

Council 2015-2016 Preliminary Budget Questions/Requests

Q#	Date	Name	Question/Requests	Assigned to	Status
1	9/30	Ranniger	Foster inclusiveness: What more will be done to address community concerns regarding social justice and equity within the existing budget? Mtg: Mayor, Ranniger, Fincher	Mayor/Derek	Completed 10/8
2	9/30	Boyce Ralph	Impact from a taxpayer perspective: "how much will it cost me, how much more will I pay?" Request utility customer increased costs as well as taxpayer	Finance	Completed 11/18
3	9/30	Boyce	What is current B & O staff doing?	Finance	Completed 10/14
4	9/30	Higgins	Request copies of the B & O rates proposal – handout	Finance	Completed 10/14
5	9/30	Higgins	Request B & O rates comparison to other cities – handout	Finance	Completed 10/14
6	9/30	Ralph	Request B & O revenue breakdown by category – handout	Finance	Completed 10/14
7	9/30	Berrios	Request to see what \$3.4 million B & O revenue is paying for.	Finance	Completed 10/14
8	9/30	Fincher	B & O – How many collected from? How are they collected? How are collections prioritized? How far down the list? What kind of businesses? Where was \$250,000 collected from? What steps are neighboring cities taking on collections?	Finance	Completed 10/14
9	9/30	Berrios	What is current protocol when a business applies for a liquor license but doesn't have a business license?	Finance	Completed 10/14
10	9/30	Higgins	Would like to pursue legislative change to allow DOR to give access to records	Derek/Michelle	Completed 10/14
11	9/30	Boyce	Requested review of Internal debt	Finance	Completed 10/7
12	9/30	Berrios	Request more discussion on Public Works allocations	Finance	To Be Determined
13	9/30	Ranniger	Why does Kent need a radio station? Concerned about sponsorship funding-how to get it up and running without investing City dollars.	Derek/Michelle	Completed 11/18
14	9/30	Ralph	Where is the impact of each revenue increase (i.e. permit revenue)? Tied to question #2 above.	Finance	Completed 11/4
15	9/30	Higgins	Requested department budget presentations	Derek/Directors	Completed 10/21 and 10/28
16	10/1	Berrios	Does the council have the option to adopt a one-year budget, if desired?	Finance	Completed 10/8
17	10/9	Ralph	What is the impact on a typical homeowner if property tax banked capacity is used instead of B&O? – handout	Finance	Completed 10/14
18	10/9	Berrios	What is the maximum rate for each B&O category? - handout	Finance	Completed 10/14
19	10/15	Council via Derek	Provide additional information on Bellevue's contracted auditor arrangement	Finance	Completed 11/18
20	10/21	Council via Derek	Provide examples of the impact of B&O threshold change to major business categories – tied to question #2 above.	Finance	Completed 11/18
21	10/21	Council via Derek	Verify that \$1.6 million of General Fund streets/transportation costs are related to arterials (\$20 car tabs must be used on arterials)	Finance/PW	Completed 11/4
22	10/21	Council via Derek	Consider modifying financial policies – possible slowdown in building reserves	Finance	Completed 11/4
23	10/21	Ralph	Sustainability of revenues for the Tax Division?	Finance	Completed 10/21

Council 2015-2016 Preliminary Budget Questions/Requests

Q#	Date	Name	Question/Requests	Assigned to	Status
24	10/21	Council via Derek	Consider extending utility repayment period to 4 years (instead of 3)	Finance	Completed 11/4
25	10/21	Council via Derek	Explain 2014 to 2015 budget increase for Mayor/Administration	Finance/Derek	Completed 10/28
26	10/22	Council via Derek	Suggestion to send a letter to all 5,000 business licensees to ask them to set up B&O tax accounts	Finance	Completed 11/18
27	10/22	Fincher	Request for HR to help Councilmember Fincher develop a proposal for race and social justice training	Lorraine	Completed 11/18
28	10/24	Council via Derek	What is the net cost to increase the police parking enforcement position to full time?	Finance	Completed 11/4
29	10/24	Council via Derek	What is the net cost to make the police volunteer coordinator a permanent position?	Finance	Completed 11/4
30	10/24	Council via Derek	If revenue generation wasn't an issue, would Finance prefer tax audit positions or financial analysts?	Finance	Completed 11/4
31	10/24	Council via Derek	How many vacant positions do we have and what's the impact on the 2014 budget?	Finance	Completed 11/4
32	10/24	Council via Derek	What is the net cost of the senior center?	Finance	Completed 11/4
33	10/28	Ralph	Clarify \$913,888 annual cost in Administration (on page 67)	Finance	Completed 11/4
34	10/28	Ralph	Provide additional details for the increase between 2015 and 2016 in the insurance funds.	Finance	Completed 11/4
35	10/28	Fincher	How much more would it cost to make the .6 non-benefitted Admin Sec requested by ECD a benefitted .75 FTE?	Finance	Completed 11/4
36	11/4	Ralph	What revenues are generated by the parking enforcement position?	Finance	Completed 11/18
37	11/4	Thomas	Provide a breakdown of revenues and expenses for the Senior Center	Parks	Completed 11/18
38	11/4	Berrios	Provide 2014 Budget and Estimated for the Senior Center	Parks	Completed 11/18
39	11/13	Council via Derek	Provide a list by department of job classifications, including # FTEs and 2015-16 base salary budget for each classification.	Finance	Completed 11/25
40	11/14	Council via Derek	Has IT programmed and/or spent the million dollars it didn't know about earlier this year?	Finance	Completed 11/25
41	11/14	Council via Derek	Can drug seizure funds be used for jail capital work? Are there excess funds available?	Finance	Completed 11/25
42	11/14	Council via Derek	What's our vehicle replacement schedule?	Finance	Completed 11/25
43	11/14	Council via Derek	Where is the revenue from cell-tower leases going?	Finance	Completed 11/25
44	11/18	Council	What other cities use FM radio, what does it cost, how do they pay for it?		To Be Determined
45					

**General Fund Recap
Based on Council Decisions 11/25/2014**

See Exhibit A for Full Details

	2015 Adjusted		2016 Adjusted	
	FTE	Dollars	FTE	Dollars
Beginning Gap		(248,260)		(433,980)
B&O Tax		(3,000,000)		(3,000,000)
Subtotal w/ B&O Changes		(3,248,260)		(3,433,980)

Revenues

Sales Tax - 4% increase		954,250		1,338,140	- increase based in 2014 estimate actual - 2013 and 2014 revenues are each ≈ 5% higher than previous year
ECD Permits - fee increase		136,000		136,000	- Fee Resolution change required
Property Tax - banked capacity		999,170		1,119,050	- 13.5% of banked capacity (≈ \$7.4m) - 4.8% increase over 2014 levy in 2015; 1.2% in 2016 - originated in 2011, levy rate reduced by \$1.00 due to formation of RFA - Council can use all or a portion by simple majority vote - shown on regular property tax levy ordinance
\$20 Car Tab Fees		0		(1,660,000)	
from 2014 Council Exp Savings		25,000		0	- funds 2015 Neighborhood Council
Total Revenues		2,114,420		933,190	

Expenditures

PW Allocation Repayment		(168,840)		(168,840)	- extend repayment to 4 years
Neighborhood Council		25,000			- from 2014 Council expense savings - 2016 already includes \$25,000
Historical Society		10,000		10,000	
B&O Tax Positions - Finance	-1.00	(140,000)	-1.00	(140,000)	- position moved to IT
Equity/Social Justice Training		40,000		25,000	
Kent FM Radio Study		0		0	
Patrol Officers			3.00	333,050	
PW Alloc B&O Costs		(400,000)		(400,000)	
Total Expenditure	-1.00	(633,840)	2.00	(340,790)	

Use of Fund Balance

	(500,000)	(2,160,000)
--	------------------	--------------------

- \$500,000 ShoWare (2015 & 2016)
- \$1,660,000 to be determined (2016)

New Items to Consider

Supported Employment		44,730			- 2016 already includes \$44,730
Parking Enforcement	0.25	13,532	0.25	13,532	- increase from .75 to full time, offset by parking fines revenues

Ordinances/Resolutions Required

Fee Resolution	- to adopt rate increases for ECD permits/plans review fees
B&O Ordinance	- to designate B&O revenues to cover additional positions: 3 Finance and 1 IT
Utility Tax Ordinance	- to continue 1% internal utility tax scheduled to sunset 12/31/2014
Property Tax Levy Ordinance	- to levy 2015 property tax per RCW, including use of banked capacity
Budget Adoption Ordinance	- to adopt 2015-16 biennial budget
Comp Plan/Kent City Code Ordinances	- to amend the comprehensive plan and update Kent City Code regarding school impact fees

Decision Points – Other Funds

1. Sewer Rates (Previously Adopted)
2. Other Funds Departmental Adds
 - a. 2015
 - b. 2016
3. Water Utility Equipment

Proposed 2014 GF Transfer to ShoWare Operating

	General Fund	ShoWare Operating	
	2014 Est Act October	2014 Est Act October	
Beginning Balance	9,497,964	(2,456,087)	
Revenues	80,343,281	275,000	
		500,000	Trf In from GF - Budgeted
		2,690,000	Trf In from GF - Additional
Estimated Total Revenues	80,343,281	3,465,000	
Expenditures	74,042,012	1,005,000	
Trf Out to ShoWare - Budgeted	500,000		
Trf Out to ShoWare - Additional	2,690,000		
Estimated Total Expenditures	77,232,012	1,005,000	
Ending Balance	12,609,233	3,913	
Estimated Year End GF Reserves	8,935,110		
	11.6%		
Cont for Unanticipated Costs	1,500,000		
Strategic Opportunities	424,012		
Restricted for Annexation	1,750,111		

In order to fully implement this solution, the 2014 General Fund expenditure budget will need to be increased by up to \$1 million to ensure budgetary authority is not exceeded.