



2013-2014 Biennial Budget

KENMORE

WASHINGTON



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City of Kenmore, Washington

2013 – 2014 Adopted Budget

David Baker, Mayor
Bob Hensel, Deputy Mayor
Milton Curtis, Councilmember
Glenn Rogers, Councilmember
Brent Smith, Councilmember
Laurie Sperry, Councilmember
Allan Van Ness Councilmember

Rob Karlinsey, City Manager
Joanne M. Gregory, CPA, Finance Director

For the Period January 1, 2013 – December 31, 2014

Copies of the 2013-2014 Adopted Budget are available for viewing on the City's website www.kenmorewa.gov, at City Hall, and the Kenmore Library

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2013-2014 Adopted Budget
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City of Kenmore, Washington

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City of Kenmore, Washington

Reader's Guide to the Budget

The City of Kenmore is required by State law to adopt a balanced budget each year. Understanding a governmental budget and its specialized terminology and organization can be a challenge. This Readers' Guide is being provided to highlight the kinds of information contained in this document and to make the City's budget more understandable and useable for the reader.

Organization of the Budget Document:

This budget document contains legally required budget information, description background information and various graphs and tables that will be helpful to the readers' understanding. It is organized into eight major sections to help the reader more easily find information about the city and its budget. These sections are which follow after the Table of Contents are: Introduction, City Profile, Budget Guide, Executive Summary, Operating Budget, Other Funds' Budgets, Capital Program, and Appendix.

Introduction:

This section introduces the reader to the contents of the budget document along with the transmittal letter prepared by the City Manager which provides an overview of the process and policies that guided the preparation of the current City budget. It includes the following:

- Reader's Guide to the Budget
- The City Manager's Budget Message

City Profile:

This section tells the reader more about the City of Kenmore, the organization of the City, and the goals, and work plans that accomplish the work of the City. It includes an organizational chart, the City's Vision, Mission Statement and Goals, work plans, a profile of the City and maps.

Budget Guide:

This section provides information about how the budget is developed and describes the City's financial policies.

It includes the steps in the budget preparation process, policies, accounting and budgeting information and details about debt.

Executive Summary:

This section provides a broad review of revenues and expenditures for all of the City's funds in a variety of tables and graphs to help the reader further understand the budget as a whole. It includes information about personnel, assumptions used in the development of the revenues and expenditures, and summary information and charts showing city wide sources and uses of funds and cash.

Operating Budget:

In this section summary information about the General Fund budget is presented. The General Fund budget is the operating budget of the City.

It includes summary information and charts showing sources and uses of funds and the individual department, or cost center, budgets.

City of Kenmore, Washington

Reader's Guide to the Budget

Other Funds' Budgets:

Information about the budgets for the other funds of the City is included here and describes the purpose of each fund, prior achievements, 2013-2014 objectives, budget highlights, and detail revenue and expenditure budgets.

Capital Program:

This section describes the proposed six year plan for capital improvements within the City and includes a description of the Capital Improvement Program, summary tables of park, transportation, surface water and facility and equipment capital improvements, and descriptions of the projects included in the program currently under consideration.

Appendix:

This section provides a supplementary reference for the reader and includes:

- Ordinance Adopting the Biennial Budget
- Employee Position Classification and Monthly Salary Schedule
- Resolution Adopting the Transportation Benefit District Budget
- 2013 Fee Resolution and Schedule
- The Investment Policy
- Glossary and Acronyms



City Of Kenmore, Washington

March 25, 2013

Honorable Members of the City Council
City of Kenmore
18120 68th Avenue NE
Kenmore, WA 98028

Honorable Mayor and City Council:

It is my pleasure to present the adopted 2013-2014 Biennial Budget for the City of Kenmore. This budget is a result of tireless leadership and direction from you as Kenmore's governing body, the enthusiasm and hard work of my coworkers, and the involvement and support of our community.

This adopted budget contains many meaningful goals and objectives, as driven and guided by you, the City Council, that will maintain and improve quality of life for our citizens and make significant progress toward establishing Kenmore as an economic engine for the region.

Despite several years of declining General Fund revenues, the City has maintained the discipline to hold the line on expenditures and keep the City in a strong financial position. However, the continued accumulation of difficult economic conditions, including lackluster revenues and rising fixed costs, have made balancing this budget challenging.

As a result, maintaining existing services and achieving Council goals, including investing more resources in economic development and infrastructure, have required direction from you on several key policy issues. These policy issues include, among others, Transportation Benefit District funding and water and sewer franchise fees.

This budget letter is divided into three main sections: 1) highlights of this last biennium, 2) goals, highlights and changes for the next biennium, 2013-2014, and 3) a discussion on the budget picture in terms of revenues, expenditures, and fund balances.

2011-2012 Highlights

Although I am relatively new to the City, I am impressed with the City's accomplishments these last two years. Many meaningful projects and goals have been completed. Below are a few of the City's accomplishments in the preceding biennium, 2011-2012:

LEED® Gold Certification for Kenmore City Hall

Congressman Jay Inslee presented the Leadership in Energy and Environmental Design (LEED) Gold Certification to the City in 2011. City Hall and Bastyr University's Student Village (LEED Platinum) are the first LEED Certified projects in Kenmore and both projects were completed in 2010. The US Green Building Council established the standards for evaluation and certification of projects for LEED status. The Kenmore City Council established LEED Certification as a goal in designing the Kenmore City Hall, as a model for future downtown development and a reflection of the community's environmental values.

Economic Development Initiatives

Progress continued, as allowed by budget, in implementing the 2009 Economic Development Strategy. Streamlining the City's permit process is a major accomplishment (see below). The City hosted Business Open Houses and free seminars on business planning for local businesses and entrepreneurs. The City's partnership with Bastyr University has set the foundation for future development and success for this important institution. The City Council approved a pilot incubator project in late 2012. On the marketing front, key messages have been identified that will be the theme for a durable and effective marketing effort. Distinctive street signage and banners also enhance the City's image (see below).

Kenmore Village

The 2012 agreement with Kenmore Camera to purchase one of the Kenmore Village parcels was a win for the community and local businesses. (At the time of this writing, the purchase and sale agreement is still within the feasibility period.) This agreement is an example of helping a local Kenmore business expand and stay in our City. Getting the remaining Kenmore Village parcels ready to take to market was also a significant project in 2012. Confirming the original goals, holding many community meetings, developing a position statement, and determining what specific actions to take and how to take the property market are all milestones completed in 2012.

Shoreline Master Program Adoption

Periodic update of the Shoreline Master Program (SMP) is a mandate in State legislation. Community Development Department staff worked extensively with the Department of Ecology in 2011 during their public process (following City ordinance adoption 2010) and in negotiating required and suggested changes. Council adopted SMP Ordinance 12-0334 on February 13, 2012. The SMP was appealed (i.e., a petition was filed) on 6/4/12 to the Growth Management Hearings Board. The City and Department of Ecology prevailed in the appeal in February 2013.

Development Code Streamlining

Amendments to development regulations (Chapters 17 to 20 of the Municipal Code) to streamline processes, eliminate redundancies, add new clarifying regulations and create a consistent format was a Community Development Department objective for 2011. In July of 2011, the City Council adopted Ordinance 11-0329, which eliminated over 100 pages of code. In addition, several old, pre-cityhood P-Suffix development conditions were incorporated or eliminated.

Permit Process Streamlining

The permitting process was streamlined by providing predictable and precise information to designers, developers and builders from the start and throughout the project. As an example, the Development Services Department implemented development review team meetings that occur at pivotal points in the process. The Department also established a single point of contact for the customer all through the project. Providing effective communication early and continually throughout the project improves the experience for the customer by reduces the overall time needed for the permit to be issued.

Capital Projects Completed

Most of the work for the 61st Avenue/NE 181st Street stormwater box culvert and the street signal project at the same intersection was completed in 2012. The 90th Place staircase was replaced and the NE 145th Street Traffic Signal installation was completed the summer of 2012. The 61st Slide Repair Project was completed and the SR 522 Phase I - NE 181st Street Sidewalk Improvements were completed in partnership with the King County Library System.

Capital Grants Awarded

The 522 Corridor Improvement Project has been successful in acquiring funding over the past two years. The City was awarded \$650,000 towards the signal installation at NE 181st Street and 61st Avenue NE. The City has also received \$2.5 million for right of way acquisition of the 522 West Segment and a \$1.1 million earmark for signal improvements at Highway 522/61st Avenue NE. The City has received a federal \$250,000 Highway Safety Improvement Program Grant for traffic signal upgrades and this work will take place in 2013. Over \$600,000 was awarded at the end of 2012 for the overlay of Juanita Avenue.

SR 520 Bridge Toll Impact

In 2011 and 2012, City conducted before-and-after traffic counts to measure the SR 520 bridge toll impact on Kenmore's roads. This important data, which does show an increase in traffic, will serve us well as we approach the State for SR 520 mitigation funding.

SR 520 Bridge Component Construction Site at LakePointe

In 2011, the City, in coordination with other permitting agencies, approved the permit for SR 520 component construction activity on the LakePointe site. The City continues to work with the contractor, the State, and other agencies to facilitate permit compliance and minimize negative impacts on local water-dependent businesses.

Sediment Sampling

Significant City resources have been invested this year (2012) in working with Departments of Ecology and Health to fund and develop an appropriate sediment sampling analysis plan (SSAP) that will answer questions about the environmental quality of the underwater sediments at Log Boom Park, the Kenmore Navigation Channel, and other locations at the north end of our Lake Washington Shoreline. We expect results of the testing to be available before the end of this year (2012). The results of the testing will help determine what further actions may need to be taken.

Annual Overlay Program

The City completed major road rehabilitation on several streets during 2011-2012, including the 181st Street overlay.

Transportation Benefit District Formation

The City formed a new Transportations Benefit District (TBD) in April of 2012. The District is contiguous to the City's boundaries and provides a funding mechanism for the City's transportation needs. The TBD held its first meeting on July 23, 2012 and will hold its second meeting on October 22, 2012. The first meeting was utilized to adopt "housekeeping" items such as officers, interlocal agreement approval, record keeping requirements, etc. The second meeting will discuss funding options to pursue, namely the vehicle fee and tolling of the 68th Avenue Sammamish River Bridges.

Wayfinding Plan and Banner Installation

In 2011 the City created a "wayfinding" (signage) plan, including an innovative design that is both pleasing to the eye and reflective of our community's history and assets. The first major phase of this plan was completed this last summer of 2012 when the beautiful banners were installed on light poles throughout our downtown.

Surface Water Program

In 2011, the City saved money by moving inspection of surface water facilities from King County to in-house (now performed by a City employee). The City also implemented new State permit requirements for improving storm water and surface water quality.

Police Contract Review

In 2011 the City hired a firm to assess the City's police contract with the King County Sheriff and evaluate potential alternatives for service delivery and efficiencies. The study confirmed the high quality services the City is receiving from the King County Sheriff and made recommendations to further improve the delivery of services.

Shared Police Services & Police Department Move to City Hall

At the recommendation of the King County Sheriff, in 2011 the City of Kenmore and the City of Shoreline agreed to a shared command structure that saves significant dollars for both cities. Moving the City's police department offices in 2011 has also resulted in a police contract savings to the City.

Social Media Policy & Facebook

We're connected! City staff implemented a social media policy to allow for greater public outreach using Facebook and additional social media tools.

Web Page Improvements

City staff continues to evaluate the effectiveness of the City's website. To help with the functionality of the website, dropdown menus and friendly URLs were added. In fall 2012, City staff gathered internal and external feedback about the City's website through meetings and surveys. Feedback gathered was used to develop a website improvement strategy with plans to implement in 2013.

Paperless Packets

In keeping with 2012-2013 City Council goal, “Establish a contemporary information technology program,” the Council expressed an interest in exploring the possibility of transitioning from binders and paper Council agendas to a paperless process. It was determined that the cost of transitioning Council and staff to a paperless format would be slightly less than the cost of the production of paper packets for one year. A savings of more than \$23,000 was projected over the first 3 years. The transition to paperless packets was accomplished as of August 30, 2012. This transition has provided a reallocation of staff time to work on other projects and supports the City’s emphasis on sustainability by reducing paper usage.

Volunteerism

The City launched its first official volunteer program and policy. Volunteers greatly enhance the City's ability to keep Kenmore's streets and park system clean, beautiful and safe. The program includes Adopt-A-Street, Adopt-A-Park, Park Steward, individual, and group volunteer opportunities.

Employee Compensation Study

An employee compensation and classification study, initiated in 2011, was concluded in July, 2012 with the adoption of a new salary schedule and ordinance. All job descriptions were updated and re-written, several positions were re-titled, and salary ranges were adjusted to be more reflective of the local labor market. In addition a payment of 2% of annual salary was awarded to employees.

Six-Year Financial Forecast

As directed in City Council Goal 11, the Finance & Administration Department has been developing a six-year financial forecast model. This model, with ten year historical data, 2012 actuals, and the 2013-2014 budget added to the forecast, will give us a longer-term perspective on the sustainability of the City’s current funding and levels of service.

Annual Audit

The 2010 annual audit, including the federal expenditures “single” audit, resulted in a clean, unqualified opinion, with no findings.

Distinguished Budget Award

For the ninth consecutive year, the City received the Distinguished Budget Presentation Award from the Government Finance Officers Association of the United States and Canada (GFOA) for its 2011-2012 Biennial Budget.

City Engineer Recruitment

Upon (and even before) my arrival as Kenmore’s city manager in the spring of 2012, one of my first major tasks was to recruit for a new city engineer to replace Ron Loewen who just retired. Millions of dollars ride on this selection decision, in terms of ability to go after grants as well as control costs on capital projects. After a thorough search, I am pleased that the right person for the job, Kris Overleese, came to us from our neighbor, the City of Shoreline.

The items listed above are only the tip of the iceberg of what the City accomplished this last biennium. The daily operations of the City, including issuing building permits, repairing signs, inspecting and maintaining storm drain systems, mowing parks lawns and parking strips, responding to 9-1-1 calls, and patrolling our City are more examples of the many hours of hard work our employees and contract partners give to our City.

2013-2014 Major Goals, Highlights, and Changes

With 2011-2012 accomplishments as a backdrop, let us now turn our attention to the 2013-2014 Biennium. Although balancing this two-year budget has not been without its challenges, the work program laid out in this budget document is significant. The 2013-2014 Biennial Budget gives us the resources to execute and complete many meaningful goals and programs.

This budget is goal and priority driven. The City Council, as the elected representatives of the citizens, has adopted a set of major goals. These goals are as follows:

2012-2013 City Council Goals

1. Recruit, hire, and transition to a new City Manager.
2. Implement the Economic Development Plan to include metrics to gauge progress.
3. Seek funds to move forward on the SR 522 Project.
4. Establish a contemporary Information Technology Program.
5. Pursue Downtown Development.
6. Implement a Parks Improvement and Financial Plan.
7. Establish a 20- to 30-year Sidewalk Plan.
8. Move the City Council's interconnectivity vision forward toward implementation (parks, trails, open space, institutions, and shuttle bus).
9. Increase the use and participation of community volunteers in the operation of the City.
10. Address watershed issues affecting the City.
11. Establish a Six-Year Financial Plan.
12. Continue to seek opportunities to complete a successful LakePointe Development.

Using the City Council's goals as our guide, the following budget discussion focuses on major goals, highlights, and changes for the upcoming biennium:

Economic Development

It is Kenmore's time. The alignment and timing of recent regional developments, combined with our strategic location and fundamental assets, position our City to be a destination unto itself and an economic hub for North King County and the Eastside. How we market ourselves and tell our story, what economic development programs we put in place, how we run our organization, and what infrastructure goes in are all vital to capturing this great opportunity to shine as a prosperous destination for living, working, and recreating.

We will continue to use Kenmore's Economic Development Strategy as an excellent guide and road map. The four goals of this Strategy are:

- I. Promote Kenmore's Image
- II. Support Existing Businesses and Expand Employment
- III. Create a Multi-Use, Vibrant, and Walkable Downtown
- IV. Advance the Community's Connection to the Waterfront

Using and expanding upon the Strategy's Key Performance Indicators (see page 22 of the Strategy), we will work with you to set specific economic development goals for our City, including a target number of new family-wage jobs in the next 5-10 years and also a target number of new private sector dollars invested in our commercial areas, in millions, over the next five and ten years.

More than anything, the City can advance Economic Development simply by *doing what we do best*, which is:

- Building public infrastructure (roads, parks, and utilities);
- Providing high quality basic municipal services (public safety, planning & permitting, parks, road maintenance, etc.); and
- Keeping the City's financial house in order.

I believe the City has been excelling in each of these three areas, and this adopted budget continues to keep these fundamental City services funded appropriately and without reduction.

That said, there are additional, significant economic development opportunities and tools we can include in our overall strategy. While most everything we do can arguably fall under the category of economic development, we are proposing some exciting new endeavors as well as continuing and expanding upon current efforts. In fact, the resources allocated for economic development in this next biennium are significantly higher than in 2011-2012. Looking at the economic development line item in the City's 2011-2012 published budget book, \$24,800 was budgeted compared to the \$214,900 included for the same line item in 2013-2014. (Note that not all economic development efforts fall under the economic development line item.)

The following several pages discuss key economic development strategies and actions we will execute in the 2013-2014 biennium.

The Waterfront

As described in Goal IV of Kenmore's Economic Development Strategy, a key component of a prosperous Kenmore is how we turn toward the Lake and leverage this powerful asset. Our waterfront on beautiful Lake Washington is a precious resource that few cities have. Kenmore can become a waterfront destination in its own right; not just a place to launch or store your boat—a place where boaters and visitors intentionally go to tour and have fun. And a well-planned and functioning waterfront can be a reason to attract workers—businesses can be in proximity to the water where professionals will want to spend their careers.

We already have some of the key pieces in place to help make this happen, including many feet of publicly-owned waterfront, the Sammamish River connection to Marymoor Park/Lake Sammamish; a navigation channel, a seaplane airport, a public pier (that needs to be lowered and retrofitted to be more user-friendly), a boat launch, two marinas, and a marine fuel dock.

But we need to make the connection between these assets and package them accordingly. We also need to add more assets to our waterfront, including more City-owned, publicly accessible shoreline and public amenities near the shoreline. There is so much more we can do to turn our City toward the water, and we need to stay vigilant in searching for opportunities to do so.

This 2013-2014 budget allocates funding to three new projects will bring us closer to our waterfront connection goal:

- Hand-powered watercraft ramp and float on the east side of the 68th Avenue bridge on the south side of the Sammamish River.
- A new seasonal float and ramp to be attached to Log Boom Park Pier (which is currently too high off of the water) which will allow small boats access to the park. This seasonal float will also be a launching point for a kayak/canoe/paddle board concession.
- Widening of the Washington State Department of Fish & Wildlife (WDFW) boat launch and upgrading the parking lot and landscaping, as well as providing new restrooms with flush toilets and electrical power. Construction on this project is expected to begin in late fall of 2013 and be complete in spring of 2014. The City is a financial partner on this project.

In addition to the above three projects, this budget allocates waterfront planning resources in the form of the Parks, Recreation, and Open Space (PROS) Plan update. Waterfront park and recreational opportunities will be a major part of the PROS Plan rewrite. This budget also allocates significant staff resources to the Regional Business Zone project, which will also play a significant role in how we improve our waterfront assets and opportunities. Both the PROS Plan update and the Regional Business Zone project are discussed later in this letter.

LakePointe

Speaking of our waterfront, the LakePointe property should be the largest part of our waterfront connection strategy and is arguably the last undeveloped site of its size and kind on Lake Washington. Now is the time to be working quickly and assertively to help get this property ready for quality development. We cannot wait for the economy to turn around and then start talking about how to get the project moving. The completion of the SR520 Bridge Project is a short 2-3 years away, and we should work with the owner now to get something going on that site.

We also believe that a publicly accessible waterfront on the LakePointe property needs to be part of the project. A publicly-owned, hand-powered watercraft center next to a City park on the site is an example of what could happen there. But nothing comes for free, and the City would need to make an investment and provide incentives to both realize a quality private development and produce public waterfront access at LakePointe.

I have assembled an internal LakePointe Team to formulate a strategy for realizing a developed LakePointe. This strategy will include one major goal: Major construction phases of LakePointe completed or well underway in ten years or less—by 2023.

Kenmore Village

Now is an exciting time for Kenmore Village and our downtown. Since the City hit the “reset button” on the Kenmore Village property near the beginning of this year, I have been energized with the public process in helping us get ready to take the property to market. Affirming the original goals for the property; developing a Position Statement; determining specific actions to complete prior to taking the property to market; seeking out community input and ideas; and getting feedback from the business community have all proven very valuable throughout this process. As we execute the mechanism to take the properties to market, I am very confident that all of the community meetings and public input will produce a better product that meets the needs of Kenmore.

Our goal is to have the Kenmore Village property under contract via a purchase and sale agreement with a private investor by the end of April 2013. Whether the two properties (shopping center and former park and ride) sell separately or together, the properties should still stay linked and coordinated.

As we take the properties to market, we need to make sure we do so in a way that achieves the project goals that were affirmed in 2012. Kenmore Village can and should be a project that raises the bar and acts as a catalyst for the rest of our downtown. Ensuring a great public space in the form of a town green or town square is also important in ensuring a high quality, catalytic Kenmore Village project.

Marketing and Public Relations

I am a firm believer in getting the word out about what we do, promoting our City, and improving our image. Our City team accomplishes a lot of great things for our citizens, and many of those accomplishments fly under the radar. I believe it is important to let our citizens and businesses know the value they are receiving for their tax dollars.

In addition, we have a wealth of information that can be helpful to citizens in their daily lives. City events and other civic activities in our community also need to be promoted. To this end, we will be stepping up our public relations and marketing efforts, including more frequent electronic newsletters, promoting and growing our email distribution lists through Constant Contact, adding Twitter and You Tube to our social media toolbox, writing columns and articles for our local newspaper, and more.

A main pillar of our marketing and public relations will be our key message strategy. We have been working with Frause, a strategic communications firm, to help us form and crystallize key messages for our print, online, and other forms of communication. These messages will be vital in helping us tell our story, improve our image, and get the word out about our great City.

In addition, in 2013 we will also produce a short (approximately 3 minutes) video to promote the City. This video will be streamed on our web site and via You Tube. We will also run the video in our lobby and provide copies to prospective businesses.

Web Site

More than ever, prospective employers and customers go to a City's web site before they ever call or visit the organization. A city with a mediocre web site can get passed over by a prospective employer and never even know it.

At your urging, we will take our web site to the next level. In this budget, the City will invest in its web site to make it even more robust and useful to our citizens and businesses. Populating our web site with useful and easy-to-find statistical information for the business community and residents, reorganizing and reducing the number of layers for more user-friendly, intuitive navigation, and adding interactive features are among the web page improvements we expect to complete in 2013. Significant staff time will be allocated to this project. This budget currently allocates \$50,000 in design services for the web page.

Cluster Formation

Kenmore is very fortunate to be the home of Bastyr University, one of the nation's top universities for natural health. We see great potential in Bastyr and Kenmore becoming known as a regional and international center for natural health education and research. In this upcoming biennium, we will continue to work closely as a partner with Bastyr to grow this natural health phenomenon into a robust economic cluster right here in Kenmore. To that end, we will focus on the following:

- Cluster Development. This budget allocates resources for professional assistance in growing the Natural Health cluster as well as reaching out and marketing ourselves to the natural health industry.
- Innovation Partnership Zone. We will also allocate funding and staff resources to making formal application as an Innovation Partnership Zone (IPZ) for our Natural Health Industry Cluster. This important State designation would put us on the map as a Natural Health Industry Cluster—it not only gets the State's attention but investor and industry attention. Furthermore, IPZ designation opens the door for grant and investor funding, including potential business incubator and infrastructure funding.
- Business Incubator. As explained in more detail in a later section of this letter, we are in the beginning stages of a business incubator program here Kenmore. We will continue to work as a joint partner with Bastyr to sponsor Natural Health and other startups to be included in our business incubator program.
- Bastyr Presence in Downtown Kenmore. We have been talking to our Bastyr University partners about having a presence in or around Kenmore Village. A BU bookstore, for

example, would be a great addition to our downtown and create a synergistic connection between our downtown and the Bastyr campus.

In addition to the Natural Health Industry Cluster, I believe there is great potential for at least one more cluster, or “hub,” if you will, in Kenmore. Given our strategic location on the Lake and our position on the SR 522 corridor connection to Seattle and the Eastside, Kenmore can become known as a *technology* hub. We are already reaching out to the technology industry to entice them to Kenmore. In the 2013-2014 Biennium, we will continue to allocate time and resources to get the word out about Kenmore as the next Technology Center in the Puget Sound region.

Economic Gardening

The philosophy of “Economic Gardening” has gained a lot of traction in the economic development world. Cities like Littleton, Colorado have led the way in preparing and “fertilizing” the local economic soil for existing and prospective businesses rather than the more traditional practice of “hunting” for the “big game” companies. There are three main components to Economic Gardening:

1. Infrastructure
2. Connectivity and Networking
3. Market Research & Business Assistance

Infrastructure. The City and its special purpose districts have done a great job in regard to the first component, infrastructure, and we need to continue to do so. As described later in this letter and throughout the budget, you will see where we include additional infrastructure investments.

Connectivity and Networking. As for the second Economic Gardening component, connectivity and networking, this budget allocates resources toward more events and communication tools for businesses, including a City-produced business newsletter and business directory. The ability to do so will depend on whether we have an adopted business registration program in place. We will be recommending adoption and implementation of a business registration in the first half of 2013.

More City-sponsored business networking events are scheduled for the upcoming biennium:

- Business Open Houses: Two per year—one in the Spring and one in the Fall of each year.
- Business Education Workshops: Two per year—also in the Spring and Fall of 2013 and 2014.

In addition, we are looking into executing a promotional event in 2013 or 2014, modeled after the successful Destination Covington event featured in this year’s Association of Washington Cities Municipal Achievement Awards. The target audience will be real estate firms and the development community. The date for this event will depend on 1) its size and scope (still to be determined), and 2) when we think our City will be ready for it—how far along we are with Kenmore Village, our messaging strategy, web site update, and other programs and initiatives that will make us shine for this event.

A critical piece to business connectivity and networking is how organized our businesses are. We are aggressively encouraging and helping our Kenmore businesses to be more organized as a cohesive unit, either through a new subgroup of the Greater Bothell Area Chamber of Commerce or as a new Kenmore Business Association. It is in all of our best interests to have an organized business association for the following reasons:

1. Synergy. As our local businesses associate with each other more, they can help one another. They can do business with each other, partner on promotions and advertising, and learn from each other on how to run their businesses.
2. Two-way Communication Conduit. I am currently lacking a good conduit for getting the City's message and information out to our businesses. A Kenmore business association would help us do so, and it would also help our businesses speak as a unified voice in communicating with the City.
3. Events. The more events that bring people and money to our commercial areas, the better. Business associations are good at putting on fun-filled events that bring visitors to their businesses. Festivals, art walks, scavenger hunts, farmers' markets, and other events go a long way to bring identity and activity to our commercial areas. The City can only put on a limited number of events—businesses can pick up where the City leaves off.

For the 2013-2014 biennium, we will continue to provide assistance and encouragement toward a more organized association of Kenmore businesses.

Market Research and Business Assistance. I have asked our Community Development Department to take on a new project which will create a new facet of this third component of Economic Gardening in 2013. While we have already been providing some business assistance through our membership in Enterprise Seattle and our own efforts, we plan to take this third component of Economic Gardening to a new level by developing and improving access to web-based, user-friendly information to support and foster growth of existing and entrepreneurial businesses. Improving access to competitive information on markets, customers and competitors is an effective way to help our local and prospective businesses.

Data services from the Puget Sound Regional Council and other agencies will be used in this effort. Such information will likely include demographic data, geographic information, market analysis, land and building inventories, land use summaries and other data to assist business development. Staff will also be available to conduct or facilitate more tailored research for specific businesses upon request.

Business Incubator

A business incubator program can be considered a part of Economic Gardening, but I have chosen to call it out separately in this letter. The City has already begun the groundwork for a pilot business incubator program. We have already been negotiating an office space lease and have been in communication with high tech startup companies that would like to get their start in Kenmore.

Our short-term plan is to secure interim office space for the next two to three years. In the meantime, we will work to establish a permanent incubator space in the heart of our downtown. We will seek grants and investors to construct a quality, technology-oriented space that will be attractive for new businesses to come to Kenmore and get their start. We will also work in partnership with Bastyr University to develop the natural health industry portion of the incubator.

In developing our incubator program, the emphasis should be on primary industry—startups that bring in money and jobs to our community and export products and services. The business incubator program should also focus on 1) growing our natural health industry cluster, and 2) high tech and clean technology companies.

It is also important to note that business incubators are not just about providing affordable space with low overhead. A business incubator, by definition, includes business development and mentoring for these fledgling businesses. Our new incubator program will also include these services.

The 2013-2014 budget allocates significant resources, both in staff time and funding, to the further development of a business incubator program.

Business Recruitment

While Economic Gardening is now more widely accepted as an effective economic development strategy, there is still a place for some “Economic Hunting” for Kenmore, although probably not in the sense of landing the world headquarters of a large company. Instead, we will continue to seek after companies that will add to our cluster growth (see discussion above).

We should also seek out new businesses that will complement our local businesses and add to our downtown, including a new hotel. A large portion of Kenmore Air customers need nearby overnight accommodations before or after they fly on Kenmore Air. In addition, Bastyr University also adds to the demand for overnight accommodations thanks to visiting faculty, parents, prospective students, and other Bastyr visitors. We will seek to help fill the need for in-town lodging by approaching and recruiting a quality hotel chain.

Continued Streamlining of Permit Processes and Development Codes

In recent years, our Development Services and Community Development Departments have done an outstanding job in making our development codes and our permit processes more streamlined and customer friendly. Development regulations have been condensed and made easier to understand.

Permit processes have been improved when it comes to forms to fill out and steps for applicants to follow. I am also pleased with our planning and building employees’ positive, can-do philosophy in helping our permit counter customers. Our staff is very effective in helping permit applicants get from point A to point B while still achieving the intent of our codes.

Permit activity is starting to increase with economic conditions beginning to improve, and we need to continue to be proactive in improving our codes and processes. More of the City's code sections, a few of which are still leftovers from King County, still need to be condensed or simplified. Our Development Services Department will continue to take the lead on this ongoing project.

In addition, this budget allocates funding for two major information technology components that will go a long way toward improving efficiency and customer service:

1. Permitting Software
2. Electronic Plan Submittals

The permitting software will save staff time, track and report information better, and will have a web-based component that will allow permit applicants to view the status of their permits from a remote location or at a kiosk in the lobby of City Hall.

The electronic plan submittal project will allow for applicants to submit their plans with no paper, saving both money and impact to the environment. Part of this project will include the purchase of larger computer monitors for Development Services staff to view the electronic plan sheets.

Regional Business Zone and Transit-Oriented Development

Our upcoming work on the Regional Business Zone (RBZ) cannot be understated in the context of our economic development efforts. This project is not just about cleaning up "p-suffix" conditions lingering from the unincorporated King County era. The Regional Business Zone project will set the vision and standards for the downtown areas with the most significant opportunities for new investment and job growth—the RBZ is arguably our most strategic and important zone for economic development, given its potential and location (waterfront, SR522, and Burke-Gilman Trail).

The Transit-Oriented Development (TOD) work completed in 2010 by an outstanding task force of citizens and City staff will be wrapped into the RBZ project. This prior TOD work is extremely valuable and will give us essential context and a head start on the RBZ project.

The RBZ/TOD project is probably in the top three most significant projects in the Community Development Department's work plan for the Biennium. This project will also set the stage for the State-mandated 2015 Comprehensive Plan update process.

To summarize our economic development prospects, we have a bright future ahead of us. The City's current Economic Development Strategy, financial position, excellent staff, visionary and supportive City Council, engaged community, natural resources, existing businesses, and our strategic location position us well for economic success. We are excited to move the Economic Development Strategy forward in this next biennium, and we all have the ideas, leadership, and energy to do so.

Events, Volunteers, and Community Outreach

18120 68th Ave NE · PO Box 82607 · Kenmore, WA 98028

Events and Volunteers

We have another fun-filled biennium of City-sponsored events, including the summer concert series, fireworks show, Dog-O-Ween, Christmas Tree Lighting, and more. There are several more activities and resources we are adding to our events program:

Remembering the Slough Races Event. The City will be in a support role as a local citizen takes the lead on putting together an inaugural event that celebrates our boat racing heritage on the Sammamish River.

Kayak and Standup Paddle Board Rental Concession at Log Boom Park. We have been talking to potential vendors about locating a hand-powered watercraft concession at Log Boom Park, similar to the concession currently located upstream at Bothell Landing. One of the ingredients to make this work is the addition of a seasonal (or permanent) float dock (describe earlier in this letter) next to the Log Boom Park Pier (the current pier is too high off of the water and needs an access point closer to the surface of the water). If we can get the needed approvals and float installed, we would like to see a hand-powered watercraft rental concession operational in May of 2013.

Part-Time Volunteer and Events Coordinator Position. As discussed earlier in this letter under Economic Development, we will step up our marketing and public relations efforts. The City Council has also directed that we “increase the use and participation of community volunteers in the operation of the City” (Council Goal 9). To accomplish all of the above (increased marketing, events, and volunteerism), this budget includes a new resource in the form of a part-time, 22-hour-per-week Volunteer and Events Coordinator. Given our flat revenue picture and uncertain long range financial picture, I plan on this position sunsetting at the end of 2014. If our budget picture remains stable and improves, we may consider keeping the position beyond 2014.

This part-time Volunteer and Events Coordinator position will free up our Management Analyst to step up our marketing and PR efforts. The part-time Volunteer and Events Coordinator will run the City’s events and volunteer program. On the volunteer front, this position will work to recruit unpaid volunteer coordinators as well as “champions” of specific parks. This position will also work with our Engineering staff to help organize environmental restoration volunteers and groups, including the creation of Kenmore’s own “EnviroCorps,” “Stream Team,” or other similar group (see Environmental Sustainability section later in this letter).

Community Outreach

We will continue to employ our communications tools to the community, including our web page (see discussion under Economic Development), electronic newsletters, and quarterly hard-copy newsletter.

Citizen Survey. This budget includes a random, scientific citizen survey in the first half of 2013. In particular, I have had experience with the National Citizen Survey (NCS), which is a joint

effort of the National Research Center and the International City/County Management Association.

As stated on the ICMA website, “the first and last measure of good government is citizen satisfaction.” The NCS is a random, scientific survey that asks well-proven questions across the full spectrum of municipal services. Even better, these same exact questions are asked in cities across the state and the country, so we can compare and benchmark ourselves to other cities. The benchmark comparisons can be as sophisticated as we want them to be.

By what we learn from the survey, we can better understand what we do well and where we need to improve. If we conduct the survey every other year, we can also gauge how we improve over time.

The NCS also allows us to add some of our own unique questions in addition to the standard survey questions. To learn more about the NCS, go to the following web sites:

- <http://www.n-r-c.com/services/nationalcitizensurvey.html>
- http://icma.org/en/results/home/surveying/national_citizen_survey

Transportation Improvements

Highway 522

In keeping with Council Goal 3, “Seek Funds and Move Forward on the SR 522 Project,” 2013 will be another year where we will see progress on the Highway 522 Improvement Project. The NEPA update nears completion for this segment and then the right-of-way acquisition process will begin. Staff has requested that WSDOT provide more timing flexibility to obligate the \$1.1 million for the 522/61st Avenue signal work as we will be pinched for time completing right-of-way acquisition for the signal work.

Aggressively seeking additional funding for SR 522 is the top priority for the Engineering Department, and our Engineering staff has done a great job in applying for and obtaining grants, including recent Transportation Improvement Board (TIB) and Regional Mobility grants. We also need to keep our lobbying efforts and the State and Federal levels steady and aggressive.

Sidewalk Plan

Council Goal 7 calls for the creation of a 20- to 30-year sidewalk plan. More sidewalks mean increased safety and better mobility for our pedestrians and bus users. On real estate web sites and other locations, cities are given “walkability” scores. We should use Kenmore’s walkability score as a way to gauge progress on our sidewalks and interconnectivity vision.

The Engineering Department is currently developing a sidewalk plan, and we should see a draft of it before the end of this year (2012). This plan will incorporate and move forward the City Council’s Interconnectivity Vision (See Goal 8) as sidewalks connect with trails, parks, open space, and transit locations.

The preliminary Transportation Capital Improvement Plan (CIP) provides for strategic matching funds to leverage Transportation Improvement Board, Community Economic Revitalization Board, Safe Routes To Schools, and other sidewalk grants. We will continue to aggressively seek grants for sidewalks.

Bicycle-Friendly Strategy

Kenmore is already a regional thoroughfare for cyclists, not only on the Burke-Gilman Trail, but also on Juanita Drive. As the cost of gasoline and motorized vehicle transportation continues to rise, bicycle use is expanding to include the high performance racing community, daily commuters who are using the bicycles to get to work (or the park-and-ride), and local citizens who run errands and go for recreational rides.

In addition, Kenmore is home to what I believe is an understated mountain bike trail network. The St. Edward & Bastyr trails and their connection to the biking trails in Big Finn Hill Park are rare for such an urbanized area. Our mountain bike trails are something we should become even more known for, giving citizens and businesses yet another reason to invest in our City.

I suggest that during the upcoming year (2013), we work with the community to develop a brief, yet poignant, Bicycle-Friendly Strategy that establishes principles for cycling promotion, signage, road striping, infrastructure, and amenities. Both the sidewalk plan and a bicycle-friendly strategy will fit in perfectly with healthy city proponents and programs.

Transportation Benefit District

In this upcoming biennium, operating the recently-formed Transportation Benefit District (TBD) will be a significant work plan component for both the Engineering and Finance Departments. As described in the Budget Picture of this letter, TBD funding is essential in maintaining our transportation system, decreasing Street Fund reliance on General Fund subsidies, and ensuring a sustainable fund balance in the Street Fund.

The TBD was formed last April, and the City Council recently explored potential funding options, and selected the \$20 annual vehicle fee. The revenue from this fee will go toward street overlays (road rehabilitation), transportation projects, and/or general maintenance of the City’s

transportation system. This budget includes the City Council-adopted \$20 per year vehicle fee, which is the lowest revenue-generating alternative of the funding options that were considered. A \$20 per year vehicle fee will generate approximately \$300,000 per year.

City Bridges

The City is responsible for five bridges: two over Swamp Creek (not including the State's Swamp Creek bridge on SR 522), two over the Sammamish River on 68th Avenue NE, and the pedestrian bridge near Arrowhead Elementary. Bridge inspections are routinely performed and managed through interlocal agreements with King County and the State.

The west bridge over the Sammamish River is about 80 years old (built in the 1930s) and will need to be replaced soon. Heavy traffic, including increased traffic from the effects of the 520 Bridge construction activity and tolling, will continue to impact the 68th Avenue Sammamish River bridges, especially the old (west) bridge. Recent inspections of this west bridge show more signs of aging and wear. We need to continue to pay close attention to this west bridge and assertively plan and seek funding for its replacement.

Information Technology

City Council Goal 4 is about establishing a “contemporary Information Technology Program.” To that end, this budget includes funding for consulting services to assist us in building a smart and strategic Information Technology Plan. The main goal of the IT Plan will be to keep us at pace with the ever-changing world of information technology. Cloud and web-based computing, data storage, bandwidth, mobile devices, “apps,” social media, GIS, and many other facets of information technology are rapidly evolving, and we need to stay current and responsive for our citizens and businesses.

While the development of the IT plan begins in 2013, this budget already allocates substantial resources to major components of our Information Technology system, including:

1. Web page redevelopment (see discussion under Economic Development)
2. New Finance Software System for increased efficiency, improved reporting, and better capital project cost tracking and accounting.
3. New Permit Software System and Paperless Plan Submittals (also previously discussed in the Economic Development Section of this letter)

In addition, the 2012 purchase and installation of the new GIS system, as well as the “City Works” public works asset tracking system and its accompanying citizen action request system is underway. The new GIS system alone is a big step towards a more robust, contemporary IT system and will have significant ripple effects across our City's IT functions and applications.

Public Safety

Public safety and security is government's first job. The City has always made the safety of its citizens and businesses a top priority, and this budget continues to do so as well. The City does not provide fire protection and emergency medical services—these functions are provided by the Northshore Fire District. The City is directly responsible for law enforcement services, and the City contracts for this service with the King County Sheriff.

Police

This budget continues to fund the new positions to the police contract that were added in recent years, including a new police officer position to make up for the recent loss of overlapping coverage caused by the Kirkland annexation and dedicated detective position.

The 2011 Matrix study confirmed that our contract with the King County Sheriff is performing well. I appreciate the efforts that our Chief and his colleagues have made to control rising law enforcement costs while at the same time maximizing the value for our law enforcement dollars.

The new “shared command” model with the City of Shoreline (also a city that contracts for police services with King County) is working well and is resulting in significant savings to both cities. We will continue to explore other shared or regional services that save money while maintaining our local control and identity.

Northshore Fire District

Due mainly to flat/declining revenues, the Northshore Fire District (NFD) is evaluating various service delivery options, ranging from status quo to forming a Regional Fire Authority (RFA). Under an RFA, the Fire District would cease to exist, and the new entity would be governed by city council representatives from each of the cities in the RFA's service area. We will continue to keep connected with NFD and stay informed about how the various options they are exploring will impact the City and its citizens.

Emergency Management

I have recently moved Emergency Management planning responsibility from the City Manager's Office to Development Services. The Development Services Director is now the City's representative at the Emergency Services Coordinating Agency (ESCA) meetings. We will continue to work with ESCA to train and plan for emergencies and disasters, including plan updates and functional exercises.

In the near future I plan on forming a Multi-Agency Coordinating Committee (MACC) for emergency and disaster preparedness and resource coordination. We rely on many agencies for essential public services, including Lake Forest Park, the County, Puget Sound Energy, and our special purpose districts. The new MACC would include the CEO or high level decision-making official from each of these groups, and the MACC would meet two or three times a year to discuss higher level preparedness and resource coordination.

Public Works

This budget keeps road and surface water maintenance funded at either current or improved levels.

Road Rehabilitation. For 2013 the road rehabilitation program will receive a healthy and much-needed \$1.2 million infusion for the Juanita Drive overlay project. Thanks to our Public Works and Engineering Departments, approximately half of the Juanita Drive project will be funded by a Federal Road Preservation grant. Approximately \$700,000 is included for road rehabilitation (chip seals and/or overlays) in 2014.

Street Landscape Beautification. The 2013-2014 Preliminary Budget includes enhanced resources for beautification in the following areas:

1. SR 522 Blackberry Eradication. Blackberries are a delicious treat and go great in a cobbler or milkshake, but the blackberry bush is an invasive plant and is a symbol of blight. Unfortunately, blackberry bushes are abundantly visible from our main thoroughfare, Bothell Way. By leveraging volunteer and corrections crew resources, we will continue to incrementally attack and eliminate the blackberries that are on City right-of-way and visible from Bothell Way. To prevent the return of blackberries, our volunteers will plant native plants to take their place.
2. Downtown Street Landscape Maintenance. Through the use of a landscape maintenance firm, we will put more focused resources on landscape maintenance in our downtown, including medians and planter strips on Bothell Way as well as the publicly-owned landscaping on 181st Street around Kenmore Village and City Hall.
3. Flower Baskets. We are proposing approximately 15 summer season flower baskets to be hung on street light poles at and around the intersection of 181st Street and 68th Avenue. These baskets will require daily watering by our Lake Forest Park summer workers.

Parks

Improving our Parks is also a top priority of the City Council (Goal 6), and this budget provides significant resources aimed at planning and funding park improvements. To achieve meaningful progress in park development, we need to aggressively seek outside funding sources—grants. However, the most significant grant source for cities comes through the State and is not available to the City of Kenmore at this time.

To become eligible for the State's Recreation & Conservations Office (RCO) funding, we must update our Parks, Recreation, and Open Space (PROS) Plan. Updating the PROS Plan is a big task and will require significant staff resources and community involvement.

As a result, this budget includes a two-year Parks Project Manager to be hired in the beginning of 2013. The urgency for hiring this position is driven by the RCO's two-year funding cycle, which begins again in the first part of 2014—we need to have the PROS Plan update complete by the end of 2013 in order to be eligible for the 2014 RCO funding cycle.

This two-year Park Project Manager position will have three main responsibilities:

1. PROS Plan update
2. Apply for park improvement grants
3. Manage park improvement projects already budgeted in the biennium

This position, if approved, would be funded mostly via the General Fund, but a portion of the position would be paid for with park impact fees, shown over two years as follows:

	2013-2014
General Fund	136,000
Park Impact Fees	46,000
Total	182,000

If the person in this position accomplishes the PROS Plan update and sees success in writing grants, we should see a return on the money invested in the position and perhaps even see the position pay for itself through grants.

This position, in coordination with Engineering and via the PROS Plan update, will also have a focus on moving the City Council's Interconnectivity Vision forward, connecting parks, trails, open space, and sidewalks. See Council Goal 8.

Even without RCO grants, we still have several exciting park improvement projects planned for 2013 and 2014, including Northshore Summit Park and Tolt Pipeline Trail. Planning and design for future park projects are included in this budget as well. For more detail on planned park improvements, see the Park Capital Improvements section of this budget.

Watershed Issues

Being located on Lake Washington has its benefits, but it also means being on the receiving end of regional surface water runoff. Sediment buildup, water quality, flooding, and erosion are the main issues we are experiencing as more impervious development occurs upstream. We will take the initiative and lead in achieving regional intergovernmental cooperation for management of regional surface water runoff. We will need to bring the State, Snohomish County, and neighboring cities to the table to achieve 1) formal recognition of downstream problems experienced by Kenmore and 2) a plan to affirmatively solve those problems via enforceable agreements, legislation, permit conditions, and funding.

To assist with achieving regional cooperation on our watershed issues, this budget includes funding for a *portion* of a larger Swamp Creek Basin study. The City's share of this study would be in partnership with other jurisdictions and would include an assessment of conditions, monitoring and modeling of flows, and recommended solutions for reducing flooding and sediment buildup and improving water quality. The resources allocated for this study may be

combined with resources Snohomish County may be required to allocate as a result of the next stage of Phase I of the State's Municipal Stormwater Permit.

Environmental Sustainability

Our beautiful shoreline, rivers, and wetlands should be viewed as assets in our economic tool belt, not barriers. We can further protect and promote our shoreline and critical areas by enlisting volunteers and groups to help restore and provide educational opportunities for our amazing natural resources right here in the City. Environmental stewardship and breathtaking natural resources in an urban setting should be something Kenmore is known for.

Kenmore's Own Environmental Corps. Many cities have their own local group of environmental volunteers, with such names as "Stream Team," "Envirocorps," and "Watershed Keepers." We will work to help establish Kenmore's own local environmental stewardship group to take on stream and wetland restoration projects and to assist the City with environmental/sustainability education.

Blue Heron Habitat Protection. Kenmore is known for its blue herons. We should consider working to better understand and further protect heron habitat and facilitate the creation of a heron observation and education facility. No funding is included in this budget for such a facility, but I recommend that we begin exploring the feasibility of doing so. Developing a blue heron protection program and observation facility would provide another reason for people to come to Kenmore, creating a win-win for the environment and the economy.

Environmental Park. We should also look for external examples or models where cities or counties have successfully protected their natural habitat areas while at the same time providing public access and education opportunities. Auburn's Environmental Park is a good example. They creatively utilized the resources of volunteers and sponsors to build a beautiful pin pile boardwalk and bird watching tower over an expansive wetland. This project includes viewpoints and interpretive signage. We should explore a similar project for Kenmore's wetlands, especially Squire's Landing. While no financial resources for design or construction of a wetland boardwalk are included in this budget, we should continue planning for such a project.

Environmental Sustainability Strategy. We will allocate staff and community resources in the form of a "Green Team" to develop an environmental sustainability strategy for the City. This strategy would establish sustainability principles and suggestions for the City, businesses, and our residents. Tree retention, water use practices, green building construction, low impact development, purchasing policies, vehicle purchases, environmental outreach and education, and shoreline and wetland interpretive access are some examples of what topics would be addressed in an environmental sustainability policy.

Lake Washington Sediment Testing. In partnership with Washington State Department of Ecology (DOE), we recently completed sediment and water column testing along Kenmore's shoreline. With the exception of elevated dioxin levels at two privately-owned marinas, the test results were favorable and showed contaminants below cleanup standards and similar to urban

background levels found elsewhere in King County. Department of Health will assess the results and give us advice or direction pertaining to potential, if any, human health exposure issues at Log Boom Park.

Intergovernmental Relations

It is vital to keep Kenmore on the regional, State, and Federal radar by staying involved on regional and statewide committees and continuing with the City's contracts for State and Federal lobbying services. I appreciate the time and effort our Mayor and City Council give to volunteer to serve on national, state, regional boards and committees. Establishing working relationships with decisions makers at all levels and making sure they know of our needs will, in the long run, pay dividends for the City.

The City Council has adopted State and Federal legislative agendas for Kenmore. Funding for Highway 522 will continue to be at the top of the Federal agenda, as will dredging of the Kenmore Navigation Channel and stopping the grounding of Kenmore Air float planes caused by Presidential flight restrictions.

On the State legislative agenda, funding for Highway 522 will also continue to be at the top of the list. Other State legislative agenda priorities include regional stormwater coordination and funding and freeway signage, among other priorities. We also submitted a capital budget request to help fund the development of our Town Green park.

Performance and Workload Measures

New to this budget are performance and workload measures. Performance and workload measures can be very useful to local government employees, policy makers, and the public at large. In the absence of a profit margin to gauge how we're doing, we can use performance measures to help tell the story. Performance measures serve two main purposes:

1. To tell ourselves how we're doing; and
2. To let the public know how we're doing.

In other words, performance measures add additional accountability internally and to the public. To serve their purpose, performance measures have to be meaningful, not only to ourselves and the public, but also contextually. A performance measure all by itself does not have a lot of meaning, but there are ways to put the measure into context and thereby give it significance. Comparing our measures to other jurisdictions or over time give them more meaning.

There are two main types of measures: workload measures and performance measures. Within performance measures there are several subcategories (effectiveness, efficiency, output), but this budget does not get into that level of detail.

Workload measures are just that—they give you an idea of how much work you have on your plate, but they don't necessarily tell you how well you're doing. Examples of workload

measures are number of inspections, number of dispatched calls, number of permits processed, acres of park maintained, lane miles of road, number of invoices processed, number of public meetings supported, etc.

Performance measures, on the other hand, are there to give you and the public some indication of your department's performance. Turnaround time, accuracy percentage, satisfaction ratings, dollars spent per unit produced, number of staff hours per unit(s) produced, and many other methods are ways to demonstrate performance.

The citizen survey, as described earlier, will add to our repertoire of performance measures. Because our organization is new to performance measures, this project is a work in progress, and the selected measures are likely to change as we learn which ones are most telling and helpful.

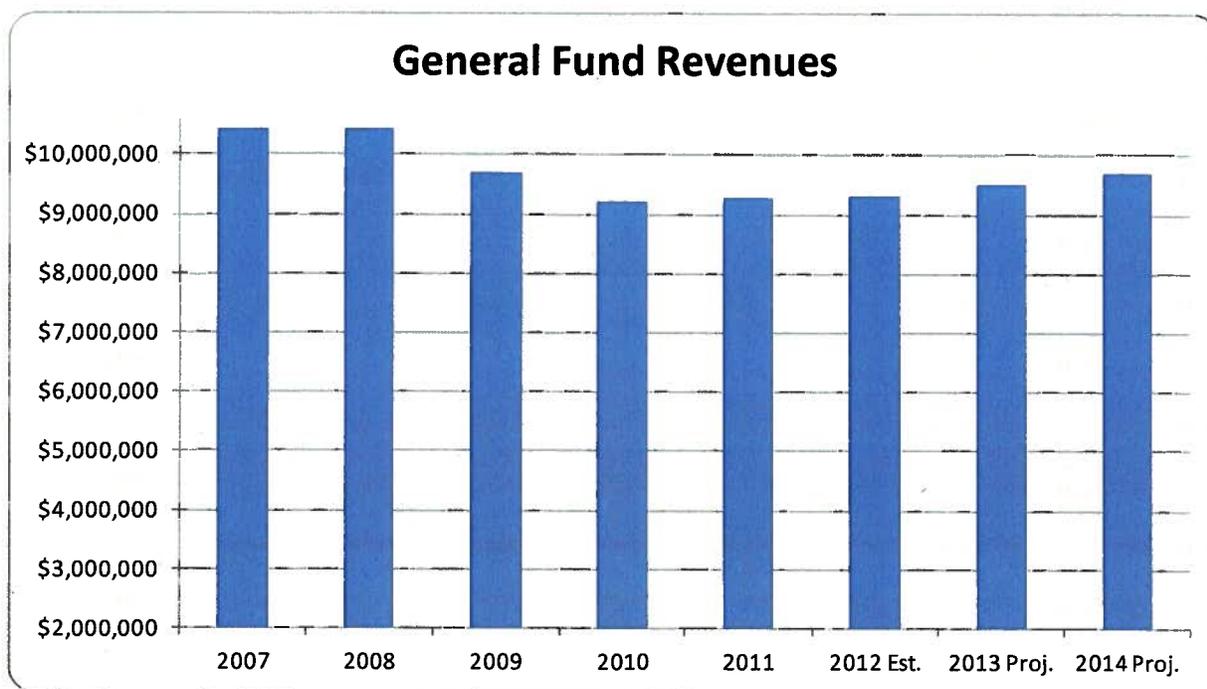
The Budget Picture

All of the above highlights and goals are significant and will improve the City's economic engine and quality of life. Yet these goals are only a portion of what our City will accomplish in the next biennium. Daily operations such as responding to 9-1-1 calls, investigating crimes, fixing potholes, issuing building permits, inspecting new construction, responding to code complaints, cleaning catch basins, mowing lawns, brushing storm ponds, and managing contracts (court, jail, animal control, etc.) make up our basic operational services and are the bulk of what our budget funds.

Funding these basic operational functions combined with knowing what new investments to make in capital and economic development programs have been at the core of building this budget. With key revenue and expenditure assumptions in place, we believe we have built a budget that achieves a strong balance of making new investments and keeping basic services fully funded.

Being new to the City and having worked for other Puget Sound cities, I am impressed with Kenmore's fiscal discipline and ability to maintain higher-than-average fund balances and reserves. However, as stated at the beginning of this letter, preparing this budget has been challenging, both on the revenue and expenditure sides of the equation.

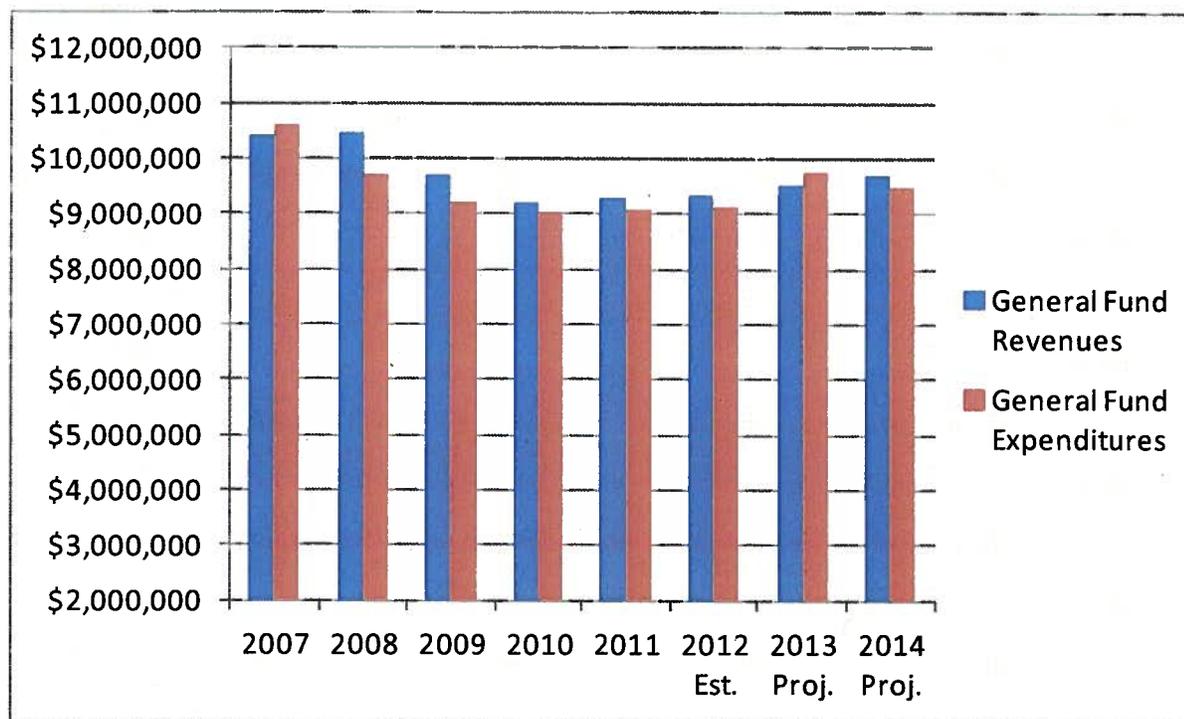
The City's General Fund revenues have been declining for the past several years. The years 2007 and 2008 saw General Fund revenues peak at \$10.4 million for each of those two years. The General Fund's revenues (in total) have been on the decline since then, with 2009 seeing \$9.7 million and 2010 and 2011 each receiving \$9.2 million in revenues for the General Fund. We estimate a slight uptick for 2012 and continued slow growth in 2013 and 2014.



Worth noting is that even by 2014, the General Fund's revenues are not expected to go north of \$10 million, let alone the \$10.4 million that we saw in 2007 and 2008.

Recent causes for the losses in General Fund revenues include the economic downturn, State-imposed reductions in State-shared revenues (liquor tax and profits, for example), and the State's changes in tax distribution policies (sales tax receipts going from point of sale to point of delivery).

With this revenue picture in mind, let us turn to the expenditure side of the budget. With revenues declining in recent years, what I call "fixed" costs have continued to march upward. Unit prices on our contracts, fuel prices, health insurance, and pension costs are examples of upward pressure on our expenditures.



The good news, as shown by the above graph, is the City has maintained the discipline to tighten its belt and keep General Fund operating expenditures lower than revenues, thereby keeping the fund balance healthy at more than 50% of the Fund's operating expenditures (which is higher than our established policy of 20% and unheard of in most cities these days). However, continued lackluster revenue growth, combined with increasing fixed costs, make it difficult for this trend to continue.

Also, the addition of much-needed resources and programs in recent years have added to our costs. Examples include the 2011 addition of a police officer position to respond to the loss of police coverage caused by the recent Kirkland annexation; increasing a 1/2 detective position to one full detective in 2011; an added position in 2011 in the Finance Department; a new maintenance/custodian position; and the Bastyr ball field annual contribution that began in 2010. While of these additions are needed, important, and contribute to a better Kenmore, they have impacted our bottom line.

Another pressure point on the General Fund has been the Street Fund. For more than a decade, the Street Fund has been subsidized with a General Fund transfer each year, including \$600,000 in both 2011 and 2012. A General Fund subsidy of the Street Fund is typical in most cities. However, even with this subsidy from the General Fund, the Street Fund's ending balance has been declining, as shown in this table:

Street Fund	2009	2010	2011	2012 Estimate
Revenues	1,306,019	1,254,677	1,036,456	1,312,576
Expenditures	1,505,138	2,651,168	1,395,044	1,478,007
Ending Fund Balance	3,437,072	2,040,581	1,681,993	1,516,562

Note that in the above table, 2010 expenditures include \$1.5 million transferred back to Transportation Capital Fund for SR522 work.

To help resolve this problem of keeping our roads maintained amidst 1) a diminishing Street Fund balance and 2) the General Fund's declining ability to subsidize the Street Fund, I am proposing to address both sides of the ledger—expenditures and revenues.

Revenues

In the long run, the best way to grow revenues is to grow your tax base—not through new or increased taxes, but through economic development. Helping our existing businesses grow and thrive and preserving and enhancing the quality of our neighborhoods create a win-win revenue growth trajectory. However, it will likely be many years before we see the revenue benefits of our economic development efforts, and we have a structural budget imbalance that needs to be resolved now.

On the revenue side of the equation, I recommend adoption of two new revenue sources: Transportation Benefit District revenue and a Franchise Fee with Northshore Utility District—water and sewer:

Transportation Benefit District. The City Council formed the Transportation Benefit District in April 2012. The District's boundaries are contiguous to the City's, and the City Council acts as the Board of Directors for the District. Last fall the City Council directed us to analyze two potential funding options for the District. As a result, the City Council in its TBD Board role selected and adopted a \$20 vehicle license fee, as part of this budget, which amounts to \$230,000 in 2013 and \$305,000 in 2014. The lower amount in 2013 is due to the license fee revenue commencing several months after the beginning of the year.

Northshore Utility District (Water & Sewer) Franchise Fee. The City's 12+ year-old franchise agreement with Northshore Utility District (NUD) needs to be renegotiated to address several issues that have arisen since the agreement was last adopted after incorporation, including allocation of fire suppression system (fire hydrants) costs, economic development, and franchise cost recovery. Regarding economic development, language in the agreement needs to include City influence and control in order to encourage, not discourage, new investment in our City.

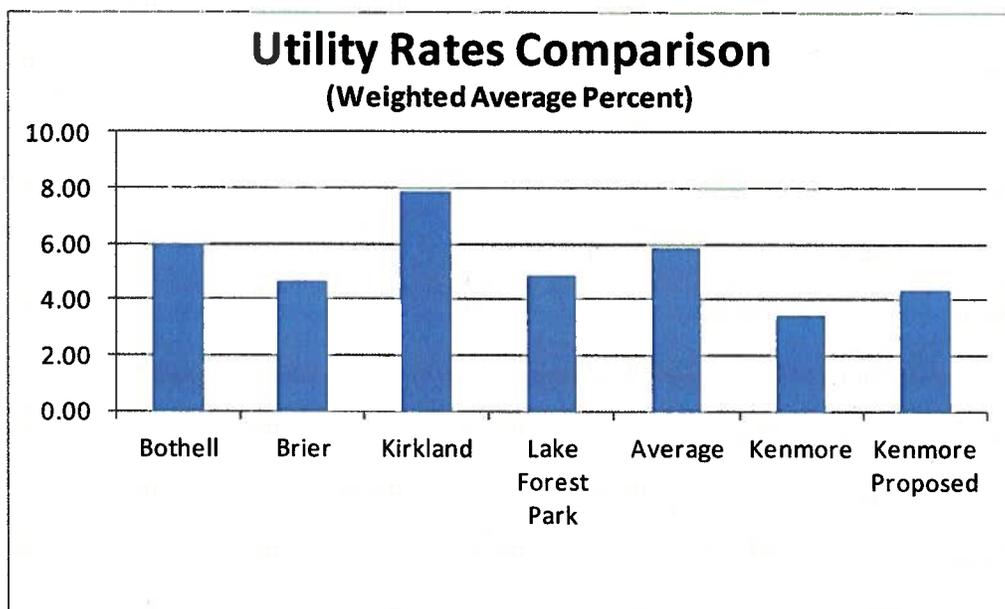
The NUD franchise agreement also needs to address costs the City incurs for operating a franchise, including franchise administration costs and wear and tear on City infrastructure. To recover these costs, I am proposing a 5% franchise fee to be part of the proposed new franchise agreement with NUD.

The City currently imposes no franchise fee or utility tax for water and sewer. In comparison to other cities, Kenmore's utility taxes and franchise fees, in total, are lower than the average of other cities. For example, Kirkland's tax/franchise rate for water and sewer is 13.38% and 10.5%, respectively. The following table compares rates of the four cities that touch Kenmore's borders. The numbers in the table are combined utility tax and franchise fee percentages.

	Electric	Water	Sewer	Stormwater	Natural Gas	Phone	Cell Phone	Cable	Garbage	Weighted Average Utility Rate*
Bothell	6	10.15	5	0	6	6	6	5	6	5.93
Brier	6	0	0	0	6	6	6	5	6	4.65
Kirkland	6	13.38	10.5	7.5	6	6	6	11	10.5	7.88
Lake Forest Park	6	6	0	0	6	6	6	6	0	4.89
Average	6.00	7.38	3.88	1.88	6.00	6.00	6.00	6.75	5.63	5.84
Kenmore	4	0	0	0	4	6	6	5	0	3.50
Kenmore Proposed	4	5	5	0	4	6	6	5	0	4.38

The far right column is calculated using a weighted average formula, or index, that is based on the proportionate amount of revenue produced by each utility in Kenmore (for example, electric utility revenues are significantly higher than garbage revenues, and therefore the electric utility tax rate receives more weight in the formula).

Even with the proposed 5% water and sewer franchise fee, Kenmore's weighted average across all utilities will still be the lowest among its next-door neighbors. The weighted average percent comparison is illustrated in the following graph:



A 5% Franchise Fee with NUD for the water and sewer utilities will produce approximately \$400,000 per year to the City. This fee will not be absorbed by NUD and will be passed on directly to the rate payers. Assuming a household water and sewer utility bill of \$86.35 per month, a 5% franchise fee will cost \$4.32 per month or \$51.84 per year. As the City Council deliberates on whether to impose this fee, it is important to reach out to rate payers to provide notice that the City is considering this fee, why the fee is needed, and what it will fund.

Expenditure Reductions

While the above recommendations for two new revenue sources make significant headway in narrowing our budget gap, tightening and reducing our expenditures is also necessary to close the gap.

Over this last biennium, department heads and their coworkers have done a great job in cutting operational costs, creating more efficiencies, and creatively finding ways to save tax dollars. Examples, both big and small, include the following:

- The City Council has requested paperless City Council packets, resulting in significant savings in staff time as well as paper and copier costs.
- An administrative assistant position became vacant last summer. City staff worked as a team to reallocate the responsibilities of the vacant position, thereby eliminating the need to fill the position. This vacant position is officially eliminated in 2013.
- Employees have negotiated lower prices for supplies and have timed supply purchases with bulk purchase opportunities and discount periods.
- The Development Services Department transitioned to in-house review and inspection services, resulting in a net savings to the City.
- The City moved the Police Department into City Hall, saving money on the King County police contract.
- The City's Police Department became part of a new shared command model with King County, saving almost \$100,000 per year.
- The Police Department moved most of its bookings from the King County Jail, where the daily booking fee has risen to \$500 and the daily maintenance fee is \$148, to the Snohomish County Jail where the City pays \$92 for the booking fee and the daily maintenance fee is \$64.
- The Chief of Police closely monitors police overtime used and has successfully received a credit every year when the County reconciles the police contract.
- The Police Department has switched to a rotating 4/10 schedule which has put more officers on the street during the overlapping shifts and has marginally reduced overtime costs.
- Police radar guns used to be calibrated annually, and with a new change in the WAC interpretation, we now calibrate the radar guns every two years, annually saving about \$1,200.

- Staff has moved to lower cost cell phone providers and have renegotiated cell phone packages to save money.
- We are currently in the process of auditing our land line telephone charges.
- We are also looking into ways to reduce our peak demand charges for electrical consumption at City Hall, which should also save money

Despite these costs savings, we still had to look even deeper into our expenditures in order to bridge the budget gap.

Human Services Funding. We evaluated various programs across our budgets, one of which is the City's human services program. In 2012, approximately \$278,000 is budgeted for the City to contribute to human services organizations. All of these organizations provide important services to the less fortunate, youth, and senior citizens. We are pleased to have these organizations serving our citizens, and we know they make a positive difference in our City.

In reviewing the budget for these human services programs, we compared what the City of Kenmore pays to other East and North Lake Washington Area cities. On a per capita basis, for 2012 the City paid \$13.38 per citizen while the average among the comparison cities was \$7.94 per citizen. After careful deliberation, the City Council agreed to reduce the City's human services funding to \$202,300 in 2013 and \$202,300 in 2014.

Other General Fund Expenditure Reductions

In addition to the aforementioned expenditure reductions, other savings to the General Fund are assumed, as follows:

Charges to Surface Water Management. Starting in 2013, this budget allocates 10% of the city manager's position and 10% of Finance staff to the Surface Water Management (SWM) Fund. Currently 0% of the city manager position and Finance positions are charged to SWM. This change results in a savings of approximately \$50,000 per year to the General Fund.

Vehicle and Equipment Replacement Fund. With a healthy projected ending fund balance of \$450,000 in 2012 and with a relatively new fleet of vehicles, the budget includes two changes that will affect the Vehicle and Equipment Replace Fund in the next biennium:

1. Temporarily suspend the General and Street Fund contributions to the Vehicle and Equipment Replacement Funds in 2013, resulting in combined savings of approximately \$50,000 for the General and Street Funds.
2. Begin treating major software purchases as vehicles and equipment, and pay for these software purchases out of the Vehicle and Equipment Replacement Fund in 2013. Doing so will allow us to make these much-needed software purchases while taking pressure off of the General Fund, at least for this upcoming biennium.

The following table summarizes the budget activity for the Vehicle and Equipment Replacement Fund:

Equipment Replacement Fund	2011	2012 Estimate	2013 Proposed	2014 Proposed
Beginning Fund Balance	524,311	535,237	450,751	261,351
Sources:				
Transfers from Other Funds	18,950	101,152	49,650	101,093
Sale of Surplus sweeper	0	31,500	0	0
Interest Earnings	3,362	3,000	2,200	2,200
Total Sources	22,312	135,652	51,850	103,293
Uses:				
Computer software and hardware	11,386	15,574	22,500	5,000
1999 Truck	0	0	0	30,000
Street Sweeper	0	204,564	0	0
Financial Software	0	0	80,000	0
Permitting Software	0	0	75,000	0
IT Strategy Plan	0	0	35,000	0
ePlan software and hardware	0	0	8,750	0
Minivan	0	0	20,000	0
Total Uses	11,386	220,138	241,250	35,000
Ending Fund Balance	535,237	450,751	261,351	329,644

As shown on the above table, even with the changes described above, the Vehicle and Equipment Replacement Fund will end the biennium strong with a fund balance of just under \$330,000.

Added together, all of the expenditure reductions described above helped to bridge our budget gap and produce a balanced Biennial Budget for your consideration.

Total Budget - All Funds

Total budgeted resources, not including fund balances, and including the Transportation Benefit District, for 2013 are \$26,976,610 and \$20,942,866 in 2014, or \$47,919,476 for the 2013-2014 Biennium. The \$6 million decrease from 2013 to 2014 is due to \$1.4 million more budgeted for grants in 2013, \$1.2 million budgeted for property sale in 2013, and \$3.6 million more in interfund transfers in 2013 than 2014 (such as the \$2,500,000 transfer from the General Fund to the new Strategic Opportunities Fund).

The \$47 million in resources for the 2013-2014 biennium is an \$11 million increase from the 2011-2012 Biennium Budget, which was \$36,790,259. The bulk of the increase is explained and accounted for in the following table:

	2011-2012 Budget	2013-2014 Budget	Increase
Transportation Grants	4,309,000	8,600,000	4,291,000
Water & Sewer Franchise Fees	0	740,000	740,000
Transfer From Transportation Benefit District	0	525,000	525,000
Transfer from General Fund to new Strategic Opportunities Fund	0	2,500,000	2,500,000
Other Interfund Transfers	6,018,000	6,904,000	886,000
Total	10,327,000	19,269,000	8,942,000

The remaining amount of the \$11 million increase comes from marginal improvements in several operating revenue sources such as property tax, REET, permit fees, and utility tax, as well as the budgeted sale of property for \$1.2 million.

The budgeted beginning fund balance for all funds in 2013 is \$14,433,921, with a projected ending fund balance for all funds in 2014 of \$14,357,085.

While fund balances for the General Fund and the Street Fund remain the same or improve through the biennium, fund balances in several special revenue or utility funds show declines, mainly due to capital project contributions. The largest fund balance decline is in the Surface Water Management Fund, where a \$1.9 million capital transfer causes the fund balance to go from \$1.36 million at the beginning of the biennium to \$384,000 at the end of the biennium.

The table below summarizes the resources available for all funds:

	2011-2012 Amended Budget	2011-2012 Biennium Total Estimate	2013-2014 Total Projection	Difference 2013-2014 Budget from 2011-2012 Estimate
Beginning Fund Balance	\$ 17,229,159	\$ 17,229,159	\$ 14,952,657	\$ (2,276,502)
Taxes	16,936,014	16,674,375	16,572,884	(101,491)
License and Permits	563,985	826,675	845,882	19,207
Intergovernmental	6,626,614	2,800,474	11,172,472	8,371,998
Charges for Services	6,125,193	6,357,588	6,968,433	610,845
Interfund Transfers	6,018,811	5,096,149	9,929,256	4,833,107
Miscellaneous	519,641	1,732,921	543,141	(1,189,780)
Total	\$ 54,019,417	\$ 50,717,341	\$ 60,984,724	\$ 10,267,383

A more detailed All-Fund analysis (both sources and uses) is provided in the Executive Summary of this budget.

More on the General Fund

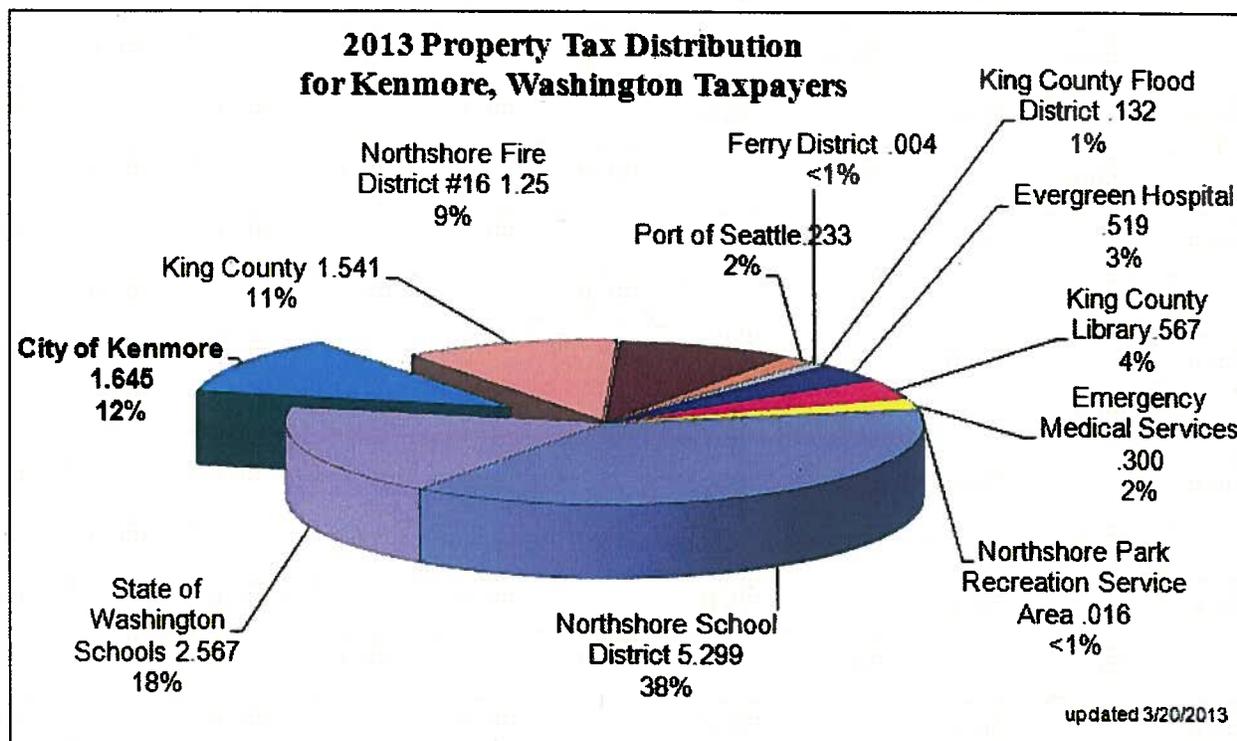
The General Fund, which funds most of the City's general government services such as police, court, jail, development services, parks, and administration, is projected to bring in \$19.2 million in operating revenues in during the 2013-2014 biennium, compared to an estimated \$18.6 million for the 2011-2012 biennium. This \$600,000 increase is a result of the proposed new water and sewer franchise fee as well as marginal improvements in other operating revenues (property tax, utility tax, permits, etc.).

The 2013-2014 General Fund Budget is built with the assumption that the City will experience 2.6% growth in utility taxes, 2% growth (new construction) in property tax, a 3% increase in development fees, and a 7% decrease in sales taxes (as compared to the 2011-2012 estimates).

Given the general decline of assessed values, the City's property tax rate will increase again in 2013, but the total amount collected (not including new construction) will remain unchanged (0% increase). This will be the ninth consecutive year the City has chosen not to increase the amount of property tax collected by 1% as allowed by State law. The regular property tax rate is expected to be \$1.64 per \$1,000 of assessed valuation. The city's total property tax levy for collection in 2013 is estimated at \$4,213,917. In the last year, total assessed city property values decreased by about \$43 million (1.6 %) to \$2.564 billion.

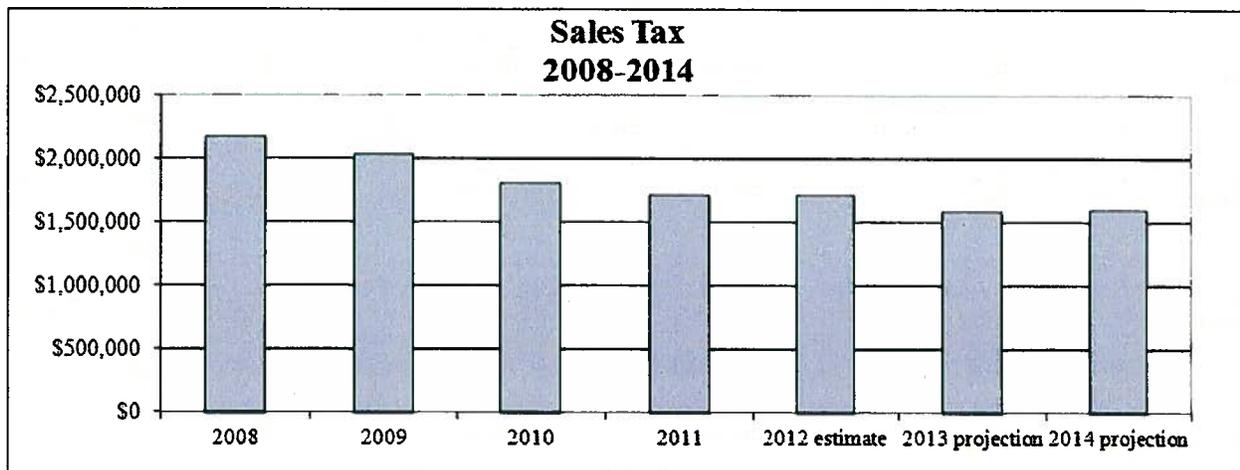
Using the City's projected 2013 property tax rate, the City's share of property tax due on a \$450,000 home will be \$738 for the year, or \$61 per month. The Fire District's Benefit Charge allows the City's maximum property tax rate to be as high as \$2.10 (compared to the expected \$1.64) per thousand of assessed valuation. If the Benefit Charge did not exist, the Fire District maximum tax rate would be \$1.50 rather than \$1.00 and the City's maximum tax rate would be \$1.60.

It is important to remember that the City is not the only jurisdiction that collects property tax. In fact, the City's share of property tax is only about 12% of the total amount collected:



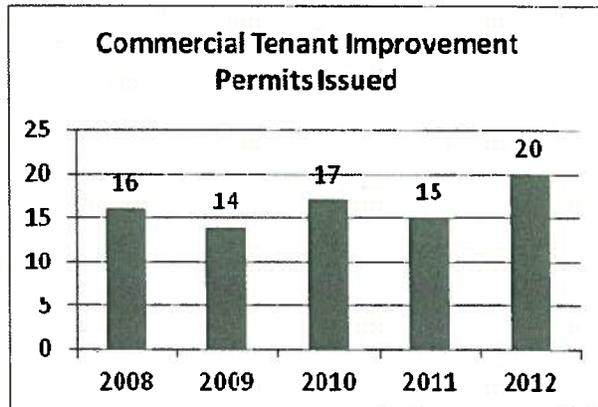
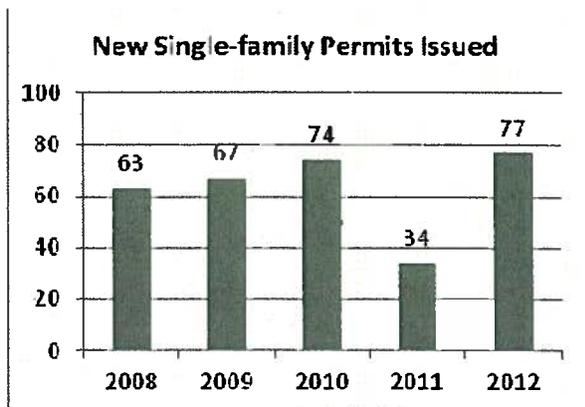
Sales tax is projected at \$3,193,815 for the biennium and is 17.3% of General Fund operating revenues. The 7% projected decrease in sales tax is due to the decline in construction related

sales tax, primarily from the Brightwater project, which is concluding operations at the Kenmore portal in 2013.



The City’s sales tax has seen annual declines since 2008 (a portion of these declines were caused by the State’s change in method of sales tax distribution from point of sale to point of delivery); however, with the exception of the anticipated Brightwater project completion, sales tax revenues are showing signs of stabilization and even slight growth.

Building permit activity and revenue has seen welcome improvements over last year. Building permits for new single family homes and tenant improvements on commercial buildings are good indicators for building activity (but only a fraction of overall permit activity):



This prediction for the next two years assumes that building permit activity stays near the 2012 level of activity.

Personnel. For the first time in years, next year’s health insurance percentage increase will not be in the double digits. Our insurance carrier just recently announced a 6% increase, which is below the 11% currently assumed in the budget. The City staff worked diligently on wellness programs in 2011 which resulted in being awarded a Well City for 2013. This will result in a 2% savings on health insurance so the effective increase is only 4% for 2013.

However, the City's share of employee pension contributions to the State's Public Employee Retirement System is scheduled to go from 7.21% to 9.19% on July 1, 2013. This increase is already built into this budget and our assumptions.

A 2% cost of living wage adjustment is also included for each of the two years of this budget, costing approximately \$40,000 per year.

As stated previously we are deleting one position, an administrative assistant (currently vacant). This budget adds a two-year park project manager position and a two-year, part-time volunteer and events coordinator position. We also plan on hiring a part-time graduate student intern to help mainly with capital project grant applications and administration.

General Fund Balance. The budgeted beginning fund balance for the General Fund in 2013 is \$5,338,942, with a projected ending fund balance in 2014 of \$5,366,527 (before the transfer mentioned below). This beginning and ending fund balance comparison demonstrates the City's ongoing commitment to keeping expenditures in line with revenues.

By policy, the City's prescribed fund balance minimum is 20% of budgeted revenues, or \$1,973,983 for the General Fund 2014. Note that the projected fund balances for the General Fund exceed this requirement by \$3.4 million. This budget transfers \$2,500,000 to the newly-created "Strategic Opportunities Fund" (see discussion below), leaving \$2,866,527 as fund balance in the General Fund at the end of 2014 (still exceeding the City's self-imposed minimum by \$892,544).

Street Fund

For the reasons I described earlier, the Street Fund will receive assistance via assumed funding from the newly-formed Transportation Benefit District (TBD). This budget includes the \$20 vehicle license fee as adopted by the TBD Board.

Proposed new revenue from a franchise fee with Northshore Utility District (proposed to be receipted in the General Fund then transferred to the Street Fund) will also assist in costs associated with franchise administration, road rehabilitation and maintenance costs. We are also proposing that \$400,000 of Real Estate Excise Tax (REET) be transferred to the Street Fund for the asphalt overlay program.

Strategic Opportunities Fund and Strategic Reserve Fund

As mentioned above, a transfer from the General Fund will start the new Strategic Opportunities Fund balance at \$2.5 million. Not to be confused with the already existing Strategic Reserve Fund, the purpose of the Strategic Opportunities fund is to have funds available for "rainy days" and for the City to make key investments or take advantage of strategic opportunities as they present themselves. Startup money for the business incubator or farmers' market are examples of potential expenditures from this fund, as are strategic grant matches and land purchases.

This budget includes key investments to be paid for from this fund, including the new incubator program.

The Strategic Reserve Fund, with an estimated fund balance of \$1.2 million, will remain intact and will continue to be for serious emergencies and more extreme rainy days. As such, no expenditures are appropriated in this fund.

Other Fund Changes

This budget renames the Arterial Street Fund to be called the Transportation Capital Fund. Recurring expenses (street maintenance, road rehabilitation, sign maintenance, etc.) will be spent out of the Street Fund, while one-time transportation capital projects (SR 522, for example) will be expended out of the Transportation Capital Fund.

This budget also renames the Municipal Capital Reserve Fund to the Real Estate Excise Tax (REET) Fund. This fund has served two main functions: 1) Receive and transfer REET revenue and 2) pay for Park Capital Projects. We are proposing to separate these two functions by creating a new Park Capital Fund wherein all park development projects would be accounted for. The newly named REET Fund would serve only as a receipt and transfer point for REET revenue.

We are also separating out Surface Water Management (SWM) capital projects from the Surface Water Management Fund's operating costs by creating a new SWM Capital Fund.

Lastly, the new name of the Capital Projects Fund is the Kenmore Village Fund. From now on, only Kenmore Village-related expenses be tracked and financed in this fund. Activity in this fund is *estimated* and summarized as follows:

Kenmore Village Fund	2012 Estimate	2013 Proposed	2014 Proposed
Beginning Fund Balance	33,566	390,038	411,458
Sources:			
Sale of Grocery Outlet Parcel	1,250,000	0	0
Kenmore Camera Reimbursement	90,000		
Sale of Remaining Parcels	0		
Interest Earnings	1,500	2,000	2,500
Lease and related revenues	221,138	181,020	166,820
Total Sources	1,562,638	183,020	169,320
Uses:			
Payment to Urban Partners	700,000		
ORB Architects	103,014		
Inslee Best (estimate)	57,819		
Spinaker Strategies (estimate)	50,000		
Perteet	46,744		
OAC	4,495		
Perkins Coie	18,213		
Heartland	20,272		
Various Appraisers	24,250		
Other (both years)	3,743	25,000	0
Transfer to Park CIP	0	50,000	100,000
Transfer committed funds to ARCH (:	75,000	0	0
Lease & related expenses	102,616	86,600	77,600
Total Uses	1,206,166	161,600	177,600
Ending Fund Balance	390,038	411,458	403,178

6-Year Financial Plan

As directed in City Council Goal 11, the Finance & Administration Department has been developing a six-year financial forecast model. This model, with 2012 actuals and the 2013-2014 budget plugged in, will give us a longer-term perspective on the sustainability of our current funding and levels of service. We expect to present the updated 6-year forecast at a Council meeting in the near future.

Economic Outlook

When developing our two-year budget and the six-year forecast, macroeconomic forces influenced our revenue and expenditure assumptions and how we built and balanced the budget.

Globally, foreign debt and banking institutions continue to be a concern. Chronic unrest in the Middle East, especially as oil-producing countries and oil trade routes are impacted, will likely produce more bumps in the world and US economies. Signs of slowing Asian economies (especially China) may also ripple our way.

Nationally, job growth has been slower than needed to generate a robust recovery. However, a recent Federal report showing unemployment below 8% for the first time in almost four years is encouraging.

The national debt continues to loom over our economy, and congressional gridlock and “sequestration” of the budget may also wreak havoc on the economy.

On the bright side, personal income, building permits, and the housing market are showing slightly positive signs. Unfortunately, at the end of 2012, manufacturing continued to grow at glacial speed.

At the State level, slowing foreign economies have had a dampening effect on Washington’s exports. According to the State’s economic forecast report, we have seen a recent decline in non-transportation equipment exports.

However, the State’s recent economic forecasts for Washington are a bit stronger than the forecast published in June 2012. A recent Washington employment growth forecast for 2012 through 2015 averages 2.0% per year compared to 1.7% previously. Personal income growth is expected to average about 5% per year for the foreseeable future.

Regionally, we are seeing expanding employment and hiring in the high tech industry. Companies like Google are adding to their payrolls, and the recent announcement to expand their Kirkland campus is great news to the region. Orders for Boeing airplanes are strong, and companies in support of the aerospace industry also tend to be doing well.

In Kenmore, we are seeing positive signs in our building permit activity. At the permit counter, we are getting inquiries on how to bring old plats and site plans back to life. The City’s sales tax collections have also stabilized.

While it is impossible to predict what the global, national, and state economies will do and how they will affect Kenmore, we are seeing marginal economic improvements regionally and locally. As a result, we have been conservatively optimistic with this budget.

Conclusion

Thanks to the City Council's leadership and fiscal discipline as well as the creativity, frugality, and productivity of city employees and partnering agencies, our organization is in good financial condition. While building and balancing this budget has not been easy, your prior efforts and policies have made preparing this budget much easier than it otherwise could have been.

This budget not only maintains basic services, it makes strategic investments into our future. Economic development, in many forms, is at the center of this budget. Whether we are starting a new business incubator, constructing a new trail, or augmenting our marketing efforts, we are investing in Kenmore's quality of life and position as a thriving local economy at the Crown of the Lake.

We need to stay vigilant and keep tight reigns on the budget. I will also continue to emphasize my management values for this organization, including:

- Entrepreneurial spirit
- Frugality
- Safety for employees and citizens
- Agility
- Continuous improvement
- Communication
- Customer service
- Passion for our public service mission

I am thankful for the hand we are dealt—we have an excellent City Council and outstanding employees who work well together as a team. In addition, our supportive and engaged citizens make our jobs more interesting and are what make our community so great.

Thank you for considering and adopting the 2013-2014 Biennial Budget. I look forward to its execution. Thank you for serving the community and for providing the common sense and leadership that has navigated our City so well.

Sincerely,

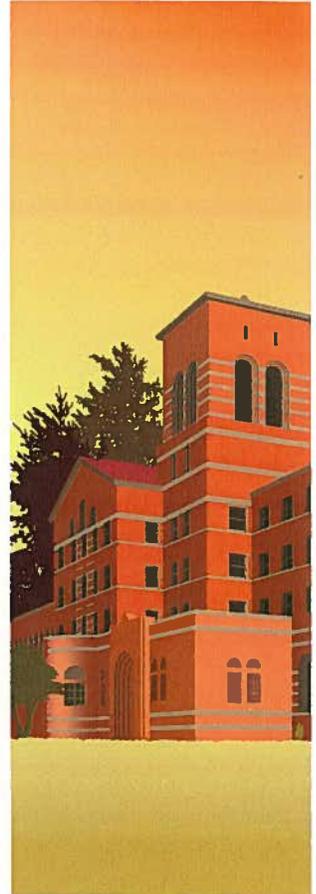


Rob Karlinsey
City Manager
City of Kenmore

City of Kenmore, Washington

City Profile

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Kenmore
Washington**

For the Biennium Beginning

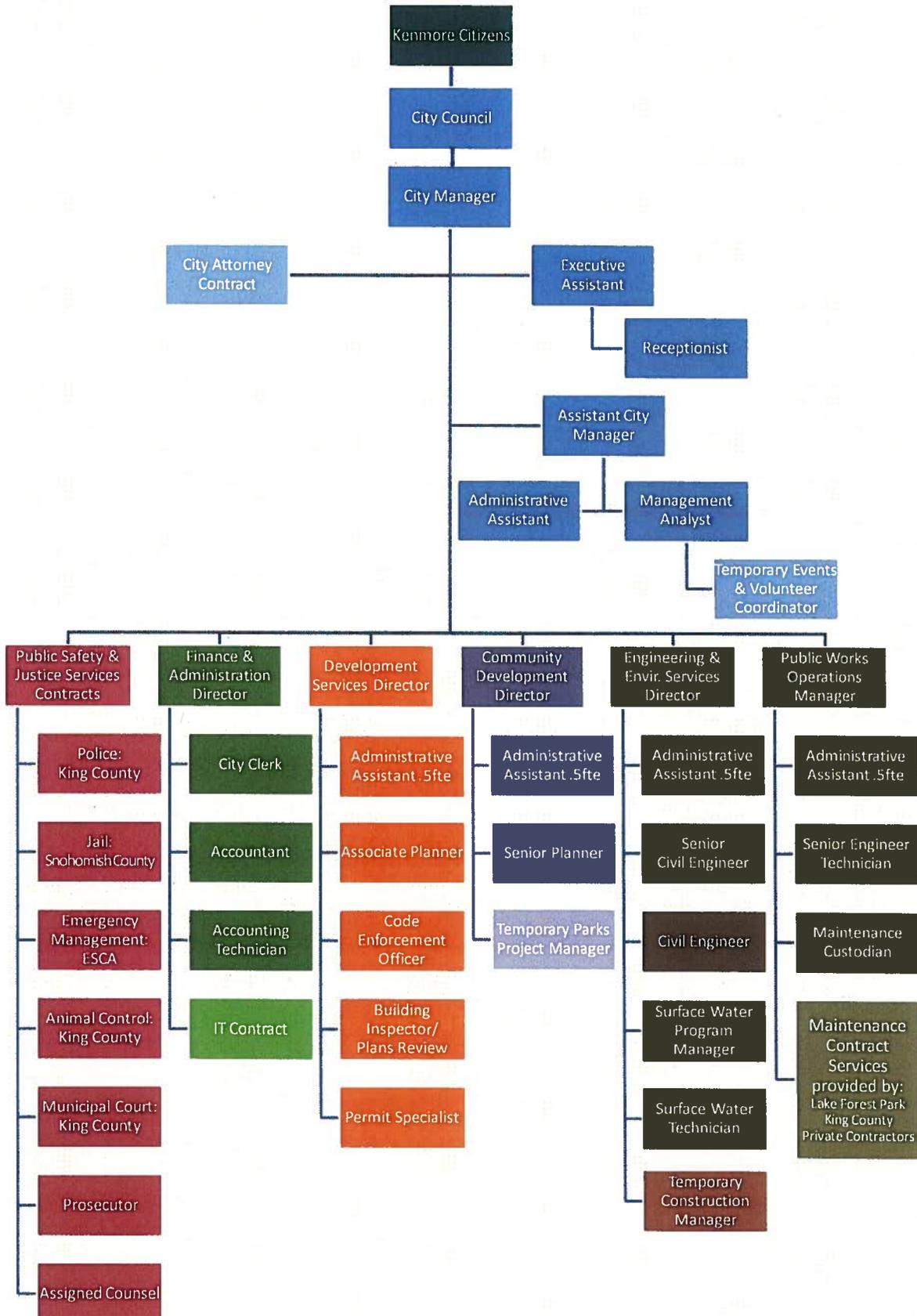
January 1, 2011

Linda C. Dawson Jeffrey R. Egan

President

Executive Director

2013-2014 Organizational Chart





City of Kenmore, Washington

ELECTED OFFICIALS

David Baker, Mayor
Position #5, Term 2012-2015

Milton Curtis
Position #3, Term 2012-2015

Brent Smith
Position #1, Term 2012-2015

Bob Hensel, Deputy Mayor
Position #4, Term 2010-2013

Glenn Rogers
Position #7, Term 2012-2015

Laurie Sperry
Position #2, Term 2010-2013

Allan Van Ness
Position #6, Term 2010-2013

CITY MANAGEMENT TEAM

Rob Karlinsey, City Manager

Nancy Ousley, Assistant City Manager

Joanne Gregory, CPA, Finance and Administration Director

Debbie Bent, Community Development Director

Kris Overleese, Engineering and Environmental Services Director

Jennifer Gordon, Public Works Operations Manager

Bryan Hampson, Development Services Director

Patty Safrin, City Clerk

Cliff Sether, Chief of Police

Rod Kaseguma, City Attorney



City of Kenmore, Washington

ADVISORY BOARDS AND COMMISSIONS

Planning Commission

Terms That Expire December 31, 2015:

Doug Nugent

Angela Kugler

Mark Ohrenschall

Michael Vanderlinde

Terms That Expire December 31, 2014:

Doug Huxtable

Jim Howard

Dennis Mendrey

Library Advisory Board

Ellen Traxel Stein, President

William McCoy, Vice President

Chandrika Kaul, Secretary

Lisa Keller

Mathew Martin

Marilyn White

Paige Almond, Youth Member

Karen Hardiman, Liaison from King County Libraries

Laurie Sperry, Liaison from Kenmore City Council

City of Kenmore, Washington

Vision Statement

As we look into the future twenty years from now, we see Kenmore as a place that residents, businesses and visitors find special, with welcoming, courteous people, offering a high quality of life as a place to live, raise children, shop, work, recreate, and socialize. In 2020, we see Kenmore as. . .

- A community** that is family-friendly with a small town feeling, that recognizes its history and is open to and values diversity
- A community** that fosters a sense of belonging and pride, makes use of the vast skills of its citizens, and promotes volunteerism
- A community** that has preserved the character of its single-family residential neighborhood, which offers a range of housing types and prices to ensure an adequate choice of attractive living accommodations, and promotes compatible housing
- A community** that actively protects natural and environmentally sensitive areas, significant open space, and trees
- A community** with an attractive, vital, pedestrian-oriented city center offering commercial, civic, cultural, and park spaces, integrated with higher-density housing
- A community** with clear design standards creating attractive, functional, and enduring buildings and places
- A community** that manages its traffic well and is united by a safe and effective system of streets, transit routes, sidewalks, and trails, linking significant regional and local destinations
- A community** that supports and encourages quality schools, diverse and continuing education opportunities
- A community** with a network of parks, trails, open spaces, and recreational facilities providing for passive and active recreation, and waterfront access
- A community** with clear public priorities, that efficiently and effectively utilizes its public resources
- A community** with an economic base that provides for the needs of its citizens and provides quality employment opportunities
- A community** that it attentive to, and seeks to provide for, the health, safety and welfare of all its citizens
- A community** that is a good partner with the citizens and governments throughout the region
- A community** with an informed citizenry working with an open, responsive government that seeks out and integrates public input

To achieve this vision, responsible commitments in planning and resources will be made. We share and support this vision for Kenmore.

Kenmore Mission Statement

With integrity as its cornerstone, Kenmore is a city that will meet its obligations by providing:

- ~ Effective and efficient services
- ~ Public safety
- ~ Forum for citizen participation and involvement
- ~ A community-generated plan for the future
- ~ Fair and friendly services responsive to the diverse needs of the citizens
- ~ Representation of Kenmore's interests in local and regional partnerships

... Leaving a sustainable legacy



*City of Kenmore
Washington*

2012-2013 City Council Goals

- 1. Recruit, hire, and transition to a new City Manager.**
- 2. Implement the economic development plan to include metrics to gauge progress.**
- 3. Seek funds to move forward on the SR 522 project.**
- 4. Establish a contemporary information technology program.**
- 5. Pursue downtown development.**
- 6. Implement a parks improvement and financial plan.**
- 7. Establish a 20 to 30 year sidewalk plan.**
- 8. Move the City Council's inter-connectivity vision forward toward implementation (parks, trails, open space, institutions, and shuttle bus).**
- 9. Increase the use and participation of community volunteers in operation of the City.**
- 10. Address watershed issues affecting the City.**
- 11. Establish a six-year financial plan.**
- 12. Continue to seek opportunities to complete a successful LakePointe development.**

Adopted by the City Council at the June 25, 2012 City Council meeting.

City of Kenmore, Washington Community Profile

About Kenmore

Founded in 1901, Kenmore was primarily a dense forest, mostly owned by investors, for many years. One of these investors, Philo Remington (inventor of Remington guns) sold some of the investment property to Watson C. Squire (his son-in-law). Squire was the last territorial governor of Washington State and one of the State's first United States Senators. He erected a water tower and the availability of water attracted water squatters. Shirl Squire, his sister, a landscape architect in Massachusetts, planned to make it into a residential waterfront park complete with lagoons, but Squire died in 1926 before he was able to build it.

Kenmore was named by John McMasters. He and his wife, Annie, were originally from the small town of Kenmore, Canada, located 40 miles south of Ottawa. They arrived in Puget Sound in 1889, leased land at Kenmore from Squire, and named the area after their old home town. He took control of a mill started by Fir Lumber in 1903. At first he was partnered with Chris Kruse, but assumed full ownership in 1905. Kenmore was only the mill, the cookhouse, the manager's house, a bunkhouse and a few worker shacks. The mill was at the edge of Lake Washington, where logs were floated to be made into shingles for roofs and the sides of houses. The mill, located east of the present Premix plant on the flat land beside the river, employed 35 - 40 men. The mill burned down in 1923.

Sportsmen enjoyed hunting in the area of the marsh at the mouth of the Sammamish and a boathouse and resort house accommodated the at Peterson's Landing, near the present highway bridge. There was a houseboat hotel with a saloon and floats for mooring. In fact, there were duck clubs up the river, usually small cabins owned by small groups of well-to-do citizens from Kirkland. Weekends were known to be rowdy and busy. Places with names such as the 'Bucket of Blood' existed as late as 1940 at the location of the present Rite Aid parking lot. 'The Blind Pig' was only accessible to boats and was named because, during the Prohibition, it was easy to dump evidence in the lake during a raid.



The Red Brick Highway, first called Squire Boulevard, became Bothell Brick Road, opened in 1913 and stimulated growth in Kenmore. After the end of World War I, the Puget Mill Company (Pope & Talbot) offered small tracts of land. Homes were built north of the highway and between the main intersection and Swamp Creek. The Moorlands also grew after a bridge was constructed across the river about 1918. The Mitchell family built a store in 1919 at the Kenmore crossroads, and the first service station was completed the following year.

City of Kenmore, Washington Community Profile

Kenmore maintained its own school district for many years, and constructed its first school building in 1914. In 1916 the district consolidated with Bothell. The children were picked up in a milk truck, with benches placed in the truck every morning and again in the afternoon. It was not until 1920 that the school obtained an actual school bus. The original school faced what is now NE 181st Street. From 1925 until 1930 the building was used by the Kenmore Community Club.

During the second half of the 20th century, the population grew quickly and had reached 16,874 at the time Kenmore incorporated on August 31, 1998. Today, Kenmore, also known as Kenmore by the Lake, has a population of 21,020 and enjoys an affluent, suburban character at its location on the northernmost shore of Lake Washington. Kenmore features spectacular local and state parks, a regional 18-mile paved trail, beautiful neighborhoods, award-winning businesses, and a highly-recognized school district. In 2009, Kenmore was ranked #1 by *Seattle Magazine* for "Best Metropolitan Neighborhoods to Live" and named by *Family Circle Magazine* as "One of the 10 Best Towns for Families."

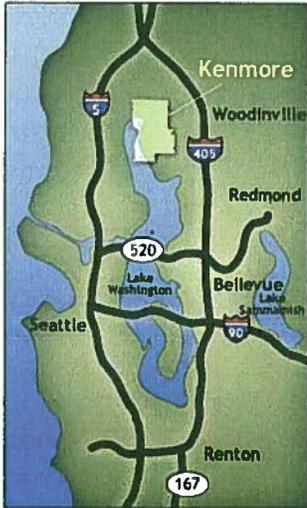


Photos by Vinny

City of Kenmore, Washington Community Profile

LOCATION

The City of Kenmore is located at the north end of Lake Washington, in the northern part of King County adjacent to the cities of Lake Forest Park, Bothell, Kirkland, and Brier (in Snohomish County), and is accessible from I-5 and I-405 on SR-522 (Bothell Way).



LEGISLATIVE REPRESENTATION

King County District 1

Councilmember Rod Dembowski

State Legislative District 46

Senator David Frockt

Representative Gerry Pollet

Representative Jessyn Farrell

US Congress

Senator Patty Murray

Senator Maria Cantwell

Representative Suzan DelBene (Dist. 1)

MUNICIPAL SERVICES

Law Enforcement:

The City of Kenmore contracts with the King County's Sheriff's Office for law enforcement services. The City also contracts with

Snohomish County and King County for jail services and King County for court services.

Fire Protection:

The City of Kenmore voters approved annexation to the Northshore Fire District (#16) for fire protection services. The District is a separate taxing entity.

Library Services:

The King County Library System (KCLS), a separate taxing entity, provides library services.

Public Works:

The City of Kenmore contracts with the City of Lake Forest Park for public works support. The City also contracts with King County and other private vendors for street and traffic maintenance services and surface water maintenance.

Animal Control:

The City of Kenmore contracts with King County and PAWS for animal control services.

Parks:

The City of Kenmore maintains parks within the community, with the exception of St. Edward State Park and the Kenmore Boat Launch, which are operated by the State and the Burke Gilman Trail which is operated by King County.

City Parks

- Log Boom Park (12 acres)
(NE 175th Street & 61st Ave NE)
- Rhododendron Park (12.5 acres)
(Simonds Road & Juanita Drive)
- Wallace Swamp Creek Park (25 acres)
(73rd Ave NE between NE 198th & NE 195th St)
- Linwood Park (1.4 acres)
(NE 193rd Street & 56th Ave NE)
- Moorlands Park (3.5 acres)
(84th Ave & NE 153rd Street)
- Squires Landing Park (40 acres)
(NE 175th Street @ 75th Ave NE)
- Northshore Summit (3.72 acres)

County Parks

- Sammamish River/Burke Gilman Trail

City of Kenmore, Washington Community Profile

(Along Lake Washington & Sammamish River)

State Parks

- St. Edward State Park
(Juanita Drive & NE 147th Street)
- WA State Dept of Fish & Wildlife Kenmore Boat Launch (Juanita Drive/Sammamish River)

School District:

The City of Kenmore is part of the Northshore School District, which also serves the cities of Bothell and Woodinville, plus parts of unincorporated King and Snohomish Counties. Public school facilities within Kenmore include:

- Arrowhead Elementary (6725 NE Arrowhead)
- Kenmore Elementary (19121 71st Ave NE)
- Moorlands Elementary (15115 84th Ave NE)
- Kenmore Jr. High School (20323 66th Ave NE)
- Inglemoor High (15500 Simonds Road NE)

University:

Bastyr University (14500 Juanita Drive NE). Bastyr University is one of the world's leading academic centers for advancing knowledge in the natural health sciences.

Utility Services:

The Northshore Utility District provides water and sanitary sewer services. Electricity and natural gas are provided by Puget Sound Energy (PSE); phone service is provided by Frontier Communications and others, and cable television service is provided by Comcast Corporation and Frontier Communications.

Top Five Employers

Bastyr University
Kenmore Lanes
Kenmore Air Harbor
Safeway
Plywood Supply

Top Ten Companies ranked by 2012

Retail Sales, Category

- * James G. Murphy Co, Auctioneer Services
- * Safeway, Retail Grocery
- * Kenmore Camera, Retail Trade
- * Inglewood Golf Club, Golf Course Services
- * Les Schwab Tire Center, Retail Trade
- * Rite Aide, Retail Trade
- * Super Supplements; Retail Trade
- * Seattle Watersports
- * Bothell Ski & Bike; Retail Trade
- * McDonalds; Retail Trade

Demographics *

<i>Square Miles</i>	6.1
<i>Population</i>	21,020 (2012)
<i>Occupied Housing Units</i>	7,984 (2010)
<i>Miles of Paved Streets</i>	7
<i>Gender and age (2010 Census)</i>	
Male	49.6%
Female	50.4
Median age (years)	39.5
Under 5 years	6.7%
5 to 9 years	6.0
10 to 14 years	6.2
15 to 19 years	6.1
20 to 24 years	5.3
25 to 29 years	6.3
30 to 34 years	6.8
35 to 39 years	7.5
40 to 44 years	7.6
45 to 49 years	8.1
50 to 54 years	8.3
55 to 59 years	7.4
60 to 64 years	5.8
65 to 69 years	3.7
70 to 74 years	2.6
75 to 79 years	2.2
80 to 84 years	1.6
85 years and older	1.8

Race (2010 Census)

White	76.2%
Black or African American	1.6
American Indian or Alaska Native	0.4
Asian	10.4
Pacific Islander	0.3
Hispanic	7.0
Other	4.1

Household by Type (2010 Census)

Total Households 7,984	
Households with individuals under 18 years 33.5%	
Households with individuals 65 years and over 21.8%	
Family Households	68.7%
With own children under 18	31.5
Husband-Wife family	55.3
With own children under 18	24.6
Male householder, no wife present	4.3
With own children under 18	2.1
Female householder, no husband present	9.1
With own children under 18 years	4.8
Non-family households	31.3
Householder living alone	23.4
Male	10.4
65 years and over	2.0
Female	13.1
65 years and over	5.9

City of Kenmore, Washington Community Profile

Average Household size	2.55
Average Family size	3.01

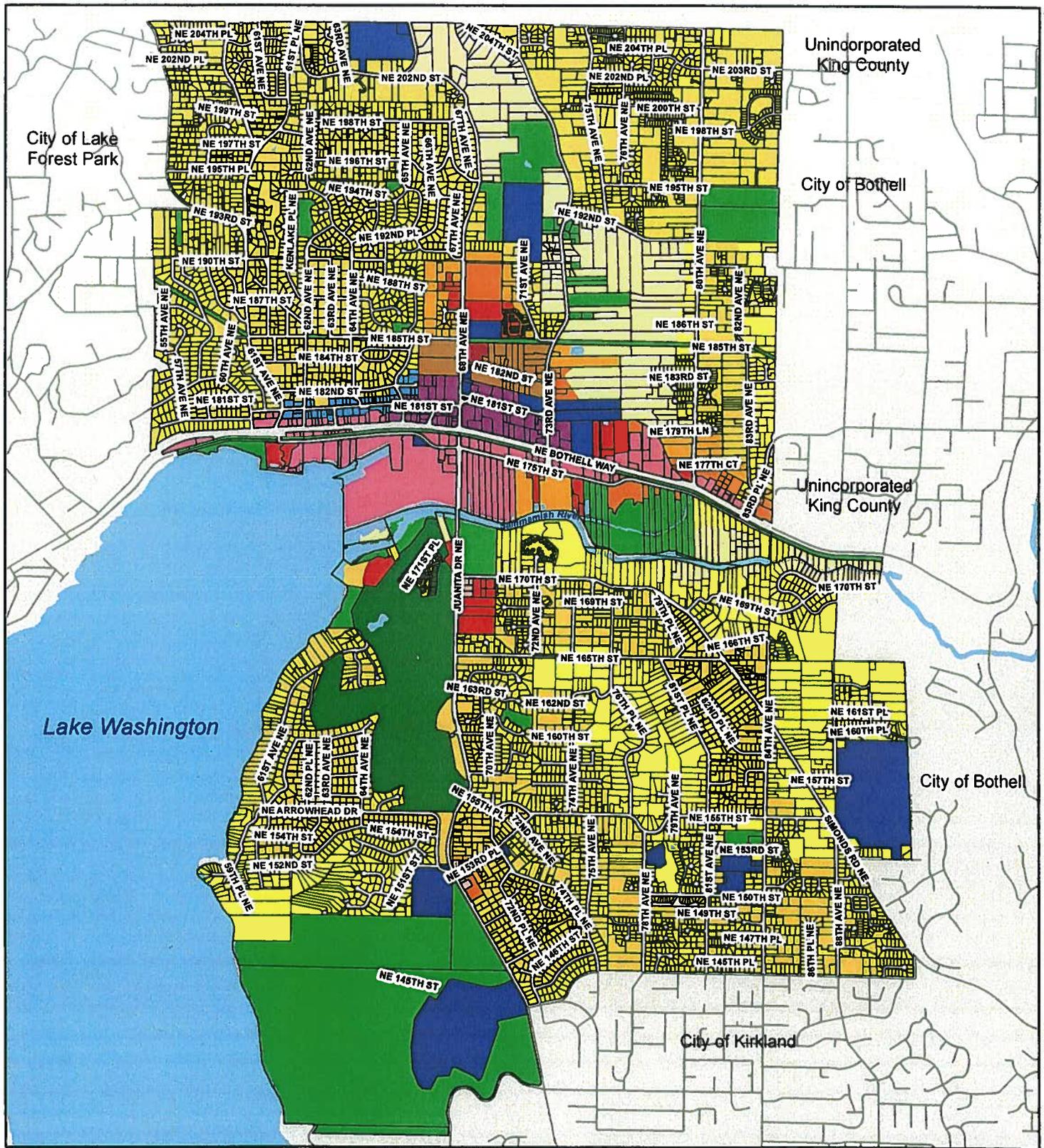
Educational Attainment (2010 Census)

Less than 9 th grade	2.4%
9 th to 12 th grade, no diploma	4.0
High School Grad or Equivalent	14.7
Some college, no degree	24.2
Associate Degree	7.6
Bachelor's Degree	29.8
Graduate or Professional Degree	17.3

Housing Tenure (2010 Census)

Total Housing Units	8,569
Occupied units	7,984
Owner-occupied units	73.6%
Population in units	15,447
Average household size	2.63
Renter-occupied units	26.4%
Population in units	4,890
Average household size	2.32

* Source: U.S. Bureau of the Census, Census 2010



Official Zoning Map | City of Kenmore

- | | | | |
|----------------------|-----------------------|---|---|
| Regional Business | Neighborhood Business | R-1 (Residential, 1 Dwelling per Acre) | R-18 (Residential, 18 Dwellings per Acre) |
| Downtown Commercial | Public / Semi-Public | R-4 (Residential, 4 Dwellings per Acre) | R-24 (Residential, 24 Dwellings per Acre) |
| Downtown Residential | Parks* | R-6 (Residential, 6 Dwellings per Acre) | R-48 (Residential, 48 Dwellings per Acre) |
| Community Business | Golf Course | R-12 (Residential, 12 Dwellings per Acre) | |

* Portions of the Burke-Gilman Trail & Tolt Pipeline occur in rights-of-way and not as separate parcels. However, these facilities are considered to be Parks along their full length.



City of Kenmore, Washington
Aerial Photo



City of Kenmore, Washington

Budget Guide

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City of Kenmore, Washington
2013-2014 Budget Calendar

Major Task	2012 Date and/or Deadline
Budget Call to Management Team to Prepare Detailed Estimates of Revenues and Expenditures; Budget Reports as of May 31, 2012 or later, will be distributed for use in preparing 2012 year end projections and 2013-2014 budget requests.	June 29
Management Team Estimates of Revenues and Expenditures to Finance	July 31
Finance Director Review of Estimates	July 30-August 10
City Manager Review of Estimates	August 6 –August 10
City Manager Budget Meetings with Departments	August 20 – August 31
Budget Estimates Compiled and Filed with Clerk per RCW 35A.33.030	September 17 (September 24 RCW deadline)
City Manager Presents Preliminary Report of Estimates of Revenue and Proposed Preliminary Budget is Distributed to the City Council	September 24 (Oct 1 RCW deadline)
City Clerk Publishes Notice of Filing of Proposed Budget and Notice of Public Hearing on Revenues and Proposed Budget (Oct 22, Nov 19)	October 1 Publish once a week for two consecutive weeks for Hearings in October & November
City Manager’s Budget Message and Overview of 2013-2014 Proposed Biennial Budget	October 8 (2nd Monday)
Review of 2013-2014 Proposed Biennial Budget and Department Presentations	October 15 (3rd Monday)
Review of 2013-2014 Proposed Biennial Budget and Department Presentations	October 22 (4th Monday)
Public Hearing on Property Tax Levy for 2013	October 22 (Nov 2-Nov 30 RCW deadline)
Review of 2013-2014 Proposed Biennial Budget (if needed)	October 29 (5th Monday)
Proposed Budget Document and Budget Message are filed with the City Clerk and distributed to	November 1 (Nov 2 RCW deadline)

**City of Kenmore, Washington
2013-2014 Budget Calendar**

the City Council	
Copies of Proposed Budget Document are made Available to the Public	November 1 (Nov 20 RCW deadline)
Review of 2013-2014 Proposed Biennial Budget (if needed)	November 13 (2nd Tuesday)
Review of 2013-2014 Proposed Biennial Budget	November 19 (3rd -Monday)
Public Hearing on 2013 Property Tax Levy and 2013-2014 Proposed Biennial Budget	November 26 (4rd Monday) (Dec 3 RCW deadline)
Adopt 2013 Property Tax Levy by Ordinance	November 26 (Nov 30 RCW deadline)
Adopt 2013-2014 Biennial Budget by Ordinance	November 26 (3rd Monday)

City of Kenmore, Washington

The Budget and the Budget Process

The budget includes the financial planning and legal authority to obligate public funds. The budget is the policy direction by the City Council to the administrative organization. The City Council, the Administration, and the public are all involved in establishing the budget for the City of Kenmore.

The budget provides four functions:

1. A Policy Document

The budget functions as a policy document. The decisions made as a result of the budget will reflect the principles or plans that guide future actions. As a policy document, the budget links goals and policy to the actual day-to-day activities of the organization.

2. An Operational Guide

The budget of the City finances day to day operations and capital projects. Activities and costs of each City function are described in the following sections. The budget also addresses debt management, current and budgeted personnel levels, long range planning, capital spending plans, and the tax base and its relationship to the provision of services.

3. A Communications Device

The budget is an opportunity to encourage public review of City operations. The budget describes the activities of the City, the reason or cause for those activities, future implications, and the direct relationship to the citizenry.

4. A Legally Required Financial Planning Tool

The budget is a financial planning tool, its most traditional use. Preparing and adopting a budget is a State law requirement of all cities, Title 35A of the Revised Code of Washington (RCW). A balanced budget must be adopted prior to the expenditure of any City funds. The budget is the legal authority to expend public moneys and controls those expenditures by setting the amount of the appropriation at the fund level. The revenues of the City are estimated, along with available cash carry-forward, to indicate funds available. The budget also takes into account unforeseen contingencies, and provides for the need for periodic adjustments. As stated in RCW 35A.33.075 "Appropriations shall be limited to the total estimated revenues contained therein including the amount to be raised by ad valorem taxes and the unencumbered fund balances estimated to be available at the close of the current fiscal year".

The budget process for the City of Kenmore is a year-round activity. The formal budget planning for 2013-2014 began in January 2012 during the Council retreat. The City Manager and the Department Directors prepared the preliminary proposed biennial budget June through September. The City Council reviews the budget during October and November.

The City of Kenmore budget procedures are mandated by RCW 35A.33.135. The first requirement is for the City Manager to submit estimated revenues and expenditures to the City Council on or before the first Monday in October. Although state law requires that the

City of Kenmore, Washington The Budget and the Budget Process

City Manager present the balanced preliminary budget to the City Council in November, the City Manager presents the balanced proposed preliminary budget along with estimated revenues and expenditures early in October. Public hearings are held to obtain public comments. Revisions, as applicable, are made during Council discussion. The Council makes its adjustments to the budget and adopts by ordinance a balanced budget no later than December 31. The operating budget as adopted is published, distributed, and made available to the public during the first three months of the following year.

The City established a two-year biennial budget by Ordinance in 2008, in accordance with RCW 35A.34.040 and its first biennial budget period was 2009-2010. Less than 30 Washington cities currently use biennial budgets.

As provided for in the RCW, the City must conduct a mid-biennium review and modification of the biennial budget no sooner than eight months after the start nor later than the conclusion of the first year of the fiscal biennium. The budget modification shall be by ordinance approved in the same manner as are other ordinances of the City. At other times, when the City Council determines it is in the best interest of the City to increase or decrease the appropriation for a particular fund, the Council may only do so by ordinance approved by a majority of the Council after holding a public hearing. This is usually performed after the mid- biennium review, prior to close of the two year budget period.

The City Manager is authorized to transfer budgeted amounts within a fund; however, any revisions that alter the total expenditures of a fund, or that affect the number of authorized employee positions, salary ranges, monetary benefits must be approved by the City Council.

City of Kenmore, Washington

Financial Policies

1) OPERATING BUDGET - OVERALL

- a) The budget should be a performance, financing and spending plan, agreed to by a majority of the City Council. It should contain information and data regarding expected revenues, expected expenditures and expected performance.
- b) The City Manager will prepare and refine written policies and goals to guide the preparation of performance, financing and spending plans for the City budget. Adopted budgets will comply with the adopted budget policies and City Council priorities.
- c) As a comprehensive business plan, the budget should provide the following critical elements recommended by the Government Finance Officers Association: public policies, financial plan, operations guide and communications device.
- d) The City's budget presentation should display the City's service/delivery performance plan in a Council constituent-friendly format. Therefore, the City will use a program budgeting format to convey the policies for and purposes of City operations. The City will also prepare the line-item format materials for those who wish to review that information.
- e) Decision making for capital improvements will be coordinated with the operating budget to make effective use of the City's limited resources for operating and maintaining facilities.
- f) The City Manager has primary responsibility for: a) formulating budget proposals in line with City Council priority directions; and b) implementing those proposals once they are approved.

2) FISCAL INTEGRITY

- a) Ongoing operating costs will not exceed the amount of ongoing revenue to finance these costs. New program costs will have identified ongoing revenues.
- b) Any available carryover balance will only be used to offset one-time or non-recurring costs. Cash balances in excess of the amount required to maintain strategic reserves will be used to fund one-time or non-recurring costs.
- c) The City will maintain the fiscal integrity of its operating, debt service and capital improvement budgets which provide services and maintain certain public facilities, streets and utilities. It is the City's intent to maximize the level of public goods and services while minimizing the level of debt.
- d) Mitigation fees shall be used only for the project or purpose for which they are intended.
- e) The City will maintain a balanced budget which is defined as planned funds available equal planned expenditures and ending fund balance.

3) CONTINGENT ACCOUNTS

- a) It will be the policy of the City to maintain General Fund balance reserves at a level at least equal to twenty-percent (20%) of the total General Fund budgeted revenue, excluding fund balance, building permits, land use & mitigation fees, and any significant one-time revenue (i.e. State or Federal grants). These operating reserves shall be maintained to offset revenue shortfalls; provide payment of approved expenditures due to cash flow shortages; and provide funding for unanticipated emergencies.

City of Kenmore, Washington Financial Policies

- b) For purposes of calculating adequate reserve levels, the General Fund cash balance will be used, net of any designated amounts.
- c) The City will maintain a building permit reserve in the General Fund to provide for completion of building permit obligations in the event of a decline in development activity. This reserve shall be equal to twenty-five percent (25%) of the annual building inspection and review costs.

The 2013 and 2014 calculations are shown below:

2013			
2013 Budgeted Revenues		\$9,527,491	
Less Development Fees:			
Building and Other Permits	(204,901)		
Land Use and Plan Review	(399,552)	(604,453)	
Less One-Time Items:			
Interfund Transfers	(0)		
State Grants	(0)	(0)	
Net Revenues		8,923,038	
Multiplied by 20%			\$1,784,607
Permit Reserve Calculation:			
Development Fees (above)		604,453	
Multiplied by 25%			<u>151,113</u>
Minimum General Fund Balance Reserve Required for 2013			\$1,935,720

2014			
2014 Budgeted Revenues		9,714,203	
Less Development Fees:			
Building and Other Permits	(218,376)		
Land Use and Plan Review	(404,474)	(622,850)	
Less One-Time Items:			
Interfund Transfers	(0)		
State Grants	(0)	(0)	
Net Revenues		9,091,352	
Multiplied by 20%			\$1,818,270
Permit Reserve Calculation:			
Development Fees (above)		622,850	
Multiplied by 25%			<u>155,713</u>
Minimum General Fund Balance Reserve Required for 2014			\$1,973,983

City of Kenmore, Washington Financial Policies

- d) The City will maintain a twenty-percent (20%) operating expense reserve for the Surface Water Management Fund. This operating reserve shall be created and maintained to provide sufficient cash flow to meet daily financial needs and will be based on total operating expenses. For budget purposes, operating expenses will be calculated on the fund's total budgeted expenses, excluding capital purchases. This calculation will exclude any amounts received from the King County Memorandum of Agreement (MOA):

<u>Surface Water Management Fund</u>	
2013 Operating Expenses	\$1,240,364
Multiplied by 20% = Policy Reserve	\$248,072

<u>Surface Water Management Fund</u>	
2014 Operating Expenses	\$1,231,261
Multiplied by 20% = Policy Reserve	\$246,252

- e) The City shall maintain the Equipment Replacement Fund for the replacement of equipment, furniture, computers and vehicles. The equipment reserve funds will be maintained at a level sufficient to meet scheduled equipment replacement so as to sustain an acceptable level of municipal services and prevent physical deterioration of City assets.

4) REVENUES

- a) Revenue estimates shall not assume any growth rates in excess of inflation. Real growth that occurs will be recognized through budgetary adjustments only after it takes place. This minimizes the likelihood of either a reduction in force or service level in the event revenues would be less than anticipated.
- b) Investment income earned through the City's investment pool shall be budgeted on the allocation methodology, i.e., the projected average monthly balance of each participating fund.

5) INTERNAL GOVERNMENTAL SERVICE (INTERFUND) CHARGES

Depreciation of equipment, furnishings and computer software will be included in the service charges paid by City departments to the Equipment Replacement Funds. This will permit the accumulation of cash to cost effectively replace these assets and smooth out budgetary impacts.

City of Kenmore, Washington

Financial Policies

6) CONTRACTUAL SERVICES

The City will thoroughly investigate the feasibility of contracting certain public services, recognizing that the City Council's policy is to contract services versus conducting those services in-house.

7) MINIMIZATION OF ADMINISTRATIVE COSTS

An appropriate balance will be maintained between resources allocated for direct services to the public and resources allocated to ensure sound management, internal controls and legal compliance.

8) RETIREMENT

The budget shall provide for funding of the City's share of the employee Social Security Substitute Plan and Public Employees Retirement System (PERS).

9) MONTHLY REPORT

- a) A revenue/expenditure report will be produced monthly so that it can be directly compared to the actual results of the fiscal year to date.
- b) All budget amendments, both revenues and expenditures, will be noted in the monthly report.

10) MULTI-YEAR FORECAST

- a) Each year, the City will update revenue and expenditure projections for the next six years. Projections will include estimated operating costs for future capital improvements that are included in the capital budget.
- b) This budget data will be presented to the City Council in a form that will facilitate annual budget decisions, based on a multi-year strategic planning perspective.

11) QUARTERLY REPORT

- a) The budget will be produced so that it can be directly compared to the actual results of the fiscal year and presented in a timely quarterly report.
- b) All budget amendments will be noted in the report.

12) CITIZEN INVOLVEMENT

- a) Citizen involvement during the budget process shall be encouraged through public hearings and study sessions.
- b) Involvement shall also be facilitated through any Council appointed boards, task forces and commissions which shall serve in advisory capacity to the Council and staff. Citizens can also be involved by attending community meetings and public forums.

13) FEES

- a) Fees shall be phased toward covering 100% of the cost of service delivery, unless such amount prevents an individual from obtaining essential services. Fees or service charges should not be established to generate money in excess of the cost of providing service.
- b) Fees may be less than 100% if other factors, e.g., market forces, competitive position, etc., need to be recognized.

14) CAPITAL BUDGET - FISCAL POLICIES

- a) Capital project proposals should include as complete, reliable and attainable cost estimates as possible. Project cost estimates for the Capital Budget should be based upon a thorough analysis of the project and are expected to be as reliable as the level of detail known about the project. Project cost estimates for a six year plan should be

City of Kenmore, Washington Financial Policies

as reliable as possible, recognizing that earlier project cost estimates will be more reliable than cost estimates in the later years.

- b) Capital projects should include a comprehensive resource plan. This plan should include the amount and type of resources required, and the funding and financing strategies to be employed. The specific fund and timing should be outlined. The plan should indicate resources necessary to complete any given phase of the project, e.g., design, rights-of-way acquisition, construction, project management, etc.
- c) All proposals for capital projects will be presented to Council within the framework of a Capital Budget. No consideration will be given to the commitment of capital funds outside the presentation of the entire Capital Budget, except that emergency capital projects may be committed outside the normal review procedure.
- d) Major changes in project cost estimates should be presented to Council for review and approval. Major changes are defined as fifteen percent (15%) for capital projects up to \$999,999, two percent (2%) for projects over \$1,000,000.
- e) Capital project proposals shall include operating and maintenance costs necessary for the project over the estimated project life.
- f) At the time of project award, each project shall have reasonable contingencies also budgeted:
 - i) The amount set aside for contingencies shall correspond with industry standards and shall not exceed ten percent (10%), or a percentage of the contract as otherwise determined by Council.
 - ii) Project contingencies may, unless otherwise determined by Council, be used only to compensate for unforeseen circumstances requiring additional funds to complete the project within the original project scope and identified needs.
 - iii) For budgeting purposes, project contingencies are a reasonable estimating tool. At the time of contract award, the project cost will be replaced with an appropriation that includes the contingency as developed above.
- g) Staff shall seek ways of ensuring administrative costs of implementing the Capital Budget are kept at appropriate levels.
- h) The Capital Budget shall contain only those projects that can be reasonably expected to be accomplished during the budget period. The detail sheet for each project shall contain a project schedule with milestones indicated.
- i) Capital projects that are neither expensed nor encumbered during budget period will be re-budgeted or carried over to the next fiscal period except as reported to Council for its approval. Multi-year projects with unencumbered or unexpended funds will be carried over to the next fiscal period.
- j) If a proposed capital project will have a direct negative effect on other publicly owned facilities and/or property, mitigation of the negative impact will become part of the proposed capital projects cost.
- k) A capital project will not be budgeted unless there is a reasonable expectation that a funding source(s) is available to finance the project.

City of Kenmore, Washington

Financial Policies

15) DEBT POLICIES

- a) Debt will not be used to finance operating costs.
- b) Whenever possible, the City shall identify alternative sources of funding and shall examine the availability of these sources in order to minimize the use of debt financing.
- c) Whenever possible, the City shall use special assessment, revenue or other self-supporting debt instead of general obligation debt.
- d) Tax Anticipation Notes (TANS) will be issued only when the City's ability to implement approved programs and projects is seriously hampered by temporary cash flow shortages.
- e) Long term general obligation debt will be issued when necessary to acquire land and/or fixed assets, based upon the City's ability to pay. Long term general obligation debt will be limited to those capital projects that cannot be financed from existing revenues and only when there is an existing or near-term need for the acquisition or project. The acquisition or project should also be integrated with the City's long term financial plan and the Capital Project Plan.
- f) The maturity date for any debt issued for acquisition or project will not exceed the estimated useful life of the financed acquisition or project.
- g) Fifty percent (50%) of the principal of any long-term debt should be retired within the first ten (10) years of maturity.
- h) Current revenues shall be set aside to pay for the subsequent year's debt service payments. This is intended to immunize the City's bondholders from any short-term volatility in revenues.
- i) The City shall establish affordability guidelines in order to preserve credit quality. One such guideline, which may be suspended for emergency purposes or unusual circumstances, is as follows: debt service as a percent of the City's operating budget should not exceed eight percent (8%).

16) CAPITAL FACILITIES PLAN (CFP) POLICIES

- a) Citizen participation in the CFP is a priority for Council and staff. Among the activities which shall be conducted to address this priority are:
 - i) The CFP shall be provided to Council in a timely manner to provide Councilmembers the opportunity to review the proposed CFP with their constituents before it is considered for adoption. The City Council will play an active role in the process of developing the CFP.
 - ii) The CFP will be scheduled for Council review, and the Council meeting(s) shall be advertised and public input at the meeting(s) encouraged.
 - iii) Prior to adoption of the CFP, the Council shall conduct a public hearing(s) to provide the public with the opportunity to offer their opinions on the proposed plan.
- b) All projects included in the CFP shall be consistent with the City's comprehensive plan. The goals and policies for levels of service, facilities and transportation should be followed in the development of the CFP.
- c) Capital projects shall be financed to the greatest extent possible by user fees and/or benefit districts when direct benefit to users results from construction of the project.

City of Kenmore, Washington Financial Policies

- d) Projects that involve intergovernmental cooperation in planning and funding should be established by an agreement that sets forth the basic responsibilities of the parties involved.
- e) The Council will annually review and establish criteria against which capital proposals should be measured. Included among, but not limited to, those factors which should be considered for priority ranking of CFP are:
 - i) Projects which have a positive impact on the operating budget through reduced expenditures, or increased revenues;
 - ii) Projects which are programmed in the six-year Operating Budget estimate; and,
 - iii) Projects which can be completed or significantly advanced during the year they are scheduled.

City of Kenmore, Washington Basis of Accounting and Budgeting

ACCOUNTING

Accounting records for the City are maintained in accordance with methods prescribed by the State Auditor using the revenue and expenditure classifications contained in the *Cash Basis Budgeting, Accounting and Reporting System* (BARS) manual. This basis of accounting and reporting is another comprehensive basis of accounting (OCBOA) that is prescribed by the State Auditor's Office under the authority of Washington State law, Chapter 43.09 RCW.

BASIS OF PRESENTATION – FUND ACCOUNTING

The accounts of the City of Kenmore are organized on the basis of funds, each of which is considered a separate accounting entity. Each fund is accounted for with a separate set of double-entry accounts that comprise its cash, investments, revenues and expenditures, as appropriate. The City's resources are allocated to and accounted for in individual funds depending on their intended purpose. The following are the fund types used by the City of Kenmore:

GOVERNMENTAL FUND TYPES

Governmental funds are used to account for activities typically associated with state and local government operations. All governmental fund types are accounted for on a spending or "financial flows" measurement focus, which means that typically only current assets and current liabilities are included on related balance sheets. The operating statements of governmental funds measure changes in financial position, rather than net income. They present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. There are three governmental fund types used by the City of Kenmore:

General Fund

This fund is the primary fund of the City of Kenmore. It accounts for all financial resources except those required or elected to be accounted for in another fund (General Fund).

Special Revenue Funds

These funds account for revenues that are legally restricted or designated to finance particular activities of the City of Kenmore (Street Fund, Public Art Fund, Park Impact Fee Fund, Transportation Impact Fee Fund, Strategic Reserve Fund, Strategic Opportunities Fund, and the Sammamish River Bridge Fund).

Transportation Benefit District Fund

This fund was created under the authority of the Transportation Benefit District (TBD) which is a separate entity. The City Council serves as the District Board and the purpose of this fund is to collect and distribute the \$20 vehicle license fees that were approved by the Board in November, 2012. The TBD budget was adopted by Resolution 2012-009 which is included in the Appendix.

For managerial oversight and accounting purposes, it is included here as a Special Revenue Fund and is also included in the budget document, charts, and tables.

City of Kenmore, Washington Basis of Accounting and Budgeting

Capital Project Funds

These funds account for financial resources, which are designated for the acquisition or construction of general government capital projects (Real Estate Excise Tax Fund, Kenmore Village Fund, Parks Capital Fund, and the Transportation Capital Fund).

PROPRIETARY FUND TYPES

Proprietary funds are used to account for activities similar to those found in the private sector where the intent of the governing body is to finance the full cost of providing services primarily through user charges.

Enterprise Funds

These funds account for operations that provide goods or services to the general public and are supported primarily by user charges (Surface Water Management Fund, the Surface Water Capital Fund, and the Swamp Creek Basin Fund).

Internal Service Fund

This fund accounts for operations that provide goods or services to other departments or funds of the City (Equipment Replacement Fund).

FIDUCIARY FUND TYPES

Fiduciary funds account for assets held by the City of Kenmore in a trustee capacity or as an agent on behalf of others.

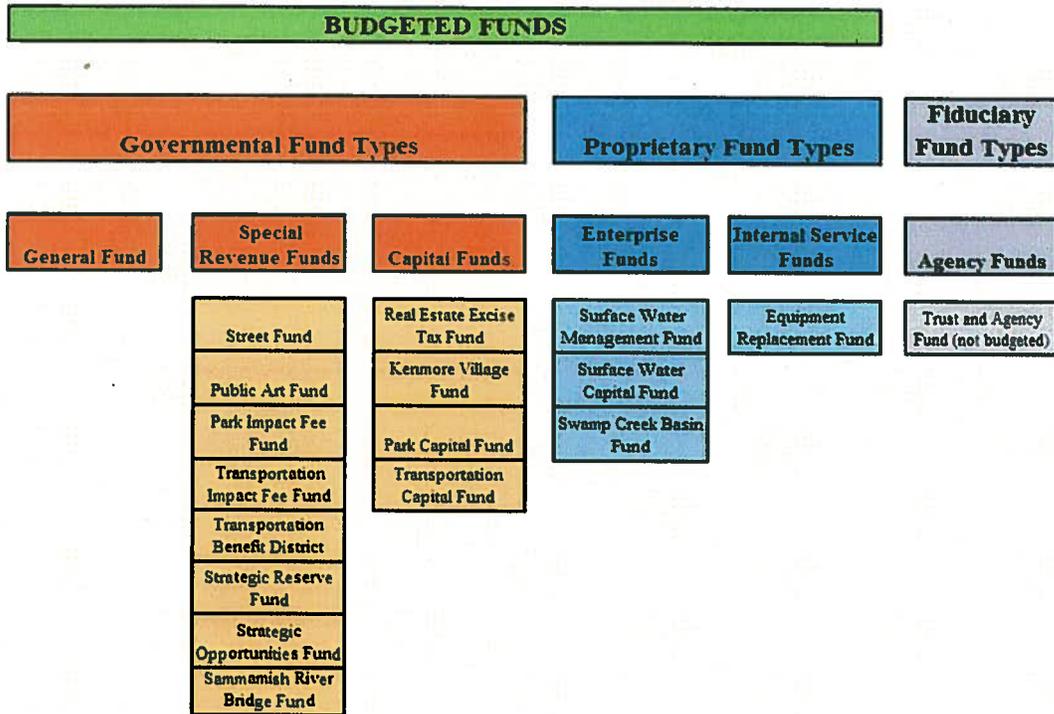
Agency Fund

These funds are used to account for assets that the City holds for others in an agency capacity. The City has one trust/agency fund which accounts for refundable deposits, animal license fees that will be remitted to the County, and rental security deposits. This fund is not budgeted.

The chart below illustrates how the City funds are categorized:

City of Kenmore, Washington

Basis of Accounting and Budgeting



Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. The City of Kenmore uses double-entry, cash basis accounting which is a departure from generally accepted accounting principles (GAAP). Under this accounting basis, revenues are recognized only when cash is received and expenditures are recognized when paid, including those properly chargeable against the report year(s) budget appropriations as required by state law (See Budget Glossary section for definition).

Purchases of fixed assets are expensed during the year of acquisition. There is no capitalization of fixed assets, nor allocation of depreciation expense. Inventory is expensed when purchased.

Budgets and Budgetary Accounting

Annual appropriated budgets are adopted for all funds except the Agency Fund. These funds are budgeted on the cash basis of accounting which matches the City's accounting basis. The financial statements include budgetary comparisons for applicable funds.

Budgets are adopted at the fund level that constitutes the legal authority for expenditures. Annual appropriations for all funds lapse at the fiscal period end.

City of Kenmore, Washington Debt Obligations and Debt Calculations

In March 2002, the City of Kenmore received approval for a Public Works Trust Fund Loan from Washington State's Department of Community Development. The last payment on this loan was made in 2007. The \$1,000,000 loan was a general obligation of the City and funded pre-construction costs associated with the SR-522 Phase I Transportation Improvement Project.

In August 2003 the City purchased property (Kenmore Village) through the issuance of \$5,000,000 in taxable Bond Anticipation Notes (BAN). This was a three-year BAN which matured August 15, 2006. In November 2005, in order to save approximately \$37,000 of interest expense versus interest income, the City Council approved staff's recommendation to pay off the BAN using cash reserves from the Capital Projects Fund.

The City has a short-term debt obligation that was inherited from King County upon incorporation in 1998. These debt payments are for the City's portion of debt service on County surface water bonds that were approved countywide in 1993 and 1996. Interest and principal payments on these bonds amount to approximately \$47,740 annually. This debt service obligation will be paid off in 2016.

In 2009 the City Council authorized a 5 year, 3.89% interest, \$4,000,000 note for construction of the new city hall. The \$4,000,000 was drawn in 2010 as construction progressed which made other cash reserves available for any unanticipated needs. By the end of 2010 it was apparent that the cash was not needed and the note was repaid in December 2010.

According to the Revised Code of Washington (RCW) 39.36.020, there are four categories of general obligation (debt which is secured by the full faith and credit of the city) debt available to the City to finance large projects. One category (#1) requires a City Council super majority vote (majority plus one) and three categories require a 60% vote of the City electorate. The City's 2013 assessed valuation of \$2,565,017,525 was used for the calculations below. The four categories of debt are described below.

1. General Purpose Non Voted Debt: This requires only a vote of the City Council and debt must be paid from operational revenue sources. The Council can levy up to 1.5% of the City's assessed value or \$38,475,262 for 2013.
2. General Purpose Voted Debt: This requires a 60% vote of the City electorate. Debt would be paid from an increase to the City's property tax levy. An amount up to 2.5% of the City's assessed value can be levied or \$64,125,438 for 2013. The total General Purpose Councilmanic Debt and General Purpose Voted Debt cannot exceed 2.5% of the City's assessed value.
3. Parks and Open Space Debt: This requires a 60% vote of the City electorate. Debt would be paid from an increase to the City's property tax levy for acquiring or developing open space and park facilities. An amount up to 2.5% of the City's assessed value can be levied or \$64,125,438 for 2013.

City of Kenmore, Washington Debt Obligations and Debt Calculations

4. Utility Purpose Debt: This requires a 60% vote of the City electorate. Debt would be paid from an increase to the City's property tax levy for utility purposed of a utility is owned and controlled by the City. An amount up to 2.5% of the City's assessed value can be levied or \$64,125,438 for 2013.

A total of 7.5% of the City's assessed valuation may be issued in bonds. The calculation for the City's Debt Capacity as of January 1, 2013 is as follows:

2013 Assessed Value for 2013 taxes	\$2,565,017,525
Debt limit – 7.5% of total assessed value	\$192,376,314
Less: Total Outstanding Debt	0
Total Remaining Debt Capacity	\$192,376,314

These limits do not apply to revenue bonds that are not general obligations (RCW 39.46.150) and are secured on the basis of dedicated revenues rather than taxes, or to special assessment (RCW 35.45.070) bonds created by the formation of local improvement districts and are secured by assessments against property benefited by the proceeds of such bonds.

City of Kenmore, Washington
Net Direct and Overlapping Debt

Direct Debt of the City of Kenmore:	
Outstanding General Obligation Debt:	
Outstanding Unlimited Tax General Obligation Debt	\$0
Outstanding Limited Tax General Obligation Debt	0
Total Net Direct Debt	\$0

Overlapping Debt (1):

	Overlapping Debt
King County	\$7,280,634
King County Library	1,816,082
Evergreen Hospital District #2	10,980,785
Lake Washington School District #414	9,836
Northshore Park & Recreation	498,004
Port of Seattle	2,563,121
Northshore School District	70,493,316
 Total Overlapping Debt	 \$93,641,777
 Total Net Direct and Overlapping Debt	 \$93,641,777

BONDED DEBT RATIOS

2013 Assessed Valuation (A.V.)	\$ 2,565,017,525
2012 Population	21,020
Ratio of:	
Net Direct Debt to Assessed Value	0.00%
Net Direct Debt and Overlapping Debt to A.V.	3.65%
Per Capita:	
Net Direct Debt	\$0
Net Direct Debt and Overlapping Debt	\$4,455
Assessed Value	\$122,027

(1) Source: King County Treasury Division Office

This is the amount of debt owed by jurisdictions with boundaries that overlap the City of Kenmore. The information for other taxing agencies was obtained from King County as of December 31, 2012.

City of Kenmore, Washington

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City of Kenmore, Washington Personnel Summary 2009 -2014

<u>Cost Center</u>	<u>2009 Actual</u>	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Actual</u>	<u>2013 Budget</u>	<u>2014 Budget</u>
City Manager*	4.00	4.00	4.00	5.00	6.55	6.55
Finance and Administration **	5.00	5.00	6.00	5.00	4.00	4.00
Community Development***	8.00	2.50	2.50	2.50	3.50	3.50
Development Services	0.00	5.50	5.50	5.50	5.50	5.50
Engineering and Environmental Services	4.50	4.50	4.50	4.50	4.50	4.50
Parks and Facility Maintenance	0.00	1.00	1.00	1.00	1.00	1.00
Street Fund	1.50	1.50	1.50	1.50	1.50	1.50
Surface Water Management Fund	1.00	1.00	1.00	2.00	2.00	2.00
Totals	24.00	25.00	26.00	27.00	28.55	28.55

* Positions were reclassified as follows:

Receptionist was transferred from Finance in 2013 and

Administrative Assistant position was added in 2012. A two year term, .55 FTE Volunteer and Events Coordinator, was added.

** 1 Accounting Technician position was added in 2011, Receptionist was transferred to City Manager cost center in 2013,

Administrative Assistant position was eliminated in 2013.

*** A two year term, one FTE Parks Project Manager, was added.

Citizen to Employee Ratios For Neighboring Cities

<u>City</u>	<u>* Population</u>	<u>** FTE's</u>	<u>Citizens:Employees Ratio</u>
Kenmore	21,020	28.55	736
Maple Valley	23,340	19.80	1,179
Mukilteo	20,360	29.00	702
Mountlake Terrace	20,090	34.00	591
Shoreline	53,270	64.38	827
Lake Forest Park	12,640	16.35	773
Bothell	34,000	74.38	457
Bainbridge Island	23,090	31.60	731
Mercer Island	22,690	42.75	531
Redmond	55,360	93.00	595

* Population estimates as of April 1, 2012

**For comparative purposes, totals exclude Legal, Judicial, Information Services, Police, Fire and Parks/Street/Utility Maintenance Personnel.

City of Kenmore, Washington Historical Revenue Review

As a code city, the City of Kenmore has statutory authority to levy or assess all revenues generally available to all classes of cities and towns in Washington State. This section analyzes the major revenues utilized and available to the City.

A Word on Voter Initiatives

Voters have approved for the ballot and subsequently passed a series of initiatives aimed at reducing and limiting the future growth of governmental revenues (or taxes, depending on your perspective). Here are the recently approved initiatives:

- **Initiative 695** – November 1999
 - Reduced motor vehicle excise taxes to \$30
 - Required voter approval of future tax increases
 - Ruled unconstitutional by the Washington State Supreme Court
 - Motor vehicle excise tax subsequently reduced by State legislature
 - \$1,500,000 annual tax reduction in Kenmore
 - Kenmore increased the utility tax rate on gas, electric, telephone and cell phone revenues to 6.0% from 1.5% in December 1999 to offset the annual reduction by \$750,000
- **Initiative 722** – November 2000
 - Would have repealed any tax or fee increases in the last half of 1999
 - Limited property tax growth to 2% per year
 - Ruled unconstitutional by the Washington State Supreme Court
 - The initiative had no effect on these matters since the State Supreme Court overturned it.
- **Initiative 747** – November 2001
 - Establishes the new property tax “limit factors”
 - 1% or Implicit Price Deflator (IPD) increase, whichever is less, over the highest of the district’s three previous annual property tax levies
 - Taxing districts could levy higher than the limit factor with voter approval.
 - “Banked capacity” still available
- **Initiative 776** – November 2002
 - Limits total motor vehicle license fees to \$30
 - Reduces transportation funding (about \$172,000 annually in Kenmore)

These initiatives have dramatically altered the local government revenues available to fund community services and programs.

City of Kenmore, Washington Major Revenue Assumptions 2013-2014

GENERAL FUND

The City of Kenmore relies on property taxes to fund many of its General Fund operations (44% of revenue). The following assumptions were used to prepare the City's major revenue estimates for 2013 and 2014.

1. The 2012 population figure used in the 2013 Budget is 21,020 as determined by the Office of Financial Management for Washington State. This figure is important when determining distribution of State shared revenues on a per capita basis. This represents an increase of 240 (1.1%) from our 2011 population figure of 20,780.
2. The 2013 property tax levy is estimated to be \$4,213,917. This included no increase in the base levy and one percent added from new construction and state assessed properties (\$41,772). In 2014, the projected property tax levy is \$4,256,056 which also assumes no increase in the base levy and one percent added for new construction (\$42,139).
3. The City's property tax levy rate for 2013 is projected to be \$1.64 per \$1,000 assessed valuation; a 2.6% increase from the 2012 levy rate of \$1.59. The increase in the levy rate is based on a projected 1.7% decline in assessed valuation.
4. Sales tax receipts in 2013 are budgeted at 7% (\$126,089) less than the estimated 2012 revenue. A .5% (\$7,965) increase is forecast for 2014. This assumes no further decline in the sales tax revenue stream. The one time new construction revenues from the Brightwater construction project are expected to end in 2012.
5. Criminal justice sales taxes are difficult to predict but tend to be about 24% of retail sales tax receipts. A 7% reduction (\$55,403) from 2011-2012 estimated revenues is projected for 2013-2014.
6. Electric, gas and cell phone utility taxes are projected to increase 2% from average 2011-2012 estimates, due to rate increases by the utility companies, and no change is projected in the telephone utility taxes.
7. Pull-tab gambling taxes are budgeted at the expected 2012 level which is about 6% more for the biennium.
8. Liquor excise taxes and liquor profits have historically been distributed on a per capita based on estimates from the Municipal Research and Service Center. The State legislature has changed the distributions which results in a \$83,000 loss of liquor excise taxes in 2013 and a cap on distributions of the liquor profits at an amount that roughly equaled the 2011 distributions. The budget for 2013-2014 is \$382,320, a 21% decrease from 2013-2014 estimated revenue of \$486,211.
9. Cable franchise fees are estimated to increase 3% over the 2012 revenue expectation which is an increase of \$16,587.
10. A newly proposed 5% franchise fee on water and sewer is expected to generate \$422,917 annually, although only \$317,186 is projected for 2013 to allow for implementation after the first of the year.
11. Development revenues are largely derived from building permit, plan review, inspections, and land use fees. The biennial development related revenues are

City of Kenmore, Washington Major Revenue Assumptions 2013-2014

projected to increase about 3% (\$37,711) from 2011-2012 which is still 14% below the adopted budget for 2011-2012. The local economy, development activity, and the housing industry have not improved substantially.

12. Investment interest is expected to yield .5% on average annual fund balances.
13. Beginning in 2013, the proposed budget allocates 10% of the city manager's position and 10% of finance staff to the Surface Water Management (SWM) Fund. Currently nothing is charged to SWM for those overhead positions. This proposed change reimburses the General Fund approximately \$50,000 per year.

OTHER FUNDS

14. No increase (0%) is expected in per capita fuel tax revenues in the Street Fund, and the budget is based on the 2012 estimate of \$421,536 in fuel tax per year. The assumption is that gas prices will continue to hover at or just below \$4.00 per gallon and consumption will stay at current levels due to greater use of fuel efficient or alternate energy vehicles. Other major sources of revenue to the Street Fund include:
 - ✓ A \$636,000 federal preservation grant for overlay on Juanita Drive,
 - ✓ \$400,000 transferred from the Real Estate Excise Tax Fund as part of the match for the grant,
 - ✓ Proposed license tab fees from the Kenmore Transportation Benefit District in the amount of \$525,000,
 - ✓ Transfers from the General Fund which would include \$740,103 from the proposed water sewer 5% franchise fee and \$686,000 of general fund resources for a total of \$1,426,103.
15. Park Impact Fee revenues are budgeted to increase 1% annually over 2012 for a total of \$337,061 over the biennium. In 2012, park impact fees were \$2,537.00 for a single family residence. The fee was not increased in 2013.
16. Transportation Impact Fees for a single family residence in 2012 were \$8,434.02 and the fee was not increased in 2013. Biennial revenues (\$876,306) were conservatively budgeted to be close to the 2012 levels due to a projection that the development and housing markets will not improve substantially.
17. A newly created Transportation Benefit District Fund will account for revenues received from a \$20 vehicle fee approved by the Transportation Benefit District Board. Collection of the fees will begin in June 2013 and \$535,000 is estimated for the 2013-2014 biennium.
18. No revenues are programmed to the Strategic Reserve Fund as it is at the cap of its statutory funding limit.
19. The newly created Strategic Opportunities Fund includes revenue of \$2,500,000 which is a transfer of fund balance reserve from the General Fund.
20. The newly created Sammamish River Bridge Fund includes revenue of \$80,000 transferred from the General Fund.
21. Real estate excise tax revenue in the newly titled Real Estate Excise Tax Fund (formerly the Municipal Capital Reserve Fund) is generated from real estate

City of Kenmore, Washington Major Revenue Assumptions 2013-2014

transactions and has reflected the recent economic downturn in the housing market. After a significant decline in 2009 (29% less than \$820,022 in 2008), there was some recovery and stabilization in 2010 (\$763,690) but not to the previously higher levels. 2011 actual revenue was \$605,932, which was less than 2010, and 2012 was projected to be only \$561,000. The 2013-2014 budget conservatively estimates 2013 and 2014 to increase 1% each year using 2012 as the base.

22. The former Capital Project Fund has been renamed the Kenmore Village Fund in recognition of the type of transactions now remaining in that fund. Revenues include tenant leases and sale of properties. Sale of one of the parcels is pending in 2013; the remaining parcels will be marketed for sale in 2013 however no revenue estimate can be made at this time.
23. Revenues to the newly created Park Capital Fund include transfers from other funds:
- ✓ Real Estate Excise Tax Fund (\$130,000),
 - ✓ Kenmore Village Fund (\$150,000),
 - ✓ Park Impact Fee Fund (\$220,000),
 - ✓ Real Estate Excise Tax Fund (\$120,000) which are King County Park Levy distributions from 2008-2012. The final year of the levy distributions is 2013 and those funds will be deposited directly in the Park Capital Fund.

All transfers correspond to resources required to support the Park capital projects budgeted within this fund as scheduled in the Capital Improvement Program.

24. Revenues to the newly created Transportation Capital Fund (formerly the Arterial Street Fund) include:
- ✓ awarded and anticipated grants in the amount of \$8,600,000,
 - ✓ transfers from the Real Estate Excise Tax Fund (\$1,462,150),
 - ✓ transfers from the Transportation Impact Fee Fund (\$792,500),
 - ✓ transfers from the Surface Water Management Fund (\$383,500)
 - ✓ All transfers correspond to resources required to support the Transportation capital projects budgeted within this fund as scheduled in the Capital Improvement Program.
25. Surface water assessments in the Surface Water Management Fund are expected to increase about 2.5% (\$77,061) in 2013-2014 over the 2011-2012 revenue level. The City completed an update to the Surface Water Management Plan in 2008 which resulted in rate increases phased in over a four year period ending in 2012.
26. No new revenues, other than investment interest, are programmed to the Swamp Creek Basin Fund.
27. Revenues to the newly created Surface Water Capital Fund include grants and reimbursements from other agencies, a transfer of \$55,000 from the Real Estate Excise Tax Fund and transfers from the Surface Water Management Fund of \$1,672,250 to support the Surface Water capital projects budgeted within this fund as scheduled in the Capital Improvement Program.

City of Kenmore, Washington
Major Revenue Assumptions 2013-2014

28. The Equipment Replacement Fund receives contributions from operating departments of the General Fund as well as the Street and Surface Water Management Funds to provide for future replacement of equipment, furniture, computers, and vehicles. Contributions from the General Fund and Street Fund are suspended for 2013 which results in a savings of about \$50,000 to those funds. Contributions resume in 2014 in the amount of \$101,093.
29. The table below illustrates the interfund transfers included in the 2013-2014 biennial budget.

From Fund	To Fund	2013-2014 Amount	Purpose
General	Street Fund	\$1,426,101	Pavement preservation, maintenance, operations
General	Strategic Opportunities Fund	2,500,000	Reserve
General	Sammamish River Bridge Fund	80,000	Replacement
Real Estate Excise Tax	Street Fund	400,000	Overlay program
Real Estate Excise Tax	Transportation Capital Fund	1,462,250	Transportation projects
Real Estate Excise Tax	Park Capital Fund	250,000	Park projects
Real Estate Excise Tax	Surface Water Capital Fund	55,000	Surface water projects
Park Impact Fee	Park Capital Fund	220,000	Park projects
Transportation Benefit District	Street Fund	525,000	Overlay program
Kenmore Village Fund	Park Capital Fund	150,000	Park projects
Transportation Impact Fee	Transportation Capital Fund	792,500	Transportation projects
Surface Water Management	Surface Water Capital Fund	1,672,250	Surface water projects
Surface Water Capital	Transportation Capital Fund	383,500	Transportation projects
TOTAL		\$9,916,601	

City of Kenmore, Washington Major Expenditure Assumptions 2013-2014

GENERAL FUND

The City of Kenmore has developed a balanced budget for the 2013-2014 biennium in that operating expenditures in the General Fund are appropriated only to the extent there is projected operating revenue in 2013-2014. The unobligated cash carryover reserve was not used to balance the budget. Following is a list of expenditure assumptions and measures used to obtain a balanced biennium General Fund budget.

Salary budgets reflect a 3% increase for both 2013 and 2014. Medical insurance premiums were budgeted with a 6% increase for 2013 and 11% increase for 2014. Dental premiums will not increase for 2013 and are budgeted to increase 5% in 2014. The employer portion of retirement contributions will increase from 7.21% to 9.19 in July of 2013.

Wage adjustments are budgeted for full time personnel in 2013 and 2014 at 2% (\$40,000) as a separate line item in the Non-Departmental cost center of the General Fund.

A vacancy created in the Finance and Administration Department (an Administrative Assistant) was not filled and the position was eliminated, saving approximately \$128,000 over two years. Duties were re-assigned throughout the organization.

A two-year Parks Project Manager position was approved. This position will be responsible for the Parks Recreation and Open Space update, apply for park improvement grants, and manage park projects. The position is funded with \$136,000 General Fund dollars and \$46,000 of Park Impact Fees.

A two-year part time Volunteer and Events Coordinator position was approved to manage the City's volunteer program and special events. The position is funded at \$37,000 per year. This will free up the Management Analyst to enhance and expand the City's marketing and public relations efforts.

Economic development funding has been significantly increased with a biennial budget of \$144,900 which provides for a citizen survey, marketing contracts and materials, industry cluster formation, downtown quadrants strategic planning, and a number of economic development programs.

\$25,000 has been budgeted for website improvements. A technology plan and upgrades to city wide software systems are budgeted in the Equipment Replacement Fund.

Paperless City Council packets were introduced in September 2012 and are expected to save about \$11,000 annually over the biennium due to less paper, photocopy costs and staff time.

Transfers to the Street Fund to support street maintenance and overlay expenditures were increased from \$1,200,000 to \$1,426,101 (includes a proposed 5% franchise fee on water and sewer of \$740,101).

City of Kenmore, Washington
Major Expenditure Assumptions 2013-2014

The budget for contract costs for public safety will increase approximately 3.5% annually based on current levels of service.

Human Services Contracts were reduced from \$575,911 as budgeted in 2011-2012 to a budget of \$404,601 for the 2013-2014 biennium.

\$80,000 was appropriated to be set aside in a newly created Sammamish River Bridge Fund for future replacement of the bridge.

OTHER FUNDS

1. The Street Fund includes \$1,972,000 for street overlay which is an increase of \$772,000 (64%) over the 2011-2012 biennium.
2. \$40,000 has been appropriated in the Street Fund for additions to the City wayfinding and banner program.
3. \$220,000 of Park Impact fees are designated for park acquisition and improvement projects. These funds will be transferred to the Park Capital Fund where, along with Real Estate Excise Taxes and King County Park Levy proceeds, the park projects are funded and budgeted. The park projects are more fully described in the Capital Project (CIP) section of the budget document.
4. In the Transportation Impact Fee Fund \$792,500 is budgeted for transfer to the Transportation Capital Fund in support of the various transportation improvement projects that are budgeted in that fund. These projects are more fully described in the Capital Project (CIP) section of the budget document.
5. The newly created Transportation Benefit District Fund includes a transfer of \$525,000 to the Street Fund to support the overlay program and other street preservation and maintenance efforts.
6. The newly created Strategic Opportunities Fund includes \$50,000 as a preliminary estimate of costs to begin the City business incubator program.
7. No expenditures are programmed from the newly established Sammamish River Bridge Fund.
8. The Real Estate Excise Tax Fund (formerly the Municipal Capital Reserve Fund) includes \$250,000 in budgeted transfers for park acquisition and improvement projects, \$1,462,250 in budgeted transfers to the Transportation Capital Fund in support of the various transportation improvement projects, \$55,000 in budgeted transfers to the Surface Water Capital Fund for projects that are budgeted in that fund and \$400,000 to be transferred to the Street Fund for the overlay program. These projects are more fully described in the Capital Project (CIP) section of the budget document.
9. The Kenmore Village Fund (formerly the Capital Projects Fund) includes expenditures related to maintenance, operations, and management of the Kenmore Village properties as well as ongoing costs related to downtown development, improvements to, and marketing of Kenmore Village. \$150,000 is budgeted as a transfer to the Park Capital Fund for the Kenmore Village Town Square project.

City of Kenmore, Washington
Major Expenditure Assumptions 2013-2014

10. The Park Capital Fund budget includes funding for eight projects. These are more fully described in the Capital Project (CIP) section of the budget document.
11. The Transportation Capital Fund (formerly the Arterial Street Fund) budget reflects the completion of the SR522 projects that have been under construction (Phase I Stages 1, 3 and Phase II) and the completion of design for Phase I Stage 2. In this last stage known as Phase I State 2, a segment called West A (which is 61st to 65th on SR 522) is budgeted with funding from a state grant of \$4,100,000 leveraged with existing approved federal grant allocations. Several other local transportation improvement projects are included in the budget and more fully described in the Capital Project (CIP) section of the budget document.
12. Ongoing maintenance and inspection of the surface water infrastructure and programs in support of the National Pollutant Discharge Elimination System (NPDES) permit program are accounted for in the Surface Water Management Fund. \$1,672,250 is budgeted for transfer to the newly established Surface Water Capital Fund.
13. The Swamp Creek Basin Fund, established with King County Memorandum of Agreement disbursements to the City specifically for Swamp Creek, includes an appropriation of \$160,000 over the 2013-2014 biennium for dredging.
14. The Surface Water Capital Fund was created to budget and account for capital projects related to the surface water infrastructure. \$1,518,750 is programmed for those eight projects which are more fully described in the Capital Project (CIP) section of the budget document. Also \$383,500 is to be transferred to the Transportation Capital Fund for the surface water elements of the West A project.
15. The Equipment Replacement Fund includes \$276,250 for replacement of fleet vehicles, computer equipment, and acquisition of software systems.

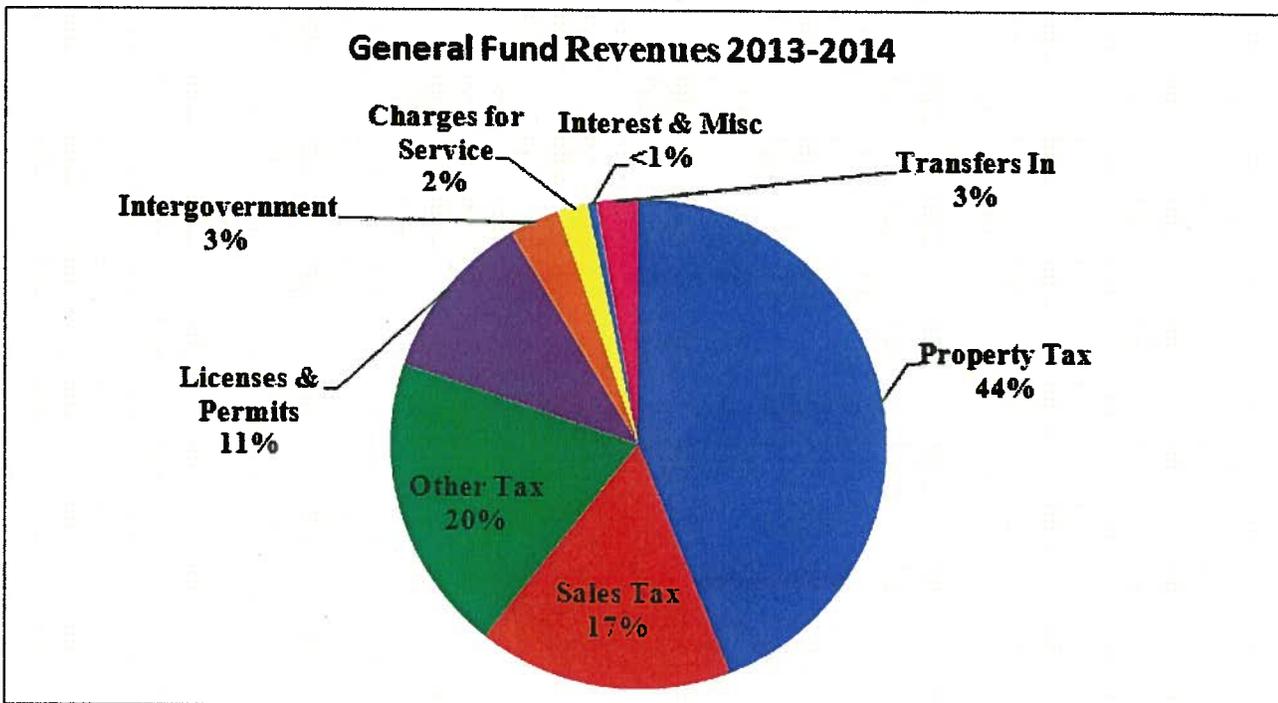
City of Kenmore, Washington All Funds Revenue Analysis

The General Fund provides general purpose governmental services to the citizens of Kenmore. This fund is used to account for all operating financial resources except those that must be accounted for in a special revenue or other fund.

The 2013-2014 biennial budget projects General Fund revenue to be \$19,241,694. Revenues projected for 2013 are \$9,527,491, a decrease of \$55,412, or .6 percent, from 2012 revenues. This slight decrease is primarily due to sales taxes declining from new construction projects in the City. Revenues projected for 2014 are \$9,714,203, an increase of \$186,712, or 1.9 percent, over the 2013 budget projection. This increase anticipates a conservative estimate of a full year's water/sewer franchise fees.

The General Fund receives a variety of revenues. The major categories are taxes, licenses and permits, intergovernmental revenues, charges for services, interest income, transfers from other funds and other miscellaneous revenues. The table and graph below illustrate General Fund revenues by these major categories for the period from 2009-2012 and for the 2013-2014 biennial budget period.

	2009-2010	2011	2012	2011-2012	2013	2014	2013-2014
	<u>Biennium</u>	<u>Actual</u>	<u>Actual</u>	<u>Biennium</u>	<u>Budget</u>	<u>Budget</u>	<u>Biennium</u>
Property Tax	8,026,594	4,148,487	4,166,027	8,314,514	4,213,917	4,256,056	8,469,973
Sales Tax	3,686,263	1,720,955	1,755,863	3,476,818	1,592,925	1,600,890	3,193,815
Other Tax	4,003,488	1,858,888	1,836,880	3,695,768	1,871,340	1,898,869	3,770,209
Licenses & Permits	1,147,404	639,665	620,448	1,260,113	1,021,283	1,134,191	2,155,474
Intergovernment	888,789	370,348	411,576	781,924	305,882	333,984	639,866
Charges for Service	653,500	311,880	459,380	771,260	182,428	202,063	384,491
Interest & Misc	282,183	64,423	127,706	192,129	51,900	51,900	103,800
Transfers In	256,014	172,860	205,023	377,883	287,816	236,250	524,066
Total Revenues	18,944,235	9,287,506	9,582,903	18,870,409	9,527,491	9,714,203	19,241,694



City of Kenmore, Washington All Funds Revenue Analysis

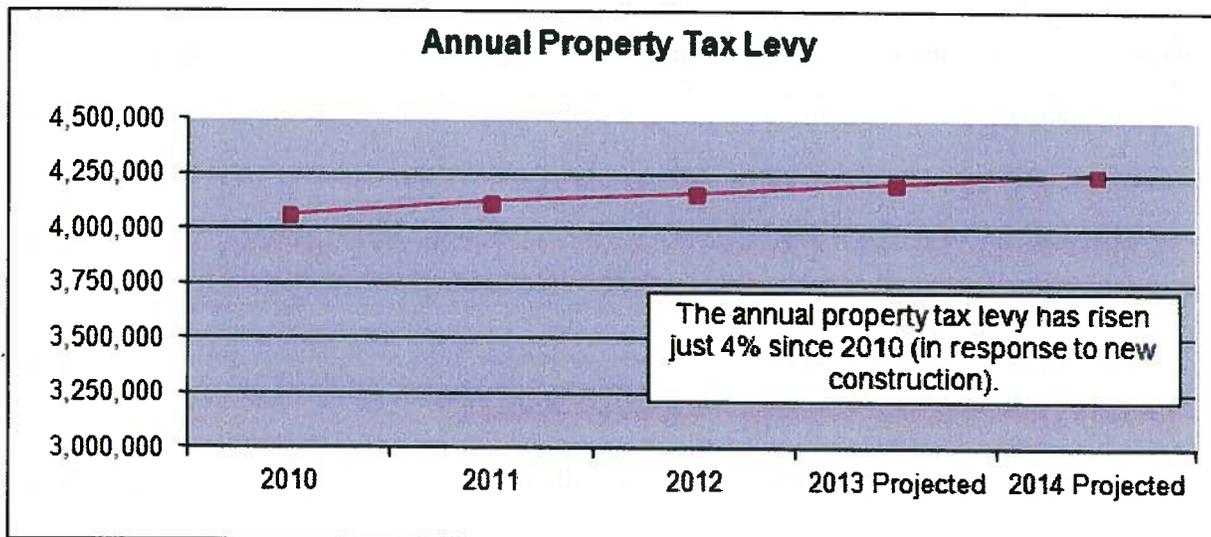
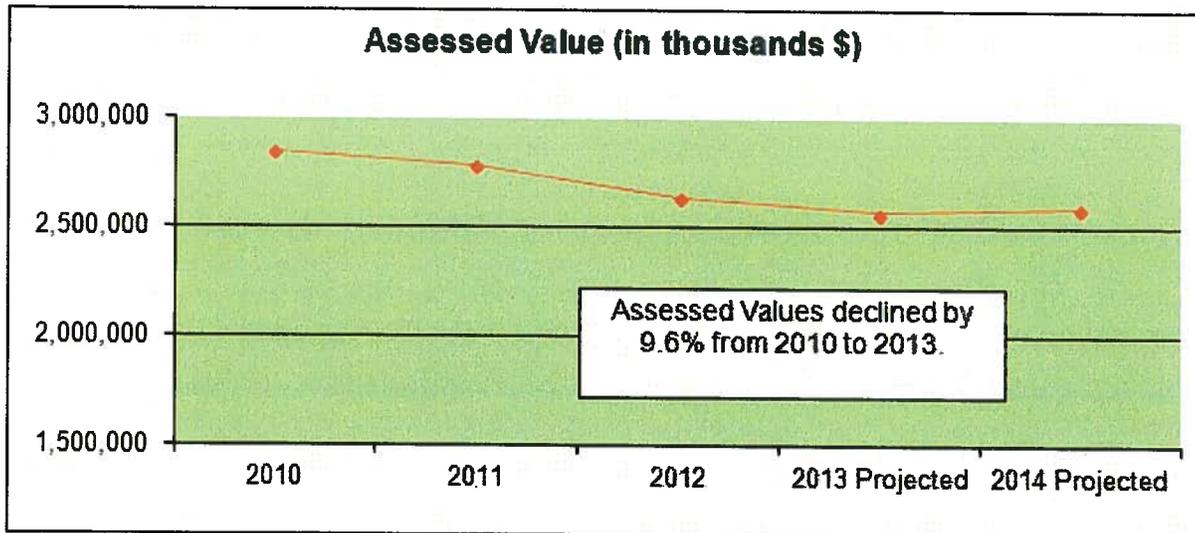
Three major revenue sources comprise approximately 80% of the resources that support the General Fund 2013-2014 biennial budget: property tax, sales tax, and utility tax. The following section will discuss the key factors affecting these and other revenue sources in 2013 and 2014.

TAX REVENUES

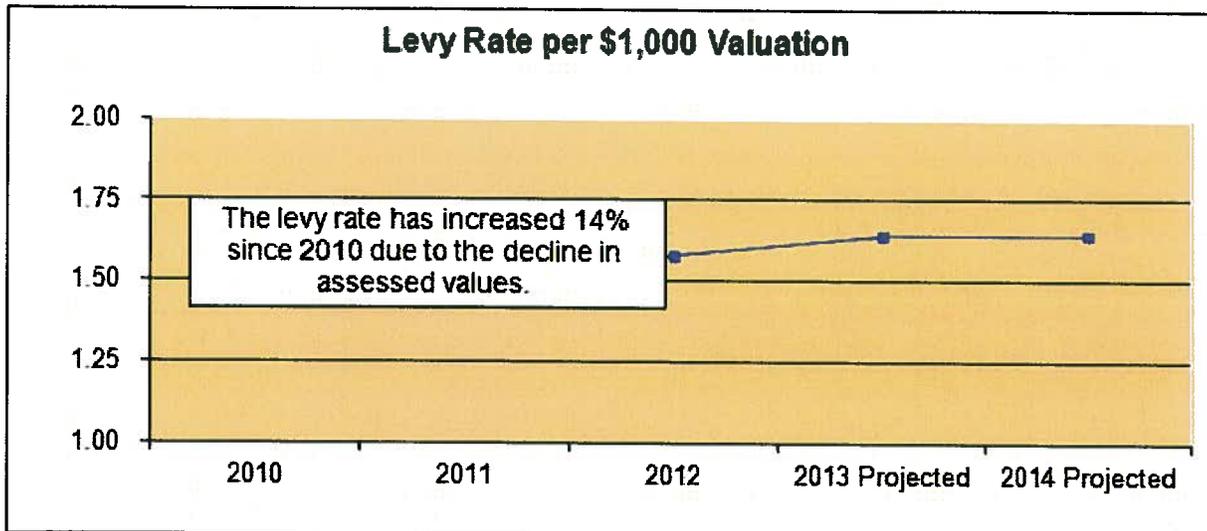
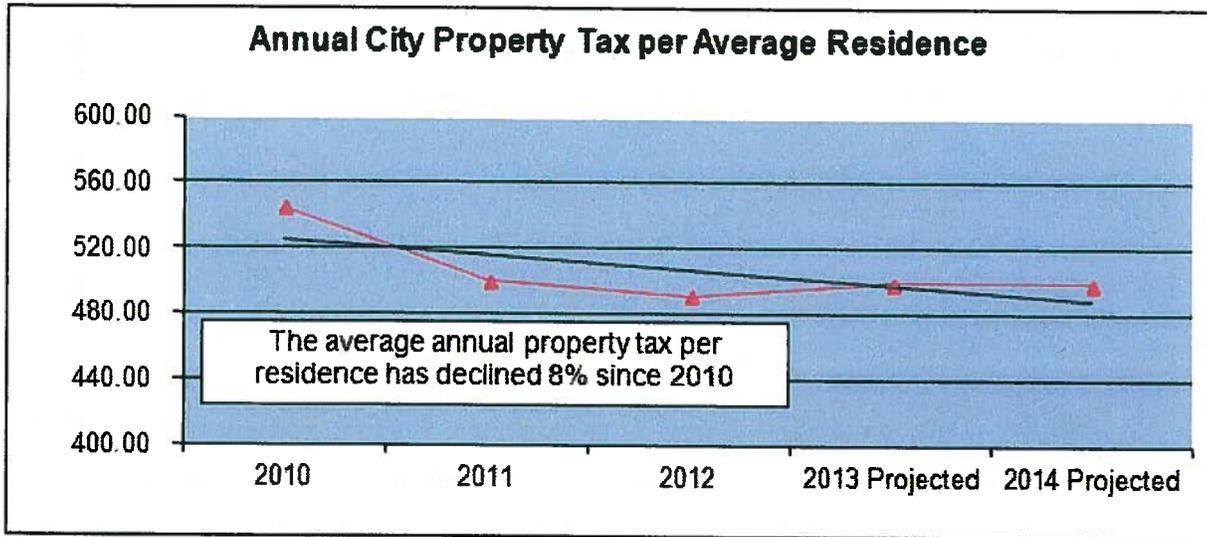
Property Tax

Property taxes play an essential role in financing the operation of the City of Kenmore, accounting for approximately 44% of the General Fund revenue estimate (in 2011-2012 the percentage was also 44%), excluding beginning fund balance and interfund transfers. The City's property tax is levied based on 100% of the fair market value of property as determined by the King County Assessor's Office. All real and personal property is subject to property tax, except that which is specifically exempt, such as property owned by federal, state, and local government agencies.

For 2013, the property tax levy is expected to be approximately \$4,213,000 which maintains the 2012 levy of \$4,172,184 (zero-percent increase) and adds \$40,816 for new construction.



City of Kenmore, Washington
All Funds Revenue Analysis



The 2013 Property Tax Calculation for budget purposes is as follows:

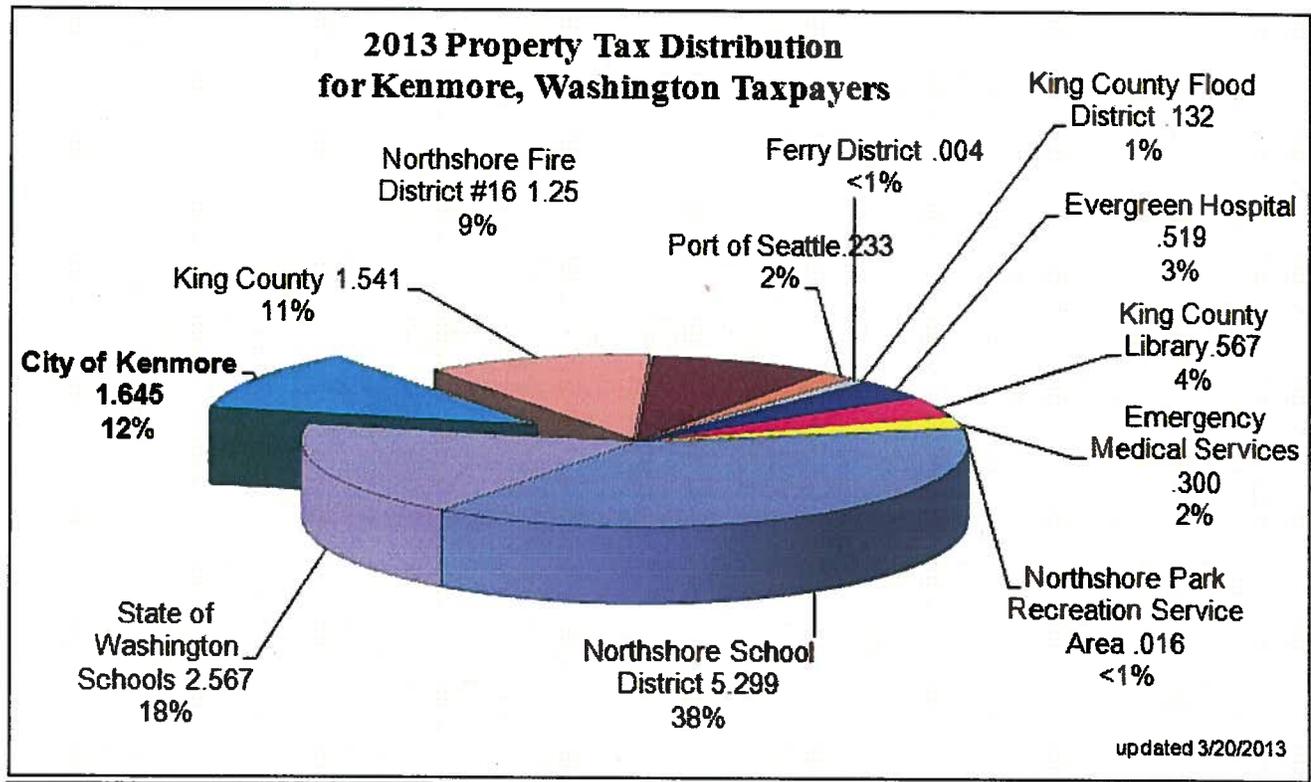
Total 2012 Property Tax Levy	\$4,172,184
Add: New Construction Estimate	40,816
Total Budgeted Property Tax Levy for 2013	<u>\$4,213,000</u>

Property Tax Distribution

Only a portion of the tax bill paid by a City of Kenmore resident is actually returned to the City of Kenmore. The illustration below shows the allocations other jurisdictions levy on properties in the City. The King County Assessor sets the assessed value for each property. The City Council adopts the total tax levy for the City. The tax rate is the result of the total tax levy divided by the total assessed value for the City times \$1,000. The rate is then applied to each individual property's assessed value.

City of Kenmore, Washington All Funds Revenue Analysis

The example below is based on a property with an assessed value of \$400,000. Each taxing jurisdiction's tax rate is shown along with the tax and is based on the assessor's published 2011 rates. (Source: Metro King County Department of Assessments Web Page).



	Mill Levy / \$1,000 Assessed Valuation (AV)	Property Tax Share from \$400,000 AV	% of Total Tax Bill
Northshore School District	5.299	\$ 2,119.60	38%
State of Washington Schools	2.567	\$ 1,026.80	18%
City of Kenmore	1.645	\$ 658.00	12%
King County	1.541	\$ 616.40	11%
Northshore Fire District #16	1.250	\$ 500.00	9%
Port of Seattle	0.233	\$ 93.20	2%
Ferry District	0.004	\$ 1.60	0%
King County Flood District	0.132	\$ 52.80	1%
Evergreen Hospital	0.519	\$ 207.60	3%
King County Library	0.567	\$ 226.80	4%
Emergency Medical Services	0.300	\$ 120.00	2%
Northshore Park Recreation Service Area	0.016	\$ 6.46	0%
Total	14.073	\$ 5,629.26	100%

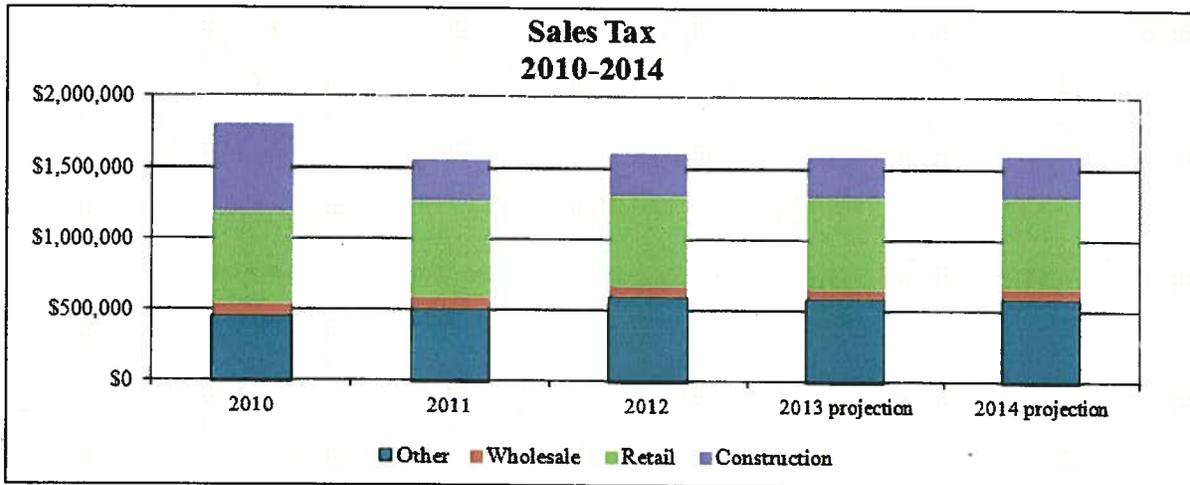
NOTE 1: In comparison to the City tax of \$1.645, the King County Road tax is \$2.25 in 2013

City of Kenmore, Washington All Funds Revenue Analysis

Local Retail Sales and Use Tax

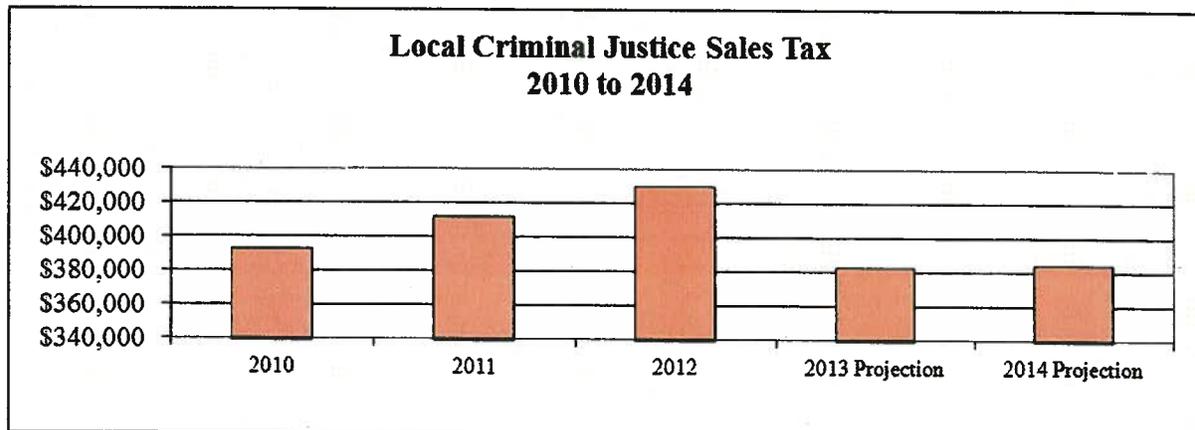
This is a major revenue source that accounts for 17% of the 2013-2014 General Fund revenues excluding fund balance. The local retail sales and use tax is comprised of two separate .5 % options with the County receiving 15% of each .5 %. After deducting .01% as a County administrative fee, the City's effective rate is .84%.

The 2013 projection (\$1,592,925) is estimated to be approximately 9% below the 2012 revenue (\$1,755,863) even though most of the sales tax generating sectors are fairly stable. The 2013 estimate anticipates a decline of general construction activity due to the Brightwater construction completion, a lack of other construction sales tax, and a decline in wholesale.



Local Criminal Justice Sales Tax

This revenue source comprises \$766,516 or four percent of General Fund revenues for the 2013-2014 biennium. Local Sales Tax for Criminal Justice funding is to be used solely for criminal justice purposes, such as the City's law enforcement contract. This tax is authorized at 1/10 of 1% of retail sales transacted in the County. Of the total amount collected, the State distributes 10% to the County, with the remainder being distributed by population to the cities and the unincorporated areas of the County. These collections tend to be about 24% of retail sales tax receipts and a 7% reduction from 2011-2012 is anticipated.

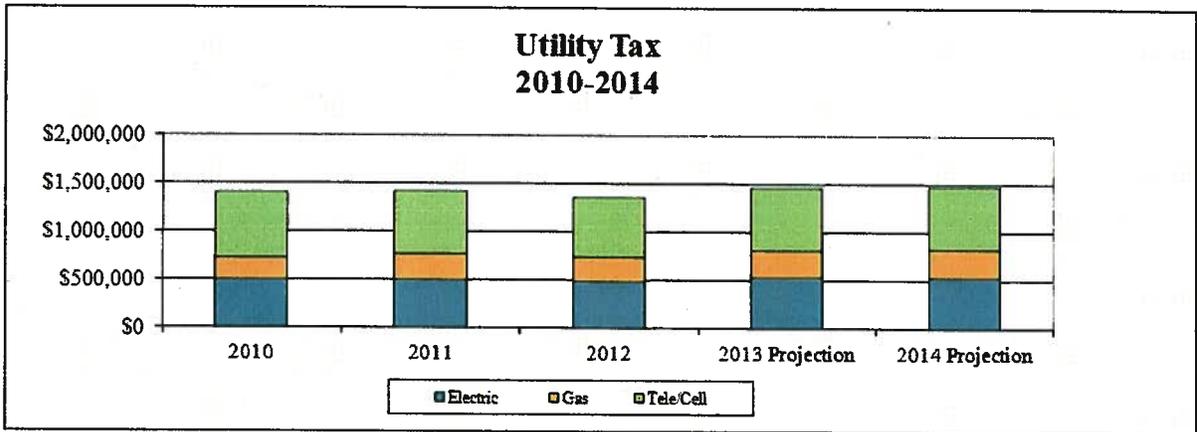


City of Kenmore, Washington All Funds Revenue Analysis

Utility Tax

This major revenue category accounts for 15% of the 2013-2014 General Fund revenues. Initiative 695 (I-695) was approved in 1999 and was subsequently declared unconstitutional by the State court. However, State Legislature repealed the Motor Vehicle Excise Tax (MVET) in 2000. This removed \$1,500,000 of MVET receipts each year, beginning in 2000. In order to partially replace this void, the City Council increased the utility tax to six percent (6%) from one and one-half percent (1.5%) of the gross revenues of electricity, natural gas, telephone and cellular phones. Beginning in 2005, the City Council reduced the gas and electric utility tax rates to 4%. This resulted in lowering the annual utility tax revenues by \$230,000. Electric, gas and cell phone utility taxes are expected to increase by 2% and no change is projected in telephone utility tax, a reflection of stable or declining use and consumption.

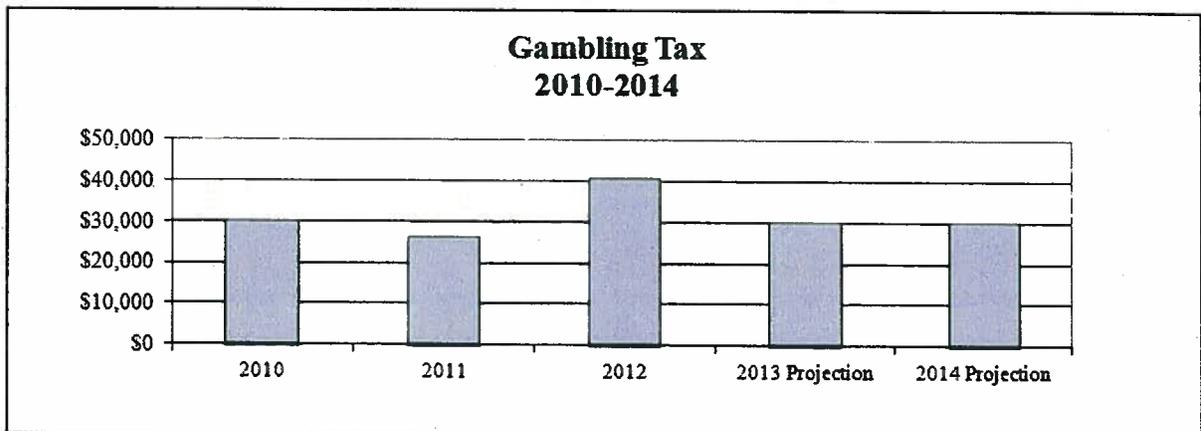
Current utility tax rates are as follows: telephone - six percent (6%), gas - four percent (4%), electric - four percent (4%).



Gambling Tax Revenues

Gambling tax revenues are projected to be \$60,100 for the 2013-2014 biennium. On an annual basis, this is consistent with the 2011-2012 expected revenues from pull tabs and amusement games. These revenues are required to be spent primarily on law enforcement activities pertaining to gambling. Funds remaining after necessary expenditures for such enforcement purposes may be used for any general government purpose.

Gambling taxes are due to the City on a quarterly schedule: no later than the last day of January, April, July and October. The City imposes a tax on the following forms of gambling at the following rates: Bingo (5% gross, less prizes); Raffles (10% gross, less prizes); Amusement Games (2% gross, less prizes); Derbies (10% gross, less prizes); Punch Board (5% gross); and Pull Tabs (5% gross).



City of Kenmore, Washington All Funds Revenue Analysis

LICENSES AND PERMITS

License and permit revenues are user fees that are derived from various regulatory activities of the City and include building permit services and franchise fees.

Building and Other Development Permits

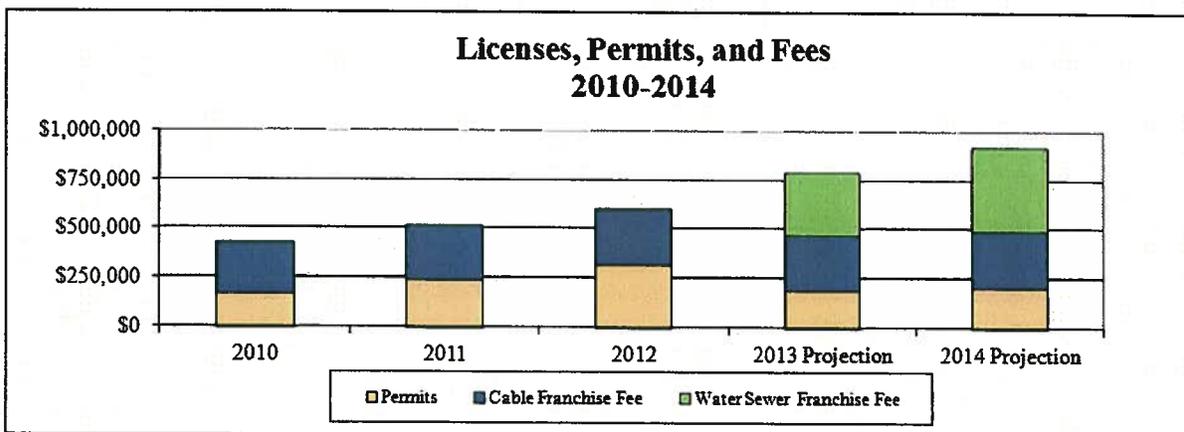
Building and other permit revenue is dependent on construction activity and can be a fluctuating source of revenue. Construction activity since incorporation in 1998 has been at a significant level due to the strength of the economy and the housing market in the Pacific Northwest. The recent downturn in the economy and the depressed housing market is reflected in the reduced revenue from building permits although late 2012 showed definite improvement. The 2013-2014 biennial budget includes permit revenue of \$192,901 in 2013 and \$206,376 in 2014, a decrease of \$164,791 (29%) from the 2011-2012 revenue.

Franchise Fees

Franchise fees are levied on private utilities for the right to use the city right of ways and other public properties.

Cable: The City levies a franchise fee of 5% on the gross revenues of the two cable TV providers. This revenue is projected to be \$569,490 for the 2013-2014 biennium. Franchise fee revenues were estimated to remain flat (0% increase) in 2013 with a 3% increase estimated for 2014.

Water/Sewer: Beginning in 2013 the City intends to negotiate a franchise agreement with the district that provides water and sewer. The franchise fee would be 5% of gross revenues and is expected to generate \$422,917 annually, although only \$317,186 is projected for 2013 to allow for implementation after the first of the year. The adopted budget provides for transferring this new revenue source to the Street Fund to be used for pavement preservation and maintenance.



INTERGOVERNMENTAL REVENUES

State-Shared Revenues

State-shared revenues are received for gasoline taxes and liquor related receipts. These taxes are collected by the State of Washington and shared with local governments based on population. State-shared revenues are distributed on either a monthly or quarterly basis. Gasoline taxes are receipted into the Street Fund and dedicated to street maintenance functions.

The 2012 population figure used in the 2013-2014 biennial budget is 21,020 as determined by the Washington State Office of Financial Management. This figure is the basis for determining

City of Kenmore, Washington All Funds Revenue Analysis

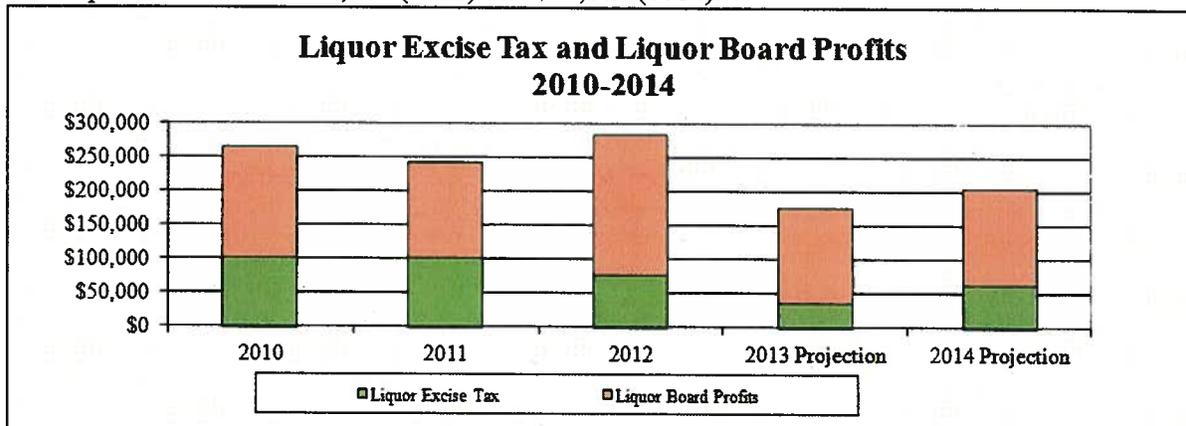
distribution of State shared revenues on a per capita basis. This represents an increase of 240 from the 2011 population figure of 20,780.

Liquor Board Profits and Liquor Excise Tax

Cities receive a share of both liquor board profits and liquor excise tax receipts. The liquor board profits consist of revenue from state liquor stores and taxes on wine and beer, forty percent of which are distributed quarterly (at the end of March, June, September, December) to cities on a per capita basis. Twenty eight percent of the sales taxes imposed on sales of spirituous liquors and 32 percent of the gallonage tax imposed on sales of wine (75 cents per gallon), are allocated to cities also. This allocation is distributed quarterly (on the last day of January, April, July, and October) on a per capita basis as liquor excise tax. To be eligible to receive these revenues, a city must devote at least two percent of the distribution to support an approved alcoholism or drug addiction program. The City of Kenmore remits the two percent to King County for this purpose.

In 2012, budget challenges at the State level resulted in a change in distributions (reductions) to the cities. The liquor board profit distributions will be capped at 2011 levels and liquor excise tax distributions would be temporarily reduced for a twelve month period. Projections of these revenues for the 2013-2014 biennium are as follows:

- Liquor Board Profits: \$142,609 (2013) and \$142,609 (2014).
- Liquor Excise Tax: \$34,500 (2013) and \$62,602 (2014).



CHARGES FOR SERVICES

Reimbursement of Direct/Indirect Costs

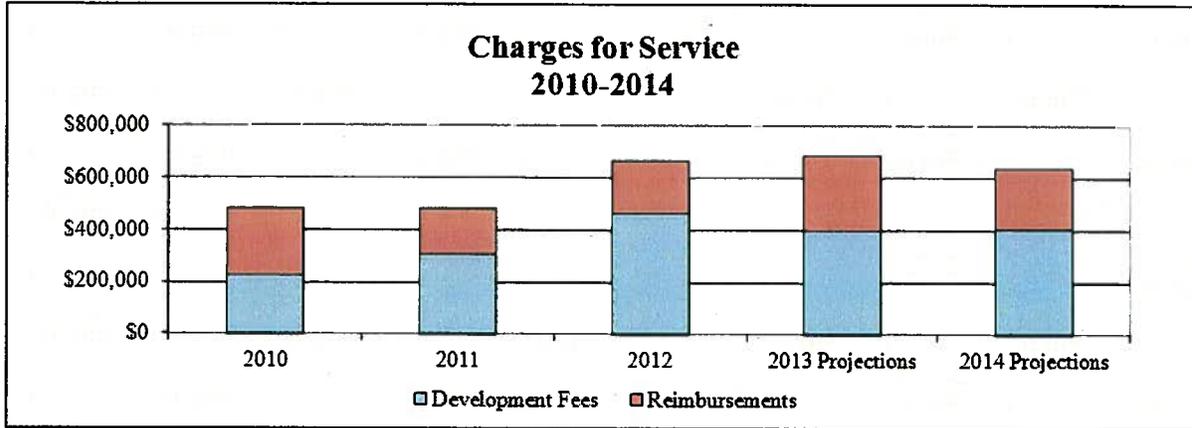
Included for 2013-2014 are reimbursements from the Transportation Capital Fund (\$231,250), the Park Capital Fund, (\$2,816) and the Surface Water Management Fund (\$190,000) to cover their respective costs of the Engineering Department services.

Development Fees

This revenue category of land use fees, inspection fees and plan review fees accounts for \$804,026 or about four percent (4%), of the 2013-2014 biennial budget. The City collects these fees for single family, commercial and multi-family development to offset time spent on processing, reviewing, inspecting and administering development activities. In addition, Development Services and Engineering staff monitor compliance of development with conditions of approval. A slight improvement is expected in the construction industry and the local housing markets and the 2013-2014 budget is estimated to increase four percent (4%) from the 2011-2012 actual results. In 2012

City of Kenmore, Washington All Funds Revenue Analysis

the City took over utility inspections and fees from King County which contributes to the increase in development fee revenues.

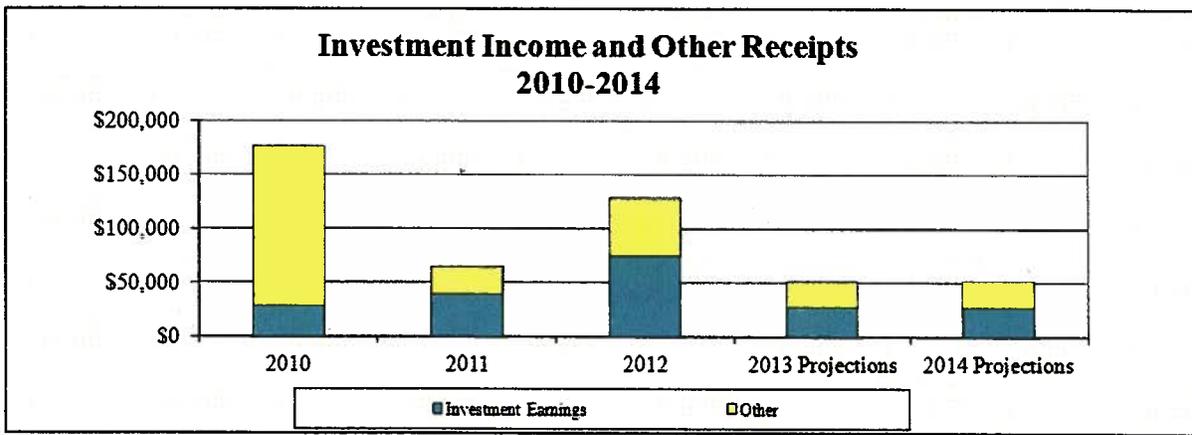


INVESTMENT INTEREST

The projected interest income for the 2013-2014 budget period is \$56,000. This amount is the same as the prior biennium budget. Returns on investments have not changed significantly and the income is roughly based on a .55% return, from various investments, on an available General Fund cash balance of \$5 million.

MISCELLANEOUS REVENUES

This revenue source of \$47,800 for the 2013-2014 biennium includes sales tax interest (from sales tax receipts remitted from the State), and donations and sponsorships. Due to a revised court contract with King County, the net Fines and Forfeitures revenue (previously included here) is expected to equal the administrative costs (revenue neutral). Donations and sponsorships are expected to increase from \$23,872 in 2011-2012 to \$30,000 in 2013-2014 due to efforts to increase community sponsorships of city events and summer concerts.



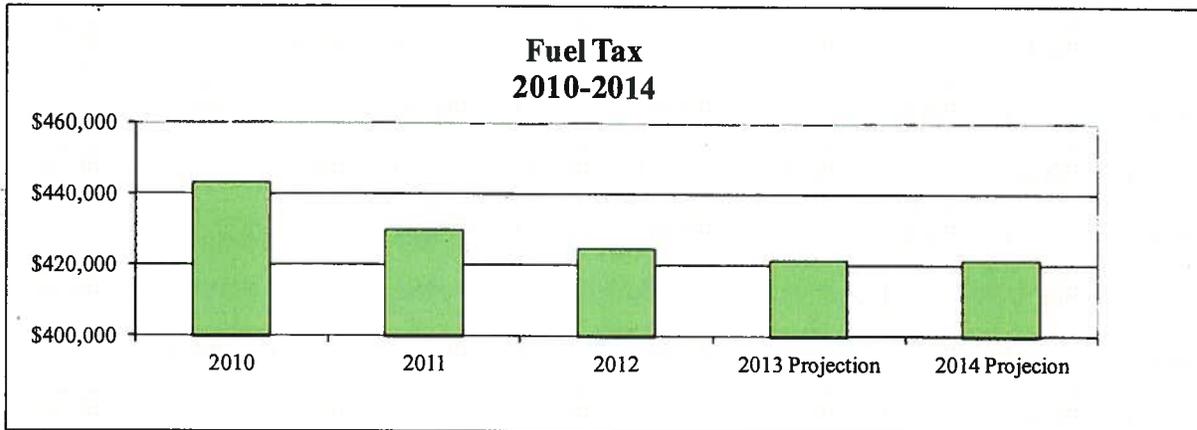
STREET FUND

Motor Vehicle Fuel Tax

The Street Fund receives motor vehicle fuel tax (gasoline tax) which is collected and distributed by the State of Washington to cities based on population. The 2013-2014 biennial budget includes

City of Kenmore, Washington All Funds Revenue Analysis

\$843,072 which is \$11,387 (1.3%) less than what was actually received in 2011-2012. The projection for the period is based on maintaining the average of the most recent 12 month distributions without any expectation that consumption and revenue will increase as prices rise and more fuel efficient vehicles are purchased.



Grants

SR 522 Project: The City of Kenmore had commitments from various intergovernmental agencies to provide funding for the SR-522 Transportation Project (see the Transportation Improvement Program in the Capital Projects section of the budget). One segment of this project, known as SR 522 Phase I, had been budgeted and accounted for in this fund along with the various resources that support the project. As this segment neared completion in 2008, future segments of the project as well as the funding resources were accounted for in the Arterial Street Fund where other transportation capital projects are budgeted. Therefore no revenues for capital projects have been included in the 2009-2010 or the 2011-2012 biennial budgets. During 2009, however, various grant reimbursements were received into this fund for expenditures made in 2008.

A Surface Transportation Program (STP) grant was awarded to the City in the amount of \$636,000 for the purpose of pavement preservation. These funds are programmed for a project in 2013.

Transfers In

The operating transfers into the Street Fund from both the General Fund and Surface Water Management Fund are to be used for street and traffic maintenance, and to fund the annual street overlay program. Because the dedicated revenues to the Street Fund fall short of financing the annual maintenance programs, the General Fund transfer of \$600,000 in each of the years 2011 and 2012 is used to balance the cost. The transfers from the Surface Water Management Fund of \$588,426 in 2009-2010 were to pay a share of the public works personnel and other drainage-related expenses programmed in the Street Fund maintenance accounts.

The 2013-2014 budget period includes annual transfers from the General Fund of \$1,426,101 an increase of \$200,000 over the biennium as well as a transfer of \$525,000 from Transportation Benefit District car licensing fees, and \$400,000 from the Real Estate Excise Tax Fund which will be used for the arterial overlay. The costs for the public works personnel and other drainage related expenses have been budgeted directly in the Surface Water Management Fund since 2011 rather than as an interfund transfer to reimburse the Street Fund.

City of Kenmore, Washington
All Funds Revenue Analysis

PUBLIC ART FUND

Transfers In

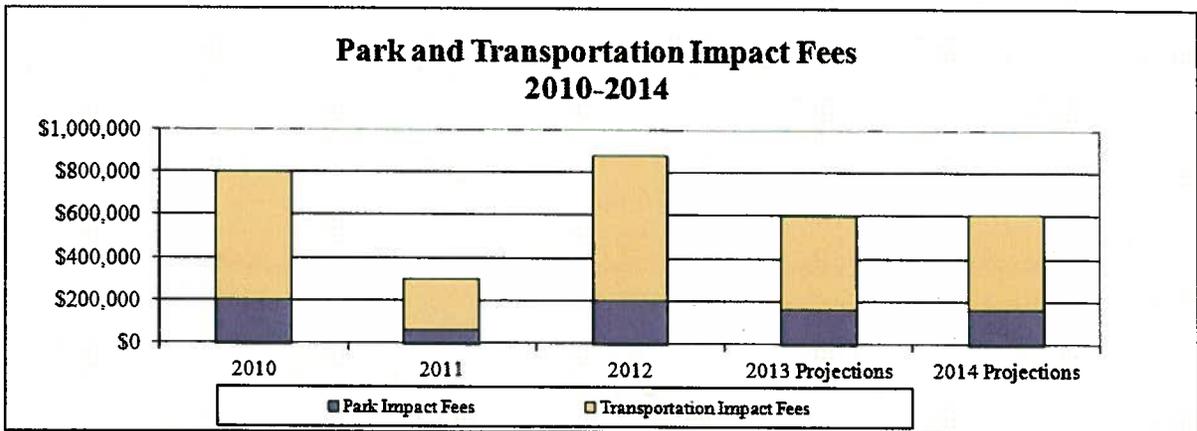
The 2013-2014 biennial budget does not include any transfers from other Funds toward the 1% for Art program.

PARK IMPACT FEE FUND

In 2001, the City Council adopted Parks Impact Fees. Impact fees are charges paid by new development to reimburse the City for capital costs of public facilities that are needed to serve new development. The public facilities that can be funded for by impact fees are system improvements to service areas within the community at large. The park impact fee for a single-family residence as of January 1, 2013, is \$2,537 which is the same fee as 2012. The projection for the 2013-2014 biennial budget is \$337,061 which is \$65,193 (24%) more than what was received in 2011-2012.

TRANSPORTATION IMPACT FEE FUND

In 2001, the City Council adopted Transportation Impact Fees. Impact fees are charges paid by new development to reimburse the City for capital costs of public facilities that are needed to serve new development. The public facilities that can be funded for by impact fees are system improvements to service areas within the community at large. Based on a transportation study completed in 2009, the impact fee for a single-family residence, effective January 1, 2013, is \$8,434.02 which is the same fee as 2012. The projection for the 2013-2014 biennial budget is \$876,306. This is an increase of \$200,105 (29%) over the prior biennium.

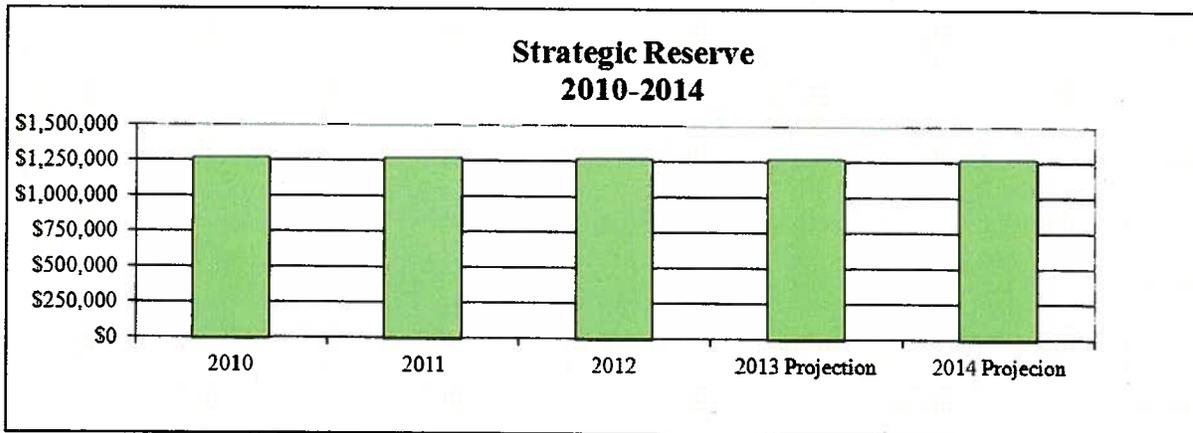


STRATEGIC RESERVE FUND

Transfer In

Historically, the City has transferred General Fund monies into the Strategic Reserve Fund to provide the City with a funding reserve in the event of a catastrophe. Per state regulations, (RCW 35.34.250), this fund cannot exceed \$.375 per \$1,000 of assessed valuation (AV). The funding limit was reached in 2009 when the City reached its highest assessed value of \$3,346,634,810. As assessed value has declined since 2009, the 2013-2014 budget does not include any transfers from the General Fund, because the fund balance is at its statutory limit.

City of Kenmore, Washington All Funds Revenue Analysis



STRATEGIC OPPORTUNITIES FUND

Transfer In

This newly established fund was created with a transfer of \$2,500,000 from the General Fund reserves with the purpose of having resources available for “rainy days” and for the City to make key investments or take advantage of strategic opportunities. Other than investment earnings, no other revenues are anticipated in the budget.

TRANSPORTATION BENEFIT DISTRICT FUND

Vehicle Fees

On November 20, 2012, the newly created Transportation Benefit District approved a \$20 fee for vehicles licensed in the City of Kenmore. Collection of the fee will begin June 1, 2013. Based on the expected number of licensed vehicles, the revenue for the 2013-2014 budget period is expected to be \$535,000.

SAMMAMISH RIVER BRIDGE FUND

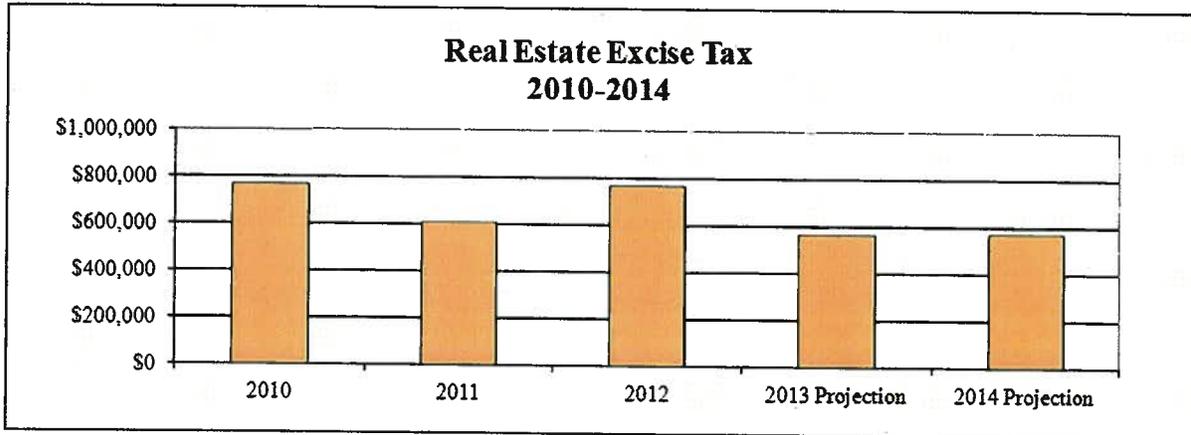
Transfer In

This newly created fund was established to accumulate resources toward future replacement of the Sammamish River Bridge with an initial transfer from the General Fund of \$80,000.

REAL ESTATE EXCISE TAX FUND (formerly the Municipal Capital Fund)

The real estate excise tax is revenue that must be used for financing capital projects. Prior to incorporation, King County imposed two, one-quarter of one percent (.5%) of the selling price of real property. Following incorporation the City Council maintained the same rate for the City of Kenmore. King County collects the tax and deducts one-percent (1%) before remitting to the City. The projection for the 2013-2014 biennial budget is \$1,138,886 which is \$234,291 (17%) less than what was received in 2011-2012. The number of real estate transactions declined significantly in 2009, compared to prior years, but recovered somewhat in 2011-2012.

City of Kenmore, Washington All Funds Revenue Analysis



KENMORE VILLAGE FUND (formerly the Capital Projects Fund)

Lease Income

In 2003, the City purchased the Kenmore Village property, a 4.2 acre commercial site located in the middle of the designated downtown. The purchase was made in order to direct future redevelopment of this shopping center in order that the community's vision of the Downtown Master Plan could be achieved over time. The purchase price was \$5.2 million with financing via a three-year bond anticipation note (BAN) for \$5 million and \$200,000 in cash from this fund. The BAN was paid off in 2005. The short-term objective is to lease out the vacant space for cash flow purposes, with the long-term goal being the redevelopment of the site into a mixed-use project with retail, commercial and multi-family elements. In 2007 the City entered into an agreement to sell the property with an anticipated closing date of December, 2009. Due to the economic downturn, the closing of the agreement was amended and extended to 2014 and a ground lease was established for management of the property and the tenants. In addition to the properties managed through the ground lease, the United State Postal Service (USPS) entered into a lease with the City for occupancy of the old City Hall building. In 2012 the ground lease was terminated and the City took over management of the property for a short time until a new property management firm could be retained. The 2013-2014 biennial budget projects \$332,940 of lease revenue from tenants in Kenmore Village.

Bond Anticipation Note

A \$4 Million note was negotiated and proceeds were obtained in 2009 in anticipation of funds for the construction of the new City Hall. The note was repaid prior to the end of 2009.

Sale of Property

In 2007, the City entered into a Disposition Development Agreement (DDA) which provided for the sale of Kenmore Village to Kenmore Partners, LLC (the developer) with an anticipated closing date of December, 2009. Due to the economic downturn, the closing of the agreement was amended and extended to 2014 with an annual escrow payment due from the developer in the amount of \$50,000. The DDA was dissolved in 2012 and the City entered into an agreement to sell one Kenmore Village parcel for \$1,250,000 which is expected to close in 2013.

Interfund Loan

An interfund loan from the General Fund, in the amount of \$1,200,000, was recorded at the end of 2012 to cover cash expenditures, due to the delay of the sale of property until 2013.

City of Kenmore, Washington
All Funds Revenue Analysis

PARK CAPITAL FUND

Park Levy Proceeds

This new fund accounts for revenues from the King County Proposition 2 Levy which ends in 2013.

Transfers In

Transfers from real estate excise tax, park impact fees, and other City revenue sources provide funding for park capital projects.

TRANSPORTATION CAPITAL FUND (formerly the Arterial Street Fund)

Intergovernmental Grants – SR-522 Project

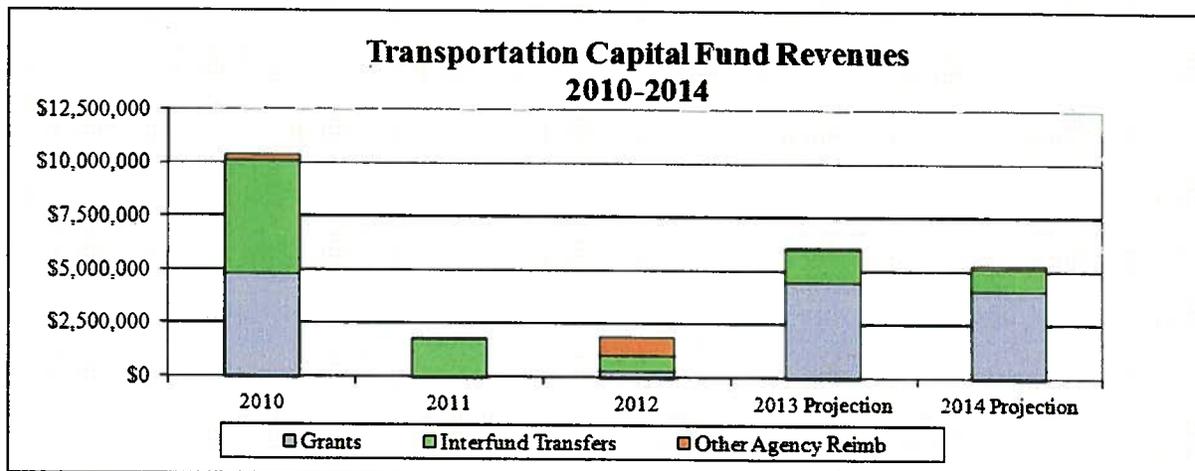
The City of Kenmore has commitments from various intergovernmental agencies to provide funding for the SR-522 Transportation Project (see the Transportation Improvement Program in the Capital Projects section of the budget). One segment of this project, known as SR 522 Phase II was essentially completed in 2010. Construction of another segment, known as SR 522 Phase I Stage 1 was also completed during the 2009-2010 biennial period. The final segment, which is SR 522 Phase I Stage 2, is partially funded and that has become the West A Project (61st -65th St). A Transportation Improvement Board (TIB) grant of \$4,100,000 was recently awarded for this project which will leverage other previous federal awards of \$3,600,000. Also included in this category was the previous federal allocation of \$650,000 for the new traffic signal project at 61st and 181st Street which will be completed in 2013.

Other Contributions

Included in this category is \$37,000 from Bastyr University toward construction of a traffic signal pursuant to an agreement between Bastyr and the City which provided for a payment of \$141,000 and ten annual contributions of \$18,500 beginning in 2010.

Transfers In

Various City funds have been programmed to contribute revenue to the SR 522 project as the project nears completion and intergovernmental grants are more difficult to obtain. These funds are transferred in to the Transportation Capital Fund to account for the project in one area instead of having the costs spread over numerous City funds as had been done in previous years. Over the 2013-2014 biennium, these transfers are budgeted to include \$792,500 from the Traffic Impact Fee Fund, \$1,462,250 from the Real Estate Excise Tax Fund and \$383,500 from the Surface Water Management Fund.



City of Kenmore, Washington
All Funds Revenue Analysis

SURFACE WATER MANAGEMENT FUND

Surface Water Charges

Surface water assessments (charges for service) are received from property owners in the City of Kenmore. Effective January 1, 2013 the typical charge for a single family residence is \$167.40 per year, collected by King County along with property taxes. The charge for multi-family, commercial and industrial properties varies based upon the size of the parcel and the area of impervious surface. The 2013-2014 biennial budget includes revenue of \$3,196,176, an increase of \$26,917 (.85%) over 2011-2012.

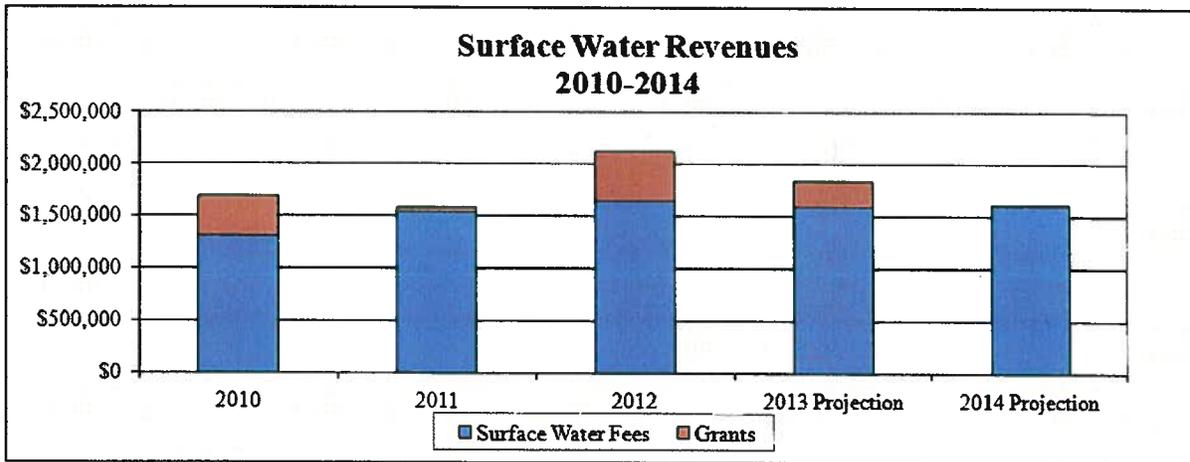
Sweeper Rental Services

The City of Kenmore owns a street sweeper which is used for surface water maintenance. The sweeper is available to jurisdictions on an hourly rental basis. In 2006, the City entered into a rental agreement with a neighboring city, Lake Forest Park. Revenues from this agreement are projected to be \$48,000 for the 2013-2014 biennium.

Grants

The 2013-2014 budget includes King County Conservation Futures grant monies which have been awarded to the City to reimburse for properties purchased in Swamp Creek Park which are prone to flooding. Four properties have been purchased since 2011.

This category also includes \$279,109 which was received in 2012 as federal and state disaster aid for prior year storm events.



SURFACE WATER CAPITAL FUND

Intergovernmental

Grants and reimbursements from other agencies contribute to the cost of certain capital projects. \$150,000 is anticipated from the King County Flood Control District for project SW 1 Tributary 0057 Channel Relocation.

Transfers In

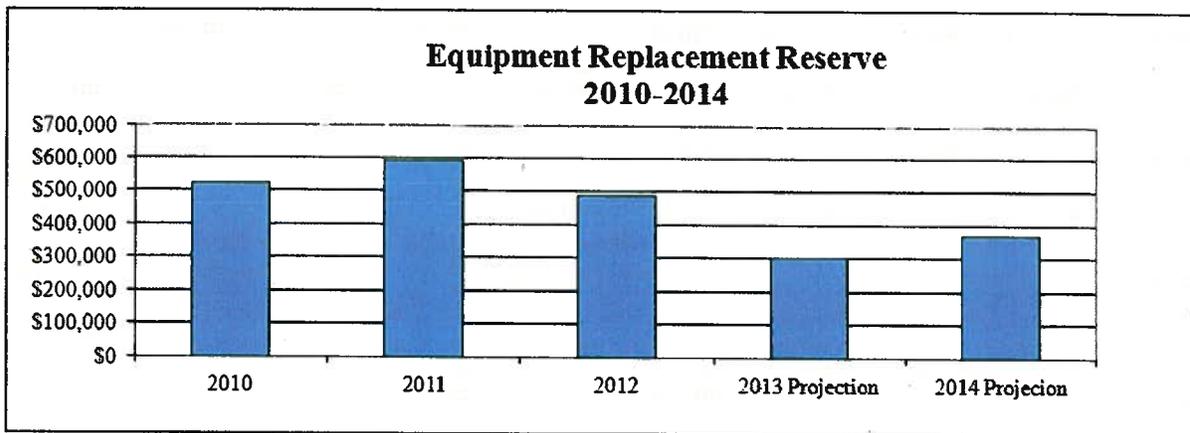
Transfers from the Surface Water Management Fund and the Real Estate Excise Tax Fund provide resources for this newly established fund which accounts for capital improvements to the surface water system. These funds are transferred as needed to support the projects.

City of Kenmore, Washington
All Funds Revenue Analysis

EQUIPMENT REPLACEMENT FUND

Interfund Contributions

The revenue in this fund provides a reserve for the future replacement of city wide assets and consists of payments from various departments and funds that benefit from or use the assets. Replacement of the assets can then be made on a routine and timely basis with replacement reserves. The assets included in this replacement fund are vehicles, computers, telephones, the recording system, furniture, and police equipment. The payments to this fund are determined using the cost of the equipment, the useful life of the asset, and the number of employees in the various cost centers that use each asset. The replacement schedule is updated annually to adjust for new equipment purchases, changes in useful life and inflation rates. Contributions from the General Fund and the Street Fund were suspended temporarily for 2013 which resulted in a combined savings of approximately \$50,000 to those funds. The budget includes \$49,650 of contributions from other funds in 2013 and \$101,093 of contributions from all funds in 2014.



City of Kenmore, Washington

Cash Summary of All Funds

2011-2014	2011 <u>ACTUAL</u>	2012 <u>ACTUAL</u>	2013 <u>BUDGET</u>	2014 <u>BUDGET</u>	2013-2014 <u>BIENNIAL BUDGET</u>
<u>GENERAL FUND</u>					
Beginning Cash	\$4,929,791	\$5,147,606	\$4,138,942	\$2,618,367	\$4,138,942
Revenues	9,287,507	9,582,903	9,527,491	9,714,203	19,241,694
Total Sources	<u>14,217,298</u>	<u>14,730,509</u>	<u>13,666,435</u>	<u>12,332,574</u>	<u>23,380,640</u>
Interfund Loan to Kenmore Vill	0	1,200,000	-1,200,000	0	-1,200,000
Expenditures	9,069,692	9,191,381	12,248,068	9,466,040	21,714,108
Ending Cash	<u>5,147,606</u>	<u>4,339,128</u>	<u>2,618,367</u>	<u>2,866,534</u>	<u>2,866,532</u>
Total Uses	<u>14,217,298</u>	<u>14,730,509</u>	<u>13,666,435</u>	<u>12,332,574</u>	<u>23,380,640</u>
<u>STREET FUND</u>					
Beginning Cash	2,040,582	1,681,994	1,516,562	1,568,498	1,516,562
Revenues	1,036,456	1,107,952	2,245,722	1,604,451	3,850,173
Total Sources	<u>3,077,038</u>	<u>2,789,946</u>	<u>3,762,286</u>	<u>3,172,953</u>	<u>5,366,739</u>
Expenditures	1,395,044	1,277,791	2,193,788	1,646,338	3,840,126
Ending Cash	<u>1,681,994</u>	<u>1,512,155</u>	<u>1,568,498</u>	<u>1,526,615</u>	<u>1,526,613</u>
Total Uses	<u>3,077,038</u>	<u>2,789,946</u>	<u>3,762,286</u>	<u>3,172,953</u>	<u>5,366,739</u>
<u>PUBLIC ART FUND</u>					
Beginning Cash	68,244	68,563	68,364	68,164	68,364
Revenues	819	477	300	300	600
Total Sources	<u>69,063</u>	<u>69,040</u>	<u>68,664</u>	<u>68,464</u>	<u>68,964</u>
Expenditures	500	500	500	500	1,000
Ending Cash	<u>68,563</u>	<u>68,540</u>	<u>68,164</u>	<u>67,964</u>	<u>67,964</u>
Total Uses	<u>69,063</u>	<u>69,040</u>	<u>68,664</u>	<u>68,464</u>	<u>68,964</u>
<u>PARK IMPACT FEE FUND</u>					
Beginning Cash	1,354,457	1,431,308	1,574,498	1,526,712	1,574,498
Revenues	76,851	208,753	172,214	174,353	346,567
Total Sources	<u>1,431,308</u>	<u>1,640,061</u>	<u>1,746,712</u>	<u>1,701,065</u>	<u>1,921,065</u>
Expenditures	0	29,620	220,000	0	220,000
Ending Cash	<u>1,431,308</u>	<u>1,610,441</u>	<u>1,526,712</u>	<u>1,701,065</u>	<u>1,701,065</u>
Total Uses	<u>1,431,308</u>	<u>1,640,061</u>	<u>1,746,712</u>	<u>1,701,065</u>	<u>1,921,065</u>
<u>TRANSPORTATION IMPACT FEE FUND</u>					
Beginning Cash	545,655	174,233	450	23,923	450
Revenues	239,206	676,929	435,973	440,697	876,670
Total Sources	<u>784,861</u>	<u>851,162</u>	<u>436,423</u>	<u>464,620</u>	<u>877,120</u>
Expenditures	610,628	610,627	412,500	380,000	792,500
Ending Cash	<u>174,233</u>	<u>240,535</u>	<u>23,923</u>	<u>84,620</u>	<u>84,620</u>
Total Uses	<u>784,861</u>	<u>851,162</u>	<u>436,423</u>	<u>464,620</u>	<u>877,120</u>
<u>TRANSPORTATION BENEFIT DISTRICT</u>					
Beginning Cash	0	0	0	0	0
Revenues	0	0	230,000	305,000	535,000
Total Sources	<u>0</u>	<u>0</u>	<u>230,000</u>	<u>305,000</u>	<u>535,000</u>
Expenditures	0	0	230,000	305,000	535,000
Ending Cash	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Uses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>535,000</u>
<u>STRATEGIC RESERVE FUND</u>					
Beginning Cash	1,264,465	1,264,465	1,264,465	1,264,465	1,264,465
Revenues	0	0	0	0	0
Total Sources	<u>1,264,465</u>	<u>1,264,465</u>	<u>1,264,465</u>	<u>1,264,465</u>	<u>1,264,465</u>
Expenditures	0	0	0	0	0
Ending Cash	<u>1,264,465</u>	<u>1,264,465</u>	<u>1,264,465</u>	<u>1,264,465</u>	<u>1,264,465</u>
Total Uses	<u>1,264,465</u>	<u>1,264,465</u>	<u>1,264,465</u>	<u>1,264,465</u>	<u>1,264,465</u>

City of Kenmore, Washington
Cash Summary of All Funds

2011-2014	2011 ACTUAL	2012 ACTUAL	2013 BUDGET	2014 BUDGET	2013-2014 BIENNIAL BUDGET
<u>STRATEGIC OPPORTUNITIES FUND</u>					
Beginning Cash	0	0	0	2,462,500	0
Revenues	0	0	2,512,500	12,562	2,525,062
Total Sources	0	0	2,512,500	2,475,062	2,525,062
Expenditures	0	0	50,000	0	50,000
Ending Cash	0	0	2,462,500	2,475,062	2,475,062
Total Uses	0	0	2,512,500	2,475,062	2,525,062
<u>SAMMAMISH RIVER BRIDGE FUND</u>					
Beginning Cash	0	0	0	80,000	0
Revenues	0	0	80,000	0	80,000
Total Sources	0	0	80,000	80,000	80,000
Expenditures	0	0	0	0	0
Ending Cash	0	0	80,000	80,000	80,000
Total Uses	0	0	80,000	80,000	80,000
<u>REAL ESTATE EXCISE TAX FUND</u>					
Beginning Cash	1,866,315	1,312,914	1,079,395	386,613	1,079,395
Revenues	658,185	844,031	569,468	577,849	1,147,317
Total Sources	2,524,500	2,156,945	1,648,865	964,466	2,226,716
Expenditures	1,211,586	183,443	1,262,250	905,000	2,167,250
Ending Cash	1,312,914	1,973,502	386,613	59,462	59,462
Total Uses	2,524,500	2,156,945	1,648,865	964,466	2,226,716
<u>KENMORE VILLAGE FUND</u>					
Beginning Cash	60,725	33,570	390,038	551,458	390,038
Interfund Loan from General F	0	1,200,000	-1,200,000	0	-1,200,000
Revenues	447,634	107,519	1,523,020	169,320	1,692,340
Total Sources	508,359	1,341,089	713,058	720,778	882,378
Expenditures	474,789	1,190,000	161,600	177,600	339,200
Ending Cash	33,570	151,089	551,458	543,178	543,178
Total Uses	508,359	1,341,089	713,058	720,778	882,378
<u>PARK CAPITAL FUND</u>					
Beginning Cash	0	0	0	43,534	0
Revenues	0	0	503,534	160,000	663,534
Total Sources	0	0	503,534	203,534	663,534
Expenditures	0	0	460,000	160,000	620,000
Ending Cash	0	0	43,534	43,534	43,534
Total Uses	0	0	503,534	203,534	663,534
<u>TRANSPORTATION CAPITAL FUND</u>					
Beginning Cash	1,209,199	522,359	427,542	873,742	427,542
Revenues	1,751,881	1,914,018	6,081,950	5,306,000	11,387,950
Total Sources	2,961,080	2,436,377	6,509,492	6,179,742	11,815,492
Expenditures	2,438,721	2,008,836	5,635,750	5,265,000	10,900,750
Ending Cash	522,359	427,541	873,742	914,742	914,742
Total Uses	2,961,080	2,436,377	6,509,492	6,179,742	11,815,492
<u>SURFACE WATER MANAGEMENT FUND</u>					
Beginning Cash	1,590,280	893,745	1,419,392	870,915	1,419,392
Revenues	1,604,654	2,134,682	1,859,138	1,640,038	3,499,176
Total Sources	3,194,934	3,028,427	3,278,530	2,510,953	4,918,568
Expenditures	2,301,189	1,609,036	2,407,615	2,070,261	4,477,876
Ending Cash	893,745	1,419,391	870,915	440,692	440,692
Total Uses	3,194,934	3,028,427	3,278,530	2,510,953	4,918,568

City of Kenmore, Washington

Cash Summary of All Funds

2011-2014	2011 <u>ACTUAL</u>	2012 <u>ACTUAL</u>	2013 <u>BUDGET</u>	2014 <u>BUDGET</u>	2013-2014 <u>BIENNIAL BUDGET</u>
<u>SURFACE WATER CAPITAL FUND</u>					
Beginning Cash	0	0	0	0	0
Revenues	0	0	1,175,250	727,000	1,902,250
Total Sources	<u>0</u>	<u>0</u>	<u>1,175,250</u>	<u>727,000</u>	<u>1,902,250</u>
Expenditures	0	0	1,175,250	727,000	1,902,250
Ending Cash	0	0	0	0	0
Total Uses	<u>0</u>	<u>0</u>	<u>1,175,250</u>	<u>727,000</u>	<u>1,902,250</u>
<u>SWAMP CREEK BASIN FUND</u>					
Beginning Cash	1,762,641	1,773,289	1,650,152	1,578,352	1,650,152
Revenues	10,648	5,888	8,200	7,800	16,000
Total Sources	<u>1,773,289</u>	<u>1,779,177</u>	<u>1,658,352</u>	<u>1,586,152</u>	<u>1,666,152</u>
Expenditures	0	198,109	80,000	80,000	160,000
Ending Cash	<u>1,773,289</u>	<u>1,581,068</u>	<u>1,578,352</u>	<u>1,506,152</u>	<u>1,506,152</u>
Total Uses	<u>1,773,289</u>	<u>1,779,177</u>	<u>1,658,352</u>	<u>1,586,152</u>	<u>1,666,152</u>
<u>EQUIPMENT REPLACEMENT FUND</u>					
Beginning Cash	524,311	592,089	490,602	301,202	490,602
Revenues	79,163	109,202	51,850	103,293	155,143
Total Sources	<u>603,474</u>	<u>701,291</u>	<u>542,452</u>	<u>404,495</u>	<u>645,745</u>
Expenditures	11,385	210,687	241,250	35,000	276,250
Ending Cash	<u>592,089</u>	<u>490,604</u>	<u>301,202</u>	<u>369,495</u>	<u>369,495</u>
Total Uses	<u>603,474</u>	<u>701,291</u>	<u>542,452</u>	<u>404,495</u>	<u>645,745</u>
<u>TRUST AND AGENCY (NON BUDGETED FUND)</u>					
Beginning Cash	278,859	263,703	247,208	247,208	247,208
Revenues	80,860	42,134	0	0	0
Total Sources	<u>359,719</u>	<u>305,837</u>	<u>247,208</u>	<u>247,208</u>	<u>247,208</u>
Expenditures	96,016	58,629	0	0	0
Ending Cash	<u>263,703</u>	<u>247,208</u>	<u>247,208</u>	<u>247,208</u>	<u>247,208</u>
Total Uses	<u>359,719</u>	<u>305,837</u>	<u>247,208</u>	<u>247,208</u>	<u>247,208</u>
<u>TOTALS</u>					
Beginning Cash	\$17,507,616	\$15,159,837	\$14,267,610	\$14,465,653	\$14,267,610
Revenues	15,273,863	16,734,488	26,976,610	20,942,866	47,384,476
Total Sources	<u>32,781,479</u>	<u>31,894,325</u>	<u>41,244,220</u>	<u>35,408,519</u>	<u>61,652,086</u>
Expenditures	17,609,549	16,568,659	26,778,571	21,217,739	47,461,310
Ending Cash	<u>15,159,837</u>	<u>15,325,666</u>	<u>14,465,649</u>	<u>14,190,780</u>	<u>14,190,776</u>
Total Uses	<u>\$32,769,386</u>	<u>\$31,894,325</u>	<u>\$41,244,220</u>	<u>\$35,408,519</u>	<u>\$61,652,086</u>

City of Kenmore, Washington
 Summary of All Revenues and Expenditures By Fund
 2009/2010 to 2013/2014

Revenues by Fund:	2009-2010	2011-2012	2011	2012	2011-2012	2013	2014	2013-2014
	Biennial	Amended			Biennium			Adopted
	Total	Budget	Actual	Actual	Total	Budget	Budget	Budget
General Fund	\$ 18,944,235	\$ 18,945,596	\$ 9,287,506	\$ 9,582,903	\$ 18,870,409	\$ 9,527,491	\$ 9,714,203	\$ 19,241,694
Street Fund	8,568,320	2,394,724	1,036,455	1,107,952	2,144,407	2,245,722	1,604,451	3,850,173
Public Art Fund	130,857	3,979	819	477	1,296	300	300	600
Park Impact Fee Fund	396,801	440,942	76,852	208,753	285,605	172,214	174,353	346,567
Transportation Impact Fee Fund	1,280,266	943,962	239,207	676,929	916,136	435,973	440,697	876,670
Transportation Benefit District (new)	0	0	0	0	0	230,000	305,000	535,000
Strategic Reserve Fund	206,833	0	0	0	0	0	0	0
Strategic Opportunities Fund (new)	0	0	0	0	0	2,512,500	12,562	2,525,062
Sammamish River Bridge Fund (new)	0	0	0	0	0	80,000	0	80,000
Real Estate Excise Tax Fund (formerly Municipal Capital Fund)	1,493,254	2,038,341	658,183	844,031	1,502,214	569,468	577,849	1,147,317
Kenmore Village Fund (formerly Capital Projects Fund)	4,693,262	508,078	447,633	107,519	555,152	1,523,020	169,320	1,692,340
Park Capital Fund - new	0	0	0	0	0	503,534	160,000	663,534
Transportation Capital Fund (formerly Arterial Street Fund)	23,393,136	7,574,163	1,751,881	1,914,018	3,665,899	6,081,950	5,306,000	11,387,950
Surface Water Management Fund	2,824,196	3,743,334	1,604,655	2,134,682	3,739,337	1,859,138	1,640,038	3,499,176
Surface Water Capital Fund - new	0	0	0	0	0	1,175,250	727,000	1,902,250
Swamp Creek Basin Fund	1,762,641	35,619	10,650	5,888	16,538	8,200	7,800	16,000
Equipment Replacement Fund	111,199	161,520	79,163	109,202	188,365	51,850	103,293	155,143
Total Revenues	63,804,999	36,790,258	15,193,004	16,692,354	31,885,358	26,976,610	20,942,866	47,919,476
Less Interfund Transactions	(10,712,014)	(6,018,771)	(2,654,075)	(1,421,911)	(4,075,986)	(6,766,686)	(3,149,915)	(9,916,601)
Net Revenues	\$ 53,092,985	\$ 30,771,487	\$ 12,538,929	\$ 15,270,443	\$ 27,809,372	\$ 20,209,924	\$ 17,792,951	\$ 38,002,875

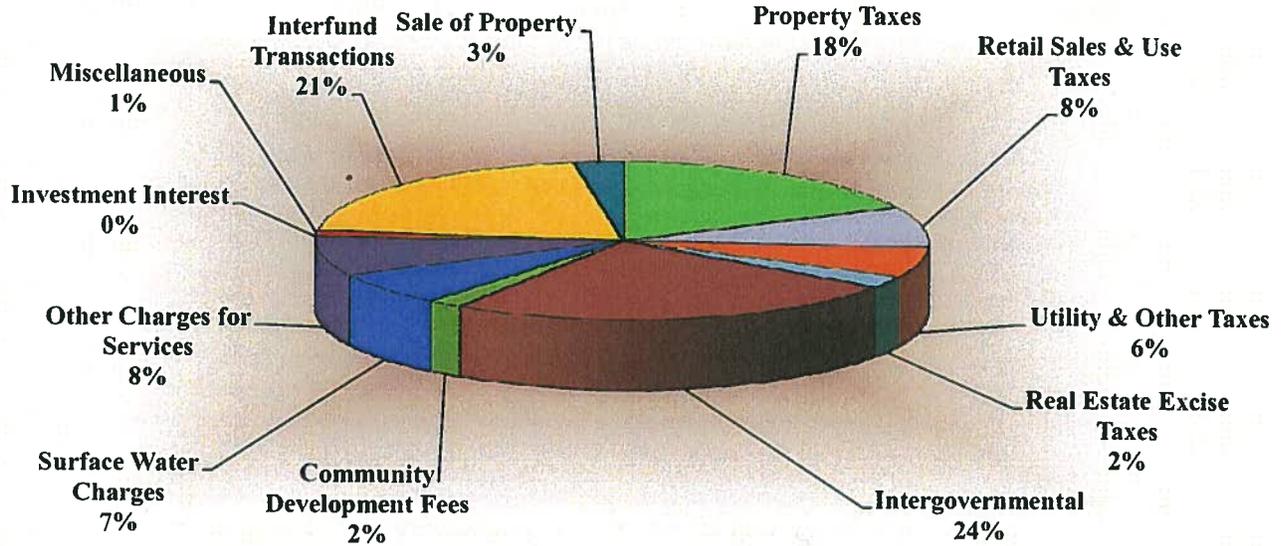
	2009-2010	2011-2012	2011	2012	2011-2012	2013	2014	2013-2014
	Biennial	Amended			Biennium			Adopted
	Total	Budget	Actual	Actual	Total	Budget	Budget	Budget
General Fund	\$ 18,263,109	\$ 18,914,946	\$ 9,069,692	\$ 9,191,381	\$ 18,261,073	\$ 12,248,068	\$ 9,466,040	\$ 21,714,108
Street Fund	4,156,306	3,160,790	1,395,043	1,277,791	2,672,834	2,193,788	1,646,338	3,840,126
Public Art Fund	129,991	1,000	500	500	1,000	500	500	1,000
Park Impact Fee Fund	18,683	700,000	0	29,620	29,620	220,000	0	220,000
Transportation Impact Fee Fund	880,698	1,221,255	610,628	610,627	1,221,255	412,500	380,000	792,500
Transportation Benefit District (new)	0	0	0	0	0	230,000	305,000	535,000
Strategic Reserve Fund	0	0	0	0	0	0	0	0
Strategic Opportunities Fund -new	0	0	0	0	0	50,000	0	50,000
Sammamish River Bridge Fund (new)	0	0	0	0	0	0	0	0
Real Estate Excise Tax Fund (formerly Municipal Capital Fund)	5,328,981	3,262,894	1,211,586	183,443	1,395,029	1,262,250	905,000	2,167,250
Kenmore Village Fund (formerly Capital Projects Fund)	16,636,625	1,717,820	474,789	1,190,000	1,664,789	161,600	177,600	339,200
Park Capital Fund - new	0	0	0	0	0	460,000	160,000	620,000
Transportation Capital Fund (formerly Arterial Street Fund)	21,416,211	8,420,240	2,438,719	2,008,836	4,447,555	5,635,750	5,265,000	10,900,750
Surface Water Management Fund	5,098,955	4,866,475	2,301,188	1,609,036	3,910,224	2,407,615	2,070,261	4,477,876
Surface Water Capital Fund - new	0	0	0	0	0	1,175,250	727,000	1,902,250
Swamp Creek Basin Fund	0	202,500	0	198,109	198,109	80,000	80,000	160,000
Equipment Replacement Fund	97,246	231,830	11,386	210,687	222,073	241,250	35,000	276,250
Total Expenditures	72,026,805	42,699,750	17,513,531	16,510,030	34,023,561	26,778,571	21,217,739	47,996,310
Less Interfund Transactions	(10,712,014)	(6,018,812)	(2,654,075)	(1,421,892)	(4,075,967)	(6,766,686)	(3,149,915)	(9,916,601)
Net Expenditures	\$ 61,314,791	\$ 36,680,938	\$ 14,859,456	\$ 15,088,138	\$ 29,947,594	\$ 20,011,885	\$ 18,067,824	\$ 38,079,709

City of Kenmore, Washington
 All Funds: Revenue By Source and Expenditures by Service Area
 2009/2010 to 2013/2014

<u>Revenue By Source:</u>	2009-2010	2011-2012			2011-2012			2013-2014
	Biennium	Amended	2011	2012	Biennium	2013	2014	Adopted
	<u>Total</u>	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>	<u>Total</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
Property Taxes	\$8,026,594	\$8,254,387	\$4,148,487	\$4,166,027	\$8,314,514	\$4,213,917	\$4,256,056	\$8,469,973
Retail Sales & Use Taxes	4,482,159	4,339,202	2,132,546	2,185,498	4,318,044	1,975,227	1,985,103	3,960,330
Utility Taxes	2,897,263	3,002,081	1,419,669	1,366,008	2,785,677	1,458,388	1,484,006	2,942,394
Gambling Taxes & Other	310,329	104,104	27,628	41,237	68,865	30,650	30,650	61,300
Real Estate Excise Taxes	1,348,082	1,236,240	605,932	767,245	1,373,177	566,610	572,276	1,138,886
Intergovernmental	24,896,613	6,626,614	902,512	1,699,873	2,602,385	6,546,952	5,160,520	11,707,472
Community Development Fees	758,374	563,985	361,900	331,606	693,506	423,560	422,323	845,882
Surface Water Charges	2,367,181	3,110,878	1,528,978	1,640,281	3,169,259	1,590,137	1,606,038	3,196,176
Other Charges for Services	2,839,288	3,014,315	1,169,020	2,900,752	4,069,772	1,776,282	1,995,975	3,772,257
Investment Interest	395,114	273,375	100,806	114,153	214,959	83,280	89,283	172,563
Sale of Property	50,000	100,000	50,000	0	50,000	1,250,000	0	1,250,000
Bond Proceeds	4,000,000	0	0	0	0	0	0	0
Miscellaneous	721,989	146,266	91,451	57,763	149,214	294,920	190,720	485,640
Interfund Transactions	10,712,014	6,018,811	2,654,075	1,421,911	4,075,986	6,766,686	3,149,915	9,916,601
Total Revenues	63,804,999	36,790,258	15,193,004	16,692,354	31,885,358	26,976,609	20,942,866	47,919,474
Less: Interfund Transactions	(10,712,014)	(6,018,811)	(2,654,075)	(1,421,911)	(4,075,986)	(6,766,686)	(3,149,915)	(9,916,601)
Net Revenues	\$53,092,985	\$30,771,448	\$12,538,930	\$15,270,444	\$27,809,372	\$20,209,924	\$17,792,952	\$38,002,874

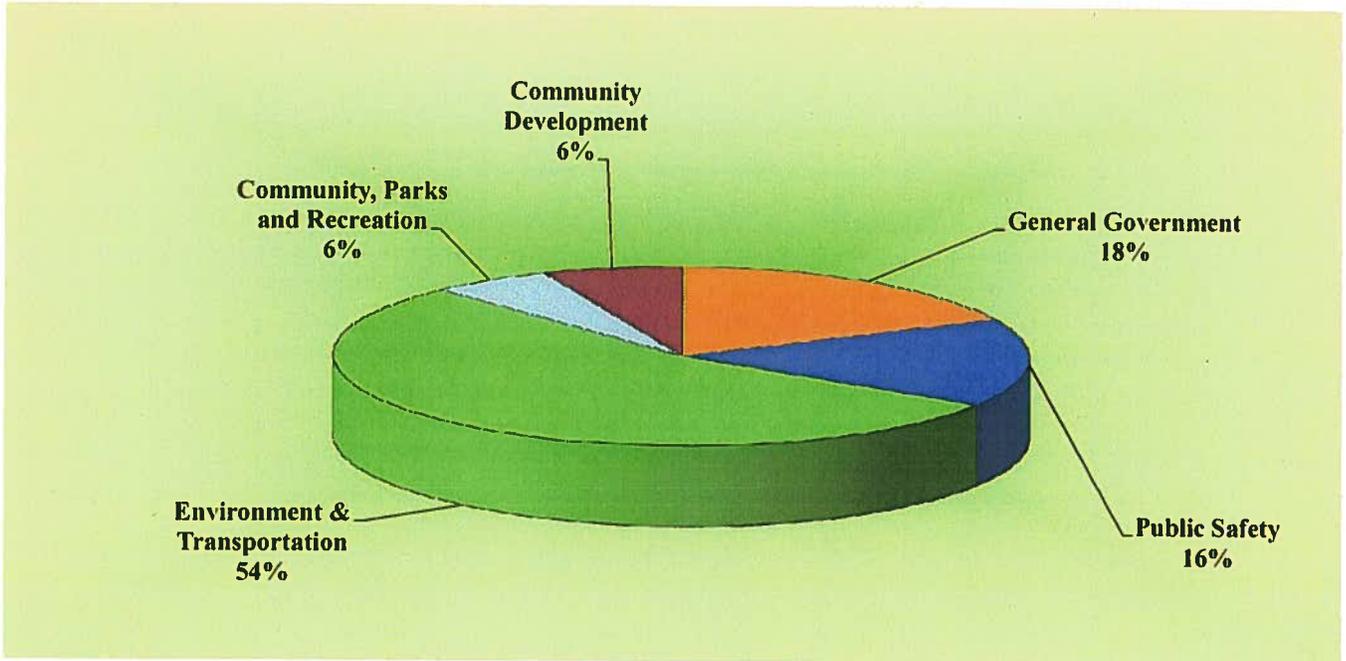
<u>Expenditures by Service Area:</u>	2009-2010	2011-2012			2011-2012			2013-2014
	Biennium	Amended	2011	2012	Biennium	2013	2014	Adopted
	<u>Total</u>	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>	<u>Total</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
General Government	\$21,269,248	\$6,164,200	\$3,125,361	\$3,110,023	\$6,235,384	\$5,911,373	\$2,704,419	\$8,615,792
Public Safety	7,196,187	7,229,563	3,442,596	3,655,252	7,097,848	3,747,835	3,887,196	7,635,031
Environment & Transportation	37,775,915	21,169,895	8,375,600	6,483,055	14,858,655	13,883,304	12,003,834	25,887,138
Community, Parks, and Recreation	2,325,804	3,550,588	861,393	789,344	1,650,737	1,652,630	1,072,841	2,725,471
Community Development	3,459,651	4,585,505	1,708,579	2,472,360	4,180,939	1,583,430	1,549,449	3,132,879
Total Expenditures	72,026,805	42,699,751	17,513,529	16,510,034	34,023,563	26,778,572	21,217,739	47,996,311
Less Interfund Transactions	(10,712,014)	(6,018,811)	(2,654,075)	(1,421,911)	(4,075,986)	(6,766,686)	(3,149,915)	(9,916,601)
Net Expenditures	\$61,314,791	\$36,680,940	\$14,859,454	\$15,088,123	\$29,947,577	\$20,011,886	\$18,067,824	\$38,079,710

City of Kenmore, Washington
 All Funds: Revenue by Source Chart
 2013-2014 Biennium Budget



<u>Revenue By Source:</u>	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Actual</u>	<u>2013 Budget</u>	<u>% Change 2012-2013</u>	<u>2014 Budget</u>	<u>% Change 2013-2014</u>
Property Taxes	\$4,059,350	\$4,148,487	4,166,027	4,213,917	1.1%	4,256,056	1.0%
Retail Sales & Use Taxes	2,203,379	2,132,546	2,185,498	1,975,227	-9.6%	1,985,103	0.5%
Utility & Other Taxes	1,405,832	1,419,669	1,366,008	1,458,388	6.8%	1,484,006	1.8%
Gambling Taxes & Other	30,552	27,628	41,237	30,650	-25.7%	30,650	0.0%
Real Estate Excise Taxes	763,690	605,932	767,245	566,610	-26.2%	572,276	1.0%
Intergovernmental	6,418,903	902,512	1,699,873	6,546,952	285.1%	5,160,520	-21.2%
Community Development Fees	286,787	361,900	331,606	423,560	27.7%	422,323	-0.3%
Surface Water Charges	1,305,817	1,528,978	1,640,281	1,590,137	-3.1%	1,606,038	1.0%
Other Charges for Services	1,235,862	1,169,020	2,900,752	1,776,282	-38.8%	1,995,975	12.4%
Investment Interest	99,987	100,806	114,153	83,280	-27.0%	89,283	7.2%
Sale of Property	50,000	50,000	0	1,250,000	n/a	0	-100.0%
Bond Proceeds	4,000,000	0	0	0	n/a	0	n/a
Miscellaneous	69,160	91,451	57,763	294,920	410.6%	190,720	-35.3%
Interfund Transactions	5,674,049	2,654,075	1,421,911	6,766,686	375.9%	3,149,915	-53.4%
Total Revenues	27,603,367	15,193,004	16,692,354	26,976,609	61.6%	20,942,866	-22.4%
Less: Interfund Transactions	(5,674,049)	(2,654,075)	(1,421,911)	(6,766,686)	375.9%	(3,149,915)	-53.4%
Net Revenues	\$21,929,318	\$12,538,929	\$15,270,443	\$20,209,923	32.3%	\$17,792,951	-12.0%

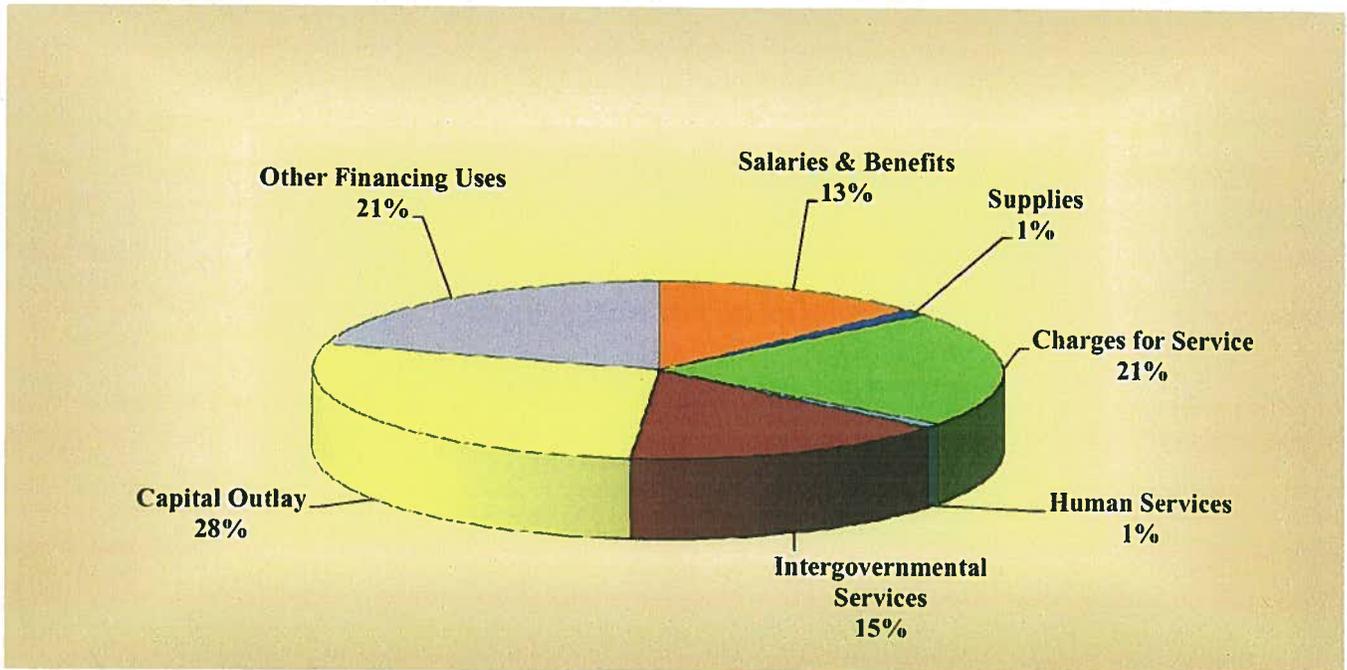
City of Kenmore, Washington
 All Funds: Expenditures by Service Area Chart
 2013-2014 Biennium Budget



<u>Expenditure By Service Area:</u>	<u>2010</u> <u>Actual</u>	<u>2011</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>	<u>2013</u> <u>Budget</u>	<u>% Change</u> <u>2012-2013</u>	<u>2014</u> <u>Budget</u>	<u>% Change</u> <u>2013-2014</u>
General Government	\$12,967,786	\$3,125,361	3,110,023	5,911,373	90.1%	2,704,419	-54.3%
Public Safety	3,922,907	3,442,596	3,655,252	3,747,835	2.5%	3,887,196	3.7%
Environment & Transportation	13,866,175	8,375,600	6,483,055	13,883,304	114.1%	12,003,834	-13.5%
Community, Parks and Recreation	874,481	861,393	789,344	1,652,630	109.4%	1,072,841	-35.1%
Community Development	1,047,917	1,708,579	2,472,360	1,583,430	-36.0%	1,549,449	-2.1%
Total Expenditures	32,679,266	17,513,529	16,510,034	26,778,572	62.2%	21,217,739	-20.8%
Less Interfund Transactions	(5,674,049)	(2,654,075)	(1,421,911)	(6,766,686)	375.9%	(3,149,915)	-53.4%
Net Expenditures	\$27,005,217	\$14,859,454	\$15,088,123	20,011,886	32.6%	18,067,824	-9.7%

This classification of expenditures is according to the purposes to be accomplished by the expenditures.

City of Kenmore, Washington
 All Funds: Expenditures by Object Category Chart
 2013-2014 Biennium Budget



<u>Expenditure by Object Category:</u>	2010 Actual	2011 Actual	2012 Actual	2013 Budget	% Change 2012-2013	2014 Budget	% Change 2013-2014
Salaries & Benefits	\$2,614,412	2,729,841	3,091,514	3,005,410	-2.8%	3,122,345	3.9%
Supplies	256,980	259,882	223,215	261,525	17.2%	302,618	15.7%
Charges for Service	4,124,718	4,742,647	4,942,451	5,390,322	9.1%	4,705,447	-12.7%
Human Services	348,166	297,805	278,108	202,300	-27.3%	202,301	0.0%
Intergovernmental Services	3,843,482	3,280,697	3,554,800	3,662,447	3.0%	3,779,346	3.2%
Capital Outlay	13,200,065	3,548,584	2,998,033	7,489,883	149.8%	5,955,767	-20.5%
Other Financing Uses	8,291,443	2,654,075	1,421,912	6,766,686	375.9%	3,149,915	-53.4%
Total Expenditures	32,679,266	17,513,531	16,510,032	26,778,572	62.2%	21,217,739	-20.8%
Less Interfund Transactions	(5,674,049)	(2,654,075)	(1,421,911)	(6,766,686)	375.9%	(3,149,915)	-53.4%
Net Expenditures	\$27,005,217	14,859,456	15,088,121	20,011,886	32.6%	18,067,824	-9.7%

This classification of expenditures is according to the character and object which designates the nature of expenditures.

City of Kenmore, Washington

All Funds Consolidated Budget Net of Interfund Transactions 2010-2014

	2010	2011	2012	2013	2014
<u>Sources of Funds:</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Budget</u>
Property Taxes	\$4,059,350	\$4,148,487	\$4,166,027	4,213,917	4,256,056
Local Retail Sales & Use Taxes	2,203,379	2,132,546	2,185,498	1,975,227	1,985,103
Utility Taxes	1,405,832	1,419,669	1,366,008	1,458,388	1,484,006
Gambling Taxes	30,552	27,628	41,237	30,650	30,650
Real Estate Excise Taxes	763,690	605,932	767,245	566,610	572,276
Intergovernmental	6,418,903	902,512	1,699,873	6,546,952	5,160,520
Community Development Fees	286,787	361,900	331,606	423,560	422,323
Surface Water Charges	1,305,817	1,528,978	1,640,281	1,590,137	1,606,038
Other Charges for Services	1,235,862	1,169,020	2,900,752	1,776,282	1,995,975
Investment Interest	99,987	100,806	114,153	83,280	89,283
Sale of Property	50,000	50,000	0	1,250,000	0
Bond Proceeds	4,000,000	0	0	0	0
Miscellaneous	69,160	91,451	57,763	294,920	190,720
Total Sources of Funds	21,929,318	12,538,929	15,270,443	\$20,209,923	\$17,792,951
<u>Uses of Funds:</u>					
General Government	13,130,286	2,208,361	3,110,023	2,378,187	2,231,504
Public Safety	3,234,387	3,442,596	3,655,252	3,747,835	3,887,196
Environment & Transportation	8,061,829	6,638,525	5,737,763	11,109,804	9,486,834
Community, Parks & Recreation	855,798	861,393	759,724	1,192,630	912,841
Community Development	1,722,917	1,708,579	2,472,360	1,583,430	1,549,449
Total Uses of Funds	27,005,217	14,859,454	15,735,122	20,011,886	18,067,824
Excess / (Deficiency) of Sources over Uses of Funds	(\$5,075,899)	(\$2,320,525)	(\$464,679)	\$198,037	(\$274,873)
<u>Fund Balance:</u>					
Beginning	\$22,305,061	\$17,229,162	\$14,908,637	\$14,443,959	\$14,641,995
Ending	\$17,229,162	\$14,908,637	\$14,443,959	\$14,641,995	\$14,367,122

Notes

Interfund Transactions - The consolidated schedule eliminates double accounting of these transactions by excluding them as sources and uses of funds.

Excess / (Deficiency) - The line "Excess/(Deficiency) of Sources over Uses of Funds" represents fund sources that are higher or lower than fund uses for a given year. Most deficiencies can be attributed to using fund balances carried over from a prior year, especially for capital projects.

Beginning Fund Balance + Revenues = Expenditures + Ending fund balance.

The significant change in fund balance in 2010 and into 2011 is due primarily to the the city hall construction project, which was paid with accumulated cash reserves. In addition, transportation, park, and surface water capital projects were budgeted over the 2009-2010 biennium and funded with unspent capital reserves.

The schedule does not include transactions of the Trust and Agency Fund which is a non budgeted fund as it is only used for suspense, clearing, or custodial purposes.

City of Kenmore, Washington

Operating Budget

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City of Kenmore, Washington
 Summary of General Fund Revenues
 2009-2010 to 2013-2014

	2009-2010 Biennium Total	2011-2012 Amended Budget	2011 Actual	2012 Actual	2011-2012 Biennium Total	2013 Budget	2014 Budget	2013-2014 Adopted Budget
REVENUES								
Beginning Fund Balance	\$4,260,758	\$4,942,293	\$4,929,789	\$5,147,603	\$4,929,789	\$5,338,942	\$2,592,897	\$5,338,942
Property Taxes	8,026,594	8,254,387	4,148,487	4,166,027	8,314,514	4,213,917	4,256,056	8,469,973
Sales Tax	3,686,263	3,559,608	1,720,955	1,755,863	3,476,818	1,592,925	1,600,890	3,193,815
Crim. Justice 1/10 Sales Tax	795,896	779,594	411,591	429,635	841,226	382,302	384,214	766,516
Electric Utility Tax	1,002,729	1,030,395	508,199	489,507	997,706	528,076	538,637	1,066,713
Gas Utility Tax	510,911	568,636	266,301	251,958	518,259	287,745	293,500	581,245
Telephone/Cellphone Utility Tax	1,383,623	1,403,051	645,169	624,543	1,269,712	642,568	651,869	1,294,437
Gambling Tax-Pulltabs & Games	87,066	101,928	26,462	40,325	66,787	30,050	30,050	60,100
Gambling Tax-Cardrooms	221,695	0	0	0	0	0	0	0
Other Taxes	1,568	1,878	1,166	912	2,228	600	600	1,200
Total Taxes	15,716,345	15,699,775	7,728,330	7,758,770	15,487,100	7,678,182	7,755,815	15,433,998
Cable Franchise fees	385,288	650,588	394,363	283,892	678,255	280,537	288,953	569,490
Water/Sewer Franchise fees	0	0	0	0	0	317,186	422,915	740,101
Business Licenses	3,742	4,500	1,375	2,076	3,451	1,535	1,535	3,070
Right Of Way Permits	0	0	3,950	9,089	13,039	12,000	12,000	24,000
Building Permits	597,204	415,928	172,525	265,106	437,631	150,276	159,735	310,011
Development Permits	161,170	143,557	71,102	55,335	126,437	42,625	46,641	89,266
Total Licenses & Permits	1,147,404	1,214,573	643,315	615,498	1,258,813	804,159	931,779	1,735,938
State and Federal Grants	126,918	0	0	5537	5,537	0	0	0
Recycling Grants	97,253	92,000	46,676	41,788	88,464	46,000	46,000	92,000
Criminal Justice Distributions	101,864	102,409	51,512	53,052	104,564	54,173	54,173	108,346
DUI Assistance	10,405	10,415	4,325	3,885	8,210	4,000	4,000	8,000
Streamlined Sales Tax Mitigation	49,492	47,836	24,624	23,497	48,121	24,600	24,600	49,200
Liquor Excise Tax	200,142	205,674	100,602	76,536	177,138	34,500	62,602	97,102
Liquor Board Profits	302,715	303,142	142,609	207,281	349,890	142,609	142,609	285,218
Total Intergovernmental	888,789	761,476	370,348	411,576	781,924	305,882	333,984	639,866
Reimbursement of Direct/Indirect Costs	0	0	172,860	205,023	377,883	287,816	236,250	524,066
Land Use and Inspection Fees	183,688	250,334	101,523	281,210	382,733	159,070	174,154	333,224
Plan Review	469,812	624,776	206,707	183,120	389,827	240,482	230,320	470,802
Total Charges for Services	653,500	875,110	481,090	669,353	1,150,443	687,368	640,724	1,328,092
Total Investment Interest	61,036	56,000	39,486	74,815	114,301	28,000	28,000	56,000
Fines & Forfeitures	41,102	0	664	9	673	0	0	0
Donations/Sponsorships	25,810	50,000	13,872	10,000	23,872	15,000	15,000	30,000
Miscellaneous	154,235	0	10,401	42,882	53,283	8,900	8,900	17,800
Total Miscellaneous	221,147	58,000	24,937	52,891	77,828	23,900	23,900	47,800
Transfers From Other Funds	256,014	280,662	0	0	0	0	0	0
Total General Fund Revenues	18,944,235	18,945,596	9,287,506	9,582,903	18,870,409	9,527,491	9,714,203	19,241,694
Total Revenues & Beginning Fund Balance	\$23,204,993	\$23,887,889	\$14,217,295	\$14,730,506	\$23,800,198	\$14,866,433	\$12,307,100	\$24,580,636

Annual Changes in Revenues:			
Percent Change 2010 to 2011		0.5%	
Dollar Change 2010 to 2011		\$48,614	
Percent Change 2011 to 2012			3.2%
Dollar Change 2011 to 2012		\$295,397	
Percent Change 2012 to 2013			-0.6%
Dollar Change 2012 to 2013			(\$55,412)
Percent Change 2013 to 2014			2.0%
Dollar Change 2013 to 2014			\$186,711

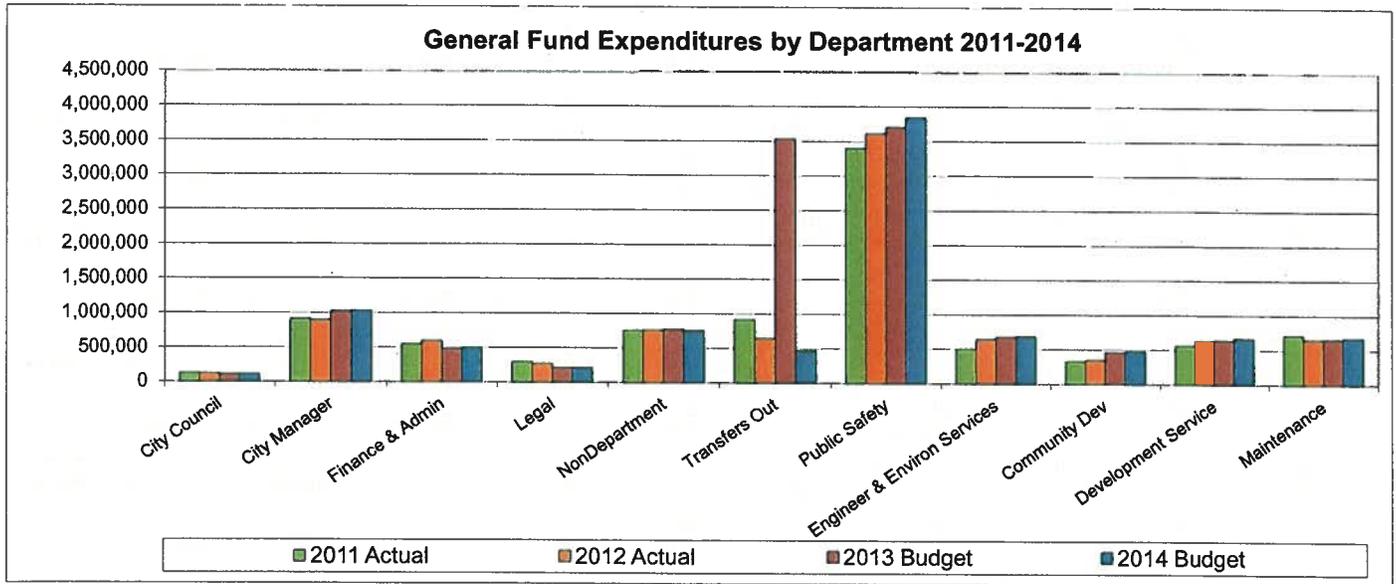
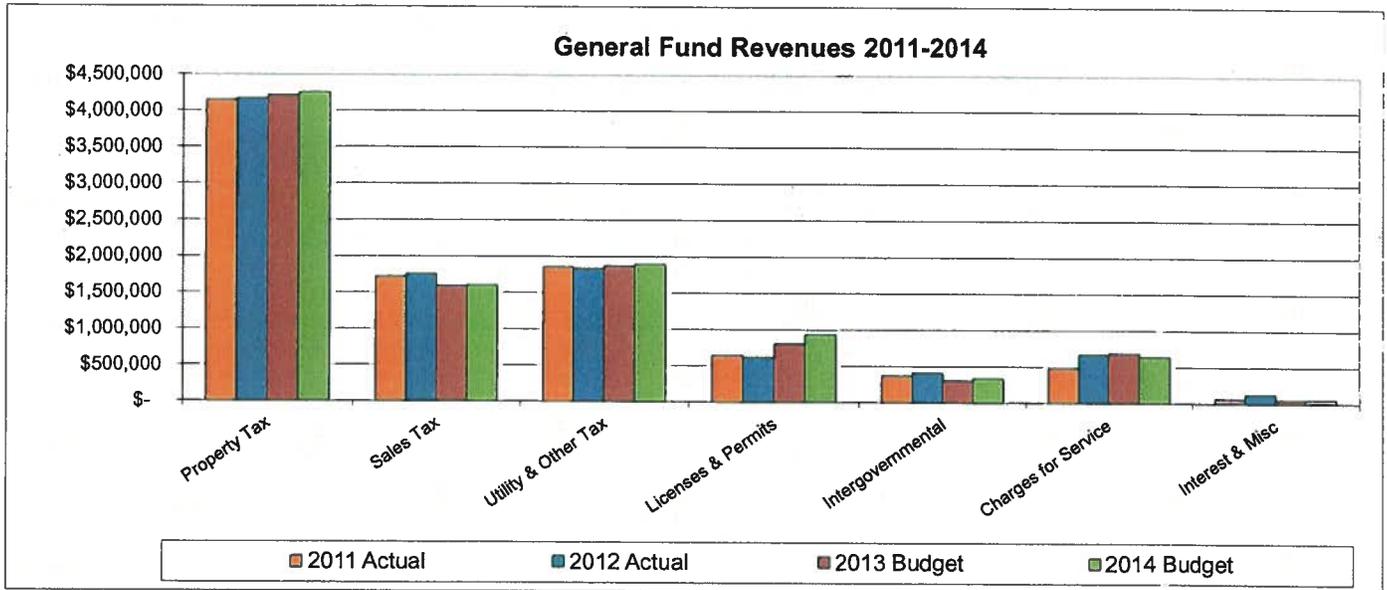
City of Kenmore, Washington
 Summary of General Fund Expenditures
 2009-2010 to 2013-2014

	2009-2010 Biennium Total	2011-2012 Amended Budget	2011 Actual	2012 Actual	2011-2012 Biennium Total	2013 Budget	2014 Budget	2013-2014 Adopted Budget
EXPENDITURES								
Cost Center								
City Council	\$228,334	\$217,644	\$127,750	\$122,132	\$249,882	\$106,114	\$107,836	\$213,950
City Manager	1,712,085	1,796,600	912,342	895,897	1,808,239	1,024,337	1,031,484	2,055,821
Finance and Administration	998,956	1,175,474	550,088	602,059	1,152,147	480,650	497,918	978,568
Legal	514,919	494,285	294,320	269,348	563,668	215,000	215,000	430,000
Non-Departmental	1,779,573	1,532,820	754,568	762,686	1,517,254	775,090	758,397	1,533,487
Transfers to Other Funds	1,208,595	1,564,000	917,000	647,000	1,564,000	3,533,186	472,915	4,006,101
Public Safety	7,075,237	7,179,563	3,403,895	3,615,607	7,019,502	3,707,398	3,845,950	7,553,348
Engineering & Environmental Services	807,792	1,045,741	503,575	643,990	1,147,565	676,151	685,235	1,361,386
Community Development	2,744,028	712,632	330,213	346,706	676,919	462,482	476,959	939,441
Development Services	0	1,501,147	560,680	631,669	1,192,349	634,598	670,138	1,304,736
Parks and Facility Maintenance	1,193,181	1,695,042	715,261	654,287	1,369,548	658,530	678,741	1,337,271
Total Expenditures	\$18,262,700	\$18,914,948	\$9,069,692	\$9,191,381	\$18,261,073	\$12,273,536	\$9,440,573	\$21,714,109
Ending Fund Balance	4,942,293	4,972,941	5,147,603	5,539,125	5,539,125	2,592,897	2,866,527	2,866,527
Total Expenditures and Ending Fund Balance	\$23,204,993	\$23,887,889	\$14,217,295	\$14,730,506	\$23,800,198	\$14,866,433	\$12,307,100	\$24,580,636

Annual Changes in Expenditures:								
Percent Change 2010 to 2011			0.3%					
Dollar Change 2010 to 2011			\$28,665					
Percent Change 2011 to 2012				1.3%				
Dollar Change 2011 to 2012				\$121,689				
Percent Change 2012 to 2013						33.5%		
Dollar Change 2012 to 2013						\$3,082,155		
Percent Change 2013 to 2014							-23.1%	
Dollar Change 2013 to 2014							(\$2,832,963)	

City of Kenmore, Washington

Summary of General Fund Revenues and Expenditures by Department 2011-2012 to 2013-2014



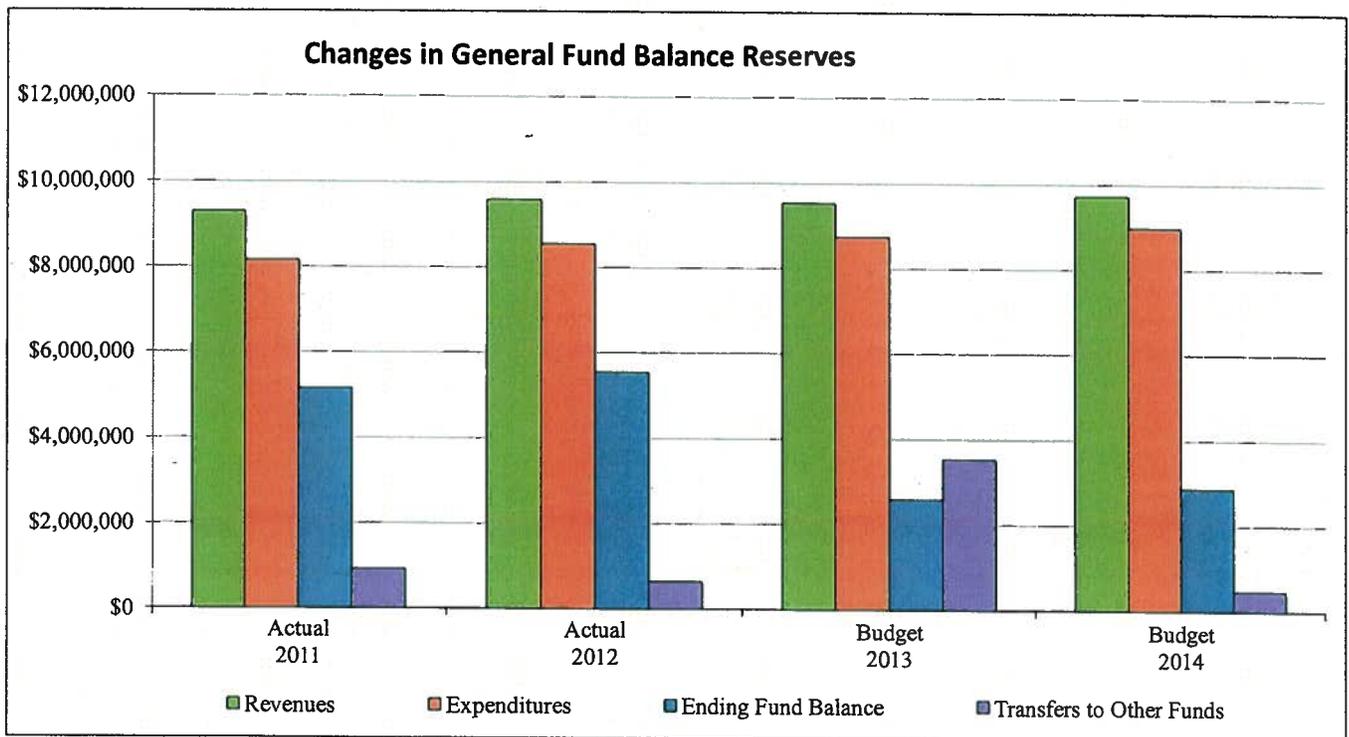
City of Kenmore, Washington

Summary of Changes in General Fund Balance Reserves 2011 to 2014

	2009-2010 Biennium Total	2011 Actual	2012 Actual	2011-2012 Biennium Total	2013 Budget	2014 Budget	2013-2014 Adopted Budget
BEGINNING FUND BALANCE	\$4,260,758	\$4,929,791	\$5,147,605	\$4,929,791	\$5,338,942	\$2,592,897	\$5,338,942
REVENUES	18,931,735	9,287,506	9,582,903	18,870,409	9,527,491	9,714,203	19,241,694
EXPENDITURES	18,262,702	9,069,692	9,191,381	18,261,073	12,273,536	9,440,573	21,714,109
ENDING FUND BALANCE	\$4,929,791	\$5,147,605	\$5,539,126	\$5,539,126	\$2,592,897	\$2,866,527	\$2,866,527

This chart illustrates the changes in fund balance over the 2010-2014 period and the relationship of revenues to expenditures. The 2013 budgeted expenditures include an interfund transfer of reserves to a new fund, the Strategic Opportunities Fund, in the amount of \$2,500,000.

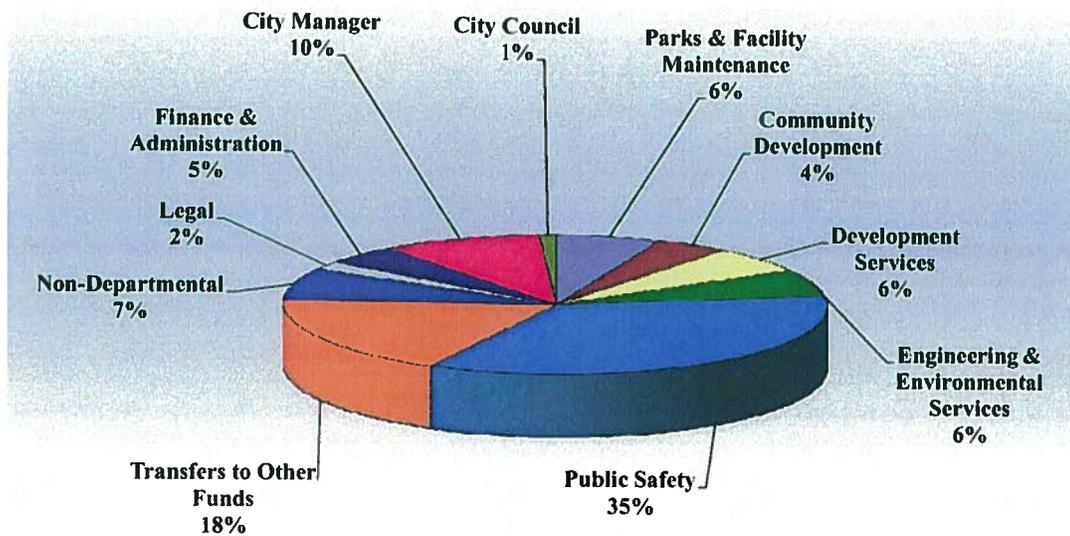
The fund balance has been maintained at a substantial balance that exceeds the amount prescribed by the City's financial policies.



City of Kenmore, Washington
General Fund Expenditures by Department
2013-2014 Biennium Budget

Department	2009-2010	2011		2012		2011-2012	2013		2014		2013-2014	Percent of Total
	Biennium Total	Actual	Actual	Actual	Total	Budget	Budget	Adopted Budget				
City Council	\$228,334	\$127,750	\$122,132	\$249,882	\$106,114	\$107,836	\$213,950	0.99%				
City Manager	1,712,085	912,341	895,897	1,808,238	1,024,337	1,031,484	2,055,821	9.47%				
Finance & Administration	998,956	550,088	602,059	1,152,147	480,650	497,917	978,567	4.51%				
Legal	514,919	294,320	269,348	563,668	215,000	215,000	430,000	1.98%				
Non-Departmental	2,988,168	754,569	762,686	1,517,255	775,090	758,397	1,613,487	7.43%				
Transfers to Other Funds	1,208,595	917,000	647,000	1,564,000	0	0	3,926,101	18.08%				
Public Safety	7,075,237	3,403,894	3,615,607	7,019,501	3,707,398	3,845,950	7,553,348	34.79%				
Engineering & Environmental Services	807,792	503,575	643,990	1,147,565	676,151	685,235	1,361,386	6.27%				
Community Development	2,744,028	330,214	346,706	676,920	462,482	476,960	939,442	4.33%				
Development Services	0	560,681	631,669	1,192,350	634,598	670,138	1,304,736	6.01%				
Parks & Facility Maintenance	1,193,181	715,260	654,287	1,369,547	658,530	678,741	1,337,271	6.16%				
Total Expenditures	19,471,295	9,069,692	9,191,381	18,261,073	8,740,350	8,967,658	21,714,109	100.00%				
Ending Fund Balance	4,929,791	5,147,603	5,539,125	5,539,125	2,793,080	3,066,710	3,066,710					
Total General Fund	\$24,401,086	\$14,217,295	\$14,730,506	\$23,800,198	\$11,533,430	\$12,034,368	\$24,780,819					

2013-2014 Budget Expenditures by Department

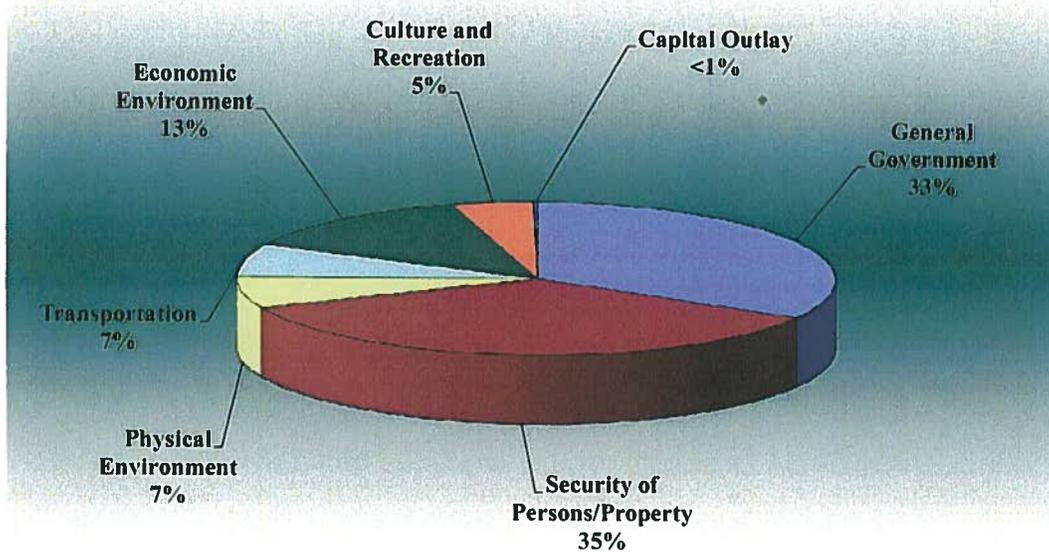


This classification of expenditures is according to the activities of cost centers or departments.

City of Kenmore, Washington
General Fund Expenditures by Function
2013-2014 Biennium Budget

<u>Function</u>	2009-2010		2011-2012		2013-2014		Percent of Total	
	<u>Total</u>	<u>Actual</u>	<u>Actual</u>	<u>Total</u>	<u>Budget</u>	<u>Adopted Budget</u>		
General Government	\$5,977,463	\$2,351,806	\$2,416,970	\$4,768,776	4,858,969	2,375,236	7,234,205	33.32%
Security of Persons/Property	7,170,440	3,405,823	3,650,564	7,056,387	3,745,035	3,884,396	7,629,431	35.14%
Physical Environment	876,102	859,776	681,107	1,540,883	719,446	732,803	1,452,249	6.69%
Transportation	1,000,000	-317,000	0	-317,000	1,033,186	472,915	1,506,101	6.94%
Economic Environment	3,450,865	1,233,792	1,281,213	2,515,005	1,421,830	1,471,849	2,893,679	13.33%
Culture and Recreation	848,209	538,376	486,218	1,024,594	470,970	482,074	953,044	4.39%
Capital Outlay	148,216	80,119	28,309	108,428	24,100	21,300	45,400	0.21%
Total General Fund	\$19,471,295	\$8,152,692	\$8,544,381	\$16,697,073	12,273,536	9,440,573	21,714,109	100.00%

2013-2014 Budget Expenditures by Function

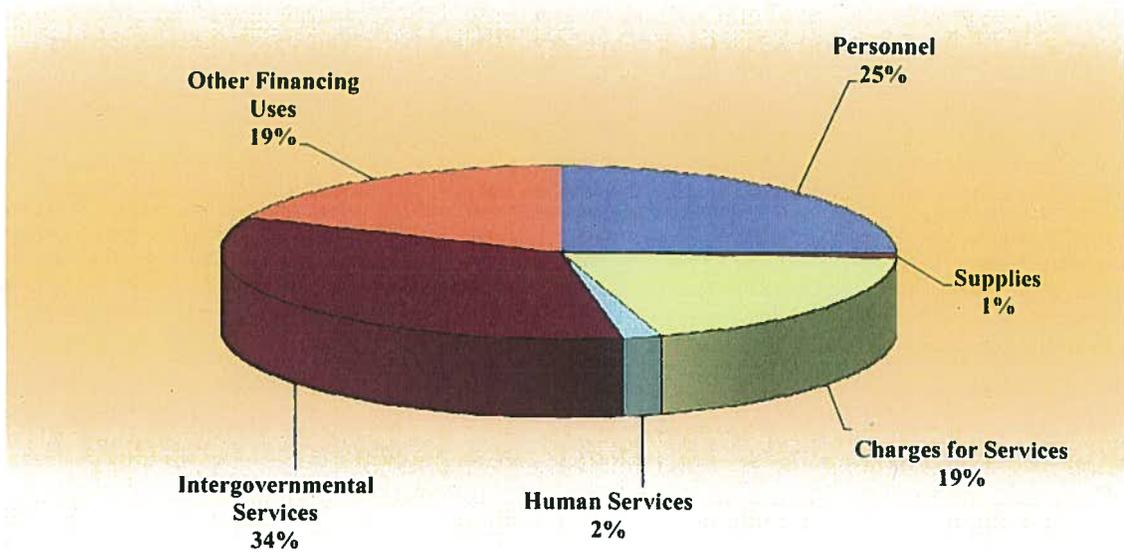


This classification of expenditures is according to the purposes to be accomplished by the expenditures.

City of Kenmore, Washington
 General Fund Expenditures by Object Category
 2013-2014 Biennium Budget

Object	2009-2010		2012	2011-2012		2013	2014	2013-2014	
	Biennium Total	2011 Actual		Biennium Total	2013 Budget			2014 Budget	Adopted Budget
Personnel	\$4,244,885	\$2,442,699	\$2,757,269	\$5,199,968	\$2,655,434	\$2,758,296	\$5,413,730	24.93%	
Supplies	292,757	103,197	108,025	211,222	67,125	102,998	170,123	0.78%	
Charges for Services	4,751,809	1,948,175	1,817,870	3,766,045	2,128,944	2,103,917	4,232,861	19.49%	
Human Services	619,825	297,805	278,108	575,913	202,300	202,301	404,601	1.86%	
Intergovernmental Services	7,009,113	3,280,697	3,554,800	6,835,497	3,662,447	3,779,346	7,441,793	34.27%	
Other Financing Uses	1,344,311	997,119	675,309	1,672,428	3,557,286	493,715	4,051,001	18.66%	
Total General Fund	\$18,262,700	\$9,069,692	\$9,191,381	\$18,261,073	\$12,273,536	\$9,440,573	\$21,714,109	100.00%	

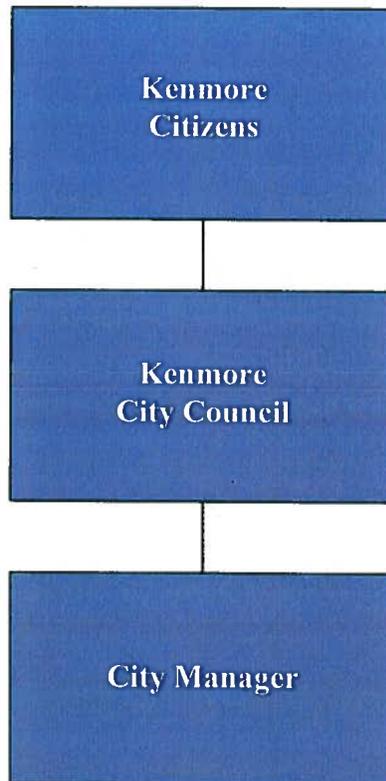
2013-2014 Budget Expenditures by Object



This classification of expenditures is according to the character and object which designates the nature of expenditures.

City of Kenmore, Washington
General Fund: City Council Cost Center

The City Council is the legislative branch of City government and serves as the policy making body. The Council enacts ordinances and resolutions, adopt policies and regulations, approve contracts, and sets rates and fees for services provided to the citizens. The Council consists of seven Councilmembers who, in turn, select the mayor for a two-year term to serve as their chairperson.



2011-2012 Achievements:

- The City Council took important steps to improve transportation infrastructure, advance downtown redevelopment, and promote economic development.
- With the completion of the Central Segment of the SR 522 project, the City has transformed the streetscape from 65th Ave NE to the eastern city limits. Traffic flow is more efficient and the environment for pedestrians and bicyclists has greatly improved. The Council's efforts have shifted to securing funding at the federal and state level for the remaining portion of the project. Even in difficult budget years these efforts have been successful in securing State appropriations of federal funds for improvements to signal and streets at 61st Ave NE at SR 522 and NE 181st Street intersections.
- Through the direct efforts of the Mayor and City Council, over \$3 million of State and Federal funding was obtained for the SR522 corridor project.

City of Kenmore, Washington
General Fund: City Council Cost Center

- The Council provided policy direction to take important steps in the future of the Kenmore Village development by approving an agreement with RECP/UP Kenmore to dissolve the Disposition and Development agreement, approving a Purchase and Sale Agreement for a 1.24 acre parcel in the Kenmore Village property to the owners of Kenmore Camera, and following a series of community and Council discussions, charting a course for taking the remaining property to market.
- Councilmembers are active in regional, state and federal level organizations and committees, including the National League of Cities, Association of Washington Cities, King County Board of Health, Eastside Transportation Partnership and Suburban Cities Association.
- The Council selected Rob Karlinsey as City Manager in 2012, following an extensive recruitment process which featured community members participating in finalist interviews.
- The Council convened Quarterly Town Hall meetings for informal discussions and information exchange with citizens.
- The Council spearheaded and promoted annual Kenmore Play Day events to encourage physical activity and wellness for young people, in conjunction with Kaboom. This effort resulted in Kenmore being named a Playful City USA.

2013-2014 Objectives:

- Support further progress on the downtown redevelopment, economic development and other Council Goals.
- Secure additional transportation funding for SR-522 and US Army Corps of Engineers budget for Kenmore Navigation Channel maintenance dredging.
- Continue and increase involvement in regional issues, including transportation initiatives such as SR-520 tolling/construction and its impact on SR-522.

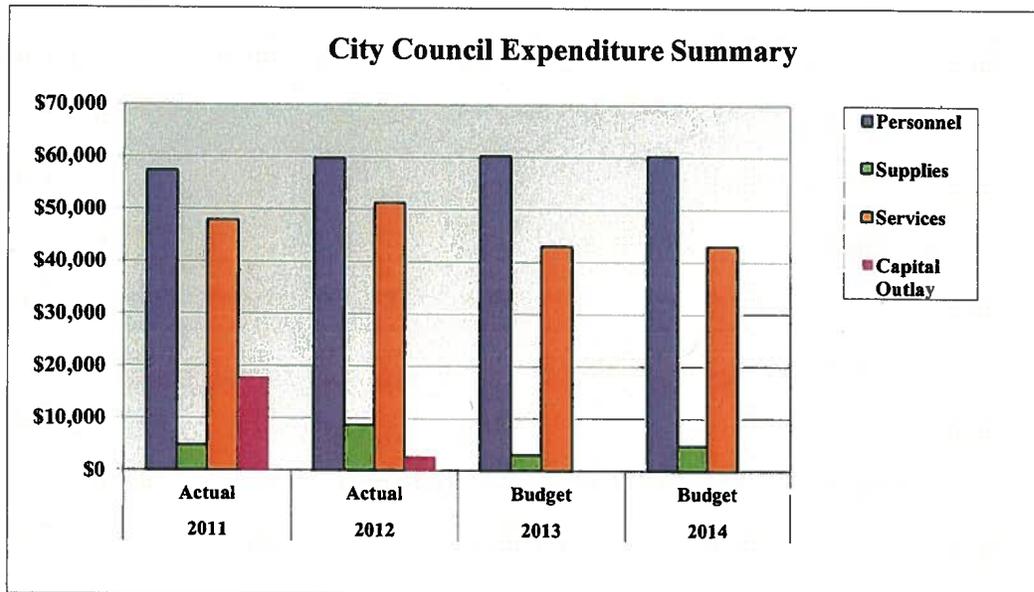
Budget Highlights:

The 2013-2014 Biennial Budget includes the following:

- Continued emphasis on intergovernmental relations and securing infrastructure funding will continue to require Mayor and City.Council involvement.
- 2013 will be the first full year the City Council serves as the Board of the newly formed Transportation Benefit District.

General Fund City Council

Expenditure Summary City Council	2009-2010	2011-2012	2011-2012				2013-2014	
	Biennium Total	Amended Budget	2011 Actual	2012 Actual	Biennium Total	2013 Budget	2014 Budget	Adopted Budget
Personnel	\$97,679	\$119,022	\$57,350	\$59,636	\$116,986	\$60,194	\$60,194	\$120,388
Supplies	35,682	12,832	4,725	8,655	13,380	3,000	4,722	7,722
Services	94,973	85,790	47,849	51,187	99,036	42,920	42,920	85,840
Capital Outlay	0	0	17,826	2,654	20,480	0	0	0
Total	\$228,334	\$217,644	\$127,750	\$122,132	\$249,882	\$106,114	\$107,836	\$213,950



Employee Summary City Council Positions	2009-2010	2011-2012	2011-2012				2013-2014	
	Biennium Total	Adopted Budget	2011 Actual	2012 Actual	Biennium Total	2013 Budget	2014 Budget	Adopted Budget
Mayor	1	1	1	1	1	1	1	1
Deputy Mayor	1	1	1	1	1	1	1	1
Councilmembers	5	5	5	5	5	5	5	5
Total Positions	7	7	7	7	7	7	7	7

General Fund

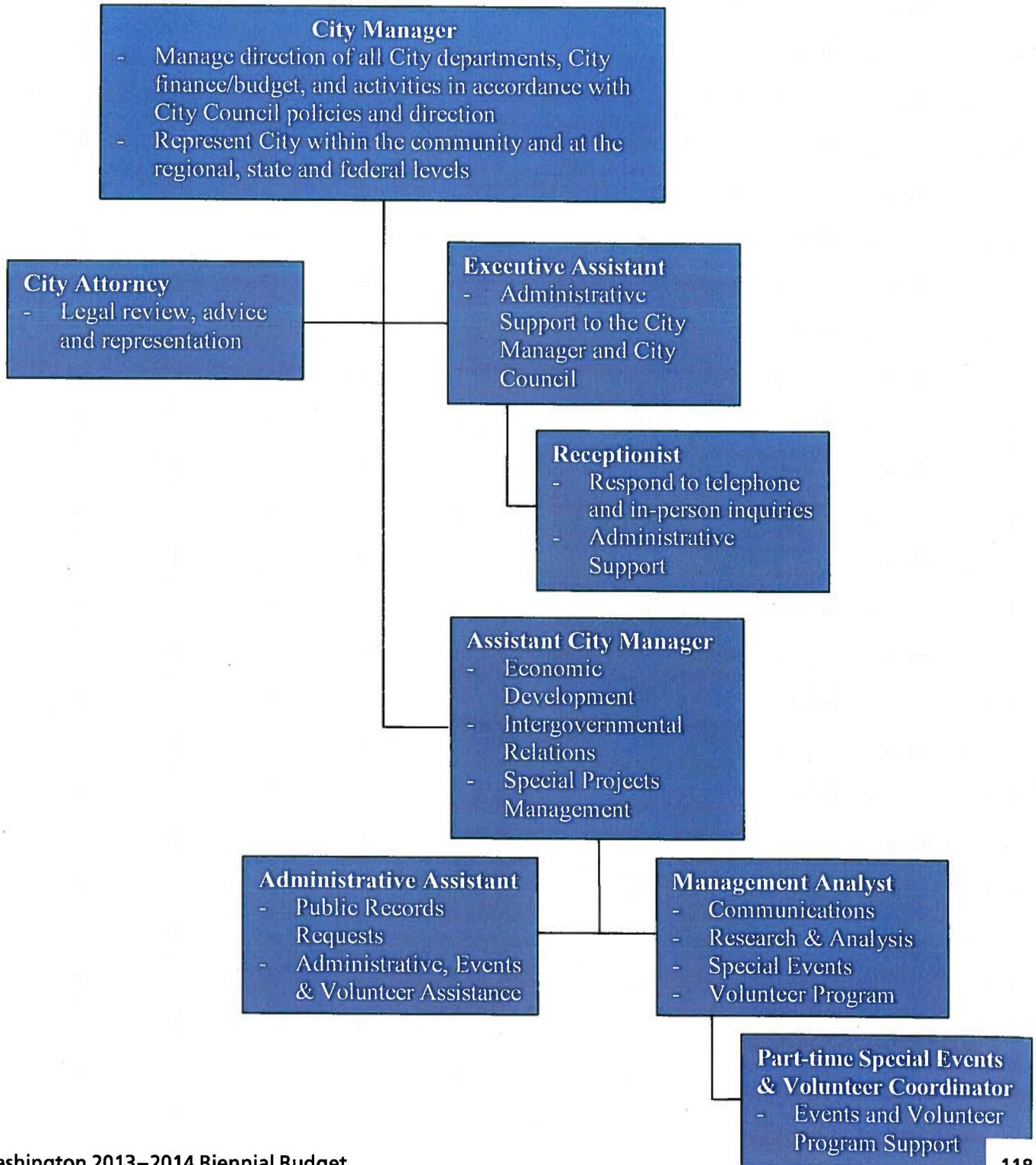
City Council

	2009-2010	2011-2012		2011-2012			2013-2014	
	Biennium	Amended	2011	2012	Biennium	2013	2014	Adopted
	Total	Budget	Actual	Actual	Total	Budget	Budget	Budget
Salaries & Wages	\$ 91,431	\$ 111,600	\$ 53,654	\$ 55,800	\$ 109,454	\$ 55,800	\$ 55,800	\$ 111,600
Benefits	6,248	7,422	3,696	3,836	7,532	4,394	4,394	8,788
Personnel Costs	97,679	119,022	57,350	59,636	116,986	60,194	60,194	120,388
Office & Operating Supplies	2,875	2,500	1,900	1,481	3,381	1,000	1,000	2,000
Council Meeting Supplies	1,626	2,000	0	3,379	3,379	0	0	0
Equipment Replacement	6,706	2,332	1,166	1,166	2,332	0	1,422	1,422
Special Events	12,984	2,000	998	1,711	2,709	1,000	1,000	2,000
Council Appreciation Awards	11,491	4,000	661	918	1,579	1,000	1,000	2,000
Clothing/Uniforms	0	0	0	0	0	0	300	300
Supplies	35,682	12,832	4,725	8,655	13,380	3,000	4,722	7,722
Consulting - General	3,684	0	3,087	0	3,087	0	0	0
Consulting - Retreat	11,773	13,000	6,529	7,476	14,005	6,500	6,500	13,000
Postage/Advertising	2,957	3,000	1,577	1,360	2,937	1,500	1,500	3,000
Printing	2,327	1,000	114	1,680	1,794	500	500	1,000
Business Meeting Expense	7,282	7,000	4,229	3,713	7,942	3,500	3,500	7,000
Council Meeting Room Rental	8,435	0	1,259	0	1,259	0	0	0
Travel/Registrations	58,515	61,790	31,054	36,958	68,012	30,920	30,920	61,840
Services	94,973	85,790	47,849	51,187	99,036	42,920	42,920	85,840
Furniture & Equipment	0	0	17,826	0	17,826	0	0	0
Computer Hardware	0	0	0	2,654	2,654	0	0	0
Capital Outlay	0	0	17,826	2,654	20,480	0	0	0
Total City Council	\$228,334	\$ 217,644	\$ 127,750	\$ 122,132	\$ 249,882	\$ 106,114	\$ 107,836	\$ 213,950

Annual Change	
Percent Change 2010 to 2011	-5.77%
Dollar Change 2010 to 2011	(\$7,817)
Percent Change 2011 to 2012	-4.40%
Dollar Change 2011 to 2012	(\$5,618)
Percent Change 2012 to 2013	-13.12%
Dollar Change 2012 to 2013	(\$16,018)
Percent Change 2013 to 2014	1.62%
Dollar Change 2013 to 2014	\$1,722

City of Kenmore, Washington
General Fund: City Manager Cost Center

The City Manager is appointed by the City Council and serves at the Council’s pleasure. The City Manager’s office provides (1) management direction of all City departments and activities in accordance with City Council policies and direction, (2) administrative support to the City Council and (3) representing the City within the community and at the regional, state and federal levels to advance Kenmore’s priorities and interests. The current City Manager began his appointment in April, 2012.



City of Kenmore, Washington
General Fund: City Manager Cost Center

2011-2012 Achievements:

The City Manager's Office provided management leadership in the efforts to accomplish City Council goals.

- Led important negotiations on the future of the Kenmore Village property that resulted in the City having the ability to take a fresh approach with the redevelopment. In 2012 the City and RECP/UP Kenmore mutually agreed to terminate the Disposition and Development Agreement, which was initially signed in 2007 and subsequently amended, most notably in May 2010 to include a Ground Lease and revised timeline provisions. The City also signed a Purchase and Sale Agreement with the owners of Kenmore Camera on a 1.24 Acre portion of the Kenmore Village property, which will allow the business to expand in Kenmore. These actions were followed by a series of discussions with the Council and community on positioning the remaining 8.36 Acres of the Kenmore Village property for the market. The City Manager's Office also secured property management services for the commercial property following the termination of the RECP/UP Kenmore Development Agreement and Ground Lease. This arrangement provides maintenance, services for existing tenants and limited-term leasing for vacant spaces.
- Oversaw the completion of SR 522 improvements to the Central and East segments and advocated for federal and state funding to complete the West segment, the last remaining part of the total \$80 million project. Federal advocacy efforts continued to reinforce support in the delegation for the project, even in a difficult federal budget environment. State advocacy efforts have resulted in funding in 2011 and 2012 Legislative Sessions totaling \$1.7 Million for signal and street improvements at 61st Avenue NE and SR 522/NE 181st Street. In addition, \$2.5 Million of federal funding was secured for right of way acquisition on SR 522.
- Provided leadership on the SR 520 Bridge Replacement support activity located in Kenmore through permit review, public information, and collaboration with state and federal agencies.
- Advocated for federal funding and completion of maintenance dredging of the Kenmore Navigation Channel through frequent contacts with the Congressional delegation and the US Army Corps of Engineers at the district, division and headquarter levels. Secured Council approval for funding preliminary sediment testing in the Channel, Log Boom Park area and Sammamish River area, in partnership with the Washington Department of Ecology.
- Proceeded, as allowed by budget, with implementing the 2009 Economic Development Strategy. Implementation activities included creating a new Development Review process, providing business open houses and seminars, and producing updated marketing materials. Design for Wayfinding Signage and street banners was completed and banners were installed in 2012. Business Registration, following discussions with the Council and local businesses, will be proposed for action in late 2012.
- The City Manager's office also oversaw successful community events such as July 4 Fireworks display and Summer Concert Series. The fireworks show attracted more than 2,500 visitors at Log Boom Park and an additional several thousand viewing from surrounding areas. The concert series attracted more than 7,000 spectators from around the region.

City of Kenmore, Washington
General Fund: City Manager Cost Center

- The City Manager's Office worked with King County and 24 other suburban cities on negotiating a new 3 year Regional Animal Services contract with improved service and cost models, which was approved by the City Council in 2012.
- Negotiated a new cable franchise agreement with Comcast, which was approved by the Council in 2012.
- Established an expanded Volunteer Program featuring Adopt a Street and Adopt a Park opportunities.
- Instituted communications in social media to inform the public on City issues and events.
- Completed the assessment of police services contract, which began in 2010, and report to Council.
- Completed a survey of properties potentially eligible for Historic Register designation, in partnership with King County Historic Preservation Office and funded by the National Park Service. This action, along with securing a Council appointment for a Kenmore member of the King County Landmarks Commission, sets the stage for reviewing nominations for Landmark status.
- Kenmore City Hall was awarded LEED Gold Certification in 2011 by the US Green Building Council. Other actions related to the City Hall include instituting policies for meeting room rental in City Hall, and developing an agreement with the Arts of Kenmore for rotating art displays in the City Hall lobby.
- Through efficiencies, Public Records Request management transferred to the City Manager's Office from the City Clerk cost center.

2013-2014 Objectives:

- The City Manager will assist the Council in establishing annual goals, based on the Council's adopted vision and mission and support a January City Council Priority Setting Workshop and a June Program Review and Budget Workshop.
- Oversee the Kenmore Village project and support other downtown redevelopment, including improved access to the lakefront and attractions such as kayak / paddleboard rentals. Propose strategic investments for downtown amenities.
- Continue progress in supporting efforts to redevelop the Lakepointe property by directing a team of senior management personnel to develop and implement a strategy for partnerships, incentives and investment.
- Implement the Economic Development Strategy including: business registration and compiling a directory of local businesses (in conjunction with the State Department of Revenue); business recruitment; pilot business incubator project while working with Bastyr University, tech startups, and other partners for a longer term venture; and a sustained, effective marketing campaign. During the biennium, the City Manager's Office will work to build a natural health business cluster, recognizing the prominence of Bastyr University as a unique asset for Kenmore. This will involve submitting a proposal to the State for designation as an Innovation Partnership Zone. The City Manager's Office will also support efforts to organize the local business community and will sponsor Business After Hours events and seminars for local businesses.

City of Kenmore, Washington
General Fund: City Manager Cost Center

- Oversee Historic Preservation activities, which will be managed by Community Development and Development Services Departments, to identify grant funding opportunities, provide information on historic preservation programs to the community and encourage nomination of local properties for landmark status.
- Continue implementation of the SR-522 transportation project plan, working with the State Legislature, Governor’s Office and Congressional delegation to secure support.
- Continue efforts to secure funding in the federal budget for the US Army Corps of Engineers to perform maintenance dredging in the Kenmore Navigation Channel.
- Support participation in key regional and state policy discussions to ensure that Kenmore’s interests are well represented.
- Oversee special events and community building opportunities; partner with local businesses in sponsoring summer concerts and other community events.
- Promote effectiveness of City communication through the website, social media and publications which will be continually evaluated and improved.

2013-2014 Budget Highlights:

Changes from the 2011-2012 Budget include:

- Increased investment in Economic Development
- Create part time position to manage and grow events and the volunteer program in order to devote more staff resources to communications, marketing and volunteerism.
- Receptionist transferred from Finance to City Manager’s Office
- Responsibility for Public Records Requests transferred to City Manager from Finance and Administration Cost Center

Workload Measures

Measure	2011 Actual	2012 Actual	2013 Estimate	2014 Estimate
Population Served	20,780	21,020	21,240	21,460
Public Records Requests Processed	185	216	220	230
Inquiries to Front Desk (phone & in- person)	425 per week (70 phone/15 in-person per day)	525 per week (80 phone/25 in-person per day)	530 per week	540 per week
Business Open Houses/Seminars	2	2	4	4

City of Kenmore, Washington
General Fund: City Manager Cost Center

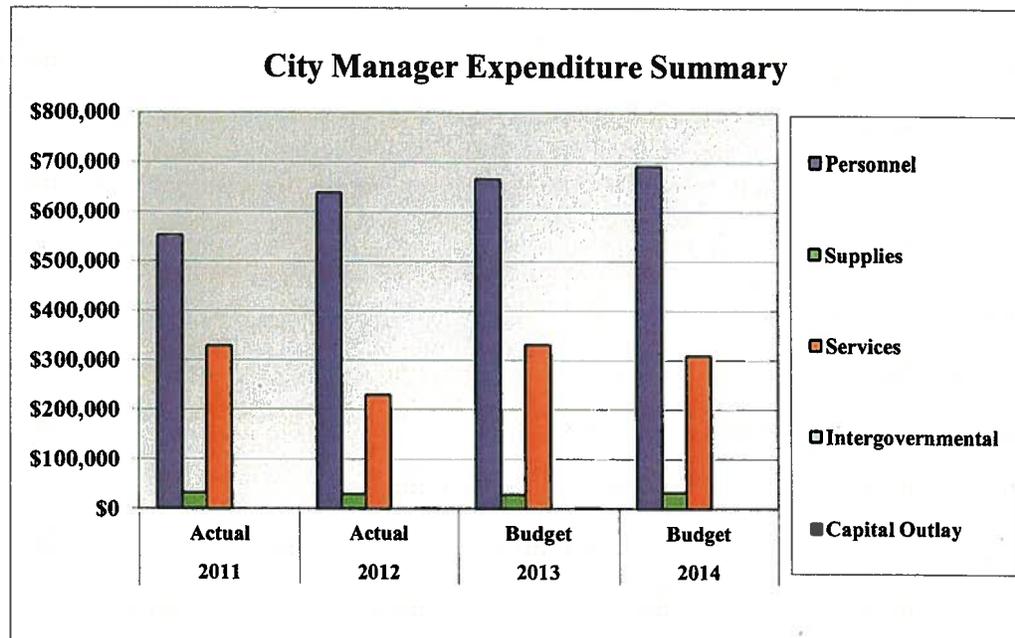
Performance Measures

Measure	2011 Actual	2012 Actual	2013 Estimate	2014 Estimate
Positive Media Stories on Kenmore	140	145	150	150
Hits to City Website	81,953	78,215	82,200	82,400
Facebook "Likes"	N/A	115	200	300
Community Survey Results on Satisfaction with Business Climate	N/A	N/A	45% Positive	60% Positive
Public Records Requests responses provided on time	N/A	83%	100%	100%
Event Sponsorship	\$15,250	\$12,500	\$15,000	\$17,000

Performance Measures related to business and job growth will be developed and tracked as data is available.

General Fund City Manager

Expenditure Summary City Manager	2009-2010	2011-2012		2011-2012		2013-2014		
	Biennium Total	Amended Budget	2011 Actual	2012 Actual	Biennium Total	2013 Budget	2014 Budget	Adopted Budget
Personnel	\$1,051,402	\$1,189,104	\$551,818	\$637,591	\$1,189,409	\$665,304	\$690,986	\$1,356,290
Supplies	76,591	59,664	31,676	28,787	60,463	27,900	31,925	59,825
Services	583,212	547,333	328,847	229,083	557,930	330,633	308,573	639,206
Intergovernmental	0	0	0	0	0	0	0	0
Capital Outlay	880	500	0	438	438	500	0	500
Total	\$1,712,085	\$1,796,601	\$912,341	\$895,899	\$1,808,240	\$1,024,337	\$1,031,484	\$2,055,821



Employee Summary City Manager Positions	2009-2010	2011-2012		2011-2012		2013-2014		
	Biennium Total	Amended Budget	2011 Actual	2012 Actual	Biennium Total	2013 Budget	2014 Budget	Adopted Budget
City Manager	1	1	1	1	1	1	1	1
Assistant City Manager	1	1	1	1	1	1	1	1
Management Analyst	1	1	1	1	1	1	1	1
Executive Assistant	0	0	0	0	0	1	1	1
Administrative Assistant	1	1	1	1	1	1	1	1
Receptionist *	0	0	0	0	0	1	1	1
Events & Volunteer Coordinator	0	0	0	0	0	0.55	0.55	0.55
Total Positions	4	4	4	4	4	6.55	6.55	6.55

*Position formerly budgeted in
Finance and Administration

General Fund

City Manager

	2009-2010 Biennium Total	2011-2012 Amended Budget	2011 Actual	2012 Actual	2011-2012 Biennium Total	2013 Budget	2014 Budget	2013-2014 Adopted Budget
Salaries & Wages	\$ 838,875	\$ 880,793	\$435,698	\$485,118	\$ 920,816	\$ 493,499	\$ 508,142	\$1,001,641
Benefits	212,527	308,311	116,120	152,473	268,593	171,805	182,844	354,649
Personnel Costs	1,051,402	1,189,104	551,818	637,591	1,189,409	665,304	690,986	1,356,290
Office & Operating Supplies	7,743	3,900	2,440	4,339	6,779	1,800	1,800	3,600
Clothing/Uniforms	516	200	0	25	25	0	0	0
Parks Clean Up Supplies	921	2,000	1,559	264	1,823	2,500	2,500	5,000
Christmas Tree Lighting	5,867	5,400	2,249	2,153	4,402	2,700	2,700	5,400
Spring Egg Hunt	11,668	0	0	0	0	0	0	0
Special Events	6,644	1,800	2,053	979	3,032	900	900	1,800
Fourth of July	39,048	37,900	19,143	16,795	35,938	20,000	20,000	40,000
Equipment Replacement	4,184	8,464	4,232	4,232	8,464	0	4,025	4,025
Supplies	76,591	59,664	31,676	28,787	60,463	27,900	31,925	59,825
Recruitment	19,331	21,000	9,053	21,173	30,226	0	0	0
Postage/Advertising/Printing	13,865	7,750	6,841	5,840	12,681	5,000	5,000	10,000
Dues/Memberships/Subscriptions	9,162	7,884	4,500	3,726	8,226	4,150	4,150	8,300
Telecommunications	3,015	3,000	1,053	1,167	2,220	1,100	1,100	2,200
Travel/Registration	23,638	16,353	4,094	8,735	12,829	8,003	8,003	16,006
Business Meetings	4,619	2,600	2,222	2,165	4,387	1,450	1,450	2,900
Newsletter	31,251	34,500	40	9,871	9,911	22,080	22,080	44,160
Website Services	6,224	8,000	2,100	3,590	5,690	29,000	4,000	33,000
Summer Concerts	116,356	99,446	37,051	36,227	73,278	50,000	50,000	100,000
Economic Development	62,233	86,800	45,090	25,879	70,969	72,450	72,450	144,900
Temporary Employees	21,243	0	8,319	1,366	9,685	39,400	39,400	78,800
Consulting General	272,275	260,000	208,484	109,344	317,828	98,000	100,940	198,940
Services	583,212	547,333	328,847	229,083	557,930	330,633	308,573	639,206
Furniture/Equipment	687	500	0	0	0	0	0	0
Computer Hardware/Software	193	0	0	438	438	500	0	500
Capital Outlay	880	500	0	438	438	500	0	500
Total City Manager	\$1,712,085	\$1,796,601	\$912,341	\$895,899	\$1,808,240	\$1,024,337	\$1,031,484	\$2,055,821

Annual Change	
Percent Change 2010 to 2011	-1.77%
Dollar Change 2010 to 2011	(\$16,452)
Percent Change 2011 to 2012	-1.80%
Dollar Change 2011 to 2012	(\$16,442)
Percent Change 2012 to 2013	14.34%
Dollar Change 2012 to 2013	\$128,438
Percent Change 2013 to 2014	0.70%
Dollar Change 2013 to 2014	\$7,147

City of Kenmore, Washington
General Fund: Finance and Administration Cost Center

The Finance and Administration department consists of the financial and city clerk functions which provide the following services.

Financial and Accounting Services:

Budget preparation and oversight, financial reporting and audit, accounts payable and accounts receivable, payroll and benefits administration, fixed asset tracking, cash receipting and collections, cash and investment management, grant management, debt management, evaluation and implementation of internal controls.

Personnel Services:

Human resources management and administration of employee benefits.

Risk Management:

Processing of claims and incidents, maintenance of property and liability insurance, providing opportunities for city wide training.

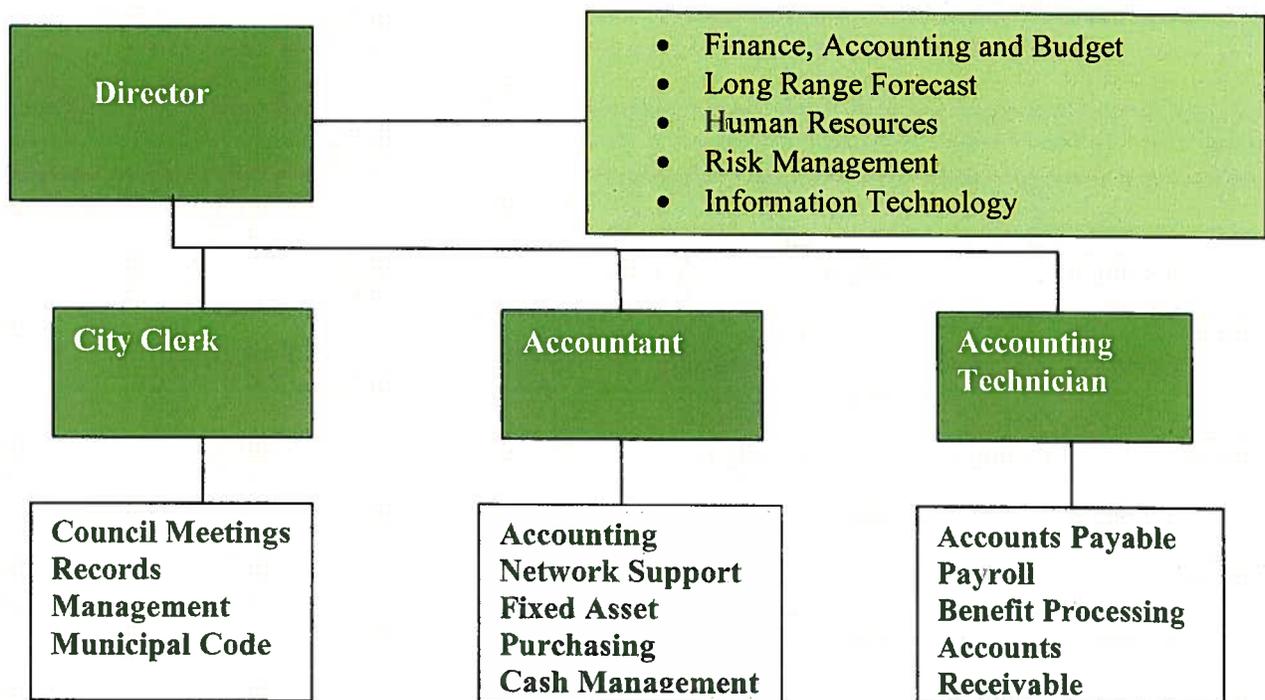
Network Administration:

Oversight of City computer network

City Clerk Services:

Provide Council meeting support by preparing agendas, attending meetings, accurately recording proceedings, and producing meeting minutes. Provide administrative support to the Finance and Administration Director and other departments as needed. Oversee City records management and update of the Kenmore Municipal Code. Processes and is custodian of official City documents, including ordinances, resolutions and contracts.

Organization Chart:



City of Kenmore, Washington
General Fund: Finance and Administration Cost Center

2011-2012 Achievements:

- For the ninth consecutive year, the City received the Distinguished Budget Presentation Award from the Government Finance Officers Association of the United States and Canada (GFOA) for its 2011-2012 Biennial Budget.
- Managed the City’s biennial budget with minimal mid biennium adjustments.
- The City received “unqualified” (clean) audit reports for 2010 from the State Auditor’s Office. The audits also included a single audit review of the federal financial award expenditures.
- Prepared and distributed Budget at a Glance after adoption of the 2011-2012 biennial budget.
- Transitioned the City Staff to a new medical insurance plan with an emphasis on wellness as well as the benefit of lower premium cost to the City.
- Implemented new financial forecast planning tool which will provide a longer-term perspective on the sustainability of the City’s current funding and levels of service.
- Improved payroll project accounting and implement system for invoicing of engineering review and inspection.
- Managed compensation study to ensure comparable and fair salary plan.
- Facilitated update of all City staff job descriptions.
- Successfully recruited and hired City Manager, City Engineer, City Clerk, Surface Water Technician, Senior Engineering Technician, and Accounting Technician.
- Eliminated Administrative Assistant position and transitioned responsibility for public records requests to the City Manager’s department.
- Transitioned Council and staff to a paperless agenda packet that is expected to save more than \$23,000 over the first 3 years and will provide a reallocation of staff time to work on other projects and support the City’s emphasis on sustainability by reducing paper usage.

<u>Workload Measures</u>	2011 Actual	2012 Actual	2013 Estimate	2014 Estimate
Public records requests processed	185	220	n/a*	n/a*
Ordinances processed, including codification	13	20	15	20
Council and Transportation Benefit District meetings supported	43	55	45	45
Number of invoices paid	3,120	3,147	3,000	3,000
Number of checks processed	1,885	1,941	1,800	1,800
FTE positions recruited and filled	2	4	1.5	0
Contracts processed	90	115	100	100

*Moved to City Manager Department

City of Kenmore, Washington
General Fund: Finance and Administration Cost Center

<u>Performance Measures</u>	2011 Actual	2012 Actual	2013 Goal	2014 Goal
% of Council meeting minutes posted to web within 14 days of meeting	n/a	n/a	100%	100%
% of Council meeting audio posted to web within 2 business days of meeting	n/a	n/a	100%	100%
Monthly financial reports published to web within 45 days	n/a	n/a	100%	100%
Clean audit report received (note 1)	n/a	n/a	Yes	Yes
Number of years City has received Distinguished budget awards received from GFOA	9	9	10	10

(note 1) The City is eligible for a two year audit cycle. At the time of printing the budget, the years 2011 and 2012 had not yet been audited. The City has received clean audit reports for all prior years.

2013-2014 Objectives:

- Continue to improve records management processes through electronic imaging, storage, retrieval, and destruction program assistance for all department records which have retention value.
- Continue to enhance access to financial information and City Council meeting minutes and audio through technology improvements.
- Continue and improve long term financial planning efforts.
- Complete an update of City wide personnel policies.
- Prepare long range technology plan and explore cost saving options such as ‘cloud’ applications and backup systems.
- Research, demo, select and implement financial accounting and budgeting software.
- Prepare Citizens’ Annual Report summarizing financial results of operations.

Budget Highlights:

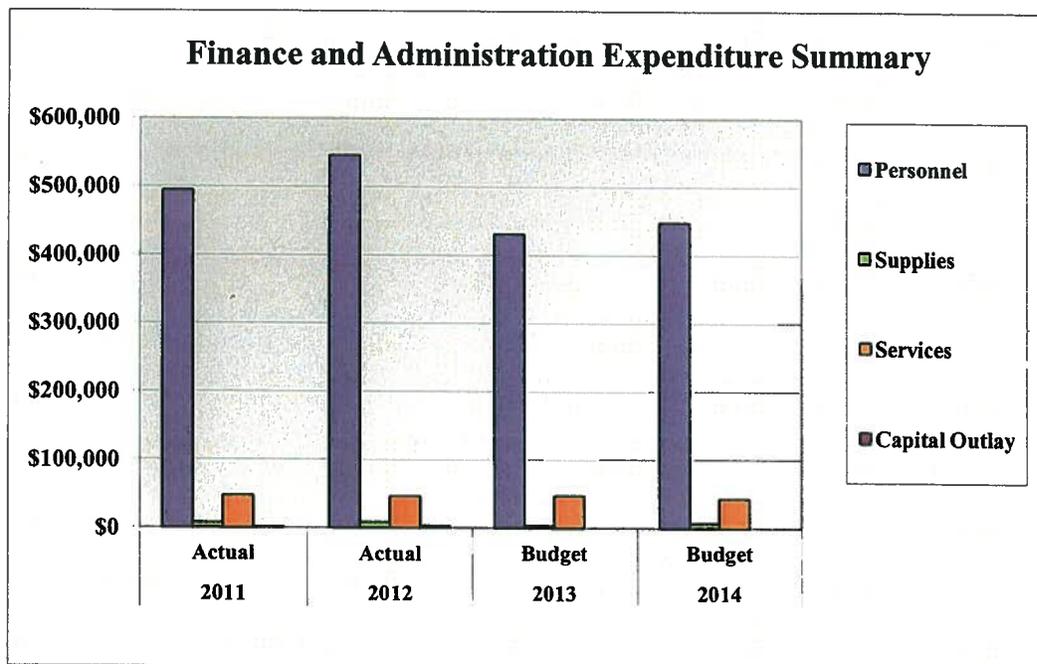
The 2013-2014 Biennial Budget includes the following changes:

- Reduction of one FTE through elimination of Administrative Assistant position.
- Receptionist was transferred to City Manager cost center.

General Fund

Finance and Administration

Expenditure Summary	2009-2010	2011-2012		2011-2012		2013-2014		
	Biennium Total	Amended Budget	2011 Actual	2012 Actual	Biennium Total	2013 Budget	2014 Budget	Adopted Budget
Support Services								
Personnel	\$909,972	\$1,090,679	\$494,345	\$545,812	\$1,040,157	\$430,606	\$447,567	\$878,173
Supplies	10,000	14,216	7,341	7,800	15,141	3,100	7,320	10,420
Services	75,896	70,579	47,432	46,012	93,444	46,944	43,030	89,974
Intergovernmental	0	0	0	0	0	0	0	0
Capital Outlay	3,088	0	970	2,433	3,403	0	0	0
Total	\$998,956	\$1,175,474	\$550,088	\$602,057	\$1,152,145	\$480,650	\$497,917	\$978,567



Employee Summary	2009-2010	2011-2012		2011-2012		2013-2014		
	Biennium Total	Amended Budget	2011 Actual	2012 Actual	Biennium Total	2013 Budget	2014 Budget	Adopted Budget
Finance and Administration								
Finance Director	1	1	1	1	1	1	1	1
City Clerk	1	1	1	1	1	1	1	1
Accountant	1	1	1	1	1	1	1	1
Accounting Technician	0	1	1	1	1	1	1	1
Office Assistant II **	1	1	1	1	1	0	0	0
Office Assistant*	1	1	1	1	1	0	0	0
Total Positions	5	6	6	6	6	4	4	4

*Office Assistant (Receptionist) transferred to City Manager's Department

** Position eliminated

General Fund

Finance and Administration

Finance	2009-2010	2011-2012	2011	2012	2011-2012	2013	2014	2013-2014
	Biennium Total	Amended Budget			Biennium Total			Adopted Budget
Salaries & Wages	\$ 374,562	\$ 480,333	\$ 206,684	\$ 249,301	\$ 455,985	\$ 248,794	\$ 256,258	\$ 505,052
Benefits	87,665	129,896	54,887	80,491	135,378	90,049	95,875	185,924
Finance Personnel	462,227	610,229	261,571	329,792	591,363	338,843	352,133	690,976
Office & Operating Supplies	4,196	2,000	1,976	2,439	4,415	1,600	1,600	3,200
Clothing/Uniforms	0	60	46	0	46	0	0	0
Equipment Replacement	1,000	4,078	2,039	2,040	4,079	0	2,110	2,110
Supplies	5,196	6,138	4,061	4,479	8,540	1,600	3,710	5,310
Consulting General	0	0	8,594	5,831	14,425	0	0	0
Sales Tax Auditing Services	2,487	3,600	1,109	832	1,941	900	900	1,800
Travel/Registration	5,810	3,926	3,232	2,411	5,643	3,479	3,962	7,441
Business Meetings	98	500	51	127	178	250	250	500
Software Maintenance	9,561	9,800	4,956	4,956	9,912	7,099	7,252	14,351
Postage/Advertising/Printing	3,737	3,000	7,885	1,016	8,901	8,000	4,600	12,600
Dues/Memberships/Subscriptions	2,074	940	1,026	704	1,730	685	685	1,370
Telecommunications	585	1,080	823	518	1,341	540	540	1,080
Temporary Employees	3,835	0	770	0	770	0	0	0
Services	28,187	22,846	28,446	16,395	44,841	20,953	18,189	39,142
Furniture and Equipment	1,108	0	970	0	970	0	0	0
Computer Hardware/Software	1,571	0	0	1,995	1,995	0	0	0
Capital Outlay	2,679	0	970	1,995	2,965	0	0	0
Total Finance	498,289	639,213	295,048	352,661	647,709	361,396	374,032	735,428
City Clerk								
Salaries & Wages	341,596	353,279	170,863	161,421	332,284	72,033	74,915	146,948
Benefits	106,149	127,171	61,911	54,599	116,510	19,730	20,519	40,249
City Clerk Personnel	447,745	480,450	232,774	216,020	448,794	91,763	95,434	187,197
Office & Operating Supplies	4,804	4,000	1,240	1,282	2,522	1,500	1,500	3,000
Equipment Replacement	0	4,078	2,040	2,039	4,079	0	2,110	2,110
Supplies	4,804	8,078	3,280	3,321	6,601	1,500	3,610	5,110
Temporary Employees	4,137	2,000	810	0	810	1,500	1,500	3,000
Travel/Registration	5,849	3,033	3,573	324	3,897	2,041	891	2,932
Business Meetings	61	200	0	0	0	50	50	100
Dues/Memberships/Subscriptions	595	500	335	440	775	400	400	800
Postage/Advertising/Printing	9,976	10,000	4,172	4,279	8,451	5,000	5,000	10,000
Software Maintenance	17,839	20,000	9,549	8,968	18,517	10,000	10,000	20,000
Document Imaging	0	2,000	0	0	0	1,000	1,000	2,000
Codification	9,252	10,000	547	15,606	16,153	6,000	6,000	12,000
Services	47,709	47,733	18,986	29,617	48,603	25,991	24,841	50,832
Furniture/Equipment	409	0	0	438	438	0	0	0
Capital Outlay	409	0	0	438	438	0	0	0
Total City Clerk	500,667	536,261	255,040	249,396	504,436	119,254	123,885	243,139
Total Finance and Administration	\$ 998,956	\$ 1,175,474	\$ 550,088	\$ 602,057	\$ 1,152,145	\$ 480,650	\$ 497,917	\$ 978,567

Annual Change	
Percent Change 2010 to 2011	8.83%
Dollar Change 2010 to 2011	\$44,636
Percent Change 2011 to 2012	9.45%
Dollar Change 2011 to 2012	\$51,969
Percent Change 2012 to 2013	-20.17%
Dollar Change 2012 to 2013	(\$121,407)
Percent Change 2013 to 2014	3.59%
	\$17,267

City of Kenmore, Washington
General Fund: Legal Services Cost Center

This cost center accounts for civil legal services to the City Council and City administration, as well as costs associated with hearing examiner services. Prosecution and public defense are included in the Public Safety cost center. The civil legal services (also known as City Attorney services) are provided by contract through Inslee, Best, Doezie & Ryder, P.S. Hearing examiner services for land use issues are provided through contract through Driscoll & Hunter. Specialized legal counsel from other firms is used as needed.

The City Attorney is the City's chief legal advisor. Dedicated to a philosophy of proactive and early intervention, the City Attorney provides legal guidance and support for elected City officials, City Manager, City departments, and boards and commissions; and represents the City before judicial and administrative bodies in civil proceedings.

2011-2012 Achievements:

The City Attorney drafted ordinances and resolutions and advised the City Council and administration on various legal issues, projects and matters, including Kenmore Village property issues; various development agreements and comprehensive plan and land use issues.

2013-2014 Objectives:

The City Attorney will continue to support the City Council and administration on land use, contracts and intergovernmental agreements, and other subjects, and assist the City in drafting ordinances and resolutions for City Council consideration.

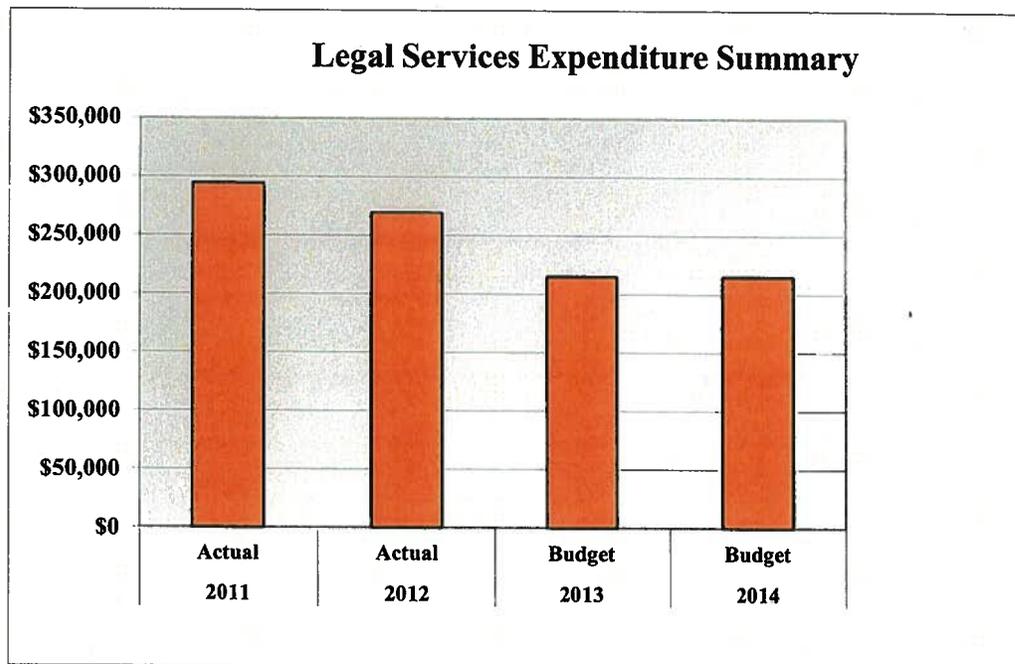
Budget Highlights:

- The number of land use hearings is expected to decline due to the economic uncertainties and reduced real estate and development transactions.
- Legal Services provided outside the City Attorney's office are reported separately.

General Fund

Legal Services

Expenditure Summary	2009-2010	2011-2012	2011-2012				2013-2014	
	Biennium Total	Amended Budget	2011 Actual	2012 Actual	Biennium Total	2013 Budget	2014 Budget	Adopted Budget
Legal Services								
Personnel	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Supplies	0	0	0	0	0	0	0	0
Services	514,919	494,285	294,320	269,348	563,668	215,000	215,000	430,000
Intergovernmental	0	0	0	0	0	0	0	0
Capital Outlay	0	0	0	0	0	0	0	0
Total	\$514,919	\$494,285	\$294,320	\$269,348	\$563,668	\$215,000	\$215,000	\$430,000



Legal Services are provided by contract; there are no full time equivalent positions.

General Fund

Legal Services

	2009-2010 Biennium Total	2011-2012 Amended Budget	2011 Actual	2012 Actual	2011-2012 Biennium Total	2013 Budget	2014 Budget	2013-2014 Adopted Budget
City Attorney Contract	\$ 424,044	\$ 387,000	\$ 188,578	\$ 201,108	\$ 389,686	\$ 200,000	\$ 200,000	\$ 400,000
Other Legal Services	0	0	0	65,047	65,047	0	0	0
City Attorney-LakePointe	2,503	0	0	0	0	0	0	0
City Attorney-Star NW	54,807	82,285	88,995	84	89,079	0	0	0
Hearing Examiner	33,565	25,000	16,747	3,109	19,856	15,000	15,000	30,000
Services	\$ 514,919	\$ 494,285	\$ 294,320	\$ 269,348	\$ 563,668	\$ 215,000	\$ 215,000	\$ 430,000

Annual Change	
Percent Change 2010 to 2011	8.28%
Dollar Change 2010 to 2011	\$22,518
Percent Change 2011 to 2012	-8.48%
Dollar Change 2011 to 2012	(\$24,972)
Percent Change 2012 to 2013	-20.18%
Dollar Change 2012 to 2013	(\$54,348)
Percent Change 2013 to 2014	0.00%
Dollar Change 2013 to 2014	\$0

City of Kenmore, Washington
General Fund: Non-Departmental Cost Center

Activities of a general nature, not directly associated with a specific service function are grouped together in the Non-Departmental cost center.

This Cost Center accounts for:

- General Fund ending fund balance
- Audit expenses
- Voter and election costs
- Employee cost of living allowance (COLA) increases
- Association memberships
- General comprehensive liability and property risk sharing insurance assessments
- Hardware and software acquisitions and maintenance
- Computer network administration
- Web and Internet connectivity
- Support for human service organizations
- Animal control contracts
- Transfers from the General Fund to other funds

2011-2012 Achievements:

- Transferred \$1,200,000 to Street Fund to support street maintenance and overlay.
- Distributed \$575,000 to human services organizations.
- Implemented new network backup system in 2012.
- Replaced four computer workstations and two servers.
- Successfully completed state audits with unqualified (clean) opinion and no findings.

<u>Workload Measures</u>	2011 Actual	2012 Actual	2013 Estimate	2014 Estimate
Number of registered voters	12,914	12,911	12,920	12,920
Animals sheltered by PAWS	51	53	55	55
Human Services contributions distributed	\$297,805	\$278,106	\$202,300	\$202,301
Pet license revenue	\$58,554	\$59,663	\$59,000	\$59,000
Computer and servers maintained	44	44	47	45
Number of network users supported	35	36	39	37
Number of tort claims filed	8	8	8	8

2013-2014 Objectives:

This Cost Center will be used for general governmental expenses, not attributable to any specific Department. The fund is also used to account for the ending fund balance, along with transfers from the General Fund to other funds such as the City Street Fund. Non-departmental expenses include association memberships, general comprehensive liability and property risk sharing insurance assessments, computer hardware and software acquisitions; and network administration. It also includes funds granted to human service organizations which provide assistance to Kenmore citizens.

City of Kenmore, Washington
General Fund: Non-Departmental Cost Center

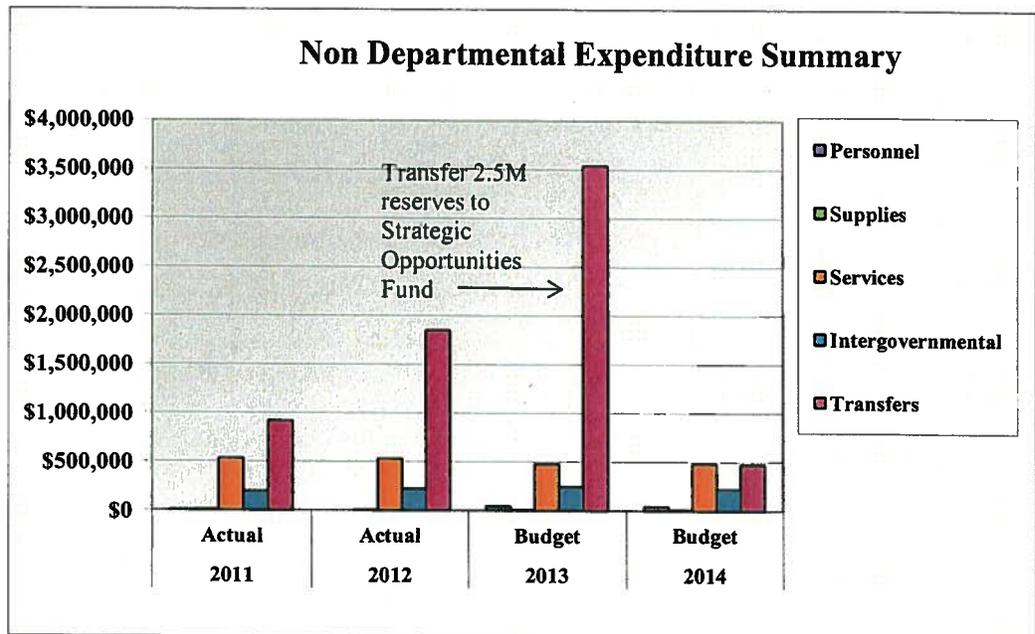
Budget Highlights:

The 2013-2014 Biennial Budget includes the following:

- One time transfer of General Fund balance reserves to newly established Strategic Opportunities Fund in the amount of \$2,500,000.
- Human services contributions of \$404,601, which is a reduction from prior years.
- \$1,426,101 in transfers to the City Street Fund to support street maintenance and overlay.
- Upgrade of computers and laptops to Windows 8.
- Upgrade of Microsoft Office to version 2010.
- Investment of additional resources for improvements to the City's web site.
- 2% employee wage adjustment in 2013 and 2014.

General Fund Non Departmental

Expenditure Summary Non Departmental	2009-2010	2011-2012		2011-2012			2013-2014	
	Biennium Total	Amended Budget	2011 Actual	2012 Actual	Biennium Total	2013 Budget	2014 Budget	Adopted Budget
Personnel	\$10,737	\$45,000	\$3,775	\$1,970	\$5,745	\$45,000	\$45,000	\$90,000
Supplies	36,227	21,000	8,176	6,018	14,194	8,500	8,500	17,000
Services	1,167,812	973,270	533,350	528,850	1,062,200	478,101	483,061	961,162
Intergovernmental	506,059	459,470	197,868	218,185	416,053	243,489	221,836	465,325
Capital Outlay	58,738	10,000	11,400	7,662	19,062	0	0	0
Transfers	1,208,595	1,588,078	917,000	1,847,000	2,764,000	3,533,186	4,72,915	4,006,101
Total	\$2,988,168	\$3,096,818	\$1,671,569	\$2,609,685	\$4,281,254	\$4,308,276	\$1,231,312	\$5,539,588



There are no full time equivalent positions budgeted in the Non Departmental Cost Center.

General Fund Non Departmental

	2009-2010	2011-2012	2011-2012				2013-2014	
	Biennium	Amended	2011	2012	Biennium	2013	2014	Adopted
	Total	Budget	Actual	Actual	Total	Budget	Budget	Budget
Ending Fund Balance	\$4,929,789	\$4,960,034	\$5,147,603	\$5,539,125	\$5,351,725	\$2,592,897	\$2,866,527	\$2,866,527
Total Ending Fund Balance	4,929,789	4,960,034	5,147,603	5,539,125	5,351,725	2,592,897	2,866,527	2,866,527
Unemployment Benefits	10,737	10,000	3,775	1,970	5,745	5,000	5,000	10,000
Market Adjustment	0	35,000	0	0	0	40,000	40,000	80,000
Personnel	10,737	45,000	3,775	1,970	5,745	45,000	45,000	90,000
Supplies	36,227	21,000	8,176	6,018	14,194	8,500	8,500	17,000
Supplies	36,227	21,000	8,176	6,018	14,194	8,500	8,500	17,000
Employee Services/Wellness/Safety	5,536	4,122	1,845	7,680	9,525	2,000	2,000	4,000
Tuition Assistance	0	4,000	3,313	5,000	8,313	2,500	2,500	5,000
Printing and Copying	47,165	20,000	21,048	13,500	34,548	10,000	10,000	20,000
Consulting & Franchise Negotiations	27,128	0	0	0	0	0	0	0
Newsletter	1,336	0	0	0	0	0	0	0
Computer Network Services	65,754	42,640	27,730	35,550	63,280	25,840	26,328	52,168
Annual Retreat Expenses	6,448	9,200	2,961	1,949	4,910	2,500	2,500	5,000
Utilities/Telecommunications	6,443	1,200	2,583	539	3,122	310	310	620
Insurance	114,286	154,200	107,377	127,032	234,409	115,110	117,412	232,522
Rentals	86,767	76,024	19,730	16,502	36,232	17,221	17,917	35,138
City Hall Relocation/Leases	56,709	0	0	0	0	0	0	0
Postage/Advertising	655	0	1,456	0	1,456	0	0	0
Subscriptions/Bank Fees	2,807	2,778	1,225	1,582	2,807	1,225	1,225	2,450
Recycling Program Services	91,953	92,000	46,277	41,408	87,685	49,095	50,568	99,663
Contribution to NPAC	10,000	0	0	0	0	0	0	0
Contribution to Kenmore Elem Playgrnd	25,000	0	0	0	0	0	0	0
Contribution to ARCH	0	0	0	0	0	50,000	50,000	100,000
Human Service Organizations	619,825	567,106	297,805	278,108	575,913	202,300	202,301	404,601
Services	1,167,812	973,270	533,350	528,850	1,062,200	478,101	483,061	961,162
Animal Control Contracts	8,417	2,000	(3,620)	14,016	10,396	13,460	13,460	26,920
Dues/Subscriptions/Memberships	236,232	244,270	100,663	110,834	211,497	105,747	107,676	213,423
State Audit	39,608	38,000	20,279	0	20,279	20,000	20,000	40,000
Election/Voter Registration	79,413	100,000	32,247	45,856	78,103	58,000	33,000	91,000
King County Soil Conservation Tax	19,913	15,400	4,617	3,374	7,991	4,663	4,710	9,373
Emergency Services Coord Agency	112,533	50,000	38,702	39,644	78,346	40,437	41,246	81,683
King Co. Alcohol Treatment Services	9,943	9,800	4,980	4,461	9,441	1,182	1,744	2,926
Intergovernmental	506,059	459,470	197,868	218,185	416,053	243,489	221,836	465,325
Computer Hardware/Software	36,843	10,000	11,400	7,021	18,421	0	0	0
Furniture and Equipment	21,895	0	0	641	641	0	0	0
Capital Outlay	58,738	10,000	11,400	7,662	19,062	0	0	0
Contingency	0	24,078	0	0	0	0	0	0
Operating Transfers to Other Funds	1,208,595	1,564,000	917,000	647,000	1,564,000	3,533,186	472,915	4,006,101
Interfund Loan-Kenmore Village Fund	0	0	0	1,200,000	1,200,000	0	0	0
Transfers	1,208,595	1,588,078	917,000	1,847,000	2,764,000	3,533,186	472,915	4,006,101
Total Non Department	2,988,168	3,096,818	1,671,569	2,609,685	4,281,254	4,308,276	1,231,312	5,539,588
Total Non-Departmental and Ending Fund Balance	\$7,917,957	\$8,056,852	\$6,819,172	\$8,148,810	\$9,632,979	\$6,901,173	\$4,097,839	\$8,406,115

Annual Change	
Percent Change 2010 to 2011	23.4%
Dollar Change 2010 to 2011	\$1,291,617
Percent Change 2011 to 2012	19.5%
Dollar Change 2011 to 2012	\$1,329,638
Percent Change 2012 to 2013	-15.3%
Dollar Change 2012 to 2013	(\$1,247,637)
Percent Change 2013 to 2014	-40.6%
	(\$2,803,334)

City of Kenmore, Washington
General Fund: Public Safety Cost Center

The Public Safety cost center contains the expenditures for police, jail, court, prosecution and public defense services. Police services are provided through contract with King County and jail services are provided through a contract with Yakima County. The Kenmore Police Department is responsible for the enforcement of State and local laws. The Department's goals are to provide high quality, cost effective law enforcement services and to develop an active partnership with citizens, embracing the philosophy of community-oriented policing and problem-solving to reduce crime and the fear of crime.

2011-2012 Achievements:

- The Public Safety contract through King County authorized 14 deputy sheriffs" (eleven patrol officers, a community storefront officer, a burglary/larceny detective, and a sergeant). This included the addition of one FTE in 2012. The sergeant serves as Kenmore's police chief. The contract also provided the following additional services: dispatch, search and rescue (SAR), dive team, bomb squad, canine, SWAT, marine patrol, bicycle, Major Accident Response and Reconstruction (MARR) investigations and major crimes investigations.
- In 2011 the City hired a firm to assess the City's police contract with the King County Sheriff and evaluate potential alternatives for service delivery and efficiencies. The study confirmed the high quality services the City is receiving from the King County Sheriff and made recommendations to further improve the delivery of services.
- At the recommendation of the King County Sheriff, in 2011 the City of Kenmore and the City of Shoreline agreed to a shared command structure that saves significant dollars for both cities. Moving the City's police department offices in 2011 has also resulted in a police contract savings to the City.
- Kenmore Police and Northshore Fire hosted "National Night Out," which is an annual event that brings neighborhoods together to take a stand against crime. The event was held at City Hall with information booths featuring crime and safety tips from various agencies, fingerprinting of children and a free BBQ.
- The Kenmore Police in partnership with the cities of Woodinville and Shoreline sponsored our annual Citizens Academy for local residents. The academy is a ten-week course that is designed to give citizens a better understanding of police work and available resources.
- The Kenmore Police sponsored several teen activities, which included Halloween and Valentine dances at Kenmore Junior and Northshore Junior High and several ice cream socials at Inglemoor High School. The dances were held with music provided by disc jockeys from Action Entertainment. Mall gift cards were awarded to the best male/female Halloween costumes. These activities promote an opportunity for positive interaction between local teens and their police officers.
- The Kenmore Police Department sponsored a "Refuse to be a victim" seminar. The training provided through this program focuses on personal safety; home security; automobile safety; out of town travel safety; technological security and the use of personal protection devices.

City of Kenmore, Washington
General Fund: Public Safety Cost Center

These courses were well attended and we have received positive comments about the material and instructors.

2013-2014 Objectives:

- 2013 Public Safety services will continue to be provided through contract with King County at the staffing level provided above.
- Kenmore Police will continue to conduct quarterly “Active Shooter and Patrol” (ASAP) training with patrol officers to maintain proficiency in current tactics and techniques to ensure the safety of our children in our schools.
- Kenmore Police Officers will continue to participate in the following programs:
 1. School Resource Officer (SRO) program at Inglemoor High and Kenmore Junior High,
 2. Sixth grade Student Drug Awareness Program,
 3. Bicycle Rodeo,
 4. Neighborhood Block Watch Program,
 5. Home Security Surveys,
 6. Junior High Academy,
 7. Police Citizens Academy,
 8. School Crossing Guard Academy,
 9. Crime Free multi-housing seminar,
 10. Vacation House Check Program,
 11. Police Volunteer Program and
 12. Sponsoring Teen Dances

<u>Workload Measures</u>	2011 Actual	2012 Actual	2013 Estimate	2014 Estimate
Dispatch calls for service	3,193	3319	3,215	3,225
Jail booking	149	255	165	175
Jail housing days	1990	3986	2250	2300
Work release days	150	436	220	235
Arrests: Felonies	47	66	55	65
Arrests: Misdemeanors	509	560	560	575

<u>Performance Measures</u>	2011 Actual	2012 Actual	2013 Estimate	2014 Estimate
Reduce traffic accidents in the city by 1% per year through education and enforcement	174 accidents .96%	238 accidents 1.3%	175 accidents .96%	177 accidents .97%
Identify and lift 100% of latent prints at all burglaries	89 Lifted 100%	117 Lifted 100%	95 Lifted 100%	97 Lifted 100%

City of Kenmore, Washington
General Fund: Public Safety Cost Center

Close 60% of all assigned cases	612 of 1014 cases 60.3%	492 of 917 cases 54%	621 of 1022 cases 60.7%	630 of 1030 cases 61.1%
Priority X response times, in minutes: “Priority X” designates critical dispatches. These are incidents that pose an obvious danger to life of an officer or citizen. It is used for felony crimes in-progress where the possibility of confrontation between a victim and suspect exists. Examples include shooting, stabbings, robberies or burglaries.	2.76 minutes	2.78 minutes	2.78 minutes	2.79 minutes

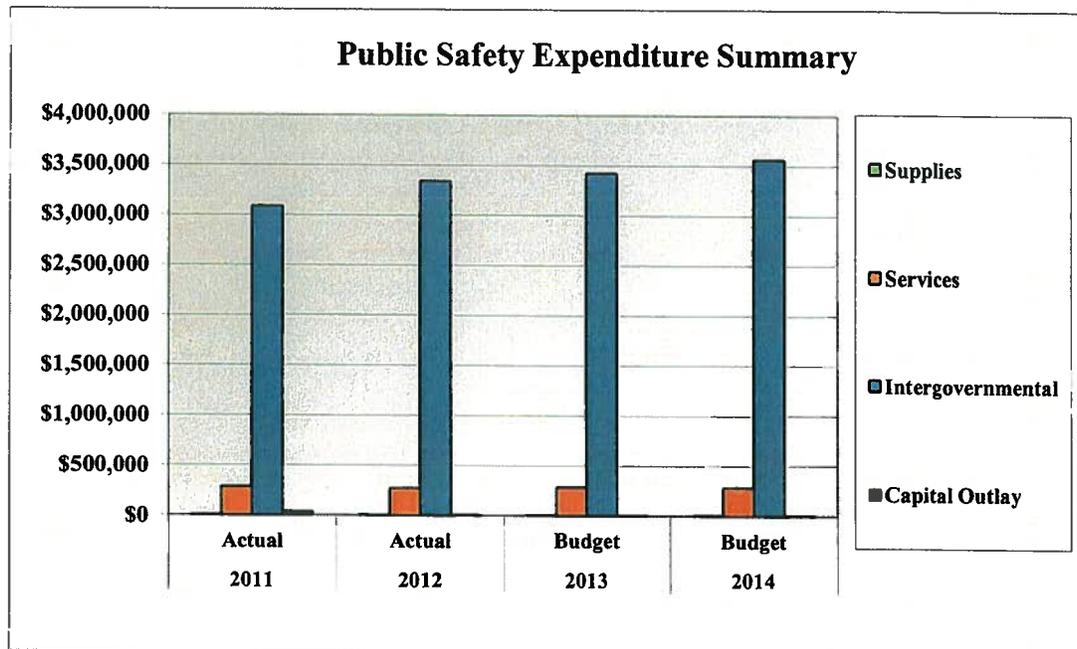
Budget Highlights:

- The 2013-2014 Biennial Budget reflects an increase in the patrol staffing by one officer to reflect a two-officer minimum due to the Kirkland annexation of the unincorporated area between Kenmore and Kirkland. This increase in staffing was implemented in 2012.
- Since the Kirkland annexation the Cities of Shoreline and Kenmore have established a partnership where Shoreline provides Kenmore with shared supervision for patrol and administrative oversight.

General Fund

Public Safety

Expenditure Summary	2009-2010	2011-2012		2011-2012		2013-2014		
	Biennium Total	Amended Budget	2011 Actual	2012 Actual	Biennium Total	2013 Budget	2014 Budget	Adopted Budget
Public Safety								
Personnel	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Supplies	19,978	3,800	2,095	2,410	4,505	2,200	2,200	4,400
Services	526,458	499,433	282,199	271,893	554,092	283,440	283,440	566,880
Intergovernmental	6,503,054	6,632,330	3,082,827	3,336,617	6,419,444	3,418,958	3,557,510	6,976,468
Capital Outlay	25,747	44,000	36,773	4,688	41,461	2,800	2,800	5,600
Total	\$7,075,237	\$7,179,563	\$3,403,894	\$3,615,608	\$7,019,502	\$3,707,398	\$3,845,950	\$7,553,348



Public Safety Services are provided by contract; there are no full time equivalent positions.

General Fund
Public Safety

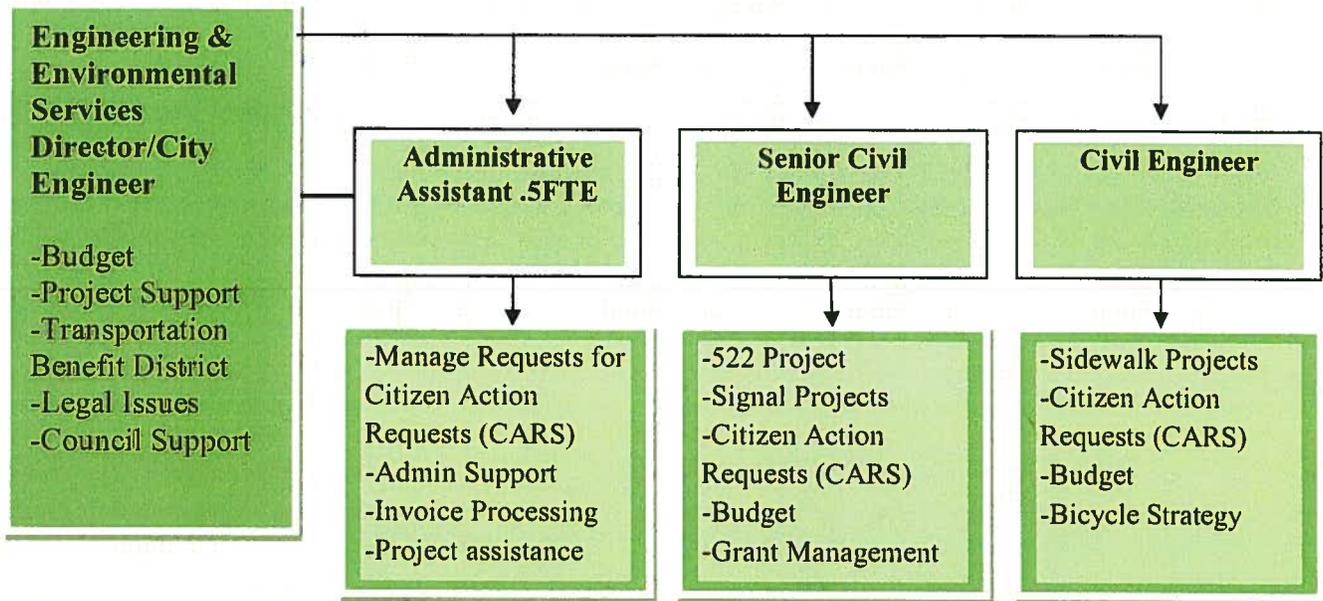
	2009-2010 Biennium Total	2011-2012 Amended Budget	2011 Actual	2012 Actual	2011-2012 Biennium Total	2013 Budget	2014 Budget	2013-2014 Adopted Budget
Office & Operating Supplies	\$ 2,786	\$ 2,400	\$ 1,661	\$ 1,743	\$ 3,404	\$ 1,500	\$ 1,500	\$ 3,000
Fuel	271	1,400	434	667	1,101	700	700	1,400
Equipment Replacement	16,921	0	0	0	0	0	0	0
Supplies	19,978	3,800	2,095	2,410	4,505	2,200	2,200	4,400
Travel/Registration	16,937	22,200	8,067	7,810	15,877	10,700	10,700	21,400
Dues/Subscriptions/Memberships	0	20	0	0	0	0	0	0
Business Meetings	1,788	2,600	571	996	1,567	1,300	1,300	2,600
Telecommunications	8,020	11,570	4,561	5,507	10,068	6,100	6,100	12,200
Postage/Advertising	415	2,080	54	342	396	540	540	1,080
Repair & Maintenance	3,768	5,000	1,414	635	2,049	1,500	1,500	3,000
Prosecuting Attorney	240,229	220,817	111,300	112,400	223,700	120,000	120,000	240,000
Public Defender & Screening	114,317	100,546	80,940	61,865	142,805	76,000	76,000	152,000
Domestic Violence Advocate	12,800	0	0	0	0	0	0	0
CTED Programs	124,263	127,600	73,552	80,149	153,701	63,800	63,800	127,600
Citizens' Academy	2,802	3,000	1,506	1,316	2,822	1,500	1,500	3,000
Anti-Drug Training Program	1,119	4,000	234	873	1,107	2,000	2,000	4,000
Services	526,458	499,433	282,199	271,893	554,092	283,440	283,440	566,880
King County Court	209,917	100,000	35,497	39,266	74,763	45,000	45,000	90,000
Police Services Contract	5,504,739	5,815,030	2,676,565	2,989,527	5,666,092	3,036,010	3,173,010	6,209,020
Jail Services	788,398	717,300	370,765	307,824	678,589	337,948	339,500	677,448
Intergovernmental	6,503,054	6,632,330	3,082,827	3,336,617	6,419,444	3,418,958	3,557,510	6,976,468
Furniture and Equipment	0	35,000	36,653	4,688	41,341	2,500	2,500	5,000
Vehicles	0	0	0	0	0	0	0	0
Other Equipment/Bicycles	25,747	9,000	120	0	120	300	300	600
Total Capital Outlay	25,747	44,000	36,773	4,688	41,461	2,800	2,800	5,600
Total Public Safety	\$ 7,075,237	\$ 7,179,563	\$ 3,403,894	\$ 3,615,608	\$ 7,019,502	\$ 3,707,398	\$ 3,845,950	\$ 7,553,348

Annual Change	
Percent Change 2010 to 2011	-11.78%
Dollar Change 2010 to 2011	(\$454,392)
Percent Change 2011 to 2012	6.22%
Dollar Change 2011 to 2012	\$211,714
Percent Change 2012 to 2013	2.54%
Dollar Change 2012 to 2013	\$91,790
Percent Change 2013 to 2014	3.74%
Dollar Change 2013 to 2014	\$138,552

City of Kenmore, Washington

General Fund: Engineering and Environmental Services Cost Center

Engineering is responsible for project management of capital improvement projects, managing the six-year transportation improvement program and the surface water management program, site plan review of development projects and assisting other City staff on issues related to engineering. Oversight of capital projects is provided to ensure timely delivery, cost effective designs and quality construction. Engineering review is conducted to ensure that designs meet City, County and State standards and protect the City's interest during construction.



2011-2012 Achievements:

- Assisted Operations Division with Pavement Management Study and bridge inspection and monitoring. Addressed traffic, drainage, and development related Citizen Action Requests.
- Completed the update of the City's 6-year Capital Improvement Program and Transportation Improvement Plan.
- Assisted City Council with creation of a Transportation Benefit District (TBD) and provided support to the TBD.
- Hired experienced Construction Manager as a temporary employee to oversee capital improvement project construction in 2012.
- Completed construction projects including: NE 181st ST/61st Ave NE Traffic Signal, NE 145th ST Traffic Signal, NE 181st Street Culvert Replacement, 190th Stairway Replacement Project, 61st Slide Repair Project, SR 522 Phase I - NE 181st Street Sidewalk Improvements (in partnership with King County Library System).
- Collected and updated traffic volume information on City streets to assist in monitoring potential problems and prioritizing improvements. Developed traffic counting program.

City of Kenmore, Washington
General Fund: Engineering and Environmental Services Cost Center

- Maintained the City's accident record system to identify potential problems and assist with prioritizing improvements. Approximately 174 accidents entered in 2011 and 99 accidents entered in 2012 (as of June).
- Participated in the design review and completed inspections for new development proposals over the two year budget period.
- Participated in the continuing design review, construction observation, and maintenance inspection of over 32 private development projects over the two year budget period.
- Participated in regional technical committees including Eastside Transportation Partnership (ETP) and King County Project Evaluation Committee (KPEC).
- Attained grant funding for City capital projects including \$8.8M for SR 522 project, \$600K for Juanita Drive NE pavement preservation project, and \$250K for WSDOT City Safety Program.

2013-2014 Objectives

- Aggressively seek funding and prepare grant applications for SR 522 project and City sidewalk projects.
- Implement the 20 – 30 year sidewalk plan.
- Assist Operations Division with updating the City's Pavement Management Study and managing, inspection, and monitoring of the City's Bridges. Specifically, the West Sammamish Bridge (68th Ave northbound) was inspected in the fall of 2012 and it requires additional monitoring, investigation of condition, and a load bearing study. Plan and seek financing for this bridge's replacement.
- Assist Operations Division with responding to traffic, drainage, and development related Citizen Action Requests.
- Complete an update of the City's 6-year Capital Improvement Program and the Transportation Improvement Plan over the next two-year budget period.
- Support the Transportation Benefit District.
- Collect and update traffic volume information on City streets to assist in monitoring potential problems and prioritizing improvements. Maintain established traffic counting program.
- Maintain City's accident record system to identify potential problems and assist with prioritizing improvements.
- Ongoing design review, construction and maintenance inspection of new development proposals.
- Continue inspection program to oversee utility improvements within street right of way.

City of Kenmore, Washington
General Fund: Engineering and Environmental Services Cost Center

- Participate in regional technical committees including Eastside Transportation Partnership (ETP) and King County Project Evaluation Committee (KPEC).
- Acquire right of way for the remainder of the Highway 522 Project West Segment.
- Establish and adopt revisions to the City of Kenmore Street Design Standards and KMC Title 12.50.
- Complete construction projects including: 61st Avenue NE and SR522 Traffic Signal Improvements, Tributary 0057 Channel Relocation, WSDOT City Safety Program project, Juanita Drive NE Asphalt Overlay Project.
- Develop a City of Kenmore Bicycle Strategy guidance document.

Budget Highlights:

The 2013-2014 Biennial Budget includes the following changes:

- Staff continues to seek construction funding for the 522 Improvement Project West A and B Segments.
- Staff will continue to utilize a temporary help employee to manage construction of capital projects.

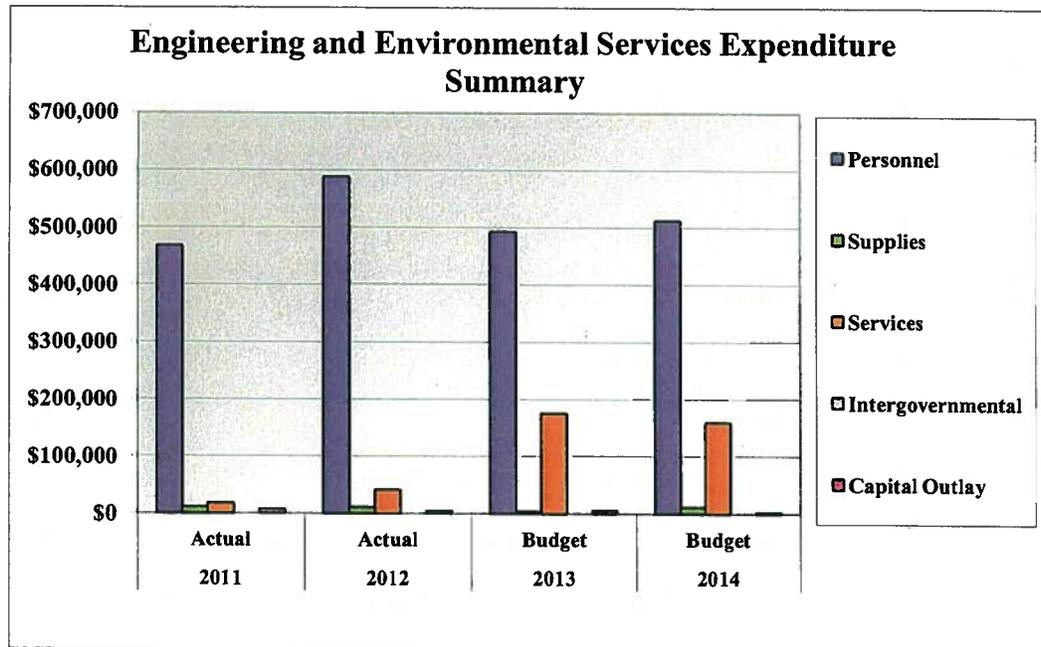
Workload and Performance Measures:

Workload Measures	<u>2011</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>	<u>2013</u> <u>Estimate/Goal</u>	<u>2014</u> <u>Estimate/Goal</u>
Dollar Value of CIP Projects Managed	\$2.9 M per CIP	\$4.2 M per CIP	\$6.6 M including Juanita Overlay	\$5.19 M
Number of Grant/Loan Applications Completed	2	6	5	5
Performance Measures	<u>2011</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>	<u>2013</u> <u>Estimate/Goal</u>	<u>2014</u> <u>Estimate/Goal</u>
Amount of Grant funding Secured to Move Forward with SR 522 Project	\$650k	\$8.8M	\$3.5M	\$8.0M

General Fund

Engineering and Environmental Services

Expenditure Summary	2009-2010	2011-2012		2011-2012			2013-2014	
	Biennium Total	Amended Budget	2011 Actual	2012 Actual	Biennium Total	2013 Budget	2014 Budget	Adopted Budget
Engineering Personnel	\$648,920	\$963,465	\$467,661	\$588,114	\$1,055,775	\$492,221	\$511,935	\$1,004,156
Supplies	12,940	24,810	11,131	10,557	21,688	3,300	11,070	14,370
Services	122,289	44,566	17,707	41,028	58,735	174,830	159,230	334,060
Intergovernmental	0	0	0	0	0	0	0	0
Capital Outlay	23,643	12,900	7,076	4,291	11,367	5,800	3,000	8,800
Total	\$807,792	\$1,045,741	\$503,575	\$643,990	\$1,147,565	\$676,151	\$685,235	\$1,361,386



Employee Summary	2009-2010	2011-2012		2011-2012			2013-2014	
	Biennium Total	Amended Budget	2011 Actual	2012 Actual	Biennium Total	2013 Budget	2014 Budget	Adopted Budget
Engineering Positions								
City Engineer	1	1	1	1	1	1	1	1
Senior Engineer	1	1	1	1	1	1	1	1
Engineer	1	1	1	1	1	1	1	1
Sr Engineering Technician	1	1	1	1	1	1	1	1
Administrative Assistant	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Total Positions	4.5	4.5	4.5	4.5	4.5	4.5	4.5	4.5

General Fund Engineering and Environmental Services

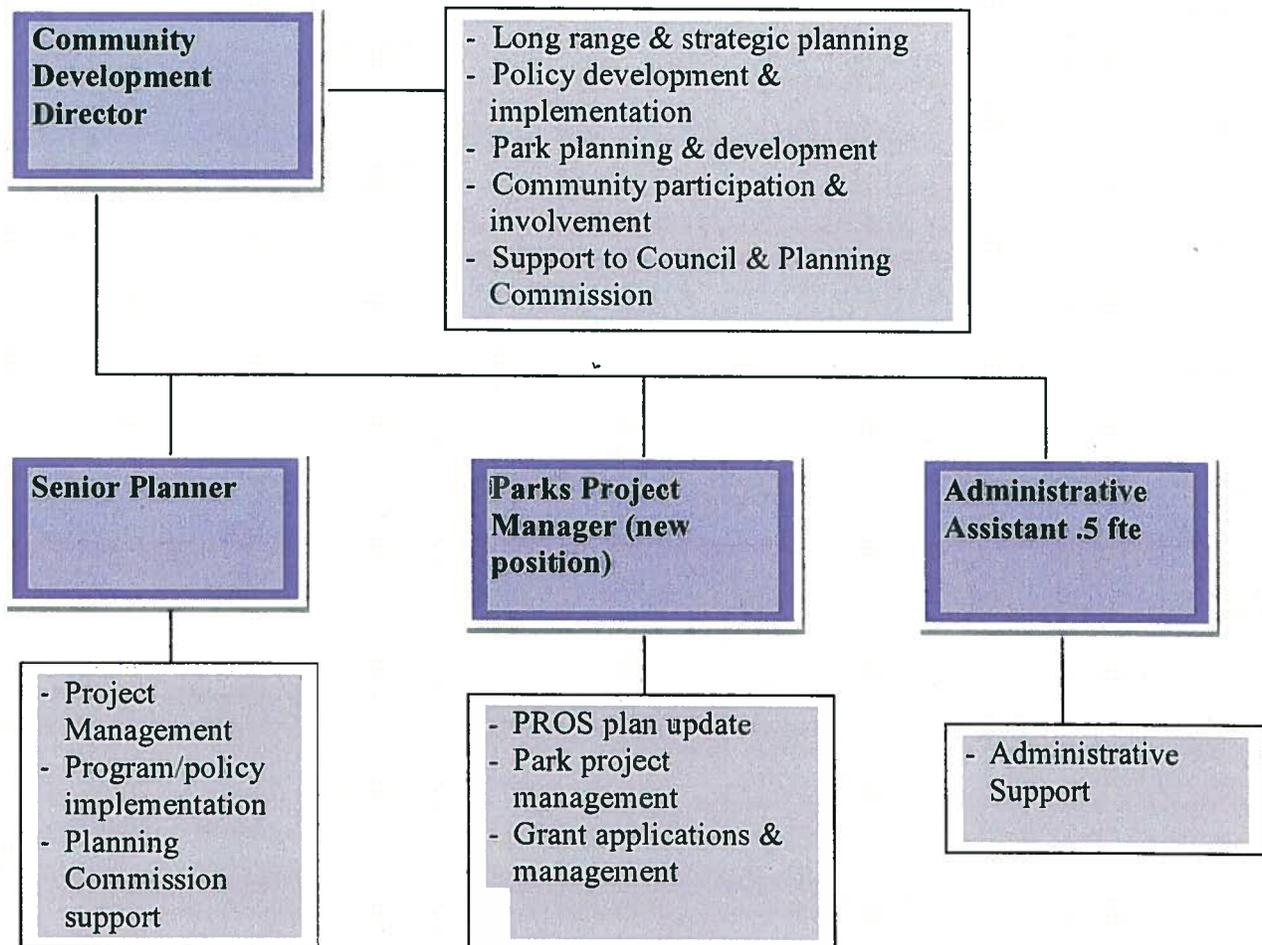
	2009-2010 Biennium Total	2011-2012 Amended Budget	2011 Actual	2012 Actual	2011-2012 Biennium Total	2013 Budget	2014 Budget	2013-2014 Adopted Budget
Salaries & Wages	\$ 512,432	\$ 715,036	\$350,897	\$442,637	\$ 793,534	\$356,920	\$367,627	\$ 724,547
Benefits	136,488	248,429	116,764	145,477	262,241	135,301	144,308	279,609
Personnel	648,920	963,465	467,661	588,114	1,055,775	492,221	511,935	1,004,156
Clothing/Uniforms	148	400	451	209	660	200	200	400
Office & Operating Supplies	4,500	5,900	1,946	1,667	3,613	1,900	1,250	3,150
Fuel	900	2,400	679	626	1,305	1,200	1,200	2,400
Equipment Replacement	7,392	16,110	8,055	8,055	16,110	0	8,420	8,420
Supplies	12,940	24,810	11,131	10,557	21,688	3,300	11,070	14,370
Temporary Employees/Intern	0	4,480	0	0	0	85,000	36,250	121,250
Travel/Registrations	1,907	4,000	705	3,760	4,465	6,550	4,700	11,250
Business Meetings	58	600	25	11	36	300	300	600
Telecommunications	2,121	2,400	1,323	1,017	2,340	1,200	1,200	2,400
Dues/Memberships/Subscriptions	827	2,120	1,187	0	1,187	1,200	1,200	2,400
Postage/Advertising	2,011	1,500	727	877	1,604	800	800	1,600
Printing/Related Costs	1,168	1,400	0	0	0	700	700	1,400
Vehicle Maintenance	1,584	2,160	1,076	468	1,544	1,080	1,080	2,160
Consulting General	110,101	20,806	7,014	33,972	40,986	75,000	110,000	185,000
Recruitment	966	1,500	0	755	755	0	0	0
Traffic Count Program	1,546	3,600	5,650	168	5,818	3,000	3,000	6,000
Services	122,289	44,566	17,707	41,028	58,735	174,830	159,230	334,060
Furniture & Equipment	18,745	900	0	0	0	800	0	800
Computer Hardware	0	1,000	0	438	438	2,000	0	2,000
Computer Software	4,898	11,000	7,076	3,853	10,929	3,000	3,000	6,000
Vehicle	0	0	0	0	0	0	0	0
Capital Outlay	23,643	12,900	7,076	4,291	11,367	5,800	3,000	8,800
Total Engineering	\$ 807,792	\$1,045,741	\$503,575	\$643,990	\$ 1,147,565	\$676,151	\$685,235	\$1,361,386

Annual Change	
Percent Change 2010 to 2011	6.07%
Dollar Change 2010 to 2011	\$ 28,829
Percent Change 2011 to 2012	27.88%
Dollar Change 2011 to 2012	\$140,415
Percent Change 2012 to 2013	4.99%
Dollar Change 2012 to 2013	\$ 32,161
Percent Change 2013 to 2014	1.34%
Dollar Change 2013 to 2014	\$ 9,084

City of Kenmore, Washington
General Fund: Community Development Cost Center

The Department is responsible for providing leadership in the development and implementation of innovative policies, programs, services and funding strategies that realize the community generated vision for Kenmore. Such responsibilities include but are not limited to: the Comprehensive Plan (and related development regulations); Downtown Plan; Parks, Recreation, and Open Space (PROS) Plan; Shoreline Master Program; park capital improvement program (CIP) and project management; housing programs and affordable housing targets; strategies to support downtown development and economic development. To meet these responsibilities the Department must ensure there is a forum for citizen participation and involvement. The Department must ensure Kenmore’s compliance with state, regional and other development agency mandates, regulations and policies as well as representing Kenmore’s interest in regional partnerships.

Department Organization and Responsibilities:



City of Kenmore, Washington
General Fund: Community Development Cost Center

2011-2012 Achievements:

- **Kenmore Village (2011-2012 Goals: #2, #9//2012-2013 Goals: #2, #5):** In 2011 (and ongoing 2012), staff provided advice and input to the City Manager and the Kenmore Village staff team. Staff provided information for assessing options during property negotiations; prepared numerous fact sheets; assisted in providing information for the March 2012 property management contract and June RFQ; provided input on the June 2012 action plan strategy; and prepared information for the City Manager as requested, particularly with regard to the downtown plan goals, development regulations and prior actions.
- **Lakepointe (2011-2012 Goals: #2, #6//2012-2013 Goals: #2, #12):** In 2011 staff provided input to the City Manager and staff team on the existing Lakepointe development, with a letter of permit extension for the Commercial Site Development Permit issued by the City Manager 5/19/11. In 2011 staff provided alternative permit processing options and mitigation options related to the maintenance project on the Lakepointe site and the SR520 bridge project.
- **Commercial Zone Project (2011-2012 Goals: #2, #14//2012-2013 Goals: #2):** The commercial zone project was a 2011-2012 department objective. In the Fall of 2011 staff led an internal staff team to brainstorm ideas about commercial development, with a focus on economic trends in relation to future development potential.
- **Development Code Amendments Consistent with the Comprehensive Plan (2011-2012 Goals: #2//2012-2013 Goals: #2):**
 - Amendments to development regulations to streamline processes, eliminate redundancies, add new clarifying regulations and create a consistent format was a department objective for 2011-2012. Between January and June 2011 staff developed recommendations for code amendments to development regulations (Chapters 17-20).
 - Between January and June of 2011 staff provided comment on the Engineering Department's proposed road standards update (scheduled for Council consideration in 2013). Staff prepared background research on medical marijuana collective gardens, and Council adopted a moratorium ordinance 7/23/12. Staff provided review and input on the Development Services Department's proposed amendments to grading regulations (discussed by Council 7/16/12) and prepared amendments to plat expiration standards consistent with State Law (scheduled for Council discussion September 2012). July 2012, staff prepared a matrix that provides an easy reference tool to compare uses across commercial zones.
- **Shoreline Master Program (2011-2012 Goals: #14):** Periodic update of the Shoreline Master Program (SMP) is a mandate in State legislation. Staff worked extensively with the Department of Ecology in 2011 during their public process (following City ordinance adoption 2010) and in negotiating required and suggested changes. Council adopted Ordinance 12-0334 for the SMP on 2/13/12.
- **Park and Recreation Open Space (PROS) Plan (2011-2012 Goals: #3, #7, #14//2012-2013 Goals: #6, #8):** Several comprehensive plan amendments were identified as 2011-2012 department objectives. On 2/28/11 Council put amendments to the Comprehensive Plan on

City of Kenmore, Washington
General Fund: Community Development Cost Center

hold including update of the PROS plan. In order to be eligible for certain State grant funds, the PROS plan needs to be updated periodically, the City's 2003 PROS plan became ineligible in 2009.

- **Park Capital Improvement Program (2011-2012 Goals: #3, #14//2012-2013 Goals: #6):** Staff provided input and recommendations on the 2011-2016 parks capital improvement program (CIP), adopted by Council on 4/11/11. Staff provided information to Council for discussion of the parks CIP at the 6/25/12 Council meeting in preparation for discussion of a 2013-2018 CIP. In June 2012, a temporary parks project manager was hired (through December 2012) to assist in implementation of capital park projects identified in the 2011-2012 park capital budget.
- **Comprehensive Plan Implementation/Update (2011-2012 Goals: #2, #3, #6, #7, #9, #14: 2012-2013 Goals: #2, #5, #6, #8, #12):** Continuing implementation of the Comprehensive plan and proposed amendments was identified as a 2011-2012 department objective. On 2/28/11 Council put amendments to the Comprehensive Plan on hold. State Law (RCW 36.70A.130) requires a periodic update of the City's Comprehensive Plan by June 30, 2015. All elements of the Comprehensive Plan will require some level of update.
- **Biological Opinion FEMA Compliance (2011-2012 Goals: #12//2012-2013 Goals: #10)** Staff prepared a 9/15/11 memo assessing compliance options. A 9/16/11 letter to FEMA selected the permit by permit approach. Ordinance 12-0337 adopted by Council on 4/23/12 amended SEPA rules to assist with City compliance and the selected permit by permit approach.
- **Sustainability Strategy (2011-2012 Goals: #2, #14//2012-2013 Goals: #2):** In the second quarter of 2012 staff conducted research on sustainability and approaches taken by other Cities for development and implementation of a sustainability strategy. In July 2012 staff prepared a matrix showing the components of sustainability (economic prosperity, social equity and environmental health) and identified policies and programs the City currently undertakes or could undertake as part of a development of a sustainability strategy and program.
- **Brier's Critical Area Ordinance, Appeal/Settlement (2011-2012 Goals: #12//2012-2013 Goals: #10):** In 2011 staff provided comments and input during the City of Brier public process. Staff provided assistance and information to the City attorney for the City of Kenmore appeal filed to the Growth Management Hearings Board 10/7/11 and the Settlement Agreement approved by Council 3/7/12. On 8/1/12, the City attorney filed a request to withdraw the City of Kenmore's petition (appeal) and request for dismissal to the Growth Management Hearing Board as the Brier Council adopted an ordinance 7/24/12 that was consistent with the terms of the Settlement Agreement.
- **Grant Opportunities/Working with Outside Agencies (2011-2012 Goals:#7, #9, #14//2012-2013 Goals: #5, #8):** King County administers Community Development Block Grant (CDBG) funds on behalf of the King County CDBG Consortium (which includes Kenmore). In August 2012 staff participated in the review of funding applications. In addition, staff assessed the feasibility of a grant application for a sidewalk project 181st/182nd

City of Kenmore, Washington
General Fund: Community Development Cost Center

but the conclusion was not to apply in this funding round. In July 2012, Staff assessed potential City projects against the application criteria for economic development and community revitalization grants awarded by the Washington State Community Economic Revitalization Board (CERB). Staff applied for grant funding of a sidewalk project in downtown but was not successful in obtaining funds.

➤ **Intergovernmental Relations:**

February to March 2012, staff provided comment on Puget Sound Regional Council's (PSRC) draft interactive forecasting model for determining future growth and land capacity and provided Kenmore's data for input into the model and reviewed for accuracy. Staff also met with Sound Transit to review transit plans that affect Kenmore and opportunities for future partnerships. Between March and June 2012, staff worked with staff from member cities of A Regional Coalition for Housing (ARCH) in identification of catalyst projects (that include an affordable housing component) that realize local plans, which may benefit from use of ARCH Trust Fund resources. Housing development on the former park & ride property owned by the City of Kenmore was identified as a potential project.

2013/2014 Objectives:

➤ **Comprehensive Plan Implementation/Development Regulation Amendments (2012-2013 Goals: #2, #5, #6, #8, #12**

- Commercial Zone Project
- Park and Recreation Open Space (PROS) Plan
- Medical Marijuana Collective Gardens
- Shoreline Master Program (SMP) implementation
- Remaining Comprehensive Plan Amendments
- Development Regulations Amendments Proposed by Other Departments

➤ **Policy and Strategy Development/Implementation (2012-2013 Goals: #2):**

Economic Gardening Strategy: Community Development Department staff will take the lead on developing and improving access to web-based, user-friendly information to support and foster growth of existing and entrepreneurial businesses.

Environmental Sustainability Strategy: Staff conducted preliminary research regarding an Environmental Sustainability Strategy in 2012 as described in the 2011-2012 Department achievements in the above paragraphs. Staff will further develop this strategy and work toward its adoption and implementation.

➤ **Downtown Development/Economic Development (2012-2013 Goals: #2, #5, #12):**

Kenmore Village: Staff will continue to be part of the Kenmore Village staff team, working towards implementation of the action plan, including input on options for development of a public square.

Lakepointe: Staff will continue to be part of a Lakepointe staff team to develop and implement a strategy to complete major phases of a high quality, sustainable project by 2023.

City of Kenmore, Washington
General Fund: Community Development Cost Center

Downtown properties: Reviewing the current vision/policies and regulations for Lakepointe, and other downtown properties with regard to economic development, is part of the Commercial Zones 2013-2014 work program objective (if approved by Council).

- **Park Capital Improvement Program (2012-2013 Goals: #3):** Staff is responsible for management of parks projects adopted in the 2013-2018 parks capital improvement program to meet identified project timelines. If a parks project manager is hired in 2013, then daily project management responsibilities would be assumed by this position.
- **Watershed Issues (2012 Goals: #10):** Staff will participate on an internal staff team on regional watershed issues and identifying opportunities for volunteer/stewardship programs.
- **Grant Opportunities/Working With Outside Agencies (2012-2013 Goals: #2, #5, #6, #8):** Identifying grant opportunities and assessing these opportunities in terms of alignment with City goals and projects is an ongoing objective given the Department's responsibility for development and implementation of innovative funding strategies that realize the community generated vision.

Budget Highlights:

The 2013-2014 biennial budget includes the following changes:

- Hiring a Parks Project Manager for a temporary full-time two year position.

Workload and Performance Measures

Workload and performance measures were not included in the Department's 2011-2012 cost center, therefore a not applicable (N/A) result is recorded.

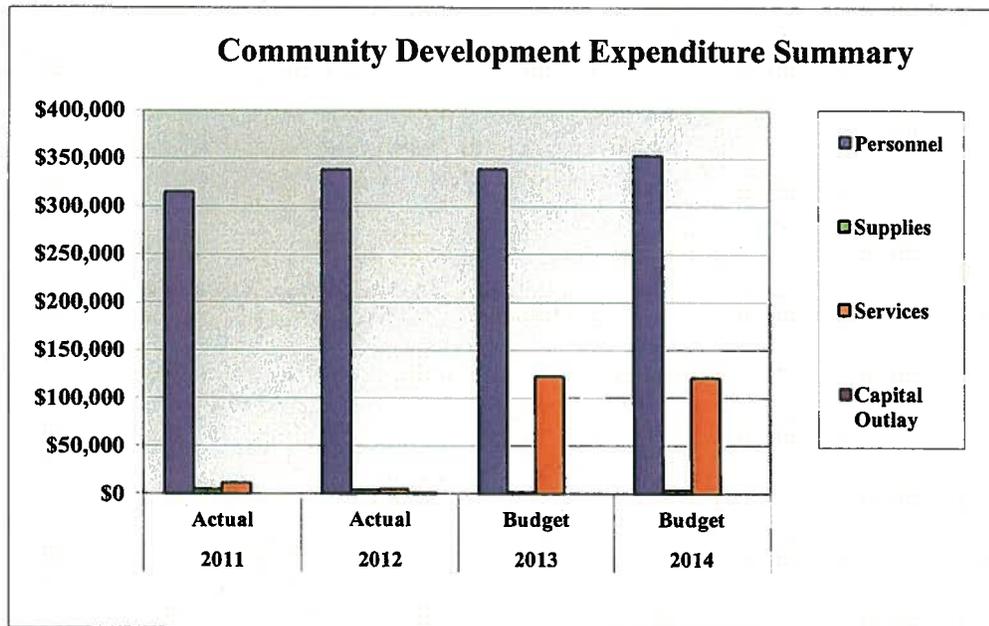
Workload Measures	2011 Actual	2012 Actual	2013 Goal	2014 Goal
Number of park capital projects managed	N/A	5	8	8
Number of new initiatives identified (policies, programs, services, funding strategies)	N/A	N/A	2	2
Number of meetings with council and planning commission (related to department objectives/work program)	N/A	12	22	22
Number of grants identified/applications submitted	N/A	3	3	3
Number of work program projects managed	N/A	4	5	5

City of Kenmore, Washington
General Fund: Community Development Cost Center

Performance Measures	2011 Actual	2012 Actual	2013 Goal	2014 Goal
% of park capital projects within scope, on time and within budget	N/A	20	90	90
Number of new initiatives brought forward for implementation	N/A	N/A	2	2
% of planning commission recommendations & council decisions consistent with options presented by staff	N/A	90	90	90
Number of grant applications awarded	N/A	0	2	2
% of work program projects meeting deadlines	N/A	60	90	90

General Fund Community Development

Expenditure Summary Community Development	2009-2010	2011-2012		2011-2012			2013-2014	
	Biennium Total	Amended Budget	2011 Actual	2012 Actual	Biennium Total	2013 Budget	2014 Budget	Adopted Budget
Personnel	\$1,484,415	\$645,552	\$315,004	\$338,210	\$653,214	\$338,971	\$353,035	\$692,006
Supplies	36,362	13,230	4,297	3,514	7,811	1,100	3,030	4,130
Services	1,223,030	53,850	10,913	4,543	15,456	122,411	120,895	243,306
Intergovernmental	0	0	0	0	0	0	0	0
Capital Outlay	221	0	0	438	438	0	0	0
Total	\$2,744,028	\$712,632	\$330,214	\$346,705	\$676,919	\$462,482	\$476,960	\$939,442



Employee Summary Community Development Position	2009-2010	2011-2012		2011-2012			2013-2014	
	Biennium Total	Amended Budget	2011 Actual	2012 Actual	Biennium Total	2013 Budget	2014 Budget	Adopted Budget
Director of Community Develop.	1	1	1	1	1	1	1	1
Senior Planner	1	1	1	1	1	1	1	1
Park Project Manager	0	0	0	0	0	1	1	1
Associate Planner **	1	0	0	0	0	0	0	0
Parks Planner*	1	0	0	0	0	0	0	0
Building Insp/Plans Examiner **	1	0	0	0	0	0	0	0
Code Enforcement Officer **	1	0	0	0	0	0	0	0
Permit Technician **	1	0	0	0	0	0	0	0
Administrative Assistant ***	1	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Total Positions	8	2.5	2.5	2.5	2.5	3.5	3.5	3.5

* This position was reclassified from Parks and Facility Maintenance Cost Center

** These positions were reclassified to Development Services Cost Center

*** One half of this position was reclassified to the Development Services Cost Center

General Fund

Community Development

	2009-2010 Biennium Total	2011-2012 Amended Budget	2011 Actual	2012 Actual	2011-2012 Biennium Total	2013 Budget	2014 Budget	2013-2014 Adopted Budget
Salaries & Wages	\$ 1,105,683	\$ 466,551	\$ 231,908	\$ 246,892	\$ 478,800	\$ 239,586	\$ 246,774	\$ 486,360
Benefits	378,732	179,001	83,096	91,318	174,414	99,385	106,261	205,646
Personnel	1,484,415	645,552	315,004	338,210	653,214	338,971	353,035	692,006
Clothing/Uniforms	420	0	0	0	0	0	0	0
Office & Operating Supplies	16,303	7,700	1,532	749	2,281	1,100	1,100	2,200
Fuel	4,041	0	0	0	0	0	0	0
Equipment Replacement	15,598	5,530	2,765	2,765	5,530	0	1,930	1,930
Supplies	36,362	13,230	4,297	3,514	7,811	1,100	3,030	4,130
Travel/Registrations	6,974	3,526	2,054	189	2,243	2,325	2,325	4,650
Business Meetings	146	100	0	128	128	0	0	0
Room Rental	4,780	0	756	0	756	0	0	0
Dues/Memberships/Subscriptions	5,692	4,050	1,070	1,070	2,140	1,120	1,120	2,240
Printing	4,954	3,000	83	622	705	1,000	2,500	3,500
Postage/Advertising	16,886	6,334	749	1,035	1,784	1,400	1,200	2,600
Software Maintenance	13,129	0	0	0	0	0	0	0
Telecommunications	4,033	1,080	732	693	1,425	750	750	1,500
Vehicle Maintenance	4,126	260	0	0	0	0	0	0
Consulting General	144,202	0	4,432	1,843	6,275	10,000	10,000	20,000
Code Enforcement	1,293	0	0	0	0	0	0	0
Land Use Review	500,988	0	0	0	0	0	0	0
Special Project Services	88,123	5,000	0	0	0	0	0	0
Plan Review	105,281	0	0	0	0	0	0	0
Inspection Costs	4,232	0	0	0	0	0	0	0
Fire Marshal Review	8,426	0	0	0	0	0	0	0
Parks Planning Manager	0	0	0	0	0	70,816	68,000	138,816
Comp Plan/Downtown Plan Implement.	309,765	30,500	1,037	(1,037)	0	35,000	35,000	70,000
Services	1,223,030	53,850	10,913	4,543	15,456	122,411	120,895	243,306
Computer Hardware/Software	221	0	0	438	438	0	0	0
Capital Outlay	221	0	0	438	438	0	0	0
Total Community Development	\$ 2,744,028	\$ 712,632	\$ 330,214	\$ 346,705	\$ 676,919	\$ 462,482	\$ 476,960	\$ 939,442

Annual Change	
Percent Change 2010 to 2011	-74.90%
Dollar Change 2010 to 2011	(\$985,237)
Percent Change 2011 to 2012	4.99%
Dollar Change 2011 to 2012	\$16,491
Percent Change 2012 to 2013	33.39%
Dollar Change 2012 to 2013	\$115,777
Percent Change 2013 to 2014	3.13%
Dollar Change 2013 to 2014	\$14,478

City of Kenmore, Washington General Fund: Development Services

The Department of Development Services is responsible for oversight of proposed development through the development review process and oversight of permitting throughout the City. Development services are a vital component of economic development, the quality of life, and public safety. The department's mission is to implement the City Council's vision of providing a safe and pleasant community while improving the quality of life in our community.

The development service process includes the administration, permitting, interpretations, inspections and enforcement of the City's land use policies and regulations and construction standards and codes.

The objective of the development service process is to continue to provide clear, accurate, and consistent project review and permitting information to the applicant and their design team in a timely and efficient manner. The development service process includes development review team meetings and an open and effective line of communication through a single point of contact. The meetings occur at pivotal points of the project, such as, pre-application, review and pre-occupancy phases. These meetings are designed to provide a forum between the City's development service team and the applicant's design and construction team, to resolve complex issues that may occur with development.

2011-2012 Achievements:

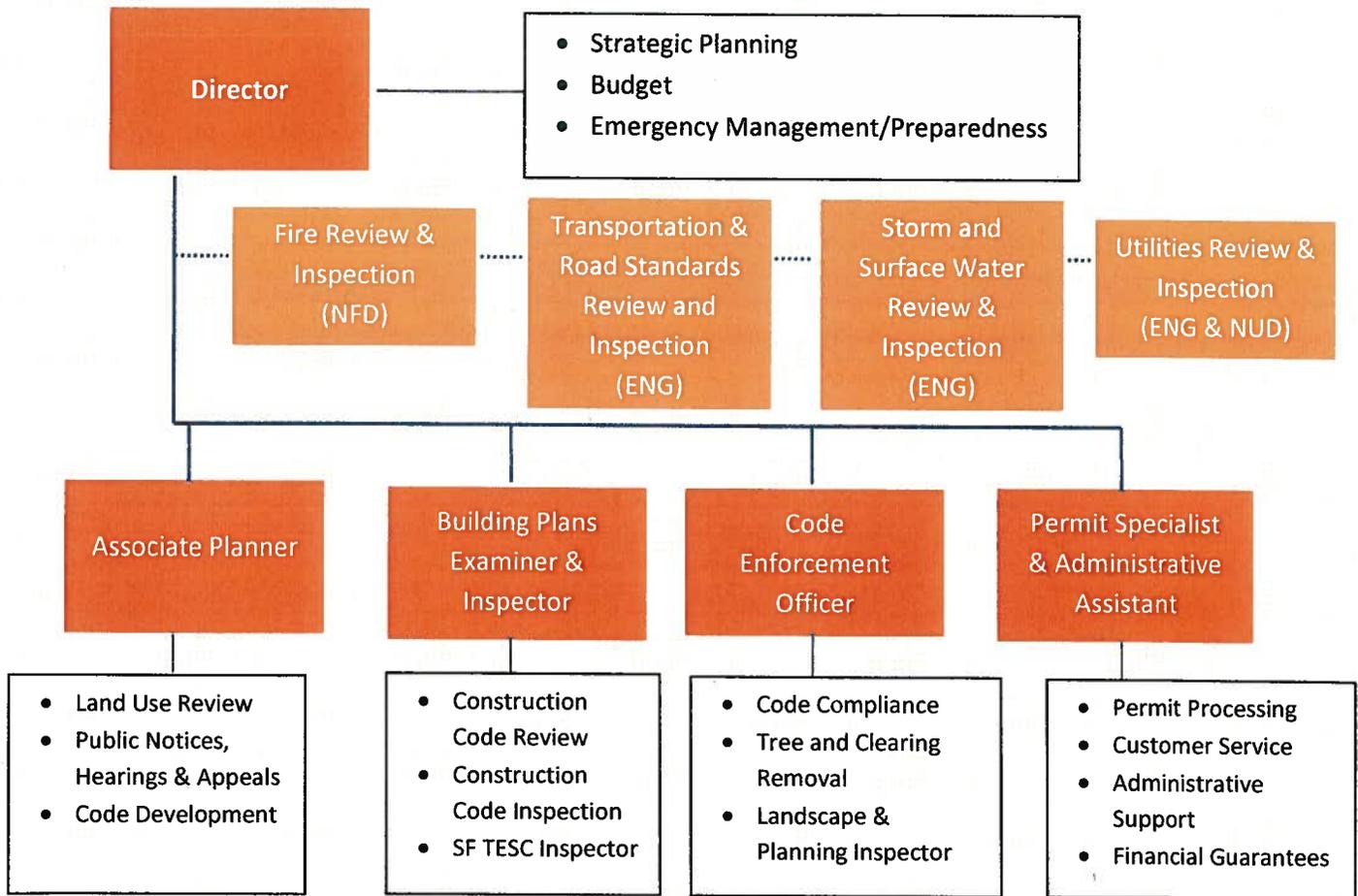
- Improved the City's development services by updating the process to include meetings at pivotal points of a project, streamlining processes, providing a single point of contact and providing cross-training to development team members;
- Transitioned to in-house review and inspection services;
- Updated permitting application forms and informational hand-outs;
- Updated the City's code enforcement project; and
- Updated the City's clearing and grading regulations.

Services:

Each development service team member has an important function in the success of the permitting processes. The development service team is responsible for oversight of land use permits, building permits, grading permits, clearing and tree removal permits, engineering and infrastructure permits, right of way permits, communication facility permits, special event permits, the code enforcement of public nuisances and zoning violations and customer service.

City of Kenmore, Washington
General Fund: Development Services

Organizational Chart



2013-2014 Objectives:

- Facilitate the permitting process in a timely manner;
- Provide predictable, efficient and straightforward services;
- Protect the community and public infrastructures, the safety and integrity of the built environment, and the quality of life in our community;
- Continue to improve City and City services; and
- Promote the City and the City’s development services.

City of Kenmore, Washington
General Fund: Development Services

2013-2014 Budget Highlights:

- Establish an effective customer satisfaction program to measure the City's competitive strengths and weaknesses, responsiveness, quality, predictability and efficiency from the public's perspective.
- Establish a new Historical Building Preservation program to seek to protect structures with local or national cultural, social, archaeological or architectural history.
- Establish a new City-wide annual beautification contest that recognizes businesses' and residents' willingness to transcend aesthetic appeal to positively impact the lives of the community and visitors.
- Implement electronic and paperless permitting services to reduce the costs to developers and applications associated with application submittals and to improve efficiencies.
- Purchase and install new permitting software system.
- Establish a new multi-pronged approach to code compliance that includes progressive enforcement to improve the quality of life in the community.

Work Load and Performance Measures:

	2011 Actual	2012 Actual	2013 Estimate/Goal	2014 Estimate/Goal
<u>Workload Measures</u>				
Land-use applications processed	40	56	60	64
Construction permits processed	610	612	680	715
Construction inspections performed	2495	2904	2671	2818
Number of code enforcement cases	380	381	400	400

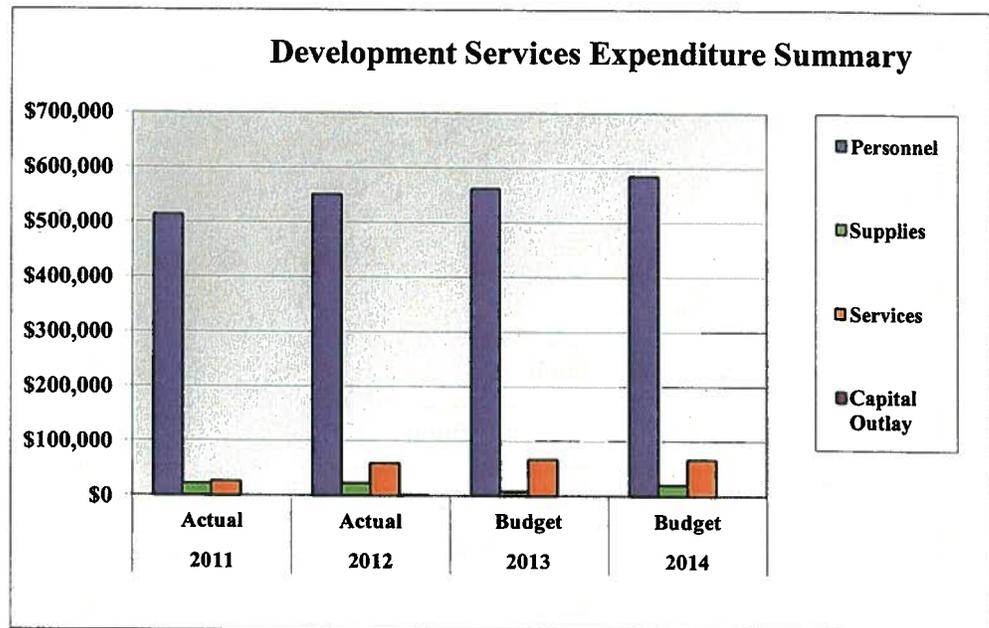
Performance Measures

% of customers rating review and inspection services as very good or good	n/a	n/a	95%	95%
% of applications processed on time	90%	97%	95%	95%
% of inspections performed on the day requested	98%	99%	95%	95%
% of total applications applied for on-line	23%	24%	30%	35%
% of violations resolved through voluntary compliance methods	98%	98%	95%	95%

General Fund Development Services

Expenditure Summary Land Development and Permitting	2009-2010	2011-2012		2011-2012			2013-2014	
	Biennium Total*	Amended Budget	2011 Actual	2012 Actual	Biennium Total	2013 Budget	2014 Budget	Adopted Budget
Personnel	\$0	\$1,236,421	\$513,929	\$550,238	\$1,064,167	\$561,253	\$584,675	\$1,145,928
Supplies	0	51,160	21,556	22,090	43,646	7,250	19,368	26,618
Services	0	213,566	25,196	58,633	83,829	66,095	66,095	132,190
Intergovernmental	0	0	0	0	0	0	0	0
Capital Outlay	0	0	0	707	707	0	0	0
Total	\$0	\$1,501,147	\$560,681	\$631,668	\$1,192,349	\$634,598	\$670,138	\$1,304,736

*this is a new cost center established in 2011



Employee Summary Development Services Positions	2009-2010	2011-2012		2011-2012			2013-2014	
	Biennium Total	Amended Budget	2011 Actual	2012 Actual	Biennium Total	2013 Budget	2014 Budget	Adopted Budget
Building Official	1	1	1	1	1	1	1	1
Associate Planner *	0	1	1	1	1	1	1	1
Building Insp/Plans Examiner *	0	1	1	1	1	1	1	1
Code Enforcement Officer *	0	1	1	1	1	1	1	1
Permit Technician *	0	1	1	1	1	1	1	1
Administrative Assistant **	0	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Total Positions	1	5.5	5.5	5.5	5.5	5.5	5.5	5.5

* This position was reclassified from Planning and Community Development Cost Center

** One half of this position was reclassified from the Planning and Community Development Cost Center

General Fund

Development Services

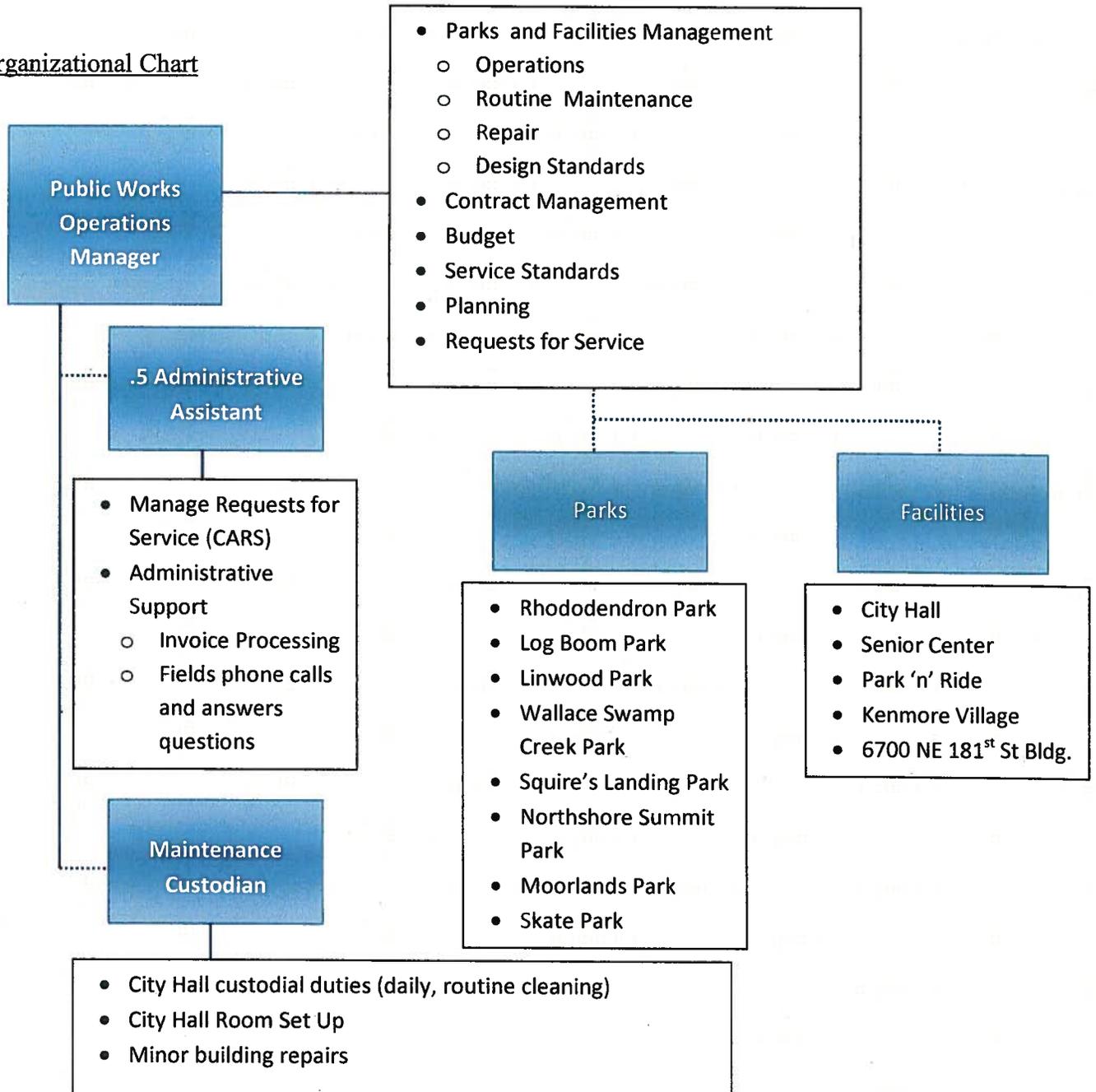
	2009-2010 Biennium Total	2011-2012 Amended Budget	2011 Actual	2012 Actual	2011-2012 Biennium Total	2013 Budget	2014 Budget	2013-2014 Adopted Budget
Salaries & Wages	\$0	\$ 891,313	\$ 377,739	\$ 395,274	\$ 773,013	\$ 399,302	\$ 411,281	\$ 810,583
Benefits	0	345,108	136,190	154,964	291,154	161,951	173,394	335,345
Personnel	0	1,236,421	513,929	550,238	1,064,167	561,253	584,675	1,145,928
Clothing/Uniforms	0	800	160	459	619	250	250	500
Office & Operating Supplies	0	9,200	3,795	3,867	7,662	4,500	4,500	9,000
Fuel	0	10,770	2,406	2,569	4,975	2,500	2,500	5,000
Equipment Replacement	0	30,390	15,195	15,195	30,390	0	12,118	12,118
Supplies	0	51,160	21,556	22,090	43,646	7,250	19,368	26,618
Travel/Registrations	0	3,430	665	1,538	2,203	2,925	2,925	5,850
Business Meetings	0	100	0	77	77	30	30	60
Room Rental	0	0	0	0	0	0	0	0
Temporary Employees	0	0	0	0	0	3,000	3,000	6,000
Dues/Memberships/Subscriptions	0	5,120	1,730	2,061	3,791	2,190	2,190	4,380
Printing	0	6,000	424	82	506	400	400	800
Postage/Advertising	0	22,666	6,085	6,875	12,960	7,500	7,500	15,000
Software Maintenance	0	53,130	6,317	6,570	12,887	25,000	25,000	50,000
Telecommunications	0	3,600	1,260	1,299	2,559	1,300	1,300	2,600
Vehicle Maintenance	0	3,940	3,939	2,328	6,267	2,000	2,000	4,000
Consulting General	0	3,980	424	0	424	1,000	1,000	2,000
Code Enforcement	0	4,000	0	0	0	500	500	1,000
Land Use Review	0	40,000	0	0	0	0	0	0
Plan Review	0	0	0	0	0	1,000	1,000	2,000
Inspection Costs	0	2,000	0	2,123	2,123	0	0	0
Abatement	0	50,000	308	32,720	33,028	12,500	12,500	25,000
Fire Marshal Review	0	15,600	4,044	2,960	7,004	5,000	5,000	10,000
Historical and Beautification Programs	0	0	0	0	0	1,750	1,750	3,500
Comp Plan/Downtown Plan Implement.	0	0	0	0	0	0	0	0
Services	0	213,566	25,196	58,633	83,829	66,095	66,095	132,190
Furniture/Equipment	0	0	0	0	0	0	0	0
Computer Hardware/Software	0	0	0	707	707	0	0	0
Vehicles	0	0	0	0	0	0	0	0
Capital Outlay	0	0	0	707	707	0	0	0
Total Development Services	\$0	\$1,501,147	\$ 560,681	\$ 631,668	\$ 1,192,349	\$ 634,598	\$ 670,138	\$1,304,736

Annual Change	
Percent Change 2010 to 2011	100.00%
Dollar Change 2010 to 2011	\$560,681
Percent Change 2011 to 2012	12.66%
Dollar Change 2011 to 2012	\$70,987
Percent Change 2012 to 2013	0.46%
Dollar Change 2012 to 2013	\$2,930
Percent Change 2013 to 2014	5.60%
Dollar Change 2013 to 2014	\$35,540

City of Kenmore, Washington
General Fund: Parks and Facilities Maintenance

The Parks Maintenance cost center accounts for the operation, maintenance, and repair of the City’s public parks and facilities, as well as all City owned properties. This budget funds all labor and materials related to landscape maintenance; trails, sidewalks; inspection and repair of play structures; restroom maintenance; sprinkler system maintenance; vandalism repair; litter control; parking lot maintenance, custodial services, utilities, and supplies; routine systems maintenance and inspections (Fire, HVAC, Access Control, Elevator, and Generator).

Organizational Chart



City of Kenmore, Washington
General Fund: Parks and Facilities Maintenance

2011-2012 Achievements:

- Grant funded work at Squire's Landing Park for stream corridor improvements completed.
- Hosted a total of four residential and two business grant funded recycling events.
- Final playground improvements installed at Rhododendron Park by community build.
- Routine maintenance performed on Parks and Facilities.
- New roof installed at the Senior Center.
- Partial roof replacement on the 6700 Building (the current Post Office).
- Filled the Maintenance Custodian position.
- Managed Kenmore Police department relocation to City Hall (building improvements, furniture ordering and set up).
- Held three parks volunteer events.
- Performed City Hall warranty repairs.
- Event support for City event (Summer Concerts, 4th of July celebrations, Kenmore Playday, Jack Crawford Day, Kenmore Library grand opening, National Night Out events, and Tree Lightings) and Rhododendron Park shelter rentals.

2013/2014 Objectives:

- Continue to evaluate all service contracts for efficient and cost effective services with the best value.
- Continue to evaluate level of service and develop service standards.
- Explore methods to reduce maintenance costs while maintaining a high level of service.
- Manage parks and facilities maintenance and repair program through contracted services with the City of Lake Forest Park Public Works Department and other private companies.
- Purchase and install centralized control for all irrigated landscapes throughout the City to improve irrigation efficiencies.
- Implement a new contract for landscaping services for parks and facilities.
- SR 522 blackberry eradication.
- Implement an asset management program for parks and facilities through Cityworks.
- Implement the new Citizen Action Request System (CARS) through Cityworks.
- Operation planning for future parks.

2013/2014 Budget Highlights:

- Reduction in cost for maintenance activities associated with City Hall; we now have two years of data to assist with more accurate budget projections.
- Two public works parks maintenance positions previously planned for the 2011-2012 biennial budget were not included in the 2013-2014 budget.

City of Kenmore, Washington
General Fund: Parks and Facilities Maintenance

Work Load and Performance Measures:

	2011 Actual	2012 Actual	2013 Estimate	2014 Estimate
<u>Workload Measures</u>				
Number of Citizen Action Requests Logged	882	964	900	900
Special Events Applications	12	14	10	10
Facility Rental Applications	20	19	20	20

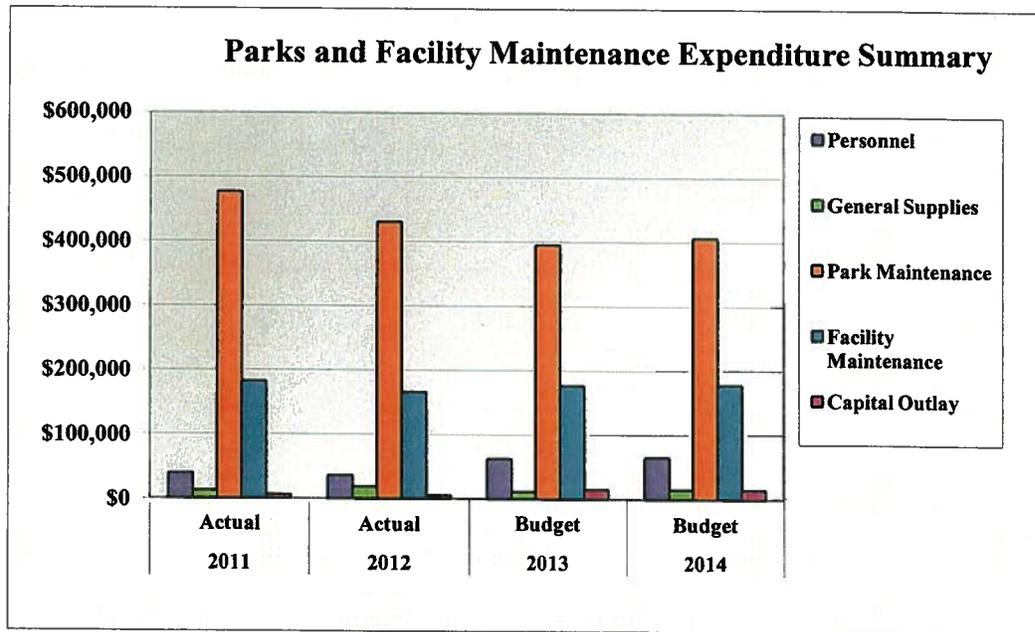
Performance Measures

Citizen Action Requests (CAR) Response Time: investigation and response of findings/action plan within two weeks of receipt	N/A	N/A	85%	90%
Parks Volunteer Events	1 Event	2 Events	3 Events	3 Events

General Fund

Parks and Facility Maintenance

Expenditure Summary	2009-2010	2011-2012		2011-2012			2013-2014	
	Biennium Total	Amended Budget	2011 Actual	2012 Actual	Biennium Total	2013 Budget	2014 Budget	Adopted Budget
Parks and Facility Maintenance	\$41,760	\$336,451	\$38,817	\$35,698	\$74,515	\$61,885	\$64,904	\$126,789
Personnel	26,615	27,544	12,200	18,194	30,394	10,775	14,863	25,638
General Supplies	828,157	919,447	476,321	429,800	906,121	394,870	405,974	800,844
Park Maintenance	273,250	366,600	181,846	165,601	347,447	176,000	178,000	354,000
Facility Maintenance	23,399	45,000	6,074	4,998	11,072	15,000	15,000	30,000
Capital Outlay								
Total	\$1,193,181	\$1,695,042	\$715,258	\$654,291	\$1,369,549	\$658,530	\$678,741	\$1,337,271



Employee Summary	2009-2010	2011-2012		2011-2012			2013-2014	
	Biennium Total	Amended Budget	2011 Actual	2012 Actual	Biennium Total	2013 Budget	2014 Budget	Adopted Budget
Parks and Facility Maintenance								
Maintenance Custodian	1	1	1	1	1	1	1	1
Maintenance Worker*	0	2	0	0	0	0	0	0
Total Positions	1	3	1	1	1	1	1	1

* Maintenance Worker was budgeted to be added mid 2011 and another Maintenance Worker added in 2012. These positions were not filled and were not rebudgeted for 2013-2014.

General Fund

Parks and Facility Maintenance

	2009-2010 Biennium Total	2011-2012 Amended Budget	2011 Actual	2012 Actual	2011-2012 Biennium Total	2013 Budget	2014 Budget	2013-2014 Adopted Budget
Salaries & Wages	\$ 30,334	\$ 233,708	\$ 27,542	\$ 24,807	\$ 52,349	\$ 38,563	\$ 39,720	\$ 78,283
Benefits	11,426	102,743	11,275	10,891	22,166	23,322	25,184	48,506
Personnel	41,760	336,451	38,817	35,698	74,515	61,885	64,904	126,789
Clothing/Uniforms	195	500	203	397	600	500	500	1,000
Office & Operating Supplies	16,407	11,000	1,841	7,240	9,081	5,500	5,500	11,000
Travel/Registration	558	2,000	580	134	714	500	500	1,000
Dues/Memberships/Subscriptions	0	1,000	175	350	525	500	500	1,000
Room Rental	100	0	0	0	0	0	0	0
Advertising/Postage	31	100	18	864	882	25	25	50
Fuel	510	2,000	665	1,368	2,033	1,250	1,250	2,500
Vehicle Maintenance	7,738	2,000	4,246	3,369	7,615	2,500	2,500	5,000
Equipment Replacement	1,076	8,944	4,472	4,472	8,944	0	4,088	4,088
General Supplies and Services	26,615	27,544	12,200	18,194	30,394	10,775	14,863	25,638
Park Materials	28,485	30,000	7,437	8,107	15,544	15,000	15,000	30,000
Surface Water Fees	14,690	20,000	9,319	8,709	18,028	9,319	9,319	18,638
Park Utilities	46,615	70,000	30,345	49,783	80,128	35,500	35,500	71,000
Parks Maintenance Contract	534,450	564,447	234,726	313,201	547,927	285,051	296,155	581,206
Bastyr Ballfield Rent	185,000	235,000	194,494	50,000	244,494	50,000	50,000	100,000
Aquatic Facility Maintenance	18,917	0	0	0	0	0	0	0
Park Maintenance	828,157	919,447	476,321	429,800	906,121	394,870	405,974	800,844
Facility Maintenance Supplies	18,304	40,000	7,899	15,898	23,797	10,000	10,000	20,000
Alarm Monitoring	7,129	6,400	1,743	959	2,702	3,000	3,000	6,000
Utilities-Electric	65,838	76,800	58,294	60,152	118,446	61,000	63,000	124,000
Utilities-Solid Waste	35,490	10,400	2,611	3,071	5,682	3,000	3,000	6,000
Utilities-Water	13,086	30,000	8,944	5,294	14,238	9,500	9,500	19,000
Facility Repairs	67,528	83,000	62,252	30,628	92,880	32,500	32,500	65,000
Facility Landscaping	18,861	16,000	11,563	10,527	22,090	13,000	13,000	26,000
Facility Maintenance	12,363	70,000	10,397	20,030	30,427	25,000	25,000	50,000
Telecommunications	34,651	34,000	18,143	19,042	37,185	19,000	19,000	38,000
Facility Maintenance	273,250	366,600	181,846	165,601	347,447	176,000	178,000	354,000
Furniture/Equipment	0	35,000	6,074	4,560	10,634	15,000	15,000	30,000
Vehicle	23,399	0	0	0	0	0	0	0
Computer Hardware/Software	0	10,000	0	438	438	0	0	0
Capital Outlay	23,399	45,000	6,074	4,998	11,072	15,000	15,000	30,000
Total Parks and Facility Maintenance	\$1,193,181	\$1,695,042	\$ 715,258	\$ 654,291	\$ 1,369,549	\$ 658,530	\$ 678,741	\$1,337,271

Annual Change	
Percent Change 2010 to 2011	-9.54%
Dollar Change 2010 to 2011	(\$75,406)
Percent Change 2011 to 2012	-8.52%
Dollar Change 2011 to 2012	(\$60,967)
Percent Change 2012 to 2013	0.65%
Dollar Change 2012 to 2013	\$4,239
Percent Change 2013 to 2014	3.07%
Dollar Change 2013 to 2014	\$20,211

City of Kenmore, Washington

Other Funds

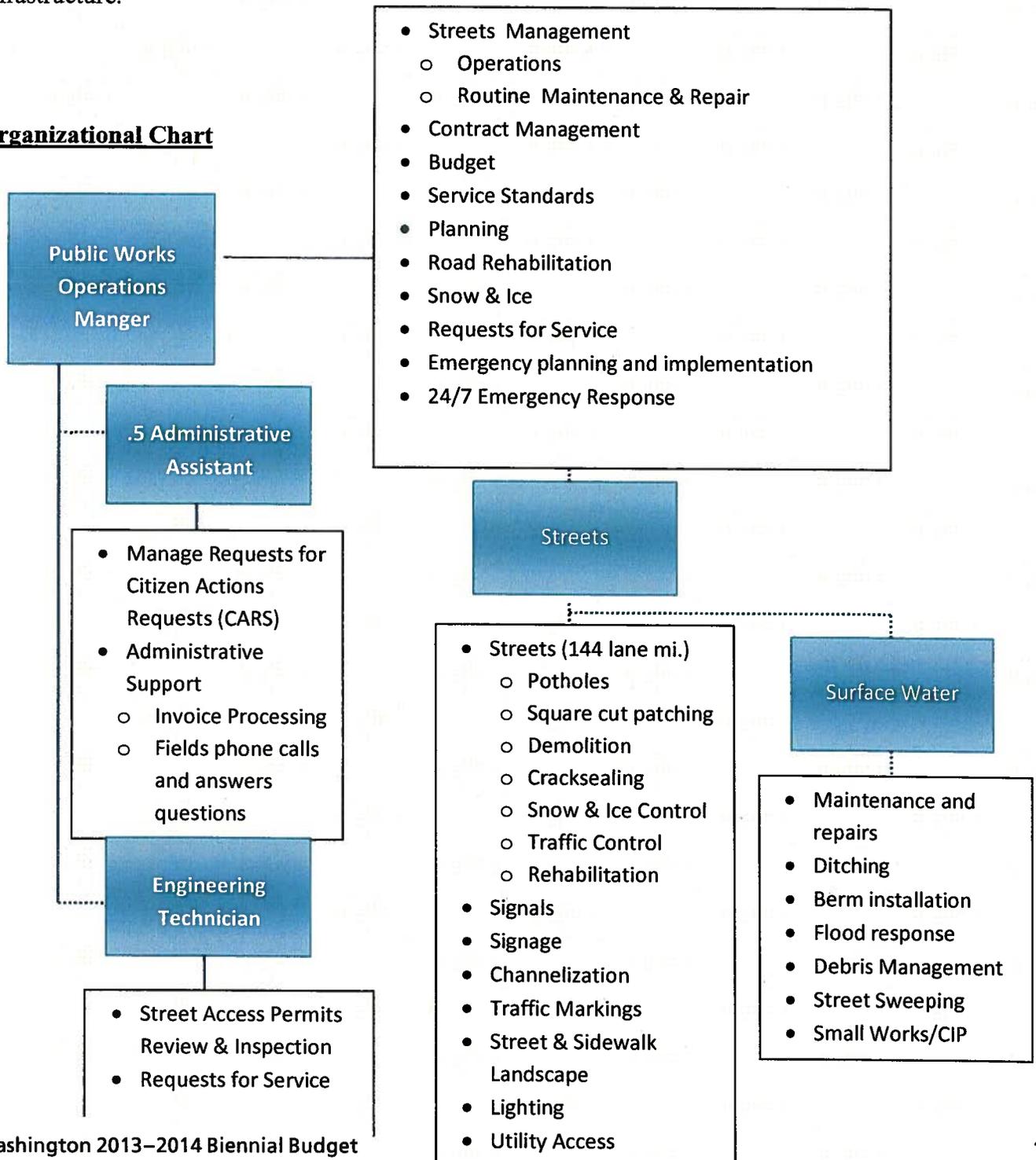
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City of Kenmore, Washington Street Fund

The Street Fund accounts for maintenance expenditures on street, traffic control devices, sidewalks and right of way maintenance and the annual overlay program. Maintenance responsibilities include pavement management, snow and ice control, sign maintenance, landscape maintenance, and other non-specialized services. Maintenance is provided through contracts with King County, the City of Lake Forest Park and private vendors. Major revenue sources include the State's gas tax on motor vehicle fuels and transfers from other funds. The goal of the operation is to protect and preserve the health, safety and well being of the citizens through effective and efficient maintenance and operation of the City's transportation infrastructure.

Organizational Chart



City of Kenmore, Washington
General Fund: Streets

2011-2012 Achievements:

- Resurfaced approximately 20,300 square yards of road through the annual asphalt overlay program.
- Replaced and/or upgraded 7 ADA wheelchair ramps on overlay roads to bring up to code.
- Implemented the annual cracksealing program.
- Completed annual striping and thermoplastic inspection and installation on over 128 roadway lane miles.
- Completed annual night inspections for over 2,000 City signs.
- Installed hardware and banners on SR522 and 68th Ave NE.
- Eradicated three blocks of blackberry bushes on the south side of SR 522.

2013-2014 Objectives:

- Continue with annual asphalt overlay program, budgeting \$1,972,000 for 2013-2014. Explore different methods of pavement rehabilitation to increase total lane miles treated annually. Overlay Juanita Dr. from NE 170th St to southern Kenmore border in 2013 with a combination of budgeted funds and grant funds.
- Continue with cracksealing program as part of the overall pavement management program.
- Continue to maintain over 2,000 street signs throughout the City.
- Pothole and road repair as needed.
- Continue to evaluate service contracts to provide efficient cost effective services with the best value.
- Implement a new contract for right of way landscape maintenance on SR522.
- Take over maintenance of two newly installed signals on Juanita Dr at NE 145th St (King County) and on 61st Ave NE at NE 181st St (WSDOT).
- Continue annual bridge inspections, maintenance and repair work.
- Banner and Wayfinding Project: expansion of the street banner program and the implementation of wayfinding signage and Gateways.
- SR 522 blackberry eradication.

Work Load and Performance Measures:

	2011 Actual	2012 Actual	2013 Estimate/Goal	2014 Estimate/Goal
<u>Workload Measures</u>				
Number of ROW* Franchise Utility Permits Applications processed	111	163	125	125
ROW Permit Applications (non franchise)	7	13	10	10

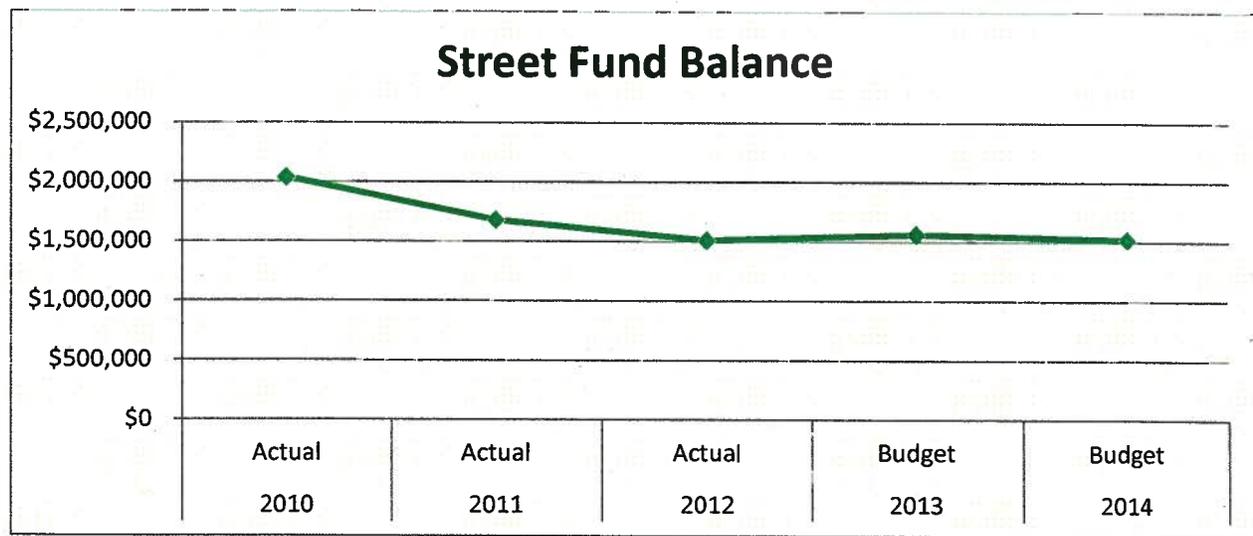
City of Kenmore, Washington
General Fund: Streets

	2011 Actual	2012 Estimate	2013 Estimate/Goal	2014 Estimate/Goal
Performance Measures				
Citizen Action Requests (CAR) Response Time: investigation and response of findings/action plan within two weeks of receipt	N/A	N/A	85%	90%
Annual Pavement Rehabilitation Program	\$606,056	\$447,775	\$1,272,000	\$700,000
Process ROW Franchise Utility Permit Applications within 5 days of receipt	100%	100%	100%	100%

*ROW = Right of Way

2013-2014 Budget Highlights:

- Funds budgeted for the maintenance and future purchase of additional street banners.
- Funds budgeted for the Wayfinding Signage implementation and ongoing maintenance.
- Federal Road Preservation Grant to fund approximately ½ of the Juanita overlay project.



STREET FUND REVENUES

	2009-2010 Biennium Total	2011-2012 Amended Budget	2011 Actual	2012 Actual	2011-2012 Biennium Total	2013 Budget	2014 Budget	2013-2014 Adopted Budget
Beginning Fund Balance	(\$2,371,433)	\$2,040,581	\$2,040,581	\$1,681,993	\$2,040,581	\$1,512,154	\$1,564,088	\$1,512,154
Beginning Fund Balance	(2,371,433)	2,040,581	2,040,581	1,681,993	2,040,581	1,512,154	1,564,088	1,512,154
Federal Grants - Ph I SR 522	4,216,165	0	0	0	0	0	0	0
Federal/State Grants - Storm Assistance	14,985	0	(4,910)	31,040	26,130	0	0	0
King Co Grants - Ph I SR 522	201,467	0	0	0	0	0	0	0
Street Fuel Tax - Unrestricted	882,820	864,000	429,845	424,614	854,459	421,536	421,536	843,072
King County Brightwater Mitigation	0	250,000	0	0	0	0	0	0
STP Preservation Grant	0	0	0	0	0	636,000	0	636,000
State Grants from Gas Tax - Ph I SR 522	1,589,992	0	0	0	0	0	0	0
Intergovernmental	6,905,429	1,114,000	424,935	455,654	880,589	1,057,536	421,536	1,479,072
Investment Interest	39,465	33,724	11,520	5,298	16,818	10,000	10,000	20,000
Transfer from General Fund	1,000,000	1,247,000	600,000	647,000	1,247,000	953,186	472,915	1,426,101
Transfer from Transportation Benefit District	0	0	0	0	0	225,000	300,000	525,000
Transfer from Real Estate Excise Tax Fund	0	0	0	0	0	0	400,000	400,000
Transfer from Equipment Rental Fund	35,000	0	0	0	0	0	0	0
Transfer from Surface Water Fund	588,426	0	0	0	0	0	0	0
Interfund Transfers	1,623,426	1,247,000	600,000	647,000	1,247,000	1,178,186	1,172,915	2,351,101
Total Revenues	8,568,320	2,394,724	1,036,455	1,107,952	2,144,407	2,245,722	1,604,451	3,850,173
Total Street Fund	\$6,196,887	\$4,435,305	\$3,077,036	\$2,789,945	\$4,184,988	\$3,757,876	\$3,168,539	\$5,362,327

Revenues adjusted for One-Time or Discontinued Sources:

Total Revenues	\$8,568,320	\$2,394,724	\$1,036,455	\$1,107,952	\$2,144,407	\$2,245,722	\$1,604,451	\$3,850,173
Less:								
Grants - Ph I SR 522	(4,417,632)	0	0	0	0	0	0	0
Federal/State Grants - Storm Assistance	(14,985)	0	4,910	(31,040)	(26,130)	(636,000)	0	(636,000)
Overlay Reimbursement from NUD	0	0	0	0	0	0	0	0
Reimbursement from Comcast	0	0	0	0	0	0	0	0
State Grants from Gas Tax - Ph I SR 522	(1,589,992)	0	0	0	0	0	0	0
Brightwater and One Time Transfers	(623,426)	(250,000)	0	0	0	0	0	0
Normalized Street Fund Revenues	\$1,922,285	\$2,144,724	\$1,041,365	\$1,076,912	\$2,118,277	\$1,609,722	\$1,604,451	\$3,214,173

Annual Changes in Total Normalized Revenues:

Percent Change 2010 to 2011	-17.0%
Dollar Change 2010 to 2011	(\$213,312)
Percent Change 2011 to 2012	3.4%
Dollar Change 2011 to 2012	\$35,547
Percent Change 2012 to 2013	49.5%
Dollar Change 2012 to 2013	\$532,810
Percent Change 2013 to 2014	-0.3%
Dollar Change 2013 to 2014	(\$5,271)

STREET FUND EXPENDITURES

	2009-2010 Biennium Total	2011-2012 Amended Budget	2011 Actual	2012 Actual	2011-2012 Biennium Total	2013 Budget	2014 Budget	2013-2014 Adopted Budget
Ending Fund Balance	\$2,040,581	\$1,274,515	\$1,681,993	\$1,512,154	\$1,512,154	\$1,564,088	\$1,522,201	\$1,522,201
Ending Fund Balance	2,040,581	1,274,515	1,681,993	1,512,154	1,512,154	1,564,088	1,522,201	1,522,201
Salaries & Wages	211,414	218,478	111,082	112,705	223,787	112,155	115,519	227,674
Benefits	83,079	85,527	46,040	49,901	95,941	52,031	55,815	107,847
Personnel	294,493	304,005	157,122	162,606	319,728	164,186	171,335	335,521
Office and Operating Supplies	1,277	1,500	2,440	(445)	1,995	950	950	1,900
Small Tools	1,389	6,000	11,676	1,591	13,267	5,000	5,000	10,000
Fuel	5,003	13,000	7,829	9,936	17,765	8,000	8,000	16,000
Equipment Rent	0	0	0	0	0	1,500	1,500	3,000
Equipment Replacement	13,792	30,377	15,188	15,188	30,376	0	15,220	15,220
Materials-Roadway	19,964	107,000	28,787	32,658	61,445	55,000	55,000	110,000
Materials-Traffic/Pedestrian	895	0	0	0	0	0	0	0
Materials-Neighborhood Traffic	0	20,000	13,192	0	13,192	20,000	10,000	30,000
Materials-Right of Way, Drainage	12,038	15,000	9,401	12,839	22,240	10,000	10,000	20,000
Supplies	54,358	192,877	88,513	71,767	160,280	100,450	105,670	206,120
Meetings/Travel/Registrations	2,564	2,400	0	84	84	1,700	2,200	3,900
Dues/Memberships/Subscriptions	456	302	155	1,159	1,314	160	160	320
Postage	106	0	138	111	249	200	200	400
Advertising	0	1,000	241	0	241	250	250	500
Consulting General	26,503	0	0	0	0	0	0	0
Telecommunications	1,579	1,600	1,167	1,203	2,370	1,200	1,200	2,400
Utilities-Street Lights/Water	162,753	196,000	109,788	118,083	227,871	115,000	115,000	230,000
Vehicle Maintenance	6,663	8,000	5,092	5,265	10,357	4,500	4,500	9,000
Insurance	10,959	14,778	6,331	7,484	13,815	6,692	6,826	13,518
Street Maintenance Contract (KC)	29,966	150,000	36,811	44,813	81,624	75,000	75,000	150,000
Traffic Contract (KC)	254,741	0	0	0	0	0	0	0
Street Overlay	659,787	1,200,000	606,656	447,775	1,054,431	1,272,000	450,000	1,722,000
Street Overlay 80th Ave.	0	250,000	0	0	0	0	250,000	250,000
Street Admin Contract (LFP)	951,246	325,828	181,556	190,790	372,346	192,450	203,997	396,447
Services-Roadway	25,931	140,000	1,007	39,696	40,703	70,000	70,000	140,000
Services-Traffic/Pedestrian	72,491	70,000	39,314	24,256	63,570	35,000	35,000	70,000
Services-Right of Way	23,026	180,000	90,002	58,327	148,329	90,000	90,000	180,000
Neighborhood Traffic-Signs	0	74,000	70,950	50,592	121,542	45,000	45,000	90,000
Emergency Storm Work	0	3,000	0	0	0	0	0	0
Services	2,228,771	2,616,908	1,149,208	989,638	2,138,846	1,909,152	1,349,333	3,258,485
Equipment/Vehicles	56,814	0	0	0	0	0	0	0
Transfer to Arterial Street Fund	1,521,870	0	0	0	0	0	0	0
Wayfinding Signs	0	47,000	200	53,780	53,980	20,000	20,000	40,000
Capital Outlay	1,578,684	47,000	200	53,780	53,980	20,000	20,000	40,000
Total Expenditures	4,156,306	3,160,790	1,395,043	1,277,791	2,672,834	2,193,788	1,646,338	3,840,126
Total Street Fund	\$6,196,887	\$4,435,305	\$3,077,036	\$2,789,945	\$4,184,988	\$3,757,876	\$3,168,539	\$5,362,327

Annual Changes in Total Normalized Expenditures:	
Percent Change 2010 to 2011	-47.4%
Dollar Change 2010 to 2011	(\$1,256,126)
Percent Change 2011 to 2012	-8.4%
Dollar Change 2011 to 2012	(\$117,252)
Percent Change 2012 to 2013	71.7%
Dollar Change 2012 to 2013	\$915,997
Percent Change 2013 to 2014	-25.0%
Dollar Change 2013 to 2014	(\$547,450)

City of Kenmore, Washington Public Art Fund

This fund accounts for public art displays (or performing arts events) as authorized by the City Council. Per Ordinance 01-0115, the revenues for financing projects are received from other City funds that have contributed toward a public project. The ordinance states that at least one-percent (1%) of the awarded construction contract will be deposited in this fund. Expenditures from this fund will be made by special committee recommendations and approved by the City Council.

2011-2012 Achievements:

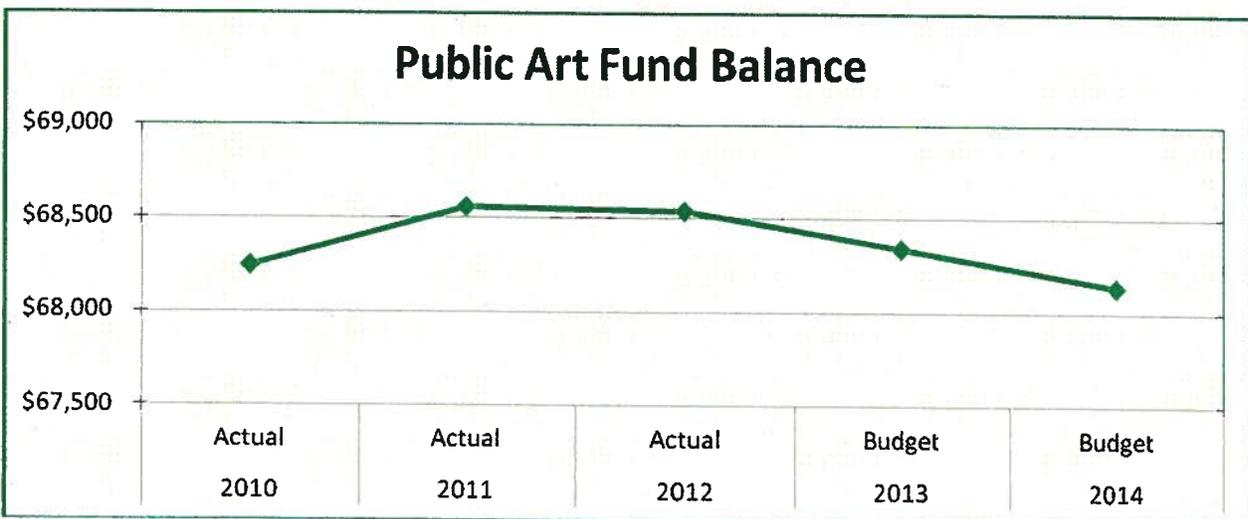
- The City continued its association with the Arts of Kenmore by jointly funding an acquisition for the City's public art collection from the annual Kenmore Art Show.
- The City Council approved an agreement with the Arts of Kenmore to organize rotating displays by local artists in the gallery area of the Kenmore City Hall lobby.
- Established an new Arts Display Policy.

2013-2014 Objectives:

- Continue to work with the Arts of Kenmore to implement the Agreement approved in 2012 for art exhibits in the City Hall lobby.
- Build the City's public art collection through annual acquisitions from the Kenmore Art Show which are jointly funded by the Arts of Kenmore and the City's Public Art Fund.
- Incorporate public art in the Kenmore Village park/gathering space design and identify other potential downtown locations for public art

Budget Highlights:

- \$500 per year is budgeted for annual public art acquisition from the Kenmore Arts Show



PUBLIC ART FUND REVENUES

	2009-2010 Biennium Total	2011-2012 Adopted Budget	2011 Actual	2012 Actual	2011-2012 Biennium Total	2013 Budget	2014 Budget	2013-2014 Adopted Budget
Beginning Fund Balance	\$67,379	\$68,245	\$68,245	\$68,564	\$68,245	\$68,541	\$68,341	\$68,541
Beginning Fund Balance	67,379	68,245	68,245	68,564	68,245	68,541	68,341	68,541
Contributions from Facility Capital Projects	129,000	0	0	0	0	0	0	0
Contributions from Park Capital Projects	0	0	0	0	0	0	0	0
Contributions from Transportation Capital Projects	0	0	0	0	0	0	0	0
Contributions from Surface Water Capital Projects	0	0	0	0	0	0	0	0
Investment Interest	1,857	3,979	819	477	1,296	300	300	600
Total Revenues	130,857	3,979	819	477	1,296	300	300	600
Total Public Art Fund	\$198,236	\$72,224	\$69,064	\$69,041	\$69,541	\$68,841	\$68,641	\$69,141

Annual Changes in Total Revenues:	
Percent Change 2010 to 2011	69.2%
Dollar Change 2010 to 2011	\$335
Percent Change 2011 to 2012	-41.8%
Dollar Change 2011 to 2012	(\$342)
Percent Change 2012 to 2013	-37.1%
Dollar Change 2012 to 2013	(\$177)
Percent Change 2013 to 2014	0.0%
Dollar Change 2013 to 2014	\$0

PUBLIC ART FUND

EXPENDITURES

	2009-2010 Biennium Total	2011-2012 Adopted Budget	2011 Actual	2012 Actual	2011-2012 Biennium Total	2013 Budget	2014 Budget	2013-2014 Adopted Budget
Ending Fund Balance	\$68,245	\$71,224	\$68,564	\$68,541	\$68,541	\$68,341	\$68,141	\$68,141
Ending Fund Balance	68,245	71,224	68,564	68,541	68,541	68,341	68,141	68,141
1% for Arts Program	129,991	1,000	500	500	1,000	500	500	1,000
Services/Capital	129,991	1,000	500	500	1,000	500	500	1,000
Total Expenditures	129,991	1,000	500	500	1,000	500	500	1,000
Total Public Art Fund	\$198,236	\$72,224	\$69,064	\$69,041	\$69,541	\$68,841	\$68,641	\$69,141

Annual Changes in Total Expenditures:	
Percent Change 2010 to 2011	-99.3%
Dollar Change 2010 to 2011	(\$75,496)
Percent Change 2011 to 2012	0.0%
Dollar Change 2011 to 2012	\$0
Percent Change 2012 to 2013	0.0%
Dollar Change 2012 to 2013	\$0
Percent Change 2013 to 2014	0.0%
Dollar Change 2013 to 2014	\$0

City of Kenmore, Washington Park Impact Fee Fund

This fund accounts for City-imposed park impact fees. The revenues are received from new development activity that creates additional demand and need for public parks. The 2012 park impact fee for a single-family residence was \$2,537.00 and the fee remains unchanged for 2013. The fee may be increased annually based on the October to October CPI-W for Seattle.

Expenditures from this fund will be spent for public improvements including, but not limited to: planning for parks that will reasonably benefit new development, land acquisition, improvements, construction, engineering, architectural, permitting, financing and administrative expenses, applicable impact or mitigation costs and capital equipment pertaining to park facilities.

2011-2012 Achievements:

- Impact fees of \$29,619 were expended towards wetland delineation, staff time, and preparation of a draft report for Northshore Summit Park. This project will be carried over into 2013 in the amount of \$190,000.

2013-2014 Objectives:

- Transfers from this fund support the City's Park Capital Improvement Program which includes acquisitions and improvements to parks and trails.

2013-2014 Budget Highlights:

- The 2013-2014 biennial budget anticipates a beginning fund balance of \$1,610,442 and receipts of \$346,567. Transfers to the Park Capital Fund in the amount of \$220,000 have been budgeted as follows:

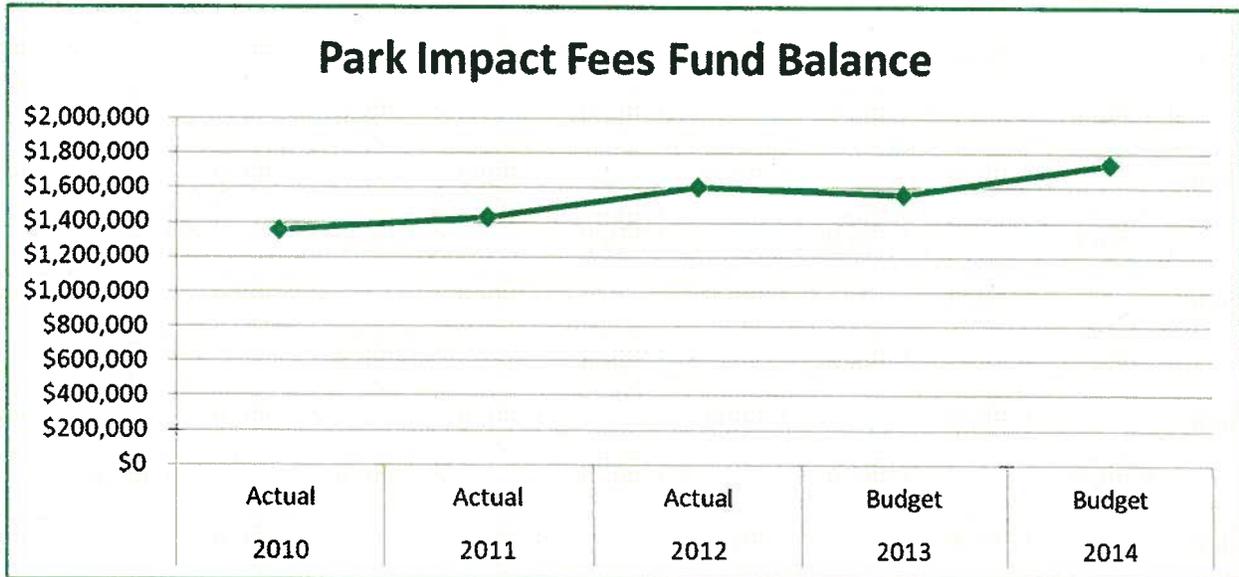
Parks:	
P 9 Northshore Summit Phase I	\$190,000
P 10 Park Land Acquisition	30,000

- In the 2011-2012 budget, all expenditures for park projects were accounted for in the Real Estate Excise Tax Fund with transfers from the Park Impact Fees as budgeted. Beginning with the 2013-2014 biennial budget, capital expenditures for Parks will be budgeted and described in the newly established Park Capital Fund.
- Park Impact fees will be budgeted by project, in accordance with the approved capital facilities plan, and transferred to the Park Capital Fund as a resource for park improvements.

City of Kenmore, Washington
Park Impact Fee Fund

➤ The following table shows the accumulated and available Park Impact Fees by year received:

2005	\$65,460
2006	310,910
2007	191,582
2008	140,084
2009	184,355
2010	212,446
2011	76,852
2012	208,753
2013 Budget	172,214
2014 Budget	<u>174,353</u>
Total	\$1,737,009



PARK IMPACT FEE FUND

REVENUES

	2009-2010	2011-2012	2011	2012	2011-2012	2013	2014	2013-2014
	Biennium Total Actual	Amended Budget			Biennium Total			Adopted Budget
Beginning Fund Balance	\$976,339	\$1,354,457	\$1,354,457	\$1,431,309	\$1,354,457	\$1,610,442	\$1,562,656	\$1,610,442
Total Beginning Fund Balance	976,339	1,354,457	1,354,457	1,431,309	1,354,457	1,610,442	1,562,656	1,610,442
Park Impact Fees	380,049	350,000	68,462	203,406	271,868	167,692	169,369	337,061
Investment Interest	16,752	90,942	8,390	5,347	13,737	4,522	4,984	9,506
Total Revenues	396,801	440,942	76,852	208,753	285,605	172,214	174,353	346,567
Total Park Impact Fee Fund	\$1,373,140	\$1,795,399	\$1,431,309	\$1,640,062	\$1,640,062	\$1,782,656	\$1,737,009	\$1,957,009

Annual Changes in Total Revenues:

Percent Change 2010 to 2011	-63.8%
Dollar Change 2010 to 2011	(\$135,594)
Percent Change 2011 to 2012	171.6%
Dollar Change 2011 to 2012	\$131,901
Percent Change 2012 to 2013	-17.5%
Dollar Change 2012 to 2013	(\$36,539)
Percent Change 2013 to 2014	1.2%
Dollar Change 2013 to 2014	\$2,139

PARK IMPACT FEE FUND EXPENDITURES

	2009-2010 Biennium Total Actual	2011-2012 Amended Budget	2011 Actual	2012 Actual	2011-2012 Biennium Total	2013 Budget	2014 Budget	2013-2014 Adopted Budget
Ending Fund Balance	\$1,354,457	\$1,095,399	\$1,431,309	\$1,610,442	\$1,610,442	\$1,562,656	\$1,737,009	\$1,737,009
Total Ending Fund Balance	1,354,457	1,095,399	1,431,309	1,610,442	1,610,442	1,562,656	1,737,009	1,737,009
Transfer to Park Capital Fund	0	0	0	0	0	220,000	0	220,000
Transfer to Real Estate Excise Tax Fund	18,683	700,000	0	29,620	29,620	0	0	0
Total Transfers	18,683	700,000	0	29,620	29,620	220,000	0	220,000
Total Expenditures	18,683	700,000	0	29,620	29,620	220,000	0	220,000
Total Park Impact Fee Fund	\$1,373,140	\$1,795,399	\$1,431,309	\$1,640,062	\$1,640,062	\$1,782,656	\$1,737,009	\$1,957,009

Annual Changes in Total Expenditures:								
Percent Change 2010 to 2011								-100.0%
Dollar Change 2010 to 2011								(\$18,683)
Percent Change 2011 to 2012								n/a
Dollar Change 2011 to 2012								\$29,620
Percent Change 2012 to 2013								642.7%
Dollar Change 2012 to 2013								\$190,380
Percent Change 2013 to 2014								-100.0%
Dollar Change 2013 to 2014								(\$220,000)

City of Kenmore, Washington Transportation Impact Fee Fund

This fund accounts for City-imposed transportation impact fees. The revenues are received from new development activity that creates additional demand and need for transportation improvements. The 2012 transportation impact fee for a single-family residence was \$8,434.02 and this was unchanged for 2013. The fee may be increased annually based on the October to October CPI-W for Seattle.

Expenditures from this fund will be spent for public improvements including, but not limited to planning, land acquisition, improvements, construction, engineering, architectural, permitting, financing and administrative expenses, applicable impact or mitigation costs and any other expenses which can be capitalized.

2011-2012 Achievements:

- The fund contributed \$1,221,256 toward SR-522 (project T 3) as well as the 61st Ave NE & 181st Traffic Signal project (T 7) through interfund transfers to the Arterial Street Fund.

2013-2014 Objectives:

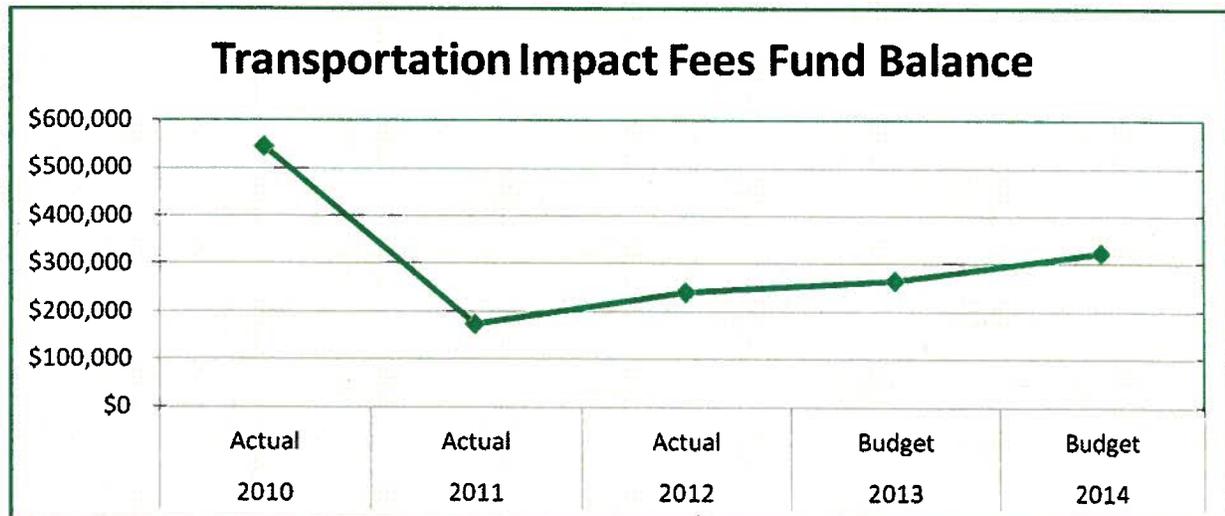
- The fund will contribute \$792,500 toward transportation projects through interfund transfers to the newly established Transportation Capital Fund.

Budget Highlights:

The 2013-2014 biennial budget anticipates a beginning fund balance of \$240,535 and transportation impact fee receipts of \$916,136. Transfers to support transportation capital projects have been budgeted as follows:

T 6 SR522 West A 61 st to 65th	\$780,000
T 22 Simonds Road-Inglemoor HS Right Turn Lane	12,500

Transportation impact fees are transferred to the Transportation Capital Fund to support transportation projects as needed.



TRANSPORTATION IMPACT FEE FUND

REVENUES

	2009-2010 Biennium Total Actual	2011-2012 Amended Budget	2011 Actual	2012 Actual	2011-2012 Biennium Total	2013 Budget	2014 Budget	2013-2014 Adopted Budget
Beginning Fund Balance	\$146,087	\$545,655	\$545,655	\$174,234	\$545,655	\$240,535	\$264,008	\$240,535
Total Beginning Fund Balance	146,087	545,655	545,655	174,234	545,655	240,535	264,008	240,535
Transportation Impact Fees	1,274,733	939,015	237,039	676,201	913,240	435,973	440,333	876,306
Investment Interest	5,533	4,947	2,168	728	2,896	0	364	364
Total Revenues	1,280,266	943,962	239,207	676,929	916,136	435,973	440,697	876,670
Total Transportation Impact Fee Fund	\$1,426,353	\$1,489,617	\$784,862	\$851,163	\$1,461,791	\$676,508	\$704,705	\$1,117,205

Annual Changes in Total Revenues:								
Percent Change 2010 to 2011								
Dollar Change 2010 to 2011								
Percent Change 2011 to 2012								
Dollar Change 2011 to 2012								
Percent Change 2012 to 2013								
Dollar Change 2012 to 2013								
Percent Change 2013 to 2014								
Dollar Change 2013 to 2014								

TRANSPORTATION IMPACT FEE FUND

EXPENDITURES

	2009-2010	2011-2012			2011-2012			2013-2014
	Biennium	Amended	2011	2012	Biennium	2013	2014	Adopted
	Total Actual	Budget	Actual	Actual	Total	Budget	Budget	Budget
Ending Fund Balance	\$545,655	\$268,362	\$174,234	\$240,535	\$240,535	\$264,008	\$324,705	\$324,705
Total Ending Fund Balance	545,655	268,362	174,234	240,535	240,535	264,008	324,705	324,705
Transfer to Transportation Capital Fund T6	0	0	0	0	0	400,000	380,000	780,000
Transfer to Transportation Capital Fund T22	0	0	0	0	0	12,500	0	12,500
Transfer to Arterial Street Fund: T7	0	446,255	223,128	223,128	446,256	0	0	0
Transfer to Arterial Street Fund: T3	880,698	775,000	387,500	387,500	775,000	0	0	0
Total Transfers	880,698	1,221,255	610,628	610,628	1,221,256	412,500	380,000	792,500
Total Expenditures	880,698	1,221,255	610,628	610,628	1,221,256	412,500	380,000	792,500
Total Transportation Impact Fee Fund	\$1,426,353	1,489,617	784,862	851,163	1,461,791	676,508	704,705	1,117,205

Annual Changes in Total Expenditures:								
Percent Change 2010 to 2011			35.7%					
Dollar Change 2010 to 2011			\$160,628					
Percent Change 2011 to 2012				n/a				
Dollar Change 2011 to 2012				\$0				
Percent Change 2012 to 2013						-32.4%		
Dollar Change 2012 to 2013						(\$198,128)		
Percent Change 2013 to 2014							-7.9%	
Dollar Change 2013 to 2014							(\$32,500)	

KENMORE, WASHINGTON **Transportation Benefit District Fund**

The newly created Transportation Benefit District (TBD) and Fund accounts for revenues received from the \$20 vehicle fee imposed on vehicles licensed in the City of Kenmore. The purpose of the District is to support transportation improvements and road preservation efforts within the district that are consistent with state, regional and local transportation plans and necessitated by existing or reasonably foreseeable congestion levels.

2013-2014 Objectives:

After adoption and implementation of a \$20 vehicle fee, coordinate with the Department Of Licensing to begin the process of collection in 2013.

Budget Highlights:

- The revenues collected from the vehicle license fee will be used for the purposes authorized by Resolution No. 2012-008, which establishes the vehicle fee, and for the cost and expense of administering and operating the TBD.
- Fund Balance: There is no projected fund balance at the end of the biennium as all revenues not expended for insurance and other services are transferred to the street fund in this biennium.

TRANSPORTATION BENEFIT DISTRICT REVENUES

	2013 Budget	2014 Budget	2013-2014 Adopted Budget
Beginning Fund Balance	\$0	\$0	\$0
Total Beginning Fund Balance	0	0	0
Vehicle Fees	230,000	305,000	535,000
Total Revenues	230,000	305,000	535,000
Total Transportation Benefit District Fund	\$230,000	\$305,000	\$535,000

Annual Changes in Total Revenues:			
Percent Change 2012 to 2013	n/a		
Dollar Change 2012 to 2013	\$230,000		
Percent Change 2013 to 2014		32.61%	
Dollar Change 2013 to 2014		\$75,000	

TRANSPORTATION BENEFIT DISTRICT EXPENDITURES

	2013 Budget	2014 Budget	2013-2014 Adopted Budget
Ending Fund Balance	\$0	\$0	\$0
Total Ending Fund Balance	0	0	0
WCIA Insurance	5,000	5,000	10,000
Total Services	5,000	5,000	10,000
Reimbursement to Street Fund	225,000	300,000	525,000
Total Intergovernmental	225,000	300,000	525,000
Total Expenditures	230,000	305,000	535,000
Total Transportation Benefit District Fund	\$230,000	\$305,000	\$535,000

Annual Changes in Total Expenditures:			
Percent Change 2012 to 2013	n/a		
Dollar Change 2012 to 2013	\$230,000		
Percent Change 2013 to 2014		32.61%	
Dollar Change 2013 to 2014		\$75,000	

City of Kenmore, Washington Strategic Reserve Fund

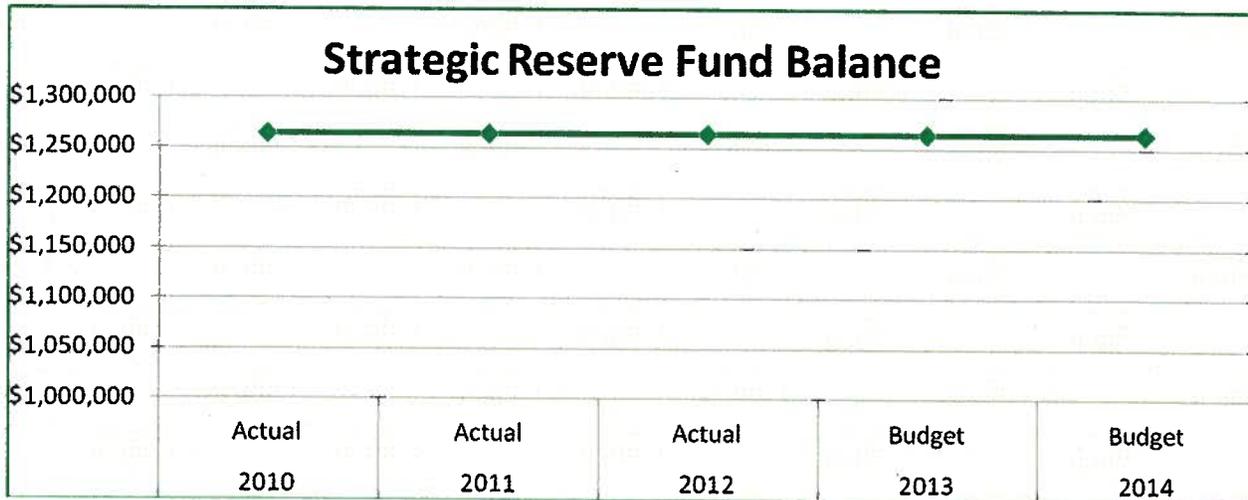
This fund was created to serve as the City's emergency reserve fund. Per State Statute, RCW 35A.33.145, the Fund cannot exceed \$.375 per \$1,000 assessed value. Based on an estimated 2013 assessed value of \$2,565,017,525, which has declined from a high of \$3,346,634,810 in 2009, the fund has reached its statutory limit.

2011-2012 Achievements:

- Funded the reserve to the maximum of \$1,264,464.

2013-2014 Objectives:

- Maintain the maximum reserve possible with transfers from the General Fund and investment interest. The estimated assessed value for 2013 is \$2,565,017,525 which allows a reserve fund limit of \$961,881. The current balance is based on the funding limit established with the 2009 assessed value of \$3,346,634,810.
- No expenditures are proposed from this fund.



STRATEGIC RESERVE FUND REVENUES

	2009-2010	2011-2012		2011-2012		2013-2014		
	Biennium Total	Adopted Budget	2011 Actual	2012 Actual	Biennium Total	2013 Budget	2014 Budget	Adopted Budget
Beginning Fund Balance	\$1,057,632	\$1,264,465	\$1,264,465	\$1,264,465	\$1,264,465	\$1,264,465	\$1,264,465	\$1,264,465
Beginning Fund Balance	1,057,632	1,264,465	1,264,465	1,264,465	1,264,465	1,264,465	1,264,465	1,264,465
Investment Interest	10,738	0	0	0	0	0	0	0
Annual Transfer from General Fund	196,095	0	0	0	0	0	0	0
Revenues	206,833	0	0	0	0	0	0	0
Total Strategic Reserve Fund	\$1,264,465							

Annual Changes in Total Revenues:								
Percent Change 2010 to 2011			0.0%					
Dollar Change 2010 to 2011			\$0					
Percent Change 2011 to 2012				0.0%				
Dollar Change 2011 to 2012				\$0				
Percent Change 2012 to 2013						0.0%		
Dollar Change 2012 to 2013						0		
Percent Change 2013 to 2014							0.0%	
Dollar Change 2013 to 2014								\$0

STRATEGIC RESERVE FUND EXPENDITURES

	2009-2010	2011-2012		2011-2012		2013-2014		
	Biennium Total	Adopted Budget	2011 Actual	2012 Actual	Biennium Total	2013 Budget	2014 Budget	Adopted Budget
Ending Fund Balance	\$1,264,465	\$1,264,465	\$1,264,465	\$1,264,465	\$1,264,465	\$1,264,465	\$1,264,465	\$1,264,465
Total Ending Fund Balance	1,264,465	1,264,465	1,264,465	1,264,465	1,264,465	1,264,465	1,264,465	1,264,465
Expenditures	0	0	0	0	0	0	0	0
Total Strategic Reserve	\$1,264,465							

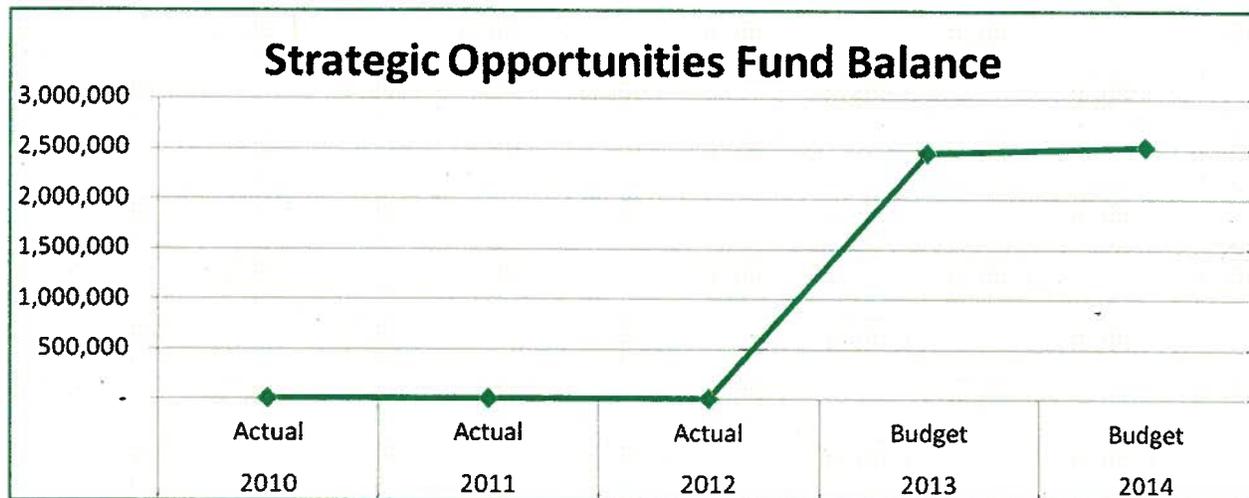
Annual Changes in Total Expenditures:								
Percent Change 2010 to 2011			0.0%					
Dollar Change 2010 to 2011			\$0					
Percent Change 2011 to 2012				0.0%				
Dollar Change 2011 to 2012				\$0				
Percent Change 2012 to 2013						0.0%		
Dollar Change 2012 to 2013						\$0		
Percent Change 2013 to 2014							0.0%	
Dollar Change 2013 to 2014								\$0

City of Kenmore, Washington Strategic Opportunities Fund

This is a new fund established in 2013. The fund was created to have resources available for “rainy days” and for the City to make key investments or take advantage of strategic opportunities as they present themselves.

2013-2014 Objectives:

Funded with \$2,500,000 transferred from General Fund reserves, this fund currently has \$50,000 budgeted for 2013 as startup money for a pilot business incubator project, one of the City’s Economic Development strategies. Other potential uses would be to support a farmers market or provide resources for strategic grant matches or land purchases.



STRATEGIC OPPORTUNITIES FUND

REVENUES

	2013 Budget	2014 Budget	2013-2014 Adopted Budget
Beginning Fund Balance	\$0	\$2,512,500	\$0
Beginning Fund Balance	0	2,512,500	0
Investment Interest	12,500	12,562	25,062
Transfer from General Fund	2,500,000	0	2,500,000
Revenues	2,512,500	12,562	2,525,062
Total Strategic Reserve Fund	\$2,512,500	\$2,525,062	\$2,525,062

Annual Changes in Total Revenues:			
Percent Change 2010 to 2011			
Dollar Change 2010 to 2011			
Percent Change 2011 to 2012			
Dollar Change 2011 to 2012			
Percent Change 2012 to 2013	100.0%		
Dollar Change 2012 to 2013	\$2,512,500		
Percent Change 2013 to 2014		-99.5%	
Dollar Change 2013 to 2014		(\$2,499,938)	

STRATEGIC OPPORTUNITIES FUND

EXPENDITURES

	2013 Budget	2014 Budget	2013-2014 Adopted Budget
Ending Fund Balance	\$2,462,500	\$2,525,062	\$2,475,062
Total Ending Fund Balance	2,462,500	2,525,062	2,475,062
Expenditures	50,000	0	50,000
Total Strategic Reserve Fund	\$2,512,500	\$2,525,062	\$2,525,062

Annual Changes in Total Expenditures:			
Percent Change 2010 to 2011			
Dollar Change 2010 to 2011			
Percent Change 2011 to 2012			
Dollar Change 2011 to 2012			
Percent Change 2012 to 2013	100.0%		
Dollar Change 2012 to 2013	\$50,000		
Percent Change 2013 to 2014		-100.0%	
Dollar Change 2013 to 2014		(\$50,000)	

KENMORE, WASHINGTON
Sammamish River Bridge Fund

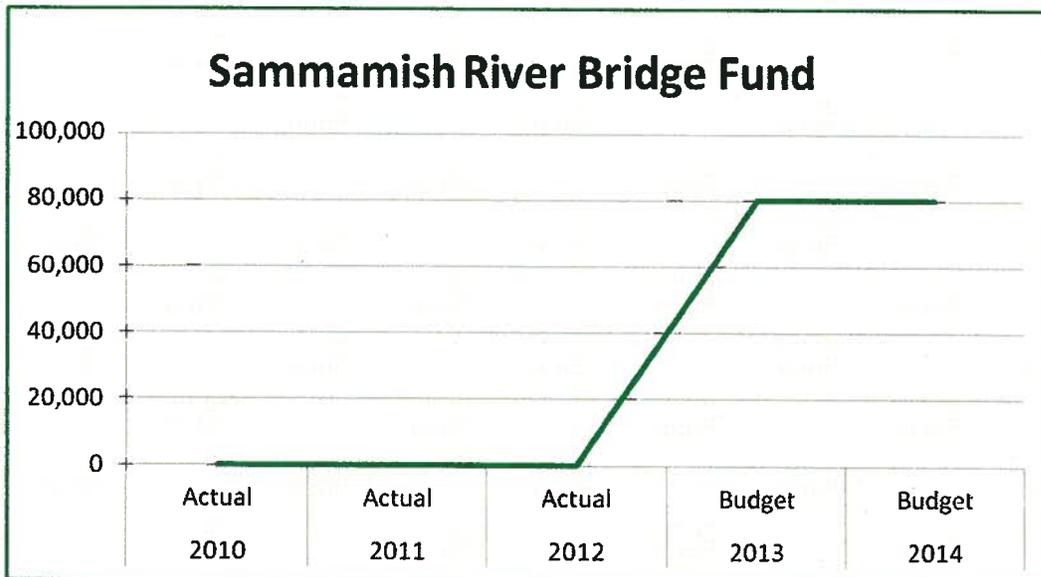
The Sammamish River Bridge Fund was created with the 2013-2014 Biennial Budget with an initial transfer from the General Fund of \$80,000. The West Sammamish River Bridge was constructed in the 1930's and the East Sammamish River Bridge was constructed in the 1980's. Recent studies show that the West Bridge has increased cracking and tilting that require additional investigation and evaluation. This fund will provide for maintenance, study, evaluation, design and rehabilitation and/or replacement of the Bridges as needed.

2013-2014 Objectives:

Continue with study and evaluation of the bridges which is expected to be funded from the Street Fund. No expenditures from the Sammamish River Bridge Fund are anticipated at this time.

Budget Highlights:

- The Sammamish River Bridge Fund was created with an initial transfer from the General Fund of \$80,000. No expenditures are included in the adopted budget.



SAMMAMISH RIVER BRIDGE FUND

REVENUES

	2013 Budget	2014 Budget	2013-2014 Adopted Budget
Beginning Fund Balance	\$0	\$80,000	\$0
Total Beginning Fund Balance	0	80,000	0
Transfer from General Fund	80,000	0	80,000
Total Interfund	80,000	0	80,000
Total Sammamish River Bridge Fund	\$80,000	\$80,000	\$80,000

Annual Changes in Total Revenues:			
Percent Change 2012 to 2013	n/a		
Dollar Change 2012 to 2013	\$230,000		
Percent Change 2013 to 2014		-100.00%	
Dollar Change 2013 to 2014		(\$80,000)	

SAMMAMISH RIVER BRIDGE FUND

EXPENDITURES

	2013 Budget	2014 Budget	2013-2014 Adopted Budget
Ending Fund Balance	\$80,000	\$80,000	\$80,000
Total Ending Fund Balance	80,000	80,000	80,000
Expenditures	0	0	0
Total Sammamish River Bridge Fund	\$80,000	\$80,000	\$80,000

Annual Changes in Total Expenditures:			
Percent Change 2012 to 2013	n/a		
Dollar Change 2012 to 2013	\$800,000		
Percent Change 2013 to 2014		0.00%	
Dollar Change 2013 to 2014		\$0	

City of Kenmore, Washington
Real Estate Excise Tax Fund (formerly Municipal Capital Fund)

The Real Estate Excise Tax Fund accounts for the collections and appropriation of the two, one-quarter percent (total of .5%) real estate excise tax revenues (REET) levied by the City. These monies can only be used for capital expenditures following adoption of a Capital Facilities Plan (CFP).

2013-2014 Objectives:

In prior budgets, this fund accounted for actual park capital expenditures. Beginning with the 2013-2014 biennial budget, a new fund entitled Park Capital Fund has been established for this purpose. The 2011-2012 achievements describing the park projects are detailed in that section of the budget document.

In addition to real estate excise taxes, distributions from the King County Proposition 2 Parks Expansion Levy have been receipted into this fund, since 2008, in the amount of \$177,655 (as of December 31, 2012). This was a five cent, six year levy of which one cent has been distributed to each city in King County. The last distribution will be in 2013. The 2013-2014 biennial budget transfers these levy funds to the new Park Capital Fund.

Other transfers from this fund support the City's Capital Improvement Program which includes acquisitions and improvements to parks, transportation, surface water, and other facilities.

2013-2014 Budget Highlights:

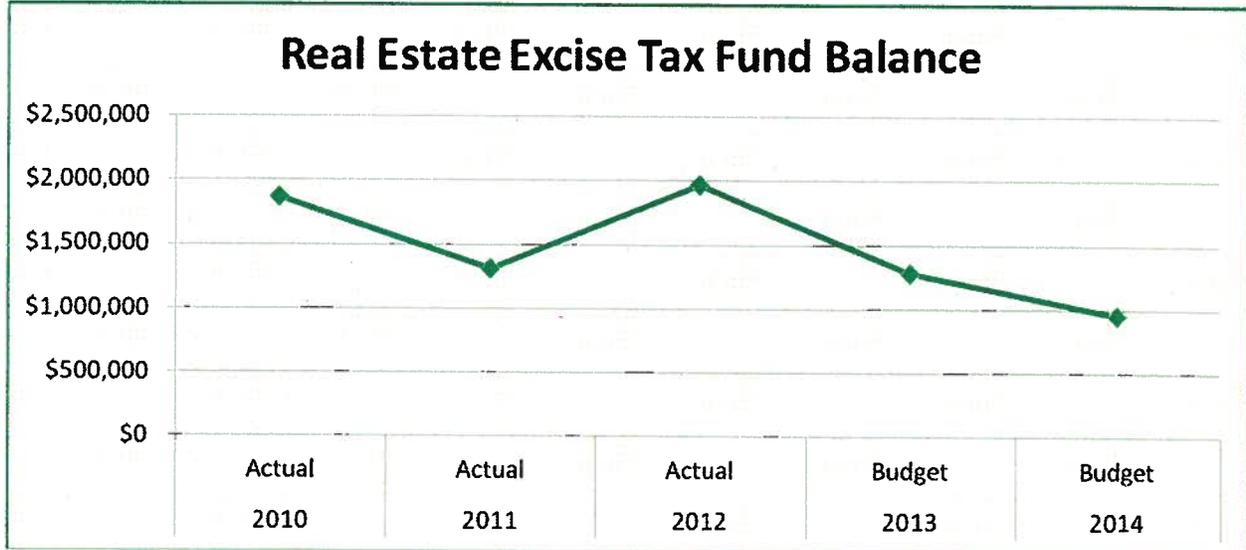
The 2013-2014 biennial budget anticipates a beginning fund balance of \$1,973,500 and real estate excise tax receipts of \$1,138,886. Transfers to support parks (\$250,000), transportation (\$1,862,250) and surface water (\$55,000) capital projects have been budgeted as follows:

Parks:	
P 2 Tolt Pipeline Trail Phase I – (Park Levy Funds)	\$120,000
P 11 Log Boom Park Pedestrian Bridge	40,000
P 6 Moorlands Park Improvements	20,000
P 13 Skate Park	20,000
P 24 Sammamish River Boat Launch Restroom	50,000
Transportation:	
Street Fund for Overlay Program	\$400,000
T 6 SR522 West A 61 st to 65th	400,000
T 7 61 st Ave NE & 181 st Traffic Signal	487,300
T 27 Sidewalk Program	274,950
T 36 City Gateways	300,000
Surface Water:	
SW 8 61 st Ave NE Sidewalk Embankment Repair	\$55,000

The Real Estate Excise Tax Fund balance has declined over the recent years and there is uncertainty as to whether this trend will continue or improve. Revenues are from Real Estate Excise Tax (REET) on real estate transactions and declined as residential and commercial property sales have declined

City of Kenmore, Washington
Real Estate Excise Tax Fund (formerly Municipal Capital Fund)

with the economic downturn. REET is restricted to capital improvements and is heavily relied upon to support park, transportation, sidewalk, and other capital improvement projects.



REAL ESTATE EXCISE TAX FUND (formerly Municipal Capital Fund) REVENUES

	2009-2010 Biennium Total Actual	2011-2012 Amended Budget	2011 Actual	2012 Actual	2011-2012 Biennium Total	2013 Budget	2014 Budget	2013-2014 Adopted Budget
Beginning Fund Balance	\$5,702,042	\$1,866,315	\$1,866,315	\$1,312,912	\$1,866,315	\$1,973,500	\$1,280,718	\$1,973,500
Beginning Fund Balance	5,702,042	1,866,315	1,866,315	1,312,912	1,866,315	1,973,500	1,280,718	1,973,500
Real Estate Excise Taxes	1,348,082	1,236,240	605,932	767,245	1,373,177	566,610	572,276	1,138,886
Park Levy Proceeds	82,832	86,537	42,676	43,147	85,823	0	0	0
Intergovernmental	1,430,914	1,322,777	648,608	810,392	1,459,000	566,610	572,276	1,138,886
Donations to Rhododendron Park	5,085	0	0	0	0	0	0	0
Investment Interest	38,572	15,564	9,575	4,019	13,594	2,858	5,573	8,431
Other Revenues	43,657	15,564	9,575	4,019	13,594	2,858	5,573	8,431
Transfers from Park Impact Fees	18,683	700,000	0	29,620	29,620	0	0	0
Transfers	18,683	700,000	0	29,620	29,620	0	0	0
Total Revenues	1,493,254	2,038,341	658,183	844,031	1,502,214	569,468	577,849	1,147,317
Total Municipal Capital Reserve Fund	\$7,195,296	\$3,904,656	\$2,524,498	\$2,156,943	\$3,368,529	\$2,542,968	\$1,858,567	\$3,120,817

Annual Changes in Total Revenues:

Percent Change 2010 to 2011	-5.0%
Dollar Change 2010 to 2011	(\$34,655)
Percent Change 2011 to 2012	28.2%
Dollar Change 2011 to 2012	\$185,848
Percent Change 2012 to 2013	-32.5%
Dollar Change 2012 to 2013	(\$274,563)
Percent Change 2013 to 2014	1.5%
Dollar Change 2013 to 2014	\$8,381

REAL ESTATE EXCISE TAX FUND (formerly Municipal Capital Fund)

EXPENDITURES

	2009-2010	2011-2012	2011	2012	2011-2012	2013	2014	2013-2014
	Biennium	Amended			Biennium			Proposed
	Total Actual	Budget	Actual	Actual	Total	Budget	Budget	Budget
Ending Fund Balance	\$1,028,771	(\$343,782)	\$351,368	\$907,984	\$907,984	\$1,280,718	\$953,567	\$953,567
Ending Fund Balance- Sidewalks	837,544	985,544	961,544	1,065,516	1,065,516	0	0	0
Ending Fund Balance	\$1,866,315	641,762	1,312,912	1,973,500	1,973,500	1,280,718	953,567	953,567
Transfer to Park Capital Fund	0	0	0	0	0	70,000	60,000	130,000
Transfer Levy Funds to Park Capital Fund	0	0	0	0	0	120,000	0	120,000
P-2 Tolt Pipeline Trail	0	300,000	0	0	0	0	0	0
P-15 Rhododendron Park Improvements	847,591	25,000	0	23,816	23,816	0	0	0
P-9 Northshore Summit	0	300,000	0	24,963	24,963	0	0	0
P-5 Squires Landing	39,916	0	0	0	0	0	0	0
P-10 Park Land Acquisition	0	300,000	0	0	0	0	0	0
P-16 0056 Outfall and Shoreline Restoration	0	85,000	85,139	0	85,139	0	0	0
Park Capital and Transfers	1,004,981	1,010,000	85,139	48,779	133,918	190,000	60,000	250,000
Transfer to Arterial Street Fund: Frontage Imp	334,000	0	0	(43,968)	(43,968)	0	0	0
Transfer to Arterial Street Fund: SR522 Ph II	3,290,000	472,775	315,307	(0)	315,307	0	0	0
Transfer to Arterial Street Fund: SR522 Ph I	700,000	0	0	0	0	0	0	0
Transfer to Arterial St. SR 522 Ph II	0	0	0	0	0	0	0	0
Transfer to Arterial Street Fund: T-27 Sidewalks	0	100,000	0	24,517	24,517	0	0	0
Transfer to Arterial Street Fund: T-7	0	879,945	0	573,110	573,110	0	0	0
Transfer to Arterial Street Fund: T-12	0	0	10,966	(10,966)	0	0	0	0
Transfer to Arterial Street Fund: T-32 61st Place Slide	0	410,000	410,000	(17,855)	392,145	0	0	0
Transfer to Arterial Street Fund:T-34 Ph I St II ROW	0	390,174	390,174	(390,174)	0	0	0	0
Transfer to Street Fund SR522 Ph I	0	0	0	0	0	0	0	0
Transfer to Street Fund (overlays)	0	0	0	0	0	0	400,000	400,000
Transfer to Surface Water Fund SW 8	0	0	0	0	0	0	55,000	55,000
Transfer to Transportation Capital Fund	0	0	0	0	0	1,072,250	390,000	1,462,250
Transportation Transfers	4,324,000	2,252,894	1,126,447	134,664	1,261,111	1,072,250	845,000	1,917,250
Total Expenditures	5,328,981	3,262,894	1,211,586	183,443	1,395,029	1,262,250	905,000	2,167,250
Total Municipal Capital Reserve Fund	\$7,195,296	\$3,904,656	\$2,524,498	\$2,156,943	\$3,368,529	\$2,542,968	\$1,858,567	\$3,120,817

Annual Changes in Total Expenditures:	
Percent Change 2010 to 2011	-63.9%
Dollar Change 2010 to 2011	(\$2,148,121)
Percent Change 2011 to 2012	-84.9%
Dollar Change 2011 to 2012	(\$1,028,143)
Percent Change 2012 to 2013	588.1%
Dollar Change 2012 to 2013	\$1,078,807
Percent Change 2013 to 2014	-28.3%
Dollar Change 2013 to 2014	(\$357,250)

City of Kenmore, Washington
Kenmore Village Fund (formerly Capital Projects Fund)

This fund, previously named the Capital Projects Fund accounted for general government capital projects as well as operations and maintenance of Kenmore Village. The revenues for financing projects may come from transfers from the General Fund, grant awards, issuance of debt, or sale of properties. A portion of fund balance has been annually reserved for “A Regional Coalition for Housing” (ARCH). This organization, comprised of local municipalities, provides funding toward affordable housing projects. Capital improvements for parks, transportation, and surface water projects are accounted for in their respective funds.

Design and construction of the Kenmore City Hall was included in this Fund; the project was completed in 2010. In April, 2010, the City of Kenmore drew \$4,000,000 that was available on the Banner Bank bond that was approved by the City Council in 2009 for the construction of the new City Hall. The bond was repaid in December, 2010, in the amount of \$4,000,000 plus interest of \$93,792.

In 2007, the City entered into a Disposition Development Agreement (DDA) which provided for the sale of Kenmore Village and other adjoining City owned property (total 9.6 acres) to Kenmore Partners, LLC (the developer) with an anticipated closing date of December, 2009. The City entered into a new amended and restated DDA and a ground lease agreement on May 24, 2010 with RECP/UP Kenmore, LP (formerly Kenmore Partners, LLC) which provided for a closing date for a portion (Phase 1) of the property no later than December 15, 2014 with remaining property (Phase II and Phase III) no later than December 15, 2016. An annual escrow payment was due from the developer in the amount of \$50,000. The 2011-2012 biennial budget anticipated this revenue of \$100,000 from the escrow payments and \$50,000 was received in 2011. In March, 2012, through mutual agreement, the DDA and all associated agreements were dissolved and, in settlement, the City paid RECP/UP Kenmore, LP \$700,000.

From May 2010 until March 2012, RECP/UP Kenmore, LP held the ground lease and managed the properties in Kenmore Village, with the exception of the Post Office which the City continued to manage. After the ground lease ended, the City entered into a property management contract with J Taylor Consulting for general property maintenance and management between March and July 2012. The City resumed other management responsibilities of Kenmore Village until September 2012 at which time JSH Properties was awarded the contract for property management. In June 2012 the City entered into a purchase and sale agreement for the sale of 1.24 acres of the Kenmore Village property to the owners of Kenmore Camera. Not only does this allow a successful business to grow in Kenmore, this transaction provides for more activity in the Kenmore downtown, as the space will accommodate customer classes and photography seminars that are currently held off-site. In June 2012 the City entered into a contract with Spinnaker Strategies to assist the City in developing and implementing an action plan to sell the remaining Kenmore Village property in a way that advances the City’s downtown goals.

2011-2012 Achievements:

- In March 2012, by mutual agreement, dissolved the DDA and ground lease agreement with RECP/UP Kenmore, LP. Maintained ongoing tenant leases and relationships with Espresso Works, Kenmore Fitness, GreatPlay, and the United States Postal Office.

City of Kenmore, Washington
Kenmore Village Fund (formerly Capital Projects Fund)

- In June 2012, the owners of local business Kenmore Camera, entered into a purchase and sale agreement for one of the parcels in Kenmore Village in the amount of \$1,250,000. The transaction is expected to close in 2013.
- In June 2012 the City Council's objective was to sell the remaining Kenmore Village properties and bring them to market in a way that advances the City's goals for the downtown. In September 2012, following a series of community and Council meetings, the Council direction was to move forward with a hybrid RFQ/proposal process for selecting and entering into a contract with a buyer by 2nd Quarter 2013. Costs associated with development and implementation of that plan have been recorded in this fund and will be reimbursed to the City when the property is sold in the future.
- Also in June 2012, entered into an agreement with Spinnaker Strategies to assist the City in the development and implementation of an action plan to sell the remaining Kenmore Village properties.
- In September 2012, entered into an agreement with JSH Properties for management and maintenance of the Kenmore Village properties.
- Continued annual \$75,000 commitment to affordable housing projects through ARCH, A Regional Coalition for Housing. In 2011 the \$317,000 fund balance portion reserved for ARCH was transferred to the ARCH Trust Fund account at the City of Bellevue.

2013-2014 Objectives:

- Bring the remaining Kenmore Village properties to market in a way that advances the City's goals for the downtown. Execute a letter-of-intent with a selected buyer in 1st Quarter 2013 and be under contract by 2nd Quarter 2013.
- Provide \$150,000 in the Park Capital Fund to plan and design a public square in Kenmore Village.

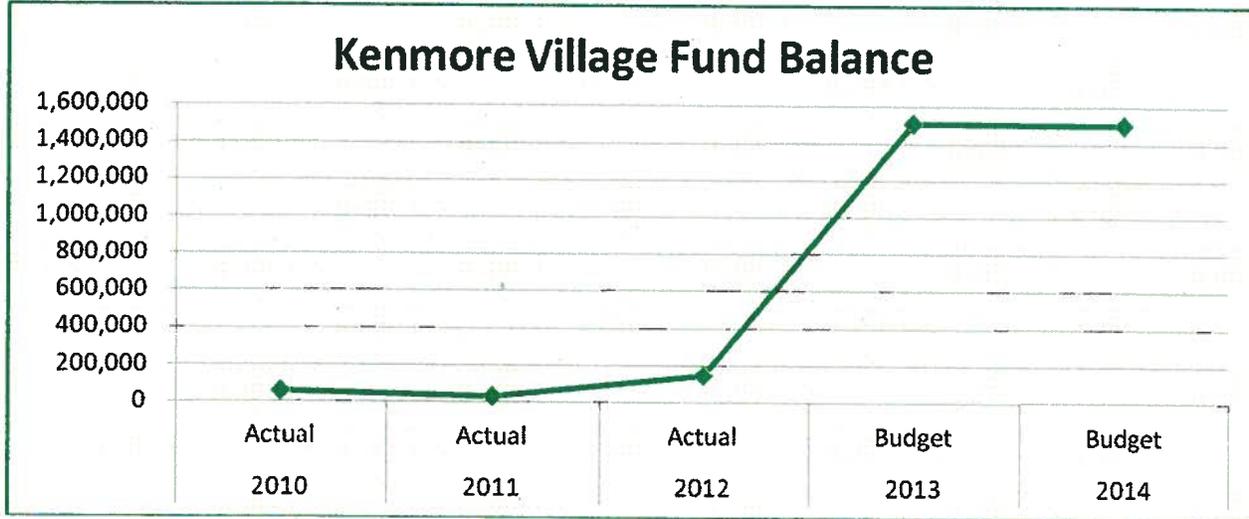
2013-2014 Budget Highlights:

The 2013-2014 biennial budget assumes ongoing management and maintenance of the Kenmore Village properties and current leases through JSH Properties until the properties can be sold. The fund expenditures include \$150,000 transferred to the Park Capital Fund in anticipation of creating a public square in Kenmore Village.

The annual \$75,000 commitment to affordable housing projects through ARCH will be appropriated directly from the General Fund beginning in 2013.

City of Kenmore, Washington
Kenmore Village Fund (formerly Capital Projects Fund)

Fund balance results from sale of property and lease revenues less lease expenditures.



KENMORE VILLAGE FUND

REVENUES

(formerly Capital Projects Fund)

	2009-2010 Biennium Total Actual	2011-2012 Amended Budget	2011 Actual	2012 Actual	2011-2012 Biennium Total	2013 Budget	2014 Budget	2013-2014 Adopted Budget
Beginning Fund Balance	\$12,004,085	\$60,722	\$60,722	\$33,566	\$60,722	\$151,085	\$1,512,505	\$151,085
Total Beginning Fund Balance	12,004,085	60,722	60,722	33,566	60,722	151,085	1,512,505	151,085
Leasehold Excise Taxes	12,773	0	2,025	4,868	6,893	7,800	7,100	14,900
Taxes	12,773	0	2,025	4,868	6,893	7,800	7,100	14,900
King County LEED Grant	0	0	12,500	0	12,500	0	0	0
Total Intergovernmental	0	0	12,500	0	12,500	0	0	0
Lease Income	482,984	88,266	44,817	101,068	145,885	173,220	159,720	332,940
Sale of Property-Kenmore Village	50,000	100,000	50,000	0	50,000	1,250,000	0	1,250,000
Reimbursement from Kenmore Camera	0	0	0	0	0	90,000	0	90,000
Insurance Recovery	0	0	19,672	0	19,672	0	0	0
Bond Anticipation Note Proceeds	4,000,000	0	0	0	0	0	0	0
Investment Interest	135,005	2,812	1,619	1,583	3,202	2,000	2,500	4,500
Transfer from General Fund	12,500	317,000	317,000	0	317,000	0	0	0
Miscellaneous	4,680,489	508,078	433,108	102,651	535,759	1,515,220	162,220	1,677,440
Interfund Loan from General Fund	0	0	0	1,200,000	1,200,000	0	0	0
Total Revenues	4,693,262	508,078	447,633	1,307,519	1,755,152	1,523,020	169,320	1,692,340
Total Kenmore Village Fund	\$16,697,347	\$568,800	\$508,355	\$1,341,085	\$1,815,874	\$1,674,105	\$1,681,825	\$1,843,425

Annual Changes in Total Revenues:	
Percent Change 2010 to 2011	-87.1%
Dollar Change 2010 to 2011	(\$3,022,049)
Percent Change 2011 to 2012	192.1%
Dollar Change 2011 to 2012	\$859,886
Percent Change 2012 to 2013	16.5%
Dollar Change 2012 to 2013	\$215,501
Percent Change 2013 to 2014	-88.9%
Dollar Change 2013 to 2014	(\$1,353,700)

KENMORE VILLAGE FUND

EXPENDITURES

(formerly Capital Projects Fund)

	2009-2010 Biennium Total Actual	2011-2012 Amended Budget	2011 Actual	2012 Actual	2011-2012 Biennium Total	2013 Budget	2014 Budget	2013-2014 Adopted Budget
Ending Fund Balance	(\$261,584)	(\$1,149,020)	\$33,566	\$151,085	\$151,085	\$1,512,505	\$1,504,225	\$1,504,225
Reserved for ARCH	322,306	0	0	0	0	0	0	0
Ending Fund Balance	60,722	(1,149,020)	33,566	151,085	151,085	1,512,505	1,504,225	1,504,225
Property/Asset Management	139,025	0	0	0	0	21,600	21,600	43,200
6700 Building Maintenance	109,135	40,820	28,569	9,343	37,912	10,000	1,000	11,000
Kenmore Village Maintenance	165,319	180,000	52,781	86,040	138,821	55,000	55,000	110,000
Services	413,479	220,820	81,350	95,383	176,733	86,600	77,600	164,200
City Hall Design and Construction	11,935,154	0	1,439	(1,439)	0	0	0	0
City Hall Project Transfer to Art Fund	129,000	0	0	0	0	0	0	0
City Hall Financing Costs	65,200	0	0	0	0	0	0	0
Transfer to Park Capital Fund	0	0	0	0	0	50,000	100,000	150,000
DDA Settlement	0	700,000	0	700,000	700,000	0	0	0
Downtown Development Costs	0	330,000	0	321,056	321,056	25,000	0	25,000
ARCH Contribution	0	467,000	392,000	75,000	467,000	0	0	0
Capital Outlay	12,129,354	1,497,000	393,439	1,094,617	1,488,056	75,000	100,000	175,000
Debt Service Payments on Loan	4,093,792	0	0	0	0	0	0	0
Total Expenditures	16,636,624	1,717,820	474,789	1,190,000	1,664,789	161,600	177,600	339,200
Total Kenmore Village Fund	\$16,697,346	\$568,800	\$508,355	\$1,341,085	\$1,815,874	\$1,674,105	\$1,681,825	\$1,843,425

Annual Changes in Total Expenditures:	
Percent Change 2010 to 2011	-95.5%
Dollar Change 2010 to 2011	(\$10,096,272)
Percent Change 2011 to 2012	150.6%
Dollar Change 2011 to 2012	\$715,211
Percent Change 2012 to 2013	-86.4%
Dollar Change 2012 to 2013	(\$1,028,400)
Percent Change 2013 to 2014	9.9%
Dollar Change 2013 to 2014	\$16,000

CITY OF KENMORE, WASHINGTON

Park Capital Fund

The Park Capital Fund is a new fund in the 2013-2014 Biennial Budget and accounts for expenditures for park acquisition and improvements. Revenue sources for this fund include a variety of federal, state or local grants, King County Park Levy fees, and City resources from real estate excise tax and park impact fees. The City expends monies from this fund based on the adopted Capital Facilities Plan and the Park Recreation and Open Space Plan.

2011-2012 Achievements:

The following projects were included in the adopted 2011-2016 Park Capital Improvement Program with funding allocations within the 2011-2012 capital budget. Park capital projects were previously budgeted and described in the Municipal Capital Fund, now renamed the Real Estate Excise Tax Fund.

No dedicated staff resources were allocated to manage parks projects in 2011 which limited the ability to make substantial progress. A Temporary Parks Project Manager was hired on 6/1/12 (through 12/31/12) to manage park projects within the 2011-2012 capital budget, with a focus on the Tolt Pipeline Trail, Northshore Summit and Rhododendron Park playground projects.

- Tolt Pipeline Trail (68th Ave NE to 73rd Ave NE): The goal for 2011-2012 was to identify, design and construct a Phase One project for a 10 to 12 foot wide asphalt pedestrian/bike trail. This goal was partly achieved. On 4/11/11 Council passed a motion to limit Phase One of the project to between 68th Ave NE and 73rd Ave NE. \$110,000 was allocated in the 2011 capital budget for completing design and \$210,000 in 2012 for construction, funded with the King County Park Levy fees. The City anticipates reaching an agreement with the City of Seattle for use of the Tolt right-of-way for a trail and associated improvements. Assuming an agreement is reached, the City will then pursue design and construction of Phase 1 improvements in 2013.
- Northshore Summit Park: The goal for 2011-2012 was to identify, design and construct Phase One park improvements consistent with the 2006 adopted Northshore Summit Park Master Plan. This goal was partly achieved. \$30,000 was allocated in the 2011 capital budget (park impact fee funds) to complete design and permitting and \$300,000 (park impact fee funds) was allocated in the 2012 capital budget for project construction, funded by park impact fees. On 6/21/12 the City held a community meeting (50 people attended) to discuss the City's intended proposed Phase One improvements which would include a playground, related site drainage and grading improvements with other site improvements dependent on available funding. A wetland investigation was completed by ESA Associates on behalf of the City in July 2012 and a Class 3 wetland was identified on site in the proximity of the playground location shown on the master plan. A council meeting was held 10/8/12 on-site at the park to review the status of the project and options for next steps in design and construction of park improvements, given environmental constraints.
- Rhododendron Park Playground Amenities: The goal for 2011 was to purchase and install a piece of playground equipment. This goal was achieved. The playground equipment was originally planned to be installed as part of Phase 1 park improvements in 2009 but due to budget constraints was deleted from the project. \$25,000, funded by Real Estate Excise Tax (REET) was allocated in the 2011 capital budget for purchase and installation. The equipment was installed on 10/20/12 "Jack Crawford Day", in part, as a volunteer community build project.
- Stream 0056 Outfall and Shoreline Restoration: The goal for 2011 was to stabilize 100 feet of the shoreline on Lake Washington at the outfall of Stream 0056 in Log Boom Park was the goal for 2011. This goal was achieved. \$150,000 was allocated in the 2011 capital budget, funded by Real Estate Excise Tax (REET). The goal was achieved. Stream 0056 has diverted from its normal outfall channel into a previous emergency outfall channel entering Lake Washington in Log Boom Park. The stream eroded the hardened lake bank, exposing softer soils to wave action, resulting in a loss of

CITY OF KENMORE, WASHINGTON

Park Capital Fund

shoreline. To avoid further bank erosion and reduce the amount of sediment entering Lake Washington, approximately 100 feet of shoreline was stabilized, also in an attempt made to restore a portion of the lost park land and shoreline. The project was completed in 2011.

- Park Land Acquisition \$300,000: The 2012 goal was to identify potential sites for acquisition to expand existing parks and create new parks. Two proposed locations were adjacent to Squire's Landing and Moorland Parks. This goal was not achieved. \$300,000 was allocated in the 2012 capital budget funded by park impact fees. This goal was not reached in 2011-2012. A feasibility study to identify potential sites for expanding existing parks and creating new parks is a potential project identified in the 2013 parks capital improvement program.
- Squires Landing Park Restoration: The 2011 goal was to complete a phase of wetland habitat restoration. This goal was achieved. \$50,000 was allocated in the 2011 capital budget funded by a King County Conservation grant. Two restoration efforts were previously completed in prior years.

2013-2014 Objectives:

The following projects are included in the 2013-2018 Park Capital Improvement Program with funding allocations within the 2013-2014 capital budget.

- Tolt Pipeline Trail Phase: Construct Phase One of the 10-12 foot wide pedestrian/bike Tolt Pipeline Trail between 68th Ave NE and 73rd Ave NE. This is based on the assumption that all necessary agreements will have been executed by year end 2012 with the City of Seattle to use and improve the trail. \$120,000 is allocated in the 2013 capital budget (King County park levy funds) to fund trail design, permitting and construction.
- Moorlands park Ballfield Improvements: Complete the construction drawings for renovation of the existing youth sport field and work out a new agreement with Northshore School District regarding park maintenance. \$20,000 is allocated in the 2013 capital budget (REET funds) to fund this project.
- Northshore Summit Park Design Phase 1: Complete construction of Phase 1 park improvements which may include playground equipment with associated drainage and grading improvements. \$190,000 is allocated in the 2013 capital budget (park impact fee funds) to fund this project.
- Park Land Acquisition: Complete a feasibility study to identify potential sites for acquisition to expand existing parks and/or create new parks. \$30,000 is allocated in the 2013 capital budget (park impact fee funds) to fund the study.
- Log Boom Park Pedestrian Bridge Replacement: Complete a design for replacing the pedestrian bridge that was damaged and removed following the 2008 winter storm. \$40,000 is allocated in the 2013 capital budget (REET funds) to fund the bridge design.
- Skate Park: Complete a study to explore the feasibility of relocating and expanding the skate park facilities which are currently located on the former park & ride property (68th Ave NE). Exploring the potential for locating the skate park on the city hall property is one option. \$20,000 is allocated in the 2014 capital budget (REET funds) to fund the feasibility study.
- Kenmore Village Public Square: Complete a pre-design for a public square on the Kenmore Village property. \$50,000 is allocated in the 2013 capital budget (Kenmore Village Sale Proceeds) to fund the site pre-design. The objective for 2014 is to complete a final design for the public square. \$100,000 is allocated in the 2014 capital budget (Kenmore Village Sale Proceeds) to fund the final design.
- Sammamish River Boat Launch Restroom. The Washington State Department of Fish and Wildlife (WDFW) proposed to improve the existing public boat launch facility adjacent to the Sammamish River including reconstructing and widening the boat ramp, reconfiguring parking, providing plantings

CITY OF KENMORE, WASHINGTON

Park Capital Fund

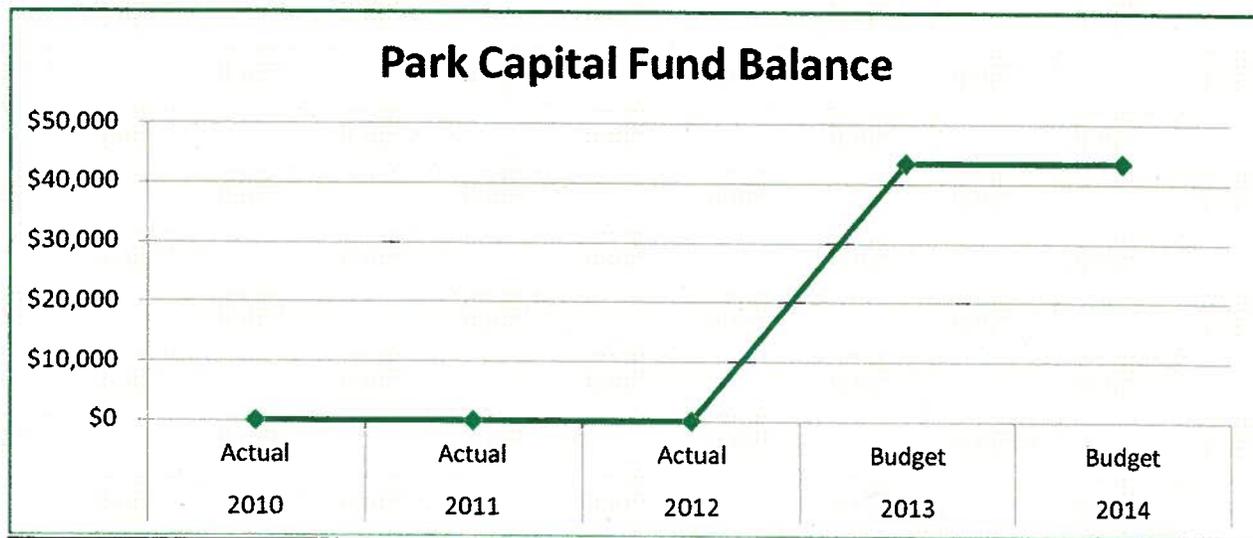
adjacent to the shoreline and a new restroom. WDFW will agree to provide a permanent restroom (rather than a vault restroom) if the City pays for the costs of utility connections and takes over restroom maintenance responsibilities. \$50,000 is allocated in the 2013 capital budget (REET funds) for the connections and related improvements.

Budget Highlights:

The 2013-2014 capital budget allocates \$620,000 of revenues to offset the \$620,000 of expenditures on capital park improvements. Capital park improvements are funded as follows:

- **Park Impact Fee Fund \$220,000:** The 2013 capital budget includes transfers from the Park Impact Fee Fund of \$220,000 in 2013 to support funding the following projects: construction of Phase One improvements in Northshore Summit Park (\$190,000) and a feasibility study to identify potential park land acquisition sites (\$30,000).
- **Real Estate Excise Tax (REET) \$130,000:** The 2013 capital budget includes \$70,000 to support funding the following projects: completing the construction drawings for renovation of the youth sports field at Moorlands Park (\$20,000) and utility connections and improvements to the Sammamish River Boat Launch restroom (\$50,000). The 2014 capital budget includes \$60,000 to support funding the design for the pedestrian bridge replacement at Log Boom Park (\$40,000) and a feasibility study for relocating the temporary skate park (\$20,000).
- **King County Proposition 2 Parks Levy \$120,000:** The 2013 capital budget includes \$120,000 in levy funds to support funding the construction of Phase One of the Tolt Pipeline bike/pedestrian trail project between 68th Ave NE and 73rd Ave NE.
- **Kenmore Village Sale Proceeds \$150,000:** The 2013 capital budget includes \$50,000 and the 2014 capital budget includes \$100,000 to support funding the design and construction of improvements of a Kenmore Village Public Square project.

The fund balance represents resources that have been transferred in for budgeted capital projects but not expended as of the end of the period.



PARK CAPITAL FUND

REVENUES

	2009-2010 Biennium Total Actual	2011-2012 Amended Budget	2011 Actual	2012 Actual	2011-2012 Biennium Total	2013 Budget	2014 Budget	2013-2014 Adopted Budget
Beginning Fund Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$43,534	\$0
Beginning Fund Balance	0	0	0	0	0	0	43,534	0
Park Levy Proceeds	0	0	0	0	0	43,534	0	43,534
Park Grants	0	0	0	0	0	0	0	0
Intergovernmental	0	0	0	0	0	43,534	0	43,534
Investment Interest	0	0	0	0	0	0	0	0
Other Revenues	0	0	0	0	0	0	0	0
Transfers of Levy Funds	0	0	0	0	0	120,000	0	120,000
Transfers from Real Estate Excise Tax Fund	0	0	0	0	0	70,000	60,000	130,000
Transfers from Kenmore Village Fund	0	0	0	0	0	50,000	100,000	150,000
Transfers from Park Impact Fees	0	0	0	0	0	220,000	0	220,000
Transfers	0	0	0	0	0	460,000	160,000	620,000
Total Revenues	0	0	0	0	0	503,534	160,000	663,534
Total Park Capital Fund	\$0	\$0	\$0	\$0	\$0	\$503,534	\$203,534	\$663,534

Annual Changes in Total Revenues:								
Percent Change 2010 to 2011			0.0%					
Dollar Change 2010 to 2011			\$0					
Percent Change 2011 to 2012				0.0%				
Dollar Change 2011 to 2012				\$0				
Percent Change 2012 to 2013						0.0%		
Dollar Change 2012 to 2013						\$0		
Percent Change 2013 to 2014							-68.2%	
Dollar Change 2013 to 2014							(343,534)	

PARK CAPITAL FUND

EXPENDITURES

	2009-2010 Biennium Total Actual	2011-2012 Amended Budget	2011 Actual	2012 Actual	2011-2012 Biennium Total	2013 Budget	2014 Budget	2013-2014 Adopted Budget
Ending Fund Balance	\$0	\$0	\$0	\$0	\$0	\$43,534	\$43,534	\$43,534
Ending Fund Balance	\$0	\$0	\$0	\$0	\$0	\$43,534	\$43,534	\$43,534
P 2 Tolt Pipeline Trail Ph I	0	0	0	0	0	120,000	0	120,000
P 6 Moorlands Park Improvements	0	0	0	0	0	20,000	0	20,000
P 9 Northshore Summit	0	0	0	0	0	190,000	0	190,000
P 10 Park Land Acquisition	0	0	0	0	0	30,000	0	30,000
P 11 Log Boom Park Ped Bridge	0	0	0	0	0	0	40,000	40,000
P 13 Skate Park	0	0	0	0	0	0	20,000	20,000
P 21 Kenmore Village Public Square	0	0	0	0	0	50,000	100,000	150,000
P 24 Sammamish R. Boat Launch Restroom						50,000	0	50,000
Capital Outlay	0	0	0	0	0	460,000	160,000	620,000
Total Expenditures	0	0	0	0	0	460,000	160,000	620,000
Total Park Capital Fund	\$0	\$0	\$0	\$0	\$0	\$503,534	\$203,534	\$663,534

Annual Changes in Total Expenditures:								
Percent Change 2010 to 2011			0.0%					
Dollar Change 2010 to 2011			\$0					
Percent Change 2011 to 2012				0.0%				
Dollar Change 2011 to 2012				\$0				
Percent Change 2012 to 2013						0.0%		
Dollar Change 2012 to 2013						\$0		
Percent Change 2013 to 2014							-65.2%	
Dollar Change 2013 to 2014							(300,000)	

CITY OF KENMORE, WASHINGTON

Transportation Capital Fund (formerly Arterial Street Fund)

The newly named Transportation Capital Fund accounts for expenditures on capital projects constructed on the City's streets. Revenue sources for this fund include a wide variety of federal, state and local grants in addition to City resources from real estate excise tax and transportation impact fees. The City expends monies from this fund based on the adopted Capital Facilities Plan and the Transportation Improvement Program.

2011-2012 Achievements:

- Completed the update of the City's 6-year Capital Improvement Program and Transportation Improvement Plan.
- Hired an experienced Construction Manager as a temporary employee to oversee transportation project construction in 2012.
- Completed construction projects including: NE 181st ST/61st Ave NE Traffic Signal, NE 145th ST Traffic Signal, 190th Stairway Replacement Project, 61st Slide Repair Project, SR 522 Phase I - NE 181st Street Sidewalk Improvements (in partnership with King County Library System).
- Participated in regional technical committees including Eastside Transportation Partnership (ETP) and King County Project Evaluation Committee (KPEC) to monitor potential funding options for City projects.
- Attained grant funding for City capital projects including \$3.6 Million for SR 522 project, \$650,000 for the 61st/181st Signal, \$600,000 for Juanita Drive NE pavement preservation project, and \$250,000 for WSDOT City Safety Program.

2013-2014 Objectives:

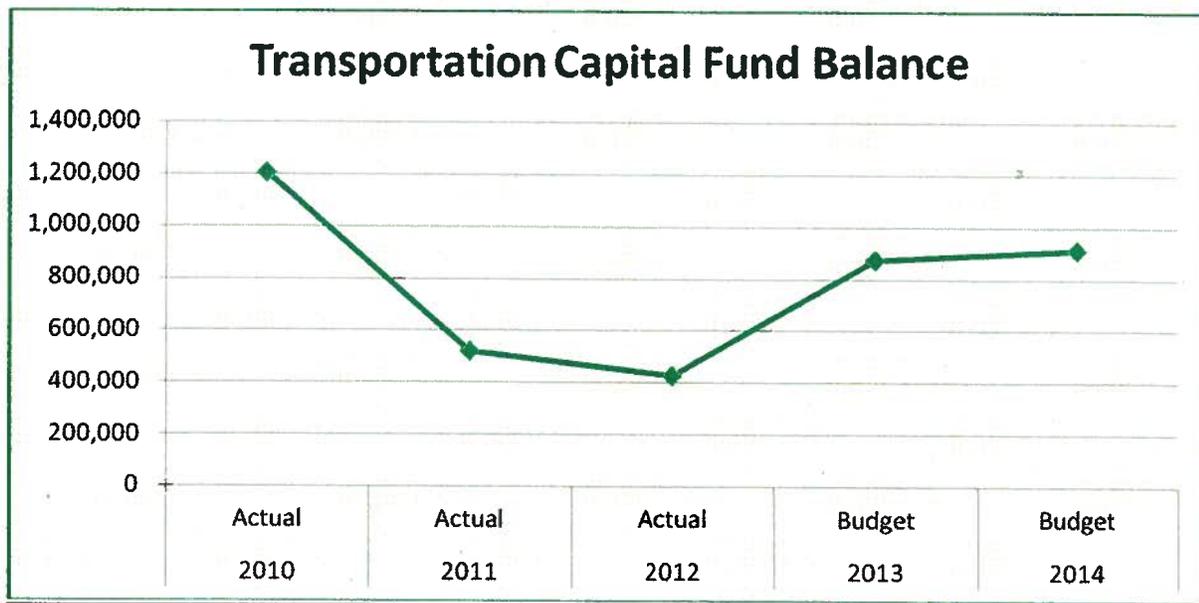
- Complete an update of the City's 6-year Capital Improvement Program and the Transportation Improvement Plan over the next two-year budget period.
- Continue to participate in regional technical committees including Eastside Transportation Partnership (ETP) and King County Project Evaluation Committee (KPEC).
- Acquire right of way for the remainder of the Highway 522 Improvement Project West Segment.
- Prepare grant applications for the Highway SR 522 project and City sidewalk projects.
- Implement the 20 – 30 Year Sidewalk Plan.
- Complete construction projects including: 61st Avenue NE and SR522 Traffic Signal Improvements (if not constructed as part of the 522 West A Segment), WSDOT City Safety Program project, Juanita Drive NE Asphalt Overlay Project, City Gateways Project.

CITY OF KENMORE, WASHINGTON
Transportation Capital Fund (formerly Arterial Street Fund)

Budget Highlights:

- Staff continues to seek funding for the 522 West A Segment.
- Staff will continue to utilize a temporary help employee to manage construction of capital projects.

The fund balance has fluctuated in this fund due to the cash flow and timing of expenditures and grant reimbursements related to expenditures incurred for the SR 522 and other transportation projects.



CITY OF KENMORE, WASHINGTON
Transportation Capital Fund (formerly Arterial Street Fund)

The newly named Transportation Capital Fund accounts for expenditures on capital projects constructed on the City's streets. Revenue sources for this fund include a wide variety of federal, state and local grants in addition to City resources from real estate excise tax and transportation impact fees. The City expends monies from this fund based on the adopted Capital Facilities Plan and the Transportation Improvement Program.

2011-2012 Achievements:

- Completed the update of the City's 6-year Capital Improvement Program and Transportation Improvement Plan.
- Hired an experienced Construction Manager as a temporary employee to oversee transportation project construction in 2012.
- Completed construction projects including: NE 181st ST/61st Ave NE Traffic Signal, NE 145th ST Traffic Signal, 190th Stairway Replacement Project, 61st Slide Repair Project, SR 522 Phase I - NE 181st Street Sidewalk Improvements (in partnership with King County Library System).
- Participated in regional technical committees including Eastside Transportation Partnership (ETP) and King County Project Evaluation Committee (KPEC) to monitor potential funding options for City projects.
- Attained grant funding for City capital projects including \$3.6 Million for SR 522 project, \$650,000 for the 61st/181st Signal, \$600,000 for Juanita Drive NE pavement preservation project, and \$250,000 for WSDOT City Safety Program.

2013-2014 Objectives:

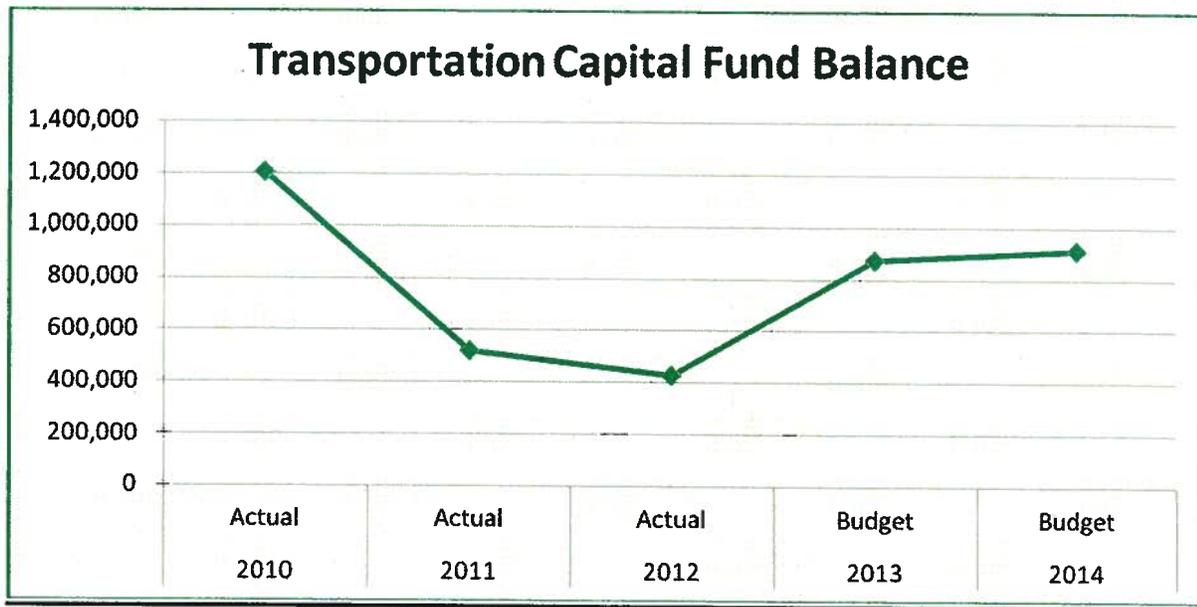
- Complete an update of the City's 6-year Capital Improvement Program and the Transportation Improvement Plan over the next two-year budget period.
- Continue to participate in regional technical committees including Eastside Transportation Partnership (ETP) and King County Project Evaluation Committee (KPEC).
- Acquire right of way for the remainder of the Highway 522 Improvement Project West Segment.
- Prepare grant applications for the Highway SR 522 project and City sidewalk projects.
- Implement the 20 – 30 Year Sidewalk Plan.
- Complete construction projects including: 61st Avenue NE and SR522 Traffic Signal Improvements (if not constructed as part of the 522 West A Segment), WSDOT City Safety Program project, Juanita Drive NE Asphalt Overlay Project, City Gateways Project.

CITY OF KENMORE, WASHINGTON
Transportation Capital Fund (formerly Arterial Street Fund)

Budget Highlights:

- Staff continues to seek funding for the SR 522 Segments.
- Staff will continue to utilize a temporary help employee to manage construction of capital projects.

The fund balance has fluctuated in this fund due to the cash flow and timing of expenditures and grant reimbursements related to expenditures incurred for the SR 522 and other transportation projects.



TRANSPORTATION CAPITAL FUND (formerly Arterial Street Fund)

REVENUES

	2009-2010 Biennium Total Actual	2011-2012 Amended Budget	2011 Actual	2012 Actual	2011-2012 Biennium Total	2013 Budget	2014 Budget	2013-2014 Adopted Budget
Beginning Fund Balance	(\$767,728)	\$1,209,199	\$1,209,199	\$522,361	\$1,209,199	\$427,542	\$873,742	\$427,542
Total Beginning Fund Balance	(767,728)	1,209,199	1,209,199	522,361	1,209,199	427,542	873,742	427,542
Phase I Grants	10,694,974	30,279	0	55	55	0	0	0
Phase II Grants	5,217,867	27,811	6,683	0	6,683	0	0	0
SR522 Ph I Stage II ROW Federal Allocation	0	2,500,000	0	0	0	2,500,000	0	2,500,000
181st Signal Direct Federal Allocation	0	650,000	0	321,338	321,338	650,000	0	650,000
Federal Transportation Funding 61st Signal	0	0	0	0	0	1,100,000	0	1,100,000
State TIB SR 522 61st-65th	0	0	0	0	0	0	4,100,000	4,100,000
Federal Grant Safety Improvements	0	0	0	0	0	250,000	0	250,000
Intergovernmental	15,912,841	3,208,090	6,683	321,393	328,076	4,500,000	4,100,000	8,600,000
Reimbursements from Other Agencies	496,925	604,924	2,694	800,297	802,991	12,500	0	12,500
Brightwater Mitigation Fee Phase II	0	250,000	0	0	0	0	0	0
Contribution from Urban Partners	79,438	0	0	0	0	0	0	0
Bastyr Contribution to 145th St Signal	159,500	37,000	0	37,000	37,000	18,500	111,000	129,500
Other Contributions	238,938	287,000	0	37,000	37,000	18,500	111,000	129,500
Transfer from Impact Fee Fund	880,698	1,221,255	610,628	610,627	1,221,255	412,500	380,000	792,500
Transfer From Street Fund	1,521,870	0	0	0	0	0	0	0
Transfer From Surface Water Mgt Fund	0	0	0	0	0	63,500	320,000	383,500
Transfer from Real Estate Excise Tax Fund	4,324,000	2,252,894	1,126,447	134,664	1,261,111	1,072,250	390,000	1,462,250
Transfers	6,726,568	3,474,149	1,737,075	745,291	2,482,366	1,548,250	1,090,000	2,638,250
Investment Interest	17,864	0	5,429	10,037	15,466	2,700	5,000	7,700
Total Revenues	23,393,136	7,574,163	1,751,881	1,914,018	3,665,899	6,081,950	5,306,000	11,387,950
Total Transportation Capital Fund	\$22,625,408	\$8,783,362	\$2,961,080	\$2,436,379	\$4,875,098	\$6,509,492	\$6,179,742	\$11,815,492

Annual Changes in Total Revenues:	
Percent Change 2010 to 2011	-92.5%
Dollar Change 2010 to 2011	(8,624,041)
Percent Change 2011 to 2012	9.3%
Dollar Change 2011 to 2012	162,137
Percent Change 2012 to 2013	217.8%
Dollar Change 2012 to 2013	4,167,932
Percent Change 2013 to 2014	-12.8%
Dollar Change 2013 to 2014	(775,950)

TRANSPORTATION CAPITAL FUND EXPENDITURES

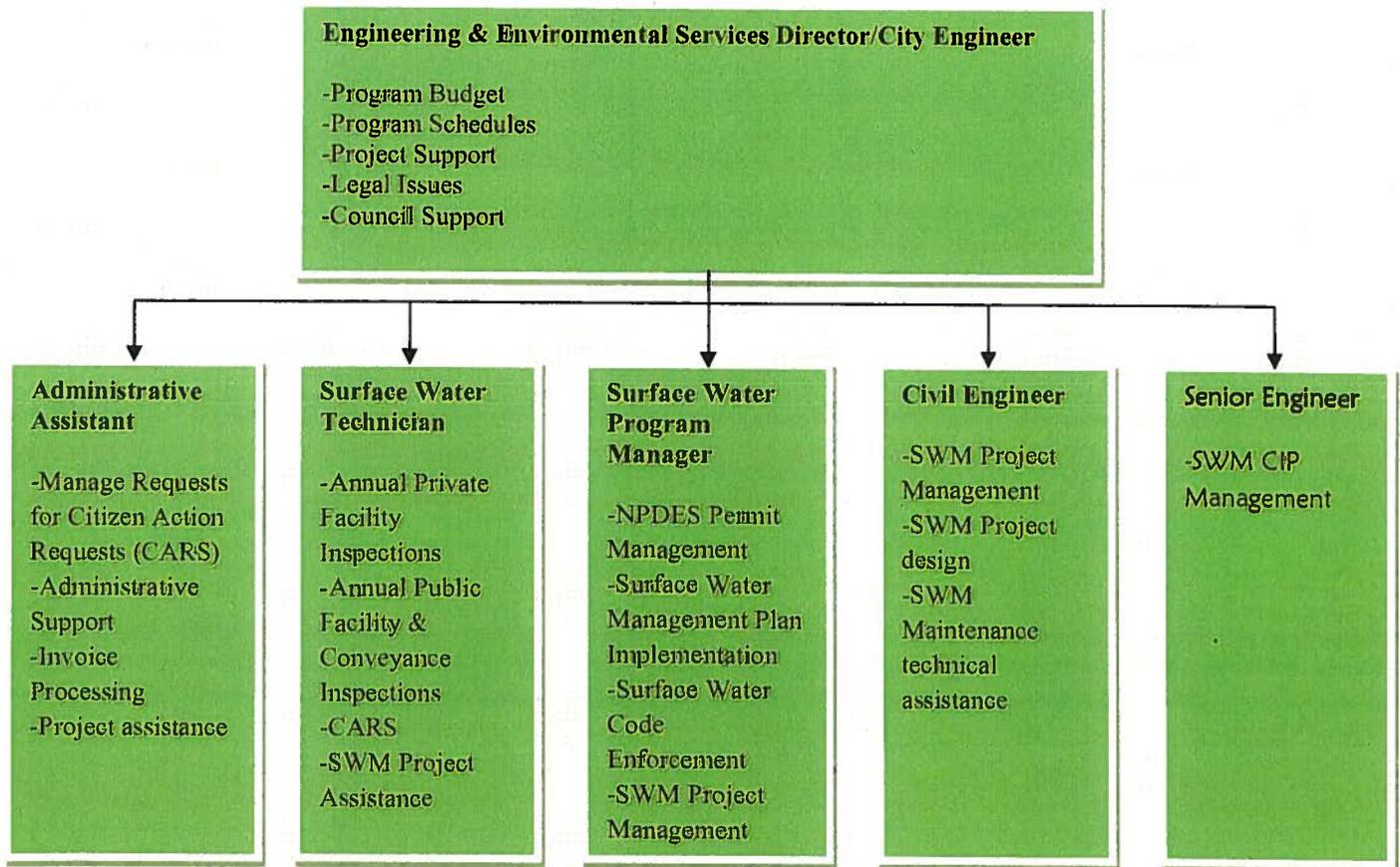
(formerly Arterial Street Fund)

	2009-2010 Biennium Total Actual	2011-2012 Amended Budget	2011 Actual	2012 Actual	2011-2012 Biennium Total	2013 Budget	2014 Budget	2013-2014 Adopted Budget
Ending Fund Balance	\$1,209,199	\$363,122	\$522,361	\$427,542	\$427,542	\$873,742	\$914,742	\$914,742
Ending Fund Balance	1,209,199	363,122	522,361	427,542	427,542	873,742	914,742	914,742
T 1 SR-522 Phase I	14,535,333	578,798	154,161	407,050	561,211	50,000	0	50,000
T 2 SR-522 Phase I Stage 2 Design	919,189	100,000	67,783	103,582	171,365	0	0	0
T 3 SR-522 Phase II	5,704,982	1,526,775	1,403,236	48,235	1,451,471	100,000	0	100,000
T 6 SR 522 West A 61st -65th	0	0	0	0	0	4,398,500	4,865,000	9,263,500
T 7 61st Ave NE&181st Traffic Signal	7,248	1,976,200	291,700	727,665	1,019,365	487,300	0	487,300
T 8 SR 522 West B 57th - 61st w/BGT Wall	0	0	0	0	0	0	0	0
T-12 NE 145th St Traffic Signal	40,854	420,000	44,303	291,601	335,904	0	0	0
T 22 Simonds Rd-Inglemoor HS Right Turn	0	0	0	0	0	25,000	0	25,000
T 27 Sidewalk Program	0	100,000	3,230	21,287	24,517	174,950	100,000	274,950
T 31 City Safety Improvements	0	0	0	0	0	250,000	0	250,000
T 32 61st Slide Repair	0	410,000	392,145	590	392,735	0	0	0
T 34 SR 522 Ph I Stage II ROW	0	2,890,174	0	0	0	0	0	0
T 36 City Gateways	0	0	0	0	0	75,000	225,000	300,000
Juanita Drive Design/Admin	0	0	0	12,465	12,465	0	0	0
181st Street Frontage Improvements	58,440	250,000	11,168	220,424	231,592	0	0	0
Total Capital Outlay	21,266,046	8,251,947	2,367,726	1,832,899	4,200,625	5,560,750	5,190,000	10,750,750
Interfund Loan Expense	3,365	0	0	0	0	0	0	0
Reimbursement to General Fund	146,800	168,293	70,993	175,938	246,931	75,000	75,000	150,000
Transfer to Public Art Fund	0	0	0	0	0	0	0	0
Transfers	146,800	168,293	70,993	175,938	246,931	75,000	75,000	150,000
Total Expenditures	21,416,211	8,420,240	2,438,719	2,008,837	4,447,556	5,635,750	5,265,000	10,900,750
Total Transportation Capital Fund	\$22,625,410	\$8,783,362	\$2,961,080	\$2,436,379	\$4,875,098	\$6,509,492	\$6,179,742	\$11,815,492

Annual Changes in Total Expenditures:								
Percent Change 2010 to 2011								
Dollar Change 2010 to 2011			(1,991,693)					
Percent Change 2011 to 2012								
Dollar Change 2011 to 2012					(429,882)			
Percent Change 2012 to 2013							180.5%	
Dollar Change 2012 to 2013							3,626,913	
Percent Change 2013 to 2014								-6.6%
Dollar Change 2013 to 2014								(370,750)

City of Kenmore, Washington Surface Water Management Fund

This fund accounts for the surface water funds received primarily through assessments imposed on each developed parcel in the City. King County collects the assessment as part of the property tax collection process and remits the proceeds to the City. Property owners of single family homes and properties with 10% or less of impervious surface pay \$167.40 per year. The charge for multi-family, commercial and industrial properties varies based on the size of the parcel and the area of impervious surface.



2011-2012 Achievements:

Maintenance

- 2011 was King County's last year conducting annual surface water facility inspections for the City. In 2012, the City hired a full time surface water inspector to conduct the inspections. As of 2012, the City inspects 101 private facilities and 146 public facilities.
- Conducted annual catch basin and conveyance maintenance based on the annual inspection program. Conveyance system inspections include approximately 3,800 catch basins and 80 linear miles of pipes and ditches.
- Continued with an aggressive street sweeping program in an effort to reduce catch basin and drainage facility maintenance.

City of Kenmore, Washington Surface Water Management Fund

- Implemented Best Management Practices (BMP's) and policy changes related to NPDES Phase II and the Swamp Creek Total Maximum Daily Load (TMDL) requirements.

Programs

- Implemented the Surface Water Information Management System (SIMS) which included the purchase of Cityworks and ESRI GIS software.
- Developed and implemented the Illicit Discharge Detection and Elimination (IDDE) program.
- Complied with the requirements set forth in the City's Municipal Stormwater Permit, which included public involvement and participation, public education and outreach, operations and maintenance, IDDE, development and total maximum daily load (TMDL) monitoring in Swamp Creek.
- Implemented the new Municipal Stormwater Permit in 2012.

2013-2014 Objectives:

Maintenance

- Conduct annual surface water inspections for publically and privately maintained stormwater facilities.
- Conduct annual public stormwater conveyance system inspections.
- Conduct maintenance, based on the annual inspection programs, on the public stormwater conveyance system and public stormwater facilities.
- Conduct an aggressive street sweeping program in an effort to reduce catch basin and drainage facility maintenance.
- Implement Best Management Practices (BMP's) and policy changes related to NPDES Phase II and the Swamp Creek Total Maximum Daily Load (TMDL) requirements.

Programs

- Implement new Municipal Stormwater Permit in 2013
- Continue development and implementation of SIMS
- Develop Kenmore environmental stewardship group for education and projects.
- Support development of City's Environmental Sustainability Plan

City of Kenmore, Washington
Surface Water Management Fund

General Workload Measure:

Workload Measures	<u>2011</u> Actual	<u>2012</u> Actual	<u>2013</u> Estimate/Goal	<u>2014</u> Estimate/Goal
Number of Grant/Loan Applications Completed	2	2	3	3

Performance and Workload Measures: Public Storm Water Facility Inspection/Maintenance Program

	<u>2011 Actual</u>	<u>2012 Actual</u>	<u>2013 Estimate</u>	<u>2014 Estimate</u>
Workload Measures				
Number of Facilities	132	146	150	155
Performance Measures				
Number of Facilities Inspected	132	146	150	155
Facilities Requiring Maintenance	85	81	84	86
Facilities Receiving Maintenance	85	81	84	86

Performance and Workload Measures: Private Storm Water Facility Inspection Program

	<u>2011 Actual</u>	<u>2012 Actual</u>	<u>2013 Estimate</u>	<u>2014 Estimate</u>
Workload Measures				
Number of Facilities	100	101	103	105
Performance Measures				
Number of Facilities Inspected	90	100	103	105
Facilities Requiring Maintenance	63	66	67	68
Facilities Re-inspected	0	33 (Est)	33	33
Enforcement Actions	0	5 (Est)	5	5

Performance and Workload Measures: Surface Water Conveyance – Inspection Program

	<u>2011 Actual</u>	<u>2012 Actual</u>	<u>2013 Estimate</u>	<u>2014 Estimate</u>
Performance Measures				
Number of Catch Basins	4200	4200	4200	4200
Number of Manholes	39	39	39	39
Feet of Conveyance	474000	474000	474000	474000
Workload Measures				
Number of Catch Basins Inspected	3700	4200	4200	4200

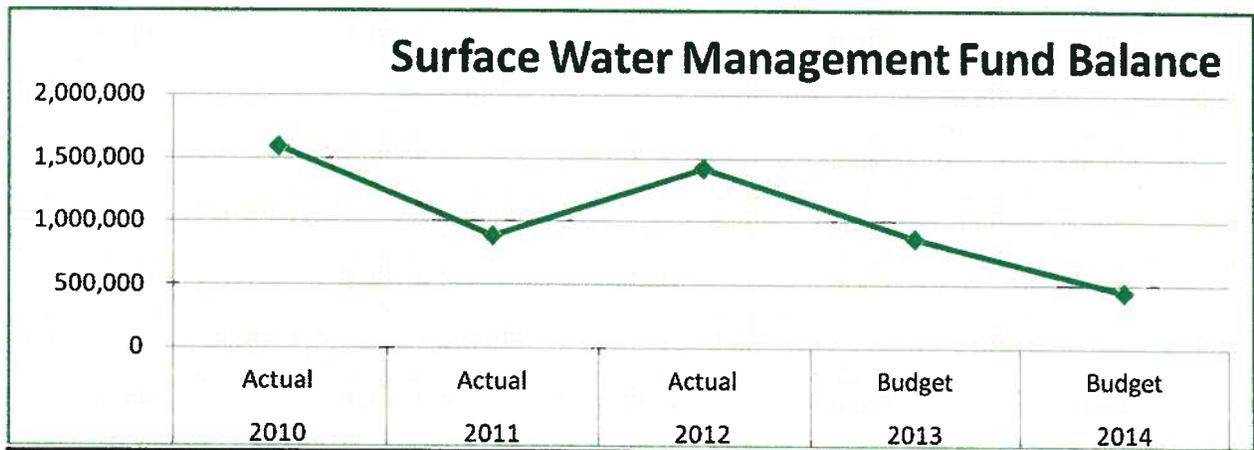
City of Kenmore, Washington
Surface Water Management Fund

Number of Manholes Inspected	23	23	23	23
Feet of Conveyance Inspected	14685	14950	20000	20000

Budget Highlights:

- The budget continues the trend toward City staff performing design and NPDES Permit implementation requirements as compared to Consultants.
- \$1,672,150 for surface water capital projects is budgeted to be transferred to the proposed new Surface Water Capital Fund.
- Reimbursements for administrative overhead to the General Fund are budgeted in the amount of \$290,000 for 2013-2014.

The declining fund balance (equity) of this fund reflects the implementation of the Surface Water Management Program that was adopted by the City Council in 2008 and utilized existing reserves for capital projects (funds are transferred to the new Surface Water Capital Fund) and improvements identified in the program. In addition to utilizing reserves, a rate increase was also implemented for the period 2009-2012 to provide sufficient funds for the capital improvements and ongoing maintenance of the surface water system. No rate increases are anticipated for 2013 or 2014.



SURFACE WATER MANAGEMENT FUND

REVENUES

	2009-2010 Biennium Total	2011-2012 Amended Budget	2011 Actual	2012 Actual	2011-2012 Biennium Total	2013 Budget	2014 Budget	2013-2014 Adopted Budget
Beginning Fund Balance	\$3,865,039	\$1,590,280	\$1,590,280	\$893,747	\$1,590,280	\$1,419,392	\$870,914	\$1,419,392
Beginning Fund Balance	3,865,039	1,590,280	1,590,280	893,747	1,590,280	1,419,392	870,914	1,419,392
Grants - Storm Assistance	244,124	0	0	279,109	279,109	0	0	0
King County Conservation District	90,000	0	0	0	0	0	0	0
King County Conservation Futures	0	430,000	0	120,753	120,753	185,000	0	185,000
King County Flood District	0	10,000	0	0	0	0	0	0
Other Grants	36,735	124,586	45,370	68,241	113,611	50,000	0	50,000
Intergovernmental	370,859	564,586	45,370	468,103	513,473	235,000	0	235,000
Surface Water Charges	2,367,181	3,110,878	1,528,978	1,640,281	3,169,259	1,590,138	1,606,038	3,196,176
Sweeper Rental Services	38,678	48,000	11,557	20,249	31,806	24,000	24,000	48,000
Charges for Service	2,405,859	3,158,878	1,540,535	1,660,530	3,201,065	1,614,138	1,630,038	3,244,176
Miscellaneous Income	0	0	10,962	1,985	12,947	0	0	0
Investment Interest	47,478	19,870	7,788	4,063	11,851	10,000	10,000	20,000
Miscellaneous	47,478	19,870	18,750	6,048	24,798	10,000	10,000	20,000
Total Revenues	2,824,196	3,743,334	1,604,655	2,134,681	3,739,336	1,859,138	1,640,038	3,499,176
Total Surface Water Mgt. Fund	\$6,689,235	\$5,333,614	\$3,194,935	\$3,028,428	\$5,329,616	\$3,278,530	\$2,510,952	\$4,918,568

Revenues adjusted for One-Time or Discontinued Sources:

Total Revenues	\$2,824,196	\$3,743,334	\$1,604,655	\$2,134,681	\$3,739,336	\$1,859,138	\$1,640,038	\$3,499,176
Less:								
Grants	(370,859)	(564,586)	(45,370)	(468,103)	(513,473)	(235,000)	0	(235,000)
Normalized Surface Water Mgt. Fund	\$2,453,337	\$3,178,748	\$1,559,285	\$1,666,578	\$3,225,863	\$1,624,138	\$1,640,038	\$3,264,176

Annual Changes in Total Normalized Revenues:								
Percent Change 2010 to 2011				139.2%				
Dollar Change 2010 to 2011				\$1,850,040				
Percent Change 2011 to 2012				6.9%				
Dollar Change 2011 to 2012				\$107,293				
Percent Change 2012 to 2013						-2.5%		
Dollar Change 2012 to 2013						(\$42,440)		
Percent Change 2013 to 2014							1.0%	
Dollar Change 2013 to 2014							\$15,900	

SURFACE WATER MANAGEMENT FUND

EXPENDITURES

	2009-2010 Biennium Total	2011-2012 Amended Budget	2011 Actual	2012 Actual	2011-2012 Biennium Total	2013 Budget	2014 Budget	2013-2014 Adopted Budget
Ending Fund Balance	\$1,590,280	\$467,139	\$893,747	\$1,419,392	\$1,419,392	\$870,914	\$440,692	\$440,692
Ending Fund Balance	1,590,280	467,139	893,747	1,419,392	1,419,392	870,914	440,692	440,692
Salaries and Wages	133,254	260,219	99,425	131,807	231,232	141,633	145,882	287,515
Benefits	33,999	82,327	30,595	39,832	70,427	44,157	46,832	90,988
Personnel	167,253	342,546	130,020	171,639	301,659	185,790	192,714	378,504
Materials-Drainage	38,739	40,000	25,230	10,309	35,539	25,000	25,000	50,000
Bank Fees/Office Supplies	3,679	12,000	8,809	1,867	10,676	6,300	6,300	12,600
Fuel	16,586	24,000	13,483	10,597	24,080	13,000	13,000	26,000
Equipment Replacement	36,720	41,300	20,650	20,650	41,300	49,650	49,650	99,299
Supplies	95,724	117,300	68,172	43,423	111,595	93,950	93,950	187,899
Travel/Registrations/Business Meetings	2,915	4,802	1,512	1,878	3,390	4,045	1,845	5,890
Telecommunications	319	800	697	693	1,390	1,260	1,260	2,520
Postage/Advertising/Printing	270	1,000	969	1,064	2,033	1,000	1,000	2,000
Dues/Memberships/Subscriptions	0	1,000	100	100	200	100	100	200
Vehicle Maintenance	32,905	30,400	18,774	10,730	29,504	6,000	6,000	12,000
Intern	0	0	0	0	0	8,960	8,960	17,920
Consulting General	33,342	40,000	64,139	66,921	131,060	25,000	25,000	50,000
WRIA	15,149	18,000	6,627	6,626	13,253	6,626	6,626	13,252
Emergency Storm Work	23,780	0	0	0	0	0	0	0
Utilities and Dump Fees (Sweeper)	46,471	101,000	23,217	18,681	41,898	35,000	35,000	70,000
Insurance	31,311	32,000	8,602	9,881	18,483	9,369	9,556	18,925
Utilities/Water	2,025	15,000	0	0	0	2,000	2,000	4,000
LFP Maintenance	0	615,002	342,163	359,565	701,728	362,693	384,455	747,148
Vactor/Video Services	0	0	0	0	0	150,000	150,000	300,000
King County Billing Admin Fee	24,439	43,476	18,993	24,587	43,580	27,000	27,000	54,000
King County Engineering Services	0	15,000	0	0	0	0	0	0
King County System Maint Contract	302,560	208,184	175,519	176,594	352,113	110,000	110,000	220,000
King County Private Facility Inspection	0	25,400	31,854	10,125	41,979	0	0	0
King County Public Facility Inspection	0	40,000	36,056	3,185	39,241	0	0	0
King County Water Quality Audits	0	25,200	4,143	856	4,999	12,000	12,000	24,000
NPDES Ph II Permit Compliance	248,527	0	0	0	0	0	0	0
NPDES Ph II Permit Fee	0	20,400	10,373	10,832	21,205	11,100	11,100	22,200
Public Education and Outreach	0	50,000	12,153	8,652	20,805	15,000	15,000	30,000
Illicit Discharge Detection Elim Monitoring	0	25,000	195	2,405	2,600	2,500	2,500	5,000
Aerial Imaging	0	0	0	3,986	3,986	5,000	5,000	10,000
Swamp Creek Vegetation Monitoring	0	50,000	0	0	0	0	0	0
Swamp Creek TMDL Monitoring	0	50,000	1,367	1,762	3,129	2,500	2,500	5,000
Other Monitoring	0	0	0	0	0	0	14,222	14,222
Surfacewater Plan Update	0	0	0	0	0	50,000	0	50,000
Swamp Creek Sediment Pond Dredging	5,740	185,000	131,939	(131,939)	0	0	0	0
Ditch Maintenance	0	0	0	0	0	50,000	50,000	100,000
Services - Drainage	195,816	265,000	133,743	94,576	228,319	18,000	18,000	36,000
Services	965,569	1,861,664	1,023,135	681,760	1,704,895	915,153	899,124	1,814,277
Debt Service	90,945	90,946	45,473	45,473	90,946	45,473	45,473	90,946
Debt Service	90,945	90,946	45,473	45,473	90,946	45,473	45,473	90,946
Juanita Dr Ditch, Curb Project SLW1-TC7a	3,848	0	0	0	0	0	0	0
Trash Rack Project SR2-C4	1,324	0	0	0	0	0	0	0
Trash Rack and CMP Pipe Project SR2-C2	3,657	0	0	0	0	0	0	0
Sammamish River Basin Study Project SR3SR4	157,788	0	0	0	0	0	0	0
Stream 0056 Culvert Improve. Project NLW3RE1	239,980	0	0	0	0	0	0	0
Swamp Creek Storm Repairs	312,630	0	0	0	0	0	0	0
Swamp Creek 175th Bridge Rail	13,396	0	0	0	0	0	0	0
Swamp Creek - Design/Administration	206	0	0	0	0	0	0	0
Swamp Creek Construction	38,151	0	0	0	0	0	0	0

SURFACE WATER MANAGEMENT FUND

EXPENDITURES

	2009-2010	2011-2012	2011	2012	2011-2012	2013	2014	2013-2014
	Biennium	Amended			Biennium			Adopted
	Total	Budget	Actual	Actual	Total	Budget	Budget	Budget
SW-9 Swamp Creek Regional Basin Study	9,902	0	0	0	0	0	0	0
Swamp Creek Park Restoration	43,258	50,000	8,586	20,418	29,004	0	0	0
Sedimentation Study	220	0	0	0	0	0	0	0
SW-1 Tributary 0057	0	521,250	44,737	98,847	143,584	0	0	0
SW-6 NE 181st Culvert Replacement	0	350,000	19,176	486,413	505,589	0	0	0
SW-8 61st Ave Embankment Repair	0	80,000	0	6,659	6,659	0	0	0
SW-12 74th Ave NE Culvert Replacement	0	80,000	0	7,498	7,498	0	0	0
SW-20 Small Works Projects	0	172,000	26,948	5,717	32,665	0	0	0
Property Acquisition	497,898	964,000	804,168	9,121	813,289	0	0	0
Furniture/Equipment/Vehicles	0	70,000	26,352	0	26,352	0	0	0
Computer Software	9,838	54,400	2,554	12,468	15,022	22,000	22,000	44,000
Capital Outlay	1,332,096	2,341,650	932,521	647,141	1,579,662	22,000	22,000	44,000
Transfer Out-Street Fund	588,426	0	0	0	0	0	0	0
Transfer Out - Swamp Creek Basin Fund	1,749,728	0	0	0	0	0	0	0
Transfer Out - Surface Water Capital Fund	0	0	0	0	0	1,000,250	672,000	1,672,250
Admin Reimbursement to General Fund	109,214	112,369	101,867	19,601	121,468	145,000	145,000	290,000
Transfers-Out	2,447,368	112,369	101,867	19,601	121,468	1,145,250	817,000	1,962,250
Total Expenditures	5,098,955	4,866,475	2,301,188	1,609,036	3,910,224	2,407,615	2,070,261	4,477,876
Total Surface Water Mgt. Fund	\$6,689,235	\$5,333,614	\$3,194,935	\$3,028,428	\$5,329,616	\$3,278,530	\$2,510,952	\$4,918,568

Annual Changes in Total Expenditures:								
Percent Change 2010 to 2011				13.7%				
Dollar Change 2010 to 2011			\$277,754					
Percent Change 2011 to 2012				-30.1%				
Dollar Change 2011 to 2012				(\$692,152)				
Percent Change 2012 to 2013						49.6%		
Dollar Change 2012 to 2013						\$798,579		
Percent Change 2013 to 2014							-14.0%	
Dollar Change 2013 to 2014							(\$337,354)	

**SURFACE WATER MANAGEMENT FUND
EXPENDITURES**

**Debt Service Payments
1993 & 1996 King County Revenue Bonds**

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	37,851	7,622	45,473
2014	39,897	5,575	45,472
2015	42,041	3,432	45,473
2016	44,310	1,163	45,473
Totals	<u>\$164,099</u>	<u>\$17,792</u>	<u>\$181,891</u>

These bonds are an obligation of King County.
The City assumed a portion of the debt upon incorporation.

City of Kenmore, Washington Surface Water Capital Fund

The Surface Water Capital Fund is a new fund in the 2013-2014 Biennial Budget and accounts for expenditures for surface water capital improvements. Revenue sources for this fund include a variety of federal, state or local grants, surface water management fees transferred from the Surface Water Management Fund and real estate excise taxes. The City expends monies from this fund based on the adopted Capital Facilities Plan and the Surface Water Capital Improvement Program. Each project is described in more detail in the Capital Improvement Program section of this budget.

2011-2012 Achievements:

Capital Projects

- Completed design and Right of Way acquisition for the 0057 box culvert project (SW 1).
- Completed construction of 12' by 8' fish passable box culvert system under NE 181ST ST (SW 6).
- Repaired the roadway embankment under the sidewalk and stabilized the stream bank on the east side of 61ST Avenue NE at approximately NE 190th Street (SW 8).
- Purchased two flood-prone properties along Swamp Creek to protect public life and safety and restored the Swamp Creek flood plain to its pre-developed condition (SW 10).
- Design was completed to replace an existing culvert with fish-passable culvert to provide increased flow capacity and sediment transport at 74th Avenue NE and NE 165th Street (SW 12).

Small Works Projects

- Twice dredged the Wallace Swamp Creek Park sediment pond and removed approximately 4,750 total yards of sediment.
- Addressed groundwater issue impacting roadway at corner of 87TH AVE NE and NE 150TH PL.
- Addressed groundwater issue impacting roadway on east side of 61ST AVE NE at NE 182ND ST.
- Addressed flooding issue at NE 166TH CT and 70TH AVE NE.
- Redefine and extend ditches and armor slope along Juanita Drive NE north of NE 153RD PL.
- Addressed an erosion issue on a steep slope adjacent to 62ND AVE NE near the 15000 block. The existing conveyance system was tight-lined down the slope and terminated with an energy dissipation system to eliminate continuing erosion.

2013-2014 Objectives:

Capital Projects

- The SR 522 improvement project will construct new surface water conveyance and water quality facilities for the last segment (Phase 1, Stage 2) of the SR 522 Corridor Improvement project.

City of Kenmore, Washington Surface Water Capital Fund

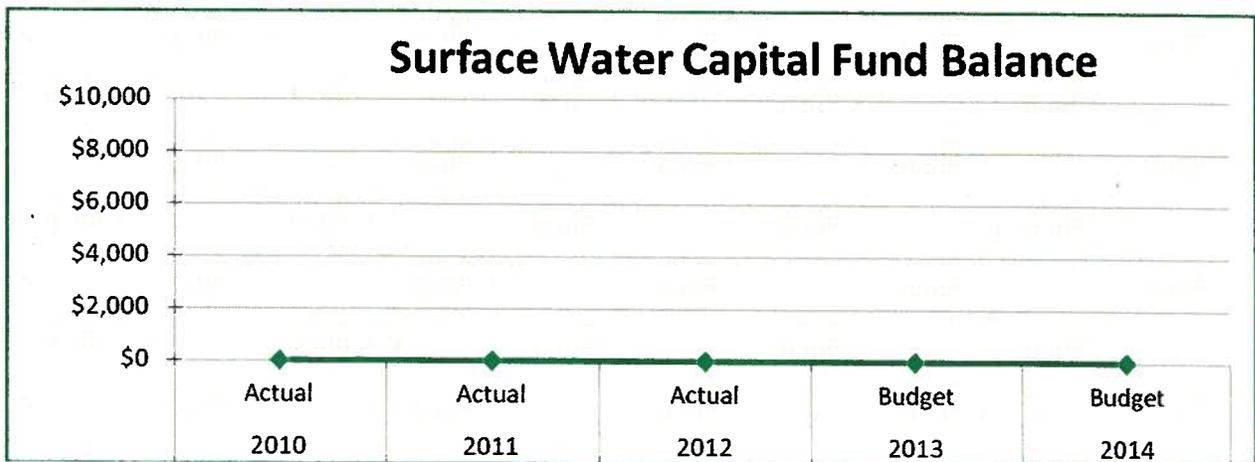
- The 2008 Surface Water Management Plan will be updated in 2013.
- Remove the existing sediment vault in NE 170th Street and existing overflow pipe running north from the vault, and abandon the pipe to the west of the vault. Construct a 250-foot, 7'H x 12'W box culvert through the NE 170th Street right-of-way and north of the right-of-way in a permanent drainage easement to allow the natural transport of sediment from the stream to the Sammamish River floodplain. The west leg of the Tributary 0057C channel will be abandoned north of NE 170th Street right-of-way. Off-site access and public drainage easements have been acquired to complete the project (SW 1).
- Begin the planning and assessment stages of the Swamp Creek basin plan in coordination with Snohomish County's potential Swamp Creek watershed planning process (SW 9).
- Replace an existing culvert with fish-passable culvert to provide increased flow capacity and sediment transport at 74th Avenue NE and NE 165th Street (SW 12).
- Small works projects will address various localized stormwater problems throughout the city. Small works projects are typically small in nature but more involved than ordinary maintenance (SW 20).

Budget Highlights:

- Transfers from the Real Estate Excise Tax Fund, the Surface Water Management Fund, in addition to reimbursements from utility agencies and proceeds from the King County Flood Control District, provide the resources to accomplish the capital projects.
- In addition to the capital projects identified above, \$383,500 is programmed to be transferred to the Transportation Capital Fund for the surface water element of the SR 522 project.

Fund Balance:

Resources to accomplish the capital projects budgeted in this fund include grants and transfers from the Surface Water Management Fund or other funds as needed. The fund does not maintain a targeted fund or equity balance.



SURFACE WATER CAPITAL FUND REVENUES

	2009-2010 Biennium Total	2011-2012 Amended Budget	2011 Actual	2012 Actual	2011-2012 Biennium Total	2013 Budget	2014 Budget	2013-2014 Adopted Budget
Beginning Fund Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Beginning Fund Balance	0	0	0	0	0	0	0	0
Reimbursements from Utilities	0	0	0	0	0	25,000	0	25,000
King County Flood Control District	0	0	0	0	0	150,000	0	150,000
Intergovernmental	0	0	0	0	0	175,000	0	175,000
Transfer from Real Estate Excise Tax Fund	0	0	0	0	0	0	55,000	55,000
Transfer from Surface Water Mgmt Fund	0	0	0	0	0	1,000,250	672,000	1,672,250
Transfers	0	0	0	0	0	1,000,250	727,000	1,727,250
Total Revenues	0	0	0	0	0	1,175,250	727,000	1,902,250
Total Surface WaterCapital Fund	\$0	\$0	\$0	\$0	\$0	\$1,175,250	\$727,000	\$1,902,250

Annual Changes in Total Revenues:								
Percent Change 2010 to 2011			0.0%					
Dollar Change 2010 to 2011			\$0					
Percent Change 2011 to 2012				0.0%				
Dollar Change 2011 to 2012				\$0				
Percent Change 2012 to 2013						100.0%		
Dollar Change 2012 to 2013						\$1,175,250		
Percent Change 2013 to 2014							-38.1%	
Dollar Change 2013 to 2014							(\$448,250)	

SURFACE WATER CAPITAL FUND EXPENDITURES

	2009-2010	2011-2012		2012	2011-2012	2013	2014	2013-2014
	Biennium	Amended	2011		Biennium			Adopted
	Total	Budget	Actual	Actual	Total	Budget	Budget	Budget
Ending Fund Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Ending Fund Balance	0	0	0	0	0	0	0	0
SW 1 Tributary 0057 Channel Relocation	0	0	0	0	0	889,750	0	889,750
SW 3 Juanita Dr Ditch, Curb Project SLW1-TC7a	0	0	0	0	0	75,000	0	75,000
SW 7 NE 187th Street Bypass	0	0	0	0	0	0	40,000	40,000
SW-8 61st Ave Embankment Repair	0	0	0	0	0	0	55,000	55,000
SW-9 Swamp Creek Regional Basin Study	0	0	0	0	0	10,000	40,000	50,000
SW-12 74th Ave NE Culvert Replacement	0	0	0	0	0	87,000	202,000	289,000
SW-19 192nd Culvert Replacement	0	0	0	0	0	0	20,000	20,000
SW-20 Small Works Projects	0	0	0	0	0	50,000	50,000	100,000
Capital Outlay	0	0	0	0	0	1,111,750	407,000	1,518,750
Transfer to Transportation Capital Fund	0	0	0	0	0	63,500	320,000	383,500
Transfers-Out	0	0	0	0	0	63,500	320,000	383,500
Total Expenditures	0	0	0	0	0	1,175,250	727,000	1,902,250
Total Surface Water Capital Fund	\$0	\$0	\$0	\$0	\$0	\$1,175,250	\$727,000	\$1,902,250

Annual Changes in Total Expenditures:								
Percent Change 2010 to 2011			0.0%					
Dollar Change 2010 to 2011			\$0					
Percent Change 2011 to 2012				0.0%				
Dollar Change 2011 to 2012				\$0				
Percent Change 2012 to 2013					100.0%			
Dollar Change 2012 to 2013					\$1,175,250			
Percent Change 2013 to 2014							-38.1%	
Dollar Change 2013 to 2014							(\$448,250)	

City of Kenmore, Washington Swamp Creek Basin Fund

This fund accounts for balances reserved for surface water projects, improvements, and maintenance within the Swamp Creek Basin which had previously been accounted for in the Surface Water Management Fund.

The projects are included in the City of Kenmore's Comprehensive Plan and are funded by an Memorandum of Agreement (MOA) with King County. Twelve percent (12%) of the King County disbursement to the City of \$10,750,000 was to be reserved for permanent maintenance of projects. This amounts to \$1,290,000.

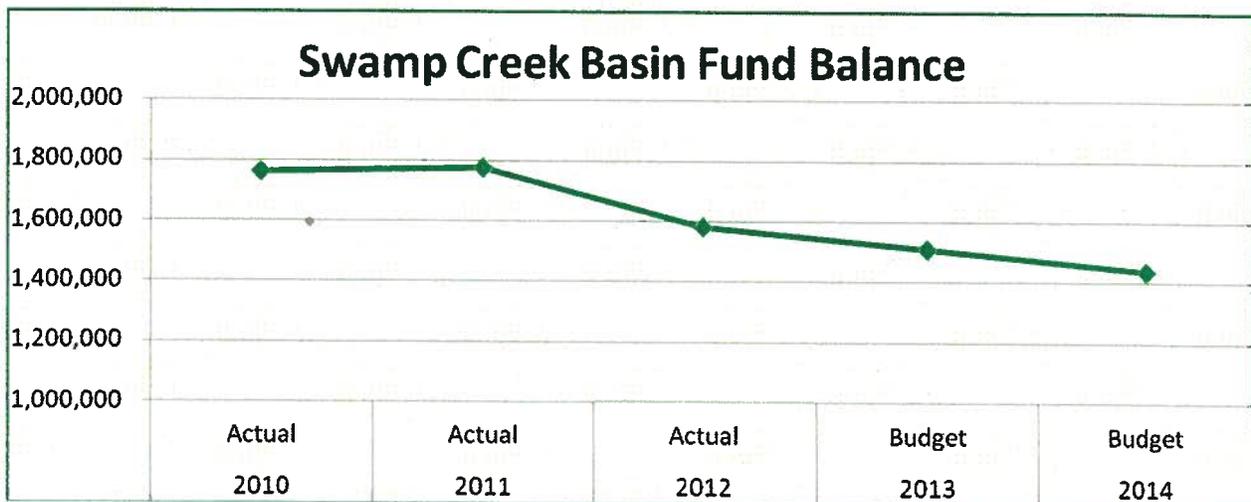
As of December 31, 2012, this fund held \$1,581,068 of which \$1,462,305 comprised the permanent maintenance fund (the original \$1,290,000 plus interest); and \$118,763 was available for Sewer System Protection capital projects.

2011-2012 Accomplishments:

- \$198,109 was expended in 2012 on dredging activities within Swamp Creek.

2013-2014 Objectives:

- To continue to monitor and manage the expenditure of funds toward capital improvements and maintenance of the Swamp Creek Basin in accordance with the terms of the Memorandum of Agreement.
- \$160,000 is budgeted for dredging activities in Swamp Creek over the 2013-2014 budget period.



SWAMP CREEK BASIN FUND

REVENUES

	2009-2010 Biennium Total	2011-2012 Amended Budget	2011 Actual	2012 Actual	2011-2012 Biennium Total	2013 Budget	2014 Budget	2013-2014 Adopted Budget
Beginning Fund Balance	\$0	\$1,762,641	\$1,762,641	\$1,773,291	\$1,762,641	\$1,581,068	\$1,509,268	\$1,581,068
Total Beginning Fund Balance	0	1,762,641	1,762,641	1,773,291	1,762,641	1,581,068	1,509,268	1,581,068
Transfer from Surface Water Fund	1,749,728	0	0	0	0	0	0	0
Investment Interest	12,913	35,619	10,650	5,886	16,536	8,200	7,800	16,000
Total Revenues	1,762,641	35,619	10,650	5,886	16,536	8,200	7,800	16,000
Total Swamp Creek Basin Fund	\$1,762,641	\$1,798,260	\$1,773,291	\$1,779,177	\$1,779,177	\$1,589,268	\$1,517,068	\$1,597,068

Annual Changes in Total Revenues:	
Percent Change 2010 to 2011	31.7%
Dollar Change 2010 to 2011	\$2,566
Percent Change 2011 to 2012	-44.7%
Dollar Change 2011 to 2012	(\$4,764)
Percent Change 2012 to 2013	39.3%
Dollar Change 2012 to 2013	\$2,314
Percent Change 2013 to 2014	-4.9%
Dollar Change 2013 to 2014	(\$400)

SWAMP CREEK BASIN FUND

EXPENDITURES

	2009-2010 Biennium Total	2011-2012 Amended Budget	2011 Actual	2012 Actual	2011-2012 Biennium Total	2013 Budget	2014 Budget	2013-2014 Adopted Budget
Ending Fund Balance	\$1,762,641	\$1,595,760	\$1,773,291	\$1,581,068	\$1,581,068	\$1,509,268	\$1,437,068	\$1,437,068
Total Ending Fund Balance	1,762,641	1,595,760	1,773,291	1,581,068	1,581,068	1,509,268	1,437,068	1,437,068
Swamp Creek Pond Dredging	0	202,500	0	198,109	198,109	80,000	80,000	160,000
Total Expenditures	0	202,500	0	198,109	198,109	80,000	80,000	160,000
Total Swamp Creek Basin Fund	\$1,762,641	\$1,798,260	\$1,773,291	\$1,779,177	\$1,779,177	\$1,589,268	\$1,517,068	\$1,597,068

Annual Changes in Total Expenditures:								
Percent Change 2010 to 2011			0.0%					
Dollar Change 2010 to 2011			\$0					
Percent Change 2011 to 2012				100.0%				
Dollar Change 2011 to 2012				\$198,109				
Percent Change 2012 to 2013						-59.6%		
Dollar Change 2012 to 2013						(\$118,109)		
Percent Change 2013 to 2014							0.0%	
Dollar Change 2013 to 2014							\$0	

City of Kenmore, Washington Equipment Replacement Fund

This fund is used to maintain a reserve for the future replacement of equipment – including, but not limited to furniture, computers and vehicles. Payments are received from various departments and funds that benefit from or use the assets. Each department is charged its prorated share of the replacement costs per year of the replacement equipment assigned. The payments to this fund are determined using the cost of the equipment, the useful life of the asset, and the number of employees in the various cost centers that use each asset. The replacement schedule is updated annually to adjust for new equipment purchases, changes in useful life and inflation rates.

2011-2012 Achievements:

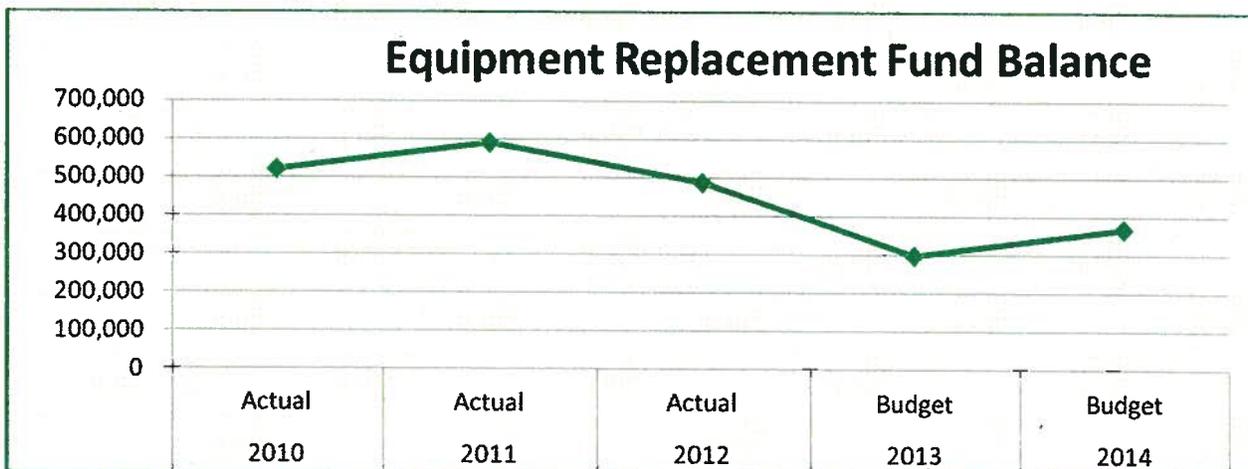
- Funds were used to replace the following equipment:

Printers, monitors, computer equipment	\$ 26,959
Street Sweeper	204,564

2013-2014 Objectives/Budget Highlights:

- General and Street Fund contributions to the Equipment Replacement Fund are temporarily suspended for 2013 which resulted in a combined savings of approximately \$50,000 to those funds.
- Major software purchases will be treated like vehicles and other equipment and paid for in this fund in 2013.
- Following is a list of equipment scheduled to be replaced or procured during the 2013-2014 biennium. Prior to replacement, the status of the items will be reviewed to determine if the scheduled replacement is warranted and reasonable.

Minivan	\$20,000
1999 Truck	30,000
Financial Software	80,000
Permitting Software	75,000
IT Strategy Plan	35,000
ePlan Software and Hardware	8,750
<u>Computer Hardware and Software Upgrades</u>	<u>27,500</u>
TOTAL	\$276,250



EQUIPMENT REPLACEMENT FUND

REVENUES

	2009-2010 Biennium Total	2011-2012 Adopted Budget	2011 Actual	2012 Actual	2011-2012 Biennium Total	2013 Budget	2014 Budget	2013-2014 Adopted Budget
Beginning Fund Balance	\$510,358	\$524,311	\$524,311	\$592,088	\$524,311	\$490,602	\$301,202	\$490,602
Beginning Fund Balance	510,358	524,311	524,311	592,088	524,311	490,602	301,202	490,602
Investment Interest	7,901	9,918	3,362	1,900	5,262	2,200	2,200	4,400
Interfund Contributions	103,298	151,602	75,801	107,301	183,102	49,650	101,093	150,742
Revenues	111,199	161,520	79,163	109,201	188,364	51,850	103,293	155,142
Total Equipment Replacement Fund	\$621,557	\$685,831	\$603,474	\$701,289	\$712,675	\$542,452	\$404,494	\$645,744

Annual Changes in Total Revenues:	
Percent Change 2010 to 2011	45.5%
Dollar Change 2010 to 2011	\$24,755
Percent Change 2011 to 2012	37.9%
Dollar Change 2011 to 2012	\$30,038
Percent Change 2012 to 2013	-52.5%
Dollar Change 2012 to 2013	(\$57,351)
Percent Change 2013 to 2014	99.2%
Dollar Change 2013 to 2014	\$51,443

EQUIPMENT REPLACEMENT FUND

EXPENDITURES

	2009-2010 Biennium Total	2011-2012 Amended Budget	2011 Actual	2012 Actual	2011-2012 Biennium Total	2013 Budget	2014 Budget	2013-2014 Adopted Budget
Ending Fund Balance	\$524,311	\$454,001	\$592,088	\$490,602	\$490,602	\$301,202	\$369,494	\$369,494
Ending Fund Balance	524,311	454,001	592,088	490,602	490,602	301,202	369,494	369,494
Transfer to Street Fund	35,000	0	0	0	0	0	0	0
Equipment Replacement	62,246	231,830	11,386	210,687	222,073	241,250	35,000	276,250
Expenditures	97,246	231,830	11,386	210,687	222,073	241,250	35,000	276,250
Total Equip Replacement Fund	\$621,557	\$685,831	\$603,474	\$701,289	\$712,675	\$542,452	\$404,494	\$645,744

Annual Changes in Total Expenditures:								
Percent Change 2010 to 2011			-80.3%					
Dollar Change 2010 to 2011			(\$46,391)					
Percent Change 2011 to 2012				1750.4%				
Dollar Change 2011 to 2012				\$199,301				
Percent Change 2012 to 2013						14.5%		
Dollar Change 2012 to 2013						\$30,563		
Percent Change 2013 to 2014							-85.5%	
Dollar Change 2013 to 2014							(\$206,250)	

City of Kenmore, Washington

Capital Program

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City of Kenmore Washington

Capital Improvement Program

Introduction

In March 2001, the City Council adopted the City's first Comprehensive Plan. This Plan was amended by the City Council in April 2003, in conjunction with adoption of the Parks and Downtown Master Plans. Comprehensive Plan revisions through 2009 included General Government, Parks, Surface Water Facilities, and Transportation Capital Improvements. The Capital Improvement Program has been updated in this document for the 2013-2018 time period.

Upon adoption, this Capital Improvement Program description of revenues, expenditures and tables amends and updates the narrative and six year financing program contained in the Capital Facilities Element of the City's Comprehensive Plan.

Process

The Capital Improvement Program was developed through a multiple step process. The individual projects were identified through analysis of past capital project requests, previously proposed improvements, currently funded projects and recently identified projects. Once projects were identified, a Project Description Sheet, see enclosed Project Description Sheet Guide, was prepared describing the project scope of work and current status. Project costs were updated and known funding identified. Using a collaborative effort City Staff identified the highest priority projects and available funding was allocated to those projects.

Project Revenues

Revenue sources currently used in capital financing consist of:

Pay-As-You-Go: Funds currently available include Arterial Street Fund, motor vehicle fuel tax moneys, Street Fund, interfund transfers from the General Fund, Municipal Capital Reserve (real estate excise taxes), and Transportation and Park Impact fees.

Grants: These may include, but are not limited to Recreation and Conservation Office (RCO), Pedestrian Safety Mobility Program (PSMP), School District contributions, Surface Transportation Program (STP), Hazard Elimination Safety Program (HES), Transportation Enhancement Program (TE), Transportation Improvement Board (TIB), Regional Transit, Washington State Department of Transportation (WSDOT), and Congestion Management and Air Quality (CMAQ), Department of Ecology, and King County Conservation grants.

Bonds/Levies: These are General Obligation Bonds that are either voter-approved or non-voter approved (Councilmanic). Voter-approved bonds will be paid from an increase in the property tax rate; Non-voter approved bond debt service will be paid from general government operating revenues.

Impact Fees: This revenue source includes impact fees designated for transportation and park improvements. This funding is to partially finance improvements that shall mitigate cumulative impacts of growth and development within the City. These revenues include contributions from private developers. The use of these funds for park improvements will increase the capacity of existing parks to accommodate increased use from growth in the community.

King County Memorandum of Agreement (KC MOA): The KC MOA stipulates that King County provided Kenmore with \$10.75 million as partial mitigation for surface water projects within the Swamp Creek Basin. This agreement was finalized in 2000.

Local Improvement District (LID): This revenue source requires financing by entities other than the City of Kenmore.

User Fees: This revenue source is defined as a payment of a fee for direct receipt of a public service by the person benefiting from the service. Currently, these revenues only include surface water charges.

Expenditures

The City defines a capital improvement project to be any project that possesses all of the following characteristics:

- Cost exceeds \$15,000; and
- Involves construction or remodel of any City building, decorative or commemorative structure; park improvement; renovation of public streets, sidewalks, parking facilities, and water, sewer and storm drainage improvements; and
- Is financed in whole or in part by the City.

Project cost is an estimate of the resources required to take a project from design through construction, generally consisting of the following activities:

- Administration
- Pre-Design/Special Studies
- Design
- Environmental Review
- Right of Way/Property Acquisition

- Construction Management
- Construction Contract
- Construction Other
- Debt Service
- Contingency

Capital Budget Fiscal Policies

- Capital project proposals should include as complete, reliable and attainable cost estimates as possible. Project cost estimates for the Capital Budget should be based upon a thorough analysis of the project and are expected to be as reliable as the level of detail known about the project. Project cost estimates for a six year plan should be as reliable as possible, recognizing that earlier project cost estimates will be more reliable than cost estimates in the later years.
- Capital projects should include a comprehensive resource plan. This plan should include the amount and type of resources required, and the funding and financing strategies to be employed. The specific fund and timing should be outlined. The plan should indicate resources necessary to complete any given phase of the project, e.g., design, rights-of-way acquisition, construction, project management, etc.
- All proposals for capital projects will be presented to Council within the framework of a Capital Budget. No consideration will be given to the commitment of capital funds outside the presentation of the entire Capital Budget, except that emergency capital projects may be committed outside the normal review procedure.
- Major changes in project cost estimates should be presented to Council for review and approval. Major changes are defined as fifteen percent (15%) for capital projects up to \$999,999, two percent (2%) for projects over \$1,000,000.
- Capital project proposals shall include operating and maintenance costs necessary for the project over the estimated project life.
- At the time of project award, each project shall have reasonable contingencies also budgeted:
 - The amount set aside for contingencies shall correspond with industry standards and shall not exceed ten percent (10%), or a percentage of the contract as otherwise determined by Council.
 - Project contingencies may, unless otherwise determined by Council, be used only to compensate for unforeseen circumstances requiring

additional funds to complete the project within the original project scope and identified needs.

- For budgeting purposes, project contingencies are a reasonable estimating tool. At the time of contract award, the project cost will be replaced with an appropriation that includes the contingency as developed above.
- City Staff shall seek ways of ensuring administrative costs of implementing the Capital Budget are kept at appropriate levels.
- The Capital Budget shall contain only those projects that can be reasonably expected to be accomplished during the budget period. The detail sheet for each project shall contain a project schedule with milestones indicated.
- Capital projects that are neither expensed nor encumbered during budget period will be re-budgeted or carried over to the next fiscal period except as reported to Council for its approval. Multi-year projects with unencumbered or unexpended funds will be carried over to the next fiscal period.
- If a proposed capital project will have a direct negative effect on other publicly owned facilities and/or property, mitigation of the negative impact will become part of the proposed capital projects cost.
- A capital project will not be budgeted unless there is a reasonable expectation that a funding source(s) is available to finance the project.

City of Kenmore
Capital Improvement Program
Project Description Sheet Guide

Title: Provide a project title that is descriptive of the project location and improvements.

Location: Provide a description of the location. Provide neighborhood if appropriate or significant nearby landmarks.

Background: Describe the history of the project. Describe the impetus for the proposed work, previous City Council actions, legislative or administrative actions by other jurisdictions or State and County agencies. Provide some information on previous public involvement, public testimony, public meetings, and citizen petitions. Describe how this project is consistent with the Comprehensive Plan and particular whether the project is required to meet a level of service deficiency.

Funding Status: Describes the funding resources available or anticipated to be available to support the project.

Environmental Review Status: Three boxes have been provided to summarize the environmental process. These boxes should represent the known or most likely environmental process. The Exempt box should be checked if the project is exempt from the environmental process (even though an environmental checklist may be required). The MDNS should be checked if the process will either result in a Declaration of Non Significance or a Declaration of Non Significance that will require mitigation. The EIS box should be checked if an Environmental Impact Statement is contemplated or completed. Below the boxes describe the status of the environmental process, whether a checklist has been completed or any of other environmental documents. Describe who will approve the environmental process and the time frame if known.

Potential Project Issues: This section should be used to describe potential issues that may significantly delay or alter the scope of work. Examples might include permitting issues, right of way acquisition difficulties, existing conditions that may make it difficult to construct the project, permitting and environmental appeals that may affect scheduling, escalating cost estimates, and potential additions to the scope of work.

Operations: Describe the current maintenance requirements and how these would be altered by the proposed project. Pay particular attention to describing operations or safety benefits that may result from completion of the project.

City of Kenmore

Capital Improvement Program

Definition of Regional Arterials

A *principal arterial of regional significance* is defined as any roadway that is listed as an arterial street in the City's Comprehensive Plan, Transportation Element and meets at least one of the following three criteria:

1. At least 80% of the traffic carried by the arterial street is regional – that is, no more than 20% of the traffic on an arterial, based on the City's forecast model, originates in a City Transportation Analysis Zone and is destined for another City Transportation Analysis Zone; or
2. Is considered as an alternative route when a major regional facility such as SR 520, I-5, or I-405 are closed or impeded (in Kenmore, Simonds Road NE, Juanita Drive NE, 68th Avenue NE from NE 170th Street to SR 522, and SR 522 each serve in this capacity); or
3. Provide a regional connection to a regional destination inside the City of Kenmore, such as Kenmore by the Lake, Kenmore Air, and Bastyr University.

Using this definition, all arterial streets in Kenmore qualify as “regional” including:

- 80th Avenue NE
- 61st Avenue NE
- Simonds Road NE
- 73rd Avenue NE
- The Downtown Loop Road
- 68th Avenue NE to NE 185th Street

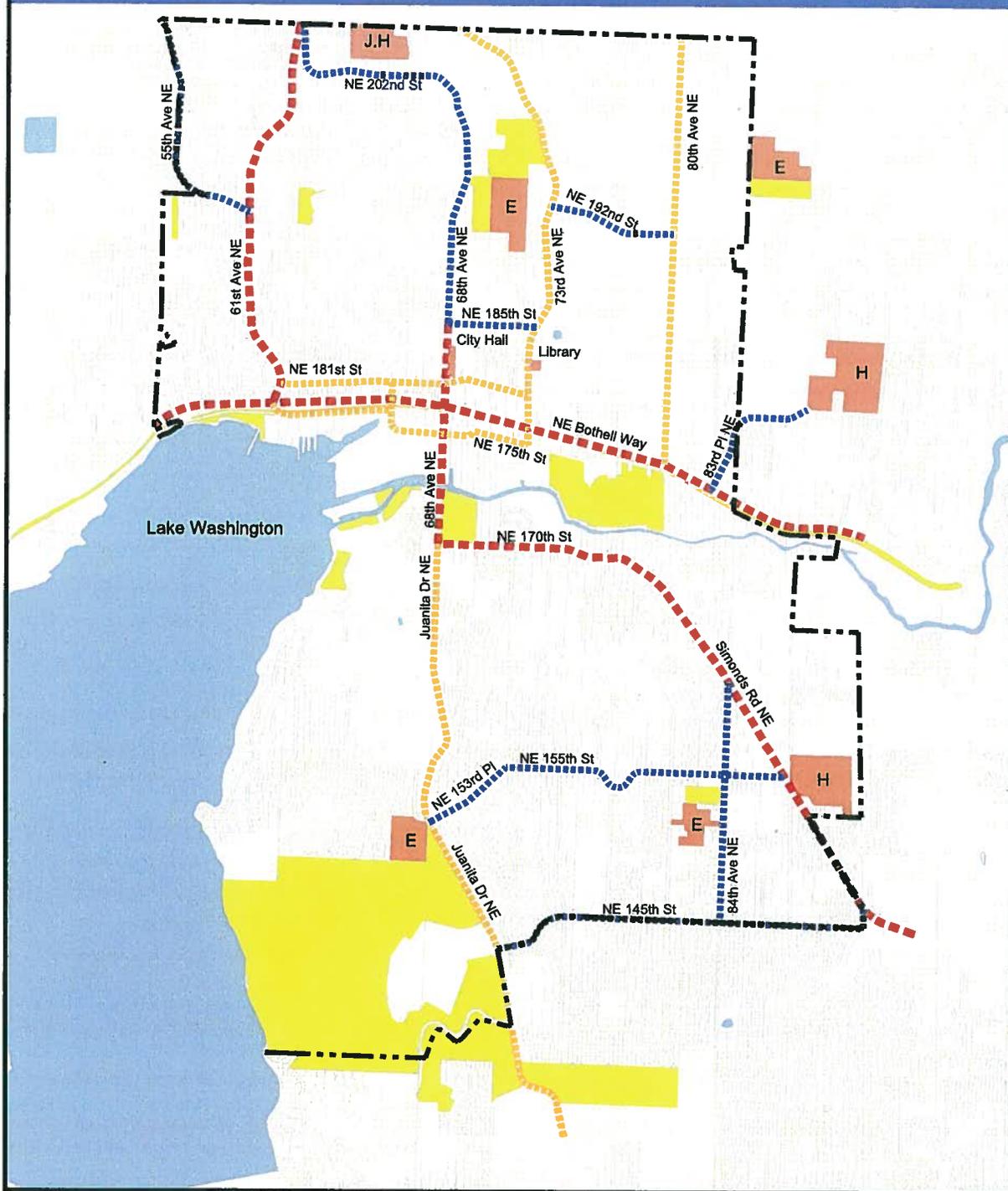
Regional Arterial Level of Congestion Defined in Kenmore

The City of Kenmore uses intersection level of service (LOS) as part of its system evaluation within the Comprehensive Plan. While intersection LOS is one way to measure congestion, it probably best represents congestion at intersections (not necessarily along the streets between intersections). Congestion is also achieved on 2-lane undivided streets when one-way directional volume achieves approximately 704 peak hour trips (2009 FDOT Quality/Level of Service Handbook). Using this methodology, each of the above listed arterial streets in Kenmore, with the exception of 80th Avenue NE, are considered to be “congested.”

The following maps are attached for illustration:

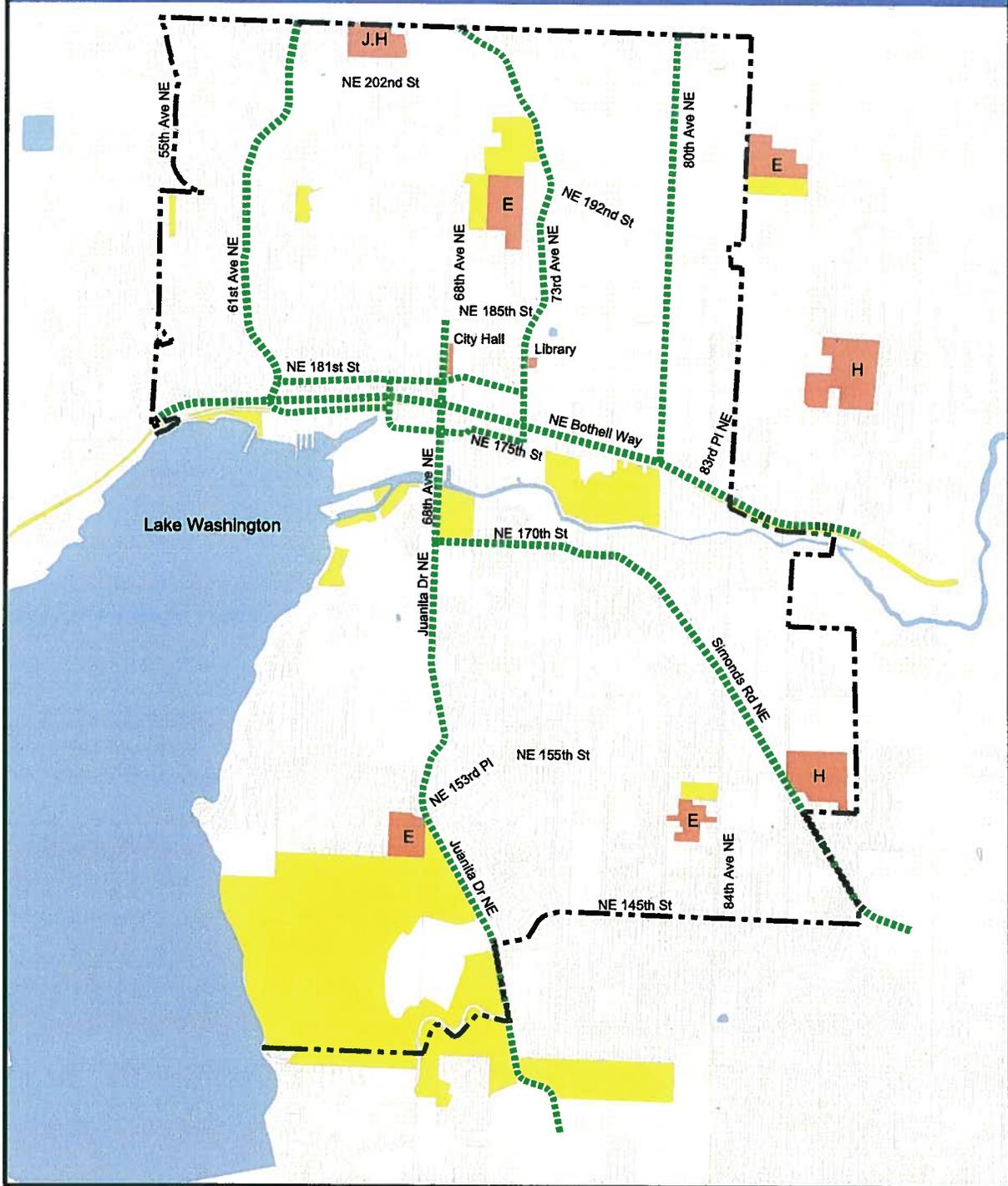
1. A functional classification map that includes NE 175th Street, from 65th Avenue NE to 61st Avenue NE
2. Roadways that meet the Regional Arterial definition
3. Congested Regional Arterials

Figure T-6 2010-2016 Functional Classification of Roadways



Legend			
<ul style="list-style-type: none"> - - - - - Principal Arterial LOS E Minor Arterial LOS D - - - - - Collector LOS C City Limits 	<ul style="list-style-type: none"> Park Lake / Water School / Library / City Hall 		

Figure T-6a: TBD Regional Arterials



Legend

- - - - - Regional Arterial
- City Limits

- Park
- Lake / Water
- School / Library / City Hall



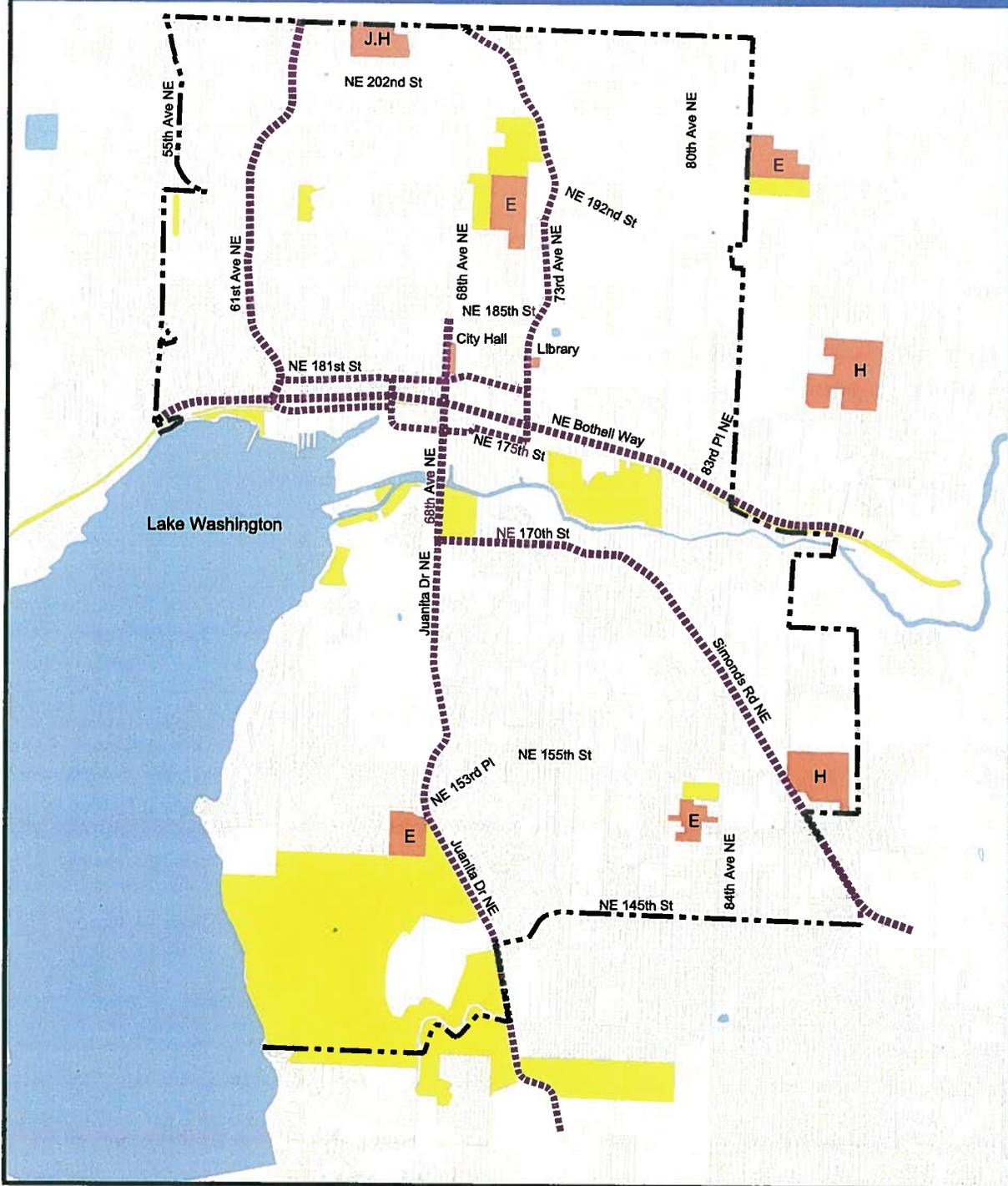
1000 0 1000 2000 FEET

This map is intended for planning purposes only and is not guaranteed to show accurate measurements.



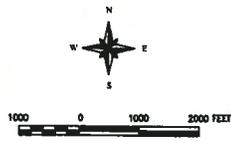
LOCHNER

Figure T-6b: Congested Regional Arterials



Legend

-  Congested Regional Arterial
-  City Limits
-  Park
-  Lake / Water
-  School / Library / City Hall



This map is intended for planning purposes only and is not guaranteed to show accurate measurements.



LOCHNER

Capital Improvement Program Glossary of Terms and Acronyms

CBD	Central Business District
CIP	Capital Improvement Program
CFP	Capital Facilities Program
CMP	Corrugated Metal Pipe
DNS	Declaration of Non Significance
EIS	Environmental Impact Statement
FHWA	Federal Highway Administration
GIS	Geographic Information System
GMA	Growth Management Act
HPA	Hydraulic Permit Approval
IMPACT FEES	Payment of money imposed by the City, on development, in order to pay for the public facilities (parks, transportation) needed to serve new growth and development.
IPZ	Innovation Partnership Zone
LID	Low Impact Design
LID	Local Improvement District
LOS	Level of Service
MDNS	Mitigated Determination of Non Significance
NEPA	National Environmental Policy Act
NLW	North Lake Washington
NPDES	National Pollutant Discharge Elimination System
NUD	Northshore Utility District
PAUE	Public Agency Utility Exemption
PROS PLAN	Park Recreation and Open Space Plan
PS & E	Plans, Specifications and Estimate
RBZ	Regional Business Zone
RCO	Recreation and Conservation Office
REET	Real Estate Excise Tax
ROW	Right of Way
SEPA	State Environmental Policy Act
SMP	Shoreline Master Program
SR 522	State Route 522
STP	Surface Transportation Program
SW	Surface Water
SWM	Surface Water Management
TIB	Transportation Improvement Board
TBD	Transportation Benefit District
TMDL	Total Maximum Daily Load
TOD	Transit Oriented Development
WDFW	Washington State Department of Fish and Wildlife
WRIA	Water Resource Inventory Area
WSDOT	Washington State Department of Transportation

**CITY OF KENMORE, WASHINGTON
CAPITAL IMPROVEMENT PROGRAM
FOR THE YEARS 2013-2018**

EXPENDITURES	2013 Adopted	2014 Adopted	2015 Projected	2016 Projected	2017 Projected	2018 Projected	2013-2018 Totals
<u>PARKS</u>							
P 1 Twin Springs(Portal 44)	\$0	\$0	\$45,000	\$360,000	\$0	\$0	\$405,000
P 2 Tolt Pipeline Trail Phase One	120,000	0	0	0	0	0	120,000
P 6 Moorlands Park Ballfield Improvements	20,000	0	300,000	0	0	0	320,000
P 9 Northshore Summit Design Phase One	190,000	0	0	0	0	0	190,000
P 10 Park Land Acquisition	30,000	0	0	800,000	0	0	830,000
P 11 Log Boom Park Pedestrian Bridge Replaceme	0	40,000	150,000	0	0	0	190,000
P 13 Skate Park	0	20,000	250,000	0	0	0	270,000
P 17 Tolt Pipeline Trail Phase Two	0	0	30,000	190,000	0	0	220,000
P 18 Rhododendron Park Waterfront	0	0	20,000	200,000	0	0	220,000
P 19 Log Boom Park Waterfront	0	0	30,000	75,000	75,000	1,000,000	1,180,000
P 20 18804 73rd Ave NE Improvements (Abagobe	0	0	0	0	0	0	0
P 21 Kenmore Village Public Square	50,000	100,000	800,000	0	0	0	950,000
P 22 City Hall Plaza Improvements	0	0	75,000	0	0	0	75,000
P 23 Squires Landing Trail	0	0	0	0	40,000	200,000	240,000
P 24 Sammamish River Boat Launch Restroom	50,000	0	0	0	0	0	50,000
Total Parks	\$460,000	\$160,000	\$1,700,000	\$1,625,000	\$115,000	\$1,200,000	\$5,260,000
<u>TRANSPORTATION</u>							
T 5 68th Ave NE SR522 to Sammamish Slough	\$0	\$0	\$0	\$110,000	\$320,000	\$2,440,000	\$2,870,000
T 6 SR 522 West A 61st to 65th	4,398,500	4,865,000	2,000,000	0	0	0	11,263,500
T 7 61st Ave NE & 181st Traffic Signal	487,300	0	0	0	0	0	487,300
T 8 SR 522 West B 57th to 61st with BGT Wall	0	0	410,000	8,585,000	15,000	0	9,010,000
T 22 Simonds Road-Inglemoor HS Right Turn Lar	25,000	0	70,000	445,000	0	0	540,000
T 26 Wayfinding Signage and Banners	20,000	20,000	20,000	20,000	20,000	20,000	120,000
T 27 Sidewalk Program	174,950	100,000	100,000	100,000	100,000	100,000	674,950
T 31 City Safety Improvements	250,000	0	0	0	0	0	250,000
T 35 Juanita Drive/68th Ave NE Overlay	1,273,450	0	0	0	0	0	1,273,450
T 36 City Gateways	75,000	225,000	0	0	0	0	300,000
Total Transportation	\$6,704,200	\$5,210,000	\$2,600,000	\$9,260,000	\$455,000	\$2,560,000	\$26,789,200
<u>SURFACE WATER</u>							
SW 1 Tributary 0057 Channel Relocation	\$889,750	\$0	\$0	\$0	\$0	\$0	\$889,750
SW 2 80th Ave NE Ditch Improvements	0	0	40,000	75,000	0	0	\$115,000
SW 3 Juanita Dr NE Ditch Grading Ph 1	75,000	0	0	0	0	0	\$75,000
SW 7 NE 187th Street Bypass	0	40,000	71,000	0	0	0	\$111,000
SW 8 61st Ave NE Sidewalk Embankment Repair	55,000	0	0	0	0	0	\$55,000
SW 9 Swamp Creek Regional Basin Study	10,000	40,000	0	0	0	0	\$50,000
SW 12 74th Avenue NE Culvert Replacement	87,000	202,000	0	0	0	0	\$289,000
SW 13 NE 155th Street Outfall Revision	0	0	50,000	0	0	0	\$50,000
SW 16 Arrowhead Drive Conveyance Improvermer	0	0	0	106,000	116,100	0	\$222,100
SW 17 Little Swamp Creek Relocation Project	0	0	0	0	56,500	50,000	\$106,500
SW 19 NE 192nd ST Culvert Replacement	0	20,000	106,000	0	0	0	\$126,000
SW 20 Small Works Projects	50,000	50,000	50,000	50,000	50,000	50,000	\$300,000
Total Surface Water	\$1,166,750	\$352,000	\$317,000	\$231,000	\$222,600	\$100,000	\$2,389,350
TOTAL EXPENDITURES	\$8,330,950	\$5,722,000	\$4,617,000	\$11,116,000	\$792,600	\$3,860,000	\$34,438,550

**CITY OF KENMORE, WASHINGTON
CAPITAL IMPROVEMENT PROGRAM
FOR THE YEARS 2013-2018**

REVENUES	2013	2014	2015	2016	2017	2018	2013-2018
	Adopted	Adopted	Adopted	Adopted	Adopted	Adopted	Totals
Real Estate Excise Tax (Transportation)	\$897,300	\$290,000	\$250,000	\$300,000	\$0	\$123,750	\$1,861,050
Real Estate Excise Tax - Set Aside Sidewalks	229,950	100,000	100,000	100,000	100,000	100,000	729,950
Transportation Impact Fee Revenue	412,500	380,000	435,000	527,500	115,000	400,000	2,270,000
Park Impact Fee Revenue	220,000	0	45,000	1,322,345	0	0	1,587,345
Real Estate Excise Tax (Parks)	70,000	60,000	350,000	175,000	115,000	200,000	970,000
Kenmore Village Sale	50,000	100,000	800,000	0	0	0	950,000
King County Levy	120,000	0	30,000	27,655	0	0	177,655
Parks Grants	0	0	475,000	100,000	0	1,000,000	1,575,000
Surface Water Utility Funds	1,000,250	672,000	547,000	231,000	222,600	100,000	2,772,850
King County Flood District Grant	150,000	0	0	0	0	0	150,000
State/Transportation Improvement Board	0	4,100,000	1,100,000	2,000,000	0	0	7,200,000
Federal Grants/Allocations	3,600,000	0	0	0	0	0	3,600,000
STP Preservation Grant-Juanita Overlay	636,725	0	0	0	0	0	636,725
Street Fund-Juanita Overlay	636,725	0	0	0	0	0	636,725
Other Agencies Reimbursements	37,500	0	55,000	222,500	0	0	315,000
Federal Funding	250,000	0	354,650	55,000	205,000	1,916,250	2,780,900
PWTF Loan	0	0	55,350	6,035,000	15,000	0	6,105,350
General Fund	20,000	20,000	20,000	20,000	20,000	20,000	120,000
TOTAL REVENUES	\$8,330,950	\$5,722,000	\$4,617,000	\$11,116,000	\$792,600	\$3,860,000	\$34,438,550

**CITY OF KENMORE, WASHINGTON
PARK CAPITAL IMPROVEMENT PROGRAM
FOR THE YEARS 2013-2018**

Project Description	2013 Adopted	2014 Adopted	2015 Projected	2016 Projected	2017 Projected	2018 Projected	2013-2018 Totals
P 1 Twin Springs(Portal 44)	\$0	\$0	\$45,000	\$360,000	\$0	\$0	\$405,000
P 2 Tolt Pipeline Trail Phase One	120,000	0	0	0	0	0	120,000
P 6 Moorlands Park Ballfield Improvements	20,000		300,000	0	0	0	320,000
P 9 Northshore Summit Design Phase One	190,000	0	0	0	0	0	190,000
P 10 Park Land Acquisition	30,000	0	0	800,000	0	0	830,000
P 11 Log Boom Park Pedestrian Bridge Replacement	0	40,000	150,000		0	0	190,000
P 13 Skate Park Relocation & Improvements	0	20,000	250,000	0	0	0	270,000
P 17 Tolt Pipeline Trail Phase Two	0	0	30,000	190,000	0	0	220,000
P 18 Rhododendron Park Waterfront	0	0	20,000	200,000	0	0	220,000
P 19 Log Boom Park Waterfront	0	0	30,000	75,000	75,000	1,000,000	1,180,000
P 21 Kenmore Village Public Square	50,000	100,000	800,000	0	0	0	950,000
P 22 City Hall Plaza Improvements	0	0	75,000	0	0	0	75,000
P 23 Squires Landing Trail	0	0	0	0	40,000	200,000	240,000
P 24 Sammamish River Boat Launch Restroom	50,000	0	0	0	0	0	50,000
Total Project Costs	\$460,000	\$160,000	\$1,700,000	\$1,625,000	\$115,000	\$1,200,000	\$5,260,000

Funding:							
Park Impact Fees	\$220,000	\$0	\$45,000	\$1,322,345	\$0	\$0	\$1,587,345
Real Estate Excise Tax	70,000	60,000	350,000	175,000	115,000	200,000	970,000
Kenmore Village Sale Proceeds	50,000	100,000	800,000	0	0	0	950,000
Grants	0	0	475,000	100,000	0	1,000,000	1,575,000
King County Levy	120,000	0	30,000	27,655	0	0	177,655
Total Project Funding	\$460,000	\$160,000	\$1,700,000	\$1,625,000	\$115,000	\$1,200,000	\$5,260,000

Estimated Annual Maintenance on Completed Park Projects:

P 1 Twin Springs(Portal 44)	\$0	\$0	\$0	\$0	\$15,000	\$15,000	\$30,000
P 2 Tolt Pipeline Trail Phase One	0	5,000	5,000	5,000	5,000	5,000	25,000
P 6 Moorlands Park Ballfield Improvements	0	0	0	20,000	20,000	20,000	60,000
P 9 Northshore Summit Design Phase One	0	15,000	15,000	15,000	15,000	15,000	75,000
P 10 Park Land Acquisition	0	0	0	0	15,000	15,000	30,000
P 11 Log Boom Park Pedestrian Bridge Replacement	0	0	0	5,000	5,000	5,000	15,000
P 13 Skate Park Relocation & Improvements	0	0	0	15,000	15,000	15,000	45,000
P 17 Tolt Pipeline Trail Phase Two	0	0	0	0	10,000	10,000	20,000
P 18 Rhododendron Park Waterfront	0	0	0	0	20,000	20,000	40,000
P 19 Log Boom Park Waterfront	0	0	0	0	0	20,000	20,000
P 21 Kenmore Village Public Square	0	0	0	25,000	25,000	25,000	75,000
P 22 City Hall Plaza Improvements	0	0	0	20,000	20,000	20,000	60,000
P 23 Squires Landing Trail	0	0	0	0	0	15,000	15,000
P 24 Sammamish River Boat Launch Restroom	0	1,900	1,900	1,900	1,900	1,900	9,500
Total Annual Maintenance	\$0	\$21,900	\$21,900	\$106,900	\$166,900	\$201,900	\$519,500



City of Kenmore Capital Improvement Program Twin Springs Neighborhood Park (Portal 44) – Phase One Project P-1

Project Location: Brightwater Portal site east of 80th Ave NE just north of NE 192nd Street.

Project Manager: Debbie Bent/Parks Project Manager (new position)

Project Description: Completion of master plan and Phase One development of the 23-acre site.

Background: King County is estimating completion of the Portal 44 project in Summer 2015. King County will retain approximately 1 acre of the site for their facilities and deed the remaining property to the City for future development as a park. In 2006 and 2007 the Council discussed the Brightwater site transfer at several meetings prior to authorizing execution of the property transfer agreement at the 4/2/07 Council meeting. A conceptual plan for future improvements was prepared and discussed with the Council in 2007, including site access, parking, trails, and play area. The wetlands on the western portion of the property and the steep slopes on the eastern portion of the property will remain. A level graded bench will remain in the middle of the property for future park improvements. The next step will be to complete the master plan in 2015 and prepare construction plans and begin construction in 2016



Environmental Review Status:

	Exempt	Mitigated DNS	EIS
	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

If impacts to wetlands or buffers can be avoided than the project could be exempt under SEPA depending on the quantity of grading work and/or drainage improvements.

Potential Project Issues: Site constrained by critical areas.

Operations: Addition of a new park will require maintenance commencing in 2017. Based on the 2007 conceptual plan maintenance could include maintenance of a parking area, park access, trails, landscaping, picnic facilities, play area, trash collection. Maintenance cost estimate of \$15,000 per year for irrigation and labor.



City of Kenmore Capital Improvement Program
Twin Springs Neighborhood Park (Portal 44) – Phase One
Project P-1

CURRENT DOLLARS

Year	Prior Years	2013	2014	2015	2016	2017	2018	Total 2013-2018
Expenses								
Pre-Design/Master Plan	\$ 11,000			\$12,000				\$ 12,000
Design				\$33,000				\$ 33,000
Construction					\$360,000			\$ 360,000
Total	\$ 11,000			\$ 45,000	\$ 360,000			\$ 405,000
Revenue								
Park Impact Fees	\$ 11,000			\$45,000	\$360,000			\$ 405,000
Total	\$ 11,000			\$ 45,000	\$ 360,000			\$ 405,000

SCHEDULE

	2013				2014				2015				2016				2017				2018		
Project Timeline	Q1	Q2	Q3	Q4	Q1	Q2	Q3																
Pre-Design/master plan																							
Permitting																							
Final Design																							
Construction																							
Closeout																							



**City of Kenmore Capital Improvement Program
Tolt Pipeline Trail – Phase One
Project P-2**

Project Location: Tolt pipeline between 68th Avenue NE to 73rd Avenue NE.

Project Manager: Debbie Bent/Parks Project Manager (new position)

Project Description: 10' to 12' wide pedestrian trail from 68th Avenue to 73rd Avenue.

Background: This project would construct a section of the Tolt Pipeline Trail as described above. In the first quarter of 2013 the City is working to reach an agreement with the City of Seattle for use of the right-of-way for a trail and associated improvements. Once agreement is reached the design can be finalized with construction anticipated in 2013.

Environmental Review Status: Exempt Mitigated DNS EIS
The trail is adjacent to wetland areas and impact to these areas will trigger environmental review.

Potential Project Issues: The project will require an easement agreement with the City of Seattle for use of the property and concurrence on the proposed trail design and improvements.

Operations: Maintenance of trail surface, trash collection, and weed control. Maintenance cost estimate of \$5,000 per year for labor.

68th Ave NE to 73rd Ave NE





City of Kenmore Capital Improvement Program
Tolt Pipeline Trail – Phase One
Project P-2

CURRENT DOLLARS

Year	Prior Years	2013	2014	2015	2016	2017	2018	Total
Expenses								
Design	\$30,000							\$ 30,000
Construction		\$120,000						\$ 120,000
Total	\$ 30,000	\$ 120,000						\$ 150,000
Revenue								
Park Impact Fees								
Park Levy*	\$ 30,000	\$120,000						\$ 150,000
Total	\$ 30,000	\$ 120,000						\$ 150,000

*King County Proposition 2 Parks Expansion Levy Funds

SCHEDULE

	2013				2014				2015				2016				2017				2018		
Project Timeline	Q1	Q2	Q3	Q4	Q1	Q2	Q3																
Pre-Design																							
Permitting																							
Final Design																							
Construction																							
Closeout																							



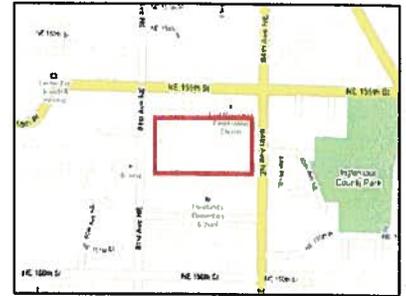
City of Kenmore Capital Improvement Program
Moorlands Park Ballfield Improvements
Project P-6

Project Location: Moorlands Park located to the south of the intersection of NE 155th St and 84th Ave NE.

Project Manager: Debbie Bent/Parks Project Manager (new position)

Project Description: In 2013, complete the construction drawings for renovation of the existing youth sport field and work out a new agreement with Northshore School District regarding park maintenance. Construction in 2015.

Background: The Moorlands Park master plan was adopted 3/27/06. Design and construction documents for Phase 1 improvements were almost completed in 2008 including renovation of the existing youth sport field, trail improvements, fencing and landscaping. The project was put on hold in 2009 to address maintenance issues with the Northshore School District and the priority for ballfield improvements was refocused to Bastyr University.



Environmental Review Status: Exempt Mitigated DNS EIS
 Environmental review may be required depending on the quantity of grading work and drainage review and other proposed improvements.

Potential Project Issues: Negotiating a maintenance agreement with Northshore School District regarding maintenance of park improvements.

Operations: Maintenance costs related to upkeep of a new public amenity and associated improvements. This will be a significant increase if the maintenance is transferred to the City from the Northshore School District, estimate \$20,000 per year for irrigation and labor costs.



City of Kenmore Capital Improvement Program
Moorlands Park Ballfield Improvements
Project P-6

CURRENT DOLLARS

Year	Prior Years	2013	2014	2015	2016	2017	2018	Total
Expenses								
Pre-Design								
Design		\$20,000						\$ 20,000
ROW/ Acquisition								
Construction				\$300,000				\$ 300,000
Total		\$ 20,000		\$ 300,000				\$ 320,000
Revenue								
REET		\$20,000		\$100,000				\$ 120,000
TIB								
Federal Grant				\$200,000				\$ 200,000
Park Impact Fees								
Total		\$ 20,000		\$ 300,000				\$ 320,000

SCHEDULE

Project Timeline	2013				2014				2015				2016				2017				2018			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3																	
Pre-Design/master plan																								
Permitting																								
Final Design																								
Construction																								
Closeout																								



**City of Kenmore Capital Improvement Program
Northshore Summit Park – Phase One
Project P-9**

Project Location: Northshore Summit neighborhood in the 6200 block of NE 193rd Street.

Project Manager: Debbie Bent/Parks Project Manager

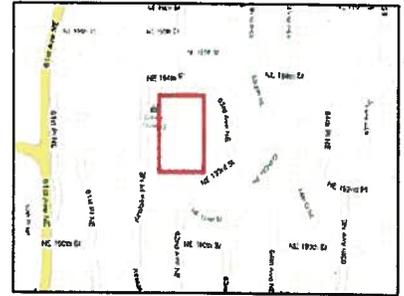
Project Description: Complete Phase One improvements in 2013 which will likely include site grading, site drainage, play equipment, improvements to current maintenance access and potential mitigation.

Background: The master plan was adopted by Council on March 27, 2006. In 2011 a wetland was identified on site. Survey work is anticipated to be complete by year end 2012. Park design and construction are anticipated to be completed in 2013.

Environmental Review Status: Exempt Mitigated DNS EIS
A small Class 3 wetland is located on site. Any impact to the wetland will trigger environmental review and mitigation. Environmental review may also be triggered depending on the quantity of grading and drainage improvements.

Potential Project Issues: On-site drainage issues and critical area issues.

Operations: Limited maintenance of the current site includes maintaining drainage facilities and mowing. Additional maintenance will be required as park is developed, including trash removal, maintenance of playground equipment, and trail maintenance. Maintenance cost estimate of \$15,000 per year for labor costs.





City of Kenmore Capital Improvement Program
Northshore Summit Park – Phase One
Project P-9

CURRENT DOLLARS

Year	Prior Years	2013	2014	2015	2016	2017	2018	Total
Expenses								
Pre-Design	\$80,000							\$ 80,000
Design		\$190,000						\$ 190,000
ROW/ Acquisition								
Construction								
Total	\$ 80,000	\$ 190,000						\$ 270,000
Revenue								
REET								
TIB								
Federal								
Private								
Park Impact Fees		\$190,000						\$ 190,000
Total		\$ 190,000						\$ 190,000

SCHEDULE

Project	2013				2014				2015				2016				2017				2018			
	Q1	Q2	Q3	Q4																				
Pre-Design/master plan																								
Permitting																								
Final Design																								
Construction																								
Closeout																								



**City of Kenmore Capital Improvement Program
Park Land Acquisition
Project P-10**

Project Location: Various

Project Manager: Debbie Bent/Parks Project Manager (new position)

Project Description: Acquisition of additional active and passive park lands within the City.

Background: There is potential to acquire land to expand existing parks (e.g. adjacent to Squire’s Landing, Logboom Park, Moorlands Park) and/or create new parks (e.g. for ballfields or skate park). Grant funding is available to assist with acquisition costs. City funds would serve as local match for future grant applications. In 2013 potential sites will be identified with acquisition anticipated in 2016.

Environmental Review Status: Exempt Mitigated DNS EIS
Acquisition of land is exempt from the SEPA process. Site Development may trigger environmental review.

Potential Project Issues: None known at this time.

Operations: Additional land will require increased park maintenance as the sites are developed. Maintenance costs will depend on the level of improvements (passive or active) and utility expenditures. An average estimate of \$15,000 per year for utilities and labor.





City of Kenmore Capital Improvement Program
Park Land Acquisition
Project No. P-10

CURRENT DOLLARS

Year	Prior Years	2013	2014	2015	2016	2017	2018	Total
Expenses								
Acquisition		\$30,000			\$ 800,000			\$ 830,000
Total		\$ 30,000			\$ 800,000			\$ 830,000
Revenue								
Park Impact Fees		\$30,000			\$ 800,000			\$ 830,000
Total		\$ 30,000			\$ 800,000			\$ 830,000

SCHEDULE

	2013				2014				2015				2016				2017				2018			
Project Timeline	Q1	Q2	Q3	Q4	Q1	Q2	Q3																	
Site identification/feasibility																								
acquisition																								



CURRENT DOLLARS

Year	Prior Years	2013	2014	2015	2016	2017	2018	Total
Expenses								
Pre-Design								
Design			\$40,000					\$ 40,000
Permitting								
Construction				\$150,000				\$ 150,000
Total			\$ 40,000	\$ 150,000				\$ 190,000
Revenue								
REET			\$40,000	\$50,000				\$ 90,000
TIB								
Grant				\$100,000				\$ 100,000
Private								
Park Impact Fees								
Total			\$ 40,000	\$ 150,000				\$ 190,000

SCHEDULE

Project Timeline	2013				2014				2015				2016				2017				2018		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3																
Pre-Design/master plan																							
Permitting																							
Final Design																							
Construction																							
Closeout																							



City of Kenmore Capital Improvement Program
Skate Park Relocation and Improvements
 (potential north end of City Hall Site, 18120 68th
 Ave NE)
Project P-13

Project Location: City Hall, 18120 68th Ave NE

Project Manager: Debbie Bent/Parks Project Manager (new position)

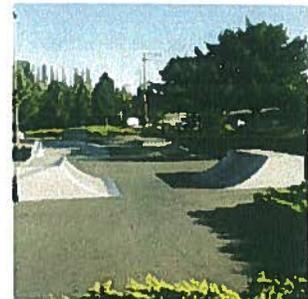
Project Description: In 2014 explore the feasibility of relocating and expanding the skate park facilities on the City Hall property with potential construction in 2015.

Background: In 2006 the city constructed the “temporary” skate park at the City owned former park & ride property on the west side of 68th Ave NE. The original intent was to relocate the skate park across 68th Ave NE to the north paved portion of the City Hall site at the time the park & ride property was redeveloped.

Environmental Review Status: Exempt Mitigated DNS EIS
 Environmental review likely required due to critical area and shoreline issues.

Potential Project Issues: Ability to accommodate the use on the City Hall site and related issues such as parking. An alternate location may be needed.

Operations: Maintenance costs related to upkeep of a new amenity. Estimate of \$15,000 per year for labor costs and maintenance of improvements.





City of Kenmore Capital Improvement Program
Skate Park Relocation and Improvements (potential north end of City Hall site, 18120 68th Ave NE)
Project P-13

CURRENT DOLLARS

Year	Prior Years	2013	2014	2015	2016	2017	2018	Total
Expenses								
Pre-Design			\$20,000					\$ 20,000
Design								
ROW/ Acquisition								
Construction				\$250,000				\$ 250,000
Total			\$ 20,000	\$ 250,000				\$ 270,000
Revenue								
REET			\$20,000	\$75,000				\$ 95,000
TIB								
Federal								
Grants				\$175,000				\$ 175,000
Park Impact Fees								
Total			\$ 20,000	\$ 250,000				\$ 270,000

SCHEDULE

Project Timeline	Q1	Q2	Q3	Q4	Q1	Q2	Q3																
Pre-Design/master plan																							
Permitting																							
Final Design																							
Construction																							
Closeout																							



**City of Kenmore Capital Improvement Program
Tolt Pipeline Trail – Phase Two
Project P-17**

Project Location: 73rd Avenue NE east (Swamp Creek is approximately 500 feet east of 73rd Avenue NE)

Project Manager: Debbie Bent/Parks Project Manager

Project Description: 10' to 12' wide pedestrian trail with potential lookout/birdwatching hut. The trail is not proposed to cross Swamp Creek.

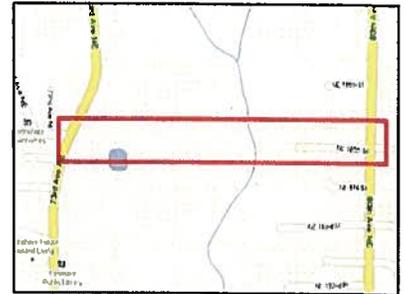
Background: Feasibility of a trail and lookout/birdwatching hut on a section of the Tolt Pipeline Trail as described above. An agreement with the City of Seattle is required to utilize the right-of-way.

Environmental Review Status: Exempt Mitigated DNS EIS
The trail is within critical and designated shoreline areas so environmental review would be required.

Potential Project Issues: The project will require an easement from the City of Seattle. Compliance with critical area and shoreline regulations.

Operations: Maintenance of trail surface, trash collection, weed control, and possible lookout/birdwatching hut. Maintenance estimate of \$10,000 per year for labor costs.

East of 73rd Ave NE



East of 73rd Ave NE





City of Kenmore Capital Improvement Program
Tolt Pipeline Trail – Phase Two
Project P-17

CURRENT DOLLARS

Year	Prior Years	2013	2014	2015	2016	2017	2018	Total
Expenses								
Design				\$30,000				\$ 30,000
Construction					\$190,000			\$ 190,000
Total				\$ 30,000	\$ 190,000			\$ 220,000
Revenue								
Park Impact Fees					\$162,345			\$ 162,345
Park Levy*				\$30,000	\$27,655			\$ 57,655
Total				\$ 30,000	\$ 190,000			\$ 220,000

*King County Proposition 2 Parks Expansion Levy Funds

SCHEDULE

Project Timeline	2013				2014				2015				2016				2017				2018		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3																
Pre-Design																							
Permitting																							
Final Design																							
Construction																							
Closeout																							



**City of Kenmore Capital Improvement Program
Rhododendron Park Waterfront
Project P-18**

Project Location: Rhododendron Park, located at the northeast intersection of NE 170th St (Simonds Rd) and 68th Ave NE (Juanita Drive).

Project Manager: Debbie Bent/Parks Project Manager (new position)

Project Description: In 2015, assess the feasibility of potential waterfront improvements with possible construction in 2016. The 2006 master plan identified several potential waterfront features including pedestrian wetland trails accessing a river overlook, restored aggregate beach, car top boat launch and related parking.

Background: A master plan was adopted 3/27/06. Improvements completed to date include: 2008 Phase 1 improvements of parking lot and access improvements, new picnic shelter, great lawn renovation, relocation and new playground equipment, and landscaping; 2009 new restroom; and 2010 new basketball court.



Environmental Review Status: Exempt Mitigated DNS EIS
Due to critical areas and shoreline, environmental review will be required.

Potential Project Issues: Critical area and shoreline compliance issues.

Operations: Addition of new facilities will require additional maintenance. Estimate of \$20,000 per year for labor costs for maintaining any mitigation areas (if required), parking area, trails, launch area.



City of Kenmore Capital Improvement Program
Rhododendron Park Waterfront
Project P-18

CURRENT DOLLARS

Year	Prior Years	2013	2014	2015	2016	2017	2018	Total
Expenses								
Pre-Design				\$20,000				\$ 20,000
Design								
ROW/ Acquisition								
Construction					\$200,000			\$ 200,000
Total				\$ 20,000	\$ 200,000			\$ 220,000
Revenue								
REET				\$20,000	\$100,000			\$ 120,000
TIB								
Federal								
Grant					\$100,000			\$ 100,000
Park Impact Fees								
Total				\$ 20,000	\$ 200,000			\$ 220,000

SCHEDULE

	2013				2014				2015				2016				2017				2018			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3																	
Project Timeline																								
Pre-Design/master plan																								
Permitting																								
Final Design																								
Construction																								
Closeout																								



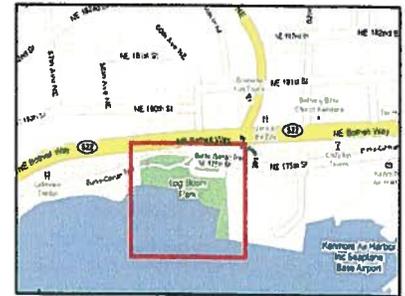
**City of Kenmore Capital Improvement Program
Log Boom Park Waterfront
Project P-19**

Project Location: Log Boom Park, NE 175th St, west of 61st Ave NE.

Project Manager: Debbie Bent/Parks Project Manager (new position)

Project Description: In 2015, assess the feasibility of potential waterfront improvements with possible construction 2016 through 2018. Phase 1 could be exploring the feasibility of a hand boat launch in 2015 with potential construction in 2016 and Phase 2 could be exploring the feasibility of pier improvements in 2017 with construction in 2018.

Background: A master plan was adopted 6/13/05. Improvements completed to date include: 2006 Phase 1 improvements of pedestrian walkway/plaza, playground, lawn area, utility improvements, seat wall, picnic tables and bike rack; 2008 restroom replacement; 2009/2010 restoration of stream 0056 outfall. The master plan identified several potential waterfront features including pier improvements, hand boat launch, overlook, beach, log boom, boardwalk.



Environmental Review Status: Exempt Mitigated DNS EIS
Due to critical areas and shoreline, environmental review will be required.

Potential Project Issues: Critical area shoreline compliance issues including permitting.

Operations: Addition of new facilities will require additional maintenance. Estimate \$20,000 maintenance costs per year for maintenance of launch area and pier.



City of Kenmore Capital Improvement Program
Log Boom Park Waterfront
Project P-19

CURRENT DOLLARS

Year	Prior Years	2013	2014	2015	2016	2017	2018	Total
Expenses								
Pre-Design				\$30,000				\$ 30,000
Design								
ROW/ Acquisition								
Construction					\$75,000	\$75,000	\$1,000,000	\$1,150,000
Total				\$ 30,000	\$ 75,000	\$ 75,000	\$1,000,000	\$1,180,000
Revenue								
REET				\$30,000	\$75,000	\$75,000		\$ 180,000
TIB								
Federal Grants							\$1,000,000	\$1,000,000
Park Impact Fees								
Total				\$ 30,000	\$ 75,000	\$ 75,000	\$1,000,000	\$1,180,000

SCHEDULE for Phase 1

Project Timeline	2013				2014				2015				2016				2017				2018		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3																
Pre-Design/master plan																							
Permitting																							
Final Design																							
Construction																							
Closeout																							



SCHEDULE for Phase 2

	2013				2014				2015				2016				2017				2018		
Project Timeline	Q1	Q2	Q3	Q4	Q1	Q2	Q3																
Pre-Design/master plan																							
Permitting																							
Final Design																							
Construction																							
Closeout																							



City of Kenmore Capital Improvement Program
Kenmore Village Public Square
Project P-21

Project Location: Kenmore Village (current city owned property at the northwest intersection of 68th Ave NE and NE 181st St)

Project Manager: Debbie Bent/Parks Project Manager (new position)

Project Description: Depending on Council direction in 2012 and 2013, complete a site design for a park/public square on the Kenmore Village property in 2013. With construction in 2014 and 2015.

Background: In 2012 the Council prepared a strategic action plan for Kenmore Village with the goal of placing the property on the market for sale. Council direction regarding a park/public square will be an outcome of the action plan.

Environmental Review Status: Exempt Mitigated DNS EIS
 Environmental review may be required depending on the quantity of grading work and drainage review and other proposed improvements.

Potential Project Issues: Incorporating a park amenity with existing or redeveloped improvements.

Operations: Maintenance costs related to upkeep of a new public amenity and associated improvements. Estimate \$25,000 per year for maintenance costs including labor and utilities.





City of Kenmore Capital Improvement Program
Kenmore Village Public Square
Project P-21

CURRENT DOLLARS

Year	Prior Years	2013	2014	2015	2016	2017	2018	Total
Expenses								
Pre-Design		\$50,000						\$ 50,000
Design			\$100,000					\$ 100,000
ROW/ Acquisition								
Construction				\$800,000				\$ 800,000
Total		\$ 50,000	\$ 100,000	\$ 800,000				\$ 950,000
Revenue								
REET								
TIB								
Federal								
Proceeds from sale of Kenmore Village		\$50,000	\$100,000	\$800,000				\$ 950,000
Park Impact Fees								
Total		\$ 50,000	\$ 100,000	\$ 800,000				\$ 950,000

SCHEDULE

Project Timeline	2013				2014				2015				2016				2017				2018			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3																	
Pre-Design/master plan																								
Permitting																								
Final Design																								
Construction																								
Closeout																								



City of Kenmore Capital Improvement Program
City Hall Plaza Water Feature
Project P-22

Project Location: City Hall Plaza 18120 68th Ave NE

Project Manager: Debbie Bent/Parks Project Manager (new position)

Project Description: In 2015, construction of a waterscape (decorative and/or interactive water feature and associated landscape) to be incorporated into the existing plaza located on the southeast corner of the Kenmore City Hall site.

Background: Construction of Kenmore City Hall and the plaza was completed in May 2010. The plaza is approximately 14,000 sq.ft. in size. As a cost saving measure the proposed stone mound mister feature was not constructed. The City will be exploring potential alternatives in lieu of the planned mister feature.



Environmental Review Status: Exempt Mitigated DNS EIS

 Environmental review will likely not be required, depending on the quantity of grading work and drainage review.

Potential Project Issues: Cost and feasibility to upgrade utilities to accommodate an alternative water feature.

Operations: Maintenance costs related to upkeep of the water feature. Estimate \$20,000 per year for labor and utility costs.



City of Kenmore Capital Improvement Program
City Hall Plaza Water Feature
Project P-22

CURRENT DOLLARS

Year	Prior Years	2013	2014	2015	2016	2017	2018	Total
Expenses								
Pre-Design								
Design				\$15,000				\$ 15,000
ROW/ Acquisition				\$ 60,000				\$ 60,000
Construction								
Total				\$ 75,000				\$ 75,000
Revenue								
REET				\$75,000				\$ 75,000
TIB								
Federal								
Private								
Park Impact Fees								
Total				\$ 75,000				\$ 75,000

SCHEDULE

Project Timeline	2013				2014				2015				2016				2017				2018		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3																
Pre-Design/master plan																							
Permitting																							
Final Design																							
Construction																							
Closeout																							



City of Kenmore Capital Improvement Program
Squires Landing Trail
Project P-23

CURRENT DOLLARS

Year	Prior Years	2013	2014	2015	2016	2017	2018	Total
Expenses								
Pre-Design								
Design						\$40,000		\$ 40,000
ROW/ Acquisition								
Construction							\$200,000	\$ 200,000
Total						\$ 40,000	\$ 200,000	\$ 240,000
Revenue								
REET						\$40,000	\$200,000	\$ 240,000
TIB								
Federal								
Private								
Park Impact Fees								
Total						\$ 40,000	\$ 200,000	\$ 240,000

SCHEDULE

Project Timeline	2013				2014				2015				2016				2017				2018		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3																
Pre-Design/master plan																							
Permitting																							
Final Design																							
Construction																							
Closeout																							



**City of Kenmore Capital Improvement Program
Sammamish River Boat Launch Restroom
Project P-24**

Project Location: Washington State Department of Fish and Wildlife (WDFW) Sammamish River public boat launch facility.

Project Manager: Debbie Bent/Parks Project Manager (new position)

Project Description: Cost of Utility connections (water, sewer, electrical) for a new restroom. The Washington State Department of Fish and Wildlife (WDFW) are proposing to improve the existing public boat launch facility adjacent to the Sammamish River including reconstructing and widening the boat ramp, reconfiguring parking, providing plantings adjacent to the shoreline and a new restroom. WDFW will agree to provide a permanent restroom (rather than a vault restroom) if the City pays for the costs of utility connections and takes over restroom maintenance responsibilities.

Background: The WDFW submitted a preliminary proposal to the City in October 2012 for proposed improvements to the boat launch. An agreement between the City and WDFW will be approved in the first quarter of 2013 outlining the terms and conditions related to the City's payment of costs for utility connections for the new restroom and future maintenance responsibilities. WDFW anticipates submitting permit applications in 2013 and being under construction in the Summer/Fall of 2013.



Environmental Review Status: Exempt Mitigated DNS EIS
Environmental review will be required and WDFW will be the lead SEPA agency.

Potential Project Issues: Permitting requirements associated with critical area and shoreline regulations.

Operations: Maintenance costs for the restroom estimated at \$1,900 per year related to utilities (water, sewer, electrical) and supplies.



City of Kenmore Capital Improvement Program
Sammamish River Boat Launch Restroom
Project P-24

CURRENT DOLLARS

Year	Prior Years	2013	2014	2015	2016	2017	2018	Total
Expenses								
Pre-Design								
Design								
ROW/ Acquisition								
Construction		\$50,000						\$ 50,000
Total		\$ 50,000						\$ 50,000
Revenue								
REET		\$50,000						\$ 50,000
TIB								
Federal								
Private								
Park Impact Fees								
Total		\$ 50,000						\$ 50,000

SCHEDULE

Project Timeline	2013				2014				2015				2016				2017				2018			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3																	
Pre-Design/master plan																								
Permitting																								
Final Design																								
Construction																								
Closeout																								

**CITY OF KENMORE, WASHINGTON
TRANSPORTATION CAPITAL IMPROVEMENT PROGRAM
FOR THE YEARS 2013-2018**

Project Description	2013 Adopted	2014 Adopted	2015 Projected	2016 Projected	2017 Projected	2018 Projected	2013-2018 Totals
T 5 68th Ave NE SR522 to Sammamish Slough	0	0	0	110,000	320,000	2,440,000	2,870,000
T 6 SR 522 West A 61st to 65th	4,398,500	4,865,000	2,000,000	0	0	0	11,263,500
T 7 61st Ave NE & 181st Traffic Signal	487,300	0	0	0	0	0	487,300
T 8 SR 522 West B 57th to 61st with BGT Wall	0	0	410,000	8,585,000	15,000	0	9,010,000
T 22 Simonds Road-Inglemoor HS Right Turn Lar	25,000	0	70,000	445,000	0	0	540,000
T 26 Wayfinding Signage and Banners	20,000	20,000	20,000	20,000	20,000	20,000	120,000
T 27 Sidewalk Program	174,950	100,000	100,000	100,000	100,000	100,000	674,950
T 31 City Safety Improvements	250,000	0	0	0	0	0	250,000
T 35 Juanita Drive/68th Ave NE Overlay	1,273,450	0	0	0	0	0	1,273,450
T 36 City Gateways	75,000	225,000	0	0	0	0	300,000
Total Project Costs	\$6,704,200	\$5,210,000	\$2,600,000	\$9,260,000	\$455,000	\$2,560,000	\$26,789,200

Funding:

Real Estate Excise Tax	\$897,300	\$290,000	\$250,000	\$300,000	\$0	\$123,750	\$1,861,050
Real Estate Excise Tax - Set Aside Sidewalks	174,950	100,000	100,000	100,000	100,000	100,000	674,950
Impact Fee Revenue	412,500	380,000	435,000	527,500	115,000	400,000	2,270,000
State/TIB	0	4,100,000	1,100,000	2,000,000	0	0	7,200,000
Federal Transportation Funding 61st Signal	1,100,000	0	0	0	0	0	1,100,000
STP Preservation Grant-Juanita Overlay	636,725	0	0	0	0	0	636,725
Street Fund-Juanita Overlay	636,725	0	0	0	0	0	636,725
General Fund	20,000	20,000	20,000	20,000	20,000	20,000	120,000
Surface Water Fund	63,500	320,000	250,000	0	0	0	633,500
Other Agencies Reimbursements	12,500	0	35,000	222,500	0	0	270,000
Federal Funding	250,000	0	354,650	55,000	205,000	1,916,250	2,780,900
PWTF Loan	0	0	55,350	6,035,000	15,000	0	6,105,350
SR 522 Federal Allocation ROW	2,500,000	0	0	0	0	0	2,500,000
Total Project Funding	\$6,704,200	\$5,210,000	\$2,600,000	\$9,260,000	\$455,000	\$2,560,000	\$26,789,200

Estimated Annual Maintenance on

Completed Projects:

T 5 68th Ave NE SR522 to Sammamish Slough	\$0	\$0	\$0	\$0	\$0	\$1,750	\$1,750
T 6 SR 522 West A 61st to 65th	0	0	0	35,000	35,000	35,000	105,000
T 7 61st Ave NE & 181st Traffic Signal	1,000	1,000	1,000	1,000	1,000	1,000	6,000
T 8 SR 522 57th to 61st with BGT Wall	0	0	0	0	10,000	10,000	20,000
T 22 Simonds Road-Inglemoor HS Right Turn Lar	0	0	0	2,000	2,000	2,000	6,000
T 26 Wayfinding Signage and Banners	2,000	2,000	2,000	2,000	2,000	2,000	12,000
T 27 Sidewalk Program	0	0	0	0	0	0	0
T 31 City Safety Improvements	0	0	0	0	0	0	0
T 35 Juanita Drive/68th Ave NE Overlay	0	0	0	0	0	0	0
T 36 City Gateways	0	0	1,500	1,500	1,500	1,500	6,000
Total Annual Maintenance	\$3,000	\$3,000	\$4,500	\$41,500	\$51,500	\$53,250	\$156,750



City of Kenmore Capital Improvement Program
68th Avenue NE – SR 522 to Sammamish Slough
Project No. T-5

Project Location: 68th Avenue NE between the Sammamish River Bridge (north end) and Highway 522.

Project Manager: Kris Overleese

Project Description: Install a northbound right turn lane for the entire distance to relieve congestion.

Background: This is a capacity project planned for future growth that will improve traffic operations at one of the most critical intersections in the City of Kenmore. Pre-design work has been completed as part of the Juanita Drive Study prepared by Otak.



Environmental Review Status: Exempt Mitigated DNS EIS

Potential Project Issues: The project is not currently funded. Project costs to be re-evaluated in the future.

Operations: This project would widen the road and re-construct sidewalks. It would increase asphalt pavement. There is potential to add landscaping and additional lighting requiring additional maintenance. Assume \$250/year for additional pavement maintenance and \$1,500/year for landscape maintenance and irrigation.

CURRENT DOLLARS

Year	Prior Years	2013	2014	2015	2016	2017	2018	Total
Expenses								
Project Administration					\$ 10,000	\$ 15,000	\$ 40,000	\$ 65,000
Design	\$ 20,000				\$ 100,000	\$ 215,000		\$ 335,000
ROW						\$ 90,000		\$ 90,000
Construction							\$2,400,000	\$2,400,000
Total	\$ -				\$ 110,000	\$ 320,000	\$2,440,000	\$2,870,000
Revenue								
REET							\$ 123,750	\$ 123,750
TIB								
Federal					\$ 55,000	\$ 205,000	\$1,916,250	\$2,176,250
Impact Fee					\$ 55,000	\$ 115,000	\$ 400,000	\$ 570,000
Other								
Total					\$ 110,000	\$ 320,000	\$2,440,000	\$2,870,000



City of Kenmore Capital Improvement Program
68th Avenue NE – SR 522 to Sammamish Slough
Project No. T-5

SCHEDULE

	2013				2014				2015				2016				2017				2018			
Project Timeline	Q1	Q2	Q3	Q4																				
Design																								
Right of Way																								
Construction																								
Closeout																								



City of Kenmore Capital Improvement Program

Project Name: SR 522 – West A (61st to 65th Avenues NE Including 61st Avenue NE approaches)

Project No. T- 6

Project Location: Highway 522 : 61st to 65th Avenues NE including 522/61st Avenue NE north and south legs.

Project Manager: Kent Vaughan

Project Description: The project will 1) upgrade the 522/61st Avenue NE signal 2) complete 522 improvements between 61st and 65th Avenues NE (the terminus of completed 522 work) and 3) complete the north and south legs (approaches) of the 522/61st intersection. 522 improvements include: sidewalk, undergrounding utilities, stormwater system facilities, illumination, and rechannelization to three lanes in each direction including Business Access Transit – BAT lanes and left/u turn pockets.

Background: : This project is formerly one of the components of the larger SR 522 Phase 1, Stage 2 Corridor Improvement Project; now called **West A**. The improvements would improve vehicle and pedestrian safety and reduce signal delays. Safety at the Burke-Gilman trail crossing of 61st Avenue NE would also be improved. Construction of the 522/61st Avenue NE signal must start in the spring to utilize the earmark funds. If other funding falls into place, construction of the remaining components of the project would begin in 2014.

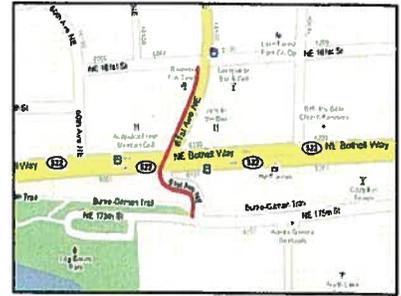
Funding Status:

The City received \$1,100,000 in earmark money to complete signal upgrades at 61st Avenue NE. The City has applied for TIB and Regional Mobility funds to help fund the remainder of the project. The City will utilize Transportation Impact Fees, REET and Surface water funds as match. The City has received \$2,500,000 in right of way funds and right of way for the entire segment will likely begin late 2012 or early 2013.

Environmental Review Status: Exempt Mitigated DNS EIS
An environmental impact statement has been completed and approved by WSDOT and FHWA. The NEPA document was updated in 2012.

Potential Project Issues: The project will require additional funding to complete construction between 61st and 65th Avenues NE and the south leg of the 522/61st Avenue signal.

Operations: This project will result in increased street lighting electrical and maintenance costs, landscaping maintenance and storm water maintenance, and water for irrigation. Assume \$20,000 per year for landscape maintenance, and \$15,000 per year for water. The Washington State Department of Transportation is responsible for the street surface maintenance.





City of Kenmore Capital Improvement Program
Project Name: SR 522 – West A (61st to 65th Avenues NE
Including 61st Avenue NE approaches)

CURRENT DOLLARS

Year	Prior Years	2013	2014	2015	2016	2017	2018	Total
Expenses								
Project Administration	\$ 10,000	\$ 85,000	\$ 65,000					\$ 160,000
Design	\$ 50,000	\$ 363,500						\$ 413,500
ROW/ Acquisition	\$ 40,000	\$2,850,000						\$ 2,890,000
Construction		\$1,100,000	\$4,800,000	\$2,000,000				\$ 7,900,000
Art								
Total	\$ 100,000	\$4,398,500	\$4,865,000	\$2,000,000				\$11,363,500
Revenue								
REET	\$ 100,000	\$ 335,000	\$ 65,000	\$ 250,000				\$ 750,000
General								\$ -
Impact		\$ 400,000	\$ 380,000	\$ 400,000				\$ 1,180,000
State		\$1,100,000						\$ 1,100,000
TIB			\$4,100,000	\$1,100,000				\$ 5,200,000
SWM		\$ 63,500	\$ 320,000	\$ 250,000				\$ 633,500
Federal		\$2,500,000						\$ 2,500,000
Total	\$ 100,000	\$4,398,500	\$4,865,000	\$2,000,000	\$ -	\$ -	\$ -	\$11,363,500

SCHEDULE

Project Timeline	2013				2014				2015				2016				2017				2018		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3																
Right of Way																							
Final Design																							
Construction																							
Closeout																							



City of Kenmore Capital Improvement Program
Project Name: 61st Ave NE & NE 181st St Traffic Signal
Project No. T-7

Project Location: 61st Avenue NE and NE 181st Street intersection

Project Manager: Kent Vaughan



Project Description: The project will install a traffic signal at the intersection of NE 181st NE and 61st Avenue NE. The northbound approach to NE 181st street will be widened from 4 lanes to 5 lanes (two northbound thru lanes, one northbound left turn lane and two southbound thru lanes) and widen the southbound approach from 4 lanes to 5 lanes (two southbound thru lanes, one southbound left turn lane and two northbound thru lanes).

Improvements will include street lighting, sidewalks, storm drainage, retaining wall, and undergrounding of aerial utility lines.



Background: The installation of a traffic signal at this location will improve traffic safety and circulation at this intersection and safety of travel to and from SR522. Construction of the traffic signal has begun in August 2012 and is anticipated to be completed in January 2013.

Funding Status:

This project is funded with City Traffic Impact Fees and Real Estate Excise Tax (REET), and 650k in federal funds administered through the State's 2011-2013 Transportation Budget.

Environmental Review Status: Exempt Mitigated DNS EIS

This project was exempt from SEPA. Because this project is partially funded by federal dollars, FHWA and WSDOT approved the environmental process.

Potential Project Issues: The long lead time for traffic signal pole delivery may delay the final project completion date. In addition, the late construction start and the upcoming wet season weather may delay the final paving to the spring of 2013.

Operations: This project will result in increased street lighting electrical and maintenance costs, assume \$1,000 per year.



City of Kenmore Capital Improvement Program

Project Name: 61st Ave NE & NE 181st St Traffic Signal

Project No. T-7

CURRENT DOLLARS

Year	Prior Years	2013	2014	2015	2016	2017	2018	Total
Expenses								
Pre-Design/ Basin Plan								
Design	\$ 304,000							\$ 304,000
ROW/ Acquisition	\$ 230,000							\$ 230,000
Construction	\$ 1,137,500	\$ 487,300						\$1,624,800
Total	\$ 1,671,500	\$ 487,300						\$2,158,800
Revenue								
REET	\$ 575,500	\$ 487,300						\$1,062,800
General Fund								
Impact Fees	\$ 446,000							\$ 446,000
State								
Federal	\$ 650,000							\$ 650,000
Total	\$ 1,671,500	\$ 487,300						\$2,158,800

SCHEDULE

Project Timeline	2013				2014				2015				2016				2017				2018			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3																	
Construction																								
Closeout																								



City of Kenmore Capital Improvement Program
Project Name: SR 522 West B (57th to 61st including Burke-Gilman Trail Wall)
Project No. T-8

Project Location: SR 522 from 57th Avenue NE to 61st Avenue NE.

Project Manager: Kent Vaughan & Kris Overleese

Project Description: This project would widen Highway 522 west of 61st Avenue NE to the south to provide dual eastbound to northbound left turn lanes at the 522/61st Avenue NE signal. The widening would require construction of a retaining wall along the north side of the Burke-Gilman Trail.

Background: This project is formerly one of the components of the larger SR 522 Phase 1, Stage 2 Corridor Improvement Project; now called **West B**. The addition of dual east to north turn lanes at the 522/61st Avenue NE signal would increase efficiency for all legs. 522 improvements include: sidewalk, undergrounding utilities, stormwater system facilities, illumination, and rechannelization to three lanes in each direction including Business Access Transit – BAT lanes and left/u turn pockets.

The West A Segment (NE 61st to 65th Streets including north and south approaches) should be completed first. Right of way acquisition will be conducted in conjunction with the West A Segment in 2013. Ideally, this project would begin construction at the tail end of West A.

Funding Status:

Right of way acquisition is funded for the project. The City will provide available Transportation Impact Fee, Surface Water Utility, and REET resources to the project, but other funds are needed to finish design and construction. A low interest Public Works Trust Fund Loan will be investigated.

Environmental Review Status: Exempt Mitigated DNS EIS
 An environmental impact statement has been completed and approved by WSDOT and FHWA. The NEPA document was updated in 2012.

Potential Project Issues:

A permit to temporarily occupy the Burke-Gilman Trail and utility easements will be required from King County Parks. Significant funds need to be acquired for this project for construction.

Operations:

This project will result in increased street lighting electrical and maintenance costs. Assume \$5,000 for landscape maintenance and \$5,000 for irrigation water and power.





City of Kenmore Capital Improvement Program

Project Name: SR 522 West B (57th to 61st including Burke Gilman Trail Wall)

Project No. T-8

CURRENT DOLLARS

Year	Prior Years	2013	2014	2015	2016	2017	2018	Total
Expenses								
Project Administration				\$ 15,000	\$ 75,000	\$ 15,000		\$ 105,000
Design				\$ 395,000				\$ 395,000
ROW/ Acquisition								
Construction					\$ 8,510,000			\$ 8,510,000
Total				\$ 410,000	\$ 8,585,000	\$ 15,000		\$ 9,010,000
Revenue								
REET					\$ 300,000			\$ 300,000
SWM					\$ -			\$ -
Impact Fees					\$ 250,000			\$ 250,000
TIB					\$ 2,000,000			\$ 2,000,000
Tolling								
Federal				\$ 354,650				\$ 354,650
PWTF Loan				\$ 55,350	\$ 6,035,000	\$ 15,000		\$ 6,105,350
Total				\$ 410,000	\$ 8,585,000	\$ 15,000		\$ 9,010,000

SCHEDULE

Project Timeline	2013				2014				2015				2016				2017				2018		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3																
Right of Way																							
Final Design																							
Construction																							
Closeout																							



City of Kenmore Capital Improvement Program
Simonds Road – Inglemoor High School Right Turn Lane
Project No. T-22

Project Location: Simonds Road NE

Project Manager: Kris Overleese

Project Description: Installation of a north-bound right-turn lane into Inglemoor High School at NE 155th Ave. New curb, gutter, and sidewalk will be needed as well as ADA upgrades. This will be a project completed with the Northshore School District as a partner.

Background: This improvement will address the problem of long traffic queues during the morning student commute.

Environmental Review Status: Exempt Mitigated DNS EIS

Potential Project Issues: The right turn lane could conflict with the pedestrian crossing at 88th Avenue NE. Depending on the turn pocket length, right of way could be required from the properties south of the school. Interlocal Agreement and funding from the School District needed.

Operations: The project will add additional asphalt for the City to maintain and potentially additional stormwater facilities. Assume \$2,000 per year for maintenance.



CURRENT DOLLARS

Year	Prior Years	2013	2014	2015	2016	2017	2018	Total
Expenses								
Administration		\$ 5,000		\$ 5,000	\$ 10,000			\$ 20,000
Pre-Design		\$ 20,000						\$ 20,000
Design				\$ 65,000				\$ 65,000
ROW								
Construction					\$ 435,000			\$ 435,000
Total		\$ 25,000	\$ -	\$ 70,000	\$ 445,000			\$ 540,000
Revenue								
Impact Fee		\$ 12,500	\$ -	\$ 35,000	\$ 222,500			\$ 270,000
TIB								\$ -
Federal								\$ -
Private								\$ -
Northshore		\$ 12,500	\$ -	\$ 35,000	\$ 222,500			\$ 270,000
Total		\$ 25,000	\$ -	\$ 70,000	\$ 445,000			\$ 540,000
Operations								



City of Kenmore Capital Improvement Program
Simonds Road – Inglemoor High School Right Turn Lane
Project No. T-22

SCHEDULE

	2013				2014				2015				2016				2017				2018			
Project Timeline	Q1	Q2	Q3	Q4																				
Pre-design																								
Final Design																								
Construction																								
Closeout																								



City of Kenmore Capital Improvement Program
Wayfinding Signage and Banners
Project No. T-26

Project Location: Multiple locations throughout the City see attached map.

Project Manager: Nancy Ousley

Project Description: This project would provide signing directing motorists to major destinations within the City. The signs would be fabricated and installed over a 6 year period. Sign size, message and logos would vary based on location and message. In addition the project would provide 3 sets of banners to be installed along SR 522 NE, 181st Street in downtown and 68th Avenue NE from NE 170 Street to SR 522 at various times of the year.

Background: During 2010 and 2011 the City worked with Sussman/Prejza & Company to develop text, mounting, logos, coloring and locations where these signs would be placed. They will provide a distinctive identity for the City of Kenmore and provide acknowledgement of major destinations. Banners will enhance the streetscape and reflect seasonal activity and events. Banners were fabricated and installed in 2012.



Environmental Review Status: Exempt Mitigated DNS EIS

Potential Project Issues: None

Operations: Operations cost would include changing the banners 3 times per year and replacing damaged banners. Assume \$2,000 for labor per year.



City of Kenmore Capital Improvement Program
Wayfinding Signage and Banners
Project No. T-26

CURRENT DOLLARS

Year	Prior Years	2013	2014	2015	2016	2017	2018	Total
Expenses								
Pre-Design								
Design								
ROW								
Construction	\$ 47,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 167,000
Total	\$ 47,000	\$ 20,000	\$ 167,000					
Revenue								
General Fund	\$ 47,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 167,000
TIB								
Federal								
Private								
Other								
Total	\$ 47,000	\$ 20,000	\$ 167,000					

SCHEDULE

This project is ongoing.



City of Kenmore Capital Improvement Program

Project Name: Sidewalk Program

Project No. T-27

Project Location: current grant applications: south side of NE 181st Street adjacent to Safeway, 68th Avenue NE (City Hall to Tolt right of way), NE 155th Street (north side east of 85th Avenue NE).

Project Manager: Kent Vaughan

Project Description: This project will construct sidewalks along various city streets segments. Project elements will include installation of curb, gutters, retaining walls where required, and storm drainage. The attached spreadsheet "Sidewalk Program" shows the City's arterial segments without sidewalk and prioritization and cost estimates for completion. The funds within the Sidewalk Program will largely be utilized as match for sidewalk grants.

Background: The program was established when estimated costs for typical improvements exceeded expectations. The projects completed within this program in 2011-2012 included the 190th Stairway Replacement and the SR522 Ph 1 NE 181st Street Improvements (in conjunction with King County Library System, \$231,592. Refer to project #0143).

Funding Status:

The City Council has allocated approximately \$100,000 of REET funds on annually to this program for several years. Surface Water funds will be utilized for the surface water components of projects.

Environmental Review Status: Exempt Mitigated DNS EIS

The projects may result in the filling of some ditches or widening of roadways.

Potential Project Issues: Installation of sidewalk often takes away on-street parking and potentially adjacent property owner improvements.

Operations: New sidewalks have a long life. No annual maintenance costs anticipated.





City of Kenmore Capital Improvement Program

Project Name: Sidewalk Program

Project No. T-27

CURRENT DOLLARS

Year	Prior Years	2013	2014	2015	2016	2017	2018	Total
Expenses								
Pre-Design/ Basin Plan								
Design								
ROW/ Acquisition								
Construction		\$ 174,950	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 674,950
Total		\$ 174,950	\$ 100,000	\$ 674,950				
Revenue								
REET		\$ 174,950	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 674,950
TIB								
State								
Private								
Other								
Total		\$ 174,950	\$ 100,000	\$ 674,950				

SCHEDULE

The City has applied for grants in 2012 for the following segments of sidewalk:

TIB:

68th Avenue NE north of City Hall to Tolt Right of Way (design and construction in 2013)

NE 181st St along Safety frontage to the east (design and construction 2013)

*The City also applied for these funds through the WA Community Economic Revitalization Board

WA Pedestrian and Bicycle Program:

NE 155th Street east of 84th Avenue NE (design in 2013 and construction in 2014)



City of Kenmore Capital Improvement Program

Project Name: City Safety Improvements

Project No. T- 31

Project Location: Various

Project Manager: Kent Vaughan

Project Description: This project is funded through the WSDOT Highways and Local Programs "2012 City Safety Program". The funds are funneled through WSDOT from the federal Highway Safety Improvement Program (HSIP). The project will upgrade existing signals with backplates and yellow reflective tape at the following intersections: 68th Ave NE/NE 175th Street, Juanita Drive/NE 170th St (also audible pedestrian buttons), Juanita Drive/NE 153rd St (also audible pedestrian buttons), and Simonds Rd NE and NE 155th St (also audible pedestrian buttons). The project will also install signal heads at the NE 175th St/NE 155th St intersections to allow for "split phase" operation which will improve safety. The Project will install three previously purchased solar-powered school flashers. The project will also fund improvements on Simonds Road from Juanita Drive/68th Ave NE to 72nd Ave NE: restripe the road to the three land section, install signs to restrict parking during pm – peak hours, and modify the traffic signal and controller to maximize green time for southbound 68th Ave NE drivers to eastbound NE 170th St left turns to reduce delay.



Background: The City applied for funds early in 2012 and was awarded the grant. Funds are to be spent in 2013.

Funding Status:

The improvements are entirely grant funded and the work is planned for 2013.

Environmental Review Status: Exempt Mitigated DNS EIS

Potential Project Issues: None known at this time.

Operations: The project will restrict parking on a segment of Simonds Road during PM peak traffic hours. No additional maintenance costs anticipated.



City of Kenmore Capital Improvement Program

Project Name: City Safety Improvements

Project No. T-31

CURRENT DOLLARS

Year	Prior Years	2013	2014	2015	2016	2017	2018	Total
Expenses								
Project Management		\$ 9,000						\$ 9,000
Pre-Design/ Basin Plan								
Design		\$ 27,000						\$ 27,000
ROW/ Acquisition								
Construction		\$ 214,000						\$ 214,000
Total		\$ 250,000						\$ 250,000
Revenue								
REET								
TIB								
Federal		\$ 250,000						\$ 250,000
Private								
Other								
Total		\$ 250,000						\$ 250,000

SCHEDULE

	2013				2014				2015				2016				2017				2018		
Project Timeline	Q1	Q2	Q3	Q4	Q1	Q2	Q3																
Design																							
Construction																							



City of Kenmore Capital Improvement Program
Juanita Drive/68th Avenue NE Overlay
Project No. T-35

Project Location: Juanita Drive/68th Avenue NE (143rd Street to NE 175th Street)

Project Manager: Jennifer Gordon

Project Description: The project will reshape approximately 9000 feet of pavement by grinding and then overlaying with new HMA on Juanita Drive NE/68th Avenue NE from the south City limits at NE 143rd Street to 1300 feet south of NE 175th Street (north bridge approach). The project will include protecting and resetting affected utility covers, lids and inlets and upgrading sidewalks where required to meet ADA requirements. The project will provide appropriate traffic control and field inspection during construction, and re-establish pavement markings when the paving is complete.



Environmental Review Status: Exempt Mitigated DNS EIS

Potential Project Issues: NA

Operations: NA

CURRENT DOLLARS

Year	Prior Years	2013	2014	2015	2016	2017	2018	Total
Expenses								
Project Administration		\$ 10,000						\$ 10,000
Design		\$ 60,000						\$ 60,000
ROW								
Construction		\$ 1,203,450						\$1,203,450
Total		\$ 1,273,450						\$1,273,450
Revenue								
City Funds		\$ 636,725						\$ 636,725
TIB								
Federal		\$ 636,725						\$ 636,725
Private								
Other								
Total		\$ 1,273,450						\$1,273,450



City of Kenmore Capital Improvement Program
Juanita Drive/68th Avenue NE Overlay
Project No. T-35

SCHEDULE

	2013				2014				2015				2016				2017				2018		
Project Timeline	Q1	Q2	Q3	Q4	Q1	Q2	Q3																
Design																							
Construction																							



City of Kenmore Capital Improvement Program
City Gateways on Highway 522
Project No. T-36

Project Location: The entrances to Kenmore along Highway 522.

Project Manager: Jennifer Gordon/Kris Overleese

Project Description: This project would provide Gateways including signage and vegetation at both ends of the City along Highway 522. The gateways are to be installed in 2013 and 2014.

Background: During 2010 and 2011 the City worked with Sussman/Prejza & Company to develop text, mounting, logos, coloring and locations where these signs could be placed. They will provide a distinctive identity for the City of Kenmore.

Funding Status:
 The Gateways are to be designed and constructed in 2013 and 2014.

Environmental Review Status: Exempt Mitigated DNS EIS



Potential Project Issues: real estate rights may be needed.

Operations: Operations cost would include power if the signs are lit and water if the gateway is irrigated (\$1,000/year). Include \$500 per year for landscape maintenance.

CURRENT DOLLARS

Year	Prior Years	2013	2014	2015	2016	2017	2018	Total
Expenses								
Design		\$ 10,000	\$ 25,000					\$ 35,000
ROW		\$ 5,000	\$ 5,000					\$ 10,000
Construction		\$ 60,000	\$ 195,000					\$ 255,000
Total		\$ 75,000	\$ 225,000					\$ 300,000
Revenue								
REET		\$ 75,000	\$ 225,000					\$ 300,000
Other								
Total		\$ 75,000	\$ 225,000					\$ 300,000

SCHEDULE

	2013				2014				2015				2016				2017				2018				
	Q1	Q2	Q3	Q4																					
Right of Way																									
Design																									
Construction																									

**CITY OF KENMORE, WASHINGTON
SURFACE WATER CAPITAL IMPROVEMENT PROGRAM
FOR THE YEARS 2013-2018**

Project Description	2013	2014	2015	2016	2017	2018	2013-2018
	Adopted	Adopted	Projected	Projected	Projected	Projected	Totals
SW 1 Tributary 0057 Channel Relocation	\$889,750	\$0	\$0	\$0	\$0	\$0	\$889,750
SW 2 80th Ave NE Ditch Improvements	0	0	40,000	75,000	0	0	115,000
SW 3 Juanita Dr NE Ditch Grading Ph 1	75,000	0	0	0	0	0	75,000
SW 7 NE 187th Street Bypass	0	40,000	71,000	0	0	0	111,000
SW 8 61st Ave NE Sidewalk Embankment Repair	55,000	0	0	0	0	0	55,000
SW 9 Swamp Creek Regional Basin Study	10,000	40,000	0	0	0	0	50,000
SW 12 74th Avenue NE Culvert Replacement	87,000	202,000	0	0	0	0	289,000
SW 13 NE 155th Street Outfall Revision	0	0	50,000	0	0	0	50,000
SW 16 Arrowhead Drive Conveyance Improvements	0	0	0	106,000	116,100	0	222,100
SW 17 Little Swamp Creek Relocation Project	0	0	0	0	56,500	50,000	106,500
SW 19 NE 192nd ST Culvert Replacement	0	20,000	106,000	0	0	0	126,000
SW 20 Small Works Projects	50,000	50,000	50,000	50,000	50,000	50,000	300,000
Total Project Costs	\$1,166,750	\$352,000	\$317,000	\$231,000	\$222,600	\$100,000	\$2,389,350
Funding:							
Real Estate Excise Tax - Sidewalks	\$55,000	\$0	\$0	\$0	\$0	\$0	\$55,000
King County Flood District Grant	150,000	0	0	0	0	0	150,000
Reimbursement from Utilities	25,000	0	20,000	0	0	0	45,000
Surface Water Utility Funds	936,750	352,000	297,000	231,000	222,600	100,000	2,139,350
Total Project Funding	\$1,166,750	\$352,000	\$317,000	\$231,000	\$222,600	\$100,000	\$2,389,350
Estimated Annual Maintenance on Completed Projects:							
SW 1 Tributary 0057 Channel Relocation	\$0	-\$7,000	-\$7,000	-\$7,000	-\$7,000	-\$7,000	-\$20,000
SW 2 80th Ave NE Ditch Improvements	0	0	0	0	0	0	0
SW 3 Juanita Dr NE Ditch Grading Ph 1	0	0	0	0	0	1,000	0
SW 7 NE 187th Street Bypass	0	0	0	0	0	0	0
SW 8 61st Ave NE Sidewalk Embankment Repair	0	0	0	0	0	0	0
SW 9 Swamp Creek Regional Basin Study	0	0	0	0	0	0	0
SW 12 74th Avenue NE Culvert Replacement	0	0	2,000	2,000	2,000	2,000	4,000
SW 13 NE 155th Street Outfall Revision	0	0	0	0	0	0	0
SW 16 Arrowhead Drive Conveyance Improvements	0	0	0	0	0	0	0
SW 17 Little Swamp Creek Relocation Project	0	0	0	0	0	0	0
SW 19 NE 192nd ST Culvert Replacement	0	0	0	5,000	5,000	5,000	5,000
SW 20 Small Works Projects	0	0	0	0	0	0	0
Total Annual Maintenance	\$0	-\$7,000	-\$5,000	\$0	\$0	\$1,000	-\$11,000



City of Kenmore Capital Improvement Program
Tributary 0057 – Channel Relocation Project
Project No. SW-1

Project Location: NE 170th Street right-of-way (200' east of 72nd Avenue NE), and ~250 feet north of public right-of-way in future public drainage easement.

Project Manager: Kent Vaughan

Project Description: Remove the existing sediment vault in NE 170th Street and existing overflow pipe running north from the vault, and abandon the pipe to the west of the vault. Construct a 230-foot, 12'W x 7'H box culvert in the NE 170th Street right-of-way and north through private property to the Sammamish River flood plain. The existing Tributary 0057 channel will be abandoned north of NE 170th Street right-of-way. Off-site access and public drainage easements will be necessary to complete the project. Discussions with property owners have revised this proposal from an open channel concept north of NE 170th Street to an enclosed box culvert to the proposed outfall.

Background: During the December 3rd, 2007 storm event, the existing sediment vault in NE 170th Street became impacted with sediment and the vault inlet pipe became obstructed with loose debris. Tributary 0057 jumped its banks and flooded Simonds Road NE, and downstream areas such as 72nd Avenue NE (private) and the Wildcliffe Shores Condominiums. Currently the City has a programmatic HPA permit to clean the sediment vault, but the existing system is undersized and becomes impacted with sediment shortly after cleaning.

Funding Status:

The Tributary 0057 Sediment Study was identified in the 2008 Surface Water Management Capital Improvement Plan. Final contract documents and permitting are scheduled for completion in 2012-2013. Construction is anticipated for 2013 fish window (July 1 – September 30).

The cost estimate has been revised to reflect current design contract amount, the use of a box culvert rather than an open channel concept for the entire length, and upsizing the culvert size to a 12'W x 7'H box due to input provided by WDFW and Muckleshoot Tribe representatives.

Environmental Review Status:

Exempt Mitigated DNS EIS

The project will require an HPA and possibly a Corps permit for the wetland impacts. The permitting documents have been prepared and will be submitted to the agencies for review now that the necessary easements have been acquired from the property owners.





City of Kenmore Capital Improvement Program
Tributary 0057 – Channel Relocation Project
Project No. SW-1

Potential Project Issues: The culvert design has been adjusted to avoid conflict with the existing fiber optic trench that runs parallel to the roadway on the north side of Simonds Road NE.

Operations: The project will alleviate the potential for future flooding of Simonds Road NE right-of-way and potential road closures due to flooding, and associated maintenance and clean-up costs. The new system will eliminate the need to remove sediment from the vault structure twice a year, which would save roughly \$12,000 annually. Assume \$2,500 for temporary irrigation of native plantings and \$2,500 for weed control over 5-year maintenance period.

CURRENT DOLLARS

Year	Prior Years	2013	2014	2015	2016	2017	2018	Total
Expenses								
Administration	\$ 10,000	\$ 10,000						\$ 20,000
Basin Plan	\$ 161,100							\$ 161,100
Design	\$ 174,984							\$ 174,984
Right of Way	\$ 43,000							\$ 43,000
Construction		\$ 879,750						\$ 879,750
Total	\$ 389,084	\$ 889,750						\$1,278,834
Revenue								
SWM Utility	\$ 389,084	\$ 714,750						\$1,103,834
Utility Reimb.		\$ 25,000						\$ 25,000
Flood Control Dist		\$ 150,000						\$ 150,000
Total	\$ 389,084	\$ 889,750						\$1,278,834

SCHEDULE

	2013				2014				2015				2016				2017				2018			
Project Timeline	Q1	Q2	Q3	Q4																				
Construction																								
Closeout																								



City of Kenmore Capital Improvement Program
80th Ave NE Ditch Improvements
Project No. SW-2

Project Location: 80th Avenue NE, north of NE 203rd Street

Project Manager: Zack Richardson

Project Description: Stabilize riprap channel for 130 feet north of NE 203rd Street. Replace existing culverts with dual pipes and add trash racks; or as staff sees fit. Install overflow structure and curbing at most downstream culvert. Install energy dissipation.

Background: There is an existing asphalt ditch at this location. Flows at this location cause bank erosion.

Funding Status:

This project was identified in the 2008 Surface Water Management Capital Improvement Plan and was originally scheduled for implementation in 2011. Project costs were estimated at \$115k.



Environmental Review Status: Exempt Mitigated DNS EIS

Potential Project Issues: N/A

Operations: This project would address a ditch erosion problem at this location. No maintenance is anticipated upon project completion.

CURRENT DOLLARS

Year	Prior Years	2013	2014	2015	2016	2017	2018	Total
Expenses								
Project Admin.				\$ 5,000	\$ 5,000			\$ 10,000
Design				\$ 25,000				\$ 25,000
ROW/ Acquisition				\$ 10,000				\$ 10,000
Construction					\$ 70,000			\$ 70,000
Total				\$ 40,000	\$ 75,000			\$ 115,000
Revenue								
SWM Utility				\$ 40,000	\$ 75,000			\$ 115,000
REET								
Federal								
Private								
Other								
Total				\$ 40,000	\$ 75,000			\$ 115,000



City of Kenmore Capital Improvement Program
80th Ave NE Ditch Improvements
Project No. SW-2

SCHEDULE

	2013				2014				2015				2016				2017				2018			
	Q1	Q2	Q3	Q4																				
Pre-Design																								
Environmental																								
Final Design																								
Construction																								
Close Out																								



City of Kenmore Capital Improvement Program
Juanita Drive NE Ditch Grading Project – Phase 1
(NE 153rd Place to NE 154th Court)
Project No. SW-3

Project Location: Juanita Drive NE between NE153rd PL and NE 154th Court

Project Manager: Zack Richardson

Project Description: Construct a ditch modified ditch section along east side of Juanita Drive NE; original project scope was for a 4-foot high wall along 180 feet of existing road embankment to accommodate the new ditch, stabilize the slope, and widen the road. Staff have been exploring alternative ditch sections to reduce the cost of the project.

Background: Storm water runoff generated from the roadway and adjacent developed parcels erodes the shoulder along Juanita Drive NE in this area, which creates on-going maintenance issues for City crews.

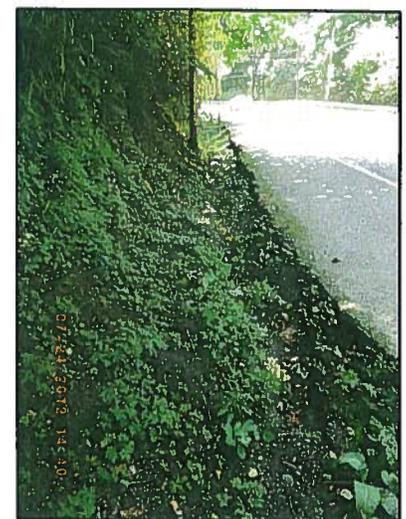
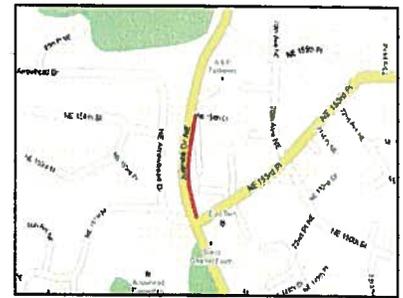
Funding Status:

Phase 1 of the Juanita Drive NE Ditch Grading Project was identified in the 2008 Surface Water Management Plan Capital Improvement Plan. A placeholder amount of \$274,000 was included in the 2009-2010 Budget. Due to a reprioritization of projects in the surface water management budget, this project did not move forward in the last budget cycle as originally intended and was pushed into 2015-2016 budget cycle. However, has received grant funding to help with the cost of a full overlay of Juanita Drive and would like to construct the improvement prior to the overlay which is scheduled for Summer of 2013. Therefore, the project has been pushed forward with design completed 2012-2013 and construction completed in 2013. The budget has been significantly reduced to reflect the modified ditch section rather than the full design that included a retaining wall.

Environmental Review Status: Exempt Mitigated DNS EIS
 Because this project would expand an existing ditch the project should be exempt from SEPA.

Potential Project Issues: None identified.

Operations: The ditch construction along Juanita Drive NE would stabilize the roadside area and prevent future undermining of the roadway shoulder due to erosion. Ditch maintenance costs were estimated to be \$1,000 every five years.





City of Kenmore Capital Improvement Program
Juanita Drive NE Ditch Grading Project – Phase I (NE 153rd Place to NE 154th Court)
Project No. SW-3

CURRENT DOLLARS

Year	Prior Years	2013	2014	2015	2016	2017	2018	Total
Expenses								
Project Admin.		\$ 5,000						\$ 5,000
Design	\$ 10,000	\$ 5,000						\$ 15,000
ROW/ Acquisition								
Construction		\$ 65,000						\$ 65,000
Total	\$ 10,000	\$ 75,000						\$ 85,000
Revenue								
SWM Utility	\$ 10,000	\$ 75,000						\$ 85,000
REET								
Federal								
Private								
Other								
Total	\$ 10,000	\$ 75,000						\$ 85,000

SCHEDULE

	2013				2014				2015				2016				2017				2018			
	Q1	Q2	Q3	Q4																				
Design																								
Construction																								
Closeout																								



City of Kenmore Capital Improvement Program
NE 187th Street Bypass Improvements
Project No. SW-7

Project Location: NE 187th Street / 61st Place NE intersection

Project Manager: Zack Richardson

Project Description: The project shall address runoff issues on 187th Street and shall address the erosion caused by the outfall. Replace part of the stormwater system with a bypass down NE 187th Street. Discharge at the current location.

Background:

Funding Status:

This project was identified in the 2008 Surface Water Management Capital Improvement Plan. Project costs were estimated at \$111k.



Environmental Review Status: Exempt Mitigated DNS EIS

Potential Project Issues: None identified.

Operations: No maintenance is anticipated upon project completion.

CURRENT DOLLARS

Year	Prior Years	2013	2014	2015	2016	2017	2018	Total
Expenses								
Project Admin.			\$ 5,000	\$ 5,000				\$ 10,000
Design			\$ 35,000					\$ 35,000
ROW/ Acquisition								
Construction				\$ 66,000				\$ 66,000
Total			\$ 40,000	\$ 71,000				\$ 111,000
Revenue								
SWM Utility			\$ 40,000	\$ 71,000				\$ 111,000
REET								
Federal								
Private								
Other								
Total			\$ 40,000	\$ 71,000				\$ 111,000



City of Kenmore Capital Improvement Program
NE 187th Street Bypass Improvements
Project No. SW-7

SCHEDULE

	2013				2014				2015				2016				2017				2018			
	Q1	Q2	Q3	Q4																				
Design																								
Environmental																								
Construction																								
Close Out																								



City of Kenmore Capital Improvement Program
Stream 0056 – 61st Avenue NE Sidewalk Embankment Repair
At NE 190th Street
Project No. SW-8

Project Location: East side of 61st Avenue NE at NE 190th Street

Project Manager: Zack Richardson

Project Description: This project would repair the roadway embankment under the sidewalk and stabilize the stream bank at the intersection of 61st Ave NE & NE 190th St. This project has been partially completed; the portions of sidewalk that were being undermined were removed, filled, and replaced. Staff is currently exploring alternative, lower cost options for permanent stabilization of the headwall. In order to allow staff to fully explore repair options and to allow for construction within the fish window, a portion of the project has been carried to 2013.

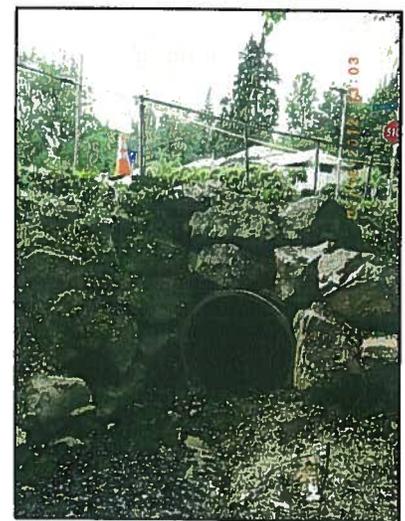
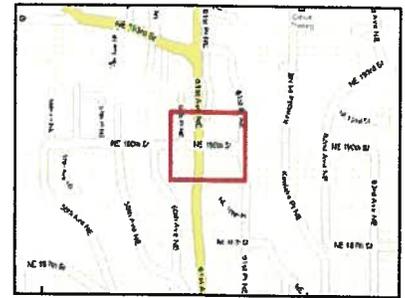
Background: Over the years, stream flows have eroded the stream bank supporting the sidewalk above, to the point where it had become a maintenance and safety issue.

Funding Status:

A placeholder amount of \$80,000 has been set aside to design and construct stream bank repairs. A SEPA checklist may need to be prepared and an HPA may be required as the work is in or close to the stream. The work may require some mitigation.

Potential Project Issues: An HPA permit from WDFW may be required to construct a retaining wall or work on the headwall.

Operations: The undermined sidewalk panel has been replaced. The remaining work will stabilize the roadside embankment and help prevent future sidewalk damage. No future costs anticipated.





City of Kenmore Capital Improvement Program
Stream 0056 – 61st Avenue NE Sidewalk Embankment Repair at NE 190th Street
Project No. SW-8

CURRENT DOLLARS

Year	Prior Years	2013	2014	2015	2016	2017	2018	Total
Expenses								
Project Admin.								
Design	\$ 10,000	\$ 15,000						\$ 25,000
ROW/ Acquisition								
Construction	\$ 15,000	\$ 40,000						\$ 55,000
Total	\$ 25,000	\$ 55,000						\$ 80,000
Revenue								
SWM Utility								
REET	\$ 25,000	\$ 55,000						\$ 80,000
Federal								
Private								
Other								
Total	\$ 25,000	\$ 55,000						\$ 80,000

SCHEDULE

	2013				2014				2015				2016				2017				2018			
	Q1	Q2	Q3	Q4																				
Design																								
Environmental																								
Construction																								
Close Out																								



**City of Kenmore Capital Improvement Program
Swamp Creek Regional Basin Study
Project No. SW-9**

Project Location: Swamp Creek Drainage Basin

Project Manager: Richard Sawyer

Project Description: Continue on-going efforts to develop a regional, inter-jurisdictional approach to reduce flooding within the Swamp Creek watershed. Pursue the development of a regional Swamp Creek Basin Study in partnership with other governmental jurisdictions in the basin to reduce flooding and bank erosion.

Background: In 2009-2010, the City of Kenmore initiated and formed a working group of technical staff members from other governmental jurisdictions including Bothell, Brier, Lynnwood, Everett, and Snohomish County to discuss Swamp Creek flooding and related habitat and water quality issues in the drainage basin. A project goal was to form a partnership to develop a regional solution to the Swamp Creek flooding problem. In 2013, the Phase I Municipal Stormwater Permit identifies Swamp Creek as a potential watershed requiring a watershed panning process involving all jurisdictions in the watershed with Snohomish County as the lead agency. The process will include various condition assessments, monitoring, mapping, development of a continuous runoff model and a final watershed plan. The project may require funding through 2016, which is when a watershed plan is due to Ecology.

Funding Status:

To date, City Staff has held two work sessions with the other jurisdictions in the drainage basin, and one meeting with the City of Lynnwood.

Environmental Review Status: Exempt Mitigated DNS EIS

Potential Project Issues: None identified.

Operations: The long-term goal for this work effort is to develop solutions to reduce flooding, bank erosion and water quality degradation in the Swamp Creek drainage basin. The City has spent roughly \$750,000 in 2008-2010 in both emergency and permanent repairs to Swamp Creek and Wallace Park as a result of recent 2006-2007 flood events. Maintenance and operational costs for the Wallace Park Sediment Pond equate to roughly \$75,000 annually.





City of Kenmore Capital Improvement Program
Swamp Creek Regional Basin Study
Project No. SW-9

CURRENT DOLLARS

Year	Prior Years	2013	2014	2015	2016	2017	2018	Total
Expenses								
Planning	\$ -	\$ 10,000	\$ 15,000					\$ 25,000
Assessment			\$ 25,000					\$ 25,000
Modeling								
Watershed Plan								
Total		\$ 10,000	\$ 40,000					\$ 50,000
Revenue								
SWM Utility	\$ -	\$ 10,000	\$ 40,000					\$ 50,000
TIB								
Federal								
Private								
Other								
Total		\$ 10,000	\$ 40,000					\$ 50,000

SCHEDULE

	2013				2014				2015				2016				2017				2018			
	Q1	Q2	Q3	Q4																				
Regional Coordination																								



City of Kenmore Capital Improvement Program
74th Avenue NE Culvert Replacement
Project No. SW-12

CURRENT DOLLARS

Year	Prior Years	2013	2014	2015	2016	2017	2018	Total
Expenses								
Administration	\$ 1,000	\$ 7,000	\$ 7,000					\$ 15,000
Design	\$ 9,000	\$ 70,000						\$ 79,000
ROW/ Acquisition		\$ 10,000						\$ 10,000
Construction			\$ 195,000					\$ 195,000
Total	\$ 10,000	\$ 87,000	\$ 202,000					\$ 299,000
Revenue								
SWM Utility	\$ 10,000	\$ 87,000	\$ 190,000					\$ 287,000
Utility Reimb.			\$ 12,000					\$ 12,000
Other								
Total	\$ 10,000	\$ 87,000	\$ 202,000					\$ 299,000

SCHEDULE

	2013				2014				2015				2016				2017				2018			
Project Timeline	Q1	Q2	Q3	Q4																				
Design																								
Environmental																								
Right of Way																								
Construction																								
Closeout																								



City of Kenmore Capital Improvement Program
NE 155th Street Outfall Revision
Project No. SW-13

Project Location: NE 155th Street near 78th Avenue NE

Project Manager: Kris Overleese

Project Description: Retrofit NE 155th Street storm sewer pipe crossing with additional pipe; add energy dissipation and discharge at the stream elevation.

Background: The existing NE 155th Street storm sewer pipe crossing at 78th Avenue NE is perched several feet above the stream elevation. Discharge at this location results in erosion / sediment scouring.

Environmental Review Status: Exempt Mitigated DNS EIS

Potential Project Issues: May require easement from private property owner.

Operations: Minimal maintenance activity anticipated.



CURRENT DOLLARS

Year	Prior Years	2013	2014	2015	2016	2017	2018	Total
Expenses								
Project Admin.				\$ 5,000				\$ 5,000
Design				\$ 10,000				\$ 10,000
ROW/ Acquisition				\$ 10,000				\$ 10,000
Construction				\$ 25,000				\$ 25,000
Total				\$ 50,000				\$ 50,000
Revenue								
SWM Utility				\$ 50,000				\$ 50,000
REET								
Federal								
Private								
Other								
Total				\$ 50,000				\$ 50,000



City of Kenmore Capital Improvement Program
NE 155th Street Outfall Revision
Project No. SW-13

SCHEDULE

	2013				2014				2015				2016				2017				2018			
	Q1	Q2	Q3	Q4																				
Design																								
Construction																								
Close Out																								



City of Kenmore Capital Improvement Program
Arrowhead Drive Conveyance Improvements
Project No. SW-16

CURRENT DOLLARS

Year	Prior Years	2013	2014	2015	2016	2017	2018	Total
Expenses								
Project Admin.					\$ 6,000	\$ 6,000		\$ 12,000
Design					\$ 50,000			\$ 50,000
ROW/ Acquisition					\$ 50,000			\$ 50,000
Construction						\$ 110,100		\$ 110,100
Total					\$ 106,000	\$ 116,100		\$ 222,100
Revenue								
SWM Utility					\$ 106,000	\$ 116,100		\$ 222,100
REET								
Federal								
Private								
Other								
Total					\$ 106,000	\$ 116,100		\$ 222,100

SCHEDULE

	2013				2014				2015				2016				2017				2018			
	Q1	Q2	Q3	Q4																				
Predesign																								
Environmental																								
Final Design																								
Construction																								
Close Out																								



City of Kenmore Capital Improvement Program
Little Swamp Creek Relocation Project
Project No. SW-17

Project Location: Little Swamp Creek Drainage Sub-Basin (80th Avenue NE from NE 195th Street to NE 198th Street)

Project Manager: Kent Vaughan

Project Description: Relocate 1,100 feet of Little Swamp Creek in 100' buffer west of 80th Avenue NE, one parcel south of NE 195th Street to NE 198th Street. Replace culvert in NE 195th Street with fish passable culvert. Align with proposed relocated stream channel.

Background: This project was identified in 2001. An 80th Avenue NE Stream Evaluation was conducted in 2001-2002 to provide direction to City Staff on how to proceed with frontage improvements on 80th Avenue NE for new development projects along Little Swamp Creek. Resolution 02-061 was adopted by City Council providing a future re-alignment plan for Little Swamp Creek and guidelines to follow in permitting new developments along the creek.

Funding Status:

The Little Swamp Creek Relocation Project was identified in the 2008 Surface Water Management Capital Improvement Plan. The project was estimated to cost \$717,000 and funds are currently reserved in the 2016 – 2018 budgets.

Environmental Review Status:

Exempt Mitigated DNS EIS

This project will require an HPA.

Potential Project Issues: None at this time.

Operations: Assume \$5,000 for temporary irrigation of native plantings and \$5,000 for weed control over 5-year maintenance period once constructed.





City of Kenmore Capital Improvement Program
Little Swamp Creek Relocation Project
Project No. SW-17

CURRENT DOLLARS

Year	Prior Years	2013	2014	2015	2016	2017	2018	Total
Expenses								
Pre-Design/ Basin Plan								
Design						\$ 56,500	\$ 50,000	\$ 106,500
ROW/ Acquisition								
Construction								
Total						\$ 56,500	\$ 50,000	\$ 106,500
Revenue								
SWM Utility						\$ 56,500	\$ 50,000	\$ 106,500
General Fund	\$ 11,100							
Federal								
Private								
Other								
Total	\$ 11,100					\$ 56,500	\$ 50,000	\$ 106,500

SCHEDULE

	2013				2014				2015				2016				2017				2018			
	Q1	Q2	Q3	Q4																				
Pre-design																								
Environmental																								
Right of Way																								
Final Design																								
Construction																								
Close Out																								



City of Kenmore Capital Improvement Program
NE 192nd Street Culvert Replacement
Project No. SW-19

CURRENT DOLLARS

Year	Prior Years	2013	2014	2015	2016	2017	2018	Total
Expenses								
Administration			\$ 3,000	\$ 6,000				\$ 9,000
Design	\$ 24,900		\$ 17,000					\$ 41,900
ROW/ Acquisition								
Construction				\$ 100,000				\$ 100,000
Total	\$ 24,900		\$ 20,000	\$ 106,000				\$ 150,900
Revenue								
SWM Utility	\$ 24,900		\$ 20,000	\$ 86,000				\$ 130,900
Utility Reimb.				\$ 20,000				\$ 20,000
Other								
Total	\$ 24,900		\$ 20,000	\$ 106,000				\$ 150,900

SCHEDULE

	2013				2014				2015				2016				2017				2018			
Project Timeline	Q1	Q2	Q3	Q4																				
Pre-sign																								
Right of Way																								
Environmental																								
Final Design																								
Construction																								
Closeout																								



City of Kenmore Capital Improvement Program
Small Works Projects
Project No. SW-20

CURRENT DOLLARS

Year	Prior Years	2013	2014	2015	2016	2017	2018	Total
Expenses								
Project Mngement	\$ -	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 18,000
Pre-Design/ Basin Plan								
Design	\$ -	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 7,000	\$ 42,000
ROW/ Acquisition								
Construction	\$ -	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 240,000
Total		\$ 50,000	\$ 300,000					
Revenue								
SWM Utility		\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 300,000
Other								
Total		\$ 50,000	\$ 300,000					

SCHEDULE

Ongoing as needed.

City of Kenmore, Washington

Appendix

Ordinance No. 12-0351 Adopting the Biennial Budget	313
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**CITY OF KENMORE
WASHINGTON
ORDINANCE NO.12-0351**

AN ORDINANCE OF THE CITY OF KENMORE, WASHINGTON, ADOPTING A BIENNIAL BUDGET FOR THE PERIOD JANUARY 1, 2013 THROUGH DECEMBER 31, 2014; ESTABLISHING APPROPRIATIONS OF FUNDS FOR THE 2013-2014 BIENNIUM; PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, a Preliminary 2013-2014 Biennial Budget was submitted to the City Council and the City Clerk on September 24, 2012; and

WHEREAS, the City Council scheduled and held Public Hearings on the Preliminary 2013-2014 Biennial Budget on October 22, 2012 and November 26, 2012;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF KENMORE, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Funds Appropriated. The Budget for January 1, 2013 through December 31, 2014 is appropriated by fund as follows:

FUND	2013-2014 Revenue Budget
General Fund	\$19,241,694
Street Fund	\$3,850,173
Public Art Fund	\$600
Park Impact Fee Fund	\$346,567
Transportation Impact Fee Fund	\$876,670
Swamp Creek Basin Fund	\$16,000
Strategic Reserve Fund	\$0
Strategic Opportunities Fund	\$2,525,062
Sammamish River Bridge Fund	\$80,000
Real Estate Excise Tax Fund	\$1,147,317
Kenmore Village Fund	\$1,692,340
Park Capital Fund	\$663,534
Transportation Capital Fund	\$11,387,950
Surface Water Management Fund	\$3,499,176
Surface Water Capital Fund	\$1,902,250
Equipment Replacement Fund	\$155,142
Total Budget	\$47,384,475

FUND	2013-2014 Expenditure Budget
General Fund	\$21,714,108
Street Fund	\$3,840,126
Public Art Fund	\$1,000
Park Impact Fee Fund	\$220,000
Transportation Impact Fee Fund	\$792,500
Swamp Creek Basin Fund	\$160,000
Strategic Reserve Fund	\$0
Strategic Opportunities Fund	\$50,000
Sammamish River Bridge Fund	\$0
Real Estate Excise Tax Fund	\$2,167,250
Kenmore Village Fund	\$339,200
Park Capital Fund	\$620,000
Transportation Capital Fund	\$10,900,750
Surface Water Management Fund	\$4,477,876
Surface Water Capital Fund	\$1,902,250
Equipment Replacement Fund	\$276,250
Total Budget	\$47,461,310

Section 2. Wage Adjustment. The 2013-2014 Biennial Budget includes annual 2% market wage adjustments for City employees, effective January 1, 2013 and January 1, 2014.

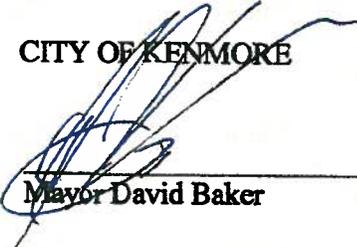
Section 3. Transmittal. A complete copy of the budget as adopted, together with a copy of this adopting Ordinance, shall be transmitted by the City Clerk to the Division of Municipal corporations of the Office of the State Auditor and to the Association of Washington Cities.

Section 4. Severability. Should any section, paragraph, sentence, clause or phrase of this Ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this Ordinance be preempted by state or federal law or regulation, such decision or preemption shall not affect the validity of the remaining portions of this Ordinance or its application to other persons or circumstances.

Section 5. Effective Date. This Ordinance shall be published in the official newspaper of the City, and shall take effect and be in full force five (5) days after the date of publication.

ADOPTED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF ON THE 26th DAY OF NOVEMBER 2012.

CITY OF KENMORE



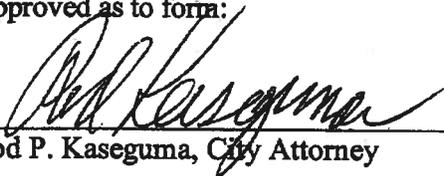
Mayor David Baker

ATTEST/AUTHENTICATED:



Patty Safir, City Clerk

Approved as to form:



Rod P. Kaseguma, City Attorney

FILED WITH THE CITY CLERK: November 16, 2012
PASSED BY THE CITY COUNCIL: November 26, 2012
PUBLISHED: November 30, 2012
EFFECTIVE DATE: December 5, 2012
ORDINANCE NO. 12-0351

CITY OF KENMORE
WASHINGTON
ORDINANCE NO. 12-0343

AN ORDINANCE OF THE CITY OF KENMORE, WASHINGTON, ESTABLISHING POSITIONS AND SALARY SCHEDULES FOR 2012; PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the City Council (the "Council") of the City of Kenmore, Washington (the "City"), adopted an Employee Position Classification and Monthly Salary Schedule for 2011 for all City employees through Ordinance No. 10-0319; and

WHEREAS, the City Council finds it in the best interest of the City of Kenmore to provide a new Employee Position Classification and Monthly Salary Schedule for 2012;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF KENMORE, WASHINGTON, DO ORDAIN AS FOLLOWS:

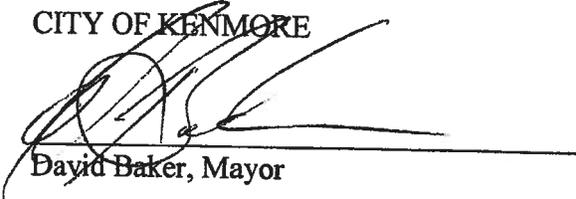
Section 1. Employee Position and Monthly Salary Schedule. The positions and salary ranges for City officials and employees for 2012 are attached to this Ordinance as Exhibit A.

Section 3. Severability. Should any section, paragraph, sentence, clause or phrase of this Ordinance, or its application to any person or circumstance, be declared unconstitutional or otherwise invalid for any reason, or should any portion of this Ordinance be pre-empted by state or federal law or regulation, such decision or pre-emption shall not affect the validity of the remaining portions of this Ordinance or its application to other persons or circumstances.

Section 4. Effective Date. This ordinance shall be published in the official newspaper of the City, and shall take effect and be in full force five (5) days after the date of the publication.

PASSED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF ON THE 23rd DAY OF JULY, 2012.

CITY OF KENMORE

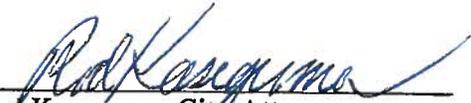

David Baker, Mayor

ATTEST/AUTHENTICATED:



Patty Safrin, City Clerk

Approved as to form:



Rod Kaseguma, City Attorney

Filed with the City Clerk: **July 13, 2012**
Passed by the City Council: July 23, 2012
Ordinance No.: 12-0343
Date of Publication: **July 26, 2012**
Effective Date: **August 1, 2012**

**CITY OF KENMORE, WASHINGTON
Employee Position Classification
and Monthly Salary Schedule for 2012**

Ordinance No. 12-0343
Exhibit A

<u>Job Title/Position</u>	<u>FTEs</u>	<u>Salary Range</u>	
		<u>Min Annual</u>	<u>Max Annual</u>
Assistant City Manager	1	99,990	138,081
Finance and Administration Director	1	99,990	138,081
Engineering and Environmental Services Director	1	91,357	126,159
Community Development Director	1	91,357	126,159
Development Services Director	1	87,370	120,654
Public Works Operations Manager	1	80,011	110,492
Senior Engineer	1	74,819	103,321
Surface Water Program Manager	1	71,084	98,164
Senior Planner	1	71,084	98,164
City Clerk	1	64,216	88,679
Associate Planner	1	61,054	84,313
Civil Engineer	1	61,054	84,313
Code Compliance Officer	1	58,056	80,173
Accountant	1	58,056	80,173
Building Inspector II/Plans Examiner	1	58,056	80,173
Management Analyst	1	55,194	76,220
Senior Engineering Technician	1	52,496	72,494
Surface Water Technician	1	49,934	68,956
Accounting Technician	1	45,218	62,444
Permit Specialist	1	45,218	62,444
Executive Assistant	1	45,218	62,444
Administrative Assistant	3	40,966	56,572
Maintenance Specialist Parks - vacant	0	37,150	51,303
Receptionist	1	35,379	48,856
Maintenance Custodian	1	33,716	46,560

RESOLUTION NO. 2012-009

**A RESOLUTION OF THE GOVERNING BOARD OF THE
KENMORE TRANSPORTATION BENEFIT DISTRICT,
ADOPTING A 2013-2014 BUDGET FOR THE DISTRICT**

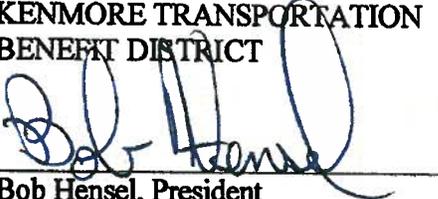
WHEREAS, the Governing Board of the Kenmore Transportation Benefit District finds it to be in the best interest of the District to adopt a budget for 2013-2014,

BE IT RESOLVED by the Governing Board of the Kenmore Transportation Benefit District, as follows:

Section 1. Transportation Benefit District 2013-2014 Budget. The 2013-2014 Kenmore Transportation Benefit District Budget is hereby approved in the form attached as "Exhibit A" to this Resolution.

ADOPTED by the Governing Board of the Kenmore Transportation Benefit District at a special meeting held on November 20, 2012.

KENMORE TRANSPORTATION
BENEFIT DISTRICT


Bob Hensel, President

ATTEST/AUTHENTICATED:


Patty Safiri, District Clerk

Approved as to form:


Rod Kaseguma, District Attorney

KENMORE, WASHINGTON
Transportation Benefit District Fund

The Transportation Benefit District (TBD) Fund accounts for revenues received from the \$20 Vehicle fee imposed on vehicles licensed in the City of Kenmore. The purpose of the District is to support transportation improvements and road preservation efforts within the district that are consistent with state, regional and local transportation plans and necessitated by existing or reasonably foreseeable congestion levels.

2013-2014 Objectives:

After adoption and implementation of a \$20 vehicle fee, coordinate with the Department Of Licensing to begin the process of collection in 2013.

Budget Highlights:

- The revenues collected from the vehicle license fee will be used for the purposes authorized by Resolution No. 2012-008, which establishes the vehicle fee, and for the cost and expense of administering and operating the TBD.
- Fund Balance: There is no projected fund balance at the end of the biennium as all revenues not expended for insurance and other services are budgeted to be reimbursed to the City of Kenmore Street Fund in this biennium.

TRANSPORTATION BENEFIT DISTRICT REVENUES

	2013 Proposed	2014 Proposed	2013-2014 Proposed Budget
Beginning Fund Balance	\$0	\$0	\$0
Total Beginning Fund Balance	0	0	0
Vehicle Fees	230,000	305,000	535,000
Total Revenues	230,000	305,000	535,000
Total Transportation Benefit District Fund	\$230,000	\$305,000	\$535,000

Annual Changes in Total Revenues:			
Percent Change 2012 to 2013	n/a		
Dollar Change 2012 to 2013	\$230,000		
Percent Change 2013 to 2014		32.61%	
Dollar Change 2013 to 2014		\$75,000	

TRANSPORTATION BENEFIT DISTRICT EXPENDITURES

	2013 Proposed	2014 Proposed	2013-2014 Proposed Budget
Ending Fund Balance	\$0	\$0	\$0
Total Ending Fund Balance	0	0	0
WCIA Insurance	5,000	5,000	10,000
Total Services	5,000	5,000	10,000
Reimbursement to Street Fund	225,000	300,000	525,000
Total Intergovernmental	225,000	300,000	525,000
Total Expenditures	230,000	305,000	535,000
Total Transportation Benefit District Fund	\$230,000	\$305,000	\$535,000

Annual Changes in Total Expenditures:			
Percent Change 2012 to 2013	n/a		
Dollar Change 2012 to 2013	\$230,000		
Percent Change 2013 to 2014		32.61%	
Dollar Change 2013 to 2014		\$75,000	

**CITY OF KENMORE
WASHINGTON**

RESOLUTION NO. 12-208

**A RESOLUTION OF THE CITY OF KENMORE,
WASHINGTON, AMENDING EXHIBIT A TO
RESOLUTION NO. 12-194 TO ADOPT THE CITY
OF KENMORE, WASHINGTON, 2013 FEE
SCHEDULE.**

WHEREAS, for the convenience of Kenmore residents and other City customers, the City Council desires to adopt all City fees by resolution; and

WHEREAS, the City of Kenmore adopted Ordinance No. 02-0139 on June 24, 2002, allowing the City to adopt all fees by Resolution; and

WHEREAS, the City Council desires to review any and all fees annually and make any necessary adjustments to fees at that time; and

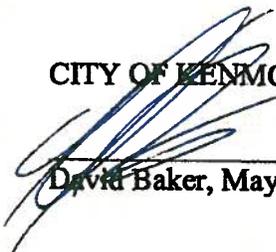
WHEREAS, the City of Kenmore adopted Resolution No. 12-194 on January 23, 2012, adopting the City of Kenmore 2012 Fee Schedule; and

WHEREAS, the City now desires to adopt revisions to its fee schedule for 2013 based on these revisions;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF KENMORE, WASHINGTON, DOES RESOLVE to amend Exhibit A to Resolution No. 12-194, as set forth on Exhibit "A," entitled "City of Kenmore, Washington, 2013 Fee Schedule," attached hereto and incorporated herein by reference.

PASSED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF ON THE 26th DAY OF NOVEMBER, 2012.

CITY OF KENMORE



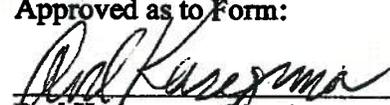
David Baker, Mayor

ATTEST/AUTHENTICATED



Patty Safrin, City Clerk

Approved as to Form:



Rod Kaseguma, City Attorney

City of Kenmore, Washington 2013 Fee Schedule



Resolution No. 12-208

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Note: Solid vertical lines (||) in the margin of the fee schedule indicate a change from the 2012 schedule, and a plus sign (+) in the margin of the fee schedule indicates a new fee for 2013.

1. BUSINESS LICENCES

Type	2013 Fee
Adult Entertainment	
Device	\$50 each
Operator	\$500/year
Premises	\$200/year
Panoram Manager License	\$50/year
Adult Cabaret	
Operator	\$500/year
Cabaret Manager License	\$50/year
Cabaret Entertainer License	\$50/year
Adult Retail Business License	\$500/year
Dance	\$200/year \$100/six months \$50/day
Dance (non-profit, educational or City-sponsored)	Exempt
Live Entertainment: music (other than mechanical); boxing or wrestling; exhibition skating; video arcades; pool halls; bowling alleys; race tracks and drag strips (if attendance more than 2,000 at a single event). Covers more than one skating rink, shooting gallery.	\$200/year \$100/six months \$50/day
Amusement Parks – Permanent	
For one to 10 units, inclusive	\$200/year \$100/six months
For more than 10 units	\$400/year \$200/six months
Carnivals	
For one to 10 units, inclusive	\$40.00/day
For more than 10 units	\$100/day
Closing out sales	
Closing out sale license – original license	\$300/year
First 30-day renewal	\$200/year
Second 30-day renewal	\$200/year
Junk Shop License	\$300/year
Junk Wagon License	\$40/year
Massage Parlor/Bathhouse	\$150/year
Massage Practitioner	\$50/year
Theaters	\$100/each screen
Outdoor Musical Event (not sponsored by the City and with an admission fee)	\$750/year
Pawnbroker	\$500/year
Peddler/Solicitor	No fee
Secondhand dealer	\$40/year
Shuffleboard License	\$50/year
Renewal of License, registration or permit late penalty	10% of required fee
Transferability of license of permit	\$25

2. CODE ENFORCEMENT

Code Enforcement	2013 Fee
Inspection/Posting	\$50
Re-inspection	\$50
Abatement	Actual City costs
Abatement Hearing	\$360
Hearing Officer	\$215/hour
Notice of Violation Appeal Hearing	\$125
Removal of Declaration	\$20
Violation of a stop work order	\$500

Housing Code Enforcement	2013 Fee
Inspection/Posting	\$255/hour
Re-Inspection plus Notice and Order	\$510
Hourly Rate	\$255
Appeal Fee	\$150/each
Closing Fee	\$255
Contract Abatement Fee	\$15% of the contract
Late Fee	\$25% of amount due
Hearing Officer	\$215/hour

The following fees apply to all enforcement actions:	2013 Fee
Inspection Warrant	\$350/each
Attorney Fees	Rate per hour to be determined as established by the City Attorney contract for legal services
Paralegal Services	\$60/hour
Notary Services	\$10
Abatement	Actual cost of labor

3. COMPREHENSIVE PLAN AND DEVELOPMENT REGULATION AMENDMENTS

Type	2013 Fee
Prescreening/threshold review fee	\$200
Annual amendment cycle fee (applicants whose amendment proposals are approved for consideration by the City Council)	\$400

4. DEVELOPMENT SERVICES

General Fees	2013 Fee
Development Review Technology Fee Applies to development permits and is based on development plan review fees and permit fees, not to include impact fees or land use decisions.	3%
P-Suffix and other required site plan reviews	
Initial plan review	\$1,078
Each additional review for compliance, including signs and tenant improvements.	\$163
Amend adopted P-suffix conditions	\$2,241
Mobile home park and RV park plan review	\$3,561
Site plan application fee (Land-use permit associated to KMC 18.105)	\$364
Construction permit site plan review	\$100
Landscape and tree management plan review	
Initial plan review based on site area	
0 – 1 site acre	\$211
> 1 – 2 site acres	\$337
> 2 – 5 site acres	\$507
> 5 – 10 site acres	\$676
More than 10 site acres	\$1,352
Each plan revision review	\$324
Request for modification requiring public notice	\$673.00
Landscape and tree management inspections	
Landscape installation inspection	\$269
Landscape maintenance bond release inspection	\$269
Additional excessive reviews and inspection fees Applies to all development permits; additional plan review or inspections required by changes, additions or revisions to the plans or excess reviews of re-submittals will be billed at an hourly rate.	\$100/hour
Hourly fees throughout this section may be billed in ½ hour intervals	

Development Agreement	2013 Fee
Threshold review with City Council	\$200
Development Agreement requested by the applicant (proposal is approved for consideration by the City Council)	\$5,000 + City Attorney fees
Development Agreement requested by the City	No Fee

Pre-Application	2013 Fee
Pre-application review fee	No Fee

Zoning and Land Use	2013 Fee
Request for site specific rezone	\$3,000
Conditional use permits (CUP) and special use permits (SUP)	
Administrative CUP	\$3,633
SUP with public hearing	\$8,501
Daycare with 24 children or less	\$1,365
Request for time extension	\$146
Variances (including variances from KMC 18.55)	
Application review	\$2,500
Added fee when public hearing required	\$1,626
Request for time extension	\$146
Boundary line adjustment	\$574
Communications facility application fee	\$364
Accessory dwelling unit	\$50
Change of use (zoning only)	\$50
Reuse of closed public school facilities	\$1,400
Land use inspections	\$100/hour
Reasonable use exception	\$2,500
Public agency and utility exception	\$1,953
Zoning letter inquiry/request	\$100
Design review	\$100/hour

Subdivision – Preliminary Application Review	2013 Fee
Preliminary short subdivisions	
Short subdivision 4 lots or less	
Base fee	\$1,111
Plus per lot	\$140
Short subdivision 5 to 9 lots	
Base fee	\$7,033
Plus per lot	\$153
Revision to approved preliminary	\$898
Short subdivision alteration	\$1,245
Request for time extension	\$100
Preliminary subdivisions	
Initial application	
50 lots or less	
Base fee	\$12,955
Plus per lot	\$167
More than 50 lots	
Base fee	\$22,208
Plus per lot	\$37
Surcharge for applications utilizing lot clustering or flexible yard provisions (percent of initial fee)	10%
Major revision requiring new public hearing	\$3,886
Minor revisions submitted after preliminary approval (not	\$925

necessitating additional hearings)	
Request for time extension	\$100
Subdivision alterations or subdivision vacations	
With public hearing	\$3,886
Without public hearing	\$1,944
Supplemental fee – a surcharge for applications involving significant environmentally sensitive areas (percentage of total initial fee)	10%
Supplemental fee – remanded applications (percentage of initial fee)	50%
Binding site plan	
Building permit, as-built or site plan review based plan	\$4,862
Conceptual plan	\$5,733
Revision to a preliminary approved plan	\$1,112
Revision to a final binding site plan	\$1,996

Shoreline Management Permit	2013 Fee
Substantial development permit	
Total cost of proposed development:	
Up to \$10,000	\$1,280
\$10,001 to \$100,000	\$2,560
\$100,001 to \$500,000	\$6,399
\$500,001 to \$1,000,000	\$9,598
\$1,000,001 or more	\$12,797
Single family joint-use dock	\$2,560
Shoreline conditional use permit	
Non-forest practices	\$7,219
Forest practices	\$1,313
Shoreline variance	
Up to \$10,000 project value	\$2,166
\$10,001 or more project value	\$7,219
Shoreline re-designation	
Base fee	\$14,438
Per shoreline lineal foot	\$27.60
Maximum	\$54,144
Shoreline review of other permits or approvals for conditions	\$177
Shoreline exemption	\$276
Supplemental fees	
Request for an extension of a permit, calculated as a percentage of the original permit	20%
Shoreline permit revision, calculated as a percentage of the original permit	20%
Surcharge when public hearing required	12%
Minimum	\$2,048
Permit compliance inspections	
Hourly rate (including travel time)	\$100/hour
Plus per mile	\$0.50/mile

Special Reviews	2013 Fee
State Environmental Policy Act (SEPA) review Environmental checklist	
Base fee	\$600
After six hours	\$100/hour
Supplemental Determination of Nonsignificance (DNS), Mitigated Determination of Nonsignificance (MDNS), or Determination of Significance (DS) review	\$100/hour
MDNS deposit	\$1,313
Environmental Impact Statement (EIS) deposit – a percentage of total estimated cost	33%
Draft Environmental Impact Statement (DEIS), Final Environmental Impact Statement (FEIS), Supplemental Environmental Impact Statement (SEIS) or addenda preparation and review costs – including scoping, writing, editing, publishing, mailing, distributing and contract administration: All fixed and contract costs, and time costs, per hour	\$100/hour
Post MDNS, DEIS, FEIS or SEIS publication work preparing or consulting on staff reports, permit conditions or public hearing testimony, per hour	\$100/hour
Critical areas review Applicants will be eligible for a refund of the portion of the base fee that is less than the city's costs (including consultants, public notice (as necessary) and other associated expenses). Review of residential building permits, shoreline permits, individual short subdivision, boundary line adjustments and right-of-way use permits:	
Site review base fee	\$1,000
Plus, per hour	\$100/hour
Review of commercial building permits, grading permits, engineering permits, subdivisions, PUDs, declassifications, variances, conditional use permits and unclassified use permits:	
Site review base fee	\$1,000
Plus, per hour	\$100/hour
Flood plain determination – certificate of elevation	\$100
Plus, per hour	\$100/hour
Review of mitigation plan compliance, per hour	\$100/hour
Critical areas inspection	\$100/hour
Inspection and monitoring, per hour	\$100/hour
Appeals Appeals to the hearing examiner from decisions of the City	\$125
Departmental review of non-departmental permits	\$100/hour
Review and monitoring of master drainage plans, per hour	\$100/hour
Legal lot status request	\$200



Engineering: General Permitting & Inspections		2013 Fee																					
Parking review																							
New or additional spaces																							
First 0-25 spaces		\$23/each space																					
Next 26-50		\$20.70/each space																					
Next 51-75		\$16.30/each space																					
Next 76-150		\$16.30/each space																					
Anything above 150		\$11.80/each space																					
Minimum fee		\$296.10																					
Clearing																							
0 – 5 site acres																							
Base fee		\$73.50																					
Hourly fee		No fee																					
5.1 site acres or more																							
Base fee		\$367.50																					
Hourly fee		\$100/hour																					
Field inspections		\$100/hour																					
Tree removal																							
		\$73.50																					
Drainage review																							
Residential drainage requirement review base fee																							
Small site drainage review		\$238																					
Targeted drainage review		\$143																					
Full drainage review		\$234																					
Full drainage review																							
Simplex review		\$293																					
Complex review		\$676																					
Commercial drainage plan review base fee																							
		\$570																					
<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th style="width:33%;">Total distributed area</th> <th style="width:33%;">Targeted drainage review #1, 2 and 3</th> <th style="width:33%;">Full drainage review and targeted drainage review for #4</th> </tr> </thead> <tbody> <tr> <td>0 – .50 site acre</td> <td>\$895</td> <td>\$1,119</td> </tr> <tr> <td>.51 – 1 site acre</td> <td>\$1,234</td> <td>\$1,543</td> </tr> <tr> <td>1.1 – 2 site acres</td> <td>\$2,255</td> <td>\$2,819</td> </tr> <tr> <td>2.1 – 5 site acres</td> <td>\$4,951</td> <td>\$6,189</td> </tr> <tr> <td>5.1 – 10 site acres</td> <td>\$5,964</td> <td>\$7,456</td> </tr> <tr> <td>More than 10 acres</td> <td>\$6,640</td> <td>\$8,300</td> </tr> </tbody> </table>			Total distributed area	Targeted drainage review #1, 2 and 3	Full drainage review and targeted drainage review for #4	0 – .50 site acre	\$895	\$1,119	.51 – 1 site acre	\$1,234	\$1,543	1.1 – 2 site acres	\$2,255	\$2,819	2.1 – 5 site acres	\$4,951	\$6,189	5.1 – 10 site acres	\$5,964	\$7,456	More than 10 acres	\$6,640	\$8,300
Total distributed area	Targeted drainage review #1, 2 and 3	Full drainage review and targeted drainage review for #4																					
0 – .50 site acre	\$895	\$1,119																					
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2.1 – 5 site acres	\$4,951	\$6,189																					
5.1 – 10 site acres	\$5,964	\$7,456																					
More than 10 acres	\$6,640	\$8,300																					
Traffic impact analysis review																							
Level 1 (10 P.M. peak hour trips or less)		\$337																					
Level 2 (11-75 P.M. peak hour trips)		\$800																					
Level 3 (Over 75 P.M. peak hour trips)		\$1,600																					
Road standards/drainage standards variance																							
		\$200																					
Grading permit (based on the total of the two tables listed below)																							
Table 1																							
Volume	Base fee	Per 100 cubic yards																					
0 to 500 cubic yards	\$0	+																					
501 to 3,000 cubic yards	\$54	+																					
3,001 to 10,000 cubic yards	\$339	+																					
10,001 to 20,000 cubic yards	\$2,159	+																					
20,001 to 40,000 cubic yards	\$3,319	+																					
		\$28.40																					
		\$39.20																					
		\$26.10																					
		\$7.90																					
		\$2.10																					

40,001 to 80,000 cubic yards	\$3,599	+	\$1.40
80,001 cubic yards or more	\$4,239	+	\$0.60
Table 2			
Disturbed Area	Base fee	+	Per acre
Up to 1 acre	\$176	+	\$819.40
1.1 to 10 acres	\$381	+	\$614.30
10.1 to 40 acres	\$2,916	+	\$360.80
40.1 to 120 acres	\$10,428	+	\$176
120.1 to 360 acres	\$22,944	+	\$68.70
360.1 acres or more	\$34,716		\$36
Grading plan revision Hourly rate			\$100/hour
Grading permit operation monitoring (inspection) The operation monitoring fee shall be calculated by adding the applicable amount from the Annual Volume Table (below) to an amount equal to \$215 per acre distributed and not rehabilitated during the monitoring period, to a maximum of \$10,000.			
Annual Volume Table			
Volume deposited or removed	Base fee		Per 100 cubic yards
0 to 3,000 cubic yards	\$0	+	\$102.20
3,001 to 10,000 cubic yards	\$2,550	+	\$17.20
10,001 to 20,000 cubic yards	\$3,760	+	\$5.10
20,001 to 40,000 cubic yards	\$4,280	+	\$2.50
40,001 cubic yards or more	\$4,680	+	\$1.50
Reclamation bond release inspection			\$255
Re-inspection of non-bonded actions			\$225
Construction inspections			
Bond quantities worksheet amount (line T)	Initial fee + additional fee based on bond		
\$0 – \$30,000	\$213 + \$119 / \$1,000 bond		
\$30,001 – 120,000	\$2,253 + \$51 / \$1,000 bond		
\$120,001 or more	\$6,693 + \$1,400 / \$1,000 bond		
Addition inspection after 1 year			\$100/hour
Maintenance bond inspections			
Bond quantities worksheet amount (line T)	Initial fee + additional fee based on bond		
\$0 – \$30,000	\$461 + \$15.30 / \$1,000 bond		
\$30,001 – 120,000	\$770 + \$5 / \$1,000 bond		
\$120,001 or more	\$1,166 + \$1.70 / \$1,000 bond		

Engineering: Subdivision Plan Review and Inspections	2013 Fee
Short subdivision engineering plan review	
Short subdivision 4 lots or less	
Base fee	\$2,087
Plus per lot	\$209
Short subdivision 5 to 9 lots	
Base fee	\$4,148
Plus per lot	\$209
Additional review in excess of initial fees	\$100/hour
Subdivision engineering plan review	
Subdivision 30 lots or less	
Base fee	\$6,209
Plus per lot	\$33.60
Subdivision 31 lots or more	
Base fee	\$6,710
Plus per lot	\$16.90
Revisions and re-submittals	
Each occurrence	\$119
Additional review in excess of initial fees	\$100/hour
Planned unit development engineering plan review	
30 units or less	
Base fee	\$6,209
Plus per unit	\$46.10
31 units or more	
Base fee	\$6,911
Plus per unit	\$22.70
Revisions and re-submittals	
Each occurrence	\$119
Additional review in excess of initial fees	\$100/hour
Conceptual binding site plan (including conceptual commercial binding site plan)	
Plan and profile base fee	\$4,132
Revisions and re-submittals	
Each occurrence	\$119
Additional review in excess of initial fees	\$100/hour
Subdivision final approval	
Final short subdivision 4 lots or less	\$1,922
Final short subdivision 5 to 9 lots	\$3,873
Final short subdivision alteration	\$714
Final subdivision 30 lots or less	
Base fee	\$5,825
Plus per lot	\$69.10
Final subdivision 31 lots or more	
Base fee	\$6,470
Plus per lot	\$47.60

Subdivision alteration	\$1,077
Modification of a recorded building envelope	\$541
Request for name change	\$192
Final planned unit development	\$4,530
Request for time extension	\$145
Request for name change	\$192
Final building site plan	\$3,081
Subdivision – post final fees	
Maintenance bond inspection	
Bond amount	Initial fee + additional fee based on bond
\$0 – \$30,000	\$461 + \$15.30 / \$1,000 bond
\$30,001 – 120,000	\$770 + \$5 / \$1,000 bond
\$120,001 or more	\$1,166 + \$1.70 / \$1,000 bond

Building Permits		2013 Fee
<p>Building permit fees are based on valuation. The table below establishes the permit fee from the valuation. Valuation is determined by type of construction and square footage or from a contractor's bid. The most recent edition of the Building Safety Journal determines the type of construction and square footage factor.</p>		
Total valuation	fee	
\$1 – \$500	\$23.50	
\$501 – \$2,000	\$23.50 for the first \$500 plus \$3.05 for each additional \$100 or fraction thereof, to and including \$2,000.	
\$2,001 – \$25,000	\$69.25 for the first \$2,000 plus \$14 for each additional \$1,000 or fraction thereof, to and including \$25,000.	
\$25,001 – \$50,000	\$391.25 for the first \$25,000 plus \$10.10 for each additional \$1,000 or fraction thereof, to and including \$50,000.	
\$50,001 – \$100,000	\$643.75 for the first \$50,000 plus \$7 for each additional \$1,000 or fraction thereof, to and including \$100,000.	
\$100,001 – \$500,000	\$993.75 for the first \$100,000 plus \$5.60 for each additional \$1,000 or fraction thereof, to and including \$500,000.	
\$500,001 – \$1,000,000	\$3,223.75 for the first \$500,000 plus \$4.75 for each additional \$1,000 or fraction thereof, to and including \$1,000,000.	
\$1,000,001 or more	\$5,608.75 for the first \$1,000,000 plus \$3.65 for each additional \$1,000 or fraction thereof.	
Building plan review		
<p>Plan review fees shall be 65% of the building permit fee (this does not include other review type costs). If the plan is a "basic", as determined by the Building Official, the plan check fee shall be 25% of the permit fee.</p>		
Additional plan review required for changes, additions or revisions to plans (minimum charge ½ hour)		\$100/hour
For use of outside consultants for plan review and inspections		Actual costs
Building code change in use or occupancy		Minimum 2 hour inspection charge (\$200) plus actual inspections at hourly rate (\$100/hour)

Mobile homes	
Mobile home permit	\$216
Temporary mobile home permit	\$263
Temporary mobile home for hardship	\$263
Non-insignia mobile home inspection	\$263
Re-Roof permits	
Single family residential	\$94
Commercial and multi-family	Based on permit per fee valuation table
Special review of oversized buildings	\$138
Condominium conversion review	
Project fee	
1 to 30 units	\$667
31 to 99 units	\$1,665
100 or more units	\$3,332
Plus per unit	\$332
Special plan review	\$100/hour
Pre-inspections	
Fire or flood damage	\$311
Minimum housing or other code compliance	\$311
Relocation of structures	\$311
Demolition inspection	\$94
Re-inspection (Ordinance 00-0098)	\$100/hour
Inspections outside of normal hours	\$100/hour
Inspections for which no fee is specifically indicated	\$100/hour
Billboard alteration or relocation site review	\$667
Certification of permit completion	
Temporary occupancy certificate, per building or tenant space	\$284
Final occupancy certification when more than one building permit, each additional building	\$284
Final occupancy certification for individual condominium or other portions of buildings, per unit	\$128
Letter of completion for shell construction permits when more than one building permit, each additional building	\$284
Extension and renewal	
Extensions for final inspection only	
Single family residential	\$100
All other permits	\$100
All other extensions or renewals (including temporary reinstatement)	
Single family residential and all other permits	\$100
Temporary mobile home	\$131
Temporary hardship mobile home	\$119

Plumbing Permits		2013 Fee
Commercial and Multi-family (Non one- and two-family dwellings and townhouses)	Based on actual valuation of all fixtures materials and installation as submitted and determined by the Building Official. When plan review is required, as determined by the Building Official, the plan review fee for all permits will be 65% of the permit fee.	
New one- and two-family dwellings and townhouses	\$225/dwelling	
Alterations or additions to one- and two-family dwellings and townhouses	Based on the table below	
Base fee	\$23.50	
Plus:		
For each plumbing fixture on one trap or set of fixtures on one trap	\$10/each	
Roof drain	\$10/each	
Electric water heater	\$10/each	
Grease trap	\$10/each	
Alteration or repair of water piping or water treating equipment	\$10/each	
Back flow devices (other than atmospheric vacuum breakers)	\$10/each	
Other	\$10/each	

Mechanical Permits		2013 Fee
Commercial and Multi-family (Non one- and two-family dwellings and townhouses)	Based on actual valuation of all fixtures materials and installation as submitted and determined by the Building Official. When plan review is required, as determined by the Building Official, the plan review fee for all permits will be 65% of the permit fee.	
New one- and two-family dwellings and townhouses	\$225/dwelling	
Alterations or additions to one- and two-family dwellings and townhouses	Based on the table below	
Base fee	\$23.50	
Plus:		
Furnaces		
For the installation or relocation of each forced-air or gravity-type furnace or burner, including ducts and vents attached to such appliance, up to and including 100,000 Btu/h (29.3 kW)	\$14.80	
For the installation or relocation of each forced-air or gravity-type furnace or burner, including ducts and vents attached to such appliance, over 100,000 Btu/h (29.3kW)	\$18.20	
For the installation or relocation of each floor furnace, including vent	\$14.80	
For the installation or relocation of each suspended heating, recessed wall heater or floor-mounted unit heater	\$14.80	

Appliance vent	
For the installation, relocation or replacement of each appliance vent installed and not included in an appliance permit	\$7.25
Repairs, alterations and additions	
For the repair or alteration of, or addition to each heating appliance, refrigeration unit, cooling unit, absorption unit, or each heating, cooling, absorption or evaporative cooling system, including installation of controls regulated by the Mechanical Code	\$13.70
Boilers, compressors and absorption systems	
For the installation and relocation of each boiler or compressor to and including 3 horsepower (10.6 kW) to and including 15 horsepower (52.7 kW), or each absorption system to and including 100,000 Btu/h (29.3 kW)	\$14.70
For the installation and relocation of each boiler or compressor to and including 3 horsepower (10.6 kW) to and including 15 horsepower (52.7 kW), or each absorption system over 100,000 Btu/h (29.3 kW) to and including 500,000 Btu/h (146.6 kW)	\$27.15
For the installation and relocation of each boiler or compressor over 15 horsepower (52.7 kW) to and including 30 horsepower (105.5 kW), or each absorption system over 500,000 Btu/h (146.6 kW) to and including 1,000,000 Btu/h (512.9 kW)	\$37.25
For the installation or relocation of each boiler or compressor over 30 horsepower (105.5 kW) to and including 50 horsepower (176 kW), or each absorption system over 1,00,000 Btu/h (293.1 kW) to and including 1,750,000 Btu/h (512.9 kW)	\$55.45
For the installation or relocation of each boiler or compressor over 50 horse power (176 kW), or each absorption system over 1,750,000 Btu/h (512.9 kW)	\$92.65
Air handlers	
For each air-handling unit to and including 10,000 cubic feet per minute (cfm) (4719 Us), including ducts attached thereto. Note: this fee does not apply to an air-handling unit which is a portion of a factory-assembled appliance, cooling unit, evaporative cooler or absorption unit for which a permit is required elsewhere in the Mechanical Code)	\$10.65
For each air-handling unit over 10,000 cfm (4719 Us)	\$18.10
Evaporative Coolers	
For each evaporative cooler other than the portable type	\$10.65
Ventilation and exhaust	
For each ventilation fan connected to a single duct	\$7.25
For each ventilation system which is not a portion of any heating or air conditioning system authorized by a permit	\$10.65
For the installation of each hood which is served by mechanical exhaust, including the ducts for such hood	\$10.65

Incinerators		
	For the installation or relocation of each domestic-type incinerator	\$18.20
	For the installation or relocation of each commercial or industrial-type incinerator	\$14.50
Gas piping		
	Gas pipe (1-5 outlets)	\$10.65
	Gas pipe (outlets over 5)	\$1/each
Miscellaneous		
	For each appliance of piece of equipment regulated by the Mechanical Code but not classed in other appliance categories, or for which no other fee is listed in the table	\$10.65
	Gas water heater	\$10.65

Transportation Impact Fees	ITE Code	2013 Fee
Single family residence	210	\$8,434.02/unit
Multi-family	220	\$5,462.31/unit
Per peak hour trip		
General light industrial	110	\$11.93/sq. ft.
Manufacturing	140	\$9.01/sq. ft.
Mini-warehousing	151	\$3.16/sq. ft.
Condominium/townhouse	230	\$4,581.29/unit
Mobile home park	240	\$4,926.81/unit
Hotel	310	\$5,650/unit
Motel	320	\$4,500.85/unit
Marina	420	\$1,411.92/berth
Golf course	430	\$2,298.31/acre
Movie Theater	444	\$28.79/sq. ft.
Racquet club	492	\$4.76/sq. ft.
High School	530	\$4.61/sq. ft.
Church	560	\$5.81/sq. ft.
Hospital	610	\$14.10/sq. ft.
Nursing home	620	\$1,466.32/bed
General office building	710	\$18.15/sq. ft.
Medical-dental building	720	\$42.74/sq. ft.
Shopping center	820	\$9.30/sq. ft.
Restaurant	932	\$49.66/sq. ft.
Fast food restaurant without drive through	933	\$64.58/sq. ft.
Fast food restaurant with drive through	934	\$83.91/sq. ft.
Gas station	944	\$33,765.80/pump
Gas station with convenience store	945	\$25,533.86/pump
Supermarket	850	\$28.62/sq. ft.
Convenience market	851	\$62.64/sq. ft.
Drive-in bank	912	\$83.99/sq. ft.

Park Impact Fees	2013 Fee
Single family residence	\$2,537/unit
Multi-family	\$1,658.82/unit
Mobile home	\$788.25/unit

Fire Department Review	2013 Fee
The fire review fee will be assessed per the approved contract with the Northshore Fire District #16 for all single family, multi-family and commercial projects.	

Limited Right-of-Way Permits	2013 Fee
<p>Type A permit may be issued for activities within the right-of-way which will alter the surface or subsurface of the right-of-way. Examples include:</p> <ul style="list-style-type: none"> • Open cut trenching • Culvert installation • Driveways • Shoulder improvements • Sidewalks • Above ground pedestals or utility boxes • Paving operations in right-of-way • Landscaping • Beautification (no fee) 	
Application fee (includes review and 1 hour inspection)	\$200
Inspections in excess of 1 hour	\$100/hour
<p>Type B permit may be issued for temporary use of the right-of-way (24 hours or less) for activities that will not alter the right-of-way surface or subsurface. Examples include:</p> <ul style="list-style-type: none"> • Parade • Block party • Temporary parking • Temporary storage of dumpster/storage container 	
Application fee (includes review and inspection)	\$75
<p>Type C permit may be issued for temporary use of the right-of-way (more than 24 hours) for activities that will not alter the right-of-way surface or subsurface. Also includes activities that require traffic plan and traffic plan review. Examples include:</p> <ul style="list-style-type: none"> • Street closures • Extended storage in the right-of-way • Commercial activities in the right-of-way • Right-of-way used as construction site for private development 	
Application fee (includes 1 hour inspection)	\$150
Inspection in excess of 1 hour	\$100/hour
Use fee	Fee = (use area) x \$20 per sq. ft. x days of usage/365 or a minimum of \$100, whichever is greater

Access Right-of-Way Permits	2013 Fee
Application fee (includes 1 hour review and 1 hour inspection)	\$200
Review fee in excess of 1 hour	\$100/hour
Inspection fee in excess of 1 hour	\$100/hour
Use fee	
Open to the public	No fee
Limited (not open to the public)	Fee = (use area) x value* x 25% or a minimum of \$100 whichever is greater
*value of adjacent land (in area, sq ft) according to the County Assessor records	

Encroachment Right-of-Way Permits	2013 Fee
Application fee (includes 1 hour review and 1 hour inspection)	\$200
Review fee in excess of 1 hour	\$100/hour
Inspection fee in excess of 1 hour	\$100/hour
Use fee	Fee = (use area) x value* x No. of Years x 12% or a minimum of \$100 whichever is greater
*value of adjacent land (in area, sq ft) according to the County Assessor records	

Utility franchise Right-of-Way Permits	2013 Fee
Application fee	\$200
Review fee	\$100/hour
Inspection fee	\$100/hour
Use fee	No fee

State Route 522 driveway connection permit	2013 Fee
<p>Fee structure. The following nonrefundable fee structure is established for the processing, review and inspection of the connection permit application. A description of each category can be found in section 12.85.040 of the KMC. Due to the potential complexity of Category II and Category III connection proposals, and required mitigation measures that may involve construction on SR 522, the city may require a developer agreement in addition to the connection permit. The developer agreement may include, but is not limited to: plans; specifications; maintenance requirements; bonding requirements; inspection requirements; division of costs by the parties, where applicable; and provisions for payment by the applicant of actual costs incurred by the city in the review and administration of the applicant's proposal that exceed the required base fees in the following schedule:</p>	
<p>Category I – Base fee for one connection:</p>	
• Agricultural, forest, utility operation and maintenance	\$50
• Residential dwelling units (up to 10)- single connection	\$50/dwelling
• Other, with 100 average weekday vehicle trip ends	\$500
• Fee per additional connection point	\$50
<p>Category II – Base fee for one connection:</p>	
• Less than 1,000 average weekday vehicle trip ends	\$1,000

• 1,000 to 1,500 average weekday vehicle trip ends	\$1,500
• Fee per additional connection point	\$250
Category III - Base fee for one connection:	
• 1,500 to 2,500 average weekday vehicle trip ends	\$2,500
• Over 2,500 average weekday vehicle trip ends	\$4,000
• Fee per additional connection point	\$1,000
Category IV – Base fee per connection:	\$100
Surety Bond. Prior to the beginning of construction of any connection, the city may require the permit holder to provide a surety bond as specified in WAC 468-34-020(3).	

Special Event Permit	2013 Fee
Application fee	\$100

5. ANIMAL CARE AND CONTROL

Animal License and Registration	2013 Fee
Pet license – dog or cat	
Unaltered	\$60
Altered	\$30
Juvenile pet license – dog or cat	\$15
Discounted pet license – dog or cat	\$15
Replacement tag	\$5
Transfer fee	\$3
Guard dog registration	\$100
Exotic pet	
New	\$500
Renewal	\$250
Service animal	No fee
K-9 police dog	No fee
Late fees	
Received 45-90 days following license expiration	\$15
Received 90-135 days following license expiration	\$20
Received more than 135 days following license expiration	\$30
Received more than 365 days following license expiration	\$30 plus license fee(s) for any previous year pet was unlicensed

Animal Business and Activity Permits	2013 Fee
Hobby kennel and hobby cattery license	\$50
Private animal placement permit	No fee

Civil Penalties	2013 Fee
General	
No previous similar code violation within one year	\$50
One previous similar code violation within one year	\$100
Two previous similar code violation within one year	Double the rate of the previous penalty, up to a maximum of \$1,000.
Vicious animal or animal cruelty violations	
First violation within one year	\$500
Subsequent violations within one year	\$1,000
Dog leash law violations	
First violation within one year	\$25
Additional violation within one year	\$50
Animal abandonment	\$500
Unlicensed cat or dog	
Altered cat or dog	\$125
Unaltered cat or dog	\$250

Service Fees	2013 Fee
Adoptions –including licensing and spaying or neutering or the animal	\$75-\$250 based upon adoptability/animal
Spay or neutering deposit	\$150/animal
Impound or redemption – dogs, cats or other small animals	
First impound within one year	\$45
Second impound within one year	\$85
Third impound within one year	\$125
Impound or redemption – livestock, small	\$45
Impound or redemption – livestock, large	\$45 or actual cost of sheltering, whichever is greater
Kenneling at King County animal shelter – per 24 hours or portion thereof in-field pick-up of an owner’s deceased unlicensed pet or pick-up of an unlicensed pet released voluntarily to the regional animal service section.	\$20
Owner-requested euthanasia (unlicensed pets)	\$50
Optional micro-chipping for adopted pets	\$25

6. MISCELLANEOUS

Type	2013 Fee
NSF (insufficient check)	\$25
Reports, copies, maps, etc. Accident reports, case reports Ordinances, resolutions or findings Copies or computer printouts Audio or Electronic duplications Recording documents Note: any maps, plans, blueprints, as-built maps, or budget documents to be provided at cost. Other items not specifically listed will be charged at a rate that will reimburse the City's total cost of duplicating that item. Additionally, if any requested items are to be mailed, the cost of the envelope and postage shall be charged to the requestor.	\$0.15/page \$0.15/page \$0.15/page \$5 per tape or CD (other than budget documents) Actual costs or \$100 minimum, whichever is greater
Use of City owned property, other than right-of-way, for event parking, storage or similar use	\$100/day



**CITY OF KENMORE
WASHINGTON**

RESOLUTION NO. 01-046

**A RESOLUTION OF THE CITY OF KENMORE,
WASHINGTON, ADOPTING AN INVESTMENT POLICY
FOR THE CITY**

WHEREAS, the City Council has determined that the City should invest its funds in a manner consistent with the greatest safety and protection of City assets while allowing sufficient liquidity to meet the City's cash flow requirements; and

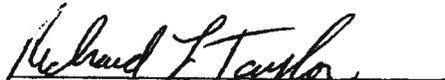
WHEREAS, the City has developed an investment policy that sets forth procedures to meet these goals and to insure that City funds are invested in a prudent manner,

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF KENMORE, WASHINGTON, DOES RESOLVE AS FOLLOWS:

Section 1. Investment Policy. The City Council hereby adopts the City of Kenmore Investment Policy attached hereto as Exhibit "A" and incorporated herein by reference.

**ADOPTED BY THE CITY COUNCIL AT A REGULAR MEETING THEREOF ON
THE 25th DAY OF June, 2001.**

CITY OF KENMORE


Richard L. Taylor, Mayor

ATTEST/AUTHENTICATED:


Lynn Batchelor, City Clerk

Approved as to form:


Michael R. Kenyon, City Attorney

Filed with the City Clerk: June 20, 2001

Passed by the City Council: June 25, 2001

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City of Kenmore
Investment Policy
June, 2001

Purpose

To establish the Official Investment Policy of the City of Kenmore for future operations and guidance.

Policy

It is the policy of the City of Kenmore to invest public funds in a manner consistent with the greatest safety and protection for the City's investments. This investing of funds will, while protecting the safety of the principal investment, produce the highest investment return for meeting cash flow requirements of the City and conform to all Washington State statutes, City ordinances and policies governing the investment of public funds.

Scope

This investment policy applies to all financial assets of the City of Kenmore. These funds are accounted for in the City's budget document and include:

Funds – General, Street Operating, Arterial Street, Municipal Capital, Capital Projects, Surface Water Management, Strategic Reserve, Equipment Replacement, any new funds created by the City Council, unless specifically exempted.

Prudence

The standard of prudence to be applied by the Investment Officer in managing the City's overall portfolio shall be the "Prudent Person Rule" which states:

"Investments shall 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 for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

Investment officers acting in accordance with the investment policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely manner and appropriate action is taken to control adverse developments.

Public Trust

All participants in the investment process will seek to act responsibly as custodians of the public trust. Investment officials shall recognize that the investment portfolio is subject to public scrutiny and evaluation. In addition, the overall investment program shall be designed and administered with a degree of professionalism worthy of the public trust. Investment officials shall also refrain from any transaction that might knowingly impair public confidence in the City's ability to govern effectively.

Objective

The funds of the City of Kenmore will be invested in accordance with the Constitution of the State of Washington, applicable statutes (Revised Code of Washington (RCW)), City ordinances, resolutions, and Council direction. The objectives are listed below in order of importance:

Safety

Safety of principal is the primary objective of the City's investment program. Investments of the City shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To achieve this objective, some diversification may be required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.

Liquidity

The City of Kenmore's investment portfolio will remain sufficiently liquid to enable the City of Kenmore to meet all operating requirements which might be reasonable anticipated.

Yield

The City of Kenmore's investment portfolio shall be designed with the objective of attaining a market rate of return (as it relates to the performance standards) throughout budgetary and economic cycles, taking into account the City of Kenmore's investment risk and the cash flow characteristics of the portfolio.

Delegation of Authority

The City Manager delegates management responsibility for the investment program to the Finance Director who will act as the City's Investment Officer. The Finance Director shall establish written procedures consistent with this investment policy. Procedures shall include reference to safekeeping, wire transfer agreements, custody agreements and investment related banking service contracts. Such procedures shall include explicit delegations of authority to persons responsible for investment transactions. No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the Finance Director. The Finance Director shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

Investment Committee

There is hereby created an Investment Committee consisting of the City Manager and Finance Director. The Investment Committee shall meet periodically to determine general strategies and monitor results.

Ethics and Conflicts of Interest

Officials and employees involved in the investment process shall refrain from personal business activity which could conflict with proper execution of the investment program, or which could impair their ability to make unbiased investment decisions. Employees and investment officials shall disclose to the City Council financial interests over \$5,000 in financial institutions that conduct business for the City, and they shall further disclose personal financial/investment positions that could be related to the performance of the City's portfolio. Employees and officers shall subordinate their investment transactions to those of the City, particularly with regard to the timing of purchases and sales.

Authorized Institutions

Authorized financial institutions will be limited to those that meet one or more of the following:

- Financial institutions approved by the Washington Public Deposit Protection Commission; or
- Primary dealers recognized by the Federal Reserve Bank; or
- Non-primary dealers or institutions qualified under U.S. Securities and Exchange Commission Rule 15c3-1, the Uniform Net Capital Rule, and a certified member of the National Association of Securities Dealers.

The Finance Director will ensure each financial institution meets the above criteria.

Authorized and Suitable Investments

The City of Kenmore is empowered to invest in the following types of securities:

- ◆ U.S. Treasury securities maturing in less than ten years;
- ◆ Short-term obligations of U.S. government agencies and instruments approved for investment purposes by the Investment Committee;
- ◆ Fully insured or collateralized certificates of deposit at commercial banks that are approved by the Washington Public Deposit Protection Commission (WPDPC) committee;
- ◆ Banker's Acceptances, purchased in the secondary market and having received the highest rating on the accepting bank's short-term obligations and the two (2) highest ratings on long-term debt by at least two (2) Nationally Recognized Statistical Ratings Organizations;
- ◆ Bonds or warrants of the State of Washington
- ◆ General obligation or utility revenue bonds of counties/cities located within Washington State; or,
- ◆ The State of Washington Local Government Investment Pool.

Authorized Investment Staff

- The Finance Director will direct the city's investment operations and will obtain written approval from the City Manager prior to transacting any business.

Collateralization

- Only securities authorized in statute for the investment of public funds will be accepted as collateral.
- Collateral will be held by a third party with which the entity has a current custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the entity and retained.
- The right of substitution is granted only upon approval of the entity.

Safekeeping and Custody

All securities transactions entered into by the City of Kenmore shall be conducted on a delivery-versus-payment (DVP) basis. Securities will be held by a financial institution designated by the Finance Director as primary agent to serve as a custodian acting on the City's behalf. The primary agent shall issue a safekeeping receipt to the City listing the specific instrument, rate, maturity, and all other pertinent information. All securities purchased by the City of Kenmore shall be properly designated as an asset of the city, and no withdrawal of such securities, in whole or in part, shall be made from safekeeping except by the Finance Director as authorized herein, or by the Director's designee.

The City of Kenmore will execute custodial agreements with its banks or other custodial agents, which are chartered by the United States government or the State of Washington. Such agreements will include letters of authority from the City, details as to responsibilities of each party, notification of security purchases, sales and delivery agreements.

Diversification by Financial Institution, Security Type and Maturity

The City of Kenmore will diversify its investments by security type, institution and maturity. Diversification will include the following limits:

Security Type	Portfolio Max. With One Fin. Inst.	Portfolio Max.	Maturity Max.
Banker's Accep. (BA)	10%	20%	Five years
Cert. Of Dep. (CD)	35%	90%	Five years
U.S. Treasuries	100%	90%	Ten years
U.S. Agencies	100%	90%	Five years
State of WA bonds	30%	20%	Five years
Local Govt. Bonds	30%	10%	Five years
State Pool (LGIP)	100%	100%	N/A

The average length of maturity will not exceed two years.

Internal Controls

The Finance Director shall establish an annual process of independent review by the State Auditor's Office or an external auditor. This review will provide internal control by assuring compliance with policies and procedures.

Performance Standards

The investment portfolio will be designed toward conservative and passive investments. The performance shall consider the City's investment risk constraints and cash flow needs. Maturities of investments shall be kept relatively shorter in periods of rising interest rates and relatively longer in periods of declining interest rates. Given this investment strategy, the City will use as investment yield benchmarks, the Federal Funds rate, the six-month U.S. Treasury bill rate, and the average rate of return from the Local Government Investment Pool (LGIP) of the State of Washington. The benchmarks will be the weighted-average of the following:

<i>Portfolio Component</i>	<i>Benchmark</i>
Certificates of Deposit	LGIP
LGIP	Federal Funds rate
Other securities	6-Month T-Bill

Reporting

The Finance Director is charged with the responsibility of including a quarterly market report on the investment activity. The report will include:

1. Recent market conditions;
2. Investment strategies employed in the most recent quarter;
3. Portfolio investment securities, maturities, and other features;
4. Investment return compared to the target rate of return and budgetary expectations.

Investment Policy Adoption

The City of Kenmore's investment policy shall be adopted by resolution of the City Council. Staff shall review the policy at least every two years and proposed changes will be submitted to the City Council.

GLOSSARY

BANKER'S ACCEPTANCE (BA): A draft or bill or exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

BROKER: A broker brings buyers and sellers together for a commission.

CERTIFICATE OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a certificate. Large denomination CD's are typically negotiable.

COLLATERAL: Securities, evidence of deposit or other property, which a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

DELIVERY VERSUS PAYMENT (DVP): An exchange of money for the securities.

DIVERSIFICATION: Dividing investment funds among a variety of securities offering independent returns.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A federal agency that insures bank deposits, currently up to \$100,000 per deposit.

FEDERAL FUNDS RATE: The rate of interest at which Fed funds are traded (bank to bank.) This rate is currently pegged by the Federal Reserve throughout openmarket operations.

LIQUIDITY: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value.

LOCAL GOVERNMENT INVESTMENT POOL (LGIP): The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

MATURITY: The date upon which the principal of an investment becomes due and payable.

PORTFOLIO: Collection of securities held by an investor.

PRUDENT PERSON RULE: An investment standard. This is a legal term that means the trustee may invest in a security if it is one which would be bought by a prudent person of discretion and intelligence seeking a reasonable income and preservation of capital.

QUALIFIED PUBLIC DEPOSITORIES: A financial institution which does not claim exemption from the payment of any sales or compensating use or ad valorem taxes under the laws of this state, which has segregated for the benefit of the commission eligible collateral having a value of not less than its maximum liability and which has been approved by the Public Deposit Protection Commission to hold public deposits.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on a bond.

SAFEKEEPING: A service to customers rendered by banks for a fee whereby securities of all types and descriptions are held in the bank's vaults for protection.

SAFETY: Protecting the principal amount of a security; ensuring the loss risk is very low.

SECURITIES & EXCHANGE COMMISSION: An agency created by Congress to protect investors in securities transactions by administering securities legislation.

SEC RULE 15c3-1: See Uniform Net Capital Rule.

TREASURY BILLS: A non-interest bearing discount security issued by the U.S. Treasury to finance the national debt. Most bills are issued at three, six or twelve months.

TREASURY BONDS: Long-term coupon-bearing U.S. Treasury securities issued as direct obligations of the U.S. Government and having initial maturities from two to ten years.

UNIFORM NET CAPITAL RULE: Securities & Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also call net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities. Liquid capital includes cash and assets easily converted into cash.

YIELD: The rate of annual income return on an investment, expressed as a percentage. Income yield is obtained by dividing the current dollar income by the current market price for the security. The yield to maturity is the current income yield minus any premium 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.

City of Kenmore Glossary and Acronyms

ACCOUNTING SYSTEM: The total set of records and procedures which are used to record, classify and report information on the financial status and operations of an entity.

ACCRUAL BASIS OF ACCOUNTING: The method of accounting under which revenues are recorded when they are earned (whether or not cash is received at that time) and expenditures are recorded when goods and services are received (whether cash disbursements are made at that time or not).

AD VALOREM TAXES: A tax levied on the assessed value of real property.

ALLOCATION: To set aside or designate funds for specific purposes. An allocation does not authorize the expenditure of funds.

APPROPRIATION: An authorization made by the City Council, which permits officials to incur obligations against, and to make expenditures of governmental resources. Appropriations are usually made for fixed amounts and are typically granted for a one-year period.

APPROPRIATIONS ORDINANCE: The official enactment by the City Council establishing the legal authority for City officials to obligate and expend resources.

ARCH: A Regional Coalition for Housing created by Eastside cities and King County, Washington to preserve and increase the supply of housing for low and moderate income households.

ASSESSED VALUATION: The estimated value placed upon real and personal property by the King County Assessor as the basis for levying property taxes.

ASSIGNED FUND BALANCE: Amounts in the *assigned* fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed.

AUDIT: A systematic examination of resource utilization concluding in a written report. It is a test of management's internal accounting controls and is intended to: a) ascertain whether financial statements fairly represent the entity's financial position and result of operations; b) test whether transactions have been legally performed; c) identify areas for possible improvements in accounting practices and procedures; d) ascertain whether transactions have been recorded accurately and consistently; and e) ascertain the stewardship of officials responsible for governmental resources.

BARS: Budgeting and Accounting Reporting System for the State of Washington.

BASE BUDGET: Ongoing expense for personnel, contractual services, and the replacement of supplies and equipment required to maintain service levels previously authorized by the City Council.

City of Kenmore
Glossary and Acronyms

BOND ANTICIPATION NOTE (BAN): Notes issued in anticipation of bonds.

BUDGET: (Operating) A plan of financial operation embodying an estimate of proposed expenditures for a given period (typically a fiscal year) and the proposed means of financing them (revenue estimates). The term is also sometimes used to denote the officially approved expenditure limits by which the City and its departments operate.

BUDGET CALENDAR: The schedule of key dates or milestones which the City follows in the preparation and adoption of the budget.

BUDGET DOCUMENT: An official written document which functions as a policy document, an operational guide, a communications device and a legally required financial planning tool for the City Council, the citizens, and other interested parties.

CAPITAL ASSETS: Assets of significant value, usually over \$15,000, and having a useful life of several years. Capital assets are also called fixed assets and may include land, building, equipment, fixtures, furniture and improvements.

CAPITAL IMPROVEMENT PROGRAM (CIP): A plan of proposed capital expenditures and the means of financing them. The capital improvement program may be enacted as part of the complete annual budget, including both operating and capital outlays. The capital improvement program is based on the Capital Facilities Element of the Comprehensive Plan. Also Known as the Capital Facilities Plan (CFP) or Capital Budget.

CAPITAL OUTLAY: Expenditures which result in the acquisition of, or additions to, fixed assets. Examples include: land, buildings, machinery and equipment, and construction projects.

CASH BASIS OF ACCOUNTING: The method of accounting that records revenues only when they are actually received and expenditures only when cash is paid.

COMMITTED FUND BALANCE: Is a classification which includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority.

CONGESTION MANAGEMENT & AIR QUALITY (CMAQ). These are federal grant funds that require a twenty-percent (20%) local match. Funds must be used on transportation projects that are intended to improve air quality.

CONTINGENCY: A budgetary reserve for emergencies or unforeseen expenditures for which specific appropriations have not been possible.

CONSUMER PRICE INDEX (CPI): published by the Bureau of Labor Statistics, that produces monthly data on changes in the prices paid by urban consumers for a representative basket of goods and services.

City of Kenmore
Glossary and Acronyms

COST CENTER: An organizational budget/operating unit or division within the General Fund.

CURRENT EXPENSE FUND: The fund used to pay the expenses and liabilities of the City's general operations, services, and programs, and is commonly called the General Fund.

DEBT LIMITATION: For general municipal purposes, the City is limited to non-voted debt of 1.5% of the value of taxable property within the City. With a 60% majority vote, the City may issue debt of up to 2.5% of the value of taxable property for general purposes. With voter approval, the City may also issue debt of up to an additional 2.5% for municipal utilities, and an additional 2.5% for acquiring or developing open space and parks facilities.

DEFICIT: An excess of expenditures over revenues.

DELINQUENT TAXES: Taxes remaining unpaid on and after the date to which a penalty for nonpayment is attached. Even though the penalty may be subsequently waived and a portion of the taxes may be abated or canceled, the unpaid balances continue to be delinquent taxes until abated, canceled, paid or converted into tax liens.

DESIGNATED FUND BALANCE: A portion of unreserved fund balance designated for a specific future use.

DIRECT DEBT: The sum of total bonded debt plus any unfunded debt for which the City has pledged its full faith and credit. This does not include the debt of overlapping jurisdictions.

DOUBLE BUDGETING: The result of having funds or departments within a government purchase services from one another rather than from outside vendors. When internal purchasing occurs, both funds must budget the expenditure (one to buy the service and the other to add the resources to its budget so they have something to sell). This type of transaction results in inflated budget values because the same expenditure dollar is budgeted twice; once in each fund's budget. The revenue side of both funds is similarly inflated.

ENCUMBRANCE: The legal commitment of appropriated funds to purchase an item or service. To encumber funds means to set aside or commit funds for a future expenditure.

ENDING FUND BALANCE: The cash balance remaining at the end of the year available for appropriation in future years.

ENTERPRISE FUND: A governmental accounting fund in which the services provided are financed and operated similarly to those of a private business.

ESCA: Emergency Services Coordinating Agency whose mission is to coordinate and assist member cities to be better prepared for disaster through mitigation, preparedness, response and recovery activities.

City of Kenmore
Glossary and Acronyms

EXPENDITURES: Where accounts are kept on the accrual or modified accrual basis of accounting, the cost of goods received or services rendered whether cash payments have been made or not. Where accounts are kept on a cash basis, expenditures are recognized only when the cash payments for the above purposes are made.

FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA): An agency that provides funding for hazard mitigation and disaster recovery.

FIDUCIARY FUND TYPE: The trust and agency funds used to account for assets held by the City in a trustee capacity.

FISCAL YEAR: A twelve (12) month period designated as the operating year by an entity. For the City of Kenmore, the fiscal year is the same as the calendar year (also called budget year).

FIXED ASSETS: Long-lived tangible assets obtained or controlled as a result of past transactions, events or circumstances. Fixed assets include buildings, equipment, improvements other than buildings, and land.

FTE: Full-time equivalent; the number of commensurable hour's equivalent to those of a regular, full-time employee (2,080 hours per year).

FUND: An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources together with all related liabilities, obligations, reserves, and equities which are segregated for the purpose of carrying on specific activities or attaining certain objectives.

FUND BALANCE: Fund balance (or fund equity) is an accumulation of revenues minus expenditures. Each fund maintained by the city has a fund balance.

GAAP: Generally Accepted Accounting Principles is a term used to refer to the standard framework of guidelines for financial accounting used in any given jurisdiction; generally known as Accounting Standards.

GASB: Governmental Accounting Standards Board whose mission is to establish and improve standards of state and local governmental accounting and financial reporting.

GENERAL FUND: The fund supported by taxes, fees, and other revenues that may be used for any lawful purpose.

GENERAL OBLIGATION BONDS: Also known as GO Bonds, are used to finance a variety of public projects such as streets, buildings, and capital improvements. Bonds are repaid from excess property taxes and are backed by the full faith and credit of the issuing government. The issuance of Unlimited General Obligation Bonds must be submitted to voters for approval. The City can also issue Councilmanic General Obligation Bonds which are non voted.

City of Kenmore Glossary and Acronyms

GFOA: Government Finance Officers Association

GRANT: A contribution of assets (usually cash) by one governmental unit or other organization to another. Typically, these contributions are made to local governments from the State and Federal governments. Grants are usually made for specified purposes.

IPD: Implicit Price Deflator which is an index used by the State to determine allowable annual growth in inflation for the purposes of property tax calculations.

INFRASTRUCTURE: The underlying foundation, especially the basic installations and facilities, on which the continuance and growth of a jurisdiction depends, i.e., streets, roads, sewer, and water systems.

INTERNAL SERVICE FUND: Funds used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis.

KMC: Kenmore Municipal Code.

LEED: Leadership in Energy & Environmental Design is an internationally recognized green building certification system, providing third-party verification that a building or community was designed and built using strategies intended to improve performance in metrics such as energy savings, water efficiency, CO₂ emissions reduction, improved indoor environmental quality, and stewardship of resources and sensitivity to their impacts.

LEVY: (1) to impose taxes, special assessments or service charges for the support of governmental activities. (2) the total amount of taxes, special assessments or service charges imposed by a government.

LEVY LID: A statutory restriction on the annual increase in the amount of property tax a given public jurisdiction can assess on regular or excess levies.

LID: LOCAL IMPROVEMENT DISTRICT is a district formed to provide any improvement it has the authority to provide, impose special assessments on all property specially benefited by the improvement, and issue special assessment bonds or revenue bonds to fund the costs of the transportation improvements.

LID: LOW IMPACT DEVELOPMENT is an approach to land development (or re-development) that works with nature to manage storm water as close to its source as possible.

MILL: The property tax rate, which is based on the valuation of property. A tax rate of one mill produces one dollar (\$1) of taxes on each \$1,000 of property valuation.

MITIGATION FEES: Contributions made by developers toward future improvements of City facilities resulting from the additional demand on the City's facilities generated from a development.

City of Kenmore
Glossary and Acronyms

MODIFIED ACCRUAL BASIS: The basis of accounting under which expenditures, (other than accrued interest on long-term debt) are recorded at the time liabilities are incurred; and revenues are recorded when measurable and available to extinguish current liabilities.

MODIFIED CASH BASIS: The cash basis of accounting adjusted for Washington State statutes RCW 35.33.151 and RCW 35A.33.150 that require cities to keep their books open in order to pay December bills by the following January 20.

MRSC: The Municipal Research and Services Center is a private, non-profit organization based in Seattle, Washington whose mission is to promote excellence in Washington local government through professional consultation, research and information services.

NON-OPERATING EXPENSE: An expense which is not directly related to the provision of the services such as debt repayments.

NON-OPERATING REVENUE: Revenue which is generated from other sources not directly related to service activities such as investment interest.

NONSPENDABLE FUND BALANCE: The portion of fund balance represented by amounts such as the value of inventories which are considered to be nonspendable.

NPDES: As authorized by the Clean Water Act, the National Pollutant Discharge Elimination System (NPDES) permit program controls water pollution by regulating point sources that discharge pollutants into waters of the United States.

NPRSA: Northshore Parks & Recreation Service Area.

OPERATING FUNDS: Resources derived from recurring revenue sources used to finance ongoing operating expenditures and pay-as-you-go capital projects.

OPERATING TRANSFER: Routine and/or recurring transfers of assets between funds.

ORDINANCE: A statute or regulation enacted by City Council.

OTHER SERVICES AND CHARGES: A basic classification for services, other than personnel services, which are needed by the City. This item includes professional services, communication, travel, advertising, rentals and leases, insurance, public utility services, repairs and maintenance, and miscellaneous.

PARK IMPACT FEES: A charge to be paid by new development for its "fair share" of the system improvements cost of parks and recreational facilities that are required to serve the development (RCW 82.02.050-090).

PERFORMANCE MEASURES: Specific quantitative and qualitative measures that provide a means of analyzing the effectiveness and efficiency of a work product.

City of Kenmore
Glossary and Acronyms

PERS: Public Employees Retirement System provided by the State of Washington.

PERSONNEL BENEFITS: Those benefits paid by the City as part of the conditions of employment. Examples include insurance and retirement benefits.

PROGRAM: A specific and distinguishable unit of work or service performed.

PUBLIC FACILITIES: The capital owned or operated by the City or other governmental entities.

PSRC: Puget Sound Regional Council which is a council of governments representing the Puget Sound region of western Washington which assists member agencies with the administration of government, community development, planning of municipal facilities, and road improvements.

RCW: Revised Code of Washington.

REET: (Real Estate Excise Tax): A tax upon the sale of real property from one person or company to another.

RESERVE: An account used to indicate that a portion of the fund equity is legally restricted for a specific purpose.

RESOLUTION: A formal statement of a decision or expression of an opinion of the City Council.

RESOURCES: Total dollars available for appropriations, including estimated revenues, fund transfers, and beginning fund balances.

RESTRICTED FUND BALANCE: The *restricted* fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

REVENUE: Income received by the City in support of a program of services to the community. It includes such items as property taxes, fees, user charges, grants, fines and forfeits, interest income, and miscellaneous revenue.

REVENUE ESTIMATE: A formal estimate of how much revenue will be earned from a specific revenue source for some future period; typically, a future fiscal year.

SALARIES AND WAGES: Amounts paid for personal services rendered by employees in accordance with rates, hours, terms and conditions authorized by law or stated in employment contracts. This category also includes overtime and temporary help.

SUPPLEMENTAL APPROPRIATION: An appropriation approved by the Council after the initial budget appropriation.

City of Kenmore
Glossary and Acronyms

SUPPLIES: A basic classification of expenditures for articles and commodities purchased for consumption. Examples include office and operating supplies, fuel, power, water, gas, and small tools and equipment.

SURFACE TRANSPORTATION PROGRAM (STP). Available grants for transportation construction projects. These funds are allocated by the State and federal block grants to cities and counties.

TAX: Charge levied by a government to finance services performed for the common benefit.

TAX ANTICIPATION NOTES (TANS): Notes issued in anticipation of taxes, which are retired usually from taxes collected (typically used by school districts).

TAX LEVY ORDINANCE: An ordinance through which taxes are levied.

TBD: Transportation Benefit District is a quasi-municipal corporation with independent taxing authority, including the authority to impose property taxes and impact fees for transportation purposes.

TIB: Transportation Improvement Board.

TIP: Transportation Improvement Plan is required to be prepared annually and prioritizes transportation projects and potential funding sources.

TMDL: Total Maximum Daily Load is a calculation of the maximum amount of a pollutant that a water body can receive and still safely meet water quality standards.

TRANSPORTATION IMPACT FEES: A charge to be paid by new development for its “fair share” of the system improvements cost of parks and recreational facilities that are required to serve the development (RCW 82.02.050-090).

UNASSIGNED FUND BALANCE: This is the residual classification for the government’s general fund and includes all spendable amounts not contained in the other classifications (assigned, unassigned, committed, restricted, nonspendable). In other funds, the unassigned classification should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

WSDOT: Washington State Department of Transportation