KENT
WASHINGTON

2019 - 2020 MAYOR'S PROPOSED BUDGET

City of Kent, Washington

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CITY OF KENT, WASHINGTON

2019-2020

Mayor's Proposed Budget

MAYOR

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BUDGET OVERVIEW

The Budget Overview section summarizes the Mayor's Proposed 2019-20 Biennial Budget and provides comparisons to previous years' revenues, expenditures, fund balances and staffing. It outlines summarized budget data for the General Fund, including a discussion of budgetary assumptions, revenue projects and major expenditure changes. An overview of the remaining funds is presented by fund classification. Lastly, this section contains high level capital investments and debt management discussions.

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INTRODUCTION

The following pages outline the Mayor's Proposed 2019-2020 Biennial Budget. The proposed budget includes necessary expenditure reductions and revenue increases to address the challenge of expenses increasing at a faster rate than revenues. It is a balanced budget and reflects the ongoing commitment to providing valuable government services to our residents and businesses in a cost-effective and efficient manner, progresses our city's strategic planning and respects the opinions of our residents.

Public Safety for our residents, businesses and visitors continues to be the City's highest priority, with significant resources allocated for that purpose. Remaining services and programs, not impacted by reduction, are maintained at their current level, adjusted for necessary increases for inflation, labor cost changes and contract requirements. Funding for new initiatives was based on need, value to the public and alignment with Council's strategic framework. All are backed by sustainable revenues.

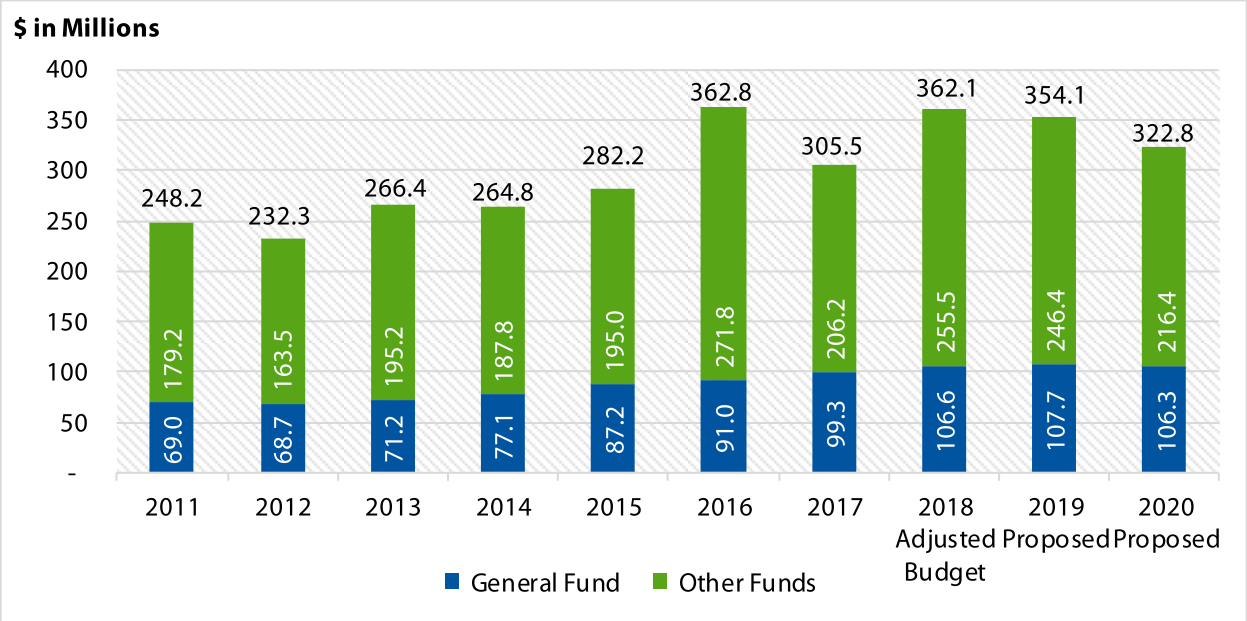
All budgets are developed within a budgetary framework designed to ensure consistency with the Revised Code of Washington (RCW) requirements, budgeting standards and fiscal policies. Specific information for the following components can be found in the Budget Framework section of this document.

- Budget Calendar and Process
- Fiscal Policies
- Fund Structure, including Basis of Accounting

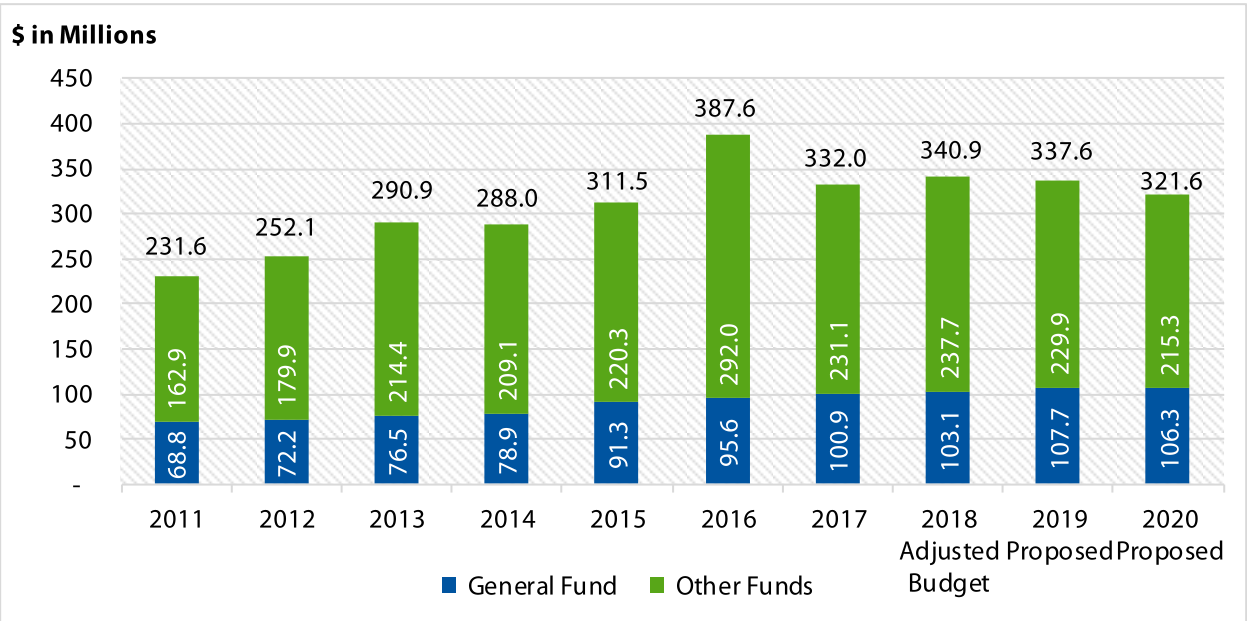
EXPENDITURE AND REVENUE HISTORY

The ***City-Wide Expenditures*** and ***City-Wide Revenues*** graphs below demonstrate the City's expenditure and revenue history for the past ten years for the General Fund and total Other Funds. These graphs reflect the slow growth of the City following the Great Recession. Total amounts can and will vary from year-to-year, usually due to the level of major construction activity, the issuance of bonds or bond refunding, acceptance of grant awards and the initiation of major new service responsibilities.

CITY-WIDE EXPENDITURES



CITY-WIDE REVENUES



MAYOR'S PROPOSED BUDGET

The ***2019-2020 Biennial Budget by Fund***, ***2019-2020 Biennial Revenue and Expenditure Summary*** and ***Financial Organization Chart*** present the City-wide Mayor's proposed budget.

2019-2020 BIENNIAL BUDGET BY FUND

	Projected Beginning Fund Balance	Revenues	Expenditures	Projected Ending Fund Balance	Change in Fund Balance
General Fund	$ 22,219,700	$ 214,033,490	$ 214,033,490	$ 22,219,700	$ -
Special Revenue Funds					
Street Operating	3,585,290	35,671,340	35,671,340	3,585,290	-
LEOFF1 Retiree Benefits	2,020,150	2,382,540	2,872,710	1,529,980	(490,170)
Lodging Tax	355,920	595,500	585,590	365,830	9,910
Youth / Teen	99,110	1,913,740	1,913,740	99,110	-
Capital Resources	15,448,830	31,724,290	38,743,850	8,429,270	(7,019,560)
Criminal Justice	7,406,390	12,800,830	11,927,310	8,279,910	873,520
Comm Dev Block Grants		2,350,380	2,350,380	-	-
ShoWare Operating	2,603,320	2,300,000	2,548,620	2,354,700	(248,620)
City Arts Program	526,160	220,770	220,770	526,160	-
Debt Service Funds					
Non-Voted	1,442,720	19,333,460	18,406,200	2,369,980	927,260
Special Assessments	611,650	2,098,560	1,903,620	806,590	194,940
Capital Projects Funds					
Street Capital Projects		13,973,320	13,973,320	-	-
Parks Capital Projects		6,710,000	6,710,000	-	-
Other Capital Projects		99,390	99,390	-	-
Technology Capital Projects		4,500,000	4,500,000	-	-
Facilities Capital Projects		4,350,000	4,350,000	-	-
Enterprise Funds					
Water Utility	13,241,690	77,992,940	82,943,890	8,290,740	(4,950,950)
Sewer Utility	4,479,000	64,899,970	64,579,770	4,799,200	320,200
Drainage Utility	12,748,000	69,129,570	74,746,270	7,131,300	(5,616,700)
Solid Waste Utility	488,420	1,250,000	1,222,770	515,650	27,230
Riverbend Golf Complex	(1,105,780)	8,484,200	8,582,900	(1,204,480)	(98,700)
Internal Service Funds					
Fleet Services	2,830,310	13,758,530	14,019,150	2,569,690	(260,620)
Central Services	3,382,730	18,699,100	19,520,070	2,561,760	(820,970)
Facilities	2,455,220	11,529,950	11,705,800	2,279,370	(175,850)
Insurance	7,677,330	38,386,780	38,704,650	7,359,460	(317,870)
City-Wide Total	$102,516,160	$ 659,188,650	$ 676,835,600	$ 84,869,210	$ (17,646,950)

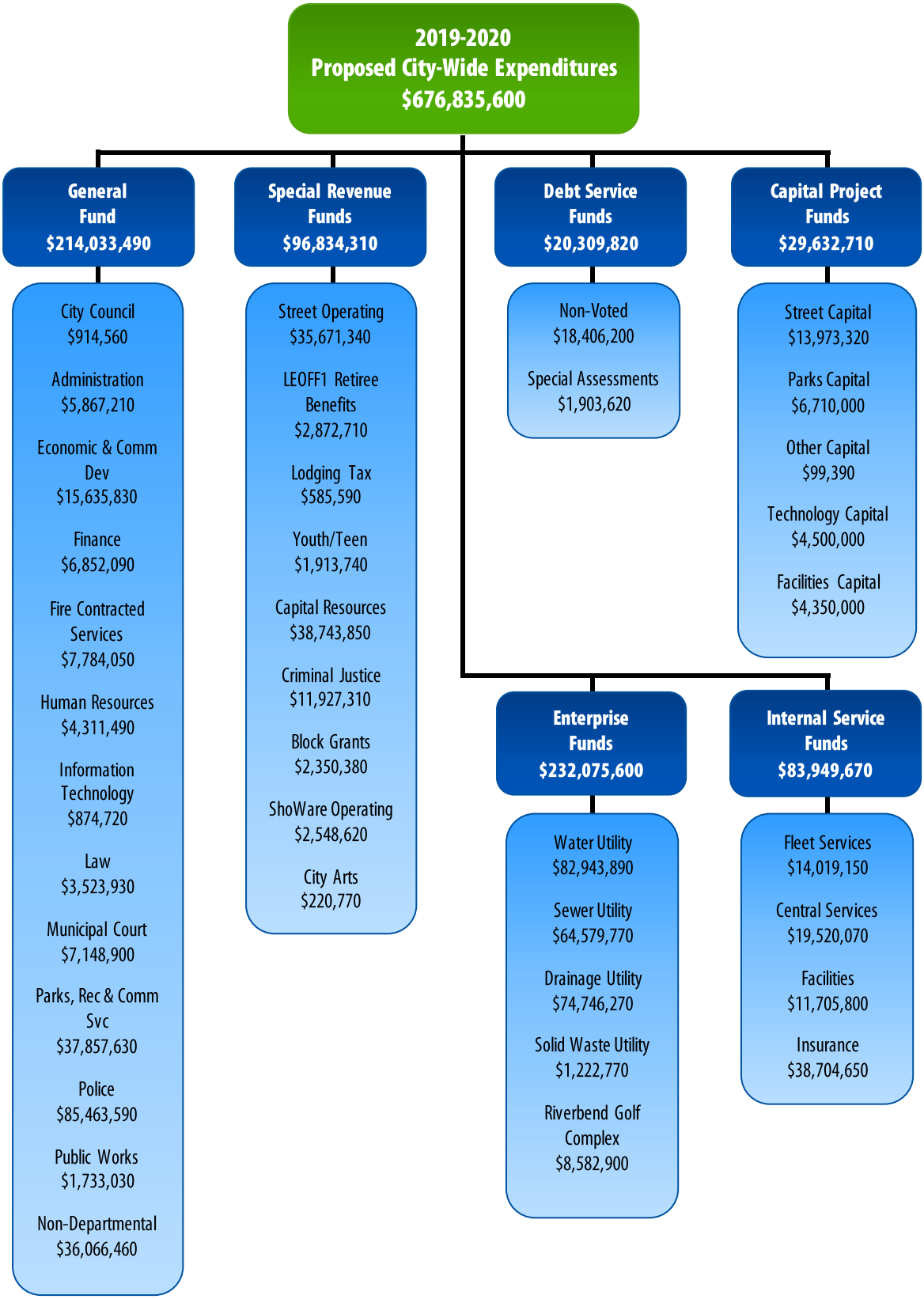
MAYOR'S PROPOSED BUDGET

2019-2020 BIENNIAL REVENUE AND EXPENDITURE SUMMARY

	General Fund	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Enterprise Funds	Internal Service Funds	Total All Funds
Est Fund Balance 1/1/2019	$ 22,219,700	$ 32,045,170	$ 2,054,370	$ -	$ 29,851,330	$ 16,345,590	$ 102,516,160
Revenues							
Taxes	169,419,380	40,914,620				3,255,180	213,589,180
Licenses and Permits	14,572,890	1,059,890			145,060		15,777,840
Intergovernmental Revenue	9,389,950	8,243,600	1,891,360			796,340	20,321,250
Charges for Services	12,137,100	1,657,110			156,648,060	26,221,620	196,663,890
Fines and Forfeitures	2,263,320	5,058,270			1,170		7,322,760
Miscellaneous Revenue	4,421,110	2,164,740	2,098,560	(3,025,050)	10,861,020	46,726,220	63,246,600
Transfers In	1,829,740	30,861,160	17,442,100	32,657,760	54,101,370	5,375,000	142,267,130
Total Revenues	214,033,490	89,959,390	21,432,020	29,632,710	221,756,680	82,374,360	659,188,650
Expenditures							
Salaries & Benefits	117,413,770	31,073,670			22,537,790	18,533,710	189,558,940
Supplies	5,970,220	2,630,160			4,013,255	4,668,910	17,282,545
Services & Allocations	53,115,920	13,160,480			96,498,695	52,711,050	215,486,145
Capital		1,964,250		28,674,660	43,504,000	5,186,000	79,328,910
Debt Service		49,600	18,406,200		11,450,590	1,100,000	31,006,390
Transfers Out	37,533,580	47,956,150	1,903,620	958,050	54,071,270	1,750,000	144,172,670
Total Expenditures	214,033,490	96,834,310	20,309,820	29,632,710	232,075,600	83,949,670	676,835,600
Expenditures by Department							
City Council	914,560						914,560
Administration	5,867,210	50,000					5,917,210
Economic & Community Dev	15,635,830						15,635,830
Finance	6,852,090					782,330	7,634,420
Fire Contracted Services	7,784,050						7,784,050
Human Resources	4,311,490	2,872,710				38,704,650	45,888,850
Information Technology	874,720			4,500,000		18,737,740	24,112,460
Law	3,523,930	1,690,900					5,214,830
Municipal Court	7,148,900						7,148,900
Parks, Rec & Comm Services	37,857,630	3,623,190		11,060,000	8,230,640	11,705,800	72,477,260
Police	85,463,590	10,184,370					95,647,960
Public Works	1,733,030	31,104,170		13,973,320	212,424,370	14,019,150	273,254,040
Non Departmental	36,066,460	47,308,970	20,309,820	99,390	11,420,590		115,205,230
Total Expenditures	214,033,490	96,834,310	20,309,820	29,632,710	232,075,600	83,949,670	676,835,600
Change in Fund Balance		(6,874,920)	1,122,200		(10,318,920)	(1,575,310)	(17,646,950)
Est Fund Balance 12/31/2020	$ 22,219,700	$ 25,170,250	$ 3,176,570	$ -	$ 19,532,410	$ 14,770,280	$ 84,869,210

MAYOR'S PROPOSED BUDGET

FINANCIAL ORGANIZATION CHART



FUND BALANCE

For governmental funds, fund balance refers to the difference between current financial assets and liabilities. Since all related assets and liabilities are not reported for governmental funds, fund balance is considered more of a liquidity measure than a net worth measure. Credit rating agencies monitor fund balance levels and strongly consider unrestricted fund balance when determining a local government's creditworthiness. Fund balance is also important to guard against unanticipated events that would adversely affect the financial condition of the City and jeopardize the continuation of necessary public services. There are five classifications of fund balance:

- **Non-spendable**—resources that cannot be spent because of form (e.g. inventory, prepaid amounts) or because they must be maintained intact.
- **Restricted**—resources with limitations imposed by creditors, grantors, laws, regulations, or enabling legislation.
- **Committed**—resources that can only be used for specific purposes pursuant to constraints imposed by formal action of the highest level of decision-making authority—the City Council. These amounts cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same action it employed to previously commit the amounts.
- **Assigned**—resources that are intended to be used for specific purposes, but is neither restricted or committed.
- **Unassigned**—resources that are not non-spendable, restricted, committed or assigned to specific purposes.

For proprietary funds (e.g. water, sewer and drainage utilities), the difference between current assets and current liabilities is called working capital. As with fund balance in a governmental fund, this measure indicates relative liquidity, is considered by credit rating agencies in evaluating creditworthiness and is important in mitigating unanticipated events and ensuring stable services and fees.

The following tables summarize fund balances for city operating funds. An overall total is not provided as each fund, with very few exceptions, is legally restricted.

- ***Fund Balances – 5 Year History*** demonstrates the year-ending fund balances beginning in 2013 and ending with the estimated 2018 balance.
- ***Fund Balances – 2019-20 Biennial Adjustment*** begins with the estimated fund balance at the end of 2018. Adding 2019 revenues and subtracting 2019 expenditures results in an estimated 2019 ending fund balance and these steps are repeated for 2020.
- ***Fund Balances—Change in Ending Fund Balance*** compares 2018 ending fund balance with 2019 budgeted ending fund balance.

FUND BALANCE

FUND BALANCES—5 YEAR HISTORY

	2013	2014	2015	2016	2017	2018 Est
General Fund						
General Fund	$ 9,497,964	$ 11,312,140	$ 15,372,499	$ 19,987,728	$ 21,595,174	$ 22,219,700
Special Revenue Funds						
Street Operating	916,269	1,196,234	4,092,055	3,977,113	5,873,486	3,585,290
LEOFF 1 Retiree Benefits	862,223	1,031,026	1,093,532	1,174,261	1,296,372	2,020,150
Lodging Tax	193,663	371,803	394,516	469,387	457,557	355,920
Youth / Teen	157,337	147,063	121,275	91,130	104,887	99,110
Capital Resources	(7,426,649)	(3,299,461)	5,775,064	11,277,727	15,646,334	15,448,830
Criminal Justice	1,509,236	2,193,069	3,981,627	5,697,717	7,197,004	7,406,390
Environmental Fund	3,826	3,826	3,826			
Housing and Comm Dev						
City Arts Program	184,691	281,177	364,242	436,914	526,158	526,160
ShoWare Operating	(2,456,087)	19,990	1,596,543	2,147,074	2,518,894	2,603,320
Debt Service Funds						
Voted Debt Service	1,083					
Non-Voted Debt Service	183		8,329	521,394	986,220	1,442,720
Special Assessments	3,614,956	4,302,699	2,070,434	1,188,906	582,661	611,650
Enterprise Funds						
Water Utility	3,339,820	6,204,899	8,285,372	11,761,566	13,088,191	13,241,690
Sewer Drainage Utility	5,694,993	10,080,781	10,162,058	11,735,778	16,675,150	17,227,000
Solid Waste Utility			(365)	302,528	479,431	488,420
Golf Complex	(2,653,878)	(2,853,332)	(3,043,675)	(3,768,128)	(3,816,932)	(1,105,780)
Internal Service Funds						
Fleet Services	2,444,480	2,936,027	4,301,237	5,134,423	5,869,149	2,830,310
Central Stores	(87,039)	(67,334)	(46,226)	(63,568)	(3,113)	2,890
Information Technology	1,122,778	1,942,421	2,808,737	3,640,615	3,593,294	3,379,840
Facilities	1,265,533	1,772,015	1,672,947	2,340,684	2,316,961	2,455,220
Unemployment	471,907	740,157	1,038,938	1,332,446	1,424,508	1,376,420
Workers Compensation	702,401	2,128,253	2,541,813	2,305,514	2,374,326	1,509,330
Emp Health & Wellness	7,117,378	6,933,915	6,122,922	4,681,152	2,960,567	2,918,740
Liability Insurance	3,503,130	2,503,778	2,452,656	1,754,057	1,661,132	1,345,200
Property Insurance	$ 176,960	$ 236,644	$ 348,579	$ 531,548	$ 652,035	$ 527,640

FUND BALANCE

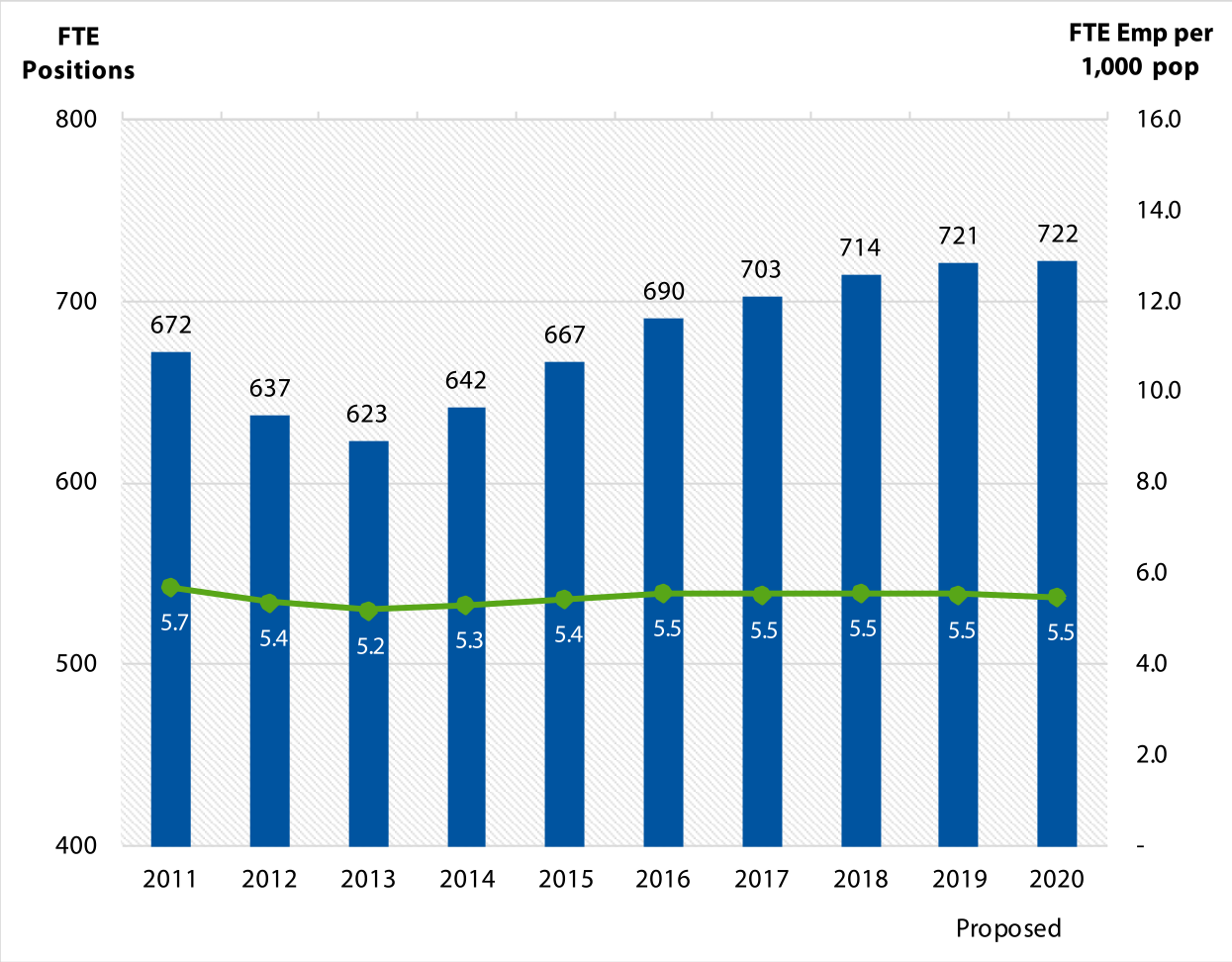
FUND BALANCES—2019-2020 BIENNIAL BUDGET

	2018 Est Ending Fund Balance	2019 Rev - Exp	2019 Est Ending Fund Balance	2020 Rev - Exp	2020 Est Ending Fund Balance
General Fund					
General Fund	$22,219,700	$ -	$ 22,219,700	$ -	$ 22,219,700
Special Revenue Funds					
Street Operating	3,585,290	-	3,585,290	-	3,585,290
LEOFF 1 Retiree Benefits	2,020,150	(243,410)	1,776,740	(246,760)	1,529,980
Lodging Tax	355,920	3,640	359,560	6,270	365,830
Youth / Teen	99,110	-	99,110	-	99,110
Capital Resources	15,448,830	(4,397,540)	11,051,290	(2,622,020)	8,429,270
Criminal Justice	7,406,390	430,170	7,836,560	443,350	8,279,910
Housing and Comm Dev					
City Arts Program	526,160		526,160		526,160
ShoWare Operating	2,603,320	(273,790)	2,329,530	25,170	2,354,700
Debt Service Funds					
Non-Voted Debt Service	1,442,720	463,500	1,906,220	463,760	2,369,980
Special Assessments	611,650	185,920	797,570	9,020	806,590
Enterprise Funds					
Water Utility	13,241,690	(6,634,440)	6,607,250	1,683,490	8,290,740
Sewer Utility	4,479,000	152,160	4,631,160	168,040	4,799,200
Drainage Utility	12,748,000	(6,334,450)	6,413,550	717,750	7,131,300
Solid Waste Utility	488,420	18,460	506,880	8,770	515,650
Golf Complex	(1,105,780)	(151,580)	(1,257,360)	52,880	(1,204,480)
Internal Service Funds					
Fleet Services	2,830,310	712,410	3,542,720	(973,030)	2,569,690
Central Stores	2,890	59,800	62,690	60,970	123,660
Information Technology	3,379,840	59,550	3,439,390	(1,001,290)	2,438,100
Facilities	2,455,220	(83,570)	2,371,650	(92,280)	2,279,370
Unemployment	1,376,420	(51,910)	1,324,510	(52,810)	1,271,700
Workers Compensation	1,509,330	(362,980)	1,146,350	(375,450)	770,900
Employee Health & Wellness	2,918,740	153,870	3,072,610	444,080	3,516,690
Liability Insurance	1,345,200	(206,910)	1,138,290	135,520	1,273,810
Property Insurance	$ 527,640	$ (690)	$ 526,950	$ (590)	$ 526,360

STAFFING

As the population of the City has increased, the demand for city services has risen correspondingly. The ***FTEs per 1,000 Population*** chart below reflects the total number of funded FTE from 2011 and the number of FTE per every 1,000 in population. The number of funded FTEs has risen by 86 since 2011. At the same time, the number of FTE per population has fallen, 5.7 per thousand in 2011 as compared to 5.5 per thousand in 2020.

FTEs per 1,000 POPULATION



	2011	2012	2013	2014	2015	2016	2017	2018	Proposed 2019	Proposed 2020
FTE Positions	671.7	637.2	623.3	641.6	666.7	690.0	702.8	714.2	721.3	721.7
Population *	118,200	119,100	120,500	121,400	122,900	124,500	127,100	128,900	130,400	131,900
FTEs per 1000 Pop	5.7	5.4	5.2	5.3	5.4	5.5	5.5	5.5	5.5	5.5

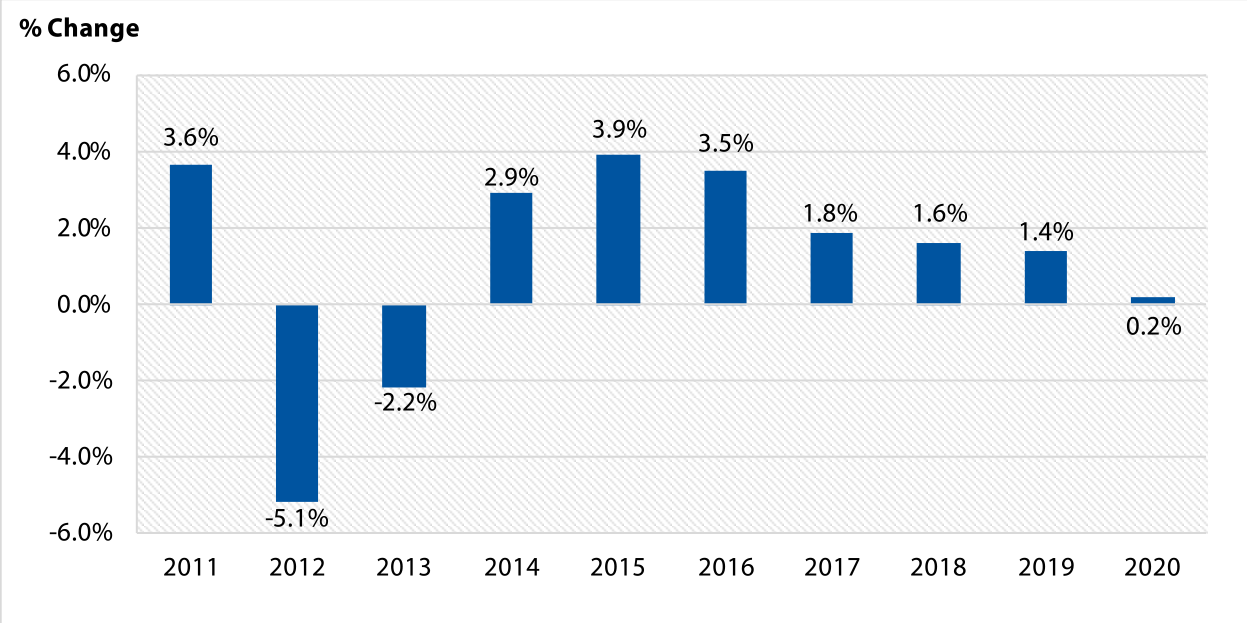
* Populations are based on state official estimates. 2019 and 2020 are estimates.

STAFFING

The following ***Percent Change in Staffing*** chart demonstrates the percent change in City staffing since 2011 in budgeted positions. The major fluctuations include:

- Between 2010 and 2014, the effects of the Great Recession, the change from origin based to destination based sales tax and the significant declines in revenue which accompanied both, required the City to reduce staffing levels to adjust to available resources. To the extent possible, the City attempted to find reductions through vacant positions and attrition. However, these reductions did require lay-offs of filled positions.
- The up-tick in 2011 includes budgeted positions as a result of the Panther Lake Annexation. Many of these positions were left vacant as a result of the fiscal difficulties described above and were eliminated in the subsequent budget processes.
- Recent increases reflect additions to respond to service level requirements and strategic program creation and/or enhancements.

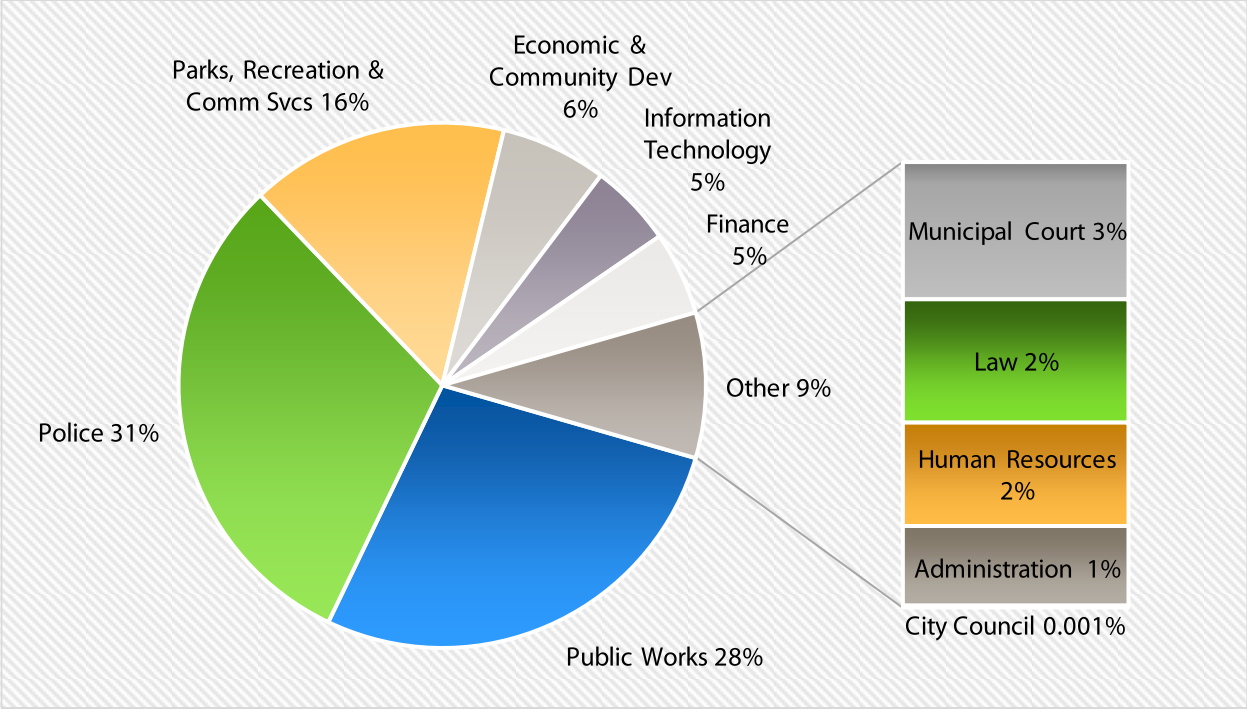
PERCENT CHANGE IN STAFFING



STAFFING

The following ***City-Wide Staffing by Department, Positions Summary by Department, City-Wide Staffing by Fund, Positions Summary by Fund*** and ***Position Changes by Department*** charts and tables provide further detailed information on staffing as proposed with the 2019-2020 Mayor's proposed budget.

CITY-WIDE STAFFING BY DEPARTMENT—2019-20 BIENNIUM TOTAL

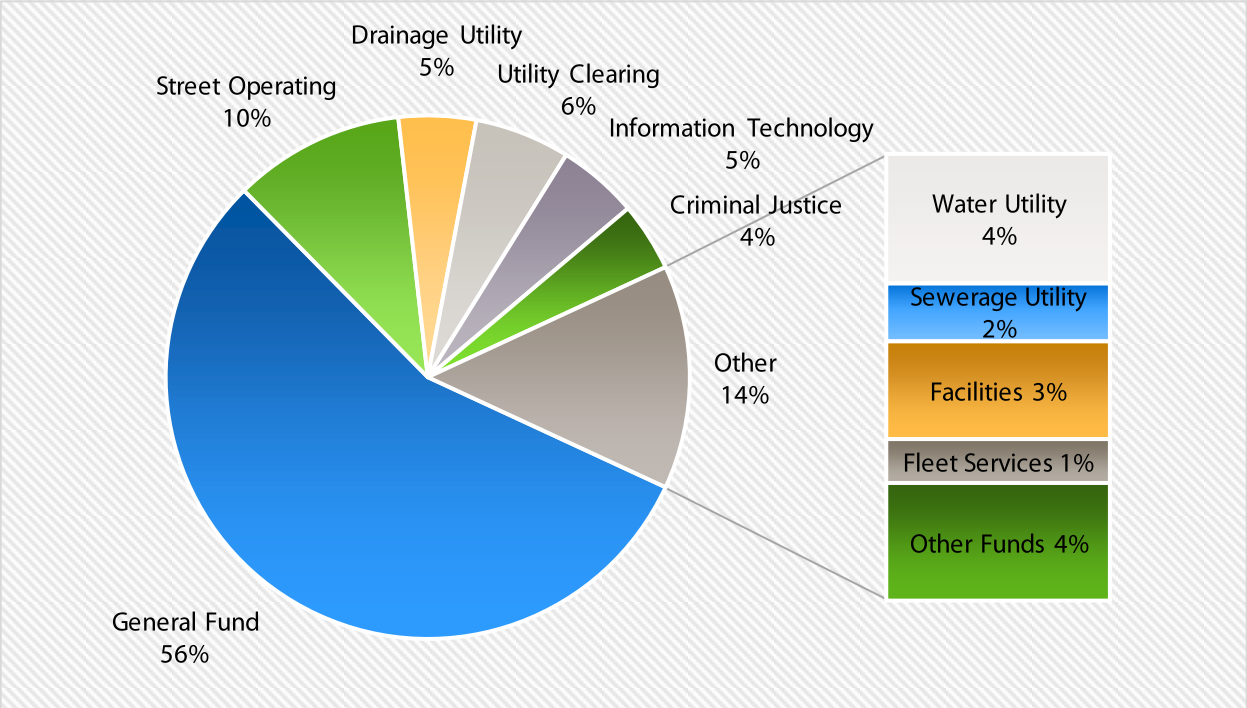


POSITIONS SUMMARY BY DEPARTMENT—FULL TIME EQUIVALENTS (FTEs)

	2018 Adopted	2018 New	2018 Total	2019 Request	2019 Proposed	2020 Request	2020 Proposed
City Council	0.75	(0.25)	0.50		0.50		0.50
Administration	12.00	0.50	12.50	-	12.50	(1.00)	11.50
Economic & Comm Dev	43.75	3.25	47.00		47.00		47.00
Finance	38.00		38.00		38.00	(1.00)	37.00
Human Resources	15.60		15.60		15.60	(0.60)	15.00
Information Technology	37.00		37.00		37.00		37.00
Law	16.80		16.80	1.00	17.80		17.80
Municipal Court	20.28		20.28	(0.53)	19.75		19.75
Parks, Rec & Comm Svcs	115.76		115.76	(1.10)	114.66	-	114.66
Police	212.75	1.00	213.75	5.28	219.03	3.00	222.03
Public Works	197.00		197.00	2.50	199.50		199.50
Total FTEs by Dept	**709.69**	**4.50**	**714.19**	**7.15**	**721.34**	**0.40**	**721.74**

STAFFING

CITY-WIDE STAFFING BY FUND—2019-20 BIENNIUM TOTAL



POSITIONS SUMMARY BY FUND—FULL TIME EQUIVALENTS (FTEs)

	2018 Adopted	2018 New	2018 Total	2019 Request	2019 Proposed	2020 Request	2020 Proposed
General Fund	393.86	4.50	398.36	3.25	401.61	0.60	402.21
Street Operating	74.25		74.25	2.00	76.25		76.25
Criminal Justice	27.14		27.14	3.00	30.14	0.50	30.64
Housing & Comm Dev	5.48		5.48		5.48		5.48
Street Capital Projects	4.00		4.00		4.00		4.00
Parks Capital Projects	1.00		1.00		1.00		1.00
Water Utility	27.66		27.66	1.00	28.66		28.66
Sewerage Utility	13.08		13.08		13.08		13.08
Drainage Utility	34.51		34.51		34.51		34.51
Solid Waste Utility	4.50		4.50		4.50		4.50
Golf Complex	9.60		9.60	(1.60)	8.00		8.00
Fleet Services	10.00		10.00		10.00		10.00
Information Technology	36.00		36.00		36.00		36.00
Facilities	23.00		23.00		23.00	(1.00)	22.00
Insurance	2.00		2.00		2.00		2.00
Utility Clearing	42.61		42.61	(0.50)	42.11	0.30	42.41
VNET Agency	1.00		1.00		1.00		1.00
Total FTEs by Fund	**709.69**	**4.50**	**714.19**	**7.15**	**721.34**	**0.40**	**721.74**

STAFFING

POSITION CHANGES BY DEPARTMENT—FULL TIME EQUIVALENTS (FTEs)

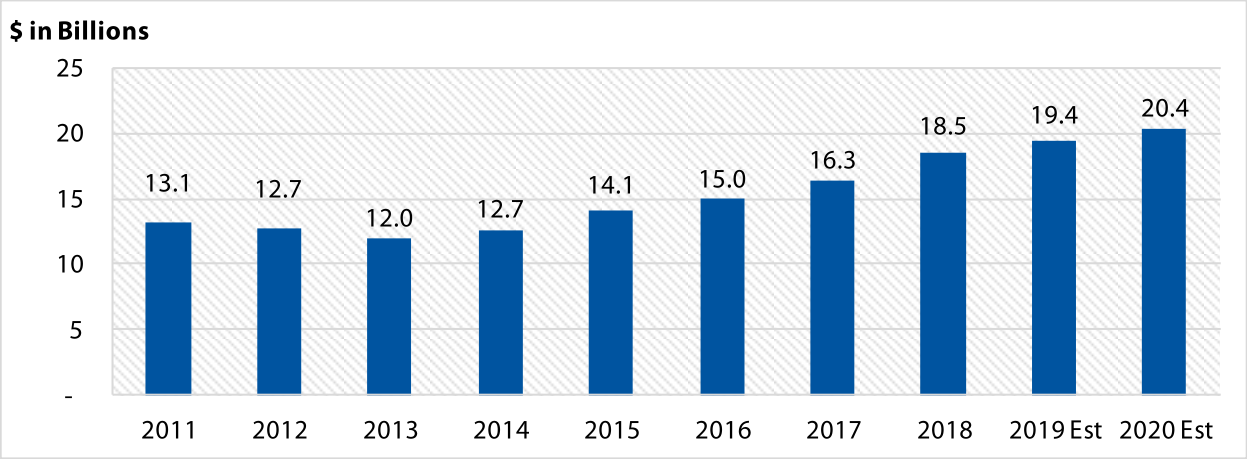
	2019 Proposed	2020 Proposed
Administration		
Communications Coordinator	(1.0)	
Executive Assistant/Mgmt Analyst		(1.0)
Administrative Assistant 2 - Body Worn Cameras/In Car Video	1.0	
Finance		
Administrative Assistant 2		(1.0)
Human Resources		
HR Analyst		(0.6)
Law		
Prosecuting Attorney - Body Worn Cameras/In Car Video	1.0	
Municipal Court		
Court Security Officer	(0.53)	
Parks, Recreation & Comm Svcs		
Maintenance Worker 4		1.0
Maintenance Worker 2 - Shift from 75% Parks/25% PW to 100% Parks	0.5	
Maintenance Worker 3 (Facilities)		(1.0)
Assistant Golf Pro - .85 FTE to 1.0 FTE	0.15	
Golf Maintenance Worker 3	(1.0)	
Golf Accounting Services Assistant 3	(0.75)	
Police		
Police Officers	3.0	3.0
Court Security Officer	0.53	
Parking Enforcement Officer	0.75	
Camera Technician - Body Worn Cameras/In Car Video	1.0	
Public Works		
Maintenance Worker 2 - Sign Shop	2.0	
Term Limited Maintenance Worker 1	1.0	
Maintenance Worker 2 - Shift from 75% Parks/25% PW to 100% Parks	(0.5)	
Total FTEs by Dept	**7.15**	**0.40**

PROPERTY TAX

PROPERTY TAX AND ASSESSED VALUATION

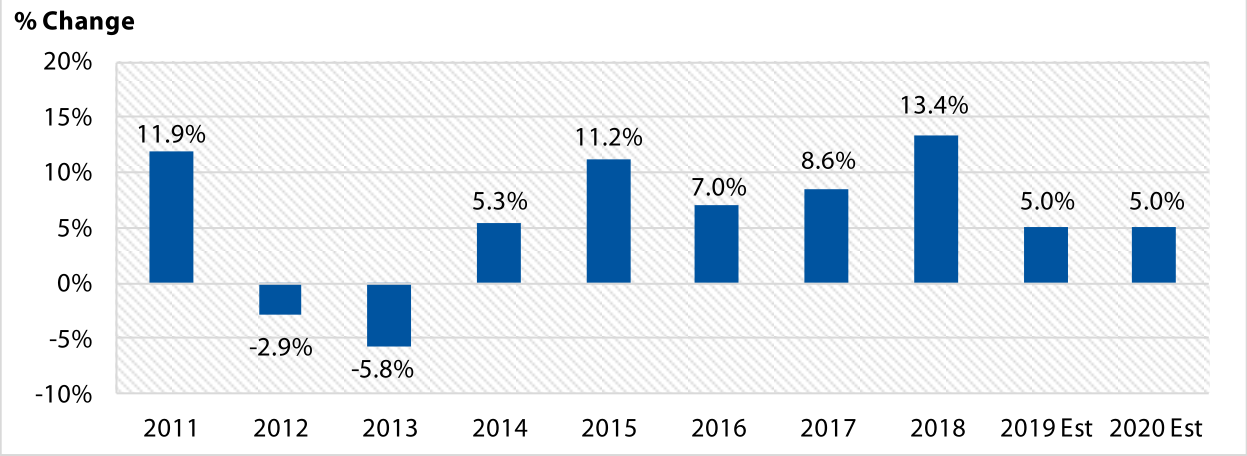
Property tax is the largest source of revenue in the General Fund. The King County Assessor values and provides information to the City of Kent on their determination of property values within city limits. The growth in Property Tax revenue is dependent upon both the assessed valuation of property (provided by the King County Assessor) and the tax rate. In 2018 and for the fifth straight year, assessed valuation increased from the previous year.

ASSESSED VALUATION (AV)



The ***Percent Change in Assessed Valuation*** chart below reflects the percentage change in the assessed valuation for the City of Kent. Between 2010 and 2014 the effects of the Great Recession saw property values drop. The 2011 percent change in valuation includes the property values for the Panther Lake Annexation area. The Panther Lake Annexation increased the City of Kent's total property valuation by nearly $2 billion in 2011 and the chart below reflects the net change to the overall property valuation in the City from the previous year, inclusive of the Panther Lake area. The 2019 and 2020 assessed valuations are estimated to increase by 5 percent each year.

PERCENT CHANGE IN ASSESSED VALUATION

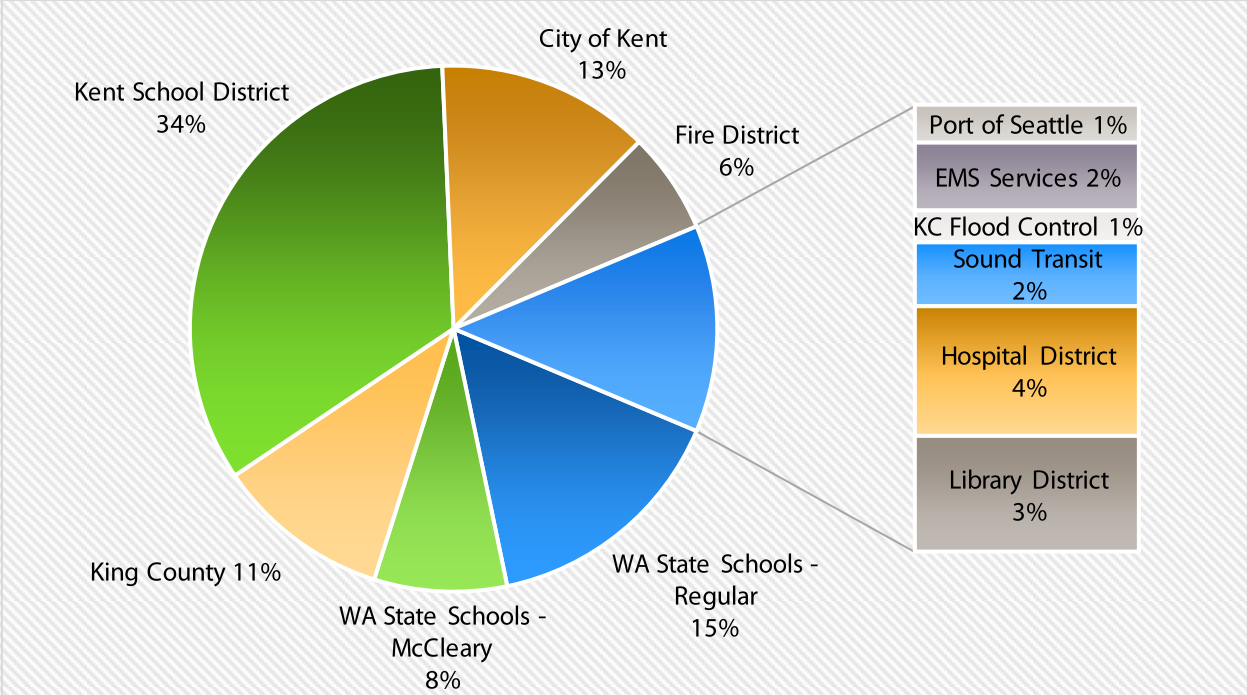


PROPERTY TAX

State law provides that the maximum growth in property tax revenues from existing property is the lesser of one percent or the percentage increase in the Implicit Price Deflator (IPD). Of the total tax levies collected, 46 percent are voter approved and 56 percent are statutory levies. As the ***Property Tax Distribution*** chart below reflects, the City of Kent receives only 13 percent of the total amount of property tax paid by residents.

PROPERTY TAX DISTRIBUTION—2018 LEVY RATES

The property tax in the 2019-2020 Mayor's proposed budget includes the statutory increase of one percent growth plus new construction. The ***Property Tax AV & Rates*** table below presents comparative detailed rate information for 2018 and estimates for 2019 and 2020.



Kent School District levy rate is used in thisgraph. The levy rates for other school districts vary, which may result in a slightly different percentage distribution for each school district.

PROPERTY TAX AV & RATES

City of Kent Share Only	2018	2019 Est	2020 Est
Assessed Valuation in thousands [A]	$ 18,523,329	$ 19,449,496	$ 20,421,970
General Levy Rate ($2.325 max) [B]	1.62704	1.56832	1.51592
Estimated Cost On:			
Median Home Value [C]	$527	$533	$541

[A] Assessed valuation for 2019 and 2020 is estimated to increase by 5% each year.

[B] 2018 Levy Rates per King County Assessor's Office.

[C] 2018 median home value is $324,000, per King County Assessor's Office. 2019 and 2020 are estimated to increase by 5% each year.

SALES TAX

The City of Kent receives revenues for three primary types of sales tax; regular sales tax, criminal justice local option sales tax and lodging tax.

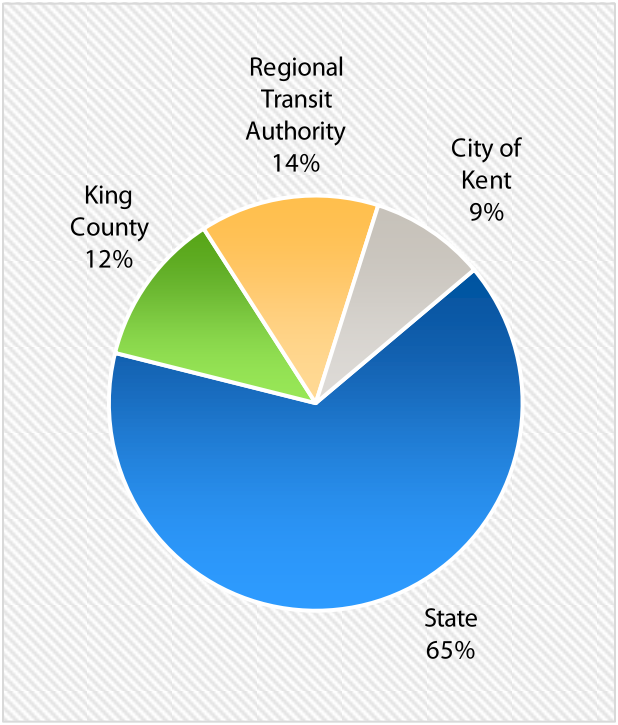
REGULAR SALES TAX

In 1970, the legislature granted cities the right to tax retail sales at a rate of 0.5 percent, of which 15 percent would be passed to their respective counties. In 1982, the rate was increased to 1.0 percent, again with 15 percent of this amount passed on to counties along with a .01 percent administrative fee passed to the state Department of Revenue. This effectively leaves the city with tax revenue of 0.84 percent of retail sales.

CRIMINAL JUSTICE LOCAL OPTION SALES TAX

Under RCW 82.14.450(2)(a), the city council has the authority to present to the voters a sales tax option of up to 0.1 percent, for criminal justice purposes. Kent voters have authorized this 0.1% additional sales tax and the associated revenues are allocated to the Criminal Justice Fund accordingly.

SALES TAX DISTRIBUTION



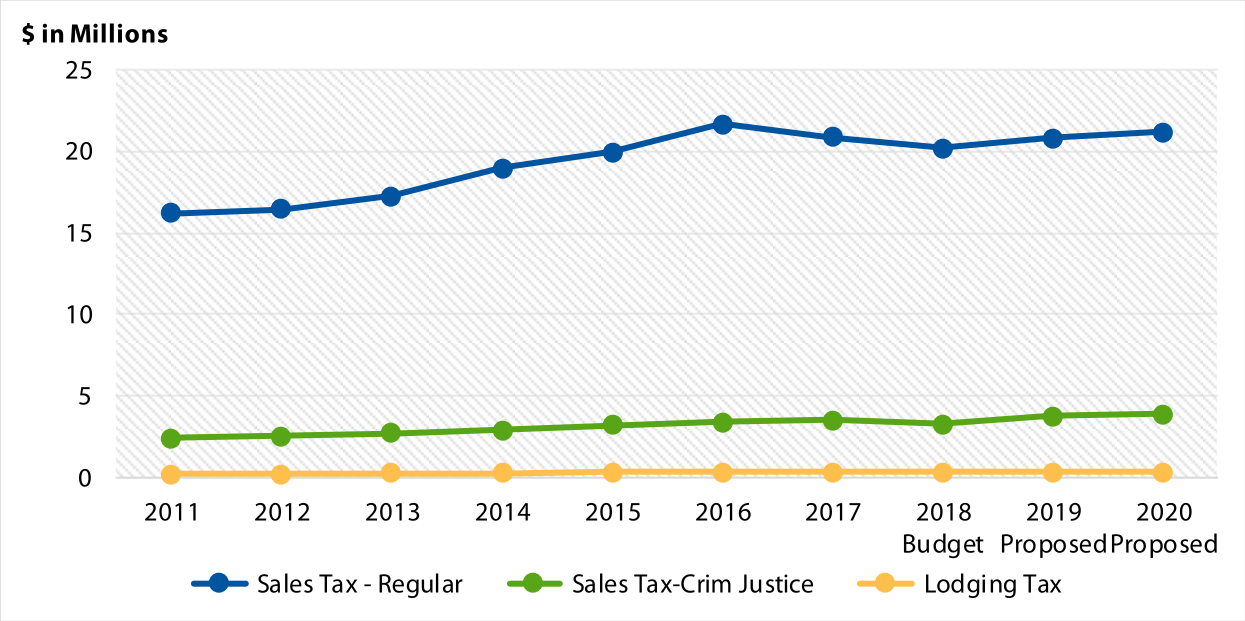
LODGING TAX

The lodging tax, also referred to as the hotel-motel tax, is a consumer tax on lodging charges for periods of less than 30 consecutive days for hotels, motels, rooming houses, private campgrounds, RV parks, and similar facilities. The guiding principle for the use of lodging taxes is that they must be used for activities, operations and expenditures designed to increase tourism. Specifically, lodging taxes can be used for tourism marketing. All lodging tax revenues are allocated to the Lodging Tax Fund for these purposes.

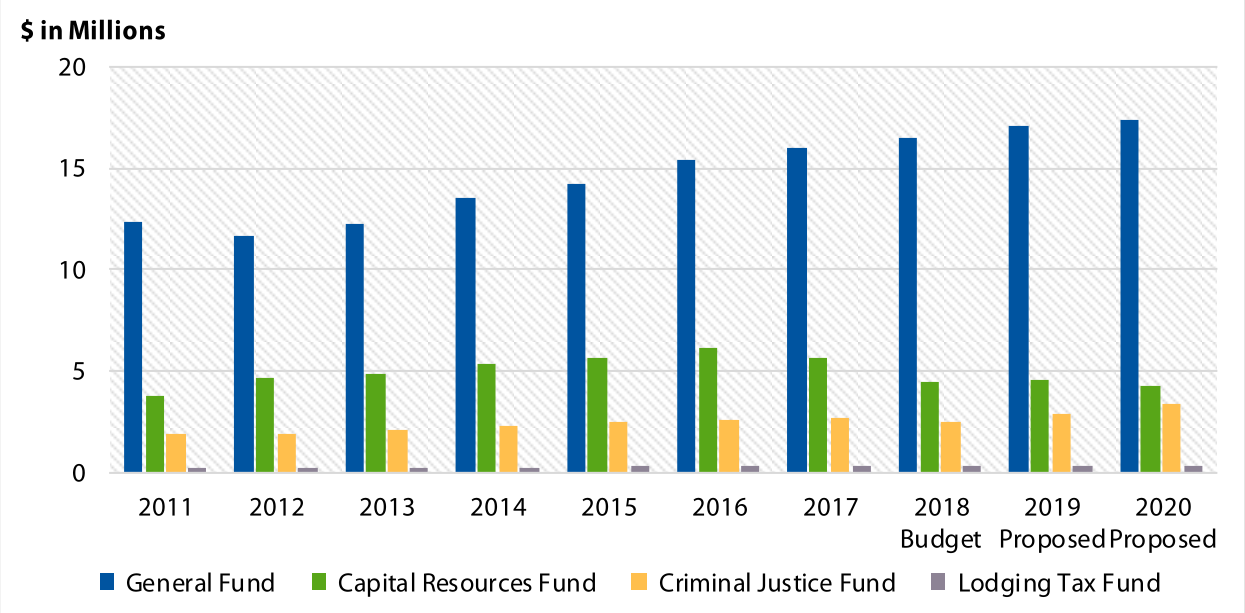
SALES TAX

The following tables, ***Sales Tax Revenue History and Sales Tax Revenue History by Fund,*** illustrate the amount of total sales tax revenue received from the various forms of sales taxes and to which funds they were allocated over the past 10 years, respectively. Both charts exclude annexation sales tax credits.

SALES TAX REVENUE HISTORY



SALES TAX REVENUE HISTORY BY FUND



UTILITY TAX

Utility tax makes up 19 percent of General Fund revenues. The utility taxes are comprised of two types of taxes, external and internal. The external revenues are levied upon residents and businesses. The internal revenues are levied on the City's internal utilities.

EXTERNAL UTILITY TAX

The City taxes the maximum allowable rate of six percent on cable, electricity, gas and telephone. Garbage is taxed at 18.4 percent, 10.6 of which was authorized in 2015 and is allocated to the maintenance and repair of residential streets. The majority of the revenue collected from the cable utility tax goes to fund IT operations and capital projects., the remainder goes to annexation in the General Fund.

EXTERNAL UTILITY TAX RATES

	General Fund	Street Fund	Youth/Teen Fund	IT Fund	Total
Cable	1.2%			4.8%	**6.0%**
Electricity	4.7%	1.0%	0.3%		**6.0%**
Garbage	6.5%	11.6%	0.3%		**18.4%**
Gas	4.7%	1.0%	0.3%		**6.0%**
Telephone	4.7%	1.0%	0.3%		**6.0%**

INTERNAL UTILITY TAX

The City currently taxes each internal utility according to the ***Internal Utility Tax Rates*** table below. Overall, four percent is allocated to the Capital Resources Fund. After the payment of all capital debt, unless otherwise allocated by Council, the remaining funds are to be equally applied to information technology programs and street capital programs. An additional two percent combined is allocated to the Capital Resources Fund and will sunset when the debt in this fund is paid in full, which is expected to occur in 2020. The remaining amount is allocated to the General Fund, Street Fund and Youth/Teen Fund.

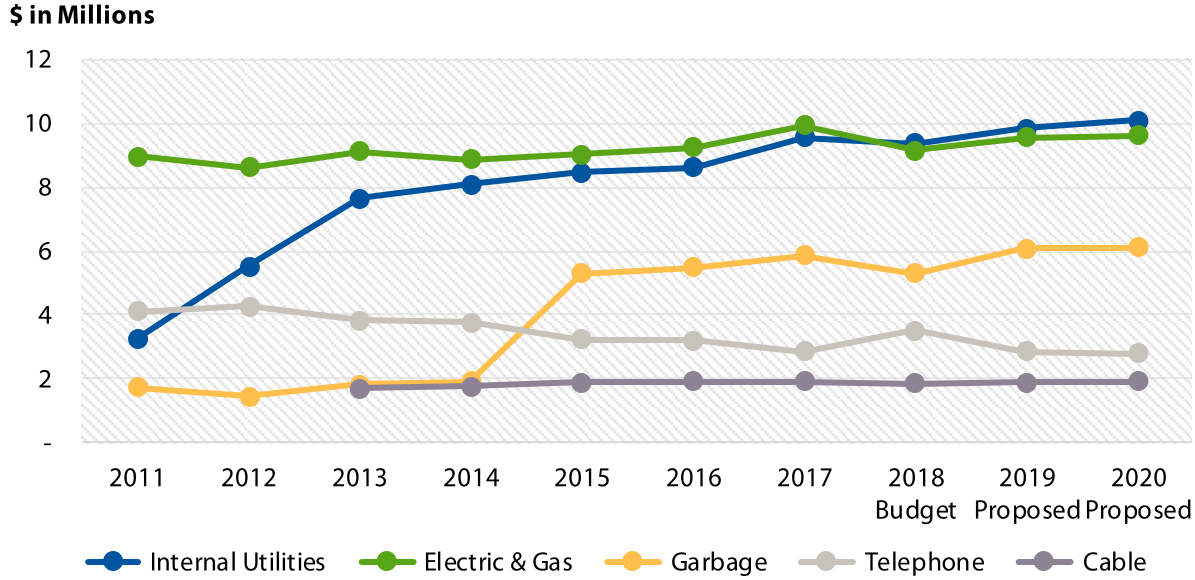
INTERNAL UTILITY TAX RATES

	General Fund	Street Fund	Youth/Teen Fund	Capital Resources Fund 4% for Capital [(A)]	Capital Resources Fund 2% for Debt [(A)]	Total
Water	5.7%	1.0%	0.3%	4.0%	2.0%	**13.0%**
Sewer	4.2%	0.7%	0.2%	2.9%	1.5%	**9.5%**
Drainage	8.6%	1.5%	0.4%	6.0%	3.0%	**19.5%**

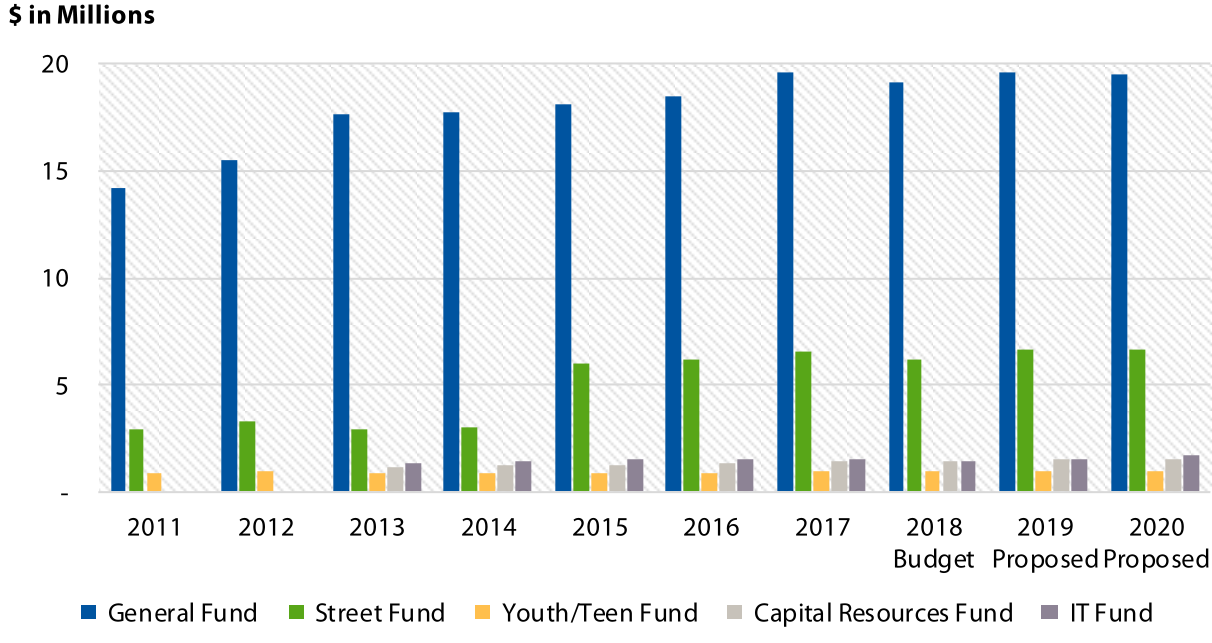
[(A)] average for all utilities combined

UTILITY TAX

UTILITY TAX REVENUE HISTORY



UTILITY TAX REVENUE HISTORY BY FUND



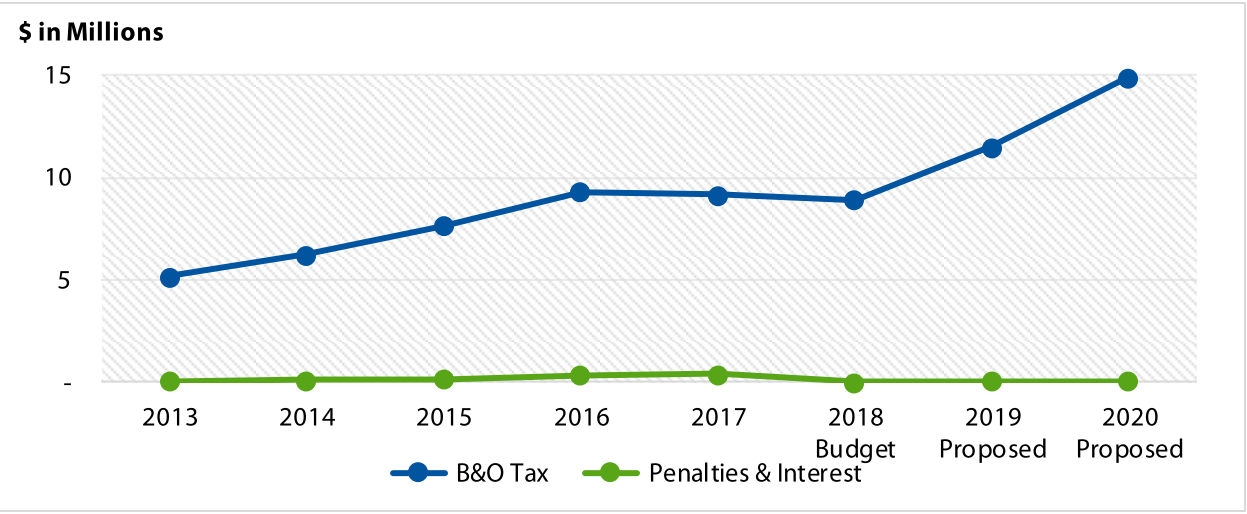
B&O TAX

The City began collecting taxes from those who engage in business activities within the City in January of 2013. There are five types of B&O tax classifications:

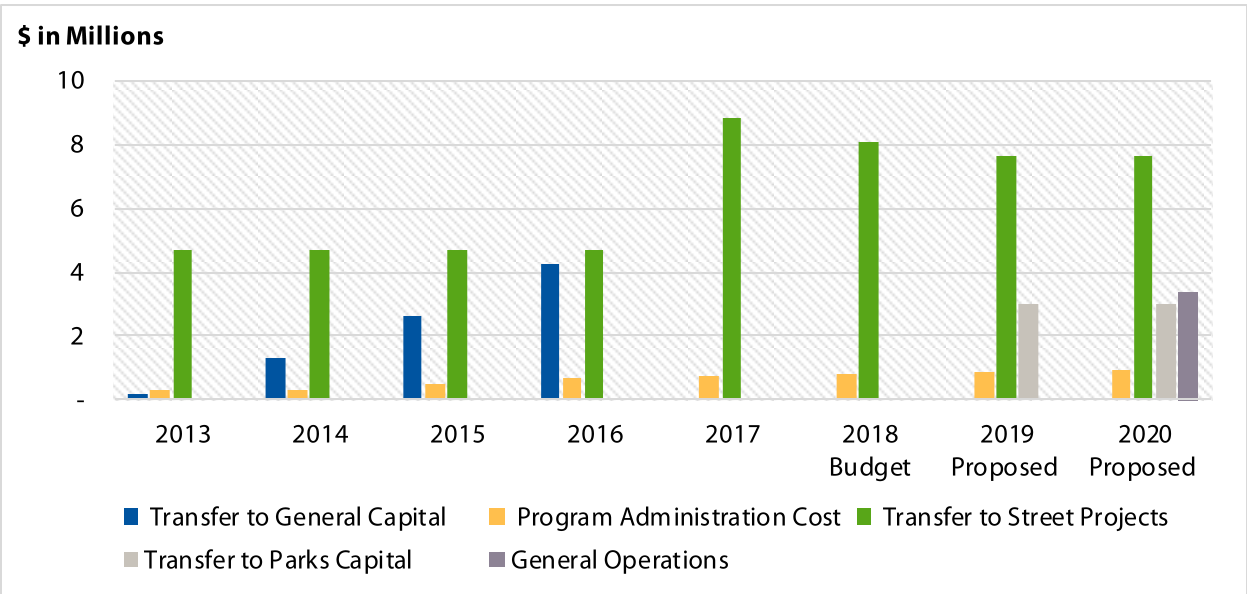
- Manufacturing
- Retailing
- Square Footage
- Wholesaling
- Service & Other

From the programs inception through 2016, revenues were first allocated to program administration, then $4.7 million toward street projects and any remaining revenues were transferred to the Capital Resources Fund. Beginning in 2017, all revenues minus those for program administration were allocated to street projects. A 2019 square footage increase was adopted by Council in November 2017 and is dedicated to capital purposes. The 2019-2020 Mayor's proposed budget allocates these monies to parks capital projects. Another square footage tax increase is proposed for 2020, with the additional revenues dedicated to general operations.

B&O REVENUES



B&O ALLOCATION



GENERAL FUND

As the name implies, the General Fund is the fund that receives most of the City's undesignated revenues which are available to be used for any appropriate governmental purpose. This fund finances the majority of the traditional services associated with local government. Due to the flexibility in General Fund resources, much of the Mayor's as well as the Council's budget deliberations center around this fund.

GENERAL FUND REVENUES

General Fund revenues are increased from the 2018 adjusted budget of $103,130,990 to a budgeted amount of $107,718,120, for a total increase of $4,587,130 or 4.4 percent. However, 2018 estimated year end revenues are $4,898,870 favorable to budgeted levels. This represents a decrease in 2019 as compared to 2018 estimated year end revenues of $281,880 or less than .1 percent.

GENERAL FUND REVENUE SUMMARY

	2018 Budget	2019 Proposed	2018 vs 2019 $ Change	2018 vs 2019 % Change	2020 Proposed	2019 vs 2020 $ Change	2019 vs 2020 % Change
Property Taxes	$ 29,532,710	$ 29,978,040	$ 445,330	1.5 %	$ 30,427,820	$ 449,780	1.5 %
Sales Taxes	21,100,310	21,770,980	670,670	3.2	19,888,010	(1,882,970)	(8.6)
Utility Taxes	19,150,880	19,596,150	445,270	2.3	19,578,290	(17,860)	(0.1)
B&O Taxes	8,890,480	11,500,000	2,609,520	29.4	14,900,000	3,400,000	29.6
Other Taxes	879,260	882,650	3,390	0.4	897,440	14,790	1.7
Licenses and Permits	5,695,870	7,082,370	1,386,500	24.3	7,490,520	408,150	5.8
Intergovernmental Revenue	7,946,370	6,713,830	(1,232,540)	(15.5)	2,676,120	(4,037,710)	(60.1)
Charges for Services	5,844,610	6,011,180	166,570	2.8	6,125,920	114,740	1.9
Fines and Forfeitures	1,565,970	1,131,660	(434,310)	(27.7)	1,131,660	0	-
Miscellaneous Revenue	1,574,530	2,135,530	561,000	35.6	2,285,580	150,050	7.0
Transfers In	950,000	915,730	(34,270)	(3.6)	914,010	(1,720)	(0.2)
Total Revenues	**$103,130,990**	**$107,718,120**	**$4,587,130**	**4.4 %**	**$106,315,370**	**$ (1,402,750)**	**(1.3) %**

Revenue projections for the 2019-2020 proposed budget continue to be based largely on the following assumptions:

- The local economy will continue to see gradual but modest improvement over the biennium
- Inflation will be moderate over the next two years giving only a modest boost to sales taxes, intergovernmental revenues and charges for services
- Short term interest rates will remain low but with moderate rate increases in 2019 and 2020
- Streamlined Sales Tax mitigation will end in 2019
- Current percentage growth caps on property and utilities will remain unchanged

GENERAL FUND

Significant revenue changes from the 2018 adopted budget are outlined below. Changes that are considered over and above normal baseline adjustments are summarized in the ***Major Revenue Changes-General Fund*** table on the following page.

- **Property Tax** revenue is expected to increase by 1.5 percent, which reflects the 1 percent allowed by statute plus the effect of new construction.
- **Sales Tax** revenue is budgeted to increase by 3.2percent over the current 2018 budgeted amount. In addition to a modest increase in 2020, the sales tax budget is further impacted by 1) changes to the allocation of sales tax between the General Fund and The Capital Resources Fund and 2) a 50 percent reduction of the Panther Lake annexation sales tax credit, which is set to expire in June 2020. Both topics are discussed in more detail in the ***"Taxes"*** section on page 26.
- **Utility Tax** revenue is estimated to increase overall by 2.3 percent over the 2018 budget, including adjustments to budget in line with 2018 year end estimates and trend.
- **B&O Tax** revenue is budgeted to increase by 29.4 percent in 2019 as compared to the 2018 budgeted amount, due to an increase in the square footage rates that were approved by Council in late 2017. Another 29.6 percent increase is expected in 2020, again due to an increase in the square footage rates. Additional details are provided in the ***"Taxes"*** section on page 26.
- **Licenses and Permits** revenue is estimated to increase by 24.3 percent from the 2018 budget, which includes inflationary water franchise fee increases. The budget also includes a volume adjustment of $1.2 million in order to budget closer to 2018 year end estimates, while maintaining a conservative approach.
- **Intergovernmental** revenue reflects a decrease of 15.5 percent in 2019 and 60.1 percent in 2020, due to elimination of streamline sales tax mitigation from WA State. Under the WA State budget currently in effect, these monies are eliminated beginning Q4 2019. The City is actively working with the legislature to have this funding re-instated during the next legislative session.
- **Fines and Forfeitures** is budgeted to decrease 27.7 percent, bringing budget in line with 2018 year end revenue estimates.
- **Miscellaneous** revenue reflects a 35.6 percent increase over the 2018 budget, including adjustments to interest income and Police off-duty reimbursements. In 2020, cell tower lease revenues have been moved to the General Fund, resulting in a 7.0 percent increase.

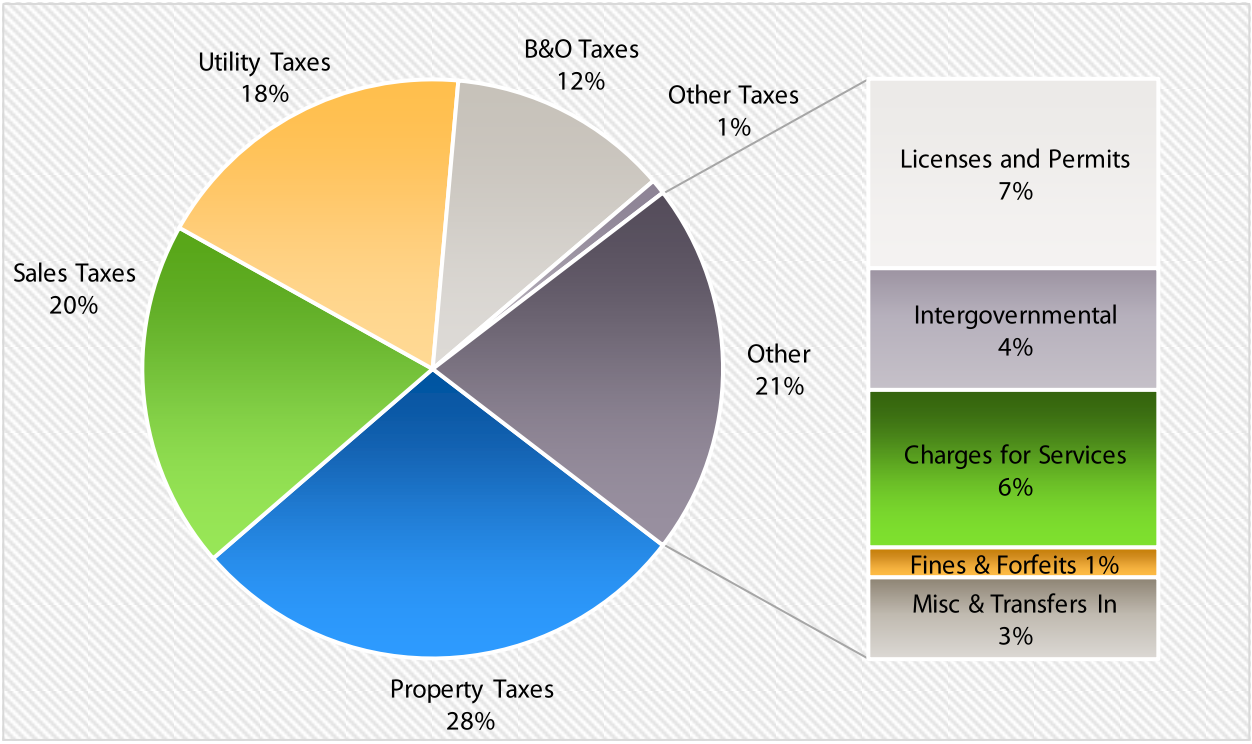
GENERAL FUND

MAJOR REVENUE CHANGES—GENERAL FUND

	2019 Proposed Changes	2020 Proposed Changes
Permit/Plans Review - 2 yr volume increase	$ 1,200,000	$ 1,200,000
Parking Fines	50,000	50,000
Interest Income	100,000	100,000
Cell Tower Leases - moved from capital projects		120,000
Parks Recreation Fees		51,000
B&O Tax		3,400,000
Water Franchise Fees		250,000
Sales Tax - adjust allocation to 80% GF / 20% CRF		470,000
Total Revenues	**$ 1,350,000**	**$ 5,641,000**

GENERAL FUND REVENUE SOURCES—2019-20 BIENNIUM TOTAL

As demonstrated in the ***General Fund Revenue Sources*** chart above, 76.6 percent or 83,727,820, of the 2019 General Fund revenues are expected to be collected from taxes. The remaining 23.4 percent, or $23,990,300, comes from all other sources combined.



GENERAL FUND

TAXES

Property tax is the largest tax revenue for the City and accounts for 27.8 percent of all General Fund revenues. Property tax is assessed on real property and is based on the King County Assessor's valuation of the property owned.

Sales tax makes up 20.2 percent of all General Fund revenues. The 2020 Mayor's proposed budget includes a change to the allocation of sales tax between the General Fund and the Capital Resources Fund. It modifies the allocation to a 80% / 20% split between the General Fund and Capital Resources Fund, respectively. The impact of the allocation change is an increase to the General Fund of $470,000 and corresponding decrease in the Capital Resources Fund revenues. Sales tax, which is a general fund resource, had previously been allocated with the General Fund receiving 70 percent of sales tax revenue and the Capital Resources Fund receiving the other 30 percent. In 2017, the allocation was modified to a 72.5% / 27.5% split and in 2018 modified to a 77.7% / 22.3% split between the General Fund and Capital Resources Fund, respectively.

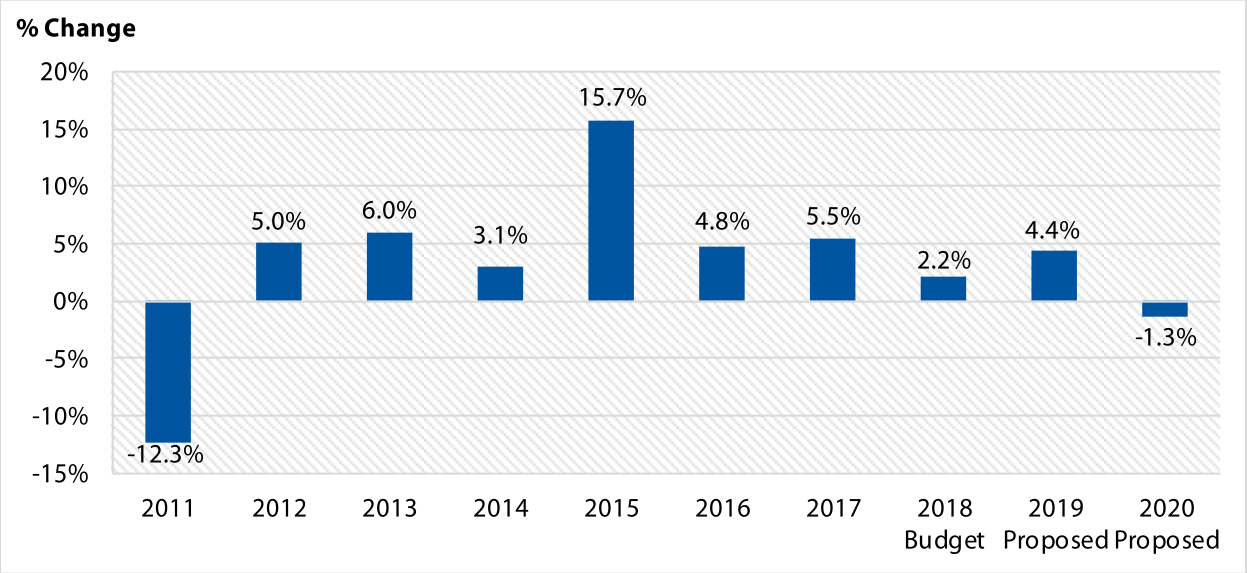
Also impacting the 2020 budget is expiration of the Panther Lake annexation sales tax credit on June 30, 2018. The result is a sales tax revenue decrease of $2.2 million for the last half of the year, which is offset by increases to other revenues and expenditure reductions. Specific offsets are discussed over the next few pages.

Utility tax is 18.2 percent of General Fund revenues and includes electricity, gas and telephone taxes as well as the City's internal utility tax on our water, sewer and drainage utilities. While there are no significant changes overall to these revenues in the 2019-2020 Mayor's proposed budget, minor adjustments have been made to individual utility taxes to bring them in line with current trends.

B&O tax makes up 10.7 percent of General Fund revenues. The Mayor's proposed budget includes increases of 2,609,520 in 2019 and $3,400,000 in 2020, the result of two separate increases to the square footage tax rate. The additional revenues in 2019 are allocated to parks capital projects, while the 2020 new revenues will fund general operations. Of the original revenues, a small portion, approximately $875,000, remains in the General Fund to provide funds to administer the program. All other B&O collections are transferred to fund street capital projects.

Other taxes are less than one percent of General Fund revenues and are comprised of admissions and gambling taxes.

PERCENT CHANGE IN GENERAL FUND REVENUES



The ***Percent Change in General Fund Revenues*** chart above compares the year-to-year changes in total General Fund revenue collections over the past several years. This is not a comparison of actual revenues to budgeted revenues; rather, the chart compares the total revenue collected in one year to the total revenue collected in the previous year.

The large increase in 2015 represents the change in accounting for the City's B&O tax collections. Prior to 2015, B&O taxes were directly coded to the various funds as previously described. In 2015, for accounting ease and transparency, the City began coding all B&O tax collections to the General Fund and then budgeted an interfund transfer to move the resources to the appropriate fund.

The large decrease in 2011 results from a reduction in property tax collections. In 2010, voters approved the creation of the Regional Fire Authority (RFA). The RFA is a separate legal entity from the City of Kent and is entitled to collect property taxes to support their operations at a statutory maximum rate of $1.00 per every $1,000 of assessed property valuation beginning in 2011, coupled with a fire benefit charge. At the same time, the City reduced its property tax rate by $1.00 to help mitigate the impact for Kent residents.

GENERAL FUND

GENERAL FUND EXPENDITURES

General Fund expenditures increased by $1,147,453 or 1.1 percent to a total amount of $107,718,120 as compared to the 2018 adjusted budget of $106,570,667.

The following expenditure tables summarize the 2019-2020 General Fund budget and provides comparative information between the 2019 budget and the current 2018 budget and the 2019 and 2020 budgets. ***General Fund Expenditures by Department*** lists each department's budget total.

GENERAL FUND EXPENDITURES BY DEPARTMENT

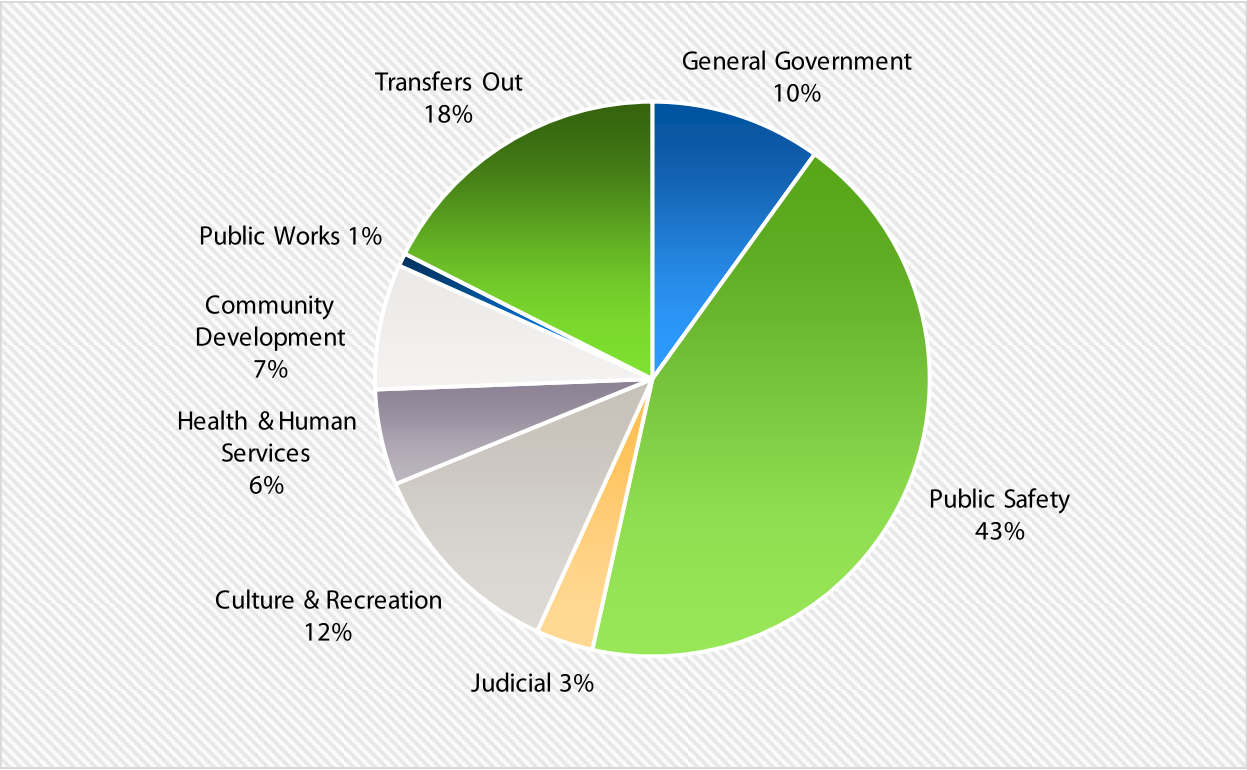
	2018 Budget	2019 Proposed	2018 vs 2019 $ Change	2018 vs 2019 % Change	2020 Proposed	2019 vs 2020 $ Change	2019 vs 2020 % Change
City Council	$ 409,150	$ 439,470	$ 30,320	7.4 %	$ 475,090	$ 35,620	8.1 %
Mayor's Office/City Clerk	3,063,990	2,947,960	(116,030)	(3.8)	2,919,250	(28,710)	(1.0)
Economic & Community Dev	7,305,340	7,720,130	414,790	5.7	7,915,700	195,570	2.5
Finance	3,007,710	3,417,490	409,780	13.6	3,434,600	17,110	0.5
Fire Contracted Services	3,657,530	3,905,690	248,160	6.8	3,878,360	(27,330.0)	(0.7)
Human Resources	2,213,030	2,159,610	(53,420)	(2.4)	2,151,880	(7,730)	(0.4)
Information Technology	519,450	528,260	8,810	1.7	346,460	(181,800)	(34.4)
Law	1,777,920	1,829,200	51,280	2.9	1,694,730	(134,470)	(7.4)
Municipal Court	3,405,030	3,517,560	112,530	3.3	3,631,340	113,780	3.2
Parks, Rec & Comm Svcs	18,488,507	18,852,830	364,323	2.0	19,004,800	151,970	0.8
Police	38,863,160	41,917,130	3,053,970	7.9	43,546,460	1,629,330	3.9
Public Works	1,318,470	1,142,280	(176,190)	(13.4)	590,750	(551,530.0)	(48.3)
Non-Departmental	22,541,380	19,340,510	(3,200,870)	(14.2)	16,725,950	(2,614,560)	(13.5)
Total Expenditures	**$106,570,667**	**$107,718,120**	**$1,147,453**	**1.1 %**	**$106,315,370**	**$ (1,402,750)**	**(1.3) %**

General Fund Expenditures by Function (table and chart) presents the General Fund according to functional category, including each function as a percent of total for the biennium.

- **General Government** includes City Council, Administration, Human Resources, Law, Finance and Information Technology.
- **Public Safety** includes Police and RFA contracted services.
- **Judicial** includes the Municipal Court.
- **Culture & Recreation** includes most Parks functions, such as administration, most recreation programs, planning & development and parks operations.
- **Health & Human Services** includes indigent counsel, adaptive recreation, youth/teen programs, senior center programs and human services.
- **Community Development** includes economic development, planning services, permit center and development engineering.
- **Public Works** includes transportation and street operations allocated to annexation.

GENERAL FUND

GENERAL FUND EXPENDITURES BY FUNCTION—2019-20 BIENNIUM TOTAL



GENERAL FUND EXPENDITURES BY FUNCTION

	2018 Budget	2019 Proposed	2018 vs 2019 $ Change	2018 vs 2019 % Change	2020 Proposed	2019 vs 2020 $ Change	2019 vs 2020 % Change
General Government	$ 11,767,140	$ 12,113,400	$ 346,260	2.9	$ 9,194,250	$ (2,919,150)	(24.1)
Public Safety	42,415,690	45,822,820	3,407,130	8.0	47,319,820	1,497,000	3.3
Judicial	3,405,030	3,517,560	112,530	3.3	3,631,340	113,780	3.2
Culture & Recreation	12,375,010	12,790,030	415,020	3.4	12,907,160	117,130	0.9
Health & Human Services	5,992,847	5,950,130	(42,717)	(0.7)	5,989,540	39,410	0.7
Community Development	7,305,340	7,720,130	414,790	5.7	7,915,700	195,570	2.5
Public Works	1,318,470	1,037,280	(281,190)	(21.3)	590,750	(446,530)	(43.0)
Transfers Out	21,991,140	18,766,770	(3,224,370)	(14.7)	18,766,810	40	0.0
Total Expenditures	**$106,570,667**	**$107,718,120**	**$1,147,453**	**1.1 %**	**$106,315,370**	**$ (1,402,750)**	**(1.3) %**

GENERAL FUND

EXPENDITURE ASSUMPTIONS

	2019	2020
Salaries & Benefits		
Salary Increases	3% / 2.1%	3% / 3%
	KPOA contract expires in 2018	
	AFSCME/Teamsters contract expires in 2019	
Health Plans	20%	5%
Retirement	12.83% PERS / 5.43% LEOFF	
	mandated by Dept of Retirement Systems (DRS)	
Supplies	2%	2%
Services	2% in general or by contract	

GENERAL FUND EXPENDITURE REDUCTIONS AND ADDITIONS

The proposed General Fund budget includes a combination of expenditure reductions and additions. The reductions help offset the annexation sales tax credit and streamline sales tax mitigation revenue reductions discussed in the previous section . The significant expenditure reductions and increases include:

- **Administration:** 2019: net ($110,650), (1.0)FTE, ongoing; 2020: net ($123,160), (1.0) FTE, ongoing

  Reductions: 2019: ($140,650), (1.0)FTE, ongoing; 2020: ($123,160), (1.0)FTE, ongoing

  - ($140,650) in 2019, (1.0)FTE, ongoing to eliminate a vacant Communications Coordinator position ($132,490) and non-renewal of the National League of Cities membership ($8,160).
  - ($123,160) in 2020, (1.0)FTE, ongoing to eliminate a 1.0FTE Executive Assistant/Management Analyst position.

  Additions: 2019: $30,000 (ongoing)

  - $30,000 in 2019 (ongoing) to establish an internship program.
- **Economic & Community Development:** 2019: $108,170; 2020: $75,000

  Additions: 2019: $108,170, partial ongoing ($75,000)

  - $75,000 in 2019 and 2020 for subarea planning in the Kent Industrial Valley (KIV)
  - $33,170 in 2019 (one-time) for PSRC space sector strategy development to recruit and retain space sector companies in the KIV ($20,000) and to acquire market data regarding occupations, as well as global trade and supply chain management in the KIV ($13,170).
- **Human Resources:** 2019: ($43,000) ongoing, 2020: ($79,040), (.6)FTE, ongoing

  Reductions: 2019: ($43,000) ongoing, 2020: ($79,040), (.6)FTE, ongoing

  - ($43,000) in 2019 (ongoing) reduction in various supplies and services line items
  - ($79,040) in 2020 (ongoing) to eliminate a .6FTE Human Resource Analyst position

GENERAL FUND

- **Finance:** 2019: ($26,130) ongoing, 2020: ($96,790), (1.0)FTE, ongoing

  Reductions: 2019: ($26,130) ongoing, 2020: ($96,790), (1.0)FTE, ongoing

  - ($26,130) in 2019 (ongoing) changes the Customer Services Manger allocation to 30% General Fund and 70% Utility Clearing to more accurately reflect the work being done.
  - ($96,790) in 2020 (ongoing) eliminates a 1.0FTE Administrative Assistant 2 position.

- **Law:** 2020: ($87,720) ongoing

  Reductions: 2020: ($87,720) ongoing

  - ($87,720) in 2020 (ongoing) to shift 50% of a Prosecuting Attorney position to the Criminal Justice Fund, where there are sufficient funds and prosecution costs are an appropriate use of the funds.

- **Parks, Rec & Community Services:** 2019: net ($348,070), ongoing; 2020: net ($879,600), ongoing

  Reductions: 2019: ($414,000), ongoing; 2020: ($1,136,640), ongoing

  - ($264,500) in 2019 (ongoing) reduces overtime and temporary staff budgets
  - ($124,500) in 2019 (ongoing) reduces various supplies, services and utility budgets, and eliminates the greenhouse to grow plants in-house, which can be purchased more cost-effectively from local vendors.
  - ($25,000) in 2019 and ($75,000) in 2020 reduces the public defense budget. Human Services is working with Law, Police, public defense attorneys and the court system to identify efficiencies within the system. The reduction is not expected to impact the Kent community; however, any corresponding trends will be closely monitored by staff.
  - ($400,890) in 2020 (ongoing) to shift the Planning & Development Division to be funded out of Parks Capital Projects. This shift is in direct alignment with industry best practices for all-inclusive costing of capital projects.
  - ($100,100) in 2020 (ongoing) to allocate the equivalent of one Parks Operations position to Parks major maintenance.
  - ($30,000) in 2020 (ongoing) to reduce the existing pool contribution, which is no longer needed after the YMCA opens later next year.
  - ($100,000) in 2020 (ongoing) target for recreation expenditure reductions. The specific reductions will be determined early next year as part of the 2020-2025 Recreation Program Plan, which will be completed in March 2019.

GENERAL FUND

Additions: 2019: $65,930, ongoing; 2020: $257,040, 1.0FTE, ongoing

- $27,740 in 2019 (ongoing) to convert a 1.0FTE Program Coordinator to a Marketing Coordinator to centralize marketing, PR and department communication functions, as well as advance the results of the 2018 PRCS Marketing and Outreach Plan.
- $38,190 in 2019 (ongoing) to shift two Maintenance Worker 2 positions from 75% Park Operations / 25% Public Works to 100% Park Operations.
- $122,000 in 2020, 1.0FTE (ongoing) for a Maintenance Worker 4 in the Parks Operations Division to augment service level adjustments.
- $80,910 in 2020 (ongoing) to establish a professional services budget and centralize department training and development.

- **Police:** 2019: $626,970, 3.75FTE, ongoing; 2020: $431,600, 3.0FTE, ongoing

  Additions: 2019: $626,970, 3.75FTE, ongoing; 2020: $431,600, 3.0FTE, ongoing

  - $405,780 in 2019 and $431,600 in 2020, 6.0FTE (ongoing) continuing the planned staffing increase for the Police Department to attain police sworn staffing levels consistent with industry standards. The increased officer staffing will provide police/patrol services to enhance community and officer safety.
  - $144,530 in 2019 (ongoing) for recruiting and background activities to attract highly qualified employees, including candidates with diverse ethnicity.
  - $76,660 in 2019, .75 FTE (ongoing) for a Parking Enforcement Officer. This position would provide additional enforcement of the residential parking zones and downtown business district. Enforcement in the residential parking zones would allow residents and their guests to park in the designated neighborhoods and deter commuters, event attendees and students from parking in these areas. Enforcement in the downtown business district would potentially clear parking spots taken by commuters, which would free up parking for customers.

- **Other Adjustments:** 2019: ($76,130), ongoing; 2020: ($3,137,670), ongoing

  Reductions: 2019: ($165,860) ongoing; 2020: ($3,137,670), ongoing

  - ($93,330) in 2019 and ($166,770) in 2020 (ongoing) for the General Fund portion of net reductions in Information Technology and Facilities. Details of those changes are discussed in the ***Internal Service Funds*** section.
  - ($72,530) in 2019 (ongoing) reflects a change in the budgeting method for management benefits associated with salaried positions. Many management benefits are not monetary in nature and therefore do not require a separate budget.
  - ($2,335,000) in 2020 (ongoing) is the estimated impact of the Central Cost Allocation Plan that is currently under development. The allocation plan will assign each fund it's proportionate share of city-wide services provided by Administration, Human Resources, Law and Finance. The plan will be completed in early 2019, in time to implement with the 2020 mid-biennium update.

- ($365,000) in 2020 (ongoing) to reduce the original medical premiums increase from 10 percent down to five percent. Actuarial information from Alliant, the City's new benefits broker, and trends analysis on of the Health & Wellness Fund support this reduction.
- ($300,000) in 2020 (ongoing) reflects an anticipated reduction in merchant card fees for items paid to the City via credit card. To date, the General Fund has born the cost for all merchant card fees, except for Golf. An initiative beginning early next year will look at the potential for a transaction fee to offset the merchant charges for using a credit card, as well as developing a process to allocate any remaining costs to the appropriate fund, such as utility payment costs to the utilities.
- ($137,370) in 2020 (ongoing) potential reduction in contracted services provided by the PSRFA. The City and PSRFA are in agreement that adequate services can be maintained at a lesser cost to the City. Contract negotiations are taking place now.

Additions: 2019: $89,730 ongoing

- $70,000 in 2019 (ongoing) to transfer admissions tax paid by the Golf Fund back to the Golf Fund. Per KCC, the Golf Fund is required to pay admissions tax to the General Fund. These monies will be used to establish a reserve for future Golf capital needs.

Details are displayed in the ***Major Expenditure Changes—General Fund by Department*** table below and on the next page.

MAJOR EXPENDITURE CHANGES—GENERAL FUND BY DEPARTMENT

	2019 Proposed Changes		2020 Proposed Changes	
	FTE	Amount	FTE	Amount
Administration				
Communications Coordinator	(1.0)	$ (132,490)		$ (137,850)
Executive Assistant/Management Analyst			(1.0)	(123,160)
National League of Cities - Non-renewal		(8,160)		(8,320)
Internship Program		30,000		30,000
Economic & Community Dev				
Kent Industrial Valley Subarea Planning		75,000		75,000
PSRC Space Sector Strategy Dev		20,000		
Community Attributes - Market Data		13,170		
Finance				
Administrative Assistant 2			(1.0)	(96,790)
Customer Service Manager (reduce to 30% GF)		(26,130)		(27,020)
Human Resources				
HR Analyst			(0.6)	(79,040)
Supplies, Advertising, Professional Services		(43,000)		(43,000)

GENERAL FUND

MAJOR EXPENDITURE CHANGES—GENERAL FUND BY DEPARTMENT

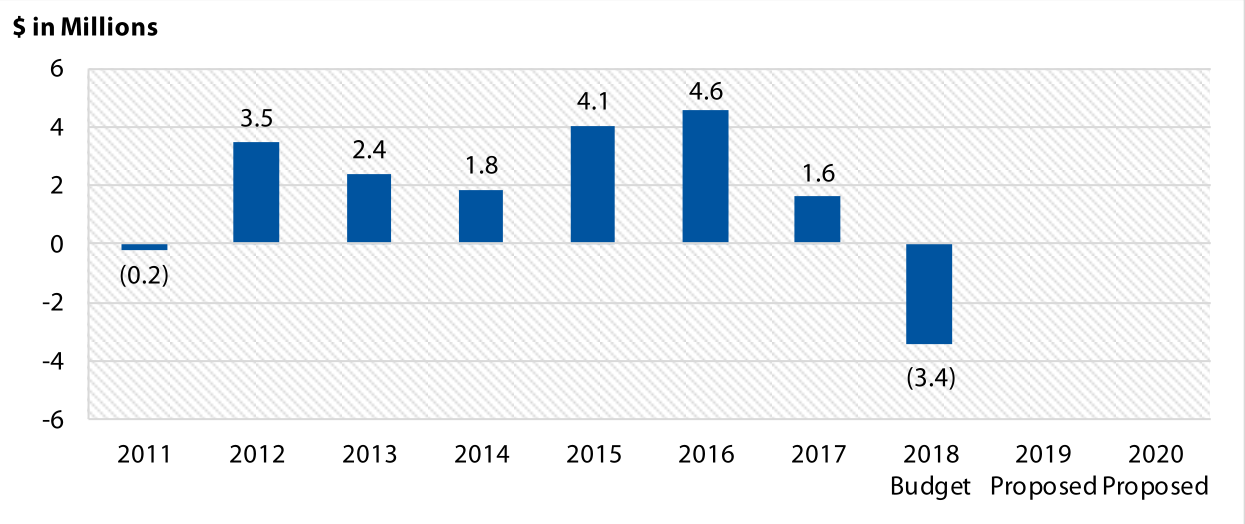
	2019 Proposed Changes		2020 Proposed Changes	
	FTE	Amount	FTE	Amount
Law				
Prosecuting Attorney - Shift 50% to Criminal Justice Fund				(87,720)
Parks, Recreation & Comm Svcs				
Allocate Planning & Dev Division to Parks Capital Projects				(400,890)
Reduce Overtime and Temporary Staff		(264,500)		(274,650)
Allocate 1 FTE Parks Ops Staff Parks Major Maintenance				(100,100)
Eliminate Greenhouse - Purchase Plants		(55,000)		(55,000)
Reduce Various Supplies, Services & Utilities		(69,500)		(101,000)
Reduce Pool Contribution				(30,000)
Reduce Public Defense		(25,000)		(75,000)
Recreation Target Reduction				(100,000)
Convert Program Coordinator to Marketing Professional		27,740		13,010
Shift two MW2 from 75% Parks Ops/25% PW to 100% Parks Ops		38,190	0.5	41,120
Add 1 FTE Maintenance Worker 4			1.0	122,000
Establish Professional Servcies Budget				50,910
Centralize Training & Development				30,000
Police				
Police Officers	3.0	405,780	3.0	837,380
Background & Recruiting Services		144,530		146,920
Parking Enforcement Officer	0.75	76,660		79,180
Other Adjustments				
Transfer Golf Admissions Tax back to Golf Fund		70,000		70,000
Merchant Card Fees				(300,000)
Reduce Emergency Management - RFA Contract				(137,370)
Reduce Medical 10% to 5%				(365,300)
Management Benefits - 50%		(72,530)		(72,530)
Estimated Impact of Central Cost Allocation Plan				(2,335,000)
IT & Facilities Adjustments		(93,330)		(166,770)
Baseline Corrections		19,730		1,350
Total Expenditures	**2.75**	**$ 131,160**	**1.90**	**$ (3,619,640)**

GENERAL FUND

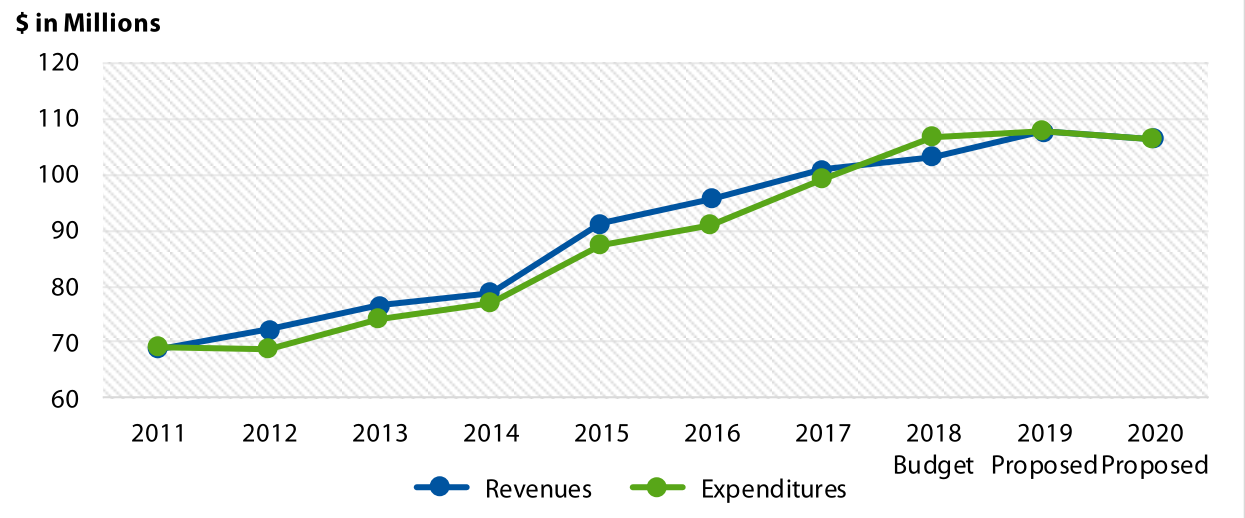
GENERAL FUND BALANCE

The ***General Fund Change in Fund Balance*** and ***General Fund Revenue & Expenditures*** tables below represent the actual difference between revenues and expenditures in the General Fund since 2011. Since 2012, ending balances in the General Fund have been positive. The figures in these graphs are inclusive of annexation related revenues and expenditures.

GENERAL FUND CHANGE IN FUND BALANCE



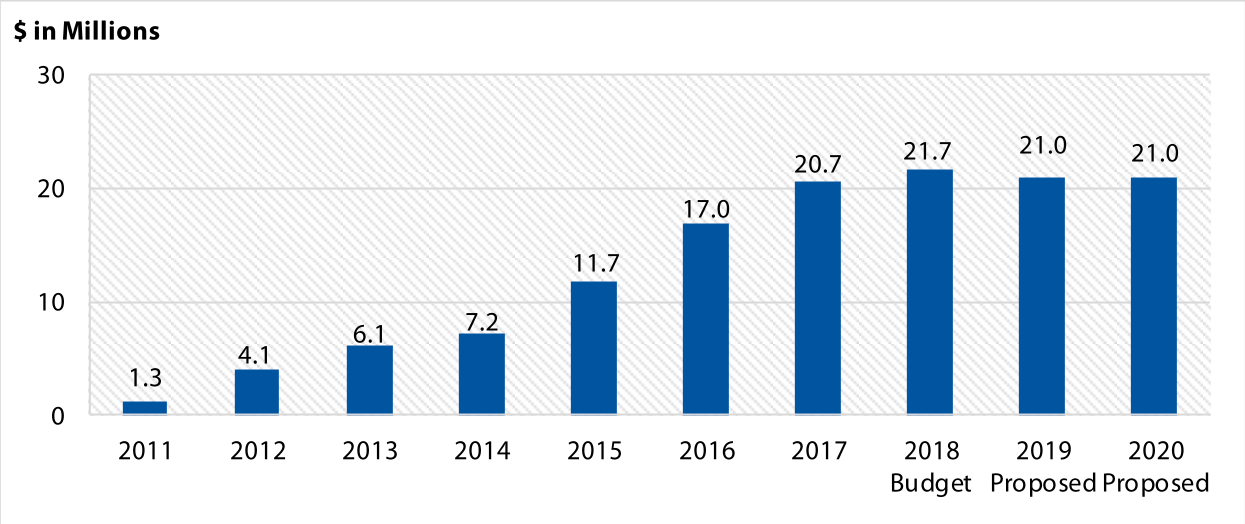
GENERAL FUND REVENUE & EXPENDITURES



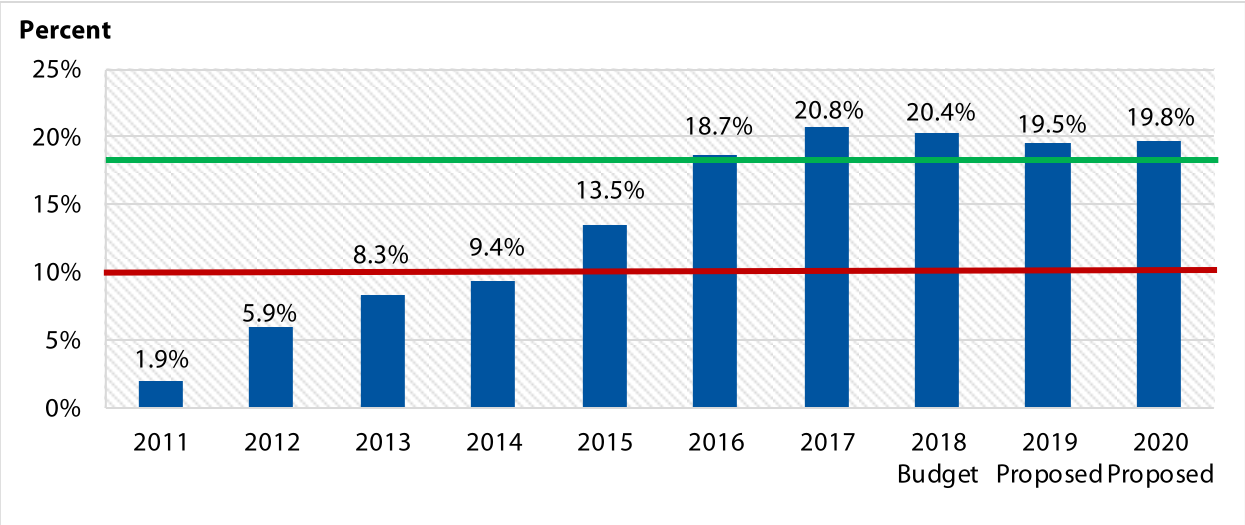
GENERAL FUND

The following tables, ***Unreserved General Fund Balance*** and ***Unreserved General Fund Balance as a Percent of General Fund Budget***, demonstrate trends in the unreserved portion (excluding annexation) of the General Fund balance. In 2017, the City updated its fiscal policy on unreserved General Fund balance, increasing the required fund balance from 10 percent to 18 percent of current year budgeted expenditures, roughly two months of operating expenses. ***Unreserved General Fund Balance as a Percent of General Fund Budget*** demonstrates the old 10 percent (red line) and updated 18 percent (green line) requirements for comparative purposes.

UNRESERVED GENERAL FUND BALANCE



UNRESERVED GENERAL FUND BALANCE AS A PERCENT OF GENERAL FUND BUDGET



SPECIAL REVENUE FUNDS

From a budgetary perspective, Special Revenue Funds account for revenue sources (other than special assessments and major capital projects) that are legally restricted for a specific purpose. The ***Special Revenue Funds*** table below lists each fund and the total operating expenditure budget associated with the fund.

	2018 Budget	2019 Proposed	2018 vs 2019 $ Change	2018 vs 2019 % Change	2020 Proposed	2019 vs 2020 $ Change	2019 vs 2020 % Change
Street Operating	$ 15,198,840	$ 17,345,420	$ 2,146,580	14.1 %	$ 17,825,920	$ 480,500	2.8 %
LEOFF 1 Retiree Benefits	1,196,550	1,423,000	226,450	18.9	1,449,710	26,710	1.9
Lodging Tax	392,750	291,190	(101,560)	(25.9)	294,400	3,210	1.1
Youth/Teen	942,000	957,730	15,730	1.7	956,010	(1,720)	(0.2)
Capital Resources	23,130,430	20,566,850	(2,563,580)	(11.1)	18,127,000	(2,439,850)	(11.9)
Criminal Justice	4,306,560	5,869,960	1,563,400	36.3	6,057,350	187,390	3.2
Housing & Comm Dev	1,056,260	1,175,190	118,930	11.3	1,175,190	-	-
City Art Program	120,650	112,670	(7,980)	(6.6)	108,100	(4,570)	(4.1)
ShoWare Operating	$ 1,102,020	$ 1,423,790	$ 321,770	29.2 %	$ 1,124,830	$ (298,960)	(21.0) %

MAJOR CHANGES

Street Operating Fund: The 2019 proposed budget reflects a 14.1 percent increase from 2018, largely due to shifting street and transportation major maintenance programs that were previously budgeted as capital back to the operating budget. These programs include concrete replacement, street tree maintenance and replacement and other maintenance items.

Reductions to the proposed budget include ($100,000) in 2019 (ongoing) in transportation supplies and ($100,000) in 2020 (ongoing) to allocate the equivalent of 1.0FTE transportation position to street and transportation related projects.

Additions to the proposed budget include $365,940 (ongoing) allocated from B&O to fund 2.0FTE and related supplies to support an in-house Street Sign Replacement Shop. Performing this function in-house is much more cost-effective than contracting, allowing for more than twice the number of signs to be replaced each year for similar cost. Also included is $18,000 for an asphalt roller and $60,000 towards a 10-yard dump truck with attachments that will be shared with the Drainage Fund (full cost is $335,000). The funding source for these items is fund balance.

Capital Resources Fund: The 2019 proposed budget reflects an 11.1 percent decrease from 2018, largely due to one-time project funding for the YMCA in 2018. In addition, $12.3 million is provided for capital projects over the biennium, including:

- $4.5 million for information technology projects.
- $4.35 million for facilities projects at Kent Commons and Senior Center, as well as repairing the leaking patio at City Hall and installing security fencing at Corrections.
- $1.75 million to fund the fuel island, rather than using vehicle replacement reserves.
- $1.5 million to replace the sale of land budgeted in 2018 that was originally anticipated to fund the YMCA.

Nearly $7 million of available general capital fund balance is used over the biennium to fund these projects.

SPECIAL REVENUE FUNDS

The 2020 proposed budget also includes a change to the allocation of sales tax between the General Fund and the Capital Resources Fund. It modifies the allocation to a 80% / 20% split between the General Fund and Capital Resources Fund, respectively. The impact of the allocation change is a decrease to the Capital Resources Fund of $470,000 and corresponding increase in General Fund revenues. Sales tax, which is a general purpose resource, had previously been allocated with the General Fund receiving 70 percent of sales tax revenue and the Capital Resources Fund receiving the other 30 percent. In 2017, the allocation was modified to a 72.5% / 27.5% split and in 2018 modified to a 77.7% / 22.3% split between the General Fund and Capital Resources Fund, respectively.

Criminal Justice Fund: The 2019 proposed budget reflects a 36.3 percent increase from 2018, largely due to police program additions in 2019. $868,000 is budgeted each year to purchase police vehicles, using expected school zone camera funding, as part of the City's car-per-officer program. Another $718,870 (ongoing) is allocated for the police body worn cameras and in car video initiative, which includes 3.0FTE to support the program, a Camera Technician in the Police department to maintain the equipment, provide training and respond to public disclosure requests, a Prosecuting Attorney to respond to a likely increase in legal challenges and an Administrative Assistant 2 in the City Clerk's Office to facilitate an expected increase in public records requests. Funding for this program is expected to come from fees collected from installation of red light cameras at key intersections.

MAJOR REVENUE CHANGES—SPECIAL REVENUE FUNDS

	2019 Proposed Changes	2020 Proposed Changes
Capital Resources Fund		
Sales Tax - adjust allocation to 80% GF / 20% CRF		$ (470,000)
Criminal Justice Fund		
School Zone/Red Light Camera Fines	$ 1,587,150	$ 1,263,590
Total Revenues	**$ 1,587,150**	**$ 793,590**

MAJOR EXPENDITURE CHANGES—SPECIAL REVENUE FUNDS

	2019 Proposed Changes		2020 Proposed Changes	
	FTE	Amount	FTE	Amount
Street Operating				
Sign Shop Positions	2.0	$ 365,940		$ 365,600
10-yd Dump Truck and Attachments		60,000		
Asphalt Roller		18,000		
Charge Transportation Staff to Projects				(100,000)
Reduce Supplies for Transportation		(100,000)		(100,000)
Reduce Medical 10% to 5%				(62,690)
Management Benefits - 50%		(23,890)		(23,890)
IT & Facilities Adjustments		(15,240)		(22,040)
Allocation Adjustment		8,690		33,750
Capital Resources Fund				
Transfers Out:				
Fuel Island		1,750,000		
Fleet Vehicle Lifts		186,000		
City Buildings		2,000,000		2,000,000
City Hall Patio Repairs		200,000		
Security Fence at Corrections/Court		150,000		
IT Capital Projects		2,250,000		2,250,000
Criminal Justice Fund				
Body Worn Cameras/In Car Video	3.0	719,150		395,590
Car per Officer Program		868,000		868,000
Prosecuting Attorney - Shift 50% from General Fund				87,720
Management Benefits - 50%		(2,390)		(2,390)
Reduce Medical 10% to 5%				(21,480)
IT & Facilities Adjustments		(80)		(120)
Total Expenditures	**5.0**	**$ 8,434,180**	**0.0**	**$ 5,668,050**

ENTERPRISE FUNDS

The City's enterprise funds include the Water, Sewer, Drainage and Solid Waste Utility Funds as well as the Golf Complex Fund. Enterprise funds are established for government operations that are financed and operated in a manner similar to business enterprises. The cost of providing the service to the general public is intended to be financed or recovered through user changes. The ***Enterprise Funds*** table below lists each of the City's enterprise funds and the budget associated with those funds.

MAJOR CHANGES

	2018 Budget	2019 Proposed	2018 vs 2019 $ Change	2018 vs 2019 % Change	2020 Proposed	2019 vs 2020 $ Change	2019 vs 2020 % Change
Water Utility	$ 28,943,430	$ 36,223,500	$ 7,280,070	25.2 %	$ 27,974,390	$ (8,249,110)	(22.8) %
Sewer Utility	31,697,790	31,668,150	(29,640)	(0.1)	32,411,620	743,470	2.3
Drainage Utility	25,920,130	29,678,070	3,757,940	14.5	22,804,680		
Solid Waste Utility	707,330	600,350	(106,980)	(15.1)	622,420	22,070	3.7
Golf Complex	$ 6,939,044	$ 2,970,790	$ (3,968,254)	(57.2) %	$ 4,238,110	$ 1,267,320	42.7 %

Water Fund: The 2019 proposed budget reflects a 25.2 percent increase from 2018, largely due to intentional use of fund balance to fund one-time capital projects. $120,000 (one-time) is included in 2019 to fund 50 percent of an excavator and equipment trailer that will be shared with the Drainage Fund ($240,000 total cost). An additional $94,570 is budgeted for a 1.0FTE 2-year term limited Maintenance Worker 1 position to work with a crew established to replace water mains and appurtenances year round. Because a significant portion of this expanded work will be done in the wet season, the position is term limited to allow for evaluation of the effectiveness of the results.

Sewer Fund: New for 2019 is the separation of the Sewer and Drainage utilities into individual funds. This will provide better visibility into the operations of each utility moving forward.

Drainage Fund: The 2019 proposed budget reflects a 14.5 percent increase from 2018, largely due to intentional use of fund balance to fund one-time capital projects. In addition, the budget includes $115,000 for a remote controlled mower designed for steep drainage ditches and slopes, $275,000 for a 10-yard dump truck with attachments that will be shared with the Street Fund ($335,000 total cost) and $120,000 for an excavator and equipment trailer that will be shared with the Water Fund ($240,000 total cost).

New for 2019 is the separation of the Sewer and Drainage utilities into individual funds. This will provide better visibility into the operations of each utility moving forward.

Golf Complex Fund: The 2019 proposed budget reflects a 57.2 percent decrease from 2018, largely due to one-time capital projects funded by the sale of the Par 3 in 2018. In addition, the budget includes the reduction impacts of closing the Par 3 course, as well as other revenue and expenditures adjustments consistent with the Riverbend Business Plan.

ENTERPRISE FUNDS

MAJOR REVENUE CHANGES—ENTERPRISE FUNDS

	2019 Proposed Changes	2020 Proposed Changes
Golf Complex		
Retain Admissions Tax	$ 70,000	$ 70,000
Realign Revenue to Business Plan	170,380	348,160
Total Revenues	**$ 240,380**	**$ 418,160**

MAJOR EXPENDITURE CHANGES—ENTERPRISE FUNDS

	2019 Proposed Changes		2020 Proposed Changes	
	FTE	Amount	FTE	Amount
Water Utility				
Excavator & Equipment Trailer		$ 120,000		$ -
Add 1 FTE Maintenance Worker 1 - Term Limited (2 Years)	1.0	94,570		95,630
Management Benefits - 50%		(1,820)		(1,820)
Reduce Medical 10% to 5%				(26,240)
IT & Facilities Adjustments		(14,140)		(12,760)
Sewer Utility				
Management Benefits - 50%		(1,300)		(1,300)
Reduce Medical 10% to 5%				(10,300)
IT & Facilities Adjustments		(960)		(1,710)
Drainage Utility				
Remote Controlled Mower		115,000		
10-yd Dump Truck and Attachments		275,000		
Excavator & Equipment Trailer		120,000		
Management Benefits - 50%		(8,030)		(8,030)
Reduce Medical 10% to 5%				(27,760)
IT & Facilities Adjustments		(40,630)		(54,120)
Eliminate Federal Lobbyist		(56,000)		(56,000)
Solid Waste Utility				
Management Benefits - 50%		(370)		(370)
Reduce Medical 10% to 5%				(4,230)
IT & Facilities Adjustments		(1,860)		(1,720)

ENTERPRISE FUNDS

MAJOR EXPENDITURE CHANGES—ENTERPRISE FUNDS

	2019 Proposed Changes		2020 Proposed Changes	
	FTE	Amount	FTE	Amount
Utility Clearing				
Customer Service Manager (Increase to 70% Utility Clearning)		26,130		27,020
Shift two MW2 from 75% Parks Ops/25% PW to 100% Parks Ops		(38,190)	(0.50)	(41,120)
Merchant Card Fees				300,000
Management Benefits - 50%		(2,890)		(2,890)
Reduce Medical 10% to 5%				(33,790)
Facilities & IT Adjustments		(12,380)		(20,580)
Clearing Allocation		27,330		(228,640)
Golf Complex				
Add 0.15 FTE to Golf Pro	0.15	12,200		6,050
Accounting Change for Golf Lessons		65,600		66,300
Reclass 1 FTE Field Supervisor to MW4, MW3 to MW4				(4,150)
Adjust Overtime & Temp Help to Business Plan		43,300		22,700
Realign Expenditures to Business Plan		(80,970)		(76,790)
Total Expenditures	**1.15**	**$ 639,590**	**(0.50)**	**$ (96,620)**

INTERNAL SERVICE FUNDS

Internal Service Funds are established for those operations which provide services to the operating funds of the City of Kent on a cost reimbursement basis. These funds, like Enterprise Funds, are financed and operated in a manner similar to a business enterprise except with the users being other City funds. The ***Internal Service Funds*** chart below lists the City's Internal Service Funds and their associated budgets for the next biennium.

	2018 Budget	2019 Proposed	2018 vs 2019 $ Change	2018 vs 2019 % Change	2020 Proposed	2019 vs 2020 $ Change	2019 vs 2020 % Change
Fleet Services	$ 9,119,000	$ 5,994,660	$ (3,124,340)	(34.3) %	$ 6,088,490	$ 93,830	1.6 %
Central Stores	421,150	387,290	(33,860)	(8.0)	395,040	7,750	2.0
Information Technology	8,706,380	9,079,150	372,770	4.3	9,658,590	579,440	6.4
Facilities	5,142,110	5,838,450	696,340	13.5	5,867,350	28,900	0.5
Unemployment	171,990	173,610	1,620	0.9	174,510	900	0.5
Workers Compensation	1,442,430	1,456,980	14,550	1.0	1,469,450	12,470	0.9
Health & Employee Wellness	14,629,950	14,898,160	268,210	1.8	15,345,100	446,940	3.0
Liability Insurance	1,925,930	2,017,600	91,670	4.8	2,036,120	18,520	0.9
Property Insurance	$ 526,490	$ 566,610	$ 40,120	7.6 %	$ 566,510	$ (100)	(0.0) %

Fleet Services: The 2019 proposed budget reflects a 34.3 percent decrease from 2018, largely due to one-time funding for vehicle replacements and the fuel island. The $1.75 million fuel island was originally budgeted in 2018, using vehicle reserves as funding for the project. The 2019 budget returns these vehicle reserves to Fleet and funds the Fuel Island project with monies from the Capital Resources Fund. In addition, $186,000 is budgeted to replace the vehicle lifts in the maintenance shop, also funded by the Capital Resources Fund.

Information Technology: The 2019 proposed budget reflects a 4.3 increase from 2018, largely due to the addition of $550,000 (two years only) for business analyst and JDE developer contracted services, funded with available IT fund balance Also included are nominal ongoing increases for Police mobile router connections ($22,000) and desktop/lap lifecycle replacements ($60,000), which are offset by ongoing reductions totaling ($242,350) to right-size cell phone plans ($29,980), reduce the number of Microsoft enterprise agreement licenses to 700 ($65,000), shift Human Resources functions from Halogen to NeoGov ($61,640) and reducing various supply and service line items to historical trend ($85,730).

Facilities: The 2019 proposed budget reflects a 13.5 percent increase from 2018, largely due to shifting facility lifecycle maintenance programs that were previously budgeted as capital back to the operating budget. These programs include HVAC replacements, roof repairs, floor coverings and parking lot maintenance. The 2020 budget also includes a reduction of ($89,800) to eliminate a (1.0)FTE Maintenance Worker 3 position.

INTERNAL SERVICE FUNDS

MAJOR REVENUE CHANGES—INTERNAL SERVICE FUNDS

	2019 Proposed Changes	2020 Proposed Changes
Information Techonology Fund		
Adjust Revenues from Departments	$ (160,350)	$ (160,350)
Reduce IT Revenues - RFA Contract		(501,540)
Facilities Fund		
Adjust Revenues from Departments		(89,800)
Health & Wellness Fund		
Medical Insurance from 10% to 5%		(709,360)
Total Revenues	**$ (160,350)**	**$ (1,461,050)**

MAJOR EXPENDITURE CHANGES—INTERNAL SERVICE FUNDS

	2019 Proposed Changes		2020 Proposed Changes	
	FTE	Amount	FTE	Amount
Information Technology				
Business Analysts (2) - Contracted		$ 260,000		$ 260,000
JDE Developer - Contracted		290,000		290,000
PD Mobile Router Connections		22,000		22,000
Desktop & Laptop Replacements		60,000		60,000
Adjustments		(242,350)		(242,350)
Management Benefits - 50%		(18,300)		(18,300)
Reduce Medical 10% to 5%				(30,430)
Facilities & IT Adjustments		(3,880)		(6,800)
Facilities				
Maintenance Worker 3			(1.0)	(89,800)
Management Benefits - 50%		(1,650)		(1,650)
Reduce Medical 10% to 5%				(14,760)
Facilities & IT Adjustments		(4,440)		(4,780)
Unemployment, Workers Comp, Liability & Property Insurance				
Management Benefits - 50%		(1,660)		(1,660)
Reduce Medical 10% to 5%				1,500
Facilities & IT Adjustments		(10)		(120)
Total Expenditures	**0.0**	**$ 359,710**	**(1.00)**	**$ 222,850**

CAPITAL PROGRAM

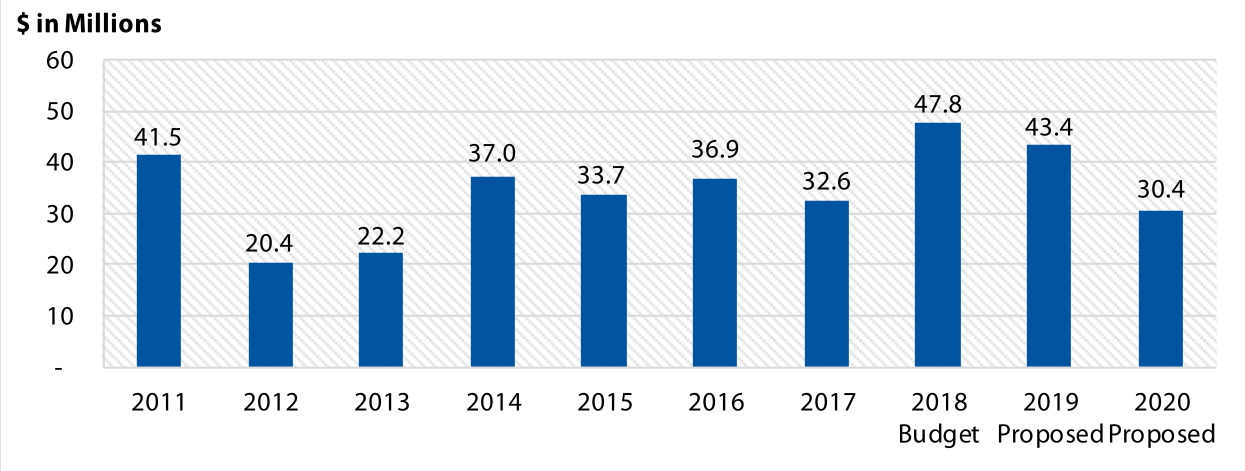
The 2019-2020 budget includes significant investments to address the City's capital needs. The planned investments, $45,187,600 in 2019 and $31,935,670 in 2020, are fully funded and incorporated in the City's six-year Capital Improvement Program. The Capital Improvement Program is one of the elements of the City's Comprehensive Plan required by Washington's Growth Management Act (GMA). The GMA requires governments to identify the public facilities required to address expected growth, without decreasing current service levels below locally established minimum standards. Further, the GMA requires that capital projects included in the plan be financially feasible or, in other words, dependable revenue sources must equal or exceed costs. If the costs exceed revenue, the City must either reduce its level of service requirement or reduce costs by implementing non-capital alternatives or other methods to bring costs in alignment with available resources.

The ***Capital Projects*** table below reflects the proposed capital investment by function for 2019-2020 and the ***Capital Investments*** graph shows the total capital investment City-wide for the past decade.

CAPITAL PROJECTS

	2019 Proposed	2020 Proposed
Utilities	$ 27,315,000	$ 14,185,000
Streets	7,066,600	7,037,670
Parks	3,671,000	4,663,000
Facilities	2,350,000	2,000,000
Information Technology	2,250,000	2,250,000
Fleet	186,000	-
accesso ShoWare Center	599,000	300,000
Total Capital Projects	**$ 43,437,600**	**$ 30,435,670**

CAPITAL INVESTMENTS



CAPITAL PROGRAM

In 2016, the City created a Capital Investment Strategy work group charged with developing strategies to break the "silo" effect of capital planning and establish a methodology and criteria which would allow the City to measure proposed capital projects side by side and make funding decisions based on City-wide priorities. This work group has made significant progress in determining the criteria and making an initial effort to evaluate projects for the 2019-2020 budget. While the criteria was specific in nature and the available responses limited in number, the work group found upon completion that some individuals interpreted the answers differently, resulting in materially inconsistent scores between divisions.

Because the results were not as consistent as hoped to effectively incorporate them into the 2019-2020 biennial budget process, completing this work was considered a dry-run. Work over the next year will focus on refining the scoring process and formally incorporating the process into the City's overall budget development cycle. We anticipate using results of this modified process to inform the 2020 mid-biennium update

The 2017-2018 adopted budget began to make adjustments between "non-recurring capital improvement" and "recurring lifecycle maintenance". The Capital Investment Strategy work group identified several recurring large maintenance items that have historically been included in departmental capital requests and included them as operating expenses. The 2019-2020 budget expanded this methodology by making further adjustments for recurring lifecycle maintenance, which again have been excluded from the Capital Improvement Program and accounted for as operating expenses rather than capital expenses.

Funding for capital projects generally come from five major categories:

- **Taxes/Fees**: This source includes non-dedicated taxes such as property tax and sales tax, and dedicated taxes such as real estate excise tax, as well as impact and other fees paid by developers.
- **User Fees**: This revenue source represents fees paid for specific services provided by the government. These monies are restricted and must be used to support the service for which they were collected. Examples include utility fees (water, sewer, drainage) and golf course fees.
- **Grants and Contributions:** This source includes federal, state, county and other contributions for specific qualified projects.
- **Bonds**: Bonds are interest bearing debt issued by the City for a specific purpose. Bonds require a formal and on-going payback source to make debt service payments.
- **Intergovernmental Loans**: This category represents loans from one department to another. Like bonds, these loans are interest bearing and require a formal payback source and schedule.

The capital planning process must include a reasonable determination of future operating impacts, i.e. on-going maintenance, custodial services, utility costs, etc. It is necessary for the City to plan on these types of costs to ensure that operating funding is available to be budgeted and expended in future years.

Approved capital projects for 2019 and 2020 are listed on the following pages.

CAPITAL PROGRAM

CAPITAL ADDITIONS—UTILITIES

Water	2019 Proposed	2020 Proposed
224th St Phase II (224th-228th) (88th-94th)	$ 450,000	$ -
Clark Springs Transmission Main Evaluation	10,000	
Clark Springs Well	12,000	
E. Hill Pressure Zone		1,500,000
Habitat Conservation Plan Implementation	1,222,000	413,000
KentSprings Well Rehab		75,000
Landsburg Mine	790,000	804,000
Misc Water Improvements	500,000	500,000
Pump Station #3 Replacement	400,000	
Reservoir Maintenance & Improvements	100,000	
Security Improvements on Water Sites	150,000	50,000
Tacoma Pipeline	50,000	50,000
Water Generators		1,000,000
Water Main Repairs/Replacements	1,000,000	1,000,000
Water System PLC Upgrades	35,000	35,000
Wellhead Protection	200,000	200,000
West Hill Reservoir; Pump Station, Reservoir & Tran	8,200,000	
Total Expenditures	**$ 13,119,000**	**$ 5,627,000**

Sewer	2019 Proposed	2020 Proposed
Comprehensive Sewer Plan	$ 500,000	$ -
Derbyshire		500,000
Linda Heights Pump Station	1,205,000	
Miscellaneous Sewer	500,000	500,000
Skyline Sewer Interceptor	500,000	2,187,000
Total Expenditures	**$ 2,705,000**	**$ 3,187,000**

CAPITAL PROGRAM

CAPITAL ADDITIONS—UTILITIES

Drainage	2019 Proposed	2020 Proposed
132nd Ave Drainage	$ 100,000	$ -
224th Street Phase 1	300,000	
228th Joint Utility Trench	1,000,000	
BNSF Grade Separation - Drainage	500,000	
County Road 8	600,000	200,000
Downey Farmstead	400,000	250,000
Drainage Master Plan	500,000	500,000
Frager Rd Levee	300,000	200,000
GRNRA Pump Station		250,000
GRNRA S Pump Station	3,000,000	
Kent Airport Levee	200,000	100,000
Lake Fenwick Aeration	300,000	
Lower Russell Road Levee	250,000	250,000
Mill Creek @ 76th Ave Flood Protection	191,000	1,000,000
Milwaukee II Levee	200,000	100,000
Misc Drainage	1,000,000	300,000
Misc Environmental	1,000,000	
N Fork Meridian Valley Culvert	100,000	300,000
Pipe Replacements/Roadway Improvements		821,000
S 224th St. Phase 2	500,000	
Upper Mill Creek Dam		500,000
Vactor Site Improvements	150,000	
Valley Channel Rehabilitation	500,000	500,000
Valley Creek System CLOMR	400,000	100,000
Total Expenditures	**$ 11,491,000**	**$ 5,371,000**

CAPITAL ADDITIONS—TRANSPORTATION

B&O Funded	2019 Proposed	2020 Proposed
B&O In-house Overlays	$ 250,000	$ 250,000
B&O Street Contracted	1,284,000	2,943,870
Panther Lake Signal System Integration		400,000
Safe Route to School Meridian Elementary	100,000	
Street Lights - New	200,000	200,000
Traffic Cameras - New (Capital)		
Transportation Master Plan	300,000	200,000
Willis Street and 4th Roundabout	1,906,600	
Total Expenditures	**$ 4,040,600**	**$ 3,993,870**

The total amount of B&O allocated to transportation is $7,660,400 in 2019 and $7,637,830 in 2020. In addition to the capital projects noted above, B&O funding is provided in the Street Operating Fund for the lifecycle and operating programs shown in the following table.

Streets - B&O Funded	2019 Proposed	2020 Proposed
Street Lifecycle Program		
Crosswalk Safety	$ 100,000	$ 100,000
Sidewalks/Walking Paths - ADA	450,000	450,000
Street Lights	100,000	100,000
Traffic Signals	350,000	350,000
Traffic Signs	250,000	250,000
Guardrails	110,000	110,000
Crack Sealing	125,000	125,000
Thermoplastic Markings	215,000	215,000
Lane Line Markings	300,000	300,000
Traffic Loops	50,000	50,000
Street Concrete Program	834,860	853,360
Street Tree Program	375,000	375,000
Street Sign Replacement Program	365,940	365,600
Total Expenditures	**$ 3,625,800**	**$ 3,643,960**

CAPITAL PROGRAM

CAPITAL ADDITIONS—TRANSPORTATION

Solid Waste Utility Tax Funded	2019 Proposed	2020 Proposed
Residential Street Contracted	$ 2,776,000	$ 2,793,800
Residential Street Capital	250,000	250,000
Total Expenditures	**$ 3,026,000**	**$ 3,043,800**

The total amount of solid waste utility tax allocated to residential streets is $3,506,000 in 2019 and $3,523,800 in 2020. In addition to the capital projects noted above, solid waste utility tax funding is provided in the Street Operating Fund for the lifecycle and operating programs shown in the following table.

Streets - SW Util Tax Funded	2019 Proposed	2020 Proposed
Crack Sealing	$ 130,000	$ 130,000
Traffic Calming	150,000	150,000
ADA Compliance	200,000	200,000
Total Expenditures	**$ 480,000**	**$ 480,000**

CAPITAL ADDITIONS—PARKS

B&O Funded	2019 Proposed	2020 Proposed
Downtown Place Making - Burlington/Kaibara	$ -	$ 300,000
Downtown Place-Making - Kherson Urban Play	250,000	
Gateways	50,000	
GR Trail/Van Doren's Park Design (Lower Russell Road Levee Setback)	900,000	
Hogan Park at Russell Road Reno. Ph II		500,000
KLVT - Old Fishing Hole Improvements		300,000
Morrill Meadows Expansion Phase 2	1,150,000	
NPRP - Salt Air Vista	150,000	
Parks Land Acquisition	500,000	
Springwood Park Renovation	-	1,900,000
Total Expenditures	**$ 3,000,000**	**$ 3,000,000**

CAPITAL PROGRAM

CAPITAL ADDITIONS—PARKS

Other Funding Sources	2019 Proposed	2020 Proposed
Golf Clubhouse Renovations	$ 40,000	$ 34,000
Golf Course Accessories		100,000
Golf Course Renovations/Improvements		510,000
Golf Driving Range Renovations	40,000	
Golf Irrigation System Upgrades		650,000
KVLT - Downey	250,000	
Masterplans	40,000	40,000
NPRP - Chestnut Ridge Playground		166,000
NPRP - Salt Air Vista	51,000	
Service Club Park Loop Trail	250,000	
Springwood Park Renovation		163,000
Total Expenditures	**$ 671,000**	**$ 1,663,000**

CAPITAL ADDITIONS—OTHER

accesso ShoWare Center	2019 Proposed	2020 Proposed
Building Extension for Storage	$ -	$ 100,000
Carpet (Admin)	23,000	
Carpet (Suite Level)	110,000	
Carpet (T-Birds)	35,000	
Club Tables	40,000	
Concession Stand Rebranding	75,000	
Dehumidification Unit 2 Repair	60,000	
Interior/Exterior Trash Cans & Recycle Bins	50,000	
Magnetometer Walk through Metal Detectors	90,000	
Plaza Audio	10,000	
Refrigerator Freezer for Kitchen		50,000
Roof Door	6,000	
Scorebord Front End Control Equipment	80,000	
Show Power Step Down Transformer		30,000
Utility Cart Repair	20,000	
Wi Fi		120,000
Total Expenditures	**$ 599,000**	**$ 300,000**

CAPITAL PROGRAM

CAPITAL ADDITIONS—OTHER

Facilities	2019 Proposed	2020 Proposed
City Buildings	$ 2,000,000	$ 2,000,000
City Hall Patio Repairs	200,000	
Security Fence at Corrections/Court	150,000	
Total Expenditures	**$ 2,350,000**	**$ 2,000,000**

Fleet	2019 Proposed	2020 Proposed
Fleet Vehicle Lifts	$ 186,000	$ -
Total Expenditures	**$ 186,000**	**$ -**

Information Technology	2019 Proposed	2020 Proposed
HLC 17-18 Server Replacement	$ 50,000	$ 50,000
HLC 17-18 Telephony	75,000	400,000
HLC16-18 Data Center	75,000	75,000
HLC16-18 Network Refresh	400,000	
HLC16-18 Security	100,000	100,000
HLC16-18 UPS		25,000
SLC18-20 Admin Sys Repl Reserves	30,000	30,000
SLC18-21 Law Sys Repl Reserves	30,000	30,000
SLC18-21 PD Sys Repl Reserves	100,000	120,000
SLC18-22 HR Sys Repl Reserves	60,000	60,000
SLC18-23 Fin Sys Repl Reserves	60,000	90,000
SLC18-26 PRCS Sys Repl Resrvs	30,000	30,000
SLC18-26 PW Sys Repl Reserves	60,000	60,000
SLC18-27 Court Sys Repl Resrvs	30,000	30,000
SLC18-27 ECD Sys Repl Reserves	60,000	60,000
SLC18-28 Clerk Sys Repl Resrvs	60,000	60,000
SLC18-29 IT Sys Repl Reserves	30,000	30,000
ALPR/Automated License Plate Reader	95,000	
Jail Camera Replacement	242,000	
Multimedia Asset Management (MAM)	75,000	
Phone System		100,000
Traffic Network Upgrade	400,000	
Intrusion Detection/Prevention System	150,000	
Collaboration Tool Procurement		50,000
Network Pen Testing		80,000
City Services Kiosk (pilot)	36,000	
Software Lifecycle	2,000	770,000
Total Expenditures	**$ 2,250,000**	**$ 2,250,000**

DEBT SERVICE

Debt Service Funds account for the accumulation of resources for and the payment of general long-term and special assessment debt principal and interest. The appropriations authorized for these funds are determined by the debt payment schedules contained in the Council approved bond issues and cannot legally be altered by legislative action. As such, debt service payments are the first budget priority for funding.

	2018 Budget	2019 Proposed	2018 vs 2019 $ Change	2018 vs 2019 % Change	2020 Proposed	2019 vs 2020 $ Change	2019 vs 2020 % Change
Non-Voted Debt Service	$ 10,066,990	$ 9,764,390	$ (302,600)	(3.0) %	$ 8,641,810	$ (1,122,580)	(11.5) %
Special Assessments	$ 1,563,470	$ 1,119,460	$ (444,010)	(28.4) %	$ 784,160	$ (335,300)	(30.0) %

MAJOR CHANGES

Non-Voted Debt Service: The 2019 proposed budget reflects a 3 percent decrease in 2019 and an 11.5 percent decrease in 2020, due to final maturity and payment of the 2009 GO Bond Refunding. The original proceeds were used for a variety of parks, streets, public safety and information technology projects.

Special Assessments: The 2019 proposed budget reflects a 28 percent decrease in 2019 and another 30 percent decrease in 2020, as existing special assessments (LIDs) are paid.

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BUDGET FRAMEWORK

The Budget Framework section describes the processes, policies and fund structure that govern the budgeting process.

Budget Process Overview..... 57

Budget Process Flowchart..... 58

Budget Timeline..... 59

Budget Calendar..... 60

Financial Policies..... 62

Fund Structure Descriptions..... 69

Department/Fund Matrix..... 72

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BUDGET PROCESS

OVERVIEW

Budgets serve as control mechanisms in the operations of governmental units. Legal budgetary (expenditure) control in the City of Kent is maintained at the fund level. Administration can amend budgets, with no overall dollar increase between departments, within a fund. Supplemental appropriations that amend total expenditures, or in the case of Proprietary Funds amend working capital, require a City Council ordinance. All operating budgets lapse at year end.

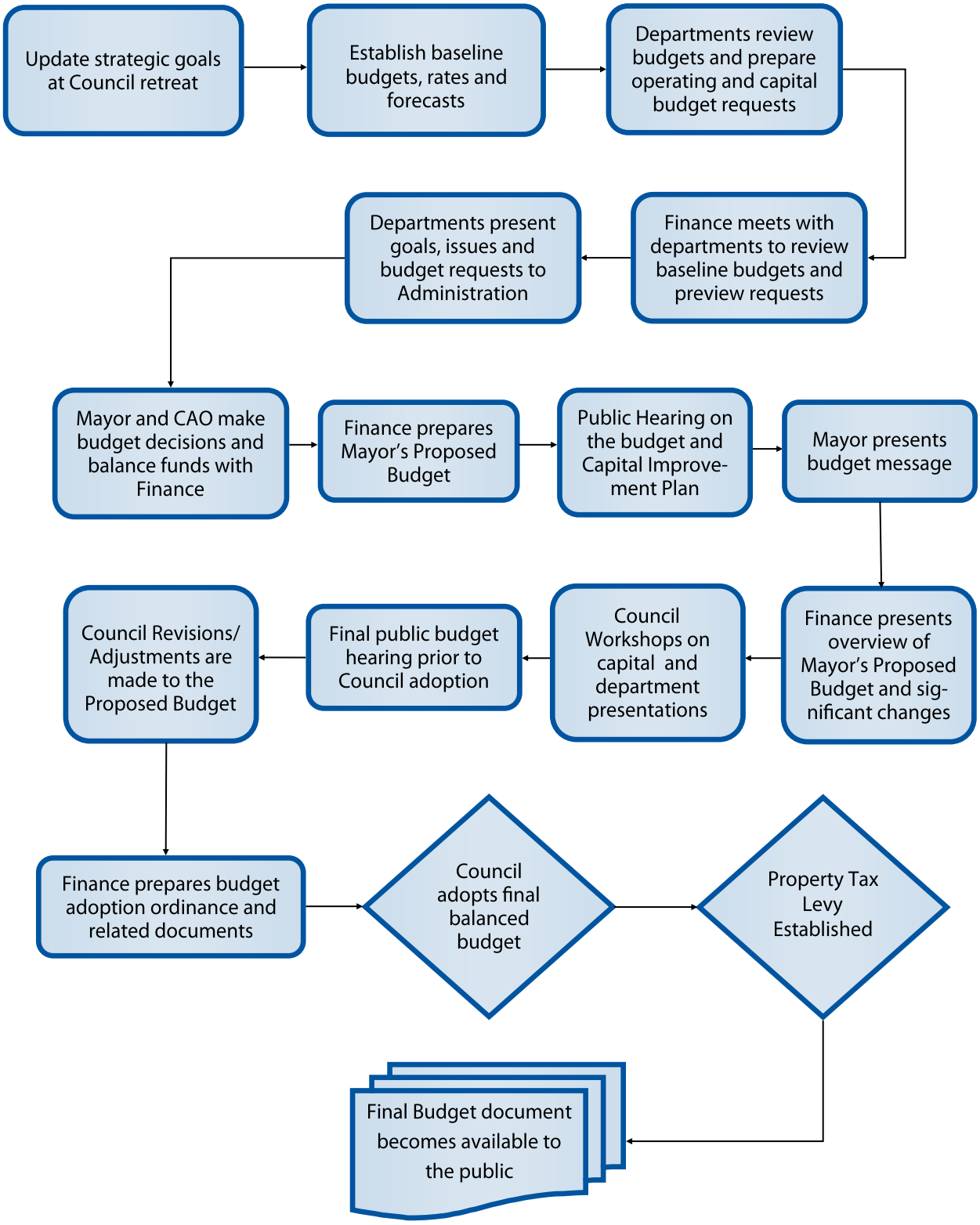
The General and Special Revenue funds control expenditures with a legal annual budget at the fund level. Debt Service funds operate under the control of the bond indentures which established them. Capital Projects funds operate under the control of total project authorization, rather than the annual budget. Proprietary funds control expenditures with a flexible budget whereby the expenditure increases must be offset by increased resources. Though budgetary control is at the fund level, budget and actual information is maintained by project, organization, program and object. Both budget and actual information is presented on a GAAP (Generally Accepted Accounting Principles) basis of accounting, when presented by fund.

The City must adopt its budget by the end of December of the preceding fiscal year. This usually follows several months of analysis by staff and City Council. The first step involves the establishment of the baseline budget required to carry existing programs into the next year. The second step involves the development of issues impacting the next year and beyond and their prioritization by City Council. The emphasis is placed on the General and Special Revenue funds since the operation of other funds are tied to ordinances, contractual agreements or separately established rate structures. Once the baseline operations have been reviewed and adjusted based on administrative policy, program expansion or reduction is included to the level of projected available resources after the establishment of sufficient fund balances.

After the Mayor's Proposed Budget is presented, the City Council spends approximately eight weeks reviewing it. Public meetings are held to gather input from residents and businesses. When the budget review and final adjustment period is complete, a balanced budget as required by state law is adopted by ordinance. After adoption, periodic budget adjustments that affect total fund expenditures are made as approved by City Council and are formalized by ordinance on a quarterly basis.

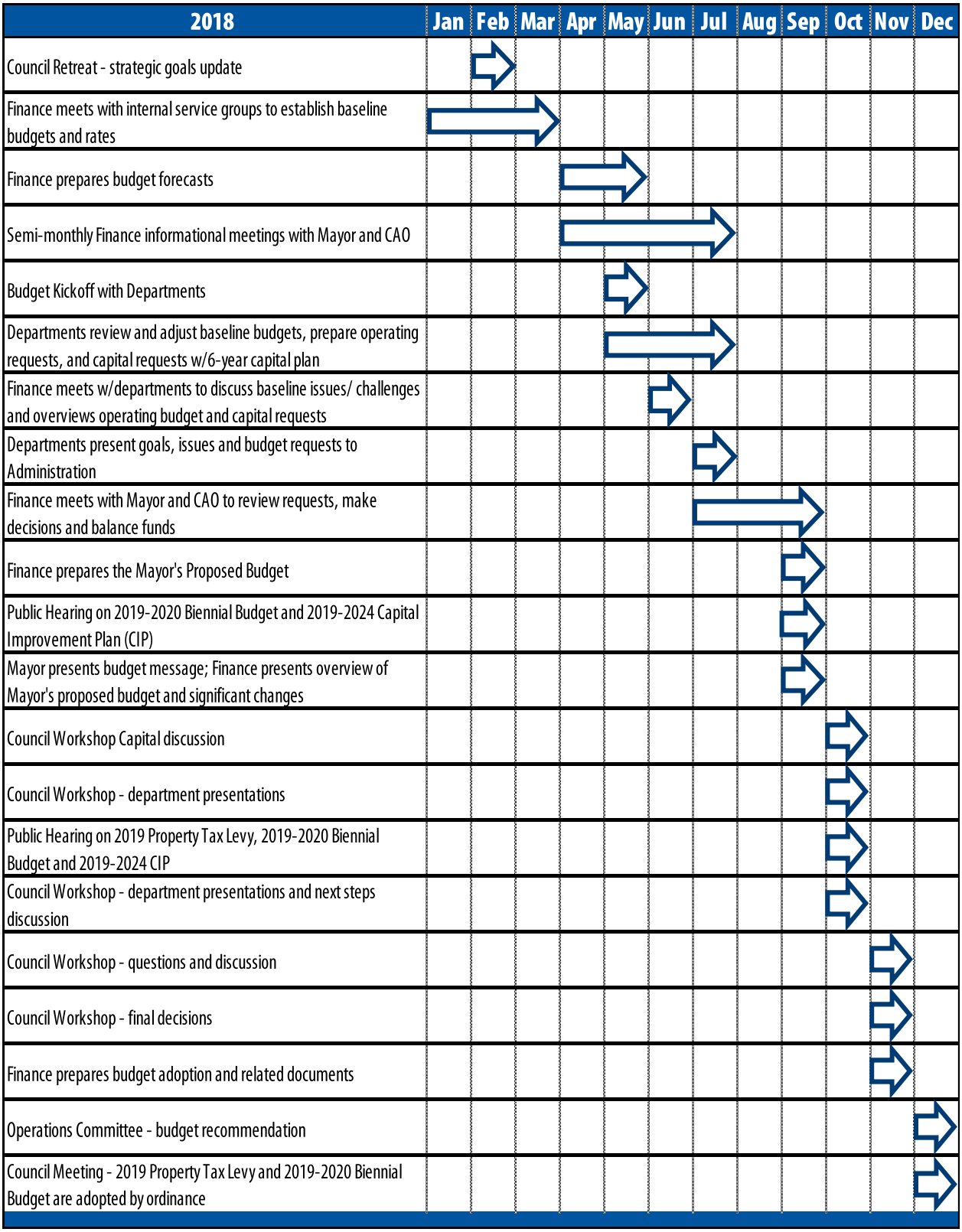
BUDGET PROCESS

BUDGET FLOW CHART



BUDGET PROCESS

BUDGET TIMELINE



BUDGET CALENDAR

BUDGET CALENDAR

CITY-WIDE CAPITAL INVESTMENT STRATEGY ..... **Mar-July**

Develop city-wide capital project list and funding strategy

MEETINGS WITH MAYOR/CAO ..... **Apr-July**

Finance informational meetings with Mayor and CAO

BUDGET KICK OFF MEETING ..... **May 17**

Mayor, CAO, Finance Director provides budget instructions to departments

DEPARTMENTS PREPARE BUDGET ..... **May 17-Jun 11**

Review and adjust baseline budgets

Prepare operating budget requests and reductions

DEPARTMENT BASELINE MEETINGS W/FINANCE ..... **Jun 11-22**

Discuss baseline issues and challenges

Review operating budget requests and reductions

DEPARTMENT PRESENTATIONS TO ADMINISTRATION ..... **Jul 11-25**

Department presents issues and operating budget requests

BUDGET and CAPITAL BALANCING/DECISIONS ..... **Jul 25–Aug 30**

Finance meetings with Mayor and CAO to review budget requests, capital investment strategy, make decisions and balance funds

COUNCIL WORKSHOP ..... **Aug 21**

Budget preparation status

FINAL BALANCING/DECISIONS ..... **Aug 30**

FINANCE PREPARES MAYOR'S PROPOSED BUDGET ..... **Aug 30-Sep 24**

MLT NOTIFICATION ..... **Sep 4**

Mayor notifies department directors of approved requests

APPEAL SESSIONS (if requested) ..... **Sep 4-6**

Department opportunity to meet with Mayor and CAO to appeal decision(s)

COUNCIL MEETING ..... **Sep 18**

1st Public Hearing—2019-20 Biennial Budget & 2019-2024 CIP

BUDGET CALENDAR

COUNCIL MEETING (Special Meeting) . . . . . **Sep 25**

Mayor's Budget Message

COUNCIL WORKSHOP (Special Meeting) . . . . . **Sep 25**

Overview of Mayor's Proposed Budget

COUNCIL WORKSHOP . . . . . **Oct 6**

General Fund baseline discussion; significant changes

Other funds baseline discussion; significant changes

Department Budget Presentations

COUNCIL WORKSHOP (Special Meeting—Tentative) . . . . . **Oct 9**

COUNCIL WORKSHOP (Tentative) . . . . . **Oct 16**

COUNCIL MEETING . . . . . **Oct 16**

Public Hearing – 2019 Property Tax Levy

2nd Public Hearing – 2019-20 Biennial Budget and 2019-2024 CIP

PREPARE BUDGET ADOPTION AND RELATED DOCUMENTS . . . . . **Oct 17-31**

OPERATIONS COMMITTEE MEETING . . . . . **Nov 6**

COUNCIL MEETING . . . . . **Nov 20**

Adoption of the 2019 Property Tax Levy

Adoption of the 2019-20 Biennial Budget

Amend Comp Plan for 2019-2024 Capital Improvement Plan

FINANCIAL POLICIES

The budget process is part of an overall policy framework that guides the services and functions of the City. The budget serves a key role in that policy framework by allocating financial resources to programs which implement the City's overall goals and policies.

The City's core policy document is the Comprehensive Plan. This plan sets the basic vision for the development of the City and establishes policies and programs intended to achieve that vision. The plan is further articulated by a series of planning elements, including capital improvement (such as street and utility plans), policy elements (such as housing plans and economic development programs) and regulatory measures. Per state law, the Comprehensive Plan is reviewed and amended as those policies and programs change.

In addition, the City has adopted formal financial policies. These policies are designed to ensure fiscal stability and to provide guidance for the development and administration of the annual operating and capital budgets. The following pages contain policy frameworks in these areas:

- Revenue
- Expenditure
- Fund Balance Reserves
- Debt Management
- Investment

REVENUE POLICIES

User Charges Related to Costs—The City will review fees and charges on a periodic basis and will modify charges to adequately keep pace with increasing costs of providing services.

User Charges and Taxes Related to Market Rates—The City will consider its user charges and its tax rates in connection with those of neighboring communities and similar service providers, so that it will provide reasonable rates to maintain its advantage in the market place in attracting businesses and residences to the City of Kent.

Committed Special Revenue Funds—The City will maintain its practice of designating its street and capital improvement revenue sources including a percentage of its sales tax collections for the funding of its capital improvement program.

Reimbursements on a timely basis—Many grants occur on a cost reimbursement basis. To maximize the City's available investable funds, reimbursement should be pursued on a timely basis.

Aggressive Collection Effort—The City will follow an aggressive policy of collecting all monies due the City to the extent that the collection efforts remain cost effective.

FINANCIAL POLICIES

EXPENDITURE POLICIES

Structurally Balanced Budget—The City should adopt a budget in which ongoing revenues equal or exceed ongoing expenditures. One time revenues should not be used to pay for recurring expenditures.

Conservative Expenditure Budgeting—The City will maintain its conservative expenditure budgeting with respect to budgeting existing full time positions for a full year.

Program Reviews—The Mayor shall perform a periodic review of staff and programs of the City for both efficiency and effectiveness. Alternate methods of delivery will be evaluated for providing services. Programs that are determined to be inefficient, ineffective, or inconsistent with the City Council's strategic goals shall be reduced in scope or eliminated.

Maintenance and Operational Planning—Maintenance of current assets shall take priority over new capital projects whenever possible. The City Council shall ensure that there are stable sources of revenue to fund ongoing maintenance of capital assets. Before any new capital asset is approved, staff shall present an estimate of the life cycle and maintenance cost. Such costs shall be included in the budgets for the following years. The City Council shall not approve of new capital projects unless there is funding for the ongoing maintenance of the asset. The City shall maintain an inventory of all City assets and costs of maintenance of those assets.

Self-Insurance Program—The City will maintain an actuarially sound self-insurance program for unemployment, worker's compensation, liability insurance and health insurance. All of the insurance programs are accounted for as separate cost centers within one parent insurance fund.

Self-Supporting Proprietary Funds—The City's water, sewer, drainage and golf course enterprise funds will be self-supporting along with its internal service funds. The cost of providing services is expected to be fully funded from charges for the service. If the funds produce a loss, rates will be adjusted to achieve, at minimum, a break-even status. If debt has been issued which requires a certain level of return, rates and charges will be adjusted to achieve those returns.

Equipment Replacement—The City will maintain a Fleet Services Fund adequately funded to replace a fleet of vehicles and other heavy equipment at their scheduled replacement time. Technology capital replacement shall be funded through departmental charges and other revenues sufficient to replace both hardware and software at the end of their useful life.

Capital Improvement Program—The City will update its capital facilities plan on an annual basis as required by the Growth Management Act. A preliminary plan will be established early in the budgeting process to serve as a guideline during the year, with a final amendment adopted with the adoption of the operating budgets to reflect the necessary changes in the City's Comprehensive Plan.

FINANCIAL POLICIES

FUND BALANCE RESERVES POLICY

Key concepts of the Fund Balance Reserves Policy are outlined below. This policy was adopted by Council on December 12, 2017.

The objective of this policy is to provide guidance for the establishment and continued maintenance of Fund Balance Reserves, including reserve amount, how the reserves will be funded and the conditions under which reserves may be used.

Targeted Fund Balances—Adequate fund balances are maintained to allow the City to continue providing services to the community in case of unexpected emergencies, unfunded mandates and/or economic downturns. They may also be used to meet seasonal cash flow shortfalls as needed. Targeted fund balances for key funds are as follows:

- General Fund: 18% of current-year budgeted expenses
- Street Fund: 16% of current-year budgeted expenses
- Capital Resources Fund: $1,500,000
- Criminal Justice Fund: 16% of current-year budgeted expenses
- Utility Funds: 20% of current-year budgeted expenses
- Golf Fund: $400,000 or 16% of current-year budgeted expenses, whichever is higher
- Workers Comp Fund: 70% confidence level as provided in the annual actuarial study for the fund
- Health Care/Benefits Fund: Twice the IBNR (Incurred But Not Reported) estimate per annual actuarial study for the fund or $2,000,000, whichever is higher
- Liability Insurance Fund: 70% confidence level as provided in the annual actuarial study for the fund

General Fund—The City will strive to maintain a General Fund "Operating Reserve" with an upper goal of 18% of the adopted current-year budgeted General Fund expenditures, less any one-time items.

- The intent is to limit the use of unassigned General Fund balances to addressing unanticipated, non-recurring needs or known and planned future obligations.
- The Operating Reserve is intended to be a reserve for unexpected events, such as unfunded mandates, the failure to receive expected revenues, the continuance of critical services due to unanticipated events or to offset the unexpected loss of a significant funding source for the remainder of the fiscal year. Any use of the Operating Reserve that reduces the fund balance below the minimum required must include a repayment plan.
- Fund balances shall not normally be applied to recurring annual operating expenditures. Unassigned balances may, however, be used to allow time for the City to restructure its operations in a deliberate manner, but such use will only take place in the context of long-term financial planning.

- Funds in excess of the reserves described may be considered to supplement "pay as you go" capital outlay and other one-time expenditures. These funds may not be used to establish or support costs that are recurring in nature.
- Unless otherwise noted, all parameters of the General Fund balance noted above are also applicable to all other fund balances.

Funding Reserves—Funding of reserve targets will generally come from excess revenues over expenses or one-time revenues.

Excess Reserves—Reserves for specific funds are restricted for the activities of that fund, with the exception of the General Fund, which can be used for any good governmental purpose. In the event fund reserves exceed the minimum balance requirements at the end of each fiscal year, any excess reserves may be used in the following ways:

- Fund accrued liabilities. Priority will be given to those items that relieve budget or financial operating pressure in future periods.
- Appropriated to lower the amount of bonds or contributions needed to fund capital projects in the City's Capital Improvement Program.
- One-time expenses that do not increase recurring operating costs and that cannot be funded through current revenues. Emphasis will be placed on one-time uses that reduce future operating costs.
- Start-up expenses for new programs, provided that such action is approved by the City Council and is considered in the context of multi-year projections of revenue and expenses as prepared by the City's Finance Department.

DEBT POLICY

Key concepts of the Debt Policy are outlined below. This policy was adopted by Council on December 12, 2017 and can be viewed in its entirety in the City's Debt Manual, which is available online at www.kentwa.gov.

The objective of this policy is to provide general guidance for the issuance and management of all City debt and establish criteria to protect the City's financial integrity while providing a mechanism to fund the City's capital needs.

Debt Issuance

- Non-voted General Obligation Debt (also called councilmanic debt) shall not exceed 1.5 percent of assessed value.
- All City projects proposed to be financed through debt must have a full analysis of a) alternative methods of financing the projects, b) future operating and maintenance costs associated with the projects, including debt service expense, c) projected cash inflows which can reasonably be applied to reduce the amount being financed, and d) projected cash outflows for construction/equipment in order to ensure arbitrage compliance.

FINANCIAL POLICIES

- The City will, unless otherwise justified, use tax-exempt bond proceeds within the established time frame pursuant to the bond ordinance, contract or other document to avoid arbitrage.
- The City will maintain a system of recordkeeping and reporting to meet the arbitrage rebate compliance requirement of the Internal Revenue Service (IRC148) regulation. Any rebate earning to the federal government will be remitted in a timely manner to preserve the tax-exempt status of the outstanding debt obligation.
- The City will repay principal plus interest in accordance with the payment terms of the bond or contract and comply with all bond or contract covenants.
- Debt cannot be issued for a longer maturity than a conservatively estimated useful life of the asset to be financed.
- The City will maintain good communications with bond rating agencies and investors about its fiscal condition and will provide full disclosure on financial reports and in disclosure documents.

Short-Term Debt

- The City may use short-term debt, defined as a period not to exceed three years, to fund cash flow needs. The City will not issue short-term debt for current operations.
- The City may issue interfund loans rather than issuing outside debt to meet short-term cash flow needs. The loaning fund must have excess funds available and the use of these funds will not impact the loaning fund current operations or constitute a permanent diversion of funds. All interfund borrowing will bear interest based upon at least the prevailing LGIP (Local Government Investment Pool) rate.
- The City's Finance Director has the authority to approve short-term interfund loans for a period not to exceed three calendar months. The Mayor has the authority to approve loans for a period not to exceed 12 calendar months.

Long-term Debt

- The City will issue long-term debt, defined as a period of time greater than three years, for capital projects, which cannot reasonably be financed on a pay-as-you-go funding strategy from anticipated cash flows.
- Acceptable uses of bond proceeds are one-time capital projects that can be capitalized and depreciated in accordance with GAAP. Refunding debt is also an acceptable use.
- The City may issue interfund loans rather than issuing outside debt instruments as a means of financing capital improvements. The loaning fund must have excess funds available and the use of these funds will not impact the loaning fund current operations or constitute a permanent diversion of funds. All interfund borrowing will bear interest based upon at least the prevailing LGIP (Local Government Investment Pool) rate.
- The City sill not issue long-term debt for current operational needs.

Refunding Debt—Refunding bonds are an acceptable use of bond proceeds provided that a) the net present value (NPV) of the savings is at least 3% and b) the final maturity date is not extended.

Debt Issuance Process

- The Finance Director will determine the method of sale best suited for each issue of debt.
- All securities will be issued in compliance with state and federal legal and regulatory requirements.
- For each issue, the City will evaluate the costs and benefits of bond insurance or other credit enhancements. Any credit enhancements must be competitively procured.
- Council approval is required prior to the issuance of debt, except where Council authority has been delegated in KCC 3.40.040.

INVESTMENT POLICY

Key concepts of the Investment Policy are outlined below. This policy was adopted by Council on March 21, 2017 and can be viewed in its entirety in Chapter 3.02 of the Kent City Code (KCC).

The City will invest public funds in a manner that safeguards and protects the principal of the funds invested, provides liquidity in meeting daily cash flow and provides the highest return possible through budgetary and economic cycles.

Regulatory—All investment activity will be in compliance with RCW 35.39 Fiscal – Investment of Funds, RCW 39.59 Public Funds – Authorized Investments, and any other statutes or regulatory requirements which may apply, such as Internal Revenue Codes.

Scope—The City commingles its funds to maximize investment earnings and to increase efficiencies with regard to investment pricing, safekeeping and administration. Investment income will be allocated to the various funds based on their respective participation and in accordance with generally accepted accounting principles.

Objectives

- **Safety**—Safety of principal is the foremost objective of the City's investment policy. Investments shall be made in a manner that mitigates credit and interest rate risk and seeks to ensure the preservation of capital in the overall portfolio.
- **Liquidity**—The City's investment portfolio will remain sufficiently liquid to enable the City to meet all reasonably anticipated operating requirements. This will be accomplished by either maintaining a portion of the portfolio in investment vehicles offering daily liquidity at face value or structuring the portfolio so that securities mature concurrently with cash needs to meet anticipated demands.
- **Return on Investment**—The City's investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the City's investment risk constraints, the cash flow characteristics of the portfolio, and earnings relative to the State of Washington LGIP. Return on investment is of lesser importance compared to safety and liquidity.

FINANCIAL POLICIES

Standards of Care and Ethics

- The "Prudent Person" standard of care will be used by investment officials, which requires that investments be made with judgment and care that a person of prudence, discretion and intelligence would exercise in the management of his or her own affairs.
- The overall investment program will be designed and managed with a degree of professionalism that is worthy of the public trust. Officers and employees involved in the investment process shall refrain from knowingly engaging in personal business activity that could conflict with proper execution of the investment program or that could impair their ability to make impartial investment decisions.

Delegation of Authority and Responsibilities—The City Council will retain ultimate fiduciary responsibility for the portfolio. The Finance Director (or his/her designee) is the Investment Officer of the City. Investment transactions can only be initiated with the express written consent of the Finance Officer. The City may engage the services of an external investment advisor to assist in the management of the investment portfolio in a manner consistent with the objectives.

Authorized Investments—The City is authorized to invest in various securities, including, LGIP, US Treasury Obligations, GSE-Agency Securities, Repurchase Agreements, Bankers' Acceptance, Commercial Paper, Certificates of Deposit/Bank Deposits/Savings, Bonds of the State of Washington, General Obligation Bonds of Other States, Corporate Notes, and Supranational Bonds.

Diversification—The City will diversify its investment portfolio by institution, type of investment security and years to maturity shall be employed to avoid over-concentration in any of these areas, which reduces overall portfolio risks while attaining market average rates of return.

Maturities—The City will invest in securities with maturity dates five years from the date of purchase or less. An exception to the five-year maturity maximum is allowed if the maturities of such investments are made to coincide as nearly as practicable with the expected use of the funds. The maximum weighted average maturity of the total portfolio shall not exceed three years. Liquidity funds will be held in the LGIP, bank deposits, or in short term instruments maturing six months or less. The investment portfolio will have securities that mature between one day and five years.

Collateralization—Collateralization is required on repurchase agreements at a level of 102 percent of market value of principal and accrued interest. Collateral will always be held by an independent third party with whom the entity has a current custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the entity and retained.

Authorized Financial Dealers and Institutions—Banking transactions will be limited to designated banking relationships and will refer to the financial institutions list provided by the Public Deposit Commission of banks authorized to provide investment services. No public deposit shall be made except in a qualified public depository in the State of Washington. A current financial statement is required to be on file for each financial institution and broker/dealer in which the City invests. Electronic links and/or files are acceptable.

Advisory Investment Committee—An investment committee will be established consisting of the mayor (or designee), Finance Director, Public Works Director and a member of the Council Operations Committee who shall be appointed by the mayor to serve a two year term. The committee will meet quarterly and serve in a general review and advisory capacity.

FUND STRUCTURE

As a government entity, the City of Kent operates its budget and accounting system based on a fund structure. Funds are established to segregate specific revenue to ensure their expenditure within applicable legal and contractual provisions. Revenues are allocated to and accounted for in individual funds based on the purposes for which they are to be spent and the means by which the spending activities are to be controlled. The City of Kent operates with seven basic fund types, in which there may be one or more individual funds. The fund types, purpose and relationship to other funds are listed below.

FUND/PURPOSE	RELATIONSHIP TO OTHER FUNDS
GOVERNMENTAL FUNDS	
General Fund	
The General Fund is the principal operating fund of the City. It accounts for the financial resources of the City which are not accounted for in any other fund. Principal sources of revenue are property taxes, sales and use taxes, utility taxes, business and occupation taxes, licenses and permits, state shared revenues, charges for services and other incomes. Primary expenditures are for general City administration, police, economic development and planning services, park maintenance, and cultural and recreational services.	The General Fund "buys" services from the Internal Service Funds: fuel and rental of vehicles from the Fleet Services Fund; supplies, postage, photocopy, printing and graphics, cable TV services, data processing and telephone services from Central Services; facility maintenance and operation services from Facilities; and insurance from the Insurance Fund. The General Fund also transfers funds to the Street Operating Fund to help cover transportation and street maintenance costs and may also fund for selected projects.
Special Revenue Funds	
Special Revenue Funds are used to account for specific revenue sources that would otherwise be accounted for in the General Fund, but for which there exists certain legal restrictions as to the use of certain revenues. The revenue is segregated into individual special revenue funds to ensure expenditure for a designated purpose. Principal sources of revenue are: state shared fuel tax, earmarked sales and utility taxes, criminal justice portion of sales and use tax, and community development block grant funds. A portion of these are transferred to other funds for debt retirement, capital acquisition and specific purposes operations.	Taxes, contributions and grants are collected in the Street Fund, LEOFF1 Retirees Fund, Lodging Tax Fund, Youth Teen Programs Fund, Capital Resources Fund, Criminal Justice Fund, Community Development Block Grant Fund, Other Operating Projects Fund, and the ShoWare Operating Fund. Transfers from the Street and Capital Resources Funds are primarily to the Capital Project Funds or the Non-Voted Debt Service Fund.

FUND STRUCTURE

FUND/PURPOSE

RELATIONSHIP TO OTHER FUNDS

Debt Service Funds

Debt Service Funds are used to account for the accumulation of resources to be used for the retirement of general long-term debt. The City has two types of general long-term debt for which resources are accumulated: general obligation long -term debt (voted, general obligation long-term debt and LTGO) and special assessment debt. Sources of revenue to fund the retirement of general obligation long-term debt are property taxes and transfers in from other funds. Special assessments are levied and received to retire special assessment debt.

The Debt Service Funds receive the transfers from the Special Revenue Funds, Water Fund and Sewerage Funds to pay principal and interest on LTGO debt issues.

Capital Projects Funds

Capital Projects Funds are used to account for the financing of major one time only capital projects other than those financed by Proprietary Funds. Sources of revenue are: proceeds of debt issuance, grants, and transfers from other funds.

Transfers are received from Special Revenue and other funds as a partial source of funds needed to complete projects.

PROPRIETARY FUNDS

Enterprise Funds

Enterprise Funds are used to account for the financing of services provided to the general public where all or most of the costs involved are paid for by user charges. Operations financed as enterprise funds are operated in a manner similar to private business enterprises. Kent's enterprise funds are funded through water, sewer, and drainage utility charges and recreational charges at the City's golf complex.

The Enterprise Funds "buy" services from the Fleet Services Fund for equipment rental and fuel; from the Insurance Fund for insurance needs; from the Central Service Funds for stores, telephone, postage, photocopying, printing and graphics, cable TV services, data processing and telecommunications; and from the Facilities Fund for facility maintenance and operation services. The Enterprise Funds also reimburse the General Fund for cost allocations for budgeting, accounting, human resource, legal and engineering costs which relate to Enterprise Funds. Other funds purchase utilities at the same rate as the general public.

FUND STRUCTURE

FUND/PURPOSE

Internal Service Funds

Internal Service Funds are used to account for the financing of specific services performed by designated organizations within the City for other organizations within the City. The City's Fleet Services, Central Service, Facilities, and Insurance Funds provide centrally administered services then generate revenue by billing the organization to which the service is provided.

RELATIONSHIP TO OTHER FUNDS

Centralizes costs for equipment rental, central services, facilities and insurance. These services are "sold" to other funds at cost plus a reserve for future needs.

FIDUCIARY FUND TYPES

Trust and Agency Funds

Trust and Agency Funds are used to account for assets held by the City as trustee or agent for individuals, private organizations or other governmental units. Since their funds are not expendable for City operations they are not included in the budget. However, per state auditor requirements, estimates are provided for their activities.

BASIS OF ACCOUNTING

The Comprehensive Annual Financial Report (CAFR) shows the status of the City's finances on the basis of 'generally accepted accounting principals' (GAAP). In most cases this conforms to the way the City prepares its budget. The exceptions are:

- Compensated absences liabilities are expected to be liquidated with expendable available financial resources are accrued as earned by employees (GAAP) as opposed to being expended when paid (budget).
- Principal payments on long-term debt within the enterprise funds are applied to the outstanding liability in accordance with GAAP. These payments are included in the budget.
- Capital outlay within the enterprise funds are recorded as assets on a GAAP basis and expended on a budget-basis.
- Depreciation expense is recorded on a GAAP basis, but is not included in the budget.

DEPARTMENT AND FUND MATRIX

	ADMINISTRATION	ECONOMIC & COMM DEV	FINANCE	HUMAN RESOURCES	INFORMATION TECHNOLOGY	LAW	MUNICIPAL COURT	PARKS, REC & COMM SVCS	POLICE	PUBLIC WORKS	NON-DEPARTMENTAL
GENERAL FUND	X	X	X	X	X	X	X	X	X	X	X
SPECIAL REVENUE FUND											
Street Operating										X	
LEOFF 1 Retiree Benefits				X							
Lodging Tax											X
Youth/Teen											X
Capital Resources											X
Criminal Justice						X		X	X		
Community Dev Block Grants								X			
City Arts Program								X			
ShoWare Operating											X
DEBT SERVICE FUND											
Non-Voted											X
Special Assessment											X
CAPITAL PROJECTS FUND											
Street Capital										X	
Parks Capital								X			
Other Capital		X									
IT Capital					X						
ENTERPISE FUND											
Water Utility										X	X
Sewer Utility										X	X
Drainage Utility										X	
Solid Waste Utility										X	
Utility Clearing			X							X	
Golf Complex								X			
INTERNAL SERVICE FUND											
Fleet Services										X	
Central Stores			X								
Information Technology					X						
Facilities								X			
Insurance				X							

CAPITAL IMPROVEMENT PROGRAM (CIP)

The Capital Improvement Program section provides an overview of the structures and process that govern planning. It also provides a summary of the Six-Year Capital Improvement Program, including project lists by function and expected funding sources.

Capital Strategy 75

Capital Program Overview. 79

Six-Year CIP Summary. 80

Six-Year CIP Projects 84

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CAPITAL IMPROVEMENT PROGRAM

CAPITAL INVESTMENT STRATEGY

Prioritization of projects within a program (or department) can be challenging. The City uses the general guidelines outlined below for prioritizing capital projects at the department and/or program level.

- Maintenance or repair of existing infrastructure
- Legal or statutory requirement
- Continuation of multi-year projects
- Implementation of Council goals and strategies
- Ability to leverage outside sources such as grants, mitigation, impact fees, etc.
- Acquisition or development of new facilities

These guidelines work well for prioritizing projects within a program or department. However, evaluating projects across all programs to come up with a city-wide prioritization is more difficult. Streets, parks, facilities—which projects are more important? To help address that issue, the City began its Capital Investment Strategy (CIS) initiative in early 2016 to create a framework and repeatable process to evaluate and prioritize capital projects city-wide, regardless of program, department or funding.

Over the span of many months, the Capital Investment Strategy committee developed the following criteria and evaluated the projects in the 2019-2024 Capital Improvement Program through this lens.

1. **Infrastructure Preservation, Replacement and Risk Mitigation:** investments that preserve or improve the reliability and integrity of existing assets
2. **Quality of Life:** investments that maintain and enhance Kent as a desirable location to live, work, play and visit
3. **Implementing Plans:** investments that implement and capitalize on previous planning work
4. **Health and Safety:** investments that keep Kent healthy, safe, secure, and environmentally sustainable
5. **Regulatory Commitments:** investments that ensure Kent meets regulatory compliance
6. **Strategic Opportunities:** investments that represent unique opportunities for the City

The City tried to be as objective as possible while applying the criteria to projects by asking specific questions under each criteria and limiting the answers to one of four possibilities. While the answers were fairly specific, we did find upon completion that some individuals interpreted the answers differently, resulting in materially inconsistent scores between divisions.

Because the results were not as consistent as hoped to effectively incorporate them into the 2019-2020 biennial budget process, completing this work was considered a dry-run. Work over the next year will focus on refining the scoring process and formally incorporating the process into the City's overall budget development cycle. We anticipate using results of this process to inform the 2020 Mid-biennial budget.

CAPITAL IMPROVEMENT PROGRAM

GROWTH MANAGEMENT ACT

The City of Kent has performed area planning since the 1960s and the first formal Comprehensive Plan was adopted in 1969. However, planning in Washington took on new meaning with the passage of the Growth Management Act (GMA) by the Washington State legislature in 1990. The legislature was responding not only to the rate of growth, particularly on the west side of the Cascades, but also to the type and location of growth. Two-thirds of the state's population and household growth in the 1980's took place in unincorporated areas, and produced sprawling subdivisions, commercial strips, and urbanization of land which only ten years before was rural. These growth patterns resulted in increased traffic congestion and inadequate public services, and have threatened environmentally sensitive areas such as wetlands.

The GMA requires each jurisdiction subject to its provisions to produce a comprehensive plan that contains, at minimum, elements pertaining to land use, transportation, utilities, housing, and capital facilities. Kent's Comprehensive Plan contains four additional elements—economic development, parks and recreation, human services, and shoreline. Further, this plan must be in keeping with state GMA goals regarding:

Consistency with departmental comprehensive plans is also important. These plans include the Transportation Improvement Plan, the Park and Open Space Plan, as well as water, sewer, and drainage utility plans.

- Sprawl reduction
- Concentrated urban growth
- Affordable housing
- Economic development
- Open space and recreation
- Regional transportation
- Environmental protection
- Property rights
- Natural resource industries
- Historic lands and building
- Permit processing
- Public facilities and services
- Early and continuous public participation
- Shoreline management

PLANNING FOR CAPITAL FACILITIES

The capital facilities element makes the rest of the City of Kent Comprehensive Plan come to life. By funding projects needed to maintain levels of service and for concurrency, the Capital Improvement Program (CIP) helps shape the quality of life in Kent. The requirement to fully finance the CIP provides a reality check for the vision of the Comprehensive Plan.

Planning for capital facilities is a complex endeavor. First and foremost, it requires a clear understanding of future needs to provide adequate public facilities to serve existing and new development. Once the needs are identified, the planning process must assess the various options that could be provided and identify the most effective and efficient combination of facilities to support the needed services. The final task is to address how these facilities will be financed, which requires an in-depth understanding of the fiscal capacity of the City.

Planning for capital facilities cannot be effectively carried out on an annual basis, since oftentimes the financing requires multi-year commitments of resources. The CIP is long-range in its scope and is a planning document, not a budget for expenditures.

CAPITAL IMPROVEMENT PROGRAM

FUNDING THE CAPITAL IMPROVEMENT PLAN

The most obvious financing option is pay-as-you-go. However, before using cash resources to finance a project, several other alternatives are considered.

The City's preferred option is to seek **outside funding sources**, such as federal, state and county grants and private donations. If outside funds are not available, projects providing special benefit will have their costs divided up among those individuals or groups in proportion to the benefit received. This is accomplished through the use of local improvement districts and user charges.

Where the benefits are provided to a small segment of the City, **local improvement districts** are established to identify the costs associated with the specific development and distribute those costs among the individual property owners. Issuance of special assessment bonds or internal financing may be used to complete the project and the debt is usually paid back over a ten-year period. Special assessments are an effective option to fund street and utility capital projects in the underdeveloped areas of the City.

User charges cover maintenance and operations, as well as capital expenditures for the City's water, sewer and storm drainage utilities. The City also has the option of issuing **revenue bonds** to provide capital financing. Revenue bonds require pledging future user charges to cover debt payments on the bonds. This option allows for immediate construction, while ensuring that the people using the improvement are paying for the project through user charges.

Projects of general benefit to the entire community typically utilize **cash resources** or **pay-as-you go** financing. The City of Kent has dedicated several tax resources to fund these general government capital needs, including part of the sales and use tax, real estate excise tax, business and occupation tax, and a portion of the utility taxes.

General government projects that cannot be funded with existing cash resources or outside funding may be deferred until sufficient funding is available. If deferral is not desired, the City may choose to use its general obligation bonding capacity to finance certain projects. There are two types of general obligation bonds, voted and long-term general obligation (LTGO).

Voted bonds are municipal bonds approved by 60 percent of the voters with a 40 percent voter turnout from the last general election. The City currently uses none of its bonding capacity for the issuance of voted general obligation debt. Using voted capacity would mean that the residents of Kent had voted to tax themselves and that additional property taxes would be levied against property owners to cover the debt.

If voted bonds are not deemed an appropriate method of financing the project, the City may choose to issue non-voted or **LTGO bonded debt.** The same cash resources noted above are a source of repayment of those bonds, requiring careful consideration of any decision to issue LTGO debt.

The options outlined here are the choices available for financing the 2019-2024 Capital Improvement Plan. In subsequent years, federal and state law, and/or the City's own actions may change these options. Financing options will be reviewed and updated annually as part of the overall CIP update process.

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CAPITAL IMPROVEMENT PROGRAM

OVERVIEW

The 2019-2024 Capital Improvement Program (CIP) is a flexible, six-year plan containing the City's planned capital improvement projects and the recommended financing methods for funding the projects. All funds and departments are brought together in a single consolidated plan for an overall view of the City's capital improvement needs. The entire plan is adopted by reference in the capital facilities element of the City of Kent Comprehensive Plan as required by the Growth Management Act.

It is important to understand that a multi-year Capital Improvement Program does not represent a financial commitment. The first two year's funding requirements are included and authorized in the operating budget. Projects beyond the first two years do not represent a formal commitment to fund the project, rather it simply reflects that given the information available at the time the plan was developed, the City expects to move forward with the project in the future.

The Capital Improvement Program is updated on an annual basis, at which time the schedule of projects is reevaluated, new projects may be added and completed projects removed. The projects are selected based on the priority of importance assigned by the respective departments requesting funding and the availability of funding sources. Projects include construction and major renovations of buildings and park facilities; technology systems; economic development activities; acquisition of property; improvements to roadways, bikeways and sidewalks; and the efficient operation and infrastructure maintenance of the water, sewer and drainage systems.

2019-2024 SUMMARY PROJECTS AND FUNDING

Capital project costs for the City's 2019-2024 capital planning period total $185.7 million and are funded with City, utility and other resources, as illustrated in the following tables. Additional details are provided later in this section.

Summary Sources	2019	2020	2021-2024	Total
City Resources	$ 16,123	$ 16,251	$ 49,545	$ 81,919
Utility Resources	27,315	14,185	62,266	103,766
Other Resources	250	0	0	250
Total - in thousands	**$ 43,688**	**$ 30,436**	**$ 111,811**	**$ 185,935**

Summary Costs	2019	2020	2021-2024	Total
General Government	$ 5,385	$ 4,550	$ 6,200	$ 16,135
Parks, Rec & Comm Services	3,671	4,663	13,531	21,865
Transportation	7,067	7,038	29,814	43,919
Utilities	27,315	14,185	62,266	103,766
Total - in thousands	**$ 43,438**	**$ 30,436**	**$ 111,811**	**$ 185,685**

CAPITAL IMPROVEMENT PROGRAM

OPERATING IMPACT OF MAJOR CIP PROJECTS

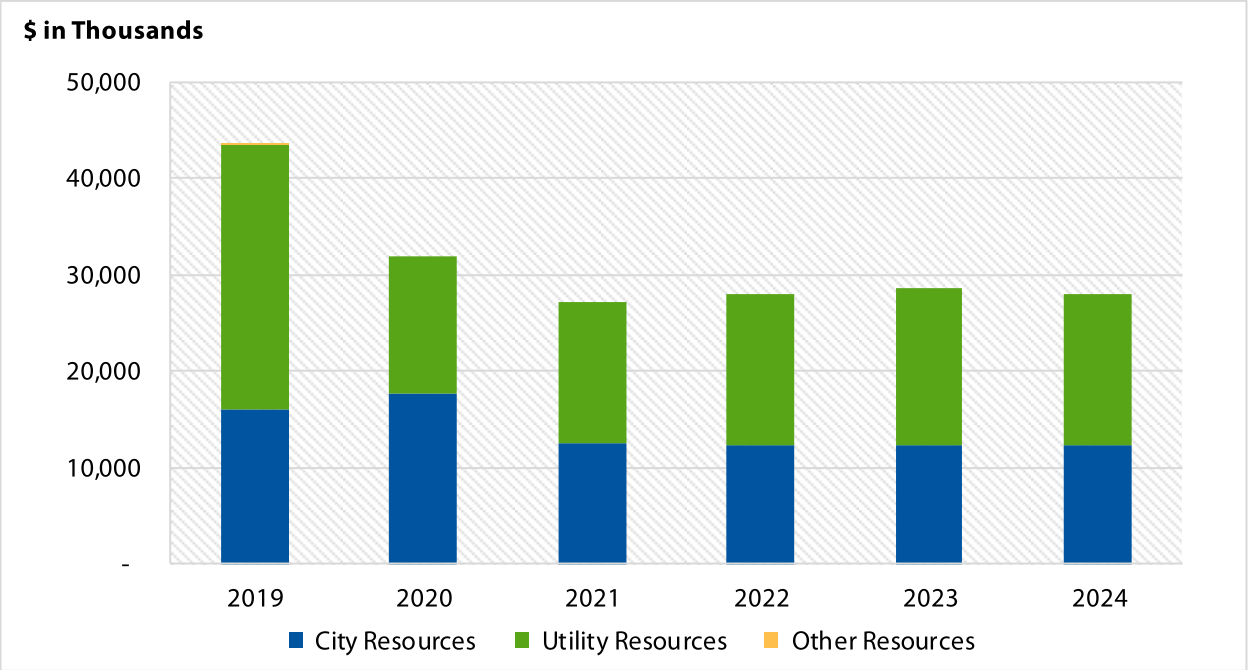
The impact of a capital project on the operating budget is a key factor in considering the inclusion of a project in the six-year plan. The operating costs of a project, and any savings resulting from the project, are captured in the Operating Budget.

SOURCES OF FUNDS—in thousands

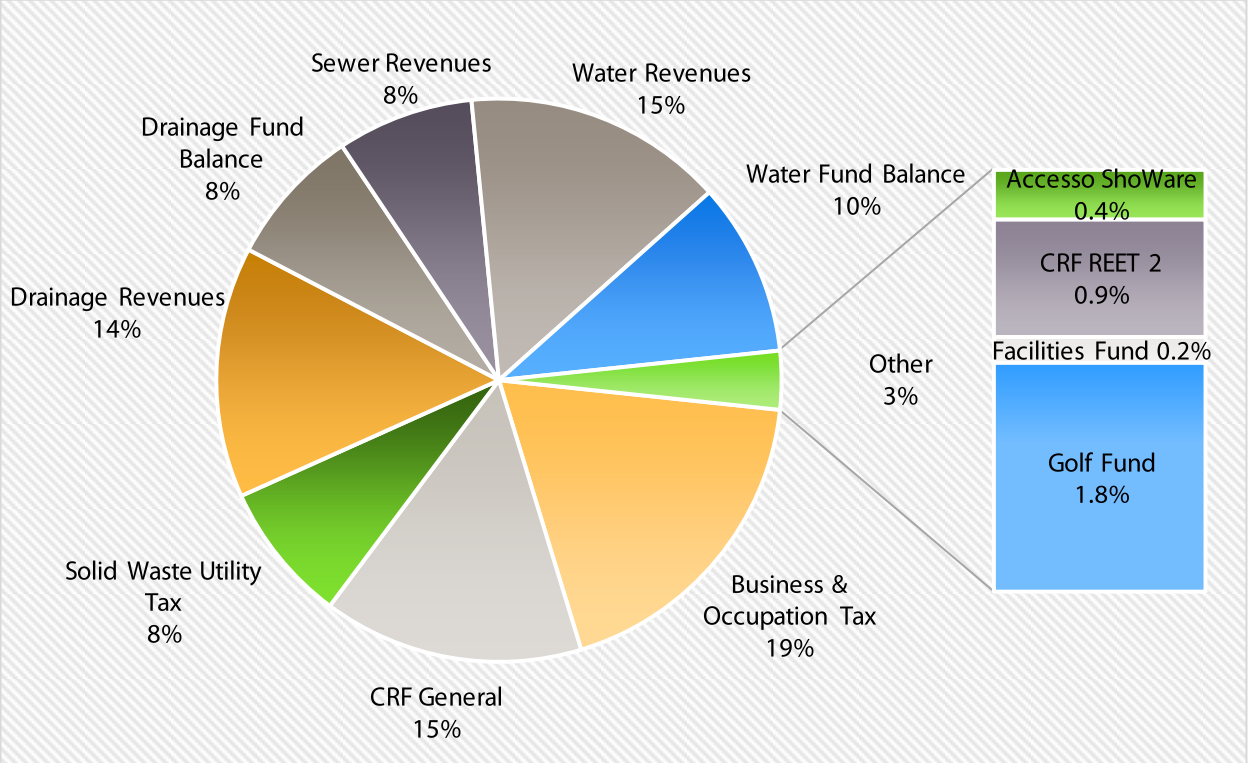
	2019	2020	2021	2022	2023	2024	Total
City Resources							
Accesso ShoWare Fund	$ 299	$ -	$ -	$ -	$ -	$ -	$ 299
Business & Occupation Tax	7,041	6,994	7,445	7,415	7,385	7,355	43,635
CRF General	5,186	6,050	1,750	1,650	1,650	1,550	17,836
CRF REET 2	341	369	319	218	286	308	1,841
Facilities Fund	150	-	-	-	-	-	150
Golf Fund	80	1,294	-	-	-	-	1,374
Solid Waste Utility Tax	3,026	3,044	3,035	3,048	3,059	3,072	18,284
Total City Resources	16,123	17,751	12,549	12,331	12,380	12,285	83,419
Utility Resources							
Drainage Revenues	5,491	5,371	5,605	5,957	5,944	5,925	34,293
Drainage Fund Balance	6,000	-	-	-	-	-	6,000
Sewer Revenues	2,705	3,187	3,177	3,169	3,153	3,140	18,531
Water Revenues	5,619	5,627	5,933	6,543	7,148	6,572	37,442
Water Fund Balance	7,500	-	-	-	-	-	7,500
Total Utility Resources	27,315	14,185	14,715	15,669	16,245	15,637	103,766
Other Resources							
KC Levy	250	-	-	-	-	-	250
Total Other Resources	250	-	-	-	-	-	250
Total Sources of Funds	**$ 43,688**	**$ 31,936**	**$ 27,264**	**$ 28,000**	**$ 28,625**	**$ 27,922**	**$ 187,435**

CAPITAL IMPROVEMENT PROGRAM

SUMMARY BY SOURCE 2019-2024



2019-20 SOURCES BY TYPE



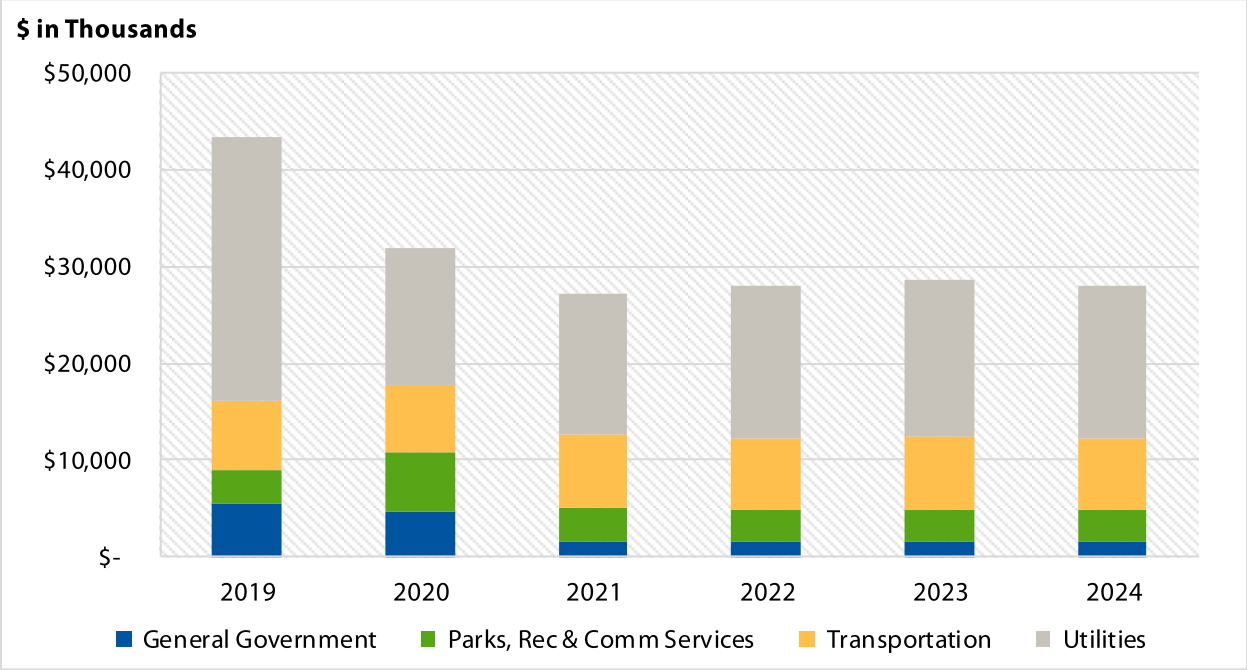
CAPITAL IMPROVEMENT PROGRAM

PROJECTS—in thousands

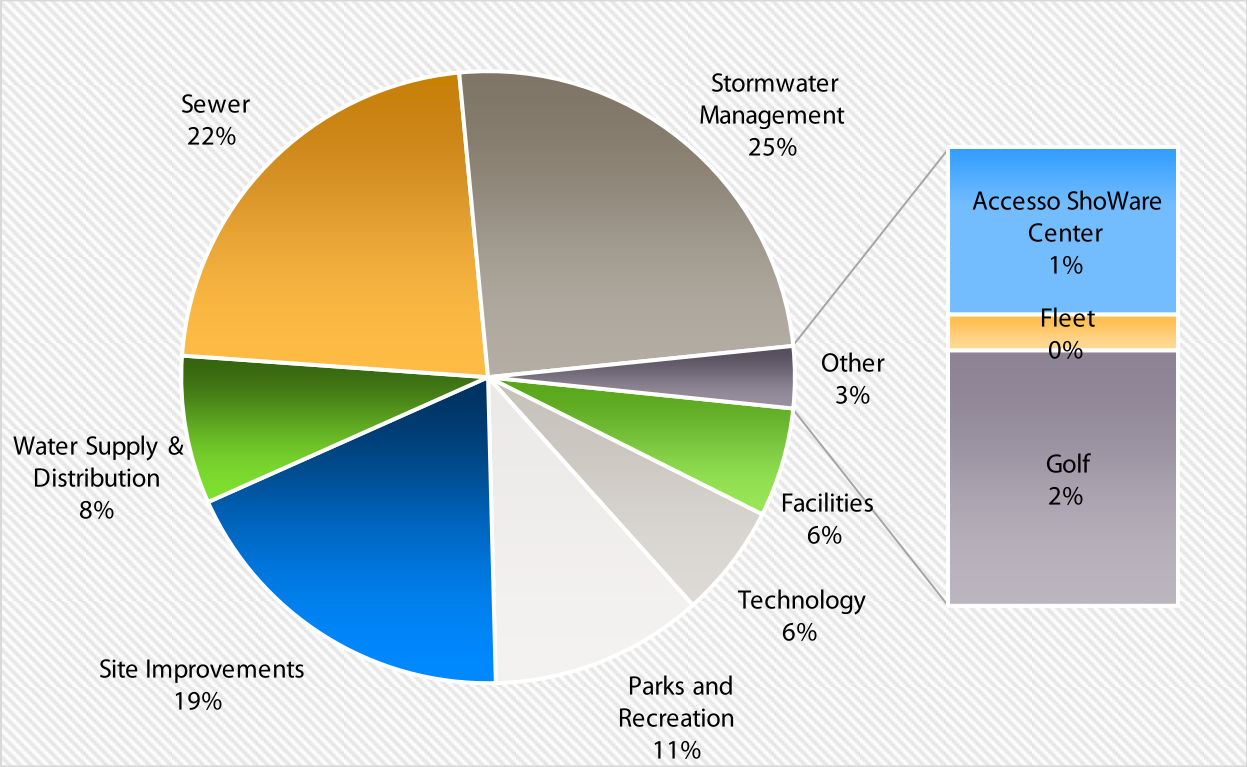
	2019	2020	2021	2022	2023	2024	Total
General Government							
Accesso ShoWare Center	$ 599	$ 300	$ 300	$ 300	$ 300	$ 300	$ 2,099
Facilities	2,350	2,000					4,350
Fleet	186						186
Technology	2,250	2,250	1,250	1,250	1,250	1,250	9,500
Total General Government	5,385	4,550	1,550	1,550	1,550	1,550	16,135
Parks, Rec & Comm Services							
Golf	80	1,294	200	100	100		1,774
Parks and Recreation	3,591	4,869	3,319	3,218	3,286	3,308	21,591
Total Parks, Rec & Comm Svcs	3,671	6,163	3,519	3,318	3,386	3,308	23,365
Transportation							
Site Improvements	7,067	7,038	7,480	7,463	7,444	7,427	43,919
Total Transportation	7,067	7,038	7,480	7,463	7,444	7,427	43,919
Utilities							
Water Supply & Distribution	2,705	3,187	3,177	3,169	3,153	3,140	18,531
Sewer	11,491	5,371	5,605	5,957	5,944	5,925	40,293
Stormwater Management	13,119	5,627	5,933	6,543	7,148	6,572	44,942
Total Utilities	27,315	14,185	14,715	15,669	16,245	15,637	103,766
Total Projects	**$ 43,438**	**$ 31,936**	**$ 27,264**	**$ 28,000**	**$ 28,625**	**$ 27,922**	**$ 187,185**

CAPITAL IMPROVEMENT PROGRAM

SUMMARY BY CATEGORY 2019-2024



2019-20 BY CATEGORY FUNCTION



CAPITAL IMPROVEMENT PROGRAM

GENERAL GOVERNMENT—in thousands

	2019	2020	2021	2022	2023	2024	Total
Sources of Funds							
CRF General	$ 5,186	$ 4,550	$ 1,550	$ 1,550	$ 1,550	$ 1,550	$ 15,936
Facilities Fund Balance	150						150
Accesso ShoWare Fund Balance	299						299
Total Sources of Funds	**5,635**	**4,550**	**1,550**	**1,550**	**1,550**	**1,550**	**16,385**
Projects							
Facilities							
City Buildings	2,000	2,000					4,000
City Hall Patio Repairs	200						200
Security Fence at Corrections/Court	150	-	-	-	-	-	150
Total Facilities Projects	2,350	2,000	-	-	-	-	4,350
Fleet							
Fleet Vehicle Lifts	186	-	-	-	-	-	186
Total Fleet	186	-	-	-	-	-	186
Accesso ShoWare Center							
Building Extension for Storage		100					100
Carpet (Admin)	23						23
Carpet (Suite Level)	110						110
Carpet (T-Birds)	35						35
Club Tables	40						40
Concession Stand Rebranding	75						75
Dehumidification Unit 2 Repair	60						60
Interior/Exterior Trash Cans & Recycle Bins	50						50
Magnetometer Walk through Metal Detectors	90						90
Plaza Audio	10						10
Refrigerator Freezer for Kitchen		50					50
Roof Door	6						6
Scorebord Front End Control Equipment	80						80
Show Power Step Down Transformer		30					30
Utility Cart Repair	20				~		20
Wi Fi		120					120
Unallocated	-	-	300	300	300	300	1,200
Total Accesso ShoWare Center	$ 599	$ 300	$ 300	$ 300	$ 300	$ 300	$ 2,099

GENERAL GOVERNMENT CONTINUED—in thousands

	2019	2020	2021	2022	2023	2024	Total
Technology							
HLC 17-18 Mobile Router Replacement			$ 20	$ 22	$ 24	$ 27	$ 93
HLC 17-18 Server Replacement	50	50	60	60	67	73	360
HLC 17-18 Telephony	75	400	50	53	58	64	700
HLC 17-18 Wireless Infrastructure Refresh			20	22	24	27	93
HLC 21-24 Connected Conference Room			25	28	30	33	116
HLC16-18 Data Center	75	75	80	90	100	110	530
HLC16-18 Network Refresh	400		50	60	63	69	642
HLC16-18 Security	100	100	110	120	130	150	710
HLC16-18 Storage Expansion			30	33	36	40	139
HLC16-18 UPS		25	30	30	33	37	155
HLC16-18 Virtualization Infrastructure Refresh			75	82	91	100	348
SLC18-20 Admin Sys Repl Rsrvs	30	30	40	30	30	30	190
SLC18-21 Law Sys Repl Reserves	30	30	40	30	30	30	190
SLC18-21 PD Sys Repl Reserves	100	120	130	130	130	100	710
SLC18-22 HR Sys Repl Reserves	60	60	70	70	64	50	374
SLC18-23 Fin Sys Repl Reserves	60	90	90	90	70	70	470
SLC18-26 PRCS Sys Repl Resrvs	30	30	40	30	30	30	190
SLC18-26 PW Sys Repl Reserves	60	60	70	70	60	50	370
SLC18-27 Court Sys Repl Resrvs	30	30	40	30	30	30	190
SLC18-27 ECD Sys Repl Reserves	60	60	70	70	60	50	370
SLC18-28 Clerk Sys Repl Resrvs	60	60	70	70	60	50	370
SLC18-29 IT Sys Repl Reserves	30	30	40	30	30	30	190
Unallocated Tech Projects	1,000	1,000	-	-	-	-	2,000
Total Technology Projects	2,250	2,250	1,250	1,250	1,250	1,250	9,500
Total General Government Projects	**$ 5,385**	**$ 4,550**	**$ 1,550**	**$ 1,550**	**$ 1,550**	**$ 1,550**	**$ 16,135**

CAPITAL IMPROVEMENT PROGRAM

PARKS, RECREATION & COMMUNITY SERVICES—in thousands

	2019	2020	2021	2022	2023	2024	Total
Sources of Funds							
CRF REET2	$ 341	$ 369	$ 319	$ 218	$ 286	$ 308	$ 1,841
B&O Square Footage	3,000	3,000	3,000	3,000	3,000	3,000	18,000
King County Levy	250						250
Golf Fund Balance	80	1,294					1,374
CRF General		1,500	200	100	100		1,900
Total Sources of Funds	**3,671**	**6,163**	**3,519**	**3,318**	**3,386**	**3,308**	**23,365**
Projects							
Golf Projects							
Golf Clubhouse Renovations	40	34					74
Golf Course Accessories		100					100
Golf Course Renovations/Improvements		510	100	100	100		810
Golf Driving Range Renovations	40						40
Golf Irrigation System Upgrades	-	650	100	-	-	-	750
Total Golf Projects	80	1,294	200	100	100	-	1,774
Parks and Recreation Projects							
Clark Lake Park Development 240th					200	1,768	1,968
Downtown Place Making - Burlington/Kaibara		300					300
Downtown Place-Making - Kherson Urban Play	250						250
Downtown Place-Making - Meeker /Town Square Plaza						300	300
Garrison Creek Park Renovation			400				400
Gateways	50						50
GR Trail/Van Doren's Park Design (Lower Russell Rd Levee)	900						900
Hogan Park at Russell Road Reno. Ph II		500					500
Huse/Panther Lake Community Park						200	200
KLVT - Old Fishing Hole Improvements		300					300
KVLT - Boeing Rock Improvements					300		300
KVLT - Downey	250						250
KVLT - Interurban Trail, 3 Friends Fishing Hole						500	500
KVLT - Milwaukee 2			279				279
Lake Fenwick Park Renovation - Phase II					2,000		2,000
Masterplans	40	40	40	40	40	40	240
Mill Creek Earthworks Renovation			1,100	2,000			3,100
Mill Creek Trail Renovation				678	500		1,178
Morrill Meadows Expansion Phase 2	1,150						1,150
NPRP - Chestnut Ridge Playground		166					166
NPRP - Salt Air Vista	201						201
NPRP - Scenic Hill Park Renovation					246		246
Parks Land Acquisition	500		500	500		500	2,000
Service Club Park Loop Trail	250						250
Springwood Park Renovation		2,063	1,000				3,063
YMCA/Morrill Meadows	-	1,500	-	-	-	-	1,500
Total Parks and Recreation Projects	3,591	4,869	3,319	3,218	3,286	3,308	21,591
Total Projects	**$3,671**	**$6,163**	**$3,519**	**$3,318**	**$3,386**	**$3,308**	**$23,365**

TRANSPORTATION—in thousands

	2019	2020	2021	2022	2023	2024	Total
Sources of Funds							
Solid Waste Utility Tax	$ 3,026	$ 3,044	$ 3,035	$ 3,048	$ 3,059	$ 3,072	$ 18,284
Business & Occupation Tax	4,041	3,994	4,445	4,415	4,385	4,355	25,635
Total Sources of Funds	**7,067**	**7,038**	**7,480**	**7,463**	**7,444**	**7,427**	**43,919**
Projects							
B&O In-house Overlays	250	250	250	250	250	250	1,500
B&O Street Contracted	1,284	2,944	3,505	3,598	3,560	3,523	18,414
Panther Lake Signal System Integration		400					400
Residential Street Contracted	2,776	2,794	3,145	3,165	3,184	3,204	18,268
Residential Street Capital	250	250	250	250	250	250	1,500
Safe Route to School Meridian Elementary	100						100
Street Lights - New	200	200	200	200	200	200	1,200
Traffic Cameras - New (Capital)			130				130
Transportation Master Plan	300	200					500
Willis Street and 4th Roundabout	1,907						1,907
Total Projects	**$ 7,067**	**$ 7,038**	**$ 7,480**	**$ 7,463**	**$ 7,444**	**$ 7,427**	**$43,919**

CAPITAL IMPROVEMENT PROGRAM

UTILITIES—in thousands

	2019	2020	2021	2022	2023	2024	Total
Sources of Funds							
Water Revenues	$ 5,619	$ 5,627	$ 5,933	$ 6,543	$ 7,148	$ 6,572	$ 37,442
Use of Water Fund Balance	7,500						7,500
Sewer Revenues	2,705	3,187	3,177	3,169	3,153	3,140	18,531
Drainage Revenues	5,491	5,371	5,605	5,957	5,944	5,925	34,293
Use of Drainage Fund Balance	6,000						6,000
Total Sources of Funds	**27,315**	**14,185**	**14,715**	**15,669**	**16,245**	**15,637**	**103,766**
Projects							
Water Supply & Distribution							
224th St Phase II (224th-228th (88th-94th)	450						450
Clark Springs Transmission Main Evaluation	10						10
Clark Springs Well	12						12
E. Hill Pressure Zone		1,500	1,000	2,000			4,500
Emergency Power 212th			200				200
Garrison O'Brien Treatment Plant			1,000				1,000
Guiberson Reservior Repair			1,500	1,000	3,000	4,500	10,000
Habitat Conservation Plan Implementation	1,222	413	420	242	250	256	2,803
Kent Springs Well Rehab		75					75
Landsburg Mine	790	804		466	1,063		3,123
Misc Water Improvements	500	500	500	500	500	500	3,000
Pump Station #3 Replacement	400						400
Pump Station #4 Upgrade				500			500
Reservoir Maintenance & Improvements	100						100
Security Improvements on Water Sites	150	50	28	50	50	31	359
Tacoma Pipeline	50	50	50	50	50	50	300
Water Generators		1,000					1,000
Water Main Repairs/Replacements	1,000	1,000	1,000	1,000	1,000	1,000	6,000
Water System PLC Upgrades	35	35	35	35	35	35	210
Wellhead Protection	200	200	200	200	200	200	1,200
West Hill Reservoir	8,200	-	-	500	1,000	-	9,700
Total Water Supply & Distribution	13,119	5,627	5,933	6,543	7,148	6,572	44,942
Sewer							
Comprehensive Sewer Plan	500						500
Derbyshire		500	2,677				3,177
Linda Heights Pump Station	1,205						1,205
Misc. Pump Station Replacements				1,000	1,000	1,000	3,000
Misc. Sewer	500	500	500	500	500	500	3,000
Sewer Main Replacements/Relining				1,669	1,653	1,640	4,962
Skyline Sewer Interceptor	500	2,187	-	-	-	-	2,687
Total Sewer	$ 2,705	$ 3,187	$ 3,177	$ 3,169	$ 3,153	$ 3,140	$ 18,531

UTILITIES CONTINUED—in thousands

	2019	2020	2021	2022	2023	2024	Total
Stormwater Management							
132nd Ave Drainage	$ 100						$ 100
144th Ave Drainage Improvements	-		250	250	2,000		2,500
224th Street Phase I	300						300
228th Joint Utility Trench	1,000						1,000
BNSF Grade Separation - Drainage	500						500
County Road 8	600	200					800
Downey Farmstead	400	250					650
Drainage Master Plan	500	500	300				1,300
Frager Rd Levee	300	200	200				700
GRNRA Maint. Improvements			250	1,000	2,000		3,250
GRNRA Pump Station		250	1,000	1,000	1,000	4,375	7,625
GRNRA S Pump Station	3,000						3,000
Kent Airport Levee	200	100	100				400
Lake Fenwick Aeration	300						300
Lower Russell Road Levee	250	250					500
Mill Creek @ 76th Ave Flood Protection	191	1,000					1,191
Mill/Garrison/Spring/Grn. River & Tribs						250	250
Milwaukee II Levee	200	100					300
Misc Drainage	1,000	300	300	300	300	300	2,500
Misc. Environmental	1,000						1,000
N Fork Meridian Valley Culvert	100	300	1,000				1,400
Pipe replacements/roadway improvements	-	821	500	907	644	1,000	3,872
S 224th St. Phase 2	500						500
Upper MIll Creek Dam		500					500
Vactor Site Improvements	150						150
Valley Channel Rehabilitation	500	500	1,705	2,500			5,205
Valley Creek System CLOMR	400	100	-	-	-	-	500
Total Stormwater Management	11,491	5,371	5,605	5,957	5,944	5,925	40,293
Total Utilities Projects	**$ 27,315**	**$ 14,185**	**$ 14,715**	**$ 15,669**	**$ 16,245**	**$ 15,637**	**$ 103,766**

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BUDGET BY FUND

The Budget by Fund section provides a look at each fund's revenue, expenditures and fund balance, including a comparison of current program levels with those of past years.

General Fund. 93

Special Revenue Funds. 99

Debt Service Funds. 113

Capital Project Funds. 116

Enterprise Funds. 121

Internal Service Funds. 132

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GENERAL FUND

The General Fund is the principal operating fund of the City. It accounts for the financial resources of the City which are not accounted for in any other fund. Principal sources of revenue are property taxes, sales and use taxes, utility taxes, licenses and permits, state shared revenues, charges for services and other miscellaneous revenues. Primary expenditures are for general City administration, police, economic development, planning services, park maintenance, cultural programs and recreational services.

	2018 Budget	2019 Baseline	2019 Changes	2019 Proposed	2020 Baseline	2020 Changes	2020 Proposed
BEGINNING FUND BALANCE	$21,595,170	$22,219,700		$22,219,700	$21,000,860		$22,219,700
Revenues							
Taxes:							
Property	29,532,710	29,978,040		29,978,040	30,427,820		30,427,820
Sales Tax	21,100,310	21,770,980		21,770,980	19,418,010	470,000	19,888,010
Utility	19,150,880	19,596,150		19,596,150	19,578,290		19,578,290
Business & Occupation Tax	8,890,480	11,500,000		11,500,000	11,500,000	3,400,000	14,900,000
Other	879,260	882,650		882,650	897,440		897,440
Licenses and Permits	5,695,870	6,382,370	700,000	7,082,370	6,540,520	950,000	7,490,520
Intergovernmental Revenue	7,946,370	6,713,830		6,713,830	2,676,120		2,676,120
Charges for Services	5,844,610	5,511,180	500,000	6,011,180	5,604,920	521,000	6,125,920
Fines and Forfeitures	1,565,970	1,081,660	50,000	1,131,660	1,081,660	50,000	1,131,660
Miscellaneous Revenue	1,574,530	2,035,530	100,000	2,135,530	2,035,580	250,000	2,285,580
Transfers In	950,000	915,730		915,730	914,010		914,010
Total Revenues	103,130,990	106,368,120	1,350,000	107,718,120	100,674,370	5,641,000	106,315,370
Changes:							
Cell Tower Lease from Capital						120,000	
Parks Recreation - Increase Various Fees						51,000	
B&O Tax						3,400,000	
Water Franchise Fees						250,000	
Sales Tax Swap - 80% GF / 20% CRF						470,000	
Permit/Plans Review			1,200,000			1,200,000	
Parking Fines			50,000			50,000	
Interest Income			100,000			100,000	
Total Changes			1,350,000			5,641,000	
Expenditures							
Salaries & Benefits	54,919,610	57,739,400	129,520	57,868,920	59,985,590	(440,740)	59,544,850
Supplies	2,952,170	3,020,770	(61,890)	2,958,880	3,072,810	(61,470)	3,011,340
Services & Charges	40,465,957	43,329,510	(7,120)	43,322,390	36,989,090	(753,680)	36,235,410
Vehicles & Equipment				-			-
Cost Allocation	(13,758,210)	(15,198,840)		(15,198,840)	(8,807,940)	(2,435,100)	(11,243,040)
Transfers Out	20,741,140	18,696,120	70,650	18,766,770	18,695,460	71,350	18,766,810
Total Expenditures	105,320,667	107,586,960	131,160	107,718,120	109,935,010	(3,619,640)	106,315,370

GENERAL FUND

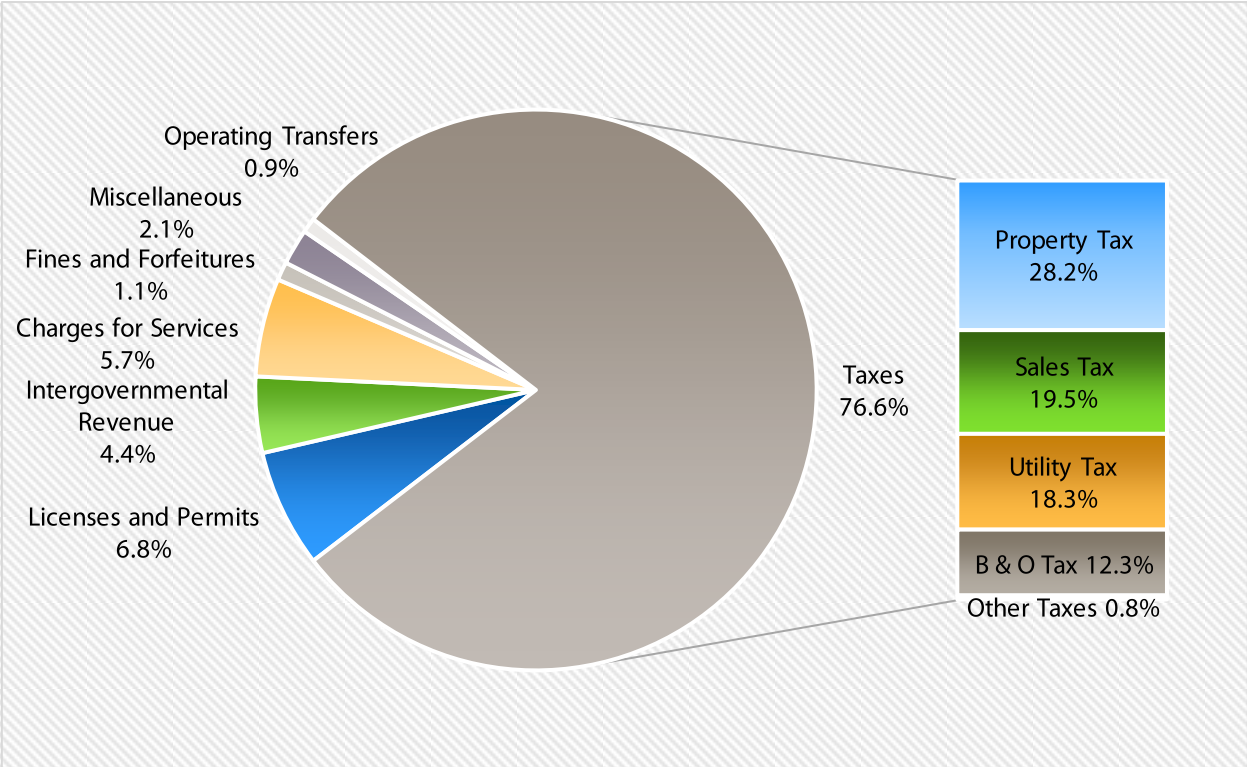
	2018 Budget	2019 Baseline	2019 Changes	2019 Proposed	2020 Baseline	2020 Changes	2020 Proposed
Expenditures by Department							
City Council	409,150	442,000	(2,530)	439,470	479,320	(4,230)	475,090
Administration	3,063,990	3,054,770	(106,810)	2,947,960	3,197,240	(277,990)	2,919,250
Economic & Community Dev	7,305,340	7,634,090	86,040	7,720,130	7,905,490	10,210	7,915,700
Finance	3,007,710	3,453,990	(36,500)	3,417,490	3,593,530	(158,930)	3,434,600
Fire Contracted Services	3,657,530	3,905,690		3,905,690	4,015,730	(137,370)	3,878,360
Human Resources	2,213,030	2,217,330	(57,720)	2,159,610	2,299,010	(147,130)	2,151,880
Information Technology	519,450	528,990	(730)	528,260	348,070	(1,610)	346,460
Law	1,777,920	1,836,010	(6,810)	1,829,200	1,800,170	(105,440)	1,694,730
Municipal Court	3,405,030	3,527,970	(10,410)	3,517,560	3,663,530	(32,190)	3,631,340
Parks, Rec & Comm Services	18,488,507	19,246,340	(393,510)	18,852,830	20,018,530	(1,013,730)	19,004,800
Police	38,863,160	41,326,990	590,140	41,917,130	42,732,690	813,770	43,546,460
Public Works	1,318,470	1,142,280		1,142,280	590,750		590,750
Non Departmental	21,291,380	19,270,510	70,000	19,340,510	19,290,950	(2,565,000)	16,725,950
Total Expenditures	105,320,667	107,586,960	131,160	107,718,120	109,935,010	(3,619,640)	106,315,370
Changes:							
Admin - Exectuive Asst/Mgmt Analyst - (1 FTE)						(123,160)	
Admin - Communications Coordinator - (1 FTE)			(132,490)			(137,850)	
Admin - National League of Cities			(8,160)			(8,320)	
Admin - Internship Program			30,000			30,000	
ECD - Kent Industrial Valley Subarea Planning			75,000			75,000	
ECD - PSRC Space Sector Strategy Dev			20,000				
ECD - Community Attributes - Market Data			13,170				
Finance - Administrative Assistant 2 - (1 FTE)						(96,790)	
Finance - Customer Svcs Mgr - 30% in GF			(26,130)			(27,020)	
HR Analyst - (.6 FTE)						(79,040)	
HR - Supplies, Advertising, Prof Svcs			(43,000)			(43,000)	
Law - Prosecuting Att - shift 1/2 costs to CJF						(87,720)	
Parks - Move Park Planning Staff to Park Capital						(400,890)	
Parks - Reduce Temporary Staffing			(195,000)			(205,150)	
Parks - Reduce Temp Staff for Green Kent Program			(12,600)			(12,600)	
Parks - Reduce Overtime			(56,900)			(56,900)	
Parks - Fund 1 FTE Park Ops staff in Major Mtc						(100,100)	
Parks - Eliminate Greenhouse - Purchase Plants			(55,000)			(55,000)	
Parks - Reduce Utilities - Conversion to LED						(10,000)	
Parks - Reduce General Supplies - Shift to Lifecycle			(20,500)			(42,000)	
Parks - Reduce Recreation Services to Trend			(49,000)			(49,000)	
Parks - Reduce Pool Contribution						(30,000)	
Parks - Reduce Public Defense			(25,000)			(75,000)	
Parks - TBD - Recreation Target Reduction						(100,000)	

GENERAL FUND

	2018 Budget	2019 Baseline	2019 Changes	2019 Proposed	2020 Baseline	2020 Changes	2020 Proposed
Parks - Youth Coordinator to Marketing Prof			27,740			13,010	
Parks - MW2 Shift from 75% Parks/25% PW to 100% Parks			38,190			41,120	
Parks - Maintenance Worker 4 - 1 FTE						122,000	
Parks - Establish Professional Services Budget						50,910	
Parks - Centralize Training & Development						30,000	
Police Officers - 6 FTEs (3 in 2019; 3 in 2020)			405,780			837,380	
Background & Recruiting Services			144,530			146,920	
Parking Enforcement Officer - .75 FTE			76,660			79,180	
Admissions Tax Remain in Golf			70,000			70,000	
Merchant Card Fees						(300,000)	
Reduce Emergency Mgmt - RFA Contract						(137,370)	
Medical Insurance - Reduce 5%						(365,300)	
Management Benefits - Reduce 50%			(72,530)			(72,530)	
Estimated Impact of Central Cost Allocation Plan						(2,335,000)	
Facilities & IT Adjustments			(93,330)			(166,770)	
Baseline Corrections			19,730			1,350	
			133,179			(3,617,620)	
Change in Fund Balance	(2,189,677)	(1,218,840)		-	(9,260,640)		-
ENDING FUND BALANCE	$19,405,493	$21,000,860		$22,219,700	$11,740,220		$22,219,700

GENERAL FUND

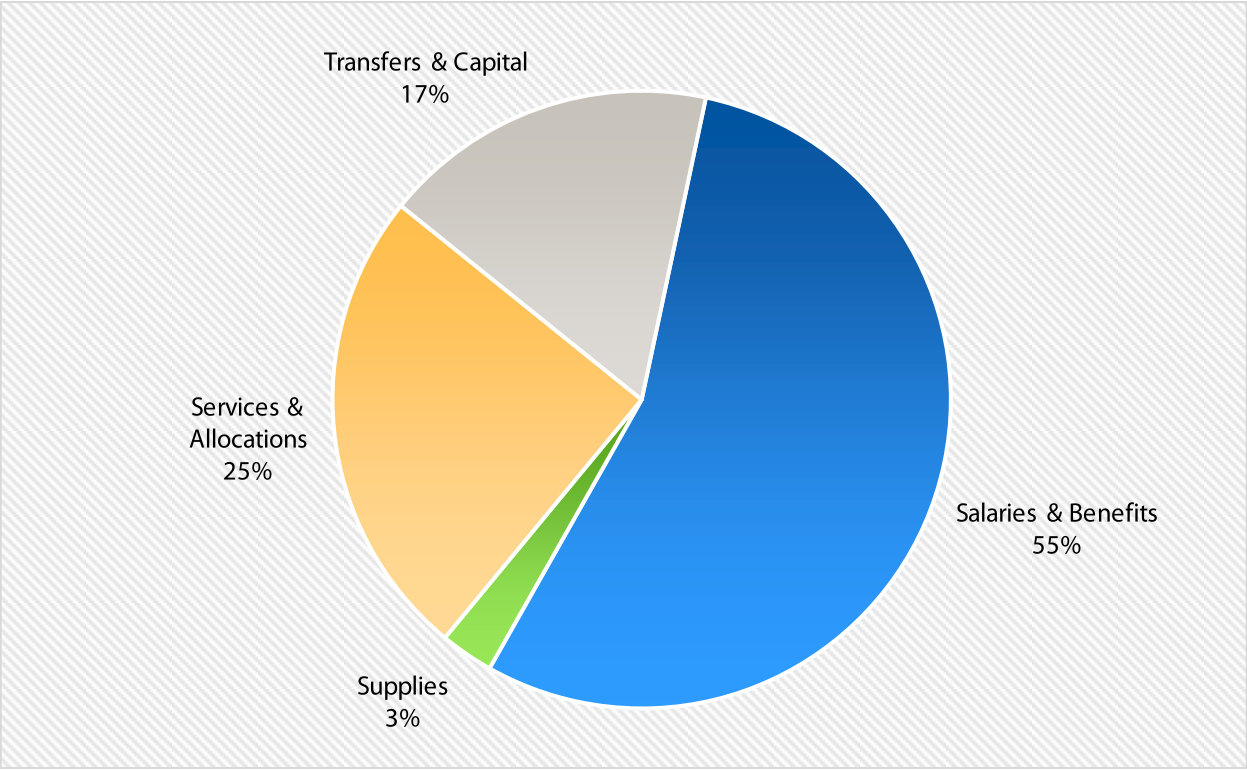
GENERAL FUND REVENUES



	2018 Budget	2019 Proposed	2018 vs 2019 $ Change	2018 vs 2019 % Change	2020 Proposed	2019 vs 2020 $ Change	2019 vs 2020 % Change
Revenues							
Taxes							
Property	$ 29,532,710	$ 29,978,040	$ 445,330	1.5 %	$ 30,427,820	$ 449,780	1.5 %
Sales Tax	21,100,310	21,770,980	670,670	3.2	19,888,010	(1,882,970)	(8.6)
Utility	19,150,880	19,596,150	445,270	2.3	19,578,290	(17,860)	(0.1)
Business & Occupation Tax	8,890,480	11,500,000	2,609,520	29.4	14,900,000	3,400,000	29.6
Other	879,260	882,650	3,390	0.4	897,440	14,790	1.7
Licenses and Permits	5,695,870	7,082,370	1,386,500	24.3	7,490,520	408,150	5.8
Intergovernmental Revenue	7,946,370	6,713,830	(1,232,540)	(15.5)	2,676,120	(4,037,710)	(60.1)
Charges for Services	5,844,610	6,011,180	166,570	2.8	6,125,920	114,740	1.9
Fines and Forfeitures	1,565,970	1,131,660	(434,310)	(27.7)	1,131,660	-	-
Miscellaneous Revenue	1,574,530	2,135,530	561,000	35.6	2,285,580	150,050	7.0
Transfers In	950,000	915,730	(34,270)	(3.6)	914,010	(1,720)	(0.2)
Total General Fund Revenues	**$103,130,990**	**$107,718,120**	**$4,587,130**	**4.4 %**	**$106,315,370**	**$(1,402,750)**	**(1.3) %**

GENERAL FUND

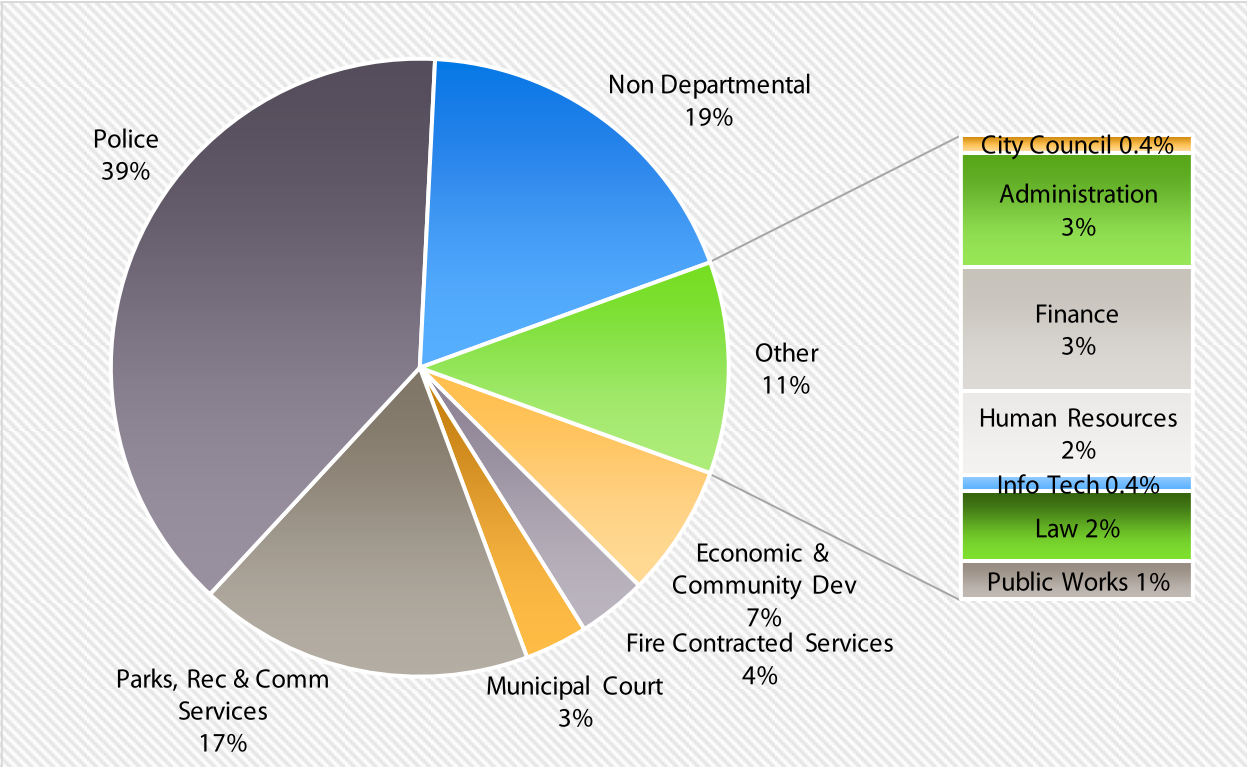
GENERAL FUND EXPENDITURES



	2018 Budget	2019 Proposed	2018 vs 2019 $ Change	2018 vs 2019 % Change	2020 Proposed	2019 vs 2020 $ Change	2019 vs 2020 % Change
Expenditures							
Salaries & Benefits	$ 54,919,610	$ 57,868,920	$ 2,949,310	5.4 %	$ 59,544,850	$ 1,675,930	2.9 %
Supplies	2,952,170	2,958,880	6,710	0.2	3,011,340	52,460	1.8
Services & Allocations	26,707,747	28,123,550	1,415,803	5.3	24,992,370	(3,131,180)	(11.1)
Transfers & Capital	20,741,140	18,766,770	(1,974,370)	(9.5)	18,766,810	40	0.0
Total Gen Fund Expenditures	**$105,320,667**	**$107,718,120**	**$ 2,397,453**	**2.3 %**	**$106,315,370**	**$(1,402,750)**	**(1.3) %**

GENERAL FUND

GENERAL FUND EXPENDITURES BY DEPARTMENT



	2018 Budget	2019 Proposed	2018 vs 2019 $ Change	2018 vs 2019 % Change	2020 Proposed	2019 vs 2020 $ Change	2019 vs 2020 % Change
Expenditures by Department							
City Council	$ 409,150	$ 439,470	$ 30,320	7.4 %	$ 475,090	$ 35,620	8.1 %
Administration	3,063,990	2,947,960	(116,030)	(3.8)	2,919,250	(28,710)	(1.0)
Economic & Community Dev	7,305,340	7,720,130	414,790	5.7	7,915,700	195,570	2.5
Finance	3,007,710	3,417,490	409,780	13.6	3,434,600	17,110	0.5
Fire Contracted Services	3,657,530	3,905,690	248,160	6.8	3,878,360	(27,330)	(0.7)
Human Resources	2,213,030	2,159,610	(53,420)	(2.4)	2,151,880	(7,730)	(0.4)
Information Technology	519,450	528,260	8,810	1.7	346,460	(181,800)	(34.4)
Law	1,777,920	1,829,200	51,280	2.9	1,694,730	(134,470)	(7.4)
Municipal Court	3,405,030	3,517,560	112,530	3.3	3,631,340	113,780	3.2
Parks, Rec & Comm Services	18,488,507	18,852,830	364,323	2.0	19,004,800	151,970	0.8
Police	38,863,160	41,917,130	3,053,970	7.9	43,546,460	1,629,330	3.9
Public Works	1,318,470	1,142,280	(176,190)	(13.4)	590,750	(551,530)	(48.3)
Non Departmental	21,291,380	19,340,510	(1,950,870)	(9.2) %	16,725,950	(2,614,560)	(13.5) %
Total Expenditures	**$105,320,667**	**$107,718,120**	**$ 2,397,453**	**2.3 %**	**$106,315,370**	**$(1,402,750)**	**(1.3) %**

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenue sources that would otherwise be accounted for in the General Fund, but for which there exists certain legal restrictions as to the use of certain revenues. The revenue is segregated into individual special revenue funds to ensure expenditure for a designated purpose. Principal sources of revenue are: state shared fuel tax, earmarked sales and utility taxes and community development block grant funds. Primary expenditures are for engineering, street maintenance, police and prosecution services, along with a significant portion of these resources that are transferred to other funds for debt service and capital.

The following funds fall into this category and are presented in this section.

- Street Operating
- LEOFF1 Retiree Benefits
- Lodging Tax
- Youth / Teen
- Capital Resources
- Criminal Justice
- Community Development Block Grants
- City Arts Program
- ShoWare Operating

STREET OPERATING FUND

The Street Operating Fund is used to maintain and improve the City's network of streets, sidewalks and trails. The funding comes from a variety of sources, including the State shared portion of the fuel tax and a portion of the utility taxes (one percent of the first six percent). These sources provide funding for debt service on street bonds and operations of the Transportation and Street Maintenance Divisions. Effective in 2013, Council adopted a local business and occupation tax to provide ongoing funding for street maintenance and capital projects. Effective in January 2015, an additional 10.6 percent solid waste utility tax was enacted and is earmarked for residential streets major maintenance and capital.

	2018 Budget	2019 Baseline	2019 Changes	2019 Proposed	2020 Baseline	2020 Changes	2020 Proposed
BEGINNING FUND BALANCE	$ 5,873,486	$ 3,585,290		$ 3,585,290	$ 6,924,790		$ 3,585,290
Revenues							
Taxes							
Water Utility Tax	205,760	231,180		231,180	236,730		236,730
Sewer Utility Tax	226,730	227,270		227,270	232,730		232,730
Drainage Utility Tax	287,670	297,120		297,120	304,250		304,250
Electric Utility Tax	1,190,180	1,249,690		1,249,690	1,255,930		1,255,930
Gas Utility Tax	337,810	344,560		344,560	346,290		346,290
Garbage Utility Tax	3,336,630	3,837,130		3,837,130	3,856,310		3,856,310
Telephone Utility Tax	582,880	477,960		477,960	466,010		466,010
Licenses and Permits	323,990	524,700		524,700	535,190		535,190
Intergovernmental Revenue	2,219,690	2,334,300		2,334,300	2,653,930		2,653,930
Charges for Services	464,930	739,700		739,700	763,490		763,490
Miscellaneous Revenue	4,450	20,000		20,000	20,000		20,000
Operating Revenues	9,180,720	10,283,610	-	10,283,610	10,670,860	-	10,670,860
Transfers In - General Fund	2,657,340	6,725,070		6,725,070	7,122,750		7,122,750
Transfers In - LID Funded Projects	83,500	336,740		336,740	32,310		32,310
Total Revenues	11,921,560	17,345,420	-	17,345,420	17,825,920	-	17,825,920

STREET OPERATING FUND

	2018 Budget	2019 Baseline	2019 Changes	2019 Proposed	2020 Baseline	2020 Changes	2020 Proposed
Expenditures							
Street Operations							
Salaries & Benefits	2,803,950	3,057,450	(5,800)	3,051,650	3,173,370	(25,990)	3,147,380
Supplies	529,720	528,110	(100,000)	428,110	537,910	(100,000)	437,910
Services & Charges	4,741,960	4,497,630	(24,640)	4,472,990	4,693,250	(44,530)	4,648,720
Vehicles & Equipment	-		78,000	78,000			-
Cost Allocation - to Annexation	(1,318,470)	(1,142,280)		(1,142,280)	(590,750)		(590,750)
Cost Allocation	(1,290,000)	(320,000)		(320,000)	(320,000)	(100,000)	(420,000)
Transfers Out - Debt Service	2,278,930	2,403,450		2,403,450	2,163,720		2,163,720
Transfers Out - Projects	6,677,810	-			-		
Lifecycle							
Salaries & Benefits	-	433,860	194,280	628,140	452,360	195,750	648,110
Supplies	-	195,000	92,720	287,720	195,000	81,650	276,650
Services & Charges	-	3,111,000	8,940	3,119,940	3,111,000	3,600	3,114,600
Vehicles & Equipment			70,000	70,000		80,250	80,250
Transfers Out - Projects				3,026,000			3,043,800
PW Engineering				-			-
Salaries & Benefits	6,451,000	6,867,020	(18,090)	6,848,930	7,121,760	(56,240)	7,065,520
Supplies	94,970	83,860		83,860	85,430		85,430
Services & Charges	854,730	900,200	(9,600)	890,600	945,150	(16,460)	928,690
Vehicles & Equipment	63,500	-		-	-		-
Cost Allocation - Engr Services	(6,689,260)	(6,609,380)	27,690	(6,581,690)	(6,876,810)	72,700	(6,804,110)
Total Expenditures	15,198,840	14,005,920	313,500	17,345,420	14,691,390	90,730	17,825,920
Changes:							
Sign Shop Positions			365,940			365,600	
10-yd Dump Truck & Attachments			60,000				
Asphalt Roller			18,000				
Charge Transportation Staff to Projects						(100,000)	
Supplies for Transportation			(100,000)			(100,000)	
Medical Insurance - Reduce 5%						(62,690)	
Management Benefits - Reduce 50%			(23,890)			(23,890)	
Facilities & IT Adjustments			(15,240)			(22,040)	
Allocation Adjustments			8,690			33,750	
Total Changes			313,500			90,730	
Change in Fund Balance	(3,277,280)	3,339,500		-	3,134,530		-
ENDING FUND BALANCE	$ 2,596,206	$ 6,924,790		$ 3,585,290	$10,059,320		$ 3,585,290

STREET OPERATING FUND PROJECTS

	2019 Proposed	2020 Proposed
Revenues		
Transfers In - B&O	300,000	200,000
Total Revenues	300,000	200,000
Capital Projects & Expenditures		
Transportation Master Plan	300,000	200,000
Total Expenditures	300,000	200,000
Revenues Less Expenditures	-	-

LEOFF 1 RETIREE BENEFITS FUND

The LEOFF1 Retiree Benefits Fund was established to segregate funding and costs associated with the City's responsibility to cover any medical and health-related costs not covered by Medicare or other programs. There are approximately 75 former police and fire employees who retired under LEOFF1 and are covered under this program. Funding for these obligations comes from the General Fund.

	2018 Budget	2019 Baseline	2019 Changes	2019 Proposed	2020 Baseline	2020 Changes	2020 Proposed
BEGINNING FUND BALANCE	$ 1,296,370	$ 2,020,150		$ 2,020,150	$ 1,776,740		$ 1,776,740
Revenues							
Interest Income	1,750	6,800		6,800	6,800		6,800
Contributions	941,730	922,790		922,790	946,150		946,150
Miscellaneous		-		-	-		-
Transfers In	250,000	250,000		250,000	250,000		250,000
Total Revenues	1,193,480	1,179,590	-	1,179,590	1,202,950	-	1,202,950
Expenditures							
Blue Cross Claims	794,900	735,000		735,000	756,970		756,970
Blue Cross Admin Fees	52,520	46,600		46,600	48,000		48,000
Delta Dental Claims	25,550	31,600		31,600	32,550		32,550
Delta Dental Admin Fees	12,120	9,100		9,100	9,370		9,370
Vision Service Plan Claims	7,460	4,400		4,400	4,530		4,530
Vision Service Plan Admin Fees	1,920	1,500		1,500	1,550		1,550
Stop Loss Fees	50,000	50,000		50,000	51,500		51,500
Medical Reimbursements	5,860	400,000		400,000	400,000		400,000
Other Professional Services	246,220	144,800		144,800	145,240		145,240
Total Expenditures	1,196,550	1,423,000	-	1,423,000	1,449,710	-	1,449,710
Change in Fund Balance	(3,070)	(243,410)		(243,410)	(246,760)		(246,760)
ENDING FUND BALANCE	$ 1,293,300	$ 1,776,740	$ -	$ 1,776,740	$ 1,529,980	$ -	$ 1,529,980

LODGING TAX FUND

The Lodging Tax Fund is used to account for the one percent tax allowed by RCW 67-28-180 on lodging at hotels, motels, and similar establishments, including bed and breakfasts and RV parks within Kent. These revenues may be used solely for tourism promotion and for the acquisition and/or operation of tourism-related facilities. Tourism promotion is defined as "activities, operations, and expenditures designed to increase tourism, including advertising, publicizing, or otherwise distributing information for the purpose of attracting and welcoming tourists developing strategies to expand tourism; operating tourism promotion agencies; and funding marketing of or the operation of special events and festivals designed to attract tourists."

The Lodging Tax Advisory Board meets quarterly and sets the plan for spending funds within the parameters allowed by the RCW. Recent uses of the funds include marketing ShoWare Center, support for the Chamber of Commerce, sponsorship of special events which bring hotel guests, and branding activities.

	2018 Budget	2019 Baseline	2019 Changes	2019 Proposed	2020 Baseline	2020 Changes	2020 Proposed
BEGINNING FUND BALANCE	$ 457,560	$ 355,920		$ 355,920	$ 359,560		$ 359,560
Revenues							
Lodging Tax	286,110	291,830		291,830	297,670		297,670
Interest Income	500	3,000		3,000	3,000		3,000
Total Revenues	286,610	294,830	-	294,830	300,670	-	300,670
Expenditures							
Services & Charges	17,250	10,190		10,190	10,190	(190)	10,000
Tourism Marketing	215,500	171,400		171,400	174,800		174,800
Tourism Unallocated	75,000	24,600		24,600	24,600		24,600
Tourism Chamber	25,000	25,000		25,000	25,000		25,000
Tourism Website	-	-		-	-		-
ShoWare Marketing	60,000	60,000		60,000	60,000		60,000
Total Expenditures	392,750	291,190	-	291,190	294,590	(190)	294,400
Changes:							
Reduction of costs allocated from IT						(190)	
Total Changes						(190)	
Change in Fund Balance	(106,140)	3,640		3,640	6,080		6,270
ENDING FUND BALANCE	$ 351,420	$ 359,560		$ 359,560	$ 365,640		$ 365,830

YOUTH / TEEN FUND

The Youth / Teen Fund was created to provide recreational activities for youth and teens in the City. The funding comes from a small portion of the utility taxes (0.3 percent of the first six percent). The Youth/Teen Fund transfers funds to the General Fund for a variety of youth and teen activities, such as after school programs, mobile technology, playground programs, the Phoenix Academy and teen internships, as well as funding the Teen Golf Program.

	2018 Budget	2019 Baseline	2019 Changes	2019 Proposed	2020 Baseline	2020 Changes	2020 Proposed
BEGINNING FUND BALANCE	$ 104,890	$ 99,110		$ 99,110	$ 99,110		$ 99,110
Revenues							
Taxes:							
Water Utility Tax	61,810	71,450		71,450	71,450		71,450
Sewer Utility Tax	68,110	73,040		73,040	73,040		73,040
Drainage Utility Tax	86,410	91,140		91,140	91,140		91,140
Electric Utility Tax	357,050	374,910		374,910	376,780		376,780
Gas Utility Tax	101,340	103,890		103,890	103,890		103,890
Garbage Utility Tax	86,290	99,730		99,730	99,730		99,730
Telephone Utility Tax	174,860	143,390		143,390	139,800		139,800
Miscellaneous Revenue	350	180		180	180		180
Total Revenues	936,220	957,730	-	957,730	956,010	-	956,010
Expenditures							
Transfer to GF Youth/Teen Program	900,000	915,730		915,730	914,010		914,010
Teen Golf Program	42,000	42,000		42,000	42,000		42,000
Total Expenditures	942,000	957,730	-	957,730	956,010	-	956,010
Change in Fund Balance	(5,780)	-		-	-		-
ENDING FUND BALANCE	$ 99,110	$ 99,110		$ 99,110	$ 99,110		$ 99,110

CAPITAL RESOURCES FUND

The Capital Resource Fund is the major source of general government capital funding in the City. The funding comes from a portion of the sales and tax, all of the real estate excise tax, and a portion of the internal utility tax (four percent of 13 percent). Through 2016, the fund also received any business and occupation tax revenues in excess of program administration costs and $4.7 million for street capital. The Capital Resources Fund pays for debt service on bonds issued for capital projects and pay-as-you-go capital projects for general governmental purposes, including parks and information technology.

	2018 Budget	2019 Baseline	2019 Changes	2019 Proposed	2020 Baseline	2020 Changes	2020 Proposed
BEGINNING FUND BALANCE	$15,646,330	$15,448,830		$15,448,830	$20,663,470		$11,051,470
Revenues							
Taxes:							
Sales & Use Tax	4,464,280	4,594,420		4,594,420	4,709,620	(470,000)	4,239,620
Utility Tax - 2% int util tax	1,440,320	1,534,060		1,534,060	1,570,870		1,570,870
Real Estate Excise Tax	4,800,000	3,400,000		3,400,000	3,400,000		3,400,000
Miscellaneous Revenue	2,620	52,400		52,400	52,400		52,400
Transfers In - 4% int util tax/B&O	7,599,610	6,288,610		6,288,610	5,942,090		5,942,090
Transfers In - GF	325,000	325,000		325,000	325,000		325,000
Total Revenues	18,631,830	16,194,490	-	16,194,490	15,999,980	(470,000)	15,529,980
Changes:							
Sales Tax Swap			-			(470,000)	
Total Changes			-			(470,000)	

CAPITAL RESOURCES FUND

	2018 Budget	2019 Baseline	2019 Changes	2019 Proposed	2020 Baseline	2020 Changes	2020 Proposed
Expenditures							
General Capital							
Transfer to Debt Service	10,180,430	9,889,850		9,889,850	8,208,000		8,208,000
Transfer to ShoWare Lifecycle	300,000	300,000		300,000	300,000		300,000
Transfer to Capital Projects:							
Fuel Island			1,750,000	1,750,000			
Fleet Vehicle Lifts			186,000	186,000			
City Buildings			2,000,000	2,000,000		2,000,000	2,000,000
City Hall Patio Repairs			200,000	200,000			
Security Fence at Corrections/Court			150,000	150,000			
Council Chambers Renovation	100,000						
Place Making/Meet Me On Meeker	450,000						
IT Capital Projects	1,250,000		2,250,000	2,250,000		2,250,000	2,250,000
Naden Ave & Willis St - right in/right out				-			-
Downtown Strategic Action Plan	50,000						
Quiet Zone	2,400,000						
Property Sales & Acquisitions				-			-
Neighborhood Grant Matching	25,000	25,000		25,000	25,000		25,000
Parks Capital and Lifecycle Maintenance							
Parks Capital Projects	8,400,000		3,341,000	3,341,000		4,869,000	4,869,000
Parks Lifecycle Maintenance		765,000	(265,000)	500,000	765,000	(265,000)	500,000
				-			-
Total Expenditures	23,155,430	10,979,850	9,612,000	20,591,850	9,298,000	8,854,000	18,152,000
Changes:							
Fuel Island			1,750,000				
Fleet Vehicle Lifts			186,000				
City Buildings			2,000,000			2,000,000	
City Hall Patio Repairs			200,000				
Security Fence at Corrections/Court			150,000				
IT Capital Projects			2,250,000			2,250,000	
Parks Lifecycle Maintenance			(265,000)			(265,000)	
Parks Capital Projects			3,341,000			4,869,000	
Total Changes			9,612,000			8,854,000	
Change in Fund Balance	(4,523,600)	5,214,640		(4,397,360)	6,701,980		(2,622,020)
ENDING FUND BALANCE	$11,122,730	$20,663,470		$11,051,470	$27,365,450		$ 8,429,450

CRIMINAL JUSTICE FUND

The Criminal Justice Fund is used to account for revenues that are restricted to criminal justice purposes, including a voter approved 0.1 percent sales tax, state shared revenues and grants. The City Council has further restricted the use of the sales tax, dedicating 11 percent to domestic violence. The Criminal Justice Funds are currently used to pay a portion of police costs and a large percentage of the prosecuting attorney costs in the Law Department, which includes domestic violence programs.

	2018 Budget	2019 Baseline	2019 Changes	2019 Proposed	2020 Baseline	2020 Changes	2020 Proposed
BEGINNING FUND BALANCE	$ 7,197,020	$ 7,406,390		$ 7,406,390	$ 7,834,090		$ 7,836,560
Revenues							
Sales & Use Tax	2,531,650	2,911,390		2,911,390	3,398,220		3,398,220
Intergovernmental Revenue	342,930	443,360		443,360	461,630		461,630
Charges for Services	144,000	94,200		94,200	96,080		96,080
Fines and Forfeitures	1,144,500	1,102,930	1,587,150	2,690,080	1,104,600	1,263,590	2,368,190
Miscellaneous Revenue	4,120	39,600		39,600	55,080		55,080
Transfers In	121,500	121,500		121,500	121,500		121,500
Total Revenues	4,288,700	4,712,980	1,587,150	6,300,130	5,237,110	1,263,590	6,500,700
Changes:							
School Zone/Red Light Camera Fines			1,587,150			1,263,590	
Total Changes			1,587,150			1,263,590	
Expenditures							
Salaries & Benefits	3,270,260	3,424,940	381,100	3,806,040	3,548,380	459,440	4,007,820
Supplies	603,960	347,180	287,990	635,170	354,100		354,100
Services & Charges	964,450	1,095,300	47,590	1,142,890	1,121,220	(120)	1,121,100
Vehicles & Equipment	44,400		868,000	868,000		868,000	868,000
Allocate to Annexation	(505,210)	(598,640)		(598,640)	(310,170)		(310,170)
Transfers Out	16,500	16,500		16,500	16,500		16,500
Total Expenditures	4,394,360	4,285,280	1,584,680	5,869,960	4,730,030	1,327,320	6,057,350

CRIMINAL JUSTICE FUND

	2018 Budget	2019 Baseline	2019 Changes	2019 Proposed	2020 Baseline	2020 Changes	2020 Proposed
Expenditures by Function							
Law - Prosecution	778,450	795,230	(1,490)	793,740	825,090	82,110	907,200
Law - Domestic Violence	193,490	200,410	(920)	199,490	206,990	(1,750)	205,240
KYFS - Youth Violence Prevention	25,250	25,760		25,760	26,280		26,280
Police	2,846,660	2,781,550		2,781,550	2,785,950	(15,330)	2,770,620
Police Special Programs	1,039,220	1,064,470	1,587,090	2,651,560	1,179,390	1,262,290	2,441,680
Allocate to Annexation	(505,210)	(598,640)		(598,640)	(310,170)		(310,170)
Transfers Out	16,500	16,500		16,500	16,500		16,500
Total Expenditures	4,394,360	4,285,280	1,584,680	5,869,960	4,730,030	1,327,320	6,057,350
Changes:							
Body Warn Cameras/In Car Video							
Camera Technician			109,510			112,970	
Prosecuting Attorney			169,020			174,260	
Admin Assistant 2			104,960			108,360	
Equipment & IT Infrastructure			261,000				
Software			26,990				
Training			47,670				
Car Per Officer Program			868,000			868,000	
Prosecuting Attorney - Cost Shift						87,720	
Management Benefits - Reduce 50%			(2,390)			(2,390)	
Medical Insurance - Reduce 5%						(21,480)	
Facilities & IT Adjustments			(80)			(120)	
Total Changes			1,584,680			1,327,320	
Change in Fund Balance	(105,660)	427,700		430,170	507,080		443,350
ENDING FUND BALANCE	$ 7,091,360	$ 7,834,090		$ 7,836,560	$ 8,341,170		$ 8,279,910

HOUSING & COMMUNITY DEVELOPMENT FUND

The Housing and Community Development Fund is used to provide a portion of the social services within the City utilizing Community Development Block Grant awards from HUD. These revenues fund the Home Repair Program and contracts with local service providers.

	2018 Budget	2019 Baseline	2019 Changes	2019 Proposed	2020 Baseline	2020 Changes	2020 Proposed
Revenues							
Block Grants - CDBG	$ 1,056,260	$ 1,175,190		$ 1,175,190	$ 1,175,190		$ 1,175,190
Total Revenues	1,056,260	1,175,190	-	1,175,190	1,175,190	-	1,175,190
Expenditures							
Salaries & Benefits	591,720	652,540	(730)	651,810	679,120	(5,980)	673,140
Supplies	145,200			-	-		-
Services & Charges	319,340	522,650	730	523,380	496,070	5,980	502,050
Total Expenditures	1,056,260	1,175,190	-	1,175,190	1,175,190	-	1,175,190
Changes:							
Management Benefits - Reduce 50%			(730)			(730)	
Medical Insurance - Reduce 5%						(5,250)	
Offest Services Expenses			730			5,980	
Total Changes			-			-	
Expenditures by Program							
Planning & Administration	211,250	229,040		229,040	229,040		229,040
Home Repair	686,570	774,370		774,370	774,370		774,370
Service Providers	158,440	171,780		171,780	171,780		171,780
Total Expenditures by Program	$ 1,056,260	$ 1,175,190		$ 1,175,190	$ 1,175,190		$ 1,175,190

CITY ARTS PROGRAM FUND

The City Arts Program Fund is used to collect and account for the annual remainder of the General Fund $2 per capita dedicated to the program. In the General Fund, the equivalent of one employee and related supplies and services are funded with the $2 per capita. At the end of each year, the remaining balance is transferred to the City Arts Program Fund to accumulate and provide funding for art acquisition and projects.

	2018 Budget	2019 Baseline	2019 Changes	2019 Proposed	2020 Baseline	2020 Changes	2020 Proposed
BEGINNING FUND BALANCE	$ 526,160	$ 526,160		$ 526,160	$ 526,160		$ 526,160
Revenues							
Transfers In - General Fund	120,650	112,010	660	112,670	106,750	1,350	108,100
Total Revenues	120,650	112,010	660	112,670	106,750	1,350	108,100
Changes:							
Baseline Corrections			660			1,350	
Total Changes			660			1,350	
Expenditures							
Supplies		14,500		14,500	14,500		14,500
Services & Charges	120,650	97,510	660	98,170	92,250	1,350	93,600
Art				-			-
Total Expenditures	120,650	112,010	660	112,670	106,750	1,350	108,100
Changes:							
Baseline Corrections			660			1,350	
Total Changes			660			1,350	
Change in Fund Balance	-	-		-	-		-
ENDING FUND BALANCE	$ 526,160	$ 526,160		$ 526,160	$ 526,160		$ 526,160

SHOWARE OPERATING FUND

The ShoWare Operating Fund is used to track the operations of the 6,000 seat events center. The funding comes from the portion of admissions tax generated by the events center, as well as a contribution from the General Fund. The Capital Resources Fund provides regular funding for lifecycle maintenance and replacements.

	2018 Budget	2019 Baseline	2019 Changes	2019 Proposed	2020 Baseline	2020 Changes	2020 Proposed
BEGINNING FUND BALANCE	$ 2,518,890	$ 2,603,320		$ 2,603,320	$ 2,329,530		$ 2,329,530
Revenues							
Other Revenue							
Transfer In - Admissions Tax	84,430			-			-
Transfer In - General Fund	850,000	850,000		850,000	850,000		850,000
Transfer In - Capital Resources	300,000	300,000		300,000	300,000		300,000
Total Revenues	1,234,430	1,150,000	-	1,150,000	1,150,000	-	1,150,000
Expenditures							
Services & Charges	762,620	799,990		799,990	800,030		800,030
Lifecycle Expenses	300,000	599,000		599,000	300,000		300,000
Supplies	(64,780)			-			-
Capital Outlay	(5,050)			-			-
Debt Service - Principal	24,800	24,800		24,800	24,800		24,800
Transfer Out - ShoWare Lifecycle	84,430			-			-
Total Expenditures	1,102,020	1,423,790	-	1,423,790	1,124,830	-	1,124,830
Change in Fund Balance	132,410	(273,790)		(273,790)	25,170		25,170
ENDING FUND BALANCE	$ 2,651,300	$ 2,329,530		$ 2,329,530	$ 2,354,700		$ 2,354,700

DEBT SERVICE FUNDS

Debt Service Funds are used to account for the accumulation of resources to be used for the retirement of general long-term debt. The City has two types of long-term debt for which resources are accumulated: general obligation (voted and councilmanic) and special assessment debt. Payment of voted debt service is funded with proceeds from a special property tax levy. The City does not currently have any voted debt. Councilmanic long-term debt obligations are primarily funded with transfers from the special revenue funds (Street Operating and Capital Resources), as well as a small portion from the water and sewerage utility funds.

Special assessments are collected on local improvement districts. An assessment is levied on each property owner within the boundaries of the improvement district and are generally paid over ten years. The annual proceeds are used to retire special assessment debt incurred to complete the project, whether it's bonded debt or internally financed.

NON-VOTED DEBT SERVICE FUND

The City of Kent issues non-voted general obligation debt, often referred to as limited tax general obligation (LTGO) debt. The payments on this debt are primarily funded by transfers from the Capital Resources Fund. In addition, the Street Operating Fund covers street-related bond issues. Water and Sewerage Funds also transfers a small amount to cover their respective portions of the maintenance shop land.

As a result of the 2015 bond refunding, the City began accumulating fund balance in this fund to provide consistency in the annual payments from the Parks REET monies. The 2015 refunding was split into a taxable and non-taxable portion and to save on interest costs, the City structured payments to pay the taxable debt first and the tax exempt debt afterward. Parks REET is responsible for the tax exempt payments and will experience a significant increase in debt service beginning in 2021. Instead, Parks REET will pay a consistent annual debt service through the life of the debt (2024).

	2018 Budget	2019 Baseline	2019 Changes	2019 Proposed	2020 Baseline	2020 Changes	2020 Proposed
BEGINNING FUND BALANCE	$ 986,220	$ 1,442,720		$ 1,442,720	$ 1,906,220		$ 1,906,220
Revenues							
Intergovernmental		867,510		867,510	1,023,850		1,023,850
Transfers In	10,531,820	9,360,380		9,360,380	8,081,720		8,081,720
Total Revenues	10,531,820	10,227,890	-	10,227,890	9,105,570	-	9,105,570
Expenditures							
Debt Service - Principal	6,409,760	6,321,240		6,321,240	5,396,870		5,396,870
Debt Service - Interest	3,657,230	3,443,150		3,443,150	3,244,940		3,244,940
Total Expenditures	10,066,990	9,764,390	-	9,764,390	8,641,810	-	8,641,810
Expenditures by Bond Issue							
LTGO Taxable Bonds 2003	186,650			-	-		-
LTGO Refund 2005	320,220	330,760		330,760	344,410		344,410
LTGO Bonds 2008	834,750	-		-	-		-
LTGO Refund 2009	1,049,020	1,045,200		1,045,200	-		-
LTGO Refund 2012	1,336,410	1,326,430		1,326,430	1,315,030		1,315,030
LTGO Refund 2014	971,330	935,030		935,030	1,427,070		1,427,070
LTGO Refund 2015	1,004,590	869,830		869,830	944,080		944,080
LTGO Refund 2016	3,556,060	4,451,700		4,451,700	3,809,900		3,809,900
Other Non-Voted Debt	807,960	805,440		805,440	801,320		801,320
Total Expenditures	10,066,990	9,764,390	-	9,764,390	8,641,810	-	8,641,810
Change in Fund Balance	464,830	463,500		463,500	463,760		463,760
ENDING FUND BALANCE	$ 1,451,050	$ 1,906,220		$ 1,906,220	$ 2,369,980		$ 2,369,980

SPECIAL ASSESSMENT DEBT SERVICE FUND

Special assessments are assigned to specific parcels of real property, providing the funding source for the retirement of local improvement district (LID) bonds and notes. If the LID funded project is still under construction, the special assessment proceeds may be transferred directly to the project. All payments are supported solely by the amounts received from the property owners who derived benefit from the improvement.

	2018 Budget	2019 Baseline	2019 Changes	2019 Proposed	2020 Baseline	2020 Changes	2020 Proposed
BEGINNING FUND BALANCE	$ 582,640	$ 611,650		$ 611,650	$ 797,570		$ 797,570
Revenues							
Special Assessments	1,151,890	1,033,090		1,033,090	573,770		573,770
Interest Income	352,570	272,290		272,290	219,410		219,410
Other Revenue				-			-
Total Revenues	1,504,460	1,305,380	-	1,305,380	793,180	-	793,180
Expenditures							
Transfers Out to Projects	938,470	1,119,460		1,119,460	784,160		784,160
Other Expenditures				-			-
Debt Service - Principal	550,000			-			-
Debt Service - Interest	75,000			-			-
Total Expenditures	1,563,470	1,119,460	-	1,119,460	784,160	-	784,160
Change in Fund Balance	(59,010)	185,920		185,920	9,020		9,020
ENDING FUND BALANCE	$ 523,630	$ 797,570		$ 797,570	$ 806,590		$ 806,590

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for the financial resources segregated for the acquisition and/or construction of general government capital facilities and other major assets. Capital Projects Funds allow the City to carry over project budgets and costs from year to year until the project is completed. At year end, both completed and in progress projects are capitalized in the General Fixed Asset Account Group.

Potential financing for capital project activity includes, but is not limited to:

- Transfers from the General Fund or special revenue funds, such as the Street Operating Fund and Capital Resource Fund
- Issuance of general obligation debt, voted and/or councilmanic
- Formation of a local improvement district
- Federal, state and/or county grants
- Other contributions, transportation impact fees and donations

STREET CAPITAL PROJECTS FUND

The Street Capital Projects Fund is used to account for financial resources to be used for the acquisition and/or construction of major street capital improvements.

	2019 Proposed	2020 Proposed
Revenues		
Transfers In - LID Funded Projects	336,740	32,310
Transfers In - Solid Waste Utility Tax	3,026,000	3,043,800
Transfers In - B&O Tax	3,740,600	3,793,870
Total Revenues	7,103,340	6,869,980
Capital Projects & Expenditures		
B&O In-house Overlays	250,000	250,000
B&O Street Contracted	1,284,000	2,943,870
Panther Lake Signal System Integration		400,000
Residential Street Contracted	2,776,000	2,793,800
Residential Street Capital	250,000	250,000
Safe Route to School Meridian Elementary	100,000	
Street Lights - New	200,000	200,000
Traffic Cameras - New (Capital)		
Willis Street and 4th Roundabout	1,906,600	
Return Street Monies for LID Funded Projects	336,740	32,310
Total Expenditures	7,103,340	6,869,980
Revenues Less Expenditures	-	-

PARKS CAPITAL PROJECTS FUND

The Parks Capital Projects Fund is used to account for financial resources to be used for the acquisition and/or construction of major park facilities.

	2019 Proposed	2020 Proposed
Revenues		
Transfers In - General Fund - B&O Square Footage Tax	3,000,000	3,000,000
Transfers In - Capital Resources Fund		1,500,000
Transfers In - REET 2	341,000	369,000
Sale of Land		(1,500,000)
Total Revenues	3,341,000	3,369,000
Capital Projects & Expenditures		
Downtown Place Making - Burlington/Kaibara		300,000
Downtown Place-Making - Kherson Urban Play	250,000	
Gateways	50,000	
GR Trail/Van Doren's Park Design (Lower Russell Road Levee Setback)	900,000	
Hogan Park at Russell Road Reno. Ph II		500,000
KLVT - Old Fishing Hole Improvements		300,000
Masterplans	40,000	40,000
Morrill Meadows Expansion Phase 2	1,150,000	
NPRP - Chestnut Ridge Playground		166,000
NPRP - Salt Air Vista	201,000	
Parks Land Acquisition	500,000	
Service Club Park Loop Trail	250,000	
Springwood Park Renovation		2,063,000
Total Expenditures	3,341,000	3,369,000
Revenues Less Expenditures	-	-

IT CAPITAL PROJECTS FUND

The IT Capital Projects Fund is used to account for the financial resources to be used for the acquisition and/or development of major technological equipment, software and other one-time projects.

	2019 Proposed	2020 Proposed
Revenues		
Transfers In - Capital Resources Fund	2,250,000	2,250,000
Total Revenues	2,250,000	2,250,000
Capital Projects & Expenditures		
HLC 17-18 Server Replacement	50,000	50,000
HLC 17-18 Telephony	75,000	100,000
HLC16-18 Data Center	75,000	75,000
HLC16-18 Network Refresh	400,000	-
HLC16-18 Security	100,000	200,000
HLC16-18 UPS	-	25,000
SLC18-20 Admin Sys Repl Rsrvs	27,600	83,500
SLC18-21 PD Sys Repl Reserves	110,400	334,000
SLC18-21 Law Sys Repl Reserves	27,600	83,500
SLC18-22 HR Sys Repl Reserves	55,200	167,000
SLC18-23 Fin Sys Repl Reserves	82,800	250,500
SLC18-26 PW Sys Repl Reserves	55,200	167,000
SLC18-26 PRCS Sys Repl Resrvs	27,600	83,500
SLC18-27 Court Sys Repl Resrvs	27,600	83,500
SLC18-27 ECD Sys Repl Reserves	55,200	167,000
SLC18-28 Clerk Sys Repl Resrvs	55,200	167,000
SLC18-29 IT Sys Repl Reserves	27,600	83,500
ALPR/Automated License Plate Reader	95,000	
Jail Camera Replacement	242,000	
Multimedia Asset Management (MAM)	75,000	
Traffic Network Upgrade	400,000	
Intrusion Detection/Prevention System	150,000	
Collaboration Tool Procurement		50,000
Network Pen Testing		80,000
City Services Kiosk (pilot)	36,000	
Total Expenditures	2,250,000	2,250,000
Revenues Less Expenditures	-	-

FACILITIES CAPITAL PROJECTS FUND

The Facilities Capital Projects Fund is used to account for financial resources to be used for the acquisition, construction, or capital improvements of major City-owned facilities.

	2019 Proposed	2020 Proposed
Revenues		
Transfers In - Capital Resources Fund	2,350,000	2,000,000
Total Revenues	2,350,000	2,000,000
Capital Projects & Expenditures		
City Buildings	2,000,000	2,000,000
City Hall Patio Repairs	200,000	-
Security Fence at Corrections/Court	150,000	-
Total Expenditures	2,350,000	2,000,000
Revenues Less Expenditures	-	-

ENTERPRISE FUNDS

Enterprise Funds are used to account for the financing of services provided to residents and the general public, where all or most of the costs are paid for by user charges. These enterprises are operated in a manner similar to a private sector business. All revenues and expenditures, including debt service and capital costs, are consolidated to provide a more complete financial presentation. An analysis can easily be made to see the relationship between user charges and the total cost of operation.

Kent currently operates four enterprise funds:

- Water Utility Fund
- Sewerage Utility Fund (combines sewer and drainage)
- Solid Waste Utility Fund
- Golf Complex Fund

WATER UTILITY FUND

	2018 Budget	2019 Baseline	2019 Changes	2019 Proposed	2020 Baseline	2020 Changes	2020 Proposed
BEGINNING FUND BALANCE	$20,803,440	$13,241,690		$13,241,690	$19,924,860		$ 6,607,250
Revenues							
Charges for Services	20,796,640	23,363,100		23,363,100	23,923,790		23,923,790
System Dev/Connection Charges	980,000	1,451,100		1,451,100	1,480,120		1,480,120
Miscellaneous Revenue	217,500	661,350		661,350	674,580		674,580
Transfers In							
Operating Revenues	21,994,140	25,475,550	-	25,475,550	26,078,490	-	26,078,490
Transfers In - Debt Service	3,724,180	4,113,510		4,113,510	3,579,390		3,579,390
Total Revenues	25,718,320	29,589,060	-	29,589,060	29,657,880	-	29,657,880
Expenditures							
Salaries & Benefits	3,220,780	3,411,190	89,030	3,500,220	3,548,570	65,550	3,614,120
Supplies	671,300	814,410	1,240	815,650	829,330	700	830,030
Services & Charges	10,283,510	10,886,460	(11,660)	10,874,800	11,235,900	(11,440)	11,224,460
Vehicles & Equipment			120,000	120,000			-
Cost Allocation	(500,000)	(480,000)		(480,000)	(480,000)		(480,000)
Transfers to Debt Service	46,980			-			-
Transfers to Capital Projects	7,772,500			13,119,000			5,627,000
Debt Service - Principal	2,044,030	2,304,030		2,304,030	2,264,020		2,264,020
Debt Service - Interest	1,680,150	1,809,480		1,809,480	1,315,370		1,315,370
Operating Expenditures	25,219,250	18,745,570	198,610	32,063,180	18,713,190	54,810	24,395,000
Transfers Out - Debt Service	3,724,180	4,160,320		4,160,320	3,579,390		3,579,390
Total Expenditures	28,943,430	22,905,890	198,610	36,223,500	22,292,580	54,810	27,974,390
Changes:							
Excavator & Equipment Trailer			120,000				
Maintenance Worker 2 - Term Limited 1 FTE			94,570			95,630	
Management Benefits - Reduce 50%			(1,820)			(1,820)	
Medical Insurance - Reduce 5%						(26,240)	
Facilities & IT Adjustments			(14,140)			(12,760)	
Total Changes			198,610			54,810	
Change in Fund Balance	(3,225,110)	6,683,170		(6,634,440)	7,365,300		1,683,490
ENDING FUND BALANCE	$17,578,330	$19,924,860		$ 6,607,250	$27,290,160		$ 8,290,740

WATER UTILITY FUND—CAPITAL PROJECTS

	2019 Proposed	2020 Proposed
Revenues		
Transfers In - Water Operating	$ 13,119,000	$ 5,627,000
Total Revenues	13,119,000	5,627,000
Capital Projects & Expenditures		
224th St Phase II (224th-228th) (88th-94th)	450,000	
Clark Springs Transmission Main Evaluation	10,000	
Clark Springs Well	12,000	
E. Hill Pressure Zone		1,500,000
Habitat Conservation Plan Implementation	1,222,000	413,000
KentSprings Well Rehab		75,000
Landsburg Mine	790,000	804,000
Misc Water Improvements	500,000	500,000
Pump Station #3 Replacement	400,000	
Reservoir Maintenance & Improvements	100,000	
Security Improvements on Water Sites	150,000	50,000
Tacoma Pipeline	50,000	50,000
Water Generators		1,000,000
Water Main Repairs/Replacements	1,000,000	1,000,000
Water System PLC Upgrades	35,000	35,000
Wellhead Protection	200,000	200,000
West Hill Reservoir; Pump Station, Reservoir & Tran	8,200,000	
Total Expenditures	13,119,000	5,627,000
Revenues Less Expenditures	$ -	$ -

SEWER UTILITY FUND

	2018 Budget	2019 Baseline	2019 Changes	2019 Proposed	2020 Baseline	2020 Changes	2020 Proposed
BEGINNING FUND BALANCE	$ 4,735,960	$ 4,479,000		$ 4,479,000	$ 7,334,070		$ 4,631,160
Revenues							
Charges for Services	31,350,560	31,425,200		31,425,200	32,179,420		32,179,420
System Dev/Connection Charges	-	17,200		17,200	17,540		17,540
Licenses and Permits	45,000	71,810		71,810	73,250		73,250
Intergovernmental		-		-	-		-
Miscellaneous Revenue	41,500	300,020		300,020	306,010		306,010
Transfers In	3,770	6,080		6,080	3,440		3,440
Operating Revenues	31,440,830	31,820,310	-	31,820,310	32,579,660	-	32,579,660
Transfers In - Debt Service	-	-		-	-		-
Total Revenues	31,440,830	31,820,310	-	31,820,310	32,579,660	-	32,579,660
Expenditures							
Salaries & Benefits	1,345,170	1,391,840	(1,300)	1,390,540	1,446,700	(11,600)	1,435,100
Supplies	131,450	152,000		152,000	154,300		154,300
Services & Charges	26,739,870	27,471,400	(790)	27,470,610	27,683,570	1,650	27,685,220
Capital Outlay	-	-		-	-		-
Cost Allocation	(26,200)	(50,000)		(50,000)	(50,000)		(50,000)
Transfers to Debt Service	-	-		-	-		-
Transfers to Capital Projects	3,507,500	-		2,705,000	-		3,187,000
Debt Service - Principal	-	-		-	-		-
Debt Service - Interest	-	-		-	-		-
Operating Expenditures	31,697,790	28,965,240	(2,090)	31,668,150	29,234,570	(9,950)	32,411,620
Transfer Out - Debt Service	-	-		-	-		-
Total Expenditures	31,697,790	28,965,240	(2,090)	31,668,150	29,234,570	(9,950)	32,411,620
Changes:							
Management Benefits - Reduce 50%			(1,300)			(1,300)	
Medical Insurance - Reduce 5%						(10,300)	
Facilities & IT Adjustments			(790)			1,650	
Total Changes			(2,090)			(9,950)	
Change in Fund Balance	(256,960)	2,855,070		152,160	3,345,090		168,040
ENDING FUND BALANCE	$ 4,479,000	$ 7,334,070		$ 4,631,160	$10,679,160		$ 4,799,200

SEWER UTILITY FUND—CAPITAL PROJECTS

	2019 Proposed	2020 Proposed
Revenues		
Transfer In - Special Assessments	$ 6,080	$ 3,440
Transfers In - Sewer Operating	2,705,000	3,187,000
Total Revenues	2,711,080	3,190,440
Capital Projects & Expenditures		
Comprehensive Sewer Plan	500,000	
Derbyshire		500,000
Linda Heights Pump Station	1,205,000	
Miscellaneous Sewer	500,000	500,000
Skyline Sewer Interceptor	500,000	2,187,000
Total Sewer Projects	2,705,000	3,187,000
Return Sewer Monies for LID Funded Projects	6,080	3,440
Total Expenditures	2,711,080	3,190,440
Revenues Less Expenditures	$ -	$ -

DRAINAGE UTILITY FUND

	2018 Budget	2019 Baseline	2019 Changes	2019 Proposed	2020 Baseline	2020 Changes	2020 Proposed
BEGINNING FUND BALANCE	$16,653,610	$12,748,000		$12,748,000	$18,309,890		$ 6,413,550
Revenues							
Charges for Services	19,720,000	20,014,300		20,014,300	20,494,600		20,494,600
System Dev/Connection Charges	750,000	1,461,000		1,461,000	1,490,220		1,490,220
Intergovernmental	-	-		-	-		-
Miscellaneous Revenue	7,000	15,100		15,100	15,400		15,400
Transfers In	-	-		-	-		-
Operating Revenues	20,477,000	21,490,400	-	21,490,400	22,000,220	-	22,000,220
Transfers In - Debt Service	1,537,520	1,853,220		1,853,220	1,522,210		1,522,210
Total Revenues	22,014,520	23,343,620	-	23,343,620	23,522,430	-	23,522,430
Expenditures							
Salaries & Benefits	4,152,720	4,291,290	(8,030)	4,283,260	4,457,200	(35,790)	4,421,410
Supplies	326,080	457,380		457,380	461,435		461,435
Services & Charges	9,839,910	9,914,010	(96,630)	9,817,380	10,276,535	(110,120)	10,166,415
Capital Outlay	146,000	-	510,000	510,000	-		-
Cost Allocation	(565,000)	(660,000)		(660,000)	(660,000)		(660,000)
Transfers to Debt Service	72,880	72,610		72,610	-		-
Transfers to Capital Projects	8,872,500			11,491,000			5,371,000
Debt Service - Principal	981,100	1,009,650		1,009,650	1,154,990		1,154,990
Debt Service - Interest	556,420	843,570		843,570	367,220		367,220
Operating Expenditures	24,382,610	15,928,510	405,340	27,824,850	16,057,380	(145,910)	21,282,470
Transfer Out - Debt Service	1,537,520	1,853,220		1,853,220	1,522,210		1,522,210
Total Expenditures	25,920,130	17,781,730	405,340	29,678,070	17,579,590	(145,910)	22,804,680
Changes:							
Remote Controlled Mower			115,000				
10-yd Dump Truck & Attachments			275,000				
Excavator & Equipment Trailer			120,000				
Management Benefits - Reduce 50%			(8,030)			(8,030)	
Medical Insurance - Reduce 5%						(27,760)	
Facilities & IT Adjustments			(40,630)			(54,120)	
Remove Federal Lobbyist			(56,000)			(56,000)	
Total Changes			405,340			(145,910)	
Change in Fund Balance	(3,905,610)	5,561,890		(6,334,450)	5,942,840		717,750
ENDING FUND BALANCE	$12,748,000	$18,309,890		$ 6,413,550	$24,252,730		$ 7,131,300

DRAINAGE UTILITY FUND—CAPITAL PROJECTS

	2019 Proposed	2020 Proposed
Revenues		
Transfer-In - Drainage Operating	$ 11,491,000	$ 5,371,000
Total Revenues	11,491,000	5,371,000
Capital Projects & Expenditures		
132nd Ave Drainage	100,000	
224th Street Phase 1	300,000	
228th Joint Utility Trench	1,000,000	
BNSF Grade Separation - Drainage	500,000	
County Road 8	600,000	200,000
Downey Farmstead	400,000	250,000
Drainage Master Plan	500,000	500,000
Frager Rd Levee	300,000	200,000
GRNRA Pump Station		250,000
GRNRA S Pump Station	3,000,000	
Kent Airport Levee	200,000	100,000
Lake Fenwick Aeration	300,000	
Lower Russell Road Levee	250,000	250,000
Mill Creek @ 76th Ave Flood Protection	191,000	1,000,000
Milwaukee II Levee	200,000	100,000
Misc Drainage	1,000,000	300,000
Misc Environmental	1,000,000	
N Fork Meridian Valley Culvert	100,000	300,000
Pipe Replacements/Roadway Improvements		821,000
S 224th St. Phase 2	500,000	
Upper Mill Creek Dam		500,000
Vactor Site Improvements	150,000	
Valley Channel Rehabilitation	500,000	500,000
Valley Creek System CLOMR	400,000	100,000
Total Expenditures	11,491,000	5,371,000
Revenues Less Expenditures	$ -	$ -

SOLID WASTE UTILITY FUND

	2018 Budget	2019 Baseline	2019 Changes	2019 Proposed	2020 Baseline	2020 Changes	2020 Proposed
BEGINNING FUND BALANCE	$ 479,430	$ 488,420		$ 488,420	$ 504,650		$ 506,880
Revenues							
Charges for Services	600,000	614,860		614,860	627,160		627,160
Intergovernmental	149,500			-			-
Miscellaneous Revenue		3,950		3,950	4,030		4,030
Total Revenues	749,500	618,810	-	618,810	631,190	-	631,190
Expenditures							
Salaries & Benefits	444,510	482,700	(370)	482,330	502,920	(4,600)	498,320
Supplies		5,050		5,050	5,160		5,160
Services & Charges	227,820	114,830	(1,860)	112,970	120,660	(1,720)	118,940
Vehicles & Equipment	35,000			-			-
Cost Allocation				-			-
Transfers Out				-			-
Project Expenditures				-			-
Total Expenditures	707,330	602,580	(2,230)	600,350	628,740	(6,320)	622,420
Changes:							
Management Benefits - Reduce 50%			(370)			(370)	
Medical Insurance - Reduce 5%						(4,230)	
Reduce IT Allocation			(1,860)			(1,720)	
Total Changes			(2,230)			(6,320)	
Change in Fund Balance	42,170	16,230		18,460	2,450		8,770
ENDING FUND BALANCE	$ 521,600	$ 504,650		$ 506,880	$ 507,100		$ 515,650

UTILITY CLEARING FUND

	2018 Budget	2019 Baseline	2019 Changes	2019 Proposed	2020 Baseline	2020 Changes	2020 Proposed
Expenditures							
Salaries & Benefits	$ 4,827,730	$ 5,167,790	$ (14,950)	$ 5,152,840	$ 5,395,520	$ (50,780)	$ 5,344,740
Supplies	279,840	354,460		354,460	360,020		360,020
Services & Charges	2,982,200	3,095,230	(12,380)	3,082,850	3,190,060	279,420	3,469,480
Vehicles & Equipment	-	-		-	-		-
Allocated to Utilities & Streets	(8,089,770)	(8,617,480)	27,330	(8,590,150)	(8,945,600)	(228,640)	(9,174,240)
Total Expenditures	-	-	-	-	-	-	-
Expenditures by Function							
Finance Customer Services	2,904,220	2,878,010	23,590	2,901,600	2,957,320	318,410	3,275,730
Finance Meter Services	478,260	514,250	(980)	513,270	535,890	(4,530)	531,360
PWO Administration	1,761,710	1,838,130	(5,860)	1,832,270	1,906,350	(21,390)	1,884,960
PWO Warehouse	556,210	595,050	(810)	594,240	616,400	(2,890)	613,510
PWO Vegetation	2,389,370	2,792,040	(43,270)	2,748,770	2,929,640	(60,960)	2,868,680
Allocated to Utilities & Streets	(8,089,770)	(8,617,480)	27,330	(8,590,150)	(8,945,600)	(228,640)	(9,174,240)
Total Expenditures	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Changes:							
Change Cust Svc Manager Split to 70%/30%			26,130			27,020	
Move 2 MW2 .25 to Parks			(38,190)			(41,120)	
Merchant Card Fees						300,000	
Management Benefits - Reduce 50%			(2,890)			(2,890)	
Medical Insurance - Reduce 5%						(33,790)	
Facilities & IT Adjustments			(12,380)			(20,580)	
Clearing Allocation			27,330			(228,640)	
Total Changes			-			-	

GOLF COMPLEX FUND

	2018 Budget	2019 Baseline	2019 Changes	2019 Proposed	2020 Baseline	2020 Changes	2020 Proposed
BEGINNING FUND BALANCE	$ (3,816,930)	$ (1,105,780)		$ (1,105,780)	$ (1,457,610)		$ (1,257,360)
Revenues							
18 Hole Course	1,470,420	1,470,420	42,740	1,513,160	1,470,420	85,790	1,556,210
Par 3 Course	292,580	-		-	-		-
Driving Range	624,250	624,250	62,790	687,040	624,250	181,550	805,800
Merchandising	450,000	450,000	65,640	515,640	450,000	81,110	531,110
Miscellaneous Revenue	34,160	34,160	(790)	33,370	34,160	(290)	33,870
Sale of Land	6,012,440			-	1,294,000		1,294,000
Transfer In			70,000	70,000		70,000	70,000
Total Revenues	8,883,850	2,578,830	240,380	2,819,210	3,872,830	418,160	4,290,990
Changes:							
Retain Admissions Tax			70,000			70,000	
Realign Revenue to Business Plan			170,380			348,160	
Total Changes			240,380			418,160	
Expenditures							
Salaries & Benefits	1,499,830	1,314,290	121,100	1,435,390	1,386,200	90,900	1,477,100
Supplies	615,300	584,470	(15,290)	569,180	584,710	(21,640)	563,070
Services	818,100	775,770	(80,680)	695,090	782,960	(70,150)	712,810
Vehicles & Equipment	639,450	-		-	-		-
Debt Service - Principal		151,130		151,130	158,940		158,940
Debt Service - Interest		25,000	15,000	40,000	17,190	15,000	32,190
Transfer to Golf Debt Service	704,540			-			-
Transfer To Golf Capital Projects	2,573,754	80,000		80,000	1,294,000		1,294,000
Total Expenditures	6,850,974	2,930,660	40,130	2,970,790	4,224,000	14,110	4,238,110
Changes:							
Add 0.15 FTE Golf Pro			12,200			6,050	
Accounting Change for Golf Lessons			65,600			66,300	
Reclass 1.0 FTE Field Sup to MWIV						(12,950)	
Reclass 1.0 FTE MWIII to MWIV						8,800	
Adjust Overtime to Business Plan			(34,495)			(34,342)	
Adjust Temp Help to Business Plan			77,795			57,042	
Reallign Expenditures to Business Plan			(80,970)			(76,790)	
Total Changes			40,130			14,110	
Change in Fund Balance	2,032,876	(351,830)		(151,580)	(351,170)		52,880
ENDING FUND BALANCE	$ (1,784,054)	$ (1,457,610)		$ (1,257,360)	$ (1,808,780)		$ (1,204,480)

GOLF FUND—CAPITAL PROJECTS

	2019 Proposed	2020 Proposed
Revenues		
Transfers In - Golf Fund	80,000	1,294,000
Total Revenues	80,000	1,294,000
Capital Projects & Expenditures		
Golf Clubhouse Renovations	40,000	34,000
Golf Course Accessories		100,000
Golf Course Renovations/Improvements		510,000
Golf Driving Range Renovations	40,000	
Golf Irrigation System Upgrades		650,000
Total Expenditures	80,000	1,294,000
Revenues Less Expenditures	-	-

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of specific services performed by organizations within the City for other organizations within the City. In this manner, the efficiency of centralized City services can be obtained while still being able to distribute the cost of these services to user organizations. These services are "sold" to other funds at cost plus a reserve for future needs.

The City maintains the following Internal Service Funds:

- Fleet Services—acquisition, maintenance and lifecycle replacement of vehicles and equipment
- Central Stores— postage and office supplies
- Information Technology—acquisition, maintenance and lifecycle replacement of technology equipment and software systems
- Facilities—acquisition, maintenance and lifecycle renovations of buildings and grounds
- Insurance—self-insurance, including unemployment, workers compensation, employee health and wellness, liability and property

FLEET SERVICES FUND

	2018 Budget	2019 Baseline	2019 Changes	2019 Proposed	2020 Baseline	2020 Changes	2020 Proposed
BEGINNING FUND BALANCE	$ 5,869,150	$ 2,830,310		$ 2,830,310	$ 1,787,350		$ 3,542,720
Revenues							
Fleet Operations	3,241,270	3,332,310		3,332,310	3,434,700		3,434,700
Fleet Replacement	1,499,890	1,574,760		1,574,760	1,629,760		1,629,760
Miscellaneous Revenue	20,000	50,000		50,000	51,000		51,000
Operating Revenues							
Transfers In - Projects			1,750,000	1,750,000			
Total Revenues	4,761,160	4,957,070	1,750,000	6,707,070	5,115,460	-	5,115,460
Changes:							
Returned from Fuel Island			1,750,000				
Total Changes			1,750,000				
Expenditures							
Salaries & Benefits	1,140,220	1,197,870	(920)	1,196,950	1,246,430	(9,710)	1,236,720
Supplies	1,519,610	1,459,860		1,459,860	1,489,050		1,489,050
Services & Charges	656,330	842,300	(4,450)	837,850	869,450	(6,730)	862,720
Vehicles & Equipment	4,052,840	2,500,000		2,500,000	2,500,000		2,500,000
Operating Expenditures	7,369,000	6,000,030	(5,370)	5,994,660	6,104,930	(16,440)	6,088,490
Transfers Out to Projects	1,750,000						
Total Expenditures	9,119,000	6,000,030	(5,370)	5,994,660	6,104,930	(16,440)	6,088,490
Changes:							
Management Benefits - Reduce 50%			(920)			(920)	
Medical Insurance - Reduce 5%						(8,790)	
Facilities & IT Adjustments			(3,570)			(3,520)	
Allocation Adjustments			(880)			(3,210)	
Total Changes			(5,370)			(16,440)	
Change in Fund Balance	(4,357,840)	(1,042,960)		712,410	(989,470)		(973,030)
ENDING FUND BALANCE	$ 1,511,310	$ 1,787,350		$ 3,542,720	$ 797,880		$ 2,569,690

FLEET SERVICES FUND PROJECTS

	2019 Proposed	2020 Proposed
Revenues		
Transfers In - Capital Resources Fund	1,936,000	
Total Revenues	1,936,000	-
Capital Projects & Expenditures		
Transfer Vehicle Reserves Funding to Fleet	1,750,000	
Replace Vehicle Lifts	186,000	
Total Expenditures	1,936,000	-
Revenues Less Expenditures	-	-

CENTRAL STORES FUND

	2018 Budget	2019 Baseline	2019 Changes	2019 Proposed	2020 Baseline	2020 Changes	2020 Proposed
BEGINNING FUND BALANCE	$ (3,110)	$ 2,890		$ 2,890	$ 62,690		$ 62,690
Revenues							
Central Stores Sales	236,180	228,700		228,700	233,240		233,240
Postage Sales	213,130	218,390		218,390	222,770		222,770
Total Revenues	449,310	447,090	-	447,090	456,010	-	456,010
Expenditures							
Central Stores	204,120	180,000		180,000	183,600		183,600
Postage	217,030	207,290		207,290	211,440		211,440
Total Expenditures	421,150	387,290	-	387,290	395,040	-	395,040
Change in Fund Balance	28,160	59,800		59,800	60,970		60,970
ENDING FUND BALANCE	$ 25,050	$ 62,690		$ 62,690	$ 123,660		$ 123,660

INFORMATION TECHNOLOGY FUND

	2018 Budget	2019 Baseline	2019 Changes	2019 Proposed	2020 Baseline	2020 Changes	2020 Proposed
BEGINNING FUND BALANCE	$ 3,593,294	$ 3,379,840		$ 3,379,840	$ 3,378,210		$ 3,439,390
Revenues							
Utility Tax	1,488,410	1,518,200		1,518,200	1,736,980		1,736,980
Intergovernmental - RFA	501,540	501,540		501,540	501,540	(501,540)	-
IT Services - Outside	53,500	55,500		55,500	55,500		55,500
Technology Fees	486,000	531,000		531,000	531,000		531,000
IT Internal Contributions	5,604,310	6,103,810	(160,350)	5,943,460	6,494,170	(160,350)	6,333,820
Miscellaneous Revenue		-		-	-		-
Transfers In	(3,875)	-	589,000	589,000	-		-
Total Revenues	8,129,885	8,710,050	428,650	9,138,700	9,319,190	(661,890)	8,657,300
Changes:							
Adjust Revenues from Depts - per exp changes			(160,350)			(160,350)	
Project savings returned to operating			589,000				
Eliminate RFA Contract						(501,540)	
Total Changes			428,650			(661,890)	
Expenditures							
Salaries & Benefits	4,968,810	5,339,280	(18,300)	5,320,980	5,535,670	(48,730)	5,486,940
Supplies	331,060	328,100	8,810	336,910	334,690	8,810	343,500
Services & Charges	3,230,950	3,419,190	376,960	3,796,150	3,642,490	374,040	4,016,530
Vehicles & Equipment				-			-
Allocate to Annexation	(372,100)	(374,890)		(374,890)	(188,380)		(188,380)
Transfer to IT Capital Projects	547,660			-			-
Total Expenditures	8,706,380	8,711,680	367,470	9,079,150	9,324,470	334,120	9,658,590
Changes:							
Business Analysts (2) - contracted			260,000			260,000	
JDE Developer - contracted			290,000			290,000	
PD Mobile Router Connections			22,000			22,000	
Desktop & Laptop Replacements			60,000			60,000	
Cell phones - right size plans			(29,980)			(29,980)	
Microsoft - reduce to 700 licenses			(65,000)			(65,000)	
Halogen - replace with NeoGov			(61,640)			(61,640)	
Supplies - reduce to historic trend			(39,120)			(39,120)	
Software			(12,070)			(12,070)	
Telephone - reduce to historical trend			(34,540)			(34,540)	
Management Benefits - 50%			(18,300)			(18,300)	
Reduce Medical Increase from 10% to 5%						(30,430)	
Reduction of costs allocated to IT			(3,880)			(6,800)	
Total Changes			367,470			334,120	
Change in Fund Balance	(576,495)	(1,630)		59,550	(5,280)		(1,001,290)
ENDING FUND BALANCE	$ 3,016,799	$ 3,378,210		$ 3,439,390	$ 3,372,930		$ 2,438,100

FACILITIES FUND

	2018 Budget	2019 Baseline	2019 Changes	2019 Proposed	2020 Baseline	2020 Changes	2020 Proposed
BEGINNING FUND BALANCE	$ 2,316,960	$ 2,455,220		$ 2,455,220	$ 2,365,560		$ 2,371,650
Revenues							
Intergovernmental - RFA	183,960	147,400		147,400	147,400		147,400
Rental Fees - Internal	4,653,700	4,971,980		4,971,980	5,080,160	(89,800)	4,990,360
Miscellaneous Revenue	66,920	85,500		85,500	87,310		87,310
Transfers In				-	-		-
Total Revenues	4,904,580	5,204,880	-	5,204,880	5,314,870	(89,800)	5,225,070
Changes:							
Adjust Revenues from Depts - per exp changes						(89,800)	
Total Changes							
Expenditures							
Salaries & Benefits	2,283,460	2,345,650	(1,650)	2,344,000	2,433,790	(106,210)	2,327,580
Supplies	293,260	292,110		292,110	292,440		292,440
Services & Charges	1,974,390	2,106,780	(4,440)	2,102,340	2,152,110	(4,780)	2,147,330
Vehicles & Equipment				-			-
Transfers Out to Projects	591,000	550,000		550,000	550,000		550,000
Total Expenditures	5,142,110	5,294,540	(6,090)	5,288,450	5,428,340	(110,990)	5,317,350
Changes:							
Maintenance Worker 3						(89,800)	
Management Benefits - 50%			(1,650)			(1,650)	
Reduce Medical Increase from 10% to 5%						(14,760)	
Reduction of costs allocated to Facilities			(4,440)			(4,780)	
Total Changes			(6,090)			(110,990)	
Change in Fund Balance	(237,530)	(89,660)	6,090	(83,570)	(113,470)	21,190	(92,280)
ENDING FUND BALANCE	$ 2,079,430	$ 2,365,560	$ 6,090	$ 2,371,650	$ 2,252,090	$ 21,190	$ 2,279,370

FACILITIES FUND—CAPITAL PROJECTS

	2019 Proposed	2020 Proposed
Revenues		
Transfers In - Facilities Operating	550,000	550,000
Total Revenues	550,000	550,000
Capital Projects & Expenditures		
Facilities Lifecycle Projects	550,000	550,000
Total Expenditures	550,000	550,000
Revenues Less Expenditures	-	-

INSURANCE FUND—UNEMPLOYMENT

	2018 Budget	2019 Baseline	2019 Changes	2019 Proposed	2020 Baseline	2020 Changes	2020 Proposed
BEGINNING FUND BALANCE	$ 1,424,510	$ 1,376,420		$ 1,376,420	$ 1,324,340		$ 1,324,510
Revenues							
Contributions - Unemployment	120,700	120,700		120,700	120,700		120,700
Miscellaneous Revenue	1,000	1,000		1,000	1,000		1,000
Total Revenues	121,700	121,700	-	121,700	121,700	-	121,700
Expenditures							
Salaries & Benefits	28,990	30,780	(170)	30,610	31,830	(320)	31,510
Supplies				-			-
Services & Charges	3,000	3,000		3,000	3,000		3,000
Unemployment - Claims Paid	140,000	140,000		140,000	140,000		140,000
Total Expenditures	171,990	173,780	(170)	173,610	174,830	(320)	174,510
Changes:							
Management Benefits - Reduce 50%			(170)			(170)	
Medical Insurance - Reduce 5%						(150)	
Total Changes			(170)			(320)	
Change in Fund Balance	(50,290)	(52,080)		(51,910)	(53,130)		(52,810)
ENDING FUND BALANCE	$ 1,374,220	$ 1,324,340		$ 1,324,510	$ 1,271,210		$ 1,271,700

INSURANCE FUND—WORKERS COMPENSATION

	2018 Budget	2019 Baseline	2019 Changes	2019 Proposed	2020 Baseline	2020 Changes	2020 Proposed
BEGINNING FUND BALANCE	$ 2,374,320	$ 1,509,330		$ 1,509,330	$ 1,145,690		$ 1,146,350
Revenues							
Contributions - Unemployment	1,071,000	1,082,000		1,082,000	1,082,000		1,082,000
Miscellaneous Revenue	3,800	12,000		12,000	12,000		12,000
Transfers In				-			-
Total Revenues	1,074,800	1,094,000	-	1,094,000	1,094,000	-	1,094,000
Expenditures							
Salaries & Benefits	115,930	122,930	(660)	122,270	127,140	(1,260)	125,880
Judgments & Damages	950,000	950,000		950,000	950,000		950,000
Liability Insurance	80,500	88,550		88,550	97,410		97,410
Intergovernmental Services	140,000	140,000		140,000	140,000		140,000
Administrative Costs	60,000	60,000		60,000	60,000		60,000
Other Expenses	16,000	16,160		16,160	16,160		16,160
Safety Program	80,000	80,000		80,000	80,000		80,000
Total Expenditures	1,442,430	1,457,640	(660)	1,456,980	1,470,710	(1,260)	1,469,450
Changes:							
Management Benefits - Reduce 50%			(660)			(660)	
Medical Insurance - Reduce 5%			-			(600)	
Total Changes			(660)			(1,260)	
Change in Fund Balance	(367,630)	(363,640)		(362,980)	(376,710)		(375,450)
ENDING FUND BALANCE	$ 2,006,690	$ 1,145,690		$ 1,146,350	$ 768,980		$ 770,900

INSURANCE FUND—HEALTH & WELLNESS

	2018 Budget	2019 Baseline	2019 Changes	2019 Proposed	2020 Baseline	2020 Changes	2020 Proposed
BEGINNING FUND BALANCE	$ 2,960,570	$ 2,918,740		$ 2,918,740	$ 3,072,610		$ 3,072,610
Revenues							
Blue Cross - City	9,054,710	10,865,650		10,865,650	11,952,220	(543,290)	11,408,930
Group Health - City	345,000	400,000		400,000	420,000		420,000
HSA - City	2,458,460	2,400,000		2,400,000	2,640,000	(120,000)	2,520,000
Blue Cross - Employee	767,820	921,380		921,380	1,013,520	(46,070)	967,450
Group Health - Employee	45,000	50,000		50,000	52,500		52,500
Blue Cross - Cobra	30,000	50,000		50,000	55,000		55,000
Miscellaneous Revenue	295,000	365,000		365,000	365,300		365,300
Trasnfers In	750,000	-		-	-		-
Total Revenues	13,745,990	15,052,030	-	15,052,030	16,498,540	(709,360)	15,789,180
Changes:							
Medical Insurance - Reduce 5%						(709,360)	
Total Changes						(709,360)	
Expenditures							
Salaries & Benefits	-						
Claims Paid	12,896,230	13,154,150		13,154,150	13,548,780		13,548,780
Group Health Premiums	390,000	397,800		397,800	409,730		409,730
Third Party Admin Fees	540,300	551,110		551,110	567,640		567,640
Stop Loss Fees	590,000	601,800		601,800	619,850		619,850
Wellness Program	128,000	106,170		106,170	109,360		109,360
City Paid HSA Contributions	-			-	-		-
Transitional Reinsurance	-			-	-		-
Other Professional Services	75,000	76,500		76,500	78,790		78,790
Other Expenses	10,420	10,630		10,630	10,950		10,950
Total Expenditures	14,629,950	14,898,160	-	14,898,160	15,345,100	-	15,345,100
Change in Fund Balance	(883,960)	153,870		153,870	1,153,440		444,080
ENDING FUND BALANCE	$ 2,076,610	$ 3,072,610		$ 3,072,610	$ 4,226,050		$ 3,516,690

INSURANCE FUND—LIABILITY INSURANCE

	2018 Budget	2019 Baseline	2019 Changes	2019 Proposed	2020 Baseline	2020 Changes	2020 Proposed
BEGINNING FUND BALANCE	$ 1,661,130	$ 1,345,200		$ 1,345,200	$ 1,137,620		$ 1,138,290
Revenues							
Contributions - Insurance	1,504,060	1,804,690		1,804,690	2,165,640		2,165,640
Miscellaneous Revenue	6,000	6,000		6,000	6,000		6,000
Reimbursements				-			-
Transfers In				-			-
Total Revenues	1,510,060	1,810,690	-	1,810,690	2,171,640	-	2,171,640
Expenditures							
Salaries & Benefits	115,930	122,930	(660)	122,270	127,140	(1,260)	125,880
Claims & Judgments	900,000	985,000		985,000	1,000,000		1,000,000
Insurance Premiums	750,000	750,000		750,000	750,000		750,000
Other Expenses	160,000	160,340	(10)	160,330	160,360	(120)	160,240
Total Expenditures	1,925,930	2,018,270	(670)	2,017,600	2,037,500	(1,380)	2,036,120
Changes:							
Management Benefits - Reduce 50%			(660)			(660)	
Medical Insurance - Reduce 5%						(600)	
Reduce IT Allocation			(10)			(120)	
Total Changes			(670)			(1,380)	
Change in Fund Balance	(415,870)	(207,580)		(206,910)	134,140		135,520
ENDING FUND BALANCE	$ 1,245,260	$ 1,137,620		$ 1,138,290	$ 1,271,760		$ 1,273,810

INSURANCE FUND—PROPERTY INSURANCE

	2018 Budget	2019 Baseline	2019 Changes	2019 Proposed	2020 Baseline	2020 Changes	2020 Proposed
BEGINNING FUND BALANCE	$ 652,040	$ 527,640		$ 527,640	$ 526,780		$ 526,950
Revenues							
Contributions - Insurance	565,870	565,870		565,870	565,870		565,870
Miscellaneous Revenue	50	50		50	50		50
Total Revenues	565,920	565,920	-	565,920	565,920	-	565,920
Expenditures							
Salaries & Benefits	28,990	30,780	(170)	30,610	31,830	(320)	31,510
Insurance Premiums	472,500	500,000		500,000	510,000		510,000
Claims & Deductibles	25,000	36,000		36,000	25,000		25,000
Other Expenses				-			-
Total Expenditures	526,490	566,780	(170)	566,610	566,830	(320)	566,510
Changes:							
Management Benefits - Reduce 50%			(170)			(170)	
Medical Insurance - Reduce 5%						(150)	
Total Changes			(170)			(320)	
Change in Fund Balance	39,430	(860)		(690)	(910)		(590)
ENDING FUND BALANCE	$ 691,470	$ 526,780		$ 526,950	$ 525,870		$ 526,360

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APPENDIX

The Appendix section contains information supporting the budget, including City taxes and rates, budget-related ordinances and a glossary of commonly used terms. It also includes lists for fleet vehicle replacement, hardware and software maintenance contracts and human services agency contracts.

City Taxes & Tax Rates. 147

Job and Salary Classifications. 148

Human Services Agency Contracts. . . 158

IT Maintenance Contracts. 161

Vehicle Replacements. 166

Glossary. 169

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CITY TAXES AND TAX RATES

EFFECTIVE JANUARY 2018

PROPERTY TAX LEVY

per $1,000 assessed valuation	$ 1.62704

SALES TAX RATE

State	6.5%
King County	1.2%
Regional Transit Authority (effective 4/1/2017)	1.4%
City of Kent	0.9%
Total Sales Tax Rate	10.0%

BUSINESS & OCCUPATION TAX RATES

Per Gross Receipts - $250,000 annual threshold	
Retail	0.046%
Manufacturing	0.046%
Wholesale	0.152%
Services	0.152%
Per Square Footage	
Warehouses	$0.03
Others	$0.01

OTHER CITY TAXES AND TAX RATES

Electric Utility Tax	6.0%
Natural Gas Utility Tax	6.0%
Telephone Utility Tax	6.0%
Cable Television Utility Tax	6.0%
Garbage Utility Tax	18.4%
Water Utility Tax	13.0%
Sewer Utility Tax	9.5%
Stormwater Utility Tax	19.5%
Gambling Taxes:	
Card Rooms *	11.0%
Punch Board and Pull Tabs **	10.0%
Bingo and Raffles **	5.0%
Amusement Games **	2.0%

* applied on gross receipts

** applied on gross receipts net of the amount awarded as prizes

JOB AND SALARY CLASSIFICATION

ELECTED OFFICIALS

Job Classification	Range	Annual Salary
Mayor	*NMAYOR	148,620
Council President	*EEO	16,008
Council Member	*EEO	15,180
Judge	LV2	153,037

*Salaries to be established by ordinance, authorized by Ordinance # 4169 (September 2015) and Ordinance #4183 (December 2015)

JOB AND SALARY CLASSIFICATION

DEPARTMENT DIRECTORS

Job Classification	Range	Annual Salary Low	Mid	High
Chief Administrative Officer	LV1	148,000	180,500	213,000
Court Administrator	LV2	119,316	152,158	185,000
Director-City Attorney	LV2	119,316	152,158	185,000
Director-Economic & Comm Dev	LV2	119,316	152,158	185,000
Director-Human Resources	LV2	119,316	152,158	185,000
Director-Finance	LV2	119,316	152,158	185,000
Director-Info Technology	LV2	119,316	152,158	185,000
Director-Parks	LV2	119,316	152,158	185,000
Director-Police Chief	LV2	119,316	152,158	185,000
Director-Public Works	LV2	119,316	152,158	185,000

CITY ATTORNEY'S OFFICE

Non Union Positions Paid on Merit System

Job Classification	Range	Annual Salary Low	Mid	High
Civil Attorney	NATY	75,552	97,146	118,740
Prosecuting Attorney	NATY	75,552	97,146	118,740
Sr. Assistant Ctiy Attorney	NSATY	89,532	111,138	132,744
Chief Prosecuting Attorney	NCPA	95,544	115,806	136,068
Deputy City Attorney	NDCA	106,464	129,084	151,704

Number of employees as of January 1, 2018: 10

JOB AND SALARY CLASSIFICATION

AFSCME LOCAL 2617

Position	Range	Step and Annual Salary				
		A	B	C	D	E
Custodian	15	41,580	43,608	45,792	48,144	50,616
Parking Enforcement Assistant	18	44,676	46,932	49,308	51,948	54,564
Custodial Lead	20	46,932	49,308	51,948	54,564	57,444
Office Technician 3	20	46,932	49,308	51,948	54,564	57,444
Accounting Services Assistant 3	22	49,308	51,948	54,564	57,444	60,168
Customer Services Representative	22	49,308	51,948	54,564	57,444	60,168
Legal Secretary 1	22	49,308	51,948	54,564	57,444	60,168
Administrative Assistant 1	23	50,616	53,172	55,848	58,620	61,572
Police Records Specialist	24	51,948	54,564	57,444	60,168	63,240
Accounting Technician	25	53,172	55,848	58,620	61,572	64,728
Evidence Custodian	25	53,172	55,848	58,620	61,572	64,728
Administrative Assistant 2	27	55,848	58,620	61,572	64,728	68,076
Contract Specialist	27	55,848	58,620	61,572	64,728	68,076
Development Permit Technician	27	55,848	58,620	61,572	64,728	68,076
Planning Technician	27	55,848	58,620	61,572	64,728	68,076
Property Management Technician	27	55,848	58,620	61,572	64,728	68,076
Evidence Technician	28	57,444	60,168	63,240	66,456	69,648
Police Corrections Officer	28	57,444	60,168	63,240	66,456	69,648
Multi Media Specialist 2	29	58,620	61,572	64,728	68,076	71,448
B&O Financial Analyst	30	60,168	63,240	66,456	69,648	73,188
Facilities Services Supervisor	30	60,168	63,240	66,456	69,648	73,188
Financial Analyst	30	60,168	63,240	66,456	69,648	73,188
Operations Analyst	30	60,168	63,240	66,456	69,648	73,188
Paralegal	30	60,168	63,240	66,456	69,648	73,188
Prosecution Paralegal	30	60,168	63,240	66,456	69,648	73,188
Graphics Specialist 3	31	61,572	64,728	68,076	71,448	75,096
Admin Services Supervisor	32	63,240	66,456	69,648	73,188	76,872
Deputy City Clerk	32	63,240	66,456	69,648	73,188	76,872
Evidence Technician Supervisor	32	63,240	66,456	69,648	73,188	76,872
Financial Services Supervisor	32	63,240	66,456	69,648	73,188	76,872
Permit Center Supervisor	32	63,240	66,456	69,648	73,188	76,872
Police Records Supervisor	32	63,240	66,456	69,648	73,188	76,872
Public Records Admin	32	63,240	66,456	69,648	73,188	76,872
B&O Desk Auditor	34	66,456	69,648	73,188	76,872	80,796
Code Enforcement Officer	34	66,456	69,648	73,188	76,872	80,796
Community Education Coordinator	34	66,456	69,648	73,188	76,872	80,796
Police Crime Analyst	34	66,456	69,648	73,188	76,872	80,796

JOB AND SALARY CLASSIFICATION

AFSCME LOCAL 2617

Position	Range	Step and Annual Salary A	B	C	D	E
Tax & License Compliance Officer	34	66,456	69,648	73,188	76,872	80,796
Combination Building Inspector	35	68,076	71,448	75,096	78,852	82,764
Police Corrections Sergeant	35	68,076	71,448	75,096	78,852	82,764
Creative Art Dir Coordinator	36	69,648	73,188	76,872	80,796	85,068
Printing Media Coordinator	36	69,648	73,188	76,872	80,796	85,068
Video Program Coordinator	36	69,648	73,188	76,872	80,796	85,068
Accountant	37	71,448	75,096	78,852	82,764	87,120
Lead Combo Building Inspector	37	71,448	75,096	78,852	82,764	87,120
Plans Examiner	37	71,448	75,096	78,852	82,764	87,120
Research & Development Analyst	37	71,448	75,096	78,852	82,764	87,120
Senior Financial Analyst	37	71,448	75,096	78,852	82,764	87,120
Lead Plans Examiner	39	75,096	78,852	82,764	87,120	91,452
Payroll Business Analyst	39	75,096	78,852	82,764	87,120	91,452
Senior Accountant	41	78,852	82,764	87,120	91,452	96,084
B & O Program Auditor	42	80,820	84,864	89,112	93,552	98,232

Number of employees as of January 1, 2018: 146
(Includes vacant positions)

Contract Expiration: December 31, 2019

Longevity Schedule	
5 years	1% of Base Salary
10 years	2% of Base Salary
15 years	3% of Base Salary
20 years	4% of Base Salary

JOB AND SALARY CLASSIFICATION

NON-REPRESENTED

Job Classification	Range	Step and Annual Salary				
		A	B	C	D	E
Van Driver	16	42,624	44,664	46,920	49,308	51,936
Accounting Services Assistant 3	23	50,580	53,160	55,824	58,620	61,560
Administrative Assistant 1	23	50,580	53,160	55,824	58,620	61,560
Assistant Golf Professional	24	51,936	54,540	57,444	60,132	63,216
Parks Program Assistant	24	51,936	54,540	57,444	60,132	63,216
Judicial Specialist	26	54,540	57,444	60,132	63,216	66,432
Administrative Assistant 2	27	55,824	58,620	61,560	64,704	68,064
Civil Legal Secretary	27	55,824	58,620	61,560	64,704	68,064
Court Security Officer	27	55,824	58,620	61,560	64,704	68,064
Parks Program Assistant 2	27	55,824	58,620	61,560	64,704	68,064
Parks Systems Support Specialist	27	55,824	58,620	61,560	64,704	68,064
Human Services Specialist	28	57,444	60,132	63,216	66,432	69,624
Parks/Fac Planning & Dev Specialist	28	57,444	60,132	63,216	66,432	69,624
Engineering Technician 1	29	58,620	61,560	64,704	68,064	71,436
Recreation Facility Lead	30	60,132	63,216	66,432	69,624	73,176
Cross Connect Control Assistant	31	61,560	64,704	68,064	71,436	75,084
Lead Judicial Specialist	31	61,560	64,704	68,064	71,436	75,084
Project Coordinator	31	61,560	64,704	68,064	71,436	75,084
Administrative Assistant 3	32	63,216	66,432	69,624	73,176	76,860
Technical Support Specialist 2	32	63,216	66,432	69,624	73,176	76,860
Construction Inspector	33	64,704	68,064	71,436	75,084	78,840
Senior Construction Inspector	33	64,704	68,064	71,436	75,084	78,840
Cross Connect Control Inspector	34	66,432	69,624	73,176	76,860	80,796
Engineering Technician 2	34	66,432	69,624	73,176	76,860	80,796
Golf Accounting Supervisor	34	66,432	69,624	73,176	76,860	80,796
Land Survey Technician	34	66,432	69,624	73,176	76,860	80,796
Parks Program Coordinator	34	66,432	69,624	73,176	76,860	80,796
Probation Officer	34	66,432	69,624	73,176	76,860	80,796
Service Desk Lead	34	66,432	69,624	73,176	76,860	80,796
Signal Technician	34	66,432	69,624	73,176	76,860	80,796
Storm/ Drain Facilities Inspector	34	66,432	69,624	73,176	76,860	80,796
Head Golf Professional	35	68,064	71,436	75,084	78,840	82,740
Planning Admin Supervisor	35	68,064	71,436	75,084	78,840	82,740
Technical Writer/Trainer	35	68,064	71,436	75,084	78,840	82,740
CTR Program Coordinator	36	69,624	73,176	76,860	80,796	85,044
Executive Assistant/ Mgmt Analyst	36	69,624	73,176	76,860	80,796	85,044
Human Resources Analyst	37	71,436	75,084	78,840	82,740	87,108
Human Services Coordinator	37	71,436	75,084	78,840	82,740	87,108
Legal Analyst	37	71,436	75,084	78,840	82,740	87,108

JOB AND SALARY CLASSIFICATION

NON-REPRESENTED

Job Classification	Range	Step and Annual Salary				
		A	B	C	D	E
Planner	37	71,436	75,084	78,840	82,740	87,108
Senior Construction Inspector	37	71,436	75,084	78,840	82,740	87,108
Park/Facility Planning & Dev Coordinator	38	73,176	76,860	80,796	85,044	89,352
Senior Signal Technician	38	73,176	76,860	80,796	85,044	89,352
Communications Coordinator	39	75,084	78,840	82,740	87,108	91,440
Conservation Coordinator	39	75,084	78,840	82,740	87,108	91,440
Neighborhood Program Coord	39	75,084	78,840	82,740	87,108	91,440
Civil Engineering Designer I	40	76,860	80,796	85,044	89,352	93,792
Engineer 1	40	76,860	80,796	85,044	89,352	93,792
Engineer Project Coordinator	40	76,860	80,796	85,044	89,352	93,792
Engineering Technician 3	40	76,860	80,796	85,044	89,352	93,792
Parks Facility/Program Manager	40	76,860	80,796	85,044	89,352	93,792
Project Analyst	40	76,860	80,796	85,044	89,352	93,792
Senior Human Services Coordinator	40	76,860	80,796	85,044	89,352	93,792
Survey Party Chief	40	76,860	80,796	85,044	89,352	93,792
Court Supervisor	41	78,840	82,740	87,108	91,440	96,060
GIS Coordinator	41	78,840	82,740	87,108	91,440	96,060
Human Resources Performance Analyst	41	78,840	82,740	87,108	91,440	96,060
Probation Supervisor	41	78,840	82,740	87,108	91,440	96,060
Senior Planner	41	78,840	82,740	87,108	91,440	96,060
Senior Human Resources Analyst	41	78,840	82,740	87,108	91,440	96,060
Network Engineer	42	80,796	85,044	89,352	93,792	98,508
Senior Parks Facility/Program Manager	42	80,796	85,044	89,352	93,792	98,508
Conservation Analyst	43	82,740	87,108	91,440	96,060	100,848
Senior ERP Business Analyst	43	82,740	87,108	91,440	96,060	100,848
Accounting Manager - Parks	44	85,044	89,352	93,792	98,508	103,500
Assistant City Land Surveyor	44	85,044	89,352	93,792	98,508	103,500
Capital Projects Adminstrator	44	85,044	89,352	93,792	98,508	103,500
Civil Engineering Designer II	44	85,044	89,352	93,792	98,508	103,500
Construction Supervisor	44	85,044	89,352	93,792	98,508	103,500
Engineer 2	44	85,044	89,352	93,792	98,508	103,500
GIS Supervisor	44	85,044	89,352	93,792	98,508	103,500
PW Accounting Manager	44	85,044	89,352	93,792	98,508	103,500
B&O Project Manager/Business Analyst	45	87,108	91,440	96,060	100,848	106,080
Principal Planner	45	87,108	91,440	96,060	100,848	106,080
Project Manager/Business Analyst	45	87,108	91,440	96,060	100,848	106,080
Senior Network Engineer	45	87,108	91,440	96,060	100,848	106,080
Senior Systems Analyst	45	87,108	91,440	96,060	100,848	106,080
Senior Transportation Planner	45	87,108	91,440	96,060	100,848	106,080

JOB AND SALARY CLASSIFICATION

NON-REPRESENTED

Job Classification	Range	Step and Annual Salary				
		A	B	C	D	E
Technical Systems Analyst	45	87,108	91,440	96,060	100,848	106,080
Traffic Signal Systems Spvsr	45	87,108	91,440	96,060	100,848	106,080
Assistant Building Services Manager	46	89,352	93,792	98,508	103,500	108,708
City Clerk	46	89,352	93,792	98,508	103,500	108,708
Business Systems Analyst	47	91,440	96,060	100,848	106,080	111,396
Environmental Supervisor	47	91,440	96,060	100,848	106,080	111,396
Senior Applications Developer	47	91,440	96,060	100,848	106,080	111,396
Senior Systems Engineer	47	91,440	96,060	100,848	106,080	111,396
City Land Surveyor	48	93,792	98,508	103,500	108,708	114,144
Economic Dev Program Manager	48	93,792	98,508	103,500	108,708	114,144
Engineer 3	48	93,792	98,508	103,500	108,708	114,144
Golf Course Manager	48	93,792	98,508	103,500	108,708	114,144
Human Services Manager	48	93,792	98,508	103,500	108,708	114,144
Multi Media Manager	48	93,792	98,508	103,500	108,708	114,144
Support Services Manager-PD	48	93,792	98,508	103,500	108,708	114,144
Comm & Gov't Affairs Manager	49	96,060	100,848	106,080	111,396	116,976
Lead Systems & Design Engineer	49	96,060	100,848	106,080	111,396	116,976
Facilities Superintendent	50	98,508	103,500	108,708	114,144	119,928
Fleet Services Superintendent	50	98,508	103,500	108,708	114,144	119,928
Parks Planning & Dev Manager	50	98,508	103,500	108,708	114,144	119,928
Superintendent - Park Ops	50	98,508	103,500	108,708	114,144	119,928
Superintendent - Street	50	98,508	103,500	108,708	114,144	119,928
Superintendent - Utilities	50	98,508	103,500	108,708	114,144	119,928
Superintendent - Water	50	98,508	103,500	108,708	114,144	119,928
Accounting Manager	51	100,848	106,080	111,396	116,976	123,000
City Auditor	51	100,848	106,080	111,396	116,976	123,000
Customer Services Manager	51	100,848	106,080	111,396	116,976	123,000
Human Resources Manager	51	100,848	106,080	111,396	116,976	123,000
Labor Relations Manager	51	100,848	106,080	111,396	116,976	123,000
Police Corrections Commander	51	100,848	106,080	111,396	116,976	123,000
Recreation Superintendent	51	100,848	106,080	111,396	116,976	123,000
Risk Manager	51	100,848	106,080	111,396	116,976	123,000
Current Planning Manager	52	103,500	108,708	114,144	119,928	126,024
Long-Range Planning Manager	52	103,500	108,708	114,144	119,928	126,024
Project Mgmt Office Manager	52	103,500	108,708	114,144	119,928	126,024
Building Services Manager	53	106,080	111,396	116,976	123,000	129,156
Chief Economic Develop Officer	53	106,080	111,396	116,976	123,000	129,156
Engineer 4	53	106,080	111,396	116,976	123,000	129,156
Engineer 4/Supervisor	53	106,080	111,396	116,976	123,000	129,156

JOB AND SALARY CLASSIFICATION

NON-REPRESENTED

Job Classification	Range	Step and Annual Salary A	B	C	D	E
IS System Division Manager	54	108,708	114,144	119,928	126,024	132,252
Land Survey/GIS Manager	54	108,708	114,144	119,928	126,024	132,252
Systems Division Manager	54	108,708	114,144	119,928	126,024	132,252
Technical Services Manager	54	108,708	114,144	119,928	126,024	132,252
Construction Manager	57	116,976	123,000	129,156	135,624	142,428
Engineering Manager	57	116,976	123,000	129,156	135,624	142,428
Special Project Manager	57	116,976	123,000	129,156	135,624	142,428
City Engineer	60	126,024	132,252	138,936	145,920	153,180
Deputy Finance Director	60	126,024	132,252	138,936	145,920	153,180
Deputy HR Director	60	126,024	132,252	138,936	145,920	153,180
Deputy Parks Director	60	126,024	132,252	138,936	145,920	153,180
ECD Deputy Director	60	126,024	132,252	138,936	145,920	153,180
PW Operations Manager	60	126,024	132,252	138,936	145,920	153,180

Number of employees as of January 1, 2018: 233
(Includes vacant positions)

Includes all non-represented permanent positions

Longevity Schedule	
5 years	1% of Base Salary
10 years	2% of Base Salary
15 years	3% of Base Salary
20 years	4% of Base Salary

Management Benefits	
A+	2,851
A	2,141
B	1,783
C	1,429

JOB AND SALARY CLASSIFICATION

POLICE

Job Classification	Range	Annual Salary
Police Assistant Chief	AC	147,336
Police Commander	CM	124,860
Police Sergeant	SG	101,076

		Step and Annual Salary					
Job Classification	Range	A	B	C	D	E	F
Police Patrol Officer	PT	65,568	67,836	71,208	75,312	80,076	85,368

Number of employees as of January 1, 2018: 156
(Includes vacant positions)

Rates do not include 1% accreditation pay

Contract Expiration: December 31, 2018

Longevity Schedule	
5 years	2% of Base Salary
10 years	3% of Base Salary
15 years	4% of Base Salary
20 years	6% of Base Salary
25 years	7% of Base Salary
30 years	8% of Base Salary

Educational Incentive	
AA (or Junior Status)	1%
BA or BS, MA, PhD	3%

JOB AND SALARY CLASSIFICATION

TEAMSTERS LOCAL 117

Job Classification	Range	Step and Annual Salary A	B	C	D	E
Maintenance Worker 1	17	44,364	46,596	48,936	51,492	54,024
Maintenance Worker 2	21	48,936	51,492	54,024	56,724	59,448
Water Meter Reader 2	21	48,936	51,492	54,024	56,724	59,448
Maintenance Worker 3	25	54,024	56,724	59,448	62,556	65,676
Water Meter Reader 3	25	54,024	56,724	59,448	62,556	65,676
Mechanic 2	28	58,296	61,116	64,164	67,404	70,692
Riverbend Mechanic 2	28	58,296	61,116	64,164	67,404	70,692
Maintenance Worker 4	29	59,448	62,556	65,676	69,108	72,552
Communications Technician 2	30	61,116	64,164	67,404	70,692	74,196
HVAC Technician	31	62,556	65,676	69,108	72,552	76,140
Maintenance Technician	31	62,556	65,676	69,108	72,552	76,140
Senior Mechanic	32	64,164	67,404	70,692	74,196	77,904
Field Supervisor	34	67,404	70,692	74,196	77,904	82,020
SCADA Technician	34	67,404	70,692	74,196	77,904	82,020

Number of employees as of January 1, 2018: 154
(Includes vacant positions)

Contract Expiration: December 31, 2019

Longevity Schedule	
5 years	1% of Base Salary
10 years	2% of Base Salary
15 years	3% of Base Salary
20 years	4% of Base Salary

HUMAN SERVICES AGENCY CONTRACTS

	2019	2020
ANEW		
Construction Trades	10,000	10,000
ASIAN COUNSELING AND REFERRAL SERVICE		
Mental Health Program	10,000	10,000
BRIDGE DISABILITY MINISTRIES		
Meyer Medical Equipment Center	5,000	5,000
CATHOLIC COMMUNITY SERVICES		
Emergency Assistance	10,000	10,000
HOME and WHOME	65,000	65,000
Katherine's and Rita's Houses	13,000	13,000
Kent Community Engagement Center	30,000	30,000
Volunteer Services	11,000	11,000
CHILD CARE RESOURCES		
Child Care Financial Assistance	35,000	35,000
Homeless Child Care	10,000	10,000
CHILDREN'S HOME SOCIETY OF WASHINGTON		
South King County Family Resource Center	10,000	10,000
CHILDREN'S THERAPY CENTER		
Pediatric Therapy for Children with Special Needs	50,000	50,000
COALITION FOR REFUGEES FROM BURMA		
Kent Youth Education Program	15,000	15,000
COMMUNITIES IN SCHOOLS OF KENT		
Commmunities In Schools Mentoring Program	35,000	35,000
CRISIS CONNECTIONS		
Teen Link	7,500	7,500
Crisis Line	5,000	5,000
King County 2-1-1	5,000	5,000
DOMESTIC ABUSE WOMEN'S NETWORK (DAWN)		
Community Advocates	33,000	33,000
Housing	30,000	30,000
Prevention / Children's Programming	5,000	5,000
HEALTHPOINT		
Primary Dental Care	15,000	15,000
Primary Medical Care	15,000	15,000
HOSPITALITY HOUSE		
Women's Shelter	10,000	10,000

HUMAN SERVICES AGENCY CONTRACTS

	2019	2020
JEWISH FAMILY SERVICES		
Refugee & Immigrant Service Centers	20,000	20,000
KENT FOOD BANK AND EMERGENCY SERVICES		
Food and Emergency Services	70,000	70,000
KENT YOUTH AND FAMILY SERVICES		
AfterSchool Program	15,000	15,000
Behavioral Health Programs	75,000	75,000
Early Learning	25,500	25,500
Watson Manor Transitional Living Program	15,000	15,000
KING COUNTY BAR FOUNDATION		
Pro Bono Legal Services	12,000	12,000
KING COUNTY SEXUAL ASSAULT RESOURCE CENTER		
Comprehensive Sexual Assault Services	25,000	25,000
LUTHERAN COMMUNITY SERVICES NW		
Refugees Northwest Counseling	15,000	15,000
MOTHER AFRICA		
SAFARI- building Sustainable Alliances for African Refugee and Immigrants	15,000	15,000
MULTI-SERVICE CENTER		
Housing Continuum	120,000	120,000
Rent & Emergency Assistance	60,000	60,000
NEIGHBORHOOD HOUSE		
Employment and Family Self Sufficiency	15,000	15,000
NEXUS YOUTH & FAMILIES		
Arcadia House	10,000	10,000
OPEN DOORS FOR MULTICULTURAL FAMILIES		
Multicultural Family Support	15,000	15,000
PARTNER IN EMPLOYMENT		
Employment and Training	10,000	10,000
PEDIATRIC INTERIM CARE CENTER INC		
Interim Care of Drug-Exposed Infants	10,000	10,000
PUGET SOUND TRAINING CENTER		
Pathways to Self-Sufficiency: Adult Employment & Training	6,500	6,500
SEATTLE FOUNDATION		
Neighbor to Neighbor (N2N) Kent capacity building program	15,000	15,000

HUMAN SERVICES AGENCY CONTRACTS

	2019	2020
SEATTLE KING COUNTY DEPARTMENT OF PUBLIC HEALTH		
Mobile Medical Van	15,000	15,000
SOMALI YOUTH AND FAMILY CLUB		
Support Program	10,000	10,000
SOUND (FORMERLY SOUND MENTAL HEALTH)		
PATH Outreach to Homeless	12,000	12,000
SOUND GENERATIONS		
Volunteer Transportation	12,000	12,000
ST. STEPHEN HOUSING ASSOCIATION		
St. Stephen Housing Association	15,000	15,000
ST. VINCENT DE PAUL		
Centro Rendu	23,000	23,000
Holy Spirit	10,000	10,000
UKRAINIAN COMMUNITY CENTER OF WASHINGTON		
Case Management for Russian/Ukrainian Refugees	15,000	15,000
VALLEY CITIES COUNSELING AND CONSULTATION		
Senior Counseling at Kent Senior Center	32,000	32,000
WEST AFRICAN COMMUNITY COUNCIL		
WACC Immigration Legal Program	15,000	15,000
YWCA SEATTLE | KING | SNOHOMISH		
Anita Vista	20,000	20,000
EMERGING NEEDS		
TBD	34,890	65,570
Grand Total	**1,197,390**	**1,228,070**

IT MAINTENANCE CONTRACTS

Vendor/Contract	2019	2020
Multimedia		
ADOBE SYSTEMS, INC.		
Adobe Creative Cloud	7,114	7,825
CONTINGENCY		
Equipment Repairs (Cameras, VCR's)	4,659	5,124
Folder, Cutter, Numbering Machine	3,061	3,367
MARK ANDY (FORMERLY PRESSTEK)		
2-Color Press	4,780	5,258
Replace Platemaker Rollers Yearly	3,653	4,018
MEDIA CONTROL SYSTEMS		
Tightrope Media Systems	1,815	1,869
Total for Multimedia	**25,082**	**27,463**
System Services		
ACCELA (FORMERLY IQM2)		
MinuteTraq/MediaTraq Maint	21,616	23,778
ACTIVE NETWORK		
Payment Manager/Class (Escom) Parks Registration S.W.	7,489	8,238
AEIGIS ITS INC		
Centracs Traffic Signal Management System	18,695	20,564
ARTICULATE		
Learning Module Creator	2,858	3,144
BOTTOMLINE TECHNOLOGIES		
Optio eCI (JDE Paper Checks Creator)	11,300	12,464
CCG SYSTEMS		
Fleet Mgmt. Software-Faster	14,007	15,407
CITRIX (STRUCTURED COMM.)		
Citrix Annual Maintenance (XenApp Support on 125 Citrix cals)	13,860	15,246
CONTINGENCY		
Miscellaneous	19,965	21,962
CUES (GRANITE XP)		
Shops Pipeline Inspection Software	5,083	5,592
DLT SOLUTIONS		
AutoCAD LT Government Subscription	984	1,082
Autodesk Auto CAD LT	244	269

IT MAINTENANCE CONTRACTS

Vendor/Contract	2019	2020
eRANGE INC		
Technical Support 365 Days	402	442
ESRI		
EA Agreement	130,050	120,050
GOVERNMENTJOBS.COM (NEOGOV)		
Technical Support 365 Days	13,740	15,114
Neogov Insight Subscription	8,083	8,891
GRANICUS		
eAlerts - Communications Cloud Saas	23,100	25,410
PROFESSIONAL SERV./EAPPRAISAL-LEVEL 1 AND LMS		
Annual Maint. Professional Serv./eAppraisal-Level 1 and LMS	100,486	110,535
HARRIS (FORMERLY DATANOW)		
Idaho Computer (Utility Billing)	9,659	10,624
IDERA, INC.		
SQL Compliance Manager	4,133	4,546
ITEXT SOFTWARE CORP		
iTextShart (PDF Creator for DEV apps)	1,848	2,033
LASERFICHE		
Laserfiche Rio Public Portal for 2 LF Servers	11,495	12,645
LEADSONLINE.COM		
Subscription Service-Pawn Shop Leads	11,110	12,221
MSDSOnline		
MSDS Online	4,415	4,857
PAGEFREEZER		
WA Sate Compliance Bundle (Web & Social Media)	5,686	6,254
PORTLAND PRECISION INSTRUMENTS (PPI)		
Revue Extreme maintenance/Bluebeam License Subscription/Bludbeen Studio prime Level 1 (100 user)	8,118	8,930
PLURALSIGHT, LLC		
Technology Learning Platform - Licenses	7,975	8,773
RIMINI STREET		
JDE/OneWorld S.W. - ERP (Oracle App Application)	71,499	78,649
KIVA Oracle DB Database Enterprise Edition	32,032	35,235
SELECTRON TECH.		
Inspection Scheduling (IVR)	10,225	11,247

IT MAINTENANCE CONTRACTS

Vendor/Contract	2019	2020
SYNAPTEC SOFTWARE		
Prosecution Case Management System (LawBase)	5,082	5,590
TECHSOL DBA RIPPLESTONE		
Server License	5,082	5,590
TMA SYSTEMS		
Annual Client Support	4,392	4,831
TRI-TEC COMMUNICATIONS, INC.		
Tiburon Police System	153,797	169,177
VERIPIC		
Digital Asset Mgmt. Software-PD	21,181	23,299
VERTEX		
Quantum Payroll Tax Software	10,483	11,532
VISION INTERNET		
Web Content Mgmt S.W-CMS Replacement Project	11,495	12,645
WEB QA		
Self Service Web Portal/FOIA/Gov QA	22,587	24,846
Total for System Services	**804,255**	**861,708**
Technical Services		
ALLIED TELESIS		
Service &Support Maintenance Mtc/Network Equipment 1 yr	83,753	92,129
ASTRAL COMMUNICATIONS		
Arirvantage Management Service (AVMS)	2,230	2,453
CARAHSOFT TECH CORPORATION		
iVanti Service Manager - Service Desk Saas	31,815	34,996
CDW-G (REPLACES RIGHTSYSTEMS)		
Aruba Wireless Network	12,705	13,976
Palo Alto Threat Prevention/Filtering & Hardware Mtc.	5,536	6,089
CENTURYLINK (REPLACCES TRI-TEC COMM)		
Loyalty Advantage Agreement	154,000	169,400
Shortel Phone System Maintenance	38,599	42,459
COMCAST		
Police Department Circuit	3,330	3,663
CONTINGENCY		
Miscellaneous	16,638	18,301

IT MAINTENANCE CONTRACTS

Vendor/Contract	2019	2020
DPE SYSTEMS, INC.		
DPE E18&E18x Expansion Box 3yr Renewal	5,552	6,108
ELECSYS INTERNATIONAL		
Radix Meter Readers Maintenance/Handheld Meters	4,501	4,951
ePLUS TECHNOLOGY, INC.		
Pure Storage annual support & maintenance	33,759	37,135
Okta Single Sign-On	6,019	6,620
HTTPWATCH (SIMTEC LTD)		
HTTP Watch - 10x Professional Four User Team License 1 yr Support	2,389	2,628
IDENTITY FORMATION (FORMERLY 2FA)		
Security Solution	9,654	10,620
JAM SOFTWARE		
Treesize Professional-5-User Lic Mtc. (JAM Software) - 2 yr renewal	143	157
KCIT - KING COUNTY FINANCE		
Internet Services (Institutional Network Services Contract)	41,000	45,100
KNOWBE4, INC.		
Security Awareness Training	13,130	14,443
LANSWEEPER/CLERVERIDGE		
Network Inventory, Asset Management, Deployment Software Subscription	1,324	1,457
LUCID SOFTWARE, INC.		
LucidChart licenses	24,922	27,414
NetMotion (formerly CDW-G)		
NetMotion Maintenance Renewal - Mobility & Locality	29,440	32,384
NETWORK 2000		
HP Hardware Annual Maintenace	33,192	36,511
NETWRIX CORPORATION		
Active Directory	4,247	4,672
NUOZ CORP (NW NEXUS dba UNISOFT)		
Horizon VMWare 100 Addon & 1 Yr Maint	7,080	7,788
11 vSphere Licenses yearly maintenance renewal	44,076	48,483
PLANVIEW, INC. (FORMERLY INNOTAS)		
Innotas Licenses	7,638	8,401
PRESIDIO NETWORK SOLUTIONS		
Cisco SMARTnet	2,862	3,148
Commvault Maint. (Data Backup)	48,909	53,800
Nimble CS-220 yearly Maintenance	7,443	8,188
Sabey Core Router & Fiber Ch Switches	2,023	2,226

IT MAINTENANCE CONTRACTS

Vendor/Contract	2019	2020
RFI COMMUNICATIONS		
ProWatch Annual Support	8,324	9,156
SAVVIUS (FORMERLY WILDPACKETS)		
OmniPeek Professional 36 month maintenance	2,145	2,360
SHI		
Bomgar Software & Maintenance	21,517	23,668
SOFTWAREONE, INC. (formerly COMPUCOM)		
Microsoft Enterprise Agreement	417,861	459,647
Software Assurance Renewal - 3 yr	-	1,035
SOLARWINDS		
Nework Monitoring Product Suite	31,649	34,814
TELARUS (CONNECTIONS)		
VX Tracker, Voice Management System Annual Support	2,814	3,095
TREBON		
Sophos Security/Data Protection	29,058	31,964
VERTIV (FORMERLY EMERSON NETWORK LIEBERT GLOBAL SERV.)		
UPS Annual Maintenance Renewal (City Hall & Fire Sta. 74)	44,494	48,944
ZOHO CORP.		
Password Manager Pro Premium Edition 5 Admins	1,688	1,857
Total for Technical Services	**1,237,459**	**1,362,240**
Grand Total	**2,066,796**	**2,251,411**

VEHICLE REPLACEMENTS

Vehicle Description	2019	2020
Parks, Recreation and Community Services		
FACILITIES		
John Deere Mower	6,000	
John Deere Mower	6,000	
2001 John Deere 1445	28,000	
PARKS MAINTENANCE		
2003 New Holland TC33D Tractor		36,000
2002 Dodge Ram 2500		35,000
2006 Toro 328-D	65,000	
2006 Toro 328-D		65,000
2007 Toro Workman 4300	32,000	
2000 John Deere 4200		46,500
1998 Chevy C30 Flatbed	45,000	
1997 Chevy C30 Crew Cab		50,000
1997 Ford F250 Pickup	35,000	
1999 Case 580SL	70,000	
1999 GMC Sonoma	32,000	
2001 Grumman Walk-In Van		53,500
2000 Toro 5020	15,000	
1989 Chevy C10 Pickup	32,000	
1994 Chevy C30 Flatbed	45,000	
1999 Dodge D250 Pickup	35,000	
1997 Chevy S-10 Pickup	27,000	
1997 Ford F350 Flatbed	45,000	
Police		
PATROL		
2008 Ford Crown Victoria		65,000
2010 Chevrolet Tahoe	65,000	
2012 Chevrolet Tahoe	65,000	
2013 Chevrolet Tahoe		65,000
2013 Chevrolet Tahoe		65,000
2013 Chevrolet Tahoe		65,000
2013 Chevrolet Tahoe		65,000
2013 Chevrolet Tahoe		65,000
2012 Chevrolet Tahoe	65,000	
2010 Chevrolet Tahoe	65,000	
2012 Chevrolet Tahoe	65,000	
2012 Chevrolet Tahoe	65,000	
2012 Chevrolet Tahoe	65,000	
2012 Chevrolet Tahoe		65,000

VEHICLE REPLACEMENTS

Vehicle Description	2019	2020
Police		
CRIME PREVENTION UNIT		
2008 Chevy Malibu	45,000	
INVESTIGATIONS		
2007 Chevy Impala		45,000
2008 Chevy Impala		55,000
2010 Chevy Impala	55,000	
Public Works		
DRAINAGE OPERATIONS		
2005 Interna 7600 SBA 6x4		267,500
1992 Ford Ranger		35,000
2000 Ford Taurus		35,000
FLEET MAINTENANCE		
1998 Ford Winstar	31,500	
SEWER OPERATIONS		
2006 Interna Vactor Sewer Cleaner	529,500	
STREET MAINTENANCE		
1995 Swenson EV100-10-48	62,500	
1996 Tenco TC-120	31,500	
1996 Swenson EV100-10-48	62,500	
1999 Swenson EV100-10-48	62,500	
1998 Tenco TC-120	31,500	
1988 Swenson EV100-10-48	62,500	
1995 KZ SKIDMTD 1000	52,500	
1998 Tenco TC-120	31,500	
2002 Northstar Sprayer Skid	47,500	
2004 Interna 7600 SBA 6x4		267,500
2003 Trail King TK40RB	65,000	
2006 Tenco TC-120	31,500	
2006 Interna 7600 SBA 6x4		267,500
2008 Swenson EV100-13-82-56		62,500
2008 Swenson EV100-13-82-56		62,500
2008 Swenson EV100-13-82-56		62,500
2008 Swenson EV100-13-82-56		62,500
2008 Tenco TCP-10-T-42-E2		31,500
2008 Tenco TCP-10-T-42-E2		31,500
2008 Tenco TCP-10-T-42-E2		31,500
2008 Tenco TCP-10-T-42-E2		31,500

VEHICLE REPLACEMENTS

Vehicle Description	2019	2020
Public Works		
WAREHOUSE		
2002 Clarklift CMP-30 Forklift		53,000
WATER OPERATIONS		
2005 Interna 7600 SBA 6x4		267,500
MOTOR POOL		
GENERAL USE		
2000 Ford Taurus		45,000
1999 Ford Taurus		45,000
CONSTRUCTION EQUIPMENT		
1975 Ford F750 Dump Truck	325,000	
Grand Total	**2,500,000**	**2,500,000**

GLOSSARY OF BUDGET RELATED TERMS

Accrual Basis of Accounting. . . . . A method of accounting that matches revenues and expenses with the period to which they relate, rather than focusing on actual cash flows. In this method, for example, an asset is depreciated as it is "used up", and the expense is recognized in periodic increments, rather than assuming the asset holds its value until it is actually disposed of.

Adjusted Budget. . . . . The budget as revised through supplemental appropriations approved by Council during the year and included in the annual budget amendment ordinance.

Assessed Valuation. . . . . The taxable portion of fair market value of both real and personal property, as determined by the King County Assessors Office.

BARS. . . . . The State of Washington Budget, Accounting and Reporting System required for all governmental entities in the state of Washington.

Benefits. . . . . City paid benefits provided for employees such as social security, retirement, worker's compensation, life insurance, medical insurance, and management benefits.

Biennial Budget. . . . . A financial operations plan (budget) spanning two years.

Bond Refinancing. . . . . The payoff and re-issuance of bonds to obtain better interest rates and/or bond conditions.

Budget. . . . . The financial plan for the operation of a program or organization for the year or for the project through completion. Legal authority and requirements are found in Revised Code of Washington (RCW 35A.33).

Capital Expenditures. . . . . Funds spent for the acquisition of a long-term asset.

Capital Facility Plan. . . . . The portion of the Capital Improvement Plan that relates to the city facilities and infrastructure that are planned for under the growth management act and are included in the City of Kent Comprehensive Plan. The plan includes estimated project costs, sources of funding and timing of work over a six-year period.

Capital Improvement Budget. . . . . The capital projects approved and funded in the first two years of the adopted Capital Improvement Program

Capital Improvement Program (CIP). . . . . The plan of all capital projects, including those that do not qualify as "facilities" for the Capital Facility Plan, such as large pieces of equipment or vehicles.

Capital Outlay. . . . . Fixed assets which have a value of $5,000 or more and have a useful life of more than three years or assets of any value, if the nature of the item is such that it must be controlled for custody purposes as a fixed asset.

GLOSSARY OF BUDGET RELATED TERMS

Capital Project.....The largely one-time cost for acquisition, construction, improvement, replacement, or renovation of land, structures and improvements thereon. The cost must usually be $25,000 or more in order to be considered a capital project; amounts under $25,000 are considered in the operating budget. In addition, equipment is considered a capital project if it is $25,000 or more in cost.

Capital Reserve.....An account used to segregate a portion of the government's equity to be used for future capital program expenditures.

Charges for Services.....A revenue category which includes a charge for a specific service. These primarily include park recreation fees, plan check fees, court cost and prisoner work release fees and other miscellaneous fees.

Comprehensive Budget..... The comprehensive budget combines both the first two years of the financial plan for the operation of government and the Capital Improvement Budget. Excluded from the operating budget are carry-over capital projects which have been previously approved.

Cost Allocation..... Assignment of cost charges from one department that reimburse another department for services received. Some examples are Attorney services, Finance services and Human Resource services.

CPI.....Consumer Price Index A statistical description of price levels provided by the U.S. Department of Labor. The index is used as a measure of the increase in the cost of living.

Debt Service.....The annual payment of principal and interest on the City's bonded indebtedness. Bonds are issued to finance the construction of capital projects such as public buildings, parks, roads, storm sewers and water system improvements.

Depreciation..... The loss of asset value over time and usage, recorded as an expense under the full accrual method of accounting.

Designated Fund Balance..... Fund balance that is not legally restricted to a specific use, but is nonetheless planned to be used for a particular purpose. For example, the General Fund has a fund balance that is designated for contingency. There is no legal restriction on the use of this fund balance, but it is budgeted to provide financial stability.

Enterprise Fund..... A fund used to account for operations that are financed and operated in a manner similar to private business enterprise where the measurement focus is on the cost of providing a service, such as water on a continual basis. Costs are recovered through user charges.

Estimated Actual..... An estimate of the year end balance of a revenue or expenditure account.

GLOSSARY OF BUDGET RELATED TERMS

Expenditure. . . . . The payment of cash or the transfer of property or services for the purpose of acquiring an asset, service or settling a loss.

Expense. . . . . Charges incurred (whether paid immediately or deferred) for proprietary fund operations, maintenance, interest or other charges.

Fees. . . . . A general term used for any charge for services levied by government associated with providing a service, permitting an activity, or imposing a penalty. Major types of fees include business and non-business licenses and user charges.

Fines and Forfeitures. . . . . A revenue category which primarily includes court, police, traffic and parking fines and forfeitures of property.

Fund. . . . . A self-balancing set of accounts with revenues and expenses that are segregated for the purpose of carrying out a specific purpose or activity.

Fund Balance. . . . . Working capital or the net current assets less short term liabilities.

GAAFR. . . . . Governmental Accounting, Auditing and Financial Reporting. The "blue book" published by the Municipal Finance Officers Association (now the Government Finance Officers Association) to provide detailed guidance for the application of accounting principals for governments.

GAAP. . . . . Generally Accepted Accounting Principles are standards used for accounting and reporting by both private industry and governments.

GASB. . . . . Government Accounting Standards Board established in 1985 to regulate the rules and standards for all governmental units.

General Fund. . . . . The General Fund is used to account for all of the City's resources except for those resources which are accounted for in a special purpose fund.

General Obligation Bonds. . . . . Bonds for which the full faith and credit of the insuring government are pledged for payment.

IBNR. . . . . Medical expenses *Incurred But Not Reported* by the claimants to the insurance company.

Intergovernmental Revenue. . . . Revenue from other governments, primarily from Federal, State and County grants. State shared revenue from liquor profits and tax are also forms of intergovernmental revenue.

LEOFF. . . . . Law Enforcement Officers and Firefighters Retirement System provided in the State of Washington.

Licenses and Permits. . . . . Revenue category that includes building permits, business and amusement licenses and any other miscellaneous licenses or permits.

LID. . . . . Local Improvement District or Special Assessments made against certain properties to defray part or all of the cost of a specific improvement or service deemed to primarily benefit those properties.

GLOSSARY OF BUDGET RELATED TERMS

LTGO Bonds. . . . . *Limited Tax General Obligation* bonds refer to bonds issued with the approval of the Council, as opposed to voted bonds which must be approved by vote of the public. LTGO bonds must not exceed 1.5 percent of the assessed valuation. The total of LTGO and voted bonds must not exceed 2.5 percent of assessed valuation per State R.C.W.

Miscellaneous Revenue. . . . . A revenue category that basically includes leases and rentals of the various city facilities, Senior Center donations plus other revenue such as pay phone revenue.

Modified Accrual. . . . . A basis of accounting in which revenues are recognized when available and measurable and expenditures are recorded in the period the liabilities are incurred.

Net Budget. . . . . The net budget eliminates double counting of the budget by excluding fund transfers and internal service charges such as interfund equipment rental and insurance charges. The net budget represents the true level of spending in the budget.

Object of Expenditure. . . . . Expenditure classifications based upon the types or categories of goods and services purchased. Typical objects of expenditure include salaries and wages, benefits, supplies, contracted services and capital outlay.

Operating Budget. . . . . An operations plan, expressed in financial terms, whereby an operating program is funded for a single year. Per state law, operating budgets lapse at year-end.

Operating Expense. . . . . Those costs including expenditures for salaries and wages, benefits, supplies, services and charges which are necessary to support the primary services of the organization. For example, telephones, printing and motor pool charges, and office supplies are operating expenses.

Organization. . . . . A major organizational unit usually responsible for carrying out a major component of department or program responsibilities.

PERS. . . . . Public Employees Retirement System provided for employees other than Police and Fire by the State of Washington.

Preliminary Actual. . . . . The balance of revenue or expenditure accounts at year-end, but before the final closing of the City's books. This will usually be close to the final actual amounts, but may not include all accruals or other adjustments.

Proposed Budget. . . . . The Mayor's recommended budget submitted to the City Council and the public for approval in October of each year.

Reserved Fund Balance. . . . . Those portions of fund balance that are not appropriable for expenditure or that are legally segregated for a specific future use.

GLOSSARY OF BUDGET RELATED TERMS

Reserves (Fund). . . . . The unencumbered year-end balance of revenue less expenditures in governmental funds.

Restricted Fund Balance. . . . . The portion of working capital that is not available for general expenditure. The balance is maintained for a specific designated use.

Revenue. . . . . Income received by the City in support of its program of services to the community. It includes such items as property taxes, fees, user charges, grants, fines, interest income and other miscellaneous revenue.

Revenue Bonds. . . . . Bond issued pledging future revenues, usually water, sewer, or drainage charges to cover debt payments in addition to operating costs.

Salaries and Wages. . . . . A majority of City employees are paid a monthly salary based on an annual standard work year consisting of 2,080 hours. Some types of positions are paid hourly wages based on the prevailing wage scale.

Supplemental Appropriation. . . An appropriation approved by the Council after the initial budget appropriation. Supplemental appropriations are approved by Council during the year and an annual budget amendment ordinance is approved in December of each year.

Unreserved Fund Balance. . . . . The difference between fund assets and fund liabilities of governmental or similar trust funds that is available for general expenditures.

User Charges. . . . . The amount the government receives for the provision of services and commodities, or the performance of specific services benefiting the entity charged. User charges tend to be voluntary in nature, in contrast to mandatory property and income taxes. Citizens only pay user charges when a specific service is received.

Working Capital. . . . . The year-end balance of current assets less current liabilities in the Enterprise and Internal Service Funds. The unencumbered balance at year-end is available for appropriation in the next year's budget.