



2019 - 2020 BIENNIAL BUDGET

City of Kent, Washington



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CITY OF KENT, WASHINGTON

2019-2020

Adopted Budget

MAYOR

Dana Ralph

PREPARED BY

Financial Planning

SPECIAL RECOGNITION

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GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Kent
Washington**

For the Biennium Beginning

January 1, 2017

Christopher P. Morrill

Executive Director

INTRODUCTION

The Introduction section begins with the Mayor’s budget message, which discusses City initiatives and issues considered for the 2019-2020 Adopted Biennial Budget.

Kent at a Glance contains a brief history, demographics, economic statistics and general information about the City of Kent, which provides context for the budget.

The Goals and Strategies section outline the City’s mission, vision and goals. It also contains a discussion of the strategic planning efforts of the City.

The Performance Measures section reports measures related to each of five goals: thriving city, evolving infrastructure, inclusive community, innovative government and sustainable services.

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OFFICE OF THE MAYOR
Dana Ralph, Mayor
220 4th Avenue South
Kent, WA 98032
Fax: 253-856-6700
Phone: 253-856-5700

January 1, 2019

Council President Boyce
Members of the City Council
Kent Residents

I am proud to present the City's adopted 2019-2020 budget. This was my first budget process as Mayor, and I was so pleased with the communication and collaboration with residents, business owners and the City Council throughout the year. I thank the City Council for their teamwork and willingness to engage on many important budget issues.

As a result of our collaboration, the adopted budget reflects both Council's and my shared commitment to providing valuable government services to our residents in a cost-effective and efficient manner. This budget also makes progress toward our City's strategic vision and respects the opinions of our residents and businesses.

Within the \$676.8 million total budget, \$214.0 million is allocated to the General Fund. The budget is balanced and includes necessary expenditure reductions as well as revenue increases to address the challenge of expenses increasing at a faster rate than revenues.

As with previous budgets, the 2019-2020 process included significant challenges and required difficult choices on how to reduce City spending in the General Fund. City leaders also had to make decisions about how to best spend our valuable yet limited resources. Unlike previous budgets, the upcoming biennium includes the first two years of significant revenue reductions in the General Fund. The loss of state-shared Streamlined Sales Tax mitigation revenues beginning in 2019, coupled with the expiration of the Panther Lake Annexation Sales Tax credit in June 2020, will result in a negative impact of over \$10.0 million, or roughly 10 percent, to the City's General Fund revenues. The City termed this impact the "fiscal cliff" to describe the magnitude of the loss.

I am very proud of the steps taken previously to mitigate these impacts. While this loss is certainly significant, the fiscal cliff would have been a much larger challenge had the City not taken proactive steps. These steps included talking to our residents about the fiscal cliff as early as 2014, making strategic transfers, eliminating negative fund balances, refunding existing debt to reduce interest costs, and updating our fiscal policies to address fund balance levels.

Furthermore, this budget continues to utilize a conservative budgeting approach where realistic, albeit conservative, revenue forecasting is used to inform expenditure levels. Additionally, the City made the extremely difficult decision to begin levying the full property tax rate allowable under state law beginning in 2018. Finally, the City has taken a lead role in working with the State as well as other cities negatively affected by the state's decision to eliminate Streamlined Sales Tax mitigation monies beginning in 2019. We did not know the outcome of those efforts at the time this budget was adopted, so we are planning for the worst-case scenario but are hopeful the legislature will find a way to continue the program.

The magnitude of the fiscal cliff could not be addressed with a single solution. The adopted budget includes a three-pronged approach to solving the loss of revenue: ongoing expenditure reductions, new revenues and a reallocation of ongoing revenues.

The budget includes over \$2 million in ongoing expenditure reductions by non-public safety General Fund departments. These reductions range from cuts to line items to reductions of positions. These cuts will unfavorably affect City services and programs not related to public safety. The reduction exercise, while difficult, was another necessary step to solve the fiscal cliff. While departments will do what they can to mitigate the effects of these cuts, the fact of the matter is that the City workforce is still very lean on the heels of the Great Recession, and we cannot continue to simply add more workload on already overworked staff. The instruction I gave to departments as they began to work on their reductions was, as the funding goes away, the non-legally mandated work goes away too. While the initial strategy was not to make any reductions until 2020, the adopted budget makes cuts, including personnel reductions, beginning in January 2019.

The second prong was an increase in revenues. The 2019–2020 budget includes a \$1.2 million annual increase in permit and plans review revenue. This is a result of increased volume, not increased rates. Other revenue adjustments included an increase in interest revenue as a result of the new investment strategy. There is also new revenue from water and sewer franchise fees. Beginning in 2020, the budget includes an increase in City B&O tax rates which will increase revenue by roughly \$3.4 million. The B&O increase in 2020 is the first of four increases between now and 2028. The decision to increase taxes is never easy and the decision to do so was not taken lightly. These changes to the B&O rate structure are based on the City's long-term economic development plan and include different rates depending on the business type. The new ordinance maintains a threshold of \$250,000 and institutes a cap of \$20 million on gross receipts from retail sales. The increased revenue will be used to fund ongoing operations in the General Fund.

The final prong adopted in the budget to deal with the fiscal cliff was the reallocation of existing revenues. The 2019–2020 budget includes an annual shift of \$470,000 in sales tax collections from capital to fund ongoing operations. Out of necessity, this continues the City's shift of monies that have been historically used for capital purposes. With the reality that government expenses continue to increase at a faster rate than revenues, the City's long-term financial forecasts include further redirections of resources away from capital. While this isn't ideal, under the current environment, it is necessary to continue to fund status quo operations, even at our reduced level.

Public safety for our residents, businesses and visitors continues to be the City's first priority. Excluding transfers, nearly 60 percent of General Fund resources are dedicated to public safety. The 2019–2020 General Fund budget includes funding for an increase of six police officer positions and one additional parking enforcement officer. The budget maintains funding with adjustments for inflation for other public safety programs and departments: Municipal Court, Corrections and Prosecution. Using revenue from the newly-authorized red-light camera program, the budget provides for body worn cameras and in-car video equipment for police officers. It also provides resources to fully fund the car-per-officer program.

While reducing expenses in the General Fund, the adopted budget includes a deliberate strategy for greater efficiencies of City programs. It includes two new positions for our sign shop. These positions, which will be funded from B&O revenues, will cost less and will provide a higher work output than the current contract. The budget funds over \$500,000 annually for contracted support to extend the life of our current accounting and human resources information management system. A plan is in place to begin working with stakeholders on a replacement strategy for the aging system.

The adopted budget maintains remaining City services and programs at their current level with adjustments for inflation and labor costs. Funding for new initiatives discussed above was based on need, value to the public and Council policy. The strategic operational expenditure increases which are included in the budget are backed by sustainable revenues.

The Capital budget allocates the new \$3.0 million revenue stream for long overdue parks capital and major maintenance projects. The budget also includes allocations of \$3.0 million of fund balance each year from the Capital Resource Fund for necessary work on Kent Commons, additional police department office space, the Senior Activity Center and IT projects. These are initial steps toward major renovations of these aging assets. The Capital budget also appropriates \$200,000 of fund balance from the Capital Resource Fund in 2019 for work to resolve the leaking roof in City Hall and \$1.75 million in 2019 for long overdue improvements to the City's fuel island. Resources for the fuel island also include \$500,000 of Capital Resource Fund balance.

Careful planning of our current general capital resources must take place to ensure that we are using these monies as effectively as possible. Success in our ability to restore our Streamlined Sales Tax mitigation monies from the State will certainly have a positive impact on our capital resources. Any mitigation revenue the City receives will be treated as one-time revenue for capital projects. This is a shift from the way the City previously budgeted this revenue.

The adopted budget takes into consideration the feedback that I heard from residents and businesses. Earlier this year, I held three community budget meetings where I discussed the budget issues facing the City, helped educate the community on the upcoming fiscal cliff and received direct feedback on which City services they value most. Not surprisingly, residents' top priority was public safety which this budget advances. Additionally, I heard that they wanted to at least maintain our current level of service in our adaptive recreation programs, which this budget maintains, and finally, I heard that residents want a continuation of the current services provided. While my budget does include expense reductions, I tried to limit the impact as much as possible, given the magnitude of lost revenues.

The 2019-2020 adopted budget is the culmination of an 11-month collaborative effort among the Mayor, City Council, City staff and the Kent community. I want to thank the Council and community for their willingness to work together to proactively address the fiscal cliff and thank City departments and Finance staff for their creativity and hard work to identify sustainable solutions. This work has resulted in a budget that is supportive of the needs of our community while recognizing the challenges ahead. Together, we have built on sound financial practices to create a solid foundation with which to plan our future.

Respectfully,



Dana Ralph

Mayor

KENT AT A GLANCE

KENT AT A GLANCE



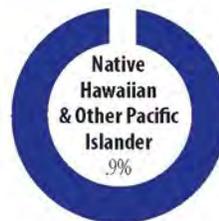
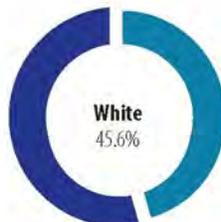
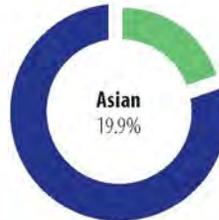
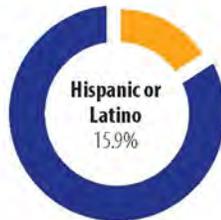
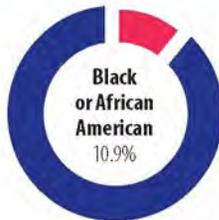
GEOGRAPHIC FOOTPRINT



Kent is the 6th
Largest City in
Washington State



POPULATION DIVERSITY



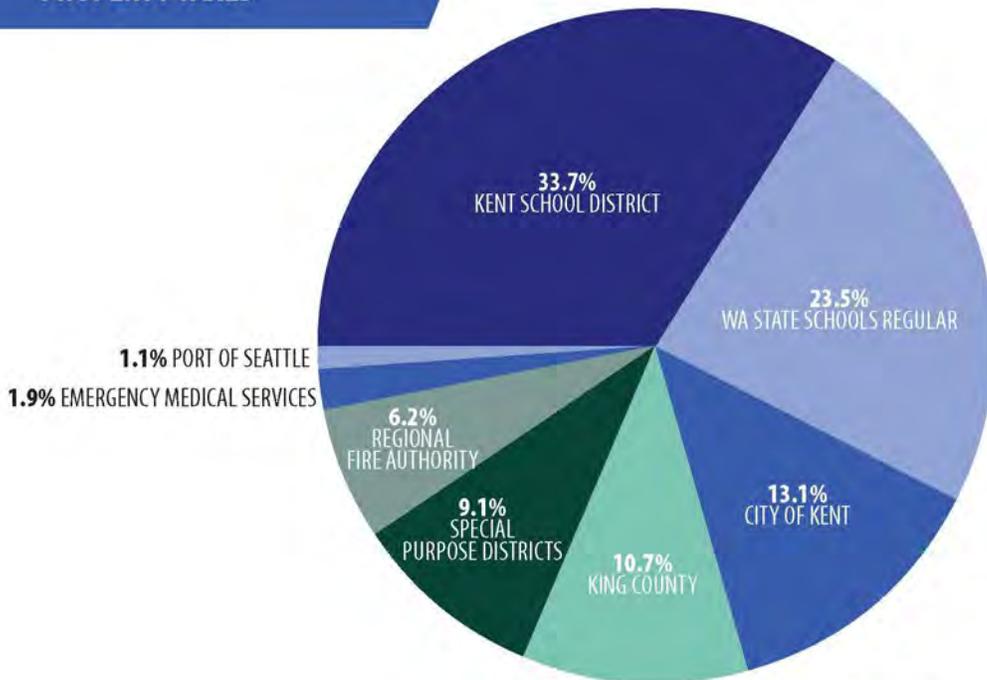
Source: US Census Bureau

KENT AT A GLANCE

WHERE DO YOUR TAXES GO?



PROPERTY TAXES



Source: King County Assessor's Office

SALES TAX



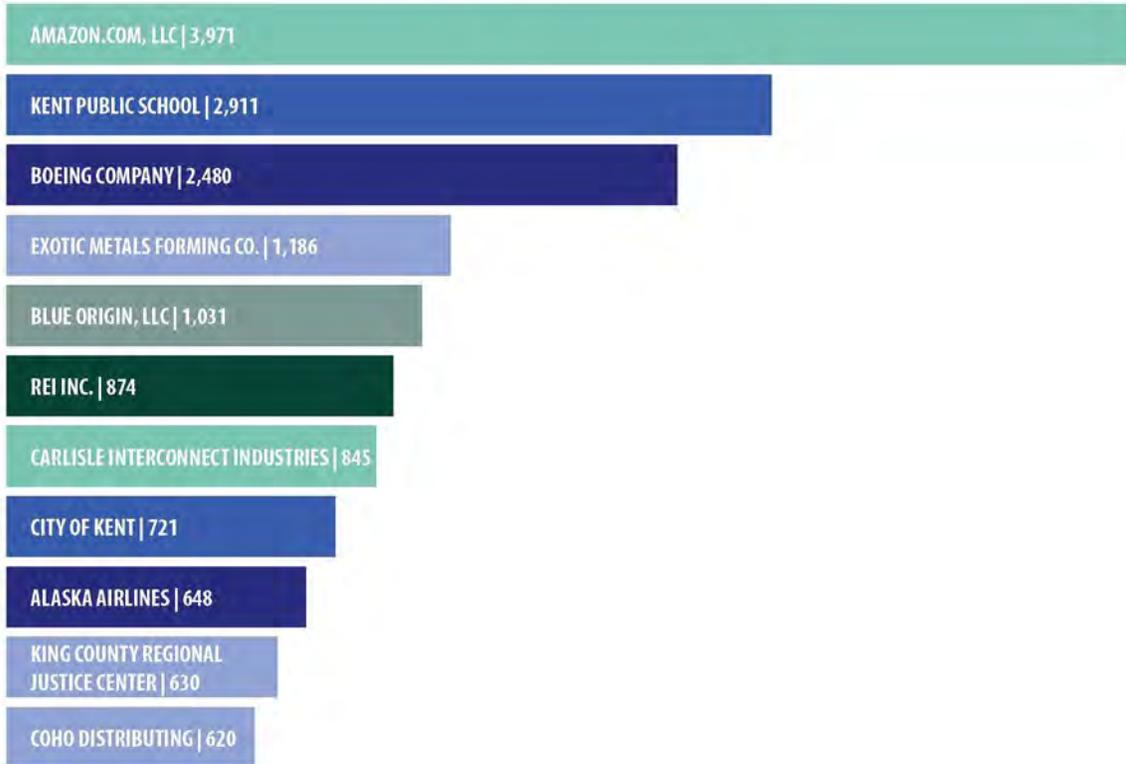
Businesses pay the State of Washington Department of Revenue sales and use tax in Kent of 10%.* Of this amount, the City of Kent receives .90% of sales tax with the state retaining 0.1% for administrative fees. The remaining amount is distributed to the above agencies on a monthly basis, with a two-month lag from the time of sales.

KENT AT A GLANCE

TOP 10 TAXPAYERS & EMPLOYERS



TOP EMPLOYERS



MAJOR INDUSTRIES



Source: Data USA

KENT AT A GLANCE

PARKS, RECREATION & COMMUNITY SERVICES



PARKS



773.98
Acres of Open Space
& Nature Area



12
Tennis Courts



404.39
Acres of Parks



55
Parks



28
Miles of Trails



21
Ball Fields

COMMUNITY FACILITIES



Kent Commons Community Center

The Kent Commons provides space for social gatherings such as sporting events, receptions, community events and meetings.



Kent Senior Activity Center

Kent Senior center offers a wide variety of activities for seniors and their families such as gaming, musical performances, and arts & crafts.



accesso ShoWare Center

Home to the Seattle Thunderbirds, Seattle Mist and Tacoma Stars, ShoWare Center seats up to 7,000 and hosts a variety of sport events, performances, and social gatherings.



Riverbend Golf Complex

Riverbend provides various recreational activities for both the golfer and non-golfer and a variety of programs for every skill level and age group.

KENT AT A GLANCE

UTILITIES



WATER



287

Miles of Water Mains

14,453

Water Customers

7.59 Million

Gallons of Water Per Day

SEWER



215.12

Miles of Sanitary Sewer System

324.17

Miles of Storm Sewer System

16,285

Sanitary Sewer Customers

SOLID WASTE



25,271

Residential Customers Served

2,233

Commercial Customers

375

Multi-Family Customers

1,224

Commercial Recycling Customers

TRANSPORTATION



726

Lane Miles of Streets

6,600

Street Lights

117

Miles of Residential Sidewalk

115

Miles of Commercial/Arterial Sidewalks

ABOUT KENT

Kent is the sixth largest city in the state of Washington and the third largest in King County. Its beautiful setting features a view of Mount Rainier rising majestically over the landscape, and the Cascade and Olympic Mountains on the horizons.

Kent is in the heart of the Seattle—Tacoma metroplex. The City is seven miles from SeaTac International Airport and both the Union Pacific and Burlington Northern railroads run through Kent. Kent is also central to Sound Transit and King County Metro transit, with the Kent Station providing bus and commuter train service to many destinations.

Incorporated in 1890 with an official population of 793, Kent was second only to Seattle in King County. At that time, Kent was a thriving agricultural area and major grower of hops and berries. During and after the Great Depression, Kent was known as the “Lettuce Capital of the World”. Dairy farming was also an important segment of the local economy, with the first can of Carnation Milk produced in Kent in 1899. Timber harvesting and agriculture remained the dominant industries until the 1950’s, when industrial development began in what is known today as the industrial north core. Kent has grown significantly, primarily through annexation, from one square mile and about 3,500 residents in the 1950’s to our current size of 34.41 square miles and nearly 129,000 residents.

Where river steamboats once transported crops to Seattle’s public market, truckers now arrive at Kent warehouses to pick up and deliver goods for the global market place. The Kent valley industrial area has one of the largest concentrations of distribution, warehousing and manufacturing facilities in North America. With businesses like Amazon, Boeing, Exotic Metals, Blue Origin, Recreation Equipment Inc. (REI), Alaska Airlines, Hexcel, Oberto Sausage, and Columbia Distributing, it’s no wonder the area is considered the “powerhouse” of South King County.

Those looking for shopping and entertainment need to look no further. Kent’s retail activity in the East Hill and Meridian areas continue to grow, including a highly coveted Trader Joe’s. Those looking for an international flair will enjoy the Great Wall Mall at the north end of the Kent Valley, which attracts people from throughout King and Pierce counties.

Downtown’s Kent Station is a convenient gathering place for friends and family. With retail shopping, movie theaters, dining options, college classes, and proximity to the accesso ShoWare Center, it’s more than just another shopping center. Kent Station is a contemporary, open air urban village—a place where the community gathers to shop, dine, relax, learn and celebrate.

The accesso ShoWare Center is a 6,000 seat, 150,000 square foot multi-purpose arena located in downtown Kent. It is North America’s first sports and entertainment arena to achieve Gold certification from Leadership in Energy & Environmental Design by the US Green Building Council. Because of its intimate design and flexible scale, accesso ShoWare Center is home to the Western Hockey League’s Seattle Thunderbird’s and has been an ideal venue for wide events including concerts, family shows, professional and exhibition sports, trade shows, community gatherings and more.

MAYOR/COUNCIL



Mayor Dana Ralph



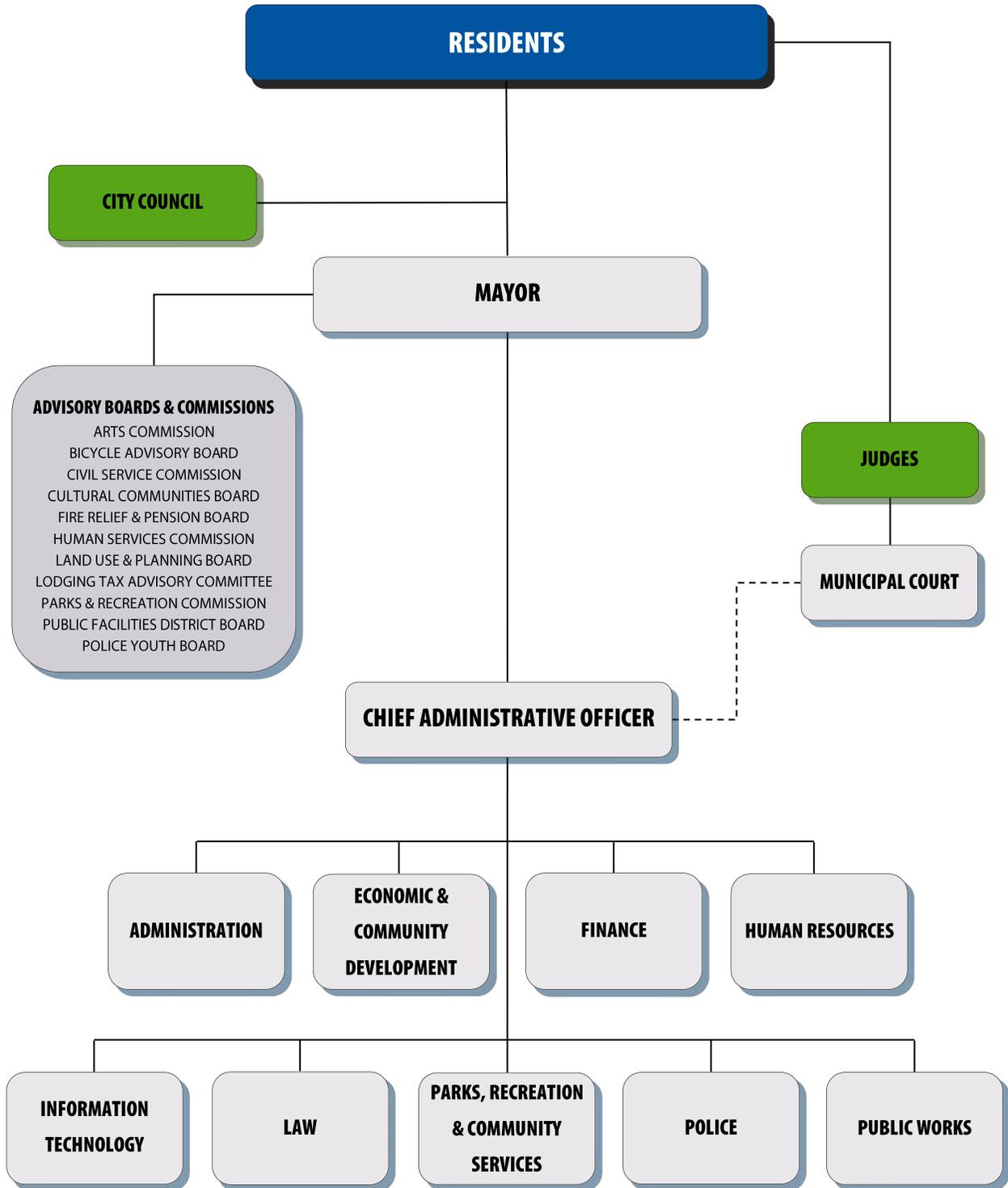
**Council Members from Left to Right: Les Thomas, Toni Troutner
Brenda Fincher, Bill Boyce, Marli Larimer, Satwinder Kaur, Dennis Higgins**

PRINCIPAL OFFICIALS

Kent operates under a Mayor-Council form of government. The City Council consists of seven residents of Kent who are elected at large to staggered, four-year terms. Members of the City Council then elect one council member to serve as president of the Council. The member elected serves a two-year term as president, and can be re-elected to as many two-year terms as desired by a majority of the City Council. The City Council President serves as the Mayor Pro Tem during any absence from the city by the Mayor. The City Council has five committees: Economic and Community Development, Operations, Parks and Human Services, Public Safety, and Public Works.

	Term Expiration
MAYOR	
Dana Ralph	12-31-2021
COUNCIL MEMBERS	
Bill Boyce, President	12-31-2019
Brenda Fincher	12-31-2021
Dennis Higgins	12-31-2019
Satwinder Kaur	12-31-2021
Marli Larimer	12-31-2019
Les Thomas	12-31-2019
Toni Troutner	12-31-2021
GENERAL GOVERNMENT	
Derek Matheson, Chief Administrative Officer	
Barbara Lopez, Interim Finance Director	
Pat Fitzpatrick, City Attorney	
Mike Carrington, Information Technology Director	
Natalie Winecka, Interim Human Resources Director	
ECONOMIC AND COMMUNITY DEVELOPMENT	
Kurt Hanson, Economic and Community Development Director	
PARKS, RECREATION AND COMMUNITY SERVICES	
Julie Parascondola, Parks, Recreation and Community Services Director	
PUBLIC SAFETY	
Rafael Padilla, Police Chief	
PUBLIC WORKS	
Tim LaPorte, Public Works Director	

CITY OF KENT ORGANIZATION CHART



GOALS & STRATEGIES

Our vision

Kent – where people choose to live and businesses change the world

mission

The City of Kent is committed to building a safe, thriving, sustainable and inclusive community.

values

Integrity

Do the right thing

Teamwork

Work together

Caring

Care for those we serve

Innovation

Find a way

Communication

Connect to understand

Achievement

Be the difference

goals

Thriving City

Creating safe neighborhoods, healthy people, vibrant commercial districts and inviting parks and recreation

Innovative Government

Delivering outstanding customer service, developing leaders and fostering innovation

Evolving Infrastructure

Connecting people and places through strategic investments in physical and technological infrastructure

Sustainable Services

Providing quality services through responsible financial management, economic growth and partnerships

Inclusive Community

Embracing our diversity and advancing equity through genuine community engagement



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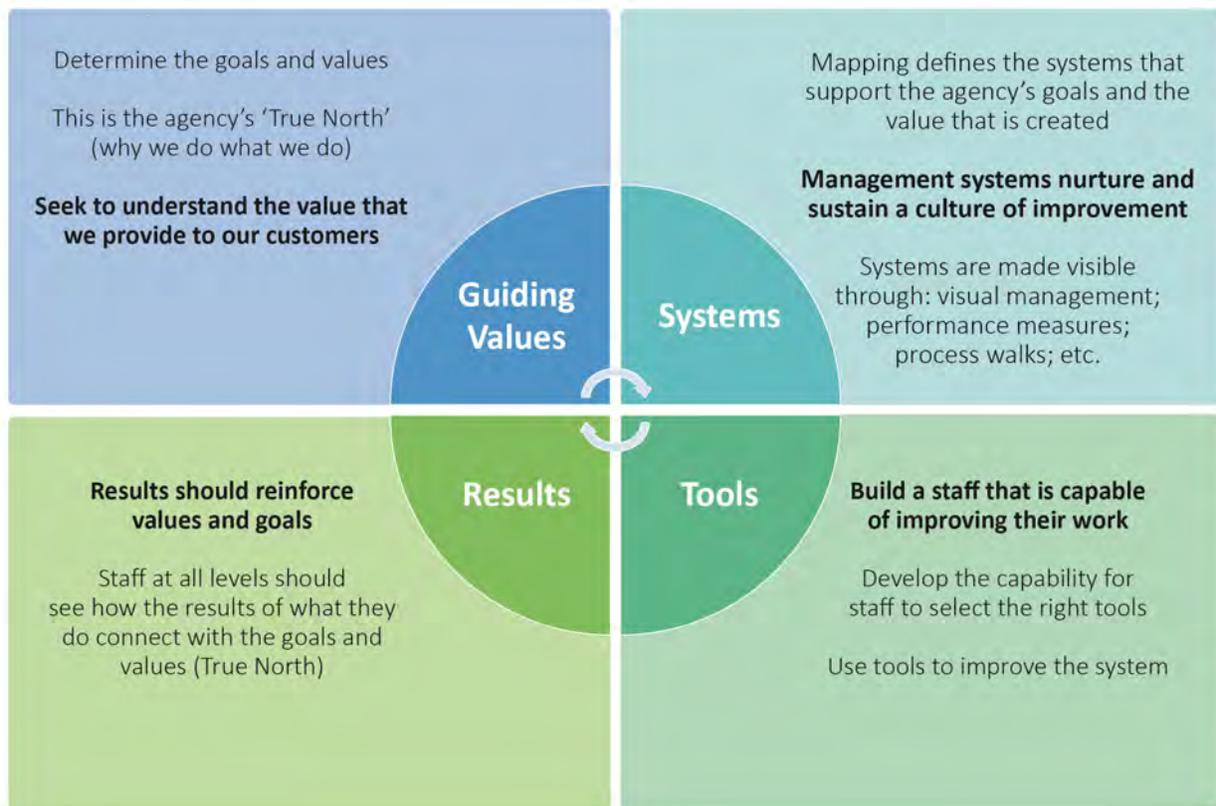
GOALS & STRATEGIES

STRATEGIC PLANNING PROCESS

The building blocks for the City’s strategic planning process, includes the following:

- ◆ High level framework, based on LEAN principals
- ◆ Our organizational structure, i.e. roles and responsibilities
- ◆ Kent strategy system
- ◆ Strategy mapping initiative

FRAMEWORK—THE LEAN ORGANIZATION



GOALS & STRATEGIES

STRATEGIC PLAN ORGANIZATION STRUCTURE

To bring this framework to life, an organizational structure was established around the Plan—Do—Check—Adjust nature of strategic planning. This structure is a key element of the overall Kent Strategy System.

PLAN	STRATEGIC PLAN LEADERSHIP COMMITTEE	DEPARTMENT STRATEGIC PLANNING TEAMS
	CAO, Finance Director, HR Director, IT Director and Business Strategy & Performance Analyst	Leaders and subject matter experts within each department
	Meets quarterly; overall responsibility for the ongoing cusses of the City's Strategic Plan	Meets regularly to define objectives, strategies, outcomes and metrics connecting department activities to the Strategic Plan
DO	GOAL AREA DEPARTMENT LEADS	
	Department program/project managers and subject matter experts for each of the goals in the City's Strategic Plan	Update department leadership of the progress towards their assigned goal or goals, assist with implementation of supporting strategies, attend Goal Area Group Meetings
CHECK	GOVERNMENT PERFORMANCE COORDINATOR	GOAL AREA DEPARTMENT LEADS
	Responsible for the focus and quality of the work done by Department Strategic Planning Teams and Goal Area Department Leads	Department program/project managers and subject matter experts for each of the goals in the City's Strategic Plan
	Provide mentorship on LEAN practices, lead and update the Strategic Reporting Dashboard, and participate as a member of the Strategic Plan Leadership Committee	Update department leadership of the progress towards their assigned goal or goals, assist with implementation of supporting strategies and attend Goal Area Group Meetings
ADJUST	GOAL AREA GROUPS	
	Senior leaders from each department	Facilitate quarterly meetings with Goal Area Department Leads Ensure ongoing progress for each goal in the City's Strategic Plan, track metrics, and update Strategic Plan Leadership Committee on overall progress for each goal

GOALS & STRATEGIES

STRATEGY MAPPING

In late 2016, the City launched a Strategy Mapping Initiative, whereby each department’s Strategic Planning Team maps their core processes and systems. The primary goals of the initiative are to:

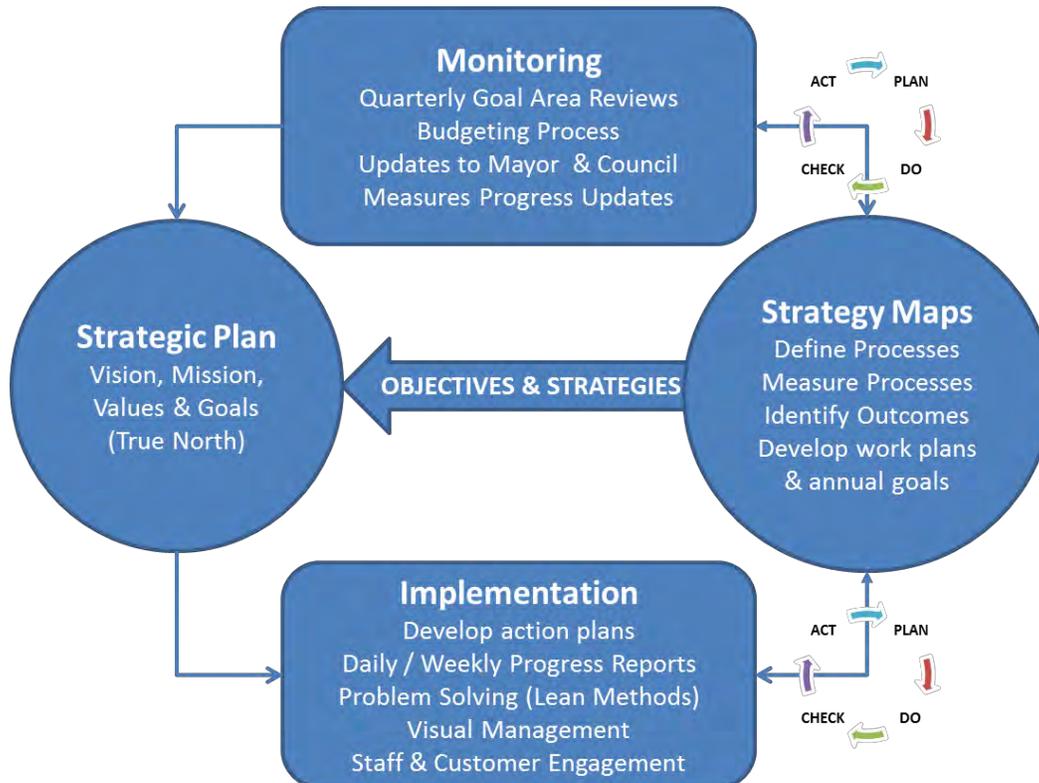
- ◆ Adjust nature of strategic planning (This structure is a key element of the overall Kent Strategy System)
- ◆ Define major programs at a department level
- ◆ Define core processes, key strategies and expected outcomes for each major program
- ◆ Develop meaningful measures around those core processes and expected outcomes
- ◆ Define the connection between core processes, program strategies and strategic plan goals

We continue our efforts to complete strategy mapping for all of the major programs operated by the City, to ensure that we are focusing on the strategies, core processes and programs that best address the overall strategic goals and ultimately, the needs of our residents.

RESIDENT FEEDBACK

The 2018 resident survey was not completed in time to inform the 2019-2020 budget. The Mayor, along with the Finance Director conducted several budget roadshows with residents in various communities. Residents provided face-to-face feedback at these events which assisted in the budget planning process.

KENT STRATEGY SYSTEM



PERFORMANCE MEASURES

PERFORMANCE MEASURES

Performance measurement is the process of collecting, analyzing, and reporting data regarding the performance of an organization. It is a tool to help local government evaluate the quality and effectiveness of government services. The use of performance measures in local government is driven by:

- ◆ Increased citizen demands for government accountability;
- ◆ Greater interest on the part of local legislators in performance related information to assist in program evaluation and resource allocation decisions;
- ◆ The efforts of various organizations and professional associations to make governments more results-oriented.

Performance measures help us recognize, and share, our successes and opportunities for improvement. As part of its ongoing effort to improve resident and business engagement and make performance data available to the public, the City has designed the performance measures around the Council's five goals:

- ◆ **Thriving City**—Creating safe neighborhoods, healthy people, vibrant commercial districts, and inviting parks and recreation
- ◆ **Evolving Infrastructure**—Connecting people and places through strategic investments in physical and technological infrastructure
- ◆ **Inclusive Community**—Embracing our diversity and advancing equity through genuine community engagement
- ◆ **Innovative Government**—Delivering outstanding customer service, developing leaders and fostering innovation
- ◆ **Sustainable Services**—Providing quality services through responsible financial management, economic growth and partnerships

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

COUNCIL GOAL: THRIVING CITY

MEASURE #1: CRIME RATES

RESPONSIBLE DEPARTMENT: Police

Indicators	Results			
	2015	2016	2017	2018
Overall National Incident-Based Reporting System (NIBRS) Crime Rates	50	61	57	n/a

ABOUT THIS MEASURE: Crime rates provide a basic measure of safety in the community.

WHY IT IS IMPORTANT: With current city growth, an understaffed police force, the regional homeless crisis, the opiate epidemic and challenges countywide with the criminal justice system, crime rate trends are expected to continue. The 2019-2020 adopted budget continues an ongoing emphasis on staffing and other public safety initiatives.

MEASURE #2: STAFFING

RESPONSIBLE DEPARTMENT: Police

Indicators	Results			
	2015	2016	2017	2018
Ratio of Officers per 1,000 Population	1.17	1.16	1.13	1.24
Crimes per Officer	n/a	56.83	50.64	45.12

ABOUT THIS MEASURE: Currently the Kent Police Department has the lowest ratio of officers per thousand population, but the highest ratio of crimes per officer, as compared to other cities in the Puget Sound Region. In 2018, the City of Kent paid over \$2.6 million in overtime to cover street staffing and respond to violent crimes. Much of this overtime resulted in mandatory assignment where officers had to extend their shifts for up to six additional hours to cover minimum staffing and calls for services. That means officers were forced to work 16 hour shifts to help keep Kent safe. This has resulted in a tired and stressed workforce.

WHY IT IS IMPORTANT: Having adequate Police staffing allows for the department to have timely responses to emergencies, investigate crimes and proactively address crime problems. Adequate police staffing provides not only a measure of security and safety for the public, but also for the officers themselves.

COUNCIL GOAL: THRIVING CITY

MEASURE #3: MAJOR CRIMES

RESPONSIBLE DEPARTMENT: Police

Indicators	Results			
	2015	2016	2017	2018
Homicides	5	5	11	6
Thefts	4,257	4,841	4,487	4,139

ABOUT THIS MEASURE: The City of Kent is one of the fastest growing cities in the state. As a result of this growth, the City has experienced a spike in violent and property crimes. The mission of the Kent Police Department is to aggressively fight crime while serving with compassion.

WHY IT IS IMPORTANT: Our residents and businesses deserve the highest quality of service to keep them safe and address quality of life issues.



COUNCIL GOAL: EVOLVING INFRASTRUCTURE

MEASURE #1: INFRASTRUCTURE

RESPONSIBLE DEPARTMENT: Public Works

Indicators	Results			
	2015	2016	2017	2018
Number of Pothole Claims Paid Out	0	2	3	0

ABOUT THIS MEASURE: This measure indicated how many claims were paid out on potholes for the City. It is a measure for responsiveness, and success in this measure may not equal zero due to factors outside our control, such as snow and/or ice in any given year. Pothole claims are typically paid out if response times are not up to the City standard. Factors like a weather event may cause slower response times and result in paid claims.

WHY IT IS IMPORTANT: Responsiveness is important for this measure because unfilled potholes can cause damage to vehicles.

MEASURE #2: RECYCLING

RESPONSIBLE DEPARTMENT: Public Works

Indicators	Results			
	2015	2016	2017	2018
Tons of recycling and compost diverted from landfill	44,907	51,920	51,263	47,777
Tons of garbage sent to landfill	72,038	75,285	77,220	78,820

ABOUT THIS MEASURE: This measure focuses on recycling and garbage. The City offers three free annual Recycling Collection Events to residents of the city and King County in order to dispose of hard to recycle items such as scrap metal, appliances, mattresses, shredding, electronics, batteries, Styrofoam and more. The City also contracts with a consultant that works directly with residents in multifamily housing where recycle rates currently sit at a lowly 13 percent. The City has a plan in place to work with its consultant to increase this number by six percent within two years.

Republic Services is the City's solid waste provider and does a great job of educating residents about the importance of "Recycling Right" and providing the latest updates when it comes to recycling. Their website, RepublicServicesKent.com is always up-to-date with the latest information on customer rates as well as how and where to dispose of specific items.

COUNCIL GOAL: EVOLVING INFRASTRUCTURE

WHY IT IS IMPORTANT: The City of Kent takes the diversion of recycling and composting from King County’s last remaining landfill very seriously. The Cedar Hills landfill is scheduled to fill to capacity and close by the year 2040 since its final expansion just concluded. Once this landfill reaches full capacity, residents will be forced to put our trash on trains, as Seattle currently does, and send it over to Eastern Washington or Oregon to landfills where the cost to transport is extremely high. The county could also build a “waste to energy” facility and incinerate our trash however, questions arise as to where to build this facility and how much it will cost.

The bottom line is the City of Kent encourages its residents and the residents of King County to extend the life of our current landfill as long as possible through free recycling events, engaging education and creating strategic partnerships to ensure recyclables are “Empty, Clean & Dry” and inspire residents to “Recycle Right, not recycle more”.

MEASURE #3: NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM (NPDES) PERMIT COMPLIANCE

RESPONSIBLE DEPARTMENT: Public Works

Indicators	Results			
	2015	2016	2017	2018
Number of G20 Notifications Committed	0	0	1	0
Number of Correction Notices or Violations for NPDES Permit	0	0	0	0

ABOUT THIS MEASURE: The National Pollutant Discharge Elimination System (NPDES) Municipal Stormwater Permit is required by Federal and State law. The purpose is to require cities and counties to manage stormwater in a way that is protective of the environment. This permit requires Kent to implement a host of stormwater programs, including: stormwater education and outreach; spill and illicit discharge response; development and construction oversight; and long-term operations and maintenance of stormwater systems.

WHY IT IS IMPORTANT: Compliance with the NPDES municipal permit is important because it helps prevent pollution of streams, lakes and Puget Sound. As a Federal and State-mandated permit program under the Federal Clean Water Act strong penalties are assessed for non-compliance.

COUNCIL GOAL: EVOLVING INFRASTRUCTURE

MEASURE #4: PAVEMENT PRESERVATION

RESPONSIBLE DEPARTMENT: Public Works

Indicators	2015	Results		
		2016	2017	2018
Paved lane miles assessed as satisfactory as a percentage of total miles	n/a*	48.90%	n/a*	50.11%

*Due to funding and time restraints, the data has only been gathered every other year.

ABOUT THIS MEASURE: Roadways are huge part of the cities’ infrastructure. The condition of the city roadways in the past had been significantly declining due to lack of funding. Without dedicating resources and investing in our roads the pavement deteriorates rapidly. Currently, there are dedicated B&O and solid waste utility tax funds being invested in our roadways.

WHY IT IS IMPORTANT: It is important to measure progress in this area because it is such a huge part of our infrastructure and the City’s biggest and most visible asset.



COUNCIL GOAL: INCLUSIVE COMMUNITY

MEASURE #1: COMMUNICATION AND ENGAGEMENT

RESPONSIBLE DEPARTMENT: Administration

Indicators	Results			
	2015	2016	2017	2018
Residents reached through Mayor's Budget Roadshow	n/a	n/a	n/a	200 approx
Facebook Followers - % increase	n/a	n/a	n/a	44.4%
Twitter Followers - % increase	n/a	n/a	n/a	17.9%
Kent Now Videos	n/a	n/a	n/a	18

ABOUT THIS MEASURE: The Communication division's mission is to proactively communicate with Kent's various audiences about City programs, services and initiatives; share events, information and resources; and facilitate engagement between the City, residents, businesses, local partners and elected officials.

WHY IT IS IMPORTANT: It is important that all residents, communities and businesses within Kent have access to the information they need to successfully live and work in Kent. We want to ensure every resident and business has a voice and a forum to be heard, and that they feel both welcome and valued.



COUNCIL GOAL: INCLUSIVE COMMUNITY

MEASURE #2: LEGISLATIVE ADVOCACY

RESPONSIBLE DEPARTMENT: Administration

Indicators	Results			
	2015	2016	2017	2018
Meetings with City staff and lobbyist to identify priorities	10	10	10	10
Meetings at Operations and City Council meetings to discuss and approve priorities	2	2	2	2
Meetings with legislators at City Hall and in Olympia to advocate for the City's priorities	n/a	n/a	10	10

ABOUT THIS MEASURE: The Communications Manager is responsible for working with City staff and our lobbyist to identify and advocate for the City's top legislative priorities. Each year we meet to discuss the upcoming years priorities.

WHY IT IS IMPORTANT: Some of the City's priorities require legislative support, including the following:

- ◆ Replacing funding that the City will lose when streamlined sales tax mitigation ends in 2019;
- ◆ Requesting capital funding for infrastructure projects like the Mill Creek Flood Plain Stabilization project and phase 2 of the 224th project;
- ◆ Asking for support for the early delivery of the Puget Sound Gateway project, and authorizing a pilot program to address street racing.

Each of these projects impact the City's sustainability whether it is directly impacting infrastructure needs, replacing much needed funding or supporting public safety.

COUNCIL GOAL: INNOVATIVE GOVERNMENT

MEASURE #1: PUBLIC ACCESS TO MATERIALS

RESPONSIBLE DEPARTMENT: Administration

Indicators	Results			
	2015	2016	2017	2018
Agendas, Minutes, and Notices, published through electronic agenda management system	n/a	n/a	n/a	259

ABOUT THIS MEASURE: The City Clerk’s Office oversees management of City Council and City Council Committees agendas, minutes and meeting notices. Through technology, the City Clerk’s Office deployed an electronic agenda management system, providing on-line public access through the City’s website.

WHY IT IS IMPORTANT: The portal allows access 24/7 to all agendas, minutes and meeting notices. Additionally, the public may sign-up for automatic notification of any published agenda or meeting notice.

MEASURE #2: RESPONSIVE RECORD MANAGEMENT

RESPONSIBLE DEPARTMENT: Administration

Indicators	Results			
	2015	2016	2017	2018
Public Record Requests Received	n/a	n/a	3,262	3,443
# of Completed Records Requests within 5 days	n/a	n/a	2,607	2,852
% of Completed Records Requests within 5 days	n/a	n/a	80%	83%

ABOUT THIS MEASURE: The time-consuming process of request intake, record gathering, and delivery of requested records requires many staff hours and resources city-wide. Over the past two years, most requests were received and processed through the Public Records Center portal on the City’s website. Over the past year, the City Clerk’s Office improved the delivery process of responsive records, transitioning from physical paper copies to electronic delivery through the Public Records Center portal.

WHY IT IS IMPORTANT: By developing this process, the City Clerk’s Office reduced their paper consumption and improved delivery and access to the requester.

COUNCIL GOAL: SUSTAINABLE SERVICES

MEASURE #1: CREDIT WORTHINESS

RESPONSIBLE DEPARTMENT: Finance

Indicators	Results			
	2015	2016	2017	2018
Bond Rating - Standard & Poor's (S&P)	AA	AA+	AA+	AA+
Bond Rating - Moody's	A2	A2	Aa3	Aa3

ABOUT THIS MEASURE: The City of Kent is rated by both Standard and Poor's (S&P) and Moody's Investment Services. The City's general obligation rating from S&P is an AA+ rating, which is S&P's second highest rating. It puts the City at the top of the range as a "very low credit risk". The Aa3 rating from Moody's is judged to be of high quality and subject to very low credit risk.

WHY IT IS IMPORTANT: A bond rating is a direct reflection of a City's creditworthiness, similar to an individual's credit rating. The City's high ratings reflect consistency with key credit factors, such as a healthy financial position, a strong economy and tax base and mid-ranged debt and pension burdens. High ratings also translate to lower interest rates for future borrowings (bonds or otherwise).

MEASURE #2: FINANCIAL MANAGEMENT

RESPONSIBLE DEPARTMENT: Finance

Indicators	Results			
	2015	2016	2017	2018
Unqualified audit opinion on prior years' financial statements	Yes	Yes	Yes	Yes
# of audit findings - financial, accountability and single audits combined	0	1	0	0

ABOUT THIS MEASURE: The Revised Code of Washington (RCW) Chapter 43.09 RCW requires the State Auditor's Office to examine the financial affairs of local governments. Accordingly, the City of Kent undergoes annual financial, accountability and single audits.

WHY IT IS IMPORTANT: Each audit is an opportunity to review an organization's financial management practices, which provide the foundation for effective stewardship of resources and ensuring the safety and security of financial assets. No other indicator provides a better measure of the efficacy of those practices.

COUNCIL GOAL: SUSTAINABLE SERVICES

MEASURE #3: FINANCIAL CONDITION

RESPONSIBLE DEPARTMENT: Finance

Indicators	Results			
	2015	2016	2017	2018
General Fund Reserves as a % of Expenditures				
Target (2015 only): 10%	11.50%	18.75%	20.80%	20.00%
Target: 18%				
General Fund Revenues as a % of Ongoing Expenditures				
Target: > 100%	104.70%	105.10%	101.60%	102.20%
General Fund Tax Revenues as a % of Personnel Costs				
Target: > 100%	99.20%	107.90%	105.40%	104.60%

ABOUT THIS MEASURE: The Government Finance Officers Association best practice recommends reserve equal to two months of budgeted expenditures, or about 16 percent. In early 2017, Council formally adopted a fund balance policy that calls for 18 percent reserves in the General Fund. Reserves are used during economic downturns and in rare cases for large unforeseen expenditures or revenue reductions. Any use of reserves that reduces the fund balance below the minimum required must include a repayment plan.

Maintaining annual revenues as a percentage of expenditures at 100 percent or higher indicates that ongoing costs are fully supported by ongoing revenues, which is a key component of a structurally balanced budget. It could also be argued that ongoing tax revenue (majority of revenues) should cover ongoing personnel costs (majority of costs).

WHY IT IS IMPORTANT: Financial condition is an indicator of the City's ability to provide sustainable core services through economic cycles and meet unforeseen needs. Additionally, the concept of structural balance is a key factor in developing a sustainable spending plan. By establishing a budget where operational costs are supported by recurring revenues, future liabilities for continuing costs are avoided.

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BUDGET OVERVIEW

The Budget Overview section summarizes the Adopted 2019-2020 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 projections 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 2019-2020 Adopted Biennial Budget. The adopted 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.

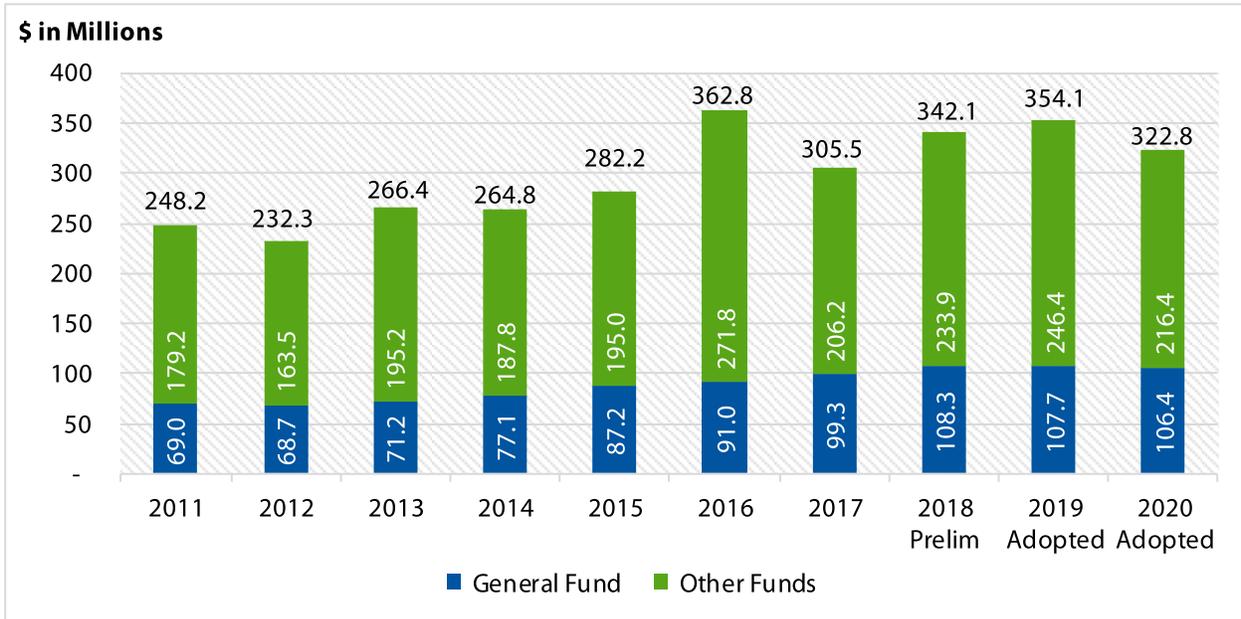
All budgets are developed within a budgetary framework designed to ensure consistency with the Revised Code of Washington (RCW) requirements, budgeting standards and fiscal policies. Specific information for the following components can be found in the Budget Framework section of this document:

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

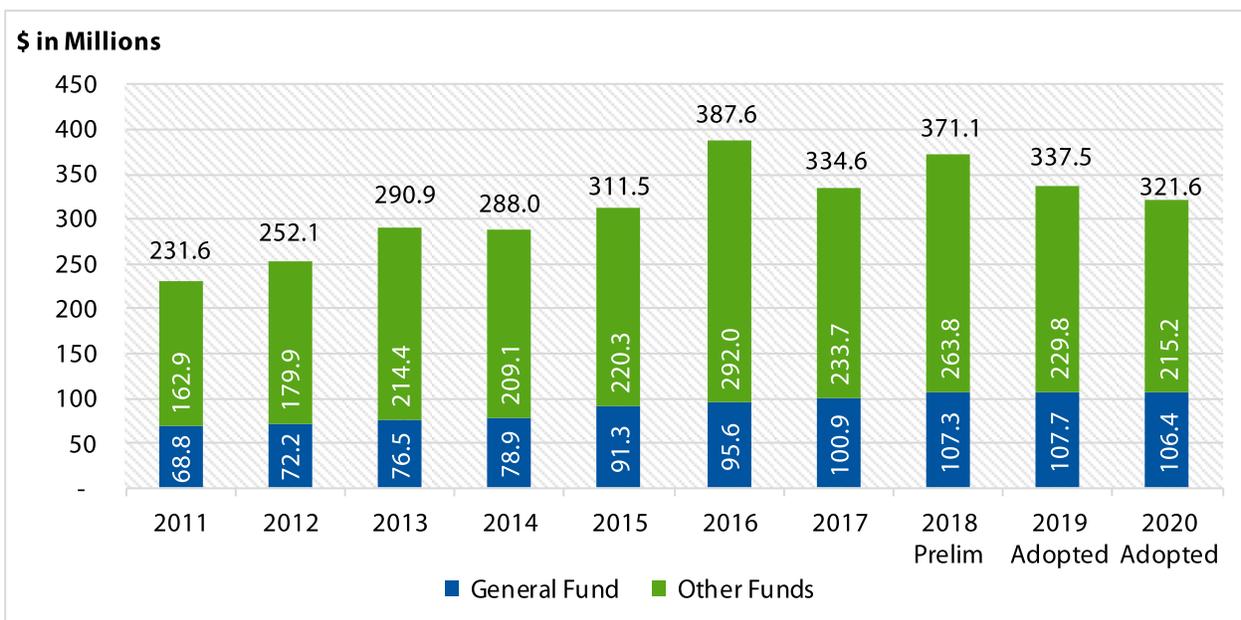
EXPENDITURE AND REVENUE HISTORY

The **City-Wide Expenditures** and **City-Wide Revenues** graphs below demonstrate the City's expenditure and revenue history for the past eight 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



CITY-WIDE BUDGET

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

2019-2020 BIENNIAL BUDGET BY FUND

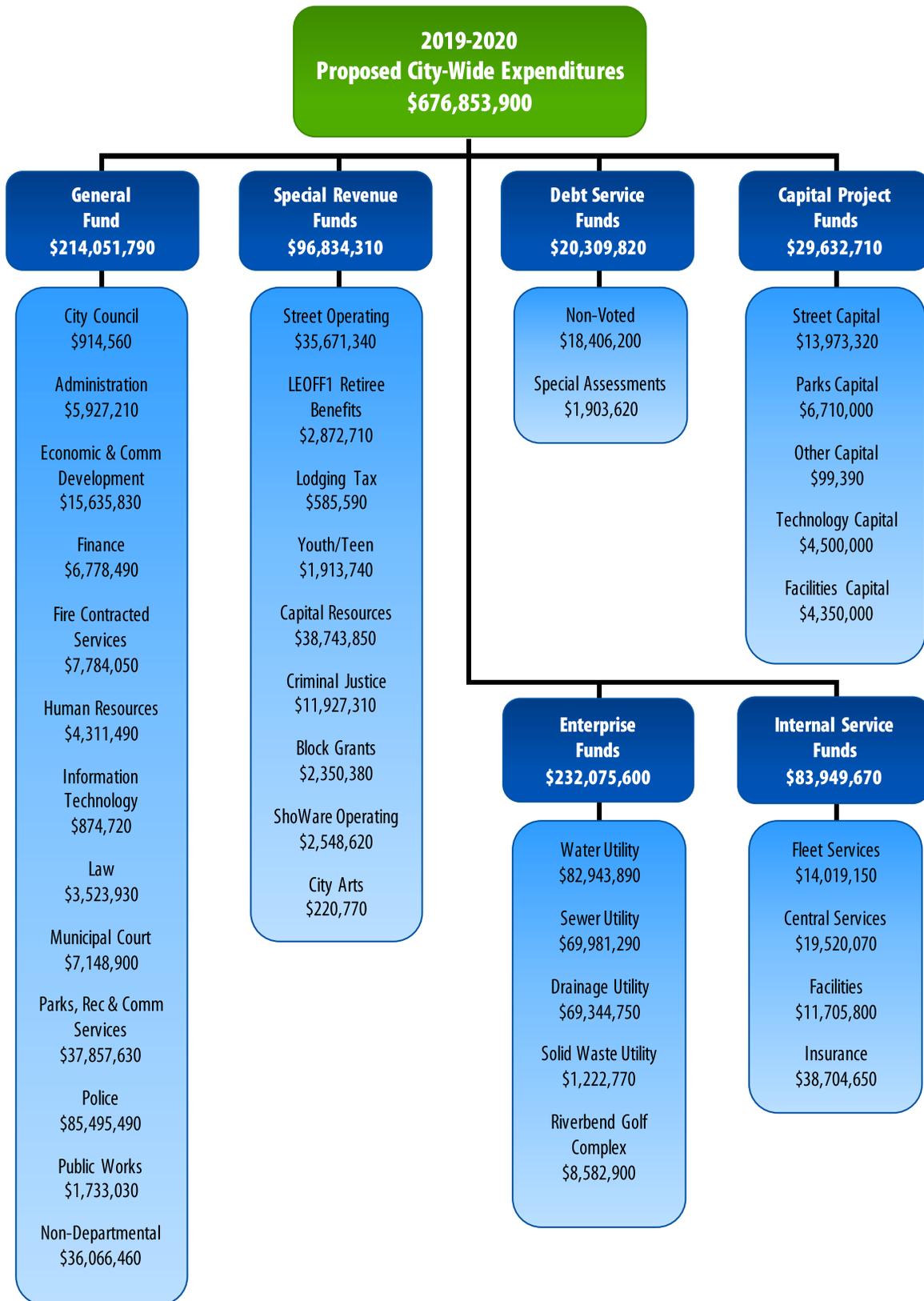
	Projected Beginning Fund Balance	Revenues	Expenditures	Projected Ending Fund Balance	Change in Fund Balance
General Fund	\$ 23,409,868	\$ 214,051,790	\$ 214,051,790	\$ 23,409,868	\$ -
Special Revenue Funds					
Street Operating	5,404,355	35,671,340	35,671,340	5,404,355	-
LEOFF1 Retiree Benefits	1,868,412	2,382,540	2,872,710	1,378,242	(490,170)
Lodging Tax	338,217	595,500	585,590	348,127	9,910
Youth / Teen	87,733	1,913,740	1,913,740	87,733	-
Capital Resources	15,331,621	31,724,290	38,743,850	8,312,061	(7,019,560)
Criminal Justice	7,207,406	12,800,830	11,927,310	8,080,926	873,520
Comm Dev Block Grants		2,350,380	2,350,380	-	-
ShoWare Operating	2,386,387	2,300,000	2,548,620	2,137,767	(248,620)
City Arts Program	587,401	220,770	220,770	587,401	-
Debt Service Funds					
Non-Voted	1,451,046	19,333,460	18,406,200	2,378,306	927,260
Special Assessments	479,916	2,098,560	1,903,620	674,856	194,940
Capital Projects Funds					
Street Capital Projects		13,973,320	13,973,320	-	-
Parks Capital Projects		6,710,000	6,710,000	-	-
Technology Capital Projects		4,500,000	4,500,000	-	-
Facilities Capital Projects		4,350,000	4,350,000	-	-
Other Capital Projects		-	99,390	(99,390)	(99,390)
Enterprise Funds					
Water Utility	14,466,576	77,992,940	82,943,890	9,515,626	(4,950,950)
Sewer Utility	6,326,036	70,301,490	69,981,290	6,646,236	320,200
Drainage Utility	10,516,328	63,728,050	69,344,750	4,899,628	(5,616,700)
Solid Waste Utility	466,751	1,250,000	1,222,770	493,981	27,230
Riverbend Golf Complex	(949,235)	8,484,200	8,582,900	(1,047,935)	(98,700)
Internal Service Funds					
Fleet Services	4,199,591	13,758,530	14,019,150	3,938,971	(260,620)
Central Services	3,336,393	18,699,100	19,520,070	2,515,423	(820,970)
Facilities	2,354,102	11,529,950	11,705,800	2,178,252	(175,850)
Insurance	9,511,996	38,386,780	38,704,650	9,194,126	(317,870)
City-Wide Total	\$108,780,900	\$ 659,107,560	\$ 676,853,900	\$ 91,034,560	\$ (17,746,340)

CITY-WIDE 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	\$ 23,409,868	\$ 33,211,531	\$ 1,930,962	\$ -	\$ 30,826,457	\$ 19,402,082	\$ 108,780,900
Revenues							
Taxes	169,451,550	40,914,620				3,255,180	213,621,350
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	12,127,100	1,657,110			156,648,060	26,221,620	196,653,890
Fines and Forfeitures	2,259,450	5,058,270			1,170		7,318,890
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	32,558,370	54,101,370	5,375,000	142,167,740
Total Revenues	214,051,790	89,959,390	21,432,020	29,533,320	221,756,680	82,374,360	659,107,560
Expenditures							
Salaries & Benefits	117,352,070	31,073,670			22,537,790	18,533,710	189,497,240
Supplies	5,977,720	2,630,160			4,013,255	4,668,910	17,290,045
Services & Allocations	53,188,420	13,160,480			96,498,695	52,711,050	215,558,645
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	214,051,790	96,834,310	20,309,820	29,632,710	232,075,600	83,949,670	676,853,900
Expenditures by Department							
City Council	914,560						914,560
Administration	5,927,210	50,000					5,977,210
Economic & Community Dev	15,635,830						15,635,830
Finance	6,778,490					782,330	7,560,820
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	85,495,490	10,184,370					95,679,860
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	214,051,790	96,834,310	20,309,820	29,632,710	232,075,600	83,949,670	676,853,900
Change in Fund Balance		(6,874,920)	1,122,200	(99,390)	(10,318,920)	(1,575,310)	(17,746,340)
Est Fund Balance 12/31/2020	\$ 23,409,868	\$ 26,336,611	\$ 3,053,162	\$ (99,390)	\$ 20,507,537	\$ 17,826,772	\$ 91,034,560

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 Prelim
General Fund						
General Fund	\$9,497,964	\$11,312,140	\$15,372,499	\$19,987,728	\$21,595,174	\$23,409,868
Special Revenue Funds						
Street Operating	916,269	1,196,234	4,092,055	3,977,113	5,873,486	5,404,355
LEOFF 1 Retiree Benefits	862,223	1,031,026	1,093,532	1,174,261	1,296,372	1,868,412
Lodging Tax	193,663	371,803	394,516	469,387	457,557	338,217
Youth / Teen	157,337	147,063	121,275	91,130	104,887	87,733
Capital Resources	(7,426,649)	(3,299,461)	5,775,064	11,277,727	15,646,334	15,331,621
Criminal Justice	1,509,236	2,193,069	3,981,627	5,697,717	7,197,004	7,207,406
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	587,401
ShoWare Operating	(2,456,087)	19,990	1,596,543	2,147,074	2,518,895	2,386,387
Debt Service Funds						
Voted Debt Service	1,083					
Non-Voted Debt Service	183		8,329	521,394	986,220	1,451,046
Special Assessments	3,614,956	4,302,699	2,070,434	1,188,906	582,661	479,916
Enterprise Funds						
Water Utility	3,339,820	6,204,899	8,285,372	11,761,566	13,088,191	14,466,576
Sewer Drainage Utility	5,694,993	10,080,781	10,162,058	11,735,778	16,675,150	16,842,364
Solid Waste Utility			(365)	302,528	479,431	466,751
Golf Complex	(2,653,878)	(2,853,332)	(3,043,675)	(3,768,128)	(3,816,932)	(949,235)
Internal Service Funds						
Fleet Services	2,444,480	2,936,027	4,301,237	5,134,423	5,869,149	4,199,591
Central Stores	(87,039)	(67,334)	(46,226)	(63,568)	(3,113)	15,044
Information Technology	1,122,778	1,942,421	2,808,737	3,640,615	3,593,294	3,321,349
Facilities	1,265,533	1,772,015	1,672,947	2,340,684	2,316,961	2,354,102
Unemployment	471,907	740,157	1,038,938	1,332,446	1,424,508	1,401,222
Workers Compensation	702,401	2,128,253	2,541,813	2,305,514	2,374,327	2,049,874
Emp Health & Wellness	7,117,378	6,933,915	6,122,922	4,681,152	2,960,567	3,993,127
Liability Insurance	3,503,130	2,503,778	2,452,656	1,754,057	1,661,132	1,460,235
Property Insurance	176,960	236,644	348,579	531,548	652,035	607,537

FUND BALANCE

FUND BALANCES—2019-2020 BIENNIAL BUDGET

	2018 Prelim Ending Fund Balance	2019 Rev - Exp	2019 Est Ending Fund Balance	2020 Rev - Exp	2020 Est Ending Fund Balance
General Fund					
General Fund	\$ 23,409,868	\$ -	\$ 23,409,868	\$ -	\$ 23,409,868
Special Revenue Funds					
Street Operating	5,404,355	-	5,404,355	-	5,404,355
LEOFF 1 Retiree Benefits	1,868,412	(243,410)	1,625,002	(246,760)	1,378,242
Lodging Tax	338,217	3,640	341,857	6,270	348,127
Youth / Teen	87,733	-	87,733	-	87,733
Capital Resources	15,331,621	(4,397,540)	10,934,081	(2,622,020)	8,312,061
Criminal Justice	7,207,406	430,170	7,637,576	443,350	8,080,926
Housing and Comm Dev					
City Arts Program	587,401		587,401		587,401
ShoWare Operating	2,386,387	(273,790)	2,112,597	25,170	2,137,767
Debt Service Funds					
Non-Voted Debt Service	1,451,046	463,500	1,914,546	463,760	2,378,306
Special Assessments	479,916	185,920	665,836	9,020	674,856
Enterprise Funds					
Water Utility	14,466,576	(6,634,440)	7,832,136	1,683,490	9,515,626
Sewer Utility	6,326,036	152,160	6,478,196	168,040	6,646,236
Drainage Utility	10,516,328	(6,334,450)	4,181,878	717,750	4,899,628
Solid Waste Utility	466,751	18,460	485,211	8,770	493,981
Golf Complex	(949,235)	(151,580)	(1,100,815)	52,880	(1,047,935)
Internal Service Funds					
Fleet Services	4,199,591	712,410	4,912,001	(973,030)	3,938,971
Central Stores	15,044	59,800	74,844	60,970	135,814
Information Technology	3,321,349	59,550	3,380,899	(1,001,290)	2,379,609
Facilities	2,354,102	(83,570)	2,270,532	(92,280)	2,178,252
Unemployment	1,401,222	(51,910)	1,349,312	(52,810)	1,296,502
Workers Compensation	2,049,874	(362,980)	1,686,894	(375,450)	1,311,444
Employee Health & Wellness	3,993,127	153,870	4,146,997	444,080	4,591,077
Liability Insurance	1,460,235	(206,910)	1,253,325	135,520	1,388,845
Property Insurance	607,537	(690)	606,847	(590)	606,257

FUND BALANCE

FUND BALANCES—CHANGE IN ENDING FUND BALANCE

	2018 Prelim Ending Fund Balance	2019 Projected Ending Fund Balance	Change in Fund Balance	% Change
General Fund				
General Fund	\$ 23,409,868	\$ 23,409,868	\$ -	0.0%
Special Revenue Funds				
Street Operating	5,404,355	5,404,355	-	0.0
LEOFF1 Retiree Benefits	1,868,412	1,625,002	(243,410)	(13.0)
Lodging Tax	338,217	341,857	3,640	1.1
Youth / Teen	87,733	87,733	-	0.0
Capital Resources	15,331,621	10,934,081	(4,397,540)	(28.7)
Criminal Justice	7,207,406	7,637,576	430,170	6.0
City Arts Program	587,401	587,401	-	0.0
ShoWare Operating	2,386,387	2,112,597	(273,790)	(11.5)
Debt Service Funds				
Non-Voted	1,451,046	1,914,546	463,500	31.9
Special Assessments	479,916	665,836	185,920	38.7
Enterprise Funds				
Water Utility	14,466,576	7,832,136	(6,634,440)	(45.9)
Sewer Utility	6,326,036	6,478,196	152,160	2.4
Drainage Utility	10,516,328	4,181,878	(6,334,450)	(60.2)
Solid Waste Utility	466,751	485,211	18,460	4.0
Riverbend Golf Complex	(949,235)	(1,100,815)	(151,580)	16.0
Internal Service Funds				
Fleet Services	4,199,591	4,912,001	712,410	17.0
Central Services	3,336,393	3,455,743	119,350	3.6
Facilities	2,354,102	2,270,532	(83,570)	(3.5)
Insurance	9,511,996	9,043,376	(468,620)	(4.9)

FUND BALANCE

EXPLANATION OF CHANGES GREATER THAN 10% IN ENDING FUND BALANCE

LEOFF1 Retiree Benefits Fund: The 2019 ending fund balance is \$243,410 less than the preliminary 2018 ending fund balance. Accumulated fund balance will be used to cover budgeted costs.

Capital Resources Fund: The 2019 ending fund balance is \$4,397,540 less than the preliminary 2018 ending fund balance. Revenue sources have been strategically reduced in 2019 and available fund balance is being used to support various capital projects.

ShoWare Operating Fund: The 2019 ending fund balance is \$273,790 less than the preliminary 2018 ending fund balance. Accumulated fund balance will be used to cover budgeted costs.

Non-Voted Debt Service Fund: The 2019 ending fund balance is \$463,500 more than the preliminary 2018 ending fund balance. Funds are being accumulated to pay for debt in future years.

Special Assessment Fund: The 2019 ending fund balance is \$185,920 more than the preliminary 2018 ending fund balance. Funds are being accumulated to pay for debt in future years.

Water Utility Fund: The 2019 ending fund balance is \$6,634,440 less than the preliminary 2018 ending fund balance. Accumulated funds will be used to fund capital projects.

Drainage Utility Fund: The 2019 ending fund balance is \$6,334,450 less than the preliminary 2018 ending fund balance. Accumulated funds will be used to fund capital projects.

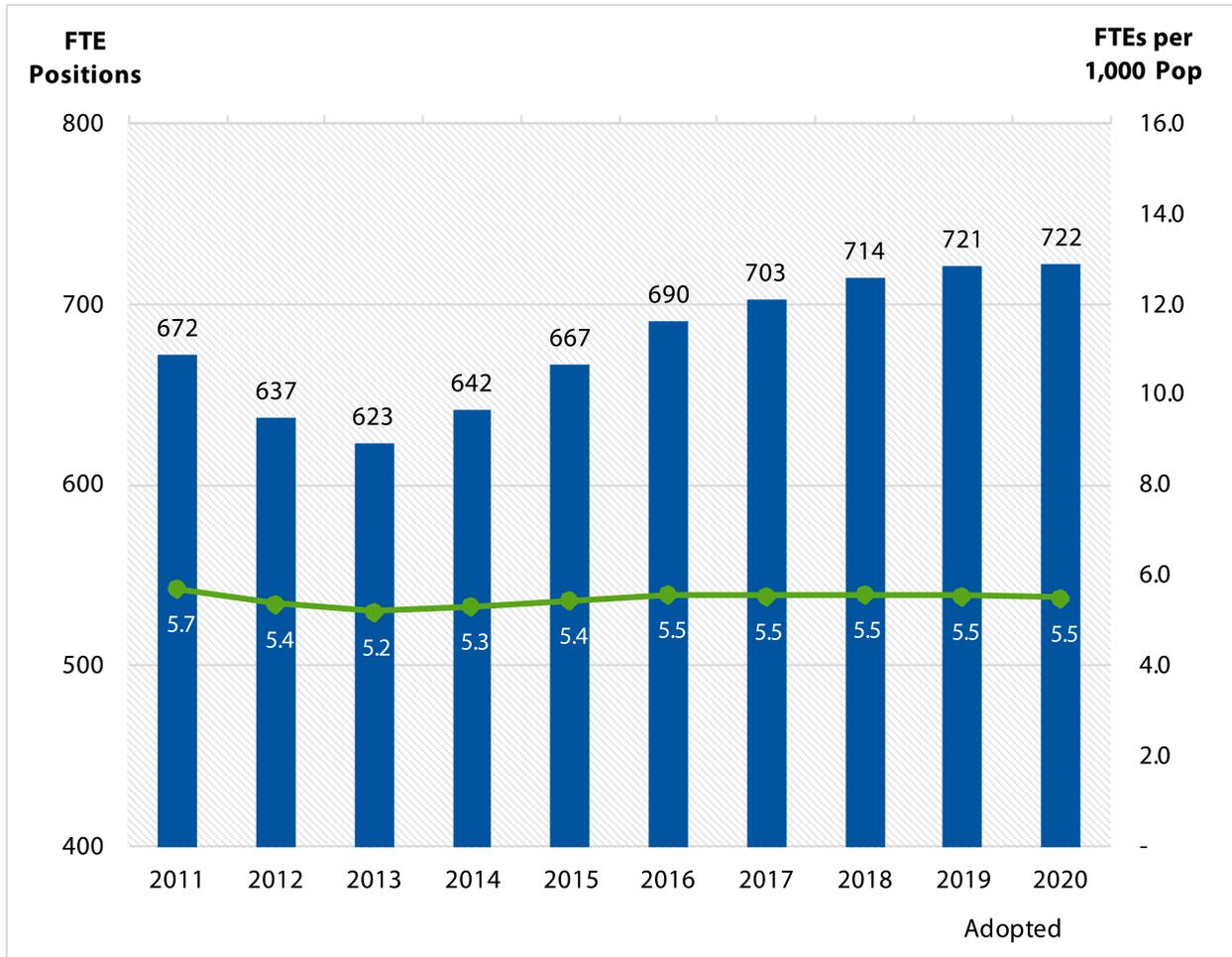
Riverbend Golf Complex Fund: The 2019 ending fund balance is \$151,580 less than the preliminary 2018 ending fund balance. Accumulated funds will be used to fund capital projects.

Fleet Services Fund: The 2019 ending fund balance is \$712,410 greater than the preliminary 2018 ending fund balance, accumulating funds to be used for expenditures in future years.

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 FTEs from 2011 and the number of FTEs per every 1,000 in population. The number of funded FTEs has risen by 99 since 2013. At the same time, the number of FTEs per population has also risen, 5.2 per thousand in 2013 as compared to 5.5 per thousand in 2020.

FTEs per 1,000 POPULATION



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
FTE Positions	671.7	637.2	623.3	641.6	666.7	690.0	702.8	714.2	720.6	722.0
Population *	118,200	119,100	120,500	121,400	122,900	124,500	127,100	128,900	130,400	131,900
FTEs per 1,000 Pop	5.7	5.4	5.2	5.3	5.4	5.5	5.5	5.5	5.5	5.5

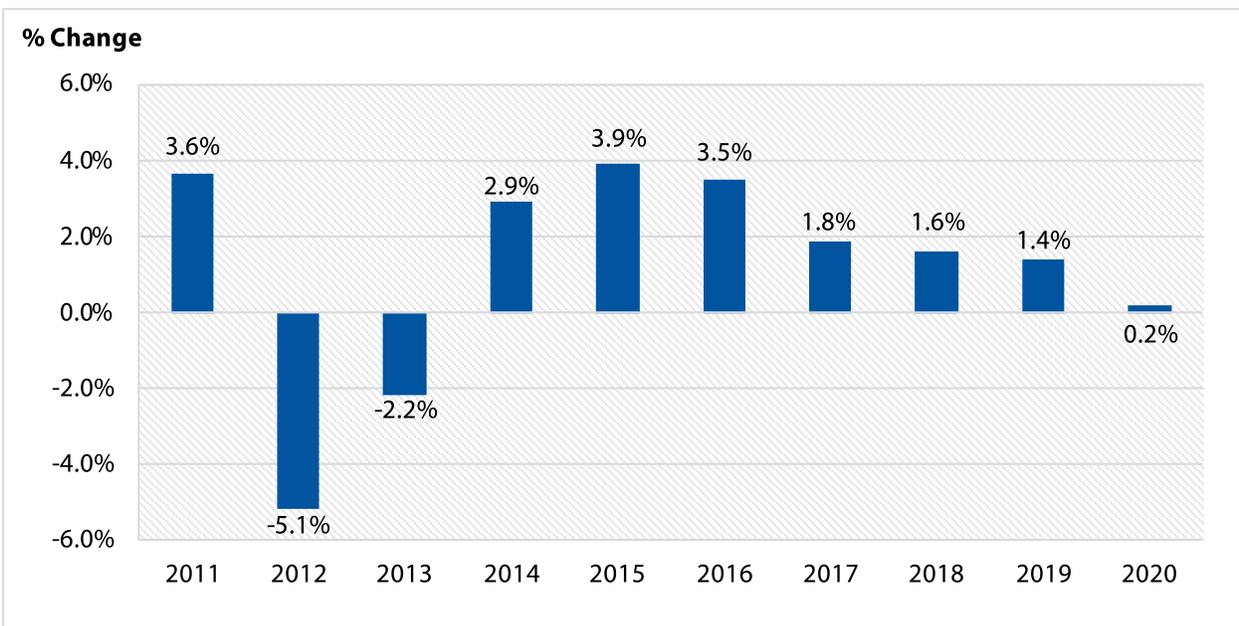
* Populations are based on state official estimates. 2019 and 2020 are estimates.

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 in response to service level requirements and strategic program creation and/or enhancements.

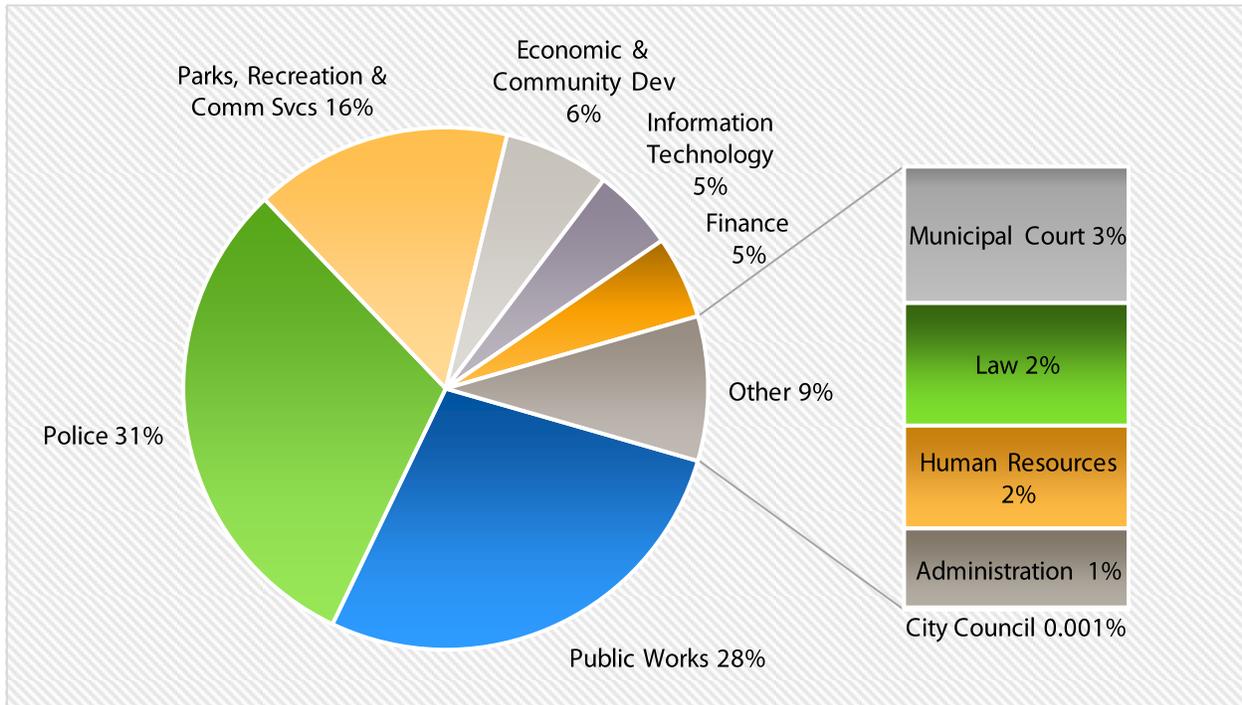
PERCENT CHANGE IN STAFFING



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 adopted in the 2019-2020 adopted budget.

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

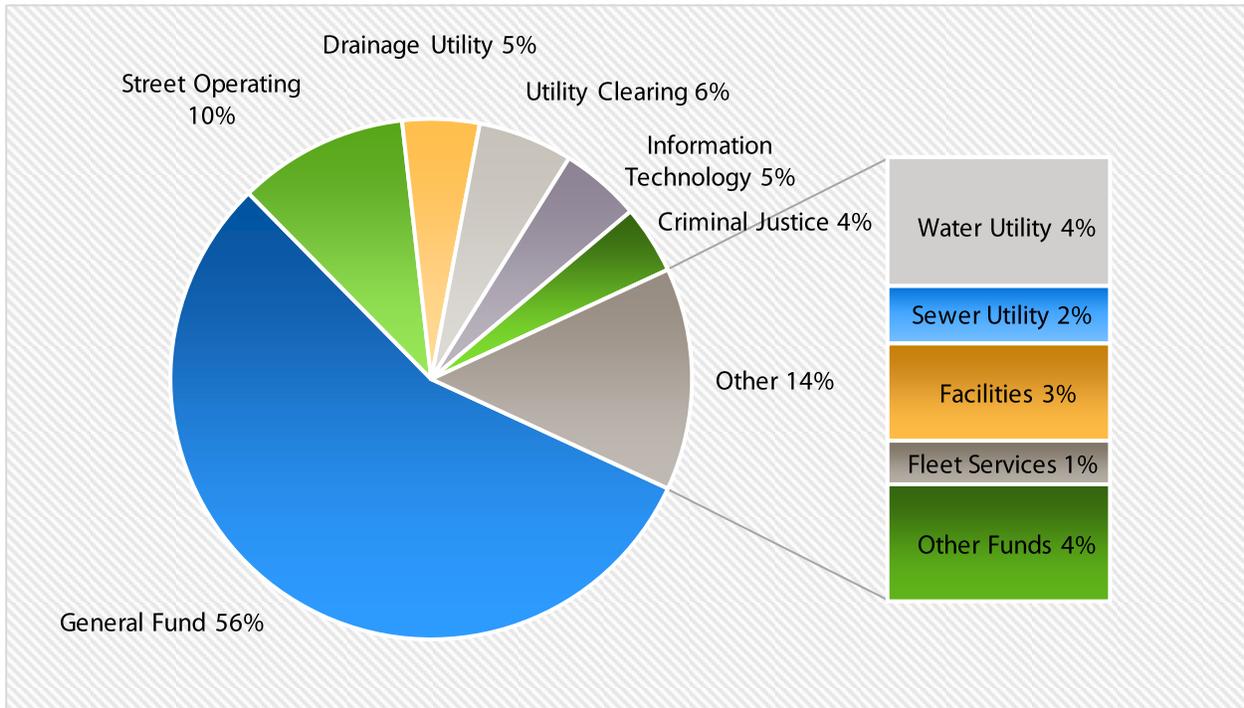


POSITIONS SUMMARY BY DEPARTMENT—FULL TIME EQUIVALENTS (FTEs)

	2018 Adopted	2018 New	2018 Total	2019 Request	2019 Adopted	2020 Request	2020 Adopted
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	(1.00)	37.00		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	5.53	219.28	3.00	222.28
Public Works	197.00		197.00	2.50	199.50		199.50
Total FTEs by Dept	709.69	4.50	714.19	6.40	720.59	1.40	721.99

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 Adopted	2020 Request	2020 Adopted
General Fund	393.86	4.50	398.36	2.50	400.86	1.60	402.46
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
Sewer 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	6.40	720.59	1.40	721.99

STAFFING

POSITION CHANGES BY DEPARTMENT—FULL TIME EQUIVALENTS (FTEs)

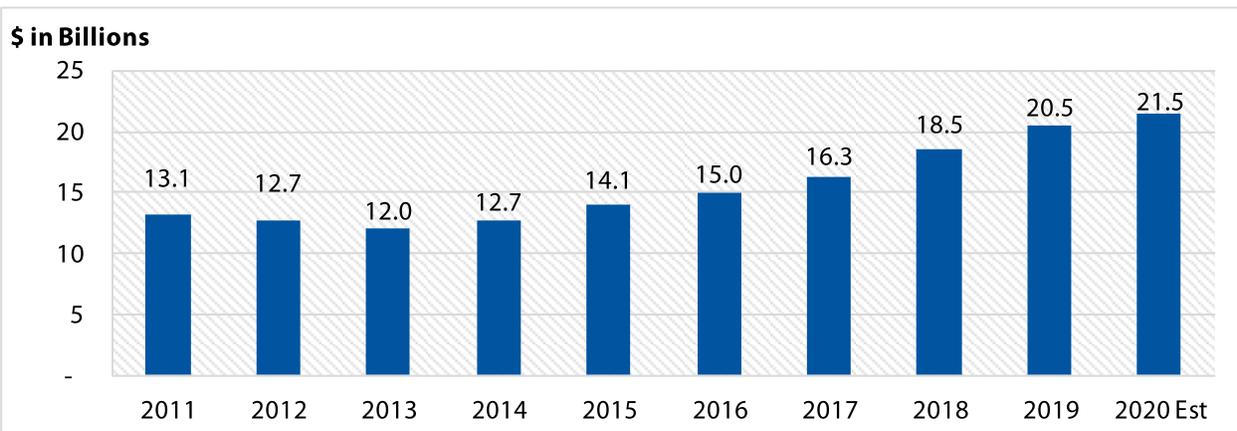
	2019 Adopted	2020 Adopted
Administration		
Communications Coordinator	(1.0)	
Executive Assistant/Mgmt Analyst		(1.0)
Administrative Assistant 2 - Body Worn Cameras/In Car Video	1.0	
Finance		
Administrative Assistant 2	(1.0)	
Human Resources		
HR Analyst		(0.6)
Law		
Prosecuting Attorney - Body Worn Cameras/In Car Video	1.0	
Municipal Court		
Court Security Officer	(0.53)	
Parks, Recreation & Community Services		
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	1.0	
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	6.40	1.40

PROPERTY TAX

PROPERTY TAX AND ASSESSED VALUATION

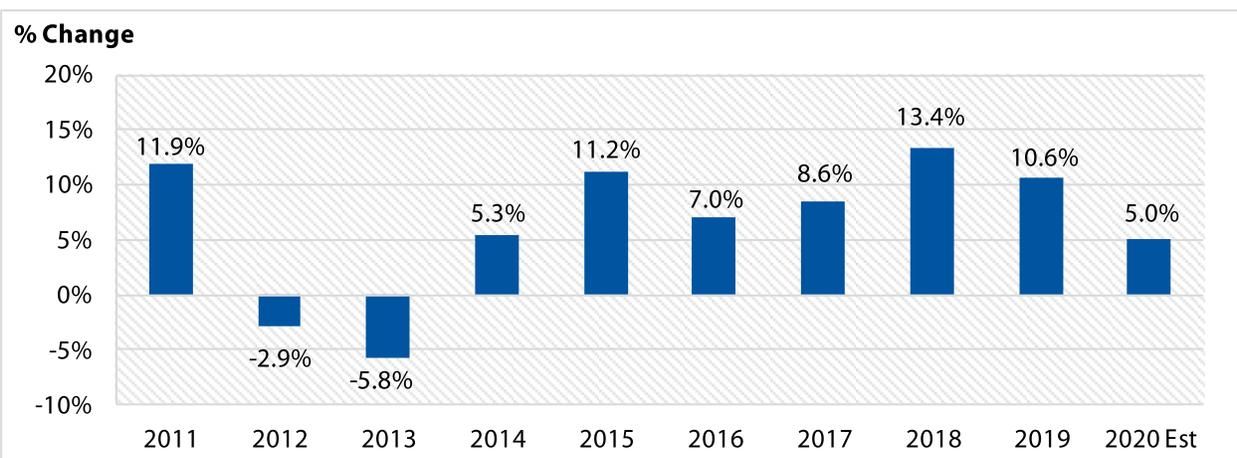
Property tax is the largest source of revenue in the General Fund. The King County Assessor values and provides information to the City of Kent on their determination of property values within city limits. The growth in Property Tax revenue is dependent upon both the assessed valuation of property (provided by the King County Assessor) and the tax rate. In 2019, and for the sixth 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, however, 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 2020 assessed valuation is estimated to increase by five percent.

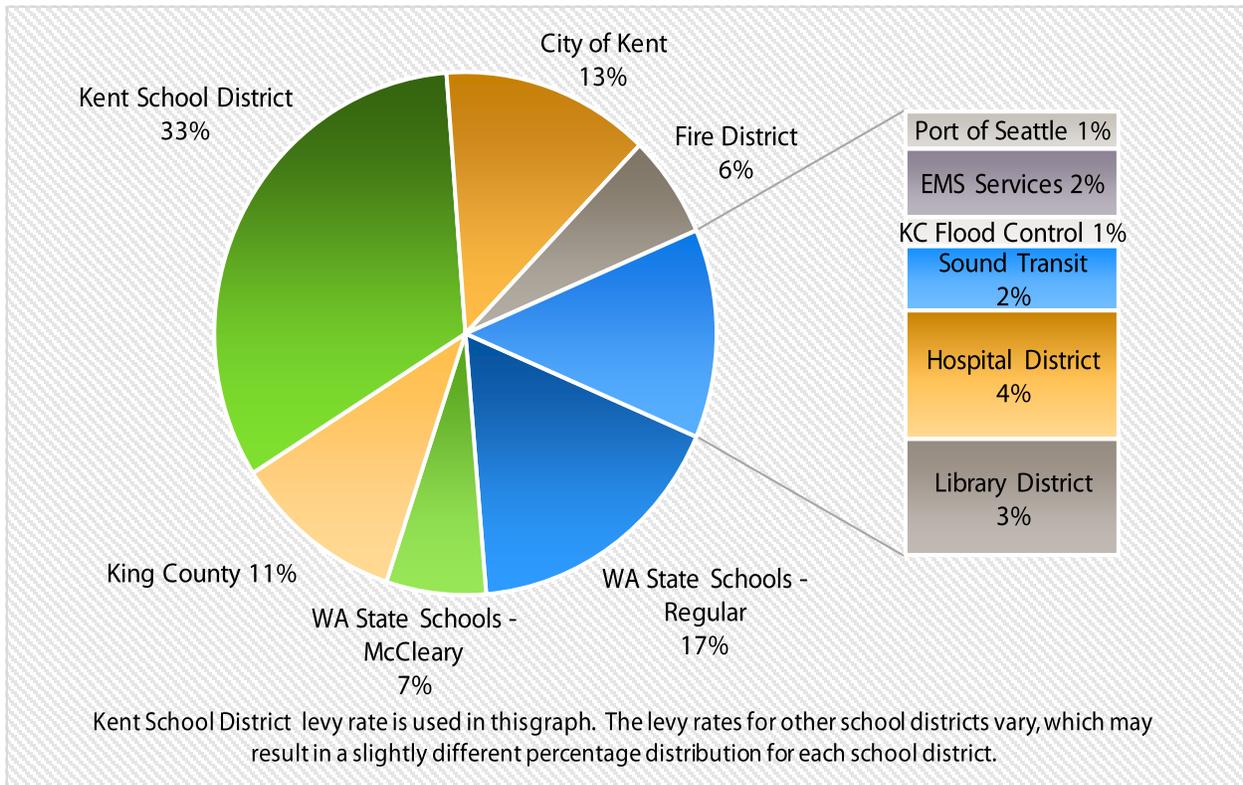
PERCENT CHANGE IN ASSESSED VALUATION



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—2019 LEVY RATES



The property tax in the 2019-2020 adopted 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 2019, with estimates for 2020.

PROPERTY TAX AV & RATES

City of Kent Share Only	2018	2019	2020 Est
Assessed Valuation in thousands ^(A)	\$ 18,528,081	\$ 20,495,751	\$ 21,520,538
General Levy Rate (\$2.325 max) ^(B)	1.62704	1.49065	1.43853
Estimated Cost On:			
Median Home Value ^(C)	\$527	\$507	\$514

^(A) Assessed valuation for 2020 is estimated to increase by 5% from 2019.

^(B) 2018 & 2019 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.

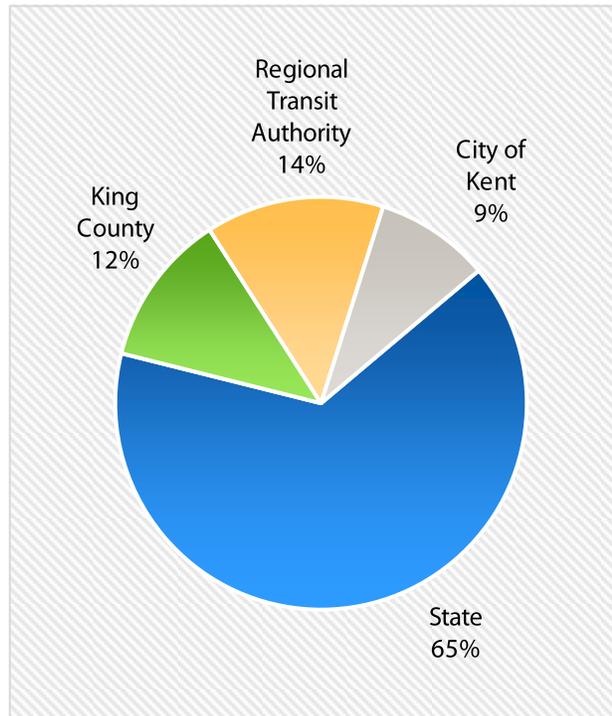
CRIMINAL JUSTICE LOCAL OPTION SALES TAX

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.

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. All lodging tax revenues are allocated to the Lodging Tax Fund for these purposes.

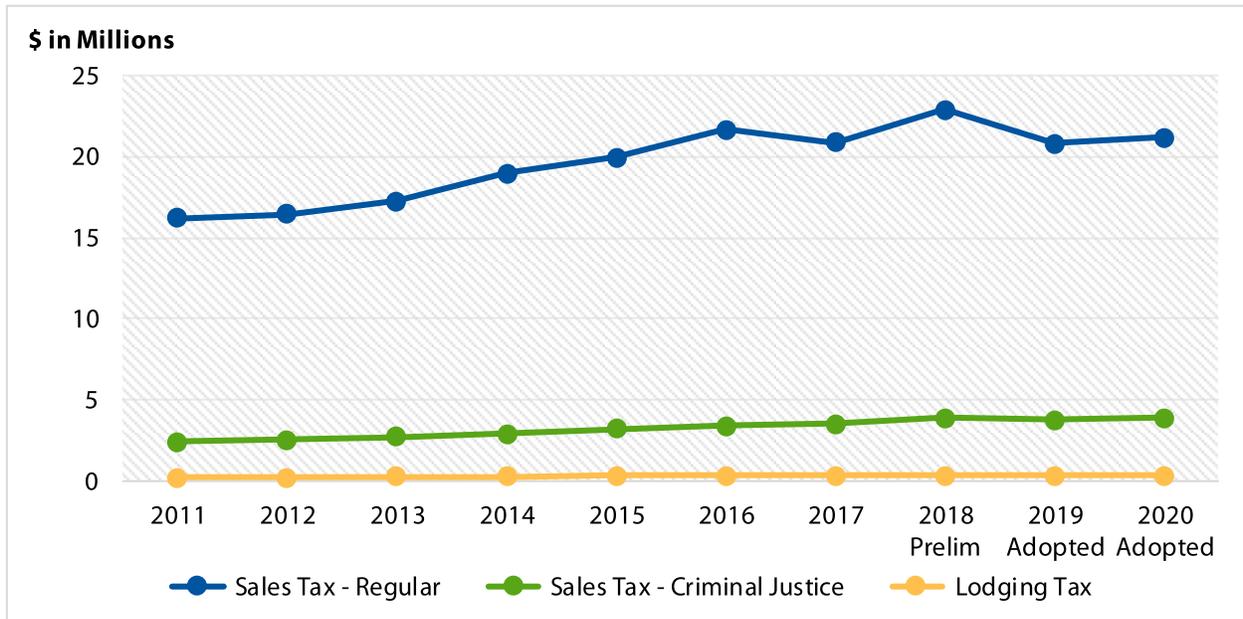
SALES TAX DISTRIBUTION



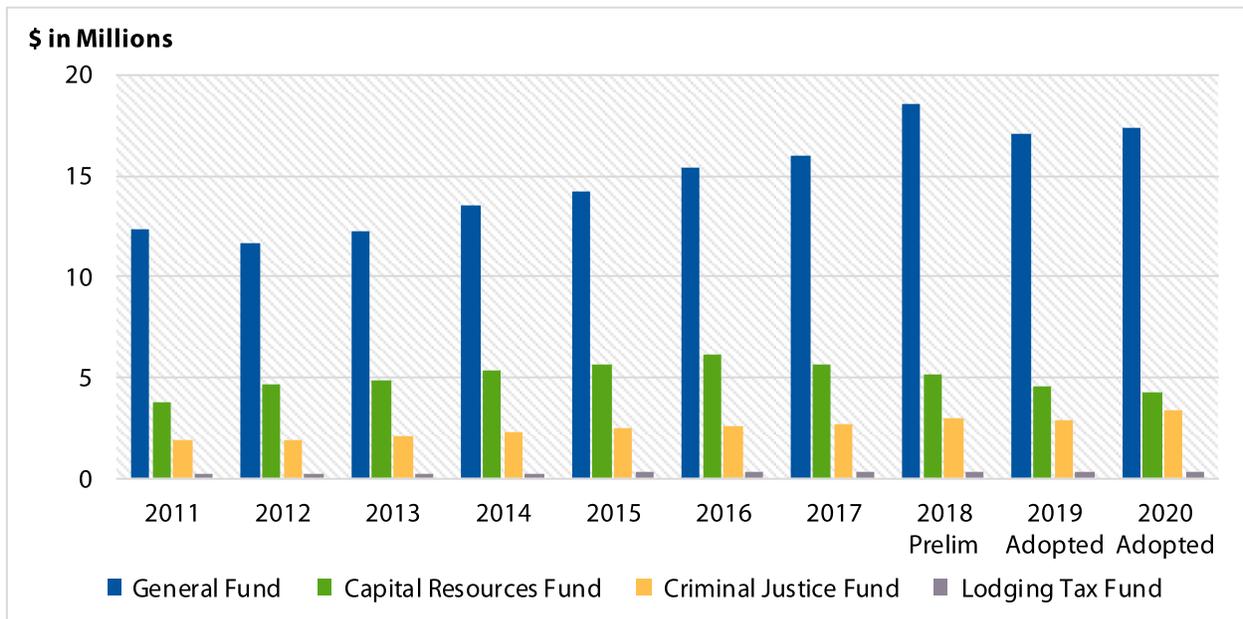
SALES TAX

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 18 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 City-owned 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

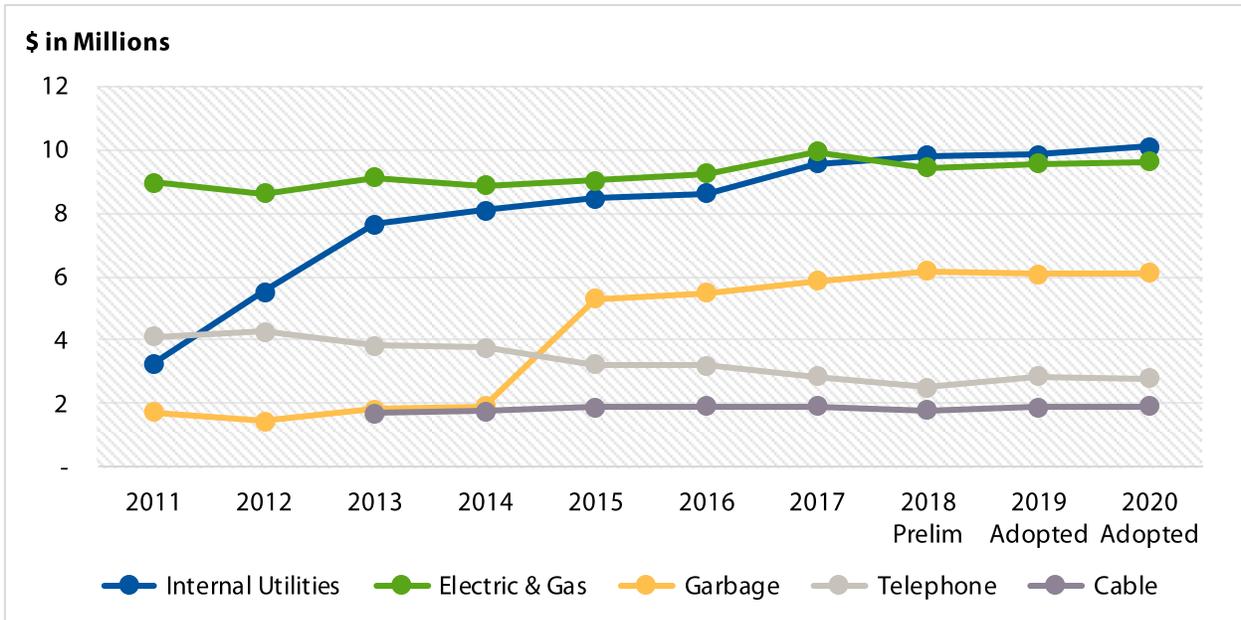
The City currently taxes each internal utility according to the *Internal Utility Tax Rates* table below. Overall, four percent is allocated to the Capital Resources Fund. After the payment of all capital debt, unless otherwise allocated by Council, the remaining funds are to be equally applied to information 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

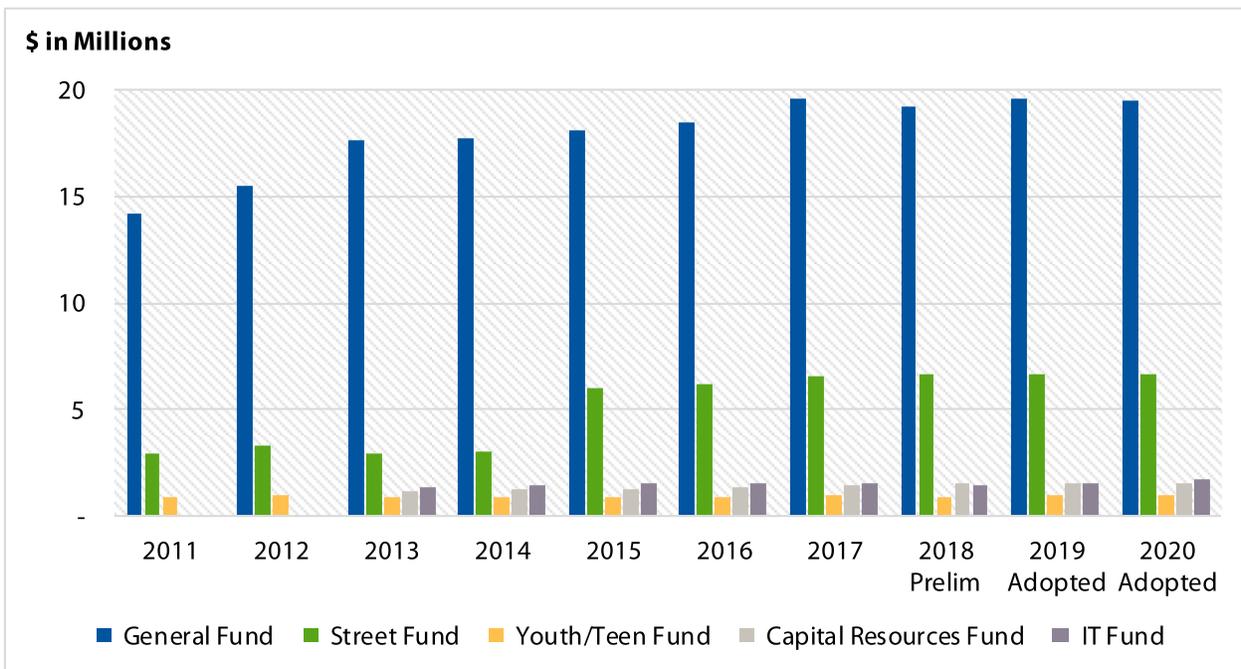
	General Fund	Street Fund	Youth/Teen Fund	Capital Resources Fund		Total
				4% for Capital ^(A)	2% for Debt ^(A)	
Water	5.7%	1.0%	0.3%	4.0%	2.0%	13.0%
Sewer	4.2%	0.7%	0.2%	2.9%	1.5%	9.5%
Drainage	8.6%	1.5%	0.4%	6.0%	3.0%	19.5%

UTILITY TAX

UTILITY TAX REVENUE HISTORY



UTILITY TAX REVENUE HISTORY BY FUND



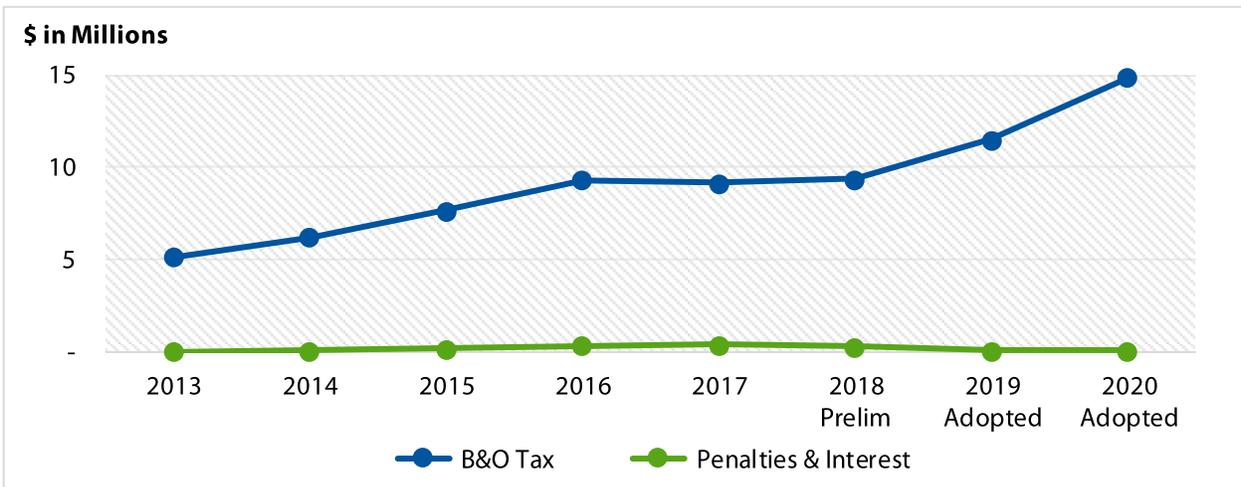
B&O TAX

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:

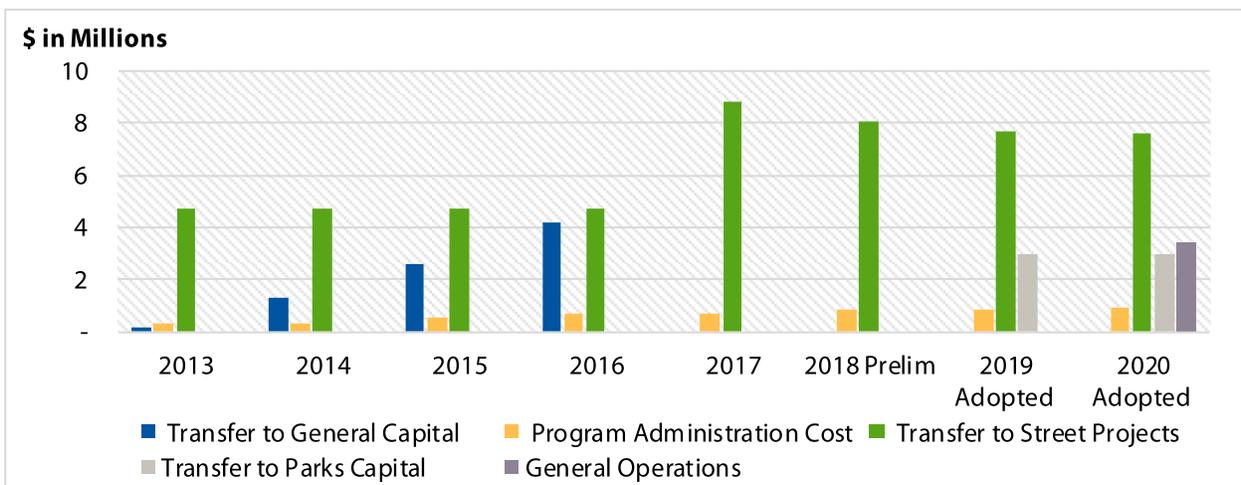
- ◆ Manufacturing
- ◆ Retailing
- ◆ Square Footage
- ◆ Wholesaling
- ◆ Service & Other

From the program’s 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, less the costs of 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 adopted budget allocates these monies to parks capital projects. Another square-footage tax increase was subsequently adopted in 2018 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 and the Council's budget deliberations center around this fund.

GENERAL FUND REVENUES

General Fund revenues are increased from the 2018 adjusted budget of \$103,178,490 to a budgeted amount of \$107,690,250, for a total increase of \$4,511,760 or 4.4 percent. 2018 estimated year end revenues are \$6,904,508 favorable to budgeted levels, which represents a decrease in 2019 as compared to 2018 estimated year-end revenues of \$2,392,748 or 2.17 percent.

GENERAL FUND REVENUE SUMMARY

	2018	2019	2018 vs 2019		2020	2019 vs 2020	
	Adj Budget	Adopted	\$ Change	% Change	Adopted	\$ Change	% Change
Property Taxes	\$29,532,710	\$29,978,040	\$445,330	1.5 %	\$30,457,820	\$479,780	1.6 %
Sales Taxes	21,100,310	21,770,980	670,670	3.2	19,890,180	(1,880,800)	(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	7,973,870	6,713,830	(1,260,040)	(15.8)	2,676,120	(4,037,710)	(60.1)
Charges for Services	5,844,610	6,001,180	156,570	2.7	6,125,920	124,740	2.1
Fines and Forfeitures	1,565,970	1,113,790	(452,180)	(28.9)	1,145,660	31,870	2.9
Miscellaneous Revenue	1,594,530	2,135,530	541,000	33.9	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	\$103,178,490	\$107,690,250	\$4,511,760	4.4 %	\$106,361,540	(\$1,328,710)	(1.2) %

Revenue projections for the 2019-2020 adopted 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.

- ◆ **Sales Tax** revenue is budgeted to increase by 3.2 percent 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 58.
- ◆ **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 58.
- ◆ **Licenses and Permits** revenue is estimated to increase by 24.3 percent from the 2018 budget, which includes 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 15.8 percent in 2019 and 60.1 percent in 2020, due to elimination of streamline sales tax mitigation from Washington State. Under the Washington State budget currently in effect, these monies are eliminated beginning in the fourth quarter of 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 28.9 percent, bringing budget in line with 2018 year end revenue estimates.
- ◆ **Miscellaneous** revenue reflects a 33.9 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 seven percent increase.

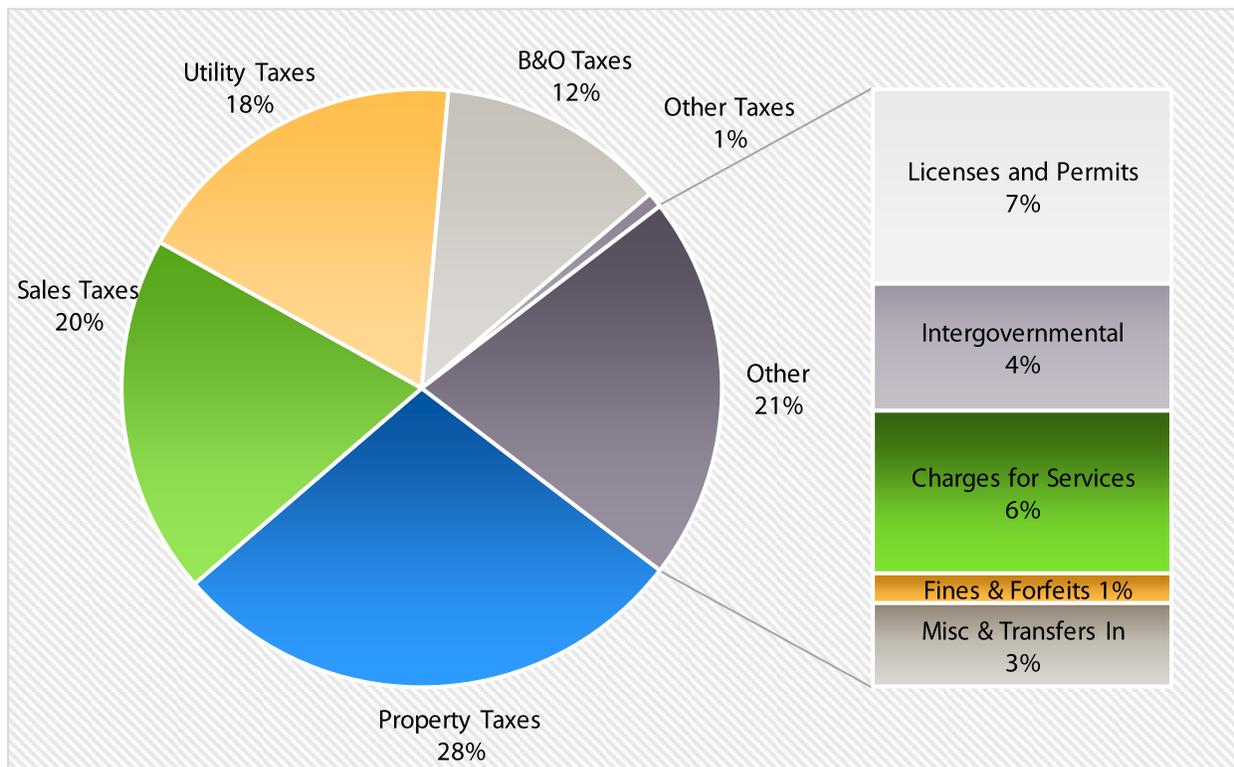
GENERAL FUND

MAJOR REVENUE CHANGES—GENERAL FUND

	2019 Adopted Changes	2020 Adopted Changes
Permit/Plans Review - 2 year volume increase	\$ 1,200,000	\$ 1,200,000
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
Parking and Other Revenues	22,130	96,170
Total Revenues	\$ 1,322,130	\$ 5,687,170

GENERAL FUND REVENUE SOURCES—2019-20 BIENNIUM TOTAL

As demonstrated in the *General Fund Revenue Sources* chart below, 79.2 percent, or \$169,451,550, of 2019 and 2020 General Fund revenues (\$83,727,820 in 2019 and \$85,723,730 in 2020) are expected to be collected from taxes. The remaining 20.8 percent, or \$44,600,240, comes from all other sources combined.



GENERAL FUND

TAXES

Property tax is the largest tax revenue for the City and accounts for 28.2 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 19.5 percent of all General Fund revenues. The 2020 adopted budget includes a change to the allocation of sales tax between the General Fund and the Capital Resources Fund. It modifies the allocation to an 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 the 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.

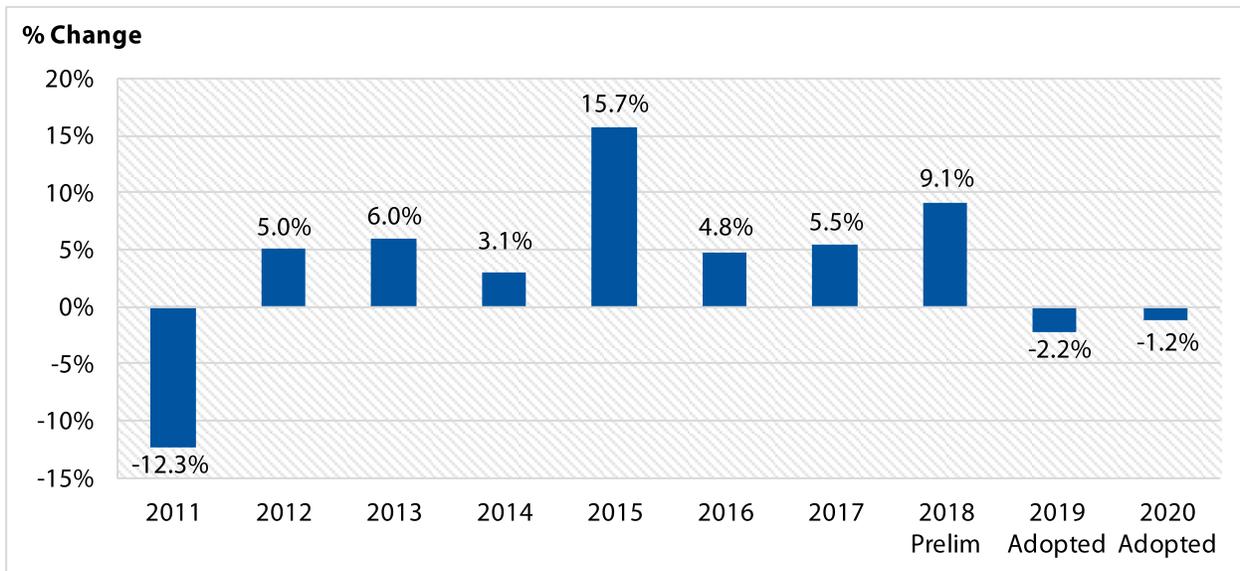
Utility tax is 18.3 percent of General Fund revenues and includes electricity, gas and telephone taxes, as well as the City's internal utility tax on our water, sewer and drainage utilities. While there are no significant changes overall to these revenues in the 2019-2020 adopted budget, minor adjustments have been made to individual utility taxes to bring them in line with current trends.

B&O tax makes up 12.3 percent of General Fund revenues. The adopted 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.

GENERAL FUND

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 inter-fund 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 decrease by (\$1,827,917) or (1.7) percent to a total amount of \$107,690,250 as compared to the 2018 adjusted budget of \$109,518,167.

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

GENERAL FUND EXPENDITURES BY DEPARTMENT

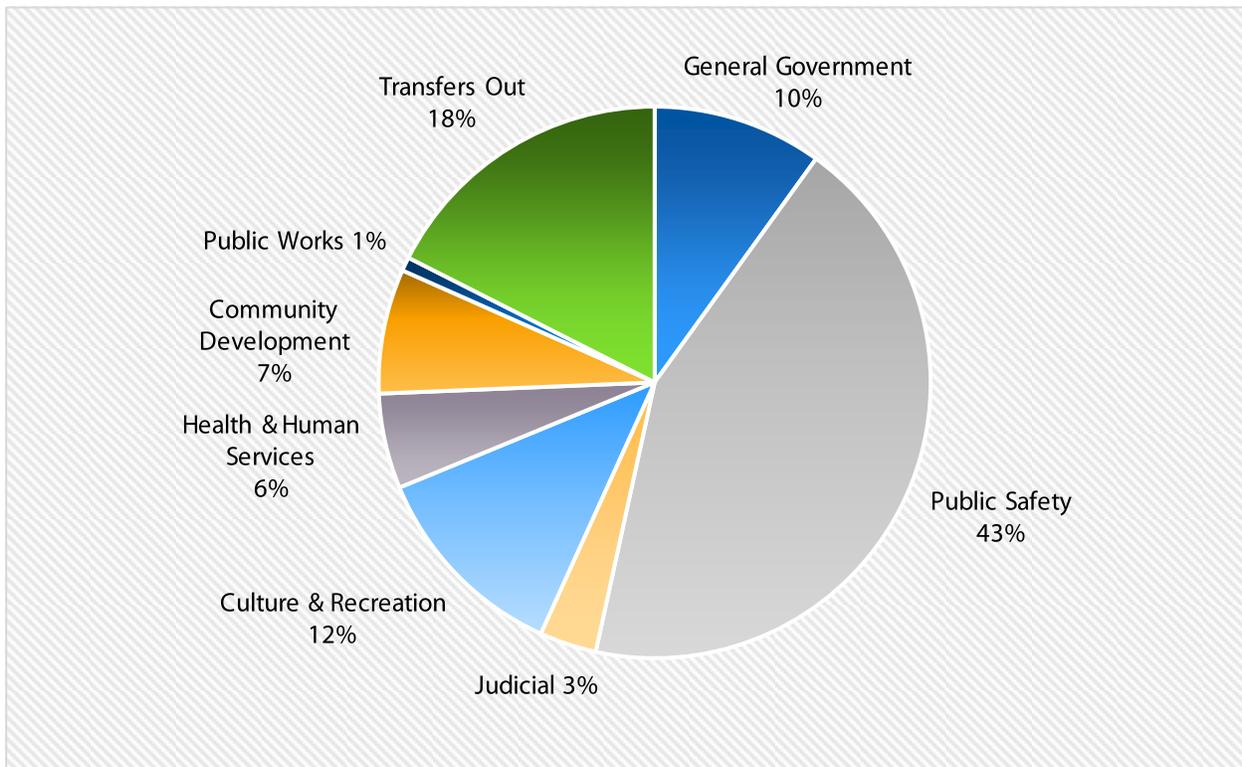
	2018	2019	2018 vs 2019		2020	2019 vs 2020	
	Adj Budget	Adopted	\$ Change	% Change	Adopted	\$ Change	% Change
City Council	\$409,150	\$439,470	\$30,320	7.4 %	\$475,090	\$35,620	8.1 %
Mayor's Office/City Clerk	3,063,990	2,977,960	(86,030)	(2.8)	2,949,250	(28,710)	(1.0)
Economic & Community Dev	7,305,340	7,720,130	414,790	5.7	7,915,700	195,570	2.5
Finance	3,007,710	3,343,890	336,180	11.2	3,434,600	90,710	2.7
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 Svcs	18,636,007	18,852,830	216,823	1.2	19,004,800	151,970	0.8
Police	38,863,160	41,932,860	3,069,700	7.9	43,562,630	1,629,770	3.9
Public Works	1,318,470	1,142,280	(176,190)	(13.4)	590,750	(551,530)	(48.3)
Non-Departmental	25,341,380	19,340,510	(6,000,870)	(23.7)	16,725,950	(2,614,560)	(13.5)
Total Expenditures	\$109,518,167	\$107,690,250	(\$1,827,917)	(1.7) %	\$106,361,540	(\$1,328,710)	(1.2) %

GENERAL FUND EXPENDITURES BY FUNCTION

	2018	2019	2018 vs 2019		2020	2019 vs 2020	
	Adj Budget	Adopted	\$ Change	% Change	Adopted	\$ Change	% Change
General Government	\$11,767,140	\$12,069,800	\$302,660	2.6 %	\$9,224,250	(\$2,845,550)	(23.6) %
Public Safety	42,415,690	45,733,550	3,317,860	7.8	47,335,990	1,602,440	3.5
Judicial	3,405,030	3,517,560	112,530	3.3	3,631,340	113,780	3.2
Culture & Recreation	12,402,510	12,790,030	387,520	3.1	12,907,160	117,130	0.9
Health & Human Services	6,117,847	5,950,130	(167,717)	(2.7)	5,989,540	39,410	0.7
Community Development	7,300,340	7,720,130	419,790	5.8	7,915,700	195,570	2.5
Public Works	1,318,470	1,142,280	(176,190)	(13.4)	590,750	(551,530)	(48.3)
Transfers Out	24,791,140	18,766,770	(6,024,370)	(24.3)	18,766,810	40	0.0
Total Expenditures	\$109,518,167	\$107,690,250	(\$1,827,917)	(1.7) %	\$106,361,540	(\$1,328,710)	(1.2) %

GENERAL FUND

GENERAL FUND EXPENDITURES BY FUNCTION—2019-20 BIENNIUM TOTAL



GENERAL FUND FUNCTIONS

The *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 Puget Sound Regional Fire Authority (PSRFA) contracted services
- ◆ **Judicial** includes the Municipal Court
- ◆ **Culture & Recreation** includes most Parks functions such as administration, planning & development, parks operations and most recreation programs
- ◆ **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

BUDGET ASSUMPTIONS

	2019	2020
Salaries		
for AFSCME, Non-Rep, Teamster Positions	2.1%	3%
for KPOA Positions	3%	3%
Benefits	20%	5%
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: net \$60,000 (ongoing)
 - ◆ \$30,000 in 2019 (ongoing) to establish an internship program
 - ◆ \$30,000 in 2019 (ongoing) to establish communications training
- ◆ **Economic & Community Development:** 2019: \$108,170; 2020: \$75,000
 Additions: 2019: \$108,170, with partial ongoing of \$75,000
 - ◆ \$75,000 in 2019 and 2020 for subarea planning in the Kent Industrial Valley (KIV)
 - ◆ \$33,170 in 2019 (one-time) for Puget Sound Regional Council 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)

GENERAL FUND

- ◆ **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
- ◆ **Finance:** 2019: (\$99,730), (1.0)FTE, ongoing; 2020: (\$123,810)
Reductions: 2019: (\$99,730) 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.
 - ◆ (\$73,600) in 2019 (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 in order to centralize marketing, PR and department communication functions, as well as advance the results of the 2018 Parks, Recreation and Community Services 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
- ◆ \$92,390 in 2019, 1.0FTE (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 its proportionate share of City-wide services provided by Administration, Human Resources, Law and Finance. The plan will be completed in 2019, in time to implement with the 2020 mid-biennium update

GENERAL FUND

- ◆ (\$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 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 Puget Sound Regional Fire Authority (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: \$91,780, with partial ongoing of \$70,000
- ◆ \$70,000 in 2019 (ongoing) to transfer admissions tax paid by the Golf Fund back to the Golf Fund. Per Kent City Code, 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 Adopted Changes		2020 Adopted 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
Communications Training		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)	(73,600)		(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

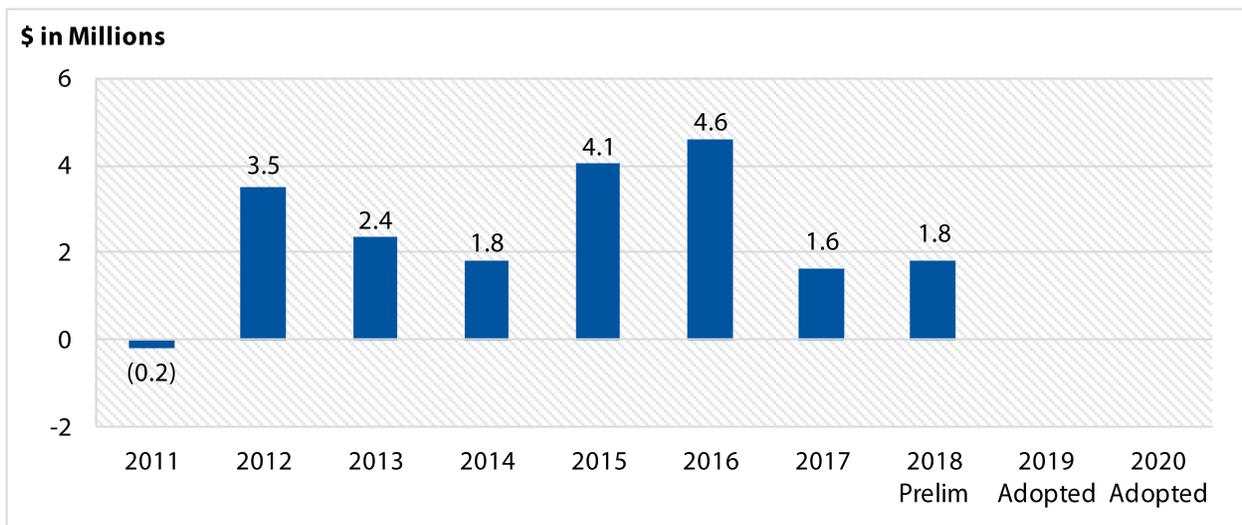
	2019 Adopted Changes		2020 Adopted Changes	
	FTE	Amount	FTE	Amount
Law				
Prosecuting Attorney - Shift 50% to Criminal Justice Fund				(87,720)
Parks, Recreation & Comm Svcs				
Allocate Planning & Dev Division to Parks Capital Projects				(400,890)
Reduce Overtime and Temporary Staff		(264,500)		(274,650)
Allocate 1 FTE Parks Ops Staff to 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/25% PW to 100% Parks	(0.5)	38,190		41,120
Add 1 FTE Maintenance Worker 4			1.0	122,000
Establish Professional Services 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	1.0	92,390		95,350
Other Adjustments				
Transfer Golf Admissions Tax back to Golf Fund		70,000		70,000
Merchant Card Fees				(300,000)
Reduce Emergency Management - PSRFA Contract				(137,370)
Reduce Medical 10% to 5%				(365,300)
Reduce 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		21,780		3,370
Total Expenditures	1.5	\$ 105,340	2.4	\$ (3,571,450)

GENERAL FUND

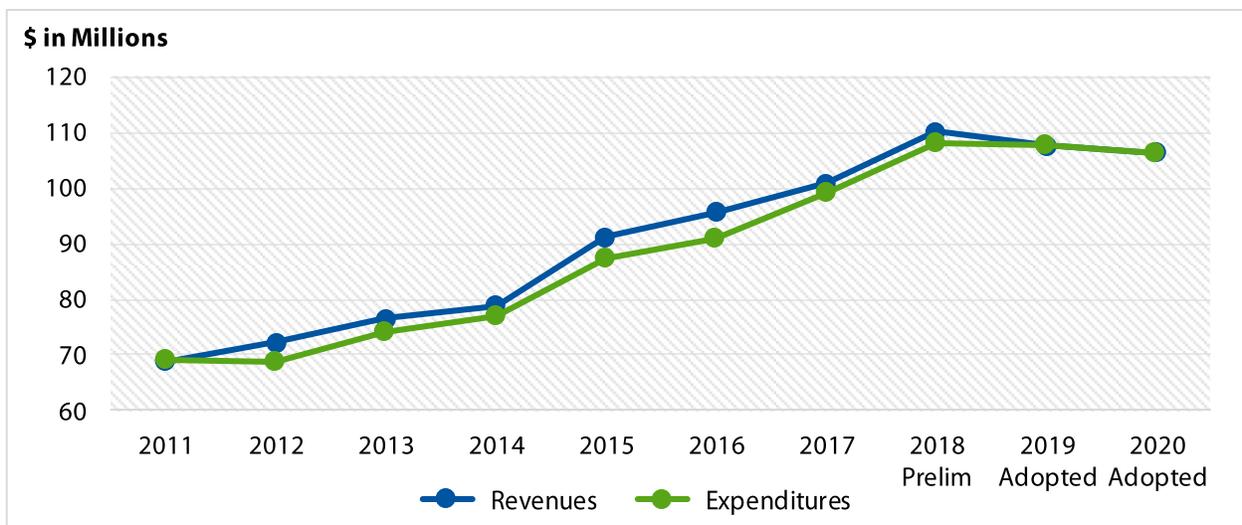
GENERAL FUND BALANCE

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



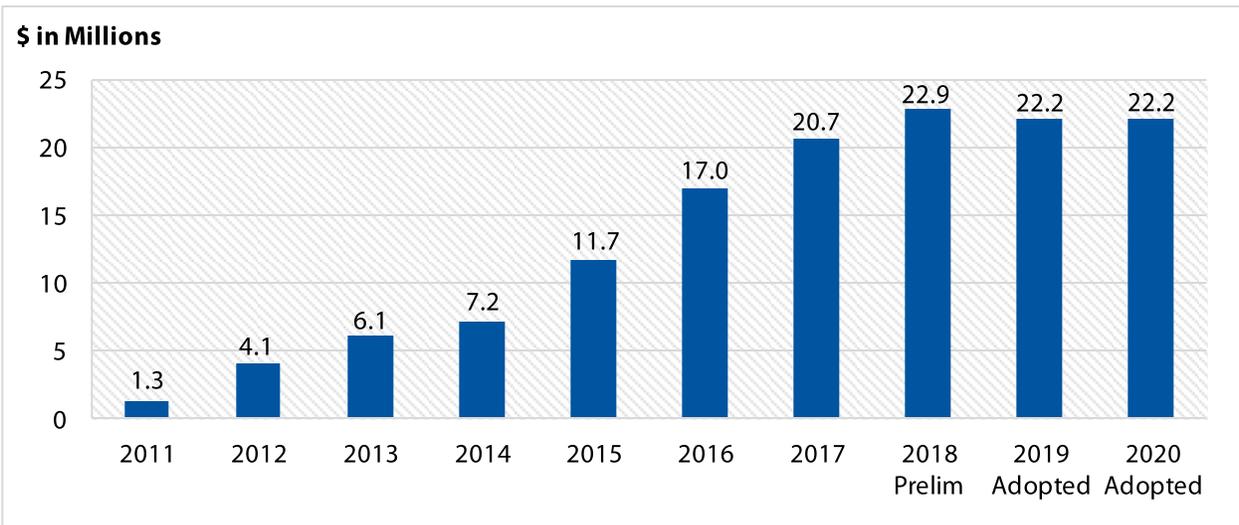
GENERAL FUND REVENUE & EXPENDITURES



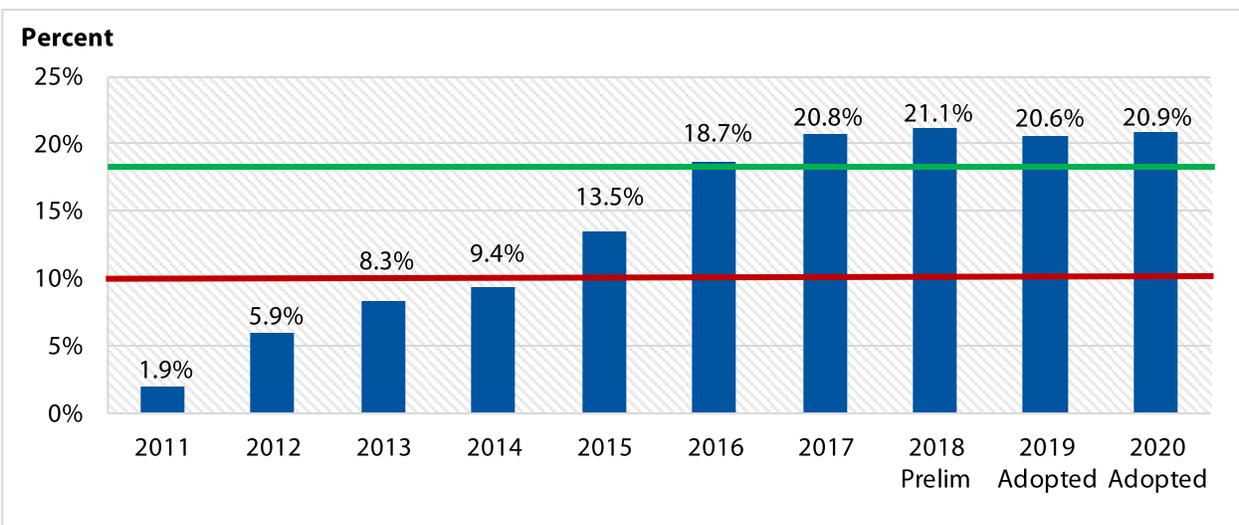
GENERAL FUND

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 ending 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	2019	2018 vs 2019		2020	2019 vs 2020	
	Budget	Adopted	\$ Change	% Change	Adopted	\$ Change	% Change
Street Operating	\$15,848,840	\$17,345,420	\$1,496,580	9.4 %	\$17,825,920	\$480,500	2.8 %
LEOFF 1 Retiree Benefits	1,596,550	1,423,000	(173,550)	(10.9)	1,449,710	26,710	1.9
Lodging Tax	452,750	291,190	(161,560)	(35.7)	294,400	3,210	1.1
Youth/Teen	942,000	957,730	15,730	1.7	956,010	(1,720)	(0.2)
Capital Resources	23,320,933	20,591,850	(2,729,083)	(11.7)	18,152,000	(2,439,850)	(11.8)
Criminal Justice	5,449,422	5,869,960	420,538	7.7	6,057,350	187,390	3.2
Housing & Comm Dev	1,183,182	1,175,190	(7,992)	(0.7)	1,175,190	-	-
City Arts Program	120,650	112,670	(7,980)	(6.6)	108,100	(4,570)	(4.1)
ShoWare Operating	1,458,193	1,423,790	(34,403)	(2.4)	1,124,830	(298,960)	(21.0)

MAJOR CHANGES

Street Operating Fund: The 2019 adopted budget reflects a 9.4 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 adopted 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 adopted 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 adopted budget reflects an 11.7 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 adopted 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 an 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 adopted budget reflects a 12.7 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. Additionally, \$719,150 (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 the installation of red light cameras at key intersections.

MAJOR REVENUE CHANGES—SPECIAL REVENUE FUNDS

	2019 Adopted Changes	2020 Adopted 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

SPECIAL REVENUE FUNDS

MAJOR EXPENDITURE CHANGES—SPECIAL REVENUE FUNDS

	2019 Adopted Changes		2020 Adopted 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)
Reduce 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
YMCA/Morrill Meadows				1,500,000
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
Reduce 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	\$ 7,168,050

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 charges. The **Enterprise Funds** table below lists each of the City's enterprise funds and the expenditure budget associated with those funds.

MAJOR CHANGES

	2018 Budget	2019 Adopted	2018 vs 2019 \$ Change	2018 vs 2019 % Change	2020 Adopted	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	(\$6,873,390)	(23.2)
Solid Waste Utility	807,330	600,350	(206,980)	(25.6)	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 adopted 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 adopted 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 adopted budget reflects a 57.2 percent decrease from 2018, largely due to one-time capital projects funded by the sale of the Par 3 course in 2018. In addition, the budget includes the reduction impacts of closing the Par 3 course, as well as other revenue and expenditure adjustments consistent with the Riverbend Business Plan.

ENTERPRISE FUNDS

MAJOR REVENUE CHANGES—ENTERPRISE FUNDS

	2019 Adopted Changes	2020 Adopted 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 Adopted Changes		2020 Adopted 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
Reduce Management Benefits - 50%		(1,820)		(1,820)
Reduce Medical 10% to 5%				(26,240)
IT & Facilities Adjustments		(14,140)		(12,760)
Sewer Utility				
Reduce 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		
Reduce 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				
Reduce 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 Adopted Changes		2020 Adopted Changes	
	FTE	Amount	FTE	Amount
Utility Clearing				
Customer Service Manager (Increase to 70% Utility Clearing)		26,130		27,020
Shift two MW2 from 75% Parks / 25% PW to 100% Parks (0.50)	(0.50)	(38,190)		(41,120)
Merchant Card Fees				300,000
Reduce 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	0.65	\$ 639,590	0.00	\$ (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	2019	2018 vs 2019		2020	2019 vs 2020	
	Budget	Adopted	\$ Change	% Change	Adopted	\$ Change	% 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	2,532,430	1,456,980	(1,075,450)	(42.5)	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	2,175,930	2,017,600	(158,330)	(7.3)	2,036,120	18,520	0.9
Property Insurance	726,490	566,610	(159,880)	(22.0)	566,510	(100)	(0.0)

Fleet Services: The 2019 adopted 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 adopted 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/laptop 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 adopted 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 Adopted Changes	2020 Adopted Changes
Information Technology Fund		
Adjust Revenues from Departments	\$ (160,350)	\$ (160,350)
Reduce IT Revenues - PSRFA Contract		(501,540)
Facilities Fund		
Adjust Revenues from Departments		(89,800)
Health & Wellness Fund		
Reduce Medical Insurance from 10% to 5%		(709,360)
Total Revenues	\$ (160,350)	\$ (1,461,050)

MAJOR EXPENDITURE CHANGES—INTERNAL SERVICE FUNDS

	2019 Adopted Changes		2020 Adopted 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)
Reduce 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)
Reduce 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				
Reduce 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

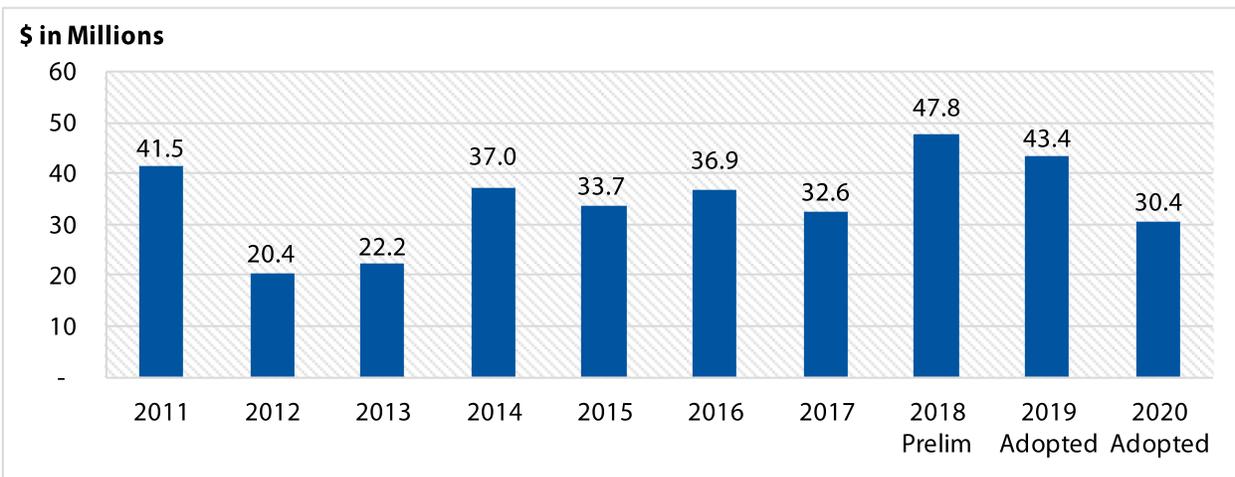
The 2019-2020 budget includes significant investments to address the City’s capital needs. The planned investments, \$43,437,600 in 2019 and \$30,435,670 in 2020, are fully funded and incorporated in the City’s six-year Capital Improvement Program. The Capital Improvement Program is one of the elements 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 Adopted	2020 Adopted
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 process and formally incorporating it 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 Adopted	2020 Adopted
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
Kent Springs Well Rehab		75,000
Landsburg Mine	790,000	804,000
Miscellaneous Water Improvements	500,000	500,000
Pump Station #3 Replacement	400,000	
Reservoir Maintenance and 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	8,200,000	
Total Expenditures	\$ 13,119,000	\$ 5,627,000

Sewer	2019 Adopted	2020 Adopted
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 Adopted	2020 Adopted
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 Road 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
Miscellaneous Drainage	1,000,000	300,000
Miscellaneous Environmental	1,000,000	
N Fork Meridian Valley Culvert	100,000	300,000
Pipe Replacements/Roadway Improvements		821,000
S 224th Street 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 Condition Letter of Map Revision	400,000	100,000
Total Expenditures	\$ 11,491,000	\$ 5,371,000

CAPITAL PROGRAM

CAPITAL ADDITIONS—TRANSPORTATION

B&O Funded	2019 Adopted	2020 Adopted
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 \$7,666,400 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.

Street Operating Fund - B&O Funded	2019 Adopted	2020 Adopted
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 Adopted	2020 Adopted
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.

Street Operating Fund - SW Utility Tax Funded	2019 Adopted	2020 Adopted
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 Adopted	2020 Adopted
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 Renovation Phase 2		500,000
Kent Valley Loop Trails - 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 Adopted	2020 Adopted
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
Kent Valley Loop Trails - 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 Adopted	2020 Adopted
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	
Scoreboard 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 Adopted	2020 Adopted
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 Adopted	2020 Adopted
Fleet Vehicle Lifts	\$ 186,000	\$ -
Total Expenditures	\$ 186,000	\$ -

Information Technology	2019 Adopted	2020 Adopted
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 System Replacement Reserves	27,600	83,500
SLC18-21 PD System Replacement Reserves	110,400	334,000
SLC18-21 Law System Replacement Reserves	27,600	83,500
SLC18-22 HR System Replacement Reserves	55,200	167,000
SLC18-23 Fin System Replacement Reserves	82,800	250,500
SLC18-26 PW System Replacement Reserves	55,200	167,000
SLC18-26 PRCS System Replacement Reserves	27,600	83,500
SLC18-27 Court System Replacement Reserves	27,600	83,500
SLC18-27 ECD System Replacement Reserves	55,200	167,000
SLC18-28 Clerk System Replacement Reserves	55,200	167,000
SLC18-29 IT Sys Repl Reserves	27,600	83,500
Automated License Plate Reader (ALPR)	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

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	2019	2018 vs 2019		2020	2019 vs 2020	
	Budget	Adopted	\$ Change	% Change	Adopted	\$ Change	% 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 adopted budget reflects a three 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 adopted budget reflects a 28.4 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.

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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.

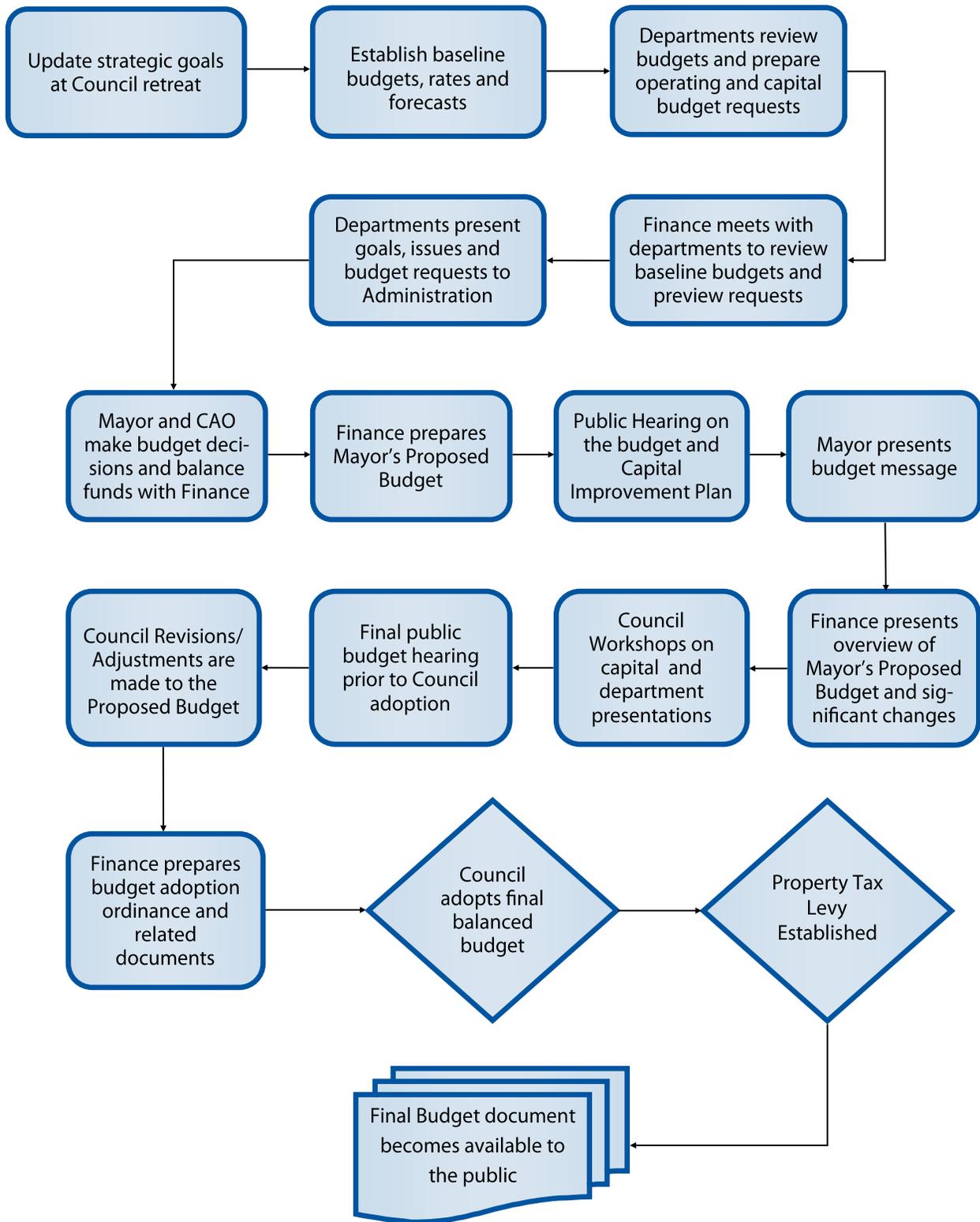
The General and Special Revenue funds control expenditures with a legal annual budget at the fund level. Debt Service funds operate under the control of the bond indentures which established them. Capital Projects funds operate under the control of total project authorization, rather than the annual 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

2018	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Council Retreat - strategic goals update		→										
Finance meets with internal service groups to establish baseline budgets and rates	→	→										
Finance prepares budget forecasts			→	→								
Semi-monthly Finance informational meetings with Mayor and CAO			→	→	→	→						
Budget Kickoff with Departments				→								
Departments review and adjust baseline budgets, prepare operating requests, and capital requests w/6-year capital plan				→	→	→						
Finance meets w/departments to discuss baseline issues/ challenges and overviews operating budget and capital requests					→							
Departments present goals, issues and budget requests to Administration						→						
Finance meets with Mayor and CAO to review requests, make decisions and balance funds						→	→	→				
Finance prepares the Mayor's Proposed Budget							→	→	→			
Public Hearing on 2019-2020 Biennial Budget and 2019-2024 Capital Improvement Plan (CIP)								→	→			
Mayor presents budget message; Finance presents overview of Mayor's proposed budget and significant changes								→	→			
Public Hearing on 2019 Property Tax Levy, 2019-2020 Biennial Budget and 2019-2024 CIP										→		
Council Workshop - department presentations, capital, questions and discussion										→		
Council Workshop - final decisions										→		
Finance prepares budget adoption and related documents										→		
Operations Committee - budget recommendation											→	
Council Meeting - 2019 Property Tax Levy and 2019-2020 Biennial Budget are adopted by ordinance											→	

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
ELT 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)	Oct 9
COUNCIL WORKSHOP	Oct 16
COUNCIL MEETING	Oct 16
Public Hearing – 2019 Property Tax Levy	
2 nd 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.

FINANCIAL POLICIES

- ◆ 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 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 will not issue long-term debt for current operational needs.

FINANCIAL POLICIES

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 three percent 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.

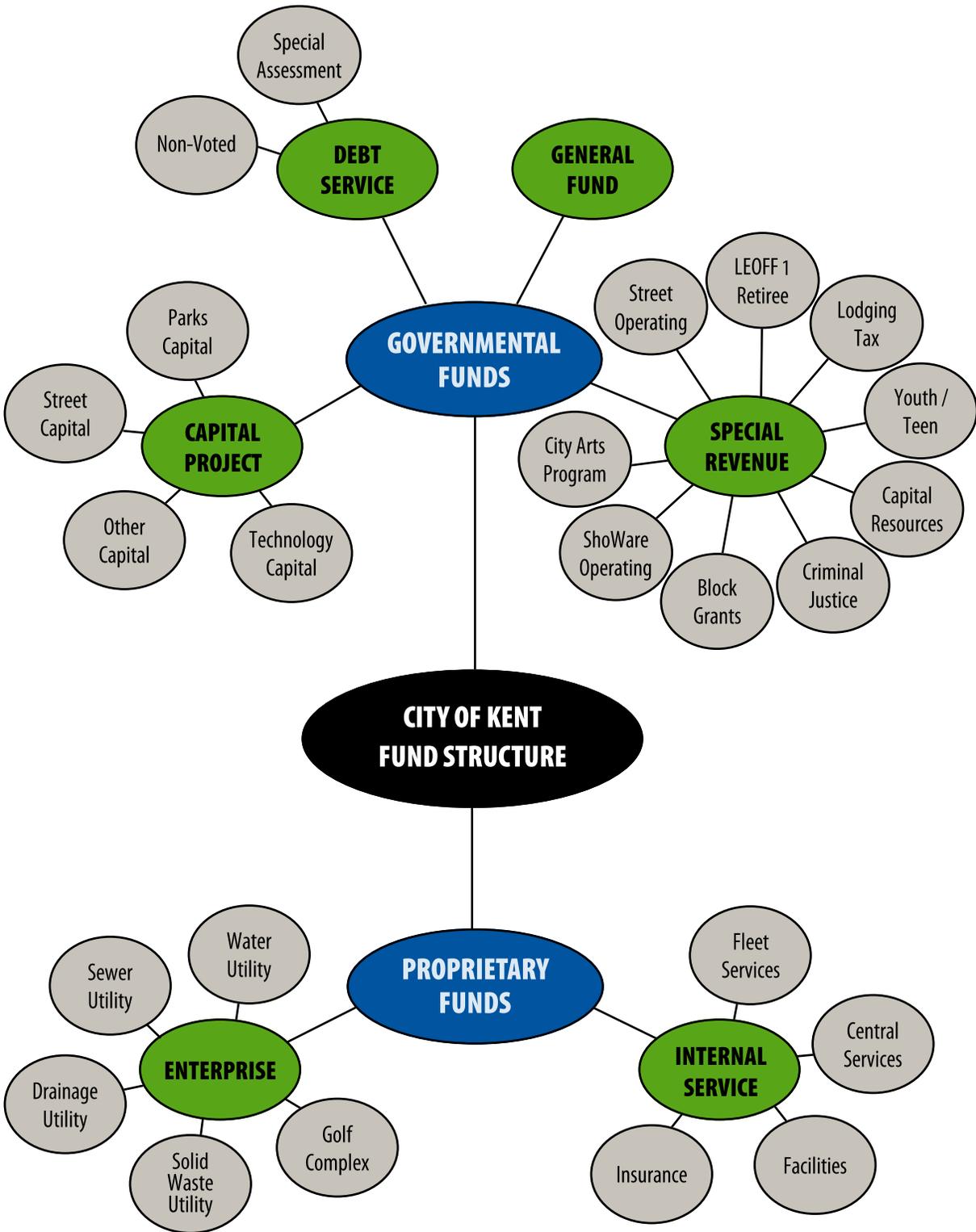
Maturities—The City will invest in securities with maturity dates five years from the date of purchase or less. An exception to the five-year maturity maximum is allowed if the maturities of such investments are made to coincide as nearly as practicable with the expected use of the funds. The maximum 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



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 the Central Services Fund; facility maintenance and operation services from the Facilities Fund; 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 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 revenues 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

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.

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.

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.

RELATIONSHIP TO OTHER FUNDS

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

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

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 Services, Facilities, and Insurance Funds provide centrally administered services then generate revenue by billing the organization to which the service is provided.

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 basis for accounting for the General Fund, Special Revenue, Debt Service, Capital Projects and Agency Funds is modified accrual. Modified accrual recognizes revenues when they become both measurable and available to finance expenditures of the current period. The basis of accounting for the enterprise, internal service funds and pension trust fund is full accrual. The appropriate basis is used throughout the budgeting, accounting and reporting processes, with few exceptions as noted below. Full accrual is 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. However, since the focus in budgeting is on the revenues and expendable accounts, depreciation and amortization are not considered budgetary accounts, and are excluded from the budgeting system. Likewise, debt service and capital expenditures are presented as the payments occur, departing from GAAP in this regard, in the budget document. Also, Trust and Agency Funds that may not be expended for governmental operations are excluded from this budget document.

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.

FUND STRUCTURE

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 expensed 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.

FUND STRUCTURE

	ADMINISTRATION	ECONOMIC & COMM DEV	FINANCE	HUMAN RESOURCES	INFORMATION TECHNOLOGY	LAW	MUNICIPAL COURT	PARKS, REC & COMMS/S/C/S	POLICE	PUBLIC WORKS	NON-DEPARTMENTAL
GENERAL FUND	X	X	X	X	X	X	X	X	X	X	X
SPECIAL REVENUE FUND											
Street Operating										X	X
LEOFF 1 Retiree Benefits				X							
Lodging Tax											X
Youth/Teen											X
Capital Resources					X			X		X	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						
Facilities Capital								X			
ENTERPRISE FUND											
Water Utility										X	X
Sewer Utility										X	X
Drainage Utility										X	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.

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Six-Year CIP Summary.....	114
Six-Year CIP Projects.....	118
Capital Highlights.....	124

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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 process and formally incorporating it into the City's overall budget development cycle.

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 1980s 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:

- ◆ 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

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.

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	\$ 15,873	\$ 16,251	\$ 49,545	\$ 81,669
Utility Resources	27,315	14,185	62,266	103,766
Other Resources	250	-	-	250
Total - in thousands	\$ 43,438	\$ 30,436	\$ 111,811	\$ 185,685

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

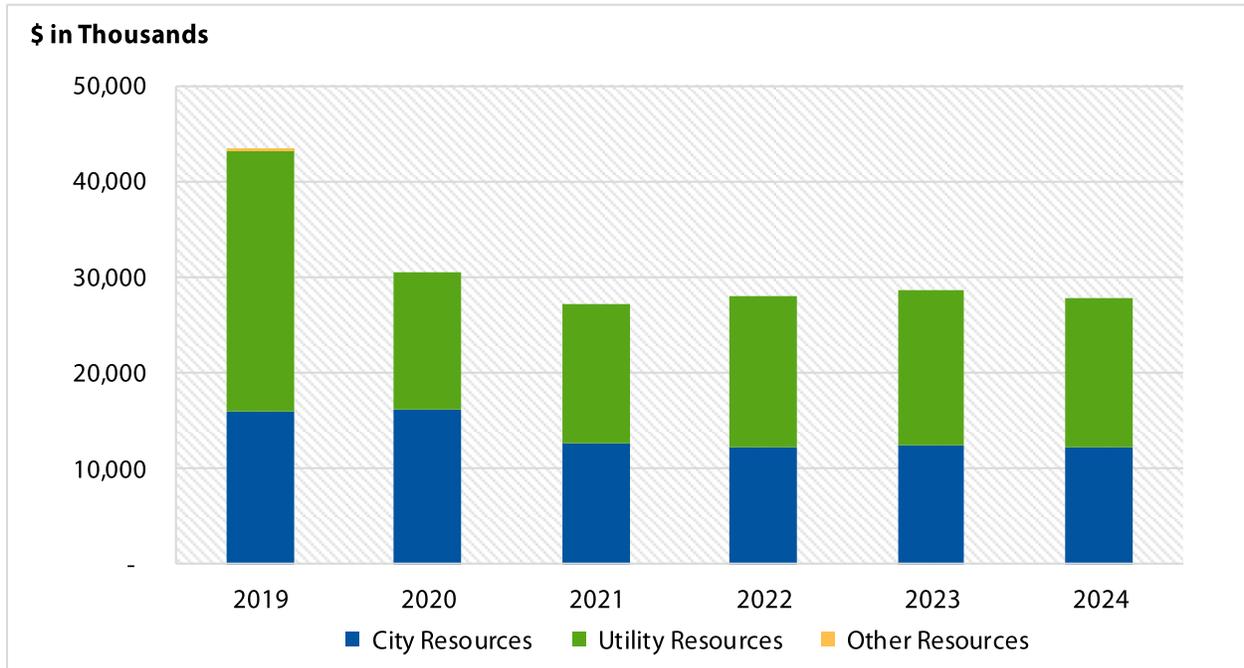
The impact of a capital project on the operating budget is a key factor in considering the inclusion of a project in the six-year plan. The operating costs of a project, and any savings resulting from the project, are captured in the Operating Budget.

SOURCES OF FUNDS—in thousands

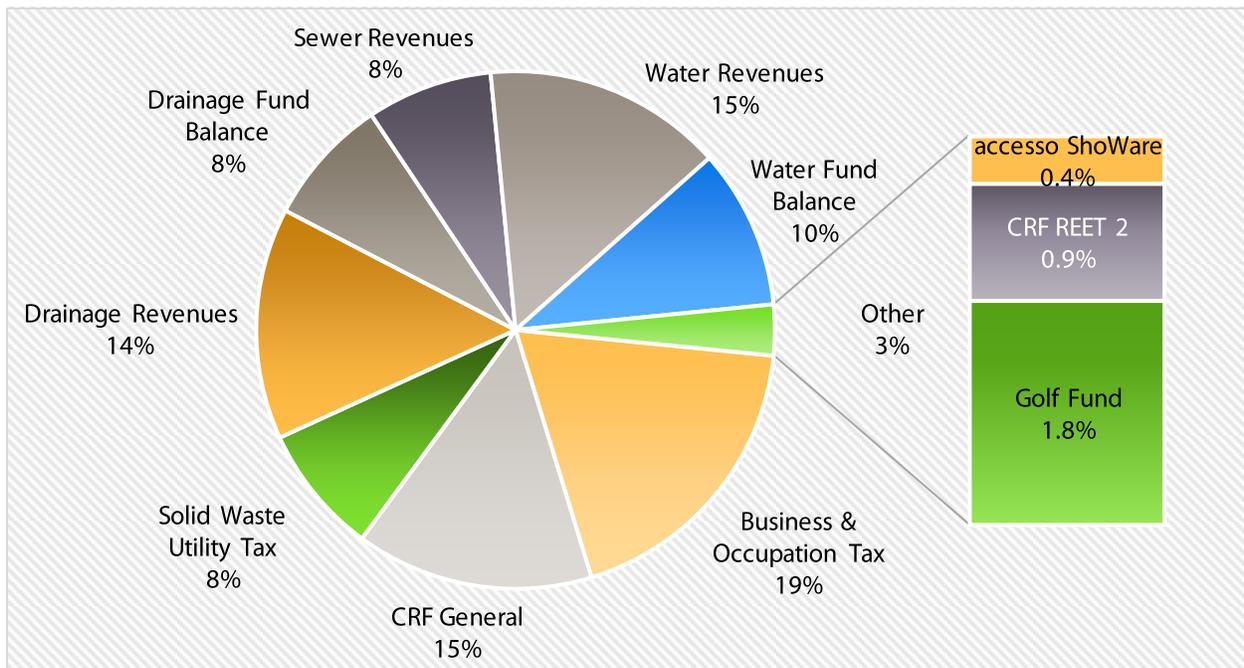
	2019	2020	2021	2022	2023	2024	Total
City Resources							
accesso ShoWare	\$ 299						\$ 299
Business & Occupation Tax	7,041	6,994	7,445	7,415	7,385	7,355	43,635
CRF General	5,086	6,050	1,750	1,650	1,650	1,550	17,736
CRF REET 2	341	369	319	218	286	308	1,841
Golf Fund	80	1,294					1,374
Sale of Land (Parks)		(1,500)					(1,500)
Solid Waste Utility Tax	3,026	3,044	3,035	3,048	3,059	3,072	18,284
Total City Resources	15,873	16,251	12,549	12,331	12,380	12,285	81,669
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	\$ 43,438	\$ 30,436	\$ 27,264	\$ 28,000	\$ 28,625	\$ 27,922	\$ 185,685

CAPITAL IMPROVEMENT PROGRAM

SUMMARY BY SOURCE 2019-2024



2019-2020 SOURCES BY TYPE



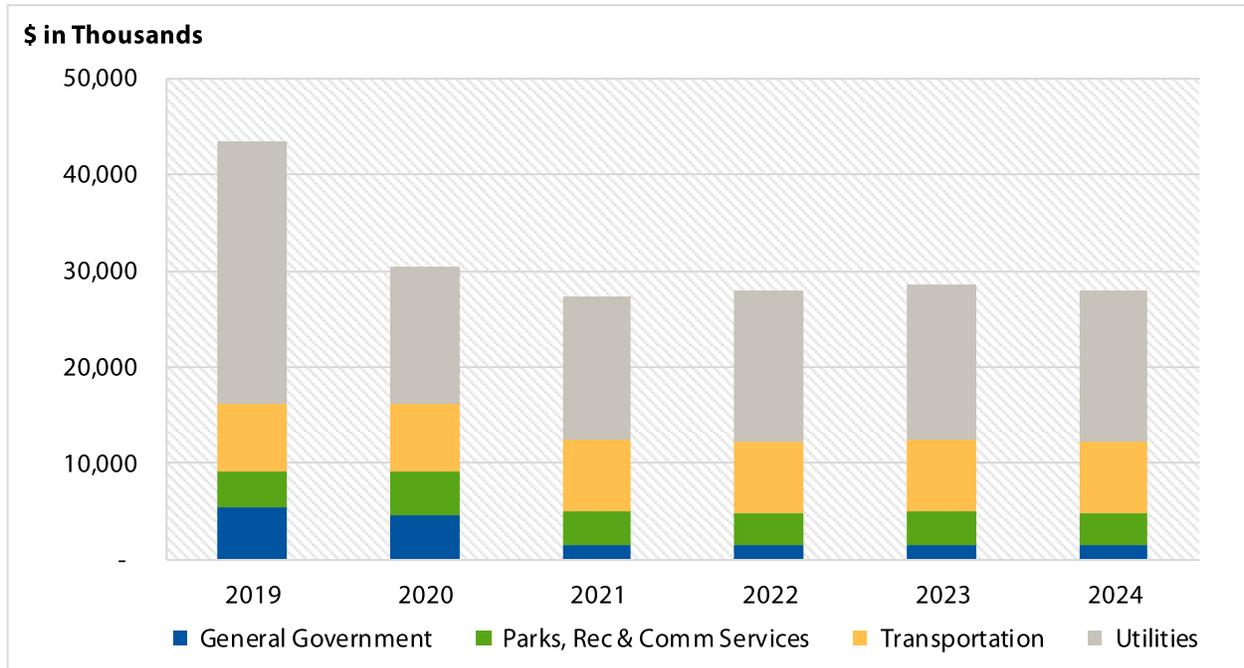
CAPITAL IMPROVEMENT PROGRAM

PROJECTS—in thousands

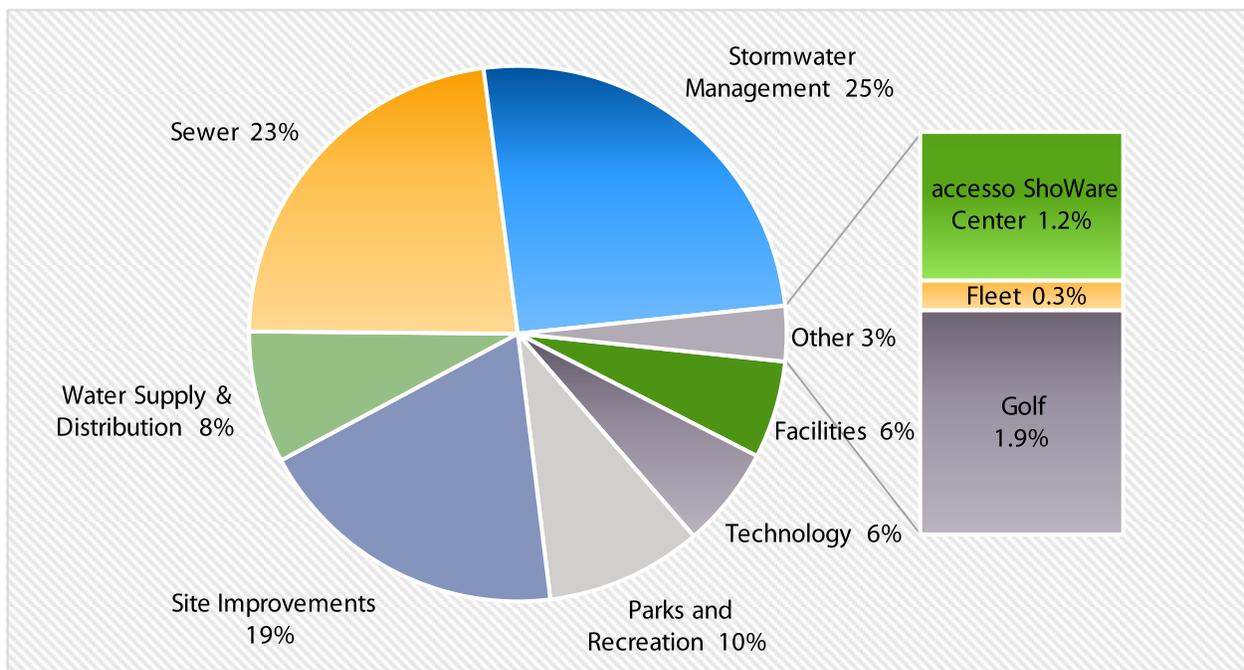
	2019	2020	2021	2022	2023	2024	Total
General Government							
accesso ShoWare Center	\$ 599	\$ 300	\$ 300	\$ 300	\$ 300	\$ 300	\$ 2,099
Facilities	2,350	2,000	-	-	-	-	4,350
Fleet	186	-	-	-	-	-	186
Technology	2,250	2,250	1,250	1,250	1,250	1,250	9,500
Total General Government	5,385	4,550	1,550	1,550	1,550	1,550	16,135
Parks, Rec & Comm Services							
Golf	80	1,294	200	100	100	-	1,774
Parks and Recreation	3,591	3,369	3,319	3,218	3,286	3,308	20,091
Total Parks, Rec & Comm Svcs	3,671	4,663	3,519	3,318	3,386	3,308	21,865
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	\$ 30,436	\$ 27,264	\$ 28,000	\$ 28,625	\$ 27,922	\$ 185,685

CAPITAL IMPROVEMENT PROGRAM

SUMMARY BY CATEGORY 2019-2024



2019-2020 BY CATEGORY FUNCTION



CAPITAL IMPROVEMENT PROGRAM

GENERAL GOVERNMENT—in thousands

	2019	2020	2021	2022	2023	2024	Total
Sources of Funds							
CRF General	\$ 5,086	\$ 4,550	\$ 1,550	\$ 1,550	\$ 1,550	\$ 1,550	\$ 15,836
accesso ShoWare Fund Balance	299						299
Total Sources of Funds	5,385	4,550	1,550	1,550	1,550	1,550	16,135
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

CAPITAL IMPROVEMENT PROGRAM

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	100	50	53	58	64	400
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	200	110	120	130	150	810
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 System Replacement Reserves	28	84	40	30	30	30	241
SLC18-21 PD System Replacement Reserves	110	334	130	130	130	100	934
SLC18-21 Law System Replacement Reserves	28	84	40	30	30	30	241
SLC18-22 HR System Replacement Reserves	55	167	70	70	64	50	476
SLC18-23 Fin System Replacement Reserves	83	251	90	90	70	70	653
SLC18-26 PW System Replacement Reserves	55	84	70	70	60	50	389
SLC18-26 PRCS System Replacement Reserves	28	167	40	30	30	30	325
SLC18-27 Court System Replacement Reserves	28	84	40	30	30	30	241
SLC18-27 ECD System Replacement Reserves	55	167	70	70	60	50	472
SLC18-28 Clerk System Replacement Reserves	55	167	70	70	60	50	472
SLC18-29 IT System Replacement Reserves	28	84	40	30	30	30	241
Automated License Plate Reader (ALPR)	95						95
Jail Camera Replacement	242						242
Multimedia Asset Management (MAM)	75						75
Traffic Network Upgrade	400						400
Intrusion Detection/Prevention System	150						150
Collaboration Tool Procurement		50					50
Network Pen Testing		80					80
City Services Kiosk (pilot)	36	-	-	-	-	-	36
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
Sale of Land		(1,500)					(1,500)
Total Sources of Funds	3,671	4,663	3,519	3,318	3,386	3,308	21,865
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
Place-Making - Burlington/Kaibara		300					300
Place-Making - Kherson Urban Play	250						250
Place-Making - Meeker/Town Square Plaza						300	300
Garrison Creek Park Renovation			400				400
Gateways	50						50
GR Trail/Van Doren's Park Design	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
Total Parks and Recreation Projects	3,591	3,369	3,319	3,218	3,286	3,308	20,091
Total Projects	\$ 3,671	\$ 4,663	\$ 3,519	\$ 3,318	\$ 3,386	\$ 3,308	\$ 21,865

CAPITAL IMPROVEMENT PROGRAM

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			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 Reservoir 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
Miscellaneous 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
Miscellaneous Pump Station Replacements				1,000	1,000	1,000	3,000
Miscellaneous 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

CAPITAL IMPROVEMENT PROGRAM

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 Road 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
Miscellaneous Drainage	1,000	300	300	300	300	300	2,500
Miscellaneous 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 Street 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

CAPITAL IMPROVEMENT PROGRAM

CAPITAL HIGHLIGHTS

Of the many varied projects included in the Capital Improvement Program, the City has chosen four to highlight in this section. These projects were selected to provide examples of the City's continued efforts to efficiently and responsibly allocate taxpayer funds to projects that address the current and long-term needs of its citizens. The capital projects below come from a cross-section of the City and represent various funding levels and stages of development within the 2019-2020 Biennium.

- ◆ West Hill Reservoir
- ◆ Linda Heights Pump Station
- ◆ Green River Natural Resource Area Pump Station South
- ◆ West Fenwick Park

WEST HILL RESERVOIR—WATER DIVISION

This \$8.2 million capital project will construct a West Hill Reservoir to provide sufficient water storage for standby, operations and fire flow for the West Hill, as well as create a redundant water supply for the West Hill. This project is currently in the planning phase and will either be a stand pipe (as pictured below) or a composite water storage facility. It will affect four pressure zones on the West Hill.



CAPITAL IMPROVEMENT PROGRAM

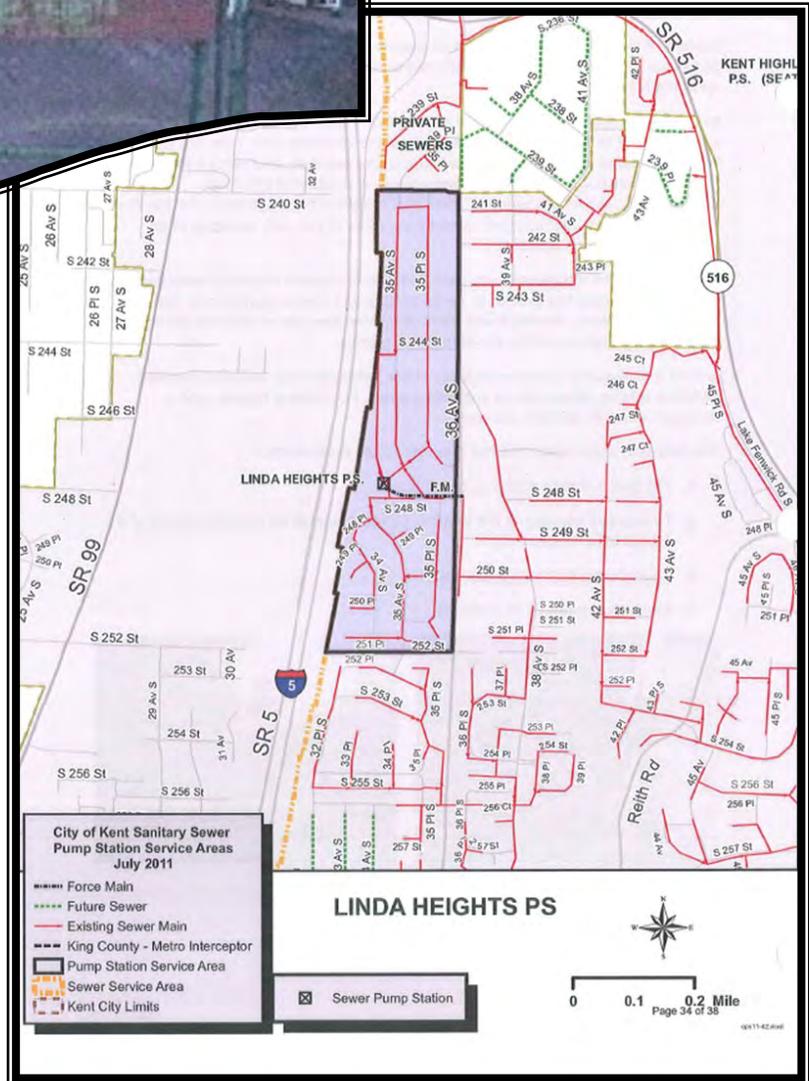
LINDA HEIGHTS PUMP STATION—SEWER DIVISION



Current Linda Heights Pump Station

This \$1.2 million project will replace the existing Linda Heights waste-water pump station with a new pump station. The current station, located at 3406 South 248th Street, is near the end of its useful life.

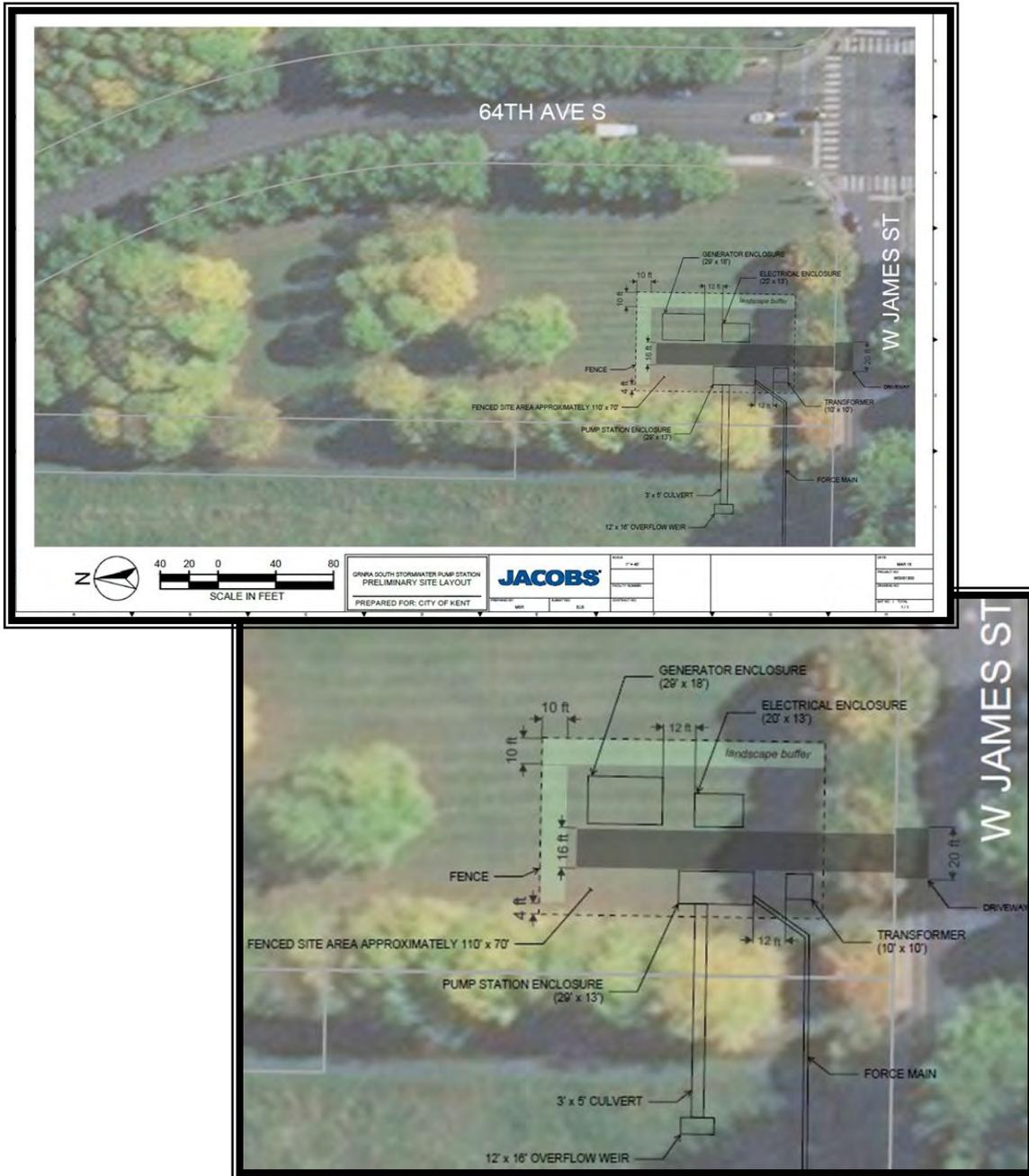
This wastewater pump station services a large area of the West Hill and pumps sewage to the King County Metro line for treatment.



CAPITAL IMPROVEMENT PROGRAM

GRNRA PUMP STATION SOUTH—STORMWATER MANAGEMENT DIVISION

This \$3.2 million project will increase the stormwater storage capacity of the Green River Natural Resources Area (GRNRA) Regional Stormwater Detention and Water Quality Facility by reducing stormwater flows that are currently conveyed to the GRNRA along the 64th Avenue South Drainage Channel. The project will reduce flood risk to roadways and properties in the Kent Valley.



CAPITAL IMPROVEMENT PROGRAM

WEST FENWICK PARK RENOVATIONS—PARKS AND RECREATION DIVISION

This project is currently in the design phase and anticipated to range between \$1.3 million and \$3.6 million (\$2 million has been funded to date). This 35-acre community park is scheduled for complete renovation with start of construction anticipated for 2020. Planned improvements may include playscape replacement and expansion, new multi-use synthetic turf sport court, neighborhood connectivity, trail enhancements, field irrigation and drainage, sport court resurfacing, and upgrades to site furnishings and general park amenities.

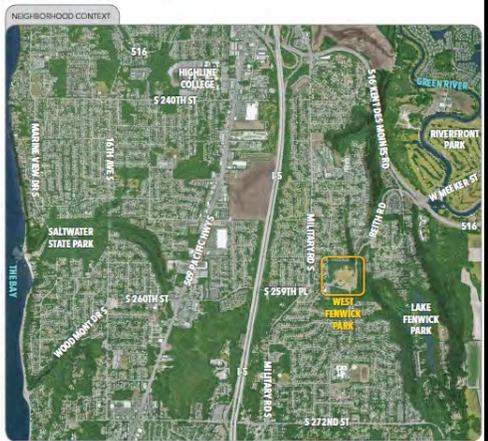
The current funds available for this project were appropriated in 2017 and 2018 (\$2 million). The project will also likely use Park funds approved in 2019 and 2020. This project is an excellent example of the complexity of capital budgeting. Projects often cross biennia, with funding provided and stages of work, including design, performed in multiple biennia. In addition, funds may also be reallocated from one project, or multiple projects, to another after various phases are complete, needs are re-prioritized or new opportunities come to light.

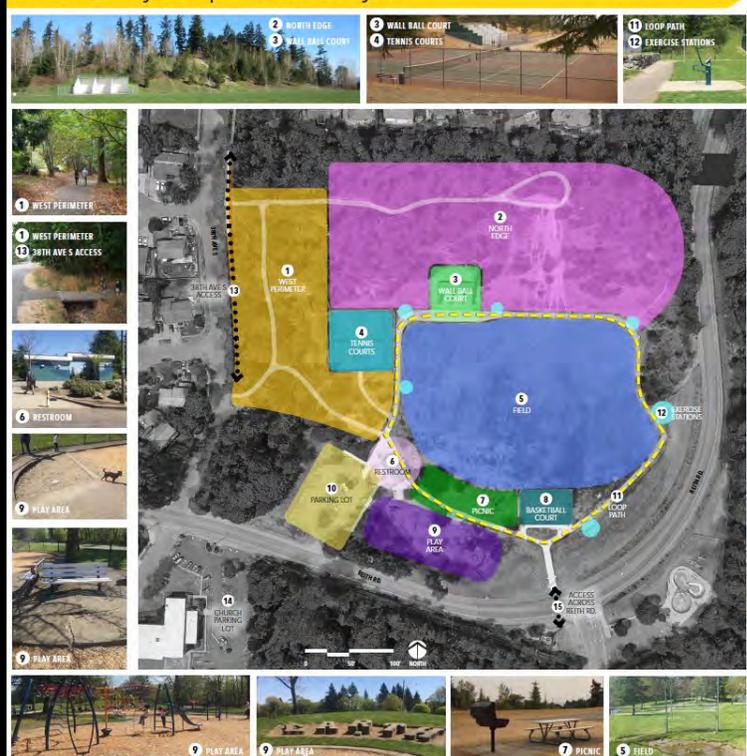
WEST FENWICK PARK

What can your park do for you?



What do you like?
What is working?
What needs improvement?
What did we miss?









CAPITAL IMPROVEMENT PROGRAM

WEST FENWICK PARK RENOVATIONS—PARKS AND RECREATION DIVISION

WEST FENWICK PARK

Theme: *ABSTRACTED NATURE*

element #9 EXTEND SIDEWALK DOWN 38TH AVE S

element #12 IMPROVE EAST PARK ENTRIES

element #8 EXPAND PARKING about 14 stalls

element #11 ENHANCED NEIGHBORHOOD CONNECTIONS

element #7 EXPAND FENCE TO TOP OF HILL

element #6 NEW PLAY ELEMENTS

element #1 WALL BALL COURT REUSE
tree/slope
What other functions can this space serve?
What is missing in your park?

- custom-made wall
- top-notch giant checkers, and other games
- permanent gazebo
- benches
- picnic shelter with large table
- an addition to the fence system

element #2 FIX PATH LIGHTS
replace existing lighting, upgrade lenses according to LED fixtures

- turn up foot-candle
- replace lamp housings

element #3 UPGRADE DRINKING FOUNTAINS
add water fountains, drinking fountains at the entrance, upgrade drinking fountains throughout the park as needed

element #4 LARGE MULTI-USE SYNTHETIC TURF SPORT COURT
located to allow for football and various soccer games on the grass field

element #5 PICNIC SHELTER
open-roofed shade structures

element #10 SHADE STRUCTURES

- canopy, eye-catching, shade-providing structure at basketball court and play area
- umbrella shade structures

WEST FENWICK PARK

Theme: *NATURAL EARTH*

element #9 EXTEND SIDEWALK DOWN 38TH AVE S

element #8 STREET SIDE PARALLEL PARKING CONNECTS TO PARK ENTRIES

- new connecting path added (see plan)

element #10 EXPAND IRRIGATION

element #7 EXPAND FENCE TO TOP OF HILL

element #6 EXPAND PLAY AREA, NEW PLAY ELEMENTS
 additional play elements built as gazebos and swings with nature play equipment integrated

element #1 WALL BALL COURT REUSE
boulder course

- handrails on corners with ground surface texture and diffusion
- benches and rope course system to wall provide additional challenge
- integrate drainage details to prevent for most generational debris retention
- cut down the walls to full depth
- more flow of climbing
- integrated climbing corner repurposed as handrails

element #2 FIX PATH LIGHTS
upgrade lighting to LED (canopy replacing existing existing poles)

- higher up fixtures
- shorter poles

element #3 UPGRADE DRINKING FOUNTAINS
add water fountains, drinking fountains at the entrance, upgrade drinking fountains throughout the park as needed

element #4 MEDIUM MULTI-USE SYNTHETIC TURF SPORT COURT
located to allow for football and various soccer games on the grass field

element #5 PICNIC SHELTER

DEBT MANAGEMENT

The Debt Management section provides an overview of Kent’s debt program, including financial data on debt limitations, long-term debt service requirements, and schedules of the City’s overall outstanding debt.

Debt Overview.....	131
Debt Capacity.....	137
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Revenue Debt.....	142
Interfund Loans.....	143
Public Works Trust Fund Loans.....	144
Other Debt.....	145

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DEBT OVERVIEW

INTRODUCTION

The Debt Management section provides elected officials, staff and residents with information regarding the City's outstanding debt obligations.

The City issues debt in accordance with the Revised Code of Washington (RCW), specifically chapters 39.36, 39.46 and 39.53, as well as City policy. The City is permitted to issue the types of debt listed below, subject to City Council approval via ordinance or resolution. Current practice is to seek City Council approval using an ordinance and placing that ordinance on the Other Business section of the Council agenda to allow discussion and voting independently of other agenda items.

- ◆ **Limited Tax General Obligation Bonds (LTGO):** LTGO debt is backed by the full faith and credit of the City. These bonds can be issued without a vote of registered voters but are limited in that debt service payments must be paid from existing City revenue sources. Furthermore, LTGOs are also limited in the amount and percentage of assessed valuation as defined by the City's debt capacity in accordance with state law.
- ◆ **Unlimited Tax General Obligation Bonds (UTGO):** UTGO debt is backed by the full faith and credit of the City. These bonds can only be issued when authorized by a 60 percent majority vote of registered voters (meeting the minimum voter turnout requirement). The purpose of the vote is to approve an excess tax levy (as a completely new source of revenue) to pay the debt service.
- ◆ **Lease Obligation:** Lease debt can be in the form of a lease-purchase arrangement or a certificate of participation. With this type of contractual obligation, a third party, typically the lessor, issues certificates or bonds where the principal and interest payments to investors are guaranteed by the lease payments made by the City. Lease obligations become part of the permitted debt capacity calculation under LTGOs.
- ◆ **Revenue Bonds:** Revenue bonds are typically issued to fund improvements to facilities or systems and can be either a voted or non-voted type of debt. The debt is secured solely by the pledge of a specific revenue stream, such as utility user fees, and is not part of the debt capacity calculation.
- ◆ **Special Assessment Bond:** Also referred to as Local Improvement District (LID) bonds, this type of debt is used to finance capital improvements that benefit taxpayers in a specific area. The cost is borne only by those who will benefit most from the improvement. LID debt is not part of the debt capacity calculation.
- ◆ **Other Debt Instruments:** Instruments such as Public Works Trust Fund loans or other financing contracts issued through the State of Washington, bond anticipation notes (BANs), tax anticipation notes (TANs), bank qualified loans, and/or other legal debt issues as allowed by law.

Throughout this section, numbers presented represent the total amount outstanding for debt service, which is defined as the total repayment necessary to cover both the interest and principal amounts on a debt for a particular period. In some cases, principal and interest payments are broken out for illustrative purposes and are labeled as such.

DEBT OVERVIEW

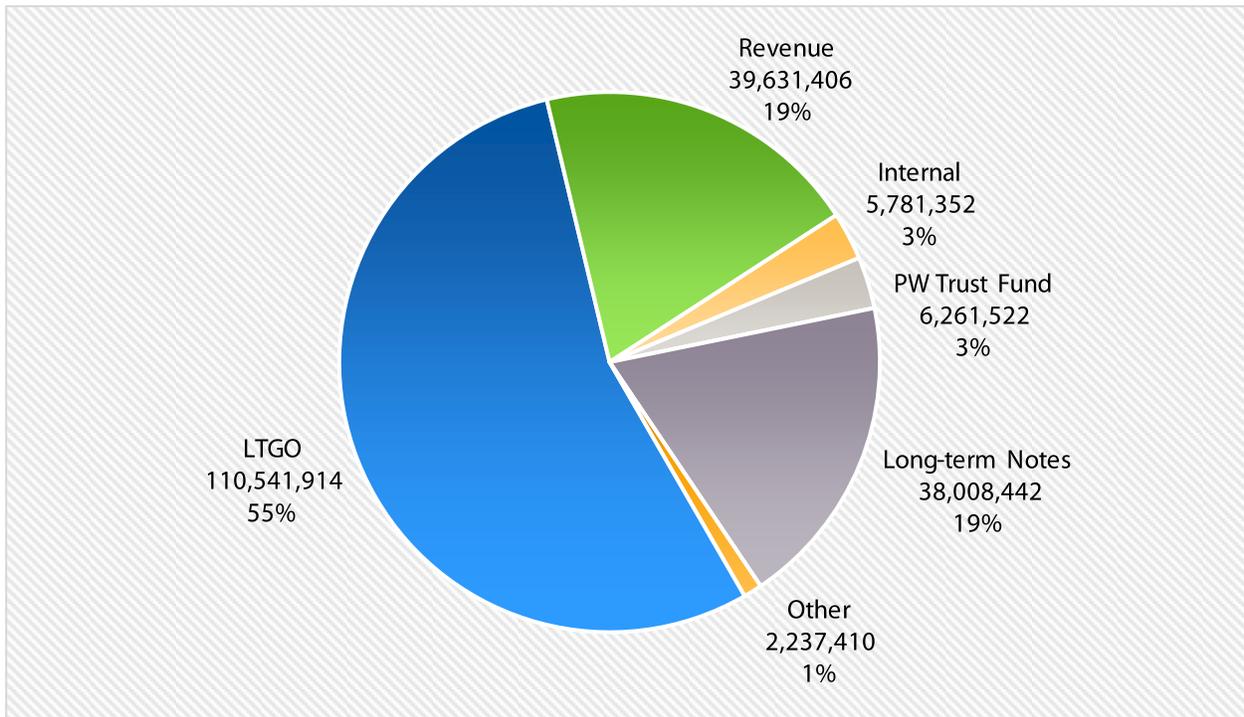
CITY-WIDE DEBT

The City's total outstanding debt as of January 1, 2019 is \$202,462,046. The outstanding debt is made up of:

LTGO Debt	\$110,541,914
Revenue Bonds	\$39,631,406
PW Trust Fund Loans	\$6,261,522
Long-Term Contract Obligations	\$37,859,669
Events Center Management (SMG) Loan	\$148,774
Internal Loans	\$5,781,352
Public Facilities District Revenue Bonds	\$2,237,410

The *City-Wide Debt by Type* graph below demonstrates the total outstanding debt for the City by debt type.

CITY-WIDE DEBT BY TYPE

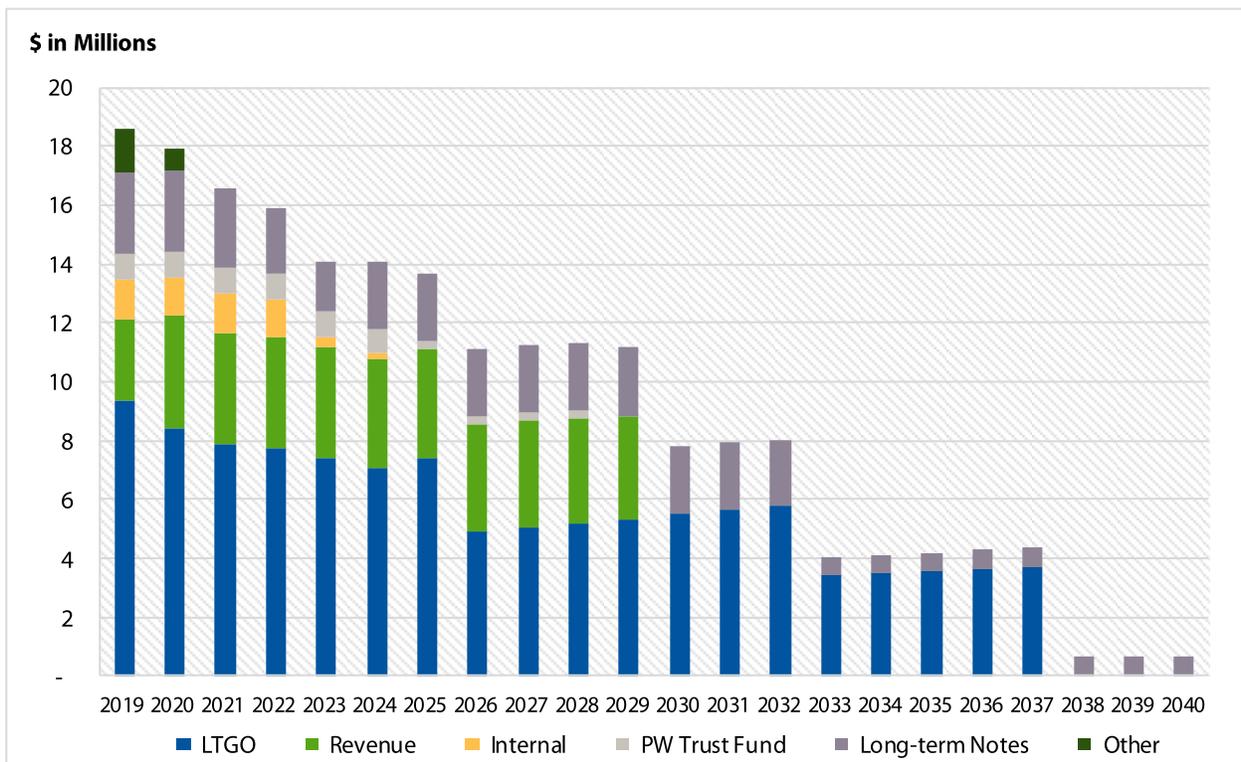


DEBT OVERVIEW

LTGO debt accounts for over half (55 percent) of outstanding debt. The significant factor for the amount of LTGO debt outstanding is the 2016 refunding, in which the City overtook debt on behalf of the PFD. To take advantage of low interest rates for municipal bonds, the City refunded the PFD 2008 sales tax bonds and formally added that debt obligation, \$100.3 million (principal and interest), to the City's debt profile. The refunding resulted in over \$8.4 million in savings on interest costs for the PFD bond. By agreement, the PFD is responsible for the debt service payments and the City is responsible for any debt service payments the PFD is unable to make. To date, the PFD has paid only a small portion of the annual debt service and the City assumes this trend will continue. All debt service paid by the City on behalf of the PFD is a loan to the PFD and must be repaid to the City.

The **Annual Debt Service by Debt Type** graph below shows the City's total annual debt service amounts by year. All things being equal, the City will have paid off over 18 percent of our outstanding debt at the end of 2020 and 30 percent by the end of 2024. The City will have retired all LTGO debt at the end of 2025, except the remaining debt associated with the 2016 PFD refunding which will be retired in 2037. At the end of 2029, the City will have retired all but two outstanding obligations, the 2016 LTGO refunding and the long-term contract with the City of Tacoma, Washington for the second water supply line.

ANNUAL DEBT SERVICE BY DEBT TYPE



DEBT OVERVIEW

The **Debt Service by Debt Type** table below provides details of the outstanding balance as of December 31, 2018 for each debt type.

DEBT SERVICE BY DEBT TYPE

Issued	Description	Funding	Outstanding	Matures
LTGO Bonds				
2005	LTGO (2000 Refunding)	Street/Capital Resources	\$ 675,164	2020
2009	LTGO (1999 Refunding) (Taxable)	Misc. Funds	1,045,200	2019
2012	LTGO - Series A (2000 & 2002 Refunding)	Misc. Funds	4,355,575	2022
2014	LTGO (2004 Refunding)	Misc. Funds	4,558,800	2021
2015	Series A (Taxable) (2006 Refunding)	Capital Resources	1,816,625	2021
2015	Series B (Non-Tax.) (2006 Refunding)	Capital Resources	4,819,150	2024
2016	LTGO (2008, 2008A Refunding)	Misc. Funds	93,271,400	2037
			\$ 110,541,914	
Long-Term Notes				
2001	Tacoma Second Supply Pipeline	Water Fund	\$ 1,599,167	2021
2002	Tacoma Second Supply Pipeline	Water Fund	2,151,563	2022
2010	Series A - Second Supply Project	Water Fund	2,227,400	2024
2010	Series B - Second Supply Project	Water Fund	12,246,989	2040
2013	Tacoma Bonds - (2002 Refunding)	Water Fund	19,634,550	2032
2015	SMG Capital Loan	General Fund	148,774	2024
			\$ 38,008,442	
Revenue Bonds				
2009	Revenue Bond, Series B (BABs)	Water/Sewer Funds	\$ 21,915,906	2029
2017	Revenue Refunding Bonds (2009B)*	Water/Sewer Funds	17,715,500	2029
			\$ 39,631,406	
Interfund Loans				
2012	Sewerage to Capital Resources	Capital Resources	\$ 1,335,157	2022
2012	Water to Capital Resources	Capital Resources	1,335,157	2022
2012	Insurance to Capital Resources	Capital Resources	1,196,545	2022
2015	Sewer/Self Ins. To Street Cap. Proj.	Street Capital Projects	1,211,804	2024
2016	Sewer to Street Capital Projects	Street Capital Projects	702,687	2024
			\$ 5,781,352	
WA State Public Works Trust Fund Loans (General Obligation)				
2003	South 228th Street Extension	Street Fund	\$ 270,815	2023
2004	South 228th Street Extension	Street/Sewer Funds	3,236,061	2024
2008	South 228th RR Grade Separations	Street Fund	2,754,646	2028
			\$ 6,261,522	
Other Debt				
2008	Public Facilities District Revenue Bond	PFD Debt	\$ 2,237,410	2020
			\$ 2,237,410	
Total Debt Service			\$ 202,462,046	

*The refunded and refunding debt are both shown here as required for a crossover refunding.

DEBT OVERVIEW

The **Outstanding Debt by Activity** table below represents the total outstanding City debt by principal and interest for both governmental and business activities through the life of the debt. Governmental activities include those things that are generally paid for through tax collection while business activities are those things that are typically enterprise related and are paid by user fees.

OUTSTANDING DEBT BY ACTIVITY

Year	Government Activities		Business Activities		Total
	Principal	Interest	Principal	Interest	
2019 - 2020	\$13,544,182	\$6,858,162	\$10,719,788	\$5,394,541	\$36,516,674
2021 - 2024	22,246,808	11,020,164	18,775,381	8,609,733	60,652,086
2025 - 2028	15,040,000	7,560,850	19,587,368	5,178,221	47,366,440
2029 - 2032	17,505,000	4,771,600	11,005,000	1,632,956	34,914,556
2033 - 2040	15,915,000	1,861,500	4,450,000	785,791	23,012,291
Total	\$84,250,990	\$32,072,276	\$64,537,538	\$21,601,242	\$202,462,046

The final table in this overview, **Debt Service by Funding Source**, organizes the City's debt by the fund responsible for the debt payment. The Capital Resources Fund and Street Fund are primary contributors for general government obligations. For business activities, the Water, Sewer and Drainage Funds are responsible for the majority of the debt obligations.

DEBT SERVICE BY FUNDING SOURCE

Issued	Description	Outstanding	Matures
Capital Resources Fund			
2005	LTGO (2000 Refunding) (62.55%)	\$ 422,315	2020
2009	LTGO (1999 Refunding)(Taxable) (68.81%)	719,202	2019
2012	LTGO - Series A (47.5%)	2,068,898	2022
2012	Interfund Loan from Sewerage	1,335,157	2022
2012	Interfund Loan from Water	1,335,157	2022
2012	Interfund Loan from Insurance	1,196,545	2022
2014	LTGO (2004 Refunding) (64.8%)	2,954,102	2021
2015	Series A (Taxable) (2006 Refunding)	1,816,625	2021
2015	Series B (Non-Tax.) (2006 Refunding)	4,819,150	2024
2016	Series A (2008A Refunding)	13,480,097	2025
2016	Series B (Refunding 2008 PFD Sales Tax)	52,835,277	2037
		\$ 82,982,527	
Drainage Fund			
2014	LTGO (2004 Refunding) (29.1%)	\$ 1,326,611	2021
General Fund			
2015	SMG Capital Loan	\$ 148,774	2024

DEBT OVERVIEW

Issued	Description	Outstanding	Matures
Sewer Fund			
2004	South 228th Street Extension (15%)	\$ 485,409	2024
2009	LTGO (1999 Refunding)(Taxable) (6.95%)	72,641	2019
2009	Revenue Bond, Series B (50%)*	10,957,953	2029
2017	Revenue Refunding Bonds (2009B)*	8,857,750	2029
		\$ 20,373,754	
Street Fund			
2003	South 228th Street Extension	\$ 270,815	2023
2004	South 228th Street Extension (85%)	2,750,652	2024
2005	LTGO (2000 Refunding) (37.45%)	252,849	2020
2008	South 228th RR Grade Separations	2,754,646	2028
2009	LTGO (1999 Refunding)(Taxable) (19.76%)	206,532	2019
2012	LTGO - Series A (52.5%)	2,286,677	2022
2014	LTGO (2004 Refunding) (6.1%)	278,087	2021
2016	Series A (2008A Refunding)	5,138,153	2025
		\$ 13,938,410	
Street Capital Projects			
2015	Sewer/Self Ins. To Street Cap. Proj.	\$ 1,211,804	2024
2016	Sewer to Streets Cap. Proj.	702,687	2024
		\$ 1,914,492	
Water Fund			
2001	Tacoma Second Supply Pipeline	\$ 1,599,167	2021
2002	Tacoma Second Supply Pipeline	2,151,563	2022
2009	LTGO (1999 Refunding)(Taxable) (4.48%)	46,825	2019
2009	Revenue Bond, Series B (50%)*	10,957,953	2029
2017	Revenue Refunding Bonds (2009B)*	8,857,750	2029
2010	Series A - Second Supply Project	2,227,400	2024
2010	Series B - Sec.Sup.Proj.(Build America)	12,246,989	2040
2013	Tacoma Bonds - (2002 Refunding)	19,634,550	2032
		\$ 57,722,196	
Other Debt			
2008	Public Facilities District Revenue Bond	\$ 2,237,410	2020
2016	Series B (Refunding 2008 PFD Sales Tax)	21,817,873	2037
		\$ 24,055,283	
Total City Debt by Fund		\$ 202,462,046	

*The refunded and refunding debt are both shown here as required for a crossover refunding.

DEBT CAPACITY

The City's debt capacity, also referred to as its legal debt limit, applies to the general obligation debt of the city (debt for which the full faith and credit of the city is pledged to repay the loan). Importantly, the legal debt limit applies only to the principal balance outstanding and does not consider interest costs. Furthermore, while the City has capacity under the legal debt limit to incur more debt, a careful evaluation of the City's current and forecasted revenue and expense trends are analyzed to ensure the City has the financial means to repay any debt, both principal and interest.

State law allows for the issuance of general obligation (GO) debt up to 7.5 percent of the City's assessed property valuation. The limit of 7.5 percent of assessed valuation for GO debt is divided between three different use types: 1). 2.5 percent for municipally-owned water, sewer, or electric facilities; 2). 2.5 percent for open space and parks; and 3). 2.5 percent for general government purposes.

GO debt requires a vote of the public, except as described later in this paragraph. To validate a voted General Obligation Debt issuance, the jurisdiction's voter turnout must be at least 40 percent of those who voted in the most recent state general election and, at least 60 percent of those voting must be in the affirmative. However, within the 2.5 percent limit for general government purposes, state law allows the Council to issue debt without a vote of the people. This non-voted debt (also called councilmanic debt) cannot be greater than 1.5 percent of the assessed property valuation of the jurisdiction. The Council can decide to use non-voted capacity for any of the purposes listed above. Any use of councilmanic debt is applied to the 2.5 percent general government purpose regardless of how the debt is used.

LEGAL DEBT LIMIT

	2016	2017	2018
Assessed Value	\$15,046,306,884	\$16,402,977,700	\$18,597,339,729
Legal debt limit restrictions:			
2.5% of General purpose limit, voted & non-voted	376,157,672	410,074,443	464,933,493
2.5% Utility purpose limit, voted	376,157,672	410,074,443	464,933,493
2.5% Open Space, Park Facilities, voted	376,157,672	410,074,443	464,933,493
Total legal debt limit	1,128,473,016	1,230,223,329	1,394,800,479
Total net debt applicable to limit	90,740,000	84,656,000	78,686,000
Legal debt margin	\$1,037,733,016	\$1,145,567,329	\$1,316,114,479
Total net LTGO debt applicable to the limit as a percentage of debt limit	8.04%	6.88%	5.64%
Total net LTGO debt as a percentage of assessed value	0.60%	0.52%	0.42%
City of Kent Population	124,500	127,100	128,900
Total net LTGO debt per capita	\$729	\$666	\$610

DEBT CAPACITY

The **Legal Debt Limit** table on the previous page compares the City's LTGO debt against the City's legal debt limit. Per state law, the City's legal debt limit is nearly \$1.4 billion (2.5 percent of the City's assessed property valuation) split equally between three GO types, or almost \$465 million each. The councilmanic debt limit of 1.5 percent calculates to nearly \$279 million (1.5 percent of the City's assessed property value). Currently, the City has no voted GO debt and \$78.7 million in councilmanic GO bond debt, well below the legal limit of \$279 million.

The City has issued GO debt only slightly under eight percent of our legal limit. The total current per capita amount of GO debt outstanding is \$610 and the current total GO debt as compared to the total assessed property valuation is 0.42 percent.

Beginning in 2015, the City's Finance department began including additional long-term obligations as part of the legal debt limit calculation. The inclusion of these long-term obligations, which include state loan contracts, interest on outstanding principal, as well as compensated absences, provides a truer picture of the City's LTGO debt and calculates a more conservative debt ratio than does the legal debt limit alone. As can be seen in the **Internal Debt Limit** table below, the City's internal debt limit shows \$110.5 million in long-term LTGO debt obligations or just under eight percent of our legal limit. The per capita ratio decreased to \$940 and the overall net debt as compared to assessed property valuation is now down to 0.65 percent.

INTERNAL DEBT LIMIT

	2016	2017	2018
Net debt applicable to legal debt limit	\$90,740,000	\$84,656,000	\$78,686,000
Interest on Outstanding Debt	39,402,192	35,545,110	31,855,914
Long-Term Debt Obligations	130,142,192	120,201,110	110,541,914
Add: State loan contracts	7,225,937	6,450,071	5,674,205
Compensated absences	4,413,051	4,639,656	4,936,216
Total debt applicable to internal debt calculation	141,781,180	131,290,838	121,152,337
1.5% councilmanic legal debt limit	225,694,603	246,044,666	278,960,096
Legal councilmanic debt margin	\$83,913,423	\$114,753,828	\$157,807,759
Total net debt applicable to the internal debt calculation as a percentage of debt limit	12.56%	10.67%	8.69%
Total net debt applicable to the internal debt calculation as a percentage of assessed value	0.94%	0.80%	0.65%
City of Kent population	124,500	127,100	128,900
Total net internal LTGO debt per capita	\$1,139	\$1,033	\$940

LTGO DEBT

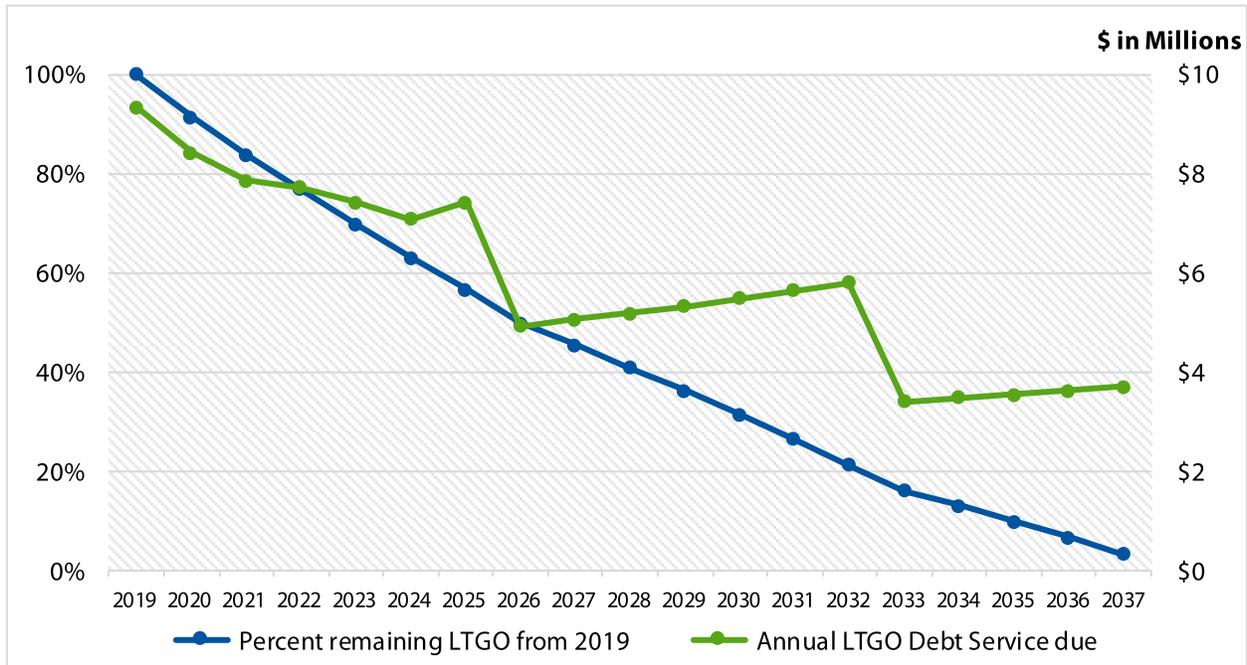
The outstanding debt service on the City’s LTGO debt is \$110,541,914 with debt service (principal and interest) payments currently scheduled to expire in 2037. LTGO debt is backed by the full faith and credit of the City. These bonds can be issued without a vote of registered voters but are limited in that debt service payments must be paid from existing City revenue sources. Furthermore, LTGO’s are also limited in the amount and percentage of assessed valuation as defined by the City’s debt capacity in accordance with state law.

LTGO DEBT

Issued	Description	Funding	Outstanding	Matures
2005	LTGO (2000 Refunding)	Street/Capital Resources	\$ 675,164	2020
2009	LTGO (1999 Refunding) (Taxable)	Misc. Funds	1,045,200	2019
2012	LTGO - Series A (2000 & 2002 Refunding)	Misc. Funds	4,355,575	2022
2014	LTGO (2004 Refunding)	Misc. Funds	4,558,800	2021
2015	Series A (Taxable) (2006 Refunding)	Capital Resources	1,816,625	2021
2015	Series B (Non-Tax.) (2006 Refunding)	Capital Resources	4,819,150	2024
2016	LTGO (2008, 2008A Refunding)	Misc. Funds	93,271,400	2037
Total LTGO Bonds			\$ 110,541,914	

The **Percent Remaining** graph depicts the percentage of LTGO debt remaining from 2018 (blue line) and the total annual debt service amount (green line). Over 50 percent of the LTGO debt will be repaid by the end of 2025. Starting January 1, 2026 the City will have a remaining LTGO balance of \$55.3 million (49 percent) of our current LTGO debt.

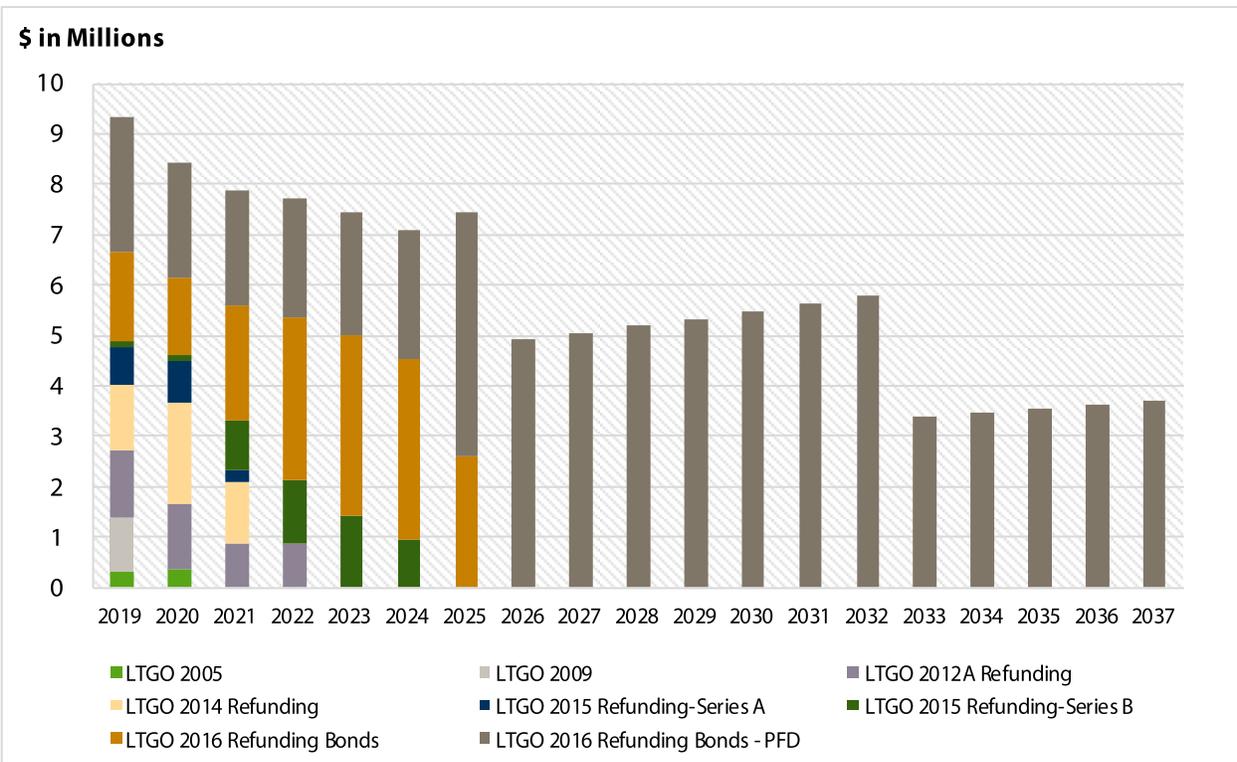
PERCENT REMAINING



LTGO DEBT

The **Annual Debt Service-LTGO Debt** graph shows the annual debt service payment by debt issuance. By the end of 2025, the City will have retired all outstanding LTGO debt save for the 2016 Refunding bond which is an obligation of the Public Facilities District. By agreement, the PFD is responsible for these debt service payments and the City is responsible for any debt service payments the PFD is unable to make.

ANNUAL DEBT SERVICE—LTGO DEBT



The **LTGO Debt by Activity** table represents the City's outstanding LTGO debt by payment year and details the debt service amount by principal and interest and by the type of activity for which the debt was issued.

LTGO DEBT BY ACTIVITY

Year	Government Activities		Business Activities		Total
	Principal	Interest	Principal	Interest	
2019 - 2020	\$10,166,360	\$6,633,058	\$884,640	\$84,856	\$17,768,914
2021 - 2024	18,831,620	10,930,315	343,380	13,735	30,119,050
2025 - 2028	15,040,000	7,560,850			22,600,850
2029 - 2032	17,505,000	4,771,600			22,276,600
2033 - 2037	15,915,000	1,861,500			17,776,500
Total	\$77,457,980	\$31,757,323	\$1,228,020	\$98,591	\$110,541,914

LONG-TERM NOTES

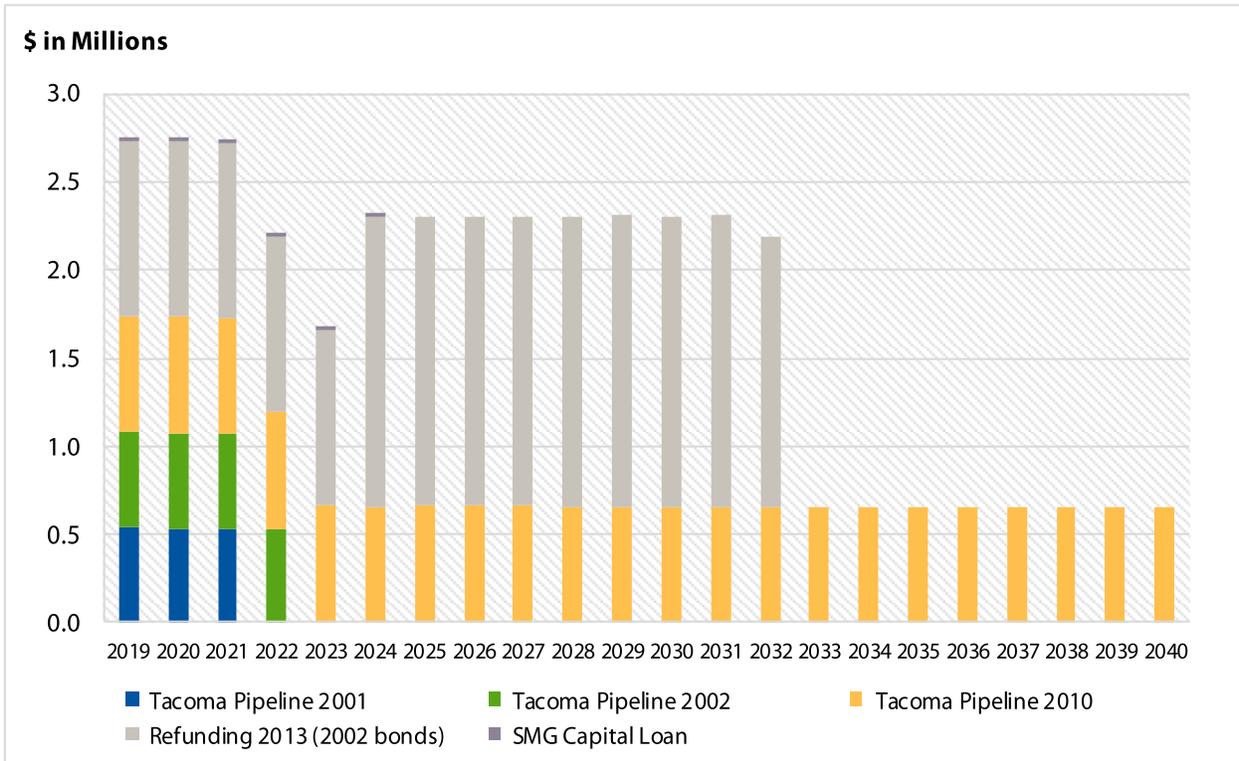
The outstanding balance on the City’s long-term notes is \$38,008,442. Long-term notes are very similar to bonded debt in that they both carry a stated or implied interest rate and have a known maturity date. However, long-term notes are not issued to the public or traded. Rather, long-term notes are agreements entered into by the City with another party and include a formal written promise to pay pre-determined amounts on set dates.

LONG-TERM NOTES

Issued	Description	Funding	Outstanding	Matures
2001	Tacoma Second Supply Pipeline	Water Fund	\$ 1,599,167	2021
2002	Tacoma Second Supply Pipeline	Water Fund	2,151,563	2022
2010	Series A - Second Supply Project	Water Fund	2,227,400	2024
2010	Series B - Second Supply Project (Build America Bond)	Water Fund	12,246,989	2040
2013	Tacoma Bonds - (2002 Refunding)	Water Fund	19,634,550	2032
2015	SMG Capital Loan	General Fund	148,774	2024
Total Long-Term Notes			\$ 38,008,442	

The **Annual Debt Service—Long-Term Notes** graph represents the annual debt service for the City’s long-term notes.

ANNUAL DEBT SERVICE—LONG-TERM NOTES



REVENUE DEBT

The outstanding debt service on the City's revenue bond debt is \$39,631,406. The additional debt is due to the crossover refunding that was processed in 2017. The City will continue to pay interest on the 2009 Revenue Bonds and it is only when the 2009 Revenue Bonds are called or mature that the pledged revenue stream legally "crosses over" to secure the repayment of the refunding debt. Both bonds are shown in their entirety until the call date on 12/1/2019.

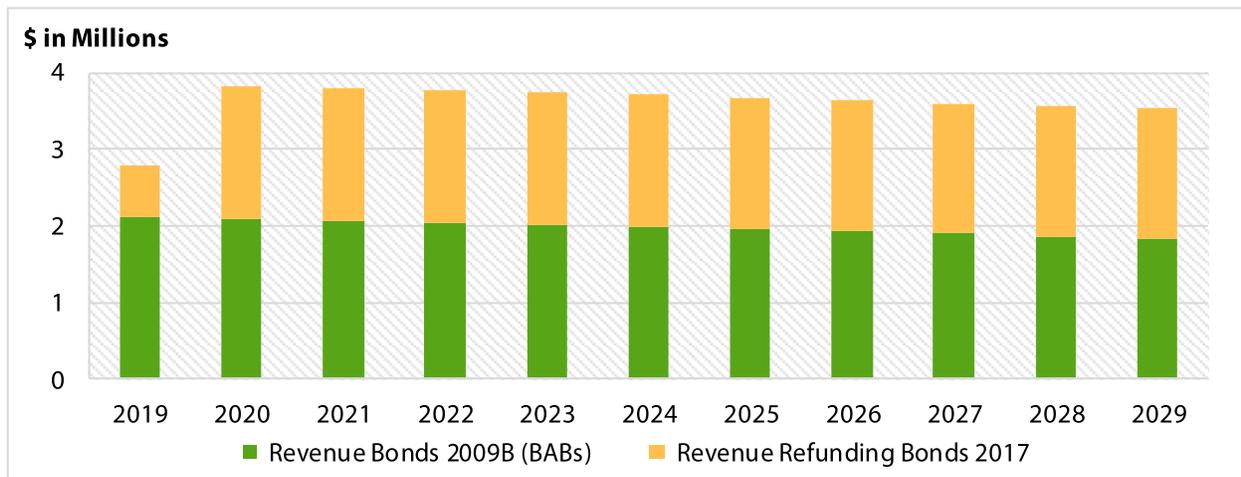
REVENUE DEBT

Issued	Description	Funding	Outstanding	Matures
2009	Revenue Bond, Series B (BABs)*	Water/Sewer Funds	\$ 21,915,906	2029
2017	Revenue Refunding Bonds (2009B)*	Water/Sewer Funds	17,715,500	2029
Total Revenue Debt			\$ 39,631,406	

*The refunded and refunding debt are both shown here as required for a crossover refunding.

The **Annual Debt Service—Revenue Debt** graph shows the annual debt service payment by debt issuance.

ANNUAL DEBT SERVICE—REVENUE DEBT



The **Revenue Bonds by Funding Source** table details the debt service amount by principal and interest and the responsible fund for making debt payments.

REVENUE BONDS BY FUNDING SOURCE

Year	Water Revenue Bonds		Sewerage Revenue Bonds		Total
	Principal	Interest	Principal	Interest	
2019 - 2020	\$1,750,000	\$1,553,785	\$1,750,000	\$1,553,785	\$6,607,569
2021 - 2024	5,100,000	2,408,266	5,100,000	2,408,266	15,016,533
2025 - 2029	7,680,000	1,323,652	7,680,000	1,323,652	18,007,304
Total	\$14,530,000	\$5,285,703	\$14,530,000	\$5,285,703	\$39,631,406

INTERFUND LOANS

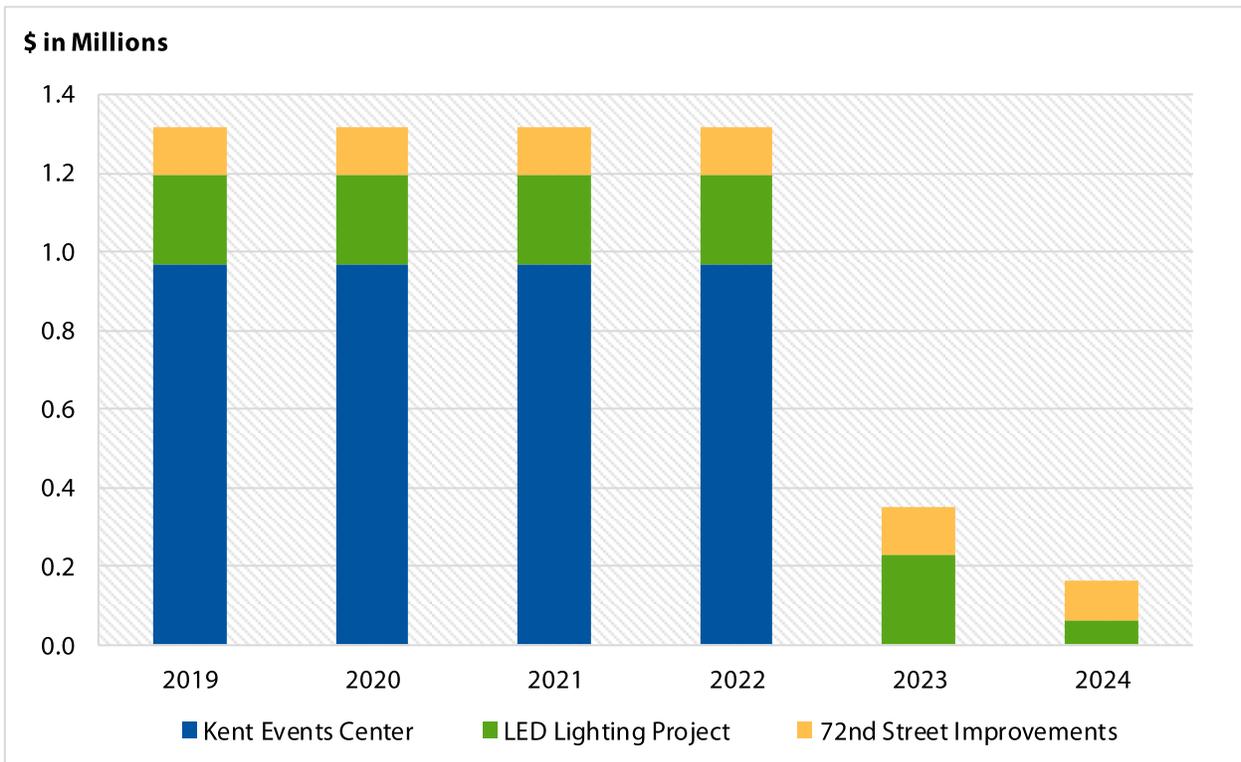
The outstanding balance on the City’s internal loans is \$5,781,352. The City may use interfund loans rather than issuing outside debt to fund particular capital projects. The decision to use an interfund loan is based on several factors which include that there is capacity to fund the loan with no impact to the operations of the loaning fund and that the interfund loan is more cost effective. All interfund loans will bear interest not less than the prevailing LGIP (Local Government Investment Pool) rate.

INTERFUND LOANS

Issued	Description	Funding	Outstanding	Matures
2012	Sewerage to Capital Resources	Capital Resources	\$ 1,335,157	2022
2012	Water to Capital Resources	Capital Resources	1,335,157	2022
2012	Insurance to Capital Resources	Capital Resources	1,196,545	2022
2015	Sewer/Self Ins. To Street Cap. Proj. for LED Street Lighting Project	Street Capital Projects	1,211,804	2024
2016	Sewer to Street Capital Projects	Street Capital Projects	702,687	2024
Total Interfund Loans			\$ 5,781,352	

The **Annual Debt Service—Interfund Loans** graph represents the annual debt service for the City’s internal loans.

ANNUAL DEBT SERVICE—INTERFUND LOANS



PW TRUST FUND LOANS

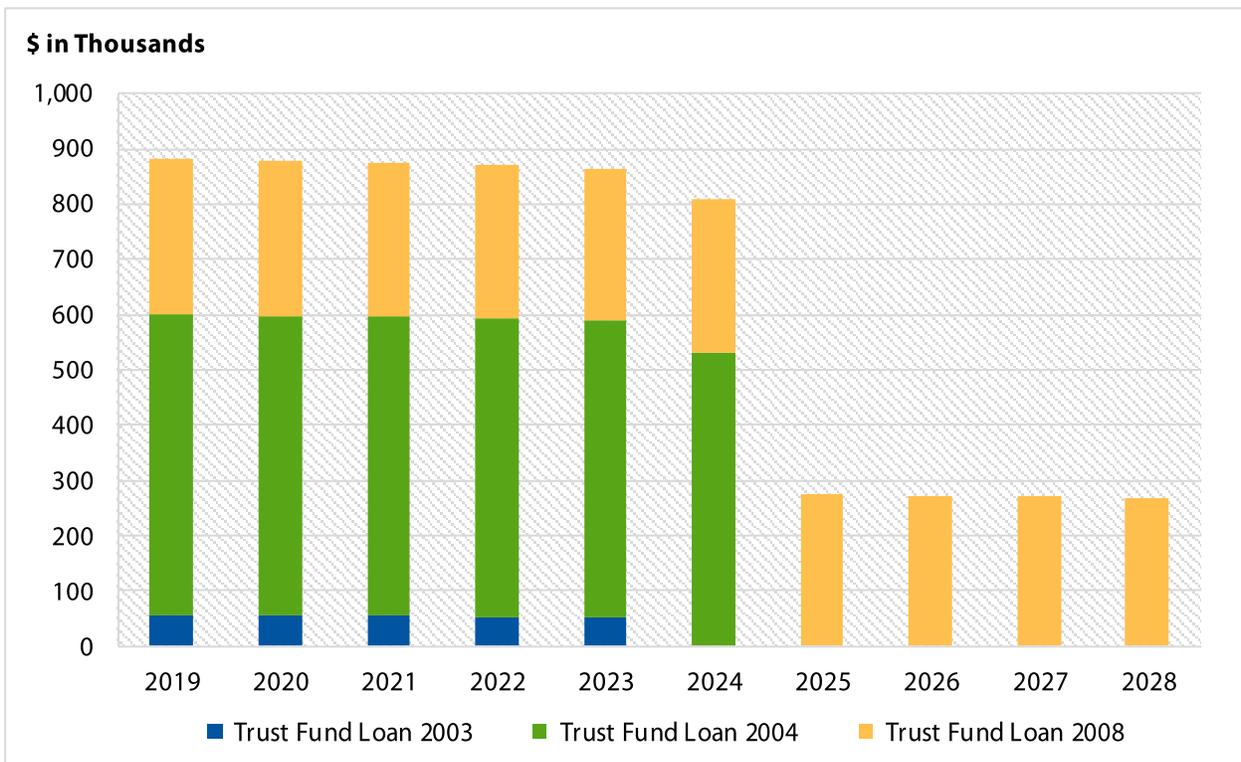
The outstanding debt service on the City's Public Works Trust Fund loans is \$6,261,522 with debt service (principal and interest) payments currently scheduled to be retired in 2028. The Public Works Trust Fund loan program provides low-interest loans to local governments to finance public infrastructure construction and rehabilitation. Eligible projects must improve public health and safety, respond to environmental issues, promote economic development, or upgrade system performance. The program is administered by the Washington State Public Works Board.

PW TRUST FUND LOANS

Issued	Description	Funding	Outstanding	Matures
2003	South 228th Street Extension	Street Fund	\$ 270,815	2023
2004	South 228th Street Extension	Street/Sewer Funds	3,236,061	2024
2008	South 228th RR Grade Separations	Street Fund	2,754,646	2028
Total WA State Public Works Trust Fund Loans			\$ 6,261,522	

The **Annual Debt Service—PW Trust Fund Loans** graph shows the annual debt service payment by Trust Fund loan.

ANNUAL DEBT SERVICE—PW TRUST FUND LOANS



OTHER DEBT

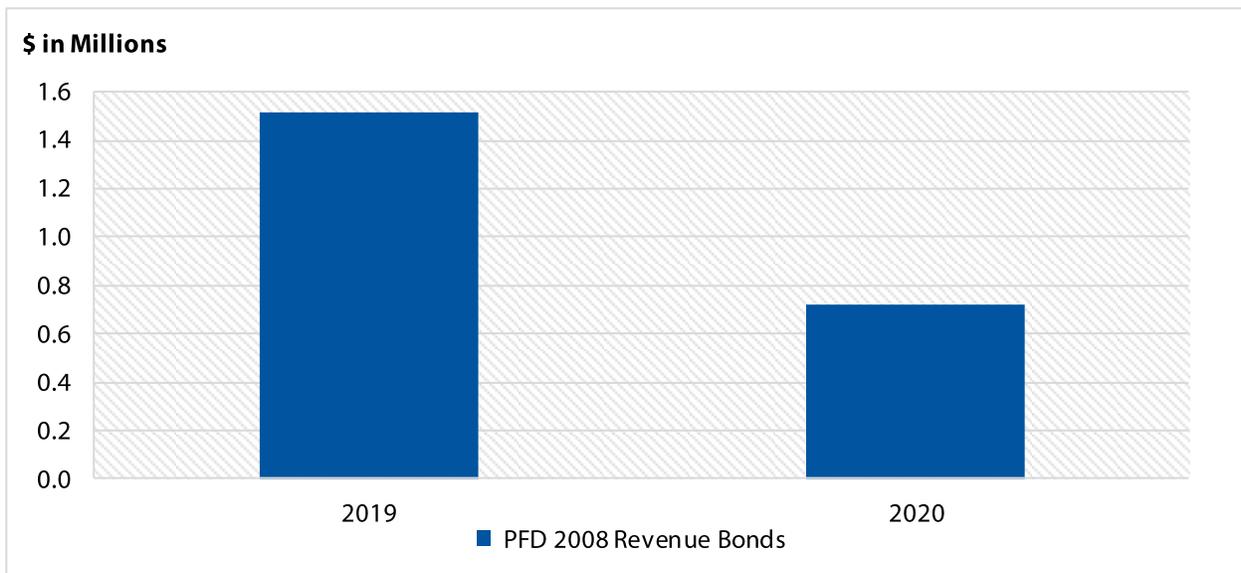
The outstanding balance on the City’s other debt is \$2,237,410 and is comprised of the revenue bond issued by the City of Kent Public Facilities District (PFD) which is guaranteed by the City. The PFD is a separate legal entity from the City and by agreement, the PFD is responsible for the debt service payments and the City is responsible for any debt service payments the PFD is unable to make. To date, the PFD has not paid any portion of the annual debt service on their revenue bond and the City assumes this trend will continue. LID’s are used to finance capital improvements that benefit taxpayers in a specific area. The cost is borne only by those who will benefit most from the improvement.

OTHER DEBT

Issued	Description	Funding	Outstanding	Matures
2008	Public Facilities District Revenue Bond	PFD Debt	\$ 2,237,410	2020
Total Other Debt			\$ 2,237,410	

The **Annual Debt Service—Other Debt** graph represents the annual debt service for the City’s other debt.

ANNUAL DEBT SERVICE—OTHER DEBT



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BUDGET BY DEPARTMENT

The Budget by Department section contains budget information by department and division. Each department, and division within that department, has prepared an overview of its operations, including its mission, goals, accomplishments, funding sources, challenges, new initiatives, staffing levels and expenditure budget.

Administration & Council.....	149
Economic & Community Dev.....	159
Finance.....	169
Human Resources.....	181
Information Technology.....	195
Law.....	209
Municipal Court.....	213
Parks, Recreation & Community Svc...	217
Police.....	235
Public Works.....	245
Non-Departmental.....	275

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ADMINISTRATION & CITY COUNCIL



ADMINISTRATION DEPARTMENT

ACCOMPLISHMENTS

- Hired a police chief, economic community development director and communications manager
- Launched the City's strategic framework of vision, mission, value and goals
- Formed a Major Projects Team meeting to coordinate departments' work on projects of City-wide significance
- Led the community through a police line-of-duty death
- Renegotiated the inter-local agreement with the Puget Sound Regional Fire Authority for shared services
- Contracted with a new legislative lobbyist firm
- Advocated for the City's interests during the 2017-2018 legislative sessions
- Completed a resident satisfaction survey

NEW INITIATIVES

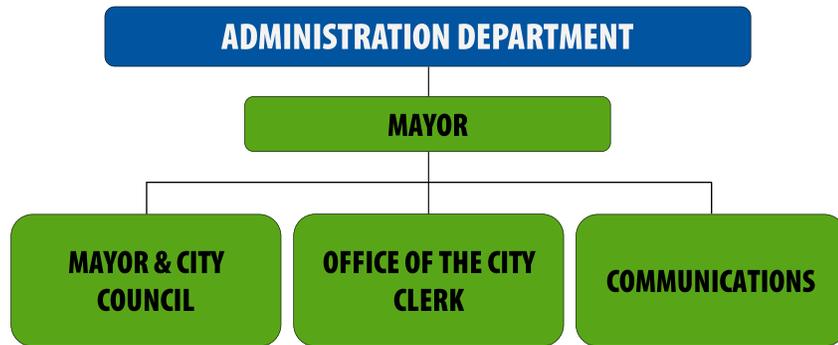
- Body-worn cameras/public records
- Sound Transit liaison

MISSION STATEMENT

The City of Kent is committed to building a safe, thriving, sustainable and inclusive community.

DEPARTMENT SUMMARY

Administration oversees all facets of city government and provides oversight on all programs, services, communication and future direction of city development through policy and regulation to the public.



DEPARTMENT STAFFING

	2017 Actual	2018 Actual	2019 Adopted	2020 Adopted
Mayor & City Council	4.75	5.0	5.0	4.0
City Clerk's Office	4.0	4.0	5.0	5.0
Communications Division	3.0	4.0	3.0	3.0
Total Department FTE's	11.75	13.0	13.0	12.0

ADMINISTRATION DEPARTMENT

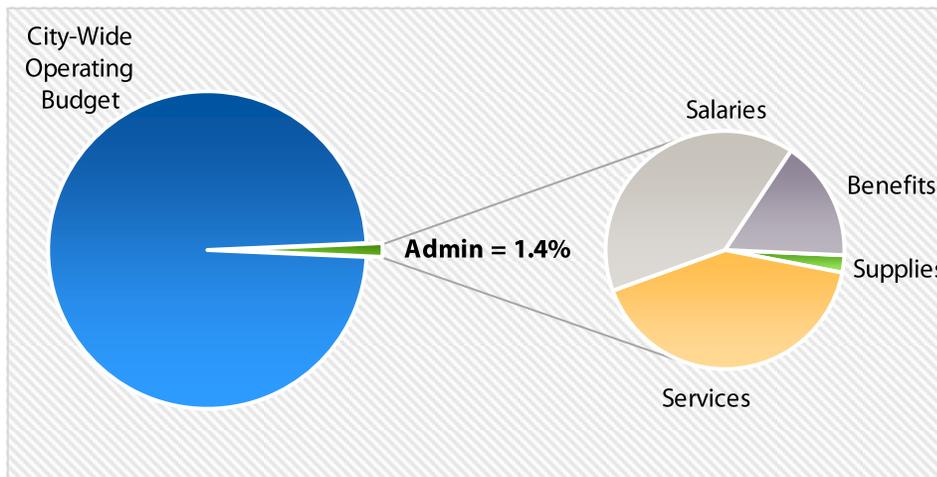
OPERATING EXPENDITURES BY DIVISION

	2017 Actual	2018 Prelim	2019 Adopted	2020 Adopted
Mayor & City Council	\$ 1,546,029	\$ 1,382,437	\$ 1,627,940	\$ 1,564,740
City Clerk's Office	965,906	1,030,286	1,180,130	1,211,320
Community & Public Affairs	583,435	695,745	714,320	756,640
Gross Expenditures	3,095,370	3,108,468	3,522,390	3,532,700
Allocations	-	-	-	-
Net Expenditures	\$ 3,095,370	\$ 3,108,468	\$ 3,522,390	\$ 3,532,700

FUNDING SOURCES

- General Fund: 97%
- Criminal Justice Fund: 3%

2019-20 NET OPERATING EXPENDITURES BY CATEGORY



GOALS

- Provide effective leadership to City departments
- Advocate for City's interests on Sound Transit's Federal Way Link Extension and downtown garage projects
- Provide timely responses to public record requests

BUDGET COMMENTS

- Added an administrative assistant in the City Clerk's Office in 2019
- Eliminated the community engagement coordinator position in the Communications Division in 2019
- Eliminated an executive assistant position in the Mayor's Office in 2020

MAYOR & CITY COUNCIL DIVISION

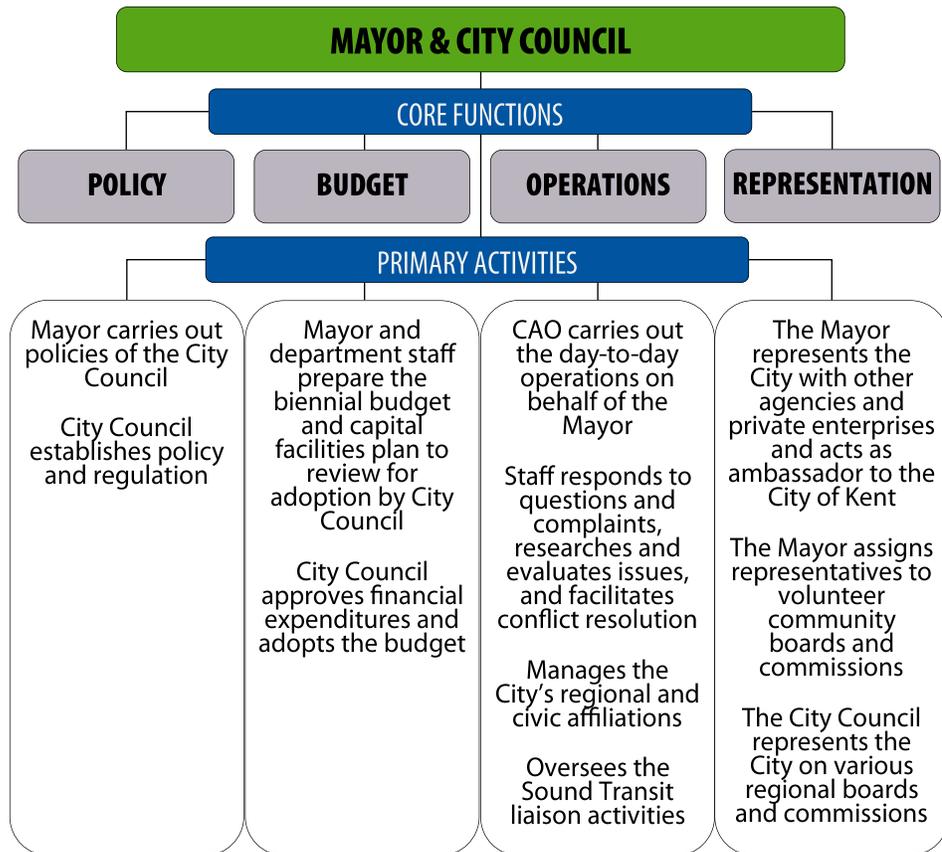
FUN FACTS

- Mayor Ralph holds a black belt in Karate
- City Council members can be sworn in at any location, not necessarily council chambers
- Mayor Ralph does regular Kent Now videos that feature different topics of interest to residents
- Hurricane Ridge was the first cohort of city employees to complete the Innovate Academy, which focuses on process improvement using Lean management tools

DIVISION DESCRIPTION

The City Council members are the legislative body elected to develop and prioritize strategic issues, and establish policies and regulations in order to guide the future growth and development of the City in the best interest of residents.

The Mayor’s office oversees all facets of City government and provides oversight on all programs and services as well as a communication link among residents, City Council, City departments and other government agencies.



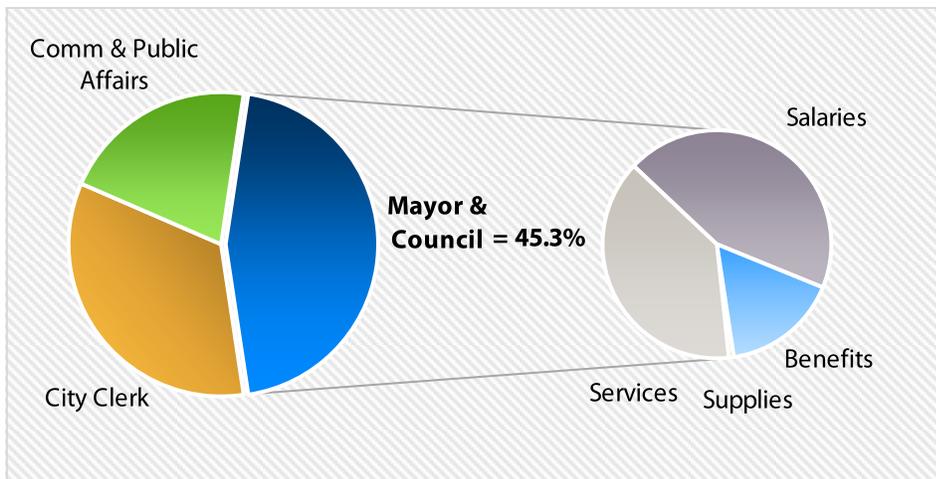
DIVISION STAFFING

	2017 Actual	2018 Actual	2019 Adopted	2020 Adopted
Mayor	1.0	1.0	1.0	1.0
Chief Administrative Officer	1.0	1.0	1.0	1.0
Exec Asst/Mgmt Analyst	2.0	2.0	2.0	1.0
Administrative Assistant 1	0.75	1.0	1.0	1.0
Total Division FTE's	4.75	5.0	5.0	4.0

MAYOR & CITY COUNCIL DIVISION

SUMMARY OF OPERATING EXPENDITURES

	2017 Actual	2018 Prelim	2019 Adopted	2020 Adopted
Salaries	\$ 721,961	\$ 679,054	\$ 740,630	\$ 667,720
Benefits	323,127	163,084	279,890	245,270
Supplies	6,467	23,898	11,130	11,340
Services	494,474	516,401	596,290	640,410
Total Expenditures	\$ 1,546,029	\$ 1,382,437	\$ 1,627,940	\$ 1,564,740



WORKLOAD INDICATORS

	2015	2016	2017	2018
# of Council meetings (workshops, special meetings, etc)	29	31	60	53
# of Council Committee meetings (Operations, Public Safety, Parks, Public Works)	69	74	68	71
# of Mayor's Leadership Team Meetings	44	50	48	48
# of CAO reports	21	24	22	23

GOALS

- Provide effective community leadership
- Organize annual strategic planning and periodic mini-retreats
- Adopt 2021-2022 budget

CHALLENGES

- Ongoing financial structural imbalance

CITY CLERK DIVISION

FUN FACTS

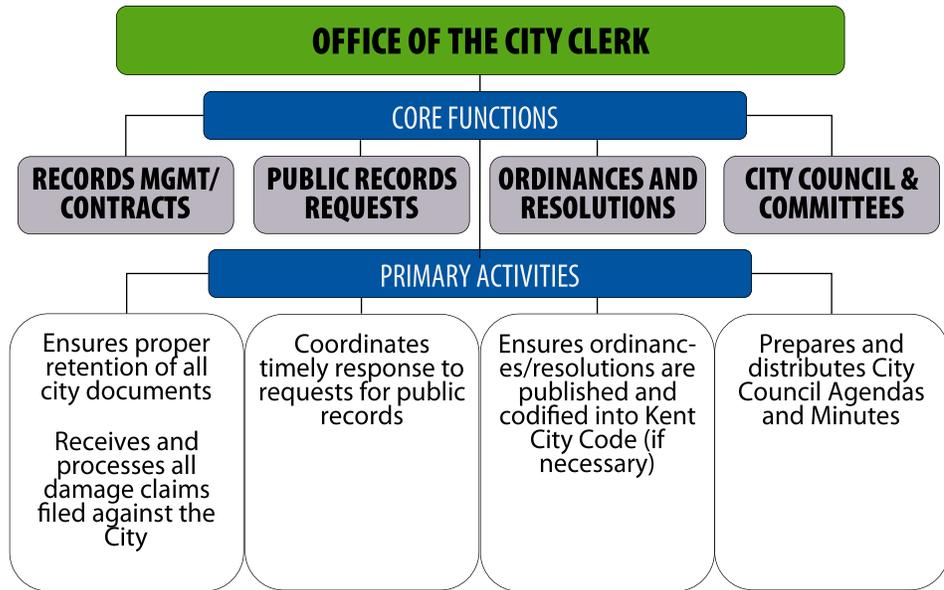
- Annually processes over 3,200 requests for Public Records
- Annually processes over 570 contracts
- Coordinates records retention and trains over 60 records management coordinators
- Coordinates and trains over 40 public records coordinators
- Annually transcribed over 100 hours of City Council meeting minutes

HIGHLIGHTS

- Implemented council committee/board electronic agenda management system
- Timely prepared and distributed over 30 agendas and minutes for City Council meetings
- Citywide implementation of electronic recording through King County

DIVISION DESCRIPTION

The City Clerk’s Office manages the official records of the City, coordinates and responds to requests for public records, manages elections, and ensures the proper preparation, distribution and retention of City Council and Council Committee agendas and minutes.



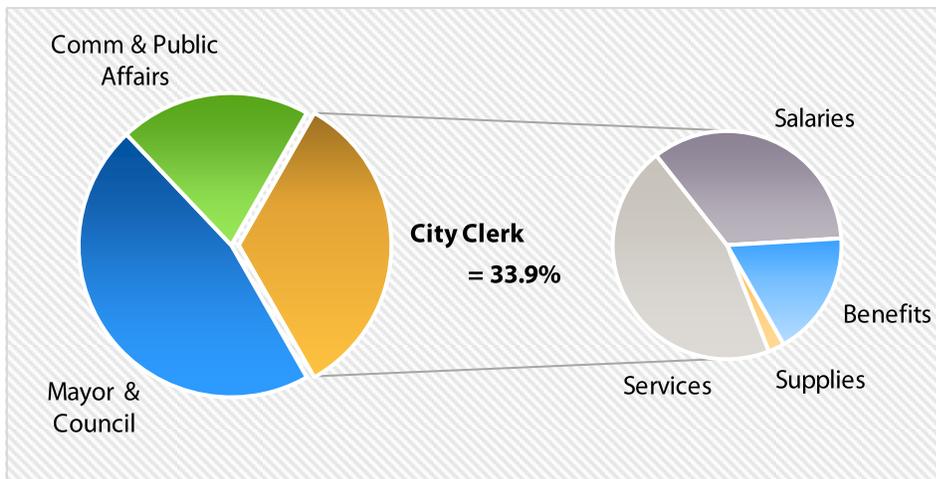
DIVISION STAFFING

	2017 Actual	2018 Actual	2019 Adopted	2020 Adopted
City Clerk	1.0	1.0	1.0	1.0
Deputy City Clerk	1.0	1.0	1.0	1.0
Public Records Admin	2.0	2.0	2.0	2.0
Administrative Assistant 2			1.0	1.0
Total Division FTE's	4.0	4.0	5.0	5.0

CITY CLERK DIVISION

SUMMARY OF OPERATING EXPENDITURES

	2017 Actual	2018 Prelim	2019 Adopted	2020 Adopted
Salaries	\$ 322,445	\$ 339,239	\$ 409,000	\$ 420,990
Benefits	146,551	150,345	208,840	216,300
Supplies	7,184	11,589	27,360	27,910
Services	489,726	529,113	534,930	546,120
Total Expenditures	\$ 965,906	\$ 1,030,286	\$ 1,180,130	\$ 1,211,320



WORKLOAD INDICATORS

	2015	2016	2017	2018
# of Contracts	660	670	650	570
# of Public Records Requests	2,432	2,991	3,262	3,443
# of Ordinances/Resolutions/ Damage Claims	167	197	139	185

GOALS

- Complete deployment of Laserfiche Electronic Management System
- Establish ongoing training for public records coordinators
- Expand trainings for records management coordinators
- Implement electronic agenda system for City Council meetings
- Provide continuing education for all Clerk's Office staff

CHALLENGES

- Timely responses to increasing requests for public records
- Providing training opportunities for Clerk's Office staff
- Maintain levels of service with current staffing level

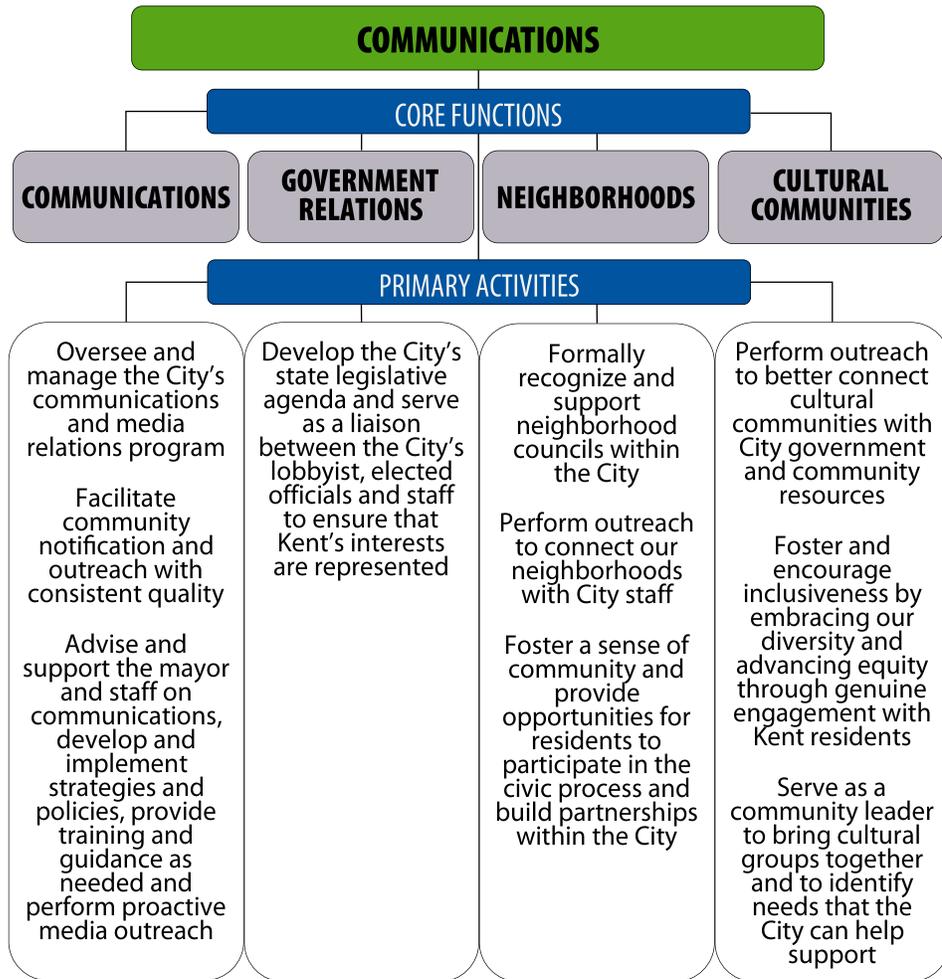
COMMUNICATIONS DIVISION

FUN FACTS

- The Downey Farmstead project will provide salmon habitat and flood storage for the Green River and include 30,000 native plants when it is complete
- Kent is home to the original Starbucks Coffee Roasting Plant – one of only five in the world
- Harvey's Skin Diving, based in Kent, is one of the oldest wet suit manufacturers in the U.S., opening its doors in 1957
- Aerospace manufacturer and spaceflight services company Blue Origin is the City's largest private employer
- Kent's first mayor, Aaron Van de Vanter, was instrumental in creating the first horse racing facility in King County, The Meadows, in Kent
- Boeing's lunar rover, built in the Kent Valley, traveled to the moon on Apollo Missions 15, 16 and 17
- Kent's population in 2009 was just under 86,000. Today, we have approximately 129,000 residents

DIVISION DESCRIPTION

The City's communications functions include internal and external communication, government relations, media relations, the neighborhood program and community engagement with the cultural communities within Kent. The overall purpose is to proactively communicate with Kent's various audiences about City programs, services and initiatives; share events, information and resources; and facilitate engagement between the City, residents, businesses, local partners and elected officials.



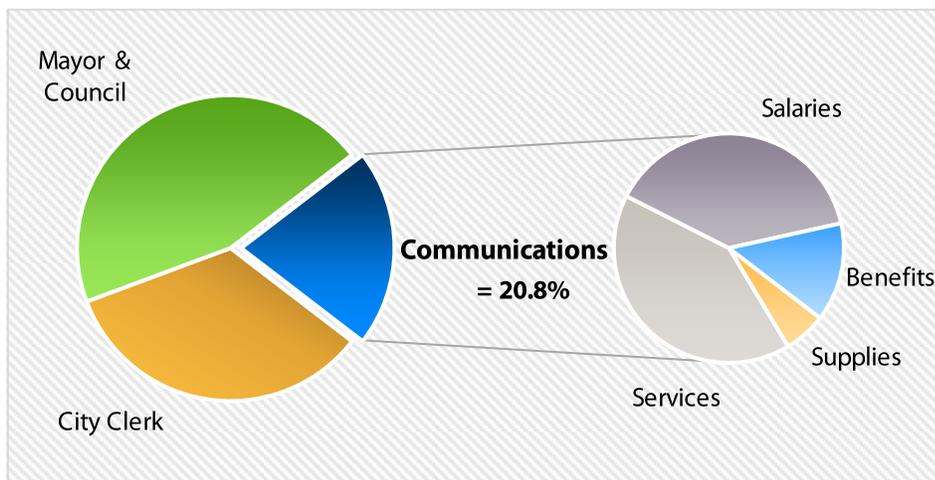
DIVISION STAFFING

	2017 Actual	2018 Actual	2019 Adopted	2020 Adopted
Comm & Gov't Affairs Mgr	1.0	1.0	1.0	1.0
Neighborhood Prog Coord	1.0	1.0	1.0	1.0
Communications Coord	1.0	2.0	1.0	1.0
Total Division FTE's	3.0	4.0	3.0	3.0

COMMUNICATIONS DIVISION

SUMMARY OF OPERATING EXPENDITURES

	2017 Actual	2018 Prelim	2019 Adopted	2020 Adopted
Salaries	\$ 200,415	\$ 247,635	\$ 282,930	\$ 291,230
Benefits	69,063	83,935	101,170	103,320
Supplies	517	4,170	43,560	44,300
Services	313,441	360,004	286,660	317,790
Total Expenditures	\$ 583,435	\$ 695,745	\$ 714,320	\$ 756,640



WORKLOAD INDICATORS

	2015	2016	2017	2018
# of Recognized Neighborhood Councils	28	31	32	40
# of Matching Grants Awarded	3	1	3	9
# of Cultural Community Board Meetings	N/A	N/A	N/A	12
# of Cultural Community Outreach Meetings	N/A	N/A	N/A	80
# of Resident Feedback from Resident Survey	N/A	511	N/A	774

GOALS

- Work with state legislators to retain streamlined sales tax mitigation revenue to support the City's long-term financial sustainability
- Develop communications strategies to address the evolving needs of the City, its businesses and residents
- Increase and improve community outreach and genuine resident engagement through the use of technology, including social media and face-to-face interaction
- Identify efficiencies and strategies to maximize the effectiveness of our neighborhood and cultural communities' programs
- Develop a formal program for ongoing civics education for residents
- Celebrate the City's successes by sharing positive stories with Kent residents, businesses, visitors and the media

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ECONOMIC & COMMUNITY DEVELOPMENT



ECONOMIC & COMMUNITY DEV DEPARTMENT

ACCOMPLISHMENTS

- Marketed Riverbend property and initiated purchase/sale negotiations
- Reached agreement with Sound Transit on Link Light Rail improvements

GOALS

- Continue to apply Lean principles to department processes to increase our capacity and decrease time from application to issuance of permits
- Coordinate with others in the City, business community and region on Place-making opportunities

MISSION STATEMENT

To promote a dynamic economy, environmental quality, and sustainable development through partnerships with businesses, residents, and schools; informed and planned growth; and efficient, effective, and user-friendly permits and enforcement of codes.

DEPARTMENT SUMMARY

The Economic & Community Development Department serves both internal and external customers by providing a broad range of services and information. Core operational services include administration and enforcement of land development, infrastructure and building codes, inspections and business recruitment and expansion efforts.



DEPARTMENT STAFFING

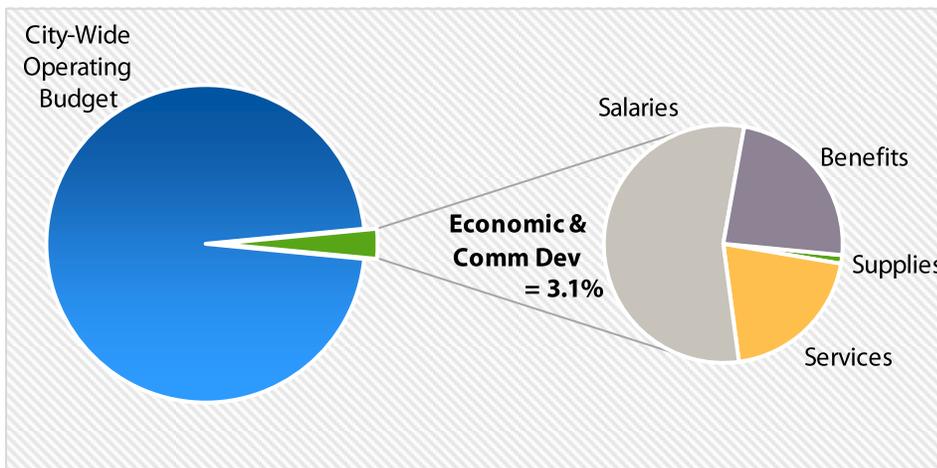
	2017 Actual	2018 Actual	2019 Adopted	2020 Adopted
Administration	9.75	10.0	10.0	10.0
Economic Development	4.0	4.0	4.0	4.0
Permitting & Inspection	29.0	33.0	33.0	33.0
Total Department FTE's	42.75	47.0	47.0	47.0

ECONOMIC & COMMUNITY DEV DEPARTMENT

OPERATING EXPENDITURES BY DIVISION

	2017 Actual	2018 Prelim	2019 Adopted	2020 Adopted
Administration	\$ 1,161,438	\$ 1,423,586	\$ 1,668,040	\$ 1,718,530
Economic Development	714,520	824,827	915,597	821,050
Permitting & Inspection	3,975,141	4,432,102	5,146,493	5,386,120
Gross Expenditures	5,851,098	6,680,516	7,730,130	7,925,700
Allocations	(10,000)	(10,000)	(10,000)	(10,000)
Net Expenditures	\$ 5,841,098	\$ 6,670,516	\$ 7,720,130	\$ 7,915,700

2019-20 NET OPERATING EXPENDITURES BY CATEGORY



FUNDING SOURCES

- General Fund: 100%

NEW INITIATIVES

- Naden site development is a core focus. It is challenging in spite of its key location, and many options are being considered with the goal to provide significant economic benefit and beauty to the downtown core.

SIGNIFICANT CHANGES

- 10 veteran staffers left our organization due to retirement or to pursue other opportunities
- New leadership promoted from within resulted in big shifts internally; new staffers and new positions created
- The Permit Center organizational structure was modified to create separate leadership for the Building Services and Permit Center functions
- Our department sent 74 Personnel Change Requests (PCR's) through HR and Payroll due to organizational changes and challenges

ADMINISTRATION DIVISION

FUN FACTS

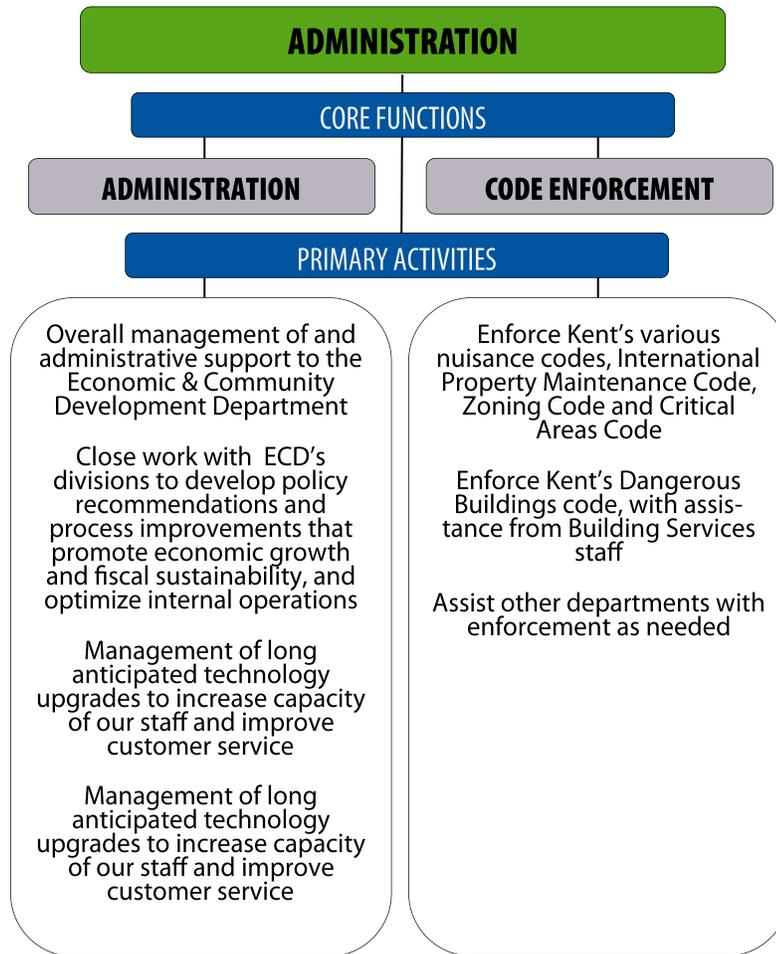
- In 2017, Code Enforcement staff processed 792 cases
- Approximately 50 code-enforcement related calls are received per week

HIGHLIGHTS

- City Council adopted an ordinance in July 2018 authorizing use of infractions for ECD code enforcement, which are expected to generate less paperwork and achieve faster compliance
- The Rental Housing Inspection Program was created by ordinance in March 2018 to improve multi-family housing conditions in Kent. Health & safety inspections will be required starting in 2019 as part of business licensing
- Code Enforcement staff cleaned up and secured a notorious problem house on 100th Ave South. Nine truckloads of garbage were removed
- Two dangerous abandoned buildings - Command Labor on Lincoln Avenue and the Childress home on 98th Ave South - were demolished in 2018 thanks to the hard work and persistence of Code Enforcement staff

DIVISION DESCRIPTION

Administration oversees, coordinates and supports all department functions that include Economic Development, Permit Center, Building Services, Long Range Planning, Current Planning, and Development Engineering. Code Enforcement works with property owners to ensure that City codes related to health, safety and aesthetics are upheld.



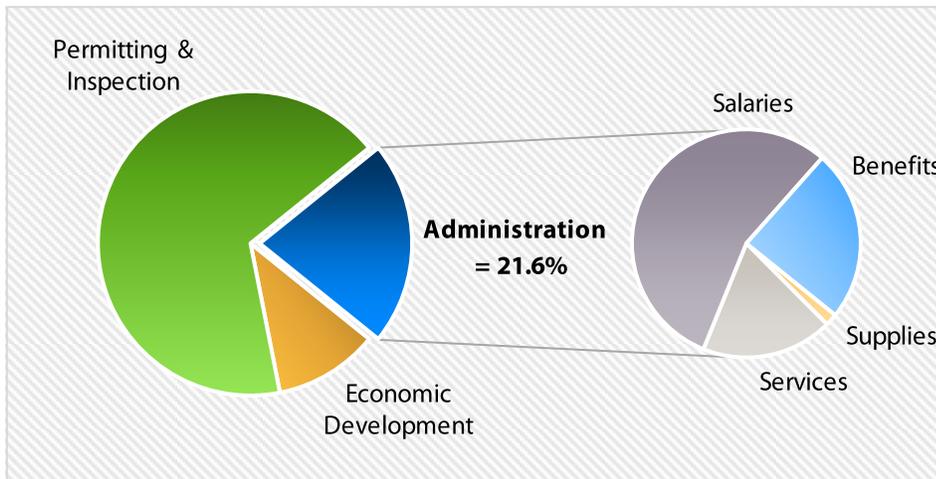
DIVISION STAFFING

	2017 Actual	2018 Actual	2019 Adopted	2020 Adopted
Director	1.0	1.0	1.0	1.0
ECD Deputy Director	1.0	1.0	1.0	1.0
Planning Technician	3.75	4.0	4.0	4.0
Planning Admin Supervisor	1.0	1.0	1.0	1.0
Code Enforcement Officer	3.0	3.0	3.0	3.0
Total Division FTE's	9.75	10.0	10.0	10.0

ADMINISTRATION DIVISION

SUMMARY OF OPERATING EXPENDITURES

	2017 Actual	2018 Prelim	2019 Adopted	2020 Adopted
Salaries	\$ 628,020	\$ 903,463	\$ 924,570	\$ 951,670
Benefits	223,589	310,448	404,850	417,780
Supplies	13,608	12,248	29,180	29,760
Services	296,221	197,428	309,440	319,320
Total Expenditures	\$ 1,161,438	\$ 1,423,586	\$ 1,668,040	\$ 1,718,530



WORKLOAD INDICATORS

	2015	2016	2017	2018
Code Enforcement Investigations	1,150	1,274	792	850 *

*Estimated for year-end 2018 based on average of 70 cases per month observed January through October.

GOALS

- Improve the quality of rental housing in Kent by implementation of the Rental Housing Inspection Program
- Move Code Enforcement related to property condition and land use from our division over to the Kent Police Department. This is on the heels of new enforcement protocols passed this year allowing officers to issue civil infractions, collect fines and litigate serious violations through the Municipal Court
- Continue to apply Lean principles to department processes to increase our capacity and decrease time from application to issuance of permits
- Coordinate with others in the City, business community and region on Place-making opportunities

CHALLENGES

- Retirement and replacement of veteran staff
- Achieving compliance when owners are non-responsive

ECONOMIC DEVELOPMENT DIVISION

FUN FACTS

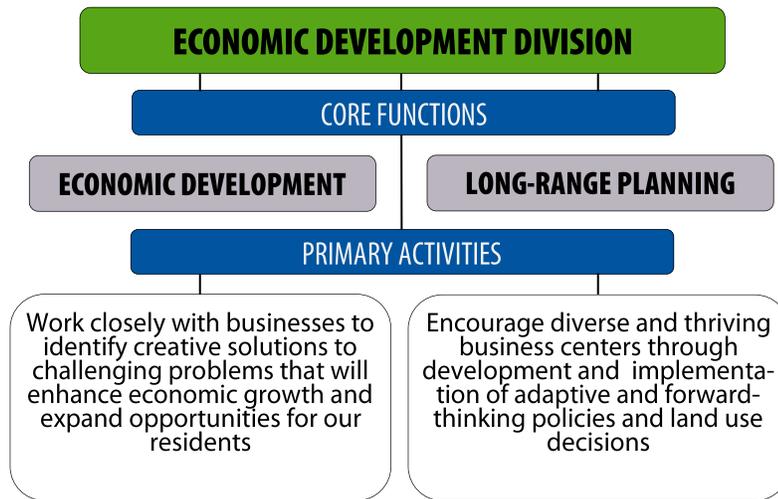
- Kent is home to Pickleball Central, an e-commerce company serving one of the nation’s fastest growing recreational sports
- Kent-made products feed and caffeinate the world, and its innovators send people and technology into space. Our small businesses create opportunities and community for Kent’s residents and for those who just work here.

HIGHLIGHTS

- The Advanced Manufacturing Preparation Training Center, opened in December 2017, builds capacity for community and business partnerships which will establish Kent as a manufacturing training hub for the region
- Meet me on Meeker design standards won the Governor’s Smart Communities Award
- Negotiated development agreement with Sound Transit for Federal Way Link Extension Light Rail Project
- Developed multiple partnerships to acknowledge and celebrate the 50th Anniversary of the Lunar Rover built right here in Kent

DIVISION DESCRIPTION

Economic Development provides high-level assistance and service to the development and business communities to encourage investment and prosperity through industry diversification, business recruitment, expansion, retention and property development. Long-Range Planning supports these goals through implementation of land use policy to encourage sustainable growth and enhanced livability for residents and others who work and do business in Kent.



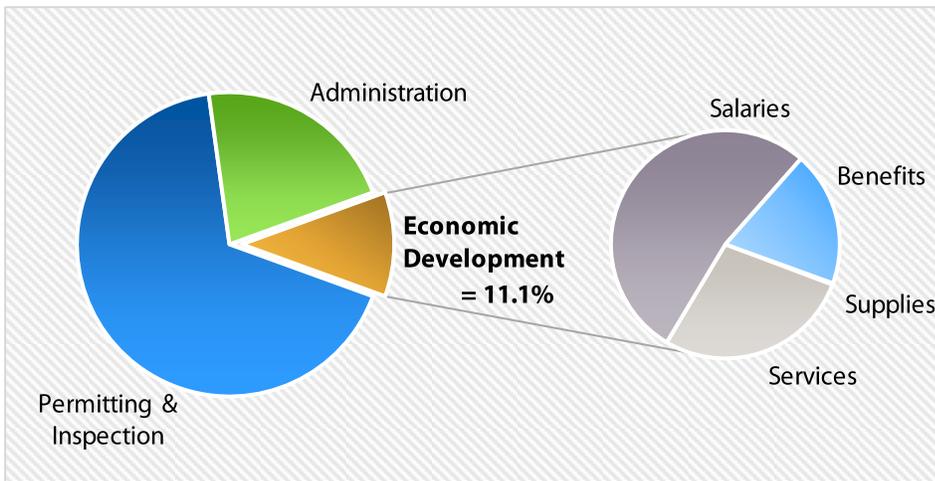
DIVISION STAFFING

	2017 Actual	2018 Actual	2019 Adopted	2020 Adopted
Chief Economic Dev Officer	1.0	1.0	1.0	1.0
Economic Dev Program Mgr	1.0	1.0	1.0	1.0
Long-Range Planning Mgr	1.0	1.0	1.0	1.0
Senior Planner	1.0	1.0	1.0	1.0
Total Division FTE's	4.0	4.0	4.0	4.0

ECONOMIC DEVELOPMENT DIVISION

SUMMARY OF OPERATING EXPENDITURES

	2017 Actual	2018 Prelim	2019 Adopted	2020 Adopted
Salaries	\$ 420,726	\$ 418,542	\$ 452,992	\$ 466,279
Benefits	148,805	152,123	162,946	167,891
Supplies	527	559	1,810	1,860
Services	144,462	253,604	297,850	185,020
Total Expenditures	\$ 714,520	\$ 824,827	\$ 915,597	\$ 821,050



2018 WORKLOAD ACCOMPLISHMENTS

Long-Range Planning

- ◆ Meet Me On Meeker Implementation
 - ◆ Standards Development
 - ◆ Community Visioning
 - ◆ Grant and Award Applications
- ◆ Rally the Valley groundwork
- ◆ Represented Kent for the Link Light Rail Agreement
- ◆ Annual Land Use Plan Map Changes
- ◆ Urban Separators Analysis
- ◆ Shoreline Master Program Update
- ◆ Downtown Sound Transit Garage Project Development

Economic Development

- ◆ Naden Property Assembly and Marketing
- ◆ Lodging Tax Advisory Committee Restructuring
- ◆ Introduced Competitive Process for LTAC Grants
- ◆ Lunar Rover Celebration Planning
- ◆ Food Truck Pilot Program

GOALS

- Increase the value of development through land use and transportation policy, education, marketing and business recruitment and retention strategies
- Build Partnerships with businesses and strengthen institutional relationships to foster economic growth
- Leverage the expansion of Kent's high-tech industrial companies
- Continue Building Meet Me on Meeker through partnerships and strategic project phasing

CHALLENGES

- Inter-departmental coordination of City-wide initiatives such as Meet Me on Meeker
- Representation of the City, business and community interests in regional discussions of workforce and economic development investment
- On-going research and communication support for inquiries from the public and other departments about available properties, demographic data and real estate development forecasting

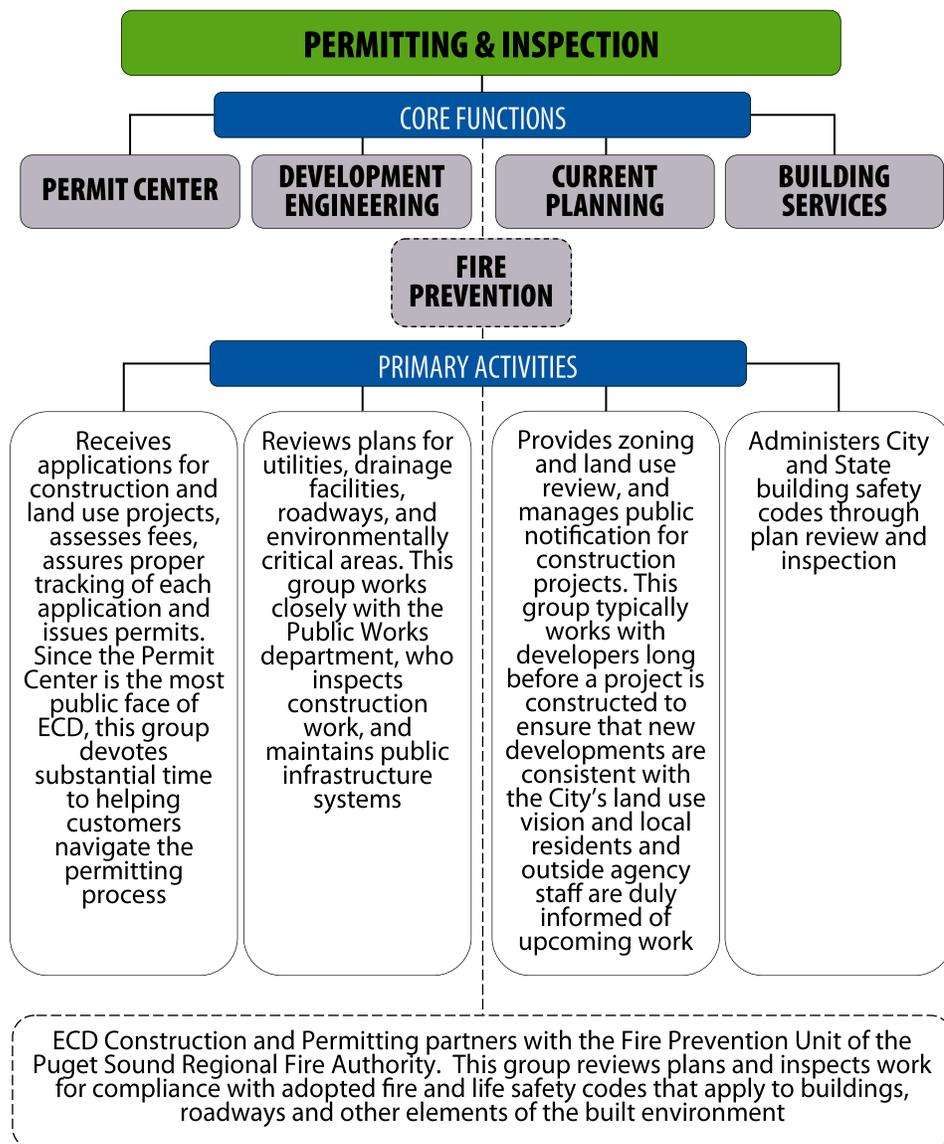
PERMITTING & INSPECTION DIVISION

FUN FACTS

- Development Engineering has a combined 78 years of City of Kent experience and over 120 years of experience in the engineering/construction industry
- Building codes have existed for thousands of years, with the earliest dating back to 2200 B.C. when builders were assessed severe penalties for unsafe structures
- Some homebuilders in Kent have reported a marked slowdown in new home sales since August 2018. In addition to slightly lower prices for all homes in Kent, we anticipate a cooling period for the historically hot housing market.

DIVISION DESCRIPTION

Construction projects in Kent must meet a range of complex requirements related to safety, quality, land use/zoning and environmental impacts, which are rooted primarily in City Code and State Law. ECD's Permitting and Inspection team's core functions are to work with permit applicants to ensure construction plans address these requirements; issue necessary permits; and then inspect construction work to ensure it is done correctly. While construction projects are often complex, expensive and difficult, we strive to be fair, efficient, knowledgeable, and helpful.



PERMITTING & INSPECTION DIVISION

DIVISION STAFFING

	2017 Actual	2018 Actual	2019 Adopted	2020 Adopted
Building Services Manager	1.0	1.0	1.0	1.0
Asst Building Svcs Manager	1.0	1.0	1.0	1.0
Lead Plans Examiner		1.0	1.0	1.0
Lead Combo Bldg Inspector	1.0	1.0	1.0	1.0
Plans Examiner	3.0	5.0	5.0	5.0
Combination Bldg Inspector	4.0	5.0	5.0	5.0
Permit Center Supervisor	1.0	1.0	1.0	1.0
Development Permit Tech	3.0	3.0	3.0	3.0
Office Technician	1.0	1.0	1.0	1.0
Engineering Manager	1.0	1.0	1.0	1.0
Engineer 4	1.0	1.0	1.0	1.0
Engineer 3	1.0	1.0	1.0	1.0
Engineer 1	1.0	1.0	1.0	1.0
Engineering Technician 3	2.0	2.0	2.0	2.0
Project Coordinator	1.0	1.0	1.0	1.0
Current Planning Manager	1.0	1.0	1.0	1.0
Principal Planner	1.0	1.0	1.0	1.0
Senior Planner	1.0	2.0	2.0	2.0
Planner	3.0	2.0	2.0	2.0
Planning Technician	1.0	1.0	1.0	1.0
Total Division FTE's	29.0	33.0	33.0	33.0

SUMMARY OF OPERATING EXPENDITURES

	2017 Actual	2018 Prelim	2019 Adopted	2020 Adopted
Salaries	\$ 2,224,357	\$ 2,575,286	\$ 2,857,998	\$ 2,944,131
Benefits	826,364	972,508	1,256,584	1,300,259
Supplies	37,944	37,543	62,930	56,040
Services	886,475	814,824	968,980	1,085,690
Capital Outlays	-	31,942	-	-
Total Expenditures	\$ 3,975,141	\$ 4,432,102	\$ 5,146,493	\$ 5,386,120

HIGHLIGHTS

- Building Services added enhanced communication features to the automated inspection scheduling system. Customers can now schedule inspections for the same day, and send and receive messages about their inspections within the automated system.
- Staff from ECD worked very closely with Sound Transit in anticipation of extending Link Light Rail through Kent. With two new stations, each with a new parking garage and over two miles of new rail guideway, the scale of the project is unprecedented in Kent's recent history and required significant staff resources to manage
- Development Engineering played a critical role in planning, negotiating and permitting the site development for Marquee on Meeker and the YMCA projects
- Two major projects, Marquee on Meeker and GRE at 64th & Meeker, broke ground to add 880 high-quality living units and commercial uses along the Meeker Street Corridor
- ECD staff worked closely with IT to begin paperless plan review. The software tool known as Bluebeam will save our customers time and money required to print and transport paper plans for City review.

PERMITTING & INSPECTION DIVISION

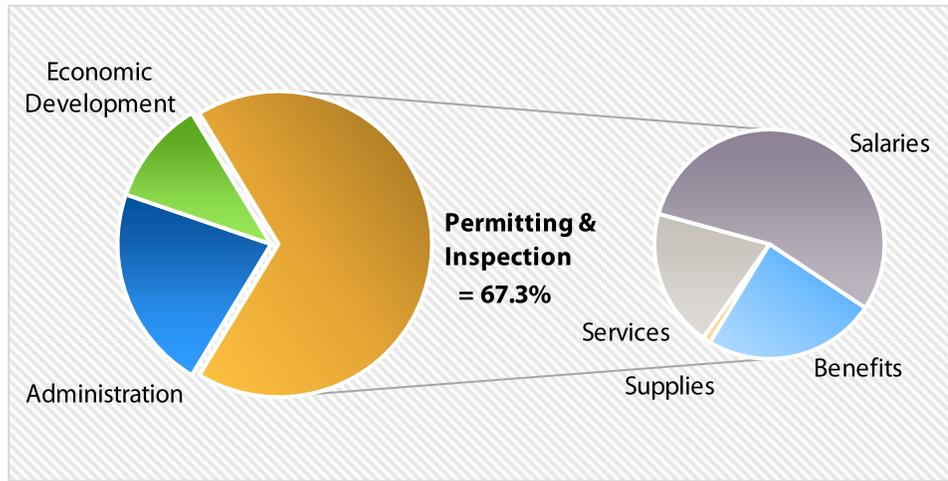
GOALS

- Successfully manage demand for staff time required to engage with Sound Transit
- Fully implement Bluebeam to minimize printing, transportation and handling costs of paper plans
- Complete planning and roll-out of a long awaited new permit tracking system
- Maintain customer service standards as we evaluate and implement new technology

CHALLENGES

- 50 percent of the Permit Center staff have been hired since January 2018. With multiple large projects on the horizon, skilled staff are critical for us to effectively serve our customers.
- Maintaining customer service standards with increasing demands from Sound Transit and other high profile, complex projects
- State mandated adoption of strict environmental codes and storm water rules require increased staff time to problem-solve with applicants

SUMMARY OF OPERATING EXPENDITURES CONTINUED



WORKLOAD INDICATORS

	2015	2016	2017	2018
Value of Projects	\$169,935,571	\$207,399,237	\$237,768,035	\$198,422,339
# of Permits Issued	4,373	4,373	4,890	4,468
# of Plans Reviewed	1,979	1,918	1,652	1,333
# of Franchise Utility Permits	370	522	507	522
# of Grade and Fill/Civil Construction Permits	52	71	65	71
# of Critical Area Review Permits	30	39	39	31
# of Street Use, Side Sewer and Water Meter Permits	396	445	569	529
# of Pre-application Meetings	61	65	85	55

FINANCE



FINANCE DEPARTMENT

ACCOMPLISHMENTS

- Created the City-wide debt manual
- Created a GFOA award-caliber budget document, receiving the Distinguished Budget Award for the 2017-2018 Adopted Budget
- Continued process improvement efforts based on best practices in governmental finance

GOALS

- Work toward solutions to the City's structural imbalance in the General Fund
- Continue exploring paths to help bridge the impacts of the City's decentralized fiscal processes

FINANCE STANDARDS

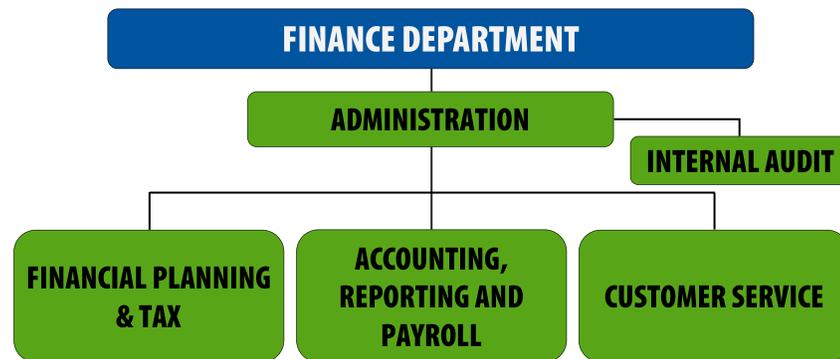
- Ensure customer confidence in the financial integrity of the City
- Ensure the safety and security of financial assets
- Develop and adhere to sound financial strategies for making business decisions
- Interact respectfully and provide honest, excellent services
- Provide accurate, concise and clear information to all

MISSION STATEMENT

We are dependable stewards of public resources. Through integrity, expertise and accountability, we exemplify excellence in customer service.

DEPARTMENT SUMMARY

The Finance Department services both internal and external customers by providing a broad range of services and information. Core operational services include cash receipting, utility billing, licensing, payroll, accounts payable and accounts receivable. The Finance Department is also responsible for accounting and financial reporting, including the development of the biennial budget and preparation of the City's monthly, quarterly and comprehensive annual financial reports.



DEPARTMENT STAFFING

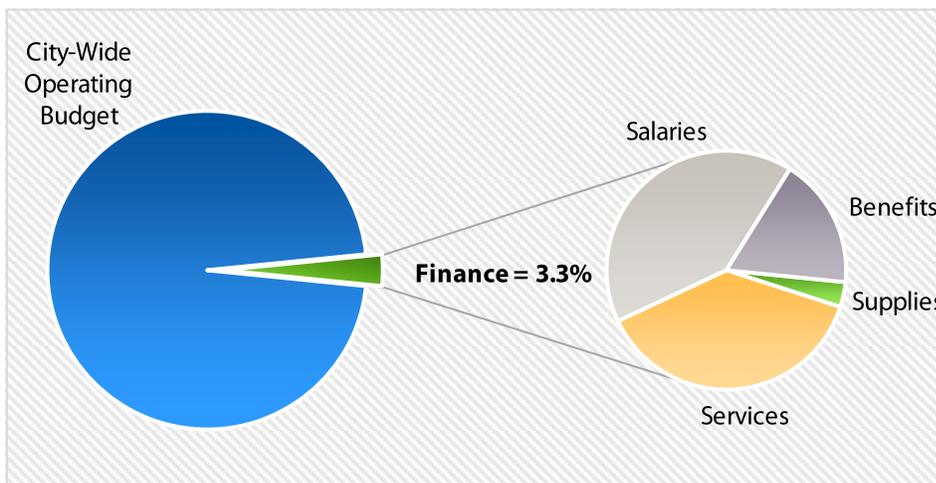
	2017 Actual	2018 Actual	2019 Adopted	2020 Adopted
Administration	3.0	3.0	2.0	2.0
Financial Planning & Tax	9.0	9.0	9.0	9.0
Acctg, Reporting & Payroll	9.6	10.0	10.0	10.0
Customer Service	16.0	16.0	16.0	16.0
Total Department FTE's	37.6	38.0	37.0	37.0

FINANCE DEPARTMENT

OPERATING EXPENDITURES BY DIVISION

	2017 Actual	2018 Prelim	2019 Adopted	2020 Adopted
Administration	\$ 798,457	\$ 863,625	\$ 868,980	\$ 880,770
Financial Planning & Tax	1,075,064	1,266,845	1,358,290	1,390,450
Acctg, Reporting & Payroll	1,196,310	1,433,159	1,444,820	1,492,100
Customer Service	3,871,827	3,906,532	4,304,880	4,720,950
Gross Expenditures	6,941,658	7,470,161	7,976,970	8,484,270
Allocations	(4,128,956)	(4,051,473)	(4,245,790)	(4,654,630)
Net Expenditures	\$ 2,812,702	\$ 3,418,688	\$ 3,731,180	\$ 3,829,640

2019-20 NET OPERATING EXPENDITURES BY CATEGORY



FUNDING SOURCES

- General Fund: 54.2%
- Central Services Fund: 4.5%
- Utility Fund: 41.3%

NEW INITIATIVES

- In partnership with Human Resources and Information Technology, address ongoing challenges with the City's human capital management and payroll system, including processes, training and software
- Central Services cost allocation model improvement

SIGNIFICANT CHANGES

- Eliminated Administrative Assistant 2 (1.0 FTE) as part of reductions addressing the fiscal cliff

ADMINISTRATION DIVISION

FUN FACTS

- According to the Association of Certified Fraud Examiners, on a worldwide basis, fraud costs organizations an average of five percent of revenues annually
- Internal control is positional, not personal. The ultimate goal is safeguarding of City assets and protection of staff
- Trust is not an internal control

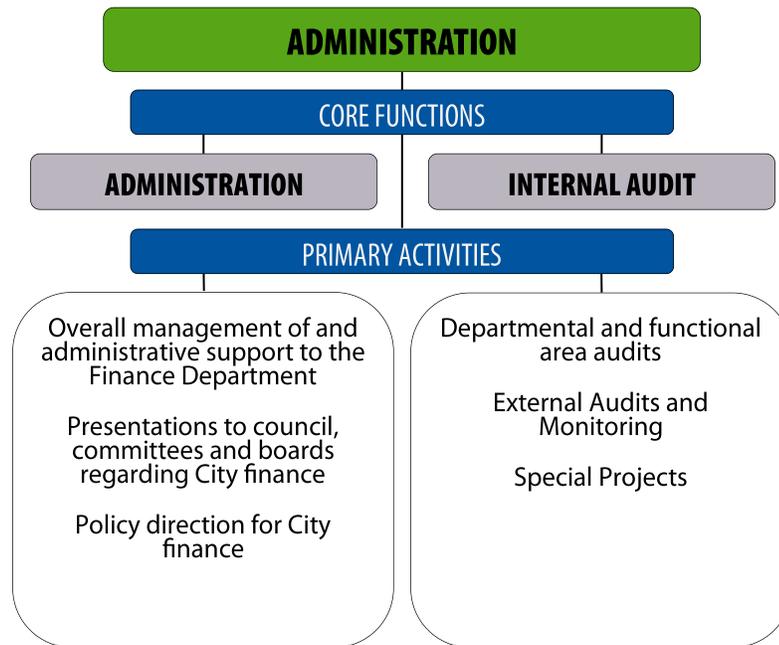
HIGHLIGHTS

- Provided nine “Finance 101” training opportunities to finance staff in 2018 and sponsored a half-day retreat
- Completed departmental audit risk profiles for each City department, when coupled with audit risk profiles for central accounting system operations, they will provide a roadmap for future internal audits
- Developed two new and updated ten Finance related personnel policies
- Contributed significantly to the Association of Washington Cities, *Streamlined Sales Tax Report*, an important exhibit to the Department of Revenue 2018 Report to the Legislature
- Issued a special investigation Internal Audit report— Payroll Operations (January 2017 thru April 2018)

DIVISION DESCRIPTION

Administration oversees and coordinates all department functions that include Financial Services, Customer Services, Auditing, Utility Billing, Meter Reading and Central Services.

Internal Audit is responsible for internal audit functions designed primarily to provide reasonable assurance regarding the protection of City assets from waste, theft and abuse; compliance with City financial policies and procedures; and compliance with relevant state and federal financial laws and regulation. The division is also responsible for external audit and monitoring functions designed to provide reasonable assurance that selected tax revenues due to the City are properly calculated, supported and remitted to the City intact.



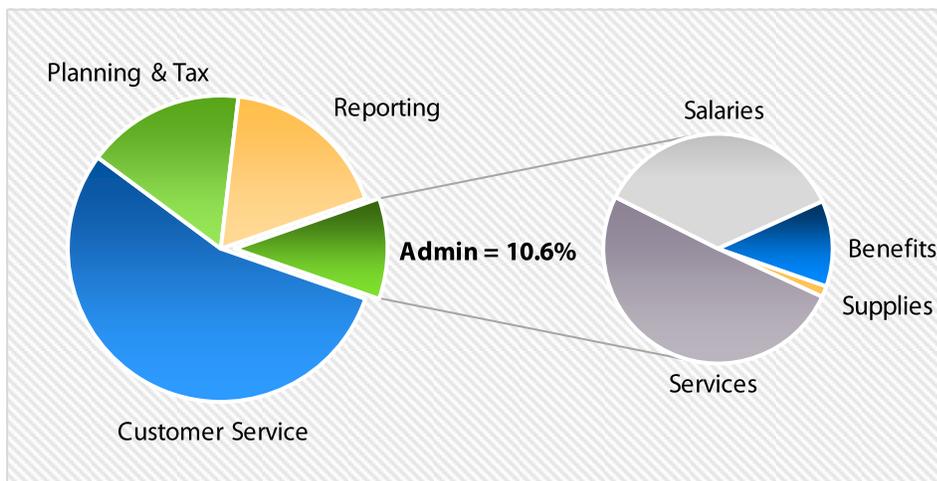
DIVISION STAFFING

	2017 Actual	2018 Actual	2019 Adopted	2020 Adopted
Director	1.0	1.0	1.0	1.0
City Auditor	1.0	1.0	1.0	1.0
Administrative Assistant	1.0	1.0		
Total Division FTE's	3.0	3.0	2.0	2.0

ADMINISTRATION DIVISION

SUMMARY OF OPERATING EXPENDITURES

	2017 Actual	2018 Prelim	2019 Adopted	2020 Adopted
Salaries	\$ 330,211	\$ 351,885	\$ 308,880	\$ 317,880
Benefits	100,438	111,553	104,440	106,990
Supplies	7,015	14,307	17,430	10,140
Services	360,793	385,880	438,230	445,760
Total Expenditures	\$ 798,457	\$ 863,625	\$ 868,980	\$ 880,770



WORKLOAD INDICATORS

	2015	2016	2017	2018
# of Operations Committee Agenda Items	33	45	48	28
# of Community & Council Presentations	16	16	14	13
# of Management Reports Issued	84	73	76	95
# of Financial Policies Developed/Amended	0	9	0	11

GOALS

- Conduct seven planned Internal Audits—centralized disbursement accounting system, permitting refunds, receipting operations for Riverbend Golf Complex and Senior Activity Center, asset seizure and forfeiture operations in Police and Kent Corrections Facility
- Implement and monitor franchise agreements with Highline Water District and Midway Sewer District
- Continue improving communications and relationships with other City departments

CHALLENGES

- Achieving budget sustainability for ongoing operations
- Ensuring that Finance provides proper support for ongoing and upcoming technology projects
- Addressing impacts of the City's decentralized financial processes
- Implementing previous Internal Audit recommendations tied to the need for technology support

FINANCIAL PLANNING & TAX DIVISION

FUN FACTS

- 26 Funds are separately budgeted and monitored
- After discussion at four council workshops, the 2019-2020 biennial budget was adopted three weeks earlier than usual

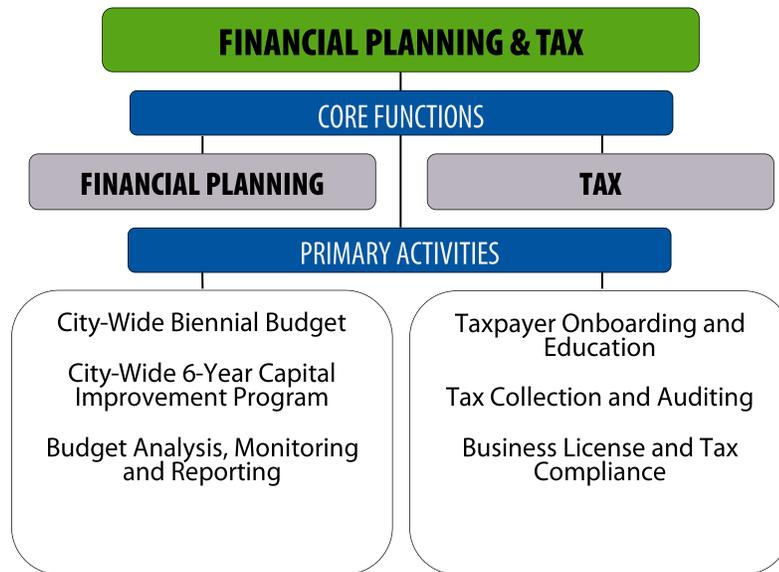
HIGHLIGHTS

- Created materials to educate residents, council members and staff about the City's financial challenges
- Implemented Phase 1 of the new B&O Tax system, including tax returns and schedules, taxpayer portal and administrative tools
- Streamlined B&O registration process and converted 1,200+ taxpayer accounts to Active Non-Reporting
- Completed the 2019-2020 Biennial Budget, which was adopted by Council on November 20, 2018

DIVISION DESCRIPTION

The Financial Planning group is responsible for development and monitoring of the biennial budget and capital improvement program. Development includes trends analysis, forecasting revenues and expenditures, coordinating department inputs and preparing the Mayor's Proposed Budget and Adopted Budget documents. Monitoring includes monthly and quarterly financial reporting.

The Tax group collects and audits City taxes, including business and occupation, utility, gambling and admissions taxes. Other activities include taxpayer education and business license compliance.



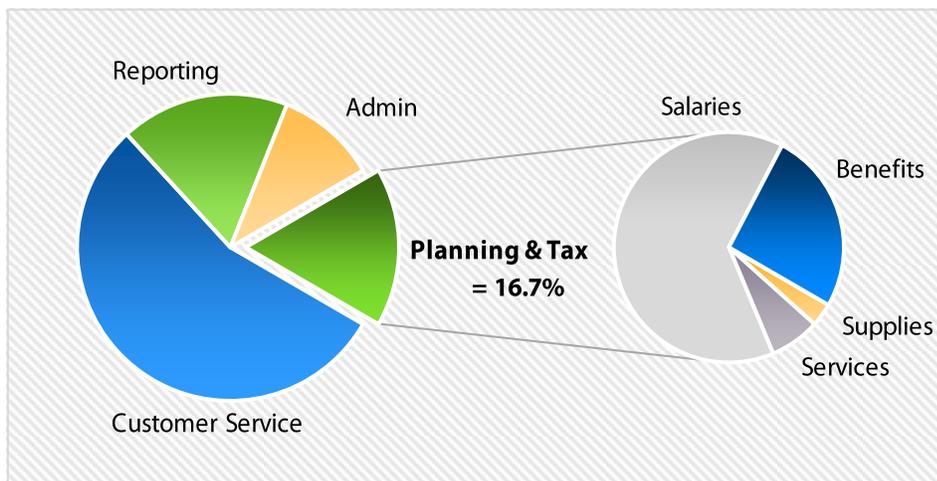
DIVISION STAFFING

	2017 Actual	2018 Actual	2019 Adopted	2020 Adopted
Deputy Finance Director	1.0	1.0	1.0	1.0
Senior Financial Analyst	3.0	3.0	3.0	3.0
B&O Program Auditor	2.0	2.0	2.0	2.0
B&O Desk Auditor	1.0	1.0	1.0	1.0
B&O Financial Analyst	1.0	1.0	1.0	1.0
Tax&Lic Compliance Officer	1.0	1.0	1.0	1.0
Total Division FTE's	9.0	9.0	9.0	9.0

FINANCIAL PLANNING & TAX DIVISION

SUMMARY OF OPERATING EXPENDITURES

	2017 Actual	2018 Prelim	2019 Adopted	2020 Adopted
Salaries	\$ 734,504	\$ 859,116	\$ 865,870	\$ 892,060
Benefits	269,322	315,090	347,100	358,880
Supplies	3,493	67	44,690	45,580
Services	67,745	92,572	100,630	93,930
Total Expenditures	\$ 1,075,064	\$ 1,266,845	\$ 1,358,290	\$ 1,390,450



WORKLOAD INDICATORS

	2015	2016	2017	2018
# of Budgeted Line Items	4,621	4,603	4,790	4,751
# of Supplemental Budget Changes	98	130	135	114
# of Position Control Line Items	1,096	1,124	1,150	1,095
# of Registered Taxpayers	2,790	3,040	3,495	4,290
# of Returns Filed	7,726	9,693	11,073	10,190

CHALLENGES

- Fully incorporating performance management concepts into the budget process
- Achieving full taxpayer equity

GOALS

- Earn GFOA Distinguished Budget Award for the 2019-2020 Adopted Budget
- Implement City-wide central cost allocation plan for the 2020 mid-biennium update
- Establish GIS internal service fund for the 2020 mid-biennium update
- Create standardized forms and processes for capital project requests and budget changes
- Create performance measures template for departments to assist them with defining meaningful measures
- Continue with next phases of the B&O software system
- Augment taxpayer master completeness, leveraging existing business license information
- Complete first-time audits of all admission tax accounts

ACCOUNTING, REPORTING & PAYROLL DIVISION

FUN FACTS

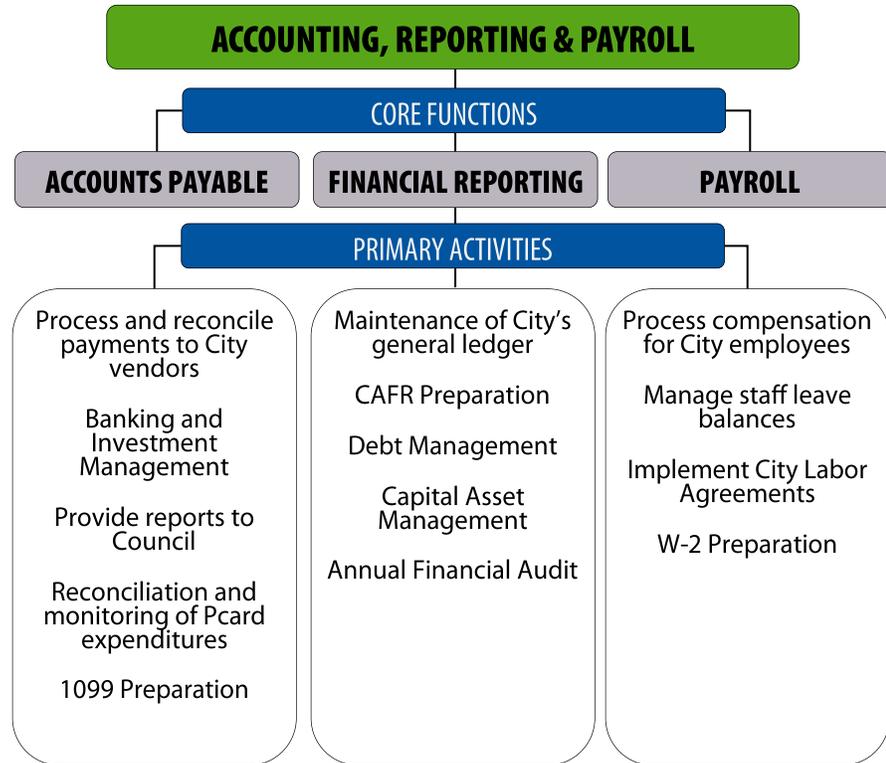
- The City of Kent processed 11,894 payments in 2017; we sent an additional 422 wire transfers
- Total federal payroll paid through the City in 2017: \$52,309,315. We supported the federal budget by remitting federal taxes of \$7.3 million
- City staff set aside \$1.99m in deferred compensation payments to fund their retirement accounts

HIGHLIGHTS

- The City was audited by the State and by The Dept. of Revenue in 2017. Both audits were clean with no findings.
- The City received the GFOA award for the 2017 Comprehensive Annual Financial Report
- The City continued to diversify its investment portfolio. It now includes 31 percent in longer term investments with an average maturity of 2.22 years as of December 2017.
- The City implemented a new per diem policy in 2018 which provided consistency and streamlined travel payments for meals
- In 2017 the City began publishing a Debt Manual with details of all City debt

DIVISION DESCRIPTION

Financial Accounting, Reporting, and Payroll is responsible for overseeing the accounting functions including accounts payable, general ledger, payroll, capital assets, tax processing and reports, daily cash flow and investment management as well as the CAFR preparation.



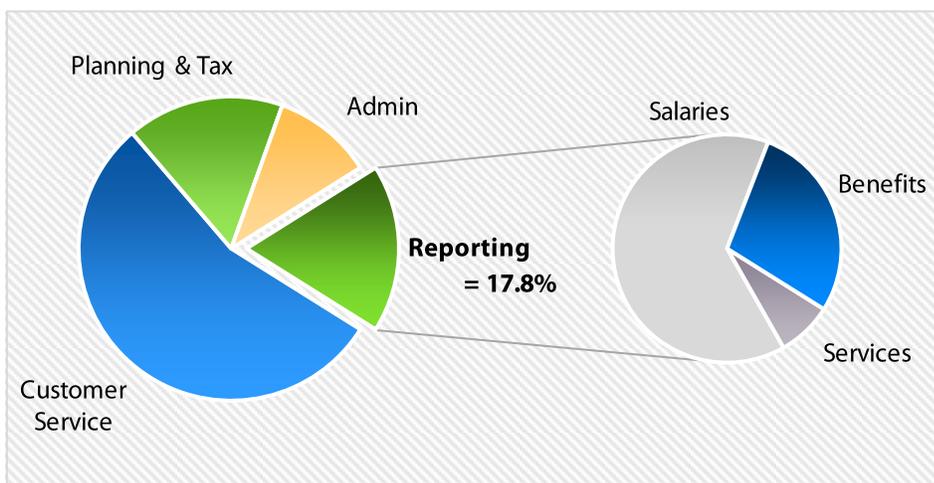
DIVISION STAFFING

	2017 Actual	2018 Actual	2019 Adopted	2020 Adopted
Accounting Manager	1.0	1.0	1.0	1.0
Senior Accountant	1.0	1.0	1.0	1.0
Cash & Investment Officer		1.0	1.0	1.0
Payroll Business Analyst	1.0	1.0	1.0	1.0
Senior Financial Analyst	3.0	3.0	3.0	3.0
Accountant	1.0	1.0	1.0	1.0
Central Financial Analyst	2.6	2.0	2.0	2.0
Total Division FTE's	9.6	10.0	10.0	10.0

ACCOUNTING, REPORTING & PAYROLL DIVISION

SUMMARY OF OPERATING EXPENDITURES

	2017 Actual	2018 Prelim	2019 Adopted	2020 Adopted
Salaries	\$ 774,552	\$ 914,787	\$ 927,380	\$ 954,370
Benefits	323,628	367,167	405,150	419,090
Supplies	579	929	70	70
Services	97,551	150,277	112,220	118,570
Total Expenditures	\$ 1,196,310	\$ 1,433,159	\$ 1,444,820	\$ 1,492,100



WORKLOAD INDICATORS

	2015	2016	2017	2018
New GASBs Implemented	2	5	5	3
# of pages in CAFR	200	206	217	TBD
# of Investment Transactions	38	34	99	273
# of AP Transactions	31,466	32,970	32,995	32,763
# of Pcard Transactions	14,593	15,498	14,978	15,764
# of Journal Entries posted	6,155	6,505	6,023	6,510

GOALS

- Continue payroll process review to provide more efficiency to payroll system
- Work with IT on payroll and reporting projects
- Continue work on Capital Asset physical inventory; continue progress on streamlining processes in Capital Asset system
- Work with IT to integrate document scanning into our accounting system for greater system efficiency

CHALLENGES

- Accounts Payable imaging system is old, and the equipment fails regularly
- Finding a better payment solution for smaller A/P payments under \$100
- Staffing—we work lean but are unable to get everything done timely and consistently for good internal control and monitoring
- Developing a succession plan to replace knowledgeable staff who will retire in 2-5 years
- Financial Reporting Standards continue to change. Keeping up with these changes requires both financial and staffing resources.
- Payroll system has years of customizations added and systems don't always work

CUSTOMER SERVICE DIVISION

FUN FACTS

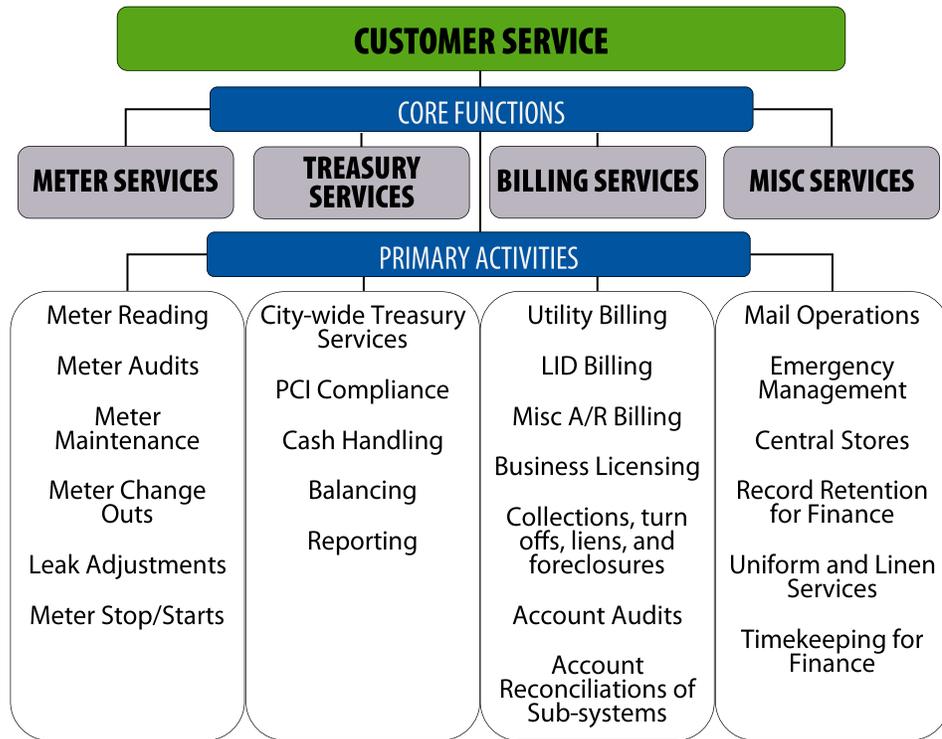
- Duane Burlingame, one of our Customer Service Representatives and a favorite of residents and staff alike, retired after almost 20 years of service.
- We provide utility services to approximately 30,000 utility accounts
- The City's Meter Readers read approximately 10,000 more meters annually today than they did in 2006

GOALS

- Redesign the Online Utility Billing Payment Portal to enhance our customers online experience by providing account and payment history, usage information and graphs, as well as current billing information
- Work with Information Technology and ECD to develop a new business licensing system that allows online access for our businesses
- Perform an audit of our Lifeline accounts to verify that rate reductions are being appropriately administered
- Update our Point of Sale Cashiering system to guarantee proper protection of our customer's financial information, to certify that we are PCI compliant and to ensure that our division continues to properly account for all financial transactions

DIVISION DESCRIPTION

Customer Service provides many services to our residents. You will find some members of our staff out reading your water meters, while other members of our staff are available to help answer your questions or process your payments. Customer Service provides services associated with Utility Billing, Local Improvement Districts, Business Licenses and Miscellaneous Receivables. Internally, we provide office supplies, mail services and treasury services to all City departments.



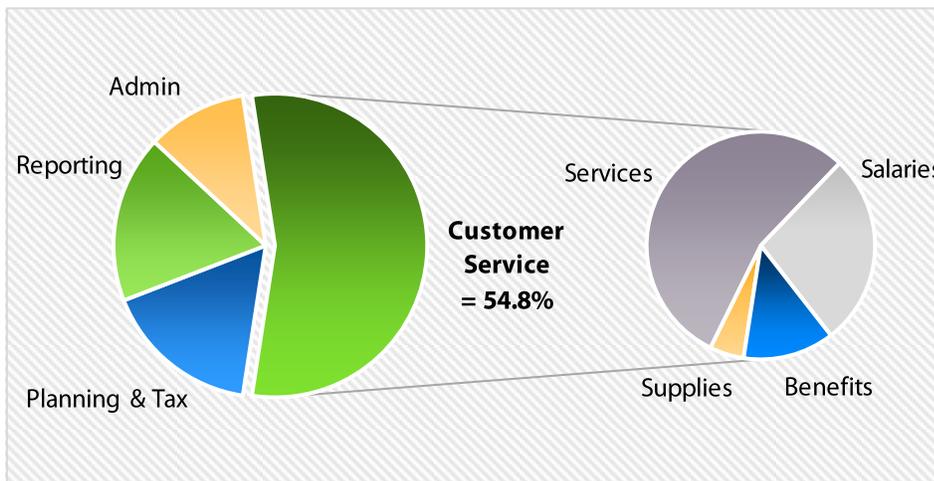
DIVISION STAFFING

	2017 Actual	2018 Actual	2019 Adopted	2020 Adopted
Customer Svc Manager	1.0	1.0	1.0	1.0
Financial Svcs Supervisor	1.0	1.0	1.0	1.0
Senior Financial Analyst	2.0	2.0	2.0	2.0
Financial Analyst	2.0	2.0	2.0	2.0
Accounting Technician	2.0	2.0	2.0	2.0
Customer Svc Rep	4.0	4.0	4.0	4.0
Field Supervisor	1.0	1.0	1.0	1.0
Water Meter Reader	3.0	3.0	3.0	3.0
Total Division FTE's	16.0	16.0	16.0	16.0

CUSTOMER SERVICE DIVISION

SUMMARY OF OPERATING EXPENDITURES

	2017 Actual	2018 Prelim	2019 Adopted	2020 Adopted
Salaries	\$ 1,076,679	\$ 1,169,747	\$ 1,215,360	\$ 1,253,010
Benefits	473,864	506,003	573,580	594,040
Supplies	160,802	156,418	217,700	222,070
Services	2,160,481	2,074,363	2,298,240	2,651,830
Total Expenditures	\$ 3,871,827	\$ 3,906,532	\$ 4,304,880	\$ 4,720,950



WORKLOAD INDICATORS

	2015	2016	2017	2018
# of Meters Read	101,862	102,456	103,038	104,109
# of Drainage Accounts	25,655	25,741	25,984	26,173
# of Transactions Processed	84,251	89,335	96,488	103,557
# of A/R statements with a balance due	2,471	2,857	3,052	3,489
# of JW/ACH Payments	161	206	232	233
# of Business Licenses Issued	4,719	4,451	6,213	6,058

HIGHLIGHTS

- Worked with AWC as well as other cities within our State to simplify the Business License process by establishing a model business license ordinance that included threshold requirements as well as a definition of “doing business” within the State of Washington.
- Began working with Economic and Community Development and Public Works on a new process to ensure that we accurately capture billing information in a fair and consistent manner.

CHALLENGES

- Many of our computer systems have reached their end of life. This creates issues as we struggle to remain compliant with current industry standards and regulations.
- Succession planning is a critical part of our success. Finding ways to ensure the continuity of operations through education, training and documentation is an ongoing priority and challenge.

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HUMAN RESOURCES



HUMAN RESOURCES DEPARTMENT

ACCOMPLISHMENTS

- Negotiated the collective bargaining contract with Kent Police Officer's Association for 2019-2021
- Launched the Advance Kent program, developed and implemented LEAN training, while also holding more than 10 successful process improvement projects
- Achieved insurance policy cost reductions
- Held monthly Cultural Community Conversation employee education sessions
- Held successful requests for proposal projects for a new Benefits Broker and Wellness Program provider

GOALS

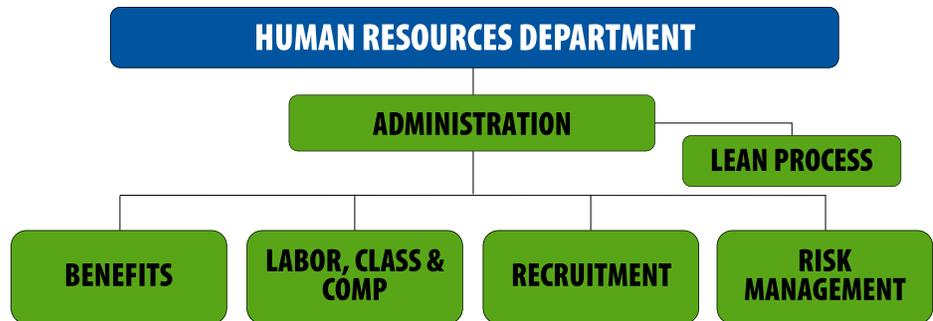
- Develop and deliver Implicit Bias and Inclusion training
- Launch City-wide Succession Planning Program
- Hold collective bargaining sessions for new, three-year contracts for AFSCME and Teamsters

MISSION STATEMENT

The mission of the Human Resources Department is to reinforce the City's culture of service and performance excellence by embracing inclusive and equitable people-centric practices. We are committed to partnering with City leaders to recruit and develop a diverse, engaged workforce, designing and delivering fair, competitive benefit and compensation programs, fostering a safe, healthy, productive work environment and enhancing communication with a focus on employee engagement.

DEPARTMENT SUMMARY

The Human Resources Department serves both internal and external customers, providing the City with a wide range of critical employee programs and services. Responsibilities include the recruitment for all City jobs, labor relations, job classification and compensation, performance management, investigations, policies and procedures, employee wellness and benefit programs, employee recognition, safety, risk management, LEAN process improvement, diversity and inclusion programs, and employee training and development.



DEPARTMENT STAFFING

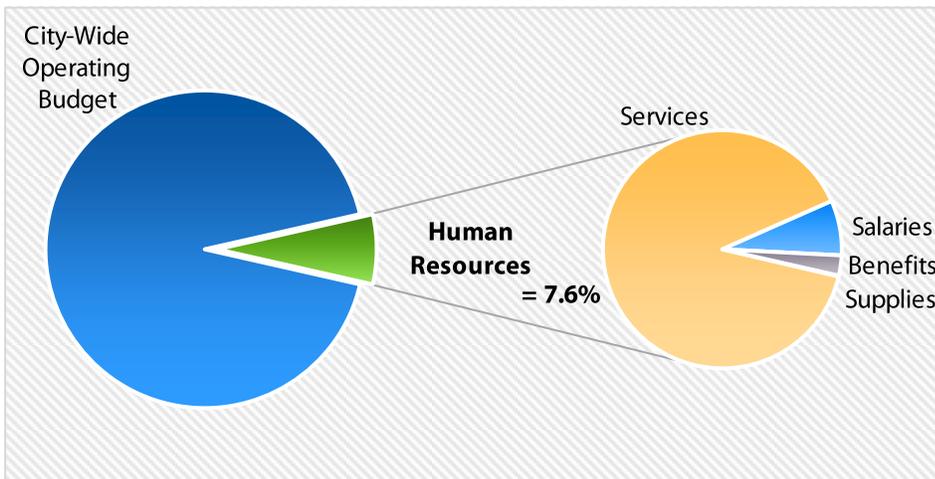
	2017 Actual	2018 Actual	2019 Adopted	2020 Adopted
Administration	3.0	4.0	5.0	5.0
Benefits	4.0	4.0	4.0	4.0
Labor, Class & Comp	3.0	3.0	2.0	2.0
Recruitment	2.6	2.6	2.6	2.0
Risk Management	2.0	2.0	2.0	2.0
Total Department FTE's	14.6	15.6	15.6	15.0

HUMAN RESOURCES DEPARTMENT

OPERATING EXPENDITURES BY DIVISION

	2017 Actual	2018 Prelim	2019 Adopted	2020 Adopted
Administration	\$ 776,243	\$ 826,123	\$ 1,095,702	\$ 1,131,037
Benefits	15,163,720	14,852,720	16,977,330	17,470,640
Labor, Class & Comp	330,688	355,045	327,038	336,643
Recruitment	415,782	522,793	488,720	424,270
Risk Management	3,789,994	5,185,609	4,318,920	4,353,070
Gross Expenditures	20,476,427	21,742,290	23,207,710	23,715,660
Allocations	(344,030)	(344,030)	(512,140)	(522,380)
Net Expenditures	\$20,132,397	\$21,398,260	\$22,695,570	\$23,193,280

2019-20 NET OPERATING EXPENDITURES BY CATEGORY



FUNDING SOURCES

- General Fund: 9.4%
- LEOFF1 Retiree Benefits Fund: 6.3%
- Insurance Funds: 84.3%

NEW INITIATIVES

- Implementation of new NEOGOV Performance and Learning Management systems
- Launch full-day New Employee Orientation Program

SIGNIFICANT CHANGES

- No budget additions in the 2019-2020 adopted budget
- One 0.6 position has been eliminated, effective 1/1/19
- Department costs cut over \$60,000 for 2019 and more than \$150,000 in 2020

ADMINISTRATIVE DIVISION

FUN FACTS

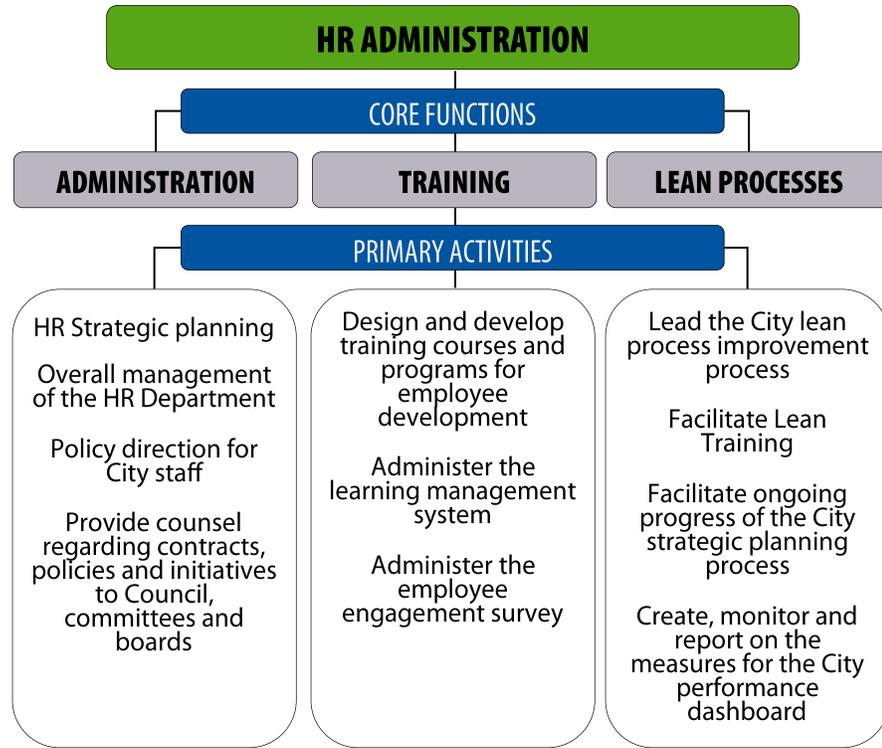
- The cost of employee turnover ranges from 30 percent to 150 percent of the employee’s salary
- Most Baby Boomers (41 percent) said workers should stay with an employer at least five years before looking for a new job—only 13 percent of Millennials agreed (PayScale & Millennial Branding Study)
- Relationships matter. Employees who have a “best friend” at work are seven times more likely to be engaged in their work.
- Glassdoor shows that the average U.S. employee has only taken about half (54 percent) of his or her eligible vacation time/paid time off in the past 12 months

HIGHLIGHTS

- Led monthly Cultural Community Conversations
- Held a City-wide Innovation fair and launched the Advance Kent Program
- Improved employment branding and updated City Recruitment website
- Configured the new NEOGOV Performance and Learning Management Systems
- Planned and managed numerous successful City-wide events (Mayor’s Breakfast & BBQ, Evening with the Mayor, and Wellness Fair)

DIVISION DESCRIPTION

The Human Resources Administration Division provides department strategy, direction, and leadership and coordinates all department functions, including Benefits, Community Outreach, Labor Classification and Compensation, Lean Processes, Recruitment, Risk Management and Training.



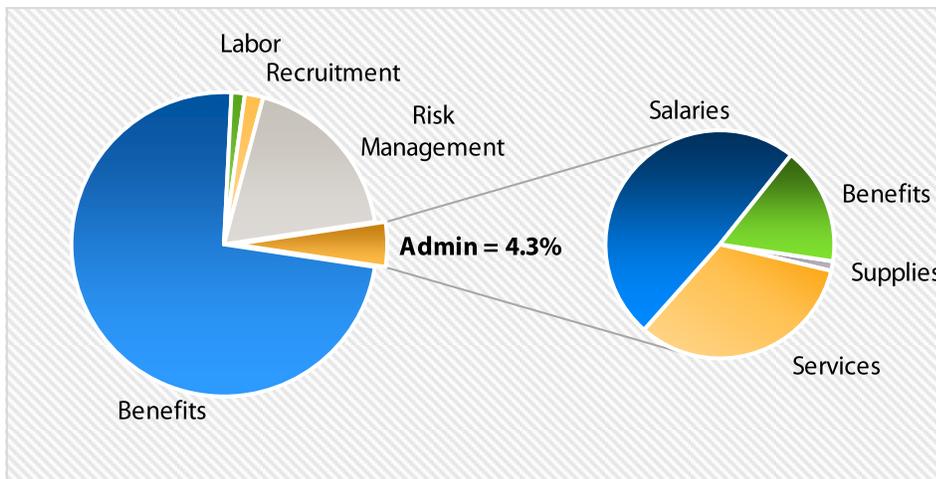
DIVISION STAFFING

	2017 Actual	2018 Actual	2019 Adopted	2020 Adopted
Director	1.0	1.0	1.0	1.0
Human Resources Analyst	1.0	1.0	2.0	2.0
HR Performance Analyst	1.0	1.0	1.0	1.0
Administrative Assistant		1.0	1.0	1.0
Total Division FTE's	3.0	4.0	5.0	5.0

ADMINISTRATIVE DIVISION

SUMMARY OF OPERATING EXPENDITURES

	2017 Actual	2018 Prelim	2019 Adopted	2020 Adopted
Salaries	\$ 356,864	\$ 421,785	\$ 539,539	\$ 554,995
Benefits	120,091	131,394	182,883	188,592
Supplies	20,750	19,940	14,960	15,350
Services	278,539	253,005	358,320	372,100
Total Expenditures	\$ 776,243	\$ 826,123	\$ 1,095,702	\$ 1,131,037



WORKLOAD INDICATORS

	2015	2016	2017	2018
# of Employee Transactions Processed	N/A	7,938	8,806	8,673
# of City Policies Updated	N/A	27	15	0
# of Employees trained on Lean Process Improvement	N/A	65	76	9*

* The employee responsible for Lean training left the City mid-year with no replacement.

GOALS

- Develop a Succession Planning Process
- Develop an Implicit Bias and Inclusion training program
- Implement the New Employee Orientation Program
- Launch new training courses through the NEOGOV Learning Management System
- Replace paper forms with fillable online forms

CHALLENGES

- Impact of the rising costs of benefit plans
- Technology constraints
- Recruitment of candidates for technical and engineering positions
- Ongoing process improvement
- Delivering training for employee development

BENEFITS DIVISION

FUN WELLNESS FACTS

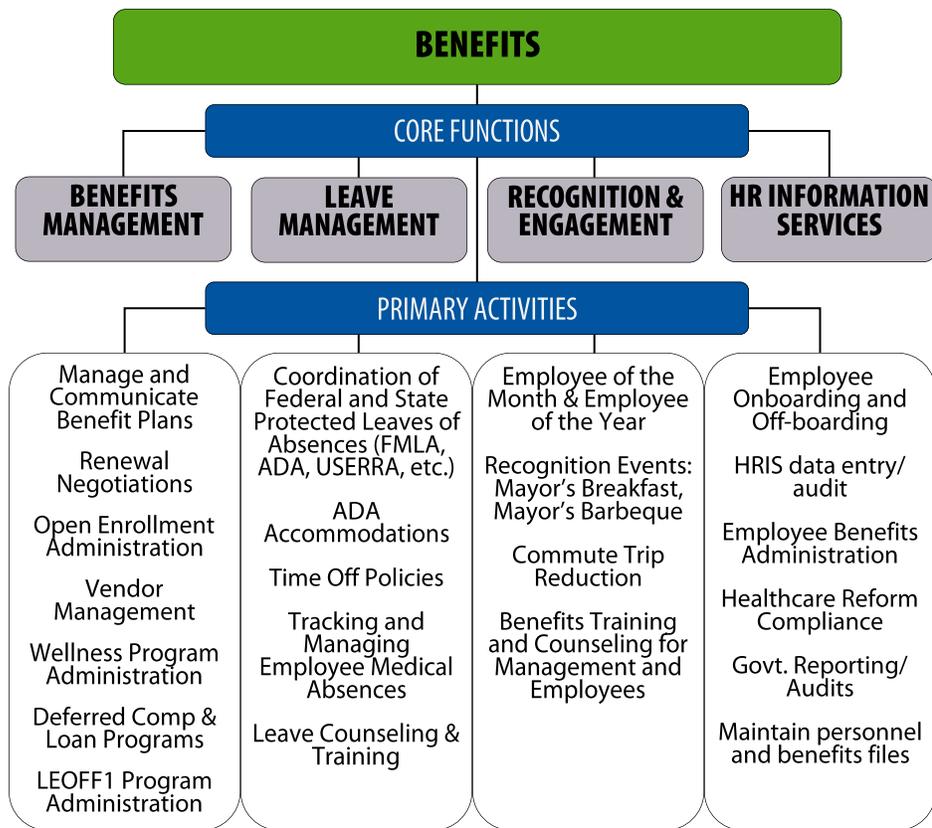
- 33 vendors and 200 employees participated in the 2018 Health Fair
- Sleep matters! If you go to bed 10 minutes earlier each day, by the end of the week you will get 70 extra minutes of sleep. If you keep it up all year, you'll have slept 60 hours more. Imagine how well-rested you will feel!
- 40 to 60 percent of the population is believed to be susceptible to contagious yawns. Many speculate this is an empathy response. Dogs are not an exception. They yawn in response to their owners' yawns.

HIGHLIGHTS

- Implementation of automated Onboarding process for full-time new hires
- Implementation of the new Paid Sick Leave Law requirements
- Introduced the Benefit Advocate service and BenIQ tool for benefited employees
- Conducted a Request for Proposal (RFP) process, selecting Alliant as our new benefits broker
- Conducted a Request for Proposal (RFP) process for a new Wellness Vendor

DIVISION DESCRIPTION

The Benefits Division provides professional expertise in employee benefits management, leave management, employee recognition and engagement, HRIS and personnel transactions administration. The Division's mission is to provide exceptional customer service and comprehensive benefits that are sustainable and balanced with fiscal responsibility to over 1,100 active employees, their dependents and LEOFF I retirees. Responsibilities include the evaluation, implementation and management of benefit programs that support employee recruitment and retention, including self-funded and fully-insured medical plans, wellness, dental, vision, life and disability insurance, health savings accounts, medical and dependent care reimbursement accounts and retirement plans.



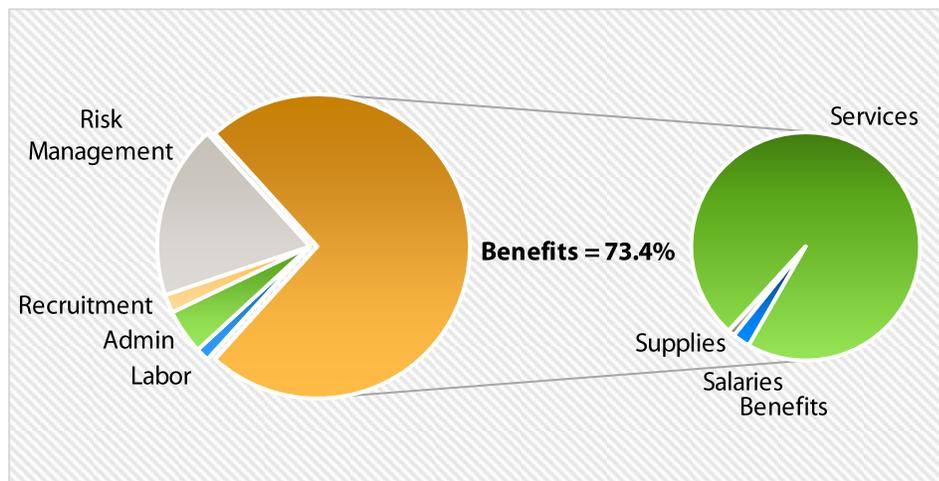
DIVISION STAFFING

	2017 Actual	2018 Actual	2019 Adopted	2020 Adopted
Human Resources Mngr	1.0	1.0	1.0	1.0
Sr ERP Business Analyst	1.0	1.0	1.0	1.0
Sr Human Res Analyst	1.0	1.0	1.0	1.0
Human Resource Analyst	1.0	1.0	1.0	1.0
Total Division FTE's	4.0	4.0	4.0	4.0

BENEFITS DIVISION

SUMMARY OF OPERATING EXPENDITURES

	2017 Actual	2018 Prelim	2019 Adopted	2020 Adopted
Salaries	\$ 375,586	\$ 434,846	\$ 419,860	\$ 432,640
Benefits	126,960	147,814	157,070	162,240
Supplies	16,195	(3,826)	11,490	11,710
Services	14,644,979	14,273,886	16,388,910	16,864,050
Total Expenditures	\$15,163,720	\$14,852,720	\$16,977,330	\$17,470,640



WORKLOAD INDICATORS

	2015	2016	2017	2018
# of Personnel Transactions Processed	N/A	7,938	8,806	8,673
# of Leaves Administered	N/A	261	261	216
# of Exit interviews processed for benefited positions	N/A	57	54	84
# of New Hire Orientations	N/A	88	71	87

GOALS

- Identify sustainable benefit strategies, based on changes to the Affordable Care Act (ACA)
- Implementation of the automated Onboarding process for temporary employees and eVerify
- ACA Vendor Implementation
- Redesign and enhance the Wellness program
- Leverage technology
- Benefits tracking and self-service software RFP and implementation
- Streamline enrollment and reporting with benefits vendors
- Integrate existing leave policies with new Paid Family Medical Leave law

CHALLENGES

- Incorporating technology into processes
- HRIS system deficiencies impacting day-to-day processes
- Implementing functionality in JDE to ensure compliance with current regulations and industry standards
- Building employee engagement through Wellness activities
- Educating employees to become informed

LABOR, CLASS & COMPENSATION DIVISION

FUN FACTS

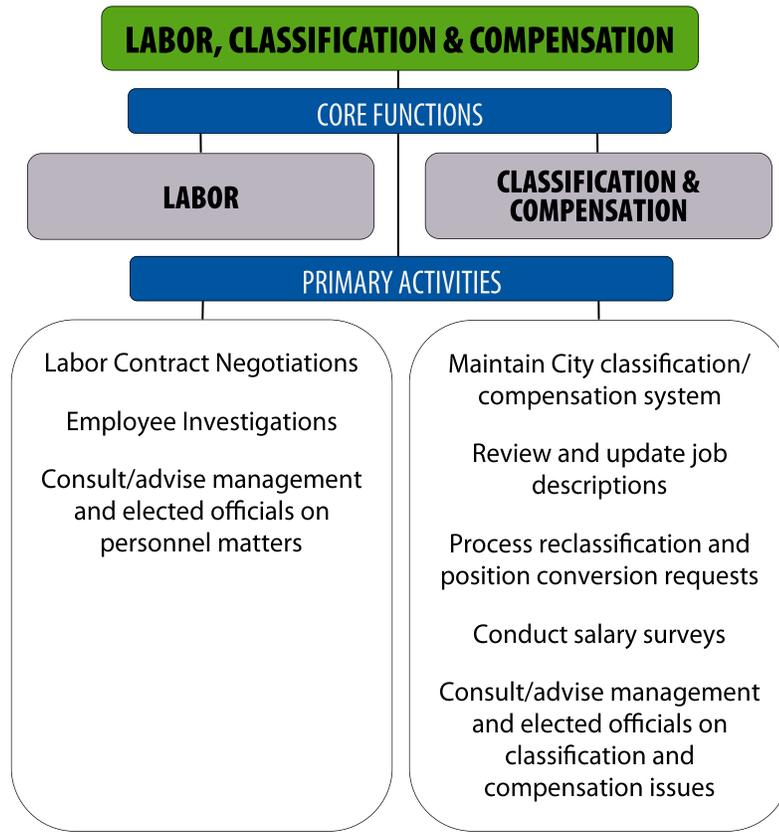
- The Adamson Act was passed on September 3, 1916 to establish an eight-hour work day
- In the late 1800s, children as young as five and six years old worked in factories and mines
- Labor Day is the unofficial end of hot dog season according to the National Hot Dog and Sausage Council. From Memorial Day to Labor Day, Americans consume around seven billion hot dogs.

HIGHLIGHTS

- Negotiated two labor contracts and multiple MOUs (Memorandum of Understanding)
- Successfully completed a non-represented salary survey for all non-represented positions
- Coordinated City-wide policy update training

DIVISION DESCRIPTION

The Labor, Classification and Compensation Division (LCC) primarily manages employee relations matters for the City. Other responsibilities include recommending and developing effective strategies for the City classification/compensation system, as well as ensuring that employee-related policies, procedures and practices are within legal and regulatory standards. In addition, this division serves as primary representatives for the City in labor contract negotiations.



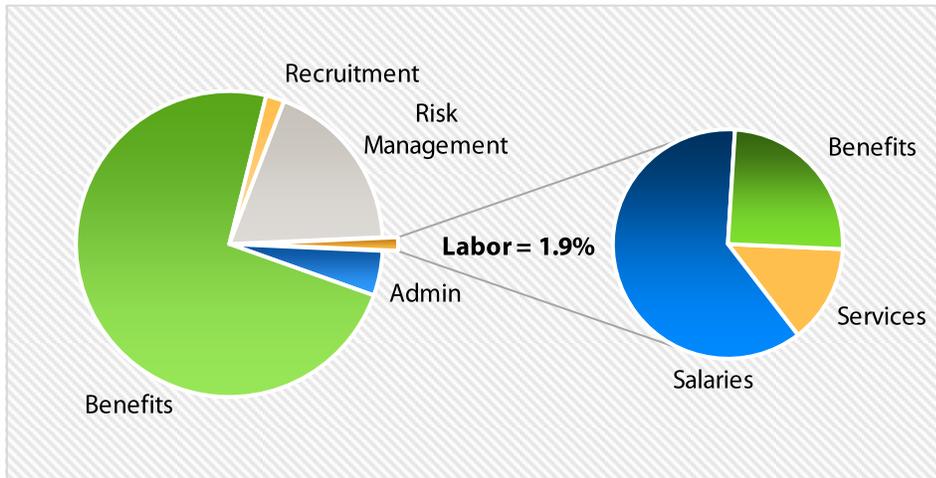
DIVISION STAFFING

	2017 Actual	2018 Actual	2019 Adopted	2020 Adopted
Labor Relations Manager	1.0	1.0	1.0	1.0
Sr Human Resources Analyst		1.0	1.0	1.0
Human Resources Analyst	2.0	1.0		
Total Division FTE's	3.0	3.0	2.0	2.0

LABOR, CLASS & COMPENSATION DIVISION

SUMMARY OF OPERATING EXPENDITURES

	2017 Actual	2018 Prelim	2019 Adopted	2020 Adopted
Salaries	\$ 241,890	\$ 271,797	\$ 200,881	\$ 206,725
Benefits	77,470	66,308	80,637	83,428
Supplies	-	-	-	-
Services	11,328	16,940	45,520	46,490
Total Expenditures	\$ 330,688	\$ 355,045	\$ 327,038	\$ 336,643



WORKLOAD INDICATORS

	2015	2016	2017	2018
# of Grievances	4	2	3	3
# of Union Memorandums of Understanding	7	10	11	17
# of Reclassifications	14	10	11	18
# of Negotiated Collective Bargaining Agreements	2	2	0	2

GOALS

- Successfully negotiate AFSCME and Teamsters labor contracts
- Streamline job descriptions and post online for easy employee access
- Coordinate City-wide policy update training

CHALLENGES

- Continue to manage daily operations (employee relations, policy updates, classification actions, investigations, etc.)
- Meet timelines for the negotiation of two labor contracts

RECRUITMENT DIVISION

FUN FACTS

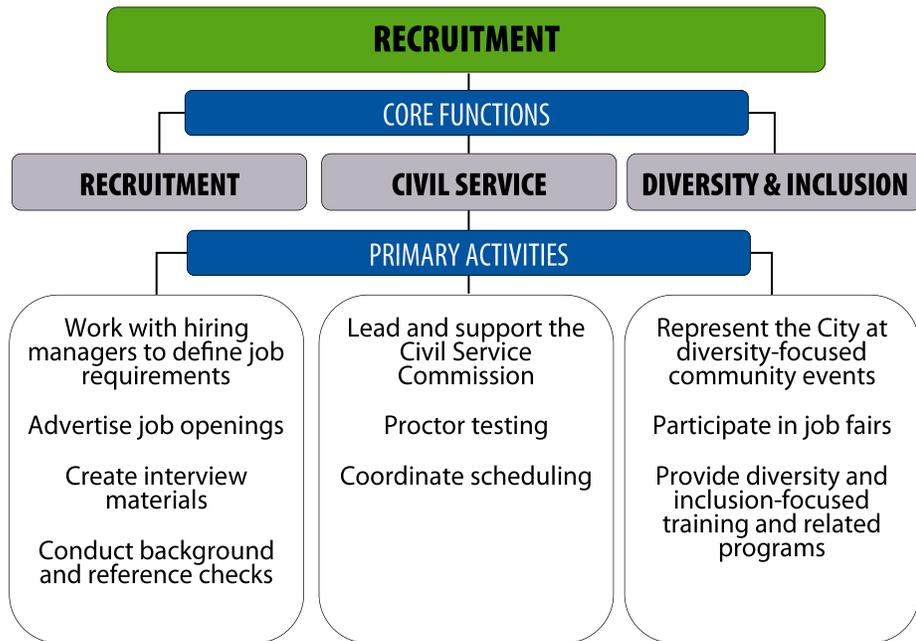
- Research shows that only 35percent of applicants are actually qualified for the job for which they're applying
- Social media sites, such as Facebook and LinkedIn, are where candidates are finding jobs
- Today there are five generations in the work-place: Traditionalists, Baby Boomers, Gen Xers, Millennials, and Gen 2020s
- Approximately 80 percent of available jobs are never advertised

HIGHLIGHTS

- Streamlined the approach to testing for Police Officer vacancies
- Of the 89 hires made in 2017, 23.6 percent were current employees promoting or transferring to a new position
- Improved overall employee diversity to more than 16 percent: a 39 percent increase since 2010

DIVISION DESCRIPTION

The Recruitment Division is responsible for the City's recruitment, testing, diversity, inclusion and hiring programs, as well as the administration and support of the Civil Service Commission and outreach to local non-profit and community-based organizations. The Division proctors exams, creates interview materials and coordinates interview schedules, develops offer letters and assists hiring managers with reference and background checks on candidates.



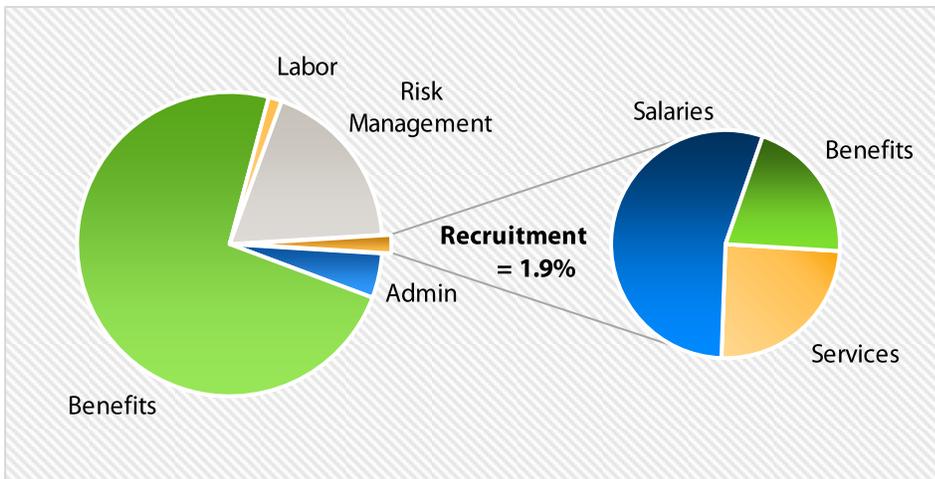
DIVISION STAFFING

	2017 Actual	2018 Actual	2019 Adopted	2020 Adopted
Deputy HR Director		1.0	1.0	1.0
Human Resources Manager	1.0			
Sr Human Resource Analyst		1.0	1.0	1.0
Human Resource Analyst	1.6	0.6	0.6	
Total Division FTE's	2.6	2.6	2.6	2.0

RECRUITMENT DIVISION

SUMMARY OF OPERATING EXPENDITURES

	2017 Actual	2018 Prelim	2019 Adopted	2020 Adopted
Salaries	\$ 235,129	\$ 320,665	\$ 273,440	\$ 226,000
Benefits	79,511	98,411	104,340	84,590
Supplies	-	-	-	-
Services	101,142	103,717	110,940	113,680
Total Expenditures	\$ 415,782	\$ 522,793	\$ 488,720	\$ 424,270



WORKLOAD INDICATORS

	2015	2016	2017	2018
# of Job Requisitions Created	114	108	101	151
# of Job Applications Reviewed	4,947	4,376	4,616	5,166
# of Candidates Hired	88	96	89	85

GOALS

- Continue to focus on hiring diverse candidates to more closely mirror the community we serve
- Implement a city-wide mentoring program
- Provide hiring managers with specialized training to improve the recruiting process

CHALLENGES

- Competing with neighboring cities to hire for technical and niche positions when unemployment is low
- Educating managers on their role in the hiring process
- Attracting new, and retaining current, top notch talent

RISK MANAGEMENT DIVISION

FUN FACTS

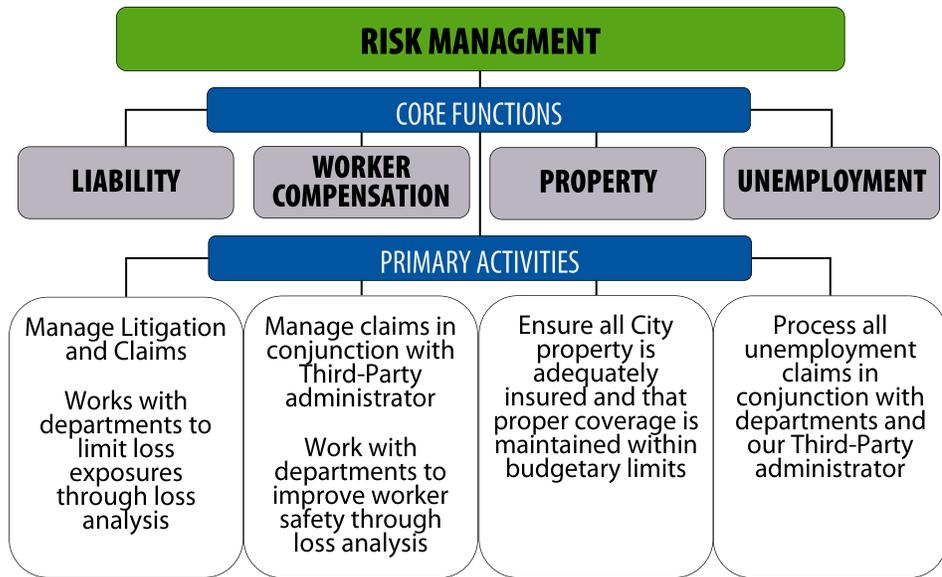
- 2017 continues a recent trend of low numbers of worker compensation claims per 100 employees over the past 20 years

HIGHLIGHTS

- Coverage costs continue at reasonable levels
- Continuing to expand return to work programs

DIVISION DESCRIPTION

The Risk Management Division provides services in the areas of risk identification, loss analysis, limited loss control efforts and risk financing with support of actuarial consulting. The Division administers four major insurance programs; liability, worker compensation, property coverage and unemployment compensation as well as the purchase of other insurance products.



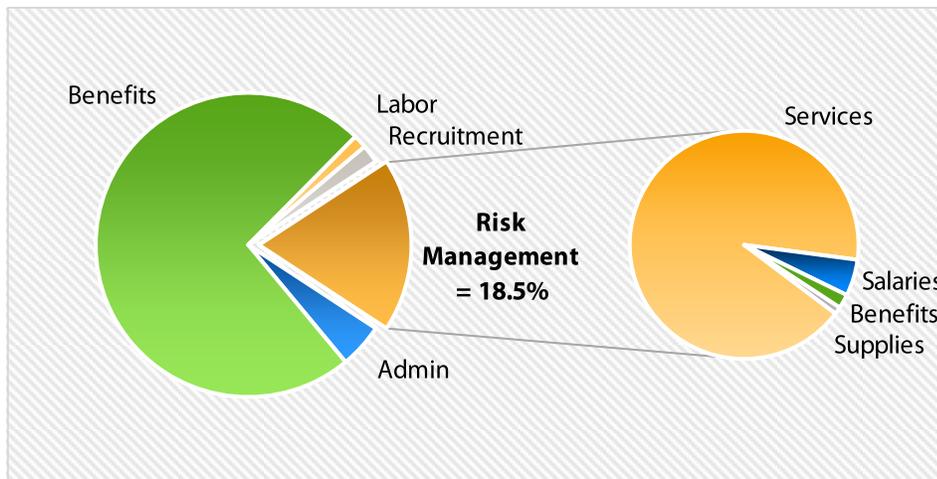
DIVISION STAFFING

	2017 Actual	2018 Actual	2019 Adopted	2020 Adopted
Risk Manager	1.0	1.0	1.0	1.0
Human Resources Analyst	1.0	1.0	1.0	1.0
Total Division FTE's	2.0	2.0	2.0	2.0

RISK MANAGEMENT DIVISION

SUMMARY OF OPERATING EXPENDITURES

	2017 Actual	2018 Prelim	2019 Adopted	2020 Adopted
Salaries	\$ 188,700	\$ 218,904	\$ 221,000	\$ 227,460
Benefits	65,383	77,532	84,760	87,320
Supplies	16,784	35,262	45,720	45,720
Services	3,514,127	4,853,910	3,967,440	3,992,570
Capital	5,000	-	-	-
Total Expenditures	\$3,789,994	\$5,185,609	\$4,318,920	\$4,353,070



WORKLOAD INDICATORS

	2015	2016	2017	2018
Cost of Risk as % of budget	1.8%	1.7%	2.2%	3.0%
# of Worker Compensation claims per 100 employees	11.8	8.4	9.6	11.4
# of lost time days per 100 employees	125	97	100	155

GOALS

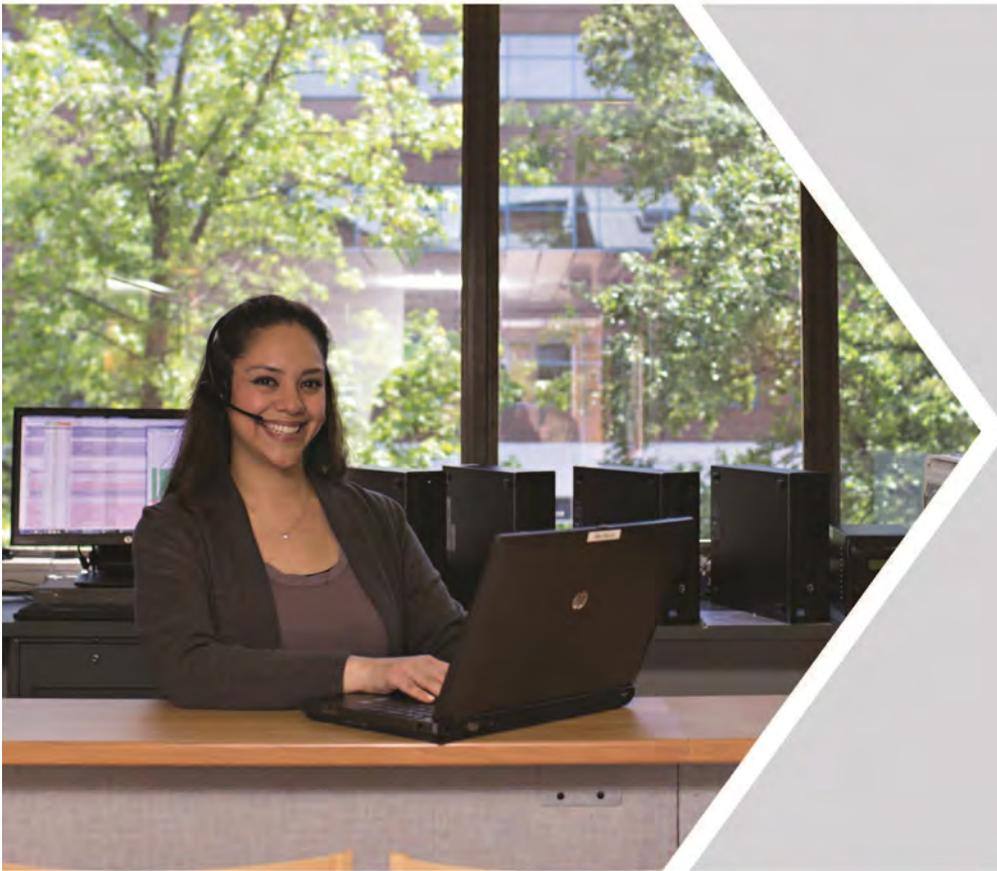
- Continue to minimize Cost of Risk
- Have major City buildings appraised to ensure proper replacement value for insurance
- Evaluate Risk Management Information Systems for possible purchase
- Evaluate current Actuary in comparison to another

CHALLENGES

- Continued dilution of governmental immunity
- Aging workforce
- Increased self-insured retentions in 2018 will require financial monitoring

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INFORMATION TECHNOLOGY



INFORMATION TECHNOLOGY DEPARTMENT

ACCOMPLISHMENTS

- eConnect Project completion
- Rental Housing Project completion
- Auction Site for Giving Campaign
- NATOA/National Association of Telecommunications Officers and Advisors Winners

GOALS

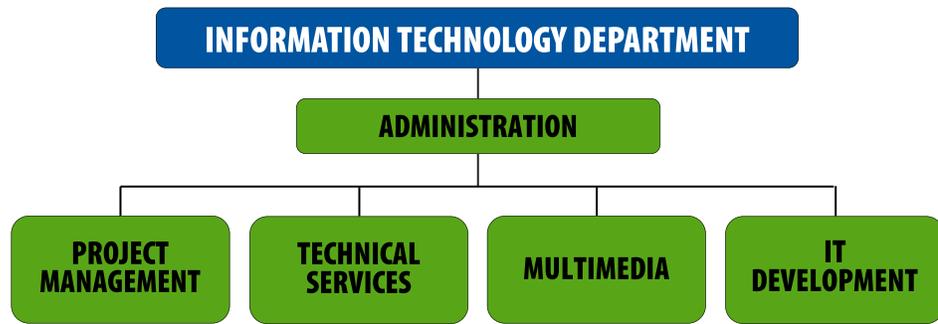
- Successfully recruit and hire the few remaining open IT positions
- Educate and include others in continuously charting the changing technology landscape
- Procure and implement business systems that better support public record request and making public information more directly accessible to the public

MISSION STATEMENT

Create and enhance communication, business systems and information exchange for the residents and employees of Kent through vision, excellence and service.

DEPARTMENT SUMMARY

Information Technology (IT) provides strategic technology vision, leadership and oversight of Kent's technology infrastructure and services. Core activities are conducted across four primary functions: project management, technical services, multimedia and custom development.



DEPARTMENT STAFFING

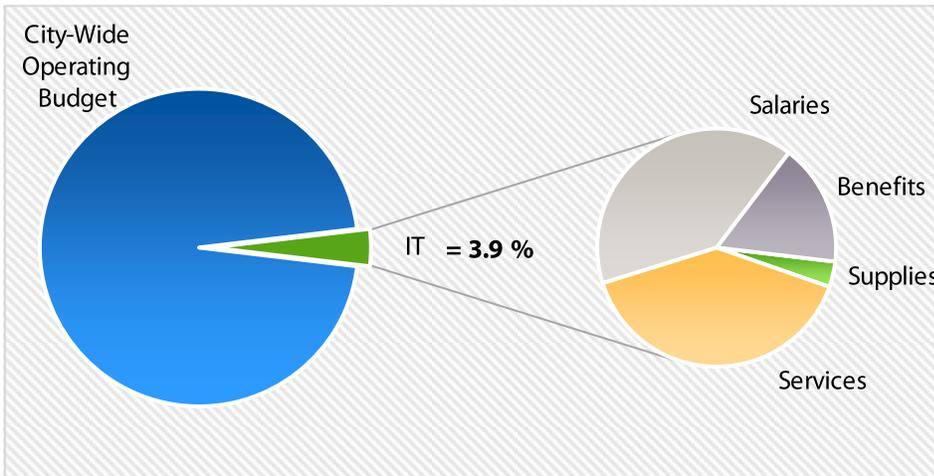
	2017 Actual	2018 Actual	2019 Adopted	2020 Adopted
Administration	3.0	3.0	3.0	3.0
Tech Services	9.0	9.0	9.0	9.0
Multimedia	6.0	6.0	6.0	6.0
Development	13.0	13.0	13.0	13.0
Project Management	6.0	6.0	6.0	6.0
Total Department FTE's	37.0	37.0	37.0	37.0

INFORMATION TECHNOLOGY DEPARTMENT

OPERATING EXPENDITURES BY DIVISION

	2017 Actual	2018 Prelim	2019 Adopted	2020 Adopted
Administration	\$ 430,384	\$ 419,033	\$ 469,910	\$ 484,280
Tech Services	3,045,161	3,323,026	3,588,110	3,776,130
Multimedia	1,036,576	975,647	1,120,520	1,160,530
Development	2,492,200	3,006,251	3,192,870	3,318,090
Project Management	696,672	894,472	1,236,000	1,266,020
Gross Expenditures	7,700,993	8,618,429	9,607,410	10,005,050
Allocations				
Net Expenditures	\$7,700,993	\$8,618,429	\$9,607,410	\$10,005,050

2019-20 NET OPERATING EXPENDITURES BY CATEGORY



FUNDING SOURCES

- General Fund: 6.0%
- Information Technology Fund: 94.0%

NEW INITIATIVES

- City-wide Information Security Program—training and improvements to existing systems
- Replacing the City's Enterprise Scanning and Imaging System
- Replacing the City's Enterprise Asset Management System

SIGNIFICANT CHANGES

- Build and integrate solutions needed by departments that cannot be addressed by leveraging existing systems or acquiring new COTS/commercial off-the-shelf software
- Integrating our diverse and increasingly complex environment of business and software systems

ADMINISTRATION DIVISION

FUN FACTS

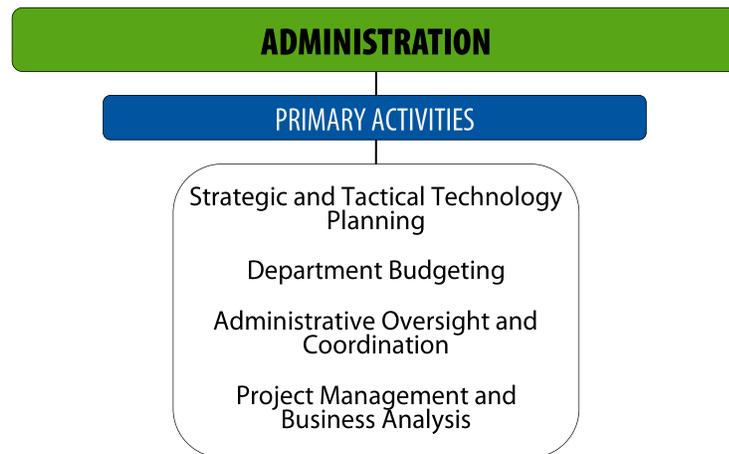
- IT puts emphasis on trying to deliver certain solutions ASAP by categorizing those projects as “SWAT” efforts: projects that take three months or less to complete
- Most of the current IT personnel spend more than three-quarters of their time maintaining, operating and providing tech services for existing systems
- The Multimedia Division is nationally recognized for the creative work they do for the City

HIGHLIGHTS

- Established a Technology Governance Board to oversee City-wide prioritization of technology-related capital expenditures on projects
- Increased our utilization of Innotas for IT project portfolio management to include assessing available staff hours that can be applied toward projects
- Oversaw the payment of nearly \$1.5 million annually in software maintenance for business systems like JDE (financials), Tiburon (police records management) and over 100 others

DIVISION DESCRIPTION

The IT Administration Division oversees and coordinates all department functions including Technical Services hardware, infrastructure and service desk, Systems software support, Development and Integration’s systems engineering along with the IT PMO/(Project Management Office). Our central premise is to work with national, regional, City department and division-level clients to achieve efficiency and excellence in technology tools and services.



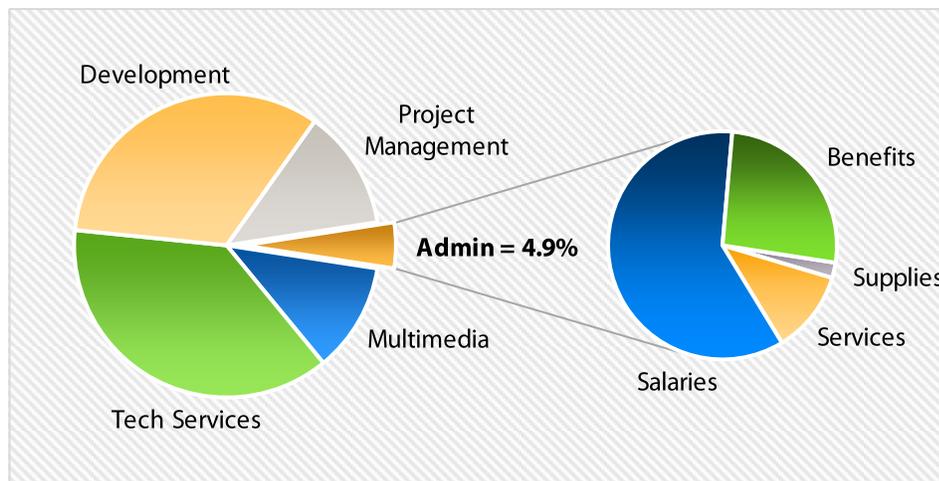
DIVISION STAFFING

	2017 Actual	2018 Actual	2019 Adopted	2020 Adopted
Director	1.0	1.0	1.0	1.0
Admin Services Supervisor	1.0	1.0	1.0	1.0
Accounting Technician	1.0	1.0	1.0	1.0
Total Division FTE's	3.0	3.0	3.0	3.0

ADMINISTRATION DIVISION

SUMMARY OF OPERATING EXPENDITURES

	2017 Actual	2018 Prelim	2019 Adopted	2020 Adopted
Salaries	\$ 258,272	\$ 281,103	\$ 282,490	\$ 290,790
Benefits	96,201	110,571	122,300	126,340
Supplies	6,266	10,806	10,280	10,500
Services	69,645	16,553	54,840	56,650
Total Expenditures	\$ 430,384	\$ 419,033	\$ 469,910	\$ 484,280



WORKLOAD INDICATORS

	2015	2016	2017	2018
Cost of hardware/software maintenance contracts	\$1,444,684	\$1,451,371	\$1,549,163	\$1,707,995
# of Contracts Negotiated	78	91	101	118
# of public records requests completed	26	59	37	54

GOALS

- Successfully recruit and hire the few remaining open IT positions
- Continued utilization of Innotas for IT project portfolio management to include assessing available staff hours that can be applied toward projects

CHALLENGES

- Continuing to lead the City's ISP/Information Security Program and cyber security initiative in an attempt to stay out in front of the bad guys looking to steal data and/or do harm to the City's information systems
- Keeping up with the demand for new and quickly changing technology while continuing to maintain and operate existing systems
- Keeping pace with legal and regulatory technology requirements

TECHNICAL SERVICES DIVISION

FUN FACTS

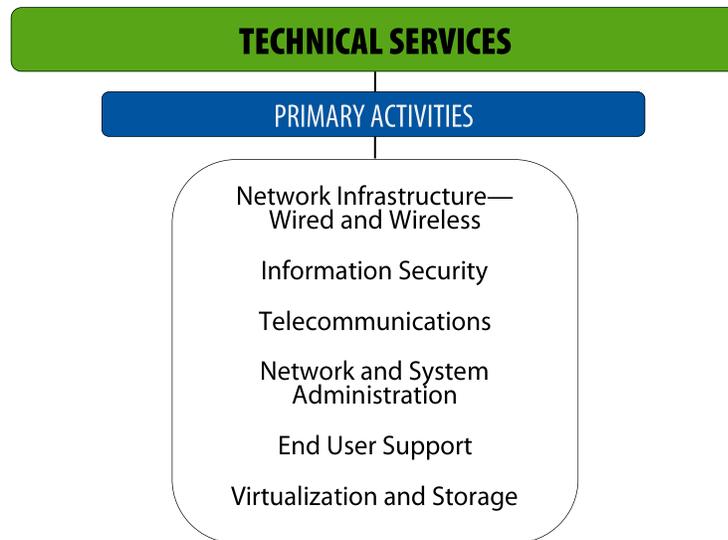
- Our web filter blocks, on average, over 100,000 high-risk sites per week
- We provide network services to 41 locations
- Daily Internet bandwidth consumed 375 gigabytes (2016 monthly household average: 190 gigabytes)
- The City receives about 360,000 email messages per week. Of that, only about 50,000 are deemed legitimate business email.

HIGHLIGHTS

- Core Router Replacement
- Firewall Replacement
- New Anti-Virus Protection
- New Web Filter

DIVISION DESCRIPTION

The Technical Services Division provides the services and infrastructure to deliver voice, data and information services to the City of Kent. Technical Services staffs the Information Technology Service Desk and is responsible for installation, maintenance and operation of the City's personal computers, data networks, telecommunications services and wireless data networks. Technical Services provides data network connectivity to all City-owned buildings as well as the City's Public Safety Fleet (Police, Fire and EMS). Technical Services provides design assistance for new City Facilities to ensure that installed infrastructures meet standards.



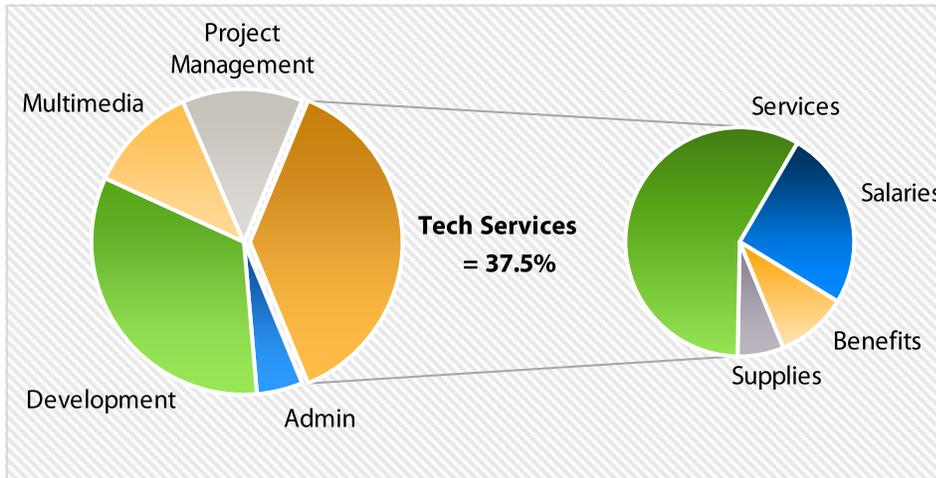
DIVISION STAFFING

	2017 Actual	2018 Actual	2019 Adopted	2020 Adopted
Technical Services Manager	1.0	1.0	1.0	1.0
Lead Network Engineer		1.0	1.0	1.0
Senior Network Engineer		1.0	1.0	1.0
Network Engineer	3.0	3.0	3.0	3.0
Network Specialist	2.0			
Service Desk Lead		1.0	1.0	1.0
Technical Support Specialist	3.0	2.0	2.0	2.0
Total Division FTE's	9.0	9.0	9.0	9.0

TECHNICAL SERVICES DIVISION

SUMMARY OF OPERATING EXPENDITURES

	2017 Actual	2018 Prelim	2019 Adopted	2020 Adopted
Salaries	\$ 848,903	\$ 931,504	\$ 916,650	\$ 943,610
Benefits	313,272	336,783	365,360	377,510
Supplies	345,686	270,306	238,810	242,360
Services	1,537,300	1,784,433	2,067,290	2,212,650
Total Expenditures	\$3,045,161	\$3,323,026	\$3,588,110	\$3,776,130



WORKLOAD INDICATORS

	2015	2016	2017	2018
# of Service Tickets Closed	6,926	4,946	6,862	8,173
Time Spent on Service Tickets (Hours)	4,258	4,303	5,969	7,115

GOALS

- MDM/Mobile Device Management
- RFA/Regional Fire Authority identity and independence
- Office 365 Migration
- Cloud Based Services

CHALLENGES

- Increased security challenges—malware, viruses, phishing attempts
- Exponential data growth
- Users mobility
- Public records requests

MULTIMEDIA DIVISION

FUN FACTS

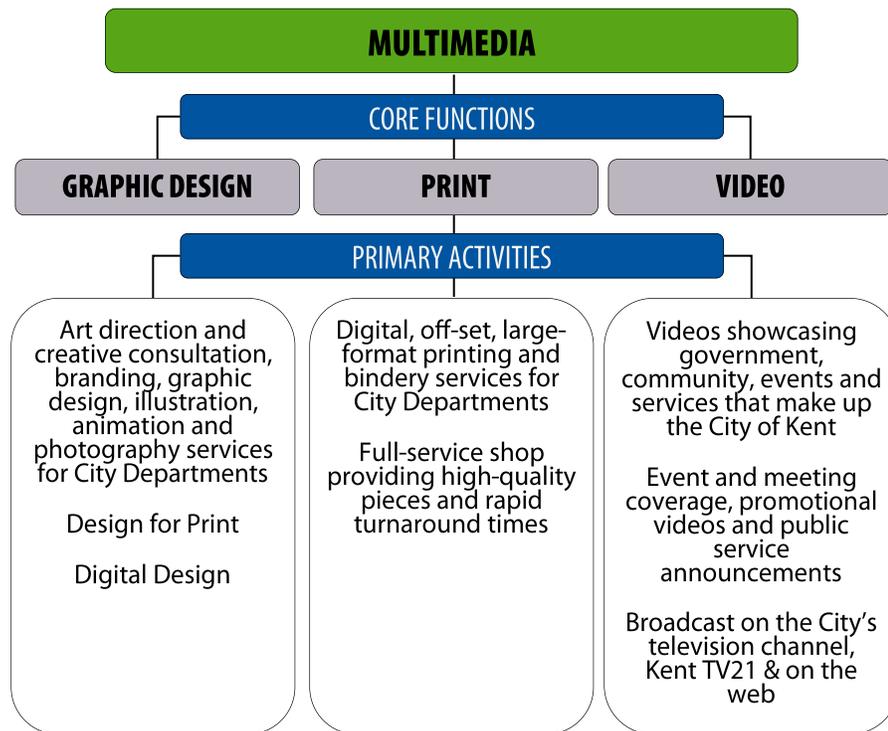
- If there's one thing that distinguishes highly creative people from others, it's the ability to see possibilities where others don't—or, in other words, vision. Creativity is simply the ability to connect the dots that others might never think to connect
- We help the City stay environmentally-friendly by recycling old letterhead and other scrap paper and turning them into writing pads for City staff and other City-wide events.
- We collaborate with various talent on City projects who have been featured in major motion pictures, national advertising campaigns, NY Fashion Week and even a ride at Disneyworld

HIGHLIGHTS

- 2017 First Place NATOA award for election coverage, 'Prop A, featuring Bobby Hollis'
- 2017 Third Place NATOA award for instructional animation, 'City of Kent New Employee Onboarding'
- 2017 Third Place NATOA award for public service announcement video, 'Fireworks Ban in Kent'

DIVISION DESCRIPTION

The Multimedia Division's mission is to facilitate communication of information for the entire City of Kent—residents and employees—relying on customer-based partnerships to produce a creative, professional and effective City image/message that efficiently meets our customers' needs and appropriate expectations. We value innovation, diversity, responsiveness, efficiency, variety, respect, professionalism, growth and the City's professional image.



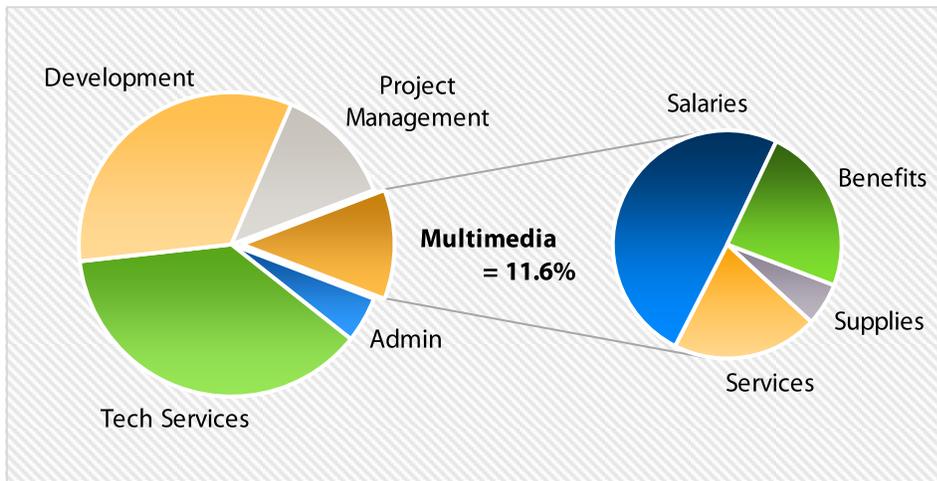
DIVISION STAFFING

	2017 Actual	2018 Actual	2019 Adopted	2020 Adopted
Multimedia Manager	1.0	1.0	1.0	1.0
Creative Art Dir Coordinator	1.0	1.0	1.0	1.0
Printing Media Coordinator	1.0	1.0	1.0	1.0
Video Program Coordinator	1.0	1.0	1.0	1.0
Graphics Specialist 3	1.0	1.0	1.0	1.0
Multimedia Specialist 2	1.0	1.0	1.0	1.0
Total Division FTE's	6.0	6.0	6.0	6.0

MULTIMEDIA DIVISION

SUMMARY OF OPERATING EXPENDITURES

	2017 Actual	2018 Prelim	2019 Adopted	2020 Adopted
Salaries	\$ 450,334	\$ 517,169	\$ 556,610	\$ 573,470
Benefits	194,558	231,636	266,050	275,620
Supplies	73,248	42,475	68,080	70,250
Services	318,436	184,368	229,780	241,190
Total Expenditures	\$ 1,036,576	\$ 975,647	\$ 1,120,520	\$ 1,160,530



WORKLOAD INDICATORS

	2015	2016	2017	2018*
# of Graphics Jobs	1,301	1,214	1,278	1,392
# of Video Jobs	383	399	323	356
# of Printshop Jobs	1,612	1,580	1,613	1,650
# of Press Jobs	82	70	47	44

* Change in process for 2018. One job ticket is created for reoccurring projects that continue throughout the year and for same product of varying sizes.

GOALS

- To create effective and on-brand marketing and promotional materials for all department needs
- To stay relevant, informed and aware of the constantly evolving technology, platforms, techniques and trends
- Adding a "Quick Print" service to the Print Shop
- Continue to find innovative avenues to communicate

CHALLENGES

- Producing communication pieces that address the diverse population of Kent
- Balancing the importance of internal City needs and external communications
- Keeping up with the constantly evolving technology, platforms, techniques and trends in design, video, print and social media

IT DEVELOPMENT DIVISION

FUN FACTS

- The only math function a computer can actually do is addition
- The first programming language was FORTRAN (1957). There are now over 250 programming languages worldwide.
- Quantum Computing will change everything we have come to know in Information Technology

HIGHLIGHTS

- Launched a redesigned Business & Occupation Tax System
- Launched a City of Kent Single Login Portal for residents and taxpayers
- Combined the Systems Division and the Development Division
- Created a new BSA/Business Systems Analyst role with a focus in business processes and business intelligence

DIVISION DESCRIPTION

The IT Development Division's mission is to forecast changes in the technological landscape, champion innovation, provide services for business systems procurement, custom development, integrations, and training. This mission is accomplished through effective and efficient evaluation, design, documentation, quality assurance, implementation and ongoing support of the City's various business systems.



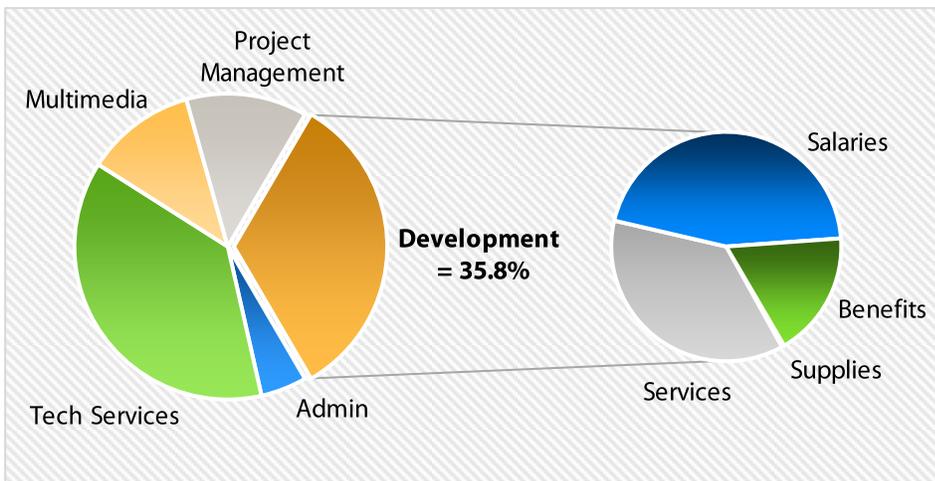
DIVISION STAFFING

	2017 Actual	2018 Actual	2019 Adopted	2020 Adopted
IS System Division Manager	1.0	1.0	1.0	1.0
Systems Division Manager	1.0	1.0	1.0	1.0
Lead Syst & Design Engineer		1.0	1.0	1.0
Business Systems Analyst		1.0	1.0	1.0
Senior Applications Develop		3.0	3.0	3.0
Senior Systems Analyst	8.0	4.0	4.0	4.0
Senior Systems Engineer		1.0	1.0	1.0
Technical Writer/Trainer	1.0	1.0	1.0	1.0
Tech Lead/Software Eng	2.0			
Total Division FTE's	13.0	13.0	13.0	13.0

IT DEVELOPMENT DIVISION

SUMMARY OF OPERATING EXPENDITURES

	2017 Actual	2018 Prelim	2019 Adopted	2020 Adopted
Salaries	\$ 1,232,768	\$ 1,353,494	\$ 1,450,380	\$ 1,494,590
Benefits	412,525	484,984	567,770	586,920
Supplies	26,353	23,741	11,690	12,170
Services	820,554	1,144,032	1,163,030	1,224,410
Total Expenditures	\$ 2,492,200	\$ 3,006,251	\$ 3,192,870	\$ 3,318,090



WORKLOAD INDICATORS

	2015	2016	2017	2018
# of Services Tickets Closed	1,905	1,081	1,176	1,262
Times Spent on Service Tickets (Hours)	1,671	2,864	1,074	1,223

GOALS

- To provide customized systems and integrations
- To provide high standards of quality assurance and release management
- To educate and include others in the continuously changing technology landscape
- Procure, implement, and support all City business systems
- Continue to ensure secure access to City records and high availability for onsite business systems

CHALLENGES

- Providing secure integrations between internal systems and external, cloud-hosted solutions
- Establishing a high quality assurance process for vendor provided systems
- Supporting cloud-hosted solutions and lingering, end-of-life business systems

PROJECT MANAGEMENT DIVISION

FUN FACTS

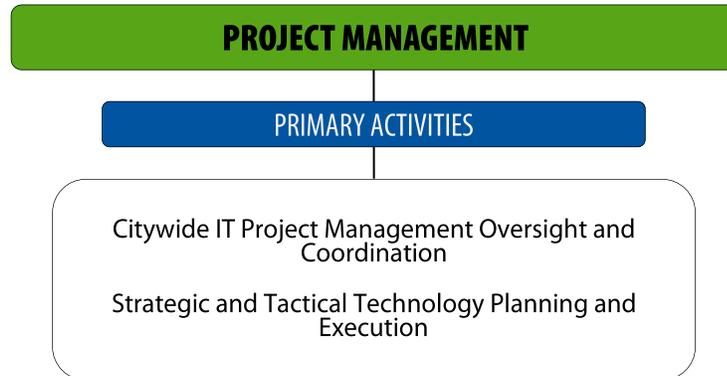
- A project manager spends 90 percent of their time communicating
- Project management was not popular until the 19th century
- Project management is a growing profession in every country all over the world

HIGHLIGHTS

- IT PMO oversaw the completion of more than 27 projects in 2017
- Enabled AVL (GPS) on Police Mobiles
- Business & Occupation Tax Web Portal Solution Release II

DIVISION DESCRIPTION

The Project Management Office mission is to provide technology-related leadership, analysis and oversight of IT software, infrastructure and technology-related services.



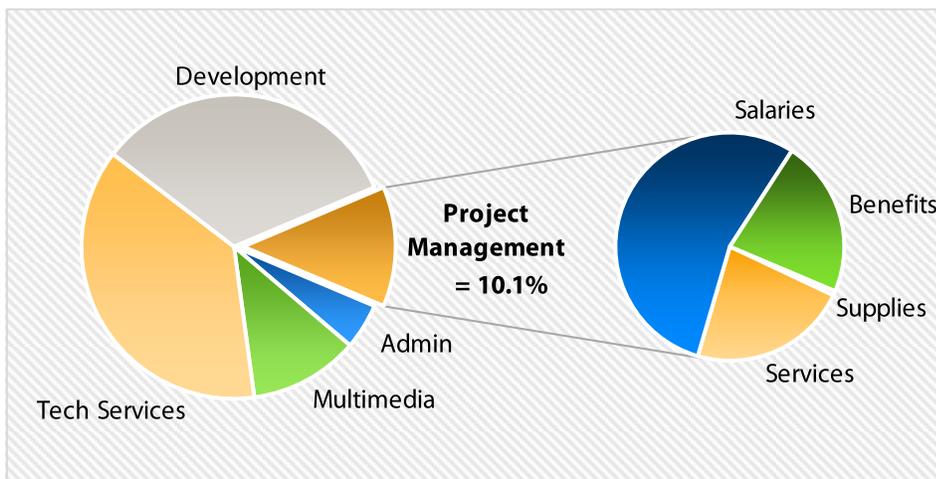
DIVISION STAFFING

	2017 Actual	2018 Actual	2019 Adopted	2020 Adopted
Project Mgmt Office Mngr	1.0	1.0	1.0	1.0
Project Manager	5.0	5.0	5.0	5.0
Total Division FTE's	6.0	6.0	6.0	6.0

PROJECT MANAGEMENT DIVISION

SUMMARY OF OPERATING EXPENDITURES

	2017 Actual	2018 Prelim	2019 Adopted	2020 Adopted
Salaries	\$ 499,397	\$ 512,657	\$ 673,010	\$ 693,120
Benefits	169,559	190,571	273,730	283,050
Supplies	2,809	836	8,050	8,220
Services	24,906	190,408	281,210	281,630
Capital	-	-	-	-
Total Expenditures	\$ 696,672	\$ 894,472	\$ 1,236,000	\$ 1,266,020



WORKLOAD INDICATORS

	2015	2016	2017	2018
# of Projects	17	42	53	46
# of Completed Projects	1	23	27	24

GOALS

- City-wide Imaging System Replacement
- Emergency Notification Enhancement (ShoreTel)
- Resident Request System Mobile Application
- Implement a City-wide Collaboration and Documentation Tool

CHALLENGES

- Keeping up with the demand for new and quickly changing technology while continuing to maintain and operate existing systems
- Customer resource constraints and challenges associated with the ability to dedicate time to technology related projects
- Competing resource allocation constraints between day-to-day system operations and new technology deployment projects

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LAW



LAW DEPARTMENT

ACCOMPLISHMENTS

- Achieved a 29 percent decrease in the issuance of subpoenas which reduced police court-related overtime
- Focused on delinquent LID accounts resulting in 100 percent payment
- Negotiated water and sewer utility franchises
- Provided key advice and guidance on numerous projects including 224th/228th Corridor, YMCA, Naden, Lower Russell Road Levee, Sound Transit, etc.
- Reduced department expenditures by terminating subscriptions to legal research materials

NEW INITIATIVES

- Implement police body-worn cameras and integrate them into criminal prosecution
- Implement new paperless filing and case management system for the Civil Division
- Conduct a quality control review of portions of the Kent Municipal Code
- Integrate new technology into the criminal prosecution process, including Sector and O'Court
- Support and assist other departments as they pursue new initiatives and projects

MISSION STATEMENT

Leaders in Municipal Law.

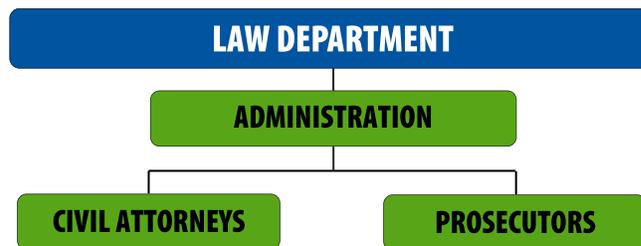
DEPARTMENT SUMMARY

The Law Department employs eleven attorneys. Half of the attorneys are responsible for the prosecution of crimes, infractions, and forfeitures, as well as police training. In 2018, Kent prosecutors appeared at 879 court calendars averaging 25 cases per calendar for a total of almost 22,000 cases.

The other half of the Law Department practices civil law, supporting each City department and the City's elected officials. They provide advice regarding civil liability, contracting, labor and employment, land use, property transactions, and a wide variety of other matters. They represent the City in civil administrative and court hearings.

Four support staff assist the prosecutors and two support staff assist the civil attorneys.

Our mission is to be "leaders in municipal law." This mission challenges us to increase our expertise every day. We are accessible to our clients and provide prompt legal guidance to help them achieve their goals. We take a proactive approach in order to avoid legal complications. This approach serves to preserve public trust and resources.



DEPARTMENT STAFFING

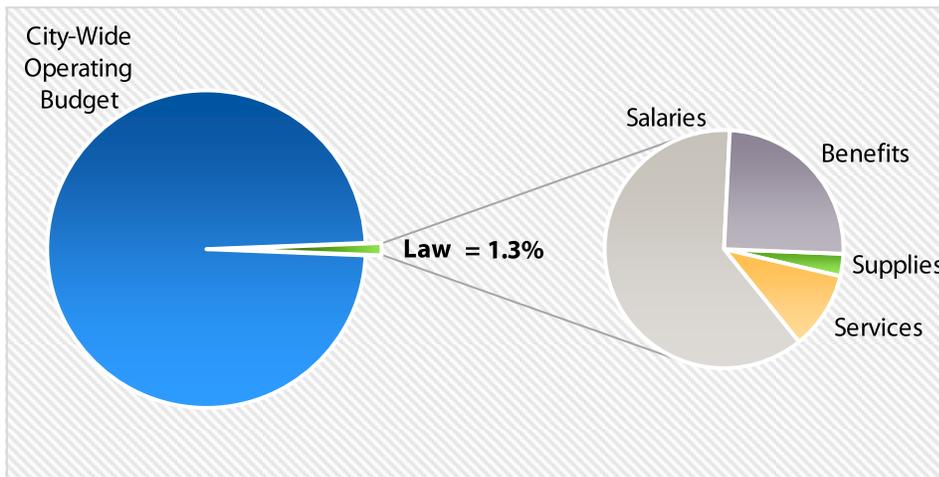
	2017 Actual	2018 Actual	2019 Adopted	2020 Adopted
Director - City Attorney	1.0	1.0	1.0	1.0
Deputy City Attorney	1.0	1.0	1.0	1.0
Chief Prosecuting Attorney	1.0	1.0	1.0	1.0
Assistant City Attorney	8.0	8.0	9.0	9.0
Legal Analyst	1.0	1.0	1.0	1.0
Paralegal	3.0	3.0	3.0	3.0
Legal Secretary	1.8	1.8	1.8	1.8
Total Department FTE's	16.8	16.8	17.8	17.8

LAW DEPARTMENT

OPERATING EXPENDITURES BY DIVISION

	2017 Actual	2018 Prelim	2019 Adopted	2020 Adopted
Administration	\$ 335,115	\$ 296,216	\$ 230,220	\$ 237,630
Civil	1,175,245	1,262,632	1,364,720	1,406,000
Prosecution	1,144,617	1,210,739	1,514,850	1,561,730
Gross Expenditures	2,654,976	2,769,587	3,109,790	3,205,360
Allocations	(407,170)	(407,170)	(374,770)	(382,270)
Net Expenditures	\$ 2,247,806	\$ 2,362,417	\$ 2,735,020	\$ 2,823,090

2019-20 NET OPERATING EXPENDITURES BY CATEGORY



WORKLOAD INDICATORS

	2015	2016	2017	2018
# of Criminal Case Filings	3,321	3,689	4,653	4,014
# of Contested Traffic Hearings handled by Prosecutors	n/a	n/a	1,233	1,221
# of Contested Traffic Infractions Negotiated by Prosecutors	n/a	n/a	987	1,231
# of Work Requests Handled by Criminal	n/a	n/a	993	1,009

FUNDING SOURCES

- General Fund: 67.8%
- Criminal Justice Fund: 32.2%

GOALS

- To be the most professional and most capable municipal law office in Washington

BUDGET COMMENTS

- The Law Department does not anticipate a budget increase in the foreseeable future; however, a significant increase in the number of police officers employed in the City may result in an increase in criminal filings and a corresponding need for an increase in prosecution resources.
- Funds have been set aside to provide resources for the administration of the police body camera program. These funds will only be expended after program implementation, and only if the resources are needed.

FUN FACTS

- The attorneys in the Law Department have, combined, 138 years of municipal attorney experience.

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MUNICIPAL COURT



MUNICIPAL COURT

ACCOMPLISHMENTS

- Successful Relicensing Program to assist individuals in obtaining their driver's license
- Established the first Municipal DUI Court in Washington State

GOALS

- Implement new courtroom management system to allow usage of electronic forms

FUN FACTS

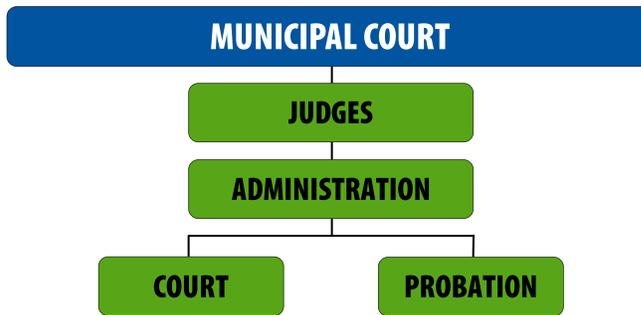
- On average there are over 500 court users that enter the building on a daily basis
- The Court provides Interpreters for over 80+ languages
- The Court summons 300 Jurors each month
- AllianceOne, collection agency, has a pay station located inside the Kent Municipal Court
- In 2018, the Court processed over 21,000 cases

MISSION STATEMENT

Kent Municipal Court is committed to excellence by providing fair, accessible and timely resolution of all cases. We hold individuals accountable for their actions to insure the safety and well being of our citizens while recognizing and preserving individual rights through due process and maintaining the rule of law. We are committed to respecting the dignity and diversity of all participants that come before the Court.

DEPARTMENT SUMMARY

The Municipal Court consists of two full-time elected judges who oversee the Municipal Court and Probation Department. Kent provides municipal court and probation services to the City of Maple Valley pursuant to an Interlocal Agreement. The Court processes all cases filed according to state law and court rules. The Court has jurisdiction over all criminal misdemeanor and gross misdemeanor violations of city ordinances, as well as traffic, camera enforcement, parking and non-traffic civil infractions arising under city ordinances. The Probation division monitors compliance with conditions of sentence and deferred prosecutions of those cases assigned by the Court. Probation serves as the liaison between the Court and the offenders.



DEPARTMENT STAFFING

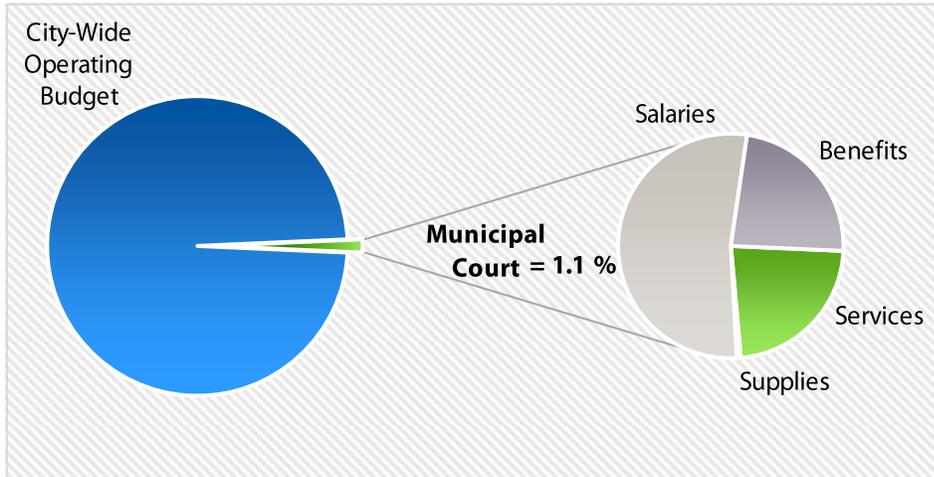
	2017 Actual	2018 Actual	2019 Adopted	2020 Adopted
Judge	2.0	2.0	2.0	2.0
Court Administrator	1.0	1.0	1.0	1.0
Court Supervisor	1.0	1.0	1.0	1.0
Court Security Officer	0.53	0.53		
Lead Judicial Specialist	2.0	2.0	2.0	2.0
Judicial Specialist	9.0	9.0	9.0	9.0
Probation Supervisor	1.0	1.0	1.0	1.0
Probation Officer	3.75	3.75	3.75	3.75
Total Department FTE's	20.28	20.28	19.75	19.75

MUNICIPAL COURT

OPERATING EXPENDITURES BY DIVISION

	2017 Actual	2018 Prelim	2019 Adopted	2020 Adopted
Court Administration	\$ 2,538,582	\$ 2,785,214	\$ 2,854,950	\$ 2,946,810
Probation	590,071	656,892	662,610	684,530
Gross Expenditures	3,128,653	3,442,107	3,517,560	3,631,340
Allocations				
Net Expenditures	\$ 3,128,653	\$ 3,442,107	\$ 3,517,560	\$ 3,631,340

2019-20 NET OPERATING EXPENDITURES BY CATEGORY



WORKLOAD INDICATORS

	2015	2016	2017	2018
# of Infractions	11,911	10,482	7,988	8,382
# of Criminal Citations	4,022	4,203	4,652	4,024
# of School Zone Camera Citations	8,122	9,102	9,342	9,113

FUNDING SOURCES

- General Fund: 100%

CHALLENGES

- Increase in school zone and red light cameras
- Keeping up with new technology
- Implementing new procedures based on changes in the law

SIGNIFICANT CHANGES

- No budget additions in the 2019–2020 biennial budget

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PARKS, RECREATION & COMMUNITY SERVICES



PARKS, REC & COMM SERVICES DEPARTMENT

ACCOMPLISHMENTS

- Helped remove barriers so all residents have an equal opportunity to enjoy the benefits of parks, recreation & community/social services
- Helped combat stress, diabetes, heart disease and obesity by providing opportunities to increase rigorous physical activity
- Preserved, protected and managed the millions of dollars invested in public lands, community assets, recreational amenities and site features, trails, facilities and athletic complexes

NEW INITIATIVES

- Advancement of national accreditation throughout the department utilizing industry best practices and LEAN management principles
- Begin implementation of Marketing and Community Engagement Plan
- Creation / updating of key departmental strategic plans:
 - Comprehensive Recreation Program Plan
 - Facilities 20 Year Master Plan
 - Human Services Master and Consolidated Plans
 - Department-wide Sustainability Plan
 - Department-wide Staff Succession, Training and Development Plan

MISSION STATEMENT

We are dedicated to enriching lives through our commitment to providing safe and inviting parks and facilities which offer meaningful and inclusive recreation, cultural and human service programs. We are responsive, encouraging and ethical in our dedication to the community.

DEPARTMENT SUMMARY

The Parks, Recreation & Community Services Department serves both internal and external customers by providing a wide range of services.



DEPARTMENT STAFFING

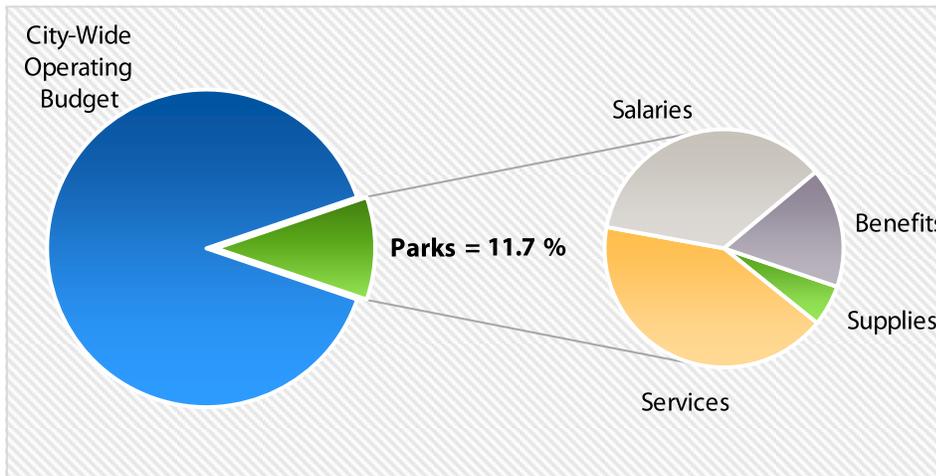
	2017 Actual	2018 Actual	2019 Adopted	2020 Adopted
Administration	3.0	4.0	5.0	5.0
Facilities	24.0	23.0	23.0	22.0
Golf	9.6	9.6	8.0	8.0
Human Services	10.0	10.0	9.0	9.0
Operations	37.0	36.0	36.5	37.5
Planning	5.0	5.0	5.0	5.0
Recreation	28.2	28.2	28.2	28.2
Total Department FTE's	116.8	115.8	114.7	114.7

PARKS, REC & COMM SERVICES DEPARTMENT

OPERATING EXPENDITURES BY DIVISION

	2017 Actual	2018 Prelim	2019 Adopted	2020 Adopted
Administration	\$ 762,395	\$ 989,594	\$ 1,223,980	\$ 1,325,770
Facilities	4,035,950	4,341,931	5,288,450	5,317,350
Golf	2,831,308	3,112,545	2,714,660	2,767,980
Human Services	3,508,242	3,637,346	3,877,730	3,898,150
Operations	6,248,162	6,674,622	7,349,960	7,729,630
Planning	337,533	374,331	385,150	622,120
Recreation	6,780,697	7,362,966	7,861,960	7,997,820
Gross Expenditures	24,504,288	26,493,334	28,701,890	29,658,820
Allocations	(151,153)	(135,959)	(145,000)	(867,220)
Net Expenditures	\$24,353,135	\$26,357,376	\$28,556,890	\$28,791,600

2019-20 NET OPERATING EXPENDITURES BY CATEGORY



FUNDING SOURCES

- General Fund: 65.6%
- Capital Resource Fund: 1.7%
- Criminal Justice Fund: 0.1%
- Block Grants: 4.1%
- City Art Program: 0.4%
- Golf: 9.6%
- Facilities: 18.5%

GOALS

- Protect, preserve and provide a quality parks system for residents to gather for social events, recreational activities and community meetings, increasing social interaction and connectivity
- Provide residents safe, affordable and healthy ways to experience and appreciate nature and to engage in conservation practices and stewardship
- Provide equally accessible public parks, trails, facilities and recreation programs to all people regardless of income level, ethnicity, gender, ability or age
- Cultivate community ties through programs and services for all, connecting people more deeply to the fabric of the Kent community
- Provide opportunities for the community to be physically active to assist in combating chronic disease, sedentary lifestyles and poor nutrition habits

ADMINISTRATION DIVISION

FUN FACTS

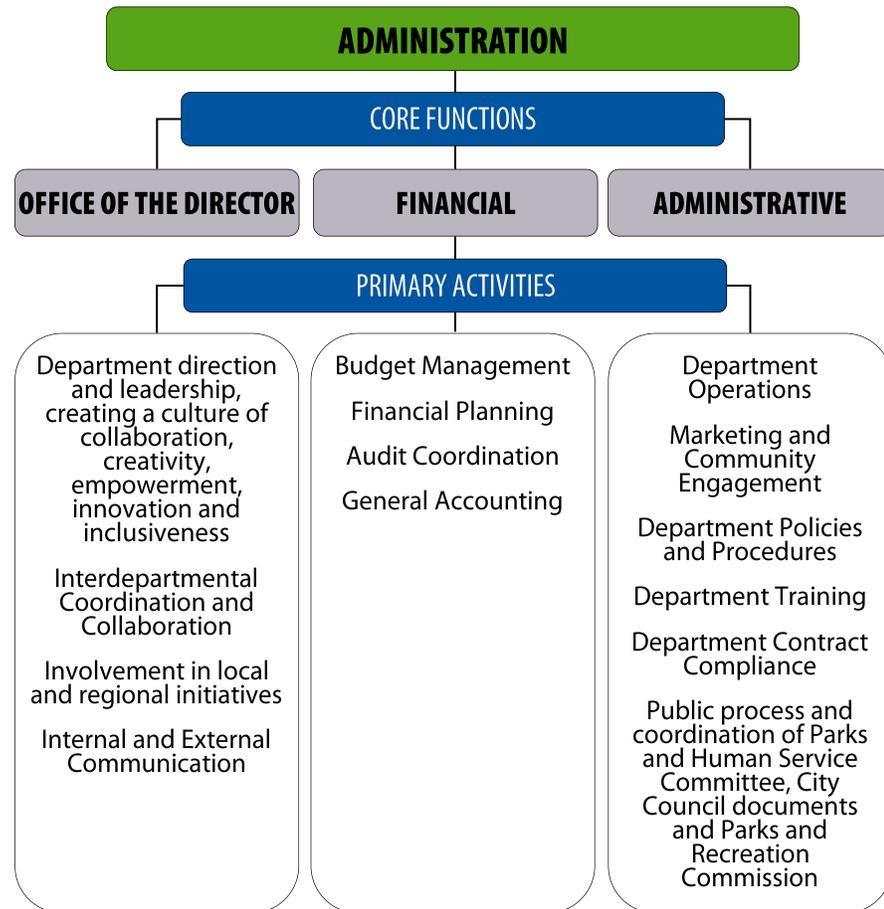
- The division has three commissions to help provide feedback on services: Parks and Recreation Commission, Human Services Commission and the Arts Commission
- Parks and public lands serve an essential role in preserving natural resources and wildlife habitat, protecting clean water and clean air and providing open spaces for current and future generations
- Kent Parks is one of the largest providers of services for older adults in the City
- Kent Parks is one of the largest youth employers in the City

HIGHLIGHTS

- Hired Deputy Parks Director and Planning Manager
- Managed departmental budget within expected targets
- Completed a 6-year sustainable business plan for Riverbend Golf Complex
- Provided high quality, proactive financial and administrative support to departmental divisions and staff

DIVISION DESCRIPTION

Parks Administration is responsible for the overall direction and vision of the Parks, Recreation & Community Services Department, along with providing financial and administrative support, as well as marketing and community engagement. It provides leadership to meet the department’s mission of providing quality recreation, community and social service programs, park development, acquisition and stewardship of park lands and City facilities. The division provides direct support to the Parks and Humans Services Committee and the Parks and Recreation Commission.



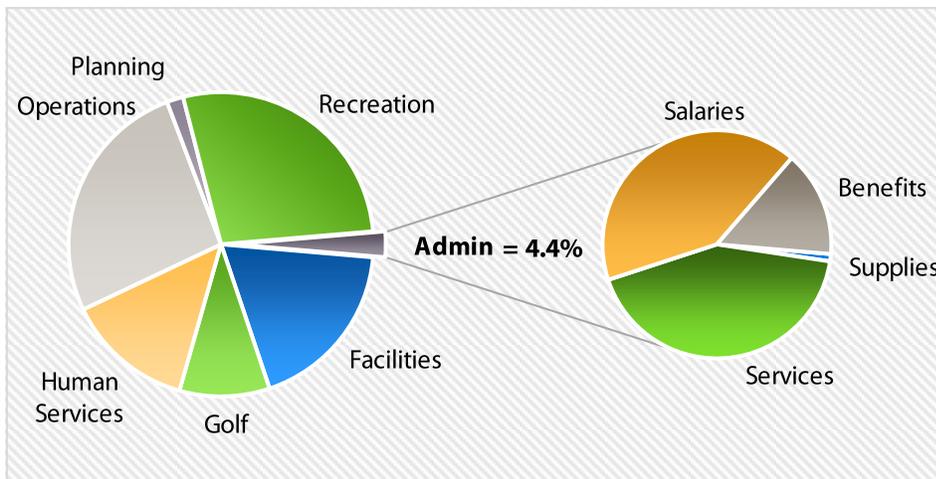
DIVISION STAFFING

	2017 Actual	2018 Actual	2019 Adopted	2020 Adopted
Director	1.0	1.0	1.0	1.0
Deputy Director		1.0	1.0	1.0
Project Accountant	1.0	1.0	1.0	1.0
Administrative Asst 3	1.0	1.0	1.0	1.0
Marketing Professional			1.0	1.0
Total Division FTE's	3.0	4.0	5.0	5.0

ADMINISTRATION DIVISION

SUMMARY OF OPERATING EXPENDITURES

	2017 Actual	2018 Prelim	2019 Adopted	2020 Adopted
Salaries	\$ 329,727	\$ 474,692	\$ 576,990	\$ 591,590
Benefits	114,112	180,705	257,960	267,130
Supplies	4,809	11,410	19,970	8,430
Services	313,747	322,787	369,060	458,620
Total Expenditures	\$ 762,395	\$ 989,594	\$ 1,223,980	\$ 1,325,770



WORKLOAD INDICATORS

	2015	2016	2017	2018
# of Departmental Commissions	2	3	3	3
% of General Fund budget within adopted targets	98%	96%	95%	95%
# of contacts reviewed for compliance, excluding Recreation entertainment contracts	134	187	182	195

GOALS

- Increase awareness of the benefits and value of parks, recreation and community services in the community
- Begin implementation of the department's new Marketing and Community Engagement Plan
- Advance national accreditation utilizing industry best practices and LEAN management principles
- Continue to pursue long-term sustainable funding options for the park system
- Provide accountable, responsive, innovative and transformational leadership to departmental staff and community partners

CHALLENGES

- Continued decline in general fund operating support
- Balancing social vs entrepreneurial approaches to public recreation and services
- An ever-changing work force due to changes in minimum wage, succession planning and professional recruitment
- Continuing to learn about and engage in Kent's diverse culture in order to remove barriers to inclusive involvement in programs and services

FACILITIES DIVISION

FUN FACTS

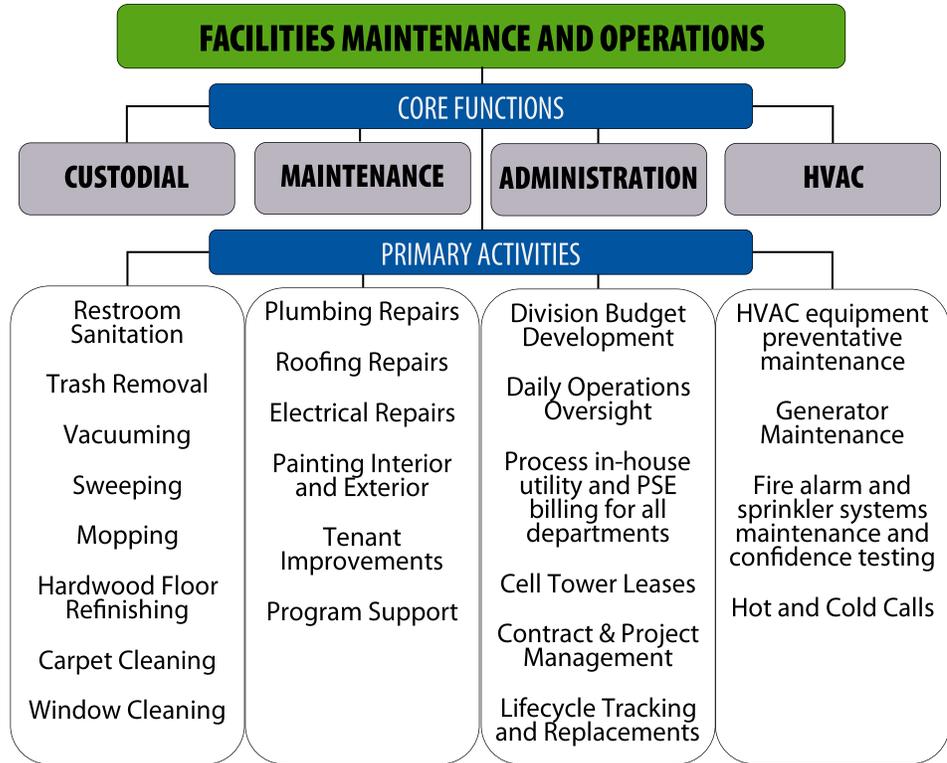
- The Centennial Center is 71,000 square feet and has 84 water source heat pumps
- The facilities division was once a part of finance and moved to the parks department in 1998
- The custodial division cleans and sanitizes 69 restrooms nightly
- The City has 25 buildings and six maintenance workers to provide maintenance, repair and program support to those buildings
- The City has approximately 1,000 pieces of HVAC equipment and two HVAC technicians to maintain them all

HIGHLIGHTS

- Installed security glazing centennial garage
- Replaced the heat exchanger for the Kent Meridian pool
- Remodeled spaces for IT, HR, Human Services, Police evidence and Parks Admin
- Installed new water heaters, new garage door and a new walk-in cooler at the corrections facility
- Re-finished racquet ball court walls at the commons
- Installed new carpet and tile floors for the bathrooms at the Senior Center

DIVISION DESCRIPTION

Facilities Maintenance and Operations is responsible for asset preservation through the upkeep and repairs of City owned buildings, parking structures, and parking lots associated with City facilities. The division is also responsible for capital lifecycle replacements such as roofs, HVAC systems, fire protection and security systems. The division also provides support services to all City departments.



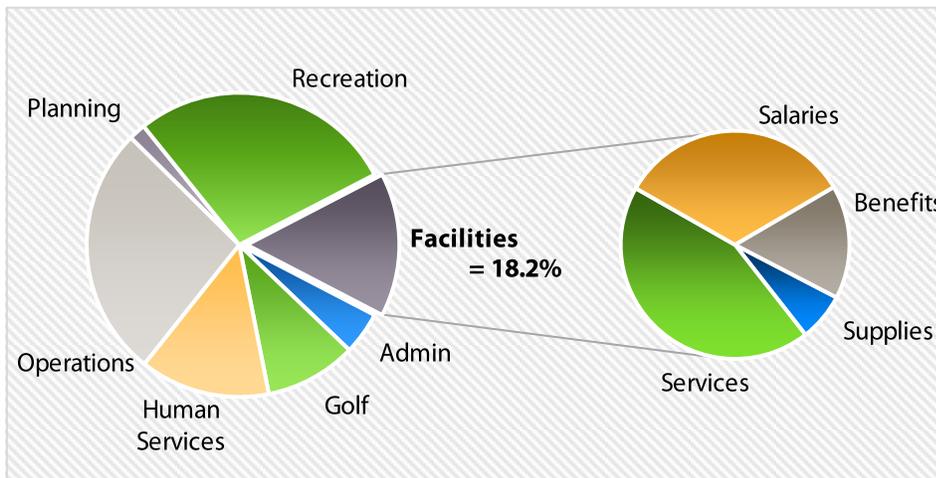
DIVISION STAFFING

	2017 Actual	2018 Actual	2019 Adopted	2020 Adopted
Accounting Svcs Assistant	1.0	1.0	1.0	1.0
Custodian	10.0	10.0	10.0	10.0
Ergonomics & Fac Svcs Spec	1.0			
Facilities Superintendent	1.0	1.0	1.0	1.0
Field/Facilities Supervisors	2.0	3.0	3.0	3.0
HVAC Technician	2.0	1.0	1.0	1.0
Maintenance Worker	6.0	5.0	5.0	4.0
Operations Analyst		1.0	1.0	1.0
Planning & Dev Coordinator	1.0	1.0	1.0	1.0
Total Division FTE's	24.0	23.0	23.0	22.0

FACILITIES DIVISION

SUMMARY OF OPERATING EXPENDITURES

	2017 Actual	2018 Prelim	2019 Adopted	2020 Adopted
Salaries	\$ 1,362,366	\$ 1,509,661	\$ 1,611,540	\$ 1,596,500
Benefits	565,189	597,829	732,460	731,080
Supplies	268,171	382,766	292,110	292,440
Services	1,840,224	1,851,675	2,652,340	2,697,330
Total Expenditures	\$ 4,035,950	\$ 4,341,931	\$ 5,288,450	\$ 5,317,350



WORKLOAD INDICATORS

	2015	2016	2017	2018
Square Footage Maintained	465,394	465,394	326,000	326,000
# of Work Orders Opened	1,707	1,674	1,168	1,730
Percent of Work Orders Closed	97.5%	98.6%	99.3%	94.3%
# of Tenant Improvements	2	3	8	7
# of Capital Projects and Lifecycle Replacements	5	8	20	13

GOALS

- Update the 20-year Facilities Master Plan
- Provide clean and well maintained City facilities
- Preserve major City assets
- Replace lifecycle components in a timely fashion
- Refine our current work order system to deliver better customer feedback
- Utilize the current square footage on the City Hall campus more efficiently to accommodate all department needs accomplished through effective space planning

CHALLENGES

- Aging infrastructure will require more attention than in more recent years
- A significant number of current staff members are nearing retirement; this will create a significant loss of institutional knowledge and experience
- With City growth and an aging infrastructure, current staffing levels may not be sufficient
- Parking on the City campus is not adequate and will become more problematic as the City grows

RIVERBEND GOLF COMPLEX DIVISION

FUN FACTS

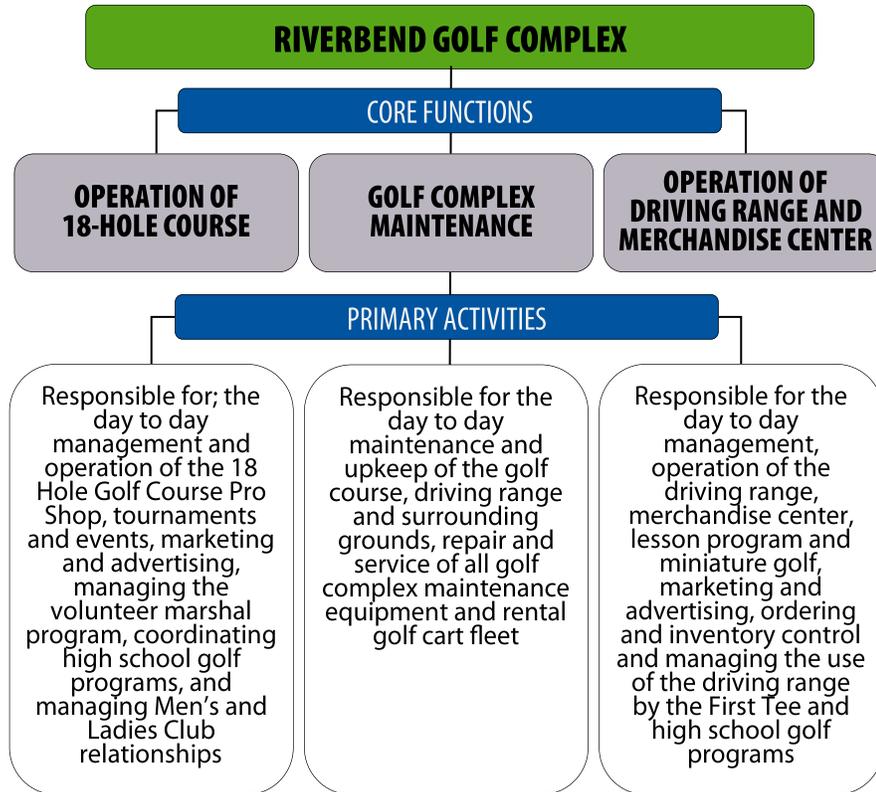
- Over 60,000 rounds of golf played annually
- Over five million balls hit annually at the Driving Range
- The average golfer walks over six miles while playing 18 holes
- Over 8,000 volunteer starter and marshal hours annually
- Over 450 Junior Golf participants annually

HIGHLIGHTS

- Sale of the Par 3 property
- “Growing the Game Campaign” designed to increase participation
- Purchase of new maintenance equipment
- Installation of a new ball machine at the Driving Range
- Installation of a new Point of Sale system
- Hosted the Washington Junior Golf Association State Championship
- Hosted two High School Golf District Championships
- Collected over 500 pounds of food for the Kent Food Bank
- Increase of six percent in golf rounds in 2018 compared to 2017
- 2013 - 2018 Riverbend was the most played golf course in the State of Washington

DIVISION DESCRIPTION

The Riverbend Golf Complex features an 18-hole golf course, driving range, lesson center, miniature golf course and a full-line golf retail pro shop. Maintenance of the complex is performed by complex staff and includes the maintenance and upkeep of the 18-hole golf course, driving range facility, surrounding grounds, and service and repair of maintenance equipment and a fleet of 74 golf carts.



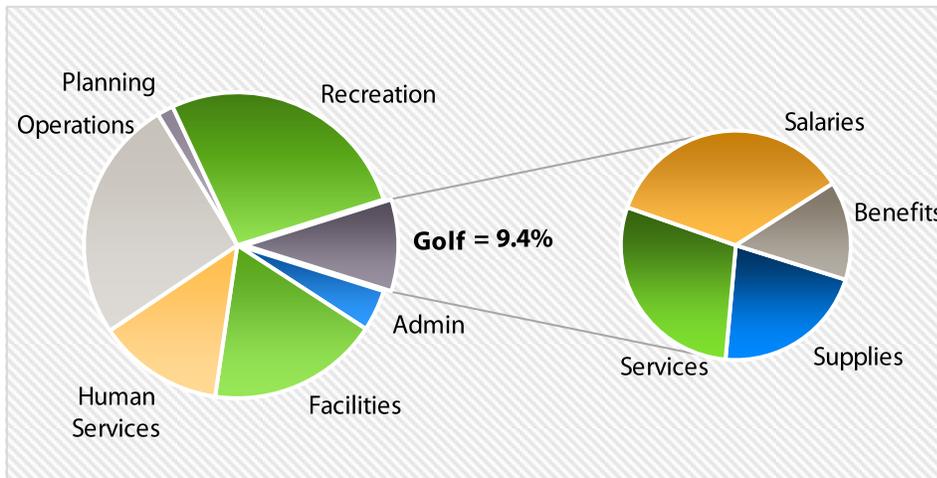
DIVISION STAFFING

	2017 Actual	2018 Actual	2019 Adopted	2020 Adopted
Accounting Svcs Assistant	0.75	0.75		
Assistant Golf Professional	0.85	0.85	1.0	1.0
Field Supervisor	1.0	1.0	1.0	1.0
Golf Accounting Supervisor	1.0	1.0	1.0	1.0
Golf Course Manager		1.0	1.0	1.0
Golf Professional	1.0	1.0		
Head Golf Professional	1.0	1.0	2.0	2.0
Maintenance Worker	2.0	2.0	1.0	1.0
Riverbend Mechanic	1.0	1.0	1.0	1.0
Superintendent	1.0			
Total Division FTE's	9.6	9.6	8.0	8.0

RIVERBEND GOLF COMPLEX DIVISION

SUMMARY OF OPERATING EXPENDITURES

	2017 Actual	2018 Prelim	2019 Adopted	2020 Adopted
Salaries	\$ 1,072,818	\$ 948,934	\$ 1,024,230	\$ 1,047,120
Benefits	396,247	368,123	411,160	429,980
Supplies	477,249	436,021	569,180	563,070
Services	846,629	676,688	695,090	712,810
Other	38,364	682,778	15,000	15,000
Total Expenditures	\$2,831,308	\$3,112,545	\$2,714,660	\$2,767,980



WORKLOAD INDICATORS

	2015	2016	2017	2018
18-Hole Golf Course - Rounds	66,215	64,506	59,546	63,200
Driving Range - Range Ball Sales	\$ 445,555	\$ 415,761	\$ 414,048	\$ 427,825
Merchandise Center - Retail Sales	\$ 384,984	\$ 371,119	\$ 389,659	\$ 375,457

GOALS

- Operate under the Golf Complex Business Plan
- Reinvest in the golf complex utilizing the six-year Capital Improvement Plan
- 2019 - Promote the 30th anniversary of the 18 hole golf course
- Increase participation through the "Growing the Game Campaign"
- Increase customer satisfaction with the expansion of the 18-hole pro-shop and new restaurant operation
- Improve the playability of the golf course by refining maintenance operations
- Renovation and expansion of the driving range in 2019
- Increase support of the Golf Complex by City Council
- Renovate parking lot and clubhouse landscaping to improve aesthetics

CHALLENGES

- Increasing competition among area golf courses
- High number of part-time staff and starting wages
- Weather impacts on sales
- Creating time to increase social media marketing
- Impacts from the increase in minimum wage

HOUSING AND HUMAN SERVICES DIVISION

FUN FACTS

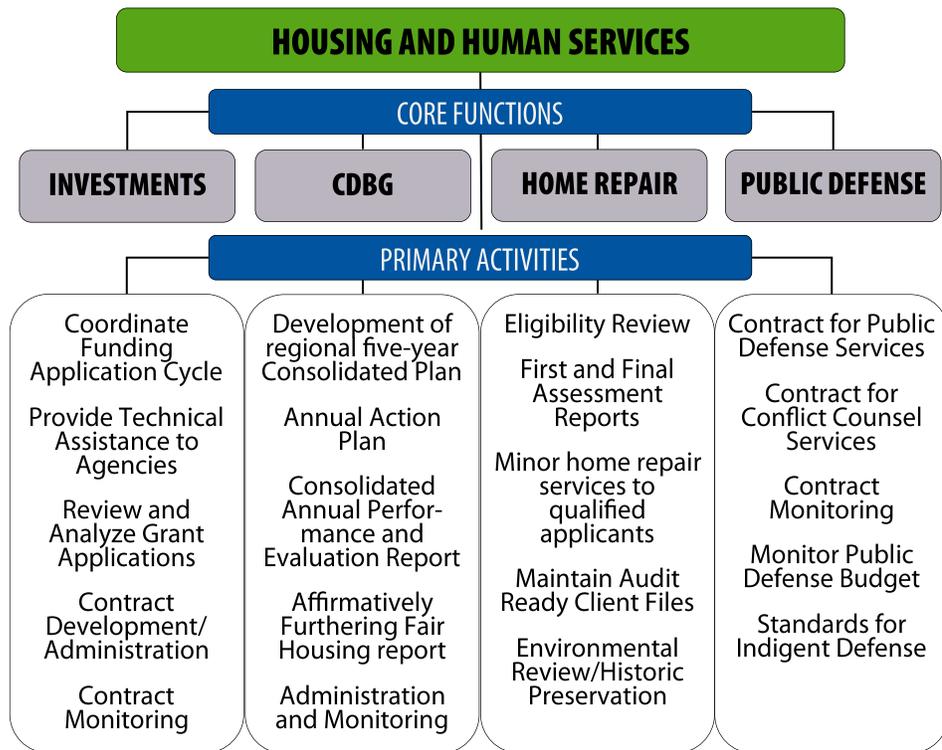
- The City of Kent first provided human services funding in 1974; \$2,100 to the Kent Food Bank
- The Human Services Commission was created in 1986
- 130 languages are spoken by students in the Kent School District
- 28 percent of Kent residents are foreign born
- The City has received the Community Development Block (CDBG) Entitlement grant starting in 2003

HIGHLIGHTS

- Facilitated application cycle for 2019-2020 human services funding
- Facilitated a parallel application process for smaller, grassroots organizations who work with underserved and vulnerable Kent residents
- Improved engagement with residents and partner organizations
- Improved partnerships with other divisions within the City
- Completion of a community-led Youth Initiative Strategic Plan

DIVISION DESCRIPTION

The Housing and Human Services division works to improve and enhance the delivery of services to all Kent residents through coordination, program development, advocacy and resource mobilization. Through implementation of the Human Services Master Plan the division priorities include: meeting community basics, increasing self-reliance, strengthening children and families, building safer communities, improving health and well-being and improving and integrating systems. The division also provides support to the Human Services Commission.



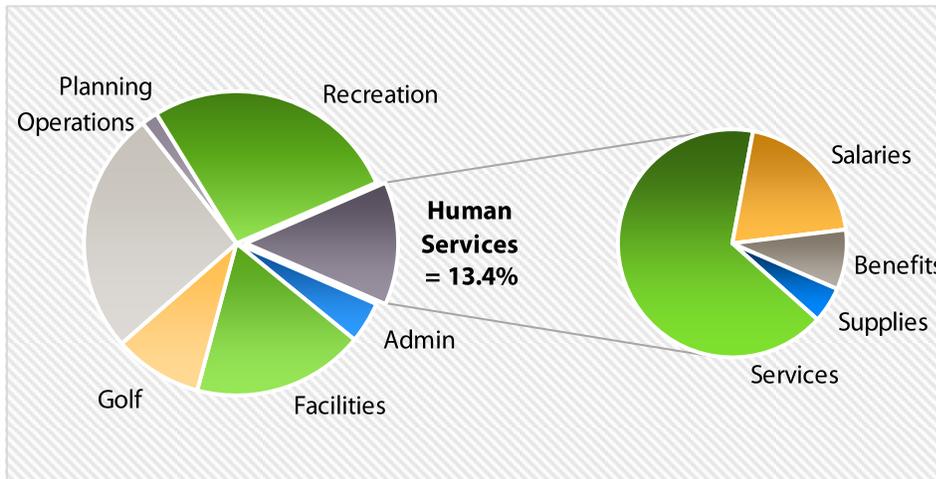
DIVISION STAFFING

	2017 Actual	2018 Actual	2019 Adopted	2020 Adopted
Accounting Svcs Assistant	1.0	1.0	1.0	1.0
Field Supervisor	1.0	1.0	1.0	1.0
Human Services Coordinator	2.0	2.0	2.0	2.0
Human Services Manager	1.0	1.0	1.0	1.0
Human Services Specialist	1.0	1.0	1.0	1.0
Maintenance Worker	2.0	2.0	2.0	2.0
Parks Program Coordinator	1.0	1.0		
Sr. Human Services Coord	1.0	1.0	1.0	1.0
Total Division FTE's	10.0	10.0	9.0	9.0

HOUSING AND HUMAN SERVICES DIVISION

SUMMARY OF OPERATING EXPENDITURES

	2017 Actual	2018 Prelim	2019 Adopted	2020 Adopted
Salaries	\$ 702,052	\$ 722,532	\$ 766,460	\$ 790,560
Benefits	278,941	300,501	354,970	366,780
Supplies	102,389	83,241	8,150	8,330
Services	2,424,860	2,492,341	2,748,150	2,732,480
Other	-	38,732	-	-
Total Expenditures	\$ 3,508,242	\$ 3,637,346	\$ 3,877,730	\$ 3,898,150



WORKLOAD INDICATORS

	2015	2016	2017	2018
# of General Fund Human Services Programs Funded	28	28	43	43
# of Kent Residents Served by Funded Programs	38,814	43,127	66,417	66,985
# of Public Defense Assignments	2,942	2,895	3,239	3,200
# of Home Repairs Completed	116	116	120	120

GOALS

- Engage in community outreach to inform the update of a new Human Services Master Plan and CDBG Consolidated Plan
- Increase Human Services Commission engagement with community-based organizations serving Kent residents
- Continue to build authentic partnerships to strengthen our community safety net
- Implement the Youth Strategic Action Plan
- Continue outreach efforts with underserved populations
- Participate in sub-regional and regional efforts to reduce homelessness and poverty

CHALLENGES

- Stability of CDBG and other federal human services funding
- Rising rents continue to displace families
- Refugee families are struggling to maintain housing and find livable-wage jobs
- Continuing to meet the needs of a dynamic and diverse community

PARK MAINTENANCE & OPERATIONS DIVISION

FUN FACTS

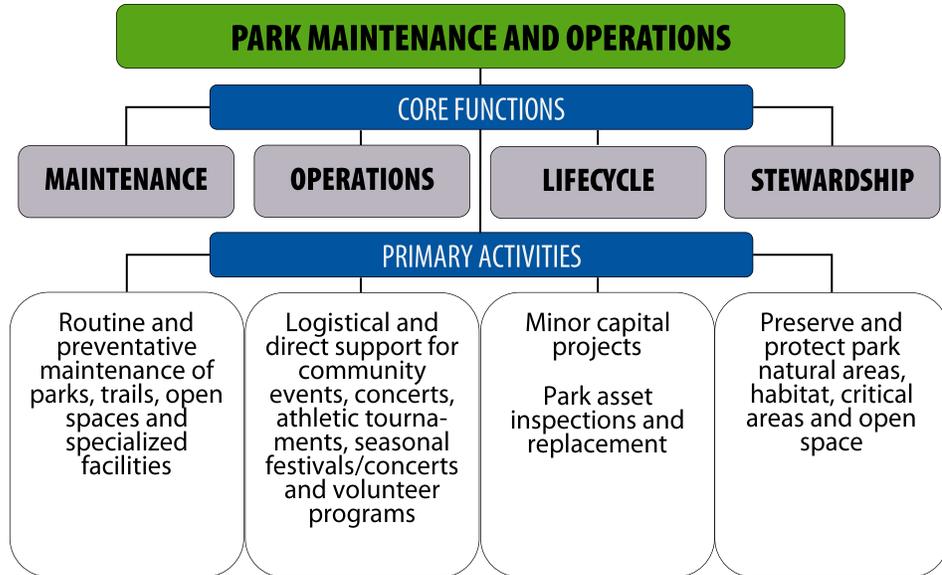
- Annually haul approximately 57,600 30-gallon bags of garbage left by park patrons
- 5,190—the number of irrigation heads in the City’s park system
- The City of Kent has 55 parks
- The park system has three major trail systems: the Green River Trail, Kent Valley Loop Trail and the Interurban Trail
- Kent Parks help to cleanse air and water, replenish aquifers, reduce storm water runoff and protect wildlife habitat
- Kent Parks provide social gathering places for families and social groups, as well as for individuals of all ages and economic status, regardless of their ability to pay for access

HIGHLIGHTS

- Energy efficiency – Continue LED conversions to area, parking and building lights at Service Club, Wilson and Hogan Park @ Russell Road
- Lifecycle and major maintenance —Major repairs completed to Clark Lake pier, sidewalk/walkway replacements at Lake Meridian Park

DIVISION DESCRIPTION

The Park Operations division maintains, supports and stewards high quality parks, natural areas, trails, City facility landscaping and athletic complexes to support a vibrant, livable community for residents and visitors.



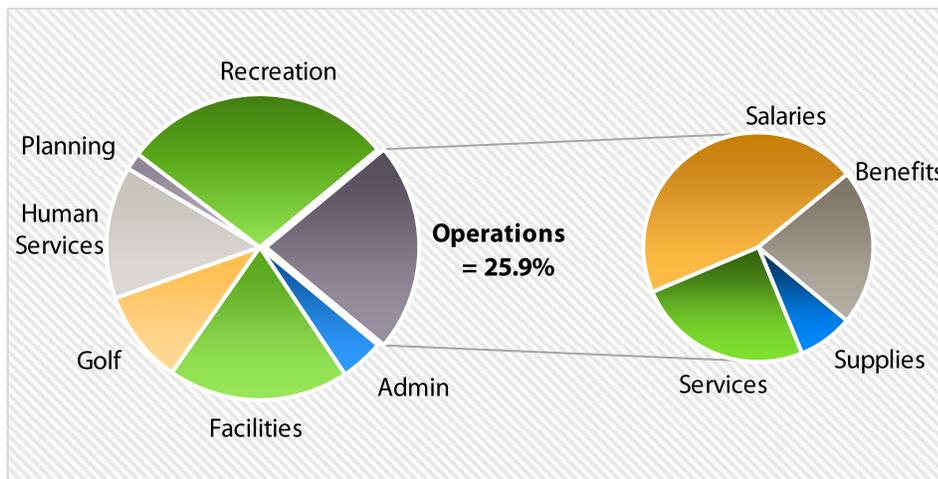
DIVISION STAFFING

	2017 Actual	2018 Actual	2019 Adopted	2020 Adopted
Accounting Technician	1.0			
Field Supervisor	2.0	3.0	3.0	3.0
Maintenance Worker	33.0	31.0	31.5	32.5
Operations Analyst		1.0	1.0	1.0
Superintendent	1.0	1.0	1.0	1.0
Total Division FTE's	37.0	36.0	36.5	37.5

PARK MAINTENANCE & OPERATIONS DIVISION

SUMMARY OF OPERATING EXPENDITURES

	2017 Actual	2018 Prelim	2019 Adopted	2020 Adopted
Salaries	\$ 2,946,124	\$ 3,128,453	\$ 2,974,950	\$ 3,179,410
Benefits	1,247,269	1,375,454	1,517,840	1,623,750
Supplies	416,185	471,590	429,470	421,940
Services	1,638,584	1,643,904	2,427,700	2,504,530
Other	-	55,221	-	-
Total Expenditures	\$ 6,248,162	\$ 6,674,622	\$ 7,349,960	\$ 7,729,630



WORKLOAD INDICATORS

	2015	2016	2017	2018
Park and Open Space Acres Maintained	868	868	864	865
City Facility Acres Maintained	46	46	46	46
Street Trees Maintained	4,510	4,500	110	78
# of Times the Restrooms are Maintained	N/A	6,193	6,193	5,956
# of Field Preps for Fastpitch/Baseball/Softball	N/A	5,298	5,298	5,200

GOALS

- Re-vision and draft a Natural Area Management Plan
- Formalize the Seasonal staff program – training and recruitment
- Continue to provide inter-departmental support for on-going program, maintenance activities and capital projects
- Align maintenance standards with recreational value in the Park, Recreation and Open Space Plan
- Continue to deliver a safe, well-maintained park system for the community to enjoy

CHALLENGES

- Establishing sustainable resources to support current Level of Service expectations
- Continued impacts of the 2014 Affordable Healthcare Act
- Quantifying increase in park use and effect on service levels
- Aging park system with failing assets

PARK PLANNING & DEVELOPMENT DIVISION

FUN FACTS

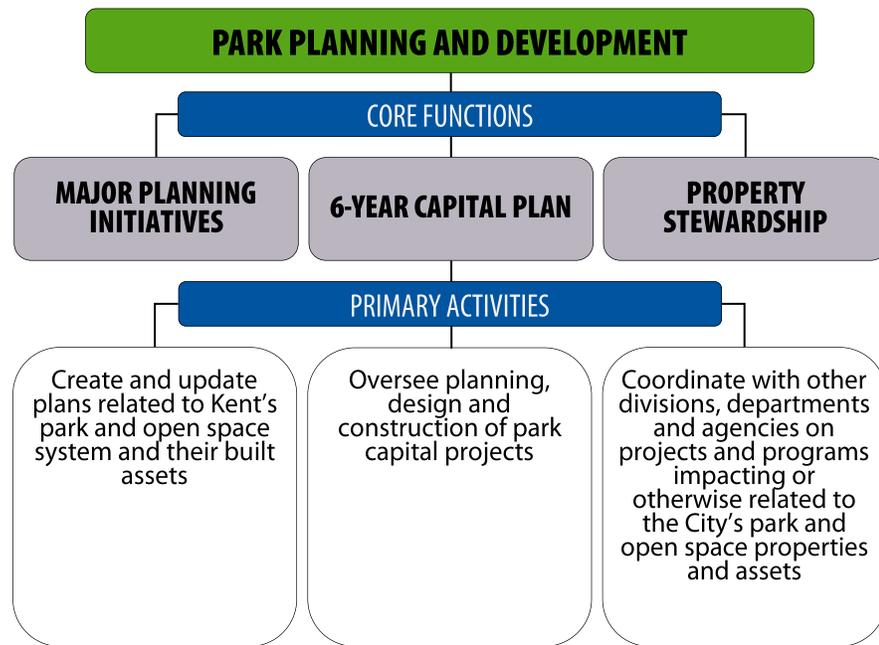
- Authentic stadium seats from Safeco Field provide seating at the new Wiffco Field at Kent Memorial Park
- The Green River Trail in Kent runs 10.5 miles, and the Interurban Trail in Kent runs six miles
- 2017 marked the 20th year of operations for the Kent Community Garden
- We added ping pong and wiffleball to the list of fun things to do in our parks
- In 2017, there were 1,705 volunteer hours dedicated to Clark Lake Park

HIGHLIGHTS

- Completed Lake Meridian Dock Replacement
- Completed Hogan Park Field 1 Turf Conversion
- Completed Kent Memorial Park Playground Renovation
- Began YMCA/Morrill Meadows-East Hill Park Renovation
- Completed Lake Fenwick Floating Walkway Replacement
- Completed installation of historical interpretive signs at Neely-Soames Homestead
- Completed design of interactive Lunar Rover replica

DIVISION DESCRIPTION

Parks Planning and Development is responsible for the need analysis, acquisition and surplus of property, recommendation of prioritization, and the planning and development of assets and improvements in the City’s park and open space system. Beginning in 2020, all Planning & Development Division costs will be allocated to Capital Projects.



DIVISION STAFFING

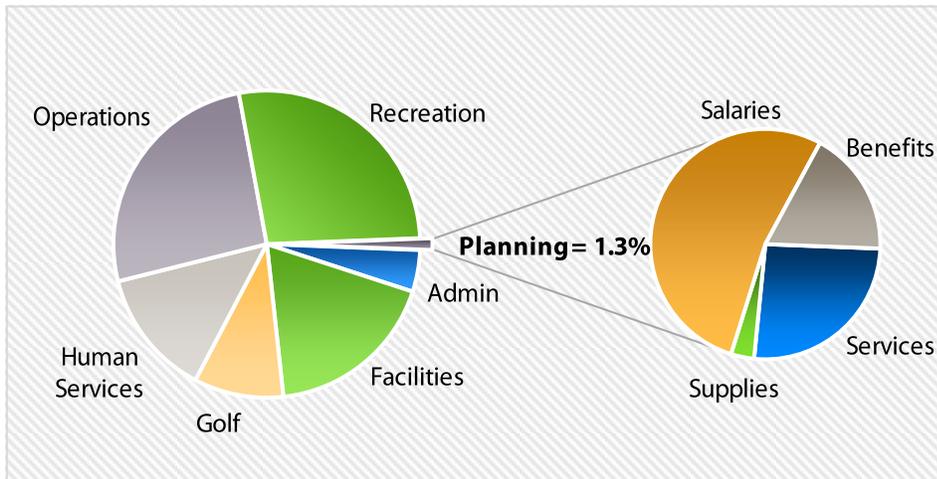
	2017 Actual	2018 Actual	2019 Adopted	2020 Adopted
Planning & Dev Coordinator	2.0	2.0	2.0	2.0
Planning & Dev Manager	1.0	1.0	1.0	1.0
Senior Planner	1.0	1.0	1.0	1.0
Planning & Dev Specialist	1.0	1.0	1.0	1.0
Total Division FTE's	5.0	5.0	5.0	5.0

1.0 FTE Planning & Dev Coordinator was unfunded 2017-2020

PARK PLANNING & DEVELOPMENT DIVISION

SUMMARY OF OPERATING EXPENDITURES

	2017 Actual	2018 Prelim	2019 Adopted	2020 Adopted
Salaries	\$ 191,870	\$ 229,206	\$ 216,300	\$ 378,180
Benefits	59,965	61,500	75,530	166,950
Supplies	3,457	3,223	11,970	12,210
Services	82,241	80,402	81,350	64,780
Total Expenditures	\$ 337,533	\$ 374,331	\$ 385,150	\$ 622,120



WORKLOAD INDICATORS

	2015	2016	2017	2018
Major Planning Effort	1	2	1	1
In-house Design/Construction	2	1	1	1
Manage Contracted Design/Construction Project(s)	-	-	1	4
Major Coordination Effort	1	1	1	1
# of Green Kent Events	63	62	68	54

GOALS

- Complete design of West Fenwick Park Renovation
- Complete design of Mill Creek Canyon Earthworks Park Master Plan
- Complete construction of YMCA/Morrill Meadows-East Hill Park Renovation
- Complete construction of a new separated trail in conjunction with Public Work's Downey Farmstead Habitat Project

CHALLENGES

- Sustainable source of funding to add new park facilities in areas of the City that do not meet Level of Service
- Finding highly-skilled park planning professionals to fill staff vacancies
- The multiple assets on the verge of removal complicate prioritization process for replacement

RECREATION & CULTURAL SERVICES DIVISION

FUN FACTS

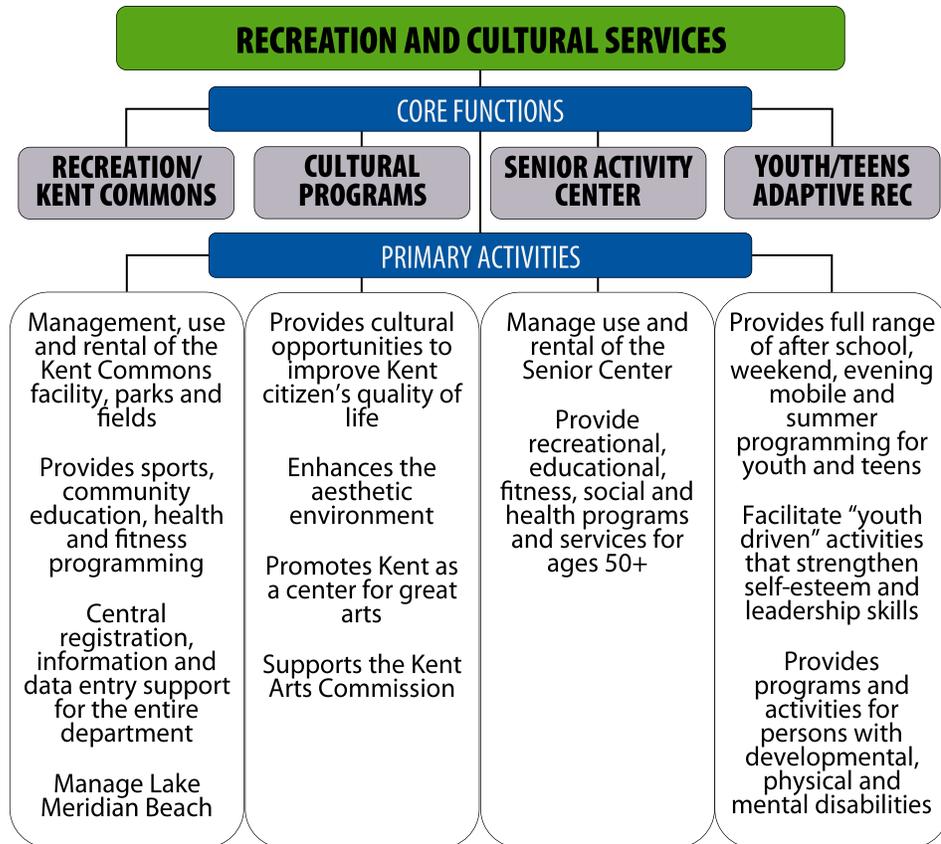
- Kent Commons hosts over 245,000 visitors annually
- The first Kent Senior Center opened in 1960 at the Kent Memorial Park Building
- The Spotlight Series has hosted 210 performances with over 1,700 individual artists since 1998
- In partnership with Kent School District, over 7,100 kids enjoy a free lunch at Kent Parks Playgrounds every summer
- Sports Illustrated named Kent “Sportstown Washington” in 2003 (one of 50 towns in US); we still hold that distinction today

HIGHLIGHTS

- Served 1.4 million people
- Provided 1,458 scholarships through Access to Recreation
- The Kent Arts Commission installed vinyl art wraps on five utility boxes. Eight more will be completed in 2019
- Provided thousands of hours of programming, performances, sports and special events for youth, teens and families
- Recruited, trained and coordinated over 600 volunteer youth sports coach/mentors giving 20,000+ service hours

DIVISION DESCRIPTION

The Recreation and Cultural Service Division provides recreation and cultural programming, community services and lifelong learning opportunities for youth, adults, seniors, families and people with disabilities. Staff manage use and access to all facilities, parks and fields. This integrated system of programs serves to help Kent be a healthy, active and inclusive community.



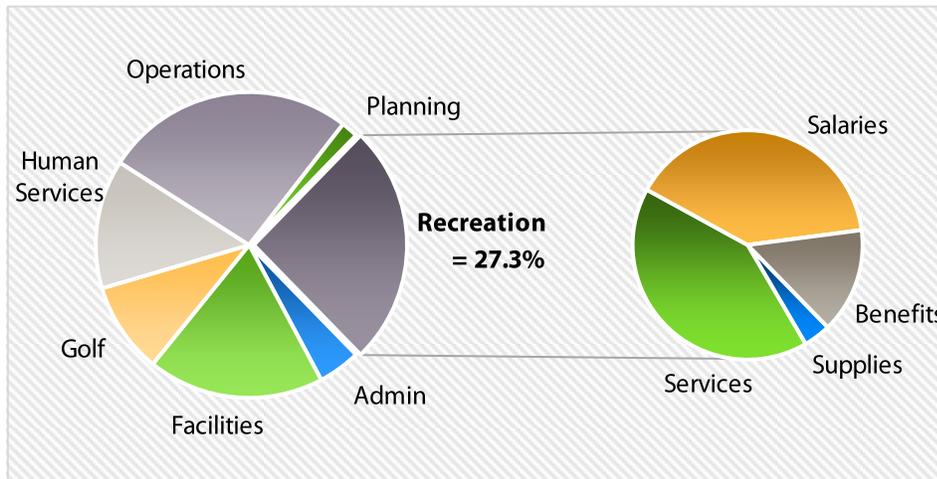
DIVISION STAFFING

	2017 Actual	2018 Actual	2019 Adopted	2020 Adopted
Program Coordinator	13.0	13.0	13.0	13.0
Program Managers	4.0	4.0	4.0	4.0
Program/Admin Assistant	7.6	7.6	7.6	7.6
Recreation Facility Lead	1.0	1.0	1.0	1.0
Superintendent	1.0	1.0	1.0	1.0
System Support Spec	1.0	1.0	1.0	1.0
Van Driver	0.5	0.5	0.5	0.5
Total Division FTE's	28.2	28.2	28.2	28.2

RECREATION & CULTURAL SERVICES DIVISION

SUMMARY OF OPERATING EXPENDITURES

	2017 Actual	2018 Prelim	2019 Adopted	2020 Adopted
Salaries	\$ 2,815,089	\$ 2,942,138	\$ 3,067,900	\$ 3,216,290
Benefits	997,452	1,112,020	1,257,490	1,308,030
Supplies	215,495	291,092	303,180	308,900
Services	2,749,026	3,004,843	3,233,390	3,164,600
Other	3,635	12,874	-	-
Total Expenditures	\$ 6,780,697	\$ 7,362,966	\$ 7,861,960	\$ 7,997,820



WORKLOAD INDICATORS

	2015	2016	2017	2018
Duplicated Adaptive Recreation Program Visits	10,102	11,078	10,789	10,149
Duplicated Youth Teen Program Visits	64,765	63,981	57,990	59,034
Annual Senior Center Visitors	110,283	111,400	113,005	114,987
Annual Cultural Program Attendance	34,790	34,229	31,763	34,389
Access to Recreation Scholarships Provided	1,417	1,525	1,691	1,599

GOALS

- Implement new registration system
- Develop and implement a Comprehensive Recreation Program Plan
- Implement the marketing and outreach plan for Kent's diverse needs
- Partnership and collaboration in the Youth Initiative

CHALLENGES

- Insuring program sustainability
- Identifying adequate space for sports and programs
- Meeting revenue and attendance goals in a saturated market all competing for leisure time
- Continuing to serve and provide inclusive programming for an ever changing diverse community

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POLICE



POLICE DEPARTMENT

ACCOMPLISHMENTS

- Implemented a car-per-officer program that creates cost savings for fleet operations, better emergency response from officers and increases competitiveness for recruitment and retention
- Enhancement of online reporting and restructuring of the service delivery model to maximize staffing and effectiveness
- Full implementation of mental health and homeless outreach by the Special Operations Unit
- The Special Investigation Unit mission-focus change on gangs and gun violence resulted in the take down of several gang sets and positively lowered violent crime in 2018

GOALS

- Enhance Police legitimacy and increase public trust
- Increase wellness opportunities for employees and an inward focus on employee well-being
- Develop an enhanced crime fighting model to reduce crime, and gun violence in particular

MISSION STATEMENT

To aggressively fight crime while serving with compassion.

Core Values—Service, Professionalism, Integrity

Principles—Accountability, Innovation, Inclusion, Respect

DEPARTMENT SUMMARY

The Kent Police Department’s three core services are:

- General law enforcement, emergency and non-emergency calls
- Investigation of criminal cases
- Booking and housing of misdemeanor arrests



DEPARTMENT STAFFING

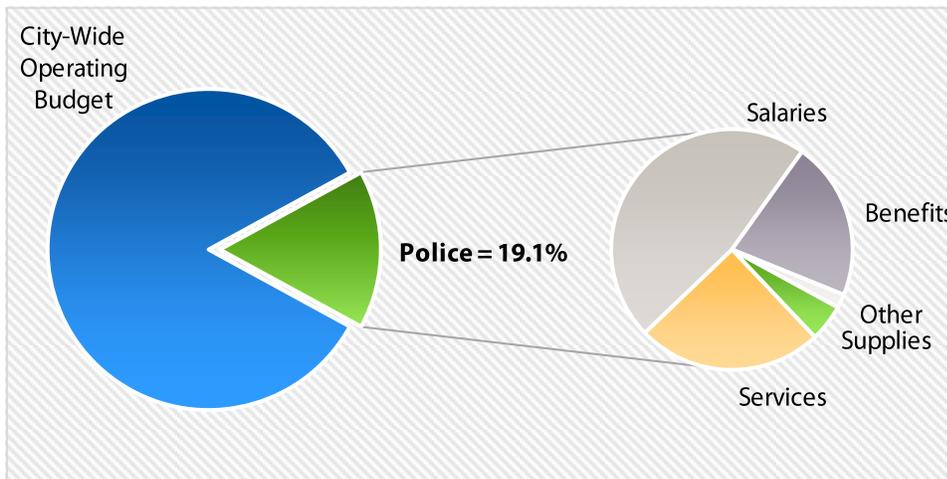
	2017 Actual	2018 Actual	2019 Adopted	2020 Adopted
Patrol	113.0	117.0	120.0	123.0
Investigations	38.0	38.0	38.0	38.0
Support Services	57.75	58.75	61.28	61.28
Total Department FTE's	208.75	213.75	219.28	222.28

POLICE DEPARTMENT

OPERATING EXPENDITURES BY DIVISION

	2017 Actual	2018 Prelim	2019 Adopted	2020 Adopted
Patrol	\$ 19,216,354	\$ 17,794,861	\$ 20,100,270	\$ 20,683,560
Investigations	6,930,950	5,997,081	5,740,428	5,912,653
Support Services	14,735,745	19,260,643	20,804,082	21,639,267
Gross Expenditures	40,883,049	43,052,586	46,644,780	48,235,480
Allocations	-	-	-	-
Net Expenditures	\$40,883,049	\$43,052,586	\$46,644,780	\$48,235,480

2019-20 NET OPERATING EXPENDITURES BY CATEGORY



FUNDING SOURCES

- General Fund: 89.9%
- Criminal Justice Fund: 10.1%

NEW INITIATIVES

- To better align City Code Enforcement work with Police's response to problem properties, CE will become part of the PD NRT program.
- Established a five year department strategic plan
- Addition of a Court Security Officer 2018

SIGNIFICANT CHANGES

- Three additional Officers in 2019
- Three additional Officers in 2020
- Addition of a Parking Enforcement Officer in 2019

PATROL DIVISION

FUN FACTS

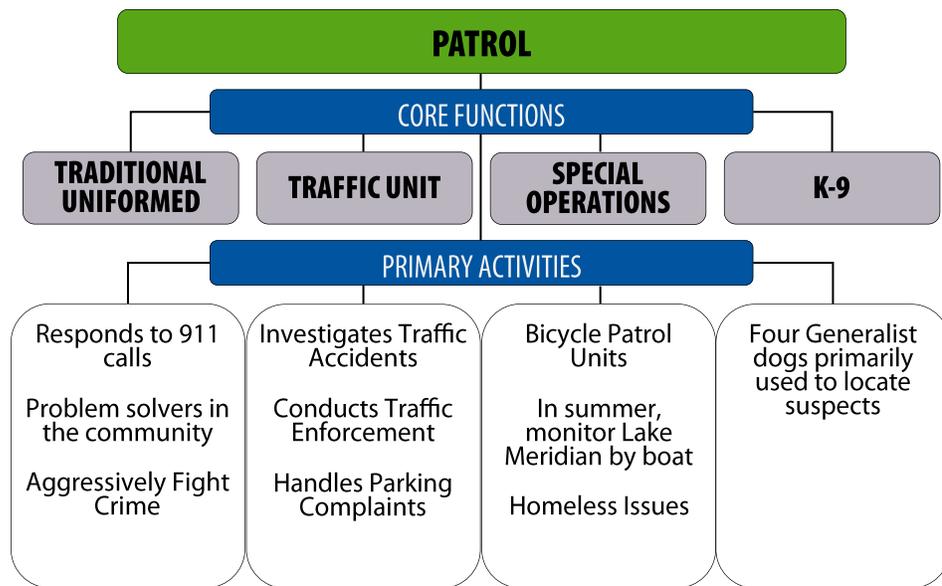
- The Patrol Division is equipped with 62 vehicles, including patrol cars and specialty vehicles
- Dayshift Patrol Officers are each assigned an elementary school in our Cops in Schools program
- Kent Police have revamped its Explorer program for 15-20 year olds

HIGHLIGHTS

- Patrol continues to emphasize Intelligence-Led Policing and Hot-Spot Policing to decrease crime and keep the community safe
- Patrol fleet was improved with eleven new Chevrolet Tahoes and fourteen Ford Interceptor SUVs
- Numerous technology improvements were made to increase the efficiency for Police Officers to include Veripic App, E-Reporting, and issued cellular phones

DIVISION DESCRIPTION

The Patrol Division’s focus is to protect the community and to achieve the department’s mission to “aggressively fight crime with compassion.” Officers assigned to the patrol division accomplish the department’s mission by using the Intelligence-Led Policing model to respond to emergency calls and calls for service, conduct investigations, enforce traffic laws, conduct preventative patrols, and use innovative strategies to solve problems in the community. The division also works to build better relations with the public through trust and respect.



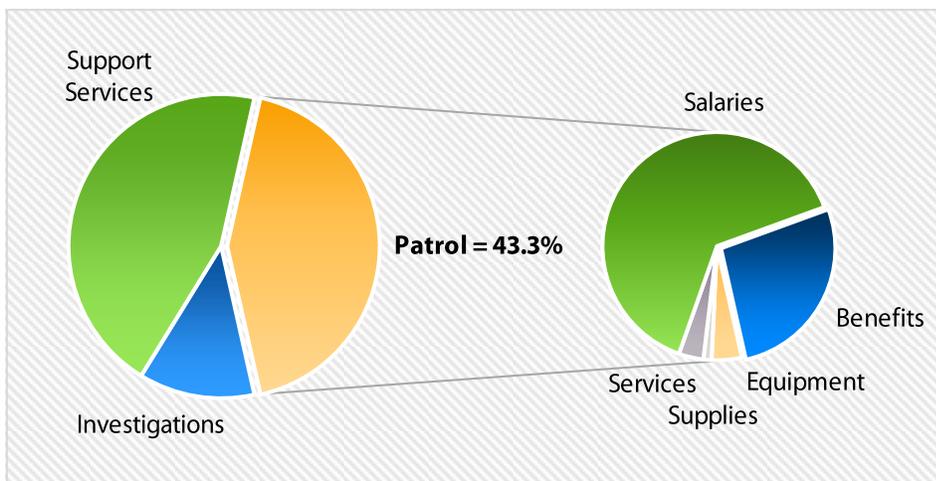
DIVISION STAFFING

	2017 Actual	2018 Actual	2019 Adopted	2020 Adopted
Assistant Chief	1.0	1.0	1.0	1.0
Commander	4.0	4.0	4.0	4.0
Sergeant	13.0	13.0	13.0	13.0
Patrol Officer	93.0	97.0	99.0	102.0
Administrative Assistant	1.0	1.0	1.0	1.0
Parking Enforcement Asst	1.0	1.0	2.0	2.0
Total Division FTE's	113.0	117.0	120.0	123.0

PATROL DIVISION

SUMMARY OF OPERATING EXPENDITURES

	2017 Actual	2018 Prelim	2019 Adopted	2020 Adopted
Salaries	\$ 12,192,379	\$ 12,489,012	\$ 12,763,260	\$ 13,355,570
Benefits	3,589,777	3,933,660	5,362,880	5,674,110
Supplies	1,069,527	293,210	378,000	91,800
Services	1,853,319	617,372	728,130	694,080
Other	511,352	461,607	868,000	868,000
Total Expenditures	\$19,216,354	\$17,794,861	\$20,100,270	\$20,683,560



WORKLOAD INDICATORS

	2015	2016	2017	2018
# of Case Reports Taken	18,458	20,439	19,833	19,055
# of Calls for Service	95,572	96,704	95,009	96,844

GOALS

- Reach sustainable staffing levels by Summer 2019
- Increase public trust through modeling our revised mission and values and improving public contacts
- Improved training for new officers through the implementation of a modernized standard operating procedure for patrol and increased training for the field training officers to better recognize, correct, retrain and document core training areas
- Implementation of the Body-Worn Camera program to all patrol officers by the end of 2019
- Increase response efficiency with the officer-per-car program
- Increase social media presence and community engagement through social media

CHALLENGES

- Continued staffing issues as we work to hire and train new officers
- Record calls for service in 2018 with continuous trend in 2019
- Opiate epidemic
- Homeless population
- Mental health services

INVESTIGATIONS DIVISION

FUN FACTS

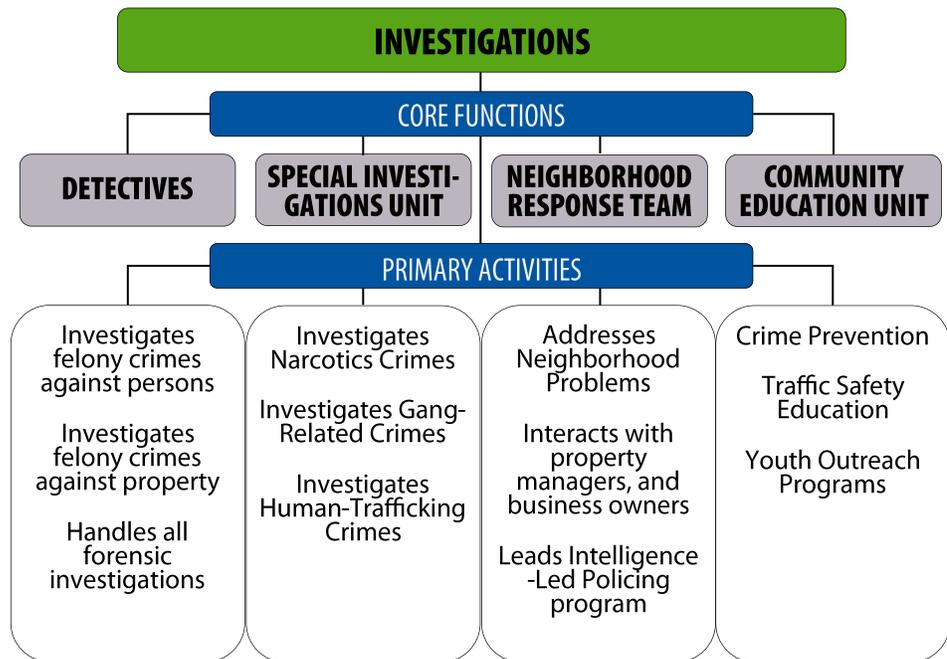
- Investigations has two polygraphist that conduct polygraphs for criminal investigations, new employee backgrounds and regional support to other police departments
- In 2018, Special Investigations Unit took \$1,632,641 worth of drugs off the street, seized eight cars, 5059.5 ounces of illegal drugs, 718 illegal pills and recovered 96 firearms
- In 2018, our National Night Out event placed 7th in the nation for the 100,000 to 300,000 population category
- The detective unit utilizes 3D computer technology and drone mapping to quickly and accurately process crime scenes

GOALS

- Focus on reducing gun/gang violence within our City through internal strategies and external partnerships
- Increase our technological capabilities to enhance investigations and evidence collection
- Continue to provide training to enhance investigative effectiveness and development of employees
- Internal reorganization to handle growth in violent crime and maximize efficiency through specialization

DIVISION DESCRIPTION

The Investigations Division is responsible for investigating all felony level crimes, including major crimes such as murders, sex assaults, child abuse, robberies, burglaries and theft. The division drives the department's Intelligence-Led Policing (ILP) model through crime data analysis, problem-oriented policing, community education, crime prevention, intelligence gathering and landlord/tenant relations. The division also handles all vice-related crimes, including narcotics, human trafficking, and gangs.



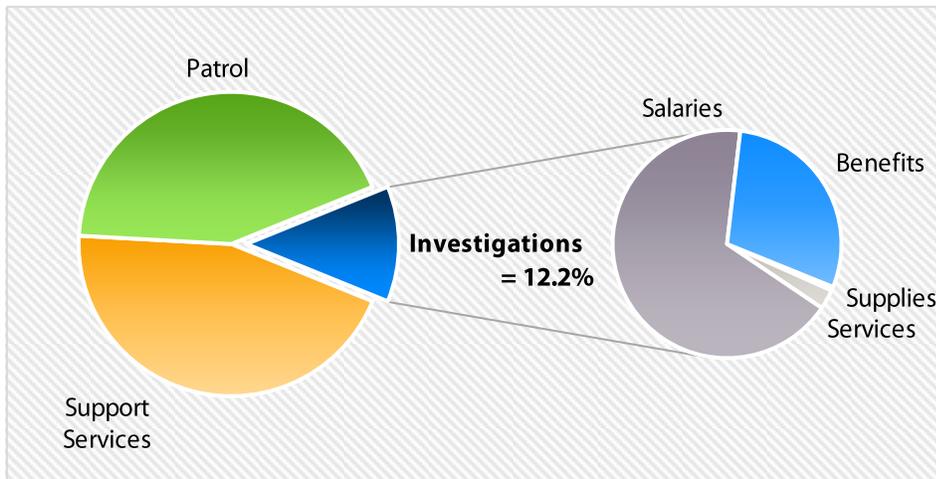
DIVISION STAFFING

	2017 Actual	2018 Actual	2019 Adopted	2020 Adopted
Assistant Chief	1.0	1.0	1.0	1.0
Commander	2.0	2.0	2.0	2.0
Sergeant	4.0	4.0	4.0	4.0
Detectives	28.0	28.0	28.0	28.0
Community Ed Coordinator	2.0	2.0	2.0	2.0
Task Force Office Manager	1.0	1.0	1.0	1.0
Total Division FTE's	38.0	38.0	38.0	38.0

INVESTIGATIONS DIVISION

SUMMARY OF OPERATING EXPENDITURES

	2017 Actual	2018 Prelim	2019 Adopted	2020 Adopted
Salaries	\$ 4,523,588	\$ 4,276,205	\$ 3,868,062	\$ 3,984,572
Benefits	1,384,944	1,428,476	1,680,116	1,732,021
Supplies	168,105	42,756	31,800	32,420
Services	759,895	238,082	160,450	163,640
Other	94,418	11,561	-	-
Total Expenditures	\$ 6,930,950	\$ 5,997,081	\$ 5,740,428	\$ 5,912,653



WORKLOAD INDICATORS

	2015	2016	2017	2018
# of Referred Cases	1,299	1,266	1,966	1,791
# of Person Cases	791	762	697	664
# of Property Cases	508	504	474	398
# of NRT Cases	n/a	n/a	279	295
# of SIU Cases	n/a	n/a	516	468
# of After hours/off duty call outs	41	39	79	52

HIGHLIGHTS

- In 2018 the Investigations Division received a new Assistant Chief, both Commanders and 3 of 4 Sergeants due to promotions and re-assignments
- As a member of the Valley Investigative Team (VIT), which independently investigates officer-involved shootings, we assisted in nine investigations in 2017 and two in 2018
- NRT worked and collaborated with the Legal Department and ECD to streamline the civil process and supported with criminal enforcement to more quickly solve code enforcement issues.
- Partnerships with Federal Law Enforcement Task Forces including FBI, DEA and ATF to combat narcotics, gang/gun violence and human trafficking in our City

CHALLENGES

- Increased complexity of investigations due to ever-changing case law, restrictive King County charging guidelines and lack of judicial accountability for serious juvenile crimes
- The need for additional detectives to increase our efficiency and effectiveness, and a need for an intelligence analyst to provide the department real-time actionable intelligence
- Available work space for increased staffing

SUPPORT SERVICES DIVISION

FUN FACTS

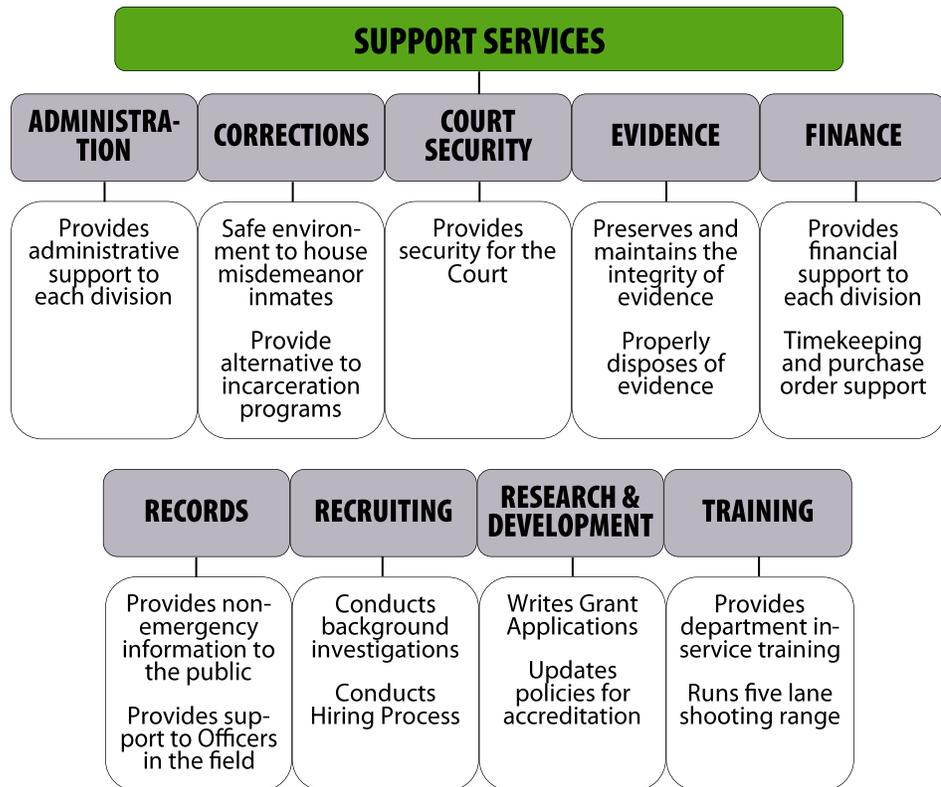
- In 2017, the department received grant awards totaling \$511,081
- In 2017, our training unit facilitated 15 in-service training days to department personnel, covering State-required classes such as first aid and working with the mentally ill
- In 2017, our Corrections facility booked in custody 4,909 offenders last year for misdemeanor offenses
- Our background Investigator conducted 256 background checks in 2017

HIGHLIGHTS

- In 2017, our Correctional Facility obtained its WASPC Accreditation, making it one of only three in the State to become accredited
- Implemented Armorer Link program to assist with Range qualification tracking as well as Department training
- Restructured our hiring process to increase the number of candidates

DIVISION DESCRIPTION

The Support Services Division is comprised of the Records Unit, Evidence Unit, Training Unit, Recruiting, Corrections Staff, Research and Development, Finance/Procurement and Administrative Staff. The division is responsible for operating the 100-bed City of Kent Correctional Facility, intake and storage of evidence, records management and retention, real-time support of Officers in the field, administrative support, recruiting and hiring, training, facility upkeep and in-person/phone customer service.



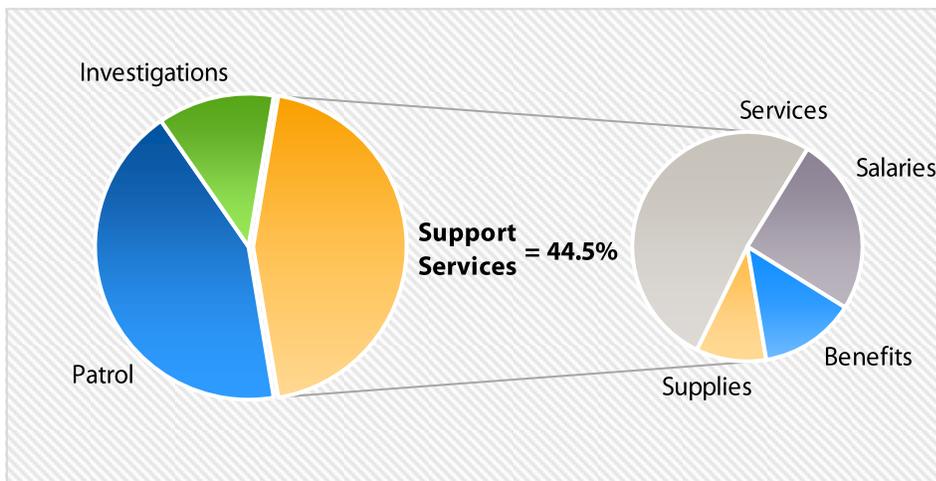
DIVISION STAFFING

	2017 Actual	2018 Actual	2019 Adopted	2020 Adopted
Administration	7.25	7.25	8.25	8.25
Corrections	26.5	26.5	27.5	27.5
Court Security		1.0	1.53	1.53
Evidence	4.0	4.0	4.0	4.0
Finance	2.0	2.0	2.0	2.0
Records	12.0	12.0	12.0	12.0
Recruiting	3.0	3.0	3.0	3.0
Research & Development	1.0	1.0	1.0	1.0
Training	2.0	2.0	2.0	2.0
Total Division FTE's	57.75	58.75	61.28	61.28

SUPPORT SERVICES DIVISION

SUMMARY OF OPERATING EXPENDITURES

	2017 Actual	2018 Prelim	2019 Adopted	2020 Adopted
Salaries	\$ 4,241,239	\$ 5,471,760	\$ 5,248,948	\$ 5,410,448
Benefits	2,037,151	2,330,388	2,815,664	2,909,879
Supplies	684,670	1,720,914	2,052,770	2,135,620
Services	7,772,685	9,662,434	10,686,700	11,183,320
Other	-	75,147	-	-
Total Expenditures	\$14,735,745	\$19,260,643	\$20,804,082	\$21,639,267



WORKLOAD INDICATORS

	2015	2016	2017	2018
# of Evidence Items Processed	9,841	10,746	10,385	10,424
# of Evidence Items Disposed	10,590	10,687	18,320	11,567
# of Reports Reviewed	28,848	31,831	32,044	29,656
Jail Work Crew Hours	31,185	29,491	25,523	23,171
Average Jail Population	n/a	133.6	150.0	133.7

GOALS

- Maintain Police Department WASPC (Washington Association of Sheriff's & Police Chiefs) Accreditation as we go for re-accreditation this year
- Increase evidence disposal rate to maintain available storage capacity
- Provide briefing trainings twice a month to better reach officers more frequently and efficiently
- Fully staff authorized positions

CHALLENGES

- Finding qualified candidates for Police Officer and Records Specialist positions
- Recruiting diverse candidates and retaining current employees
- Updating our 32-year-old Correctional Facility

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PUBLIC WORKS



PUBLIC WORKS DEPARTMENT

ACCOMPLISHMENTS

- Completed Mill Creek/James Street Pump Station
- Completed the Leber Floodplain wetland project and started work on the Downey Farmstead wetland project
- \$3 million grant from State funding for a roundabout at Willis & 4th Avenue
- \$14 million grant from the Flood Control District for the Signature Point Levee
- \$1.5 million grant to fund pavement preservation on East Valley Highway
- \$15 million grant from the State and \$3.5 million from Transportation Improvement Board for 228th Union Pacific Railroad crossing

GOALS

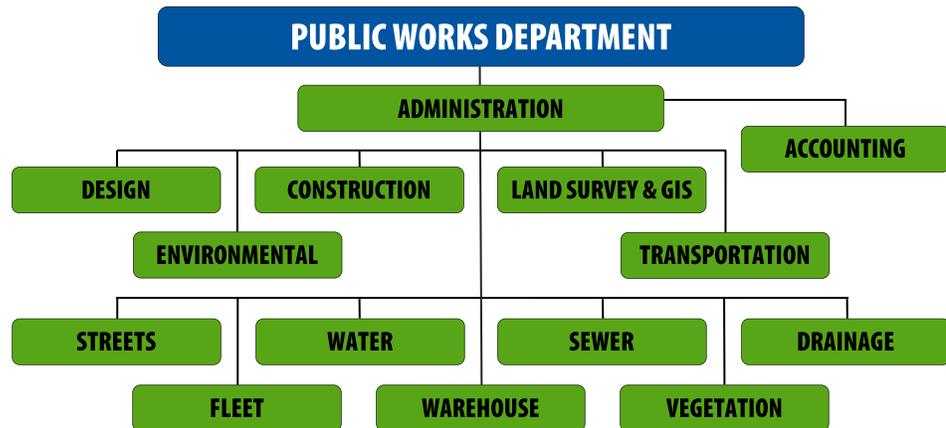
- Deliver the capital plan on time and on budget
- Oversee compliance with Federal and State drinking water and storm water regulations
- Provide top quality engineering, maintenance and surveying services

MISSION STATEMENT

To provide safe, cost effective and essential public works systems to serve Kent's residents and businesses, while also protecting our natural environment.

DEPARTMENT SUMMARY

The Public Works Department is comprised of fourteen divisions that are responsible for the design, construction and maintenance of the City's infrastructure related to transportation, water, sewer, drainage and solid waste. These systems focus on transportation mobility, water for domestic use and fire protection, surface water quality and drainage, wastewater collection and disposal, solid waste, recycling and yard waste collection and disposal. This department also provides land survey, geographic information services and fleet services.



DEPARTMENT STAFFING

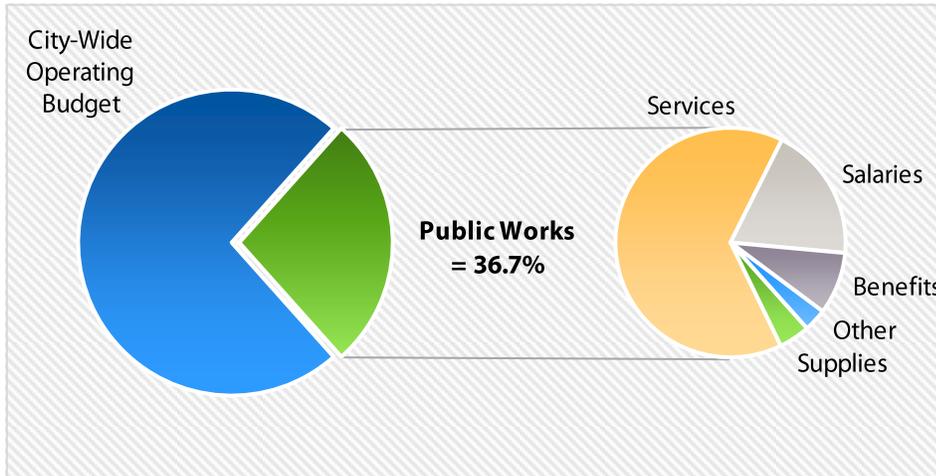
	2017 Actual	2018 Actual	2019 Adopted	2020 Adopted
Administration	18.75	19.0	22.0	22.0
Design	15.0	13.0	12.0	12.0
Construction	13.0	13.0	13.0	13.0
Land Survey & GIS	11.0	13.0	11.0	11.0
Environmental	21.5	21.5	22.4	22.4
Transportation	9.0	9.0	9.0	9.0
Streets	18.8	19.0	21.0	21.0
Water	24.9	24.9	25.9	25.9
Sewer	12.8	12.8	12.8	12.8
Drainage	19.8	19.8	18.8	18.8
Fleet	10.0	10.0	10.0	10.0
Warehouse	3.0	3.0	3.0	3.0
Vegetation	19.0	19.0	18.5	18.5
Total Department FTE's	196.5	197.0	199.5	199.5

PUBLIC WORKS DEPARTMENT

OPERATING EXPENDITURES BY DIVISION

	2017 Actual	2018 Prelim	2019 Adopted	2020 Adopted
Administration	\$ 3,588,388	\$ 3,751,246	\$ 4,401,868	\$ 4,536,446
Design	1,473,099	1,781,282	1,935,522	1,997,244
Construction	1,496,295	1,924,779	2,004,900	2,074,440
Land Survey & GIS	1,077,781	1,500,009	1,571,720	1,621,750
Environmental	2,665,234	3,543,227	4,350,840	4,496,690
Transportation	2,453,130	2,415,475	2,697,060	2,776,600
Streets	3,898,978	4,288,016	9,181,140	9,311,740
Water	12,374,683	12,638,552	14,702,070	15,036,710
Sewer	27,091,820	28,035,868	29,013,150	29,274,620
Drainage	11,108,343	11,152,833	11,926,130	11,806,890
Fleet	4,164,492	5,536,305	5,994,660	6,088,490
Warehouse	539,443	458,404	594,240	613,510
Vegetation	2,332,124	2,573,850	2,748,770	2,868,680
Gross Expenditures	74,263,811	79,599,847	91,122,070	92,503,810
Allocations	(10,702,672)	(12,058,885)	(13,266,970)	(13,781,260)
Net Expenditures	\$63,561,139	\$67,540,961	\$77,855,100	\$78,722,550

2019-20 NET OPERATING EXPENDITURES BY CATEGORY



FUNDING SOURCES

- General Fund: 0.7%
- Street Operating Fund: 19.0%
- Water Operating Fund: 23.5%
- Sewer Operating Fund: 26.3%
- Drainage Operating Fund: 20.7%
- Solid Waste Operating Fund: 0.5%
- Fleet Services Fund: 4.9%
- Utility Fund: 4.3%

NEW INITIATIVES

- Working on compiling effective performance measures
- Updating the Water System Plan
- Updating Drainage Master Plan
- Updating Comprehensive Sewer Plan
- Updating Transportation Master Plan

ADMINISTRATION DIVISION

FUN FACTS

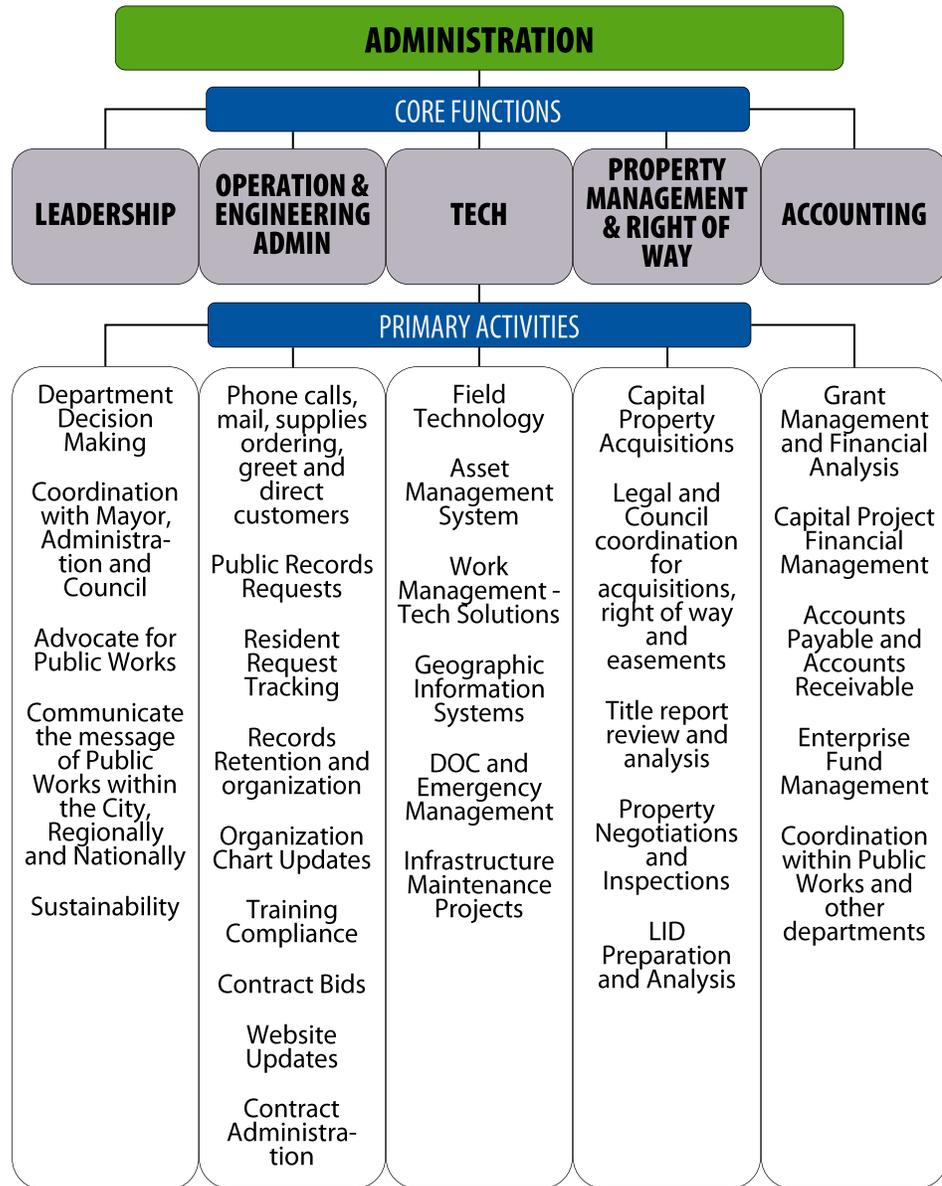
- If you add up the top five employees for longevity in Public Works, they total 165 years of experience!
- In 2018 (through November) 314 traffic alerts have been sent out and 337 in 2017

HIGHLIGHTS

- Development and launch of the Kent Works/WebQA mobile application
- Implementation of practical testing as part of the hiring process for field positions
- Coordination and process review with Finance on capital project closings
- Asset Management Replacement Vendor Selection and Contracting

DIVISION DESCRIPTION

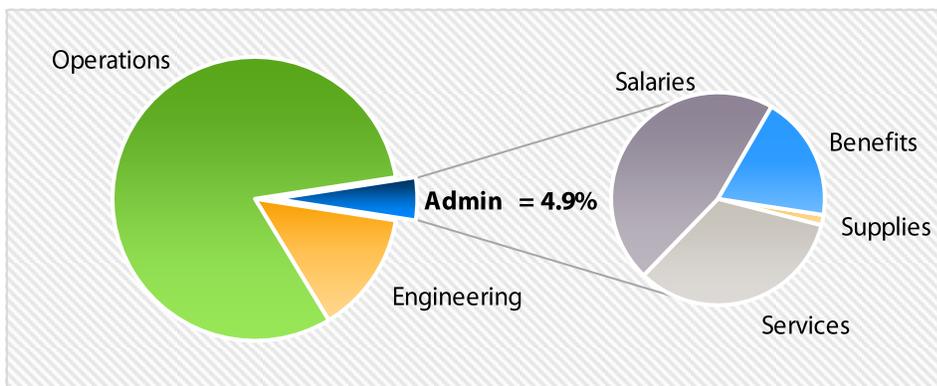
The Administration Division of Public Works strives to provide excellent administrative services to the Engineering and Operation Divisions; as well as providing outstanding customer service to every individual they have contact with. Accounting serves employees, residents and the businesses of Kent by responsibly managing enterprise and Public Works funds for capital infrastructure improvements and maintenance needs. The division processes, analyzes and monitors expenses to ensure public funds are efficiently and accurately accounted for in Public Works.



ADMINISTRATION DIVISION

SUMMARY OF OPERATING EXPENDITURES

	2017 Actual	2018 Prelim	2019 Adopted	2020 Adopted
Salaries	\$ 1,598,144	\$ 1,657,142	\$ 2,030,192	\$ 2,092,263
Benefits	607,855	639,682	838,605	866,743
Supplies	54,924	68,018	69,540	70,840
Services	1,327,466	1,386,404	1,463,530	1,506,600
Total Expenditures	\$3,588,388	\$3,751,246	\$4,401,868	\$4,536,446



WORKLOAD INDICATORS

	2015	2016	2017	2018
# of Contracts Processed	197	227	230	210
# of Projects Bid	19	20	24	25
# of Grants	37	40	35	39

DIVISION STAFFING

	2017 Actual	2018 Actual	2019 Adopted	2020 Adopted
Director	1.0	1.0	1.0	1.0
Operations Manager	1.0	1.0	1.0	1.0
City Engineer	1.0	1.0	1.0	1.0
Accounting	5.75	6.0	6.0	6.0
Engineering Admin	5.0	5.0	5.0	5.0
Operations Admin	5.0	5.0	5.0	5.0
Property Management			3.0	3.0
Total Division FTE's	18.75	19.0	22.0	22.0

GOALS

- Get the word out to all Public Works for what we do so we can be the best Administrative Support team possible!
- Create an effective bridge for financial and managerial needs of Public Works
- Provide accurate, efficient and timely financial information and analysis for Public Works staff and our customers
- Administrative Support for Meeting Documentation

CHALLENGES

- Recruitment of experienced engineers to fill vacant positions
- Balancing the creative ideas for the future of Public Works and following up with the accompanying paperwork
- Not having the ability to obtain electronic signatures for Invoicing
- Shortened deadlines for financial cut offs
- Keeping up with the changing requirements for grants
- Limited space for equipment and Workspace; Aging Building at Public Works Operations

DESIGN DIVISION

FUN FACTS

- Styrofoam is not only used for packing peanuts, it's also used for backfill material in slopes and roads
- Cement Concrete roads last 2 -3 times longer than asphalt roads
- Large buried utilities must be heavy enough (or anchored) so they don't float through pavement due to high ground water
- Trees planted within sidewalks are planted within a cage underground, so the roots do not break up the sidewalk with growth
- The first stop sign was installed in 1915 in Detroit, Michigan

HIGHLIGHTS

- Constructed two early work projects for the 228th grade separation – east and west joint utility trenches and bridge shafts one and three
- Through community involvement and partnering with the contractor, a plan to fully close James Street during construction was implemented. This resulted in reduced impacts to the neighboring communities and the traveling public.
- Working closely with the Economic and Community Development group enabled the advancement of early grading work to enhance the market values of the Naden site

DIVISION DESCRIPTION

The Design division's primary functions are designing and managing capital projects for the City. This division accomplishes their goals by practicing good communication, transparency, managing risk and adapting to change.



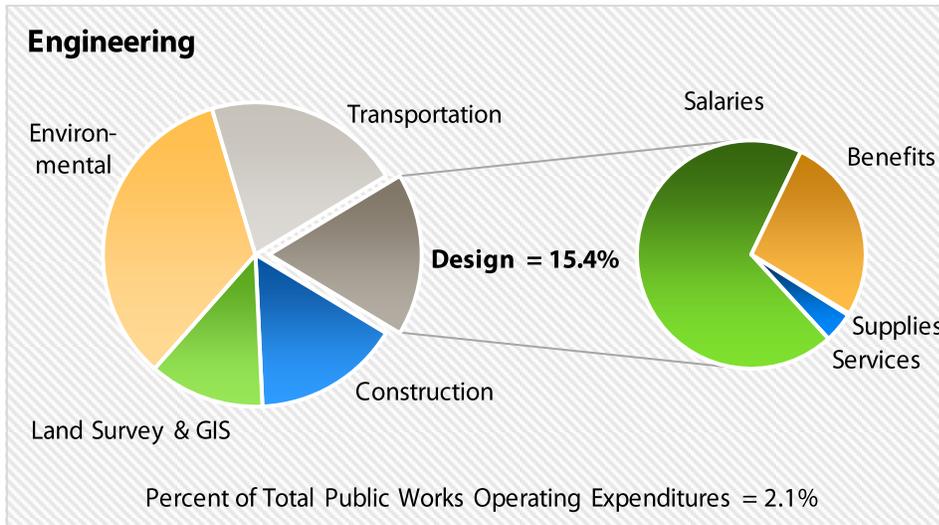
DIVISION STAFFING

	2017 Actual	2018 Actual	2019 Adopted	2020 Adopted
Engineering Manager	1.0	1.0	1.0	1.0
Civil Engineering Designer	4.0	4.0	4.0	4.0
Engineer	6.0	6.0	6.0	6.0
Engineering Technician	3.0	1.0	1.0	1.0
Project Analyst	1.0	1.0		
Total Division FTE's	15.0	13.0	12.0	12.0

DESIGN DIVISION

SUMMARY OF OPERATING EXPENDITURES

	2017 Actual	2018 Prelim	2019 Adopted	2020 Adopted
Salaries	\$ 985,986	\$ 1,248,787	\$ 1,313,598	\$ 1,352,197
Benefits	349,358	429,606	522,055	538,587
Supplies	23,543	13,437	6,150	6,210
Services	87,735	89,452	93,720	100,250
Capital Outlay	26,477	-	-	-
Total Expenditures	\$ 1,473,099	\$ 1,781,282	\$ 1,935,522	\$ 1,997,244



WORKLOAD INDICATORS

	2015	2016	2017	2018
Transportation Impact Fees	\$ 1,398,000	\$ 1,162,000	\$ 1,701,533	\$ 1,760,973
# of awarded construction projects	22	24	24	15

GOALS

- Finalize the City of Kent design and construction standards
- Design and build cost effective projects that benefit businesses and residences in Kent
- Strengthen partnerships with internal customers
- Work with funding agencies to discover funding opportunities and matching projects with grants

CHALLENGES

- Funding the capital needs for maintaining city infrastructure
- Managing scope creep
- Finding qualified candidates to fill positions

CONSTRUCTION DIVISION

FUN FACTS

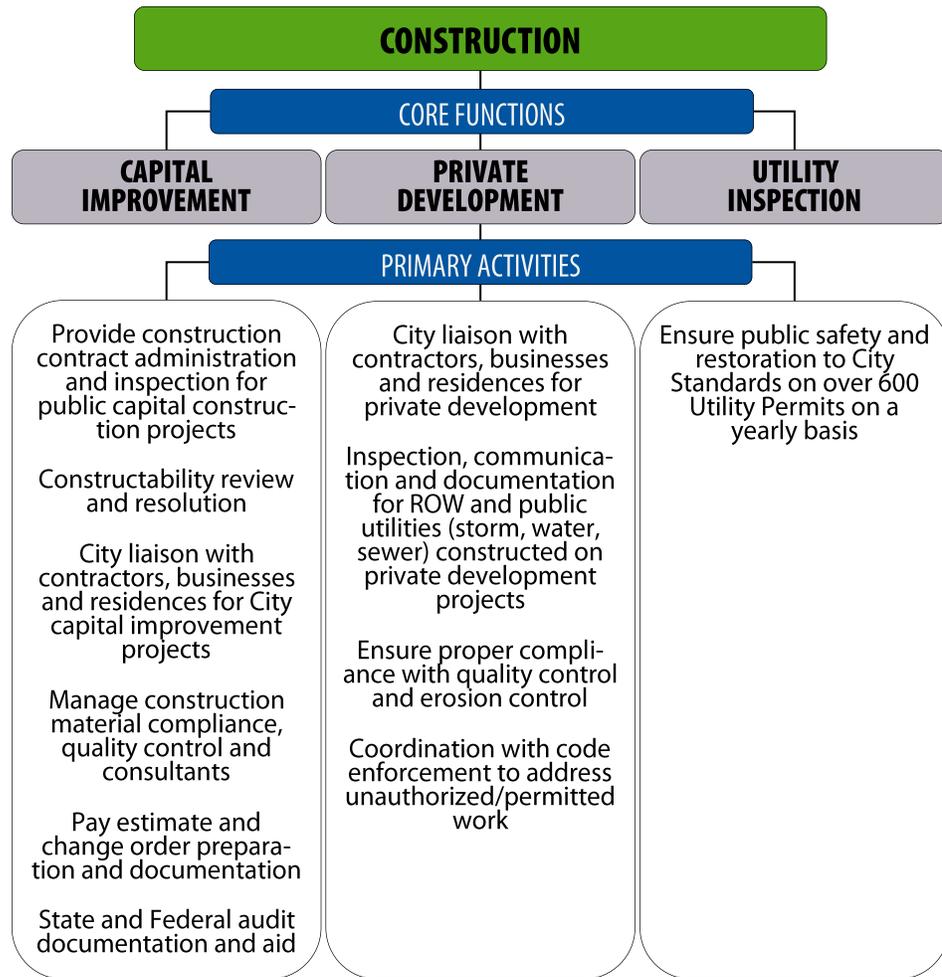
- Utilizing in-house construction inspectors for City capital improvement projects saves the City 68 percent on construction management costs
- Construction managed over \$20 million in Capital projects in 2018
- Construction also provided inspection services on 60 private development projects, 600 utility permits and 60 street use permits

HIGHLIGHTS

- Substantial completion of James Street pavement, 4th & Meeker and 132nd walking path
- Highlight Projects: 224th/228th Phase I (bridge over state route 167), YMCA, Downey/Naden fill and grade, 2018 overlays & Marquee on meeker

DIVISION DESCRIPTION

The Construction Division is responsible for the oversight and management of City capital projects and private development projects. This group accomplishes their work with the highest integrity, respect and thoroughness.



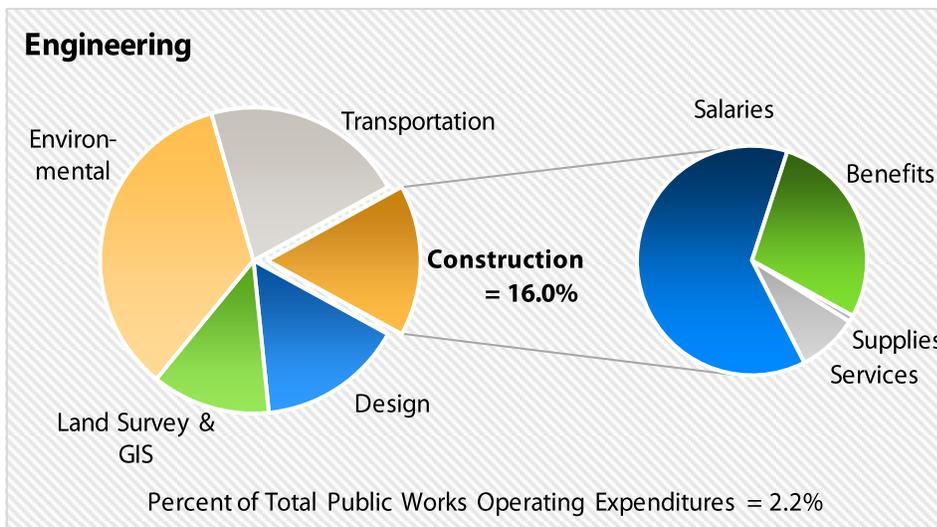
DIVISION STAFFING

	2017 Actual	2018 Actual	2019 Adopted	2020 Adopted
Construction Manager	1.0	1.0	1.0	1.0
Engineer	1.0	1.0	1.0	1.0
Capital Projects Admin	3.0	3.0	3.0	3.0
Construction Supervisor	1.0	1.0	1.0	1.0
Sr Construction Inspector	2.0	2.0	2.0	2.0
Construction Inspector	3.0	3.0	3.0	3.0
Engineering Technician	2.0	2.0	2.0	2.0
Total Division FTE's	13.0	13.0	13.0	13.0

CONSTRUCTION DIVISION

SUMMARY OF OPERATING EXPENDITURES

	2017 Actual	2018 Prelim	2019 Adopted	2020 Adopted
Salaries	\$ 951,880	\$ 1,193,668	\$ 1,255,140	\$ 1,295,160
Benefits	356,371	445,106	561,150	581,060
Supplies	20,079	20,360	19,060	19,440
Services	167,965	265,645	169,550	178,780
Total Expenditures	\$ 1,496,295	\$ 1,924,779	\$ 2,004,900	\$ 2,074,440



WORKLOAD INDICATORS

	2015	2016	2017	2018
# of capital projects in construction	22	24	24	15
# of Civil Permits	34	21	41	28
Cost of construction projects managed	\$16m	\$22.3m	\$15.1m	\$20.2m
# of Federally funded projects in Construction	2	5	3	1
# of Utility and Street Use Permits	429	549	539	609

GOALS

- Maintain high standards for the City on construction projects
- Minimize cost and risk for the City during construction
- Minimize public impacts
- Quality construction

CHALLENGES

- Startup of multi-phased grade separation project on 228th
- Bridge construction over state route 167
- Multiple high profile projects

LAND SURVEY & GIS DIVISION

FUN FACTS

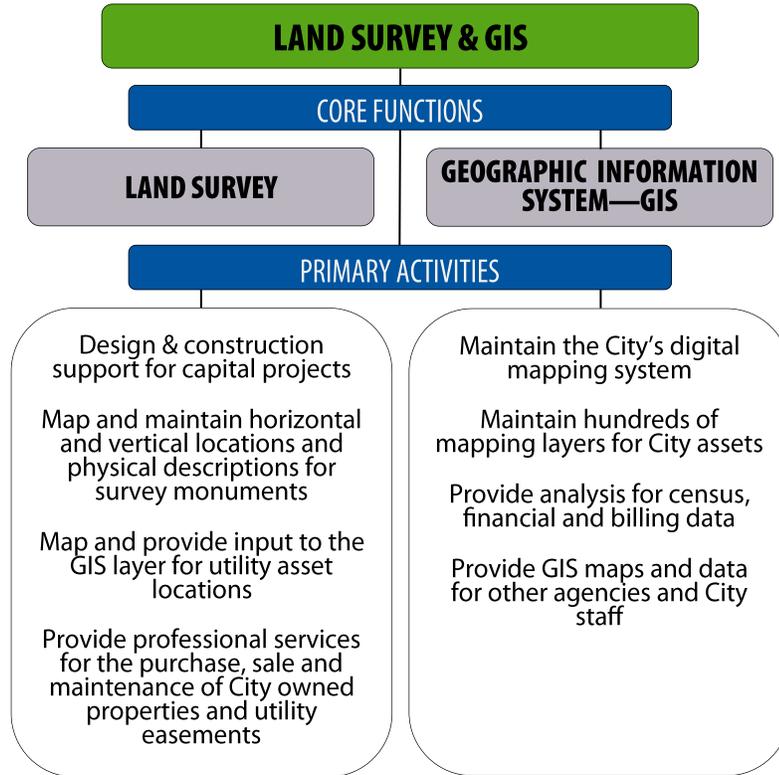
- There are 200 GIS layers to maintain
- We host a GPS base station on the roof of Centennial Center that is part of a regional network used to monitor the earth's movements including the Howard Hansen Dam

HIGHLIGHTS

- Share updated and accurate Right of Way to the King County Assessor's Office
- We are the first City in the region to merge Land Survey and GIS departments

DIVISION DESCRIPTION

The Land Survey and GIS Division provides professional cartographic services to multiple departments within the City including Police, Fire, Parks, Public Works and the public.



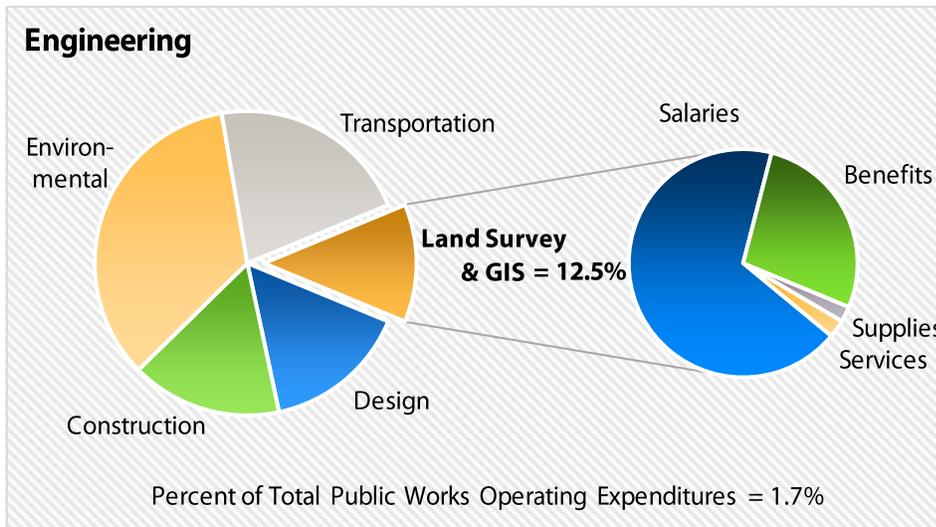
DIVISION STAFFING

	2017 Actual	2018 Actual	2019 Adopted	2020 Adopted
GIS Supervisor	1.0	1.0	1.0	1.0
Land Survey/GIS Manager	1.0	1.0	1.0	1.0
GIS Supervisor	1.0	1.0	1.0	1.0
Asst City Land Surveyor	1.0	1.0	1.0	1.0
Survey Party Chief	4.0	3.0	3.0	3.0
Engineering Technician	1.0	3.0	2.0	2.0
Land Survey Technician	1.0	2.0	2.0	2.0
Property Management Tech	1.0	1.0		
Total Division FTE's	11.0	13.0	11.0	11.0

LAND SURVEY & GIS DIVISION

SUMMARY OF OPERATING EXPENDITURES

	2017 Actual	2018 Prelim	2019 Adopted	2020 Adopted
Salaries	\$ 709,588	\$ 1,013,184	\$ 1,068,840	\$ 1,102,600
Benefits	278,633	381,076	427,770	442,370
Supplies	28,568	32,552	35,300	36,000
Services	60,992	73,197	39,810	40,780
Total Expenditures	\$ 1,077,781	\$ 1,500,009	\$ 1,571,720	\$ 1,621,750



WORKLOAD INDICATORS

	2015	2016	2017	2018
# of work order requests for GIS	186	210	219	244
# of work order requests for Survey	189	247	260	244

GOALS

- To create an efficient City-wide GIS
- To map all of the City's utility infrastructure
- To calculate and map City Right of Way accurately

CHALLENGES

- Staffing to maintain work flows
- Software and hardware replacements for updating GIS
- Consistent Ortho Imagery Plan & Funding

ENVIRONMENTAL DIVISION

FUN FACTS

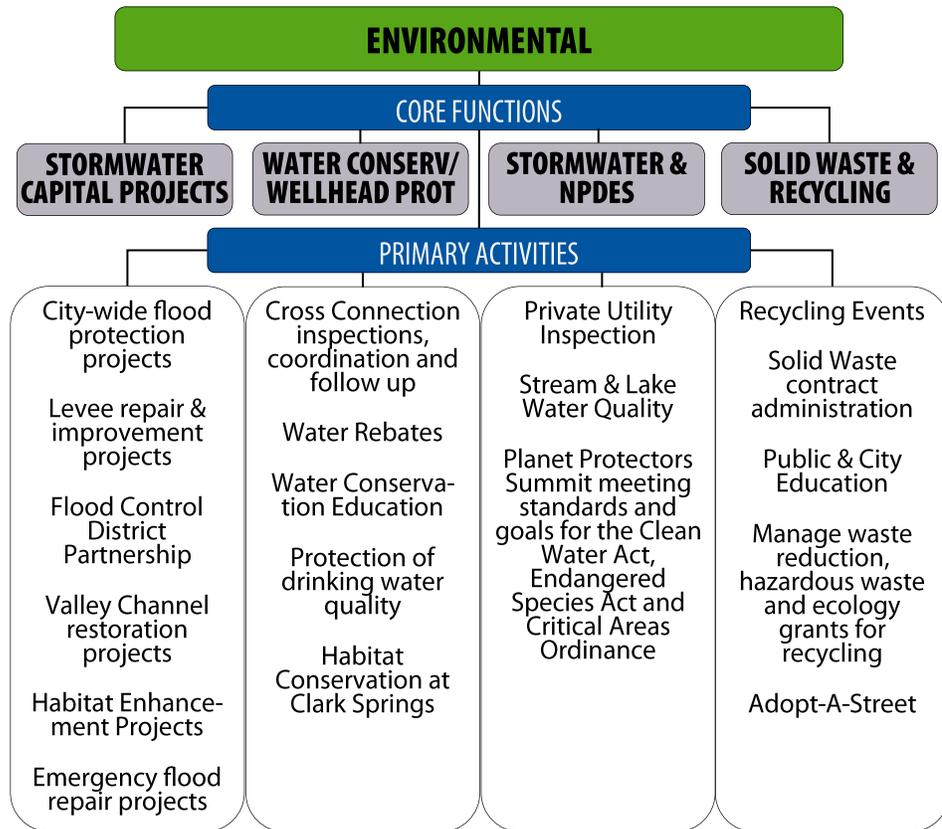
- We drink the same water that dinosaurs used to drink, thank goodness for water treatment!
- Recycling one aluminum can saves enough electricity to run a TV for three hours
- One drip per second from a faucet wastes 540 gallons of water a year
- 210,000 cubic yards of material will be removed to construct the Downey Farmstead project—equivalent to a football field 98 feet deep or a basketball court 1,200 feet deep

HIGHLIGHTS

- Updated Cross Connection Control Code
- Lower Russell Road Levee Completed
- Started Construction on Downey Farmstead Channel
- Started Construction on Upper Mill Creek Dam

DIVISION DESCRIPTION

Environmental Engineering provides Engineering and Conservation Science services to the City through projects and programs related to stormwater, drinking water, natural resources and waste management. This group also provides public outreach and education as a component of each project and program.



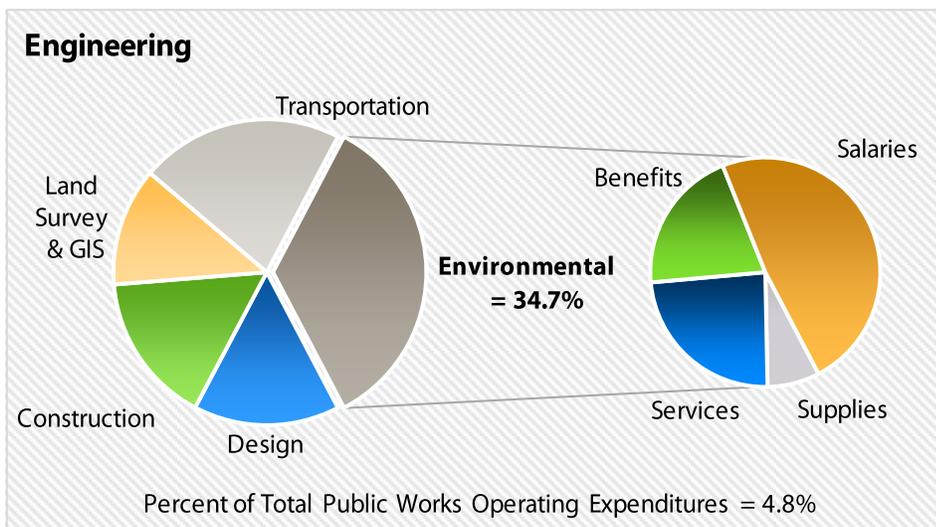
DIVISION STAFFING

	2017 Actual	2018 Actual	2019 Adopted	2020 Adopted
Engineering Manager	1.0	1.0	1.0	1.0
Environmental Supervisor	1.0	1.0	1.92	1.92
Engineer	4.0	4.0	4.0	4.0
Civil Engineer Designer	1.0	1.0	1.0	1.0
Conservation Analyst	1.0	1.0	1.0	1.0
Conservation Coordinator	0.5	2.5	2.5	2.5
Cross Connect Control Insp	2.0	1.0	1.0	1.0
Cross Connect Control Asst	1.0	1.0	1.0	1.0
Storm/Drain Facilities Insp	3.0	2.0	2.0	2.0
Engineering Technician	4.0	4.0	4.0	4.0
Maintenance Worker	3.0	3.0	3.0	3.0
Total Division FTE's	21.5	21.5	22.42	22.42

ENVIRONMENTAL DIVISION

SUMMARY OF OPERATING EXPENDITURES

	2017 Actual	2018 Prelim	2019 Adopted	2020 Adopted
Salaries	\$ 1,376,210	\$ 1,870,220	\$ 2,106,920	\$ 2,173,290
Benefits	508,873	707,919	886,220	916,750
Supplies	35,744	54,491	324,770	326,385
Services	744,408	867,512	1,032,930	1,080,265
Other	-	43,086	-	-
Total Expenditures	\$ 2,665,234	\$ 3,543,227	\$ 4,350,840	\$ 4,496,690



WORKLOAD INDICATORS

	2015	2016	2017	2018
# of Backflow Devices Tested	2,190	2,321	2,650	2,925
Water Festival Attendance	1,530	1,730	1,818	1,170
Stormwater Requests Tracked	53	112	119	116

GOALS

- Improve Upper Mill Creek Dam
- Increase multifamily recycling rate
- Provide 500 year flood protection on the Green River
- Increase shade to lower Green River temperature to meet State standards
- Add off-channel river flood plain
- Improve quality of storm runoff from the City

CHALLENGES

- Keeping up with the increasing demands for the National Pollutant Discharge Elimination System Permit
- Lengthy permitting time lines
- Expense of large earth moving projects
- High inflation on construction projects

TRANSPORTATION DIVISION

FUN FACTS

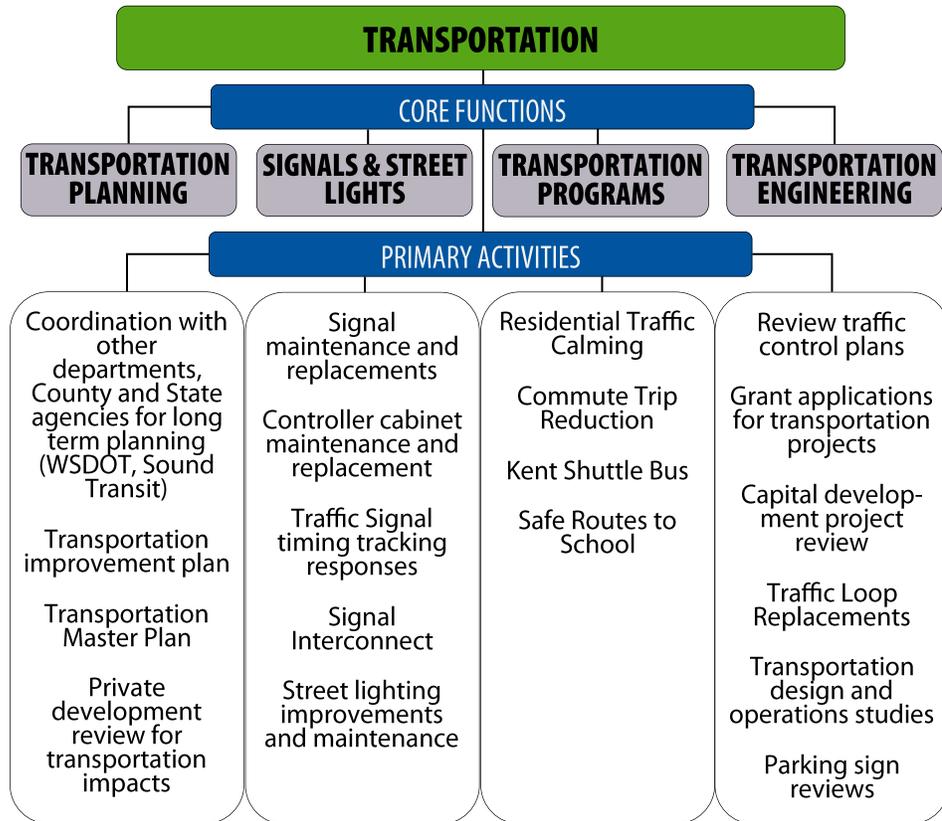
- 120 signalized intersections
- 2,600 City owned street lights
- 4,000 traffic loops

HIGHLIGHTS

- Grant award for Veterans Drive Extension at I-5 pavement preservation
- Continue to migrate traffic signals from old central computer system to modern system
- Started the Signal System Conversion
- Replaced and upgraded traffic signal controllers at 11 intersections

DIVISION DESCRIPTION

The Transportation Division services the City of Kent residents, businesses and employees. They provide a variety of services and implement projects to ensure transportation needs are met. This division also develops, plans and implements programs to make Kent a safe and connected City today and in the future to promote economic development in local, regional and global markets.



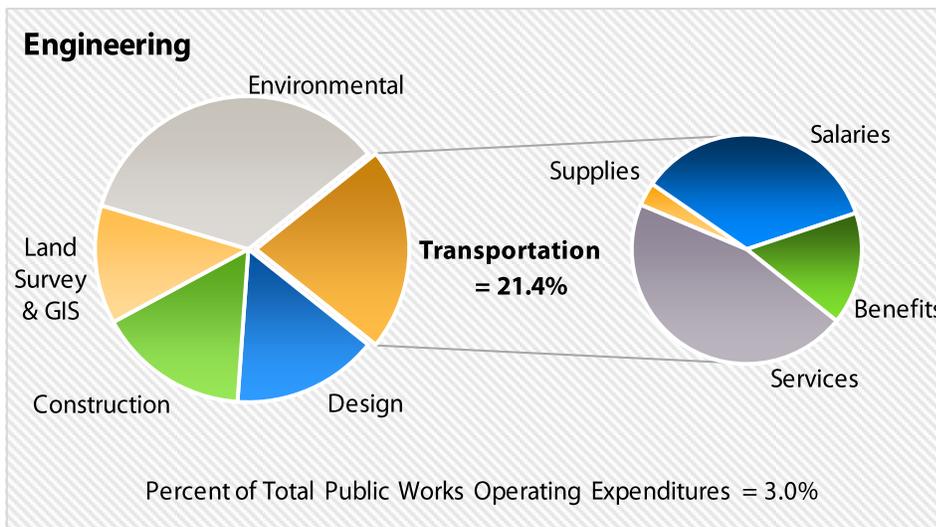
DIVISION STAFFING

	2017 Actual	2018 Actual	2019 Adopted	2020 Adopted
Engineering Manager	1.0	2.0	2.0	2.0
Special Project Manager	1.0			
Engineer	1.0	1.0	1.0	1.0
Sr Transportation Planner	1.0	1.0	1.0	1.0
Traffic Signal Systems Spvrs	1.0	1.0	1.0	1.0
Sr Signal Technician	1.0	1.0	1.0	1.0
Signal Technician	3.0	3.0	3.0	3.0
Total Division FTE's	9.0	9.0	9.0	9.0

TRANSPORTATION DIVISION

SUMMARY OF OPERATING EXPENDITURES

	2017 Actual	2018 Prelim	2019 Adopted	2020 Adopted
Salaries	\$ 692,368	\$ 861,598	\$ 950,720	\$ 979,550
Benefits	244,663	338,825	425,950	440,370
Supplies	125,804	147,582	87,310	92,290
Services	1,325,464	1,067,471	1,233,080	1,264,390
Other	64,832	-	-	-
Total Expenditures	\$2,453,130	\$2,415,475	\$2,697,060	\$2,776,600



WORKLOAD INDICATORS

	2015	2016	2017	2018
# of Residential traffic calming requests	28	22	31	36
Traffic signal system maintenance requests	118	135	148	167

GOALS

- Transportation Master Plan Update
- Integrated into a new Intelligent Transportation System (ITS) master plan
- Revise residential traffic calming program
- Update Americans with Disabilities Transition Plan

CHALLENGES

- Transportation Sustainability
- Completing the Signal System Conversion
- Updating Traffic Signals, the current signal systems are beyond the expected useful life
- Regional Coordination

STREETS DIVISION

FUN FACTS

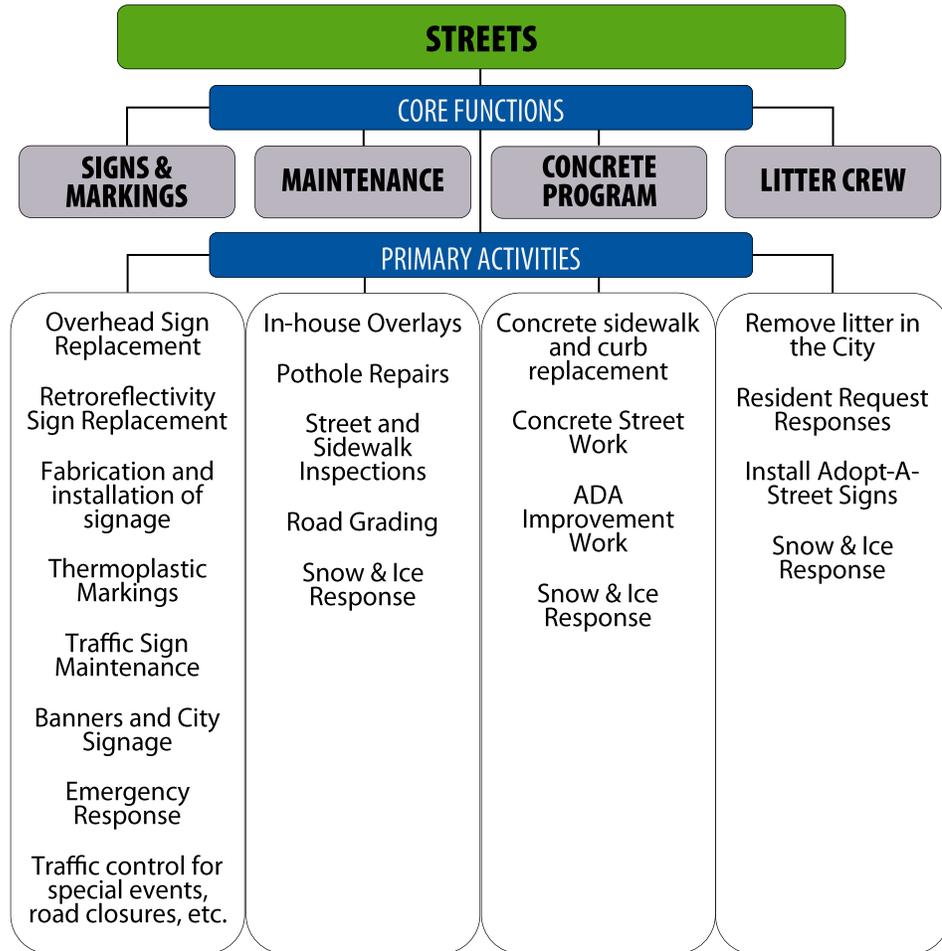
- The sign crews can fabricate a sign at half the cost of utilizing a contractor
- There are over 18,000 signs in Kent's sign inventory
- One ton of cold patch can fill about 40 average size potholes. So far in 2018, Kent has purchased 60 tons.
- The average street sign lifespan for reflectivity is 10 years

HIGHLIGHTS

- Street crew paved 4 lane miles of road
- Concrete crew replaces approximately two miles of sidewalk annually
- Over 1,800 potholes filled annually
- Over 150 new signs were installed
- Removed over 100 tons of trash from the streets
- Updated all our posted "No Littering" signs with new signs that define the \$1,000 fine
- Added two full-time positions to run the sign retro-reflectivity upgrade program

DIVISION DESCRIPTION

The Streets Division's primary focus is to provide safe, clean and marked traveled ways for businesses, residents and anyone traveling through the City of Kent.



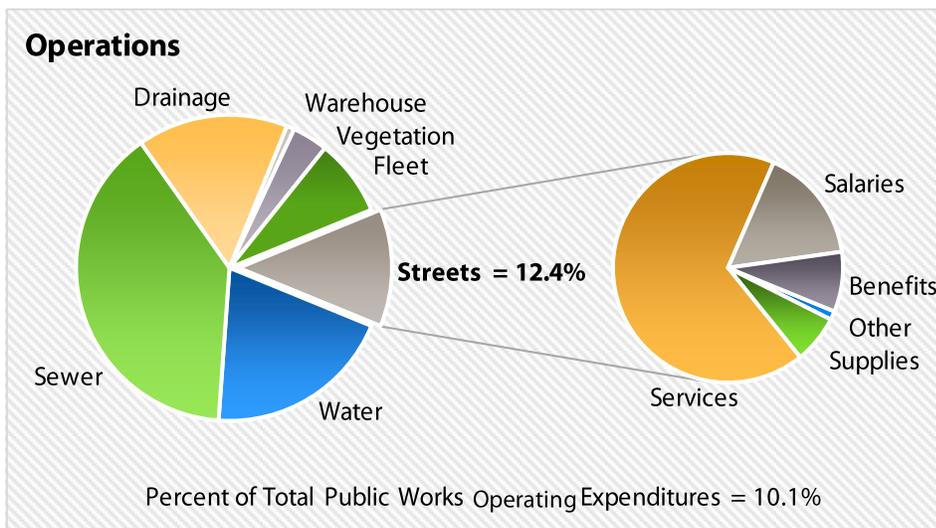
DIVISION STAFFING

	2017 Actual	2018 Actual	2019 Adopted	2020 Adopted
Street and Vegetation Mngr	1.0	1.0	1.0	1.0
Field Supervisor	2.0	2.0	2.0	2.0
Engineer	2.0	2.0	2.0	2.0
Maintenance Worker	13.0	13.0	15.0	15.0
CTR Program Coordinator	0.75	1.0	1.0	1.0
Total Division FTE's	18.75	19.0	21.0	21.0

STREETS DIVISION

SUMMARY OF OPERATING EXPENDITURES

	2017 Actual	2018 Prelim	2019 Adopted	2020 Adopted
Salaries	\$ 985,752	\$ 1,015,507	\$ 1,481,040	\$ 1,525,800
Benefits	404,073	432,824	767,090	793,330
Supplies	212,562	201,345	628,520	622,270
Services	2,237,849	2,638,341	6,156,490	6,290,090
Other	58,742	-	148,000	80,250
Total Expenditures	\$ 3,898,978	\$ 4,288,016	\$ 9,181,140	\$ 9,311,740



WORKLOAD INDICATORS

	2015	2016	2017	2018
Total Work Orders for Street Maintenance	2,529	2,100	2,556	2,101
# of Potholes Repaired	1,029	1,141	2,965	2,135
# of Street Signs Installed	401	1,253	472	249
Tons of Litter Debris Removed	85	90	108	104

GOALS

- Eliminate claims filed against the City for pothole damage
- Provide clean and safe traveled ways in the City
- Have our signage up to the retroreflective standard
- Completing gaps between existing sidewalks
- Reduce Service Requests
- Maintain over 18,000 signs
- Keep Kent streets litter free

CHALLENGES

- Upgrade over 800 signs to meet the retro-reflectivity standard
- Manage the increase of service requests from the public
- Maintain 309 miles of roads
- Inspect 300 miles of sidewalks
- Maintaining 21 Kent-owned bridges

WATER DIVISION

FUN FACTS

- Kent's average daily water demand is 7.5 million gallons of water. That's enough to fill eleven Olympic-sized swimming pools.
- The City of Kent has 287 miles of water main—if stretched in a straight line the main would be longer than Washington State

HIGHLIGHTS

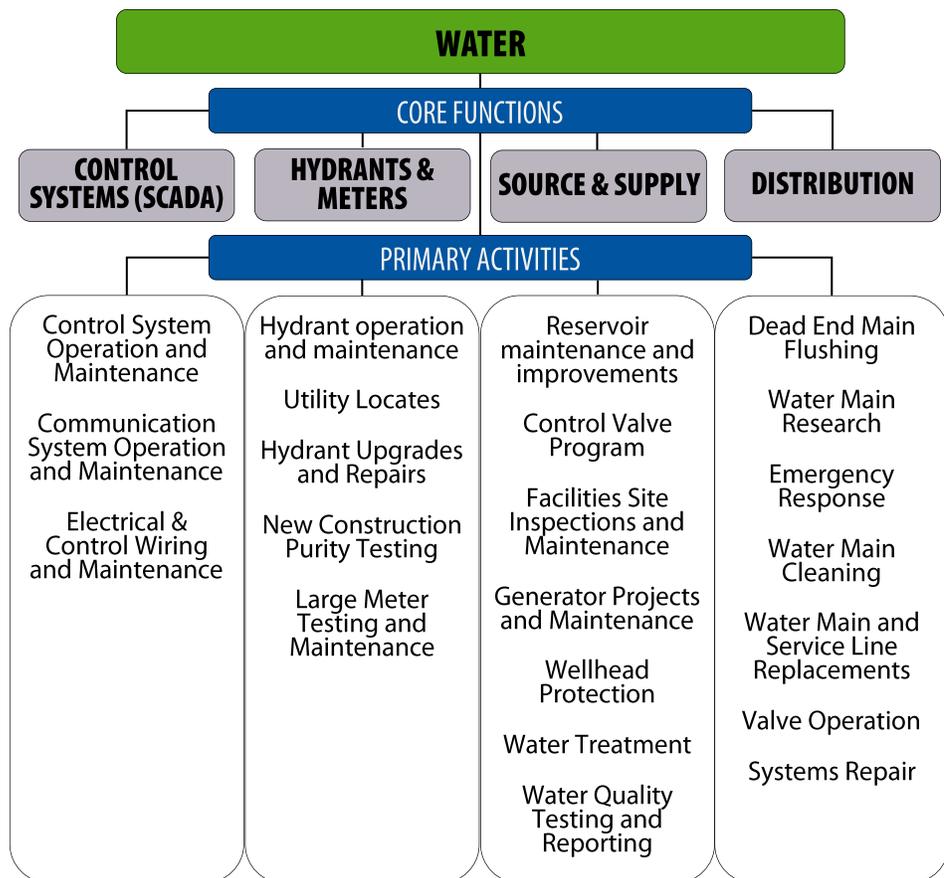
- Performed a water system seismic re-evaluation
- Began construction of a generator upgrade at Kent Springs Source & Pump Station #4 electrical upgrades
- Began updating the 10-year Water System Plan
- Began Cambridge Tank recoating & structural improvements

CHALLENGES

- Water source protection and Landsburg Mine
- Funding for an aging infrastructure
- West Hill service area improvements

DIVISION DESCRIPTION

The Water Division's primary goals are to provide safe and reliable drinking water, maintain the water infrastructure, meet the fire protection needs of the City and run an efficient and sustainable utility.



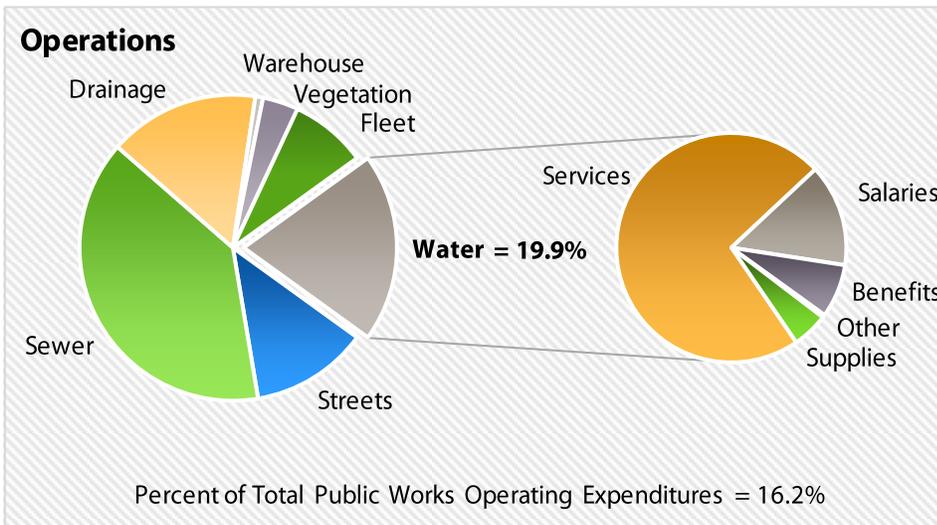
DIVISION STAFFING

	2017 Actual	2018 Actual	2019 Adopted	2020 Adopted
Water Systems Manager	1.0	1.0	1.0	1.0
Environmental Supervisor	0.08	0.08	0.08	0.08
GIS Coordinator	0.33	0.33	0.33	0.33
Conservation Coordinator	0.5	0.5	0.5	0.5
Field Supervisor	4.0	4.0	4.0	4.0
SCADA Technician	2.0	2.0	2.0	2.0
Maintenance Technician	1.0	1.0	1.0	1.0
Maintenance Worker	16.0	16.0	17.0	17.0
Total Division FTE's	24.91	24.91	25.91	25.91

WATER DIVISION

SUMMARY OF OPERATING EXPENDITURES

	2017 Actual	2018 Prelim	2019 Adopted	2020 Adopted
Salaries	\$ 1,966,914	\$ 1,958,186	\$ 2,110,790	\$ 2,177,260
Benefits	850,888	886,823	1,100,220	1,138,730
Supplies	621,376	535,356	750,320	764,490
Services	8,917,625	9,258,187	10,620,740	10,956,230
Other	17,880	-	120,000	-
Total Expenditures	\$12,374,683	\$12,638,552	\$14,702,070	\$15,036,710



WORKLOAD INDICATORS

	2015	2016	2017	2018
Water Demand - Gallons in Billions	2.81	2.82	2.66	2.77
# of Service Connections	14,833	14,976	15,115	15,243
# of Water Quality Tests	10,119	10,779	10,961	11,157

GOALS

- Growth—Growth will require additional infrastructure such as water mains, water sources and reservoirs to provide adequate potable water for fire protection and customer use
- Downtown Vitalization—Increasing density and size/value of downtown structures will require upsizing the water system
- Safe Community—Providing consistently safe, reliable drinking water for the community
- Aquifer Protection—Increasing development around sources and the proliferation of more stringent water quality regulations combined make all water sources more susceptible to contamination
- Water Supply Adequacy—Ensuring that Kent has reliable, high quality water supplies for the next generation will be increasingly important

SEWER DIVISION

FUN FACTS

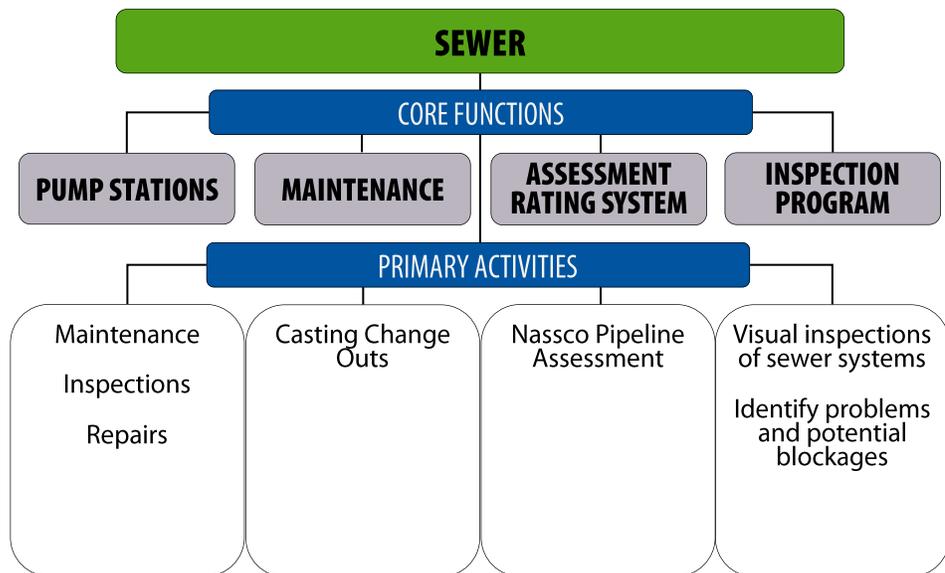
- We use 1,248 gallons of Dawn dish soap in a year in our sewer system! That works out to 13,000 cans of soda
- The Sewer system consists of 220 miles of pipe; which is equivalent to the distance between Kent and Salem, Oregon
- Each year over 1,000 pounds of fat is removed from the sewer system
- Sewer department cleans an average of 4,000 feet of sewer lines daily
- Flushable wipes and fats, oil and grease (FOG) are the cause of most customer service requests

HIGHLIGHTS

- In 2018, there were no major claims for sewer backups
- A root treatment program was successfully implemented
- A manhole inspection program was implemented. It will assist us in prioritizing our preventative maintenance work, increasing the efficiency for work planning.

DIVISION DESCRIPTION

The Sewer Division's primary purpose is to provide a safe and reliable sewer system within the City of Kent and run an efficient and sustainable utility. This division oversees and maintains the sewer collection system, which includes line inspections with closed circuit television cameras, cleaning lines and maintenance of sewer and drainage pump stations.



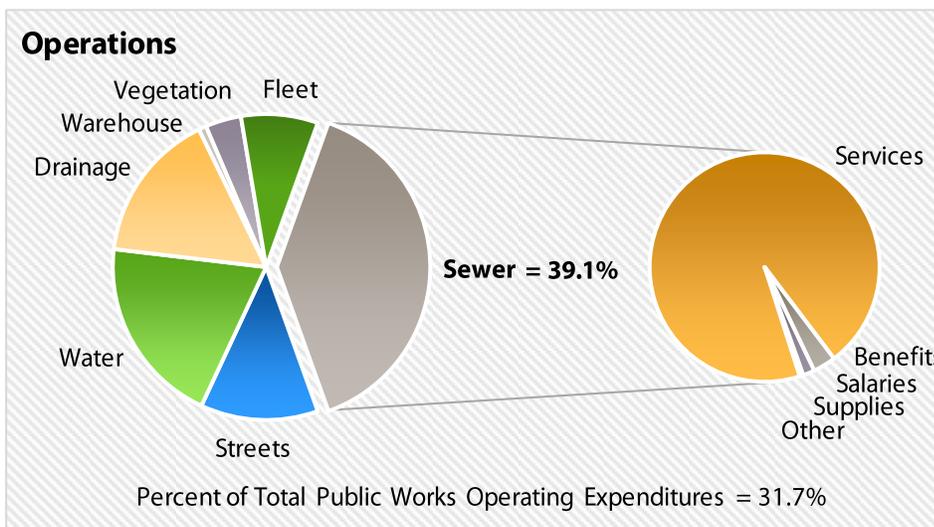
DIVISION STAFFING

	2017 Actual	2018 Actual	2019 Adopted	2020 Adopted
Superintendent - Utilities	0.5	0.5	0.5	0.5
GIS Coordinator	0.33	0.33	0.33	0.33
Engineer Project Coord	0.5	0.5	0.5	0.5
Field Supervisor	1.0	1.0	1.0	1.0
Maintenance Worker	10.5	10.5	10.5	10.5
Total Division FTE's	12.83	12.83	12.83	12.83

SEWER DIVISION

SUMMARY OF OPERATING EXPENDITURES

	2017 Actual	2018 Prelim	2019 Adopted	2020 Adopted
Salaries	\$ 782,507	\$ 916,426	\$ 925,430	\$ 953,850
Benefits	321,202	390,694	465,110	481,250
Supplies	155,387	167,631	152,000	154,300
Services	25,832,415	26,561,057	27,470,610	27,685,220
Other	308	61	-	-
Total Expenditures	\$27,091,820	\$28,035,868	\$29,013,150	\$29,274,620



WORKLOAD INDICATORS

	2015	2016	2017	2018
Lines Cleaned Sewer & Storm - in linear feet	311,849	513,366	441,325	329,331
Manhole Inspections	7,370	9,266	6,500	9,731

GOALS

- Safely and reliably take sewer from homes and businesses in Kent and send to the Metro Sewer System for treatment
- Reduce the chance of blockages in the sewer system

CHALLENGES

- Funding the capital needs for the sewer system
- Manpower to sustain the level of service and be proactive rather than reactive in our maintenance program

DRAINAGE DIVISION

FUN FACTS

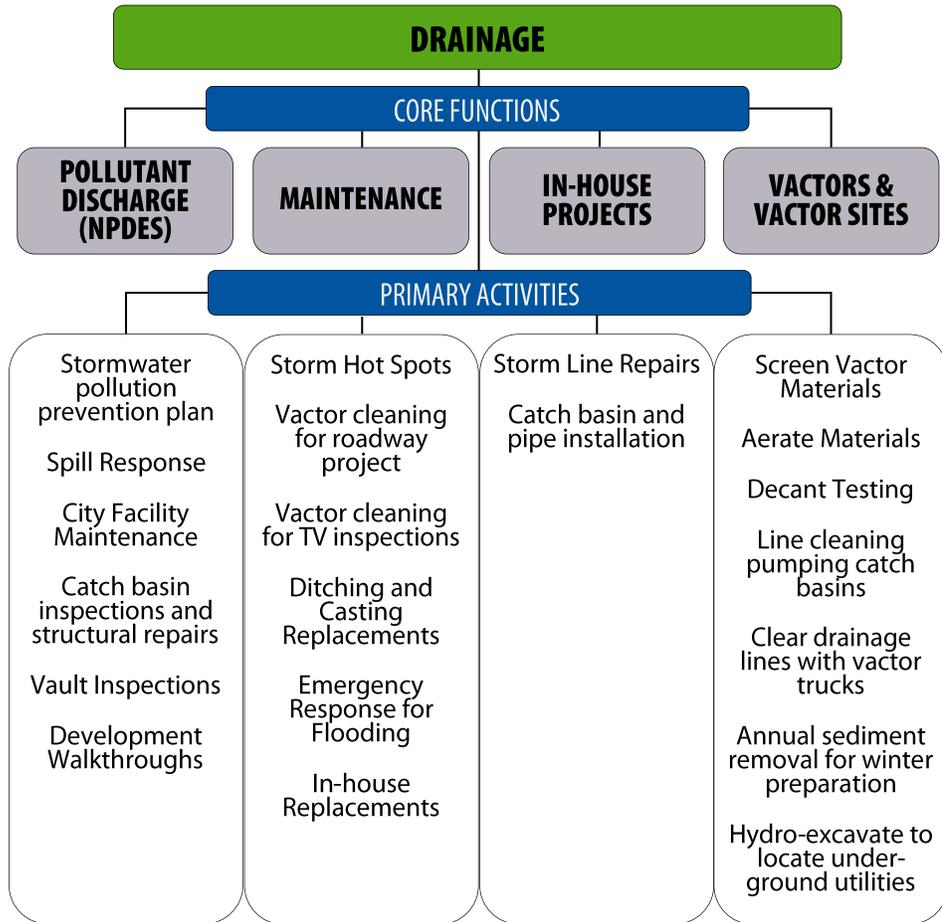
- The city maintains just over 19,000 catch basins, 150 miles of open ditch, 341 miles of pipe and over 300 storm water ponds

HIGHLIGHTS

- Drainage implemented a new ditch assessment program and outfall assessment program
- In 2018, we removed debris from almost 9,000 feet of ditch

DIVISION DESCRIPTION

The Drainage Division’s primary goals are to provide a safe and reliable storm drainage system within the City of Kent and run an efficient and sustainable utility.



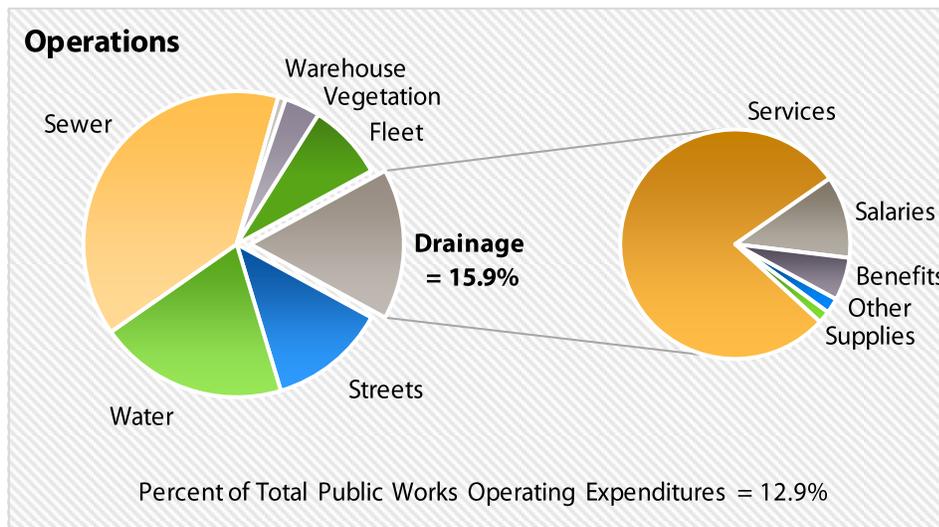
DIVISION STAFFING

	2017 Actual	2018 Actual	2019 Adopted	2020 Adopted
Superintendent - Utilities	0.5	0.5	0.5	0.5
Environmental Supervisor	0.92	0.92		
GIS Coordinator	0.34	0.34	0.34	0.34
Engineer Project Coord	0.5	0.5	0.5	0.5
Field Supervisor	2.0	2.0	2.0	2.0
Maintenance Worker	15.5	15.5	15.5	15.5
Total Division FTE's	19.76	19.76	18.84	18.84

DRAINAGE DIVISION

SUMMARY OF OPERATING EXPENDITURES

	2017 Actual	2018 Prelim	2019 Adopted	2020 Adopted
Salaries	\$ 1,326,049	\$ 1,341,895	\$ 1,356,120	\$ 1,397,480
Benefits	588,385	612,446	705,540	730,340
Supplies	270,113	230,648	202,990	205,750
Services	8,639,610	8,812,778	9,151,480	9,473,320
Other	284,186	155,066	510,000	-
Total Expenditures	\$11,108,343	\$11,152,833	\$11,926,130	\$11,806,890



WORKLOAD INDICATORS

	2015	2016	2017	2018
# of Assets Inspected	3,901	4,607	8,455	10,109
# of Structures Cleaned	1,284	2,284	3,393	2,413
# of Repairs Completed	391	591	305	148
# of Lines Cleaned - in linear feet	119,441	81,288	83,019	156,829

GOALS

- Reduce flooding and impacts of flooding on the traveling public
- Ensure the surface water the City discharges into the streams, rivers and lakes is clean and free of pollutants

CHALLENGES

- Flooding
- Compliance with the National Pollutant Discharge Elimination System (NPDES)
- Bringing annexation areas up to the Kent standard for drainage
- Illegal dumping of pollutants and litter
- Aging Systems
- Compliance with the National Pollutant Discharge Elimination System (NPDES) permit

FLEET SERVICES DIVISION

FUN FACTS

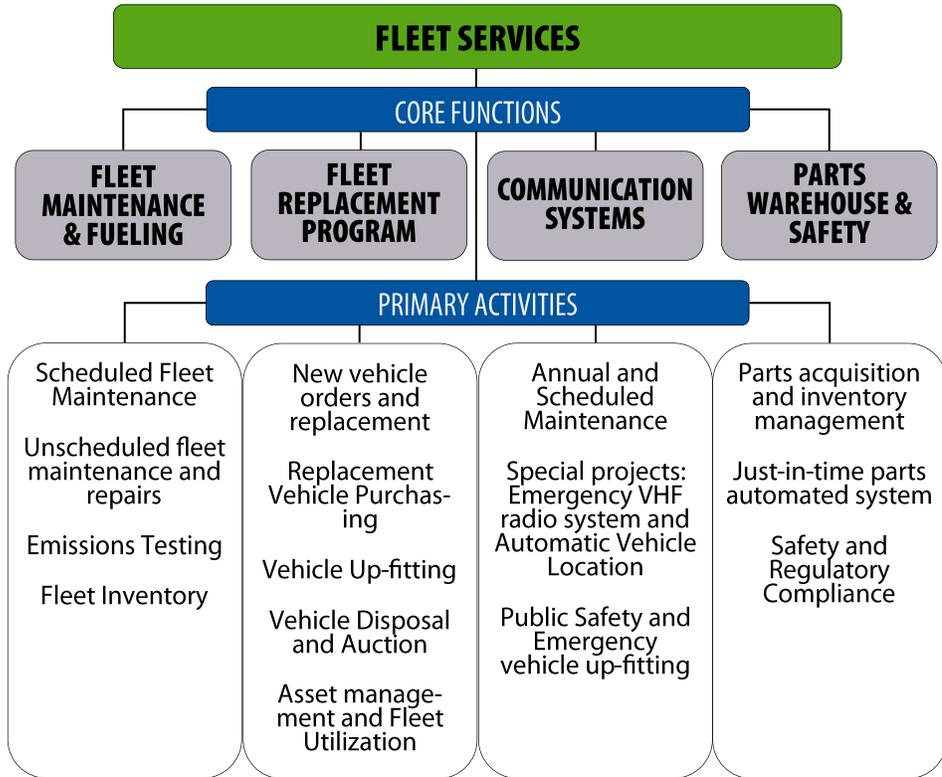
- The City uses 245,000 gallons of fuel annually
- The most expensive vehicle that the City has purchased is a Vactor Truck for \$515,000
- Fleet has 3,282 individual inventory items

HIGHLIGHTS

- Secured funding to replace vehicle hoists in fleet maintenance shop
- Started work to install new fuel tanks and relocate the fuel system to better utilize space

DIVISION DESCRIPTION

The Fleet Services Division's mission is to deliver honest, professional and cost-effective services for our diversified fleet and City-wide communications systems.



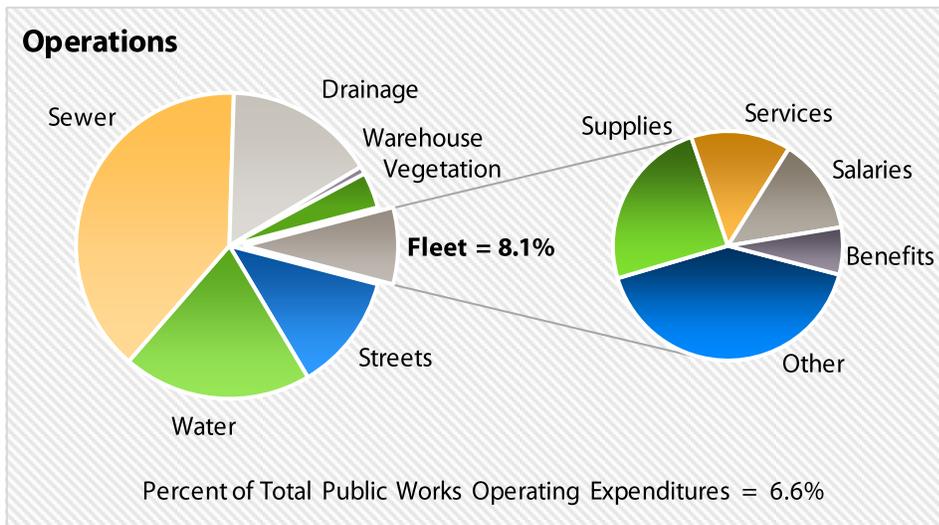
DIVISION STAFFING

	2017 Actual	2018 Actual	2019 Adopted	2020 Adopted
Fleet/Warehouse Manager	1.0	1.0	1.0	1.0
Field Supervisor	1.0	1.0	1.0	1.0
Senior Mechanic	1.0	1.0	1.0	1.0
Communications Tech	1.0	1.0	1.0	1.0
Mechanic	4.0	4.0	4.0	4.0
Maintenance Worker	2.0	2.0	2.0	2.0
Total Division FTE's	10.0	10.0	10.0	10.0

FLEET SERVICES DIVISION

SUMMARY OF OPERATING EXPENDITURES

	2017 Actual	2018 Prelim	2019 Adopted	2020 Adopted
Salaries	\$ 680,546	\$ 764,462	\$ 802,360	\$ 828,200
Benefits	295,847	353,609	394,590	408,520
Supplies	899,889	1,240,397	1,459,860	1,489,050
Services	847,555	723,842	837,850	862,720
Other	1,440,654	2,453,996	2,500,000	2,500,000
Total Expenditures	\$ 4,164,492	\$ 5,536,305	\$ 5,994,660	\$ 6,088,490



WORKLOAD INDICATORS

	2015	2016	2017	2018
# of Annual Fleet Work Orders	2,043	2,254	2,005	2,504
# of Annual Fleet PM's	961	1,117	1,428	1,923
# of New Vehicles Purchased	16	29	47	59
Labor Hours - Segments	3,225	4,122	3,105	4,139
% of Repairs Scheduled	70%	77%	72%	74%

GOALS

- Improve vehicle up-fitting process
- Reduce down time on specialty equipment, i.e. side-arm mower
- Fuel island replacement and decommission underground tanks
- Remove and install new vehicle lifts in Fleet shop
- Develop fleet vehicle standards

CHALLENGES

- Insufficient shop and parking space at Operations
- Aging fleet
- Shop and equipment security

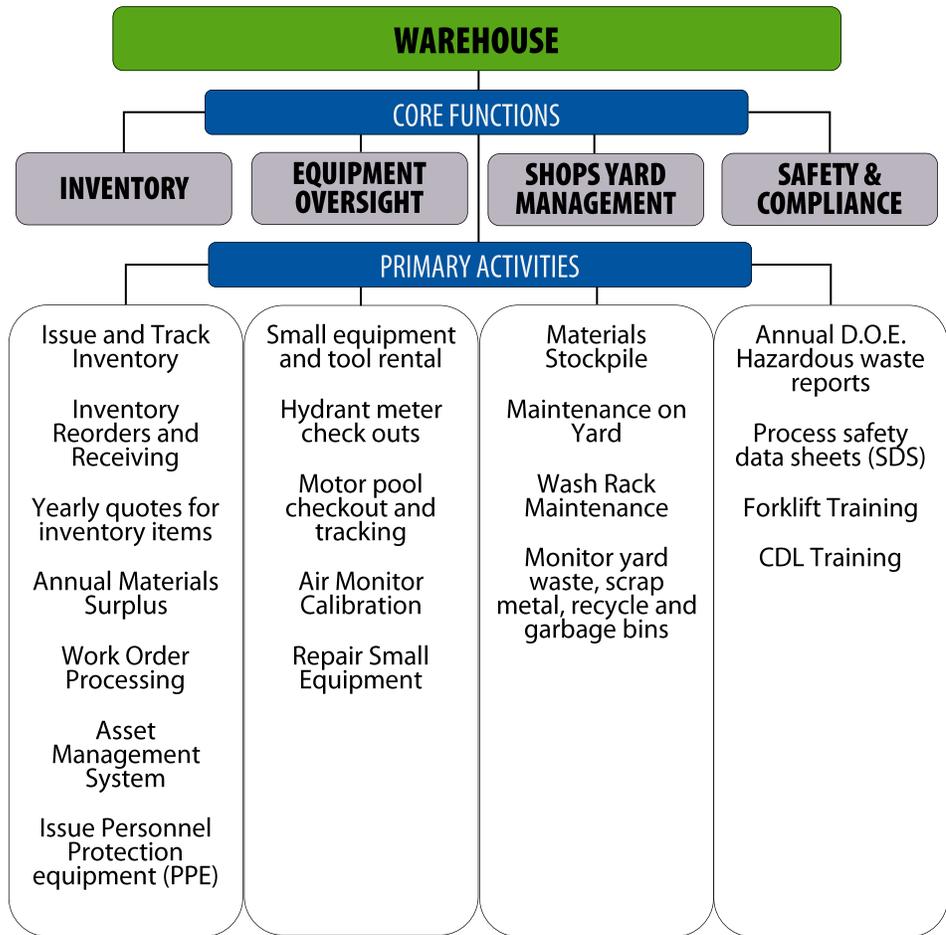
WAREHOUSE DIVISION

FUN FACTS

- 1199 Inventory items tracked

DIVISION DESCRIPTION

The Warehouse Division’s mission is to deliver honest, professional and cost-effective services for Public Works and to responsibly manage the inventory equipment checkout and shops yard.



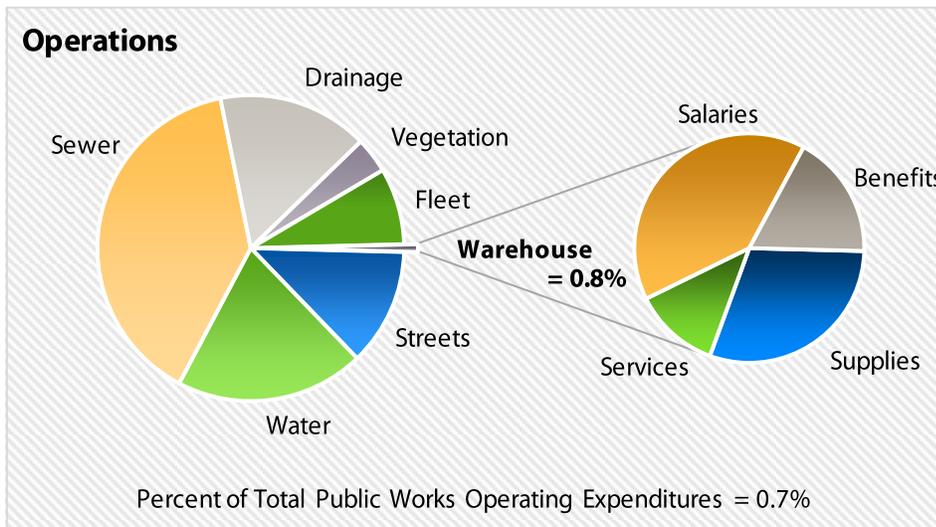
DIVISION STAFFING

	2017 Actual	2018 Actual	2019 Adopted	2020 Adopted
Field Supervisor	1.0	1.0	1.0	1.0
Maintenance Worker	2.0	2.0	2.0	2.0
Total Division FTE's	3.0	3.0	3.0	3.0

WAREHOUSE DIVISION

SUMMARY OF OPERATING EXPENDITURES

	2017 Actual	2018 Prelim	2019 Adopted	2020 Adopted
Salaries	\$ 213,773	\$ 197,336	\$ 238,170	\$ 246,370
Benefits	81,903	77,353	104,140	107,870
Supplies	162,566	114,636	180,940	183,420
Services	81,201	69,079	70,990	75,850
Total Expenditures	\$ 539,443	\$ 458,404	\$ 594,240	\$ 613,510



WORKLOAD INDICATORS

	2015	2016	2017	2018
# of Warehouse Customers Served	10,866	12,503	12,647	10,126
# of Small Equipment Repairs	122	103	124	109
# of Hydrant Meter Rental and Permits Issued	193	217	196	221
# of Customer Pick up and Deliveries	922	588	539	414

GOALS

- Implement a new Asset Management System
- Increase vehicle and equipment parking space by racking inventory to utilize space more effectively

CHALLENGES

- Insufficient space for effective operation of warehouse
- Spoils disposal
- Shop equipment and vehicle security

VEGETATION DIVISION

FUN FACTS

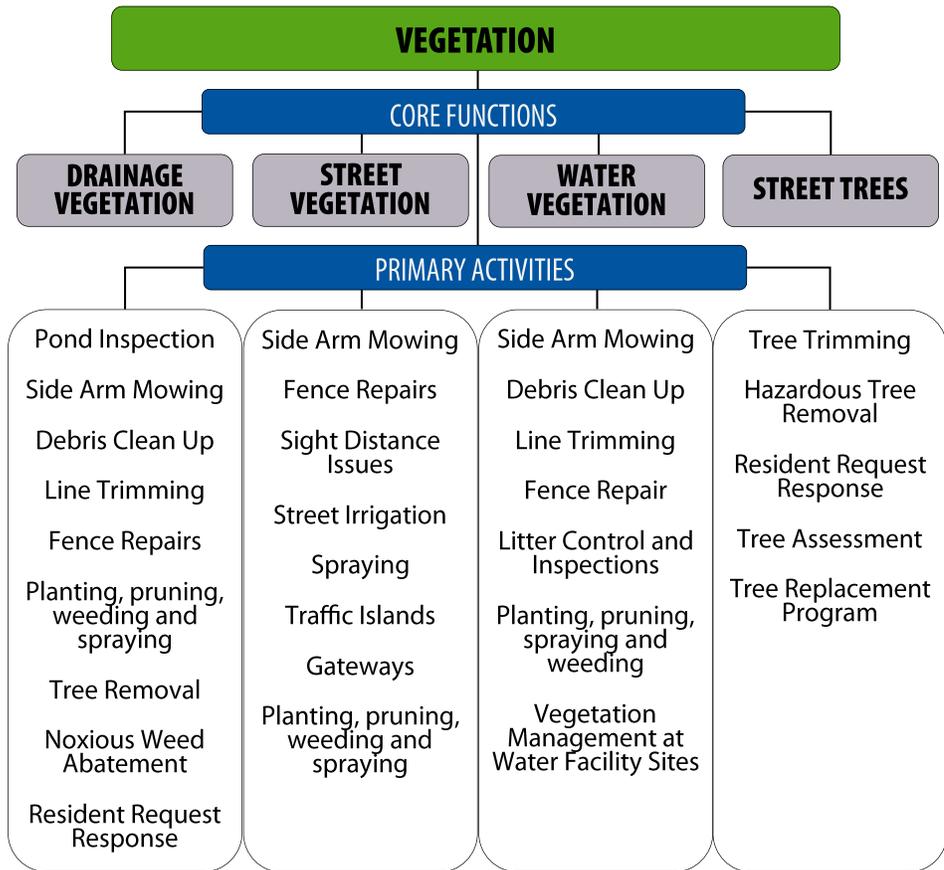
- The average travel speed of the Side Arm Mower while operating in the right of ways of Kent is less than three mph
- STIHL Line Trimmer (weed eater) has one moving gear
- In 1986, the color of the City of Kent Trucks was yellow
- In 1991, the vegetation crew had one riding mower; now they have five

HIGHLIGHTS

- With the addition of the shared positions, crews were able to remove saplings from several holding ponds. This allows for greater storage of storm water during heavy rain events.
- Street vegetation maintains over 6 million square feet of vegetated right of ways
- Side-arm mowers mow over 20 million square feet of grass shoulders and ditches

DIVISION DESCRIPTION

The Vegetation Division’s primary responsibility is to ensure that street trees and vegetation across the City are properly managed and maintained.



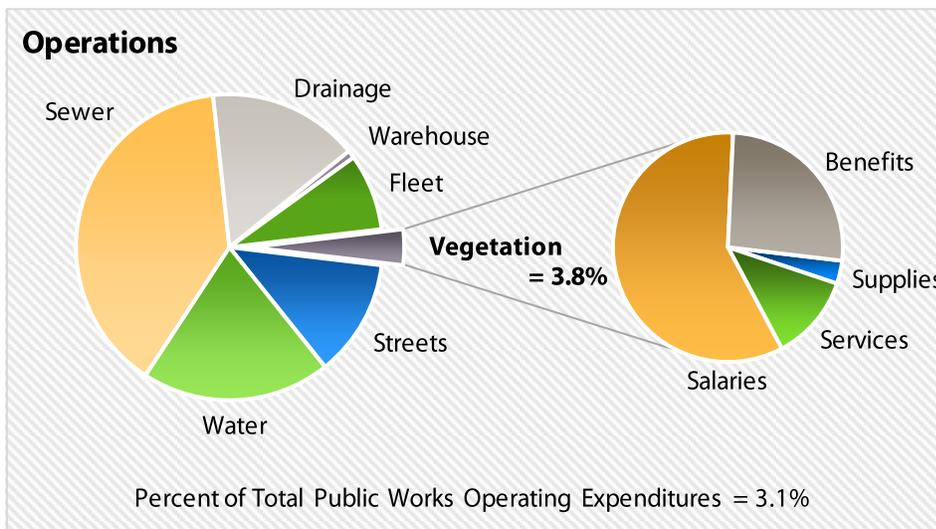
DIVISION STAFFING

	2017 Actual	2018 Actual	2019 Adopted	2020 Adopted
Field Supervisor	2.0	2.0	2.0	2.0
Maintenance Worker	17.0	17.0	16.5	16.5
Total Division FTE's	19.0	19.0	18.5	18.5

VEGETATION DIVISION

SUMMARY OF OPERATING EXPENDITURES

	2017 Actual	2018 Prelim	2019 Adopted	2020 Adopted
Salaries	\$ 1,429,767	\$ 1,551,752	\$ 1,606,650	\$ 1,679,260
Benefits	580,781	649,365	720,760	748,560
Supplies	56,709	50,864	90,540	92,000
Services	264,868	321,869	330,820	348,860
Total Expenditures	\$2,332,124	\$2,573,850	\$2,748,770	\$2,868,680



WORKLOAD INDICATORS

	2015	2016	2017	2018
# of Street Vegetation Work Orders	3,528	4,091	4,143	5,441
# of Drainage Vegetation Work Orders	2,749	7,519	4,285	4,308
# of Water Vegetation Work Orders	610	649	719	809
# of Resident Requests	448	485	583	519

GOALS

- To provide public safety, aesthetics and beautification
- To promote a welcoming environment for residents, the public and others to enjoy and linger longer within our City to financially support of our community
- Maintain functionality of the retention ponds and wetlands before, during and after the rainy season

CHALLENGES

- Meeting the demands and expectations of the community, the public and our leadership team with the current resources available to us
- With limited resources, expectations of maintenance responsibilities is our biggest challenge

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NON-DEPARTMENTAL

ACCOMPLISHMENTS

- Renegotiated the contract with the Puget Sound Regional Fire Authority, which includes emergency management, fire investigation and fire prevention services
- Refunded \$14.7 million in Build America Bonds (crossover refunding), generating approximately \$875,000 in savings over the life of the bonds

DEPARTMENT SUMMARY

The non-departmental classification is used for activities that are not the function of a specific department.

Debt Service includes LTGO, special assessment, water and sewerage utility and contributions towards debt payments for the Public Facility District (PFD).

Fire Services covers two functions, LEOFF1 Retiree Benefits and the City’s contract with the Puget Sound Regional Fire Authority. Per RCW, the City is responsible for payment of medical benefits not covered by other insurance for all LEOFF1 retirees who retired while employed by the City. In July 2010, the Fire Department ceased to be a department of the City and became what is now the Puget Sound Regional Fire Authority (PSRFA). The City continues to contract with the PSRFA for fire prevention, fire investigation and emergency management services.

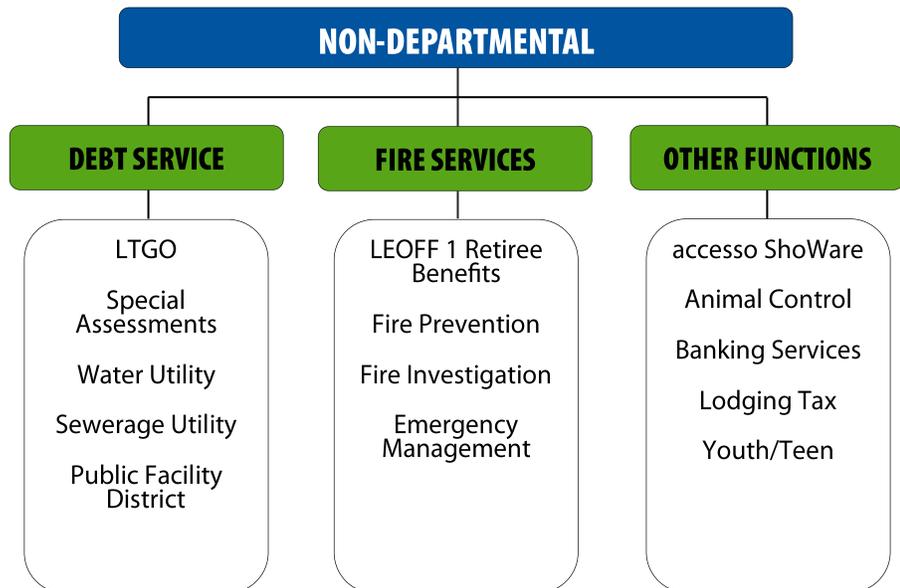
accesso ShoWare represents the City’s contribution to operations at the acceso ShoWare Center.

Animal Control is the amount paid to King County to provide those services.

Banking Services are the banking costs incurred city-wide, except the Golf Complex, which is responsible for paying its own costs.

Lodging Tax reflects tourism, branding and marketing costs as approved by the Lodging Tax Advisory Board.

Youth/Teen reflects payments made to fund the youth golf program.

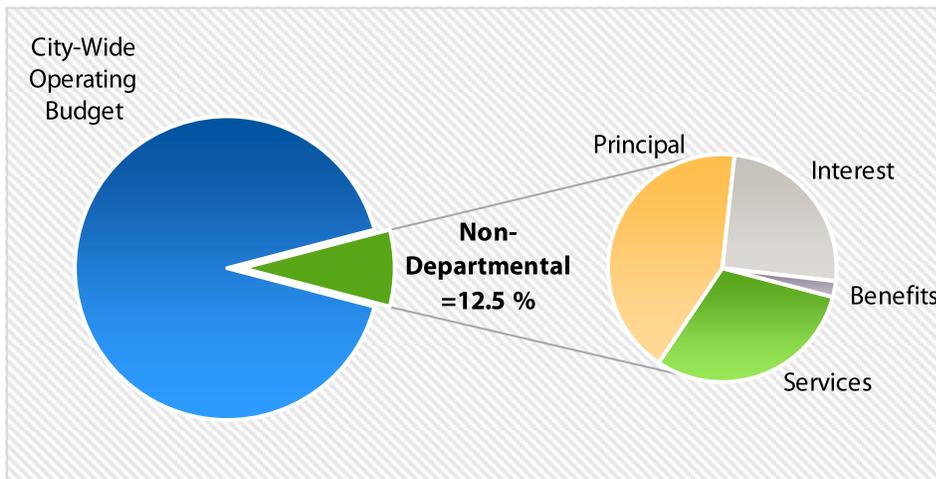


NON-DEPARTMENTAL

OPERATING EXPENDITURES BY DIVISION

	2017 Actual	2018 Prelim	2019 Adopted	2020 Adopted
Debt Service	\$ 17,570,170	\$ 17,544,897	\$ 17,482,140	\$ 14,681,450
Fire Services	3,668,180	3,557,928	3,905,690	3,878,360
accesso ShoWare	757,836	1,373,763	1,423,790	1,124,830
Animal Control	301,370	379,829	405,870	413,990
Banking Services	477,425	463,966	385,540	93,250
Lodging Tax	328,804	441,566	291,190	294,400
Youth/Teen	42,000	42,000	42,000	42,000
Gross Expenditures	23,145,787	23,803,948	23,936,220	20,528,280
Allocations				(2,335,000)
Net Expenditures	\$23,145,787	\$23,803,948	\$23,936,220	\$18,193,280

2019-20 NET OPERATING EXPENDITURES BY CATEGORY



FUNDING SOURCES

- General Fund: 20.4%
- Lodging Tax Fund: 1.3%
- Youth/Teen Fund: 0.2%
- Capital Resources Fund: 5.0%
- Events Center Fund: 5.7%
- Non-Voted Debt Service Fund: 41.4%
- Other Capital Services Fund: 0.2%
- Water Utility Fund: 17.3%
- Sewerage Utility Fund: 7.6%
- Golf Fund: 0.8%

NEW INITIATIVES

- Explore options to reduce the amount of credit card processing fees paid by the General Fund, such as allocating fees connected with utility payments to the utility funds and/or passing on at least a portion to the customer paying by credit card

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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.

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CITY-WIDE BUDGET

The following graphs and tables present budget and comparative information from a city-wide perspective.

2019-20 SUMMARY OF REVENUES AND EXPENDITURES

	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	\$ 23,409,868	\$ 33,211,531	\$ 1,930,962	\$ -	\$ 30,826,457	\$ 19,402,082	\$ 108,780,900
Revenues							
Taxes	169,451,550	40,914,620				3,255,180	213,621,350
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	12,127,100	1,657,110			156,648,060	26,221,620	196,653,890
Fines and Forfeitures	2,259,450	5,058,270			1,170		7,318,890
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	32,558,370	54,101,370	5,375,000	142,167,740
Total Revenues	214,051,790	89,959,390	21,432,020	29,533,320	221,756,680	82,374,360	659,107,560
Expenditures							
Salaries & Benefits	117,352,070	31,073,670			22,537,790	18,533,710	189,497,240
Supplies	5,977,720	2,630,160			4,013,255	4,668,910	17,290,045
Services & Allocations	53,188,420	13,160,480			96,498,695	52,711,050	215,558,645
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	214,051,790	96,834,310	20,309,820	29,632,710	232,075,600	83,949,670	676,853,900
Expenditures by Department							
City Council	914,560						914,560
Administration	5,927,210	50,000					5,977,210
Economic & Community Dev	15,635,830						15,635,830
Finance	6,778,490					782,330	7,560,820
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	85,495,490	10,184,370					95,679,860
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	214,051,790	96,834,310	20,309,820	29,632,710	232,075,600	83,949,670	676,853,900
Change in Fund Balance		(6,874,920)	1,122,200	(99,390)	(10,318,920)	(1,575,310)	(17,746,340)
Est Fund Balance 12/31/2020	\$ 23,409,868	\$ 26,336,611	\$ 3,053,162	\$ (99,390)	\$ 20,507,537	\$ 17,826,772	\$ 91,034,560

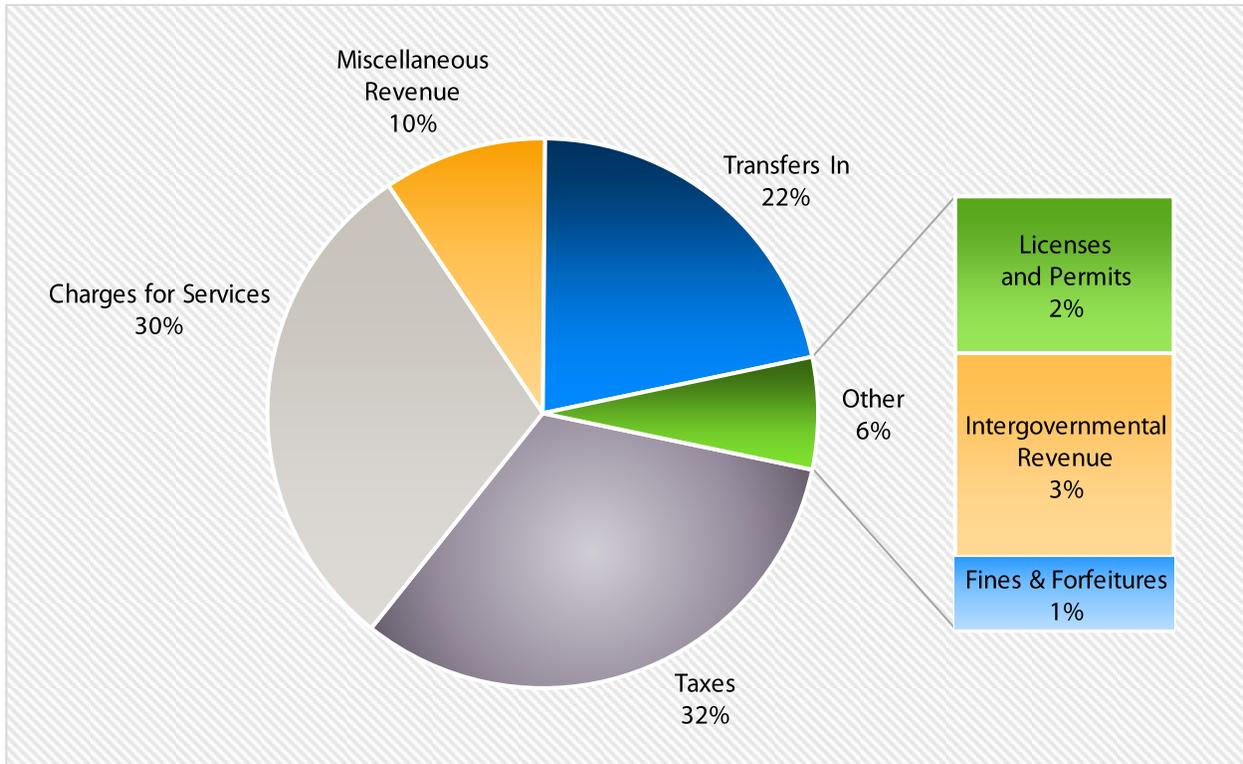
CITY-WIDE BUDGET

COMPARATIVE BUDGET SUMMARY

	2017 Actual	2018 Budget	2018 Prelim	2019 Adopted	2020 Adopted
Revenues					
Taxes	100,241,631	101,667,940	107,470,591	105,600,180	108,021,170
Licenses and Permits	7,595,291	6,064,860	8,165,381	7,678,880	8,098,960
Intergovernmental Revenue	26,158,153	19,390,428	23,108,472	12,183,130	8,138,120
Charges for Services	96,049,646	93,149,580	97,654,368	97,052,580	99,601,310
Fines and Forfeitures	3,087,294	2,714,470	2,703,865	3,804,450	3,514,440
Miscellaneous Revenue	33,178,952	34,287,630	41,468,454	31,203,290	32,043,310
Transfers In	68,263,971	90,149,689	90,529,446	79,975,390	62,192,350
Total Revenues	334,574,937	347,424,597	371,100,576	337,497,900	321,609,660
Expenditures					
Salaries & Benefits	77,921,653	87,552,223	85,438,499	98,189,890	101,804,930
Supplies	6,956,118	8,528,379	7,384,384	9,084,060	8,920,465
Services & Allocations	95,497,520	109,077,957	99,010,090	104,645,640	101,335,945
Capital	38,963,105	61,372,865	42,251,867	44,623,600	32,970,920
Debt Service	16,399,223	16,244,460	16,003,715	16,003,660	14,002,120
Transfers Out	69,728,039	91,723,189	92,038,921	81,509,450	63,763,220
Total Expenditures	305,465,658	374,499,073	342,127,476	354,056,300	322,797,600
Expenditures by Department					
City Council	349,577	409,150	344,160	439,470	475,090
Administration	2,749,602	3,088,990	2,775,090	3,002,960	2,974,250
Economic & Community Dev	5,906,099	7,305,340	6,693,838	7,720,130	7,915,700
Finance	2,812,702	3,428,860	3,418,688	3,731,180	3,829,640
Fire Contracted Services	3,668,180	3,657,530	3,557,928	3,905,690	3,878,360
Human Resources	20,132,397	24,046,370	21,398,260	22,695,570	23,193,280
Information Technology	9,614,574	11,493,490	10,943,772	11,857,410	12,255,050
Law	2,251,021	2,512,580	2,445,467	2,566,000	2,648,830
Municipal Court	3,128,653	3,405,030	3,442,107	3,517,560	3,631,340
Parks, Rec & Comm Services	32,301,672	48,725,963	35,847,139	35,070,560	37,406,700
Police	41,352,772	44,093,360	43,950,586	47,040,260	48,639,600
Public Works	119,647,453	150,723,610	135,366,509	150,942,670	122,311,370
Non Departmental	61,550,955	71,608,800	71,943,932	61,566,840	53,638,390
Total Expenditures	305,465,658	374,499,073	342,127,476	354,056,300	322,797,600

CITY-WIDE BUDGET

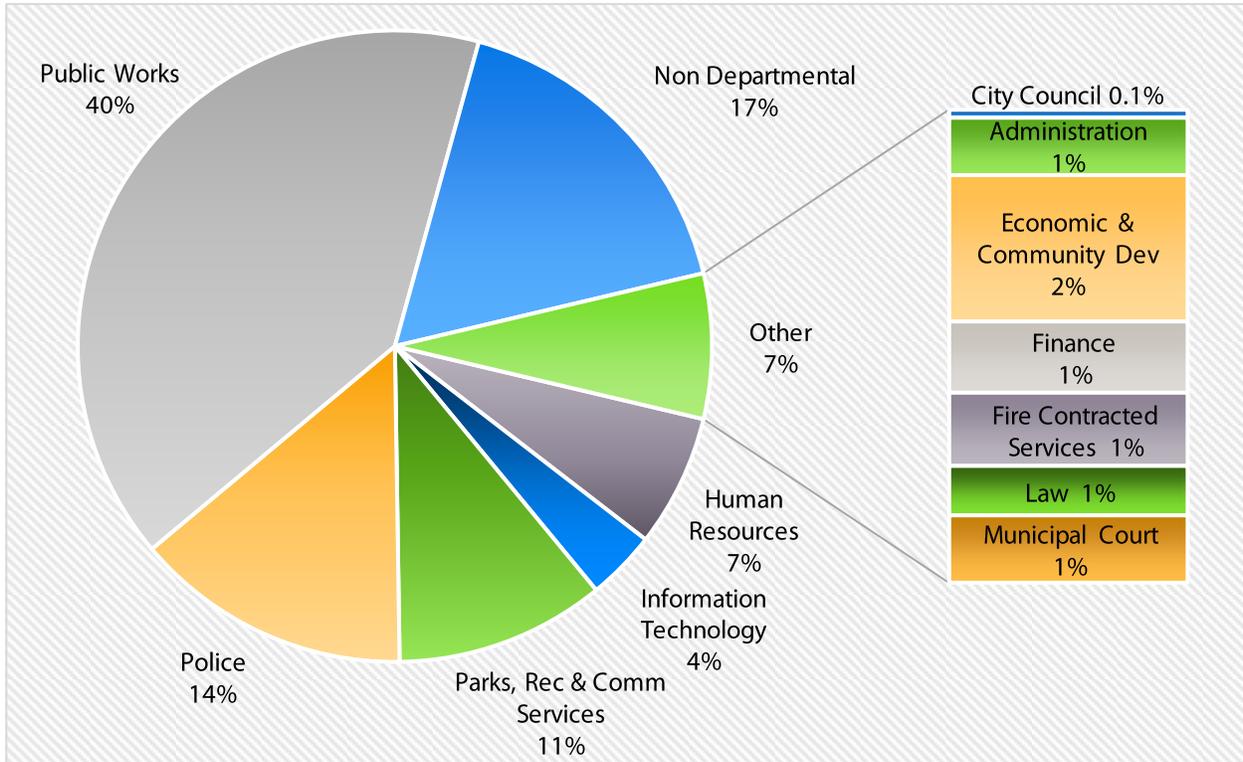
REVENUES



	2018 Budget	2019 Adopted	2020 Adopted	2019 \$ Change	2019 % Change
Revenues					
Taxes	\$101,667,940	\$105,600,180	\$108,021,170	\$ 3,932,240	3.9 %
Licenses and Permits	6,064,860	7,678,880	8,098,960	1,614,020	26.6
Intergovernmental Revenue	19,390,428	12,183,130	8,138,120	(7,207,298)	(37.2)
Charges for Services	93,149,580	97,052,580	99,601,310	3,903,000	4.2
Fines and Forfeitures	2,714,470	3,804,450	3,514,440	1,089,980	40.2
Miscellaneous Revenue	34,287,630	31,203,290	32,043,310	(3,084,340)	(9.0)
Transfers In	90,149,689	79,975,390	62,192,350	(10,174,299)	(11.3)
Total Revenues	\$347,424,597	\$337,497,900	\$321,609,660	\$ (9,926,697)	(2.9) %

CITY-WIDE BUDGET

EXPENDITURES BY DEPARTMENT



	2018 Budget	2019 Adopted	2020 Adopted	2019 \$ Change	2019 % Change
Expenditures by Department					
City Council	\$ 409,150	\$ 439,470	\$ 475,090	\$ 30,320	7.4 %
Administration	3,088,990	3,002,960	2,974,250	(86,030)	(2.8)
Economic & Community Dev	7,305,340	7,720,130	7,915,700	414,790	5.7
Finance	3,428,860	3,731,180	3,829,640	302,320	8.8
Fire Contracted Services	3,657,530	3,905,690	3,878,360	248,160	6.8
Human Resources	24,046,370	22,695,570	23,193,280	(1,350,800)	(5.6)
Information Technology	11,493,490	11,857,410	12,255,050	363,920	3.2
Law	2,512,580	2,566,000	2,648,830	53,420	2.1
Municipal Court	3,405,030	3,517,560	3,631,340	112,530	3.3
Parks, Rec & Comm Services	48,725,963	35,070,560	37,406,700	(13,655,403)	(28.0)
Police	44,093,360	47,040,260	48,639,600	2,946,900	6.7
Public Works	150,723,610	150,942,670	122,311,370	219,060	0.1
Non Departmental	71,608,800	61,566,840	53,638,390	(10,041,960)	(14.0)
Total Expenditures	\$374,499,073	\$354,056,300	\$322,797,600	\$ (20,442,773)	(5.5) %

GENERAL FUND

GENERAL FUND EXPENDITURES

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.

	2017 Actual	2018 Budget	2018 Prelim	2019 Adopted	2020 Adopted
BEGINNING FUND BALANCE	\$ 19,987,828	\$ 21,595,174	\$ 21,595,174	\$ 23,409,868	\$ 23,409,868
Revenues					
Taxes:					
Property	22,999,864	29,532,710	29,927,332	29,978,040	30,457,820
Sales Tax	21,109,277	21,100,310	24,258,828	21,770,980	19,890,180
Utility	19,648,349	19,150,880	19,223,192	19,596,150	19,578,290
Business & Occupation Tax	9,141,800	8,890,480	9,353,064	11,500,000	14,900,000
Other	902,557	879,260	775,399	882,650	897,440
Licenses and Permits	6,962,130	5,695,870	7,513,716	7,082,370	7,490,520
Intergovernmental Revenue	8,100,520	7,973,870	7,924,036	6,713,830	2,676,120
Charges for Services	7,328,567	5,844,610	6,602,681	6,001,180	6,125,920
Fines and Forfeitures	1,549,964	1,565,970	1,360,976	1,113,790	1,145,660
Miscellaneous Revenue	2,241,585	1,594,530	2,193,772	2,135,530	2,285,580
Transfers In	934,128	950,000	950,000	915,730	914,010
Total Revenues	100,918,740	103,178,490	110,082,998	107,690,250	106,361,540
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 and Other Revenues				22,130	96,170
Interest Income				100,000	100,000
Total Changes				1,322,130	5,687,170

GENERAL FUND

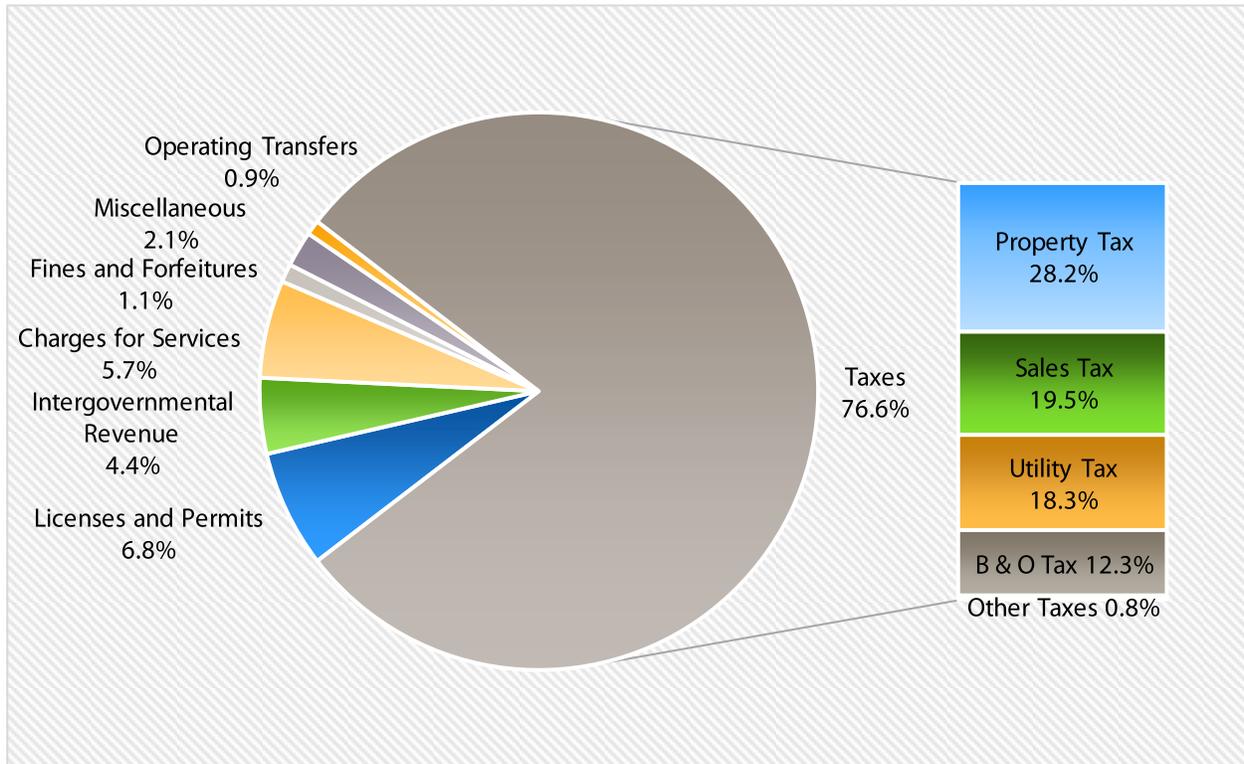
	2017 Actual	2018 Budget	2018 Prelim	2019 Adopted	2020 Adopted
Expenditures					
Salaries & Benefits	50,572,365	54,919,610	54,425,690	57,791,050	59,561,020
Supplies	2,383,585	2,952,170	2,492,593	2,966,380	3,011,340
Services & Charges	38,252,061	40,613,457	40,098,793	43,364,890	36,265,410
Vehicles & Equipment			124,680		
Cost Allocation	(13,516,280)	(13,758,210)	(14,002,548)	(15,198,840)	(11,243,040)
Transfers Out	21,619,664	24,791,140	25,129,095	18,766,770	18,766,810
Total Expenditures	99,311,395	109,518,167	108,268,303	107,690,250	106,361,540
Expenditures by Department					
City Council	349,577	409,150	344,160	439,470	475,090
Administration	2,745,792	3,063,990	2,759,974	2,977,960	2,949,250
Economic & Community Dev	5,841,099	7,305,340	6,675,516	7,720,130	7,915,700
Finance	2,522,554	3,007,710	3,061,435	3,343,890	3,434,600
Fire Contracted Services	3,668,180	3,657,530	3,557,928	3,905,690	3,878,360
Human Resources	1,835,276	2,213,030	2,075,553	2,159,610	2,151,880
Information Technology	521,151	519,450	506,265	528,260	346,460
Law	1,600,450	1,777,920	1,673,438	1,829,200	1,694,730
Municipal Court	3,128,653	3,405,030	3,442,107	3,517,560	3,631,340
Parks, Rec & Comm Services	16,655,355	18,636,007	17,983,569	18,852,830	19,004,800
Police	37,167,621	38,863,160	39,298,193	41,932,860	43,562,630
Public Works	1,111,563	1,318,470	1,155,562	1,142,280	590,750
Non Departmental	22,164,122	25,341,380	25,734,603	19,340,510	16,725,950
Total Expenditures	99,311,395	109,518,167	108,268,303	107,690,250	106,361,540
Changes:					
Admin - Executive 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
Admin - Communications Training				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)				(73,600)	(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)

GENERAL FUND

	2017 Actual	2018 Budget	2018 Prelim	2019 Adopted	2020 Adopted
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)
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 - 1.0 FTE				92,390	95,350
Admissions Tax Remain in Golf				70,000	70,000
Merchant Card Fees					(300,000)
Reduce Emergency Mgmt - PSRFA 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				21,780	3,370
				105,340	(3,571,450)
Change in Fund Balance	1,607,345	(6,339,677)	1,814,694	-	-
ENDING FUND BALANCE	\$21,595,174	\$15,255,497	\$23,409,868	\$23,409,868	\$23,409,868

GENERAL FUND

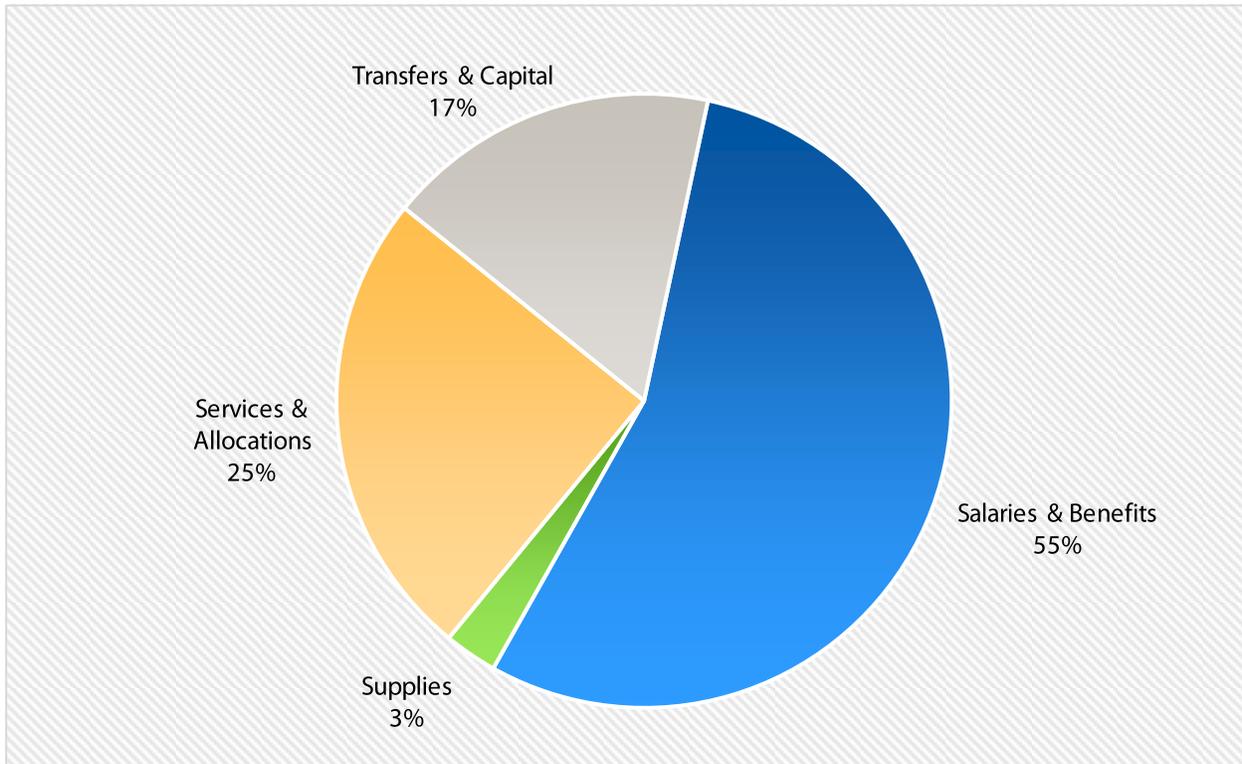
GENERAL FUND REVENUES



	2018 Budget	2019 Adopted	2018 vs 2019 \$ Change	2018 vs 2019 % Change	2020 Adopted	2019 vs 2020 \$ Change	2019 vs 2020 % Change
Revenues							
Taxes							
Property	\$ 29,532,710	\$ 29,978,040	\$ 445,330	1.5 %	\$ 30,457,820	\$ 479,780	1.6 %
Sales Tax	21,100,310	21,770,980	670,670	3.2	19,890,180	(1,880,800)	(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	7,973,870	6,713,830	(1,260,040)	(15.8)	2,676,120	(4,037,710)	(60.1)
Charges for Services	5,844,610	6,001,180	156,570	2.7	6,125,920	124,740	2.1
Fines and Forfeitures	1,565,970	1,113,790	(452,180)	(28.9)	1,145,660	31,870	2.9
Miscellaneous Revenue	1,594,530	2,135,530	541,000	33.9	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	\$103,178,490	\$107,690,250	\$4,511,760	4.4 %	\$106,361,540	\$(1,328,710)	(1.2) %

GENERAL FUND

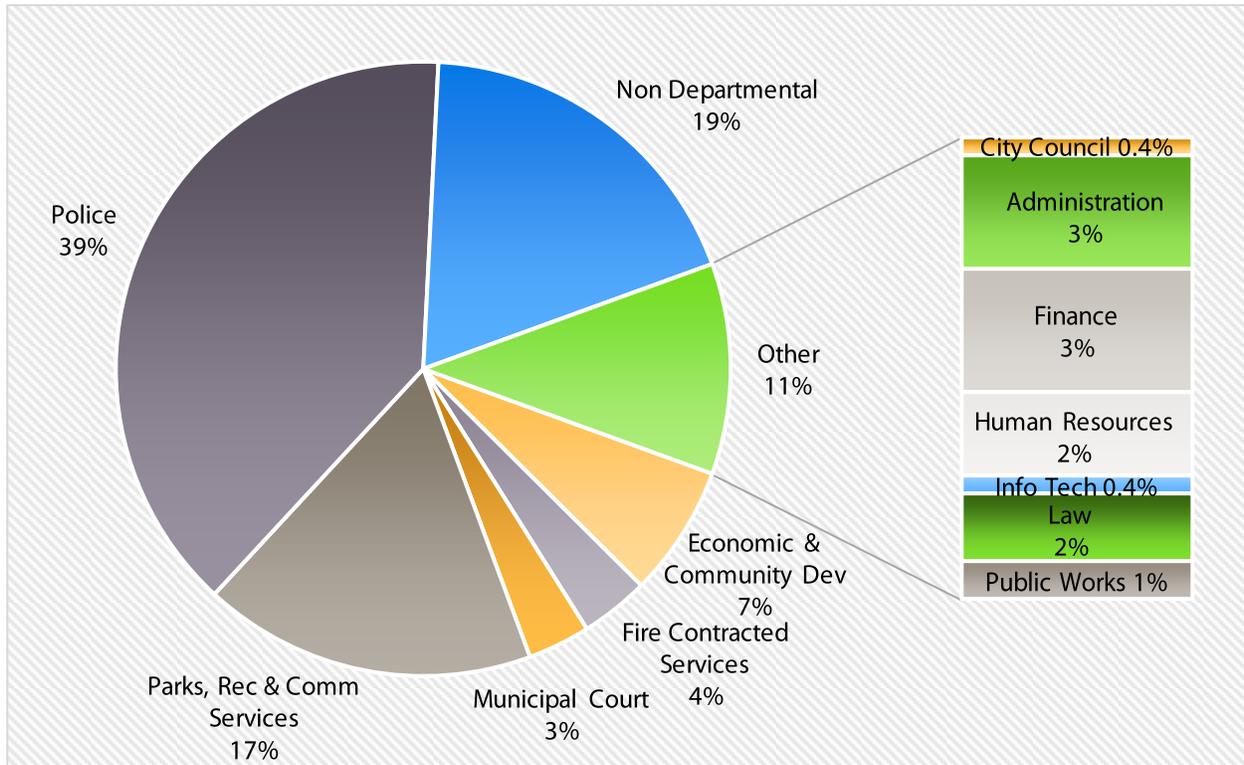
GENERAL FUND EXPENDITURES



	2018 Budget	2019 Adopted	2018 vs 2019 \$ Change	% Change	2020 Adopted	2019 vs 2020 \$ Change	% Change
Expenditures							
Salaries & Benefits	\$ 54,919,610	\$ 57,791,050	\$ 2,871,440	5.2 %	\$ 59,561,020	\$ 1,769,970	3.1 %
Supplies	2,952,170	2,966,380	14,210	0.5	3,011,340	44,960	1.5
Services & Allocations	26,855,247	28,166,050	1,310,803	4.9	25,022,370	(3,143,680)	(11.2)
Transfers & Capital	24,791,140	18,766,770	(6,024,370)	(24.3)	18,766,810	40	0.0
Total Gen Fund Expenditures	\$109,518,167	\$107,690,250	\$ (1,827,917)	(1.7) %	\$106,361,540	\$(1,328,710)	(1.2) %

GENERAL FUND

GENERAL FUND EXPENDITURES BY DEPARTMENT



	2018 Budget	2019 Adopted	2018 vs 2019 \$ Change	2018 vs 2019 % Change	2020 Adopted	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	2,977,960	(86,030)	(2.8)	2,949,250	(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	3,343,890	336,180	11.2	3,434,600	90,710	2.7
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	18,636,007	18,852,830	216,823	1.2	19,004,800	151,970	0.8
Police	38,863,160	41,932,860	3,069,700	7.9	43,562,630	1,629,770	3.9
Public Works	1,318,470	1,142,280	(176,190)	(13.4)	590,750	(551,530)	(48.3)
Non Departmental	25,341,380	19,340,510	(6,000,870)	(23.7)	16,725,950	(2,614,560)	(13.5)
Total Expenditures	\$109,518,167	\$107,690,250	\$(1,827,917)	(1.7) %	\$106,361,540	\$(1,328,710)	(1.2) %

GENERAL FUND LONG-RANGE OUTLOOK

The long-range outlook provides a forward-looking view of the General Fund operating budget, allowing City officials and others to evaluate the long-term sustainability of the annual operating budget. It also provides a starting point for future decision making regarding the budget by identifying the balance between potential spending needs and the projected revenue outlook, making it a key tool for financial planning.

The General Fund Long-Range Outlook includes:

- ◆ A discussion of financial risks facing the City
- ◆ A General Fund overview, including major revenue and expenditure assumptions
- ◆ A summary table covering General Fund budget and six-year forecast data

FINANCIAL RISKS

The City continues to face a great deal of financial uncertainty heading into the future. After several years of slow economic growth, the City is still unable to restore significant reductions taken during and following the Great Recession. During the same timeframe, Washington sales tax changed from origin-based to destination-based, heavily impacting sales tax revenues as the City houses one of the largest warehouse districts on the west coast. The City has reset and is operating with the new normal created by these events. The forecast beyond the 2019-2021 biennium presumes that there are no additional FTEs added.

Growth of Service Need

With the assumption of flat staffing levels in the forecasted years, it is unlikely that existing staffing will be able to keep pace with additional service needs over time. As the City grows, without an increase in staffing or other measures, the outcome will be a degradation of existing service levels.

Infrastructure Maintenance & Refurbishment

Since the recession, the City has struggled to fund infrastructure maintenance, including transportation systems, parks, trails and city facilities. The lack of ongoing funding has resulted in deterioration of infrastructure, especially the City's parks and trails system. Identifying sustainable funding remains elusive.

Legislative

As the State of Washington implements the "McCleary" Funding for schools, and as King County continues to grapple with a structural deficit in growth in expenditures outstripping revenues, the impact to the City must be monitored. The City risks losing state shared revenues and being negatively impacted by downstream effects of reduced services from the County.

Economic Recession

While the economy has maintained growth for several years since the Great Recession ended in 2009, history says that the time between recessions has never been longer than 10 years (Source: National Bureau of Economic Research). Revenue growth may not be sustained and a dip in the economy looms in the future.

GENERAL FUND LONG-RANGE OUTLOOK

GENERAL FUND OVERVIEW

The six-year projections provided in the financial outlook reflect numerous assumptions related to revenues and expenditures in 2021 and beyond. These assumptions represent a reasonable starting point for estimating the long-term status of the General Fund. However, it is important to note that the assumptions and resulting projections will change over time. Even relatively minor changes in key variables can cause significant change in the long-term outlook.

The **Six-Year Forecast** on the following page projects revenues and expenditures for the General Fund for 2021-2026, is based on the assumptions below. It is a tool for identifying potential issues in advance, allowing an opportunity to devise strategies and solutions for improving the financial outlook of the City.

REVENUE ASSUMPTIONS

- ◆ **Property Tax:** one percent plus new construction
- ◆ **Sales Tax:** In 2020, the split between GF/CRF was changed to 80/20, increasing the GF portion by \$480k. 2021-2026 growth: 2.0% annually. Annexation Sales Tax Credit expires 6/30/2020
- ◆ **Utility Tax:** Water/sewer rate and CPI increases per ordinance; nominal growth
- ◆ **B&O Tax:** Increase in 2019: \$3 million, 2020: \$3.4 million, 2022: \$2.1 million, 2025: \$3 million
- ◆ **Licenses & Permits:** Estimated CPI, per resolution, \$1.2 million volume increase
- ◆ **Intergovernmental:** Assumes state shared revenues continue unchanged
- ◆ **Charges for Services:** Plans review services at estimated CPI per resolution; nominal growth

EXPENDITURE ASSUMPTIONS

- ◆ **Salary & Wages:** 2019: AFSCME/Teamsters per labor agreements and NR at 2.1%, KPOA per labor agreement at 3%, 2020-2026: 2% annually, temp wages per I-1433 minimum wage schedule (\$13.50 by 2020)
- ◆ **Benefits:** 20% in 2019, 5% annually 2020-2026
- ◆ **Supplies:** 2% annually
- ◆ **Services & Charges/Cost Allocation:** 2% annually, 2020: eliminated costs allocated to annexation effective 6/30/2020

GENERAL FUND LONG-RANGE OUTLOOK

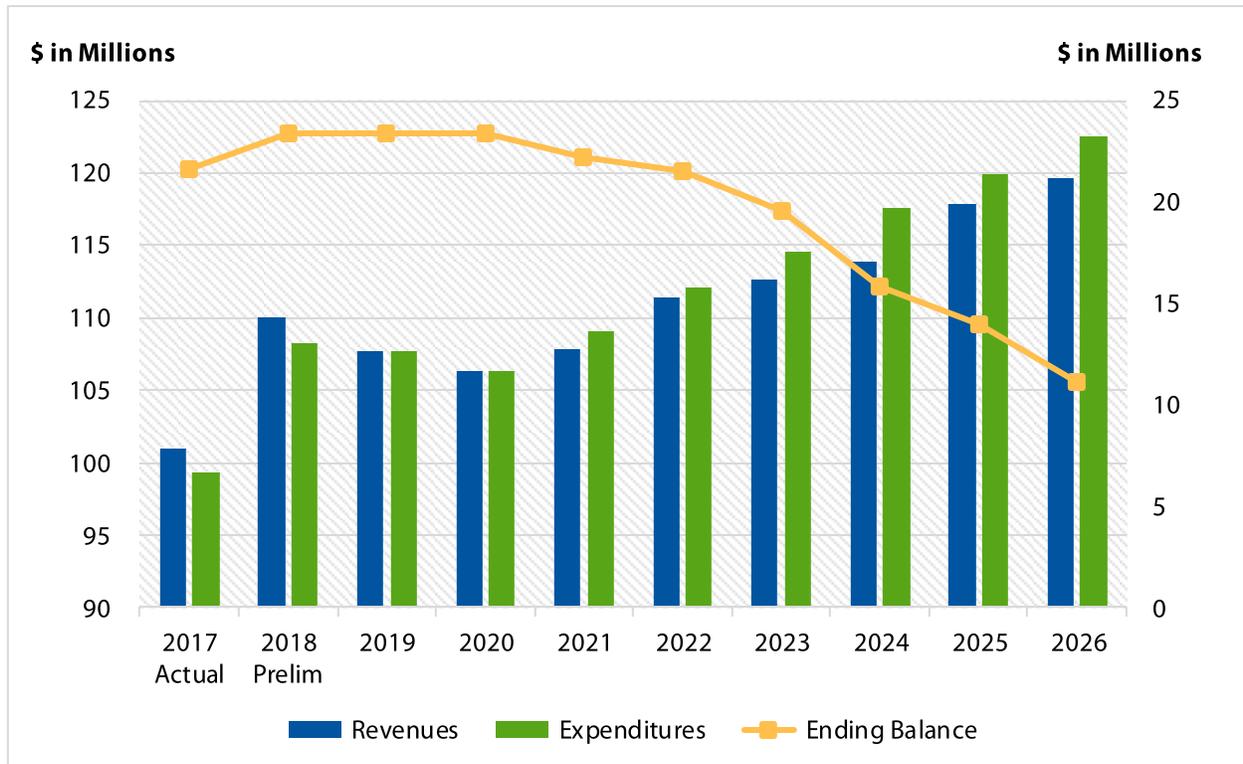
SIX-YEAR FORECAST

Projections clearly demonstrates an ongoing structural issue arising from the growth in expenditures annually outpacing the growth in revenues. This continued imbalance represents a major issue for the City that it must take additional, on-going steps to address. The ability to maintain and improve City services and address the backlog of infrastructure maintenance needs is heavily dependent on improving revenue streams, while continuing to find operational efficiencies. It is important to note that the forecast does not represent an official spending plan, it is simply a clear indicator of the challenges the City continues to face.

(in thousands)	Adopted		Six-Year Forecast					
	2019	2020	2021	2022	2023	2024	2025	2026
BEGINNING FUND BALANCE	\$ 23,410	\$ 23,410	\$ 23,410	\$ 22,210	\$ 21,510	\$ 19,570	\$ 15,880	\$ 13,930
Revenues								
Taxes								
Property	29,980	30,460	30,880	31,310	31,740	32,180	32,620	33,070
Sales Tax	21,770	19,890	18,700	19,300	19,650	20,010	20,180	21,000
Utility	19,600	19,580	21,080	21,320	21,510	21,710	21,910	22,110
Business & Occupation Tax	11,500	14,900	15,400	17,500	17,500	17,500	20,500	20,500
Other	880	900	910	920	930	940	950	960
Licenses and Permits	7,080	7,490	7,600	7,720	7,840	7,970	8,080	8,190
Intergovernmental Revenue	6,710	2,680	2,690	2,700	2,720	2,730	2,740	2,760
Charges for Services	6,000	6,130	6,210	6,300	6,380	6,470	6,560	6,660
Fines and Forfeitures	1,110	1,150	1,150	1,150	1,150	1,150	1,150	1,150
Miscellaneous Revenue	2,140	2,290	2,290	2,290	2,290	2,290	2,290	2,290
Transfers In	920	910	950	950	950	950	950	950
Total Revenues	107,690	106,380	107,860	111,460	112,660	113,900	117,930	119,640
Expenditures								
Salaries	39,760	40,920	42,430	43,690	44,980	46,320	47,700	49,120
Benefits	18,030	18,650	19,380	20,260	21,180	22,150	23,160	24,220
Supplies	2,970	3,010	3,130	3,210	3,290	3,360	3,440	3,530
Services & Charges	43,360	36,270	29,290	29,900	30,500	31,100	31,720	32,410
Vehicles & Equipment								
Cost Allocation	(15,200)	(11,240)	(4,160)	(4,200)	(4,250)	(4,290)	(4,330)	(4,370)
Transfers Out	18,770	18,770	18,990	19,300	18,900	18,950	18,190	17,560
Total Expenditures	107,690	106,380	109,060	112,160	114,600	117,590	119,880	122,470
Change in Fund Balance	-	-	(1,200)	(700)	(1,940)	(3,690)	(1,950)	(2,830)
ENDING FUND BALANCE	\$ 23,410	\$ 23,410	\$ 22,210	\$ 21,510	\$ 19,570	\$ 15,880	\$ 13,930	\$ 11,100

GENERAL FUND LONG-RANGE OUTLOOK

GENERAL FUND FINANCIAL FORECAST



CONCLUSION

The long-range financial forecast of the General Fund demonstrates that operating revenues will not keep up with operating expenditures over the six years following the 2019-2020 biennial budget, which is a clear indication of an ongoing structural imbalance. It continues to be a major issue for the City, one that must be solved to ensure sustainable services.

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 include 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.

	2017 Actual	2018 Budget	2018 Prelim	2019 Adopted	2020 Adopted
BEGINNING FUND BALANCE	\$ 3,977,113	\$ 5,873,486	\$ 5,873,486	\$ 5,404,355	\$ 5,404,355
Revenues					
Taxes					
Water Utility Tax	216,997	205,760	225,144	231,180	236,730
Sewer Utility Tax	221,290	226,730	228,609	227,270	232,730
Drainage Utility Tax	293,747	287,670	300,986	297,120	304,250
Electric Utility Tax	1,290,409	1,190,180	1,247,922	1,249,690	1,255,930
Gas Utility Tax	368,609	337,810	323,651	344,560	346,290
Garbage Utility Tax	3,703,794	3,336,630	3,877,815	3,837,130	3,856,310
Telephone Utility Tax	474,503	582,880	421,170	477,960	466,010
Licenses and Permits	537,391	323,990	562,087	524,700	535,190
Intergovernmental Revenue	2,230,385	2,219,690	2,322,427	2,334,300	2,653,930
Charges for Services	2,442,010	464,930	2,567,120	739,700	763,490
Miscellaneous Revenue	61,516	4,450	90,544	20,000	20,000
Operating Revenues	11,840,651	9,180,720	12,167,475	10,283,610	10,670,860
Transfers In - General Fund	2,480,440	2,657,340	2,657,340	6,725,070	7,122,750
Transfers In - LID Funded Projects	86,680	83,500	392,086	336,740	32,310
Total Revenues	14,407,771	11,921,560	15,216,901	17,345,420	17,825,920

STREET OPERATING FUND

	2017 Actual	2018 Budget	2018 Prelim	2019 Adopted	2020 Adopted
Expenditures					
Street Operations					
Salaries & Benefits	2,627,028	2,803,950	2,696,151	3,051,650	3,147,380
Supplies	338,367	529,720	349,083	428,110	437,910
Services & Charges	3,763,504	4,741,960	3,882,314	4,472,990	4,648,720
Vehicles & Equipment	123,574			78,000	
Cost Allocation - to Annexation	(1,111,563)	(1,318,470)	(1,155,562)	(1,142,280)	(590,750)
Cost Allocation	(612,875)	(1,290,000)	(393,081)	(320,000)	(420,000)
Transfers Out - Debt Service	2,304,149	2,278,930	2,275,680	2,403,450	2,163,720
Transfers Out - Projects	3,829,510	6,677,810	6,681,054		
Lifecycle					
Salaries & Benefits				628,140	648,110
Supplies				287,720	276,650
Services & Charges			9,166	3,119,940	3,114,600
Vehicles & Equipment				70,000	80,250
Transfers Out - Debt Service			3,244		
Transfers Out - Projects				3,026,000	3,043,800
PW Engineering					
Salaries & Benefits	4,735,374	6,451,000	5,979,119	6,848,930	7,065,520
Supplies	87,131	94,970	82,494	83,860	85,430
Services & Charges	808,884	854,730	966,278	890,600	928,690
Vehicles & Equipment	26,477	63,500			
Cost Allocation - Engr Services	(4,408,162)	(6,039,260)	(5,689,908)	(6,581,690)	(6,804,110)
Total Expenditures	12,511,397	15,848,840	15,686,032	17,345,420	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	1,896,373	(3,927,280)	(469,131)	-	-
ENDING FUND BALANCE	\$ 5,873,486	\$ 1,946,206	\$ 5,404,355	\$ 5,404,355	\$ 5,404,355

STREET OPERATING FUND PROJECTS

	2019 Adopted	2020 Adopted
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.

	2017 Actual	2018 Budget	2018 Prelim	2019 Adopted	2020 Adopted
BEGINNING FUND BALANCE	\$ 1,174,261	\$ 1,296,372	\$ 1,296,372	\$ 1,868,412	\$ 1,625,002
Revenues					
Interest Income	12,091	1,750	29,012	6,800	6,800
Contributions	927,306	941,730	669,492	922,790	946,150
Miscellaneous	95,888				
Transfers In	250,000	1,250,000	1,250,000	250,000	250,000
Total Revenues	1,285,285	2,193,480	1,948,504	1,179,590	1,202,950
Expenditures					
Blue Cross Claims	702,515	794,900	642,148	735,000	756,970
Blue Cross Admin Fees	43,072	52,520	45,926	46,600	48,000
Delta Dental Claims	31,674	25,550	33,009	31,600	32,550
Delta Dental Admin Fees	5,536	12,120	5,403	9,100	9,370
Vision Service Plan Claims	4,188	7,460	3,808	4,400	4,530
Vision Service Plan Admin Fees	1,356	1,920	1,526	1,500	1,550
Stop Loss Fees	53,741	50,000	58,733	50,000	51,500
Medical Reimbursements	303,752	642,000	575,362	400,000	400,000
Other Professional Services	17,340	10,080	10,547	144,800	145,240
Total Expenditures	1,163,174	1,596,550	1,376,464	1,423,000	1,449,710
Change in Fund Balance	122,111	596,930	572,040	(243,410)	(246,760)
ENDING FUND BALANCE	\$ 1,296,372	\$ 1,893,302	\$ 1,868,412	\$ 1,625,002	\$ 1,378,242

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 accesso ShoWare Center, support for the Chamber of Commerce, sponsorship of special events that bring hotel guests and branding activities.

	2017 Actual	2018 Budget	2018 Prelim	2019 Adopted	2020 Adopted
BEGINNING FUND BALANCE	\$ 469,387	\$ 457,557	\$ 457,557	\$ 338,217	\$ 341,857
Revenues					
Lodging Tax	312,980	286,110	314,265	291,830	297,670
Interest Income	3,995	500	7,961	3,000	3,000
Total Revenues	316,975	286,610	322,226	294,830	300,670
Expenditures					
Services & Charges	16,681	17,250	17,698	10,190	10,000
Tourism Marketing	208,623	275,500	277,170	171,400	174,800
Tourism Unallocated	25,000	75,000	61,698	24,600	24,600
Tourism Chamber	18,500	25,000	25,000	25,000	25,000
Tourism Website	-	-	-	-	-
ShoWare Marketing	60,000	60,000	60,000	60,000	60,000
Total Expenditures	328,804	452,750	441,566	291,190	294,400
Changes:					
Reduction of costs allocated from IT					(190)
Total Changes					(190)
Change in Fund Balance	(11,830)	(166,140)	(119,340)	3,640	6,270
ENDING FUND BALANCE	\$ 457,557	\$ 291,417	\$ 338,217	\$ 341,857	\$ 348,127

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.

	2017 Actual	2018 Budget	2018 Prelim	2019 Budget	2020 Budget
BEGINNING FUND BALANCE	\$ 91,130	\$ 104,887	\$ 104,887	\$ 87,733	\$ 87,733
Revenues					
Taxes:					
Water Utility Tax	65,099	61,810	67,543	71,450	71,450
Sewer Utility Tax	66,690	68,110	68,896	73,040	73,040
Drainage Utility Tax	88,124	86,410	90,296	91,140	91,140
Electric Utility Tax	387,123	357,050	374,377	374,910	376,780
Gas Utility Tax	110,583	101,340	97,095	103,890	103,890
Garbage Utility Tax	95,788	86,290	100,288	99,730	99,730
Telephone Utility Tax	142,351	174,860	126,351	143,390	139,800
Miscellaneous Revenue		350		180	180
Total Revenues	955,757	936,220	924,846	957,730	956,010
Expenditures					
Transfer to GF Youth/Teen Program	900,000	900,000	900,000	915,730	914,010
Teen Golf Program	42,000	42,000	42,000	42,000	42,000
Total Expenditures	942,000	942,000	942,000	957,730	956,010
Change in Fund Balance	13,757	(5,780)	(17,154)	-	-
ENDING FUND BALANCE	\$ 104,887	\$ 99,107	\$ 87,733	\$ 87,733	\$ 87,733

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 use tax, all of the real estate excise tax, and a portion of the internal utility tax (four percent of 13 percent). 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.

	2017 Actual	2018 Budget	2018 Prelim	2019 Adopted	2020 Adopted
BEGINNING FUND BALANCE	\$11,277,727	\$15,646,334	\$15,646,334	\$15,331,621	\$10,934,081
Revenues					
Taxes:					
Sales & Use Tax	5,683,979	4,464,280	5,174,219	4,594,420	4,239,620
Utility Tax - 2% int util tax	1,464,068	1,440,320	1,509,478	1,534,060	1,570,870
Real Estate Excise Tax	7,211,140	4,800,000	7,689,991	3,400,000	3,400,000
Miscellaneous Revenue	74,388	2,620	112,454	52,400	52,400
Transfers In - 4% int util tax/B&O	5,515,343	7,799,610	8,195,078	6,288,430	5,942,090
Transfers In - GF	300,000	325,000	325,000	325,000	325,000
Total Revenues	20,248,917	18,831,830	23,006,220	16,194,310	15,529,980
Changes:					
Sales Tax Swap				-	(470,000)
Total Changes				-	(470,000)

CAPITAL RESOURCES FUND

	2017 Actual	2018 Budget	2018 Prelim	2019 Adopted	2020 Adopted
Expenditures					
General Capital					
Transfer to Debt Service	10,279,638	10,330,430	10,077,200	9,889,850	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	
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	
Council Chambers Renovation		100,000	100,000		
Place Making/Meet Me On Meeke	450,000	450,000	450,000		
IT Capital Projects	1,750,000	1,250,000	1,250,000	2,250,000	2,250,000
Naden Ave & Willis St - right in/rig	250,000				
Downtown Strategic Action Plan	33,186	50,000	50,000		
Quiet Zone		2,400,000	2,400,000		
Property Sales & Acquisitions	519,848		260,295		
Neighborhood Grant Matching	3,809	25,000	33,438	25,000	25,000
Parks Capital and Lifecycle Maintenance					
Parks Capital Projects	2,037,145	8,400,000	8,400,000	3,341,000	4,869,000
Parks Lifecycle Maintenance	479,670			500,000	500,000
Total Expenditures	16,103,297	23,305,430	23,320,933	20,591,850	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	4,145,620	(4,473,600)	(314,713)	(4,397,540)	(2,622,020)
Year-end Working Capital Adjustment	222,987				
ENDING FUND BALANCE	\$15,646,334	\$11,172,734	\$15,331,621	\$10,934,081	\$ 8,312,061

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.

	2017 Actual	2018 Budget	2018 Prelim	2019 Adopted	2020 Adopted
BEGINNING FUND BALANCE	\$ 5,697,717	\$ 7,197,004	\$ 7,197,004	\$ 7,207,406	\$ 7,637,576
Revenues					
Sales & Use Tax	2,724,734	2,531,650	2,997,372	2,911,390	3,398,220
Intergovernmental Revenue	758,719	536,680	805,813	443,360	461,630
Charges for Services	81,124	144,000	99,256	94,200	96,080
Fines and Forfeitures	1,517,733	1,144,500	1,333,340	2,690,080	2,368,190
Miscellaneous Revenue	58,375	6,120	102,543	39,600	55,080
Transfers In	1,226,761	121,500	121,500	121,500	121,500
Total Revenues	6,367,446	4,484,450	5,459,823	6,300,130	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	2,712,580	3,316,193	3,424,797	3,806,040	4,007,820
Supplies	452,707	643,579	615,191	635,170	354,100
Services & Charges	1,527,536	1,074,648	1,038,676	1,142,890	1,121,100
Vehicles & Equipment	627,075	444,400	513,672	868,000	868,000
Allocate to Annexation	(499,695)	(505,210)	(659,415)	(598,640)	(310,170)
Transfers Out	40,519	516,500	516,500	16,500	16,500
Total Expenditures	4,860,722	5,490,110	5,449,422	5,869,960	6,057,350

CRIMINAL JUSTICE FUND

	2017 Actual	2018 Budget	2018 Prelim	2019 Adopted	2020 Adopted
Expenditures by Function					
Law - Prosecution	689,926	778,450	742,770	793,740	907,200
Law - Domestic Violence	179,078	193,490	190,199	199,490	205,240
KYFS - Youth Violence Prevention	25,000	25,250	25,000	25,760	26,280
Police	1,831,126	2,846,660	2,478,776	2,781,550	2,770,620
Police Special Programs	2,594,768	1,634,970	2,155,591	2,651,560	2,441,680
Allocate to Annexation	(499,695)	(505,210)	(659,415)	(598,640)	(310,170)
Transfers Out	40,519	516,500	516,500	16,500	16,500
Total Expenditures	4,860,722	5,490,110	5,449,422	5,869,960	6,057,350
Changes:					
Body Worn 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	1,506,724	(1,005,660)	10,401	430,170	443,350
Year-End Working Capital Adjustment	7,437				
ENDING FUND BALANCE	\$ 7,197,004	\$ 6,191,344	\$ 7,207,406	\$ 7,637,576	\$ 8,080,926

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.

	2017 Actual	2018 Budget	2018 Prelim	2019 Adopted	2020 Adopted
Revenues					
Block Grants - CDBG	\$ 895,427	\$ 1,183,182	\$ 945,824	\$ 1,175,190	\$ 1,175,190
Total Revenues	895,427	1,183,182	945,824	1,175,190	1,175,190
Expenditures					
Salaries & Benefits	516,802	591,720	511,755	651,810	673,140
Supplies	86,769	145,200	78,215	-	-
Services & Charges	291,857	411,262	322,526	523,380	502,050
Equipment		35,000	38,732		
Total Expenditures	895,427	1,183,182	951,227	1,175,190	1,175,190
Changes:					
Management Benefits - Reduce 50%				(730)	(730)
Medical Insurance - Reduce 5%					(5,250)
Offset Services Expenses				730	5,980
Total Changes				-	-
Expenditures by Program					
Planning & Administration	134,980	194,037	134,117	229,040	229,040
Home Repair	623,213	729,371	645,802	774,370	774,370
Service Providers	137,235	259,774	171,308	171,780	171,780
Total Expenditures by Program	\$ 895,427	\$ 1,183,182	\$ 951,227	\$ 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.

	2017 Actual	2018 Budget	2018 Prelim	2019 Adopted	2020 Adopted
BEGINNING FUND BALANCE	\$ 436,914	\$ 526,158	\$ 526,158	\$ 587,401	\$ 587,401
Revenues					
Transfers In - General Fund	129,338	120,650	133,288	112,670	108,100
Total Revenues	129,338	120,650	133,288	112,670	108,100
Changes:					
Baseline Corrections				660	1,350
Total Changes				660	1,350
Expenditures					
Supplies	15,025			14,500	14,500
Services & Charges	21,434	120,650	72,045	98,170	93,600
Art	3,635				
Total Expenditures	40,094	120,650	72,045	112,670	108,100
Changes:					
Baseline Corrections				660	1,350
Total Changes				660	1,350
Change in Fund Balance	89,244	-	61,243	-	-
ENDING FUND BALANCE	\$ 526,158	\$ 526,158	\$ 587,401	\$ 587,401	\$ 587,401

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.

	2017 Actual	2018 Budget	2018 Prelim	2019 Adopted	2020 Adopted
BEGINNING FUND BALANCE	\$ 2,147,074	\$ 2,518,895	\$ 2,518,894	\$ 2,386,387	\$ 2,112,597
Revenues					
Other Revenue	518,118		129,691		
Transfer In - Admissions Tax	347,109	84,430	84,430		
Transfer In - General Fund	500,000	850,000	811,565	850,000	850,000
Transfer In - Capital Resources	300,000	300,000	300,000	300,000	300,000
Total Revenues	1,665,226	1,234,430	1,325,685	1,150,000	1,150,000
Expenditures					
Services & Charges	278,744	891,180	918,233	799,990	800,030
Lifecycle Expenses	203,786	300,000	20,908	599,000	300,000
Supplies	100,219	5,220	69,150		
Capital Outlay	375,861	99,550	312,820		
Debt Service - Principal	24,796	52,700	52,651	24,800	24,800
Transfer Out - ShoWare Lifecycle	310,000	84,430	84,430		
Total Expenditures	1,293,406	1,433,080	1,458,193	1,423,790	1,124,830
Change in Fund Balance	371,821	(198,650)	(132,507)	(273,790)	25,170
ENDING FUND BALANCE	\$ 2,518,895	\$ 2,320,245	\$ 2,386,387	\$ 2,112,597	\$ 2,137,767

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, Sewer and Drainage 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).

	2017 Actual	2018 Budget	2018 Prelim	2019 Budget	2020 Budget
BEGINNING FUND BALANCE	\$ 521,394	\$ 986,220	\$ 986,220	\$ 1,451,046	\$ 1,914,546
Revenues					
Intergovernmental	887,946			867,510	1,023,850
Transfers In	9,893,283	10,531,820	10,535,010	9,360,380	8,081,720
Total Revenues	10,781,229	10,531,820	10,535,010	10,227,890	9,105,570
Expenditures					
Debt Service - Principal	6,461,196	6,409,760	6,412,328	6,321,240	5,396,870
Debt Service - Interest	3,855,207	3,657,230	3,657,856	3,443,150	3,244,940
Total Expenditures	10,316,403	10,066,990	10,070,185	9,764,390	8,641,810
Expenditures by Bond Issue					
LTGO Taxable Bonds 2003	186,803	186,650	186,620		
LTGO Refund 2005	313,993	320,220	320,220	330,760	344,410
LTGO Bonds 2008	869,250	834,750	834,750		
LTGO Refund 2009	1,046,200	1,049,020	1,049,000	1,045,200	
LTGO Refund 2012	1,345,025	1,336,410	1,336,425	1,326,430	1,315,030
LTGO Refund 2014	1,152,902	971,330	971,330	935,030	1,427,070
LTGO Refund 2015	1,036,765	1,004,590	1,004,585	869,830	944,080
LTGO Refund 2016	3,553,650	3,556,060	3,556,050	4,451,700	3,809,900
Other Non-Voted Debt	811,816	807,960	811,205	805,440	801,320
Total Expenditures	10,316,403	10,066,990	10,070,185	9,764,390	8,641,810
Change in Fund Balance	464,826	464,830	464,826	463,500	463,760
ENDING FUND BALANCE	\$ 986,220	\$ 1,451,050	\$ 1,451,046	\$ 1,914,546	\$ 2,378,306

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.

	2017 Actual	2018 Budget	2018 Prelim	2019 Adopted	2020 Adopted
BEGINNING FUND BALANCE	\$ 1,188,906	\$ 582,661	\$ 582,661	\$ 479,916	\$ 665,836
Revenues					
Special Assessments	1,456,781	1,151,890	1,123,334	1,033,090	573,770
Interest Income	503,840	352,570	326,382	272,290	219,410
Other Revenue	18,952		8,549		
Total Revenues	1,979,573	1,504,460	1,458,264	1,305,380	793,180
Expenditures					
Transfers Out to Projects	1,957,330	938,470	1,394,923	1,119,460	784,160
Other Expenditures	3,613		(1,354)		
Debt Service - Principal	590,000	550,000	160,000		
Debt Service - Interest	34,875	75,000	7,440		
Total Expenditures	2,585,818	1,563,470	1,561,009	1,119,460	784,160
Change in Fund Balance	(606,245)	(59,010)	(102,745)	185,920	9,020
ENDING FUND BALANCE	\$ 582,661	\$ 523,651	\$ 479,916	\$ 665,836	\$ 674,856

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 Adopted	2020 Adopted
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
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 Adopted	2020 Adopted
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
KVLT - 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 Adopted	2020 Adopted
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 Systems Replacement Reserves	27,600	83,500
SLC18-21 PD Systems Replacement Reserves	110,400	334,000
SLC18-21 Law Systems Replacement Reserves	27,600	83,500
SLC18-22 HR Systems Replacement Reserves	55,200	167,000
SLC18-23 Fin Systems Replacement Reserves	82,800	250,500
SLC18-26 PW Systems Replacement Reserves	55,200	167,000
SLC18-26 PRCS Systems Replacement Reserves	27,600	83,500
SLC18-27 Court Systems Replacement Reserves	27,600	83,500
SLC18-27 ECD Systems Replacement Reserves	55,200	167,000
SLC18-28 Clerk Systems Replacement Reserves	55,200	167,000
SLC18-29 IT Systems Replacement Reserves	27,600	83,500
Automated License Plate Reader (ALPR)	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 Adopted	2020 Adopted
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 five enterprise funds:

- ◆ Water Utility Fund
- ◆ Sewer Utility Fund
- ◆ Drainage Utility Fund
- ◆ Solid Waste Utility Fund
- ◆ Golf Complex Fund

WATER UTILITY FUND

	2017 Actual	2018 Budget	2018 Prelim	2019 Adopted	2020 Adopted
BEGINNING FUND BALANCE	\$11,761,566	\$13,088,191	\$13,088,191	\$14,466,576	\$ 7,832,136
Revenues					
Charges for Services	21,810,968	20,796,640	22,519,154	23,363,100	23,923,790
System Dev/Connection Charges	1,986,572	980,000	1,852,189	1,451,100	1,480,120
Miscellaneous Revenue	976,012	217,500	1,178,818	661,350	674,580
Transfers In	500				
Operating Revenues	24,774,051	21,994,140	25,550,161	25,475,550	26,078,490
Transfers In - Debt Service	3,435,184	3,724,180	3,760,718	4,113,510	3,579,390
Total Revenues	28,209,235	25,718,320	29,310,879	29,589,060	29,657,880
Expenditures					
Salaries & Benefits	2,956,384	3,220,780	3,152,687	3,500,220	3,614,120
Supplies	621,832	671,300	537,557	815,650	830,030
Services & Charges	8,919,899	10,283,510	9,281,302	10,874,800	11,224,460
Vehicles & Equipment	17,661			120,000	
Cost Allocation	(506,142)	(500,000)	(371,148)	(480,000)	(480,000)
Transfers to Debt Service	47,360	46,980	46,983		
Transfers to Capital Projects	7,450,000	7,772,500	7,760,420	13,119,000	5,627,000
Debt Service - Principal	2,024,028	2,044,030	2,044,028	2,304,030	2,264,020
Debt Service - Interest	1,611,727	1,680,150	1,719,948	1,809,480	1,315,370
Operating Expenditures	23,142,748	25,219,250	24,171,776	32,063,180	24,395,000
Transfers Out - Debt Service	3,435,184	3,724,180	3,760,718	4,160,320	3,579,390
Total Expenditures	26,577,932	28,943,430	27,932,494	36,223,500	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	1,631,303	(3,225,110)	1,378,385	(6,634,440)	1,683,490
Year-End Working Capital Adjustment	304,678				
ENDING FUND BALANCE	\$13,088,191	\$ 9,863,081	\$14,466,576	\$ 7,832,136	\$ 9,515,626

WATER UTILITY FUND—CAPITAL PROJECTS

	2019 Adopted	2020 Adopted
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

	2017 Actual	2018 Budget	2018 Prelim	2019 Adopted	2020 Adopted
BEGINNING FUND BALANCE	\$ 2,641,984	\$ 4,335,539	\$ 4,335,539	\$ 6,326,036	\$ 6,478,196
Revenues					
Charges for Services	30,376,256	31,350,560	31,317,308	31,425,200	32,179,420
System Dev/Connection Charges			17,414	17,200	17,540
Licenses and Permits	95,770	45,000	89,578	71,810	73,250
Intergovernmental					
Miscellaneous Revenue	411,422	41,500	2,062,339	300,020	306,010
Transfers In	4,600	3,770	6,619	6,080	3,440
Total Revenues	30,888,049	31,440,830	33,493,258	31,820,310	32,579,660
Expenditures					
Salaries & Benefits	1,103,709	1,345,170	1,307,119	1,390,540	1,435,100
Supplies	155,387	131,450	167,631	152,000	154,300
Services & Charges	25,832,415	26,739,870	26,561,057	27,470,610	27,685,220
Cost Allocation	(59,842)	(26,200)	(40,606)	(50,000)	(50,000)
Transfers to Capital Projects	2,100,000	3,507,500	3,507,500	2,705,000	3,187,000
Debt Service - Interest	308		61		
Total Expenditures	29,131,978	31,697,790	31,502,762	31,668,150	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	1,756,071	(256,960)	1,990,496	152,160	168,040
Year-End Working Capital Adjustment	62,516				
ENDING FUND BALANCE	\$ 4,335,539	\$ 4,335,539	\$ 6,326,036	\$ 6,478,196	\$ 6,646,236

SEWER UTILITY FUND—CAPITAL PROJECTS

	2019 Adopted	2020 Adopted
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

	2017 Actual	2018 Budget	2018 Prelim	2019 Adopted	2020 Adopted
BEGINNING FUND BALANCE	\$ 9,093,793	\$12,339,611	\$12,339,611	\$10,516,328	\$ 4,181,878
Revenues					
Charges for Services	19,583,134	19,720,000	20,065,734	20,014,300	20,494,600
System Dev/Connection Charges	1,807,815	750,000	1,358,780	1,461,000	1,490,220
Intergovernmental	189,891		151,539		
Miscellaneous Revenue	308,996	7,000	24,279	15,100	15,400
Transfers In	138				
Operating Revenues	21,889,974	20,477,000	21,600,332	21,490,400	22,000,220
Transfers In - Debt Service	1,462,265	1,537,520	1,713,479	1,853,220	1,522,210
Total Revenues	23,352,239	22,014,520	23,313,811	23,343,620	23,522,430
Expenditures					
Salaries & Benefits	3,236,302	4,152,720	3,698,491	4,283,260	4,421,410
Supplies	295,472	326,080	252,230	457,380	461,435
Services & Charges	9,191,413	9,839,910	9,460,880	9,817,380	10,166,415
Capital Outlay	284,186	146,000	155,066	510,000	
Cost Allocation	(727,838)	(565,000)	(812,512)	(660,000)	(660,000)
Transfers to Debt Service	73,180	72,880	72,876	72,610	
Transfers to Capital Projects	4,458,742	8,872,500	8,872,496	11,491,000	5,371,000
Debt Service - Principal	1,023,670	981,100	981,105	1,009,650	1,154,990
Debt Service - Interest	631,098	556,420	742,982	843,570	367,220
Operating Expenditures	18,466,226	24,382,610	23,423,614	27,824,850	21,282,470
Transfer Out - Debt Service	1,462,265	1,537,520	1,713,479	1,853,220	1,522,210
Total Expenditures	19,928,492	25,920,130	25,137,093	29,678,070	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	3,423,748	(3,905,610)	(1,823,282)	(6,334,450)	717,750
Year-End Working Capital Adjustment	177,930				
ENDING FUND BALANCE	\$12,339,611	\$ 8,434,001	\$10,516,328	\$ 4,181,878	\$ 4,899,628

DRAINAGE UTILITY FUND—CAPITAL PROJECTS

	2019 Adopted	2020 Adopted
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	
LID 363-224th-228th	300,000	
228th UP/BN Grade Separation	1,500,000	
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	1,121,000
Misc Environmental	1,000,000	
N Fork Meridian Valley Culvert	100,000	300,000
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

	2017 Actual	2018 Budget	2018 Prelim	2019 Adopted	2020 Adopted
BEGINNING FUND BALANCE	\$ 302,528	\$ 479,431	\$ 479,431	\$ 466,751	\$ 485,211
Revenues					
Charges for Services	598,539	600,000	632,057	614,860	627,160
Intergovernmental	150,636	149,500	157,053		
Miscellaneous Revenue	5,692		10,683	3,950	4,030
Total Revenues	754,868	749,500	799,794	618,810	631,190
Expenditures					
Salaries & Benefits	424,632	544,510	526,310	482,330	498,320
Supplies	9,928	-	30,708	5,050	5,160
Services & Charges	38,962	227,820	196,295	112,970	118,940
Vehicles & Equipment		35,000	43,086		
Cost Allocation	(46,927)		(27,012)		
Transfers Out			43,086		
Project Expenditures	151,368				
Total Expenditures	577,964	807,330	812,474	600,350	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	176,904	(57,830)	(12,680)	18,460	8,770
ENDING FUND BALANCE	\$ 479,431	\$ 421,601	\$ 466,751	\$ 485,211	\$ 493,981

UTILITY CLEARING FUND

	2017 Actual	2018 Budget	2018 Prelim	2019 Adopted	2020 Adopted
Expenditures					
Salaries & Benefits	\$ 4,279,785	\$ 4,827,730	\$ 4,706,808	\$ 5,152,840	\$ 5,344,740
Supplies	277,624	279,840	234,231	354,460	360,020
Services & Charges	2,929,959	2,982,200	2,848,422	3,082,850	3,469,480
Vehicles & Equipment					
Allocated to Utilities & Streets	(7,479,353)	(8,089,770)	(7,785,602)	(8,590,150)	(9,174,240)
Total Expenditures	8,014	-	3,860	-	-
Expenditures by Function					
Finance Customer Services	2,704,574	2,904,220	2,609,076	2,901,600	3,275,730
Finance Meter Services	433,893	478,260	451,907	513,270	531,360
PWO Administration	1,477,334	1,761,710	1,696,224	1,832,270	1,884,960
PWO Warehouse	539,443	556,210	458,404	594,240	613,510
PWO Vegetation	2,332,124	2,389,370	2,573,850	2,748,770	2,868,680
Allocated to Utilities & Streets	(7,479,353)	(8,089,770)	(7,785,602)	(8,590,150)	(9,174,240)
Total Expenditures	\$ 8,014	\$ -	\$ 3,860	\$ -	\$ -
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

	2017 Actual	2018 Budget	2018 Prelim	2019 Adopted	2020 Adopted
BEGINNING FUND BALANCE	\$(3,768,127)	\$(3,816,932)	\$(3,816,932)	\$ (949,235)	\$(1,100,815)
Revenues					
18 Hole Course	1,274,550	1,410,420	1,393,669	1,513,160	1,556,210
Par 3 Course	183,449	292,580	8,021		
Driving Range	598,457	624,250	571,437	687,040	805,800
Merchandising	328,455	450,000	332,633	515,640	531,110
Miscellaneous Revenue	119,269	94,160	96,503	33,370	33,870
Sale of Land	500,000	6,012,440	6,012,440		1,294,000
Transfer In	22,900	200,000	200,000	70,000	70,000
Operating Revenues	3,027,079	9,083,850	8,614,704	2,819,210	4,290,990
Transfers In - Debt Service		704,540	719,219		
Total Revenues	3,027,079	9,788,390	9,333,923	2,819,210	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	1,469,066	1,499,830	1,317,057	1,435,390	1,477,100
Supplies	477,249	615,300	436,021	569,180	563,070
Services	846,629	818,100	676,688	695,090	712,810
Vehicles & Equipment		639,450	639,447		
Debt Service - Principal		75,440	50,981	151,130	158,940
Debt Service - Interest	38,364	12,630	53,058	40,000	32,190
Transfer To Golf Capital Projects	250,000	2,573,754	2,573,754	80,000	1,294,000
Operating Expenditures	3,081,308	6,234,504	5,747,007	2,970,790	4,238,110
Transfer Out - Debt Service		704,540	719,219		
Total Expenditures	3,081,308	6,939,044	6,466,225	2,970,790	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
Realign Expenditures to Business Plan				(80,970)	(76,790)
Total Changes				40,130	14,110
Change in Fund Balance	(54,229)	2,849,346	2,867,697	(151,580)	52,880
Year-end Working Capital Adjustment	5,424				
ENDING FUND BALANCE	\$(3,816,932)	\$ (967,586)	\$ (949,235)	\$(1,100,815)	\$(1,047,935)

GOLF FUND—CAPITAL PROJECTS

	2019 Adopted	2020 Adopted
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

	2017 Actual	2018 Budget	2018 Prelim	2019 Adopted	2020 Adopted
BEGINNING FUND BALANCE	\$ 5,134,423	\$ 5,869,149	\$ 5,869,149	\$ 4,199,591	\$ 4,912,001
Revenues					
Fleet Operations	3,220,645	3,241,270	3,218,626	3,332,310	3,434,700
Fleet Replacement	1,502,149	1,499,890	1,501,020	1,574,760	1,629,760
Miscellaneous Revenue	757,415	20,000	897,101	50,000	51,000
Operating Revenues					
Transfers In - Projects				1,750,000	
Total Revenues	5,480,210	4,761,160	5,616,747	6,707,070	5,115,460
Changes:					
Returned from Fuel Island				1,750,000	
Total Changes				1,750,000	
Expenditures					
Salaries & Benefits	976,394	1,140,220	1,118,070	1,196,950	1,236,720
Supplies	899,889	1,519,610	1,240,397	1,459,860	1,489,050
Services & Charges	847,717	656,330	723,842	837,850	862,720
Vehicles & Equipment	1,440,654	4,052,840	2,453,996	2,500,000	2,500,000
Operating Expenditures	4,164,654	7,369,000	5,536,305	5,994,660	6,088,490
Transfers Out to Projects		1,750,000	1,750,000		
Total Expenditures	4,164,654	9,119,000	7,286,305	5,994,660	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	1,315,555	(4,357,840)	(1,669,558)	712,410	(973,030)
Year-End Working Capital Adjustment	580,830				
ENDING FUND BALANCE	\$ 5,869,149	\$ 1,511,309	\$ 4,199,591	\$ 4,912,001	\$ 3,938,971

FLEET SERVICES FUND—CAPITAL PROJECTS

	2019 Adopted	2020 Adopted
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

	2017 Actual	2018 Budget	2018 Prelim	2019 Adopted	2020 Adopted
BEGINNING FUND BALANCE	\$ (63,568)	\$ (3,113)	\$ (3,113)	\$ 15,044	\$ 74,844
Revenues					
Central Stores Sales	168,769	236,180	148,816	228,700	233,240
Postage Sales	181,833	213,130	225,239	218,390	222,770
Rebates			1,355		
Total Revenues	350,602	449,310	375,410	447,090	456,010
Expenditures					
Central Stores	144,861	204,120	142,029	180,000	183,600
Postage	145,287	217,030	215,224	207,290	211,440
Total Expenditures	290,147	421,150	357,253	387,290	395,040
Change in Fund Balance	60,455	28,160	18,157	59,800	60,970
ENDING FUND BALANCE	\$ (3,113)	\$ 25,047	\$ 15,044	\$ 74,844	\$ 135,814

INFORMATION TECHNOLOGY FUND

	2017 Actual	2018 Budget	2018 Prelim	2019 Adopted	2020 Adopted
BEGINNING FUND BALANCE	\$ 3,640,615	\$ 3,593,294	\$ 3,593,294	\$ 3,321,349	\$ 3,380,899
Revenues					
Utility Tax	1,517,778	1,488,410	1,442,385	1,518,200	1,736,980
Intergovernmental - RFA	546,104	501,540	542,171	501,540	
IT Services - Outside	51,878	53,500	52,154	55,500	55,500
Technology Fees	595,538	486,000	639,690	531,000	531,000
IT Internal Contributions	5,413,360	5,604,310	5,645,823	5,943,460	6,333,820
Miscellaneous Revenue	48,821		78,849		
Transfers In		3,875	3,874	589,000	
Total Revenues	8,173,478	8,137,635	8,404,946	9,138,700	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	4,358,036	4,968,810	4,804,803	5,320,980	5,486,940
Supplies	454,363	331,060	348,165	336,910	343,500
Services & Charges	2,770,840	3,230,950	3,336,861	3,796,150	4,016,530
Vehicles & Equipment	-				
Allocate to Annexation	(403,397)	(372,100)	(360,597)	(374,890)	(188,380)
Transfer to IT Capital Projects	995,460	547,660	547,660		
Total Expenditures	8,175,302	8,706,380	8,676,892	9,079,150	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	(1,824)	(568,745)	(271,945)	59,550	(1,001,290)
Year-end Working Capital Adjustment	(45,497)				
ENDING FUND BALANCE	\$ 3,593,294	\$ 3,024,549	\$ 3,321,349	\$ 3,380,899	\$ 2,379,609

FACILITIES FUND

	2017 Actual	2018 Budget	2018 Prelim	2019 Adopted	2020 Adopted
BEGINNING FUND BALANCE	\$ 2,340,684	\$ 2,316,961	\$ 2,316,961	\$ 2,354,102	\$ 2,270,532
Revenues					
Intergovernmental - RFA	144,245	183,960	149,651	147,400	147,400
Rental Fees - Internal	4,477,750	4,653,700	4,653,680	4,971,980	4,990,360
Miscellaneous Revenue	115,528	66,920	166,740	85,500	87,310
Transfers In					
Total Revenues	4,737,522	4,904,580	4,970,072	5,204,880	5,225,070
Changes:					
Adjust Revenues from Depts - per exp changes					(89,800)
Total Changes					
Expenditures					
Salaries & Benefits	1,927,555	2,283,460	2,107,490	2,344,000	2,327,580
Supplies	268,171	293,260	382,766	292,110	292,440
Services & Charges	1,840,224	1,974,390	1,851,675	2,102,340	2,147,330
Vehicles & Equipment					
Transfers Out to Projects	726,000	591,000	591,000	550,000	550,000
Total Expenditures	4,761,950	5,142,110	4,932,931	5,288,450	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	(24,427)	(237,530)	37,141	(83,570)	(92,280)
Year-end Working Capital Adjustment	704				
ENDING FUND BALANCE	\$ 2,316,961	\$ 2,079,431	\$ 2,354,102	\$ 2,270,532	\$ 2,178,252

FACILITIES FUND—PROJECTS

	2019 Adopted	2020 Adopted
Revenues		
Transfers In - Facilities Operating	\$ 550,000	\$ 550,000
Total Revenues	550,000	550,000
Projects & Expenditures		
Facilities Lifecycle Projects	550,000	550,000
Total Expenditures	550,000	550,000
Revenues Less Expenditures	\$ -	\$ -

INSURANCE FUND—UNEMPLOYMENT

	2017 Actual	2018 Budget	2018 Prelim	2019 Adopted	2020 Adopted
BEGINNING FUND BALANCE	\$ 1,332,446	\$ 1,424,508	\$ 1,424,508	\$ 1,401,222	\$ 1,349,312
Revenues					
Contributions - Unemployment	152,568	120,700	129,112	120,700	120,700
Miscellaneous Revenue	14,647	1,000	29,453	1,000	1,000
Total Revenues	167,215	121,700	158,565	121,700	121,700
Expenditures					
Salaries & Benefits	25,408	28,990	29,644	30,610	31,510
Supplies				-	-
Services & Charges	2,796	3,000	2,796	3,000	3,000
Unemployment - Claims Paid	46,950	140,000	149,411	140,000	140,000
Total Expenditures	75,154	171,990	181,851	173,610	174,510
Changes:					
Management Benefits - Reduce 50%				(170)	(170)
Medical Insurance - Reduce 5%					(150)
Total Changes				(170)	(320)
Change in Fund Balance	92,061	(50,290)	(23,286)	(51,910)	(52,810)
ENDING FUND BALANCE	\$ 1,424,508	\$ 1,374,218	1,401,222	\$ 1,349,312	\$ 1,296,502

INSURANCE FUND—WORKERS COMPENSATION

	2017 Actual	2018 Budget	2018 Prelim	2019 Adopted	2020 Adopted
BEGINNING FUND BALANCE	\$ 2,305,514	\$ 2,374,327	\$ 2,374,327	\$ 2,049,874	\$ 1,686,894
Revenues					
Contributions - Unemployment	1,033,144	1,071,000	1,049,125	1,082,000	1,082,000
Miscellaneous Revenue	48,948	593,800	781,376	12,000	12,000
Transfers In					
Total Revenues	1,082,091	1,664,800	1,830,501	1,094,000	1,094,000
Expenditures					
Salaries & Benefits	101,633	115,930	118,575	122,270	125,880
Judgments & Damages	597,313	2,040,000	1,735,966	950,000	950,000
Liability Insurance	71,588	80,500	68,673	88,550	97,410
Intergovernmental Services	146,370	140,000	131,215	140,000	140,000
Administrative Costs	59,321	60,000	53,359	60,000	60,000
Other Expenses	16,372	16,000	9,768	16,160	16,160
Safety Program	20,681	80,000	37,398	80,000	80,000
Total Expenditures	1,013,278	2,532,430	2,154,953	1,456,980	1,469,450
Changes:					
Management Benefits - Reduce 50%				(660)	(660)
Medical Insurance - Reduce 5%				-	(600)
Total Changes				(660)	(1,260)
Change in Fund Balance	68,813	(867,630)	(324,452)	(362,980)	(375,450)
ENDING FUND BALANCE	\$ 2,374,327	\$ 1,506,697	2,049,874	\$ 1,686,894	\$ 1,311,444

INSURANCE FUND—HEALTH & WELLNESS

	2017 Actual	2018 Budget	2018 Prelim	2019 Adopted	2020 Adopted
BEGINNING FUND BALANCE	\$ 4,681,152	\$ 2,960,567	\$ 2,960,567	\$ 3,993,127	\$ 4,146,997
Revenues					
Blue Cross - City	7,573,643	9,054,710	8,944,307	10,865,650	11,408,930
Group Health - City	355,873	345,000	439,747	400,000	420,000
HSA - City	1,941,442	2,458,460	2,020,170	2,400,000	2,520,000
Blue Cross - Employee	607,060	767,820	645,472	921,380	967,450
Group Health - Employee	44,421	45,000	56,135	50,000	52,500
Blue Cross - Cobra	35,460	30,000	145,463	50,000	55,000
Miscellaneous Revenue	400,068	295,000	606,499	365,000	365,300
Trasnfers In	750,000	1,000,000	1,000,000		
Total Revenues	11,707,967	13,995,990	13,857,791	15,052,030	15,789,180
Changes:					
Medical Insurance - Reduce 5%					(709,360)
Total Changes					(709,360)
Expenditures					
Salaries & Benefits	1,084				
Claims Paid	11,842,669	12,896,230	11,009,511	13,154,150	13,548,780
Group Health Premiums	400,294	390,000	495,882	397,800	409,730
Third Party Admin Fees	495,989	540,300	535,704	551,110	567,640
Stop Loss Fees	540,056	590,000	602,289	601,800	619,850
Wellness Program	98,173	128,000	63,157	106,170	109,360
Other Professional Services	42,657	75,000	105,935	76,500	78,790
Other Expenses	7,630	10,420	12,753	10,630	10,950
Total Expenditures	13,428,552	14,629,950	12,825,231	14,898,160	15,345,100
Change in Fund Balance	(1,720,584)	(633,960)	1,032,560	153,870	444,080
ENDING FUND BALANCE	\$ 2,960,567	\$ 2,326,607	\$ 3,993,127	\$ 4,146,997	\$ 4,591,077

INSURANCE FUND—LIABILITY INSURANCE

	2017 Actual	2018 Budget	2018 Prelim	2019 Adopted	2020 Adopted
BEGINNING FUND BALANCE	\$ 1,754,057	\$ 1,661,132	\$ 1,661,132	\$ 1,460,235	\$ 1,253,325
Revenues					
Contributions - Insurance	1,243,000	1,504,060	1,504,060	1,804,690	2,165,640
Miscellaneous Revenue	21,976	6,000	37,226	6,000	6,000
Reimbursements	822,778		109,622		
Transfers In		300,000	300,000		
Total Revenues	2,087,755	1,810,060	1,950,908	1,810,690	2,171,640
Expenditures					
Salaries & Benefits	101,633	115,930	118,574	122,270	125,880
Claims & Judgments	1,167,296	1,150,000	1,128,815	985,000	1,000,000
Insurance Premiums	750,343	750,000	624,638	750,000	750,000
Other Expenses	161,407	160,000	279,778	160,330	160,240
Total Expenditures	2,180,680	2,175,930	2,151,805	2,017,600	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	(92,925)	(365,870)	(200,897)	(206,910)	135,520
ENDING FUND BALANCE	\$ 1,661,132	\$ 1,295,262	\$ 1,460,235	\$ 1,253,325	\$ 1,388,845

INSURANCE FUND—PROPERTY INSURANCE

	2017 Actual	2018 Budget	2018 Prelim	2019 Adopted	2020 Adopted
BEGINNING FUND BALANCE	\$ 531,548	\$ 652,035	\$ 652,035	\$ 607,537	\$ 606,847
Revenues					
Contributions - Insurance	558,094	565,870	565,870	565,870	565,870
Miscellaneous Revenue	(1,324)	50	22,036	50	50
Total Revenues	556,770	565,920	587,906	565,920	565,920
Expenditures					
Salaries & Benefits	25,408	28,990	29,644	30,610	31,510
Insurance Premiums	384,039	472,500	382,703	500,000	510,000
Claims & Deductibles	21,837	225,000	147,714	36,000	25,000
Other Expenses	5,000		72,343		
Total Expenditures	436,283	726,490	632,404	566,610	566,510
Changes:					
Management Benefits - Reduce 50%				(170)	(170)
Medical Insurance - Reduce 5%					(150)
Total Changes				(170)	(320)
Change in Fund Balance	120,487	(160,570)	(44,498)	(690)	(590)
ENDING FUND BALANCE	\$ 652,035	\$ 491,465	\$ 607,537	\$ 606,847	\$ 606,257

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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.

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CITY TAXES AND TAX RATES

	2019	2020
PROPERTY TAX LEVY		
per \$1,000 assessed valuation (2020 estimated)	\$ 1.49065	\$ 1.43853
SALES TAX RATE		
State	6.5%	6.5%
King County	1.2%	1.2%
Regional Transit Authority (effective 4/1/2017)	1.4%	1.4%
City of Kent	0.9%	0.9%
Total Sales Tax Rate	10.0%	10.0%
BUSINESS & OCCUPATION TAX RATES		
Per Gross Receipts - \$250,000 annual threshold		
Retail	0.046%	0.046%
Manufacturing	0.046%	0.046%
Wholesale	0.152%	0.200%
Services	0.152%	0.152%
Per Square Footage		
Warehouses	\$0.06	\$0.09
Others	\$0.02	\$0.02
OTHER CITY TAXES AND TAX RATES		
Electric Utility Tax	6.0%	6.0%
Natural Gas Utility Tax	6.0%	6.0%
Telephone Utility Tax	6.0%	6.0%
Cable Television Utility Tax	6.0%	6.0%
Garbage Utility Tax	18.4%	18.4%
Water Utility Tax	13.0%	13.0%
Sewer Utility Tax	9.5%	9.5%
Stormwater Utility Tax	19.5%	19.5%
Gambling Taxes:		
Card Rooms *	11.0%	11.0%
Punch Board and Pull Tabs **	10.0%	10.0%
Bingo and Raffles **	5.0%	5.0%
Amusement Games **	2.0%	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	2019 Annual Salary
Mayor	*NMAYOR	\$152,340
Council President	*EEO	\$16,404
Council Member	*EEO	\$15,564
Judge	LV2	\$156,097

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

JOB AND SALARY CLASSIFICATION

DEPARTMENT DIRECTORS

Job Classification	Range	2019 Annual Salary		
		Low	Mid	High
Chief Administrative Officer	LV1	\$152,628	\$186,138	\$219,648
Court Administrator	LV2	123,036	156,906	190,776
Director-City Attorney	LV2	123,036	156,906	190,776
Director-Economic & Comm Dev	LV2	123,036	156,906	190,776
Director-Finance	LV2	123,036	156,906	190,776
Director-Human Resources	LV2	123,036	156,906	190,776
Director-Information Technology	LV2	123,036	156,906	190,776
Director-Police Chief	LV2	123,036	156,906	190,776
Director-Parks	LV2	123,036	156,906	190,776
Director-Public Works	LV2	123,036	156,906	190,776

CITY ATTORNEY'S OFFICE

Non Union Positions Paid on Merit System

Job Classification	Range	2019 Annual Salary		
		Low	Mid	High
Civil Attorney	NATY	\$77,916	\$100,182	\$122,448
Prosecuting Attorney	NATY	77,916	100,182	122,448
Senior Assistant City Attorney	NSATY	92,328	114,612	136,896
Chief Prosecuting Attorney	NCPA	98,532	119,424	140,316
Deputy City Attorney	NDCA	109,788	133,110	156,432

Number of employees as of January 1, 2019: 11

JOB AND SALARY CLASSIFICATION

AFSCME LOCAL 2617

Position	Range	2019 Step and Annual Salary Schedule				
		A	B	C	D	E
Custodian	15	\$42,456	\$44,520	\$46,752	\$49,152	\$51,684
Parking Enforcement Assistant	18	45,612	47,916	50,340	53,040	55,704
Custodial Lead	20	47,916	50,340	53,040	55,704	58,656
Office Technician 3	20	47,916	50,340	53,040	55,704	58,656
Legal Secretary 1	22	50,340	53,040	55,704	58,656	61,428
Accounting Services Assistant 3	22	50,340	53,040	55,704	58,656	61,428
Administrative Assistant 1	23	51,684	54,288	57,024	59,856	62,868
Account Representative	24	53,040	55,704	58,656	61,428	64,572
Police Records Specialist	24	53,040	55,704	58,656	61,428	64,572
Accounting Technician	25	54,288	57,024	59,856	62,868	66,084
Evidence Custodian	25	54,288	57,024	59,856	62,868	66,084
Administrative Assistant 2	27	57,024	59,856	62,868	66,084	69,504
Camera Technician	28	58,656	61,428	64,572	67,848	71,112
Contract Specialist	27	57,024	59,856	62,868	66,084	69,504
Development Permit Technician	27	57,024	59,856	62,868	66,084	69,504
Planning Technician	27	57,024	59,856	62,868	66,084	69,504
Property Management Technician	27	57,024	59,856	62,868	66,084	69,504
Evidence Technician	28	58,656	61,428	64,572	67,848	71,112
Police Corrections Officer	28	58,656	61,428	64,572	67,848	71,112
Multi Media Specialist 2	29	59,856	62,868	66,084	69,504	72,948
Facilities Services Supervisor	30	61,428	64,572	67,848	71,112	74,724
Financial Analyst	30	61,428	64,572	67,848	71,112	74,724
Operations Analyst	30	61,428	64,572	67,848	71,112	74,724
Paralegal	30	61,428	64,572	67,848	71,112	74,724
Prosecution Paralegal	30	61,428	64,572	67,848	71,112	74,724
Graphics Specialist 3	31	62,868	66,084	69,504	72,948	76,668
Admin Services Supervisor	32	64,572	67,848	71,112	74,724	78,492
Deputy City Clerk	32	64,572	67,848	71,112	74,724	78,492
Evidence Technician Supervisor	32	64,572	67,848	71,112	74,724	78,492
Financial Services Supervisor	32	64,572	67,848	71,112	74,724	78,492
Permit Center Supervisor	32	64,572	67,848	71,112	74,724	78,492
Police Records Supervisor	32	64,572	67,848	71,112	74,724	78,492
Public Records Admin	32	64,572	67,848	71,112	74,724	78,492
Central Financial Analyst	33	66,084	69,504	72,948	76,668	80,508
Code Enforcement Officer	34	67,848	71,112	74,724	78,492	82,488
Community Education Coordinator	34	67,848	71,112	74,724	78,492	82,488
Police Crime Analyst	34	67,848	71,112	74,724	78,492	82,488
Tax & License Compliance Officer	34	67,848	71,112	74,724	78,492	82,488

JOB AND SALARY CLASSIFICATION

AFSCME LOCAL 2617

2019 Step and Annual Salary Schedule						
Position	Range	A	B	C	D	E
Combination Building Inspector	35	\$69,504	\$72,948	\$76,668	\$80,508	\$84,504
Police Corrections Sergeant	35	69,504	72,948	76,668	80,508	84,504
Creative Art Dir Coordinator	36	71,112	74,724	78,492	82,488	86,856
Printing Media Coordinator	36	71,112	74,724	78,492	82,488	86,856
Video Program Coordinator	36	71,112	74,724	78,492	82,488	86,856
Accountant	37	72,948	76,668	80,508	84,504	88,944
B&O Desk Auditor	37	72,948	76,668	80,508	84,504	88,944
Lead Combo Building Inspector	37	72,948	76,668	80,508	84,504	88,944
Plans Examiner	37	72,948	76,668	80,508	84,504	88,944
Research & Development Analyst	37	72,948	76,668	80,508	84,504	88,944
Senior Financial Analyst	37	72,948	76,668	80,508	84,504	88,944
Lead Plans Examiner	39	76,668	80,508	84,504	88,944	93,372
Payroll Business Analyst	39	76,668	80,508	84,504	88,944	93,372
Cash and Investment Officer	41	80,508	84,504	88,944	93,372	98,100
Senior Accountant	41	80,508	84,504	88,944	93,372	98,100
B & O Program Auditor	42	82,512	86,652	90,984	95,520	100,296

Number of employees as of January 1, 2019: 151

(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

Position	Range	2019 Step and Annual Salary Schedule				
		A	B	C	D	E
Van Driver	16	\$43,524	\$45,600	\$47,904	\$50,340	\$53,028
Administrative Assistant 1	23	51,648	54,276	57,000	59,856	62,856
Assistant Golf Professional	24	53,028	55,680	58,656	61,392	64,548
Parks Program Assistant	24	53,028	55,680	58,656	61,392	64,548
Judicial Specialist	26	55,680	58,656	61,392	64,548	67,824
Administrative Assistant 2	27	57,000	59,856	62,856	66,060	69,492
Civil Legal Secretary	27	57,000	59,856	62,856	66,060	69,492
Court Security Officer	27	57,000	59,856	62,856	66,060	69,492
Parks Program Assistant 2	27	57,000	59,856	62,856	66,060	69,492
Parks Systems Support Specialist	27	57,000	59,856	62,856	66,060	69,492
Human Services Specialist	28	58,656	61,392	64,548	67,824	71,088
Parks/Fac Planning & Dev Specialist	28	58,656	61,392	64,548	67,824	71,088
Engineering Technician 1	29	59,856	62,856	66,060	69,492	72,936
Recreation Facility Lead	30	61,392	64,548	67,824	71,088	74,712
Cross Connect Control Assistant	31	62,856	66,060	69,492	72,936	76,656
Lead Judicial Specialist	31	62,856	66,060	69,492	72,936	76,656
Project Coordinator	31	62,856	66,060	69,492	72,936	76,656
Administrative Assistant 3	32	64,548	67,824	71,088	74,712	78,480
Technical Support Specialist 2	32	64,548	67,824	71,088	74,712	78,480
Construction Inspector	33	66,060	69,492	72,936	76,656	80,496
Senior Construction Inspector	33	66,060	69,492	72,936	76,656	80,496
Cross Connect Control Inspector	34	67,824	71,088	74,712	78,480	82,488
Engineering Technician 2	34	67,824	71,088	74,712	78,480	82,488
Golf Accounting Supervisor	34	67,824	71,088	74,712	78,480	82,488
Land Survey Technician	34	67,824	71,088	74,712	78,480	82,488
Parks Program Coordinator	34	67,824	71,088	74,712	78,480	82,488
Probation Officer	34	67,824	71,088	74,712	78,480	82,488
Service Desk Lead	34	67,824	71,088	74,712	78,480	82,488
Signal Technician	34	67,824	71,088	74,712	78,480	82,488
Storm/ Drain Facilities Inspector	34	67,824	71,088	74,712	78,480	82,488
Head Golf Professional	35	69,492	72,936	76,656	80,496	84,480
Planning Admin Supervisor	35	69,492	72,936	76,656	80,496	84,480
Technical Writer/Trainer	35	69,492	72,936	76,656	80,496	84,480
CTR Program Coordinator	36	71,088	74,712	78,480	82,488	86,832
Executive Assistant/ Mgmt Analyst	36	71,088	74,712	78,480	82,488	86,832
Human Resources Analyst	37	72,936	76,656	80,496	84,480	88,932
Human Services Coordinator	37	72,936	76,656	80,496	84,480	88,932
Legal Analyst	37	72,936	76,656	80,496	84,480	88,932

JOB AND SALARY CLASSIFICATION

NON-REPRESENTED

Position	Range	2019 Step and Annual Salary Schedule				
		A	B	C	D	E
Planner	37	\$72,936	\$76,656	\$80,496	\$84,480	\$88,932
Senior Construction Inspector	37	72,936	76,656	80,496	84,480	88,932
Park/Fac Planning & Dev Coord	38	74,712	78,480	82,488	86,832	91,224
Senior Signal Technician	38	74,712	78,480	82,488	86,832	91,224
Communications Coordinator	39	76,656	80,496	84,480	88,932	93,360
Conservation Coordinator	39	76,656	80,496	84,480	88,932	93,360
Neighborhood Program Coordinator	39	76,656	80,496	84,480	88,932	93,360
Civil Engineering Designer I	40	78,480	82,488	86,832	91,224	95,760
Engineering Technician 3	40	78,480	82,488	86,832	91,224	95,760
Engineer Project Coordinator	40	78,480	82,488	86,832	91,224	95,760
Engineer 1	40	78,480	82,488	86,832	91,224	95,760
Parks Facility/Program Manager	40	78,480	82,488	86,832	91,224	95,760
Senior Human Services Coordinator	40	78,480	82,488	86,832	91,224	95,760
Survey Party Chief	40	78,480	82,488	86,832	91,224	95,760
Court Supervisor	41	80,496	84,480	88,932	93,360	98,076
GIS Coordinator	41	80,496	84,480	88,932	93,360	98,076
Human Resources Performance Analyst	41	80,496	84,480	88,932	93,360	98,076
Probation Supervisor	41	80,496	84,480	88,932	93,360	98,076
Senior Human Resources Analyst	41	80,496	84,480	88,932	93,360	98,076
Senior Planner	41	80,496	84,480	88,932	93,360	98,076
Network Engineer	42	82,488	86,832	91,224	95,760	100,572
Project Analyst	42	82,488	86,832	91,224	95,760	100,572
Senior Parks Facility/Program Manager	42	82,488	86,832	91,224	95,760	100,572
Conservation Analyst	43	84,480	88,932	93,360	98,076	102,960
Senior ERP Business Analyst	43	84,480	88,932	93,360	98,076	102,960
Assistant City Land Surveyor	44	86,832	91,224	95,760	100,572	105,672
Capital Projects Administrator	44	86,832	91,224	95,760	100,572	105,672
Civil Engineering Designer II	44	86,832	91,224	95,760	100,572	105,672
Construction Supervisor	44	86,832	91,224	95,760	100,572	105,672
Engineer 2	44	86,832	91,224	95,760	100,572	105,672
GIS Supervisor	44	86,832	91,224	95,760	100,572	105,672
Principal Planner	45	88,932	93,360	98,076	102,960	108,312
Project Manager	45	88,932	93,360	98,076	102,960	108,312
Senior Network Engineer	45	88,932	93,360	98,076	102,960	108,312
Senior Systems Analyst	45	88,932	93,360	98,076	102,960	108,312
Senior Transportation Planner	45	88,932	93,360	98,076	102,960	108,312
Technical Systems Analyst	45	88,932	93,360	98,076	102,960	108,312
Traffic Signal Systems Supervisor	45	88,932	93,360	98,076	102,960	108,312

JOB AND SALARY CLASSIFICATION

NON-REPRESENTED

Position	Range	2019 Step and Annual Salary Schedule				
		A	B	C	D	E
Assistant Building Services Manager	46	\$91,224	\$95,760	\$100,572	\$105,672	\$110,988
City Clerk	46	91,224	95,760	100,572	105,672	110,988
Parks Accounting Manager	46	91,224	95,760	100,572	105,672	110,988
PW Accounting Manager	46	91,224	95,760	100,572	105,672	110,988
Business Systems Analyst	47	93,360	98,076	102,960	108,312	113,736
Environmental Supervisor	47	93,360	98,076	102,960	108,312	113,736
Lead Network Engineer	47	93,360	98,076	102,960	108,312	113,736
Senior Applications Developer	47	93,360	98,076	102,960	108,312	113,736
Senior Systems Engineer	47	93,360	98,076	102,960	108,312	113,736
City Land Surveyor	48	95,760	100,572	105,672	110,988	116,544
Economic Dev Program Manager	48	95,760	100,572	105,672	110,988	116,544
Engineer 3	48	95,760	100,572	105,672	110,988	116,544
Golf Course Manager	48	95,760	100,572	105,672	110,988	116,544
Human Services Manager	48	95,760	100,572	105,672	110,988	116,544
Multi Media Manager	48	95,760	100,572	105,672	110,988	116,544
Support Services Manager-Police	48	95,760	100,572	105,672	110,988	116,544
Comm & Gov't Affairs Manager	49	98,076	102,960	108,312	113,736	119,436
Lead Systems & Design Engineer	49	98,076	102,960	108,312	113,736	119,436
Drainage and Sewer Manager	50	100,572	105,672	110,988	116,544	122,448
Facilities Superintendent	50	100,572	105,672	110,988	116,544	122,448
Fleet/Warehouse Manager	50	100,572	105,672	110,988	116,544	122,448
Parks Planning & Dev Manager	50	100,572	105,672	110,988	116,544	122,448
Street and Vegetation Manager	50	100,572	105,672	110,988	116,544	122,448
Superintendent - Park Ops	50	100,572	105,672	110,988	116,544	122,448
Water Systems Manager	50	100,572	105,672	110,988	116,544	122,448
Accounting Manager	51	102,960	108,312	113,736	119,436	125,580
City Auditor	51	102,960	108,312	113,736	119,436	125,580
Customer Services Manager	51	102,960	108,312	113,736	119,436	125,580
Human Resources Manager	51	102,960	108,312	113,736	119,436	125,580
Labor Relations Manager	51	102,960	108,312	113,736	119,436	125,580
Police Corrections Commander	51	102,960	108,312	113,736	119,436	125,580
Recreation Superintendent	51	102,960	108,312	113,736	119,436	125,580
Risk Manager	51	102,960	108,312	113,736	119,436	125,580
Current Planning Manager	52	105,672	110,988	116,544	122,448	128,676
Long-Range Planning Manager	52	105,672	110,988	116,544	122,448	128,676
Project Management Office Manager	52	105,672	110,988	116,544	122,448	128,676
Building Services Manager	53	108,312	113,736	119,436	125,580	131,868
Chief Economic Development Officer	53	108,312	113,736	119,436	125,580	131,868

JOB AND SALARY CLASSIFICATION

NON-REPRESENTED

Position	Range	2019 Step and Annual Salary Schedule				
		A	B	C	D	E
Engineer 4	53	\$108,312	\$113,736	\$119,436	\$125,580	\$131,868
Engineer 4/Supervisor	53	108,312	113,736	119,436	125,580	131,868
IS System Division Manager	54	110,988	116,544	122,448	128,676	135,024
Land Survey/GIS Manager	54	110,988	116,544	122,448	128,676	135,024
Systems Division Manager	54	110,988	116,544	122,448	128,676	135,024
Technical Services Manager	54	110,988	116,544	122,448	128,676	135,024
Construction Manager	57	119,436	125,580	131,868	138,468	145,416
Engineering Manager	57	119,436	125,580	131,868	138,468	145,416
CK Sound Transit Liaison	60	128,676	135,024	141,852	148,980	156,396
City Engineer	60	128,676	135,024	141,852	148,980	156,396
Deputy Finance Director	60	128,676	135,024	141,852	148,980	156,396
Deputy ECD Director	60	128,676	135,024	141,852	148,980	156,396
Deputy HR Director	60	128,676	135,024	141,852	148,980	156,396
Deputy Parks Director	60	128,676	135,024	141,852	148,980	156,396
PW Operations Manager	60	128,676	135,024	141,852	148,980	156,396

Number of employees as of January 1, 2019: 232

(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+	\$3,028
A	\$2,274
B	\$1,893
C	\$1,517

JOB AND SALARY CLASSIFICATION

POLICE

Job Classification	Range	2019 Annual Salary
Police Assistant Chief	AC	\$156,180
Police Commander	CM	\$132,348
Police Sergeant	SG	\$107,136

Job Classification	Range	2019 Step and Annual Salary Schedule					
		A	B	C	D	E	F
Police Patrol Officer	PT	\$68,520	\$70,884	\$74,412	\$78,696	\$83,676	\$89,208

Number of employees as of January 1, 2019: 159
(Includes vacant positions)

Rates do not include 1% accreditation pay

Contract Expiration: December 31, 2021

Longevity Schedule	
5 years	2% of Base Salary
10 years	4% of Base Salary
12 years	4.5% of Base Salary
15 years	6% of Base Salary
20 years	9% of Base Salary
25 years	11% of Base Salary
30 years	11.5% of Base Salary

Educational Incentive	
AA (or Junior Status)	3%
BA or BS, MA, PhD	
for Sergeants and Officers	5%
for Assistant Chiefs and Commanders	6%

JOB AND SALARY CLASSIFICATION

TEAMSTERS LOCAL 117

2019 Step and Annual Salary Schedule						
Position	Range	A	B	C	D	E
Maintenance Worker 1	17	\$45,744	\$48,048	\$50,460	\$53,100	\$55,704
Water Meter Reader 2	21	50,460	53,100	55,704	58,488	61,296
Maintenance Worker 2	21	50,460	53,100	55,704	58,488	61,296
Maintenance Worker 3	25	55,704	58,488	61,296	64,512	67,728
Water Meter Reader 3	25	55,704	58,488	61,296	64,512	67,728
Mechanic 2	28	60,120	63,024	66,156	69,504	72,900
Riverbend Mechanic 2	28	60,120	63,024	66,156	69,504	72,900
Maintenance Worker 4	29	61,296	64,512	67,728	71,256	74,808
Communications Technician 2	30	63,024	66,156	69,504	72,900	76,500
HVAC Technician	31	64,512	67,728	71,256	74,808	78,516
Maintenance Technician	31	64,512	67,728	71,256	74,808	78,516
Senior Mechanic	32	66,156	69,504	72,900	76,500	80,340
Field Supervisor	34	69,504	72,900	76,500	80,340	84,576
SCADA Technician	34	69,504	72,900	76,500	80,340	84,576

Number of employees as of January 1, 2019: 156
(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		
Communities 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		
After School 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, VCRs)	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 cal)	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		
MSDSonline	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 / Network Equipment 1 year	\$83,753	\$92,129
ASTRAL COMMUNICATIONS		
AirVantage Management Service (AVMS)	2,230	2,453
CARASOFT 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 (REPLACES 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/CLEVERBRIDGE		
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 Maintenance	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 Maintenance (Data Backup)	48,909	53,800
Nimble CS-220 yearly Maintenance	7,443	8,188
Sabey Core Router & Fiber Channel 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		
Network 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
2012 Chevrolet Tahoe	65,000	
2010 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 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

BUDGET ADOPTION ORDINANCE

ORDINANCE NO. 4296

AN ORDINANCE of the City Council of the City of Kent, Washington, relating to budgets and finance and adopting the final 2019-2020 biennial budget.

RECITALS

A. Tax estimates and the preliminary budget for the City of Kent, Washington, for the 2019-2020 biennial years have been prepared and filed as provided by law, and the budget has been printed and distributed.

B. Notice has been published in the official paper of the City of Kent setting the time and place for public hearings on the budget. The notice also stated that all taxpayers calling at the Office of the City Clerk would be furnished a copy of the 2019-2020 biennial budget.

C. Public hearings were held on September 18, 2018, and October 16, 2018.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF KENT, WASHINGTON, DOES HEREBY ORDAIN AS FOLLOWS:

BUDGET ADOPTION ORDINANCE

ORDINANCE

SECTION 1. - *Budget Adoption.* Pursuant to RCW 35A.34.120, the budget for the 2019-2020 biennium, as summarized in Exhibit "A" and as set forth in the 2019-2020 biennial Preliminary Comprehensive Budget, which is on file with the city clerk and which is amended by Exhibit "B," all of which are incorporated into this ordinance by this reference, is hereby adopted in the amounts and for the purposes established in that budget as the final budget for the City's 2019-2020 biennium.

SECTION 2. - *Transmittal.* The finance director shall transmit a complete copy of the final adopted budget to the Division of Municipal Corporations in the Office of the State Auditor and to the Association of Washington Cities.

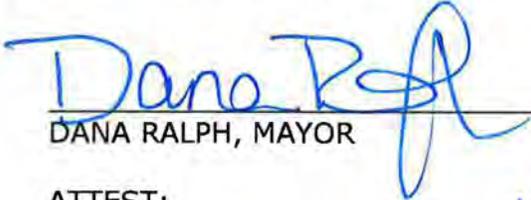
SECTION 3. - *Budget Administration.* City administration shall administer the biennial budget and may authorize expenditures, appropriations, and transfers pursuant to RCW 35A.34.200 and as otherwise provided by law.

SECTION 4. - *Severability.* If any one or more section, subsection, or sentence of this ordinance is held to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portion of this ordinance and the same shall remain in full force and effect.

SECTION 5. - *Corrections by City Clerk or Code Reviser.* Upon approval of the city attorney, the clerk and the code reviser are authorized to make necessary corrections to this ordinance, including the correction of clerical errors; ordinance, section, or subsection numbering or lettering; or references to other local, state, or federal laws, code, or regulations.

BUDGET ADOPTION ORDINANCE

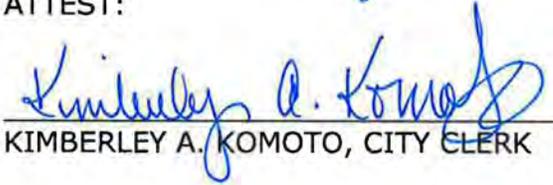
SECTION 6. - *Effective Date.* This ordinance shall take effect and be in force January 1, 2019, which is more than five days after its publication, as provided by law.



DANA RALPH, MAYOR

November 20, 2018
Date Approved

ATTEST:

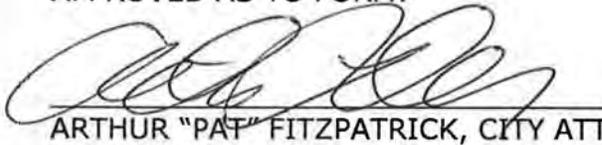


KIMBERLEY A. KOMOTO, CITY CLERK

November 20, 2018
Date Adopted

November 23, 2018
Date Published

APPROVED AS TO FORM:



ARTHUR "PAT" FITZPATRICK, CITY ATTORNEY

BUDGET ADOPTION ORDINANCE—EXHIBIT A

	2019 Proposed Expenditures	2020 Proposed Expenditures
Governmental Funds		
General Fund	107,690,250	106,361,540
Special Revenue Funds		
Street Operating Fund	17,645,420	18,025,920
LEOFF1 Retiree Benefits Fund	1,423,000	1,449,710
Lodging Tax Fund	291,190	294,400
Youth / Teen Fund	957,730	956,010
Capital Resources Fund	20,591,850	18,152,000
Criminal Justice Fund	5,869,960	6,057,350
Housing and Community Dev Fund	1,175,190	1,175,190
City Arts Program Fund	112,670	108,100
ShoWare Operating Fund	1,423,790	1,124,830
Debt Service Funds		
Non-Voted Debt Service Fund	9,764,390	8,641,810
Special Assessments Fund	1,119,460	784,160
Capital Projects Funds		
Street Capital Projects Fund	7,103,340	6,869,980
Parks Capital Projects Fund	3,341,000	3,369,000
Other Capital Projects Fund	56,610	42,780
Technology Capital Projects Fund	2,250,000	2,250,000
Facilities Capital Projects Fund	2,350,000	2,000,000
Proprietary Funds		
Enterprise Funds		
Water Fund	49,342,500	33,601,390
Sewer Fund	32,168,150	32,411,620
Drainage Fund	43,380,150	31,366,120
Solid Waste Fund	600,350	622,420
Golf Complex Fund	3,050,790	5,532,110
Internal Service Funds		
Fleet Services Fund	7,930,660	6,088,490
Central Services Fund		
Central Stores	387,290	395,040
Information Technology	9,079,150	9,658,590
Facilities Fund	5,838,450	5,867,350
Insurance Fund		
Unemployment	173,610	174,510
Workers Compensation	1,456,980	1,469,450
Health and Employee Wellness	14,898,160	15,345,100
Liability Insurance	2,017,600	2,036,120
Property Insurance	566,610	566,510
Total Gross Budget	354,056,300	322,797,600

BUDGET ADOPTION ORDINANCE—EXHIBIT B

	2019 Revenues	2019 Expenditures	2020 Revenues	2020 Expenditures
Governmental Funds				
General Fund	107,718,120	107,718,120	106,315,370	106,315,370
Parking Enf Officer .75FTE to 1.0FTE	14,000	15,730	16,170	16,170
Finance Admin Asst 2 (1.0)FTE	(41,870)	(73,600)		
Communications Training		30,000	30,000	30,000
	107,690,250	107,690,250	106,361,540	106,361,540
Special Revenue Funds				
Street Operating Fund	17,645,420	17,645,420	18,025,920	18,025,920
LEOFF1 Retiree Benefits Fund	1,179,590	1,423,000	1,202,950	1,449,710
Lodging Tax Fund	294,830	291,190	300,670	294,400
Youth / Teen Fund	957,730	957,730	956,010	956,010
Capital Resources Fund	16,194,310	20,591,850	15,529,980	18,152,000
Criminal Justice Fund	6,300,130	5,869,960	6,500,700	6,057,350
Housing and Community Dev Fund	1,175,190	1,175,190	1,175,190	1,175,190
City Arts Program Fund	112,670	112,670	108,100	108,100
ShoWare Operating Fund	1,150,000	1,423,790	1,150,000	1,124,830
Debt Service Funds				
Non-Voted Debt Service Fund	10,227,890	9,764,390	9,105,570	8,641,810
Special Assessments Fund	1,305,380	1,119,460	793,180	784,160
Capital Projects Funds				
Street Capital Projects Fund	7,103,340	7,103,340	6,869,980	6,869,980
Parks Capital Projects Fund	3,341,000	3,341,000	3,369,000	3,369,000
Other Capital Projects Fund	1,534,060	56,610	1,570,870	42,780
Technology Capital Projects Fund	2,250,000	2,250,000	2,250,000	2,250,000
Facilities Capital Projects Fund	2,350,000	2,350,000	2,000,000	2,000,000
Proprietary Funds				
Enterprise Funds				
Water Fund	42,708,060	49,342,500	35,284,880	33,601,390
Sewer Fund	32,320,310	32,168,150	32,579,660	32,411,620
Drainage Fund	37,045,700	43,380,150	32,083,870	31,366,120
Solid Waste Fund	618,810	600,350	631,190	622,420
Golf Complex Fund	2,899,210	3,050,790	5,584,990	5,532,110
Internal Service Funds				
Fleet Services Fund	8,643,070	7,930,660	5,115,460	6,088,490
Central Services Fund				
Central Stores	447,090	387,290	456,010	395,040
Information Technology	9,138,700	9,079,150	8,657,300	9,658,590
Facilities Fund	5,754,880	5,838,450	5,775,070	5,867,350
Insurance Fund				
Unemployment	121,700	173,610	121,700	174,510
Workers Compensation	1,094,000	1,456,980	1,094,000	1,469,450
Health and Employee Wellness	15,052,030	14,898,160	15,789,180	15,345,100
Liability Insurance	1,810,690	2,017,600	2,171,640	2,036,120
Property Insurance	565,920	566,610	565,920	566,510
Total Gross Budget	339,031,960	354,056,300	323,180,530	322,797,600

PROPERTY TAX ORDINANCE

ORDINANCE NO. 4294

AN ORDINANCE of the City Council of the City of Kent, Washington, levying 2018 property taxes for the 2019 biennial budget for the City of Kent.

RECITALS

A. Pursuant to RCW 84.55.120 and after providing all appropriate notice, the City Council held public hearings on September 18, 2018, and October 16, 2018, to consider the City of Kent's budget for 2019, to address the City's property tax levy to be imposed in 2018 for collection in 2019, and to review revenues and limit factors.

B. In accordance with RCW 84.55.120, any increase in property tax revenue other than that resulting from the addition of new construction and improvements to property, annexations, and any increase in the value of state-assessed property and the refund fund levy, requires the adoption of a separate ordinance specifically authorizing the increase in terms of both dollars and percentage.

C. Pursuant to RCW 84.52.010 and WAC 458-19-020, taxes shall be levied in specific dollar amounts.

1 *Property Tax Levied (1%)
2019 Budget Ordinance*

PROPERTY TAX ORDINANCE

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF KENT, WASHINGTON, DOES HEREBY ORDAIN AS FOLLOWS:

ORDINANCE

SECTION 1. - *Recitals Incorporated.* The foregoing recitals are incorporated into this ordinance.

SECTION 2. - *Property Tax Levied.* There is hereby levied against the assessed value of the property in the City of Kent, Washington, a tax for the City's 2019 budget in the following amount for the General Fund, for the purpose of paying the general expenses of municipal government:

Fund	Levy per \$1,000 of assessed valuation (estimated)	Dollar Amount
General Fund	\$1.5006	\$30,755,540

This property tax levy represents a 1.0% increase over last year as shown below.

2019 Regular Property Tax Levy	\$30,755,540
Less 2018 Regular Property Tax Levy	(30,067,316)
Less New Construction Levy	(342,560)
Less Refund Levy	(44,991)
Property Tax Increase	\$ 300,673
% Change	1.0%

**Property Tax Levied (1%)
2019 Budget Ordinance**

PROPERTY TAX ORDINANCE

SECTION 3. - *Limitation on Levy.* The application of the General Fund levy shall be consistent with and shall not result in tax revenue in excess of the limitation imposed by RCW sections 84.55.010 and 84.55.0101.

SECTION 4. - *Severability.* If any one or more section, subsection, or sentence of this ordinance is held to be unconstitutional or invalid, such decision shall not affect the validity of the remaining portion of this ordinance and the same shall remain in full force and effect.

SECTION 5. - *Corrections by City Clerk or Code Reviser.* Upon approval of the city attorney, the city clerk and the code reviser are authorized to make necessary corrections to this ordinance, including the correction of clerical errors; ordinance, section, or subsection numbering; or references to other local, state, or federal laws, codes, rules, or regulations.

SECTION 6. - *Effective Date.* This ordinance shall take effect and be in force January 1, 2019, which is more than five days after its publication, as provided by law.


DANA RALPH, MAYOR

November 20, 2018
Date Approved

ATTEST:


KIMBERLEY A. KOMOTO, CITY CLERK

November 20, 2018
Date Adopted

November 23, 2018
Date Published

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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.

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- 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.

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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 <i>Incurred But Not Reported</i> 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.

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- 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.

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- 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.

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