

2013 Budget At a Glance

City of Kent, Washington

Operating Budget and
Capital Improvement Plan





2013 Budget at a Glance

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CITY OF KENT, WASHINGTON

2013-2014 Adopted Budget



Suzette Cooke
Mayor

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KENT
WASHINGTON

March 18, 2013

Dear Council President Higgins and City Council Members:

Congratulations on the adoption of the City's first two-year budget covering 2013-2014. The net Operating Budget totals \$287.5 million and the Capital portion is \$37.5 million, a combined total of \$325 million for the biennium.

The adopted budget recognizes continued economic challenges and includes both service reductions and new revenue sources. It incorporates efficiencies, maintains the public's safety, and honors your strategic goals. It diversifies our tax base and takes bold steps toward stabilizing the city's financial future.

Economic Background

These continue to be difficult times, not only for our residents and business community, but also for the City of Kent government and its employees. The **recession** impacts continue across the United States. It affects our local economy and is the most severe and longest lasting recession faced by the City in eight decades. Even as our economy begins to recover, we do not expect to return to pre-recession revenue levels for several years.

Besides the economic downturn, Kent has changed dramatically during this time period. We knew the **Panther Lake annexation** and its 25,000 residents would result in an increased demand for services, such as police, code enforcement, planning, road repairs and mowing. But the money promised by the state to offset expenses is less than originally anticipated and it does not cover capital costs necessary to provide the services.

In 2010, voters approved formation of the **Kent Regional Fire Authority**. Although that action transitioned fire and emergency medical services to a separate taxing authority, we are still paying debt for some of the RFA's buildings and equipment.

And one cannot think about our budget without recognizing the effect **ShoWare Center** has had on it. Conceived in 2006, it was built in record time in 2008 at the height of the economy. Construction costs alone soared by \$600,000 a month, during a time when much of our U.S. steel, cement and building materials were

being shipped overseas to feed the building frenzy occurring in China, the Middle East, and Vancouver, B.C.

Even with the escalation in costs, our economic indicators showed the City could handle the debt should revenues fall below projections. But the recession wreaked havoc on the performance industry - professional shows cancelled their tours and the sale of hockey suites in the arena suffered. Instead of ShoWare making a profit to help pay down the debt incurred to build it, the center has fallen short each year in its operating budget. This reality is now recognized in the 2013-14 budget by a new specific line item of \$500,000.

However, ShoWare Center alone is not the cause - nor the answer - to our financial struggles. Over the years we have enjoyed many amenities through **debt financing**. A partial list of city debt-financed investments includes:

- land for Kent Station and the Sounder Parking Garage
- ten acres for a planned aquatic center that is no longer financially feasible
- buildings: the former Aukeen District Court, Kent Commons, Senior Center, and Centennial Center
- seismic retrofits for City Hall, the Centennial Center, Valley Communications Center and police and fire stations
- parks: Town Square Plaza, Clark Lake Park, Service Club Ballfields and Wilson Playfields
- sidewalks and street improvements
- information technology

All of this was paid - and most of it is still being paid - through city debt.

Revenue Limitations

To continue the context in which this budget was built, we must recognize the limitations of our revenues - both in amount and source.

Property Tax collections are capped at 1% growth, plus new construction which has been stagnant during this slow economic recovery. Construction and property sales form the basis for our **Real Estate Excise Tax (REET)** revenues. While both are showing signs of improvement, our REET revenues continue to be down 40% from pre-recession receipts.

Sales Tax revenue has plummeted nearly 32%, with three factors contributing to such a major dip:

- The economic reality has propelled people to be more cost-conscious, and big box retailers, like Costco and Wal-Mart, have benefitted. Neither is located in Kent.
- On line shopping continues to eat away at brick-and-mortar retail outlets. Even though sales and use tax is still required for internet purchases, many customers do not “volunteer” to pay it. Although the Washington State Department of Revenue is tasked with collecting sales and use tax, it lacks the means to effectively collect on Internet purchases.
- When Washington State implemented Streamlined Sales Tax in 2008, it switched our sales tax collection from source-based to destination-based. This means that Kent can no longer collect sales tax on goods shipped out of our warehouses. The City is projected to receive \$4.8 million per year in mitigation dollars from the state, which only partially covers the sizable loss of sales tax revenue. The state legislature has reduced the mitigation amount each year. We will never be made whole.

There’s a public perception that the **Gas Tax** should provide more than enough money to pay for our roads and street maintenance. But gas tax itself is insufficient. As we buy more fuel-efficient vehicles, hybrids and electric cars, fuel tax revenues will continue to decline.

Cost Drivers beyond the City’s control:

- Rising **gas prices**, combined with **property insurance** rate increases due to national disasters, will cost us an additional \$305,000 in 2013.
- **Health care** costs are up 5% to the tune of \$265,000 in 2013, and another \$295,000 in 2014.
- State mandated public **employee pension** payments are up \$80,000 for the second half of 2013, and \$170,000 in 2014.

Quite simply, our revenues do not keep pace with basic cost increases, leaving us with an unsustainable operation – one that will remain unsustainable unless we do something to address available revenues vs. expenses.

Council Policies

The City Council's Strategic Plan includes the development of a sustainable funding model, and this adopted budget moves us in that direction. The City Council also approved two measures that provided a solid framework for the budget process:

- **Biennial Budget:** On March 6, 2012, Council approved shifting to a new biennial budget process which complements longer-term planning.
- **Financial Policies:** On June 5, 2012, Council adopted updates to the Financial Policies that guide the budget process, including:
 - Work toward a **10% fund balance** in the General Fund
 - Establish a **\$1.5 million contingency/emergency fund** that is separate from the 10% fund balance. To build this fund, we will contribute \$500,000 annually for the next three years.
 - Establish a **capital reserve fund**, contributing \$250,000 annually.

Also, this budget modifies the way we fund **human services**. Traditionally, an amount equal to 1% of the previous year's general fund revenues was allocated to fund these services, placing them at the mercy of our fluctuating economy. Council approved shifting to a per capita basis for improved stability. The 2013 rate is \$6.96 per capita, generating nearly \$829,000 for direct grants to human service organizations. (No staff or overhead costs are off-set.) The rate will increase according to inflation. By comparison, cultural arts programs have always been funded at \$2.00 per capita, which also pays a portion of staff costs.

Operating Budget

The 2013-14 net Operating Budget totals \$287.5 million for two years. That is a 0.2% increase from the annual budgets for 2011 and 2012 combined.

New and Increased Revenues: Before City Council adopted the budget, the following revenue proposals were the subject of numerous public meetings with residents and businesses:

- **New 6% Cable TV Utility Tax:** Kent joined most neighboring jurisdictions in charging this tax. The projected \$1.3 million annual revenue will apply towards the City's technology needs.
- **Increased Permit and Inspection Fees:** By providing 75% cost recovery for these services, the City will generate an additional \$1.2 million annually. Our rates remain below market, keeping us in a competitive position within the region.

- **New Business & Occupation Tax:** Council approved a B&O Tax that is projected to generate \$5 million annually. It will provide funds for street infrastructure.
- **Additional 3% Internal Utility Tax:** An internal utility tax is imposed by the City on its own water, sewer and storm drainage utilities. It is not a direct tax paid by residents or businesses. The additional internal utility tax, generating \$1.76 million annually, is dedicated to paying down debt service and increasing the General Fund reserve. 2% will cover the 10-year repayment of an inter-fund loan for the outstanding balance of ShoWare Center construction costs, and sunsets when the debt is fully paid. The remaining 1% will help increase General Fund reserves to 10%, and will sunset when the 10% reserve is reached.

Cost Reductions

We did not increase revenues without also cutting expenses. Since 2008 the City has **eliminated 102 positions**, including 20 in this biennium. This figure does not include Kent Fire Department personnel who left the City in July 2010 to form the Kent Regional Fire Department Authority, a separate government jurisdiction overwhelmingly approved by a public vote. Also, 2013 is the fourth consecutive year that city employees have gone without pay increases.

These cuts come with consequences that will be particularly felt in services provided by our Public Works, Police and Parks Departments:

- Eliminated the Human Services **resource and referral coordinator** position, pushing these services out to contract agencies.
- **"Big Blue"** bit the dust. Our mobile technology bus brought access of books and computers to youth events and low income residential areas. Staff and resources were re-allocated to other adaptive recreation programs.
- Eliminated the **Visual Arts Coordinator** position, spreading the responsibility to other Cultural Arts staff.
- Discontinued City operation of the **Morford Family Carousel** - we need private investment to support this program.
- Reduced Engineering design, **traffic control**, and responsiveness to street signs and markings.
- Integrated the **police bike patrol** into the general patrol units so we have greater city-wide coverage and reduced operational costs. The bike patrol will mobilize as needed.

- Although there are no reductions to the number of uniformed officers, we will delay filling four vacant **police positions** until mid 2013. We project being able to hire an additional police officer if Criminal Justice revenues are made available from the state.
- Technology improvements allowed us to eliminate a **police administrative assistant** and a **police records specialist**.
- Reduced the General Fund subsidy for **recreation programs** through fee adjustments and reduced activities.

New Positions have been added in key areas to meet public demand or more fully engage the private sector:

- A half time position in **Code Enforcement** to begin re-building that service after prior layoffs.
- An additional **Building Inspector** in July 2013 to meet anticipated demand - and paid by increased permit and inspection fees.
- A Parks and Recreation **Fund Development Officer** in 2014 to fundraise from private parties to reduce the General Fund subsidy to these programs.

Capital Budget

The capital portion of the 2013-14 Biennial Budget totals \$37.5 million. Of that, \$23 million represents Enterprise Funds (revenue-generating services like the golf course), \$12.9 million applies to Capital Projects Funds (streets, parks, information technology), with the remainder for Governmental Funds such as fleet replacement.

Revenues available for the general Capital Budget remain significantly below 2008's level. For the past four years, the decline in revenues has placed extreme pressure on our ability to preserve and maintain our assets, including streets, parks, facilities and technology. To alleviate some of this pressure, a portion of the new revenues are dedicated to capital, including:

- \$4.7 million of the Business & Occupation Tax for **street overlays** and materials
- \$850,000 of Cable TV Utility Tax for **technology** capital needs

As a result of the property tax levy for our **streets and parks** being defeated in November, capital funding for their repair and maintenance remains critically lacking.

The Capital Budget also includes funding for ongoing major repairs and preservation of our utilities infrastructure for **water, sewer and drainage** services. The projects, which are funded through utility rates and grants, include:

- Further upgrades to the Green River levee system to improve safety and lead to accreditation by FEMA (Federal Emergency Management Agency)
- Drainage and pump station improvements to re-route surface waters and reduce flooding in the Mill Creek Basin
- Sewer infrastructure improvements and pipe replacements
- Water infrastructure improvements in the East Hill pressure zone and pipe replacements

Conclusion

The impact of this recession has not been easy on anyone. The dreadfully slow and painful economic recovery, combined with the effect of streamlined sales tax, has left the City with limited options. This budget is a reflection of our commitment to ensure sustainable operations for the services you value – in light of the economy.

I wish to thank our personnel who have worked diligently and creatively to contribute solutions to our budget challenges. For the fourth year in a row they have covered for each other during staff shortages, foregone wage increases, sacrificed training, and scrimped on supplies.

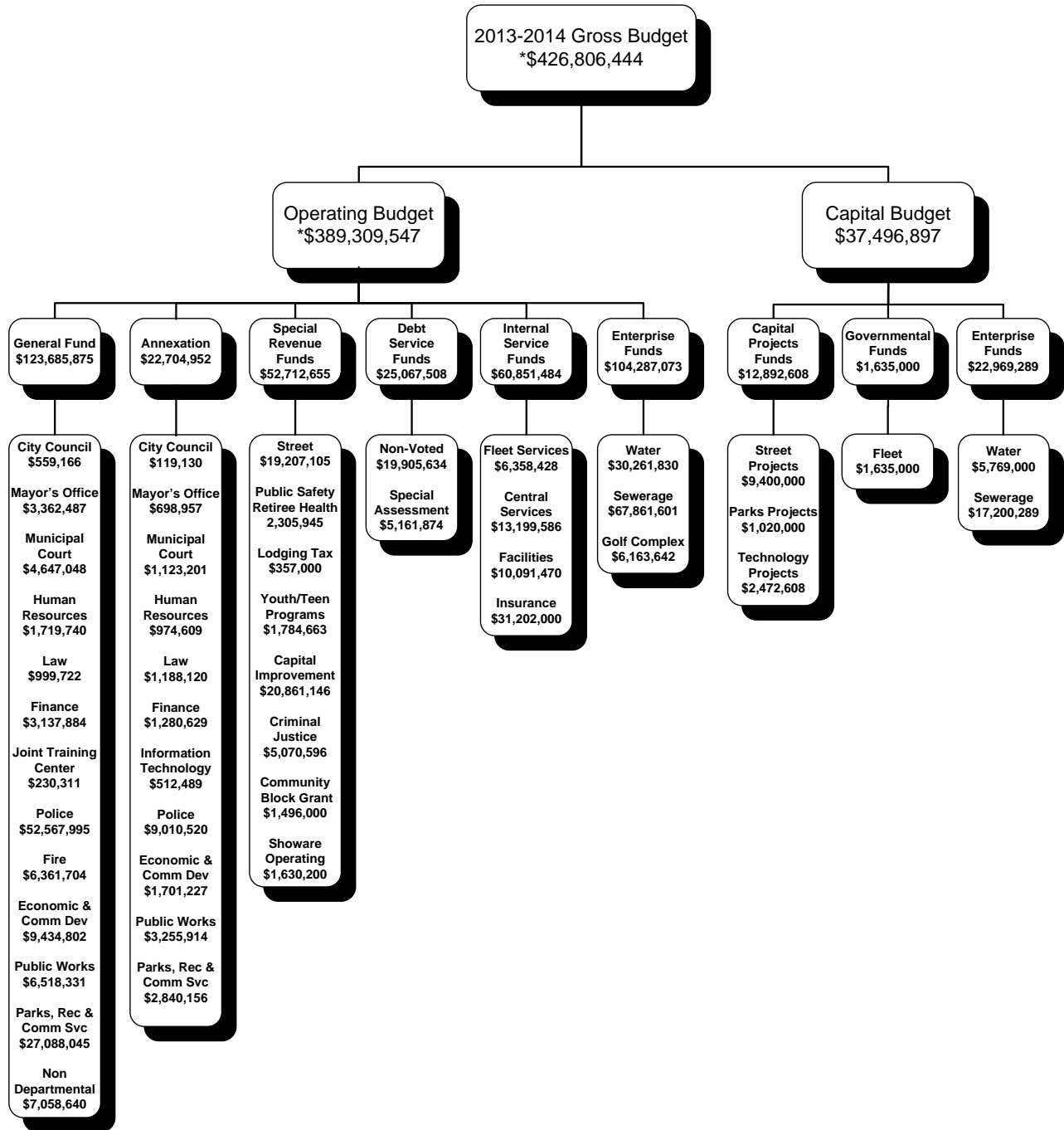
Council members, thank you for your robust debates, passion and perseverance through the budget process. The conversations that took place showed your deep commitment to this community; a quality community that provides people living and doing business here a safe environment that we are proud to call home.

Respectfully,

A handwritten signature in black ink that reads "Suzette Cooke". The signature is written in a cursive, flowing style.

Suzette Cooke
Mayor

City of Kent Capital & Operating Budget



*Includes Transfers and Internal Services

CITY OF KENT, WASHINGTON
2013 - 14 Biennial Budget
Combined Operating Statement

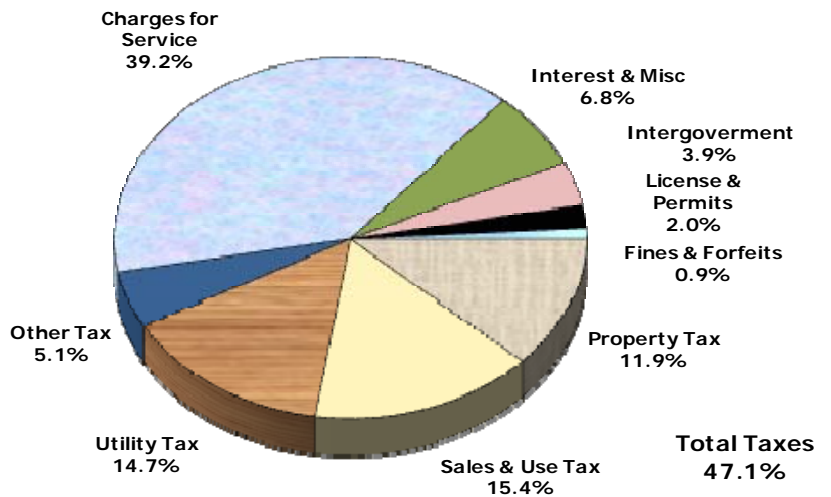
	2013 Beginning Balance	2013 Revenues	2013 Expenditures	2014 Revenues	2014 Expenditures	2014 Ending Balance
GOVERNMENTAL FUNDS						
GENERAL FUND						
Excluding Annexation	2,141,075	62,855,544	61,109,660	64,169,159	62,576,215	5,479,903
Annexation	415,875	11,313,867	11,229,620	11,551,948	11,475,332	576,738
SPECIAL REVENUE FUNDS						
Street Operating	271,151	9,548,286	9,581,920	9,601,506	9,625,185	213,838
LEOFF 1 Retiree Benefits Fund	472,982	986,306	1,121,608	1,075,794	1,184,337	229,137
Lodging Tax Fund	94,907	194,432	178,500	196,862	178,500	129,201
Youth/Teen Programs	119,957	892,630	886,139	903,061	898,524	130,985
Capital Improvement	(12,411,319)	15,995,465	10,261,472	10,685,466	10,599,674	(6,591,534)
Criminal Justice	1,045,643	2,533,180	2,516,815	2,563,979	2,553,781	1,072,206
Community Block Grant		748,000	748,000	748,000	748,000	
Other Operating Projects	328,776	120,251		118,280		567,307
ShoWare Operating Fund	(2,355,552)	1,350,000	810,000	1,400,000	820,200	(1,235,752)
DEBT SERVICE FUNDS						
Voted	2,284					2,284
LTGO Debt		9,852,575	9,852,575	10,053,059	10,053,059	
Special Assessment	976,214	3,528,985	2,659,355	3,484,056	2,502,519	2,827,381
CAPITAL PROJECTS FUNDS						
Street Projects		4,700,000	4,700,000	4,700,000	4,700,000	
Parks Projects		510,000	510,000	510,000	510,000	
Technology Projects		1,224,800	1,224,800	1,247,808	1,247,808	
PROPRIETARY FUNDS						
ENTERPRISE FUNDS						
Water	752,609	18,145,464	17,794,479	18,636,186	18,236,351	1,503,429
Sewerage	6,479,238	42,655,076	44,691,417	43,824,145	40,370,473	7,896,569
Golf Complex	(2,295,761)	3,072,234	3,057,054	3,122,234	3,106,588	(2,264,935)
INTERNAL SERVICE FUNDS						
Fleet Services	1,528,371	3,994,336	4,285,556	4,392,240	3,707,872	1,921,519
Central Services	290,384	6,704,538	6,536,032	6,735,556	6,663,554	530,892
Facilities Fund	614,013	4,884,083	4,999,163	5,065,110	5,092,307	471,736
Insurance	6,808,607	16,332,519	14,987,292	16,906,345	16,214,708	8,845,471
TOTAL GROSS BUDGET	5,279,454	222,142,571	213,741,457	221,690,794	213,064,987	22,306,375
LESS:						
Internal Service Funds		28,965,979	28,965,979	30,239,381	30,239,381	
Transfers		21,209,743	21,209,743	21,440,271	21,440,271	
TOTAL BUDGET	5,279,454	171,966,849	163,565,735	170,011,142	161,385,335	22,306,375

2013-14 BUDGET HIGHLIGHTS

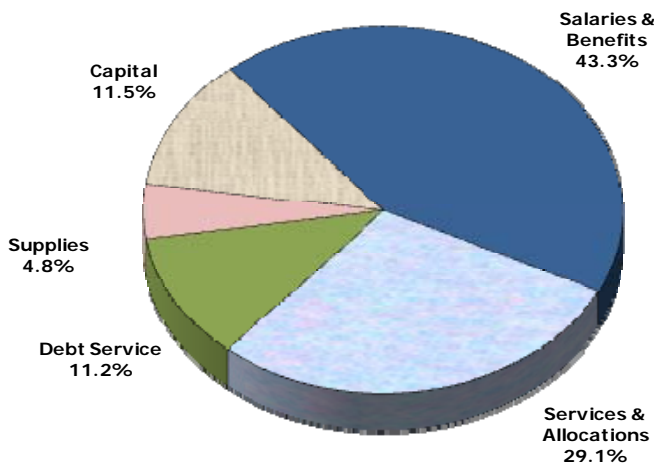
On December 11, 2012, Council adopted the City’s first biennial budget. The adopted 2013-14 net biennial budget totals nearly \$325 million and reflects Kent’s continued efforts to adjust to a new economic reality, where rising costs converge with deteriorating revenues. The two year budget includes \$3 million of additional spending as a result of state mandates, contracted services and rate increases, which is fully offset by \$3.1 million in program and other reductions. Council also approved two new revenue streams to help augment deteriorated revenues: (1) a business and occupation tax that is expected to generate \$4.7 million for street maintenance and repairs; and (2) a 6% cable utility tax that is expected to generate \$1.3 million to address Information Technology operations and capital needs.

Where the Money Comes From

During these challenging economic times, the City is fortunate to have diverse revenue streams. Taxes are the primary funding of general governmental services, composing 47.1% of the total funding sources for 2013-14. Charges for services are largely user fees for water and sewerage utilities. Golf revenues and parks-sponsored classes are other examples of this type of revenue. Intergovernmental revenue is primarily from grants and shared revenues from the State and county such as the Liquor Board profits and excise taxes. Licenses and permits include business licensing and permitting revenues. Fines and forfeitures are collected for city infractions and court costs.



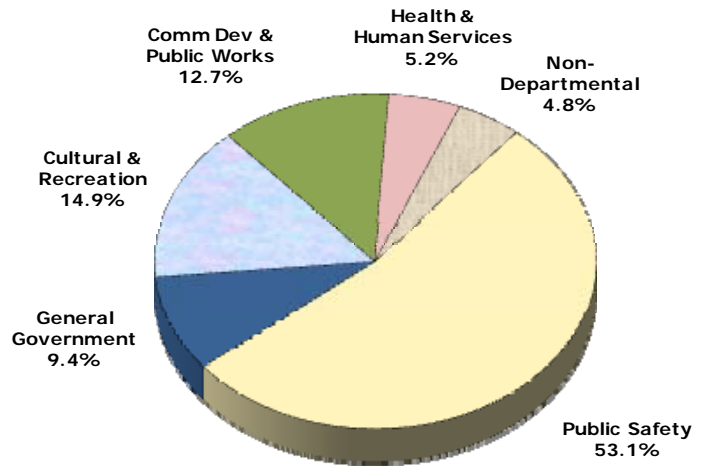
Where the Money Goes by Category



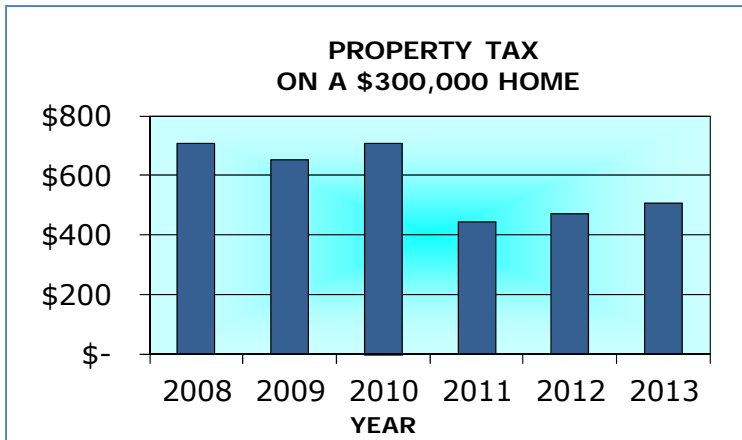
Salaries and benefits make up 43.3% of city uses supporting 615.805 full time equivalent positions. Services and allocations are expenditures for outside contractors, consultants and other services. Debt service is the debt repayment of principal and interest on the City’s bonded debt. The bonds are issued to finance construction of capital projects such as parks, roads, water, storm sewer and system improvements. Capital outlays are valuable fixed assets generally with a lifetime of more than three years. Supplies expenditures are for office and operating expenses.

Where the Money Goes by Program

Public Safety, including Police, Municipal Court and Youth Teen Programs, represent 53.1% of the General Fund expenditures, including Annexation. Health and Human Services at 5.5% include contracts with human service agencies, Parks Senior Center, Adult Day Care, and Adaptive Recreation Programs. Community Development and Public Works at 12.7% includes the Permit Center, Planning and Building Services, Street and Public Works. Other Parks Programs at 14.9% are included in Culture and Recreation. General Government includes the administrative and support functions of City Council, Mayor's Office, City Clerk, Human Resources, Legal and Finance Departments. General Government composes 9.4% of the General Fund budget.



City Share of Property Taxes

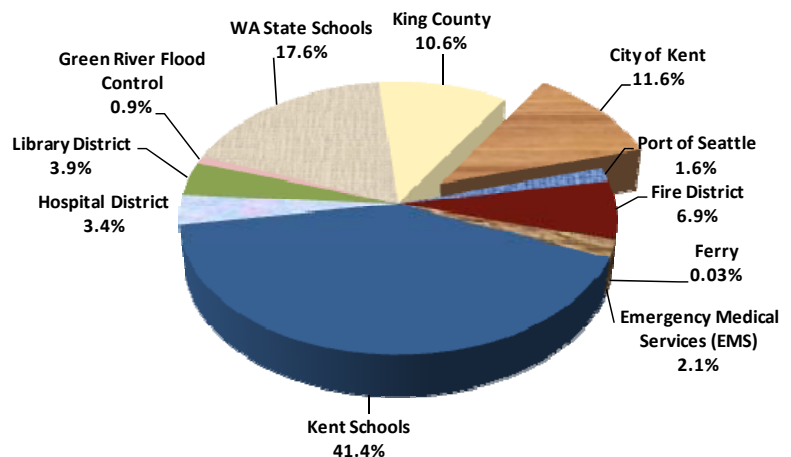


Property taxes are a major source of revenue for municipalities as well as other government entities. Beginning in 2011, property taxes were reduced by \$1 per assessed valuation due to formation of the Regional Fire Authority. Based on citywide assessed valuation, the 2013 total levy rate is \$1.694 per one thousand dollars assessed valuation, which is well below the maximum allowable rate of \$2.10.

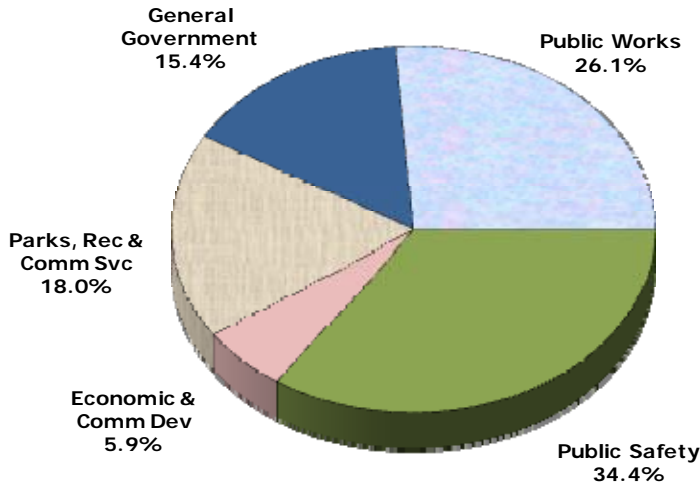
Where Property Taxes are Distributed

King County establishes property tax values and sets property tax rates based on each area's submitted needs. Of a typical Kent 2013 property tax bill, only 11.6% goes to the City of Kent. The remaining 88.4% is distributed to other agencies as shown here.

Residents in the Federal Way School District may notice a variance in the percentages shown here due to a levy rate difference between the two school districts.



Staffing

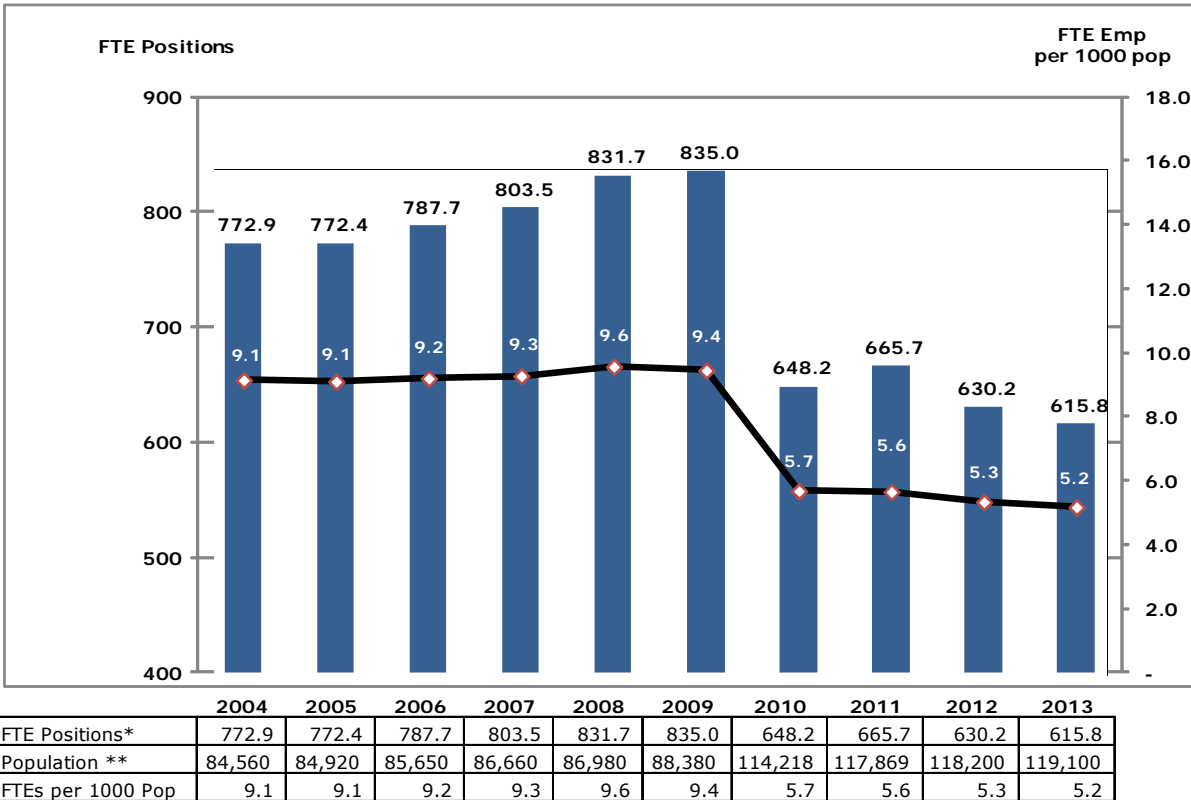


Salaries and benefits represent approximately 66.2% of the General Fund and Annexation expenditures.

Citywide for 2013, there are a total of 615.805 full time equivalent positions. Authorized positions decreased by 18.075 in eliminated or reduced positions, offset by a 3.725 FTE increase. New positions include two B&O Tax Auditors and a Combination Building Inspector.

Efficiency

Our increasing efficiency is demonstrated by the graph shown below. In the past ten years, the population in Kent has increased by 40.8%, yet the number of employees per 1,000 residents has declined from 9.1 to 5.2.



* Full-Time Equivalent (FTE) employees were reduced by 166 Fire Department employees that transferred to the Regional Fire Authority (RFA) on July 1, 2010.

** Populations are based on state official estimates. 2010 includes the Panther Lake Annexation effective July 1, 2010.

Major Changes in the 2013-14 Biennial Budget

Dept	Description	FTE	2013 General Fund (1)	2013 Other Fund (1)	2014 General Fund (1)	2014 Other Fund (1)	Fund	Comments
Revenues								
Approved Contracts								
	Court Services - Maple Valley Contract		175,000		175,000			
	Jail Services - Maple Valley Contract		80,300		80,300			
	Total Approved Contracts		255,300		255,300			
Proposed Revenues								
	Business & Occupation Tax		300,000	4,700,000	300,000	4,700,000	Street	
	Cable Utility Tax - 6%			1,300,000		1,300,000	IT/Annex	
ECD	Inc Permits/Plans Review to ~75 Cost Recovery		1,132,451		1,134,579			
ECD	Cell Tower/Billboard Lease Admin Fees		2,000		2,000			
Admin	Kent4Health Donations		2,500		2,500			
	Total Proposed Revenues		1,436,951	6,000,000	1,439,079	6,000,000		
	Total Revenue Impacts		1,692,251	6,000,000	1,694,379	6,000,000		
Expenditures								
Required - per contract or other mandate								
	PERS Retirement Rate Increase - 1.9%		80,000		170,000			mandate - state
	LEOFF 1 Retirees Rate Increase - 11.5%		59,365		66,192			mandate - state
ECD	Comprehensive Plan Update				100,000			mandate - state
ECD	Consulting-Wetland & Critical Areas Review			60,000		70,000	Utilities	eliminate vacant FTE
Police	Law Enforcement Academy Training			19,986		19,986	Crim Just	required officer training
Police	Valley Communication Fees		18,445	5,202	37,074	10,456	Annex	interlocal agreement
Police	Corrections Food Services Agreement		2,551	2,576	5,127	4,025	Annex	contracted services
Police	Corrections Medical Services Agreement		12,692	2,418	16,540	3,151	Annex	contracted services
Police	Police Range Air Filtration System			11,000			Seized	filters required every 4 years
PW	Bridge Inspection Services				10,330			mandate - FHA and WA State
	Total Required		173,053	101,182	405,263	107,618		
Council Strategic Goals								
HR	Cultural Diversity Initiative - Temp PT		25,600		25,600			contingent on proposed fees
ECD	Econ Dev Strategic Plan-Action Items		20,000		50,000			contingent on proposed fees
ECD	Downtown Subarea Action Plan -Action Items		50,000		50,000			
	Total Council Strategic Goals		95,600		125,600			
Expected Actual Expenditures								
HR	Cost Increases-fuel, equip reserves, property ins		305,000		320,250			
Parks	Netmotion-remote access to city network		3,000		3,000			
Police	Garbage Expense Adjustment-Park Ops		10,717		11,632			bring budget in line with costs
	Detective Software Licensing-annual mtc			7,526		7,526	Crim Just	decreased grant funding
	Total Expected Actual Expenditures		318,717	7,526	334,882	7,526		

Major Changes in the 2013-14 Biennial Budget

Dept	Description	FTE	2013 General Fund (1)	2013 Other Fund (1)	2014 General Fund (1)	2014 Other Fund (1)	Fund	Comments
Other Budget Needs								
	Medical Rate Increase - 5%		265,000		295,000			cost offset by donations
Admin	Kent4Health Walk Program		2,500		2,500			contingent on proposed fees
ECD	Research Marketing Recruitment		15,500		15,500			contingent on proposed fees
ECD	Combination Building Inspector Position	1.000	55,316	2	106,632			
ECD	Remote Access - Inspectors & Code Enforce		26,000		3,600			
HR	Professional Services - Human Resources		60,424		3,500			
HR	Employee of the Month / Year Program		3,500					
Police	Ballistic Vest Replacements					12,620	Crim Just	decreased grant funding
PW Ops	Increase MW2 position to full time	0.475		26,500		26,500	Annex	
PW Ops	10 Yard Dump Truck			150,000			Storm	
PW Ops	F250 Chase Truck			36,500			Storm	
PW Ops	Hydraulic Water Valve Turner			24,000			Water	
PW Ops	Purchase Used Vector Truck from Storm			45,000			Water	
PW Ops	Vector Truck Reserves for 2018 Replacement			75,000		75,000	Water	
	Total Other	1.475	428,240	357,000	426,732	114,120		
Span of Control & Reductions								
Span of Control Savings:								
Finance	10072 - Eliminate Accounting Manager	(1.000)	(126,915)		(128,242)			
Finance	10853 - Add Administrative Asst 2	1.000	86,955		88,546			
Eliminate vacant positions:								
Parks	Maintenance Worker (attrition)	(1.000)	(82,536)	(20,634)	(83,459)	(20,865)		
Parks	10523 - Human Services Admin Asst	(0.750)	(65,896)		(66,582)			
Facilities	10851 - Custodian	(1.000)	(54,914)	(13,729)	(56,068)	(14,017)		
PW Engr	10670 - Engineer 2	(1.000)						frozen position-no savings
PW Engr	10686 - CTR Program Coordinator	(1.000)						grant ended-no savings
Court	10829 - Judicial Specialist	(1.000)	(79,808)		(81,341)			
Law	10301 - Legal Secretary 1	(0.800)		(67,631)		(68,800)		
ECD	10049 - Conservation Analyst	(1.000)		(106,991)		(108,155)	Utilities	use consultant services
Police	10831 - Evidence Custodian	(0.525)						grant ended-no savings
Police	10515 - Patrol Officer (COPS grant)	(1.000)						grant ended 9/30/12-no savings
Police	10516 - Patrol Officer (COPS grant)	(1.000)						grant ended 9/30/12-no savings
	Program Reductions - see separate list	(6.475)	(829,721)	(377,446)	(510,016)	(328,023)		
	Total Span of Control & Reductions	(16.550)	(1,152,835)	(586,431)	(837,162)	(539,860)		
B&O Tax Uses								
	B&O Tax Program Administration	2.000	300,000		300,000			staff, software, services
	Street Overlays, Supplies & Materials			4,700,000		4,700,000	Street	
	Total B&O Tax Uses		300,000	4,700,000	300,000	4,700,000		

Major Changes in the 2013-14 Biennial Budget

Dept Description	FTE	2013 General Fund (1)	2013 Other Fund (1)	2014 General Fund (1)	2014 Other Fund (1)	Fund	Comments
Cable Utility Tax Uses							
IT Staffing			260,000		260,000	Annex	
IT Licensing & Maintenance Fees			340,000		340,000	IT	
IT Capital & HW/SW Replacement			700,000		700,000	IT	
Total Cable Utility Tax Uses			1,300,000		1,300,000		
Total Expenditure Impacts							
	(15.075)	162,775	5,879,277	755,315	5,689,404		
Net Cost of Major Changes							
	(15.075)	(1,529,476)	(120,723)	(939,064)	(310,596)		

2013 Net	(1,650,199)	2014 Net	(1,249,660)
2 Year Net Cost		(2,899,859)	

Notes:

- 1 - Amounts in 2013 and 2014 reflect total additions based on 2012.
- 2 - partial year costs

Program Reductions in the 2013-14 Biennial Budget

Description	FTE	2013 General Fund	2013 Other Fund	2014 General Fund	2014 Other Fund	Fund	Comments
Economic & Community Development							
Reduce Federal Lobbying Contract		(33,966)		(34,645)			
Add Code Enforcement Officer	0.525			61,840			
Total Econ & Comm Development	0.525	(33,966)	0	27,195	0		
Parks, Recreation & Community Services							
Human Services							
Replace 1% with Per Capita Funding		210,134		210,134			total \$928,980; \$7.80 per capita
Shift existing positions to per capita funding:							
50% Sr. Human Services Coordinator		(56,075)		(56,814)			
50% Human Services Coordinator		(48,319)	(91,834)	(49,035)	(92,874)	Annex	
Eliminate Human Services Coordinator	(1.000)						
Shift existing positions to Annex funding:							
50% Sr. Human Services Coordinator		(56,075)	56,075	(56,814)	56,814	Annex	
50% Human Services Coordinator		(48,319)	48,319	(49,035)	49,035	Annex	
City Arts Program		(108,470)		(110,191)			
Eliminate City Arts Program Coordinator	(1.000)						
Shift existing positions to City Arts funding:							
50% Parks Program Manager							
50% Administrative Assistant 1							
Recreation							
Eliminate Mobile Tech Bus Program		(15,000)		(15,000)			cost shift only - no net gain/loss
Reduce Recreation net costs		(100,000)		(100,000)			cost shift only - no net gain/loss
Park Operations							
Reduce Supplies		(15,000)		(15,000)			
Facilities							
Eliminate Custodian	(1.000)		(56,497)		(57,238)	Facilities	
Reduce Custodial Supplies			(63,503)		(62,762)	Facilities	
Savings to departments - reduced Facilities costs		(99,336)	(20,664)	(99,336)	(20,664)		
Parks Fund Development Officer	1.000			90,000			
Total Parks, Rec & Comm Services	(2.000)	(336,460)	(128,104)	(251,091)	(127,689)		
Police							
Fill vacant positions July 2013:							
Commander		(75,465)					
Sergeant			(50,211)			Annex	
Officer - 2		(100,421)					
Unfreeze 1 Officer position in CJ Fund			100,421				
Eliminate Administrative Assistant 2	(1.000)	(76,073)		(76,651)	101,545	Crim Just	
Eliminate Records Specialist	(1.000)	(69,180)		(70,020)			
Total Police *	(2.000)	(321,139)	50,210	(146,671)	101,545		
Public Works							
PW Operations - Signs & Markings							
Eliminate Mtc Worker 2 positions	(2.000)	(66,829)	(86,533)	(67,115)	(87,562)	Annex	

Program Reductions in the 2013-14 Biennial Budget

Description	FTE	2013 General Fund	2013 Other Fund	2014 General Fund	2014 Other Fund	Fund	Comments
Shift 50% Street Superintendent to Annex Transportation		(71,327)	71,327	(72,334)	72,334	Annex	
Reduce Transportation Materials			(150,000)		(150,000)	Street	
Shift 50% Engineering Tech 3 to Engr Design	(0.500)		(51,451)		(52,159)	Street	
Design Engineering							
Add 50% Engineering Tech 3	0.500	0		0			alloc to projects - no gain/loss
Eliminate Engineering Tech 3	(1.000)		(82,895)		(84,492)	Str/Util	alloc to projects - no gain/loss
Total Public Works	(3.000)	(138,156)	(299,552)	(139,449)	(301,879)		
Total Program Reductions	(6.475)	(829,721)	(377,446)	(510,016)	(328,023)		

2013 Total (1,207,167) 2014 Total (838,039)

* An additional 3 officer positions in the Criminal Justice fund to be unfrozen in 2014, contingent on receipt of sufficient Criminal Justice revenues from the State.

2013 - 2014 Operating Budget City Council & Mayor/Administration

Mission Statement

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

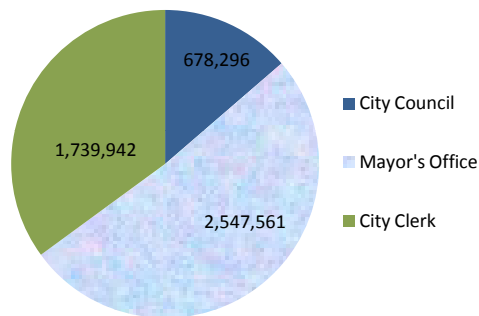
Mayor's Office oversees all facets of city government and provides oversight on all programs and services. Provide the communication link between citizens, neighborhoods, City Council, city departments and other government agencies. Manages the City's official records, public disclosure, elections, and the City Council agenda and official minutes.

City Clerk manages the City's official records, public disclosure, elections, and the City Council agenda and official minutes.

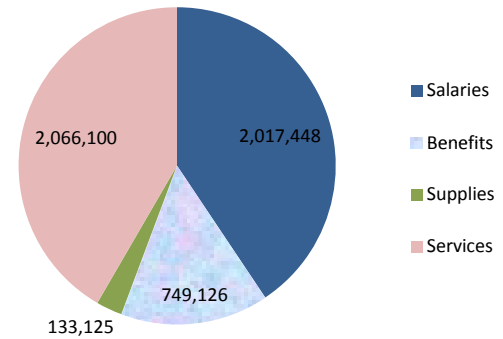
Program Revenue:	7,461
Expenditures:	4,965,799
Net Expenditures:	4,958,338

Division/Program	Positions		Budget		Sources of Revenue (Total Biennium)			
	2013	2014	2013	2014	Program Revenue	General Fund	Annex	Special Rev
City Council	0.525	0.525	335,474	342,822		559,166	119,130	
Mayor's Office	6.000	6.000	1,263,847	1,283,714	5,381	2,210,474	331,706	
City Clerk	4.000	4.000	845,159	894,783	2,080	1,370,611	367,251	
Total Expenditures	10.525	10.525	2,444,480	2,521,319	7,461	4,140,251	818,087	-

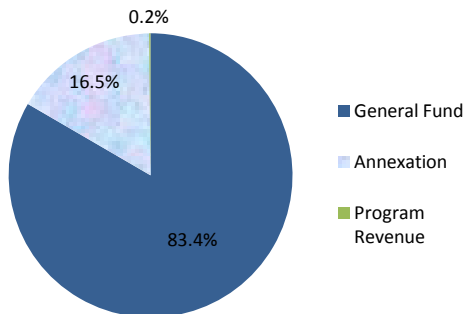
Expenditures by Division



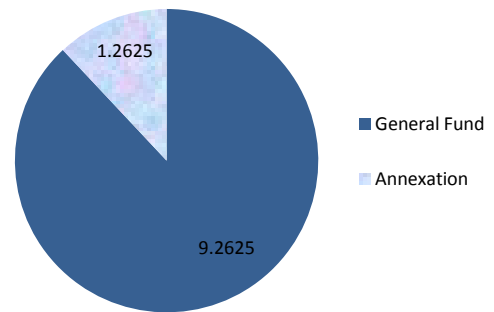
Expenditures by Category



Department Funding Sources



Positions by Major Fund



2013 - 2014 Operating Budget Economic & Community Development

Mission Statement

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

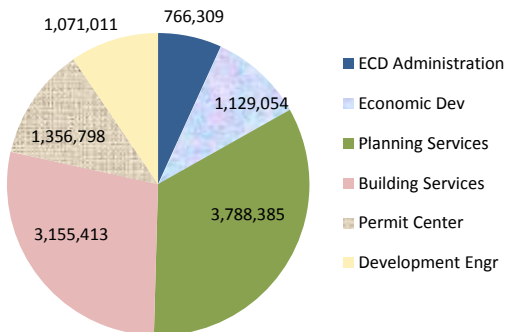
Program Revenue:	7,027,249
Expenditures:	11,266,970
Net Expenditures:	4,239,721

Division/Program	Positions		Budget		Sources of Revenue (Total Biennium)			
	2013	2014	2013	2014	Program Revenue	General Fund	Annex	Special Rev (1)
	ECD Administration	2.000	2.000	312,157	316,214	221	22,120	606,030
Land Use & Planning Board			6,242	6,367		12,609		
Hearing Examiner			62,044	63,285	52,757	72,572		
Economic Development	2.000	2.000	546,762	582,292	4,000	555,071	212,983	357,000
Planning Services	10.600	10.600	1,830,475	1,957,910		3,727,094	61,291	
Building Services	12.000	12.525	1,516,446	1,638,967		2,376,087	779,326	
Permit Center	5.000	5.000	671,903	684,895	5,604,257	(4,272,278)	24,819	
Development Engineering	5.000	5.000	531,491	539,520	1,366,014	(311,781)	16,778	
Total Expenditures	36.600	37.125	5,477,520	5,789,450	7,027,249	2,181,494	1,701,227	357,000

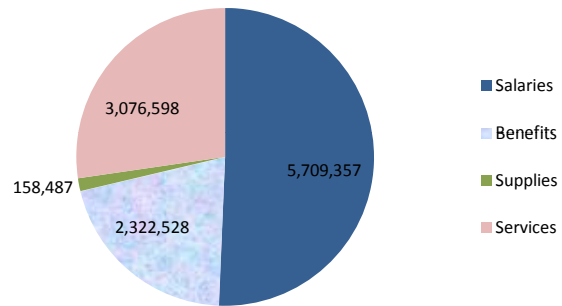
(1) Special Revenues include the following:

Lodging Tax Fund: \$357,000 (\$178,500 annually) for Economic Development programs.

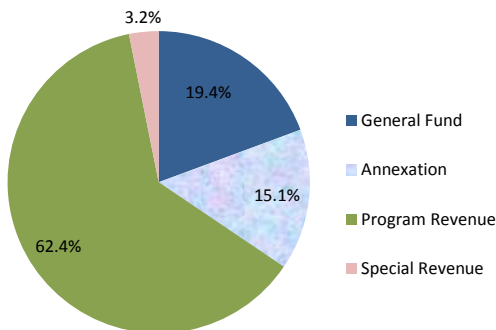
Expenditures by Division



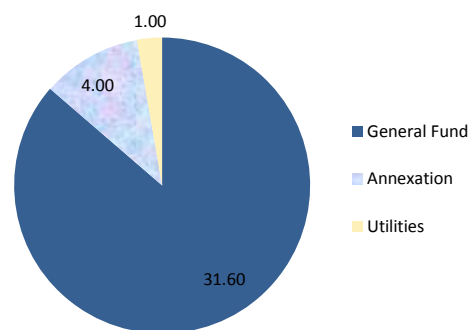
Expenditures by Category



Department Funding Sources



Positions by Major Fund



2013 - 2014 Operating Budget Finance Department

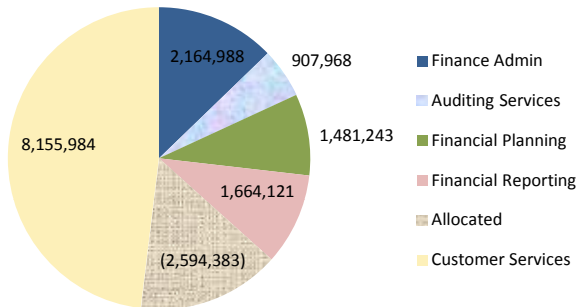
Mission Statement

We deliver excellent financial and customer services to all of our customers. Through fiscal responsibility, we demonstrate our integrity, dedication and commitment to serving the residents, community and our fellow employees at the City.

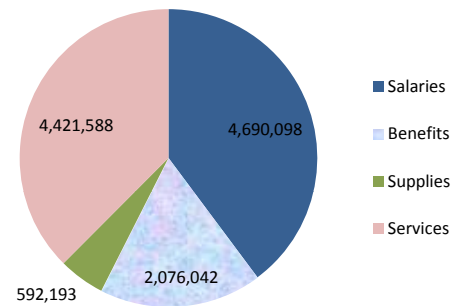
Program Revenue:	1,038,460
Expenditures:	11,779,921
Net Expenditures:	10,741,461

Division/Program	Positions		Budget		Sources of Revenue (Total Biennium)			
	2013	2014	2013	2014	Program Revenue	General Fund	Annex	Allocated to Utilities
Finance Administration	2.000	2.000	1,072,325	1,092,663	457	1,523,678	640,853	
Auditing	3.000	3.000	452,807	455,161		907,968		
Financial Planning	6.000	6.000	734,941	746,302		1,276,058	205,185	
Financial Reporting	6.600	6.600	825,260	838,861		1,664,121		
Allocated to Other Funds			(1,290,738)	(1,303,645)		(2,594,383)		
Customer Services	2.950	2.950	394,034	400,542	10,683	349,302	434,591	
Central Stores & Mail Room	-	-	508,914	518,406	1,027,320			
Utility Billing-Customer Services	7.580	7.580	2,789,733	2,821,472				5,611,205
Utility Billing-Field Services	3.530	3.530	358,185	364,698				722,883
Total Expenditures	31.660	31.660	5,845,461	5,934,460	1,038,460	3,126,744	1,280,629	6,334,088

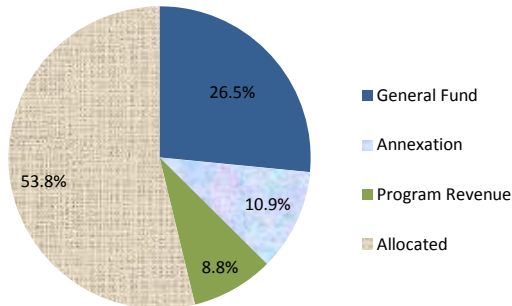
Expenditures by Division



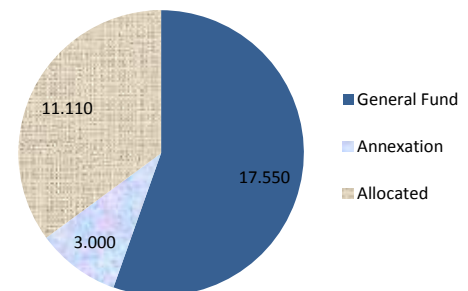
Expenditures by Category



Department Funding Sources



Positions by Major Fund



2013 - 2014 Operating Budget Human Resources

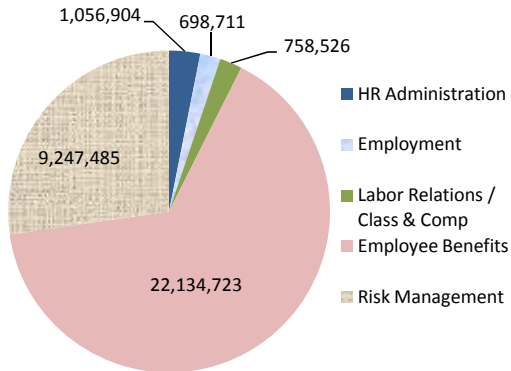
Mission Statement

The Human Resources Department is responsible for the recruitment and retention of a professional, productive and diverse work force and for the safety of employees and citizens by providing quality training, consulting, and customer service.

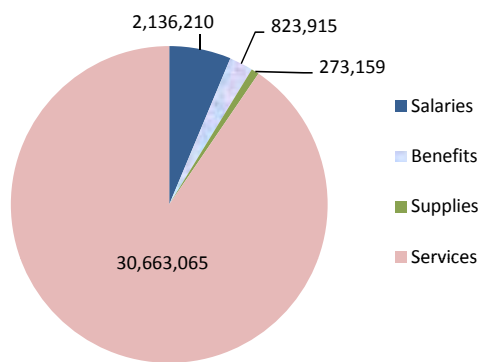
Program Revenue:	31,229,896
Expenditures:	33,896,349
Net Expenditures:	2,666,453

Division/Program	Positions		Budget		Sources of Revenue (Total Biennium)			
	2013	2014	2013	2014	Program Revenue	General Fund	Annex	Special Rev
HR Administration	2.000	2.000	551,418	505,486		185,096	871,808	
Employment	1.600	1.600	346,110	352,601	5,480	590,430	102,801	
Labor / Class & Comp	3.000	3.000	376,342	382,184		758,526		
Employee Benefits	3.600	3.600	10,442,945	11,691,778	22,131,527	3,196		
Risk Management	2.000	2.000	4,633,644	4,613,841	9,092,889	154,596		
Total Expenditures	12.200	12.200	16,350,459	17,545,890	31,229,896	1,691,844	974,609	-

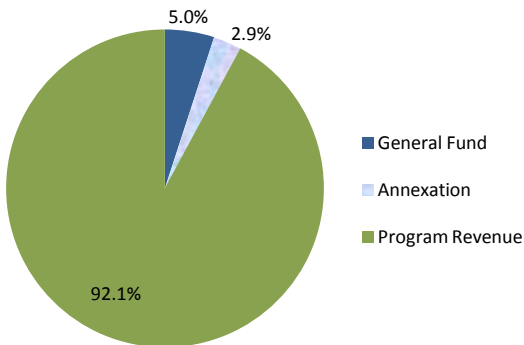
Expenditures by Division



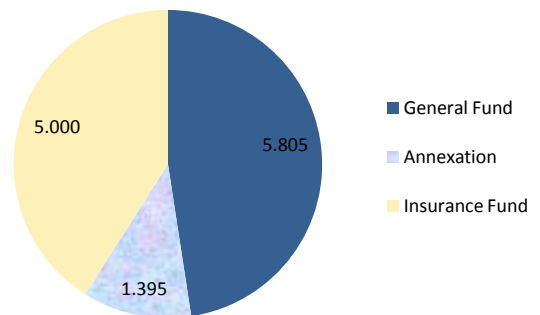
Expenditures by Category



Department Funding Sources



Positions by Major Fund



2013 - 2014 Operating Budget

Information Technology

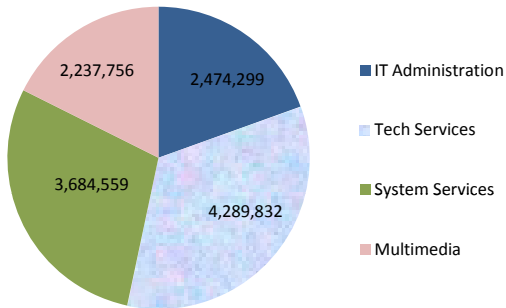
Mission Statement

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

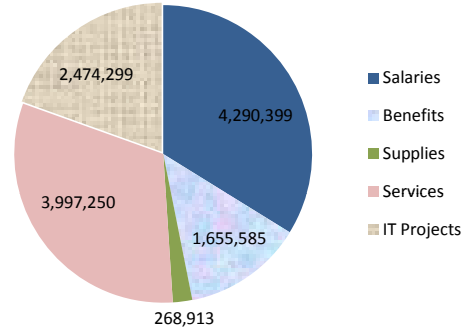
Program Revenue: 12,173,957
 Expenditures: 12,686,446
Net Expenditures: 512,489

Division/Program	Positions		Budget		Sources of Revenue (Total Biennium)			
	2013	2014	2013	2014	Program Revenue	General Fund	Annex	Special Rev
IT Capital Projects			1,226,491	1,247,808	2,474,299			
Tech Services	10.515	10.515	2,124,654	2,165,178	4,289,832			
System Services	8.253	8.253	1,823,200	1,861,359	3,172,070		512,489	
Multimedia	0.758	0.758						
Printing	1.408	1.408	560,122	570,169	1,130,291			
Graphics	1.988	1.988	273,130	278,029	551,159			
Cable Media	2.035	2.035	275,681	280,625	556,306			
Total Expenditures	24.955	24.955	6,283,278	6,403,168	12,173,957	-	512,489	-

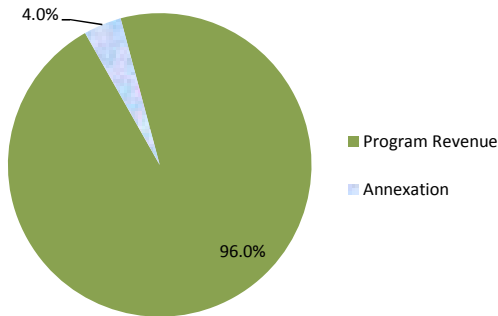
Expenditures by Division



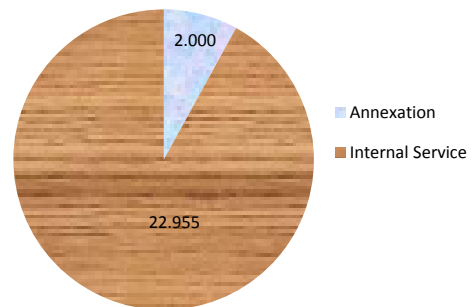
Expenditures by Category



Department Funding Sources



Positions by Major Fund



2013 - 2014 Operating Budget Law Department

Mission Statement

Leaders in Municipal Law.

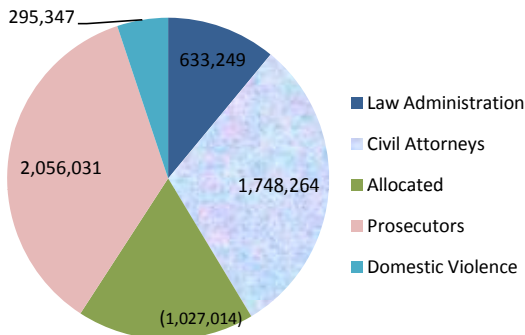
Program Revenue:	30,000
Expenditures:	3,705,877
Net Expenditures:	3,675,877

Division/Program	Positions		Budget		Sources of Revenue (Total Biennium)			
	2013	2014	2013	2014	Program Revenue	General Fund	Annex	Special Rev (1)
	Law Administration	1.000	1.000	312,886	320,363		556,721	76,528
Civil Attorneys	5.000	5.000	868,188	880,076	30,000	1,170,454	547,810	
Allocated to Other Funds			(510,952)	(516,062)		(1,027,014)		
Prosecutors	9.800	9.800	1,020,417	1,035,614		269,561	563,782	1,222,688
Domestic Violence			146,489	148,858				295,347
Total Expenditures	15.800	15.800	1,837,028	1,868,849	30,000	969,722	1,188,120	1,518,035

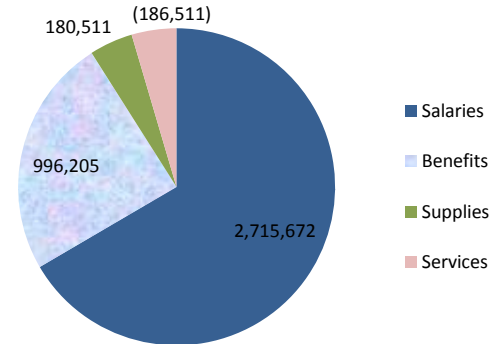
(1) Special Revenues include the following:

Criminal Justice Fund: \$1,518,035 for Prosecutor and Domestic Violence programs.

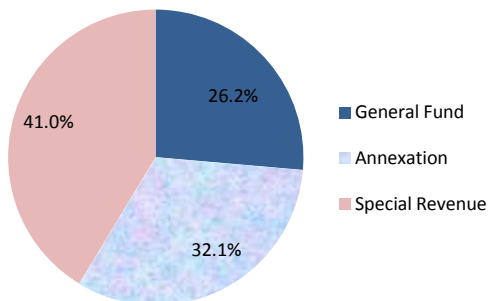
Expenditures by Division



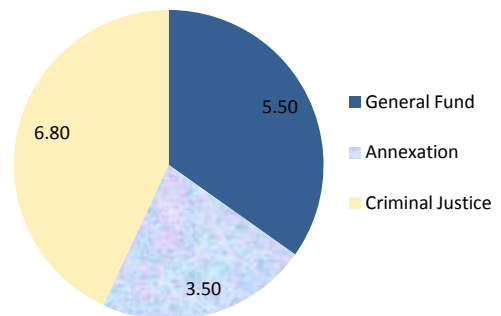
Expenditures by Category



Department Funding Sources



Positions by Major Fund



2013 - 2014 Operating Budget Municipal Court

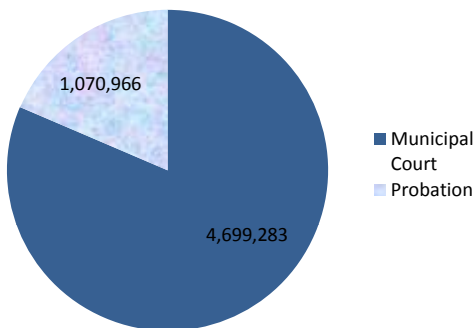
Mission Statement

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

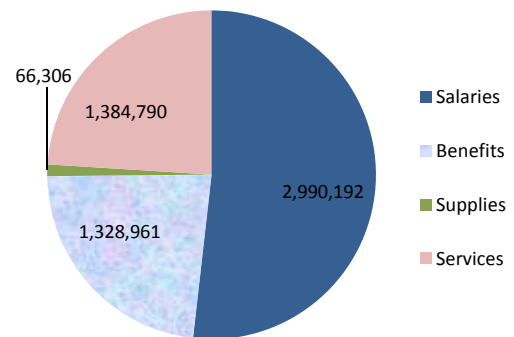
Program Revenue:	4,706,522
Expenditures:	5,770,249
Net Expenditures:	1,063,727

Division/Program	Positions		Budget		Sources of Revenue (Total Biennium)			
	2013	2014	2013	2014	Program Revenue	General Fund	Annex	Special Rev
Municipal Court	15.530	15.530	2,328,176	2,371,107	4,706,522	(891,481)	884,242	
Probation	4.750	4.750	531,991	538,975		832,007	238,959	
Total Expenditures	20.280	20.280	2,860,167	2,910,082	4,706,522	(59,474)	1,123,201	-

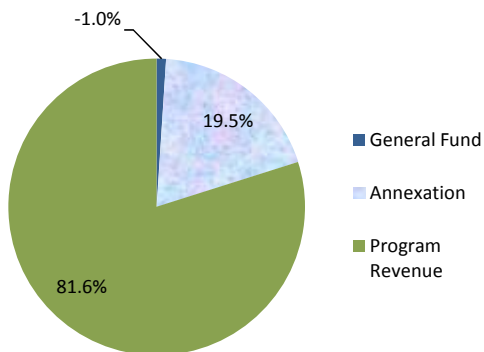
Expenditures by Division



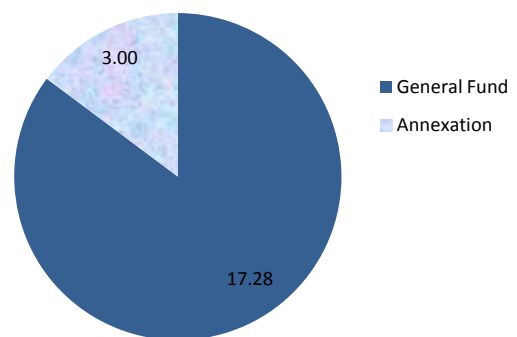
Expenditures by Category



Department Funding Sources



Positions by Major Fund



2013 - 2014 Operating Budget
Parks, Recreation & Community Services

Mission Statement

Dedicated to enriching lives, we are committed to providing safe and inviting parks and facilities. We offer meaningful and inclusive recreational, cultural and human service programs. We are responsive, encouraging and ethical in our dedication to the community.

Program Revenue	20,167,732
Expenditures	48,355,426
Net Expenditures	28,187,694

Division/Program	Positions		Budget		Sources of Revenue (Total Biennium)			
	2013	2014	2013	2014	Program Revenue	General Fund	Annex	Special Rev (1)
Parks Administration	3.000	4.000	743,221	849,212		1,170,390	422,043	
Animal Control			270,000	278,100		425,326	122,774	
Parks Planning & Dev	4.525	4.525	307,381	313,134		292,069	328,446	
Recreation								
Cultural Arts	4.000	4.000	391,059	397,359	16,000	724,952	47,466	
Cultural Events			67,946	69,070	111,617	25,399		
Arts Commission			147,510	145,838	151,078	142,270		
City Arts Program			238,200	238,200		476,400		
Recreation Programs	12.630	12.630	2,670,624	2,732,517	2,392,406	2,985,593	25,142	
Aquatics Programs			77,545	77,754		155,299		
Kent Meridian Pool			97,512	99,462		196,974		
Youth/Teen (2)	4.000	4.000	929,054	942,942	39,000	3,574	128,759	1,700,663
Adaptive Recreation	2.000	2.000	377,209	382,418	166,509	593,118		
Camps			122,571	123,879	235,032	11,418		
Senior Center	5.530	5.530	1,380,979	1,414,458	884,978	1,607,425	303,034	
Human Services								
Human Services	3.000	3.000	1,130,745	1,137,036		1,873,796	546,080	50,000
Human Service Agencies			928,980	928,980		1,655,865		
Comm Dev Block Grants	5.000	5.000	748,000	748,000				1,496,000
Golf Complex								
18-Hole Course	7.250	7.250	1,727,582	1,754,017	3,397,599			84,000
Par 3 Course	1.550	1.550	294,944	299,546	594,490			
Driving Range	1.800	1.800	479,598	488,012	967,610			
Merchandise Center	0.750	0.750	554,930	565,013	1,119,943			
Facilities Management	24.000	24.000	4,999,163	5,092,307	10,091,470			
Parks Operations								
Park Maintenance	30.000	30.000	4,970,747	5,080,559		9,134,894	916,412	
Street Trees	2.000	2.000	267,968	274,145				542,113
Total Expenditures	111.035	112.035	23,923,468	24,431,958	20,167,732	21,474,762	2,840,156	3,872,776

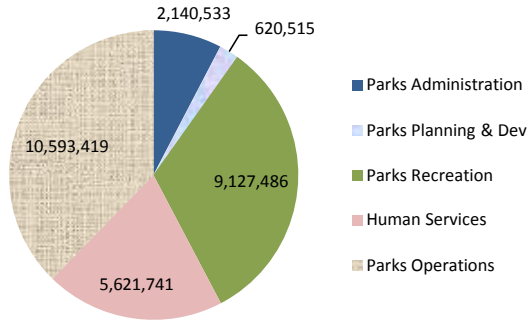
(1) Special Revenues include the following:

- Street Operating Fund: \$542,113 for street tree maintenance program
- Youth/Teen Fund: \$1,784,663 for various Youth/Teen programs
- Criminal Justice Fund: \$50,000 for KYFS-Youth Violence Prevention program
- Community Development Block Grant: \$1,496,000 for block grant funded human services programs

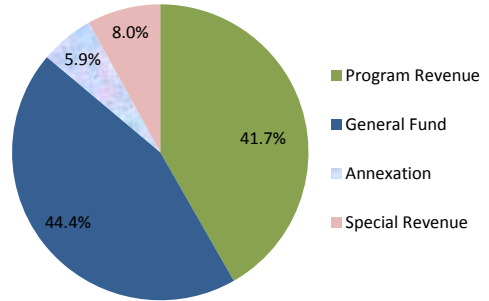
(2) includes \$206,832 for youth/teen programs managed by the Police Department

2013 - 2014 Operating Budget Parks, Recreation & Community Services

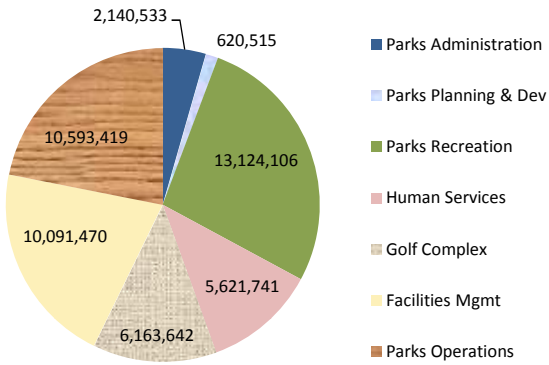
Net Expenditures by Division



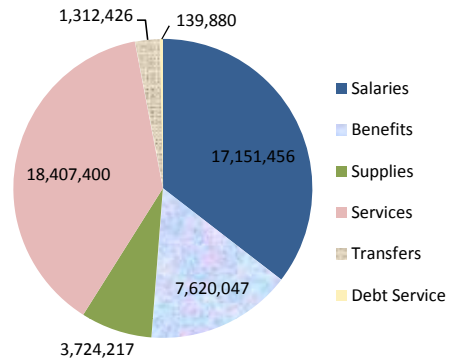
Department Funding Sources



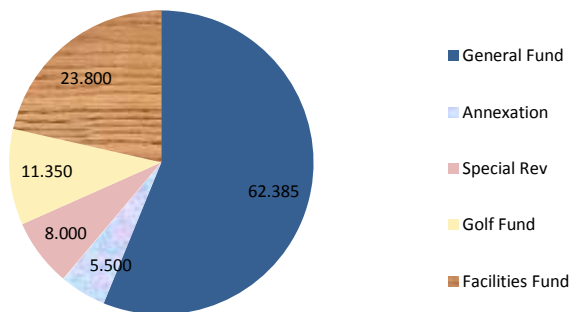
Expenditures by Division



Expenditures by Category



Positions by Major Fund



2013 - 2014 Operating Budget Police Department

Mission Statement

The Kent Police Department partners with our community to aggressively fight crime; impartially protect rights; and identify and solve problems.

Program Revenue:	1,475,494
Expenditures:	65,344,387
Net Expenditures:	63,868,893

Division/Program	Positions		Budget		Sources of Revenue (Total Biennium)			
	2013	2014	2013	2014	Program Revenue	General Fund	Annex	Special Rev (1)
Police Administration								
Administration	5.500	5.500	2,048,191	2,173,409	35,229	3,913,047	273,324	
Facilities			459,742	480,560		940,302		
Communications			2,692,472	2,769,428		4,374,946	1,086,954	
Training	2.000	2.000	624,584	633,775		1,141,245	77,142	39,972
Support Services								
Records	12.000	12.000	1,884,296	1,918,671	81,086	3,369,808	352,073	
Investigations & Evidence	22.000	22.000	3,026,903	3,065,225	431,101	4,412,024	806,948	442,055
Patrol								
Patrol	107.000	107.000	14,664,511	15,046,459	418,956	23,026,704	4,113,965	2,151,345
K-9	3.000	3.000	700,450	713,759		1,414,209		
Traffic	7.000	7.000	1,189,261	1,214,882		1,997,042	407,101	
Parking	0.750	0.750	76,998	79,103		114,878	41,223	
Crime Prevention Education (2)	1.000	1.000	94,787	97,615		72,395	120,007	
Corrections	25.500	25.500	4,269,746	4,351,344	509,122	6,315,901	1,731,783	64,284
Special Programs	4.000	4.000	167,556	159,689				327,245
VNET Task Force	2.000	2.000	253,947	256,713				510,660
Joint Training Center			112,725	117,586		230,311		
Total Expenditures	191.750	191.750	32,266,169	33,078,218	1,475,494	51,322,812	9,010,520	3,535,561

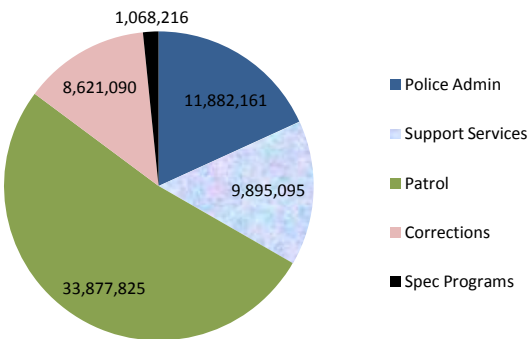
(1) Special Revenues include the following:

Criminal Justice Fund: \$2,697,656 for Investigations, Patrol, Traffic and Corrections programs.

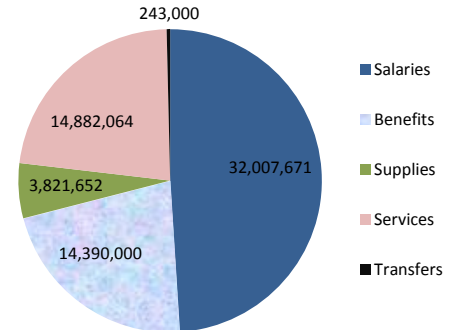
Special Programs: \$837,905 for programs such as Seized Assts, VNET Task Force and Boat Registration & Safety

(2) excludes \$206,832 for youth/teen programs managed by the Police Department, which are accounted for in Parks.

Expenditures by Division

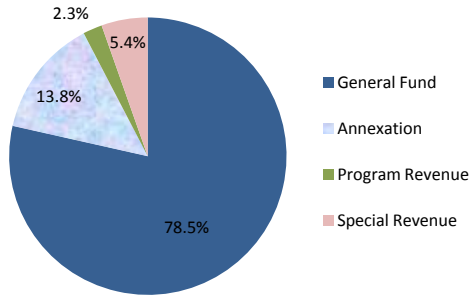


Expenditures by Category

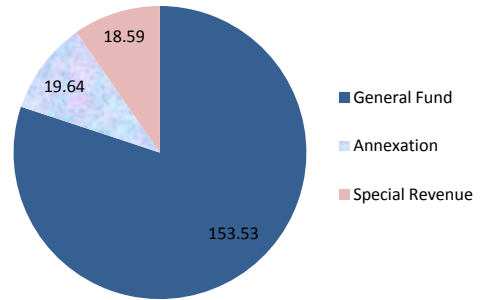


2013 - 2014 Operating Budget Police Department

Department Funding Sources



Positions by Major Fund



2013 - 2014 Operating Budget Public Works

Mission Statement

Develop and maintain safe, cost-effective and essential infrastructure to serve the Kent community, while sustaining our natural resources.

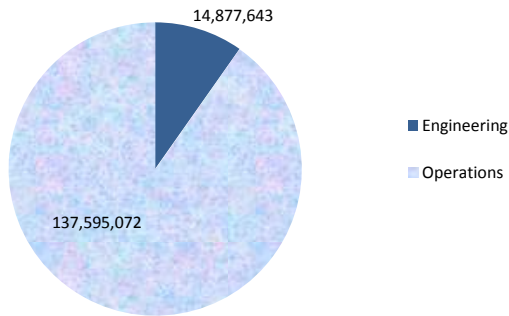
Program Revenue	135,663,604
Expenditures	152,472,715
Net Expenditures	16,809,111

Division/Program	Positions		Budget		Sources of Revenue (Total Biennium)			
	2013	2014	2013	2014	Program Revenue	General Fund	Annex	Special Rev (1)
Public Works Engineering	8.000	8.000	2,753,185	2,792,361	430	3,136,098	436,837	1,972,181
Design Engineering	17.000	17.000	1,257,548	1,276,111		2,533,659		
Construction Engineering	10.000	10.000	1,142,496	1,164,715	976,094	1,296,962	34,155	
Environmental Engineering	18.000	18.000	1,284,669	1,320,559	3,331,493	(726,265)		
Land Survey	8.000	8.000	807,649	820,014		1,576,493	51,170	
Transportation Engineering	6.000	6.000	1,209,079	1,235,884	2,770	1,683,889	758,304	
Allocated to Capital Projects			(5,793,226)	(5,793,401)	337	(12,255,722)		668,758
Street Overlays & Materials			4,700,000	4,700,000				9,400,000
Public Works Operations								
PWO Administration	9.000	9.000	2,071,979	2,121,054	4,193,033			
PWO Warehouse	3.000	3.000	395,159	402,206	797,365			
Allocated to PWO Functions			(2,467,138)	(2,523,260)	(4,990,398)			
Street Maintenance	26.000	26.000	3,512,883	3,620,888	15,352	3,571,588	1,975,448	1,571,383
Street Lights / Fire Hydrants			1,776,020	1,801,540	4,453,387	(875,827)		
Water Operations	24.000	24.000	17,794,479	18,236,351	36,030,830			
Sewer Operations	8.000	8.000	24,411,659	24,553,874	48,965,533			
Storm Drainage Operations	15.000	15.000	19,195,708	14,698,242	33,893,950			
Fleet Services	9.000	9.000	4,285,556	3,707,872	7,993,428			
Total Expenditures	161.000	161.000	78,337,705	74,135,010	135,663,604	(59,125)	3,255,914	13,612,322

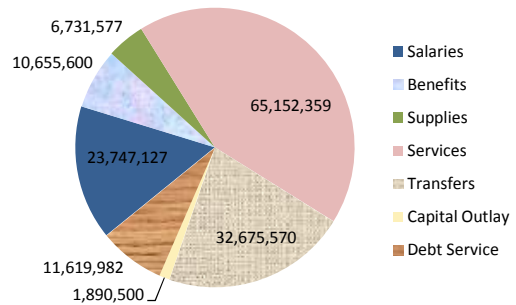
(1) Special Revenues include the following:

Street Operating Fund: \$4,212,322 for street project engineering; street lights, signals and general street maintenance.

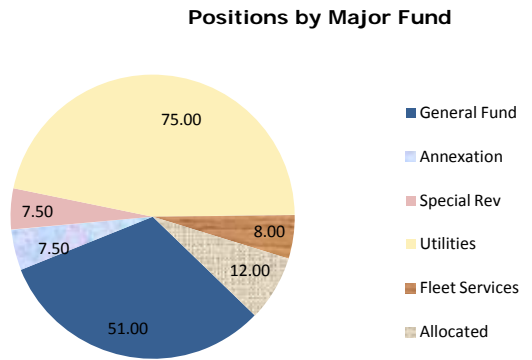
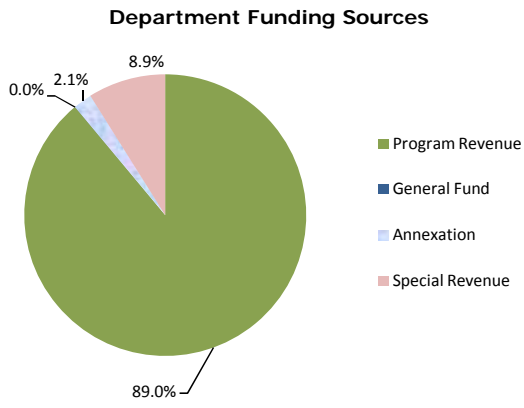
Expenditures by Division



Expenditures by Category



2013 - 2014 Operating Budget Public Works



2013 - 2018 Capital Improvement Program Requested Amounts in Thousands

	2013	2014	2015	2016	2017	2018	Total
Sources of Funds							
Capital Improvement Fund	300	350	500	385	475	300	2,310
Street - B & O Tax	4,700	4,700	4,747	4,794	4,842	4,891	28,675
Parks - REET/GF	500	500	505	510	515	520	3,050
Technology - Cable Utility Tax	850	858	867	876	885	893	5,229
Facilities Fund	495	570	316	805	335	615	3,136
Utility Funds	14,749	11,035	11,659	11,796	12,345	12,908	74,492
Grants	180	185	1,000	1,000	0	0	2,365
Local Improvement District	2,000	0	0	0	0	0	2,000
Other Sources	11,407	14,150	15,852	23,935	28,737	17,547	111,628
Total Sources of Funds	35,181	32,348	35,446	44,101	48,134	37,674	232,885

Project Requests							
General Government	2,524	2,660	3,631	10,338	13,424	1,663	34,241
Public Safety	0	50	200	85	175	0	510
Transportation	12,960	11,560	10,960	10,960	10,960	10,960	68,360
Parks, Rec, and Comm Svcs	4,398	5,143	7,296	8,122	8,430	9,543	42,932
Utilities	15,299	12,935	13,359	14,596	15,145	15,508	86,842
Total Project Requests	35,181	32,348	35,446	44,101	48,134	37,674	232,885

