KENT
WASHINGTON

MAYOR'S PROPOSED 2020 MID-BIENNIUM ADJUSTMENT

City of Kent, Washington

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CITY OF KENT, WASHINGTON

Mayor's Proposed 2020 Mid-Biennium Adjustment

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BUDGET OVERVIEW

The Budget Overview section summarizes the 2020 Mid-Biennium Adjustment and provides comparisons to previous years' revenues, expenditures, fund balances and staffing. It outlines the changes for 2020 as compared to the original budget data for the General Fund, including a discussion of budgetary assumptions, revenue projects and major expenditure changes. An overview of the remaining funds is presented by fund classification. Lastly, this section contains a high level overview of capital investments and debt management.

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INTRODUCTION

The City's 2019-2020 Biennial Budget was adopted on November 20, 2018 and reflects a continued commitment to providing valuable government services in a cost-effective and efficient manner, progresses the City's strategic plan and respects the opinions of our residents. It is a balanced budget, allowing the City to maintain services and programs at their current level. New initiatives or expansion of current programs/services, backed by sustainable revenues, were adopted based on need, value to the public and correlation to Council's strategic goals.

As required under RCW 35A.34, the City must undergo a review and modification process for the second year of the biennium and adopt any modifications by the end of the first year. This section contains a summary of the changes to the 2020 adopted budget. Additional details are located in the Budget by Fund section.

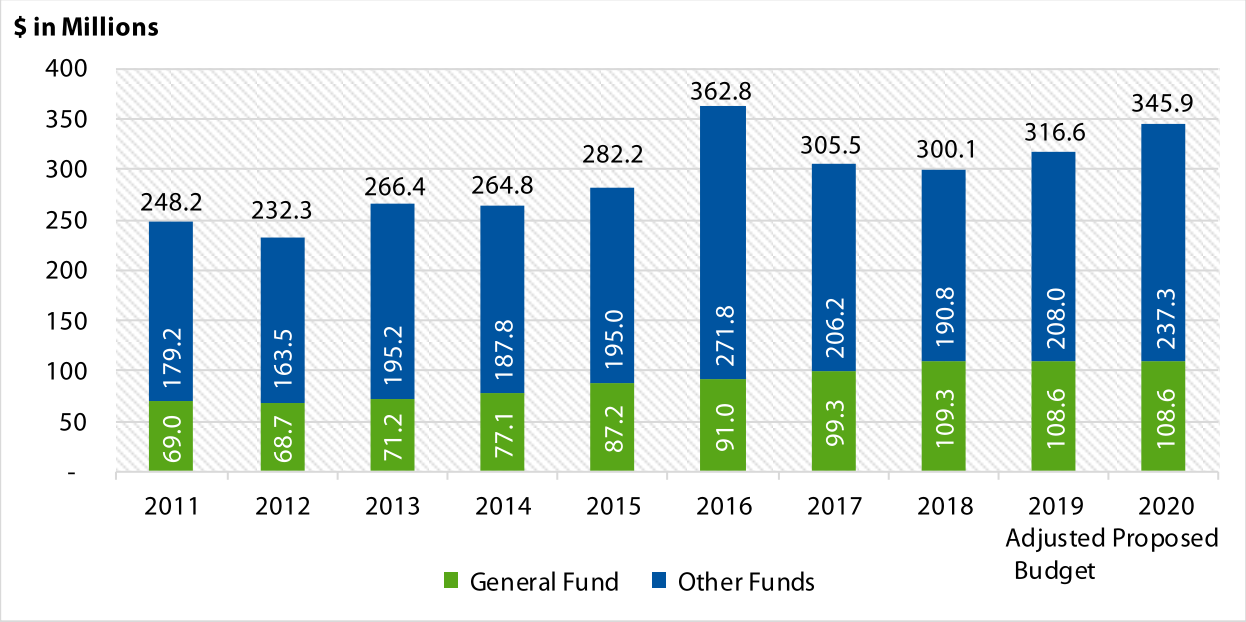
All budgets are developed within a budgetary framework designed to ensure consistency with the Revised Code of Washington (RCW) requirements, budgeting standards and fiscal policies. Specific information for the following components can be found in the Budget Framework section of this document.

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

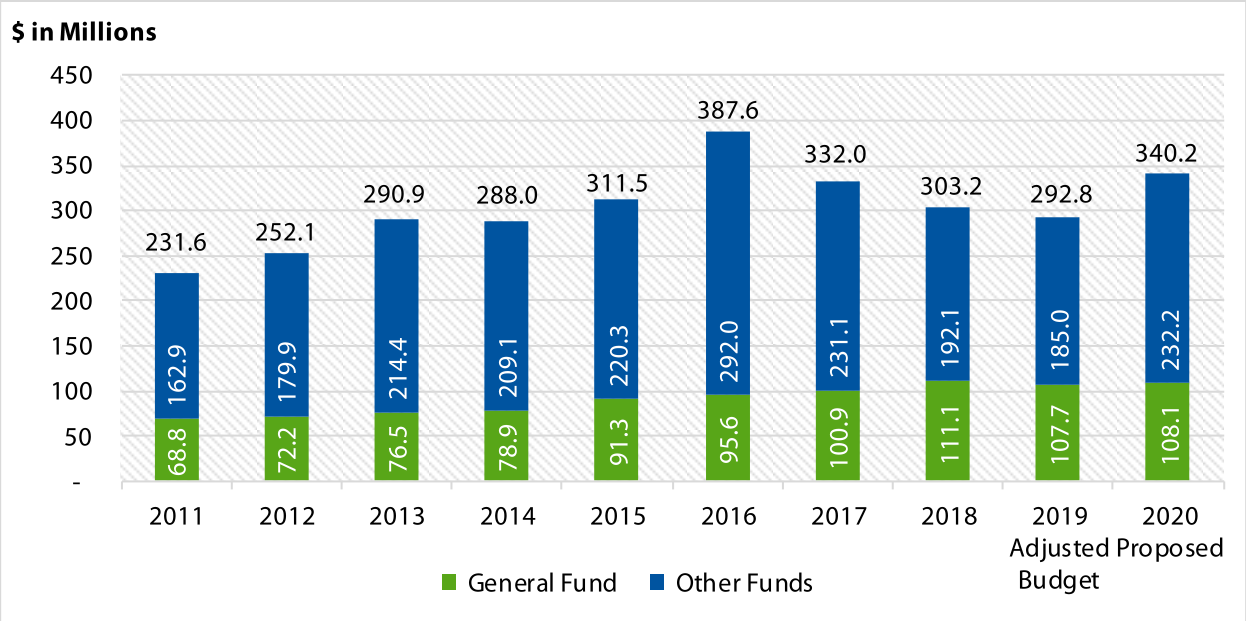
EXPENDITURE AND REVENUE HISTORY

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

CITY-WIDE EXPENDITURES



CITY-WIDE REVENUES



MID-BIENNIUM ADJUSTMENT

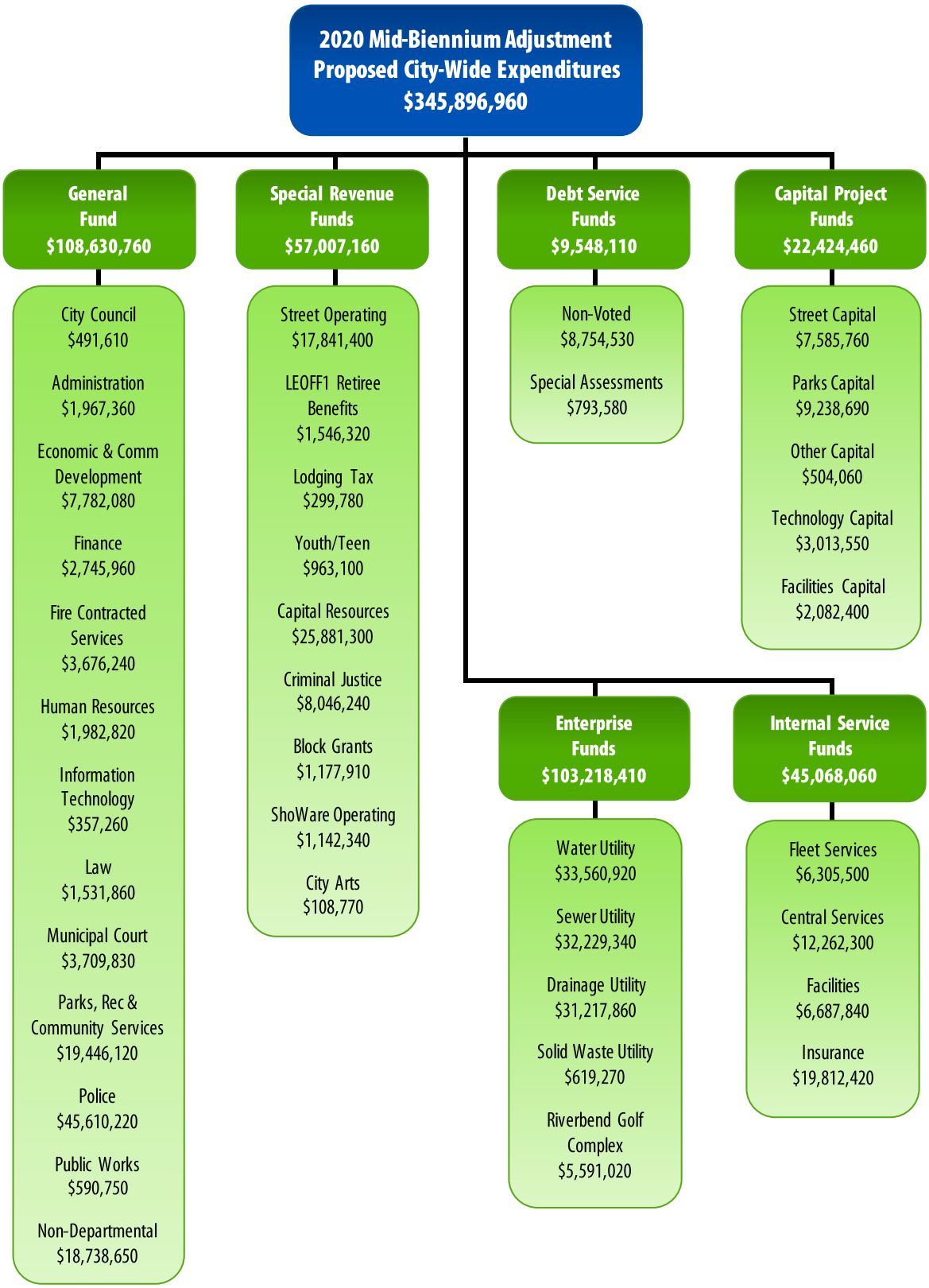
The ***2020 Revenue and Expenditure Summary*** and ***Financial Organization Chart*** present the City-wide mid-biennium adjusted budget.

2020 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 1/1/2020	$ 26,912,060	$ 29,836,110	$ 2,413,090	$ -	$ 36,128,380	$ 23,061,880	$ 118,351,520
Revenues							
Taxes	86,383,010	20,698,170				1,736,980	108,818,160
Licenses and Permits	7,490,520	535,190			73,250		8,098,960
Intergovernmental Revenue	2,954,570	8,443,470	1,023,850	200,000		147,400	12,769,290
Charges for Services	6,275,920	841,210			79,305,110	13,772,500	100,194,740
Fines and Forfeitures	1,145,660	3,464,320			590		4,610,570
Miscellaneous Revenue	2,445,620	1,233,080	793,180	(1,548,640)	7,188,090	25,182,480	35,293,810
Transfers In	1,357,840	15,042,690	8,120,640	24,203,390	20,607,480	1,100,000	70,432,040
Total Revenues	108,053,140	50,258,130	9,937,670	22,854,750	107,174,520	41,939,360	340,217,570
Expenditures							
Salaries & Benefits	62,105,150	15,276,130			10,958,260	10,288,670	98,628,210
Supplies	2,904,860	1,241,690			2,013,995	2,434,630	8,595,175
Services & Allocations	25,175,570	7,759,070	83,220		63,125,385	29,294,760	125,438,005
Capital		1,048,250		22,392,150	1,294,000	2,500,000	27,234,400
Debt Service		24,800	8,680,730		5,292,730		13,998,260
Transfers Out	18,445,180	31,657,220	784,160	32,310	20,534,040	550,000	72,002,910
Total Expenditures	108,630,760	57,007,160	9,548,110	22,424,460	103,218,410	45,068,060	345,896,960
Expenditures by Department							
City Council	491,610						491,610
Administration	1,967,360	25,000					1,992,360
Economic & Community Dev	7,782,080						7,782,080
Finance	2,745,960					396,590	3,142,550
Fire Contracted Services	3,676,240						3,676,240
Human Resources	1,982,820	1,546,320				19,812,420	23,341,560
Information Technology	357,260			3,013,550		11,003,760	14,374,570
Law	1,531,860	957,270					2,489,130
Municipal Court	3,709,830						3,709,830
Parks, Rec & Comm Services	19,446,120	1,812,960		11,308,690	5,414,890	6,687,840	44,670,500
Police	45,610,220	7,062,690					52,672,910
Public Works	590,750	15,677,680		7,585,760	92,525,790	7,167,450	123,547,430
Non Departmental	18,738,650	29,925,240	9,548,110	516,460	5,277,730		64,006,190
Total Expenditures	108,630,760	57,007,160	9,548,110	22,424,460	103,218,410	45,068,060	345,896,960
Change in Fund Balance	(577,620)	(6,749,030)	389,560	430,290	3,956,110	(3,128,700)	(5,679,390)
Est Fund Balance 12/31/2020	$ 26,334,440	$ 23,087,080	$ 2,802,650	$ 430,290	$ 40,084,490	$ 19,933,180	$ 112,672,130

MID-BIENNIUM ADJUSTMENT

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 2014 and ending with the estimated 2019 balance.
- ***Fund Balances—2020 Mid-Biennium Adjustment*** begins with the estimated fund balance at the beginning of 2020. Adding 2020 revenues and subtracting 2020 expenditures results in an estimated 2020 ending fund balance.

FUND BALANCE

FUND BALANCES—5 YEAR HISTORY

	2014	2015	2016	2017	2018	2019 Est
General Fund						
General Fund	$11,312,140	$15,372,499	$19,987,728	$21,595,174	$23,341,440	$26,912,060
Special Revenue Funds						
Street Operating	1,196,234	4,092,055	3,977,113	5,873,486	5,416,967	5,783,540
LEOFF 1 Retiree Benefits	1,031,026	1,093,532	1,174,261	1,296,372	1,872,112	1,866,660
Lodging Tax	371,803	394,516	469,387	457,557	336,765	146,650
Youth / Teen	147,063	121,275	91,130	104,887	91,846	91,850
Capital Resources	(3,299,461)	5,775,064	11,277,727	15,646,334	15,599,192	12,126,650
Criminal Justice	2,193,069	3,981,627	5,697,717	7,197,004	7,247,796	6,934,690
Environmental Fund	3,826	3,826				
Housing and Comm Dev						
City Arts Program	281,177	364,242	436,914	526,158	587,401	587,400
ShoWare Operating	19,990	1,596,543	2,147,074	2,518,894	2,563,460	2,298,670
Debt Service Funds						
Non-Voted Debt Service		8,329	521,394	986,220	1,451,046	1,907,550
Special Assessments	4,302,699	2,070,434	1,188,906	582,661	479,916	505,540
Enterprise Funds						
Water Utility	6,204,899	8,285,372	11,761,566	13,088,191	20,822,197	15,533,490
Sewer Utility					6,065,234	7,495,380
Drainage Utility	10,080,781	10,162,058	11,735,778	16,675,150	18,326,743	13,258,730
Solid Waste Utility		(365)	302,528	479,431	466,749	505,500
Golf Complex	(2,853,332)	(3,043,675)	(3,768,128)	(3,816,932)	(451,910)	(664,720)
Internal Service Funds						
Fleet Services	2,936,027	4,301,237	5,134,423	5,869,149	5,869,149	5,279,360
Central Stores	(67,334)	(46,226)	(63,568)	(3,113)	15,044	64,220
Information Technology	1,942,421	2,808,737	3,640,615	3,593,294	3,348,099	3,243,630
Facilities	1,772,015	1,672,947	2,340,684	2,316,961	2,316,961	3,133,200
Unemployment	740,157	1,038,938	1,332,446	1,424,508	1,401,222	1,289,110
Workers Compensation	2,128,253	2,541,813	2,305,514	2,374,326	3,478,730	3,406,170
Emp Health & Wellness	6,933,915	6,122,922	4,681,152	2,960,567	3,886,427	5,179,270
Liability Insurance	2,503,778	2,452,656	1,754,057	1,661,132	878,314	727,580
Property Insurance	$ 236,644	$ 348,579	$ 531,548	$ 652,035	$ 607,537	$ 739,340

FUND BALANCE

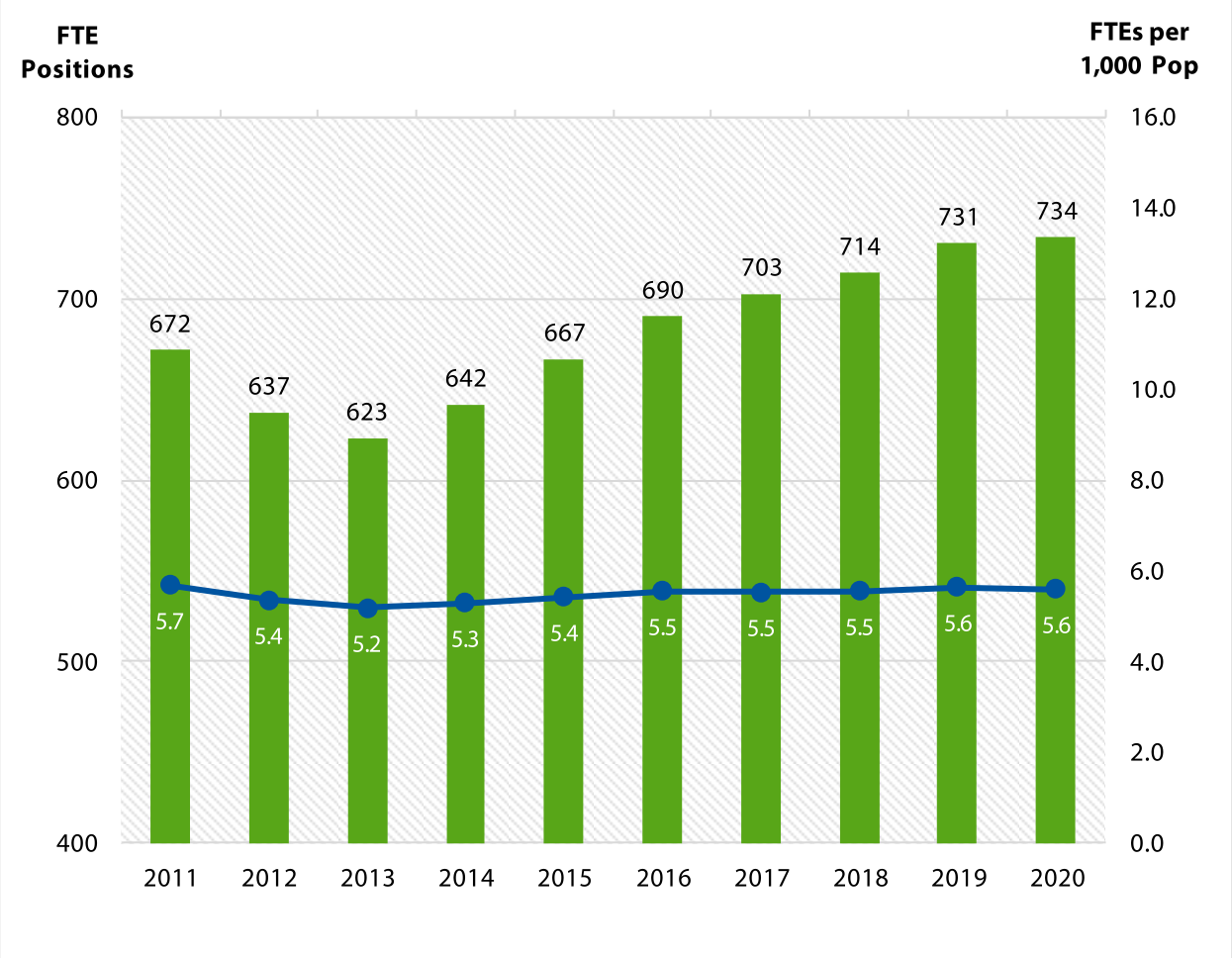
FUND BALANCES—2020 MID-BIENNIUM ADJUSTMENT

	Projected Beginning Fund Balance	Revenues	Expenditures	Projected Ending Fund Balance	Change in Fund Balance
General Fund	$ 26,912,060	$ 108,053,140	$ 108,630,760	$ 26,334,440	$ (577,620)
Special Revenue Funds					
Street Operating	5,783,540	17,778,370	17,841,400	5,720,510	(63,030)
LEOFF1 Retiree Benefits	1,866,660	1,201,170	1,546,320	1,521,510	(345,150)
Lodging Tax	146,650	303,510	299,780	150,380	3,730
Youth / Teen	91,850	936,680	963,100	65,430	(26,420)
Capital Resources	12,126,650	19,827,960	25,881,300	6,073,310	(6,053,340)
Criminal Justice	6,934,690	7,773,760	8,046,240	6,662,210	(272,480)
Comm Dev Block Grants		1,177,910	1,177,910	-	-
City Arts Program	587,400	108,770	108,770	587,400	-
ShoWare Operating	2,298,670	1,150,000	1,142,340	2,306,330	7,660
Debt Service Funds					
Non-Voted	1,907,550	9,144,490	8,754,530	2,297,510	389,960
Special Assessments	505,540	793,180	793,580	505,140	(400)
Capital Projects Funds					
Street Capital Projects		7,724,900	7,585,760	139,140	139,140
Parks Capital Projects		9,420,230	9,238,690	181,540	181,540
Other Capital Projects		528,670	504,060	24,610	24,610
Technology Capital Projects		3,110,310	3,013,550	96,760	96,760
Facilities Capital Projects		2,070,640	2,082,400	(11,760)	(11,760)
Enterprise Funds					
Water Utility	15,533,490	35,745,320	33,560,920	17,717,890	2,184,400
Sewer Utility	7,495,380	32,386,150	32,229,340	7,652,190	156,810
Drainage Utility	13,258,730	32,750,070	31,217,860	14,790,940	1,532,210
Solid Waste Utility	505,500	637,410	619,270	523,640	18,140
Riverbend Golf Complex	(664,720)	5,655,570	5,591,020	(600,170)	64,550
Internal Service Funds					
Fleet Services	5,279,360	5,163,800	6,305,500	4,137,660	(1,141,700)
Central Stores	64,220	456,010	396,590	123,640	59,420
Information Technology	3,243,630	9,169,410	11,003,760	1,409,280	(1,834,350)
GIS Services	-	861,950	861,950	-	-
Facilities	3,133,200	6,399,920	6,687,840	2,845,280	(287,920)
Unemployment	1,289,110	144,690	177,320	1,256,480	(32,630)
Workers Compensation	3,406,170	1,129,480	1,515,970	3,019,680	(386,490)
Employee Health & Wellne	5,179,270	15,842,530	15,456,300	5,565,500	386,230
Liability Insurance	727,580	2,190,430	2,090,750	827,260	99,680
Property Insurance	739,340	581,140	572,080	748,400	9,060
City-Wide Total	$118,351,520	$ 340,217,570	$ 345,896,960	$112,672,130	$ (5,679,390)
Original Adopted Budget	92,279,110	321,612,380	322,757,540	91,133,950	(1,145,160)
Net Change from Adopted	26,072,410	18,605,190	23,139,420	21,538,180	(4,534,230)

STAFFING

As the population of the City has increased, the demand for city services has risen correspondingly. The ***FTEs per 1,000 Population*** chart below reflects the total number of funded FTE from 2011 and the number of FTE per every 1,000 in population. The number of funded FTEs has risen by 97 since 2012. At the same time, the number of FTE per population has fallen, 5.7 per thousand in 2011 as compared to 5.6 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	730.6	734.0
Population *	118,200	119,100	120,500	121,400	122,900	124,500	127,100	128,900	129,800	131,300
FTEs per 1,000 Pop	5.7	5.4	5.2	5.3	5.4	5.5	5.5	5.5	5.6	5.6

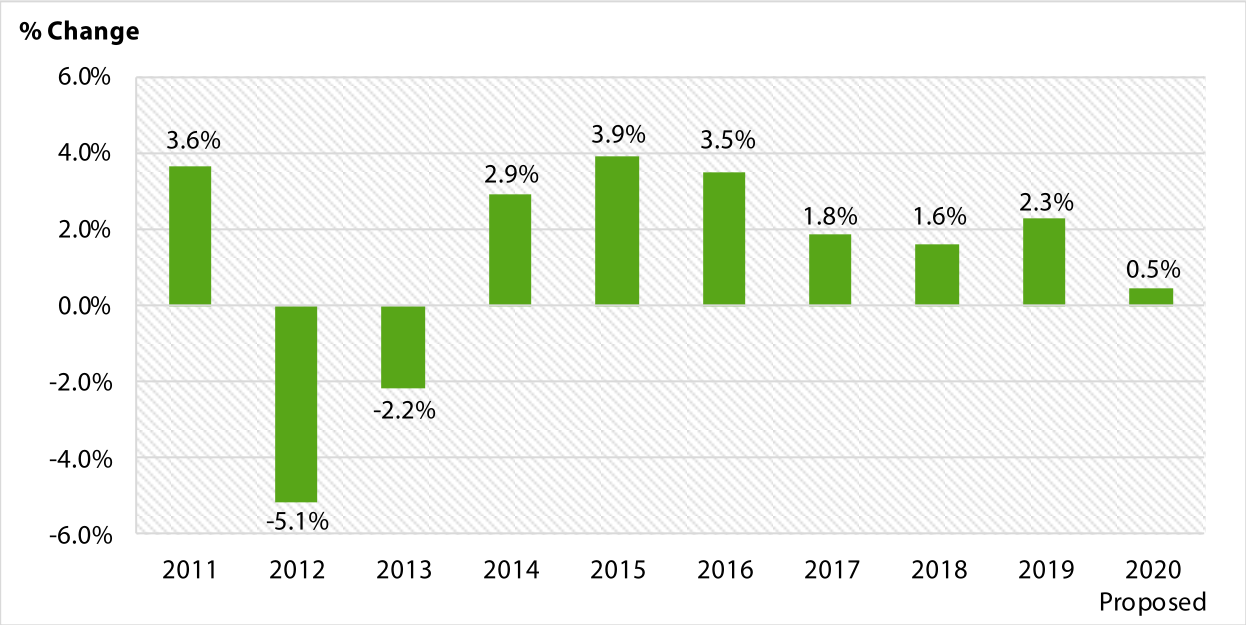
* Populations are based on state official estimates. 2020 is an estimate.

STAFFING

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

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

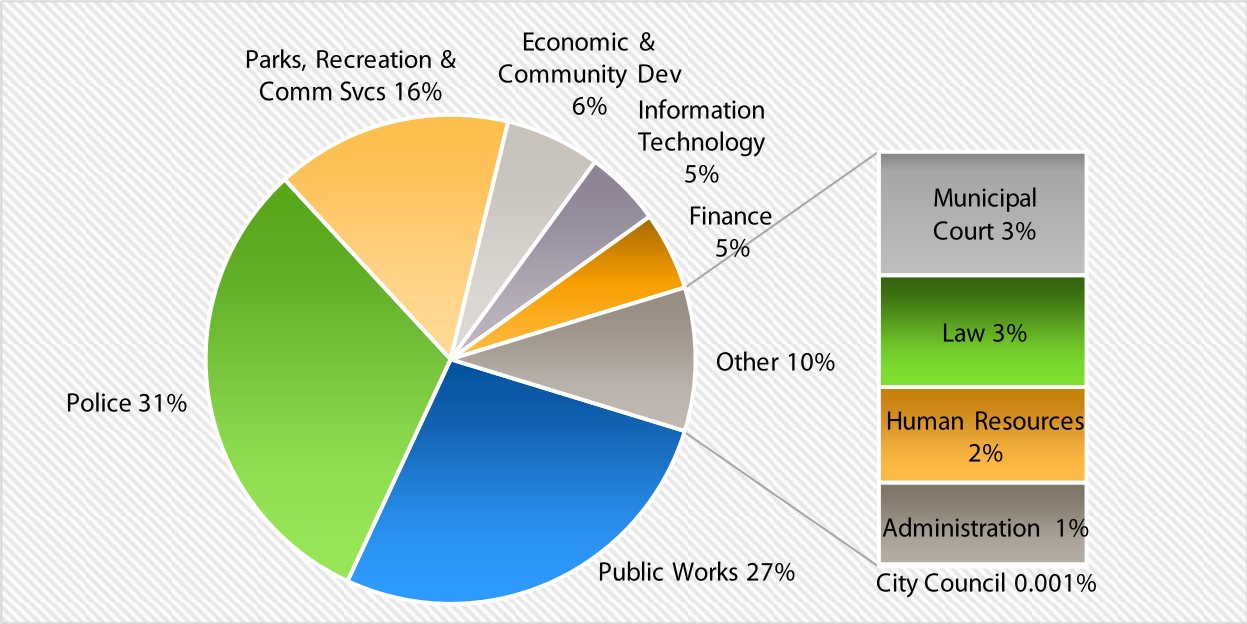
PERCENT CHANGE IN STAFFING



STAFFING

The following ***City-Wide Staffing by Department, Positions Summary by Department, City-Wide Staffing by Fund, Positions Summary by Fund*** and ***Position Changes by Department*** charts and tables provide further detailed information on staffing as proposed with the 2020 mid-biennium adjustment.

CITY-WIDE STAFFING BY DEPARTMENT—2020 MID-BIENNIUM ADJUSTMENT



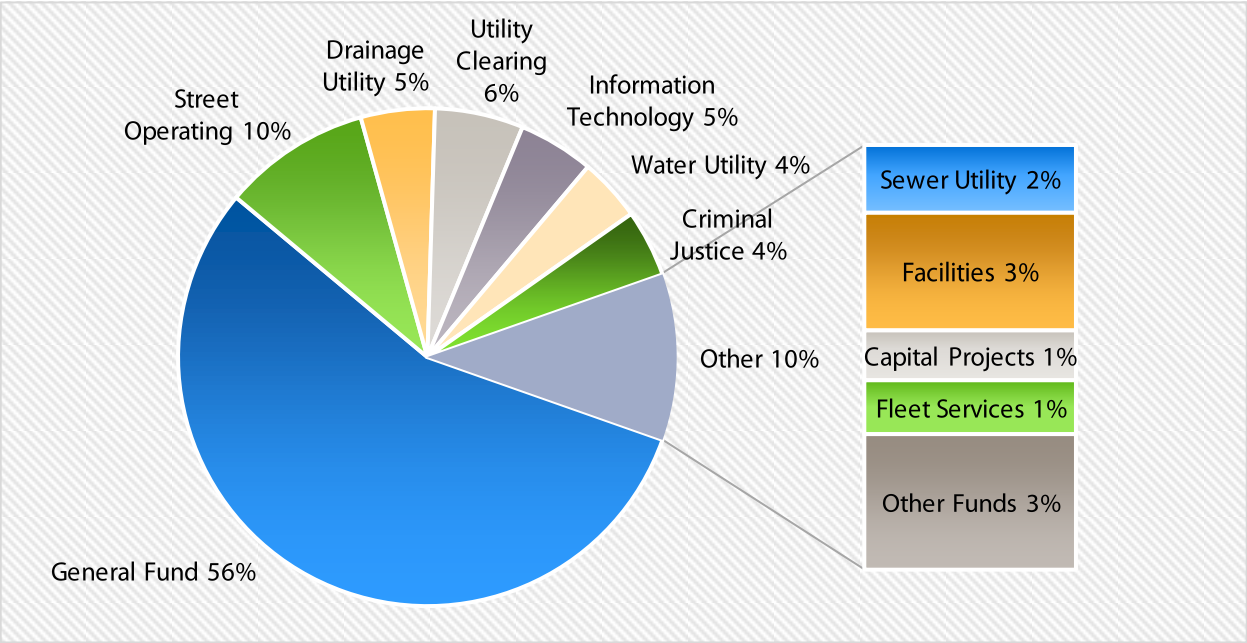
POSITIONS SUMMARY BY DEPARTMENT—FULL TIME EQUIVALENTS (FTEs)

	2018 Actual	2019 Adopted	2019 New	2020 Adopted Changes	2020 Adopted	2020 Change	2020 Proposed
City Council	0.50	0.50			0.50		0.50
Administration	12.50	12.50	2.00	(1.00)	13.50		13.50
Economic & Comm Dev	47.00	47.00	(1.00)		46.00		46.00
Finance	38.00	37.00	1.00		38.00		38.00
Human Resources	15.60	15.60	1.00	(0.60)	16.00		16.00
Information Technology	37.00	37.00			37.00		37.00
Law	16.80	17.80	1.00		18.80		18.80
Municipal Court	20.28	19.75	1.00		20.75		20.75
Parks, Rec & Comm Svcs	115.76	114.66			114.66		114.66
Police	213.75	219.28	5.00	3.00	227.28	2.00	229.28
Public Works [(A)]	197.00	199.50			199.50		199.50
Total FTEs by Dept	**714.19**	**720.59**	**10.00**	**1.40**	**731.99**	**2.00**	**733.99**

[(A)] The 2020 mid-biennium adjustment includes a two-year extension of ten term-limited positions in Public Works (expiring in March 2020). These ten positions are critical to current project needs and the employees in these positions are responsible for a variety of important work from private development inspections, capital project delivery and design, right of way services and environmental projects. These positions reside in Street Operations (1), Engineering (1), Street Capital (3), Water (2) and Drainage (3).

STAFFING

CITY-WIDE STAFFING BY FUND—2020 MID-BIENNIUM ADJUSTMENT



POSITIONS SUMMARY BY FUND—FULL TIME EQUIVALENTS (FTEs)

	2018 Actual	2019 Adopted	2019 New	2020 Adopted Changes	2020 Adopted	2020 Change	2020 Proposed
General Fund	398.36	400.86	7.00	(2.10)	405.76	3.00	408.76
Street Operating	74.25	76.25		4.00	80.25	(9.75)	70.50
Capital Resources - Parks				4.00	4.00		4.00
Criminal Justice	27.14	30.14	1.41	0.50	32.05		32.05
Housing & Comm Dev	5.48	5.48			5.48		5.48
Street Capital Projects	4.00	4.00		(4.00)	0.00	3.00	3.00
Parks Capital Projects	1.00	1.00			1.00		1.00
IT Capital Projects			1.50		1.50		1.50
Water Utility	27.66	28.66			28.66	1.42	30.08
Sewer Utility	13.08	13.08			13.08	(0.58)	12.50
Drainage Utility	34.51	34.51	0.30		34.81	0.41	35.22
Solid Waste Utility	4.50	4.50	(0.30)		4.20		4.20
Golf Complex	9.60	8.00			8.00		8.00
Fleet Services	10.00	10.00			10.00		10.00
Information Technology	36.00	36.00			36.00		36.00
GIS					0.00	4.50	4.50
Facilities	23.00	23.00		(1.00)	22.00		22.00
Insurance	2.00	2.00			2.00		2.00
Utility Clearing	42.61	42.11	0.09		42.20		42.20
VNET Agency	1.00	1.00			1.00		1.00
Total FTEs by Fund	**714.19**	**720.59**	**10.00**	**1.40**	**731.99**	**2.00**	**733.99**

STAFFING

POSITION CHANGES BY FUND—FULL TIME EQUIVALENTS (FTEs)

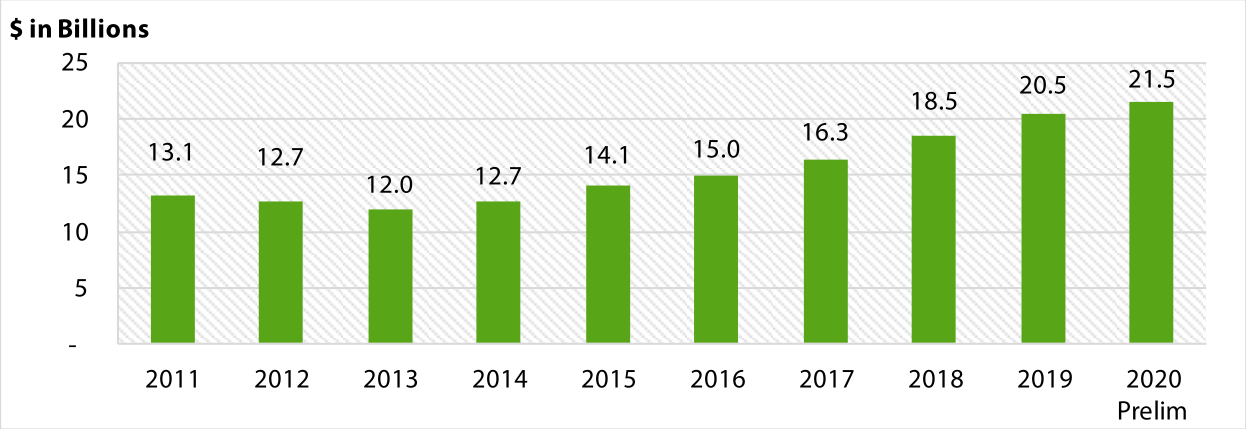
	2020 Proposed Change
General Fund	
Detectives - New	2.00
ECD Engineering Manager from Utilities	1.00
Street Operating	
Move ECD Engineering Manager to General Fund	(0.25)
Move GIS Positions to GIS Fund	(3.50)
Move Term-Limited Positions to Projects	(6.00)
Street Capital Projects	
Term-Limited Positions moved to Projects from Engineering (Street Fund)	3.00
Water Utility	
Move ECD Engineering Manager to General Fund	(0.25)
Move Position to GIS Fund	(0.33)
Term-Limited Positions moved to Projects from Engineering (Street Fund)	2.00
Sewer Utility	
Move ECD Engineering Manager to General Fund	(0.25)
Move Position to GIS Fund	(0.33)
Drainage Utility	
Move ECD Engineering Manager to General Fund	(0.25)
Move Position to GIS Fund	(0.34)
Term-Limited Position moved to Project from Engineering (Street Fund)	1.00
GIS	
GIS Positions	
Positions from Street Operating	3.50
Position from Water/Sewer/Drainage	1.00
Total FTEs by Dept	**2.00**

PROPERTY TAX

PROPERTY TAX AND ASSESSED VALUATION

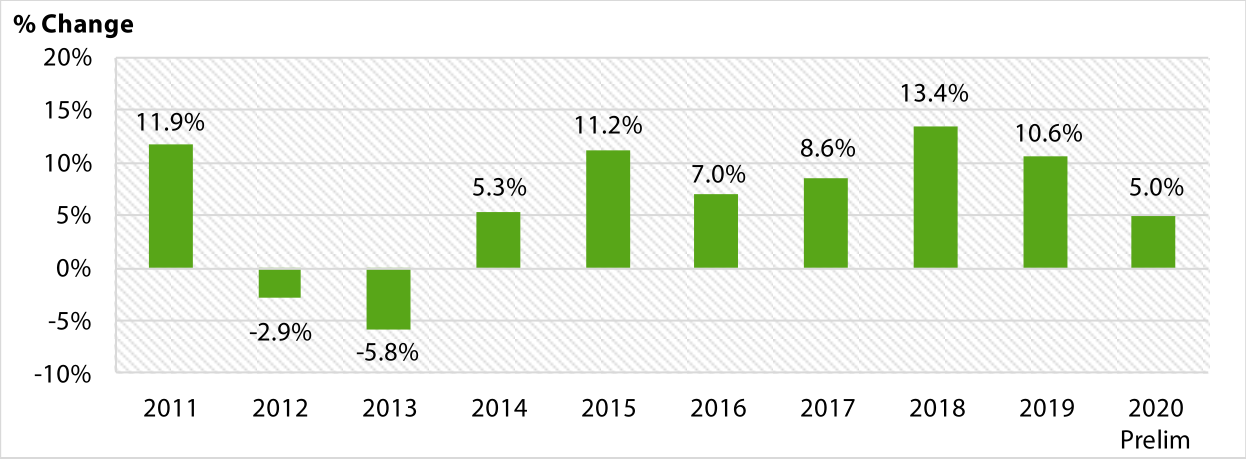
Property tax is the largest source of revenue in the General Fund. The King County Assessor values and provides information to the City of Kent on their determination of property values within city limits. The growth in Property Tax revenue is dependent upon both the assessed valuation of property (provided 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 2011 and 2014, the effects of the Great Recession saw property values drop. The 2011 percent change in valuation includes the property values for the Panther Lake Annexation area. The Panther Lake Annexation increased the City of Kent's total property valuation by nearly $2 billion in 2011 and the chart below reflects the net change to the overall property valuation in the City from the previous year, inclusive of the Panther Lake area. The 2020 assessed valuation is estimated to increase by five percent.

PERCENT CHANGE IN ASSESSED VALUATION

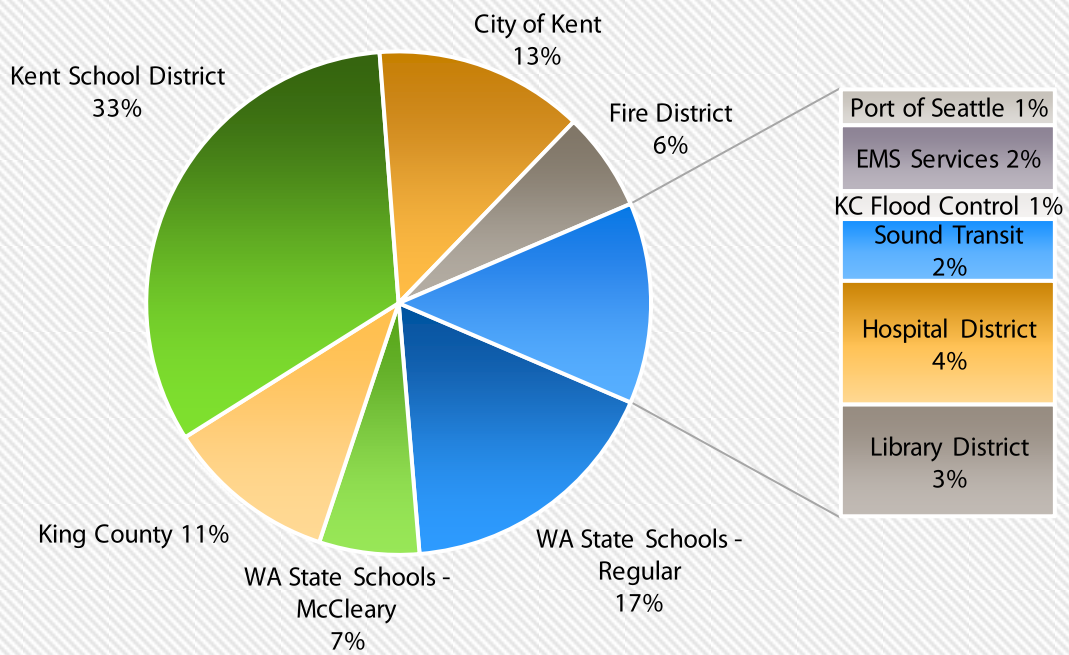


PROPERTY TAX

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—2020 LEVY RATES

The property tax in the 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 and estimated rate information for 2020.



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

PROPERTY TAX AV & RATES

City of Kent Share Only	2018	2019	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	$541	$548

[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 and 2019 median home values are $324,000 and $363,000, respectively, per King County Assessor's Office. 2020 is estimated to increase by 5 percent.

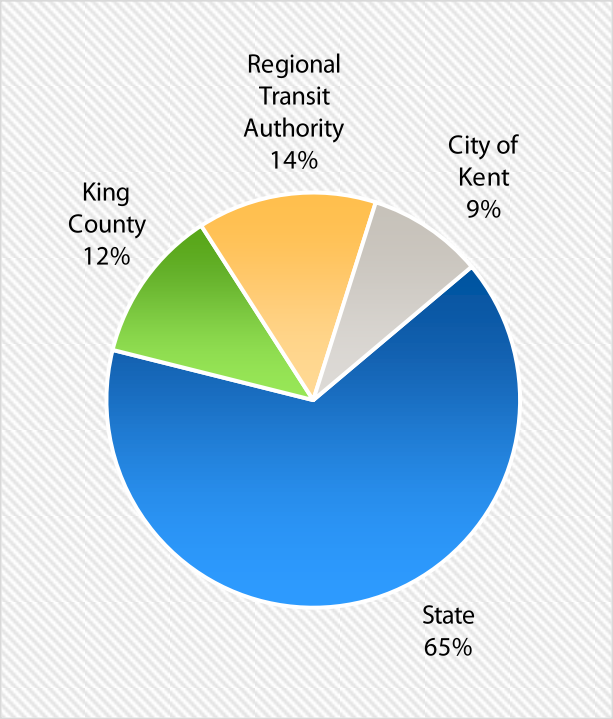
SALES TAX

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.

SALES TAX DISTRIBUTION



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

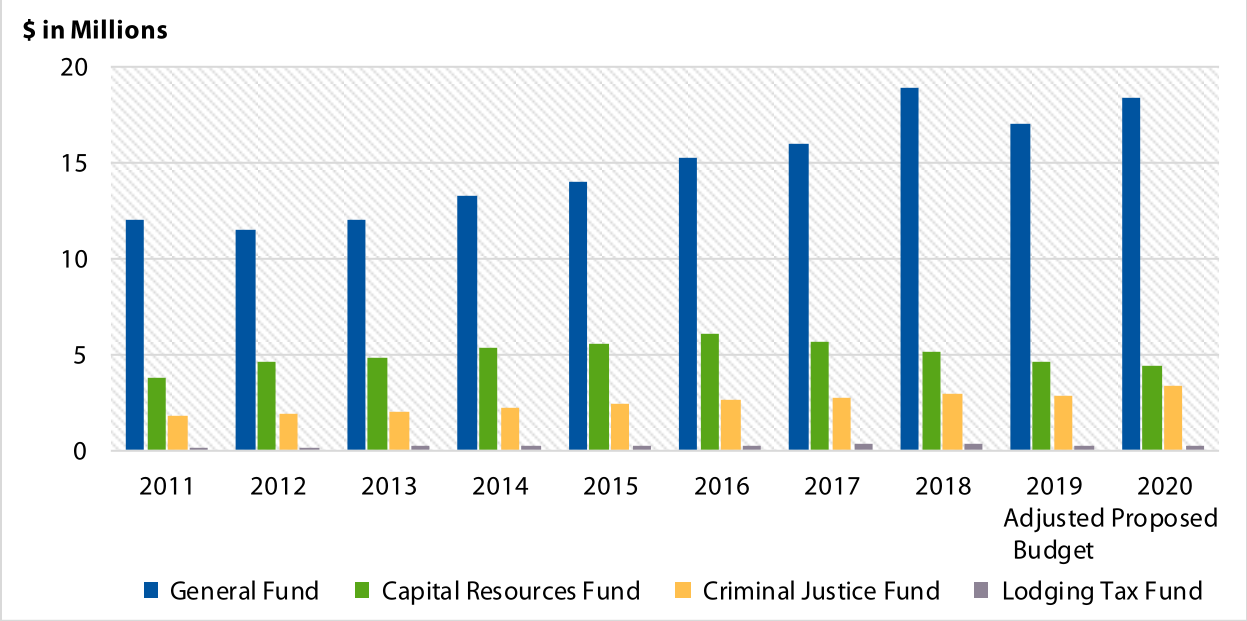
The lodging tax, also referred to as the hotel-motel tax, is a consumer tax on lodging charges for periods of less than 30 consecutive days for hotels, motels, rooming houses, private campgrounds, RV parks, and similar facilities. The guiding principle for the use of lodging taxes is that they must be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

SALES TAX

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

SALES TAX REVENUE HISTORY

SALES TAX REVENUE HISTORY BY FUND



UTILITY TAX

Utility tax makes up nearly 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 the City's internal utilities.

EXTERNAL UTILITY TAX

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

EXTERNAL UTILITY TAX RATES

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

INTERNAL UTILITY TAX

The City currently taxes each internal utility according to the ***Internal Utility Tax Rates*** table below. Overall, four percent is allocated to the Capital Resources Fund. After the payment of all capital debt, unless otherwise allocated by Council, the remaining funds are to be equally applied to information technology programs and street capital programs. An additional two percent combined is allocated to the Capital Resources Fund for debt service and will revert to the General Fund 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.

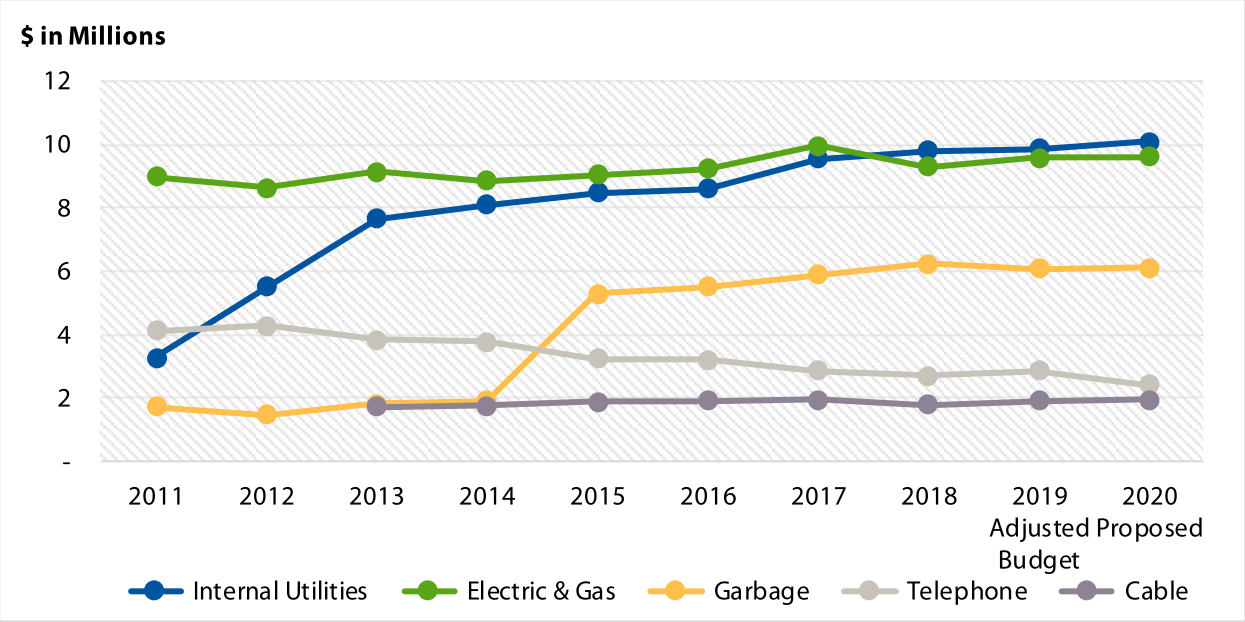
INTERNAL UTILITY TAX RATES

	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%**

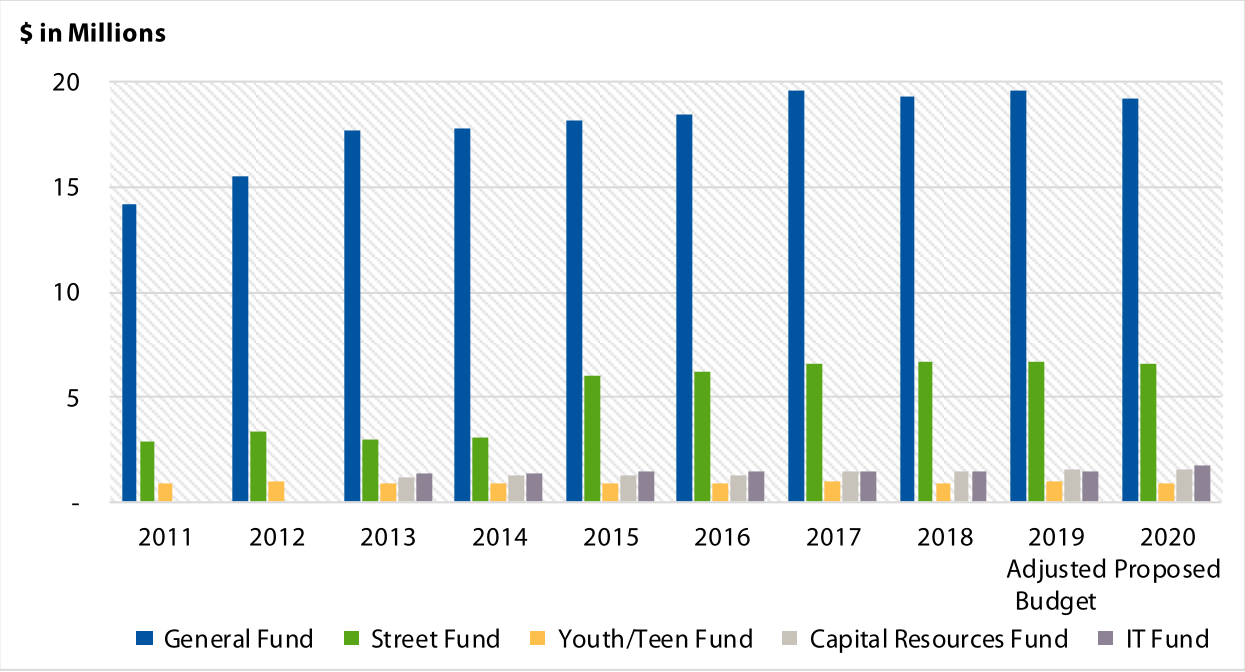
[(A)] average for all utilities combined

UTILITY TAX

UTILITY TAX REVENUE HISTORY



UTILITY TAX REVENUE HISTORY BY FUND



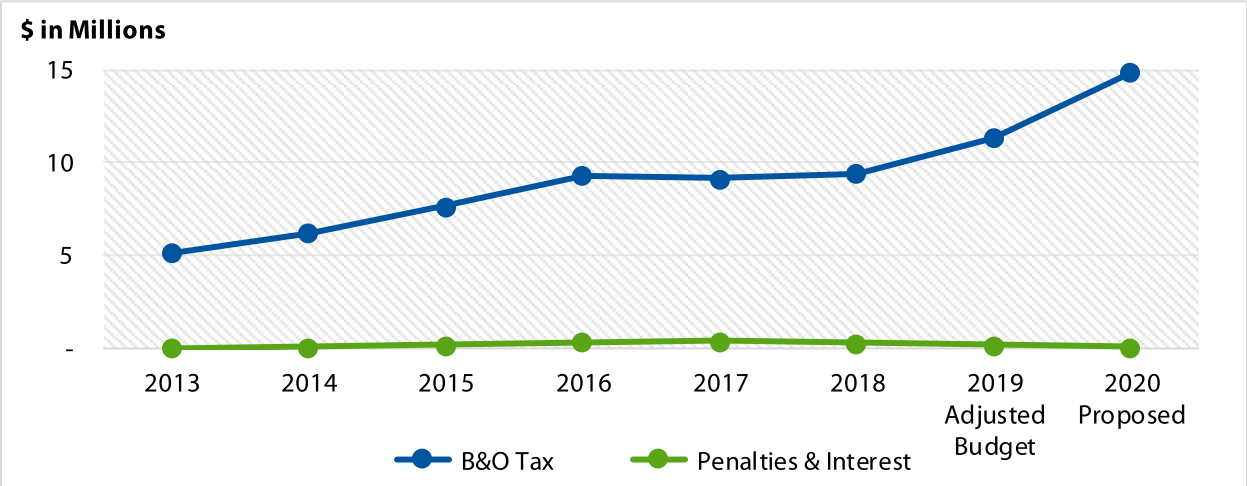
B&O TAX

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

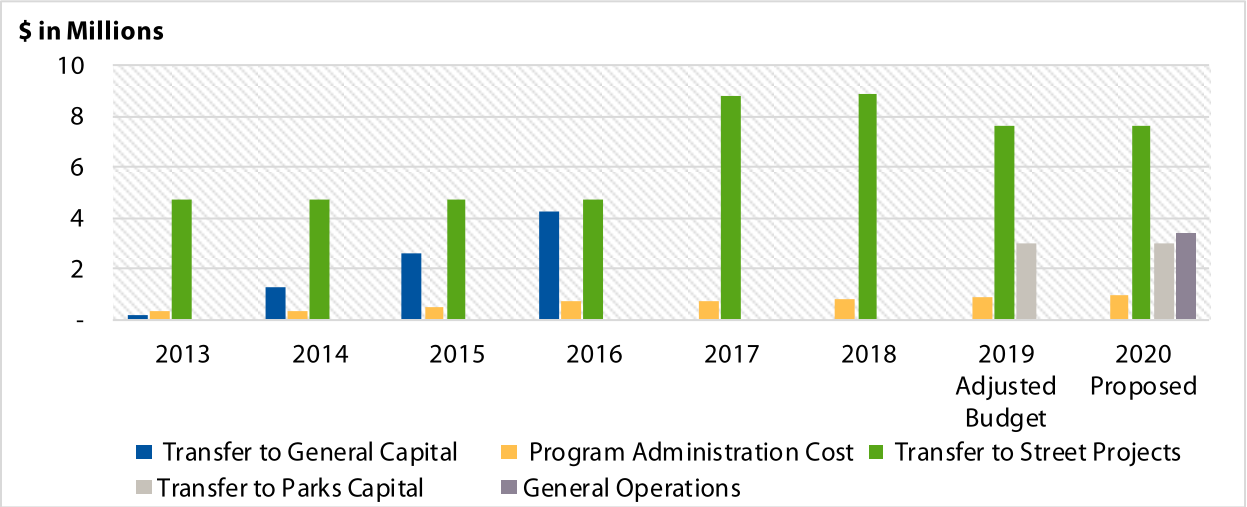
- Manufacturing
- Retailing
- Square Footage
- Wholesaling
- Service & Other

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

B&O REVENUES



B&O ALLOCATION



GENERAL FUND

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

GENERAL FUND REVENUES

General Fund revenues are proposed to increase from the 2020 adopted budget of $106,361,540 to an adjusted amount of $108,053,140, for a total increase of $1,691,600 or 1.6 percent.

GENERAL FUND REVENUE SUMMARY

	2019 Adj Budget	2020 Adopted	2020 Proposed	2020 $ Change	2020 % Change
Property Taxes	$29,978,040	$30,457,820	$30,457,820	$0	- %
Sales Taxes	21,770,980	19,890,180	20,849,490	959,310	4.8
Utility Taxes	19,596,150	19,578,290	19,278,260	(300,030)	(1.5)
B&O Taxes	11,500,000	14,900,000	14,900,000	-	-
Other Taxes	882,650	897,440	897,440	-	-
Licenses and Permits	7,082,370	7,490,520	7,490,520	-	-
Intergovernmental Revenue	6,735,580	2,676,120	2,954,570	278,450	10.4
Charges for Services	6,001,180	6,125,920	6,275,920	150,000	2.4
Fines and Forfeitures	1,113,790	1,145,660	1,145,660	-	-
Miscellaneous Revenue	2,158,110	2,285,580	2,445,620	160,040	7.0
Transfers In	915,730	914,010	1,357,840	443,830	48.6
Total Revenues	**$107,734,580**	**$106,361,540**	**$108,053,140**	**$1,691,600**	**1.6 %**

Revenue projections for the 2020 mid-biennium adjustment 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 year giving only a modest boost to sales taxes, intergovernmental revenues and charges for services
- Short term interest rates will remain low but with a moderate rate increases in 2020
- Current percentage growth caps on property and utilities will remain unchanged

GENERAL FUND

PROPOSED GENERAL FUND REVENUE—MAJOR CHANGES

Baseline revenue adjustments are in response to new and/or updated information received after the 2020 budget was adopted. General Fund revenue changes include:

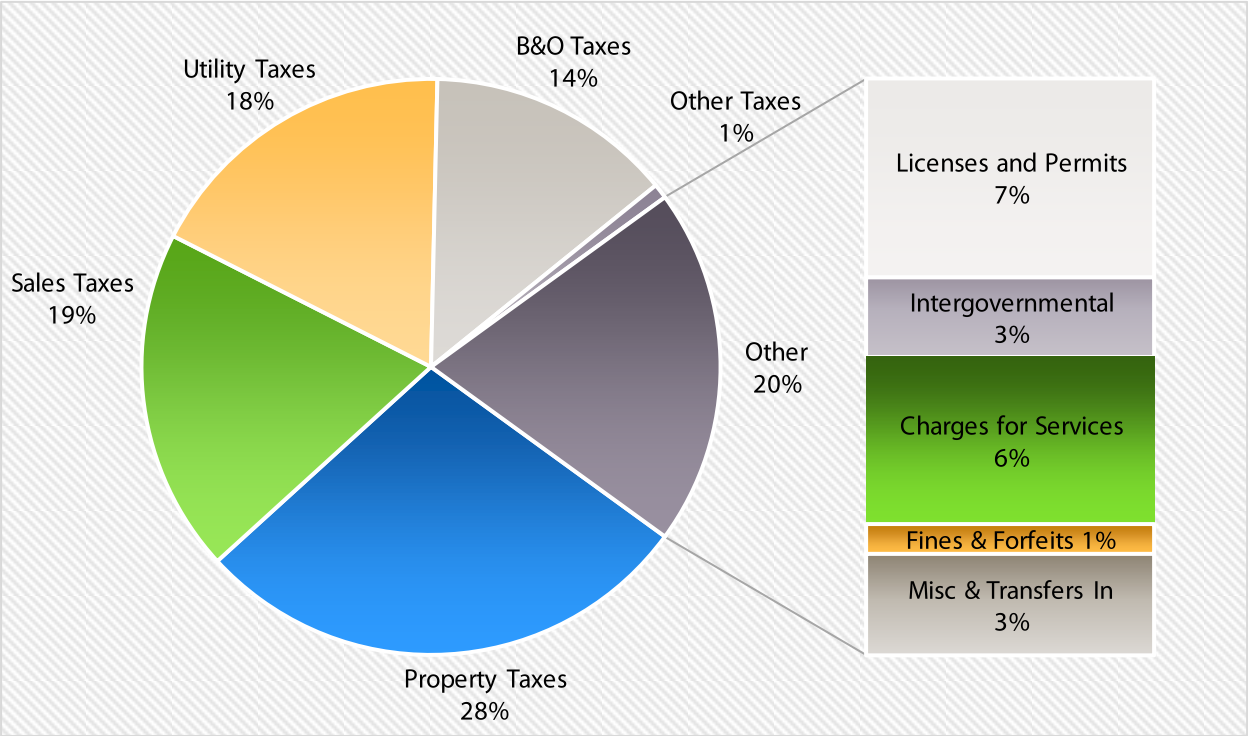
- **Sales Tax** revenue is budgeted to increase by 4.8 percent over the current 2020 budgeted amount. The increase of $959,310 is to bring this revenue in line with current trends.
- **Utility Tax** revenue is estimated to decrease overall by 1.5 percent from the 2020 budget, due to a decline in landline telephone usage.
- **Intergovernmental** revenue is budgeted to increase by $278,450 for jail contracted services with the City of Federal Way.
- **Charges for Services** revenue is estimated to increase by $150,000 for the Rental Housing Inspection program fees, which is estimated to cover the administration of the program.
- **Miscellaneous** revenue is increased by seven percent over the current 2020 adopted budget. This increase is in large part for interest income ($144,470) . Increasingly higher fund balances in many funds has lead to increased investments and higher interest payments.
- **Transfers In** revenue is budgeted to increase by $443,830 to pay for expenses related to the body worn cameras and red light camera review (1% specialty pay and public defense for body worn cameras, overtime for red light camera review).

PROPOSED CHANGES—GENERAL FUND REVENUES

Sales Tax	$	959,310
Interest Income		144,470
Telephone Utility Tax		(300,030)
Rental Housing Inspection		150,000
Federal Way Jail Services		278,450
Transfers In - from Red Light Camera Fund		
1% for Body Worn Cameras		146,830
Public Defense for Body Worn Cameras		250,000
Overtime for Red Light Camera Review		47,000
Public, Educational and Government (PEG) Revenues (Annexation)		14,170
Fire Protection Service Permits for Puget Sound Regional Fire Authority		1,400
Total Revenues	**$**	**1,691,600**

GENERAL FUND

GENERAL FUND REVENUE SOURCES—2020 MID-BIENNIUM ADJUSTMENT



As demonstrated in the ***General Fund Revenue Sources*** chart above, 79.9 percent or 86,383,010, of the 2020 mid-biennium adjusted General Fund revenues are expected to be collected from taxes. The remaining 20.1 percent, or $21,670,130, comes from all other sources combined.

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 percent of all General Fund revenues. The 2020 adopted budget included a change to the allocation of sales tax between the General Fund and the Capital Resources Fund. It modified the allocation to an 80% / 20% split between the General Fund and Capital Resources Fund, respectively. Prior to 2017, sales tax 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, 2020. 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. This decrease was already reflected in the adopted 2020 budget.

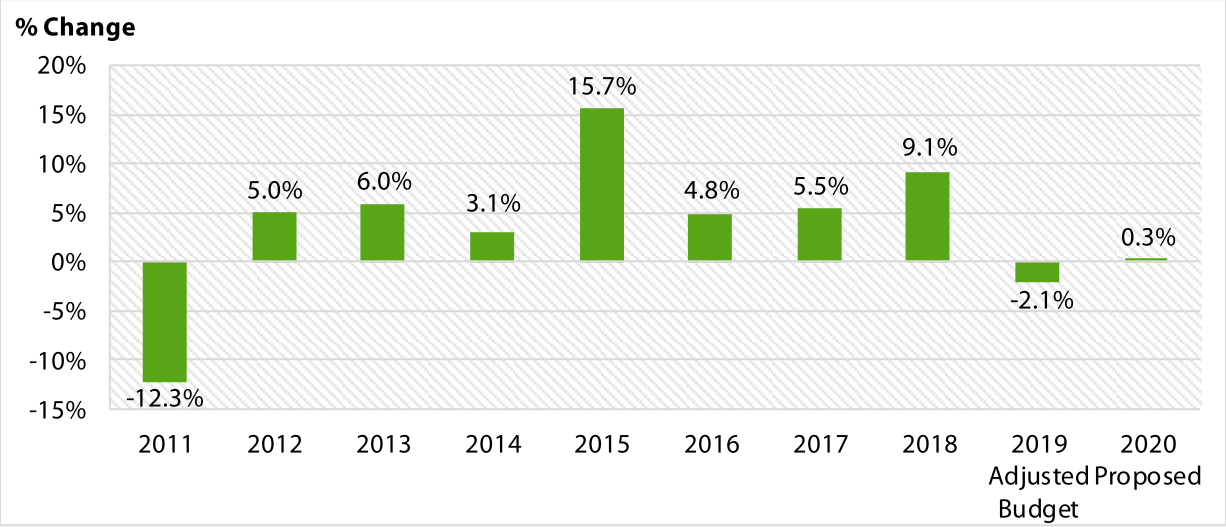
GENERAL FUND

Utility tax is nearly 18 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. An adjustment of $330,030 has been made to the telephone utility tax revenue in the 2020 mid-biennium adjustment to bring it in line with current trends.

B&O tax makes up nearly 14 percent of General Fund revenues. The 2019-2020 adopted budget included 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 were allocated to parks capital projects, while the 2020 new revenues will go towards funding general operations. Of the original revenues, a small portion, approximately $875,000, remains in the General Fund to provide funds to administer the program. All other B&O collections are transferred to fund street capital projects.

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

PERCENT CHANGE IN GENERAL FUND REVENUES



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

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

The large decrease in 2011 resulted from a reduction in property tax collections. In 2010, voters approved the creation of the Puget Sound Regional Fire Authority (PSRFA). The PSRFA 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 mid-biennium adjusted expenditures increased by $2,269,220 or 2.1 percent to a total amount of $108,630,760 as compared to the 2020 adopted budget of $106,361,540.

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

GENERAL FUND EXPENDITURES BY DEPARTMENT

	2019 Adj Budget	2020 Adopted	2020 Proposed	2020 $ Change	2020 % Change
City Council	$439,300	$475,090	$491,610	$16,520	3.5 %
Mayor's Office/City Clerk	3,005,410	2,949,250	1,967,360	(981,890)	(33.3)
Economic & Community Dev	7,374,150	7,915,700	7,782,080	(133,620)	(1.7)
Finance	3,343,250	3,434,600	2,745,960	(688,640)	(20.1)
Fire Contracted Services	3,905,690	3,878,360	3,676,240	(202,120)	(5.2)
Human Resources	2,204,290	2,151,880	1,982,820	(169,060)	(7.9)
Information Technology	550,840	346,460	357,260	10,800	3.1
Law	1,828,780	1,694,730	1,531,860	(162,870)	(9.6)
Municipal Court	3,516,080	3,631,340	3,709,830	78,490	2.2
Parks, Rec & Comm Services	19,149,947	19,004,800	19,446,120	441,320	2.3
Police	42,803,350	43,562,630	45,610,220	2,047,590	4.7
Public Works	1,142,280	590,750	590,750	-	-
Non-Departmental	19,340,510	16,725,950	18,738,650	2,012,700	12.0
Total Expenditures	**$108,603,877**	**$106,361,540**	**$108,630,760**	**$2,269,220**	**2.1 %**

GENERAL FUND EXPENDITURES BY FUNCTION

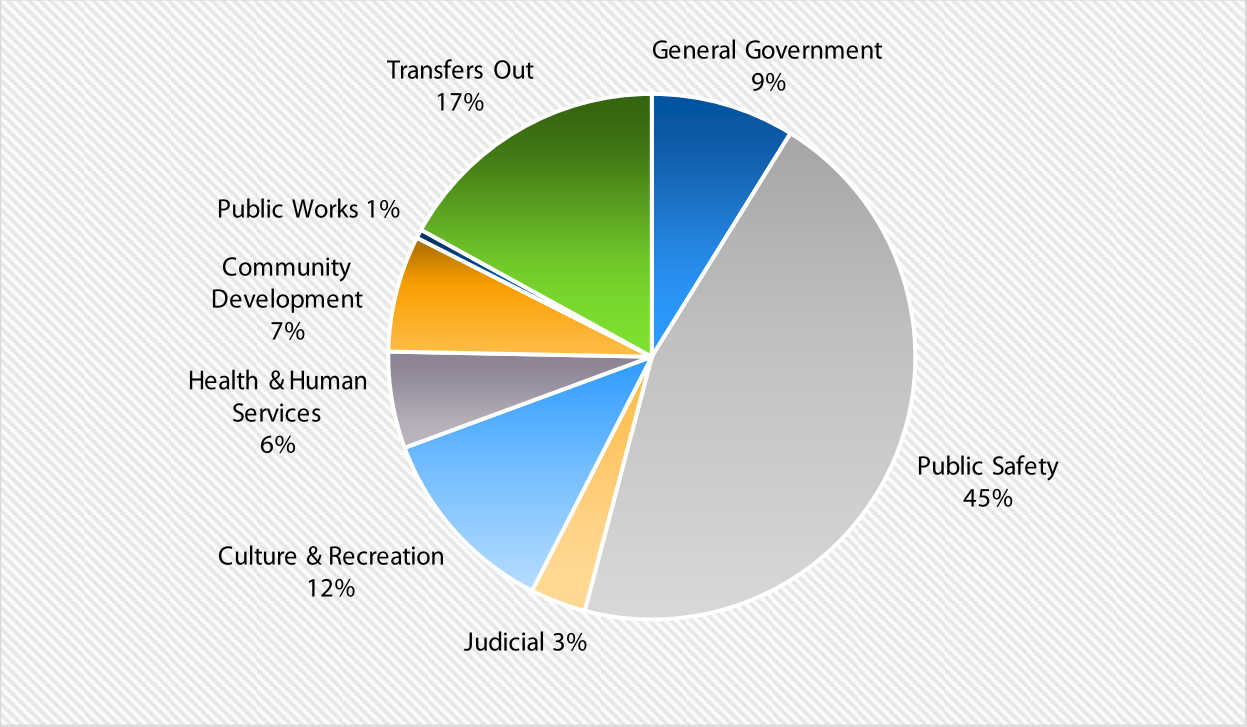
	2019 Adj Budget	2020 Adopted	2020 Proposed	2020 $ Change	2020 % Change
General Government	$12,163,280	$9,224,250	$9,584,110	$359,860	3.9 %
Public Safety	46,604,040	47,335,990	49,181,460	1,845,470	3.9
Judicial	3,516,080	3,631,340	3,709,830	78,490	2.2
Culture & Recreation	12,922,910	12,907,160	12,879,760	(27,400)	(0.2)
Health & Human Services	6,054,367	5,989,540	6,457,590	468,050	7.8
Community Development	7,374,150	7,915,700	7,782,080	(133,620)	(1.7)
Public Works	1,142,280	590,750	590,750	-	-
Transfers Out	18,826,770	18,766,810	18,445,180	(321,630)	(1.7)
Total Expenditures	**$108,603,877**	**$106,361,540**	**$108,630,760**	**$2,269,220**	**2.1 %**

GENERAL FUND

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

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

GENERAL FUND EXPENDITURES BY FUNCTION—2020 MID-BIENNIUM ADJUSTMENT



GENERAL FUND

PROPOSED GENERAL FUND EXPENDITURES—MAJOR CHANGES

Baseline revenue adjustments are in response to new and/or updated information received after the 2020 budget was adopted. General Fund revenue changes include:

Salary and Benefit Adjustments

- **Salary and Benefit Increase:** $951,830, for changes in bargaining agreements.
- **KPOA Specialty Pay:** $146,830 for a 1% salary increase for officers who participate in the body worn cameras program. These funds were transferred in from the Criminal Justice Red Light Camera Fund.
- **Overtime:** $47,000 for red light camera review, transferred in from the Criminal Justice Red Light Camera Fund.
- **Paid Family Medical Leave:** $53,690 for new benefit that begins in 2020.
- **Detectives:** $294,180, 2.0 FTE, ongoing. These positions will be partially offset ($202,120) from reduced PSRFA costs for investigations.
- **Corrections Officers:** $226,560, 2.0 FTE (Term-limited), ongoing (3 year minimum,). These positions were approved during the 2019 Q2 budget adjustment ordinance and are tied to the Federal Way Jail Service Contract.
- **Sound Transit Positions:** $11,420 (net), 4.0 FTE (Term-limited). These positions were approved during the 2019 Q2 budget adjustment ordinance and include a Sound Transit Liaison, Engineer 2, Administration Assistant 2 and Planner who will be charged to the General Fund, with over 95% offset to the Sound Transit Task Order 2 project.
- **ECD Engineering Manager:** $203,610, budget correction. This position has resided with ECD for years, but has been charged to the utilities. Budget correction to move funding to the correct fund.
- **Community Education Coordinator:** $157,210, budget correction. This position has resided with the Police Department for years, but has been charged to the Parks Department (Youth/Teen Fund). This is a budget correction to move funding to the proper department.

Other Adjustments

- **Internal Cost Allocation:** ($151,110) (net), ongoing for the impact of the Central Cost Allocation plan. The allocation plan assigns each fund its proportionate share of City-wide services provided by Administration, Human Resources, Law and Finance. A placeholder was included in the 2019-2020 adopted budget of $2,335,000. The actual plan resulted in a allocation of $2,486,110 to the General Fund.
- **GIS Allocation:** $206,870, ongoing for the General Fund portion of the cost incurred in the new GIS Internal Services Fund.
- **PSRFA Reduced Costs:** ($202,120), ongoing for reduced investigation costs through the Puget Sound Regional Fire Authority (PSRFA).

GENERAL FUND

- **Transfer Out to Street Fund:** ($322,300), ongoing for the subsidy the General Fund transfers to the Street Fund. Positions were shifted out of the Street Fund and Utilities Funds which reduced costs within the Street Fund and subsequently the amount needed to be transferred to the Street Fund.
- **IT Allocation:** $253,780, one-time for the General Fund portion of the increased cost allocated to Information Technology due to the loss of revenues from the RFA.
- **Public Defense:** $375,000, ongoing for the additional cost of public defense. $250,000 will be transferred in from the Criminal Justice Red Light Camera Fund for costs related to the increased volume of cases related to the body worn cameras. Public defense was reduced as a part of the 2019-2020 adopted budget to account for an anticipated reduction in cases, but due to an increase in officers, the number of cases did not go down as expected and $125,000 has been added to the mid-biennium adjustment.

PROPOSED CHANGES—GENERAL FUND EXPENDITURES

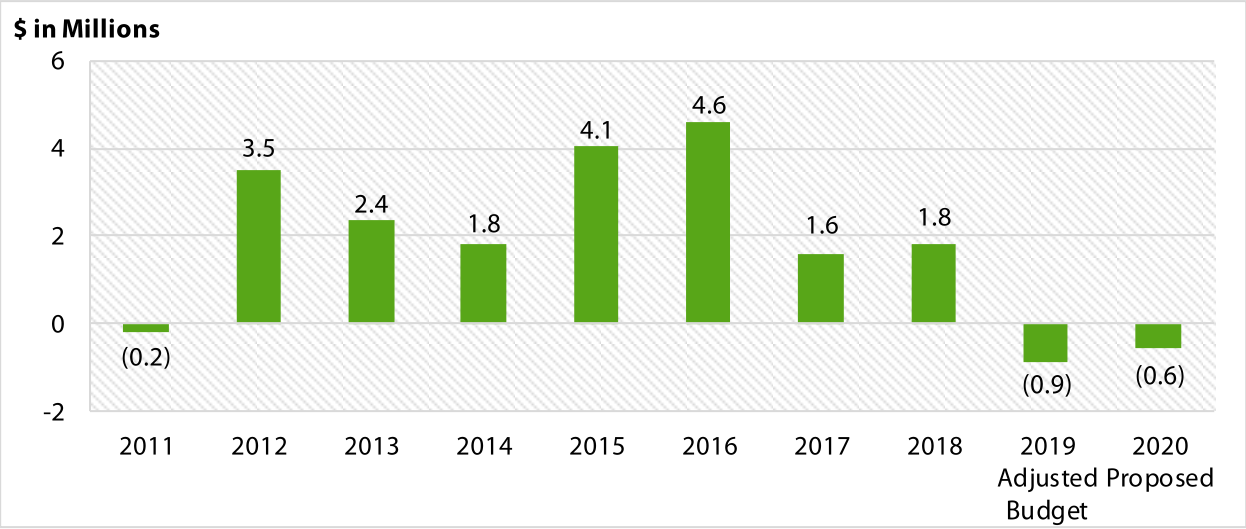
	FTE	Amount
Salary and Benefit Adjustments		
Salaries and Benefits		951,830
1% for Body Worn Cameras		146,830
Overtime for Red Light Camera Review		47,000
Paid Family Medical Leave		53,690
Detectives (from RFA Savings)	2.0	294,180
Corrections Officers (Term-Limited)		226,560
Sound Transit Term-Limited Positions		620,430
Offset to Sound Transit Project		(609,010)
Move ECD Engineering Manager from Utilities to GF	1.0	203,610
Move Comm Ed Coordinator from Parks Department (Youth/Teen) to Police		157,210
Other Adjustments		
Central Cost Allocation		(151,110)
GIS Allocation		206,870
RFA Reduced Costs		(202,120)
Reduce Transfer Out to Street Fund		(322,300)
IT Allocation (PSRFA)		253,780
PEG Expenses (Annexation)		14,170
FPS Permits for PSRFA		1,400
Valley Comm		(5,970)
AWC Membership Fee		3,930
City Arts Program - adjust for population		670
Human Services - adjust for CPI and population		70
Public Defense for Body Worn Cameras		250,000
Baseline Corrections		2,500
Parks, Recreation & Comm Svcs		
Public Defense - Increase Funding		125,000
Total Expenditures	**3.0**	**$ 2,269,220**

GENERAL FUND

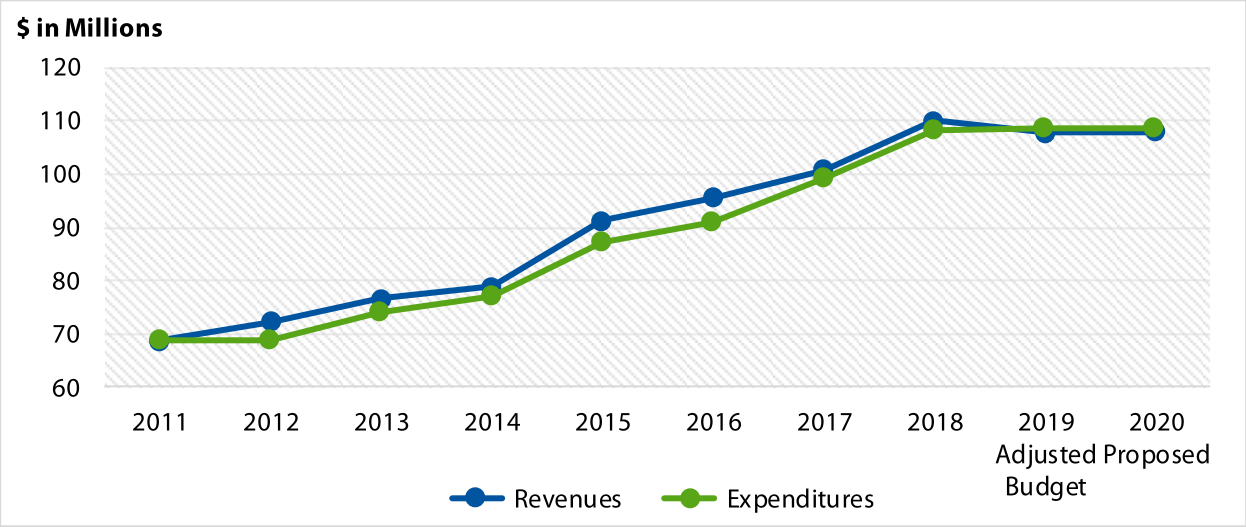
GENERAL FUND BALANCE

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

GENERAL FUND CHANGE IN FUND BALANCE



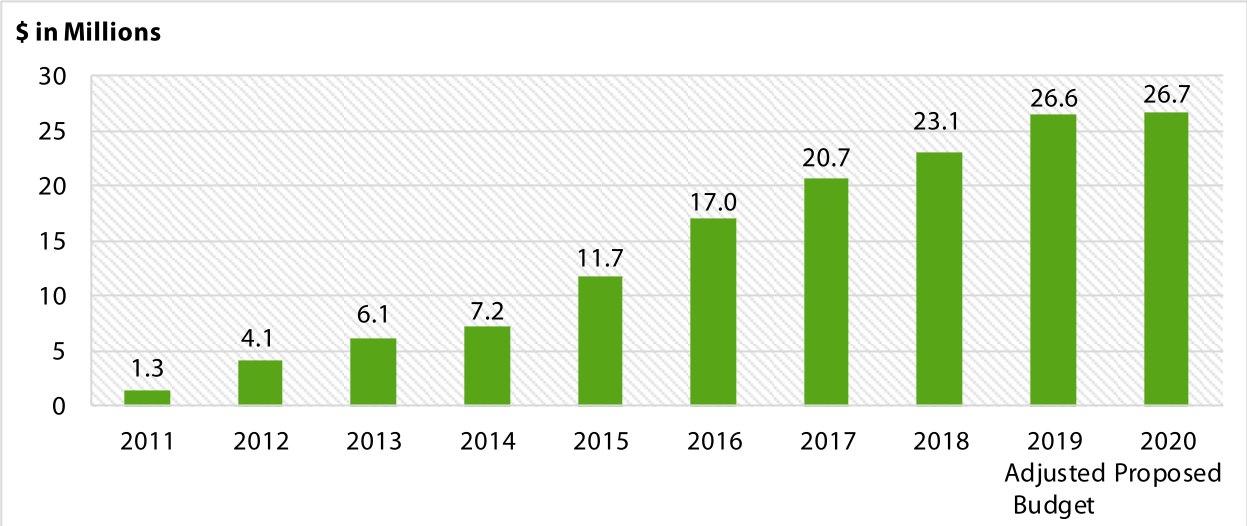
GENERAL FUND REVENUE & EXPENDITURES



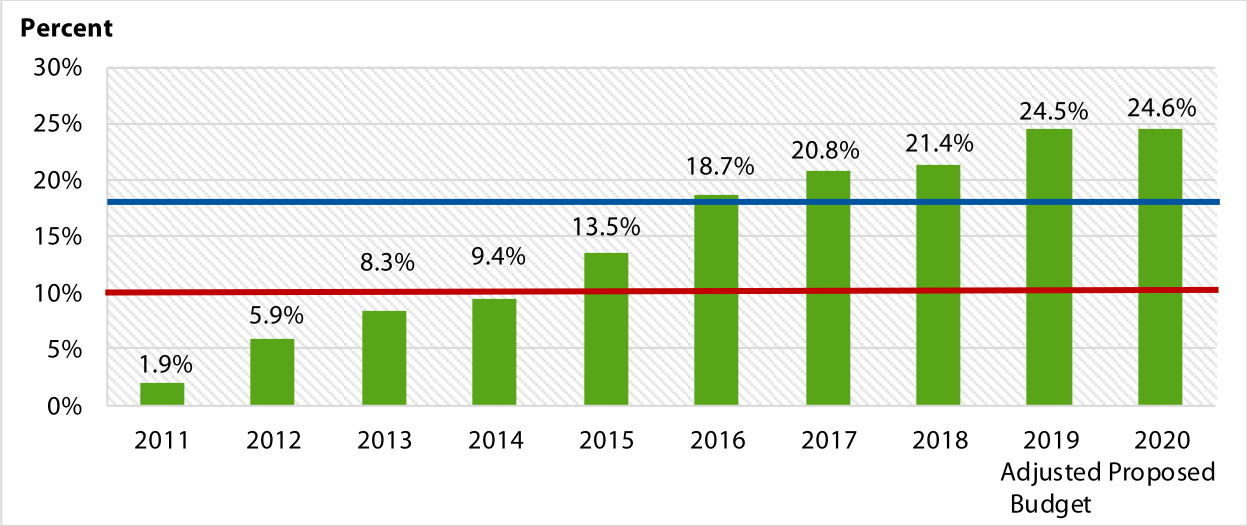
GENERAL FUND

The following tables, ***Unreserved General Fund Balance*** and ***Unreserved General Fund Balance as a Percent of General Fund Budget***, demonstrate trends in the unreserved portion (excluding annexation) of the General Fund balance. In 2017, the City updated its fiscal policy on unreserved General Fund balance, increasing the required fund balance from 10 percent to 18 percent of current year budgeted expenditures, roughly two months of operating expenses. ***Unreserved General Fund Balance as a Percent of General Fund Budget*** demonstrates the old 10 percent (red line) and updated 18 percent (blue 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 Fund Summary*** table below lists each fund and the associated total operating expenditure budget.

SPECIAL REVENUE FUND SUMMARY

	2019 Adj Budget	2020 Adopted	2020 Proposed	2020 $ Change	2020 % Change
Street Operating	$19,630,192	$17,825,920	$17,641,400	($184,520)	(1.0) %
LEOFF 1 Retiree Benefits	1,423,000	1,449,710	1,546,320	$96,610	6.7
Lodging Tax	510,790	294,400	299,780	$5,380	1.8
Youth/Teen	957,730	956,010	963,100	$7,090	0.7
Capital Resources	22,601,850	18,127,000	25,856,300	$7,729,300	42.6
Criminal Justice	6,087,720	6,057,350	7,946,240	$1,888,890	31.2
Housing & Comm Dev	1,177,910	1,177,910	1,177,910	$0	-
City Arts Program	112,670	108,100	108,770	$670	0.6
ShoWare Operating	1,423,790	1,124,830	1,142,340	$17,510	1.6
Total Expenditures	**$53,925,652**	**$47,121,230**	**$56,682,160**	**$9,560,930**	**20.3 %**

PROPOSED SPECIAL REVENUE FUNDS—MAJOR CHANGES

Baseline revenue adjustments are in response to new and/or updated information received after the 2020 budget was adopted. Special Revenue Funds changes include:

Street Operating Fund: The proposed 2020 mid-biennium adjustment reflects a one percent decrease from the 2020 adopted budget. This is largely due to $1.1 million in position costs being moved out of the Engineering division of the Street Fund. 3.5 FTEs were moved into the new GIS Fund as well as 6.0 FTE term-limited positions moved into projects. The subsidy the General Fund transfers to the Street Fund was reduced by $322,300 due to the reduction in expenses. These changes also reduced the amount of Engineering costs allocated out to the Street Operating and Utility funds ($611,970 net).

Capital Resources Fund: Nearly $4 million of Streamline Sales Tax revenue was added to the 2020 mid-biennium adjustment in the Capital Resources Fund. Traditionally these revenues were in the General Fund, but due to the uncertainty of this revenue stream continuing, these will be used for one-time capital projects. Nearly $6 million in capital expenditures were added to the 2020 budget, details of these 11 requests can be found on pages 90 and 91 in the Capital Program section. Modest increases in sales tax revenue ($220,690) and interest income ($227,290) were also added to the 2020 mid-biennium adjustment.

Criminal Justice Fund: The proposed 2020 mid-biennium adjustment reflects a 31 percent increase in expenditures from the 2020 adopted budget. The increase in expenditures is largely due to the cost of the body worn cameras for police officers. These additional costs are offset by newly budgeted revenues for the red light cameras. $645,000 in capital expenditures were added to the mid-biennium adjustment, which include a new emergency back-up generator at the corrections facility and an upgrade to the camera infrastructure at the corrections facility.

SPECIAL REVENUE FUNDS

Other changes are displayed in the ***Proposed Revenue Changes—Special Revenue Funds*** table below and ***Proposed Expenditures Changes—Special Revenue Funds*** table on the following page.

PROPOSED REVENUE CHANGES—SPECIAL REVENUE FUNDS

Street Operating	
Interest Income	$ 138,580
Telephone Utility Tax	(63,830)
Reduce Transfer In from General Fund	(322,300)
LEOFF 1 Retirees	
Interest Income	24,350
LEOFF Contributions	(26,130)
Lodging Tax	
Interest Income	2,840
Youth/Teen	
Interest Income	(180)
Telephone Utility Tax	(19,150)
Capital Resources Fund	
Sales Tax	220,690
Interest Income	227,290
Streamline Sales Tax	3,850,000
Criminal Justice Fund	
Red Light Camera Revenue	1,096,130
Interest Income	64,360
Transfers In	
1% for Body Worn Cameras (from Red Light Cameras)	12,570
Evidence/Crime Scene Van Repair	100,000
City Arts	
City Arts Program	670
Total Revenues	**$ 5,305,890**

SPECIAL REVENUE FUNDS

PROPOSED EXPENDITURE CHANGES—SPECIAL REVENUE FUNDS

	FTE	Amount
Street Operating		
Salaries and Benefits		$ 124,690
Paid Family Medical Leave		9,660
Central Cost Allocation		421,750
GIS Allocation		
Allocation		17,240
Expenses moved to GIS		(19,490)
Positions moved to GIS	(3.50)	(548,610)
Move ECD Engineering Manager to General Fund	(0.25)	(50,910)
Public Works Engineering - Allocated to Streets & Utilities		399,340
Utility Clearing Allocation		52,740
Move Term-Limited Positions to Projects		(638,450)
IT Allocation (PSRFA)		47,520
LEOFF 1 Retirees		
Central Cost Allocation		34,570
Blue Cross Claims		62,040
Lodging Tax		
Central Cost Allocation		5,380
Youth/Teen		
Central Cost Allocation		7,090
Criminal Justice Fund		
Salaries and Benefits		284,670
Paid Family Medical Leave		3,900
Central Cost Allocation		194,540
Red Light & Body Worn Cameras		
Transfers Out:		
1% for Body Worn Cameras		159,400
OT for Red Light Camera Review		47,000
Public Defense for Body Worn Cameras		250,000
Other Expenses		318,070
Budget Correction - Add Back Expenses that were reduced in 2019		86,310
Transfers Out:		
Corrections Cameras		75,000
Convert Cubicles to Offices		50,000
Corrections Facility Generator		350,000
Corrections/Court Fencing		70,000
Evidence/Crime Scene Van Repair		100,000

SPECIAL REVENUE FUNDS

	FTE	Amount
Capital Resources Fund		
Parks Planning & Development		
Salaries and Benefits		10,960
Paid Family Medical Leave		560
IT Allocation (PSRFA)		2,580
Balance Parks Planning & Development		(14,100)
Central Cost Allocation		158,300
Transfers Out:		
Network Resiliency		60,000
Meet Me On Meeker - Driving Range		500,000
Mill Creek Canyon Clean Up		400,000
City Gateways Design		250,000
Evidence/Crime Scene Van Repair		100,000
Meet Me On Meeker - Promenade		600,000
Tiburon System Replacement		550,000
Kent Memorial Park Turf Conversion		2,000,000
Riverview Park Development		1,000,000
4th and Willis Roundabout Design		400,000
Police Workspace Reconfiguration		150,000
Parks Masterplan		(40,000)
Unallocated Parks Projects		1,330,000
Parks Land Acquisition		500,000
KVLT - Phase 2		250,000
Springwood Park Renovation		(363,000)
NPRP - Chestnut Ridge Playground		(66,000)
KVLT - Old Fishing Hole		(250,000)
Downtown Place Making - Kherson		500,000
Mill Creek Earthworks Renovation		250,000
Hogan Park Russell Road Renovation II		(500,000)
NPRP - Salt Air Vista		250,000
Place Making - Burlington/Kaibara		(300,000)
City Arts Program		
Central Cost Allocation		2,080
City Arts Program		(1,410)
ShoWare		
Central Cost Allocation		17,510
Total Expenditures	**(3.8)**	**$ 9,660,930**

ENTERPRISE FUNDS

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

ENTERPRISE FUND SUMMARY

	2019 Adj Budget	2020 Adopted	2020 Proposed	2020 $ Change	2020 % Change
Water Utility	$36,221,310	$27,974,390	$27,983,920	$9,530	0.0 %
Sewer Utility	31,667,540	32,411,620	32,229,340	($182,280)	(0.6)
Drainage Utility	29,677,130	22,804,680	$22,656,420	($148,260)	(0.7)
Solid Waste Utility	874,520	622,420	619,270	($3,150)	(0.5)
Golf Complex	2,963,220	4,238,110	4,297,020	$58,910	1.4
Total Expenditures	**$101,403,720**	**$88,051,220**	**$87,785,970**	**($265,250)**	**(0.3) %**

PROPOSED ENTERPRISE FUNDS—MAJOR CHANGES

Baseline revenue adjustments are in response to new and/or updated information received after the 2020 budget was adopted. The Enterprise Funds operating changes include:

Water/Sewer/Drainage Fund: The 2020 mid-biennium adjustment includes a decrease in expenses to the utility funds. The central cost allocation plan changed how the City assigns each fund its proportionate share of City-wide services provided by Administration, Human Resources, Law and Finance. The utility funds are now directly charged, instead of costs being distributed through the utility clearing allocation, which resulted in lower costs overall to these funds. Other cost reductions include moving 1.0 FTE to the GIS fund, .75 FTE expenses moving to the General Fund (budget correction for ECD Engineering Manager) and lower Engineering allocation costs due to the reduction in position costs in Engineering.

Utility Clearing: As mentioned above, the central cost allocation plan changed how the City assigns each fund its proportionate share of City-wide services provided by Administration, Human Resources, Law and Finance. There was a major reduction in costs allocated to the utility clearing fund, which totaled $1,250,120. The costs for merchant cards were also reduced by $300,000. In 2020, the City will no longer be incurring costs for merchant cards, a 2.65% convenience fee will be passed on to consumers who use credit cards.

Other changes are displayed in the ***Proposed Revenue Changes—Enterprise Funds*** and ***Proposed Expenditures Changes—Enterprise Funds*** table on the following page.

ENTERPRISE FUNDS

PROPOSED REVENUE CHANGES—ENTERPRISE FUNDS

Water Utility		
Interest Income	$	510,440
Move Security Improvements into Operating		(50,000)
Sewer Utility		
Interest Income		(193,510)
Drainage Utility		
Interest Income		666,200
Solid Waste Utility		
Interest Income		6,220
Golf Complex		
Interest Income	$	70,580
Total Revenues	**$**	**1,009,930**

PROPOSED EXPENDITURE CHANGES—ENTERPRISE FUNDS

	FTE	Amount
Water Utility		
Salaries and Benefits		$ 22,550
Paid Family Medical Leave		3,150
Central Cost Allocation		626,000
GIS Allocation		
Allocation		94,810
Positions moved to GIS	(0.33)	(44,300)
Move ECD Engineering Manager to General Fund	(0.25)	(50,900)
Public Works Engineering - Allocated to Streets & Utilities		(87,250)
Utility Clearing Allocation		(595,180)
Move Security Improvements into Operating		(30,000)
IT Allocation (PSRFA)		20,650
Sewer Utility		
Salaries and Benefits		28,200
Paid Family Medical Leave		1,230
Central Cost Allocation		366,680
GIS Allocation		
Allocation		17,240
Positions moved to GIS	(0.33)	(44,300)
Move ECD Engineering Manager to General Fund	(0.25)	(50,900)
Public Works Engineering - Allocated to Streets & Utilities		(85,550)
Utility Clearing Allocation		(423,500)
IT Allocation (PSRFA)		8,620

ENTERPRISE FUNDS

PROPOSED EXPENDITURE CHANGES—ENTERPRISE FUNDS

	FTE	Amount
Drainage Utility		
Salaries and Benefits		9,340
Paid Family Medical Leave		3,960
Central Cost Allocation		610,480
GIS Allocation		
Allocation		94,810
Positions moved to GIS	(0.34)	(45,640)
Move ECD Engineering Manager to General Fund	(0.25)	(50,900)
Public Works Engineering - Allocated to Streets & Utilities		(226,550)
Utility Clearing Allocation		(371,060)
Move Term-Limited Positions to Projects		(214,740)
Watershed Ecosystem/Data Collection		20,000
IT Allocation (PSRFA)		22,040
Solid Waste Utility		
Salaries and Benefits		(80,420)
Paid Family Medical Leave		420
Central Cost Allocation		71,090
IT Allocation (PSRFA)		5,760
Utility Clearing		
Salaries and Benefits		77,010
Paid Family Medical Leave		4,710
Central Cost Allocation		(1,250,120)
GIS Allocation		103,430
Merchant Cards		(300,000)
Utility Clearing Allocation		1,298,230
Utility Account Liens		30,000
IT Allocation (PSRFA)		36,740
Golf Complex		
Salaries and Benefits		24,460
Paid Family Medical Leave		1,000
Central Cost Allocation		28,640
IT Allocation (PSRFA)		4,810
Total Expenditures	**(1.75)**	**$ (315,250)**

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 Summary*** chart below lists the City's Internal Service Funds and their associated operating expenditure budgets for the next biennium.

INTERNAL SERVICE FUND SUMMARY

	2019 Adj Budget	2020 Adopted	2020 Proposed	2020 $ Change	2020 % Change
Fleet Services	$7,593,290	$6,088,490	$6,305,500	$217,010	3.6 %
Central Stores	387,290	395,040	396,590	1,550	0.4
Information Technology	9,078,180	9,658,590	11,003,760	1,345,170	13.9
GIS			861,950	861,950	-
Facilities	5,288,050	5,317,350	5,587,840	270,490	5.1
Unemployment	313,610	174,510	177,320	2,810	1.6
Workers Compensation	1,456,980	1,469,450	1,515,970	46,520	3.2
Health & Employee Wellness	14,898,160	15,345,100	15,456,300	111,200	0.7
Liability Insurance	2,017,600	2,036,120	2,090,750	54,630	2.7
Property Insurance	1,332,100	566,510	572,080	5,570	1.0
Total Expenditures	**$42,365,260**	**$41,051,160**	**$43,968,060**	**$2,916,900**	**7.1 %**

PROPOSED INTERNAL SERVICE FUNDS—MAJOR CHANGES

Baseline revenue adjustments are in response to new and/or updated information received after the 2020 budget was adopted. Internal Service Funds changes include:

Information Technology: As mentioned earlier, the central cost allocation plan changed how the City assigns each fund its proportionate share of City-wide services provided by Administration, Human Resources, Law and Finance, which increased expenditures in IT by $351,340. Additional expenditure increases include $563,850 for maintenance cost and $260,000 for a contracted Business Analyst, which will be funded out of the available IT fund balance. As the PSRFA continues to reduce their dependence on the City for services, revenues decrease. The reduction in 2020 is due to the PSRFA no longer needing IT support, which has left a deficit of $430,000 in the IT fund. To offset the revenue loss, modified allocations to other departments/funds were charged to cover the shortage.

GIS: The 2020 mid-biennium adjustment includes the creation of a new internal service fund for the Geographic Information System (GIS) which will provide services for all departments within the City. This new fund includes 4.5 FTEs; 3.5 FTEs were moved from Engineering (Street Fund) and 1.0 FTE from the utility funds. These services will be charged out to the departments that use them, which become the fund's revenues.

INTERNAL SERVICE FUNDS

Facilities: The 2020 mid-biennium adjustment reflects a 5.1 percent increase to the Facilities Fund operating expenditures. $233,360 of increased expenses have been added to the Debt Service Funds relating to the central cost allocation plan, which is partially offset by an increase to interest income of $74,850. Additional expenditures of $200,000 for cubicle conversions/workspace reconfiguration and $350,000 for a new emergency back-up generator at the Corrections facility have been added to the 2020 proposed budget. These additional expenditures are offset with transfers in from the Capital Resources Fund and Criminal Justice Fund.

Other changes are displayed in the ***Proposed Revenue Changes—Internal Service Funds*** table below and ***Proposed Expenditure Changes—Internal Service Funds*** table on the following page.

PROPOSED REVENUE CHANGES—INTERNAL SERVICE FUNDS

Fleet	$	48,340
Adjust Revenues from Departments		
Information Techonology		
Interest Income		68,680
IT Allocation (PSRFA)		430,000
True Up Budgets		13,430
GIS		
Internal Service Revenues		861,950
Facilities		
Interest Income		74,850
Transfer In		
Cubicle Conversion		50,000
Corrections Facility Generator		350,000
Police Workspace Reconfiguration		150,000
Unemployment, Workers Comp, Medical, Liability & Property Insurance		
Interest Income		145,830
Total Revenues	**$**	**2,193,080**

PROPOSED EXPENDITURE CHANGES—INTERNAL SERVICE FUNDS

	FTE	Amount
Fleet		
Salaries and Benefits		$ 31,900
Paid Family Medical Leave		1,170
Central Cost Allocation		139,050
Utility Clearing Allocation		38,770
IT Allocation (PSRFA)		6,120
Central Stores		
Central Cost Allocation		1,550
Information Technology		
Salaries and Benefits		142,690
Paid Family Medical Leave		5,650
Central Cost Allocation		351,340
GIS Allocation		17,240
IT Allocation (PSRFA)		4,400
IT Maintenance Budget		563,850
Business Analyst		260,000
GIS		
Positions		176,500
Expenses		682,850
IT Allocation (PSRFA)		2,600
Facilities		
Salaries and Benefits		55,600
Paid Family Medical Leave		2,150
Central Cost Allocation		233,360
Reduce Expenses to Add Temp Help		(35,000)
IT Allocation (PSRFA)		14,380
Cubical Conversions (Tenant Requested Renovations)		200,000
Corrections Facility Generator		350,000
Unemployment, Workers Comp, Medical, Liability & Property Insurance		
Salaries and Benefits		320
Paid Family Medical Leave		320
Central Cost Allocation		156,350
Origami Software		63,740
Total Expenditures	**0.00**	**$ 3,466,900**

CAPITAL PROGRAM

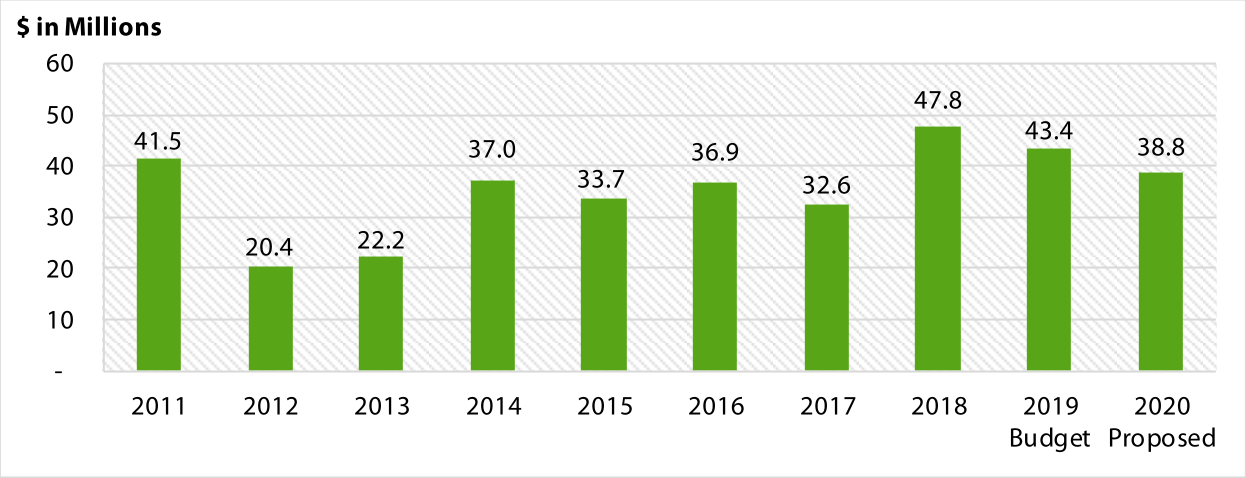
The 2020 budget includes significant investments to address the City's capital needs. The planned investment of $38,758,670 is fully funded and incorporated in the City's six-year Capital Improvement Program. The Capital Improvement Program is one of the elements of the City's Comprehensive Plan required 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 previously adopted and proposed capital investment by function for 2020 and the ***Capital Investments*** graph shows the total capital investment City-wide for the past decade.

CAPITAL PROJECTS

	2020 Adopted	2020 Proposed
Utilities	$ 14,185,000	$ 14,135,000
Streets	7,037,670	7,637,670
Parks	4,663,000	10,974,000
Facilities	2,000,000	2,620,000
Information Technology	2,250,000	2,992,000
accesso ShoWare Center	300,000	300,000
Public Safety	-	100,000
Total Capital Projects	**$ 30,435,670**	**$ 38,758,670**

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 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. During 2019, the City decided to abandon the formal scoring system in lieu of an Executive Leadership Team day-long meeting where City priorities were discussed and a consensus made on the projects to be funded as part of the Mid-Biennium Budget Adjustment. Work in the upcoming year will focus on re-evaluating the process for continual improvement moving forward.

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. ongoing 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.

Previously adopted and proposed capital projects for 2020 are listed on the following pages.

CAPITAL PROGRAM

CAPITAL ADDITIONS—UTILITIES

Water	2020 Adopted	2020 Proposed
E. Hill Pressure Zone	$ 1,500,000	$ 1,500,000
Habitat Conservation Plan Implementation	413,000	413,000
Kent Springs Well Rehab	75,000	75,000
Landsburg Mine	804,000	804,000
Miscellaneous Water Improvements	500,000	500,000
Security Improvements on Water Sites	50,000	-
Tacoma Pipeline	50,000	50,000
Water Generators	1,000,000	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
Total Expenditures	**$ 5,627,000**	**$ 5,577,000**

Sewer	2020 Adopted	2020 Proposed
Derbyshire	$ 500,000	$ 500,000
Miscellaneous Sewer	500,000	500,000
Skyline Sewer Interceptor	2,187,000	2,187,000
Total Expenditures	**$ 3,187,000**	**$ 3,187,000**

Drainage	2020 Adopted	2020 Proposed
County Road 8	$ 200,000	$ 200,000
Downey Farmstead	250,000	250,000
Drainage Master Plan	500,000	500,000
Frager Road Levee	200,000	200,000
GRNRA Pump Station	250,000	250,000
Kent Airport Levee	100,000	100,000
Lower Russell Road Levee	250,000	250,000
Mill Creek @ 76th Ave Flood Protection	1,000,000	1,000,000
Milwaukee II Levee	100,000	100,000
Miscellaneous Drainage	300,000	300,000
N Fork Meridian Valley Culvert	300,000	300,000
Pipe Replacements/Roadway Improvements	821,000	821,000
Upper Mill Creek Dam	500,000	500,000
Valley Channel Rehabilitation	500,000	500,000
Valley Creek System Condition Letter of Map Revision	100,000	100,000
Total Expenditures	**$ 5,371,000**	**$ 5,371,000**

CAPITAL PROGRAM

CAPITAL ADDITIONS—TRANSPORTATION

B&O Funded	2020 Adopted	2020 Proposed
B&O In-house Overlays	$ 250,000	$ 250,000
B&O Street Contracted	2,943,870	2,943,870
Panther Lake Signal System Integration	400,000	400,000
Street Lights - New	200,000	200,000
Transportation Master Plan	200,000	200,000
Total Expenditures	**$ 3,993,870**	**$ 3,993,870**

The total proposed amount of B&O allocated to transportation is $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	2020 Adopted	2020 Proposed
Street Lifecycle Program		
Crosswalk Safety	$ 100,000	$ 100,000
Sidewalks/Walking Paths - ADA	450,000	450,000
Street Lights	100,000	100,000
Traffic Signals	350,000	350,000
Traffic Signs	250,000	250,000
Guardrails	110,000	110,000
Crack Sealing	125,000	125,000
Thermoplastic Markings	215,000	215,000
Lane Line Markings	300,000	300,000
Traffic Loops	50,000	50,000
Street Concrete Program	853,360	853,360
Street Tree Program	375,000	375,000
Street Sign Replacement Program	365,600	365,600
Total Expenditures	**$ 3,643,960**	**$ 3,643,960**

CAPITAL PROGRAM

CAPITAL ADDITIONS—TRANSPORTATION

Solid Waste Utility Tax Funded	2020 Adopted	2020 Proposed
Meet Me on Meeker Promenade - 64th to Kent Elem.	$ -	$ 600,000
Residential Street Contracted	2,793,800	2,793,800
Residential Street Capital	250,000	250,000
Total Expenditures	**$ 3,043,800**	**$ 3,643,800**

The total proposed amount of solid waste utility tax allocated to residential streets is $4,123,800 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	2020 Adopted	2020 Proposed
Crack Sealing	$ 130,000	$ 130,000
Traffic Calming	150,000	150,000
ADA Compliance	200,000	200,000
Total Expenditures	**$ 480,000**	**$ 480,000**

CAPITAL ADDITIONS—PARKS

B&O Funded	2020 Adopted	2020 Proposed
Campus Park Improvements		$ 200,000
Downtown Place Making - Burlington/Kaibara	300,000	
Gateways		50,000
Hogan Park at Russell Road Renovation Phase 2	500,000	
Kent Valley Loop Trails - Old Fishing Hole Improvements	300,000	
Kent Valley Loop Trails - Phase 2		250,000
KVLT - Boeing Rock Improvements		50,000
Parks Land Acquisition		500,000
Springwood Park Renovation	1,900,000	1,700,000
Willis Greenways Improvements		250,000
Total Expenditures	**$ 3,000,000**	**$ 3,000,000**

CAPITAL PROGRAM

CAPITAL ADDITIONS—PARKS

Other Funding Sources	2020 Adopted	2020 Proposed
Golf Clubhouse Renovations	$ 34,000	$ 34,000
Golf Course Accessories	100,000	100,000
Golf Course Renovations/Improvements	510,000	510,000
Golf Irrigation System Upgrades	650,000	650,000
Chestnut Ridge Park Renovation		100,000
Downtown Parks Master Plan		350,000
Gateways		200,000
Kherson Park Redevelopment		500,000
KLVT - Old Fishing Hole Improvements		50,000
KVLT - Riverview Park Phase 2		200,000
Kent Memorial Park Turf Conversion		2,000,000
Lake Fenwick Park Renovation - Phase 2		130,000
Masterplans	40,000	
Meet Me on Meeker Riverbend (Driving Range)		500,000
Mill Creek Earthworks Renovation		100,000
Mill Creek Trail Renovation		250,000
Mill Creek Canyon Cleanup		400,000
NPRP - Chestnut Ridge Playground	166,000	-
Parks Planning and Design		50,000
Riverview Park Development		1,000,000
Salt Air Vista Park Renovation		250,000
Springwood Park Renovation	163,000	-
West Fewick Park Phase 2		200,000
4th & Willis Greenway Design		400,000
Total Expenditures	**$ 1,663,000**	**$ 7,974,000**

CAPITAL ADDITIONS—OTHER

accesso ShoWare Center	2020 Adopted	2020 Proposed
Building Extension for Storage	$ 100,000	$ 100,000
Carpet (Admin)		20,000
Carpet (T-Birds)		31,000
Ice Deck		13,000
Magnetometer Walk through Metal Detectors		16,000
Refrigerator Freezer for Kitchen	50,000	
Show Power Step Down Transformer	30,000	
Wi Fi	120,000	120,000
Total Expenditures	**$ 300,000**	**$ 300,000**

CAPITAL PROGRAM

CAPITAL ADDITIONS—OTHER

Facilities	2020 Adopted	2020 Proposed
City Buildings	$ 2,000,000	$ 2,000,000
Law Office Cubical Conversion		50,000
Corrections Emergency Backup Generator		350,000
Police Workspace Reconfiguration		150,000
Security Fence at Corrections/Court		70,000
Total Expenditures	**$ 2,000,000**	**$ 2,620,000**

Information Technology	2020 Adopted	2020 Proposed
HLC 17-18 Server Replacement	$ 50,000	$ 50,000
HLC 17-18 Telephony	100,000	100,000
HLC16-18 Data Center	75,000	75,000
HLC16-18 Security	200,000	200,000
HLC16-18 UPS	25,000	25,000
SLC18-20 Admin System Replacement Reserves	83,500	88,000
SLC18-21 Law System Replacement Reserves	83,500	104,000
SLC18-21 PD System Replacement Reserves	334,000	1,135,000
SLC18-22 HR System Replacement Reserves	167,000	53,000
SLC18-23 Finance System Replacement Reserves	250,500	200,000
SLC18-26 PRCS System Replacement Reserves	83,500	67,000
SLC18-26 PW System Replacement Reserves	167,000	113,000
SLC18-27 Court System Replacement Reserves	83,500	37,000
SLC18-27 ECD System Replacement Reserves	167,000	243,000
SLC18-28 Clerk System Replacement Reserves	167,000	113,000
SLC18-29 IT System Replacement Reserves	83,500	67,000
PEG Projects		57,000
Collaboration Tool Procurement	50,000	50,000
Jail Camera Infrastructure Update		75,000
Network Resiliency		60,000
Network Pen Testing	80,000	80,000
Total Expenditures	**$ 2,250,000**	**$ 2,992,000**

Public Safety	2020 Adopted	2020 Proposed
Crime Scene Van Ugrade/Storage	$ -	$ 100,000
Total Expenditures	**$ -**	**$ 100,000**

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.

DEBT SERVICE FUND SUMMARY

	2019 Adj Budget	2020 Adopted	2020 Proposed	2020 $ Change	2020 % Change
Non-Voted Debt Service	$9,803,310	$8,641,810	$8,754,530	$112,720	1.3 %
Special Assessments	$1,119,460	$784,160	$793,580	$9,420	1.2 %
Total Expenditures	**$10,924,789**	**$9,427,990**	**$9,550,130**	**$124,160**	**1.3 %**

PROPOSED DEBT SERVICE FUNDS—MAJOR CHANGES

Non-Voted Debt Service: and Special Assessments: The proposed 2020 mid-biennium adjustment reflects a 1.3 percent increase to the debt service funds. $83,220 of increased expenses have been added to the Debt Service Funds relating to the central cost allocation plan. An additional $38,920 has been added to the Non-Voted Debt Service Fund to pay the principal and interest on an excavator lease for the Streets Concrete Program.

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BUDGET FRAMEWORK

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

Budget Process Overview. 53

Budget Process Flowchart. 54

Budget Timeline. 55

Budget Calendar. 56

Financial Policies. 58

Fund Structure Graphic 65

Fund Structure Descriptions. 66

Department/Fund Matrix. 70

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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.

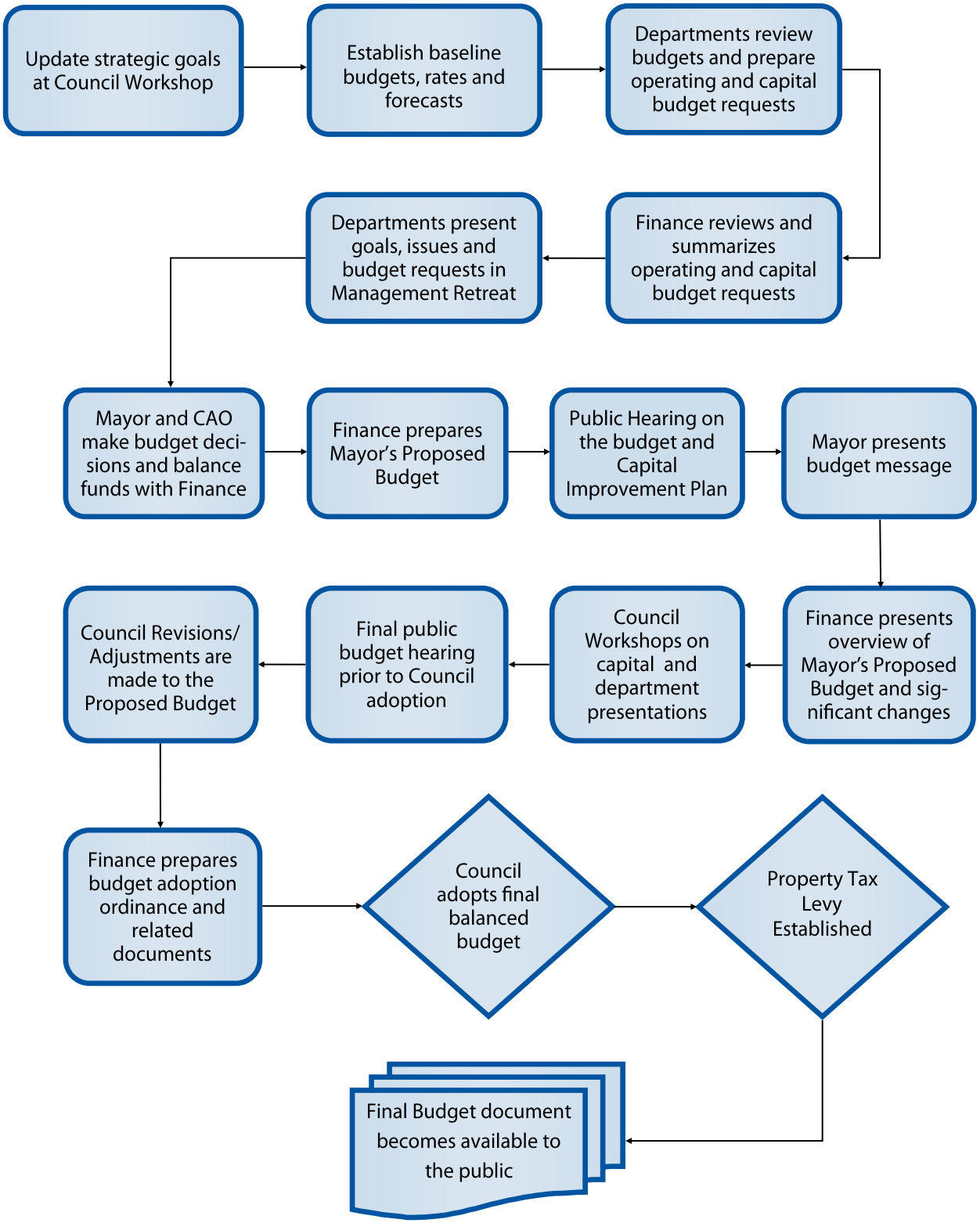
The General and Special Revenue funds control expenditures with a legal annual budget at the fund level. Debt Service funds operate under the control of the bond indentures which established them. Capital Projects funds operate under the control of total project authorization, rather than the annual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

2019	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Council Workshop - 2020 Mid-Biennium Process												
Finance reviews baseline budget												
Finance informational meetings with Mayor and CAO												
Budget Kickoff with Departments												
Departments review baseline budgets, update capital 6-year capital plan, identify critical emerging needs, prepare operating and capital requests w/6-year capital plan												
Department request presentations, discussion, and direction at ELT Retreat												
Finance meets with Mayor and CAO to review requests, make decisions and balance funds												
Finance prepares the Mayor's Proposed Budget												
Public Hearing on 2020 Budget Adjustment and 2020-2025 Capital Improvement Plan (CIP)												
Mayor presents budget message; Finance presents overview of Mayor's proposed budget and significant changes												
Public Hearing on 2020 Property Tax Levy, 2020 BudgetAdjustment and 2020-2025 CIP												
Council Workshop - department presentations, capital, questions and discussion												
Council Workshop - final decisions												
Finance prepares budget adoption and related documents												
Committee of the Whole - budget recommendation												
Council Meeting - 2020 Property Tax Levy, and 2020 Budget Adjustment are adopted by ordinance												

BUDGET CALENDAR

BUDGET CALENDAR

COUNCIL WORKSHOP ..... **May 7**

2020 Mid-Biennium Process

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

Finance informational meetings with Mayor and CAO

BUDGET KICK OFF MEETING ..... **June 3**

Mayor, CAO, Finance Director provides budget instructions to departments

DEPARTMENTS REVIEW ADOPTED BUDGET ..... **June 3— July 9**

Review and adjust baseline budgets

Update capital requests and 6-year capital plan

Identify critical emerging needs

ELT DISCUSSION OF CRITICAL EMERGING NEEDS ..... **June 24**

ELT RETREAT / DEPARTMENT PRESENTATIONS ..... **Aug 1**

Department presents issues and operating budget requests

BUDGET and CAPITAL BALANCING/DECISIONS ..... **Aug 1–Aug 30**

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

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

FINANCE PREPARES MAYOR'S PROPOSED BUDGET ADJUSTMENT ..... **Sep 1-Sep 30**

COUNCIL MEETING ..... **Sep 17**

1st Public Hearing—2020 Budget & 20120-2025 CIP

COUNCIL MEETING (Special Meeting) ..... **Oct 1**

Mayor's Budget Message

COUNCIL WORKSHOP (Special Meeting) ..... **Oct 1**

Overview of Mayor's Proposed Budget

COUNCIL WORKSHOP ..... **Oct 15**

COUNCIL MEETING ..... **Oct 15**

Public Hearing – 2020 Property Tax Levy

2nd Public Hearing – 2020 Budget and 2020-2025 CIP

BUDGET CALENDAR

PREPARE BUDGET ADOPTION AND RELATED DOCUMENTS . . . . . **Oct 16-31**

COMMITTEE OF THE WHOLE MEETING . . . . . **Nov 12**

Budget Review and Recommendation

COUNCIL MEETING . . . . . **Nov 19**

Adoption of the 2020 Property Tax Levy

Adoption of the 2020 Mid-Biennium Budget Adjustment

Amend Comp Plan for 2020-2025 Capital Improvement Plan

FINANCIAL POLICIES

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

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

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

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

REVENUE POLICIES

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

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

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

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

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

FINANCIAL POLICIES

EXPENDITURE POLICIES

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

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

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

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

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

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

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

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

FINANCIAL POLICIES

FUND BALANCE RESERVES POLICY

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

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

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

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

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

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

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

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

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

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

DEBT POLICY

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

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

Debt Issuance

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

FINANCIAL POLICIES

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

Short-Term Debt

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

Long-term Debt

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

Refunding Debt—Refunding bonds are an acceptable use of bond proceeds provided that a) the net present value (NPV) of the savings is at least 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.

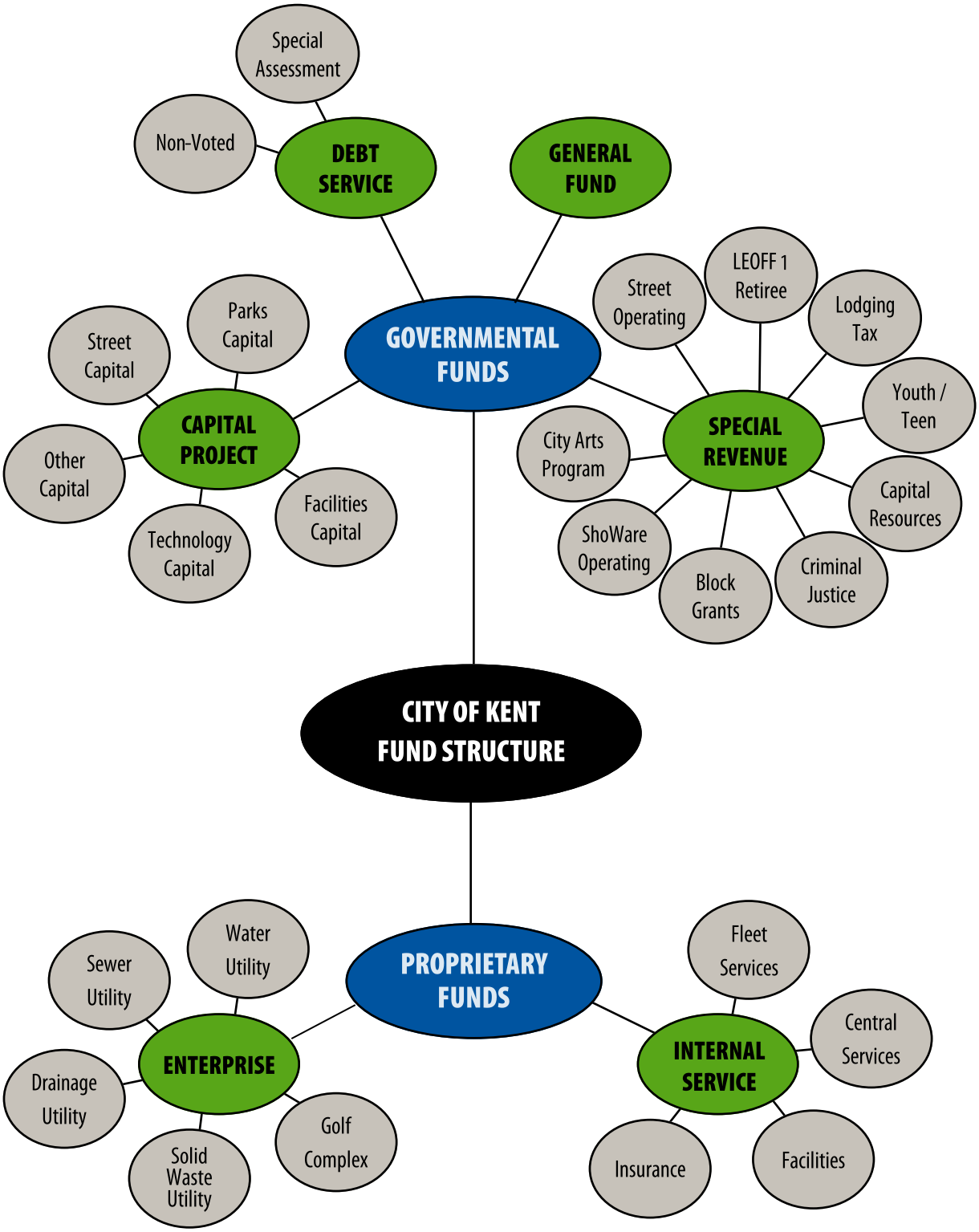
Maturities—The City will invest in securities with maturity dates five years from the date of purchase or less. An exception to the five-year maturity maximum is allowed if the maturities of such investments are made to coincide as nearly as practicable with the expected use of the funds. The maximum 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 and the ShoWare Operating Fund. Transfers from the Street and Capital Resources Funds are primarily to the Capital Project Funds or the Non-Voted Debt Service Fund.

FUND STRUCTURE

FUND/PURPOSE

RELATIONSHIP TO OTHER FUNDS

Debt Service Funds

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

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

Capital Projects Funds

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

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

PROPRIETARY FUNDS

Enterprise Funds

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

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

FUND STRUCTURE

FUND/PURPOSE

Internal Service Funds

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

RELATIONSHIP TO OTHER FUNDS

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

FIDUCIARY FUND TYPES

Trust and Agency Funds

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

BASIS OF ACCOUNTING

The 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.

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 expended when paid (budget).
- Principal payments on long-term debt within the enterprise funds are applied to the outstanding liability in accordance with GAAP. These payments are included in the budget.
- Capital outlay within the enterprise funds are recorded as assets on a GAAP basis and expended on a budget-basis.
- Depreciation expense is recorded on a GAAP basis, but is not included in the budget.

FUND STRUCTURE

	Administration	Economic & Comm Dev	Finance	Human Resources	Information Technology	Law	Municipal Court	Parks, Rec & Comm Svcs	Police	Public Works	Non-Departmental
GENERAL FUND	X	X	X	X	X	X	X	X	X	X	X
SPECIAL REVENUE FUND											
Street Operating										X	
LEOFF 1 Retiree Benefits				X							
Lodging Tax											X
Youth/Teen											X
Capital Resources											X
Criminal Justice						X		X	X		
Community Dev Block Grants								X			
City Arts Program								X			
ShoWare Operating											X
DEBT SERVICE FUND											
Non-Voted											X
Special Assessment											X
CAPITAL PROJECTS FUND											
Street Capital										X	
Parks Capital								X			
Other Capital		X									
IT Capital					X						
ENTERPISE FUND											
Water Utility										X	X
Sewerage 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						
GIS										X	
Facilities								X			
Insurance				X							

CAPITAL IMPROVEMENT PROGRAM (CIP)

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

Capital Strategy 73

Capital Program Overview. 77

Six-Year CIP Summary. 78

Six-Year CIP Projects 82

Capital Requests 90

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CAPITAL INVESTMENT STRATEGY

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:

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. During 2019, the City abandoned the formal scoring system in lieu of an Executive Leadership Team day-long meeting where City priorities were discussed and a consensus made on the projects to add to the Mid-Biennium Budget Adjustment. Work in the upcoming year will focus on re-evaluating the process for continual improvement going forward.

CAPITAL INVESTMENT STRATEGY

GROWTH MANAGEMENT ACT

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

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

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

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

PLANNING FOR CAPITAL FACILITIES

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

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

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

CAPITAL INVESTMENT STRATEGY

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 2020-2025 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 PROGRAM OVERVIEW

OVERVIEW

The 2020-2025 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.

2020-2025 SUMMARY PROJECTS AND FUNDING

Capital project costs for the City's 2020-2025 capital planning period total $181.2 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	2020	2021	2022-2025	Total
City Resources	$ 24,367	$ 13,880	$ 50,570	$ 88,817
Utility Resources	14,135	14,715	63,301	92,151
Other Resources	257	-	-	257
Total - in thousands	**$ 38,759**	**$ 28,595**	**$ 113,871**	**$ 181,225**

Summary Costs	2020	2021	2022-2025	Total
General Government	$ 5,912	$ 1,550	$ 6,200	$ 13,662
Parks, Rec & Comm Services	10,974	4,850	14,609	30,433
Public Safety	100			100
Transportation	7,638	7,480	29,761	44,879
Utilities	14,135	14,715	63,301	92,151
Total - in thousands	**$ 38,759**	**$ 28,595**	**$ 113,871**	**$ 181,225**

SIX-YEAR CIP SUMMARY

OPERATING IMPACT OF MAJOR CIP PROJECTS

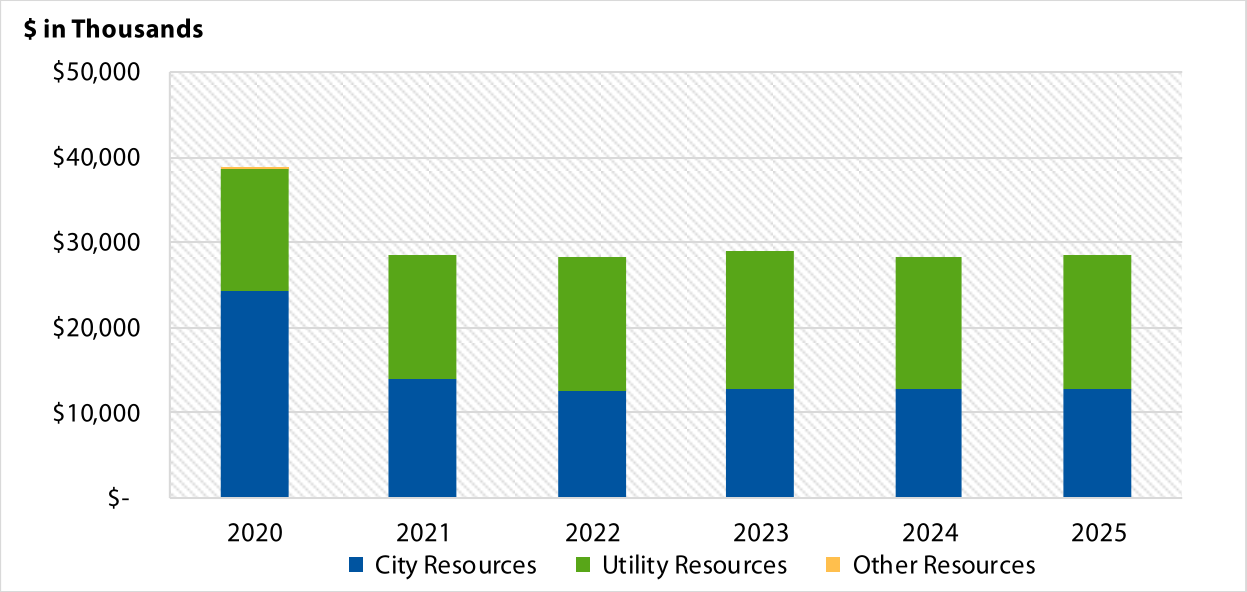
The impact of a capital project on the operating budget is a key factor in considering the inclusion of a project in the six-year plan. The operating costs of a project, and any savings resulting from the project, are captured in the Operating Budget.

SOURCES OF FUNDS—in thousands

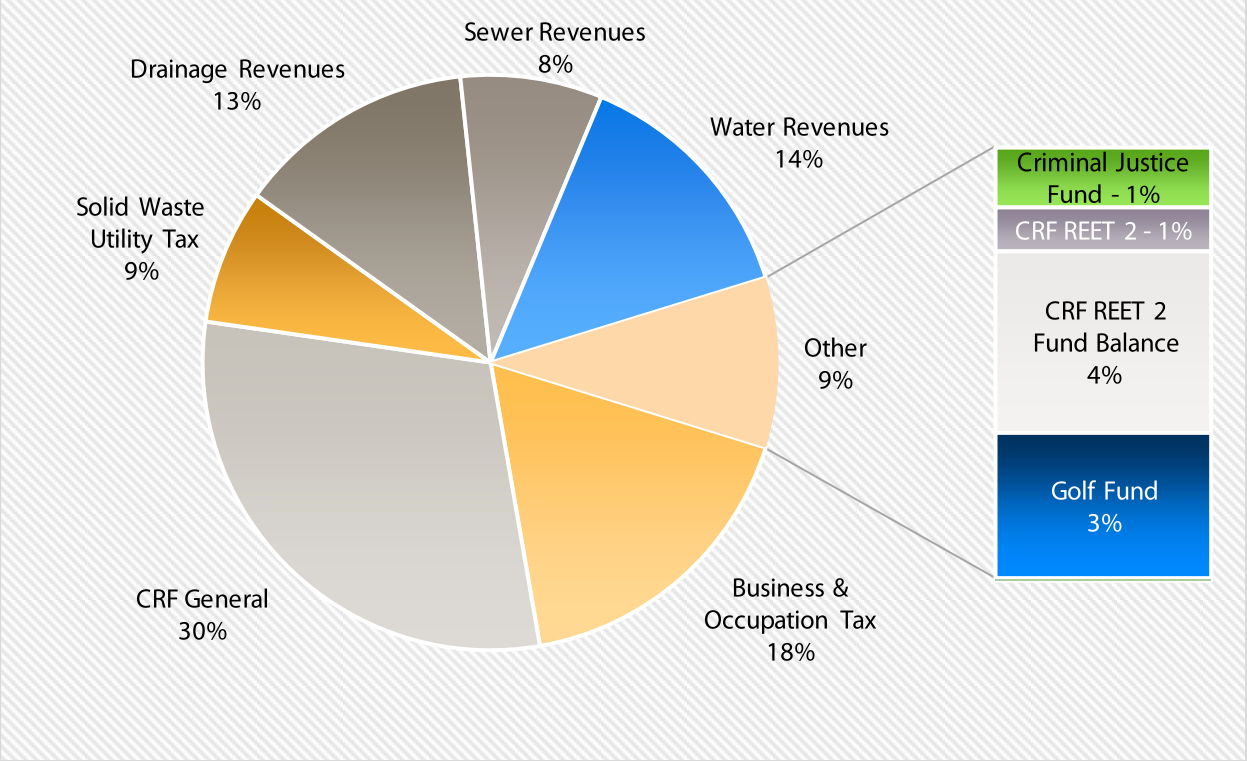
	2020	2021	2022	2023	2024	2025	Total
City Resources							
Criminal Justice Fund	$ 545	$ -	$ -	$ -	$ -	$ -	$ 545
Business & Occupation Tax	6,994	7,445	7,415	7,385	7,355	7,355	43,949
CRF General	12,010	1,750	1,600	1,600	1,600	1,600	20,160
CRF REET 2	380	620	517	585	607	700	3,409
CRF REET 2 Fund Balance	1,600	1,030					2,630
Golf Fund	1,294	-	-	-	-	-	1,294
Sale of Land	(1,500)						(1,500)
Solid Waste Utility Tax	3,044	3,035	3,048	3,059	3,072	3,072	18,330
Total City Resources	24,367	13,880	12,580	12,629	12,634	12,727	88,817
Utility Resources							
Drainage Revenues	5,371	5,605	5,957	5,944	5,925	5,968	34,770
Sewer Revenues	3,187	3,177	3,169	3,153	3,140	3,163	18,989
Water Revenues	5,577	5,933	6,543	7,148	6,572	6,619	38,392
Total Utility Resources	14,135	14,715	15,669	16,245	15,637	15,750	92,151
Other Resources							
PEG Fees	57						57
KC Levy	200	-	-	-	-	-	200
Total Other Resources	257	-	-	-	-	-	257
Total Sources of Funds	**$ 38,759**	**$ 28,595**	**$ 28,249**	**$ 28,874**	**$ 28,271**	**$ 28,477**	**$ 181,225**

SIX-YEAR CIP SUMMARY

SUMMARY BY SOURCE 2020-2025



2020 SOURCES BY TYPE



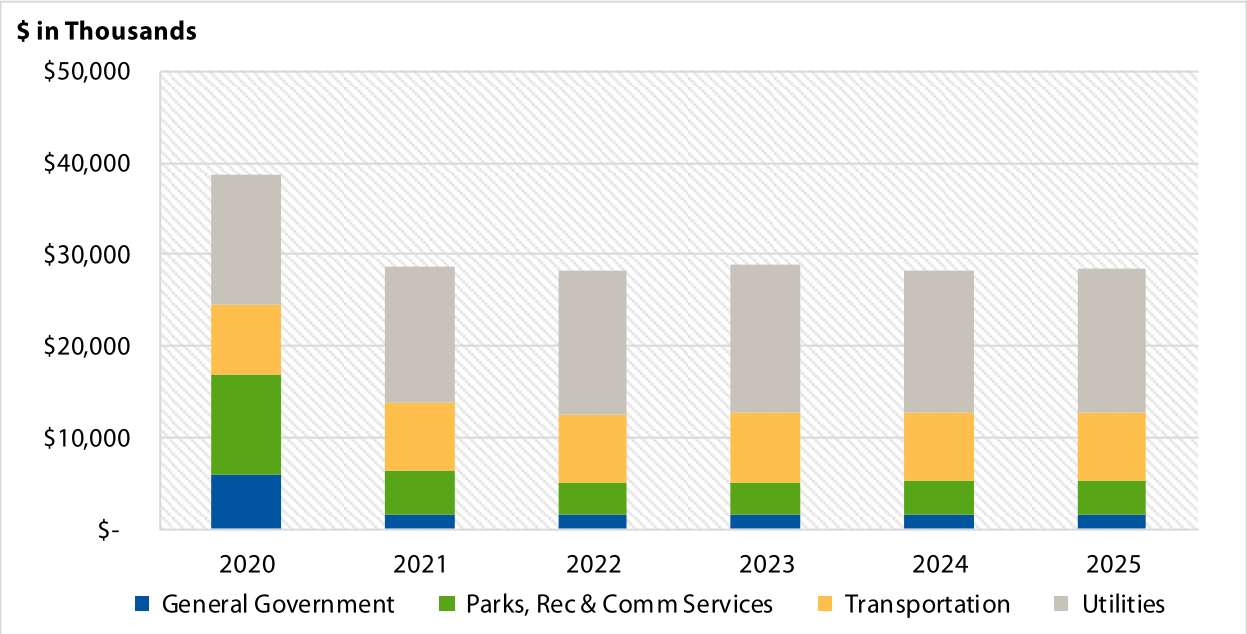
SIX-YEAR CIP SUMMARY

PROJECTS—in thousands

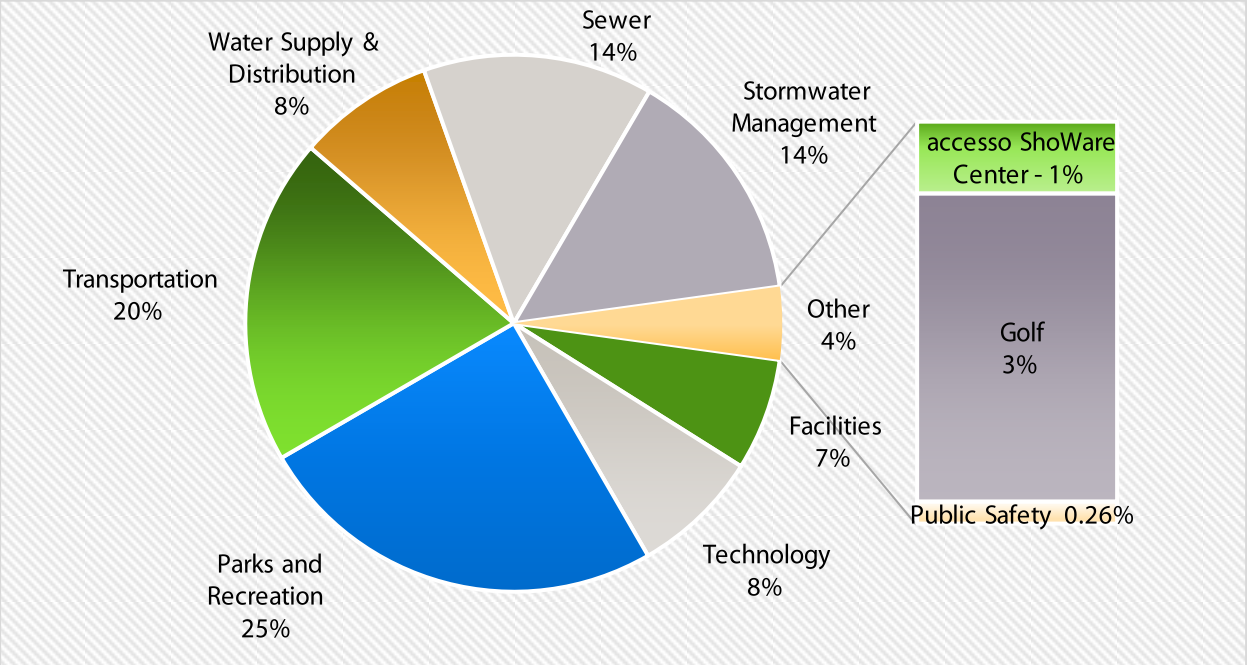
	2020	2021	2022	2023	2024	2025	Total
General Government							
accesso ShoWare Center	$ 300	$ 300	$ 300	$ 300	$ 300	$ 300	$ 1,800
Facilities	2,620	-	-	-	-	-	2,620
Technology	2,992	1,250	1,250	1,250	1,250	1,250	9,242
Total General Government	5,912	1,550	1,550	1,550	1,550	1,550	13,662
Parks, Rec & Comm Services							
Golf	1,294	200	50	50	50	50	1,694
Parks and Recreation	9,680	4,650	3,517	3,585	3,607	3,700	28,739
Total Parks, Rec & Comm Svcs	10,974	4,850	3,567	3,635	3,657	3,750	30,433
Transportation							
Site Improvements	7,638	7,480	7,463	7,444	7,427	7,427	44,879
Total Transportation	7,638	7,480	7,463	7,444	7,427	7,427	44,879
Public Safety							
Crime Scene Van Ugrade/Storage	100	-	-	-	-	-	100
Total Public Safety	100	-	-	-	-	-	100
Utilities							
Water Supply & Distribution	3,187	3,177	3,169	3,153	3,140	3,750	19,576
Sewer	5,371	5,605	5,957	5,944	5,925	6,000	34,802
Stormwater Management	5,577	5,933	6,543	7,148	6,572	6,000	37,773
Total Utilities	14,135	14,715	15,669	16,245	15,637	15,750	92,151
Total Projects	**$ 38,759**	**$ 28,595**	**$ 28,249**	**$ 28,874**	**$ 28,271**	**$ 28,477**	**$ 181,225**

SIX-YEAR CIP SUMMARY

SUMMARY BY CATEGORY 2020-2025



2020 BY CATEGORY FUNCTION



SIX-YEAR CIP PROJECTS

GENERAL GOVERNMENT—in thousands

	2020	2021	2022	2023	2024	2025	Total
Sources of Funds							
CRF General	$ 5,310	$ 1,550	$ 1,550	$ 1,550	$ 1,550	$ 1,550	$ 13,060
Criminal Justice Fund	545						545
PEG Fees	57						57
Total Sources of Funds	**5,912**	**1,550**	**1,550**	**1,550**	**1,550**	**1,550**	**13,662**
Projects							
Facilities							
City Buildings	2,000	-	-	-	-	-	2,000
Law Office Cubical Conversion	50						50
Corrections Emergency Backup Generator	350						350
Police Workspace Reconfiguration	150						150
Security Fence at Corrections/Court	70	-	-	-	-	-	70
Total Facilities Projects	2,620	-	-	-	-	-	2,620
accesso ShoWare Center							
Building Extension for Storage	100						100
Carpet (Admin)	20						20
Carpet (T-Birds)	31						31
Ice Deck	13						13
Magnetometer Walk through Metal Detectors	16						16
Wi Fi	120						120
Unallocated	-	300	300	300	300	300	1,500
Total accesso ShoWare Center	$ 300	$ 300	$ 300	$ 300	$ 300	$ 300	$ 1,800

SIX-YEAR CIP PROJECTS

GENERAL GOVERNMENT CONTINUED—in thousands

	2020	2021	2022	2023	2024	2025	Total
Technology							
HLC 17-18 Mobile Router Replacement	-	$ 20	$ 22	$ 24	$ 27	$ 27	$ 120
HLC 17-18 Server Replacement	50	50	60	67	73	73	373
HLC 17-18 Telephony	100	30	30	35	35	35	265
HLC 17-18 Wireless Infrastructure Refresh		20	22	24	27	27	120
HLC 21-24 Connected Conference Room		25	28	30	62	62	207
HLC16-18 Data Center	75	80	90	100	110	110	565
HLC16-18 Network Refresh		50	60	63	69	69	311
HLC16-18 Security	200	140	143	153	150	150	936
HLC16-18 Storage Expansion		30	33	36	40	40	179
HLC16-18 UPS	25	30	30	33	37	37	192
HLC16-18 Virtualization Infrastructure Refresh		75	82	91	100	100	448
SLC18-20 Admin System Replacement Reserves	88	20	20	20	20	20	188
SLC18-21 Law System Replacement Reserves	104	100	30	30	30	30	324
SLC18-21 PD System Replacement Reserves	1,135	250	150	144	140	140	1,959
SLC18-22 HR System Replacement Reserves	53	20	20	20	20	20	153
SLC18-23 Fin System Replacement Reserves	200	70	130	120	70	70	660
SLC18-26 PRCS System Replacement Reserves	67	30	30	30	30	30	217
SLC18-26 PW System Replacement Reserves	113	50	110	70	50	50	443
SLC18-27 Court System Replacement Reserves	37	30	30	30	30	30	187
SLC18-27 ECD System Replacement Reserves	243	50	50	50	50	50	493
SLC18-28 Clerk System Replacement Reserves	113	60	60	60	60	60	413
SLC18-29 IT System Replacement Reserves	67	20	20	20	20	20	167
PEG Projects	57						57
Collaboration Tool Procurement	50						50
Jail Camera Infrastructure Update	75						75
Network Resiliency	60						60
Network Pen Testing	80	-	-	-	-	-	80
Total Technology Projects	2,992	1,250	1,250	1,250	1,250	1,250	9,242
Total General Government Projects	**$ 5,912**	**$ 1,550**	**$ 1,550**	**$ 1,550**	**$ 1,550**	**$ 1,550**	**$ 13,662**

SIX-YEAR CIP PROJECTS

PARKS, RECREATION & COMMUNITY SERVICES—in thousands

	2020	2021	2022	2023	2024	2025	Total
Sources of Funds							
CRF REET2	$ 380	$ 620	$ 517	$ 585	$ 607	$ 700	$ 3,409
REET2 Fund Balance	1,600	1,030					2,630
B&O Square Footage	3,000	3,000	3,000	3,000	3,000	3,000	18,000
Grants	200						200
Golf Fund Balance	1,294						1,294
CRF General	6,000	200	50	50	50	50	6,400
Sale of Land	(1,500)						(1,500)
Total Sources of Funds	**10,974**	**4,850**	**3,567**	**3,635**	**3,657**	**3,750**	**30,433**
Projects							
Golf Projects							
Golf Clubhouse Renovations	34						34
Golf Course Accessories	100						100
Golf Course Renovations/Improvements	510	100	50	50	50	50	810
Golf Irrigation System Upgrades	650	100	-	-	-	-	750
Total Golf Projects	1,294	200	50	50	50	50	1,694

SIX-YEAR CIP PROJECTS

PARKS, RECREATION & COMMUNITY SERVICES CONTINUED —in thousands

	2020	2021	2022	2023	2024	2025	Total
Parks and Recreation Projects							
Campus Park Improvements	200	300					500
Chestnut Ridge Park Renovation	100	200					300
Clark Lake Park Development 240th		150	250	500	800	1,000	2,700
Downtown Parks Master Plan	350						350
Downtown Parks Phase 1		500			500	500	1,500
Eastridge Park Renovation			100	350			450
Gateways	250						250
Hogan Park at Russell Road Reno. Ph 2			150	500			650
Kherson Park Redevelopment	500						500
KLVT - Old Fishing Hole Improvements	50	300					350
KVLT - Boeing Rock Improvements	50	300					350
KVLT - Phase 2 Improvements	250	250	250	250	250	200	1,450
KVLT - Riverview Park Phase 2	200	500					700
Kent Memorial Park Turf Conversion	2,000						2,000
Lake Fenwick Park Renovation - Phase 2	130			150	1,000	1,000	2,280
Meet Me on Meeker Riverbend (Driving Range)	500						500
Mill Creek Earthworks Renovation	100	250	850	1,000			2,200
Mill Creek Trail Renovation	250	250	850	500			1,850
Mill Creek Canyon Cleanup	400						400
Panther Lake Park Phase 1			150				150
Parks Land Acquisition	500	500	500	250	500	500	2,750
Park Orchard Park Improvements					50	450	500
Parks Planning and Design	50	50	67	50	57	50	324
Riverview Park Development	1,000						1,000
Salt Air Vista Park Renovation	250						250
Scenic Hill Park Renovation		100	350				450
Springwood Park Renovation	1,700	1,000					2,700
Sun Meadows Park Improvements				35	450		485
West Fewick Park Phase 2	200						200
4th & Willis Greenway Design	400						400
Willis Greenways Improvements	250	-	-	-	-	-	250
Total Parks and Recreation Projects	9,680	4,650	3,517	3,585	3,607	3,700	28,739
Total Projects	**$ 10,974**	**$ 4,850**	**$ 3,567**	**$ 3,635**	**$ 3,657**	**$ 3,750**	**$ 30,433**

SIX-YEAR CIP PROJECTS

TRANSPORTATION—in thousands

	2020	2021	2022	2023	2024	2025	Total
Sources of Funds							
Solid Waste Utility Tax	$ 3,044	$ 3,035	$ 3,048	$ 3,059	$ 3,072	$ 3,072	$ 18,330
Business & Occupation Tax	3,994	4,445	4,415	4,385	4,355	4,355	25,949
CRF	600						600
Total Sources of Funds	**7,638**	**7,480**	**7,463**	**7,444**	**7,427**	**7,427**	**44,879**
Projects							
B&O In-house Overlays	250	250	250	250	250	250	1,500
B&O Street Contracted	2,944	3,505	3,598	3,560	3,523	3,523	20,653
Meet Me on Meeker Promenade - 64th to Kent Elem.	600						600
Panther Lake Signal System Integration	400						400
Residential Street Contracted	2,794	3,145	3,165	3,184	3,204	3,204	18,696
Residential Street Capital	250	250	250	250	250	250	1,500
Safe Route to School Meridian Elementary							-
Street Lights - New	200	200	200	200	200	200	1,200
Traffic Cameras - New (Capital)		130					130
Transportation Master Plan	200						200
Willis Street and 4th Roundabout							-
Total Projects	**$ 7,638**	**$ 7,480**	**$ 7,463**	**$ 7,444**	**$ 7,427**	**$ 7,427**	**$ 44,879**

SIX-YEAR CIP PROJECTS

UTILITIES—in thousands

	2020	2021	2022	2023	2024	2025	Total
Sources of Funds							
Water Revenues	$ 5,577	$ 5,933	$ 6,543	$ 7,148	$ 6,572	$ 6,619	$ 38,392
Use of Water Fund Balance						-	-
Sewer Revenues	3,187	3,177	3,169	3,153	3,140	3,163	18,989
Drainage Revenues	5,371	5,605	5,957	5,944	5,925	5,968	34,770
Use of Drainage Fund Balance							-
Total Sources of Funds	**14,135**	**14,715**	**15,669**	**16,245**	**15,637**	**15,750**	**92,151**
Projects							
Water Supply & Distribution							
E. Hill Pressure Zone	1,500	1,000	2,000				4,500
Emergency Power 212th		200					200
Garrison O'Brien Treatment Plant		1,000					1,000
Guiberson Reservior Repair		1,500	1,000	3,000	4,500		10,000
Habitat Conservation Plan Implementation	413	420	242	250	256		1,581
Kent Springs Well Rehab	75						75
Landsburg Mine	804		466	1,063			2,333
Misc Water Improvements	500	500	500	500	500		2,500
Pump Station #4 Upgrade			500				500
Reservoir Maintenance & Improvements						500	500
Security Improvements on Water Sites	-	28	50	50	31	50	209
Tacoma Pipeline	50	50	50	50	50	50	300
Water Generators	1,000					1,000	2,000
Water Main Repairs/Replacements	1,000	1,000	1,000	1,000	1,000	3,365	8,365
Water System PLC Upgrades	35	35	35	35	35	35	210
Wellhead Protection	200	200	200	200	200	200	1,200
West Hill Reservoir	-	-	500	1,000	-	800	2,300
Total Water Supply & Distribution	5,577	5,933	6,543	7,148	6,572	6,000	37,773
Sewer							
Derbyshire	500	2,677					3,177
Misc. Pump Station Replacements			1,000	1,000	1,000	1,000	4,000
Misc. Sewer	500	500	500	500	500	750	3,250
Sewer Main Replacements/Relining			1,669	1,653	1,640	2,000	6,962
Skyline Sewer Interceptor	2,187	-	-	-	-	-	2,187
Total Sewer	$ 3,187	$ 3,177	$ 3,169	$ 3,153	$ 3,140	$ 3,750	$ 19,576

SIX-YEAR CIP PROJECTS

UTILITIES CONTINUED—in thousands

	2020	2021	2022	2023	2024	2025	Total
Stormwater Management							
144th Ave Drainage Improvements		$ 250	$ 250	$ 2,000			$ 2,500
County Road 8	200						200
Downey Farmstead	250						250
Drainage Master Plan	500	300					800
Frager Rd Levee	200	200					400
GRNRA Maint. Improvements		250	1,000	2,000			3,250
GRNRA Pump Station	250	1,000	1,000	1,000	4,375	2,500	10,125
GRNRA S Pump Station							-
Kent Airport Levee	100	100					200
Lower Russell Road Levee	250						250
Mill Creek @ 76th Ave Flood Protection	1,000						1,000
Mill/Garrison/Spring/Green River & Tributaries					250	500	750
Milwaukee II Levee	100						100
Misc Drainage	300	300	300	300	300	500	2,000
N Fork Meridian Valley Culvert	300	1,000					1,300
Pipe Replacements/Roadway Improvements	821	500	907	644	1,000	2,500	6,372
Upper MIll Creek Dam	500						500
Valley Channel Rehabilitation	500	1,705	2,500				4,705
Valley Crk System Condition Letter of Map Revision	100	-	-	-	-	-	100
Total Stormwater Management	5,371	5,605	5,957	5,944	5,925	6,000	34,802
Total Utilities Projects	**$ 14,135**	**$ 14,715**	**$ 15,669**	**$ 16,245**	**$ 15,637**	**$ 15,750**	**$ 92,151**

SIX-YEAR CIP PROJECTS

PUBLIC SAFETY—in thousands

	2020	2021	2022	2023	2024	2025	Total
Sources of Funds							
CRF	$ 100	$ -	$ -	$ -	$ -	$ -	$ 100
Total Sources of Funds	**100**	**-**	**-**	**-**	**-**	**-**	**100**
Projects Requested							
Crime Scene Van Ugrade/Storage	100	-	-	-	-	-	100
Total Public Safety Projects	**$ 100**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 100**

CAPITAL REQUESTS

2020 MID-BIENNIUM CAPITAL REQUESTS

Kent Memorial Park Turf Conversion—$2,000,000

This project will convert the natural grass baseball field at Kent Memorial Park to a synthetic turf multi-use field. This project will also replace numerous failing assets at Kent Memorial Park including a failing restroom, ballfield lighting and bleachers. Converting this Park to turf will allow for it to be used year round, which will increase revenues for the City.

Riverview Park Development—$1,000,000

This park will be one of two community parks located on the Green River Trail in Kent. It will provide easy access and amenities to people recreating along the Green River Corridor. It will also serve as Downtown Kent's main access point to the Green River. The park will provide opportunities for play, walking, running, biking, nature watching, sports, kayaking, canoeing, kite flying, picnicking, and provide a restroom, drinking fountain and places to rest for park and trail users.

Meet Me on Meeker Promenade—64th to Kent Elementary—$600,000

These funds are to construct the Meet Me On Meeker promenade approximately 750' past 64th Avenue, across the retail (Starbucks) strip and the Kent Elementary School frontage, including a midblock crosswalk.

Meet Me on Meeker—Landscaping Along Driving Range—$500,000

These funds will add to a mostly-funded project to construct the Meeker promenade approximately at the midblock crosswalk east to Russell Road. Although this project is mostly funded, without this capital infusion, the place-making account would be depleted below a level that maintains competitive grant status for future Meeker projects.

Mill Creek Canyon Clean Up—$400,000

This project represents a first step towards a long-term re-investment plan into the Mill Creek Canyon by identifying and restoring strategically located trails that support increased community and maintenance access. This project will also include taking steps towards addressing the extensive buildup of homeless encampment garbage and refuse within the canyon that affects the natural environment and safety of park patrons.

4th & Willis Greenway—$400,000

These funds would compliment ongoing design work by Public Works to convert the 4th and Willis intersection to a roundabout by providing placemaking and landscaping designs.

City Gateways Design—$200,000

This project includes installing "Welcome to Kent" signage at major entries to Kent including: Kent Kangley, East and West Valley Highways and 167 Exits. It will also identify locations and design standards for future monument gateway signage similar to the "KENT" sign at Meeker/Reith and SR 516.

CAPITAL REQUESTS

Investigation/Patrol Workspace Reconfiguration—$150,000

These funds will be used to reconfigure/expand workspace to accommodate additional positions in the Police Department. Investigations requires a minimum of 1200 square feet and work stations for one Administrative Assistant, two Code Enforcement Officers, one Police Sergeant, four Intelligence Investigators, two SIU Investigators and eight Detectives. Patrol requires 500 square feet and work stations for one Commander, two Sergeants and four Crime Reduction Team members.

Evidence/Crime Scene Van Repair—$100,000

The Police Department's current evidence/crime scene van has a roof leak that has damaged the back box beyond the scope of repair by shops. This damage has compromised valuable equipment and created a black mold health hazard. To continue operations at crime scene investigations, the box needs to be repaired and storage created to shelter the vehicle from the weather.

PD—Tiburon System Replacement Reserves—$550,000

This is additional funding for the existing Police Software Lifecycle project to build up funds to replace Tiburon, the Police Records Management System, in the 2021-2022 biennium.

Network Resiliency—$60,000

This project will provide network resiliency by creating a redundant path to our data center at Sabey as well as a redundant path to the internet, reducing the risk of loss of the internet and any services that are cloud based.

Corrections Campus Upgrade—$75,000

The Correctional facility needs to update and expand the existing camera infrastructure. There is currently a size limitation on the existing data closet that will not support the required network and storage infrastructure to support the increase camera capacity.

Convert Cubicles to Offices—$50,000

Due to the Body Worn Camera program, a new Prosecution position was created. The addition of an attorney requires the creation of office space. Currently, the Law Department does not have sufficient space to house an additional attorney.

Corrections Generator—$350,000

The current generator is 34 years old and sits on the jail roof, which is not optimal. During certain weather conditions, exhaust from the generator enters the building and exposes the roof to possible oil and diesel spills. This project would remove the existing generator from the roof and install a new generator and transfer switch with more capacity to the grounds near the facility near the current diesel fuel tank.

Corrections Security Fencing—$70,000

As part of the 2019 adopted budget, the City allocated $150,000 for security fencing at the Corrections/Court facility; however estimates are coming in at $220,000. Additional funding would enable this project to be completed.

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BUDGET BY FUND

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

General Fund. 95

Special Revenue Funds. 101

Debt Service Funds. 115

Capital Project Funds. 118

Enterprise Funds. 126

Internal Service Funds. 137

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GENERAL FUND

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

	2018 Actual	2019 Adjusted Budget	2019 August YTD	2020 Adopted Budget	2020 Proposed Budget
BEGINNING FUND BALANCE	$21,595,174	$23,341,440	$23,341,440	$22,219,700	$26,912,060
Revenues					
Taxes:					
Property	29,971,155	29,978,040	16,420,656	30,457,820	30,457,820
Sales Tax	24,699,301	21,770,980	17,271,739	19,890,180	20,849,490
Utility	19,289,162	19,596,150	12,997,968	19,578,290	19,278,260
Business & Occupation Tax	9,422,048	11,500,000	5,986,041	14,900,000	14,900,000
Other	1,074,356	882,650	471,387	897,440	897,440
Licenses and Permits	7,557,658	7,082,370	5,443,681	7,490,520	7,490,520
Intergovernmental Revenue	7,919,860	6,735,580	4,347,077	2,676,120	2,954,570
Charges for Services	6,602,681	6,001,180	5,037,992	6,125,920	6,275,920
Fines and Forfeitures	1,360,976	1,113,790	695,693	1,145,660	1,145,660
Miscellaneous Revenue	2,642,511	2,158,110	1,981,257	2,285,580	2,445,620
Transfers In	950,000	915,730	37,631	914,010	1,357,840
Total Revenues	111,489,706	107,734,580	70,691,121	106,361,540	108,053,140
Changes:					
Sales Tax					959,310
Interest Income					144,470
Telephone Utility Tax					(300,030)
Rental Housing Inspection					150,000
Federal Way Jail Services					278,450
Transfers In - from Red Light Cameras					
1% for Body Worn Cameras					146,830
Public Defense for Body Worn Cameras					250,000
Overtime for Red Light Camera Review					47,000
PEG Revenues (Annexation)					14,170
FPS Permits for PSRFA					1,400
Total Changes					1,691,600

GENERAL FUND

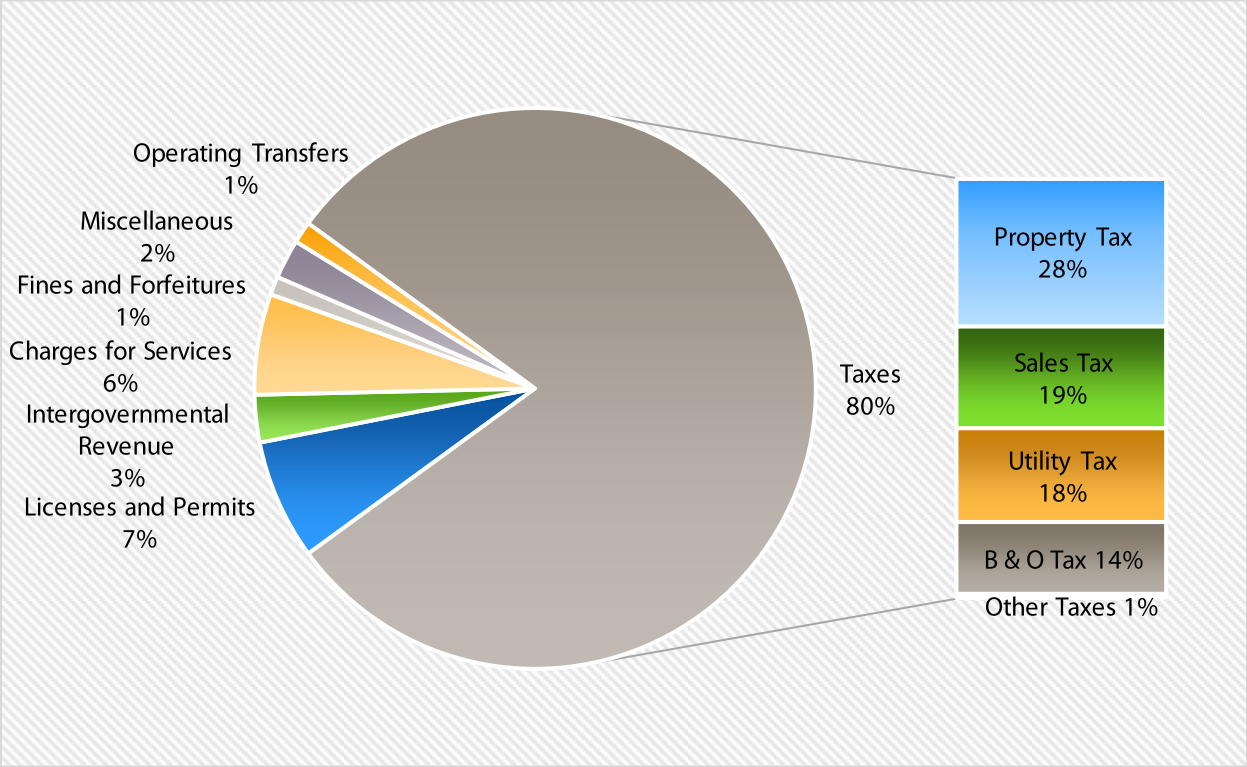
	2018 Actual	2019 Adjusted Budget	2019 August YTD	2020 Adopted Budget	2020 Proposed Budget
Expenditures					
Salaries & Benefits	54,439,872	58,728,160	39,394,071	59,561,020	62,105,150
Supplies	2,496,379	2,964,880	1,612,320	3,011,340	2,904,860
Services & Charges	40,174,841	43,662,007	27,350,624	36,265,410	37,178,730
Vehicles & Equipment	124,680		42,122		
Cost Allocation	(14,002,548)	(15,577,940)	(9,884,917)	(11,243,040)	(12,003,160)
Transfers Out	26,101,195	18,826,770	2,172,820	18,766,810	18,445,180
Total Expenditures	109,334,419	108,603,877	60,687,041	106,361,540	108,630,760
Expenditures by Department					
City Council	344,160	439,300	260,343	475,090	491,610
Administration	2,759,974	3,004,460	1,793,128	2,949,250	1,967,360
Economic & Community Dev	6,681,671	7,185,520	4,520,547	7,915,700	7,782,080
Finance	3,061,472	3,343,250	2,250,253	3,434,600	2,745,960
Fire Contracted Services	3,619,385	3,905,690	2,675,702	3,878,360	3,676,240
Human Resources	2,075,553	2,204,290	1,373,736	2,151,880	1,982,820
Information Technology	506,265	550,840	344,327	346,460	357,260
Law	1,673,438	1,828,780	1,173,245	1,694,730	1,531,860
Municipal Court	3,442,107	3,516,080	2,375,440	3,631,340	3,709,830
Parks, Rec & Comm Services	17,992,171	19,105,947	12,068,990	19,004,800	19,446,120
Police	39,315,958	42,687,010	28,371,758	43,562,630	45,610,220
Public Works	1,155,562	1,142,280	746,372	590,750	590,750
Non Departmental	26,706,702	19,690,430	2,733,200	16,725,950	18,738,650
Total Expenditures	109,334,419	108,603,877	60,687,041	106,361,540	108,630,760

GENERAL FUND

	2018 Actual	2019 Adjusted Budget	2019 August YTD	2020 Adopted Budget	2020 Proposed Budget
Changes:					
Salaries and Benefits					951,830
1% for Body Worn Cameras					146,830
Overtime for Red Light Camera Review					47,000
Paid Family Medical Leave					53,690
Detectives - 2 FTE					294,180
Corrections Officers - 2 FTE					226,560
Sound Transit Term-Limited Positions - 4 FTE					620,430
Offset to Sound Transit Project					(609,010)
Move ECD Engineering Manager from Utilities to GF					203,610
Move Comm Ed Coordinator from Parks (Youth/Teen) to Police					157,210
Central Cost Allocation					(151,110)
GIS Allocation					206,870
PSRFA Reduced Investigation Costs					(202,120)
Reduced Transfer Out to Street Fund					(322,300)
IT Allocation (PSRFA)					253,780
PEG Expenses (Annexation)					14,170
FPS Permits for PSRFA					1,400
Valley Comm					(5,970)
AWC Membership Fee					3,930
City Arts Program - adjust for population					670
Human Services - adjust for CPI and population					70
Public Defense for Body Worn Cameras					250,000
Baseline Corrections					2,500
Public Defense - Increase Funding					125,000
Total Changes					2,269,220
Change in Fund Balance	2,155,288	(869,297)	10,004,080	-	(577,620)
Use of Fund Balance (to balance budget)					577,620
ENDING FUND BALANCE	$23,750,462	$22,472,143	$33,345,520	$22,219,700	$26,334,440

GENERAL FUND

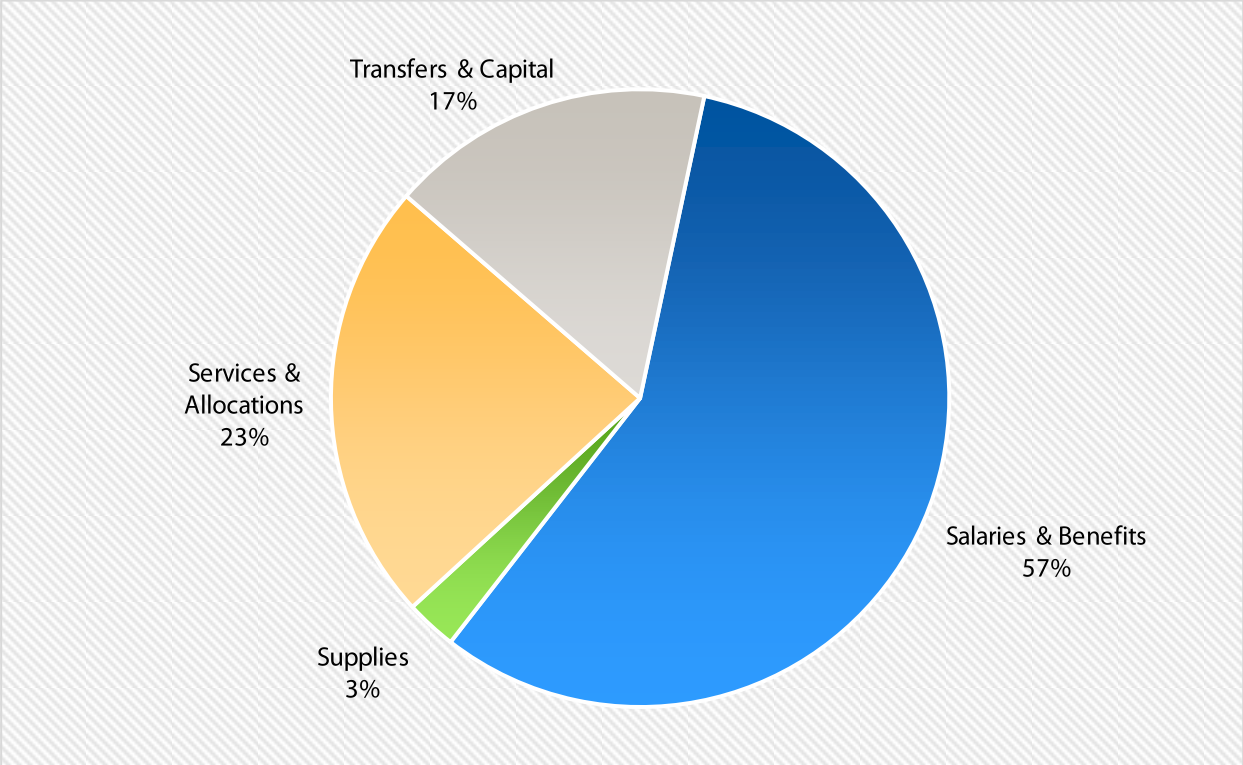
GENERAL FUND REVENUES



	2019 Adj Budget	2020 Adopted	2020 Proposed	2020 $ Change	2020 % Change
Revenues					
Taxes					
Property	$29,978,040	$30,457,820	$30,457,820	$0	- %
Sales Tax	21,770,980	19,890,180	20,849,490	959,310	4.8
Utility	19,596,150	19,578,290	19,278,260	(300,030)	(1.5)
Business & Occupation Tax	11,500,000	14,900,000	14,900,000	-	-
Other	882,650	897,440	897,440	-	-
Licenses and Permits	7,082,370	7,490,520	7,490,520	-	-
Intergovernmental Revenue	6,735,580	2,676,120	2,954,570	278,450	10.4
Charges for Services	6,001,180	6,125,920	6,275,920	150,000	2.4
Fines and Forfeitures	1,113,790	1,145,660	1,145,660	-	-
Miscellaneous Revenue	2,158,110	2,285,580	2,445,620	160,040	7.0
Transfers In	915,730	914,010	1,357,840	443,830	48.6
Total General Fund Revenues	**$ 107,734,580**	**$ 106,361,540**	**$ 108,053,140**	**$ 1,691,600**	**1.6 %**

GENERAL FUND

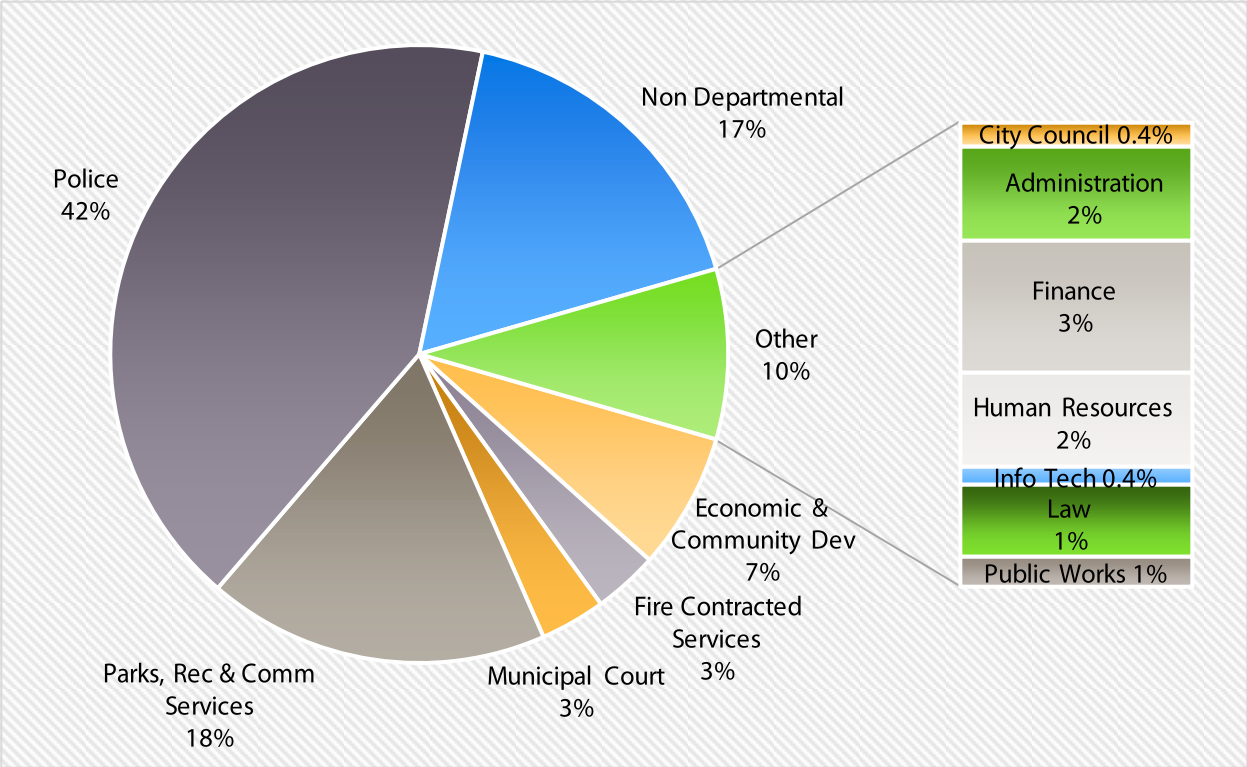
GENERAL FUND EXPENDITURES



	2019 Adj Budget	2020 Adopted	2020 Proposed	2020 $ Change	2020 % Change
Expenditures					
Salaries & Benefits	$ 58,728,160	$ 59,561,020	$ 62,105,150	$ 2,544,130	4.3 %
Supplies	2,964,880	3,011,340	2,904,860	(106,480)	(3.5)
Services & Allocations	28,084,067	25,022,370	25,175,570	153,200	0.6
Transfers & Capital	18,826,770	18,766,810	18,445,180	(321,630)	(1.7)
Total GF Expenditures	**$ 108,603,877**	**$ 106,361,540**	**$ 108,630,760**	**$ 2,269,220**	**2.1 %**

GENERAL FUND

GENERAL FUND EXPENDITURES BY DEPARTMENT



	2019 Adj Budget	2020 Adopted	2020 Proposed	2020 $ Change	2020 % Change
Expenditures by Department					
City Council	$ 439,300	$ 475,090	$ 491,610	$ 16,520	3.5 %
Administration	3,004,460	2,949,250	1,967,360	(981,890)	(33.3)
Economic & Community Dev	7,185,520	7,915,700	7,782,080	(133,620)	(1.7)
Finance	3,343,250	3,434,600	2,745,960	(688,640)	(20.1)
Fire Contracted Services	3,905,690	3,878,360	3,676,240	(202,120)	(5.2)
Human Resources	2,204,290	2,151,880	1,982,820	(169,060)	(7.9)
Information Technology	550,840	346,460	357,260	10,800	3.1
Law	1,828,780	1,694,730	1,531,860	(162,870)	(9.6)
Municipal Court	3,516,080	3,631,340	3,709,830	78,490	2.2
Parks, Rec & Comm Services	19,105,947	19,004,800	19,446,120	441,320	2.3
Police	42,687,010	43,562,630	45,610,220	2,047,590	4.7
Public Works	1,142,280	590,750	590,750	0	0.0
Non Departmental	19,690,430	16,725,950	18,738,650	2,012,700	12.0
Total Expenditures	**$ 108,603,877**	**$ 106,361,540**	**$ 108,630,760**	**$ 2,269,220**	**2.1 %**

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.

	2018 Actual	2019 Adjusted Budget	2019 August YTD	2020 Adopted Budget	2020 Proposed Budget
BEGINNING FUND BALANCE	$ 5,873,486	$ 5,416,960	$ 5,416,967	$ 3,585,290	$ 5,783,540
Revenues					
Taxes					
Water Utility Tax	225,144	231,180	151,603	236,730	236,730
Sewer Utility Tax	228,609	227,270	158,221	232,730	232,730
Drainage Utility Tax	300,986	297,120	209,513	304,250	304,250
Electric Utility Tax	1,236,612	1,249,690	826,337	1,255,930	1,255,930
Gas Utility Tax	313,386	344,560	229,423	346,290	346,290
Garbage Utility Tax	3,904,995	3,837,130	2,873,365	3,856,310	3,856,310
Telephone Utility Tax	454,109	477,960	228,143	466,010	402,180
Licenses and Permits	562,087	524,700	402,874	535,190	535,190
Intergovernmental Revenue	2,308,839	2,334,300	1,590,586	2,653,930	2,653,930
Charges for Services	2,500,071	739,700	2,681,572	763,490	902,070
Miscellaneous Revenue	157,592	20,000	140,734	20,000	20,000
Operating Revenues	12,192,429	10,283,610	9,492,372	10,670,860	10,745,610
Transfers In - General Fund	2,657,515	6,725,070		7,122,750	6,800,450
Transfers In - LID Funded Projects	391,911	336,740		32,310	32,310
Total Revenues	15,241,855	17,345,420	9,492,372	17,825,920	17,578,370
Changes:					
Interest Income					138,580
Telephone Utility Tax					(63,830)
Reduce Transfer In from General Fund					(322,300)
Total Changes					(247,550)

STREET OPERATING FUND

	2018 Actual	2019 Adjusted Budget	2019 August YTD	2020 Adopted Budget	2020 Proposed Budget
Expenditures					
Street Operations					
Salaries & Benefits	2,696,230	3,051,650	1,805,523	3,147,380	3,090,540
Supplies	349,083	428,110	322,026	437,910	437,910
Services & Charges	3,881,926	4,472,630	2,257,725	4,648,720	4,521,040
Vehicles & Equipment		78,000	28,191		
Cost Allocation - to Annexation	(1,155,562)	(1,142,280)	(746,372)	(590,750)	(590,750)
Cost Allocation	(393,081)	(320,000)	(213,796)	(420,000)	(420,000)
Transfers Out - Debt Service	2,278,924	2,403,450	962,915	2,163,720	2,163,720
Transfers Out - Projects	6,690,297	2,286,732	2,286,732		
Lifecycle					
Salaries & Benefits		628,140	437,817	648,110	648,110
Supplies		537,720	173,098	276,650	276,650
Services & Charges	9,166	2,831,020	590,381	3,114,600	3,075,680
Vehicles & Equipment		70,000		80,250	80,250
Cost Allocation			(105,754)		-
Transfers Out - Debt Service	3,244	38,920			38,920
Transfers Out - Projects		3,026,000	1,255,290	3,043,800	3,043,800
PW Engineering					
Salaries & Benefits	5,979,282	6,848,930	4,111,655	7,065,520	6,018,740
Supplies	82,494	83,860	42,328	85,430	76,430
Services & Charges	966,278	889,000	577,734	928,690	1,372,500
Vehicles & Equipment					
Cost Allocation - Engr Services	(5,689,908)	(6,581,690)	(3,810,900)	(6,804,110)	(6,192,140)
Total Expenditures	15,698,374	19,630,192	9,974,592	17,825,920	17,641,400
Changes:					
Salaries and Benefits					124,690
Paid Family Medical Leave					9,660
Central Cost Allocation					421,750
GIS Allocation					
Allocation					17,240
Expenses moved to GIS					(19,490)
Positions moved to GIS					(548,610)
Move ECD Engineering Manager to General Fund					(50,910)
Public Works Engineering Allocation					399,340
Utility Clearing Allocation					52,740
Move Term-Limited Positions to Projects					(638,450)
IT Allocaiton (PSRFA)					47,520
Total Changes					(184,520)
Change in Fund Balance	(456,519)	(2,284,772)	(482,221)	-	(63,030)
ENDING FUND BALANCE	$ 5,416,967	$ 3,132,188	$ 4,934,747	$ 3,585,290	$ 5,720,510

STREET OPERATING FUND PROJECTS

	2020 Adopted Budget	2020 Proposed Budget
Revenues		
Transfers In - B&O	$ 200,000	$ 200,000
Total Revenues	200,000	200,000
Capital Projects & Expenditures		
Transportation Master Plan	200,000	200,000
Total Expenditures	200,000	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 62 former police and fire employees who retired under LEOFF1 and are covered under this program. Funding for these obligations comes from the General Fund.

	2018 Actual	2019 Adjusted Budget	2019 August YTD	2020 Adopted Budget	2020 Proposed Budget
BEGINNING FUND BALANCE	$1,296,372	$1,872,110	$1,872,112	$1,776,740	$1,866,660
Revenues					
Interest Income	28,357	6,800	25,692	6,800	31,150
Contributions	669,492	922,790	741,032	946,150	920,020
Miscellaneous	655		57,183		
Transfers In	1,250,000	250,000		250,000	250,000
Total Revenues	1,948,504	1,179,590	823,907	1,202,950	1,201,170
Changes:					
Interest Income					24,350
LEOFF 1 Contributions					(26,130)
Total Changes					(1,780)
Expenditures					
Blue Cross Claims	638,448	735,000	438,954	756,970	819,010
Blue Cross Admin Fees	45,926	46,600	33,976	48,000	48,000
Delta Dental Claims	33,009	31,600	10,610	32,550	32,550
Delta Dental Admin Fees	5,403	9,100	9,034	9,370	9,370
Vision Service Plan Claims	3,808	4,400		4,530	4,530
Vision Service Plan Admin Fees	1,526	1,500	3,207	1,550	1,550
Stop Loss Fees	58,733	50,000	45,923	51,500	51,500
Medical Reimbursements	575,362	530,000	339,175	530,000	530,000
Internal Allocations					34,570
Other Professional Services	10,547	14,800	25,177	15,240	15,240
Total Expenditures	1,372,762	1,423,000	906,056	1,449,710	1,546,320
Changes:					
Central Cost Allocation					34,570
Blue Cross Claims					62,040
Total Changes					96,610
Change in Fund Balance	575,742	(243,410)	(82,149)	(246,760)	(345,150)
ENDING FUND BALANCE	$ 1,872,114	$ 1,628,700	$ 1,789,963	$ 1,529,980	$ 1,521,510

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.

	2018 Actual	2019 Adjusted Budget	2019 August YTD	2020 Adopted Budget	2020 Proposed Budget
BEGINNING FUND BALANCE	$ 457,557	$ 336,770	$ 336,765	$ 359,560	$ 146,650
Revenues					
Lodging Tax	312,813	291,830	179,297	297,670	297,670
Interest Income	7,961	3,000	4,780	3,000	5,840
Total Revenues	320,774	294,830	184,077	300,670	303,510
Changes:					
Interest Income					2,840
Total Changes					2,840
Expenditures					
Annual Contracts	362,170	307,600	41,695	259,800	259,800
One-time Projects & Events	61,698	193,000	221,745	24,600	24,600
Interfund Charges	17,698	10,190	127	10,000	15,380
Total Expenditures	441,566	510,790	263,566	294,400	299,780
Changes:					
Central Cost Allocation					5,380
Total Changes					5,380
Change in Fund Balance	(120,791)	(215,960)	(79,489)	6,270	3,730
ENDING FUND BALANCE	$ 336,765	$ 120,810	$ 257,276	$ 365,830	$ 150,380

YOUTH / TEEN FUND

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

	2018 Actual	2019 Adjusted Budget	2019 August YTD	2020 Adopted Budget	2020 Proposed Budget
BEGINNING FUND BALANCE	$ 104,887	$ 91,850	$ 91,846	$ 99,110	$ 91,850
Revenues					
Taxes:					
Water Utility Tax	67,543	71,450	45,481	71,450	71,450
Sewer Utility Tax	68,896	73,040	47,683	73,040	73,040
Drainage Utility Tax	90,296	91,140	62,854	91,140	91,140
Electric Utility Tax	370,984	374,910	247,901	376,780	376,780
Gas Utility Tax	94,016	103,890	68,827	103,890	103,890
Garbage Utility Tax	100,991	99,730	74,311	99,730	99,730
Telephone Utility Tax	136,233	143,390	73,565	139,800	120,650
Miscellaneous Revenue		180		180	
Total Revenues	928,958	957,730	620,623	956,010	936,680
Changes:					
Telephone Utility Tax					(19,330)
Interest Income					(180)
Total Changes					(19,510)
Expenditures					
Central Cost Allocation					7,090
Transfer to GF Youth/Teen Program	900,000	915,730		914,010	914,010
Teen Golf Program	42,000	42,000		42,000	42,000
Total Expenditures	942,000	957,730	-	956,010	963,100
Changes:					
Central Cost Allocation					7,090
Total Changes					7,090
Change in Fund Balance	(13,042)	-	620,623	-	(26,420)
ENDING FUND BALANCE	$ 91,846	$ 91,850	$ 712,468	$ 99,110	$ 65,430

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.

	2018 Actual	2019 Adjusted Budget	2019 August YTD	2020 Adopted Budget	2020 Proposed Budget
BEGINNING FUND BALANCE	$15,646,334	$15,599,190	$15,599,192	$11,051,290	$12,126,650
Revenues					
Taxes:					
Sales & Use Tax	5,138,077	4,594,420	3,751,488	4,239,620	4,460,310
Utility Tax - 2% int util tax	1,509,478	1,534,060	1,038,675	1,570,870	1,570,870
Real Estate Excise Tax	7,689,637	3,400,000	4,325,710	3,400,000	3,400,000
Streamlined Sales Tax					3,850,000
Miscellaneous Revenue	112,787	52,400	320,117	52,400	279,690
Transfers In - 4% int util tax/B&O	8,212,116	6,263,430	1,721,200	5,942,090	5,942,090
Transfers In - GF	325,000	325,000		325,000	325,000
Total Revenues	22,987,097	16,169,310	11,157,190	15,529,980	19,827,960
Changes:					
Sales Tax					220,690
Interest Income					227,290
Streamlined Sales Tax					4,150,000
Total Changes					4,597,980
Expenditures					
General Capital					
Transfer to Debt Service	10,077,201	9,889,850	1,257,348	8,208,000	8,208,000
Transfer to ShoWare Lifecycle	300,000	300,000		300,000	300,000
Transfer to Capital Projects:					
Fuel Island		1,750,000	1,750,000		
Fleet Vehicle Lifts		186,000			
Tenant Requested Renovations					150,000
City Buildings		2,000,000	14,000	2,000,000	2,000,000
City Hall Patio Repairs		200,000	22,260		
Security Fence at Corrections/Court		150,000	4,000		
Council Chambers Renovation	100,000				
Public Building Major Mtc	17,038				
Place Making/Meet Me On Meeker	450,000				500,000
IT Capital Projects	1,250,000	4,400,000	5,500	2,250,000	2,860,000
Downtown Strategic Action Plan	50,000				
Evidence Van Repair & Storage					100,000
MMOM Promenade 64th-Kent Elem					600,000
Sound Transit Light Rail		(150,000)	(150,000)		
Quiet Zone	2,400,000	(1,700,000)	(1,700,000)		
228th Street Grade Separations		1,700,000	1,700,000		

CAPITAL RESOURCES FUND

	2018 Actual	2019 Adjusted Budget	2019 August YTD	2020 Adopted Budget	2020 Proposed Budget
Property Sales & Acquisitions	260,295				
Internal Allocation					158,300
Neighborhood Grant Matching	33,438			25,000	25,000
Parks Capital and Lifecycle Maintenance					
Parks Capital Projects	8,365,000	3,376,000	116,590	4,869,000	10,480,000
Parks Lifecycle Maintenance		500,000	307,583	500,000	500,000
Total Expenditures	23,302,972	22,601,850	3,327,280	18,152,000	25,881,300
Changes:					
Parks Planning & Dev Salaries & Benefits					11,520
Parks Planning & Dev Payroll Clearing					(14,100)
Central Cost Allocation					158,300
IT Allocation (PSRFA)					2,580
Transfer to Network Resiliency					60,000
Transfer to Meet Me On Meeker - Driving Range					500,000
Transfer to Mill Creek Canyon Clean Up					400,000
Transfer to City Gateways Design					250,000
Transfer to Evidence Van Repair & Storage					100,000
Transfer to Meet Me On Meeker Promenade					600,000
Transfer to Tiburon System Replacement					550,000
Transfer to Kent Memorial Park Turf Conversion					2,000,000
Transfer to Riverview Park Development					1,000,000
Transfer to 4th and Willis Roundabout Design					400,000
Transfer to PD Workspace Reconfiguration					150,000
Transfer to Parks Masterplan					(40,000)
Transfer to Unallocated Parks Projects					1,330,000
Transfer to Parks Land Acquisition					500,000
Transfer to KVLT - Phase 2					250,000
Transfer to Springwood Park Renovation					(363,000)
Transfer to NPRP - Chestnut Ridge Playground					(66,000)
Transfer to KVLT - Old Fishing Hole					(250,000)
Transfer to Downtown Place Making - Kherson					500,000
Transfer to Mill Creek Earthworks Reno					250,000
Transfer to Hogan Park Russell Road Reno II					(500,000)
Transfer to NPRP - Salt Air Vista					250,000
Transfer to Place Making - Burlington/Kaibara					(300,000)
Total Changes					7,729,300
Change in Fund Balance	(315,875)	(6,432,540)	7,829,910	(2,622,020)	(6,053,340)
ENDING FUND BALANCE	$15,330,459	$ 9,166,650	$23,429,102	$ 8,429,270	$ 6,073,310

CRIMINAL JUSTICE FUND

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

	2018 Actual	2019 Adjusted Budget	2019 August YTD	2020 Adopted Budget	2020 Proposed Budget
BEGINNING FUND BALANCE	$ 7,197,004	$ 7,247,790	$ 7,247,796	$ 7,836,560	$ 6,934,690
Revenues					
Sales & Use Tax	2,997,372	2,911,390	2,043,491	3,398,220	3,398,220
Intergovernmental Revenue	805,813	458,000	557,161	461,630	461,630
Charges for Services	99,256	94,200	86,644	96,080	96,080
Fines and Forfeitures	1,333,340	2,690,080	1,252,919	2,368,190	3,464,320
Miscellaneous Revenue	102,543	39,600	132,104	55,080	119,440
Transfers In	121,500	121,500	-	121,500	234,070
Total Revenues	5,459,823	6,314,770	4,072,319	6,500,700	7,773,760
Changes:					
Red Light Camera Revenue					1,096,130
Interest Income					64,360
1% for Body Worn Cameras					112,570
Total Changes					1,273,060
Expenditures					
Salaries & Benefits	3,426,750	3,658,230	2,428,392	4,007,820	4,296,390
Supplies	611,406	513,590	311,163	354,100	423,990
Services & Charges	1,038,676	1,644,680	809,102	1,121,100	1,650,130
Vehicles & Equipment	513,672	868,000	1,062,607	868,000	968,000
Allocate to Annexation	(659,415)	(598,640)	(448,379)	(310,170)	(310,170)
Transfers Out	516,500	16,500	10,000	16,500	1,017,900
Total Expenditures	5,447,589	6,102,360	4,172,885	6,057,350	8,046,240

CRIMINAL JUSTICE FUND

	2018 Actual	2019 Adjusted Budget	2019 August YTD	2020 Adopted Budget	2020 Proposed Budget
Expenditures by Function					
Law - Prosecution	742,770	993,230	513,587	1,112,440	1,115,760
Law - Domestic Violence	190,199	-	132,953	-	-
KYFS - Youth Violence Prevention	25,000	25,760	-	26,280	26,280
Police	2,479,409	2,997,860	1,885,524	2,861,510	3,150,230
Police Special Programs	2,153,125	2,667,650	2,079,201	2,350,790	3,046,240
Allocate to Annexation	(659,415)	(598,640)	(448,379)	(310,170)	(310,170)
Transfers Out	516,500	16,500	10,000	16,500	1,017,900
Total Expenditures	5,447,589	6,102,360	4,172,885	6,057,350	8,046,240
Changes:					
Salaries and Benefits					284,670
Paid Family Medical Leave					3,900
Red Light & Body Worn Cameras					
Transfer Out - 1% for Body Cameras and OT					206,400
Transfer Out - Public Defense					250,000
Body Worn Camera Storage and Services					318,070
Expenses added back that were reduced in 2019					86,310
Central Cost Allocation					194,540
Transfer to Corrections Cameras					75,000
Transfer to Cubicle Conversion to Office					50,000
Transfer to Corretions Facility Generator					350,000
Transfer to Corrections/Court Fencing					70,000
Transfer to Evidence/Crime Scene Van Repair					100,000
Total Changes					1,988,890
Change in Fund Balance	12,234	212,410	(100,567)	443,350	(272,480)
ENDING FUND BALANCE	$ 7,209,239	$ 7,460,200	$ 7,147,230	$ 8,279,910	$ 6,662,210

HOUSING & COMMUNITY DEVELOPMENT FUND

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

	2018 Actual	2019 Adjusted Budget	2019 August YTD	2020 Adopted Budget	2020 Proposed Budget
Revenues					
Block Grants - CDBG	$ 945,520	$ 1,177,910	$ 310,655	$ 1,177,910	$ 1,177,910
Miscellaneous	5,707.51				
Total Revenues	945,520	1,177,910	310,655	1,177,910	1,177,910
Expenditures					
Salaries & Benefits	511,755	651,810	387,393	673,140	665,700
Supplies	78,215		54,270		
Services & Charges	322,526	526,100	173,063	504,770	512,210
Equipment	38,732				
Total Expenditures	951,227	1,177,910	614,727	1,177,910	1,177,910
Changes:					
Salaries and Benefits					(8,040)
Paid Family Medical Leave					600
Balance CDBG					7,440
Total Changes					-
Expenditures by Program					
Planning & Administration	134,117	229,040	121,220	229,040	229,040
Home Repair	645,802	774,370	417,006	774,370	774,370
Service Providers	171,308	174,500	76,501	174,500	174,500
Total Expenditures by Program	$ 951,227	$ 1,177,910	$ 614,727	$ 1,177,910	$ 1,177,910

CITY ARTS PROGRAM FUND

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

	2018 Actual	2019 Adjusted Budget	2019 August YTD	2020 Adopted Budget	2020 Proposed Budget
BEGINNING FUND BALANCE	$ 526,158	$ 587,401	$ 587,401	$ 526,160	$ 587,400
Revenues					
Transfers In - General Fund	133,288	112,670		108,100	108,770
Total Revenues	133,288	112,670	-	108,100	108,770
Changes:					
Balance City Arts Program					670
Total Changes					670
Expenditures					
Supplies	21,246	14,500		14,500	14,500
Services & Charges	40,799	98,170	38,674	93,600	94,270
Art	10,000		65,120		
Total Expenditures	72,045	112,670	103,794	108,100	108,770
Changes:					
Central Cost Allocation					2,080
City Arts Program (Population)					(1,410)
Total Changes					670
Change in Fund Balance	61,243	-	(103,794)	-	-
ENDING FUND BALANCE	$ 587,401	$ 587,401	$ 483,607	$ 526,160	$ 587,400

SHOWARE OPERATING FUND

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

	2018 Actual	2019 Adjusted Budget	2019 August YTD	2020 Adopted Budget	2020 Proposed Budget
BEGINNING FUND BALANCE	$ 2,518,894	$ 2,563,460	$ 2,563,460	$ 2,329,530	$ 2,298,670
Revenues					
Other Revenue	214,120		8,944		
Transfer In - Admissions Tax	84,430				
Transfer In - General Fund	904,208	850,000	196,919	850,000	850,000
Transfer In - Capital Resources	300,000	300,000		300,000	300,000
Total Revenues	1,502,759	1,150,000	205,863	1,150,000	1,150,000
Expenditures					
Services & Charges	932,403	799,990	447,617	800,030	817,540
Lifecycle Expenses	6,738	599,000	27,989	300,000	300,000
Supplies	69,150		140,984		
Capital Outlay	312,820				
Debt Service - Principal	52,651	24,800		24,800	24,800
Transfer Out - ShoWare Lifecycle	84,430				
Total Expenditures	1,458,193	1,423,790	616,589	1,124,830	1,142,340
Changes:					
Central Cost Allocation					17,510
Total Changes					17,510
Change in Fund Balance	44,566	(273,790)	(410,727)	25,170	7,660
ENDING FUND BALANCE	$ 2,563,460	$ 2,289,670	$ 2,152,733	$ 2,354,700	$ 2,306,330

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).

	2018 Actual	2019 Adjusted Budget	2019 August YTD	2020 Adopted Budget	2020 Proposed Budget
BEGINNING FUND BALANCE	$ 986,220	$ 1,451,050	$ 1,451,046	$ 1,906,220	$ 1,907,550
Revenues					
Intergovernmental		867,510	347,484	1,023,850	1,023,850
Transfers In	10,535,010	9,399,300	2,163,417	8,081,720	8,120,640
Total Revenues	10,535,010	10,266,810	2,510,901	9,105,570	9,144,490
Expenditures					
Debt Service - Principal	6,412,328	6,352,840	799,162	5,396,870	5,429,980
Debt Service - Interest	3,657,856	3,450,470	1,740,793	3,244,940	3,250,750
Cost Allocation					73,800
Total Expenditures	10,070,185	9,803,310	2,539,955	8,641,810	8,754,530
Expenditures by Bond Issue					
LTGO Taxable Bonds 2003	186,620				
LTGO Refund 2005	320,220	330,760	12,879	344,410	344,410
LTGO Bonds 2008	834,750				
LTGO Refund 2009	1,049,000	1,045,200	20,100		
LTGO Refund 2012	1,336,425	1,326,430	83,213	1,315,030	1,315,030
LTGO Refund 2014	971,330	935,030	59,840	1,427,070	1,427,070
LTGO Refund 2015	1,004,585	869,830	84,913	944,080	944,080
LTGO Refund 2016	3,556,050	4,451,700	1,445,850	3,809,900	3,809,900
Other Non-Voted Debt	811,205	844,360	833,162	801,320	840,240
Cost Allocation					73,800
Total Expenditures	10,070,185	9,803,310	2,539,955	8,641,810	8,754,530
Changes:					
Central Cost Allocation					73,800
Excavator Lease					38,920
Total Changes					112,720
Change in Fund Balance	464,826	463,500	(29,054)	463,760	389,960
ENDING FUND BALANCE	$ 1,451,046	$ 1,914,550	$ 1,421,991	$ 2,369,980	$ 2,297,510

SPECIAL ASSESSMENT DEBT SERVICE FUND

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

	2018 Actual	2019 Adjusted Budget	2019 August YTD	2020 Adopted Budget	2020 Proposed Budget
BEGINNING FUND BALANCE	$ 582,661	$ 479,920	$ 479,916	$ 797,570	$ 505,540
Revenues					
Special Assessments	1,123,334	1,033,090	646,973	573,770	573,770
Interest Income	326,382	272,290	76,958	219,410	219,410
Other Revenue	8,549		5,175		
Total Revenues	1,458,264	1,305,380	729,106	793,180	793,180
Expenditures					
Transfers Out to Projects	1,394,923	1,119,460	440,970	784,160	784,160
Other Expenditures	(1,354)		102		9,420
Debt Service - Principal	160,000				
Debt Service - Interest	7,440				
Total Expenditures	1,561,009	1,119,460	441,072	784,160	793,580
Changes:					
Central Cost Allocation					9,420
Total Changes					9,420
Change in Fund Balance	(102,745)	185,920	288,034	9,020	(400)
ENDING FUND BALANCE	$ 479,916	$ 665,840	$ 767,950	$ 806,590	$ 505,140

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.

	2020 Adopted Budget	2020 Proposed Budget
Revenues		
Transfers In - LID Funded Projects	$ 32,310	$ 32,310
Transfers In - Solid Waste Utility Tax	3,043,800	3,043,800
Transfers In - B&O Tax	3,793,870	3,993,870
Transfers In - CRF		600,000
Interest Income		254,920
Total Revenues	6,869,980	7,924,900
Changes:		
B&O Funding for Transportation Master Plan		200,000
CRF Funding for Meet Me on Meeker Promenade		600,000
Interest Income		254,920
Total Changes		1,054,920
Capital Projects & Expenditures		
B&O In-house Overlays	250,000	250,000
B&O Street Contracted	2,943,870	2,943,870
Meet Me on Meeker Promenade - 64th to Kent Elem.		600,000
Panther Lake Signal System Integration	400,000	400,000
Residential Street Contracted	2,793,800	2,793,800
Residential Street Capital	250,000	250,000
Street Lights - New	200,000	200,000
Transportation Master Plan		200,000
Return Street Monies for LID Funded Projects	32,310	32,310
Cost Allocation		115,780
Total Expenditures	6,869,980	7,785,760
Changes:		
Meet Me on Meeker Promenade - 64th to Kent Elem.		600,000
Transportation Master Plan		200,000
Central Cost Allocation		115,780
Total Changes		915,780
Revenues Less Expenditures	$ -	$ 139,140

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.

	2020 Adopted Budget	2020 Proposed Budget
Revenues		
Transfers In - General Fund - B&O Square Footage Tax	$ 3,000,000	$ 3,000,000
Transfers In - Capital Resources Fund	1,500,000	5,500,000
Transfers In - REET 2	369,000	1,980,000
Grants		200,000
Sale of Land	(1,500,000)	(1,500,000)
Interest Income		240,230
Total Revenues	3,369,000	9,420,230
Changes:		
CRF Funding for new projects below		4,000,000
REET 2 Funding for new projects below		1,611,000
YSFG Grant from KC		200,000
Interest Income		240,230
Total Changes		6,051,230

PARKS CAPITAL PROJECTS FUND

	2020 Adopted Budget	2020 Proposed Budget
Capital Projects & Expenditures		
Campus Park Improvements		200,000
Chestnut Ridge Park Renovation		100,000
Downtown Parks Master Plan		350,000
Downtown Place Making - Burlington/Kaibara	300,000	
Gateways		250,000
Hogan Park at Russell Road Reno. Ph II	500,000	
Kherson Park Redevelopment		500,000
KVLT - Old Fishing Hole Improvements	300,000	50,000
KVLT - Boeing Rock Improvements		50,000
KVLT - Phase 2 Improvements		250,000
KVLT - Riverview Park Phase 2		200,000
Kent Memorial Park Turf Conversion		2,000,000
Lake Fenwick Park Renovation - Phase 2		130,000
Masterplans	40,000	
Mill Creek Earthworks Renovation		100,000
Mill Creek Trail Renovation		250,000
Mill Creek Canyon Cleanup		400,000
NPRP - Chestnut Ridge Playground	166,000	
Parks Land Acquisition		500,000
Parks Planning and Design		50,000
Riverview Park Development		1,000,000
Salt Air Vista Park Renovation		250,000
Springwood Park Renovation	2,063,000	1,700,000
West Fewick Park Phase 2		200,000
4th & Willis Roundabout Placemaking & Landscape		400,000
Willis Greenways Improvements		250,000
Cost Allocation		58,690
Total Expenditures	3,369,000	9,238,690
Changes:		
New Projects noted above		7,430,000
Reduction/Reallocation of projects above		(1,619,000)
Central Cost Allocation		58,690
Total Changes		5,869,690
Revenues Less Expenditures	$ -	$ 181,540

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.

	2020 Adopted Budget	2020 Proposed Budget
Revenues		
Transfers In - Capital Resources Fund	$ 2,250,000	$ 2,860,000
Transfers In - Criminal Justice Fund		75,000
PEG Fees		56,670
Interest Income		118,640
Total Revenues	2,250,000	3,110,310
Changes:		
CRF Funding for Tiburon & Network Resiliency		610,000
CJF Funding for Corrections Cameras		75,000
PEG Fees		56,670
Interest Income		118,640
Total Changes		860,310

IT CAPITAL PROJECTS FUND

	2020 Adopted Budget	2020 Proposed Budget
Capital Projects & Expenditures		
HLC 17-18 Server Replacement	50,000	50,000
HLC 17-18 Telephony	100,000	100,000
HLC16-18 Data Center	75,000	75,000
HLC16-18 Security	200,000	200,000
HLC16-18 UPS	25,000	25,000
SLC18-20 Admin Systems Replacement Reserves	83,500	88,000
SLC18-21 PD Systems Replacement Reserves	334,000	104,000
SLC18-21 Law Systems Replacement Reserves	83,500	1,135,000
SLC18-22 HR Systems Replacement Reserves	167,000	53,000
SLC18-23 Finance Systems Replacement Reserves	250,500	200,000
SLC18-26 PRCS Systems Replacement Reserves	83,500	67,000
SLC18-26 PW Systems Replacement Reserves	167,000	113,000
SLC18-27 Court Systems Replacement Reserves	83,500	37,000
SLC18-27 ECD Systems Replacement Reserves	167,000	243,000
SLC18-28 Clerk Systems Replacement Reserves	167,000	113,000
SLC18-29 IT Systems Replacement Reserves	83,500	67,000
PEG Projects		56,670
Collaboration Tool Procurement	50,000	50,000
Jail Camera Infrastructure Update		75,000
Network Resiliency		60,000
Network Pen Testing	80,000	80,000
Cost Allocation		21,880
Total Expenditures	2,250,000	3,013,550
Changes:		
Tiburon Replacement		550,000
Network Resiliency		60,000
Jail Camera Infrastructure Update		75,000
PEG Projects		56,670
Central Cost Allocation		21,880
Total Changes		763,550
Revenues Less Expenditures	$ -	$ 96,760

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.

	2020 Adopted Budget	2020 Proposed Budget
Revenues		
Transfers In - Capital Resources Fund	$ 2,000,000	$ 2,000,000
Transfers In - Criminal Justice Fund		70,000
Interest Income		640
Total Revenues	2,000,000	2,070,640
Changes:		
CJF Funding for Corrections Security Fence		70,000
Interest Income		640
Total Changes		70,640
Capital Projects & Expenditures		
City Buildings	2,000,000	2,000,000
Security Fence at Corrections/Court		70,000
Cost Allocation		12,400
Total Expenditures	2,000,000	2,082,400
Changes:		
Security Fence at Corrections/Court		70,000
Central Cost Allocation		12,400
Total Changes		82,400
Revenues Less Expenditures	$ -	$ (11,760)

OTHER CAPITAL PROJECTS FUND

The Other Capital Projects Fund is used to account for financial resources to be used for the acquisition, construction, or capital improvements of major City-wide projects not included in other capital funds..

	2020 Adopted Budget	2020 Proposed Budget
Revenues		
Transfers In - Capital Resources Fund	$ -	$ 500,000
Interest Income		28,670
Total Revenues	-	528,670
Changes:		
Interest Income		28,670
CRF Funding for Meet Me on Meeker Riverbend		500,000
Total Changes		528,670
Capital Projects & Expenditures		
Meet Me On Meeker Riverbend (Driving Range)		500,000
Cost Allocation		4,060
Total Expenditures	-	504,060
Changes:		
Meet Me On Meeker Riverbend		500,000
Central Cost Allocation		4,060
Total Changes		504,060
Revenues Less Expenditures	$ -	$ 24,610

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

	2018 Actual	2019 Adjusted Budget	2019 August YTD	2020 Adopted Budget	2020 Proposed Budget
BEGINNING FUND BALANCE	$13,088,191	$20,822,190	$20,822,197	$ 6,607,250	$15,533,490
Revenues					
Charges for Services	22,524,942	23,363,100	15,169,487	23,923,790	23,923,790
System Dev/Connection Charges	1,852,189	1,451,100	2,174,459	1,480,120	1,480,120
Miscellaneous Revenue	1,301,111	661,350	1,027,089	674,580	1,185,020
Operating Revenues	25,678,242	25,475,550	18,371,035	26,078,490	26,588,930
Transfers In - Debt Service	3,771,649	4,113,510	2,087,813	3,579,390	3,579,390
Total Revenues	29,449,891	29,589,060	20,458,848	29,657,880	30,168,320
Changes:					
Interest Income					510,440
Total Changes					510,440
Expenditures					
Salaries & Benefits	3,152,728	3,500,220	2,244,309	3,614,120	3,544,620
Supplies	537,557	815,650	397,051	830,030	830,030
Services & Charges	9,353,016	10,872,610	6,089,240	11,224,460	11,353,490
Vehicles & Equipment		120,000	77,953		
Cost Allocation	(371,148)	(480,000)	(182,341)	(480,000)	(480,000)
Transfers to Debt Service	46,983	46,810	900		
Transfers to Capital Projects	7,760,420	13,119,000	10,000	5,627,000	5,577,000
Debt Service - Principal	2,044,028	2,304,030	1,317,778	2,264,020	2,264,020
Debt Service - Interest	1,719,948	1,809,480	1,060,585	1,315,370	1,315,370
Operating Expenditures	24,243,532	32,107,800	11,015,474	24,395,000	24,404,530
Transfers Out - Debt Service	3,760,718	4,113,510	2,087,813	3,579,390	3,579,390
Total Expenditures	28,004,249	36,221,310	13,103,287	27,974,390	27,983,920
Changes:					
Salaries and Benefits					22,550
Paid Family Medical Leave					3,150
Central Cost Allocation					626,000
GIS Allocation					
Position Moved from Water to GIS					(44,300)
GIS Allocation					94,810
PW Engineering Allocation					(87,250)
Utility Clearing Allocation					(595,180)
Position Moved from Water to General Fund					(50,900)
Move Project into Operating					(30,000)
IT Allocation (PSRFA)					20,650
Total Changes					(40,470)
Change in Fund Balance	1,445,642	(6,632,250)	7,355,561	1,683,490	2,184,400
ENDING FUND BALANCE	$14,533,833	$14,189,940	$28,177,757	$ 8,290,740	$17,717,890

WATER UTILITY FUND—CAPITAL PROJECTS

	2020 Adopted Budget	2020 Proposed Budget
Revenues		
Transfers In - Water Operating	$ 5,627,000	$ 5,577,000
Total Revenues	5,627,000	5,577,000
Capital Projects & Expenditures		
E. Hill Pressure Zone	1,500,000	1,500,000
Habitat Conservation Plan Implementation	413,000	413,000
Well Rehabilitation	75,000	
Landsburg Mine	804,000	804,000
Misc Water Improvements	2,500,000	500,000
Security Improvements on Water Sites	50,000	
Tacoma Pipeline	50,000	50,000
Misc Water Projects		2,075,000
Water System PLC Upgrades	35,000	35,000
Wellhead Protection	200,000	200,000
Total Expenditures	5,627,000	5,577,000
Revenues Less Expenditures	$ -	$ -

SEWER UTILITY FUND

	2018 Actual	2019 Adjusted Budget	2019 August YTD	2020 Adopted Budget	2020 Proposed Budget
BEGINNING FUND BALANCE	$ 4,335,539	$ 6,065,230	$ 6,065,234	$ 4,631,160	$ 7,495,380
Revenues					
Charges for Services	31,332,441	31,425,200	21,673,926	32,179,420	32,179,420
System Dev/Connection Charges	17,414	17,200	39,005	17,540	17,540
Licenses and Permits	89,578	71,810	41,357	73,250	73,250
Miscellaneous Revenue	2,220,286	300,020	726,068	306,010	112,500
Transfers In	6,619	6,080		3,440	3,440
Total Revenues	33,666,338	31,820,310	22,480,355	32,579,660	32,386,150
Changes:					
Interest Income (Budget Correction - Move to Drainage)					(193,510)
Total Changes					(193,510)
Expenditures					
Salaries & Benefits	1,307,119	1,390,540	964,958	1,435,100	1,369,330
Supplies	167,631	152,000	142,163	154,300	154,300
Services & Charges	26,778,382	27,470,000	19,854,552	27,685,220	27,568,710
Capital Outlay			9,625		-
Cost Allocation	(40,606)	(50,000)	(36,316)	(50,000)	(50,000)
Transfers to Capital Projects	3,507,500	2,705,000	836	3,187,000	3,187,000
Debt Service - Interest	61				
Total Expenditures	31,720,087	31,667,540	20,935,817	32,411,620	32,229,340
Changes:					
Salary and Benefits					28,200
Paid Family Medical Leave					1,230
Central Cost Allocation					366,680
GIS Allocation					
Position Moved from Sewer to GIS					17,240
GIS Allocation					(44,300)
PW Engineering Allocation					(85,550)
Utility Clearing Allocation					(423,500)
Position Moved from Sewer to General Fund					(50,900)
IT Allocation (PSRFA)					8,620
Total Changes					(182,280)
Change in Fund Balance	1,946,251	152,770	1,544,538	168,040	156,810
ENDING FUND BALANCE	$ 6,281,790	$ 6,218,000	$ 7,609,772	$ 4,799,200	$ 7,652,190

SEWER UTILITY FUND—CAPITAL PROJECTS

	2020 Adopted Budget	2020 Proposed Budget
Revenues		
Transfer In - Special Assessments	$ 3,440	$ 3,440
Transfers In - Sewer Operating	3,187,000	$ 3,187,000
Total Revenues	3,190,440	3,190,440
Capital Projects & Expenditures		
Derbyshire	500,000	500,000
Miscellaneous Sewer	500,000	500,000
Skyline Sewer Interceptor	2,187,000	2,187,000
Total Sewer Projects	3,187,000	3,187,000
Return Sewer Monies for LID Funded Projects	3,440	3,440
Total Expenditures	3,190,440	3,190,440
Revenues Less Expenditures	$ -	$ -

DRAINAGE UTILITY FUND

	2018 Actual	2019 Adjusted Budget	2019 August YTD	2020 Adopted Budget	2020 Proposed Budget
BEGINNING FUND BALANCE	$15,612,578	$17,262,590	$17,262,589	$ 6,413,550	$13,258,730
Revenues					
Charges for Services	20,065,734	20,014,300	13,973,025	20,494,600	20,494,600
System Dev/Connection Charges	1,358,780	1,461,000	1,493,646	1,490,220	1,490,220
Intergovernmental	151,539		75,931		
Miscellaneous Revenue	24,279	15,100	59,132	15,400	681,600
Transfers In	362,875			5,371,000	5,371,000
Operating Revenues	21,963,207	21,490,400	15,601,734	27,371,220	28,037,420
Transfers In - Debt Service	1,713,479	1,853,220	349,880	1,522,210	1,522,210
Total Revenues	23,676,686	23,343,620	15,951,614	28,893,430	29,559,630
Changes:					
Interest Income (Budget Correction - Move from Sewer)					666,200
Total Changes					666,200
Expenditures					
Salaries & Benefits	3,698,492	4,283,260	2,468,074	4,421,410	4,123,430
Supplies	252,230	457,380	163,293	461,435	461,435
Services & Charges	9,482,858	9,816,440	6,061,048	10,166,415	10,316,135
Capital Outlay	155,066	510,000	81,750		
Cost Allocation	(812,512)	(660,000)	(571,999)	(660,000)	(660,000)
Transfers to Debt Service	72,876	72,610	1,396		
Transfers to Capital Projects	8,883,428	11,491,000	843,490	5,371,000	5,371,000
Debt Service - Principal	981,105	1,009,650	75,000	1,154,990	1,154,990
Debt Service - Interest	742,982	843,570	422,847	367,220	367,220
Operating Expenditures	23,456,525	27,823,910	9,544,900	21,282,470	21,134,210
Transfer Out - Debt Service	1,713,479	1,853,220	349,880	1,522,210	1,522,210
Total Expenditures	25,170,004	29,677,130	9,894,779	22,804,680	22,656,420
Changes:					
Salaries and Benefits					9,340
Paid Family Medical Leave					3,960
Central Cost Allocation					610,480
GIS Allocation					
Position Moved from Water to GIS					(45,640)
GIS Allocation					94,810
PW Engineering Allocation					(226,550)
Utility Clearing Allocation					(371,060)
Position Moved from Water to General Fund					(50,900)
Move TL Positions to Projects					(214,740)
Watershed Ecosystem/Data Collection					20,000
IT Allocation (PSRFA)					22,040
Total Changes					(148,260)
Change in Fund Balance	(1,493,318)	(6,333,510)	6,056,835	6,088,750	6,903,210
ENDING FUND BALANCE	$14,119,260	$10,929,080	$23,319,424	$12,502,300	$20,161,940

DRAINAGE UTILITY FUND—CAPITAL PROJECTS

	2020 Adopted Budget	2020 Proposed Budget
Revenues		
Transfer-In - Drainage Operating	$ 5,371,000	$ 5,371,000
Total Revenues	5,371,000	5,371,000
Capital Projects & Expenditures		
County Road 8	200,000	200,000
Downey Farmstead	250,000	250,000
Drainage Master Plan	500,000	500,000
Frager Rd Levee	200,000	200,000
GRNRA Pump Station	250,000	250,000
Kent Airport Levee	100,000	100,000
Lower Russell Road Levee	250,000	250,000
Mill Creek @ 76th Ave Flood Protection	1,000,000	1,000,000
Milwaukee II Levee	100,000	100,000
Misc Drainage	1,121,000	300,000
N Fork Meridian Valley Culvert	300,000	300,000
Pipe replacements/roadway improvements		821,000
Upper Mill Creek Dam	500,000	500,000
Valley Channel Rehabilitation	500,000	500,000
Valley Creek System CLOMR	100,000	100,000
Total Expenditures	5,371,000	5,371,000
Revenues Less Expenditures	$ -	$ -

SOLID WASTE UTILITY FUND

	2018 Actual	2019 Adjusted Budget	2019 August YTD	2020 Adopted Budget	2020 Proposed Budget
BEGINNING FUND BALANCE	$ 479,431	$ 466,750	$ 466,749	$ 506,880	$ 505,500
Revenues					
Charges for Services	632,057	614,860	424,109	627,160	627,160
Intergovernmental	157,053	274,170	117,145		-
Miscellaneous Revenue	10,683	3,950	9,862	4,030	10,250
Total Revenues	799,794	892,980	551,116	631,190	637,410
Changes:					
Interest Income					6,220
Total Changes					6,220
Expenditures					
Salaries & Benefits	526,312	482,330	328,641	498,320	418,320
Supplies	30,708	5,050	8,515	5,160	5,160
Services & Charges	196,295	99,700	51,124	97,380	182,260
Vehicles & Equipment	43,086				
Cost Allocation	(27,012)		(33,000)		
Transfers Out	43,086				
Project Expenditures		287,440	131,123	21,560	13,530
Total Expenditures	812,476	874,520	486,402	622,420	619,270
Changes:					
Salaries and Benefits					(80,420)
Paid Family Medical Leave					420
Central Cost Allocation					71,090
IT Allocation (PSRFA)					5,760
Total Changes					(3,150)
Change in Fund Balance	(12,682)	18,460	64,714	8,770	18,140
ENDING FUND BALANCE	$ 466,749	$ 485,210	$ 531,464	$ 515,650	$ 523,640

UTILITY CLEARING FUND

	2018 Actual	2019 Adjusted Budget	2019 August YTD	2020 Adopted Budget	2020 Proposed Budget
Expenditures					
Salaries & Benefits	$ 4,706,808	$ 5,152,840	$ 3,156,732	$ 5,344,740	$ 5,426,460
Supplies	234,231	354,460	223,171	360,020	360,020
Services & Charges	2,848,422	3,081,720	2,075,401	3,469,480	2,089,530
Vehicles & Equipment			140,471		-
Allocated to Utilities & Streets	(7,783,917)	(8,590,150)	(5,575,246)	(9,174,240)	(7,876,010)
Total Expenditures	5,545	(1,130)	20,530	-	-
Expenditures by Function					
Finance Customer Services	2,609,076	2,901,510	1,926,254	3,275,730	1,638,770
Finance Meter Services	451,907	513,180	334,687	531,360	572,900
PWO Administration	1,622,838	1,831,470	1,060,386	1,884,960	2,143,380
PWO Warehouse	452,657	594,240	288,889	613,510	617,170
PWO Vegetation	2,486,876	2,748,620	1,825,909	2,868,680	2,903,790
Allocated to Utilities & Streets	(7,617,809)	(8,590,150)	(5,415,595)	(9,174,240)	(7,876,010)
Total Expenditures	$ 5,545	$ (1,130)	$ 20,530	$ -	$ -
Changes:					
Salary and Benefits					77,010
Paid Family Medical Leave					4,710
Central Cost Allocation					(1,250,120)
GIS Allocation					103,430
Utility Clearing Allocation					1,298,230
Merchant Cards					(300,000)
Utility Account Liens					30,000
IT Allocation (PSRFA)					36,740
Total Changes					-

GOLF COMPLEX FUND

	2018 Actual	2019 Adjusted Budget	2019 August YTD	2020 Adopted Budget	2020 Proposed Budget
BEGINNING FUND BALANCE	$(3,816,932)	$(3,158,420)	$ (451,910)	$(1,327,360)	$ (664,720)
Revenues					
18 Hole Course	1,289,285	1,477,150	1,144,631	1,520,180	1,590,760
Par 3 Course	8,021				
Driving Range	571,437	687,040	417,504	805,800	805,800
Merchandising	332,633	515,640	260,132	531,110	531,110
Miscellaneous Revenue	96,503	69,380	25,207	69,900	69,900
Sale of Land	6,012,440			1,294,000	1,294,000
Transfer In	200,000	70,000		70,000	70,000
Operating Revenues	8,510,319	2,819,210	1,847,474	4,290,990	4,361,570
Transfers In - Debt Service	719,219				
Total Revenues	9,229,538	2,819,210	1,847,474	4,290,990	4,361,570
Changes:					
Interest Income					70,580
Total Changes					70,580
Expenditures					
Salaries & Benefits	1,317,058	1,435,390	951,530	1,477,100	1,502,560
Supplies	447,057	569,180	331,081	563,070	563,070
Services	678,015	687,520	512,141	712,810	746,260
Vehicles & Equipment	660,942	80,000	32,889		
Debt Service - Principal	50,981	151,130	112,110	158,940	158,940
Debt Service - Interest	53,058	40,000	47,218	32,190	32,190
Transfer To Golf Capital Projects	2,573,754	80,000		1,294,000	1,294,000
Operating Expenditures	5,780,865	3,043,220	1,986,969	4,238,110	4,297,020
Transfer Out - Debt Service	719,219				
Total Expenditures	6,500,084	3,043,220	1,986,969	4,238,110	4,297,020
Changes:					
Salaries and Benefits					24,460
Paid Family Medical Leave					1,000
Central Cost Allocation					28,640
IT Allocation (PSRFA)					4,810
Total Changes					58,910
Change in Fund Balance	2,729,454	(224,010)	(139,495)	52,880	64,550
Year-end Working Capital Adjustment					
ENDING FUND BALANCE	$(1,087,478)	$(3,382,430)	$ (591,405)	$(1,274,480)	$ (600,170)

GOLF FUND—CAPITAL PROJECTS

	2020 Adopted Budget	2020 Proposed Budget
Revenues		
Transfers In - Golf Fund	$ 1,294,000	$ 1,294,000
Total Revenues	1,294,000	1,294,000
Capital Projects & Expenditures		
Golf Clubhouse Renovations	34,000	34,000
Golf Course Accessories	100,000	100,000
Golf Course Renovations/Improvements	510,000	510,000
Golf Irrigation System Upgrades	650,000	650,000
Total Expenditures	1,294,000	1,294,000
Revenues Less Expenditures	$ -	$ -

INTERNAL SERVICE FUNDS

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

The City maintains the following Internal Service Funds:

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

FLEET SERVICES FUND

	2018 Actual	2019 Adjusted Budget	2019 August YTD	2020 Adopted Budget	2020 Proposed Budget
BEGINNING FUND BALANCE	$ 5,869,149	$ 5,869,150	$ 5,869,149	$ 3,542,720	$ 5,279,360
Revenues					
Fleet Operations	3,218,626	3,332,310	2,258,691	3,434,700	3,434,700
Fleet Replacement	1,501,020	1,574,760	1,049,840	1,629,760	1,629,760
Miscellaneous Revenue	966,888	50,000	292,680	51,000	99,340
Operating Revenues					
Transfers In - Projects		1,750,000	1,750,000		
Total Revenues	5,686,534	6,707,070	5,351,211	5,115,460	5,163,800
Changes:					
Interest Income					48,340
Total Changes					48,340
Expenditures					
Salaries & Benefits	1,118,098	1,196,950	802,370	1,236,720	1,269,790
Supplies	1,240,397	1,459,860	768,078	1,489,050	1,489,050
Services & Charges	723,849	837,850	477,671	862,720	1,046,660
Vehicles & Equipment	2,453,996	4,098,800	2,033,827	2,500,000	2,500,000
Operating Expenditures	5,536,339	7,593,460	4,081,946	6,088,490	6,305,500
Transfers Out to Projects	1,750,000				
Total Expenditures	7,286,339	7,593,460	4,081,946	6,088,490	6,305,500
Changes:					
Salary and Benefits					31,900
Paid Family Medical Leave					1,170
Central Cost Allocation					139,050
Utility Clearing Allocation					38,770
Total Changes					210,890
Change in Fund Balance	(1,599,805)	(886,390)	1,269,266	(973,030)	(1,141,700)
ENDING FUND BALANCE	$ 4,269,344	$ 4,982,760	$ 7,138,415	$ 2,569,690	$ 4,137,660

CENTRAL STORES FUND

	2018 Actual	2019 Adjusted Budget	2019 August YTD	2020 Adopted Budget	2020 Proposed Budget
BEGINNING FUND BALANCE	$ (3,113)	$ 15,040	$ 15,044	$ 62,690	$ 64,220
Revenues					
Central Stores Sales	148,816	228,700	98,570	233,240	233,240
Postage Sales	225,239	218,390	149,136	222,770	222,770
Rebates	1,355				
Total Revenues	375,410	447,090	247,706	456,010	456,010
Expenditures					
Central Stores	142,029	180,000	71,815	184,150	183,600
Postage	215,224	207,290	138,094	210,890	208,710
Cost Allocation Plan					4,280
Total Expenditures	357,253	387,290	209,909	395,040	396,590
Changes:					
Central Cost Allocation					4,280
Total Changes					4,280
Change in Fund Balance	18,157	59,800	37,797	60,970	59,420
ENDING FUND BALANCE	$ 15,044	$ 74,840	$ 52,841	$ 123,660	$ 123,640

INFORMATION TECHNOLOGY FUND

	2018 Actual	2019 Adjusted Budget	2019 August YTD	2020 Adopted Budget	2020 Proposed Budget
BEGINNING FUND BALANCE	$ 3,593,294	$ 3,348,100	$ 3,348,099	$ 3,439,390	$ 3,243,630
Revenues					
Utility Tax	1,431,702	1,518,200	935,080	1,736,980	1,736,980
Intergovernmental - RFA	542,171	501,540	125,186		
IT Services - Outside	52,154	55,500	33,528	700	700
Technology Fees	639,690	531,000	455,612	13,000	13,000
IT Internal Contributions	5,645,823	5,921,460	4,024,239	6,906,620	7,350,050
Miscellaneous Revenue	100,847		67,595		68,680
Transfers In	3,874	589,000	589,000		
Total Revenues	8,416,261	9,116,700	6,230,238	8,657,300	9,169,410
Changes:					
Increased Internal Contributions to mitigate RFA Shortage					430,000
True Up of IT Internal Contribution Budgets					13,430
Interest Income					68,680
Total Changes					512,110
Expenditures					
Salaries & Benefits	4,804,807	5,320,980	3,430,936	5,486,940	5,635,280
Supplies	348,165	336,910	293,065	343,500	343,500
Services & Charges	3,336,871	3,795,180	2,214,918	4,016,530	5,213,360
Vehicles & Equipment					
Allocate to Annexation	(360,597)	(374,890)	(234,380)	(188,380)	(188,380)
Transfer to IT Capital Projects	547,660		(0)		
Total Expenditures	8,676,906	9,078,180	5,704,539	9,658,590	11,003,760
Changes:					
Salaries and Benefits					142,690
Paid Family Medical Leave					5,650
Central Cost Allocation					368,580
IT Allocation (PSRFA)					4,400
Increase in IT Maintenance Budget					563,850
Business Analyst					260,000
Total Changes					1,345,170
Change in Fund Balance	(260,645)	38,520	525,700	(1,001,290)	(1,834,350)
Year-end Working Capital Adjustment					
ENDING FUND BALANCE	$ 3,332,648	$ 3,386,620	$ 3,873,798	$ 2,438,100	$ 1,409,280

GIS FUND

	2018 Actual	2019 Adjusted Budget	2019 August YTD	2020 Adopted Budget	2020 Proposed Budget
BEGINNING FUND BALANCE	$ -	$ -	$ -	$ -	$ -
Revenues					
GIS Service Charges					861,950
Total Revenues	-	-	-	-	861,950
Expenditures					
Salaries & Benefits					682,850
Supplies					16,580
Services & Charges					162,520
Total Expenditures	-	-	-	-	861,950
Change in Fund Balance	-	-	-	-	-
ENDING FUND BALANCE	$ -	$ -	$ -	$ -	$ -

FACILITIES FUND

	2018 Actual	2019 Adjusted Budget	2019 August YTD	2020 Adopted Budget	2020 Proposed Budget
BEGINNING FUND BALANCE	$ 2,316,961	$ 2,316,960	$ 2,316,961	$ 2,371,650	$ 3,133,200
Revenues					
Intergovernmental - RFA	149,651	147,400	72,892	147,400	147,400
Rental Fees - Internal	4,653,680	4,971,980	3,313,149	4,990,360	4,990,360
Miscellaneous Revenue	137,689	85,500	136,446	87,310	162,160
Total Revenues	4,941,020	5,204,880	3,522,487	5,225,070	5,299,920
Changes:					
Interest Income					74,850
Total Changes					74,850
Expenditures					
Salaries & Benefits	2,107,635	2,344,000	1,397,250	2,327,580	2,385,330
Supplies	382,766	292,110	180,958	292,440	292,440
Services & Charges	1,851,676	2,101,940	1,222,607	2,147,330	2,360,070
Vehicles & Equipment					
Transfers Out to Projects	591,000	550,000		550,000	550,000
Total Expenditures	4,933,077	5,288,050	2,800,815	5,317,350	5,587,840
Changes:					
Salaries and Benefits					55,600
Paid Family Medical Leave					2,150
Central Cost Allocation					233,360
IT Allocation (PSRFA)					14,380
Reduce Expenses to Add Temp Help					(35,000)
Total Changes					270,490
Change in Fund Balance	7,943	(83,170)	721,672	(92,280)	(287,920)
ENDING FUND BALANCE	$ 2,324,904	$ 2,233,790	$ 3,038,633	$ 2,279,370	$ 2,845,280

FACILITIES FUND—PROJECTS

	2020 Adopted Budget	2020 Proposed Budget
Revenues		
Transfers In - Facilities Operating	$ 550,000	$ 550,000
Transfers In - Capital Resource Fund		$ 150,000
Transfers In - Criminal Justice Fund		$ 400,000
Total Revenues	550,000	1,100,000
Changes:		
Capital Resource Funding for Cubical Conversions		150,000
Criminal Justice Funding for Cubical Conversions		50,000
Criminal Justice Funding for New Backup Generator		350,000
Total Changes		550,000
Projects & Expenditures		
Facilities Lifecycle Projects	550,000	900,000
Tenant Requested Renovations		200,000
Total Expenditures	550,000	1,100,000
Changes:		
Cubical Conversions (Tenant Requested Renovations)		200,000
New Backup Generator		350,000
Total Changes		550,000
Revenues Less Expenditures	$ -	$ -

INSURANCE FUND—UNEMPLOYMENT

	2018 Actual	2019 Adjusted Budget	2019 August YTD	2020 Adopted Budget	2020 Proposed Budget
BEGINNING FUND BALANCE	$ 1,424,508	$ 1,401,220	$ 1,401,222	$ 1,324,510	$ 1,289,110
Revenues					
Contributions - Unemployment	129,112	120,700	86,928	120,700	120,700
Miscellaneous Revenue	29,453	1,000	22,354	1,000	23,990
Total Revenues	158,565	121,700	109,282	121,700	144,690
Changes:					
Interest Income					22,990
Total Changes					22,990
Expenditures					
Salaries & Benefits	29,644	30,610	20,539	31,510	31,580
Services & Charges	2,796	3,000	1,398	3,000	5,740
Unemployment - Claims Paid	149,411	280,000	146,323	140,000	140,000
Total Expenditures	181,851	313,610	168,260	174,510	177,320
Changes:					
Salaries and Benefits					40
Paid Family Medical Leave					30
Central Cost Allocation					2,740
Total Changes					2,810
Change in Fund Balance	(23,286)	(191,910)	(58,978)	(52,810)	(32,630)
ENDING FUND BALANCE	1,401,222	$ 1,209,310	$ 1,342,244	$ 1,271,700	$ 1,256,480

INSURANCE FUND—WORKERS COMPENSATION

	2018 Actual	2019 Adjusted Budget	2019 August YTD	2020 Adopted Budget	2020 Proposed Budget
BEGINNING FUND BALANCE	$ 2,374,326	$ 3,478,730	$ 3,478,730	$ 1,146,350	$ 3,406,170
Revenues					
Contributions - Unemployment	1,049,125	1,082,000	709,979	1,082,000	1,082,000
Miscellaneous Revenue	780,327	12,000	100,337	12,000	47,480
Total Revenues	1,829,452	1,094,000	810,317	1,094,000	1,129,480
Changes:					
Interest Income					35,480
Total Changes					35,480
Expenditures					
Salaries & Benefits	118,575	122,270	82,157	125,880	126,130
Judgments & Damages	306,061	950,000	425,171	950,000	950,000
Liability Insurance	68,673	88,550	83,841	97,410	97,410
Intergovernmental Services	131,215	140,000	113,004	140,000	140,000
Administrative Costs	53,359	60,000	48,724	60,000	60,000
Internal Allocations					14,400
Other Expenses	9,768	16,160	8,608	16,160	48,030
Safety Program	37,398	80,000	9,466	80,000	80,000
Total Expenditures	725,048	1,456,980	770,971	1,469,450	1,515,970
Changes:					
Salaries and Benefits					120
Paid Family Medical Leave					130
Central Cost Allocation					14,400
Origami Software					31,870
Total Changes					46,520
Change in Fund Balance	1,104,404	(362,980)	39,346	(375,450)	(386,490)
ENDING FUND BALANCE	$ 3,478,730	$ 3,115,750	$ 3,518,075	$ 770,900	$ 3,019,680

INSURANCE FUND—HEALTH & WELLNESS

	2018 Actual	2019 Adjusted Budget	2019 August YTD	2020 Adopted Budget	2020 Proposed Budget
BEGINNING FUND BALANCE	$ 2,960,567	$ 3,886,430	$ 3,886,427	$ 3,072,610	$ 5,179,270
Revenues					
Blue Cross - City	8,944,307	10,865,650	7,161,404	11,408,930	11,408,930
Group Health - City	439,747	400,000	333,454	420,000	420,000
HSA - City	2,020,170	2,400,000	1,754,628	2,520,000	2,520,000
Blue Cross - Employee	645,472	921,380	488,364	967,450	967,450
Group Health - Employee	56,135	50,000	38,018	52,500	52,500
Blue Cross - Cobra	145,463	50,000	88,167	55,000	55,000
Miscellaneous Revenue	604,520	365,000	345,652	365,300	418,650
Trasnfers In	1,000,000				
Total Revenues	13,855,813	15,052,030	10,209,688	15,789,180	15,842,530
Changes:					
Interest Income					53,350
Total Changes					53,350
Expenditures					
Salaries & Benefits					
Claims Paid	11,116,211	13,154,150	7,547,169	13,548,780	13,548,780
Group Health Premiums	495,882	397,800	371,472	409,730	409,730
Third Party Admin Fees	535,704	551,110	438,559	567,640	567,640
Stop Loss Fees	602,289	601,800	481,593	619,850	619,850
Wellness Program	63,157	106,170	59,710	109,360	109,360
Other Professional Services	114,324	81,850	83,256	84,300	84,300
Internal Allocations					111,200
Other Expenses	4,364	5,280	3,312	5,440	5,440
Total Expenditures	12,931,931	14,898,160	8,985,072	15,345,100	15,456,300
Changes:					
Central Cost Allocaiton					111,200
Total Changes					111,200
Change in Fund Balance	923,882	153,870	1,224,615	444,080	386,230
ENDING FUND BALANCE	$ 3,884,449	$ 4,040,300	$ 5,111,042	$ 3,516,690	$ 5,565,500

INSURANCE FUND—LIABILITY INSURANCE

	2018 Actual	2019 Adjusted Budget	2019 August YTD	2020 Adopted Budget	2020 Proposed Budget
BEGINNING FUND BALANCE	$ 1,661,132	$ 878,310	$ 878,314	$ 1,138,290	$ 727,580
Revenues					
Contributions - Insurance	1,504,060	1,804,690	1,203,127	2,165,640	2,165,640
Miscellaneous Revenue	22,219	6,000	22,918	6,000	24,790
Reimbursements	109,622		215,853		
Transfers In	300,000				
Total Revenues	1,935,901	1,810,690	1,441,897	2,171,640	2,190,430
Changes:					
Interest Income					18,790
Total Changes					18,790
Expenditures					
Salaries & Benefits	118,574	122,270	82,157	125,880	126,130
Claims & Judgments	1,710,702	985,000	882,207	1,000,000	1,000,000
Insurance Premiums	624,368	750,000	651,739	750,000	750,000
Internal Allocations					22,510
Other Expenses	280,082	160,330	157,711	160,240	192,110
Total Expenditures	2,733,726	2,017,600	1,773,815	2,036,120	2,090,750
Changes:					
Salaries and Benefits					120
Paid Family Medical Leave					130
Central Cost Allocation					22,510
Origami Software					31,870
Total Changes					54,630
Change in Fund Balance	(797,825)	(206,910)	(331,917)	135,520	99,680
ENDING FUND BALANCE	$ 863,307	$ 671,400	$ 546,396	$ 1,273,810	$ 827,260

INSURANCE FUND—PROPERTY INSURANCE

	2018 Actual	2019 Adjusted Budget	2019 August YTD	2020 Adopted Budget	2020 Proposed Budget
BEGINNING FUND BALANCE	$ 652,035	$ 607,540	$ 607,537	$ 526,950	$ 739,340
Revenues					
Contributions - Insurance	565,870	565,870	377,247	565,870	565,870
Miscellaneous Revenue	22,036	800,050	754,488	50	15,270
Total Revenues	587,906	1,365,920	1,131,734	565,920	581,140
Changes:					
Interest Income					15,220
Total Changes					15,220
Expenditures					
Salaries & Benefits	29,644	30,610	20,539	31,510	31,580
Insurance Premiums	382,703	500,000	671,034	510,000	510,000
Claims & Deductibles	147,714	28,000	6,938	25,000	25,000
Internal Allocations					5,500
Other Expenses	72,343	773,490	713,005		
Total Expenditures	632,404	1,332,100	1,411,516	566,510	572,080
Changes:					
Salaries and Benefits					40
Paid Family Medical Leave					30
Central Cost Allocation					5,500
Total Changes					5,570
Change in Fund Balance	(44,498)	33,820	(279,782)	(590)	9,060
ENDING FUND BALANCE	$ 607,537	$ 641,360	$ 327,755	$ 526,360	$ 748,400

APPENDIX

The Appendix section contains the City Taxes and Tax Rates and Job and Salary Classifications.

City Taxes & Tax Rates. 150

Job and Salary Classifications. 152

Glossary. 162

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CITY TAXES AND TAX RATES

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

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

JOB AND SALARY CLASSIFICATION

ELECTED OFFICIALS

Job Classification	Range	2019 Annual Salary
Mayor	*NMAYOR	$152,340
Council President	*EEO	$16,404
Council Member	*EEO	$15,564
Judge	LV2	$172,753

*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

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

Non Union Positions Paid on Merit System: 11

Number of employees as of September 1, 2019:

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
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
Camera Technician	28	58,656	61,428	64,572	67,848	71,112
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
Development Permit Techn Lead	29	59,856	62,868	66,084	69,504	72,948
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

Position	Range	2019 Step and Annual Salary Schedule 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
Plans Examiner Supervisor	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 September 1, 2019: 155
(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
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
Civil Paralegal	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
Service Desk Supervisor	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
Marketing Coordinator	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
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
Government Performance Coordinator	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 Adminstrator	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
Business Analyst	45	88,932	93,360	98,076	102,960	108,312
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

		2019 Step and Annual Salary Schedule				
Position	Range	A	B	C	D	E
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
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
Network Engineer Supervisor	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 September 1, 2019: 238
(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

		2019 Step and Annual Salary Schedule					
Job Classification	Range	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 September 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

JOB AND SALARY CLASSIFICATION

TEAMSTERS LOCAL 117

Position	Range	2019 Step and Annual Salary Schedule 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 September 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

GLOSSARY OF BUDGET RELATED TERMS

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

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

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

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

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

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

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

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

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

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

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

GLOSSARY OF BUDGET RELATED TERMS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GLOSSARY OF BUDGET RELATED TERMS

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

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

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

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

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

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

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

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

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

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

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

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

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

GLOSSARY OF BUDGET RELATED TERMS

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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