

# CITY OF KIRKLAND

# 2025-2026 BUDGET

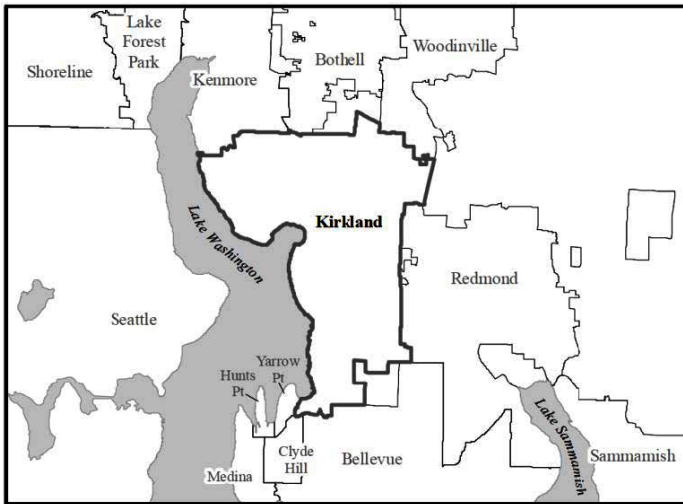


**A Sound Budget for  
a Flourishing City**



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## Kirkland at a Glance

Founded	1888
Incorporated	1905
Population	96,710
Elevation	18 to 534 feet
Land Area	18 sq. miles
Miles of City Streets	252
Miles of City Sewers	125
Miles of Water Lines	174
Residential Dwellings	42,644
Fire Department Rating Class	3
City Employees (Full-Time Equivalents)	762.5
General Obligation Bond Rating:	
Moody's	Aaa
Standard and Poor's	AAA

## City Council

**Mayor, Kelli Curtis**

**Deputy Mayor, Jay Arnold**

**Neal Black**

**Amy Falcone**

**Jon Pascal**

**Penny Sweet**

**John Tymczyszyn**

### Administrative Staff

#### City Manager

Kurt Triplett

#### Deputy City Manager of Operations

Julie Underwood

#### Deputy City Manager for External Affairs

James Lopez

#### Municipal Court Judge

John Olson

#### City Attorney

Darcey Eilers

#### Director of Finance & Administration

Michael Olson

#### Fire Chief

Joe Sanford

#### Director of Human Resources

Brooke Bascom

#### 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

Truc Dever

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 96,710. Kirkland is the 13<sup>th</sup> largest city in the State of Washington and the sixth largest in King County. Since its incorporation, Kirkland has grown in geographic size to 18 square miles – approximately 20 times its original size. This growth occurred primarily through the consolidation of the cities of Houghton and Kirkland in 1968, the annexations of Rose Hill and Juanita in 1988, and the annexation of North Juanita, Finn Hill, and Kingsgate areas in 2011. Kirkland operates under a Council-Manager form of government. The City Council is the policy-making branch of Kirkland's government and consists of seven members elected at large to staggered, four-year terms. The Mayor is elected from within the Council. The City Council is supported by several advisory boards and commissions and the City Manager. The City Manager is appointed by the City Council and serves as the professional administrator of the organization, coordinating its day-to-day activities. The City government offers a full range of municipal services which are provided by 11 operating departments. The City boasts over 50 developed parks, including 11 that are located on the waterfront, as well as two community centers, a swimming pool, and a teen center. The broad range of parks and recreational facilities provides year-round services for community members of all ages.

# 2025-2026 Budget



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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished  
Budget Presentation  
Award*

PRESENTED TO

**City of Kirkland  
Washington**

For the Biennium Beginning

**January 01, 2023**

*Christopher P. Morill*

Executive Director



# City of Kirkland Mayor & City Council



Kelli Curtis  
Mayor



Jay Arnold  
Deputy Mayor



Neal Black  
Council Member



Amy Falcone  
Council Member



Jon Pascal  
Council Member



Penny Sweet  
Council Member



John Tymczyszyn  
Council Member



## INSTRUCTIONS FOR NAVIGATING 2025-2026 BUDGET PDF DOCUMENT

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## 2025-2026 Budget Message

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

On April 11, 2024, Mayor Kelli Curtis, on behalf of the City Council, spoke before the Kirkland Chamber of Commerce and declared that “the State of the City is Flourishing!” Mayor Curtis highlighted how Kirkland’s small businesses, shops and restaurants, and commercial and residential developments are blooming. Her speech emphasized how the partnership between the Council and City departments is keeping our community safe through the implementation of the 2018 Police Proposition 1 and the 2020 Fire and Emergency Services ballot measures. Mayor Curtis described the City’s expansion of parks and recreation opportunities, community events, and investments in street maintenance, and water, sewer, and stormwater infrastructure. She detailed how the City is constructing new sidewalks, bike lanes, and transit improvements to provide safe and convenient routes to school and alternatives to automobiles. Maintaining Kirkland’s high quality of life, protecting our environment, and supporting the successes described in the State of the City address lay the foundation of the budget proposal.

Kirkland’s Budget Leadership Team is proud to deliver the City Manager’s 2025-2026 Budget, “**A Sound Budget for a Flourishing City.**”

### A Flourishing City

The Kirkland biennial budget benefits from a strong local economy and a time of positive economic transition. The record inflation of the past three years is falling. Unemployment both nationally and in Kirkland remains low. The Federal Reserve lowered interest rates for the first time in years. The costs of labor, vehicles, services, and construction—while still high—are stabilizing. Supply chain issues are normalizing, and the workforce is being retained. Recent Council investments in new parks and recreation programs, crisis responders, firefighters, public works crews, and modernized equipment and technology are improving services and enhancing public safety. These factors have allowed our community to thrive while many jurisdictions in Washington are struggling.

The Budget Leadership Team is recommending a budget focused on sustaining the substantial investments the Council made in 2023-2024 to serve our flourishing city, while remaining financially disciplined and prepared against any unexpected economic downturns.

### Sustaining Current Levels of Service

The highlight of this budget is that all programs, employees, and levels of service from 2023-2024 are fully funded in 2025-2026 with existing revenue streams. This is a significant accomplishment. Retaining these vital new community service levels required nearly ten percent more revenue due to the cumulative impact of the previous years of inflation and projected increases in the cost of competitive wages and benefits. Our budget is



balanced due to robust sales tax, utility tax, and business license fee revenues, along with new park program and rental revenues and inflationary increases to existing rates and fees.

While the general fund revenue growth was used to sustain existing services, the budget also makes focused and targeted additions to support Council and community priorities. Most of these new programs and services are funded through one-time money or with an identified dedicated revenue source other than the general fund.

An overview of some of these key investments is provided below in the budget message. All service packages are described in more detail in the budget documents. In addition, there are hundreds of millions of dollars in infrastructure investments for parks, facilities, streets, sidewalks, water, sewer, and stormwater projects that protect and enhance Kirkland's quality of life. Those projects are detailed in the six-year 2025-2030 Capital Improvement Projects (CIP) list that will accompany the budget transmittal, so they are not detailed in this message.

### Community Safety

One of the fundamental responsibilities of the City is to keep our community safe. Like most cities, Kirkland is experiencing a generational shift in the Police Department as experienced officers retire and new officers are hired. This budget adds a new Police Lieutenant to both reduce the command span of control and support training and operations. This position will help ensure our new officers are effective, accountable, and trusted guardians of our community. Revenue from safety camera fines fund a civilian position to review school zone safety citations, which will free up commissioned Police Officers to return to direct service. To support victims of crime during their most difficult time, the budget also includes a new dedicated sexual assault advocate for Kirkland through a two-year pilot program with the King County Sexual Assault Resource Center (KSARC). This budget also funds Kirkland's share of the expanded Regional Crisis Response (RCR) Agency, which includes a new RCR Supervisor.

This budget supports our Fire Department's ability to reliably fight fires in taller buildings, provide hazardous material response, and technical rescue capability by proposing a second ladder truck to help serve our growing commercial centers. With our expanding fleet of police and fire vehicles, the budget proposes a new ongoing Emergency Vehicle Technician. This position will reduce maintenance costs while keeping patrol cars, aid cars, and fire engines out of the shop and in the community. A one-time office specialist is proposed for Emergency Management to keep us at the forefront of community preparedness. New automatic gates and security cameras in selected parks are included to ensure our parks stay safe places to be enjoyed by the entire community.

Another aspect of community safety is that our infrastructure for all those who drive, bike, walk, or roll is safe and well maintained. Much of this is accomplished through the Street Fund, which faced a substantial deficit of nearly six million dollars when the budget process started, largely due to flat gas tax revenues and the rising cost of materials, services, and labor. Using one-time general fund dollars and Real Estate Excise Tax (REET) fund balances, the Street Fund gap has been closed. However, sustainable revenue for the Street Fund will need to be identified for the 2027-2028 budget. Beyond restoring the Street Fund, the budget also includes a new truck for the sign and signal shop, and a new concrete mixer skid for street crews to support more efficient and effective street and sidewalk maintenance.

### Parks and Community Services (PCS)

One of the hallmarks of Kirkland's quality of life is our exceptional parks system coupled with the extensive recreational programs we offer for all members of the community. This budget thoughtfully expands key park and recreation levels of service. First, this budget uses the last of our American Rescue Plan Act (ARPA) dollars to support the programs and operations of the Kirkland Teen Union Building (KTUB), including both indoor and outdoor recreational opportunities, and mental health counseling and related social services. Permanent funding options for KTUB will be identified for the 2027-2028 budget. New parks maintenance staff are added to respond to the increased community use of existing parks and to support the addition of the new 132<sup>nd</sup> Square Park amenities, the new Fisk Family Park, and the new Houghton Park and Play. A feasibility assessment for piloting turf infields to increase year-round playability for softball and baseball is funded. The budget uses increased park rental revenues and program fees to fund a term-limited position for customer

service, communication, and outreach to be more proactive with community engagement and responsive to the thousands of community interactions that occur during registrations, online, and across all park programs and capital investments. The term-limited event planning position is also extended for 2025 and 2026 so that beloved new community events such as the Harvest Festival, El Dia De Los Muertos, and the Lunar New Year celebrations can continue.

Human services provided by PCS are also critical priorities for the Council and the community. This budget matches the record level of investment in human services grants in 2023-2024 made possible by ARPA dollars. A combination of one-time general fund contributions, new opioid settlement revenues, and Police Proposition 1 fund balances accomplished this important goal. But providing dedicated, ongoing funding for growing human services needs remains a challenge for future budgets. A 0.5 temporary office specialist is added to help manage Kirkland's expanding number of human service grant contracts, and to administer the reorganized Eastside human services grant pool. This regional funding pool saves Kirkland and service providers money and time, and the other Eastside cities are paying for half of this position. A new "flexible funding" program to support the HART Team's ability to stabilize those experiencing homelessness is created. This program allocates \$75,000 per year of one-time funding for hotel vouchers, car repairs, support for church programs providing shelter and more. The Universal Low-income Discount Program is funded again for the next biennium. Housing Trust Fund contributions to A Regional Coalition for Housing (ARCH) are increased to a new record level by allocating over \$200,000 in additional funding per year to the Trust Fund through HB 1406 sales tax revenues authorized for this purpose. The Health and Wellness Fair is funded for 2025 and 2026 with one-time dollars. The budget also extends the term-limited PCS Management Analyst for the next biennium to complete and implement the Homelessness Action Plan and support the efforts to create a potential new community center in partnership with the Seattle Kraken.

#### Environmental Sustainability

Another Council and community value is providing a healthy environment by using clean energy, protecting our natural resources, and improving air and water quality now and into the future. New electric vehicle chargers funded by both grants and capital dollars will be installed in various City facilities in 2025-2026. The temporary Code Enforcement Officer that inspects development-related land-use modifications to protect trees and prevent erosion and runoff is proposed to become ongoing, funded by development fees. Beyond the important environmental work done every day by our operating departments, this budget continues investing in our partnership with Energy Smart Eastside and adds additional grant funding for heat pumps and home weatherization. The Greenhouse Gas Emissions report is funded again with one time money, as is the Sustainability Ambassadors program for two years.

#### Economic Development

While Kirkland is indeed flourishing, the Council continues to prioritize economic development, recognizing that a healthy economy and thriving businesses are strong foundations of Kirkland's success. The budget continues our contributions to the Kirkland Performance Center and the Kirkland Downtown Association to support civic, artistic, and cultural events. This budget converts the now-vacant Technology and Resilience Officer to restore the position of Economic Development Manager. This is a difficult trade-off, but this conversion will provide a renewed focus on attracting and retaining businesses, especially in the Station Area, at no new cost in budget or FTE. The Economic Development Manager will also provide additional customer service for applicants in the permitting process and will support green energy and infrastructure efforts for both new and existing buildings in partnership with the department. The converted FTE remains in Planning and Building as part of the budget transmittal, but the City Manager is also evaluating moving the position to the City Manager's Office. The budget also makes other development fee-supported investments to reduce permit review times and provides one-time funds to explore ways to catalyze the Station Area.

#### Organizational Investments

Over the past four years, the Council has increased direct service levels to meet the needs of the growing community. This budget proposes targeted investments in our internal service teams to support these new employees and programs. To protect our network systems and support the ever-increasing and evolving

technology now needed to run daily operations and serve the public, a new Network Engineer and a new Service Desk Analyst are added as ongoing positions. New hardware and software are added to enhance security and redundancy. An on-going new Assistant City Attorney is also proposed. The City Attorney's Office has remained at four positions since 2010, even as the number of employees and the amount and complexity of contracts reviewed have grown significantly since that time. To provide the appropriate level of legal support to reduce liability and increase effectiveness, a new attorney is now needed.

### **A Sound Budget**

These highlighted service packages, along with the rest of the proposals, are all part of the budget that is balanced and fiscally responsible. The budget implements Kirkland's strong financial policies, fully funds all reserves, and retains Kirkland's AAA credit rating.

Kirkland's three Strategic Anchors guide the budget to be *sustainable, affordable, and responsive*. The Strategic Anchors as described below are key foundations for the budget recommendations.

**The 2025-2030 Financial Forecast** ensures Kirkland remains financially sustainable. Kirkland prioritizes balanced budgets that also maintain Kirkland's AAA credit rating. Sustainable services are supported by sustainable revenues. 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** analysis ensures that Kirkland's services remain affordable to residents and businesses.

**The Kirkland Quad Chart** ensures 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.

In conclusion, by sustaining current levels of service, adding targeted new investments, complying with all Kirkland fiscal policies, and guided by Kirkland's strategic anchors, the Budget Leadership Team is proud to present a sustainable, affordable and responsive document that is truly "A Sound Budget for a Flourishing City!"

## **BUDGET SUMMARY**

The 2025-2026 Budget "A Sound Budget for a Flourishing City." is presented in the biennial budget format. Most 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 2025-2026 is \$1.08 billion**, which is 0.1 percent less than the 2023-2024 revised biennial budget of \$1.08 billion. The following table shows the relative change in the biennial budget's major components:



Major Components	2023-2024 Revised Budget	2025-2026 Adopted Budget*	Percent Change
<b>General Government:</b>			
General Fund	310,331,814	327,555,201	5.55%
Other Operating Funds	101,658,659	103,521,702	1.83%
Internal Service Funds	86,348,056	101,002,267	16.97%
Non-Operating Funds	320,679,767	275,000,847	(14.24%)
Utilities:			
Water/Sewer Funds	136,572,106	142,937,135	4.66%
Surface Water Funds	63,357,397	58,841,795	(7.13%)
Solid Waste Fund	61,815,207	70,487,319	14.03%
<b>Total Budget</b>	<b>1,080,763,006</b>	<b>1,079,346,266</b>	<b>(0.13%)</b>

\*Includes final Council decisions and other adjustments made after the Preliminary Budget was presented to Council.

Factors contributing to the change include:

#### Major Increases

- Increases in the General Fund balance due to budgeted increases in sales tax (5.1 percent), utility taxes (17.0 percent), and business license fees (18.7 percent). Business license revenues are increasing more substantially due to a change in how the revenue is budgeted, receipted entirely in the General Fund and transferred to the Street Fund. Across all funds, business license fees are only increasing 2.2 percent.
- Large increases in Internal Service funds due to the scheduled repayment of a 2022 interfund loan to Fleet (\$7.75 million) and Facilities (\$2.95 million) to purchase Houghton Village property via Councilmanic debt issuance. Additional smaller increases from higher IT, Facilities, and Fleet rates due to inflationary pressures. Other Operating Funds also increase due to the Development Services Fund receiving \$3.98 million portion of the repaid interfund loan.
- Higher costs for some external services, including liability insurance payments to the Washington Cities Insurance Authority (WCIA).
- Large increases in the Solid Waste fund related to the new Waste Management contract that was phased in beginning in 2022.

#### Major Decreases

- Declining fund balances in the City's non-operating funds in 2025-2026 due to large expenditures in capital projects such as Safer Routes to School and fire station construction projects paid by 2024 debt issuance.

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 2025-2026 General Fund budget totals \$327.6 million**, which represents a 5.5 percent increase from the current biennium.

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 2024 financial retreat, the Council was presented with a forecast for 2023-2030 that assumed all one-time costs currently funded in 2023-2024 would not continue into 2025-2026 and beyond. This forecast showed a \$7.3 million deficit in 2025-2026, rising to \$15.1 million in 2029-2030. At that time there was an estimated \$2.5 million in net resources in the current biennium to help balance the 2025-2026 budget, with limited ongoing options to close the structural deficit further. Lagging impacts of several years of inflation have

wound their way through the City's budget, showing up in increased salaries, healthcare costs, liability insurance rates, utility rates, and internal service charges such as fleet and facilities 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 Safety Camera fines, and both Fire and Police Prop 1 ballot measure revenues to fund eligible service packages. In recent years, balances in restricted funds have 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, Facilities Fund, and Street Fund.

		FTE	Temp	Ongoing	One-time	Total
<b>Fire &amp; Police Prop 1</b>						
25FD01	Ladder Truck Purchase				1,817,640	1,817,640
25FD03	UAS Support			29,600		29,600
25FD04	Telestaff Replacement				50,000	50,000
25FD07	Tablet Command Software			9,500		9,500
25FD09	Update and Replace Reader Boards				80,000	80,000
<b>Subtotal Police and Fire Prop 1</b>		<b>0.00</b>	<b>0.00</b>	<b>39,100</b>	<b>1,947,640</b>	<b>1,986,740</b>
<b>Real Estate Excise Tax (REET 1)</b>						
25FC01	KJC Power Conditioning			-	100,000	100,000
25FC02	City Hall ADA Doors			-	81,325	81,325
<b>Subtotal REET 1</b>		<b>0.00</b>	<b>0.00</b>	<b>-</b>	<b>181,325</b>	<b>181,325</b>
<b>School Zone Camera Fines</b>						
25PW15	Comprehensive Review of School Zone Safety Camera Program (LTE 12/31/2025)		1.00		275,496	275,496
25SO12	Portable Speed Radar Trailer Replacement				20,000	20,000
25SO13	New Traffic Counter Equipment				10,000	10,000
25PD01	New PD Operations Lieutenant	1.00		461,054	80,898	541,952
25PD02	New PD Special Projects Coordinator - School Zone	1.00		354,456	17,098	371,554
<b>Subtotal School Zone Cameras Fines</b>		<b>2.00</b>	<b>1.00</b>	<b>815,510</b>	<b>403,492</b>	<b>1,219,002</b>
<b>Total General Fund, Facilities Fund, and Street Fund Service Packages Funded with Restricted Revenue</b>						
		<b>2.00</b>	<b>1.00</b>	<b>854,610</b>	<b>2,532,457</b>	<b>3,387,067</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, sales tax, 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 those planned by private utilities (gas, electric). The combination of these increases is projected to lead to \$1.77 million more in utility tax revenue than was forecasted in May. Similarly, sustained high interest rates have led to a projected increase in investment interest income in 2024 and 2025-2026. Finally, retail sales tax revenue has continued to surpass staff's 2024 forecast due to a strong local economy.

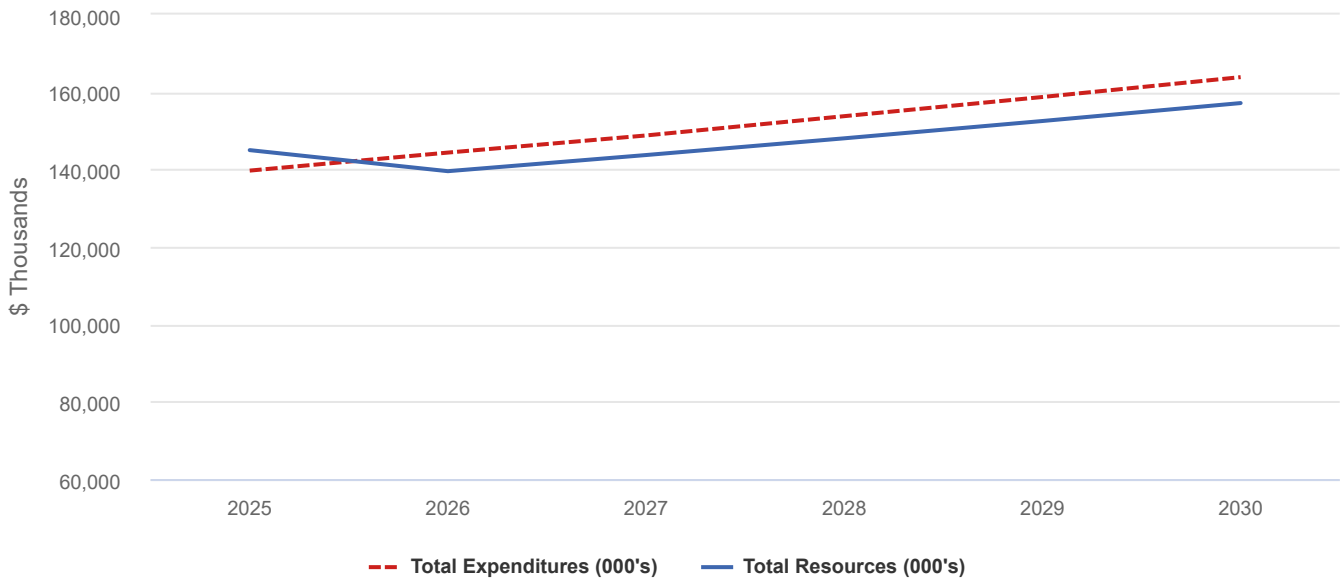
The table below shows the major changes described above that have enabled the City to sustainably fund the 2025-2026 budget.

Category	2025-2026 Revenues*	2025-2026 Expenditures*	Surplus/ Deficit*
<b>May forecast</b>	<b>272,579</b>	<b>279,970</b>	<b>(7,391)</b>
Revenue Changes			
Projected 2023-2024 Net Resources as of May Forecast	2,505		
Additional Sales Tax Revenue	1,971		
Additional Utility Tax Revenue	1,773		
School Zone Camera Revenue	816		
Investment Interest	3,697		
Other	1,193		
<b>Total Revenue Changes</b>	<b>11,955</b>		
Expenditure Changes			
Additional Support to Street Fund		1,709	
Ongoing Service Packages		2,142	
Other		227	
<b>Total Expenditure Changes</b>		<b>4,077</b>	
<b>October forecast</b>	<b>284,534</b>	<b>284,047</b>	<b>487</b>

\* Numbers in 1,000s

The combined impact of these changes means that the base forecast for the 2025-2026 preliminary budget is now balanced, and the projected 2029-2030 deficit has been reduced to around \$10.8 million.

### 2025-2030 General Fund Forecast Reflects 2025-2026 Preliminary Budget



	2025	2026	2027	2028	2029	2030
Total Expenditures (000's)	139,695	144,352	148,778	153,762	158,714	163,846
Total Resources (000's)	144,988	139,546	143,718	148,038	152,511	157,145
<b>Net Change (000 's)</b>	<b>5,293</b>	<b>(4,806)</b>	<b>(5,060)</b>	<b>(5,724)</b>	<b>(6,203)</b>	<b>(6,701)</b>
<b>Biennial Net Resources (000 's)</b>		<b>487</b>		<b>(10,784)</b>		<b>(12,904)</b>

## GENERAL FUND REVENUE TRENDS

The following table compares major General Fund revenues in the 2025-2026 Budget to the 2023-2024 Revised Budget.

Revenue	2023-2024 Revised Budget	2025-2026 Adopted Budget	Percent Change
General Retail Sales Tax	61,769,600	69,055,066	11.79%
Property Tax	60,066,940	63,107,829	5.06%
Utility Taxes (Public & Private)	30,589,474	35,814,815	17.08%
Internal Charges	24,277,089	26,786,169	10.34%
Franchise Fees	8,560,295	8,966,401	4.74%
Business License Fees*	11,368,627	12,915,000	13.60%
All Other Revenues	58,971,511	62,422,919	5.85%
<b>Total Revenues</b>	<b>255,603,536</b>	<b>279,068,199</b>	<b>9.18%</b>
Resources Forward	54,728,278	48,487,002	(11.40%)
<b>Total Resources</b>	<b>310,331,814</b>	<b>327,555,201</b>	<b>5.55%</b>

\* Includes the revenue generating regulatory license fee, which is considered a tax.

Total revenues are projected to increase 9.18 percent in the 2025-2026 Budget primarily due to the increase in General Retail Sales Tax and Other revenues in the General Fund.

Additional information is provided for the following General Fund revenues:

- **General retail sales tax** is projected to increase 11.79 percent in 2025-2026 relative to the 2023-2024 revised budget. However, a large portion of this increase is due to large differences between the budgeted and estimated sales tax revenue. Due to the City's two-year-lag policy, sales tax budget for 2025 and 2026 is set at the estimated 2024 level. Retail sales tax revenue for 2024 is projected at 6.3 percent ahead of 2023 actual results, excluding a one-time large payment received in May.
- **Property tax** supports services in the General Fund, Street Operating Fund, and Parks Levy Fund. New construction is projected to generate one and one-half percent in new revenue in 2025 and 2026. In addition, a one percent optional increase, which must be approved by the Council, is assumed in the City's 2025 and 2026 budgeted property tax levies. Budgeted property tax revenues for 2025 and 2026 may 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 15 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 at \$130 per full-time equivalent employee (FTE). The RGRL is accounted for as a tax revenue. This tax revenue is conservatively estimated to increase at 2.5% per year in 2025-2026. Note that 20 percent of the RGRL revenue in 2025-2026 is budgeted in the General Fund and transferred to the Street Fund for street maintenance and street preservation projects. The majority of the increase is due to \$770,000 that was budgeted directly in the Street Fund without an interfund transfer in the 2023-2024 budget.
- **Internal charges** are budgeted to increase 8.83 percent in 2025-2026 largely due to an increase in interfund charges for capital project engineering services (for services provided by the CIP group to other Operating

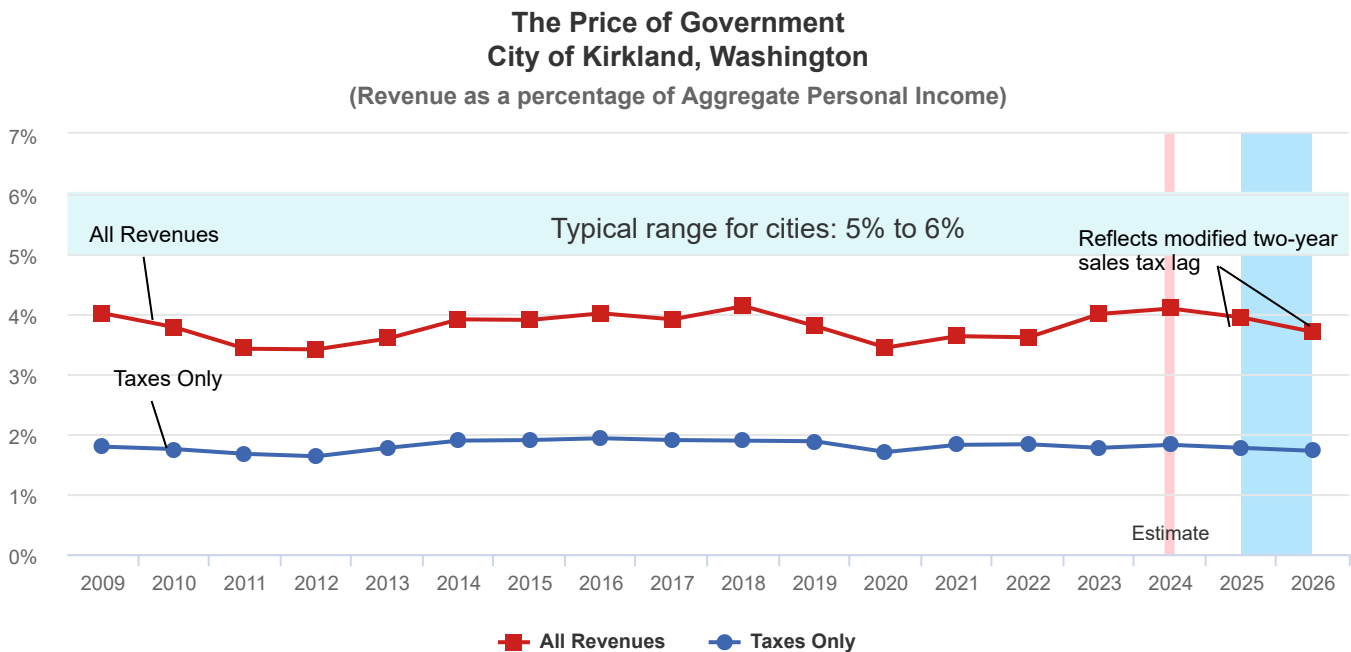
Funds) and accounting. Project Engineers and Inspectors, budgeted in the General Fund, fully offset their direct and related overhead costs through billable hours charged to the capital projects they manage.

- **“All other revenues”** contains several different categories, including Intergovernmental Revenues, Fines and Forfeitures, Recreation Fees, and Investment Earnings. The 10.94 percent increase in 2025-2026 is primarily due to Investment Interest which is \$2.1 million higher than 2023-2024.
- **Development Fees** are no longer budgeted in the General Fund, and are now found in the Development Services Fund as of January 1, 2023.

## THE KIRKLAND “PRICE OF GOVERNMENT”

A key priority is that Kirkland’s City government remains affordable to our community. 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. According to the literature, a Price of Government between 5.0 percent and 6.0 percent is typical for local governments and considered affordable by the community.

The graph that follows shows Kirkland’s Price of Government as a percent of personal income has remained well below 5.0 percent since 2009. The Price of Government has been generally flat over the past several years. Future projections are 3.94 percent in 2025 and 3.70 percent in 2026 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 roughly ranged between 3.0 and 4.0 percent. 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 as of 2023 and the passage of the \$20 Vehicle License Fee (VLF) as part of the Kirkland Transportation Benefit District that began in January 2024.



## GENERAL FUND EXPENDITURE TRENDS

The 2025-2026 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 strong in City of Kirkland after the annexation of the north neighborhoods in 2011. Redevelopment has brought economic success, and new housing options, new retail shops, and new restaurants and services. This transformation is best exemplified by the revitalization of the Totem Lake urban area and the Kirkland Urban downtown development. Redevelopment 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, in the City's Management Confidential (MAC) group, are not represented by labor unions.

Of the labor unions, IAFF and AFSCME have contracts that expire at the end of 2024. The City is in contract negotiations with both IAFF and AFSCME. The other labor unions have contracts that expire at the end of 2025. Per City practice, funding for projected increases in salaries is held in reserve until contracts are settled. This impacts the presentation of personnel costs within the budget, as all salaries are budgeted at 2024 levels for both 2025 and 2026.

**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. A [Healthcare Program 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 2025-2026 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 2025-2026 General Fund Budget is projected to increase by 6.1 percent. The following table identifies the General Fund base budget by department in 2025-2026 versus 2023-2024 with all of these factors included. Note that the change shown here is different as this table does not include reserves.

The increases to the 2025-2026 preliminary budget shown in the following table are due in large part to Cost of Living Adjustments (COLA) made in 2023 and 2024, which are not included in the 2023-2024 preliminary budget column. In addition, City Council salaries were increased by the Salary Commission in 2024 with Resolution 23-001, and market rate adjustments related to Collective Bargaining Agreements were applied after the 2023-2024 budget adoption. The 2025-2026 preliminary budget also includes significant increases to health benefit rates.

General Fund Base Budget by Department <sup>(1)</sup>	2023-2024 Preliminary Budget <sup>(2)</sup>	2025-2026 Preliminary Budget	\$ Change	Percent Change
City Council	1,165,843	1,793,418	627,575	53.83%
City Manager	6,760,768	7,819,350	1,058,582	15.66%
Human Resources	4,215,636	5,196,709	981,073	23.27%
City Attorney	2,874,379	3,618,806	744,427	25.90%
Finance & Administration	15,538,500	17,787,267	2,248,767	14.47%
Public Works	15,566,534	20,279,254	4,712,720	30.27%
Parks & Community Services	26,440,373	31,374,874	4,934,501	18.66%
Municipal Court	6,310,094	7,813,440	1,503,346	23.82%
Police	69,790,397	83,109,894	13,319,497	19.08%
Fire	60,118,712	72,437,542	12,318,830	20.49%
General Services <sup>(3)</sup>	64,024,929	46,718,543	(17,306,386)	(27.03%)
<b>Total General Fund Base Budget</b>	<b>272,806,165</b>	<b>297,949,097</b>	<b>25,142,932</b>	<b>9.22%</b>

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

<sup>(2)</sup> Includes Service Packages approved for 2023-2024 that are built into the 2025-2026 Base Budget; does not include Cost of Living Adjustments (COLA) made in 2023 or 2024 or ongoing adjustments that occurred after budget adoption.

<sup>(3)</sup> General Services budget is reduced due to lower Operating transfers.

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

## THE KIRKLAND QUAD – RESIDENT SURVEY AND COMMUNITY PRIORITIES

One of the main tools used to assess responsiveness to the **community's priorities** is the **Community Survey**. The City conducts this survey every two years. The results of the most recent survey (in which data collection took place between May 1 and June 3, 2024) were presented to the City Council at the June 20, 2024 City Council meeting. The overall results indicated that 84 percent of those surveyed rated Kirkland as a "very good" or "excellent" place to live. An additional 11 percent rated the City as "satisfactory". One of the key graphics from that survey is the Quadrant Analysis, which provides an important basis for prioritizing the proposed budget recommendations. The survey report describes the Quadrant Analysis as follows:

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

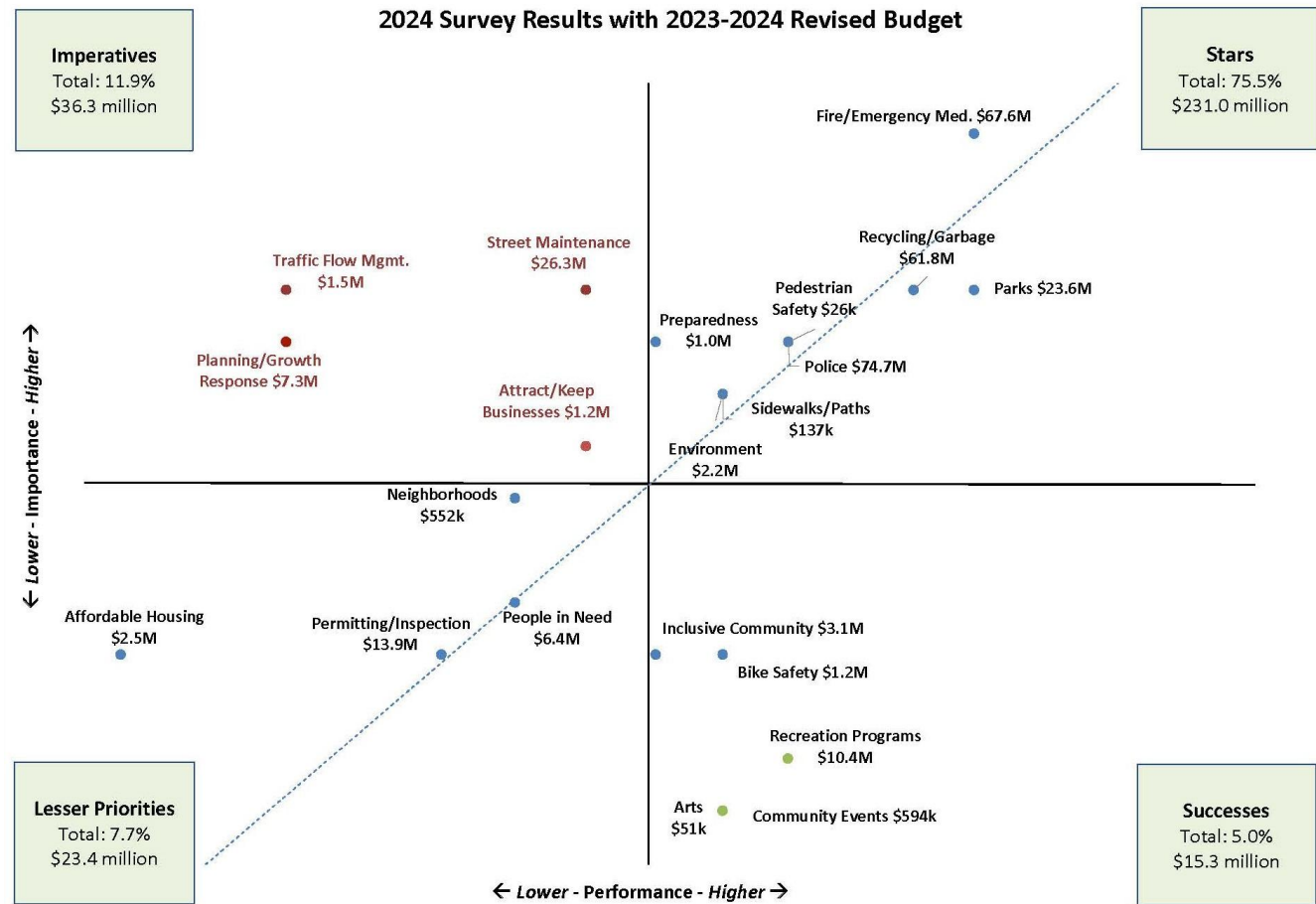
1. **Improvement Opportunities: High Importance, Low Performance** (top-left quadrant) Services falling into this category should be viewed as opportunities for improvement. These are the items that residents feel are very important but the City could be doing a better job delivering. Improving the services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

The diagonal line overlapping the chart represents where the ideal performance should be relative to the level of importance. Services falling on or near this line are performing optimally compared to how residents value them. Items significantly left of the line may be potentially valuable improvement opportunities while items far right of the line may result in wasted resources if given too much focus."

The City turns the Quadrant Analysis into the "**Kirkland Quad**" by adding the budget allocated to each of the surveyed services and referring to the four quadrants described above as "Stars", "Imperatives", "Lesser



Priorities”, and “Successes”. The Kirkland Quad that follows shows the 2024 survey results with the related operating expenditures on the surveyed services in the 2023-2024 Revised Budget. The chart does not include capital investments.



A version of the Quad chart reflecting the 2025-2026 Budget follows the Key Recommendations by Goal Area that are summarized in the next section.

## KEY RECOMMENDATIONS BY GOAL AREA

The Preliminary Budget recommendations are crafted to address the community and City Council priorities as much as possible with current resource constraints. As with past budgets, the recommendations are also shown in the context of the City Council adopted goals. The funded service packages, key policy recommendations, and major capital investments are presented within the goal area they primarily support, although many of the recommendations support multiple goals. Enhanced descriptions and funding details for each item are provided in the Service Package Detail document. These service packages are also noted in each of the department overviews, where they link departmental objectives to achieving Council goals. Note that Full Time Equivalent (FTE) refers to regular ongoing positions. Limited Term Employee (LTE) is a term for temporary positions that have an end date.



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.

- Renew 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. [25CM05]
- Fund a biannual printed newsletter that will be mailed to all Kirkland addresses and freely available at public buildings, community centers, and other publicly-accessible locations throughout the city. [25CM08]
- Fund automated door opening for improved ADA access to public restrooms at the South (lower) entrance to City Hall and the departmental office doors for Parks and Community Services, HR, and IT, \$81,325 one-time. [25FC02]
- Continuation of an existing temporary Records Management Specialist through December 2026. This position is responsible for organizing, scanning, and maintaining the department records including scanning documents and uploading permit documents into our permit tracking system, one-time \$127,533, offset by \$127,533 of development reserves. [25PB03]
- Fund a 1.0 FTE HR Analyst responsible for recruitment, including public safety, hiring, background checks, drafting offer letters compliant with CBAs, and supporting the Civil Service Commission. The position drives diversity recruitment through innovative outreach and advertising strategies, including collaboration with Public Safety Testing for public safety recruitments, \$299,307 ongoing. [25HR01]
- Fund a 1.0 LTE HR Assistant to provide customer service and clerical support related to meetings, special events, record keeping, and DEIB training, \$121,518 one-time. [25HR02]
- Provide one-time funding for the annual Women's Leadership Summit, the Leadership Bootcamp Pilot Program, Managing for Excellence, and DEIB training, \$50,000 one-time. [25HR03]
- Continue to fund the IT DEIB intern program, which includes partnerships with two results-driven programs, Year Up and Occupational and Life Skills at Bellevue College, \$140,058 one-time. [25IT05]
- Continue to offer cultural and inclusive community building events in Kirkland including the Harvest Festival, Dia de los Muertos, Lunar New Year, See Spot Splash, and more, \$21,684 ongoing, \$389,803 one-time, offset by \$240,000 in new program fees and rental revenues. [25PK01]
- Provide funding for the Kirkland Teen Union Building (KTUB) operations, including comprehensive programs and services for teens, a mental health clinician, expanded teen recreation programs, high school internships, mobile recreation, and day-time activation of the facility to expand youth camps, preschool programs, and adult programs. Youth Eastside Services (YES) and 4 Tomorrow are operating partners offering mental health services and art therapy, \$1,865,949 one-time, offset by \$811,292 in grants, new program fees, and rental revenues. [25PK05]



## 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 2026 Community Survey to assess priorities and satisfaction, \$81,000 one-time. [25CC01]
- Continue 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. [25CM04]
- Add resources to convert the 1.0 FTE overhire Assistant Planner to a funded ongoing Assistant Planner for residential permit review, as well as taking the lead in responding to customer inquiries at the front Permit Counter, over the phone and via email, as well as in the OurKirkland portal. Create 1.0 LTE Senior Planner to carry out implementation on the current planning side of recent legislative directives related to housing and development review, as well as the policies that are being developed through the Comprehensive Plan update, \$259,713 ongoing, \$374,462 one-time, offset by \$259,713 in new development revenue and \$374,462 of development reserves. [25PB01]
- Add Funding for part-time undergraduate or graduate student intern to contribute to Planning Division tasks, \$34,648 one-time. [25PB11]
- Add funding for a new Permit Tech position to facilitate the Division's continuity of service in anticipation of at least one staff retirement (March 2025) and another likely in the next few years and address increased workload, one-time \$267,835, offset by \$267,835 of development reserves. [25DS03]
- Add funding to procure a consultant to assist in developing a study for a portion of the community's idea for a "Juanita Public Pathway," specifically near Juanita High School. The study will assess the opportunities and challenges associated with siting a pedestrian or multi-use pathway in the vicinity, taking into account adjacent properties and other issues, \$50,000 one-time. [25PW13]
- Add funding to procure a consultant to conduct a transit study in Kirkland to analyze data and identify opportunities and constraints in advocating for more and better transit service in Kirkland, \$250,000 one-time. [25PW16]



## 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.

- Funding for a review of the City Criminal Justice System, anchored by the Municipal Court, but to include municipal code establishment, law enforcement, and legal representation, \$200,000 one-time. [25CM09]
- Initiate a pilot for a dedicated Sexual Assault Advocate through the King County Sexual Assault Resource Center (KSARC) to provide proactive support to victims of sexual assault, \$200,000 one-time. [25GS01]
- Purchase of a second ladder truck to increase fire and rescue capabilities, especially in commercial centers and to improve the City's WSRB safety rating, \$2,500,000 one-time, offset by \$682,360 in expenditure savings and \$1,817,640 in Fire Prop. 1 funds. [25FD01]
- Increase the OEM Office Specialist position to 1.0 LTE to build additional response capability for the City and lead the S.T.A.R.S. employee preparedness campaign, \$220,900 one-time. [25FD02]
- Sustainment of the City Unmanned Aerial Systems Program, funding the required software tracking resource and addressing equipment and pilot maintenance, providing support to Public Works, Fire, and Police, with allowed use by all departments. The Police portion of the program supports a higher level of safety for all community members through situational awareness and identification of bad actors that intend to harm

the public, property, or environment, \$29,600 ongoing, offset by \$9,864 in Fire Prop. 1 funds and \$9,868 in Police Prop. 1 funds. [25FD03]

- One time cost to move to a new scheduling software that provides automated overtime call outs and timecard functionality, helping prevent any reduced capacity for emergency response, \$50,000 one-time, offset by \$50,000 in Fire Prop. 1 funds. [25FD04]
- Funding for an application that helps manage the assignment of units in an emergency scene, increases responder safety and accountability, and aids efforts to collaborate on incidents with regional incident response partners, \$9,500 ongoing, offset by \$9,500 in Fire Prop. 1 funds. [25FD07]
- Funding to replace existing community reader boards, as well as place new boards at new Fire Stations and the NKCC. This capability, located in high public visibility locations, allows the City to share daily and emergency messaging at no cost to the public. During times of crisis, these boards provide a redundant method of providing vital information to direct response and recovery, \$80,000 one-time, offset by \$80,000 in Fire Prop. 1 funds. [25FD09]
- Funding to reclassify an existing Community Resource Officer position that is currently vacant to a third Operations Lieutenant to allow for the more timely review and oversight of complaints, use of force incidents, and body camera footage review. Timely review and oversight of these incidents allow for greater accountability and transparency, which are crucial to meet the expectations of the Kirkland community, \$461,054 ongoing, \$80,898 one-time, offset by \$541,952 in revenue from the School Zone Safety Camera Program. [25PD01]
- Funding for a Special Projects Coordinator to address increased workload associated with the School Zone Safety Camera program. This will result in increased capacity for Traffic Officers to address traffic complaints and be more responsive to the concerns of the Kirkland community, \$354,456 ongoing, \$17,098 one-time, offset by \$371,554 in revenue from the School Zone Safety Camera Program. [25PD02]

Add funding to support 1.0 FTE Emergency Vehicle Technician to bring police and fire vehicle fleet repairs in-house that are currently being sent to external vendors, which will reduce costs and increase time emergency vehicles are in service, \$311,488 ongoing, offset by \$50,000 in expenditure savings. [25ER01]

- Add resources to convert 1.0 LTE temporary Code Enforcement Officer to an ongoing FTE Code Enforcement Officer Funding which will preserve existing service levels and help mitigate processing of ongoing development-related cases, ongoing \$328,670, offset by \$328,670 in new development revenue. [25PB02]
- Continue funding for Building Overtime to maintain customer service goals and inspection obligations. This request adds overtime for permit processing, plan review and building inspections. The additional overtime hours will be used during peak workloads to ensure permit intake timelines, plan review deadlines and inspection obligations are met, one-time \$179,916, offset by \$179,916 of development reserves. [25PB04]
- Continue funding for Third Party Structural Plan Review to provide structural and building plan review of complex projects to ensure safety code requirements are met. Large commercial projects require structural review and engineering expertise that are not available within the Planning & Building Department. This service package also addresses periods of peak permit activity, one-time \$200,000, offset by \$200,000 in new development revenue. [25PB05]
- Continue funding for Land Use Consulting Contingency to address situations where additional expertise is needed (geologic hazards, wetland, stream, and shoreline issues) or where permit volumes spike and we are unable to meet our target review times for customers, one-time \$20,000, offset by \$20,000 of development reserves. [25PB06]
- New Concrete Mixer Skid equipment will add the ability to receive and deliver concrete to our sites, and projects can avoid delays associated with scheduling and waiting for premixed concrete deliveries. By reducing material wastage, avoiding delays, and cutting down on labor costs and potential injuries associated with on-site mixing, the concrete mixer truck skid offers a cost-effective solution for concrete delivery and preparation, \$16,667 ongoing, \$100,000 one-time. [25SO06]
- New Traffic Counter Equipment to increase the internal traffic count program used by the Neighborhood Traffic Control Program (NTCP) to address traffic and speeding concerns on streets in neighborhoods. Multilane traffic tube counters would allow the City to conduct traffic studies on high volume streets for speed and volume information, \$10,000 one-time, offset by School Zone Safety Camera revenues. [25SO13]
- Continuation of an existing temporary Construction Inspector through December 2026 to support the Transportation Benefit District projects (TBD) suite of multi-modal safety projects, which are expected to be completed by the end of 2028. This position enhances inspection quality and consistency, balances staff workloads, and reduces project soft costs, one-time \$330,178, offset by \$330,178 in new Interfund CIP revenue. [25PW01]

- Add funding for Comprehensive Review of School Zone Signing and Automated Safety Camera Program in response to Council direction on an LRM presented on the topic in June 2024, one-time \$275,496, offset by \$275,496 in revenue from the School Zone Safety Camera Program. [25PW15]
- Install security cameras at several park locations over the biennium, with a plan for further expansion in the next budget cycle. Priority has been determined by 911 call volume, park volume, and graffiti/vandalism activity, \$11,000 ongoing, \$80,000 one-time. [25PK14]
- Install automatic gates at several park locations over the biennium, with a plan for further expansion in the next budget cycle. Priority has been determined by 911 call volume, park volume, and graffiti/vandalism activity, \$27,000 ongoing, \$300,000 one-time. [25PK15]
- Provide financing for Public Safety CIP projects totaling \$1.5 million for 2025-2026, including \$500,000 for Training Capacity Improvements at Fire Station 24.
- Fund a 1.0 FTE Assistant City Attorney to right-size the CAO to help keep pace with population growth, internal department growth, enhanced services and programs, and an increasingly complex legal landscape, and reduce outside legal expenses, \$476,488 ongoing, offset by \$50,000 from Litigation Reserve in lieu of savings in litigation expenses. [25CA01]



### Supportive Human Services

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

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

- Human Services program grants funding totaling \$4.97 million for 2025-26. Of this, \$2,588,692 is ongoing base funding which includes \$83,570 in funding from CDBG (ARCH-related CDBG grants and Trust Fund allocations are listed under the Housing Goal) and \$159,128 in Multifamily Tax Exemption paid to the City to support the Eastside Women and Family Shelter. The \$4.97 million total grants funding also includes one-time funding for the following:
  - Human Services enhanced grant funding (Option B) of \$1,268,655, one-time. [25PK06]
  - Kirkland Health and Wellness Fair to provide free access to healthcare services, including flu shots, basic screenings, dental procedures, and a community resource fair, \$100,000 one-time. [25PK08]
  - Human Services enhanced grant funding (Option C) of \$1,017,151, one-time.
- Fund a 1.0 LTE Senior Management Analyst in Parks and Community Services to advance projects pertaining to human services, homeless coordination, analysis for alternative funding sources, park safety, and overall department municipal codes, \$374,976 one-time. This position will also support developing the new parks community center should the partnership with the Seattle Kraken proceed in 2025. [25PK04]
- Add a 0.5 LTE Office Specialist to support the administrative infrastructure needed to continue the human service pooled fund agreement with eight neighboring cities, \$132,015 one-time, offset by \$58,268 in payments from participating cities and \$13,132 in expenditure savings. [25PK07]
- Continue funding the Kirkland Cares Low-Income Support Program, which provides discounts and rebates on utilities and other City fees, \$575,000 one-time.
- Fund HART Team “flexible fund” to support initial immediate needs of those experiencing homelessness such as food, hotel vouchers, vehicle repairs, church partnerships and more, \$150,000 one-time. [25PK16]



## 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.

- New Portable Speed Radar Trailer to replace the current equipment, which has reached the end of its useful life. Traffic safety is an issue that affects all members of the community. A new portable radar speed trailer will assist in the promotion of safer driving behavior, \$20,000 one-time. [25SO12]
- Add funding to convert an existing Transportation Engineer to a Senior Transportation Engineer. The workload on this team necessitates a position that takes on more responsibility and who can act as a lead. Examples of job duties include review and oversight of transportation engineering work, providing technical guidance and decision-making, and mentoring of junior staff, ongoing \$48,296. [25PW07]
- Continue funding for the matching portion of the King County Metro Congestion Mitigation and Air Quality (CMAQ) Grant that the City of Kirkland receives to support the Kirkland Green Trip Transportation Demand Management (TDM) work, one-time \$80,000. [25PW08]
- Fund safety enhancing Non-motorized Transportation CIP projects totaling \$5.4 million for 2025-2026 (\$1.0 million in external funding), including \$1.4 million for improvements on NE 128<sup>th</sup> Street between 116<sup>th</sup> Ave to Totem Lake Boulevard.
- Fund Traffic Improvement CIP projects totaling \$4.8 million in 2025-2026, including \$2.0 million to complete intersection improvements at NE 112<sup>th</sup> Street, 80<sup>th</sup> Avenue NE and Juanita Drive NE.
- Fund a Pipe Threading Machine for the Traffic Sign Shop which supports the installation of traffic safety signs across the city. This equipment is a one-time purchase of \$10,000, funded from reserves. [25SO05]



## 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.

- Fund a 1.0 LTE Groundsperson and service level increases at 132<sup>nd</sup> Square park, Fisk Family Park, the Houghton Park and "Play", and two (2) off-leash areas at North Juanita Beach and Snyder's Corner, \$389,036 one-time. [25PK11]
- Fund a 1.0 FTE Groundsperson and vehicle to support maintenance for the increased use of local parks due to population increases, \$197,886 ongoing, \$75,000 one-time. [25PK13]
- Capital investments of \$10.1 million in Kirkland's parks, including \$3.6 million for Peter Kirk Pool Renovation and \$1.7 million for park playgrounds, sports courts, and amenity repair and replacement.
- Fund a 1.0 LTE Education and Outreach Coordinator for Parks and Community Services to continue and improve community outreach, engagement, and communications through the website, community outreach events, social media, signage, and promotional materials, \$335,791 one-time, offset by \$303,000 in new program fees and rental revenues. [25PK03]



## 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 \$423,338 from HB1406 funding to support affordable housing in Kirkland. This increases the total ARCH contribution to \$1,253,338 for the biennium. [25PB07]

- Continue CDBG contribution to ARCH Housing Trust Fund, \$350,200 one-time.



## 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.

- Add funding for consultant services to assist with capital grant applications. The demands of the grant process often mean that other critical responsibilities of this position either compete for time or do not get completed, depending on grant deadlines. Additionally, contributions from other divisions are required for narrative and technical content, which also places a strain on their staff and resources. If awarded, grants require additional management and oversight to execute agreements and ensure compliance with all requirements, one-time \$60,000, offset by \$60,000 in new Interfund CIP revenue. [25PW11]
- 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:

Reserves	Estimated 2025 Beginning Balance	Projected Changes	Projected 2026 Ending Balance	2025-2026 Target	Revised Over (Under) Budget
<b>General Purpose Reserves With Targets</b>					
Contingency	6,959,697	250,549	7,210,246	7,210,246	-
General Capital Contingency <sup>(1,2)</sup>	5,797,951	-	5,797,951	4,531,369	1,266,582
General Oper. Reserve (Rainy Day)	7,364,186	53,519	7,417,705	7,417,705	-
Revenue Stabilization Reserve	4,452,745	465,030	4,917,775	4,917,775	-
Council Special Projects Reserve	250,000	-	250,000	250,000	-
Building & Property Reserve	886,599	-	886,599	600,000	286,599
<b>General Purpose Reserves with Targets</b>	<b>25,711,178</b>	<b>769,098</b>	<b>26,480,276</b>	<b>24,927,095</b>	<b>1,553,181</b>
<b>All Other Reserves With Targets</b>					
REET CIP Contingency:					
REET 1	3,066,435	1,035,962	4,102,397	1,555,284	2,547,113
REET 2	2,937,846	611,365	3,549,211	1,555,284	1,993,927
<b>Other Reserves with Targets</b>	<b>6,004,281</b>	<b>1,647,327</b>	<b>7,651,608</b>	<b>3,110,568</b>	<b>4,541,040</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.

- 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.





## 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.

- Continue the Energy Smart program administration to retain the City's participation in the ESE program as part of the Eastside Climate Partnership (ECP) ILA. Funding this request preserves existing service levels and provides ongoing funding of an energy advisor who provides grant writing, grant administration, marketing and education for community members city-wide, one-time \$162,000. [25PB08]
- Fund local matching grants for low-income housing heat pumps and weatherization, \$80,000 one-time from Waste Management rebate program.
- Fund Sustainability Ambassadors to support Sustainability Strategic Plan implementation, \$20,000 one-time from Waste Management rebate program.
- Continue funding for a biannual Greenhouse Gas (GHG) Emissions Inventory as described in the Comprehensive Plan and the Sustainability Strategic Plan, one-time \$30,000. [25PB09]
- Add funding to the existing 0.75 FTE Solid Waste Education and Outreach Specialist position to 1.0 FTE, \$69,899 ongoing. [25SW01]
- Continue providing ORCA transit passes to City employees to encourage transit ridership and meet Commute Trip Reduction (CTR) goals. Providing transit passes to all employees is an equitable way to ensure employees can safely and conveniently commute to work, one-time \$50,000. [25PW09]
- Establish adequate 2025-2026 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:
  - \$4.8 million increase in Sewer revenues
  - \$2.3 million increase in Surface Water revenues
  - \$8.8 million increase in Solid Waste revenues
  - \$2.2 million increase in Water revenues
- Add funding for a contractor to complete required annual source control inspections required by the National Pollution Discharge Elimination System (NPDES) permit, \$180,000 one-time. [25SD04]
- Provide financing for Sewer utility CIP projects totaling \$18.0 million for 2025-2026, including \$3.1 million for West of Market Sewermain Replacement and \$4.8 million for NE 108<sup>th</sup> Street Sewermain Replacement.
- Provide financing for Surface Water utility CIP projects totaling \$13.5 million for 2025-2026, including \$7.5 million for the Houghton Park & Ride Stormwater Retrofit Facility and \$3.6 million for the Annual Replacement of Aging and Failing Infrastructure.



## Thriving Economy

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

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

- The City historically receives \$60,000 per year in grant funding through the Port of Seattle. This grant funds various economic development programs and activities such as the ShopLocalKirkland.com website, the Kirkland Ca\$h program and specialized consultants for small business support and digital marketing, \$120,000 one-time. [25CM01]
- Continue funding for community programs and events, \$112,000 one-time, \$80,000 offset by Waste Management grant funding. [25CM02]
- 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. [25CM03]
- Continued operating support for the Kirkland Performance Center (KPC), \$100,000 one-time. [25PK02]

- Tourism Development Committee (TDC) Grants from Lodging Tax are \$60,000 for 2025. The TDC's 2026 recommendation will be included in the mid-biennial budget process.
- Convert Technology and Resilience Officer position to new Economic Development Manager that will attract and retain businesses, especially in the Station Area, provide customer service for the permitting process and support green energy infrastructure efforts. No new cost or FTE.



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.

- Funding for consultant(s) support and other investments to realize the vision of the NE 85<sup>th</sup> Street Station Area Plan through the framework and policies adopted by City Council, \$300,000 one-time. [25CM06]
- Finance a total building power conditioning system at the Kirkland Justice Center to address fluctuations contributing to premature equipment failure and resets critical to the operations of the building, \$100,000 one-time. [25FC01]
- Contract a HVAC maintenance program designed to minimize equipment down time, reduce repair costs and energy consumption by ensuring optimal equipment performance, \$233,946 one-time. [25FC05]
- Fund the Distributed Antenna System (DAS) and emergency responder radio communications system (ERRCS) located in the Kirkland Justice Center (KJC) that are performing poorly and are at the end of their useful life, \$81,701 one-time, offset by grant funding from Eastside Public Safety Communications Agency (EPSCA). [25FC08]
- Continuation of an existing Temporary Construction Inspector position (1 LTE) for Public Works development review. The proposed temporary Construction Inspector position would continue to facilitate the Division's continuity of service if the need to backfill the current full-time position were to arise and address increased workload, one-time \$325,349, offset by \$325,349 of development reserves. [25DS02]
- Add funding for Fleet Management Software Systems designed to accumulate, store, process, monitor, report, and export information. Information can be imported from external sources such as AVL units, fuel stations, and managing vehicle registration, financial institutions, insurance databases, vehicle specification databases, mapping systems and from internal sources such as Finance. The system would allow other departments across the organization to use the data from the software to drive business decisions across the entire enterprise, ongoing \$54,000, one-time \$130,000. [25ER02]
- New Sign Shop Service Truck with an eight-foot bed to accommodate long pruning tools and the ability to haul vegetation debris, as well as an on-board water tank and associated equipment for sign washing. This service truck must also carry the tools and equipment to respond to emergency sign knockdowns as well as operate in a capacity to perform daily sign change-outs and general sign work, ongoing \$11,500, one-time \$70,000. [25SO03]
- Add funding for training and cross-training for operations and maintenance crew members in the Public Works department, ongoing \$127,920, one-time \$7,301. [25SO10]
- Add funding for Stand-by Pay to ensure the City can respond to all after hours incidents including care for critical water, wastewater, and surface water infrastructure 24/7, ongoing \$153,360. [25SO11]
- Continuation of an existing temporary Business Analyst position supporting the implementation of the Project Management Software, PMWeb, through December 2025. This position through December will facilitate implementation, assess ongoing staffing needs, train new users, and build reports, one-time \$149,667, offset by \$149,667 in new Interfund CIP revenue. [25PW02]
- Add funding for the ongoing costs of the new Project Management Software, PMWeb, which exceeds the originally approved \$25K per year due to unforeseen expenses, ongoing \$200,000, offset by \$200,000 in new Interfund CIP revenue. [25PW03]
- Add funding for a 1.0 LTE temporary 85<sup>th</sup> WSDOT Project Coordinator to support the significant investments made in Kirkland by WSDOT and Sound Transit for the I-405/NE 85<sup>th</sup> St Interchange and BRT Station project and the I-405 Brickyard to SR527 improvement Project. With both projects valued at approximately \$550 million, they represent major undertakings that will greatly impact Kirkland and the surrounding region. A dedicated Project Manager with engineering and/or construction background who can effectively navigate the complexities and challenges

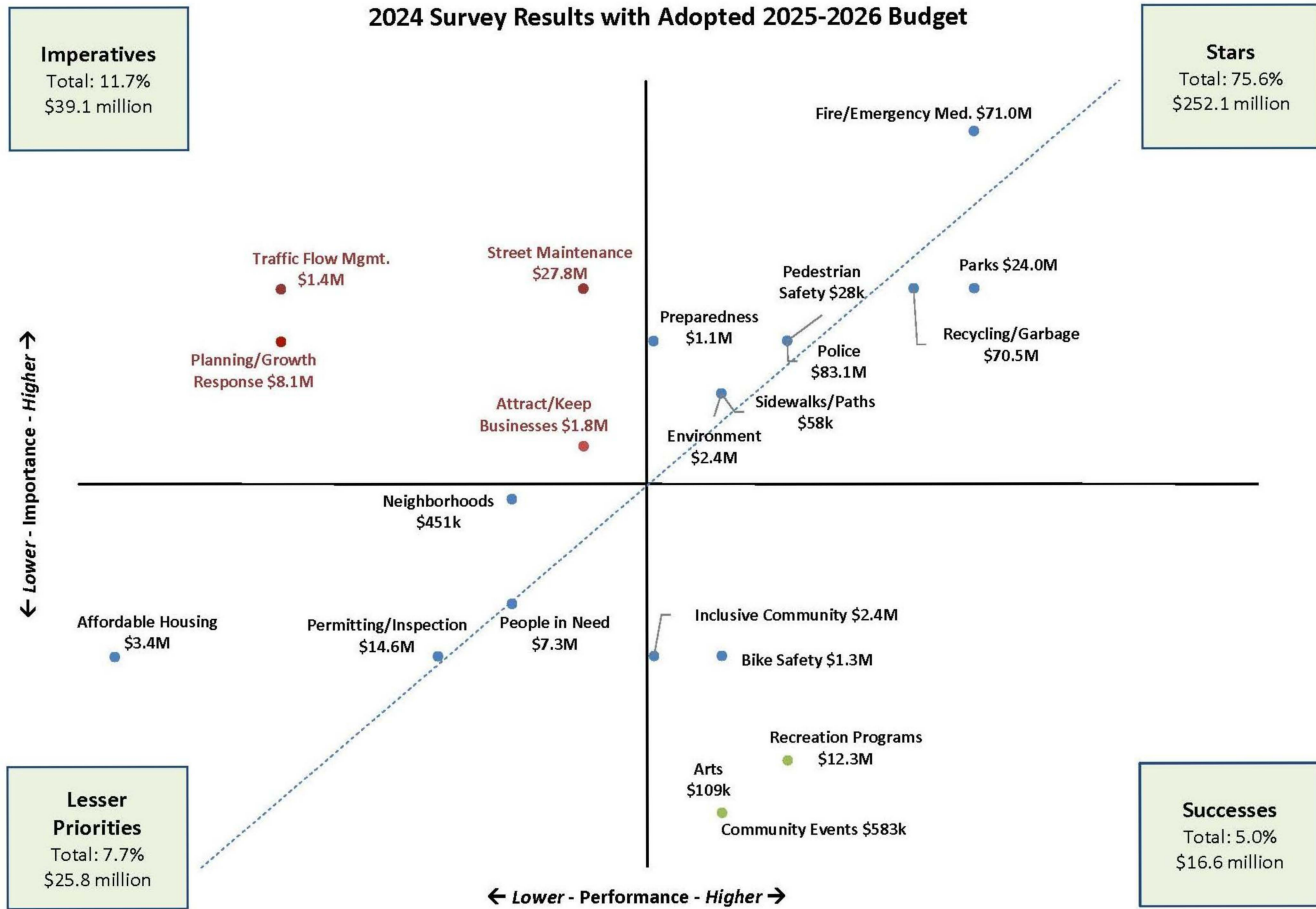
associated with these projects is essential to the success of these projects, one-time \$397,246, offset by \$397,246 in new Interfund CIP revenue. [25PW10]

- Add funding for a water pressure mitigation reimbursement program, justified by quantitative data of reduced water pressure in the Highlands neighborhood and qualitative data of resident experiences, \$400,000 one-time. [25WS01]
- Continue funding for Surface Water Development Opportunity Fund to repair and replace surface water infrastructure adjacent to new development projects by leveraging private development, \$150,000 one-time. [25SD01]
- Add funding for CCTV camera equipment to expand utilization of an existing video inspection truck to the surface water utility, in addition to wastewater, \$65,000 one-time. [25SD02]
- Add funding for live surface water system flow monitoring equipment to monitor, track, and analyze flow rates and volumes for maintenance and future stormwater capacity planning, \$110,000 one-time. [25SD03]
- Add funding for contracting a HVAC maintenance program designed to minimize equipment down time, reduce repair costs and energy consumption by ensuring optimal equipment performance, \$233,946 one-time. [25FC05]
- Fund a new 1.0 FTE Senior Service Desk Analyst to support the Desktop Systems Analyst in laptop replacements and deployment and Service Desk team, \$305,977 ongoing, 3,223 one-time. [25IT01]
- Continue funding the 1.0 LTE GIS Technician to support the City's geographical analysis, dashboards, GIS applications, \$252,768 one-time. [25IT02]
- Add a service that provides an added layer of security against email phishing, enables self-service reporting by end users, and contributes to an improved security posture for the City, \$22,000 ongoing. [25IT03]
- Add a service that provides an added layer of security within the City's technology network by authenticating user traffic at the network layer, \$55,000 one-time, offset by \$16,875 in Tech 5 settlement funds. [25IT04]
- Add a 1.0 FTE Senior Network Engineer to provide support for the Network Operations team whose major focus is security. \$365,461 ongoing, \$3,223 one-time. [25IT07]
- Finance Water utility CIP projects totaling \$10.0 million for 2025-2026 including \$5.5 million for the Replacement of South Reservoir, \$2.2 million for 122<sup>nd</sup> Ave NE Watermain Improvements and \$1.8 million for Replacement of Supervisory Control and Data Acquisition (SCADA) system.
- Fund Street Improvement CIP projects totaling \$15.5 million in 2025-2026, including the Annual Street Preservation Program and the NE 85<sup>th</sup> Street Pedestrian/Bike Connection project.
- Finance Information Technology CIP projects totaling \$6.3 million for 2025-2026 including \$2.5 million for On-Premise Virtual Infrastructure Hyperconverged Infrastructure (HCI) Replacement, \$725,000 for the replacement of Audio Video Equipment in Council Chambers and Meeting rooms both at City Hall and the Kirkland Justice Center (KJC), and \$2.5 million for the EnerGov Replacement.
- Finance Facilities CIP projects totaling \$12.7 million for 2025-2026 including \$300,000 for Permanent Supportive Housing, \$400,000 for Fire Stations Maintenance and \$8.0 million for Public Works Maintenance Center Upgrades and Expansion.

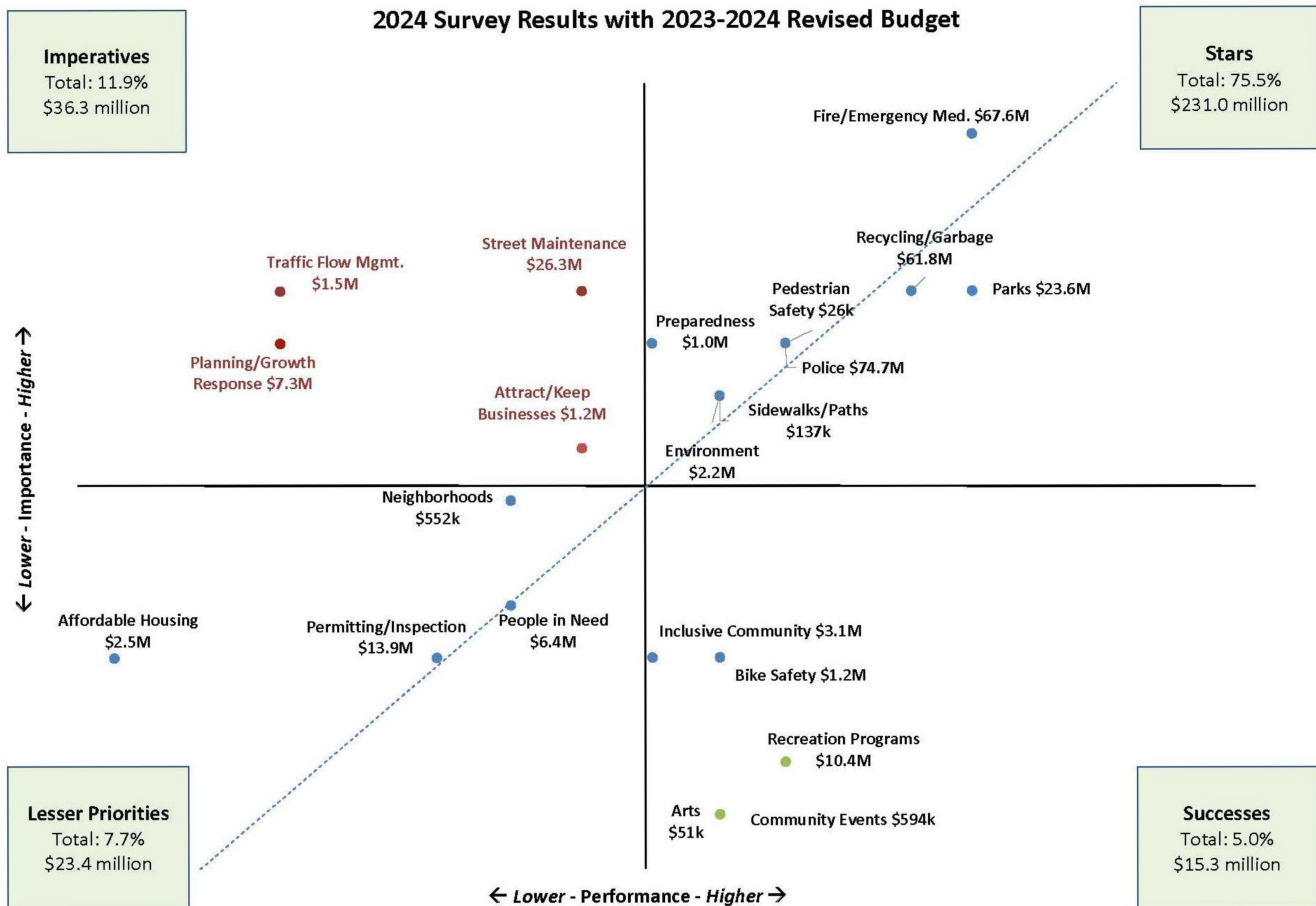
## CONCLUSION

The proposed budget is focused on the City Council goals and community priorities, ensuring the City maintains **A Sound Budget for a Flourishing City**. The preliminary 2025-2026 budget recommendations result in investments in the services on the Kirkland Quad, as summarized below. The Kirkland Quad with the 2023-2024 revised budget is also shown for comparison:

## 2024 Survey Results with Adopted 2025-2026 Budget



## 2024 Survey Results with 2023-2024 Revised Budget



Guided by the Strategic Anchors and the Council Goals, the proposed budget sustains existing programs and staffing that have consistently made Kirkland a welcoming community that invites everyone to visit, live, work, and play in the City.

The budget implements new programs that create a belonging community and includes significant new safety investments focusing on street maintenance, school walk routes for children and pedestrian and bicycle transportation improvements throughout Kirkland.

A sound budget is the cornerstone of a flourishing city, reflecting our collective commitment to strategic investments that enhance community well-being and safety.

This budget reflects our commitment to invest in a flourishing city by maintaining a sound financial foundation while making strategic investments in key areas. By prioritizing funding for human services, enhancing community safety, maintaining infrastructure, and supporting inclusive community-building events, we are creating a safer, more connected, and vibrant Kirkland for all. These investments ensure that our city continues to grow in a way that promotes well-being, inclusivity, and a high quality of life for the community.

The Budget Leadership Team and Department Directors appreciate the opportunity to develop and present the Preliminary 2025-2026 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 visit, live, work and play.



Kurt Triplett  
City Manager



Julie Underwood  
Deputy City Manager of Operations



Michael Olson  
Director of Finance and Administration



Kevin Pelstring  
Financial Planning Manager

# Postscript

Between October and December 2024, the City Council held a series of study sessions and public hearings to review the 2025-2026 Preliminary Budget proposed by the City Manager. The City Council adopted the 2025-2026 Final Budget on December 10, 2024. Overall, the 2025-2026 Final Budget totals \$1.079 billion, which represents a 0.1 percent decrease compared to the 2023-2024 Amended Budget. The 2025-2026 Final Budget is summarized in the following table by fund type:

	2023-2024 Amended Budget	2025-2026 Final Budget	% Change
<b>General Government:</b>			
General Fund	310,331,814	327,555,201	5.5%
Other Operating	101,693,659	103,521,702	1.8%
Internal Service Funds	86,348,056	101,002,267	17.0%
Non-Operating Funds	320,679,767	275,000,847	(14.2%)
<b>Utilities:</b>			
Water/Sewer	136,572,106	142,937,135	4.7%
Surface Water	63,357,397	58,841,795	(7.1%)
Solid Waste	61,815,207	70,487,319	14.0%
<b>Total Budget</b>	<b>1,080,798,006</b>	<b>1,079,346,266</b>	<b>-0.13%</b>

The City Council requested changes to the Preliminary Budget totaling \$1.47 million, including increased funding for human services, resources for homelessness response, a city newsletter, and additional funding for community events. A full list of Council-directed changes is provided in the table below.

Proposed Expenditure	Cost Estimate
Increased Public Defender Costs	90,000
Homelessness Assistance & Response Team Flex Fund	150,000
Human Services Option C	1,017,151
Pride Across the Bridge	5,000
Eastrail Partnership	20,000
Eastside Pathways	20,000
Leadership Eastside	20,000
Newsletter SP (25CM08)	70,000
Festivals and Functions	70,000
Pipe Threading SP (25SO05)	10,000
<b>Total</b>	<b>1,472,151</b>

With these changes included, the overall budget increased by \$1.55 million between the preliminary and final budget. The majority of these changes were adjustments to the City's Capital Improvement Plan and additional revenue recognized in the General Fund after the preliminary budget was produced, offset by some reductions to funds as a result of changing interfund transfers. A table showing all of the changes that caused an increase in the overall appropriation is shown here.



• POSTSCRIPT

Adjustments by Fund to Preliminary 2025-2026 Budget		Appropriation Change
<b>General Fund</b>		
Recognizing One-time Sales Tax from 2024 for 11/19/2024 Council Amendments		500,000
Adjustment to Public Works Overhead Cost of Service Interfund Charge		366,108
Recognizing 2024 Affordable Housing Fees-in-Lieu		246,931
Use of 2024 Fire Prop 1 Balance for Fire Station Firewall Redundancy		(70,000)
<b>Subtotal</b>		<b>1,043,039</b>
<b>Other Management Funds</b>		
Street Operating Fund: reducing RGRL transfer, Eastrail partnership, pipe threader		(470,000)
Development Services Fund: reduce GF transfer after moving Economic Dev Manager		(425,520)
Parks Levy Fund: recognizing Green Kirkland Donations		18,400
<b>Subtotal</b>		<b>(877,120)</b>
<b>Capital Projects Funds</b>		
General Capital Projects Fund (310): Budgeted KC grant payments moved up to 2024		(899,500)
Transportation Capital Fund (320): Recognized Federal WSDOT funding for Lake Washington Blvd project		1,831,000
Surface Water Construction Fund (423): Recognized KCFCD grant for 108th Ave NE Pipe Installation		450,000
<b>Subtotal</b>		<b>1,381,500</b>
<b>Total Adjustments (All Funds)</b>		<b>1,547,419</b>
<b>Preliminary 2025-2026 Budget</b>		<b>1,077,798,847</b>
<b>Final 2025-2026 Budget</b>		<b>1,079,346,266</b>

In addition to formal adoption of the 2025-2026 Budget, the Council approved the following actions to implement the budget decisions on December 10, 2024:

- A report on the use of Real Estate Excise tax proceeds for approved maintenance expenses in the operating budget.
- A resolution to update the City's Fiscal Policies to adjust calculations for the General Operating Reserve and REET Reserves, and to clarify intended uses for both Council's Special Projects Reserve and REET Reserves.

The final 2025-2026 City Work Program will be adopted during the first quarter of 2025. If any budget adjustments are needed to implement the Work Program, they will be brought forward in June 2025.

## SERVICE PACKAGE REQUESTS

		2025-2026 Department Request						2025-2026 City Manager Recommended					
		FTE	Temp	Ongoing	One-time	Revenue or Expenditure Offset	Total	FTE	Temp	Ongoing	One-time	Revenue or Expenditure Offset	Total
<b>GENERAL FUND</b>													
<b>City Council</b>													
<b>Renewals of One time</b>													
25CC01	Biennial Community Survey	-	-	-	81,000	-	81,000				81,000		81,000
<b>Subtotal City Council</b>		-	-	-	<b>81,000</b>	-	<b>81,000</b>	-	-	-	<b>81,000</b>	-	<b>81,000</b>
<b>City Manager's Office</b>													
<b>Renewals of One time</b>													
25CM01	Port of Seattle Economic Development Programs	-	-	-	120,000	(120,000)	-	-	-	-	120,000	(120,000)	-
25CM02	Waste Management - Community Programs and Events	-	-	-	112,000	(80,000)	32,000	-	-	-	112,000	(80,000)	32,000
25CM03	4Culture Arts Sustained Support	-	-	-	16,000	(16,000)	-	-	-	-	16,000	(16,000)	-
25CM04	Neighborhood Services Matching Grant	-	-	-	10,202		10,202	-	-	-	10,202	-	10,202
25CM05	Outreach and Engagement to Support a Safe, Inclusive, and Welcoming Community	-	-	-	100,000		100,000	-	-	-	100,000		100,000
<b>New</b>							-	-	-	-	-		-
25CM06	Station Area Activation Investments	-	-	-	200,000		200,000	-	-	-	300,000		300,000
25CM07	Communications Program Surge Support and Crisis Communications Backup	-	-	-	20,000		20,000	-	-	-	-		-
25CM08	Biannual Printed and Mailed Kirkland Newsletter	-	-	-	70,000		70,000	-	-	-	70,000		70,000
25CM09	Criminal Justice System Review	-	-	-	200,000		200,000	-	-	-	200,000		200,000
<b>Subtotal City Manager's Office</b>		-	-	-	<b>848,202</b>	<b>(216,000)</b>	<b>632,202</b>	-	-	-	<b>928,202</b>	<b>(216,000)</b>	<b>712,202</b>
<b>General Services</b>													
<b>New</b>													
25GS01	Sexual Assault Victim Advocate	1.00	-	299,246	17,098		316,344	-	-		200,000	-	200,000
<b>Subtotal General Services</b>		<b>1.00</b>	-	<b>299,246</b>	<b>17,098</b>	-	<b>316,344</b>	-	-	-	<b>200,000</b>	-	<b>200,000</b>
<b>Parks &amp; Community Services</b>													
<b>Renewals of One-time</b>													
25PK01	Continuation of Community Building Events	-	1.00	21,684	389,803	(240,000)	171,487	-	1.00	21,684	389,803	(240,000)	171,487
25PK02	Kirkland Performance Center Operating Support	-	-	-	100,000	-	100,000	-	-	-	100,000	-	100,000
<b>New</b>													
25PK03	Community Outreach, Engagement and Communications	-	1.00	-	335,791	(303,000)	32,791	-	1.00	-	335,791	(303,000)	32,791
25PK04	Senior Management Analyst	-	1.00	-	374,976	-	374,976	-	1.00	-	374,976	-	374,976
25PK05	KTUB Services	-	3.00	-	1,865,949	(811,292)	1,054,657	-	3.00	-	1,865,949	(811,292)	1,054,657
25PK06	Human Services Option B	-	-	-	1,268,628	-	1,268,628	-	-	-	1,268,628	-	1,268,628
25PK07	Regional Pooled Contracts 0.5 Office Specialist	-	0.50	-	132,015	(71,400)	60,615	-	0.50	-	132,015	(71,400)	60,615

## SERVICE PACKAGE REQUESTS (CONTINUED)

		2025-2026 Department Request						2025-2026 City Manager Recommended					
		FTE	Temp	Ongoing	One-time	Revenue or Expenditure Offset	Total	FTE	Temp	Ongoing	One-time	Revenue or Expenditure Offset	Total
25PK08	2025-2026 Health and Wellness Fair	-	-	-	100,000	-	100,000	-	-	-	100,000	-	100,000
25PK09	120th Kirkland Anniversary	-	-	-	30,000	-	30,000	-	-	-	-	-	-
25PK10	4th of July Drone Show and Parade Enhancements	-	-	22,220	338,574	(170,000)	190,794	-	-	-	-	-	-
25PK16	Homelessness Response	-	-	-	150,000	-	150,000	-	-	-	150,000	-	150,000
<b>Subtotal Parks and Community Services</b>		-	6.50	43,904	5,085,736	(1,595,692)	3,533,948	-	6.50	21,684	4,717,162	(1,425,692)	3,313,154
<b>Human Resources</b>													
<b>Renewals of One-time</b>													
25HR01	Convert HR Analyst to Ongoing (PCN 833)	1.00	-	299,307	-	-	299,307	1.00	-	299,307	-	-	299,307
25HR02	1.0 LTE HR Assistant	-	1.00	-	247,747	-	247,747	-	1.00	-	121,518	-	121,518
<b>New</b>													
23HR03	Citywide Training to support Council Work Program and DEIB Roadmap	-	-	-	108,400	-	108,400	-	-	-	50,000	-	50,000
<b>Subtotal Human Resources</b>		1.00	1.00	299,307	356,147	-	655,454	1.00	1.00	299,307	171,518	-	470,825
<b>City Attorney's Office</b>													
25CA01	1.0 FTE Assistant City Attorney	1.00	-	476,488	-	(50,000)	426,488	1.00	-	476,488	-	(50,000)	426,488
<b>Subtotal City Attorney's Office</b>		1.00	-	476,488	-	(50,000)	426,488	1.00	-	476,488	-	(50,000)	426,488
<b>Public Works</b>													
<b>Renewals of One-time</b>													
25PW01	Extend Transportation Benefit District (TBD) Construction Inspector 12/31/2026	-	1.00	330,178	-	-	330,178	-	1.00	-	330,178	(330,178)	-
25PW02	Extend Business Analyst Position 12/31/2025	-	1.00	-	149,667	-	149,667	-	1.00	-	149,667	(149,667)	-
25PW03	Project Management Software	-	-	200,000	-	-	200,000	-	-	200,000	-	(200,000)	-
25PW04	ADA Transition Plan	-	-	-	250,000	-	250,000	-	-	-	-	-	-
25PW05	Software Subscription - Transportation Data Collection	-	-	14,000	-	-	14,000	-	-	-	-	-	-
25PW06	On Call Engineering and Planning Consultant Support	-	-	-	200,000	-	200,000	-	-	-	-	-	-
25PW07	Convert Transportation Engineer to Senior Engineer	-	-	48,296	-	-	48,296	-	-	48,296	-	-	48,296
25PW08	TDM / Kirkland Green Trip	-	-	80,000	-	-	80,000	-	-	-	80,000	-	80,000
25PW09	City Staff ORCA Card Transportation Benefit	-	-	-	50,000	-	50,000	-	-	-	50,000	-	50,000
<b>New</b>													
25PW10	Temporary 85th WSDOT Project Coordinator - 12/31/2027	-	1.00	-	397,246	-	397,246	-	1.00	-	397,246	(397,246)	-
25PW11	Grant Application Support	-	-	-	30,000	-	30,000	-	-	-	60,000	(60,000)	-
25PW12	Curb Management Plan	-	-	-	200,000	-	200,000	-	-	-	-	-	-
25PW13	Juanita High School Connection Study	-	-	-	50,000	-	50,000	-	-	-	50,000	-	50,000
25PW14	Online Engagement Platform	-	-	50,000	-	-	50,000	-	-	-	-	-	-

## SERVICE PACKAGE REQUESTS (CONTINUED)

		2025-2026 Department Request						2025-2026 City Manager Recommended					
		FTE	Temp	Ongoing	One-time	Revenue or Expenditure Offset	Total	FTE	Temp	Ongoing	One-time	Revenue or Expenditure Offset	Total
25PW15	Comprehensive Review of School Zone Safety Camera Program (LTE 12/31/2025)	-	1.00	50,000	275,496	-	325,496	-	1.00	-	275,496	-	275,496
25PW16	Transit Study	-	-	-	250,000	-	250,000	-	-	-	250,000	-	250,000
<b>Subtotal Public Works</b>		<b>-</b>	<b>4.00</b>	<b>772,474</b>	<b>1,852,409</b>	<b>-</b>	<b>2,624,883</b>	<b>-</b>	<b>4.00</b>	<b>248,296</b>	<b>1,642,587</b>	<b>(1,137,091)</b>	<b>753,792</b>
<b>Police</b>													
<b>New</b>													
25PD01	New PD Operations Lieutenant	1.00	-	461,054	80,898	-	541,952	1.00	-	461,054	80,898	-	541,952
25PD02	New PD Special Projects Coordinator - School Zone	1.00	-	354,456	17,098	-	371,554	1.00	-	354,456	17,098	-	371,554
<b>Subtotal Police</b>		<b>2.00</b>	<b>-</b>	<b>815,510</b>	<b>97,996</b>	<b>-</b>	<b>913,506</b>	<b>2.00</b>	<b>-</b>	<b>815,510</b>	<b>97,996</b>	<b>-</b>	<b>913,506</b>
<b>Fire</b>													
<b>New</b>													
25FD01	Ladder Truck Purchase	-	-	-	2,500,000	(682,360)	1,817,640	-	-	-	2,500,000	(682,360)	1,817,640
25FD02	OEM Office Specialist	-	1.00	-	220,900	-	220,900	-	1.00	-	220,900	-	220,900
25FD03	UAS Support	-	-	29,600	-	-	29,600	-	-	29,600	-	-	29,600
25FD04	Telestaff Replacement	-	-	-	50,000	-	50,000	-	-	-	50,000	-	50,000
25FD05	New MAC Position	1.00	-	529,350	3,773	-	533,123	-	-	-	-	-	-
25FD06	DEIB Team	-	-	-	203,214	-	203,214	-	-	-	-	-	-
25FD07	Tablet Command Software	-	-	9,500	-	-	9,500	-	-	9,500	-	-	9,500
25FD08	Facility Study for Future Needs	-	-	-	80,000	-	80,000	-	-	-	-	-	-
25FD09	Update and Replace Reader Boards	-	-	-	80,000	-	80,000	-	-	-	80,000	-	80,000
<b>Subtotal Fire</b>		<b>1.00</b>	<b>1.00</b>	<b>568,450</b>	<b>3,137,887</b>	<b>(682,360)</b>	<b>3,023,977</b>	<b>-</b>	<b>1.00</b>	<b>39,100</b>	<b>2,850,900</b>	<b>(682,360)</b>	<b>2,207,640</b>
<b>General Fund Total</b>		<b>6.00</b>	<b>12.50</b>	<b>3,275,379</b>	<b>11,476,475</b>	<b>(2,544,052)</b>	<b>12,207,802</b>	<b>4.00</b>	<b>12.50</b>	<b>1,900,385</b>	<b>10,689,365</b>	<b>(3,511,143)</b>	<b>9,078,607</b>
<b>OTHER FUNDS</b>													
<b>Street Operating Fund</b>													
<b>Renewals of One Time</b>													
25S001	Signal & Street Light Pole Knockdown Replacements	-	-	100,000	-	-	100,000	-	-	-	-	-	-
25S002	Downtown Peter Kirk Parking Garage Contracted Parking Services	-	-	250,000	-	-	250,000	-	-	-	-	-	-
<b>New</b>													
25S003	Sign Shop Service Truck	-	-	11,500	70,000	-	81,500	-	-	11,500	70,000	-	81,500
25S004	Downtown Parking Management Policy G-11 Update	-	-	-	50,000	-	50,000	-	-	-	-	-	-

## SERVICE PACKAGE REQUESTS (CONTINUED)

		2025-2026 Department Request						2025-2026 City Manager Recommended					
		FTE	Temp	Ongoing	One-time	Revenue or Expenditure Offset	Total	FTE	Temp	Ongoing	One-time	Revenue or Expenditure Offset	Total
25SO05	Pipe Threading Machine	-	-	-	10,000	-	10,000	-	-	-	-	-	-
25SO06	Concrete Mixer Skid	-	-	16,667	100,000	-	116,667	-	-	16,667	100,000	-	116,667
25SO07	Mini-Weather Stations	-	-	28,000	-	-	28,000	-	-	-	-	-	-
25SO08	Woodchip Truck	-	-	35,200	114,000	-	149,200	-	-	-	-	-	-
25SO09	Hot Pressure Washer and Water Tank	-	-	2,000	15,000	-	17,000	-	-	-	-	-	-
25SO10	Public Works Training	-	-	45,326	2,835	-	48,161	-	-	45,326	2,835	-	48,161
25SO11	Stand-By Pay	-	-	61,000	-	-	61,000	-	-	61,000	-	-	61,000
25SO12	Portable Speed Radar Trailer Replacement	-	-	-	20,000	(20,000)	20,000	-	-	-	20,000	(20,000)	20,000
25SO13	New Traffic Counter Equipment	-	-	-	10,000	(10,000)	-	-	-	-	10,000	(10,000)	-
<b>Subtotal Street Operating Fund</b>		-	-	<b>549,693</b>	<b>391,835</b>	<b>(30,000)</b>	<b>931,528</b>	-	-	<b>134,493</b>	<b>202,835</b>	<b>(30,000)</b>	<b>327,328</b>
<b>Development Services Fund</b>													
<b>Planning &amp; Building</b>													
<b>Renewals of One Time</b>													
25PB01	Assistant Planner Overhire Conversion and One-Time Senior Planner	-	1.00	259,713	374,462	-	634,175	-	1.00	259,713	374,462	-	634,175
25PB02	Convert Code Enforcement Officer (1.0) to ongoing	1.00	-	328,670	-	-	328,670	1.00	-	328,670	-	-	328,670
25PB03	Temporary Records Management Specialist (.50 LTE)	-	0.50	-	127,533	-	127,533	-	0.50	-	127,533	-	127,533
25PB04	Building Division Overtime	-	-	-	179,916	-	179,916	-	-	-	179,916	-	179,916
25PB05	Third Party Structural Plan Review	-	-	-	200,000	-	200,000	-	-	-	200,000	-	200,000
25PB06	Land Use Consulting Contingency	-	-	-	20,000	-	20,000	-	-	-	20,000	-	20,000
25PB07	ARCH Housing Trust Fund (HTF)	-	-	-	1,253,338	-	1,253,338	-	-	-	1,253,338	-	1,253,338
25PB08	Energy Smart Eastside (ESE) Program Administration	-	-	-	162,000	-	162,000	-	-	-	162,000	-	162,000
25PB09	Bi-Annual Greenhouse Gas Emissions Report	-	-	-	30,000	-	30,000	-	-	-	30,000	-	30,000
25PB10	SSP Initiatives	-	-	-	228,200	-	228,200	-	-	-	-	-	-
<b>New</b>							-						-
25PB11	Planning Intern	-	-	-	32,648	-	32,648	-	-	-	32,648	-	32,648
25PB12	K2044 Housing Policy Implementation	-	-	-	250,000	-	250,000	-	-	-	-	-	-
<b>Subtotal Planning &amp; Building</b>		<b>1.00</b>	<b>1.50</b>	<b>588,383</b>	<b>2,858,097</b>	<b>-</b>	<b>3,446,480</b>	<b>1.00</b>	<b>1.50</b>	<b>588,383</b>	<b>2,379,897</b>	<b>-</b>	<b>2,968,280</b>
<b>Public Works Engineering</b>													
<b>Renewals of One Time</b>													
25DS01	Development Opportunity Fund	-	-	-	150,000	-	150,000	-	-	-	-	-	-

## SERVICE PACKAGE REQUESTS (CONTINUED)

		2025-2026 Department Request						2025-2026 City Manager Recommended					
		FTE	Temp	Ongoing	One-time	Revenue or Expenditure Offset	Total	FTE	Temp	Ongoing	One-time	Revenue or Expenditure Offset	Total
25DS02	Temporary Construction Inspector (Training Opportunity 1.0)	-	1.00	-	325,349	-	325,349	-	1.00	-	325,349	-	325,349
<b>New</b>							-						-
25DS03	Temporary Permit Tech (1.0 LTE)	-	1.00	-	241,780	-	241,780	-	1.00	-	267,835	-	267,835
<b>Subtotal Public Works Engineering</b>		-	2.00	-	717,129		717,129	-	2.00	-	593,184		593,184
<b>Subtotal Development Services Fund</b>		1.00	3.50	588,383	3,575,226		4,163,609	1.00	3.50	588,383	2,973,081		3,561,464
<b>Parks Levy Fund</b>													
<b>New</b>													
25PK11	Service Level Increases - Fisk, HPP, 132nd, and (2) Off-leash sites	-	1.00	-	389,036	-	389,036	-	1.00	-	389,036	-	389,036
25PK12	1.0 FTE Park Ranger	1.00	-	214,838	-	(38,000)	176,838	-	-	-	-	-	-
25PK13	Population Impacts on Parks: 1.0 FTE Groundsperson/Vehicle	1.00	-	197,886	75,000	-	272,886	1.00	-	197,886	75,000	-	272,886
25PK14	Security Cameras in Parks	-	-	11,000	80,000	-	91,000	-	-	11,000	80,000	-	91,000
25PK15	Automatic Gates in Parks	-	-	27,000	300,000	-	327,000	-	-	27,000	300,000	-	327,000
<b>Subtotal Parks Levy Fund</b>		2.00	1.00	450,724	844,036	(38,000)	1,256,760	1.00	1.00	235,886	844,036	-	1,079,922
<b>Water/Sewer Operating Fund</b>													
<b>New</b>													
25WS01	Water Pressure Mitigation Reimbursement Program	-	-	-	400,000	-	400,000	-	-	-	400,000	-	400,000
25SO10	Public Works Training	-	-	30,134	1,185	-	31,319	-	-	30,134	1,185	-	31,319
25SO11	Stand-By Pay	-	-	71,500	-	-	71,500	-	-	71,500	-	-	71,500
<b>Subtotal Water/Sewer Operating Fund</b>		-	-	101,634	401,185	-	502,819	-	-	101,634	401,185	-	502,819
<b>Surface Water Management Fund</b>													
<b>Renewals of One Time</b>													
25SD01	Surface Water Development Opportunity Fund	-	-	-	150,000	-	150,000	-	-	-	150,000	-	150,000
<b>New</b>													
25SD02	CCTV Equipment Retro-Fit	-	-	-	65,000	-	65,000	-	-	-	65,000	-	65,000
25SD03	Flow Monitoring	-	-	-	110,000	-	110,000	-	-	-	110,000	-	110,000
25SD04	Source Control Inspections	-	-	180,000	-	-	180,000	-	-	-	180,000	-	180,000
25SO10	Public Works Training	-	-	52,460	3,281	-	55,741	-	-	52,460	3,281	-	55,741
25SO11	Stand-By Pay	-	-	20,860	-	-	20,860	-	-	20,860	-	-	20,860
<b>Subtotal Surface Water Management Fund</b>		-	-	253,320	328,281	-	581,601	-	-	73,320	508,281	-	581,601
<b>Solid Waste Fund</b>													
<b>New</b>													
25SW01	Add 0.25 FTE to 0.75 FTE Education and Outreach Specialist	0.25	-	69,899	-	-	69,899	0.25	-	69,899	-	-	69,899
<b>Subtotal Solid Waste Fund</b>		0.25	-	69,899	-	-	69,899	0.25	-	69,899	-	-	69,899

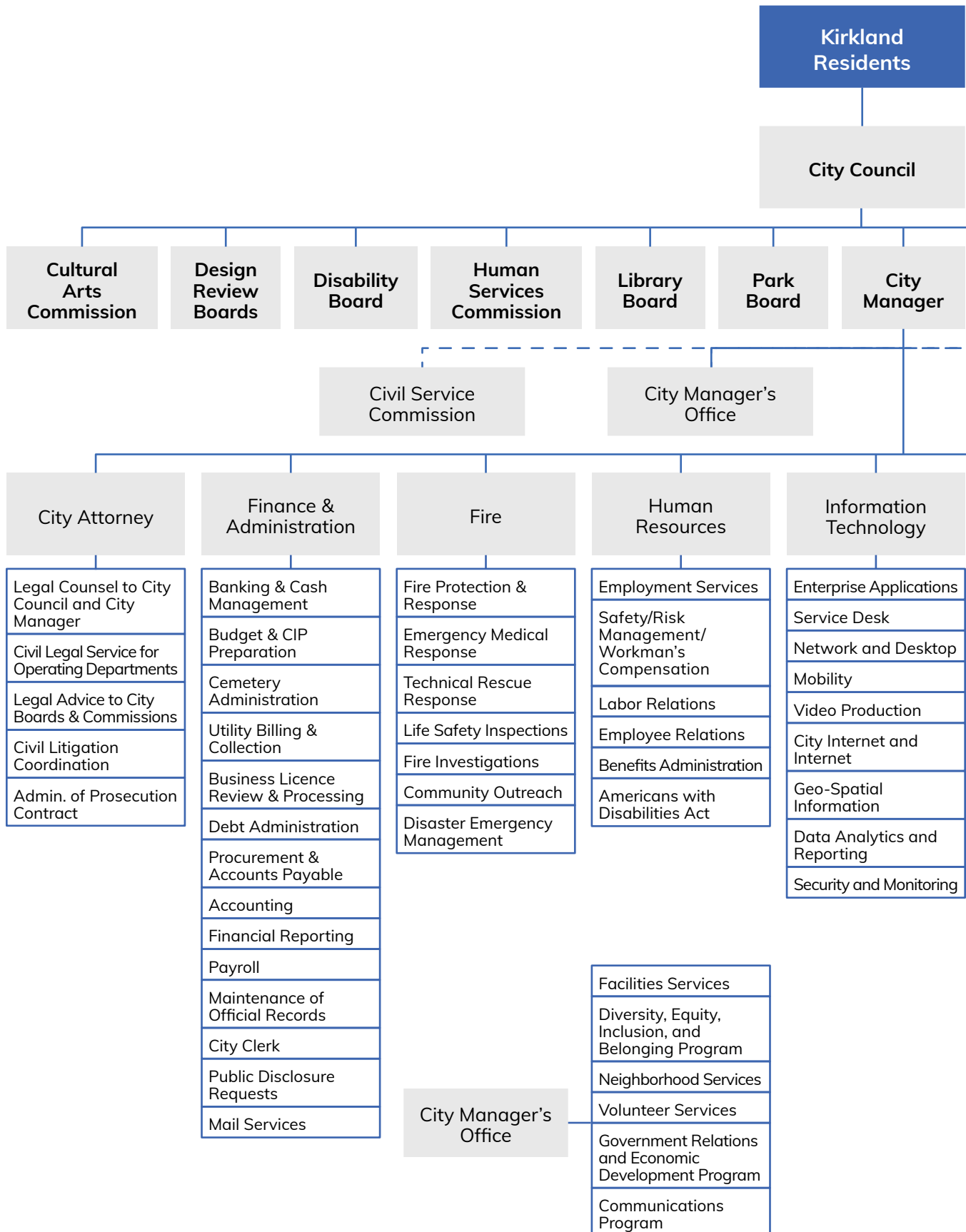
## SERVICE PACKAGE REQUESTS (CONTINUED)

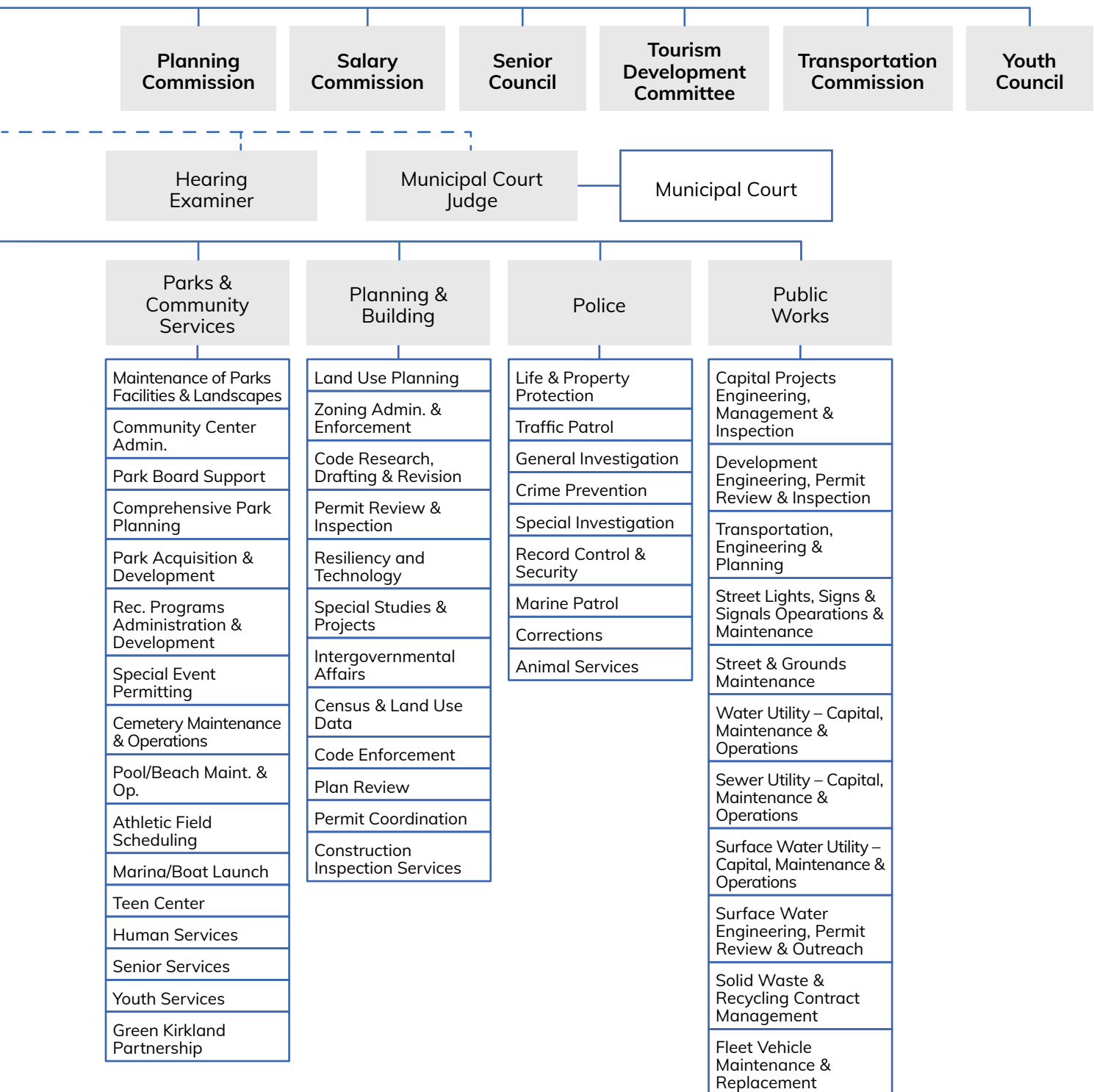
		2025-2026 Department Request						2025-2026 City Manager Recommended					
		FTE	Temp	Ongoing	One-time	Revenue or Expenditure Offset	Total	FTE	Temp	Ongoing	One-time	Revenue or Expenditure Offset	Total
<b>Equipment Rental Fund</b>													
<b>New</b>													
25ER01	Emergency Vehicle Technician	1.00	-	311,488	-	(50,000)	261,488	1.00	-	311,488	-	(50,000)	261,488
25ER02	Fleet Management Software	-	-	54,000	130,000	-	184,000	-	-	54,000	130,000	-	184,000
<b>Subtotal Equipment Rental Fund</b>		<b>1.00</b>	<b>-</b>	<b>365,488</b>	<b>130,000</b>	<b>(50,000)</b>	<b>445,488</b>	<b>1.00</b>	<b>-</b>	<b>365,488</b>	<b>130,000</b>	<b>(50,000)</b>	<b>445,488</b>
<b>Information Technology Fund</b>													
<b>New</b>													
25IT01	1.0 FTE Sr. Service Desk Analyst	1.00	-	305,977	3,223	-	309,200	1.00	-	305,977	3,223	-	309,200
25IT02	1.0 LTE GIS Technician	1.00	-	252,768	-	-	252,768	-	1.00	-	252,768	-	252,768
25IT03	Added Security against Email Phishing	-	-	22,000	-	-	22,000	-	-	22,000	-	-	22,000
25IT04	Cisco Identity Services Engine (ISE)	-	-	-	55,000	(16,875)	38,125	-	-	-	55,000	(16,875)	38,125
25IT05	DEIB Intern Program	-	-	-	140,058	-	140,058	-	-	-	140,058	-	140,058
25IT06	1.0 FTE Information Security Engineer	1.00	-	363,374	-	-	363,374	-	-	-	-	-	-
25IT07	1.0 FTE Sr. Network Engineer	1.00	-	365,461	3,223	-	368,684	1.00	-	365,461	3,223	-	368,684
<b>Subtotal Information Technology Fund</b>		<b>4.00</b>	<b>-</b>	<b>1,309,580</b>	<b>201,504</b>	<b>(16,875)</b>	<b>1,494,209</b>	<b>2.00</b>	<b>1.00</b>	<b>693,438</b>	<b>454,272</b>	<b>(16,875)</b>	<b>1,130,835</b>
<b>527 Facilities Fund</b>													
<b>New</b>													
25FC01	KJC Power Conditioning	-	-	-	100,000	-	100,000	-	-	-	100,000	-	100,000
25FC02	City Hall ADA Doors	-	-	-	81,325	-	81,325	-	-	-	81,325	-	81,325
25FC04	On-Call Office Specialist	-	-	-	35,624	-	35,624	-	-	-	-	-	-
25FC05	HVAC Preventative Maintenance Contract	-	-	-	233,946	-	233,946	-	-	-	233,946	-	233,946
25FC06	Building Automation Systems Contract	-	-	-	57,830	-	57,830	-	-	-	-	-	-
25FC08	KJC DAS/ERCES Equipment	-	-	-	81,701	(81,701)	-	-	-	-	81,701	(81,701)	-
<b>Subtotal 527 Facilities Fund</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>590,426</b>	<b>(81,701)</b>	<b>508,725</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>496,972</b>	<b>(81,701)</b>	<b>415,271</b>
<b>Total Other Funds</b>		<b>8.25</b>	<b>4.50</b>	<b>3,688,721</b>	<b>6,462,493</b>	<b>(216,576)</b>	<b>9,954,638</b>	<b>5.25</b>	<b>5.50</b>	<b>2,262,541</b>	<b>6,010,662</b>	<b>(178,576)</b>	<b>8,114,627</b>
<b>TOTAL ALL FUNDS</b>													
		<b>14.25</b>	<b>17.00</b>	<b>6,964,100</b>	<b>17,938,968</b>	<b>(2,760,628)</b>	<b>22,162,440</b>	<b>9.25</b>	<b>18.00</b>	<b>4,162,926</b>	<b>16,700,027</b>	<b>(3,689,719)</b>	<b>17,193,234</b>





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

### Vibrant Neighborhoods

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

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

### Community Safety

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

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

### Supportive Human Services

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

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

### Balanced Transportation

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

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

### Abundant Parks, Open Spaces and Recreational Services

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

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

### Attainable Housing

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

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

### Financial Stability

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

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

### Sustainable Environment

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

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

### Thriving Economy

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

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

### Dependable Infrastructure

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

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

# Kirkland's City Management

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

- **Fiscal Policies** which are adopted by the City Council and provide guidance in the areas of budgeting, capital improvements, reserves, debt, cash management and investments, and financial reporting.
- **Investment 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 Strategic Plan, the Sanitary Sewer Strategic Plan, the Surface Water Management Strategic Plan, and the Water Strategic 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 been working on the periodic update for the 2044 Comprehensive Plan since 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 strategic planning efforts, such as the **Fire Strategic Plan, Police Strategic Plan, Neighborhood Plans, and Kirkland's Comprehensive Park, Open Space and Recreation Plan** provide further examples of Kirkland's efforts to respond to the changing needs of the community through careful planning and community involvement.

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

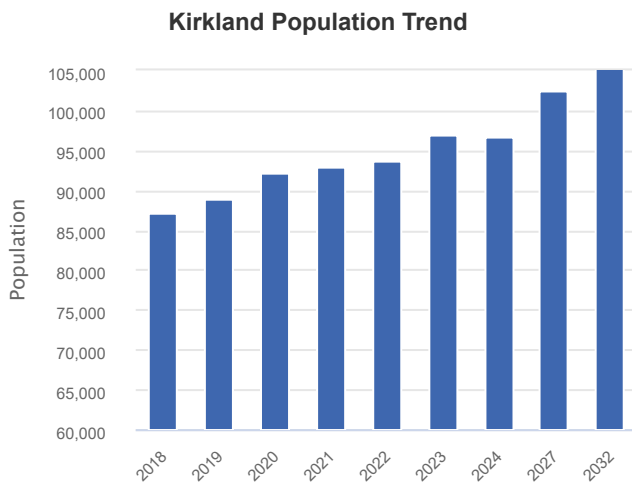
## The City's vision statement summarizes the qualities that are an integral part of its management efforts:

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

# Economic Environment

## POPULATION

Kirkland has seen modest growth since the City annexed Finn Hill, Kingsgate, and Juanita in 2011. The estimated population in 2024 is 96,710. The City is expected to surpass 100,000 residents by 2030. The chart below shows the City's population over the past seven years including projections for 2027 and 2032.



\* Estimates from WA State Office of Financial Management

## EMPLOYMENT BASE

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

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

Approximately 44,200 individuals are employed within the City limits. The following table presents the City's top employers as of 2024.

## KIRKLAND'S MAJOR EMPLOYERS

Employer	# of Employees
Evergreen Healthcare	5,168
Google Inc.	3,449
Lake Washington School District	1,196
Fred Meyer Stores, Inc.	867
Northwest University	837
City of Kirkland	748
Lake Washington Institute of Technology	668
Kenworth Truck Company	600
Astronics AES	526
GoDaddy.Com	414

## UNEMPLOYMENT RATE

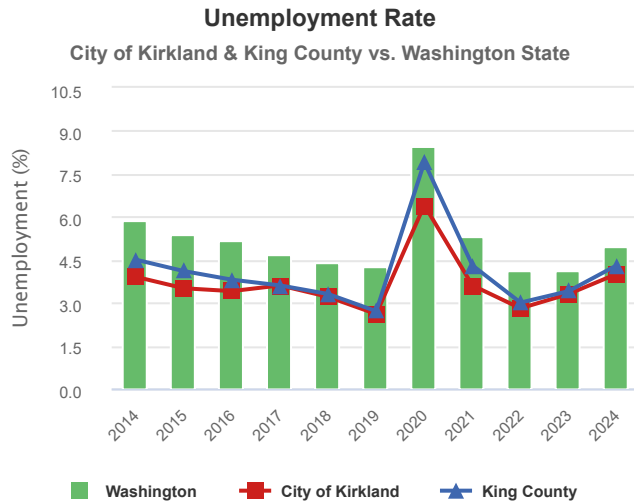
Unemployment rates in King County generally run parallel to state and national rates. Since 2004, King County's unemployment rate has consistently been below the national rate and the City of Kirkland's unemployment rate has remained close to King County rates. The impact of COVID-19 led to a significantly higher rate of unemployment in 2020. It dropped back down in 2021 and 2022, however it has risen to 4.0 percent, closer to the majority of the last 10 years. The table and chart below provide comparative unemployment rates for the past 10 years. Data for 2024 is through July.

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

Year	City of Kirkland	King County	State of Washington	United States
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	2.8	3.0	4.1	3.7
2023	3.3	3.4	4.1	3.6
2024	4.0	4.3	5.0	4.0

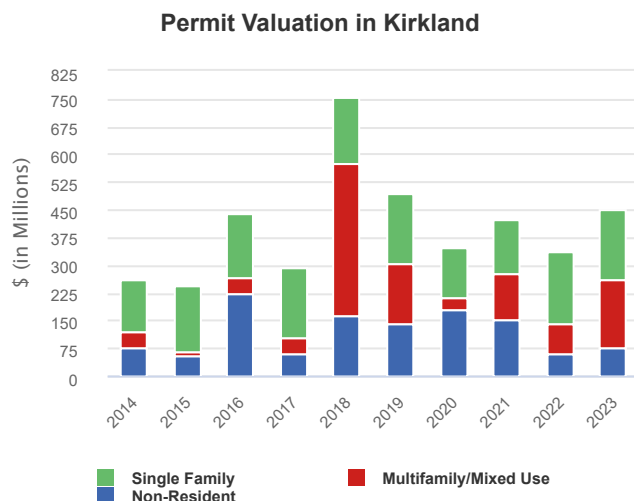
<sup>(1)</sup> U.S. Bureau of Labor Statistics.





## 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
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
2022	191	85	58	334
2023	191	182	76	449

<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 5.9 percent at the end of the second quarter of 2024, while the Eastside and the Puget Sound region had office vacancy rates of 12.55 percent and 15.0 percent, respectively.

### Housing Values

Based on data from Zillow.com, Kirkland home values peaked in the summer of 2022, declined until the middle of 2023 and have been steadily rising since. Home values decreased 9.8 percent between August 2022 and August 2023, but rose 10.1 percent between August 2023 and August 2024.

### Inflation

The Seattle Metro Consumer Price Index (CPI), a measure of price changes for goods and services, has declined significantly over the 2023-2024 biennium, decreasing to 5.4 percent from August 2022 to August 2023 and 3.1 percent from August 2023 to August 2024.



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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 27 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.

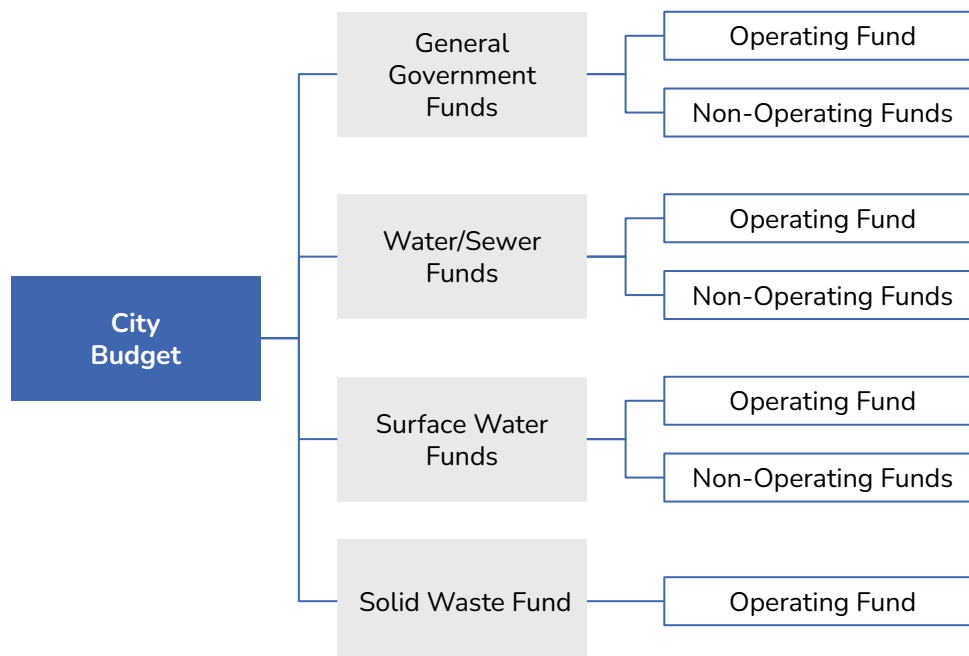
The general government operating funds include three Governmental Funds - including the General Fund, three special revenue funds, and four internal service funds. General government operating funds account for services to the public including public safety, street maintenance, land use, parks and administrative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

Like the general government funds, the Water/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.

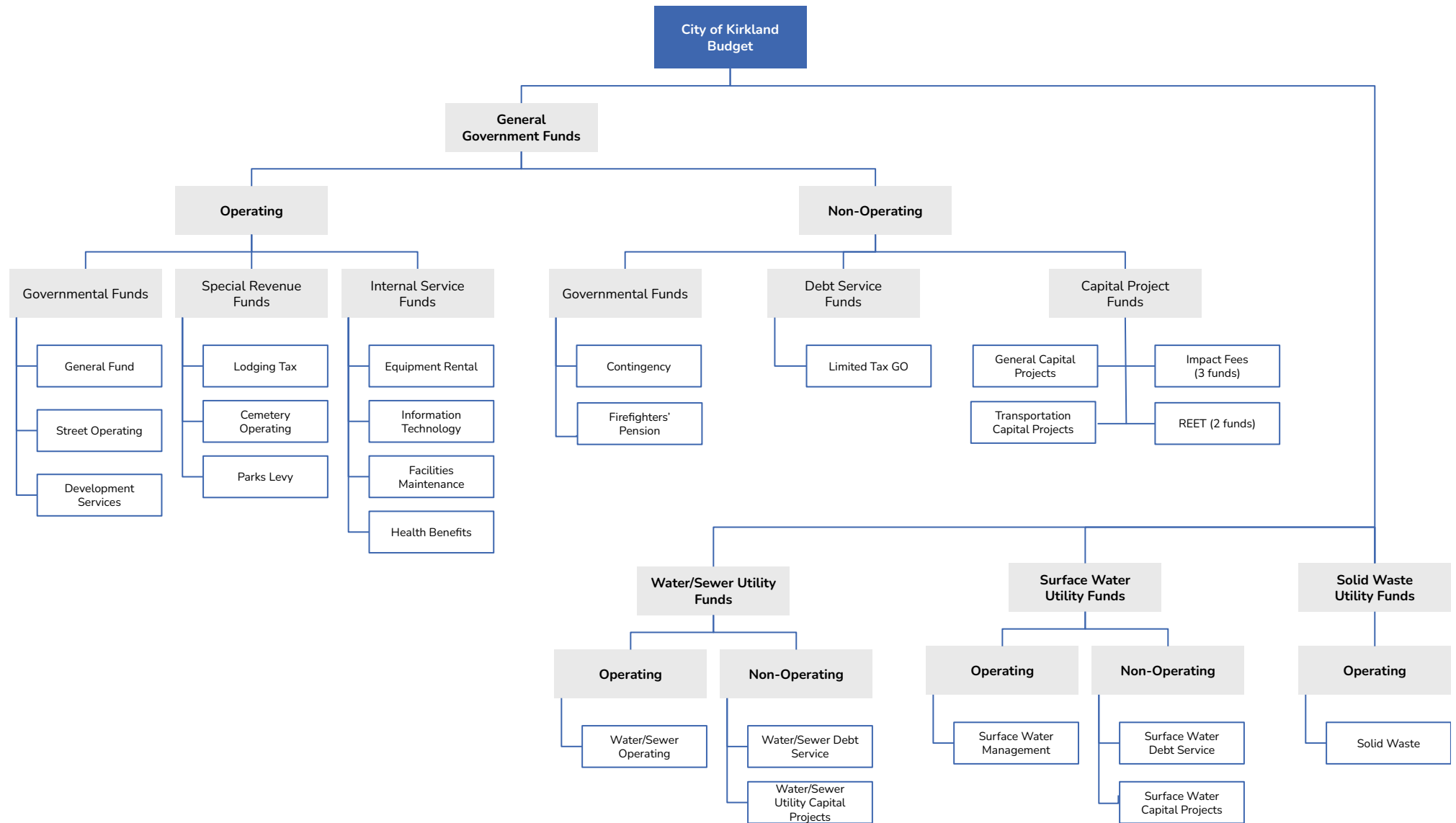
Distinct from the general government funds, each of the utilities operate much the same as a business (enterprise), with customer charges (rates) supporting all costs. Resources of the utilities cannot be used to subsidize general government functions.

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.



• GUIDE TO BUDGET FUND STRUCTURE





# 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 biennia.

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

## ACCOUNTING AND REPORTING BASIS

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

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

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

# Budget Process

## BUDGET PREPARATION PROCESS

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

1. The City Council holds its mid-year budget review meeting in May and receives a status report on the current biennial budget and an updated six-year financial forecast, with an emphasis on the coming biennium. In addition, the City Manager requests input from the City Council about budget priorities and overall direction.
2. In June, the Director of Finance & Administration makes the official “budget call” to all department directors requesting expenditure and revenue estimates for the current year and the coming two years.
3. The City conducts a biennial community survey to gauge resident satisfaction with City services and to help establish priorities for the budget. The results are based on a statistically valid phone and a corresponding online survey. The phone survey is the source of the “Kirkland Quad” that indicates resident ratings of the importance and performance of priority areas, as well as providing key data points for department priorities and the City’s Performance Measures Report. The results of the online survey provide supplemental information for City Council consideration and can be found on the [Biennial Community Survey Landing Page](#) online.
4. The Finance & Administration (F&A) Department prepares all general-purpose revenue estimates, which mostly consist of taxes, state shared revenues and entitlements, and intergovernmental service revenues, during the first half of August. In addition, the F&A Department receives and reviews all departmental revenue estimates during the same time period. All departmental expenditure estimates for the current year and “basic budget” requests for the coming biennium, which represent the estimated cost of maintaining the current service level, are received and reviewed by the F&A Department during the second half of August.
5. In late August, the Deputy City Manager, Director of Finance & Administration, Deputy Director of Finance & Administration, Financial Planning Manager and Budget Analysts meet with each department to review their basic budget requests.
6. In early September, departments submit additional funding requests (called service packages) for new positions, equipment, and projects which are over and above their basic budgets. The F&A Department reviews all service package requests by mid-September. In years when funding is limited, departments may also be asked to submit proposed expenditure reductions.
7. In early-September, the City Manager meets with each department director and key staff to review their basic budget and service package requests. In addition, the City holds a public hearing in mid- September to gather community members’ input on proposed revenue sources for the coming biennium.
8. The City Manager finalizes the preliminary budget proposal, which includes recommended service packages and reductions (if any), by mid-September.
9. In October, the F&A Department prepares and prints the preliminary budget document for the coming biennium. By November 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

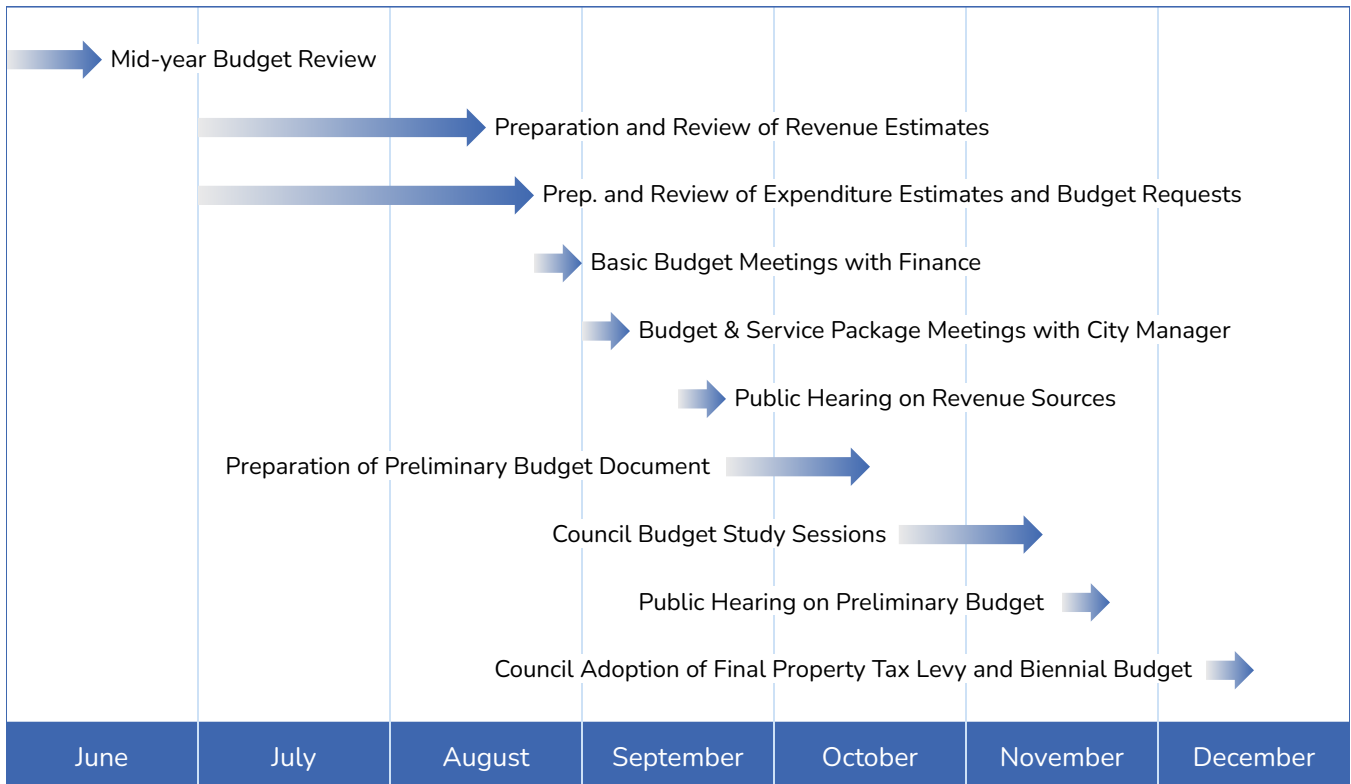
There are two types of adjustments related to the adopted budget: 1) transfers between line items or between departments within the same fund; and 2) changes to an individual fund's total appropriation. The former is handled administratively when needed with the approval of the F&A Director. The latter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

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

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

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

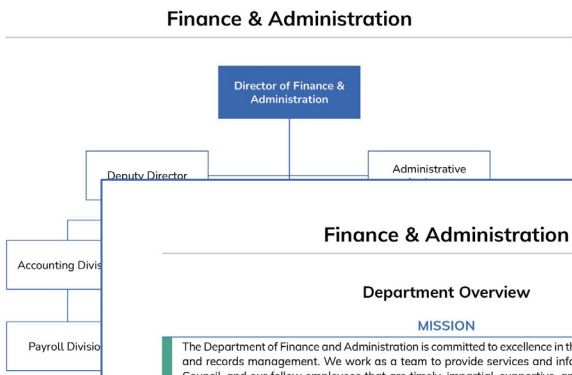
## BIENNIAL BUDGET PREPARATION TIMELINE



# Guide to Kirkland's Budget Document

## OPERATING FUND AND DEPARTMENT SECTIONS

The following sections are organized by fund and department. Within each fund, organization charts, department overviews, and financial overviews are provided for each department as well as detailed schedules of revenues.



**Finance & Administration**

Director of Finance & Administration

Deputy Director

Administrative

Accounting Division

Payroll Division

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

**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 the preparation of the Budget and Capital Budgets, the City Clerk's Office, and the City Council. All day-to-day financial and cost accounting records; Payroll - cash, inventory, and cost accounting records; Treasury - cash, inventory, and cost accounting records; Purchasing management; and the responsibilities of the service of process.

**BUDGET HIGHLIGHTS**

**FINANCIAL STABILITY**

- Add a Temporary accounting need
- Fund a complete projects, \$150,000

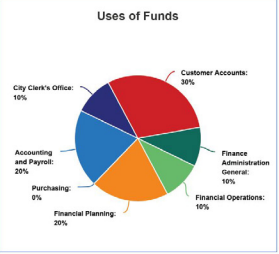
Boxes with dashed outline are budgeted in a different fund.

CITY OF KIRKLAND, PRELIMINARY BY ANNUAL BUDGET 2023-2024

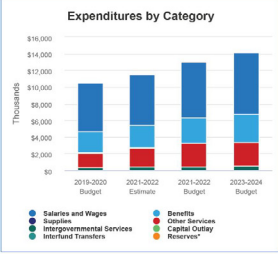
**Finance & Administration**

**Financial Overview**

**Uses of Funds**



**Expenditures by Category**



**EXPENDITURE SUMMARY BY CATEGORY**

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

**EXPENDITURE SUMMARY BY DIVISION**

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

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CITY OF KIRKLAND, PRELIMINARY BY ANNUAL BUDGET 2023-2024

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

# Guide to Kirkland's Budget Document

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

## GENERAL FUND REVENUES

	Object	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
Prop Tax	311101	56,653,711	59,883,357	60,066,940	63,107,829	5.06%
Rtl Sales Use Tax	313111	62,449,927	66,271,199	61,769,600	69,055,066	11.79%
Annex Sales Tx	313121	151,983	-	-	-	
Spec Purpose Tx Public Safety	313150	5,191,387	5,523,031	5,060,929	5,510,390	8.88%
Affrdbl Spprtvs Hsng SalesUseTx	313270	481,995	430,930	507,452	423,338	(16.58%)
Brok Nat Gax Tax	313611	9,305	8,415	7,600	8,400	10.53%
Criminal Justice Loc Tax	313711	6,397,019	5,741,322	5,699,722	5,858,440	2.78%
Rev Gen Reg License	316101	7,316,037	8,677,756	9,357,531	11,243,000	20.15%
Rev Gen Bus Lic Prior Yr	316102	214,022	532,574	145,000	40,000	(72.41%)
Electric Utility Tax	316411	8,449,043	9,976,857	8,804,079	11,287,649	28.21%
Gas Utility Tax	316431	3,206,127	3,468,449	3,428,297	3,658,134	6.70%
TV Cable-Private	316461	2,484,841	2,231,917	2,164,563	2,009,046	(7.18%)
Telephone Utility Tax	316471	2,268,778	2,174,475	1,438,696	1,884,993	31.02%
Water Cus Utility Tx	316481	3,432,402	3,699,586	3,727,646	4,181,023	12.16%
Sewer Cus Utility Tx	316482	3,097,840	3,497,989	3,558,270	4,044,494	13.66%
Sld Waste Utility Tx	316483	4,267,281	5,870,787	5,705,823	6,759,341	18.46%
SW Cus Util Tx	316484	1,660,834	1,794,838	1,762,100	1,990,135	12.94%
Pnch Bds Pull Tb	316811	631,202	688,273	686,000	656,000	(4.37%)
Bingo and Raffle	316821	2,230	3,179	500	3,000	500.00%
Amusement Games	316831	2,467	2,566	2,000	2,600	30.00%
Card Games	316841	2,862,678	3,632,168	2,666,449	3,137,000	17.65%
Leasehold Excise	317201	147,969	161,222	120,000	160,000	33.33%
Admissions Tax	318111	374,377	789,920	478,244	720,000	50.55%
<b>Total for Taxes</b>		<b>171,753,454</b>	<b>185,060,808</b>	<b>177,157,441</b>	<b>195,739,878</b>	<b>(3.26%)</b>
<b>License and Permits</b>						
Franchise Fees	321911	7,953,124	8,604,049	8,560,295	8,966,401	4.74%
Lease Franchise Revenue	321913	8,270	-	-	-	
Business License Fee	321991	1,705,259	1,593,404	1,811,675	1,600,000	(11.68%)
Business Lic Fee Prior Yr	321992	70,772	28,146	34,125	32,000	(6.23%)
Busking Permit Fee	321995	150	2,400	1,200	2,400	100.00%
Building Permit	322101	5,572,915	-	-	-	
Plumbing Permit	322102	679,355	-	-	-	
Clear Grade Permit	322103	18,036	-	-	-	
Side Sewer Permit	322104	185,443	-	-	-	
Mechanical Permit	322105	1,305,012	-	-	-	
Sign Permit	322106	68,894	-	-	-	
Electric Permit	322107	1,906,047	-	-	-	
House Moving Permit	322109	1,145	-	-	-	
Animal License	322301	322,482	278,514	330,000	330,000	-%
Street Curb Permit	322401	898,238	-	-	-	
Sidewalk Permit	322402	5,426	-	-	-	
Alarm Registration	322900	160,715	134,565	170,000	130,000	(23.53%)
Fire Alarm Permit	322902	256,829	-	-	-	
C Weapon Permit	322903	31,836	29,820	26,400	26,400	-%
Fire Sprinkler	322906	368,119	-	-	-	
Fire System-Other	322907	29,251	-	-	-	
IFC Not Requiring	322914	-	-	62,000	-	(100.00%)
IFC Other	322915	6,658	29,450	5,410	-	(100.00%)



# 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 in the following years as measured by the CPI-W.
- The City will maintain a General Operating Reserve at an amount equivalent to five percent of the tax-supported general government budgets (General Fund, Lodging Tax Fund, Street Operating Fund, and Parks

Levy Fund) for the second year of the biennium. The General Operating Reserve is available to address unforeseen revenue shortfalls or expenditure needs that occur during the current biennium.

- The City will maintain a Revenue Stabilization Reserve to address temporary revenue losses due to economic cycles or other time-limited causes. The Revenue Stabilization Reserve will be maintained at ten percent of selected General Fund revenue sources which, in the judgment of the Director of Finance and Administration, are subject to volatility. The Revenue Stabilization Reserve may be used in its entirety; however, replenishment will be a priority, consistent with adopted policies.
- The City will maintain a Council Special Project Reserve, which is available to the City Council to fund special one-time projects that were unforeseen at the time the budget was prepared. The City Council's Special Projects Reserve is primarily intended to be used for Council or staff-initiated requests that support Council initiatives and direction, and not to fund outside organization requests. The reserve is limited to one-time projects, pilot programs, budget amendments, or special events. The Council may use the reserve to fund outside organization emergency requests on a case-by-case basis. When the reserve is used, it is replenished from the General Fund year-end fund balance to a target balance of \$250,000.
- The City will maintain a General Capital Contingency to address unforeseen project expenditures or external revenue shortfalls in an amount equivalent to ten percent of the funded two-year CIP budget, less proprietary fund projects and debt proceeds.
- In establishing targets for the reserves defined above, voted property tax levies will be excluded from the calculations, since the levies are not intended to burden the General Fund and are expected to absorb unexpected costs from levy proceeds.
- The City Manager may authorize the use of capital funding reserves up to an aggregate total of \$100,000 per year in increments not to exceed \$25,000. The City Manager will provide regular reports to the City Council at a regular Council meeting if this authorization is used. Capital funding reserves include: General Capital Contingency, Street Improvement Reserve, REET Reserves, Impact Fee Reserves, Water/Sewer Capital Contingency, Water/Sewer Construction Reserve, Surface Water Capital Contingency, and Surface Water Construction Reserve.
- The City will maintain two Capital Improvement Program reserves from Real Estate Excise Tax revenue as means of assuring the availability of cash resources to leverage external funding when the opportunity arises and to provide flexibility for project scope changes and unanticipated costs. The reserves will be maintained in the REET Funds.
  - The first, "REET CIP Contingency", will provide for reserves equal to 15 percent of Real Estate Excise Tax revenue from the previous five (5) full years, split equally of revenue from the first quarter percent of the tax and revenue from the second quarter percent of the Real Estate Excise Tax. The combined reserve should not fall below \$2 million unless its use is instructed by Council.
  - Beginning in 2027-2028, the second, "Matching Fund Reserve", will provide for \$500,000 of revenue from the first quarter percent of the Real Estate Excise Tax and \$500,000 of revenue from the second quarter percent of the tax. It can be cited as eligible matching funds in applications for external funding by City Staff and authorized by Council upon grant obligation.
- These amounts will be maintained through excise tax revenue received over and above the annual allocation to the Capital Improvement Plan. These reserves will be calculated and replenished at the completion of each biennium, although the Matching Fund Reserve may be replenished at Council direction at the Mid-Biennial Budget Adjustment.
- The City will maintain a Building and Property Reserve with a minimum balance of \$600,000. This reserve is used for property purchases, building improvements and other property-related transactions. It can also be used as a general purpose reserve to fund Council-approved unanticipated expenditures.
- The City will maintain fully funded reserves for the replacement of vehicles and personal computers. Contributions will be made through assessments to the using funds and maintained on a per asset basis.

## • FISCAL POLICIES

- Additional reserve accounts may be created to account for monies for future known expenditures, special projects, or other specific purposes.
- All reserves will be presented in the biennial budget.

### **Reserve Replenishment**

- Reserve replenishments occur in three ways during periods of economic recovery:
  - Planned – A specific amount is included in the adopted budget,
  - Scheduled – After uses of reserves occur, a repayment schedule can be established to repay the use over a specific time period, and
  - Unplanned – Ending fund balances are higher than budgeted, either due to higher than budgeted revenues or under-expenditures.
- Planned amounts are included as part of the adopted budget. Planned replenishments toward 80 percent of the target level shall be set to at least 1 percent of the General Fund adopted expenditures less reserves.
- Scheduled amounts are included in the adopted budgets according to the repayment schedule. The amount scheduled for repayment will be assumed as part of the balance for determining performance against reserve targets.
- Unplanned amounts available at the end of each biennium (if any) should help replenish to target faster. A high percentage (up to all) uncommitted funds available at the end of a biennium should be used for reserve replenishment until reserves meet 80 percent of target and the revenue stabilization reserve is at 100 percent of target. Some or all of those unplanned funds may be used in place of planned (budgeted) amounts in the following biennium to the extent it meets or exceeds the 1 percent budgeted amount.
- Once reserves reach 80 percent of target and revenue stabilization reserve is at 100 percent, funds may be used to meet other one-time or on-going needs. Additional funds should be used to fund a variety of needs, based on the following process:
  - Set 50 percent of available cash toward reserves until they are at 100 percent of target.
  - The remaining 50 percent shall be available for one or more of the following needs, depending on the nature of the funds available (one-time or on-going) and in the following order of priority:
    - Fund liabilities related to sinking funds for public safety and information technology equipment,
    - Maintain current service levels,
    - Fund one-time projects or studies,
    - Increase funding for capital purposes,
    - Restore previous program service reductions,
    - Potential program and service enhancements.
- In terms of priority for replenishing the individual reserves, the following guidelines shall be used:
  - If the Council Special Projects reserve is below target, replenish to target at the start of each biennium.
  - If the revenue stabilization reserve is below target, prioritize replenishing the reserve.
  - To the extent cash is from volatile revenues above budgeted amounts, those funds should be applied to revenue stabilization reserve first.
  - If unplanned funds are available because planned reserve uses did not occur, those funds should be returned to the source reserve.
  - The source of uncommitted funds should be taken into consideration (for example, interest earnings over budget could be applied to the capital contingency, since they are one of the designated sources for this reserve).
  - The degree to which an individual reserve is below target (for example, the reserve that is furthest from its target level on a percentage basis might receive a larger share of the funds).

- Decisions on how replenishments are allocated to specific reserves will be based on where available funds came from and on each reserve's status at the time the decision is made.
- The replenishment policy will provide a mechanism whereby Council may take action to suspend replenishment policies if it was found that special conditions existed warranting such action.

## DEBT MANAGEMENT POLICIES

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

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

## • FISCAL POLICIES

- The issuance of bonds shall be financed for a period not to exceed a conservative estimate of the asset's useful life.
- General Obligation bonds will be issued with maturities of 30 years or less unless otherwise approved by Council.
- The maturity of all assessment bonds shall not exceed statutory limitations. RCW 36.83.050.
- The City will use refunding bonds, where appropriate, when restructuring its current outstanding debt.

## CAPITAL IMPROVEMENT POLICIES

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

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



# Budget Summary



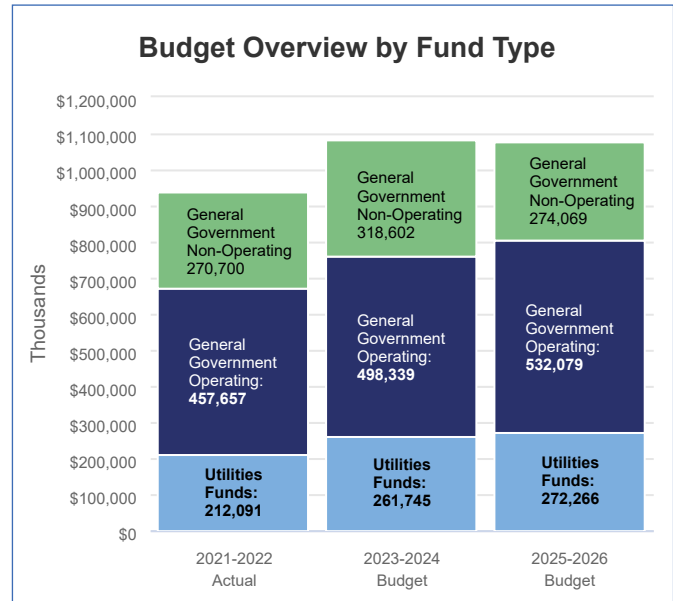
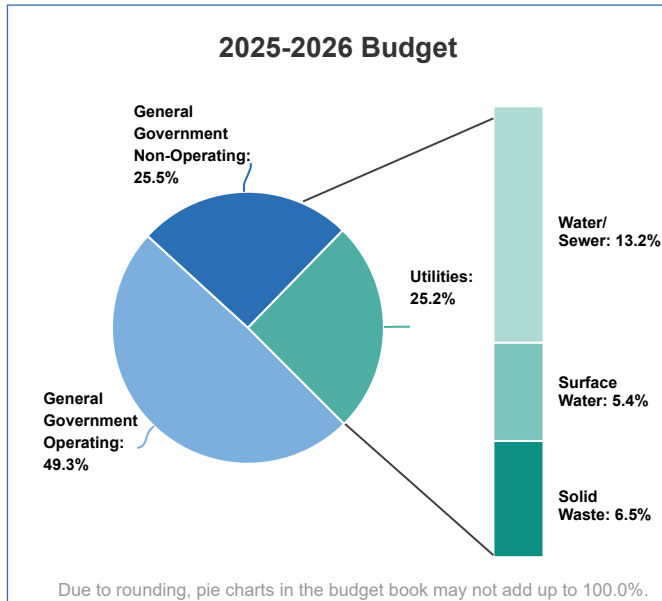


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## BUDGET SUMMARY

### \$1,079,346,266

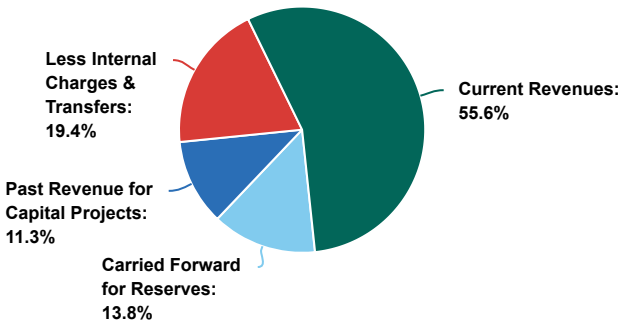


The City Budget is composed of General Government functions and the City's three Utilities which are operated as separate enterprises. Both the General Government and Utilities budgets have operating and non-operating components. The operating portion of the budget represents services to the public and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

## 2025-2026 Total Resources and Uses

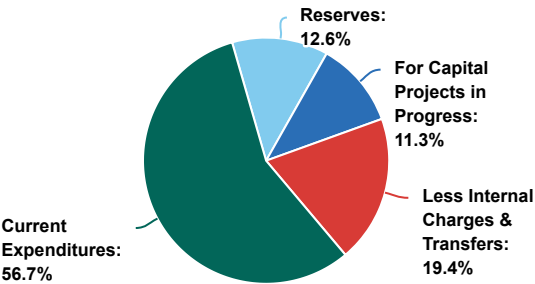
### Where the Money Comes From

2025-2026 Budgeted Resources



### Where the Money Goes

2025-2026 Budgeted Uses



Total Budgeted Resources	\$ 1,079,346,266
Less Resources Forward (Cash)	
Carried Forward for Reserves	(149,128,716)
Past Revenue for Capital Projects	(121,704,664)
Less Internal Charges & Transfers	(208,668,178)
Current Revenues	\$ 599,844,708

Total Budgeted Uses	\$ 1,079,346,266
Less Reserves & Working Capital	
Reserves	(137,102,023)
For Capital Projects in Progress	(121,704,664)
Less Internal Charges & Transfers	(208,668,178)
Current Expenditures	\$ 611,871,401

The total budget of \$1.08 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.

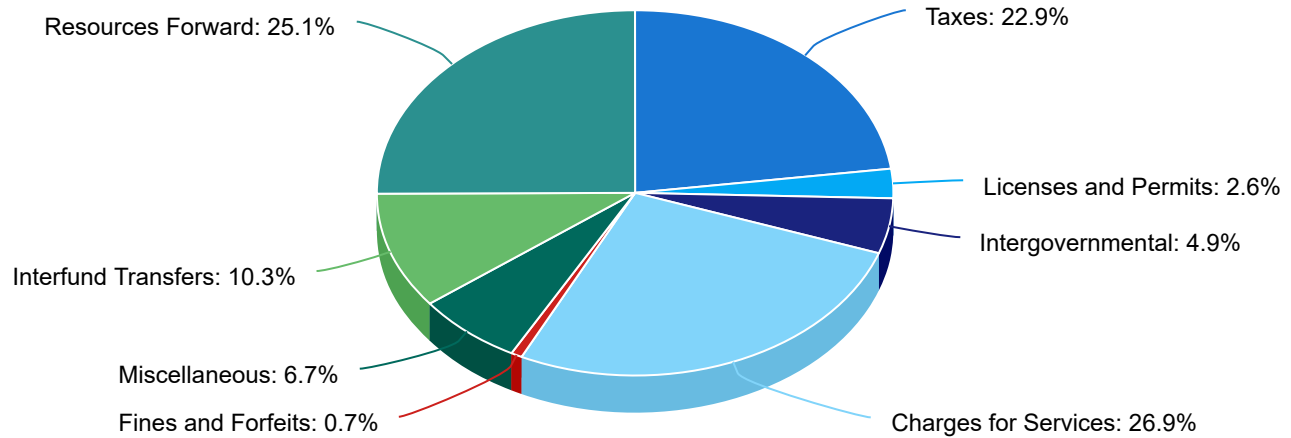
Current revenues reflect what the City expects to receive from external sources. Across all functions, about \$599.8 million is projected to be received during the next biennium, which is equivalent to the City’s biennial income.

Current expenditures correspond to what the City plans to actually spend in terms of payments to employees, vendors, outside agencies, and other governments. About \$611.9 million is projected to be spent during the next biennium citywide. The \$12.0 million difference between current revenues and current expenditures represents a planned use of reserves, and is primarily due to a debt issuance in 2024 of which the balance will be spent more in 2025-2026.

## Budget Overview

## Total Government Revenue Summary

\$1,079,346,266

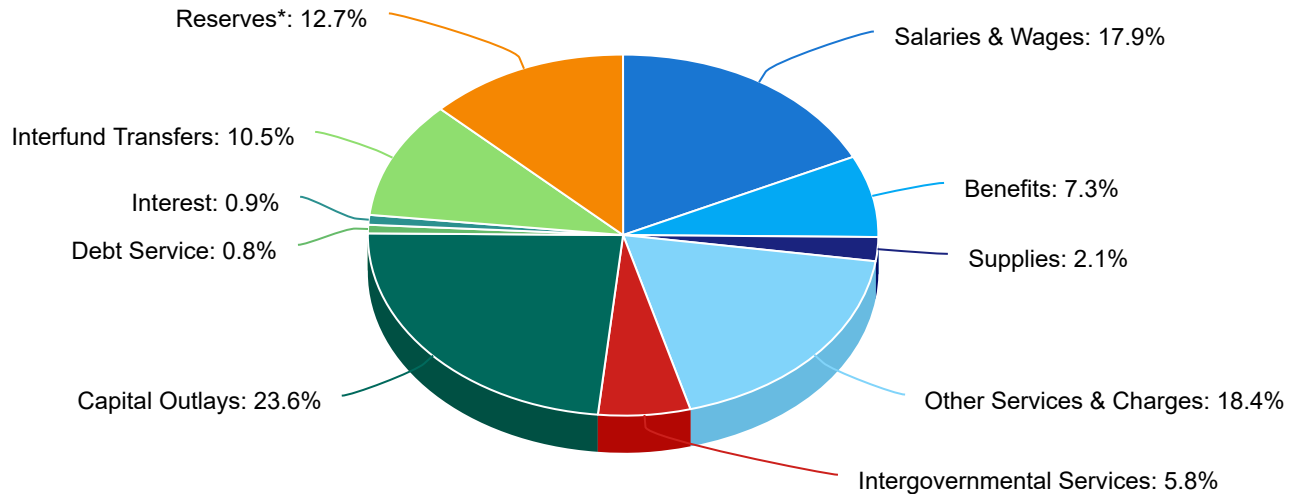


## ANALYSIS OF CHANGE

Revenue Type	2021-2022 Actual	2023-2024 Budget	2025-2026 Budget	Percent Change
Taxes	229,936,510	227,093,171	246,825,961	8.69%
Licenses and Permits	22,411,259	27,333,381	28,295,641	3.52%
Intergovernmental	45,087,971	62,388,041	53,409,461	(14.39%)
Charges for Services	209,789,199	260,734,188	290,165,908	11.29%
Fines and Forfeits	5,818,911	6,999,700	7,338,200	4.84%
Miscellaneous	82,295,158	86,478,144	71,839,902	(16.93%)
Interfund Transfers	106,385,760	120,342,105	110,637,813	(8.06%)
Resources Forward	238,802,558	289,394,276	270,833,380	(6.41%)
<b>Total Revenue</b>	<b>940,527,325</b>	<b>1,080,763,006</b>	<b>1,079,346,266</b>	<b>(0.13%)</b>

## Total Government Expenditure Summary

\$1,079,346,266



## ANALYSIS OF CHANGE

Expenditure Category	2021-2022 Actual	2023-2024 Budget	2025-2026 Budget	Percent Change
Salaries & Wages	138,767,315	178,427,860	193,108,439	8.23%
Benefits	56,577,386	68,962,348	78,846,444	14.33%
Supplies	19,751,904	26,854,304	23,223,655	(13.52%)
Other Services & Charges	141,352,999	179,315,743	199,168,576	11.07%
Intergovernmental Services	52,559,630	62,829,984	62,911,494	0.13%
Capital Outlays	110,701,854	303,916,635	254,711,279	(16.19%)
Debt Service	5,441,093	7,890,540	8,222,624	4.21%
Interest	8,002,912	5,225,123	9,523,251	82.26%
Interfund Transfers	105,840,760	121,866,106	112,528,481	(7.66%)
Reserves*	121,345,372	125,474,363	137,102,023	9.27%
<b>Total Expenditure</b>	<b>760,341,224</b>	<b>1,080,763,006</b>	<b>1,079,346,266</b>	<b>(0.13%)</b>

\* 2021-2022 Actual and 2023-2024 Estimate reserves are budgeted, but not spent

## GENERAL GOVERNMENT OPERATING FUNDS 2025-2026 BUDGET OVERVIEW: BY TYPE/FUND

Fund	2021-2022 Actual	2023-2024 Budget	2025-2026 Budget	Percent Change
<i>Governmental Funds</i>				
General Fund	327,414,062	310,331,814	327,555,201	5.55%
Street Operating Fund	24,769,809	29,650,829	29,864,791	0.72%
Development Services Fund	-	55,619,683	56,629,237	1.82%
<b>Total Governmental Funds</b>	<b>352,183,872</b>	<b>395,602,326</b>	<b>414,049,229</b>	<b>4.66%</b>
<i>Special Revenue Funds</i>				
Lodging Tax Fund	915,387	952,728	1,086,651	14.06%
Cemetery Operating Fund	1,421,588	1,421,877	1,641,747	15.46%
Parks Levy Fund	12,444,044	14,013,542	14,299,276	2.04%
<b>Total Special Revenues Funds</b>	<b>14,781,019</b>	<b>16,388,147</b>	<b>17,027,674</b>	<b>3.90%</b>
<i>Internal Service Funds</i>				
Health Benefits Fund	22,043,909	25,415,968	29,815,984	17.31%
Equipment Rental Fund	29,431,639	22,202,501	29,393,413	32.39%
Information Technology Fund	18,697,611	21,609,719	23,657,658	9.48%
Facilities Maintenance Fund	20,518,487	17,119,868	18,135,212	5.93%
<b>Total Internal Service Funds</b>	<b>90,691,646</b>	<b>86,348,056</b>	<b>101,002,267</b>	<b>16.97%</b>
<b>Gen. Gov't Operating Total</b>	<b>457,656,536</b>	<b>498,338,529</b>	<b>532,079,170</b>	<b>6.77%</b>

## GENERAL GOVERNMENT NON-OPERATING FUNDS

Fund	2021-2022 Actual	2023-2024 Budget	2025-2026 Budget	Percent Change
<i>Governmental Funds</i>				
Contingency Fund	6,355,888	6,959,697	7,210,246	3.60%
Firefighters' Pension	1,574,732	1,685,562	1,944,768	15.38%
<b>Total Governmental Funds</b>	<b>7,930,620</b>	<b>8,645,259</b>	<b>9,155,014</b>	<b>5.90%</b>
<i>Debt Service Funds</i>				
LTGO Debt Service	8,111,303	13,115,843	16,371,880	24.83%
UTGO Debt Service	1,127,785	-	-	
<b>Total Debt Service Funds</b>	<b>9,239,087</b>	<b>13,115,843</b>	<b>16,371,880</b>	<b>24.83%</b>
<i>Capital Projects Funds</i>				
Impact Fees	9,886,403	8,270,086	13,917,520	68.29%
Excise Tax Capital Improvement (REET)	50,958,696	40,445,307	28,489,915	(29.56%)
General Capital Projects Fund	98,418,544	106,396,055	93,294,668	(12.31%)
Transportation Capital Projects Fund	94,266,437	143,807,217	113,771,850	(20.89%)
<b>Total Capital Projects Funds</b>	<b>253,530,080</b>	<b>298,918,665</b>	<b>249,473,953</b>	<b>(16.54%)</b>
<b>Gen. Gov't Non-Operating Total</b>	<b>270,699,787</b>	<b>320,679,767</b>	<b>275,000,847</b>	<b>(14.24%)</b>

## UTILITY FUNDS

Fund	2021-2022 Actual	2023-2024 Budget	2025-2026 Budget	Percent Change
Water/Sewer Utility				
Water/Sewer Operating Fund	74,145,631	82,068,293	85,856,856	4.62%
Water/Sewer Debt Service	797,678	687,971	567,367	(17.53%)
Utility Capital Projects Fund	40,489,472	53,815,842	56,512,912	5.01%
<b>Water/Sewer Utility</b>	<b>115,432,781</b>	<b>136,572,106</b>	<b>142,937,135</b>	<b>4.66%</b>
Surface Water Utility				
Surface Water Operating Fund	31,404,233	34,597,716	34,175,379	(1.22%)
Surface Water Debt Service	-	-	1,337,736	
Surface Water Capital Projects Fund	18,981,136	28,759,681	23,328,680	(18.88%)
<b>Surface Water Utility</b>	<b>50,385,369</b>	<b>63,357,397</b>	<b>58,841,795</b>	<b>(7.13%)</b>
Solid Waste Utility				
Solid Waste Operating Fund	46,272,918	61,815,207	70,487,319	14.03%
<b>Solid Waste Utility</b>	<b>46,272,918</b>	<b>61,815,207</b>	<b>70,487,319</b>	<b>14.03%</b>
<b>Utility Funds Total</b>	<b>212,091,069</b>	<b>261,744,710</b>	<b>272,266,249</b>	<b>4.02%</b>
<b>All Funds</b>	<b>940,527,325</b>	<b>1,080,763,006</b>	<b>1,079,346,266</b>	<b>(0.13%)</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 and Parks Levy Funds. The City has two Parks levies, a 2002 Parks Maintenance levy to fund maintenance and operations for new parks, and a November 2012 Parks levy that funds parks maintenance, recreation, and some capital funding (both receipted in the Parks Levy Fund). Kirkland voters have also approved a 2012 street maintenance and pedestrian safety levy which funds street preservation and maintenance projects in the Street Operating Fund, and a 2020 Fire ballot measure that funds additional firefighters, fire services, and facilities, within the General Fund.

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

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

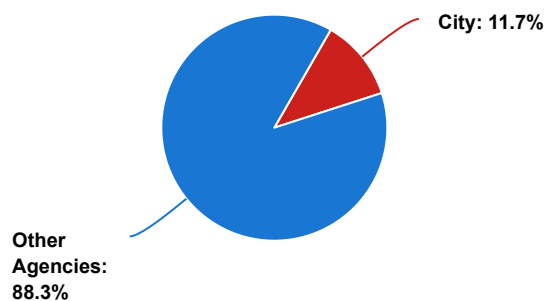
Although property taxes represent a major source of funding for City services, the portion of each property owner's total tax bill allocated to the City is relatively small. In 20245, the total typical property tax rate in Kirkland is \$7.94 per \$1,000 of assessed valuation. Of that total, about 11.7 percent, or \$0.928 per \$1,000 assessed valuation, goes to the City. This rate includes the 2002 and 2012 levy lid lifts for parks maintenance, the 2012 levy lid lift for street preservation and pedestrian safety, and the 2020 fire prop 1 measure.

State statute limits the annual increase in the regular property tax levy to the lesser of one percent or the Implicit Price Deflator (an inflation factor published by the Bureau of Economic Analysis). The City can exceed the limitation with the approval of voters or by using levy capacity from prior years that was "banked" for future specified purposes. The City does not have any banked levy capacity.

The City is also provided an allowance for new construction, which entitles the City to the property tax revenue generated by newly constructed homes and businesses and by new additions to existing homes and businesses. The new construction levy does not increase the overall property tax rate paid by property owners. The City's total tax rate cannot be more than \$3.58 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.

**2024 Property Tax Distribution**



**Budget**

	2023-2024	2025-2026
<b>Property Tax</b>	<b>\$84,627,788</b>	<b>\$88,959,812</b>
General Fund	\$ 44,327,526	\$ 46,571,608
Fire Prop 1	\$ 15,739,414	\$ 16,536,221
Street Operating Fund	\$ 7,283,046	\$ 7,664,728
Street Operating Fund (Street Maintenance/ Pedestrian Safety Levy)	\$ 7,854,981	\$ 8,268,444
Parks Levy Fund	\$ 9,422,821	\$ 9,918,811

**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 2025 and 2026.
- 1.0 percent optional levy increase in 2025 and 2026.

## 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 2025-2026 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 10.3 percent, of which 0.85 percent is returned to the City of Kirkland and 9.45 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 10.5 percent per state statute. Effective April 1, 2024, King County has increased the sales tax by one-tenth of one percent (.001) for cultural access programs. 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
King County Cultural Access Program	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>10.300</b>
Additional Auto Sales/Lease Rate	0.300
<b>Total Auto Sales/Lease Rate</b>	<b>10.500</b>

## Budget

Sales Tax	2023-2024	2025-2026
	<b>\$66,830,529</b>	<b>\$74,565,456</b>
General Retail Sales Tax (General Fund)	\$ 61,769,600	\$ 69,055,066
Public Safety Retail Sales Tax (General Fund)	\$ 5,060,929	\$ 5,510,390

## TRENDS AND ASSUMPTIONS

### Methodology

- Kirkland budgets sales tax revenue using a modified two-year lag policy, which sets 2025 and 2026 budgeted sales tax equal to estimated 2024 revenue. This policy was also utilized for 2023 and 2024 budgeted sales tax, which equaled 2022 estimated revenue.

### Trends

- Actual general retail sales tax and public safety retail sales tax revenues for the past 5 years (2019-2023) as well as the current year estimates (2024) for both revenues are shown in the following page (numbers are in millions).

	2019	2020	2021	2022	2023	2024 Est
General Retail Sales Tax (\$M)	\$25.60	\$27.56	\$30.39	\$32.05	\$31.24	\$34.53
% Change vs. Previous Year	4.5%	7.7%	10.3%	5.5%	(2.5%)	10.5%
Public Safety Retail Sales Tax (\$M)*	\$1.74	\$2.26	\$2.55	\$2.64	\$2.76	\$2.75
% Change vs. Previous Year	-	29.9%	12.8%	3.5%	4.5%	(0.4%)

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

- The growth in 2019-2024 is related to a high level of development activity and strong retail growth.
- General retail sales tax revenue is projected to be \$34,527,533 in 2024, which is 10.5 percent higher than 2023.
- Public safety sales tax revenue is projected to be \$2,755,195 in 2024, which is 0.4 percent lower than 2023.

**Key Assumptions**

- 10.3 percent City sales tax rate of which 0.85 percent is returned to the City of Kirkland and 9.45 percent is distributed to the State, King County, and other public agencies.
- General retail sales tax and public safety retail sales tax revenues in 2025 and 2026 are projected to be the same as 2024 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**

	2023-2024	2025-2026
Criminal Justice Levy	\$5,699,722	\$5,858,440
General Fund	\$ 5,699,722	\$ 5,858,440

**TRENDS AND ASSUMPTIONS**

**Methodology**

- Distributed on the basis of population. A modified two-year lag policy sets the budget for 2025 and 2026 equal to estimated 2024 revenue.

**Trends**

- Revenue is projected to be \$2,929,220 in 2024, which is 3 percent higher than 2023.

**Key Assumptions**

- Revenue in 2025 and 2026 is projected to be the same as 2024 estimated revenue, which is higher than budgeted 2023-2024 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)	2023-2024 \$30,589,474	2025-2026 \$35,814,815
Electric Utility Tax (Private)	\$ 8,804,079	\$ 11,287,649
Gas Utility Tax (Private)	\$ 3,428,297	\$ 3,658,134
Television Cable Utility Tax (Private)	\$ 2,164,563	\$ 2,009,046
Telephone Utility Tax (Private)	\$ 1,438,696	\$ 1,884,993
Water Utility Tax (City Owned)	\$ 3,727,646	\$ 4,181,023
Sewer Utility Tax (City Owned)	\$ 3,558,270	\$ 4,044,494
Solid Waste Utility Tax (City Contracted)	\$ 5,705,823	\$ 6,759,341
Surface Water Utility Tax (City Owned)	\$ 1,762,100	\$ 1,990,135

## TRENDS AND ASSUMPTIONS

### Methodology

- City utilities (Water, Sewer, Surface Water, Solid Waste) based on projected rate increases for 2025-2026.
- 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 9.0 percent per year, on average, in 2020-2023, and is projected to increase 7.0 percent in 2024 (relative to 2023 actual). It should be noted that 2023-2024 actual revenue is expected to exceed budget, with actual 2023 revenue and 2024 estimated revenue collectively being 13.3 percent more than budget. The primary drivers are Puget Sound Energy (PSE) electric utility rates and summer weather conditions.
- Gas utility tax revenue increased 11.0 percent per year, on average, in 2020-2023, and is projected to decrease 13.0 percent in 2024 (relative to 2023 actual). The long-term primary drivers of growth are Puget Sound Energy gas utility rates, winter weather conditions, and population growth. However, recent government incentives for electrification and consumer response to higher prices may be responsible for the decrease in 2023.
- Television cable utility tax revenue declined 5.0 percent per year, on average, in 2020-2023, and is projected to decline 5.5 percent in 2024 (relative to 2023 actual) due to changes in consumer behavior.

- Telephone utility tax revenue declined 8.0 percent per year, on average, in 2020-2023, and is projected to decline 3.6 percent in 2024 (relative to 2023 actual) due to changes in consumer behavior. 2023-2024 estimates are 51 percent over budget so although the budget is increasing, revenue is still projected to decrease from recent year actuals.
- Collectively, water, sewer, solid waste, and surface water utility revenues increased 7.0 percent per year, on average, in 2020-2023, and they are projected to increase 4.7 percent in 2024 (relative to 2023 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 5.5 percent in 2025 (relative to 2024 estimate) and 7.5 percent in 2026 (relative to 2025 budget) due to requested rate increases from PSE.
- Gas utility tax revenue is projected to increase 13.0 percent in 2025 (relative to 2024 estimate) and 1.5 percent in 2026 (relative to 2025 budget).
- Television cable utility tax revenue is projected to decrease 5.0 percent in 2025 (relative to 2024 estimate) and decrease 5.0 percent in 2026 (relative to 2025 budget).
- Telephone utility tax revenue is projected to decrease 8.0 percent in 2025 (relative to 2024 estimate) and 8.0 percent in 2026 (relative to 2025 budget).
- Collectively, water, sewer, solid waste, and surface water utility tax revenues are projected to increase 7.9 percent in 2025 (relative to 2024 estimate) and 5.3 percent in 2026 (relative to 2025 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 temporarily expanded eligible uses of the second 0.25 percent to include facilities to provide housing for the homeless, expiring January 1, 2026.

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 2025-2026 Budget includes funding for park, street, and median maintenance purposes.

**Budget**

	2023-2024	2025-2026
Real Estate Excise Tax	\$22,000,000	\$22,000,000
REET Funds	\$ 22,000,000	\$ 22,000,000

**TRENDS AND ASSUMPTIONS**

**Methodology**

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

**Trends**

- Revenues amounted to \$14,047,155 in 2022 and \$10,215,302 in 2023, and are projected to be \$12 million in 2024, which is 17 percent higher than 2023.



### Key Assumptions

- The City's real estate excise tax rate is 0.5 percent.
- Revenues are projected to be \$11 million in 2025 and 2026 (8.3 percent less than the 2024 estimate) due to the volatility issue noted above. After an extensive analysis of commercial and residential real estate sales since 2019, staff developed the current projection level, which remains conservative as the analysis excluded very large transactions.
- The 2025-2026 Budget contains planned uses of current revenues and reserves for major capital projects such as Public Works Maintenance Center improvements and expansion (\$2.4 million), \$2.8 million for parks capital projects, and over \$10.6 million for transportation capital projects. As REET revenues have grown steadily for the past decade, and even accounting for the volatility in this revenue source, the City was also able to allocate \$953,025 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 gambling tax rate levied by the city of Kirkland is as follows: (1) Bingo: five percent of gross receipts less the amount awarded as cash or merchandise prizes. (2) Raffles: five percent of gross receipts less the amount awarded as cash or merchandise prizes. (3) Amusement games: two percent of gross receipts less the amount awarded as prizes. (4) Punch boards and/or pull-tabs: five percent of gross receipts. (5) Social card games, including but not limited to house banked social card games: eleven percent of gross revenue. (6) Contests of chance: seven percent of gross receipts.

### Budget

	2023-2024	2025-2026
<b>Gambling Tax</b>	<b>\$3,354,949</b>	<b>\$3,798,600</b>
Card Games (General Fund)	\$ 2,666,449	\$ 3,137,000
Other Gambling Tax Revenue (General Fund)	\$ 688,500	\$ 661,600

## TRENDS AND ASSUMPTIONS

### Methodology

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

### Trends

- Revenues are projected to be \$2,227,817 million in 2024, 6.0 percent more than 2023.

### Key Assumptions

- Revenues are projected to be \$1,899,300 in 2025 and 2026 (15 percent lower than the 2024 estimate).

## LODGING TAX

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

**Budget**

	2023-2024	2025-2026
Lodging Tax	\$562,646	\$651,334
Lodging Tax Fund	\$ 562,646	\$ 651,334

**TRENDS AND ASSUMPTIONS****Methodology**

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

**Trends**

- Revenue is projected to be \$302,594 in 2024, which is 12 percent lower than 2023 actuals and 5 percent higher than 2024 Budget, as revenues have increased since the pandemic related restrictions have been lifted.

**Key Assumptions**

- Revenue is projected to be \$317,724 in 2025 (5 percent higher than the 2024 estimate) and \$333,610 in 2026 (5 percent higher than 2025 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**

	2023-2024	2025-2026
Building-Related Permits	\$12,922,318	\$14,098,298
Development Services Fund	\$ 12,922,318	\$ 14,098,298

**TRENDS AND ASSUMPTIONS****Methodology**

- Based on historical trends, the number of permits pending in the planning process, and the Building Division's projections of upcoming construction projects.
- Based on the development fee schedule adopted by Council in 2022.
- Assumes construction will remain constant for 2025 and 2026. Based on pre-application activity and projects currently in design review.

**Trends**

- Development activity remained strong in 2022-2024 due partly to continued development at the Village at Totem Lake and Kirkland Urban. Revenues are projected to be \$6,586,579 in the 2024 estimates, 7 percent lower than 2023, but are now likely to end the year slightly over \$7,000,000.

### Key Assumptions

- Revenues are projected to be \$7,041,239 in 2025 (7 percent more than the 2024 estimate) and \$7,057,059 in 2026 (Less than 1 percent more than the 2025 budget). This is due to the expectation of relatively flat permit levels at slightly higher fees. This is in part due to multi-family development such as Modera and Swyft.

## BUSINESS LICENSES AND PERMITS

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

This program also requires businesses with no physical presence in Kirkland that are doing business in the City (e.g., contractors) to obtain a business license. As of the 2023-2024 budget, the business license fee structure has a tax of \$130 per full time equivalent (FTE), and also increased the threshold under which a business located in Kirkland does not need a license from \$12,000 in gross receipts to \$20,000.

In the 2025-2026 budget, 20 percent of the budgeted RGRL revenue is dedicated to the Street Operating Fund, with a portion going towards transportation-related capital projects.

### Budget

	2023-2024		2025-2026	
Business Licenses & Permits	\$12,888,331		\$12,915,000	
Revenue Generating Regulatory License Fee (General Fund)	\$	9,502,531	\$	11,283,000
Business License & Permit Fees (General Fund)	\$	1,845,800	\$	1,632,000
Revenue Generating Regulatory License Fee (Street Operating Fund)	\$	1,540,000	\$	-

## TRENDS AND ASSUMPTIONS

### Methodology

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

### Trends

- RGRL revenue in the General Fund is projected to be \$4,731,189 in 2024, which is 5.6 percent more than 2023 due in part to higher collection and growing businesses in the city.
- RGRL revenue grew 32 percent between 2022 and 2023 due to the increased per FTE fee.
- Business license revenues are projected to be \$819,340 in 2024, which is 2.1 percent more than 2023.

### Key Assumptions

- RGRL revenue in the General Fund is projected to be \$5,572,000 in 2025 (1.3 percent more than the overall 2024 estimate) and \$5,711,000 in 2026 (2.5 percent more than the 2025 budget). The 2025-2026 RGRL revenue budget assumes a 2.5 percent increase over prior year revenues.
- Business license revenues are projected to be \$816,000 in 2025 (1.6 percent less than the 2024 estimate) and \$816,000 in 2026 (flat relative compared to the 2025 budget). The 2025-2026 Business license fees are based on trend analysis through 2023 actuals.

FRANCHISE FEES

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

Budget

	2023-2024	2025-2026
Franchise Fees	\$8,560,295	\$8,966,401
General Fund	\$ 8,560,295	\$ 8,966,401

TRENDS AND ASSUMPTIONS

Methodology

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

Trends

- Revenues are projected to be \$4,296,478 in 2024, which is 0.3 percent less than 2023. Declines in cable TV and telephone franchise fees are offsetting the growth in other franchise fees.

Key Assumptions

- Revenues are projected to be \$4,441,813 in 2025 (3.4 percent more than the 2024 estimate) and \$4,524,588 in 2026 (1.9 percent more than 2025 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

	2023-2024	2025-2026
EMS Levy	\$4,255,291	\$4,287,439
General Fund	\$ 4,255,291	\$ 4,287,439

TRENDS AND ASSUMPTIONS

Methodology

- The current levy (2024) is set at a rate \$0.22678 per \$1,000 of assessed valuation (AV).
- Distribution for Basic Life Support (BLS) and BLS Core Services is based on a formula that considers the number of calls for service and total assessed valuation.
- Distribution for Mobile Integrated Health (MIH) is based on a formula that increases the prior year allocation by CPI-W plus 1 percent.

Trends

- Revenue is projected to be \$2,389,387 in 2024, which is 24.6 percent more than 2023 due primarily to carryover of Mobile Integrated Health (MIH) prior year allocations, as allowed by the Medic One Program.
- 2023 assessed valuations for 2024 taxes decreased nine percent from prior year and represents a 2.0 percent decrease below the average for all agencies.

- Calls for service increased four percent over prior year, representing a one percent increase over the average across all agencies.

### Key Assumptions

- Revenue is projected to be \$2,316,291 in 2025 (3.1 percent less than 2024 estimate) and \$1,971,148 in 2026 (a slight reduction from 2025 budget due to variable spending in the MIH allocation).
- The MIH revenue, \$1,004,005, is included to support the new program operations.
- Basic Life Support (BLS) revenue is anticipated to be \$3,184,996.
- BLS Core Services revenue is projected to be \$60,000.

## LIQUOR BOARD PROFITS AND EXCISE TAX

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

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

### Budget

	2023-2024	2025-2026
<b>Liquor Board Profits &amp; Excise Tax</b>	<b>\$2,723,823</b>	<b>\$2,687,572</b>
Liquor Board Profits (General Fund)	\$ 1,417,586	\$ 1,416,802
Liquor Excise Tax (General Fund)	\$ 1,306,237	\$ 1,270,770

## 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 \$675,879 in 2024, 1.8 percent more than 2023.
- Statewide, the amount of liquor purchased increased by 11 percent between 2019 and 2021, shifting from 78 percent sold directly to consumers in 2019 to 90 percent in 2020 due to COVID-19 restrictions. The general public pays a higher excise tax (20.5 percent) than restaurants and bars (13.7 percent) so the shift in behavior drove up tax revenue by 19 percent in the same period. Total amount of liquor consumed in the state has been relatively stable since 2021 with a small decrease in 2023, and the distribution of liquor purchased from bars and restaurants has normalized as consumers returned to their pre-COVID habits. These trends, in addition to a small decrease in the Kirkland population as calculated by the State Office of Financial Management (OFM), have led to a small decline in liquor excise tax revenue for the City from the 2023-2024 budgeted amount.
- Liquor Board profits are projected to be \$731,626 in 2024, 2.3 percent more than 2023.
- Total liquor board profits distributed to cities by the State remain the same but per capita amounts decrease as the statewide population grows. Because Kirkland experienced a small decrease in population according to the OFM, the City's share is budgeted to decrease slightly in 2025-2026.

**Key Assumptions**

- Per MRSC, liquor excise tax is projected to be \$6.56 per capita in 2025 and \$6.58 per capita in 2026.
- Per MRSC, liquor board profits are projected to be \$7.37 per capita in 2025 and \$7.28 per capita in 2026.

**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**

	2023-2024	2025-2026
<b>Motor Vehicle Fuel Tax</b>	<b>\$4,398,762</b>	<b>\$3,762,020</b>
Street Operations (Street Operating Fund)	\$ 2,826,762	\$ 2,250,020
Capital Projects (Street Operating Fund)	\$ 1,572,000	\$ 1,512,000

**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 \$1,767,820 in 2024, which is 1.6 percent more than 2023, a slight increase (\$28,330) primarily attributed to commuting miles.

**Key Assumptions**

- Per MRSC, motor vehicle fuel tax is projected to be \$17.06 per capita in 2025 and \$17.06 per capita in 2026. In comparison, the 2023-2024 budget was based on \$21.24 per capita.

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

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

**Budget**

	2023-2024	2025-2026
<b>Planning Fees</b>	<b>\$10,538,731</b>	<b>\$8,402,672</b>
Development Services Fund	\$ 10,538,731	\$ 8,402,672

**TRENDS AND ASSUMPTIONS****Methodology**

- Planning revenue projections are based on the historical trends for land use permit applications along with an assessment of predicted land use permits resulting from pre submittal applicants.
- Based on the number of development plans pending in the planning process, and the Building Division's projections of upcoming construction projects.
- Based on the development fee schedule adopted by Council in 2022. Planning fees are expected to reach 100 percent cost recovery in 2025.

### Trends

- Revenue is projected to be \$3,844,226 in 2024, which is 35.4 percent less than 2023. Fees have been unpredictable and the 2025-2026 budget has been aligned with collection trends in 2024.
- In the last several years, construction projects have moved away from dividing residential land into parcels for individual single-family homes coupled with a large increase in middle housing typologies such as cottages and multiple accessory dwelling units. This has resulted in decreased land use permit revenue for subdivisions and short plats and this trend is expected to continue.
- Another area of unexpected decline in the current biennium was in wireless approvals after years of increases. New wireless requests have been estimated conservatively.
- Several large design review projects in the Station Area did not materialize this biennium and staff are currently estimating several smaller design review applications throughout the City.

### Key Assumptions

- Revenue is projected to be \$4,095,950 in 2025 (6.5 percent more than the 2024 estimate) and \$4,306,722 in 2026 (5.1 percent more than the 2025 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

	2023-2024	2025-2026
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 of receipting of billable services revenues..
- Assumes a relatively static level of emergency medical transports.

### Trends

- Revenue is projected to be \$947,636 in 2024, which is 7.3 percent more than 2023.

### Key Assumptions

- Revenue is projected to be \$542,327 in 2025 (42.8 percent less than the 2024 estimate) and \$542,327 in 2026 (flat relative to 2025).

## ENGINEERING DEVELOPMENT FEES

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

### Budget

	2023-2024	2025-2026
Engineering Development Fees	\$6,595,234	\$7,531,941
Development Services Fund	\$ 6,595,234	\$ 7,531,941



TRENDS AND ASSUMPTIONS

Methodology

- Based on historical trends.

Trends

- Revenue is projected to be \$3,652,060 in 2024, which is 0.9 percent less than 2023.

Key Assumptions

- Revenue is projected to grow by around 1.9 percent from the 2024 estimate. In 2026, development fees are expected to grow 2.4 percent from the 2025 budget.

TRANSPORTATION, PARK, AND FIRE IMPACT FEES

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

Budget

	2023-2024		2025-2026	
Impact Fees	\$7,671,510		\$7,500,000	
Transportation Impact Fees (Impact Fee Fund)	\$	4,000,000	\$	4,000,000
Park Impact Fees (Impact Fee Fund)	\$	3,471,510	\$	3,000,000
Fire Impact Fees (Impact Fee Fund)	\$	200,000	\$	500,000

TRENDS AND ASSUMPTIONS

Methodology

- Based on average expected development.

Trends

- Transportation impact fees are projected to be \$2,888,044 in 2024, which is 4.5 percent more than 2023.
- Park impact fees are projected to be \$3,992,372 in 2024, 46.6 percent more than 2023.
- Fire impact fees are projected to be \$342,665 in 2024, a decrease of 2.6 percent over 2023.
- Impact fee categories above received a large payment in 2024, making up roughly 50 percent of park impact fees for the year.

Key Assumptions

- Transportation impact fees are projected to be \$2,000,000 in 2025 (31 percent lower than the 2024 estimate) and \$2,000,000 in 2026.
- Park impact fees are projected to be \$1,500,000 in 2025 (62 percent lower than the 2024 estimate) and \$1,500,000 in 2026.
- Fire impact fees are projected to be \$250,000 in both 2025 and 2026 (27 percent lower than the 2024 estimate).
- Impact fees are overwhelmingly driven by a few payments from very large development projects whose timing is difficult to precisely forecast because of delays and external factors. Therefore assumptions for revenue are set at a level that can be expected every year, and large payments can be recognized and programmed as they are received.

## FINES AND FORFEITS/ENFORCEMENT FEES

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

### Budget

	2023-2024	2025-2026
<b>Fines &amp; Forfeits / Enforcement Fees</b>	<b>\$7,359,700</b>	<b>\$7,638,200</b>
Fines & Forfeits (General Fund)	\$ 6,879,700	\$ 7,198,200
Probation Fees (General Fund)	\$ 480,000	\$ 440,000

## 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 \$4,177,230 in 2024, which is 2.7 percent more than 2023.
- Probation fees are projected to be \$221,012 in 2024, which is 12.2 percent more than 2023.

### Key Assumptions

- Fines and forfeits are projected to be \$3,599,100 in 2025 (13.8 percent less than the 2024 estimate) and \$3,599,100 in 2026 (flat relative to 2025 budget) primarily due reduced assumptions for parking infractions, DUI fines, traffic misdemeanor, and false alarm penalties based on current trends.
- Probation fees are projected to be \$220,000 in 2025 (flat relative to the 2024 estimate) and \$220,000 in 2026 (flat relative to 2025 budget) due to reduced level of current activity.

## MISCELLANEOUS REVENUE INVESTMENT INCOME

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

### Budget

	2023-2024	2025-2026
<b>Investment Income</b>	<b>\$8,761,601</b>	<b>\$14,243,222</b>
Various Funds	\$ 8,761,601	\$ 14,243,222

## TRENDS AND ASSUMPTIONS

### Methodology

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

### Trends

- Revenue is projected to be \$7,762,715 in 2024, which is 0.6 percent higher than 2023. Interest rates were held steady by the Federal Reserve between 5.25 - 5.5 percent from July of 2023 until the Fed's latest rate cut of half a percentage point in September of 2024. Interest rates are expected to decline in 2025 with the easing of inflation stemming from the effects of the COVID pandemic.

Key Assumptions

- Revenue is projected to be \$6,221,828 in 2025 (19.8 percent less than the 2024 estimate) and \$8,021,394 in 2026 (28.9 percent more than 2025 budget). Anticipated loan repayment driving interest expectations in 2026.

RESOURCES FORWARD

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

Budget

	2023-2024	2025-2026
Resources Forward	\$289,394,276	\$270,833,380
All Funds	\$ 289,394,276	\$ 270,833,380

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

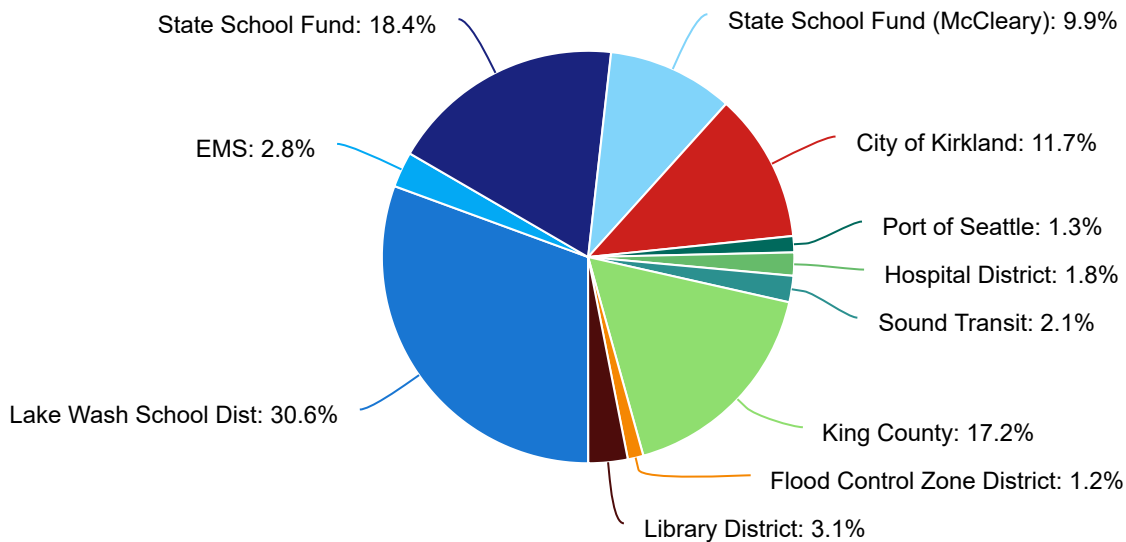
- Not applicable.

Key Assumptions

- This number does include over \$1 million of 2024 carryover budget expected to be added to the 2025 Resources Forward once approved by the City Manager and City Council in early 2025, shown in change in fund balance sheets in the budget book.

## 2025 Property Tax Distribution

Total \$7.94/\$1,000 AV



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

Although property taxes represent a major source of funding for City services, the portion of each property owner's total tax bill that goes to the City is relatively small. In 2025, the total typical property tax rate in Kirkland is \$7.94 per \$1,000 of assessed valuation. Of that total, about 11.7 percent, or \$0.928 per \$1,000 assessed valuation, goes to the City.

## 2025-2026 DISTRIBUTION OF INVESTMENT INCOME

<b>Total Estimated Earnings</b>	\$ 14,243,222
Earned Interest Allocated to Utility Funds	
Water/Sewer	2,423,899
Surface Water Management	1,116,839
Solid Waste	79,968
<b>Subtotal to Utility Funds</b>	<b>3,620,706</b>
Earned Interest Allocated to Lodging Tax Fund	20,759
Earned Interest Allocated to Development Services Fund	661,644
Earned Interest Allocated to Cemetery Improvement/Operating Fund	69,819
Earned Interest Allocated to Park Levy Fund	206,630
Earned Interest Allocated to Impact Fee Funds	195,081
Earned Interest Allocated to REET Funds	485,634
Earned Interest Allocated to LTGO Bond Proceeds	75,000
Earned Interest Allocated to LTGO Bond Proceeds	340,000
Earned Interest Allocated to Self Insurance Fund	307,239
Earned Interest Allocated to Equipment Rental Fund	397,982
Earned Interest Allocated to Information Technology Fund	214,751
Earned Interest Allocated to Facilities Fund	255,035
Earned Interest Allocated to Firefighters' Pension Fund	80,240
Net to Distribute	7,312,702
Dedicated Proceeds (General Fund):	
Investment Portfolio & Banking Expenditures	192,000
External Review of Investment Policies & Procedures	4,000
<b>Net to Distribute to General Fund</b>	<b>\$ 7,116,702</b>



# Budget Focus

Selected schedules and charts focusing on key facts, issues and processes reflected in the 2025-2026 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 2026 delineation between reserved fund balance and working capital. The following narrative highlights the major reserve policy components as they are incorporated in the 2025-2026 Budget.

### FUND BALANCE

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

## GENERAL PURPOSE RESERVES

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

General Purpose Reserves are described in the City Fiscal Policies. The table below shows how the balance is expected to change during the biennium. As dictated by fiscal policy the City has committed up to 1 percent of General Fund revenues to reserve replenishment in 2025-2026 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 2024 Ending Balance	Projected Changes	Projected 2026 Ending Balance
<b>GENERAL PURPOSE</b>				
Contingency	Unforeseen expenditures	6,959,697	250,549	7,210,246
General Capital Contingency <sup>(1,2)</sup>	Changes to general capital projects	5,797,951	-	5,797,951
General Oper. Reserve (Rainy Day)	Unforeseen revenues/temporary events	7,364,186	53,519	7,417,705
Revenue Stabilization Reserve	Temporary revenue shortfalls	4,452,745	465,030	4,917,775
Council Special Projects Reserve	One-time special projects	76,132	173,868	250,000
Building & Property Reserve	Property-related transactions	886,599	-	886,599
<b>Total General Purpose</b>		<b>25,537,310</b>	<b>942,966</b>	<b>26,480,276</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 2024 Ending Balance	Projected Changes	Projected 2026 Ending Balance
<b>SPECIAL PURPOSE RESERVES</b>				
General Fund (CM) Contingency	One-time special uses approved by CM	50,000	-	50,000
Public Disclosure Reserve		-	100,000	100,000
Labor Relations Reserve	Labor negotiation costs contingency	11,037	-	11,037
Fire OT & Equipment Reserve		200,000	-	200,000
Police Equipment Reserve	Equipment funded from seized property	2,142,443	-	2,142,443
LEOFF 1 Police Reserve	Police long-term care benefits	618,079	-	618,079
GEMT Reserve		2,983,793	151,393	3,135,186
Development Svcs Staffing Stability Rsv <sup>(1,2)</sup>	Revenue and staffing stabilization	5,734,740	(2,684,946)	3,049,794
Development Svcs Workload Liability Rsv <sup>(1)</sup>	Dev work paid for but not complete	4,500,000	(500,000)	4,000,000
Development Services Technology Rsv <sup>(1,3)</sup>	EnerGov replacement/tech improvements	5,042,767	(3,203,703)	1,839,064
Litigation Reserve <sup>(4)</sup>	Outside counsel costs contingency	-	100,000	100,000
School Zone Camera Penalties		2,545,577	(361,263)	2,184,314
Tour Dock	Dock repairs	312,928	-	312,928
Forestry Ordinance	Replacement trees program	367,572	(5,000)	362,572
Donation Accounts	Donations for specific purposes	398,826	-	398,826
Revolving Accounts		325,491	-	325,491
Lodging Tax Fund	Operating Reserve	249,510	(98,213)	151,297
Street Operating Reserve	Operating Reserve	100,000	-	100,000
Cemetery Improvement	Cemetery improvements	1,314,928	90,081	1,405,009
Off-Street Parking	Downtown parking improvements	43,056	69,627	112,683
Fire Equipment Life Cycle		1,467,884	869,301	2,337,185
Police Equipment Life Cycle		1,533,527	304,551	1,838,078
Technology Equipment Life Cycle		2,005,201	(724,900)	1,280,301
Parks Facilities Life Cycle		226,455	(985)	225,470
Facilities Life Cycle (310)		47,630	-	47,630
Firefighter's Pension	Long-term care/pension benefits	1,114,640	192,478	1,307,118
<b>Total Special Purpose Reserves</b>		<b>33,336,084</b>	<b>(5,701,579)</b>	<b>27,634,505</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 \$3,978,453 borrowed for the purchase of Houghton Village that will be reimbursed 2025.

<sup>(3)</sup> Uses of reserve planned for the 2025-2026 IT CIP, including \$2.5 million for the replacement of EnerGov and \$757,000 proportional contribution towards migrating citywide servers on site, improving EnerGov usability.

<sup>(4)</sup> The Litigation Reserve has a starting balance of \$150,000 at the beginning of the 2025-2026 biennium by practice. Approved Service Package 25CA01 includes \$50,000 offset from this reserve to recognize the expected savings in litigation expenses.

## 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 2025-2026 biennium above the anticipated revenue to these funds.

Reserves	Description	Estimated 2024 Ending Balance	Projected Changes	Projected 2026 Ending Balance
<b>GENERAL CAPITAL RESERVES</b>				
<b>REET CIP Contingency <sup>(1)</sup></b>				
REET 1	Capital projects	3,066,435	1,035,962	4,102,397
REET 2	Transportation capital projects	2,937,846	611,365	3,549,211
<b>Impact Fees</b>				
Roads	Transportation capacity projects	1,920,128	81,865	2,001,993
Parks	Parks capacity projects	3,476,695	(3,218,037)	258,658
Fire	Fire protection facility projects	825,616	30,805	856,421
<b>Total General Capital Reserves</b>		<b>12,226,720</b>	<b>(1,458,040)</b>	<b>10,768,680</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 2026 estimated ending balance in these accounts.

Reserves	Description	Estimated 2024 Ending Balance	Projected Changes	Projected 2026 Ending Balance
<b>UTILITY RESERVES</b>				
<b>Water/Sewer Utility:</b>				
Water/Sewer Operating Reserve	Operating contingency	3,657,065	139,600	3,796,665
Water/Sewer Working Capital	Fund Balance/operating cash	2,961,128	1,219,189	4,180,317
Water/Sewer Debt Service Reserve	Debt service reserve	40,708	-	40,708
Water/Sewer Capital Contingency	Changes to Water/Sewer capital projects	6,456,035	(1,705,821)	4,750,214
Water/Sewer Construction Reserve <sup>(1)</sup>	Replacement/re-prioritized/new projects	6,197,465	(1,498,454)	4,699,011
<b>Surface Water Utility:</b>				
Surface Water Working Capital	Fund Balance	5,523,117	(1,585,887)	3,937,230
Surface Water Capital Contingency	Changes to Surface Water capital projects	2,435,767	(163,870)	2,271,897
Surface Water Construction Reserve	Replacement/re-prioritized/new projects	775,604	1,816	777,420
Solid Waste Utility	Fund Balance/operating cash	680,001	762,310	1,442,311
<b>Total Utility Reserves</b>		<b>28,726,890</b>	<b>(2,831,117)</b>	<b>25,895,773</b>

<sup>(1)</sup> Reserve balance is projected to decrease substantially to fund 2025-26 Water/Sewer 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 2023-2024 adopted budget set premium rates to draw down the Health Benefit Fund reserves, which had grown more than expected in the prior biennium. Actual healthcare costs in 2023 and 2024 were impacted by higher inflation, increased healthcare usage, and significant high-cost claims, and the planned reserve use was higher than expected. The 2025-2026 budget sets higher premium rates in line with healthcare cost projections.

Reserves	Description	Estimated 2024 Ending Balance	Projected Changes	Projected 2026 Ending Balance
<b>INTERNAL SERVICE FUND RESERVES</b>				
<b>Health Benefits:</b>				
Operating Reserve	16 weeks minimum claims requirement	1,443,715	499,685	1,943,400
Working Capital	Health benefits self insurance claims	4,473,461	(1,284,475)	3,188,986
<b>Equipment Rental:</b>				
Operating Reserve	Unforeseen operating costs	365,839	126,528	492,367
Vehicle Reserve <sup>(1)</sup>	Vehicle replacements	12,708,321	(1,263,642)	11,444,679
Radio Reserve	Radio replacements	6,776	-	6,776
<b>Information Technology:</b>				
Operating Reserve	Unforeseen operating costs	778,997	221,319	1,000,316
PC Replacement Reserve	PC equipment replacements	533,435	595,812	1,129,247
<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	4,600,495	(1,735,462)	2,865,033
<b>Total General Purpose</b>		<b>25,711,039</b>	<b>(2,840,235)</b>	<b>22,870,804</b>

<sup>(1)</sup> Balance includes \$7,750,000 borrowed for the purchase of Houghton Village that will be reimbursed within 3 years of purchase in 2022.

<sup>(2)</sup> Balance in 2024 includes \$2,945,000 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 2026 balance to the 2025-2026 reserve target.

Reserves	Estimated 2024 Ending Balance	Projected Changes	Projected 2026 Ending Balance	2025-2026 Target	Revised Over (Under) Budget
<b>GENERAL PURPOSE RESERVES WITH TARGETS</b>					
Contingency	6,959,697	250,549	7,210,246	7,210,246	-
General Capital Contingency <sup>(1,2)</sup>	5,797,951	-	5,797,951	4,531,369	1,266,582
General Oper. Reserve (Rainy Day)	7,364,186	53,519	7,417,705	7,417,705	-
Revenue Stabilization Reserve	4,452,745	465,030	4,917,775	4,917,775	-
Council Special Projects Reserve	76,132	173,868	250,000	250,000	-
Building & Property Reserve	886,599	-	886,599	600,000	286,599
<b>General Purpose Reserves with Targets</b>	<b>25,537,310</b>	<b>942,966</b>	<b>26,480,276</b>	<b>24,927,095</b>	<b>1,553,181</b>
<b>ALL OTHER RESERVES WITH TARGETS</b>					
<b>REET CIP Contingency:</b>					
REET 1	3,066,435	1,035,962	4,102,397	1,555,284	2,547,113
REET 2	2,937,846	611,365	3,549,211	1,555,284	1,993,927
<b>Other Reserves with Targets</b>	<b>6,004,281</b>	<b>1,647,327</b>	<b>7,651,608</b>	<b>3,110,568</b>	<b>4,541,040</b>
<b>Total Reserves with Targets</b>	<b>31,541,591</b>	<b>2,590,293</b>	<b>34,131,884</b>	<b>28,037,663</b>	<b>6,094,221</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 2023 TO ENDING 2026)

### SUMMARY OF ALL FUNDS

	General Government		Utility			All Funds
	Operating Funds	Non-Operating Funds	Water/Sewer Utility	Surface Water Utility	Solid Waste Utility	
<b>2023 Actual Beginning Fund Balance</b>	<b>104,962,827</b>	<b>121,085,098</b>	<b>44,278,550</b>	<b>18,080,689</b>	<b>853,512</b>	<b>289,260,676</b>
Reserved	37,014,243	28,524,839	10,374,850	1,944,115	35,422	77,893,469
Unreserved Working Capital	67,948,584	92,560,259	33,903,700	16,136,574	818,090	211,367,207
Plus: 2023-24 Estimated Revenues	430,116,050	171,253,236	100,237,225	39,974,000	61,292,751	802,873,261
Less: 2023-24 Estimated Expenditures	443,402,978	165,091,062	89,462,624	43,719,100	60,860,282	802,536,046
Less: 2024 Estimated Carryovers	1,009,436	-	-	-	-	1,009,436
<b>2024 Estimated Ending/2025 Budgeted Beginning Fund Balance</b>	<b>90,666,463</b>	<b>127,247,272</b>	<b>55,053,151</b>	<b>14,335,588</b>	<b>1,285,981</b>	<b>288,588,455</b>
Plus: 2025-26 Budgeted Revenues	443,067,323	148,875,214	98,090,027	48,673,004	69,807,318	808,512,886
Less: 2025-26 Budgeted Expenditures	453,323,811	244,757,935	124,184,555	50,971,081	69,006,861	942,244,243
<b>2026 Budgeted Ending Fund Balance</b>	<b>80,409,975</b>	<b>31,364,551</b>	<b>28,958,623</b>	<b>12,037,511</b>	<b>2,086,438</b>	<b>154,857,098</b>
Reserved	70,017,652	27,721,268	8,860,236	3,282,026	45,128	109,926,310
Unreserved Working Capital	10,392,323	3,643,283	20,098,387	8,755,485	2,041,310	44,930,788
<b>Change in Fund Balance:</b>						
<b>Beginning 2023 to Ending 2026</b>	<b>(24,552,852)</b>	<b>(89,720,547)</b>	<b>(15,319,927)</b>	<b>(6,043,178)</b>	<b>1,232,926</b>	<b>(134,403,578)</b>

#### Notes:

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

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



## POSITION SUMMARY BY FUND

Fund/Department	2021-2022	2023-2024	2025-2026
<b>General Fund:</b>			
City Council	7.00	7.00	7.00
City Manager	20.24	14.24	15.24
Human Resources	9.00	9.00	10.00
City Attorney	4.00	4.00	5.00
Finance and Administration	41.00	46.50	46.50
General Services	-	13.00	14.00
Public Works	52.60	43.06	43.06
Parks and Community Services	39.00	41.00	41.00
Planning and Building	68.50	-	-
Municipal Court	21.00	21.25	21.25
Police	157.00	159.00	161.00
Fire	133.00	141.00	141.00
<b>Total General Fund</b>	<b>552.34</b>	<b>499.05</b>	<b>505.05</b>
<b>Other General Gov't Operating Funds:</b>			
Lodging Tax	0.76	0.76	0.76
Street Operating	24.99	29.30	29.30
Development Services Fund	-	95.79	95.79
Parks Maintenance	8.75	-	-
Parks Levy	11.75	21.00	22.00
Facilities Fund	7.95	8.95	8.95
Equipment Rental	7.45	8.90	9.90
Information Technology	28.50	29.50	31.50
<b>Total Other General Gov't Operating Funds</b>	<b>90.15</b>	<b>194.20</b>	<b>198.20</b>
<b>Utility Funds:</b>			
Water Sewer Utility Operating	22.76	23.66	23.66
Surface Water Mgmt Utility	40.55	41.14	41.14
Solid Waste	3.95	2.95	3.20
<b>Total Utility Funds</b>	<b>67.26</b>	<b>67.75</b>	<b>68.00</b>
<b>Total Positions</b>	<b>709.75</b>	<b>761.00</b>	<b>771.25</b>

## PAYMENTS TO OTHER GOVERNMENT AGENCIES

Approximately \$66.9 million, or 12.9 percent, of the City's total 2025-2026 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	2023-2024 Budget	2025-2026 Budget
Sewage Treatment <sup>(1)</sup>	King County	20,922,202	23,874,710
Air Pollution Control <sup>(1)</sup>	King County	196,950	251,218
King County Alcohol Treatment Programs <sup>(1)</sup>	King County	56,000	56,850
Inmate Expense <sup>(1)</sup>	King County	240,000	240,000
Marine Patrol <sup>(1)</sup>	King County	178,000	178,000
Hazardous Waste Fee <sup>(1)</sup>	King County	1,110,000	1,290,000
Solid Waste "Tipping" Fees <sup>(1)</sup>	King County	10,909,386	12,959,110
Surface Water Billing Charge <sup>(1)</sup>	King County	350,000	414,920
Elections and Records Costs <sup>(1)</sup>	King County	233,000	480,000
Other Permits and Services <sup>(1,3)</sup>	King County	42,460	42,460
<b>Subtotal King County</b>		<b>34,237,998</b>	<b>39,787,268</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)	695,260	695,260
Water Purchase <sup>(1)</sup>	Cascade Water Alliance	12,263,117	12,725,401
Water Connection Charges <sup>(1)</sup>	Cascade Water Alliance	2,858,644	1,843,129
Police and Fire Dispatch <sup>(1)</sup>	NORCOM	6,946,879	6,864,078
Housing Trust Fund <sup>(1,4)</sup>	ARCH	1,080,000	830,000
ARCH Dues <sup>(1)</sup>	ARCH	1,195,218	747,130
State Purchasing Contract <sup>(1)</sup>	State of Washington	6,000	8,000
Financial Audits <sup>(1)</sup>	State of Washington	298,605	376,200
Regional Surface Water Monitoring <sup>(1)</sup>	State of Washington	80,530	119,180
800 MHz Radios (Public Safety) <sup>(1)</sup>	EPSCA / PSERN	252,624	383,310
On-Line Services <sup>(1)</sup>	eCityGov Alliance	459,918	555,206
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	416,719	4,800
Community Connectivity Consortium <sup>(1)</sup>	Community Connectivity Consortium	10,710	11,849
Hazardous Materials Unit <sup>(1)</sup>	Regional Haz-Mat Agreement	36,000	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	21,800	22,220
Regional Crisis Response <sup>(5)</sup>	Regional Crisis Response (RCR) Agency	2,308,708	1,728,747
<b>Total Payments to Other Agencies</b>		<b>63,333,620</b>	<b>66,902,668</b>
<b>Percent Increase (Decrease) from Prior Biennium</b>			<b>5.64%</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 GF.

## HUMAN SERVICES AND RELATED ACTIVITIES FUNDING

Funding for Human Services and related activities is incorporated into a variety of operating and non-operating budgets. The following summary provides an overview of that funding for 2025-2026 by assigned area in the Kirkland Quad.

Program/Funding Source	2023-2024 Budget	2025-2026 Budget	Budget Department
Human Services Program grants (including CDBG) <sup>(1)</sup>	3,957,771	4,987,351	Parks & Comm. Svcs.
Prop 1: Additional Grant Funding <sup>(2)</sup>	312,354	312,354	Parks & Comm. Svcs.
Human Services Forum and Other Regional Programs	15,112	134,695	Parks & Comm. Svcs.
Prop 1: Women and Family Shelter Operations	200,000	200,000	Parks & Comm. Svcs.
Prop 1: Mental Health and Human Services Programs	441,211	441,211	Parks & Comm. Svcs.
Prop 1: Mental Health and Human Services Program Coordination	258,912	302,439	Parks & Comm. Svcs.
Human Services Coordination (including CDBG)	682,807	761,916	Parks & Comm. Svcs.
Homeless Outreach Coordination and Support	365,399	829,425	Parks & Comm. Svcs.
Sexual Assault Victim Advocate	-	200,000	General Services
WA HB 1406 (Affordable Housing Sales Tax): Rental Assistance <sup>(3)</sup>	712,058	-	Parks & Comm. Svcs.
Senior Center Operations	647,019	775,557	Parks & Comm. Svcs.
<b>People in Need Subtotal</b>	<b>7,592,643</b>	<b>8,944,948</b>	
A Regional Coalition for Housing (ARCH) <sup>(4)</sup>	2,216,133	2,350,668	Planning & Bldg.
Housing Initiative	968,000	300,000	General Services
<b>Affordable Housing Subtotal</b>	<b>3,184,133</b>	<b>2,650,668</b>	
Regional Crisis Response Program (City Contribution) <sup>(5)</sup>	2,308,708	1,728,747	General Services
Diversity, Equity, Inclusion and Belonging - Manager/Outreach	553,791	513,788	CMO
Community Court	145,567	167,763	Municipal Court/CAO
<b>Inclusive &amp; Welcoming Community Subtotal</b>	<b>3,008,066</b>	<b>2,410,298</b>	
MIH-Funded Firefighter/EMT and Social Worker	733,808	928,656	Fire
<b>Fire &amp; Emergency Medical Services Subtotal</b>	<b>733,808</b>	<b>928,656</b>	
Domestic Violence Advocacy in the Police Department	1,021,011	1,194,174	Police
Prop 1: Neighborhood Resource Officers (NROs) <sup>(6)</sup>	539,518	635,350	Police
Prop 1: 2.0 CROs in Kirkland Middle Schools (City-funded portion) <sup>(7)</sup>	587,979	609,847	Police
<b>Police Services Subtotal</b>	<b>2,148,508</b>	<b>2,439,371</b>	
Low-Income Discounts for Utility and Garbage Services (directly billed only)	332,266	449,806	Utilities
Kirkland Cares Low-Income Support Program Administration and Support <sup>(8)</sup>	684,536	579,436	Utilities
<b>Recycling &amp; Garbage Collection Subtotal</b>	<b>1,016,802</b>	<b>1,029,242</b>	
King County Alcohol Treatment Programs	56,000	56,850	General Services
Community Youth Services Program/Teen Center <sup>(9)</sup>	1,130,821	1,961,689	Parks & Comm. Svcs.
Rent Subsidy for Youth Eastside Services <sup>(10)</sup>	78,000	78,000	In-kind
Recreation Class Discounts	32,000	32,000	Parks & Comm. Svcs.
<b>Other Program Areas Subtotal</b>	<b>1,296,821</b>	<b>2,128,539</b>	
<b>Total Human Services and Related Activities Funding</b>	<b>18,980,781</b>	<b>20,531,722</b>	

<b>Total Spending Per Capita 2023-2024:</b>	<b>\$</b>	<b>196.05</b>
<b>Total Spending Per Capita 2025-2026:</b>	<b>\$</b>	<b>212.30</b>
<b>Spending without Police Services Per Capita 2023-2024:</b>	<b>\$</b>	<b>173.86</b>
<b>Spending without Police Services Per Capita 2025-2026:</b>	<b>\$</b>	<b>187.08</b>

<sup>(1)</sup> The 2023-24 budget represents the revised budget and includes ARPA funding. The 2025-26 preliminary budget includes \$658,498 of opioid settlement funding to support grants. Additional Human Services funding approved by the Council after budget adoption is not included in 2025-26 figures.

<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> In 2023-24, rental assistance was funded by the Affordable Housing Sales Tax (HB1460) at \$253,726 per year and a carryover of \$204,606 from 2022; for 2025-26, this funding has been moved to ARCH for affordable housing.

<sup>(4)</sup> The 2023-24 budget shows the base budget amount of \$562,567, \$323,566 Community Development Block Grants (CDBG) funding, and one-time service package funding of \$830,000 for ARCH Housing Trust Fund. The 2025-26 total includes \$747,130 in ARCH dues, \$350,200 from CDBG Block Grants sent from King County to ARCH, and one-time service package funding of \$1,253,338 for ARCH Housing Trust Fund.

<sup>(5)</sup> The City provides funding to support the Regional Crisis Response Agency (RCR), a regional partnership with other cities.

<sup>(6)</sup> The program includes budget for 1.63 FTE NROs.

<sup>(7)</sup> 2023-24 budget included 4.0 CRO positions; 2025-26 budget includes 2.0 CRO positions.

<sup>(8)</sup> The City launched the Kirkland Cares Low-Income Support Program in 2024, expanding the low-income senior utility discount program to all low-income residents and adding additional discounted City services.

<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.

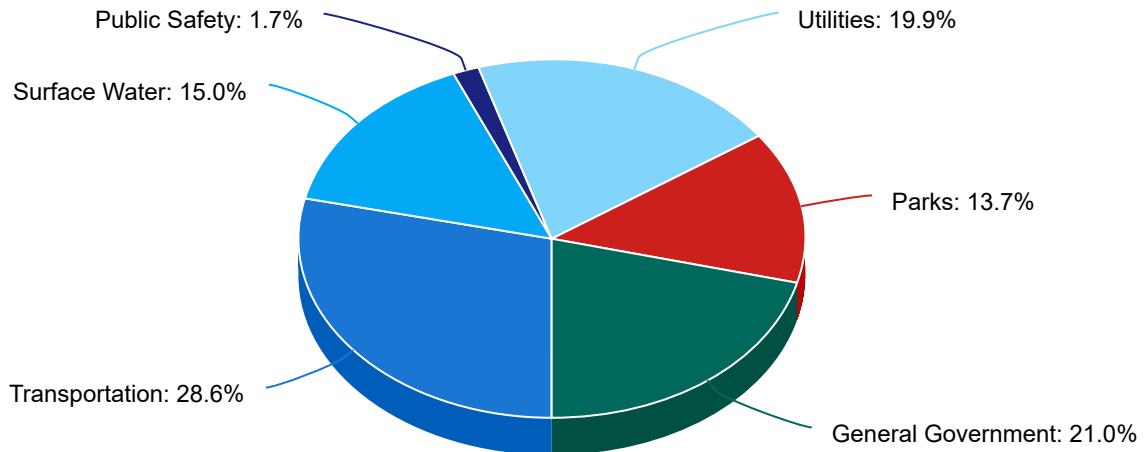
## SUMMARY OF LEGAL SERVICES

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. In certain specialized matters, the City is represented by other outside counsel. The 2025-2026 budget includes no change to the Prosecution Services Budget. Public Defender Legal Services appears to be decreasing as the current Primary Public Defender contract is valid through the end of 2025. The Litigation Reserve budget for 2025-2026 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. The 2025-26 service package 25CA01 includes an offset of \$50,000 from the Litigation Reserve in lieu of estimated savings in outside legal counsel expenses with the addition of 1.0 FTE Assistant City Attorney.

Legal Service	Budgeted Fund	2023-2024 Budget	2025-2026 Budget	Percent Change
<b>General Legal Services</b>	General Fund	2,255,769	2,696,806	19.55%
<b>Litigation Reserve</b>	General Fund	550,150	100,000	(81.82%)
<b>Subtotal General Legal Services and Litigation</b>		<b>2,805,919</b>	<b>2,796,806</b>	<b>(0.32%)</b>
<b>Public Safety Legal Services</b>				
Prosecution	General Fund	922,000	922,000	-%
Public Defender	General Fund	826,000	727,233	(11.96%)
<b>Subtotal Public Safety Legal Services</b>		<b>1,748,000</b>	<b>1,649,233</b>	<b>(5.65%)</b>
<b>Total All Legal Services</b>		<b>4,553,919</b>	<b>4,446,039</b>	<b>(2.37%)</b>

# Capital Improvement Program (CIP)

2025-2026 Funded Projects – \$89,733,217



## 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 2025-2030 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 capital asset.
- It has an estimated cost of \$50,000 or more (with the exception of land).
- It has a useful life of ten years or more, with the exception of certain equipment that may have a shorter life span.

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

## PROCESS FOR DEVELOPING THE CIP

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

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

## MAINTENANCE AND OPERATIONS IMPACTS

Long-term financial planning is essential for aligning resources with the city's strategic priorities, especially for capital improvement projects. During the 2025-2030 CIP process, staff prioritized evaluating the operation and maintenance (O&M) costs of new capital assets funded in 2025-2026, focusing on three main categories of projects: replacement, improvements/expansions, and new infrastructure. Key considerations include the potential need for additional staff, vehicles or fleet resources, the need for new technologies, and the maintenance requirements for new materials or equipment. All of which are important for effective asset management. By forecasting O&M expenses, the city promotes responsible financial planning that supports long-term goals and aligns with best practices.

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

- 25PK11 – Service Level Increases at 132<sup>nd</sup> Square Park

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.

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

- 25PW01 – Transportation Benefit District Construction Inspector
- 25PW02 – Business Analyst



- 25PW03 – Project Management Software
- 25PW10 – Temporary 85<sup>th</sup> WSDOT Project Coordinator
- 25PW11 – Grant Application Support

Future projects that were determined to have potential O&M costs related to FTE needs in 2025-2026 are reflected in the capital project tables for each program. It should be noted that at this time, this data is only an estimate. Actual costs would vary depending on factors such as: specific project scopes, property purchased, amenities included, etc. Service packages may be brought forward in a future budget cycle to add any operating costs resulting from specific projects.

Staff also evaluated utilities projects expected to be complete in the next two years, but determined that each project will either have net zero impact on O&M or potential savings because it is primarily addressing aging and failing assets. The only project in the 2025-2026 CIP that may lead to additional impacts is the needed stormwater drainage associated with the South Reservoir project, with impacts depending on the final scope.

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

## FUNDING

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

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

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

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

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

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

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

Some capital projects generate future operating costs that are considered when the Council reviews the CIP. Operating costs are listed in the detailed project summaries of the CIP. New operating costs for 2025-2026 that are related to completed CIP projects are highlighted in each department's summary.

Projects approved for 2025-2026 are included in the General Government and Utilities non-operating sections of this document. Estimated operating impacts are also included in the summary of 2025-2026 projects.

The table on the following page summarizes revenue sources as used in the 2025-2030 CIP.

## 2025-2030 CAPITAL IMPROVEMENT PROGRAM PROGRAMMED REVENUE SOURCES (IN THOUSANDS)

Dedicated Revenue	2025	2026	2027	2028	2029	2030	6-Year Total
<b>General Government – Facilities Funding</b>							
FACILITIES SINKING FUND	2,511	1,315	1,428	1,639	1,903	1,849	10,645
GENERAL FUND	295						295
SURFACE WATER RATES	185	185					370
WATER/SEWER RATES	370	370					740
REET 2 RESERVES	550						550
REET 1	2,170	426	1,675	750			5,021
GENERAL GOV DEBT	14,674						14,674
GENERAL GOV PROJECT TRANSFER	4,248						4,248
<b>Subtotal Facilities Funding</b>	<b>25,003</b>	<b>2,296</b>	<b>3,103</b>	<b>2,389</b>	<b>1,903</b>	<b>1,849</b>	<b>36,543</b>
<b>General Government – IT Funding</b>							
GENERAL FUND	56	35	81	35	56	35	298
SURFACE WATER RATES	8	5	12	5	8	5	43
TECHNOLOGY SINKING FUND	2,119	741	1,730	45	70	2,518	7,222
WATER/SEWER RATES	16	10	23	10	16	10	85
DEVELOPMENT SERVICES RESERVES	758	2,500				1,049	4,307
<b>Subtotal IT Funding</b>	<b>2,957</b>	<b>3,291</b>	<b>1,845</b>	<b>95</b>	<b>150</b>	<b>3,618</b>	<b>11,954</b>
<b>Parks Funding</b>							
KING COUNTY PARK LEVY	550						550
KIRKLAND PARK LEVY	400	400	250	250	250	250	1,800
PARK FACILITIES SINKING FUND	172	129	214	114	108	195	931
PARK IMPACT FEES	3,120	3,180	1,500	1,500	1,500	1,500	12,300
PARKS REET 1	1,409	1,409	1,409	1,409	1,409	1,409	8,454
PARKS SECURED EXTERNAL							
PARKS UNSECURED EXTERNAL		550					550
PARKS PROJECT TRANSFER	128						128
<b>Subtotal Parks Funding</b>	<b>5,779</b>	<b>5,668</b>	<b>3,373</b>	<b>3,273</b>	<b>3,267</b>	<b>3,354</b>	<b>24,713</b>
<b>Public Safety Funding</b>							
FIRE SINKING FUND	210	321	208	716	824	723	3,002
GENERAL FUND	80						80
POLICE SINKING FUND	131	215	181	390	308	151	1,375
FIRE IMPACT FEES	500						500

## 2025-2030 CAPITAL IMPROVEMENT PROGRAM PROGRAMMED REVENUE SOURCES (IN THOUSANDS)

<b>Subtotal Public Safety Funding</b>	<b>921</b>	<b>535</b>	<b>388</b>	<b>1,107</b>	<b>1,132</b>	<b>874</b>	<b>4,957</b>
<b>Transportation Funding</b>							
BUSINESS LICENSE FEES (RGRL)	270	270	270	270	270	270	1,620
GAS TAX	531	531	531	531	531	531	3,186
GAS TAX (TRANSPORTATION PACKAGE)	225	225	225	225	225	225	1,350
SOLID WASTE RATES			461	477	494	511	1,943
STREET LEVY	1,929	2,002	2,927	3,004	3,083	3,264	16,209
SURFACE WATER RATES	500	500	500	500	500	500	3,000
TRANSPORTATION IMPACT FEES	2,000	2,000	2,000	2,000	2,000	2,000	12,000
TRANSPORTATION REET 1	813	1,664	2,785	2,914	1,891	2,433	12,500
TRANSPORTATION REET 2	3,411	5,391	4,363	3,552	3,851	4,014	24,581
TRANSPORTATION SECURED GRANTS	1,665	986		2,031			4,682
TRANSPORTATION UNSECURED GRANTS & EXTERNAL	1,000						1,000
SCHOOL ZONE SAFETY CAMERA RESERVE	200	200	200	200	200	200	1,200
TRANSPORTATION PROJECT TRANSFER	1,473			657			2,130
<b>Subtotal Transportation Funding</b>	<b>14,016</b>	<b>13,769</b>	<b>14,262</b>	<b>16,361</b>	<b>13,045</b>	<b>13,948</b>	<b>85,401</b>
<b>SAP Mechanism Funding</b>							
FUNDED THROUGH SAP MECHANISMS			2,100	5,745	5,000	7,110	19,955
<b>Subtotal SAP Mechanism Funding</b>			<b>2,100</b>	<b>5,745</b>	<b>5,000</b>	<b>7,110</b>	<b>19,955</b>
<b>Utilities Funding</b>							
CONNECTION FEES	907		918	924	1,842	935	5,526
SURFACE WATER RATES	2,953	3,017	3,118	2,998	2,081	3,166	17,333
SURFACE WATER UNSECURED EXTERNAL			482	936			1,418
SURFACE WATER SECURED EXTERNAL	450						450
WATER/SEWER PROJECT TRANSFER	1,000						1,000
WATER/SEWER RATES	2,138	7,252	8,591	5,115	5,674	5,463	34,234
WATER/SEWER RESERVES	1,340	4,133	221	2,037			7,730
SURFACE WATER DEBT	7,500						7,500
<b>Subtotal Utilities Funding</b>	<b>16,288</b>	<b>14,402</b>	<b>13,330</b>	<b>12,010</b>	<b>9,597</b>	<b>9,564</b>	<b>75,192</b>
<b>Total Revenues</b>	<b>64,963</b>	<b>39,961</b>	<b>38,401</b>	<b>40,979</b>	<b>34,094</b>	<b>40,316</b>	<b>258,715</b>

## PRIORITIZATION CRITERIA

The current capital budget is guided by the capital budgeting priorities ("Prioritization Criteria") discussed by the Council at the April 2, 2024 meeting, specifically:

1. **Complete capital projects from the 2023-2024 City Work Plan.**

These include design & construction of the Juanita Drive & 100<sup>th</sup> Ave NE multi-modal projects, in addition to the Safer Routes to School (SRTS), Active Transportation Plan (ATP) and Vision Zero priority projects funded by the Transportation Benefit District (TBD) vehicle license fee, bonds, and related revenues.

**2. Complete public safety capital investments that implement voter-approved 2018 Police Proposition 1 and 2020 Fire Proposition 1.**

Continue delivery of the Fire Station program as detailed with the adoption of Fire & EMS Prop 1, including the renovation of Fire Stations 21 & 26. Expand medical facilities in the Kirkland Jail to facilitate opioid and substance abuse screening and treatment programs.

**3. Identify and complete utility and transportation projects necessary to ensure the success of WSDOT and Sound Transit investments in I-405 and Kirkland.**

Sound Transit and WSDOT will be investing hundreds of millions of dollars in these major transportation projects which are scheduled to be completed by 2027. To ensure the maximum benefit and minimum impact of these large 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 should be prioritized to encourage an equitable and sustainable transit-oriented community as part of the projected growth driven by the Sound Transit STRIDE Bus Rapid Transit (BRT) station opening.

**4. Complete transportation capacity projects necessary to achieve the City's land-use and sustainability goals in growing areas.**

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

**5. Invest in transportation projects according to the priorities contained in the Transportation Strategic Plan and other adopted transportation planning documents.**

Complete transportation projects that best implement the ten goals laid out in the 2024 Transportation Strategic Plan and priorities in other recent plans including the Active Transportation Plan, Safer Routes to School Action Plan, and Vision Zero Action Plan.

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

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

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

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

**8. Invest in sustainable and proactive plans to maintain and replace critical city and facility infrastructure.**

One critical focus of the 2025-2030 CIP will be on building sustainable plans to maintain aging city infrastructure. An emphasis will be placed on what is critical to maintain reliable, resilient public services

such as street and sidewalk maintenance and the striping program. With completion of the Facilities Condition Assessment in 2024, staff will develop an updated funding plan to save for the timely maintenance, renovation, and replacement of major city facilities. Consistent with the City's sustainability and electrification goals, this includes a focus on building out the necessary infrastructure for electric vehicle charging and energy-efficient HVAC solutions.

**9. 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.

## PROJECT HIGHLIGHTS

Notable project highlights for 2025-2026 include:

**Parks** — Significant progress is being made in Kirkland's parks infrastructure with major projects planned in the 2025-2026 Capital Improvement Program (CIP). Marina Park Dock & Shoreline Renovations is prioritized with additional funding to address infrastructure, safety, and accessibility. The Peter Kirk Pool Renovation, a major new project, allocates \$3.67 million toward a potential year-round facility upgrade. Additionally, field improvements are planned for Lee Johnson Fields and Juanita Beach North.

**Public Safety** — The funded 2025-2026 CIP includes replacement of necessary equipment for both Police and Fire. Significant projects in process include the remodel of Fire Station 21, remodel and expansion of Fire Station 26, and Training Capacity Improvements at Fire Station 24.

**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 in 2025-2026. Other significant projects continuing in 2025-2026 are NE 85<sup>th</sup> Street improvements including a new pedestrian and bike connection and an additional eastbound lane from 120<sup>th</sup> Ave to 122<sup>nd</sup> Avenue, funded in part by an agreement with Sound Transit.

**Utilities (Water and Sewer)** — The City continues to make progress on the completion of several projects including the South Reservoir Replacement, the NE 85<sup>th</sup> St and I-405 Watermain Replacement and the West of Market Sewermain Replacement. A new project in the 2025-2026 CIP in the 122<sup>d</sup> Ave NE Watermain Replacement with funding of \$2.2 million in 2025.

**Surface Water** — The 2025-2026 Surface Water program includes continuation of several key projects including the Neighborhood Drainage Assistance Program and the Annual Replacement of Aging/Failing Infrastructure project. A new project in 2025 is the Willows Road and 124<sup>th</sup> Ave NE seepage Repair project with an estimated cost of \$1.1 million.

**General Government** — The 2025-2026 IT CIP includes the On-Premise Virtual Infrastructure (HCI) and EnerGov Replacement projects as well as support and replacement for mission-critical applications. The Facilities CIP includes investments in permanent supportive housing, ARCH Project in Kirkland, Fire Stations Maintenance and Public Works Maintenance Center Upgrades. A significant new project in 2025 is the \$8.5 million Public Works Center Expansion project.



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# Performance Measurement Report







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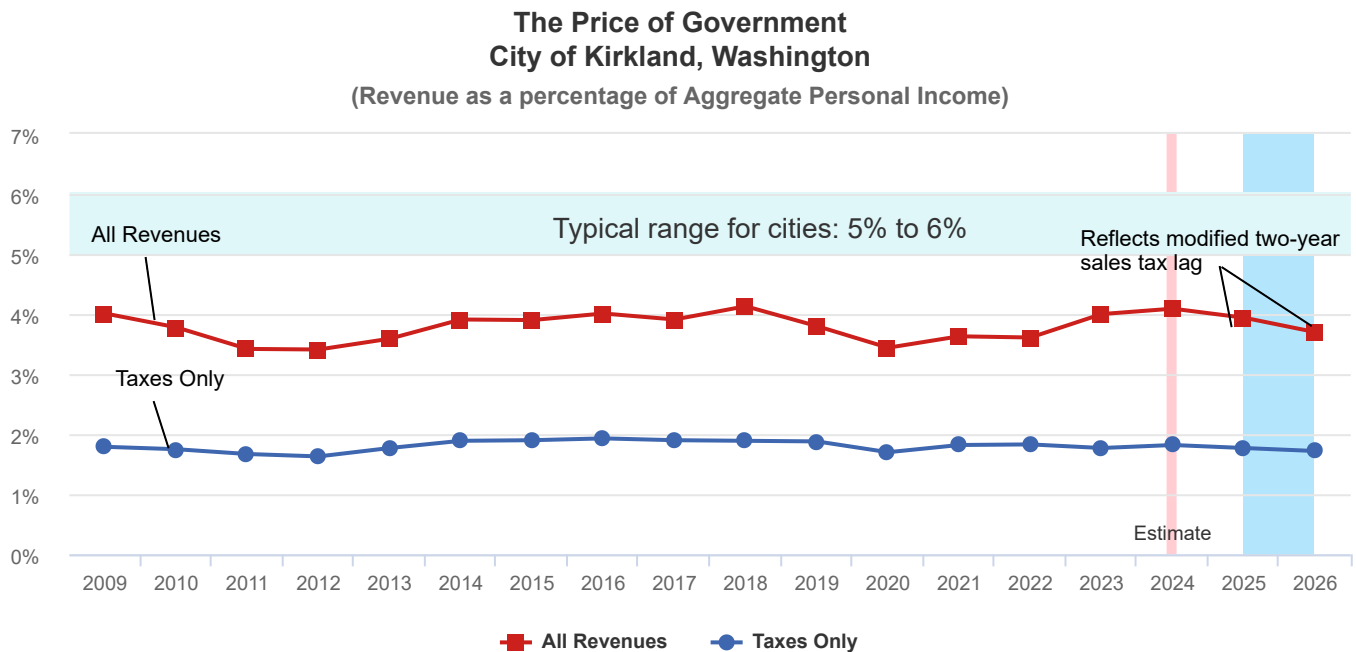
# Performance Measurement

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

Measuring performance provides a quantifiable way in which to recognize success and to identify areas needing improvement. Performance measures also offer transparency, and allow the public to hold the City accountable for stated objectives. To achieve this transparency the City's progress is measured against data from previous years, targets set in strategic plans and benchmarks with other communities. By measuring our programs using a variety of data, we can see how Kirkland's present state relates to its past indicators and future plans.

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

## THE PRICE OF GOVERNMENT

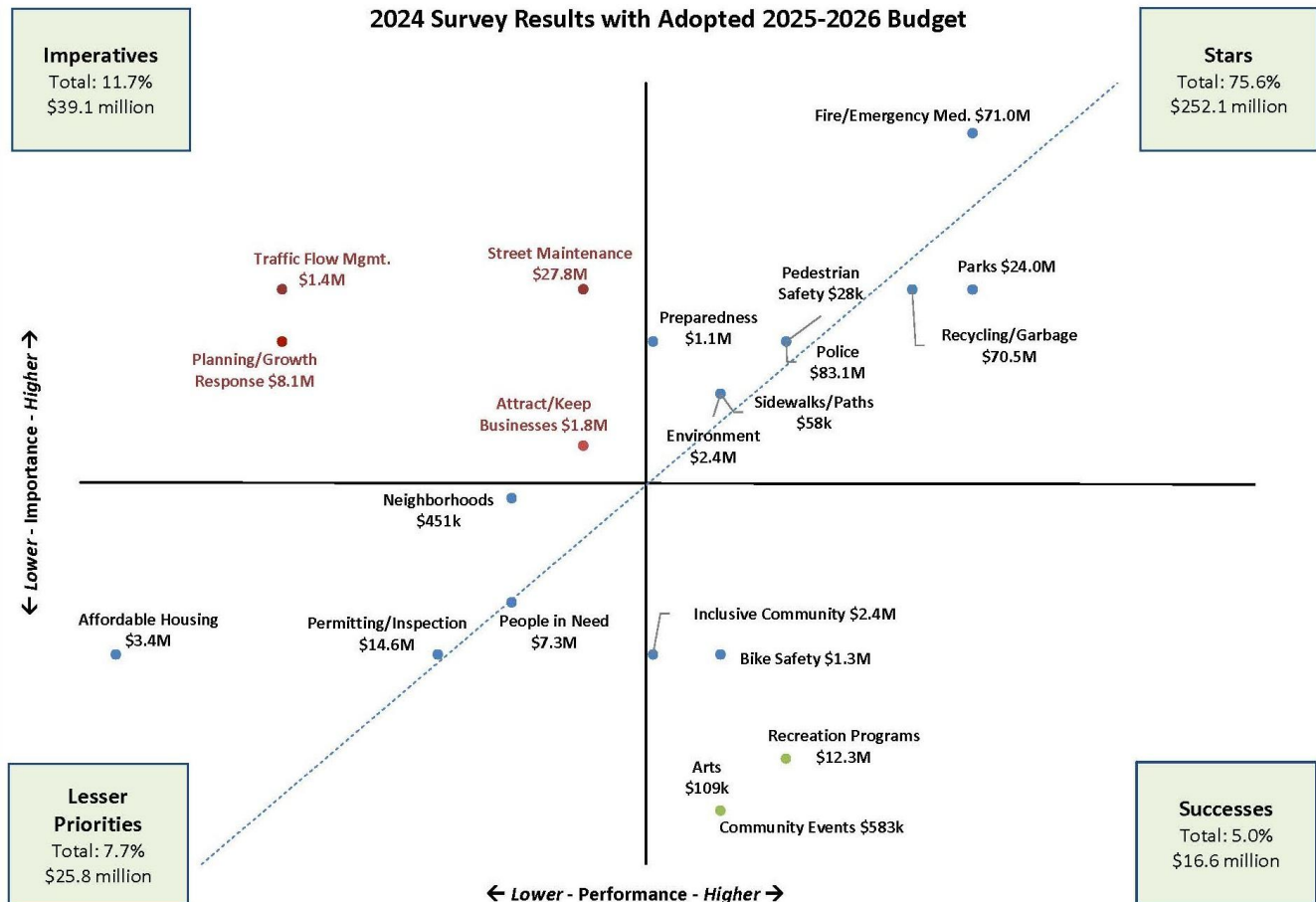


The price of government is the sum of all the taxes, fees and charges collected by the City divided by the aggregated personal income of its constituents. This yields a percentage that represents what community members are willing to pay for government. A typical percentage for a city is 5 to 6 percent.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

## THE KIRKLAND QUAD

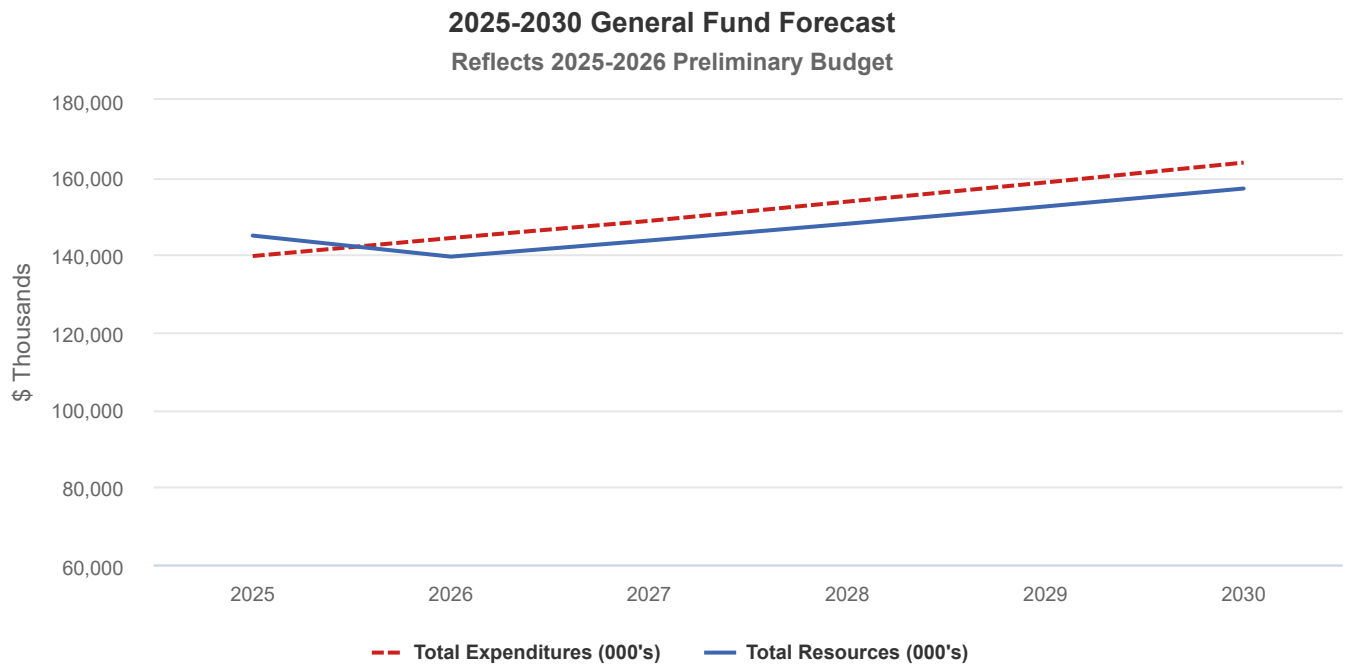
The "Kirkland Quad" represents 21 key policy areas (Priority Areas) ranked by community members through a survey of their importance and the City's performance levels, coupled with the level of investment that the City

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 2024 Community Survey with the 2025-2026 Preliminary Budget. This shows the majority of the budget spent on the 21 areas below (87.5 percent) 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 2025.

## PERFORMANCE MEASUREMENT BY COUNCIL GOALS

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



### Inclusive and Equitable Community

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

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

Measure	2023	2024	Target**
<b>DEIB Roadmap Outcomes (Total Outcomes/%)</b>			
Complete	37/54%	42/62%	100%
In Progress	24/35%	26/38%	-
Pending	7/10%	0/0%	-
<b>Events with a focus on DEIB</b>			
<b>CMO (# of attendees)</b>			
2023 City Hall for All	3,000	1,000	
2023 Office of Minority and Women's Business Enterprises (OMWBE) Training	30		
2024 Community Appreciation Night		250	
2024 Come Out Kirkland Pride Celebration		300	
Kirkland Initiative	20	49	
<b>DEIB Trainings (# of registrations)</b>			
Racial Healing Training by Kalika Curry	96		
Implicit Bias Training for Managers by Corinne Bendersky	70		
Harnessing Diversity: The Power of Behavioral Science in Communication workshop by Ha Na Park	64		
Freedom to Read webinar by King County Library	39		
Part One: History of Exclusion in Kirkland by Dr. Lorraine McConaghy		90	
Part Two: Segregated by Design by Planning & Building		70	
Native American Heritage Day Presentation: Sister Jolene		63	
Freedom to Read Webinar: King County Library Systems		25	
Encore! LGBTQIA+ Cultural Competency in the Workplace by Heather Nodler and Zachary Florent		119	
Diversity, Equity, and Inclusion Training Series (Part 1-3) by Dr. Jeff McGee^		155	
<b>Parks (# of attendees)</b>			
Día de los Muertos	400	500	
Lunar New Year	400	800	

Measure	2023	2024	Target**
Harvest Festival	5,000	8,000	
See Spot Splash	1,000 people /400 dogs	1,600 people /485 dogs	
Movies in the Parks	2,500	2,500	
<b>CMO Sponsorships</b>			
Africans on the Eastside Fashions Night Out	\$1,000	\$625	
2023 Pride Across the Bridge Holiday Potluck	\$1,260		
2023 Liveable Kirkland History of Exclusion	\$750		
2024 Eastside Juneteenth Celebration		\$1,000	
<b>Proclamations with a focus on DEIB</b>	23	23	

\* Data not available.

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

^ Figures represents attendance at the training sessions.

#### 2024 Community Survey: Priority Audience - Key Takeaways

##### People of Color

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

Nearly 75 percent of Hispanic/Latino Kirkland Residents say the City does a good job of keeping residents informed compared to 64 percent among white residents, 63 percent among Asian communities, and 69 percent among other Communities of Color.

Communities of Color feel better about growth than other residents. Overall, POC rate the City's response to growth average of 3.4 compared to 3.2 among residents who identify as white alone. Hispanic/Latino residents give the City a 3.6 average, and Asian residents rate the City's response to growth 3.5.

##### Renters

Renters in Kirkland are younger, have lower incomes, and are newer to the community.

Cost is the top issue for renters in Kirkland.

Homeowners and renters rate satisfaction with priority service areas similarly.

##### Seniors

Seniors are more likely to own homes, but also more likely to have annual income between \$25,000 and \$50,000.

Seniors are less satisfied with city services than non-seniors.

Walkability and a small-town feel are senior's favorite parts about living in Kirkland.

Growth and its symptoms appear to drive seniors' lower ratings. Police services are the only priority area that seniors rated more important than non-seniors.



### Vibrant Neighborhoods

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

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

Measure	2020	2021	2022	2023	2024	Target
Subscriptions/ number of e-bulletins sent out	3,395/92	5,660/57	5,906/37	7,817/53	8,657/30	N/A
Neighborhood CIP Funding (\$)	\$350,000	\$350,000	\$350,000*	\$350,000	\$350,000	N/A
Number/amount of neighborhood matching grants	10/\$5,889	9/\$13,505	9/\$13,505	5/\$5,439	10/\$20,633	N/A
Value of Volunteer hours in neighborhood projects (\$)	\$7,606"	*	*	\$24,062	\$35,312	N/A
Number of attendees at City Council neighborhood meetings/topical town halls	268	*	268	636	213	50+ per meeting
Residents surveyed are satisfied with neighborhood infrastructure and maintenance	82%	**	77%	**	80%	90%

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

\*\* Community survey occurs in even years.

" 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.

The Council Goal of achieving active neighborhood participation was severely impacted by the COVID-19 pandemic. The City resumed topical town halls in 2022 and attendance has returned to pre-pandemic levels. The 2024 Community Survey results show that 80 percent of residents are satisfied with the infrastructure in their neighborhood.





## Community Safety

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

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

Measure	2020	2021	2022	2023	2024	Target
Total Police Services Funding (\$)	30,942,240	31,323,997	34,122,757	35,891,481	38,781,261	N/A
Total Fire and Emergency Management Services Funding (\$)	24,750,289	26,574,933	28,489,778	35,325,519	33,338,024	N/A
Sworn Police FTE's (authorized) per 1,000 population	1.20	1.18	1.12	1.08	1.09	N/A
Paid Fire and EMS staffing per 1,000 population served	1.05	0.96	1.30	1.30	*	N/A
EMS responses meeting travel standard(all calls)	67%	63%	66%	62%	60%	90%
Fire responses meeting travel standard(all calls)	64%	58%	54%	53%	50%	90%
EMS response times under 5 minutes	46%	46%	48%	50%	47%	90%
Fire response times under 5.5 minutes	55%	48%	39%	41%	47%	90%
Residents are prepared for a seven day emergency	67%	**	52%	**	69%	90%
Residents feel safe walking in their neighborhoods after dark	74%	**	69%	**	80%	80%
Residents feel safe walking in their neighborhoods during the day	98%	**	92%	**	97%	90%

\* Data not yet available

\*\* Community survey occurs in even years

The 2024 Community Survey results were largely consistent with prior surveys for overall satisfaction with Kirkland as a safe place to live. Strong majorities give the City positive marks for the job it is doing overall with eight out of ten say it is an excellent or good place to live. Residents are especially satisfied with the services they rate the most important: emergency services, parks, pedestrian safety, and garbage/recycling.



### Supportive Human Services

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

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

Measure	2020	2021	2022	2023	2024	Target
Total human services funding (\$)	4,462,230	6,868,840	10,385,265	4,063,763	3,419,698	N/A
Human services funding per capita	\$49.69	\$73.67	\$111.39	\$42.02	\$35.36	N/A
Number of programs funded in each community goal area:						
1. Food to Eat and Roof Overhead	28	22	20	25	25	N/A
2. Supportive Relationships within Families, Neighborhoods and Communities	18	14	14	16	16	N/A
3. Safe Haven from All Forms of Violence and Abuse	4	4	4	4	4	N/A
4. Health Care to Be as Physically and Mentally Fit as Possible	27	14	16	21	21	N/A
5. Education and Job Skills to Lead an Independent Life	9	10	10	8	8	N/A
Funded agencies meet or exceed human services contract goals	87%	86%	59%	58%	99%	100%
Percent of applicant programs receiving funding from the City	94%	70%	76%	60%	60%	100% of eligible
City's representation on regional collaborative organizations**	*	*	*	*	*	N/A
City's representation on local collaborative organizations**	*	*	*	*	*	N/A

\* Data not available

The total human services funding for 2025-2026 is \$7.9 million. Staff report 59 percent of applicant programs received funding from the City for 2025, compared to 60 percent in 2024.



### Balanced Transportation

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

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

Measure	2020	2021	2022	2023	2024	Target
Percent of Capital Improvement Program Transportation funding devoted to Active Transportation	16%	27%	16%	35%	66% <sup>^</sup>	33%
Percent of City of Kirkland operated signalized intersections fully updated to City's standard	-	87%	90%	90%	90%	100% of ITS Strategic Plan
Complete sidewalk construction on at least one side of all school walk routes on all collectors and arterials	96%	99%	99%	99%	99%	100%
Completion of Transportation Strategic Plan Bike Lane Network	-	79%	81%	81%	*	100%
Residents surveyed are satisfied with neighborhood infrastructure	82%	**	77%	**	80%	90%
Automobile crashes involving bikes	12	20	15	29	25	0.00
Automobile crashes involving pedestrians	14	23	14	30	23	0.00

<sup>^</sup>Increase due to 2024 TBD Debt Issuance

\* Data not available

\*\* Community survey occurs in even years

City staff report 99 percent sidewalk construction on at least one side of all school walk routes on all collectors and arterials completed consistent since 2021. The percentage of bicycle network construction improvement projects completed is consistent at 81 percent from 2022 to 2023. In 2023, 90 percent of City of Kirkland operated signalized intersections fully updated to City's standard.

The 2024 Community Survey results show that 64 percent of residents reported that they are satisfied with City's sidewalks and 63 percent are satisfied with street maintenance.



Abundant Parks, Open  
Spaces and Recreational  
Services

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

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

Measure	2020	2021	2022	2023	2024	Target
FTE staff for parks maintenance and recreation programs	60.15	60.11	70.74	76.62	*	N/A
Park maintenance FTE's per 100 acres developed land	5.48	5.28	6.14	6.08	*	N/A
Number of volunteers	784***	1,252	845	1,304	*	N/A
Volunteer hours	7,840	8,804	13,648	14,695	*	N/A
Parks Capital Improvement Program (\$)	7,635,000	3,777,000	2,194,000	4,238,480	4,074,565	N/A
Parks Operating & Maintenance Funding (\$)	8,507,180	7,248,847	10,644,729	9,156,313	12,356,054	N/A
Recreation Operating & Maintenance Funding (\$)	3,369,340	3,376,796	3,860,532	4,979,541	4,786,155	N/A
Residents with neighborhood park within 1/4 mile radius	76%	84%	84%	85%	*	100%
Acres of natural area in restoration	123.1	299.8	315.4	325.6	*	509 acres by 2035
Percent of recreation classes meeting minimum enrollment	53%	88%	81%	84%	*	80%
Residents rate City parks as satisfactory or better	92%	**	94%	**	81%	95%
Residents rate recreation and community services as satisfactory or better	84%	**	85%	**	62%	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 23-24 Parks CIP is \$8.3 million and O&M funding is \$21.5 million. The Community Survey 2024 reports that residents continue to rank Kirkland's parks among the strongest performing services and 81 percent of residents rank parks to be an important City service to their households.



## Attainable Housing

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

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

Measure	2020	2021	2022	2023	2024	Target
City contributions to ARCH (A Regional Coalition for Housing) Trust Fund (\$)	581,768	790,363	618,801	627,695	712,651	\$280,000 to \$350,000
Number of low income housing units produced	74	25	83	144	*	69 units per year
Number of moderate income housing units produced	0	13	152	112	*	49 units per year
Total number of low and moderate income units brought online	74	38	235	256	*	118 units per year

\* Data is missing for 2020 and not yet available for 2024.

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 was \$627,695 in 2023, 1.44 percent higher than 2022. The City has been able to exceed its targets of producing low and moderate income housing units in 2022 and 2023.



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	2020	2021	2022	2023	2024	Target
Minimum balance in General Purpose Reserves	93.6%	95.4%	100.0%	99.8%	99.6%*	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)	87%	**	87%	**	87%	80% of rated services

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

\*\* Community survey occurs in even years

The City continues to maintain its AAA Credit Rating and has achieved its target of budgeted reserves in 2023. The 2024 Community Survey results show 50 percent of residents rate the City as 'Excellent/Good' for managing the public's money and 36 percent reporting 'Fair/Poor'. Around one in five (14 percent) of residents are unable to rate the City on these issues.



## Sustainable Environment

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

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

Measure	2020	2021	2022	2023	2024	Target
Compliance with NPDES Stormwater Permits	100%	100%	100%	100%	100%	100%
Recycling Diversion Rate	59%	58%	58%	57%	54%	Increase
City building electricity use (kilowatt/hour)	3,680,258	3,666,423	3,917,318	4,248,534	*	Decrease
City building natural gas usage (therm)	101,355	99,878	113,680	112,428	*	Decrease
Waste entering landfill from residences (tons)	19,169	18,880	18,582	18,221	19,209	Annual 2.5% decrease
Annual reduction in City's greenhouse gas emissions as a percent of 2005 levels	-12.6%	9.6%	-16.0%	-16.7%	*	80% below 2005 levels by 2050

\* Data not yet available





### Thriving Economy

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

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

Measure	2020	2021	2022	2023	2024	Target
Number of businesses helped with consultant services	554	1,742 / \$287,784	*	*	*	N/A
Number of grants/ \$ offered to businesses****	-	806/ \$2,106,254	*	-	\$15,000 YTD	N/A
Regional Partnerships signed / \$ ****	-	1,129/ \$174,500	1,685/\$30,000	4,210/\$60,000		N/A
ARPA funding for small business/\$ ****	-	1,980/ \$2,218,899	10/ \$3,035	15/ \$2,275	13/ \$3,230 YTD	N/A
Office space vacancy rate	4.80%	6.10%	7.5% Q3,22	Q4 2023: 3.8%	Q2 2024: 6%	N/A
Net new businesses	913	1,596	*	163	109	Increase
Annual number of jobs	46,935	41,846	*	43,756	43,860	Increase
Lodging tax revenue	125,794***	218,224	249,510	274,461	288,185	Increase
Visits to ExploreKirkland.com	33,846	139,279	149,956	305,536	184,431 YTD	Increase
Shop Local Kirkland Page visits /direct leads to businesses****	-	90,038 / 3,365	11,562	36,771	33,198 YTD	Increase
Residents are satisfied with the City's ability to attract and keep businesses in Kirkland	78%	**	80%	**	54%	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	2020	2021	2022	2023	2024	Target
Transportation Capital Projects Funding (\$)	31,279,900	58,277,797	29,157,613	29,303,519	35,343,793	N/A
Water/Sewer Capital Project Funding (\$)	6,125,400	6,927,881	12,622,783	11,365,686	10,074,851	N/A
Surface Water Capital Project Funding (\$)	5,856,000	5,924,336	5,993,815	7,453,148	6,441,179	N/A
Pavement Condition Index for Major and Minor Arterial Streets	75.7	75.7	72.8	71.4	71.0	70
Pavement Condition Index for Collectors and Neighborhood Streets	75.8	75.8	73.1	72.7	73.1	65
Residents surveyed rate street maintenance as satisfactory or better	82%	**	77%	**	59%	90%
Water Main Breaks	6	6	3	7	15	-
Sewer Obstructions	3	2	1	-	4	-

\* Data not available

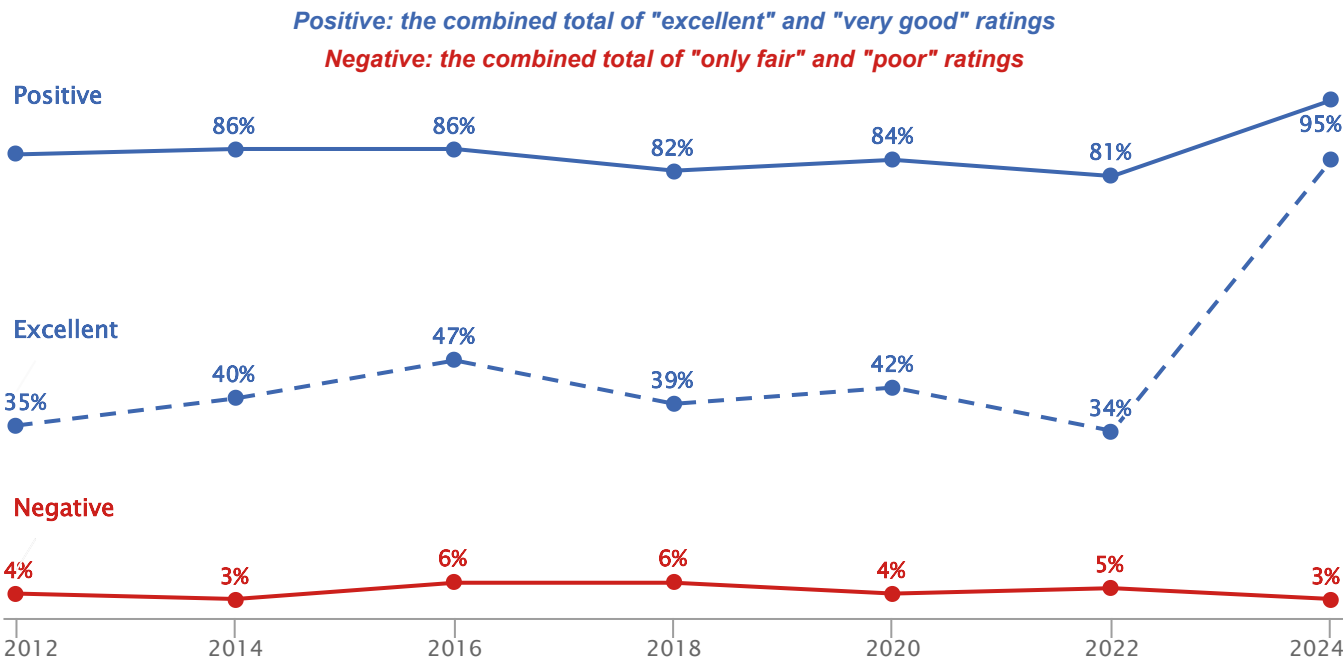
\*\* Community survey occurs in even years



“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 percent) or “very good” (50 percent) place to live. A small share of residents continue to rate Kirkland’s quality of life more critically, with “satisfactory” (11 percent).



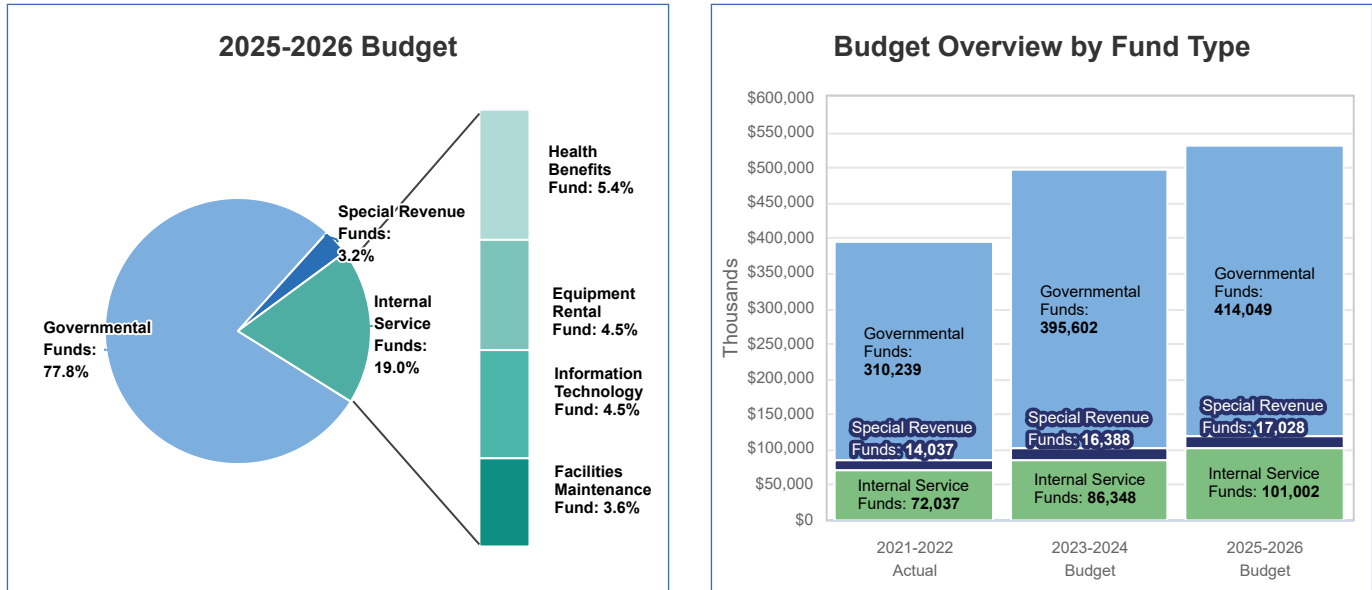
# General Government Operating





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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

	2021-2022 Actual	2023-2024 Budget	2025-2026 Budget	Percent Change
<b>Governmental Funds</b>				
General Fund	286,064,031	310,331,814	327,555,201	5.55%
Street Operating Fund	24,174,870	29,650,829	29,864,791	0.72%
Development Services Fund	-	55,619,683	56,629,237	1.82%
<b>Total Governmental Funds</b>	<b>310,238,901</b>	<b>395,602,326</b>	<b>414,049,229</b>	<b>4.66%</b>
<b>Special Revenue Funds</b>				
Lodging Tax Fund	803,120	952,728	1,086,651	14.06%
Cemetery Operating Fund	1,327,675	1,421,877	1,641,747	15.46%
Parks Maintenance Fund	3,888,444	2,776,343	-	(100.00%)
Parks Levy Fund	8,018,190	11,237,199	14,299,276	27.25%
<b>Total Special Revenues Funds</b>	<b>14,037,429</b>	<b>16,388,147</b>	<b>17,027,674</b>	<b>3.90%</b>
<b>Internal Service Funds</b>				
Health Benefits Fund	21,020,555	25,415,968	29,815,984	17.31%
Equipment Rental Fund	17,306,450	22,202,501	29,393,413	32.39%
Information Technology Fund	16,925,068	21,609,719	23,657,658	9.48%
Facilities Maintenance Fund	16,784,499	17,119,868	18,135,212	5.93%
<b>Total Internal Service Funds</b>	<b>72,036,572</b>	<b>86,348,056</b>	<b>101,002,267</b>	<b>16.97%</b>
<b>Gen. Gov't Operating Total</b>	<b>396,312,902</b>	<b>498,338,529</b>	<b>532,079,170</b>	<b>6.77%</b>

## CHANGE IN FUND BALANCE (BEGINNING 2023 TO ENDING 2026)

### 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>
<b>2023 Actual Beginning Fund Balance</b>	<b>71,290,194</b>	<b>362,552</b>	<b>1,577,054</b>	<b>-</b>	<b>1,167,999</b>
Reserved	23,385,851	249,510	312,519	-	-
Unreserved Working Capital	47,904,343	113,042	1,264,535	-	1,167,999
Plus: 2023-24 Estimated Revenues	273,439,478	681,730	27,674,836	58,469,872	445,950
Less: 2023-24 Estimated Expenditures	296,292,924	602,755	27,712,775	42,125,532	289,108
Less: 2024 Estimated Carryovers	1,009,436	-	-	-	-
<b>2024 Estimated Ending/2025 Budgeted Beginning Fund Balance</b>	<b>47,427,312</b>	<b>441,527</b>	<b>1,539,115</b>	<b>16,344,340</b>	<b>1,324,841</b>
Plus: 2025-26 Budgeted Revenues	279,068,199	672,093	29,215,863	40,589,138	326,819
Less: 2025-26 Budgeted Expenditures	289,856,694	694,704	29,119,271	46,120,920	236,738
<b>2026 Budgeted Ending Fund Balance</b>	<b>36,638,817</b>	<b>418,916</b>	<b>1,635,707</b>	<b>10,812,558</b>	<b>1,414,922</b>
Reserved	36,510,485	161,737	728,373	10,108,317	-
Unreserved Working Capital	128,332	257,179	907,334	704,241	1,414,922
<b>Change in Fund Balance:</b>					
<b>Beginning 2023 to Ending 2026</b>	<b>(34,651,377)</b>	<b>56,364</b>	<b>58,653</b>	<b>10,812,558</b>	<b>246,923</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, moving roughly \$16.0 million at the beginning of 2023. Without this reduction, the General Fund would have still decreased by \$18.8 million, reflecting large uses of reserves on capital expenses including \$10.0 million for the purchase of the Houghton Park & Ride property, \$3.0 million of School Zone Safety Camera reserves to Safer Routes to School projects, and \$2.7 million of GEMT reserves towards the Fire Station 24 Training Prop.

<sup>(2)</sup> Fund balance has remained stable as tourism revenues adjust from their volatility during and in the years after the COVID-19 pandemic.

<sup>(3)</sup> The Street Operating Fund shows a decline in fund balance due to a combination of heightened inflation on salaries, benefits, and some supplies, alongside slow growing funding sources. Motor Vehicle Fuel Tax (Gas Tax) has been stagnant since COVID-19 due to changes in commuting behavior and consumer behavior changes in response to higher prices, and planned uses of about \$1.4 million of reserves for 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 administrative support and small projects.

## CHANGE IN FUND BALANCE (BEGINNING 2023 TO ENDING 2026)

### GENERAL GOVERNMENT OPERATING FUNDS (CONTINUED)

	Parks Levy <sup>(6)</sup>	Health Benefits <sup>(7)</sup>	Equipment Rental <sup>(8)</sup>	Information Technology <sup>(8)</sup>	Facilities Maintenance <sup>(8)(9)</sup>	Total
<b>2023 Actual Beginning Fund Balance</b>	<b>3,867,374</b>	<b>6,911,454</b>	<b>8,845,630</b>	<b>3,788,010</b>	<b>7,152,560</b>	<b>104,962,827</b>
Reserved	276,458	1,443,715	6,015,274	2,222,245	3,108,671	37,014,243
Unreserved Working Capital	3,590,916	5,467,739	2,830,356	1,565,765	4,043,889	67,948,584
Plus: 2023-24 Estimated Revenues	10,374,921	19,147,830	12,532,282	18,079,913	9,269,238	430,116,050
Less: 2023-24 Estimated Expenditures	10,482,929	19,980,418	15,399,065	17,835,730	12,681,743	443,402,978
Less: 2024 Estimated Carryovers	-	-	-	-	-	1,009,436
<b>2024 Estimated Ending/2025 Budgeted Beginning Fund Balance</b>	<b>3,759,366</b>	<b>6,078,866</b>	<b>5,978,848</b>	<b>4,032,193</b>	<b>3,740,056</b>	<b>90,666,463</b>
Plus: 2025-26 Budgeted Revenues	10,749,359	23,898,808	23,925,309	19,980,257	14,641,478	443,067,323
Less: 2025-26 Budgeted Expenditures	12,191,590	24,683,598	17,095,670	20,006,320	13,318,306	453,323,811
<b>2026 Budgeted Ending Fund Balance</b>	<b>2,317,135</b>	<b>5,294,076</b>	<b>12,808,487</b>	<b>4,006,130</b>	<b>5,063,228</b>	<b>80,409,975</b>
Reserved	1,008,603	1,943,400	12,061,880	2,677,951	4,816,906	70,017,652
Unreserved Working Capital	1,308,532	3,350,676	746,607	1,328,179	246,322	10,392,324
<b>Change in Fund Balance:</b>						
<b>Beginning 2023 to Ending 2026</b>	<b>(1,550,239)</b>	<b>(1,617,378)</b>	<b>3,962,857</b>	<b>218,120</b>	<b>(2,089,332)</b>	<b>(24,552,852)</b>

#### Notes:

<sup>(6)</sup> The Parks Levy 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.

<sup>(7)</sup> The Health Benefits Fund balance will continue to be utilized in 2025-2026. Rate increases have been set in line with expected health care costs. The City's plan is to bring overall fund balance in line with the reserved fund balance requirement set by statute – this is represented by the reserved fund balance.

<sup>(8)</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. Both the Equipment Rental and Facilities Maintenance ending 2026 fund balance represent the scheduled repayment of an interfund loan made from these funds for a property purchase.



## FORECASTED FUND BALANCE (BEGINNING 2027 TO ENDING 2028)

### GENERAL GOVERNMENT OPERATING FUNDS

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

	General	Lodging Tax	Street Operating	Development Services	Cemetery Operating
<b>2026 Budgeted Ending Fund Balance</b>	<b>36,638,817</b>	<b>418,916</b>	<b>1,635,707</b>	<b>10,812,558</b>	<b>1,414,922</b>
Reserved	23,385,851	249,510	312,519	12,428,408	-
Unreserved Working Capital	13,252,966	169,406	1,323,188	(1,615,850)	1,414,922
Plus: 2027-28 Forecasted Revenues	292,153,922	714,900	30,576,597	51,225,157	343,228
Less: 2027-28 Forecasted Expenditures	310,262,667	721,806	30,993,664	51,125,823	245,059
<b>2028 Estimated Ending Fund Balance</b>	<b>18,530,072</b>	<b>412,010</b>	<b>1,218,640</b>	<b>10,911,892</b>	<b>1,513,091</b>
<b>Change in Fund Balance:</b>					
<b>Ending 2026/Beginning 2027 to Ending 2028</b>	<b>(18,108,745)</b>	<b>(6,906)</b>	<b>(417,067)</b>	<b>99,334</b>	<b>98,169</b>

#### Notes:

The City uses conservative assumptions for forecasting with expenditure forecast rates that are higher than revenues. This results in a decrease in the forecasted General Fund balance. Each biennium, the City is able to balance the budget with one-time revenue, use of fund balance, or reducing expenditures.

**FORECASTED FUND BALANCE (BEGINNING 2027 TO ENDING 2028)**  
**GENERAL GOVERNMENT OPERATING FUNDS (CONTINUED)**

	Parks Levy	Health Benefits	Equipment Rental	Information Technology	Facilities Maintenance	Total
<b>2026 Budgeted Ending Fund Balance</b>	<b>2,317,135</b>	<b>5,294,076</b>	<b>12,808,487</b>	<b>4,006,130</b>	<b>5,063,228</b>	<b>80,409,975</b>
Reserved	276,458	1,443,715	6,015,274	2,222,245	3,782,735	50,116,715
Unreserved Working Capital	2,040,677	3,850,361	6,793,213	1,783,885	1,280,493	30,293,260
Plus: 2027-28 Forecasted Revenues	11,270,803	27,855,566	14,647,443	20,036,341	11,743,133	460,567,090
Less: 2027-28 Forecasted Expenditures	12,793,081	28,968,026	13,485,023	19,996,302	12,052,730	480,644,181
<b>2028 Estimated Ending Fund Balance</b>	<b>794,857</b>	<b>4,181,616</b>	<b>13,970,907</b>	<b>4,046,169</b>	<b>4,753,631</b>	<b>60,332,884</b>
<b>Change in Fund Balance:</b>						
<b>Ending 2026/Beginning 2027 to Ending 2028</b>	<b>(1,522,278)</b>	<b>(1,112,460)</b>	<b>1,162,420</b>	<b>40,039</b>	<b>(309,597)</b>	<b>(20,077,091)</b>



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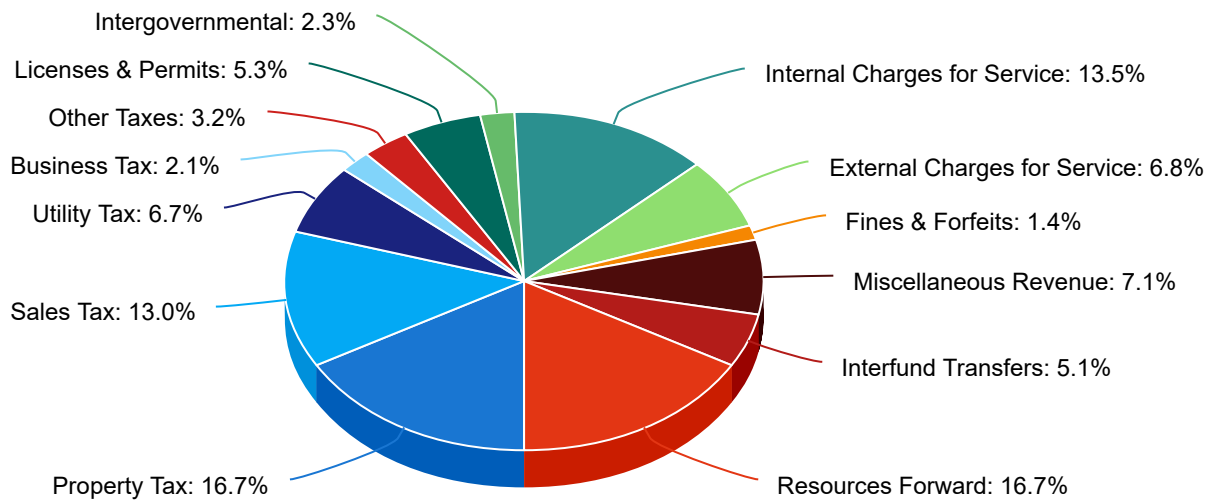
# Revenue Summary



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## General Government Operating Revenue Summary

\$532,079,170



Taxes comprise 41.8 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	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
Property Tax	79,826,810	84,365,605	84,627,788	88,959,812	5.12%
Sales Tax					
General Sales Tax	62,449,927	66,271,199	61,769,600	69,055,066	11.79%
Annexation Sales Tax Credit	151,983	-	-	-	
Criminal Justice	6,397,019	5,741,322	5,699,722	5,858,440	2.78%
Utility Taxes					
Electric	8,449,043	9,976,857	8,804,079	11,287,649	28.21%
Gas	3,206,127	3,468,449	3,428,297	3,658,134	6.70%
Television Cable	2,484,841	2,231,917	2,164,563	2,009,046	(7.18%)
Telephone	2,268,778	2,174,475	1,438,696	1,884,993	31.02%
Water	3,432,402	3,699,586	3,727,646	4,181,023	12.16%
Sewer	3,097,840	3,497,989	3,558,270	4,044,494	13.66%
Garbage	4,267,281	5,870,787	5,705,823	6,759,341	18.46%
Surface Water	1,660,834	1,794,838	1,762,100	1,990,135	12.94%
Admissions Tax	374,377	789,920	478,244	720,000	50.55%
Revenue Gen. Reg. Tax	8,070,059	10,750,330	11,042,531	11,283,000	2.18%
Hotel/Motel Tax	533,606	646,432	562,646	651,334	15.76%
Gambling & Other Taxes	9,329,233	10,449,783	9,050,930	9,900,728	9.39%
<b>Subotal Taxes</b>	<b>196,000,159</b>	<b>211,729,488</b>	<b>203,820,935</b>	<b>222,243,195</b>	<b>9.04%</b>
Building and Structural	9,820,335	14,032,789	13,051,728	14,162,212	8.51%
Franchise Fees	7,961,394	8,604,049	8,560,295	8,966,401	4.74%
Business and Other	4,629,530	5,329,249	5,721,358	5,167,028	(9.69%)
<b>Subotal Licenses and Permits</b>	<b>22,411,259</b>	<b>27,966,087</b>	<b>27,333,381</b>	<b>28,295,641</b>	<b>3.52%</b>
Motor Vehicle Fuel Tax	3,723,865	3,752,864	4,398,762	3,762,020	(14.48%)
Liquor Taxes	2,739,135	2,787,141	2,723,823	2,687,572	(1.33%)
Marijuana Taxes	501,630	1,496,280	635,123	641,091	0.94%
Grants & Other Intergov.	16,791,127	6,370,928	6,452,602	4,973,139	(22.93%)
<b>Subotal Intergovernmental</b>	<b>23,755,757</b>	<b>14,407,213</b>	<b>14,210,310</b>	<b>12,063,822</b>	<b>(15.11%)</b>
Planning Fees	4,272,031	5,277,524	6,389,762	4,957,744	(22.41%)
Plan Check Fees	5,101,932	4,966,604	4,148,969	3,444,928	(16.97%)
Engineering Dev. Fees	3,883,463	6,514,660	5,219,216	6,507,697	24.69%
Motor Vehicle License Fees	-	1,272,236	1,272,236	2,582,766	103.01%
Recreation Charges	3,103,333	4,282,819	3,994,110	5,105,792	27.83%
RCR Fiscal Agent Fees	-	3,426,324	-	5,577,434	
Internal Charges	49,369,636	61,701,323	66,329,711	71,854,365	8.33%
EMS & Transport Fees	4,345,573	6,138,425	5,339,945	5,372,093	0.60%
Other Charges	1,948,589	2,382,487	2,209,480	2,605,452	17.92%
<b>Subotal Charges for Services</b>	<b>72,024,556</b>	<b>95,962,401</b>	<b>94,903,429</b>	<b>108,008,271</b>	<b>13.81%</b>
<b>Fines and Forfeits</b>	<b>5,719,927</b>	<b>8,268,682</b>	<b>6,939,700</b>	<b>7,278,200</b>	<b>4.88%</b>
<b>Miscellaneous</b>	<b>25,468,777</b>	<b>38,663,049</b>	<b>29,925,163</b>	<b>37,902,976</b>	<b>26.66%</b>
<b>Interfund Transfers</b>	<b>11,012,358</b>	<b>33,119,131</b>	<b>15,869,184</b>	<b>27,275,218</b>	<b>71.88%</b>
<b>Resources Forward</b>	<b>101,263,743</b>	<b>89,221,904</b>	<b>105,096,427</b>	<b>89,011,847</b>	<b>(15.30%)</b>
<b>Gen. Gov't Operating Total</b>	<b>457,656,536</b>	<b>519,337,954</b>	<b>498,098,529</b>	<b>532,079,170</b>	<b>6.82%</b>



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

Revenue Type	General Fund	Lodging Tax Fund	Street Operating	Development Services	Cemetery Operating	Parks Levy Fund	Health Benefits	Equipment Rental	Information Technology	Facilities Fund	Revenue Total
Property Tax	63,107,829	-	15,933,172	-	-	9,918,811	-	-	-	-	88,959,812
Sales Tax											
General Sales Tax	69,055,066	-	-	-	-	-	-	-	-	-	69,055,066
Annexation Sales Tax Credit	-	-	-	-	-	-	-	-	-	-	-
Criminal Justice	5,858,440	-	-	-	-	-	-	-	-	-	5,858,440
Utility Taxes											
Electric	11,287,649	-	-	-	-	-	-	-	-	-	11,287,649
Gas	3,658,134	-	-	-	-	-	-	-	-	-	3,658,134
Television Cable	2,009,046	-	-	-	-	-	-	-	-	-	2,009,046
Telephone	1,884,993	-	-	-	-	-	-	-	-	-	1,884,993
Water	4,181,023	-	-	-	-	-	-	-	-	-	4,181,023
Sewer	4,044,494	-	-	-	-	-	-	-	-	-	4,044,494
Garbage	6,759,341	-	-	-	-	-	-	-	-	-	6,759,341
Surface Water	1,990,135	-	-	-	-	-	-	-	-	-	1,990,135
Admissions Tax	720,000	-	-	-	-	-	-	-	-	-	720,000
Revenue Gen. Reg. Tax	11,283,000	-	-	-	-	-	-	-	-	-	11,283,000
Hotel/Motel Tax	-	651,334	-	-	-	-	-	-	-	-	651,334
Gambling & Other Taxes	9,900,728	-	-	-	-	-	-	-	-	-	9,900,728
<b>Total Taxes</b>	<b>195,739,878</b>	<b>651,334</b>	<b>15,933,172</b>	<b>-</b>	<b>-</b>	<b>9,918,811</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>222,243,195</b>
Building and Structural	-	-	-	14,162,212	-	-	-	-	-	-	14,162,212
Franchise Fees	8,966,401	-	-	-	-	-	-	-	-	-	8,966,401
Business and Other Licenses	2,150,800	-	780,000	2,236,228	-	-	-	-	-	-	5,167,028
<b>Total Licenses and Permits</b>	<b>11,117,201</b>	<b>-</b>	<b>780,000</b>	<b>16,398,440</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28,295,641</b>
Motor Vehicle Fuel Tax	-	-	3,762,020	-	-	-	-	-	-	-	3,762,020
Liquor Taxes	2,687,572	-	-	-	-	-	-	-	-	-	2,687,572
Marijuana Taxes	641,091	-	-	-	-	-	-	-	-	-	641,091
Grants & Other Intergov.	4,923,139	-	-	-	-	50,000	-	-	-	-	4,973,139
<b>Total Intergovernmental</b>	<b>8,251,802</b>	<b>-</b>	<b>3,762,020</b>	<b>-</b>	<b>-</b>	<b>50,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,063,822</b>
Planning Fees	-	-	-	4,957,744	-	-	-	-	-	-	4,957,744
Plan Check Fees	-	-	-	3,444,928	-	-	-	-	-	-	3,444,928
Engineering Dev. Fees	-	-	26,000	6,302,697	167,000	-	-	12,000	-	-	6,507,697
Motor Vehicle License Fees	-	-	2,582,766	-	-	-	-	-	-	-	2,582,766
Recreation Charges	5,105,792	-	-	-	-	-	-	-	-	-	5,105,792
RCR Fiscal Agent Fees	5,577,434	-	-	-	-	-	-	-	-	-	5,577,434
Internal Charges	27,310,116	-	70,000	291,614	-	285,518	397,392	13,014,831	19,646,858	10,838,036	71,854,365
EMS & Transport Fees	5,372,093	-	-	-	-	-	-	-	-	-	5,372,093
Other Charges	2,604,652	-	-	800	-	-	-	-	-	-	2,605,452
<b>Total Charges for Services</b>	<b>45,970,087</b>	<b>-</b>	<b>2,678,766</b>	<b>14,997,783</b>	<b>167,000</b>	<b>285,518</b>	<b>397,392</b>	<b>13,026,831</b>	<b>19,646,858</b>	<b>10,838,036</b>	<b>108,008,271</b>
<b>Fines and Forfeits</b>	<b>7,198,200</b>	<b>-</b>	<b>-</b>	<b>80,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,278,200</b>
<b>Miscellaneous</b>	<b>10,198,950</b>	<b>20,759</b>	<b>778,000</b>	<b>661,644</b>	<b>159,819</b>	<b>425,030</b>	<b>23,501,416</b>	<b>965,605</b>	<b>333,399</b>	<b>858,354</b>	<b>37,902,976</b>
<b>Interfund Transfers</b>	<b>592,081</b>	<b>-</b>	<b>5,283,905</b>	<b>8,451,271</b>	<b>-</b>	<b>70,000</b>	<b>-</b>	<b>9,932,873</b>	<b>-</b>	<b>2,945,088</b>	<b>27,275,218</b>
<b>Resources Forward</b>	<b>48,487,002</b>	<b>414,558</b>	<b>648,928</b>	<b>16,040,099</b>	<b>1,314,928</b>	<b>3,549,917</b>	<b>5,917,176</b>	<b>5,468,104</b>	<b>3,677,401</b>	<b>3,493,734</b>	<b>89,011,847</b>
<b>Fund Total</b>	<b>327,555,201</b>	<b>1,086,651</b>	<b>29,864,791</b>	<b>56,629,237</b>	<b>1,641,747</b>	<b>14,299,276</b>	<b>29,815,984</b>	<b>29,393,413</b>	<b>23,657,658</b>	<b>18,135,212</b>	<b>532,079,170</b>





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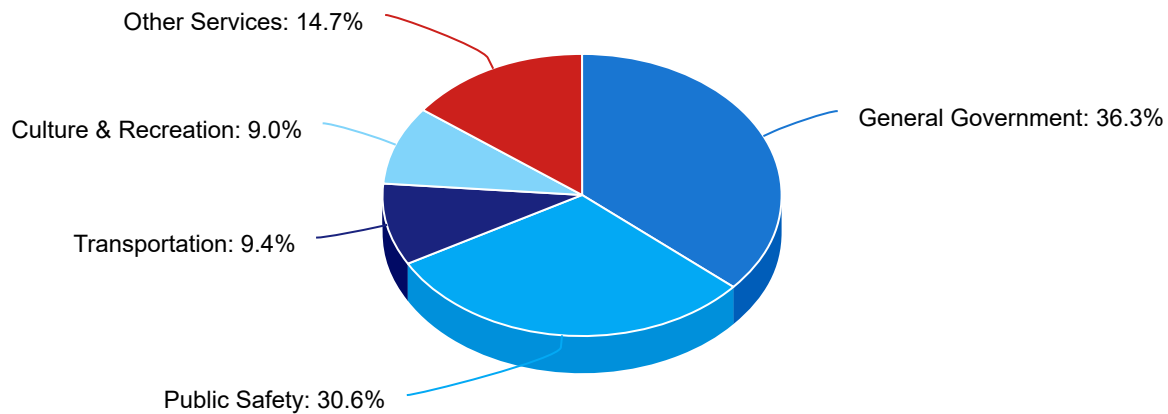
# Expenditure Summary



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## General Government Operating Expenditure Summary

### 2025-2026 Budget by Program



The General Government Operating Funds account for about 48.5 percent of the City's total budget. The largest program area is the General Government (\$193.0 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 (\$163.3 million), comprising police, fire, and municipal court services.

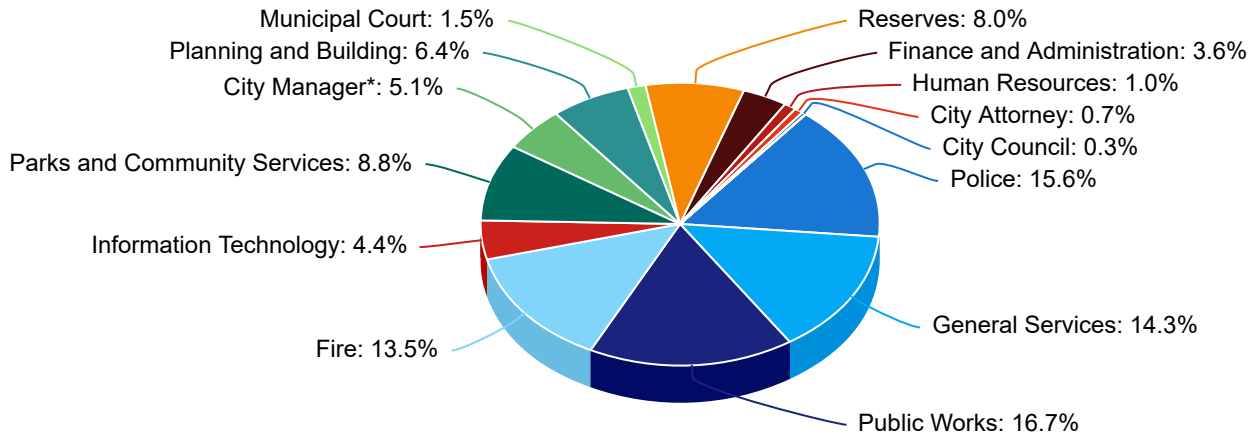
- Public Safety increased due to increasing salary and benefit costs, school safety zone program, and fire training program.
- Transportation increased due to increases in the Safe Routes to Schools program.
- The Other Services budget includes an increase in reserves including General Purpose reserves such as the Rainy Day Fund and the Revenue Stabilization Reserve.

## ANALYSIS OF CHANGE

Program	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
General Government	138,023,142	195,879,505	175,553,154	193,321,618	10.12%
Public Safety	123,207,396	152,947,748	150,801,016	163,017,327	8.10%
Transportation	41,909,044	45,463,983	47,339,686	50,144,045	5.92%
Culture & Recreation	37,009,495	43,576,133	44,678,313	47,931,647	7.28%
Other Services	56,163,825	94,763,486	79,966,360	77,664,533	(2.88%)
<b>Program Total</b>	<b>396,312,902</b>	<b>532,630,855</b>	<b>498,338,529</b>	<b>532,079,170</b>	<b>6.77%</b>

## General Government Operating Expenditure Summary

### 2025-2026 Budget by Department



The total General Government Operating Expenditures in 2025-2026 is estimated at \$532.1 million. This represents an increase of \$36.7 million or 6.7 percent from 2023-2024. Inflationary pressures have contributed to the increase in expenditures across all departments.

The largest share and department is Public Works (\$89.0 million) which includes engineering, transportation, public grounds, and fleet management services. Police (\$83.1 million), General Services (\$76.5 million), and Fire (\$72.1 million) are the next three largest departments. Followed by Parks and Community Services (\$46.9 million) and Planning & Building (\$34.3 million). Total City Manager expenditures (\$27.1 million) appear so large due to the portion attributed to the Facilities Fund (17.6 million). The Reserve budget has increased by 16.4 percent to \$42.4 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.

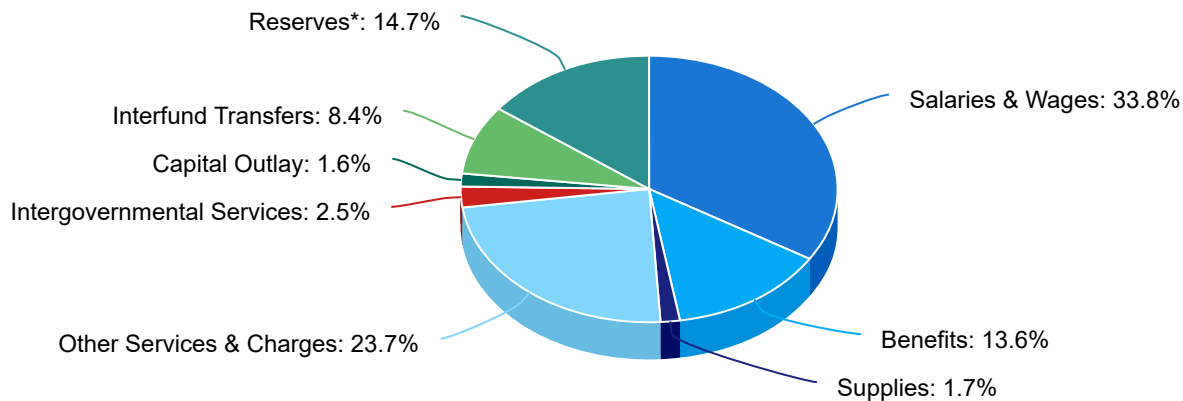
## ANALYSIS OF CHANGE

Department	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
City Council	985,244	1,497,574	1,429,472	1,793,418	25.46%
City Manager	24,871,574	24,494,141	25,829,113	27,099,286	4.92%
Human Resources	3,883,571	4,722,754	5,209,977	5,196,709	(0.25%)
City Attorney	2,702,414	3,047,733	3,177,769	3,618,806	13.88%
Information Technology	16,925,068	21,513,131	21,609,719	23,657,658	9.48%
Finance and Administration	14,190,257	18,014,656	18,462,135	19,331,865	4.71%
General Services	54,836,150	93,159,449	78,544,483	76,022,786	(3.21%)
Reserves	32,191,398	61,786,620	36,475,389	42,447,828	16.37%
Public Works	59,575,321	73,991,778	77,660,955	88,637,770	14.13%
Parks and Community Services	36,298,728	42,613,538	43,784,655	46,942,145	7.21%
Planning and Building	26,645,782	34,841,733	35,353,846	34,313,572	(2.94%)
Municipal Court	5,485,315	6,787,891	6,903,887	7,813,440	13.17%
Police	64,000,004	74,507,953	74,956,275	83,109,894	10.88%
Fire	53,722,078	71,651,904	68,940,854	72,093,993	4.57%
<b>Department Total</b>	<b>396,312,902</b>	<b>532,630,855</b>	<b>498,338,529</b>	<b>532,079,170</b>	<b>6.77%</b>

\* 2021-2022 actual and 2023-2024 estimated reserves are budgeted, but not spent

## General Government Operating Expenditure Summary

### 2025-2026 Budget by Category



The largest category in the General Government Operating Funds is Personnel (Salaries, Wages and Benefits) estimated at \$252.1 million, of which 46.43 percent is for public safety personnel. Excluding Reserves, Other Services & Charges is the next largest category (\$126.2 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 \$44.7 million, decreased by 20.6 percent as there were large one time transfers to capital projects in 2023-2024, including \$2.7 million for Fire Station 24 Training Facility (Ground Emergency Medical Transportation), \$10 million for the purchase of Houghton Park & Ride property, and \$3 million of School Zone Safety Camera reserves to Transportation Benefit District projects. 2023-2024 estimates are higher than budget because they include the transfer of approximately \$19 million of Development Services funding to the new Development Services Fund.
- Intergovernmental services estimated at \$13.3 million, a decrease of 14.1 percent due to lowered share of cost distribution for the Regional Crisis Response Agency (RCR) and NORCOM (Public Safety Answering Point, PSAP) service fee allocation.
- Reserves estimated at \$78.7 million, increased by 15.89 percent partly due to the increase in operating reserves for the Equipment Rental, Development Services, and Facilities Maintenance Funds from the scheduled 2025 repayment of the interfund loan to purchase the Houghton Village property. It is also due to the undistributed personnel costs reserve, which reflects salary increases over base 2024 salaries, which had higher than normal increases in 2023 and 2024 due to inflation.

## ANALYSIS OF CHANGE

Category	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
Salaries & Wages	128,803,493	163,711,420	165,734,997	179,552,022	8.34%
Benefits	51,925,277	62,595,151	63,038,153	72,246,773	14.61%
Supplies	7,462,929	10,351,594	9,906,657	8,848,261	(10.68%)
Other Services & Charges	88,115,723	112,808,427	111,729,229	126,223,661	12.97%
Intergovernmental Services	13,434,482	16,490,659	15,488,282	13,304,980	(14.10%)
Capital Outlay	3,890,068	8,537,556	8,455,687	8,440,630	(0.18%)
Interfund Transfers	42,076,451	68,908,171	56,322,943	44,707,484	(20.62%)
Reserves*	60,604,480	89,227,877	67,662,581	78,755,359	16.39%
<b>Category Total</b>	<b>396,312,902</b>	<b>532,630,855</b>	<b>498,338,529</b>	<b>532,079,170</b>	<b>6.77%</b>

\* 2021-2022 actual and 2023-2024 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

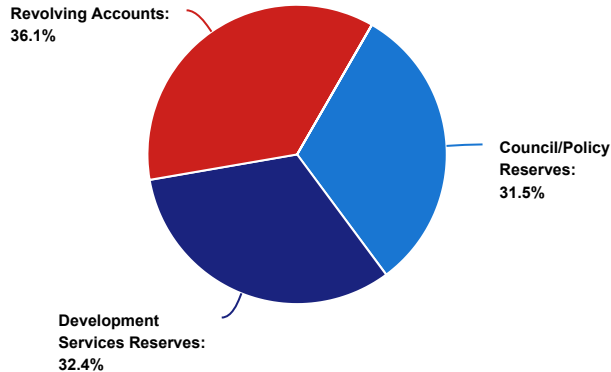
The General Purpose reserves, their targets, and replenishment policies are established in the City's *Fiscal Policies* and adopted by Council with the adoption of the Biennial Budget.

### BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS

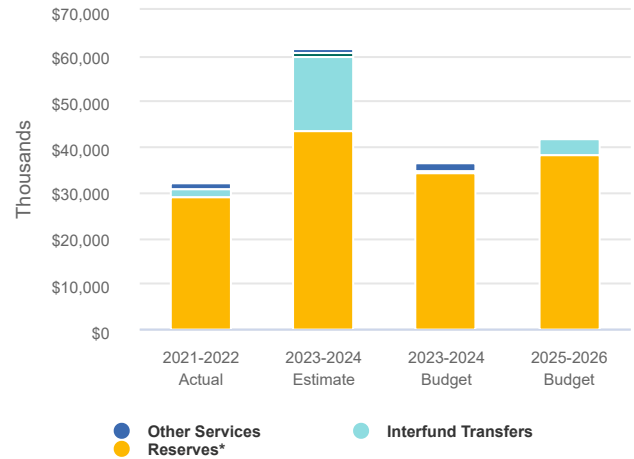
- Continue compliance with the adopted Fiscal Policies:
  - General Purpose Reserves were budgeted to be fully funded to targets at the end of the 2023-2024 Budget. Additional funding to keep these reserves at target is planned as part of the 2025-2026 budget.

## Financial Overview

### Expenditures by Division



### Expenditures by Category



## EXPENDITURE SUMMARY BY CATEGORY

	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
Benefits	574	768	-	2,000	
Supplies	157,676	180,049	20,000	45,260	126.30%
Other Services	1,021,223	1,069,024	1,462,601	555,571	(62.01%)
Intergovernmental Services	4,490	520,237	-	-	
Capital Outlay	-	202,882	-	-	
Interfund Transfers <sup>(1)</sup>	1,990,620	16,409,251	470,690	3,591,294	662.98%
Reserves*	29,016,815	43,404,409	34,522,098	38,253,703	10.81%
<b>TOTAL</b>	<b>32,191,398</b>	<b>61,786,620</b>	<b>36,475,389</b>	<b>42,447,828</b>	<b>16.37%</b>

## EXPENDITURE SUMMARY BY DIVISION

	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
Council/Policy Reserves	13,217,269	28,968,114	14,262,644	13,741,102	(3.66%)
Development Services Reserves	11,762,738	16,018,561	12,229,553	13,403,245	9.60%
Revolving Accounts	7,211,391	16,799,945	9,983,192	15,303,481	53.29%
<b>TOTAL</b>	<b>32,191,398</b>	<b>61,786,620</b>	<b>36,475,389</b>	<b>42,447,828</b>	<b>16.37%</b>

\* 2021-2022 Actual and 2023-2024 Estimate reserves are budgeted, but not spent

<sup>(1)</sup> Interfund Transfers are very high in 2023-2024 Estimate due to the transfer of Development Services reserves from the General Fund to the Development Services Fund at the onset of the biennium. Transfers in 2025-2026 are related to the use of the Development Services Technology Reserve for IT CIP projects.

## GENERAL GOVERNMENT OPERATING EXPENDITURE SUMMARY ACROSS FUNDS

## BY PROGRAM

Program	General Fund	Street Operating	Development Services	Lodging Tax Fund	Cemetery Operating	Parks Levy Fund	Health Benefits	Equipment Rental	Information Technology	Facilities Fund	Expenditure Total
General Government	65,506,098	-	48,079,389	1,086,651	1,544,598	-	-	-	23,657,658	18,135,212	158,009,606
Public Safety	163,017,327	-	-	-	-	-	-	-	-	-	163,017,327
Transportation	20,279,254	29,864,791	8,549,848	-	-	-	-	29,393,413	-	-	88,087,306
Culture & Recreation	32,545,720	-	-	-	97,149	14,299,276	-	-	-	-	46,942,145
Other Services	46,206,802	-	-	-	-	-	29,815,984	-	-	-	76,022,786
<b>Fund Total</b>	<b>327,555,201</b>	<b>29,864,791</b>	<b>56,629,237</b>	<b>1,086,651</b>	<b>1,641,747</b>	<b>14,299,276</b>	<b>29,815,984</b>	<b>29,393,413</b>	<b>23,657,658</b>	<b>18,135,212</b>	<b>532,079,170</b>

## BY DEPARTMENT

Department	General Fund	Street Operating	Development Services	Lodging Tax Fund	Cemetery Operating	Parks Levy Fund	Health Benefits	Equipment Rental	Information Technology	Facilities Fund	Expenditure Total
City Council	1,793,418	-	-	-	-	-	-	-	-	-	1,793,418
City Manager's Office	8,427,887	-	-	1,086,651	-	-	-	-	-	17,584,748	27,099,286
Human Resources	5,196,709	-	-	-	-	-	-	-	-	-	5,196,709
City Attorney's Office	3,618,806	-	-	-	-	-	-	-	-	-	3,618,806
Finance & Administration	17,787,267	-	-	-	1,544,598	-	-	-	-	-	19,331,865
General Services	46,206,802	-	-	-	-	-	29,815,984	-	-	-	76,022,786
Reserves*	28,682,011	-	13,765,817	-	-	-	-	-	-	-	42,447,828
Public Works	20,279,254	29,864,791	8,549,848	-	-	-	-	29,393,413	-	550,464	88,637,770
Parks	32,545,720	-	-	-	97,149	14,299,276	-	-	-	-	46,942,145
Planning & Building	-	-	34,313,572	-	-	-	-	-	-	-	34,313,572
Municipal Court	7,813,440	-	-	-	-	-	-	-	-	-	7,813,440
Police	83,109,894	-	-	-	-	-	-	-	-	-	83,109,894
Fire	72,093,993	-	-	-	-	-	-	-	-	-	72,093,993
Information Technology	-	-	-	-	-	-	-	-	23,657,658	-	23,657,658
<b>Fund Total</b>	<b>327,555,201</b>	<b>29,864,791</b>	<b>56,629,237</b>	<b>1,086,651</b>	<b>1,641,747</b>	<b>14,299,276</b>	<b>29,815,984</b>	<b>29,393,413</b>	<b>23,657,658</b>	<b>18,135,212</b>	<b>532,079,170</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 Levy Fund	Health Benefits	Equipment Rental	Information Technology	Facilities Fund	Expenditure Total
Salaries & Wages	134,671,889	5,449,867	21,994,710	167,038	39,869	4,941,214	-	2,042,653	8,453,996	1,790,786	179,552,022
Benefits	54,111,477	2,733,231	8,176,617	66,265	24,106	2,185,239	-	859,090	3,197,181	893,567	72,246,773
Supplies	3,106,372	1,221,299	133,879	200	44,200	644,725	-	2,756,600	585,004	355,982	8,848,261
Other Services & Charges	59,484,019	10,856,474	11,810,884	461,201	113,863	2,973,712	24,675,776	2,712,787	6,770,139	6,364,806	126,223,661
Intergovernmental Services	12,074,153	3,200	747,330	-	300	1,700	7,822	383,310	-	87,165	13,304,980
Capital Outlay	-	50,000	-	-	14,400	35,000	-	8,341,230	-	-	8,440,630
Interfund Transfers	26,408,784	8,805,200	3,257,500	-	-	1,410,000	-	-	1,000,000	3,826,000	44,707,484
Reserves*	37,698,507	745,520	10,508,317	391,947	1,405,009	2,107,686	5,132,386	12,297,743	3,651,338	4,816,906	78,755,359
<b>Fund Total</b>	<b>327,555,201</b>	<b>29,864,791</b>	<b>56,629,237</b>	<b>1,086,651</b>	<b>1,641,747</b>	<b>14,299,276</b>	<b>29,815,984</b>	<b>29,393,413</b>	<b>23,657,658</b>	<b>18,135,212</b>	<b>532,079,170</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

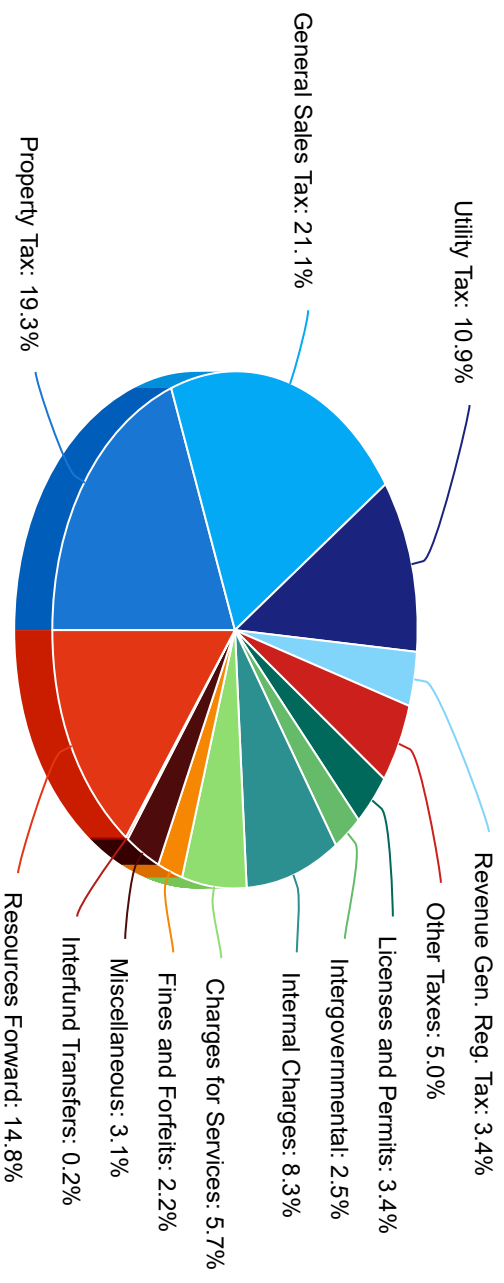
The General Fund is the primary operating fund of the City. The primary sources of revenue are general purpose taxes (property, sales, utility). The General Fund also contains revenues from specific activities such as parks, recreation, emergency medical transportation, fines and forfeits and some grants.



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## General Fund Revenue Summary

\$327,555,201



Taxes comprise 60 percent of all General Fund revenues, with sales tax being the single largest revenue, closely followed by property tax. Taxes are a general purpose revenue source which are used to support basic government services such as public safety and park maintenance. Internal charges for service reflect payments from other operating funds primarily for general administration, engineering, and billing services provided “in-house.” Resources forward represents the beginning fund balance for the General Fund and is composed primarily of an operating reserve and unreserved working capital. In addition, resources forward is used to fund one-time service packages.

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

Revenue Type	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
Property Tax	56,653,711	59,883,357	60,066,940	63,107,829	5.06%
Sales Tax					
General Sales Tax	62,449,927	66,271,199	61,769,600	69,055,066	11.79%
Annexation Sales Tax Credit	151,983	-	-	-	
Criminal Justice	6,397,019	5,741,322	5,699,722	5,858,440	2.78%
Utility Taxes					
Electric	8,449,043	9,976,857	8,804,079	11,287,649	28.21%
Gas	3,206,127	3,468,449	3,428,297	3,658,134	6.70%
Television Cable	2,484,841	2,231,917	2,164,563	2,009,046	(7.18%)
Telephone	2,268,778	2,174,475	1,438,696	1,884,993	31.02%
Water	3,432,402	3,699,586	3,727,646	4,181,023	12.16%
Sewer	3,097,840	3,497,989	3,558,270	4,044,494	13.66%
Garbage	4,267,281	5,870,787	5,705,823	6,759,341	18.46%
Surface Water	1,660,834	1,794,838	1,762,100	1,990,135	12.94%
Admissions Tax	374,377	789,920	478,244	720,000	50.55%
Revenue Gen. Reg. Tax	7,530,059	9,210,330	9,502,531	11,283,000	18.74%
Gambling & Other Taxes	9,329,233	10,449,783	9,050,930	9,900,728	9.39%
<b>Subtotal Taxes</b>	<b>171,753,454</b>	<b>185,060,808</b>	<b>177,157,441</b>	<b>195,739,878</b>	<b>10.49%</b>
Building and Structural	9,736,847	-	-	-	
Franchise Fees	7,961,394	8,604,049	8,560,295	8,966,401	4.74%
Business and Other	3,951,154	2,127,397	2,522,810	2,150,800	(14.75%)
<b>Subtotal Licenses and Permits</b>	<b>21,649,395</b>	<b>10,731,446</b>	<b>11,083,105</b>	<b>11,117,201</b>	<b>0.31%</b>
Liquor Taxes	2,739,135	2,787,141	2,723,823	2,687,572	(1.33%)
Marijuana Taxes	501,630	1,496,280	635,123	641,091	0.94%
Grants & Other Intergov.	16,776,242	6,167,348	6,201,102	4,923,139	(20.61%)
<b>Subtotal Intergovernmental</b>	<b>20,017,006</b>	<b>10,450,768</b>	<b>9,560,048</b>	<b>8,251,802</b>	<b>(13.68%)</b>
Planning Fees	4,272,031	450,676	449,026	-	(100.00%)
Plan Check Fees	5,101,932	-	-	-	
Engineering Dev. Fees	3,696,611	-	-	-	
Recreation Charges	3,103,333	4,282,819	3,994,110	5,105,792	27.83%
Internal Charges	17,736,398	24,751,853	29,433,012	27,310,116	(7.21%)
EMS & Transport Fees	4,345,573	6,138,425	5,339,945	5,372,093	0.60%
RCR Fiscal Agent Services Fees	-	3,426,324	-	5,577,434	
Other Charges	1,948,589	2,381,136	2,208,680	2,604,652	17.93%
<b>Subtotal Charges for Services</b>	<b>40,204,466</b>	<b>41,431,233</b>	<b>41,424,773</b>	<b>45,970,087</b>	<b>10.97%</b>
<b>Fines and Forfeits</b>	<b>5,719,927</b>	<b>8,243,349</b>	<b>6,879,700</b>	<b>7,198,200</b>	<b>4.63%</b>
<b>Miscellaneous</b>	<b>6,526,240</b>	<b>15,985,852</b>	<b>7,780,674</b>	<b>10,198,950</b>	<b>31.08%</b>
<b>Interfund Transfers</b>	<b>1,101,777</b>	<b>1,536,022</b>	<b>1,477,795</b>	<b>592,081</b>	<b>(59.93%)</b>
<b>Resources Forward</b>	<b>60,441,797</b>	<b>54,728,278</b>	<b>54,728,278</b>	<b>48,487,002</b>	<b>(11.40%)</b>
<b>TOTAL</b>	<b>327,414,062</b>	<b>328,167,756</b>	<b>310,091,814</b>	<b>327,555,201</b>	<b>5.63%</b>

**GENERAL FUND REVENUES**

	Object	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
<b>Taxes</b>						
Prop Tax	311101	56,653,711	59,883,357	60,066,940	63,107,829	5.06%
Rtl Sales Use Tax	313111	62,449,927	66,271,199	61,769,600	69,055,066	11.79%
Annex Sales Tx	313121	151,983	-	-	-	
Spec Purpose Tx Public Safety	313150	5,191,387	5,523,031	5,060,929	5,510,390	8.88%
Affrdbl Spprtv Hsng SalesUseTx	313270	481,995	430,930	507,452	423,338	(16.58%)
Brok Nat Gax Tax	313611	9,305	8,415	7,600	8,400	10.53%
Criminal Justice Loc Tax	313711	6,397,019	5,741,322	5,699,722	5,858,440	2.78%
Rev Gen Reg License	316101	7,316,037	8,677,756	9,357,531	11,243,000	20.15%
Rev Gen Bus Lic Prior Yr	316102	214,022	532,574	145,000	40,000	(72.41%)
Electric Utility Tax	316411	8,449,043	9,976,857	8,804,079	11,287,649	28.21%
Gas Utility Tax	316431	3,206,127	3,468,449	3,428,297	3,658,134	6.70%
TV Cable-Private	316461	2,484,841	2,231,917	2,164,563	2,009,046	(7.18%)
Telephone Utility Tax	316471	2,268,778	2,174,475	1,438,696	1,884,993	31.02%
Water Cus Utility Tx	316481	3,432,402	3,699,586	3,727,646	4,181,023	12.16%
Sewer Cus Utility Tx	316482	3,097,840	3,497,989	3,558,270	4,044,494	13.66%
Sld Waste Utility Tx	316483	4,267,281	5,870,787	5,705,823	6,759,341	18.46%
SW Cus Util Tx	316484	1,660,834	1,794,838	1,762,100	1,990,135	12.94%
Pnch Bds Pull Tb	316811	631,202	688,273	686,000	656,000	(4.37%)
Bingo and Raffle	316821	2,230	3,179	500	3,000	500.00%
Amusement Games	316831	2,467	2,566	2,000	2,600	30.00%
Card Games	316841	2,862,678	3,632,168	2,666,449	3,137,000	17.65%
Leasehold Excise	317201	147,969	161,222	120,000	160,000	33.33%
Admissions Tax	318111	374,377	789,920	478,244	720,000	50.55%
<b>Total for Taxes</b>		<b>171,753,454</b>	<b>185,060,808</b>	<b>177,157,441</b>	<b>195,739,878</b>	<b>10.49%</b>
<b>License and Permits</b>						
Franchise Fees	321911	7,953,124	8,604,049	8,560,295	8,966,401	4.74%
Lease Franchise Revenue	321913	8,270	-	-	-	
Business License Fee	321991	1,705,259	1,593,404	1,811,675	1,600,000	(11.68%)
Business Lic Fee Prior Yr	321992	70,772	28,146	34,125	32,000	(6.23%)
Busking Permit Fee	321995	150	2,400	1,200	2,400	100.00%
Building Permit	322101	5,572,915	-	-	-	
Plumbing Permit	322102	679,355	-	-	-	
Clear Grade Permit	322103	18,036	-	-	-	
Side Sewer Permit	322104	185,443	-	-	-	
Mechanical Permit	322105	1,305,012	-	-	-	
Sign Permit	322106	68,894	-	-	-	
Electric Permit	322107	1,906,047	-	-	-	
House Moving Permit	322109	1,145	-	-	-	
Animal License	322301	322,482	278,514	330,000	330,000	-%

**GENERAL FUND REVENUES (CONTINUED)**

	Object	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
Street Curb Permit	322401	898,238	-	-	-	
Sidewalk Permit	322402	5,426	-	-	-	
Alarm Registration	322900	160,715	134,565	170,000	130,000	(23.53%)
Fire Alarm Permit	322902	256,829	-	-	-	
C Weapon Permit	322903	31,836	29,820	26,400	26,400	-%
Special Event Permit	322905	18,590	31,098	20,000	30,000	50.00%
Fire Sprinkler	322906	368,119	-	-	-	
Fire System-Other	322907	29,251	-	-	-	
IFC Requiring Re	322913	76,830	-	62,000	-	(100.00%)
IFC Not Requiring	322914	-	-	62,000	-	(100.00%)
IFC Other	322915	6,658	29,450	5,410	-	(100.00%)
<b>Total for License and Permits</b>		<b>21,649,395</b>	<b>10,731,446</b>	<b>11,083,105</b>	<b>11,117,201</b>	<b>0.31%</b>
<b>Intergovernmental Revenue</b>						
Direct Federal DOJ Grants	331160	26,714	488,591	500,943	906,035	80.87%
DOJ Bulletproof Vest Program	331166	38,688	35,112	36,800	32,000	(13.04%)
Direct Fed Treasury Grants	331210	10,155,994	-	-	-	
Equi Shar Fed Forfeited Prop	332210	198,769	-	-	-	
Medicare/caid Emer Med Transp	332934	3,673,553	3,061,629	2,692,204	2,692,204	-%
Indr Fed CBDG/Entitlement	333142	490,427	609,273	600,667	181,554	(69.77%)
Indirect Federal DOJ Grants	333160	3,700	10,532	20,828	-	(100.00%)
Ind Fed DoJ MEC	333166	512	2,916	-	-	
Indirect Federal DOT Grants	333201	-	-	240,000	-	(100.00%)
Ind Fed FTA	333205	168,835	244,098	-	-	
Indr Federal DOT Traffic	333206	26,374	59,543	50,980	-	(100.00%)
Ind Fed Treasury Grant	333210	1,744	-	-	-	
GF - Indirect Fed HHS	333930	-	77,254	-	-	
Ind Fed FEMA US&R	333972	441	-	-	-	
Indr Fed FEMA	333973	272,735	29,767	-	-	
Indr Fed EMPG	333974	118,158	124,255	109,782	98,000	(10.73%)
Indr Fed Homeland Security	333976	11,763	76,100	-	-	
CJTC WASPC Grant	334011	83,164	154,308	366,685	-	(100.00%)
Other Judicial Agency Grant	334012	136,740	122,332	149,360	161,720	8.28%
Dept of Agriculture	334021	10,000	-	-	-	
Dept of Natural Resources	334023	153,888	-	-	-	
Dept of Ecology	334031	17,691	60,000	60,000	-	(100.00%)
Dept of Transportation	334036	33,946	104,829	-	-	
Commute Trip Reduction Grant	334039	75,710	9,304	-	-	
Comm Trade Econo	334042	50,000	-	117,024	-	(100.00%)
Dept of Health	334049	2,385	2,086	103,989	1,600	(98.46%)
State Shared Revenue	335010	363,768	41,974	-	-	



**GENERAL FUND REVENUES (CONTINUED)**

	Object	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
Judicial Contribution	336012	43,070	44,870	43,104	43,104	-%
Crime Jus-Spc Program	336026	222,742	247,976	242,346	279,453	15.31%
Violent Crimes	336062	62,760	982,229	68,306	79,844	16.89%
Marijuana Excise Tax	336063	416,810	494,223	536,817	542,147	0.99%
DUI Distribution	336065	22,059	19,828	30,000	19,100	(36.33%)
Liquor Excise	336094	1,157,146	1,340,092	1,306,237	1,270,770	(2.72%)
Liquor Board Profit	336095	1,581,989	1,447,049	1,417,586	1,416,802	(0.06%)
Local Govn Paymts	337060	140,171	252,513	334,029	407,469	21.99%
Other KC Grants	337081	145,115	157,650	652,361	-	(100.00%)
Port of Seattle	337092	109,445	150,437	120,000	120,000	
<b>Total for Intergovernmental Revenue</b>		<b>20,017,006</b>	<b>10,450,768</b>	<b>9,800,048</b>	<b>8,251,802</b>	<b>(15.80%)</b>
<b>Charges for Goods and Services</b>						
Civil Filing	341221	92	192	60	120	100.00%
Court Records	341322	3	-	20	-	(100.00%)
Court Administration Fees	341331	58,736	56,756	54,000	60,000	11.11%
Fiscal Agent Svcs	341430	-	3,426,324	-	5,577,434	
Court Svcs	341491	104,170	172,005	120,000	200,000	66.67%
Court Copy Fees	341621	1,621	1,596	1,300	1,300	-%
Public Disclosure	341705	120	55	-	-	
Sales Merch NonTx	341750	-	3,242	-	-	
Recording Fee	341811	268,880	387,049	348,000	480,000	37.93%
Engineer Develop	341820	2,411,688	-	-	-	
Public Defender Contract	341950	100	2,089	-	-	
Interfund-Accounting	341960	2,438,645	2,369,660	2,369,660	2,773,215	17.03%
Interfund City OH	341961	6,574,675	11,361,585	11,971,243	11,226,738	(6.22%)
Interfund-Gen	341963	321,640	358,637	362,330	397,392	9.68%
Interfund-Engineering	341965	507,644	1,321,996	1,321,996	1,487,453	12.52%
Interfund Eng-CIP	341966	6,095,671	8,673,915	8,251,860	10,901,371	32.11%
Interfund Eng-Dev	341967	580,000	-	-	-	
Interfund-Planning	341970	126,928	-	-	-	
Gen Government Svcs	341971	961,871	429,370	4,955,923	293,947	(94.07%)
Passport Fees	341991	129,325	236,690	200,000	230,000	15.00%
Law Enforcement Svcs	342101	37	54	5,000	5,000	-%
Fire Prot Svc	342210	725,843	956,971	990,900	1,190,080	20.10%
EMS	342211	2,665,116	4,307,450	4,255,291	4,287,439	0.76%
Adult Probation	342331	478,102	417,946	480,000	440,000	(8.33%)
Electronic Home Det	342361	30,850	17,254	-	18,552	
Detention Jail Svc	342364	224,657	305,840	186,000	186,000	-%
Booking Fees	342371	9,880	5,534	7,400	5,600	(24.32%)
Protective Inspection	342401	628	-	-	-	



**GENERAL FUND REVENUES (CONTINUED)**

	Object	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
DUI Emerg Resp	342501	22,733	14,890	16,000	18,000	12.50%
Disaster Preparation Services	342502	915	30,064	-	-	
Emergency Transportation	342600	1,680,457	1,830,975	1,084,654	1,084,654	-%
ResStrmErosFee	343191	346,682	-	-	-	
Storm Water Drainage Rpt	343192	733,394	-	-	-	
PW Deposit Administration	344111	101,595	-	-	-	
Traffic Contribution Revenue	344130	62,007	-	-	-	
Park Standby Revenue Fee	344131	3,987	3,054	-	-	
Anml Cntrl Shelter Srvc Bond	345230	3,930	30	-	-	
PCD Official Mods	345810	76,584	-	-	-	
Subdivision Fee	345811	5,236	-	-	-	
Accessory Dwelling Unit	345812	1,735	-	-	-	
Street Fee inLieu	345816	42,797	(9,982)	-	-	
Fee In Lieu Tree	345817	55,700	-	-	-	
Permit Appeal	345819	111	-	-	-	
PCD Dir Mods	345821	6,783	-	-	-	
Other PCD Official	345825	258,627	-	-	-	
Other PCD Dir	345826	64,155	-	-	-	
Process I Rev	345827	393,492	-	-	-	
Process IIA Rev	345828	21,188	-	-	-	
Process IIB&III	345829	270,309	-	-	-	
Design Board Rev	345830	269,207	-	-	-	
Plan Check Fee	345831	5,101,932	-	-	-	
Energy Code Fee	345832	170,700	-	-	-	
Electric Plan Review	345833	169,044	-	-	-	
Fire Plan Review	345835	792,686	-	-	-	
Expedited Review	345836	26,937	-	-	-	
Planning 3rd Party Revenue	345837	2,736	-	-	-	
Short Plat Rec Revenue	345839	37,038	-	-	-	
Affordable Housing	345840	534,514	460,658	449,026	-	(100.00%)
SEPA Tnsp Rv Fee	345862	41,245	-	-	-	
Concurrent Review	345890	37,578	-	-	-	
MBP Srvc Fee	345891	792,405	-	-	-	
Environment Review Fee	345892	53,610	-	-	-	
Compensation Plan Request	345894	12,776	-	-	-	
Zoning Vrfc Lttr	345895	9,683	8,604	-	-	
Plan Pre-Sub Mtg	345896	177,107	-	-	-	
Rd Imp-Indr Calc	345898	710	-	-	-	
Pool Admission Fee	347350	190,205	207,566	210,000	220,000	4.76%
Marina Boat Launch Fee	347351	71,661	47,462	79,000	60,000	(24.05%)
Rec Event Admission Fee	347490	2,457	86	-	-	

**GENERAL FUND REVENUES (CONTINUED)**

	Object	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
Rec 50 General Programs	347650	87,313	130,398	134,740	130,000	(3.52%)
Senior Trips	347651	8,011	24,450	12,640	20,000	58.23%
Aquatics Programs	347660	370,158	405,587	484,444	440,000	(9.17%)
Aquatics Swim Team	347661	26,469	53,610	61,600	61,600	-%
Aquatic Private Lessons	347662	11,028	25,137	22,000	28,000	27.27%
Adult Sports	347670	110,081	223,638	178,000	210,000	17.98%
Adult Fitness	347671	85,421	152,218	90,000	140,000	55.56%
Adult General Programs	347672	61,589	109,019	70,000	116,880	66.97%
Youth Sports	347680	183,903	249,273	163,064	220,000	34.92%
Preschool Sports	347681	72,578	135,707	80,000	140,000	75.00%
Youth Camp	347682	1,402,751	1,667,858	1,800,000	2,047,840	13.77%
Preschool General Programs	347683	195,907	334,277	160,000	512,800	220.50%
Youth General Programs	347684	115,151	162,633	99,822	140,000	40.25%
After School Program	347685	16,945	119,597	120,000	120,000	-%
Teen Programs	347686	1,579	35,453	6,400	202,972	3071.44%
Advertising	347940	22,150	116,575	91,000	199,500	119.23%
Rec Community Events	347945	24,721	24,380	83,400	41,200	(50.60%)
Special Event Services	347950	16,364	16,837	18,000	15,000	(16.67%)
Rec Cancel/Admin Fee	347999	26,794	38,971	30,000	40,000	33.33%
Interfund Personnel Services	349160	1,987	-	-	-	
<b>Total for Charges for Goods and Services</b>		<b>40,204,466</b>	<b>41,431,233</b>	<b>41,424,773</b>	<b>45,970,087</b>	<b>10.97%</b>
<b>Fines and Forfeits</b>						
Mandatory Insurance Co	352301	3,231	2,248	2,000	2,400	20.00%
Boating Safety Infractions	352400	218	206	400	-	(100.00%)
Traffic Infraction Penalty	353101	457,310	453,453	420,000	470,000	11.90%
Distracted Driving Prevention	353105	21	64	-	-	
School Zone Penalty	353109	3,223,877	5,662,870	4,600,000	5,000,000	8.70%
Non-Traffic	353701	2,378	732	600	200	(66.67%)
Pkg Infraction Penalty	354101	1,377,175	1,501,342	1,500,000	1,400,000	(6.67%)
DUI Fines	355201	54,967	37,865	52,000	40,000	(23.08%)
Crime Traffic Misdemeanor	355801	86,171	73,057	92,000	78,000	(15.22%)
Other Non-Traffic	356901	32,618	16,607	19,000	19,000	-%
Domestic Violence Penlty Ass	356908	1,415	1,109	1,500	1,400	(6.67%)
Court Cost Recoupment	357310	1,257	1,818	-	-	
Public Defender	357330	70,102	50,502	65,000	51,000	(21.54%)
Warrants Served	357340	2,060	326	1,200	200	(83.33%)
Court Interpreter Recoupment	357350	19,225	54,064	26,000	56,000	115.38%
Business License Penlty	359201	3,069	235,018	-	-	
Bus Tax Penalty	359202	5,078	1,719	-	-	

**GENERAL FUND REVENUES (CONTINUED)**

	Object	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
Misc Fines	359901	42,455	35,063	-	-	
Code Enforcement	359902	253,200	41,500	-	-	
False Alarm Penalty	359903	84,100	73,786	100,000	80,000	(20.00%)
<b>Total for Fines and Forfeits</b>		<b>5,719,927</b>	<b>8,243,349</b>	<b>6,879,700</b>	<b>7,198,200</b>	<b>4.63%</b>
<b>Miscellaneous Revenues</b>						
Investment Interest	361111	88,861	79,529	4,999,656	7,162,878	43.27%
Inv-Int Dedicatd	361112	3,606,287	8,836,087	148,000	149,824	1.23%
Interfund Loan Interest	361400	25,410	42,559	-	-	
Interest Sales Tax	361401	77,928	188,310	-	-	
Other Park Rental	362407	600	2,400	-	-	
GF-Juanita Market Stall Rntl	362445	41,425	43,600	32,000	35,000	9.38%
Marina Moorage Rental	362450	179,779	139,828	262,000	110,000	(58.02%)
Rentals PKCC	362452	43,220	89,091	36,000	87,000	141.67%
Rentals KTUB	362453	-	-	3,500	50,800	1351.43%
Rentals NKCC	362454	38,375	68,039	36,000	95,000	163.89%
Rentals Park Fields and Courts	362456	199,100	410,847	156,116	350,500	124.51%
Rentals Other Park Facilities	362458	178,507	254,367	156,310	336,500	115.28%
Rentals Pool and Locker	362460	27,348	48,420	48,000	48,000	-%
Facility Leases Other	362502	283,744	254,332	261,022	329,461	26.22%
Marina Commercial Lease	362550	63,735	54,559	78,400	47,800	(39.03%)
House Rental	362601	138,139	150,420	135,076	165,840	22.78%
Concession Proceed Non LET	362850	3,400	4,400	4,000	4,400	10.00%
Concession Proceed LET	362852	127,914	132,307	70,000	140,000	100.00%
Contribution Donation	367000	342,886	653,296	471,263	369,466	(21.60%)
Nongovernmental Local Grants	367200	5,000	467,919	467,919	274,977	(41.23%)
Sales of Surplus	369101	2,938	7,591	-	-	
Unclaimed Property	369201	24,908	9,135	8,000	8,000	-%
Confiscated Prop	369301	65,389	2,762,004	11,500	11,500	-%
Other Judgements	369401	91,573	951,586	166,492	182,004	9.32%
Other Misc Rev	369910	244,766	98,467	229,420	240,000	4.61%
<b>Total for Miscellaneous Revenues</b>		<b>5,901,231</b>	<b>15,749,090</b>	<b>7,780,674</b>	<b>10,198,950</b>	<b>31.08%</b>
<b>Other Financing Sources</b>						
Operating Transfers In	397101	1,101,777	1,536,022	1,477,795	592,081	(59.93%)
Insurance Rec Gen Government	398001	625,009	236,762	-	-	
Resources Forward	399991	60,441,797	54,728,278	54,728,278	48,487,002	(11.40%)
<b>Total for Other Financing Sources</b>		<b>62,168,583</b>	<b>56,501,062</b>	<b>56,206,073</b>	<b>49,079,083</b>	<b>(12.68%)</b>
<b>Fund Total</b>		<b>327,414,062</b>	<b>328,167,756</b>	<b>310,331,814</b>	<b>327,555,201</b>	<b>5.55%</b>



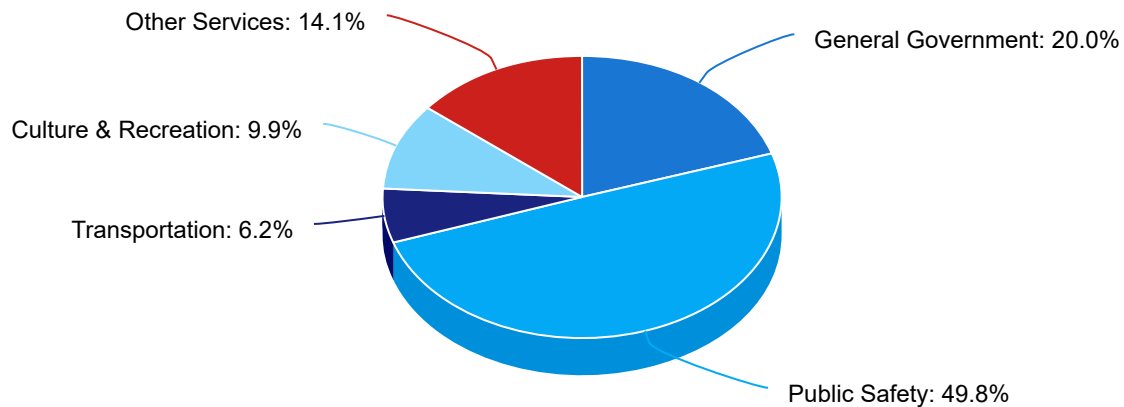
# Expenditure Summary



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## General Fund Expenditure Summary

### 2025-2026 Budget by Program



The General Fund accounts for about 61.6 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.

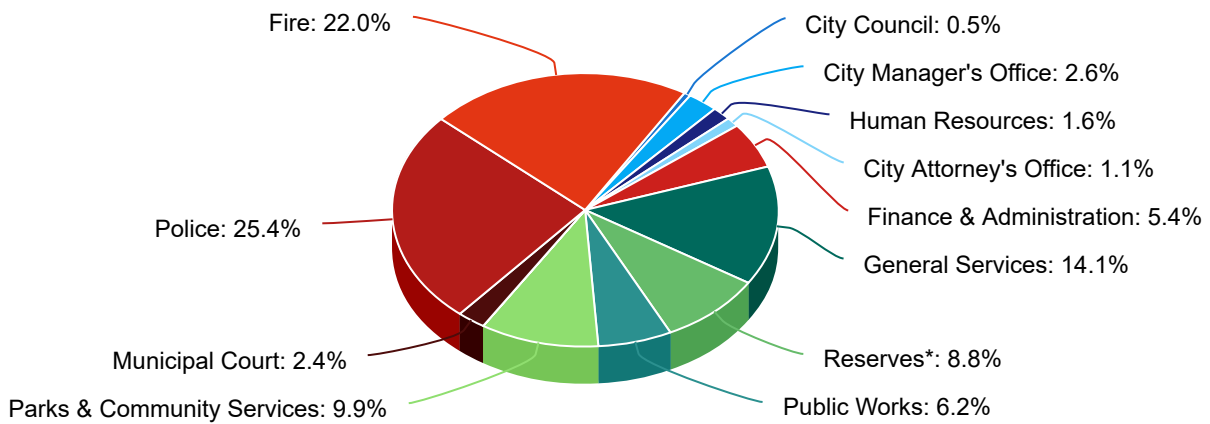
- General Government shows a decrease as Planning & Building has moved from the General Fund to the Development Services Fund.
- Public Safety increased due to increasing salary and benefit costs, school safety zone program, and fire training program.
- Transportation shows a decrease as a portion of the Public Works budget has moved to the Development Services Fund.
- Other Services have decreased due to reduction in Operating Transfers out in General Services.

## ANALYSIS OF CHANGE

Program	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Change
General Government	87,007,124	79,158,098	59,001,383	65,506,098	11.02%
Public Safety	123,207,396	152,947,748	150,801,016	163,017,327	8.10%
Transportation	17,734,174	17,102,280	17,688,857	20,279,254	14.64%
Culture & Recreation	24,299,741	28,525,974	29,712,043	32,545,720	9.54%
Other Services	33,815,595	67,261,856	53,128,515	46,206,802	(13.03%)
<b>Program Total</b>	<b>286,064,031</b>	<b>344,995,956</b>	<b>310,331,814</b>	<b>327,555,201</b>	<b>5.55%</b>

## General Fund Expenditure Summary

### 2025-2026 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 \$8.1 million or 10.8 percent primarily due to increases in salaries and wages and professional services. The increase in Professional Services is primarily due to costs of new hire pre-employment background checks and other testing and an increase in Jail Medical services for Opioid Abuse treatment services provided through a federal grant.
- The Fire budget increased by \$3.1 million or 4.5 percent primarily due to increases in personnel which results in higher discretionary expenses and training costs for mandatory certifications. The increase also includes anticipated increases in professional services for 3<sup>rd</sup> party billing of emergency medical transports and costs of operational software to support responses.
- Parks budget increased by \$2.8 million or 9.5 percent due to the addition of funding for the Kirkland Teen Union Building, as well as increases in personnel costs and recreation services and programs.
- Finance & Administration's budget increased by \$687,000 or 4 percent due to increase in salaries and benefits.
- The budget for General Services decreased primarily due to lower operating transfers.
- The Reserve budget has increased by \$4.8 million or 20.4 percent due to the scheduled repayment of the Houghton Village Interfund Loan (\$14.67 million) in 2025.



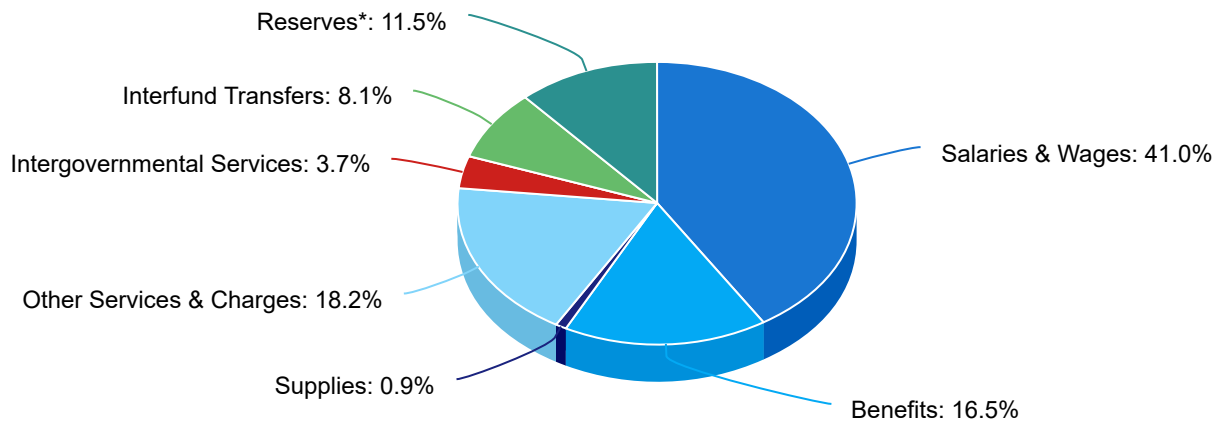
## ANALYSIS OF CHANGE

Department	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
City Council	985,244	1,497,574	1,429,472	1,793,418	25.46%
City Manager	7,643,781	7,801,675	8,225,573	8,427,887	2.46%
Human Resources	3,883,571	4,722,754	5,209,977	5,196,709	(0.25%)
City Attorney	2,702,414	3,047,733	3,177,769	3,618,806	13.88%
Finance and Administration	12,954,935	16,465,338	17,099,328	17,787,267	4.02%
General Services	33,815,595	67,261,856	53,128,515	46,206,802	(13.03%)
Reserves	32,191,398	45,623,024	23,859,264	28,682,011	20.21%
Public Works	17,734,174	17,102,280	17,688,857	20,279,254	14.64%
Parks and Community Services	24,299,741	28,525,974	29,712,043	32,545,720	9.54%
Planning and Building	26,645,782	-	-	-	
Municipal Court	5,485,315	6,787,891	6,903,887	7,813,440	13.17%
Police	64,000,004	74,507,953	74,956,275	83,109,894	10.88%
Fire	53,722,078	71,651,904	68,940,854	72,093,993	4.57%
<b>Department Total</b>	<b>286,064,031</b>	<b>344,995,956</b>	<b>310,331,814</b>	<b>327,555,201</b>	<b>5.55%</b>

\* 2021-2022 Actual and 2023-2024 Estimated reserves are budgeted, but not spent

## General Fund Expenditure Summary

### 2025-2026 Budget by Category



Salaries & Wages and Benefits are the two largest categories of the General Fund budget (over 50 percent), with Public Safety representing 50.1 percent of these expenditure categories. Other Services & Charges is the third largest category (17.8 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 (11.4 percent) which represent funding set aside by City's policies.

- The Planning and Building Department moved to the Development Services Fund in 2023-2024. The 2025-2026 budget appears to be lower for some categories due to this move.
- 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 0.9 percent of the total General Fund budget and are lower in 2025-2026 as a portion has moved to Development Services.
- Interfund transfers represent 8.4 percent of the total and include debt service transfers and transfers to reserves.
- Intergovernmental services are 3.7 percent of the total budget and are decreasing by 5.9 percent.

## ANALYSIS OF CHANGE

Category	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
Salaries & Wages	112,764,371	124,021,578	124,368,536	134,671,889	8.28%
Benefits	44,834,571	47,260,301	46,759,836	54,111,477	15.72%
Supplies	2,762,309	3,698,764	3,222,546	3,106,372	(3.61%)
Other Services & Charges	51,362,270	52,825,866	54,551,827	59,484,019	9.04%
Intergovernmental Services	13,021,584	12,534,653	12,997,208	12,074,153	(7.10%)
Capital Outlay	37,591	205,138	-	-	
Interfund Transfers	28,737,029	55,746,623	40,958,609	26,408,784	(35.52%)
Reserves*	32,544,306	48,703,032	27,473,252	37,698,507	37.22%
<b>Category Total</b>	<b>286,064,031</b>	<b>344,995,956</b>	<b>310,331,814</b>	<b>327,555,201</b>	<b>5.55%</b>

\* 2021-2022 Actual and 2023-2024 Estimated reserves are budgeted, but not spent



# 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, Kirkland Fiscal Agent Support of Regional Crisis Response Agency (RCR), Employee Transportation Program, shared supplies, contracts with outside agencies including Public Defender Services, payments to other agencies including Liquor & Excise Tax paid to King County.

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

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

### Budget Highlights and Relationship to Council Goals

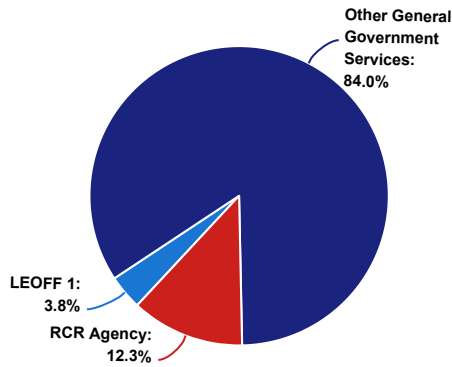
#### COMMUNITY SAFETY

- Initiate a pilot for a dedicated Sexual Assault Advocate through the King County Sexual Assault Resource Center (KSARC) to provide proactive support to victims of sexual assault, \$200,000 one-time. [25GS01]

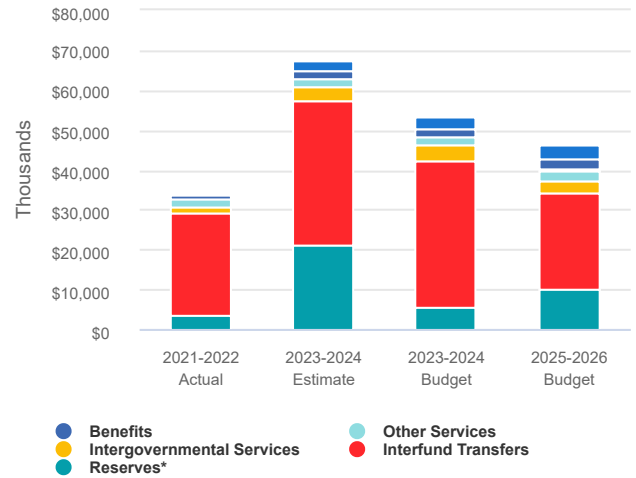
# General Services

## Financial Overview

Expenditures by Division



Expenditures by Category



### EXPENDITURE SUMMARY BY CATEGORY

	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
Salaries and Wages	-	2,253,281	2,945,495	3,668,114	24.53%
Benefits	895,533	1,984,793	1,954,538	2,448,618	25.28%
Supplies	28,054	66,555	96,000	96,000	-%
Other Services	1,991,591	2,279,508	1,965,674	2,893,340	47.19%
Intergovernmental Services	1,688,109	3,433,068	3,771,095	2,942,315	(21.98%)
Interfund Transfers	25,684,817	35,905,929	36,852,434	24,205,294	(34.32%)
Reserves*	3,527,491	21,338,722	5,543,279	9,953,121	79.55%
<b>TOTAL</b>	<b>33,815,595</b>	<b>67,261,856</b>	<b>53,128,515</b>	<b>46,206,802</b>	<b>(13.03%)</b>

### EXPENDITURE SUMMARY BY DIVISION

	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
Other General Government Services	32,301,712	60,714,663	47,382,685	38,807,834	(18.10%)
LEOFF 1	1,513,883	1,803,937	1,400,411	1,734,034	23.82%
RCR Agency	-	4,743,256	4,345,419	5,664,934	30.37%
<b>TOTAL</b>	<b>33,815,595</b>	<b>67,261,856</b>	<b>53,128,515</b>	<b>46,206,802</b>	<b>(13.03%)</b>

\* 2021-2022 Actual and 2023-2024 Estimate reserves are budgeted, but not spent

# General Services

## 2025-2026 Position Summary

### POSITION SUMMARY BY CLASSIFICATION

Classification	2023-2024 Positions	Additions/ Reductions	2025-2026 Positions	Budgeted 2025 Salary Range
EXECUTIVE DIRECTOR	1.00	-	1.00	141,781 - 184,992
CRISIS RESPONDER SUPERVISOR	1.00	1.00	2.00	110,795 - 144,562
CRISIS RESPONDER LEAD	-	3.00	3.00	108,192 - 127,278
CRISIS RESPONDER II	5.00	(2.00)	3.00	103,743 - 121,217
CRISIS RESPONDER I	5.00	(1.00)	4.00	98,802 - 115,445
ADMINISTRATIVE ASSISTANT	1.00	-	1.00	75,926 - 89,316
<b>TOTAL</b>	<b>13.00</b>	<b>1.00</b>	<b>14.00</b>	

### POSITION SUMMARY BY DIVISION

Classification	2023-2024 Positions	Additions/ Reductions	2025-2026 Positions
RCR Agency	13.00	1.00	14.00
<b>TOTAL</b>	<b>13.00</b>	<b>1.00</b>	<b>14.00</b>





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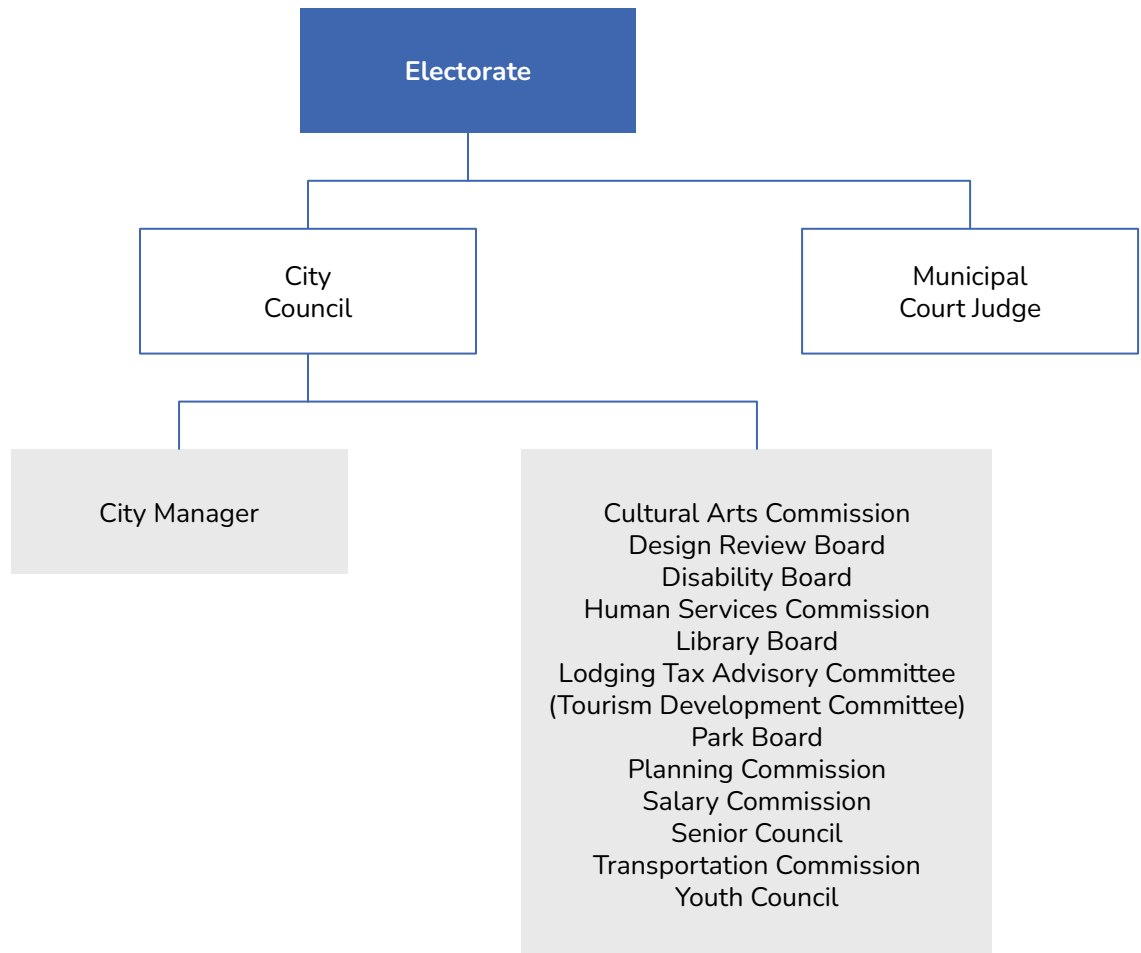
# City Council



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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**

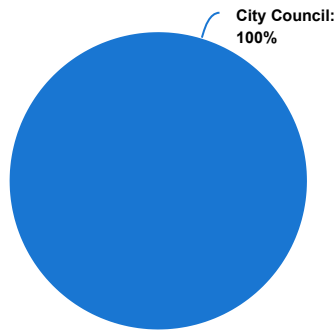
- Fund the 2026 Community Survey to assess priorities and satisfaction, \$81,000 one-time. [25CC01]



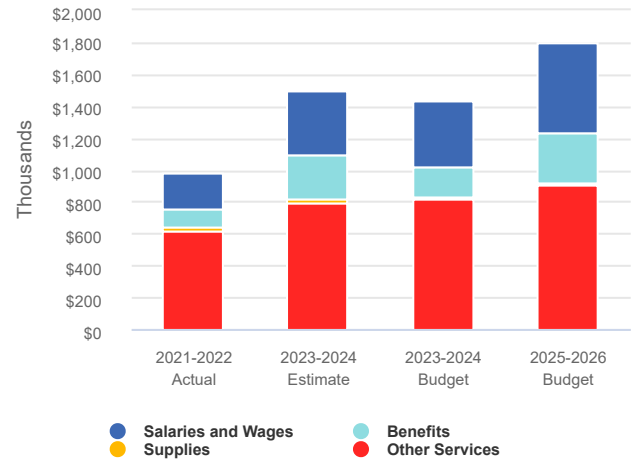
# City Council

## Financial Overview

Expenditures by Division



Expenditures by Category



### EXPENDITURE SUMMARY BY CATEGORY

	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
Salaries and Wages	229,326	404,663	404,663	556,800	37.60%
Benefits	119,367	272,786	195,188	318,203	63.02%
Supplies	18,392	25,497	8,350	8,350	-%
Other Services	618,159	794,628	821,271	910,065	10.81%
<b>TOTAL</b>	<b>985,244</b>	<b>1,497,574</b>	<b>1,429,472</b>	<b>1,793,418</b>	<b>25.46%</b>

### EXPENDITURE SUMMARY BY DIVISION

	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
City Council	985,244	1,497,574	1,429,472	1,793,418	25.46%
<b>TOTAL</b>	<b>985,244</b>	<b>1,497,574</b>	<b>1,429,472</b>	<b>1,793,418</b>	<b>25.46%</b>

# City Council

## 2025-2026 Position Summary

### POSITION SUMMARY BY CLASSIFICATION

Classification	2023-2024 Positions	Additions/ Reductions	2025-2026 Positions	Budgeted 2025 Salary Range
MAYOR	1.00	-	1.00	48,000 - 48,000
COUNCIL MEMBER	6.00	-	6.00	38,400 - 38,400
<b>TOTAL</b>	<b>7.00</b>	<b>-</b>	<b>7.00</b>	

### POSITION SUMMARY BY DIVISION

Classification	2023-2024 Positions	Additions/ Reductions	2025-2026 Positions
City Council	7.00	-	7.00
<b>TOTAL</b>	<b>7.00</b>	<b>-</b>	<b>7.00</b>

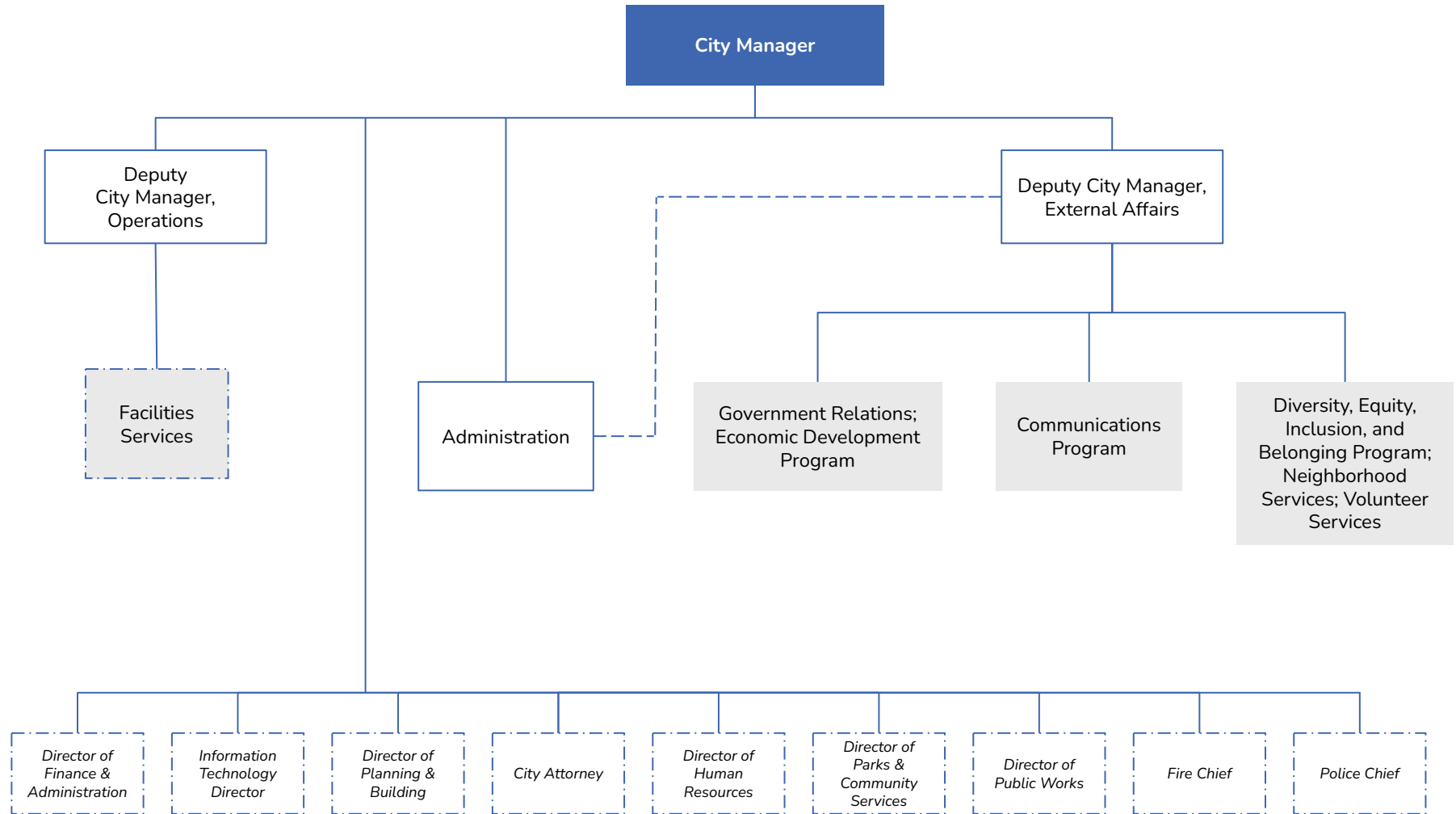


# City Manager



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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 effectively implement the City Council's policies and coordinate day-to-day operations, administration, and communications of the City.

### Department Functions

The **City Manager** implements the City Council's policies by overseeing the management of City departments, administering personnel and labor relations, the City budget, and the day-to-day operations of the City. The City Manager serves as the chief advisor to the City Council and is appointed by, and serves at the pleasure of, the City Council. The City Manager proposes 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, which provide 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 while also designing and delivering public involvement strategies for the City.

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

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

### THRIVING ECONOMY

- The City historically receives \$60,000 per year in grant funding through the Port of Seattle. This grant funds various economic development programs and activities such as the [ShopLocalKirkland.com](http://ShopLocalKirkland.com) website, the Kirkland Ca\$h program and specialized consultants for small business support and digital marketing, \$120,000 one-time. [25CM01]
- Continue funding for community programs and events, \$112,000 one-time, \$80,000 offset by Waste Management grant funding. [25CM02]
- 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. [25CM03]
- Convert Technology and Resilience Officer position to new Economic Development Manager that will attract and retain businesses, especially in the Station Area, provide customer service for the permitting process and support green energy infrastructure efforts. No new cost or FTE.



# City Manager

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## **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. [25CM04]

## **INCLUSIVE AND EQUITABLE COMMUNITY**

- Renew 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. [25CM05]
- Fund a biannual printed newsletter that will be mailed to all Kirkland addresses and freely available at public buildings, community centers, and other publicly-accessible locations throughout the city. [25CM08]

## **DEPENDABLE INFRASTRUCTURE**

- Funding for consultant(s) support and other investments to realize the vision of the NE 85<sup>th</sup> Street Station Area Plan through the framework and policies adopted by City Council, \$300,000 one-time. [25CM06]

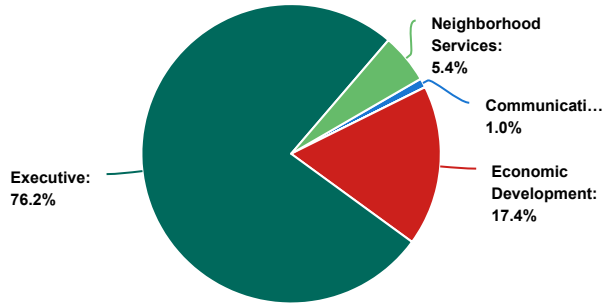
## **COMMUNITY SAFETY**

- Funding for a review of the City Criminal Justice System, anchored by the Municipal Court, but to include municipal code establishment, law enforcement, and legal representation, \$200,000 one-time. [25CM09]

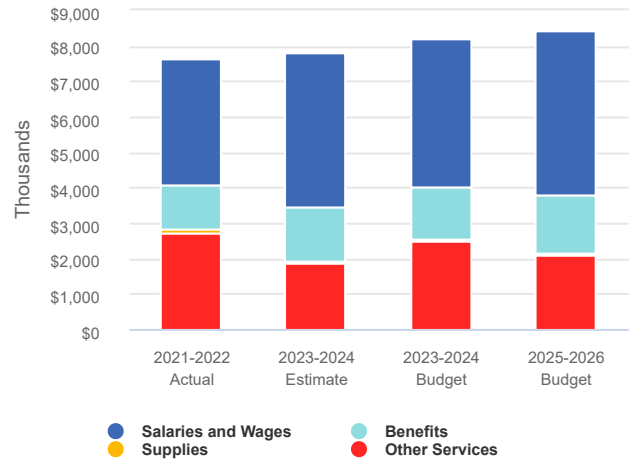
# City Manager

## Financial Overview

Expenditures by Division



Expenditures by Category



### EXPENDITURE SUMMARY BY CATEGORY

	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
Salaries and Wages	3,574,513	4,365,484	4,211,185	4,631,437	9.98%
Benefits	1,250,639	1,494,267	1,466,075	1,626,716	10.96%
Supplies	129,734	95,247	67,801	71,000	4.72%
Other Services	2,679,439	1,846,677	2,480,512	2,098,734	(15.39%)
Capital Outlay	9,455	-	-	-	
<b>TOTAL</b>	<b>7,643,781</b>	<b>7,801,675</b>	<b>8,225,573</b>	<b>8,427,887</b>	<b>2.46%</b>

### EXPENDITURE SUMMARY BY DIVISION

	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
Communication	-	-	-	70,000	
Community Responders	481,172	312,111	42,500	-	(100.00%)
Economic Development	1,361,643	836,344	1,357,285	1,463,884	7.85%
Executive	5,259,704	6,214,701	6,223,404	6,442,800	3.53%
Neighborhood Services	541,261	438,520	602,384	451,203	(25.10%)
<b>TOTAL</b>	<b>7,643,781</b>	<b>7,801,675</b>	<b>8,225,573</b>	<b>8,427,887</b>	<b>2.46%</b>

# City Manager

## 2025-2026 Position Summary

### POSITION SUMMARY BY CLASSIFICATION\*

Classification	2023-2024 Positions	Additions/ Reductions	2025-2026 Positions	Budgeted 2025 Salary Range
CITY MANAGER	1.00	-	1.00	307,081
DEPUTY CITY MANAGER OF OPERATIONS	1.00	-	1.00	192,941 - 251,745
DEPUTY CITY MANAGER FOR EXTERNAL AFFAIRS	1.00	-	1.00	192,941 - 251,745
ECONOMIC DEVELOPMENT MANAGER	-	1.00	1.00	137,382 - 179,253
DIVERSITY, EQUITY, INCLUSION, AND BELONGING MANAGER	1.00	-	1.00	122,258 - 159,520
COMMUNICATIONS PROGRAM MANAGER	1.00	-	1.00	122,258 - 159,520
GOVERNMENT AFFAIRS MANAGER	1.00	-	1.00	122,258 - 159,520
SENIOR COMMUNITY ENGAGEMENT COORDINATOR	1.00	-	1.00	106,633 - 125,446
SENIOR MANAGEMENT ANALYST	1.00	-	1.00	106,633 - 125,446
COMMUNICATIONS PROGRAM COORDINATOR COMMUNITY SAFETY	1.00	-	1.00	101,568 - 119,489
SPECIAL PROJECTS COORDINATOR	1.44	-	1.44	99,206 - 116,726
EXECUTIVE ASSISTANT I CMO	1.00	-	1.00	89,071 - 116,218
WEB AND MULTIMEDIA SPECIALIST	1.00	-	1.00	81,873 - 96,322
COMMUNICATIONS PROGRAM SPECIALIST	1.00	-	1.00	81,873 - 96,322
ADMINISTRATIVE ASSISTANT	0.80	-	0.80	75,926 - 89,316
<b>TOTAL</b>	<b>14.24</b>	<b>1.00</b>	<b>15.24</b>	

### POSITION SUMMARY BY DIVISION\*

Classification	2023-2024 Positions	Additions/ Reductions	2025-2026 Positions
Economic Development	0.44	1.00	1.44
Executive	12.90	-	12.90
Neighborhood Services	0.90	-	0.90
<b>TOTAL</b>	<b>14.24</b>	<b>1.00</b>	<b>15.24</b>



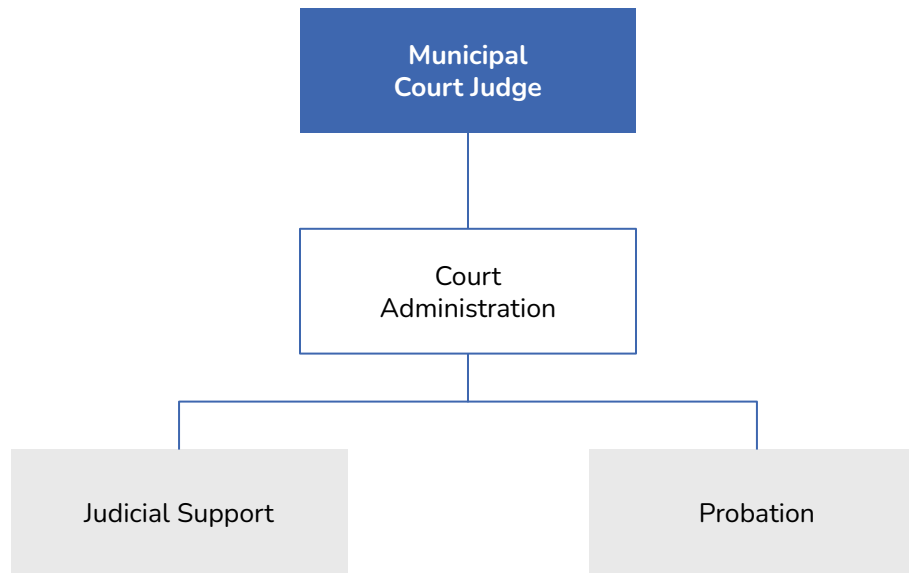
# Municipal Court



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# Municipal Court

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# Municipal Court

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## 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

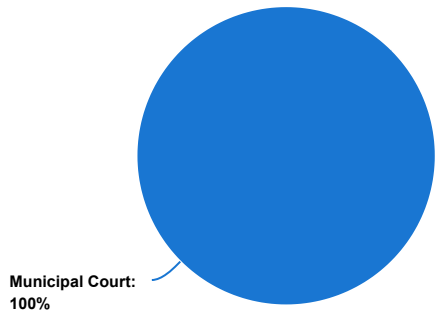
#### INCLUSIVE AND EQUITABLE COMMUNITY

Continuation of the Community Court program, supported by a grant from the Administrative Office of the Courts (AOC), that supports alternatives to incarceration.

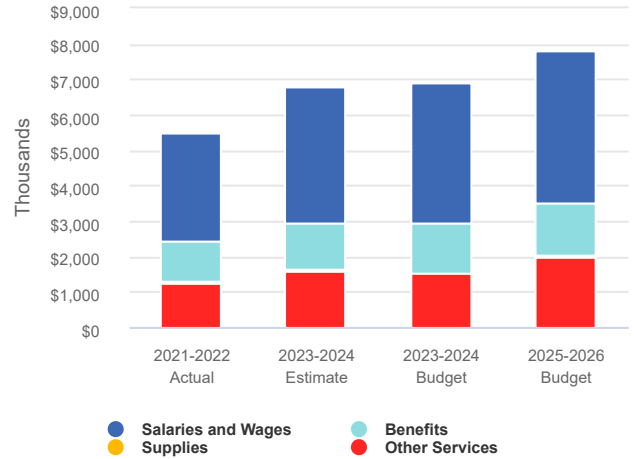
# Municipal Court

## Financial Overview

Expenditures by Division



Expenditures by Category



### EXPENDITURE SUMMARY BY CATEGORY

	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
Salaries and Wages	3,069,050	3,846,297	3,941,443	4,321,541	9.64%
Benefits	1,129,669	1,294,386	1,416,164	1,458,255	2.97%
Supplies	61,894	41,673	21,810	25,386	16.40%
Other Services	1,224,702	1,605,535	1,524,470	2,008,258	31.73%
<b>TOTAL</b>	<b>5,485,315</b>	<b>6,787,891</b>	<b>6,903,887</b>	<b>7,813,440</b>	<b>13.17%</b>

### EXPENDITURE SUMMARY BY DIVISION

	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
Municipal Court	5,485,315	6,787,891	6,903,887	7,813,440	13.17%
<b>TOTAL</b>	<b>5,485,315</b>	<b>6,787,891</b>	<b>6,903,887</b>	<b>7,813,440</b>	<b>13.17%</b>

# Municipal Court

## 2025-2026 Position Summary

### POSITION SUMMARY BY CLASSIFICATION

Classification	2023-2024 Positions	Additions/ Reductions	2025-2026 Positions	Budgeted 2025 Salary Range
MUNICIPAL COURT JUDGE	1.00	-	1.00	217,337
DEPUTY DIRECTOR OF COURT SERVICES	1.00	-	1.00	149,133 - 194,585
ASSISTANT COURT ADMINISTRATOR	1.00	-	1.00	121,645 - 158,719
PROBATION SUPERVISOR	1.00	-	1.00	89,884 - 117,279
COURT OPERATIONS SUPERVISOR	1.00	-	1.00	89,884 - 117,279
PROBATION OFFICER	2.00	-	2.00	91,423 - 107,544
COMMUNITY COURT COORDINATOR	0.75	-	0.75	89,419 - 105,192
JUDICIAL SPECIALIST LEAD	1.00	-	1.00	78,509 - 92,364
JUDICIAL SPECIALIST LEAD - SCHOOL ZONE SAFETY	1.00	-	1.00	78,509 - 92,364
JUDICIAL SPECIALIST	10.00	-	10.00	67,974 - 79,969
JUDICIAL SPECIALIST - SCHOOL ZONE SAFETY	1.50	-	1.50	67,974 - 79,969
<b>TOTAL</b>	<b>21.25</b>	<b>-</b>	<b>21.25</b>	

### POSITION SUMMARY BY DIVISION

Classification	2023-2024 Positions	Additions/ Reductions	2025-2026 Positions
Municipal Court	21.25	-	21.25
<b>TOTAL</b>	<b>21.25</b>	<b>-</b>	<b>21.25</b>



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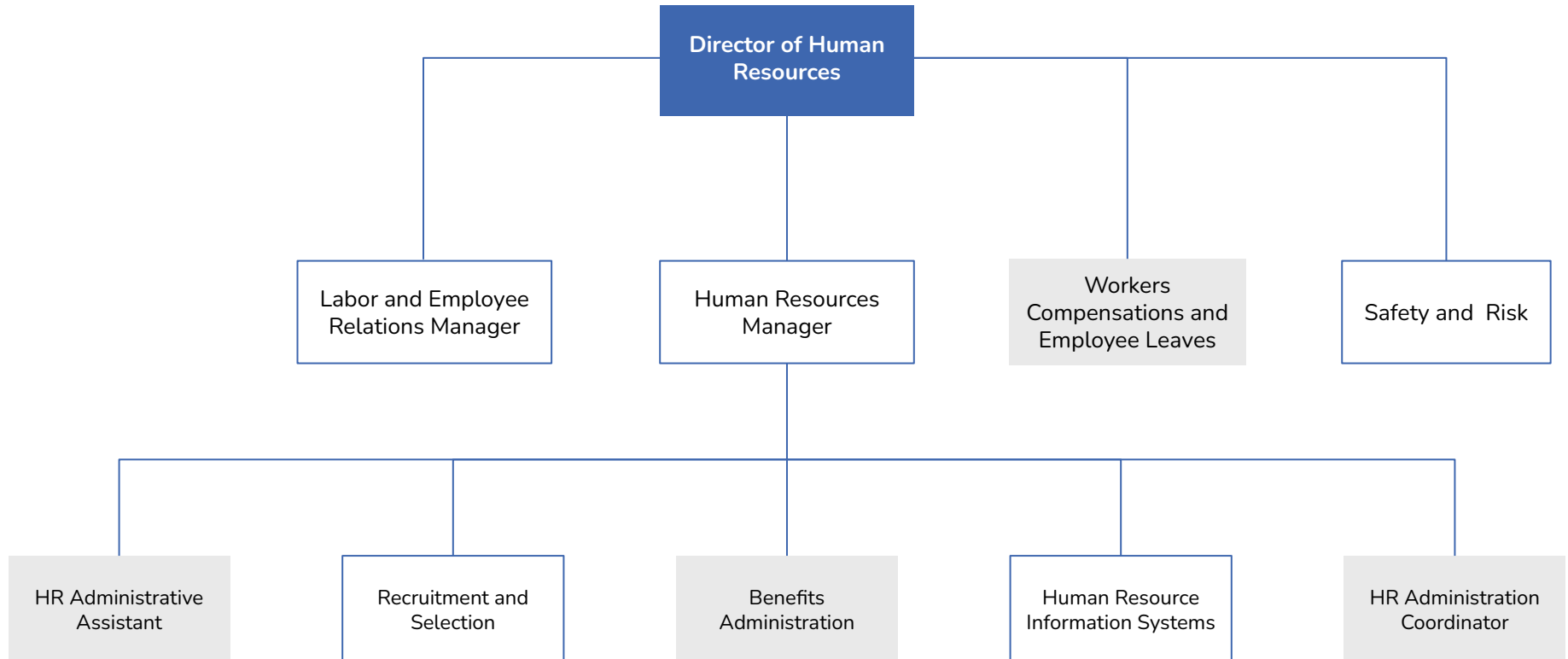


# Human Resources



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

### BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS

#### INCLUSIVE AND EQUITABLE COMMUNITY

- Fund a 1.0 FTE HR Analyst responsible for recruitment, including public safety, hiring, background checks, drafting offer letters compliant with CBAs, and supporting the Civil Service Commission. The position drives diversity recruitment through innovative outreach and advertising strategies, including collaboration with Public Safety Testing for public safety recruitments, \$299,307 ongoing. [25HR01]
- Fund a 1.0 LTE HR Assistant to provide customer service and clerical support related to meetings, special events, record keeping, and DEIB training, \$121,518 one-time. [25HR02]
- Provide one-time funding for the annual Women's Leadership Summit, the Leadership Bootcamp Pilot Program, Managing for Excellence, and DEIB training, \$50,000 one-time. [25HR03]
- Drive diversity recruitment through innovative outreach and advertising strategies, including collaboration with departments.
- Complete Diversity, Equity, Inclusion, and Belonging Training Program objectives, including Implicit Bias Training in collaboration with the DEIB Manager, utilizing local and national resources.
- Develop compliance procedures, programs, and tools to drive consistency and Equity in Human Resources practices, including creating an Employee Handbook, a more robust employee performance review program, and streamlined processes.

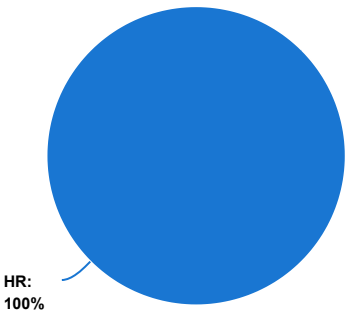
#### FINANCIAL STABILITY

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

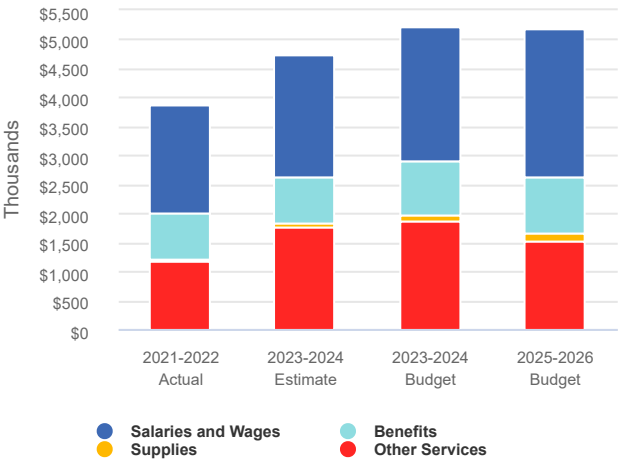
# Human Resources

## Financial Overview

Expenditures by Division



Expenditures by Category



### EXPENDITURE SUMMARY BY CATEGORY

	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
Salaries and Wages	1,861,526	2,098,451	2,298,465	2,570,909	11.85%
Benefits	804,464	791,851	928,731	972,177	4.68%
Supplies	51,219	85,497	117,846	121,880	3.42%
Other Services	1,166,362	1,746,955	1,864,935	1,531,743	(17.87%)
<b>TOTAL</b>	<b>3,883,571</b>	<b>4,722,754</b>	<b>5,209,977</b>	<b>5,196,709</b>	<b>(0.25%)</b>

### EXPENDITURE SUMMARY BY DIVISION

	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
HR	3,883,571	4,722,754	5,209,977	5,196,709	(0.25%)
<b>TOTAL</b>	<b>3,883,571</b>	<b>4,722,754</b>	<b>5,209,977</b>	<b>5,196,709</b>	<b>(0.25%)</b>

# Human Resources

## 2025-2026 Position Summary

### POSITION SUMMARY BY CLASSIFICATION

Classification	2023-2024 Positions	Additions/ Reductions	2025-2026 Positions	Budgeted 2025 Salary Range
HUMAN RESOURCES DIRECTOR	1.00	-	1.00	173,367 - 226,205
HUMAN RESOURCES MANAGER	1.00	-	1.00	126,956 - 165,649
LABOR AND EMPLOYEE RELATIONS MANAGER	1.00	-	1.00	126,956 - 165,649
HR ANALYST - HRIS	1.00	-	1.00	89,878 - 117,271
HR ANALYST - BENEFITS	1.00	-	1.00	89,878 - 117,271
HR ANALYST - COMPENSATION AND CLASSIFICATION	1.00	-	1.00	89,878 - 117,271
HR ANALYST - SAFETY AND RISK	1.00	-	1.00	89,878 - 117,271
HR ANALYST - RECRUITER	1.00	-	1.00	89,878 - 117,271
HR ANALYST	-	1.00	1.00	89,878 - 117,271
HUMAN RESOURCES COORDINATOR	1.00	-	1.00	79,576 - 103,828
<b>TOTAL</b>	<b>9.00</b>	<b>1.00</b>	<b>10.00</b>	

### POSITION SUMMARY BY DIVISION

Classification	2023-2024 Positions	Additions/ Reductions	2025-2026 Positions
Human Resources	9.00	1.00	10.00
<b>TOTAL</b>	<b>9.00</b>	<b>1.00</b>	<b>10.00</b>



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# City Attorney's Office

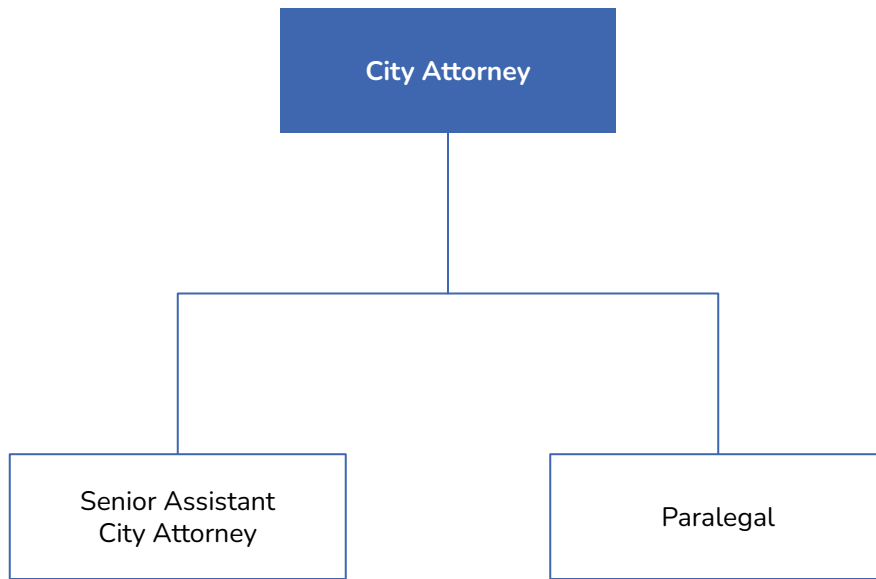


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# City Attorney's Office

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# City Attorney's Office

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## Department Overview

### MISSION

The City Attorney's Office mission is to provide quality legal advice and representation to the City in a timely, meaningful, and effective manner. The City Attorney's Office is committed to maintaining a positive and creative workplace while accomplishing work that advances the mission, vision, and values of the City of Kirkland.

### DEPARTMENT FUNCTIONS

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

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

### Budget Highlights and Relationship to Council Goals

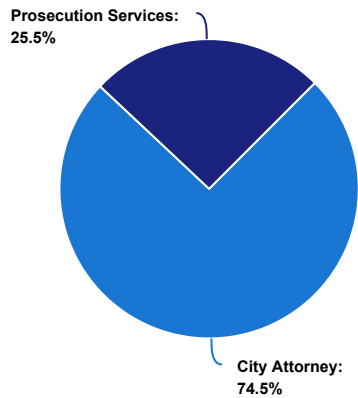
#### COMMUNITY SAFETY

- Litigation Reserve is to have a starting balance of \$100,000 as set by practice, which is revised down from \$150,000 from prior practice to account for new Assistant City Attorney FTE.
- Fund a 1.0 FTE Assistant City Attorney to right-size the CAO to help keep pace with population growth, internal department growth, enhanced services and programs, and an increasingly complex legal landscape, and reduce outside legal expenses, \$476,488 ongoing, offset by \$50,000 from Litigation Reserve in lieu of savings in litigation expenses. [25CA01]
- Continuation of legal services for Community Court.

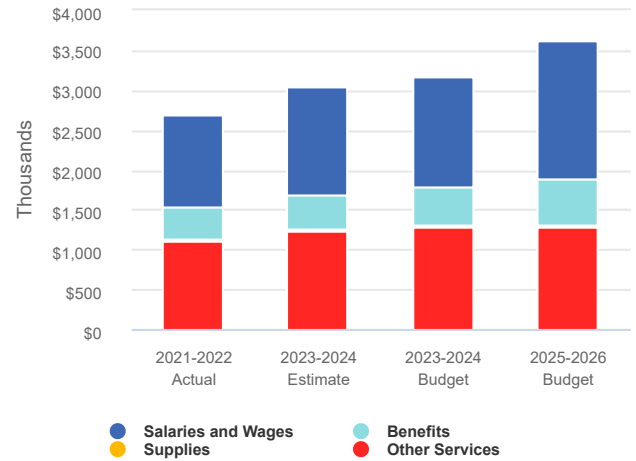
# City Attorney's Office

## Financial Overview

**Expenditures by Division**



**Expenditures by Category**



### EXPENDITURE SUMMARY BY CATEGORY

	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
Salaries and Wages	1,158,665	1,360,588	1,397,058	1,728,124	23.70%
Benefits	412,092	430,810	468,008	582,384	24.44%
Supplies	27,725	32,291	30,900	34,323	11.08%
Other Services	1,103,062	1,224,044	1,281,803	1,273,975	(0.61%)
Intergovernmental Services	870	-	-	-	
<b>TOTAL</b>	<b>2,702,414</b>	<b>3,047,733</b>	<b>3,177,769</b>	<b>3,618,806</b>	<b>13.88%</b>

### EXPENDITURE SUMMARY BY DIVISION

	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
City Attorney	1,900,071	2,138,283	2,255,769	2,696,806	19.55%
Prosecution Services	802,343	909,450	922,000	922,000	-%
<b>TOTAL</b>	<b>2,702,414</b>	<b>3,047,733</b>	<b>3,177,769</b>	<b>3,618,806</b>	<b>13.88%</b>

# City Attorney's Office

## 2025-2026 Position Summary

### POSITION SUMMARY BY CLASSIFICATION

Classification	2023-2024 Positions	Additions/ Reductions	2025-2026 Positions	Budgeted 2025 Salary Range
CITY ATTORNEY	1.00	-	1.00	183,755 - 239,758
SENIOR ASSISTANT CITY ATTORNEY	2.00	-	2.00	140,649 - 183,515
ASSISTANT CITY ATTORNEY	-	1.00	1.00	128,143 - 167,198
PARALEGAL	1.00	-	1.00	80,646 - 105,225
<b>TOTAL</b>	<b>4.00</b>	<b>1.00</b>	<b>5.00</b>	

### POSITION SUMMARY BY DIVISION

Classification	2023-2024 Positions	Additions/ Reductions	2025-2026 Positions
City Attorney	4.00	1.00	5.00
<b>TOTAL</b>	<b>4.00</b>	<b>1.00</b>	<b>5.00</b>



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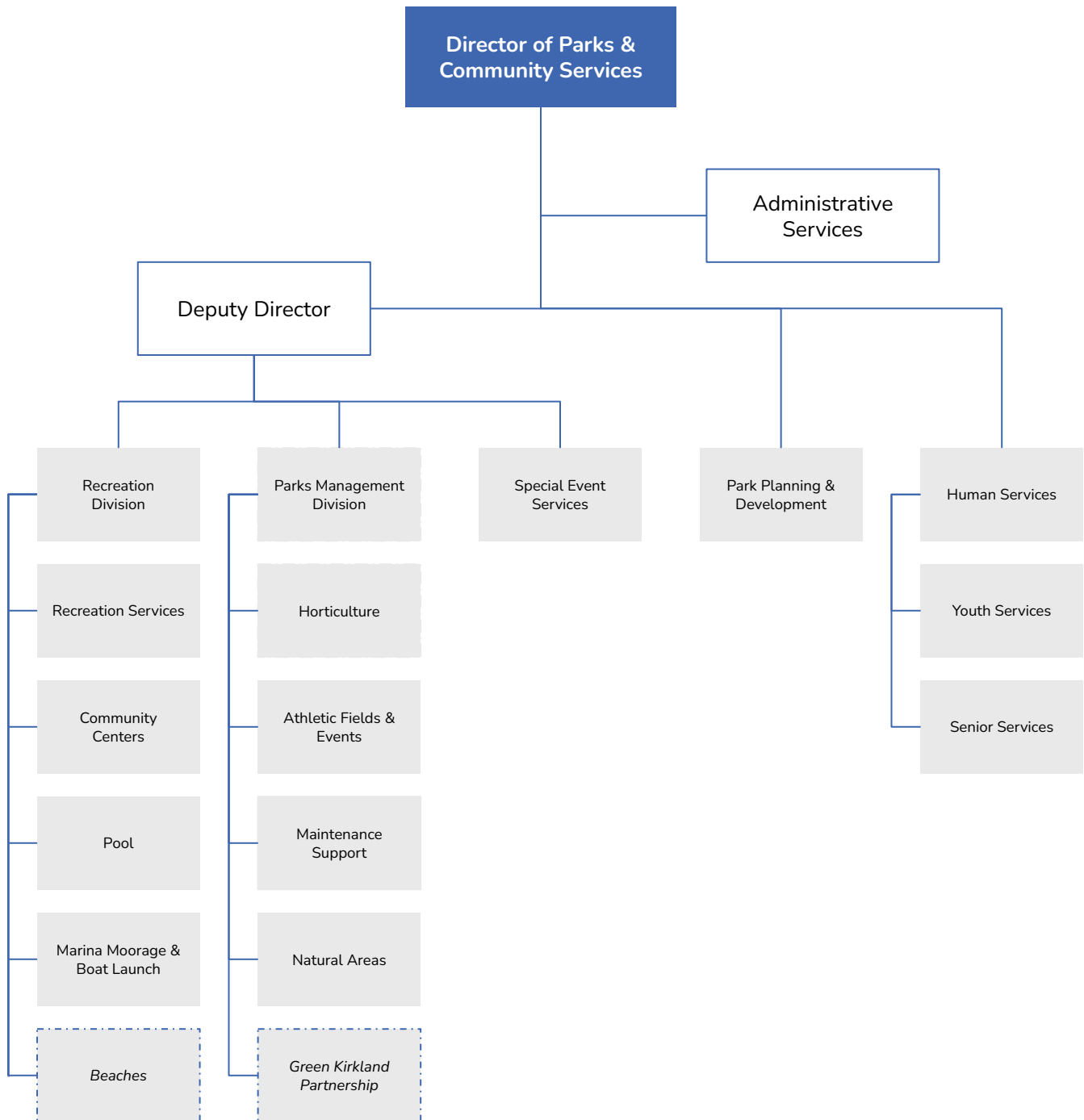
# Parks & Community Services





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# Parks & Community Services



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



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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 strategic 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 700 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 including the Harvest Festival, Dia de los Muertos, Lunar New Year, See Spot Splash, and more, \$21,684 ongoing, \$389,803 one-time, offset by \$240,000 in new program fees and rental revenues. [25PK01]
- Provide funding for the Kirkland Teen Union Building (KTUB) operations, including comprehensive programs and services for teens, a mental health clinician, expanded teen recreation programs, high school internships, mobile recreation, and day-time activation of the facility to expand youth camps, preschool programs, and adult programs. Youth Eastside Services (YES) and 4 Tomorrow are operating partners offering mental

# Parks & Community Services

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health services and art therapy, \$1,865,949 one-time, offset by \$811,292 in grants, new program fees, and rental revenues. [25PK05]

## SUPPORTIVE HUMAN SERVICES

- Human Services program grants funding totalling \$4.97 million for 2025-26. Of this, \$2,588,692 is ongoing base funding which includes \$83,570 in funding from CDBG (ARCH-related CDBG grants and Trust Fund allocations are listed under the Housing Goal) and \$159,128 in Multifamily Tax Exemption paid to the City to support the Eastside Women and Family Shelter. The \$4.97 million total grants funding also includes one-time funding for the following:
  - Human Services enhanced grant funding of \$1,268,628, one-time. [25PK06]
  - Kirkland Health and Wellness Fair to provide free access to healthcare services, including flu shots, basic screenings, dental procedures, and a community resource fair, \$100,000 one-time. [25PK08]
  - Human Services enhanced grant funding (Option C) of \$1,017,151, one-time.
- Fund a 1.0 LTE Senior Management Analyst in Parks and Community Services to advance projects pertaining to human services, homeless coordination, analysis for alternative funding sources, park safety, and overall department municipal codes, \$374,976 one-time. This position will also support developing the new parks community center should the partnership with the Seattle Kraken proceed in 2025. [25PK04]
- Add a 0.5 LTE Office Specialist to support the administrative infrastructure needed to continue the human service pooled fund agreement with eight neighboring cities, \$132,015 one-time, offset by \$58,268 in payments from participating cities and \$13,132 in expenditure savings. [25PK07]

Fund HART Team “flexible fund” to support initial immediate needs of those experiencing homelessness such as food, hotel vouchers, vehicle repairs, church partnerships and more, \$150,000 one-time. [25PK16]

- For further information on Human Services funding, see the related [Human Services Issue Paper](#).

## ABUNDANT PARKS, OPEN SPACES AND RECREATIONAL SERVICES

- Fund a 1.0 LTE Education and Outreach Coordinator for Parks and Community Services to continue and improve community outreach, engagement, and communications through the website, community outreach events, social media, signage, and promotional materials, \$335,791 one-time, offset by \$303,000 in new program fees and rental revenues. [25PK03]
- Capital investments of \$12.3 million in Kirkland’s parks, including \$3.7 million for Peter Kirk Pool Renovation and \$1.7 million for park playgrounds, sports courts, and amenity repair and replacement.

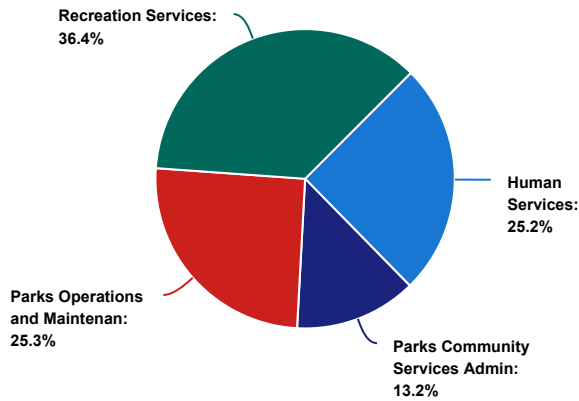
## THRIVING ECONOMY

- Continued operating support for the Kirkland Performance Center (KPC), \$100,000 one-time. [25PK02]

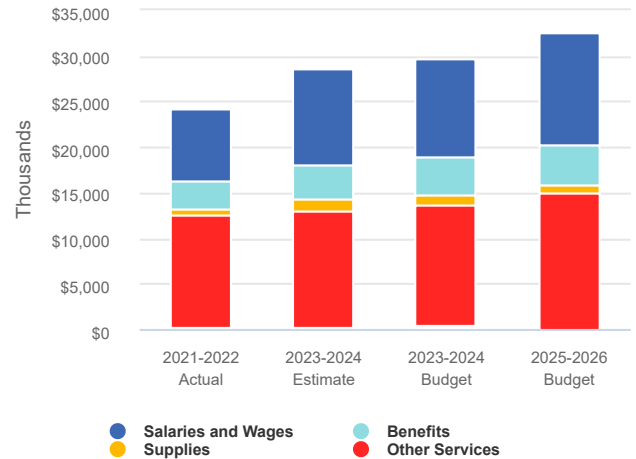
# Parks & Community Services

## Financial Overview

**Expenditures by Division**



**Expenditures by Category**



## EXPENDITURE SUMMARY BY CATEGORY

	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
Salaries and Wages	7,941,664	10,406,207	10,820,048	12,213,545	12.88%
Benefits	3,192,638	3,744,674	4,105,095	4,501,253	9.65%
Supplies	630,982	1,327,666	1,109,457	899,869	(18.89%)
Other Services	12,257,800	12,742,322	13,340,678	14,862,203	11.41%
Intergovernmental Services	35,043	35,341	67,000	68,850	2.76%
Interfund Transfers	241,614	269,765	269,765	-	(100.00%)
<b>TOTAL</b>	<b>24,299,741</b>	<b>28,525,974</b>	<b>29,712,043</b>	<b>32,545,720</b>	<b>9.54%</b>

## EXPENDITURE SUMMARY BY DIVISION

	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
Human Services	7,378,446	7,262,825	7,483,461	8,189,973	9.44%
Parks Community Services Admin	3,341,618	4,122,412	4,452,171	4,282,225	(3.82%)
Parks Operations and Maintenance	6,994,238	7,584,956	7,780,218	8,235,733	5.85%
Recreation Services	6,585,439	9,555,782	9,996,193	11,837,789	18.42%
<b>TOTAL</b>	<b>24,299,741</b>	<b>28,525,974</b>	<b>29,712,043</b>	<b>32,545,720</b>	<b>9.54%</b>

# Parks & Community Services

## 2025-2026 Position Summary

### POSITION SUMMARY BY CLASSIFICATION

Classification	2023-2024 Positions	Additions/ Reductions	2025-2026 Positions	Budgeted 2025 Salary Range
PARKS AND COMMUNITY SERVICES DIRECTOR	1.00	-	1.00	173,367 - 226,205
PARKS AND COMMUNITY SERVICES DEPUTY DIRECTOR	1.00	-	1.00	149,133 - 194,585
HUMAN SERVICES MANAGER	1.00	-	1.00	119,831 - 156,353
PARKS OPERATIONS MANAGER	1.00	-	1.00	115,160 - 150,258
RECREATION MANAGER	1.00	-	1.00	115,160 - 150,258
PARKS PLANNING AND DEVELOPMENT MANAGER	1.00	-	1.00	107,249 - 139,936
PARKS MAINTENANCE SUPERVISOR	1.00	-	1.00	95,967 - 125,215
CUSTOMER SERVICE SUPERVISOR	1.00	-	1.00	92,376 - 120,529
RECREATION SUPERVISOR	2.00	-	2.00	92,376 - 120,529
SPECIAL PROJECTS COORDINATOR	1.00	-	1.00	99,206 - 116,726
HOMELESS OUTREACH COORDINATOR	1.00	-	1.00	95,142 - 111,927
LEADPERSON	2.00	-	2.00	91,728 - 110,335
HUMAN SERVICES COORDINATOR - EQUITY	1.00	-	1.00	89,419 - 105,192
HUMAN SERVICES COORDINATOR - WELLBEING	1.00	-	1.00	89,419 - 105,192
PROGRAM COORDINATOR	7.00	-	7.00	86,994 - 102,346
SENIOR GROUNDSPERSON	8.00	-	8.00	79,855 - 97,258
FIELD ARBORIST	1.00	-	1.00	79,855 - 97,258
ADMINISTRATIVE ASSISTANT	1.00	-	1.00	75,926 - 89,316
GROUNDSPERSON	2.50	-	2.50	64,123 - 80,368
PARK RANGER	1.00	-	1.00	64,123 - 80,368
PROGRAM ASSISTANT	3.00	-	3.00	67,049 - 78,882
PARKS ACCOUNTS ASSOCIATE	0.50	-	0.50	66,769 - 78,570
OFFICE SPECIALIST	1.00	-	1.00	61,790 - 72,694
<b>TOTAL</b>	<b>41.00</b>	<b>-</b>	<b>41.00</b>	

### POSITION SUMMARY BY DIVISION

Classification	2023-2024 Positions	Additions/ Reductions	2025-2026 Positions
Human Services	5.00	-	5.00
Parks Community Services Administration	6.00	-	6.00
Parks Operations and Maintenance	17.00	-	17.00
Recreation Services	13.00	-	13.00
<b>TOTAL</b>	<b>41.00</b>	<b>-</b>	<b>41.00</b>



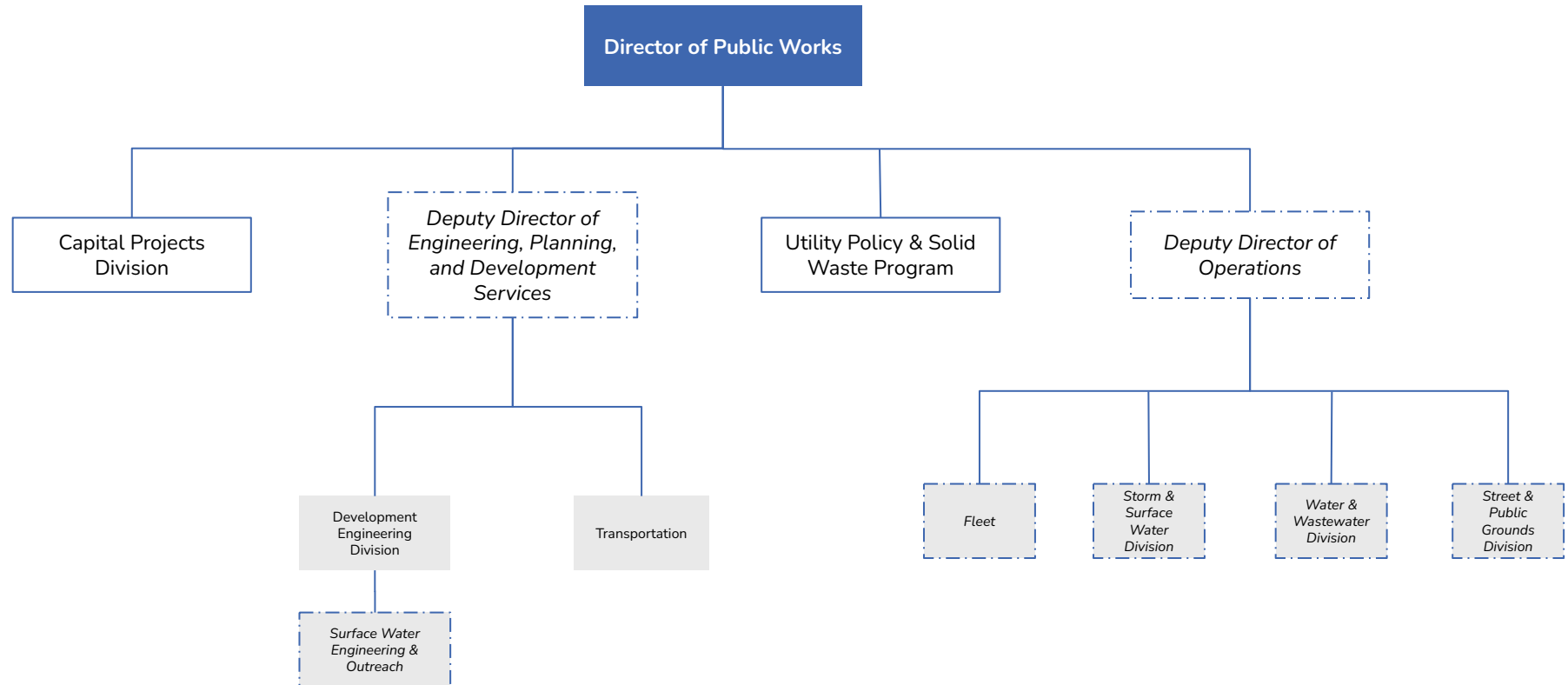


# Public Works



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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 local and state agencies to ensure the effective development and ongoing stewardship of public infrastructure, including systems for water distribution and fire protection, wastewater collection, surface water management, the urban forest, both motorized and non-motorized transportation, solid waste disposal and recycling, public grounds maintenance, and City fleet services.

#### Engineering & Programs Section

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

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

The **Development Services** Division handles the review, permitting, and inspection work for water, sewer, storm drainage, and roadway infrastructure projects initiated by private development and franchise utilities, and provides surface water engineering and program administration.

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

The **Transportation 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.

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

#### Operations & Maintenance Section

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

**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's right-of-way (ROW) and 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 ROW are also under the Division's care.

# Public Works

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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 well as the City's wastewater system. This includes collection pipes and maintenance hole cover and the system of interconnected pumping facilities and their controls.

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

## BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS

Beginning Fiscal Years 2023-2024, the Development Environmental Services Division operated 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 2021-2022, the 2023-2024 and 2025-2026 budget data can be found in the section mentioned above.

## VIBRANT NEIGHBORHOODS

- Add funding to procure a consultant to assist in developing a study for a portion of the community's idea for a "Juanita Public Pathway," specifically near Juanita High School. The study will assess the opportunities and challenges associated with siting a pedestrian or multi-use pathway in the vicinity, taking into account adjacent properties and other issues, one-time \$50,000. [25PW13]
- Add funding to procure a consultant to conduct a transit study in Kirkland to analyze data and identify opportunities and constraints in advocating for more and better transit service in Kirkland, one-time \$250,000. [25PW16]

## COMMUNITY SAFETY

- Continuation of an existing temporary Construction Inspector through December 2026 to support the Transportation Benefit District projects (TBD) suite of multi-modal safety projects, which are expected to be completed by the end of 2028. This position enhances inspection quality and consistency, balances staff workloads, and reduces project soft costs, one-time \$330,178, offset by \$330,178 in new Interfund CIP revenue. [25PW01]
- Add funding for Comprehensive Review of School Zone Signing and Automated Safety Camera Program in response to Council direction on an LRM presented on the topic in June 2024, one-time \$275,496, offset by \$275,496 of School Zone Safety Camera program revenues. [25PW15]

## BALANCED TRANSPORTATION

- Add funding to convert an existing Transportation Engineer to a Senior Transportation Engineer. The workload on this team necessitates a position that takes on more responsibility and who can act as a lead. Examples of job duties include review and oversight of transportation engineering work, providing technical guidance and decision-making, and mentoring of junior staff, ongoing \$48,296. [25PW07]
- Continue funding for the matching portion of the King County Metro Congestion Mitigation and Air Quality (CMAQ) Grant that the City of Kirkland receives to support the Kirkland Green Trip TDM work, one-time \$80,000. [25PW08]
- Fund safety enhancing Non-motorized Transportation CIP projects totaling \$5.4 million for 2025-2026 (\$1.0 million in external funding), including \$1.4 million for improvements on NE 128<sup>th</sup> Street between 116<sup>th</sup> Ave to Totem Lake Boulevard.

# Public Works

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- Fund Traffic Improvement CIP projects totaling \$4.8 million in 2025-2026, including \$2.0 million to complete intersection improvements at NE 112<sup>th</sup> Street, 80<sup>th</sup> Avenue NE and Juanita Drive NE.

## FINANCIAL STABILITY

- Add funding for consultant services to assist with capital grant applications. The demands of the grant process often mean that other critical responsibilities of this position either compete for time or do not get completed, depending on grant deadlines. Additionally, contributions from other divisions are required for narrative and technical content, which also places a strain on their staff and resources. If awarded, grants require additional management and oversight to execute agreements and ensure compliance with all requirements, one-time \$60,000, offset by \$60,000 in new Interfund CIP revenue. [25PW11]

## SUSTAINABLE ENVIRONMENT

- Continue providing ORCA transit passes to City employees to encourage transit ridership and meet Commute Trip Reduction (CTR) goals. Providing transit passes to all employees is an equitable way to ensure employees can safely and conveniently commute to work, one-time \$50,000. [25PW09]

## DEPENDABLE INFRASTRUCTURE

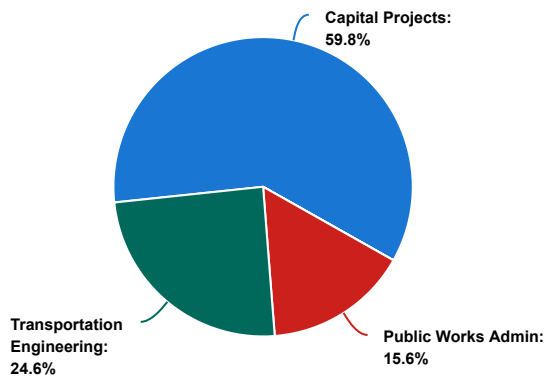
- Continuation of an existing temporary Business Analyst position supporting the implementation of the Project Management Software, PMWeb, through December 2025. This position through December will facilitate implementation, assess ongoing staffing needs, train new users, and build reports, one-time \$149,667, offset by \$149,667 in new Interfund CIP revenue. [25PW02]
- Add funding for the ongoing costs of the new Project Management Software, PMWeb, which exceeds the originally approved \$25K per year due to unforeseen expenses, ongoing \$200,000, offset by \$200,000 in new Interfund CIP revenue. [25PW03]
- Add funding for a 1.0 LTE temporary 85<sup>th</sup> WSDOT Project Coordinator to support the significant investments made in Kirkland by WSDOT and Sound Transit for the I-405/NE 85<sup>th</sup> St Interchange and BRT Station project and the I-405 Brickyard to SR527 improvement Project. With both projects valued at approximately \$550 million, they represent major undertakings that will greatly impact Kirkland and the surrounding region. A dedicated Project Manager with engineering and/or construction background who can effectively navigate the complexities and challenges associated with these projects is essential to the success of these projects, one-time \$397,246, offset by \$397,246 in new Interfund CIP revenue. [25PW10]



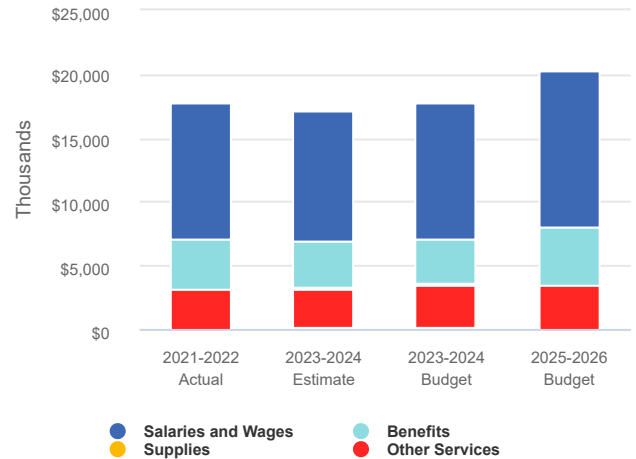
# Public Works

## Financial Overview

**Expenditures by Division**



**Expenditures by Category**



### EXPENDITURE SUMMARY BY CATEGORY

	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
Salaries and Wages	10,633,503	10,228,970	10,556,307	12,296,363	16.48%
Benefits	3,924,582	3,559,967	3,583,316	4,511,139	25.89%
Supplies	70,083	101,089	55,280	64,189	16.12%
Other Services	3,036,038	3,092,247	3,376,354	3,404,963	0.85%
Intergovernmental Services	3,377	2,752	2,600	2,600	-%
Capital Outlay	-	2,256	-	-	
Interfund Transfers	66,591	115,000	115,000	-	(100.00%)
<b>TOTAL</b>	<b>17,734,174</b>	<b>17,102,280</b>	<b>17,688,857</b>	<b>20,279,254</b>	<b>14.64%</b>

### EXPENDITURE SUMMARY BY DIVISION

	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
Capital Projects	7,201,409	10,403,693	10,469,972	12,144,330	15.99%
Development Environmental Svcs	5,926,914	-	50	-	(100.00%)
Public Works Admin	1,552,273	2,320,557	2,437,361	3,154,606	29.43%
Transportation Engineering	3,053,577	4,378,030	4,781,474	4,980,318	4.16%
<b>TOTAL</b>	<b>17,734,174</b>	<b>17,102,280</b>	<b>17,688,857</b>	<b>20,279,254</b>	<b>14.64%</b>



# Public Works

## 2025-2026 Position Summary

### POSITION SUMMARY BY CLASSIFICATION

Classification	2023-2024 Positions	Additions/ Reductions	2025-2026 Positions	Budgeted 2025 Salary Range
DIRECTOR OF PUBLIC WORKS	1.00	-	1.00	173,367 - 226,205
CAPITAL PROJECTS MANAGER	1.00	-	1.00	149,133 - 194,585
DEPUTY DIRECTOR OF ENGINEERING, PLANNING, AND DEVELOPMENT SERVICES	1.00	-	1.00	149,133 - 194,585
TRANSPORTATION MANAGER	1.00	-	1.00	137,489 - 179,392
CAPITAL PROJECTS SUPERVISOR	3.00	-	3.00	131,193 - 171,177
TRANSPORTATION ENGINEERING SUPERVISOR	1.00	-	1.00	128,679 - 167,896
SENIOR PROJECT ENGINEER	4.00	-	4.00	126,846 - 149,231
TRANSPORTATION ENGINEER	4.35	-	4.35	116,729 - 137,328
PROJECT ENGINEER	5.00	-	5.00	113,369 - 133,358
PROJECT ENGINEER - TRANSPORTATION BENEFIT DISTRICT	2.00	-	2.00	113,369 - 133,358
SENIOR CAPITAL PROJECT COORDINATOR	1.00	-	1.00	111,011 - 130,594
SENIOR FINANCIAL ANALYST	1.00	-	1.00	99,605 - 129,962
SENIOR FINANCIAL ANALYST - CIP	1.00	-	1.00	99,605 - 129,962
ENVIRONMENTAL REGULATIONS PLANNER	1.00	-	1.00	101,990 - 119,989
CAPITAL PROJECT COORDINATOR	1.00	-	1.00	101,651 - 119,585
TRANSPORTATION PLANNER	2.00	-	2.00	101,602 - 119,526
COMMUNITY ENGAGEMENT COORDINATOR	2.00	-	2.00	101,568 - 119,489
SENIOR CONSTRUCTION INSPECTOR	2.00	-	2.00	100,873 - 118,683
ASSOCIATE PROJECT ENGINEER	2.00	-	2.00	96,989 - 114,086
CONSTRUCTION INSPECTOR	1.00	-	1.00	96,093 - 113,049
TRANSPORTATION PROGRAM COORDINATOR	1.00	-	1.00	95,650 - 112,525
SAFETY AND TRAINING COORDINATOR	1.00	-	1.00	86,019 - 112,235
PROPERTY ANALYST	0.66	-	0.66	95,353 - 112,174
TRANSPORTATION ENGINEERING ANALYST	1.00	-	1.00	84,677 - 99,615
SENIOR ACCOUNTING ASSOCIATE	0.05	-	0.05	76,938 - 90,515
ADMINISTRATIVE ASSISTANT	2.00	-	2.00	75,926 - 89,316
<b>TOTAL</b>	<b>43.06</b>	<b>-</b>	<b>43.06</b>	

### POSITION SUMMARY BY DIVISION

Classification	2023-2024 Positions	Additions/ Reductions	2025-2026 Positions
Capital Projects	27.00	-	27.00
Public Works Administration	5.71	-	5.71
Transportation Engineering	10.35	-	10.35
<b>TOTAL</b>	<b>43.06</b>	<b>-</b>	<b>43.06</b>



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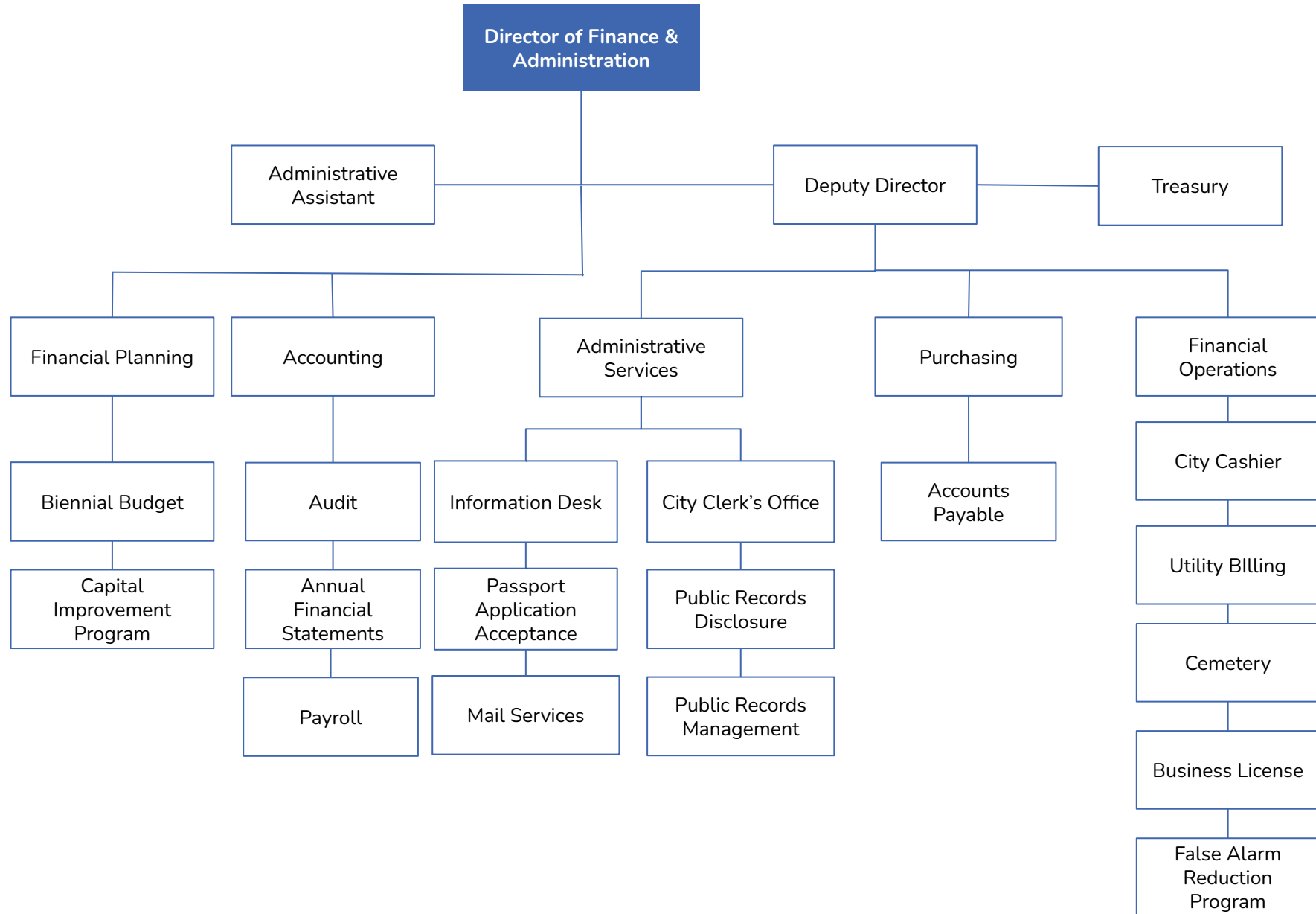


# Finance & Administration



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# Finance & Administration





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# Finance & Administration

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## 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

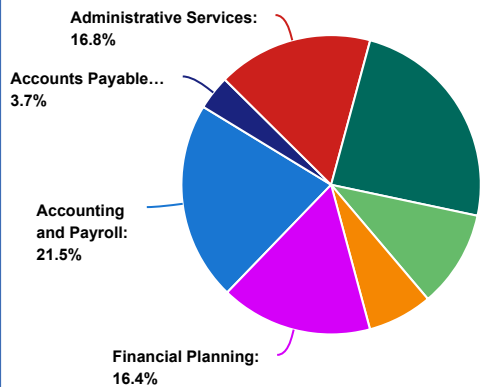
#### FINANCIAL STABILITY

- 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.

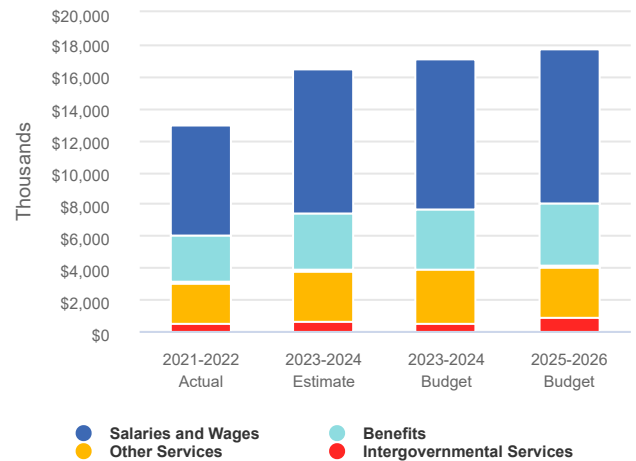
# Finance & Administration

## Financial Overview

**Expenditures by Division**



**Expenditures by Category**



### EXPENDITURE SUMMARY BY CATEGORY

	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
Salaries and Wages	6,882,185	8,982,058	9,402,407	9,695,165	3.11%
Benefits	2,985,588	3,622,482	3,760,954	3,990,116	6.09%
Supplies	42,654	51,402	33,806	32,314	(4.41%)
Other Services	2,551,093	3,132,548	3,349,396	3,190,312	(4.75%)
Intergovernmental Services	493,414	676,849	552,765	879,360	59.08%
<b>TOTAL</b>	<b>12,954,935</b>	<b>16,465,338</b>	<b>17,099,328</b>	<b>17,787,267</b>	<b>4.02%</b>

### EXPENDITURE SUMMARY BY DIVISION

	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
Accounting and Payroll	2,900,460	3,489,003	3,548,387	3,832,521	8.01%
Accounts Payable & Purchasing	638,853	627,756	629,151	666,123	5.88%
Administrative Services	1,707,333	2,570,061	2,594,358	2,982,916	14.98%
Customer Accounts	3,405,808	3,948,435	4,293,108	4,283,884	(0.21%)
Finance Administration General	1,471,441	1,743,002	1,677,180	1,866,923	11.31%
Financial Operations	499,722	1,168,531	1,327,606	1,238,902	(6.68%)
Financial Planning	2,331,318	2,918,549	3,029,538	2,915,998	(3.75%)
<b>TOTAL</b>	<b>12,954,935</b>	<b>16,465,338</b>	<b>17,099,328</b>	<b>17,787,267</b>	<b>4.02%</b>



# Finance & Administration

## 2025-2026 Position Summary

### POSITION SUMMARY BY CLASSIFICATION

Classification	2023-2024 Positions	Additions/ Reductions	2025-2026 Positions	Budgeted 2025 Salary Range
FINANCE DIRECTOR	1.00	-	1.00	173,367 - 226,205
DEPUTY DIRECTOR FINANCE AND ADMINISTRATION	1.00	-	1.00	149,133 - 194,585
FINANCIAL PLANNING MANAGER	1.00	-	1.00	127,813 - 166,767
ACCOUNTING MANAGER	1.00	-	1.00	127,257 - 166,041
FINANCIAL OPERATIONS MANAGER	1.00	-	1.00	121,645 - 158,719
ADMINISTRATIVE SERVICES MANAGER	1.00	-	1.00	121,645 - 158,719
CITY CLERK	1.00	-	1.00	115,046 - 150,109
FINANCIAL PLANNING SUPERVISOR	1.00	-	1.00	109,602 - 143,006
SENIOR FINANCIAL ANALYST	2.00	-	2.00	99,605 - 129,962
CUSTOMER ACCOUNTS SUPERVISOR	1.00	-	1.00	92,376 - 120,529
SENIOR ACCOUNTANT	2.00	-	2.00	99,315 - 116,848
PURCHASING AGENT	1.00	-	1.00	98,211 - 115,528
DEPUTY CITY CLERK	2.00	-	2.00	88,351 - 103,937
BUDGET ANALYST	2.00	-	2.00	88,351 - 103,937
BUSINESS ANALYST	1.00	-	1.00	86,624 - 103,936
ACCOUNTANT	2.50	-	2.50	88,279 - 103,862
PAYROLL ANALYST	2.00	-	2.00	84,962 - 99,950
PAYROLL ANALYST OVERHIRE	1.00	-	1.00	84,962 - 99,950
BUYER	1.00	-	1.00	78,222 - 92,026
CUSTOMER ACCOUNTS LEAD	1.00	-	1.00	77,476 - 91,149
SENIOR ACCOUNTING ASSOCIATE - CIP	2.00	-	2.00	76,938 - 90,515
SENIOR ACCOUNTING ASSOCIATE	1.00	-	1.00	76,938 - 90,515
ADMINISTRATIVE ASSISTANT	1.00	-	1.00	75,926 - 89,316
ACCOUNTING SUPPORT ASSOCIATE IV	2.00	-	2.00	69,127 - 81,325
CUSTOMER ACCOUNTS ASSOCIATE - BUSINESS LICENSING	2.00	-	2.00	67,596 - 79,512
CUSTOMER ACCOUNTS ASSOCIATE	7.00	-	7.00	66,741 - 78,519
OFFICE SPECIALIST	4.00	-	4.00	61,790 - 72,694
MAIL CLERK	1.00	-	1.00	53,198 - 62,553
<b>TOTAL</b>	<b>46.50</b>	<b>-</b>	<b>46.50</b>	

### POSITION SUMMARY BY DIVISION

Classification	2023-2024 Positions	Additions/ Reductions	2025-2026 Positions
Accounting and Payroll	10.50	-	10.50
Accounts Payable & Purchasing	2.00	-	2.00
Administrative Services	7.75	-	7.75
Customer Accounts	11.25	-	11.25
Finance Administration General	3.00	-	3.00
Financial Operations	4.00	-	4.00
Financial Planning	8.00	-	8.00
<b>TOTAL</b>	<b>46.50</b>	<b>-</b>	<b>46.50</b>



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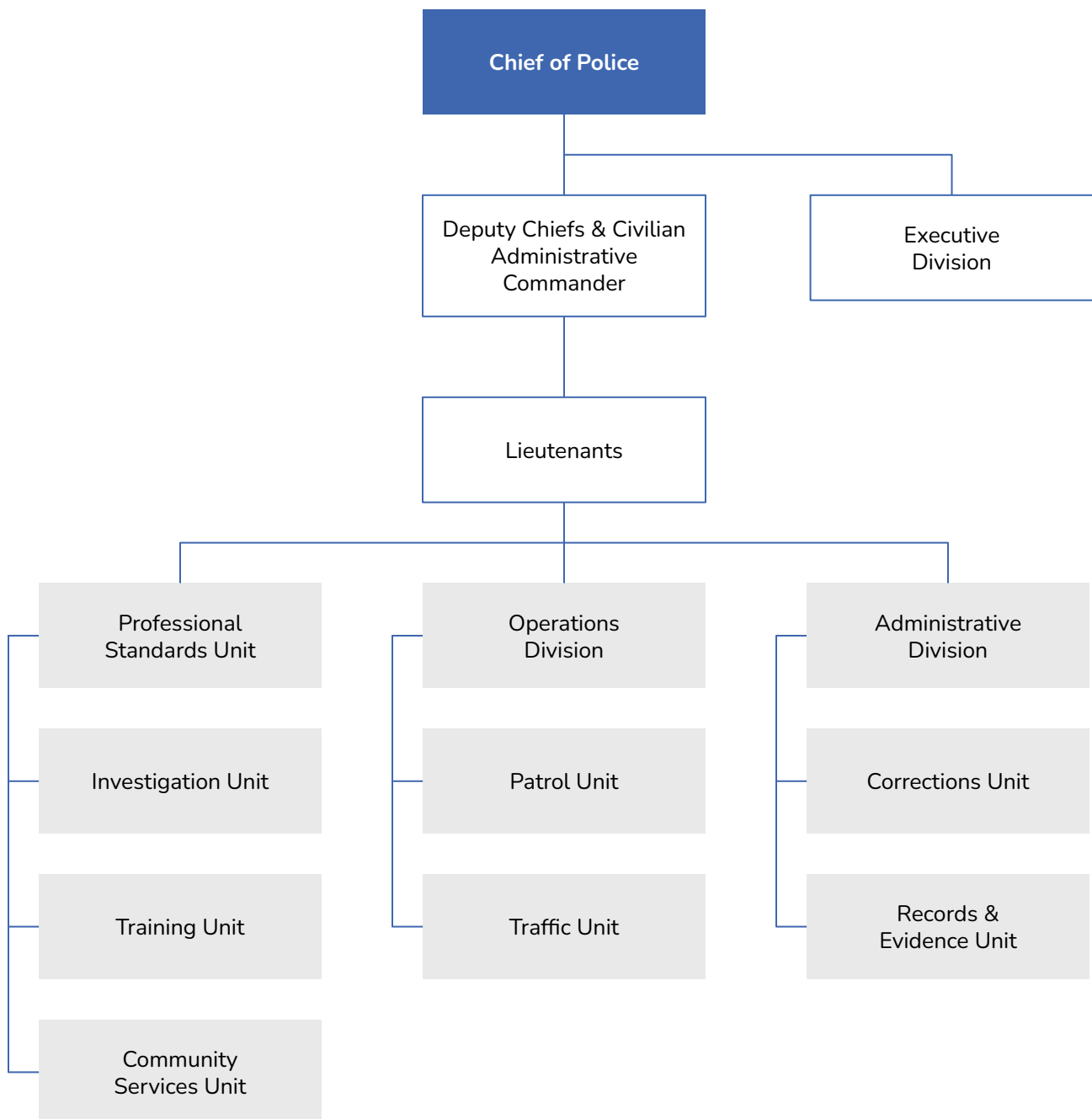


Police



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

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

## Budget Highlights and Relationship to Council Goals

### COMMUNITY SAFETY

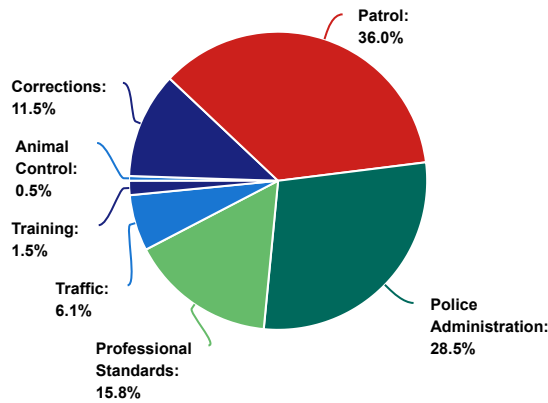
- Funding to reclassify an existing Community Resource Officer position that is currently vacant to a third Operations Lieutenant, \$461,054 ongoing, \$80,898 one-time, offset by \$541,952 in revenue from the School Zone Safety Camera Program. [25PD01]
- Special Projects Coordinator to address increased workload associated with the School Zone Safety Camera program, \$354,456 ongoing, \$17,098 one-time, offset by \$371,554 in revenue from the School Zone Safety Camera Program. [25PD02]



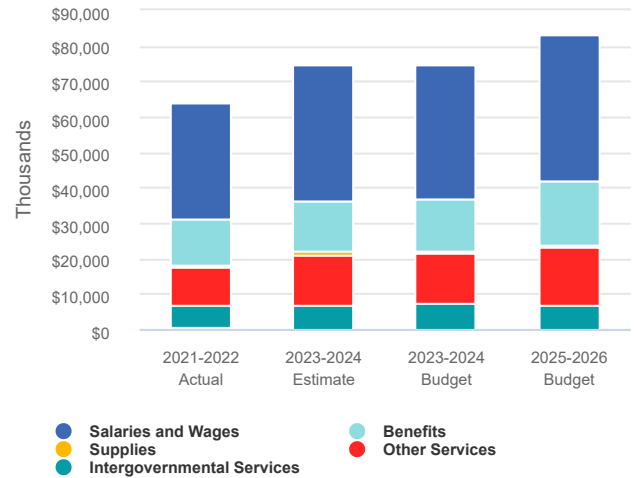
# Police

## Financial Overview

**Expenditures by Division**



**Expenditures by Category**



### EXPENDITURE SUMMARY BY CATEGORY

	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
Salaries and Wages	32,848,267	38,013,058	38,228,489	41,407,904	8.32%
Benefits	12,885,347	14,626,788	14,547,782	17,838,824	22.62%
Supplies	778,254	962,672	807,640	934,448	15.70%
Other Services	10,959,850	14,120,143	13,893,015	16,000,543	15.17%
Intergovernmental Services	6,137,859	6,615,087	7,295,629	6,876,119	(5.75%)
Capital Outlay	28,136	-	-	-	
Interfund Transfers	362,291	170,206	183,720	52,056	(71.67%)
<b>TOTAL</b>	<b>64,000,004</b>	<b>74,507,953</b>	<b>74,956,275</b>	<b>83,109,894</b>	<b>10.88%</b>

### EXPENDITURE SUMMARY BY DIVISION

	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
Animal Control	294,481	299,119	438,683	433,306	(1.23%)
Corrections	6,886,845	8,331,443	8,830,686	9,576,340	8.44%
Patrol	23,556,832	27,844,550	27,679,853	29,907,078	8.05%
Police Administration	18,376,904	21,419,539	21,658,019	23,704,143	9.45%
Professional Standards	10,232,536	11,294,755	10,592,459	13,144,111	24.09%
Traffic	3,249,169	3,863,413	4,062,295	5,058,857	24.53%
Training	1,403,237	1,455,134	1,694,280	1,286,059	(24.09%)
<b>TOTAL</b>	<b>64,000,004</b>	<b>74,507,953</b>	<b>74,956,275</b>	<b>83,109,894</b>	<b>10.88%</b>

# Police

## 2025-2026 Position Summary

### POSITION SUMMARY BY CLASSIFICATION

Classification	2023-2024 Positions	Additions/ Reductions	2025-2026 Positions	Budgeted 2025 Salary Range
CHIEF OF POLICE	1.00	-	1.00	183,755 - 239,758
DEPUTY CHIEF OF PROFESSIONAL STANDARDS	1.00	-	1.00	166,742 - 217,560
DEPUTY CHIEF OF OPERATIONS	1.00	-	1.00	166,742 - 217,560
CIVILIAN ADMINISTRATIVE COMMANDER	1.00	-	1.00	149,133 - 194,585
OPERATIONS LIEUTENANT	2.00	1.00	3.00	147,477 - 190,278
ADMINISTRATIVE LIEUTENANT	1.00	-	1.00	147,477 - 190,278
INVESTIGATIONS LIEUTENANT	1.00	-	1.00	147,477 - 190,278
RISK MANAGEMENT LIEUTENANT	1.00	-	1.00	147,477 - 190,278
CORRECTIONS MANAGER	1.00	-	1.00	138,964 - 181,316
DETECTIVE SERGEANT	1.00	-	1.00	155,637 - 159,766
TRAFFIC SERGEANT	1.00	-	1.00	154,154 - 158,245
PRO-ACT SERGEANT	1.00	-	1.00	152,672 - 156,723
CSU SERGEANT	1.00	-	1.00	151,190 - 155,201
TRAINING SERGEANT	1.00	-	1.00	151,190 - 155,201
PATROL SERGEANT	6.00	-	6.00	148,225 - 152,158
DETECTIVE CORPORAL	2.00	-	2.00	141,837 - 146,017
TRAFFIC CORPORAL	1.00	-	1.00	140,486 - 144,626
PRO-ACT CORPORAL	1.00	-	1.00	139,135 - 143,235
CSU CORPORAL	1.00	-	1.00	137,784 - 141,845
PATROL CORPORAL	9.00	-	9.00	135,083 - 139,063
DETECTIVE	9.00	-	9.00	116,162 - 132,426
FAMILY VIOLENCE OFFICER	2.00	-	2.00	116,162 - 132,426
TRAFFIC OFFICER	5.00	-	5.00	115,056 - 131,165
K-9 OFFICER	1.00	-	1.00	115,056 - 131,165
PRO-ACT OFFICER	4.00	-	4.00	113,949 - 129,904
NEIGHBORHOOD RESOURCE OFFICER	3.00	-	3.00	112,843 - 128,643
COMMUNITY RESOURCE OFFICER	3.00	-	3.00	112,843 - 128,643
TRAINING OFFICER	1.00	-	1.00	112,843 - 128,643
LE REFORM TRAINING OFFICER	1.00	-	1.00	112,843 - 128,643
PATROL OFFICER	45.00	-	45.00	96,731 - 126,120
PATROL OFFICER OVERHIRE	4.00	-	4.00	96,731 - 126,120
PATROL OFFICER - PROP 1	1.00	-	1.00	96,731 - 126,120
PSA SUPERVISOR	1.00	-	1.00	90,389 - 117,937
SPECIAL PROJECTS COORDINATOR - SCHOOL ZONE	-	1.00	1.00	99,206 - 116,726
ADMINISTRATIVE SUPERVISOR	1.00	-	1.00	89,071 - 116,218
CORRECTIONS SERGEANT	2.00	-	2.00	86,118 - 107,505
POLICE ANALYST	1.00	-	1.00	85,992 - 107,360

# Police

## 2025-2026 Position Summary

### POSITION SUMMARY BY CLASSIFICATION (CONTINUED)

Classification	2023-2024 Positions	Additions/ Reductions	2025-2026 Positions	Budgeted 2025 Salary Range
POLICE ANALYST - PROP 1	1.00	-	1.00	85,992 - 107,360
CORRECTIONS CORPORAL	4.00	-	4.00	79,261 - 98,956
FAMILY/YOUTH ADVOCATE	1.00	-	1.00	78,516 - 98,018
QUARTERMASTER	1.00	-	1.00	77,082 - 96,235
POLICE PUBLIC DISCLOSURE ANALYST	1.00	-	1.00	76,628 - 95,668
POLICE DISCLOSURE ANALYST BWC	1.00	-	1.00	76,628 - 95,668
PD ADMINISTRATIVE ASSISTANT	1.00	-	1.00	73,867 - 92,210
ANIMAL CONTROL OFFICER	1.00	-	1.00	73,122 - 91,283
COURT SECURITY OFFICER	1.00	-	1.00	72,890 - 90,998
CORRECTIONS OFFICER	13.00	-	13.00	72,171 - 90,100
EVIDENCE TECHNICIAN	3.00	-	3.00	70,270 - 87,741
POLICE SUPPORT ASSOCIATE LEAD	1.00	-	1.00	86,880 - 86,880
PARKING ENFORCEMENT OFFICER 2	1.00	-	1.00	66,529 - 83,060
POLICE SUPPORT ASSOCIATE	6.00	-	6.00	62,847 - 78,455
CORRECTIONS ADMINISTRATIVE SUPPORT ASSOCIATE	1.00	-	1.00	62,847 - 78,455
ADMINISTRATIVE SUPPORT ASSOCIATE	1.00	-	1.00	62,847 - 78,455
PARKING ENFORCEMENT OFFICER	2.00	-	2.00	60,481 - 75,509
<b>TOTAL</b>	<b>159.00</b>	<b>2.00</b>	<b>161.00</b>	

### POSITION SUMMARY BY DIVISION

Classification	2023-2024 Positions	Additions/ Reductions	2025-2026 Positions
Animal Control	1.00	-	1.00
Corrections	20.00	-	20.00
Patrol	70.00	-	70.00
Police Administration	31.00	2.00	33.00
Professional Standards	25.00	-	25.00
Traffic	9.00	-	9.00
Training	3.00	-	3.00
<b>TOTAL</b>	<b>159.00</b>	<b>2.00</b>	<b>161.00</b>



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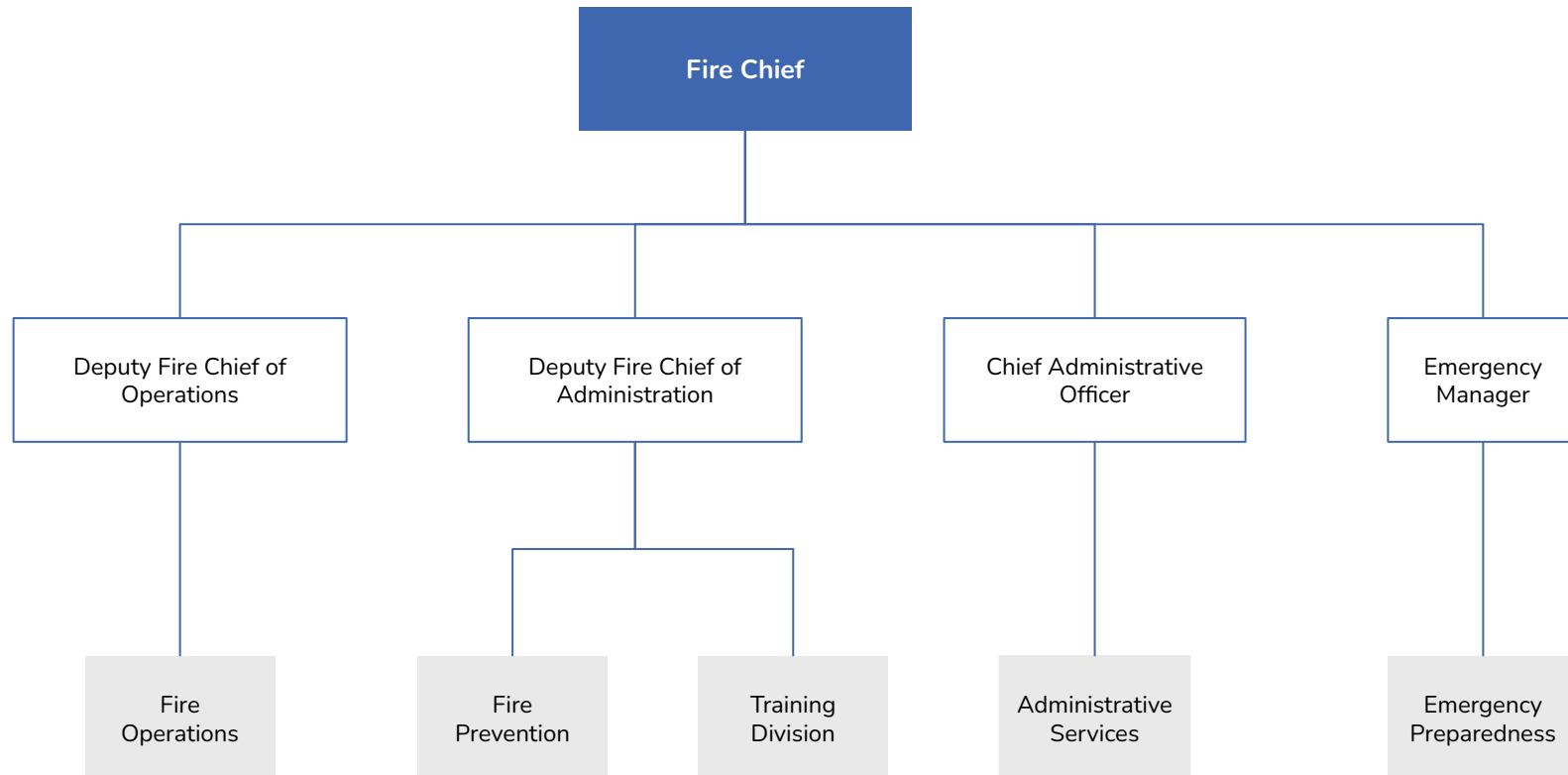


# Fire



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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

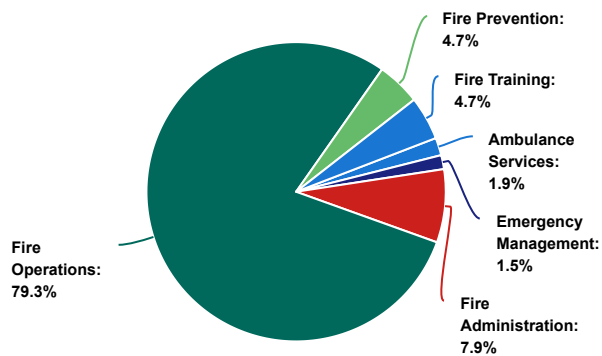
### COMMUNITY SAFETY

- Purchase of a second ladder truck to increase fire and rescue capabilities, especially in commercial centers and to improve the City's WSRB safety rating, \$2,500,000 one-time, offset by \$682,360 in expenditure savings and \$1,817,640 in Fire Prop. 1 funds. [25FD01]
- Increase OEM Office Specialist position to 1.0 LTE to build additional response capability for the City and lead the S.T.A.R.S. employee preparedness campaign, \$220,900 one-time. [25FD02]
- Sustainment of the City Unmanned Aerial Systems Program, funding the required software tracking resource and addressing equipment and pilot maintenance, providing support to Public Works, Fire, and Police, with allowed use by all departments. The Police portion of the program supports a higher level of safety for all community members through situational awareness and identification of bad actors that intend to harm the public, property, or environment, \$29,600 ongoing, offset by \$9,864 in Fire Prop. 1 funds and \$9,868 in Police Prop. 1 funds. [25FD03]
- One time cost to move to a new scheduling software that provides automated OT call outs and timecard functionality, helping prevent any reduced capacity for emergency response, \$50,000 one-time, offset by \$50,000 in Fire Prop. 1 funds. [25FD04]
- Funding for an application that helps manage the assignment of units in an emergency scene, increases responder safety and accountability, and aids efforts to collaborate on incidents with regional incident response partners, \$9,500 ongoing, offset by \$9,500 in Fire Prop. 1 funds. [25FD07]
- Funding to replace existing community reader boards, as well as place new boards at new Fire Stations and the NKCC. This provides the opportunity for the City to share daily and emergency messaging at no cost to the public. During times of crisis these boards provide a redundant method of providing vital information to direct response and recovery, \$80,000 one-time, offset by \$80,000 in Fire Prop. 1 funds. [25FD09]
- Provide financing for Fire Department CIP projects totaling \$1.1 million for 2025-2026, including \$500,000 for Training Capacity Improvements at Fire Station 24.

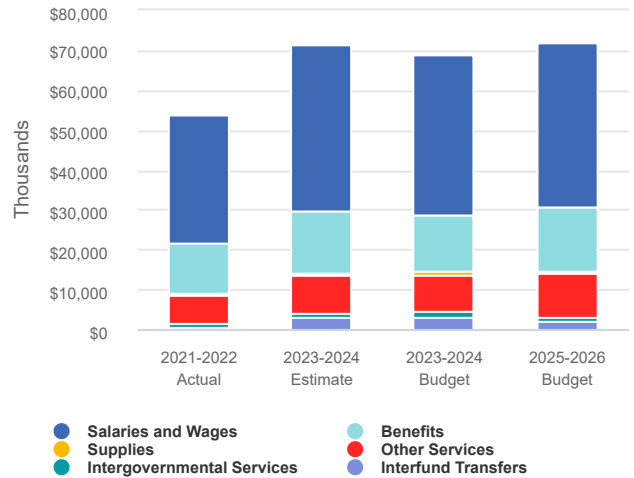
# Fire

## Financial Overview

**Expenditures by Division**



**Expenditures by Category**



### EXPENDITURE SUMMARY BY CATEGORY

	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
Salaries and Wages	32,121,840	42,062,523	40,162,976	41,581,987	3.53%
Benefits	12,394,797	15,436,729	14,333,985	15,861,792	10.66%
Supplies	703,297	767,497	853,656	773,353	(9.41%)
Other Services	7,052,193	9,233,362	9,191,118	10,754,312	17.01%
Intergovernmental Services	1,100,939	1,251,320	1,308,119	1,304,909	(0.25%)
Interfund Transfers	349,011	2,900,473	3,091,000	1,817,640	(41.20%)
<b>TOTAL</b>	<b>53,722,078</b>	<b>71,651,904</b>	<b>68,940,854</b>	<b>72,093,993</b>	<b>4.57%</b>

### EXPENDITURE SUMMARY BY DIVISION

	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
Ambulance Services	227,228	1,082,637	1,229,966	1,401,644	13.96%
Emergency Management	884,187	1,040,848	1,018,101	1,068,754	4.98%
Fire Administration	3,711,130	5,106,813	4,941,739	5,724,421	15.84%
Fire Operations	44,230,052	57,640,842	55,097,419	57,053,291	3.55%
Fire Prevention	2,640,073	3,403,149	3,137,829	3,423,730	9.11%
Fire Training	2,029,407	3,377,614	3,515,800	3,422,153	(2.66%)
<b>TOTAL</b>	<b>53,722,078</b>	<b>71,651,904</b>	<b>68,940,854</b>	<b>72,093,993</b>	<b>4.57%</b>

# Fire

## 2025-2026 Position Summary

### POSITION SUMMARY BY CLASSIFICATION

Classification	2023-2024 Positions	Additions/ Reductions	2025-2026 Positions	Budgeted 2025 Salary Range
FIRE CHIEF	1.00	-	1.00	183,755 - 239,758
DEPUTY FIRE CHIEF	2.00	-	2.00	166,742 - 217,560
CHIEF ADMINISTRATIVE OFFICER	1.00	-	1.00	149,133 - 194,585
FIRE MARSHALL	1.00	-	1.00	174,863 - 183,669
BATTALION CHIEF	4.00	-	4.00	174,863 - 183,669
FIRE CAPTAIN	13.00	-	13.00	155,993 - 164,799
ASSISTANT FIRE MARSHAL	1.00	-	1.00	155,993 - 164,799
EMERGENCY MANAGER	1.00	-	1.00	123,862 - 161,612
FIRE INSPECTOR	4.00	-	4.00	145,929 - 152,219
FIRE LIEUTENANT TRAINING	1.00	-	1.00	145,929 - 152,219
FIRE LIEUTENANT	10.00	-	10.00	138,381 - 144,671
FIRE BUSINESS OPERATIONS SUPERVISOR	-	1.00	1.00	108,820 - 141,986
FIREFIGHTER	94.00	-	94.00	93,093 - 125,801
FIREFIGHTER - MIH	1.00	-	1.00	93,093 - 125,801
ADMINISTRATIVE SUPERVISOR	1.00	(1.00)	-	89,071 - 116,218
CLINICAL SOCIAL WORK COORDINATOR	1.00	-	1.00	98,802 - 115,445
EMERGENCY PREP COORDINATOR	1.00	-	1.00	90,825 - 106,853
ADMINISTRATIVE ASSISTANT	1.00	-	1.00	75,926 - 89,316
TRAINING DIVISION ADMINISTRATIVE ASSISTANT	1.00	-	1.00	75,926 - 89,316
PERMIT TECHNICIAN	1.00	-	1.00	72,012 - 84,715
OFFICE SPECIALIST	1.00	-	1.00	61,790 - 72,694
<b>TOTAL</b>	<b>141.00</b>	<b>-</b>	<b>141.00</b>	

### POSITION SUMMARY BY DIVISION

Classification	2023-2024 Positions	Additions/ Reductions	2025-2026 Positions
Ambulance Services	3.00	-	3.00
Emergency Management	2.00	-	2.00
Fire Administration	9.00	-	9.00
Fire Operations	117.00	-	117.00
Fire Prevention	6.00	-	6.00
Fire Training	4.00	-	4.00
<b>TOTAL</b>	<b>141.00</b>	<b>-</b>	<b>141.00</b>



# 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.

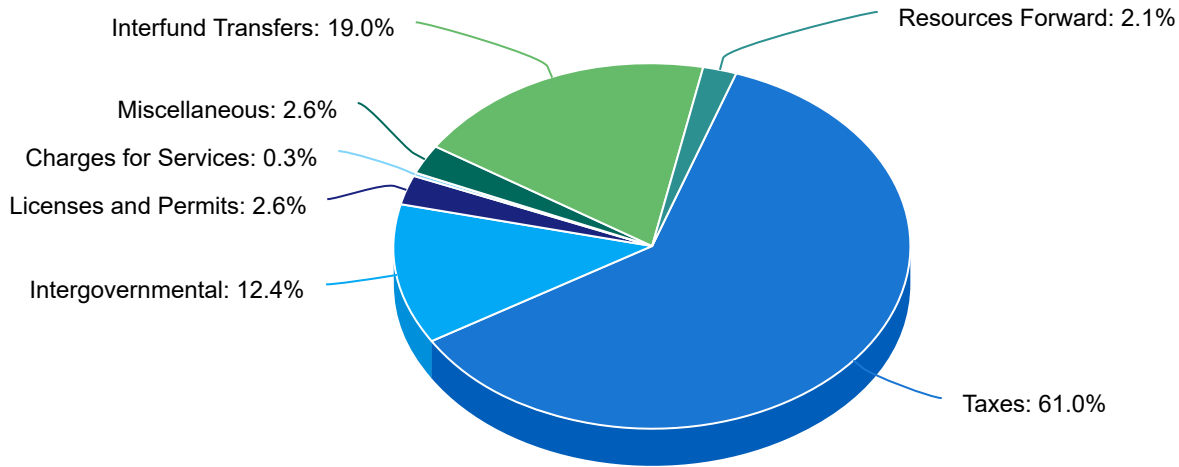


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## Street Operating Revenue Summary

\$29,864,791



Taxes including Property Tax and Transportation Benefit District Vehicle Fees comprise 61.0 percent of all Street Operating Fund revenues. Followed by Intergovernmental Revenues 12.4 percent which includes Multimodal Transportation and Motor Vehicle Fuel Tax (MVFT - Gas Tax). Charges for Services comprise 0.3 percent of total revenues and includes street sign fees. License and Permits include Street Cut Permit revenues and make up 2.6 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	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
<b>Taxes</b>						
Prop Tax	311101	6,870,434	7,259,184	7,283,046	7,664,728	5.24%
Prop Tax 12 Road	311105	7,411,695	7,830,101	7,854,981	8,268,444	5.26%
Rev Gen Reg License	316101	540,000	1,540,000	1,540,000	-	(100.00%)
TBD Vehicle Fees	317600	-	1,272,236	1,272,236	2,582,766	103.01%
<b>Total for Taxes</b>		<b>14,822,130</b>	<b>17,901,521</b>	<b>17,950,263</b>	<b>18,515,938</b>	<b>3.15%</b>
<b>License and Permits</b>						
Street Cut Permit	322404	761,864	834,388	710,000	780,000	9.86%
<b>Total for License and Permits</b>		<b>761,864</b>	<b>834,388</b>	<b>710,000</b>	<b>780,000</b>	<b>9.86%</b>
<b>Intergovernmental Revenue</b>						
Multimodal Transportation	336007	244,231	245,555	240,000	245,644	2.35%
MVFT-City Street	336008	3,479,635	3,507,310	4,158,762	3,516,376	(15.45%)
<b>Total for Intergovernmental Revenue</b>		<b>3,723,865</b>	<b>3,752,864</b>	<b>4,398,762</b>	<b>3,762,020</b>	<b>(14.48%)</b>
<b>Charges for Goods and Services</b>						
Other*General Government Svcs	341901	6,890	2,860	-	-	
Interfund-Gen	341963	183,742	70,543	70,000	70,000	-%
Street Sign Fee	344121	23,425	25,530	40,000	26,000	(35.00%)
<b>Total for Charges for Goods and Services</b>		<b>214,057</b>	<b>98,933</b>	<b>110,000</b>	<b>96,000</b>	<b>(12.73%)</b>
<b>Miscellaneous Revenues</b>						
Parking Meters	362301	644,176	737,876	800,000	740,000	(7.50%)
Temporary Parking Permit	362304	2,552	1,928	-	-	
Facility Leases Garage	362501	37,207	34,782	34,000	38,000	11.76%
Facility Leases Other	362502	11,230	3,757	-	-	
Contribution Donation	367000	5,200	3,100	-	-	
Other Judgements	369401	(882)	8,569	-	-	
Other Misc Rev	369910	243,082	9	2,400	-	(100.00%)
<b>Total for Miscellaneous Revenues</b>		<b>942,565</b>	<b>790,021</b>	<b>836,400</b>	<b>778,000</b>	<b>(6.98%)</b>
<b>Other Financing Sources</b>						
Operating Transfers In	397101	2,999,643	4,296,472	4,063,343	5,283,905	30.04%
Insurance Rec Gen Government	398001	12,546	636	5,007	-	(100.00%)
Resources Forward	399991	1,293,139	1,577,054	1,577,054	648,928	(58.85%)
<b>Total for Other Financing Sources</b>		<b>4,305,328</b>	<b>5,874,162</b>	<b>5,645,404</b>	<b>5,932,833</b>	<b>5.09%</b>
<b>Fund Total</b>		<b>24,769,809</b>	<b>29,251,890</b>	<b>29,650,829</b>	<b>29,864,791</b>	<b>0.72%</b>

**STREET OPERATING REVENUE SUMMARY: BY REVENUE TYPE**

Revenue Type	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
Property Tax	6,870,434	7,259,184	7,283,046	7,664,728	5.24%
Prop Tax 12 Road	7,411,695	7,830,101	7,854,981	8,268,444	5.26%
Rev Gen Reg License	540,000	1,540,000	1,540,000	-	(100.00%)
TBD Vehicle Fees	-	1,272,236	1,272,236	2,582,766	103.01%
<b>Total Taxes</b>	<b>14,822,130</b>	<b>17,901,521</b>	<b>17,950,263</b>	<b>18,515,938</b>	<b>3.15%</b>
Business and Other	761,864	834,388	710,000	780,000	9.86%
<b>Total Licenses and Permits</b>	<b>761,864</b>	<b>834,388</b>	<b>710,000</b>	<b>780,000</b>	<b>9.86%</b>
Grants & Other Intergov.	3,723,865	3,752,864	4,398,762	3,762,020	(14.48%)
<b>Total Intergovernmental</b>	<b>3,723,865</b>	<b>3,752,864</b>	<b>4,398,762</b>	<b>3,762,020</b>	<b>(14.48%)</b>
Other Charges	214,057	98,933	110,000	96,000	(12.73%)
<b>Total Charges for Services</b>	<b>214,057</b>	<b>98,933</b>	<b>110,000</b>	<b>96,000</b>	<b>(12.73%)</b>
Miscellaneous	942,565	790,021	836,400	778,000	(6.98%)
<b>Other Financing Sources</b>	<b>12,546</b>	<b>636</b>	<b>5,007</b>	<b>-</b>	<b>(100.00%)</b>
Interfund Transfers	2,999,643	4,296,472	4,063,343	5,283,905	30.04%
Resources Forward	1,293,139	1,577,054	1,577,054	648,928	(58.85%)
<b>TOTAL</b>	<b>24,769,809</b>	<b>29,251,890</b>	<b>29,650,829</b>	<b>29,864,791</b>	<b>0.72%</b>



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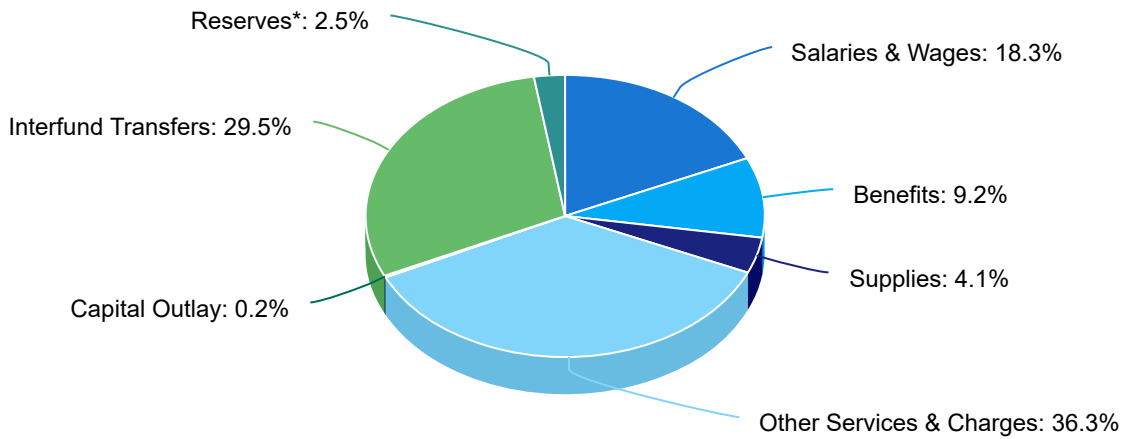
# Street Operating Expenditure Summary



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## Street Operating Expenditure Summary

### 2025-2026 Budget by Category



Interfund Transfers comprise 29.5 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).

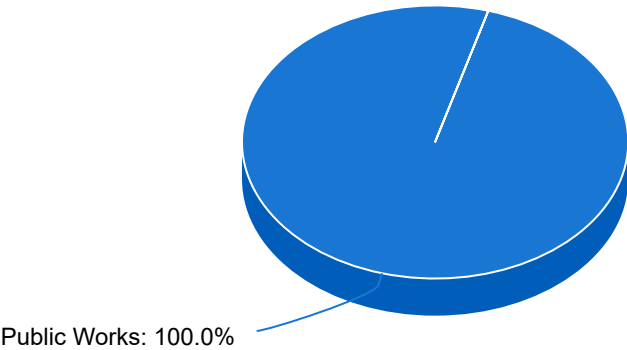
- Personnel costs (salaries and benefits) are a combination of cost increases for two years.
- Supplies and Services include costs for upcoming staff training and other uses.
- Reserves include surplus revenue set aside for future work, staff stability, and technology.

### ANALYSIS OF CHANGE

Category	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
Salaries & Wages	3,594,152	4,605,023	5,035,437	5,449,867	8.23%
Benefits	1,923,043	2,393,545	2,417,242	2,733,231	13.07%
Supplies	1,248,915	1,726,813	1,739,729	1,221,299	(29.80%)
Other Services & Charges	7,863,532	10,118,843	9,676,158	10,856,474	12.20%
Intergovernmental Services	4,749	4,891	3,200	3,200	-%
Capital Outlay	62,727	50,340	120,000	50,000	(58.33%)
Interfund Transfers	8,495,636	8,813,319	9,545,750	8,805,200	(7.76%)
Reserves	982,115	648,928	1,113,313	745,520	(33.04%)
<b>Category Total</b>	<b>24,174,870</b>	<b>28,361,703</b>	<b>29,650,829</b>	<b>29,864,791</b>	<b>0.72%</b>

### Street Fund Expenditure Summary

2025-2026 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	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
Public Works	24,174,870	28,361,703	29,650,829	29,864,791	0.72%
Department Total	24,174,870	28,361,703	29,650,829	29,864,791	0.72%



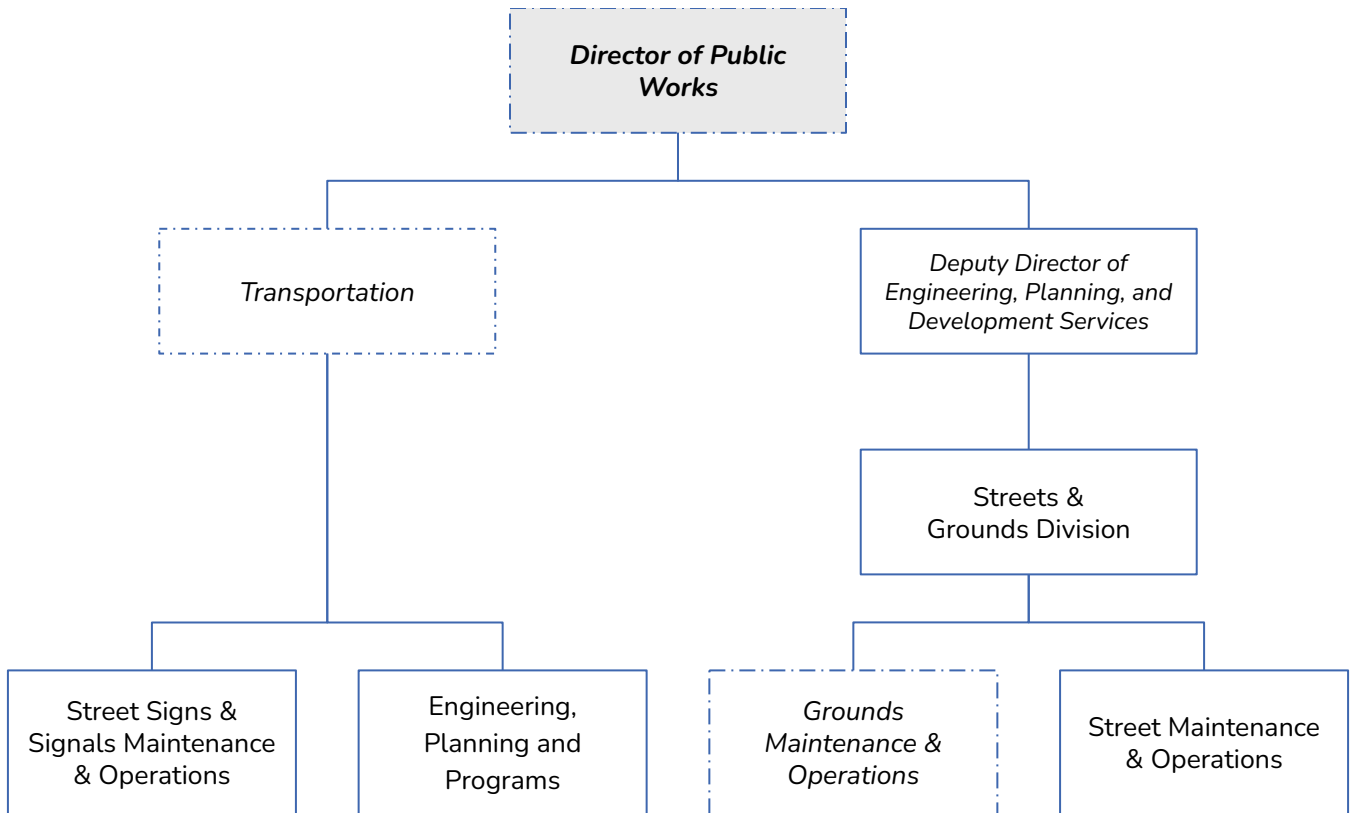


# Public Works



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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 approximately 660 lane miles of streets with 255 centerline miles, nearly 270 miles of sidewalks, 5¾ miles of Cross Kirkland Corridor, 69 traffic signals, over 30 school beacons, 32 radar signs, almost 80 rapid flashing beacons at crosswalks, about 1,350 street lights, and approximately 16,000 street signs. The Streets and Grounds Division is also responsible for street sweeping, mowing of public rights-of-way, minor construction of sidewalk replacements, repairs that are not included in the Capital Improvement Program, and provides maintenance of over 6 acres of City medians and gateways, 14 acres of Public Building grounds, and approximately 50,000 street/right-of-way trees.

### BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS

#### COMMUNITY SAFETY

- New Concrete Mixer Skid equipment will add the ability to receive and deliver concrete to our sites, projects can avoid delays associated with scheduling and waiting for pre-mixed concrete deliveries. By reducing material wastage, avoiding delays, and cutting down on labor costs and potential injuries associated with on-site mixing, the concrete mixer truck skid offers a cost-effective solution for concrete delivery and preparation, \$16,667 ongoing, \$100,000 one-time. [25SO06]
- New Traffic Counter Equipment to increase the internal traffic count program used by the Neighborhood Traffic Control Program (NTCP) to address traffic and speeding concerns on streets in neighborhoods. Multilane traffic tube counters would allow the City to conduct traffic studies on high volume streets for speed and volume information, \$10,000 one-time, offset by School Zone Safety Camera revenues. [25SO13]

#### BALANCED TRANSPORTATION

- New Portable Speed Radar Trailer to replace the current equipment, which has reached the end of its useful life. Traffic safety is an issue that affects all members of the community. A new portable radar speed trailer will assist in the promotion of safer driving behavior, \$20,000 one-time, offset by School Zone Safety Camera revenues. [25SO12]
- Fund a Pipe Threading Machine for the Traffic Sign Shop which supports the installation of traffic safety signs across the city. This equipment is a one-time purchase of \$10,000, funded from reserves. [25SO05]

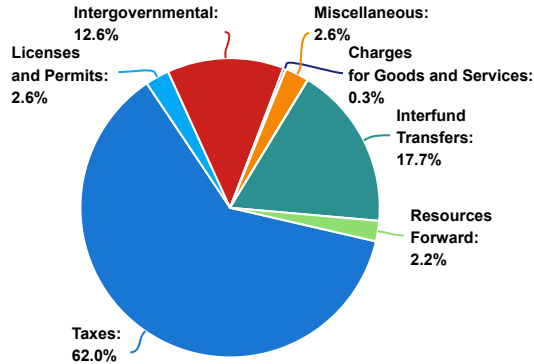
#### DEPENDABLE INFRASTRUCTURE

- New Sign Shop Service Truck with an eight-foot bed to accommodate long pruning tools and the ability to haul vegetation debris, as well as an on-board water tank and associated equipment for sign washing. This service truck must also carry the tools and equipment to respond to emergency sign knockdowns as well as operate in a capacity to perform daily sign change-outs and general sign work, ongoing \$11,500, one-time \$70,000. [25SO03]
- Add funding for training and cross-training for operations and maintenance crew members in the Public Works department, ongoing \$127,920, one-time \$7,301. [25SO10]
- Add funding for Stand-by Pay to ensure the City can respond to all after hours incidents including care for critical water, wastewater, and surface water infrastructure 24/7, ongoing \$153,360.[25SO11]
- Fund Street Improvement CIP projects totaling \$15.5 million in 2025-2026, including the Annual Street Preservation Program and the NE 85<sup>th</sup> Street Pedestrian/Bike Connection project.

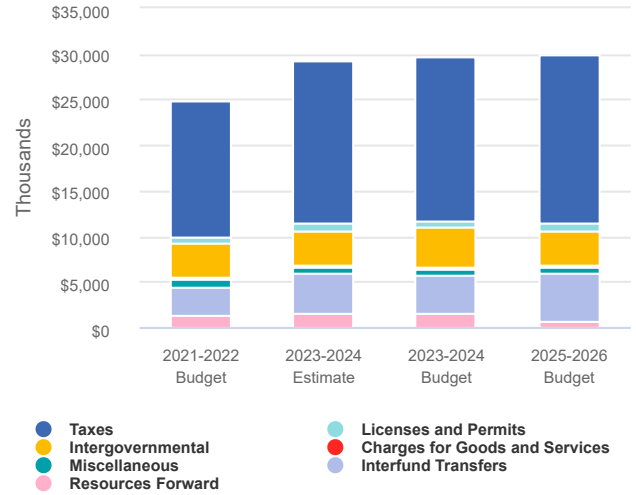
# Public Works

## Financial Overview

Sources of Funds



Revenues by Type



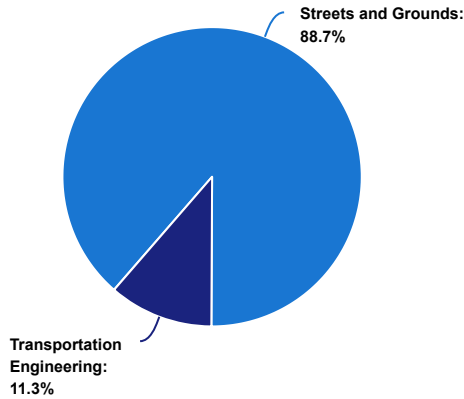
## REVENUE SUMMARY BY TYPE

	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
Taxes	14,822,130	17,901,521	17,950,263	18,515,938	3.15%
Licenses and Permits	761,864	834,388	710,000	780,000	9.86%
Intergovernmental	3,723,865	3,752,864	4,398,762	3,762,020	(14.48%)
Charges for Goods and Services	214,057	98,933	110,000	96,000	(12.73%)
Miscellaneous	942,565	790,021	836,400	778,000	(6.98%)
Other Revenue	12,546	636	5,007	-	(100.00%)
Interfund Transfers	2,999,643	4,296,472	4,063,343	5,283,905	30.04%
Resources Forward	1,293,139	1,577,054	1,577,054	648,928	(58.85%)
<b>TOTAL</b>	<b>24,769,809</b>	<b>29,251,890</b>	<b>29,650,829</b>	<b>29,864,791</b>	<b>0.72%</b>

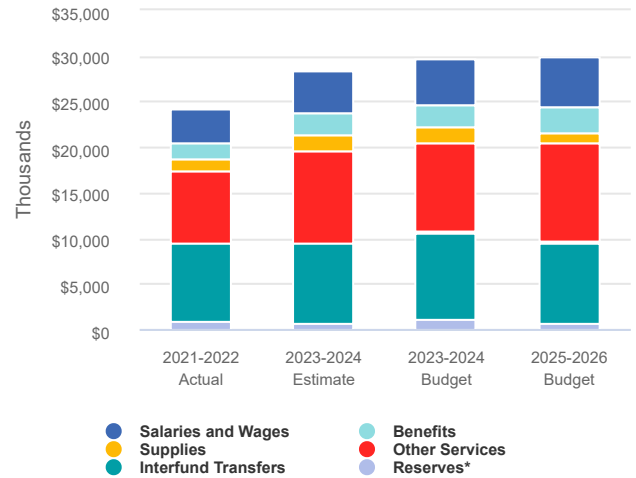
# Public Works

## Financial Overview

Expenditures by Division



Expenditures by Category



### EXPENDITURE SUMMARY BY CATEGORY

	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
Salaries and Wages	3,594,152	4,605,023	5,035,437	5,449,867	8.23%
Benefits	1,923,043	2,393,545	2,417,242	2,733,231	13.07%
Supplies	1,248,915	1,726,813	1,739,729	1,221,299	(29.80%)
Other Services	7,863,532	10,118,843	9,676,158	10,856,474	12.20%
Intergovernmental Services	4,749	4,891	3,200	3,200	-%
Capital Outlay	62,727	50,340	120,000	50,000	(58.33%)
Interfund Transfers	8,495,636	8,813,319	9,545,750	8,805,200	(7.76%)
Reserves*	982,115	648,928	1,113,313	745,520	(33.04%)
<b>TOTAL</b>	<b>24,174,870</b>	<b>28,361,703</b>	<b>29,650,829</b>	<b>29,864,791</b>	<b>0.72%</b>

### EXPENDITURE SUMMARY BY DIVISION

	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
Streets and Grounds	20,688,212	24,005,474	26,171,674	26,476,047	1.16%
Transportation Engineering	3,486,658	4,356,228	3,479,155	3,388,744	(2.60%)
<b>TOTAL</b>	<b>24,174,870</b>	<b>28,361,703</b>	<b>29,650,829</b>	<b>29,864,791</b>	<b>0.72%</b>

\* 2021-2022 Actual and 2023-2024 Estimate reserves are budgeted, but not spent

# Public Works

## 2025-2026 Position Summary

### POSITION SUMMARY BY CLASSIFICATION

Classification	2023-2024 Positions	Additions/ Reductions	2025-2026 Positions	Budgeted 2025 Salary Range
PUBLIC WORKS DEPUTY DIRECTOR OF OPERATIONS	0.10	-	0.10	149,133 - 194,585
STREETS AND GROUNDS MANAGER	0.95	-	0.95	121,242 - 158,193
TRANSPORTATION OPERATIONS AND MAINTENANCE SUPERVISOR	1.00	-	1.00	104,815 - 136,760
STREETS AND GROUNDS SUPERVISOR	1.00	-	1.00	104,815 - 136,760
MANAGEMENT ANALYST	0.30	-	0.30	99,206 - 116,726
TRAFFIC SIGNAL TECHNICIAN III	1.00	-	1.00	101,866 - 115,784
LEADPERSON	1.60	-	1.60	91,728 - 110,335
TRAFFIC SIGNAL TECHNICIAN II	1.00	-	1.00	91,728 - 110,335
CONTRACT AND PURCHASING SPECIALIST	0.20	-	0.20	88,723 - 104,375
SENIOR MAINTENANCE	6.70	-	6.70	79,855 - 97,258
YARD MAINTENANCE AND INVENTORY CONTROL	0.25	-	0.25	79,855 - 97,258
TRAFFIC SIGNAL TECHNICIAN I	1.00	-	1.00	79,855 - 97,258
SENIOR CRAFTSPERSON	2.00	-	2.00	79,855 - 97,258
SENIOR ACCOUNTING ASSOCIATE	0.05	-	0.05	76,938 - 90,515
UTILITY CRAFTSPERSON	1.25	-	1.25	74,677 - 87,859
MAINTENANCE WORKER	10.65	-	10.65	64,123 - 80,368
OFFICE SPECIALIST	0.25	-	0.25	61,790 - 72,694
<b>TOTAL</b>	<b>29.30</b>	<b>-</b>	<b>29.30</b>	

### POSITION SUMMARY BY DIVISION

Classification	2023-2024 Positions	Additions/ Reductions	2025-2026 Positions
Streets and Grounds	29.30	-	29.30
<b>TOTAL</b>	<b>29.30</b>	<b>-</b>	<b>29.30</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.



# Development Services Fund

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



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# Development Services Revenue Summary

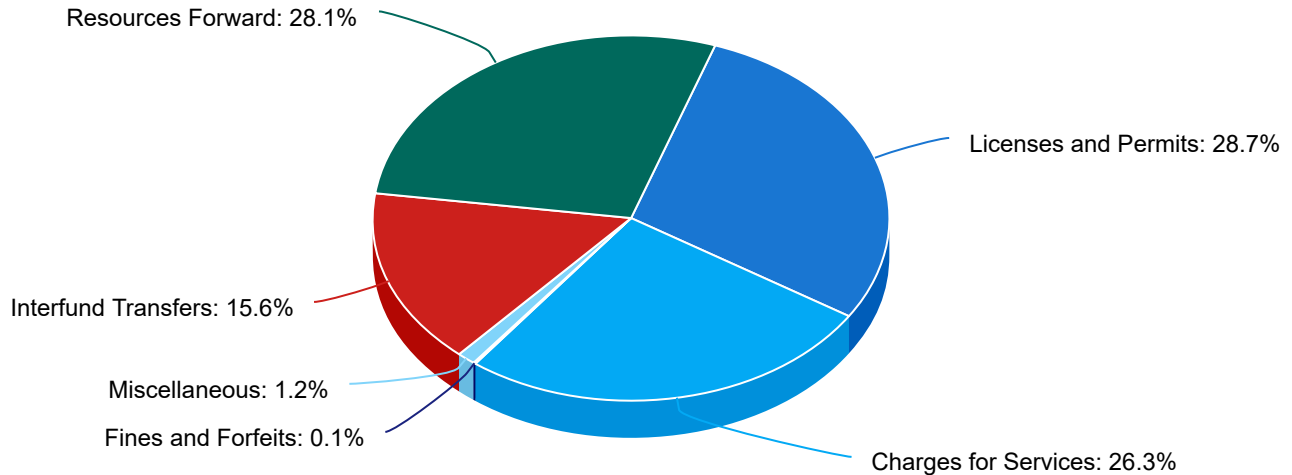
The Development Services Fund accounts for the development services provided by the City. The primary sources of revenue are fees collected for plan review and building inspection services.



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## Development Services Revenue Summary

\$56,629,237



Licenses and Permits comprise 28.7 percent of all Development Services Fund revenues, closely followed by Charges for Services 26.3 percent. License and Permits include fees for permits issued by Building Services. Charges for Services mainly include fees for various land use approvals issued by Planning Services. Interfund transfers consist of the General Fund transfer to support non-development activity. Resources forward represents the beginning fund balance for the Development Services Fund and is composed primarily of an unreserved working capital and operating, replacement, and staffing reserve. Resources forward and the reserves are used to fund one-time service packages.

**DEVELOPMENT SERVICES REVENUE SUMMARY: BY REVENUE TYPE**

Revenue Type	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
Building and Structural	-	13,998,939	12,922,318	14,162,212	9.59%
Business and Other	-	2,396,914	2,617,958	2,236,228	(14.58%)
<b>Subtotal Licenses and Permits</b>	-	<b>16,395,853</b>	<b>15,540,276</b>	<b>16,398,440</b>	<b>5.52%</b>
Planning Fees	-	4,831,248	5,940,736	4,957,744	(16.55%)
Plan Check Fees	-	4,966,604	4,148,969	3,444,928	(16.97%)
Engineering Dev. Fees	-	6,206,173	5,037,216	6,302,697	25.12%
Internal Charges	-	138,679	145,807	291,614	100.00%
Other Charges	-	1,351	800	800	-%
<b>Subtotal Charges for Services</b>	-	<b>16,144,055</b>	<b>15,273,528</b>	<b>14,997,783</b>	<b>(1.81%)</b>
Fines and Forfeits	-	25,333	60,000	80,000	33.33%
Miscellaneous	-	540,600	603,419	661,644	9.65%
Interfund Transfers	-	25,364,031	8,121,008	8,451,271	4.07%
Resources Forward	-	-	16,021,452	16,040,099	0.12%
<b>TOTAL</b>	-	<b>58,469,872</b>	<b>55,619,683</b>	<b>56,629,237</b>	<b>1.82%</b>

**DEVELOPMENT SERVICES REVENUE**

	Object	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
<b>License and Permits</b>						
Building Permit	322101	-	7,472,986	7,612,577	8,567,509	12.54%
Plumbing Permit	322102	-	830,897	717,725	752,306	4.82%
Clear Grade Permit	322103	-	17,366	18,537	19,430	4.82%
Side Sewer Permit	322104	-	302,288	315,770	336,757	6.65%
Mechanical Permit	322105	-	2,507,532	2,030,542	1,915,538	(5.66%)
Sign Permit	322106	-	87,551	85,556	89,678	4.82%
Electric Permit	322107	-	2,778,677	2,138,903	2,414,242	12.87%
Temporary Membrane Struct	322108	-	4,400	-	-	
House Moving Permit	322109	-	1,641	2,708	2,838	4.80%
Street Curb Permit	322401	-	1,120,407	1,526,210	1,174,244	(23.06%)
Sidewalk Permit	322402	-	12,327	31,808	55,000	72.91%
Fireworks Permits	322901	-	71,072	-	-	
Fire Alarm Permit	322902	-	367,953	366,148	389,131	6.28%
Fire Sprinkler	322906	-	796,306	560,353	595,683	6.30%
Fire System-Other	322907	-	28,849	133,439	22,170	(83.39%)
IFC Other	322915	-	-	-	63,914	
<b>Total for License and Permits</b>		-	<b>16,400,253</b>	<b>15,540,276</b>	<b>16,398,440</b>	<b>5.52%</b>
<b>Intergovernmental Revenue</b>						
Comm Trade Econo	334042	-	87,500	87,500	-	(100.00%)
Local Grants	337061	-	-	97,000	-	(100.00%)
<b>Total for Intergovernmental Revenue</b>		-	<b>87,500</b>	<b>184,500</b>	-	<b>(100.00%)</b>
<b>Charges for Goods and Services</b>						
Engineer Develop	341820	-	4,323,884	3,448,529	4,320,032	25.27%
Interfund-Planning	341970	-	138,679	145,807	291,614	100.00%
Protective Inspection	342401	-	483	800	800	-%
ResStrmErosFee	343191	-	504,549	393,284	524,216	33.29%
Storm Water Drainage Rpt	343192	-	1,109,064	895,341	1,161,663	29.75%
PW Deposit Administration	344111	-	179,257	133,496	188,718	41.37%
Traffic Contribution Revenue	344130	-	85,581	32,000	88,068	175.21%
PCD Official Mods	345810	-	55,863	93,390	36,000	(61.45%)
Subdivision Fee	345811	-	16,508	64,487	70,000	8.55%
Accessory Dwelling Unit	345812	-	868	-	-	
Fee In Lieu Tree	345817	-	80,700	114,000	80,000	(29.82%)
Permit Appeal	345819	-	2,431	2,446	1,300	(46.85%)
PCD Dir Mods	345821	-	13,433	9,462	20,000	111.37%
Other PCD Official	345825	-	398,757	278,166	510,000	83.34%
Other PCD Dir	345826	-	121,015	161,929	175,000	8.07%
Process I Rev	345827	-	450,775	801,293	580,000	(27.62%)

**DEVELOPMENT SERVICES REVENUE (CONTINUED)**

	Object	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
Process IIA Rev	345828	-	52,512	78,016	-	(100.00%)
Process IIB&III	345829	-	-	122,000	100,000	(18.03%)
Design Board Rev	345830	-	293,168	650,822	200,000	(69.27%)
Plan Check Fee	345831	-	4,966,604	4,148,969	3,444,928	(16.97%)
Energy Code Fee	345832	-	207,569	204,386	214,234	4.82%
Electric Plan Review	345833	-	540,997	705,842	705,842	-%
Fire Plan Review	345835	-	1,095,301	843,175	895,180	6.17%
Expedited Review	345836	-	5,818	68,921	410	(99.41%)
Planning 3rd Party Revenue	345837	-	-	40,000	-	(100.00%)
Short Plat Rec Revenue	345839	-	60,998	63,105	60,000	(4.92%)
SEPA Appeal	345861	-	-	452	1,300	187.61%
SEPA Tnsp Rv Fee	345862	-	3,838	134,566	20,000	(85.14%)
Concurrent Review	345890	-	9,246	24,000	-	(100.00%)
MBP Srv Fee	345891	-	1,065,451	1,058,750	958,478	(9.47%)
Environment Review Fee	345892	-	62,904	84,634	50,000	(40.92%)
Compensation Plan Request	345894	-	13,865	11,000	-	(100.00%)
Plan Pre-Sub Mtg	345896	-	279,537	460,460	300,000	(34.85%)
<b>Total for Charges for Goods and Services</b>		-	<b>16,139,655</b>	<b>15,273,528</b>	<b>14,997,783</b>	<b>(1.81%)</b>
<b>Fines and Forfeits</b>						
Code Enforcement	359902	-	25,333	60,000	80,000	33.33%
<b>Total for Fines and Forfeits</b>		-	<b>25,333</b>	<b>60,000</b>	<b>80,000</b>	<b>33.33%</b>
<b>Miscellaneous Revenues</b>						
Investment Interest	361111	-	453,100	417,500	661,644	58.48%
Other Judgements	369401	-	-	1,419	-	(100.00%)
<b>Total for Miscellaneous Revenues</b>		-	<b>453,100</b>	<b>418,919</b>	<b>661,644</b>	<b>57.94%</b>
<b>Other Financing Sources</b>						
Operating Transfers In	397101	-	25,364,031	8,121,008	8,451,271	4.07%
Resources Forward	399991	-	-	16,021,452	16,040,099	0.12%
<b>Total for Other Financing Sources</b>		-	<b>25,364,031</b>	<b>24,142,460</b>	<b>24,491,370</b>	<b>1.45%</b>
<b>Fund Total</b>		-	<b>58,469,872</b>	<b>55,619,683</b>	<b>56,629,237</b>	<b>1.82%</b>





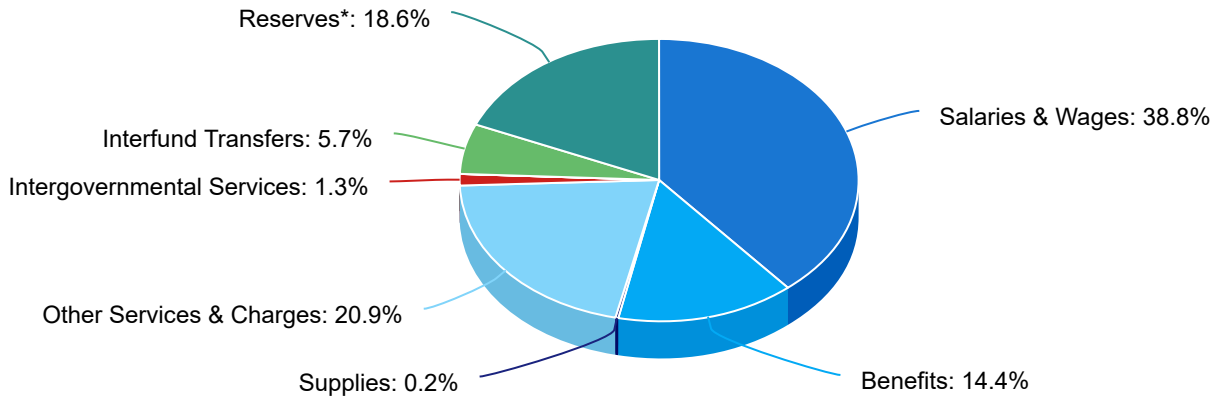
# Expenditure Summary



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## Development Services Expenditure Summary

### 2025-2026 Budget by Category



Salaries & Wages and Benefits comprise 53.6 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.

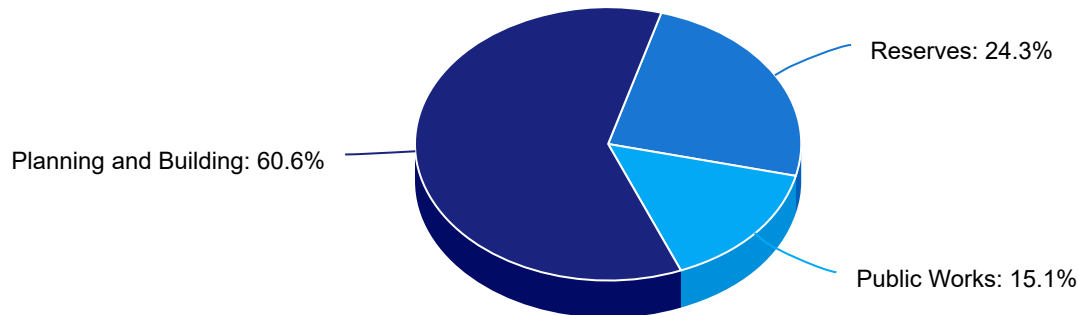
## ANALYSIS OF CHANGE

Category	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
Salaries & Wages	-	19,957,645	20,851,672	21,994,710	5.48%
Benefits	-	7,054,840	7,703,808	8,176,617	6.14%
Supplies	-	187,745	121,597	133,879	10.10%
Other Services & Charges	-	11,233,391	12,164,063	11,810,884	(2.90%)
Intergovernmental Services	-	3,582,910	2,025,418	747,330	(63.10%)
Interfund Transfers <sup>(1)</sup>	-	109,000	161,000	3,257,500	1923.29%
Reserves	-	16,040,099	12,592,125	10,508,317	(16.55%)
<b>Category Total</b>	-	<b>58,165,631</b>	<b>55,619,683</b>	<b>56,629,237</b>	<b>1.82%</b>

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

## Development Services Expenditure Summary

### 2025-2026 Budget by Department



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

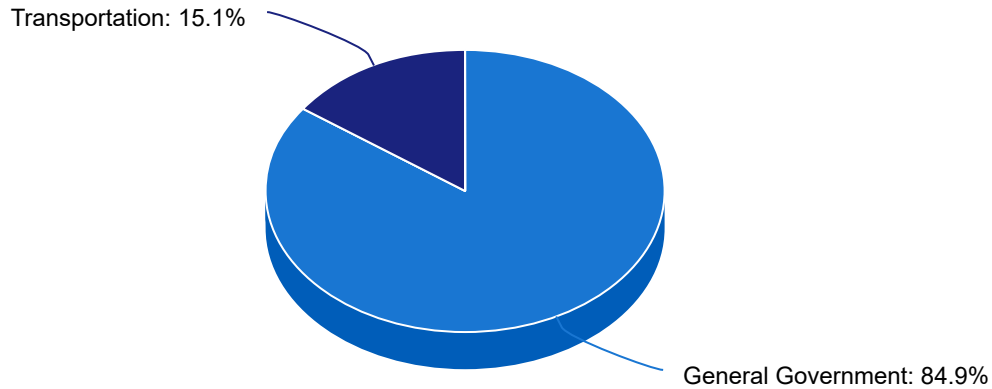
- The Planning & Building budget contains the entire department. The majority of services provided by the department supports development activity while the non-development activity will be supported by the General Fund through scheduled interfund transfers.
- The Public Works budget only consists of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

## ANALYSIS OF CHANGE

Department	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
Reserves	-	16,163,595	12,616,125	13,765,817	9.11%
Public Works	-	7,160,302	7,649,712	8,549,848	11.77%
Planning and Building	-	34,841,733	35,353,846	34,313,572	(2.94%)
<b>Department Total</b>	-	<b>58,165,631</b>	<b>55,619,683</b>	<b>56,629,237</b>	<b>1.82%</b>

## Development Services Expenditure Summary

2025-2026 Budget by Program



The Development Services Fund accounts for about 13.8 percent of the City's total General Government Operating budget. The majority of the expenditures in the Development Services Fund are devoted to the General Government (administrative, financial, planning services, and building inspection services). Transportation is the other program area which includes Public Works.

### ANALYSIS OF CHANGE

Program	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
General Government	-	51,005,329	47,969,971	48,079,389	0.23%
Transportation	-	7,160,302	7,649,712	8,549,848	11.77%
<b>Program Total</b>	-	<b>58,165,631</b>	<b>55,619,683</b>	<b>56,629,237</b>	<b>1.82%</b>



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# Planning & Building

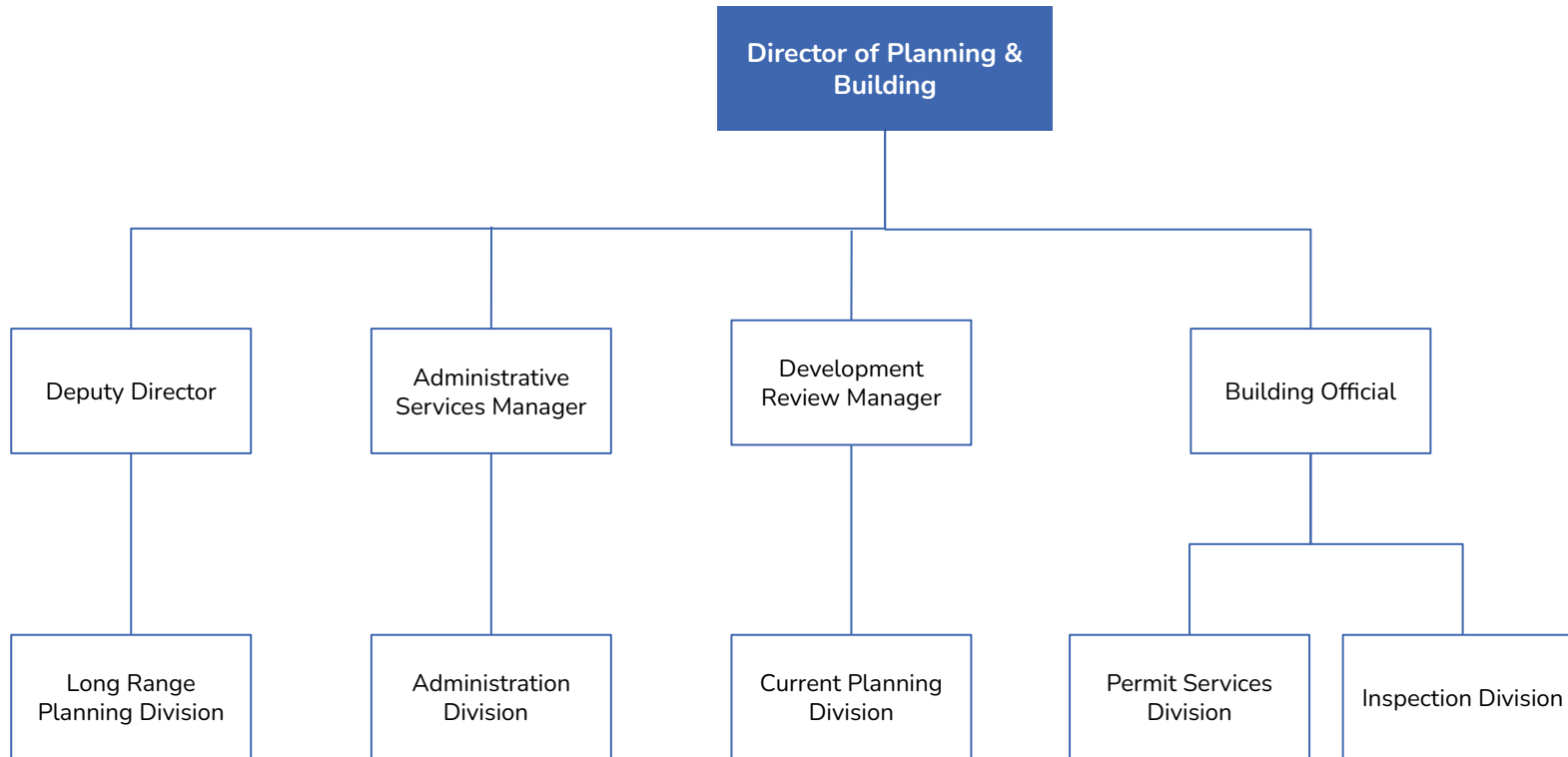


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# Planning & Building

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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 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 and adopting policy, developing recommendations, and approving development applications.

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

The **Building Division** provides the general public with the standards for the safety and quality of construction of new and existing structures, and the installation of electrical, plumbing and mechanical systems. Building receives, routes, coordinates, and approves all building and related permit applications, and then inspects completed structures. Building staff works closely with architects, engineers, contractors, owners, and developers, as well as with other departments and agencies to ensure compliance with all City requirements and to ensure prompt permit issuance. Oversight areas include the permit center, plan review, field inspections, record keeping, archiving, public disclosure requests and code enforcement. The Division also improves the quality of the City's adopted construction codes by participating in the code development process at the local, state and national levels.

### BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS

#### INCLUSIVE AND EQUITABLE COMMUNITY

- Continuation of an existing temporary Records Management Specialist through December 2026. This position is responsible for organizing, scanning, and maintaining the department records including scanning documents and uploading permit documents into our permit tracking system, one-time \$127,533. [25PB03]

# Planning & Building

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## VIBRANT NEIGHBORHOODS

- Add resources to convert the 1.0 FTE overhire Assistant Planner to a funded ongoing Assistant Planner for residential permit review, as well as taking the lead in responding to customer inquiries at the front Permit Counter, over the phone and via email, as well as in the OurKirkland portal. Create 1.0 LTE Senior Planner to carry out implementation on the current planning side of recent legislative directives related to housing and development review, as well as the policies that are being developed through the Comprehensive Plan update, \$259,713 ongoing, \$374,462 one-time, offset by \$259,713 in new development revenue and \$374,462 of development reserves. [25PB01]
- Add Funding for part-time undergraduate or graduate student intern to contribute to Planning Division tasks, one-time \$32,648. [25PB11]

## COMMUNITY SAFETY

- Add resources to convert 1.0 LTE temporary Code Enforcement Officer to an ongoing Code Enforcement Officer Funding which will preserve existing service levels and help mitigate processing of ongoing development-related cases, ongoing \$328,670, offset by \$328,670 in new development revenue. [25PB02]
- Continue funding for Building Overtime to maintain customer service goals and inspection obligations. This request adds overtime for permit processing, plan review and building inspections. The additional overtime hours will be used during peak workloads to ensure permit intake timelines, plan review deadlines and inspection obligations are met, one-time \$179,916, offset by \$179,916 of development reserves. [25PB04]
- Continue funding for Third Party Structural Plan Review to provide structural and building plan review of complex projects to ensure safety code requirements are met. Large commercial projects require structural review and engineering expertise that are not available within the Planning & Building Department. This service package also addresses periods of peak permit activity, one-time \$200,000, offset by \$200,000 in new development revenue. [25PB05]
- Continue funding for Land Use Consulting Contingency to address situations where additional expertise is needed (geologic hazards, wetland, stream, and shoreline issues) or where permit volumes spike and we are unable to meet our target review times for customers, one-time \$20,000, offset by \$20,000 of development reserves. [25PB06]

## ATTAINABLE HOUSING

- Continue ARCH Housing Trust Fund parity contribution at \$830,000 over the biennium, on a one-time basis. Additional increase of \$423,338 due to HB1406 to support affordable housing in Kirkland. This increases the total ARCH contribution to \$1,253,338 for the biennium. [25PB07]

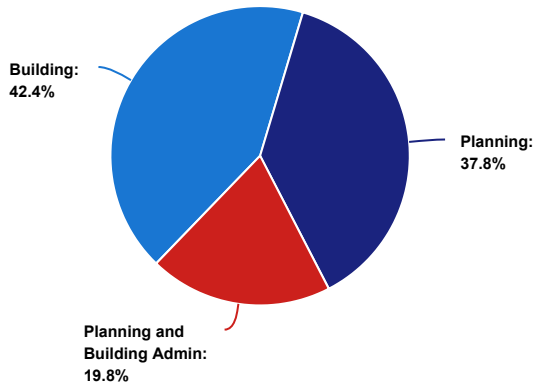
## SUSTAINABLE ENVIRONMENT

- Continuing the Energy Smart program administration to retain the City's participation in the ESE program as part of the Eastside Climate Partnership (ECP) ILA. Funding this request preserves existing service levels and provides funding of an energy advisor who provides grant writing, grant administration, marketing and education for community members city-wide, one-time \$162,000. [25PB08]
- Continue funding for a biannual Greenhouse Gas (GHG) Emissions Inventory as described in the Comprehensive Plan and the Sustainability Strategic Plan, one-time \$30,000. [25PB09]

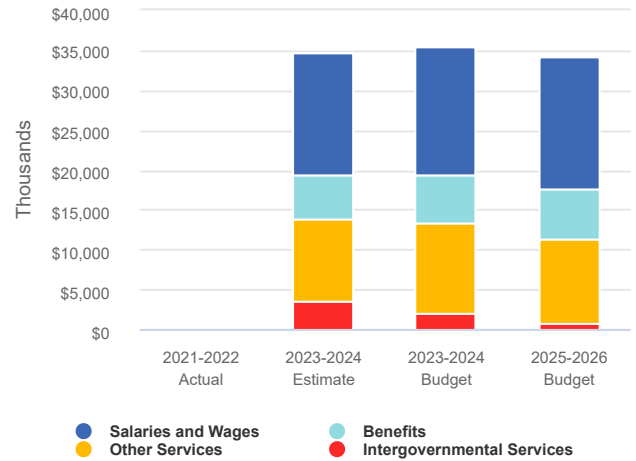
# Planning & Building

## Financial Overview

**Expenditures by Division**



**Expenditures by Category**



### EXPENDITURE SUMMARY BY CATEGORY

	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
Salaries and Wages	-	15,404,163	16,003,150	16,695,696	4.33%
Benefits	-	5,480,244	5,961,274	6,219,734	4.34%
Supplies	-	135,741	95,789	117,156	22.31%
Other Services	-	10,203,675	11,233,215	10,533,656	(6.23%)
Intergovernmental Services	-	3,582,910	2,025,418	747,330	(63.10%)
Interfund Transfers	-	35,000	35,000	-	(100.00%)
<b>TOTAL</b>	-	<b>34,841,733</b>	<b>35,353,846</b>	<b>34,313,572</b>	<b>(2.94%)</b>

### EXPENDITURE SUMMARY BY DIVISION

	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
Building	-	13,107,609	13,941,329	14,552,964	4.39%
Planning	-	14,674,683	13,791,310	12,963,576	(6.00%)
Planning and Building Admin	-	7,059,441	7,621,207	6,797,032	(10.81%)
<b>TOTAL</b>	-	<b>34,841,733</b>	<b>35,353,846</b>	<b>34,313,572</b>	<b>(2.94%)</b>

# Planning & Building

## 2025-2026 Position Summary

### POSITION SUMMARY BY CLASSIFICATION

Classification	2023-2024 Positions	Additions/ Reductions	2025-2026 Positions	Budgeted 2025 Salary Range
PLANNING AND BUILDING DIRECTOR	1.00	-	1.00	173,367 - 226,205
DEPUTY PLANNING DIRECTOR	1.00	-	1.00	149,133 - 194,585
BUILDING OFFICIAL	1.00	-	1.00	130,378 - 170,114
RESILIENCE AND TECHNOLOGY OFFICER	1.00	(1.00)	-	127,186 - 165,949
PLANNING MANAGER - DEVELOPMENT SERVICES	1.00	-	1.00	124,680 - 162,680
ADMINISTRATIVE SERVICES MANAGER	1.00	-	1.00	121,645 - 158,719
PLANNING SUPERVISOR	3.00	-	3.00	114,394 - 149,258
INSPECTION SUPERVISOR	1.00	-	1.00	108,904 - 142,095
PLAN REVIEW SUPERVISOR	1.00	-	1.00	108,137 - 141,094
SENIOR PLANS EXAMINER	4.00	-	4.00	107,970 - 127,007
SENIOR ELECTRICAL PLANS EXAMINER	1.00	-	1.00	107,970 - 127,007
ENVIRONMENTAL PROGRAM COORDINATOR	0.50	-	0.50	104,950 - 123,471
SENIOR PLANNER	7.00	-	7.00	104,950 - 123,471
LEAD INSPECTOR	1.00	-	1.00	103,128 - 121,326
PERMIT TECH SUPERVISOR	1.00	-	1.00	92,376 - 120,529
ELECTRICAL/BUILDING INSPECTOR II	4.00	-	4.00	100,885 - 118,688
CODE ENFORCEMENT OFFICER	2.00	1.00	3.00	97,555 - 114,790
PLANS EXAMINER	3.00	-	3.00	96,919 - 114,011
ELECTRICAL/BUILDING INSPECTOR	4.00	-	4.00	96,086 - 113,038
ASSOCIATE PLANNER	3.00	-	3.00	95,036 - 111,807
BUILDING INSPECTOR	2.00	-	2.00	91,722 - 107,910
BUILDING INSPECTOR OVERHIRE	1.00	-	1.00	91,722 - 107,910
PLANNER	6.00	-	6.00	91,270 - 107,381
PLANNER OVERHIRE	1.00	-	1.00	91,270 - 107,381
DEVELOPMENT REVIEW ARBORIST	1.00	-	1.00	91,270 - 107,381
BUSINESS ANALYST	1.00	-	1.00	86,624 - 103,936
SENIOR PERMIT TECHNICIAN	1.00	-	1.00	79,503 - 93,529
ASSISTANT PLANNER	5.00	1.00	6.00	79,050 - 93,006
ASSISTANT PLANNER OVERHIRE	4.00	(1.00)	3.00	79,050 - 93,006
PUBLIC DISCLOSURE ANALYST	1.00	-	1.00	77,463 - 91,123
ADMINISTRATIVE ASSISTANT	1.00	-	1.00	75,926 - 89,316
PERMIT TECHNICIAN	6.00	-	6.00	72,012 - 84,715
PROGRAM SPECIALIST	2.00	-	2.00	67,974 - 79,969
OFFICE SPECIALIST	2.00	-	2.00	61,790 - 72,694
<b>TOTAL</b>	<b>75.50</b>	<b>-</b>	<b>75.50</b>	

### POSITION SUMMARY BY DIVISION

Classification	2023-2024 Positions	Additions/ Reductions*	2025-2026 Positions
Building	34.50	-	34.50
Planning	33.70	0.05	33.75
Planning and Building Administration	7.30	(0.05)	7.25
<b>TOTAL</b>	<b>75.50</b>	<b>0.00</b>	<b>75.50</b>



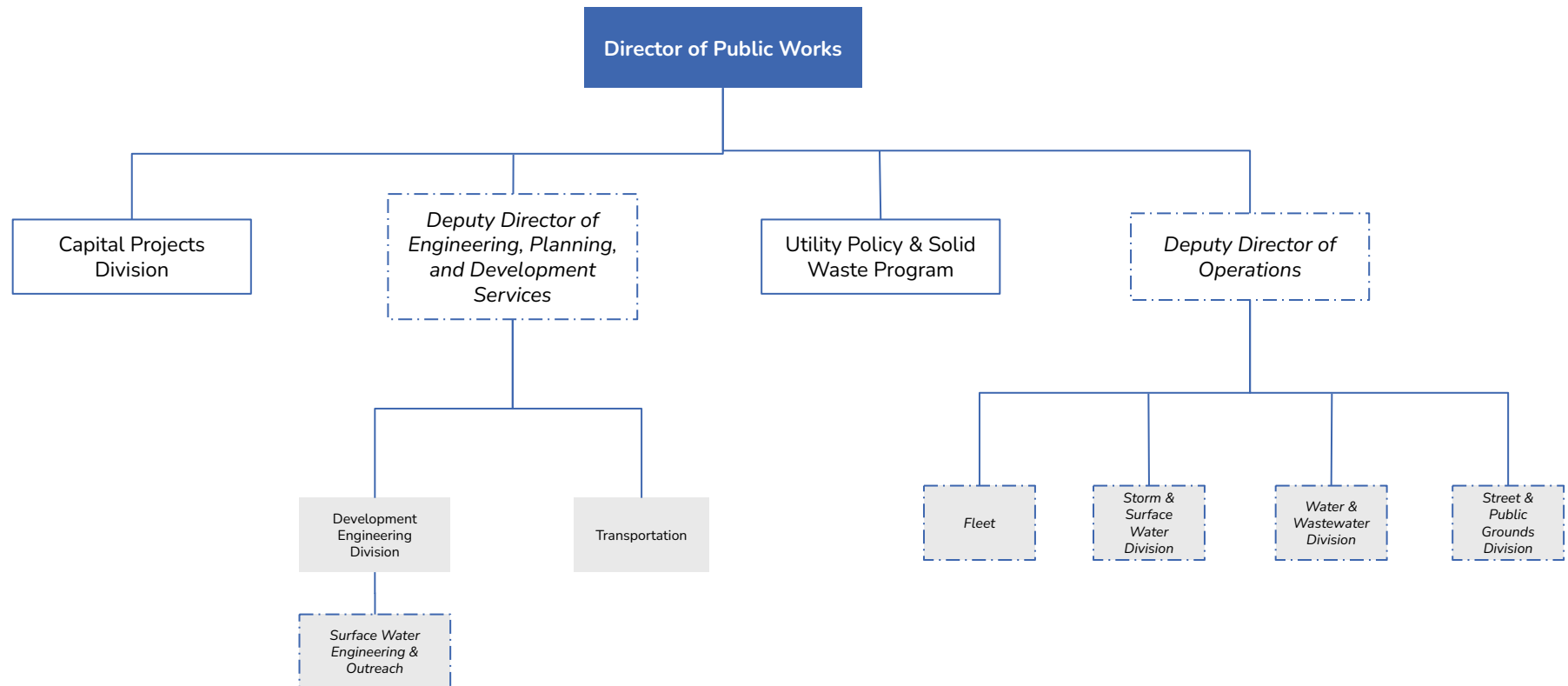
# Public Works



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

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

The **Development Services** Division handles the review, permitting, and inspection work for water, sewer, storm drainage, and roadway infrastructure projects initiated by private development and franchise utilities, and provides surface water engineering and program administration.

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

The **Transportation 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.

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

#### Operations & Maintenance Section

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

**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's right-of-way (ROW) and 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 ROW are also under the Division's care.

# Public Works

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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 maintenance hole cover and the system of interconnected pumping facilities and their controls.

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

## BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS

### VIBRANT NEIGHBORHOODS

- Add funding for a new Permit Tech position to facilitate the Division's continuity of service in anticipation of at least one staff retirement (March 2025) and another likely in the next few years and address increased workload, one-time \$267,835, offset by \$267,835 of development reserves. [25DS03]

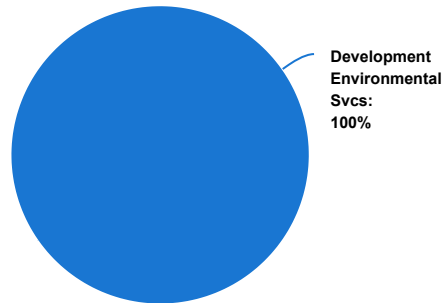
### DEPENDABLE INFRASTRUCTURE

- Continuation of an existing Temporary Construction Inspector position (1 LTE) for Public Works development review. The proposed temporary Construction Inspector position would continue to facilitate the Division's continuity of service if the need to backfill the current full-time position were to arise and address increased workload, one-time \$325,349, offset by \$325,349 of development reserves. [25DS02]

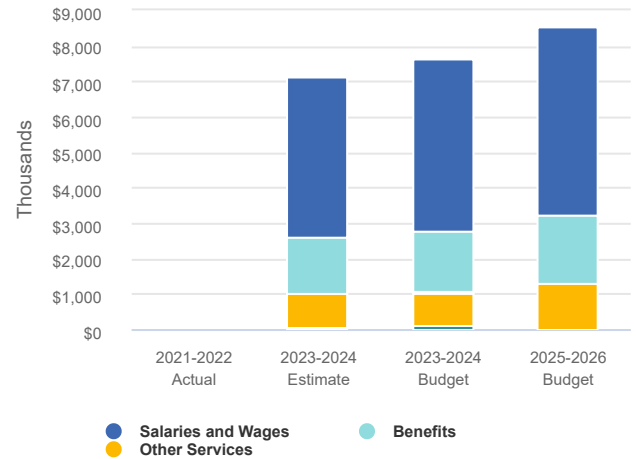
# Public Works

## Financial Overview

Expenditures by Division



Expenditures by Category



## EXPENDITURE SUMMARY BY CATEGORY

	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
Salaries and Wages	-	4,553,482	4,848,522	5,299,014	9.29%
Benefits	-	1,574,597	1,742,534	1,956,883	12.30%
Supplies	-	13,634	25,808	16,723	(35.20%)
Other Services	-	968,589	930,848	1,277,228	37.21%
Interfund Transfers	-	50,000	102,000	-	(100.00%)
<b>TOTAL</b>	-	<b>7,160,302</b>	<b>7,649,712</b>	<b>8,549,848</b>	<b>11.77%</b>

## EXPENDITURE SUMMARY BY DIVISION

	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
Development Environmental Svcs	-	7,160,302	7,649,712	8,549,848	11.77%
<b>TOTAL</b>	-	<b>7,160,302</b>	<b>7,649,712</b>	<b>8,549,848</b>	<b>11.77%</b>

# Public Works

## 2025-2026 Position Summary

### POSITION SUMMARY BY CLASSIFICATION

Classification	2023-2024 Positions	Additions/ Reductions	2025-2026 Positions	Budgeted 2025 Salary Range
DEVELOPMENT ENGINEERING MANAGER	1.00	-	1.00	137,489 - 179,392
DEVELOPMENT ENGINEER SUPERVISOR	1.00	-	1.00	128,679 - 167,896
CONSTRUCTION INSPECTION SUPERVISOR	1.00	-	1.00	108,904 - 142,095
SENIOR DEVELOPMENT ENGINEER	1.00	-	1.00	117,949 - 138,749
TRANSPORTATION ENGINEER	0.65	-	0.65	116,729 - 137,328
DEVELOPMENT ENGINEER	4.00	-	4.00	108,590 - 127,752
SENIOR CONSTRUCTION INSPECTOR	3.00	-	3.00	100,873 - 118,683
SENIOR DEVELOPMENT ENGINEERING ANALYST	1.00	-	1.00	98,623 - 116,018
ASSOCIATE DEVELOPMENT ENGINEER	2.00	-	2.00	96,952 - 114,073
CONSTRUCTION INSPECTOR	2.00	-	2.00	96,093 - 113,049
PROPERTY ANALYST	0.34	-	0.34	95,353 - 112,174
DEVELOPMENT PLANS EXAMINER	1.00	-	1.00	87,283 - 102,673
ENGINEERING TECHNICIAN	1.30	-	1.30	80,191 - 94,344
PERMIT TECHNICIAN	1.00	-	1.00	72,012 - 84,715
<b>TOTAL</b>	<b>20.29</b>	<b>-</b>	<b>20.29</b>	

### POSITION SUMMARY BY DIVISION

Classification	2023-2024 Positions	Additions/ Reductions*	2025-2026 Positions
Development Environmental Services	20.29	-	20.29
<b>TOTAL</b>	<b>20.29</b>	<b>-</b>	<b>20.29</b>

Special Revenue Funds are established to account for specific resources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.



# 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.

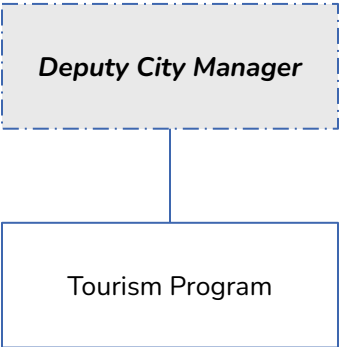


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# Lodging Tax Fund

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# Lodging Tax Fund

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## Department Overview

### MISSION

The Lodging Tax Fund was created to account for Lodging Tax revenue that provides funding for tourism promotion and marketing activities to attract visitors to Kirkland resulting in increased day trips and overnight stays. The Tourism Program strives to optimize the assets of Kirkland to promote the City as a destination.

### DEPARTMENT FUNCTIONS

The City Manager's Office oversees the Tourism Program in conjunction with the Economic Development Program, recognizing its role in generating revenue for the City. The program promotes events and programs through the ExploreKirkland.com website, an Instagram account, a Facebook page, and monthly email event guides. It also provides networking with local and regional tourism providers and familiarization tours for travel writers. The Tourism Program also provides media outreach and public relations to promote Kirkland as a destination and for selected events.

The revenue source for the Tourism Program is the Lodging Excise Tax collected from 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

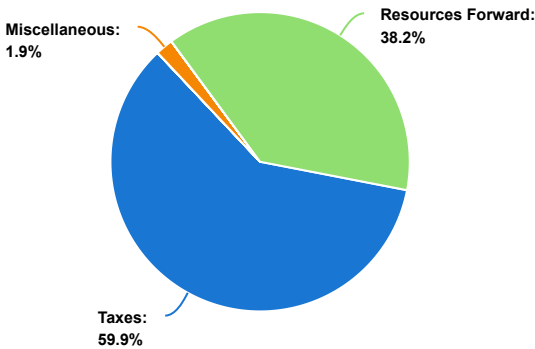
#### ECONOMIC DEVELOPMENT

- Tourism Development Committee (TDC) Grants from Lodging Tax are \$60,000 for 2025. The TDC's 2026 recommendation will be included in the mid-biennial budget process.

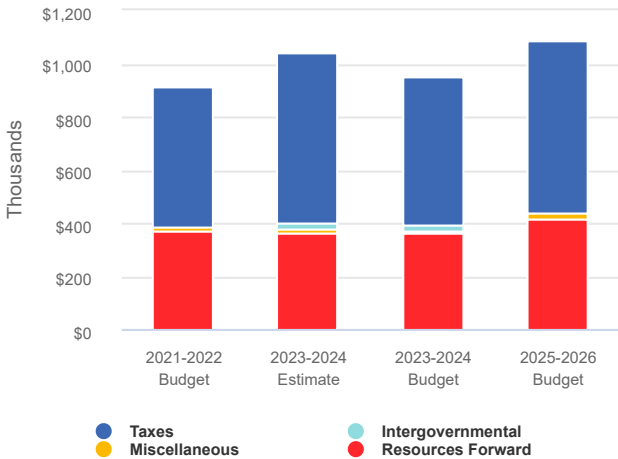
# Lodging Tax Fund

## Financial Overview

Sources of Funds



Revenues by Type



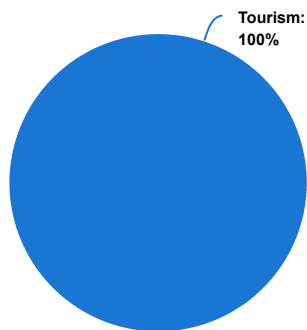
## REVENUE SUMMARY BY TYPE

	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
Taxes	533,606	646,432	562,646	651,334	15.76%
Intergovernmental	-	17,000	17,000	-	(100.00%)
Miscellaneous	8,543	18,298	10,530	20,759	97.14%
Interfund Transfers	268	-	-	-	
Resources Forward	372,969	362,552	362,552	414,558	14.34%
<b>TOTAL</b>	<b>915,387</b>	<b>1,044,282</b>	<b>952,728</b>	<b>1,086,651</b>	<b>14.06%</b>

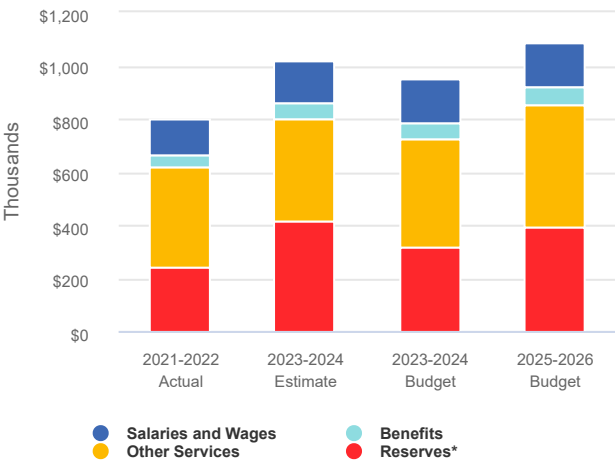
# Lodging Tax Fund

## Financial Overview

Expenditures by Division



Expenditures by Category



### EXPENDITURE SUMMARY BY CATEGORY

	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
Salaries and Wages	136,282	160,652	164,601	167,038	1.48%
Benefits	47,528	59,822	61,911	66,265	7.03%
Supplies	-	196	200	200	-%
Other Services	376,896	382,085	409,174	461,201	12.72%
Reserves*	242,414	414,558	316,842	391,947	23.70%
<b>TOTAL</b>	<b>803,120</b>	<b>1,017,313</b>	<b>952,728</b>	<b>1,086,651</b>	<b>14.06%</b>

### EXPENDITURE SUMMARY BY DIVISION

	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
Tourism	803,120	1,017,313	952,728	1,086,651	14.06%
<b>TOTAL</b>	<b>803,120</b>	<b>1,017,313</b>	<b>952,728</b>	<b>1,086,651</b>	<b>14.06%</b>

\* 2021-2022 Actual and 2023-2024 Estimate reserves are budgeted, but not spent

# Lodging Tax Fund

## 2025-2026 Position Summary

### POSITION SUMMARY BY CLASSIFICATION

Classification	2023-2024 Positions	Additions/ Reductions	2025-2026 Positions	Budgeted 2025 Salary Range
SPECIAL PROJECTS COORDINATOR	0.56	-	0.56	99,206 - 116,726
ADMINISTRATIVE ASSISTANT	0.20	-	0.20	75,926 - 89,316
<b>TOTAL</b>	<b>0.76</b>	<b>-</b>	<b>0.76</b>	

### POSITION SUMMARY BY DIVISION

Classification	2023-2024 Positions	Additions/ Reductions	2025-2026 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	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
<b>Taxes</b>						
Hotel Motel Tax	313311	533,606	646,432	562,646	651,334	15.76%
<b>Total for Taxes</b>		<b>533,606</b>	<b>646,432</b>	<b>562,646</b>	<b>651,334</b>	<b>15.76%</b>
<b>Intergovernmental Revenue</b>						
Port of Seattle	337092	-	17,000	17,000	-	(100.00%)
<b>Total for Intergovernmental Revenue</b>		<b>-</b>	<b>17,000</b>	<b>17,000</b>	<b>-</b>	<b>(100.00%)</b>
<b>Miscellaneous Revenues</b>						
Investment Interest	361111	8,543	18,298	10,530	20,759	97.14%
<b>Total for Miscellaneous Revenues</b>		<b>8,543</b>	<b>18,298</b>	<b>10,530</b>	<b>20,759</b>	<b>97.14%</b>
<b>Other Financing Sources</b>						
Operating Transfers In	397101	268	-	-	-	
Resources Forward	399991	372,969	362,552	362,552	414,558	14.34%
<b>Total for Other Financing Sources</b>		<b>373,237</b>	<b>362,552</b>	<b>362,552</b>	<b>414,558</b>	<b>14.34%</b>
<b>Fund Total</b>		<b>915,387</b>	<b>1,044,282</b>	<b>952,728</b>	<b>1,086,651</b>	<b>14.06%</b>



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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.



# 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.

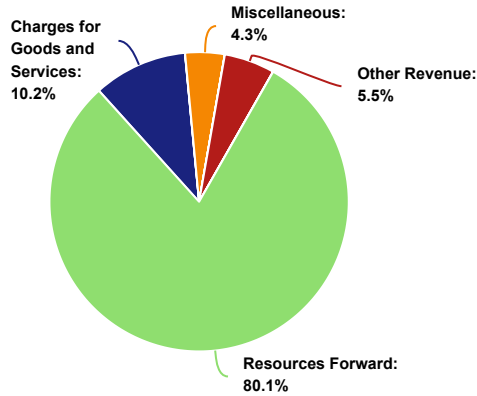
### BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS

No budget highlights.

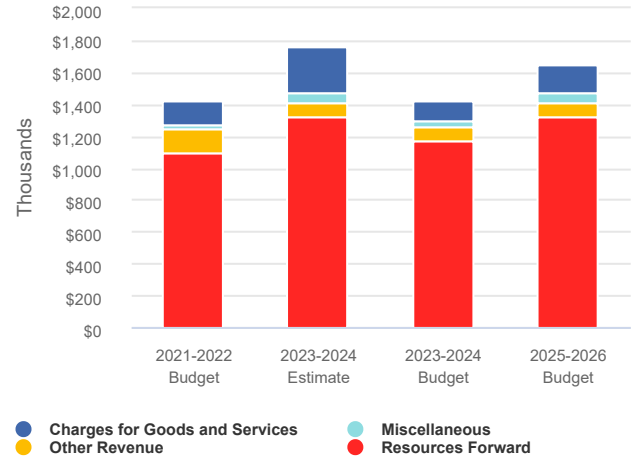
# Cemetery Operating Fund

## Financial Overview

Sources of Funds



Revenues by Type



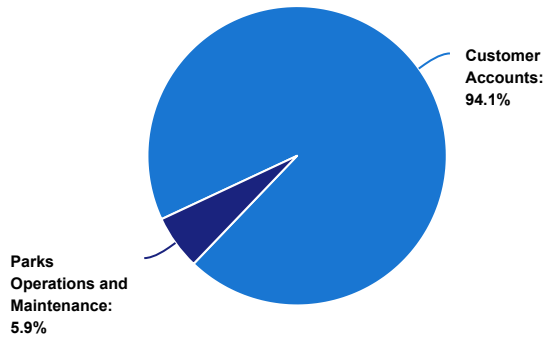
## REVENUE SUMMARY BY TYPE

	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
Charges for Goods and Services	152,428	282,957	126,000	167,000	32.54%
Miscellaneous	27,758	62,903	37,878	69,819	84.33%
Other Revenue	151,600	100,090	90,000	90,000	-%
Resources Forward	1,089,802	1,314,928	1,167,999	1,314,928	12.58%
<b>TOTAL</b>	<b>1,421,588</b>	<b>1,760,878</b>	<b>1,421,877</b>	<b>1,641,747</b>	<b>15.46%</b>

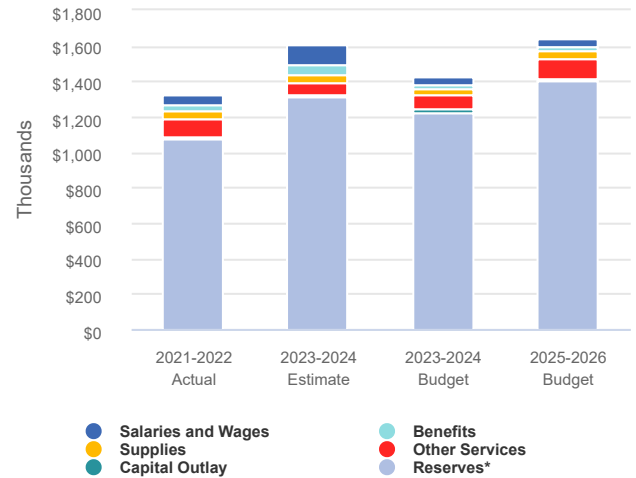
# Cemetery Operating Fund

## Financial Overview

Expenditures by Division



Expenditures by Category



## EXPENDITURE SUMMARY BY CATEGORY

	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
Salaries and Wages	58,202	107,680	37,128	39,869	7.38%
Benefits	34,940	57,248	22,449	24,106	7.38%
Supplies	41,610	47,720	40,800	44,200	8.33%
Other Services	104,006	71,272	80,215	113,863	41.95%
Intergovernmental Services	294	388	200	300	50.00%
Capital Outlay	12,201	4,800	14,400	14,400	-%
Reserves*	1,076,421	1,314,928	1,226,685	1,405,009	14.54%
<b>TOTAL</b>	<b>1,327,675</b>	<b>1,604,036</b>	<b>1,421,877</b>	<b>1,641,747</b>	<b>15.46%</b>

## EXPENDITURE SUMMARY BY DIVISION

	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
Customer Accounts	1,235,322	1,549,318	1,362,807	1,544,598	13.34%
Parks Operations and Maintenance	92,353	54,718	59,070	97,149	64.46%
<b>TOTAL</b>	<b>1,327,675</b>	<b>1,604,036</b>	<b>1,421,877</b>	<b>1,641,747</b>	<b>15.46%</b>

\* 2021-2022 Actual and 2023-2024 Estimate reserves are budgeted, but not spent

# Cemetery Operating Fund

## CEMETERY OPERATING FUND REVENUES

	Object	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
<b>Charges for Goods and Services</b>						
Sale of Markers	343601	25,078	41,257	20,000	30,000	50.00%
Marker Setting Fee	343602	19,795	22,240	14,000	20,000	42.86%
Open and Close	343603	90,485	201,375	80,000	100,000	25.00%
Marker Engraving	343605	17,070	18,085	12,000	17,000	41.67%
<b>Total for Charges for Goods and Services</b>		<b>152,428</b>	<b>282,957</b>	<b>126,000</b>	<b>167,000</b>	<b>32.54%</b>
<b>Miscellaneous Revenues</b>						
Investment Interest	361111	27,758	62,903	37,878	69,819	84.33%
<b>Total for Miscellaneous Revenues</b>		<b>27,758</b>	<b>62,903</b>	<b>37,878</b>	<b>69,819</b>	<b>84.33%</b>
<b>Other Financing Sources</b>						
Sale Capital Asset	395100	151,600	100,090	90,000	90,000	-%
Resources Forward	399991	1,089,802	1,314,928	1,167,999	1,314,928	12.58%
<b>Total for Other Financing Sources</b>		<b>1,241,402</b>	<b>1,415,018</b>	<b>1,257,999</b>	<b>1,404,928</b>	<b>11.68%</b>
<b>Fund Total</b>		<b>1,421,588</b>	<b>1,760,878</b>	<b>1,421,877</b>	<b>1,641,747</b>	<b>15.46%</b>



Special Revenue Funds are established to account for specific resources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.



# Parks Levy Fund

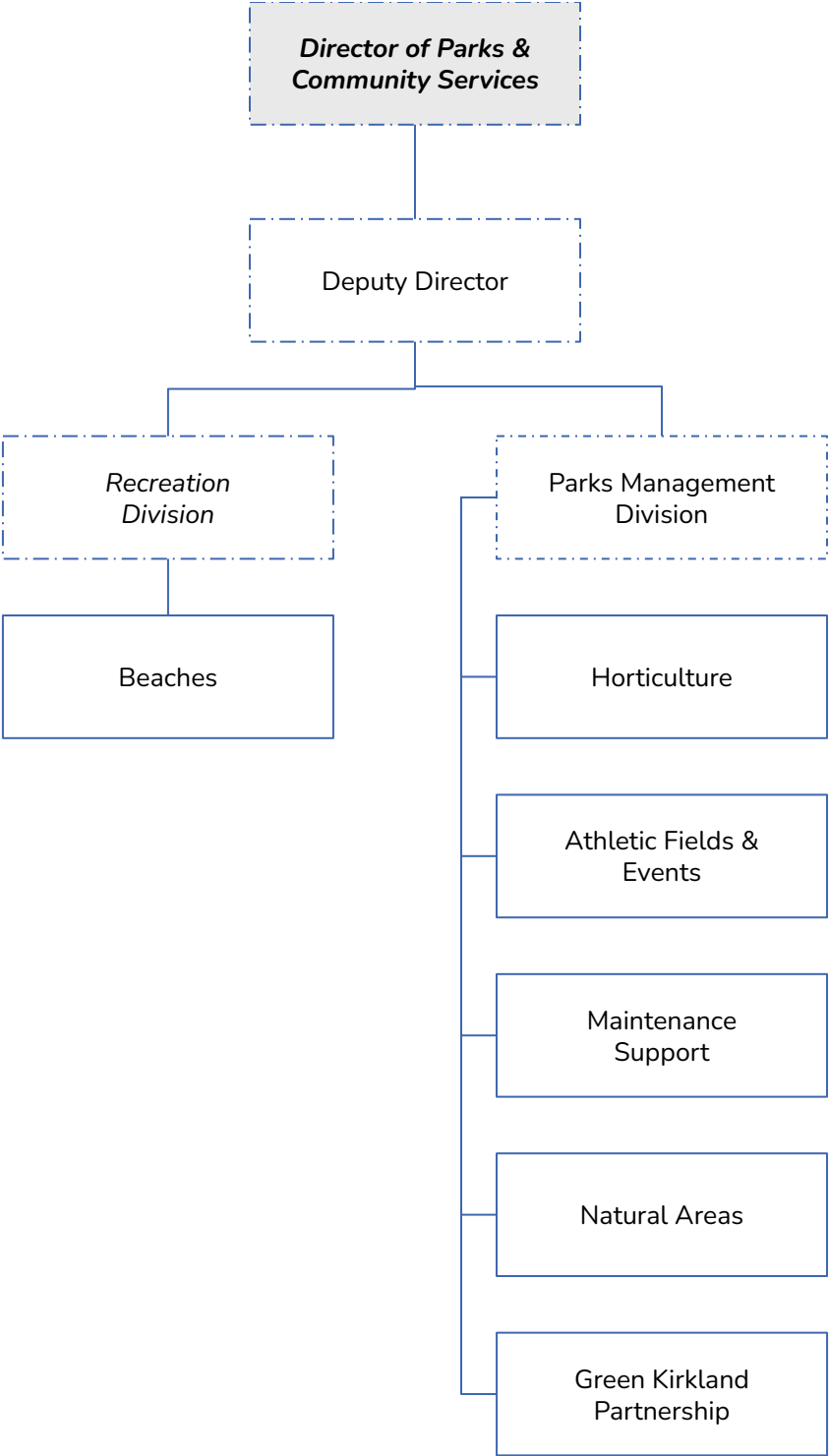
The Parks Levy Fund accounts for the maintenance and operation of park properties acquired and/or developed with the revenues from levies approved by voters in November 2002 and November 2012. The Parks Maintenance Fund (2002 levy) was merged with the Parks Levy fund in 2024.



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# 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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# Parks Levy Fund

## Department Overview

### MISSION

To operate and maintain park facilities and service levels funded by the voter-approved 2002 and 2012 park levies, and to restore and enhance funding for park maintenance and beach lifeguards, acquire park land and open space, and to maintain, renovate, and enhance docks, park facilities, trails, and playfields.

### DEPARTMENT FUNCTIONS

The **Parks Levy Fund** accounts for the proceeds of levies approved by voters in November 2002 and November 2012. The funds generated by these levies provide ongoing funding for the maintenance and operation of Kirkland Parks; restores maintenance and beach lifeguard services at Houghton, Waverly, and Juanita beaches; and restores service levels at neighborhood parks, including restroom operations and repairs. These levies provide funding for repair and upkeep of sports courts, playgrounds (including replacement), city and school athletic field improvements, docks and marina, park facilities, and trails. Funds are also used for maintenance of O.O. Denny Park and the Cross Kirkland Corridor (managed by Public Works) and provide ongoing funding for the Green Kirkland Partnership.

### BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS

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

- Fund a 1.0 LTE Groundsperson and service level increases at 132<sup>nd</sup> Square park, Fisk Family Park, the Houghton Park and “Play”, and two (2) off-leash areas at North Juanita Beach and Snyder’s Corner, \$389,036 one-time. [25PK11]
- Fund a 1.0 FTE Groundsperson and vehicle to support maintenance for the increased use of local parks due to population increases, \$197,886 ongoing, \$75,000 one-time. [25PK13]

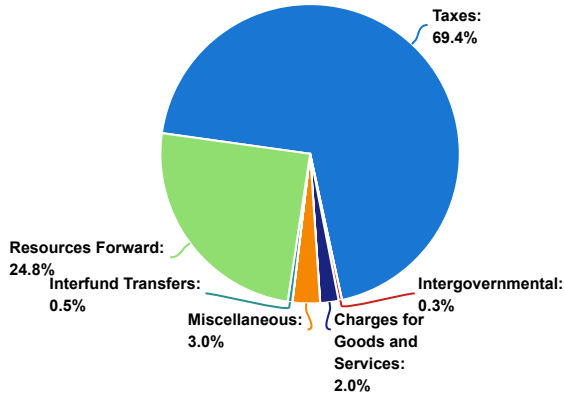
#### PUBLIC SAFETY

- Install security cameras at several park locations over the biennium, with a plan for further expansion in the next budget cycle. Priority has been determined by 911 call volume, park volume, and graffiti/vandalism activity, \$11,000 ongoing, \$80,000 one-time. [25PK14]
- Install automatic gates at several park locations over the biennium, with a plan for further expansion in the next budget cycle. Priority has been determined by 911 call volume, park volume, and graffiti/vandalism activity, \$27,000 ongoing, \$300,000 one-time. [25PK15]

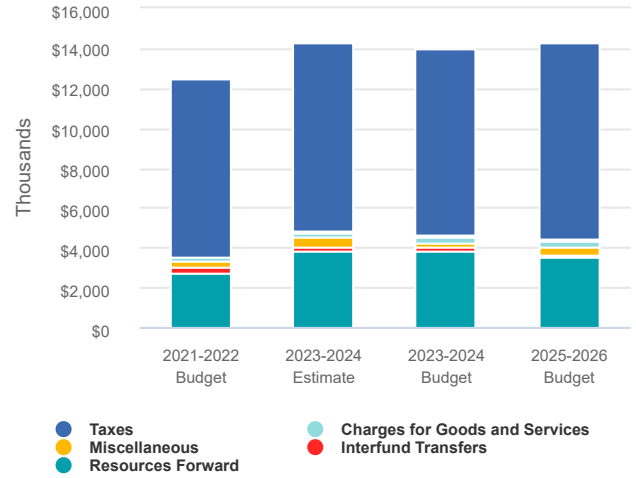
# Parks Levy Fund

## Financial Overview

Sources of Funds



Revenues by Type



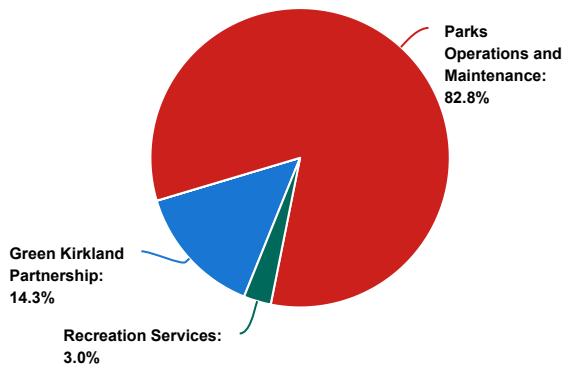
## REVENUE SUMMARY BY TYPE

	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
Taxes	8,890,969	9,392,962	9,422,821	9,918,811	5.26%
Intergovernmental	14,885	99,080	50,000	50,000	-%
Charges for Goods and Services	263,063	241,803	284,922	285,518	0.21%
Miscellaneous	275,083	490,078	214,928	425,030	97.75%
Other Revenue	6,736	-	-	-	
Interfund Transfers	258,480	150,997	173,497	70,000	(59.65%)
Resources Forward	2,734,828	3,867,374	3,867,374	3,549,917	(8.21%)
<b>TOTAL</b>	<b>12,444,044</b>	<b>14,242,295</b>	<b>14,013,542</b>	<b>14,299,276</b>	<b>2.04%</b>

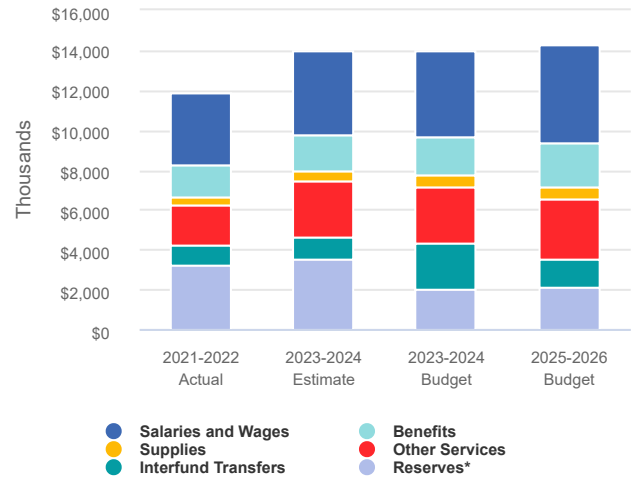
# Parks Levy Fund

## Financial Overview

**Expenditures by Division**



**Expenditures by Category**



## EXPENDITURE SUMMARY BY CATEGORY

	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
Salaries and Wages	3,635,592	4,288,702	4,384,979	4,941,214	12.69%
Benefits	1,635,582	1,772,190	1,860,504	2,185,239	17.45%
Supplies	423,460	567,999	577,688	644,725	11.60%
Other Services	1,963,467	2,808,403	2,860,400	2,973,712	3.96%
Intergovernmental Services	-	850	850	1,700	100.00%
Capital Outlay	-	-	8,500	35,000	311.76%
Interfund Transfers	1,000,850	1,044,784	2,353,042	1,410,000	(40.08%)
Reserves*	3,247,683	3,549,917	1,967,579	2,107,686	7.12%
<b>TOTAL</b>	<b>11,906,634</b>	<b>14,032,846</b>	<b>14,013,542</b>	<b>14,299,276</b>	<b>2.04%</b>

## EXPENDITURE SUMMARY BY DIVISION

	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
Green Kirkland Partnership	1,608,578	1,822,763	1,893,660	2,040,155	7.74%
Parks Operations and Maintenance	9,970,963	11,889,955	11,746,795	11,835,412	0.75%
Recreation Services	327,093	320,128	373,087	423,709	13.57%
<b>TOTAL</b>	<b>11,906,634</b>	<b>14,032,846</b>	<b>14,013,542</b>	<b>14,299,276</b>	<b>2.04%</b>

\* 2021-2022 Actual and 2023-2024 Estimate reserves are budgeted, but not spent

# Parks Levy Fund

## 2025-2026 Position Summary

### POSITION SUMMARY BY CLASSIFICATION

Classification	2023-2024 Positions	Additions/ Reductions	2025-2026 Positions	Budgeted 2025 Salary Range
PARKS MAINTENANCE SUPERVISOR	1.00	-	1.00	95,967 - 125,215
GREEN KIRKLAND PARTNERSHIP SUPERVISOR	1.00	-	1.00	95,967 - 125,215
LEADPERSON	2.00	-	2.00	91,728 - 110,335
NATURAL RESOURCES COORDINATOR	1.00	-	1.00	89,419 - 105,192
PROGRAM COORDINATOR	2.00	-	2.00	86,994 - 102,346
SENIOR GROUNDSPERSON	2.00	-	2.00	79,855 - 97,258
GROUNDSPERSON	11.50	1.00	12.50	64,123 - 80,368
PARKS ACCOUNTS ASSOCIATE	0.50	-	0.50	66,769 - 78,570
<b>TOTAL</b>	<b>21.00</b>	<b>1.00</b>	<b>22.00</b>	

### POSITION SUMMARY BY DIVISION

Classification	2023-2024 Positions	Additions/ Reductions	2025-2026 Positions
Green Kirkland Partnership	5.00	-	5.00
Parks Operations and Maintenance	16.00	1.00	17.00
<b>TOTAL</b>	<b>21.00</b>	<b>1.00</b>	<b>22.00</b>

# Parks Levy Fund

## PARKS LEVY FUND REVENUES

	Object	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
<b>Taxes</b>						
Prop Tax Park	311102	3,102,611	3,277,793	3,288,205	3,461,286	5.26%
Prop Tax 12 Park	311106	5,788,358	6,115,169	6,134,616	6,457,525	5.26%
<b>Total for Taxes</b>		<b>8,890,969</b>	<b>9,392,962</b>	<b>9,422,821</b>	<b>9,918,811</b>	<b>5.26%</b>
<b>Intergovernmental Revenue</b>						
Indr USDA	333100	8,800	-	-	-	
Dept of Ecology	334031	6,085	30,516	-	-	
Other KC Grants	337081	-	43,564	-	-	
King Conserv Dis	337085	-	25,000	50,000	50,000	-%
<b>Total for Intergovernmental Revenue</b>		<b>14,885</b>	<b>99,080</b>	<b>50,000</b>	<b>50,000</b>	<b>-%</b>
<b>Charges for Goods and Services</b>						
Intfnd-Envir Srvc	341968	263,063	241,803	284,922	285,518	0.21%
<b>Total for Charges for Goods and Services</b>		<b>263,063</b>	<b>241,803</b>	<b>284,922</b>	<b>285,518</b>	<b>0.21%</b>
<b>Miscellaneous Revenues</b>						
Investment Interest	361111	76,446	189,682	106,220	206,630	94.53%
Rentals Park Fields and Courts	362456	10,658	89,668	79,457	80,000	0.68%
Rentals Other Park Facilities	362458	157,058	197,996	18,844	120,000	536.81%
Contribution Donation	367000	29,422	12,733	10,407	18,400	76.80%
Other Misc Rev	369910	1,500	-	-	-	
<b>Total for Miscellaneous Revenues</b>		<b>275,083</b>	<b>490,078</b>	<b>214,928</b>	<b>425,030</b>	<b>97.75%</b>
<b>Other Financing Sources</b>						
Operating Transfers In	397101	258,480	150,997	173,497	70,000	(59.65%)
Insurance Rec Gen Government	398001	6,736	-	-	-	
Resources Forward	399991	2,734,828	3,867,374	3,867,374	3,549,917	(8.21%)
<b>Total for Other Financing Sources</b>		<b>3,000,044</b>	<b>4,018,371</b>	<b>4,040,871</b>	<b>3,619,917</b>	<b>(10.42%)</b>
<b>Fund Total</b>		<b>12,444,044</b>	<b>14,242,295</b>	<b>14,013,542</b>	<b>14,299,276</b>	<b>2.04%</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

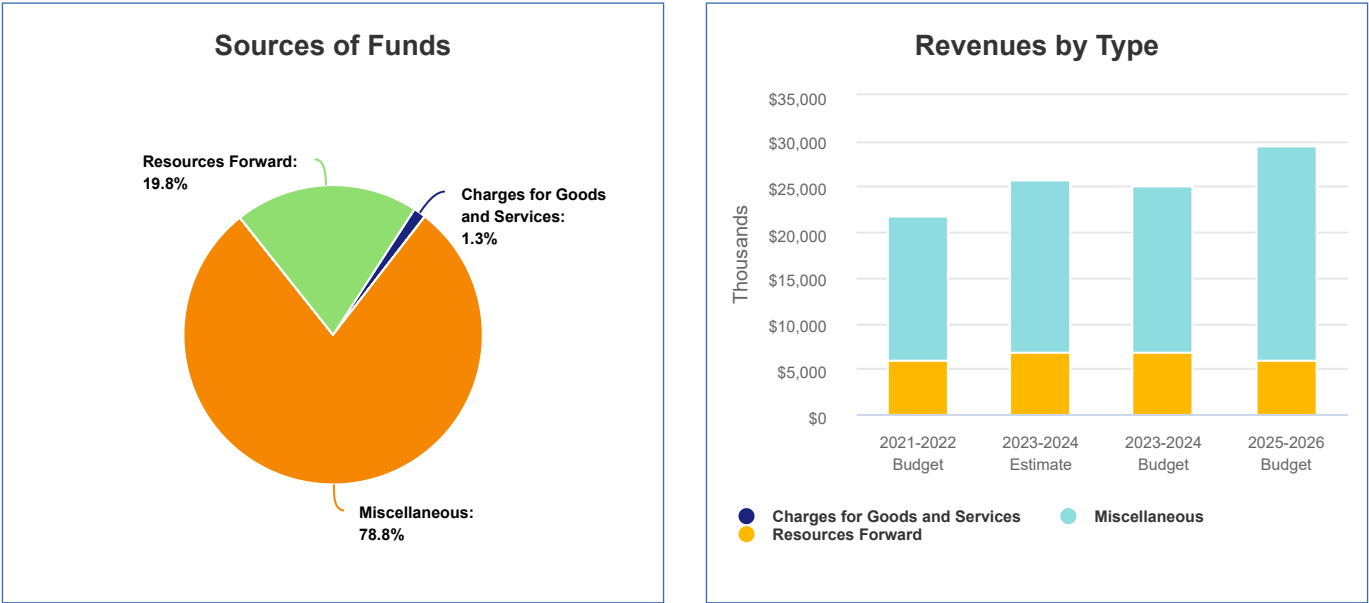
The Health Benefits Fund accounts for programs established to provide employee medical health care coverage. Medical premiums received by the fund are used to pay claims for employees participating in the City's self-insured health care program, purchase "stop-loss" coverage for individual and aggregate 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



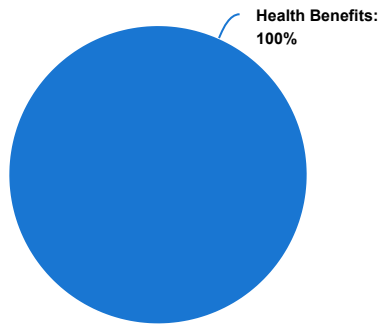
### REVENUE SUMMARY BY TYPE

	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
Charges for Goods and Services	321,640	358,637	362,355	397,392	9.67%
Miscellaneous	15,825,888	18,789,193	18,142,159	23,501,416	29.54%
Resources Forward	5,896,381	6,911,454	6,911,454	5,917,176	(14.39%)
<b>TOTAL</b>	<b>22,043,909</b>	<b>26,059,284</b>	<b>25,415,968</b>	<b>29,815,984</b>	<b>17.31%</b>

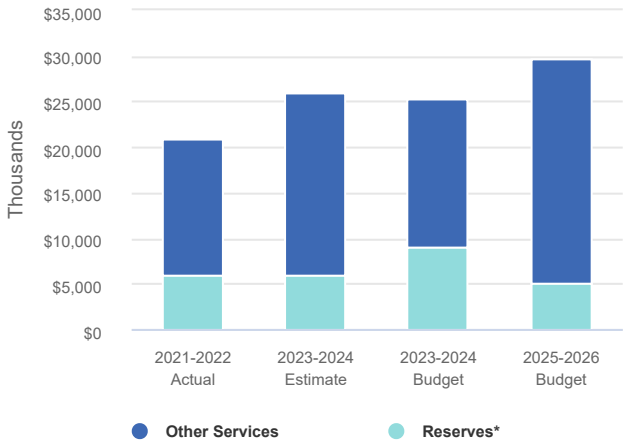
# Health Benefits Fund

## Financial Overview

Expenditures by Division



Expenditures by Category



### EXPENDITURE SUMMARY BY CATEGORY

	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
Other Services	15,049,472	19,974,220	16,283,890	24,675,776	51.53%
Intergovernmental Services	5,042	6,198	6,640	7,822	17.80%
Reserves*	5,966,041	5,917,176	9,125,438	5,132,386	(43.76%)
<b>TOTAL</b>	<b>21,020,555</b>	<b>25,897,594</b>	<b>25,415,968</b>	<b>29,815,984</b>	<b>17.31%</b>

### EXPENDITURE SUMMARY BY DIVISION

	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
Health Benefits	21,020,555	25,897,594	25,415,968	29,815,984	17.31%
<b>TOTAL</b>	<b>21,020,555</b>	<b>25,897,594</b>	<b>25,415,968</b>	<b>29,815,984</b>	<b>17.31%</b>

\* 2021-2022 Actual and 2023-2024 Estimate reserves are budgeted, but not spent

# Health Benefits Fund

## HEALTH BENEFITS FUND REVENUES

	Object	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
<b>Charges for Goods and Services</b>						
Interfund Medical Contribution	348000	321,640	358,637	362,355	397,392	9.67%
<b>Total for Charges for Goods and Services</b>		<b>321,640</b>	<b>358,637</b>	<b>362,355</b>	<b>397,392</b>	<b>9.67%</b>
<b>Miscellaneous Revenues</b>						
Investment Interest	361111	154,923	303,350	171,401	307,239	79.25%
Medical Contribution EE	367121	14,499,903	15,961,348	16,805,673	21,496,355	27.91%
Medical Contribution Ret	367122	137,704	198,716	264,870	287,885	8.69%
Contribution Rebates Prescript	367191	690,208	1,106,080	421,745	1,226,023	190.70%
Stop Loss Rebate	367192	332,678	1,219,699	478,470	183,914	(61.56%)
Other Misc Rev	369910	10,473	-	-	-	
<b>Total for Miscellaneous Revenues</b>		<b>15,825,888</b>	<b>18,789,193</b>	<b>18,142,159</b>	<b>23,501,416</b>	<b>29.54%</b>
<b>Other Financing Sources</b>						
Resources Forward	399991	5,896,381	6,911,454	6,911,454	5,917,176	(14.39%)
<b>Total for Other Financing Sources</b>		<b>5,896,381</b>	<b>6,911,454</b>	<b>6,911,454</b>	<b>5,917,176</b>	<b>(14.39%)</b>
<b>Fund Total</b>		<b>22,043,909</b>	<b>26,059,284</b>	<b>25,415,968</b>	<b>29,815,984</b>	<b>17.31%</b>



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Internal Service Funds account for the financing of goods and services provided by one department to other City departments on a cost reimbursement basis.



# 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.

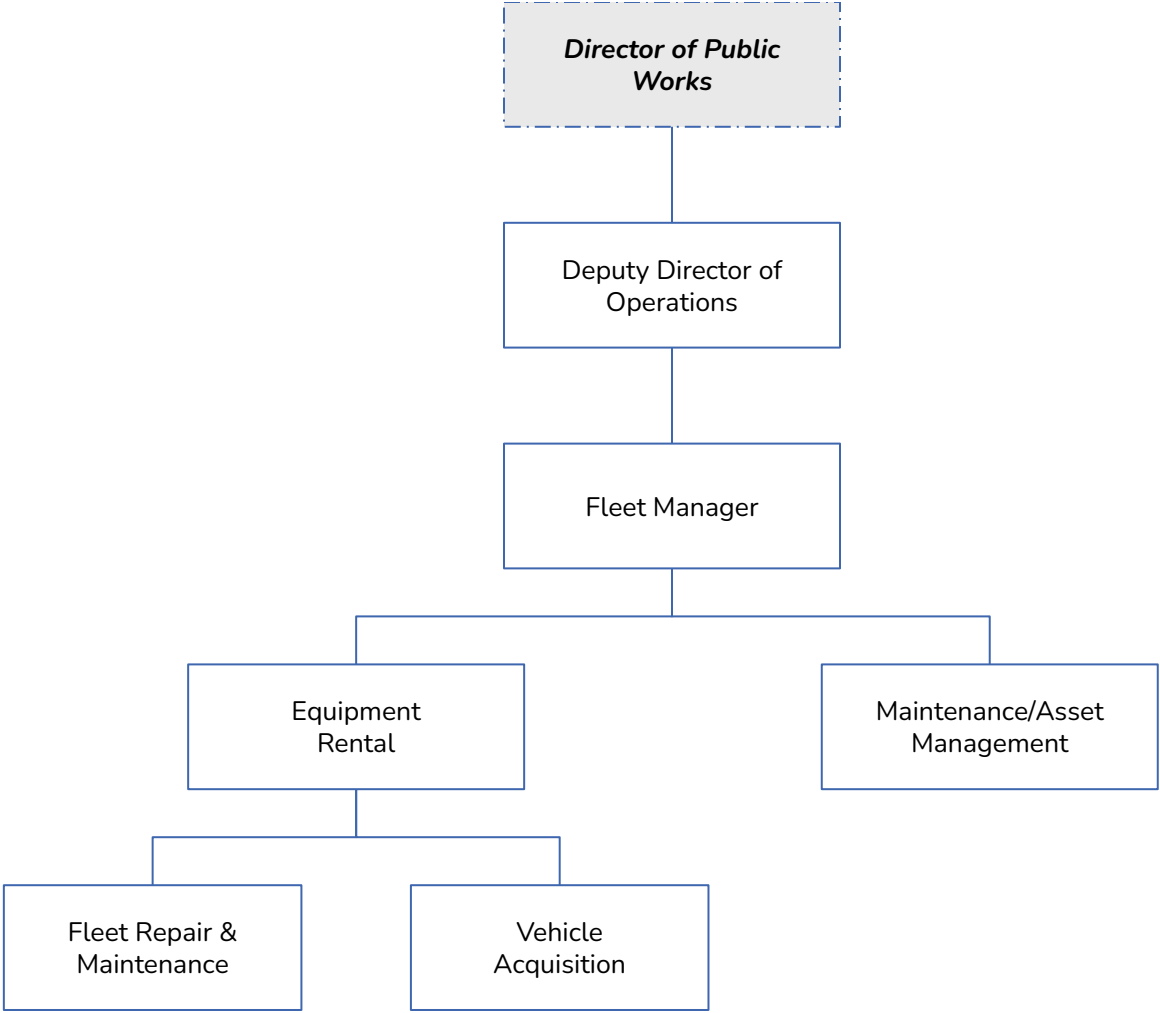




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# Equipment Rental Fund



*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 Deputy Director of Operations, 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

#### COMMUNITY SAFETY

- Add funding to support 1.0 FTE Emergency Vehicle Technician to bring police and fire vehicle fleet repairs in-house that are currently being sent to external vendors, which will reduce costs and reduce the inflationary pressures of external vendors, \$311,488 ongoing, offset by \$50,000 in expenditure savings. [25ER01]

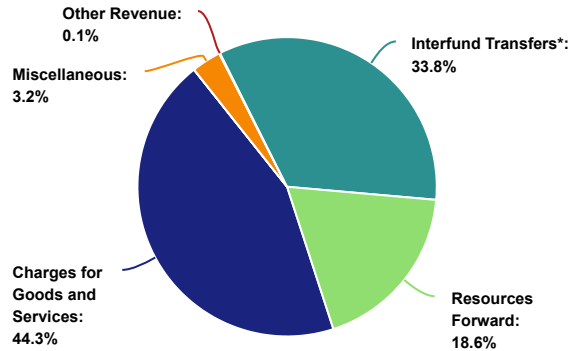
#### DEPENDABLE INFRASTRUCTURE

- Add funding for Fleet Management Software Systems designed to accumulate, store, process, monitor, report, and export information. Information can be imported from external sources such as AVL units, fuel stations, and managing vehicle registration, financial institutions, insurance databases, vehicle specification databases, mapping systems and from internal sources such as Finance. The system would allow other departments across the organization to use the data from the software to drive business decisions across the entire enterprise, \$54,000 ongoing, \$130,000 one-time. [25ER02]

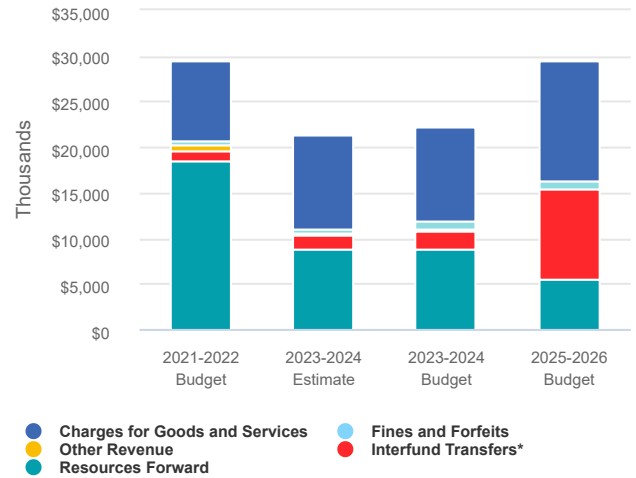
# Equipment Rental Fund

## Financial Overview

Sources of Funds



Revenues by Type



## REVENUE SUMMARY BY TYPE

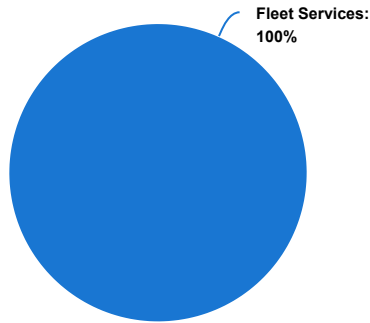
	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
Charges for Goods and Services	8,665,715	10,383,659	10,356,229	13,026,831	25.79%
Miscellaneous	457,364	483,874	827,754	945,605	14.24%
Proprietary Other Income	73,791	44,889	-	-	
Other Revenue	562,150	103,672	340,800	20,000	(94.13%)
Interfund Transfers*	1,266,165	1,516,187	1,832,088	9,932,873	442.16%
Resources Forward	18,406,454	8,845,630	8,845,630	5,468,104	(38.18%)
<b>TOTAL</b>	<b>29,431,639</b>	<b>21,377,912</b>	<b>22,202,501</b>	<b>29,393,413</b>	<b>32.39%</b>

\* 2025-2026 increase due to scheduled repayment of a 2022 interfund loan to purchase Houghton Village property.

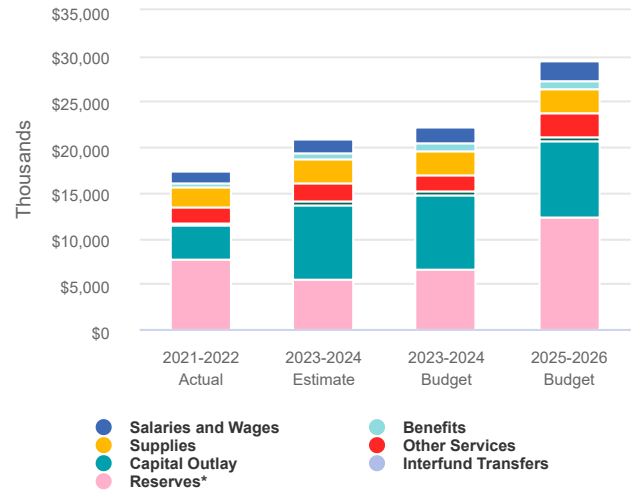
# Equipment Rental Fund

## Financial Overview

Expenditures by Division



Expenditures by Category



### EXPENDITURE SUMMARY BY CATEGORY

	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
Salaries and Wages	1,253,102	1,533,922	1,827,700	2,042,653	11.76%
Benefits	530,651	654,816	776,965	859,090	10.57%
Supplies	2,157,025	2,594,352	2,613,467	2,756,600	5.48%
Other Services	1,608,711	2,072,781	1,891,656	2,712,787	43.41%
Intergovernmental Services	278,203	265,916	252,624	383,310	51.73%
Capital Outlay	3,735,785	8,277,277	8,312,787	8,341,230	0.34%
Interfund Transfers	50,000	-	-	-	
Reserves*	7,692,973	5,468,104	6,527,302	12,297,743	88.40%
<b>TOTAL</b>	<b>17,306,450</b>	<b>20,867,169</b>	<b>22,202,501</b>	<b>29,393,413</b>	<b>32.39%</b>

### EXPENDITURE SUMMARY BY DIVISION

	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
Fleet Services	17,306,450	20,867,169	22,202,501	29,393,413	32.39%
<b>TOTAL</b>	<b>17,306,450</b>	<b>20,867,169</b>	<b>22,202,501</b>	<b>29,393,413</b>	<b>32.39%</b>

\* 2021-2022 Actual and 2023-2024 Estimate reserves are budgeted, but not spent

# Equipment Rental Fund

## 2025-2026 Position Summary

### POSITION SUMMARY BY CLASSIFICATION

Classification	2023-2024 Positions	Additions/ Reductions	2025-2026 Positions	Budgeted 2025 Salary Range
PUBLIC WORKS DEPUTY DIRECTOR OF OPERATIONS	0.25	-	0.25	149,133 - 194,585
FLEET MANAGER	1.00	-	1.00	115,350 - 150,505
MECHANIC 3	1.00	-	1.00	91,728 - 110,335
CONTRACT AND PURCHASING SPECIALIST	0.50	-	0.50	88,723 - 104,375
EMERGENCY VEHICLE TECHNICIAN	4.00	1.00	5.00	86,066 - 103,524
YARD MAINTENANCE AND INVENTORY CONTROL	0.15	-	0.15	79,855 - 97,258
FLEET PARTS SPECIALIST	1.00	-	1.00	64,123 - 80,368
OFFICE SPECIALIST	1.00	-	1.00	61,790 - 72,694
<b>TOTAL</b>	<b>8.90</b>	<b>1.00</b>	<b>9.90</b>	

### POSITION SUMMARY BY DIVISION

Classification	2023-2024 Positions	Additions/ Reductions	2025-2026 Positions
Fleet Services	8.90	1.00	9.90
<b>TOTAL</b>	<b>8.90</b>	<b>1.00</b>	<b>9.90</b>

# Equipment Rental Fund

## EQUIPMENT RENTAL FUND REVENUES

	Object	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
<b>Charges for Goods and Services</b>						
Interfund-Gen	341963	-	710	-	-	
Sales of Fuel	344511	10,999	-	16,000	12,000	(25.00%)
Interfund Vehicles Rent	348001	4,702,422	5,775,237	5,741,074	7,736,573	34.76%
Replace Reserve	348002	3,675,666	4,329,503	4,320,703	4,894,948	13.29%
Interfund Radio	348003	202,559	213,399	204,382	309,242	51.31%
Interfund-Radio Replcmnt	348004	74,069	64,811	74,070	74,068	(0.00%)
<b>Total for Charges for Goods and Services</b>		<b>8,665,715</b>	<b>10,383,659</b>	<b>10,356,229</b>	<b>13,026,831</b>	<b>25.79%</b>
<b>Miscellaneous Revenues</b>						
Investment Interest	361111	363,447	393,872	527,754	397,982	(24.59%)
Interfund Loan Interest	361400	49,500	82,908	-	-	
Sales of Surplus	369101	675	-	300,000	547,623	82.54%
Other Judgements	369401	(317)	-	-	-	
Other Misc Rev	369910	44,059	7,094	-	-	
<b>Total for Miscellaneous Revenues</b>		<b>457,364</b>	<b>483,874</b>	<b>827,754</b>	<b>945,605</b>	<b>14.24%</b>
<b>Proprietary Other Income</b>						
Ins Recovery Prop	372001	73,791	44,889	-	-	
<b>Total for Proprietary Other Income</b>		<b>73,791</b>	<b>44,889</b>	<b>-</b>	<b>-</b>	
<b>Other Financing Sources</b>						
Sale Capital Asset	395100	10,903	62,767	340,800	20,000	(94.13%)
Gain Loss Capital Prop	395200	551,248	40,905	-	-	
Operating Transfers In	397101	1,266,165	1,516,187	1,832,088	9,932,873	442.16%
Resources Forward	399991	2,214,054	2,385,615	2,385,615	510,016	(78.62%)
Resources Forward - Reserve	399992	16,192,400	6,460,015	6,460,015	4,958,088	(23.25%)
<b>Total for Other Financing Sources</b>		<b>20,234,769</b>	<b>10,465,490</b>	<b>11,018,518</b>	<b>15,420,977</b>	<b>39.96%</b>
<b>Fund Total</b>		<b>29,431,639</b>	<b>21,377,912</b>	<b>22,202,501</b>	<b>29,393,413</b>	<b>32.39%</b>

# Equipment Rental Fund

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## Equipment Rental Capital Replacement

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This section includes three summary tables– one listing the vehicles costing \$50,000 or more to be replaced over the six-year period of 2025-2030, and the second and third list vehicle replacements for 2025 and 2026, 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 21 vehicles costing in excess of \$50,000 currently scheduled for replacement in 2025.

There are 13 vehicles costing in excess of \$50,000 currently scheduled for replacement in 2026.



# Equipment Rental Fund

## 2025-2030 FLEET REPLACEMENT PLAN VEHICLE REPLACEMENTS OVER \$50,000

### City Manager's Office

Vehicle	Year / Description	Service Life	In Service Date	2025	2026	2027	2028	2029	2030	Six Year Total Cost	Comments
PU-107	2011 FORD F250 2WD UTILITY BODY	10	6/21/2012	78,000						78,000	Active - First Life
PU-122	2015 FORD F250 4WD UTILITY BODY	10	8/20/2014		55,000					55,000	Active - First Life
PU-62	2006 CHEVROLET EXPRESS 2500 VAN 2WD	10	3/16/2006	69,000						69,000	Active - First Life
PU-64	2005 CHEVROLET EXPRESS VAN 2500 2WD	10	8/4/2006	69,000						69,000	Active - First Life
PU-91	2009 CHEVROLET EXPRESS 1500 AWD	10	6/16/2009	69,000						69,000	Active - First Life
<b>Total City Manager's Office Vehicles</b>				<b>285,000</b>	<b>55,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>340,000</b>	

### Fire

Vehicle	Year / Description	Service Life	In Service Date	2025	2026	2027	2028	2029	2030	Six Year Total Cost	Comments
F218	2009 FORD F250 EX CAB 4WD	10	5/12/2009		75,000					75,000	Active - First Life
F222	2015 FORD INTERCEPTOR SUV - FIRE	10	9/11/2014	59,000						59,000	Active - First Life
F225	2015 FORD INTERCEPTOR SUV - FIRE	10	9/23/2014	59,000						59,000	Active - First Life
F226	2017 CHEVROLET SUBURBAN 1500 4WD	10	5/24/2017			108,164				108,164	Active - First Life
F227	2018 FORD F250 CREW CAB 4WD	10	4/3/2018				96,599			96,599	Active - First Life
F228	2018 CHEVROLET SILVERADO 2500 CREW CAB 4WD	10	5/11/2018				67,791			67,791	Active - First Life
F229	2018 FORD F150 CREW CAB 4WD	10	10/23/2018				72,024			72,024	Active - First Life
F325	2019 FORD F450 ROAD RESCUE AID VEHICLE	8	1/30/2020				445,320			445,320	Active - First Life
F403	2006 SPARTAN DIAMOND AIR UNIT	18	5/11/2007	631,470						631,470	Active - First Life
F614	2009 SPARTAN GLADIATOR PUMPER	18	5/20/2010		910,000					910,000	Active - First Life
<b>Total Fire Vehicles</b>				<b>749,470</b>	<b>985,000</b>	<b>108,164</b>	<b>681,734</b>	<b>-</b>	<b>-</b>	<b>2,524,368</b>	

# Equipment Rental Fund

## FLEET REPLACEMENT PLAN VEHICLE REPLACEMENTS OVER \$50,000

### Parks & Community Services

Vehicle	Year / Description	Service Life	In Service Date	2025	2026	2027	2028	2029	2030	Six Year Total Cost	Comments
EQ-01	2017 TORO DINGO TX 525 WIDE TRACK LOADER	14	2/2/2017		51,000					51,000	Active - First Life
F-23	2012 FORD F550 2WD 2YD DUMP BODY	10	4/30/2012		85,000					85,000	Active - Extended
F-31	2017 FORD F550 2WD DUMP BODY	10	4/17/2017			90,640				90,640	Active - First Life
M-26	2017 TORO GROUNDSMASTER 5910	12	4/14/2017	130,900						130,900	Active - First Life
M-28	2021 TORO GROUNDSMASTER 4500	8	7/1/2022						110,340	110,340	Active - First Life
M-29	2022 Toro Grounds Master 4000-D 54 HP	8	8/3/2022						101,817	101,817	Active - First Life
M-30	2022 Toro Grounds Master 4000-D 54 HP	8	8/24/2022						101,854	101,854	Active - First Life
M-35	2022 Toro Grounds Master 4000-D 54 HP	8	8/24/2022						101,854	101,854	Active - First Life
PU-139	2017 FORD F450 4WD UTILITY BODY	10	11/8/2016			64,873				64,873	Active - First Life
PU-140	2017 CHEVROLET SILVERADO 3500 4WD CREW CAB LONG	10	2/16/2017			61,603				61,603	Active - First Life
PU-141	2017 CHEVROLET SILVERADO 2500 2WD CREW CAB	10	2/16/2017			51,397				51,397	Active - First Life
PU-142	2017 CHEVROLET SILVERADO 2500 CREW CAB 2WD	10	2/24/2017			51,397				51,397	Active - First Life
PU-143	2017 CHEVROLET SILVERADO 2500 2WD CREW CAB	10	2/24/2017			51,397				51,397	Active - First Life
PU-144	2017 CHEVROLET SILVERADO 2500 2WD CREW CAB	10	2/16/2017			55,937				55,937	Active - First Life
PU-161	2019 FORD F250 2WD REG CAB	10	3/28/2019					54,443		54,443	Active - First Life
PU-167	2019 FORD F350 EX CAB 4WD	10	11/20/2019					64,703		64,703	Active - First Life
PU-168	2019 FORD F250 REG CAB 4WD	10	11/26/2019					50,011		50,011	Active - First Life
PU-170	2019 FORD F250 SC 2WD	10	11/26/2019					50,536		50,536	Active - First Life
PU-174	2020 FORD F250 SC 4WD	10	12/7/2020						69,334	69,334	Active - First Life
TR-14	2016 JOHN DEERE 4052R TRACTOR	12	11/16/2016				59,479			59,479	Active - First Life
Total Parks & Community Services Vehicles				130,900	136,000	427,244	59,479	219,693	485,199	1,458,515	

### Planning & Building

Vehicle	Year / Description	Service Life	In Service Date	2025	2026	2027	2028	2029	2030	Six Year Total Cost	Comments
PU-172	2020 KIA NIRO ELECTRIC	10	9/22/2020						53813	53813	Active - First Life
PU-173	2020 KIA NIRO ELECTRIC	10	9/22/2020						53813	53813	Active - First Life
Total Planning & Building Vehicles				-	-	-	-	-	107,626	107,626	

# Equipment Rental Fund

## FLEET REPLACEMENT PLAN VEHICLE REPLACEMENTS OVER \$50,000

### Police

Vehicle	Year / Description	Service Life	In Service Date	2025	2026	2027	2028	2029	2030	Six Year Total Cost	Comments
P06-99	2006 GMC TOP KICK C5500 SPECIAL RESPONSE VEHICLE	17	3/24/2006		218,000					218,000	Active - First Life
P111	2011 FORD FUSION SE AWD	14	3/16/2011	79,000						79,000	Active - First Life
P116	2011 FORD FUSION HYBRID	10	5/9/2011		79,000					79,000	Active - First Life
P136	2013 FORD INTERCEPTOR SUV	10	3/12/2013	79,000						79,000	Active - First Life
P148	2015 FORD INTERCEPTOR SUV	5	10/27/2015	79,000						79,000	Active - First Life
P151	2016 FORD INTERCEPTOR SUV	10	11/4/2015	79,000						79,000	Active - First Life
P153	2016 FORD INTERCEPTOR SUV	5	10/29/2015	79,000						79,000	Active - First Life
P165	2017 FORD INTERCEPTOR SUV	5	2/9/2017	79,000						79,000	Active - First Life
P168	2017 FORD INTERCEPTOR SUV	5	2/24/2017	79,000						79,000	Active - First Life
P170	2017 FORD EXPLORER XLT 4WD	10	6/15/2017			69,212				69,212	Active - First Life
P174	2018 FORD INTERCEPTOR SUV	5	3/28/2018		79,000					79,000	Active - First Life
P175	2018 FORD INTERCEPTOR SEDAN AWD	5	4/20/2018		79,000					79,000	Active - First Life
P176	2018 FORD INTERCEPTOR SEDAN AWD	5	4/20/2018	79,000						79,000	Active - First Life
P177	2018 FORD INTERCEPTOR SEDAN AWD	5	4/20/2018		79,000					79,000	Active - First Life
P181	2019 FORD INTERCEPTOR SUV	10	11/29/2019	79,000						79,000	Active - First Life
P183	2020 FORD EXPLORER XLT 4WD	5	9/12/2019						63,007	63,007	Active - First Life
P184	2020 FORD EXPLORER XLT 4WD	10	9/6/2019					64,388		64,388	Active - First Life
P189	2019 TOYOTA CAMRY HYBRID	10	7/19/2019					50,614		50,614	Active - First Life
P190	2019 TOYOTA CAMRY HYBRID	10	7/19/2019					50,344		50,344	Active - First Life
P191	2019 FORD F150 CREW CAB 4WD	10	10/10/2019					65,365		65,365	Active - First Life
P192	2019 DODGE DURANGO SXT AWD	10	7/16/2019					54,339		54,339	Active - First Life
P193	2019 FORD F150 4WD CREW CAB	10	10/9/2019					70,374		70,374	Active - First Life
P194	2019 BMW R1250 RT-P MOTORCYCLE	8	10/17/2019			51,308				51,308	Active - First Life
P195	2019 BMW R1250 RT-P MOTORCYCLE	8	10/17/2019			51,308				51,308	Active - First Life
P196	2020 CHEVROLET TAHOE PPV 4WD	8	11/25/2019			113,570				113,570	Active - First Life
P198	2020 FORD INTERCEPTOR SUV HEV 4WD HYBRID	5	1/16/2020			119,724				119,724	Active - First Life
P200	2019 CHEVROLET BOLT ELECTRIC	10	10/1/2019					67,945		67,945	Active - First Life
P201	2020 TOYOTA SIENNA XLE AWD	10	4/6/2020						51,064	51,064	Active - First Life
P202	2020 FORD INTERCEPTOR SUV	10	5/7/2020						116,557	116,557	Active - First Life
P210	2023 Chevrolet Tahoe PPV 4WD	5	2/20/2023				116,519			116,519	Active - First Life
P211	2023 Chevrolet Tahoe PPV 4WD	5	2/20/2023				116,519			116,519	Active - First Life
<b>Total Police Vehicles</b>				<b>711,000</b>	<b>534,000</b>	<b>405,122</b>	<b>233,038</b>	<b>423,369</b>	<b>230,628</b>	<b>2,537,157</b>	

# Equipment Rental Fund

## FLEET REPLACEMENT PLAN VEHICLE REPLACEMENTS OVER \$50,000

### Public Works

Vehicle	Year / Description	Service Life	In Service Date	2025	2026	2027	2028	2029	2030	Six Year Total Cost	Comments
BC-1	2016 BOBCAT 5600 TOOLCAT	12	11/1/2016				60,390			60,390	Active - First Life
D-09	2009 PETERBILT 367 10YD DUMP	14	8/7/2008	490,000						490,000	Active - First Life
D-11	2016 INTERNATIONAL 7500 HOOKLIFT	14	7/9/2015			146,285				146,285	Active - First Life
EQ-02	2017 TENNANT S20 FLOOR SCRUBBER	12	12/10/2017					57,177		57,177	Active - First Life
EQ-03	2018 TENNANT 636 GREEN MACHINE SWEEPER	12	4/15/2018						172,225	172,225	Active - First Life
F-22	2011 FORD F550 4WD 2YD DUMP BODY	10	4/11/2011	85,000						85,000	Active - First Life
F-28	2016 FORD F550 4WD UTILITY BODY	10	8/14/2015				78,736			78,736	Active - First Life
F-29	2016 FORD F550 2WD UTILITY BODY	10	8/12/2015				138,284			138,284	Active - First Life
K-02	2015 FORD E450 BOX (CAMERA VAN)	14	7/15/2015					419,133		419,133	Active - First Life
K-03	2015 GMC SAVANA BOX (CAMERA VAN)	14	7/15/2015					349,154		349,154	Active - First Life
M-14	2010 JOHN DEERE 6330 ROADSIDE MOWER	17	9/29/2010			156,078				156,078	Active - First Life
PU-104	2012 FORD F550 2WD UTILITY	10	4/24/2012	80,000						80,000	Active - First Life
PU-117	2013 FORD F450 2WD CREW CAB UTILITY BODY	10	7/26/2013		89,000					89,000	Active - First Life
PU-118	2014 FORD F250 4WD SC	10	8/27/2013		116,000					116,000	Active - First Life
PU-121	2014 CHEVROLET SILVERADO 2500 2WD CREW CAB LONG	10	5/2/2014			50,385				50,385	Active - First Life
PU-127	2015 FORD F250 4WD CREW CAB LONG	10	4/10/2015			56,906				56,906	Active - First Life
PU-128	2015 CHEVROLET SILVERADO 2500 2WD EXT CAB LONG	10	5/1/2015			58,630				58,630	Active - First Life
PU-129	2015 FORD F350 4WD UTILITY BODY	10	5/11/2015			93,919				93,919	Active - First Life
PU-151	2018 FORD F350 4WD SC SHORT	10	2/21/2018				57,616			57,616	Active - First Life
PU-162	2019 FORD F350 SC 4WD FLATBED	10	12/12/2019					80,248		80,248	Active - First Life
PU-166	2019 FORD RANGER SC 4WD	10	11/20/2019					85,686		85,686	Active - First Life
SP-01	2019 FORD F450 4WD SC FLATBED SPRAY	10	1/17/2020						124,895	124,895	Active - First Life
SP-02	2019 FORD F450 4WD SC FLATBED SPRAY	10	1/17/2020						124,895	124,895	Active - First Life
TH-01	2006 CATERPILLAR 314CL EXCAVATOR	14	4/14/2006	279,000						279,000	Active - First Life
TH-02	2011 BOBCAT E50 MINI EXCAVATOR	17	8/11/2011		97,000					97,000	Active - First Life
TH-04	2014 KOMATSU PC55MR-3 EXCAVATOR	12	12/4/2013			159,796				159,796	Active - First Life
TH-05	2015 BOBCAT E55 EXCAVATOR	12	9/24/2015			126,173				126,173	Active - First Life
TR-13	2013 CATERPILLAR 420F 4WD BACKHOE	17	9/19/2013						163,248	163,248	Active - First Life
U-12	2016 FREIGHTLINER M2106 AERIAL LIFT	10	1/5/2016				275,229			275,229	Active - First Life
<b>Total Public Works Vehicles</b>				<b>934,000</b>	<b>302,000</b>	<b>848,172</b>	<b>610,255</b>	<b>991,398</b>	<b>585,263</b>	<b>4,271,088</b>	
<b>Total All Vehicles</b>				<b>2,810,370</b>	<b>2,012,000</b>	<b>1,788,702</b>	<b>1,584,506</b>	<b>1,634,460</b>	<b>1,408,716</b>	<b>11,131,888</b>	

# Equipment Rental Fund

## VEHICLE REPLACEMENT PLAN FOR 2025

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>						
ADMINISTRATION	F222	2015 FORD INTERCEPTOR SUV - FIRE	10	9/11/2014	59,000	Active - First Life
ADMINISTRATION	F225	2015 FORD INTERCEPTOR SUV - FIRE	10	9/23/2014	59,000	Active - First Life
OPERATIONS	F403	2006 SPARTAN DIAMOND AIR UNIT	18	5/11/2007	631,470	Active - First Life
<b>Parks</b>						
BOND MAINTENANCE	M-26	2017 TORO GROUNDSMASTER 5910	12	4/14/2017	130,900	Active - First Life
PARKS MAINTENANCE	TL-25	2007 PAROS HI-BOY 7X12 TILT TRAILER	17	12/6/2007	4,500	Active - First Life
PARKS MAINTENANCE	BG-14	2014 CUSHMAN HAULERPRO UTILITY	8	8/27/2014	15,000	Active - First Life
<b>Police</b>						
ADMINISTRATION	P136	2013 FORD INTERCEPTOR SUV	10	3/12/2013	79,000	Active - First Life
ADMINISTRATION	P155	2016 FORD EXPLORER XLT 4WD	10	4/22/2016	45,000	Active - First Life
INVESTIGATIONS	P111	2011 FORD FUSION SE AWD	14	3/16/2011	79,000	Active - First Life
INVESTIGATIONS	P134	2013 FORD FUSION HYBRID	10	4/24/2013	35,000	Active - First Life
K-9	P181	2019 FORD INTERCEPTOR SUV	10	11/29/2019	79,000	Active - First Life
PATROL	P153	2016 FORD INTERCEPTOR SUV	5	10/29/2015	79,000	Active - First Life
PATROL	P165	2017 FORD INTERCEPTOR SUV	5	2/9/2017	79,000	Active - First Life
PATROL	P168	2017 FORD INTERCEPTOR SUV	5	2/24/2017	79,000	Active - First Life
PATROL	P176	2018 FORD INTERCEPTOR SEDAN AWD	5	4/20/2018	79,000	Active - First Life
TRAFFIC	P148	2015 FORD INTERCEPTOR SUV	5	10/27/2015	79,000	Active - First Life
TRAFFIC	P151	2016 FORD INTERCEPTOR SUV	10	11/4/2015	79,000	Active - First Life
<b>Public Works</b>						
STREETS MAINTENANCE	D-09	2009 PETERBILT 367 10YD DUMP	14	8/7/2008	490,000	Active - First Life
STREETS MAINTENANCE	PU-104	2012 FORD F550 2WD UTILITY	10	4/24/2012	80,000	Active - First Life
SURFACE WATER	F-22	2011 FORD F550 4WD 2YD DUMP BODY	10	4/11/2011	85,000	Active - First Life
WATER	PU-108	2012 CHEVROLET COLORADO EX CAB 2WD	10	8/6/2012	38,000	Active - First Life
WATER	TH-01	2006 CATERPILLAR 314CL EXCAVATOR	14	4/14/2006	279,000	Active - First Life
<b>City Manager's Office</b>						
FACILITIES	PU-107	2011 FORD F250 2WD UTILITY BODY	10	6/21/2012	78,000	Active - First Life
FACILITIES	PU-62	2006 CHEVROLET EXPRESS 2500 VAN 2WD	10	3/16/2006	69,000	Active - First Life
FACILITIES	PU-64	2005 CHEVROLET EXPRESS VAN 2500 2WD	10	8/4/2006	69,000	Active - First Life
FACILITIES	PU-91	2009 CHEVROLET EXPRESS 1500 AWD	10	6/16/2009	69,000	Active - First Life
<b>Total Vehicles</b>					<b>2,947,870</b>	

# Equipment Rental Fund

## VEHICLE REPLACEMENT PLAN 2026

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	F614	2009 SPARTAN GLADIATOR PUMPER	18	5/20/2010	910,000	Active - First Life
FIRE PREVENTION	F218	2009 FORD F250 EX CAB 4WD	10	5/12/2009	75,000	Active - First Life
<b>Parks</b>						
PARKS MAINTENANCE	BG-16	2017 JOHN DEERE 1200A FIELD RAKE	8	3/28/2017	19,000	Active - First Life
PARKS MAINTENANCE	BG-17	2017 JOHN DEERE 1200A FIELD RAKE	8	3/28/2017	19,000	Active - First Life
PARKS MAINTENANCE	EQ-01	2017 TORO DINGO TX 525 WIDE TRACK LOADER	14	2/2/2017	51,000	Active - First Life
PARKS MAINTENANCE	EQ-06	2017 SCAG TLB25 TOW-BEHIND VACUUM BLOWER	12	9/24/2019	13,560	Active - First Life
PARKS MAINTENANCE	F-23	2012 FORD F550 2WD 2YD DUMP BODY	10	4/30/2012	85,000	Active - Extended
PARKS MAINTENANCE	TL-29	2009 CARGOMATE 510SA	17	1/29/2009	4,000	Active - First Life
PARKS MAINTENANCE	TL-30	2009 CARGOMATE 510SA	17	1/29/2009	4,000	Active - First Life
PARKS MAINTENANCE	BG-15	2017 JOHN DEERE 1200A FIELD RAKE	8	3/28/2017	19,000	Active - First Life
<b>Public Works</b>						
BUILDING	PU-120	2014 FORD ESCAPE SE AWD	10	5/27/2014	48,000	Active - First Life
PLANNING	C-16	2014 FORD C-MAX SEL HYBRID	10	5/27/2014	45,000	Active - First Life
<b>Police</b>						
ADMINISTRATION	P143	2014 FORD ESCAPE SE AWD	5	5/15/2014	40,000	Active - First Life
CRIME PREVENTION	P130	2012 CHEVROLET EXPRESS 2500 2WD	12	7/26/2012	48,000	Active - First Life
DETENTION/CORRECTIONS	P174	2018 FORD INTERCEPTOR SUV	5	3/28/2018	79,000	Active - First Life
INVESTIGATIONS	P116	2011 FORD FUSION HYBRID	10	5/9/2011	79,000	Active - First Life
PARKING ENFORCEMENT	P149	2015 SCION IQ	10	3/11/2015	43,000	Active - First Life
PARKING ENFORCEMENT	P150	2015 SCION IQ	10	5/18/2015	43,000	Active - First Life
PATROL	P175	2018 FORD INTERCEPTOR SEDAN AWD	5	4/20/2018	79,000	Active - First Life
SPECIAL RESPONSE TEAM	P06-99	2006 GMC TOP KICK C5500 SPECIAL RESPONSE VEHICLE	17	3/24/2006	218,000	Active - First Life
TRAFFIC	P177	2018 FORD INTERCEPTOR SEDAN AWD	5	4/20/2018	79,000	Active - First Life
<b>Public Works</b>						
DEVELOPMENT	PU-116	2013 FORD C-MAX SEL HYBRID	10	4/30/2013	45,000	Active - First Life
FLEET MANAGEMENT	TL-71	2006 FOREST RIVER TRAILER (CHAIN LOCKER)	17	10/25/2006	9,800	Active - First Life
GROUNDS	PU-118	2014 FORD F250 4WD SC	10	8/27/2013	116,000	Active - First Life
GROUNDS - YARD	PU-97	2011 FORD F150 SC 2WD	10	5/6/2011	45,000	Active - First Life
SEWER	TL-20	2006 OLYMPIC 30TDT-3 TRAILER	17	4/11/2006	31,000	Active - First Life
STREETS MAINTENANCE	PU-117	2013 FORD F450 2WD CREW CAB UTILITY BODY	10	7/26/2013	89,000	Active - First Life
SURFACE WATER	TH-02	2011 BOBCAT E50 MINI EXCAVATOR	17	8/11/2011	97,000	Active - First Life
<b>City Manager's Office</b>						
ADMINISTRATION	C-10	2012 TOYOTA PRIUS HYBRID	8	7/17/2012	40,000	Active - First Life
FACILITIES	PU-122	2015 FORD F250 4WD UTILITY BODY	10	8/20/2014	55,000	Active - First Life
<b>Total All Vehicles</b>					<b>2,528,360</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.



# 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.

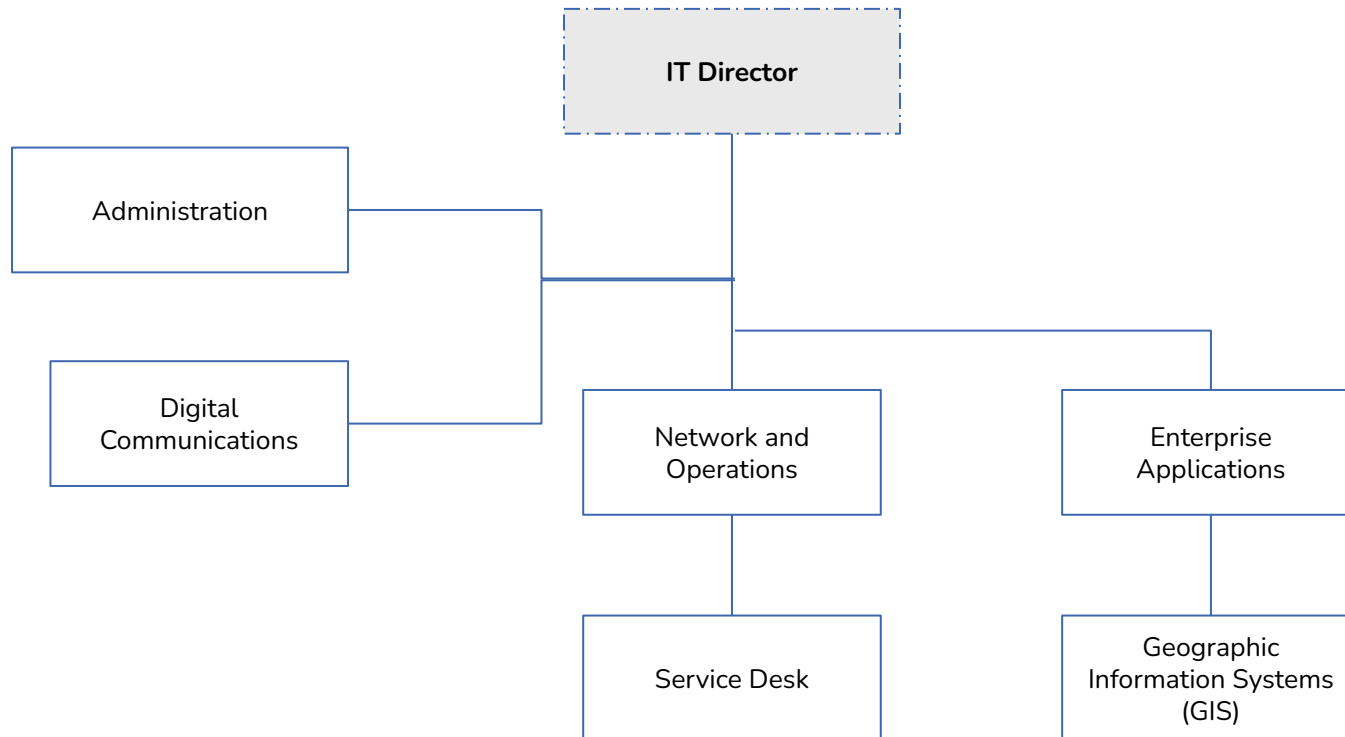


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# Information Technology Fund

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# Information Technology Fund

## Department Overview

### MISSION

To deliver operational excellence to City of Kirkland staff and community through reliable, resilient, and secure IT services and solutions.

### 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. This team also includes the IT Service Desk, which is responsible for providing technical support and assistance to internal and external customers. A key area of focus for these teams is security of the City's technology assets, infrastructure, data, and users.

The **Enterprise Applications Team** procures, maintains, and supports mission-critical applications such as finance, payroll, utilities, permitting, public safety, and parks and recreation systems, and the City's intranet and website.

The **Geographic Information Systems (GIS) Team** procures, maintains, and supports the City's geospatial platform, including location-based products and services, integrations to key enterprise applications, reporting, and analytics to support various City initiatives and projects.

The **Digital Communications Team** manages the City's two public television stations (KGov and KLife), telecommunications franchising, and video and television programming, including broadcasting City Council and other public meetings.

### BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS

#### INCLUSIVE AND EQUITABLE COMMUNITY

- Continue to fund the IT DEIB intern program, which includes partnerships with two results-driven programs, Year Up and Occupational and Life Skills at Bellevue College, \$140,058 one-time. [25IT05]

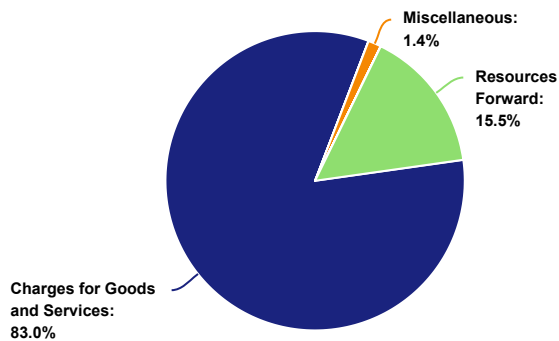
#### DEPENDABLE INFRASTRUCTURE

- Following the network disruption in June 2024, the IT Department reassessed its staffing needs with an increased focus on security and network operations. The following net new FTEs are recommended to adequately support IT operations and further strengthen the City's cybersecurity posture:
  - 1.0 FTE Senior Service Desk Analyst to support the Desktop Systems Analyst in laptop replacements and deployment and Service Desk team, \$305,977 ongoing, 3,223 one-time. [25IT01]
  - 1.0 FTE Senior Network Engineer to provide support for the Network Operations team whose major focus is security. \$365,461 ongoing, \$3,223 one-time. [25IT07]
- Continued funding for the 1.0 LTE GIS Technician to provide increased capacity to support the City's Enterprise spatial systems, including the creation and maintenance of GIS dashboards, \$252,768 one-time. [25IT02]
- Add an added layer of security against email phishing, enables self-service reporting by end users, and contributes to an improved security posture for the City, \$22,000 ongoing. [25IT03]
- Add an added layer of security within the City's technology network by authenticating user traffic at the network layer, \$55,000 one-time, offset by \$16,875 in Tech 5 settlement funds. [25IT04]
- The IT CIP budget includes funding to migrate the City's technology infrastructure from Microsoft's Government Cloud (Azure) to on-premises, which will provide cost savings for the City in the long term while improving application performance for users.

# Information Technology Fund

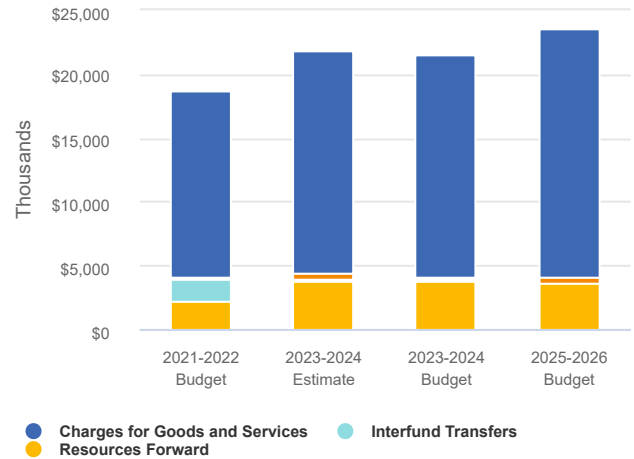
## Financial Overview

Sources of Funds



Due to rounding, pie charts may not add up to 100%.

Revenues by Type



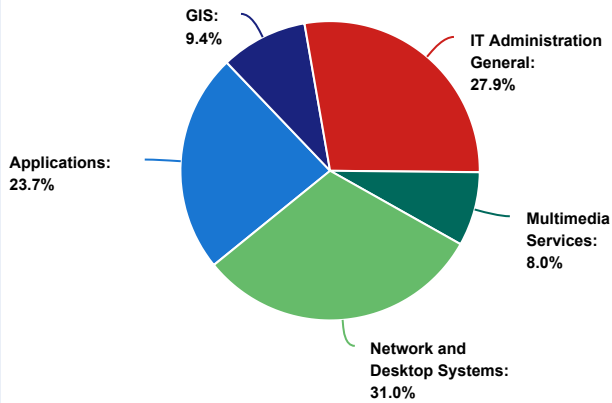
## REVENUE SUMMARY BY TYPE

	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
Charges for Goods and Services	14,556,805	17,516,417	17,461,311	19,646,858	12.52%
Miscellaneous	134,435	423,892	231,794	333,399	43.83%
Interfund Transfers	1,769,703	139,604	128,604	-	(100.00%)
Resources Forward	2,236,668	3,788,010	3,788,010	3,677,401	(2.92%)
<b>TOTAL</b>	<b>18,697,611</b>	<b>21,867,923</b>	<b>21,609,719</b>	<b>23,657,658</b>	<b>9.48%</b>

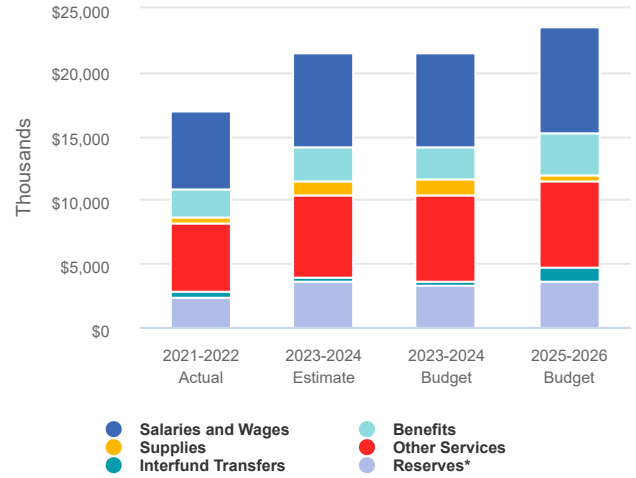
# Information Technology Fund

## Financial Overview

**Expenditures by Division**



**Expenditures by Category**



## EXPENDITURE SUMMARY BY CATEGORY

	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
Salaries and Wages	6,068,966	7,425,989	7,391,371	8,453,996	14.38%
Benefits	2,275,365	2,588,523	2,642,370	3,197,181	21.00%
Supplies	474,560	1,199,609	1,142,975	585,004	(48.82%)
Other Services	5,310,580	6,344,609	6,781,688	6,770,139	(0.17%)
Capital Outlay	41,764	-	-	-	
Interfund Transfers	415,952	277,000	337,342	1,000,000	196.44%
Reserves*	2,337,882	3,677,401	3,313,973	3,651,338	10.18%
<b>TOTAL</b>	<b>16,925,068</b>	<b>21,513,131</b>	<b>21,609,719</b>	<b>23,657,658</b>	<b>9.48%</b>

## EXPENDITURE SUMMARY BY DIVISION

	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
Applications	3,779,185	4,830,328	4,848,918	5,599,716	15.48%
GIS	2,036,502	1,999,130	2,047,834	2,216,589	8.24%
IT Administration General	4,326,773	6,486,374	5,984,715	6,605,479	10.37%
Multimedia Services	1,142,759	1,115,130	1,280,330	1,898,451	48.28%
Network and Desktop Systems	5,639,849	7,082,170	7,447,922	7,337,423	(1.48%)
<b>TOTAL</b>	<b>16,925,068</b>	<b>21,513,131</b>	<b>21,609,719</b>	<b>23,657,658</b>	<b>9.48%</b>

\* 2021-2022 Actual and 2023-2024 Estimate reserves are budgeted, but not spent

# Information Technology Fund

## 2025-2026 Position Summary

### POSITION SUMMARY BY CLASSIFICATION

Classification	2023-2024 Positions	Additions/ Reductions	2025-2026 Positions	Budgeted 2025 Salary Range
INFORMATION TECHNOLOGY DIRECTOR	1.00	-	1.00	173,367 - 226,205
DEPUTY DIRECTOR INFORMATION TECHNOLOGY	1.00	-	1.00	149,133 - 194,585
IT MANAGER - ENTERPRISE APPLICATIONS	1.00	-	1.00	140,409 - 183,201
IT SUPERVISOR - SERVICE DESK	1.00	-	1.00	120,492 - 157,215
IT SUPERVISOR - GIS	1.00	-	1.00	120,492 - 157,215
TECHNICAL PROJECT MANAGER	1.00	-	1.00	128,995 - 151,752
SENIOR APPLICATIONS ANALYST	6.00	-	6.00	123,526 - 145,324
SENIOR NETWORK ENGINEER	1.00	1.00	2.00	123,526 - 145,324
SENIOR IT BUSINESS ANALYST	1.00	-	1.00	108,589 - 127,763
SENIOR GIS ANALYST	2.00	-	2.00	106,633 - 125,447
NETWORK ANALYST	2.00	-	2.00	102,612 - 120,710
APPLICATIONS ANALYST	2.00	-	2.00	99,657 - 117,249
DESKTOP SYSTEMS ANALYST	1.00	-	1.00	99,559 - 117,118
SENIOR SERVICE DESK ANALYST	-	1.00	1.00	99,559 - 117,118
GIS ANALYST	2.00	-	2.00	91,962 - 108,190
VIDEO PRODUCTION SPECIALIST	2.00	-	2.00	86,283 - 101,510
SERVICE DESK ANALYST	3.00	-	3.00	81,355 - 95,711
ADMINISTRATIVE ASSISTANT	1.00	-	1.00	75,926 - 89,316
OFFICE SPECIALIST	0.50	-	0.50	61,790 - 72,694
<b>TOTAL</b>	<b>29.50</b>	<b>2.00</b>	<b>31.50</b>	

### POSITION SUMMARY BY DIVISION

Classification	2023-2024 Positions	Additions/ Reductions	2025-2026 Positions
Applications*	10.00	-	10.00
GIS	5.00	-	5.00
IT Administration General	4.50	-	4.50
Multimedia Services	2.00	-	2.00
Network and Desktop Systems	8.00	2.00	10.00
<b>TOTAL</b>	<b>29.50</b>	<b>2.00</b>	<b>31.50</b>

\* 1.0 FTE Applications Analyst paid for by Planning & Building

# Information Technology Fund

## INFORMATION TECHNOLOGY FUND REVENUES

	Object	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
<b>Charges for Goods and Services</b>						
Interfund-Tech Srvc	341962	215,954	298,338	284,027	349,475	23.04%
Gen Government Srvcs	341971	5,503	1,836	-	-	
Interfund IT Operating	348801	13,522,836	16,553,595	16,513,998	18,433,167	11.62%
Interfund IT Replace Chg	348802	812,512	662,648	663,286	864,216	30.29%
<b>Total for Charges for Goods and Services</b>		<b>14,556,805</b>	<b>17,516,417</b>	<b>17,461,311</b>	<b>19,646,858</b>	<b>12.52%</b>
<b>Miscellaneous Revenues</b>						
Investment Interest	361111	45,125	300,591	108,420	214,751	98.07%
Contribution Donation	367000	89,309	67,675	73,374	101,773	38.70%
Other Judgements	369401	-	55,625	50,000	16,875	(66.25%)
<b>Total for Miscellaneous Revenues</b>		<b>134,435</b>	<b>423,892</b>	<b>231,794</b>	<b>333,399</b>	<b>43.83%</b>
<b>Other Financing Sources</b>						
Operating Transfers In	397101	1,769,703	139,604	128,604	-	(100.00%)
Resources Forward	399991	2,236,668	3,788,010	3,788,010	3,677,401	(2.92%)
<b>Total for Other Financing Sources</b>		<b>4,006,371</b>	<b>3,927,614</b>	<b>3,916,614</b>	<b>3,677,401</b>	<b>(6.11%)</b>
<b>Fund Total</b>		<b>18,697,611</b>	<b>21,867,923</b>	<b>21,609,719</b>	<b>23,657,658</b>	<b>9.48%</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.



# Facilities Maintenance Fund

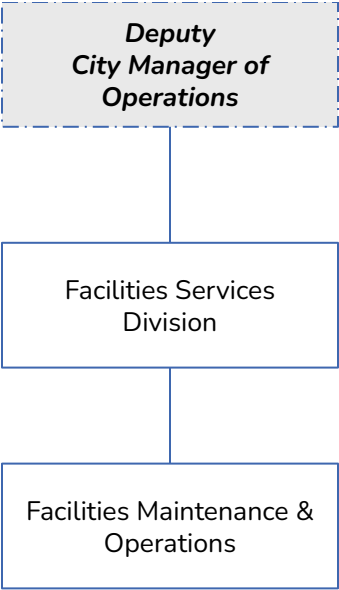
The Facilities Maintenance Fund accounts and assesses user charges for the operations and maintenance of the City's building facilities and public facilities ground maintenance and landscaping.



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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 Division responsible for the protection and preservation of City assets, building operations and maintenance, , preventative maintenance, remodels, construction, building life cycle replacement programs, janitorial, and facility security for City owned and occupied buildings, including City Hall and Annex, Public Works Maintenance Center Campus, Kirkland Justice Center, Community Centers, KTUB, Performance Theater, Parks Maintenance and Operations Center, and all Fire stations.

Facilities Services is responsible for all work orders for both major and minor repairs and responsible for capital construction and tenant improvements, and optimization of the life cycle program for all City buildings and infrastructure to support these facilities. The 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, 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 leased with a focus on community benefit. Facilities Services also manages the contracted janitorial services for City owned and occupied buildings, including City Hall and Annex, Public Works Maintenance Center Campus, Kirkland Justice Center, Community Centers, KTUB, and the Parks Maintenance and Operations Center.

### BUDGET HIGHLIGHTS AND RELATIONSHIP TO COUNCIL GOALS

#### INCLUSIVE AND EQUITABLE COMMUNITY

- Fund automated door opening for improved ADA access to public restrooms at the South (lower) entrance to City Hall and the departmental office doors for Parks, HR, and IT, \$81,325 one-time. [25FC02]

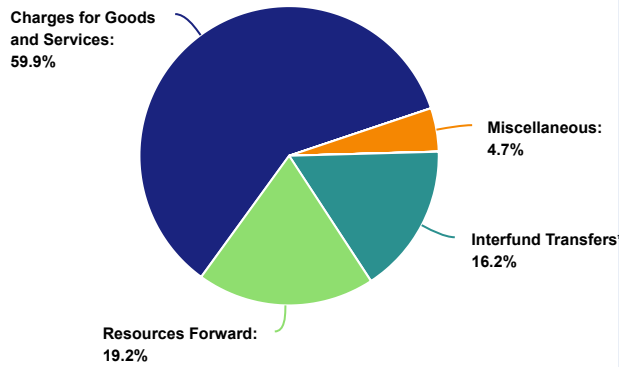
#### DEPENDABLE INFRASTRUCTURE

- Finance a total building power conditioning system at the Kirkland Justice Center to address fluctuations contributing to premature equipment failure and resets critical to the operations of the building, \$100,000 one-time. [25FC01]
- Contract a HVAC maintenance program designed to minimize equipment down time, reduce repair costs and energy consumption by ensuring optimal equipment performance, \$233,946 one-time. [25FC05]
- Fund the Distributed Antenna System (DAS) and emergency responder radio communications system (ERRCS) located in the Kirkland Justice Center (KJC) that are performing poorly and are at the end of their useful life, \$81,701 one-time, offset by grant funding from Eastside Public Safety Communications Agency (EPSCA). [25FC08]
- Finance Facilities CIP projects totaling \$12.7 million for 2025-2026 including \$300,000 for Permanent Supportive Housing, \$400,000 for Fire Stations Maintenance and \$8.0 million for Public Works Maintenance Center Upgrades and Expansion.

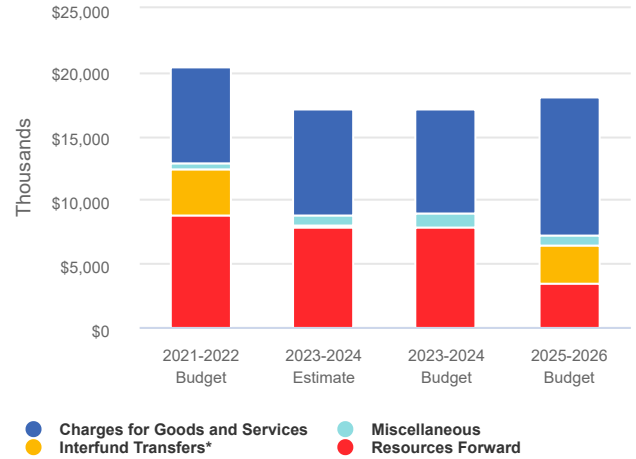
# Facilities Maintenance Fund

## Financial Overview

Sources of Funds



Revenues by Type



## REVENUE SUMMARY BY TYPE

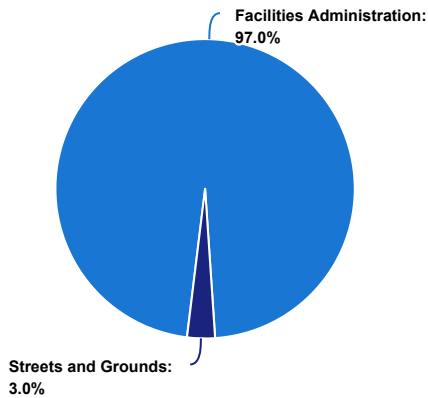
	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
Charges for Goods and Services	7,646,382	8,236,871	8,232,075	10,838,036	31.66%
Miscellaneous	464,078	916,549	988,320	858,354	(13.15%)
Interfund Transfers*	3,616,322	115,818	72,849	2,945,088	3942.73%
Resources Forward	8,791,705	7,826,624	7,826,624	3,493,734	(55.36%)
<b>TOTAL</b>	<b>20,518,487</b>	<b>17,095,862</b>	<b>17,119,868</b>	<b>18,135,212</b>	<b>5.93%</b>

\* 2025-2026 increase due to scheduled repayment of a 2022 interfund loan to purchase Houghton Village property.

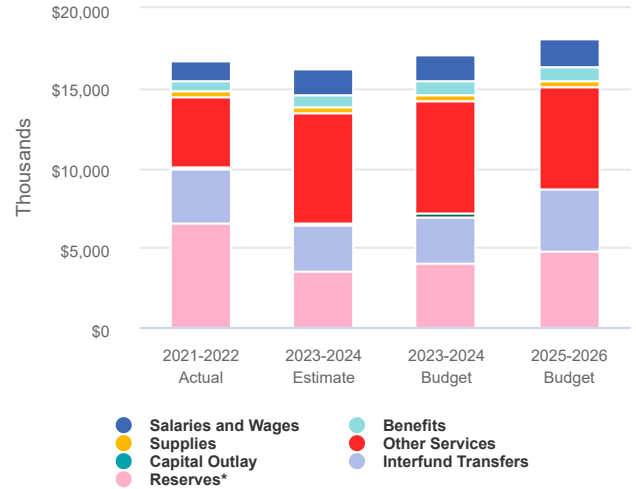
# Facilities Maintenance Fund

## Financial Overview

### Expenditures by Division



### Expenditures by Category



### EXPENDITURE SUMMARY BY CATEGORY

	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
Salaries and Wages	1,292,826	1,610,229	1,673,573	1,790,786	7.00%
Benefits	643,597	753,865	793,068	893,567	12.67%
Supplies	355,050	328,395	447,655	355,982	(20.48%)
Other Services	4,476,788	6,976,955	7,030,158	6,364,806	(9.46%)
Intergovernmental Services	124,610	94,853	202,142	87,165	(56.88%)
Interfund Transfers	3,376,984	2,917,445	2,967,200	3,826,000	28.94%
Reserves*	6,514,644	3,493,734	4,006,072	4,816,906	20.24%
<b>TOTAL</b>	<b>16,784,499</b>	<b>16,175,477</b>	<b>17,119,868</b>	<b>18,135,212</b>	<b>5.93%</b>

### EXPENDITURE SUMMARY BY DIVISION

	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
Facilities Administration	16,424,672	15,675,152	16,650,812	17,584,748	5.61%
Streets and Grounds	359,826	500,324	469,056	550,464	17.36%
<b>TOTAL</b>	<b>16,784,499</b>	<b>16,175,477</b>	<b>17,119,868</b>	<b>18,135,212</b>	<b>5.93%</b>

\* 2021-2022 Actual and 2023-2024 Estimate reserves are budgeted, but not spent

# Facilities Maintenance Fund

## 2025-2026 Position Summary

### POSITION SUMMARY BY CLASSIFICATION

Classification	2023-2024 Positions	Additions/ Reductions	2025-2026 Positions	Budgeted 2025 Salary Range
FACILITIES SERVICES MANAGER	1.00	-	1.00	122,258 - 159,520
LEADPERSON	1.00	-	1.00	91,728 - 110,335
FACILITIES SERVICES TECH 3	2.00	-	2.00	79,855 - 97,258
FACILITIES SERVICES TECH 2	1.00	-	1.00	77,896 - 94,873
FACILITIES SPECIALIST	1.00	-	1.00	78,679 - 92,559
FACILITIES SERVICES TECH 1	2.00	-	2.00	66,840 - 83,773
<b>TOTAL</b>	<b>8.00</b>	<b>-</b>	<b>8.00</b>	

### POSITION SUMMARY BY DIVISION

Classification	2023-2024 Positions	Additions/ Reductions	2025-2026 Positions
Facilities Administration	8.00	-	8.00
<b>TOTAL</b>	<b>8.00</b>	<b>-</b>	<b>8.00</b>

## 2025-2026 Position Summary

### POSITION SUMMARY BY CLASSIFICATION

Classification	2023-2024 Positions	Additions/ Reductions	2025-2026 Positions	Budgeted 2025 Salary Range
STREETS AND GROUNDS MANAGER	0.05	-	0.05	121,242 - 158,193
LEADPERSON	0.35	-	0.35	91,728 - 110,335
MAINTENANCE WORKER	0.55	-	0.55	64,123 - 80,368
<b>TOTAL</b>	<b>0.95</b>	<b>-</b>	<b>0.95</b>	

### POSITION SUMMARY BY DIVISION

Classification	2023-2024 Positions	Additions/ Reductions	2025-2026 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	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
<b>Charges for Goods and Services</b>						
Interfund-Gen	341963	7,753	-	-	-	
Gen Government Srvcs	341971	4,400	2,900	4,800	4,800	-%
Interfund Pub Safety	348114	1,698,299	1,824,421	1,817,725	2,434,813	33.95%
Interfund-CH Sinking	348123	322,020	376,366	376,366	398,948	6.00%
Interfund-Maint Ctr Sinking	348124	297,736	320,040	320,040	339,242	6.00%
Interfund-Senior Sinking	348125	124,512	134,606	134,606	142,682	6.00%
Interfund-NKCC Sinking	348126	59,144	65,064	65,064	68,968	6.00%
Interfund-MC Sinking	348127	558,516	643,784	643,784	682,412	6.00%
Interfund-KPC Sinking	348128	86,946	102,208	102,208	108,340	6.00%
Interfund-Fire S Sinking	348129	254,524	287,514	287,514	304,764	6.00%
Teen Center Sink	348130	40,034	43,270	43,270	45,866	6.00%
Interfund-HH Sinking	348132	9,412	10,476	10,476	11,104	5.99%
Interfund-Park Gar Sinking	348133	17,678	19,656	19,656	20,836	6.00%
Interfund-Teen Center	348181	137,862	141,821	141,821	186,091	31.22%
Interfund-City Hall	348183	1,420,485	1,490,303	1,490,303	2,243,308	50.53%
Interfund-Maintenance	348184	1,104,198	1,178,357	1,178,357	1,562,489	32.60%
Interfund-Senior	348185	298,109	311,512	311,512	423,350	35.90%
Interfund-NKCC	348186	245,487	255,715	255,715	339,194	32.65%
Interfund-KPC	348188	71,613	75,688	75,688	114,548	51.34%
Interfund-Fire Supp	348189	887,654	953,170	953,170	1,406,281	47.54%
<b>Total for Charges for Goods and Services</b>		<b>7,646,382</b>	<b>8,236,871</b>	<b>8,232,075</b>	<b>10,838,036</b>	<b>31.66%</b>
<b>Miscellaneous Revenues</b>						
Investment Interest	361111	84,670	226,356	265,729	255,035	(4.02%)
Interfund Loan Interest	361400	18,810	31,505	-	-	
House Rental	362601	357,778	658,688	722,591	603,319	(16.51%)
Other Misc Rev	369910	2,820	-	-	-	
<b>Total for Miscellaneous Revenues</b>		<b>464,078</b>	<b>916,549</b>	<b>988,320</b>	<b>858,354</b>	<b>(13.15%)</b>
<b>Other Financing Sources</b>						
Operating Transfers In	397101	3,616,322	115,818	72,849	2,945,088	3942.73%
Resources Forward	399991	8,791,705	7,826,624	7,826,624	3,493,734	(55.36%)
<b>Total for Other Financing Sources</b>		<b>12,408,027</b>	<b>7,942,442</b>	<b>7,899,473</b>	<b>6,438,822</b>	<b>(18.49%)</b>
<b>Fund Total</b>		<b>20,518,487</b>	<b>17,095,862</b>	<b>17,119,868</b>	<b>18,135,212</b>	<b>5.93%</b>



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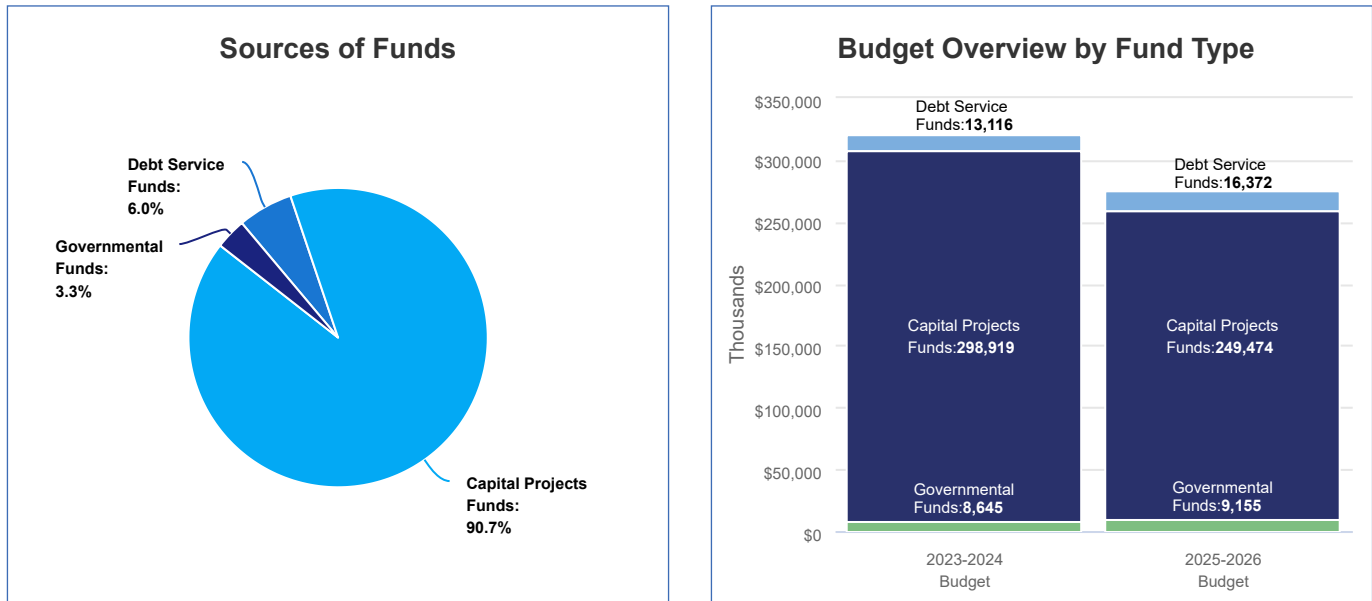
# General Government Non-Operating





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## GENERAL GOVERNMENT NON-OPERATING BUDGET SUMMARY



There are three 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.
- **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, restricted capital revenues, and reserves specifically dedicated for capital purposes.

## ANALYSIS OF CHANGE

	2021-2022 Actual	2023-2024 Budget	2025-2026 Budget	Percent Change
<i>Governmental Funds</i>				
Contingency Fund	6,355,888	6,959,697	7,210,246	3.60%
Firefighters' Pension	1,532,075	1,685,562	1,944,768	15.38%
<b>Total Governmental Funds</b>	<b>7,887,963</b>	<b>8,645,259</b>	<b>9,155,014</b>	<b>5.90%</b>
<i>Debt Service Funds</i>				
LTGO Debt Service	8,094,876	13,115,843	16,371,880	24.83%
UTGO Debt Service	1,422,655	-	-	
<b>Total Internal Service Funds</b>	<b>9,517,531</b>	<b>13,115,843</b>	<b>16,371,880</b>	<b>24.83%</b>
<i>Capital Projects Funds</i>				
Impact Fees	11,431,274	8,270,086	13,917,520	68.29%
REET	37,222,338	40,445,307	28,489,915	(29.56%)
General Capital Projects Fund	62,404,620	106,396,055	93,294,668	(12.31%)
Transportation Capital Projects Fund	46,919,287	143,807,217	113,771,850	(20.89%)
<b>Total Capital Projects Funds</b>	<b>157,977,520</b>	<b>298,918,665</b>	<b>249,473,953</b>	<b>(16.54%)</b>
<b>Gen. Gov't Non-Operating Total</b>	<b>175,383,014</b>	<b>320,679,767</b>	<b>275,000,847</b>	<b>(14.24%)</b>

## CHANGE IN FUND BALANCE (BEGINNING 2023 TO ENDING 2026)

### SUMMARY OF GENERAL GOVERNMENT NON-OPERATING FUNDS

	Debt Service	Capital Projects <sup>(1)</sup>	Governmental	Total
<b>2023 Actual Beginning Fund Balance</b>	<b>647,443</b>	<b>112,757,391</b>	<b>7,680,264</b>	<b>121,085,098</b>
Reserved	88,106	20,081,153	8,355,580	28,524,839
Unreserved Working Capital	559,337	92,676,238	(675,316)	92,560,259
Plus: 2023-24 Estimated Revenues	10,219,536	159,380,573	1,653,127	171,253,236
Less: 2023-24 Estimated Expenditures	10,866,980	153,922,581	301,501	165,091,062
<b>2024 Estimated Ending/2025 Budgeted Beginning Fund Balance</b>	<b>(0)</b>	<b>118,215,383</b>	<b>9,031,890</b>	<b>127,247,272</b>
Plus: 2025-26 Budgeted Revenues	16,371,880	131,776,401	726,933	148,875,214
Less: 2025-26 Budgeted Expenditures	16,371,880	228,023,080	362,975	244,757,935
<b>2026 Budgeted Ending Fund Balance</b>	<b>(0)</b>	<b>21,968,704</b>	<b>9,395,848</b>	<b>31,364,551</b>
Reserved	-	18,929,229	8,792,039	27,721,268
Unreserved Working Capital	-	3,039,475	-	3,039,475
<b>Change in Fund Balance:</b>				
<b>Beginning 2023 to Ending 2026</b>	<b>(647,443)</b>	<b>(90,788,687)</b>	<b>1,715,584</b>	<b>(89,720,547)</b>

#### Notes:

Greater detail regarding the change in fund balances can be found in the specific non-operating fund sections.

<sup>(1)</sup> The chart above assumes that all planned capital 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 2025-2026 biennium.





# General Government Non-Operating Governmental Funds



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## General Government Non-Operating Governmental Funds

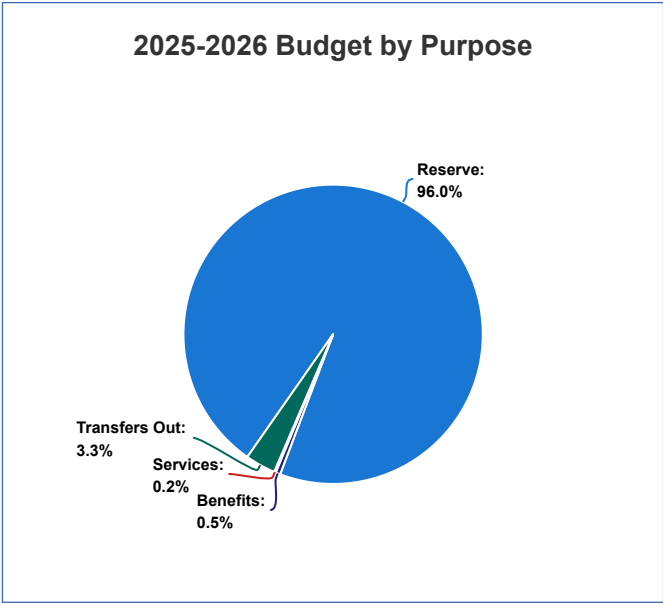
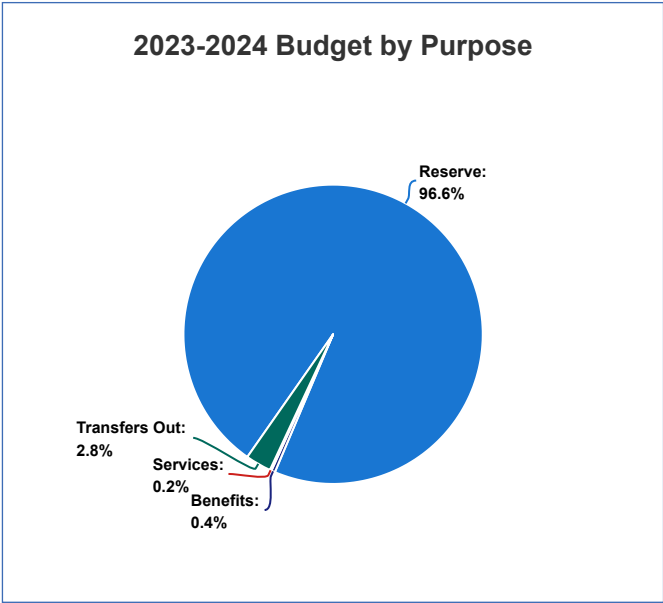
The General Governmental Funds in the non-operating budget include the Contingency Fund and the Firefighters' Pension Fund.

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



2023-2024 BUDGET BY PURPOSE

Budget Summary by Purpose		Budget by Purpose			
Fund	2023-2024 Budget	Reserve	Benefits	Services	Transfers Out
Firefighters Pension	1,685,562	1,395,883	34,704	14,975	240,000
Contingency	6,959,697	6,959,697	-	-	-
Total Governmental Funds	8,645,259	8,355,580	34,704	14,975	240,000

2025-2026 BUDGET BY PURPOSE

		Budget by Purpose			
Fund	2025-2026 Budget	Reserve	Benefits	Services	Transfers Out
Firefighters Pension	1,944,768	1,581,793	48,000	14,975	300,000
Contingency	7,210,246	7,210,246	-	-	-
Total Governmental Funds	9,155,014	8,792,039	48,000	14,975	300,000

## CHANGE IN FUND BALANCE (BEGINNING 2023 TO ENDING 2026)

### GENERAL GOVERNMENT NON-OPERATING

#### Governmental Funds

	Firefighters' Pension	Contingency <sup>(1)</sup>	Total
<b>2023 Actual Beginning Fund Balance</b>	<b>1,324,376</b>	<b>6,355,888</b>	<b>7,680,264</b>
Reserved	1,324,376	6,355,888	7,680,264
Unreserved Working Capital	-	-	-
Plus: 2023-24 Estimated Revenues	445,509	603,809	1,049,318
Less: 2023-24 Estimated Expenditures	301,501	-	301,501
<b>2024 Estimated Ending/2025 Budgeted Beginning Fund Balance</b>	<b>1,468,384</b>	<b>6,959,697</b>	<b>8,428,081</b>
Plus: 2025-26 Budgeted Revenues	476,384	250,549	726,933
Less: 2025-26 Budgeted Expenditures	362,975	-	362,975
<b>2026 Budgeted Ending Fund Balance</b>	<b>1,581,793</b>	<b>7,210,246</b>	<b>8,792,039</b>
Reserved	1,581,793	7,210,246	8,792,039
Unreserved Working Capital	-	-	-
<b>Change in Fund Balance:</b>			
<b>Beginning 2023 to Ending 2026</b>	<b>257,417</b>	<b>854,358</b>	<b>1,111,775</b>

#### Notes:

The increase in fund balance reflects 2023-2024 estimated revenues above expenditures and 2025-2026 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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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.

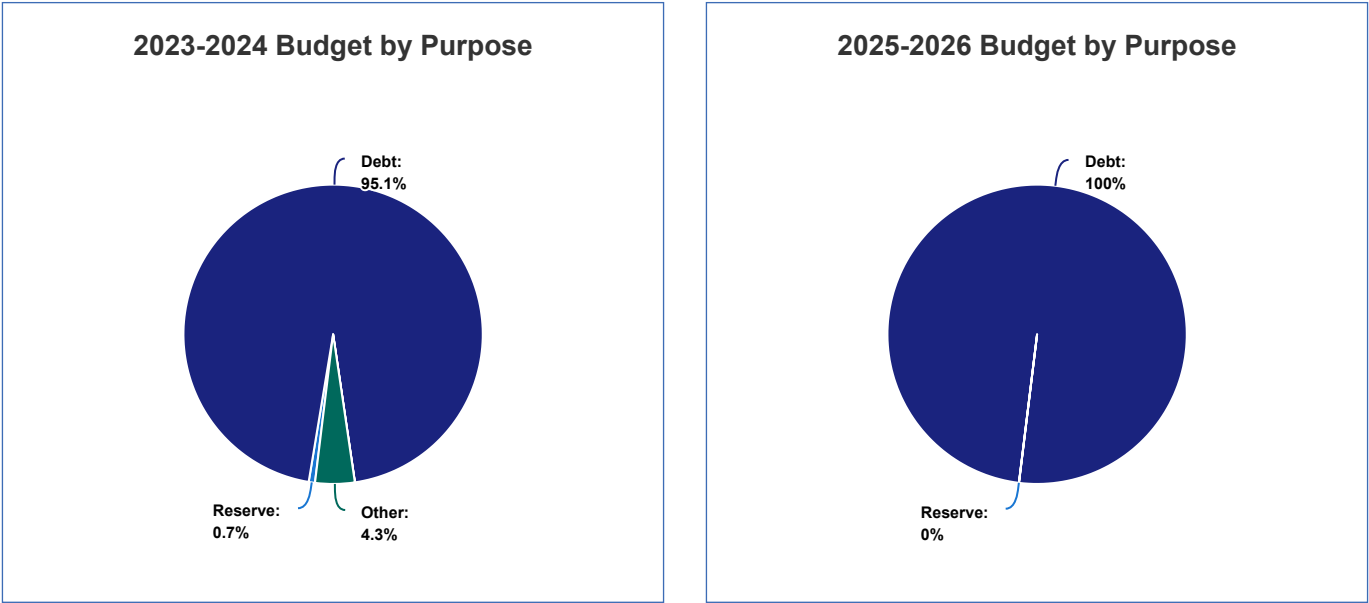
The City's debt management policies provide guidelines for the appropriate use of debt. The complete policies are contained at the end of this document in the appendix. Some key debt management policies include:

- *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 used by the City to rate Kirkland's bonds – Standard and Poor's (S&P) and Moody's Investor Service. On March 22, 2024, S&P affirmed the City's AAA rating, which is the highest rating, and on March 22, 2024, 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



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.

2023-2024 BUDGET BY PURPOSE

Budget Summary by Purpose		Budget by Purpose			
Fund	2023-2024 Budget	Reserve	Debt	Capital	Other
LTGO Debt Service	13,115,843	88,106	12,468,400	-	559,337
Total Debt Service Funds	13,115,843	88,106	12,468,400	-	559,337

2025-2026 BUDGET BY PURPOSE

Budget Summary by Purpose		Budget by Purpose			
Fund	2025-2026 Budget	Reserve	Debt	Capital	Other
LTGO Debt Service	16,371,880	-	16,371,880	-	-
Total Debt Service Funds	16,371,880	-	16,371,880	-	-



## CHANGE IN FUND BALANCE (BEGINNING 2023 TO ENDING 2026)

### GENERAL GOVERNMENT NON-OPERATING

#### Debt Service Funds

	Limited GO Debt	Total
<b>2023 Actual Beginning Fund Balance</b>	<b>647,443</b>	<b>647,443</b>
Reserved	-	-
Unreserved Working Capital	647,443	647,443
Plus: 2023-24 Estimated Revenues	10,219,536	10,219,536
Less: 2023-24 Estimated Expenditures	10,866,980	10,866,980
<b>2024 Estimated Ending/2025 Budgeted Beginning Fund Balance</b>	<b>(0)</b>	<b>(0)</b>
Plus: 2025-26 Budgeted Revenues	16,371,880	16,371,880
Less: 2025-26 Budgeted Expenditures	16,371,880	16,371,880
<b>2026 Budgeted Ending Fund Balance</b>	<b>(0)</b>	<b>(0)</b>
Reserved	-	-
Unreserved Working Capital	-	-
<b>Change in Fund Balance:</b>		
<b>Beginning 2023 to Ending 2026</b>	<b>(647,443)</b>	<b>(647,443)</b>

#### Notes:

Fund balances in debt service funds provide for cash flow needs.

## GENERAL GOVERNMENT NON-OPERATING DEBT SERVICE FUNDS 2025-2026 PAYMENT AND RESERVE SUMMARY

### 2023-2024 Budget

Fund	Payment		Reserve	Total
	Principal	Interest		
LTGO Debt Service	7,268,250	5,200,150	88,106	12,556,506
<b>Total Debt Service Funds</b>	<b>7,268,250</b>	<b>5,200,150</b>	<b>88,106</b>	<b>12,556,506</b>

### 2025-2026 Budget

Fund	Payment		Reserve	Total
	Principal	Interest		
LTGO Debt Service	7,715,000	8,656,880	0	16,371,880
<b>Total Debt Service Funds</b>	<b>7,715,000</b>	<b>8,656,880</b>	<b>0</b>	<b>16,371,880</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 2024, and so does not include any planned 2025-2026 debt issuances.

Type of Debt	Issue Date	Original Amount	Outstanding Principal 12/31/2024	Cost Per \$1,000 AV	Avg Annual Debt Service*
<b>Councilmanic Bonds:</b>					
2015 Limited Tax G.O. (City Hall Renovations)	11/20/15	5,800,000	3,520,000	N/A	422,170
2020 Limited Tax G.O. (Refinance Kirkland Justice Center) <sup>(1)</sup>	6/30/20	25,105,000	21,655,000	N/A	1,649,447
2021 Limited Tax G.O. (Transportation Capital)	6/3/21	14,580,000	13,065,000	N/A	951,731
2021 Limited Tax G.O. (Fire Station Construction)	6/3/21	22,330,000	20,015,000	N/A	1,457,825
2024 Limited Tax G.O. (Transportation Capital)	4/17/24	18,355,000	18,355,000	N/A	1,444,056
2024 Limited Tax G.O. (Fire Station Construction)	4/17/24	18,795,000	18,795,000	N/A	1,478,709
<b>Total Councilmanic Bonds</b>		<b>104,965,000</b>	<b>95,405,000</b>	<b>-</b>	<b>7,403,938</b>

### Voter Approved Bonds:

No Voter Approved Bonds after December 1, 2022.

<b>Estimated Remaining Voter Approved Debt Capacity as of 12/31/2024</b>	<b>\$</b>	<b>3,188,878,179</b>
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### Public Works Trust Fund Loans:

2013 NE 80th ST Water/Sewer Replacement <sup>(2)</sup>	6/6/13	4,038,000	2,024,635	N/A	259,406
<b>Total Public Works Trust Fund Loans</b>		<b>4,038,000</b>	<b>2,024,635</b>	<b>-</b>	<b>259,406</b>

\* The average annual debt service is based on the remaining principal and interest payments due until the debt is extinguished.

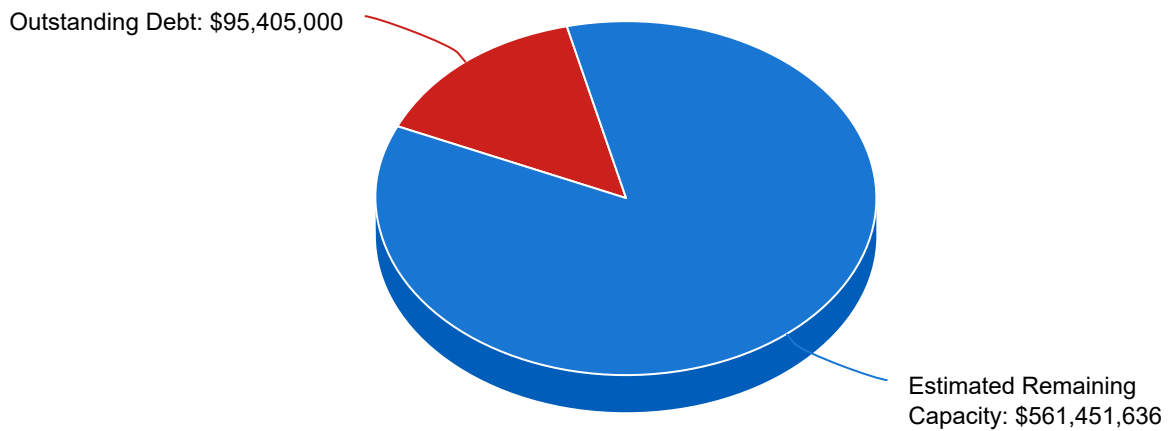
<sup>(1)</sup> Refinance of 2010 LTGO Build America Bonds used to purchase and renovate Kirkland Justice Center.

<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

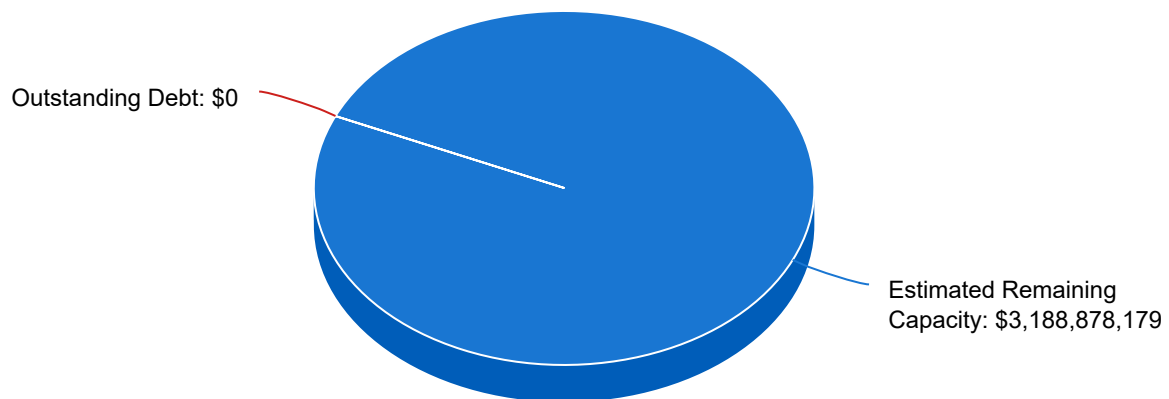
Washington State law imposes limitations on the total amount of debt that a city can have outstanding to 7.5 percent of total assessed property valuation plus the net of current assets and liabilities. This comprises the City's "Debt Capacity" at any one time. The City Council has authority to issue 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 TAX GENERAL OBLIGATION BONDS****Purpose: City Hall Renovation**

Denomination	\$ 5,000	Date of Bond Sale	11/20/2015
Ordinance	\$ 5,800,000	Net Interest Rate	3.45%

**DEBT SERVICE SCHEDULE**

Year	Interest Dates		Interest Rate	Maturity Date	Principal Amount	Total Payment	Principal Balance
	June 1	December 1					
2016	106,164	100,050	3.45%	12/1/2016	215,000	421,214	5,585,000
2017	96,341	96,341	3.45%	12/1/2017	230,000	422,682	5,355,000
2018	92,374	92,374	3.45%	12/1/2018	235,000	419,748	5,120,000
2019	88,320	88,320	3.45%	12/1/2019	245,000	421,640	4,875,000
2020	84,094	84,094	3.45%	12/2/2020	255,000	423,188	4,620,000
2021	79,695	79,695	3.45%	12/1/2021	260,000	419,390	4,360,000
2022	75,210	75,210	3.45%	12/1/2022	270,000	420,420	4,090,000
2023	70,553	70,552	3.45%	12/1/2023	280,000	421,105	3,810,000
2024	65,723	65,722	3.45%	12/1/2024	290,000	421,445	3,520,000
2025	60,720	60,720	3.45%	12/1/2025	300,000	421,440	3,220,000
2026	55,545	55,545	3.45%	12/1/2026	310,000	421,090	2,910,000
2027	50,198	50,197	3.45%	12/1/2027	320,000	420,395	2,590,000
2028	44,678	44,677	3.45%	12/1/2028	335,000	424,355	2,255,000
2029	38,899	38,899	3.45%	12/1/2029	345,000	422,798	1,910,000
2030	32,948	32,947	3.45%	12/1/2030	355,000	420,895	1,555,000
2031	26,824	26,824	3.45%	12/1/2031	370,000	423,648	1,185,000
2032	20,441	20,441	3.45%	12/1/2032	380,000	420,882	805,000
2033	13,886	13,886	3.45%	12/1/2033	395,000	422,772	410,000
2034	7,073	7,072	3.45%	12/1/2034	410,000	424,145	-
<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 TAX GENERAL OBLIGATION REFUNDING BONDS**

**Purpose: Refinance 2010 LTGO Build America Bonds used to purchase and renovate the Kirkland Justice Center**

Denomination	\$ 5,000	Date of Bond Sale	6/30/2020
Amount of Issue	\$ 25,105,000	Net Interest Rate	1.76%

**DEBT SERVICE SCHEDULE**

Year	Interest Dates		Interest Rate	Maturity Date	Principal Amount	Total Payment	Principal Balance
	June 1	December 1					
2020		341,679	5.00%	12/1/2020	-	341,679	25,105,000
2021	407,300	407,300	5.00%	12/1/2021	675,000	1,489,600	24,430,000
2022	390,425	390,425	5.00%	12/1/2022	880,000	1,660,850	23,550,000
2023	368,425	368,425	5.00%	12/1/2023	925,000	1,661,850	22,625,000
2024	345,300	345,300	5.00%	12/1/2024	970,000	1,660,600	21,655,000
2025	321,050	321,050	5.00%	12/1/2025	1,020,000	1,662,100	20,635,000
2026	295,550	295,550	5.00%	12/1/2026	1,065,000	1,656,100	19,570,000
2027	268,925	268,925	5.00%	12/1/2027	1,120,000	1,657,850	18,450,000
2028	240,925	240,925	5.00%	12/1/2028	1,175,000	1,656,850	17,275,000
2029	211,550	211,550	5.00%	12/1/2029	1,230,000	1,653,100	16,045,000
2030	180,800	180,800	5.00%	12/1/2030	1,290,000	1,651,600	14,755,000
2031	148,550	148,550	2.00%	12/1/2031	1,355,000	1,652,100	13,400,000
2032	135,000	135,000	2.00%	12/1/2032	1,385,000	1,655,000	12,015,000
2033	121,150	121,150	2.00%	12/1/2033	1,405,000	1,647,300	10,610,000
2034	107,100	107,100	2.00%	12/1/2034	1,435,000	1,649,200	9,175,000
2035	92,750	92,750	2.00%	12/1/2035	1,465,000	1,650,500	7,710,000
2036	78,100	78,100	2.00%	12/1/2036	1,485,000	1,641,200	6,225,000
2037	63,250	63,250	2.00%	12/1/2037	1,515,000	1,641,500	4,710,000
2038	48,100	48,100	2.00%	12/1/2038	1,540,000	1,636,200	3,170,000
2039	32,700	32,700	2.00%	12/1/2039	1,570,000	1,635,400	1,600,000
2040	17,000	17,000	2.13%	12/1/2040	1,600,000	1,634,000	-
<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 Infrastructure**

Denomination	\$ 5,000	Date of Bond Sale	6/3/2021
Amount of Issue	\$ 14,580,000	Net Interest Rate	1.70%

**DEBT SERVICE SCHEDULE**

Year	Interest Dates		Interest Rate	Maturity Date	Principal Amount	Total Payment	Principal Balance
	June 1	December 1					
2021		233,699	1.70%			233,699	14,580,000
2022	236,325	236,325	1.70%		480,000	952,650	14,100,000
2023	224,325	224,325	1.70%		505,000	953,650	13,595,000
2024	211,700	211,700	1.70%		530,000	953,400	13,065,000
2025	198,450	198,450	1.70%		555,000	951,900	12,510,000
2026	184,575	184,575	1.70%		585,000	954,150	11,925,000
2027	169,950	169,950	1.70%		610,000	949,900	11,315,000
2028	154,700	154,700	1.70%		640,000	949,400	10,675,000
2029	138,700	138,700	1.70%		675,000	952,400	10,000,000
2030	121,825	121,825	1.70%		710,000	953,650	9,290,000
2031	104,075	104,075	1.70%		745,000	953,150	8,545,000
2032	85,450	85,450	1.70%		780,000	950,900	7,765,000
2033	77,650	77,650	1.70%		795,000	950,300	6,970,000
2034	69,700	69,700	1.70%		810,000	949,400	6,160,000
2035	61,600	61,600	1.70%		830,000	953,200	5,330,000
2036	53,300	53,300	1.70%		845,000	951,600	4,485,000
2037	44,850	44,850	1.70%		860,000	949,700	3,625,000
2038	36,250	36,250	1.70%		880,000	952,500	2,745,000
2039	27,450	27,450	1.70%		895,000	949,900	1,850,000
2040	18,500	18,500	1.70%		915,000	952,000	935,000
2041	9,350	9,350	1.70%		935,000	953,700	-
<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 Station Construction & Renovation**

Denomination	\$ 5,000	Date of Bond Sale	6/3/2021
Amount of Issue	\$ 22,330,000	Net Interest Rate	1.70%

**DEBT SERVICE SCHEDULE**

Year	Interest Dates		Interest Rate	Maturity Date	Principal Amount	Total Payment	Principal Balance
	June 1	December 1					
2021		357,879	1.70%			357,879	22,330,000
2022	361,900	361,900	1.70%		735,000	1,458,800	21,595,000
2023	343,525	343,525	1.70%		770,000	1,457,050	20,825,000
2024	324,275	324,275	1.70%		810,000	1,458,550	20,015,000
2025	304,025	304,025	1.70%		850,000	1,458,050	19,165,000
2026	282,775	282,775	1.70%		895,000	1,460,550	18,270,000
2027	260,400	260,400	1.70%		935,000	1,455,800	17,335,000
2028	237,025	237,025	1.70%		985,000	1,459,050	16,350,000
2029	212,400	212,400	1.70%		1,035,000	1,459,800	15,315,000
2030	186,525	186,525	1.70%		1,085,000	1,458,050	14,230,000
2031	159,400	159,400	1.70%		1,140,000	1,458,800	13,090,000
2032	130,900	130,900	1.70%		1,195,000	1,456,800	11,895,000
2033	118,950	118,950	1.70%		1,220,000	1,457,900	10,675,000
2034	106,750	106,750	1.70%		1,245,000	1,458,500	9,430,000
2035	94,300	94,300	1.70%		1,270,000	1,458,600	8,160,000
2036	81,600	81,600	1.70%		1,295,000	1,458,200	6,865,000
2037	68,650	68,650	1.70%		1,320,000	1,457,300	5,545,000
2038	55,450	55,450	1.70%		1,345,000	1,455,900	4,200,000
2039	42,000	42,000	1.70%		1,375,000	1,459,000	2,825,000
2040	28,250	28,250	1.70%		1,400,000	1,456,500	1,425,000
2041	14,250	14,250	1.70%		1,425,000	1,453,500	-
<b>Totals</b>	<b>3,413,350</b>	<b>3,771,229</b>			<b>22,330,000</b>	<b>29,514,579</b>	



**2024 LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS****Purpose: Transportation Infrastructure**

Denomination	\$ 5,000	Date of Bond Sale	4/17/2024
Amount of Issue	\$ 18,355,000	Net Interest Rate	3.64%

**DEBT SERVICE SCHEDULE**

Year	Interest Dates		Interest Rate	Maturity Date	Principal Amount	Total Payment	Principal Balance
	June 1	December 1					
2024		607,569	3.64%		-	607,569	18,355,000
2025	488,225	488,225	3.64%		510,000	1,486,450	17,845,000
2026	470,375	470,375	3.64%		545,000	1,485,750	17,300,000
2027	451,300	451,300	3.64%		585,000	1,487,600	16,715,000
2028	430,825	430,825	3.64%		625,000	1,486,650	16,090,000
2029	408,950	408,950	3.64%		670,000	1,487,900	15,420,000
2030	385,500	385,500	3.64%		715,000	1,486,000	14,705,000
2031	367,625	367,625	3.64%		750,000	1,485,250	13,955,000
2032	348,875	348,875	3.64%		790,000	1,487,750	13,165,000
2033	329,125	329,125	3.64%		825,000	1,483,250	12,340,000
2034	308,500	308,500	3.64%		870,000	1,487,000	11,470,000
2035	286,750	286,750	3.64%		910,000	1,483,500	10,560,000
2036	264,000	264,000	3.64%		960,000	1,488,000	9,600,000
2037	240,000	240,000	3.64%		1,005,000	1,485,000	8,595,000
2038	214,875	214,875	3.64%		1,055,000	1,484,750	7,540,000
2039	188,500	188,500	3.64%		1,110,000	1,487,000	6,430,000
2040	160,750	160,750	3.64%		1,165,000	1,486,500	5,265,000
2041	131,625	131,625	3.64%		1,220,000	1,483,250	4,045,000
2042	101,125	101,125	3.64%		1,285,000	1,487,250	2,760,000
2043	69,000	69,000	3.64%		1,345,000	1,483,000	1,415,000
2044	35,375	35,375	3.64%		1,415,000	1,485,750	-
<b>Totals</b>	<b>5,681,300</b>	<b>6,288,869</b>			<b>18,355,000</b>	<b>30,325,169</b>	

**2024 LIMITED TAX GENERAL OBLIGATION REFUNDING BONDS****Purpose: Fire Station Construction & Renovation**

Denomination	\$ 5,000	Date of Bond Sale	4/17/2024
Amount of Issue	\$ 18,795,000	Net Interest Rate	3.64%

**DEBT SERVICE SCHEDULE**

Year	Interest Dates		Interest Rate	Maturity Date	Principal Amount	Total Payment	Principal Balance
	June 1	December 1					
2024		622,129	3.64%		-	622,129	18,795,000
2025	499,925	499,925	3.64%		520,000	1,519,850	18,275,000
2026	481,725	481,725	3.64%		560,000	1,523,450	17,715,000
2027	462,125	462,125	3.64%		600,000	1,524,250	17,115,000
2028	441,125	441,125	3.64%		640,000	1,522,250	16,475,000
2029	418,725	418,725	3.64%		685,000	1,522,450	15,790,000
2030	394,750	394,750	3.64%		730,000	1,519,500	15,060,000
2031	376,500	376,500	3.64%		770,000	1,523,000	14,290,000
2032	357,250	357,250	3.64%		805,000	1,519,500	13,485,000
2033	337,125	337,125	3.64%		850,000	1,524,250	12,635,000
2034	315,875	315,875	3.64%		890,000	1,521,750	11,745,000
2035	293,625	293,625	3.64%		935,000	1,522,250	10,810,000
2036	270,250	270,250	3.64%		980,000	1,520,500	9,830,000
2037	245,750	245,750	3.64%		1,030,000	1,521,500	8,800,000
2038	220,000	220,000	3.64%		1,080,000	1,520,000	7,720,000
2039	193,000	193,000	3.64%		1,135,000	1,521,000	6,585,000
2040	164,625	164,625	3.64%		1,190,000	1,519,250	5,395,000
2041	134,875	134,875	3.64%		1,250,000	1,519,750	4,145,000
2042	103,625	103,625	3.64%		1,315,000	1,522,250	2,830,000
2043	70,750	70,750	3.64%		1,380,000	1,521,500	1,450,000
2044	36,250	36,250	3.64%		1,450,000	1,522,500	-
<b>Totals</b>	<b>5,817,875</b>	<b>6,440,004</b>			<b>18,795,000</b>	<b>31,052,879</b>	

Capital Project Funds account  
for the acquisition and construction of capital  
facilities not financed by proprietary funds.



# General Government Capital Project Funds



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# 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. In addition, as of the 2025-2026 budget, Impact Fee Funds and Real Estate Excise Tax (REET) Funds are included in the General Government Capital Projects Funds, consistent with auditor recommendations and in recognition that most of their funding is used for capital purposes.

There are seven general government capital projects funds:

The **General Capital Projects Fund** accounts for projects funded from general revenue sources. Resources are transferred in as needed, usually from the REET Funds, Impact Fee Funds, interest income, and sales tax allocations. Providing a cushion in the event of unanticipated changes in project scope or cost is the General Capital Contingency, which has a target of ten percent of the funded 2-year CIP (less utility projects and debt proceeds) that corresponds with the biennial budget.

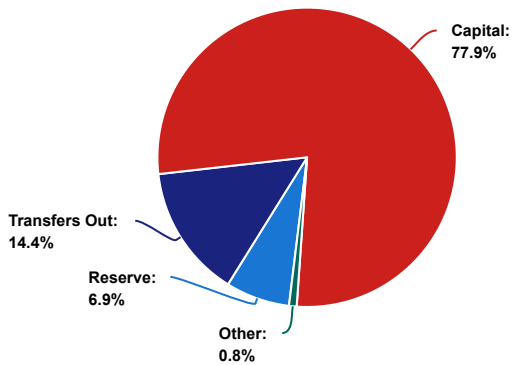
The **Transportation Capital Projects Fund** accounts for all general government transportation projects. City resources are transferred in as needed, usually from the Street Operating Fund, Impact Fee Fund, and the REET Fund. Transportation projects also frequently receive external revenue from grants or other agencies such as Sound Transit. Utility portions of transportation projects (water/sewer and surface water) are funded in the respective utility capital funds.

The three **Impact Fee Funds** account for Transportation, Park, and Fire Impact Fee Funds. Transportation and Park impact fees were initiated in 1999, and fire impact fees went into effect in 2021. Impact fees, and the interest earned on them, are deposited in this fund and transferred out to the capital projects funds to pay for transportation, fire suppression, and park capacity projects approved in the Capital Improvement Program (CIP).

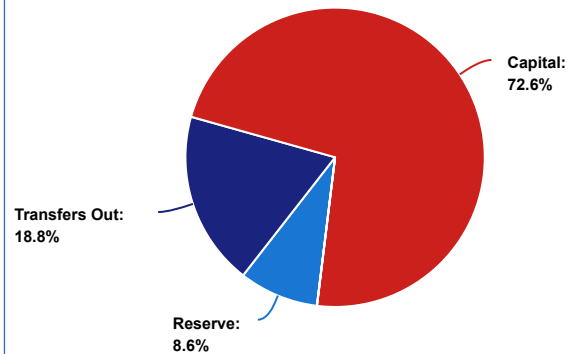
The two **REET Funds** were created to account for revenue from both the first and second quarter percent real estate excise tax (REET 1 and REET 2). Excise tax revenue must be used primarily for capital projects within the categories authorized by state law including streets, sidewalks, traffic improvements, parks, fire protection facilities, and other public facilities as specified by statute. The second quarter percent real estate excise tax (REET 2), adopted by the City Council in October 1996, is primarily dedicated to transportation-related CIP projects. Funds are transferred out of the REET Funds to the capital projects funds and allocated via the CIP funding process. The legislature temporarily expanded eligible uses of REET 2 to include facilities to provide housing for the homeless, expiring in 2026, and allows a portion of REET revenue to be used for maintenance of capital facilities, with specific reporting requirements. The 2025-2026 Budget uses this revenue for on-going and one-time funded expenditures that meet these requirements.

## GENERAL GOVERNMENT NON-OPERATING CAPITAL PROJECT FUNDS

**2023-2024 Budget by Purpose**



**2025-2026 Budget by Purpose**



Capital Projects Funds are used for three purposes – capital construction of projects, capital reserves approved in the Capital Improvement Program, and capital revenues (REET and Impact Fees). The City Council adopts a six-year Capital Improvement Program (CIP) biennially. The CIP is a plan for major improvements or purchases needed in the areas of transportation (streets, sidewalks, signals, and intersections), storm drains, water/sewer systems, parks, public safety, and other government facilities and equipment.

### 2023-2024 BUDGET BY PURPOSE

Fund	2023-2024 Budget	Budget by Purpose			
		Reserve	Transfers Out	Capital	Other
General Capital Projects	106,396,055	4,789,772	352,443	99,284,633	1,969,207
Transportation Capital Project	143,807,217	9,051,177	676,043	133,579,997	500,000
Impact Fees	8,270,086	798,576	7,471,510	-	-
REET	40,445,307	6,046,248	34,399,059	-	-
<b>Total Capital Projects Funds</b>	<b>298,918,665</b>	<b>20,685,773</b>	<b>42,899,055</b>	<b>232,864,630</b>	<b>2,469,207</b>

### 2025-2026 BUDGET BY PURPOSE

Fund	2025-2026 Budget	Budget by Purpose			
		Reserve	Transfers Out	Capital	Other
General Capital Projects	93,294,668	8,826,549	14,673,774	69,794,345	-
Transportation Capital Project	113,771,850	2,521,644	-	111,250,206	-
Impact Fees	13,917,520	3,117,072	10,800,448	-	-
REET	28,489,915	6,985,608	21,504,307	-	-
<b>Total Capital Projects Funds</b>	<b>249,473,953</b>	<b>21,450,873</b>	<b>46,978,529</b>	<b>181,044,551</b>	<b>-</b>

## CHANGE IN FUND BALANCE (BEGINNING 2023 TO ENDING 2026)

### GENERAL GOVERNMENT NON-OPERATING

#### Capital Projects Funds

	Impact Fees	REET	General Capital Projects	Transportation Capital Projects	Total
<b>2023 Actual Beginning Fund Balance</b>	<b>453,953</b>	<b>18,176,422</b>	<b>48,799,940</b>	<b>45,327,076</b>	<b>112,757,391</b>
Ongoing Project Balances & Reserves	453,953	18,176,422	48,799,940	45,327,076	112,757,391
Plus: 2023-24 Estimated Revenues	13,220,850	22,821,003	55,482,093	67,856,627	159,380,573
Less: 2023-24 Estimated Expenditures	7,471,510	34,439,059	53,766,941	58,245,071	153,922,581
<b>2024 Estimated Ending/2025 Budgeted Beginning Fund Balance</b>	<b>6,203,293</b>	<b>6,558,366</b>	<b>50,515,092</b>	<b>54,938,632</b>	<b>118,215,383</b>
Plus: 2025-26 Budgeted Revenues <sup>(1)</sup>	7,695,081	22,485,634	43,611,905	57,983,781	131,776,401
Less: 2025-26 Budgeted Expenditures <sup>(2)</sup>	10,800,448	21,504,307	84,468,119	111,250,206	228,023,080
<b>2026 Budgeted Ending Fund Balance</b>	<b>3,097,926</b>	<b>7,539,693</b>	<b>9,658,878</b>	<b>1,672,207</b>	<b>21,968,704</b>
Reserved <sup>(3)</sup>	3,097,926	7,539,693	9,658,878	1,672,207	21,968,704
Unreserved Working Capital	-	-	-	-	-
<b>Change in Fund Balance:</b>					
<b>Beginning 2023 to Ending 2026 <sup>(4)</sup></b>	<b>2,643,973</b>	<b>(10,636,729)</b>	<b>(39,141,062)</b>	<b>(43,654,869)</b>	<b>(90,788,687)</b>

#### Notes:

<sup>(1)</sup> Budgeted revenues do not directly match revenues shown in the 2025-2026 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 2025-2030 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 2025-2026 biennium.

<sup>(3)</sup> 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 2025-2026 BUDGET

### General Capital Projects Fund (310)

Project Category/Project Title	Project Number	Funding Source
<b>Parks</b>		
PARK PLAYGROUNDS, SPORT COURTS & AMENITY REPAIR, REPLACEMENT	PKC 06600	Impact Fees/Unsecured External/REET 1/King County Parks Levy
LEE JOHNSON FIELDS UPGRADES	PKC 11600	REET 1
JUANITA BEACH NORTH - FIELD UPGRADES	PKC 11902	King County Parks Levy/Kirkland Parks Levy
NEIGHBORHOOD PARK LAND ACQUISITION	PKC 13330	Impact Fees
PARK FACILITIES LIFE CYCLE PROJECTS	PKC 15100	Reserves/Sinking Fund
OO DENNY PARK PAVILLION	PKC 15201	Impact Fees
GREEN LOOP MASTER PLAN, ACQUISITIONS, EASEMENTS	PKC 15500	External
EVEREST PARK RESTROOM REPLACEMENT	PKC 15602	Impact Fees
MARINA PARK DOCK & SHORELINE RENOVATIONS	PKC 16900	REET 1/Kirkland Parks Levy
ADA COMPLIANCE UPGRADES	PKC 17000	REET 1/King County Parks Levy
PETER KIRK POOL RENOVATION	PKC 20400	Impact Fees/REET 1/Kirkland Parks Levy
AUTOMATIC GATES IN PARKS	PKC 20500	Kirkland Parks Levy
<b>Total Parks</b>		
<b>Public Safety</b>		
PERSONAL PROTECTIVE EQUIPMENT	PSC 07600	Reserves/Sinking Fund
WATER RESCUE CRAFT STORAGE & LIFT	PSC 08200	Reserves/Sinking Fund
POLICE EQUIPMENT REPLACEMENT	PSC 10000	Reserves/Sinking Fund
FIRE EQUIPMENT REPLACEMENT	PSC 20000	Reserves/Sinking Fund
FIRE STATION 24 TRAINING CAPACITY CONFIGURATION	PSC 30090	Reserves/Sinking Fund
UPDATE AND REPLACE READER BOARDS	PSC 30100	Reserves/Sinking Fund
<b>Total Public Safety</b>		



Project Number	2025 Budget	2026 Budget	Total 2025-2026 Budget	Additional Annual Maintenance & Operations	
				2025	2026
PKC 06600	1,109,000	650,000	1,759,000	-	-
<b>PKC 11600</b>	-	<b>115,000</b>	<b>115,000</b>	-	-
<b>PKC 11902</b>	<b>600,000</b>	-	<b>600,000</b>	<b>31,765</b>	<b>31,765</b>
PKC 13330	728,000	1,680,000	2,408,000	31,765	31,765
PKC 15100	171,777	129,208	300,985	-	-
PKC 15201	220,000	-	220,000	-	-
PKC 15500	-	-	-	-	-
<b>PKC 15602</b>	<b>250,000</b>	-	<b>250,000</b>	-	-
PKC 16900	-	1,300,000	1,300,000	-	-
PKC 17000	500,000	24,000	524,000	-	-
<b>PKC 20400</b>	<b>2,050,000</b>	<b>1,620,000</b>	<b>3,670,000</b>	-	-
<b>PKC 20500</b>	<b>150,000</b>	<b>150,000</b>	<b>300,000</b>	-	-
	<b>5,778,777</b>	<b>5,668,208</b>	<b>11,446,985</b>	<b>63,530</b>	<b>63,530</b>
PSC 07600	69,800	122,700	192,500	-	-
PSC 08200	-	10,700	10,700	-	-
PSC 10000	130,700	214,700	345,400	-	-
PSC 20000	140,200	187,300	327,500	-	-
PSC 30090	500,000	-	500,000	-	-
<b>PSC 30100</b>	<b>80,000</b>	-	<b>80,000</b>	-	-
	<b>920,700</b>	<b>535,400</b>	<b>1,456,100</b>	-	-

Project Category/Project Title	Project Number	Funding Source
<b>General Government</b>		
<b>Technology</b>		
ON-PREMISE VIRTUAL INFRASTRUCTURE (HCI) REPLACEMENT	ITC 10000	Technology Sinking Fund/Development Services Reserves
NETWORK REFRESH	ITC 11000	Technology Sinking Fund
AV EQUIP. REPLACE. - COUNCIL CHAMBERS & MTG ROOMS	ITC 15000	Technology Sinking Fund
<b>ENERGOV REPLACEMENT</b>	<b>ITC 16000</b>	<b>Development Services Reserves</b>
GEOGRAPHIC INFORMATION SYSTEMS	ITC 20000	General Fund/Utilities
MISSION-CRITICAL APPLICATION SUPPORT AND REPLACEMENT	ITC 30000	General Fund/Utilities
<b>Total Technology</b>		
<b>Facilities</b>		
HOUGHTON VILLAGE PROPERTY ACQUISITION 1	GGC 49000	Debt
<b>LOW VOLTAGE ELECTRICAL (DATA, FIRE, SECURITY)</b>	<b>GGC 05000</b>	<b>Facilities Sinking Fund Charges</b>
<b>PW MAINTENANCE CENTER UPGRADES</b>	<b>GGC 05400</b>	<b>Facilities Sinking Fund Charges/REET 1/Utilities</b>
<b>PW MAINTENANCE CENTER EXPANSION</b>	<b>GGC 05410</b>	<b>REET 1/General Fund</b>
<b>FALL PROTECTION - SAFETY EQUIPMENT &amp; TRAINING</b>	<b>GGC 05900</b>	<b>Facilities Sinking Fund Charges</b>
<b>CITY HALL ADA DOORS</b>	<b>GGC 06100</b>	<b>REET 1</b>
<b>KJC DISTRIBUTED ANTENNA SYSTEM</b>	<b>GGC 06200</b>	<b>General Fund (EPSCA)</b>
<b>KJC POWER CONDITIONING</b>	<b>GGC 06300</b>	<b>REET 1</b>
<b>FURNISHINGS AND EQUIPMENT</b>	<b>GGC 07000</b>	<b>Facilities Sinking Fund Charges</b>
ELECTRICAL, ENERGY MANAGEMENT, AND LIGHTING SYSTEMS	GGC 08000	Facilities Sinking Fund Charges
MECHANICAL/HVAC SYSTEMS REPLACEMENTS	GGC 09000	Facilities Sinking Fund Charges
PAINTING, CEILINGS, PARTITION, & WINDOW REPLACEMENTS	GGC 10000	Facilities Sinking Fund Charges
ROOFING, GUTTER, SIDING AND DECK REPLACEMENTS	GGC 11000	Facilities Sinking Fund Charges
PERMANENT SUPPORTIVE HOUSING	GGC 13000	REET 2 Reserves
ARCH TRUST FUND PROJECT IN KIRKLAND	GGC 16000	REET 2 Reserves
<b>FIRE STATIONS MAINTENANCE</b>	<b>GGC 30100</b>	<b>Facilities Sinking Fund Charges</b>
<b>Total Facilities</b>		
<b>Total General Government</b>		
<b>Total General Capital Projects Fund</b>		

Project Number	2025 Budget	2026 Budget	Total 2025-2026 Budget	Additional Annual Maintenance & Operations	
				2025	2026
ITC 10000	2,525,000	-	2,525,000	-	-
ITC 11000	326,900	40,500	367,400	-	-
ITC 15000	25,000	700,000	725,000	-	-
<b>ITC 16000</b>	<b>-</b>	<b>2,500,000</b>	<b>2,500,000</b>	<b>-</b>	<b>-</b>
ITC 20000	30,000	-	30,000	-	-
ITC 30000	50,000	50,000	100,000	-	-
	<b>2,956,900</b>	<b>3,290,500</b>	<b>6,247,400</b>	<b>-</b>	<b>-</b>
GGC 49000	14,673,774	-	14,673,774	-	-
<b>GGC 05000</b>	<b>-</b>	<b>223,200</b>	<b>223,200</b>	<b>-</b>	<b>-</b>
<b>GGC 05400</b>	<b>1,000,000</b>	<b>1,000,000</b>	<b>2,000,000</b>	<b>-</b>	<b>-</b>
<b>GGC 05410</b>	<b>5,986,522</b>	<b>-</b>	<b>5,986,522</b>	<b>-</b>	<b>-</b>
<b>GGC 05900</b>	<b>-</b>	<b>41,200</b>	<b>41,200</b>	<b>-</b>	<b>-</b>
<b>GGC 06100</b>	<b>-</b>	<b>81,325</b>	<b>81,325</b>	<b>-</b>	<b>-</b>
<b>GGC 06200</b>	<b>81,701</b>	<b>-</b>	<b>81,701</b>	<b>-</b>	<b>-</b>
<b>GGC 06300</b>	<b>-</b>	<b>100,000</b>	<b>100,000</b>	<b>-</b>	<b>-</b>
<b>GGC 07000</b>	<b>27,000</b>	<b>34,100</b>	<b>61,100</b>	<b>-</b>	<b>-</b>
<b>GGC 08000</b>	<b>606,700</b>	<b>91,900</b>	<b>698,600</b>	<b>-</b>	<b>-</b>
GGC 09000	1,034,100	356,100	1,390,200	-	-
GGC 10000	643,300	96,800	740,100	-	-
GGC 11000	-	271,600	271,600	-	-
GGC 13000	300,000	-	300,000	-	-
GGC 16000	250,000	-	250,000	-	-
<b>GGC 30100</b>	<b>400,000</b>	<b>-</b>	<b>400,000</b>	<b>-</b>	<b>-</b>
	<b>25,003,097</b>	<b>2,296,225</b>	<b>27,299,322</b>	<b>-</b>	<b>-</b>
	<b>27,959,997</b>	<b>5,586,725</b>	<b>33,546,722</b>	<b>-</b>	<b>-</b>
	<b>34,659,474</b>	<b>11,790,333</b>	<b>46,449,807</b>	<b>63,530</b>	<b>63,530</b>

## CAPITAL IMPROVEMENT PROGRAM 2025-2026 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
120TH AVE NE ROADWAY REHABILITATION	STC 00601	Gas Tax/Street Levy
<b>NE 132ND STREET PRESERVATION</b>	<b>STC 00602</b>	<b>Street Levy</b>
STREET LEVY STREET PRESERVATION	STC 00603	Reet 2/Street Levy
LOCAL ROAD MAINTENANCE	STC 00608	Gas Tax
ANNUAL STRIPING PROGRAM	STC 08000	REET 2/Gas Tax
100TH AVE NE ROADWAY IMPROVE. - NORTH SECTION	STC 08313	Impact Fees
100TH AVE NE ROADWAY IMPROVE. - MID-NORTH SECTION	STC 08314	Impact Fees
NE 85TH STREET PED/BIKE CONNECTION 114TH AVE NE TO 6TH ST	STC 10700	Impact Fees/Sound Transit
PRESERVATION 124TH AVE 132ND ST TO 144TH ST	STC 11100	REET 2
REGIONAL INTER-AGENCY COORDINATION	STC 99990	REET 1/REET 2
<b>Total Streets</b>		
<b>Non-Motorized</b>		
STREET LEVY - NEIGHBORHOOD SAFETY PROGRAM IMPROVE.	NMC 00621	Street Levy/School Zone Safety Camera
NE 87TH ST/116TH AVE NE INTERSECTION IMPROVE.(SAP SCOPE P3)	NMC 10100	REET 2
CITYWIDE ACCESSIBILITY IMPROVEMENTS	NMC 11010	Gas Tax
TRAIL CONNECTION AT JUANITA DRIVE AND NE 132ND ST	NMC 13200	REET 1/ REET 2
NE 128TH ST IMPROVEMENTS - 116TH AVE TO TOTEM LAKE BLVD	NMC 13400	REET 2/External
116TH AVE NE SIDEWALK IMPROVE. - 73RD ST TO 75th PL	NMC 13900	REET 1
<b>PARK LANE UPDATES</b>	<b>NMC 14100</b>	<b>REET 1</b>
<b>LAKE WASHINGTON BLVD PEDESTRIAN SAFETY ENHANCEMENTS</b>	<b>NMC 16600</b>	<b>REET 2/External</b>
TRANSPORTATION BENEFIT DISTRICT IMPLEMENTATION	NMC 30000	REET 2/Surface Water
<b>Total Non-Motorized</b>		
<b>Traffic Improvements</b>		
ANNUAL SIGNAL MAINTENANCE PROGRAM	TRC 11600	REET 1/ REET 2
CITYWIDE TRAFFIC MANAGEMENT SAFETY IMPROVEMENTS	TRC 11700	Gas Tax
VISION ZERO SAFETY IMPROVEMENT	TRC 11702	REET 1/Gas Tax
NEIGHBORHOOD TRAFFIC CONTROL	TRC 11703	REET 1
KIRKLAND INTELLIGENT TRANSPORTATION SYSTEM PHASE 3	TRC 12000	Impact Fees
100TH AVE NE/SIMONDS RD INTERSECTION IMPROVEMENTS	TRC 13500	Impact Fees
100TH AVE NE/NE 145TH ST INTERSECTION IMPROVEMENTS	TRC 13600	Impact Fees
NE 85TH ST/132ND AVE NE DUAL LEFT TURN LANES	TRC 13900	Impact Fees/REET 1
NE 112TH ST & 80TH AVE NE & JUANITA DR NE INTERSECTION	TRC 14600	Impact Fees/REET 2
<b>Total Traffic Improvements</b>		
<b>Total Transportation Capital Projects Fund</b>		

Project Number	2025 Budget	2026 Budget	Total 2025-2026 Budget	Additional Annual Maintenance & Operations	
				2025	2026
STC 00600	1,701,600	1,701,706	3,403,306	-	-
STC 00601	1,200,000	-	1,200,000	-	-
<b>STC 00602</b>	<b>272,500</b>		<b>272,500</b>	-	-
STC 00603	2,629,000	2,702,000	5,331,000	-	-
STC 00608	50,000	50,000	100,000	-	-
STC 08000	750,000	750,000	1,500,000	-	-
STC 08313	400,000	-	400,000	-	-
STC 08314	400,000	-	400,000	14,858	14,858
STC 10700	2,000,000	-	2,000,000	14,858	14,858
STC 11100	-	1,000,000	1,000,000	-	-
STC 99990	82,000	82,000	164,000	-	-
	<b>9,485,100</b>	<b>6,285,706</b>	<b>15,770,806</b>	<b>29,716</b>	<b>29,716</b>
NMC 00621	350,000	350,000	700,000	-	-
NMC 10100	287,000	101,000	388,000	-	-
NMC 11010	50,000	100,000	150,000	-	-
NMC 13200	-	855,000	855,000	14,858	14,858
NMC 13400	267,000	1,140,000	1,407,000	-	-
NMC 13900	646,875	-	646,875	-	-
<b>NMC 14100</b>	<b>50,000</b>	-	<b>50,000</b>	-	-
<b>NMC 16600</b>	<b>1,730,000</b>	-	<b>1,730,000</b>	-	-
NMC 30000	650,000	650,000	1,300,000	-	-
	<b>4,030,875</b>	<b>3,196,000</b>	<b>7,226,875</b>	<b>14,858</b>	<b>14,858</b>
TRC 11600	100,000	100,000	200,000	14,858	14,858
TRC 11700	100,000	-	100,000	14,858	14,858
TRC 11702	50,000	50,000	100,000	14,858	14,858
TRC 11703	50,000	50,000	100,000	14,858	14,858
TRC 12000	-	313,448	313,448	37,146	37,146
TRC 13500	100,000	-	100,000	-	-
TRC 13600	100,000	-	100,000	-	-
TRC 13900	-	1,807,555	1,807,555	-	-
TRC 14600	-	1,966,500	1,966,500	14,858	14,858
	<b>500,000</b>	<b>4,287,503</b>	<b>4,787,503</b>	<b>111,436</b>	<b>111,436</b>
	<b>14,015,975</b>	<b>13,769,209</b>	<b>27,785,184</b>	<b>156,010</b>	<b>156,010</b>

## 2025-2030 CAPITAL IMPROVEMENT PROGRAM

### PARK PROJECTS

#### Funded Projects:

Project Number	Project Title	2025	2026	2027	2028	2029	2030
PKC 06600	PARK PLAYGROUNDS, SPORT COURTS & AMENITY REPAIR, REPLACEMENT	1,109,000	650,000	-	-	-	-
<b>PKC 11600</b>	<b>LEE JOHNSON FIELDS UPGRADES</b>	-	<b>115,000</b>	-	-	<b>800,000</b>	<b>185,000</b>
<b>PKC 11902</b>	<b>JUANITA BEACH NORTH - FIELD UPGRADES</b>	<b>600,000</b>	-	-	-	-	-
PKC 13310	DOCK AND SHORELINE RENOVATIONS	-	-	250,000	108,800	-	474,000
PKC 13320	CITY-SCHOOL PLAYFIELD PARTNERSHIP	-	-	-	141,200	-	-
PKC 13330	NEIGHBORHOOD PARK LAND ACQUISITION	728,000	1,680,000	1,250,000	1,000,000	1,500,000	1,500,000
PKC 15100	PARK FACILITIES LIFE CYCLE PROJECTS	171,777	129,208	213,860	113,742	108,264	194,613
PKC 15201	OO DENNY PARK PAVILLION ACQUISITIONS, EASEMENTS	220,000	-	-	-	-	-
PKC 15600	PARK RESTROOM ADDITIONS, RENOVATIONS & REPLACEMENT PROGRAM	-	-	-	-	400,000	500,000
<b>PKC 15602</b>	<b>EVEREST PARK RESTROOM REPLACEMENT</b>	<b>250,000</b>	-	-	-	-	-
PKC 15700	NEIGHBORHOOD PARK DEVELOPMENT PROGRAM	-	-	500,000	1,000,000	-	-
PKC 15900	OFF-LEASH DOG AREAS	-	-	250,000	500,000	-	-
PKC 16200	WAYFINDING AND PARK SIGNAGE PROGRAM PLAN	-	-	409,000	-	-	-
PKC 16900	MARINA PARK DOCK & SHORELINE RENOVATIONS	-	1,300,000	-	-	-	-
PKC 17000	ADA COMPLIANCE UPGRADES	500,000	24,000	500,000	409,000	459,000	500,000
<b>PKC 20400</b>	<b>PETER KIRK POOL RENOVATION</b>	<b>2,050,000</b>	<b>1,620,000</b>	-	-	-	-
<b>PKC 20500</b>	<b>AUTOMATIC GATES IN PARKS</b>	<b>150,000</b>	<b>150,000</b>	-	-	-	-
<b>Total Funded Park Projects</b>		<b>5,778,777</b>	<b>5,668,208</b>	<b>3,372,860</b>	<b>3,272,742</b>	<b>3,267,264</b>	<b>3,353,613</b>

#### Notes:

*Italics = Modification in timing and/or cost*

**Bold = New Project**

Project Number	2025-2030 Total	Current Revenue	Reserves / Sinking Fund	Impact Fees	Unsecured / Other External	REET 1	King County Parks Levy	Kirkland Parks Levy
PKC 06600	1,759,000	-	-	500,000	550,000	600,000	109,000	-
<b>PKC 11600</b>	<b>1,100,000</b>	-	-	-	-	<b>1,100,000</b>	-	-
<b>PKC 11902</b>	<b>600,000</b>	-	-	-	-	-	<b>350,000</b>	<b>250,000</b>
PKC 13310	832,800	-	-	-	-	224,000	-	608,800
PKC 13320	141,200	-	-	-	-	-	-	141,200
PKC 13330	7,658,000	128,000	-	7,530,000	-	-	-	-
PKC 15100	931,464	-	931,464	-	-	-	-	-
PKC 15201	220,000	-	-	220,000	-	-	-	-
PKC 15600	900,000	-	-	-	-	650,000	-	250,000
<b>PKC 15602</b>	<b>250,000</b>	-	-	<b>250,000</b>	-	-	-	-
PKC 15700	1,500,000	-	-	-	-	1,500,000	-	-
PKC 15900	750,000	-	-	750,000	-	-	-	-
PKC 16200	409,000	-	-	-	-	409,000	-	-
PKC 16900	1,300,000	-	-	-	-	1,170,000	-	130,000
PKC 17000	2,392,000	-	-	-	-	2,301,000	91,000	-
<b>PKC 20400</b>	<b>3,670,000</b>	-	-	<b>3,050,000</b>	-	<b>500,000</b>	-	<b>120,000</b>
<b>PKC 20500</b>	<b>300,000</b>	-	-	-	-	-	-	<b>300,000</b>
	<b>24,713,464</b>	<b>128,000</b>	<b>931,464</b>	<b>12,300,000</b>	<b>550,000</b>	<b>8,454,000</b>	<b>550,000</b>	<b>1,800,000</b>

## PARK PROJECTS

### Unfunded Projects:

Project Number	Project Title	Total
PKC 11400	Mark Twain Park Renovation Plan and Development	103,000
PKC 11600	Lee Johnson Field Artificial Turf Installation	6,856,000
PKC 11902	Juanita Beach Park Development Phase II	13,712,000
PKC 12210	Indoor Aquatics and Recreation Facility Construction	102,838,000
<b>PKC 13321</b>	<b>City-School Playfield Partnership</b>	<b>5,000,000</b>
PKC 13800	Everest Park Restroom/Storage Building Replacement	2,468,000
PKC 14900	Taylor Playfields-Former Houghton Landfill Site Master Plan	411,000
PKC 15000	North Kirkland Community Center Renovation & Expansion	TBD
PKC 16600	Brink Park Building Renovation	107,000
PKC 16800	Spray Park	1,607,000
PKC 17300	Skate Park Feasibility and Location Study	80,000
PKC 17400	Crestwood Park Fields Conversion to Synthetic Turf	9,748,000
PKC 17500	Park Specific Master Plan for Peter Kirk Park and Siting/Location For Lee Johnson Field	80,000
PKC 17600	Land Acquisition and Development for a Community Park In North Kirkland (15 Acres)	62,667,000
<b>PKC 20100</b>	<b>Land Acquisition and Development for a Community Park In North Kirkland (5 Acres)</b>	<b>20,889,000</b>
<b>PKC 20200</b>	<b>Land Acquisition and Development for a Community Park In North Kirkland (5 Acres)</b>	<b>20,889,000</b>
<b>PKC 20300</b>	<b>Land Acquisition and Development for a Community Park In South Kirkland (5 Acres)</b>	<b>20,889,000</b>
PKC 17700	Upgrade Rectangle Fields at Spinney Homestead Park and Terrace Park To Synthetic Turf with Lights	5,142,000
PKC 17800	Upgrade Diamond Fields at Highlands Park and Juanita Beach Park To Synthetic Turf with Lights	5,142,000
PKC 17900	Add Outdoor Fitness Gyms in three Parks To Be Determined	803,000
PKC 18000	Safety and Security Upgrades	214,000
PKC 18100	Add ADA Kayak Launch Opportunities at two Waterfront Parks	167,000
PKC 18200	All-Inclusive Playground	2,089,000
PKC 18300	Disc Golf Course Feasibility and Construction at Juanita Bay Park	104,000
PKC 18400	Construct New Pickleball Courts	104,000
PKC 09510	Heritage Park Development - Phase III & IV	5,485,000
PKC 09700	Reservoir Park Renovation Plan	161,000
PKC 10800	McAuliffe Park Development	9,641,000
PKC 11300	Spinney Homestead Park Renovation Plan and Development	129,000
PKC 11500	Terrace Park Renovation Plan and Development	80,000
PKC 12600	Watershed Park Master Plan	137,000
PKC 12700	Kiwanis Park Master Plan	103,000
PKC 12800	Yarrow Bay Wetlands Master Plan	274,000
PKC 12900	Heronfield Wetlands Master Planning & Development	171,000
PKC 13510	Juanita Heights Park Master Plan	134,000
PKC 13600	Kingsgate Park Master Plan and Development	206,000
PKC 13903	Totem Lake Park Phase III: South Side CKC Enhancements and West boardwalk	5,485,000



## PARK PROJECTS

### Unfunded Projects,continued:

Project Number	Project Title	Total
PKC 14100	South Norway Hill Park Site Master Plan	134,000
PKC 14300	Marsh Park Restroom Replacement	117,000
PKC 14400	Cedar View Park Improvement Plan	81,000
PKC 14500	Environmental Education Center	803,000
PKC 14800	Forbes House Renovation & Historic Preservation Plan	92,000
PKC 16400	Peter Kirk Park - Fencing and Drainage Improvements	268,000
PKC 16500	Peter Kirk Park - Skate Park Upgrades	536,000
PKC 16700	O.O. Denny Park Improvements - Sand Volleyball	80,000
PKC 18500	ADA Phase 1 (2023)	1,393,000
PKC 18600	ADA Phase 2 (2024)	1,393,000
PKC 18700	ADA Phase 3 (2025)	1,532,000
PKC 18800	ADA Phase 4 (2026)	1,671,000
PKC 18900	ADA Phase 5 (2027)	1,810,000
PKC 19000	Park Playgrounds, Sports Courts and Amenity Repair, Replacement and Additions Phase 2	1,071,000
PKC 19100	Convert Three Restrooms to Self- Cleaning	627,000
PKC 19200	Add Small Playgrounds at Marsh Park and Marina Park	836,000
PKC 19300	Cricket and Rugby Field Opportunities Feasibility Study	80,000
PKC 05610	Forbes Lake Park Development and Connections to 85th St SAP	8,227,000
PKC 19400	Recreation Centers (Small, Neighborhood) Construction	34,815,000
PKC 19500	NE 85th SAP Parks Acquisition & Development Opportunity Fund	5,356,000
PKC 19600	Linear Parks Partnering with Active Transportation and Greenways Projects (20 Miles of Trails)	41,778,000
PKC 19700	CKC Enhancements and Future Development	5,356,000
PKC 19800	Blue Lighting Security System Along CKC	35,000
PKC 19900	Self Service Bike Repair at Selected Community Parks and along CKC (5 Locations) Based on a Bike Access Study	104,000
PKC 20000	Increasing Use, Capacity, and Amenities at Rose Hill Park	104,000
<b>Total Unfunded Parks Projects</b>		<b>412,414,000</b>

Notes:

*Italics = Modification in timing and/or cost*

**Bold = New projects**

## 2025-2030 CAPITAL IMPROVEMENT PROGRAM

### PUBLIC SAFETY PROJECTS

#### Funded Projects:

Project Number	Project Title	2025	2026	2027	2028	2029	2030	2025-2030 Total	Current Revenue	Impact Fees	Reserves / Sinking Fund
<b>Fire</b>											
PSC 05600	DISASTER STORAGE UNITS	-	-	-	162,500	-	-	<b>162,500</b>	-	-	162,500
PSC 06200	DEFIBRILLATOR UNIT REPLACEMENT	-	-	-	249,000	-	-	249,000	-	-	249,000
PSC 06300	AIR FILL STATION REPLACEMENT	-	-	-	-	-	93,500	93,500	-	-	93,500
PSC 06600	THERMAL IMAGING CAMERAS	-	-	-	-	146,200	-	146,200	-	-	146,200
PSC 07600	PERSONAL PROTECTIVE EQUIPMENT	69,800	122,700	117,900	138,000	556,500	93,600	1,098,500	-	-	1,098,500
PSC 08200	WATER RESCUE CRAFT STORAGE & LIFT	-	10,700	-	21,700	-	-	32,400	-	-	32,400
PSC 20000	FIRE EQUIPMENT REPLACEMENT	140,200	187,300	89,700	145,100	121,500	535,800	1,219,600	-	-	1,219,600
<b>Police</b>											
PSC 10000	POLICE EQUIPMENT REPLACEMENT	130,700	214,700	180,800	390,300	307,700	151,000	1,375,200	-	-	1,375,200
<b>Facilities</b>											
PSC 30090	<i>FIRE STATION 24 TRAINING CAPACITY CONFIGURATION</i>	500,000	-	-	-	-	-	500,000	-	500,000	-
PSC 30100	<b>UPDATE AND REPLACE READER BOARDS</b>	<b>80,000</b>	-	-	-	-	-	<b>80,000</b>	-	-	<b>80,000</b>
<b>Total Funded Public Safety Projects</b>		<b>920,700</b>	<b>535,400</b>	<b>388,400</b>	<b>1,106,600</b>	<b>1,131,900</b>	<b>873,900</b>	<b>4,956,900</b>	-	<b>500,000</b>	<b>4,456,900</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**

## 2025-2030 CAPITAL IMPROVEMENT PROGRAM

### GENERAL GOVERNMENT PROJECTS – FACILITIES

#### Funded Projects:

Project Number	Project Title	2025	2026	2027	2028	2029	2030	2025-2030 Total	Current Revenue	Reserves / Sinking Fund	Debt	REET 2 / Reserves
GGC 04000	PLUMBING AND SANITARY SYSTEMS	-	-	41,600	-	452,100	-	493,700	-	493,700	-	-
GGC 04900	HOUGHTON VILLAGE PROPERTY ACQUISITION	14,673,774	-	-	-	-	-	14,673,774	-	-	14,673,774	-
GGC 05000	LOW VOLTAGE ELECTRICAL (DATA, FIRE, SECURITY)	-	223,200	-	-	-	160,200	383,400	-	383,400	-	-
GGC 05400	PW MAINTENANCE CENTER UPGRADES	1,000,000	1,000,000	-	-	-	-	2,000,000	1,110,000	400,000	-	490,000
GGC 05410	PW MAINTENANCE CENTER EXPANSION	5,986,522	-	1,675,000	750,000	-	-	8,411,522	-	4,061,522	-	4,350,000
GGC 05900	FALL PROTECTION - SAFETY EQUIPMENT & TRAINING	-	41,200	-	-	-	-	41,200	-	41,200	-	-
GGC 06000	FOUNDATIONS	-	-	-	106,000	-	-	106,000	-	106,000	-	-
GGC 06100	CITY HALL ADA DOORS	-	81,325	-	-	-	-	81,325	-	-	-	81,325
GGC 06200	KJC DISTRIBUTED ANTENNA SYSTEM	81,701	-	-	-	-	-	81,701	-	81,701	-	-
GGC 06300	KJC POWER CONDITIONING	-	100,000	-	-	-	-	100,000	-	-	-	100,000
GGC 07000	FURNISHINGS AND EQUIPMENT	27,000	34,100	-	309,000	-	-	370,100	-	370,100	-	-
GGC 08000	ELECTRICAL, ENERGY MANAGEMENT, AND LIGHTING SYSTEMS	606,700	91,900	169,800	105,900	162,200	59,600	1,196,100	-	1,196,100	-	-
GGC 09000	MECHANICAL/HVAC SYSTEMS REPLACEMENTS	1,034,100	356,100	527,100	529,500	169,300	920,300	3,536,400	-	3,536,400	-	-
GGC 10000	PAINTING, CEILINGS, PARTITION, AND WINDOW REPLACEMENTS	643,300	96,800	670,500	352,900	86,900	176,400	2,026,800	-	2,026,800	-	-
GGC 11000	ROOFING, GUTTER, SIDING AND DECK REPLACEMENTS	-	271,600	18,700	235,500	1,032,400	532,800	2,091,000	-	2,091,000	-	-
GGC 13000	PERMANENT SUPPORTIVE HOUSING	300,000	-	-	-	-	-	300,000	-	-	-	300,000
GGC 16000	ARCH TRUST FUND PROJECT IN KIRKLAND	250,000	-	-	-	-	-	250,000	-	-	-	250,000
GGC 30100	FIRE STATIONS MAINTENANCE	400,000	-	-	-	-	-	400,000	-	400,000	-	-
<b>Total Funded General Government Projects – Facilities</b>		<b>25,003,097</b>	<b>2,296,225</b>	<b>3,102,700</b>	<b>2,388,800</b>	<b>1,902,900</b>	<b>1,849,300</b>	<b>36,543,022</b>	<b>1,110,000</b>	<b>15,187,923</b>	<b>14,673,774</b>	<b>5,571,325</b>

#### Notes:

**Bold = New projects**

FACILITIES

Unfunded Projects:

Project Number	Project Title	Total
GGC 05600	Fire Station 24 Retaining Wall	3,600,000
Total Unfunded General Government Projects – Facilities		3,600,000

Notes

*Italics = Modification in timing and/or cost*

**Bold = New projects**

## 2025-2030 CAPITAL IMPROVEMENT PROGRAM

### GENERAL GOVERNMENT PROJECTS – TECHNOLOGY

#### Funded Projects:

Project Number	Project Title	2025	2026	2027	2028	2029	2030	2025-2030 Total	Utility Funds	Reserves / Sinking Fund
ITC 10000	OPTION C: ON-PREMISE VIRTUAL INFRASTRUCTURE (HCI) REPLACEMENT	2,525,000	-	-	-	-	3,498,000	6,023,000	-	6,023,000
ITC 11000	NETWORK REFRESH	326,900	40,500	1,730,000	44,550	44,550	44,550	2,231,050	-	2,231,050
ITC 15000	AV EQUIP. REPLACE. - COUNCIL CHAMBERS & MTG ROOMS	25,000	700,000	-	-	25,000	25,000	775,000	-	775,000
<b>ITC 16000</b>	<b>ENERGOV REPLACEMENT</b>	-	<b>2,500,000</b>	-	-	-	-	<b>2,500,000</b>	-	<b>2,500,000</b>
ITC 20000	GEOGRAPHIC INFORMATION SYSTEMS	30,000	-	65,000	-	30,000	-	125,000	37,500	87,500
ITC 30000	MISSION-CRITICAL APPLICATION SUPPORT AND REPLACEMENT	50,000	50,000	50,000	50,000	50,000	50,000	300,000	90,000	210,000
<b>Total Funded General Government Projects – Technology</b>		<b>2,956,900</b>	<b>3,290,500</b>	<b>1,845,000</b>	<b>94,550</b>	<b>149,550</b>	<b>3,617,550</b>	<b>11,954,050</b>	<b>127,500</b>	<b>11,826,550</b>

#### Notes:

**Bold = New projects**

## 2025-2030 CAPITAL IMPROVEMENT PROGRAM

### TRANSPORTATION PROJECTS

#### Funded Projects:

Project Number	Project Title	2025	2026	2027	2028	2029	2030
<b>PW Transportation</b>							
NMC 00621	STREET LEVY - NEIGHBORHOOD SAFETY PROGRAM IMPROVEMENTS	350,000	350,000	350,000	350,000	350,000	350,000
NMC 05700	ANNUAL SIDEWALK MAINTENANCE PROGRAM	-	-	-	-	100,000	100,000
NMC 10100	NE 87TH ST/116TH AVE NE INTERSECTION IMPROVEMENT (SAP SCOPE P3)	287,000	101,000	-	1,723,000	-	-
NMC 11010	CITYWIDE ACCESSIBILITY IMPROVEMENTS	50,000	100,000	50,000	100,000	50,000	100,000
NMC 13200	TRAIL CONNECTION AT JUANITA DRIVE AND NE 132ND ST	-	855,000	-	-	-	-
NMC 13400	NE 128TH STREET NONMOTORIZED IMPROVEMENTS - 116TH AVE TO TOTEM LAKE BLVD	267,000	1,140,000	-	-	-	-
NMC 13900	116TH AVE NE SIDEWALK IMPROVE. - 73RD ST TO 75th PL	646,875	-	-	-	-	-
NMC 14100	PARK LANE UPDATES	50,000	-	-	-	-	-
NMC 16000	SAP IMPLEMENTATION	-	-	2,100,000	2,100,000	2,900,000	2,900,000
NMC 16100	CROSSWALK UPGRADE PROGRAM	-	-	550,000	550,000	550,000	550,000
NMC 16200	CITYWIDE GREENWAY NETWORK	-	-	500,000	500,000	500,000	500,000
NMC 16300	SIDEWALK COMPLETION PROGRAM	-	-	500,000	500,000	500,000	500,000
NMC 16400	CKC RELATED PROGRAMS	-	-	500,000	500,000	500,000	500,000
NMC 16600	LAKE WASHINGTON BLVD PEDESTRIAN SAFETY ENHANCEMENTS	1,730,000	-	-	-	-	-
NMC 30000	TRANSPORTATION BENEFIT DISTRICT IMPLEMENTATION	650,000	650,000	650,000	650,000	550,000	550,000
STC 00600	ANNUAL STREET PRESERVATION PROGRAM	1,701,600	1,701,706	1,700,000	1,700,000	1,700,000	1,700,000
STC 00601	20TH AVE NE ROADWAY REHABILITATION	1,200,000	-	-	-	-	-
STC 00602	NE 132ND ST STREET PRESERVATION	272,500	-	-	1,310,000	-	-
STC 00603	STREET LEVY STREET PRESERVATION	2,629,000	2,702,000	2,777,000	2,854,000	2,933,000	3,014,000
STC 00608	LOCAL ROAD MAINTENANCE	50,000	50,000	50,000	50,000	50,000	50,000
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	400,000	-	-	-	-	-
STC 08314	100TH AVENUE NE ROADWAY IMPROVEMENTS - MID-NORTH SECTION	400,000	-	-	-	-	-
STC 10700	NE 85TH STREET PED/BIKE CONNECTION 114TH AVE NE TO 6TH ST	2,000,000	-	-	-	-	-
STC 11100	PRESERVATION 124TH AVE 132ND ST TO 144TH ST	-	1,000,000	2,123,175	-	-	-
STC 99990	REGIONAL INTER-AGENCY COORDINATION	82,000	82,000	82,000	82,000	82,000	82,000
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	50,000	50,000	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

Project Number	2025-2030 Total	Current Revenue	Street Levy	Reserves/ Sinking Fund	Impact Fees	Debt	Secured External	Unsecured/ Other External	Funded through SAP Mechanisms*
NMC 00621	2,100,000	-	900,000	1,200,000	-	-	-	-	-
NMC 05700	200,000	200,000		-	-	-	-	-	-
NMC 10100	2,111,000	732,600	-	-	-	-	1,378,400	-	-
NMC 11010	450,000	450,000	-	-	-	-	-	-	-
NMC 13200	855,000	855,000	-	-	-	-	-	-	-
NMC 13400	1,407,000	421,000	-	-	-	-	986,000	-	-
NMC 13900	646,875	646,875	-	-	-	-	-	-	-
NMC 14100	50,000	50,000	-	-	-	-	-	-	-
NMC 16000	10,000,000	2,390,000	-	-	7,610,000	-	-	-	-
NMC 16100	2,200,000	2,200,000	-	-	-	-	-	-	-
NMC 16200	2,000,000	2,000,000	-	-	-	-	-	-	-
NMC 16300	2,000,000	2,000,000	-	-	-	-	-	-	-
NMC 16400	2,000,000	2,000,000	-	-	-	-	-	-	-
NMC 16600	1,730,000	65,000	-	-	-	-	1,665,000	-	-
NMC 30000	3,700,000	3,600,000	100,000	-	-	-	-	-	-
STC 00600	10,203,306	10,203,306	-	-	-	-	-	-	-
STC 00601	1,200,000	1,200,000	-	-	-	-	-	-	-
STC 00602	1,582,500	929,500	-	-	-	-	653,000	-	-
STC 00603	16,909,000	1,700,000	15,209,000	-	-	-	-	-	-
STC 00608	300,000	300,000	-	-	-	-	-	-	-
STC 08000	4,500,000	4,500,000	-	-	-	-	-	-	-
STC 08313	400,000	-	-	-	400,000	-	-	-	-
STC 08314	400,000	-	-	-	400,000	-	-	-	-
STC 10700	2,000,000	-	-	-	1,000,000	-	-	1,000,000	-
STC 11100	3,123,175	3,123,175	-	-	-	-	-	-	-
STC 99990	492,000	492,000	-	-	-	-	-	-	-
TRC 11600	600,000	600,000	-	-	-	-	-	-	-
TRC 11700	300,000	300,000	-	-	-	-	-	-	-
TRC 11702	300,000	300,000	-	-	-	-	-	-	-
TRC 11703	300,000	300,000	-	-	-	-	-	-	-

## CAPITAL IMPROVEMENT PROGRAM TRANSPORTATION PROJECTS

### Funded Projects, Continued:

Project Number	Project Title	2025	2026	2027	2028	2029	2030
<b>PW Transportation</b>							
TRC 12000	KIRKLAND INTELLIGENT TRANSPORTATION SYSTEM PHASE 3	-	313,448	389,552	-	-	-
TRC 13000	NE 145TH STREET/JUANITA-WOODINVILLE WAY INTERSECTION IMPROVEMENTS	-	-	-	-	1,040,000	1,911,961
TRC 13500	100TH AVENUE NE/SIMONDS ROAD INTERSECTION IMPROVEMENTS	100,000	-	-	-	-	-
TRC 13600	100TH AVENUE NE/NE 145TH STREET INTERSECTION IMPROVEMENTS	100,000	-	-	-	-	-
TRC 13900	NE 85TH ST/132ND AVE NE DUAL LEFT TURN LANES	-	1,807,555	-	-	-	-
TRC 14200	122ND AVENUE NE AT NE 70TH STREET INTERSECTION IMPROVEMENTS	-	-	700,000	2,251,961	-	-
TRC 14600	NE 112TH ST & 80TH AVE NE & JUANITA DR NE INTERSECTION IMPROVEMENTS	-	1,966,500	-	-	-	-
TRC 14700	ARTERIAL TRAFFIC CALMING	-	-	100,000	100,000	100,000	100,000
TRC 14800	STREET LIGHTING & DESIGN IMPROVEMENTS	-	-	90,000	90,000	90,000	90,000
<b>Subtotal PW Transportation</b>		<b>14,015,975</b>	<b>13,769,209</b>	<b>14,261,727</b>	<b>16,360,961</b>	<b>13,045,000</b>	<b>13,947,961</b>
<b>PW TRANSPORTATION - FUNDED THROUGH SAP MECHANISMS*</b>							
NMC 10101	7TH AVE/NE 87TH ST COMPLETE STREET (SAP SCOPE 10)	-	-	500,000	2,650,000	2,200,000	1,391,916
NMC 10102	6TH ST/7TH AVE INTERSECTION IMPROVEMENTS (SAP SCOPE P1)	-	-	-	1,495,025	-	-
NMC 14200	I-405/NE 85TH ST SHARED USE TRAILS TO 116TH AVE NE (SAP SCOPE 13A)	-	-	-	-	1,000,000	2,997,664
NMC 14400	85TH MULTIMODAL IMPROVEMENTS (SAP SCOPES 18B, 18C, P2)	-	-	1,600,000	1,600,000	1,800,000	2,253,699
NMC 14500	116TH PED/BIKE ACCESS TO I-405 OVERCROSSING (SAP SCOPE 19)	-	-	-	-	-	466,483
<b>Subtotal PW Transportation - SAP MECHANISM</b>		<b>-</b>	<b>-</b>	<b>2,100,000</b>	<b>5,745,025</b>	<b>5,000,000</b>	<b>7,109,762</b>
<b>Total Funded Transportation Projects</b>		<b>14,015,975</b>	<b>13,769,209</b>	<b>16,361,727</b>	<b>22,105,986</b>	<b>18,045,000</b>	<b>21,057,723</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	Total	Current Revenue	Street Levy	Reserves/ Sinking Fund	Impact Fees	Debt	Secured External	Unsecured/ Other External	Funded through SAP Mechanisms*
TRC 12000	703,000	-	-	-	703,000	-	-	-	-
TRC 13000	2,951,961	2,951,961	-	-	-	-	-	-	-
TRC 13500	100,000	-	-	-	100,000	-	-	-	-
TRC 13600	100,000	-	-	-	100,000	-	-	-	-
TRC 13900	1,807,555	1,165,555	-	-	642,000	-	-	-	-
TRC 14200	2,951,961	2,951,961	-	-	-	-	-	-	-
TRC 14600	1,966,500	921,500	-	-	1,045,000	-	-	-	-
TRC 14700	400,000	400,000	-	-	-	-	-	-	-
TRC 14800	360,000	360,000	-	-	-	-	-	-	-
	85,400,833	50,309,433	16,209,000	1,200,000	12,000,000	-	4,682,400	1,000,000	-
NMC 10101	6,741,916	-	-	-	-	-	-	-	6,741,916
NMC 10102	1,495,025	-	-	-	-	-	-	-	1,495,025
NMC 14200	3,997,664	-	-	-	-	-	-	-	3,997,664
NMC 14400	7,253,699	-	-	-	-	-	-	-	7,253,699
NMC 14500	466,483	-	-	-	-	-	-	-	466,483
	19,954,787	-	-	-	-	-	-	-	19,954,787
	105,355,620	50,309,433	16,209,000	1,200,000	12,000,000	-	4,682,400	1,000,000	19,954,787

-

## TRANSPORTATION PROJECTS

### Unfunded Projects in the Capital Facilities Plan Years 2031-2036:

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
<b>STC 10800</b>	<b>NE 85th ST &amp; 6th St Westbound Transit Queue Jump"</b>	<b>1,680,000</b>
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 08740	NE 134th ST Sidewalk from 88th PL to 87th Ave NE	600,000
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
<b>NMC 13400</b>	<b>NE 128th ST Nonmotorized Improvements - Totem Lake Blvd to 120th Ave"</b>	<b>6,500,000</b>
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>161,706,500</b>

## TRANSPORTATION PROJECTS

### Unfunded Projects in the Capital Facilities Plan Years 2031-2036, 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 08700	Holmes Point Drive at O.O. Denny Roadway Improvements	1,200,000
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
NMC 16500	Park Lane Baseline Improvements	650,000
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>45,945,000</b>
<b>Total Transportation Master Plan Projects Yrs 7-20</b>		<b>207,651,500</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
STC 11300"	NE 85th St Statio Area Transportation Implementation Plan (Design)	300,000
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 08710	19th Ave NE/4th St Sidewalks and Crossing of Market Street	2,443,500
NMC 08720	Reflective Flashing Beacon at 106th Ave NE Crossing NE 68th St	134,800
NMC 08730	NE 124th Street Sidewalk	462,000
NMC 10600	Citywide CKC Connections	360,000

## TRANSPORTATION PROJECTS

### Unfunded Transportation Improvement Plan/External Funding Candidates, continued:

Project Number	Project Title	Total
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
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>233,269,800</b>

## TRANSPORTATION PROJECTS

### Unfunded Station Area Plan (SAP) Projects - Developer Provided

Project Number	Project Title	Total
NMC 14300	85TH ST ENHANCED SIDEWALKS & MULTIUSE PATHS: I-405 TO 120TH AVE NE (SAP SCOPE 18A)"	22,321,000
NMC 14700	I-405 / NE 85TH ST SHARED USE TRAILS (SE CORNER) TO NE 80TH ST (SAP SCOPE 13C)"	350,000
NMC14800	NE 80TH ST/118TH AVE NE (SAP SCOPE 2)"	5,250,000
TRC 13100	NE 80TH STREET/120TH AVENUE NE INTERSECTION IMPROVEMENTS (SAP SCOPE 3)"	750,000
TRC 14400	MODIFICATIONS TO 85TH/120TH INTERSECTION (SAP SCOPE 5A)"	574,000
TRC 14500	LEE JOHNSON EAST: NE 83RD ST/120TH AVE NE SIGNALIZED ACCESS (SAP SCOPE 1)"	1,050,000
<b>Subtotal Unfunded Transportation Improvement Plan/External Funding Candidates</b>		<b>30,295,000</b>
<b>Grand Total Unfunded Transportation Projects</b>		<b>471,216,300</b>

Notes:

*Italics = Modification in timing and/or cost*

\* = Part of the NE 85th Station Area Plan

**Bold = New projects**

" = Moved from funded status to unfunded status

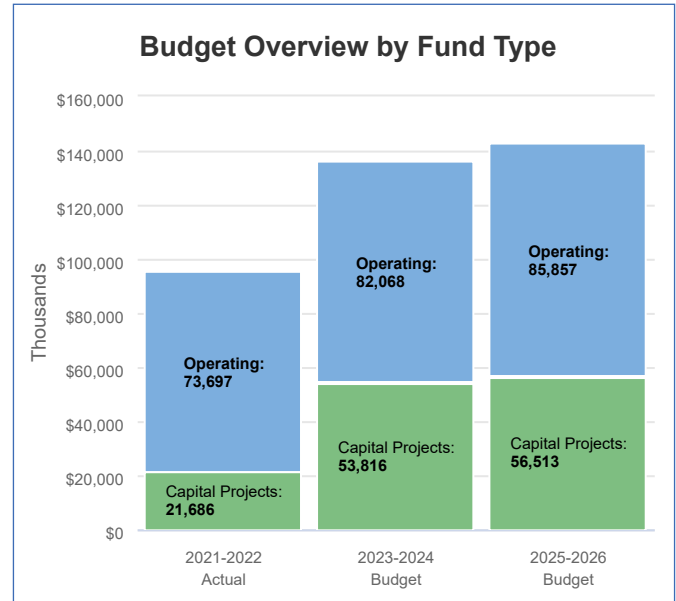
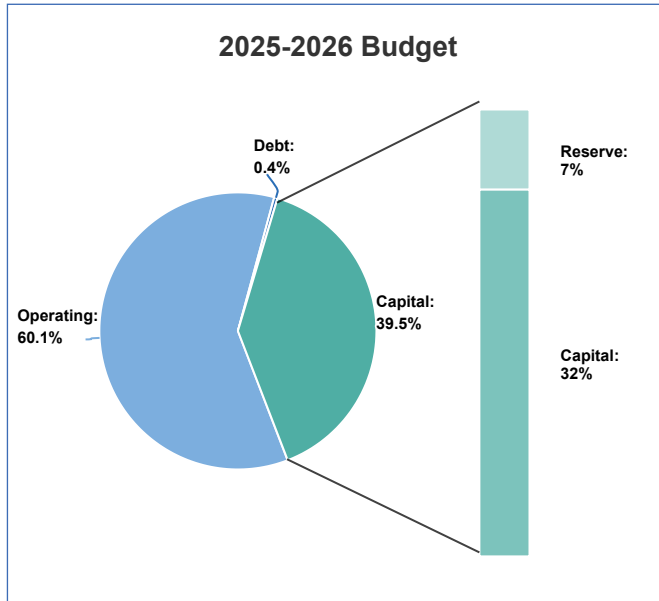
# Water/Sewer Utility





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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

	2021-2022 Actual	2023-2024 Budget	2025-2026 Budget	Percent Change
<b>Operating Fund</b>				
Water/Sewer Operating Fund	74,217,056	82,068,293	85,856,856	4.62%
<b>Total Operating Funds</b>	<b>74,217,056</b>	<b>82,068,293</b>	<b>85,856,856</b>	<b>4.62%</b>
<b>Non-Operating Funds</b>				
Water/Sewer Debt Service Fund	73,423	687,971	567,367	(17.53%)
Utility Capital Projects Fund	21,685,708	53,815,842	56,512,912	5.01%
<b>Total Non-Operating Funds</b>	<b>21,759,131</b>	<b>54,503,813</b>	<b>57,080,279</b>	<b>4.73%</b>
<b>Total Water/Sewer Utility Funds</b>	<b>95,976,187</b>	<b>136,572,106</b>	<b>142,937,135</b>	<b>4.66%</b>

## CHANGE IN FUND BALANCE (BEGINNING 2023 TO ENDING 2026)

### 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>2023 Actual Beginning Fund Balance</b>	<b>9,838,267</b>	<b>40,708</b>	<b>34,399,575</b>	<b>44,278,550</b>
Reserved	3,878,107	40,708	6,456,035	10,374,850
Unreserved Working Capital	5,960,160	-	27,943,540	33,903,700
Plus: 2023-24 Estimated Revenues	71,453,533	647,263	28,136,429	100,237,225
Less: 2023-24 Estimated Expenditures	74,822,160	647,263	13,993,201	89,462,624
Less: 2024 Estimated Carryovers	50,000	-	-	50,000
<b>2024 Estimated Ending/2025 Budgeted Beginning Fund Balance</b>	<b>6,419,640</b>	<b>40,708</b>	<b>48,542,803</b>	<b>55,003,151</b>
Plus: 2025-26 Budgeted Revenues <sup>(4)</sup>	79,238,663	526,659	18,324,705	98,090,027
Less: 2025-26 Budgeted Expenditures	77,680,339	526,659	45,977,557	124,184,555
<b>2026 Budgeted Ending Fund Balance</b>	<b>7,977,964</b>	<b>40,708</b>	<b>20,889,951</b>	<b>28,908,623</b>
Reserved	4,069,314	40,708	4,750,214	8,860,236
Unreserved Working Capital	3,908,650	-	16,139,737	20,048,387
<b>Change in Fund Balance:</b>				
<b>Beginning 2023 to Ending 2026</b>	<b>(1,860,303)</b>	<b>-</b>	<b>(13,509,624)</b>	<b>(15,369,927)</b>

#### Notes:

<sup>(1)</sup> The decrease in fund balance in the Operating Fund is due to the combined effect of expenditure savings in 2023-2024 as well as 2025-2026 utility rates set to meet needs of the system by using accumulated fund balance. The 2025-2026 rates increased 4 percent in Water and 6.5 percent in Sewer.

<sup>(2)</sup> Debt service reserve has decreased due to budgeted transfers below expenses in 2023-2024 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.



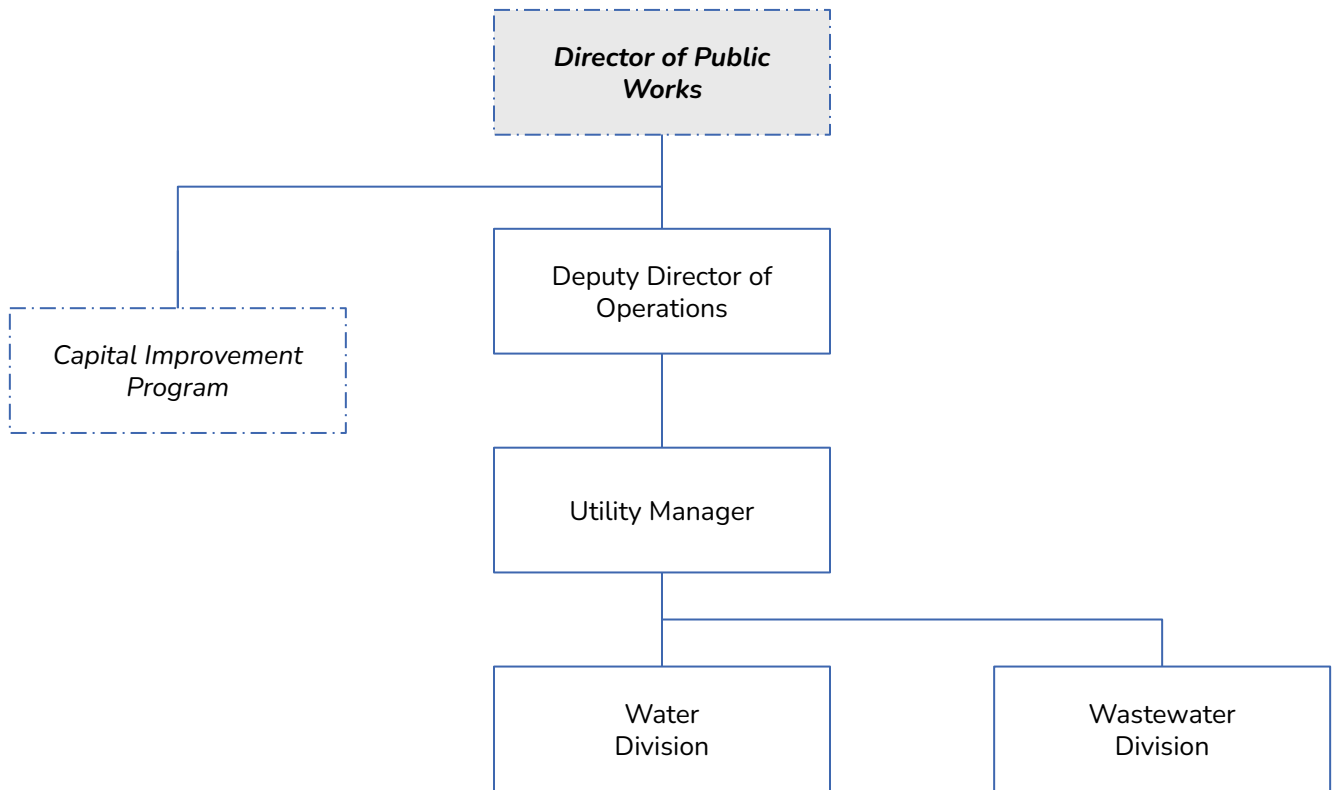


# Water/Sewer Operating



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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 approximately 180 miles of water mains, close to 80 pressure reducing stations (PRVs), three water supply/pump stations, two water reservoirs, nearly 2,000 fire hydrants, more than 13,000 water service connections, and approximately 5,300 backflow prevention assemblies. The Wastewater Division operates, maintains, and repairs nearly 137 miles of sewer mains, nearly 3,500 manholes, six sewer lift stations, and collects wastewater from more than 11,300 side sewer connections.

The 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

#### SUSTAINABLE ENVIRONMENT

- Establish adequate 2025-2026 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:
  - \$4.8 million increase in Sewer revenues
  - \$2.2 million increase in Water revenues
- Provide financing for Sewer utility CIP projects totaling \$18.0 million for 2025-2026, including \$3.1 million for West of Market Sewermain Replacement and \$4.8 million for NE 108<sup>th</sup> Street Sewermain Replacement.

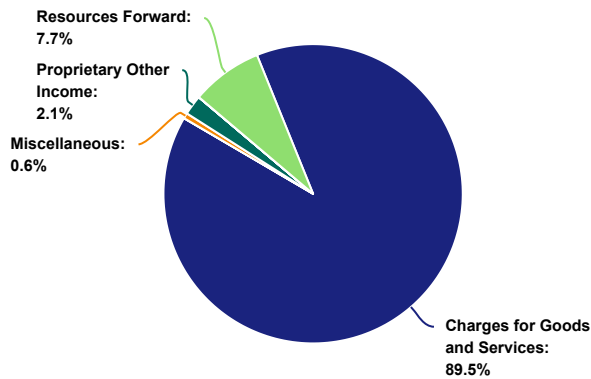
#### DEPENDABLE INFRASTRUCTURE

- Add funding for a water pressure mitigation reimbursement program, justified by quantitative data of reduced water pressure in the Highlands neighborhood and qualitative data of resident experiences, \$400,000 one-time. [25WS01]
- Add funding for training and cross-training for operations and maintenance crew members in the Public Works department, \$30,134 ongoing, \$1,185 one-time. [25SO10]
- Add funding for Standby Pay to ensure the City can respond to all after hours incidents including care for critical water, wastewater, and surface water infrastructure 24/7, \$71,500 ongoing. [25SO11]
- Finance Water utility CIP projects totaling \$10.0 million for 2025-2026 including \$5.5 million for the Replacement of South Reservoir, \$2.2 million for 122<sup>nd</sup> Ave NE Watermain Improvements and \$1.8 million for Replacement of Supervisory Control and Data Acquisition (SCADA) system.

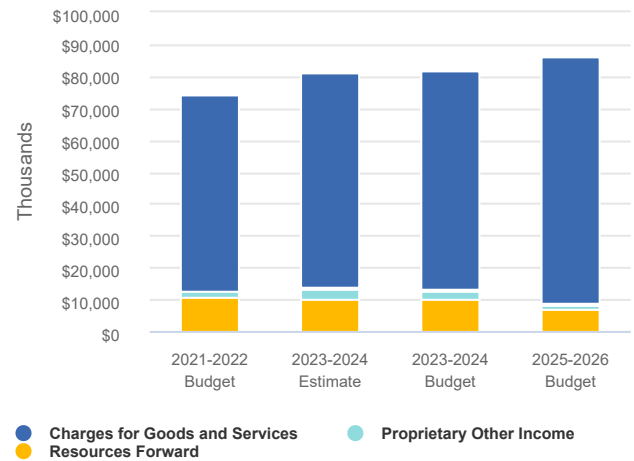
# Water/Sewer Operating

## Financial Overview

Sources of Funds



Revenues by Type



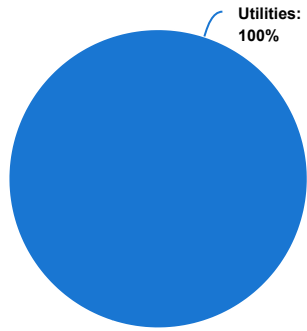
## REVENUE SUMMARY BY TYPE

	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
Charges for Goods and Services	61,489,851	67,503,214	68,959,573	76,879,399	11.48%
Miscellaneous	382,952	510,383	411,167	515,427	25.36%
Proprietary Other Income	1,588,329	3,432,511	2,859,286	1,843,837	(35.51%)
Interfund Transfers	99,846	7,424	-	-	
Resources Forward	10,584,653	9,838,267	9,838,267	6,618,193	(32.73%)
<b>TOTAL</b>	<b>74,145,631</b>	<b>81,291,800</b>	<b>82,068,293</b>	<b>85,856,856</b>	<b>4.62%</b>

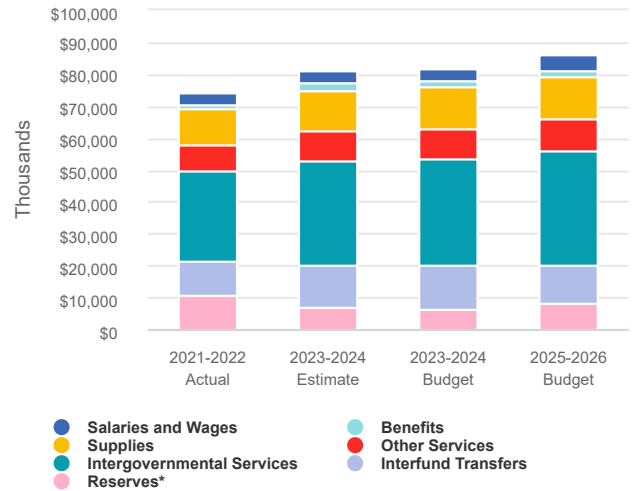
# Water/Sewer Operating

## Financial Overview

**Budget by Division**



**Expenditures by Category**



### EXPENDITURE SUMMARY BY CATEGORY

	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
Salaries and Wages	3,497,866	4,312,949	4,097,525	4,427,016	8.04%
Benefits	1,732,151	1,970,478	1,916,976	2,208,990	15.23%
Supplies	11,413,548	12,812,905	12,905,852	13,418,692	3.97%
Other Services	8,100,944	9,464,090	9,822,311	9,889,665	0.69%
Intergovernmental Services	27,854,126	32,984,247	33,028,201	35,698,899	8.09%
Capital Outlay	1,323	46,227	91,178	91,178	-%
Interfund Transfers	10,736,217	13,231,263	13,627,713	11,945,899	(12.34%)
Reserves*	10,880,880	6,618,193	6,578,537	8,176,517	24.29%
<b>TOTAL</b>	<b>74,217,056</b>	<b>81,440,353</b>	<b>82,068,293</b>	<b>85,856,856</b>	<b>4.62%</b>

### EXPENDITURE SUMMARY BY DIVISION

	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
Utilities	74,217,056	81,440,353	82,068,293	85,856,856	4.62%
<b>TOTAL</b>	<b>74,217,056</b>	<b>81,440,353</b>	<b>82,068,293</b>	<b>85,856,856</b>	<b>4.62%</b>

\* 2021-2022 Actual and 2023-2024 Estimate reserves are budgeted, but not spent

# Water/Sewer Operating

## 2025-2026 Position Summary

### POSITION SUMMARY BY CLASSIFICATION

Classification	2023-2024 Positions	Additions/ Reductions	2025-2026 Positions	Budgeted 2025 Salary Range
PUBLIC WORKS DEPUTY DIRECTOR OF OPERATIONS	0.45	-	0.45	149,133 - 194,585
UTILITY OPERATIONS MANAGER	0.40	-	0.40	124,181 - 162,029
WATER AND WASTEWATER SUPERVISOR	1.00	-	1.00	114,023 - 148,774
MANAGEMENT ANALYST	0.50	-	0.50	99,206 - 116,726
LEADPERSON - WATER LEAD	1.00	-	1.00	91,728 - 110,335
LEADPERSON - WASTE WATER LEAD	1.00	-	1.00	91,728 - 110,335
CROSS CONNECTION PROGRAM COORDINATOR	1.00	-	1.00	89,297 - 105,074
CONTRACT AND PURCHASING SPECIALIST	0.10	-	0.10	88,723 - 104,375
SENIOR MAINTENANCE	4.00	-	4.00	79,855 - 97,258
YARD MAINTENANCE AND INVENTORY CONTROL	0.45	-	0.45	79,855 - 97,258
CROSS CONNECTION SPECIALIST	1.00	-	1.00	81,405 - 95,774
ENGINEERING TECHNICIAN	0.40	-	0.40	80,191 - 94,344
SENIOR ACCOUNTING ASSOCIATE	0.70	-	0.70	76,938 - 90,515
UTILITY CRAFTSPERSON	2.40	-	2.40	74,677 - 87,859
MAINTENANCE WORKER	8.10	-	8.10	64,123 - 80,368
OFFICE SPECIALIST	1.16	-	1.16	61,790 - 72,694
<b>TOTAL</b>	<b>23.66</b>	<b>-</b>	<b>23.66</b>	

### POSITION SUMMARY BY DIVISION

Classification	2023-2024 Positions	Additions/ Reductions	2025-2026 Positions
Utilities	23.66	-	23.66
<b>TOTAL</b>	<b>23.66</b>	<b>-</b>	<b>23.66</b>



# Water/Sewer Operating

## WATER/SEWER OPERATING FUND REVENUES

	Object	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
<b>Charges for Goods and Services</b>						
Interfund-Gen	341963	48,469	19,774	3,474	1,188	(65.80%)
Gen Government Srvcs	341971	138,414	145,173	136,413	138,180	1.30%
Hydrant Rent	341972	733,805	755,765	755,765	821,680	8.72%
Residential Water Sales	343401	13,890,623	14,491,052	14,570,518	15,989,201	9.74%
Multi-Family Water	343403	6,267,202	6,659,474	6,906,446	7,522,528	8.92%
Comm Water Sales	343404	4,731,721	5,416,047	5,599,873	6,139,878	9.64%
Water Srvcs-Penalty	343405	60,970	130,767	125,919	127,550	1.30%
Eff Utility Tax Water	343408	3,318,590	3,547,785	3,622,881	3,981,334	9.89%
Residential Sewer Srvcs -City	343501	18,393,542	20,184,003	20,084,324	23,087,079	14.95%
MF Sewer Srvcs	343503	6,475,433	6,917,718	7,252,661	8,009,923	10.44%
Comm Sewer-City	343505	4,127,641	5,330,286	5,819,375	6,464,189	11.08%
Sewer Srvcs Penalty	343507	73,070	156,666	157,323	159,564	1.42%
Eff Utility Tax Sewer	343508	3,033,575	3,399,922	3,481,418	3,980,673	14.34%
Misc Utility Rev	343891	95,532	150,066	233,326	243,827	4.50%
Water Off On Charge	343901	50,463	160,198	167,895	170,070	1.30%
Final Bill Fee	343903	50,800	38,518	41,962	42,535	1.37%
<b>Total for Charges for Goods and Services</b>		<b>61,489,851</b>	<b>67,503,214</b>	<b>68,959,573</b>	<b>76,879,399</b>	<b>11.48%</b>
<b>Miscellaneous Revenues</b>						
Investment Interest	361111	242,345	379,389	280,915	377,842	34.50%
Facility Leases Other	362502	123,693	103,135	80,506	86,035	6.87%
Sales of Surplus	369101	3,850	14,618	28,948	30,790	6.36%
Other Judgements	369401	8,195	13,595	20,137	20,076	(0.30%)
Other Misc Rev	369910	4,869	(354)	661	684	3.48%
<b>Total for Miscellaneous Revenues</b>		<b>382,952</b>	<b>510,383</b>	<b>411,167</b>	<b>515,427</b>	<b>25.36%</b>
<b>Proprietary Other Income</b>						
Ins Recovery Prop	372001	(1,838)	3,385	642	708	10.28%
Reg Water Connection	379103	1,590,167	3,429,126	2,858,644	1,843,129	(35.52%)
<b>Total for Proprietary Other Income</b>		<b>1,588,329</b>	<b>3,432,511</b>	<b>2,859,286</b>	<b>1,843,837</b>	<b>(35.51%)</b>
<b>Other Financing Sources</b>						
Operating Transfers In	397101	99,846	7,424	-	-	
Resources Forward	399991	10,584,653	9,838,267	9,838,267	6,618,193	(32.73%)
<b>Total for Other Financing Sources</b>		<b>10,684,499</b>	<b>9,845,691</b>	<b>9,838,267</b>	<b>6,618,193</b>	<b>(32.73%)</b>
<b>Fund Total</b>		<b>74,145,631</b>	<b>81,291,800</b>	<b>82,068,293</b>	<b>85,856,856</b>	<b>4.62%</b>



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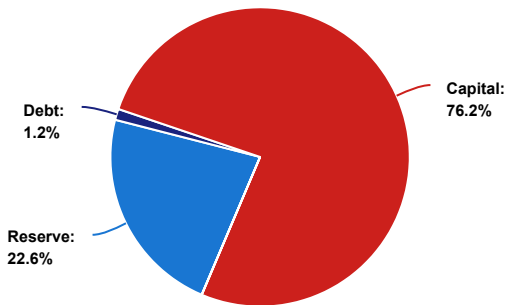
Water/Sewer  
Non-Operating



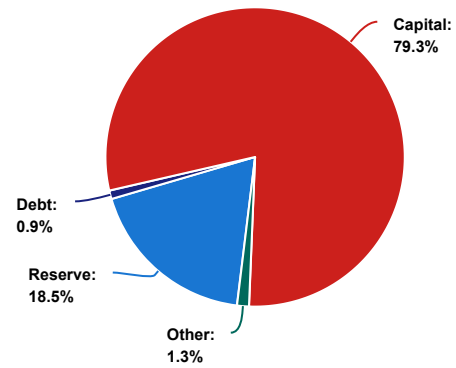
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## WATER/SEWER UTILITY NON-OPERATING

2023-2024 Budget by Purpose



2025-2026 Budget by Purpose



## 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	53,815,842	12,285,370	-	41,530,472	-
<b>Total Non-Operating Funds</b>	<b>54,503,813</b>	<b>12,326,078</b>	<b>647,263</b>	<b>41,530,472</b>	<b>-</b>

## 2025-2026 BUDGET BY PURPOSE

Fund	2025-2026 Budget	Budget by Purpose			
		Reserve	Debt	Capital	Other
Water Sewer Debt Service	567,367	40,708	526,659	-	-
Water Sewer Construction	56,512,912	10,535,355	-	45,237,557	740,000
<b>Total Non-Operating Funds</b>	<b>57,080,279</b>	<b>10,576,063</b>	<b>526,659</b>	<b>45,237,557</b>	<b>740,000</b>

## Water/Sewer Utility Debt Service Fund

There are three 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.
- **Public Works Trust Fund Loans (PWTFLL)** are low-interest loans from the state for cities, counties, and other municipalities. Loans for approved projects are granted with interest rates ranging from one-half to three percent depending on the amount of the City's matching funds. Loans are awarded through a competitive process. At this time, the City has one one-half percent loan, which was issued for water/sewer capital improvement purposes. Debt service is repaid through utility rates.

The City's debt management policies provide guidelines for the appropriate use of debt. The complete policies are contained at the end of this document in the appendix. Some key debt management policies include:

- *City Council approval is required prior to issuance of utility debt.*
- *Revenue bonds shall be issued only when operating revenues are insufficient for the enterprise's capital financing needs.*
- *The City will conduct a thorough analytical review before issuing debt and maintain a good credit rating at all times.*
- *The City will insure that net operating revenues of the enterprise constitute a minimum of 1.5 times the annual debt service requirements.*

When the City issues debt, a thorough review of the City's financial condition is completed by bond rating agencies. Based on their findings, the bonds are given a rating. The City's bond rating is a reflection of its creditworthiness and affects the cost to the City of issuing debt. There are two rating agencies used by the City to rate Kirkland's bonds – Standard and Poor's (S&P) and Moody's Investor Service.

For Kirkland's general obligation debt, S&P affirmed the City's AAA rating on March 22, 2024, which is the highest rating. On March 22, 2024, 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  
2025-2026 PAYMENT AND RESERVE SUMMARY**

**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>

**2025-2026 Budget**

Fund	Payment		Reserve	Total
	Principal	Interest		
Water/Sewer Debt Service	507,624	19,035	40,708	567,367
<b>Total Debt Service Funds</b>	<b>507,624</b>	<b>19,035</b>	<b>40,708</b>	<b>567,367</b>

**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



## 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 Utility 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 2025-2026 BUDGET

### Water/Sewer Utility Capital Projects Fund (413)

Project Category/ Project Title	Project Number	Funding Source	2025 Budget	2026 Budget	Total 2025-2026 Budget	Additional Annual Maintenance & Operations	
						2025	2026
Utilities							
Water							
116TH AVENUE NE WATERMAIN REPLACEMENT	WAC 05700	Water & Sewer Rates/Reserves/Connection Fees	500,000	2,793,970	3,293,970	-	-
SOUTH RESERVOIR REPLACEMENT	WAC 12900	Water & Sewer Rates/Reserves/Connection Fees	-	5,521,000	5,521,000	-	-
122ND AVE NE WATERMAIN IMPROVEMENT	WAC 15600	Water & Sewer Rates/ Connection Fees	2,200,000	-	2,200,000	-	-
NE 85TH STREET AND I-405 WATERMAIN RELOCATION	WAC 16900	Water & Sewer Rates	385,000	-	385,000	-	-
SCADA REPLACEMENT	WAC 30000	Water & Sewer Rates/ Reserves	1,800,000	-	1,800,000	-	-
Total Water			4,885,000	8,314,970	13,199,970	-	-
Sewer							
NE 108TH STREET SEWERMAIN REPLACEMENT	SSC 06210	Water & Sewer Rates/ Connection Fees	-	-	-	-	-
WEST OF MARKET SEWERMAIN REPLACEMENT	SSC 07710	Water & Sewer Rates/ Connection Fees	-	3,069,900	3,069,900	-	-
SEWERMAIN CAPACITY ENHANCEMENTS UNDER I-405 NEAR SAP	SSC 08900	Water & Sewer Project Transfer	500,000	-	500,000	-	-
Total Water/Sewer Capital Projects Fund			500,000	3,069,900	3,569,900	-	-
Total Sewer			5,385,000	11,384,870	16,769,870	-	-

Notes:

*Italics = Modification in timing and/or cost*

**Bold = New Project**



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## 2025-2030 CAPITAL IMPROVEMENT PROGRAM

### WATER/SEWER UTILITY PROJECTS

#### Funded Projects:

Project Number	Project Title	2025	2026	2027	2028	2029	2030
SSC 06210	NE 108TH STREET SEWERMAIN REPLACEMENT	-	-	-	3,526,100	1,354,000	-
SSC 07710	WEST OF MARKET SEWERMAIN REPLACEMENT	-	3,069,900	-	-	-	-
SSC 08900	SEWERMAIN CAPACITY ENHANCEMENTS UNDER I-405 NEAR SAP	500,000		-	4,300,000	5,652,360	5,652,360
WAC 05700	116TH AVENUE NE WATERMAIN REPLACEMENT	500,000	2,793,970	-	-	-	-
WAC 12900	SOUTH RESERVOIR REPLACEMENT	-	5,521,000	9,730,000	-	-	-
<b>WAC 15600</b>	<b>122ND AVE NE WATERMAIN IMPROVEMENT</b>	<b>2,200,000</b>	-	-	-	-	-
WAC 16400	NE 116TH PLACE WATERMAIN REPLACEMENT	-	-	-	250,024	-	-
WAC 16700	11TH AVENUE WATERMAIN REPLACEMENT	-	-	-	-	510,010	-
WAC 16800	11TH PLACE WATERMAIN REPLACEMENT	-	-	-	-	-	745,890
WAC 16900	NE 85TH STREET AND I-405 WATERMAIN RELOCATION	385,000	-	-	-	-	-
<b>WAC 30000</b>	<b>SCADA REPLACEMENT</b>	<b>1,800,000</b>	-	-	-	-	-
<b>Total Funded Water/Sewer Utility Projects</b>		<b>5,385,000</b>	<b>11,384,870</b>	<b>9,730,000</b>	<b>8,076,124</b>	<b>7,516,370</b>	<b>6,398,250</b>

#### Notes:

*Italics = Modification in timing and/or cost*

**Bold = New projects**

Project Number	2025-2030 Total	Utility Funds	Reserves / Sinking fund	Debt	External
SSC 06210	4,880,100	3,880,100	1,000,000	-	-
SSC 07710	3,069,900	3,069,900	-	-	-
SSC 08900	16,104,720	14,567,742	1,536,978	-	-
WAC 05700	3,293,970	2,793,970	500,000	-	-
WAC 12900	15,251,000	10,897,731	4,353,269	-	-
<b>WAC 15600</b>	<b>2,200,000</b>	<b>2,200,000</b>	-	-	-
WAC 16400	250,024	250,024	-	-	-
WAC 16700	510,010	510,010	-	-	-
WAC 16800	745,890	745,890	-	-	-
WAC 16900	385,000	385,000	-	-	-
<b>WAC 30000</b>	<b>1,800,000</b>	<b>459,867</b>	<b>1,340,133</b>	-	-
	<b>48,490,614</b>	<b>39,760,234</b>	<b>8,730,380</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
<b>WAC 14900</b>	<b>Lake Washington Blvd Watermain Replacement"</b>	<b>2,419,226</b>
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>WAC 91100</b>	<b>Emergency Water Supply Study</b>	<b>500,000</b>

## WATER/SEWER UTILITY PROJECTS

**Subtotal Unfunded Water Utility Projects**
**39,441,610**

### 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
<b>SSC 09000</b>	<b>Lake Washington Blvd Sewermain Replacement"</b>	<b>4,922,400</b>
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>40,645,033</b>

#### Notes

*Italics = Modification in timing and/or cost*
**Bold = New projects**

" = Moved from funded status to unfunded status



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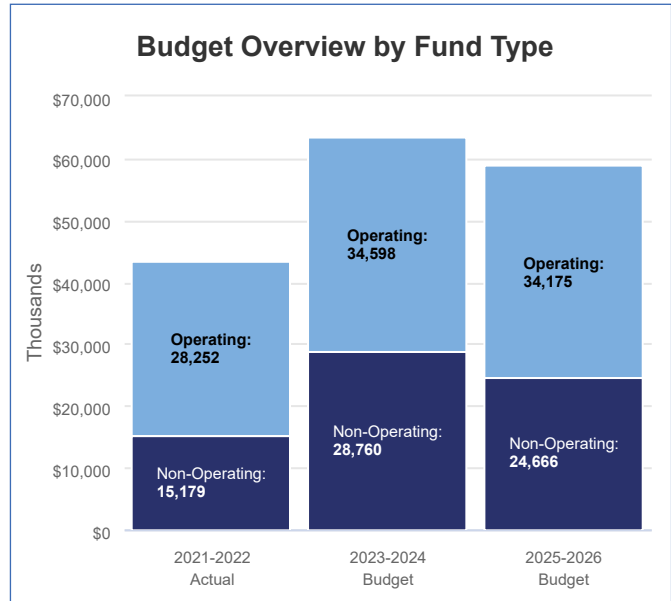
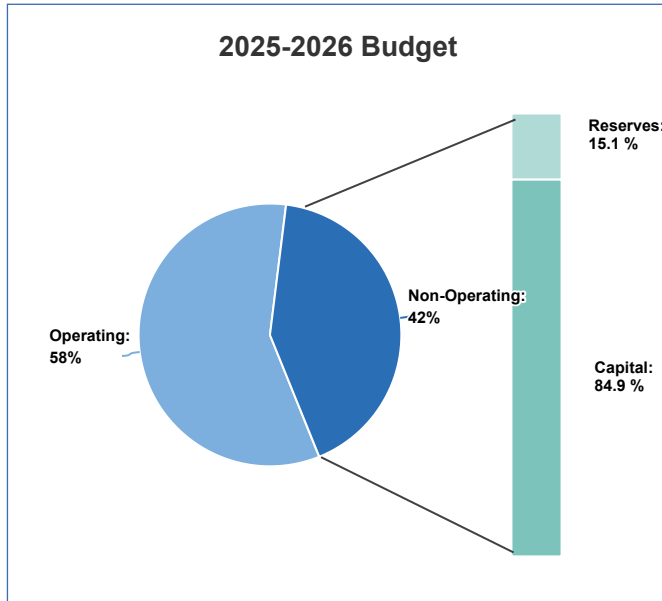
# Surface Water Utility





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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

	2021-2022 Actual	2023-2024 Budget	2025-2026 Budget	Percent Change
<b>Operating Fund</b>				
Surface Water Operating Fund	29,253,460	34,597,716	34,175,379	(1.22%)
<b>Total Operating Funds</b>	<b>29,253,460</b>	<b>34,597,716</b>	<b>34,175,379</b>	<b>(1.22%)</b>
<b>Non-Operating Funds</b>				
Surface Water Debt Service Fund	-	-	1,337,736	
Surface Water Capital Projects Fund	15,179,278	28,759,681	23,328,680	(18.88%)
<b>Total Non-Operating Funds</b>	<b>15,179,278</b>	<b>28,759,681</b>	<b>24,666,416</b>	<b>(14.23%)</b>
<b>Total Surface Water Utility</b>	<b>44,432,738</b>	<b>63,357,397</b>	<b>58,841,795</b>	<b>(7.13%)</b>

## CHANGE IN FUND BALANCE (BEGINNING 2023 TO ENDING 2026)

### SURFACE WATER UTILITY FUNDS

	Surface Water Management <sup>(1)</sup>	Non-Operating		
		Surface Water Debt Service <sup>(2)</sup>	Surface Water Capital Projects <sup>(3)</sup>	Total
<b>2023 Actual Beginning Fund Balance</b>	<b>7,682,056</b>	-	<b>10,398,633</b>	<b>18,080,689</b>
Reserved	534,490	-	1,409,625	1,944,115
Unreserved Working Capital <sup>(4)</sup>	7,147,566	-	8,989,008	16,136,574
Plus: 2023-24 Estimated Revenues	26,385,691	-	13,588,309	39,974,000
Less: 2023-24 Estimated Expenditures	28,154,683	-	15,564,418	43,719,100
Less: 2024 Estimated Carryovers	-	-	-	-
<b>2024 Estimated Ending/2025 Budgeted Beginning Fund Balance</b>	<b>5,913,064</b>	-	<b>8,422,524</b>	<b>14,335,588</b>
Plus: 2025-26 Budgeted Revenues <sup>(5)</sup>	28,652,262	1,337,736	18,683,006	48,673,004
Less: 2025-26 Budgeted Expenditures	29,844,382	847,336	20,279,363	50,971,081
<b>2026 Budgeted Ending Fund Balance</b>	<b>4,720,944</b>	<b>490,400</b>	<b>6,826,167</b>	<b>12,037,511</b>
Reserved	519,729	490,400	2,271,897	3,282,026
Unreserved Working Capital	4,201,215	-	4,554,270	8,755,485
<b>Change in Fund Balance:</b>				
<b>Beginning 2023 to Ending 2026</b>	<b>(2,961,112)</b>	<b>490,400</b>	<b>(3,572,466)</b>	<b>(6,043,178)</b>

#### Notes:

<sup>(1)</sup> The decrease in the Surface Water Management Fund is due to the funding of service packages in the 2025-26 biennium using reserves accumulated from underspending in prior years.

<sup>(2)</sup> Surface Water Debt Service fund did not previously have budget because there is no outstanding surface water utility debt to date. A 2025 potential debt issuance is programmed in the 2025-2026 preliminary budget.

<sup>(3)</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>(4)</sup> In the Surface Water Capital Fund, unreserved working capital represents funded capital projects in progress from previous years.

<sup>(5)</sup> Budgeted revenues do not directly match revenues shown in the 2025-2026 CIP as the budget may include full revenues received but not amounts transferred to project budgets.



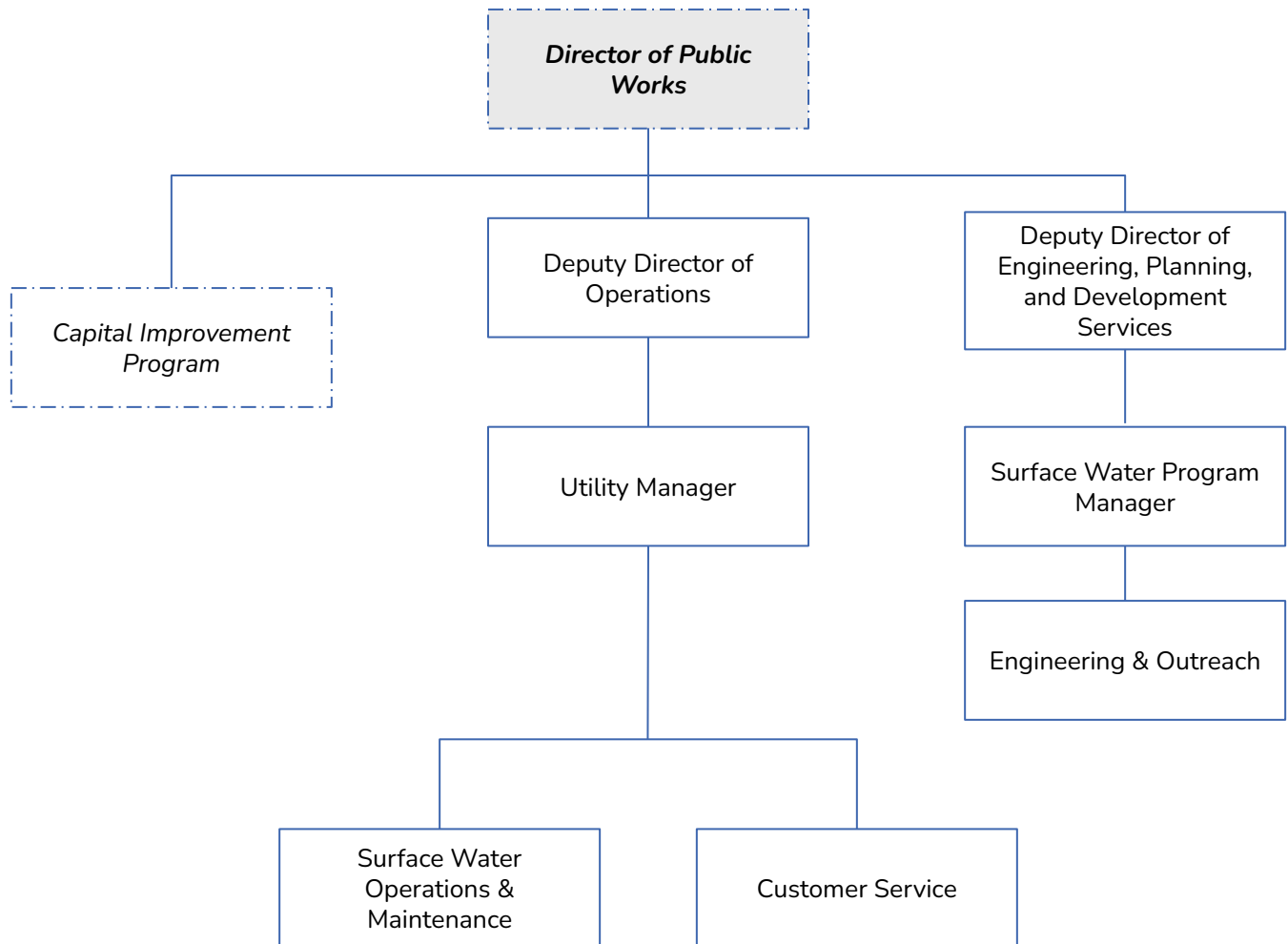


# Surface Water Operating



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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, engineering and planning, 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 and Planning Division works to provide strategic planning and engineering expertise, education and outreach, regulatory compliance, environmental monitoring and assessment, and pollution prevention assistance.

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 2025-26 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 \$13.5 million for 2025-2026, including \$7.5 million for the Houghton Park & Ride Stormwater Retrofit Facility and \$3.6 million for the Annual Replacement of Aging and Failing Infrastructure.
- Add funding for a contractor to complete required annual source control inspections required by the National Pollution Discharge Elimination System (NPDES) permit, \$180,000 one-time. [25SD04]

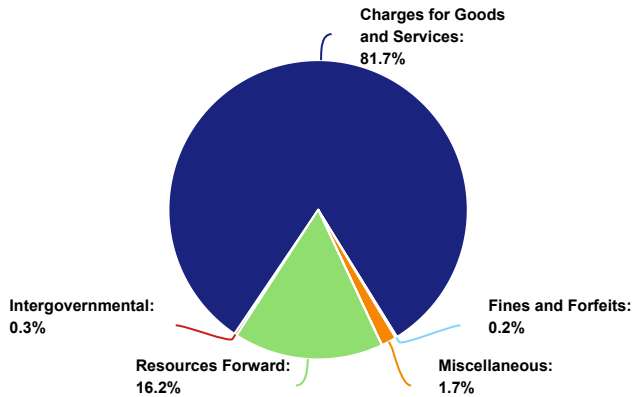
#### DEPENDABLE INFRASTRUCTURE

- Continue funding for Surface Water Development Opportunity Fund to repair and replace surface water infrastructure adjacent to new development projects by leveraging private development, \$150,000 one-time. [25SD01]
- Add funding for CCTV camera equipment to expand utilization of an existing video inspection truck to the surface water utility, in addition to wastewater, \$65,000 one-time. [25SD02]
- Add funding for live surface water system flow monitoring equipment to monitor, track, and analyze flow rates and volumes for maintenance and future stormwater capacity planning, \$110,000 one-time. [25SD03]
- Add funding for training and cross-training for operations and maintenance crew members in the Public Works department, \$52,460 ongoing, \$3,281 one-time. [25SO10]
- Add funding for standby pay to ensure the City can respond to all after hours incidents including care for critical water, wastewater, and surface water infrastructure 24/7, \$20,860 ongoing. [25SO11]

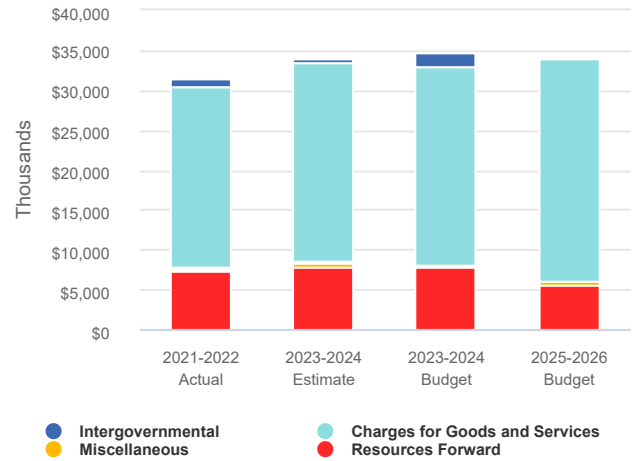
# Surface Water Operating

## Financial Overview

Sources of Funds



Revenues by Type



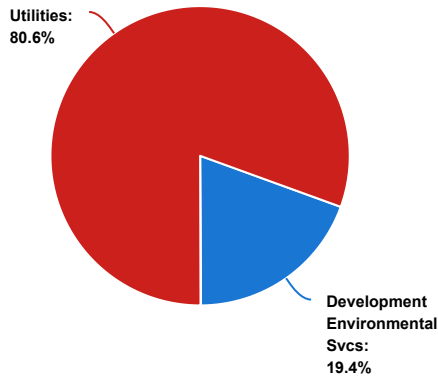
## REVENUE SUMMARY BY TYPE

	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
Intergovernmental	879,721	568,859	1,541,430	100,000	(93.51%)
Charges for Goods and Services	22,605,363	25,060,180	24,994,547	27,924,012	11.72%
Fines and Forfeits	98,984	65,079	60,000	60,000	-%
Miscellaneous	310,178	542,664	319,683	568,250	77.75%
Proprietary Other Income	11,469	-	-	-	
Interfund Transfers	110,683	148,910	-	-	
Resources Forward	7,387,834	7,682,056	7,682,056	5,523,117	(28.10%)
<b>TOTAL</b>	<b>31,404,233</b>	<b>34,067,747</b>	<b>34,597,716</b>	<b>34,175,379</b>	<b>(1.22%)</b>

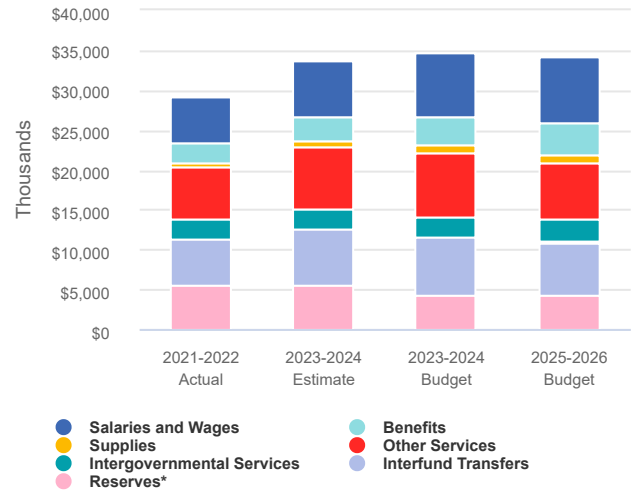
# Surface Water Operating

## Financial Overview

**Budget by Division**



**Expenditures by Category**



## EXPENDITURE SUMMARY BY CATEGORY

	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
Salaries and Wages	5,867,012	7,088,858	7,874,491	8,351,896	6.06%
Benefits	2,628,672	2,910,081	3,680,105	4,036,278	9.68%
Supplies	485,321	856,953	804,509	860,102	6.91%
Other Services	6,478,486	7,656,787	8,073,571	7,026,989	(12.96%)
Intergovernmental Services	2,446,962	2,627,203	2,609,152	2,892,854	10.87%
Capital Outlay	-	7,938	3,000	68,000	2166.67%
Interfund Transfers	5,806,267	7,006,863	7,199,863	6,608,263	(8.22%)
Reserves*	5,540,740	5,523,117	4,353,025	4,330,997	(0.51%)
<b>TOTAL</b>	<b>29,253,460</b>	<b>33,677,800</b>	<b>34,597,716</b>	<b>34,175,379</b>	<b>(1.22%)</b>

## EXPENDITURE SUMMARY BY DIVISION

	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
Development Environmental Svcs	5,196,612	7,214,583	7,543,865	6,643,060	(11.94%)
Streets and Grounds	167,537	59,515	-	-	-
Utilities	23,889,310	26,403,702	27,053,851	27,532,319	1.77%
<b>TOTAL</b>	<b>29,253,460</b>	<b>33,677,800</b>	<b>34,597,716</b>	<b>34,175,379</b>	<b>(1.22%)</b>

\* 2021-2022 Actual and 2023-2024 Estimate reserves are budgeted, but not spent

# Surface Water Operating

## 2025-2026 Position Summary

### POSITION SUMMARY BY CLASSIFICATION

Classification	2023-2024 Positions	Additions/ Reductions	2025-2026 Positions	Budgeted 2025 Salary Range
PUBLIC WORKS DEPUTY DIRECTOR OF OPERATIONS	0.20	-	0.20	149,133 - 194,585
SURFACE WATER MANAGER	1.00	-	1.00	137,489 - 179,392
UTILITY OPERATIONS MANAGER	0.60	-	0.60	124,181 - 162,029
SURFACE WATER PLANNING SUPERVISOR	1.00	-	1.00	114,394 - 149,258
SURFACE WATER STRATEGIC ADVISOR	0.50	-	0.50	126,662 - 149,011
SURFACE WATER SUPERVISOR	1.00	-	1.00	114,023 - 148,774
SENIOR SURFACE WATER ENGINEER	1.00	-	1.00	124,688 - 146,696
STREETS AND GROUNDS SUPERVISOR	1.00	-	1.00	104,815 - 136,760
SURFACE WATER UTILITY ENGINEER	1.00	-	1.00	108,590 - 127,752
SURFACE WATER ENGINEER	1.00	-	1.00	108,590 - 127,752
SURFACE WATER ENVIRONMENTAL ANALYST	1.00	-	1.00	108,377 - 127,504
ENVIRONMENTAL PROGRAM COORDINATOR	0.50	-	0.50	104,950 - 123,471
WATER QUALITY PROGRAM COORD	1.00	-	1.00	103,351 - 121,589
SURFACE WATER PLANNER	1.00	-	1.00	101,990 - 119,989
MANAGEMENT ANALYST	0.20	-	0.20	99,206 - 116,726
LEADPERSON	0.05	-	0.05	91,728 - 110,335
LEADPERSON - STORM WATER LEAD	2.00	-	2.00	91,728 - 110,335
EDUCATION AND OUTREACH COORDINATOR	1.00	-	1.00	93,787 - 110,332
SURFACE WATER ENGINEERING ANALYST	1.00	-	1.00	91,939 - 108,163
WATER QUALITY SPECIALIST	1.00	-	1.00	89,297 - 105,074
ENVIRONMENTAL EDUCATION AND OUTREACH SPECIALIST	1.00	-	1.00	89,298 - 105,074
CONTRACT AND PURCHASING SPECIALIST	0.20	-	0.20	88,723 - 104,375
SENIOR MAINTENANCE	9.30	-	9.30	79,855 - 97,258
YARD MAINTENANCE AND INVENTORY CONTROL	0.15	-	0.15	79,855 - 97,258
FIELD ARBORIST	1.00	-	1.00	79,855 - 97,258
ENGINEERING TECHNICIAN	0.20	-	0.20	80,191 - 94,344
SENIOR ACCOUNTING ASSOCIATE	0.10	-	0.10	76,938 - 90,515
UTILITY CRAFTSPERSON	0.35	-	0.35	74,677 - 87,859
MAINTENANCE WORKER	10.70	-	10.70	64,123 - 80,368
OFFICE SPECIALIST	1.09	-	1.09	61,790 - 72,694
<b>TOTAL</b>	<b>41.14</b>	<b>-</b>	<b>41.14</b>	

### POSITION SUMMARY BY DIVISION

Classification	2023-2024 Positions	Additions/ Reductions	2025-2026 Positions
Development Environmental Services	14.00	-	14.00
Utilities	27.14	-	27.14
<b>TOTAL</b>	<b>41.14</b>	<b>-</b>	<b>41.14</b>

# Surface Water Operating

## SURFACE WATER MANAGEMENT FUND REVENUES

	Object	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
<b>Intergovernmental Revenue</b>						
Indr Fed EPA Grants	333661	40,618	-	-	-	
Dept of Ecology	334031	466,870	444,944	934,264	-	(100.00%)
Other KC Grants	337081	342,654	123,914	607,166	100,000	(83.53%)
King Conserv Dis	337085	29,580	-	-	-	
<b>Total for Intergovernmental Revenue</b>		<b>879,721</b>	<b>568,859</b>	<b>1,541,430</b>	<b>100,000</b>	<b>(93.51%)</b>
<b>Charges for Goods and Services</b>						
Interfund-Gen	341963	65,820	75,355	70,600	70,600	-%
Interfund Eng-CIP	341966	169,983	340,602	189,720	189,720	-%
Interfund Eng-Dev	341967	110,756	102,331	104,000	104,000	-%
Residential Strm Drn Fee	343111	12,010,939	13,252,622	13,300,323	14,882,234	11.89%
Comm Strm Drn Fee	343121	10,231,541	11,289,271	11,329,904	12,677,458	11.89%
Street Fee inLieu	345816	16,324	-	-	-	
<b>Total for Charges for Goods and Services</b>		<b>22,605,363</b>	<b>25,060,180</b>	<b>24,994,547</b>	<b>27,924,012</b>	<b>11.72%</b>
<b>Fines and Forfeits</b>						
Misc Fines	359901	98,984	65,079	60,000	60,000	-%
<b>Total for Fines and Forfeits</b>		<b>98,984</b>	<b>65,079</b>	<b>60,000</b>	<b>60,000</b>	<b>-%</b>
<b>Miscellaneous Revenues</b>						
Investment Interest	361111	195,915	414,499	191,269	457,250	139.06%
Interest Sales Tax	361401	53,055	49,495	40,000	40,000	-%
Other Interest	361411	-	4,561	-	-	
Other Judgements	369401	60,251	74,109	87,414	70,000	(19.92%)
Other Misc Rev	369910	957	-	1,000	1,000	-%
<b>Total for Miscellaneous Revenues</b>		<b>310,178</b>	<b>542,664</b>	<b>319,683</b>	<b>568,250</b>	<b>77.75%</b>
<b>Proprietary Other Income</b>						
Ins Recovery Prop	372001	11,469	-	-	-	
<b>Total for Proprietary Other Income</b>		<b>11,469</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Other Financing Sources</b>						
Operating Transfers In	397101	110,683	-	-	-	
Operating Tfr Interfund-Util	397102	-	148,910	-	-	
Resources Forward	399991	7,387,834	7,682,056	7,682,056	5,523,117	(28.10%)
<b>Total for Other Financing Sources</b>		<b>7,498,517</b>	<b>7,830,966</b>	<b>7,682,056</b>	<b>5,523,117</b>	<b>(28.10%)</b>
<b>Fund Total</b>		<b>31,404,233</b>	<b>34,067,747</b>	<b>34,597,716</b>	<b>34,175,379</b>	<b>(1.22%)</b>



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# Surface Water Non-Operating

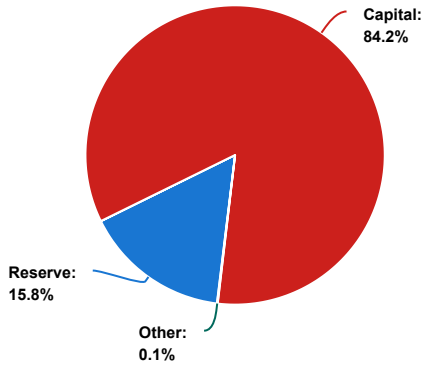


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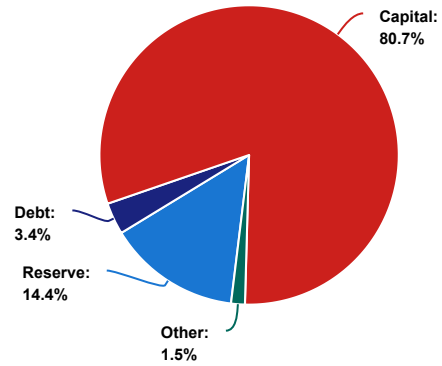


## SURFACE WATER UTILITY NON-OPERATING

2023-2024 Budget by Purpose



2025-2026 Budget by Purpose



## 2023-2024 BUDGET BY PURPOSE

Fund	2023-2024 Budget	Budget by Purpose			
		Reserve	Debt	Capital	Other
Surface Water Mgmt Constructio	28,759,681	4,534,892	-	24,203,594	21,195
<b>Total Non-Operating Funds</b>	<b>28,759,681</b>	<b>4,534,892</b>	<b>-</b>	<b>24,203,594</b>	<b>21,195</b>

## 2025-2026 BUDGET BY PURPOSE

Fund	2025-2026 Budget	Budget by Purpose			
		Reserve	Debt	Capital	Other
Surface Water Mgmt Debt	1,337,736	490,400	847,336	-	-
Surface Water Mgmt Constructio	23,328,680	3,049,317	-	19,909,363	370,000
<b>Total Non-Operating Funds</b>	<b>24,666,416</b>	<b>3,539,717</b>	<b>847,336</b>	<b>19,909,363</b>	<b>370,000</b>

## Surface Water Utility Debt Service Fund

There are three 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 surface water 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, but the 2025-2026 budget includes a \$7.5 million potential revenue bond issuance to fund a surface water retrofit vault.
- **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.
- **Public Works Trust Fund Loans (PWTFLL)** are low-interest loans from the state for cities, counties, and other municipalities. Loans for approved projects are granted with interest rates ranging from one-half to three percent depending on the amount of the City's matching funds. Loans are awarded through a competitive process. At this time, the City has no surface water loans 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 utility debt.*
- *Revenue bonds shall be issued only when operating revenues are insufficient for the enterprise's capital financing needs.*
- *The City will conduct a thorough analytical review before issuing debt and maintain a good credit rating at all times.*
- *The City will insure that net operating revenues of the enterprise constitute a minimum of 1.5 times the annual debt service requirements.*

When the City issues debt, a thorough review of the City's financial condition is completed by bond rating agencies. Based on their findings, the bonds are given a rating. The City's bond rating is a reflection of its creditworthiness and affects the cost to the City of issuing debt. There are two rating agencies used by the City to rate Kirkland's bonds – Standard and Poor's (S&P) and Moody's Investor Service.

For Kirkland's general obligation debt, S&P affirmed the City's AAA rating on March 22, 2024, which is the highest rating. On March 22, 2024, 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 Surface Water Capital Projects Fund to account for the cost of constructing the capital improvement. The Surface Water 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, when there is outstanding debt.

**SURFACE WATER UTILITY  
DEBT SERVICE FUNDS  
2025-2026 PAYMENT AND RESERVE SUMMARY**

**2025-2026 Budget**

Fund	Payment		Reserve	Total
	Principal	Interest		
Surface Water Debt Service	0	847,336	490,400	1,337,736
<b>Total Debt Service Funds</b>	<b>0</b>	<b>847,336</b>	<b>490,400</b>	<b>1,337,736</b>

## 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 2025-2026 BUDGET

### Surface Water Capital Projects Fund (423)

Project Category/ Project Title	Project Number	Funding Source	2025 Budget	2026 Budget	Total 2025-2026 Budget	Additional Annual Maintenance & Operations	
						2025	2026
Surface Water Management							
ANNUAL REPLACEMENT OF AGING /FAILING INFRASTRUCTURE	SDC 04700	Utility Funds	860,977	2,702,273	3,563,250	-	-
NEIGHBORHOOD DRAINAGE ASSISTANCE PROGRAM (NDA)	SDC 08100	Utility Funds	50,000	-	50,000	-	-
PROPERTY ACQUISITION OPPORTUNITY FUND	SDC 10500	Utility Funds	50,000	50,000	100,000	-	-
STORM LINE REHABILITATION ON NE 136TH STREET	SDC 14100	Utility Funds	-	264,727	264,727	-	-
108TH AVENUE NE PIPE INSTALLATION+	SDC 15900	Utility Funds	1,542,023	-	1,542,023	-	-
WILLOWS ROAD AND 124TH AVE NE SEEPAGE REPAIR	SDC 17600	Utility Funds	900,000	-	900,000	-	-
HOUGHTON PARK AND RIDE STORMWATER RETROFIT FACILITY	SDC 18100	Utility Funds	7,500,000	-	7,500,000	-	-
Total Water/Sewer Capital Projects Fund			10,903,000	3,017,000	13,920,000	-	-

## 2025-2030 CAPITAL IMPROVEMENT PROGRAM

### SURFACE WATER MANAGEMENT UTILITY PROJECTS

#### Funded Projects:

Project Number	Project Title	2025	2026	2027	2028	2029	2030	2025-2030 Total	Utility Funds	Debt	Secured External	Unsecured External Developer
SDC 04700	ANNUAL REPLACEMENT OF AGING /FAILING INFRASTRUCTURE	860,977	2,702,273	500,000	500,000	500,000	500,000	5,563,250	5,563,250	-	-	-
SDC 08100	NEIGHBORHOOD DRAINAGE ASSISTANCE PROGRAM (NDA)	50,000	-	50,000	-	50,000	-	150,000	150,000	-	-	-
SDC 09200	JUANITA CREEK CULVERT AT NE 137TH STREET	-	-	-	-	874,243	2,615,609	3,489,852	3,489,852	-	-	-
SDC 10100	HOLMES POINT PIPE REPLACEMENT AT CHAMPAGNE CREEK BASIN+	-	-	482,051	935,983	-	-	1,418,034	-	-	-	1,418,034
SDC 10500	PROPERTY ACQUISITION OPPORTUNITY FUND	50,000	50,000	50,000	50,000	50,000	50,000	300,000	300,000	-	-	-
SDC 11600	NE 140TH STREET PIPE REPLACEMENT+	-	-	-	977,357	-	-	977,357	977,357	-	-	-
SDC 14100	STORM LINE REHABILITATION ON NE 136TH STREET	-	264,727	2,127,339	-	-	-	2,392,066	2,392,066	-	-	-
<b>SDC 14800</b>	<b>105TH PL NE PIPE REPLACEMENT+</b>	-	-	-	-	<b>606,769</b>	-	<b>606,769</b>	<b>606,769</b>	-	-	-
SDC 15600	HOLMES POINT DRIVE NE PIPE INSTALLATION+	-	-	390,661	1,470,978	-	-	1,861,639	1,861,639	-	-	-
SDC 15900	108TH AVENUE NE PIPE INSTALLATION+	1,542,023	-	-	-	-	-	1,542,023	1,092,023	-	450,000	-
<b>SDC 17600</b>	<b>WILLOWS ROAD AND 124TH AVE NE SEEPAGE REPAIR</b>	<b>900,000</b>	-	-	-	-	-	<b>900,000</b>	<b>900,000</b>	-	-	-
SDC 18100	HOUGHTON PARK AND RIDE STORMWATER RETROFIT FACILITY	7,500,000	-	-	-	-	-	7,500,000	-	7,500,000	-	-
<b>Total Funded Surface Water Management Utility Projects</b>			<b>3,017,000</b>	<b>3,600,051</b>	<b>3,934,318</b>	<b>2,081,012</b>	<b>3,165,609</b>	<b>26,700,990</b>	<b>17,332,956</b>	<b>7,500,000</b>	<b>450,000</b>	<b>1,418,034</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 10200	Juanita Drive Culvert Replacement	4,082,312
SDC 16500	NE 141st St./Juanita Creek Culvert Replacement	3,396,000
SDC 16600	Woodinville-Juanita Drive and Juanita Creek Culvert replacement	9,292,000
SDC 05300	Forbes Creek/Coors Pond Channel Grade Controls	1,240,000
SDC 05400	Forbes Creek / Cross Kirkland Corridor Fish Passage	1,700,000
SDC 11500	Weaver's Pond Pipe Replacement	180,000
SDC 16700	102nd Ave and Juanita Creek Culvert Replacement	3,500,000
SDC 04500	Carillon Woods Erosion Control Measures	600,000
SDC 04900	Forbes Creek/108th Ave NE Fish Passage Improvements	1,523,100
SDC 06100	Everest Park Stream Channel/Riparian Enhancements	1,200,000
SDC 06300	Everest Creek - Slater Avenue at Alexander Street	1,050,000
SDC 10000	Brookhaven Pond Modifications	700,000
SDC 12600	Spinney Homestead Park Regional Stormwater Facility-Design	6,539,302
SDC 13100	NE 107th PI Retention Pond Retrofit	1,675,547
SDC 17100	NRH4 Open Space Stormwater Park	6,000,000
<b>SDC 18000</b>	<b>High Woodlands Stormwater Management near NE 145th Street – Site 1</b>	<b>3,000,000</b>
SDC 08501	Cross Kirkland Corridor Water Quality Retrofit	1,000,000
SDC 13000	Bioretention, Water Quality Treatment & Storage at 126th Ave NE - Phase 2	4,260,000
SDC 17700	Cedar Creek Retrofit Site 3 - adjacent 14344 - 93rd Ave NE	454,000
SDC 17800	Cedar Creek Retrofit Site 2 -NE 142nd St and 90th Ave NE	1,144,000
SDC 17900	Cedar Creek Retrofit Site 1 - adjacent to 14419 88th Ave NE	348,000
SDC 14400	Highlands Neighborhood - 116th Ave Storm Facility	4,227,260
SDC 16200	141st St Flow Control and Conveyance System	797,215
SDC 17300	NE 116th St and 99th PI 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
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 11800	Champagne Point Drive NE Pipe Repair	270,000
SDC 11900	NE 58th Street Pipe Repair	280,000
SDC 14000	Holiday Drive Conveyance Improvement Study	350,000
SDC 14900"	NE 119TH COURT STORM SYSTEM IMPROVEMENT	500,000
SDC 15700	6th Street Everest Creek Obstruction	70,000

**SURFACE WATER MANAGEMENT UTILITY PROJECTS (CONTINUED)****Unfunded Projects:**

Project Number	Project Title	Total
SDC 15800	Outlet to CKC at 110th PI NE	100,000
SDC 16100	NE 141st St and 125th PI NE Pipe Repair	650,000
SDC 09400	NE 114th Place Stormline Replacement	405,000
SDC 11700	111th Avenue NE Pipe Repair	400,000
SDC 12000	Kingsgate Park Pipe Outfall Improvements	80,000
SDC 12700	Storm Rehabilitation at Rose Point Lift Station	487,900
SDC 13800	Outlet Path at 101st PI NE	150,000
SDC 14200	93rd Avenue NE Hillside Improvements	1,158,000
SDC 14600	126th Ave NE Storm Pipe Replacement	330,000
SDC 15300	NE 138th St to 97th Ave NE Pipe Replacement	245,000
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 17200	98th Ave NE and NE Juanita Drive Study	90,000
SDC 15400	Stream Restoration at 128th Lane NE	300,000
SDC 15500	NE 141st St Pipe Installation	530,000
SDC 10300	Lakeview Drive Conveyance Modification	2,800,000
SDC 14700	131st Ave NE Storm Improvements	800,000
SDC 16300	Bridleview Estates Drainage Evaluation	100,000
<b>Total Unfunded Surface Water Management Utility Projects</b>		<b>75,307,636</b>
<b>Funding Available from Annual Programs for Candidate Projects</b>		<b>5,563,250</b>
<b>Net Unfunded Surface Water Management Utility Projects</b>		<b>69,744,386</b>

Notes:*Italics = Modification in timing and/or cost***Bold = New projects**

" = Moved from funded status to unfunded status



# Solid Waste Utility

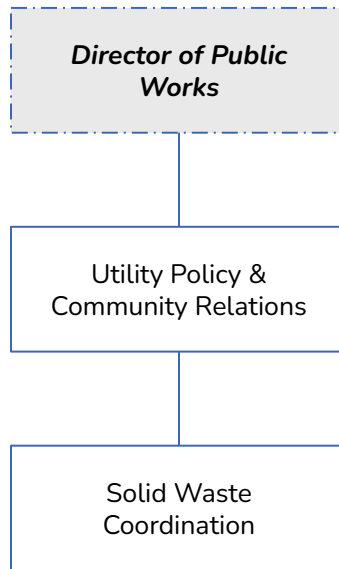




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# Solid Waste Operating

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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, garbage, and compost services, recycling events, and education and outreach programs for the community.

### Budget Highlights and Relationship to Council Goals

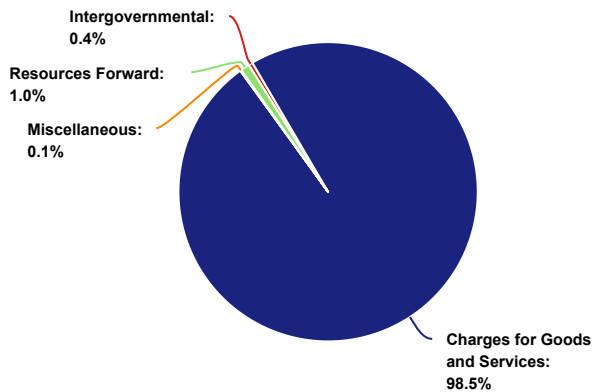
#### SUSTAINABLE ENVIRONMENT

- Establish adequate 2025-26 rates for the Solid Waste utility to safely dispose of waste and support recycling, resulting in \$8.8 million increase in rate revenue.
- Maintain a linear solid waste rate structure with variable rates to encourage waste reduction and recycling diversion.
- Fund local matching grants for low-income housing heat pumps and weatherization, \$80,000 one-time from Waste Management rebate program.
- Fund Sustainability Ambassadors to support Sustainability Strategic Plan implementation, \$20,000 one-time from Waste Management rebate program.
- Add funding to increase the existing 0.75 FTE Solid Waste Education and Outreach Specialist position to 1.0 FTE, \$69,899 ongoing. [25SW01]

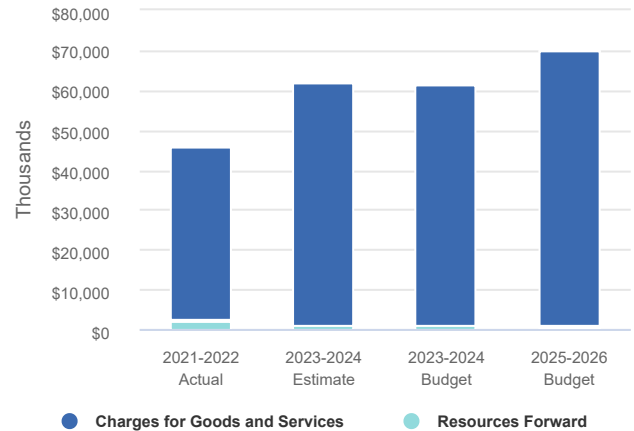
# Solid Waste Operating

## Financial Overview

Sources of Funds



Revenues by Type



## REVENUE SUMMARY BY TYPE

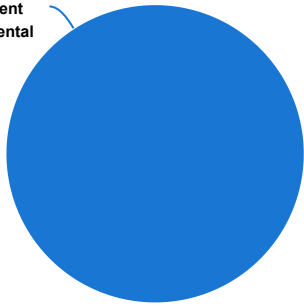
	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
Intergovernmental	248,171	306,023	385,510	312,338	(18.98%)
Charges for Goods and Services	43,753,715	60,921,748	60,519,942	69,414,012	14.70%
Miscellaneous	51,758	64,980	56,243	80,968	43.96%
Interfund Transfers	62,720	-	-	-	
Resources Forward	2,156,554	853,512	853,512	680,001	(20.33%)
<b>TOTAL</b>	<b>46,272,918</b>	<b>62,146,263</b>	<b>61,815,207</b>	<b>70,487,319</b>	<b>14.03%</b>

# Solid Waste Operating

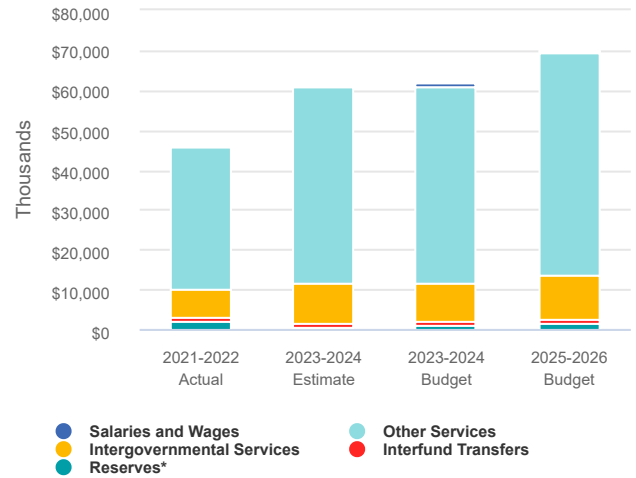
## Financial Overview

**Budget by Division**

Development  
Environmental  
Svcs:  
100%



**Expenditures by Category**



## EXPENDITURE SUMMARY BY CATEGORY

	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
Salaries and Wages	598,944	651,015	720,847	777,505	7.86%
Benefits	256,330	240,507	292,410	306,403	4.79%
Supplies	35,119	16,628	5,360	16,600	209.70%
Other Services	35,727,646	49,019,353	48,975,657	56,013,286	14.37%
Intergovernmental Services	7,252,665	9,934,355	9,935,142	11,014,761	10.87%
Interfund Transfers	779,000	998,424	996,000	878,306	(11.82%)
Reserves*	2,178,991	680,001	889,791	1,480,458	66.38%
<b>TOTAL</b>	<b>46,828,695</b>	<b>61,540,283</b>	<b>61,815,207</b>	<b>70,487,319</b>	<b>14.03%</b>

## EXPENDITURE SUMMARY BY DIVISION

	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
Development Environmental Svcs	46,828,695	61,540,283	61,815,207	70,487,319	14.03%
<b>TOTAL</b>	<b>46,828,695</b>	<b>61,540,283</b>	<b>61,815,207</b>	<b>70,487,319</b>	<b>14.03%</b>

\* 2021-2022 Actual and 2023-2024 Estimate reserves are budgeted, but not spent

# Solid Waste Operating

## CHANGE IN FUND BALANCE (BEGINNING 2023 TO ENDING 2026) SOLID WASTE UTILITY

	Solid Waste
<b>2023 Actual Beginning Fund Balance</b>	<b>853,512</b>
Reserved	35,422
Unreserved Working Capital	818,090
Plus: 2023-24 Estimated Revenues	61,292,751
Less: 2023-24 Estimated Expenditures	60,860,282
<b>2024 Estimated Ending/2025 Budgeted Beginning Fund Balance</b>	<b>1,285,981</b>
Plus: 2025-26 Budgeted Revenues	69,807,318
Less: 2025-26 Budgeted Expenditures	69,006,861
<b>2026 Budgeted Ending Fund Balance</b>	<b>2,086,438</b>
Reserved	45,128
Unreserved Working Capital	2,041,310
<b>Change in Fund Balance:</b>	
<b>Beginning 2023 to Ending 2026</b>	<b>1,232,926</b>



# Solid Waste Operating

## 2025-2026 Position Summary

### POSITION SUMMARY BY CLASSIFICATION

Classification	2023-2024 Positions	Additions/ Reductions	2025-2026 Positions	Budgeted 2025 Salary Range
UTILITY POLICY AND COMMUNITY RELATIONS SUPERVISOR	1.00	-	1.00	115,160 - 150,258
SOLID WASTE PROGRAMS LEAD	1.00	-	1.00	100,824 - 117,824
ENVIRONMENTAL EDUCATION AND OUTREACH SPECIALIST	0.75	0.25	1.00	89,298 - 105,074
ENGINEERING TECHNICIAN	0.10	-	0.10	80,191 - 94,344
SENIOR ACCOUNTING ASSOCIATE	0.10	-	0.10	76,938 - 90,515
<b>TOTAL</b>	<b>2.95</b>	<b>0.25</b>	<b>3.20</b>	

### POSITION SUMMARY BY DIVISION

Classification	2023-2024 Positions	Additions/ Reductions	2025-2026 Positions
Development Environmental Services	2.95	0.25	3.20
<b>TOTAL</b>	<b>2.95</b>	<b>0.25</b>	<b>3.20</b>

# Solid Waste Operating

## SOLID WASTE FUND REVENUES

	Object	2021-2022 Actual	2023-2024 Estimate	2023-2024 Budget	2025-2026 Budget	Percent Change
<b>Intergovernmental Revenue</b>						
Dept of Ecology	334031	58,803	228,361	184,510	154,508	(16.26%)
Hazard Waste	337083	71,485	31,206	77,000	43,612	(43.36%)
Waste Red Recy	337084	117,883	46,455	124,000	114,218	(7.89%)
<b>Total for Intergovernmental Revenue</b>		<b>248,171</b>	<b>306,023</b>	<b>385,510</b>	<b>312,338</b>	<b>(18.98%)</b>
<b>Charges for Goods and Services</b>						
Interfund-Gen	341963	1,544	-	-	-	
Gen Government Srvcs	341971	234,018	36,485	-	-	
Residential Coll	343701	20,817,390	29,679,980	29,987,985	32,866,775	9.60%
MFam Collection	343702	7,146,719	9,676,962	9,782,854	11,003,699	12.48%
Comm Collection	343703	10,481,064	14,447,075	13,722,321	17,503,293	27.55%
Solid Waste Penalty	343704	135,969	365,695	280,000	300,000	7.14%
Eff Utility Tax Rev	343708	3,988,783	5,617,345	5,616,782	6,444,245	14.73%
Misc Utility Rev	343891	9,819	16,185	20,000	6,000	(70.00%)
KC Hazard Waste	343902	938,409	1,082,021	1,110,000	1,290,000	16.22%
<b>Total for Charges for Goods and Services</b>		<b>43,753,715</b>	<b>60,921,748</b>	<b>60,519,942</b>	<b>69,414,012</b>	<b>14.70%</b>
<b>Miscellaneous Revenues</b>						
Investment Interest	361111	49,982	64,530	54,743	79,968	46.08%
Sales of Surplus	369101	1,719	450	1,500	1,000	(33.33%)
Other Misc Rev	369910	57	-	-	-	
<b>Total for Miscellaneous Revenues</b>		<b>51,758</b>	<b>64,980</b>	<b>56,243</b>	<b>80,968</b>	<b>43.96%</b>
<b>Other Financing Sources</b>						
Operating Transfers In	397101	62,720	-	-	-	
Resources Forward	399991	2,156,554	853,512	853,512	680,001	(20.33%)
<b>Total for Other Financing Sources</b>		<b>2,219,274</b>	<b>853,512</b>	<b>853,512</b>	<b>680,001</b>	<b>(20.33%)</b>
<b>Fund Total</b>		<b>46,272,918</b>	<b>62,146,263</b>	<b>61,815,207</b>	<b>70,487,319</b>	<b>14.03%</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-5626) ON APRIL 2, 2024**

### **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

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 approximately \$225 million to \$350 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.

**Training:** Such procedures shall include explicit delegation of authority to persons responsible for investment transactions to provide adequate redundancy by properly trained and informed staff. All staff engaging in investment transactions shall attend public investment training. Staff shall not engage in any allowable investment transaction for which they cannot articulate a rationale for having done so.

**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.*

The Director of Finance and Administration and authorized investment officers and employees who act in accordance with the Director of Finance and Administration's written procedures and the City's Investment Policy, and who exercise due diligence, shall be relieved of personal responsibility for the credit risk or market price change of an investment, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

## 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.
- Any related interest or personal financial positions that could be perceived as conflict of interest.

5.3.3 Gifts: Consistent with general City Policy, officers and employees involved in the investment process may not accept any valuable gift, favor or gratuity which is made on the basis of his or her position in the City's service.

## 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 Transaction Counterparties**

#### **7.1 Broker/Dealers**

The Director of Finance and Administration shall maintain and review annually a list of all authorized financial institutions and broker/dealers that are approved to transact with the City for investment purposes. The City shall follow GFOA best practices for evaluating and selecting financial institutions and broker/dealers.

The Director of Finance and Administration or designee may utilize the investment advisor's approved broker/dealer list in lieu of the City's own approved list. The Advisor must submit the approved list to the City annually and provide updates throughout the year as they occur. The Advisor must maintain documentation of appropriate license and professional credentials of broker/dealers on the list. The annual investment advisor broker/dealer review procedures include:

- a) FINRA Certification check:
  - i. Firm profile
  - ii. Firm history
  - iii. Firm operations
  - iv. Disclosures of arbitration awards, disciplinary and regulatory events
  - v. State Registration Verification
- b) Financial review of acceptable FINRA capital or letter of credit for clearing settlements.

The Advisor may be authorized through the contracted agreement to open accounts on behalf of the City with the broker/dealers on the approved broker dealer list.

#### **7.2 Investment Advisors**

Advisors must be registered under the Investment Advisers Act of 1940 and must act in a non-discretionary capacity, requiring approval from the City prior to all transactions. Any external investment advisor engaged to assist in the management of the City's investment portfolio will be held to the prudent investor standard of care (RCW 11.100.020).

#### **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):

The City of Kirkland may choose to follow stricter guidelines than the RCW requires. 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, 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).
- Minimum credit ratings and percentage limitations apply to the time of purchase (settlement date).
- 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:** US Government Agency obligations and US Government Sponsored Enterprises (GSEs) which may include, but are not limited to the following: Federal Farm Credit Banks Funding Corporation (FFCB), Federal Home Loan Bank (FHLB), Federal Home Loan Mortgage Corporation (FHLMC), Federal National Mortgage Association (FNMA), Tennessee Valley Authority (TVA).

**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 or, Aa3 from Moody's or AA- from 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.

**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, Moody's or Equivalent NRSRO	Maximum Maturity
US Treasury Obligations	100%	None	N/A	5 years
US Agency Obligations	100%	35%	N/A	5 years
Municipal Obligations (GO Only Outside WA)	30%	5%	AA-/Aa3	5 years
Certificates of Deposit	10%	5%	Deposits in PDPC approved banks	5 years
Bank Time Deposits/ Savings Accounts	30%	None	Deposits in PDPC approved banks	N/A
State LGIP	100%	None	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 2.5 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	2.5 years
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: The Investment Policy sets forth concentration constraints and minimum credit ratings for each type of security. These limits apply to the initial purchase of a security and do not automatically trigger the sales of a security as the portfolio value fluctuates or in the event of credit rating downgrade. 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. When a credit rating downgrade occurs, the Director of Finance and Administration will evaluate the downgrade on a case-by-case situation to determine whether to hold or sell the security after further analysis of the credit rating on an ongoing basis.
- 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

The City shall not lend securities nor directly participate in a securities lending or reverse repurchase program.

The City shall not invest in:

- Mortgage-backed securities
- Derivative Products
- Securities that leverage the portfolio or are used for speculation of interest rates
- Mutual Funds
- Repurchase Agreements
- Reverse Agreements
- Equities
- Cryptocurrency

## 10.0 Reporting Requirements

### 10.1 Reporting

The Director of Finance and Administration shall be responsible for monthly 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.

The investment portfolio will be invested into a predetermined structure that will be measured against a selected benchmark portfolio. The structure will be based upon a chosen minimum and maximum duration (average maturity) and will have the objective to achieve market rates of returns over long investment horizons. The purpose of a benchmark is to appropriately manage the risk in the portfolio through interest rate cycles. The investment portfolio is expected to provide similar returns to the benchmark over interest rate cycles, but may underperform or outperform in certain periods. The portfolio will be positioned to first protect principal and then achieve market rates of return. The benchmark used will be a US treasury 0-3 year index or US treasury 0-5 year index and comparisons will be calculated monthly and reported quarterly.

The liquidity component yield will be compared quarterly to the LGIP average yield.

## 10.3 Compliance Report

A compliance report will be generated quarterly comparing the portfolio positions to this investment policy.

Due to fluctuations in the aggregate surplus funds balance, maximum percentages for a particular issuer or investment type may be exceeded at a point in time. Securities need not be liquidated to realign the portfolio; however, consideration should be given to this matter when future purchases are made to ensure that appropriate diversification is maintained.

## 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.

**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.

**Ratings Table – Long-Term**

<u>Three Highest Rating Categories</u>	<u>S&amp;P</u>	<u>Moody's</u>	<u>Fitch</u>	<u>Definition</u>
AAA	AAA	Aaa	AAA	Highest credit quality
AA+, AA, AA-	AA+, AA, AA-	Aa1, Aa2, Aa3	AA+, AA, AA-	Very high credit quality
A+, A, A-	A+, A, A-	A1, A2, A3	A+, A, A-	High credit quality
BBB+, BBB, BBB-	BBB+, BBB, BBB-	Baa1, Baa2, Baa3	BBB+, BBB, BBB-	Good credit quality
BB+, BB, BB-	BB+, BB, BB-	Ba1, Ba2, Ba3	BB+, BB, BB-	Non-investment grade

**Ratings Table – Short-Term**

<u>Highest Rating Category</u>	<u>S&amp;P</u>	<u>Moody's</u>	<u>Fitch</u>	<u>Definition</u>
A1+, A1	A1+, A1	P1+, P1	F1+, F1	Highest credit quality
Municipal Commercial Paper				
A-1, A-1+, SP-1+, SP-1	A-1, A-1+, SP-1+, SP-1	P1, MIG1, VMIG1	F1+, F1	Highest credit quality

RESOLUTION R-5626

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND ADOPTING A REVISED POLICY FOR INVESTMENT OF CITY FUNDS.

1 WHEREAS, the City Council of the City of Kirkland desires to  
2 have City funds invested in secure depositories and maximize returns  
3 on these investments; and  
4

5 WHEREAS, the City Council of the City of Kirkland desires to  
6 develop an investment policy to guide the investment of City funds to  
7 meet these objectives; and  
8

9 WHEREAS, the Kirkland City Treasurer (Deputy Director of  
10 Finance and Administration) and the Director of Finance and  
11 Administration have recommended revisions to the policy for investment  
12 of City funds; and  
13

14 WHEREAS, the City of Kirkland investment policy has been  
15 written in accordance with the Washington Public Treasurers  
16 Association Model Investment Policy.  
17

18 NOW, THEREFORE, be it resolved by the City Council of the  
19 City of Kirkland as follows:  
20

21 Section 1. The policy for investment of City funds set forth in the  
22 document entitled "City of Kirkland Investment Policy April 2, 2024"  
23 which is attached as Exhibit A and incorporated by this reference is  
24 adopted as the official policy for investment of City funds.  
25

26 Section 2. The document entitled City of Kirkland Investment  
27 Policy April 2, 2024, replaces all previous City of Kirkland Investment  
28 Policies.  
29

30 Passed by majority vote of the Kirkland City Council in open  
31 meeting this 2<sup>nd</sup> day of April, 2024.  
32

33 Signed in authentication thereof this 2<sup>nd</sup> day of April, 2024.

  
\_\_\_\_\_  
Kelli Curtis, Mayor

Attest:

  
\_\_\_\_\_  
Kathi Anderson, City Clerk



# 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.

1 WHEREAS, the City Council of the City of Kirkland deems  
2 to ensure that all debt is issued prudently and cost effectively; and  
3

4 WHEREAS, the City Council of the City of Kirkland desires  
5 to set forth guidelines for the issuance and management of all  
6 financings of the City; and  
7

8 WHEREAS, the Kirkland City Treasurer (Director of Finance  
9 and Administration) has recommended revisions to the debt  
10 management policies; and  
11

12 WHEREAS, the City of Kirkland debt management policy  
13 has been written in accordance with the Association of Public  
14 Treasurers of the United States & Canada (APT US&C) guidelines.  
15

16 NOW, THEREFORE, be it resolved by the City Council of the  
17 City of Kirkland as follows:  
18

19 Section 1. The policy for the management of the City's  
20 debt set forth in the document entitled "City of Kirkland Debt  
21 Management Policy November 17, 2020" which is attached hereto  
22 and incorporated herein by this reference as if set forth in full is  
23 hereby adopted as official policy for the management of the City's  
24 debt.  
25

26 Section 2. That the document entitled City of Kirkland Debt  
27 Management Policy November 17, 2020, replaces all previous City  
28 of Kirkland Debt Management Policies.  
29

30 Passed by majority vote of the Kirkland City Council in open  
31 meeting this 17 day of November, 2020.  
32

33 Signed in authentication thereof this 17 day of November,  
34 2020.  
35

36   
37 Penny Sweet, Mayor  
38

39 Attest:

40   
41 Kathi Anderson, City Clerk  
42



# 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.

1 WHEREAS, the City of Kirkland has certain obligations  
2 under federal tax law and federal securities law with respect to its  
3 publicly offered and privately placed securities; and

4  
5 WHEREAS, many of these obligations continue to apply  
6 throughout the entire term of the securities issued; and

7  
8 WHEREAS, the City of Kirkland Bond Procedure and Post  
9 Issuance Compliance Policy has been written in consultation with  
10 the City's bond counsel; and

11  
12 WHEREAS, the Kirkland City Treasurer (Director of Finance  
13 and Administration) has recommended that the City Council  
14 formally adopt the Bond Procedure and Post Issuance Compliance  
15 Policy that the City is following, and will continue to follow, to  
16 maintain compliance with applicable federal law;

17  
18 NOW, THEREFORE, be it resolved by the City Council of the  
19 City of Kirkland as follows:

20  
21 Section 1. The "City of Kirkland Bond Procedure and Post  
22 Issuance Compliance Policy," which is attached as "Exhibit A" and  
23 incorporated by reference, is adopted as the official policy of the  
24 City of Kirkland for meeting its obligations under federal tax law  
25 and federal securities law following the issuance of securities by  
26 the City of Kirkland.

27  
28 Passed by majority vote of the Kirkland City Council in open  
29 meeting this 17 day of November, 2020.

30  
31 Signed in authentication thereof this 17 day of November,  
32 2020.

  
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 purchases; for example Professional Services.

**Fund** groups indicate a discrete set of revenues and expenditures. Funds help maintain financial records of transactions. By state law, cities must balance revenues and expenditures at the fund level. BARS assigns the fund groups and the City assigns specific fund numbers.

**Department/Division/Cost Center** numbers indicate the organizational unit making an expenditure. These sections of the account structure build upon each other, becoming more specific with each addition. For example, the Police Department uses all codes in the 70 group, the Police Traffic Division uses number 705, and the Parking Enforcement cost center uses 70512. As noted revenue accounts do not contain department numbers as BARS does not dictate department/division numbers.

**Function** codes indicate the governmental function associated with an expenditure and are assigned by BARS. For example, an expenditure account with the function code 1880 indicates that the expenditure is related to data processing.

**Object Code** is a single six-digit code with identifiers that conform to the BARS standard. The first digit **Class** indicates the type of activity, with a 3 indicating revenue and a 5 designating expenditures. These numbers are assigned by BARS. **Category** is a two-digit identifier that describes the "what" of the transaction. For expenditures the category indicates the specific item purchased or services obtained. For revenues the category indicates the source from which the revenues are obtained. **Element** is a further segregation of the Category information.

## Accrual Basis

An accounting basis which recognizes transactions when they occur. An organization records expenses when the liability occurs and posts revenues when they are earned. The Water/Sewer, Surface Water/Solid Waste, Equipment Rental, Information Technology, Facilities, and Health Benefits Funds prepare year-end reports on the accrual basis. Kirkland uses a modified accrual basis of accounting for the reporting of all other funds. The budget is prepared on a cash basis (see later glossary entry).

## Actual

Denotes final revenue and expenditure results of operations for fiscal year(s) indicated.

## Appropriation

Through an appropriation ordinance, the City Council legally authorizes the City to spend money and to incur obligations for specific purposes. Budgetary/Operating fund appropriations lapse at the end of each biennium. Non-operating fund appropriations, on the other hand, continue in force until fully expended or until the City

has accomplished or abandoned the purpose for which the Council granted the funds. Spending cannot exceed the level of appropriation without the Council's approval.

### **Assessed Valuation**

When the King County Assessor's Office determines the value of both real (land and buildings) and personal property, it arrives at the assessed valuation of the property. The County uses this value to compute property taxes.

### **Asset**

Property owned by the government and resources owned or held by a government that has monetary value.

### **Audit**

An official inspection of an individual's or organization's accounts, typically by an independent body. In Washington State all audits of municipalities are performed by the Washington State Auditor's Office.

### **Balanced Budget**

A balanced budget is where total expected revenues are equal to total planned spending.

### **BARS**

The State of Washington Budgeting, Accounting, and Reporting System required for all governmental entities in the state.

### **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 Assets**

A long-term tangible piece of property that the City owns and is not expected to be consumed or converted into cash any sooner than at least one year's time.

## **Capital Improvement Program (CIP)**

The plan or schedule of expenditures and funding sources for major construction of roads, sidewalks, City facilities, and water/sewer systems, and for the purchase of equipment. Kirkland's CIP follows a six-year schedule and includes projects which cost \$50,000 or more to complete. These projects become capital assets and, with the exception of certain equipment, have a useful life of ten years or more. Although the City adopts the CIP budget in a process which is separate from the adoption of the biennial budget, the biennial budget incorporates the first and second years of the program.

## **Capital Outlay**

Expenditures for furnishings, equipment, vehicles, or machinery with an individual value greater than \$10,000 and a useful life of more than one year.

## **Capital Project**

The acquisition, construction, improvement, replacement or renovation of land, structures and improvements thereon, and equipment. When the City Council authorizes a capital project, it adopts a capital project budget which continues until the project is complete.

## **Community Development Block Grant (CDBG)**

A general purpose, federal grant primarily used to facilitate the production and preservation of low and moderate income housing and programs.

## **Contingency**

Kirkland appropriates money to these reserve funds which it can use in the future should specific budget allotments run out and the City needs additional funds. Contingency funds are especially useful when emergencies arise that require the City to make unforeseen expenditures.

## **Councilmanic Debt**

Debt which the City Council approves, but which does not require voter approval.

### **Credit Rating**

The credit worthiness of a governmental unit as determined by an independent rating agency. The City of Kirkland is rated by two rating agencies: 1) Moody's Investor Service and 2) Standard and Poor's.

### **Debt Capacity**

The amount of debt which the City can issue given legal limits and fiscal policies. Debt capacity is calculated based on a percentage of the total assessed city property valuation plus the net of current assets and liabilities.

### **Debt Service**

The annual payment of principal and interest on the City's bonded indebtedness.

### **Deficit**

An excess of expenditure over revenue.

### **Department**

To facilitate organizational and budgetary accountability, Kirkland breaks its funds into departments. Each department serves a specific function as a distinct organizational unit of city government.

### **Depreciation**

An accounting recognition that reduces a portion of the original cost of a business asset over several years as the value of the asset decreases.

### **Division**

As subdivisions of departments, divisions are budgetary or organizational units of government with limited sets of work responsibilities within their department. Divisions also serve to increase budget accountability.

### **Encumbrances**

The amount of funds committed to vendors for goods or services received or to be received by the City as specified in a City purchase order.

### **Enterprise Fund**

An accounting entity which the City uses to record and report transactions for its business-type activities. All expenditures must be supported by income dedicated to the fund. The most common enterprise funds are utility funds.

### **Expenditure**

The payment for goods and services. On the cash-basis, expenditures are recognized only when the payments are made for the cost of goods received or services rendered.

### **Fees**

A general term for any charge for services levied by government associated with providing a service or permitting an activity. Major types of fees include business licenses and user charges.

### **Fines and Forfeitures**

Revenue category which primarily includes court, police, traffic and parking fines, and forfeitures.



## **Fiscal Policy**

The City's policies with respect to revenues, spending, and debt management as these relate to government services, programs, and capital investment. Fiscal policy provides an agreed upon set of principles for the planning and programming of government budgets and their funding.

## **Fiscal Year**

The twelve-month period which an organization designates as its operating year. In Kirkland, the fiscal year coincides with the calendar year. The City prepares a biennial budget for a period of two fiscal years, beginning in an odd-numbered year.

## **Full-Time Equivalent (FTE)**

These positions are budgeted ongoing employees. Kirkland budgets its employee positions in terms of the work year of a regular, full-time employee. For example, when the City budgets a position full-time for only six months, that position is 0.5 FTE. Likewise, a half-time position budgeted for a full year is also 0.5 FTE. A full-time position is 1.00 FTE.

## **Fund**

Municipal governments organize and operate their accounting systems on a fund basis. The formal definition of the fund is an independent financial and accounting entity with a self-balancing set of accounts in which cities record financial transactions relating to revenues, expenditures, assets, and liabilities. Each fund must be budgeted independently with revenues equal to expenditures. With the exception of the General Fund, which accounts for general purpose activities and unrestricted revenue sources, each fund has a unique funding source and purpose. By establishing funds, the City can account for the use of restricted revenue sources and carry on specific activities or pursue specific objectives.

## **Fund Balance**

The cumulative difference between expenditures and revenue over the life of a fund. A negative fund balance is usually referred to as a deficit.

## **GAAP (Generally Accepted Accounting Principles)**

Both industry and governments use Generally Accepted Accounting Principles as standards for accounting and reporting financial activity. The Governmental Accounting Standards Board (GASB) currently sets government GAAP. Adherence to GAAP assures that financial reports of all state and local governments - regardless of jurisdictional legal provisions and customs - contain the same type of financial statements and disclosures, for the same categories and types of funds and account groups, based on the same measurement and classification criteria.

## **GASB 34**

Governmental Accounting Standards Board Statement 34 (GASB 34) sets requirements for the content and format of the annual financial report.

## **General Fund**

The General Fund accounts for revenues and expenditures associated with ordinary City operations that are not required to be accounted for in another fund. Individual departments within the General Fund account for expenditures incurred to provide various general-purpose municipal services.

## **General Obligation Bonds**

Bonds for which the City pledges its full faith and credit (the general taxing power) for repayment. Debt Service is paid from property tax revenue levied (in the case of voter-approved bonds) or other general revenue (in the case of Councilmanic bonds).

**Grant**

A transfer of county, state, or federal monies to the City, usually for specific programs or activities.

**Governmental Funds**

Generally used to account for tax-supported (governmental) activities.

**Indirect Cost**

Cost of centrally provided internal services for which there is a citywide benefit that cannot be readily identified to specific departments.

**Infrastructure**

Long-lived capital assets that can be preserved for a significantly greater number of years than most capital assets and are stationary in nature.

**Interfund Transfers**

When the City moves money between its various funds, it makes an interfund transfer.

**Intergovernmental Revenues**

Revenues from other governments in the form of state shared revenue and grants.

**Internal Controls**

Policies and procedures established to provide reasonable assurance that specific government objectives will be achieved.

**Internal Service Fund**

An accounting entity which the City uses to record and report transactions for goods and services provided by one department to other City departments on a cost reimbursement basis. The City currently has four internal service funds, the Equipment Rental Fund, Facilities Maintenance Fund, the Health Benefits Fund and the Information Technology Fund.

**International Fire Code**

Regulations to safeguard life and property from fires and explosion hazards. Categories include general precautions, emergency planning and preparedness, fire department access and water supplies, automatic sprinkler systems, fire alarm systems, special hazards, and the storage and use of hazardous materials.

**LEOFF**

The State of Washington's Law Enforcement Officers and Firefighters Retirement System.

**Levy Rates**

The rate of tax to be imposed on the assessed value of real property for the computation of property tax revenues. (See also Property Tax Levy)

**Licenses and Permits**

Revenue category that includes building permits, business licenses, and any other miscellaneous licenses.

**LID**

In a Local Improvement District the City makes special assessments against certain properties to defray part or all of the cost of a specific improvement or service which it deems will primarily benefit those properties. The assessments can be paid in full or in installments over a set period of time.



**Limited Term Employee (LTE)**

Temporary employees funded for a finite period of time.

**Line-Item Budget**

In its biennial budget, Kirkland estimates revenues and expenditures at the line-item level. The line-item budget contains a great degree of detail since it indicates how the City spends its money and the sources from which it receives revenue. Examples of line items in Kirkland's budget are postage, uniforms and clothing, hourly wages, fuel, etc.

**Maintenance**

The act of keeping capital assets in a state of good repair. It includes preventive maintenance, normal periodic repairs, replacement of parts, structural components and so forth, and other activities needed to maintain the asset so that it continues to provide normal services and achieves its optimum life.

**Modified Accrual Basis**

Kirkland uses this basis of accounting for year-end reporting which is adapted to the governmental fund type spending. The City recognizes revenues when they become both "measurable" and "available" to finance expenditures of the current period (i.e., when it is received). The City recognizes an expenditure, other than accrued interest on general fiscal long-term debt, when it is incurred (i.e., an obligation is made).

**Non-Operating Budget**

The non-operating budget contains non-operating funds which the City uses to finance projects with limited objectives and/or finite life spans. By law, these budgets do not lapse at the end of the biennium, but may be carried forward from year to year until the monies are fully expended or their purposes are accomplished or abandoned. As a matter of practice, Kirkland prepares biennial budgets for all non-operating funds. The non-operating budget accounts primarily for debt, reserves, and capital projects.

**Objective**

A specific measurable achievement that may be accomplished within a specific time frame.

**Operating Budget**

The operating budget provides a plan for current expenditures and the proposed means of financing them. In a broader sense, the biennial operating budget is a statement of what services the municipality will deliver to its community members.

**Operating Revenues**

Funds that the government receives as income to pay for ongoing operations.

**Ordinance**

A formal legislative enactment by the Council or governing body of a governmental entity.

**Performance Indicator**

Specific quantitative and qualitative measures of work performed as an indicator of specific department or program activity or accomplishment.

**Performance Measure**

A measure of how well a particular result is being achieved. Indicators of program performance that are collected to show the impact of resources spent on city services directly tied to program results.

**PERS**

The State of Washington's Public Employees Retirement System for employees other than police and fire personnel.

**Personnel Services**

Expenditures which include salary costs, wages, and benefits, for full-time and part-time hourly employees and overtime expenses.

**Preliminary Budget**

The recommended, but unapproved, biennial budget which the City Manager presents to the City Council and the public.

**Program Budget**

A program is made up of a group of similar services which have a common purpose. A program budget presents planned expenditures for each group of services without regard to the departments involved in performing the services. For example, most services performed by the Police and Fire departments are related to protecting the public and naturally become part of a Public Safety Program along with prosecuting personnel, the municipal court, and other related service activities.

**Property Tax Levy – Regular**

This represents the amount of property tax allowable under State law which the City may levy annually without approval by the City's registered voters. Kirkland uses this tax primarily to support the General Fund and street-related services. The City also has a separately voted Parks Maintenance Levy. State law fixes the maximum levy in dollars per \$1,000 of assessed valuation and the annual rate at which total regular levy property taxes may increase.

**Property Tax Levy – Special (or Excess)**

This represents the amount of property tax which a city government may charge in excess of the "regular levy" upon the approval of this tax by a vote of the people. Cities most commonly use the revenue to pay the annual costs of voter-approved general obligation bonds. State law imposes a maximum limit on the dollar amount of such bonds which a city may have outstanding at any one time.

**Proprietary Fund**

See Enterprise Fund.

**Reserve**

An account which the City uses either to set aside budgeted revenues that it does not need to spend in the current biennium or to earmark revenues for a specific future purpose.

**Resources**

Total dollars available for appropriation, including estimated revenues, interfund transfers, and other financing sources such as beginning resources forward balances.

**Resources Forward**

Each City fund uses this revenue account to record estimated and actual resources available for expenditure in the biennium because of revenues collected in excess of the budget and/or expenditures less than the budget in the prior biennium. Can also be called Beginning Fund Balance.

**Restricted/Unrestricted Revenue**

The City most commonly receives restricted revenue in three ways. First, a person pays a fee to the City and the City will use that money to provide a specific product, service, or capital asset. Second, the receipt of money is directly

tied to an expenditure or is restricted by law. Finally, the City considers revenue restricted when voters or the City Council have designated it for a specific purpose. All other revenues are unrestricted.

### **Revenue**

Sources of income which the City receives during a fiscal year. Examples of revenue include taxes, intergovernmental grants, charges for service, and other financing sources such as the proceeds derived from the sale of capital assets.

### **Revenue Bonds**

City-issued bonds which pledge future revenues, usually water, sewer, garbage, or drainage charges, to cover debt payments in addition to operating costs.

### **Service Package**

Capital equipment, a new service, or a project which City departments add to their 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.)

### **Transcreation**

The process of adapting content from one language to another while preserving the original's intent, tone, and style. It's a combination of the words "translation" and "creation".

### **Unreserved Fund Balance**

The funds remaining after reduction for reserved balances.

### **User Charges**

The amount the government receives for the provision of services and commodities, or the performance of specific services benefiting the person charged. User charges tend to be voluntary in nature, in contrast to mandatory property and income taxes. Community members only pay user charges when a specific service is received.

### **Working Capital**

The capital of an organization which is used in its day-to-day trading operations, calculated as the current assets minus the current liabilities. For Kirkland, working capital consists of excess net operating resources brought forward from the prior year to fund one-time "service packages" and equipment costs and to provide an operating cash flow buffer against seasonal fluctuations in revenues and expenditures.



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# Acronym Guide



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# Acronym Guide

<b>AC</b>	Asbestos/Cement	<b>CBO</b>	Community-Based Organizations
<b>ACA</b>	Affordable Care Act	<b>CCTV</b>	Closed Circuit Television
<b>ACFR</b>	Annual Comprehensive Financial Report	<b>CDBG</b>	Community Development Block Grant
<b>ACP</b>	Asphalt Concrete Pavement	<b>CFP</b>	Capital Facilities Plan
<b>ADA</b>	Americans with Disabilities Act	<b>CIP</b>	Capital Improvement Program
<b>AED</b>	Automated External Defibrillator	<b>CJTC</b>	Criminal Justice Training Center
<b>AFSCME</b>	American Federation of State, County and Municipal Employees	<b>CKC</b>	Cross Kirkland Corridor
<b>AKA</b>	Also Known As	<b>CMAQ</b>	Congestion Mitigation and Air Quality
<b>ALS</b>	Advanced Life Support	<b>CMO</b>	City Manager's Office
<b>AOC</b>	Administrative Office of the Courts	<b>CMOM</b>	Capacity, Management, Operations and Maintenance Program (for sanitary sewer)
<b>APS</b>	Adult Protective Service	<b>COLA</b>	Cost of Living Adjustment
<b>ARC</b>	Aquatics, Recreation and Community Center	<b>COPS</b>	Community Oriented Policing
<b>ARCH</b>	A Regional Coalition of Housing	<b>COVID-19</b>	Coronavirus Disease 2019
<b>ARPA</b>	American Rescue Plan Act of 2021	<b>CPI</b>	Consumer Price Index
<b>ASTC</b>	Annexation Sales Tax Credit	<b>CPR</b>	Cardiopulmonary Resuscitation
<b>ATP</b>	Active Transport Program	<b>CPS</b>	Child Protective Services
<b>AV</b>	Assessed Valuation	<b>CRO</b>	Community Resource Officer
<b>AWC</b>	Association of Washington Cities	<b>CTR</b>	Commute Trip Reduction
<b>BABS</b>	Build America Bonds	<b>CWA</b>	Cascade Water Alliance
<b>BARS</b>	Budgeting, Accounting, and Reporting System	<b>DART(1)</b>	Dial-a-Ride Transportation
<b>BCA</b>	Benefit-Cost Analysis	<b>DART(2)</b>	Domestic Abuse Response Team
<b>BIPOC</b>	Black, Indigenous, and People of Color	<b>DAS</b>	Distributed Antenna System
<b>BLS(1)</b>	Basic Life Support	<b>DEIB</b>	Diversity, Equity, Inclusion, and Belonging
<b>BLS(2)</b>	Bureau of Labor Statistics	<b>DHS</b>	Department of Homeland Security
<b>BNSF</b>	Burlington Northern Santa Fe (Railroad)	<b>DOC</b>	Department of Commerce
<b>BRT</b>	Bus Rapid Transit	<b>DOE</b>	Department of Ecology
<b>CAO(1)</b>	City Attorney's Office	<b>DOL</b>	Department of Licensing
<b>CAO(2)</b>	Critical Areas Ordinance	<b>DOR</b>	Department of Revenue
<b>CBA</b>	Collective Bargaining Agreement	<b>DOT</b>	Department of Transportation
<b>CBD</b>	Central Business District	<b>DPS</b>	Diamond Parking Services
		<b>DRS</b>	Department of Retirement Systems

<b>DSA</b>	Desktop Systems Analyst	<b>GASB</b>	Governmental Accounting Standards Board
<b>DSHS</b>	Department of Social and Health Services	<b>GEMT</b>	Ground Emergency Medical Transportation
<b>DUI</b>	Driving under the Influence	<b>GFOA</b>	Government Finance Officers Association
<b>DVP</b>	Delivery vs. Payment	<b>GHG</b>	Greenhouse Gas
<b>EAP</b>	Employee Assistance Program	<b>GIS</b>	Geographical Information Systems
<b>ECP</b>	Eastside Climate Partnership	<b>GMA</b>	Growth Management Act
<b>EIS</b>	Environmental Impact Statement	<b>GO</b>	General Obligation
<b>EMPG</b>	Emergency Management Performance Grant	<b>HART</b>	Homeless Assistance and Response Team
<b>EMS</b>	Emergency Medical Services	<b>HHS</b>	Health and Human Services
<b>EMT</b>	Emergency Medical Technician	<b>HR</b>	Human Resources
<b>EOC</b>	Emergency Operations Center	<b>HRA</b>	Health Reimbursement Account
<b>EPSCA</b>	Eastside Public Safety Communications Agency	<b>HSA</b>	Health Savings Account
<b>ERR</b>	Equipment Rental and Replacement	<b>HTF</b>	Housing Trust Fund
<b>ERRCS</b>	Emergency Responder Radio Communications System	<b>HUD</b>	Housing and Urban Development
<b>ESE</b>	Energy Smart Eastside	<b>HVAC</b>	Heating, Ventilation and Air Condition
<b>ESP</b>	Emergency Sewer Program	<b>IAFF</b>	International Association of Firefighters
<b>ETP</b>	Eastside Transportation Partnership	<b>ICMA</b>	International City/County Management Association
<b>EV</b>	Electric Vehicle	<b>IFC</b>	International Fire Code
<b>EVT</b>	Emergency Vehicle Technician	<b>ILA</b>	Interlocal Agreement
<b>F&amp;A</b>	Finance and Administration	<b>IPD</b>	Implicit Price Deflator
<b>FD</b>	Fire Department	<b>ISE</b>	Identity Services Engine
<b>FASB</b>	Financial Accounting Standards Board	<b>IT</b>	Information Technology
<b>FEMA</b>	Federal Emergency Management Agency	<b>ITS</b>	Intelligent Transportation System
<b>FHWA</b>	Federal Highway Administration	<b>JOC</b>	Job Order Contracting
<b>FMR</b>	Financial Management Report	<b>KAC</b>	Kirkland Arts Center
<b>FOG</b>	Fats, Oils and Grease	<b>KAN</b>	Kirkland Alliance of Neighborhoods
<b>FSA</b>	Flexible Spending Account	<b>KCPN</b>	King County Promotores Network
<b>FTE</b>	Full Time Equivalent	<b>KDA</b>	Kirkland Downtown Association
<b>FVU</b>	Family Violence Unit	<b>KFD</b>	Kirkland Fire Department
<b>FY</b>	Fiscal Year	<b>KJC</b>	Kirkland Justice Center
<b>FYA</b>	Flashing Yellow Arrows	<b>KMC(1)</b>	Kirkland Municipal Code
<b>GAAP</b>	Generally Accepted Accounting Principles	<b>KMC(2)</b>	Kirkland Municipal Court
		<b>KPC</b>	Kirkland Performance Center
		<b>KPD</b>	Kirkland Police Department



<b>KTUB</b>	Kirkland Teen Union Building	<b>O&amp;M</b>	Operations and Maintenance
<b>LAN</b>	Local Area Network	<b>OLS</b>	Occupational & Life Skills
<b>LEED</b>	Leadership in Energy and Environmental Design	<b>OMWBE</b>	Office of Minority & Women's Business Enterprises
<b>LEOFF</b>	Law Enforcement Officers and Firefighters (retirement system)	<b>OPEB</b>	Other Post-Employment Benefits
<b>LET</b>	Leasehold Excise Tax	<b>ORCA</b>	One Regional Card for All
<b>LF</b>	Linear Feet	<b>OT</b>	Overtime
<b>LGBTQIA+</b>	Lesbian, Gay, Bisexual, Transgender, Queer, Intersex, and Asexual+	<b>PAR</b>	Personnel Accountability Report
<b>LID(1)</b>	Local Improvement District	<b>PC</b>	Personal Computer
<b>LID(2)</b>	Low Impact Development	<b>PB</b>	Planning and Building
<b>LTAC</b>	Lodging Tax Advisory Committee (aka TDC)	<b>PCI</b>	Payment Card Industry
<b>LTE</b>	Limited Term Employee	<b>PCS</b>	Parks and Community Services
<b>LTGO</b>	Limited Tax General Obligation	<b>PDA</b>	Public Disclosure Act
<b>LWIT</b>	Lake Washington Institute of Technology	<b>PDR</b>	Public Disclosure Request
<b>LWSD</b>	Lake Washington School District	<b>PERS</b>	Public Employees Retirement System
<b>MAC</b>	Management and Confidential (Employees)	<b>PKCC</b>	Peter Kirk Community Center
<b>MEBT</b>	Municipal Employees Benefit Trust	<b>PPE</b>	Personal Protective Equipment
<b>MMS</b>	Maintenance Management System	<b>PROS</b>	Parks, Recreation and Open Space (Plan)
<b>MRSC</b>	Municipal Research and Services Center	<b>PRV</b>	Pressure Reducing Valve Vault
<b>MSA</b>	Metropolitan Statistical Area	<b>PSE</b>	Puget Sound Energy
<b>MVFT</b>	Motor Vehicle Fuel Tax	<b>PSERN</b>	Puget Sound Emergency Radio Network
<b>N/A</b>	Not Applicable or Not Available	<b>PSERS</b>	Public Safety Employees Retirement System
<b>NEDC</b>	Northeast District Court	<b>PSRC</b>	Puget Sound Regional Council
<b>NKCC</b>	North Kirkland Community Center	<b>PW</b>	Public Works
<b>NLC</b>	National League of Cities	<b>PWTF</b>	Public Works Trust Fund
<b>NORCOM</b>	North East King County Regional Public Safety Communication Agency	<b>RAADAR</b>	Real-Time Agency Activity Display and Reporting
<b>NPDES</b>	National Pollutant Discharge Elimination System	<b>RADAR</b>	Response, Awareness, De-escalation, and Referral
<b>NRO</b>	Neighborhood Resource Officer	<b>RCR</b>	Regional Crisis Response Agency
<b>NRSRO</b>	Nationally Recognized Statistical Rating Organization	<b>RCW</b>	Revised Code of Washington
<b>NTCP</b>	Neighborhood Traffic Control Program	<b>REET</b>	Real Estate Excise Tax
<b>OEM</b>	Office of Emergency Management	<b>REAP</b>	Racial Equity Action Plan
		<b>RF</b>	Resources Forward
		<b>(R)RFB</b>	(Rectangular) Rapid Flashing Beacon

<b>RGRL</b>	Revenue Generating Regulatory License	<b>WNR</b>	Wants, Needs, Resources
<b>ROW</b>	Right of Way	<b>WSDOT</b>	Washington State Department of Transportation
<b>S&amp;P</b>	Standard and Poor's	<b>WSP</b>	Washington State Patrol
<b>SAN</b>	Storage Area Network	<b>YES</b>	Youth Eastside Services
<b>SAO</b>	State Auditor's Office		
<b>SAP</b>	Station Area Plan		
<b>SCA</b>	Sound Cities Association		
<b>SCADA</b>	Supervisory Control and Data Acquisition		
<b>SCBA</b>	Self-Contained Breathing Apparatus		
<b>SDP</b>	Shoreline Substantial Development Permit		
<b>SEC</b>	Securities and Exchange Commission		
<b>SEPA</b>	State Environmental Policy Act		
<b>SP</b>	Service Package		
<b>SQL</b>	Structured Query Language		
<b>SSP</b>	Sustainability Strategic Plan		
<b>SWAT</b>	Special Weapons and Tactics		
<b>TBD</b>	Transportation Benefit District		
<b>TDC</b>	Tourism Development Committee (aka LTAC)		
<b>TDM</b>	Transportation Demand Management		
<b>TIB</b>	Transportation Improvement Board		
<b>TIP</b>	Transportation Improvement Plan		
<b>TOD</b>	Transit Oriented Development		
<b>TSP</b>	Transportation Strategic Plan		
<b>TUB</b>	Teen Union Building		
<b>UAS</b>	Unmanned Aerial Systems		
<b>UAV</b>	Unmanned Aerial Vehicle		
<b>ULI</b>	Urban Land Institute		
<b>UTGO</b>	Unlimited Tax General Obligation		
<b>WAC</b>	Washington Administrative Code		
<b>WAN</b>	Wide Area Network		
<b>WCIA</b>	Washington Cities Insurance Authority		
<b>WFOA</b>	Washington Finance Officers Association		
<b>WISHA</b>	Washington Industrial Safety and Health Act		

