

CITY OF KENMORE, WASHINGTON

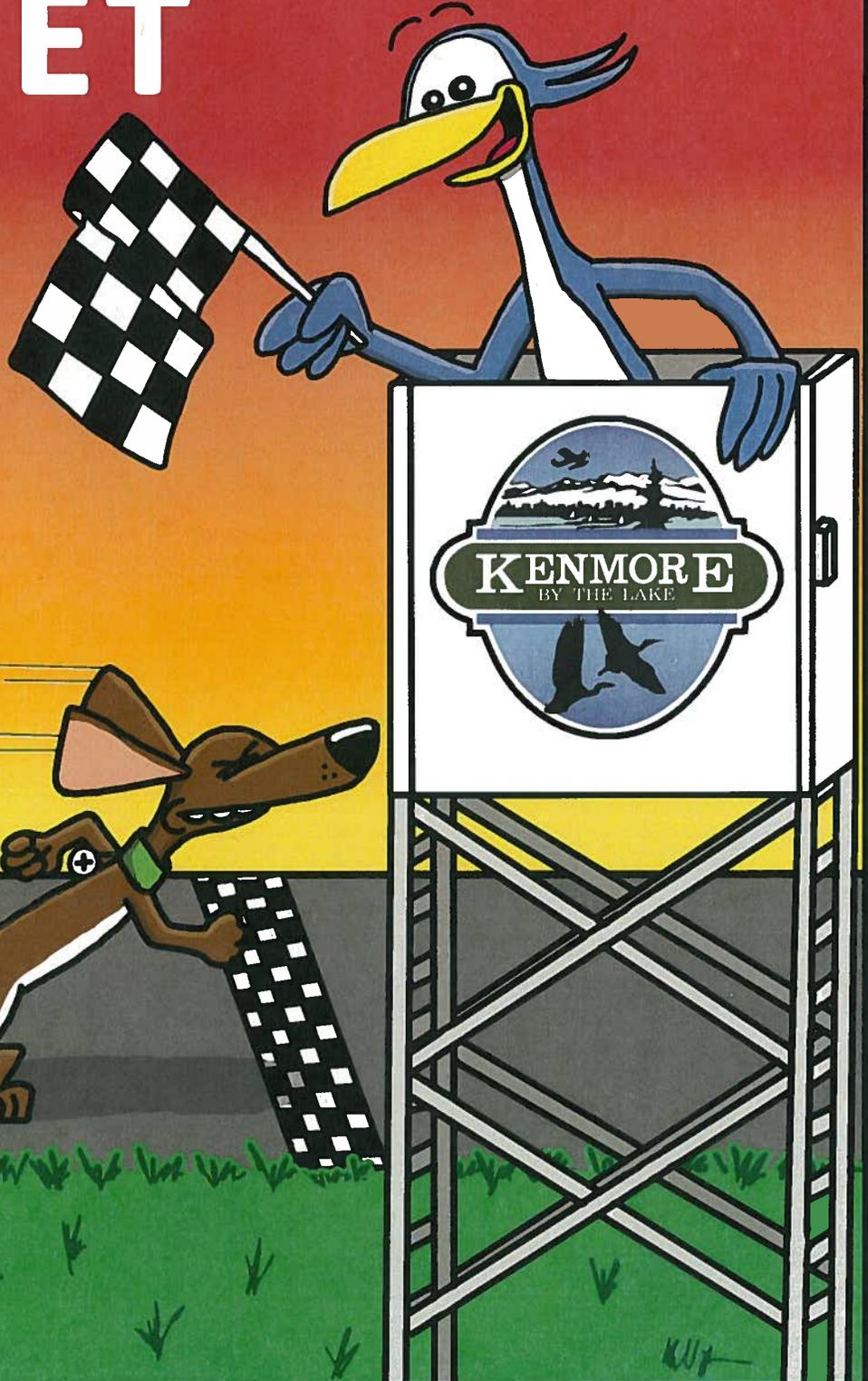
# 2017-18 BIENNIAL BUDGET

**PRELIMINARY**

**EXPENSES**



**REVENUES**





# City of Kenmore, Washington

## 2017-2018 Proposed Preliminary Budget

David Baker, Mayor  
Allan Van Ness, Deputy Mayor  
Milton Curtis, Councilmember  
Stacey Denuski, Councilmember  
Nigel Herbig, Councilmember  
Brent Smith, Councilmember  
Laurie Sperry, Councilmember

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

***For the Period January 1, 2017 – December 31, 2018***

*Copies of the 2015-2016 Adopted Budget are available for viewing on the City's website [www.kenmorewa.gov](http://www.kenmorewa.gov), at City Hall, and the Kenmore Library*

*The cover image used in the preliminary budget document was designed by Mr. Kent Vaughan, Senior Engineer in the City of Kenmore Public Works Department.*

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**2017-2018 Preliminary Budget**  
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City of Kenmore, Washington  
Executive Summary

## 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  - Would have repealed any tax or fee increases in the last half of 1999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**  
**Personnel Summary 2011 -2018**

<u>Cost Center</u>	<u>2011 Actual</u>	<u>2012 Actual</u>	<u>2013 Actual</u>	<u>2014 Actual</u>	<u>2015 Actual</u>	<u>2016 Actual</u>	<u>2017 Preliminary</u>	<u>2018 Preliminary</u>
City Manager*	4.00	5.00	6.55	6.55	6.75	7.00	7.00	7.00
Finance and Administration **	6.00	5.00	4.00	4.00	4.00	4.00	4.00	4.00
Community Development***	2.50	2.50	3.50	3.50	2.90	3.50	4.50	4.50
Development Services	5.50	5.50	5.50	5.50	5.50	5.50	6.50	6.50
Public Works****	4.50	4.50	4.50	4.50	5.50	5.50	4.05	4.05
Parks and Facility Maintenance *****	1.00	1.00	1.00	1.00	2.40	2.40	3.20	3.20
Street Fund****	1.50	1.50	1.50	1.50	2.60	2.60	2.60	2.60
Surface Water Management Fund	1.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Totals	26.00	27.00	28.55	28.55	31.65	32.50	33.85	33.85

\* Positions were reclassified as follows:

Receptionist was transferred from Finance in 2013 and  
Administrative Assistant position was added in 2012.

.55 FTE Volunteer and Events Supervisor was increased to .75 FTE in 2015, increased to 1.0 FTE in 2016

\*\* 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; a second Parks Project Manager was added for 2017 funded by Park Capital Projects

\*\*\*\* Sr Engineering Tech moved from Public Works to Street Fund, Admin Asst increased .1 FTE and reduced in Eng .1 FTE.  
added one Traffic Engineer and one Capital Projects Engineer

\*\*\*\*\* 2015 added 1FTE maintenance worker and one 4.FTE maintenance worker; in 2017 added one .4 FTE Building Technician

City of Kenmore, Washington  
 Summary of All Revenues and Expenditures By Fund  
 2015/2016 to 2017/2018

<b>Revenues by Fund:</b>	<b>2015-2016 Adopted Budget</b>	<b>2015-2016 Amended Budget</b>	<b>2015 Actual</b>	<b>2016 Estimated</b>	<b>2015-2016 Biennium Total</b>	<b>2017 Preliminary</b>	<b>2018 Preliminary</b>	<b>2017-2018 Preliminary Budget</b>
General Fund	\$ 20,553,270	\$ 21,048,270	\$10,765,643	\$11,750,210	\$22,515,853	\$ 11,803,470	\$ 11,729,704	\$ 23,533,174
Street Fund	2,359,531	2,359,531	1,315,650	1,399,138	2,714,788	1,466,652	1,445,652	2,912,304
Public Art Fund	200	200	351	300	651	150	0	150
Park Impact Fee Fund	234,063	234,063	396,247	455,000	851,247	257,000	155,000	412,000
Transportation Impact Fee Fund	1,397,257	1,397,257	1,413,467	1,000,500	2,413,967	503,500	402,000	905,500
Transportation Benefit District	630,200	630,200	334,634	335,400	670,034	340,400	340,400	680,800
Strategic Reserve Fund	0	0	0	0	0	0	0	0
Strategic Opportunities Fund	37,161	1,217,946	1,211,827	27,986	1,239,813	140,000	140,000	280,000
Sammamish River Bridge Fund	0	0	0	0	0	2,098,962	910,999	3,009,961
Real Estate Excise Tax Fund	1,827,000	1,827,000	1,464,657	1,204,000	2,668,657	802,000	601,000	1,403,000
Kenmore Village Fund	1,326,900	2,246,900	939,763	1,506,700	2,446,463	273,351	151,277	424,628
Park Capital Fund	1,240,400	1,605,174	521,437	750,958	1,272,395	1,900,095	2,431,925	4,332,020
Transportation Capital Fund	17,208,172	21,850,956	8,831,143	9,155,418	17,986,561	4,256,360	4,852,851	9,109,211
Surface Water Management Fund	3,540,000	3,540,000	1,915,280	1,789,611	3,704,891	1,786,400	1,757,000	3,543,400
Surface Water Capital Fund	2,139,500	2,139,500	204,826	855,674	1,060,500	1,562,634	2,063,000	3,625,634
Swamp Creek Basin Fund	20,000	20,000	7,271	7,000	14,271	7,000	7,000	14,000
Equipment Replacement Fund	206,000	206,000	89,227	116,914	206,141	105,493	105,493	210,986
<b>Total Revenues</b>	<b>\$52,719,654</b>	<b>\$60,322,997</b>	<b>\$29,411,423</b>	<b>\$30,354,809</b>	<b>\$59,766,232</b>	<b>\$27,303,467</b>	<b>\$27,093,301</b>	<b>\$54,396,768</b>
Less Interfund Transactions	(10,972,104)	(14,425,322)	(7,323,427)	(6,246,953)	(13,570,380)	(4,472,497)	(3,179,309)	(7,651,806)
<b>Net Revenues</b>	<b>\$ 41,747,550</b>	<b>\$ 45,897,675</b>	<b>\$ 22,087,996</b>	<b>\$ 24,107,856</b>	<b>\$ 46,195,852</b>	<b>\$ 22,830,970</b>	<b>\$ 23,913,992</b>	<b>\$ 46,744,962</b>

<b>Expenditures by Fund:</b>	<b>2015-2016 Adopted Budget</b>	<b>2015-2016 Amended Budget</b>	<b>2015 Actual</b>	<b>2016 Estimated</b>	<b>2015-2016 Biennium Total</b>	<b>2017 Preliminary</b>	<b>2018 Preliminary</b>	<b>2017-2018 Preliminary Budget</b>
General Fund	\$ 20,538,937	\$ 22,772,720	\$ 11,553,825	\$ 12,051,816	\$ 23,605,641	\$ 11,612,596	\$ 11,754,025	\$ 23,366,621
Street Fund	2,371,277	2,771,277	1,389,911	1,458,931	2,848,842	1,465,836	1,443,173	2,909,009
Public Art Fund	1,000	1,000	548	544	1,092	60,500	500	61,000
Park Impact Fee Fund	490,000	703,416	0	441,918	441,918	639,500	115,000	754,500
Transportation Impact Fee Fund	2,760,000	2,760,000	2,360,000	200,000	2,560,000	122,310	21,090	143,400
Transportation Benefit District	630,000	630,000	309,500	320,500	630,000	345,000	324,000	669,000
Strategic Reserve Fund	0	0	0	0	0	0	0	0
Strategic Opportunities Fund	911,200	1,571,200	247,741	1,212,227	1,459,968	110,000	195,000	305,000
Sammamish River Bridge Fund	0	0	0	0	0	2,098,962	910,999	3,009,961
Real Estate Excise Tax Fund	3,528,719	3,987,306	2,484,359	960,178	3,444,537	1,075,156	1,109,739	2,184,895
Kenmore Village Fund	3,517,240	4,631,169	1,003,897	3,608,856	4,612,753	145,151	147,077	292,228
Park Capital Fund	1,238,000	1,691,233	437,372	629,376	1,066,748	2,112,031	2,381,925	4,493,956
Transportation Capital Fund	17,308,172	21,842,377	8,637,373	7,250,726	15,888,099	4,714,560	4,712,000	9,426,560
Surface Water Management Fund	4,652,276	3,965,776	1,115,683	2,387,739	3,503,422	2,519,456	2,210,031	4,729,487
Surface Water Capital Fund	2,209,500	2,209,500	176,312	162,128	338,440	1,395,634	2,063,000	3,458,634
Swamp Creek Basin Fund	0	0	0	0	0	0	0	0
Equipment Replacement Fund	224,000	358,375	173,486	73,944	247,430	78,500	40,500	119,000
<b>Total Expenditures</b>	<b>\$60,380,321</b>	<b>\$69,895,349</b>	<b>\$29,890,007</b>	<b>\$30,758,883</b>	<b>\$60,648,890</b>	<b>\$28,495,192</b>	<b>\$27,428,059</b>	<b>\$55,923,251</b>
Less Interfund Transactions	(10,972,104)	(14,425,322)	(7,323,427)	(6,246,953)	(13,570,380)	(4,472,497)	(3,179,309)	(7,651,806)
<b>Net Expenditures</b>	<b>\$ 49,408,217</b>	<b>\$ 55,470,027</b>	<b>\$ 22,566,580</b>	<b>\$ 24,511,930</b>	<b>\$ 47,078,510</b>	<b>\$ 24,022,695</b>	<b>\$ 24,248,750</b>	<b>\$ 48,271,445</b>