778,567	18,757,985	147,448	37,128	1,476,382	2,671,210	-	1,717,577	6,885,075	1,497,798	147,925,081
Benefits	43,877,147	2,398,026	7,317,346	59,505	22,449	756,767	1,132,262	-	768,401	2,555,773	777,678	59,665,354
Supplies	2,346,756	1,613,890	106,334	200	40,800	178,092	370,850	-	1,868,292	737,107	409,442	7,671,763
Other Services & Charges	49,958,277	9,210,154	9,783,962	392,174	80,215	1,294,332	1,539,740	16,283,890	1,318,843	6,082,137	4,583,150	100,526,874
Intergovernmental Services	12,429,571	3,200	1,392,767	-	200	1,700	-	6,640	252,624	-	160,020	14,246,722
Capital Outlay	-	40,000	-	-	14,400	-	-	-	7,772,323	-	250,000	8,076,723
Interfund Transfers	36,874,318	9,312,750	47,000	-	-	-	1,250,000	-	-	-	2,073,100	49,557,168
Reserves*	42,693,573	696,677	16,405,133	302,292	1,216,054	692,923	2,192,214	9,418,258	7,676,205	5,184,187	6,925,974	93,403,490
<b>Fund Total</b>	<b>298,135,553</b>	<b>28,053,264</b>	<b>53,810,527</b>	<b>901,619</b>	<b>1,411,246</b>	<b>4,400,196</b>	<b>9,156,276</b>	<b>25,708,788</b>	<b>21,374,265</b>	<b>21,444,279</b>	<b>16,677,162</b>	<b>481,073,175</b>

\* Reserves are budgeted, but not spent

Governmental funds account for general governmental activities. The City uses separate Governmental Funds for activities that are budgeted separately but reported together in audited financial statements.



## General Fund

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



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# General Fund Revenue Summary

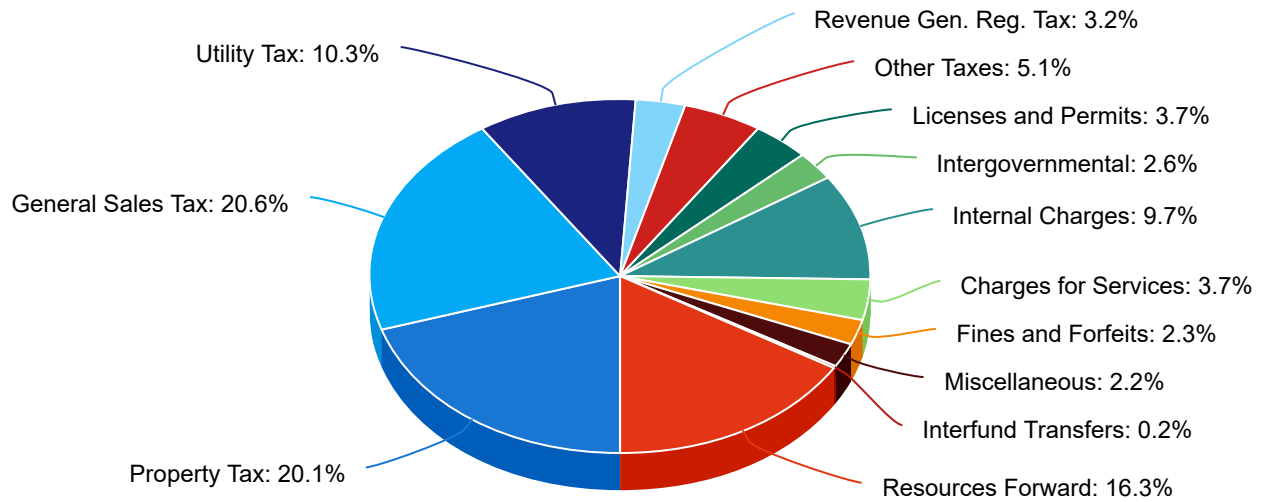
The General Fund is the primary operating fund of the City. The primary sources of revenue are general purpose taxes (property, sales, utility). The General Fund also contains revenues from specific activities such as parks, recreation, emergency medical transportation, fines and forfeits and some grants.



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## General Fund Revenue Summary

\$298,135,553



Taxes comprise 59.4% of all General Fund revenues, with sales tax being the single largest revenue, closely followed by property tax. Taxes are a general purpose revenue source which are used to support basic government services such as public safety and park maintenance. Internal charges for service reflect payments from other operating funds primarily for general administration, engineering, and billing services provided “in-house.” Resources forward represents the beginning fund balance for the General Fund and is composed primarily of an operating reserve and unreserved working capital. In addition, resources forward is used to fund one-time service packages.

**GENERAL FUND REVENUE SUMMARY: BY REVENUE TYPE**

Revenue Type	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
Property Tax	39,724,622	56,733,063	56,037,517	60,066,940	7.19%
Sales Tax					
General Sales Tax	54,152,654	61,278,129	48,193,572	61,769,600	28.17%
Annexation Sales Tax Credit	9,718,017	151,983	2,467,500	-	(100.00%)
Criminal Justice	5,304,791	5,881,912	4,956,280	5,699,722	15.00%
Utility Taxes					
Electric	7,350,519	8,037,959	7,337,245	8,804,079	19.99%
Gas	2,634,623	3,042,901	2,951,333	3,428,297	16.16%
Television Cable	2,715,350	2,438,030	2,528,008	2,164,563	(14.38%)
Telephone	3,133,875	2,074,456	2,204,096	1,438,696	(34.73%)
Water	3,169,906	3,467,611	3,428,161	3,727,646	8.74%
Sewer	2,902,415	3,085,966	3,114,219	3,558,270	14.26%
Garbage	3,755,134	3,868,764	3,858,277	5,705,823	47.89%
Surface Water	1,602,494	1,628,320	1,601,200	1,762,100	10.05%
Admissions Tax	124,900	281,131	89,071	356,167	299.87%
Revenue Gen. Reg. Tax	6,472,623	8,284,594	6,497,004	9,417,278	44.95%
Gambling & Other Taxes	6,638,445	8,625,640	6,898,992	9,050,930	31.19%
<b>Subtotal Taxes</b>	<b>149,400,369</b>	<b>168,880,457</b>	<b>152,162,475</b>	<b>176,950,111</b>	<b>16.29%</b>
Building and Structural	10,059,364	10,282,103	8,755,463	-	(100.00%)
Franchise Fees	7,966,999	7,981,078	8,057,771	8,560,295	6.24%
Business and Other	3,822,979	3,816,942	3,425,839	2,411,135	(29.62%)
<b>Subtotal Licenses and Permits</b>	<b>21,849,343</b>	<b>22,080,123</b>	<b>20,239,073</b>	<b>10,971,430</b>	<b>(45.79%)</b>
Liquor Taxes	2,499,997	2,583,402	2,460,513	2,723,823	10.70%
Marijuana Taxes	399,897	505,267	285,347	635,123	122.58%
Grants & Other Intergov.	10,218,164	17,316,770	16,691,757	4,450,434	(73.34%)
<b>Subtotal Intergovernmental</b>	<b>13,118,057</b>	<b>20,405,439</b>	<b>19,437,617</b>	<b>7,809,380</b>	<b>(59.82%)</b>
Planning Fees	7,910,567	4,180,824	2,934,156	-	(100.00%)
Plan Check Fees	4,503,551	4,829,679	4,396,543	-	(100.00%)
Engineering Dev. Fees	3,241,615	3,667,773	3,684,870	-	(100.00%)
Recreation Charges	1,857,032	2,938,345	2,527,738	3,980,210	57.46%
Internal Charges	16,802,708	17,829,977	20,041,356	29,003,919	44.72%
EMS & Transport Fees	3,853,679	4,000,817	3,757,421	4,921,897	30.99%
Other Charges	1,555,053	1,891,547	1,499,820	2,107,680	40.53%
<b>Subtotal Charges for Services</b>	<b>39,724,204</b>	<b>39,338,962</b>	<b>38,841,904</b>	<b>40,013,706</b>	<b>3.02%</b>
<b>Fines and Forfeits</b>	<b>3,616,128</b>	<b>5,713,979</b>	<b>5,199,928</b>	<b>6,779,700</b>	<b>30.38%</b>
<b>Miscellaneous</b>	<b>7,049,177</b>	<b>5,422,537</b>	<b>5,220,789</b>	<b>6,493,449</b>	<b>24.38%</b>
<b>Interfund Transfers</b>	<b>1,476,974</b>	<b>1,067,026</b>	<b>1,101,777</b>	<b>463,044</b>	<b>(57.97%)</b>
<b>Resources Forward</b>	<b>51,114,753</b>	<b>61,157,193</b>	<b>60,441,797</b>	<b>48,654,733</b>	<b>(19.50%)</b>
<b>TOTAL</b>	<b>287,349,005</b>	<b>324,065,717</b>	<b>302,645,360</b>	<b>298,135,553</b>	<b>(1.49%)</b>

## GENERAL FUND REVENUES

	Object	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Percent Change
<b>Taxes</b>						
Prop Tax	311101	39,724,622	56,733,063	56,037,517	60,066,940	7.19%
Rtl Sales Use Tax	313111	54,152,654	61,278,129	48,193,572	61,769,600	28.17%
Annex Sales Tx	313121	9,718,017	151,983	2,467,500	-	(100.00%)
Spec Purpose Tx Public Safety	313150	3,996,572	5,008,785	3,921,998	5,060,929	29.04%
Affrdbl Spprtv Hsng SalesUseTx	313270	123,478	383,416	423,336	507,452	19.87%
Brok Nat Gax Tax	313611	5,453	7,558	5,362	7,600	41.74%
Criminal Justice Loc Tax	313711	5,304,791	5,881,912	4,956,280	5,699,722	15.00%
Rev Gen Reg License	316101	6,217,090	8,020,224	6,360,204	9,272,278	45.79%
Rev Gen Bus Lic Prior Yr	316102	255,534	264,370	136,800	145,000	5.99%
Electric Utility Tax	316411	7,350,519	8,037,959	7,337,245	8,804,079	19.99%
Gas Utility Tax	316431	2,634,623	3,042,901	2,951,333	3,428,297	16.16%
TV Cable-Private	316461	2,715,350	2,438,030	2,528,008	2,164,563	(14.38%)
Telephone Utility Tax	316471	3,133,875	2,074,456	2,204,096	1,438,696	(34.73%)
Water Cus Utility Tx	316481	3,169,906	3,467,611	3,428,161	3,727,646	8.74%
Sewer Cus Utility Tx	316482	2,902,415	3,085,966	3,114,219	3,558,270	14.26%
Sld Waste Utility Tx	316483	3,755,134	3,868,764	3,858,277	5,705,823	47.89%
SW Cus Util Tx	316484	1,602,494	1,628,320	1,601,200	1,762,100	10.05%
Pnch Bds Pull Tb	316811	357,364	657,292	386,949	686,000	77.28%
Bingo and Raffle	316821	5,474	552	6,643	500	(92.47%)
Amusement Games	316831	1,929	2,112	2,378	2,000	(15.90%)
Card Games	316841	1,993,892	2,434,470	1,993,644	2,666,449	33.75%
Leasehold Excise	317201	154,283	131,456	158,682	120,000	(24.38%)
Admissions Tax	318111	124,900	281,131	89,071	356,167	299.87%
<b>Total for Taxes</b>		<b>149,400,369</b>	<b>168,880,457</b>	<b>152,162,475</b>	<b>176,950,111</b>	<b>16.29%</b>
<b>License and Permits</b>						
Cabaret License	321703	-	-	250	-	(100.00%)
Franchise Fees	321911	7,966,999	7,981,078	8,057,771	8,560,295	6.24%
Comm Registrtn/Permit Fees	321912	2,700	-	-	-	
Business License Fee	321991	1,494,505	1,696,518	1,344,778	1,700,000	26.41%
Business Lic Fee Prior Yr	321992	121,656	78,654	64,045	34,125	(46.72%)
Busking Permit Fee	321995	-	450	-	1,200	
Building Permit	322101	5,848,319	6,195,380	5,693,483	-	(100.00%)
Plumbing Permit	322102	582,774	628,028	480,000	-	(100.00%)
Clear Grade Permit	322103	13,974	16,577	9,600	-	(100.00%)
Side Sewer Permit	322104	195,783	179,457	180,000	-	(100.00%)
Mechanical Permit	322105	1,481,264	1,450,986	1,062,000	-	(100.00%)
Sign Permit	322106	69,766	69,913	48,100	-	(100.00%)
Electric Permit	322107	1,862,642	1,739,687	1,280,000	-	(100.00%)
House Moving Permit	322109	4,843	2,075	2,280	-	(100.00%)

**GENERAL FUND REVENUES (CONTINUED)**

	Object	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Percent Change
Animal License	322301	378,035	332,167	415,000	330,000	(20.48%)
Street Curb Permit	322401	737,398	752,771	737,350	-	(100.00%)
Sidewalk Permit	322402	8,449	11,000	22,000	-	(100.00%)
Alarm Registration	322900	167,415	162,540	170,000	170,000	-%
Fire Alarm Permit	322902	280,147	273,753	150,644	-	(100.00%)
C Weapon Permit	322903	29,897	29,000	26,400	26,400	-%
Special Event Permit	322905	10,990	16,251	20,000	20,000	-%
Fire Sprinkler	322906	502,824	356,936	301,830	-	(100.00%)
Fire System-Other	322907	33,991	27,949	44,132	-	(100.00%)
Pub Prop Permit	322911	500	-	-	-	
IFC Requiring Re	322913	52,142	72,974	62,000	62,000	-%
IFS Not Requiring	322914	600	-	62,000	62,000	-%
IFS Other	322915	1,730	5,978	5,410	5,410	-%
<b>Total for License and Permits</b>		<b>21,849,343</b>	<b>22,080,123</b>	<b>20,239,073</b>	<b>10,971,430</b>	<b>(45.79%)</b>
<b>Intergovernmental Revenue</b>						
Community Dev Block Grants	331142	-	82,070	-	-	
Direct Federal DOJ Grants	331160	-	26,000	50,000	194,000	288.00%
DOJ Bulletproof Vest Program	331166	-	55,780	-	36,800	
Direct Fed Treasury Grants	331210	-	10,155,994	10,155,994	-	(100.00%)
Direct Federal HHS Grants	331930	20,753	-	-	-	
Equi Shar Fed Forfeited Prop	332210	12,429	198,769	-	-	
Medicare/caid Emer Med Transp	332934	4,439,456	3,673,553	2,789,204	2,692,204	(3.48%)
Indr Fed CBDG/Entitlement	333142	151,190	917,416	917,769	164,340	(82.09%)
Indirect Federal DOJ Grants	333160	-	3,700	5,700	-	(100.00%)
Ind Fed DoJ MEC	333166	1,880	512	-	-	
Ind Fed FTA	333205	65,087	109,029	-	-	
Indr Federal DOT Traffic	333206	12,216	9,748	-	-	
Ind Federal NHTSA Sa	333207	6,737	-	-	-	
Ind Fed Treasury Grant	333210	4,153,133	1,744	1,744	-	(100.00%)
Ind Fed Hmlnd Sec Prep Threats	333970	1,248	-	2,000	-	(100.00%)
Indr Fed FEMA	333973	-	272,735	492,698	-	(100.00%)
Indr Fed EMPG	333974	97,980	138,249	167,135	97,782	(41.50%)
Indr Fed Homeland Security	333976	80,000	579	10,000	-	(100.00%)
CJTC WASPC Grant	334011	143,511	104,305	160,000	80,000	(50.00%)
Other Judicial Agency Grant	334012	18,540	59,651	59,461	27,493	(53.76%)
Dept of Agriculture	334021	-	10,000	10,000	-	(100.00%)
Dept of Natural Resources	334023	350,002	18,933	-	-	
Dept of Ecology	334031	20,925	8,610	-	-	
Dept of Transportation	334036	21,357	-	-	-	
CTR Grants-COK Programs	334037	-	-	16,580	-	(100.00%)

**GENERAL FUND REVENUES (CONTINUED)**

	Object	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Percent Change
Commute Trip Reduction Grant	334039	-	40,636	40,636	-	(100.00%)
Comm Trade Econo	334042	45,000	50,000	55,000	-	(100.00%)
Dept of Health	334049	2,526	35,083	33,823	103,989	207.45%
State Shared Revenue	335010	-	363,768	363,768	-	(100.00%)
Judical Contribution	336012	43,202	43,072	43,072	43,104	0.07%
Crime Jus-Spc Program	336026	196,598	205,564	216,677	242,346	11.85%
Violent Crimes	336062	54,863	60,118	60,742	68,306	12.45%
Marijuana Excise Tax	336063	319,565	415,077	201,265	536,817	166.72%
DUI Distribution	336065	25,469	30,072	23,340	30,000	28.53%
Liquor Excise	336094	1,074,921	1,000,623	1,038,964	1,306,237	25.72%
Liquor Board Profit	336095	1,425,076	1,582,779	1,421,549	1,417,586	(0.28%)
Local Govn Paymts	337060	32,334	174,923	118,162	-	(100.00%)
Other KC Grants	337081	182,400	426,467	797,334	648,376	(18.68%)
Port of Seattle	337092	119,660	129,882	185,000	120,000	(35.14%)
<b>Total for Intergovernmental Revenue</b>		<b>13,118,057</b>	<b>20,405,439</b>	<b>19,437,617</b>	<b>7,809,380</b>	<b>(59.82%)</b>

**Charges for Goods and Services**

Civil Filing	341221	51	92	60	60	-%
Court Records	341322	43	3	-	20	
Court Administration Fees	341331	20,949	56,260	13,700	54,000	294.16%
Court Svcs	341491	113,527	108,007	113,000	120,000	6.19%
Court Copy Fees	341621	1,928	1,604	1,600	1,300	(18.75%)
Public Disclosure	341705	316	90	-	-	
Sales Merch NonTx	341750	431	-	500	-	(100.00%)
Recording Fee	341811	168,194	282,024	100,954	348,000	244.71%
Engineer Develop	341820	2,064,800	2,446,526	2,516,000	-	(100.00%)
Interfund-Accounting	341960	2,111,408	2,484,521	2,484,521	2,369,660	(4.62%)
Interfund City OH	341961	5,506,902	6,414,251	6,094,711	11,971,243	96.42%
Interfund-Gen	341963	479,425	321,640	321,640	362,330	12.65%
Interfund-Engineering	341965	577,799	599,394	607,083	1,166,677	92.18%
Interfund Eng-CIP	341966	6,614,407	6,295,781	8,564,185	7,978,086	(6.84%)
Interfund Eng-Dev	341967	763,161	580,000	580,000	-	(100.00%)
Interfund-Planning	341970	152,245	128,009	146,650	-	(100.00%)
Gen Government Svcs	341971	444,975	894,946	1,052,566	4,955,923	370.84%
Passport Fees	341991	152,385	111,435	190,000	200,000	5.26%
Law Enforcement Svcs	342101	8,386	(3)	5,200	5,000	(3.85%)
Fire Prot Svc	342210	147,192	668,486	549,106	889,900	62.06%
EMS	342211	2,364,346	2,684,666	2,672,767	3,837,243	43.57%
Adult Probation	342331	693,852	500,670	581,000	480,000	(17.38%)
Electronic Home Det	342361	59,747	31,784	-	-	
Detention Jail Svc	342364	75,228	189,960	105,600	186,000	76.14%

**GENERAL FUND REVENUES (CONTINUED)**

	Object	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Percent Change
Booking Fees	342371	20,217	10,153	17,200	7,400	(56.98%)
Protective Inspection	342401	354	628	800	-	(100.00%)
DUI Emerg Resp	342501	15,183	22,508	11,100	16,000	44.14%
Disaster Preparation Services	342502	480	240	-	-	
Emergency Transportation	342600	1,489,333	1,316,151	1,084,654	1,084,654	-%
ResStrmErosFee	343191	383,953	370,319	419,150	-	(100.00%)
Storm Water Drainage Rpt	343192	651,575	674,487	615,128	-	(100.00%)
PW Deposit Administration	344111	75,660	82,148	80,976	-	(100.00%)
Traffic Contribution Revenue	344130	12,841	33,853	7,616	-	(100.00%)
Park Standby Revenue Fee	344131	4,653	2,155	-	-	
Anml Cntrl Shelter Srvcs Bond	345230	1,130	3,930	-	-	
PCD Official Mods	345810	67,872	77,534	60,000	-	(100.00%)
Subdivision Fee	345811	-	5,236	24,600	-	(100.00%)
Accessory Dwelling Unit	345812	238	1,231	-	-	
Street Fee inLieu	345816	318,548	87,119	30,000	-	(100.00%)
Fee In Lieu Tree	345817	7,800	37,450	15,000	-	(100.00%)
Permit Appeal	345819	2,293	839	904	-	(100.00%)
PCD Dir Mods	345821	14,807	6,852	10,000	-	(100.00%)
Other PCD Official	345825	215,034	242,279	150,000	-	(100.00%)
Other PCD Dir	345826	70,316	77,627	70,000	-	(100.00%)
Process I Rev	345827	484,422	424,124	600,000	-	(100.00%)
Process IIA Rev	345828	10,025	214,188	40,000	-	(100.00%)
Process IIB&III	345829	88,076	68,596	120,000	-	(100.00%)
Design Board Rev	345830	227,945	394,745	300,000	-	(100.00%)
Plan Check Fee	345831	4,503,551	4,829,679	4,396,543	-	(100.00%)
Energy Code Fee	345832	149,625	169,421	107,000	-	(100.00%)
Electric Plan Review	345833	181,502	118,790	128,000	-	(100.00%)
Fire Plan Review	345835	485,196	608,876	385,200	-	(100.00%)
Expedited Review	345836	47,258	31,242	58,000	-	(100.00%)
Planning 3rd Party Revenue	345837	25,875	2,736	40,000	-	(100.00%)
Short Plat Rec Revenue	345839	75,028	39,076	60,000	-	(100.00%)
Affordable Housing	345840	4,462,109	522,883	-	-	
SEPA Appeal	345861	452	-	452	-	(100.00%)
SEPA Tnsp Rv Fee	345862	52,786	60,440	46,000	-	(100.00%)
Concurrent Review	345890	26,353	24,699	24,000	-	(100.00%)
MBP Srvc Fee	345891	758,228	789,941	520,000	-	(100.00%)
Environment Review Fee	345892	38,918	59,036	40,000	-	(100.00%)
Compensation Plan Request	345894	23,644	10,536	11,000	-	(100.00%)
Zoning Vrfc Lttr	345895	9,547	9,739	-	-	
Plan Pre-Sub Mtg	345896	129,240	167,002	140,000	-	(100.00%)
Pool Admission Fee	347350	90,466	162,149	180,000	210,000	16.67%

**GENERAL FUND REVENUES (CONTINUED)**

	Object	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Percent Change
Marina Boat Launch Fee	347351	69,133	66,241	70,000	79,000	12.86%
Rec Event Admission Fee	347490	5,873	1,094	-	-	
Open Gym	347617	1,523	-	-	-	
Rec 50 General Programs	347650	86,089	82,285	96,831	134,740	39.15%
Senior Trips	347651	14,827	6,495	13,868	12,640	(8.85%)
Aquatics Programs	347660	217,961	370,074	358,036	484,444	35.31%
Aquatics Swim Team	347661	40,292	13,145	63,888	61,600	(3.58%)
Aquatic Private Lessons	347662	4,052	11,066	17,856	22,000	23.21%
Adult Sports	347670	73,762	91,017	127,000	178,000	40.16%
Adult Fitness	347671	58,019	76,285	62,820	90,000	43.27%
Adult General Programs	347672	58,751	52,318	84,346	70,000	(17.01%)
Youth Sports	347680	81,898	159,107	87,502	163,064	86.35%
Preschool Sports	347681	97,941	65,237	112,990	80,000	(29.20%)
Youth Camp	347682	538,327	1,404,604	671,059	1,800,000	168.23%
Preschool General Programs	347683	259,922	160,770	318,223	160,000	(49.72%)
Youth General Programs	347684	58,891	84,375	68,694	99,822	45.31%
After School Program	347685	67,030	60,025	155,725	120,000	(22.94%)
Teen Programs	347686	-	2,536	-	-	
Advertising	347902	-	-	-	80,000	
Program Fees	347903	-	-	-	60,000	
Advertising	347940	4,287	15,750	3,500	3,500	-%
Rec Community Events	347945	2,605	21,838	3,400	23,400	588.24%
Special Event Services	347950	9,712	15,380	18,000	18,000	-%
Rec Cancel/Admin Fee	347999	17,195	16,555	14,000	30,000	114.29%
Interfund Personnel Services	349160	-	1,987	-	-	
Intrfrnd Engineering-CIP Supprt	349320	211,885	-	-	-	
<b>Total for Charges for Goods and Services</b>		<b>39,724,204</b>	<b>39,338,962</b>	<b>38,841,904</b>	<b>40,013,706</b>	<b>3.02%</b>
<b>Fines and Forfeits</b>						
Mandatory Insurance Co	352301	5,958	3,014	4,600	2,000	(56.52%)
Boating Safety Infractions	352400	-	218	-	400	
Traffic Infraction Penalty	353101	510,324	542,315	406,000	420,000	3.45%
Distracted Driving Prevention	353105	32	8	-	-	
School Zone Penalty	353109	1,025,527	3,082,980	2,379,004	4,600,000	93.36%
Non-Traffic	353701	5,808	2,522	4,000	600	(85.00%)
Pkg Infraction Penalty	354101	1,360,185	1,402,430	1,750,000	1,400,000	(20.00%)
DUI Fines	355201	75,999	65,879	66,000	52,000	(21.21%)
Crime Traffic Misdemeanor	355801	129,377	88,298	111,000	92,000	(17.12%)
Other Non-Traffic	356901	37,366	33,211	20,300	19,000	(6.40%)
Domestic Violence Penlty Ass	356908	2,370	1,879	2,300	1,500	(34.78%)

**GENERAL FUND REVENUES (CONTINUED)**

	Object	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Percent Change
Other Non-Traf Prostitution	356913	32	-	-	-	
Court Cost Recoupment	357310	-	54	-	-	
Public Defender	357330	100,332	88,875	76,000	65,000	(14.47%)
Warrants Served	357340	4,773	1,994	-	1,200	
Court Interpreter Recoupment	357350	6,291	11,251	-	26,000	
Business License Penlty	359201	176,654	61,038	220,654	-	(100.00%)
Bus Tax Penalty	359202	161	594	70	-	(100.00%)
Misc Fines	359901	3,536	6,445	-	-	
Code Enforcement	359902	57,228	230,200	60,000	-	(100.00%)
False Alarm Penalty	359903	114,175	90,775	100,000	100,000	-%
<b>Total for Fines and Forfeits</b>		<b>3,616,128</b>	<b>5,713,979</b>	<b>5,199,928</b>	<b>6,779,700</b>	<b>30.38%</b>
<b>Miscellaneous Revenues</b>						
Investment Interest	361111	18,548	1,200,720	-	4,341,405	
Inv-Int Dedicatd	361112	4,739,938	1,815,233	3,070,761	148,000	(95.18%)
Interest Sales Tax	361401	158,247	34,397	160,000	-	(100.00%)
Park Facility Rentals	362405	3,839	-	-	-	
Other Park Rental	362407	-	600	-	-	
GF-Juanita Market Stall Rntl	362445	25,195	36,265	32,000	32,000	-%
Marina Moorage Rental	362450	269,687	187,656	262,000	262,000	-%
Rentals PKCC	362452	48,008	36,640	36,000	36,000	-%
Rentals NKCC	362454	38,245	31,755	16,000	36,000	125.00%
Rentals Park Fields and Courts	362456	54,051	165,815	156,116	156,116	-%
Rentals Other Park Facilities	362458	110,942	181,660	203,310	156,310	(23.12%)
Rentals Pool and Locker	362460	77,358	26,373	44,000	48,000	9.09%
Facility Leases Other	362502	306,101	416,190	272,858	261,022	(4.34%)
Marina Commercial Lease	362550	54,268	52,689	40,001	78,400	96.00%
House Rental	362601	136,511	140,798	135,076	135,076	-%
Concession Proceed Non LET	362850	3,758	3,600	4,100	4,000	(2.44%)
Concession Proceed LET	362852	72,199	89,474	70,000	70,000	-%
Contribution Donation	367000	198,553	263,102	315,467	323,128	2.43%
Nongovernmental Local Grants	367200	-	66,600	71,600	-	(100.00%)
Sales of Surplus	369101	2,296	5,938	6,000	-	(100.00%)
Unclaimed Property	369201	13,596	19,635	8,000	8,000	-%
Confiscated Prop	369301	15,308	26,144	11,500	11,500	-%
Other Judgements	369401	-	4,203	-	166,492	
Cash Over Short	369811	945	1	-	-	
Other Misc Rev	369910	173,119	226,504	166,000	220,000	32.53%
<b>Total for Miscellaneous Revenues</b>		<b>6,520,711</b>	<b>5,031,993</b>	<b>5,080,789</b>	<b>6,493,449</b>	<b>27.80%</b>

**GENERAL FUND REVENUES (CONTINUED)**

	Object	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Percent Change
<b>Other Financing Sources</b>						
Sale Fixed Asset	395100	293,619	-	-	-	
Operating Transfers In	397101	1,476,974	1,067,026	1,101,777	463,044	(57.97%)
Insurance Rec Gen Government	398001	234,847	390,544	140,000	-	(100.00%)
Resources Forward	399991	51,114,753	61,157,193	60,441,797	48,654,733	(19.50%)
<b>Total for Other Financing Sources</b>		<b>53,120,193</b>	<b>62,614,763</b>	<b>61,683,574</b>	<b>49,117,777</b>	<b>(20.37%)</b>
<b>Fund Total</b>		<b>287,349,005</b>	<b>324,065,717</b>	<b>302,645,360</b>	<b>298,135,553</b>	<b>(1.49%)</b>



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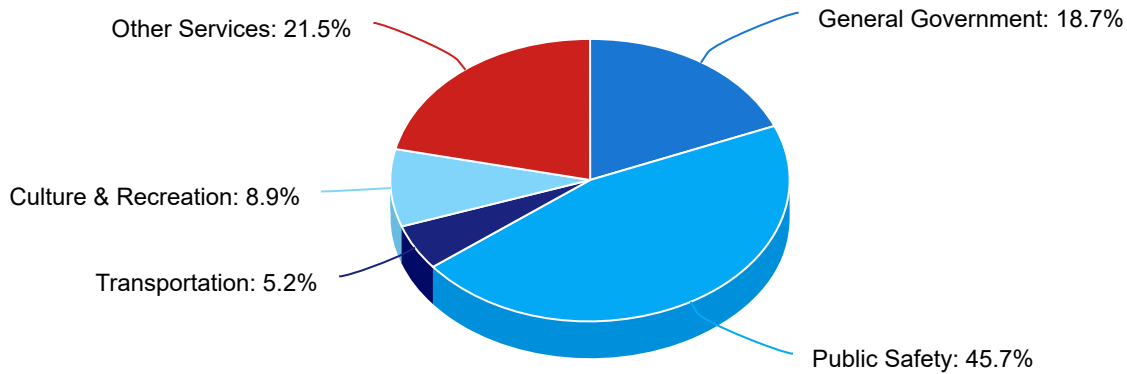
# Expenditure Summary



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## General Fund Expenditure Summary

### 2023-2024 Budget by Program



The General Fund accounts for about 62.0 percent of the City's General Government Operating budget. The largest portion of expenditures in the General Fund are devoted to Public Safety (police, fire, and municipal court services). The second largest program area is General Government (legislative, executive, legal, administrative, financial, community planning services, and building inspection services). Other Services including debt service, transfers and reserves is the third largest category.

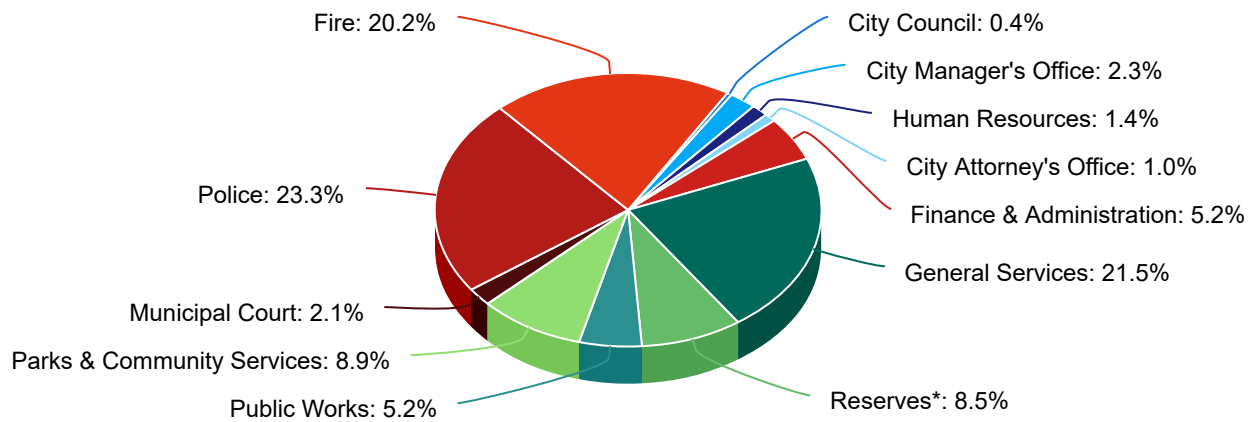
- General Government shows a decrease as Planning & Building has moved from the General Fund to the Development Services Fund.
- Public Safety increased due to increased salary and benefit costs, debt payments for a planned 2023 Fire debt service issuance, and the Body Worn Camera Program.
- Transportation shows a decrease as a portion of the Public Works budget has moved to the Development Services Fund.
- Other Services have increased due to increase in debt service and reserve uses to cover service packages.

## ANALYSIS OF CHANGE

Program	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
General Government	85,066,570	95,004,598	92,517,027	55,884,514	(5.34%)
Public Safety	113,748,181	121,925,507	126,336,070	136,219,203	7.26%
Transportation	16,602,304	17,202,222	18,592,753	15,566,534	(7.63%)
Culture & Recreation	19,112,041	24,632,404	26,931,857	26,440,373	(1.79%)
Other Services	28,762,279	65,150,986	38,267,653	64,024,929	(25.93%)
<b>Program Total</b>	<b>263,291,374</b>	<b>323,915,717</b>	<b>302,645,360</b>	<b>298,135,553</b>	<b>(1.49%)</b>

## General Fund Expenditure Summary

### 2023-2024 Budget by Department



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

- The Police budget increased by \$4.3 million or 6.6% primarily due to increases in salaries and wages and professional services. The increase in Professional Services is primarily due to the implementation of the body-worn camera program, the expansion of the School Zone Safety Camera program, increase in Jail Medical services, and the increase in Public Safety Answering Point (PSAP) service for 911 call receiving.
- The Fire budget increased by \$4.9 million or 8.9% primarily due to increases in personnel which results in higher discretionary expenses and training costs for mandatory certifications. The increase includes the planned implementation of the Mobile Integrated Health (MIH) program funded by the King County Emergency Medical Services (EMS) Levy, as well as the completion of the new hiring as part of the 2020 Fire Prop 1.
- Parks budget decreased by \$491,484 or 1.82% primarily due to one-time ARPA funding that was added to the 2021 and 2022 Human Services budget that will not carry into 2023. This decrease is offset by increases in personnel costs as well as the Recreation Services and Community Center programs.
- Finance & Administration's budget increased by \$2.4 million or 18.4% due to increase in salaries and benefits from the conversion of one-time positions to ongoing and addition of positions via service packages.
- The budget for General Services increased due to higher reserves, interfund transfers, and an increase in payments paid to outside agencies.
- The Reserve budget decreased by 28.88% as Development Services Reserves have been transferred to the Development Services Fund.

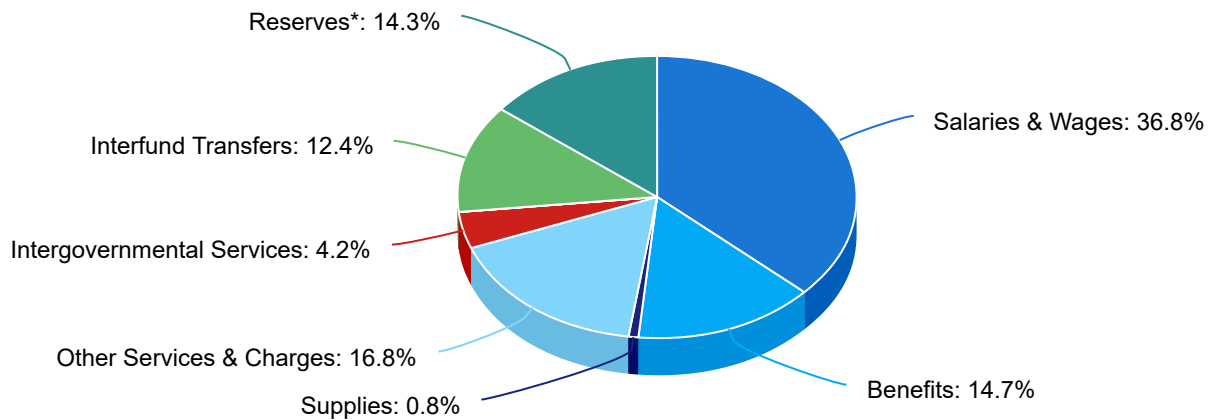
## ANALYSIS OF CHANGE

Department	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
City Council	1,051,488	1,060,279	1,112,771	1,165,843	4.77%
City Manager	6,906,795	7,571,551	9,805,504	6,760,768	(31.05%)
Human Resources	3,398,930	3,835,430	4,087,208	4,215,636	3.14%
City Attorney	2,629,901	2,677,263	2,698,735	2,874,379	6.51%
Finance and Administration	11,584,735	13,052,411	13,121,705	15,538,500	18.42%
General Services	28,762,279	65,150,986	38,267,653	64,024,929	67.31%
Reserves	37,148,884	40,538,036	35,616,874	25,329,388	(28.88%)
Public Works	16,602,304	17,202,222	18,592,753	15,566,534	(16.28%)
Parks and Community Services	19,112,041	24,632,404	26,931,857	26,440,373	(1.82%)
Planning and Building	22,345,839	26,269,629	26,074,231	-	(100.00%)
Municipal Court	5,011,198	5,409,401	5,676,789	6,310,094	11.16%
Police	59,580,358	63,188,373	65,473,045	69,790,397	6.59%
Fire	49,156,625	53,327,733	55,186,236	60,118,712	8.94%
<b>Department Total</b>	<b>263,291,374</b>	<b>323,915,717</b>	<b>302,645,360</b>	<b>298,135,553</b>	<b>(1.49%)</b>

\* 2019-2020 Actual and 2021-2022 Estimated reserves are budgeted, but not spent

## General Fund Expenditure Summary

### 2023-2024 Budget by Category



Salaries & Wages and Benefits are the two largest categories of the General Fund budget (over 50 percent), with Public Safety representing 62.2 percent of these expenditure categories. Other Services & Charges is the third largest category (16.7 percent) and comprises contracted direct services (such as dispatch, jail, and human services), contracted professional and support services (such as consulting, printing, and repairs and maintenance services), and internal charges from one City fund to another (e.g., Information Technology, Equipment Rental, and Facilities Maintenance). Reserves is the next largest category (14.3 percent) which represent funding set aside by City's policies.

- The 2021-2022 budget included the Planning and Building Department which has moved to the Development Services Fund in 2023-2024. As a result, the 2023-2024 budget appears to be lower for all categories.
- Personnel costs (salaries and benefits) are a combination of cost increases for two years and the impact of additional recommended staff to support ongoing services needs in areas such as community safety.
- Supplies are 0.8% percent of the total General Fund budget and are lower in 2023-2024 as a portion has moved to Development Services.
- Interfund transfers represent 12.4 percent of the total and include debt service transfers and transfers to reserves.
- Intergovernmental services are 4.2 percent of the total budget and are increasing by 27.4 percent due to higher costs of service from outside agencies.

## ANALYSIS OF CHANGE

Category	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
Salaries & Wages	101,211,762	111,469,420	115,543,290	109,955,911	(4.84%)
Benefits	42,002,640	44,627,889	49,346,394	43,877,147	(11.08%)
Supplies	2,855,585	2,549,585	3,128,873	2,346,756	(25.00%)
Other Services & Charges	46,462,603	51,057,734	57,856,592	49,958,277	(13.65%)
Intergovernmental Services	10,550,445	12,310,328	9,756,101	12,429,571	27.40%
Capital Outlay	93,664	105,816	15,000	-	(100.00%)
Interfund Transfers	17,920,110	33,341,656	34,454,804	36,874,318	7.02%
Reserves*	42,194,564	68,453,288	32,544,306	42,693,573	31.19%
<b>Category Total</b>	<b>263,291,374</b>	<b>323,915,717</b>	<b>302,645,360</b>	<b>298,135,553</b>	<b>(1.49%)</b>

\* 2019-2020 Actual and 2021-2022 Estimated reserves are budgeted, but not spent

## 2023-2024 BUDGET ANALYSIS

### GENERAL FUND

#### ANALYSIS OF CHANGES

<b>2021-22 Approved Budget</b>		<b>268,693,419</b>	
One-Time Adjustments & Carryovers (Excludes Development Services)	<u>(27,044,914)</u>		
Percent Change Due to One-Time Adjustments & Carryovers			(10.07%)
<b>Adjusted Biennial Basis of Comparison for 2021-22 Basic Budget</b>		<b>241,648,505</b>	
 <b>2023-24 Base Budget Changes:</b>			
Salaries & Wages	25,757,232		
Employee Benefits & Self Insurance Reserve	1,180,878		
Information Technology Internal Services	1,708,349		
Professional Services	2,150,728		
NORCOM Rates (Police & Fire)	1,092,009		
Liability Insurance	869,173		
Facilities Internal Services	478,074		
Net Miscellaneous Increases	(1,591,975)		
Credit Card Fees	52,500		
Parks & Recreation Services	1,230,966		
Election Services	343,000		
Fleet Internal Services	806,730		
Interfund Transfers Out:			
Transfer to Development Services Fund	4,692,238		
Placeholder for 2023 Fire Debt Issuance	2,140,750		
Other Transfers Out	11,614,709		
Total Basic Budget Changes		<u>52,525,361</u>	
Percent Change Due to Basic Budget Changes			19.55%
<b>Subtotal 2023-24 Basic Budget</b>		<b>294,173,866</b>	
 <b>2023-24 Recommended Service Packages</b>			
2023-24 One-Time Service Packages	6,368,179		
2023-24 Ongoing Service Packages	<u>4,791,077</u>		
Subtotal Service Package Costs	<u>11,159,256</u>		
Net Service Package Costs		<u>11,159,256</u>	
Percent Change Due to Service Packages			4.15%
<b>Subtotal 2023-24 Budget Before Reserves</b>		<b>305,333,122</b>	
 <b>2023-24 Reserve Uses &amp; Contributions</b>			
Change in Revolving Reserves	4,954,182		
Change in Working Capital	3,846,446		
Change in Policy Operating Reserves	2,599,751		
Change in Development Services Reserves	(18,627,598)		
Change in Other Operating Reserves	29,650		
Change in Total Reserves		<u>(7,197,569)</u>	
Percent Change Due to Total Reserves			(2.68%)

#### COMPARISON OF 2021-22 BUDGET TO 2023-24 BUDGET

<b>Total 2023-24 Budget</b>	<b>29,442,134</b>	<b>298,135,553</b>	<b>10.96%</b>
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# General Services



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# General Services

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## Department Overview

### MISSION

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

### DEPARTMENT FUNCTIONS

Examples of expenses include LEOFF 1 medical payments, Employee Transportation Program, shared supplies, contracts with outside agencies including Public Defender Services, payments to other agencies including Liquor & Excise Tax paid to King County.

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

### BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS

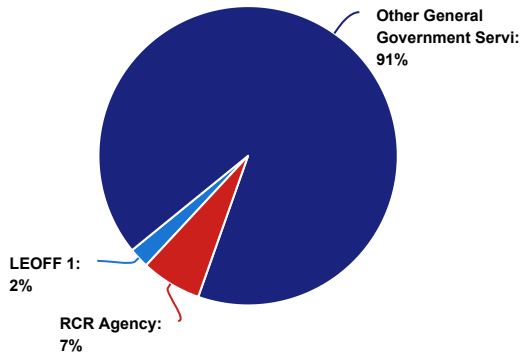
#### COMMUNITY SAFETY

- Funding to allow NORCOM to hire a mental health professional to take 911 calls and collaborate with dispatches to better address those who call 911 with mental or behavioral health issues, \$136,295 one-time.
- The City of Kirkland will serve as both the program host and fiscal agent of the Regional Crisis Response Agency (RCR). In the adopted budget, the RCR personnel is budgeted in the General Services department and includes salaries and benefits of the 13 City of Kirkland employees in the RCR Agency, \$4,125,780.

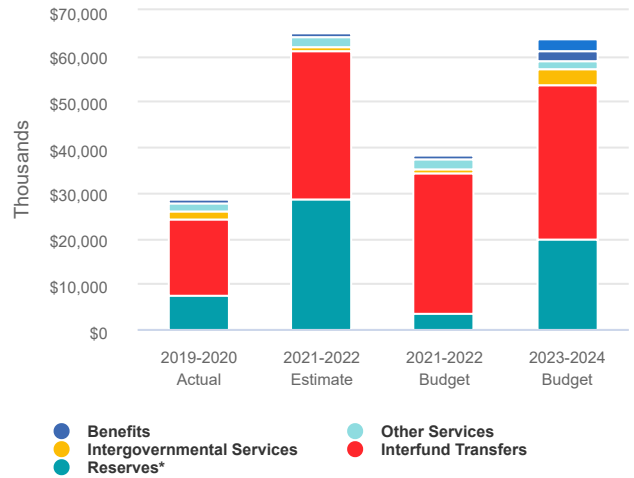
# General Services

## Financial Overview

Expenditures by Division



Expenditures by Category



### EXPENDITURE SUMMARY BY CATEGORY

	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
Salaries and Wages	-	-	-	2,944,995	
Benefits	872,296	882,350	955,954	1,954,538	104.46%
Supplies	269,557	30,445	99,940	96,000	(3.94%)
Other Services	1,617,432	1,959,445	2,029,503	1,965,674	(3.15%)
Intergovernmental Services	1,716,361	1,153,471	999,913	3,543,377	254.37%
Capital Outlay	35,500	-	-	-	
Interfund Transfers	16,761,068	32,458,714	30,654,852	33,711,518	9.97%
Reserves*	7,490,066	28,666,560	3,527,491	19,808,827	461.56%
<b>TOTAL</b>	<b>28,762,279</b>	<b>65,150,986</b>	<b>38,267,653</b>	<b>64,024,929</b>	<b>67.31%</b>

### EXPENDITURE SUMMARY BY DIVISION

	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
Other General Government Services	27,298,803	63,651,113	36,723,958	58,498,738	59.29%
LEOFF 1	1,463,475	1,499,873	1,543,695	1,400,411	(9.28%)
RCR Agency	-	-	-	4,125,780	
<b>TOTAL</b>	<b>28,762,279</b>	<b>65,150,986</b>	<b>38,267,653</b>	<b>64,024,929</b>	<b>67.31%</b>

\* 2019-2020 Actual and 2021-2022 Estimate reserves are budgeted, but not spent

# General Services

## 2023-2024 Position Summary

### POSITION SUMMARY BY CLASSIFICATION

Classification	2021-2022 Positions	Additions/ Reductions	2023-2024 Positions	Budgeted 2023 Salary Range
EXECUTIVE DIRECTOR	-	1.00	1.00	133,705 - 172,526
CRISIS RESPONDER SUPERVISOR	-	1.00	1.00	103,328 - 134,820
CRISIS RESPONDER	-	10.00	10.00	87,296 - 102,000
ADMINISTRATIVE ASSISTANT	-	1.00	1.00	68,559 - 80,650
<b>TOTAL</b>	-	<b>13.00</b>	<b>13.00</b>	

### POSITION SUMMARY BY DIVISION

Classification	2021-2022 Positions	Additions/ Reductions	2023-2024 Positions
Other General Government Services	-	13.00	13.00
<b>TOTAL</b>	-	<b>13.00</b>	<b>13.00</b>



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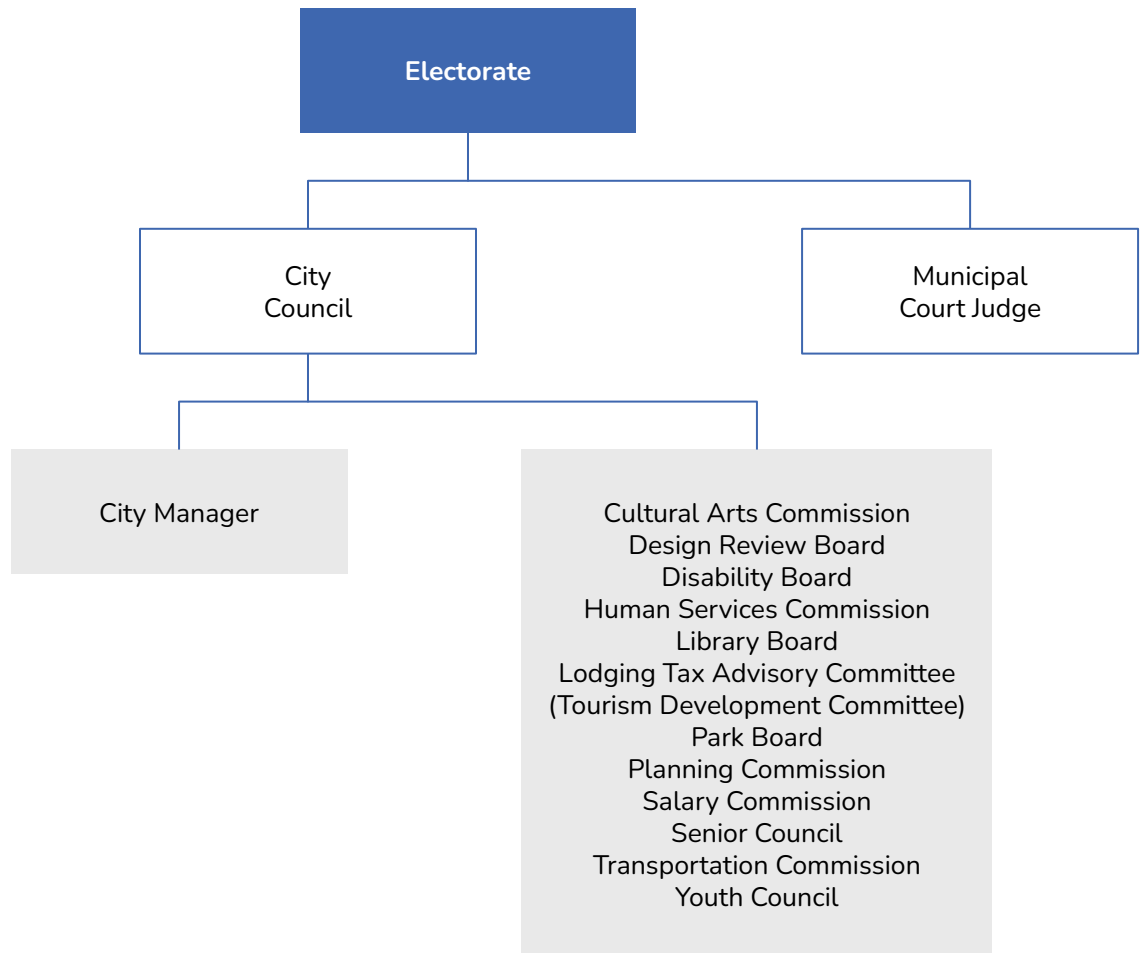
# City Council



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# City Council

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# City Council

## Department Overview

### MISSION

The City Council's responsibility is to provide general policy direction for the overall management of the City of Kirkland.

### DEPARTMENT FUNCTIONS

The primary responsibility of the City Council is to fulfill the legislative function, and to thereby determine the general direction and policies for the operation of the City, including local laws, allocation of resources, and determination of service levels.

### RELATIONSHIP TO COUNCIL GOALS

In 2009, the Council established ten service areas, value statements and goals. Service areas are identified as priorities by the City Council and through the biennial community survey. The Council reviews and reaffirms the goals annually to ensure they continue to speak to the needs of and input from the community, as well as changes in the external environment and community demographics. The goals help the Council achieve its mission of providing general policy direction for the overall management of the City of Kirkland and moving Kirkland toward its vision. The Council adopted an eleventh goal area and updated all the goal names in 2020.

The City's ability to make progress towards their achievement is based on the availability of resources at any given time. Implicit in the allocation of resources is the need to balance levels of taxation and community impacts with service demands and the achievement of goals.

#### Council Goals:

#### INCLUSIVE AND EQUITABLE COMMUNITY

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

#### VIBRANT NEIGHBORHOODS

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

#### COMMUNITY SAFETY

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

#### SUPPORTIVE HUMAN SERVICES

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

#### BALANCED TRANSPORTATION

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

# City Council

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

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

## **ATTAINABLE HOUSING**

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

## **FINANCIAL STABILITY**

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

## **SUSTAINABLE ENVIRONMENT**

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

## **THRIVING ECONOMY**

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

## **DEPENDABLE INFRASTRUCTURE**

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

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

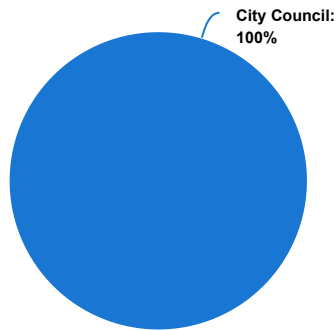
### **VIBRANT NEIGHBORHOODS**

- Fund the 2024 Community Survey to assess priorities and satisfaction, \$81,300 one-time.

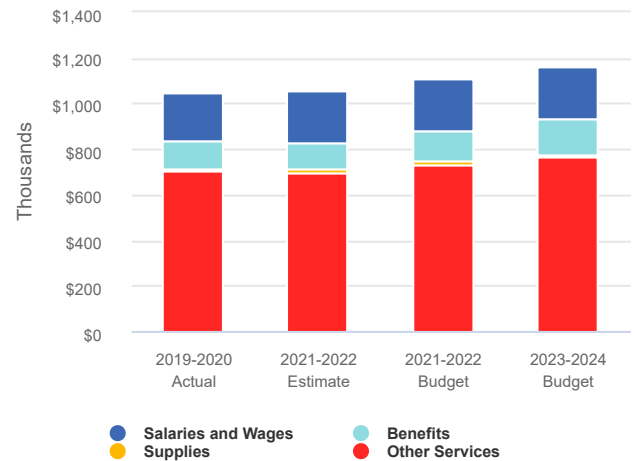
# City Council

## Financial Overview

Expenditures by Division



Expenditures by Category



### EXPENDITURE SUMMARY BY CATEGORY

	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
Salaries and Wages	216,505	228,770	228,230	236,008	3.41%
Benefits	120,284	119,298	136,829	151,230	10.52%
Supplies	13,295	15,127	16,874	8,350	(50.52%)
Other Services	701,404	697,084	730,838	770,255	5.39%
<b>TOTAL</b>	<b>1,051,488</b>	<b>1,060,279</b>	<b>1,112,771</b>	<b>1,165,843</b>	<b>4.77%</b>

### EXPENDITURE SUMMARY BY DIVISION

	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
City Council	1,051,488	1,060,279	1,112,771	1,165,843	4.77%
<b>TOTAL</b>	<b>1,051,488</b>	<b>1,060,279</b>	<b>1,112,771</b>	<b>1,165,843</b>	<b>4.77%</b>

# City Council

## 2023-2024 Position Summary

### POSITION SUMMARY BY CLASSIFICATION

Classification	2021-2022 Positions	Additions/ Reductions	2023-2024 Positions	Budgeted 2023 Salary Range
MAYOR	1.00	-	1.00	22,112 - 22,112
COUNCIL MEMBER	6.00	-	6.00	17,359 - 17,359
<b>TOTAL</b>	<b>7.00</b>	<b>-</b>	<b>7.00</b>	

### POSITION SUMMARY BY DIVISION

Classification	2021-2022 Positions	Additions/ Reductions	2023-2024 Positions
City Council	7.00	-	7.00
<b>TOTAL</b>	<b>7.00</b>	<b>-</b>	<b>7.00</b>

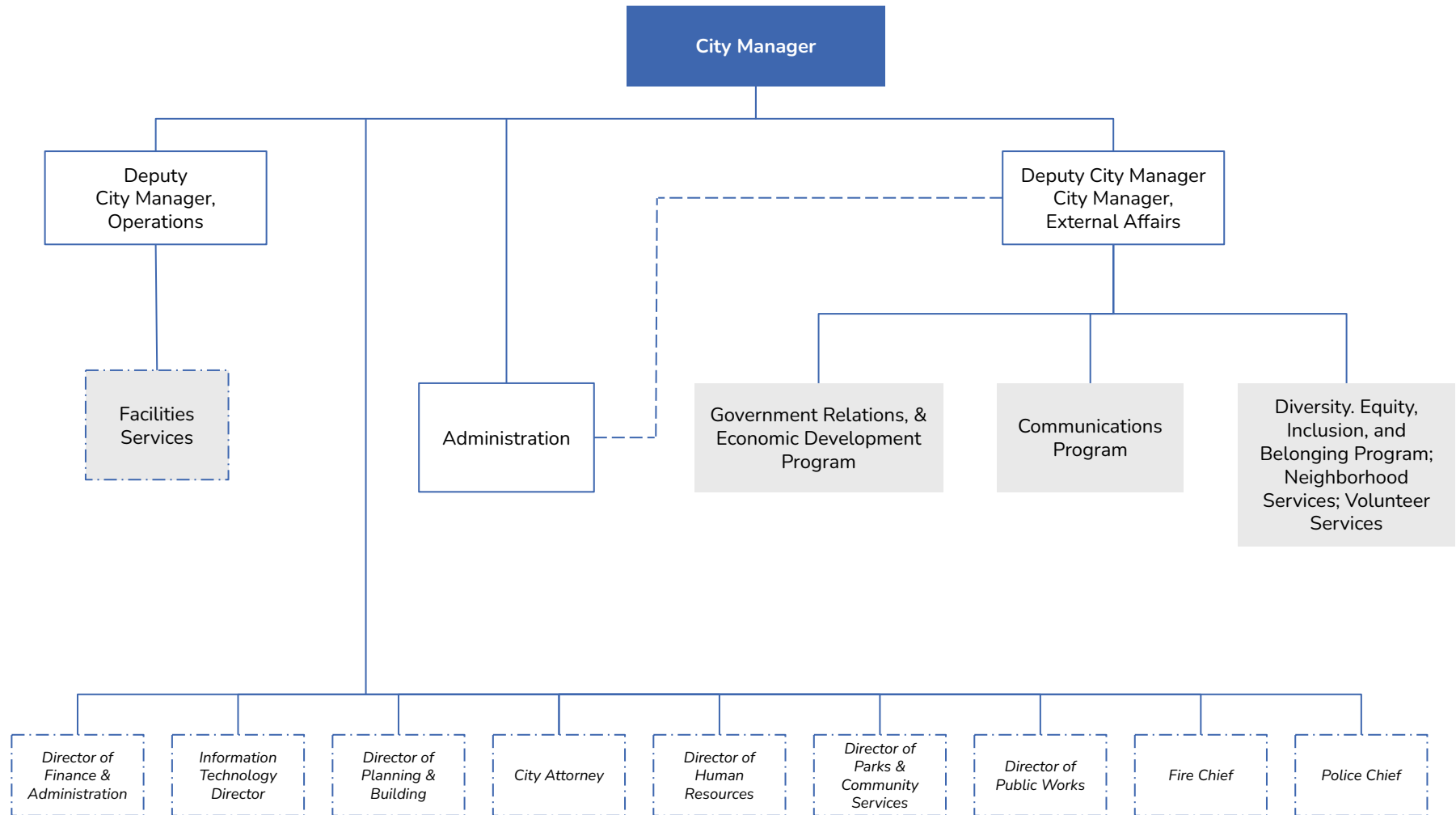


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# City Manager



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



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# City Manager

## Department Overview

### 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 **Government 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 and cultural arts 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 **Diversity, Equity, Inclusion, and Belonging Program** guides the implementation of the City's Diversity, Equity, Inclusion, and Belonging Five Year Roadmap and advances the City's work of being safe, inclusive, and welcoming by convening the City's Inclusion Network, collaborating with other regional groups, and fostering relationships in the community.

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

### BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS

#### VIBRANT NEIGHBORHOODS

- Increase funding for Neighborhood Matching Grant Program, \$10,202 one-time. This grant supports the partnerships between the City and the 13 Neighborhood Associations to support neighborhood participation and volunteerism.
- Continue funding for a 1.0 FTE Web and Multimedia Specialist to support community communications and the City of Kirkland website.

#### THRIVING ECONOMY

- Continue funding for community programs and events, \$144,000 ongoing. For further discussion on event funding, please see the Outside Agency Funding Issue Paper.
- The City historically receives \$60,000 per year in grant funding through the Port of Seattle. This grant funds various economic development programs and activities such as the ShopLocalKirkland.com website, the Kirkland Ca\$h program and specialized consultants for small business support and digital marketing.

# City Manager

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- The City historically receives a \$8,000 per year sustained support grant from 4Culture to support programs and activities of the Kirkland Cultural Arts Commission, \$16,000 one-time.
- Fund a 0.75 LTE Temporary Program Assistant to help support the various programs of CMO, \$52,166 one-time.

## **INCLUSIVE AND EQUITABLE COMMUNITY**

- Increase funding for Outreach and Engagement to Support a Safe, Inclusive, and Welcoming Community, \$100,000 one-time. This funding supports specialized professional services to implement outreach and engagement objectives set by the Diversity, Equity, Inclusion, and Belonging (DEIB) 5-Year Roadmap (Roadmap) adopted by the Council in July 2022, as well as continued funding for Volunteer Coordinator support in the City Manager's Office.
- Continue funding for Diverse Arts & Events, \$18,000 ongoing.
- Consultant funding to explore partners and development ideas for Houghton Village, \$50,000 one-time.

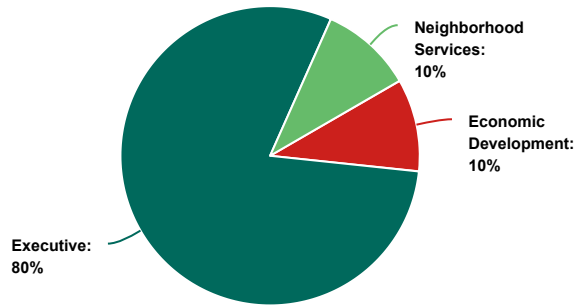
## **COMMUNITY SAFETY**

- The Community Responders Program was implemented as part of the Community Safety Initiative in response to the murder of George Floyd in May 2020. The City committed to taking action towards implementing a program that makes Kirkland a more equitable and safer city. The 2021-2022 budget for the Community Responders Program was \$1.707 million which included funding for 1.0 Community Responder Manager, 1 Lead and 4.0 Community Safety Responders. The Community Responders Program is evolving into a Regional partnership between the City and other cities. In 2023-2024, the City will provide funding to support the Regional Crisis Response Agency (RCR) to better serve community members experiencing behavioral health challenges, \$2,336,132 ongoing. The RCR budget is in the General Services Department (for further discussion, see the Appendix, Regional Crisis Response Agency).

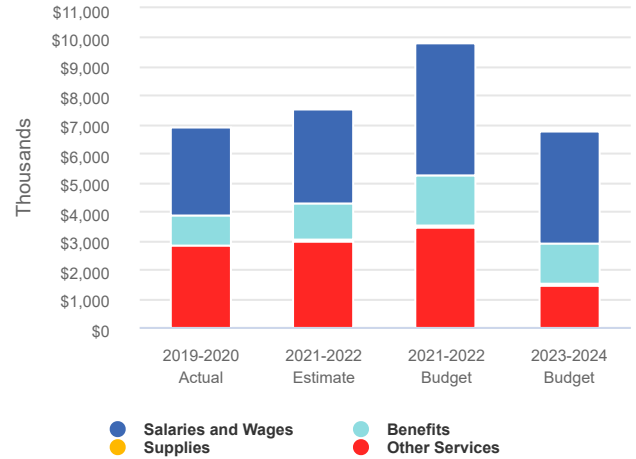
# City Manager

## Financial Overview

**Expenditures by Division**



**Expenditures by Category**



### EXPENDITURE SUMMARY BY CATEGORY

	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
Salaries and Wages	2,998,875	3,316,222	4,561,058	3,850,281	(15.58%)
Benefits	1,042,987	1,190,047	1,689,000	1,394,779	(17.42%)
Supplies	50,395	103,377	115,416	50,940	(55.86%)
Other Services	2,814,539	2,952,450	3,440,029	1,464,768	(57.42%)
Capital Outlay	-	9,455	-	-	
<b>TOTAL</b>	<b>6,906,795</b>	<b>7,571,551</b>	<b>9,805,504</b>	<b>6,760,768</b>	<b>(31.05%)</b>

### EXPENDITURE SUMMARY BY DIVISION

	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
Community Responders	-	331,157	1,883,565	-	(100.00%)
Economic Development	2,109,288	1,509,094	1,544,599	666,036	(56.88%)
Executive	4,336,321	5,199,983	5,726,374	5,688,210	(0.67%)
Neighborhood Services	461,186	531,317	650,966	406,522	(37.55%)
<b>TOTAL</b>	<b>6,906,795</b>	<b>7,571,551</b>	<b>9,805,504</b>	<b>6,760,768</b>	<b>(31.05%)</b>

# City Manager

## 2023-2024 Position Summary

### POSITION SUMMARY BY CLASSIFICATION\*

Classification	2021-2022 Positions	Additions/ Reductions	2023-2024 Positions	Budgeted 2023 Salary Range
CITY MANAGER	1.00	-	1.00	267,650
DEPUTY CITY MANAGER OF OPERATIONS	1.00	-	1.00	179,939 - 234,779
DEPUTY CITY MANAGER FOR EXTERNAL AFFAIRS	1.00	-	1.00	179,939 - 234,779
GOVERNMENT AFFAIRS MANAGER	1.00	-	1.00	121,482 - 156,760
DIVERSITY, EQUITY, INCLUSION, AND BELONGING MANAGER	1.00	-	1.00	113,447 - 148,023
COMMUNITY RESPONDER PROGRAM MANAGER	1.00	1.00	-	103,328 - 134,820
COMMUNICATIONS PROGRAM MANAGER	1.00	-	1.00	102,785 - 134,112
SENIOR COMMUNITY ENGAGEMENT COORDINATOR	1.00	-	1.00	96,287 - 113,275
COMMUNITY RESPONDER LEAD - NEIGHBORHOOD RESOURCE PROGRAM	1.00	1.00	-	94,356 - 111,002
COMMUNICATIONS PROGRAM COORDINATOR - COMMUNITY SAFETY	1.00	-	1.00	91,714 - 107,895
EXECUTIVE ASSISTANT I	1.00	-	1.00	78,935 - 102,992
SPECIAL PROJECTS COORDINATOR	1.44	-	1.44	86,971 - 102,331
COMMUNITY RESPONDER	4.00	4.00	-	87,296 - 102,000
MANAGEMENT ANALYST	1.00	-	1.00	84,057 - 98,890
WEB & MULTIMEDIA SPECIALIST	1.00	-	1.00	73,930 - 86,976
COMMUNICATIONS PROGRAM SPECIALIST	1.00	-	1.00	73,930 - 86,976
ADMINISTRATIVE ASSISTANT	0.80	-	0.80	68,559 - 80,650
<b>TOTAL</b>	<b>20.24</b>	<b>6.00</b>	<b>14.24</b>	

### POSITION SUMMARY BY DIVISION\*

Classification	2021-2022 Positions	Additions/ Reductions	2023-2024 Positions
Community Responders	6.00	(6.00)	-
Economic Development	0.44	-	0.44
Executive	12.90	-	12.90
Neighborhood Services	0.90	-	0.90
<b>TOTAL</b>	<b>20.24</b>	<b>(6.00)</b>	<b>14.24</b>

\* The six (6) Community Responder positions will be budgeted in General Services as Crisis Responders for 2023-2024.



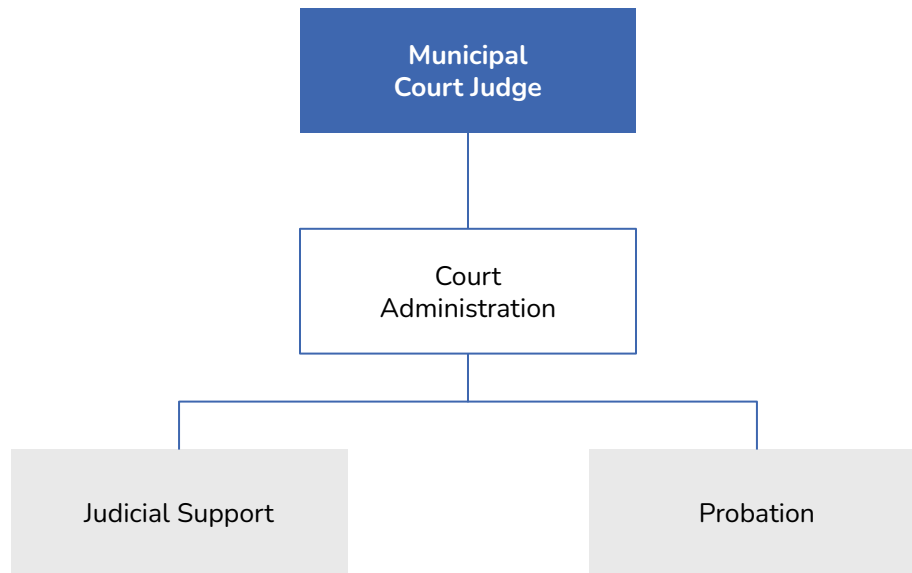
# Municipal Court



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# Municipal Court

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# Municipal Court

## Department Overview

### MISSION

The Municipal Court's mission is to establish and maintain public trust and confidence in the judicial system. The Court proudly serves the residents of Kirkland and the general public by providing access to justice and ensuring that all individuals are afforded due process of law as recognized by the Constitution of the United States and the State of Washington.

It is also the Municipal Court's mission to continually seek excellence in providing fair, accessible, and timely resolution of alleged violations of the law in an atmosphere of respect for all parties, including members of the public, defendants, lawyers, witnesses, jurors, and all Court and City employees.

The Municipal Court is a contributing partner of the City of Kirkland, working toward a safe and vital community.

### DEPARTMENT FUNCTIONS

The Municipal Court is a court of limited jurisdiction and an independent branch of government which is authorized by the laws of the State of Washington to preside over all criminal misdemeanors and gross misdemeanors, as well as traffic, non-traffic, and parking infractions, and select civil matters occurring within the city limits of Kirkland. All cases filed are processed in accordance with court rules and the laws of the State of Washington, under the direction of the presiding judge.

### BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS

#### INCLUSIVE AND EQUITABLE COMMUNITY

- Addition of Community Court program.

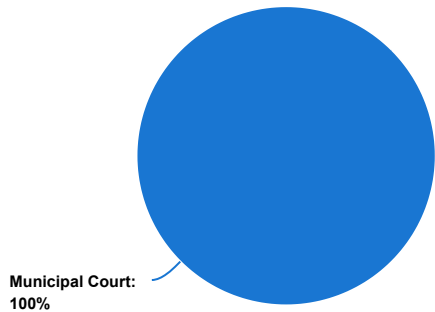
#### COMMUNITY SAFETY

- Funding for security services to ensure lobby safety.
- Police Department budget provides for a Court Security Officer for courtroom security.

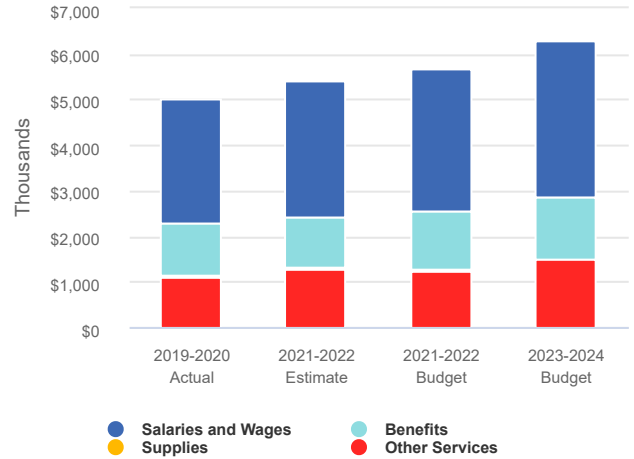
# Municipal Court

## Financial Overview

Expenditures by Division



Expenditures by Category



### EXPENDITURE SUMMARY BY CATEGORY

	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
Salaries and Wages	2,719,176	2,967,575	3,124,112	3,456,035	10.62%
Benefits	1,166,756	1,121,086	1,264,549	1,337,904	5.80%
Supplies	34,888	61,068	55,184	20,310	(63.20%)
Other Services	1,090,378	1,259,672	1,232,944	1,495,845	21.32%
<b>TOTAL</b>	<b>5,011,198</b>	<b>5,409,401</b>	<b>5,676,789</b>	<b>6,310,094</b>	<b>11.16%</b>

### EXPENDITURE SUMMARY BY DIVISION

	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
Municipal Court	5,011,198	5,409,401	5,676,789	6,310,094	11.16%
<b>TOTAL</b>	<b>5,011,198</b>	<b>5,409,401</b>	<b>5,676,789</b>	<b>6,310,094</b>	<b>11.16%</b>

# Municipal Court

## 2023-2024 Position Summary

### POSITION SUMMARY BY CLASSIFICATION

Classification	2021-2022 Positions	Additions/ Reductions	2023-2024 Positions	Budgeted 2023 Salary Range
MUNICIPAL COURT JUDGE	1.00	-	1.00	193,447
DEPUTY DIRECTOR OF COURT SERVICES	1.00	-	1.00	126,044 - 164,459
ASSISTANT COURT ADMINISTRATOR	1.00	-	1.00	83,198 - 108,555
PROBATION SUPERVISOR	1.00	-	1.00	83,198 - 108,555
PROBATION OFFICER	2.00	-	2.00	74,372 - 87,486
JUDICIAL SUPPORT ASC LEAD	2.50	-	2.50	66,622 - 78,387
JUDICIAL SUPPORT ASC LEAD - SCHOOL ZONE SAFETY	1.00	-	1.00	66,622 - 78,387
JUDICIAL SUPPORT ASC 2	10.00	-	10.00	56,310 - 66,247
JUDICIAL SUPPORT ASC 2 - SCHOOL ZONE SAFETY	1.50	-	1.50	56,310 - 66,247
<b>TOTAL</b>	<b>21.00</b>	<b>-</b>	<b>21.00</b>	

### POSITION SUMMARY BY DIVISION

Classification	2021-2022 Positions	Additions/ Reductions	2023-2024 Positions
Municipal Court	21.00	-	21.00
<b>TOTAL</b>	<b>21.00</b>	<b>-</b>	<b>21.00</b>



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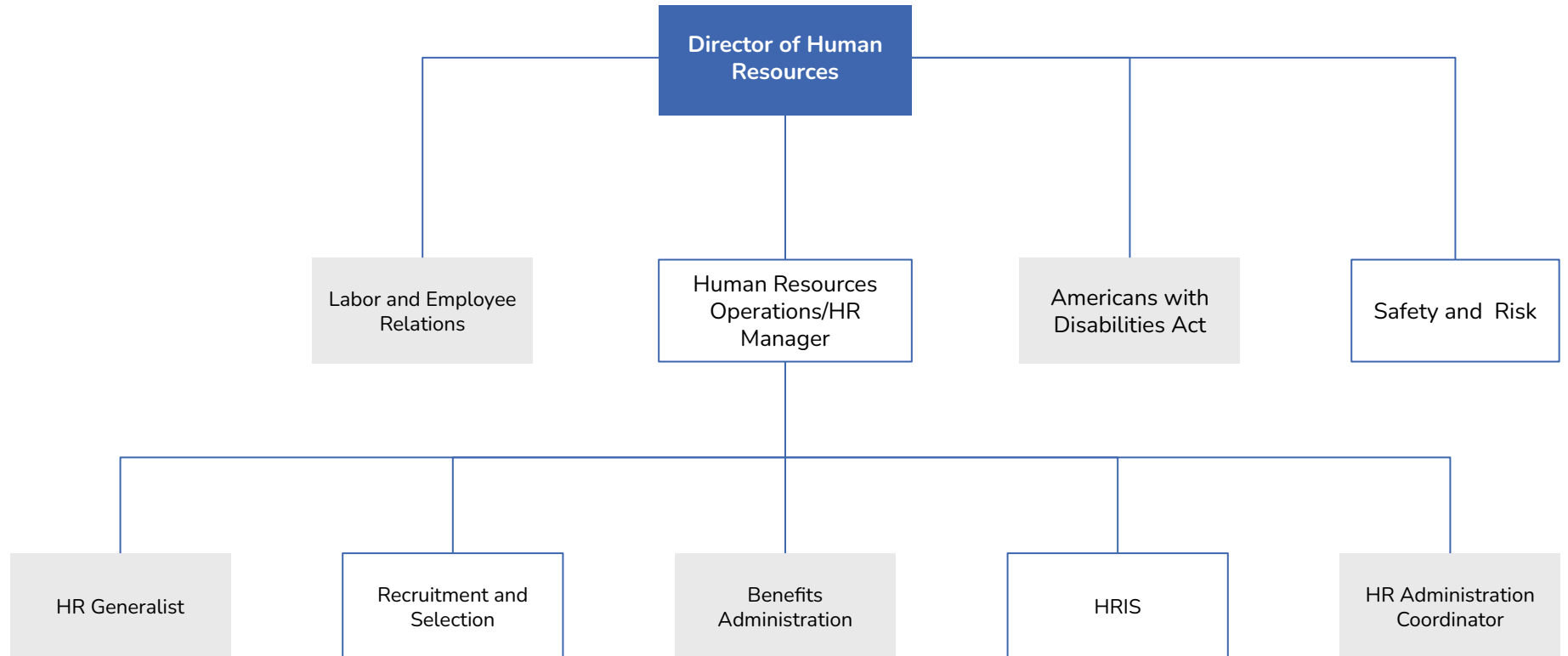


# Human Resources



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# Human Resources





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# Human Resources

## Department Overview

### MISSION

To build, develop and retain a high performing workforce whose work advances the mission, vision and values of the City of Kirkland.

### DEPARTMENT FUNCTIONS

Human Resources is responsible for the successful design and implementation of the following functions: recruitment, training, employee relations, labor relations, compensation and classification analysis, HRIS maintenance, benefit and leaves administration, risk and safety management, policy review and analysis, workers compensation and legal workplace compliance.

### BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS

#### INCLUSIVE AND EQUITABLE COMMUNITY

- Develop recruitment strategies to bring more diversity to Kirkland's public safety workforce and better reflect the community it serves, \$200,000 ongoing.
- Drive diversity recruitment through innovative outreach and advertising strategies, including collaboration with Public Safety Testing for public safety recruitments.
- Complete Diversity, Equity, Inclusion, and Belonging Training Program objectives, including Implicit Bias Training in collaboration with the new DEIB Manager and utilizing local and national resources.

#### COMMUNITY SAFETY

- Implement Ready Rebound, a healthcare navigation service that expedites access to mental and physical healthcare for injured employees in public safety and other physically demanding jobs, \$138,816 ongoing.

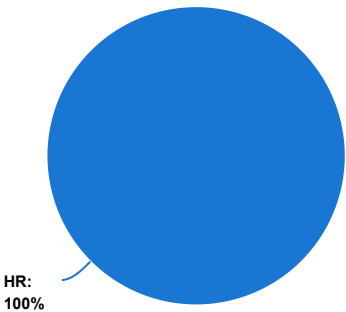
#### FINANCIAL STABILITY

- Continue funding Learning Management System (LMS) software offering safety and compliance training for staff.
- Continue funding NeoGov subscription as a citywide recruitment and candidate management tool.
- Continue partnering with the Association of Washington Cities to administer the city's Worker's Compensation Program.
- Provide ongoing support for Wellness Program for the health and well-being of employees, including health incentive awards and prizes.

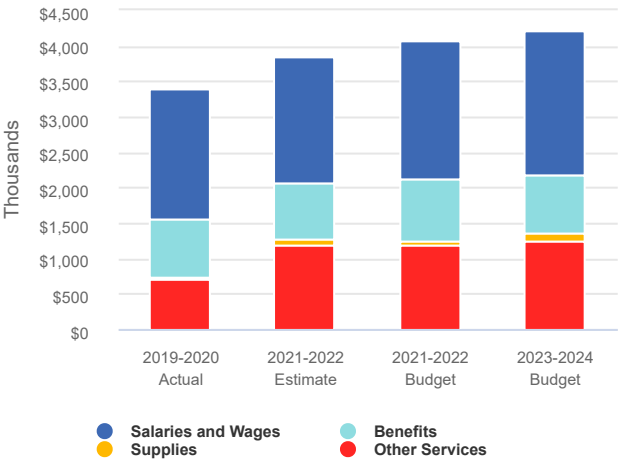
# Human Resources

## Financial Overview

Expenditures by Division



Expenditures by Category



### EXPENDITURE SUMMARY BY CATEGORY

	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
Salaries and Wages	1,852,905	1,772,908	1,971,996	2,030,115	2.95%
Benefits	800,402	792,525	865,522	813,599	(6.00%)
Supplies	38,189	89,534	70,251	115,684	64.67%
Other Services	707,435	1,180,463	1,179,439	1,256,238	6.51%
<b>TOTAL</b>	<b>3,398,930</b>	<b>3,835,430</b>	<b>4,087,208</b>	<b>4,215,636</b>	<b>3.14%</b>

### EXPENDITURE SUMMARY BY DIVISION

	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
HR	3,398,930	3,835,430	4,087,208	4,215,636	3.14%
<b>TOTAL</b>	<b>3,398,930</b>	<b>3,835,430</b>	<b>4,087,208</b>	<b>4,215,636</b>	<b>3.14%</b>

# Human Resources

## 2023-2024 Position Summary

### POSITION SUMMARY BY CLASSIFICATION

Classification	2021-2022 Positions	Additions/ Reductions	2023-2024 Positions	Budgeted 2023 Salary Range
HUMAN RESOURCES DIRECTOR	1.00	-	1.00	161,684 - 210,961
HUMAN RESOURCES MANAGER	1.00	-	1.00	113,447 - 148,023
LABOR AND EMPLOYEE RELATIONS OFFICER	1.00	-	1.00	101,876 - 132,925
HR ANALYST - HRIS	1.00	-	1.00	80,222 - 104,671
HR ANALYST - BENEFITS	1.00	-	1.00	80,222 - 104,671
HR ANALYST - COMPENSATION & CLASSIFICATION	1.00	-	1.00	80,222 - 104,671
HR ANALYST - SAFETY & RISK	1.00	-	1.00	80,222 - 104,671
HR ANALYST - SENIOR RECRUITER	1.00	-	1.00	80,222 - 104,671
HUMAN RESOURCES COORDINATOR	1.00	-	1.00	74,213 - 96,831
<b>TOTAL</b>	<b>9.00</b>	<b>-</b>	<b>9.00</b>	

### POSITION SUMMARY BY DIVISION

Classification	2021-2022 Positions	Additions/ Reductions	2023-2024 Positions
Human Resources	9.00	-	9.00
<b>TOTAL</b>	<b>9.00</b>	<b>-</b>	<b>9.00</b>



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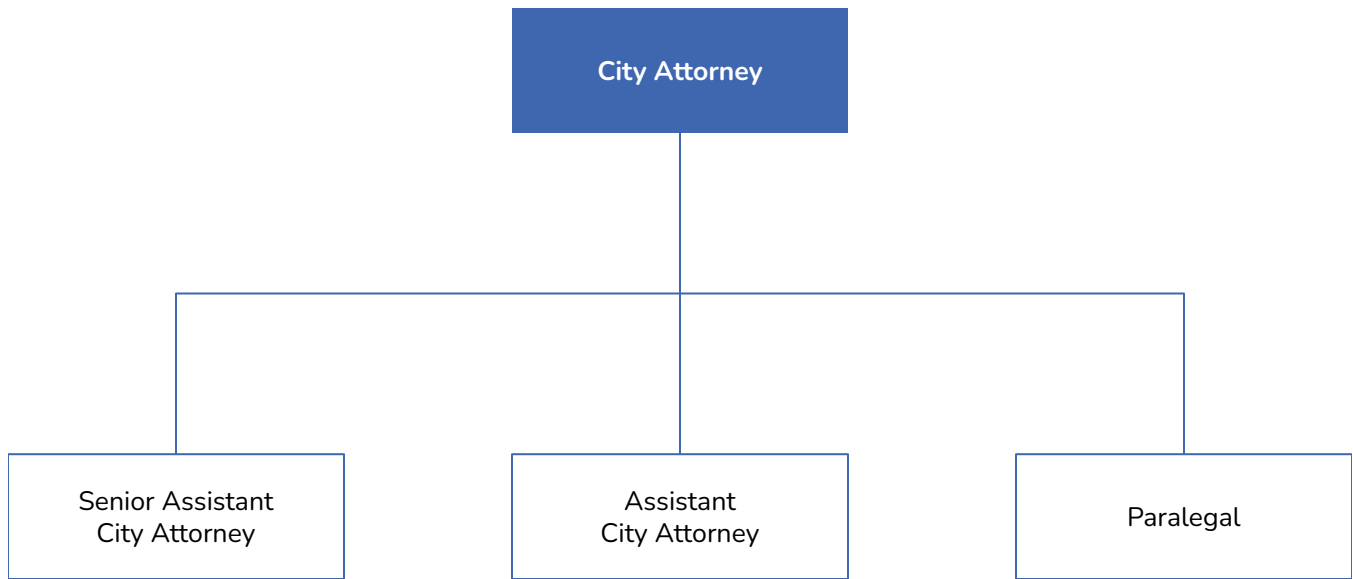
# City Attorney's Office



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# City Attorney's Office

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# City Attorney's Office

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## Department Overview

### 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

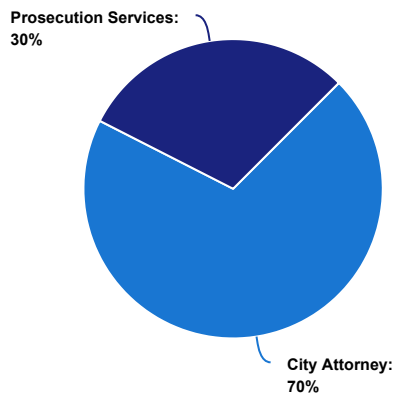
#### COMMUNITY SAFETY

- Legal Services for Community Court added in 2022 and are part of ongoing legal services offered.
- Litigation Reserve to have a starting balance of \$150,000 as set by policy.

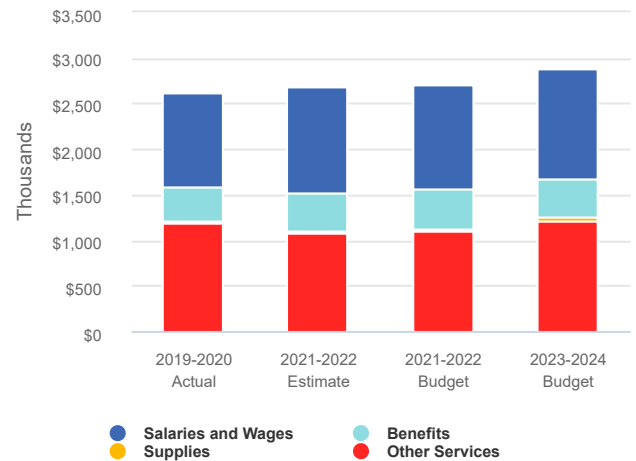
# City Attorney's Office

## Financial Overview

Expenditures by Division



Expenditures by Category



### EXPENDITURE SUMMARY BY CATEGORY

	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
Salaries and Wages	1,040,687	1,148,609	1,143,566	1,207,674	5.61%
Benefits	379,937	417,185	426,217	416,602	(2.26%)
Supplies	22,007	27,975	28,900	28,700	(0.69%)
Other Services	1,187,270	1,082,625	1,100,053	1,221,403	11.03%
Intergovernmental Services	-	870	-	-	
<b>TOTAL</b>	<b>2,629,901</b>	<b>2,677,263</b>	<b>2,698,735</b>	<b>2,874,379</b>	<b>6.51%</b>

### EXPENDITURE SUMMARY BY DIVISION

	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
City Attorney	1,902,738	1,920,891	1,942,735	1,952,379	0.50%
Prosecution Services	727,162	756,372	756,000	922,000	21.96%
<b>TOTAL</b>	<b>2,629,901</b>	<b>2,677,263</b>	<b>2,698,735</b>	<b>2,874,379</b>	<b>6.51%</b>

# City Attorney's Office

## 2023-2024 Position Summary

### POSITION SUMMARY BY CLASSIFICATION

Classification	2021-2022 Positions	Additions/ Reductions	2023-2024 Positions	Budgeted 2023 Salary Range
CITY ATTORNEY	1.00	-	1.00	161,684 - 210,961
SENIOR ASSISTANT CITY ATTORNEY	1.00	-	1.00	131,171 - 171,148
ASSISTANT CITY ATTORNEY	1.00	-	1.00	119,507 - 155,930
PARALEGAL	1.00	-	1.00	75,212 - 98,134
<b>TOTAL</b>	<b>4.00</b>	<b>-</b>	<b>4.00</b>	

### POSITION SUMMARY BY DIVISION

Classification	2021-2022 Positions	Additions/ Reductions	2023-2024 Positions
City Attorney	4.00	-	4.00
<b>TOTAL</b>	<b>4.00</b>	<b>-</b>	<b>4.00</b>



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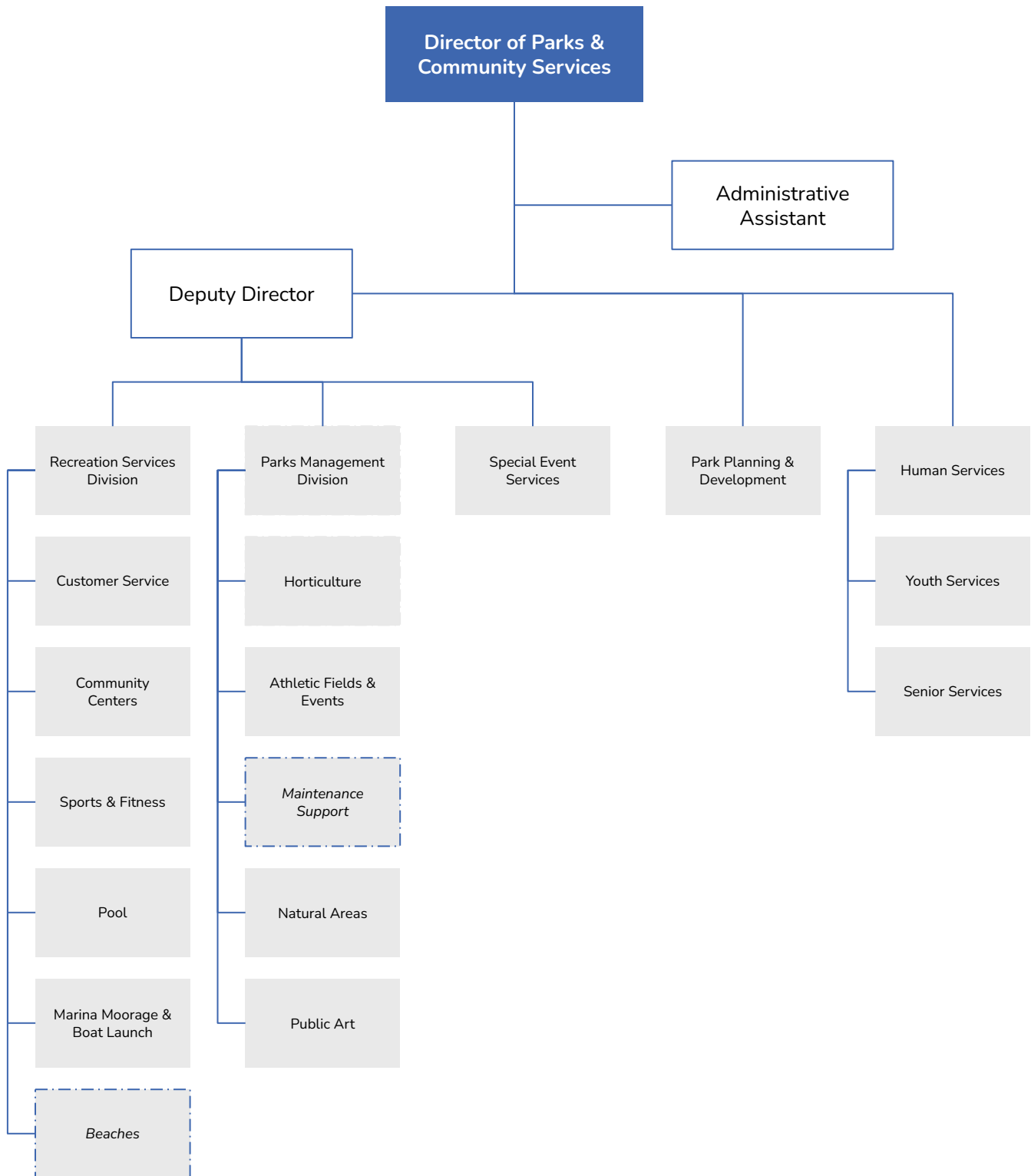


# Parks & Community Services



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# Parks & Community Services





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# Parks & Community Services

## Department Overview

### MISSION

To support a healthy and sustainable community by providing high quality parks and recreation services, ensuring a collaborative community response to basic human needs, and protecting our natural areas.

### DEPARTMENT FUNCTIONS

The **Administration Division** handles the strategic and tactical leadership for the department, including coordination and communication with the community and the Park Board. It is responsible for staff leadership, 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 also oversees special events.

The **Parks Management Division** is responsible for the use, safety, maintenance and management of park land totaling 696 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 Management division administers the parks volunteer program, and property management functions for various rental facilities.

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 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 administers many of the business services functions of the Department such as facility and field scheduling, the donation program, park food vendor concession management and operations of the Marina. 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.

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 the lease, construction, and administration of the Kirkland Teen Center.

### BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS

#### INCLUSIVE AND EQUITABLE COMMUNITY

- Continue to offer cultural and inclusive community building events in Kirkland such as the Kirkland Harvest Festival, See Spot Splash, drive-in movies and movies in the park, Kirkland's Taste of the World, Light Up Kirkland, Día de Los Muertos, Lunar New Year, and the Polar Bear Plunge, \$300,000 one-time.
- Produce the annual 4<sup>th</sup> of July parade and continue the Movies in the Parks program (includes 1.0 FTE Program Coordinator), \$480,413 ongoing.

# Parks & Community Services

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## SUPPORTIVE HUMAN SERVICES

- Fund a 1.0 FTE Homeless Outreach Coordinator to connect people experiencing homelessness with appropriate services, \$325,720 ongoing and \$3,162 one-time (funded by Community Safety Prop 1 and Opioid Settlement revenues).
- The total Human Services grant funding has risen biennially by \$1,053,202 for the 2023-2024 budget. This increases the per capita Human Services spending from \$19.49 in 2021 to \$24.46 in 2024. For further information on Human Services funding, see the related Issue Paper.

## ABUNDANT PARKS, OPEN SPACES AND RECREATIONAL SERVICES

- \$10 million in one-time General Fund balance set aside for the purchase of Houghton Park and Ride, for potential aquatic and recreation facilities and/or affordable housing partnership project.
- Continue the Parks Ballot Measure exploratory process in 2023 by continuing to fund the 1.0 LTE Management Analyst and 1.0 LTE Communications Program Specialist, as well as expenses for outreach, facilitation, and consulting, \$400,042 one-time.
- Provide four (4) pop-up off-leash locations throughout the community, \$17,292 ongoing.
- Fund a 1.0 LTE Program Coordinator along with contingent wages to operate expanded teen programs that were piloted in 2022, \$399,884 one-time.
- Expand planning capacity to advance capital projects, \$300,000 one-time.
- Make 2022 Summer Action Plan contingent employee wage increases permanent, \$53,402 ongoing.
- Increase the number of lifeguards and instructor hours, \$154,529 ongoing (offset by revenues for a net zero cost to the General Fund and a cost of \$44,947 to the Parks Levy fund).
- Capital investments of \$8.2 million in Kirkland's parks, including \$3 million for Neighborhood Park Land Acquisition and \$2.5 million for Park Restroom Additions, Renovations & Replacement Program.

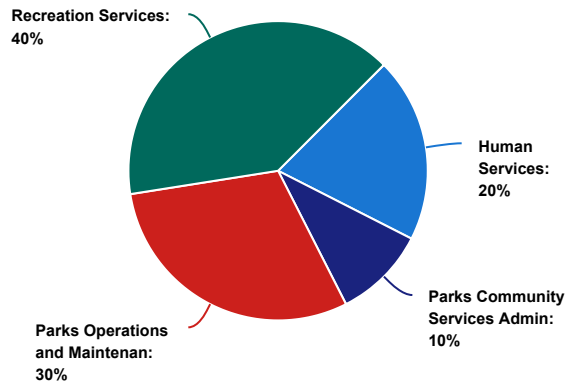
## THRIVING ECONOMY

- Continue operating support for the Kirkland Performance Center (KPC), \$100,000 one-time.

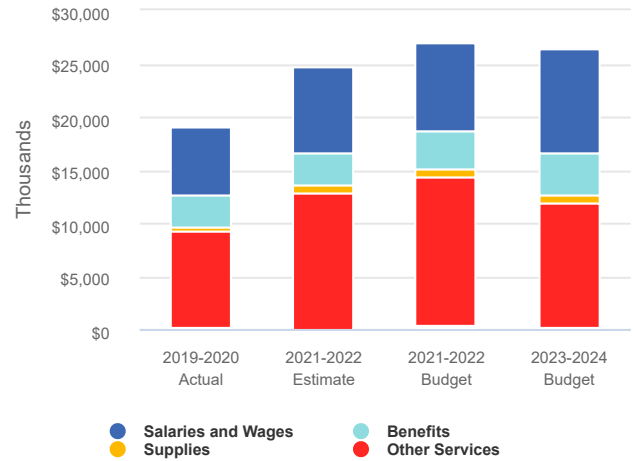
# Parks & Community Services

## Financial Overview

**Expenditures by Division**



**Expenditures by Category**



## EXPENDITURE SUMMARY BY CATEGORY

	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
Salaries and Wages	6,480,323	8,002,584	8,307,728	9,923,460	19.45%
Benefits	2,921,744	3,108,033	3,552,782	3,910,169	10.06%
Supplies	399,161	632,201	667,843	651,838	(2.40%)
Other Services	9,143,123	12,844,828	14,094,459	11,842,906	(15.97%)
Intergovernmental Services	49,324	44,758	67,430	67,000	(0.64%)
Interfund Transfers	118,365	-	241,614	45,000	(81.38%)
<b>TOTAL</b>	<b>19,112,041</b>	<b>24,632,404</b>	<b>26,931,857</b>	<b>26,440,373</b>	<b>(1.82%)</b>

## EXPENDITURE SUMMARY BY DIVISION

	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
Human Services	5,148,618	7,897,548	9,237,530	6,012,715	(34.91%)
Parks Community Services Admin	2,395,174	3,274,592	3,556,213	3,372,150	(5.18%)
Parks Operations and Maintenance	6,435,135	6,805,458	7,260,376	7,400,923	1.94%
Recreation Services	5,133,114	6,654,806	6,877,737	9,654,585	40.37%
<b>TOTAL</b>	<b>19,112,041</b>	<b>24,632,404</b>	<b>26,931,857</b>	<b>26,440,373</b>	<b>(1.82%)</b>

# Parks & Community Services

## 2023-2024 Position Summary

### POSITION SUMMARY BY CLASSIFICATION

Classification	2021-2022 Positions	Additions/ Reductions	2023-2024 Positions	Budgeted 2023 Salary Range
PARKS & COMMUNITY SERVICES DIRECTOR	1.00	-	1.00	161,684 - 210,961
PCS DEPUTY DIRECTOR	1.00	-	1.00	130,390 - 170,130
HUMAN SERVICES MANAGER	1.00	-	1.00	111,756 - 145,816
PARKS OPERATIONS MANAGER	1.00	-	1.00	107,400 - 140,132
RECREATION MANAGER	1.00	-	1.00	107,400 - 140,132
PARKS PLANNING & DEVELOPMENT MANAGER	1.00	-	1.00	101,151 - 130,506
PARKS MAINTENANCE SUPERVISOR	1.00	-	1.00	86,150 - 112,407
CUSTOMER SERVICE SUPERVISOR	1.00	-	1.00	86,150 - 112,407
RECREATION SUPERVISOR	2.00	-	2.00	86,150 - 112,407
SPECIAL PROJECTS COORDINATOR	1.00	-	1.00	86,971 - 102,331
HOMELESS OUTREACH COORDINATOR	-	1.00	1.00	85,911 - 101,067
HUMAN SERVICES COORDINATOR - EQUITY	1.00	-	1.00	80,743 - 94,986
HUMAN SERVICES COORDINATOR - WELLBEING	1.00	-	1.00	80,743 - 94,986
LEADPERSON	2.00	-	2.00	77,127 - 93,067
PROGRAM COORDINATOR	6.00	1.00	7.00	78,553 - 92,416
FIELD ARBORIST	1.00	-	1.00	70,337 - 85,684
SENIOR GROUNDSPERSON	8.00	-	8.00	68,623 - 83,579
ADMINISTRATIVE ASSISTANT	1.00	-	1.00	68,559 - 80,650
PROGRAM ASSISTANT	3.00	-	3.00	60,544 - 71,228
GROUNDSPERSON	2.50	-	2.50	55,894 - 70,054
PARK RANGER	1.00	-	1.00	55,894 - 70,054
PARKS ACCOUNTS ASSOCIATE	0.50	-	0.50	57,972 - 68,218
OFFICE SPECIALIST	1.00	-	1.00	55,795 - 65,641
<b>TOTAL</b>	<b>39.00</b>	<b>2.00</b>	<b>41.00</b>	

### POSITION SUMMARY BY DIVISION

Classification	2021-2022 Positions	Additions/ Reductions	2023-2024 Positions
Human Services	4.00	1.00	5.00
Parks and Community Services Administration	6.00	-	6.00
Parks Operations and Maintenance	17.00	-	17.00
Recreation Services	12.00	1.00	13.00
<b>TOTAL</b>	<b>39.00</b>	<b>2.00</b>	<b>41.00</b>

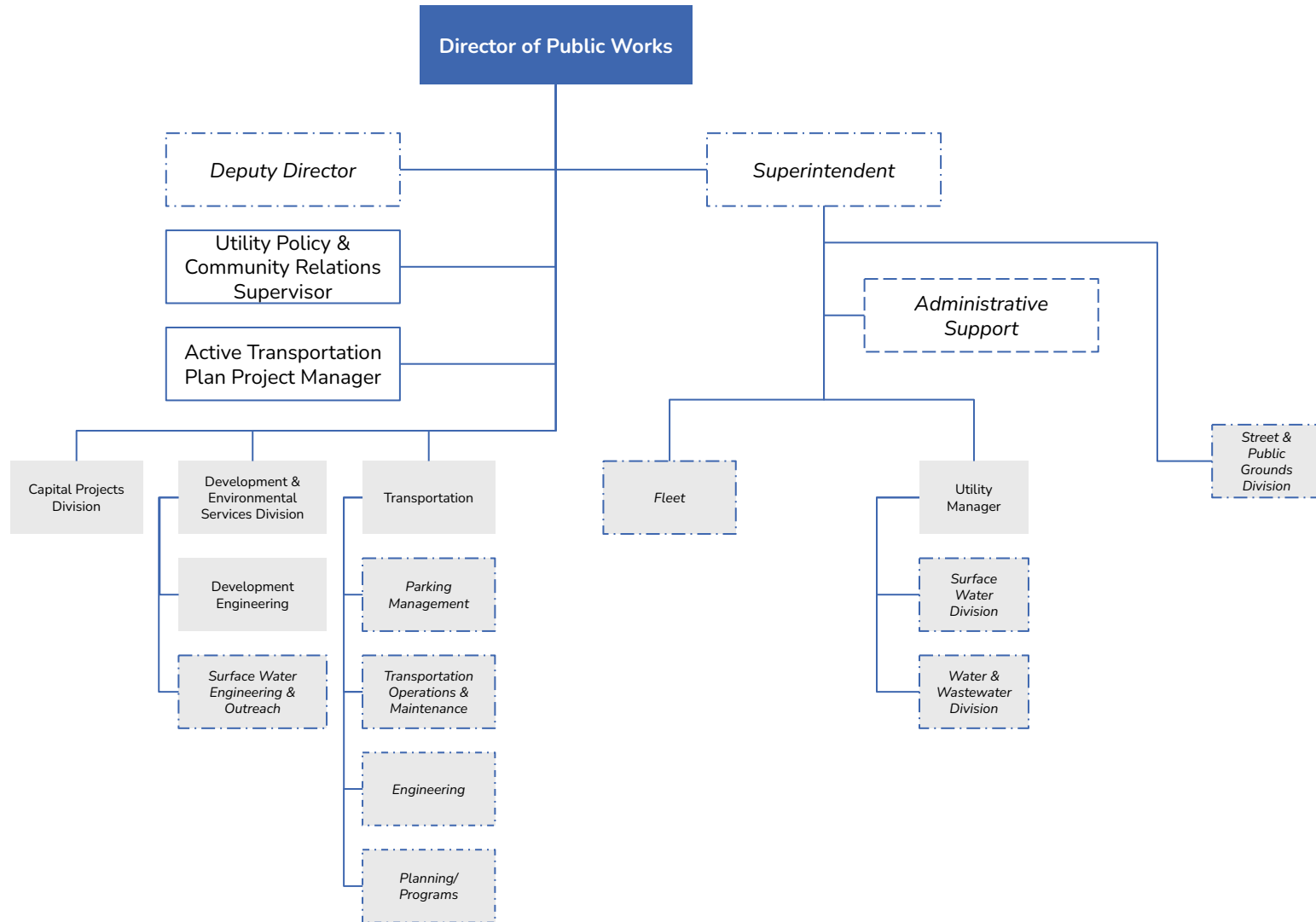


# Public Works



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# Public Works



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



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# Public Works

## Department Overview

### MISSION

The Public Works Department is responsible for the overall planning, design, construction, and stewardship of the City's infrastructure and natural resources to provide for the continued health, safety, and vibrancy of the Community.

### DEPARTMENT FUNCTIONS

Public Works consists of two primary sections: Engineering & Programs and Operations & Maintenance. The sections work in close coordination with each other, other City Departments, the public, and other agencies to ensure the effective development and ongoing stewardship of public infrastructure including systems for water distribution and fire protection, wastewater collection, surface water management, the urban forest, both motorized and non-motorized transportation, solid waste disposal and recycling, public grounds maintenance, and City fleet services.

#### Engineering & Programs Section

**Public Works Administration**, which includes the Public Works Director, provides overall administrative support and policy direction for the Public Works Department.

The **Capital Projects** Division manages the scoping/development, design, and construction of publicly funded infrastructure projects for the City's water, wastewater, and surface water utilities, park capital construction, transportation projects and major facilities.

The **Development 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. Using the City's asset management/maintenance management system, the Superintendent oversees planning, budgeting and performance monitoring for all maintenance and operations functions.

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

The **Streets & Public Grounds** Division is responsible for the maintenance, operation, and repair of the City transportation system including pavement, shoulders, bike lanes, sidewalks, 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/Sewer** 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.

# Public Works

## BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS

Beginning Fiscal Years 2023-2024, the Development Environmental Services Division will operate within the Development Services, Governmental Fund. This change has occurred to improve the understandability and usefulness of the development services budget and financial reporting. The data reported in this section for this division reflects 2019-2022 and the 2023-2024 budget data can be found in the section mentioned above.

### INCLUSIVE AND EQUITABLE COMMUNITY

- Add resources for the Reevaluation of City Speed Limit Setting Policy and Policy Implementation to provide consultant support to assist with updating the City's speed limit setting policy, identify potential updates based on the new policy, and implementing speed limit updates in coordination with the community, Transportation Commission, and City Council, \$50,000 one-time.
- Continue resources for the Transportation Master Plan Update to support development of the 20-year Transportation Capital Facilities Plan project list by integrating projects from various modal plans, reviewing and updating project cost estimates, and assisting public engagement through targeted outreach, \$115,000 one-time.

### VIBRANT NEIGHBORHOODS

- Reclass 1.0 FTE Planner to an Associate Planner to maintain improved service levels on the CIP permit review work team, \$17,467 ongoing.

### COMMUNITY SAFETY

- Add resources for 1.0 FTE Safety & Training Coordinator to work with all divisions in the Department to coordinate required HR City training, track Commercial Drivers License job requirements, and develop a robust Learning & Development Plan, \$306,292 ongoing and \$3,775 one-time.

### BALANCED TRANSPORTATION

- Add resources for 2.0 FTE Project Managers to implement the school walk route action plan and the Active Transportation Plan, \$680,176 ongoing and \$6,324 one-time.
- Continue the Bellevue-Kirkland-Redmond (BKR) Transportation Model to enable the City to provide current travel forecast data for development review, CIP projects, Transportation Master Plan and Impact Fee Update, NE 85<sup>th</sup> St Station Area Planning, and other studies, \$45,000 one-time.
- Continue the Kirkland Green Trip and Transportation Demand Management program to help Kirkland residents, employees, and employers reduce their drive alone trips by offering resources and information to encourage people to use carpools, vanpools, transit, bicycling, and walking, \$32,500 one-time.
- Fund safety enhancing Non-motorized Transportation CIP projects totaling \$12.4 million for 2023-2024, including \$4.2 million for Safer Routes to School and Active Transportation Plan Implementation.
- Fund Traffic Improvement CIP projects totaling \$7.1 million in 2023-2024, including \$3.1 million to complete intersection improvements at NE 100<sup>th</sup> Street and 132<sup>nd</sup> Ave NE.
- Fund Public Transit CIP projects totaling \$2 million in 2023-2024 for the 108<sup>th</sup> Avenue NE Transit Queue Jump - Phases I & II.

### FINANCIAL STABILITY

- Add resources for 1.0 FTE Telecommunications Franchise and Right-of-Way Analyst to negotiate/manage leases and agreements, as well as determine associated payments or lease rates for utility and private uses of right-of-way and City-owned properties, \$183,320 ongoing and \$660 one-time.
- Add resources for CIP Consulting Services for capital improvement finances including quarterly budget reports, reviewing financial delivery needs, grants, utility rates, service packages, and capital improvement evaluation processes, \$350,000 one-time.

# Public Works

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## SUSTAINABLE ENVIRONMENT

- Continue resources for the City Staff ORCA Card Transportation Benefit to continue providing ORCA transit passes to City employees in order to encourage transit ridership and meet Commute Trip Reduction (CTR) goals, \$50,000 one-time.
- Add resources for Multimodal Transportation Data Collection to better understand the number of people walking and bicycling throughout the City to improve project identification, scoping, and prioritization, \$50,000 one-time.

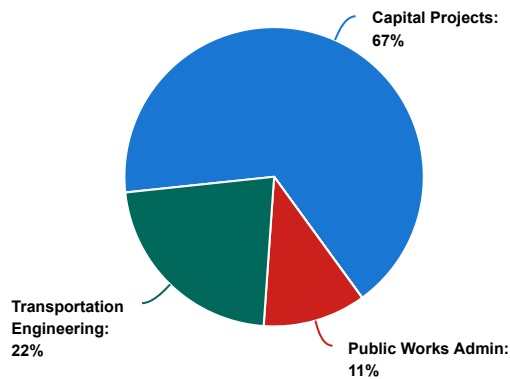
## DEPENDABLE INFRASTRUCTURE

- Add resources for implementation of Capital Project Management Software to improve coordination with stakeholder groups/owners, and improve the quality of records and project decisions, \$25,000 ongoing and \$125,000 one-time.
- Add resources for Maintenance Center Upgrades to address safety, code compliance, security, and long-term planning, \$700,000 one-time.
- Add resources for On-call Transportation Planning and Engineering Services to allow the City to respond to complex transportation issues more rapidly using an established relationship with a team of consultants, \$50,000 one-time.
- Add resources for 1.0 FTE Transportation Engineer to work on and support a broad array of transportation engineering related tasks, including development review, traffic operations, CIP design and construction, studies, and programs, \$328,324 ongoing and \$6,162 one-time.

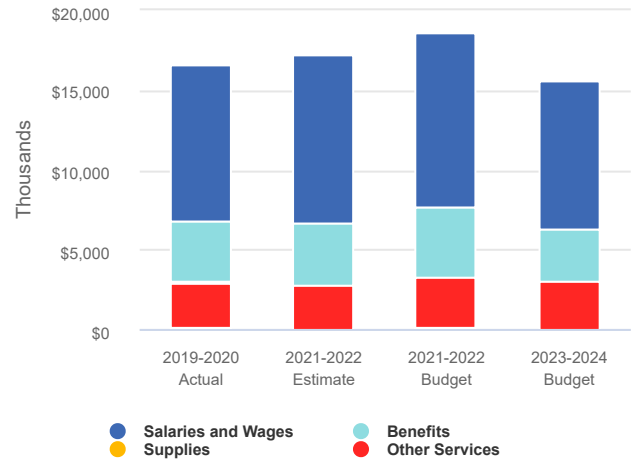
# Public Works

## Financial Overview

Expenditures by Division



Expenditures by Category



### EXPENDITURE SUMMARY BY CATEGORY

	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
Salaries and Wages	9,804,529	10,492,938	10,949,385	9,255,821	(15.47%)
Benefits	3,825,710	3,881,981	4,346,694	3,294,073	(24.22%)
Supplies	101,851	66,311	78,015	52,612	(32.56%)
Other Services	2,740,089	2,702,428	3,149,468	2,961,428	(5.97%)
Intergovernmental Services	6,605	21,141	2,600	2,600	-%
Interfund Transfers	123,519	37,424	66,591	-	(100.00%)
<b>TOTAL</b>	<b>16,602,304</b>	<b>17,202,222</b>	<b>18,592,753</b>	<b>15,566,534</b>	<b>(16.28%)</b>

### EXPENDITURE SUMMARY BY DIVISION

	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
Capital Projects	6,711,395	7,059,449	7,781,662	9,464,480	21.63%
Development Environmental Svcs	5,475,637	5,836,485	5,833,189	-	(100.00%)
Public Works Admin	1,616,620	1,465,635	1,720,452	2,248,071	30.67%
Transportation Engineering	2,798,652	2,840,653	3,257,451	3,853,983	18.31%
<b>TOTAL</b>	<b>16,602,304</b>	<b>17,202,222</b>	<b>18,592,753</b>	<b>15,566,534</b>	<b>(16.28%)</b>

# Public Works

## 2023-2024 Position Summary

### POSITION SUMMARY BY CLASSIFICATION

Classification	2021-2022 Positions	Additions/ Reductions*	2023-2024 Positions	Budgeted 2023 Salary Range
DIRECTOR OF PUBLIC WORKS	1.00	-	1.00	161,684 - 210,961
DEPUTY DIRECTOR PUBLIC WORKS	0.05	-	0.05	139,083 - 181,472
DEVELOPMENT ENGINEERING MANAGER	0.70	(0.70)	-	128,224 - 167,303
CAPITAL PROJECTS MANAGER	1.00	-	1.00	126,321 - 164,821
TRANSPORTATION ENGINEERING MANAGER	1.00	-	1.00	119,061 - 155,347
CAPITAL PROJECTS SUPERVISOR	2.00	-	2.00	112,917 - 147,331
DEVELOPMENT ENGINEERING SUPERVISOR	1.00	(1.00)	-	112,623 - 146,948
SENIOR PROJECT ENGINEER	4.00	-	4.00	109,085 - 128,335
SENIOR DEVELOPMENT ENGINEER	1.00	(1.00)	-	106,505 - 125,287
SENIOR FINANCIAL ANALYST	1.00	-	1.00	90,546 - 118,142
SENIOR FINANCIAL ANALYST - CIP	1.00	-	1.00	90,546 - 118,142
TRANSPORTATION ENGINEER	5.00	0.35	5.35	100,384 - 118,099
SENIOR CAPITAL PROJECT COORDINATOR	1.00	-	1.00	100,240 - 117,923
PROJECT ENGINEER	5.00	-	5.00	97,495 - 114,684
PROJECT ENGINEER - TRANSPORTATION BENEFIT DISTRICT	-	2.00	2.00	97,495 - 114,684
DEVELOPMENT ENGINEER	3.00	(3.00)	-	93,384 - 109,864
ENVIRONMENTAL REGULATIONS PLANNER	1.00	-	1.00	92,095 - 108,347
CAPITAL PROJECT COORDINATOR	1.00	-	1.00	91,788 - 107,983
TRANSPORTATION PLANNER	2.00	-	2.00	91,744 - 107,929
COMMUNITY ENGAGEMENT COORDINATOR	2.00	-	2.00	91,714 - 107,895
SAFETY AND TRAINING COORDINATOR	-	1.00	1.00	91,714 - 107,895
SENIOR CONSTRUCTION INSPECTOR	1.00	1.00	2.00	91,086 - 107,168
SENIOR DEVELOPMENT ENGINEERING ANALYST	1.00	(1.00)	-	89,054 - 104,762
TELECOMMUNICATIONS FRANCHISE AND RIGHT-OF-WAY ANALYST	-	0.66	0.66	89,054 - 104,762
ASSOCIATE DEVELOPMENT ENGINEER	2.00	(2.00)	-	87,545 - 103,005
CONSTRUCTION INSPECTOR	7.00	(6.00)	1.00	86,770 - 102,080
TRANSPORTATION PROGRAM COORDINATOR	1.00	-	1.00	86,369 - 101,607
ASSOCIATE PROJECT ENGINEER	1.00	1.00	2.00	83,408 - 98,112
DEVELOPMENT PLANS EXAMINER	1.00	(1.00)	-	75,061 - 88,296
ENGINEERING TECHNICIAN	1.30	(1.30)	-	70,644 - 83,112
SENIOR ACCOUNTING ASSOCIATE	0.05	-	0.05	69,473 - 81,733
ADMINISTRATIVE ASSISTANT	2.00	-	2.00	68,559 - 80,650
PERMIT TECHNICIAN	1.00	(1.00)	-	65,025 - 76,495
ENGINEERING PROGRAM ASSISTANT	0.50	-	0.50	62,511 - 73,550
<b>TOTAL</b>	<b>52.60</b>	<b>(11.99)</b>	<b>40.61</b>	

### POSITION SUMMARY BY DIVISION

Classification	2021-2022 Positions	Additions/ Reductions*	2023-2024 Positions
Capital Projects	23.00	4.00	27.00
Development Environmental Services	17.65	(17.65)	-
Public Works Administration	3.10	1.66	4.76
Transportation Engineering	8.85	-	8.85
<b>TOTAL</b>	<b>52.60</b>	<b>(11.99)</b>	<b>40.61</b>

\* Reductions in the Development Environmental Services Division reflect positions that have moved to the Development Services Fund as part of the 2023-2024 budget and can be seen in that position summary sheet.



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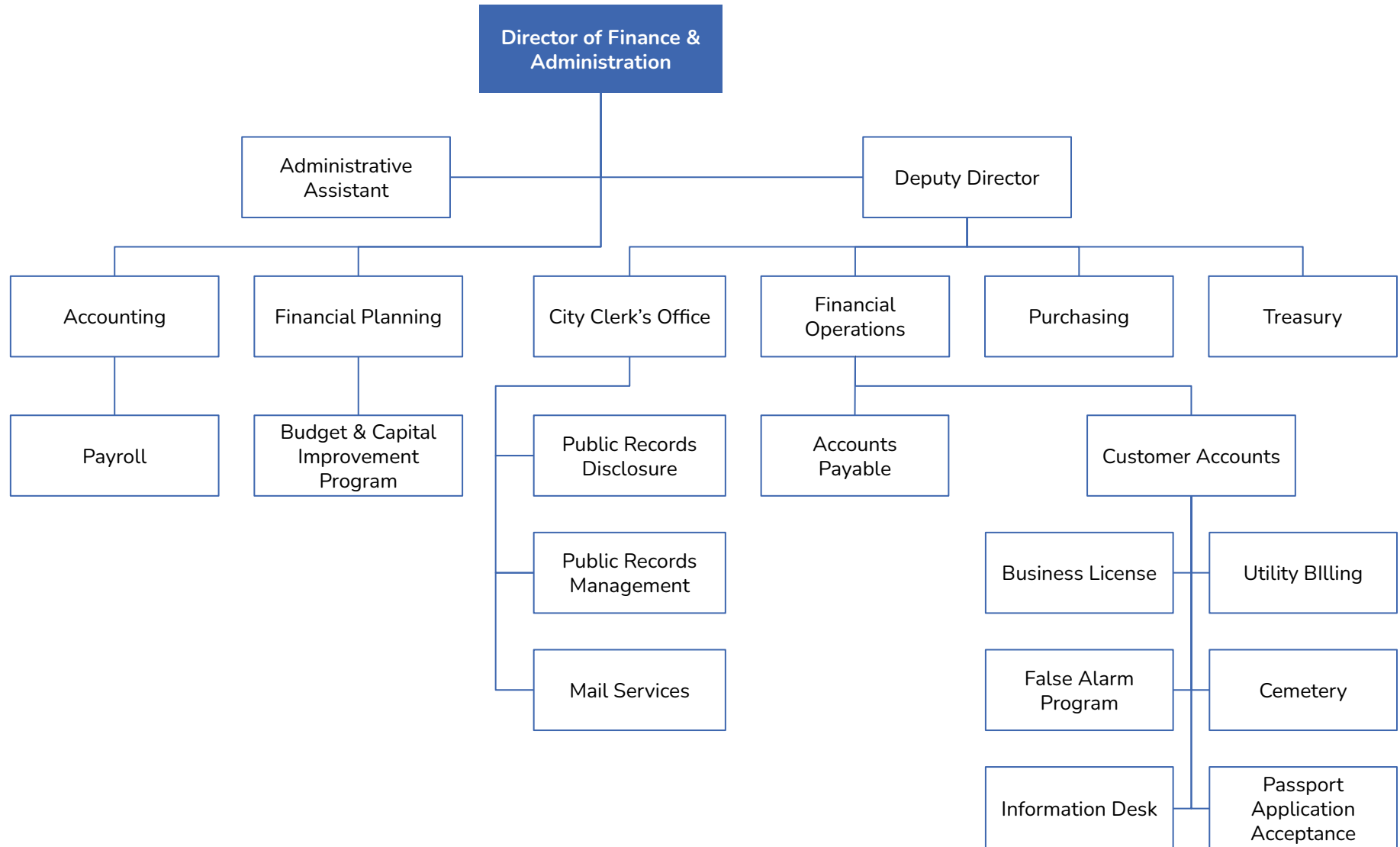


# Finance & Administration



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# Finance & Administration





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# Finance & Administration

## Department Overview

### MISSION

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

### DEPARTMENT FUNCTIONS

The 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

- Continue compliance with the adopted Fiscal Policies that retain Kirkland's AAA credit rating.
- Continue modified two-year sales tax lag to protect against economic downturn.
- Convert one-time Office Specialist (Business License) to 1.0 FTE to ongoing, \$201,516 ongoing, \$1,776 one-time. This position will provide additional capacity to Business License, False Alarm Reduction and Cemetery Administration.
- Convert one-time temporary 1.0 LTE Office Specialist (Financial Operations) to ongoing, \$201,072 ongoing. This role provides necessary support to supporting accounts payable and payroll.
- Convert 0.5 Accountant to ongoing to support City's accounting needs, \$140,676 ongoing, \$2,776 one-time.
- Add a 1.0 FTE Business Analyst for needed capacity in implementing, updating, and troubleshooting softwares for service delivery, \$274,965 ongoing, \$3,178 one-time.
- Add a 1.0 Administrative Services Manager will add needed capacity for Regional Crisis Response Agency fiscal agent work, proactive management of programs, support current workload, and provide management oversight to new programs, \$305,196 ongoing, \$3,176 one-time.
- Add a temporary six-month Customer Accounts Associate, \$48,701 one-time to support the City's utility billing software upgrade to provide efficiencies to the utility customers in allowing paperless billing options.
- Fund the Impact Fees Study that will update the City's Impact Fee rates across Transportation, Parks, and Fire, \$200,000 one-time.

# Finance & Administration

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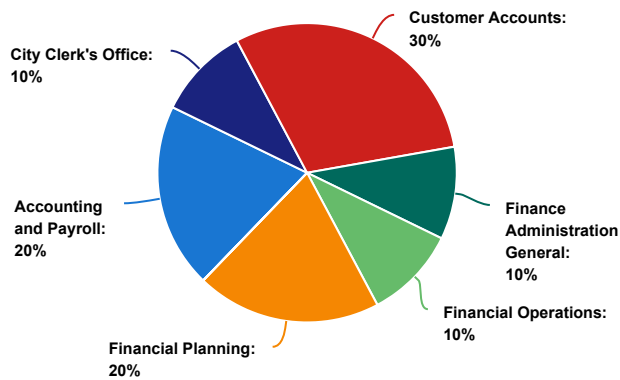
## SUPPORTIVE HUMAN SERVICES

- Expand Low Income Utility Discount Program to support residents for whom paying their utility bills is a significant cost, especially in light of recent utility rate increases, \$680,000 one-time (funding split between General Fund, Water/Sewer Operating and Solid Waste Fund).

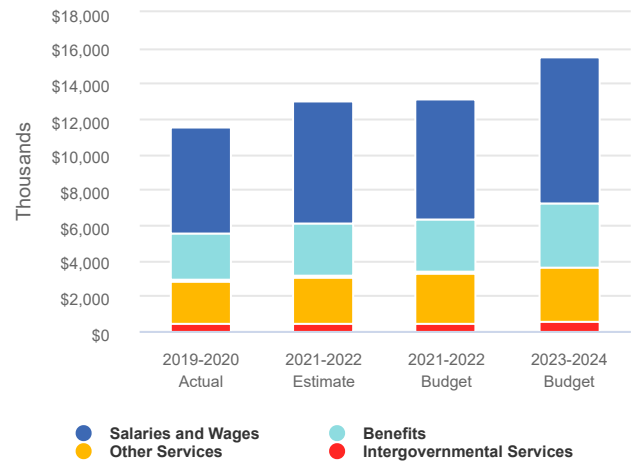
# Finance & Administration

## Financial Overview

**Expenditures by Division**



**Expenditures by Category**



## EXPENDITURE SUMMARY BY CATEGORY

	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
Salaries and Wages	6,030,046	6,909,056	6,766,586	8,319,872	22.96%
Benefits	2,664,119	2,993,253	2,981,289	3,598,561	20.70%
Supplies	65,606	43,515	34,796	33,806	(2.85%)
Other Services	2,413,873	2,628,255	2,909,832	3,033,496	4.25%
Intergovernmental Services	411,092	478,333	429,201	552,765	28.79%
<b>TOTAL</b>	<b>11,584,735</b>	<b>13,052,411</b>	<b>13,121,705</b>	<b>15,538,500</b>	<b>18.42%</b>

## EXPENDITURE SUMMARY BY DIVISION

	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
Accounting and Payroll	2,914,025	2,921,457	3,032,061	3,181,595	4.93%
City Clerk's Office	1,548,656	1,699,667	1,631,486	1,926,516	18.08%
Customer Accounts	3,413,983	3,497,685	3,693,102	3,937,554	6.62%
Finance Administration General	1,649,053	1,458,840	1,499,834	2,073,835	38.27%
Financial Operations	-	466,968	-	1,030,319	
Financial Planning	1,458,946	2,373,072	2,566,170	2,801,537	9.17%
Purchasing	600,071	634,722	699,052	587,144	(16.01%)
<b>TOTAL</b>	<b>11,584,735</b>	<b>13,052,411</b>	<b>13,121,705</b>	<b>15,538,500</b>	<b>18.42%</b>

# Finance & Administration

## 2023-2024 Position Summary

### POSITION SUMMARY BY CLASSIFICATION

Classification	2021-2022 Positions	Additions/ Reductions	2023-2024 Positions	Budgeted 2023 Salary Range
FINANCE DIRECTOR	1.00	-	1.00	161,684 - 210,961
DEPUTY DIRECTOR FINANCE & ADMINISTRATION	1.00	-	1.00	130,390 - 170,130
FINANCIAL PLANNING MANAGER	1.00	-	1.00	119,199 - 155,528
ACCOUNTING MANAGER	1.00	-	1.00	113,447 - 148,023
FINANCIAL OPERATIONS MANAGER	1.00	-	1.00	113,447 - 148,023
ADMINISTRATIVE SERVICES MANAGER	-	1.00	1.00	113,447 - 148,023
CITY CLERK	1.00	-	1.00	107,293 - 139,993
FINANCIAL PLANNING SUPERVISOR	1.00	-	1.00	97,393 - 127,076
SENIOR FINANCIAL ANALYST	2.00	-	2.00	90,546 - 118,142
CUSTOMER ACCOUNTS SUPERVISOR	1.00	-	1.00	84,901 - 110,776
SENIOR ACCOUNTANT	2.00	-	2.00	87,067 - 102,438
PURCHASING AGENT	1.00	-	1.00	86,943 - 102,273
DEPUTY CITY CLERK	2.00	-	2.00	79,779 - 93,852
BUDGET ANALYST	2.00	-	2.00	79,779 - 93,852
BUSINESS ANALYST	-	1.00	1.00	78,220 - 93,852
ACCOUNTANT	2.00	0.50	2.50	78,151 - 91,946
PAYROLL SYSTEMS COORDINATOR	1.00	-	1.00	75,413 - 88,710
BUYER	1.00	-	1.00	70,632 - 83,097
SENIOR ACCOUNTING ASSOCIATE	3.00	-	3.00	69,473 - 81,733
SENIOR ACCOUNTING ASSOCIATE - CIP	1.00	-	1.00	69,473 - 81,733
ADMINISTRATIVE ASSISTANT	1.00	-	1.00	68,559 - 80,650
CUSTOMER ACCOUNTS LEAD	1.00	-	1.00	66,627 - 78,386
ACCOUNTING SUPPORT ASSOCIATE IV	2.00	-	2.00	62,420 - 73,435
CUSTOMER ACCOUNTS ASSOCIATE BUSINESS LICENSING	2.00	-	2.00	59,259 - 69,706
CUSTOMER ACCOUNTS ASSOCIATE	7.00	-	7.00	58,510 - 68,835
OFFICE SPECIALIST	2.00	2.00	4.00	55,795 - 65,641
MAIL CLERK	1.00	-	1.00	48,036 - 56,484
<b>TOTAL</b>	<b>41.00</b>	<b>4.50</b>	<b>45.50</b>	

### POSITION SUMMARY BY DIVISION

Classification	2021-2022 Positions	Additions/ Reductions	2023-2024 Positions
Accounting and Payroll	9.00	0.50	9.50
City Clerk's Office	5.00	-	5.00
Customer Accounts	11.00	1.38	12.38
Finance Administration General	3.00	1.63	4.63
Financial Operations	3.00	1.00	4.00
Financial Planning	8.00	-	8.00
Purchasing	2.00	-	2.00
<b>TOTAL</b>	<b>41.00</b>	<b>4.50</b>	<b>45.50</b>



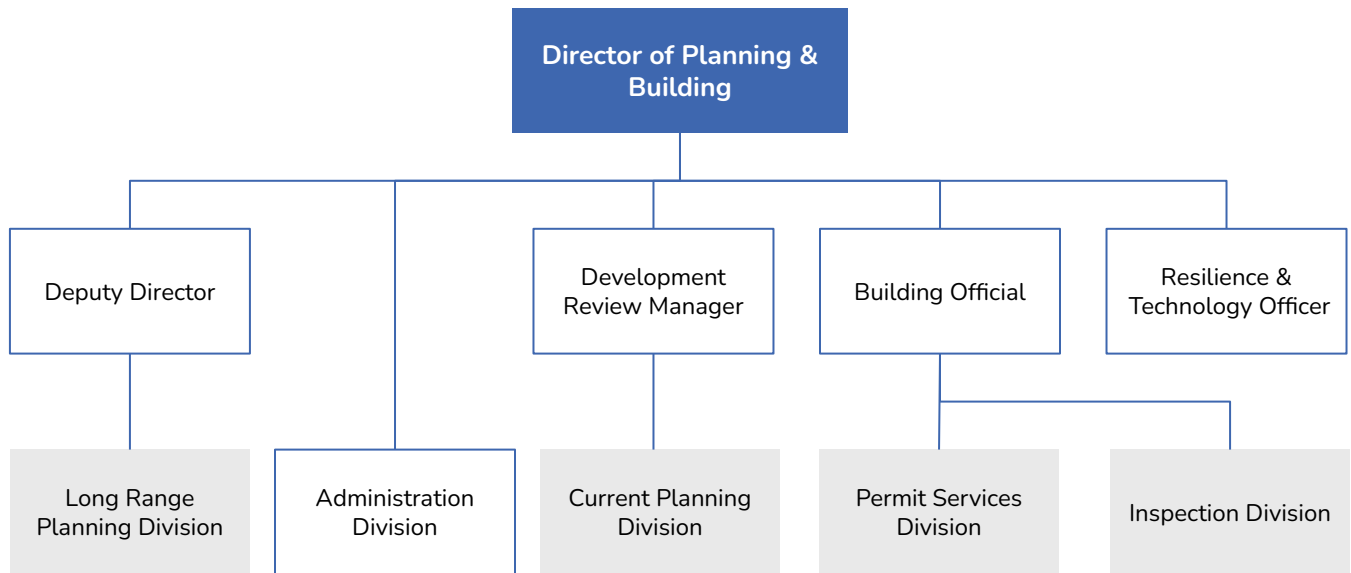
# Planning & Building



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# Planning & Building

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# Planning & Building

## Department Overview

### MISSION

The **Planning and Building Department** is responsible for the preparation, administration, and enforcement of the City's growth management policies, regulations, and programs, and for helping shape the long-term growth of the City in a way that is consistent with the Comprehensive Plan and other guiding City policy documents. The department prepares growth plans and development regulations and assures regulatory compliance by reviewing and inspecting proposed development projects and undertaking code enforcement. The department coordinates permit processing with Public Works and Fire, ensuring compliance with zoning and building code regulations. Public outreach is conducted for regulatory, plan and policy development and assistance is provided in response to public inquiries. Activities are coordinated with state, regional, and other local governments.

### DEPARTMENT FUNCTIONS

The **Administration Division** coordinates the department budget, personnel, training, and general administrative activities. The division supports the Current and Long Range Planning Divisions through public noticing and coordinating and distributing meeting materials to the Hearing Examiner, Design Review Board, and Planning Commission.

The **Current Planning Division** performs all regulatory functions required to implement the Comprehensive Plan, Zoning Code, Subdivision Ordinance, State Environmental Policy Act (SEPA), and Shoreline Master Program. While coordinating with other Development Services staff, the division processes land use development applications, reviews building permits for land use code compliance, provides information about development regulations, enforces development codes, and maintains development monitoring systems. Staff support is provided to the Hearing Examiner, Design Review Board, Planning Commission, and City Council in their roles of reviewing, developing recommendations, and approving development applications.

The **Long Range Planning Division** prepares the City's Comprehensive Plan, Zoning Code, Subdivision Ordinance, Shoreline Master Program, local SEPA ordinance, and environmental initiatives. Amendments to these documents are prepared in accordance with the Planning Work Program adopted by the City Council. Staff support is provided to the City Council and the Planning Commission in their roles of shaping and adopting policies. The division works with the community to seek inclusive public engagement on policies and programs that shape Kirkland's future. The division coordinates with other agencies on regional and state-wide planning issues, monitors legislative activity, and undertakes special projects as directed by the City Council or City Manager.

The **Building Division** provides the general public with the standards for the safety and quality of construction of new and existing structures, and the installation of electrical, plumbing and mechanical systems. Building receives, routes, coordinates, and approves all building and related permit applications. Building staff works closely with architects, engineers, contractors, owners, and developers, as well as with other departments and agencies to ensure compliance with all City requirements and to ensure prompt permit issuance. Oversight areas include the permit center, plan review, field inspections, 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.

The **Resilience and Technology Office** oversees the Smart City program in partnership with all city departments and implements initiatives that leverage technology and data to support Council goals such as inclusivity, improved transportation, community safety, and equity. The office prepares the Long-term Recovery Plan addressing the long-term resilience and sustainability of City operations, oversees the growth management capacity analysis, and creates dashboards for the community to visualize the City's progress in areas such as housing, equity and inclusion. The office also works with regional partners on developing technology infrastructure.

# Planning & Building

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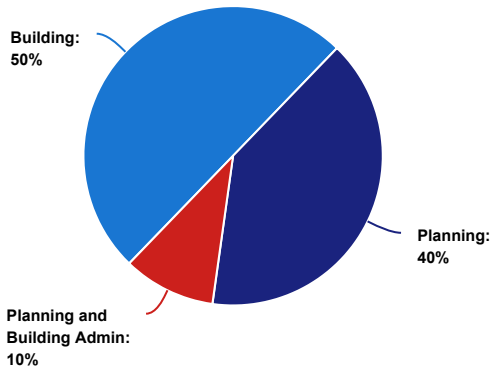
## **BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS**

Beginning Fiscal Years 2023-2024, the Planning and Building Department will operate within the Development Services, Governmental Fund. This change has occurred to improve the understandability and usefulness of the development services budget and financial reporting. The data reported in this section reflects 2019-2022, and the 2023-2024 budget data can be found in the Development Services Fund section, following the Street Operating Fund.

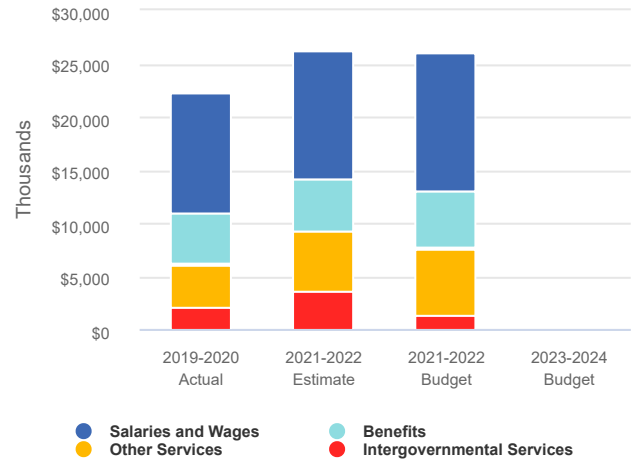
# Planning & Building

## Financial Overview

**Expenditures by Division**



**Expenditures by Category**



### EXPENDITURE SUMMARY BY CATEGORY

	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
Salaries and Wages	11,407,388	12,211,019	13,024,825	-	(100.00%)
Benefits	4,673,797	4,839,913	5,347,749	-	(100.00%)
Supplies	135,493	65,800	84,565	-	(100.00%)
Other Services	4,085,006	5,661,660	6,384,118	-	(100.00%)
Intergovernmental Services	2,044,155	3,449,153	1,190,889	-	(100.00%)
Interfund Transfers	-	42,084	42,084	-	(100.00%)
<b>TOTAL</b>	<b>22,345,839</b>	<b>26,269,629</b>	<b>26,074,231</b>	<b>-</b>	<b>(100.00%)</b>

### EXPENDITURE SUMMARY BY DIVISION

	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
Building	10,194,829	10,893,179	11,471,373	-	(100.00%)
Planning	9,265,298	12,388,767	11,323,666	-	(100.00%)
Planning and Building Admin	2,885,712	2,987,683	3,279,192	-	(100.00%)
<b>TOTAL</b>	<b>22,345,839</b>	<b>26,269,629</b>	<b>26,074,231</b>	<b>-</b>	<b>(100.00%)</b>

# Planning & Building

## 2023-2024 Position Summary

### POSITION SUMMARY BY CLASSIFICATION

Classification	2021-2022 Positions	Additions/ Reductions*	2023-2024 Positions	Budgeted 2023 Salary Range
PLANNING & BUILDING DIRECTOR	1.00	(1.00)	-	161,684 - 210,961
DEPUTY PLANNING DIRECTOR	1.00	(1.00)	-	130,390 - 170,130
RESILIENCE AND TECHNOLOGY OFFICER	1.00	(1.00)	-	122,885 - 160,337
BUILDING OFFICIAL	1.00	(1.00)	-	121,592 - 158,650
PLANNING MANAGER - DEVELOPMENT SERVICES	1.00	(1.00)	-	116,278 - 151,717
PLANNING SUPERVISOR	2.00	(2.00)	-	106,685 - 139,200
PLAN REVIEW SUPERVISOR	1.00	(1.00)	-	100,849 - 131,585
INSPECTION SUPERVISOR	1.00	(1.00)	-	98,489 - 128,506
SENIOR PLANS EXAMINER	4.00	(4.00)	-	97,495 - 114,684
SENIOR PLANNER	6.00	(6.00)	-	94,767 - 111,491
ENVIRONMENTAL PROGRAM COORDINATOR	0.50	(0.50)	-	94,767 - 111,491
PERMIT TECH SUPERVISOR	1.00	(1.00)	-	84,101 - 109,732
LEAD INSPECTOR	1.00	(1.00)	-	93,122 - 109,555
ELECTRICAL/BUILDING INSPECTOR II	4.00	(4.00)	-	91,097 - 107,172
CODE ENFORCEMENT OFFICER	2.00	(2.00)	-	88,090 - 103,652
ELECTRICAL/BUILDING INSPECTOR	4.00	(4.00)	-	86,764 - 102,070
PLANNING ADMINISTRATION SUPERVISOR	1.00	(1.00)	-	77,875 - 101,609
ASSOCIATE PLANNER	2.00	(2.00)	-	85,815 - 100,959
PLANS EXAMINER II	4.00	(4.00)	-	84,556 - 99,467
BUILDING INSPECTOR	3.00	(3.00)	-	82,822 - 97,441
PLANNER	7.00	(7.00)	-	80,014 - 94,138
BUSINESS ANALYST	1.00	(1.00)	-	78,220 - 93,852
DEVELOPMENT REVIEW ARBORIST	1.00	(1.00)	-	79,218 - 93,190
ASSISTANT PLANNER	5.00	(5.00)	-	71,380 - 83,982
ADMINISTRATIVE ASSISTANT	1.00	(1.00)	-	68,559 - 80,650
PERMIT TECHNICIAN	7.00	(7.00)	-	65,025 - 76,495
RECORDS MANAGEMENT SPECIALIST	1.00	(1.00)	-	60,659 - 71,363
OFFICE SPECIALIST	3.00	(3.00)	-	55,795 - 65,641
RECEPTIONIST/ADMINISTRATIVE CLERK	1.00	(1.00)	-	48,036 - 56,484
<b>TOTAL</b>	<b>68.50</b>	<b>(68.50)</b>	<b>-</b>	

### POSITION SUMMARY BY DIVISION

Classification	2021-2022 Positions	Additions/ Reductions*	2023-2024 Positions
Building	34.50	(34.50)	-
Planning	27.30	(27.30)	-
Planning and Building Administration	6.70	(6.70)	-
<b>TOTAL</b>	<b>68.50</b>	<b>(68.50)</b>	<b>-</b>

\* Reductions in the Planning & Building Department reflect positions that have moved to the Development Services Fund as part of the 2023-24 budget and can be seen in that position summary sheet.

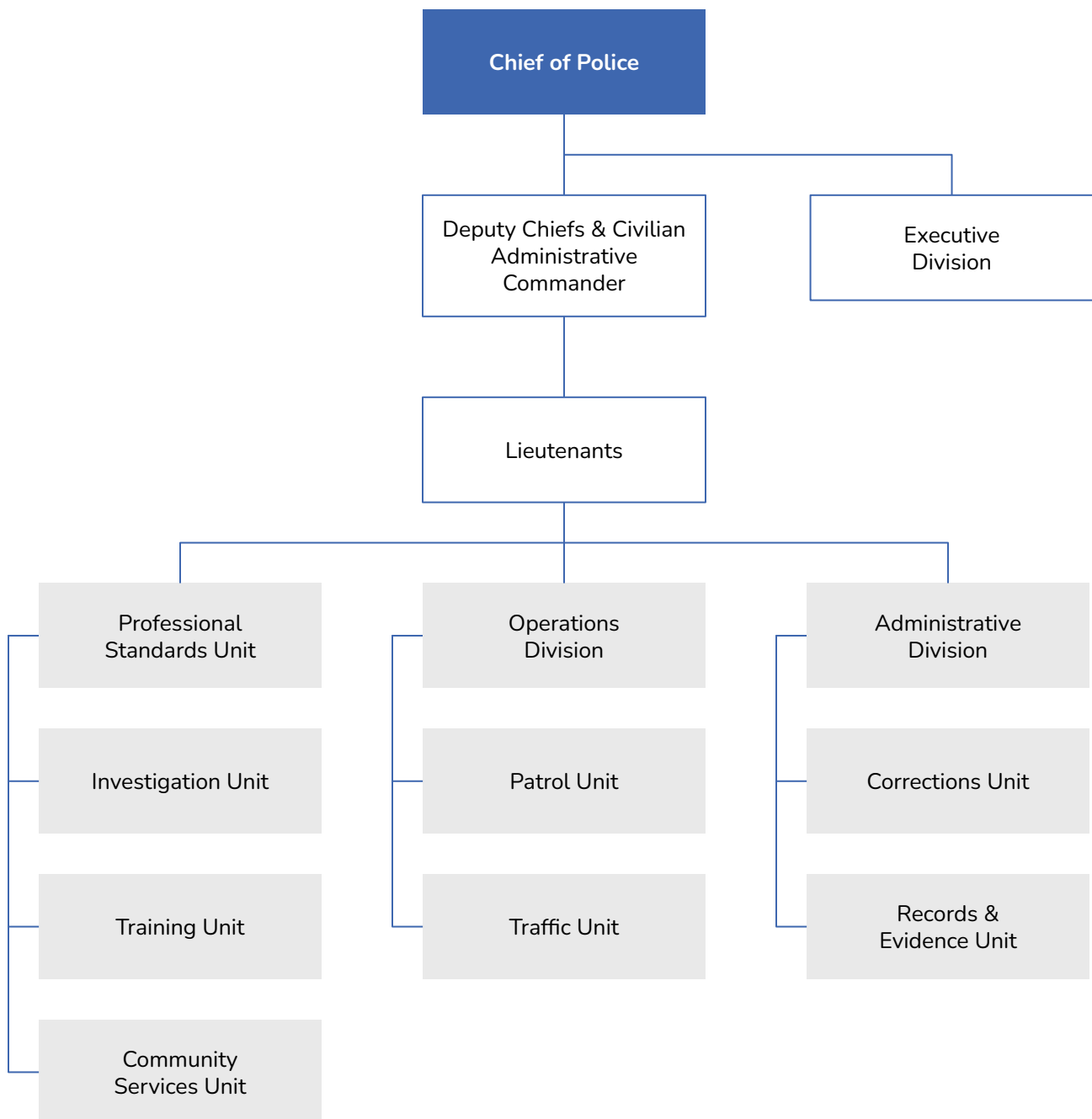


Police



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# Police





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# Police

## Department Overview

### MISSION

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

### DEPARTMENT FUNCTIONS

The **Executive Division** provides overall coordination of department activities, coordinates with other departments and agencies, prepares and assists with budgets, provides administrative support to Command Staff and Department Divisions, and provides personnel and payroll support.

The **Operations Division** consists of Patrol, Traffic, and K-9. In addition to responding to 911 calls and proactively enforcing the law, this division is responsible for working with neighborhood groups, businesses, and other organizations to identify issues, build partnerships, and resolve mutual problems.

The **Patrol Unit** provides 24-hour-per-day service to the community and provides first-unit response for general calls for police service.

The **Traffic Unit** provides enforcement and education to reduce accidents and traffic congestion. The unit also coordinates and responds to community traffic complaint areas and investigates traffic collisions. Parking Enforcement Officers are part of the Traffic Unit and serve to educate the community about parking issues and enforce parking laws.

The **Administrative Division** consists of Corrections and Records and is also responsible for recruitment, hiring, evidence intake and storage, facility issues, fleet, scheduling, grant compliance, contracts, budget and liaison with NORCOM and other regional boards.

The **Corrections Unit** operates the jail, monitors home detention, work release, and performs all prisoner transports to courts and other detention facilities.

The **Records Unit** provides for the accurate flow and management of all record-keeping duties and provides front counter service during business for all walk-in customers of the Police Department.

The **Evidence Unit** manages the intake, storage, security, release or disposal of all evidence, found property, and items held for safekeeping.

The **Professional Standards Division** consists of Investigations, Family Violence, Special Response Team, Crisis Negotiations, and Training. This division is also responsible for reviewing and updating the department general orders and standard operating procedures, 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 **Pro-Act Unit** focus is on illegal drugs, car prowls, burglaries, mail theft, shoplifting, and enforcing extreme risk protection orders and court-ordered gun forfeitures.

The **Crime Analyst** is attached to the Investigation Unit and monitors crime trends, provides analytical support and publishes informational bulletins on wanted subjects and officer safety issues.

The **Family Violence Unit (FVU)** is attached to the Investigation Unit. This unit is staffed by two detectives and a civilian Family/Youth Advocate. The unit conducts follow-up investigation on domestic violence cases,

# Police

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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.

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

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

## Budget Highlights and Relationship to Council Goals

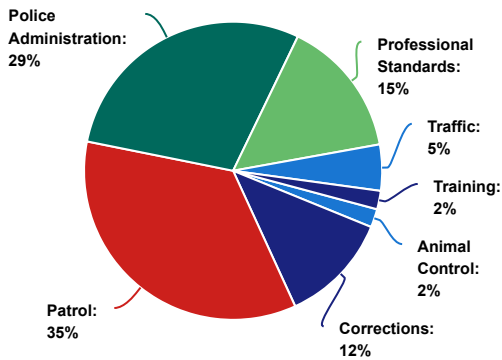
### COMMUNITY SAFETY

- Implementation of Body-Worn Camera program, \$1,050,529, ongoing.
- Increase authority for 2.0 FTE over-hire Police Officer positions for a total of 4.0 FTE positions, ongoing.
- Finance Police Department equipment replacement totaling \$301,000 for 2023-2024.
- Conversion of 2 FTE School Resource Officers (SRO) to 1 FTE Pro-Act Officer and 1 FTE Neighborhood Resource Officer.

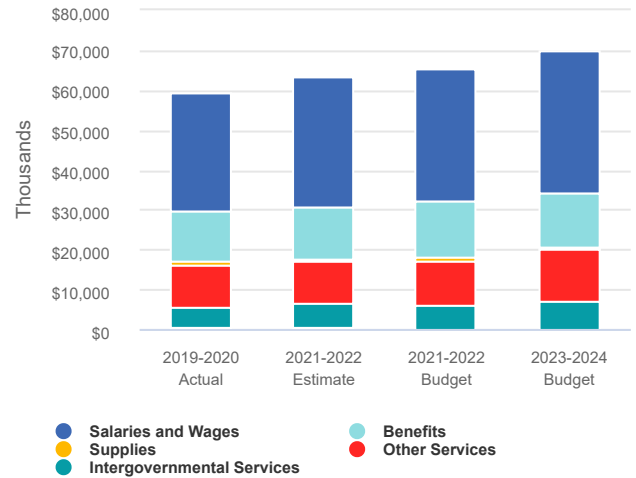
# Police

## Financial Overview

**Expenditures by Division**



**Expenditures by Category**



## EXPENDITURE SUMMARY BY CATEGORY

	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
Salaries and Wages	30,010,634	32,355,708	33,299,948	35,388,538	6.27%
Benefits	12,330,435	13,002,153	14,069,893	13,765,131	(2.17%)
Supplies	969,358	694,447	1,051,667	677,284	(35.60%)
Other Services	10,496,503	10,699,197	11,069,460	12,997,934	17.42%
Intergovernmental Services	5,333,106	6,047,441	5,939,786	6,955,710	17.10%
Capital Outlay	10,790	28,136	15,000	-	(100.00%)
Interfund Transfers	429,532	361,291	27,291	5,800	(78.75%)
<b>TOTAL</b>	<b>59,580,358</b>	<b>63,188,373</b>	<b>65,473,045</b>	<b>69,790,397</b>	<b>6.59%</b>

## EXPENDITURE SUMMARY BY DIVISION

	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
Animal Control	457,718	289,451	420,064	437,633	4.18%
Corrections	6,644,803	6,595,915	7,022,194	8,408,582	19.74%
Patrol	24,100,664	23,301,218	23,892,124	24,760,045	3.63%
Police Administration	16,088,615	18,184,141	18,488,357	20,214,932	9.34%
Professional Standards	8,058,485	10,264,004	10,830,082	10,762,572	(0.62%)
Traffic	2,148,602	3,284,691	3,424,792	3,686,855	7.65%
Training	2,081,470	1,268,953	1,395,431	1,519,778	8.91%
<b>TOTAL</b>	<b>59,580,358</b>	<b>63,188,373</b>	<b>65,473,045</b>	<b>69,790,397</b>	<b>6.59%</b>

# Police

## 2023-2024 Position Summary

### POSITION SUMMARY BY CLASSIFICATION

Classification	2021-2022 Positions	Additions/ Reductions	2023-2024 Positions	Budgeted 2023 Salary Range
CHIEF OF POLICE	1.00	-	1.00	169,039 - 220,558
DEPUTY CHIEF OF PROFESSIONAL STANDARDS	1.00	-	1.00	149,794 - 193,283
DEPUTY CHIEF OF OPERATIONS	1.00	-	1.00	149,794 - 193,283
CIVILIAN ADMINISTRATIVE COMMANDER	1.00	-	1.00	136,080 - 177,553
CORRECTIONS MANAGER	1.00	-	1.00	129,599 - 169,097
OPERATIONS LIEUTENANT	2.00	-	2.00	122,358 - 157,869
ADMINISTRATIVE LIEUTENANT	1.00	-	1.00	122,358 - 157,869
INVESTIGATIONS LIEUTENANT	1.00	-	1.00	122,358 - 157,869
RISK MANAGEMENT LIEUTENANT	1.00	-	1.00	122,358 - 157,869
TRAFFIC SERGEANT	1.00	-	1.00	127,893 - 131,296
DETECTIVE SERGEANT	1.00	-	1.00	127,893 - 131,296
PROACT SERGEANT	1.00	-	1.00	126,662 - 130,033
CSU SERGEANT	1.00	-	1.00	125,433 - 128,771
TRAINING SERGEANT	1.00	-	1.00	125,433 - 128,771
PATROL SERGEANT	6.00	-	6.00	122,979 - 126,242
TRAFFIC CORPORAL	1.00	-	1.00	114,280 - 117,642
DETECTIVE CORPORAL	2.00	-	2.00	114,280 - 117,642
PRO-ACT CORPORAL	1.00	-	1.00	113,180 - 116,511
CSU CORPORAL	1.00	-	1.00	112,082 - 115,379
PATROL CORPORAL	9.00	-	9.00	109,878 - 113,116
PSA SUPERVISOR	1.00	-	1.00	84,298 - 109,989
TRAFFIC OFFICER	5.00	-	5.00	95,453 - 108,835
K-9 OFFICER	1.00	-	1.00	95,453 - 108,835
DETECTIVE	9.00	-	9.00	95,453 - 108,835
FAMILY VIOLENCE OFFICER	2.00	-	2.00	95,453 - 108,835
PRO-ACT OFFICER	4.00	-	4.00	94,535 - 107,788
NRO OFFICER	3.00	-	3.00	93,618 - 106,742
SRO OFFICER	3.00	-	3.00	93,618 - 106,742
TRAINING OFFICER	1.00	-	1.00	93,618 - 106,742
LE REFORM TRAINING OFFICER	1.00	-	1.00	93,618 - 106,742
PATROL OFFICER	45.00	-	45.00	80,256 - 104,639
PATROL OFFICER OVERHIRE	2.00	2.00	4.00	80,256 - 104,639
PATROL OFFICER - PROP 1	1.00	-	1.00	80,256 - 104,639
ADMINISTRATIVE SUPERVISOR	1.00	-	1.00	77,875 - 101,609
CORRECTIONS SERGEANT	2.00	-	2.00	75,865 - 94,706
POLICE ANALYST	1.00	-	1.00	75,005 - 93,642
POLICE ANALYST - PROP 1	1.00	-	1.00	75,005 - 93,642

# Police

## 2023-2024 Position Summary

### POSITION SUMMARY BY CLASSIFICATION (CONTINUED)

Classification	2021-2022 Positions	Additions/ Reductions	2023-2024 Positions	Budgeted 2023 Salary Range
CORRECTIONS CORPORAL	4.00	-	4.00	69,825 - 87,175
FAMILY/YOUTH ADVOCATE	1.00	-	1.00	68,484 - 85,494
QUARTERMASTER	1.00	-	1.00	67,234 - 83,939
POLICE PUBLIC DISCLOSURE ANALYST	1.00	-	1.00	66,837 - 83,444
POLICE DISCLOSURE ANALYST BWC	1.00	-	1.00	66,837 - 83,444
COURT SECURITY OFFICER	1.00	-	1.00	64,212 - 80,165
ANIMAL CONTROL OFFICER	1.00	-	1.00	63,779 - 79,620
CORRECTIONS OFFICER	13.00	-	13.00	63,579 - 79,374
PD ADMINISTRATIVE ASSISTANT	1.00	-	1.00	63,178 - 78,866
POLICE SUPPORT ASSOCIATE LEAD	1.00	-	1.00	75,779 - 75,779
EVIDENCE TECHNICIAN 2	1.00	-	1.00	60,102 - 75,044
EVIDENCE TECHNICIAN 1	1.00	-	1.00	58,359 - 72,857
EVIDENCE TECHNICIAN BWC	1.00	-	1.00	58,359 - 72,857
POLICE SUPPORT ASSOCIATE	6.00	-	6.00	54,817 - 68,431
CORRECTIONS ADMINISTRATIVE SUPPORT ASSOCIATE	1.00	-	1.00	54,728 - 68,332
ADMINISTRATIVE SUPPORT ASSOCIATE	1.00	-	1.00	54,728 - 68,332
PARKING ENFORCEMENT OFFICER	3.00	-	3.00	50,743 - 63,353
<b>TOTAL</b>	<b>157.00</b>	<b>2.00</b>	<b>159.00</b>	

### POSITION SUMMARY BY DIVISION

Classification	2021-2022 Positions	Additions/ Reductions	2023-2024 Positions
Animal Control	1.00	-	1.00
Corrections	20.00	-	20.00
Patrol	64.00	2.00	66.00
Police Administration	31.00	-	31.00
Professional Standards	28.00	-	28.00
Traffic	10.00	-	10.00
Training	3.00	-	3.00
<b>TOTAL</b>	<b>157.00</b>	<b>2.00</b>	<b>159.00</b>



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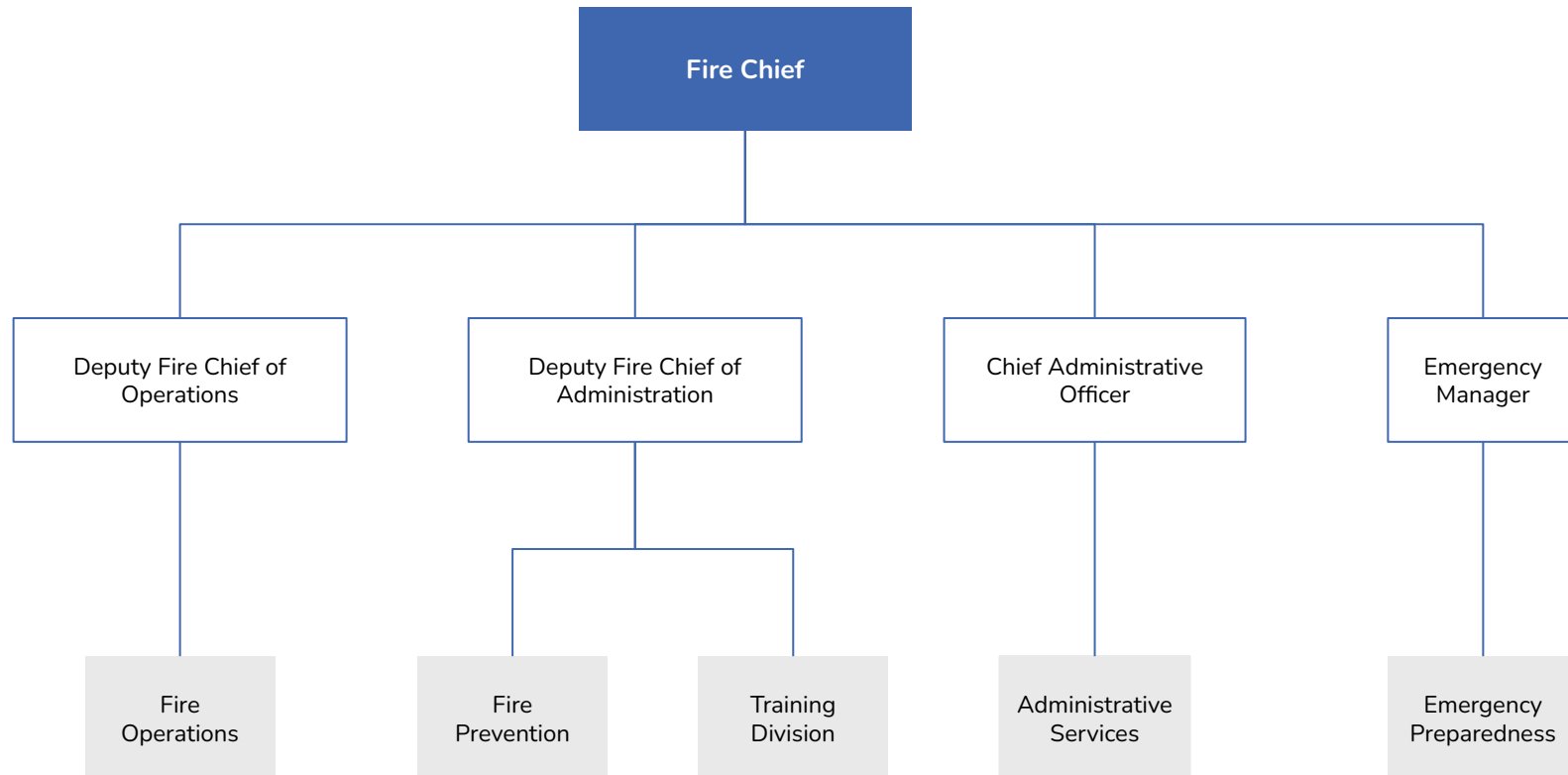


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# Fire





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# Fire

## Department Overview

### MISSION

Providing timely emergency response and safeguarding the lives, property, and environment of our community.

### DEPARTMENT FUNCTIONS

**Administrative Services** provides administrative and support functions for divisions within the department, 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 Division to prevent dangerous life safety situations before they happen. This is accomplished through application of the International Fire Code and local ordinances pertaining to permitted construction projects, operational permits, and life safety inspections of existing occupancies such as schools, churches, businesses, convalescent homes and multi-family apartments and condominiums. Prevention staff is able to provide technical assistance to community members and respond to safety concerns in the community. All members of the department provide fire and life safety education in our community, including schools, non-governmental organizations, and local businesses. The bureau is also responsible for investigating fires to determine origin and cause. All information from investigations is used to help prevent future fires.

**Emergency Management** prepares the City of Kirkland to respond, mitigate, and recover from a disaster. This is accomplished through engaging all levels of the community, City staff, local non- government agencies, schools, businesses, and residents to prepare for any disaster and to be ready to partner to serve our community during a time of need. The division is responsible for development and coordination of updates to the City's emergency management plans and to train City staff to operate the Emergency Operations Center (EOC). Emergency Management also participates, when possible, in regional projects, training, committees, and other preparedness and response activities in recognition of the interdependence of the region and the City of Kirkland's role. Information is also provided to help educate residents, businesses, and community groups on disaster preparation, response, and recovery.

**Emergency Services** responds to emergencies resulting from fires, medical emergencies, disaster, hazardous materials incidents, technical rescues, and related incidents in order to minimize suffering, loss of life and property. The current work program of this division includes the maintenance of a well-trained force to: (1) Provide basic medical life support to victims of illness and/or injury (2) Extinguish all fires (3) Perform technical rescues and (4) Mitigate hazardous materials incidents within the City.

**Training Division** develops and coordinates training programs for all emergency services personnel within the fire department. The division conducts and directs training activities within the department and ensures the department meets legally mandated training 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.

# Fire

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## BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS

### INCLUSIVE AND EQUITABLE COMMUNITY

- Implementation of Mobile Integrated Health (MIH) program; funded through the King County Emergency Medical Services (EMS) Levy (\$733,808 ongoing). Adding 1.0 FTE Social Worker.

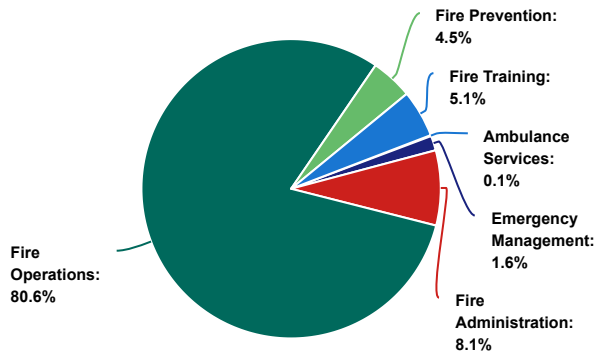
### COMMUNITY SAFETY

- Funding to hire 5 firefighter/EMTs provided for by approved Fire Proposition 1 ballot measure (\$1,995,472 ongoing). This completes the hiring of a total of 20 new firefighters/EMTs approved by ballot measure.
- Addition of 1 FTE Training Lieutenant to support Regional Training Consortium (\$375,884 ongoing; \$5,162 one-time).
- Addition of 1 FTE Administrative Assistance to support Regional Training Consortium (\$238,344 ongoing, \$5,162 one-time).
- Funding to convert fire suppression tools to cordless tools (\$86,000 one-time, \$8,500 ongoing).
- Funding to replace lifting bags and stabilizers (\$96,000 one-time, \$1,500 ongoing).
- Construction of Training Prop at Station 24 (\$2,780,000 one-time, \$30,000 ongoing).
- Addition of 1 Reserve Engine for Training Division (\$57,600 ongoing).
- New Safety Situational Awareness Training (\$58,738 ongoing).
- Provide financing for Fire Department CIP projects totaling \$26.9 million for 2023-2024, including \$21.3 million for the expansion, remodel or replacement of Fire Stations 21, 22, 26 and 27.

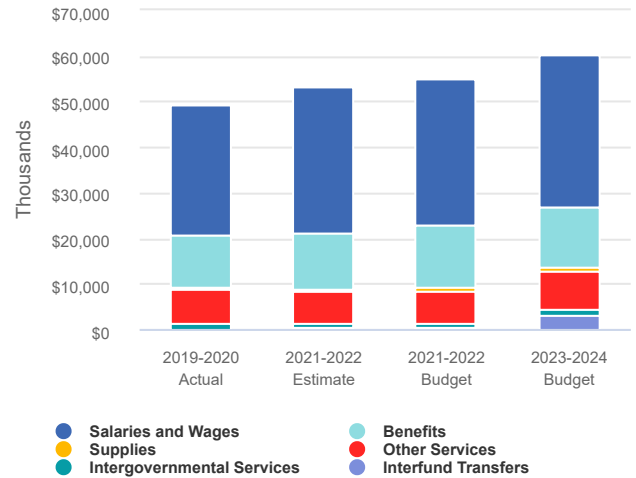
# Fire

## Financial Overview

**Expenditures by Division**



**Expenditures by Category**



### EXPENDITURE SUMMARY BY CATEGORY

	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
Salaries and Wages	28,650,638	32,064,032	32,165,855	33,343,112	3.66%
Benefits	11,201,091	12,279,491	13,709,915	13,240,561	(3.42%)
Supplies	618,472	621,914	780,821	591,232	(24.28%)
Other Services	7,497,777	6,961,969	7,038,838	8,673,688	23.23%
Intergovernmental Services	988,272	1,113,578	1,126,282	1,308,119	16.14%
Capital Outlay	47,374	68,225	-	-	
Interfund Transfers	153,000	218,525	364,525	2,962,000	712.56%
<b>TOTAL</b>	<b>49,156,625</b>	<b>53,327,733</b>	<b>55,186,236</b>	<b>60,118,712</b>	<b>8.94%</b>

### EXPENDITURE SUMMARY BY DIVISION

	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
Ambulance Services	625,688	242,228	149,245	90,000	(39.70%)
Emergency Management	882,413	843,274	906,814	939,899	3.65%
Fire Administration	3,476,839	3,576,483	3,738,554	4,848,235	29.68%
Fire Operations	40,044,036	43,781,573	45,787,282	48,465,291	5.85%
Fire Prevention	2,556,740	2,704,762	2,712,481	2,718,528	0.22%
Fire Training	1,570,910	2,179,412	1,891,859	3,056,759	61.57%
<b>TOTAL</b>	<b>49,156,625</b>	<b>53,327,733</b>	<b>55,186,236</b>	<b>60,118,712</b>	<b>8.94%</b>

# Fire

## 2023-2024 Position Summary

### POSITION SUMMARY BY CLASSIFICATION

Classification	2021-2022 Positions	Additions/ Reductions	2023-2024 Positions	Budgeted 2023 Salary Range
FIRE CHIEF	1.00	-	1.00	169,039 - 220,558
DEPUTY FIRE CHIEF	2.00	-	2.00	148,135 - 193,283
CHIEF ADMINISTRATIVE OFFICER	1.00	-	1.00	136,080 - 177,553
FIRE MARSHAL	1.00	-	1.00	146,070 - 153,422
BATTALION CHIEF	4.00	-	4.00	153,422 - 147,117
EMERGENCY MANAGER	1.00	-	1.00	115,515 - 150,721
FIRE CAPTAIN	13.00	-	13.00	137,660 - 137,660
ASSISTANT FIRE MARSHAL	1.00	-	1.00	130,308 - 137,660
REGIONAL TRAINING CONSORTIUM - TRAINING LIEUTENANT	-	1.00	1.00	121,898 - 127,156
FIRE INSPECTOR	4.00	-	4.00	121,897 - 127,156
FIRE LIEUTENANT	10.00	-	10.00	115,593 - 120,851
FIREFIGHTER	86.00	5.00	91.00	77,764 - 105,089
FIREFIGHTER OVERHIRE	3.00	-	3.00	77,764 - 105,089
FIREFIGHTER - MIH	1.00	-	1.00	77,764 - 105,089
ADMINISTRATIVE SUPERVISOR	1.00	-	1.00	77,875 - 101,609
EMERGENCY PREP COORDINATOR	1.00	-	1.00	82,013 - 96,485
ADMINISTRATIVE ASSISTANT	1.00	-	1.00	68,559 - 80,650
REGIONAL TRAINING CONSORTIUM ADMINISTRATIVE ASSISTANT	-	1.00	1.00	68,559 - 80,650
PERMIT TECHNICIAN	1.00	-	1.00	65,025 - 76,495
SOCIAL WORKER - MIH	-	1.00	1.00	60,544 - 71,228
OFFICE SPECIALIST	1.00	-	1.00	55,795 - 65,641
<b>TOTAL</b>	<b>133.00</b>	<b>8.00</b>	<b>141.00</b>	

### POSITION SUMMARY BY DIVISION

Classification	2021-2022 Positions	Additions/ Reductions	2023-2024 Positions
Emergency Management	2.00	-	2.00
Fire Administration	9.00	1.00	10.00
Fire Operations	114.00	5.00	119.00
Fire Prevention	6.00	-	6.00
Fire Training	2.00	2.00	4.00
<b>TOTAL</b>	<b>133.00</b>	<b>8.00</b>	<b>141.00</b>

Governmental funds account for general governmental activities. The City uses separate Governmental Funds for activities that are budgeted separately but reported together in audited financial statements.



## Street Operating Fund

The Street Operating Fund is established to account for the administration of all resources associated with the maintenance, operation, and minor construction of roadways, sidewalks, pathways, traffic signs and signals, and roadsides.



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# Street Operating Revenue Summary

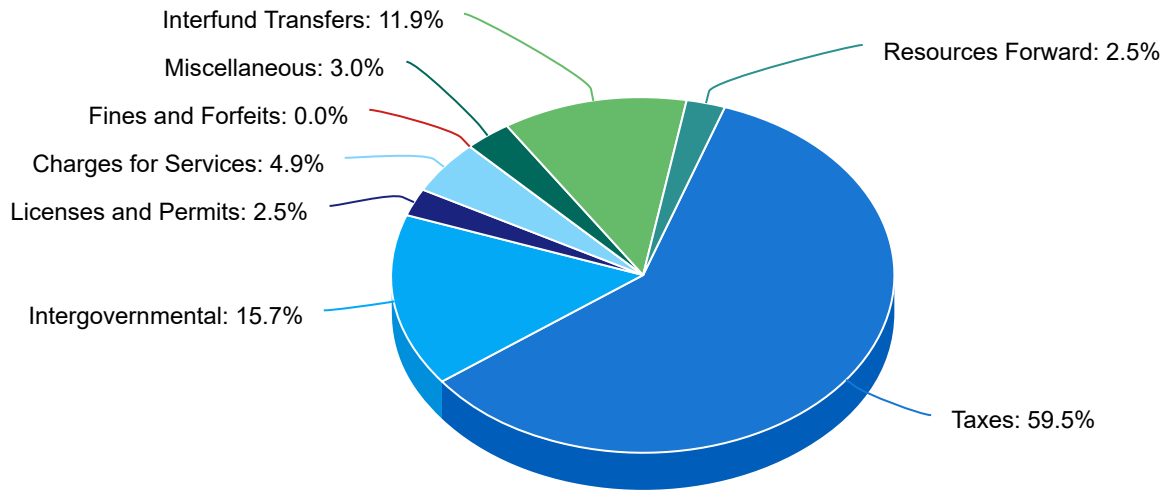
The Street Operating Fund accounts for the administration, maintenance, and minor construction of the City's transportation infrastructure. The primary sources of revenue are property taxes and the State levied gasoline tax. This fund also includes the revenues from the 2012 Street Levy – Levy for City street maintenance and pedestrian safety.



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## Street Operating Revenue Summary

\$28,053,264



Taxes including Property Tax and Revenue Generating Regulatory License (RGRL) comprise 59.5 percent of all Street Operating Fund revenues. Followed by Intergovernmental Revenues 15.7 percent which includes Multimodal Transportation and Motor Vehicle Fuel Tax (MVFT - Gas Tax). Charges for Services comprise 4.9 percent of total revenues and includes street sign fees and the newly levied Motor Vehicle License Fees, a \$20 vehicle license fee to raise \$1.3 million per year for walking, biking and Safe Routes to School projects. Collection will begin January 2024. License and Permits include Street Cut Permit revenues and make up 2.5 percent of total revenues. Resources forward represents the beginning fund balance and is composed primarily of an unreserved working capital and reserves. Resources forward, reserves, and transfers from the General Fund are used to fund one-time service packages.

**STREET OPERATING FUND REVENUES**

	Object	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Percent Change
<b>Taxes</b>						
Prop Tax	311101	6,228,527	6,876,058	6,778,947	7,283,046	7.44%
Prop Tax 12 Road	311105	6,954,145	7,426,535	7,312,510	7,854,981	7.42%
Rev Gen Reg License	316101	270,000	540,000	540,000	1,540,000	185.19%
<b>Total for Taxes</b>		<b>13,452,672</b>	<b>14,842,592</b>	<b>14,631,457</b>	<b>16,678,027</b>	<b>13.99%</b>
<b>License and Permits</b>						
Street Cut Permit	322404	669,902	721,736	600,200	710,000	18.29%
<b>Total for License and Permits</b>		<b>669,902</b>	<b>721,736</b>	<b>600,200</b>	<b>710,000</b>	<b>18.29%</b>
<b>Intergovernmental Revenue</b>						
Multimodal Transportation	336007	242,014	241,122	237,321	240,000	1.13%
MVFT-City Street	336008	3,451,139	3,434,263	4,158,762	4,158,762	-%
<b>Total for Intergovernmental Revenue</b>		<b>3,693,152</b>	<b>3,675,385</b>	<b>4,396,083</b>	<b>4,398,762</b>	<b>0.06%</b>
<b>Charges for Goods and Services</b>						
Motor Vehicle License Fees	341480	-	-	-	1,272,236	
Other*General Government Svcs	341901	6,535	3,030	-	-	
Interfund-Gen	341963	93,973	29,764	60,000	70,000	16.67%
Gen Government Svcs	341971	(205)	-	8,000	-	(100.00%)
Street Sign Fee	344121	25,431	35,219	40,000	40,000	-%
<b>Total for Charges for Goods and Services</b>		<b>125,734</b>	<b>68,013</b>	<b>108,000</b>	<b>1,382,236</b>	<b>1179.85%</b>
<b>Miscellaneous Revenues</b>						
Parking Meters	362301	580,024	698,059	740,448	800,000	8.04%
Temporary Parking Permit	362304	236	566	-	-	
Facility Leases Garage	362501	30,386	34,924	34,000	34,000	-%
Facility Leases Other	362502	2,291	6,449	-	-	
Contribution Donation	367000	1,650	2,100	-	-	
Other Judgements	369401	234	(554)	-	-	
Other Misc Rev	369910	1,211	544,281	544,592	2,400	(99.56%)
<b>Total for Miscellaneous Revenues</b>		<b>616,034</b>	<b>1,285,826</b>	<b>1,319,040</b>	<b>836,400</b>	<b>(36.59%)</b>
<b>Other Financing Sources</b>						
Operating Transfers In	397101	1,184,586	2,874,643	2,999,643	3,334,504	11.16%
Insurance Rec Gen Government	398001	51,884	6,359	-	-	
Resources Forward	399991	2,543,466	1,293,139	1,293,139	713,335	(44.84%)
<b>Total for Other Financing Sources</b>		<b>3,779,936</b>	<b>4,174,141</b>	<b>4,292,782</b>	<b>4,047,839</b>	<b>(5.71%)</b>
<b>Fund Total</b>		<b>22,337,430</b>	<b>24,767,693</b>	<b>25,347,562</b>	<b>28,053,264</b>	<b>10.67%</b>

## STREET OPERATING REVENUE SUMMARY: BY REVENUE TYPE

Revenue Type	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
Property Tax	6,228,527	6,876,058	6,778,947	7,283,046	7.44%
Prop Tax 12 Road	6,954,145	7,426,535	7,312,510	7,854,981	7.42%
Rev Gen Reg License	270,000	540,000	540,000	1,540,000	185.19%
<b>Total Taxes</b>	<b>13,452,672</b>	<b>14,842,592</b>	<b>14,631,457</b>	<b>16,678,027</b>	<b>13.99%</b>
Business and Other	669,902	721,736	600,200	710,000	18.29%
<b>Total Licenses and Permits</b>	<b>669,902</b>	<b>721,736</b>	<b>600,200</b>	<b>710,000</b>	<b>18.29%</b>
Grants & Other Intergov.	3,693,152	3,675,385	4,396,083	4,398,762	0.06%
<b>Total Intergovernmental</b>	<b>3,693,152</b>	<b>3,675,385</b>	<b>4,396,083</b>	<b>4,398,762</b>	<b>0.06%</b>
Other Charges	125,734	68,013	108,000	1,382,236	1179.85%
<b>Total Charges for Services</b>	<b>125,734</b>	<b>68,013</b>	<b>108,000</b>	<b>1,382,236</b>	<b>1179.85%</b>
Miscellaneous	616,034	1,285,826	1,319,040	836,400	(36.59%)
<b>Other Financing Sources</b>	<b>51,884</b>	<b>6,359</b>	<b>-</b>	<b>-</b>	
Interfund Transfers	1,184,586	2,874,643	2,999,643	3,334,504	11.16%
Resources Forward	2,543,466	1,293,139	1,293,139	713,335	(44.84%)
<b>TOTAL</b>	<b>22,337,430</b>	<b>24,767,693</b>	<b>25,347,562</b>	<b>28,053,264</b>	<b>10.67%</b>



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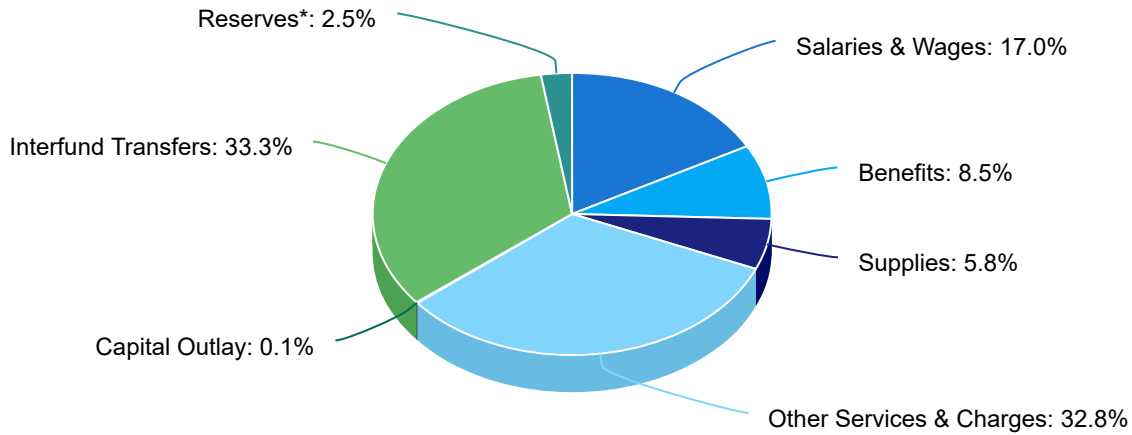
# Expenditure Summary



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## Street Operating Expenditure Summary

### 2023-2024 Budget by Category



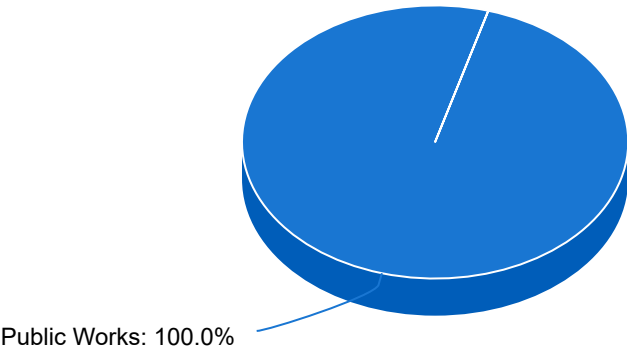
Interfund Transfers comprise 33.3% percent of the Street Operating Fund budget. This is primarily revenue from the 2012 Street Levy, which is receipted into the Street Fund, being transferred to the Transportation Capital Fund to support CIP street preservation work. Other Services & Charges is the next largest category comprising mostly of contracted direct services, contracted support services (such as consulting, printing, and repairs and maintenance services), and internal charges from one City fund to another (for information technology, fleet, and facilities maintenance).

- Personnel costs (salaries and benefits) are a combination of cost increases for two years.
- Supplies and Services include costs for upcoming staff training and other uses.
- Reserves include surplus revenue set aside for future work, staff stability, and technology.

## ANALYSIS OF CHANGE

Category	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
Salaries & Wages	3,588,485	3,469,694	3,857,565	4,778,567	23.88%
Benefits	1,957,544	2,001,912	2,149,922	2,398,026	11.54%
Supplies	656,996	1,212,586	1,041,161	1,613,890	55.01%
Other Services & Charges	6,821,075	8,797,615	8,677,519	9,210,154	6.14%
Intergovernmental Services	3,748	5,068	3,200	3,200	-%
Capital Outlay	22,597	62,727	207,403	40,000	(80.71%)
Interfund Transfers	8,087,512	8,262,756	8,428,678	9,312,750	10.49%
Reserves	1,600,695	955,335	982,115	696,677	(29.06%)
<b>Category Total</b>	<b>22,738,651</b>	<b>24,767,693</b>	<b>25,347,562</b>	<b>28,053,264</b>	<b>10.67%</b>

Street Fund Expenditure Summary  
2023-2024 Budget by Department



Public Works is the only department operating within the Street Operating Fund. Public Works is responsible for the overall planning, design, construction, and stewardship of the City's infrastructure and natural resources to provide for the continued health, safety, and vibrancy of the Community. The Public Works budget only consists of the Street Operating division responsible for maintenance, operation, and minor construction of roadways, sidewalks, pathways, traffic signs and signals, and roadsides. This division also reviews the impact of new development on the water/sewer and surface water systems as well as the corresponding transportation impact.

ANALYSIS OF CHANGE

Department	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
Public Works	22,738,651	24,767,693	25,347,562	28,053,264	10.67%
Department Total	22,738,651	24,767,693	25,347,562	28,053,264	10.67%

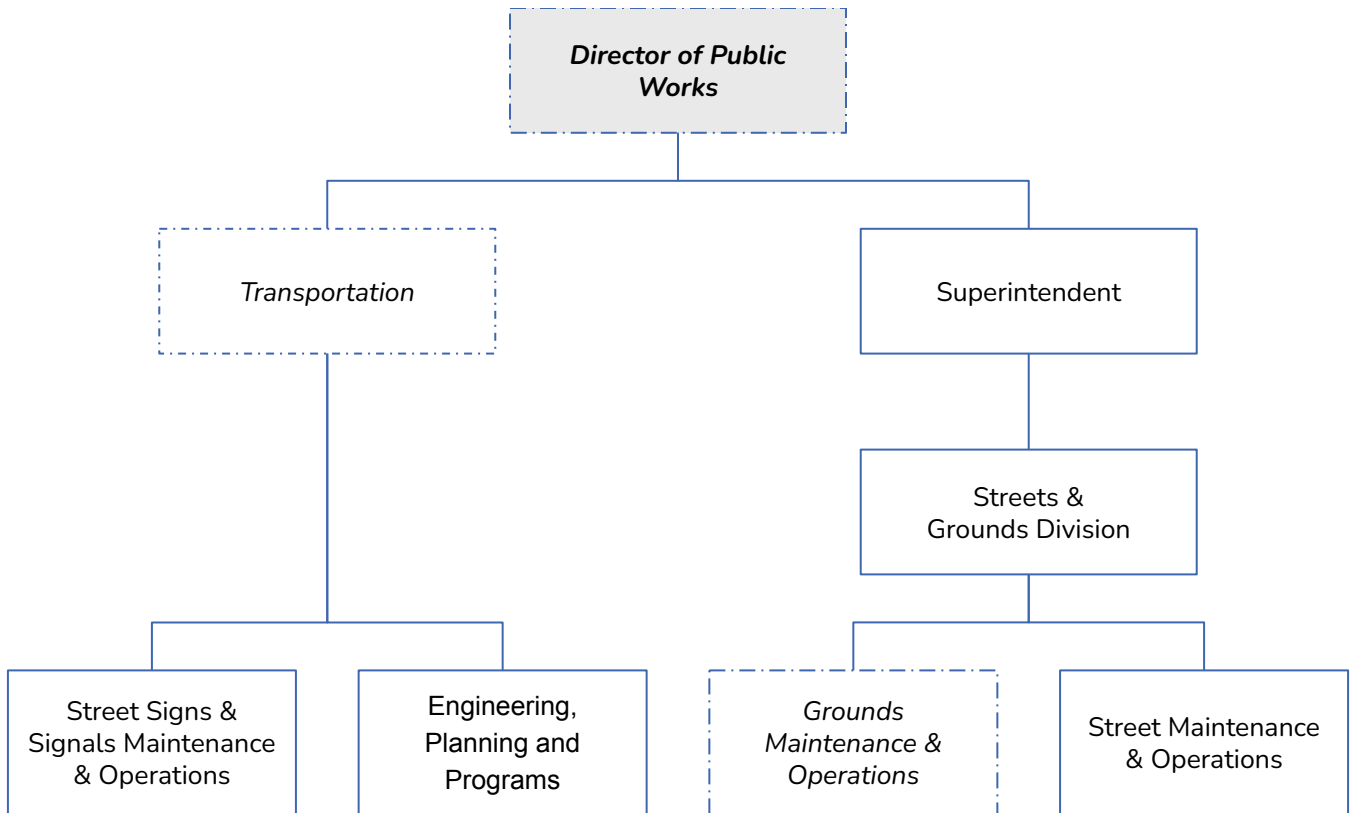


# Public Works



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# Public Works



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



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# Public Works

## Department Overview

### 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 660 lane miles of streets with 255 centerline miles, 268 miles of sidewalks, 5¾ miles of Cross Kirkland Corridor, 69 traffic signals, 34 school beacons, 32 radar signs, 67 rapid flashing beacons at crosswalks, 1,345 street lights, and approximately 15,692 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 6.4 acres of City medians and gateways, 14 acres of Public Building grounds, and approximately 33,000 street/right-of-way trees.

### BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS

#### COMMUNITY SAFETY

- Create a covered storage area offsite from the Maintenance Center for salt and sand to respond to snow and ice events, including an additional deicer storage tank of 12,000 gallons, \$200,000 one-time.
- Funding for new equipment to maintain current service levels and provide proactive response during snow/ice events, \$27,750/year ongoing, \$150,000 one-time.
- Add a 1.0 FTE Utilityperson to focus on sidewalk repairs throughout the city, \$201,359 ongoing.
- Funding to finish/connect sidewalks, underground overhead utility lines, and upgrade ADA facilities adjacent to new development projects, \$150,000 one-time.

#### BALANCED TRANSPORTATION

- Replace existing, dated parking-related technologies with new innovative parking technology to provide better parking availability information to the community, collect more accurate parking data, help refine programs and services, and enhance parking services in high demand areas of the City, \$500,000 one-time.

#### FINANCIAL STABILITY

- Ongoing costs related to wireless data communication and back-office software needed to operate existing downtown Kirkland pay stations for pay parking, \$5,000 ongoing.

#### SUSTAINABLE ENVIRONMENT

- Funding to improve the appearance and condition of the City's medians, landscaping, and right-of-way trees, \$400,000 one-time.
- Add 2.0 FTE Utilityperson positions to address tree and median maintenance and response, \$440,490 ongoing, \$47,776 one-time.

# Public Works

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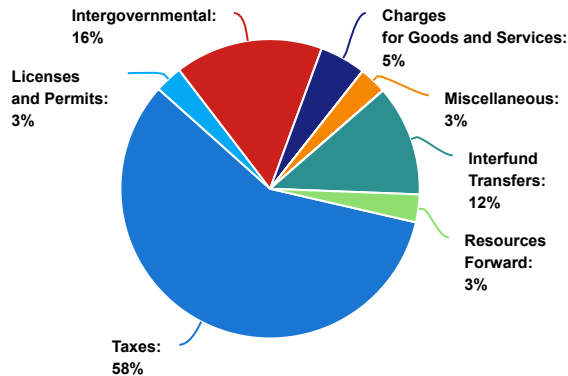
## DEPENDABLE INFRASTRUCTURE

- Finance Street CIP projects totaling \$30.6 million for 2023-2024 including \$2.2 million for 124<sup>th</sup> Ave NE Roadway Improvements, \$4.3 million 100<sup>th</sup> Avenue NE Roadway Improvements, and \$3.7 million for Juanita Drive Auto Improvements.
- Early replacement of three City street sweepers due to heavy use and maintenance costs, \$250,000 one-time.
- Upgrade asphalt roller during scheduled replacement in 2023, \$4,625/year ongoing, \$25,000 one-time.
- Replace existing outdated and unsupported Downtown Employee Parking Program (DEP) permit database, \$10,000/year, \$45,000 one-time.
- Fund a 1.0 FTE Street Division Senior Maintenance position to better meet the levels of service for street work including asphalt patching, sidewalk repair and replacement and crack sealing, \$252,988 ongoing, \$2,776 one-time.
- Add a 1.0 FTE Utility Craftsperson position in the Sign Shop to help maintain current service levels and address the ongoing backlog of preventative maintenance needs, \$201,627 ongoing, \$3,872 one-time.
- Funding for a hook lift hot box allowing staff to install permanent asphalt patches on excavations during initial restoration efforts and keep hot asphalt on-site for multiple days for potholes and miscellaneous work, \$37,500 ongoing, \$150,000 one-time (funding split between Streets and Surface Water Management funds).
- Add 1.0 FTE Utility Craftsperson (Meter Reader/Locator) and vehicle to meet the increased workload for utility locates and meter reads as well as grow the division's ability to meet the goals written in the Water Comprehensive Plan, \$269,431 ongoing, \$67,776 one-time (funding split between Streets, Water/Sewer Operating and Surface Water Management funds).

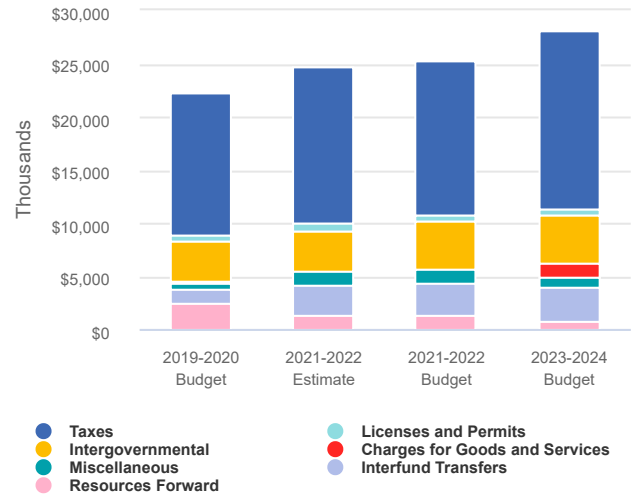
# Public Works

## Financial Overview

Sources of Funds



Revenues by Type



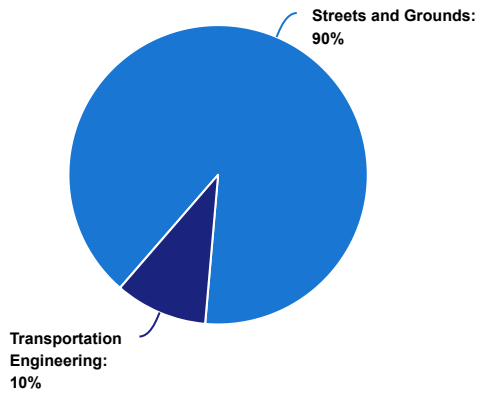
## REVENUE SUMMARY BY TYPE

	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
Taxes	13,452,672	14,842,592	14,631,457	16,678,027	13.99%
Licenses and Permits	669,902	721,736	600,200	710,000	18.29%
Intergovernmental	3,693,152	3,675,385	4,396,083	4,398,762	0.06%
Charges for Goods and Services	125,734	68,013	108,000	1,382,236	1179.85%
Miscellaneous	616,034	1,285,826	1,319,040	836,400	(36.59%)
Other Revenue	51,884	6,359	-	-	
Interfund Transfers	1,184,586	2,874,643	2,999,643	3,334,504	11.16%
Resources Forward	2,543,466	1,293,139	1,293,139	713,335	(44.84%)
<b>TOTAL</b>	<b>22,337,430</b>	<b>24,767,693</b>	<b>25,347,562</b>	<b>28,053,264</b>	<b>10.67%</b>

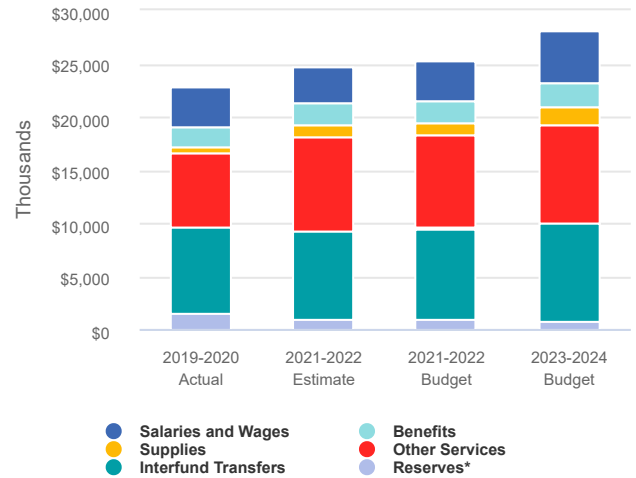
# Public Works

## Financial Overview

Expenditures by Division



Expenditures by Category



### EXPENDITURE SUMMARY BY CATEGORY

	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
Salaries and Wages	3,588,485	3,469,694	3,857,565	4,778,567	23.88%
Benefits	1,957,544	2,001,912	2,149,922	2,398,026	11.54%
Supplies	656,996	1,212,586	1,041,161	1,613,890	55.01%
Other Services	6,821,075	8,797,615	8,677,519	9,210,154	6.14%
Intergovernmental Services	3,748	5,068	3,200	3,200	-%
Capital Outlay	22,597	62,727	207,403	40,000	(80.71%)
Interfund Transfers	8,087,512	8,262,756	8,428,678	9,312,750	10.49%
Reserves*	1,600,695	955,335	982,115	696,677	(29.06%)
<b>TOTAL</b>	<b>22,738,651</b>	<b>24,767,693</b>	<b>25,347,562</b>	<b>28,053,264</b>	<b>10.67%</b>

### EXPENDITURE SUMMARY BY DIVISION

	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
Streets and Grounds	19,301,818	20,977,616	21,026,465	24,784,257	17.87%
Transportation Engineering	3,436,834	3,790,077	4,321,097	3,269,007	(24.35%)
<b>TOTAL</b>	<b>22,738,651</b>	<b>24,767,693</b>	<b>25,347,562</b>	<b>28,053,264</b>	<b>10.67%</b>

\* 2019-2020 Actual and 2021-2022 Estimate reserves are budgeted, but not spent

# Public Works

## 2023-2024 Position Summary

### POSITION SUMMARY BY CLASSIFICATION

Classification	2021-2022 Positions	Additions/ Reductions	2023-2024 Positions	Budgeted 2023 Salary Range
DEPUTY DIRECTOR PUBLIC WORKS	0.24	-	0.24	139,083 - 181,472
PUBLIC WORKS SUPERINTENDENT	0.10	-	0.10	129,980 - 169,595
STREETS AND GROUNDS MANAGER	0.95	-	0.95	107,400 - 140,132
TRANSPORTATION OPERATIONS & MAINTENANCE SUPERVISOR	1.00	-	1.00	97,751 - 127,544
STREETS AND GROUNDS SUPERVISOR	0.50	-	0.50	97,751 - 127,544
MANAGEMENT ANALYST	0.30	-	0.30	84,057 - 98,890
TRAFFIC SIGNAL TECHNICIAN III	1.00	-	1.00	86,737 - 98,588
LEADPERSON	1.60	-	1.60	77,127 - 93,067
SENIOR CRAFTSPERSON	2.00	-	2.00	68,623 - 83,579
SENIOR MAINTENANCE	5.70	1.00	6.70	68,623 - 83,579
YARD MAINTENANCE AND INVENTORY CONTROL	0.25	-	0.25	68,623 - 83,579
SENIOR ACCOUNTING ASSOCIATE	0.05	-	0.05	69,473 - 81,733
UTILITY CRAFTSPERSON	0.10	1.15	1.25	65,532 - 77,100
ENGINEERING PROGRAM ASSISTANT	0.50	-	0.50	62,511 - 73,550
TRAFFIC SIGNAL TECHNICIAN I	2.00	-	2.00	55,894 - 70,054
GROUNDS TECHNICIAN	2.95	-	2.95	55,894 - 70,054
UTILITYPERSON	5.50	3.00	8.50	55,894 - 70,054
OFFICE SPECIALIST	0.25	-	0.25	55,795 - 65,641
<b>TOTAL</b>	<b>24.99</b>	<b>5.15</b>	<b>30.14</b>	

### POSITION SUMMARY BY DIVISION

Classification	2021-2022 Positions	Additions/ Reductions	2023-2024 Positions
Streets and Grounds	24.49	4.15	28.64
Transportation Engineering	0.50	1.00	1.50
<b>TOTAL</b>	<b>24.99</b>	<b>5.15</b>	<b>30.14</b>



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Governmental funds account for general governmental activities. The City uses separate Governmental Funds for activities that are budgeted separately but reported together in audited financial statements.



# Development Services Fund

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



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# Development Services Revenue Summary

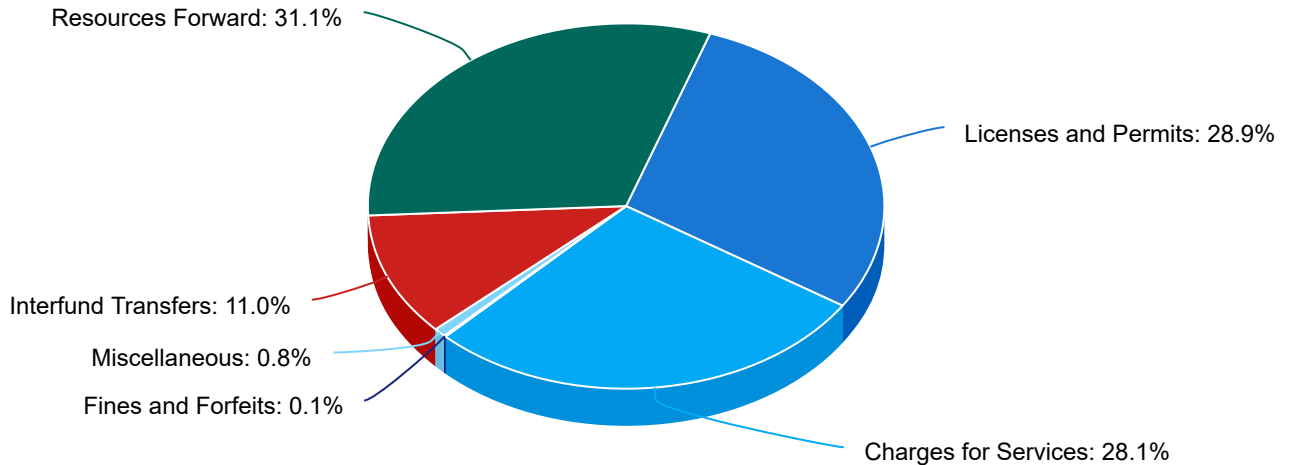
The Development Services Fund accounts for the development services provided by the City. The primary sources of revenue are fees collected for plan review and building inspection services.



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## Development Services Revenue Summary

\$53,810,527



Licenses and Permits comprise 28.9 percent of all Development Services Fund revenues, closely followed by Charges for Services 28.1 percent. License and Permits include fees for permits issued by Building Services. Charges for Services mainly include fees for various land use approvals issued by Planning Services. Interfund transfers consist of the General Fund transfer to support non-development activity. Resources forward represents the beginning fund balance for the Development Services Fund and is composed primarily of an unreserved working capital and operating, replacement, and staffing reserve. Resources forward and the reserves are used to fund one-time service packages.

## DEVELOPMENT SERVICES REVENUE SUMMARY: BY REVENUE TYPE

Revenue Type	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
Building and Structural	-	-	-	12,922,318	
Business and Other	-	-	-	2,617,958	
<b>Subtotal Licenses and Permits</b>	-	-	-	<b>15,540,276</b>	
Planning Fees	-	-	-	5,940,736	
Plan Check Fees	-	-	-	4,148,969	
Engineering Dev. Fees	-	-	-	5,037,216	
Other Charges	-	-	-	800	
<b>Subtotal Charges for Services</b>	-	-	-	<b>15,127,721</b>	
<b>Fines and Forfeits</b>	-	-	-	<b>60,000</b>	
<b>Miscellaneous</b>	-	-	-	<b>417,500</b>	
<b>Interfund Transfers</b>	-	-	-	<b>5,892,278</b>	
<b>Resources Forward</b>	-	-	-	<b>16,772,752</b>	
<b>TOTAL</b>	-	-	-	<b>53,810,527</b>	

**DEVELOPMENT SERVICES REVENUE**

	Object	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Percent Change
<b>License and Permits</b>						
Building Permit	322101	-	-	-	7,612,577	
Plumbing Permit	322102	-	-	-	717,725	
Clear Grade Permit	322103	-	-	-	18,537	
Side Sewer Permit	322104	-	-	-	315,770	
Mechanical Permit	322105	-	-	-	2,030,542	
Sign Permit	322106	-	-	-	85,556	
Electric Permit	322107	-	-	-	2,138,903	
House Moving Permit	322109	-	-	-	2,708	
Street Curb Permit	322401	-	-	-	1,526,210	
Sidewalk Permit	322402	-	-	-	31,808	
Fire Alarm Permit	322902	-	-	-	366,148	
Fire Sprinkler	322906	-	-	-	560,353	
Fire System-Other	322907	-	-	-	133,439	
<b>Total for License and Permits</b>		-	-	-	<b>15,540,276</b>	
<b>Charges for Goods and Services</b>						
Engineer Develop	341820	-	-	-	3,448,529	
Protective Inspection	342401	-	-	-	800	
ResStrmErosFee	343191	-	-	-	393,284	
Storm Water Drainage Rpt	343192	-	-	-	895,341	
PW Deposit Administration	344111	-	-	-	133,496	
Traffic Contribution Revenue	344130	-	-	-	32,000	
PCD Official Mods	345810	-	-	-	93,390	
Subdivision Fee	345811	-	-	-	64,487	
Fee In Lieu Tree	345817	-	-	-	114,000	
Permit Appeal	345819	-	-	-	2,446	
PCD Dir Mods	345821	-	-	-	9,462	
Other PCD Official	345825	-	-	-	278,166	
Other PCD Dir	345826	-	-	-	161,929	
Process I Rev	345827	-	-	-	801,293	
Process IIA Rev	345828	-	-	-	78,016	
Process IIB&III	345829	-	-	-	122,000	
Design Board Rev	345830	-	-	-	650,822	
Plan Check Fee	345831	-	-	-	4,148,969	
Energy Code Fee	345832	-	-	-	204,386	
Electric Plan Review	345833	-	-	-	705,842	
Fire Plan Review	345835	-	-	-	843,175	
Expedited Review	345836	-	-	-	68,921	
Planning 3rd Party Revenue	345837	-	-	-	40,000	
Short Plat Rec Revenue	345839	-	-	-	63,105	

**DEVELOPMENT SERVICES REVENUE (CONTINUED)**

	Object	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Percent Change
SEPA Appeal	345861	-	-	-	452	
SEPA Tnsp Rv Fee	345862	-	-	-	134,566	
Concurrent Review	345890	-	-	-	24,000	
MBP Srv Fee	345891	-	-	-	1,058,750	
Environment Review Fee	345892	-	-	-	84,634	
Compensation Plan Request	345894	-	-	-	11,000	
Plan Pre-Sub Mtg	345896	-	-	-	460,460	
<b>Total for Charges for Goods and Services</b>		-	-	-	<b>15,127,721</b>	
<b>Fines and Forfeits</b>						
Code Enforcement	359902	-	-	-	60,000	
<b>Total for Fines and Forfeits</b>		-	-	-	<b>60,000</b>	
<b>Miscellaneous Revenues</b>						
Investment Interest	361111	-	-	-	417,500	
<b>Total for Miscellaneous Revenues</b>		-	-	-	<b>417,500</b>	
<b>Other Financing Sources</b>						
Operating Transfers In	397101	-	-	-	5,892,278	
Resources Forward	399991	-	-	-	16,772,752	
<b>Total for Other Financing Sources</b>		-	-	-	<b>22,665,030</b>	
<b>Fund Total</b>		-	-	-	<b>53,810,527</b>	



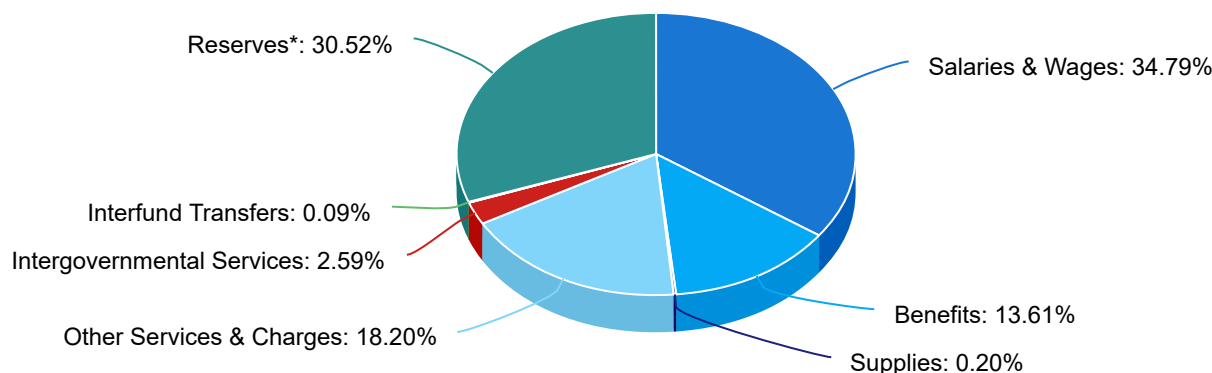
# Expenditure Summary



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## Development Services Expenditure Summary

2023-2024 Budget by Category



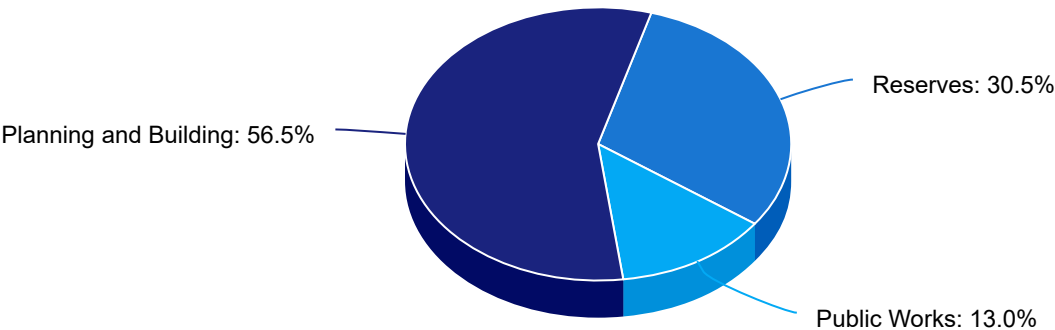
Salaries & Wages and Benefits comprise 34.82 percent of the Development Services Fund budget. Other Services & Charges is the next largest category and is comprised mostly of contracted direct services (such as 3<sup>rd</sup> party speciality structural review and land-use services), contracted support services (such as consulting, printing, and repairs and maintenance services), and internal charges from one City fund to another (for information technology, fleet, and facilities maintenance).

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

## ANALYSIS OF CHANGE

Category	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
Salaries & Wages	-	-	-	18,757,985	
Benefits	-	-	-	7,317,346	
Supplies	-	-	-	106,334	
Other Services & Charges	-	-	-	9,783,962	
Intergovernmental Services	-	-	-	1,392,767	
Interfund Transfers	-	-	-	47,000	
Reserves	-	-	-	16,405,133	
<b>Category Total</b>	-	-	-	<b>53,810,527</b>	

Development Services Expenditure Summary  
2023-2024 Budget by Department



There are two departments operating within the Development Services Fund, Planning & Building and Public Works. The Planning & Building department prepares growth plans and development regulations and assures regulatory compliance by reviewing and inspecting proposed development projects and undertaking code enforcement. Public Works is responsible for the overall planning, design, construction, and stewardship of the City's infrastructure and natural resources to provide for the continued health, safety, and vibrancy of the Community. Since this is the inception year of the Development Services Fund, financial data will be available for budgetary comparison in the next biennium.

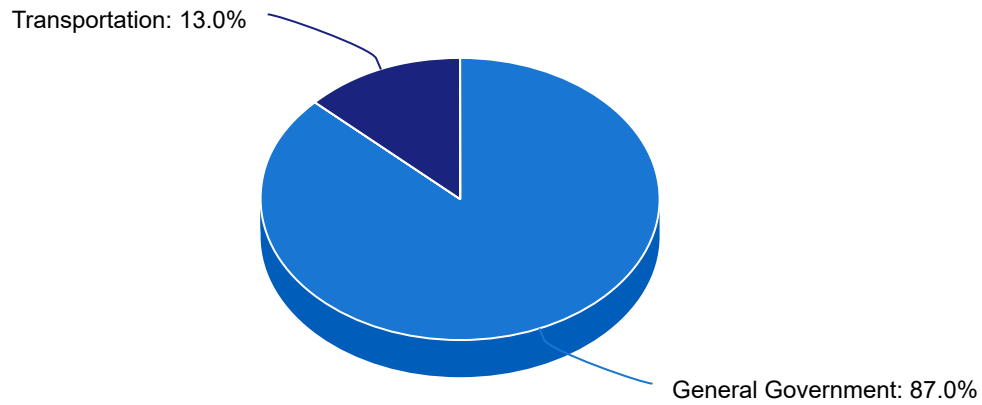
- The Planning & Building budget contains the entire department. The majority of services provided by the department supports development activity while the non-development activity will be supported by the General Fund through scheduled interfund transfers.
- The Public Works budget only consists of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

ANALYSIS OF CHANGE

Department	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
Reserves	-	-	-	16,405,133	
Public Works	-	-	-	6,986,262	
Planning and Building	-	-	-	30,419,132	
Department Total	-	-	-	53,810,527	

## Development Services Expenditure Summary

2023-2024 Budget by Program



The Development Services Fund accounts for about 11.2 percent of the City's General Government Operating budget. The majority of the expenditures in the Development Services Fund are devoted to the General Government (administrative, financial, planning services, and building inspection services). Transportation is the other program area which includes Public Works.

### ANALYSIS OF CHANGE

Program	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
General Government	-	-	-	46,824,265	
Transportation	-	-	-	6,986,262	
<b>Program Total</b>	-	-	-	<b>53,810,527</b>	



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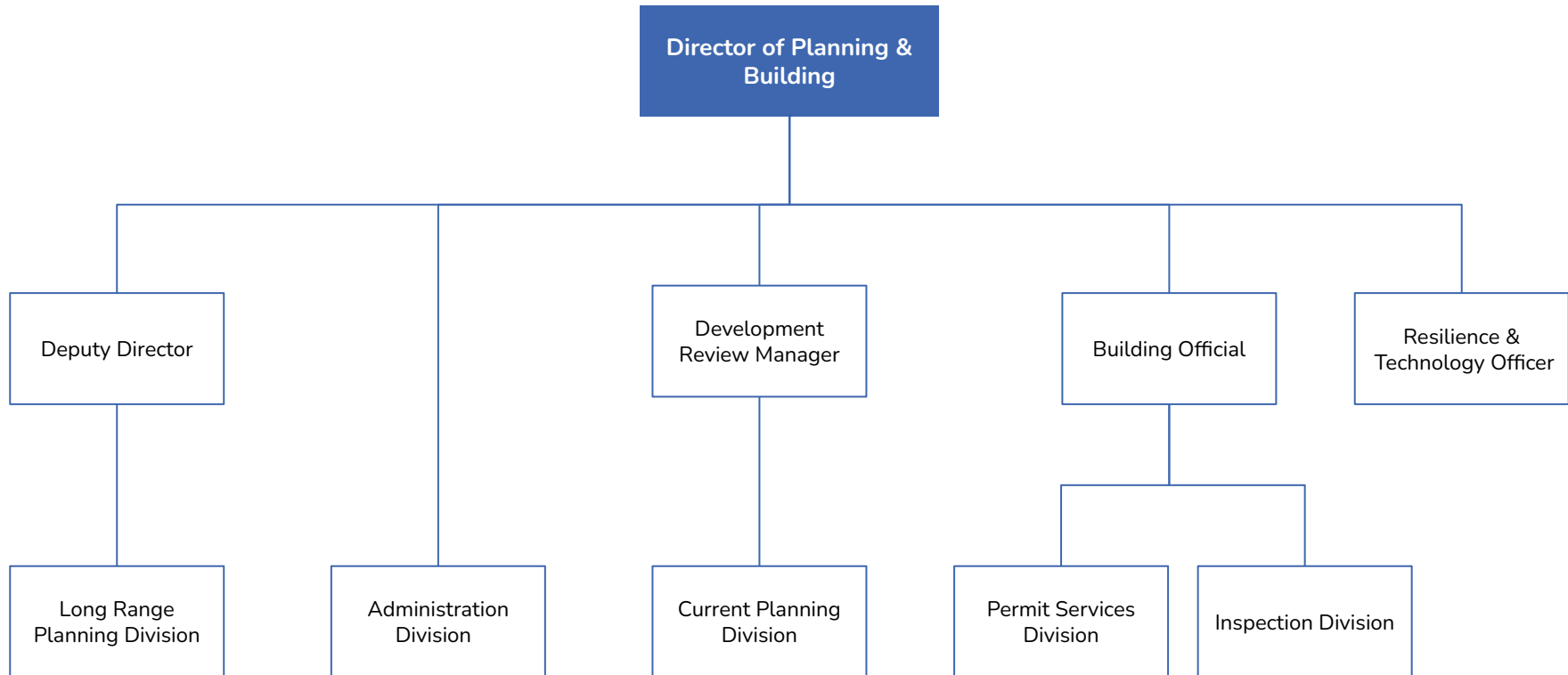


# Planning & Building



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# Planning & Building





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# Planning & Building

## Department Overview

### MISSION

The **Planning and Building Department** is responsible for the preparation, administration, and enforcement of the City's growth management policies, regulations, and programs, and for helping shape the long-term growth of the City in a way that is consistent with the Comprehensive Plan. The department prepares growth plans and development regulations and assures regulatory compliance by reviewing and inspecting proposed development projects and undertaking code enforcement. The department coordinates permit processing with Public Works and Fire, ensuring compliance with zoning and building code regulations. Public outreach is conducted for regulatory, plan and policy development and assistance is provided in response to public inquiries. Activities are coordinated with state, regional, and other local governments.

### DEPARTMENT FUNCTIONS

The **Administration Division** coordinates the department budget, personnel, training, and general administrative activities. The division supports the Current and Long Range Planning Divisions through public noticing and coordinating and distributing meeting materials to the Hearing Examiner, Design Review Board, and Planning Commission.

The **Current Planning Division** performs all regulatory functions required to implement the Comprehensive Plan, Zoning Code, Subdivision Ordinance, State Environmental Policy Act (SEPA), and Shoreline Master Program. While coordinating with other Development Services staff, the division processes land use development applications, reviews building permits for land use code compliance, provides information about development regulations, enforces development codes, and maintains development monitoring systems. Staff support is provided to the Hearing Examiner, Design Review Board, Planning Commission, and City Council in their roles of reviewing, developing recommendations, and approving development applications.

The **Long Range Planning Division** prepares the City's Comprehensive Plan, Zoning Code, Subdivision Ordinance, Shoreline Master Program, local SEPA ordinance, and environmental initiatives. Amendments to these documents are prepared in accordance with the Planning Work Program adopted by the City Council. Staff support is provided to the City Council and the Planning Commission in their roles of shaping and adopting policies. The division works with the community to seek inclusive public engagement on policies and programs that shape Kirkland's future. The division coordinates with other agencies on regional and state-wide planning issues, monitors legislative activity, and undertakes special projects as directed by the City Council or City Manager.

The **Building Division** provides the general public with the standards for the safety and quality of construction of new and existing structures, and the installation of electrical, plumbing and mechanical systems. Building receives, routes, coordinates, and approves all building and related permit applications. Building staff works closely with architects, engineers, contractors, owners, and developers, as well as with other departments and agencies to ensure compliance with all City requirements and to ensure prompt permit issuance. Oversight areas include the permit center, plan review, field inspections, 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.

The **Resilience and Technology Office** oversees the Smart City program in partnership with all city departments and implements initiatives that leverage technology and data to support Council goals such as inclusivity, improved transportation, community safety, and equity. The office prepares the Long-term Recovery Plan addressing the long-term resilience and sustainability of City operations, oversees the growth management capacity analysis, and creates dashboards for the community to visualize the City's progress in areas such as housing, equity and inclusion. The office also works with regional partners on developing technology infrastructure.

# Planning & Building

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## BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS

### INCLUSIVE AND EQUITABLE COMMUNITY

- Add resources for the ArcGIS Urban Implementation to enable City staff to use shared visualization to achieve common ground in addressing complex issues such as housing affordability, sustainability goals, and economic growth for future planning, \$50,000 ongoing and \$9,000 one-time.
- Continue resources to the ARCH (A Regional Coalition for Housing) Trust Fund. The consortium includes cities in East King County and King County that work together to preserve and increase the supply of housing for those with low- and moderate-incomes, \$830,000 one-time.

### VIBRANT NEIGHBORHOODS

- Add resources for 1.0 FTE Planning Supervisor to enable training, mentoring, and quality control of current planning staff who are reviewing a growing number of permits and responding to community inquiries on a wide range of planning and development matters, \$332,282 ongoing and \$5,076 one-time.

### COMMUNITY SAFETY

- Reclass 1.0 FTE Plans Examiner to Senior Electrical Plans Examiner to perform electrical permit reviews on a full-time basis, \$38,969 ongoing.
- Add resources for Third Party Structural Plan Review services to provide structural and building plan review of complex projects and periods of peak permit activity, \$200,000 one-time.

### ATTAINABLE HOUSING

- Continue ARCH Housing Trust Fund parity contribution at \$830,000 over the biennium, on a one-time basis. Additional increase of \$500,000 to ARCH using REET 2 funds to support affordable housing in Kirkland. This increases the total ARCH contribution to \$1,330,000 for the biennium.
- Add resources for an online Permit Fee Estimator to develop a comprehensive self-service tool for estimating development services permit fees. This self-service tool will improve the City's existing services, especially for smaller-scale developers, homeowners, and small businesses, \$5,000 one-time.

### SUSTAINABLE ENVIRONMENT

- Add resources for Land Use Consulting to address situations where additional expertise is needed to address highly technical questions related to resources such as wetlands, streams, landslide zones, and other critical areas, \$20,000 one-time.
- Add resources for various Sustainability Master Plan actions, focusing on assisting low-income households in installing energy efficient heating/cooling systems and providing inclusive community education on energy efficiency options, \$301,000 one-time.

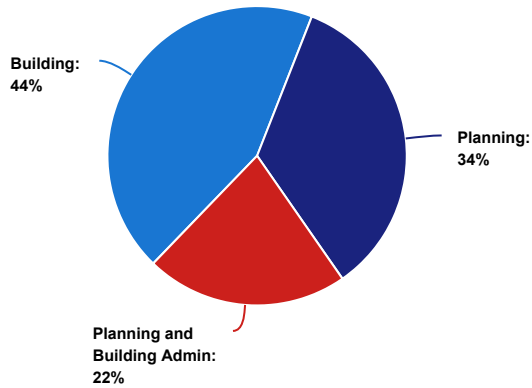
### THRIVING ECONOMY

- Reclass 1.0 FTE Permit Technician to Senior Permit Technician to perform more complex technical tasks to improve review times in the Plans Examiner group, \$7,533 ongoing.
- Add resources for Building Division Overtime to meet customer service goals, inspection obligations, and plan review deadlines during peak workloads, \$175,262 one-time.
- Add resources for a 1.0 FTE temporary Intern to add capacity to assist planners with complex projects, and provide an opportunity for an emerging professional to be exposed to local government work in the field, \$32,318 one-time.

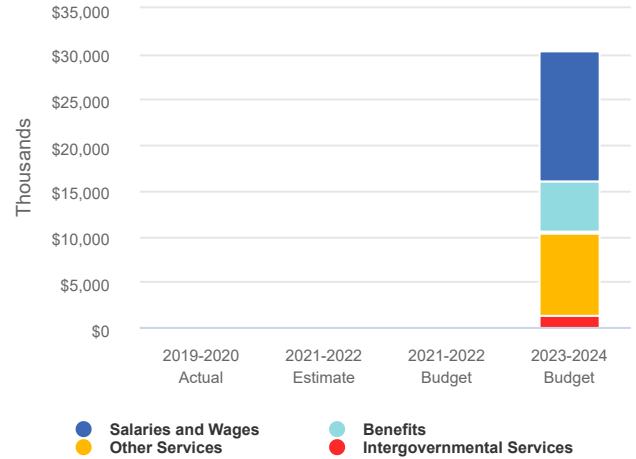
# Planning & Building

## Financial Overview

**Expenditures by Division**



**Expenditures by Category**



### EXPENDITURE SUMMARY BY CATEGORY

	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
Salaries and Wages	-	-	-	14,305,851	
Benefits	-	-	-	5,629,739	
Supplies	-	-	-	80,526	
Other Services	-	-	-	9,010,249	
Intergovernmental Services	-	-	-	1,392,767	
<b>TOTAL</b>	-	-	-	<b>30,419,132</b>	

### EXPENDITURE SUMMARY BY DIVISION

	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
Building	-	-	-	13,307,538	
Planning	-	-	-	10,455,055	
Planning and Building Admin	-	-	-	6,656,539	
<b>TOTAL</b>	-	-	-	<b>30,419,132</b>	

# Planning & Building

## 2023-2024 Position Summary

### POSITION SUMMARY BY CLASSIFICATION

Classification	2021-2022 Positions	Additions/ Reductions*	2023-2024 Positions	Budgeted 2023 Salary Range
PLANNING & BUILDING DIRECTOR	-	1.00	1.00	161,684 - 210,961
DEPUTY PLANNING DIRECTOR	-	1.00	1.00	130,390 - 170,130
RESILIENCE AND TECHNOLOGY OFFICER	-	1.00	1.00	122,885 - 160,337
BUILDING OFFICIAL	-	1.00	1.00	121,592 - 158,650
PLANNING MANAGER - DEVELOPMENT SERVICES	-	1.00	1.00	116,278 - 151,717
PLANNING SUPERVISOR	-	3.00	3.00	106,685 - 139,200
PLAN REVIEW SUPERVISOR	-	1.00	1.00	100,849 - 131,585
INSPECTION SUPERVISOR	-	1.00	1.00	98,489 - 128,506
SENIOR PLANS EXAMINER	-	4.00	4.00	97,495 - 114,684
SENIOR PLANNER	-	6.00	6.00	94,767 - 111,491
ENVIRONMENTAL PROGRAM COORDINATOR	-	0.50	0.50	94,767 - 111,491
PERMIT TECH SUPERVISOR	-	1.00	1.00	84,101 - 109,732
LEAD INSPECTOR	-	1.00	1.00	93,122 - 109,555
ELECTRICAL/BUILDING INSPECTOR II	-	4.00	4.00	91,097 - 107,172
CODE ENFORCEMENT OFFICER	-	2.00	2.00	88,090 - 103,652
ELECTRICAL/BUILDING INSPECTOR	-	4.00	4.00	86,764 - 102,070
PLANNING ADMINISTRATION SUPERVISOR	-	1.00	1.00	77,875 - 101,609
ASSOCIATE PLANNER	-	3.00	3.00	85,815 - 100,959
PLANS EXAMINER II	-	4.00	4.00	84,556 - 99,467
BUILDING INSPECTOR	-	3.00	3.00	82,822 - 97,441
BUILDING INSPECTOR OVERHIRE	-	1.00	1.00	82,822 - 97,441
PLANNER	-	6.00	6.00	80,014 - 94,138
PLANNER OVERHIRE	-	1.00	1.00	80,014 - 94,138
BUSINESS ANALYST	-	1.00	1.00	78,220 - 93,852
DEVELOPMENT REVIEW ARBORIST	-	1.00	1.00	79,218 - 93,190
SENIOR PERMIT TECHNICIAN	-	1.00	1.00	71,790 - 84,454
ASSISTANT PLANNER	-	5.00	5.00	71,380 - 83,982
ADMINISTRATIVE ASSISTANT	-	1.00	1.00	68,559 - 80,650
PERMIT TECHNICIAN	-	6.00	6.00	65,025 - 76,495
RECORDS MANAGEMENT SPECIALIST	-	1.00	1.00	60,659 - 71,363
OFFICE SPECIALIST	-	3.00	3.00	55,795 - 65,641
RECEPTIONIST/ADMINISTRATIVE CLERK	-	1.00	1.00	48,036 - 56,484
<b>TOTAL</b>	<b>-</b>	<b>71.50</b>	<b>71.50</b>	

### POSITION SUMMARY BY DIVISION

Classification	2021-2022 Positions	Additions/ Reductions*	2023-2024 Positions
Building	-	35.50	35.50
Planning	-	28.80	28.80
Planning and Building Administration	-	7.20	7.20
<b>TOTAL</b>	<b>-</b>	<b>71.50</b>	<b>71.50</b>

\* A total of 68.50 FTE moved from Planning & Building in the General Fund to the Development Services Fund. Additionally, 3.00 FTE were added with 2023-2024 service packages. Please see the Budget Highlights in the Department Overview page for details about these positions.

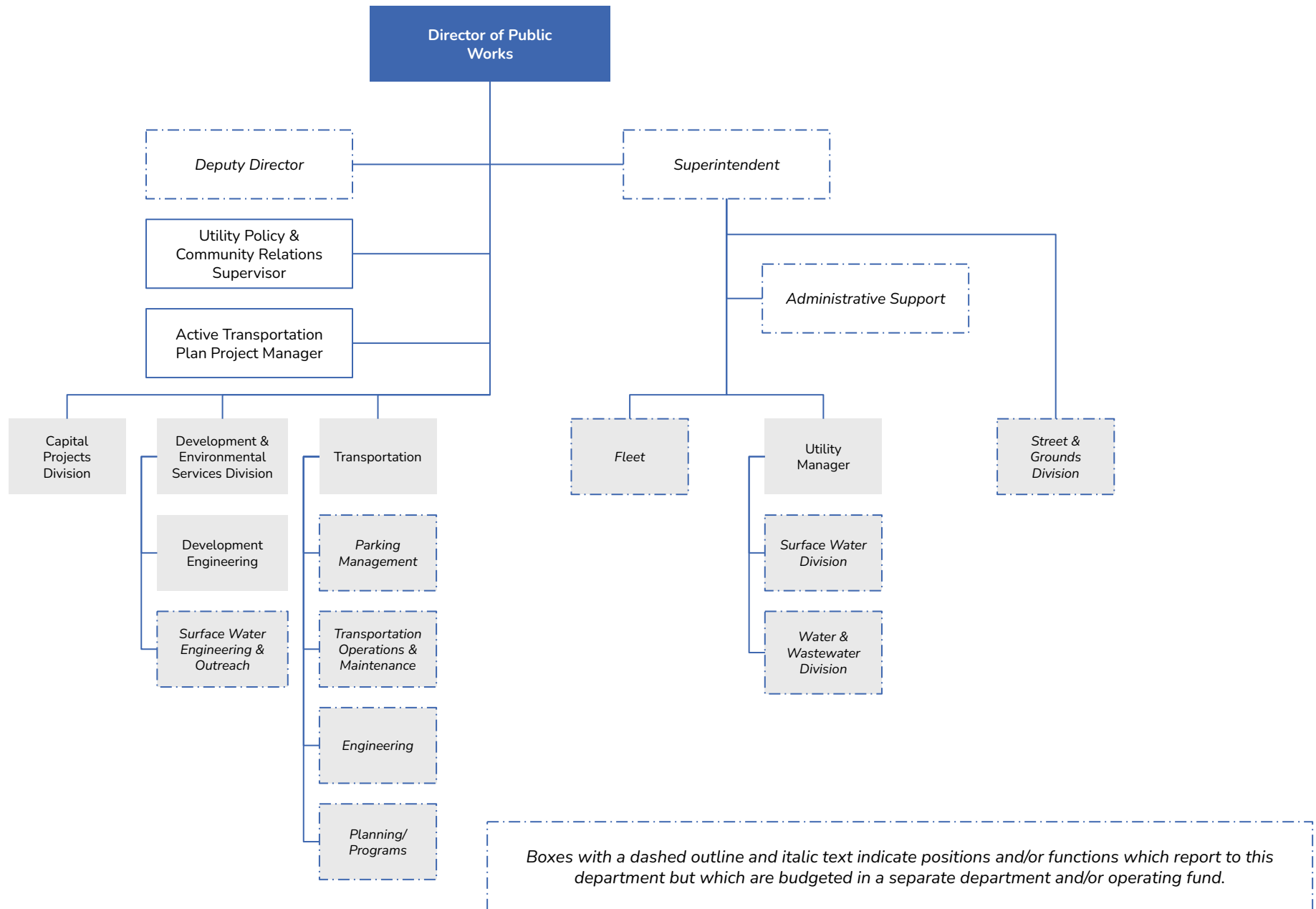


# Public Works



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# Public Works





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# Public Works

## Department Overview

### MISSION

The Public Works Department is responsible for the overall planning, design, construction, and stewardship of the City's infrastructure and natural resources to provide for the continued health, safety, and vibrancy of the Community.

### DEPARTMENT FUNCTIONS

Public Works consists of two primary sections: Engineering & Programs and Operations & Maintenance. The sections work in close coordination with each other, other City Departments, the public, and other agencies to ensure the effective development and ongoing stewardship of public infrastructure including systems for water distribution and fire protection, wastewater collection, surface water management, the urban forest, both motorized and non-motorized transportation, solid waste disposal and recycling, public grounds maintenance, and City fleet services.

#### Engineering & Programs Section

**Public Works Administration**, which includes the Public Works Director, provides overall administrative support and policy direction for the Public Works Department.

The **Capital Projects** Division manages the scoping/development, design, and construction of publicly funded infrastructure projects for the City's water, wastewater, and surface water utilities, park capital construction, transportation projects and major facilities.

The **Development 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. Using the City's asset management/maintenance management system, the Superintendent oversees planning, budgeting and performance monitoring for all maintenance and operations functions.

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

The **Streets & Public Grounds** Division is responsible for the maintenance, operation, and repair of the City transportation system including pavement, shoulders, bike lanes, sidewalks, 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/Sewer** 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.

# Public Works

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## BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS

### VIBRANT NEIGHBORHOODS

- Add resources for 1.0 FTE Development Engineer to assist with the sustained increase in permit activity and provide resources to maintain current levels of service, \$329,281 ongoing and \$5,776 one-time.

### ATTAINABLE HOUSING

- Reclass 2.0 FTE temporary Construction Inspectors to permanent Senior Construction Inspectors for inspecting complex construction projects, inspection of intersection upgrades, large construction sites in high vehicular and pedestrian areas, complex utility work, and coordination with outside agencies, \$26,058 ongoing.

### FINANCIAL STABILITY

- Add resources for a 1.0 FTE Telecommunications Franchise and Right-of-Way Analyst to negotiate/manage leases and agreements, as well as determine associated payments or lease rates for utility and private uses of right-of-way and City-owned properties, \$94,438 ongoing and \$340 one-time.

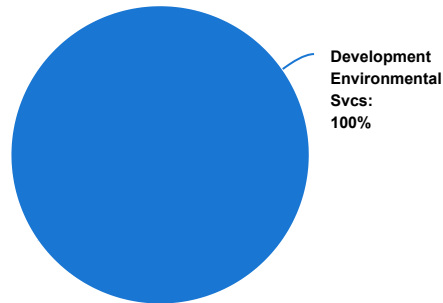
### DEPENDABLE INFRASTRUCTURE

- Add resources for 1.0 FTE Development Inspection Supervisor to take over supervision of inspection staff and support inspections during peak periods, \$331,144 ongoing and \$56,032 one-time.
- Add resources for 1.0 FTE temporary Construction Inspector to facilitate continuity of service in anticipation of at least one staff retirement and address the increased permit workload, \$297,467 one-time.

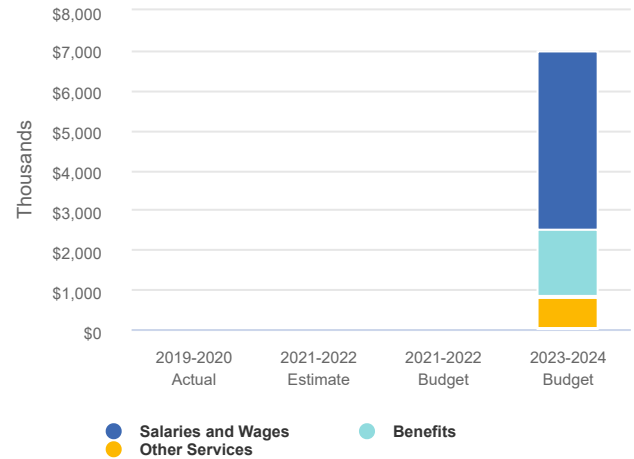
# Public Works

## Financial Overview

Expenditures by Division



Expenditures by Category



## EXPENDITURE SUMMARY BY CATEGORY

	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
Salaries and Wages	-	-	-	4,452,134	
Benefits	-	-	-	1,687,607	
Supplies	-	-	-	25,808	
Other Services	-	-	-	773,713	
Interfund Transfers	-	-	-	47,000	
<b>TOTAL</b>	-	-	-	<b>6,986,262</b>	

## EXPENDITURE SUMMARY BY DIVISION

	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
Development Environmental Svcs	-	-	-	6,986,262	
<b>TOTAL</b>	-	-	-	<b>6,986,262</b>	

# Public Works

## 2023-2024 Position Summary

### POSITION SUMMARY BY CLASSIFICATION

Classification	2021-2022 Positions	Additions/ Reductions*	2023-2024 Positions	Budgeted 2023 Salary Range
DEVELOPMENT ENGINEERING MANAGER	-	1.00	1.00	128,224 - 167,303
DEVELOPMENT ENGINEERING SUPERVISOR	-	1.00	1.00	112,623 - 146,948
INSPECTION SUPERVISOR	-	1.00	1.00	98,489 - 128,506
SENIOR DEVELOPMENT ENGINEER	-	1.00	1.00	106,505 - 125,287
TRANSPORTATION ENGINEER	-	0.65	0.65	100,384 - 118,099
DEVELOPMENT ENGINEER	-	4.00	4.00	93,384 - 109,864
SENIOR CONSTRUCTION INSPECTOR	-	3.00	3.00	91,086 - 107,168
SENIOR DEVELOPMENT ENGINEERING ANALYST	-	1.00	1.00	89,054 - 104,762
TELECOMMUNICATIONS FRANCHISE AND RIGHT-OF-WAY ANALYST	-	0.34	0.34	89,054 - 104,762
ASSOCIATE DEVELOPMENT ENGINEER	-	2.00	2.00	87,545 - 103,005
CONSTRUCTION INSPECTOR	-	2.00	2.00	86,770 - 102,080
DEVELOPMENT PLANS EXAMINER	-	1.00	1.00	75,061 - 88,296
ENGINEERING TECHNICIAN	-	1.30	1.30	70,644 - 83,112
PERMIT TECHNICIAN	-	1.00	1.00	65,025 - 76,495
<b>TOTAL</b>	-	<b>20.29</b>	<b>20.29</b>	

### POSITION SUMMARY BY DIVISION

Classification	2021-2022 Positions	Additions/ Reductions*	2023-2024 Positions
Development Environmental Services	-	20.29	20.29
<b>TOTAL</b>	-	<b>20.29</b>	<b>20.29</b>

\* A total of 17.65 FTE in Public Works moved from the General Fund to the Development Services Fund. Additionally, 2.34 FTE were added with 2023-2024 service packages. Please see the Budget Highlights in the Department Overview page for details about these positions.

Special Revenue Funds are established to account for specific resources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.



## Lodging Tax Fund

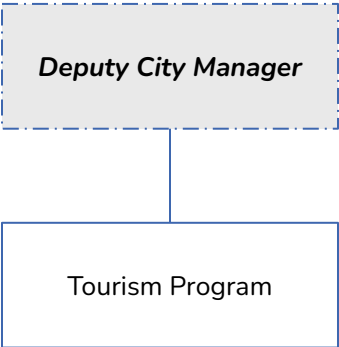
The Lodging Tax Fund accounts for the City's tourism program and expenditures related to the operation of tourism-related facilities. The primary source of revenue is a one percent lodging tax instituted in January 2002.



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# Lodging Tax Fund

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*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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# Lodging Tax Fund

## Department Overview

### MISSION

The Lodging Tax Fund was created to account for Lodging Tax revenue that provides funding for tourism promotion and marketing activities to attract visitors to Kirkland resulting in increased day trips and overnight stays. The Tourism Program strives to optimize the assets of Kirkland to promote the City as a destination.

### DEPARTMENT FUNCTIONS

The City Manager's Office oversees the Tourism Program in conjunction with the Economic Development Program, recognizing its role in generating revenue for the City. The program promotes events and programs through the ExploreKirkland.com website, 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

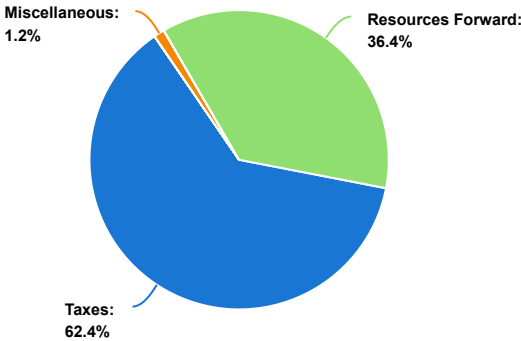
#### ECONOMIC DEVELOPMENT

- Tourism Development Committee (TDC) Grants from Lodging Tax are \$60,000 for 2023. The TDC's 2024 recommendation will be included in the mid-biennial budget process.

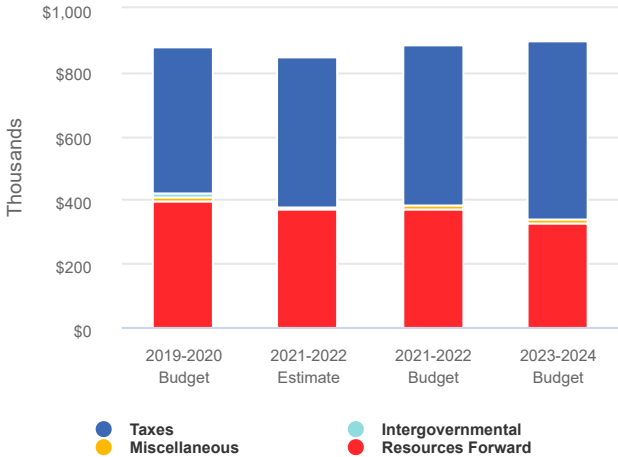
# Lodging Tax Fund

## Financial Overview

Sources of Funds



Revenues by Type



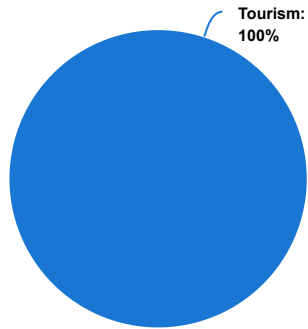
## REVENUE SUMMARY BY TYPE

	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
Taxes	460,184	467,734	501,585	562,646	12.17%
Intergovernmental	7,000	-	-	-	
Miscellaneous	15,563	7,162	10,770	10,530	(2.23%)
Interfund Transfers	-	-	268	-	(100.00%)
Resources Forward	396,212	372,969	372,969	328,443	(11.94%)
<b>TOTAL</b>	<b>878,959</b>	<b>847,865</b>	<b>885,592</b>	<b>901,619</b>	<b>1.81%</b>

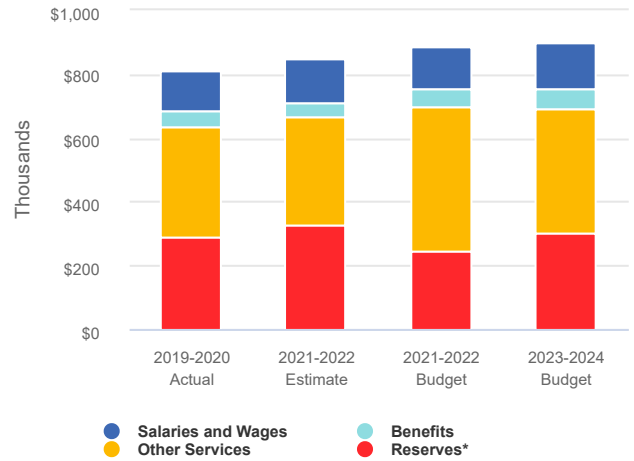
# Lodging Tax Fund

## Financial Overview

### Expenditures by Division



### Expenditures by Category



### EXPENDITURE SUMMARY BY CATEGORY

	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
Salaries and Wages	127,514	137,438	132,772	147,448	11.05%
Benefits	49,342	45,323	54,748	59,505	8.69%
Supplies	40	-	1,000	200	(80.00%)
Other Services	346,991	336,662	454,659	392,174	(13.74%)
Reserves*	288,484	328,443	242,414	302,292	24.70%
<b>TOTAL</b>	<b>812,371</b>	<b>847,865</b>	<b>885,592</b>	<b>901,619</b>	<b>1.81%</b>

### EXPENDITURE SUMMARY BY DIVISION

	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
Tourism	812,371	847,865	885,592	901,619	1.81%
<b>TOTAL</b>	<b>812,371</b>	<b>847,865</b>	<b>885,592</b>	<b>901,619</b>	<b>1.81%</b>

\* 2019-2020 Actual and 2021-2022 Estimate reserves are budgeted, but not spent

# Lodging Tax Fund

## 2023-2024 Position Summary

### POSITION SUMMARY BY CLASSIFICATION

Classification	2021-2022 Positions	Additions/ Reductions	2023-2024 Positions	Budgeted 2023 Salary Range
SPECIAL PROJECTS COORDINATOR	0.56	-	0.56	86,971 - 102,331
ADMINISTRATIVE ASSISTANT	0.20	-	0.20	68,559 - 80,650
<b>TOTAL</b>	<b>0.76</b>	<b>-</b>	<b>0.76</b>	

### POSITION SUMMARY BY DIVISION

Classification	2021-2022 Positions	Additions/ Reductions	2023-2024 Positions
Tourism	0.76	-	0.76
<b>TOTAL</b>	<b>0.76</b>	<b>-</b>	<b>0.76</b>

# Lodging Tax Fund

## LODGING TAX FUND REVENUES

	Object	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Percent Change
<b>Taxes</b>						
Hotel Motel Tax	313311	460,184	467,734	501,585	562,646	12.17%
<b>Total for Taxes</b>		<b>460,184</b>	<b>467,734</b>	<b>501,585</b>	<b>562,646</b>	<b>12.17%</b>
<b>Intergovernmental Revenue</b>						
Port of Seattle	337092	7,000	-	-	-	
<b>Total for Intergovernmental Revenue</b>		<b>7,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Miscellaneous Revenues</b>						
Investment Interest	361111	15,563	7,162	10,770	10,530	(2.23%)
<b>Total for Miscellaneous Revenues</b>		<b>15,563</b>	<b>7,162</b>	<b>10,770</b>	<b>10,530</b>	<b>(2.23%)</b>
<b>Other Financing Sources</b>						
Operating Transfers In	397101	-	-	268	-	(100.00%)
Resources Forward	399991	396,212	372,969	372,969	328,443	(11.94%)
<b>Total for Other Financing Sources</b>		<b>396,212</b>	<b>372,969</b>	<b>373,237</b>	<b>328,443</b>	<b>(12.00%)</b>
<b>Fund Total</b>		<b>878,959</b>	<b>847,865</b>	<b>885,592</b>	<b>901,619</b>	<b>1.81%</b>



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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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# Cemetery Operating Fund

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## Department Overview

### MISSION

The Cemetery Operating fund is responsible for operating and maintaining the City of Kirkland Cemetery.

### DEPARTMENT FUNCTIONS

The Parks and Community Services Department maintenance crews provide the operation and maintenance of the cemetery and services for interment procedures, including ongoing maintenance service such as mowing, edging, weeding, installation of markers, and verification of gravesites.

The Finance and Administration Department provides cemetery administration support through the sale of lots and markers and maintenance of cemetery records.

The direct, non-labor costs and reimbursement for the labor costs in Finance and Administration are accounted for in the Cemetery Operating Fund. The labor costs for the Parks department are accounted for in the General Fund.

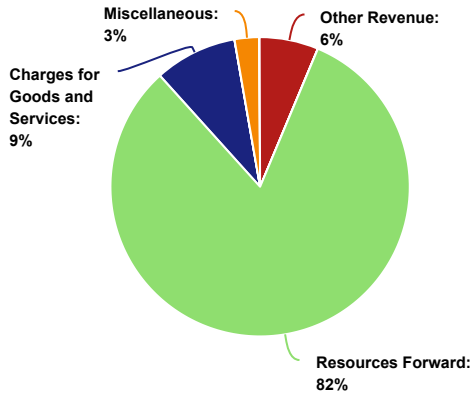
### BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS

No budget highlights.

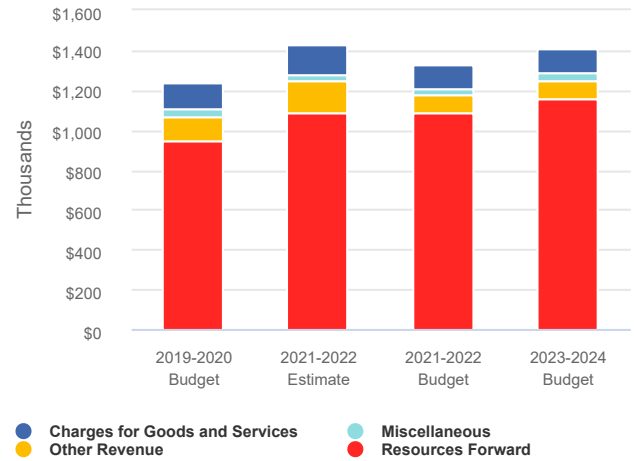
# Cemetery Operating Fund

## Financial Overview

Sources of Funds



Revenues by Type



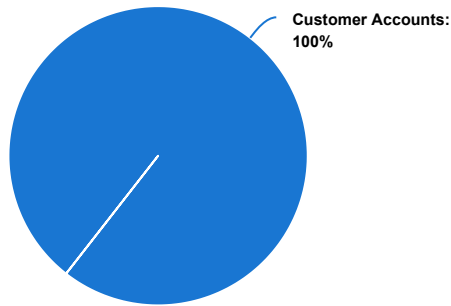
## REVENUE SUMMARY BY TYPE

	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
Charges for Goods and Services	134,396	148,829	126,000	126,000	-%
Miscellaneous	37,162	23,544	24,936	37,878	51.90%
Other Revenue	117,650	161,800	90,000	90,000	-%
Resources Forward	948,121	1,089,802	1,089,802	1,157,368	6.20%
<b>TOTAL</b>	<b>1,237,329</b>	<b>1,423,975</b>	<b>1,330,738</b>	<b>1,411,246</b>	<b>6.05%</b>

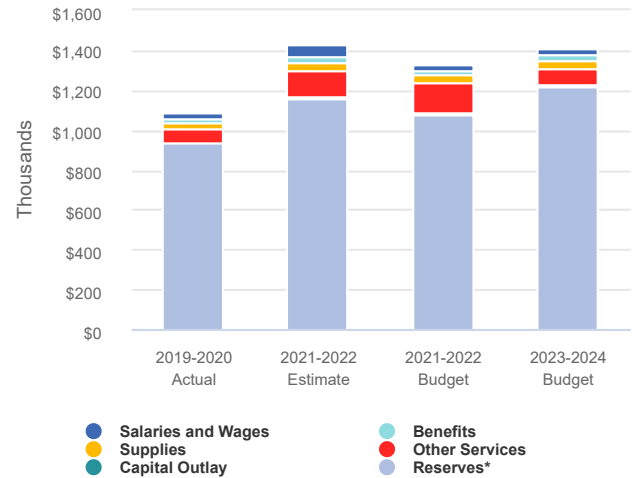
# Cemetery Operating Fund

## Financial Overview

### Expenditures by Division



### Expenditures by Category



## EXPENDITURE SUMMARY BY CATEGORY

	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
Salaries and Wages	26,868	56,552	33,333	37,128	11.38%
Benefits	17,608	33,676	20,335	22,449	10.40%
Supplies	36,222	34,774	35,000	40,800	16.57%
Other Services	64,975	128,847	151,049	80,215	(46.89%)
Intergovernmental Services	259	197	200	200	-%
Capital Outlay	3,881	12,563	14,400	14,400	-%
Reserves*	932,578	1,157,368	1,076,421	1,216,054	12.97%
<b>TOTAL</b>	<b>1,082,391</b>	<b>1,423,976</b>	<b>1,330,738</b>	<b>1,411,246</b>	<b>6.05%</b>

## EXPENDITURE SUMMARY BY DIVISION

	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
Customer Accounts	1,029,445	1,312,307	1,211,362	1,352,176	11.62%
Parks Operations and Maintenance	52,946	111,669	119,376	59,070	(50.52%)
<b>TOTAL</b>	<b>1,082,391</b>	<b>1,423,976</b>	<b>1,330,738</b>	<b>1,411,246</b>	<b>6.05%</b>

\* 2019-2020 Actual and 2021-2022 Estimate reserves are budgeted, but not spent

# Cemetery Operating Fund

## CEMETERY OPERATING FUND REVENUES

	Object	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Percent Change
<b>Charges for Goods and Services</b>						
Sale of Markers	343601	25,701	24,444	20,000	20,000	-%
Marker Setting Fee	343602	13,880	20,450	14,000	14,000	-%
Open and Close	343603	79,315	85,675	80,000	80,000	-%
Marker Engraving	343605	15,500	18,260	12,000	12,000	-%
<b>Total for Charges for Goods and Services</b>		<b>134,396</b>	<b>148,829</b>	<b>126,000</b>	<b>126,000</b>	<b>-%</b>
<b>Miscellaneous Revenues</b>						
Investment Interest	361111	37,162	23,544	24,936	37,878	51.90%
<b>Total for Miscellaneous Revenues</b>		<b>37,162</b>	<b>23,544</b>	<b>24,936</b>	<b>37,878</b>	<b>51.90%</b>
<b>Other Financing Sources</b>						
Sale Fixed Asset	395100	117,650	161,800	90,000	90,000	-%
Resources Forward	399991	948,121	1,089,802	1,089,802	1,157,368	6.20%
<b>Total for Other Financing Sources</b>		<b>1,065,771</b>	<b>1,251,602</b>	<b>1,179,802</b>	<b>1,247,368</b>	<b>5.73%</b>
<b>Fund Total</b>		<b>1,237,329</b>	<b>1,423,975</b>	<b>1,330,738</b>	<b>1,411,246</b>	<b>6.05%</b>

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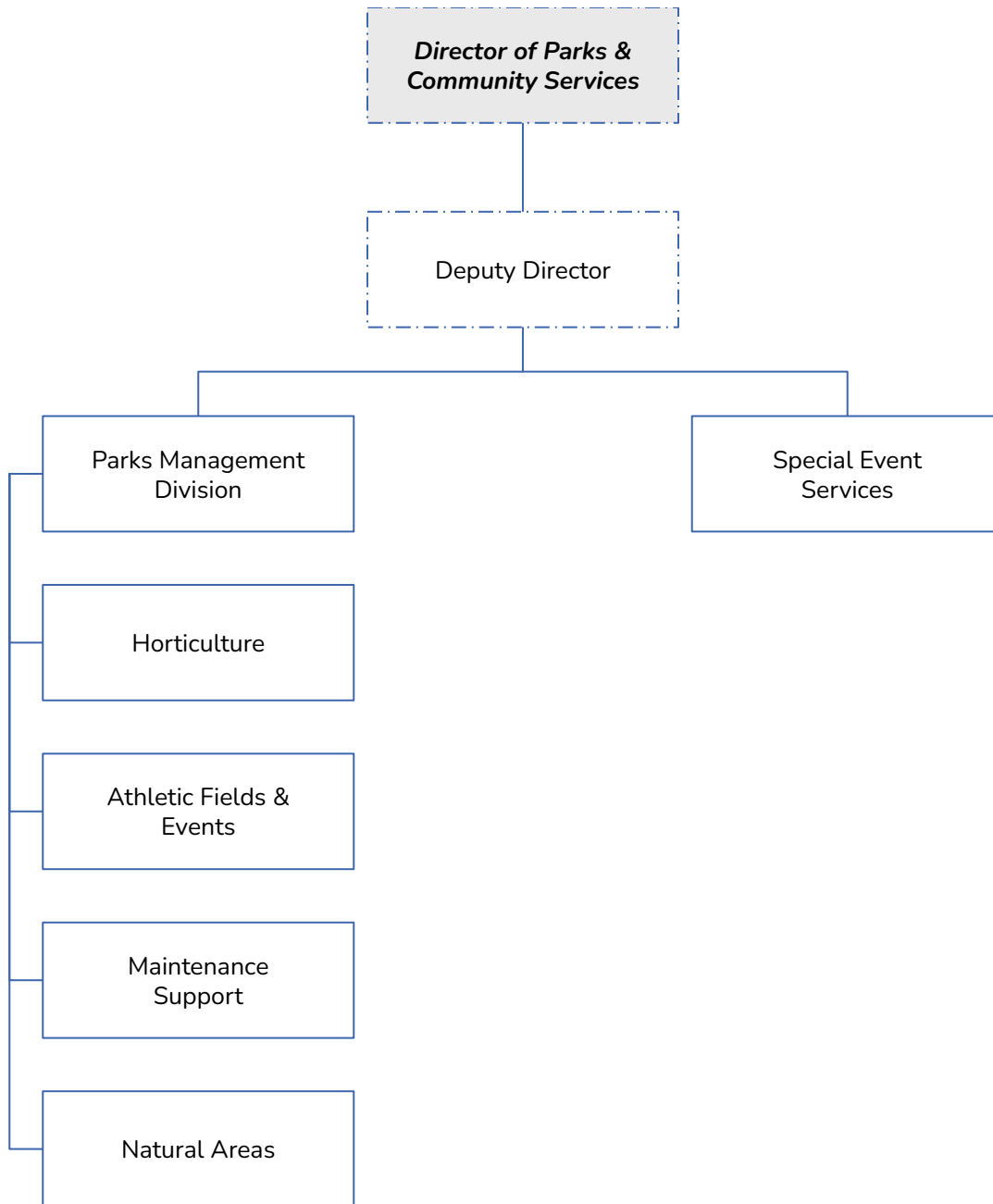
# Parks Maintenance Fund

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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# 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.*



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# Parks Maintenance Fund

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## Department Overview

### 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 a portion of landscape and horticulture services, athletic field maintenance and renovations, restroom and park amenity services, trail maintenance, and other repair and construction projects of these properties.

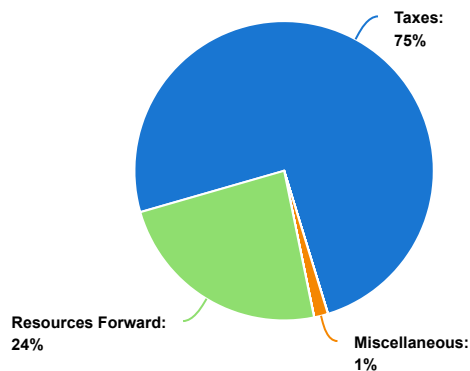
### BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS

No budget highlights.

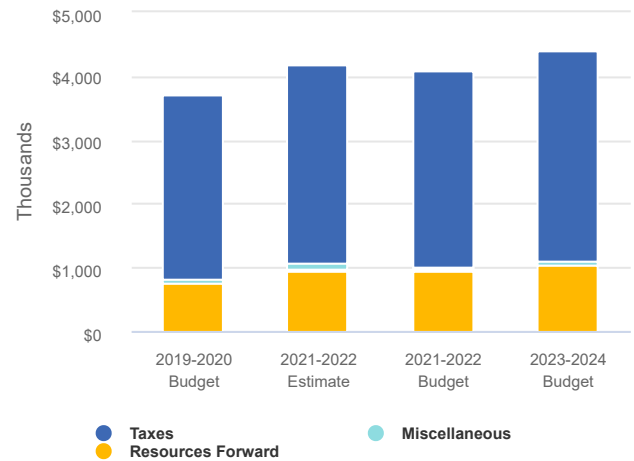
# Parks Maintenance Fund

## Financial Overview

Sources of Funds



Revenues by Type



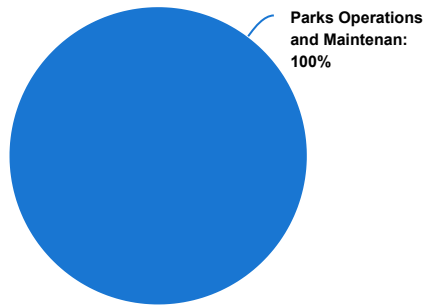
## REVENUE SUMMARY BY TYPE

	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
Taxes	2,919,120	3,108,835	3,061,122	3,288,205	7.42%
Miscellaneous	43,882	108,919	50,325	65,858	30.87%
Other Revenue	335	(335)	-	-	
Interfund Transfers	-	10,864	10,864	-	(100.00%)
Resources Forward	760,672	954,973	954,973	1,046,133	9.55%
<b>TOTAL</b>	<b>3,724,010</b>	<b>4,183,256</b>	<b>4,077,284</b>	<b>4,400,196</b>	<b>7.92%</b>

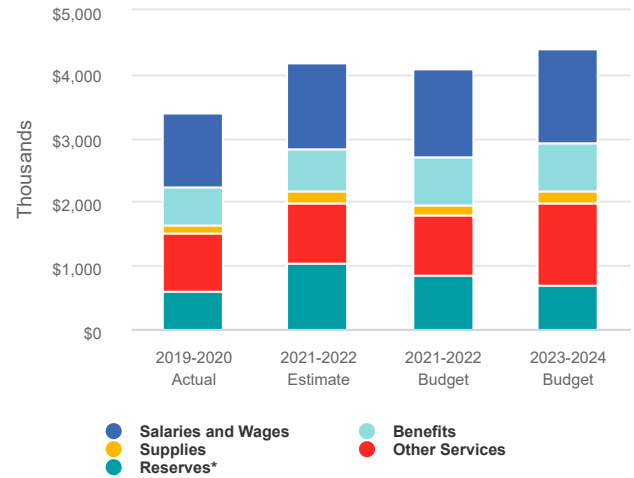
# Parks Maintenance Fund

## Financial Overview

Expenditures by Division



Expenditures by Category



## EXPENDITURE SUMMARY BY CATEGORY

	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
Salaries and Wages	1,147,487	1,339,422	1,372,655	1,476,382	7.56%
Benefits	606,486	684,800	750,540	756,767	0.83%
Supplies	133,803	165,032	157,590	178,092	13.01%
Other Services	894,140	942,575	951,623	1,294,332	36.01%
Intergovernmental Services	-	850	850	1,700	100.00%
Interfund Transfers	5,695	4,444	4,444	-	(100.00%)
Reserves*	594,226	1,046,133	839,582	692,923	(17.47%)
<b>TOTAL</b>	<b>3,381,837</b>	<b>4,183,256</b>	<b>4,077,284</b>	<b>4,400,196</b>	<b>7.92%</b>

## EXPENDITURE SUMMARY BY DIVISION

	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
Parks Operations and Maintenance	3,381,837	4,183,256	4,077,284	4,400,196	7.92%
<b>TOTAL</b>	<b>3,381,837</b>	<b>4,183,256</b>	<b>4,077,284</b>	<b>4,400,196</b>	<b>7.92%</b>

\* 2019-2020 Actual and 2021-2022 Estimate reserves are budgeted, but not spent

# Parks Maintenance Fund

## 2023-2024 Position Summary

### POSITION SUMMARY BY CLASSIFICATION

Classification	2021-2022 Positions	Additions/ Reductions	2023-2024 Positions	Budgeted 2023 Salary Range
LEADPERSON	2.00	-	2.00	77,127 - 93,067
SENIOR GROUNDSPERSON	1.00	-	1.00	68,623 - 83,579
GROUNDSPERSON	5.25	-	5.25	55,894 - 70,054
PARKS ACCOUNTS ASSOCIATE	0.50	-	0.50	57,972 - 68,218
<b>TOTAL</b>	<b>8.75</b>	<b>-</b>	<b>8.75</b>	

### POSITION SUMMARY BY DIVISION

Classification	2021-2022 Positions	Additions/ Reductions	2023-2024 Positions
Parks Operations and Maintenance	8.75	-	8.75
<b>TOTAL</b>	<b>8.75</b>	<b>-</b>	<b>8.75</b>

# Parks Maintenance Fund

## PARKS MAINTENANCE FUND REVENUES

	Object	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Percent Change
<b>Taxes</b>						
Prop Tax Park	311102	2,919,120	3,108,835	3,061,122	3,288,205	7.42%
<b>Total for Taxes</b>		<b>2,919,120</b>	<b>3,108,835</b>	<b>3,061,122</b>	<b>3,288,205</b>	<b>7.42%</b>
<b>Miscellaneous Revenues</b>						
Investment Interest	361111	29,515	19,979	20,125	31,858	58.30%
Rentals Park Fields and Courts	362456	3,687	10,575	6,200	10,000	61.29%
Rentals Other Park Facilities	362458	10,681	76,865	24,000	24,000	-%
Other Misc Rev	369910	-	1,500	-	-	
<b>Total for Miscellaneous Revenues</b>		<b>43,882</b>	<b>108,919</b>	<b>50,325</b>	<b>65,858</b>	<b>30.87%</b>
<b>Other Financing Sources</b>						
Operating Transfers In	397101	-	10,864	10,864	-	(100.00%)
Insurance Rec Gen Government	398001	335	(335)	-	-	
Resources Forward	399991	760,672	954,973	954,973	1,046,133	9.55%
<b>Total for Other Financing Sources</b>		<b>761,007</b>	<b>965,502</b>	<b>965,837</b>	<b>1,046,133</b>	<b>8.31%</b>
<b>Fund Total</b>		<b>3,724,010</b>	<b>4,183,256</b>	<b>4,077,284</b>	<b>4,400,196</b>	<b>7.92%</b>



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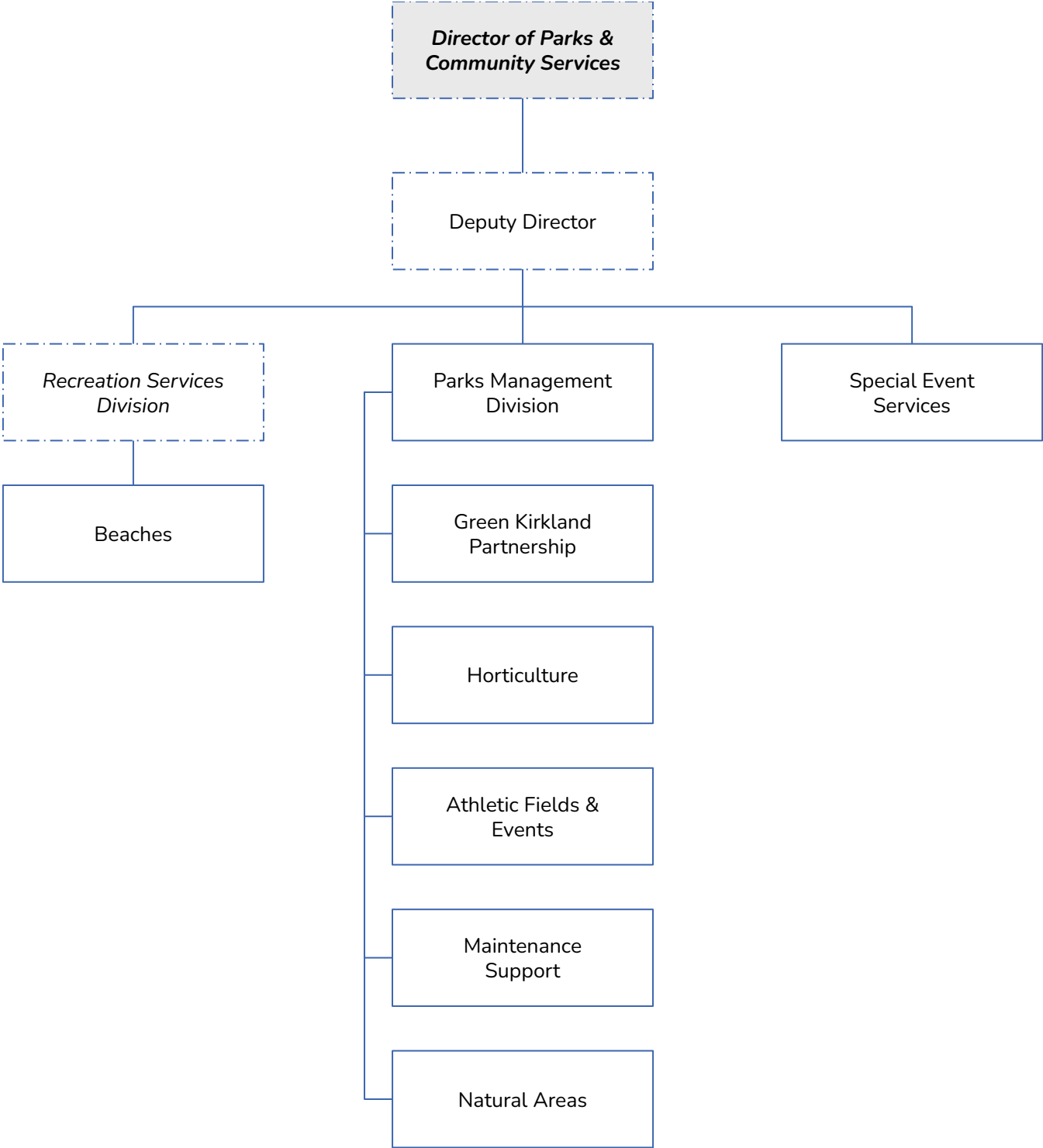
## 2012 Parks Levy Fund

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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# 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.*



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# 2012 Parks Levy Fund

## Department Overview

### 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 the 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 and the Cross Kirkland Corridor (managed by PW) and provides ongoing funding for the Green Kirkland Partnership. The levy includes annual funding for repair and upkeep of sports courts and replacement of playgrounds.

### BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS

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

- Provide four (4) pop-up off-leash locations throughout the community, \$28,000 ongoing and \$24,400 one-time.
- Make 2022 Summer Action Plan contingent employee wage increases permanent, \$10,594 ongoing.
- Increase the number of lifeguards and instructor hours, \$154,529 ongoing (offset by revenues for a net zero cost to the General Fund and a \$44,947 cost to the Parks Levy fund).
- Purchase an Arbor Pro lift truck on tracks for tree maintenance, allowing for safe and efficient tree inspection. without the use of climbing gear and reducing the need for outside vendors, \$235,646 one-time.

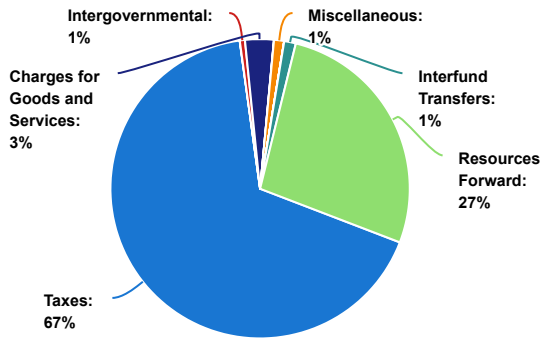
#### SUSTAINABLE ENVIRONMENT

- Increase the Green Kirkland Program Assistant from 0.5 FTE to 1.0 FTE to continue to support Steward lead volunteer events and to lead corporate volunteer events, \$61,116 ongoing.

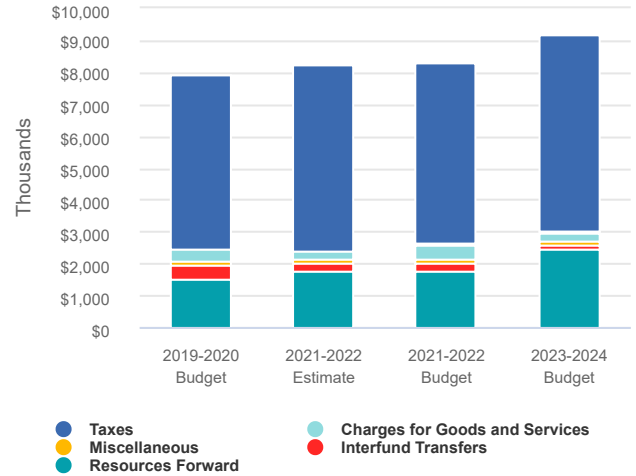
# 2012 Parks Levy Fund

## Financial Overview

Sources of Funds



Revenues by Type



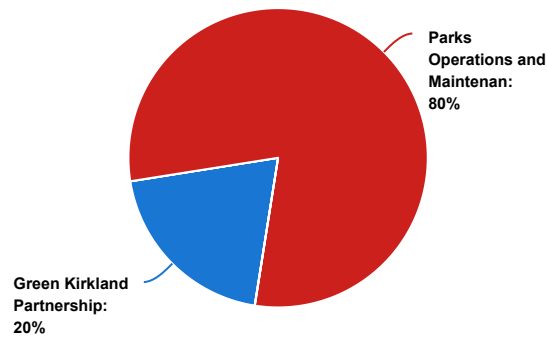
## REVENUE SUMMARY BY TYPE

	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
Taxes	5,449,021	5,799,934	5,710,954	6,134,616	7.42%
Intergovernmental	-	-	46,500	50,000	7.53%
Charges for Goods and Services	376,300	263,063	463,873	284,922	(38.58%)
Miscellaneous	97,670	122,610	79,814	100,162	25.49%
Interfund Transfers	447,953	247,616	247,616	115,000	(53.56%)
Resources Forward	1,523,881	1,779,855	1,779,855	2,471,576	38.86%
<b>TOTAL</b>	<b>7,894,825</b>	<b>8,213,078</b>	<b>8,328,612</b>	<b>9,156,276</b>	<b>9.94%</b>

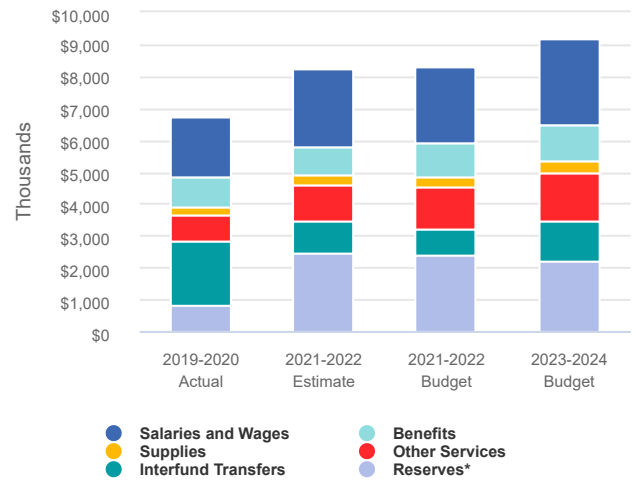
# 2012 Parks Levy Fund

## Financial Overview

**Expenditures by Division**



**Expenditures by Category**



## EXPENDITURE SUMMARY BY CATEGORY

	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
Salaries and Wages	1,924,164	2,400,782	2,434,498	2,671,210	9.72%
Benefits	924,398	910,701	1,080,504	1,132,262	4.79%
Supplies	249,727	285,803	294,340	370,850	25.99%
Other Services	803,565	1,143,019	1,309,971	1,539,740	17.54%
Interfund Transfers	2,056,842	1,001,198	801,198	1,250,000	56.02%
Reserves*	797,425	2,471,576	2,408,101	2,192,214	(8.97%)
<b>TOTAL</b>	<b>6,756,121</b>	<b>8,213,078</b>	<b>8,328,612</b>	<b>9,156,276</b>	<b>9.94%</b>

## EXPENDITURE SUMMARY BY DIVISION

	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
Green Kirkland Partnership	1,485,189	1,594,247	1,652,543	1,793,636	8.54%
Parks Operations and Maintenance	5,124,388	6,299,831	6,316,478	6,989,553	10.66%
Recreation Services	146,544	319,000	359,591	373,087	3.75%
<b>TOTAL</b>	<b>6,756,121</b>	<b>8,213,078</b>	<b>8,328,612</b>	<b>9,156,276</b>	<b>9.94%</b>

\* 2019-2020 Actual and 2021-2022 Estimate reserves are budgeted, but not spent

# 2012 Parks Levy Fund

## 2023-2024 Position Summary

### POSITION SUMMARY BY CLASSIFICATION

Classification	2021-2022 Positions	Additions/ Reductions	2023-2024 Positions	Budgeted 2023 Salary Range
PARKS MAINTENANCE SUPERVISOR	1.00	-	1.00	86,150 - 112,407
GREEN KIRKLAND PARTNERSHIP SUPERVISOR	1.00	-	1.00	86,150 - 112,407
NATURAL RESOURCES COORDINATOR	-	1.00	1.00	80,743 - 94,986
ENVIRONMENTAL EDUCATION SPECIALIST	1.00	(1.00)	-	80,634 - 94,879
PROGRAM COORDINATOR	2.00	-	2.00	78,553 - 92,416
SENIOR GROUNDSPERSON	1.00	-	1.00	68,623 - 83,579
PROGRAM ASSISTANT	0.50	0.50	1.00	60,544 - 71,228
GROUNDSPERSON	5.25	-	5.25	55,894 - 70,054
<b>TOTAL</b>	<b>11.75</b>	<b>0.50</b>	<b>12.25</b>	

### POSITION SUMMARY BY DIVISION

Classification	2021-2022 Positions	Additions/ Reductions	2023-2024 Positions
Green Kirkland Partnership	4.50	0.50	5.00
Parks Operations and Maintenance	7.25	-	7.25
<b>TOTAL</b>	<b>11.75</b>	<b>0.50</b>	<b>12.25</b>

# 2012 Parks Levy Fund

## 2012 PARKS LEVY FUND REVENUES

	Object	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Percent Change
<b>Taxes</b>						
Prop Tax 12 Park	311106	5,449,021	5,799,934	5,710,954	6,134,616	7.42%
<b>Total for Taxes</b>		<b>5,449,021</b>	<b>5,799,934</b>	<b>5,710,954</b>	<b>6,134,616</b>	<b>7.42%</b>
<b>Intergovernmental Revenue</b>						
Dept of Natural Resources	334023	-	-	9,000	-	(100.00%)
Other KC Grants	337081	-	-	37,500	-	(100.00%)
King Conserv Dis	337085	-	-	-	50,000	
<b>Total for Intergovernmental Revenue</b>		<b>-</b>	<b>-</b>	<b>46,500</b>	<b>50,000</b>	<b>7.53%</b>
<b>Charges for Goods and Services</b>						
Interfund-Gen	341963	2,070	-	-	-	
Intfnd-Envir Srvc	341968	374,230	263,063	463,873	284,922	(38.58%)
<b>Total for Charges for Goods and Services</b>		<b>376,300</b>	<b>263,063</b>	<b>463,873</b>	<b>284,922</b>	<b>(38.58%)</b>
<b>Miscellaneous Revenues</b>						
Investment Interest	361111	56,394	43,552	41,974	74,362	77.16%
Rentals Other Park Facilities	362458	24,479	67,870	37,840	25,800	(31.82%)
Contribution Donation	367000	16,798	11,188	-	-	
<b>Total for Miscellaneous Revenues</b>		<b>97,670</b>	<b>122,610</b>	<b>79,814</b>	<b>100,162</b>	<b>25.49%</b>
<b>Other Financing Sources</b>						
Operating Transfers In	397101	447,953	247,616	247,616	115,000	(53.56%)
Resources Forward	399991	1,523,881	1,779,855	1,779,855	2,471,576	38.86%
<b>Total for Other Financing Sources</b>		<b>1,971,834</b>	<b>2,027,471</b>	<b>2,027,471</b>	<b>2,586,576</b>	<b>27.58%</b>
<b>Fund Total</b>		<b>7,894,825</b>	<b>8,213,078</b>	<b>8,328,612</b>	<b>9,156,276</b>	<b>9.94%</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.



## 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.

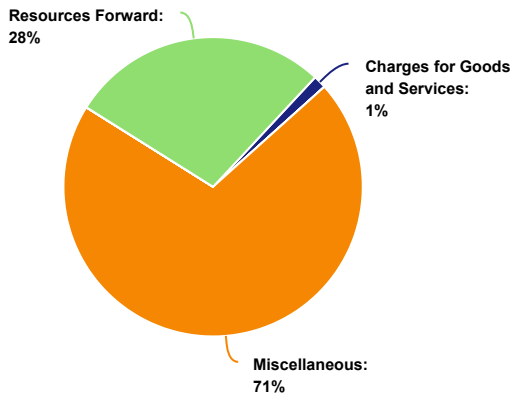


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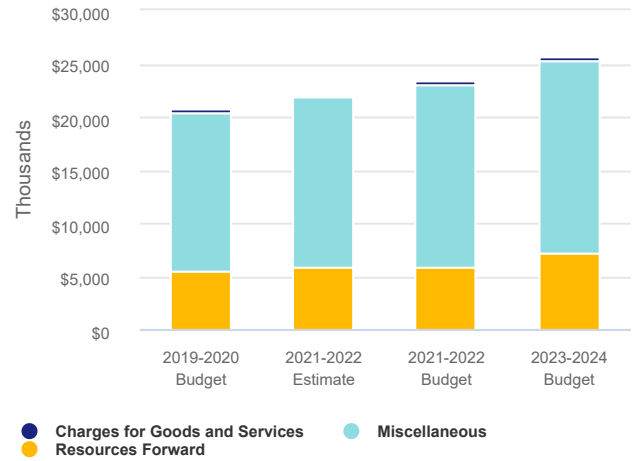
# Health Benefits Fund

## Financial Overview

Sources of Funds



Revenues by Type



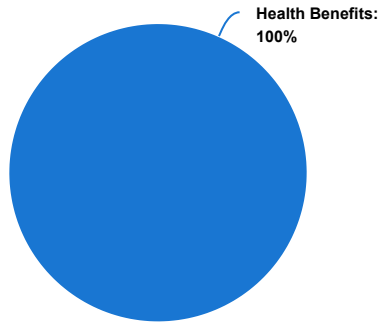
## REVENUE SUMMARY BY TYPE

	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
Charges for Goods and Services	321,990	321,640	321,640	362,355	12.66%
Miscellaneous	14,940,932	15,947,852	17,085,930	18,142,159	6.18%
Proprietary Other Income	37,000	-	-	-	
Resources Forward	5,471,913	5,896,381	5,896,381	7,204,274	22.18%
<b>TOTAL</b>	<b>20,771,835</b>	<b>22,165,873</b>	<b>23,303,951</b>	<b>25,708,788</b>	<b>10.32%</b>

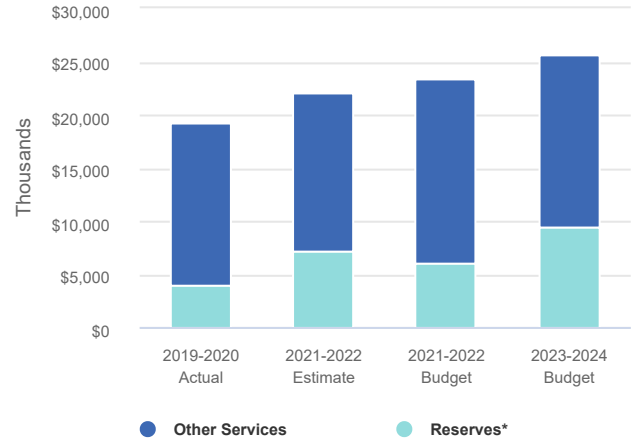
# Health Benefits Fund

## Financial Overview

### Expenditures by Division



### Expenditures by Category



### EXPENDITURE SUMMARY BY CATEGORY

	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
Supplies	-	-	1,000	-	(100.00%)
Other Services	15,363,477	14,956,309	17,330,330	16,283,890	(6.04%)
Intergovernmental Services	5,562	5,289	6,580	6,640	0.91%
Reserves*	3,912,587	7,204,274	5,966,041	9,418,258	57.86%
<b>TOTAL</b>	<b>19,281,625</b>	<b>22,165,873</b>	<b>23,303,951</b>	<b>25,708,788</b>	<b>10.32%</b>

### EXPENDITURE SUMMARY BY DIVISION

	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
Health Benefits	19,281,625	22,165,873	23,303,951	25,708,788	10.32%
<b>TOTAL</b>	<b>19,281,625</b>	<b>22,165,873</b>	<b>23,303,951</b>	<b>25,708,788</b>	<b>10.32%</b>

\* 2019-2020 Actual and 2021-2022 Estimate reserves are budgeted, but not spent

# Health Benefits Fund

## HEALTH BENEFITS FUND REVENUES

	Object	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Percent Change
<b>Charges for Goods and Services</b>						
Interfund Medical Contribution	348000	321,990	321,640	321,640	362,355	12.66%
<b>Total for Charges for Goods and Services</b>		<b>321,990</b>	<b>321,640</b>	<b>321,640</b>	<b>362,355</b>	<b>12.66%</b>
<b>Miscellaneous Revenues</b>						
Investment Interest	361111	207,924	129,815	131,457	171,401	30.39%
Medical Contribution EE	367121	12,780,599	14,537,055	15,797,379	16,805,673	6.38%
Medical Contribution Ret	367122	681,397	106,128	305,151	264,870	(13.20%)
Contribution Rebates Prescript	367191	355,940	474,832	373,473	421,745	12.93%
Stop Loss Rebate	367192	915,072	689,549	478,470	478,470	-%
Other Misc Rev	369910	-	10,473	-	-	
<b>Total for Miscellaneous Revenues</b>		<b>14,940,932</b>	<b>15,947,852</b>	<b>17,085,930</b>	<b>18,142,159</b>	<b>6.18%</b>
<b>Proprietary Other Income</b>						
Ins Recovery Prop	372001	37,000	-	-	-	
<b>Total for Proprietary Other Income</b>		<b>37,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Other Financing Sources</b>						
Resources Forward	399991	5,471,913	5,896,381	5,896,381	7,204,274	22.18%
<b>Total for Other Financing Sources</b>		<b>5,471,913</b>	<b>5,896,381</b>	<b>5,896,381</b>	<b>7,204,274</b>	<b>22.18%</b>
<b>Fund Total</b>		<b>20,771,835</b>	<b>22,165,873</b>	<b>23,303,951</b>	<b>25,708,788</b>	<b>10.32%</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.



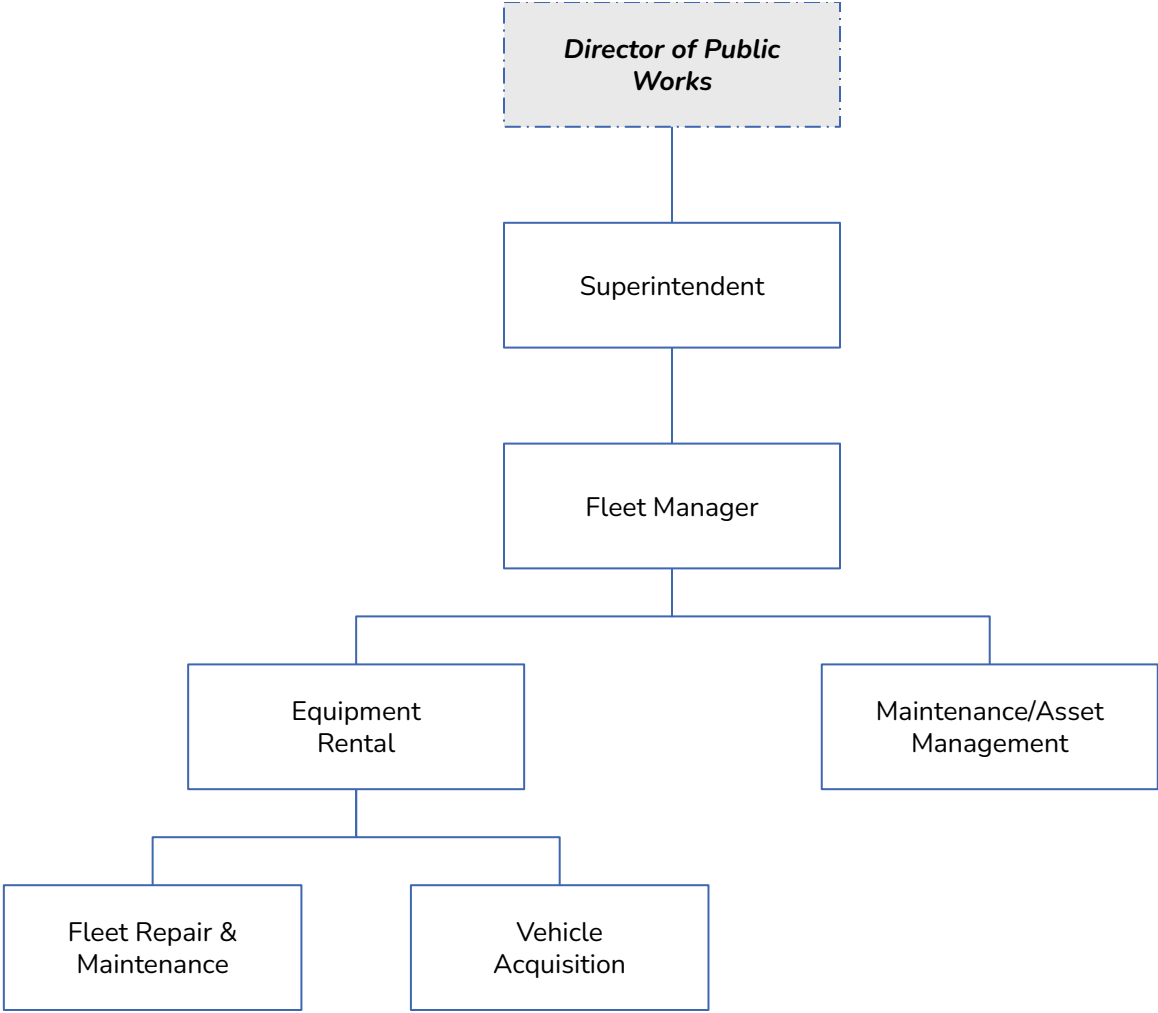
# Equipment Rental Fund

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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# 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.*



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# Equipment Rental Fund

## Department Overview

### 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 shops (Kirkland Maintenance Center and Kirkland Justice Center), selection and coordination of outside vendors, vehicle repair and maintenance, fueling systems (petroleum and electric), acquisition and resale of all vehicles, and provides cost-accounting, rate recommendations, and replacement schedules for the City's fleet of approximately 400 pieces of equipment. 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 800 MHz radio and antenna systems, coordinates vendor repairs, maintenance contracts, and establishes user rates.

### BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS

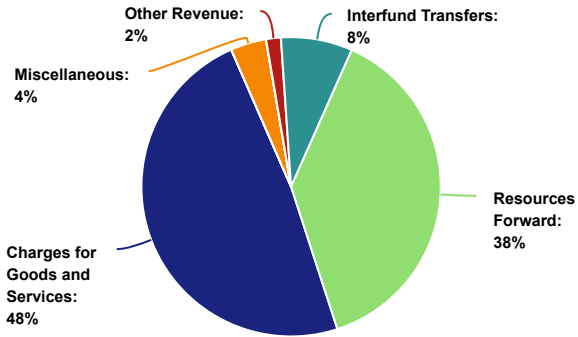
#### DEPENDABLE INFRASTRUCTURE

- Convert Fleet Office Specialist from temporary to permanent to support paying invoices and management of Fleet vendor accounts, \$203,704 ongoing.
- Add a 1.0 FTE Fleet Buyer position to work with customers on vehicle and equipment specifications as well as radios and EV charging stations, \$251,499 ongoing, \$2,776 one-time.
- Fund replacement of used and new Oil Distribution System, \$100,000 one-time.
- Fund new service trucks to enhance ability to provide Road Call and on site customer support, one-time funded by sale of surplus vehicles, \$215,000 one-time, \$43,000 ongoing.

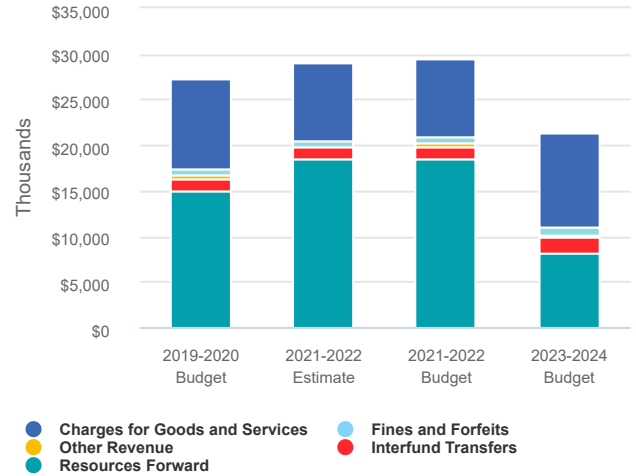
# Equipment Rental Fund

## Financial Overview

Sources of Funds



Revenues by Type



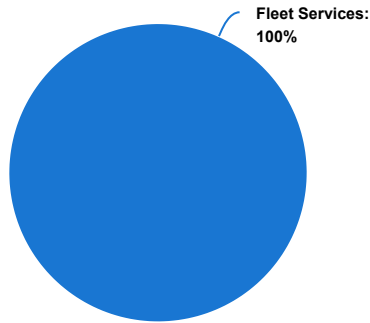
## REVENUE SUMMARY BY TYPE

	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
Charges for Goods and Services	10,007,801	8,641,291	8,630,056	10,356,229	20.00%
Miscellaneous	609,448	633,885	608,342	827,754	36.07%
Proprietary Other Income	107,719	64,527	-	-	
Other Revenue	333,504	42,013	294,000	340,800	15.92%
Interfund Transfers	1,312,654	1,340,032	1,514,634	1,651,200	9.02%
Resources Forward	15,030,190	18,406,454	18,406,454	8,198,282	(55.46%)
<b>TOTAL</b>	<b>27,401,316</b>	<b>29,128,203</b>	<b>29,453,486</b>	<b>21,374,265</b>	<b>(27.43%)</b>

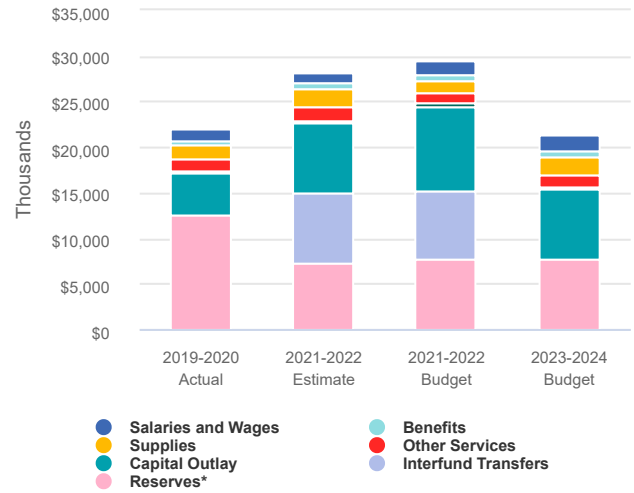
# Equipment Rental Fund

## Financial Overview

### Expenditures by Division



### Expenditures by Category



### EXPENDITURE SUMMARY BY CATEGORY

	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
Salaries and Wages	1,292,719	1,278,483	1,395,856	1,717,577	23.05%
Benefits	468,926	558,748	677,880	768,401	13.35%
Supplies	1,581,425	2,071,141	1,435,796	1,868,292	30.12%
Other Services	1,276,199	1,437,672	1,161,858	1,318,843	13.51%
Intergovernmental Services	246,822	268,590	252,624	252,624	-%
Capital Outlay	4,450,519	7,765,288	9,286,500	7,772,323	(16.31%)
Interfund Transfers	-	7,550,000	7,550,000	-	(100.00%)
Reserves*	12,633,342	7,318,917	7,692,973	7,676,205	(0.22%)
<b>TOTAL</b>	<b>21,949,952</b>	<b>28,248,838</b>	<b>29,453,486</b>	<b>21,374,265</b>	<b>(27.43%)</b>

### EXPENDITURE SUMMARY BY DIVISION

	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
Fleet Services	21,949,952	28,248,838	29,453,486	21,374,265	(27.43%)
<b>TOTAL</b>	<b>21,949,952</b>	<b>28,248,838</b>	<b>29,453,486</b>	<b>21,374,265</b>	<b>(27.43%)</b>

\* 2019-2020 Actual and 2021-2022 Estimate reserves are budgeted, but not spent

# Equipment Rental Fund

## 2023-2024 Position Summary

### POSITION SUMMARY BY CLASSIFICATION

Classification	2021-2022 Positions	Additions/ Reductions	2023-2024 Positions	Budgeted 2023 Salary Range
DEPUTY DIRECTOR PUBLIC WORKS	0.05	-	0.05	139,083 - 181,472
PUBLIC WORKS SUPERINTENDENT	0.25	-	0.25	129,980 - 169,595
FLEET MANAGER	1.00	-	1.00	103,071 - 133,002
MECHANIC 3	1.00	-	1.00	76,276 - 91,745
EMERGENCY VEHICLE TECHNICIAN	4.00	-	4.00	74,791 - 89,963
YARD MAINTENANCE AND INVENTORY CONTROL	0.15	-	0.15	68,623 - 83,579
FLEET BUYER	-	1.00	1.00	70,632 - 83,097
FLEET PARTS SPECIALIST	1.00	-	1.00	55,894 - 70,054
OFFICE SPECIALIST	-	1.00	1.00	55,795 - 65,641
<b>TOTAL</b>	<b>7.45</b>	<b>2.00</b>	<b>9.45</b>	

### POSITION SUMMARY BY DIVISION

Classification	2021-2022 Positions	Additions/ Reductions	2023-2024 Positions
Fleet Services	7.45	2.00	9.45
<b>TOTAL</b>	<b>7.45</b>	<b>2.00</b>	<b>9.45</b>

# Equipment Rental Fund

## EQUIPMENT RENTAL FUND REVENUES

	Object	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Percent Change
<b>Charges for Goods and Services</b>						
Sales of Fuel	344511	15,028	16,145	16,000	16,000	-%
Interfund Vehicles Rent	348001	4,813,279	4,754,461	4,754,461	5,741,074	20.75%
Replace Reserve	348002	4,932,671	3,606,972	3,606,971	4,320,703	19.79%
Interfund Radio	348003	172,754	189,645	178,554	204,382	14.47%
Interfund-Radio Replcmnt	348004	74,069	74,069	74,070	74,070	-%
<b>Total for Charges for Goods and Services</b>		<b>10,007,801</b>	<b>8,641,291</b>	<b>8,630,056</b>	<b>10,356,229</b>	<b>20.00%</b>
<b>Miscellaneous Revenues</b>						
Investment Interest	361111	576,458	398,933	383,342	527,754	37.67%
Sales of Surplus	369101	-	185,675	185,000	300,000	62.16%
Other Judgements	369401	-	(2,297)	-	-	
Other Misc Rev	369910	32,991	51,575	40,000	-	(100.00%)
<b>Total for Miscellaneous Revenues</b>		<b>609,448</b>	<b>633,885</b>	<b>608,342</b>	<b>827,754</b>	<b>36.07%</b>
<b>Proprietary Other Income</b>						
Ins Recovery Prop	372001	107,719	64,527	-	-	
<b>Total for Proprietary Other Income</b>		<b>107,719</b>	<b>64,527</b>	<b>-</b>	<b>-</b>	
<b>Other Financing Sources</b>						
Sale Fixed Asset	395100	675	437	294,000	340,800	15.92%
Gain Loss Capital Prop	395200	332,829	41,576	-	-	
Operating Transfers In	397101	1,312,654	1,340,032	1,514,634	1,651,200	9.02%
Resources Forward	399991	2,498,711	2,214,054	2,214,054	1,738,267	(21.49%)
Resources Forward - Reserve	399992	12,531,479	16,192,400	16,192,400	6,460,015	(60.10%)
<b>Total for Other Financing Sources</b>		<b>16,676,347</b>	<b>19,788,500</b>	<b>20,215,088</b>	<b>10,190,282</b>	<b>(49.59%)</b>
<b>Fund Total</b>		<b>27,401,316</b>	<b>29,128,203</b>	<b>29,453,486</b>	<b>21,374,265</b>	<b>(27.43%)</b>

# Equipment Rental Fund

## Equipment Rental Capital Replacement

This section includes three summary tables– one listing the vehicles costing \$50,000 or more to be replaced over the six-year period of 2023-2028, and the second and third list vehicle replacements for 2023 and 2024, 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 22 vehicles costing in excess of \$50,000 currently scheduled for replacement in 2023.

- The Police Department will be replacing the following eleven vehicles:
  - One 1993 Chevrolet G20 Van 2WD (D93-05) for the Investigations division, fifteen years extended.
  - One GMC C5500 Special Response Vehicle (PO6-99), five years extended.
  - One Ford Interceptor Sedan AWD (P132) for NRO-CSU, a surplus unit making a whole.
  - One 2015 Ford Interceptor Sedan AWD (P146) for Patrol.
  - Six 2016 Ford Interceptor SUVs (P151-153, P156-P158) for Patrol, two years extended.
  - One 1999 F450 Road Rescue (P99-98X) for Investigations division.
- The Public Works Department will be replacing the following eleven vehicles/equipment:
  - Three International SA625 5yd Dump (D-01, D-02, D-03), three years extended.
  - One Peterbilt 367 10yd Dump (D-09), on schedule.
  - Two Ford F550 4wd 2yd Dump Body (F-21, F-22), two years extended.
  - One Ford F550 2wd Utility (PU-104), one year extended.
  - One Caterpillar 314cl Excavator (TH-01), four years extended.
  - One Bobcat E50 Mini Excavator (TH-02), on schedule.
  - One Excel Generator (TL-18), twenty-three years extended.
  - One Ford F500 2WD Utility (U-09), on schedule.

There are 18 vehicles costing in excess of \$50,000 currently scheduled for replacement in 2024.

- The Fire Department is replacing the following two vehicles:
  - One Chevrolet Suburban 2500 4WD (F216) for operations, extended four years.

## Equipment Rental Fund

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- One Ford F250 Ex Cab 4WD for Fire Prevention (F218), replacement unit on order.
- The Parks Department is replacing the following vehicle:  
One Toro GroundsMaster 5910 (M-26), on schedule.
- The Police Department is replacing the following twelve vehicles for the Patrol division:
  - Ten Ford Interceptor SUVs (P160-P168, P171), on schedule.
  - Two Chevrolet Tahoe PPV 4WD (P196, P197), on schedule.
- The Public Works Department is replacing the following three vehicles:
  - Three Peterbilt A7T Tornado Sweepers (S-09, S-10, S-11) for Street Maintenance division, pulled ahead for replacement.

# Equipment Rental Fund

## 2023-2028 FLEET REPLACEMENT PLAN VEHICLE REPLACEMENTS OVER \$50,000

### Fire

Vehicle	Year / Description	Service Life	In Service Date	2023	2024	2025	2026	2027	2028	Six Year Total Cost	Comments
F216	2008 CHEVROLET SUBURBAN 2500 4WD	10	4/20/2008		60,091					60,091	Active - First Life
F218	2008 CHEVROLET SUBURBAN 2500 4WD	10	4/20/2008		54,413					54,413	Active - First Life
F221	CHEVROLET SILVERADO 3500 CREW CAB 4WD	10	1/1/2015			68,295				68,295	Active - First Life
F226	2017 CHEVROLET 2500 4WD	4	5/24/2017					87,737		87,737	Active - First Life
F227	2018 FORD CREW CAB 2500 4WD	5	4/3/2018						73,123	73,123	Active - First Life
F228	2018 CHEVROLET 2500 CREW CAB 4WD	5	5/11/2018						61,961	61,961	Active - First Life
F229	2018 FORD CREW CAB 4WD	6	10/23/2018						59,751	59,751	Active - First Life
F322	2016 FORD F450 ROAD RESCUE AID VEHICLE	8	1/8/2016			312,189				312,189	Active - First Life
F323	2016 FORD F450 ROAD RESCUE AID VEHICLE	8	1/28/2016			312,227				312,227	Active - First Life
F324	FORD ROAD RESCUE AID VEHICLE	5	4/30/2018						373,649	373,649	Active - First Life
F403	2006 SPARTAN AIR UNIT	18	5/11/2007			658,480				658,480	Active - First Life
F614	SPARTAN H&W PUMPER	5	5/20/2010						976,473	976,473	Active - First Life
F617	SPARTAN H&W PUMPER	5	11/6/2017	30,563	30,563	834,920				896,046	Active - First Life
<b>Total Fire Vehicles</b>				<b>30,563</b>	<b>145,067</b>	<b>2,186,111</b>	<b>-</b>	<b>87,737</b>	<b>1,544,957</b>	<b>3,994,435</b>	

### Parks & Community Services

Vehicle	Year / Description	Service Life	In Service Date	2023	2024	2025	2026	2027	2028	Six Year Total Cost	Comments
F-23	2012 FORD F550 2WD DUMP	10	4/30/2012	2,135	2,135	58,325				62,595	Active - First Life
F-27	2015 FORD F550 2WD HOOKLIFT	10	1/1/2015			58,581				58,581	Active - First Life
F-31	2017 FORD F550 2WD DUMP	4	4/17/2017					89,771		89,771	Active - First Life
F-32	2018 FORD F550 2WD DUMP	4	5/14/2018						87,129	87,129	Active - First Life
M-26	2017 TORO GROUNDSMASTER 5910	6	4/14/2017		146,253					146,253	Active - First Life
M-27	2021 TORO GROUNDSMASTER 5910	6	2/9/2022						76,897	76,897	Active - First Life
PU-139	2017 FORD F450 4WD UTILITY	10	11/8/2016					62,102		62,102	Active - First Life
PU-141	2017 CHEVROLET 3500 HD 4WD CREW CAB	10	2/16/2017					56,761		56,761	Active - First Life
PU-144	2017 CHEVROLET 2500 HD 2WD CREW CAB	10	2/16/2017					51,048		51,048	Active - First Life
TR-14	2016 405R COMPACT TRACTOR	6	11/16/2016						57,747	57,747	Active - First Life
<b>Total Parks &amp; Community Services Vehicles</b>				<b>2,135</b>	<b>148,388</b>	<b>116,906</b>	<b>-</b>	<b>259,682</b>	<b>221,773</b>	<b>748,884</b>	

# Equipment Rental Fund

## 2023-2028 FLEET REPLACEMENT PLAN VEHICLE REPLACEMENTS OVER \$50,000

### Police

Vehicle	Year / Description	Service Life	In Service Date	2023	2024	2025	2026	2027	2028	Six Year Total Cost	Comments
D93-05	1993 CHEVROLET G20 VAN 2WD	14	7/21/1993	79,947						79,947	Active - First Life
P06-99	2006 GMC TOP KICK C5500 SPECIAL RESPONSE VEHICLE	10	3/24/2006	301,087						301,087	Active - First Life
P110	F350 2WD Custom Box (PSO)	14	3/9/2011			59,521				59,521	Active - First Life
P132	2013 FORD INTERCEPTOR SEDAN AWD	5	1/23/2013	55,213					64,007	119,220	Active - First Life
P146	2015 FORD INTERCEPTOR SUV	5	3/11/2015	55,314					64,124	119,438	Active - First Life
P151	2016 FORD INTERCEPTOR SUV	5	11/4/2015	54,757					63,414	118,171	Active - First Life
P152	2016 FORD INTERCEPTOR SUV	5	11/5/2015	54,701					63,414	118,115	Active - First Life
P153	2016 FORD INTERCEPTOR SUV	5	10/29/2015	56,748					65,787	122,535	Active - First Life
P156	2016 FORD INTERCEPTOR SUV	5	6/21/2016	54,930						54,930	Active - First Life
P157	2016 FORD INTERCEPTOR SUV	5	6/21/2016	54,087						54,087	Active - First Life
P158	2016 FORD INTERCEPTOR SUV	5	6/24/2016	54,767					63,490	118,257	Active - First Life
P160	2017 FORD INTERCEPTOR SUV	5	7/28/2016		56,966					56,966	Active - First Life
P161	2017 FORD INTERCEPTOR SUV	5	7/28/2016		57,326					57,326	Active - First Life
P162	2017 FORD INTERCEPTOR SUV	5	8/1/2016		57,778					57,778	Active - First Life
P163	2017 FORD INTERCEPTOR SUV	5	2/7/2017		67,242					67,242	Active - First Life
P164	2017 FORD INTERCEPTOR SUV	5	2/7/2017		66,307					66,307	Active - First Life
P165	2017 FORD INTERCEPTOR SUV	5	2/9/2017		66,355					66,355	Active - First Life
P166	2017 FORD INTERCEPTOR SUV	5	2/9/2017		66,400					66,400	Active - First Life
P167	2017 FORD INTERCEPTOR SUV	5	2/14/2017		66,295					66,295	Active - First Life
P168	2017 FORD INTERCEPTOR SUV	5	2/24/2017		66,492					66,492	Active - First Life
P169	2017 FORD F150 CREW CAB 4WD	5	5/12/2017					68,919		68,919	Active - First Life
P170	2017 FORD EXPLORER XLT AWD	5	6/15/2017					55,390		55,390	Active - First Life
P171	2017 FORD EXPLORER XLT AWD	5	6/15/2017		52,370					52,370	Active - First Life
P173	2018 FORD INTERCEPTOR SUV	5	3/28/2018			55,717				55,717	Active - First Life
P174	2018 FORD INTERCEPTOR SUV	5	3/28/2018			54,745				54,745	Active - First Life
P175	2018 FORD INTERCEPTOR SEDAN AWD	5	4/20/2018			53,702				53,702	Active - First Life
P176	2018 FORD INTERCEPTOR SEDAN AWD	5	4/20/2018			53,630				53,630	Active - First Life
P177	2018 FORD INTERCEPTOR SEDAN AWD	5	4/20/2018			52,711				52,711	Active - First Life
P182	2019 FORD INTERCEPTOR SUV	5	2/7/2019			55,340				55,340	Active - First Life
P181	2019 FORD INTERCEPTOR SUV	5	11/29/2019			61,356				61,356	Active - First Life
P196	2020 CHEVROLET TAHOE PPV 4WD	5	11/29/2019		56,540					56,540	Active - First Life
P197	2020 CHEVROLET TAHOE PPV 4WD	5	11/29/2019		56,540					56,540	Active - First Life
P202	2020 FORD INTERCEPTOR AWD	5	5/7/2020			76,663				76,663	Active - First Life

# Equipment Rental Fund

## 2023-2028 FLEET REPLACEMENT PLAN VEHICLE REPLACEMENTS OVER \$50,000

P99-98X	1999 FORD F450 ROAD RESCUE (INVESTIGATIONS)	10	4/28/1999	282,818						282,818	Active - Surplus
<b>Total Police Vehicles</b>				<b>1,104,369</b>	<b>736,611</b>	<b>523,385</b>	<b>-</b>	<b>124,309</b>	<b>384,236</b>	<b>2,872,910</b>	

### Public Works

Vehicle	Year / Description	Service Life	In Service Date	2023	2024	2025	2026	2027	2028	Six Year Total Cost	Comments
D-01	2006 INTERNATIONAL SA625 5YD DUMP	14	10/28/2005	122,114						122,114	Active - Surplus
D-02	2006 INTERNATIONAL SA625 5YD DUMP	14	12/28/2005	121,949						121,949	Active - Surplus
D-03	2006 INTERNATIONAL SA625 5YD DUMP	14	12/28/2005	121,134						121,134	Active - Surplus
D-09	2009 PETERBILT 367 10YD DUMP	14	8/7/2008	212,234						212,234	Active - First Life
F-21	2011 FORD F550 4WD 2YD DUMP BODY	14	4/11/2011	134,708						134,708	Active - First Life
F-22	2011 FORD F550 4WD 2YD DUMP BODY	14	4/11/2011	100,087						100,087	Active - First Life
PU-104	2012 FORD F550 2WD UTILITY	10	4/24/2012	61,813						61,813	Active - First Life
PU-117	2013 FORD F450 2WD CREW CAB UTILITY BODY	10	7/26/2013			74,637				74,637	Active - First Life
S-09	2018 PETERBILT A7T TORNADO SWEEPER	5	9/27/2017		339,471					339,471	Active - First Life
S-10	2018 PETERBILT A7T TORNADO SWEEPER	5	9/27/2017		339,506					339,506	Active - First Life
S-11	2018 PETERBILT A7T TORNADO SWEEPER	5	9/27/2017		339,506					339,506	Active - First Life
TH-01	2006 CATERPILLAR 314CL EXCAVATOR	12	4/14/2006	188,008						188,008	Active - First Life
TH-02	2011 BOBCAT E50 MINI EXCAVATOR	12	8/11/2011	109,033						109,033	Active - First Life
TL-18	1992 EXCEL GENERATOR	17	1/13/1994	103,689						103,689	Active - First Life
U-09	2013 FORD F550 REG CAB 2WD UTILITY	10	6/20/2013	66,866						66,866	Active - First Life
D-10	2013 PETERBUILT 367 10yd DUMP	10	6/20/2013			63,028		227,496		290,524	Active - First Life
F-30	2017 FORD F550 2WD 2yd DUMP	4	12/15/2016					52,596		52,596	Active - First Life
TH-05	2015 BOBCAT E55 T4 EXCAVATOR	5	9/24/2015					126,173		126,173	Active - First Life
PU-151	2018 Ford F350 CAB 4WD	5	2/21/2018						56,930	56,930	Active - First Life
<b>Total Public Works Vehicles</b>				<b>1,341,635</b>	<b>1,018,483</b>	<b>137,665</b>	<b>-</b>	<b>406,265</b>	<b>56,930</b>	<b>2,960,978</b>	
<b>Total All Vehicles</b>				<b>2,478,702</b>	<b>2,048,549</b>	<b>2,964,067</b>	<b>-</b>	<b>877,993</b>	<b>2,207,896</b>	<b>10,577,207</b>	

# Equipment Rental Fund

## VEHICLE REPLACEMENT PLAN FOR 2023

All vehicles listed will be considered for replacement dependent upon their condition and replacement funding.

Division	Vehicle	Year/Description	Service Life	In Service Date	Replacement Cost	Comments
<b>Fire</b>						
OPERATIONS	F617	SPARTAN H&W PUMPER	5	11/6/2017	30,563	Active - First Life
<b>Parks</b>						
PARKS MAINTENANCE	BG-14	2014 CUSHMAN HAUELEPRO UTILITY	8	8/27/2014	15,438	Active - First Life
PARKS MAINTENANCE	PU-94	2010 FORD F150 PICKUP 4X2	10	6/28/2019	40,170	Active - First Life
PARKS MAINTENANCE	PU-96	2011 FORD F150 PICKUP 4X2	10	5/11/2010	40,170	Active - First Life
PARKS MAINTENANCE	PU-105	2012 FORD F450 4WD UTILITY	10	4/23/2012	35,915	Active - First Life
PARKS MAINTENANCE	PU-106	2012 FORD F250 2WD	10	4/23/2012	35,084	Active - First Life
PARKS MAINTENANCE	PU-111	2012 FORD F350 Std Cab 4WD w/Plow	10	10/2/2012	46,591	Active - First Life
PARKS MAINTENANCE	PU-112	2012 FORD F350 Reg Cab 4x2 w/Lift	10	10/23/2012	35,666	Active - First Life
PARKS MAINTENANCE	PU-113	2013 FORD F250 4WD Reg Cab	10	2/13/2013	34,390	Active - First Life
PARKS MAINTENANCE	PU-114	2013 FORD F250 XL 4x2 Reg Cab	10	2/20/2013	35,435	Active - First Life
PARKS MAINTENANCE	PU-115	2013 FORD F250 XL 4x2 Reg Cab w/ Lift	10	2/20/2013	34,724	Active - First Life
PARKS MAINTENANCE	TS-03	2009 SMITHCO SWEEP STAR 60 TURF SWEEPER	12	1/1/2006	8,264	Active - First Life
<b>Police</b>						
ADMINISTRATION	A07-01X	2007 FORD ESCAPE HYBRID AWD	10	4/4/2007	45,307	Active - First Life
INVESTIGATIONS	D93-05	1993 CHEVROLET G20 VAN 2WD	14	7/21/1993	79,947	Active - First Life
SPECIAL RESPONSE TEAM	P06-99	2006 GMC TOP KICK C5500	12	3/24/2006	301,087	Active - First Life
ADMINISTRATION	P111	2011 FORD Fusion SEL AWD	10	3/16/2011	35,807	Active - First Life
INVESTIGATIONS	P116	2011 FORD Fusion S (Hybrid)	10	5/9/2011	42,918	Active - First Life
TRAFFIC	P126	2011 HONDA ST1300P MOTORCYCLE	8	6/21/2012	48,263	Active - First Life
CRIME PREVENTION	P130	2012 CHEVROLET Express 1500 2WD	14	7/26/2012	38,413	Active - First Life
NRO-CSU	P132	2013 FORD INTERCEPTOR SEDAN AWD	5	1/23/2013	55,213	Active - First Life
ADMINISTRATION	P136	2013 FORD INTERCEPTOR SUV	10	3/12/2013	49,168	Active - First Life
PATROL	P146	2015 FORD INTERCEPTOR SEDAN AWD	5	3/11/2015	55,314	Active - First Life
TRAFFIC	P148	2015 FORD INTERCEPTOR SUV	10	10/27/2015	48,515	Active - First Life
TRAFFIC	P151	2016 FORD INTERCEPTOR SUV	10	11/4/2015	54,757	Active - First Life
PATROL	P152	2016 FORD INTERCEPTOR SUV	5	11/5/2015	54,701	Active - First Life
PATROL	P153	2016 FORD INTERCEPTOR SUV	5	10/29/2015	56,748	Active - First Life
TRAFFIC	P156	2016 FORD INTERCEPTOR SUV	14	6/21/2016	54,930	Active - First Life
PATROL	P157	2016 FORD INTERCEPTOR SUV	5	6/21/2016	54,087	Active - First Life
PATROL	P158	2016 FORD INTERCEPTOR SUV	5	6/24/2016	54,767	Active - First Life
TRAFFIC	TL-28X	1997 GARLAND FLATBED (PD MOTORS)	17	11/10/1997	13,157	Active - First Life
INVESTIGATIONS	P99-98X	1999 F450 ROAD RESCUE	5	4/28/1999	282,818	Active - Surplus
<b>Public Works</b>						
SURFACE WATER	D-01	2006 INTERNATIONAL SA625 5YD DUMP	14	10/28/2005	122,114	Active - Surplus
SURFACE WATER	D-02	2006 INTERNATIONAL SA625 5YD DUMP	14	12/28/2005	121,949	Active - Surplus

# Equipment Rental Fund

SURFACE WATER	D-03	2006 INTERNATIONAL SA625 5YD DUMP	14	12/28/2005	121,134	Active - Surplus
STREETS MAINTENANCE	D-09	2009 PETERBILT 367 10YD DUMP	14	8/7/2008	212,234	Active - First Life
SURFACE WATER	F-21	2011 FORD F550 4WD 2YD DUMP BODY	14	4/11/2011	134,708	Active - First Life
SURFACE WATER	F-22	2011 FORD F550 4WD 2YD DUMP BODY	14	4/11/2011	100,087	Active - First Life
STREETS MAINTENANCE	F-25	2013 FORD F550 4WD 2YD DUMP BODY	10	5/9/2013	33,667	Active - First Life
FLEET	PU-72	2008 FORD F350 Ext. Cab 4WD UTILITY	10	5/3/2007	42,639	Active - First Life
O&M ADMIN	PU-73X	2007 CHEVROLET HHR PANEL	10	6/6/2007	29,295	Active - First Life
SURFACE WATER	PU-77	2009 FORD F350 SC 4x4 UTILITY	10	3/26/2009	42,051	Active - First Life
SURFACE WATER	PU-78	2009 FORD F350 SC 4x4 UTILITY	10	3/26/2009	42,051	Active - First Life
GROUNDS - YARD	PU-97	2011 FORD F150 EX CAB 2WD	10	5/6/2011	33,582	Active - First Life
STORM	PU-99	2011 FORD F150 EX CAB 2WD	10	5/12/2011	34,288	Active - First Life
STREETS MAINTENANCE	PU-104	2012 FORD F550 2WD UTILITY	10	4/24/2012	61,813	Active - First Life
SURFACE WATER	PU-108	2012 CHEVROLET COLORADO EXT CAB	10	8/6/2012	27,532	Active - First Life
SWM ENGINEERING	PU-109	2012 FORD F150 2WD EX CAB	10	6/28/2012	30,207	Active - First Life
WATER	TH-01	2006 CATERPILLAR 314CL EXCAVATOR	17	4/14/2006	188,008	Active - First Life
SURFACE WATER	TH-02	2011 BOBCAT E50 MINI EXCAVATOR	12	8/11/2011	109,033	Active - First Life
STREETS MAINTENANCE	TL-03A	2002 TRAIL KING TRAILER	17	2/1/2002	13,955	Active - First Life
SURFACE WATER	TL-18	1992 EXCEL GENERATOR	17	1/13/1994	103,689	Active - First Life
SHARED	TL-20	2006 OLYMPIC 30TDT-3 TRAILER	17	4/11/2006	41,445	Active - First Life
GROUNDS	TL-23	2007 VERMEER CHIPPER	12	12/15/2006	44,366	Active - First Life
SURFACE WATER	U-09	2013 FORD F500 2WD UTILITY	10	6/20/2013	66,866	Active - First Life
<b>City Manager's Office</b>						
FACILITIES	PU-62	2005 CHEVROLET EXPRESS VAN 2500 2WD	14	8/4/2006	36,960	Active - First Life
FACILITIES	PU-64	2005 CHEVROLET EXPRESS VAN 2500 2WD	14	8/4/2006	34,312	Active - First Life
FACILITIES	PU-91	2009 CHEVROLET EXPRESS 1500 AWD	10	6/16/2009	39,041	Active - First Life
FACILITIES	PU-107	2011 FORD F250 2WD UTILITY BODY	10	6/21/2012	42,142	Active - First Life
<b>IT</b>						
IT	C-10	2012 TOYOTA PRIUS	10	7/17/2012	34,101	
<b>Total Vehicles</b>					<b>3,761,596</b>	

# Equipment Rental Fund

## VEHICLE REPLACEMENT PLAN 2024

All vehicles listed will be considered for replacement dependent upon their condition and replacement funding.

Division	Vehicle	Year/Description	Service Life	In Service Date	Replacement Cost	Comments
<b>Fire</b>						
OPERATIONS	F216	2008 CHEVROLET SUBURBAN 2500 4WD	10	4/20/2008	60,091	Active - First Life
FIRE PREVENTION	F218	2009 FORD F250 EX CAB 4WD	10	5/12/2009	54,413	Active - First Life
OPERATIONS	F617	SPARTAN H&W PUMPER	5	11/6/2017	30,563	Active - First Life
<b>Parks</b>						
PARKS MAINTENANCE	BG-15	2017 JOHN DEERE1200A FIELD RAKE	8	3/28/2017	16,881	Active - First Life
PARKS MAINTENANCE	BG-16	2017 JOHN DEERE1200A FIELD RAKE	8	3/28/2017	16,881	Active - First Life
PARKS MAINTENANCE	BG-17	2017 JOHN DEERE1200A FIELD RAKE	8	3/28/2017	16,881	Active - First Life
PARKS MAINTENANCE	F-23	2012 FORD F550 2WD DUMP	10	4/30/2012	2,135	Active - First Life
PARKS MAINTENANCE	M-26	2017 TORO GROUNDMASTER 5910	6	4/14/2017	146,253	Active - First Life
<b>Police</b>						
ADMINISTRATION	P134	2013 FORD FUSION HEV SE	10	4/24/2013	42,042	Active - First Life
ADMINISTRATION	P135	2013 FORD FUSION HEV SE	10	4/24/2013	41,221	Active - First Life
PATROL	P160	2017 FORD INTERCEPTOR SUV	5	7/28/2016	56,966	Active - First Life
PATROL	P161	2017 FORD INTERCEPTOR SUV	5	7/28/2016	57,326	Active - First Life
PATROL	P162	2017 FORD INTERCEPTOR SUV	5	8/1/2016	57,778	Active - First Life
PATROL	P163	2017 FORD INTERCEPTOR SUV	5	2/7/2017	67,242	Active - First Life
PATROL	P164	2017 FORD INTERCEPTOR SUV	5	2/7/2017	66,307	Active - First Life
PATROL	P165	2017 FORD INTERCEPTOR SUV	5	2/9/2017	66,355	Active - First Life
PATROL	P166	2017 FORD INTERCEPTOR SUV	5	2/9/2017	66,400	Active - First Life
PATROL	P167	2017 FORD INTERCEPTOR SUV	5	2/14/2017	66,295	Active - First Life
PATROL	P168	2017 FORD INTERCEPTOR SUV	5	2/24/2017	66,492	Active - First Life
PATROL	P171	2017 FORD INTERCEPTOR SUV	5	2/14/2017	52,370	Active - First Life
PATROL	P196	CHEVROLET TAHOE PPV 4WD	5	11/25/2019	56,540	Active - First Life
PATROL	P197	CHEVROLET TAHOE PPV 4WD	5	11/25/2019	56,540	Active - First Life
<b>Public Works</b>						
STREETS MAINTENANCE	S-09	2018 PETERBILT A7T TORNADO SWEEPER	7	9/27/2017	339,471	Active - First Life
STREETS MAINTENANCE	S-10	2018 PETERBILT A7T TORNADO SWEEPER	7	9/27/2017	339,506	Active - First Life
STREETS MAINTENANCE	S-11	2018 PETERBILT A7T TORNADO SWEEPER	7	9/27/2017	339,506	Active - First Life
<b>Total All Vehicles</b>					<b>2,182,455</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.



# Information Technology Fund

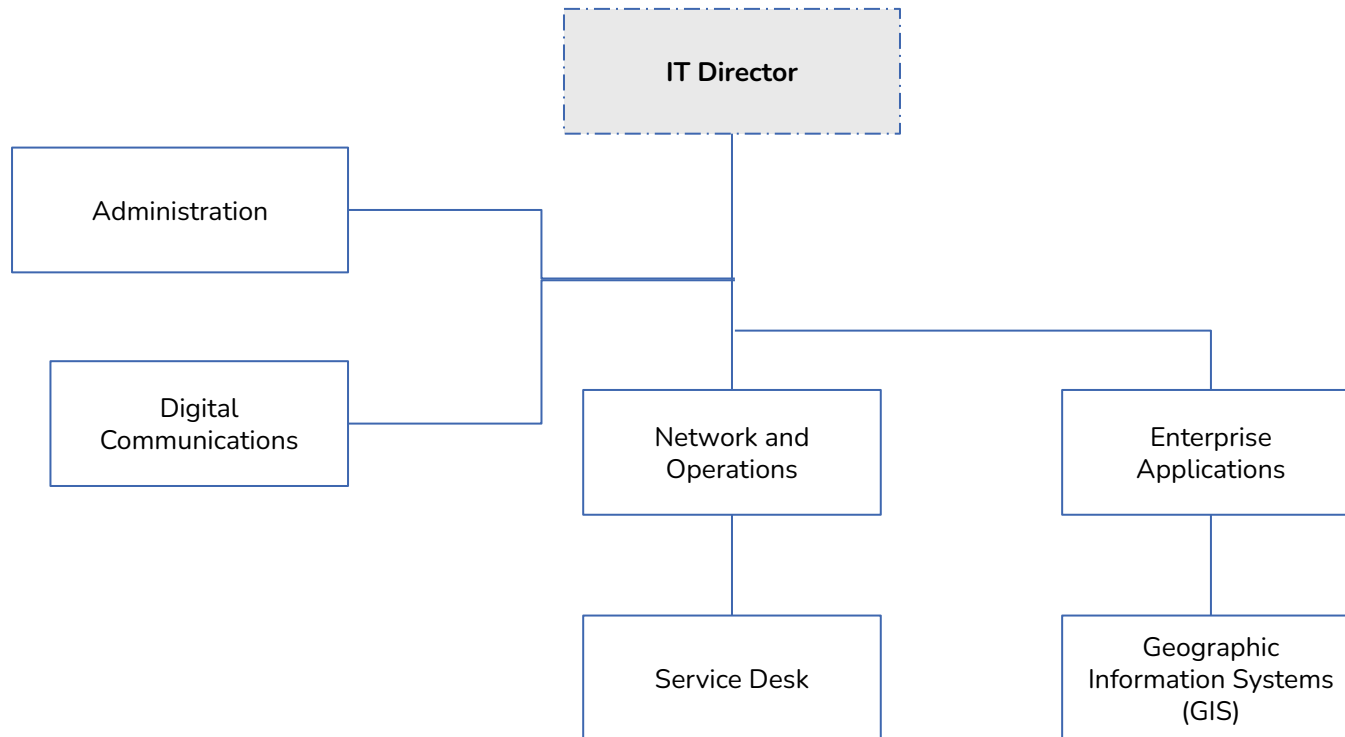
The Information Technology Fund accounts and assesses user charges for the cost of supporting the City's information processing and telecommunication functions and replacing all City computers.



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# Information Technology Fund

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# Information Technology Fund

## Department Overview

### MISSION

Our vision is to deliver operational excellence to City of Kirkland staff and constituents through reliable, secure and resilient IT services and solutions.

Our mission is to maintain a skilled, diverse workforce and be a trusted business partner that works collaboratively to support and empower City staff and the Kirkland community.

### DEPARTMENT FUNCTIONS

The **Network & Operations Team** is responsible for operating and maintaining the City's technology and data infrastructure, including telephone networks, personal computers and mobile devices. Primary goal of the Network team is to ensure that the City's hybrid technology environment (on-premise and Cloud-based) and technology assets are highly available, reliable and secure. This team also includes the IT Service Desk, which is responsible for providing technical support and assistance to internal and external customers.

The **Enterprise Applications Team** procures, maintains, and supports mission-critical applications such as finance, payroll, utilities, permitting, public safety, parks/recreation systems, and the City's intranet and website.

The **Spatial Systems Team** procures, maintains, and supports the City's geo-spatial platform and work management system, including location-based products, spatial/BI services, and integrations with enterprise applications.

The **Digital Communications Team** manages the City's two public television stations, telecommunications franchising, and video and television programming, including live broadcasting of the City's hybrid public meetings.

### BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS

#### FINANCIAL STABILITY

- Proposed funded projects use an inflation rate of 8%, which is higher than previous budgets but still lower than the current inflation rate in the technology industry.
- With the phone system migrated to the City's On-Premise Virtual Infrastructure (HCI), capital funding is no longer needed for future phone system replacement. The IT Operating Budget will be increased by \$50,000 per year to cover ongoing maintenance of the phone system.
- Shifting the cost for Network Security from IT Capital to Operating Budget given that network and application security is an ongoing operating expense.
- Added capital funding for replacement of the On-Premise Virtual Infrastructure (HCI) environment to right-size the environment for the growing hybrid needs of the organization.
- Sunset the Information Systems Security Officer (ISSO) Position at the end of 2022. By outsourcing 24x7x365 security monitoring of the City's technology network to a third party with additional professional services to cover annual security activities including IT staff training, there is no longer a need for a full-time ISSO in-house. The position will be repurposed to cover ongoing IT operating needs that improve stability and reduce single points of failure.

#### DEPENDABLE INFRASTRUCTURE

- Used salary savings in 2021-22 to increase the scope of the Network Refresh project to include:
  - Enhance the City's 2-tiered Network Design to a 3-tiered design with a Distribution Layer (an additional layer in the network design to limit the impact of a network failure).

## Information Technology Fund

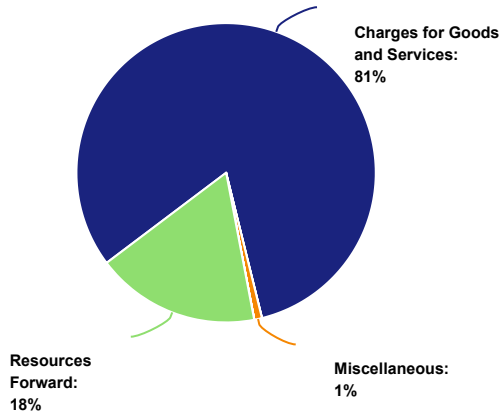
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- Build a more secure DMZ, which is a secure perimeter restricting access from the outside to the City's internal network.
  - Replace the Dell server switches with enhanced Cisco switches for better performance, faster failover times and increased scalability.
- Finance Information Technology CIP projects totaling \$1.6 million for 2023-2024 including \$220,000 for major replacement of Mission-Critical Applications including GIS, \$400,000 for the replacement of Audio Video Equipment in Council Chambers and Meeting rooms both at City Hall and the Kirkland Justice Center (KJC), and \$81,000 for Network Refresh project (increased security and performance of internal network).
- One-Time Video Production Specialist to be converted ongoing to provide trained backup for the existing Video Production Specialist and to meet the needs of supporting hybrid public meetings. \$278,548 ongoing.

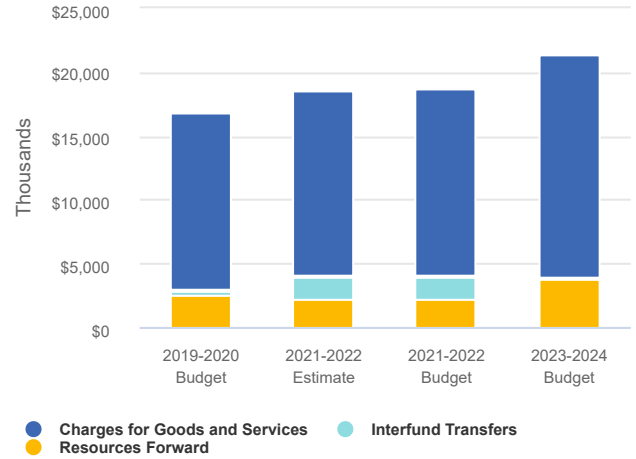
# Information Technology Fund

## Financial Overview

Sources of Funds



Revenues by Type



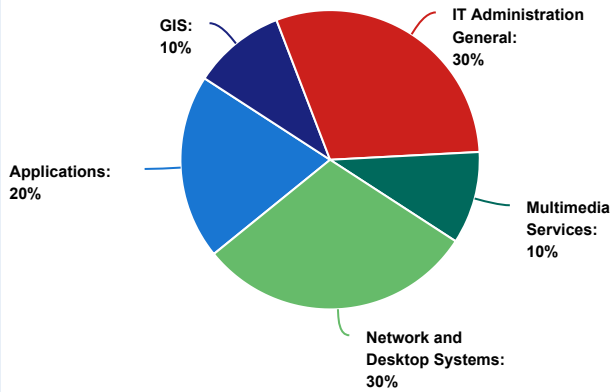
## REVENUE SUMMARY BY TYPE

	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
Charges for Goods and Services	13,916,239	14,554,179	14,551,792	17,461,311	19.99%
Miscellaneous	130,926	89,183	97,300	181,794	86.84%
Interfund Transfers	242,247	1,694,091	1,769,703	-	(100.00%)
Resources Forward	2,580,932	2,236,668	2,236,668	3,801,174	69.95%
<b>TOTAL</b>	<b>16,870,344</b>	<b>18,574,121</b>	<b>18,655,463</b>	<b>21,444,279</b>	<b>14.95%</b>

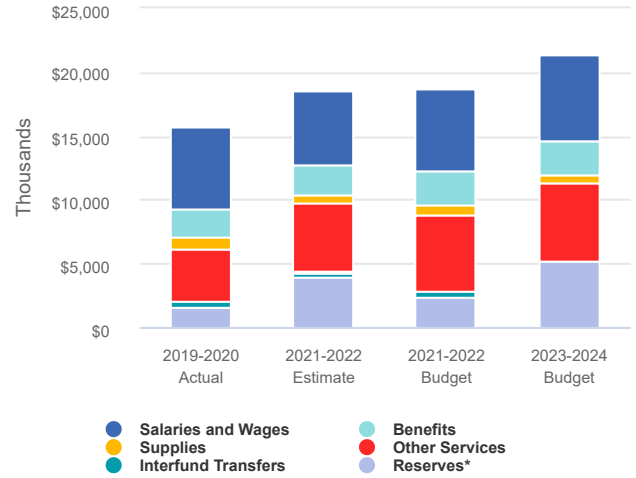
# Information Technology Fund

## Financial Overview

**Expenditures by Division**



**Expenditures by Category**



## EXPENDITURE SUMMARY BY CATEGORY

	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
Salaries and Wages	6,524,878	5,910,807	6,449,044	6,885,075	6.76%
Benefits	2,101,325	2,224,947	2,649,091	2,555,773	(3.52%)
Supplies	971,616	667,414	725,560	737,107	1.59%
Other Services	4,162,094	5,419,062	6,042,934	6,082,137	0.65%
Capital Outlay	-	41,764	35,000	-	(100.00%)
Interfund Transfers	360,891	415,952	415,952	-	(100.00%)
Reserves*	1,605,325	3,894,174	2,337,882	5,184,187	121.75%
<b>TOTAL</b>	<b>15,726,129</b>	<b>18,574,120</b>	<b>18,655,463</b>	<b>21,444,279</b>	<b>14.95%</b>

## EXPENDITURE SUMMARY BY DIVISION

	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
Applications	3,248,649	3,613,898	4,020,161	4,804,107	19.50%
GIS	2,429,562	2,086,725	2,373,206	1,995,569	(15.91%)
IT Administration General	3,291,972	5,876,773	4,517,079	7,011,561	55.22%
Multimedia Services	1,719,821	1,112,221	1,092,597	1,210,863	10.82%
Network and Desktop Systems	5,036,126	5,884,503	6,652,420	6,422,179	(3.46%)
<b>TOTAL</b>	<b>15,726,129</b>	<b>18,574,120</b>	<b>18,655,463</b>	<b>21,444,279</b>	<b>14.95%</b>

\* 2019-2020 Actual and 2021-2022 Estimate reserves are budgeted, but not spent

# Information Technology Fund

## 2023-2024 Position Summary

### POSITION SUMMARY BY CLASSIFICATION

Classification	2021-2022 Positions	Additions/ Reductions	2023-2024 Positions	Budgeted 2023 Salary Range
INFORMATION TECHNOLOGY DIRECTOR	1.00	-	1.00	161,684 - 210,961
DEPUTY DIRECTOR IT	1.00	-	1.00	133,705 - 172,526
IT MANAGER - ENTERPRISE APPLICATIONS	1.00	-	1.00	121,957 - 159,126
IT SUPERVISOR - GIS	1.00	-	1.00	112,372 - 146,620
INFORMATION SYSTEMS SECURITY OFFICER	1.00	(1.00)	-	112,372 - 146,620
IT SUPERVISOR - SERVICE DESK	1.00	-	1.00	112,372 - 146,620
SENIOR APPLICATIONS ANALYST	6.00	-	6.00	111,540 - 131,224
SENIOR NETWORK ENGINEER	-	1.00	1.00	111,540 - 131,224
NETWORK ENGINEER	1.00	(1.00)	-	106,639 - 125,447
SENIOR GIS ANALYST	2.00	-	2.00	96,197 - 113,188
SENIOR IT BUSINESS ANALYST	1.00	-	1.00	95,197 - 112,007
NETWORK ANALYST	2.00	-	2.00	92,656 - 108,998
APPLICATIONS ANALYST	2.00	1.00	3.00	85,703 - 100,831
DESKTOP SYSTEMS ANALYST	1.00	-	1.00	85,618 - 100,719
GIS ANALYST	2.00	-	2.00	81,411 - 95,777
VIDEO PRODUCTION SPECIALIST	1.00	1.00	2.00	77,912 - 91,661
SERVICE DESK ANALYST	3.00	-	3.00	70,636 - 83,101
ADMINISTRATIVE ASSISTANT	1.00	-	1.00	68,559 - 80,650
OFFICE SPECIALIST	0.50	-	0.50	55,795 - 65,641
<b>TOTAL</b>	<b>28.50</b>	<b>1.00</b>	<b>29.50</b>	

### POSITION SUMMARY BY DIVISION

Classification	2021-2022 Positions	Additions/ Reductions	2023-2024 Positions
Applications*	10.00	2.00	12.00
GIS	5.00	-	5.00
IT Administration General	3.50	-	3.50
Multimedia Services	1.00	1.00	2.00
Network and Desktop Systems	9.00	(2.00)	7.00
<b>TOTAL</b>	<b>28.50</b>	<b>1.00</b>	<b>29.50</b>

\* 1.0 FTE Applications Analyst paid for by Planning & Building

# Information Technology Fund

## INFORMATION TECHNOLOGY FUND REVENUES

	Object	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Percent Change
<b>Charges for Goods and Services</b>						
Interfund-Tech Srvc	341962	418,706	213,328	287,684	284,027	(1.27%)
Gen Government Srvcs	341971	323,668	5,503	-	-	
Interfund IT Operating	348801	12,334,193	13,522,836	13,455,148	16,513,998	22.73%
Interfund IT Replace Chg	348802	839,672	812,512	808,960	663,286	(18.01%)
<b>Total for Charges for Goods and Services</b>		<b>13,916,239</b>	<b>14,554,179</b>	<b>14,551,792</b>	<b>17,461,311</b>	<b>19.99%</b>
<b>Miscellaneous Revenues</b>						
Investment Interest	361111	-	-	-	108,420	
Contribution Donation	367000	113,815	89,183	97,300	73,374	(24.59%)
Other Misc Rev	369910	17,112	-	-	-	
<b>Total for Miscellaneous Revenues</b>		<b>130,926</b>	<b>89,183</b>	<b>97,300</b>	<b>181,794</b>	<b>86.84%</b>
<b>Other Financing Sources</b>						
Operating Transfers In	397101	242,247	1,694,091	1,769,703	-	(100.00%)
Resources Forward	399991	2,580,932	2,236,668	2,236,668	3,801,174	69.95%
<b>Total for Other Financing Sources</b>		<b>2,823,179</b>	<b>3,930,759</b>	<b>4,006,371</b>	<b>3,801,174</b>	<b>(5.12%)</b>
<b>Fund Total</b>		<b>16,870,344</b>	<b>18,574,121</b>	<b>18,655,463</b>	<b>21,444,279</b>	<b>14.95%</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

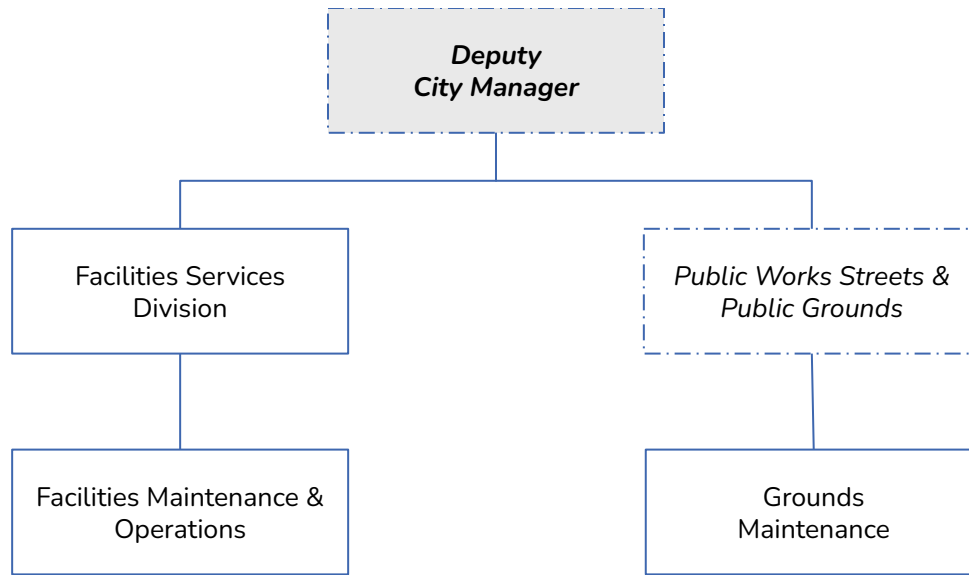
The Facilities Maintenance Fund accounts and assesses user charges for the operations and maintenance of the City's building facilities and public facilities ground maintenance and landscaping.



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# Facilities Maintenance Fund

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*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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# Facilities Maintenance Fund

## Department Overview

### 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 for City Hall, City Hall Annex, Kirkland Justice Center, the Maintenance Center Campus, the Parks Maintenance and Operations Center, North Kirkland Community Center, Peter Kirk Community Center, and the Kirkland Teen Union Building.

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 Works 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, six City Fire Stations and the Kirkland Justice Center.

In addition, Facilities Services serves as the City agent for one commercial property in Houghton and ensures that the facility is 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, the Parks Maintenance and Operations Center, North Kirkland Community Center, Peter Kirk Community Center, and the Kirkland Teen Union Building.

### BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS

#### SUSTAINABLE ENVIRONMENT

- Add 1.0 FTE Facilities Technician to support maintenance and repair City assets, \$280,207 ongoing.
- Fund Facilities Conditions Assessment, a comprehensive reporting of the current condition and performance of City buildings and equipment system, \$300,000 one-time.
- Fund hiring of an Energy Service company to perform the analysis and submit compliance reporting to comply with 2019 Clean Buildings Act, \$50,000, one-time.

# Facilities Maintenance Fund

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## DEPENDABLE INFRASTRUCTURE

- Finance Facilities CIP projects totaling \$1.6 million for 2023-2024 including \$800,000 for Permanent Supportive Housing and \$700,000 for Public Works Maintenance Center Upgrades.
- Fund Arc Flash Hazard Assessment to adhere to the Fire code that requires arc flash and shock hazard labels on electrical equipment, \$104,000 ongoing.
- Fund Public Works Maintenance Center Fire Panels to ensure the fire alarm system comply with NFPA code, \$250,000 one-time.
- Fund a Compact Boom Lift to provide safe access to service building systems and landscaping, \$175,000 one-time, \$35,150, ongoing.

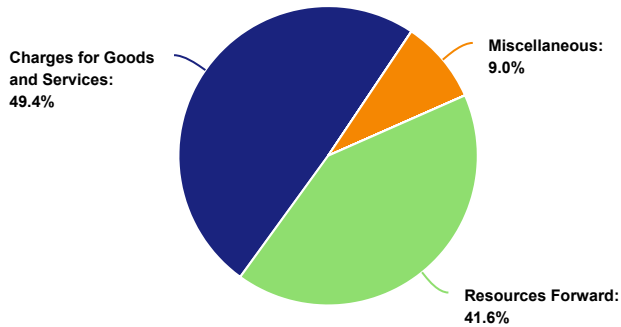
## THRIVING ECONOMY

- Fund replacement of Theatrical Ropes and Rigging System and Electronic Control System at Kirkland Performance Center, \$1,269,207 one-time contingent, matching funds.

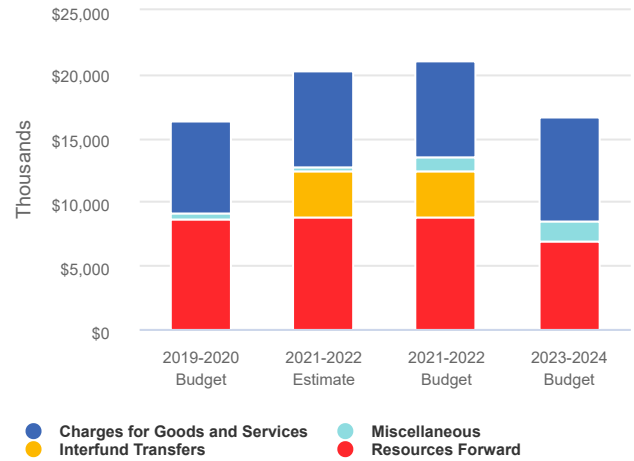
# Facilities Maintenance Fund

## Financial Overview

Sources of Funds



Revenues by Type



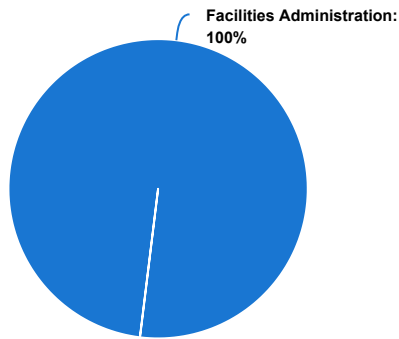
## REVENUE SUMMARY BY TYPE

	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
Charges for Goods and Services	7,215,705	7,644,382	7,639,029	8,232,075	7.76%
Miscellaneous	565,029	303,776	1,113,121	1,495,520	34.35%
Proprietary Other Income	(32)	-	-	-	
Interfund Transfers	-	3,602,029	3,564,077	-	(100.00%)
Resources Forward	8,581,290	8,791,705	8,791,705	6,949,567	(20.95%)
<b>TOTAL</b>	<b>16,361,992</b>	<b>20,341,892</b>	<b>21,107,932</b>	<b>16,677,162</b>	<b>(20.99%)</b>

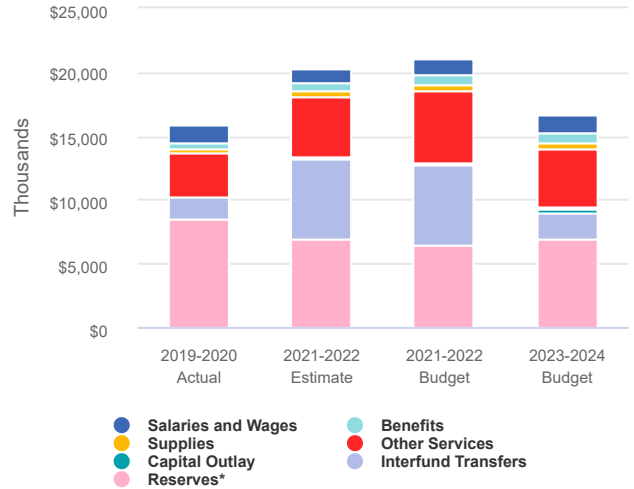
# Facilities Maintenance Fund

## Financial Overview

Expenditures by Division



Expenditures by Category



### EXPENDITURE SUMMARY BY CATEGORY

	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
Salaries and Wages	1,358,029	1,215,924	1,345,011	1,497,798	11.36%
Benefits	523,006	612,410	661,204	777,678	17.62%
Supplies	345,714	387,928	471,559	409,442	(13.17%)
Other Services	3,367,029	4,784,986	5,747,698	4,583,150	(20.26%)
Intergovernmental Services	72,625	160,019	136,756	160,020	17.01%
Capital Outlay	-	-	-	250,000	
Interfund Transfers	1,778,963	6,231,059	6,231,059	2,073,100	(66.73%)
Reserves*	8,412,901	6,949,567	6,514,644	6,925,974	6.31%
<b>TOTAL</b>	<b>15,858,268</b>	<b>20,341,892</b>	<b>21,107,932</b>	<b>16,677,162</b>	<b>(20.99%)</b>

### EXPENDITURE SUMMARY BY DIVISION

	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
Facilities Administration	15,415,550	20,050,229	20,798,743	16,228,168	(21.98%)
Streets and Grounds	442,717	291,663	309,189	448,994	45.22%
<b>TOTAL</b>	<b>15,858,268</b>	<b>20,341,892</b>	<b>21,107,932</b>	<b>16,677,162</b>	<b>(20.99%)</b>

\* 2019-2020 Actual and 2021-2022 Estimate reserves are budgeted, but not spent

# Facilities Maintenance Fund

## 2023-2024 Position Summary

### POSITION SUMMARY BY CLASSIFICATION

Classification	2021-2022 Positions	Additions/ Reductions	2023-2024 Positions	Budgeted 2023 Salary Range
FACILITIES SERVICES MANAGER	1.00	-	1.00	113,575 - 148,189
LEADPERSON	1.00	-	1.00	77,127 - 93,067
FACILITIES SERVICES TECH 3	1.00	-	1.00	70,337 - 85,684
FACILITIES SERVICES TECH 2	1.00	-	1.00	68,623 - 83,579
YARD MAINTENANCE AND INVENTORY CONTROL	1.00	-	1.00	68,623 - 83,579
FACILITIES SERVICES TECH 1	2.00	1.00	3.00	55,894 - 70,054
<b>TOTAL</b>	<b>7.00</b>	<b>1.00</b>	<b>8.00</b>	

### POSITION SUMMARY BY DIVISION

Classification	2021-2022 Positions	Additions/ Reductions	2023-2024 Positions
Facilities Administration	7.00	1.00	8.00
<b>TOTAL</b>	<b>7.00</b>	<b>1.00</b>	<b>8.00</b>

## 2023-2024 Position Summary

### POSITION SUMMARY BY CLASSIFICATION

Classification	2021-2022 Positions	Additions/ Reductions	2023-2024 Positions	Budgeted 2023 Salary Range
STREETS AND GROUNDS MANAGER	0.05	-	0.05	107,400 - 140,132
LEADPERSON	0.35	-	0.35	77,127 - 93,067
GROUNDS TECHNICIAN	0.55	-	0.55	55,894 - 70,054
<b>TOTAL</b>	<b>0.95</b>	<b>-</b>	<b>0.95</b>	

### POSITION SUMMARY BY DIVISION

Classification	2021-2022 Positions	Additions/ Reductions	2023-2024 Positions
Streets and Grounds	0.95	-	0.95
<b>TOTAL</b>	<b>0.95</b>	<b>-</b>	<b>0.95</b>

# Facilities Maintenance Fund

## FACILITIES MAINTENANCE FUND REVENUES

	Object	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Percent Change
<b>Charges for Goods and Services</b>						
Interfund-Gen	341963	-	7,753	-	-	
Gen Government Srvcs	341971	4,800	2,400	4,800	4,800	-%
Interfund Pub Safety	348114	1,506,697	1,698,299	1,698,299	1,817,725	7.03%
Interfund-CH Sinking	348123	374,289	322,020	322,020	376,366	16.88%
Interfund-Maint Ctr Sinking	348124	220,676	297,736	297,736	320,040	7.49%
Interfund-Senior Sinking	348125	86,162	124,512	124,512	134,606	8.11%
Interfund-NKCC Sinking	348126	59,144	59,144	59,144	65,064	10.01%
Interfund-MC Sinking	348127	526,938	558,516	558,516	643,784	15.27%
Interfund-KPC Sinking	348128	71,892	86,946	86,946	102,208	17.55%
Interfund-Fire S Sinking	348129	181,760	254,524	254,524	287,514	12.96%
Teen Center Sink	348130	20,034	40,034	40,034	43,270	8.08%
Interfund-HH Sinking	348132	7,812	9,412	9,412	10,476	11.30%
Interfund-Park Gar Sinking	348133	17,678	17,678	17,678	19,656	11.19%
Interfund-Teen Center	348181	22,262	137,862	137,862	141,821	2.87%
Interfund-City Hall	348183	1,614,483	1,420,485	1,420,485	1,490,303	4.92%
Interfund-Maintenance	348184	959,161	1,104,198	1,104,198	1,178,357	6.72%
Interfund-Senior	348185	298,464	298,109	298,109	311,512	4.50%
Interfund-NKCC	348186	259,987	245,487	245,487	255,715	4.17%
Interfund-KPC	348188	57,091	71,613	71,613	75,688	5.69%
Interfund-Fire Supp	348189	926,375	887,654	887,654	953,170	7.38%
<b>Total for Charges for Goods and Services</b>		<b>7,215,705</b>	<b>7,644,382</b>	<b>7,639,029</b>	<b>8,232,075</b>	<b>7.76%</b>
<b>Miscellaneous Revenues</b>						
Investment Interest	361111	-	-	-	265,729	
House Rental	362601	564,265	301,385	1,113,121	1,229,791	10.48%
Other Misc Rev	369910	764	2,391	-	-	
<b>Total for Miscellaneous Revenues</b>		<b>565,029</b>	<b>303,776</b>	<b>1,113,121</b>	<b>1,495,520</b>	<b>34.35%</b>
<b>Proprietary Other Income</b>						
Ins Recovery Prop	372001	(32)	-	-	-	
<b>Total for Proprietary Other Income</b>		<b>(32)</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Other Financing Sources</b>						
Operating Transfers In	397101	-	3,602,029	3,564,077	-	(100.00%)
Resources Forward	399991	8,581,290	8,791,705	8,791,705	6,949,567	(20.95%)
<b>Total for Other Financing Sources</b>		<b>8,581,290</b>	<b>12,393,734</b>	<b>12,355,782</b>	<b>6,949,567</b>	<b>(43.75%)</b>
<b>Fund Total</b>		<b>16,361,992</b>	<b>20,341,892</b>	<b>21,107,932</b>	<b>16,677,162</b>	<b>(20.99%)</b>

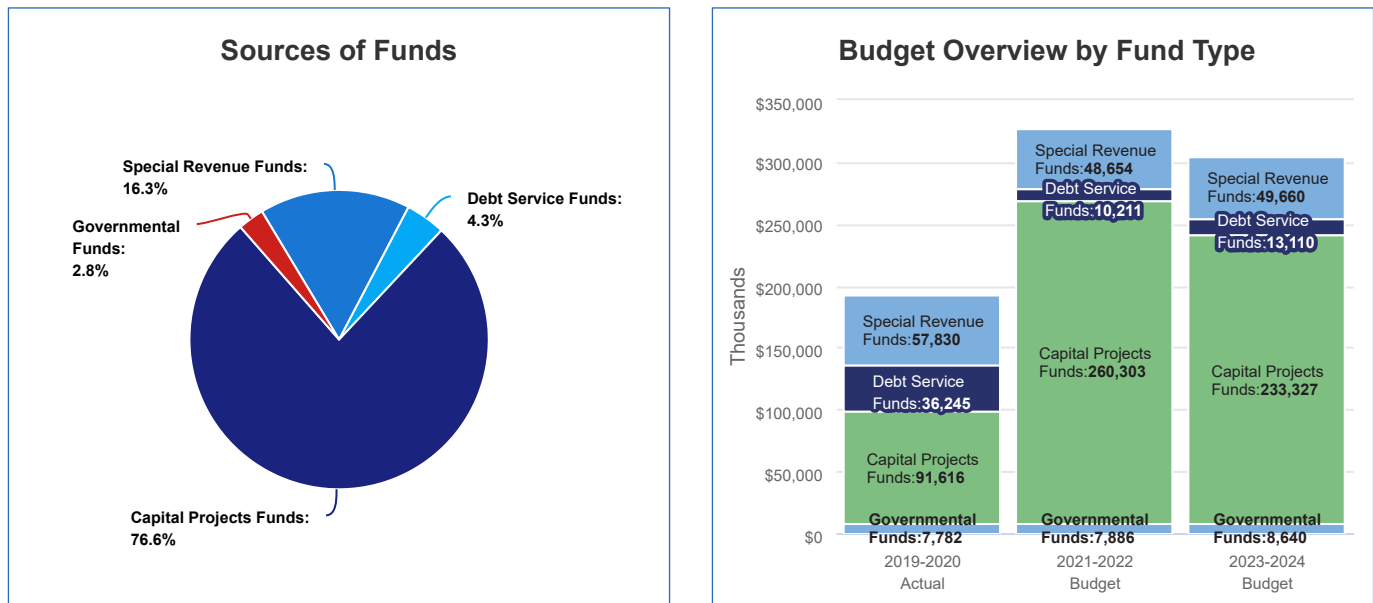
# General Government Non-Operating





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## GENERAL GOVERNMENT NON-OPERATING BUDGET SUMMARY



There are four types of funds in the general government non-operating budget:

- **Governmental** funds account for general governmental activities. The City uses separate Governmental Funds for activities that are budgeted separately but reported together in audited financial statements.
- **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.

## ANALYSIS OF CHANGE

	2019-2020 Actual	2021-2022 Budget	2023-2024 Budget	Change
<i>Governmental Funds</i>				
Contingency Fund	6,292,477	6,355,888	6,959,697	9.50%
Firefighters' Pension	1,489,765	1,530,506	1,680,663	9.81%
<b>Total Governmental Funds</b>	<b>7,782,242</b>	<b>7,886,394</b>	<b>8,640,360</b>	<b>9.56%</b>
<i>Special Revenue Funds</i>				
Impact Fees	18,383,239	11,431,274	7,968,207	(30.29%)
Excise Tax Capital Improvement	39,447,245	37,222,312	41,691,867	12.01%
<b>Total Special Revenues Funds</b>	<b>57,830,484</b>	<b>48,653,586</b>	<b>49,660,074</b>	<b>2.07%</b>
<i>Debt Service Funds</i>				
LTGO Debt Service	34,813,997	8,787,933	13,109,943	49.18%
UTGO Debt Service	1,431,110	1,422,655	-	(100.00%)
<b>Total Internal Service Funds</b>	<b>36,245,107</b>	<b>10,210,588</b>	<b>13,109,943</b>	<b>28.40%</b>
<i>Capital Projects Funds</i>				
General Capital Projects Fund	41,867,102	114,839,942	104,815,386	(8.73%)
Transportation Capital Projects Fund	49,749,051	145,463,320	128,511,999	(11.65%)
<b>Total Capital Projects Funds</b>	<b>91,616,154</b>	<b>260,303,262</b>	<b>233,327,385</b>	<b>(10.36%)</b>
<b>Gen. Gov't Non-Operating Total</b>	<b>193,473,986</b>	<b>327,053,830</b>	<b>304,737,762</b>	<b>(6.82%)</b>

## CHANGE IN FUND BALANCE (BEGINNING 2021 TO ENDING 2024)

### SUMMARY OF GENERAL GOVERNMENT NON-OPERATING FUNDS

	Special Revenue	Debt Service	Capital Projects	Governmental	Total
<b>2021 Actual Beginning Fund Balance</b>	<b>19,779,823</b>	<b>925,951</b>	<b>61,910,429</b>	<b>7,573,041</b>	<b>90,189,244</b>
Reserved	19,779,823	925,951	61,910,429	7,573,041	90,189,244
Unreserved Working Capital	-	-	-	-	-
Plus: 2021-22 Estimated Revenues	42,481,468	8,307,172	146,024,677	352,255	197,165,572
Less: 2021-22 Estimated Expenditures	42,214,724	8,591,580	115,888,637	249,931	166,944,872
<b>2022 Estimated Ending/2023 Budgeted Beginning Fund Balance</b>	<b>20,046,566</b>	<b>641,543</b>	<b>92,046,470</b>	<b>7,675,365</b>	<b>120,409,944</b>
Plus: 2023-24 Budgeted Revenues	29,613,508	12,468,400	141,280,916	964,995	184,327,819
Less: 2023-24 Budgeted Expenditures	35,181,899	12,468,400	205,458,702	289,679	253,398,680
<b>2024 Budgeted Ending Fund Balance</b>	<b>14,478,175</b>	<b>641,543</b>	<b>27,868,684</b>	<b>8,350,681</b>	<b>51,339,083</b>
Reserved	14,478,175	641,543	27,868,684	8,350,681	51,339,083
Unreserved Working Capital	-	-	-	-	-
<b>Change in Fund Balance:</b>					
<b>Beginning 2021 to Ending 2024</b>	<b>(5,301,648)</b>	<b>(284,408)</b>	<b>(34,041,745)</b>	<b>777,640</b>	<b>(38,850,161)</b>

#### Notes:

Greater detail regarding the change in fund balances can be found in the specific non-operating fund sections.



# General Government Non-Operating Governmental Funds



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## General Government Non-Operating Governmental Funds

The General Governmental Funds in the non-operating budget include the Contingency Fund and the Firefighters' Pension Fund.

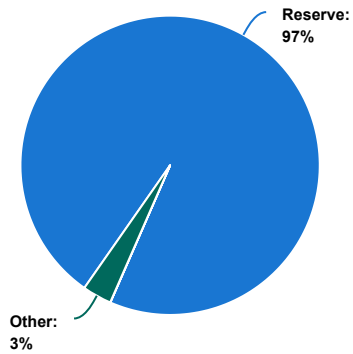
The **Firefighters' Pension Fund** is pooled monetary contributions from pension plans set up by the City to provide for Firefighters' retirement benefits and a Contingency Fund. The City has one pension fund:

- The Firefighters' 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.

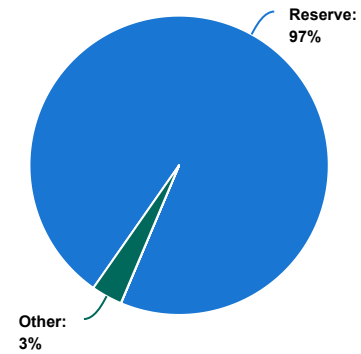
The **Contingency Fund** is provided for by state law and allows for the accumulation of resources up to \$0.375 per \$1,000 of assessed valuation for emergency uses. The target balance will be set at the lower of 80 percent of the statutory maximum of \$0.375 per \$1,000 of assessed valuation or the budgeted 2020 year end balance plus inflation as measured by the CPI-W.

## GENERAL GOVERNMENT NON-OPERATING GOVERNMENTAL FUNDS

### 2021-2022 Budget by Purpose



### 2023-2024 Budget by Purpose



## 2021-2022 BUDGET BY PURPOSE

Budget Summary by Purpose

Fund	2021-2022 Budget	Budget by Purpose			
		Reserve	Debt	Capital	Other
Contingency	6,355,888	6,355,888	-	-	-
Firefighters Pension	1,530,506	1,281,719	-	-	248,787
<b>Total Governmental Funds</b>	<b>7,886,394</b>	<b>7,637,607</b>	<b>-</b>	<b>-</b>	<b>248,787</b>

## 2023-2024 BUDGET BY PURPOSE

Fund	2023-2024 Budget	Budget by Purpose			
		Reserve	Debt	Capital	Other
Contingency	6,959,697	6,959,697	-	-	-
Firefighters Pension	1,680,663	1,390,984	-	-	289,679
<b>Total Governmental Funds</b>	<b>8,640,360</b>	<b>8,350,681</b>	<b>-</b>	<b>-</b>	<b>289,679</b>

## CHANGE IN FUND BALANCE (BEGINNING 2021 TO ENDING 2024)

### GENERAL GOVERNMENT NON-OPERATING

#### Governmental Funds

	Firefighters' Pension	Contingency <sup>(1)</sup>	Total
<b>2021 Actual Beginning Fund Balance</b>	<b>1,280,564</b>	<b>6,292,477</b>	<b>7,573,041</b>
Reserved	1,280,564	6,292,477	7,573,041
Unreserved Working Capital	-	-	-
Plus: 2021-22 Estimated Revenues	288,844	63,411	352,255
Less: 2021-22 Estimated Expenditures	249,931	-	249,931
<b>2022 Estimated Ending/2023 Budgeted Beginning Fund Balance</b>	<b>1,319,477</b>	<b>6,355,888</b>	<b>7,675,365</b>
Plus: 2023-24 Budgeted Revenues	361,186	603,809	964,995
Less: 2023-24 Budgeted Expenditures	289,679	-	289,679
<b>2024 Budgeted Ending Fund Balance</b>	<b>1,390,984</b>	<b>6,959,697</b>	<b>8,350,681</b>
Reserved	1,390,984	6,959,697	8,350,681
Unreserved Working Capital	-	-	-
<b>Change in Fund Balance:</b>			
<b>Beginning 2021 to Ending 2024</b>	<b>110,420</b>	<b>667,220</b>	<b>777,640</b>

#### Notes:

The increase in fund balance reflects 2021-2022 estimated revenues above expenditures and 2023-2024 budgeted revenues above expenditures.

<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 to target.



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Special Revenue Funds are established to account for specific resources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.



# General Government Non- Operating Special Revenue Funds



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## General Government Non-Operating Special Revenue Funds

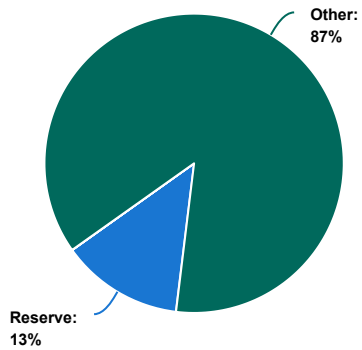
Special Revenue Funds are used to account for revenues that are dedicated for specific purposes either through statute or Council policy. The following Special Revenue Funds are part of the non-operating budget:

The **Impact Fee Fund** accounts for transportation, park, and fire impact fees. Transportation and Parks impact fees were initiated in 1999, and fire impact fees went into effect in 2021. Impact fees, and the interest earned on them, are deposited in this fund and transferred out to the capital projects funds to pay for transportation and park capacity projects approved in the Capital Improvement Program (CIP).

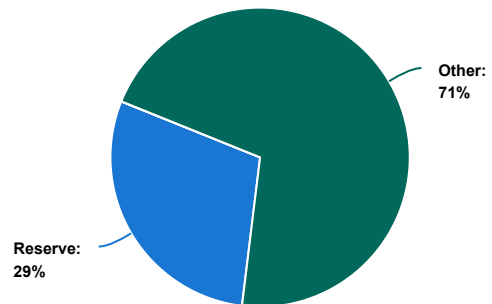
The **Excise Tax Capital Improvement Fund** was created to account for revenue from both the first and second quarter percent real estate excise tax. Excise tax revenue must be used primarily for capital projects within the categories authorized by state law including streets, sidewalks, traffic improvements, parks, fire protection facilities, and other public facilities as specified by statute. The second quarter percent real estate excise tax, adopted by the City Council in October 1996, is primarily 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. The legislature expanded eligible uses of REET 2 to include facilities to provide housing for the homeless and allows a portion of REET revenue to be used for maintenance of capital facilities, with specific reporting requirements. The 2023-2024 Budget uses this revenue for on-going and one-time funded expenditures that meet these requirements.

## GENERAL GOVERNMENT NON-OPERATING SPECIAL REVENUE FUNDS

2021-2022 Budget by Purpose



2023-2024 Budget by Purpose



### 2021-2022 BUDGET BY PURPOSE

Budget Summary by Purpose

Fund	2021-2022 Budget	Budget by Purpose			
		Reserve	Debt	Capital	Other
Impact Fees	11,431,274	1,998,824	-	-	9,432,450
Excise Tax Capital Improvement	37,222,312	4,440,064	-	-	32,782,248
<b>Total Special Revenue Funds</b>	<b>48,653,586</b>	<b>6,438,888</b>	<b>-</b>	<b>-</b>	<b>42,214,698</b>

### 2023-2024 BUDGET BY PURPOSE

Fund	2023-2024 Budget	Budget by Purpose			
		Reserve	Debt	Capital	Other
Impact Fees	7,968,207	968,207	-	-	7,000,000
Excise Tax Capital Improvement	41,691,867	13,509,968	-	-	28,181,899
<b>Total Special Revenue Funds</b>	<b>49,660,074</b>	<b>14,478,175</b>	<b>-</b>	<b>-</b>	<b>35,181,899</b>

## CHANGE IN FUND BALANCE (BEGINNING 2021 TO ENDING 2024)

### GENERAL GOVERNMENT NON-OPERATING

#### Special Revenue Funds

	Impact Fees <sup>(2)</sup>	Excise Tax Capital Improvement <sup>(2)</sup>	Total
<b>2021 Actual Beginning Fund Balance</b>	<b>1,914,218</b>	<b>17,865,605</b>	<b>19,779,823</b>
Reserved	1,914,218	17,865,605	19,779,823
Unreserved Working Capital	-	-	-
Plus: 2021-22 Estimated Revenues	8,141,816	34,339,651	42,481,468
Less: 2021-22 Estimated Expenditures	9,432,450	32,782,274	42,214,724
<b>2022 Estimated Ending/2023 Budgeted Beginning Fund Balance</b>	<b>623,584</b>	<b>19,422,982</b>	<b>20,046,566</b>
Plus: 2023-24 Budgeted Revenues	7,344,623	22,268,885	29,613,508
Less: 2023-24 Budgeted Expenditures	7,000,000	28,181,899	35,181,899
<b>2024 Budgeted Ending Fund Balance</b>	<b>968,207</b>	<b>13,509,968</b>	<b>14,478,175</b>
Reserved	968,207	13,509,968	14,478,175
Unreserved Working Capital	-	-	-
<b>Change in Fund Balance:</b>			
<b>Beginning 2021 to Ending 2024</b>	<b>(946,011)</b>	<b>(4,355,637)</b>	<b>(5,301,648)</b>

#### Notes:

<sup>(1)</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 account for the payment of general obligation bond principal and interest from governmental resources and the payment of special assessment bond principal and interest from special assessment levies when the City is obligated in some manner for the payment.



# General Government Debt Service Funds



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# 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, residents have agreed to levy property taxes to repay the debt generally over a twenty-year period. The City has no UTGO Bonds outstanding as of December 1, 2022.
- **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:

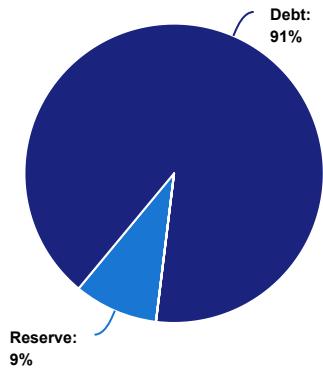
- *City Council approval is required prior to issuance of debt.*
- *The City will only use debt to finance capital improvements that cannot be financed through current revenues. The City will not use debt to finance current operations, non-capital furnishings, supplies, or personnel.*
- *Bonds will be 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 May 17, 2021, S&P affirmed the City's AAA rating, which is the highest rating, and on May 14, 2021, Moody's affirmed Kirkland's Aaa rating on the City's General Obligation Limited Tax bond ratings. The City of Kirkland has held the Aaa rating from Moody's since November 13, 2018, and the AAA rating from S&P since November 24, 2008.

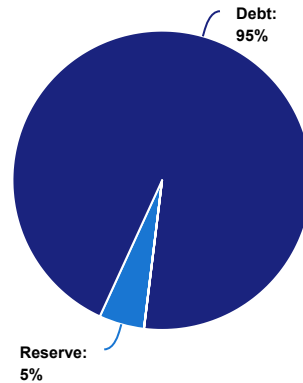
Once bonds are rated, the City enters the bond market to secure the necessary funding. The proceeds (cash) received from selling the bonds are placed in a capital projects fund to account for the cost of constructing the capital improvement. Separate funds have been created to track the principal and 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.

## GENERAL GOVERNMENT NON-OPERATING DEBT SERVICE FUNDS

2021-2022 Budget by Purpose



2023-2024 Budget by Purpose



Debt service funds are used to account for principal and interest payments used for the retirement of long-term debt. Debt is used by the City as a means of financing capital improvements. By extending the repayment of debt over the anticipated useful life of the improvement, the cost of an improvement can be more equitably spread among the community members who benefit from the improvement. Bonds are sold and the proceeds (cash) are used to pay for the construction of capital improvements. The bonds are repaid over a period of time from taxes, fees, or other revenue sources dedicated for that purpose.

### 2021-2022 BUDGET BY PURPOSE

Budget Summary by Purpose		Budget by Purpose			
Fund	2021-2022 Budget	Reserve	Debt	Capital	Other
LTGO Debt Service	8,787,933	631,016	8,156,917	-	-
Unlimited GO Debt Service	1,422,655	294,935	1,127,720	-	-
<b>Total Debt Service Funds</b>	<b>10,210,588</b>	<b>925,951</b>	<b>9,284,637</b>	-	-

### 2023-2024 BUDGET BY PURPOSE

		Budget by Purpose			
Fund	2023-2024 Budget	Reserve	Debt	Capital	Other
LTGO Debt Service	13,109,943	641,543	12,468,400	-	-
<b>Total Debt Service Funds</b>	<b>13,109,943</b>	<b>641,543</b>	<b>12,468,400</b>	-	-

## CHANGE IN FUND BALANCE (BEGINNING 2021 TO ENDING 2024)

### GENERAL GOVERNMENT NON-OPERATING

#### Debt Service Funds

	Limited GO Debt	Unlimited GO Debt	Total
<b>2021 Actual Beginning Fund Balance</b>	<b>631,016</b>	<b>294,935</b>	<b>925,951</b>
Reserved	611,962	(6,084)	605,878
Unreserved Working Capital	19,054	301,019	320,073
Plus: 2021-22 Estimated Revenues	7,474,387	832,785	8,307,172
Less: 2021-22 Estimated Expenditures	7,463,860	1,127,720	8,591,580
<b>2022 Estimated Ending/2023 Budgeted Beginning Fund Balance</b>	<b>641,543</b>	<b>0</b>	<b>641,543</b>
Plus: 2023-24 Budgeted Revenues	12,468,400	-	12,468,400
Less: 2023-24 Budgeted Expenditures	12,468,400	-	12,468,400
<b>2024 Budgeted Ending Fund Balance</b>	<b>641,543</b>	<b>0</b>	<b>641,543</b>
Reserved	611,962	-	611,962
Unreserved Working Capital	29,581	-	29,581
<b>Change in Fund Balance:</b>			
<b>Beginning 2021 to Ending 2024</b>	<b>10,527</b>	<b>(294,935)</b>	<b>(284,408)</b>

#### Notes:

Fund balances in debt service funds provide for cash flow needs.

## GENERAL GOVERNMENT NON-OPERATING DEBT SERVICE FUNDS 2023-2024 PAYMENT AND RESERVE SUMMARY

### 2021-2022 Budget

Fund	Payment		Reserve	Total
	Principal	Interest		
LTGO Debt Service	5,897,366	2,259,551	631,016	8,787,933
UTGO Debt Service	1,090,000	37,720	294,935	1,422,655
<b>Total Debt Service Funds</b>	<b>6,987,366</b>	<b>2,297,271</b>	<b>925,951</b>	<b>10,210,588</b>

### 2023-2024 Budget

Fund	Payment		Reserve	Total
	Principal	Interest		
LTGO Debt Service	6,095,900	6,372,500	641,543	13,109,943
<b>Total Debt Service Funds</b>	<b>6,095,900</b>	<b>6,372,500</b>	<b>641,543</b>	<b>13,109,943</b>

## SCHEDULE OF LONG TERM DEBT

The City uses long term debt to finance the cost of large capital improvements. Councilmanic debt is repaid from general revenues. Voter approved debt is retired from property tax increases put in place for the life of the bond issue. Public Works Trust Fund loans are repaid from water/sewer utility rates. The following schedule identifies current outstanding long-term debt. This schedule includes debt issued prior to October 2022, and so does not include any planned 2023-2024 debt issuances.

Type of Debt	Issue Date	Original Amount	Outstanding 12/31/2022	Cost Per \$1,000 AV	Avg Annual Debt Service*
<b>Councilmanic Bonds:</b>					
2015 Limited G.O. (City Hall Renovations)	11/20/15	5,800,000	4,090,000	N/A	422,081
2020 Limited G.O. (Refinance Kirkland Justice Center) <sup>(1)</sup>	6/30/20	25,105,000	23,550,000	N/A	1,650,136
2021 Limited G.O (Transportation Capital)	6/3/21	14,580,000	14,100,000	N/A	951,832
2021 LTGO (Fire Station Construction)	6/3/21	22,330,000	21,595,000	N/A	1,457,784
<b>Total Councilmanic Bonds</b>		<b>67,815,000</b>	<b>63,335,000</b>	<b>-</b>	<b>4,481,833</b>

### Voter Approved Bonds:

No Voter Approved Bonds after December 1, 2022.

<b>Estimated Remaining Voter Approved Debt Capacity as of 12/31/2022</b>	<b>\$</b>	<b>2,772,817,091</b>
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### Public Works Trust Fund Loans:

2004 Central Way Sewer Replacement	9/1/04	1,086,300	114,665	N/A	57,762
2013 NE 80th ST Water/Sewer Replacement <sup>(2)</sup>	6/6/13	4,038,000	2,538,120	N/A	260,792
<b>Total Public Works Trust Fund Loans</b>		<b>5,124,300</b>	<b>2,652,785</b>	<b>-</b>	<b>318,554</b>

\* The average annual debt service is based on the remaining principal and interest payments due until the debt is extinguished.

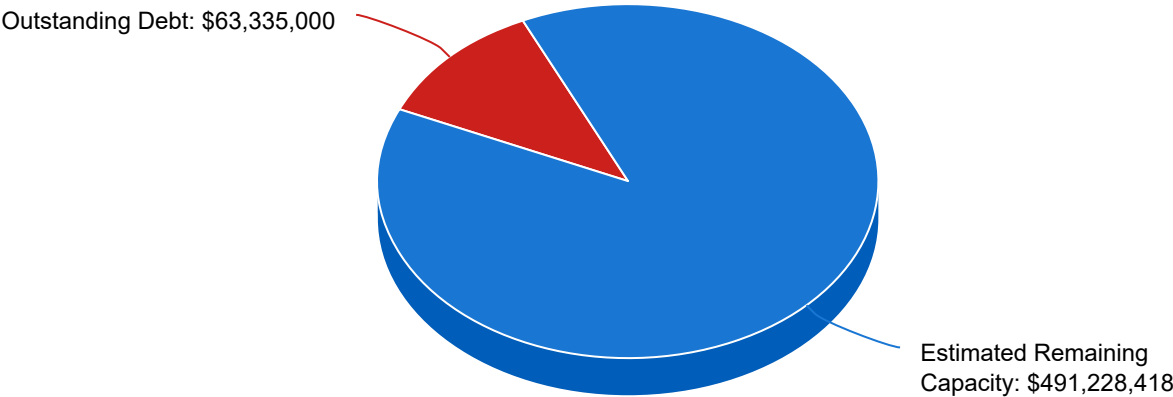
<sup>(1)</sup> Refinance of 2010 LTGO Build America Bonds used to purchase and renovate Kirkland Justice Center.

<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.

### Debt Capacity

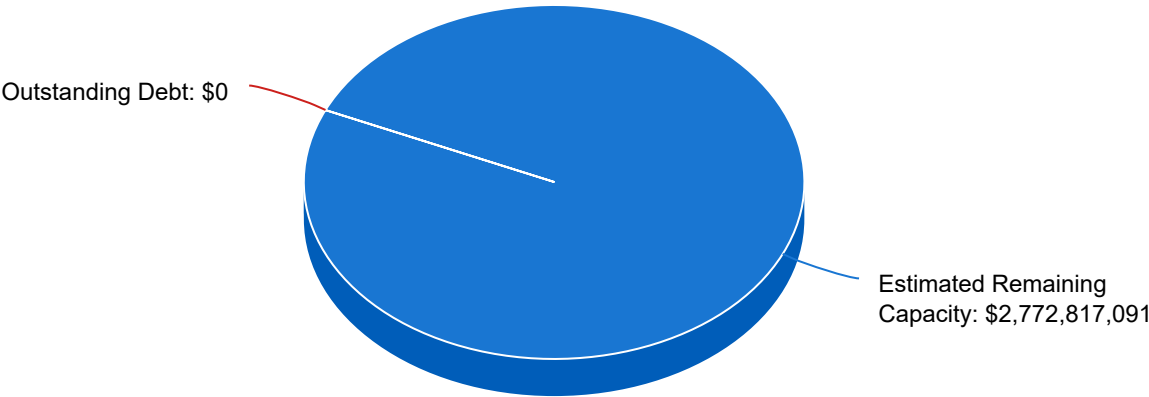
Washington State law imposes limitations on the total amount of debt that a city can have outstanding to 7.5 percent of total assessed property valuation plus the net of current assets and liabilities. This comprises the City’s “Debt Capacity” at any one time. The City Council has authority to issue bonds without voter approval (Councilmanic) for a combined total of up to 1.5 percent of the City’s assessed valuation. The following graphs compare the total estimated capacity available to the City’s indebtedness:

#### Limited Tax General Obligation (LTGO) (Councilmanic)



*Total capacity is calculated based on 1.5% of total city property valuation plus net current assets.*

#### Unlimited Tax General Obligation (UTGO) (Voted Approved)



*Total capacity is calculated based on 7.5% of total city property valuation plus net current assets.*

**2015 LIMITED GENERAL OBLIGATION BONDS****Purpose: City Hall Renovations**

Denomination	\$ 5,000	Date of Bond Sale	11/20/2015
Ordinance	\$ 5,800,000	Net Interest Rate	3.45%

**DEBT SERVICE SCHEDULE**

Year	Interest Dates		Interest Rate	Maturity Date	Principal Amount	Total Payment	Principle Balance
	June 1	December 1					
2016	106,164	100,050	3.45%	12/1/2016	215,000	421,214	5,585,000
2017	96,341	96,341	3.45%	12/1/2017	230,000	422,682	5,355,000
2018	92,374	92,374	3.45%	12/1/2018	235,000	419,748	5,120,000
2019	88,320	88,320	3.45%	12/1/2019	245,000	421,640	4,875,000
2020	84,094	84,094	3.45%	12/2/2020	255,000	423,188	4,620,000
2021	79,695	79,695	3.45%	12/1/2021	260,000	419,390	4,360,000
2022	75,210	75,210	3.45%	12/1/2022	270,000	420,420	4,090,000
2023	70,553	70,552	3.45%	12/1/2023	280,000	421,105	3,810,000
2024	65,723	65,722	3.45%	12/1/2024	290,000	421,445	3,520,000
2025	60,720	60,720	3.45%	12/1/2025	300,000	421,440	3,220,000
2026	55,545	55,545	3.45%	12/1/2026	310,000	421,090	2,910,000
2027	50,198	50,197	3.45%	12/1/2027	320,000	420,395	2,590,000
2028	44,678	44,677	3.45%	12/1/2028	335,000	424,355	2,255,000
2029	38,899	38,899	3.45%	12/1/2029	345,000	422,798	1,910,000
2030	32,948	32,947	3.45%	12/1/2030	355,000	420,895	1,555,000
2031	26,824	26,824	3.45%	12/1/2031	370,000	423,648	1,185,000
2032	20,441	20,441	3.45%	12/1/2032	380,000	420,882	805,000
2033	13,886	13,886	3.45%	12/1/2033	395,000	422,772	410,000
2034	7,073	7,072	3.45%	12/1/2034	410,000	424,145	-
<b>Totals</b>	<b>1,109,686</b>	<b>1,103,566</b>			<b>5,800,000</b>	<b>8,013,252</b>	

**2020 LIMITED GENERAL OBLIGATION REFUNDING BONDS**

**Purpose: Refinance 2010 LTGO Build America Bonds used to purchase and renovate the Kirkland Justice Center**

Denomination	\$ 5,000	Date of Bond Sale	6/30/2020
Amount of Issue	\$ 25,105,000	Net Interest Rate	1.76%

**DEBT SERVICE SCHEDULE**

Year	Interest Dates		Interest Rate	Maturity Date	Principal Amount	Total Payment	Principle Balance
	June 1	December 1					
2020		341,679	5.00%	12/1/2020	-	341,679	25,105,000
2021	407,300	407,300	5.00%	12/1/2021	675,000	1,489,600	24,430,000
2022	390,425	390,425	5.00%	12/1/2022	880,000	1,660,850	23,550,000
2023	368,425	368,425	5.00%	12/1/2023	925,000	1,661,850	22,625,000
2024	345,300	345,300	5.00%	12/1/2024	970,000	1,660,600	21,655,000
2025	321,050	321,050	5.00%	12/1/2025	1,020,000	1,662,100	20,635,000
2026	295,550	295,550	5.00%	12/1/2026	1,065,000	1,656,100	19,570,000
2027	268,925	268,925	5.00%	12/1/2027	1,120,000	1,657,850	18,450,000
2028	240,925	240,925	5.00%	12/1/2028	1,175,000	1,656,850	17,275,000
2029	211,550	211,550	5.00%	12/1/2029	1,230,000	1,653,100	16,045,000
2030	180,800	180,800	5.00%	12/1/2030	1,290,000	1,651,600	14,755,000
2031	148,550	148,550	2.00%	12/1/2031	1,355,000	1,652,100	13,400,000
2032	135,000	135,000	2.00%	12/1/2032	1,385,000	1,655,000	12,015,000
2033	121,150	121,150	2.00%	12/1/2033	1,405,000	1,647,300	10,610,000
2034	107,100	107,100	2.00%	12/1/2034	1,435,000	1,649,200	9,175,000
2035	92,750	92,750	2.00%	12/1/2035	1,465,000	1,650,500	7,710,000
2036	78,100	78,100	2.00%	12/1/2036	1,485,000	1,641,200	6,225,000
2037	63,250	63,250	2.00%	12/1/2037	1,515,000	1,641,500	4,710,000
2038	48,100	48,100	2.00%	12/1/2038	1,540,000	1,636,200	3,170,000
2039	32,700	32,700	2.00%	12/1/2039	1,570,000	1,635,400	1,600,000
2040	17,000	17,000	2.13%	12/1/2040	1,600,000	1,634,000	-
<b>Totals</b>	<b>3,873,950</b>	<b>4,215,629</b>			<b>25,105,000</b>	<b>33,194,579</b>	

**2021 LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS****Purpose: Transportation**

Denomination	\$ 5,000	Date of Bond Sale	6/3/2021
Amount of Issue	\$ 14,580,000	Net Interest Rate	1.70%

**DEBT SERVICE SCHEDULE**

Year	Interest Dates		Interest Rate	Maturity Date	Principal Amount	Total Payment	Principle Balance
	June 1	December 1					
2021		233,699	1.70%			233,699	14,580,000
2022	236,325	236,325	1.70%		480,000	952,650	14,100,000
2023	224,325	224,325	1.70%		505,000	953,650	13,595,000
2024	211,700	211,700	1.70%		530,000	953,400	13,065,000
2025	198,450	198,450	1.70%		555,000	951,900	12,510,000
2026	184,575	184,575	1.70%		585,000	954,150	11,925,000
2027	169,950	169,950	1.70%		610,000	949,900	11,315,000
2028	154,700	154,700	1.70%		640,000	949,400	10,675,000
2029	138,700	138,700	1.70%		675,000	952,400	10,000,000
2030	121,825	121,825	1.70%		710,000	953,650	9,290,000
2031	104,075	104,075	1.70%		745,000	953,150	8,545,000
2032	85,450	85,450	1.70%		780,000	950,900	7,765,000
2033	77,650	77,650	1.70%		795,000	950,300	6,970,000
2034	69,700	69,700	1.70%		810,000	949,400	6,160,000
2035	61,600	61,600	1.70%		830,000	953,200	5,330,000
2036	53,300	53,300	1.70%		845,000	951,600	4,485,000
2037	44,850	44,850	1.70%		860,000	949,700	3,625,000
2038	36,250	36,250	1.70%		880,000	952,500	2,745,000
2039	27,450	27,450	1.70%		895,000	949,900	1,850,000
2040	18,500	18,500	1.70%		915,000	952,000	935,000
2041	9,350	9,350	1.70%		935,000	953,700	-
<b>Totals</b>	<b>2,228,725</b>	<b>2,462,424</b>			<b>14,580,000</b>	<b>19,271,149</b>	

**2021 LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS****Purpose: Fire Stations**

Denomination	\$ 5,000	Date of Bond Sale	6/3/2021
Amount of Issue	\$ 22,330,000	Net Interest Rate	1.70%

**DEBT SERVICE SCHEDULE**

Year	Interest Dates		Interest Rate	Maturity Date	Principal Amount	Total Payment	Principle Balance
	June 1	December 1					
2021		357,879	1.70%			357,879	22,330,000
2022	361,900	361,900	1.70%		735,000	1,458,800	21,595,000
2023	343,525	343,525	1.70%		770,000	1,457,050	20,825,000
2024	324,275	324,275	1.70%		810,000	1,458,550	20,015,000
2025	304,025	304,025	1.70%		850,000	1,458,050	19,165,000
2026	282,775	282,775	1.70%		895,000	1,460,550	18,270,000
2027	260,400	260,400	1.70%		935,000	1,455,800	17,335,000
2028	237,025	237,025	1.70%		985,000	1,459,050	16,350,000
2029	212,400	212,400	1.70%		1,035,000	1,459,800	15,315,000
2030	186,525	186,525	1.70%		1,085,000	1,458,050	14,230,000
2031	159,400	159,400	1.70%		1,140,000	1,458,800	13,090,000
2032	130,900	130,900	1.70%		1,195,000	1,456,800	11,895,000
2033	118,950	118,950	1.70%		1,220,000	1,457,900	10,675,000
2034	106,750	106,750	1.70%		1,245,000	1,458,500	9,430,000
2035	94,300	94,300	1.70%		1,270,000	1,458,600	8,160,000
2036	81,600	81,600	1.70%		1,295,000	1,458,200	6,865,000
2037	68,650	68,650	1.70%		1,320,000	1,457,300	5,545,000
2038	55,450	55,450	1.70%		1,345,000	1,455,900	4,200,000
2039	42,000	42,000	1.70%		1,375,000	1,459,000	2,825,000
2040	28,250	28,250	1.70%		1,400,000	1,456,500	1,425,000
2041	14,250	14,250	1.70%		1,425,000	1,453,500	-
<b>Totals</b>	<b>3,413,350</b>	<b>3,771,229</b>			<b>22,330,000</b>	<b>29,514,579</b>	

Capital Project Funds account for the acquisition and construction of capital facilities not financed by proprietary funds.



# General Government Capital Projects Funds



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## 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.

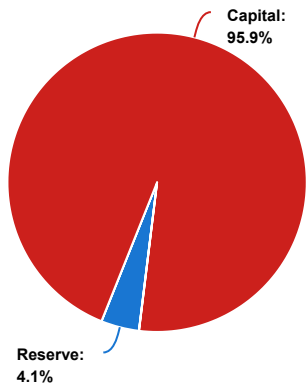
There are two general government capital projects funds:

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 2-year CIP (less utility projects and debt proceeds) that corresponds with the biennial budget.

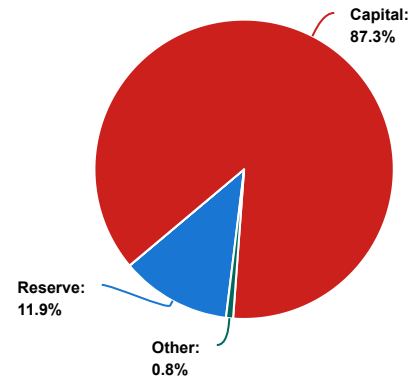
The **Transportation Capital Projects Fund** accounts for all general government transportation projects. City resources are transferred in as needed, usually from the Street Operating Fund, Impact Fee Fund, and the Excise Tax Capital Improvement Fund (REET). Transportation projects also frequently receive 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.

## GENERAL GOVERNMENT NON-OPERATING CAPITAL PROJECTS FUNDS

2021-2022 Budget by Purpose



2023-2024 Budget by Purpose



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.

### 2021-2022 BUDGET BY PURPOSE

Fund	2021-2022 Budget	Budget by Purpose			
		Reserve	Debt	Capital	Other
General Capital Projects	114,839,942	8,605,300	-	106,234,642	-
Transportation Capital Project	145,463,320	2,131,799	-	143,331,521	-
<b>Total Capital Projects Funds</b>	<b>260,303,262</b>	<b>10,737,099</b>	<b>-</b>	<b>249,566,163</b>	<b>-</b>

### 2023-2024 BUDGET BY PURPOSE

Fund	2023-2024 Budget	Budget by Purpose			
		Reserve	Debt	Capital	Other
General Capital Projects	104,815,386	8,895,352	-	94,150,827	1,769,207
Transportation Capital Project	128,511,999	18,973,331	-	109,538,668	-
<b>Total Capital Projects Funds</b>	<b>233,327,385</b>	<b>27,868,683</b>	<b>-</b>	<b>203,689,495</b>	<b>1,769,207</b>

## CHANGE IN FUND BALANCE (BEGINNING 2021 TO ENDING 2024)

### GENERAL GOVERNMENT NON-OPERATING

#### Capital Projects Funds

	General Capital Projects	Transportation Capital Projects	Total
<b>2021 Actual Beginning Fund Balance</b>	<b>37,247,657</b>	<b>24,662,772</b>	<b>61,910,429</b>
Ongoing Project Balances & Reserves	37,247,657	24,662,772	61,910,429
Plus: 2021-22 Estimated Revenues	77,877,024	68,147,653	146,024,677
Less: 2021-22 Estimated Expenditures	62,071,588	53,817,049	115,888,637
<b>2022 Estimated Ending/2023 Budgeted Beginning Fund Balance</b>	<b>53,053,093</b>	<b>38,993,376</b>	<b>92,046,470</b>
Plus: 2023-24 Budgeted Revenues <sup>(1)</sup>	51,762,293	89,518,623	141,280,916
Less: 2023-24 Budgeted Expenditures <sup>(2)</sup>	95,920,034	109,538,668	205,458,702
<b>2024 Budgeted Ending Fund Balance</b>	<b>8,895,352</b>	<b>18,973,331</b>	<b>27,868,684</b>
Reserved <sup>(3)</sup>	8,895,352	18,973,331	27,868,683
Unreserved Working Capital	-	-	-
<b>Change in Fund Balance:</b>			
<b>Beginning 2021 to Ending 2024 <sup>(4)</sup></b>	<b>(28,352,305)</b>	<b>(5,689,441)</b>	<b>(34,041,745)</b>

#### Notes:

<sup>(1)</sup> Budgeted revenues do not directly match revenues shown in the 2023-2024 CIP as the budget may include full revenues received by the fund but not amounts transferred to project budgets. For example, debt proceeds are received in one year but often transferred to projects over several years. The 2023-2028 CIP shows sinking fund distributions to individual projects, but the annual contributions to the sinking funds are represented in the budgeted revenues.

<sup>(2)</sup> The chart above assumes that all planned project budgets will be expended in the biennium, although in actual experience the project spending will occur over a period of several years that may go beyond the 2023-2024 biennium.

<sup>(3)</sup> The Transportation Capital Projects Fund reserves (showing as Reserved amount above) are due to the planned debt issuance related to Safer Routes to School and Active Transportation Plan projects that will not all be distributed to projects in 2023-2024. The General Capital Projects Fund reserves serve as contingency reserves for both General Capital Projects and the Transportation Capital Projects Funds as well as the balances of Sinking Funds for Information Technology, Public Safety, and Parks Facilities.

<sup>(4)</sup> The reduction in fund balance of both the General Capital Projects Fund and Transportation Capital Projects Fund is due to the completion of projects which were funded but not constructed in prior years.

## CAPITAL IMPROVEMENT PROGRAM 2023-2024 BUDGET

### General Capital Projects Fund (310)

Project Category/Project Title	Project Number	Funding Source
<b>Parks</b>		
Parks, Play Areas & Accessibility Enhancements	PKC 06600	Kirkland Park Levy/King County Parks Levy
Dock & Shoreline Renovations	PKC 13310	REET 1/ Kirkland Park Levy/ King County Parks Levy
Neighborhood Park Land Acquisition	PKC 13330	Impact Fees
132nd Square Park Playfields	PKC 13400	REET 1
Park Facilities Life Cycle Projects	PKC 15100	Parks Facilities Sinking Fund
Green Loop Master Plan, Acquisitions, Easements	PKC 15500	King County Grant
Park Restroom Additions, Renovations & Replacement Program	PKC 15600	REET 1
<b>Total Parks</b>		
<b>Public Safety</b>		
Defibrillator Unit Replacement	PSC 06200	Fire Sinking Fund
Air Fill Station Replacement	PSC 06300	Fire Sinking Fund
Self-Contained Breathing Apparatus (SCBA)	PSC 07100	Fire Sinking Fund
Personal Protective Equipment	PSC 07600	Fire Sinking Fund
Police Equipment Replacement	PSC 10000	Police Sinking Fund Reserve
Fire Equipment Replacement	PSC 20000	Fire Sinking Fund/General Fund
Fire Station 21 Expansion & Remodel	PSC 30040	General Gov Debt
Fire Station 22 Expansion & Remodel	PSC 30050	General Gov Debt
Fire Station 26 Expansion & Remodel	PSC 30060	General Gov Debt
Fire Station 27 Replacement	PSC 30070	General Gov Debt
<b>Fire Station 24 Training &amp; Capacity Configuration</b>	<b>PSC 30090</b>	<b>General Fund</b>
<b>Total Public Safety</b>		
<b>General Government</b>		
<b>Technology</b>		
On-Premise Virtual Infrastructure Hyperconverged Infrastructure (HCI) Replacement	ITC 10000	Technology Sinking Fund
Network Refresh	ITC 11000	Technology Sinking Fund
<b>AV Equipment Replacement - Council Chambers &amp; Meeting Rooms</b>	<b>ITC 15000</b>	<b>Technology Sinking Fund</b>
Geographic Information Systems	ITC 20000	General Fund/Utilities
<b>Mission-Critical Application Support and Replacement</b>	<b>ITC 30000</b>	<b>General Fund/Utilities</b>
<b>Total Technology</b>		
<b>Facilities</b>		
<b>PW Maintenance Center Upgrades</b>	<b>GGC 05400</b>	<b>REET 1</b>
<b>PW MC Salt and Sand Storage</b>	<b>GGC 05500</b>	<b>REET 1</b>
Electrical, Energy Management, & Lighting Systems	GGC 08000	Facilities Sinking Fund Charges
Mechanical/HVAC Systems Replacements	GGC 09000	Facilities Sinking Fund Charges
<b>PMO HVAC Replacement</b>	<b>GGC 09002</b>	<b>Facilities Sinking Fund Charges</b>
Painting, Ceilings, Partition, & Window Replacements	GGC 10000	Facilities Sinking Fund Charges
Roofing, Gutter, Siding, & Deck Replacements	GGC 11000	Facilities Sinking Fund Charges
Flooring Replacements	GGC 12000	Facilities Sinking Fund Charges
<b>Permanent Supportive Housing</b>	<b>GGC 13000</b>	<b>REET 2 Reserves</b>
<b>Houghton Village Capital Improvements</b>	<b>GGC 15000</b>	<b>REET 2 Reserves</b>
<b>Kirkland Heights Apts - ARCH Trust Fund Project in Kirkland</b>	<b>GGC 16000</b>	<b>REET 2 Reserves</b>
<b>Kirkland Performance Center Theatrical Rigging</b>	<b>GGC 17000</b>	<b>REET 1</b>
<b>Houghton Park &amp; Ride Purchase</b>	<b>GGC 18000</b>	<b>General Fund Cash</b>
<b>Total Facilities</b>		
<b>Total General Government</b>		
<b>Total General Capital Projects Fund</b>		

Project Number	2023 Budget	2024 Budget	Total 2023-2024 Budget	Additional Annual Maintenance & Operations	
				2023	2024
PKC 06600	250,000	454,600	704,600	-	-
PKC 13310	365,000	460,400	825,400	-	-
PKC 13330	1,500,000	1,500,000	3,000,000	-	-
PKC 13400	100,000	-	100,000	-	-
PKC 15100	164,730	100,815	265,545	-	-
PKC 15500	449,750	449,750	899,500	-	-
PKC 15600	1,409,000	1,109,000	2,518,000	-	-
	<b>4,238,480</b>	<b>4,074,565</b>	<b>8,313,045</b>	-	-
PSC 06200	202,100	-	202,100	-	-
PSC 06300	-	82,500	82,500	-	-
PSC 07100	1,631,600	-	1,631,600	-	-
PSC 07600	8,800	700,900	709,700	-	-
PSC 10000	171,400	129,800	301,200	-	-
PSC 20000	206,700	67,200	273,900	-	-
PSC 30040	6,023,000	-	6,023,000	-	-
PSC 30050	2,138,404	-	2,138,404	-	-
PSC 30060	8,093,867	-	8,093,867	-	-
PSC 30070	5,040,565	-	5,040,565	-	-
<b>PSC 30090</b>	<b>2,780,000</b>	-	<b>2,780,000</b>	-	-
	<b>26,296,436</b>	<b>980,400</b>	<b>27,276,836</b>	-	-
ITC 10000	-	775,000	775,000	-	-
ITC 11000	40,500	40,500	81,000	-	-
<b>ITC 15000</b>	<b>300,000</b>	<b>100,000</b>	<b>400,000</b>	-	-
ITC 20000	85,000	-	85,000	-	-
<b>ITC 30000</b>	<b>170,000</b>	<b>50,000</b>	<b>220,000</b>	-	-
	<b>595,500</b>	<b>965,500</b>	<b>1,561,000</b>	-	-
<b>GGC 05400</b>	<b>500,000</b>	-	<b>500,000</b>	-	-
<b>GGC 05500</b>	<b>200,000</b>	-	<b>200,000</b>	-	-
GGC 08000	28,400	152,600	181,000	-	-
GGC 09000	106,800	299,400	406,200	-	-
<b>GGC 09002</b>	<b>600,000</b>	-	<b>600,000</b>	-	-
GGC 10000	140,800	292,200	433,000	-	-
GGC 11000	37,100	20,200	57,300	-	-
GGC 12000	22,700	157,900	180,600	-	-
<b>GGC 13000</b>	<b>500,000</b>	<b>300,000</b>	<b>800,000</b>	-	-
<b>GGC 15000</b>	<b>250,000</b>	-	<b>250,000</b>	-	-
<b>GGC 16000</b>	<b>250,000</b>	<b>250,000</b>	<b>500,000</b>	-	-
<b>GGC 17000</b>	-	<b>1,269,207</b>	<b>1,269,207</b>	-	-
<b>GGC 18000</b>	<b>10,000,000</b>	-	<b>10,000,000</b>	-	-
	<b>12,635,800</b>	<b>2,741,507</b>	<b>15,377,307</b>	-	-
	<b>13,231,300</b>	<b>3,707,007</b>	<b>16,938,307</b>	-	-
	<b>43,766,216</b>	<b>8,761,972</b>	<b>52,528,188</b>	-	-

## CAPITAL IMPROVEMENT PROGRAM 2023-2024 BUDGET

### Transportation Capital Projects Fund (320)

Project Category/Project Title	Project Number	Funding Source
<b>Transportation</b>		
<b>Streets</b>		
Annual Street Preservation Program	STC 00600	Gas Tax/ RGRL/ REET 2/ Solid Waste/Surface Water
Street Levy Street Preservation	STC 00603	Kirkland Street Levy
Local Road Maintenance	STC 00608	Gas Tax
124th Ave NE Roadway Improvements (North Section) Construction	STC 05913	Impact Fees/ REET 1/REET 2
Annual Striping Program	STC 08000	REET 1/ REET 2
100th Ave NE Roadway Improvements (North Section)	STC 08313	REET 1 Reserves/REET 2 Reserves
100th Ave NE Roadway Improvements (Mid-North Section)	STC 08314	REET 1 Reserves/REET 2 Reserves
Juanita Drive Intersection and Safety Improvements	STC 08900	REET 1/ REET 2/ Surface Water/ Impact Fees
NE 85th Street Ped/Bike Connection 114th Ave NE to 6th St	STC 10700	Sound Transit
NE 85th St and 6th St Westbound Transit Queue Jump	STC 10800	Sound Transit
NE 85th St Eastbound Third Lane 120th Ave NE to 122nd Ave NE	STC 10900	Sound Transit
<b>NE 85th St Station Area Transportation Implementation Plan (Design)</b>	<b>STC 11300</b>	<b>General Fund</b>
Regional Inter-Agency Coordination	STC 99990	REET 1/ REET 2
<b>Total Streets</b>		
<b>Non-Motorized</b>		
Street Levy - Neighborhood Safety Program Improvements	NMC 00621	REET 2/ Street Levy
Annual Sidewalk Maintenance Program	NMC 05700	REET 1/ REET 2/Surface Water
Safer Routes to School Action Plans Implementation	NMC 08700	REET 2/ Street Levy/School Zone Safety Camera
NE 131st Way/90th Ave NE Nonmotorized Impr. Scope & Design	NMC 08720	REET 1/ REET 2
Citywide Accessibility Improvements	NMC 11010	Gas Tax
Stores to Shores	NMC 11300	Impact Fees/REET 1/ REET 2/External
<b>116th Ave NE Crosswalk Improvements at Kingsgate Park and Ride</b>	<b>NMC 13100</b>	<b>REET 1/ External</b>
<b>Safer Routes to School and Active Transportation Plan Implementation</b>	<b>NMC 13300</b>	<b>TBD Debt</b>
NE 124th Street Slater Avenue Crossing Improvements	NMC 13500	REET 1 Reserve/ REET 2 Reserve
NE 132nd Street Slater Avenue Crossing Improvements	NMC 13600	REET 1/ REET 2/External
Willows Road at East Trail Nonmotorized Improvements	NMC 13700	REET 1/ REET 2/External
State Street at 7th Avenue Crosswalk Improvements	NMC 13800	REET 1
<b>Total Non-Motorized</b>		
<b>Public Transit</b>		
108th Ave NE Transit Queue Jump - Phase I	PTC 00400	REET 1/ REET 2
108th Ave NE Transit Queue Jump - Phase II	PTC 00500	REET 1/ REET 2
<b>Total Public Transit</b>		
<b>Traffic Improvements</b>		
NE 132nd St/116th Way NE (I-405) Intersection Improvements	TRC 09800	REET 1/ REET 2/Surface Water
Annual Signal Maintenance Program	TRC 11600	REET 1/ REET 2
Citywide Traffic Management Safety Improvements	TRC 11700	Gas Tax
Vision Zero Safety Improvement	TRC 11702	Gas Tax/REET 1/External
Neighborhood Traffic Control	TRC 11703	REET 1
Kirkland Intelligent Transportation System Phase 3	TRC 12000	REET 1/ REET 2
Kirkland Ave/Lake St Intersection	TRC 13700	REET 1/ REET 2
NE 100th St/132nd Ave NE Intersection Improvements	TRC 13800	REET 1 Reserves/ REET 2 Reserves/External
NE 85th St/132nd Ave NE Dual Left Turn Lanes-Design	TRC 13900	REET 1/ REET 2
<b>NE 85th St (I-405) Intersection Improvements</b>	<b>TRC 14300</b>	<b>REET 1/ REET 2</b>
<b>Total Traffic Improvements</b>		
<b>Total Transportation Capital Projects Fund</b>		

Project Number	2023 Budget	2024 Budget	Total 2023-2024 Budget	Additional Annual Maintenance & Operations	
				2023	2024
STC 00600	1,700,000	1,700,000	3,400,000	-	-
STC 00603	2,488,000	2,558,000	5,046,000	-	-
STC 00608	50,000	50,000	100,000	-	-
STC 05913	2,250,000	-	2,250,000	-	-
STC 08000	750,000	750,000	1,500,000	-	-
STC 08313	1,740,000	-	1,740,000	-	-
STC 08314	2,610,000	-	2,610,000	-	-
STC 08900	1,525,880	2,150,540	3,676,420	-	-
STC 10700	5,870,000	-	5,870,000	-	-
STC 10800	380,000	-	380,000	-	-
STC 10900	1,110,000	-	1,110,000	-	-
<b>STC 11300</b>	<b>-</b>	<b>300,000</b>	<b>300,000</b>	-	-
STC 99990	682,000	82,000	764,000	-	-
	<b>21,155,880</b>	<b>7,590,540</b>	<b>28,746,420</b>	-	-
NMC 00621	175,000	150,000	325,000	-	-
NMC 05700	100,000	100,000	200,000	-	-
NMC 08700	2,050,000	2,050,000	4,100,000	-	-
NMC 08720	330,000	-	330,000	-	-
NMC 11010	50,000	100,000	150,000	-	-
NMC 11300	2,242,500	-	2,242,500	-	-
<b>NMC 13100</b>	<b>-</b>	<b>200,000</b>	<b>200,000</b>	-	-
<b>NMC 13300</b>	<b>-</b>	<b>4,200,000</b>	<b>4,200,000</b>	-	-
<b>NMC 13500</b>	<b>150,000</b>	<b>-</b>	<b>150,000</b>	-	-
<b>NMC 13600</b>	<b>1,050,000</b>	<b>2,067,000</b>	<b>3,117,000</b>	-	-
<b>NMC 13700</b>	<b>230,000</b>	<b>-</b>	<b>230,000</b>	-	-
<b>NMC 13800</b>	<b>-</b>	<b>165,000</b>	<b>165,000</b>	-	-
	<b>6,377,500</b>	<b>9,032,000</b>	<b>15,409,500</b>	-	-
PTC 00400	100,000	919,000	1,019,000	-	-
PTC 00500	100,000	919,000	1,019,000	-	-
	<b>200,000</b>	<b>1,838,000</b>	<b>2,038,000</b>	-	-
TRC 09800	810,000	-	810,000	-	-
TRC 11600	100,000	100,000	200,000	-	-
TRC 11700	100,000	-	100,000	-	-
TRC 11702	550,000	100,000	650,000	-	-
TRC 11703	50,000	50,000	100,000	-	-
TRC 12000	244,100	455,900	700,000	-	-
TRC 13700	637,320	-	637,320	-	-
TRC 13800	600,000	2,533,000	3,133,000	-	-
TRC 13900	-	1,007,555	1,007,555	-	-
<b>TRC 14300</b>	<b>373,000</b>	<b>-</b>	<b>373,000</b>	-	-
	<b>3,464,420</b>	<b>4,246,455</b>	<b>7,710,875</b>	-	-
	<b>31,197,800</b>	<b>22,706,995</b>	<b>53,904,795</b>	-	-

## 2023-2028 CAPITAL IMPROVEMENT PROGRAM

### PARK PROJECTS

#### Funded Projects:

Project Number	Project Title	2023	2024	2025	2026	2027	2028
PKC 06600	Park Playgrounds, Sport Courts & Amenity Repair, Replacement	250,000	454,600	365,000	400,000	409,000	409,000
PKC 13310	Dock and Shoreline Renovations	365,000	460,400	250,000	250,000	250,000	108,800
PKC 13320	City-School Playfield Partnership	-	-	-	300,000	-	141,200
PKC 13330	Neighborhood Park Land Acquisition	1,500,000	1,500,000	1,500,000	400,000	750,000	500,000
PKC 13400	132nd Square Park Playfields	100,000	-	-	-	-	-
PKC 15100	Park Facilities Life Cycle Projects	164,730	100,815	166,822	124,263	213,860	113,742
PKC 15500	Green Loop Master Plan, Acquisitions, Easements	449,750	449,750	449,750	449,750	-	-
PKC 15600	Park Restroom Additions, Renovations & Replacement Program	1,409,000	1,109,000	1,084,000	-	-	-
PKC 15700	Neighborhood Park Development Program	-	-	-	-	500,000	1,000,000
PKC 15900	Off-Leash Dog Areas	-	-	-	800,000	250,000	500,000
PKC 16100	Mcauliffe Park Sanitary Sewer	-	-	325,000	-	-	-
PKC 16200	Wayfinding and Park Signage Program Plan	-	-	-	509,000	500,000	-
PKC 17000	Ada Compliance Upgrades	-	-	-	500,000	500,000	500,000
<b>Total Funded Park Projects</b>		<b>4,238,480</b>	<b>4,074,565</b>	<b>4,140,572</b>	<b>3,733,013</b>	<b>3,372,860</b>	<b>3,272,742</b>

#### Notes:

*Italics = Modification in timing and/or cost*

Project Number	2023-2028 Total	Reserves / Sinking Fund	Impact Fees	Unsecured / Other External	REET 1	King County Parks Levy	Kirkland Parks Levy
PKC 06600	2,287,600	-	-	-	1,218,000	730,000	339,600
PKC 13310	1,684,200	-	-	-	300,000	365,000	1,019,200
PKC 13320	441,200	-	300,000	-	-	-	141,200
PKC 13330	6,150,000	-	6,150,000	-	-	-	-
PKC 13400	100,000	-	-	-	100,000	-	-
PKC 15100	884,233	884,233	-	-	-	-	-
PKC 15500	1,799,000	-	-	1,799,000	-	-	-
PKC 15600	3,602,000	-	-	-	3,602,000	-	-
PKC 15700	1,500,000	-	1,500,000	-	-	-	-
PKC 15900	1,550,000	-	1,050,000	-	500,000	-	-
PKC 16100	325,000	-	-	-	325,000	-	-
PKC 16200	1,009,000	-	-	-	1,009,000	-	-
PKC 17000	1,500,000	-	-	-	1,500,000	-	-
	<b>22,832,233</b>	<b>884,233</b>	<b>9,000,000</b>	<b>1,799,000</b>	<b>8,554,000</b>	<b>1,095,000</b>	<b>1,500,000</b>

## PARK PROJECTS

### Unfunded Projects:

Project Number	Project Title	Total
PKC 11400	Mark Twain Park Renovation Plan and Development	96,000
PKC 11600	Lee Johnson Field Artificial Turf Installation	6,400,000
PKC 11902	Juanita Beach Park Development Phase II	12,800,000
PKC 12210	Indoor Aquatics and Recreation Facility Construction	96,000,000
PKC 12400	Snyder's Corner Park Master Plan and Development	128,000
PKC 13800	Everest Park Restroom/Storage Building Replacement	2,304,000
PKC 14900	Taylor Playfields-Former Houghton Landfill Site Master Plan	384,000
PKC 15000	North Kirkland Community Center Renovation & Expansion Plan	130,000
PKC 16600	Brink Park Building Renovation	100,000
PKC 16800	Spray Park	1,500,000
<b>NEW</b>	<b>Skate Park Feasibility and Location Study</b>	<b>75,000</b>
<b>NEW</b>	<b>Crestwood Park Fields Conversion to Synthetic Turf</b>	<b>9,100,000</b>
<b>NEW</b>	<b>Park Specific Master Plan for Peter Kirk Park and Siting/Location For Lee Johnson Field</b>	<b>75,000</b>
<b>NEW</b>	<b>Land Acquisition and Development for a Community Park In North Kirkland (15 Acres)</b>	<b>58,500,000</b>
<b>NEW</b>	<b>Upgrade Rectangle Fields at Spinney Homestead Park and Terrace Park To Synthetic Turf with Lights</b>	<b>4,800,000</b>
<b>NEW</b>	<b>Upgrade Diamond Fields at Highlands Park and Juanita Beach Park To Synthetic Turf with Lights</b>	<b>4,800,000</b>
<b>NEW</b>	<b>Add Outdoor Fitness Gyms in three Parks To Be Determined</b>	<b>750,000</b>
<b>NEW</b>	<b>Safety and Security Upgrades</b>	<b>200,000</b>
<b>NEW</b>	<b>Add ADA Kayak Launch Opportunities at two Waterfront Parks</b>	<b>156,000</b>
<b>NEW</b>	<b>All-Inclusive Playground</b>	<b>1,950,000</b>
<b>NEW</b>	<b>Disc Golf Course Feasibility and Construction at Juanita Bay Park</b>	<b>97,500</b>
<b>NEW</b>	<b>Construct New Pickleball Courts</b>	<b>97,500</b>
PKC 09510	Heritage Park Development - Phase III & IV	5,120,000
PKC 09700	Reservoir Park Renovation Plan	150,000
PKC 10800	McAuliffe Park Development	9,000,000
PKC 11300	Spinney Homestead Park Renovation Plan and Development	120,000
PKC 11500	Terrace Park Renovation Plan and Development	75,000
PKC 12600	Watershed Park Master Plan	128,000
PKC 12700	Kiwanis Park Master Plan	96,000
PKC 12800	Yarrow Bay Wetlands Master Plan	256,000
PKC 12900	Heronfield Wetlands Master Planning & Development	160,000
PKC 13510	Juanita Heights Park Master Plan	125,000
PKC 13600	Kingsgate Park Master Plan and Development	192,000
PKC 13903	Totem Lake Park Phase III: South Side CKC Enhancements and West boardwalk	5,120,000
PKC 14100	South Norway Hill Park Site Master Plan	125,000
PKC 14300	Marsh Park Restroom Replacement	108,800
PKC 14400	Cedar View Park Improvement Plan	76,000
PKC 14500	Environmental Education Center	750,000
PKC 14800	Forbes House Renovation & Historic Preservation Plan	86,000
PKC 16400	Peter Kirk Park - Fencing and Drainage Improvements	250,000
PKC 16500	Peter Kirk Park - Skate Park Upgrades	500,000
PKC 16700	O.O. Denny Park Improvements - Sand Volleyball	75,000
<b>NEW</b>	<b>ADA Phase 1 (2023)</b>	<b>1,300,000</b>
<b>NEW</b>	<b>ADA Phase 2 (2024)</b>	<b>1,300,000</b>

**PARK PROJECTS (CONTINUED)****Unfunded Projects:**

Project Number	Project Title	Total
NEW	ADA Phase 3 (2025)	1,430,000
NEW	ADA Phase 4 (2026)	1,560,000
NEW	ADA Phase 5 (2027)	1,690,000
NEW	Park Playgrounds, Sports Courts and Amenity Repair, Replacement and Additions Phase 2	1,000,000
NEW	Convert Three Restrooms to Self- Cleaning	585,000
NEW	Add Small Playgrounds at Marsh Park and Marina Park	780,000
NEW	Cricket and Rugby Field Opportunities Feasibility Study	75,000
PKC 05610	Forbes Lake Park Development and Connections to 85th St SAP	7,680,000
NEW	Recreation Centers (Small, Neighborhood) Construction	32,500,000
NEW	NE 85th SAP Parks Acquisition & Development Opportunity Fund	5,000,000
NEW	Linear Parks Partnering with Active Transportation and Greenways Projects (20 Miles of Trails)	39,000,000
NEW	CKC Enhancements and Future Development	5,000,000
NEW	Blue Lighting Security System Along CKC	32,500
NEW	Self Service Bike Repair at Selected Community Parks and along CKC (5 Locations) Based on a Bike Access Study	97,500
NEW	Increasing Use, Capacity, and Amenities at Rose Hill Park	97,500
<b>Total Unfunded Parks Projects</b>		<b>322,083,300</b>

Notes:

Bold = New projects

## 2023-2028 CAPITAL IMPROVEMENT PROGRAM

### PUBLIC SAFETY PROJECTS

#### Funded Projects:

Project Number	Project Title	2023	2024	2025	2026	2027	2028	2023-2028 Total	Current Revenue	Reserves / Sinking Fund	Debt
<b>Fire</b>											
PSC 05600	Disaster Storage Units	-	-	-	-	-	162,200	162,200	-	162,200	-
PSC 06200	Defibrillator Unit Replacement	202,100	-	-	-	-	-	202,100	-	202,100	-
PSC 06300	Air Fill Station Replacement	-	82,500	-	-	-	-	82,500	-	82,500	-
PSC 07100	Self-Contained Breathing Apparatus (SCBA)	1,631,600	-	-	-	-	-	1,631,600	-	1,631,600	-
PSC 07600	Personal Protective Equipment	8,800	700,900	9,300	9,500	203,000	9,900	941,400	-	941,400	-
PSC 20000	Fire Equipment Replacement	206,700	67,200	26,100	23,300	75,800	13,200	412,300	-	412,300	-
<b>Police</b>											
PSC 10000	Police Equipment Replacement	171,400	129,800	223,100	220,700	134,300	289,000	1,168,300	-	1,168,300	-
<b>Facilities</b>											
PSC 30040	Fire Station 21 Expansion & Remodel	6,023,000	-	-	-	-	-	6,023,000	-	-	6,023,000
PSC 30050	Fire Station 22 Expansion & Remodel	2,138,404	-	-	-	-	-	2,138,404	-	-	2,138,404
PSC 30060	Fire Station 26 Expansion & Remodel	8,093,867	-	-	-	-	-	8,093,867	-	-	8,093,867
PSC 30070	Fire Station 27 Replacement	5,040,565	-	-	-	-	-	5,040,565	-	-	5,040,565
PSC 30090	Fire Station 24 Training Capacity Configuration	2,780,000	-	-	-	-	-	2,780,000	-	2,780,000	-
<b>Total Funded Public Safety Projects</b>		<b>26,296,436</b>	<b>980,400</b>	<b>258,500</b>	<b>253,500</b>	<b>413,100</b>	<b>474,300</b>	<b>28,676,236</b>	<b>-</b>	<b>7,380,400</b>	<b>21,295,836</b>

#### Notes:

*Italics = Modification in timing and/or cost (see Project Modification/Deletion Schedule for more detail)*

**Bold = New projects**

**Note: No Unfunded Public Safety Projects**

## 2023-2028 CAPITAL IMPROVEMENT PROGRAM

### GENERAL GOVERNMENT PROJECTS – FACILITIES

#### Funded Projects:

Project Number	Project Title	2023	2024	2025	2026	2027	2028	2023-2028 Total	Current Revenue	Reserves / Sinking Fund	Debt	REET 2/ Reserves
GGC 05400	PW Maintenance Center Upgrades	500,000	-	-	-	-	-	500,000	500,000	-	-	-
GGC 05500	PW MC Salt and Sand Storage	200,000	-	-	-	-	-	200,000	200,000	-	-	-
GGC 08000	Electrical, Energy Management, and Lighting Systems	28,400	152,600	23,400	170,000	-	51,400	425,800	-	425,800	-	-
GGC 09000	Mechanical/HVAC Systems Replacements	106,800	299,400	141,700	51,000	4,100	107,700	710,700	-	710,700	-	-
GGC 09002	PMO HVAC Replacement	600,000	-	-	-	-	-	600,000	-	600,000	-	-
GGC 10000	Painting, Ceilings, Partition, and Window Replacements	140,800	292,200	57,000	178,900	7,500	64,000	740,400	-	740,400	-	-
GGC 11000	Roofing, Gutter, Siding and Deck Replacements	37,100	20,200	8,000	7,400	-	-	72,700	-	72,700	-	-
GGC 12000	Flooring Replacements	22,700	157,900	154,700	150,000	-	-	485,300	-	485,300	-	-
GGC 13000	Permanent Supportive Housing	500,000	300,000	300,000	-	-	-	1,100,000	-	-	-	1,100,000
GGC 15000	Houghton Village Capital Improvements	250,000	-	-	-	-	-	250,000	-	-	-	250,000
GGC 16000	Kirkland Heights Apts - ARCH Trust Fund Project in Kirkland	250,000	250,000	250,000	250,000	250,000	250,000	1,500,000	-	-	-	1,500,000
GGC 17000	Kirkland Performance Center Theatrical Rigging	-	1,269,207	-	-	-	-	1,269,207	-	1,269,207	-	-
GGC 18000	Houghton Park & Ride Purchase	10,000,000	-	-	-	-	-	10,000,000	-	10,000,000	-	-
<b>Total Funded General Government Projects – Facilities</b>		<b>12,635,800</b>	<b>2,741,507</b>	<b>934,800</b>	<b>807,300</b>	<b>261,600</b>	<b>473,100</b>	<b>17,854,107</b>	<b>700,000</b>	<b>14,304,107</b>	<b>-</b>	<b>2,850,000</b>

#### Notes:

**Bold = New projects**

**Note: No Unfunded Facilities Projects**

## 2023-2028 CAPITAL IMPROVEMENT PROGRAM

### GENERAL GOVERNMENT PROJECTS – TECHNOLOGY

#### Funded Projects:

Project Number	Project Title	2023	2024	2025	2026	2027	2028	2023-2028 Total	Utility Funds	Reserves / Sinking Fund
ITC 10000	On-Premise Virtual Hyperconverged Infrastructure (HCI) Replacement	-	775,000	-	-	-	-	775,000	-	775,000
ITC 11000	Network Refresh	40,500	40,500	40,500	40,500	1,730,000	40,500	1,932,500	-	1,932,500
ITC 15000	AV Equipment Replacement - Council Chambers & Meeting Rooms	300,000	100,000	50,000	1,000,000	-	-	1,450,000	-	1,450,000
ITC 20000	Geographic Information Systems	85,000	-	30,000	-	65,000	-	180,000	54,000	126,000
ITC 30000	Mission-Critical Applications Support & Replacement	170,000	50,000	50,000	50,000	50,000	50,000	420,000	210,000	210,000
<b>Total Funded General Government Projects – Technology</b>		<b>595,500</b>	<b>965,500</b>	<b>170,500</b>	<b>1,090,500</b>	<b>1,845,000</b>	<b>90,500</b>	<b>4,757,500</b>	<b>264,000</b>	<b>4,493,500</b>

#### Notes:

**Bold = New projects**

## TECHNOLOGY

### Unfunded Projects:

Project Number	Project Title	Total
ITC 01301	Parking Improvement Solutions Support	75,000
ITC 01600	Parking Ticketing System Replacement	120,000
<b>Total Unfunded General Government Projects – Technology</b>		<b>195,000</b>

## 2023-2028 CAPITAL IMPROVEMENT PROGRAM TRANSPORTATION PROJECTS

### Funded Projects:

Project Number	Project Title	2023	2024	2025	2026	2027	2028
<b>Developer Provided (City Estimated Cost)</b>							
NMC 14300	85th St Enhanced Sidewalks and Multiuse Paths: I-405 to 120th Ave NE (SAP Scope 18A)	-	-	3,148,759	-	-	-
NMC 14700	I-405 / NE 85th St Shared Use Trails (SE Corner) to NE 80th St (SAP Scope 13C)	-	-	3,644,397	-	-	-
NMC 14800	NE 80th St/118th Ave NE (SAP Scope 2)	-	-	2,271,188	-	-	-
TRC 13100+	NE 80th Street/120th Avenue NE Intersection Improvements (SAP Scope 3)	-	-	-	-	2,509,471	-
TRC 14400	Modifications to 85th/120th Intersection (SAP Scope 5A)	-	-	2,565,655	-	-	-
TRC 14500	Lee Johnson East: NE 83rd St/120th Ave NE Signalized Access (SAP Scope 1)	-	-	2,696,854	-	-	-
<b>Subtotal Developer Provided (City Estimated Cost)</b>		-	-	14,326,853	-	2,509,471	-
<b>PW Transportation</b>							
NMC 00621	Street Levy - Neighborhood Safety Program Improvements	175,000	150,000	150,000	150,000	150,000	150,000
NMC 05700	Annual Sidewalk Maintenance Program	100,000	100,000	100,000	100,000	100,000	100,000
NMC 08700	Safer Routes to School Action Plans Implementation	2,050,000	2,050,000	550,000	550,000	550,000	550,000
NMC 08720	NE 131st Way/90th Ave NE Nonmotorized Impr. (97th Ave NE To NE 134th St) Scope & Design	330,000	-	-	-	-	-
NMC 10100	7Th Ave/NE 87th St Complete Street Improvements (Sap Scopes 10, P1, P3)	-	-	1,794,501	-	-	7,788,676
NMC 11010	Citywide Accessibility Improvements	50,000	100,000	50,000	100,000	50,000	100,000
NMC 11300	Stores to Shores	2,242,500	-	-	-	-	-
NMC 13100	116th Avenue NE Crosswalk Improvements at Kingsgate Park and Ride	-	200,000	-	-	-	-
NMC 13200	Trail Connection at Juanita Drive and NE 132nd St	-	-	-	855,000	-	-
NMC 13300	Safer Routes to School and Active Transportation Plan Implementation	-	4,200,000	5,600,000	5,600,000	5,600,000	-
NMC 13400	NE 128th Street Nonmotorized Improvements - 116th Ave to 120th Ave	-	-	1,035,000	-	-	-
NMC 13500	NE 124th Street Slater Avenue Crossing Improvements	150,000	-	-	-	-	-
NMC 13600	NE 132nd Street Slater Avenue Crossing Improvements	1,050,000	2,067,000	-	-	-	-
NMC 13700	Willows Road at East Trail Nonmotorized Improvements	230,000	-	-	-	-	-
NMC 13800	State Street at 7th Avenue Crosswalk Improvements	-	165,000	-	-	-	-
NMC 13900	116th Avenue Ne Sidewalk Improvements - 73rd Street to 75th Place	-	-	646,875	-	-	-
NMC 14200	I-405/NE 85Th St Shared Use Trails To 116Th Ave NE (Sap Scope 13A)	-	-	-	-	3,997,664	-
NMC 14400	85th Multimodal Improvements (Sap Scopes 18B, 18C, P2)	-	-	-	-	-	7,253,699
NMC 14500	116th Ped/Bike Access to I-405 Overcrossing (Sap Scope 19)	-	-	466,483	-	-	-
PTC 00400	108th Avenue NE Transit Queue Jump - Phase I	100,000	919,000	105,000	3,000,000	-	-
PTC 00500	108th Avenue Ne Transit Queue Jump - Phase II	100,000	919,000	105,000	4,000,000	-	-
STC 00600	Annual Street Preservation Program	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000
STC 00603	Street Levy Street Preservation	2,488,000	2,558,000	2,629,000	2,702,000	2,777,000	2,854,000
STC 00608	Local Road Maintenance	50,000	50,000	50,000	50,000	50,000	50,000

Project Number	2023-2028 Total	Current Revenue	Street Levy	Reserves/ Sinking Fund	Impact Fees	Debt	Secured External	Unsecured/ Other External	Funded through SAP Mechanisms*
NMC 14300	3,148,759	-	-	-	-	-	-	-	3,148,759
NMC 14700	3,644,397	-	-	-	-	-	-	-	3,644,397
NMC 14800	2,271,188	-	-	-	-	-	-	-	2,271,188
TRC 13100+	2,509,471	-	-	-	-	-	-	-	2,509,471
TRC 14400	2,565,655	-	-	-	-	-	-	-	2,565,655
TRC 14500	2,696,854	-	-	-	-	-	-	-	2,696,854
	16,836,324	-	-	-	-	-	-	-	16,836,324
NMC 00621	925,000	25,000	900,000	-	-	-	-	-	-
NMC 05700	600,000	600,000	-	-	-	-	-	-	-
NMC 08700	6,300,000	2,400,000	900,000	3,000,000	-	-	-	-	-
NMC 08720	330,000	330,000	-	-	-	-	-	-	-
NMC 10100	9,583,177	-	-	-	-	-	-	-	9,583,177
NMC 11010	450,000	450,000	-	-	-	-	-	-	-
NMC 11300	2,242,500	151,580	-	90,920	400,000	-	1,600,000	-	-
NMC 13100	200,000	35,000	-	-	-	-	165,000	-	-
NMC 13200	855,000	855,000	-	-	-	-	-	-	-
NMC 13300	21,000,000	-	-	-	-	21,000,000	-	-	-
NMC 13400	1,035,000	1,035,000	-	-	-	-	-	-	-
NMC 13500	150,000	-	-	150,000	-	-	-	-	-
NMC 13600	3,117,000	642,000	-	975,000	-	-	-	1,500,000	-
NMC 13700	230,000	30,180	-	-	-	-	199,820	-	-
NMC 13800	165,000	165,000	-	-	-	-	-	-	-
NMC 13900	646,875	646,875	-	-	-	-	-	-	-
NMC 14200	3,997,664	-	-	-	-	-	-	-	3,997,664
NMC 14400	7,253,699	-	-	-	-	-	-	-	7,253,699
NMC 14500	466,483	-	-	-	-	-	-	-	466,483
PTC 00400	4,124,000	324,000	-	100,000	-	-	-	3,700,000	-
PTC 00500	5,124,000	324,000	-	-	-	-	-	4,800,000	-
STC 00600	10,200,000	10,200,000	-	-	-	-	-	-	-
STC 00603	16,008,000	-	16,008,000	-	-	-	-	-	-
STC 00608	300,000	300,000	-	-	-	-	-	-	-

## 2023-2028 CAPITAL IMPROVEMENT PROGRAM TRANSPORTATION PROJECTS (CONTINUED)

### Funded Projects:

Project Number	Project Title	2023	2024	2025	2026	2027	2028
STC 05913	124th Avenue NE Roadway Improvements (North Section) Construction	2,250,000	-	-	-	-	-
STC 08000	Annual Striping Program	750,000	750,000	750,000	750,000	750,000	750,000
STC 08313	100th Avenue Ne Roadway Improvements - North Section	1,740,000	-	-	-	-	-
STC 08314	100th Avenue Ne Roadway Improvements - Mid-North Section	2,610,000	-	-	-	-	-
STC 08900	Juanita Drive Intersection and Safety Improvements	1,525,880	2,150,540	-	-	-	-
STC 10700	NE 85th Street Ped/Bike Connection 114th Ave NE To 6th St	5,870,000	-	-	-	-	-
STC 10800	NE 85th St & 6th St Westbound Transit Queue Jump	380,000	-	-	-	-	-
STC 10900	NE 85th St Eastbound Third Lane 120th Ave NE To 122nd Ave Ne	1,110,000	-	-	-	-	-
<b>STC 11100</b>	<b>Preservation 124th Ave 132nd St to 144th St</b>	-	-	<b>2,915,517</b>	-	-	-
<b>STC 11300</b>	<b>NE 85th St Station Area Transportation Implementation Plan (Design)</b>	-	<b>300,000</b>	-	-	-	-
STC 99990	Regional Inter-Agency Coordination	682,000	82,000	82,000	82,000	82,000	82,000
TRC 09800	NE 132nd Street / 116th Way NE (I-405) Intersection Improvements	810,000	-	-	-	-	-
TRC 11600	Annual Signal Maintenance Program	100,000	100,000	100,000	100,000	100,000	100,000
TRC 11700	Citywide Traffic Management Safety Improvements	100,000	-	100,000	-	100,000	-
TRC 11702	Vision Zero Safety Improvement	550,000	100,000	50,000	50,000	50,000	50,000
TRC 11703	Neighborhood Traffic Control	50,000	50,000	50,000	50,000	50,000	50,000
TRC 12000	Kirkland Intelligent Transportation System Phase 3	244,100	455,900	-	1,320,448	389,552	-
TRC 13000	NE 145th Street/Juanita-Woodinville Way Intersection Improvements	-	-	-	1,040,000	1,911,961	-
TRC 13700	Kirkland Ave/Lake St Intersection	637,320	-	-	-	-	-
TRC 13800	NE 100th Street/132nd Avenue NE Intersection Improvements	600,000	2,533,000	-	-	-	-
TRC 13900	NE 85th St/132nd Ave Ne Dual Left Turn Lanes-Design	-	1,007,555	-	-	-	-
TRC 14200	122nd Avenue NE at NE 70th Street Intersection Improvements	-	-	-	-	1,951,961	1,000,000
<b>TRC 14300</b>	<b>NE 85th Street (I-405) Intersection Improvements</b>	<b>373,000</b>	-	-	-	-	-
<b>Subtotal PW Transportation</b>		<b>31,197,800</b>	<b>22,706,995</b>	<b>19,029,376</b>	<b>22,199,448</b>	<b>20,360,138</b>	<b>22,578,375</b>
<b>Total Funded Transportation Projects</b>		<b>31,197,800</b>	<b>22,706,995</b>	<b>33,356,229</b>	<b>22,199,448</b>	<b>22,869,609</b>	<b>22,578,375</b>

#### Notes:

\*Transportation project costs noted as 'Funded Through SAP Mechanisms' may include revenue from developers, TIF, or grants.

*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

Project Number	2023-2028 Total	Current Revenue	Street Levy	Reserves/ Sinking Fund	Impact Fees	Debt	Secured External	Unsecured/ Other External	Funded through SAP Mechanisms*
STC 05913	2,250,000	650,000	-	-	1,600,000	-	-	-	-
STC 08000	4,500,000	4,500,000	-	-	-	-	-	-	-
STC 08313	1,740,000	-	-	1,740,000	-	-	-	-	-
STC 08314	2,610,000	-	-	2,610,000	-	-	-	-	-
STC 08900	3,676,420	1,200,540	-	475,880	2,000,000	-	-	-	-
STC 10700	5,870,000	-	-	-	-	-	5,870,000	-	-
STC 10800	380,000	-	-	-	-	-	380,000	-	-
STC 10900	1,110,000	-	-	-	-	-	1,110,000	-	-
<b>STC 11100</b>	<b>2,915,517</b>	<b>1,915,517</b>	-	-	-	-	-	<b>1,000,000</b>	-
<b>STC 11300</b>	<b>300,000</b>	-	-	<b>300,000</b>	-	-	-	-	-
STC 99990	1,092,000	492,000	-	600,000	-	-	-	-	-
TRC 09800	810,000	450,000	-	360,000	-	-	-	-	-
TRC 11600	600,000	600,000	-	-	-	-	-	-	-
TRC 11700	300,000	300,000	-	-	-	-	-	-	-
TRC 11702	850,000	350,000	-	-	-	-	500,000	-	-
TRC 11703	300,000	300,000	-	-	-	-	-	-	-
TRC 12000	2,410,000	2,410,000	-	-	-	-	-	-	-
TRC 13000	2,951,961	2,951,961	-	-	-	-	-	-	-
TRC 13700	637,320	637,320	-	-	-	-	-	-	-
TRC 13800	3,133,000	966,500	-	600,000	-	-	-	1,566,500	-
TRC 13900	1,007,555	1,007,555	-	-	-	-	-	-	-
TRC 14200	2,951,961	2,951,961	-	-	-	-	-	-	-
<b>TRC 14300</b>	<b>373,000</b>	<b>373,000</b>	-	-	-	-	-	-	-
	<b>138,072,132</b>	<b>40,569,989</b>	<b>17,808,000</b>	<b>11,001,800</b>	<b>4,000,000</b>	<b>21,000,000</b>	<b>9,824,820</b>	<b>12,566,500</b>	<b>21,301,023</b>
	<b>154,908,456</b>	<b>40,569,989</b>	<b>17,808,000</b>	<b>11,001,800</b>	<b>4,000,000</b>	<b>21,000,000</b>	<b>9,824,820</b>	<b>12,566,500</b>	<b>38,137,347</b>

## TRANSPORTATION PROJECTS

### Unfunded Projects in the Capital Facilities Plan Years 2029-2035:

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
STC 11200*	124th Ave NE Roadway Widening: NE 85th St to NE 90th St.	23,682,000
PTC 00200	Public Transit Speed and Reliability Improvements	500,000
PTC 00300	Public Transit Passenger Environment Improvements	500,000
NMC 01299	Crosswalk Upgrade Program	4,100,000
NMC 02600*	NE 90th Street Complete Street and Greenway	13,478,000
NMC 08630	CKC Roadway Crossings	3,370,100
NMC 09011	Juanita Drive Bicycle and Pedestrian Improvements	10,650,000
NMC 10500*	120th Avenue NE Improvements (85th St to 90th St)	874,000
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 12700	Juanita Drive Nonmotorized Improvements 79th Way NE to NE 120th St	680,000
NMC 15000*	122nd Ave NE Bike Route (NE 80th St to NE 90th St)	4,290,000
NMC 15100*	Shared Use Path (NE 120th Ave to NE 122nd Ave) at 83rd Street	1,105,000
NMC 15200*	NE 85th St Enhanced Sidewalks: 124th Ave NE to 126th Ave NE	4,401,000
NMC 15300*	NE 85th St Enhanced Sidewalks: 126th Ave NE to 128th Ave NE	5,661,000
NMC 15700*	NE 80th Street / 122nd Ave NE Intersection RRFB	795,000
NMC 88881	On-street Bicycle Network	3,280,000
NMC 99991	Sidewalk Completion Program	6,096,800
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 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
<b>Capacity Projects Subtotal</b>		<b>152,926,500</b>

## TRANSPORTATION PROJECTS

### Unfunded Projects in the Capital Facilities Plan Years 2029-2035, continued:

Project Number	Project Title	Total
STC 00600	Annual Street Preservation Program	11,900,000
STC 00603	Street Levy Street Preservation	22,321,000
STC 00608	Local Road Maintenance	350,000
STC 08000	Annual Striping Program	5,250,000
STC 99990	Regional Inter-Agency Coordination	574,000
NMC 00621	Street Levy - Neighborhood Safety Program Improvements	1,050,000
NMC 05700	Annual Sidewalk Maintenance Program	700,000
NMC 11010	Citywide Accessibility Improvements	500,000
TRC 11600	Annual Signal Maintenance Program	700,000
TRC 11700	Citywide Traffic Management Safety Improvements	300,000
TRC 11702	Vision Zero Safety Improvement	300,000
TRC 11703	Neighborhood Traffic Control	150,000
<b>Non-Capacity Projects Subtotal</b>		<b>44,095,000</b>
<b>Total Transportation Master Plan Projects Yrs 7-20</b>		<b>197,021,500</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 02412	Cross Kirkland Corridor Opportunity Fund	500,000
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 06300*	Kirkland Way Complete Street, includes Kirkland Way/CKC Bridge	22,500,000
NMC 07400	90th Ave NE Sidewalk	353,400
NMC 08000	Juanita-Kingsgate Pedestrian Bridge at I-405	4,500,000
NMC 08600	Cross Kirkland Corridor Non-motorized Improvements	65,742,000
NMC 087xx	19th Ave NE/4th St Sidewalks and Crossing of Market Street	2,443,500
NMC 087xx	Reflective Flashing Beacon at 106th Ave NE Crossing NE 68th St	134,800
NMC 087xx	NE 124th Street Sidewalk	462,000
NMC 10600	Citywide CKC Connections	360,000
NMC 10700	CKC to Downtown Surface Connection	2,000,000
NMC 14600*	I-405 / NE 85th Street Shared Use Trails (NE Corner) to Slater Ave NE	3,185,000

## TRANSPORTATION PROJECTS

### Unfunded Transportation Improvement Plan/External Funding Candidates, continued:

Project Number	Project Title	Total
NMC 14900*	116th Ave NE Complete Street (NE 87th St to NE 100th St)	4,087,000
NMC 15400*	Shared Use Trail Improvements, 5th Ave to Kirkland Way	6,670,000
NMC 15500*	5th Ave Greenway: 6th Street to 10th Street	18,000
NMC 15600*	6th Street Widened Sidewalks, Kirkland Way to NE 85th Street	2,880,000
NMC 15800*	6th and NE 85th St Protected Intersection	1,562,000
NMC 15900*	6th and Kirkland Way Protected Intersection	1,562,000
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>232,969,800</b>
<b>Grand Total Unfunded Transportation Projects</b>		<b>429,991,300</b>

Notes:

*Italics = Modification in timing and/or cost*

\* = Part of the NE 85th Station Area Plan

**Bold = New projects**

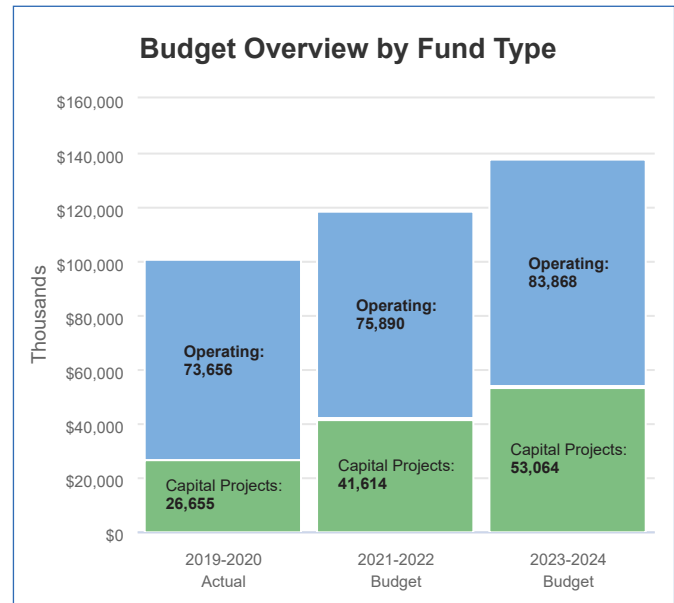
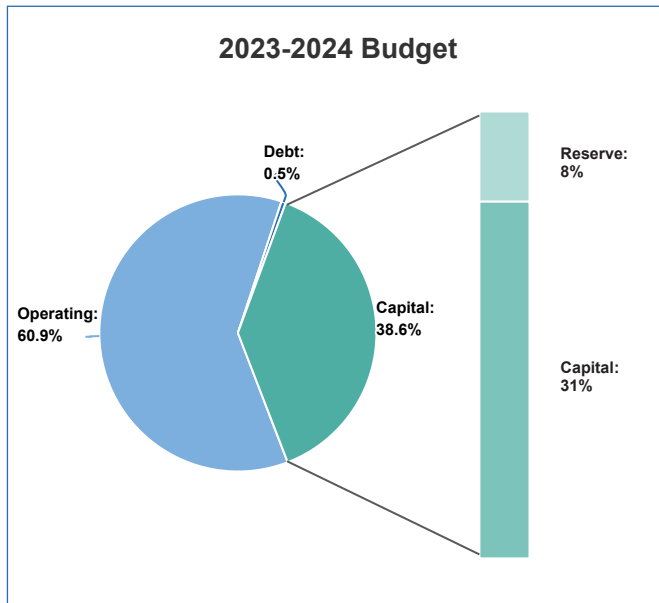
# Water/Sewer Utility





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## 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

	2019-2020 Actual	2021-2022 Budget	2023-2024 Budget	Change
<b>Operating Fund</b>				
Water/Sewer Operating Fund	73,655,833	75,889,834	83,868,206	10.51%
<b>Total Operating Funds</b>	<b>73,655,833</b>	<b>75,889,834</b>	<b>83,868,206</b>	<b>10.51%</b>
<b>Non-Operating Funds</b>				
Water/Sewer Debt Service Fund	83,048	798,683	687,971	(13.86%)
Utility Capital Projects Fund	26,655,074	41,614,089	53,064,211	27.52%
<b>Total Non-Operating Funds</b>	<b>26,738,121</b>	<b>42,412,772</b>	<b>53,752,182</b>	<b>26.74%</b>
<b>Total Water/Sewer Utility Funds</b>	<b>100,393,955</b>	<b>118,302,606</b>	<b>137,620,388</b>	<b>16.33%</b>

## CHANGE IN FUND BALANCE (BEGINNING 2021 TO ENDING 2024)

### WATER/SEWER UTILITY FUNDS

	Water/Sewer Operating <sup>(1)</sup>	Non-Operating		Total
	Water/Sewer Debt Service <sup>(2)</sup>	Utility Capital Projects <sup>(3)</sup>		
<b>2021 Actual Beginning Fund Balance</b>	<b>10,584,653</b>	<b>41,713</b>	<b>19,348,509</b>	<b>29,974,875</b>
Reserved	3,531,652	41,713	4,541,700	8,115,065
Unreserved Working Capital	7,053,001	-	14,806,809	21,859,810
Plus: 2021-22 Estimated Revenues	64,484,354	755,965	21,119,038	86,359,358
Less: 2021-22 Estimated Expenditures	63,380,827	756,970	6,302,368	70,440,165
Less: 2022 Estimated Carryovers	50,000	-	-	50,000
<b>2022 Estimated Ending/2023 Budgeted Beginning Fund Balance</b>	<b>11,638,180</b>	<b>40,708</b>	<b>34,165,179</b>	<b>45,844,068</b>
Plus: 2023-24 Budgeted Revenues <sup>(4)</sup>	72,230,026	647,263	19,416,267	92,293,556
Less: 2023-24 Budgeted Expenditures	74,900,876	647,263	42,080,165	117,628,304
<b>2024 Budgeted Ending Fund Balance</b>	<b>8,967,330</b>	<b>40,708</b>	<b>11,501,281</b>	<b>20,509,320</b>
Reserved	4,114,637	40,708	6,456,035	10,611,380
Unreserved Working Capital	4,852,693	-	5,045,246	9,897,939
<b>Change in Fund Balance:</b>				
<b>Beginning 2021 to Ending 2024</b>	<b>(1,617,323)</b>	<b>(1,005)</b>	<b>(7,847,228)</b>	<b>(9,465,555)</b>

#### Notes:

<sup>(1)</sup> The decrease in fund balance in the Operating Fund is due to the combined effect of expenditure savings in 2021-2022 as well as 2023-2024 utility rates set to meet needs of the system by using accumulated fund balance. The 2023-2024 rates increased 4% in Water and 6.5% in Sewer.

<sup>(2)</sup> Debt service reserve has decreased due to budgeted transfers below expenses in 2021-2022 related to conservative rounding for cash flow purposes, which is reflected in the decrease in balance in the Debt Service Fund.

<sup>(3)</sup> The reduction in fund balance of the Utility Capital Projects Fund is due to the completion of capital projects that were funded but not constructed in prior years. The water/sewer construction reserve within the Utility Capital Projects Fund accumulates resources for future projects.

<sup>(4)</sup> Budgeted revenues do not directly match revenues shown in the 2023-2024 CIP as the budget may include full revenues received but not amounts transferred to project budgets.

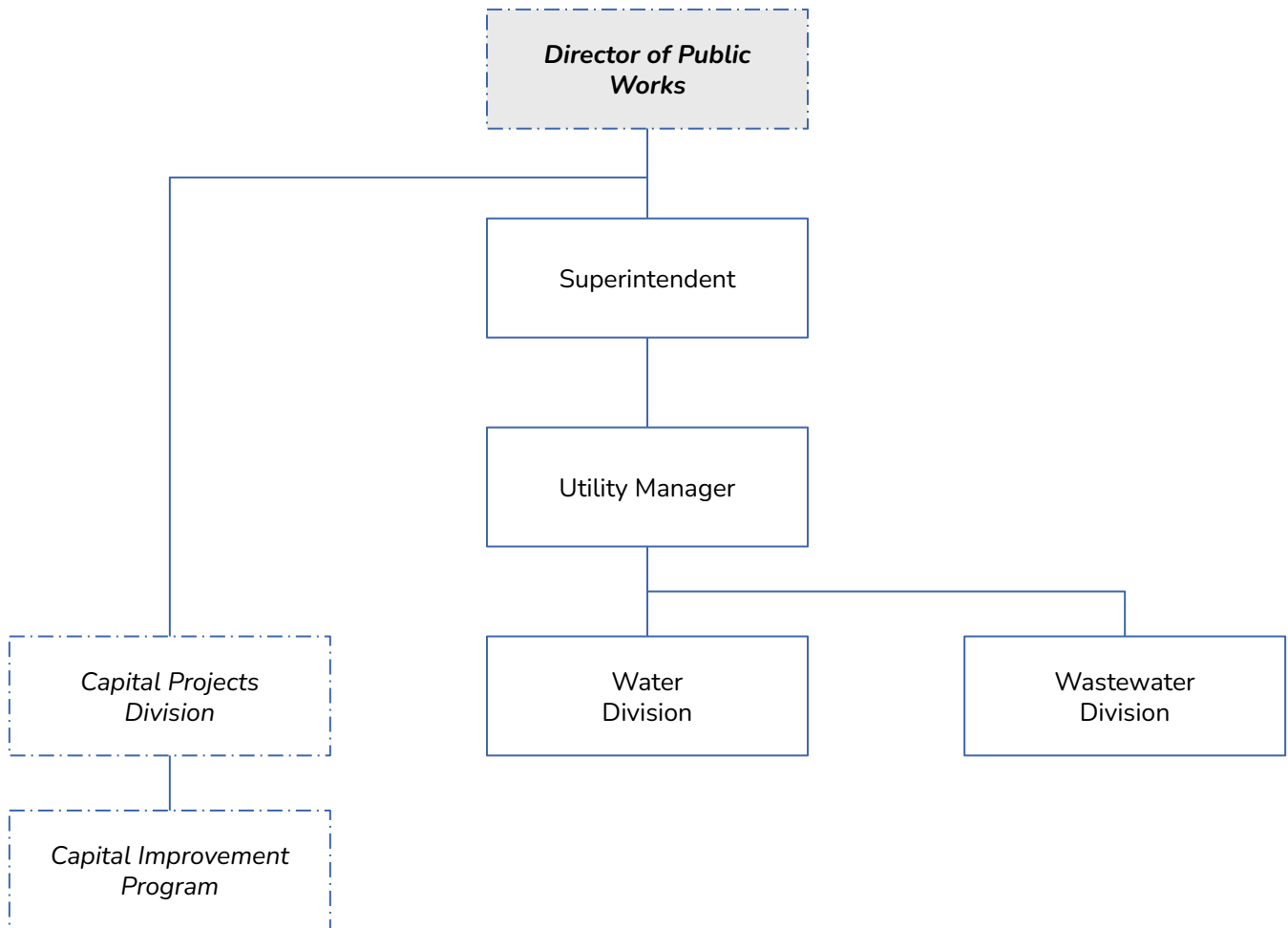


# Water/Sewer Operating



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# Water/Sewer Operating



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



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# Water/Sewer Operating

## Department Overview

### 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 180 miles of water mains, 78 pressure reducing stations (PRVs), three water supply/pump stations, two water reservoirs, over 1,924 fire hydrants, more than 13,140 water service connections, and 5,300 backflow prevention assemblies. The Wastewater Division operates, maintains, and repairs 137 miles of sewer mains, over 3,373 manholes, six sewer lift stations, and collects wastewater from more than 11,338 side sewer connections.

The Water/Sewer utility provides for the operation, repair, and replacement of water and wastewater infrastructure.

Major projects that allow the City to meet its water and wastewater 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

#### COMMUNITY SAFETY

- Convert 0.5 FTE current Senior Craftsperson – Pretreatment Tech (PCN 541) to 1.0 FTE Water Quality Specialist position to maintain the Fats, Oils and Grease Program in wastewater and add support to the expanding Cross Connection Control Program (CCCP) in water, \$168,828 ongoing, \$49,000 one-time.
- Funding to replace outdated and non-serviceable components of the City's SCADA System, \$380,000 one-time.
- Funding for a valve twister/cleaner combo skid to help reduce employee's risk of injury, increase valve life, and increase efficiency and productivity, \$30,200 ongoing, \$80,000 one-time.

#### SUSTAINABLE ENVIRONMENT

- Establish adequate 2023-24 rates for the Water and Sewer utilities to invest in maintaining and enhancing services to provide safe drinking water and treat wastewater, resulting in:
  - \$4.0 million increase in Sewer rate revenues
  - \$2.2 million increase in Water rate revenues
- Provide financing for Sewer utility CIP projects totaling \$13.7 million for 2023-2024, including \$7.1 million for West of Market Sewermain Replacement - Phase 1 and \$2.8 million for NE 108<sup>th</sup> Street Sewermain Replacement.

#### DEPENDABLE INFRASTRUCTURE

- Finance Water utility CIP projects totaling \$11.1 million for 2023-2024 (\$1.3 million in external funding), including \$6.3 million for the South Reservoir Seismic & Recoating Construction and \$3.6 million for NE 73<sup>rd</sup> Street Watermain Replacement.
- Add 1.0 FTE Utility Craftsperson (Meter Reader/Locator) and vehicle to meet the increased workload for utility locates and meter reads as well as grow the division's ability to meet the goals written in the Water

## Water/Sewer Operating

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Comprehensive Plan, \$269,431 ongoing, \$67,776 one-time (funding split between Streets, Water/Sewer Operating and Surface Water Management funds).

- Funding for a consultant to model and propose infrastructure locations and ownership between Kirkland and Redmond along the full 132<sup>nd</sup> Ave NE corridor to prevent duplicate sewer infrastructure while planning to reach unsewered properties, \$60,000 one-time.
- Funding for consultants to update both the 2025 General Sewer Plan and 2025 Water System Plan, \$360,000 one-time and \$320,000 one-time respectively.
- Funding for a consultant to assist staff in meeting requirements of the Lead and Copper Rule Revisions (LCRR), \$80,000 one-time.
- Replacement upgrades to increase efficiency, functionality and productivity for the following vehicles:
  - PU-77 Replacement (2009 Ford F350 Utility Pick-up), \$39,800 ongoing, \$50,000 one-time.
  - PU-78 (2009 Ford F350 Utility Pick-up), \$53,400 ongoing, \$111,000 one-time.
  - PU-108 Replacement (2012 Chevrolet Colorado Extended Cab 2WD), \$27,800 ongoing, \$64,200 one-time.

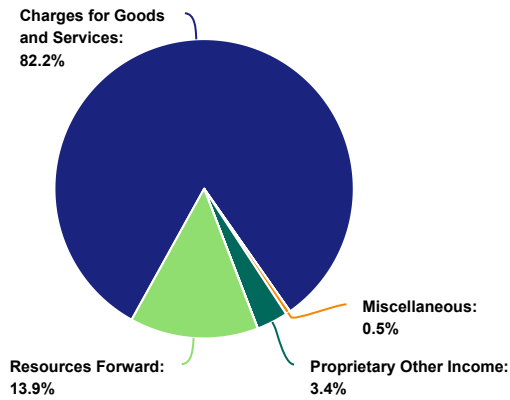
### **SUPPORTIVE HUMAN SERVICES**

- Expand Low Income Utility Discount Program to support residents for whom paying their utility bills is a significant cost, especially in light of recent utility rate increases, \$680,000 one-time (funding split between General Fund, Water/Sewer Operating and Solid Waste Fund).

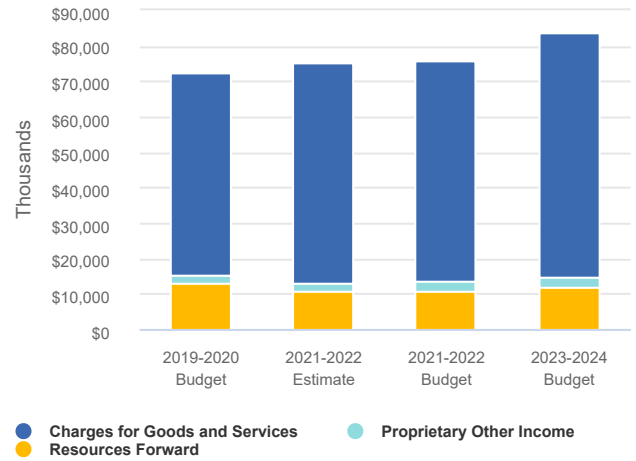
# Water/Sewer Operating

## Financial Overview

Sources of Funds



Revenues by Type



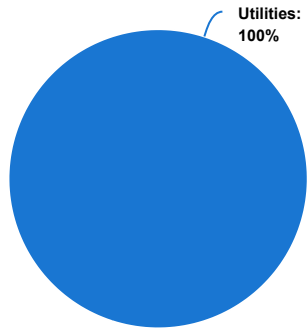
## REVENUE SUMMARY BY TYPE

	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
Charges for Goods and Services	56,870,912	61,866,424	62,045,617	68,959,573	11.14%
Miscellaneous	547,917	390,539	418,853	411,167	(1.84%)
Proprietary Other Income	2,273,524	2,127,545	2,740,865	2,859,286	4.32%
Interfund Transfers	-	99,846	99,846	-	(100.00%)
Resources Forward	12,744,565	10,584,653	10,584,653	11,638,180	9.95%
<b>TOTAL</b>	<b>72,436,918</b>	<b>75,069,007</b>	<b>75,889,834</b>	<b>83,868,206</b>	<b>10.51%</b>

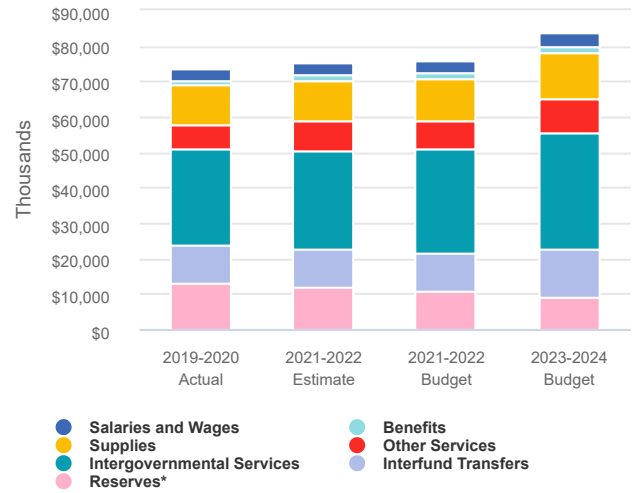
# Water/Sewer Operating

## Financial Overview

**Budget by Division**



**Expenditures by Category**



### EXPENDITURE SUMMARY BY CATEGORY

	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
Salaries and Wages	3,217,626	3,293,337	3,482,937	3,903,223	12.07%
Benefits	1,402,707	1,708,268	1,782,358	1,906,852	6.98%
Supplies	11,119,874	11,375,381	11,522,027	12,905,852	12.01%
Other Services	7,160,679	8,178,736	7,951,636	9,612,857	20.89%
Intergovernmental Services	27,058,409	28,090,240	29,583,754	33,028,201	11.64%
Capital Outlay	756	1,276	113,178	91,178	(19.44%)
Interfund Transfers	10,906,804	10,733,589	10,573,064	13,452,713	27.24%
Reserves*	12,788,978	11,688,181	10,880,880	8,967,330	(17.59%)
<b>TOTAL</b>	<b>73,655,833</b>	<b>75,069,008</b>	<b>75,889,834</b>	<b>83,868,206</b>	<b>10.51%</b>

### EXPENDITURE SUMMARY BY DIVISION

	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
Utilities	73,655,833	75,069,008	75,889,834	83,868,206	10.51%
<b>TOTAL</b>	<b>73,655,833</b>	<b>75,069,008</b>	<b>75,889,834</b>	<b>83,868,206</b>	<b>10.51%</b>

\* 2019-2020 Actual and 2021-2022 Estimate reserves are budgeted, but not spent

# Water/Sewer Operating

## 2023-2024 Position Summary

### POSITION SUMMARY BY CLASSIFICATION

Classification	2021-2022 Positions	Additions/ Reductions	2023-2024 Positions	Budgeted 2023 Salary Range
DEPUTY DIRECTOR PUBLIC WORKS	0.25	-	0.25	139,083 - 181,472
PUBLIC WORKS SUPERINTENDENT	0.45	-	0.45	129,980 - 169,595
UTILITY MANAGER	0.40	-	0.40	114,762 - 149,739
WATER AND WASTEWATER SUPERVISOR	1.00	-	1.00	106,339 - 138,748
MANAGEMENT ANALYST	0.50	-	0.50	84,057 - 98,890
WATER QUALITY SPECIALIST	-	1.00	1.00	80,633 - 94,879
LEADPERSON - WATER LEAD	1.00	-	1.00	77,127 - 93,067
LEADPERSON - WASTE WATER LEAD	1.00	-	1.00	77,127 - 93,067
SENIOR CRAFTSPERSON	0.50	(0.50)	-	68,623 - 83,579
SENIOR MAINTENANCE	4.00	-	4.00	68,623 - 83,579
YARD MAINTENANCE AND INVENTORY CONTROL	0.45	-	0.45	68,623 - 83,579
ENGINEERING TECHNICIAN	0.40	-	0.40	70,644 - 83,112
CROSS CONNECTION SPECIALIST	1.00	-	1.00	70,007 - 82,364
SENIOR ACCOUNTING ASSOCIATE	0.70	-	0.70	69,473 - 81,733
UTILITY CRAFTSPERSON	1.75	0.65	2.40	65,532 - 77,100
GROUNDS TECHNICIAN	0.10	-	0.10	55,894 - 70,054
UTILITYPERSON	8.10	-	8.10	55,894 - 70,054
OFFICE SPECIALIST	1.16	-	1.16	55,795 - 65,641
<b>TOTAL</b>	<b>22.76</b>	<b>1.15</b>	<b>23.91</b>	

### POSITION SUMMARY BY DIVISION

Classification	2021-2022 Positions	Additions/ Reductions	2023-2024 Positions
Utilities	22.76	1.15	23.91
<b>TOTAL</b>	<b>22.76</b>	<b>1.15</b>	<b>23.91</b>

# Water/Sewer Operating

## WATER/SEWER OPERATING FUND REVENUES

	Object	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Percent Change
<b>Charges for Goods and Services</b>						
Interfund-Gen	341963	1,296	13,210	10,355	3,474	(66.45%)
Gen Government Srvc	341971	138,017	128,945	133,725	136,413	2.01%
Hydrant Rent	341972	604,130	733,805	733,805	755,765	2.99%
Residential Water Sales	343401	12,659,153	13,968,187	13,397,781	14,570,518	8.75%
Multi-Family Water	343403	5,817,090	6,340,732	6,350,567	6,906,446	8.75%
Comm Water Sales	343404	4,392,999	4,930,098	5,149,156	5,599,873	8.75%
Water Srvc-Penalty	343405	60,571	33,606	123,438	125,919	2.01%
Eff Utility Tax Water	343408	3,029,489	3,368,219	3,331,286	3,622,881	8.75%
Residential Sewer Srvc -City	343501	17,001,298	17,957,265	17,657,320	20,084,324	13.75%
MF Sewer Srvc	343503	6,065,831	6,532,948	6,386,167	7,252,661	13.57%
Comm Sewer-City	343505	3,943,102	4,463,717	5,124,119	5,819,375	13.57%
Sewer Srvc Penlty	343507	83,252	54,493	154,223	157,323	2.01%
Eff Utility Tax Sewer	343508	2,830,480	3,035,571	3,062,599	3,481,418	13.68%
Misc Utility Rev	343891	120,731	172,851	225,353	233,326	3.54%
Water Off On Charge	343901	75,133	82,070	164,587	167,895	2.01%
Final Bill Fee	343903	48,339	50,706	41,136	41,962	2.01%
<b>Total for Charges for Goods and Services</b>		<b>56,870,912</b>	<b>61,866,424</b>	<b>62,045,617</b>	<b>68,959,573</b>	<b>11.14%</b>
<b>Miscellaneous Revenues</b>						
Investment Interest	361111	413,657	257,545	293,088	280,915	(4.15%)
Facility Leases Other	362502	123,950	98,555	76,624	80,506	5.07%
Sales of Surplus	369101	7,175	17,174	27,959	28,948	3.54%
Other Judgements	369401	-	15,957	20,151	20,137	(0.07%)
Other Misc Rev	369910	3,136	1,308	1,031	661	(35.89%)
<b>Total for Miscellaneous Revenues</b>		<b>547,917</b>	<b>390,539</b>	<b>418,853</b>	<b>411,167</b>	<b>(1.84%)</b>
<b>Proprietary Other Income</b>						
Ins Recovery Prop	372001	6,553	(9,347)	-	642	
Gain Loss	373001	(53,348)	-	-	-	
Reg Water Connection	379103	2,320,319	2,136,893	2,740,865	2,858,644	4.30%
<b>Total for Proprietary Other Income</b>		<b>2,273,524</b>	<b>2,127,545</b>	<b>2,740,865</b>	<b>2,859,286</b>	<b>4.32%</b>
<b>Other Financing Sources</b>						
Operating Transfers In	397101	-	99,846	99,846	-	(100.00%)
Resources Forward	399991	12,744,565	10,584,653	10,584,653	11,638,180	9.95%
<b>Total for Other Financing Sources</b>		<b>12,744,565</b>	<b>10,684,499</b>	<b>10,684,499</b>	<b>11,638,180</b>	<b>8.93%</b>
<b>Fund Total</b>		<b>72,436,918</b>	<b>75,069,007</b>	<b>75,889,834</b>	<b>83,868,206</b>	<b>10.51%</b>



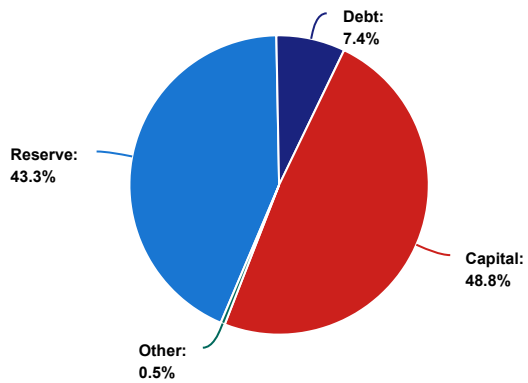
**Water/Sewer  
Non-Operating**



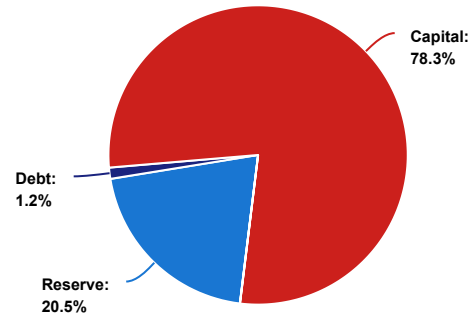
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## WATER/SEWER UTILITY NON-OPERATING

2021-2022 Budget by Purpose



2023-2024 Budget by Purpose



## 2021-2022 BUDGET BY PURPOSE

Fund	2021-2022 Budget	Budget by Purpose			
		Reserve	Debt	Capital	Other
Water Sewer Debt Service	798,683	41,713	756,970	-	-
Water Sewer Construction	41,614,089	18,332,204	2,400,000	20,681,885	200,000
<b>Total Non-Operating Funds</b>	<b>42,412,772</b>	<b>18,373,917</b>	<b>3,156,970</b>	<b>20,681,885</b>	<b>200,000</b>

## 2023-2024 BUDGET BY PURPOSE

Fund	2023-2024 Budget	Budget by Purpose			
		Reserve	Debt	Capital	Other
Water Sewer Debt Service	687,971	40,708	647,263	-	-
Water Sewer Construction	53,064,211	10,984,046	-	42,080,165	-
<b>Total Non-Operating Funds</b>	<b>53,752,182</b>	<b>11,024,754</b>	<b>647,263</b>	<b>42,080,165</b>	<b>-</b>

## Water/Sewer Utility Debt Service Fund

There are two types of debt generally issued by the City for utility purposes:

- **Revenue Bonds** represent debt that is repaid from a designated revenue source such as fees. The City uses revenue bonds to pay for improvements related to the water and sewer utility. The annual debt service requirements of revenue bond issues are incorporated into the water and sewer rates which are paid bi-monthly by utility customers. Currently, the City has no revenue bonds outstanding.
- **Local Improvement District (LID) Bonds** represent debt that is repaid by the property owners who benefited from the capital improvement through annual assessments paid to the City. LIDs are formed by the City Council after a majority of property owners agree to the assessment. Currently the City has no LID Bonds outstanding.

In addition to bonds, the City can take advantage of low interest loans from the state's **Public Works Trust Fund**. Loans for approved projects are granted with interest rates ranging from one-half to three percent depending on the amount of the City's matching funds. Loans are awarded through a competitive process. At this time, the City has two 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.*

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.

For Kirkland's general obligation debt, S&P affirmed the City's AAA rating on May 17, 2021, which is the highest rating. On May 14, 2021, Moody's affirmed Kirkland's Aaa rating on the City's outstanding general obligation debt.

Once bonds are rated, the City enters the bond market to secure the necessary funding. The proceeds (cash) received from selling the bonds are placed in the Utility Capital Projects Fund to account for the cost of constructing the capital improvement. The Water/Sewer Utility Debt Service Fund was created to track the principal and interest payments for all utility-related debt and required reserves. Each year a sufficient amount of revenue is budgeted and placed in the fund to pay the annual principal and interest due.

**WATER/SEWER UTILITY  
DEBT SERVICE FUNDS  
2023-2024 PAYMENT AND RESERVE SUMMARY**

**2021-2022 Budget**

Fund	Payment		Reserve	Total
	Principal	Interest		
Water/Sewer Debt Service	725,259	31,711	41,713	798,683
<b>Total Debt Service Funds</b>	<b>725,259</b>	<b>31,711</b>	<b>41,713</b>	<b>798,683</b>

**2023-2024 Budget**

Fund	Payment		Reserve	Total
	Principal	Interest		
Water/Sewer Debt Service	622,290	24,973	40,708	687,971
<b>Total Debt Service Funds</b>	<b>622,290</b>	<b>24,973</b>	<b>40,708</b>	<b>687,971</b>

**2004 PUBLIC WORKS TRUST FUND LOAN****Purpose: Central Way Sewer Replacement**Amount of Loan \$ 1,086,300Initial Loan Draw 9/01/04Net Interest Rate 0.500%**DEBT SERVICE SCHEDULE**

Year	Interest Amount	Interest Rate	Maturity Date	Principal Amount	Total Payment	Principal Balance
2004						217,260 *
2005	757	0.50%	7/1/2005	-	757	1,031,985 *
2006	3,738	0.50%	7/1/2006	54,315	58,053	977,670
2007	4,888	0.50%	7/1/2007	57,333	62,221	974,653
2008	4,873	0.50%	7/1/2008	57,333	62,206	917,320
2009	4,587	0.50%	7/1/2009	57,333	61,919	859,988
2010	4,300	0.50%	7/1/2010	57,333	61,632	802,655
2011	4,013	0.50%	7/1/2011	57,333	61,346	745,323
2012	3,727	0.50%	7/1/2012	57,333	61,059	687,990
2013	3,440	0.50%	7/1/2013	57,333	60,772	630,658
2014	3,153	0.50%	7/1/2014	57,333	60,486	573,325
2015	2,867	0.50%	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	-
<b>Totals</b>	<b>53,243</b>			<b>1,086,300</b>	<b>1,139,543</b>	

\* Initial draw \$217,260 in 2004, balance drawn down in 2005

**2013 PUBLIC WORKS TRUST FUND LOAN****Purpose: NE 80<sup>th</sup> Street Sewer/Water Main Replacement**

Amount of Loan \$ 4,038,000

Initial Loan Draw 6/06/13

Net Interest Rate 0.500%

**DEBT SERVICE SCHEDULE**

Year	Interest Amount	Interest Rate	Maturity Date	Principal Amount	Total Payment	Principal Balance
2013						26,843 *
2014	125	0.50%	6/1/2014	5,511	5,635	21,333
2014			Draws	150,679		172,011
2015	739	0.50%	6/1/2015	9,556	10,295	162,455
2015			Draws	172,725		335,180
2016	1,425	0.50%	6/1/2016	19,717	21,141	315,464
2016			Draws	2,993,002		3,308,466
2017	9,382	0.50%	6/1/2017	206,779	216,161	3,101,687
2017			Draws	544,351		3,646,037
2018	16,597	0.50%	6/1/2018	243,069	259,666	3,402,968
2018			Draws	150,400		3,553,368
2019	17,301	0.50%	6/1/2019	253,812	271,113	3,299,556
2020	16,498	0.50%	6/1/2020	253,812	270,310	3,045,744
2021	15,229	0.50%	6/1/2021	253,812	269,041	2,791,932
2022	13,960	0.50%	6/1/2022	253,812	267,772	2,538,120
2023	12,691	0.50%	6/1/2023	253,812	266,503	2,284,308
2024	11,422	0.50%	6/1/2024	253,812	265,234	2,030,496
2025	10,152	0.50%	6/1/2025	253,812	263,965	1,776,684
2026	8,883	0.50%	6/1/2026	253,812	262,695	1,522,872
2027	7,614	0.50%	6/1/2027	253,812	261,426	1,269,060
2028	6,345	0.50%	6/1/2028	253,812	260,157	1,015,248
2029	5,076	0.50%	6/1/2029	253,812	258,888	761,436
2030	3,807	0.50%	6/1/2030	253,812	257,619	507,624
2031	2,538	0.50%	6/1/2031	253,812	256,350	253,812
2032	1,269	0.50%	6/1/2032	253,812	255,081	-
<b>Totals</b>	<b>161,053</b>			<b>4,038,000</b>	<b>4,199,052</b>	

\* Initial draw in 2013, balance expected to be drawn throughout 2018



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## Water/Sewer Utility Capital Projects Fund

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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 consists of depreciation funding from a portion of utility rates and connection charges paid by new customers connecting to the City's water and sewer systems, providing a one-time solution to address short term or time-limited funding needs.

## CAPITAL IMPROVEMENT PROGRAM

### 2023-2024 BUDGET

#### Water/Sewer Utility Capital Projects Fund (413)

Project Category/ Project Title	Project Number	Funding Source	2023 Budget	2024 Budget	Total 2023-2024 Budget	Additional Annual Maintenance & Operations	
						2023	2024
Utilities							
Water							
South Reservoir Seismic & Recoating Construction	WAC 12900	Water & Sewer Rates/ Connection Fees/ External	6,300,000	-	6,300,000	-	-
NE 73rd Street Watermain Replacement	WAC 13700	Water & Sewer Rates/ Water & Sewer Reserves	855,485	2,709,515	3,565,000	-	-
8th Avenue W Watermain Improvement	WAC 15700	Water & Sewer Rates	721,964	-	721,964	-	-
126th Avenue NE Watermain Improvement	WAC 16000	Water & Sewer Reserves	400,000	-	400,000	-	-
122nd Ave at NE 85th St Waterline Improvement	WAC 17000	Water & Sewer Rates	150,000	-	150,000	-	-
Total Water			8,427,449	2,709,515	11,136,964	-	-
Sewer							
Trend Lift Station	SSC 00600	Connection Fees/Water & Sewer Rates	550,000	1,680,600	2,230,600	-	-
NE 108th Street Sewermain Replacement	SSC 00620	Water & Sewer Rates	-	2,862,400	2,862,400	-	-
West of Market Sewermain Replacement - Phase 1	SSC 07710	Water & Sewer Rates	4,317,600	2,812,500	7,130,100	-	-
8th Avenue W Sewermain Improvement	SSC 08600	Connection Fees/Water & Sewer Rates	1,518,000	-	1,518,000	-	-
Total Sewer			6,385,600	7,355,500	13,741,100	-	-
Total Water/Sewer Capital Projects Fund			14,813,049	10,065,015	24,878,064	-	-



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## 2023-2028 CAPITAL IMPROVEMENT PROGRAM

### WATER/SEWER UTILITY PROJECTS

#### Funded Projects:

Project Number	Project Title	2023	2024	2025	2026	2027
SSC 00600	Trend Lift Station	550,000	1,680,600	-	-	-
SSC 06200	NE 108th Street Sewermain Replacement	-	2,862,400	3,526,100	1,354,000	-
SSC 07710	West Of Market Sewermain Replacement - Phase 1	4,317,600	2,812,500	3,069,900	-	-
<b>SSC 07799</b>	<b>West Of Market Sewermain Replacement - Phase 2+</b>	-	-	-	-	4,000,000
SSC 08600	8th Avenue W Sewermain Improvement	1,518,000	-	-	-	-
<b>SSC 08900</b>	<b>NE 85th St And I-405 Sewermain Capacity Enhancements Under I-405</b>	-	-	-	<b>4,800,000</b>	<b>11,304,720</b>
<b>SSC 09000</b>	<b>Lake Washington Blvd Sewermain Replacement</b>	-	-	<b>1,349,000</b>	<b>3,573,400</b>	-
WAC 05700	116th Avenue NE Watermain Replacement	-	-	-	454,374	2,728,206
WAC 12900	South Reservoir Seismic And Recoating Construction	6,300,000	-	-	-	-
WAC 13700	NE 73rd Street Watermain Replacement	855,485	2,709,515	-	-	-
WAC 14900	Lake Washington Blvd Watermain Replacement	-	-	600,000	1,819,226	-
WAC 15700	8th Avenue W Watermain Improvement	721,964	-	-	-	-
WAC 16000	126th Avenue NE Watermain Improvement	400,000	-	-	-	-
WAC 16400	NE 116th Place Watermain Replacement	-	-	-	-	241,569
WAC 16700	11th Avenue Watermain Replacement	-	-	-	-	476,100
WAC 16800	11th Place Watermain Replacement	-	-	-	-	672,750
WAC 17000	122nd Ave At NE 85th St Waterline Improvement	150,000	-	-	-	-
<b>Total Funded Water/Sewer Utility Projects</b>		<b>14,813,049</b>	<b>10,065,015</b>	<b>8,545,000</b>	<b>12,001,000</b>	<b>19,423,345</b>

#### Notes:

*Italics = Modification in timing and/or cost*

**Bold = New projects**

Project Number	2028	2023-2028 Total	Utility Funds	Reserves / Sinking fund	Debt	External	Funded through SAP Mechanisms
SSC 00600	-	2,230,600	2,230,600	-	-	-	-
SSC 06200	-	7,742,500	7,742,500	-	-	-	-
SSC 07710	-	10,200,000	1,744,451	8,455,549	-	-	-
<b>SSC 07799</b>	<b>4,000,000</b>	<b>8,000,000</b>	-	-	<b>8,000,000</b>	-	-
SSC 08600	-	1,518,000	1,518,000	-	-	-	-
<b>SSC 08900</b>	-	<b>16,104,720</b>	-	-	-	-	<b>16,104,720</b>
<b>SSC 09000</b>	-	<b>4,922,400</b>	<b>4,922,400</b>	-	-	-	-
WAC 05700	-	3,182,580	3,182,580	-	-	-	-
WAC 12900	-	6,300,000	2,300,000	2,682,000	-	1,318,000	-
WAC 13700	-	3,565,000	3,029,485	535,515	-	-	-
WAC 14900	-	2,419,226	2,419,226	-	-	-	-
WAC 15700	-	721,964	721,964	-	-	-	-
WAC 16000	-	400,000	-	400,000	-	-	-
WAC 16400	-	241,569	241,569	-	-	-	-
WAC 16700	-	476,100	476,100	-	-	-	-
WAC 16800	-	672,750	672,750	-	-	-	-
WAC 17000	-	150,000	150,000	-	-	-	-
	<b>4,000,000</b>	<b>68,847,409</b>	<b>31,351,625</b>	<b>12,073,064</b>	<b>8,000,000</b>	<b>1,318,000</b>	<b>16,104,720</b>

## WATER/SEWER UTILITY PROJECTS

### Unfunded Water Projects through 2035:

Project Number	Project Title	Total
WAC 06700	North Reservoir Pump Replacement	796,843
WAC 09800	126th Ave NE/NE 83rd & 84th St/128th Ave NE Watermain Replacement	1,052,971
WAC 10300	NE 113th Place/106th Ave NE Watermain Replacement	1,095,041
WAC 12600	North Reservoir Outlet Meter Addition	98,987
WAC 12700	650 Booster Pump Station	2,086,145
WAC 12800	106th Ave NE-110th Ave NE/NE 116th St-NE 120th St Watermain Replacement	2,996,823
WAC 13000	11th Place Watermain Replacement	444,203
WAC 13100	Supply Station #1 Improvements	84,139
WAC 16500	3rd Street Watermain Replacement - Phase 2	669,398
WAC 17100	124th Ave NE from NE 85th St to Honda of Kirkland	264,789
WAC 17300	122nd Ave NE from NE 85th St to NE 90th St	1,163,094
WAC 17700	6th St, Central Ave, and 6th Ave from 15th Ave to 7th Ave	2,245,761
WAC 17800	8th St from 7th Ave to 12th Ave	862,422
WAC 17900	7th Ave from 3rd St to 8th St	970,069
WAC 18100	12519 NE 85th St from 124th Ave NE to 126th Ave NE	390,998
WAC 18200	124th Ave NE from NE 85th St to NE 80th St	501,120
WAC 18300	8244 122nd Ave NE from 122nd NE to dead end	639,702
WAC 18500	118th Ave NE from NE 80th St to 120th Ave NE	947,797
WAC 18600	118th Ct NE from NE 80th St to dead end	220,246
WAC 19200	9th Ave S from 6th St S to 112th Ave NE	493,696
WAC 19300	5th Ave from 4th St to 1st St	567,936
WAC 19400	2nd Ave S from ~5th St S to Lake St S	608,768
WAC 19500	NE 124th St from ~123rd to 120th Pl NE	186,837
WAC 19600	NE 109th St from 104th Ave NE to End of Road	193,024
WAC 19700	4th St from 19th Ave to 15th Ave	639,702
WAC 19800	11th Ave from 8th St to 6th St	311,808
WAC 19900	NE 120th St from 129th Ln NE to Slater Ave NE	723,840
WAC 20000	1st St from 14th Ave to 11th Ave	962,646
WAC 20100	110th Ave NE from NE 112th St to Cul-de-Sac	225,195
WAC 20200	NE 48th Pl from 106th Ave NE to End of Road	124,970
WAC 20300	NE 80th St from 132nd Ave NE to 124th Ave NE	3,509,079
WAC 20400	2nd St S from 1st Ave S to 5th Ave S	397,184
WAC 20500	4th Ave from 5th St to 2nd St	658,262
WAC 20600	15th Ave from 3rd St to 3rd St	342,741
WAC 20700	13th Ave from 6th St to 4th St	829,014
WAC 20800	120th Ave NE from NE 70th Pl to NE 68th Pl	242,517
WAC 20900	5th St S from 6th Ave S to 7th Ave S	1,465,004
WAC 21000	~118th (office) from NE 116th St to NE 112th St	584,022
WAC 21100	NE 78th St from Slater St S to 115th Pl NE	334,081
WAC 21200	NE 68th St from 112th Ave NE to State St S	1,139,584
WAC 21300	5th St from Central Way to 6th Ave	92,800
WAC 21400	5th St S (high density residential) from Kirkland Ave to 2nd Ave S	204,160
WAC 21500	Park W of Lake Wash Blvd NE from NE 60th St to ~NE 56th St	230,144
WAC 21600	103rd Ln NE from ~NE 45th St to End of Road	34,645
WAC 21700	5th Ave S (Industrial) from 5th Pl S to State St S	736,214
WAC 21800	10th St S from Kirkland Ave to ~5th Ave S	633,515
WAC 21900	6th Ave S from 5th St S to 4th St S	134,869
WAC 22000	13th Ave from 4th St to 3rd St	496,171
WAC 22100	NE 72nd St from 126th Ave NE to End of Road	222,720
WAC 22200	128th Lane NE from NE 125th Way to NE 124th St	508,544
WAC 22300	8th St S from 5th Ave S to 9th Ave S	397,184
WAC 22400	NE 38th Pl from Lake Wash Blvd NE to NE 37th Cir	760,960
<b>Subtotal Unfunded Water Utility Projects</b>		<b>36,522,384</b>

## WATER/SEWER UTILITY PROJECTS

### Unfunded Sewer Projects through 2035:

Project Number	Project Title	Total
SSC 06800	124th Avenue NE Sewermain Replacement	1,488,589
SSC 08000	20th Avenue Sewermain Replacement	919,612
SSC 08300	111th Avenue NE Sewer Main Rehabilitation	821,735
SSC 08400	Reclaimed Water (Purple Pipe) Opportunity Fund	5,648,893
SSC 09200	11th Ave. From 6th St to 310' W of 8th St.	571,128
SSC 09300	10th Ave. 5th St to 8th St.	900,252
SSC 10900	Slater Ave NE. From NE 92nd St to NE 91st St.	305,462
SSC 11100	8th Ave. From 6th St to 360' E of 6th St.	330,200
SSC 11200	7th Ave. From 3rd St to 8th St.	2,129,628
SSC 11300	6th St. From 5th Ave W to 1st Ave S.	1,498,269
SSC 12200	Slater St. From Kirkland Ave to Ohde Ave.	593,715
SSC 13200	Street South from North Avenue to 115th Place NE	1,712,307
SSC 13300	NE 80th St (Freeway Crossing). From 116th Ave NE to Kirkland Cemetery.	1,598,297
SSC 13400	116th Ave NE. From NE 80th St to NE 74th St.	1,363,823
SSC 13500	Sewermain Replacement near Lake Washington High School	417,321
SSC 13700	NE 75th St. From 116th Ave NE to 245' E of 118th Ave NE.	1,823,091
SSC 13800	120th Ave NE. From NE 75th St to 195' S of NE 73rd St.	746,445
SSC 13900	NE 80th St. From 123rd Ave NE to 128th Ave NE.	1,501,495
SSC 14000	NE 112th St. From I-405 to Slater Ave NE.	376,449
SSC 14100	Slater Ave NE. From NE 106th St to NE 105th St.	178,545
SSC 14200	Slater Ave NE. From NE 100th Pl to NE 100th Pl.	376,449
SSC 14300	Walgreens (12405 NE 85th St). From NE 85th St to MH No. 2837	201,000
SSC 14400	NE 85th St. From 124th Ave NE to MH No. 2835	272,000
SSC 14500	NE 90th St. From 124th Ave NE to 122nd Ave NE	1,864,000
SSC 14600	122nd Ave NE. From NE 90th St to MH No. 2669	287,000
SSC 14700	Lee Johnson (11845 NE 85th St). From MH No. 2554 to MH No. 2578	444,000
SSC 14800	120th Ave NE. From NE 85th St to NE 90th St	1,343,000
SSC 14900	6th St. From 7th Ave to Central Way	454,000
SSC 15000	3rd and Central Way Sanitary Sewer Crossing (SS 0082).	362,000
SSC 15100	9th Ave From 3rd St to 2nd St	395,810
SSC 15200	Lake Washington Blvd NE to NE Points Dr	2,989,009
SSC 15300	11th Pl from 4th St to 3rd St	593,715
SSC 15400	7th Ave S to 3rd Pl S	929,292
SSC 15500	NE 48th Pl from Lake Washington BLVD to 102nd Lane NE	286,102
<b>Subtotal Unfunded Sewer Utility Projects</b>		<b>35,722,633</b>

#### Notes

*Italics* = Modification in timing and/or cost

**Bold** = New projects

" = Moved from funded status to unfunded status



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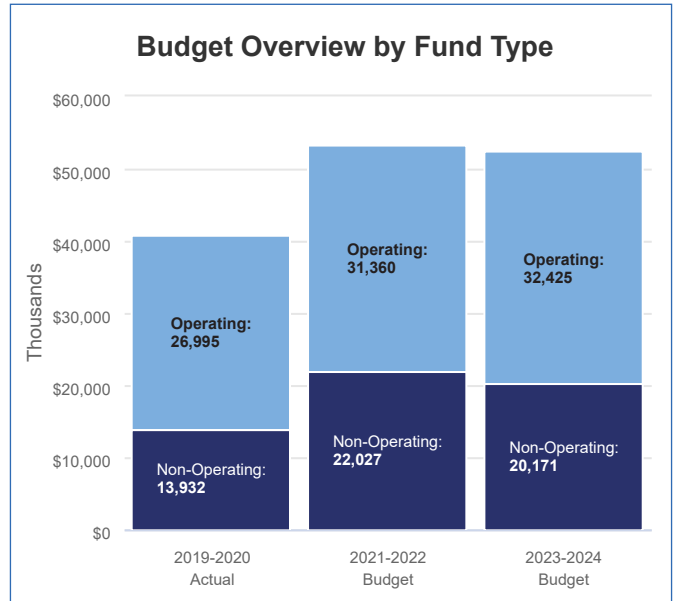
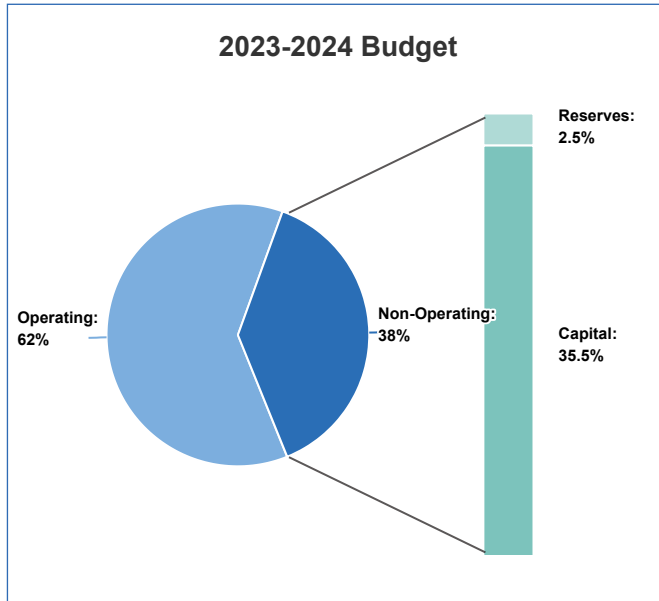
# Surface Water Utility





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## 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

	2019-2020 Actual	2021-2022 Budget	2023-2024 Budget	Change
<b>Operating Fund</b>				
Surface Water Operating Fund	26,995,252	31,360,173	32,425,239	3.40%
<b>Total Operating Funds</b>	<b>26,995,252</b>	<b>31,360,173</b>	<b>32,425,239</b>	<b>3.40%</b>
<b>Non-Operating Funds</b>				
Surface Water Capital Projects Fund	13,932,020	22,027,389	20,170,883	(8.43%)
<b>Total Non-Operating Funds</b>	<b>13,932,020</b>	<b>22,027,389</b>	<b>20,170,883</b>	<b>(8.43%)</b>
<b>Total Surface Water Utility</b>	<b>40,927,272</b>	<b>53,387,562</b>	<b>52,596,122</b>	<b>(1.48%)</b>

## CHANGE IN FUND BALANCE (BEGINNING 2021 TO ENDING 2024)

### SURFACE WATER UTILITY FUNDS

	Surface Water Management <sup>(1)</sup>	Surface Water Capital Projects <sup>(2)</sup>	Total
<b>2021 Actual Beginning Fund Balance</b>	<b>7,388,234</b>	<b>7,902,680</b>	<b>15,290,914</b>
Reserved	1,041,783	1,788,060	2,829,843
Unreserved Working Capital <sup>(3)</sup>	6,346,451	6,114,620	12,461,071
Plus: 2021-22 Estimated Revenues	23,971,990	9,546,132	33,518,122
Less: 2021-22 Estimated Expenditures	24,141,401	8,342,921	32,484,322
Less: 2022 Estimated Carryovers	350,000	-	350,000
<b>2022 Estimated Ending/2023 Budgeted Beginning Fund Balance</b>	<b>6,868,823</b>	<b>9,105,891</b>	<b>15,974,713</b>
Plus: 2023-24 Budgeted Revenues <sup>(4)</sup>	25,556,816	11,855,024	37,411,840
Less: 2023-24 Budgeted Expenditures	27,343,547	18,711,258	46,054,805
<b>2024 Budgeted Ending Fund Balance</b>	<b>5,082,092</b>	<b>2,249,657</b>	<b>7,331,748</b>
Reserved	881,857	1,459,625	2,341,482
Unreserved Working Capital	4,200,235	790,032	4,990,267
<b>Change in Fund Balance:</b>			
<b>Beginning 2021 to Ending 2024</b>	<b>(2,306,142)</b>	<b>(5,653,023)</b>	<b>(7,959,166)</b>

#### Notes:

<sup>(1)</sup> The decrease in the Surface Water Management Fund is due to the funding of service packages in the 2023-24 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.

<sup>(3)</sup> In the Surface Water Capital Fund, unreserved working capital represents funded capital projects in progress from previous years.

<sup>(4)</sup> Budgeted revenues do not directly match revenues shown in the 2023-2024 CIP as the budget may include full revenues received but not amounts transferred to project budgets.

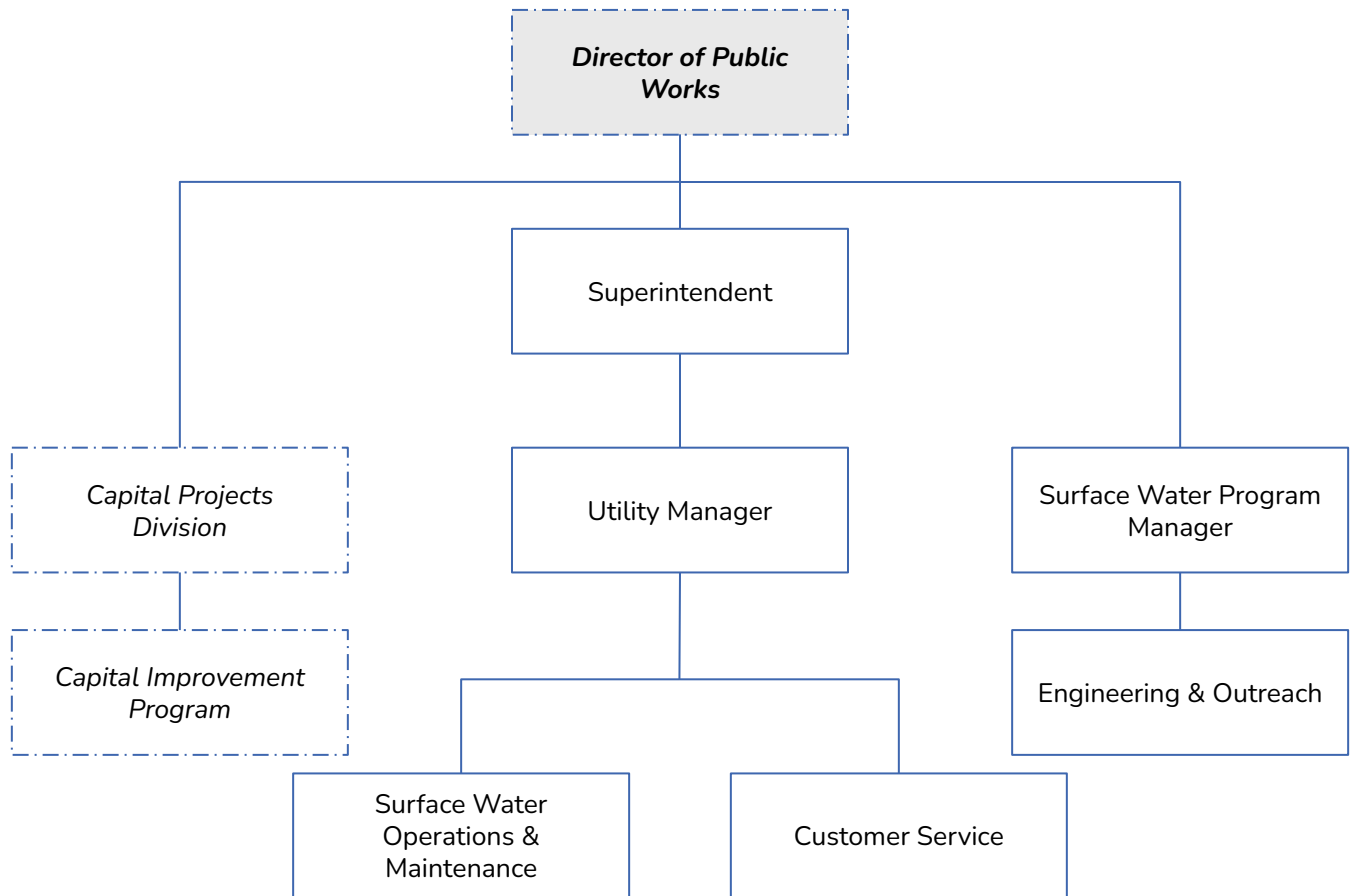


# Surface Water Operating



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# Surface Water Operating



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



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# Surface Water Operating

## Department Overview

### 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 like streams, wetlands 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 systems (including but not limited tanks, vaults, and ponds). The storm drain system serves all residential, multifamily, and commercial customers.

The Surface Water Engineering 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

#### SUSTAINABLE ENVIRONMENT

- Establish adequate 2023-24 rates for the Surface Water utility to invest in protecting water quality, reducing flooding, and improving fish habitat, resulting in \$2.3 million increase in Surface Water rate revenue.
- Provide financing for Surface Water utility CIP projects totaling \$6.9 million for 2023-2024, including \$1.8 million for Silver Spurs Storm System Upgrade and \$1.0 million for 122<sup>nd</sup> Avenue NE Storm Replacement.

#### DEPENDABLE INFRASTRUCTURE

- Fund 1.0 FTE Surface Water Program Manager to lead the Surface Water utility, allowing for closer coordination between operations and engineering/program sides of the utility and direct collaboration with other departments on CIP development, master planning, and policy development. Ongoing cost of \$388,067, one-time cost of \$7,176.
- Fund the installation of a pilot live surface water system flow monitoring equipment to track and analyze flow rates and volumes for maintenance and CIP planning, a step towards more comprehensive system management. One-time cost of \$40,000.
- Fund 1.0 FTE Surface Water Lead Person in the operation and maintenance division to better support our existing infrastructure through inspection, cleaning and repair as well as with increased employee development, training and retention. Ongoing net cost of \$82,923, one-time cost of \$102,776.
- Funding for a hook lift hot box allowing staff to install permanent asphalt patches on excavations during initial restoration efforts and keep hot asphalt on-site for multiple days for potholes and miscellaneous work, \$37,500 ongoing, \$150,000 one-time (funding split between Streets and Surface Water Management fund).
- Add 1.0 FTE Utility Craftsperson (Meter Reader/Locator) and vehicle to meet the increased workload for utility locates and meter reads as well as grow the division's ability to meet the goals written in the Water Comprehensive Plan, \$269,431 ongoing, \$67,776 one-time (funding split between Streets, Water/Sewer Operating and Surface Water Management funds).

# Surface Water Operating

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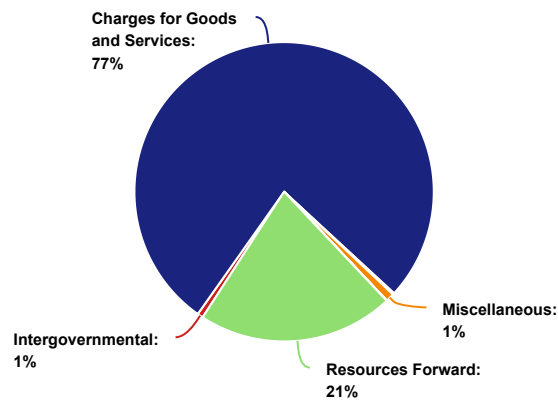
## ECONOMIC DEVELOPMENT

- Fund a Surface Water Development Opportunity Fund to repair and replace surface water infrastructure adjacent to new development projects by leveraging private development. One-time cost of \$150,000.

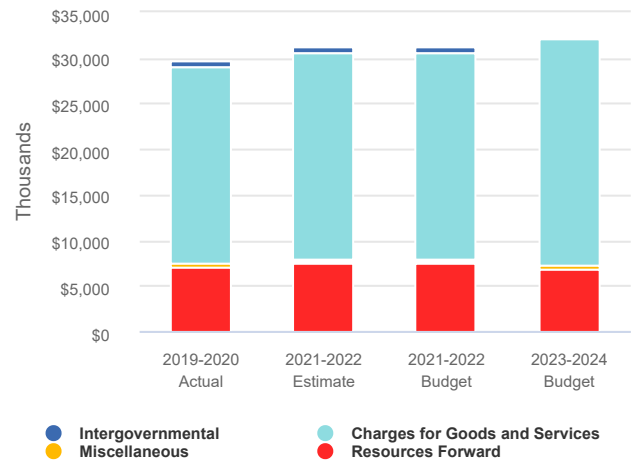
# Surface Water Operating

## Financial Overview

Sources of Funds



Revenues by Type



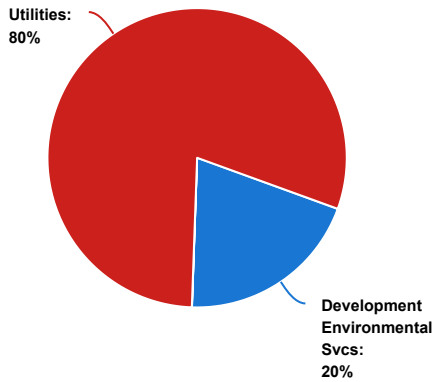
## REVENUE SUMMARY BY TYPE

	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
Intergovernmental	619,812	786,677	726,695	200,000	(72.48%)
Charges for Goods and Services	21,637,106	22,610,041	22,717,307	24,994,547	10.02%
Fines and Forfeits	68,901	161,551	119,317	60,000	(49.71%)
Miscellaneous	392,037	297,303	299,057	302,269	1.07%
Proprietary Other Income	(210)	5,735	-	-	
Interfund Transfers	-	110,683	109,963	-	(100.00%)
Resources Forward	7,066,878	7,387,834	7,387,834	6,868,423	(7.03%)
<b>TOTAL</b>	<b>29,784,524</b>	<b>31,359,824</b>	<b>31,360,173</b>	<b>32,425,239</b>	<b>3.40%</b>

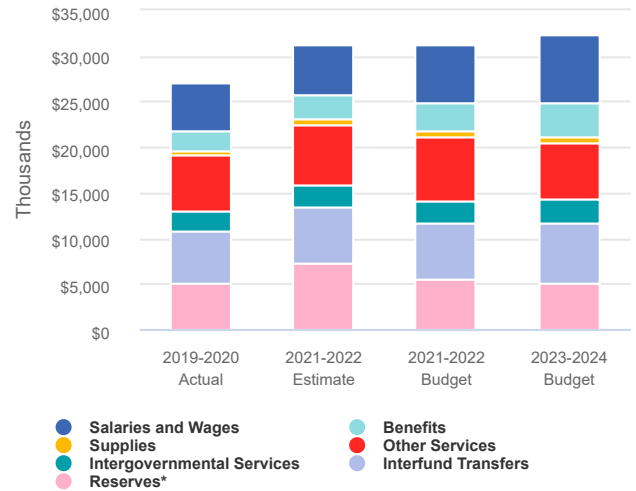
# Surface Water Operating

## Financial Overview

**Budget by Division**



**Expenditures by Category**



## EXPENDITURE SUMMARY BY CATEGORY

	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
Salaries and Wages	5,183,852	5,685,689	6,393,925	7,607,558	18.98%
Benefits	2,179,206	2,663,760	3,158,047	3,657,286	15.81%
Supplies	411,162	531,103	728,307	787,509	8.13%
Other Services	6,125,681	6,719,689	6,989,278	6,096,179	(12.78%)
Intergovernmental Services	2,334,239	2,425,742	2,401,457	2,609,152	8.65%
Capital Outlay	16,611	-	33,000	3,000	(90.91%)
Interfund Transfers	5,776,560	6,115,419	6,115,419	6,582,863	7.64%
Reserves*	4,967,941	7,218,423	5,540,740	5,081,692	(8.28%)
<b>TOTAL</b>	<b>26,995,252</b>	<b>31,359,824</b>	<b>31,360,173</b>	<b>32,425,239</b>	<b>3.40%</b>

## EXPENDITURE SUMMARY BY DIVISION

	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
Development Environmental Svcs	4,528,713	5,458,148	5,948,678	5,460,471	(8.21%)
Streets and Grounds	41,053	36,360	20,212	-	(100.00%)
Utilities	22,425,487	25,865,316	25,391,283	26,964,768	6.20%
<b>TOTAL</b>	<b>26,995,252</b>	<b>31,359,824</b>	<b>31,360,173</b>	<b>32,425,239</b>	<b>3.40%</b>

\* 2019-2020 Actual and 2021-2022 Estimate reserves are budgeted, but not spent

# Surface Water Operating

## 2023-2024 Position Summary

### POSITION SUMMARY BY CLASSIFICATION

Classification	2021-2022 Positions	Additions/ Reductions	2023-2024 Positions	Budgeted 2023 Salary Range
DEPUTY DIRECTOR PUBLIC WORKS	0.41	-	0.41	139,083 - 181,472
PUBLIC WORKS SUPERINTENDENT	0.20	-	0.20	129,980 - 169,595
DEVELOPMENT ENGINEERING MANAGER	0.30	(0.30)	-	128,224 - 167,303
SURFACE WATER PROGRAM MANAGER	-	1.00	1.00	128,224 - 167,303
UTILITY MANAGER	0.60	-	0.60	114,762 - 149,739
SURFACE WATER PROGRAM SUPERVISOR	1.00	-	1.00	112,623 - 146,948
SURFACE WATER SUPERVISOR	1.00	-	1.00	106,339 - 138,748
SURFACE WATER STRATEGIC ADVISOR	0.50	-	0.50	108,673 - 127,844
STREETS AND GROUNDS SUPERVISOR	0.50	-	0.50	97,751 - 127,544
SENIOR SURFACE WATER ENGINEER	1.00	-	1.00	107,229 - 126,155
SURFACE WATER ENVIRONMENTAL ANALYST	1.00	-	1.00	97,862 - 115,133
ENVIRONMENTAL PROGRAM COORDINATOR	0.50	-	0.50	94,767 - 111,491
SURFACE WATER UTILITY ENGINEER	2.00	-	2.00	93,384 - 109,864
WATER QUALITY PROGRAM COORDINATOR	1.00	-	1.00	93,323 - 109,792
SURFACE WATER PLANNER	1.00	-	1.00	92,095 - 108,347
MANAGEMENT ANALYST	0.20	-	0.20	84,057 - 98,890
SURFACE WATER ENGINEERING ANALYST	1.00	-	1.00	83,018 - 97,669
WATER QUALITY SPECIALIST	1.00	-	1.00	80,633 - 94,879
ENVIRONMENTAL EDUCATION & OUTREACH SPECIALIST	2.00	-	2.00	80,634 - 94,879
LEADPERSON	0.05	-	0.05	77,127 - 93,067
LEADPERSON - STORM WATER LEAD	1.00	1.00	2.00	77,127 - 93,067
FIELD ARBORIST	1.00	-	1.00	70,337 - 85,684
SENIOR MAINTENANCE	9.80	-	9.80	68,623 - 83,579
YARD MAINTENANCE AND INVENTORY CONTROL	0.15	-	0.15	68,623 - 83,579
ENGINEERING TECHNICIAN	0.20	-	0.20	70,644 - 83,112
SENIOR ACCOUNTING ASSOCIATE	0.10	-	0.10	69,473 - 81,733
UTILITY CRAFTSPERSON	0.15	0.20	0.35	65,532 - 77,100
GROUNDS TECHNICIAN	1.40	-	1.40	55,894 - 70,054
UTILITYPERSON	9.40	-	9.40	55,894 - 70,054
OFFICE SPECIALIST	1.09	-	1.09	55,795 - 65,641
LABORER	1.00	-	1.00	48,511 - 54,734
<b>TOTAL</b>	<b>40.55</b>	<b>1.90</b>	<b>42.45</b>	

### POSITION SUMMARY BY DIVISION

Classification	2021-2022 Positions	Additions/ Reductions	2023-2024 Positions
Development Environmental Services	12.80	0.70	13.50
Utilities	27.75	1.20	28.95
<b>TOTAL</b>	<b>40.55</b>	<b>1.90</b>	<b>42.45</b>

# Surface Water Operating

## SURFACE WATER MANAGEMENT FUND REVENUES

	Object	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Percent Change
<b>Intergovernmental Revenue</b>						
Indr Fed EPA Grants	333661	402,005	40,618	-	-	
Dept of Ecology	334031	185,064	482,944	357,695	100,000	(72.04%)
Other KC Grants	337081	20,000	243,584	369,000	100,000	(72.90%)
King Conserv Dis	337085	12,743	19,531	-	-	
<b>Total for Intergovernmental Revenue</b>		<b>619,812</b>	<b>786,677</b>	<b>726,695</b>	<b>200,000</b>	<b>(72.48%)</b>
<b>Charges for Goods and Services</b>						
Interfund-Gen	341963	37,869	66,540	70,600	70,600	-%
Interfund Eng-CIP	341966	126,307	138,978	92,171	189,720	105.83%
Interfund Eng-Dev	341967	53,429	88,976	104,000	104,000	-%
Residential Strm Drn Fee	343111	11,566,201	12,041,581	12,123,290	13,300,323	9.71%
Comm Strm Drn Fee	343121	9,852,689	10,257,643	10,327,246	11,329,904	9.71%
Misc Utility Rev	343891	612	-	-	-	
Street Fee inLieu	345816	-	16,324	-	-	
<b>Total for Charges for Goods and Services</b>		<b>21,637,106</b>	<b>22,610,041</b>	<b>22,717,307</b>	<b>24,994,547</b>	<b>10.02%</b>
<b>Fines and Forfeits</b>						
Misc Fines	359901	68,901	161,551	119,317	60,000	(49.71%)
<b>Total for Fines and Forfeits</b>		<b>68,901</b>	<b>161,551</b>	<b>119,317</b>	<b>60,000</b>	<b>(49.71%)</b>
<b>Miscellaneous Revenues</b>						
Investment Interest	361111	276,148	184,870	188,057	191,269	1.71%
Interest Sales Tax	361401	36,914	42,813	40,000	40,000	-%
Other Judgements	369401	78,975	68,163	70,000	70,000	-%
Other Misc Rev	369910	-	1,457	1,000	1,000	-%
<b>Total for Miscellaneous Revenues</b>		<b>392,037</b>	<b>297,303</b>	<b>299,057</b>	<b>302,269</b>	<b>1.07%</b>
<b>Proprietary Other Income</b>						
Ins Recovery Prop	372001	24,920	5,735	-	-	
Gain Loss	373001	(25,130)	-	-	-	
<b>Total for Proprietary Other Income</b>		<b>(210)</b>	<b>5,735</b>	<b>-</b>	<b>-</b>	
<b>Other Financing Sources</b>						
Operating Transfers In	397101	-	110,683	109,963	-	(100.00%)
Resources Forward	399991	7,066,878	7,387,834	7,387,834	6,868,423	(7.03%)
<b>Total for Other Financing Sources</b>		<b>7,066,878</b>	<b>7,498,517</b>	<b>7,497,797</b>	<b>6,868,423</b>	<b>(8.39%)</b>
<b>Fund Total</b>		<b>29,784,524</b>	<b>31,359,824</b>	<b>31,360,173</b>	<b>32,425,239</b>	<b>3.40%</b>



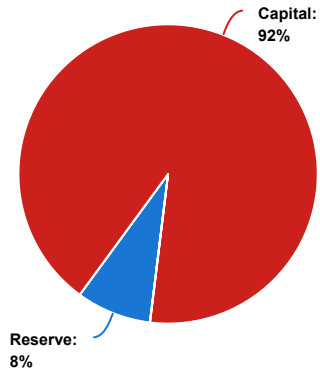
# Surface Water Non-Operating



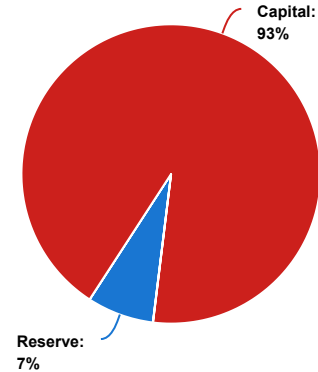
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## SURFACE WATER UTILITY NON-OPERATING

2021-2022 Budget by Purpose



2023-2024 Budget by Purpose



## 2021-2022 BUDGET BY PURPOSE

Fund	2021-2022 Budget	Budget by Purpose			
		Reserve	Debt	Capital	Other
Surface Water Mgmt Constructio	22,027,389	1,788,060	-	20,239,329	-
<b>Total Non-Operating Funds</b>	<b>22,027,389</b>	<b>1,788,060</b>	<b>-</b>	<b>20,239,329</b>	<b>-</b>

## 2023-2024 BUDGET BY PURPOSE

Fund	2023-2024 Budget	Budget by Purpose			
		Reserve	Debt	Capital	Other
Surface Water Mgmt Constructio	20,170,883	1,459,625	-	18,711,258	-
<b>Total Non-Operating Funds</b>	<b>20,170,883</b>	<b>1,459,625</b>	<b>-</b>	<b>18,711,258</b>	<b>-</b>



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## Surface Water Utility Capital Projects Fund

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Capital Projects Funds are used to fund and track the construction of projects approved in the Capital Improvement Program. The City Council adopts a six-year Capital Improvement Program (CIP), which is a plan for major improvements or purchases needed in the areas of transportation (streets, sidewalks, signals, and intersections), storm drains, water and sewer systems, parks, public safety, and other general government facilities and equipment. The Council revises the CIP biennially. The Surface Water portion of the CIP includes only those projects associated with the surface water utility.

The Surface Water Capital Projects Fund accounts for surface water projects which are ultimately funded by a portion of the surface water fees paid by all property owners within the City. Included in the fund are the Surface Water CIP Contingency and the Surface Water Construction Reserve. The former has a target of ten percent of the funded six-year Surface Water CIP and provides a cushion in the event of unanticipated changes in project scope or cost. The latter is comprised of depreciation funding from a portion of the surface water fees for funding future replacement of the Surface Water infrastructure.

## CAPITAL IMPROVEMENT PROGRAM 2023-2024 BUDGET

### Surface Water Capital Projects Fund (423)

Project Category/ Project Title	Project Number	Funding Source	2023 Budget	2024 Budget	Total 2023-2024 Budget	Additional Annual Maintenance & Operations	
						2023	2024
Surface Water Management							
Annual Replacement Of Aging /Failing Infrastructure	SDC 04700	Surface Water Rates	800,000	500,000	1,300,000	-	-
Neighborhood Drainage Assistance Program (NDA)	SDC 08100	Surface Water Rates	50,000	-	50,000	-	-
NE 142nd Street Surface Water Drainage Improvements	SDC 08900	Surface Water Rates	338,200	-	338,200	-	-
Goat Hill Drainage Ditch Conveyance & Channel Stabilization	SDC 09000	Surface Water Rates	500,000	-	500,000	-	-
Juanita Creek Culvert At Ne 137th Street	SDC 09200	Surface Water Rates	-	-	-	-	-
Property Acquisition Opportunity Fund	SDC 10500	Surface Water Rates	50,000	50,000	100,000	-	-
132nd Sq Park Surface Water Improvements	SDC 10700	REET 1 Reserves	230,000	-	230,000	-	-
Lake Street Surface Water Repair	SDC 12300	Surface Water Rates	25,000	-	25,000	-	-
Ne 85th St/122nd Ave NE Stormwater Improvements	SDC 12800	Surface Water Rates/Reserves	147,800	591,200	739,000	-	-
NE Juanita Drive Storm Failure Near 86th Ave NE	SDC 12900	Surface Water Rates	632,500	-	632,500	-	-
Water Quality Treatment and Infiltration at NE 111th PI/127th PI NE	SDC 13200	Surface Water Rates	115,000	-	115,000	-	-
Bioretention, Water Quality Treatment, and Storage At 126th Ave NE - Phase 1	SDC 13300	Surface Water Rates	50,000	-	50,000	-	-
122nd Avenue NE Storm Replacement	SDC 13900	Surface Water Rates/Reserves	388,500	604,000	992,500	-	-
83rd Ave NE and NE 110th PI Intersection Pipe Replacement	SDC 15100	Surface Water Rates	82,500	-	82,500	-	-
Silver Spurs Storm System Upgrade	SDC 16400	Surface Water Rates/Reserves	-	1,751,200	1,751,200	-	-
Total Water/Sewer Capital Projects Fund			3,409,500	3,496,400	6,905,900	-	-

## 2023-2028 CAPITAL IMPROVEMENT PROGRAM

### SURFACE WATER MANAGEMENT UTILITY PROJECTS

#### Funded Projects:

Project Number	Project Title	2023	2024	2025	2026	2027	2028	2023-2028 Total	Utility Funds	Reserves / Sinking Fund	Unsecured External Developer
SDC 04700	Annual Replacement of Aging /Failing Infrastructure	800,000	500,000	500,000	500,000	500,000	500,000	3,300,000	3,300,000	-	-
SDC 08100	Neighborhood Drainage Assistance Program (NDA)	50,000	-	50,000	-	50,000	-	150,000	150,000	-	-
SDC 08900	NE 142nd Street Surface Water Drainage Improvements	338,200	-	-	-	-	-	338,200	338,200	-	-
SDC 09000	Goat Hill Drainage Ditch Conveyance & Channel Stabilization	500,000	-	-	-	-	-	500,000	500,000	-	-
SDC 09200	Juanita Creek Culvert At NE 137th Street	-	-	761,852	2,202,273	-	-	2,964,125	2,964,125	-	-
<b>SDC 10100</b>	<b>Holmes Point Pipe Replacement At Champagne Creek Basin+</b>	-	-	<b>450,000</b>	<b>873,750</b>	-	-	<b>1,323,750</b>	-	-	<b>1,323,750</b>
SDC 10500	Property Acquisition Opportunity Fund	50,000	50,000	50,000	50,000	50,000	50,000	300,000	300,000	-	-
SDC 10700	132nd Sq Park Surface Water Improvements	230,000	-	-	-	-	-	230,000	-	230,000	-
<b>SDC 11600</b>	<b>NE 140th Street Pipe Replacement+</b>	-	-	-	-	-	<b>977,357</b>	<b>977,357</b>	<b>977,357</b>	-	-
SDC 12300	Lake Street Surface Water Repair	25,000	-	-	-	-	-	25,000	25,000	-	-
SDC 12800	NE 85th St/122nd Ave NE Stormwater Improvements	147,800	591,200	-	-	-	-	739,000	429,850	309,150	-
SDC 12900	NE Juanita Drive Storm Failure Near 86th Ave NE	632,500	-	-	-	-	-	632,500	632,500	-	-
SDC 13200	Water Quality Treatment and Infiltration At NE 111th PI/127th PI NE	115,000	-	-	-	-	-	115,000	115,000	-	-
SDC 13300	Bioretention, Water Quality Treatment, and Storage At 126th Ave NE - Phase 1	50,000	-	-	-	-	-	50,000	50,000	-	-
SDC 13900	122nd Avenue NE Storm Replacement	388,500	604,000	-	-	-	-	992,500	633,000	359,500	-
SDC 14100	Storm Line Rehabilitation on NE 136th Street	-	-	-	264,727	2,127,339	-	2,392,066	2,392,066	-	-
<b>SDC 14900</b>	<b>NE 119th Court Storm System Improvement+</b>	-	-	<b>499,125</b>	-	-	-	<b>499,125</b>	<b>499,125</b>	-	-
SDC 15100	83rd Ave NE and NE 110th PI Intersection Pipe Replacement	82,500	-	-	-	-	-	82,500	82,500	-	-
<b>SDC 15600</b>	<b>Holmes Point Drive NE Pipe Installation+</b>	-	-	-	-	<b>390,661</b>	<b>1,470,978</b>	<b>1,861,639</b>	<b>1,861,639</b>	-	-
<b>SDC 15900</b>	<b>108th Avenue NE Pipe Installation+</b>	-	-	<b>1,092,023</b>	-	-	-	<b>1,092,023</b>	<b>1,092,023</b>	-	-
<b>SDC 16400</b>	<b>Silver Spurs Storm System Upgrade</b>	-	<b>1,751,200</b>	-	-	-	-	<b>1,751,200</b>	<b>1,450,950</b>	<b>300,250</b>	-
<b>Total Funded Surface Water Management Utility Projects</b>		<b>3,409,500</b>	<b>3,496,400</b>	<b>3,403,000</b>	<b>3,890,750</b>	<b>3,118,000</b>	<b>2,998,335</b>	<b>20,315,985</b>	<b>17,793,335</b>	<b>1,198,900</b>	<b>1,323,750</b>

#### Notes:

*Italics = Modification in timing and/or cost*

**Bold = New projects**

## SURFACE WATER MANAGEMENT UTILITY PROJECTS

### Unfunded Projects:

Project Number	Project Title	Total
SDC 04500	Carillon Woods Erosion Control Measures	600,000
SDC 04900"	Forbes Creek/108th Ave NE Fish Passage Improvements	1,523,100
SDC 05100	Forbes Creek/King County Metro Access Road Culvert Enhancement	1,400,000
SDC 05300"	Forbes Creek/Coors Pond Channel Grade Controls	1,240,000
SDC 06100	Everest Park Stream Channel/Riparian Enhancements	1,200,000
SDC 06300"	Everest Creek - Slater Avenue at Alexander Street	1,050,000
SDC 08501	Cross Kirkland Corridor Water Quality Retrofit	1,000,000
SDC 09400	NE 114th Place Stormline Replacement	405,000
SDC 09700	Champagne Creek Stabilization	890,000
SDC 10000"	Brookhaven Pond Modifications	700,000
SDC 10200	Juanita Drive Culvert Replacement	750,000
SDC 10300	Lakeview Drive Conveyance Modification	2,800,000
SDC 11200	112th Avenue NE Pipe Repair	60,000
SDC 11300	113th Avenue NE Pipe Repair	120,000
SDC 11400	124th Avenue NE Pipe Repair	160,000
SDC 11500	Weaver's Pond Pipe Replacement	180,000
SDC 11700	111th Avenue NE Pipe Repair	400,000
SDC 11800	Champagne Point Drive NE Pipe Repair	270,000
SDC 11900	NE 58th Street Pipe Repair	280,000
SDC 12600	Spinney Homestead Park Regional Stormwater Facility-Design	5,000,000
SDC 12000	Kingsgate Park Pipe Outfall Improvements	80,000
SDC 12700"	Storm Rehabilitation at Rose Point Lift Station	487,900
SDC 13000	Bioretention, Water Quality Treatment & Storage at 126th Ave NE - Phase 2	4,260,000
SDC 13100	NE 107th PI Retention Pond Retrofit	1,187,000
SDC 13800	Outlet Path at 101st PI NE	150,000
SDC 14000"	Holiday Drive Conveyance Improvement Study	350,000
SDC 14200"	93rd Avenue NE Hillside Improvements	1,158,000
SDC 14300	Retrofit Planning within City Limits	900,000
SDC 14400	Highlands Neighborhood - 116th Ave Storm Facility	1,000,000
SDC 14500	NE 61st St Storm Facility Relocation	150,000
SDC 14600	126th Ave NE Storm Pipe Replacement	330,000
SDC 14700	131st Ave NE Storm Improvements	800,000
SDC 14800	105th PI NE Pipe Replacement	240,000
SDC 15300	NE 138th St to 97th Ave NE Pipe Replacement	245,000
SDC 15400	Stream Restoration at 128th Lane NE	300,000
SDC 15500	NE 141st St Pipe Installation	530,000
SDC 15700	6th Street Everest Creek Obstruction	70,000
SDC 15800	Outlet to CKC at 110th PI NE	100,000

## SURFACE WATER MANAGEMENT UTILITY PROJECTS (CONTINUED)

## Unfunded Projects:

Project Number	Project Title	Total
SDC 15900	108th Ave NE Pipe Installation	250,000
SDC 16000	5th Ave S Pipe Installation	300,000
SDC 16100	NE 141st St and 125th Pl NE Pipe Repair	650,000
SDC 16200	141st St Flow Control and Conveyance System	1,500,000
SDC 16300	Bridleview Estates Drainage Evaluation	100,000
<b>SDC 16500</b>	<b>NE 141st St./Juanita Creek Culvert Replacement</b>	<b>3,396,000</b>
SDC 16600	Woodinville-Juanita Drive and Juanita Creek Culvert replacement	9,292,000
SDC 16700	102nd Ave and Juanita Creek Culvert Replacement	3,500,000
SDC 16800	NE 112th St Stormwater Gap	300,000
SDC 16900	Lake WA BLVD Groundwater Conveyance	3,000,000
SDC 17000	Replace 520 LF of CMP Arch Pipe (SAP)	600,000
SDC 17100	Open Space Stormwater Park	6,000,000
SDC 17200	98th Ave NE and NE Juanita Drive Study	90,000
SDC 17300	NE 116th St and 99th Pl NE Pipe Replacement	939,000
SDC 17400	NE 132nd Street Pipe Replacement (Kingsgate)	1,382,000
SDC 17500	NE Juanita Drive Pipe Replacement (Finn Hill)	742,000
<b>Total Unfunded Surface Water Management Utility Projects</b>		<b>64,407,000</b>
<b>Funding Available from Annual Programs for Candidate Projects</b>		<b>3,000,000</b>
<b>Net Unfunded Surface Water Management Utility Projects</b>		<b>61,407,000</b>

Notes:*Italics = Modification in timing and/or cost***Bold = New projects**

" = Moved from funded status to unfunded status



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# Solid Waste Utility

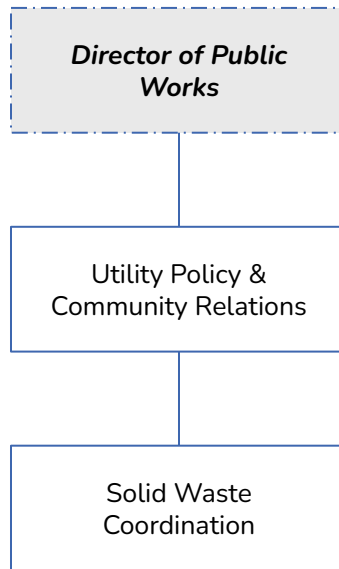




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# Solid Waste Operating

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*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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# Solid Waste Operating

## Department Overview

### MISSION

The Solid Waste Fund is established to account for the administration of all resources associated with solid waste and recycling services.

### DEPARTMENT FUNCTIONS

The Public Works Department administers the Solid Waste Fund. The City collects all solid waste within the city limits of Kirkland by contracting with a private hauler. The current contract is with Waste Management Inc. and expires December 31, 2032. Solid Waste oversees and administers the waste collection contract, grants, and coordinates waste reduction and recycling services, recycling events, and education and outreach programs for the community.

### Budget Highlights and Relationship to Council Goals

#### SUSTAINABLE ENVIRONMENT

- Establish adequate 2023-24 rates for the Solid Waste utility to invest in safe disposal of waste and support recycling as part of a new solid waste collection services contract, resulting in \$19.4 million increase in rate revenue.
- Maintain a linear solid waste rate structure with variable rates to encourage waste reduction and recycling diversion.
- Establish and expand local waste reduction and recycling programs to contribute toward meeting the region's recycling diversion, waste disposal, and waste generation goals established in the 2019 Comprehensive Solid Waste Management Plan.

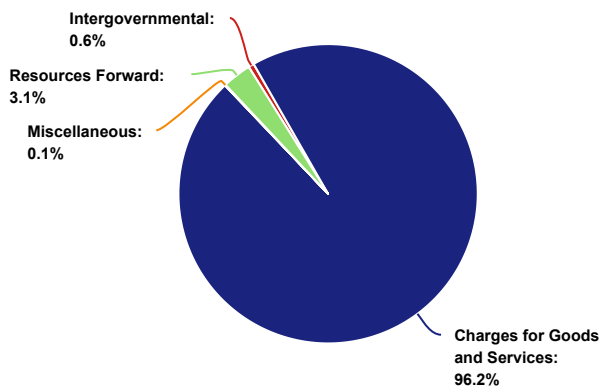
#### SUPPORTIVE HUMAN SERVICES

- Expand Low Income Utility Discount Program to support residents for whom paying their utility bills is a significant cost, especially in light of recent utility rate increases, \$680,000 one-time (funding split between General Fund, Water/Sewer Operating and Solid Waste Fund).

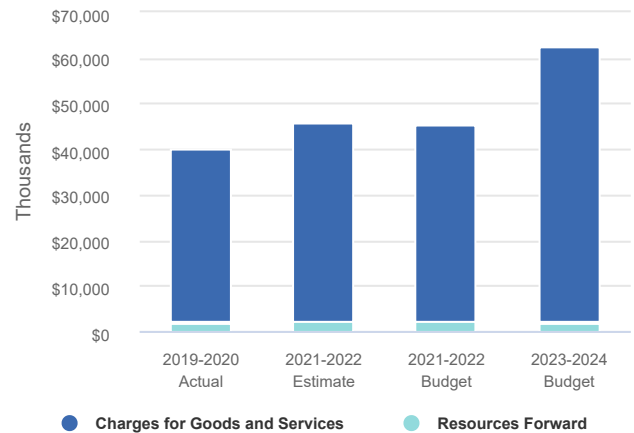
# Solid Waste Operating

## Financial Overview

Sources of Funds



Revenues by Type



## REVENUE SUMMARY BY TYPE

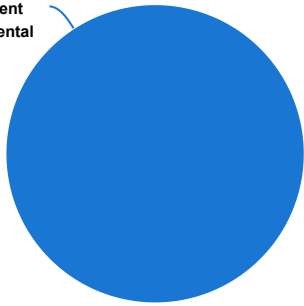
	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
Intergovernmental	204,042	269,331	306,055	385,510	25.96%
Charges for Goods and Services	37,980,771	43,517,422	43,175,249	60,519,942	40.17%
Fines and Forfeits	500	-	-	-	
Miscellaneous	90,276	58,993	66,256	56,243	(15.11%)
Proprietary Other Income	15,202	-	-	-	
Interfund Transfers	-	62,720	29,193	-	(100.00%)
Resources Forward	1,904,440	2,156,554	2,156,554	1,960,340	(9.10%)
<b>TOTAL</b>	<b>40,195,230</b>	<b>46,065,019</b>	<b>45,733,307</b>	<b>62,922,035</b>	<b>37.58%</b>

# Solid Waste Operating

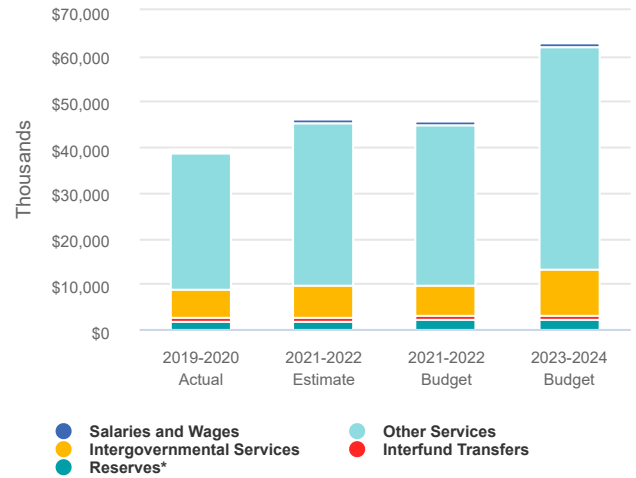
## Financial Overview

**Budget by Division**

Development  
Environmental  
Svcs:  
100%



**Expenditures by Category**



### EXPENDITURE SUMMARY BY CATEGORY

	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
Salaries and Wages	574,228	626,765	625,287	644,874	3.13%
Benefits	213,394	275,069	269,518	281,729	4.53%
Supplies	43,374	31,151	5,360	5,360	-%
Other Services	30,168,310	35,563,670	35,083,561	48,974,924	39.60%
Intergovernmental Services	6,218,464	6,829,024	6,791,590	9,935,142	46.29%
Interfund Transfers	782,000	779,000	779,000	816,000	4.75%
Reserves*	1,787,797	1,960,340	2,178,991	2,264,006	3.90%
<b>TOTAL</b>	<b>39,787,567</b>	<b>46,065,019</b>	<b>45,733,307</b>	<b>62,922,035</b>	<b>37.58%</b>

### EXPENDITURE SUMMARY BY DIVISION

	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Change
Development Environmental Svcs	39,787,567	46,065,019	45,733,307	62,922,035	37.58%
<b>TOTAL</b>	<b>39,787,567</b>	<b>46,065,019</b>	<b>45,733,307</b>	<b>62,922,035</b>	<b>37.58%</b>

\* 2019-2020 Actual and 2021-2022 Estimate reserves are budgeted, but not spent

# Solid Waste Operating

## CHANGE IN FUND BALANCE (BEGINNING 2021 TO ENDING 2024) SOLID WASTE UTILITY

	Solid Waste
<b>2021 Actual Beginning Fund Balance</b>	<b>2,156,554</b>
Reserved	-
Unreserved Working Capital	2,156,554
Plus: 2021-22 Estimated Revenues	43,908,465
Less: 2021-22 Estimated Expenditures	44,104,679
<b>2022 Estimated Ending/2023 Budgeted Beginning Fund Balance</b>	<b>1,960,340</b>
Plus: 2023-24 Budgeted Revenues	60,961,695
Less: 2023-24 Budgeted Expenditures	60,658,029
<b>2024 Budgeted Ending Fund Balance</b>	<b>2,264,006</b>
Reserved	122,076
Unreserved Working Capital	2,141,930
<b>Change in Fund Balance:</b>	
<b>Beginning 2021 to Ending 2024</b>	<b>107,452</b>

# Solid Waste Operating

## 2023-2024 Position Summary

### POSITION SUMMARY BY CLASSIFICATION

Classification	2021-2022 Positions	Additions/ Reductions	2023-2024 Positions	Budgeted 2023 Salary Range
UTILITY POLICY & COMMUNITY RELATIONS SUPERVISOR	1.00	-	1.00	107,400 - 140,132
SOLID WASTE PROGRAMS LEAD	1.00	-	1.00	91,042 - 106,392
SOLID WASTE COORDINATOR	1.00	(1.00)	-	85,420 - 100,502
ENVIRONMENTAL EDUCATION & OUTREACH SPECIALIST	0.75	-	0.75	80,634 - 94,879
ENGINEERING TECHNICIAN	0.10	-	0.10	70,644 - 83,112
SENIOR ACCOUNTING ASSOCIATE	0.10	-	0.10	69,473 - 81,733
<b>TOTAL</b>	<b>3.95</b>	<b>(1.00)</b>	<b>2.95</b>	

### POSITION SUMMARY BY DIVISION

Classification	2021-2022 Positions	Additions/ Reductions	2023-2024 Positions
Development Environmental Services	3.95	(1.00)	2.95
<b>TOTAL</b>	<b>3.95</b>	<b>(1.00)</b>	<b>2.95</b>

# Solid Waste Operating

## SOLID WASTE FUND REVENUES

	Object	2019-2020 Actual	2021-2022 Estimate	2021-2022 Budget	2023-2024 Budget	Percent Change
<b>Intergovernmental Revenue</b>						
Dept of Ecology	334031	28,666	116,488	126,055	184,510	46.37%
Hazard Waste	337083	44,219	51,857	60,000	77,000	28.33%
Waste Red Recy	337084	131,157	100,986	120,000	124,000	3.33%
<b>Total for Intergovernmental Revenue</b>		<b>204,042</b>	<b>269,331</b>	<b>306,055</b>	<b>385,510</b>	<b>25.96%</b>
<b>Charges for Goods and Services</b>						
Interfund-Gen	341963	-	1,544	1,424	-	(100.00%)
Gen Government Srvcs	341971	581,858	223,157	-	-	
Residential Coll	343701	17,508,798	20,796,551	20,639,601	29,987,985	45.29%
MFam Collection	343702	6,179,818	7,036,021	6,734,525	9,782,854	45.26%
Comm Collection	343703	9,274,346	10,625,046	10,803,300	13,722,321	27.02%
Solid Waste Penalty	343704	144,148	74,935	250,000	280,000	12.00%
Eff Utility Tax Rev	343708	3,429,137	3,826,229	3,821,399	5,616,782	46.98%
Misc Utility Rev	343891	22,317	16,142	20,000	20,000	-%
KC Hazard Waste	343902	840,348	917,797	905,000	1,110,000	22.65%
<b>Total for Charges for Goods and Services</b>		<b>37,980,771</b>	<b>43,517,422</b>	<b>43,175,249</b>	<b>60,519,942</b>	<b>40.17%</b>
<b>Fines and Forfeits</b>						
Misc Fines	359901	500	-	-	-	
<b>Total for Fines and Forfeits</b>		<b>500</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Miscellaneous Revenues</b>						
Investment Interest	361111	90,276	58,334	66,256	54,743	(17.38%)
Sales of Surplus	369101	-	631	-	1,500	
Other Misc Rev	369910	-	27	-	-	
<b>Total for Miscellaneous Revenues</b>		<b>90,276</b>	<b>58,993</b>	<b>66,256</b>	<b>56,243</b>	<b>(15.11%)</b>
<b>Proprietary Other Income</b>						
Ins Recovery Prop	372001	15,202	-	-	-	
<b>Total for Proprietary Other Income</b>		<b>15,202</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Other Financing Sources</b>						
Operating Transfers In	397101	-	62,720	29,193	-	(100.00%)
Resources Forward	399991	1,904,440	2,156,554	2,156,554	1,960,340	(9.10%)
<b>Total for Other Financing Sources</b>		<b>1,904,440</b>	<b>2,219,274</b>	<b>2,185,747</b>	<b>1,960,340</b>	<b>(10.31%)</b>
<b>Fund Total</b>		<b>40,195,230</b>	<b>46,065,019</b>	<b>45,733,307</b>	<b>62,922,035</b>	<b>37.58%</b>

# Appendix





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# Policies



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# City of Kirkland Investment Policy



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## **CITY OF KIRKLAND INVESTMENT POLICY ADOPTED BY RESOLUTION (R-5453) ON NOVEMBER 17, 2020**

### **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:

1. FINRA Certification check:
  - a) Firm profile
  - b) Firm history
  - c) Firm operations
  - d) Disclosures of arbitration awards, disciplinary and regulatory events
  - e) State Registration Verification
2. 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+	P1	F1+
Certificates of Deposit	10%	5%	Long Term AA-	Long Term Aa3	Long Term AA-
Bank Time Deposits/Savings Accounts	50%	None	Deposits in PDPC approved banks	Deposits in PDPC approved banks	Deposits in PDPC approved banks
Banker's Acceptance	5%	5%	A-	A3	A-
Washington 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:

Maturity Constraints	Minimum % of Total Portfolio
Under 30 days	10%
Under 1 year	25%
Under 5 years	100%
Maturity Constraints	Maximum of Total Portfolio in Years
Weighted Average Maturity	300%
Security Structure Constraint	Maximum % of Total Portfolio
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

- i. Liquidity funds for the operating account will be allocated to LGIP, CD's, PDPC Bank Deposits, Bankers Acceptances, and Commercial Paper.
- ii. 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.
- iii. 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:

- i. A security with a declining credit may be sold early to protect the principal value of the portfolio.
- ii. The portfolio duration or maturity buckets should be adjusted to reflect better the structure of the underlying benchmark portfolio.
- iii. A security exchange that would improve the quality, yield and target maturity of the portfolio based on market conditions.
- iv. 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:

- i. Mortgage-backed securities
- ii. Derivative Products
- iii. Securities that leverage the portfolio or are used for speculation of interest rates
- iv. Any securities on negative credit watch
- v. Mutual Funds
- vi. Repurchase Agreements
- vii. 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-5453

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND ADOPTING A REVISED POLICY FOR INVESTMENT OF CITY FUNDS.

WHEREAS, the City Council of the City of Kirkland desires to have City funds invested in secure depositories and maximize returns on these investments; and

WHEREAS, the City Council of the City of Kirkland desires to develop an investment policy to guide the investment of City funds to meet these objectives; and

WHEREAS, the Kirkland City Treasurer (Director of Finance and Administration) has recommended revisions to the policy for investment of City funds; and

WHEREAS, the City of Kirkland investment policy has been written in accordance with the Washington Public Treasurers Association Model Investment Policy;

NOW, THEREFORE, be it resolved by the City Council of the City of Kirkland as follows:

Section 1. The policy for investment of City funds set forth in the document entitled "City of Kirkland Investment Policy November 17, 2020" which is attached as Exhibit A and incorporated by this reference is adopted as the official policy for investment of City funds.

Section 2. That the document entitled City of Kirkland Investment Policy November 17, 2020, replaces all previous City of Kirkland Investment Policies.

Passed by majority vote of the Kirkland City Council in open meeting this 17 day of November, 2020.

Signed in authentication thereof this 17 day of November, 2020.

  
Penny Sweet, Mayor

Attest:

  
Kathi Anderson, City Clerk



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# City of Kirkland Debt Management Policy



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## CITY OF KIRKLAND DEBT MANAGEMENT POLICY ADOPTED BY RESOLUTION (R-5458) ON NOVEMBER 17, 2020

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 community members;
- 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 with voter approval (unlimited tax general obligation (UTGO) bonds), however, within such amount, up to 1.5% of assessed valuation may be issued without voter approval (limited tax general obligation (LTGO) bonds)
    - Utility Debt – 2.5% of assessed valuation with voter approval
    - Open Space and Park Facilities – 2.5% of assessed valuation with voter approval
- 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.
  - 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, plus validation requirements.
- 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 obligations of the City. Leases may be issued as general obligations or revenue obligations. If general obligations, the principal component plus any accrued interest may be counted against the City's voted or nonvoted debt capacity.
- 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.
- 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.

#### 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, and policies and procedures, including the City's Bond Procedure and Post Issuance Compliance Policy.
- 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. [Disclosure Counsel, which may be Bond Counsel, may be retained by the City if determined to be necessary or

advisable, for advice with respect to the City's disclosure obligations and requirements under the federal securities laws.]

- 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).
  - 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 financial information and operating data and notice of certain listed events in compliance with its ongoing disclosure undertakings.
- 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-5458

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 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 (Director of Finance and Administration) 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 November 17, 2020" 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 November 17, 2020, replaces all previous City of Kirkland Debt Management Policies.

Passed by majority vote of the Kirkland City Council in open meeting this 17 day of November, 2020.

Signed in authentication thereof this 17 day of November, 2020.

  
Penny Sweet, Mayor

Attest:

  
Kathi Anderson, City Clerk



# City of Kirkland Bond Procedure and Post Issuance Compliance Policy



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## CITY OF KIRKLAND BOND PROCEDURE AND POST ISSUANCE COMPLIANCE POLICY

### ADOPTED BY RESOLUTION (R-5454) ON NOVEMBER 17, 2020

This policy is intended to guide the City of Kirkland (the “City”) in meeting its obligations under applicable statutes, regulations and documentation associated with publicly offered and privately placed securities of the City. The City maintains a separate Debt Policy with respect to matters related to the issuance of security obligations, including compliance with the City’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. 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, the Director of Finance and Administration (the “Responsible Officer”) will be responsible for ensuring that the policy is followed and compliance checklist and records maintained. The Responsible Officer may delegate responsibility to employees and outside agents for developing records, maintaining records and compliance checklist. As detailed below, the City will support educational opportunities provided by the Government Finance Officers Association (GFOA), Washington Finance Officers Association (WFOA) and Washington Public Treasurers Association (WPTA) for the parties identified in this policy with responsibilities related to the City’s bonds in order to facilitate their performance of these obligations.

#### 1. **Transcripts.**

- a) The City shall receive a full transcript related to the issuance of securities (for each issue). 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.
- b) Bond transcripts will be retained by the following parties and in the following locations within the City: City Clerk’s Office and Department of Finance and Administration.

#### 2. **Federal Tax Law Requirements.** This section applies to all of the City’s tax-exempt and tax-advantaged governmental bonds, and other bonds subject to comparable requirements. As used in this policy, references to “bonds” include bonds, lines of credit, bond anticipation notes, and equipment and other financing leases. This section is intended to improve the City’s ability to: prevent violations in bond requirements from occurring; timely identify potential violations; and correct identified violations through appropriate remedial steps.

- a) **Use of Proceeds.** Monitoring the expenditure of bond proceeds is necessary to assure that the required amount of bond proceeds are expended for capital expenditures and that not more than 10% of the bond proceeds are expended for projects that will be used for in a private trade or business (including by the federal government and nonprofit entities).
  - i. If the project(s) to be financed with the proceeds of the bonds will be funded with multiple sources of funds, the City 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.
  - ii. Records of expenditures (timing of expenditure and object code) of the proceeds of bonds will be maintained by the Department of Finance and Administration.
  - iii. If the project involves bond proceeds and other sources of funds and included both governmental and nongovernmental use of the financed facilities, the Responsible Officer in consultation with the project manager or other authorized City official will undertake a final reconciliation of bond proceeds expenditures and expenditures of other funds with project costs no later than 18 months after the later of the date of expenditure or the date that the project is placed in service (but in no event more than five years after the date of issue).

- iv. Any change in the scope of the project financed with bond proceeds should be reviewed and documented.
  - v. Any delay in the project and the expected spending of bond proceeds should be discussed with bond counsel and documented.
  - vi. 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 bonds are considered proceeds of the issue. 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's bond counsel).
  - vii. Records of interest earnings on reserve funds maintained for the securities.
  - viii. If, at the completion of the project, there are unspent bond proceeds the Responsible Officer, conferring with bond counsel, will direct application of the excess proceeds for permitted uses under federal tax law, state law, and bond authorization documents.
- b) **Arbitrage Rebate.** In general, bond proceeds and certain other funds can only be invested at a rate that exceeds the yield on the bonds under limited circumstances. Furthermore, amounts earned by investing above the bond yield must be rebated to the IRS, unless the City qualifies as a small issuer or a spending exception is met. The arbitrage and rebate requirements for each bond issue are detailed in the federal tax certificate executed in connection with the applicable bond issue. The Responsible Officer or designee of the City ("Rebate Monitor") will monitor compliance with the arbitrage rebate obligations of the City for each bond issue.
- i. **Funds to Monitor.** The Rebate Monitor will monitor the following funds in connection with each bond issue: bond or debt service funds/accounts; project or construction funds/accounts; any refunding accounts; debt service funds/accounts; any other accounts with bond proceeds; and any other accounts holding amounts pledged to pay bonds.
  - ii. **Review.** The Rebate Monitor will monitor rebate compliance for each issue of tax-exempt governmental obligations issued during that calendar year.
  - iii. During construction, the Responsible Officer is to monitor expenditures to confirm satisfaction of expected exceptions to rebate (described below).
  - iv. The first rebate payment is due five years after date of issue of the bonds plus 60 days,
  - v. Rebate is due every succeeding five years, if there are unspent gross proceeds of the bonds.
  - vi. Final rebate payment is due 60 days after early redemption or retirement of the bonds.
  - vii. **Rebate Exceptions.** The Rebate Monitor will review the tax certificate, if any, in the transcript in order to determine whether the City is expected to comply with a spending exception that would permit the City 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 to determine whether the City met the spending exception (and thereby avoid having to pay any arbitrage rebate to the federal government). If the City 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.
  - viii. **Rebate Consultant.** The Rebate Monitor shall be responsible for retaining 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 bonds issued by the City. The selected rebate consultant shall provide a written report to the City with respect to the issue and with respect to any arbitrage rebate owed if any.

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.

- ix. *Yield Reduction Payments.* If the City 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 will consult with bond counsel to determine and pay any required yield reduction payment.
- c) *Use of the Facilities Financed with Proceeds.* In order to maintain tax-exemption of bonds issued on a tax-exempt or tax-advantaged basis, the financed facilities (projects) are required to be used for governmental purposes during the life of the issue. The Responsible Officer or designee of the City will monitor and maintain records regarding any private use of the projects financed with such bond 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:
  - i. Sale of all or a portion of the facilities;
  - ii. Lease of all or a portion of the facilities (including leases, easements or use arrangements for areas outside the four walls, e.g., hosting of cell phone towers);
  - iii. Management contracts (in which the City authorizes a third party to operate a facility (e.g., cafeteria), except for qualified management contracts under IRS Rev. Proc. 97-13;
  - iv. Preference arrangements (in which the City grants a third party preference of the facilities, e.g., preference parking in a public parking lot);
  - v. Entering into contracts giving “special legal entitlement” to the facility (for example, selling advertising space or naming rights).

All leases and other contracts involving bond-financed property will be sent prior to execution to the Responsible Officer for review. The Responsible Officer will confer with personnel responsible for bond financed projects at least annually to discuss any existing or planned use of bond-financed or refinanced facilities. Private use for each bond-financed project will be calculated annually.

If the Responsible Officer or designee identifies private use of tax-exempt debt financed facilities, the Responsible Officer or designee will consult with the City’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 noncompliance will be remediated under existing remedial action provisions or tax-exempt bond closing agreement programs contained in the regulations or other published guidance from the IRS, determine the deadline for taking action and proceed with diligence to take the required remedial actions. If remedial actions are unavailable, determine whether to make a submission to the Tax-Exempt Bonds Voluntary Closing Agreement Program (“VCAP”) under Internal Revenue Manual 7.2.3.

The City 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.

- d) *Refundings.* For refunding escrows, confirm that any scheduled purchases of State and Local Government Series (“SLGS”) or open market securities are made as scheduled. On the redemption date, the Responsible Officer will confirm that the refunded bonds have been redeemed and cancelled. Promptly following the redemption date, the Responsible Officer will confirm that all proceeds of the bonds and all proceeds of the refunded bonds have been spent. Verify that excess proceeds, if any, of the bonds do not exceed an amount permitted by the Regulations.

Any final rebate payment is due 60 days after early redemption or retirement of the refunded bonds.

- e) *Reissuance.* A significant modification of the bond documents may result in bonds being deemed refunded or “reissued.” Such an event will require, among other things, the filing of new information

returns with the federal government and the execution of a new arbitrage certificate. The City shall consult with bond counsel in the event of modification of the bond documents.

f) **Records Retention.**

- i. Records with respect to matters described in this Subsection B will be retained by the City for the life of the securities issue (and any issue that refunds the securities issue) and for a period of three years thereafter.
- ii. Records to be retained:
  - 1) The transcript;
  - 2) Arbitrage rebate reports prepared by outside consultants;
  - 3) Work papers that were provided to the rebate consultants;
  - 4) Records necessary to document the allocation of bond proceeds and other sources of funds to particular projects or portions of projects.
  - 5) 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 should continue to maintain those records in accordance with this policy);
  - 6) Copies of all certificates and returns filed with the IRS (e.g., for payment of arbitrage rebate);
  - 7) Records documenting the final allocation of bond proceeds to projects, including any reallocations of bond proceeds, in a format showing the timing and substance of the reallocation, if applicable;
  - 8) Copies of all contracts relating to the use of the bond-financed facility including leases, concession agreements, management agreements and other agreements that give usage rights or legal entitlements with respect to the facility to nongovernmental persons (e.g., advertising displays, cell tower leases, and naming rights agreements; and
  - 9) Post Issuance Compliance Checklist documented annual review.

3. **Federal Securities Law Requirements.** This section is intended to establish a framework for compliance by City with its disclosure and/or contractual obligations with respect to bonds, notes, and other securities it issues or that are issued on its behalf (as defined herein, the “Securities”), pursuant to the requirements of federal and state securities laws and other applicable rules, regulations, and orders. This section applies generally to all of the City’s tax-exempt and tax advantage bonds and other debt issued on the City’s behalf subject to comparable requirements. The purpose of this policy is to: facilitate compliance with applicable law and existing ongoing disclosure undertakings when preparing and distributing initial and ongoing disclosure documents, to reduce exposure (of the City and its officials and employees) to liability for damages and enforcement actions based on material misstatements and omissions in such documents, and to promote good investor relations.

It is the policy of the City to comply fully with applicable securities laws regarding disclosure in connection with the issuance of Securities and with the terms of its continuing disclosure agreements, including the Anti-Fraud Rules. The “Anti-Fraud Rules” refer to Section 17 of the Securities Act of 1933 and Section 10(b) of the Securities Exchange Act of 1934, particularly Rule 10b-5 under the Securities Exchange Act of 1934, and regulations adopted by the Securities and Exchange Commission under those Acts.<sup>1</sup>

The Anti-Fraud Rules require all material information relating to the offered Securities to be provided to potential investors in connection with the sale or issuance of Securities. The information provided to investors must not contain any material misstatements, and the City must not omit material information which would be necessary to provide to investors a materially complete description of the Securities and the City’s financial condition. In

<sup>1</sup> For example, the Anti-Fraud Rules provide that “It shall be unlawful for any person, directly or indirectly, ... (a) To employ any device, scheme, or artifice to defraud, (b) To make any untrue statement of a material fact or to omit to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading, or (c) To engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person, ... in connection with the purchase or sale of any security.”

the context of the sale of Securities, a fact is considered to be material if there is a substantial likelihood that a reasonable investor would consider it to be important, in the total mix of information made available to investors, in determining whether or not to purchase the Securities being offered.

The Anti-Fraud Rules apply to all statements and other communication that are intended (or reasonably can be expected) to be accessible to and relied upon by investors of the City's Securities. Investor Communications include: Preliminary and final Official Statements (the offering documents used in connection with the sale of Securities), filings made on EMMA (including filings made pursuant to continuing disclosure undertakings and voluntary postings), and may include, depending on the context, information uploaded or linked or posted to the website of the City, and press releases and other formal and/or public statements of the City.

a) Guidelines for Preparing Disclosure Documents.

- i. All City staff members and officials involved in the preparation or review of disclosure documents or other investor communications are responsible for being familiar with the Anti-Fraud Rules. Violations of the Anti-Fraud Rules may be punishable by civil or criminal penalties against the City and the individual staff members and officials responsible for the violations.
- ii. Staff members and officials involved in the preparation or review of disclosure documents and other investor communications are instructed to err on the side of raising issues when preparing or reviewing such documents and communications. Officials and staff are encouraged to consult with the City Attorney, bond counsel and/or disclosure counsel, if any, and/or the City's municipal advisor, if any, if there are questions regarding whether an issue is material. Any concerns regarding the accuracy of a disclosure document or other investor communication should be immediately reported to the City Attorney, bond counsel and/or disclosure counsel, if any.
- iii. The officers and employees charged by this policy with performing or refraining from any action may depart from this policy when they and the Responsible Officer in good faith determine that such departure is in the best interests of the City and consistent with the duties of the City under the Anti-Fraud Rules. The Responsible Officer is encouraged to first consult with bond counsel, disclosure counsel and/or other legal counsel to the City prior to any such departure.
- iv. Prior to the public release of any disclosure document or communication to be posted on EMMA, the Responsible Officer or designee shall complete a final review of the material, consisting of comparing and resolving any material discrepancies between the City's audited (and unaudited, if needed) financial statements and other source materials, and cover-to-cover review of the communication. The review and any source materials shall be documented.

b) Preliminary and Final Official Statements. For the purpose of satisfying the underwriter's compliance with the SEC Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the "Rule"), the Responsible Officer (and/or any other official designated by the City Council, if any) shall be responsible for "deeming final" the Preliminary Official Statement as of its date, except for the omission of information as to offering prices, interest rates, selling compensation, aggregate principal amount, principal amount per maturity, maturity dates, delivery dates, and other terms of the Securities dependent on such matters or permitted under the Rule to be omitted.

Prior to release of a Final Official Statement, the Responsible Officer or designee shall be responsible for reviewing and approving the document. The Responsible Officer's approval may be documented in the form of the signed closing certificate. In connection with the closing of the transaction, the Responsible Officer (and any other official designated by the City Council, if any) will execute a certificate under the Anti-Fraud Rules stating that the Preliminary and final Official Statements, as of their respective dates and as of the dates of pricing and closing, as applicable, do not contain any untrue statement of material fact or omit to state any material fact necessary to make the statements contained therein not misleading in light of the circumstances under which they were made.

c) Ongoing Disclosure. Under the provisions of the Rule, underwriters are required to obtain an agreement for ongoing disclosure in connection with the public offering of securities. The transcript for each issue

subject to the Rule (e.g. all publicly sold Securities) will include an undertaking by the City to comply with the Rule. The Responsible Officer or designee will be responsible for and monitor compliance by the City 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 certain “listed events.”

- i. Annual Filings. The City shall file, on a timely basis, its audited financial statements and any operating data as required under its continuing disclosure agreements. If audited financial information is not available by the filing date, unaudited information must be filed, and the audited information must be filed as soon as it is available. Further, the Responsible Officer is responsible for providing, in a timely manner, notice of any failure to provide required annual financial information, on or before the date specified in the applicable continuing disclosure agreement.

Prior to posting an annual filing, the Responsible Officer will complete a final review, consisting of comparing and noting material discrepancies with source materials and compliance with the Anti-Fraud Rules. Each continuing disclosure filing shall be sent to the Responsible Officer or other authorized officer for approval prior to posting on EMMA. The Responsible Officer must exercise reasonable care to file the annual filings in word-searchable PDF format and with the identifying information required by the Continuing Disclosure Agreements, including applicable CUSIP numbers for the Securities. The Responsible Officer shall enroll on the EMMA website to receive annual email reminders of annual filing deadlines.

- ii. Listed Events. Notice of certain listed events must be filed in a timely manner not more than ten (10) business days after the occurrence of the event. As of the date of this policy, the listed events include the following:

- 1) Principal and interest payment delinquencies
- 2) Non-payment related defaults, if material
- 3) Unscheduled draws on debt service reserves reflecting financial difficulties
- 4) Unscheduled draws on credit enhancements reflecting financial difficulties
- 5) Substitution of credit or liquidity providers, or their failure to perform
- 6) Adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the bonds, or other material events affecting the tax status of the bonds
- 7) Modifications to the rights of bondholders, if material
- 8) Bond calls, if material, and tender offers
- 9) Defeasances
- 10) Release, substitution, or sale of property securing repayment of the Bonds, if material
- 11) Rating changes (both upgrades and downgrades)
- 12) Bankruptcy, insolvency, receivership or similar event of the City
- 13) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
- 14) Appointment of a successor or additional trustee or the change of name of a trustee, if material
- 15) Incurrence of a Financial Obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the City, any of which affect Security holders, if material; and
- 16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the City, any of which reflect financial difficulties.

Disclosure of events 15 and 16 is required by continuing disclosure agreements executed after February 27, 2019. "Financial Obligation" is defined in the Rule to mean a (A) debt obligation; (B) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) guarantee of clause (A) or (B) of this definition. The term financial obligation does not include municipal securities as to which a final Official Statement has been provided to consistent with the Rule.

To facilitate compliance with these listed events, the Responsible Officer will maintain an inventory of all Financial Obligations of the City. The Responsible Officer will review each Financial Obligation (with the assistance of disclosure counsel and/or bond counsel as needed) to determine whether it is material and subject to reporting under the City's continuing disclosure agreements. The Responsible Officer will periodically review the definition of Financial Obligations and the inventory of existing Financial Obligations with the appropriate City officers and employees. If there is a foreseeable possibility of any default, event of acceleration, termination event, modification of terms or other similar event is reasonably possible occur, the Responsible Officer will be informed.

- d) Other Investor Communications. The Anti-Fraud Rules apply to all investor communications. Such investor communications may include, but are not limited to, voluntary filings made on EMMA, information on the City's website (such as on an investor relations webpage), communications with investors (or potential investors), press releases and other formal statements of the City that are intended to reach investors. The Responsible Officer and other officers of the City shall exercise reasonable care to make sure that the information in investor communications is materially accurate and complete and otherwise in compliance with this policy.
- e) Document Retention. The following documents are to be maintained in connection with each Security. The goal is to retain adequate records to substantiate compliance with the Anti-Fraud Rules. Unless otherwise specified, the following records are to be maintained.
  - Complete bond transcript in electronic format or hard copy, including (if applicable) copies of the continuing disclosure agreements.
  - A written record of any Financial Obligation or the occurrence of other notice event that is determined to be immaterial or not reflecting financial difficulty and thus not requiring disclosure, and the facts and circumstances used to reach such conclusion.
  - Documentation of the actions taken to prepare, check, review and approve each Investor Communication made pursuant to these procedures, including the sources of the information included.
  - Electronic copies of confirmations from EMMA of all continuing disclosure filings.
  - Copies of any filings or correspondence with the SEC or other regulatory body.
4. Training. The City will provide opportunities for training to the Responsible Officer, legal counsel, department managers/directors, elected officials and other individuals responsible for complying with this policy, as needed, specifically including the following training opportunities: at or after bond closing, a conference call or meeting with bond counsel to review the requirements applicable to a new bond issue; participation in in-house training sessions, CPE seminars, or seminars/webinars conducted by professional organizations (e.g., GFOA, WPTA, WFOA, PSFOA); and training will be provided as necessary to address any changes in Federal Tax or Federal Securities Laws or this policy.
5. Other Notice Requirements. In some instances, the proceedings authorizing the issuance of bonds will require the City 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 will maintain a listing of those requirements and monitor compliance by the City.

## RESOLUTION R-5454

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND ADOPTING THE KIRKLAND BOND PROCEDURE AND POST ISSUANCE COMPLIANCE POLICY SETTING FORTH THE POLICY OF THE CITY OF KIRKLAND WITH RESPECT TO MEETING ITS OBLIGATIONS UNDER FEDERAL TAX LAW AND SECURITIES LAW IN CONNECTION WITH ITS SECURITIES.

WHEREAS, the City of Kirkland has certain obligations under federal tax law and federal securities 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 Bond Procedure and Post Issuance Compliance Policy has been written in consultation with the City's bond counsel; and

WHEREAS, the Kirkland City Treasurer (Director of Finance and Administration) has recommended that the City Council formally adopt the Bond Procedure and Post Issuance Compliance Policy that the City is following, and will continue to follow, to maintain compliance with applicable federal law;

NOW, THEREFORE, be it resolved by the City Council of the City of Kirkland as follows:

Section 1. The "City of Kirkland Bond Procedure and 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 and federal securities law following the issuance of securities by the City of Kirkland.

Passed by majority vote of the Kirkland City Council in open meeting this 17 day of November, 2020.

Signed in authentication thereof this 17 day of November, 2020.

  
Penny Sweet, Mayor

Attest:

  
Kathi Anderson, City Clerk



# Regional Crisis Response Agency



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# Regional Crisis Response Agency

Since May 2019, the City has been a member of the North Sound Response, Awareness, De-escalation, and Referral (RADAR) Navigator pilot program that pairs a contracted Mental Health Professional (MHP) with law enforcement to provide crisis de-escalation, reduce use of force, and improve outcomes for community members experiencing a behavioral health crisis.

The pilot program has been a success by providing community members someone to respond when they are experiencing crisis. There was also recognition that two additional elements **someone to call** and **someplace to go** that avoided jail stays and costly visits to emergency rooms were needed to better serve the community.

Regionalizing and expanding the mobile crisis response program were viewed as important steps in advancing the larger vision of the City of Kirkland, along with its north King County partners, to create a more robust regional continuum of behavioral health services and reduce potentially negative interactions of community members in crisis with police. The goal is to address the needs of those with behavioral health challenges by giving community members **someone to call**, **someone to respond**, and **someplace to go**.

## BACKGROUND DISCUSSION

At the April 11, 2022, Council meeting, Council adopted Resolution R-5530 (Att-1) authorizing the City Manager to negotiate the terms of an interlocal agreement with the cities of Bothell, Kenmore, Lake Forest Park, and Shoreline to merge the Response, Awareness, De-escalation, and Referral (RADAR) Navigator program and Kirkland's Community Responder program into a regional crisis response program. Resolution R-5530 outlines the Council's goals for forming the new entity and lists several operational interests for the City Manager to include in the negotiations. Following adoption of Resolution R-5530, the City Manager hired Karen Reed, a consultant experienced in forming interlocal entities, such as the Northeast King County Regional Public Safety Communication (NORCOM) Agency and the Eastside Public Safety Communications Agency (EPSCA), to facilitate discussions among the five cities and draft the interlocal agreement and articles of incorporation.

On July 16, 2022, a new 988 crisis line was launched for the purpose of providing community members in crisis **someone to call** and serve as a complement to the pilot program which provides **someone to respond**.

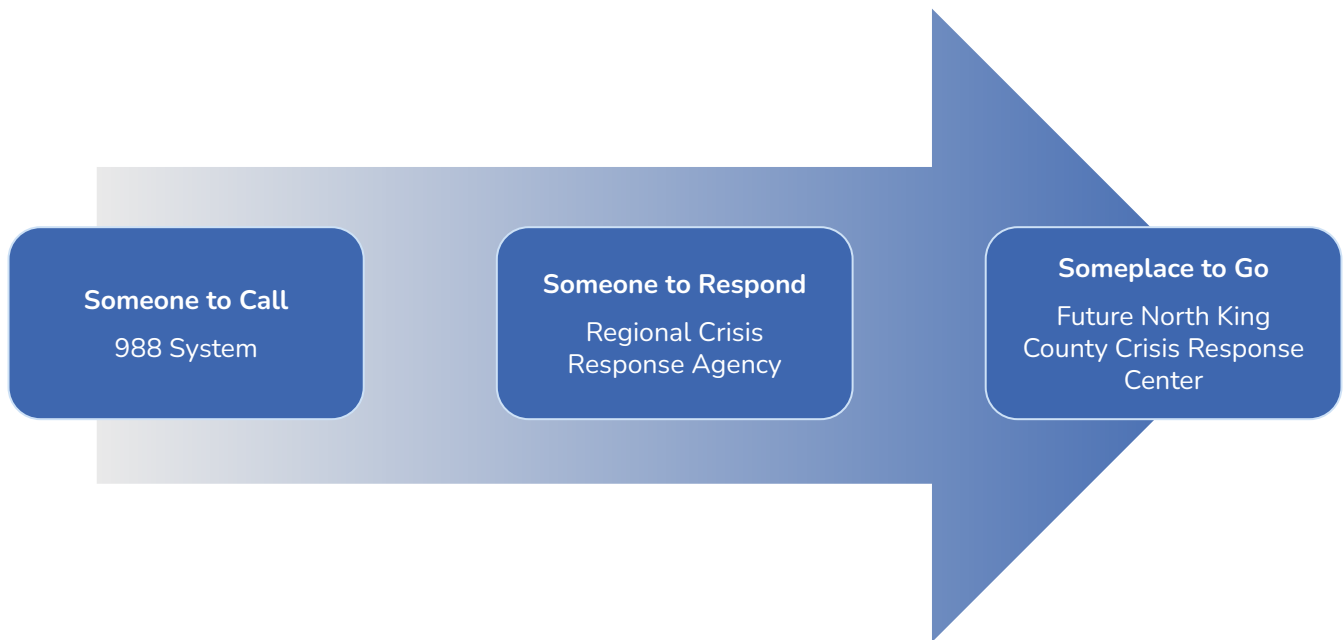
At the September 12, 2022 Council meeting, Council approved a draft interlocal agreement (ILA) and articles of incorporation forming a new, Regional Crisis Response Agency (RCR), authorizing the City to continue negotiations to become a member of a separate legal entity that would merge the Response, Awareness, De-escalation, and Referral (RADAR) Navigator program with Kirkland's Community Responder program to provide whole-community crisis response services to the cities of Bothell, Kenmore, Kirkland, Lake Forest Park, and Shoreline (collectively the north King County cities or NKCC). In addition, the City of Kirkland would serve as the fiscal and administrative host of the program.

A final version of the ILA reflecting feedback from all five city councils was approved by the five city councils and the Regional Crisis Response Agency (RCR) was created effective January 1, 2023. The 2023-2024 Budget includes Kirkland's support to the RCR Agency.

## REGIONAL MODEL – EXPANDED COMMUNITY RESPONSE

The RCR Agency will merge the current programs and be led by the RCR Agency. Additionally, the coalition of north King County cities, including City of Kirkland, are working with Connections Health Solutions as it looks to site a "no wrong door" crisis stabilization clinic in north King County that will serve anyone, regardless of insurance status or acuity to give community members in crisis **someplace to go**, creating a Behavioral Health Continuum of Care as shown below:

## Behavioral Health Continuum of Care



The Regional Crisis Response Agency (RCR) is integral in providing a regional alternative to traditional police response and ensuring community members experiencing crisis are compassionately connected to the right resources for proper follow-up care, such as the new crisis clinic and wrap-around services, while avoiding any unnecessary jail or emergency room visits.

### Key Elements of the RCR Agency Model and Structure

The RCR ILA establishes a partnership between the cities of Bothell, Kenmore, Kirkland, Lake Forest Park and Shoreline and creates a new, independent agency to provide regional mobile crisis response services in north King County. Together, the cities have developed the program model and structure. The following key elements of the ILA include the following:

- Separate Legal Entity as a Nonprofit Corporation

A new, separate legal entity, structured as a non-profit corporation, as the vehicle for providing expanded and sustainable regional community crisis response services. The nonprofit is legally separate from the member agencies and bears primary responsibility and liability for the program and will be jointly controlled by the member agencies.

- Fiscal Agent and Agency Staffing

A member agency will serve as the fiscal agent and provide all necessary administrative and fiduciary responsibilities to the entity including serving as the host for agency employees. By consensus of the participating cities, the City of Kirkland will serve as both the program host and fiscal agent and the other cities agreed. The City will be the home agency of the 13 employees from the previous programs and be “loaned” to the regional entity. The City will receive a fiscal agent fee, based on the City’s internal rate model when the program is operational beginning in 2023. Initial set-up activities incurred in 2022 will be provided on an in-kind basis by the City to the new entity.

- Governance, Advisory Boards, and Principals Assembly

The new entity will be governed by an Executive Board, comprised of the five City Managers/Administrators with one non-voting representative from an Operations Board. Member agencies, through their representation

and participation on the Executive Board, will set the RCR's annual budget, hire the executive director, make operational policy and procedure decisions, and oversee the day-to-day operations of the program.

■ Program Model, Staffing, and Coverage

The program will be staffed by 13 FTEs: one Executive Director, one Crisis Response Supervisor, one Administrative Assistant, and ten Crisis Responders. This staffing level provides for service coverage seven days per week from roughly 6am to midnight, with two units to account for the geographic spread of the five cities. The graveyard shift will initially be rotated amongst staff to be 'on-call'. This model will be reviewed for operational sufficiency through the 2023-2024 Biennium.

■ Weighted Voting

The ILA provides a weighted voting structure in proportion to the financial contribution by each member. This voting model is structured similar to other local partnerships and ensures equitable participation by all members.

■ Admission of New Members

The ILA sets forth a process for jurisdictions to join the new entity. Requirements are that the agency share a border with an existing member, agree to the terms of the agreement and budget contributions, and have not been a principal in the agency within the previous five years.

■ Budget

The 2023-2024 budget for the Regional Crisis Response Agency fully supports operations for a 13 FTE program with total biennial expenses at just over \$5M in 2023-2024 plus one-time start-up costs at just over \$400k in 2023, for a grand total of \$5.4M. The table below shows the one-time and operational costs anticipated for the first biennium of regional operation:

## REGIONAL CRISIS RESPONSE AGENCY

Expenditure Category	2023 One-Time	2023 Operations	2024 Operations	2023-2024 Operations	2023-2024 Total
Personnel	\$ 8,580	\$ 2,020,933	\$ 2,104,847	\$ 4,125,780	\$ 4,134,360
Professional Services & Training	18,000	49,400	50,882	100,282	118,282
Clothing and Equipment	41,400	10,450	10,764	21,214	62,614
IT, Supplies, and Furniture	52,830	155,745	160,763	316,508	369,338
Vehicles	100,000	24,740	25,482	50,222	150,222
Insurance & Other Admin. Costs	184,245	195,338	201,916	397,254	581,499
<b>Grandtotal</b>	<b>\$ 405,055</b>	<b>\$ 2,456,606</b>	<b>\$ 2,554,654</b>	<b>\$ 5,011,260</b>	<b>\$ 5,416,315</b>

The budget assumes nearly \$1.1M in grant revenue in 2023-2024, leaving a balance of \$4.3M, which would be covered by member agency contributions. The City of Kirkland offered to cover a larger portion of the on-going costs in 2023-2024 using existing funding for the Kirkland-only Community Responder program. The cities agreed to this arrangement in the first biennium with the goal of sharing the program costs equitably on a per-capita basis starting in 2025-2026. If the projected grant revenues are not secured, the budget, staffing and service levels will need to be readjusted accordingly prior to the Agency initiating operations. In the first two years of operations, contributions by member City are expected to be as follows:

## REGIONAL CRISIS RESPONSE AGENCY

City Contributions & Grants	2023 One-Time	2023 Operations	2024 Operations	2023-2024 Total
Bothell	\$ 82,412	\$ 251,166	\$ 312,532	\$ 646,110
Kenmore	40,566	123,633	153,839	318,038
Kirkland	157,567	1,070,865	1,107,700	2,336,132
Lake Forest Park	22,935	69,899	86,978	179,812
Shoreline	101,575	309,569	385,205	796,349
<b>Total City Contributions</b>	<b>\$ 405,055</b>	<b>\$ 1,825,132</b>	<b>\$ 2,046,254</b>	<b>\$ 4,276,441</b>
<b>Total Grant Revenue</b>	<b>-</b>	<b>631,474</b>	<b>508,400</b>	<b>1,139,874</b>
<b>Grandtotal</b>	<b>\$ 405,055</b>	<b>\$ 2,456,606</b>	<b>\$ 2,554,654</b>	<b>\$ 5,416,315</b>

\*City of Kirkland total contribution reflects as adopted. External Grants received may adjust final contributions.

## Kirkland Contributions

Kirkland will fund its contribution using sources that support public safety operations. The Fire Proposition 1 property tax levy (Fire Prop. 1), Public Safety Proposition 1 sales tax levy (PD Prop. 1), and Ground Emergency Medical Transport fees (GEMT) will provide coverage of the City's annual contributions each year of the biennium as shown in the table below:

City of Kirkland	2023	2024	Total
<b>Annual Contributions</b>	<b>\$ 1,228,432</b>	<b>\$ 1,107,700</b>	<b>\$ 2,336,132</b>
<b>Funding Sources</b>			
Fire Prop 1 "Penny" Portion	756,116	268,619	1,024,735
PD Prop 1 - MHP	120,000	120,000	240,000
GEMT	352,316	719,081	1,071,397
<b>Total Funding Sources</b>	<b>\$ 1,228,432</b>	<b>\$ 1,107,700</b>	<b>\$ 2,336,132</b>

The City is also establishing a Mobile Integrated Health (MIH) unit within the Fire Department, which will fund one firefighter/EMT and one social worker. This unit will work with the Regional Crisis Response Agency on calls within the City. Funding to support this unit will come from the King County Emergency Medical Services (EMS) Levy and GEMT.

Attachment 1

## RESOLUTION R-5530

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND AUTHORIZING THE CITY MANAGER TO NEGOTIATE THE TERMS OF AN INTERLOCAL AGREEMENT WITH THE RADAR NAVIGATOR CITIES TO CREATE AN ENTITY THAT WOULD MERGE THE RADAR NAVIGATOR PROGRAM AND KIRKLAND'S COMMUNITY RESPONDER PROGRAM INTO A REGIONAL MOBILE CRISIS RESPONSE PROGRAM.

WHEREAS, the City of Kirkland has been committed to finding ways to reduce use of force and improve outcomes and services to community members experiencing crisis through a variety of programs over the years; and

WHEREAS, City of Kirkland has been a member of the North Sound RADAR Navigators, a grant-funded regional "co-response" pilot program that pairs a contracted Mental Health Professional (MHP) with law enforcement to provide crisis de-escalation, reduce use of force, and improve outcomes for community members in behavioral health crisis since May 2019; and

WHEREAS, since joining the RADAR Navigator Program with the Cities of Bothell, Kenmore, Lake Forest Park, and Shoreline, Kirkland has benefitted from having a contracted MHP in co-response with law enforcement one to two shifts per week; and

WHEREAS, on August 4, 2020, the City Council adopted Resolution R-5434 affirming that Black lives matter and approving the framework for Kirkland to become a safe, inclusive, and welcoming community through actions to improve the safety and respect of Black people in Kirkland and end structural racism by partnering with those most affected; and

WHEREAS, one of the accountability strategies outlined in R-5434 directed the City Manager to "review national best practices for alternatives to police for serving those experiencing homelessness, behavioral health issues, drug addiction and other community challenges" and identify possible changes to City policies; and

WHEREAS, the City contracted with Beyond Force to review national best practices for alternatives to police response, evaluate Kirkland's needs, and propose a framework for the City's Community Responder Program; and

WHEREAS, to operationalize the commitments made under R-5434, and increase availability of mental and behavioral health resources, and the City Council created the Community Safety Initiative as the centerpiece of the 2021-2022 budget; and

WHEREAS, the 2021-2022 Community Safety Initiative created and funded four new "community responder" positions with the stated goal of having enough "community responders" to respond to service

R-5530

44 calls with an underlying behavioral health, substance abuse, or  
45 developmental disability component 24 hours per day, 7 days a week,  
46 365 days per year; and

47  
48 WHEREAS, on May 18, 2021, the City Council received the review  
49 of national best practices for alternatives to police response and a  
50 recommended framework for the Community Responder Program and  
51 upon consideration, directed the City Manager to continue the City's  
52 participation in the RADAR Navigator Program and in parallel, establish  
53 the City's own Community Responder Program by hiring community  
54 responders as full-time employees of the City; and

55  
56 WHEREAS, on September 7, 2021, the City Council further  
57 expanded the Community Responder Program through a series of  
58 actions to better enhance recruitment efforts and further achieve the  
59 goal of 24/7 coverage; and

60  
61 WHEREAS, in its current form, the City's Community Responder  
62 Program has budget and position authority for eleven staff, including  
63 one Program Manager, one Lead, four Community Responders  
64 partnered with five EMT-Firefighters, totaling a \$1.25 million annual  
65 investment but due to the economic and labor uncertainty has only hired  
66 the Lead position; and

67  
68 WHEREAS, on February 6, 2022, the RADAR Navigator Cities  
69 approached the City of Kirkland with a proposal to expand RADAR  
70 Navigators from a grant-funded pilot program to a more sustainable  
71 model with increased staffing levels and enhanced levels of service  
72 through General Fund contributions from each member City; and

73  
74 WHEREAS, on March 7, 2022, the Kirkland City Manager  
75 proposed to the RADAR Navigator cities and police chiefs that instead  
76 of investing in two separate programs, the parties explore the benefits  
77 of merging the RADAR Navigator program and Kirkland's Community  
78 Responder program into a consolidated regional mobile crisis response  
79 entity; and

80  
81 WHEREAS, all five RADAR Navigator cities supported exploration  
82 of a regional mobile crisis response entity recognizing that potential  
83 benefits of a merged program include achieving expanded crisis  
84 response coverage in all cities and avoiding competition through  
85 consolidated staffing; the opportunity to elevate the governance  
86 structure of the program from police chiefs to city managers and/or  
87 elected officials of the member cities; and alignment with regional  
88 efforts to site a crisis stabilization clinic in North King County, among  
89 others; and

90  
91 WHEREAS, on April 5, 2022, the City Council considered the  
92 proposal to merge the RADAR Navigator and Community Responder  
93 Programs into a consolidated regional mobile crisis response program,  
94 managed by a new regional entity, and directed the City Manager to  
95 prepare a resolution stating the Council's interest in such a partnership,  
96 and key interests for the City Manager to bear in mind for negotiating  
97 an interlocal agreement.

98

R-5530

NOW, THEREFORE, be it resolved by the City Council of the City of Kirkland as follows:

Section 1. The City Manager is hereby authorized and directed to negotiate an interlocal agreement with the cities of Shoreline, Kenmore, Lake Forest Park, and Bothell to form a new regional entity to provide a consolidated and standardized mobile crisis response program that achieves the following goals:

- a. Provides alternatives to police as the primary response to community members in crisis and improve outcomes for those community members by deploying mental health professionals or similarly certified staff as crisis responders;
- b. The primary responders to community members in crisis are the regional entity's mental health professionals, where appropriate;
- c. The regional entity advocates for and supports the formation of a regional crisis stabilization facility in North King County; and
- d. The regional entity supports and advises dispatch agencies over time as they develop and adopt dispatch protocols for mobile crisis responders that utilize both 911 and 988 centers of dispatch.

Section 2. The City Manager is further directed to negotiate specific terms of an interlocal agreement with partner cities that meet the following operational interests of the City of Kirkland:

- a. The regional entity is governed by a board of city managers and administrators, elected officials, or some combination of appointed and elected officials from each member city and may include community members with lived experience in crisis care and/or with behavioral health systems;
- b. The regional entity collaborates with community members with lived experience in the crisis care and/or behavioral health systems;
- c. The regional entity builds towards achieving behavioral health professionals available to respond 24 hours a day, 7 days a week, 365 days per year;
- d. The regional entity is funded through contributions from all member cities based on an agreed upon methodology and a formal budgeting process that includes review and approval by member cities.
- e. The regional entity governance structure includes a voting system that includes weighted voting, or inclusion of veto powers, to reflect the relative proportion of member cities' contributions;
- f. The regional entity has one fiscal and administrative agent, a role City of Kirkland can fill;
- g. The regional entity will structure shifts and caseload in a way that maintains appropriate response times for Kirkland, such as certain units being based in close proximity to Kirkland;
- h. Member cities in the regional entity agree to develop and adopt shared mobile crisis response dispatch plans and protocols that are integrated between both 911 and the upcoming 988 centers and that align with the goals outlined in Section 1 above; and
- i. The regional entity shall cooperate and collaborate with Mobile Integrated Health programs funded by the King County Medic

R-5530

153        One Levy and explore potential future partnerships to achieve  
154        more efficient and effective outcomes for both programs; and  
155        j. The regional interlocal agreement includes a process for other  
156        cities to join based on agreed upon financial commitments,  
157        shared understanding of program goals, and capacity to scale  
158        the service area without compromising quality of care.

159  
160        Passed by majority vote of the Kirkland City Council in open  
161        meeting this 19th day of April, 2022.

162  
163        Signed in authentication thereof this 19th day of April, 2022.

  
Penny Sweet, Mayor

Attest:

  
Kathi Anderson, City Clerk



# Glossary



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# Glossary of Budget Terms

## Account Number

Kirkland utilizes an account structure that conforms to the state BARS (Budgeting, Accounting, and Reporting System) requirements. The account number is separated into the following parts:

XXX	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 purchased; 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 revenue and expenditure results of operations for fiscal year(s) indicated.

## Appropriation

Through an appropriation ordinance, the City Council legally authorizes the City to spend money and to incur obligations for specific purposes. Budgetary/Operating fund appropriations lapse at the end of each biennium. Non-operating fund appropriations, on the other hand, continue in force until fully expended or until the City

has accomplished or abandoned the purpose for which the Council granted the funds. Spending cannot exceed the level of appropriation without the Council's approval.

### **Assessed Valuation**

When the King County Assessor's Office determines the value of both real (land and buildings) and personal property, it arrives at the assessed valuation of the property. The County uses this value to compute property taxes.

### **Asset**

Property owned by the government and resources owned or held by a government that has monetary value.

### **Audit**

An official inspection of an individual's or organization's accounts, typically by an independent body. In Washington State all audits of municipalities are performed by the Washington State Auditor's Office.

### **Balanced Budget**

A balanced budget is where total expected revenues are equal to total planned spending.

### **BARS**

The State of Washington Budgeting, Accounting, and Reporting System required for all governmental entities in the state.

### **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)**

These positions are budgeted ongoing employees. Kirkland budgets its employee positions in terms of the work year of a regular, full-time employee. For example, when the City budgets a position full-time for only six months, that position is 0.5 FTE. Likewise, a half-time position budgeted for a full year is also 0.5 FTE. A full-time position is 1.00 FTE.

## **Fund**

Municipal governments organize and operate their accounting systems on a fund basis. The formal definition of the fund is an independent financial and accounting entity with a self-balancing set of accounts in which cities record financial transactions relating to revenues, expenditures, assets, and liabilities. Each fund must be budgeted independently with revenues equal to expenditures. With the exception of the General Fund, which accounts for general purpose activities and unrestricted revenue sources, each fund has a unique funding source and purpose. By establishing funds, the City can account for the use of restricted revenue sources and carry on specific activities or pursue specific objectives.

## **Fund Balance**

The cumulative difference between expenditures and revenue over the life of a fund. A negative fund balance is usually referred to as a deficit.

## **GAAP (Generally Accepted Accounting Principles)**

Both industry and governments use Generally Accepted Accounting Principles as standards for accounting and reporting financial activity. The Governmental Accounting Standards Board (GASB) currently sets government GAAP. Adherence to GAAP assures that financial reports of all state and local governments - regardless of jurisdictional legal provisions and customs - contain the same type of financial statements and disclosures, for the same categories and types of funds and account groups, based on the same measurement and classification criteria.

## **GASB 34**

Governmental Accounting Standards Board Statement 34 (GASB 34) sets requirements for the content and format of the annual financial report.

## **General Fund**

The General Fund accounts for revenues and expenditures associated with ordinary City operations that are not required to be accounted for in another fund. Individual departments within the General Fund account for expenditures incurred to provide various general-purpose municipal services.

## **General Obligation Bonds**

Bonds for which the City pledges its full faith and credit (the general taxing power) for repayment. Debt Service is paid from property tax revenue levied (in the case of voter-approved bonds) or other general revenue (in the case of Councilmanic bonds).

**Grant**

A transfer of county, state, or federal monies to the City, usually for specific programs or activities.

**Governmental Funds**

Generally used to account for tax-supported (governmental) activities.

**Indirect Cost**

Cost of centrally provided internal services for which there is a citywide benefit that cannot be readily identified to specific departments.

**Infrastructure**

Long-lived capital assets that can be preserved for a significantly greater number of years than most capital assets and are stationary in nature.

**Interfund Transfers**

When the City moves money between its various funds, it makes an interfund transfer.

**Intergovernmental Revenues**

Revenues from other governments in the form of state shared revenue and grants.

**Internal Controls**

Policies and procedures established to provide reasonable assurance that specific government objectives will be achieved.

**Internal Service Fund**

An accounting entity which the City uses to record and report transactions for goods and services provided by one department to other City departments on a cost reimbursement basis. The City currently has four internal service funds, the Equipment Rental Fund, Facilities Maintenance Fund, the Health Benefits Fund and the Information Technology Fund.

**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.

**Limited Term Employee (LTE)**

Temporary employees funded for a finite period of time.

## **Line-Item Budget**

In its biennial budget, Kirkland estimates revenues and expenditures at the line-item level. The line-item budget contains a great degree of detail since it indicates how the City spends its money and the sources from which it receives revenue. Examples of line items in Kirkland's budget are postage, uniforms and clothing, hourly wages, fuel, etc.

## **Maintenance**

The act of keeping capital assets in a state of good repair. It includes preventive maintenance, normal periodic repairs, replacement of parts, structural components and so forth, and other activities needed to maintain the asset so that it continues to provide normal services and achieves its optimum life.

## **Modified Accrual Basis**

Kirkland uses this basis of accounting for year-end reporting which is adapted to the governmental fund type spending. The City recognizes revenues when they become both "measurable" and "available" to finance expenditures of the current period (i.e., when it is received). The City recognizes an expenditure, other than accrued interest on general fiscal long-term debt, when it is incurred (i.e., an obligation is made).

## **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 community members.

## **Operating Revenues**

Funds that the government receives as income to pay for ongoing operations.

## **Ordinance**

A formal legislative enactment by the Council or governing body of a governmental entity.

## **Performance Indicator**

Specific quantitative and qualitative measures of work performed as an indicator of specific department or program activity or accomplishment.

**Performance Measure**

A measure of how well a particular result is being achieved. Indicators of program performance that are collected to show the impact of resources spent on city services directly tied to program results.

**PERS**

The State of Washington's Public Employees Retirement System for employees other than police and fire personnel.

**Personnel Services**

Expenditures which include salary costs, wages, and benefits, for full-time and part-time hourly employees and overtime expenses.

**Preliminary Budget**

The recommended, but unapproved, biennial budget which the City Manager presents to the City Council and the public.

**Program Budget**

A program is made up of a group of similar services which have a common purpose. A program budget presents planned expenditures for each group of services without regard to the departments involved in performing the services. For example, most services performed by the Police and Fire departments are related to protecting the public and naturally become part of a Public Safety Program along with prosecuting personnel, the municipal court, and other related service activities.

**Property Tax Levy – Regular**

This represents the amount of property tax allowable under State law which the City may levy annually without approval by the City's registered voters. Kirkland uses this tax primarily to support the General Fund and street-related services. The City also has a separately voted Parks Maintenance Levy. State law fixes the maximum levy in dollars per \$1,000 of assessed valuation and the annual rate at which total regular levy property taxes may increase.

**Property Tax Levy – Special (or Excess)**

This represents the amount of property tax which a city government may charge in excess of the "regular levy" upon the approval of this tax by a vote of the people. Cities most commonly use the revenue to pay the annual costs of voter-approved general obligation bonds. State law imposes a maximum limit on the dollar amount of such bonds which a city may have outstanding at any one time.

**Proprietary Fund**

See Enterprise Fund.

**Reserve**

An account which the City uses either to set aside budgeted revenues that it does not need to spend in the current biennium or to earmark revenues for a specific future purpose.

**Resources**

Total dollars available for appropriation, including estimated revenues, interfund transfers, and other financing sources such as beginning resources forward balances.

**Resources Forward**

Each City fund uses this revenue account to record estimated and actual resources available for expenditure in the biennium because of revenues collected in excess of the budget and/or expenditures less than the budget in the prior biennium. Can also be called Beginning Fund Balance.

## **Restricted/Unrestricted Revenue**

The City most commonly receives restricted revenue in three ways. First, a person pays a fee to the City and the City will use that money to provide a specific product, service, or capital asset. Second, the receipt of money is directly tied to an expenditure or is restricted by law. Finally, the City considers revenue restricted when voters or the City Council have designated it for a specific purpose. All other revenues are unrestricted.

## **Revenue**

Sources of income which the City receives during a fiscal year. Examples of revenue include taxes, intergovernmental grants, charges for service, and other financing sources such as the proceeds derived from the sale of 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.

## **Sinking Funds**

A fund containing money set aside or saved to pay for the replacement of public safety, information technology, and fleet equipment and Parks facility maintenance.

## **Special Revenue Funds**

Funds used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

## **Supplies**

Cost of goods consumed by the City in the course of its operations.

## **Tax Levy**

The total amount to be raised by general property taxes for the purposes stated in the tax levy ordinance. (See also Property Tax Levy and Levy Rate.)

## **Unreserved Fund Balance**

The funds remaining after reduction for reserved balances.

## **User Charges**

The amount the government receives for the provision of services and commodities, or the performance of specific services benefiting the person charged. User charges tend to be voluntary in nature, in contrast to mandatory property and income taxes. Community members only pay user charges when a specific service is received.

## **Working Capital**

The capital of an organization which is used in its day-to-day trading operations, calculated as the current assets minus the current liabilities. For Kirkland, working capital consists of excess net operating resources brought forward from the prior year to fund one-time “service packages” and equipment costs and to provide an operating cash flow buffer against seasonal fluctuations in revenues and expenditures.



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# Acronym Guide



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# Acronym Guide

<b>AC</b>	Asbestos/Cement	<b>CMAQ</b>	Congestion Mitigation and Air Quality
<b>ACA</b>	Affordable Care Act	<b>CMO</b>	City Manager's Office
<b>ACFR</b>	Annual Comprehensive Financial Report	<b>CMOM</b>	Capacity, Management, Operations and Maintenance Program (for sanitary sewer)
<b>ACP</b>	Asphalt Concrete Pavement	<b>COLA</b>	Cost of Living Adjustment
<b>ADA</b>	Americans with Disabilities Act	<b>COPS</b>	Community Oriented Policing
<b>AED</b>	Automated External Defibrillator	<b>COVID-19</b>	Coronavirus Disease 2019
<b>AFSCME</b>	American Federation of State, County and Municipal Employees	<b>CPI</b>	Consumer Price Index
<b>AKA</b>	Also Known As	<b>CPR</b>	Cardiopulmonary Resuscitation
<b>ALS</b>	Advanced Life Support	<b>CPS</b>	Child Protective Services
<b>AOC</b>	Administrative Office of the Courts	<b>CTR</b>	Commute Trip Reduction
<b>APS</b>	Adult Protective Service	<b>CWA</b>	Cascade Water Alliance
<b>ARC</b>	Aquatics, Recreation and Community Center	<b>DART (1)</b>	Dial-a-Ride Transportation
<b>ARCH</b>	A Regional Coalition of Housing	<b>DART (2)</b>	Domestic Abuse Response Team
<b>ARRA</b>	American Recovery and Reinvestment	<b>DEIB</b>	Diversity, Equity, Inclusion, and Belonging
<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>CAO (1)</b>	City Attorney's Office	<b>DUI</b>	Driving under the Influence
<b>CAO (2)</b>	Critical Areas Ordinance	<b>EAP</b>	Employee Assistance Program
<b>CBD</b>	Central Business District	<b>EIS</b>	Environmental Impact Statement
<b>CCTV</b>	Closed Circuit Television	<b>EMPG</b>	Emergency Management Performance Grant
<b>CDBG</b>	Community Development Block Grant	<b>EMS</b>	Emergency Medical Services
<b>CFP</b>	Capital Facilities Plan	<b>EMT</b>	Emergency Medical Technician
<b>CIP</b>	Capital Improvement Program	<b>EOC</b>	Emergency Operations Center
<b>CJTC</b>	Criminal Justice Training Center		
<b>CKC</b>	Cross Kirkland Corridor		

<b>EPSCA</b>	Eastside Public Safety Communications Agency	<b>IPD</b>	Implicit Price Deflator
<b>ER</b>	Equipment Rental	<b>IT</b>	Information Technology
<b>ESP</b>	Emergency Sewer Program	<b>ITS</b>	Intelligent Transportation System
<b>ETP</b>	Eastside Transportation Partnership	<b>JOC</b>	Job Order Contracting
<b>F&amp;A</b>	Finance and Administration	<b>KAC</b>	Kirkland Arts Center
<b>FD</b>	Fire	<b>KAN</b>	Kirkland Alliance of Neighborhoods
<b>FASB</b>	Financial Accounting Standards Board	<b>KDA</b>	Kirkland Downtown Association
<b>FEMA</b>	Federal Emergency Management Agency	<b>KFD</b>	Kirkland Fire Department
<b>FMR</b>	Financial Management Report	<b>KJC</b>	Kirkland Justice Center
<b>FOG</b>	Fats, Oils and Grease	<b>KMC (1)</b>	Kirkland Municipal Code
<b>FSA</b>	Flexible Spending Account	<b>KMC (2)</b>	Kirkland Municipal Court
<b>FTE</b>	Full Time Equivalent	<b>KPC</b>	Kirkland Performance Center
<b>FVU</b>	Family Violence Unit	<b>KPD</b>	Kirkland Police Department
<b>FY</b>	Fiscal Year	<b>LAN</b>	Local Area Network
<b>FYA</b>	Flashing Yellow Arrows	<b>LEED</b>	Leadership in Energy and Environmental Design
<b>GAAP</b>	Generally Accepted Accounting Principles	<b>LEOFF</b>	Law Enforcement Officers and Firefighters (retirement system)
<b>GASB</b>	Governmental Accounting Standards Board	<b>LET</b>	Leasehold Excise Tax
<b>GEMT</b>	Ground Emergency Medical Transportation	<b>LF</b>	Linear Feet
<b>GFOA</b>	Government Finance Officers Association	<b>LID (1)</b>	Local Improvement District
<b>GIS</b>	Geographical Information Systems	<b>LID (2)</b>	Low Impact Development
<b>GMA</b>	Growth Management Act	<b>LTAC</b>	Lodging Tax Advisory Committee (aka TDC)
<b>GO</b>	General Obligation	<b>LTE</b>	Limited Term Employee
<b>HHS</b>	Health and Human Services	<b>LTGO</b>	Limited Tax General Obligation
<b>HR</b>	Human Resources	<b>LWIT</b>	Lake Washington Institute of Technology
<b>HRA</b>	Health Reimbursement Account	<b>LWSD</b>	Lake Washington School District
<b>HSA</b>	Health Savings Account	<b>MAC</b>	Management and Confidential (Employees)
<b>HUD</b>	Housing and Urban Development	<b>MEBT</b>	Municipal Employees Benefit Trust
<b>HVAC</b>	Heating, Ventilation and Air Condition	<b>MMS</b>	Maintenance Management System
<b>IAFF</b>	International Association of Firefighters	<b>MRSC</b>	Municipal Research and Services Center
<b>ICMA</b>	International City/County Management Association	<b>MSA</b>	Metropolitan Statistical Area
<b>IFAS</b>	Integrated Financial and Administrative Solution (financial software)	<b>MVFT</b>	Motor Vehicle Fuel Tax
		<b>N/A</b>	Not Applicable or Not Available
		<b>NEDC</b>	Northeast District Court

<b>NKCC</b>	North Kirkland Community Center	<b>S&amp;P</b>	Standard and Poor's
<b>NLC</b>	National League of Cities	<b>SAN</b>	Storage Area Network
<b>NORCOM</b>	North East King County Regional Public Safety Communication Agency	<b>SAO</b>	State Auditor's Office
<b>NPDES</b>	National Pollutant Discharge Elimination System	<b>SCA</b>	Sound Cities Association
<b>NRO</b>	Neighborhood Resource Officer	<b>SCBA</b>	Self Contained Breathing Apparatus
<b>NRSRO</b>	Nationally Recognized Statistical Rating Organization	<b>SDP</b>	Shoreline Substantial Development Permit
<b>NTC</b>	Neighborhood Traffic Control	<b>SEC</b>	Securities and Exchange Commission
<b>O&amp;M</b>	Operations and Maintenance	<b>SEPA</b>	State Environmental Policy Act
<b>OPEB</b>	Other Post-Employment Benefits	<b>SQL</b>	Structured Query Language
<b>PC</b>	Personal Computer	<b>SRO</b>	School Resource Officer
<b>PB</b>	Planning and Building	<b>SWAT</b>	Special Weapons and Tactics
<b>PCI</b>	Payment Card Industry	<b>TBD</b>	Transportation Benefit District
<b>PCS</b>	Parks and Community Services	<b>TDC</b>	Tourism Development Committee (aka LTAC)
<b>PDA</b>	Public Disclosure Act	<b>TIB</b>	Transportation Improvement Board
<b>PDR</b>	Public Disclosure Request	<b>TIP</b>	Transportation Improvement Plan
<b>PERS</b>	Public Employees Retirement System	<b>TMP</b>	Transportation Master Plan
<b>PKCC</b>	Peter Kirk Community Center	<b>TOD</b>	Transit Oriented Development
<b>PPE</b>	Personal Protective Equipment	<b>TUB</b>	Teen Union Building
<b>PROS</b>	Parks, Recreation and Open Space (Plan)	<b>ULI</b>	Urban Land Institute
<b>PRV</b>	Pressure Reducing Valve Vault	<b>UTGO</b>	Unlimited Tax General Obligation
<b>PSERS</b>	Public Safety Employees Retirement System	<b>WAC</b>	Washington Administrative Code
<b>PSRC</b>	Puget Sound Regional Council	<b>WAN</b>	Wide Area Network
<b>PW</b>	Public Works	<b>WCIA</b>	Washington Cities Insurance Authority
<b>PWTF</b>	Public Works Trust Fund	<b>WISHA</b>	Washington Industrial Safety and Health Act
<b>RADAR</b>	Response, Awareness, De-escalation, and Referral	<b>WNR</b>	Wants, Needs, Resources
<b>RCR</b>	Regional Crisis Response Agency	<b>WSDOT</b>	Washington State Department of Transportation
<b>RCW</b>	Revised Code of Washington	<b>WSP</b>	Washington State Patrol
<b>REET</b>	Real Estate Excise Tax		
<b>RF</b>	Resources Forward		
<b>(R)RFB</b>	(Rectangular) Rapid Flashing Beacon		
<b>RGRL</b>	Revenue Generating Regulatory License		
<b>ROW</b>	Right of Way		

