



**2017/2018
BIENNIAL BUDGET**

**City of Kennewick
Kennewick, Washington**

City of Kennewick, Washington

2017 / 2018 Biennial Budget



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City Council

.....

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Don Britain, Mayor Pro-Tem
Matt Boehnke, Council Member
Greg Jones, Council Member
Paul Parish, Council Member
Bob Parks, Council Member
John Trumbo, Council Member

Executive Staff

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Dan Legard, Finance Executive Director
Greg McCormick, Planning Director
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City of Kennewick
Office of the City Manager

**BUDGET TRANSMITTAL
LETTER**

Date: October 25, 2016
To: Steve C. Young, Honorable Mayor and Members of the City Council
From: Marie E. Mosley, City Manager
Subject: 2017/2018 Biennial Budget Executive Summary

It is an honor to present the 2017/2018 Biennial Budget for your consideration. This budget was developed with your leadership in identifying the operating and capital priorities, providing the basis for the departments to submit their budget proposals and program requests for consideration.

The planning process for this budget began on February 19th when we held our Council budget retreat. The retreat focused on biennial priorities for our opportunity centers and also identified goals, successes and opportunities for each of the five priority areas. The overarching goal that was outlined by Council is to develop a sustainable operating and capital budget. This biennial budget provides an implementation strategy to achieve the goal of providing a sustainable operating and capital budget for the biennium, but more importantly provides that sustainability into the future.

The retreat resulted in reviewing the vision and successes for the major opportunity centers within the City of Kennewick. These opportunity centers provide a unique vision as we continue to work on recruitment, retention and expansion of businesses in our community:

- Southridge
- Three Rivers Entertainment District & Vista Field Redevelopment
- Bridge to Bridge Area & Downtown – transform and connect the waterfront to the downtown
- Urban Growth Expansion South of I-82 for Industrial Development
- Columbia Park

In addition, the Council reaffirmed the five priority areas that form the basis of the biennial budget, consisting of:

- Community Safety
- Economic Development

- Infrastructure & Growth
- Quality of Life
- Responsible Government

The third biennial citizen budget survey was conducted in the summer to assist Council with establishing goals and priorities that are aligned with our citizens and businesses. We received over 1,000 responses with 90% living in Kennewick, 36% working in Kennewick, and 20% owning a business in Kennewick. The following is a summary of the results we heard from the community survey which are very much aligned with Council goals & priorities as recommended in this budget for the upcoming biennium:

- The majority of respondents felt the current budget allocation was appropriate and should not be changed.
- The most important services provided in our community were safe drinking water, police services, fire and ambulance services, reliable sewer, street repair and pavement preservation.
- Citizens were willing to pay more for maintaining or enhancing services in the areas of safe drinking water, fire and ambulance services, street repairs and pavement preservation.
- We discovered that it is unacceptable to our citizens to reduce greenway maintenance, reduce animal control services, eliminate small parks, discontinue operation of the swimming pool and reduce non-safety related code enforcement compliance.
- The biggest challenges our citizens felt we faced as we continue to grow are crime, traffic congestion and street repairs and maintenance.

The 2017/2018 biennial budget maintains our existing services, although there will be areas where programs are to be realigned in order to provide for the most effective service delivery to our community and partners. Maintaining our priority services is possible as a result of the planning efforts that have occurred over the past couple of bienniums.

This biennial budget was developed using our Budgeting by Priorities model where all services have been prioritized based on Council's overall goals. The following identify the broad goals in each of the priority areas and the recommended implementation strategies this biennium to achieve Council's goals. These implementation strategies provide you with the changes to this biennial budget, which achieves a sustainable operating and capital budget.

Community Safety – “I want to be safe where I live, work and play”

Objective: Continue to Ensure the Safety of our Community by Maintaining Current Service Levels & Partnerships.

- Council objectives are achieved through the following broad programs in Community Safety:
 - Police Services
 - Emergency Medical Services
 - Safe Drinking Water
 - Fire Services
 - Code Enforcement
 - Building Safety

The following are Council's goals for the biennium and the implementation strategies included in the biennial budget:

- ***Goal #1 – Criminal Justice Sales Tax Strategic Staffing Implementation*** – Benton County voters approved a 3/10% criminal justice sales tax that was implemented on 1/1/2015. The City of Kennewick has outlined a program to combat gang activity, which supports previous citizen budget survey results where the majority of respondents said they were willing to pay more to combat gang activity. This budget continues the implementation of criminal justice sales tax by hiring 4 new officers in 2017, for a total of 15 new police officers that are funded with criminal justice sales tax.

We will continue to align our staffing to support the additional police officers by creating a mid-shift on Patrol. A ½ time district court specialist position will be hired to support the prosecution efforts.

During this biennium we will update our audio/video system at the police department and also replace outdated tasers and procure less lethal launchers for the patrol vehicles. In alignment with our commitment of criminal justice sales tax, we will be implementing a police cadet program. This program will provide for hiring 6 part-time cadets between the ages of 18-21 that can be trained and learn the police profession and would then be eligible to become an entry level police officer when they turn 21, if they pass all the requirements of the cadet program.

- ***Goal #2 – Implement Strategic Staffing & Deployment Model for the Fire Department*** – Consistent with the citizen survey results that indicated a majority are willing to pay more for increased response times for fire and emergency medical services, the following recommendations are included in this biennial budget:
 - *Fire Station Capital Planning* – In alignment with the recommendations from the Blue Ribbon Committee on our 25 year capital program, we are recommending that we plan for the construction of station #6 in the Southridge area. During 2016, we have been working on the purchase of land in the Southridge area that would be a good location for station #6. In addition to planning for station #6, we would plan for the remodel of station #1 and rebuilding of station #3 that were both identified as a high priority by our facility consultant study, as well as the Blue Ribbon Committee. During this biennial budget we would work on the planning and funding mechanism for implementation in the next biennium.
 - *Strategic staffing for Station #6* – In 2015 we hired a data analyst and implemented our proactive fire inspection program in an effort to free up resources from our fire and EMS personnel. The data analysis is continuing with bringing Fire Station #5 on line in August, 2016. In anticipation of the ongoing operating resources necessary to staff station #6, we are conducting an Ambulance Utility rate study to determine the appropriate rate structure to support our EMS services. The results of this study will be presented to the Council and a strategy will be proposed for funding a portion of the operations for station #6 that will provide a sustainable staffing model into the future. Each \$1 increase in our ambulance utility charge (which is currently at \$7.67 per month), generates approximately \$400,000 annually.

- *Equipment & Technology Strategies* – We have been successful in receiving a grant to help fund the Self Contained Breathing Apparatus (SCBA) replacement program in the upcoming biennium. We also have a need to begin replacement of our Personal Protective Equipment (PPE), which is provided for in this biennial budget. A strategy for ongoing funding of PPE replacement will be discussed and implemented in the biennium. This biennial budget also includes the replacement of our current Fire & EMS records management system (RMS) in conjunction with the IT strategic planning efforts. This will provide for a much more effective management of emergency records not only for the City of Kennewick, but on a regional basis.
- ***Goal #3 – Align the Code Enforcement Program to Achieve Council’s Objectives and Priorities*** – This past biennium, the City implemented a new code enforcement process and realigned the code enforcement responsibilities to be more effective and focus on the Council’s highest priority for code enforcement, substandard and boarded up buildings. In alignment with our citizen survey results, we will continue to enhance our webpage reporting and automated process, allowing staff to focus on high priority code enforcement issues in our community.

Economic Development – “I want a diverse and vibrant economy in Kennewick”

Objective: Support Existing Businesses and the Creation of Sustainable Family Wage Jobs.

- Council objectives are achieved through the following broad programs in Economic Development:
 - Tourism
 - Economic Vitality
 - Economic Growth

The following are Council’s goals for the biennium and the implementation strategies included in the biennial budget:

- ***Goal # 1 - Implementation of the Biennial Economic Development Marketing Plan*** – This biennial budget provides for dedicated support for our economic development efforts, which has previously been shared with human resources. We will continue to work with our economic development partners (such as TRIDEC and the Downtown Association) to realize Council’s vision for our opportunity centers.
- ***Goal # 2 - Economic Development Public/Private Partnership Opportunities*** – This budget provides the resources to continue with our many community partnerships, including the following:
 - *Rural County Capital Funds* – Benton County, through their good stewardship, has been able to provide the funding to pay off the debt service on the jail (which was initially identified as the use of rural county capital funds in Benton County). This funding source is a State sales tax credit of .09% to be used for economic development efforts until 2023. The County has adopted a resolution that allocates these remaining funds to the Cities, County and Port Districts within Benton County for economic development purposes. The City of Kennewick will be receiving approximately \$700,000 annually to help spur economic

development and realize the vision for our opportunity centers. It is our recommendation that we leverage these dollars by partnering with the Port of Kennewick and seeking grant opportunities to bring the community vision for Bridge to Bridge and Vista Field planning efforts to fruition.

- *Columbia Gardens* – begin the implementation of phase II partnership with Benton County, Port of Kennewick, Columbia Basis College, and private developers to continue the redevelopment of Columbia Drive property as a vibrant destination in our community.
- *Vista Field* – begin implementation of the community’s master plan of the 112 acres at Vista Field to complement the Entertainment District and provide a unique gathering place for our community.
- *Community Branding* – this biennial budget includes some capital dollars to begin the implementation of our wayfinding signage that has been developed by the community and will help our citizens and visitors to find our unique areas and districts in our community.
- *Sustainability Plan* – through our planning efforts and partnerships we will continue to implement our sustainability plan, which is a component of the City’s comprehensive planning efforts and important to our community and developers.

Infrastructure & Growth – “I want a well-maintained city whose infrastructure keeps pace with growth”

Objective: Maintain existing infrastructure and build new infrastructure to support economic development & expansion.

- Council objectives are met through the following broad programs in Infrastructure & Growth:
 - Safe Streets
 - Infrastructure Planning
 - Environmental Services

The following are Council’s goals for the biennium and the implementation strategies included in the biennial budget:

- ***Goal #1 – Strategic Funding & Implementation of the Sustainable Capital Plan*** –The Blue Ribbon Committee was formed and provided a recommendation to the City council at the end of 2014 regarding priorities and funding for a 25 year strategic capital program. In an effort to continue implementation of the Blue Ribbon Committee recommendations, the following is included in this biennial budget:
 - *Infrastructure Development Charge Consideration* – this past biennium, Council implemented a traffic impact fee in lieu of our traffic mitigation fee, with input from our development community. In addition, we currently have a moratorium on park mitigation fees for mixed used development and are working on a formula that will implement the intent of our mitigation fee for mixed use development. We are recommending that we work with our developer partners to bring forward a recommendation for Council consideration of a park impact fee, similar to our other local jurisdictions, during the biennium. Providing the resource to conduct a study will also address our existing zones and recommend the appropriate number of zones for our community. In addition and as we committed when we implemented our traffic impact fee, this biennial budget

funds a traffic study to update our existing traffic impacts and recommend zones for our traffic impact fees. The intent of establishing proper zones is for the impact fees collected from development to be used for projects that are needed as a result of development within that zone.

- *Other Projects Included in the CIP* – the following are a list of other priority projects that are included to receive funding during the biennium:
 - *Police Fleet Replacement*
 - *Fire Fleet Replacement*
 - *Parks & Street Fleet Replacement* – partially funded within the CIP
 - *Animal Control Facility* – in partnership with Richland & Pasco
 - *10th Avenue Widening Project* – from CCB to Montana Street
 - *Metaline Widening Project*
 - *Canal & Edison Intersection*
- ***Goal #2 – Tie Land Use & Infrastructure Planning to Achieve Council’s Strategic Goals in our Opportunity Centers*** – This biennium we are recommending to implement the strategies that were developed during the last biennium as we were working on planning efforts for how we grow as a community:
 - *Water Sewer Rate Review* – Implementation of the rate recommendations by the consultant have been included for this biennium. We will prioritize and fund the capital programs identified within the biennium and plan for the programs for the next biennium. We are also recommending that we increase the municipal contribution for water & sewer services that will help us to get closer to achieving the cost of service results.
 - *Urban Growth Area (UGA) Realignment Application* – we continue to work in partnership with Benton County, the property owners, developers and Futurewise to realign our UGA from the eastside of the City (where development will not occur) to the southside of the City (where industrial development could occur). During the 2015/2016 biennium we updated our comprehensive plan, conducted an industrial land quantity analysis, and worked with the County to align our comprehensive plan to the county comprehensive plan and the county-wide planning policies. We are recommending that we apply for a smaller area (that represents the area already taken out of our UGA) south of I-82 by the end of 2016 and begin implementation in partnership with the property owners/developers during the biennium that will provide the family wage jobs in our community, specifically focused on warehousing and distribution centers.

Quality of Life – “I want to enjoy access to a variety of amenities and opportunities in a safe environment”

Objective: Maintain Parks, Provide for Diverse Recreation Programs and a Well Planned Community.

- Council objectives are met through the following broad programs in Quality of Life:
 - Recreation Opportunities
 - Parks & Facilities
 - Livable Community
 - Community Planning

The following are Council's goals for the biennium and the implementation strategies included in the biennial budget:

- **Goal #1 – Leverage Community Partnerships and Align our Service Delivery to Implement Council Goals and Priorities** – The following priority programs are recommended for implementation in the biennium:
 - *Playground of Dreams* – we have received the results of a study regarding the improvements and repairs needed for the Playground of Dreams in Columbia Park and have identified funding in this biennium to rebuild the Playground of Dreams in partnership with the community and businesses to provide a safe playground that is widely used in Columbia Park.
 - *Park & Greenway Maintenance* – in alignment with what we heard from the citizen survey and in order to maintain our existing level of service in our parks and throughout our greenways, we are recommending an additional maintenance worker for the upcoming biennium. We will be evaluating the impacts of this new position during the mid-biennium to assess the needs in our Park maintenance program and the level of service provided to determine where gaps exist and if additional resources may be needed.

- **Goal #2 – Prepare for Future Growth through Strategic Comprehensive Planning Efforts** – During this biennium we will be implementing the results of our 10-year update to the comprehensive plan. The Council and community have clearly identified the vision and we continue to work to align the comprehensive plan with this vision, through code amendments. In doing so, the following are incorporated into the biennial budget:
 - *10-Year Comprehensive Plan Update* – planning efforts occurred during the past biennium and we will continue with the implementation this biennium by adoption of the plan and code amendments.
 - *Creative Development Program* – this biennial budget includes the resources to continue working with our developer partners to provide an efficient, effective and expedited development review process. This biennial budget and resources will continue our commitment to site plan reviews in ½ the time, expansion of our expedited review program, backup and cross training support to be able to provide a high level of service for our development partners through the following programs, which are funded in part by the expedited review fees that have already been implemented:
 - *Office Specialist* – this position will support the one-stop customer service function that includes code enforcement, customer service and also provide support to the expedited review process.
 - *½ time Plans Examiner & Inspector* – this position will assist inspection and expedited review process.
 - *Public Works Technician* – this position will provide the very much needed backup support during vacations and cross training needed for our succession planning efforts.
 - *Assistant Traffic Engineer* – this position is necessary to provide the needed development review as well as backup support to the entire transportation planning system.

Responsible Government – “I want a City government that is responsive, responsible and fiscally accountable”

Objective: Provide Exceptional Public Service, Transparency and a Sustainable Future.

- Council objectives are met through the following broad programs in Responsible Government:
 - Risk Management
 - Community Outreach & Engagement
 - Sound Financial Management
 - Excellence in Service

The following are Council’s goals for the biennium and the implementation strategies included in the biennial budget:

- ***Goal #1 - Implementation of a Comprehensive Customer Service Program that Provides for Increased Flexibility and Areas of Enhanced Service Delivery***
 - *IT Strategic Plan* – This biennium we will continue to implement our IT strategic plan by hiring the IT Customer Service Supervisor position. In order to continue to maintain and upgrade our IT programs and infrastructure, this biennial budget we are recommending funding:
 - *Social Media Archiving* – we need to increase our capacity so we continue to comply with public records requirements.
 - *Core System Replacement Preparation* – we are recommending funding for a needs analysis and RFP in this biennium to prepare for replacement in 2019/2020 biennium.
 - *Software Solution Priorities* – the following software upgrade implementation will provide a more effective environment for staff and were identified as high priorities for this biennium:
 - Wireless Large Area Network
 - Network Infrastructure Replacement
 - Policy & Procedure Compliance Program
 - Online Codification Services
 - Human Resources Onboarding Program
 - Fleet Maintenance System Replacement
- ***Goal #2 - Infuse the City’s Core Values into our Daily Work to Reinforce our Commitment to Transparency, Flexibility and Implement a Sustainable Operating & Capital Budget***
 - *Healthcare Plan* – effective as of January 1, 2018 the existing healthcare plan will be eliminated. Some of our employees have already moved to the \$250 deductible program and we will work with all employees to make the transition to a new plan by 1/1/18.
 - *Columbia Park Conveyance* – we continue to work with the Corps of Engineers to convey 60 acres to the City so we can work to have minimal commercial activity in Columbia Park that is complementary to the primary focus of recreation.
 - *Succession Planning* – we continue to work with existing staff and new hires to identify successor interest and provide support to develop our staff for future

leadership roles and opportunities within the organization as many of our long term staff will be retiring.

- *Realignment of Existing Personnel* – we continue to evaluate where we can provide efficiencies and affect services through alignment of all staff across departmental lines. An example of this will be the implementation of an Automated Meter Reading (AMR) system that is part of the Water/Sewer capital program. We will continue to evaluate how the existing meter readers can be incorporated into other areas in our organization where we have identified needs.

The implementation of your Council goals for each of the priority areas are realized in this biennial budget that also provides for sustainable operating and capital budget strategies into the future. The implementation of these recommendations will become my performance goals for the 2017/2018 biennium.

Although we have presented a balanced budget, we recognize there are vulnerabilities that exist in this budget and are prepared to address them during the upcoming biennium as we continue to implement a Budgeting by Priorities strategic approach to decision making. In addition, there are strategic funding opportunities that will provide the sustainable operating and capital budget into the future and achieve Council's long term goals and priorities that are aligned with the long term priorities that we heard from our citizens. Some of the vulnerabilities and opportunities that we will be monitoring and discussing with Council in the upcoming biennium are:

- **Revenue Projections** – Given the uncertainty of the economy and that our largest revenue source, sales tax, is the most vulnerable, we will need to be prepared if our revenue projections do not materialize for the upcoming biennium. In addition, we have seen reductions in telephone utility tax due to consumers using more data services that are not subject to utility taxes. We will continue to closely monitor all revenue sources and be prepared to respond to any major variances from our projections.
- **Contracted Services** – The City of Kennewick has some very large contracted services, such as Jail, District Court, Dispatch Services, Emergency Management, Golf Course Management contract, Union Contract negotiations and others. We will continue to closely monitor these large expenditures and be prepared to modify the budget as needed if our current estimates do not materialize. The largest of these contracted services is the jail contract, which will be expiring on December 31, 2016. We have not received any information from Benton County regarding the new contract or the proposed budget and negotiations on the contract terms have not begun. The jail budget is between \$5M-\$6M for a biennium, and we are uncertain regarding the terms and potential impacts to our general fund budget.
- **State Budget Challenges and Potential Unfunded Mandates** – Given the State's budget challenges, we will be closely monitoring the upcoming legislative session. We will be working to preserve the City's existing state shared revenues, continuing to support revenue flexibility and trying to ensure that additional unfunded mandates are not enacted or that additional fees and charges from the State are not passed onto local governments.
- **Sustainable Capital Funding** – Identifying funding for critical transportation infrastructure, City facilities, and other capital projects continues to be both a challenge and an opportunity for the City. It is important for the City to maintain the proper balance when allocating its limited resources between capital programs and the operating needs of the City and to continue exploring opportunities for dedicated funding sources,

like the Transportation Benefit District (TBD) that is discussed below and will be reviewed with Council during the upcoming biennium as we continue to monitor any impacts from the State legislative session or to our transportation funding.

- *Transportation Benefit District* – The State has allowed this revenue option to be specifically dedicated for transportation funding. State statute allows the Council to implement a \$20 car tab fee and also provides a voter approved option up to \$100. Although not popular, currently almost 90 other cities throughout the State of Washington have implemented this source. Some of the considerations in reviewing a TBD in the future are discussed below:
 - *Ridgeline/395 Interchange* – this is a priority project that is partially funded by the State Transportation gas tax package. This project will provide the full access to the Southridge area that is needed by our developer partners, school district and hospital district. The TBD could be used as a funding source initially to provide our match for this project.
 - *Pavement Preservation* – in alignment with the citizen survey results, our citizens are willing to pay more for maintaining or enhancing the level of service for our street maintenance. Once the Ridgeline/395 project is completed, this funding source could then be dedicated to our pavement preservation program, allowing the City to maintain our existing streets by utilizing asphalt overlays versus the chip seal program that has recently been used and only partially funded.
 - *Regional Partnership* – we may want to consider working with our neighboring cities to discuss this potential funding source throughout the community to initially be allocated towards the local share of our transportation package projects and then funding our pavement preservation programs.
 - *State Legislature & Transportation Commission* – we continue to hear from the state legislature and transportation commission that they expect local governments to implement their local funding sources. The State has not been sympathetic to losing state shared revenues when the local government has not implemented the funding sources available. I believe that we will continue to see pressure from the State to implement our local taxing authority in order to maintain our current state shared revenues and receive grant opportunities from the State.
- **Stormwater Rate Review** – we will be conducting a rate study for our stormwater utility and anticipate a need to increase those rates. We currently have stormwater infrastructure priorities that need to be addressed. Once the rate review is completed, we will be providing the results and recommendations for Council’s consideration.
- **Other Potential Opportunities** – we have a few unique opportunities that can be considered as we look to implement priority sources of funding to offset the impact to our citizens.
 - *Property Tax Reductions* – the existing voted bond issue to construct the Union Street Library will be paid off at the end of 2016. This results in a reduction in our property taxes to the citizens of approximately \$.07/\$1,000 of assessed valuation. This reduction provides an opportunity as we continue to try to minimize the impact of any recommended fee increases to our citizens.
 - *LEOFF I Retiree Obligation* – we have conducted a study for LEOFF I long-term care and actuarial needs for our LEOFF I retirees. Based on the results of this rate

study, we believe there is a potential to reduce the 6.5% utility tax for our LEOFF I retirees that could offset a stormwater rate increase. This is in alignment with our commitment to continue to evaluate and reduce this 6.5% utility tax as the liability for LEOFF I retirees continues to be reduced.

- *Washington Survey & Ratings Bureau (WSRB)* – The WSRB recently conducted a review of our Fire and EMS services. This review will result in a report to the City that will determine our rating relating to providing fire services in the community. This rating has an impact on fire insurance premiums. We believe that we are well positioned to receive positive results that could provide savings on insurance premiums in our community. Once we receive the results, we will provide Council with an update and discuss potential strategies.

During the upcoming biennium staff will be evaluating and providing council with recommendations on several programs and services, including the results of the Ambulance Utility and Stormwater rate studies. We currently have not completed these studies and will be bringing recommendations forward for Council's consideration that may result in rate adjustments that would be used to further implement the overarching goal of providing for a sustainable operating and capital budget into the future.

In addition to providing a sustainable capital budget, the Council's budgeting by priorities model, described below, will be used during the biennium as changes to priorities or our budget assumptions occur.

- **Budgeting by Priorities** – During this Biennial Budget process over 300 services were identified and prioritized. This effort allows the City to respond quickly to any unanticipated reduction in revenues or increase in costs that occur during the biennium. The lower priority services will continue to be evaluated to determine an alternative way to deliver these services, a reduction in service level or elimination of these services as we continue to evaluate the vulnerabilities during the upcoming biennium.

It is important to note that lower priority items are not services deemed needless, inefficient or unwanted by our community. The City takes great pride in delivering every service and citizens have certain expectations for each one. In recent years, City departments have significantly streamlined programs and increased efficiencies to meet priorities with fewer staff and increased population. Due to these recent efforts further reductions or reallocations in any of these services will be challenging to implement, will result in further vulnerabilities and may also be difficult for our citizens to accept.

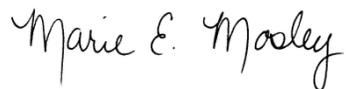
In summary, I believe this biennial budget is fiscally responsible and provides our citizens with creative means to deliver priority services. We recognize there are vulnerabilities, and we are prepared to strategically address them in the upcoming biennium using our budgeting by priorities model to allocate resources based on the Council and community priorities for service delivery. During the upcoming biennium we will continue to review and consider strategies that will provide sustainability into the future. The implementation of Council's strategic goals through this biennial budget will set the City up for success and provide a sustainable operating & capital budget and path forward into the future.

Budget Message

I would like to acknowledge and thank our employees who work diligently every day to implement City-wide goals and objectives by providing exceptional customer service to our citizens and who critically evaluate the most innovative and effective manner to deliver those services. I would also like to thank the Department Head team for carefully reviewing their budget submittals and recognizing that there are limited resources to be allocated to City-wide priorities. They have approached this biennial budget as a team and from the perspective of identifying the services our citizens expect as a whole from the City, not from a departmental perspective. They continue to implement innovative solutions for effective service delivery. Finally, I would like to thank Dan Legard for his leadership in preparing the biennial budget document. He and the Finance staff have done an exceptional job, with limited resources under a very tight timeframe.

I would be happy to answer any questions that you have regarding this biennial budget and strategies for continuing to optimize our limited resources into the future and in preparation for any unforeseen circumstances that may occur during the upcoming biennium.

Respectfully,



Marie E. Mosley
City Manager

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award for Distinguished Budget Presentation to the City of Kennewick for its biennial budget for the biennium beginning January 1, 2015.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operating guide, as a financial plan and as a communication device.

The award is valid for a period of one biennium only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.



CITY OF KENNEWICK
ORDINANCE NO 5682

AN ORDINANCE ADOPTING THE BIENNIAL BUDGET FOR THE YEARS
2017/2018

THE CITY COUNCIL OF THE CITY OF KENNEWICK, WASHINGTON, DO ORDAIN AS
FOLLOWS:

Section 1. The biennial budget containing the total set forth for each fund for the years
2017/2018 is established as follows:

General Fund	\$ 99,331,151
Street Fund	<u>4,321,857</u>
Subtotal - Operating Budget	103,653,008
Arterial Street Fund	3,392,000
Urban Arterial Street Fund	11,207,000
Capital Improvement Fund	27,849,361
Water and Sewer Fund	47,392,291
Building Safety Fund	4,520,000
Medical Services Fund	12,875,000
Coliseum Fund	8,162,800
Stormwater Utility Fund	2,944,900
Columbia Park Golf Course	607,700
Equipment Rental Fund	12,231,918
Risk Management Fund	3,172,880
Central Stores Fund	662,660
Debt Service Fund	6,812,682
LID Guaranty Fund	36,100
Cash Reserve Fund	2,715,500
BI-PIN Operations Fund	709,954
Community Development Fund	1,297,000
Asset Forfeiture Fund	49,300
Public Safety Fund	4,740,000
Lodging Tax Fund	3,659,815
Criminal Justice Sales Tax Fund	5,756,400
Firemen's Pension Fund	1,227,000
OPEB Trust Fund	<u>5,146,000</u>
GRAND TOTAL	<u>\$270,821,269</u>

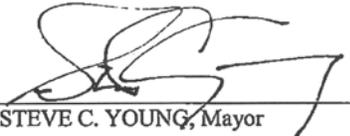
Section 2. This Ordinance shall be in full force and effect five (5) days from and after its
passage, approval, and publication as required by law.

Budget Ordinance

PASSED BY THE CITY COUNCIL OF THE CITY OF KENNEWICK, WASHINGTON this 8th day of November, 2016, and signed in authentication of its passage this 8th day of November, 2016.

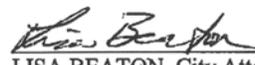
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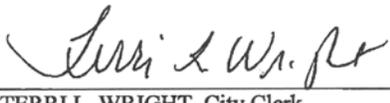

TERRI L. WRIGHT, City Clerk


STEVE C. YOUNG, Mayor

ORDINANCE NO. 5682 filed and recorded in the office of the City Clerk of the City of Kennewick, Washington this 9th day of November, 2016.

Approved as to Form:


LISA BEATON, City Attorney


TERRI L. WRIGHT, City Clerk

DATE OF PUBLICATION 11-12-16

Budget Calendar

Major Steps In Budget Preparation	Status & Update Schedule & Notes	City of Kennewick Schedule
1. Prepare updated projections for 2015/2016 and 2017/2018 for operating funds		11/10/15 – Workshop (Mid-biennium review)
2. Council Retreat		2/19/16
3. Spring Budget Adjustment		4/5/16
4. Prepare revised projections for 2015/2016 and 2017/2018 biennium for the Operating Funds		4/19/16
5. Biennial Budget Review (Council Workshops & Budget Committee Meetings & Community Outreach)		June, 2016-Nov, 2016
6. Internal Service Budget Managers meet with Departments to solicit feedback		6/29/16-8/5/16
7. Prepare Internal Service Fund Budgets: a. Fleet Maintenance b. Risk Management c. Central Stores d. Meter Reading e. Information Systems f. Position Allocation		6/29/16-8/5/16
8. Council Workshop to discuss budget instructions		6/28/16
9. Budget instructions delivered to Departments	By second Monday in September (9/12/16)	6/29/16
10. Departments review and update position allocation		7/15/16
11. Finance completes other internal items: a. Estimates of '17/'18 beginning fund balance b. Projected debt service (Internal & External) c. Projected interfund transfers d. Projected contribution to PFD e. Interfund charges for service & OH f. Non-Departmental items g. Projections on large contract items h. Preliminary revenue projections i. Non-Capital, Non-Agency related Special Revenue Funds		8/5/16
12. Budget requests due from Depts. (including new programs)	By fourth Monday in September (9/26/16)	8/5/16
13. Finance finalizes position budgeting		8/15/16
14. Draft preliminary budget due to CM for review	On or before the first business day of the third month prior to the beginning of the fiscal year (10/1/16)	9/7/16
15. City Manager reviews proposed budgets with Department Directors		9/8/16 – 9/19/16

Budget Calendar

Major Steps In Budget Preparation	Status & Update Schedule & Notes	City of Kennewick Schedule
16. Toyota Center & Ice Arena and Columbia Park Golf Links draft budgets due to Finance		10/3/16
17. City Manager decision on new programs		10/5/16
18. City manager prepares preliminary budget and budget message and files with City Clerk	At least 60 days before the ensuing year (11/02/16)	11/02/16
19. Copies of the proposed budget made available to the public	Not later than 6 weeks before January 1 st (11/18/16)	11/02/16
20. The legislative body, or a committee thereof, must schedule meetings on the budget or parts of the budget		Budget Workshops: 10/25/16 & 11/1/16
21. Setting property tax levies:	November 30 th for all Cities and Towns	
a. Review with Council at workshop		a. 10/25/16
b. Public hearing on revenue sources and property tax ordinance		b. 11/08/16
c. File certified levy with County		c. 11/09/16
22. Clerk publishes notice of filing of preliminary budget with City Clerk and publishes notice of public hearing on final budget once a week for two consecutive weeks		10/29/16 & 11/05/16
23. Adoption of Biennial Budget for 2017/2018:		
a. Public Hearing	On or before the first Monday of December, and may be no later than the 25 th day prior to the next fiscal year (12/05/16)	a. 11/08/16
b. Budget Ordinance	Following the public hearing and prior to the beginning of the ensuing fiscal year	b. 11/08/16

*"Happiness lies in the joy of achievement and the thrill
of creative effort."*

- Franklin D. Roosevelt -



Steve Young
Mayor

All Wards



Don Britain
Mayor Pro Tem

Ward 1



Matt Boehnke

All Wards



Greg Jones

Ward 2



Paul Parish

All Wards



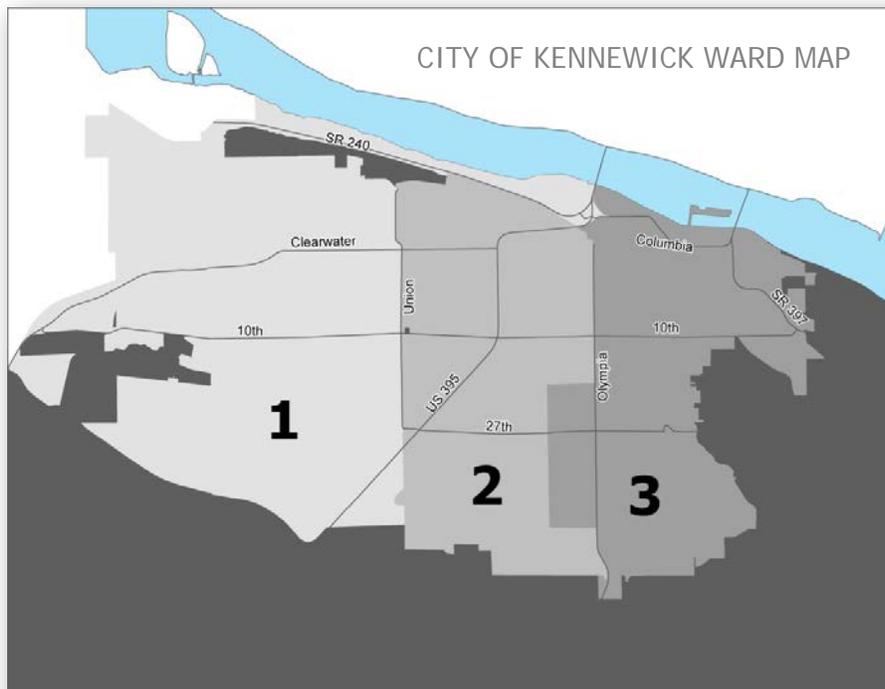
Bob Parks

All Wards



John Trumbo

Ward 3



City Council's Mission

Building on Kennewick's history and heritage, our vision for Kennewick includes a strong and diverse local economy that takes advantage of our unique location and resources; a process of orderly growth, which supports and strengthens existing neighborhoods; and a governance structure based upon open communications and participation.

Steve Young, Mayor
.....

Councilman Young was appointed to fill a vacant position in December 2008. Councilman Young was elected and then appointed Mayor January 2010.

Mr. Young currently serves as the Chairman of the Council Budget and Administration Committee, TRIDEC Executive Board, U.S. Manhattan Project Park Advisory Committee, Tri-Cities Visitor and Convention Bureau (TCVCB), Regional Public Facilities District, Joint City of Kennewick, Port of Kennewick, Benton County and Trios Board, Coliseum Joint Advisory Committee, Firemen's Pension Board, LEOFF Disability Board, Vice Chairman of the Hanford Communities, Vice Chairman of Energy Communities Alliance, and National Association of Mayors. In 2011 Steve was appointed by Governor Christine Gregoire to the State Council on Aging representing the Association of Washington.

Don Britain, Mayor Pro Tem
.....

Councilman Britain was elected to the council in January 2010 and was appointed Mayor Pro-Tem in March 2013. He is committed to bringing family wage jobs and regional recreational opportunities to Kennewick, as well as advancing economic development in Kennewick.

Mr. Britain is currently serving on the following Boards and Commissions - Association of Washington Cities Board of Directors, Tri-Cities Regional Public Facilities District Board of Directors, Hanford Area Economic Investment Fund Committee (HAEIFC), Vista Vision Task Force, the City of Richland and City of Kennewick Columbia Park Joint Task Force, City of Kennewick Economic Development Committee, the Joint City of Kennewick, Trios Hospital and Port of Kennewick Committee, City of Kennewick Interview Committee, Joint City of Kennewick and City of Richland Committee, and is the Council liaison to the Tri-City Area Chamber of Commerce. Mr. Britain previously served on the Historic Downtown Kennewick Partnership Board of Directors.

Matt Boehnke, Council Member
.....

Councilman Boehnke began serving on the City Council in 2016. Economic Development is a primary focus for Matt — collaborating and partnering with local, regional and state agencies to facilitate development of the Vista Field, Downtown Kennewick, and Southridge expansion areas.

Mr. Boehnke presently serves on the Benton Franklin Council of Governments, Benton Franklin Council of Governments Policy Advisory Committee (PAC), Benton Franklin Council of Governments Surface Transportation Program Committee, Benton Franklin Council of Governments Tri-Mats Policy Advisory Committee, Good Roads & Transportation Association, Council Interview Committee, Lodging Tax Advisory Committee and Infrastructure and Operations Committee. Matt is also an alternate on the Benton Franklin Community Action Committee, Block Grant Advisory Committee and Tri-City Regional Chamber of Commerce Committee.

**City Council
Priority Areas**

- *Community Safety*
- *Responsible Government*
- *Quality of Life*
- *Economic Development*
- *Infrastructure & Growth*

Greg Jones, Council Member
.....

Councilman Greg Jones was appointed to the City Council to fill a vacant Ward 2 seat in March 2013. His focus for the Council is Economic Development to reduce the Tri-Cities reliance upon Hanford jobs and representing the constituents of Ward 2.

Mr. Jones currently serves on the Benton Franklin Community Action Committee, the Joint Coliseum Advisory Committee, the Tri Cities Development Council Executive Board (TRIDEC), the Tri Cities Visitor & Convention Bureau (TCVCB), the Tri Cities Area Chamber of Commerce, the Budget and Administration Committee and the Planning and Economic Development Committee. He is also an alternate on the Benton County Law and Justice Council, Block Grant Advisory Committee, and Kennewick FOCUS Committee. Councilman Jones previously served the City on the Planning Commission and has a long history of community service.

Paul Parish, Council Member
.....

Councilman Parish was elected to the City Council in 1996. Among other things, he has sought the enhancement of Columbia Park, the improvement of City appearance, and the purchase of downtown property owned by the railroad, to further a revitalization effort in that area of the City.

Mr. Parish is currently serving on the Benton County Clean Air Authority, Benton County Law and Justice Council, Joint Coliseum Advisory Committee, Joint City of Kennewick and City of Richland Council Committee, Joint City of Kennewick, Trios Hospital and Port of Kennewick Committee, LEOFF Disability Board and Infrastructure and Operations Committee. He is also an alternate for the Ben Franklin Transit Board, Benton Franklin Council of Governments - Policy Advisory Committee for Solid Waste Management (PAC), Benton Franklin Council of Governments - Tri-Mats Policy Advisory Committee (PAC) and Good Roads & Transportation Association.

Bob Parks, Council Member
.....

Councilman Parks was elected at large to the City Council in 2002. His areas of emphasis for the City include economic development and increasing overall citizen involvement and trust in local government.

Mr. Parks is currently serving on the Hanford Advisory Board, Parks and Recreation Commission liaison, Tri Cities Regional Public Facilities District, Infrastructure and Operations Committee and Planning and Economic Development Committee. He is also an alternate on the Animal Control Facilities Committee, Energy Communities Alliance, Hanford Governing Board and Lodging Tax Advisory Board.

John Trumbo, Council Member
.....

Councilman Trumbo was elected to the council effective January 2014. His priorities are to ensure open and accountable government, growing industrial development, revitalizing the riverfront and downtown Kennewick and addressing issues that affect the oldest and historic areas of the city.

Mr. Trumbo is currently serving on the Benton Franklin Housing Continuum of Care Committee, Joint City of Kennewick and City of Richland Council Committee, Kennewick FOCUS Committee, Yakima Basin Fish and Wildlife Recovery Board and Infrastructure and Operations Committee. He also is an alternate on the Benton County Clean Air Authority, Benton Franklin Community Action Committee and Benton Franklin Council of Governments.



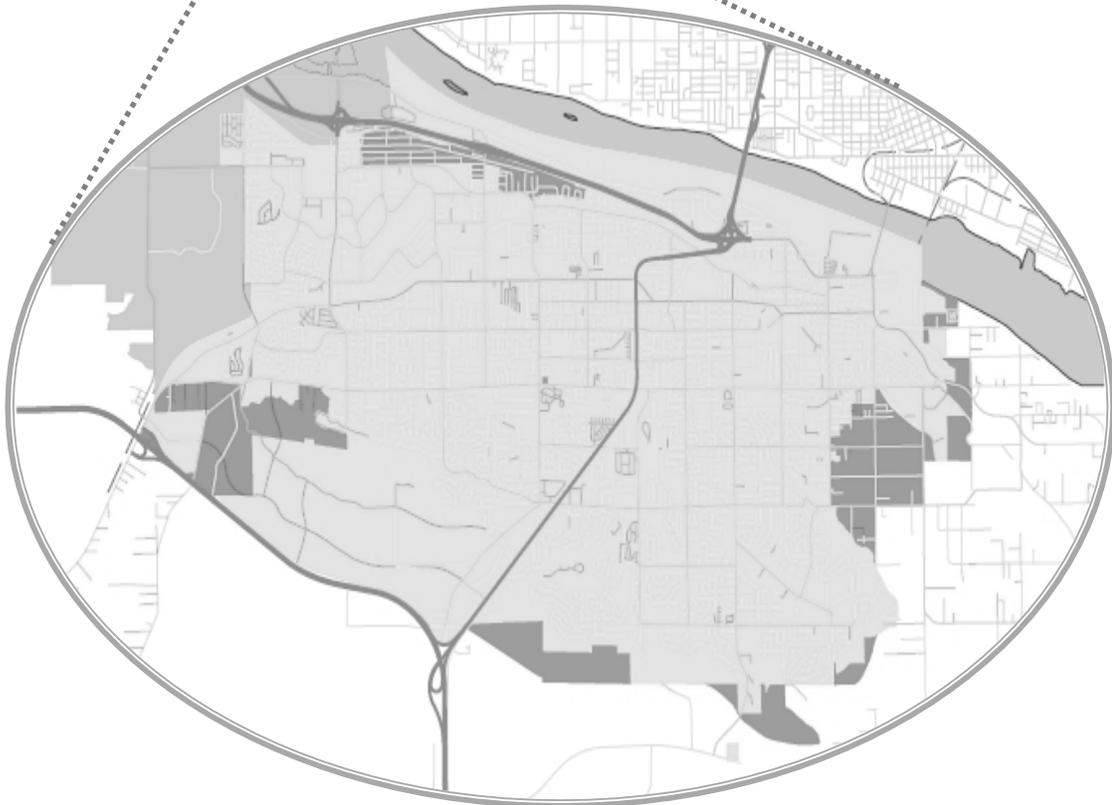
*“The way to get things done is not to mind who gets the credit for
doing them.”*

- Benjamin Jowett -

*Kennewick,
Washington*



CITY OF KENNEWICK



HISTORY

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Kennewick is located in southeast Washington at the confluence of the Columbia, Snake and Yakima Rivers, in the heart of the Washington state wine growing region. With its sister cities of Richland and Pasco, the area is commonly known as the Tri-Cities. Kennewick is roughly 27 square miles in size and with a population of 79,120 it is the largest of the Tri-Cities. The Tri-Cities Metropolitan Statistical Area has an estimated population of 279,170.

Kennewick was first home to the Chemnapum Indians. The name 'Kennewick' means "Winter Haven", an appropriate title for an area where the tribe gathered in the mild climate to trade, fish, and pasture their horses. Kennewick was later founded by railroad workers in the 1880's, and was incorporated in 1904. The Northern Pacific Railroad built an irrigation canal in 1903, bringing much needed water to the arid land. With irrigation came agriculture and beginning in 1913, it was Concord grapes that put Kennewick's name on the map. At one time it was said that there were more acres of Concord grape vineyards in Kennewick than anywhere in the world. Kennewick remained a small agricultural community until World War II. During the war, the Hanford Nuclear Reservation was developed by the federal government just north of the Tri-Cities. This led to tremendous growth in the community and forever changed the course of the area. In the mid-1970's Energy Northwest (previously known as the Washington Public Power Supply System) built three nuclear electric generating plants at the Hanford site. Today Kennewick has a unique blend of agriculture, industry and atomic energy.

ORGANIZATION

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The City has a Council-Manager form of government. The City Manager is appointed by the City Council as the chief executive officer of the City and is responsible to the Council for the proper administration of all City business. The Council is comprised of seven Council members, one of whom is appointed by its members to serve as Mayor for two years. Though Chairman of the Council and the presiding member at weekly Council meetings, the Mayor has an equal vote with other Council members. Council members are elected by the citizens of Kennewick to serve a four-year term. Council members are part-time elected officials who exercise the legislative power of the City and determine matters of policy.

The City provides a full range of services normally associated with a municipality. These include police and fire protection, emergency medical services, street construction and maintenance, planning and zoning, parks and recreation, and general administrative services. In addition, the City operates a water and sewer, and a stormwater utility.

The City prepares its biennial budget in accordance with Optional Municipal Code 35A.33 of the Revised Code of Washington. All governmental fund type budgets are prepared on the modified accrual basis of accounting in conformity with generally accepted accounting principles (GAAP). The budget for proprietary funds is prepared on an accrual basis, also in accordance with GAAP. The legal level of budgetary control where expenditures cannot exceed appropriations is at the individual fund level.

Revisions that alter the total expenditures of any fund must be approved by the City Council and adopted by Ordinance. All appropriations, except for capital projects, lapse at the end of the biennium.

In December 2000, the Kennewick Public Facilities District was formed with a primary mission to build and operate a regional convention center as allowed by Washington state statute. The Kennewick Public Facilities District is included in the City’s reporting entity as a discretely presented component unit because of the financial accountability relationship. The City appoints the Public Facilities District five-member board. The Convention Center is located in an area known as the Vista Entertainment District and resides next to the City’s coliseum facility, known as the Toyota Center. The ability to market both facilities in conjunction with one another provides a unique potential for expanded tourism and economic development opportunities.

LOCAL ECONOMY

.....

Since the early 1940s, when the Tri-Cities was transformed from a farming community into a mecca for science, Hanford has been the region’s most significant economic driving force. Located north of Richland in Benton County, the Hanford reservation encompasses approximately 586 square miles and involves various nuclear and nuclear-related projects, serving as a national energy resource center. The Department of Energy (DOE), its contractors, and Energy Northwest are the major employers in the Tri-Cities. Federal funding for the Hanford area in recent fiscal years has been relatively consistent at approximately \$2.3 billion, which includes funding for the site’s \$12.2 billion vitrification plant project. The site’s budget received a significant boost early in 2009 when an additional \$2 billion in federal funding was received under the American Recovery and Reinvestment Act (ARRA) to accelerate clean-up efforts at the site.

Another of the Tri-Cities’ most important and fundamental industries is agriculture. With ample sunshine, good sources for irrigation, ports on the Columbia River with access to the Pacific, and an excellent rail system, farmers are in a good position to produce and market their crops. The Tri-Cities has also experienced significant growth within the food processing, wine and health care industries.

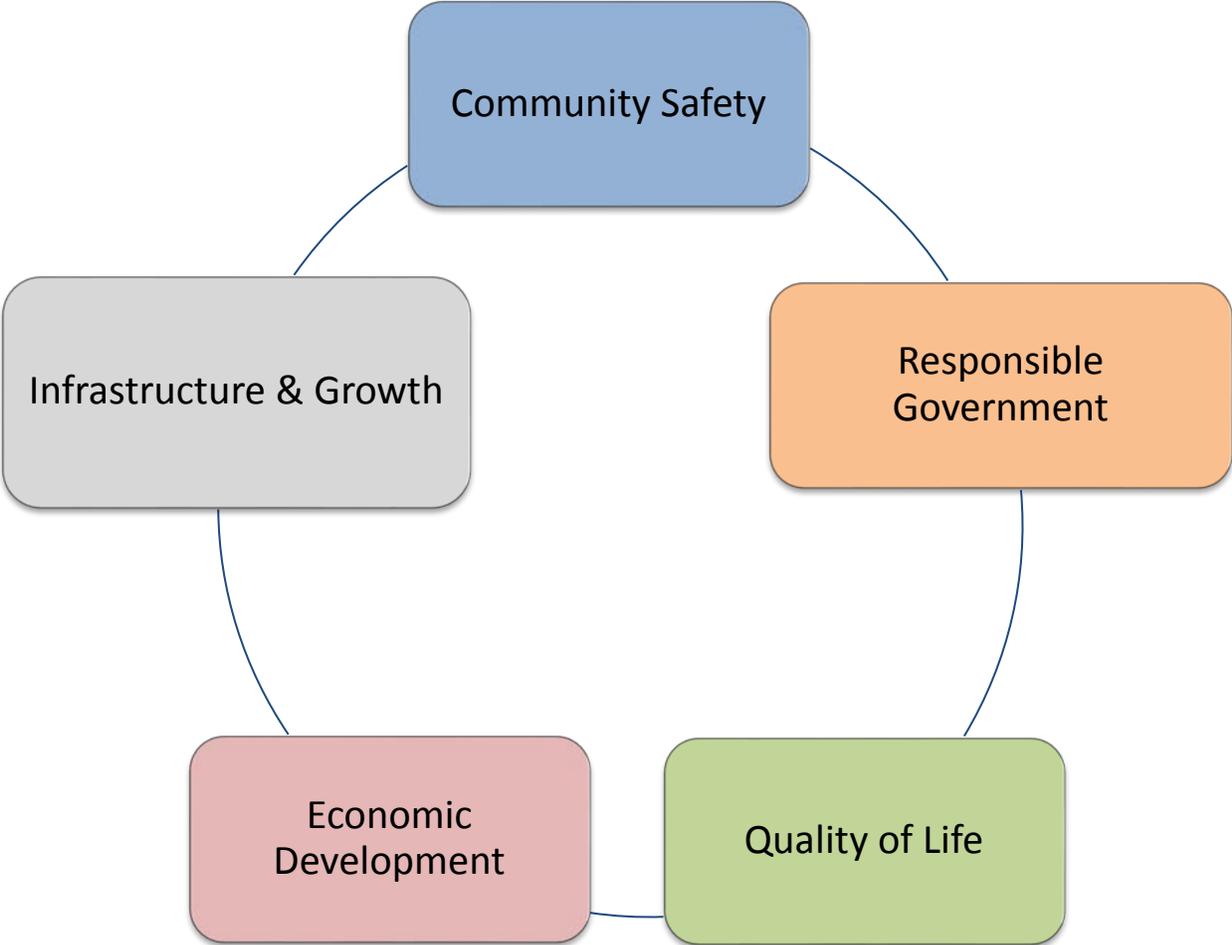
The unemployment rate for the Tri-Cities metropolitan area was 6.5% in August of 2016, which is up from 6.0% in August of 2015 and is higher than the statewide unemployment rate, which was 5.7% for July of 2016. However, non-farm industry employment in the region has been higher throughout 2016 than it has ever been in the past. At the conclusion of August, there were a total of approximately 110,900 non-farm jobs available in the area, which was 2,700 more than at this same point in 2015. At the peak employment level thus far in 2016, there were 111,600 non-farm jobs in the region.

Kennewick continues to be a regional shopping hub, drawing customers from several neighboring communities. As a result, sales tax is the City’s largest tax revenue source and Kennewick is very reliant on it as a funding source for its general governmental operating costs. The City’s retail district is primarily located in the northwestern section of the City and includes the Columbia Center Mall, as well as several large retailers. In addition, the City has several specialty mini-malls and large retailers located throughout other areas of the City. Kennewick’s retail sales activity has been relatively strong in the past two years and in 2015 the City experienced an increase of 9% in its sales tax receipts. Through September of 2016, the City’s sales tax receipts have increased again by approximately 4.2%. These trends reflect a strong local economy centered largely on the growth experienced in the region in recent years as well as the continued efforts by the community to diversify the local economy.

Kennewick continues to experience significant growth. The City's 2015 assessed valuation for its 2016 property tax levy was approximately \$5.62 billion, which represented an overall increase of \$213 million and included \$131 million in new construction that was added to the property tax rolls during the year. Preliminary estimates for the City's 2016 assessed valuation for its 2017 levy include an overall increase of approximately \$169 million to \$5.79 billion, including \$116 million in new construction.

The City's building safety division issued 2,005 permits during 2015 with an estimated valuation of \$206 million. Through September of 2016, the City has issued 11% more permits than during this same time period in 2015, but has experienced a decrease of 9% in the valuation of those permits, primarily as a result of a permit in 2015 associated with the construction of a new 7-story medical office building adjacent to the new Trios Health hospital in the City's Southridge area.

Overall, the local economy for the City of Kennewick and Tri-Cities region as a whole has been very healthy in recent years and thus far in 2016. A majority of the City's economic trends are positive and demonstrate the consistent growth that has been occurring throughout the community. As a direct result, the City's financial position remains strong. With many opportunities on the horizon to sustain the economic expansion that has been occurring in the region including further development of the City's Southridge area and future redevelopment of approximately 110 acres in the center of the City that previously had been utilized for a local airport, there is a strong belief that the local economy will sustain its current momentum in the future.



**DIVISION RELATIONSHIP TO
PRIORITY AREAS**

Budget Summary

	Community Safety	Responsible Government	Quality of Life	Economic Development	Infrastructure & Growth	Page # Ref
CITY MANAGER	✓	✓	✓	✓	✓	66 - 69
CITY ATTORNEY	✓	✓	✓	✓		70 - 73
FINANCE DEPARTMENT						74 - 83
Finance		✓				
Customer Service	✓	✓	✓			
MANAGEMENT SERVICES DEPARTMENT						84 - 99
Purchasing/Fleet Maintenance		✓				
City Clerk		✓				
Information Systems	✓	✓				
CDBG/HOME			✓			
PLANNING						100 - 109
Community Planning		✓	✓	✓	✓	
Building Safety	✓	✓	✓			
POLICE DEPARTMENT						110 - 125
Administration	✓	✓	✓	✓	✓	
Patrol	✓	✓	✓	✓	✓	
Criminal Investigation	✓	✓	✓	✓	✓	
Community Services	✓	✓	✓	✓	✓	
FIRE DEPARTMENT						126 - 137
Administration	✓	✓			✓	
Prevention	✓	✓	✓			
Operations	✓	✓	✓		✓	
EMPLOYEE & COMMUNITY RELATIONS						138 - 151
Human Resources	✓	✓	✓			
Parks & Recreation		✓	✓	✓		
Economic Development		✓	✓	✓	✓	
PUBLIC WORKS DEPARTMENT						152 - 165
Engineering	✓	✓	✓		✓	
Utility Services	✓	✓	✓		✓	
Streets, Traffic & Stormwater	✓	✓	✓		✓	

**DEPARTMENT / DIVISION
OPERATING BUDGET BY FUND**

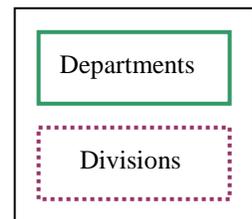
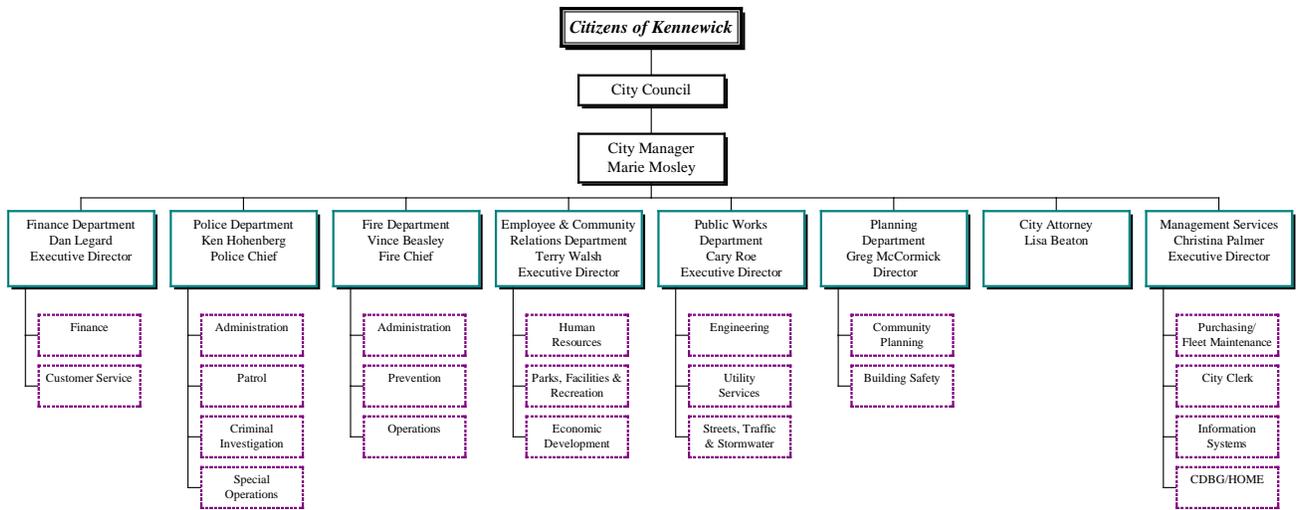
Budget Summary

The following chart provides a summary of each division's operating budget, sorted by department. The summary includes the source(s) of funding by governmental fund accounting type and the number of full-time permanent employees utilized by the department in providing their programs. Further details on the services provided by each department can be found beginning on the page number referenced on the right-hand column of this chart.

DEPARTMENT / DIVISION	FTE	GENERAL FUND	SPECIAL REVENUE FUNDS	ENTERPRISE FUNDS	INTERNAL SERVICE FUNDS	TOTAL	PAGE # REF.
GENERAL GOVERNMENT							
City Council	7.00	\$ 562,362	\$ -	\$ -	\$ -	\$ 562,362	62
City Manager	2.00	776,631	-	-	-	776,631	66
Department Totals:	9.00	1,338,993	-	-	-	1,338,993	
CITY ATTORNEY	7.00	1,511,667	252,661	-	1,876,291	3,640,619	70
FINANCE DEPARTMENT							
Finance	8.65	2,015,547	-	363,554	-	2,379,101	76
Customer Service	14.60	2,188,511	-	691,604	-	2,880,115	80
Department Totals:	23.25	4,204,058	-	1,055,158	-	5,259,216	
MANAGEMENT SERVICES DEPARTMENT							
Purchasing / Fleet Maintenance	7.33	900,398	-	-	3,079,937	3,980,335	86
City Clerk	1.83	506,783	-	-	-	506,783	90
Information Systems	15.34	5,595,750	709,954	-	-	6,305,704	93
CDBG/HOME	1.00	-	730,456	-	-	730,456	97
Department Totals:	25.50	7,002,931	1,440,410	-	3,079,937	11,523,278	
PLANNING							
Community Planning	5.84	1,390,488	-	-	-	1,390,488	102
Building Safety	7.66	-	-	2,726,760	-	2,726,760	106
Department Totals:	13.50	1,390,488	-	2,726,760	-	4,117,248	
POLICE DEPARTMENT							
Administration	4.00	2,294,487	187,915	-	-	2,482,402	112
Patrol	68.00	16,750,953	4,188,547	-	-	20,939,500	114
Criminal Investigation	28.00	16,535,534	5,400	-	-	16,540,934	118
Special Operations	22.00	4,635,127	423,023	-	-	5,058,150	122
Department Totals:	122.00	40,216,101	4,804,885	-	-	45,020,986	
FIRE DEPARTMENT							
Administration	2.00	596,968	-	2,139,817	-	2,736,785	128
Prevention	8.50	1,267,653	-	319,027	-	1,586,680	130
Operations	73.50	14,489,608	-	9,819,295	-	24,308,903	134
Department Totals:	84.00	16,354,229	-	12,278,139	-	28,632,368	
EMPLOYEE & COMMUNITY RELATIONS							
Human Resources	4.00	1,105,007	-	-	133,535	1,238,542	140
Parks, Facilities & Recreation	32.10	10,801,184	-	607,700	-	11,408,884	144
Economic Development	2.00	790,746	-	-	-	790,746	148
Department Totals:	38.10	12,696,937	-	607,700	133,535	13,438,172	
PUBLIC WORKS DEPARTMENT							
Engineering	15.00	3,931,327	-	-	-	3,931,327	154
Utility Services	37.95	-	-	23,698,640	-	23,698,640	158
Streets, Traffic & Stormwater	16.55	-	4,302,737	2,464,397	-	6,767,134	162
Department Totals:	69.50	3,931,327	4,302,737	26,163,037	-	34,397,101	
Total Program Budget:	391.85	\$ 88,646,731	\$ 10,800,693	\$ 42,830,794	\$ 5,089,763	\$ 147,367,981	



City Organizational Chart



Where does your tax dollar go?



Total 2016 Property Tax - \$11.64

(Per \$1,000 of Assessed Valuation)

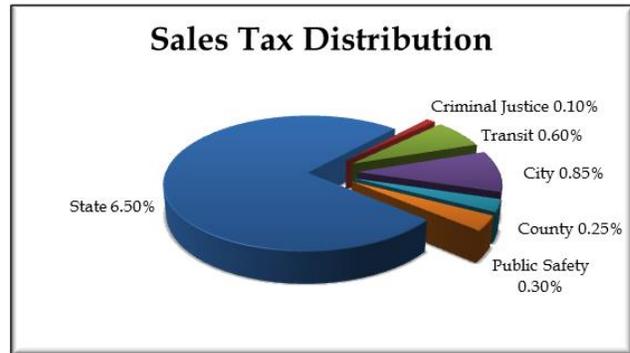
	2012	2013	2014	2015	2016
City of Kennewick:					
General Fund	\$2.1159	\$2.1244	\$2.1409	\$2.1681	\$2.1592
Voted G.O. Bonds	0.0796	0.0776	0.0766	0.0765	0.0722
Total City	2.1955	2.2020	2.2175	2.2446	2.2314
State	2.3154	2.3914	2.3194	2.3044	2.1378
County	1.2771	1.2796	1.2831	1.2799	1.2694
School District	4.9063	4.9088	4.9834	5.0506	5.1535
Library District	0.3803	0.3786	0.3775	0.3728	0.3722
Hospital	0.1418	0.1418	0.1436	0.1439	0.1394
Port	0.3315	0.3309	0.3337	0.3337	0.3320
Total	\$11.5478	\$11.6331	\$11.6582	\$11.7299	\$11.6357

TAXES

Taxes are the City’s most important source of funding and make up 72% of the City’s operating revenues. They include Sales & Use taxes (40%), Property tax (33%), Utility taxes (24%), Gambling taxes (2%), and Admissions and Leasehold taxes (1%).

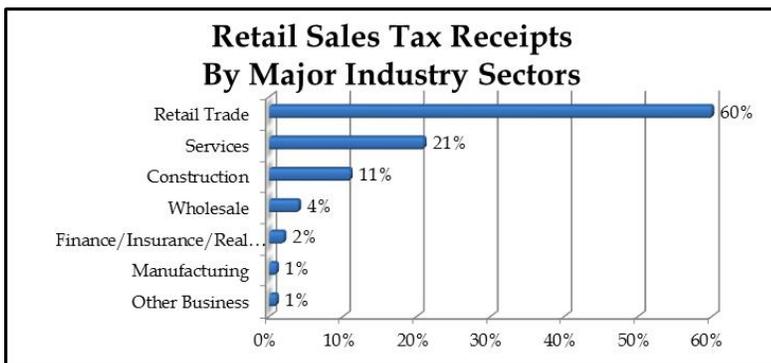
SALES & USE TAXES

Most retail sales within the City of Kennewick are subject to an 8.6% sales tax. The majority of this tax goes to the state (6.5%) with the remainder being distributed to the City of Kennewick (0.85%), Benton County (0.25%), Ben Franklin Transit Authority (0.60%), Public Safety (.30%) and Criminal Justice (0.10%).



The projected sales tax receipts for the 2017/2018 biennium are \$45.8 million (including regular, optional, public safety, and criminal justice sales tax revenues), making it the largest single tax revenue source for the City. Of this amount, \$29.5 million is used to support operating fund services, \$4.9 million in voter-approved sales tax is dedicated towards criminal justice programs, and the remainder (\$11.3 million) is allocated to the Capital Improvement Fund for capital improvements and debt service obligations. The 2017/2018 biennial projections for sales tax reflect a growth rate of 3% each year of the biennium based on a projected increase of 5% in 2016. The projected sales tax revenue for 2017/2018 assumes moderate growth in the City’s “base” retail sales activity and also includes an estimate for new sales tax revenue resulting from the City’s ongoing economic development efforts and further growth in the City’s Southridge area. Considering the City’s reliance on this tax revenue source and its volatility, sales tax receipts will have to be monitored closely throughout the biennium.

The underlying sources of sales tax revenue were also considered as a factor in our projections. The

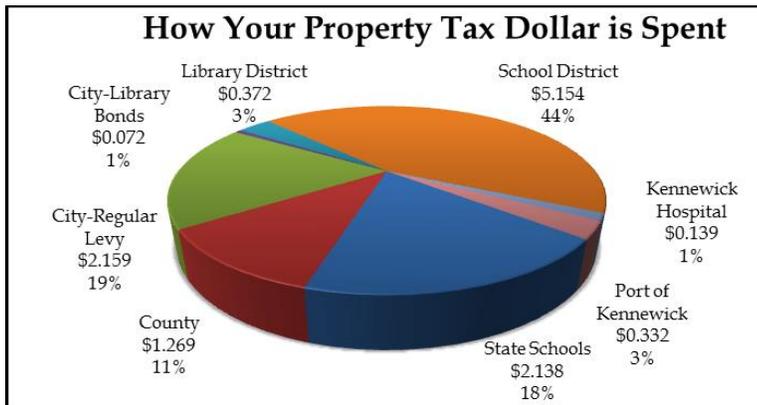


bar graph shows the City’s sales tax receipts by major industry sectors. Retail Trade activity remains the largest industry sector for the City, bringing in roughly 60% of the total revenues received during 2015. Sales tax revenues from service related activities made up 21% of the total, while the construction sector, which can be volatile, made up 11% of total sales tax revenues in 2015.

PROPERTY TAXES

Property taxes are local taxes assessed on property owned, such as real estate, and are measured by the value of the property as determined either by the fair market value or the appraisal valuation completed by the County Assessor’s office. These taxes are billed by the County Treasurer, who then distributes them upon collection to the various state, school, county, city and district funds as

levied. Prior to 1997, a taxing district could increase property tax collections by up to 6%, provided they did not exceed their state statutory limit, which is \$3.10 per \$1,000 of assessed valuation for the City of Kennewick. In November 1997, Washington State voters approved Referendum 47, which added an additional limit factor. This legislation stated that cities with a population of 10,000 or more may only increase their levy by the rate of inflation or 6%, whichever is *less*. However, taxes on new construction, changes in value of state-assessed utility property, and newly annexed property are exempted from the limit factor and may be added to the tax levy. Inflation is defined as the increase in the national Implicit Price Deflator (IPD), which is published annually by the Bureau of Economic Analysis. To levy an amount greater than this limit, a local government was required to declare a substantial need and then approve the levy with a super-majority vote of its legislative body. In November 2001, the Washington State voters again passed an initiative further limiting the annual property tax levy. Initiative-747 limited the increase in property tax levies to the IPD or 1%, whichever is *less*. I-747 was declared unconstitutional in the fall of 2007 by the State Supreme Court. However, the 1% cap established by I-747 was made into state law in an emergency legislative session later in the year. The increase in the IPD from July 2015 to July 2016 was 0.953% which means the maximum allowable levy increase for 2016 is 0.953% of the 2016 levy (plus taxes on new construction, changes in value of state-assessed utility property, and any newly annexed property). An exception to this limitation is if the jurisdiction has “banked capacity”. Banked capacity is the difference between the maximum amount a taxing district could have levied under the law and the amount it actually levies. The City of Kennewick has roughly \$0.023 per \$1,000 of assessed valuation in banked capacity, or approximately \$133,000.



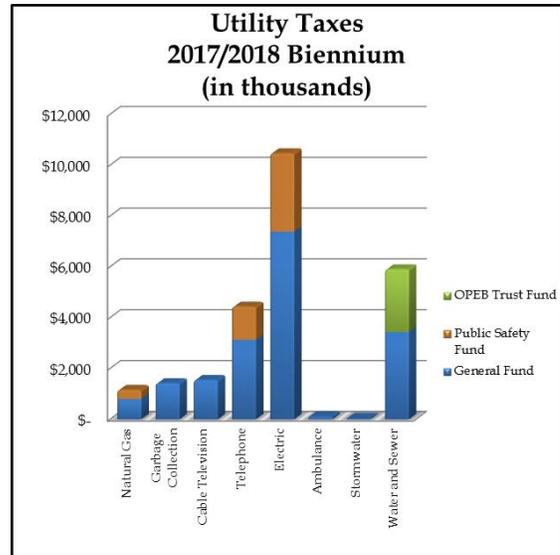
The total 2016 property tax levy for city residents is \$11.64 per \$1,000 in assessed valuation. Of this total, the City of Kennewick levy is \$2.23. What this means is that only 19 cents of every dollar city residents pay in property taxes comes back to the City as revenue. Most of the property taxes paid by residents go to support public schools (62%).

UTILITY TAXES

Utility taxes may be levied on the gross operating revenues earned by public and private utilities from operations within the city limits. The City of Kennewick currently receives utility taxes from natural gas, garbage collection, cable television, telephone, electric and its water/sewer, stormwater and ambulance utilities. Legislation passed in 1982 limits the tax rate that the City may impose on gas, electric, and telephone utilities to 6%, unless a vote of the people authorizes a higher rate. There are no restrictions on the tax rates for water, sewer, ambulance and stormwater utilities. The Cable Communications Policy Act of 1984 governs the rate on cable television and states that the rate cannot be “unduly discriminatory against cable operators and subscribers”. Basically, this means that if a city has set all its tax rates at 7%, then the rate for cable television should not exceed that amount.

OPERATING REVENUES

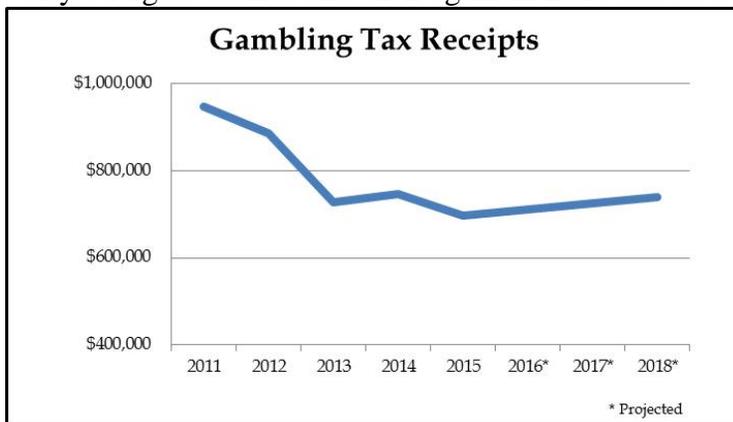
In the spring of 1995 voters approved an additional 2.5% utility tax on electric, natural gas and telephone services which is required to be used for public safety purposes. This 2.5% initially funded 32 positions (21 Police and 11 Fire personnel) and is accounted for separately within the Public Safety Fund. The City of Kennewick currently levies an 8.5% utility tax on electric, natural gas and telephone services. The total levy on cable and garbage is 7%. The total levy on the City's Water and Sewer Fund is 15.5%, of which 6.5% is receipted directly into the City's Other Post-Employment Benefits (OPEB) Trust Fund to pay the City's medical costs for LEOFF 1 retirees. Additionally, a 1% tax is levied on the City's stormwater and ambulance utility service revenues.



GAMBLING EXCISE TAXES

Cities that choose to allow gambling activities within their borders may tax the gambling revenues from those activities. Legislation that became effective in January 2000 limits the rate for bingo and raffles to 5% of the gross revenue less the amount paid for prizes. Amusement games can be taxed at 2% of gross revenues less the amount paid for prizes and card games can be taxed at 20% of the gross receipts. The maximum tax rate and the way that the tax is calculated for punchboards and pull-tabs differ depending on whether the operator is a non-profit organization or a commercial operator. Cities are allowed to tax non-profit operators up to 10% on their net receipts. Commercial operators may be taxed at either 1) up to 10% of their *net* receipts, or 2) up to 5% of the *gross* receipts. State statute requires that cities that assess this tax “shall use the revenue primarily for the purpose of enforcement of the provisions in the gambling code”. The City currently levies at 10% for punchboards, pull-tabs, and card rooms; 5% for bingo; and 2% for amusement games. Card rooms remit their taxes on a monthly basis directly to the City. All other gambling establishments remit their taxes on a quarterly basis.

Gambling tax receipts decreased significantly in 2012 and 2013 due to the closure of one of the City's largest casinos and then again in 2015 due to a severe delinquency in tax payments from a large casino, which was resolved early in 2016. The projection for 2016 gambling tax receipts is roughly \$711,000, which is a moderate 2% increase from 2015 results. The projected revenue for the 2017/ 2018 biennium was calculated with a 2% growth rate per year based on projected 2016 receipts.



ADMISSIONS & LEASEHOLD TAXES

Admissions Taxes:

The City collects a 5% admissions tax on admission charges greater than \$0.10, with the exception of school events. The admissions tax on events at the Toyota Center & Arena are accounted for separately in the General Fund and are dedicated to offsetting the General Fund operating contribution to the facilities and, in the event that no operating contribution is needed, will be dedicated to repayment of the debt service. All other admission taxes are accounted for in the General Fund and are used to pay for general operating costs. The 2017/2018 projection for admission taxes reflect a 2% growth rate per year based on projected 2016 receipts.

Leasehold Taxes:

Most leases of publicly-owned real and personal property in Washington State are subject to a leasehold excise tax in lieu of a property tax. The tax is applicable to lease income from tax-exempt properties leased for activities that are not tax-exempt. In 1976, the State established a 12% levy to be collected on either the contract rent (when the lease is established by competitive bidding), or in other instances, by the imputed economic rent as determined by the State Department of Revenue. In 1982, the legislature added a 7% surcharge making the total rate 12.84%.

Cities and counties are authorized to levy up to 6% of this 12.84%. The maximum rate the county can impose is 6% and the maximum that the city may impose is 4%. The county is further required to give a credit against the county tax rate for the full amount of any city tax imposed upon the same taxable event. These taxes are remitted to the Department of Revenue who then distributes them, less an administrative fee, to the local agencies on a bi-monthly basis. The City of Kennewick currently imposes a 4% tax rate on the rental value of leased publicly-owned properties. The 2017/2018 biennial projection for this tax revenue source is approximately \$71,000, making it the smallest tax revenue source for the City.

LICENSES & PERMITS
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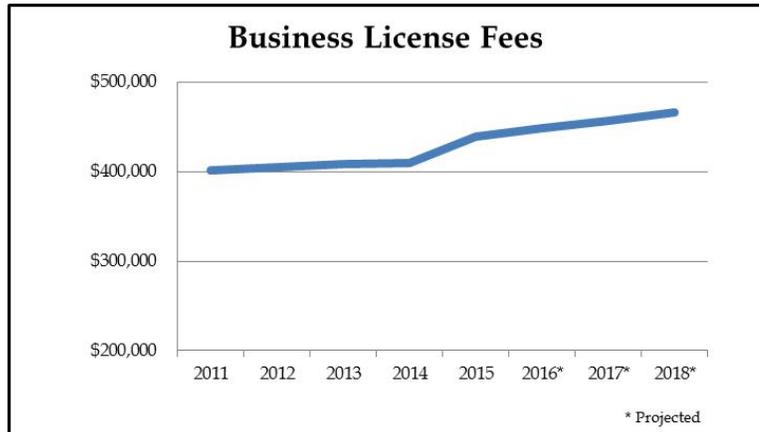
BUSINESS LICENSES & PERMITS

Business taxes and licenses can be classified into three categories:

1. General Business and Occupation Taxes: Excise (percentage) taxes levied on different classes of businesses to raise revenue. These taxes are levied at a percentage rate on the gross receipts of the business less certain deductions.
2. Regulatory License Fees: These fees are collected to cover the cost of registering and ensuring compliance with city ordinances. These fees are set at a flat rate per license in an amount designed to recover the costs of registering the business, issuance and maintenance of the license, and enforcement.
3. Revenue-Generating Regulatory License Fees: These fees have various rates depending on the classification to which the business is categorized. These classifications are defined by the city and each business within a specific classification must be charged the same fee.

OPERATING REVENUES

The City of Kennewick business license fees fall within the Revenue-Generating Regulatory License Fees category. Businesses pay a \$55 base fee plus \$5 per FTE to operate within the city limits. An FTE is calculated based on an annual estimate of 1,920 hours. Revenue generated from business license fees is projected to increase 2% annually during the 2017/2018 biennium.



OTHER LICENSES & PERMITS

This category includes Construction Engineering Permits and Gun Permits. Construction Engineering Permits are projected to be \$604,000 for the 2017/2018 biennium based on anticipated civil permit activity for new construction occurring in the City. Gun Permits are projected to be \$55,000 for the 2017/2018 biennium, which reflects a 2% growth rate annually based on projected revenue for 2016.

INTERGOVERNMENTAL REVENUES

GRANTS

The 2017/2018 budget includes approximately \$89,000 in federal pass-through grant revenue for reimbursement of a portion of the personnel costs for the City's Police Commander and Sergeant positions that provide oversight of the Metro Drug Task Force (Metro). Additionally, the City has been awarded a \$316,576 Assistance to Firefighters Grant (AFG) to purchase new self-contained breathing apparatus (SCBA) equipment.

STATE-SHARED REVENUES

State-shared revenues are revenues that are collected by the state and cities, as a group, receive a fixed percentage of the revenues. Allocations to individual jurisdictions are made on a per capita basis. These revenues are derived from two main sources: 1) Liquor receipts and 2) Motor Vehicle Fuel Excise Tax (Gasoline Taxes).

Liquor Board / Liquor Excise Tax

Since cities are responsible for the policing of liquor establishments located within their limits, but were precluded from taxing them because of the state liquor monopoly, state law has historically provided that a share of the state-collected profits and taxes be returned to cities to help defray policing costs. In November of 2011, the citizens of Washington approved Initiative 1183, which privatized the distribution and sale of liquor in the state beginning in July of 2012. Under the initiative, cities were guaranteed to receive at least the same share of liquor board profits they received in 2011, plus an additional \$10 million for public safety. The Initiative made no change to the historical model for state-shared liquor excise tax distributions. Under this model, cities received 28% of the Liquor Excise Tax receipts, which are distributed in January, April, July, and

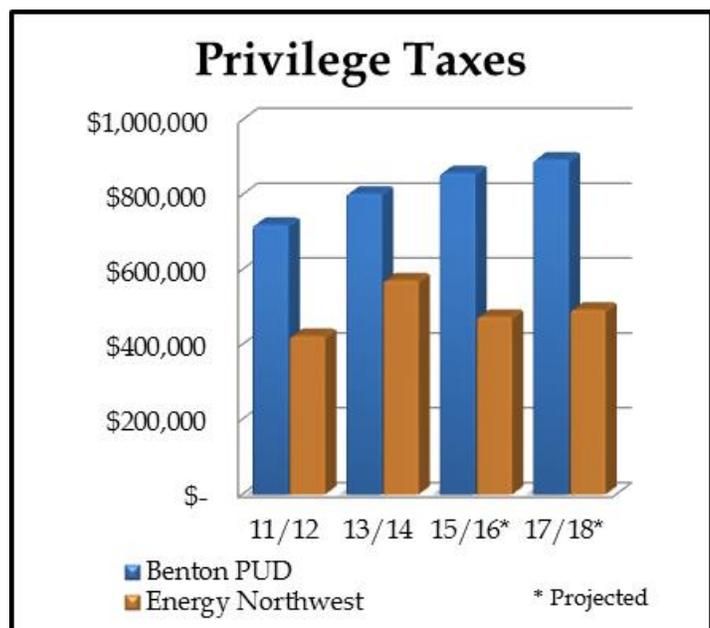
October. To be eligible to receive liquor taxes and profits, state law requires a city to devote at least 2% of its distribution to support an approved alcoholism or drug addiction program. During the 2012 legislative session, in an effort to help balance the state’s budget deficit, the State Legislature voted to eliminate state-shared liquor excise tax distributions to cities for the period of one year beginning in July of 2012. The legislature also permanently reduced liquor excise tax distributions to cities by \$10 million each year and diverted those funds to the State’s General Fund, which effectively eliminated the additional \$10 million in liquor profits that cities were provided under Initiative 1183. During the 2013 legislative session, the State Legislature again reduced liquor excise tax distributions to cities by half for a two-year period through June of 2015. The City’s projection for state-shared liquor revenues in the 2017/2018 biennium reflects the changes described above, but assumes the restoration of this funding source beginning in July of 2015 will remain in place through 2017 and 2018. This revenue source remains extremely vulnerable to future reductions by the State Legislature based on projected budget shortfalls for the State stemming from legal mandates to increase basic education funding. In total, the City anticipates receiving \$2.1 million in state-shared liquor revenues during the 2017/2018 biennium.

Gasoline Tax

Because the federal and state governments have preempted the taxation of gasoline, the state has provided that the state-collected gasoline tax is to be shared with cities. After a total increase of 11.9 cents to the gas tax resulting from a statewide transportation package passed by the state in 2015, the state currently levies 49.4 cents per gallon on motor vehicle fuel, of which a small portion is actually shared with cities and are restricted for street construction or maintenance purposes. The 2017/2018 biennial estimate for gas tax is \$3,665,000 based on projected per capita estimates and population growth for the City.

Privilege Taxes

The state levies a privilege tax on public utility districts (PUDs) that generate, distribute and sell electric energy. This tax is considered to be an excise tax in lieu of property tax and is imposed on facilities other than thermal electrical facilities, at a rate of 2.14% of gross revenues. After various deductions by the state, 37.6% is distributed to public schools and 62.4% is distributed to the counties in proportion to the sales generated in each county. The County is then required to distribute a portion of these funds to the City in a manner they deem most equitable, which must be at least 0.75% of the gross revenues generated from the sale of electricity within the city limits. The City receives the minimum required distribution of 0.75% from Benton County, which is estimated to be approximately \$895,000 for the 2017/2018 biennium. The City’s privilege tax distribution was reduced significantly in 2010 as a result of a court case that ruled “base charges” not tied to consumption were excludable from gross



revenues for purposes of calculating privilege tax. However, the State legislature amended state code the following legislative session to define these charges as taxable revenue. The state also levies a privilege tax on thermal electric generating facilities at a rate of 1.5% of the wholesale value of energy produced for use or sale. This rate only applies to the facility located on the Hanford reservation, which is operated by Energy Northwest. Half of the proceeds from this tax are retained by the state for public schools and the other half is distributed among the local taxing districts within the “impacted area” based on their population relative to the total population within the “impacted area”. The impacted area is defined to mean the area within 35 miles of the southern entrance to the Hanford Reservation. Of the 50% distribution, counties receive 22%, cities receive 23%, fire districts receive 3% and certain library districts receive 2%. The 2017/2018 projection for this tax is \$494,000, which assumes a 4% annual growth rate and an outage at the facility in 2017.

Criminal Justice Taxes

Cities may receive two allocations of criminal justice revenue under the terms of RCW 82.14.320 (“High Crime”) and RCW 82.14.330 (“Violent Crime-Population”). Each is funded by a transfer from the State General Fund and is distributed in January, April, July, and October. Beginning in fiscal year 2000, this transfer was \$4.6 million for each category and is required to be adjusted annually by a defined growth factor. “Violent Crime - Population” funding is distributed to cities as follows:

- 20% - Distributed to cities with a three-year average violent crime rate in excess of 150% of the statewide three-year average. Distributions are made on the basis of population; however, no city may receive more than \$1 per capita.
- 16% - Distributed to cities based on population, with each city receiving a minimum of \$1,000 per year.
- 10% - Allocated to cities that contract for law enforcement services.
- 54% - Distributed to cities on a per capita basis and must be used for 1) innovative law enforcement strategies; 2) programs to help at-risk children or child abuse victim response programs; and 3) programs designed to reduce the level of domestic violence or provide counseling for domestic violence victims.

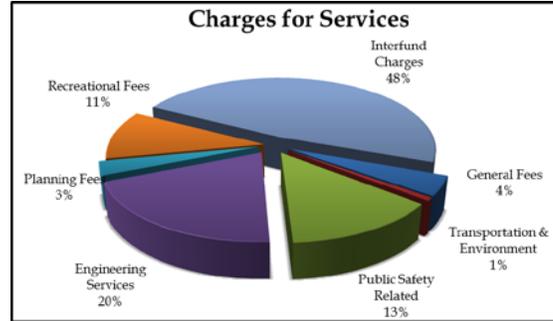
The City of Kennewick does not qualify to receive “High Crime” funding, as we do not have a crime rate in excess of 150% of the statewide average. The City also does not qualify to receive the 10% allocation for law enforcement services since we do not contract for these services. The 2017/2018 biennial projection for the 16% allocation is \$50,000 and was calculated using projected per capita distributions and estimated population growth for the City. The 2017/2018 biennial projection for the 54% allocation is \$166,000 and was also calculated using projected per capita and population factors.

CHARGES FOR SERVICES
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The charges for service category includes charges and fees to cover the cost of providing services or programs as well as regulatory activities. These fees are based on the direct and indirect costs associated with the activity including administrative overhead and include general fees, animal control services, public safety related fees, engineering services, planning fees, recreation fees, and interfund overhead charges. General fees and charges include court/warrant fees, reimbursements for city personnel from third party agencies, election candidate filing fees, and legal services fees.

OPERATING REVENUES

Public safety related fees include alarm system charges, record check/police report fees, crime stoppers, police outside employment charges, impounded vehicle charges, housing of prisoners, SRO and Tri-Tech contracts, community resource center reimbursements and fire protection services. Total charges for services in the operating funds are projected at \$8.9 million for 2017/2018 biennium, which is roughly 9% of the total operating budget. This projection was calculated using a 2% growth factor in most cases.



FINES AND FORFEITURES

This category includes fines for failure to provide proof of insurance, traffic infraction penalties, parking infraction fees, DUI penalties, nuisance abatement fees, misdemeanor penalties, public defense fees, court cost recovery, jury demand fees, drug disposal restitution, court interpreter fees, and JIS/trauma fees. Total fines and forfeitures in the operating funds are projected to be roughly \$2.5 million for 2017/2018 biennium, which is approximately 2% of the total operating budget. This projection was calculated using a 2% growth factor.

MISCELLANEOUS REVENUES

Miscellaneous revenues include interest earnings, rents/leases/concessions, donations, bad debt collections, and other miscellaneous revenues. The 2017/2018 biennial estimate for this category is \$924,700, which generally includes a 2% growth rate.

OTHER FINANCING SOURCES

Other financing sources consist entirely of interfund operating transfers. The 2017/2018 operating budget includes approximately \$4.7 million in operating transfers, which consists entirely of projected transfers from the City’s Public Safety Fund to the General Fund of the 2½% voted utility tax on electric, natural gas and telephone that is dedicated to pay a portion of 32 public safety positions that are paid from the General Fund.

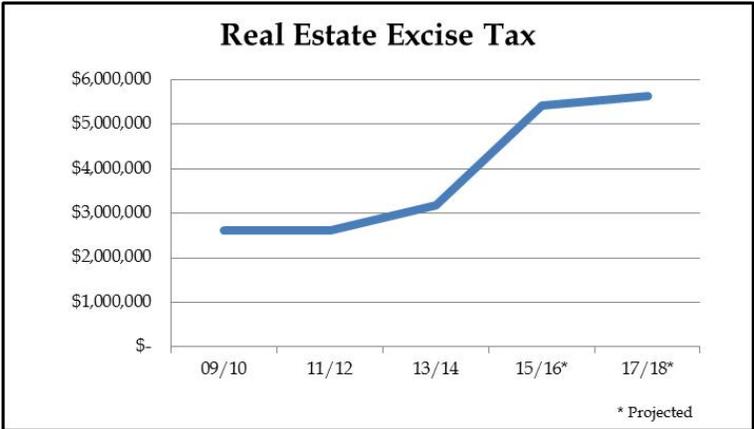
REAL ESTATE EXCISE TAX

Real estate excise taxes (REET) are not an operating revenue source for the City as these taxes are legally restricted for capital purposes; however, a discussion was included here as this is a major revenue source for the City.

The real estate excise tax is levied on all sales of real estate, measured by the full selling price, including the amount of any liens, mortgages, and other debts given to secure the purchase. The state levies this tax at the rate of 1.28% and the City levies an additional 0.5% for a total levy of 1.78%. With the exception of a minor amount allowed for maintenance costs, these funds are required to be used for capital projects that are listed in the Capital Facilities portion of the Comprehensive Plan. The City utilizes all of the funding from this source for capital projects.

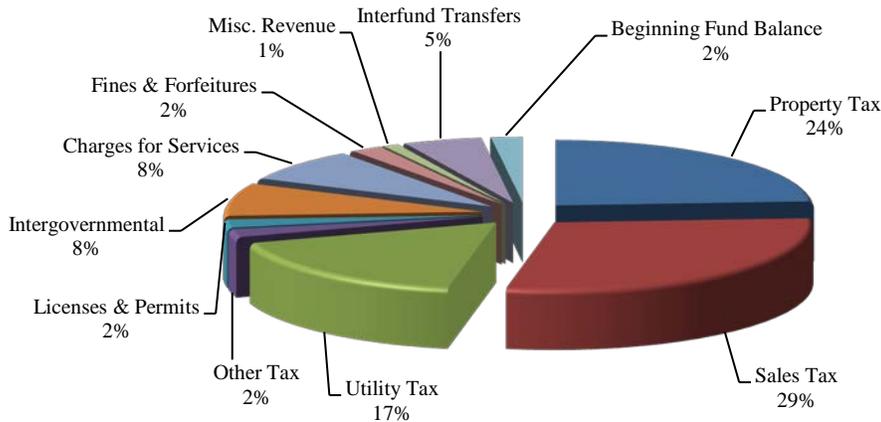
OPERATING REVENUES

Because this revenue source is dependent upon real estate activity, it can be very volatile. The revised biennial estimate for 2015/2016 for real estate excise tax is \$6 million, which is still lower than peak levels in past bienniums but does reflect significant growth in this revenue source since the downturn in real estate activity that occurred during the latter half of 2009 and the first several months of 2010. For the 2017/2018 biennium, the City is conservatively estimating only \$5.6 million from this revenue source in an effort to guard against the fact that it can be an extremely volatile funding source.



SOURCES OF FUNDING – OPERATING FUNDS

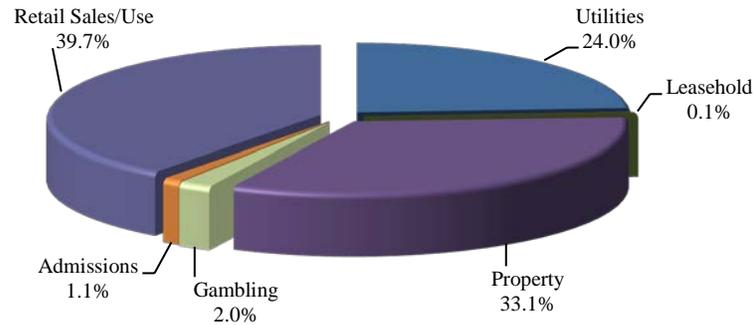
2017/2018 Adopted Budget



Sources of Funding Operating Funds	2013-2014	2015-2016	2017-2018	15/16 - 17/18	
	Actual	Adjusted Budget	Adopted Budget	\$ Change	% Change
Property Tax	\$22,174,494	\$23,219,507	\$24,578,224	\$1,358,717	6%
Sales Tax	23,763,104	26,454,900	29,546,000	3,091,100	12%
Utility Taxes	17,458,135	18,749,875	17,875,000	(874,875)	-5%
Other Taxes	2,326,522	2,436,000	2,332,000	(104,000)	-4%
Licenses & Permits	1,188,661	1,414,171	1,789,000	374,829	27%
Intergovernmental	6,759,724	6,912,292	7,988,176	1,075,884	16%
Charges for Services	9,719,729	10,018,427	8,907,108	(1,111,319)	-11%
Fines & Penalties	2,529,217	2,781,800	2,472,800	(309,000)	-11%
Miscellaneous Revenue	1,017,721	1,110,650	924,700	(185,950)	-17%
Interfund Transfers	4,976,030	5,303,166	4,740,000	(563,166)	-11%
Subtotal Revenues:	91,913,337	98,400,788	101,153,008	2,752,220	3%
Beginning Fund Balance	3,320,047	2,423,685	2,500,000	76,315	3%
Total Sources	\$95,233,384	\$100,824,473	\$103,653,008	\$2,828,535	3%

**ESTIMATED TAX REVENUES
OPERATING FUNDS**

2017/2018 Adopted Budget



Tax Revenue Operating Funds	2013-2014	2015-2016	2017-2018	15/16 - 17/18	
	Actual	Adjusted Budget	Adopted Budget	\$ Change	% Change
Property Tax	\$22,174,494	\$23,219,507	\$24,578,224	\$1,358,717	6%
Sales Tax	23,763,104	26,454,900	29,546,000	3,091,100	12%
Utility Taxes	17,458,135	18,749,875	17,875,000	(874,875)	-5%
Gambling Tax	1,473,245	1,527,000	1,465,000	(62,000)	-4%
Admissions Tax	788,539	848,000	796,000	(52,000)	-6%
Leasehold Excise Tax	64,738	61,000	71,000	10,000	16%
Total Taxes	\$65,722,255	\$70,860,282	\$74,331,224	\$3,470,942	5%

**REVENUE SUMMARY
OPERATING FUNDS**

Budget Summary

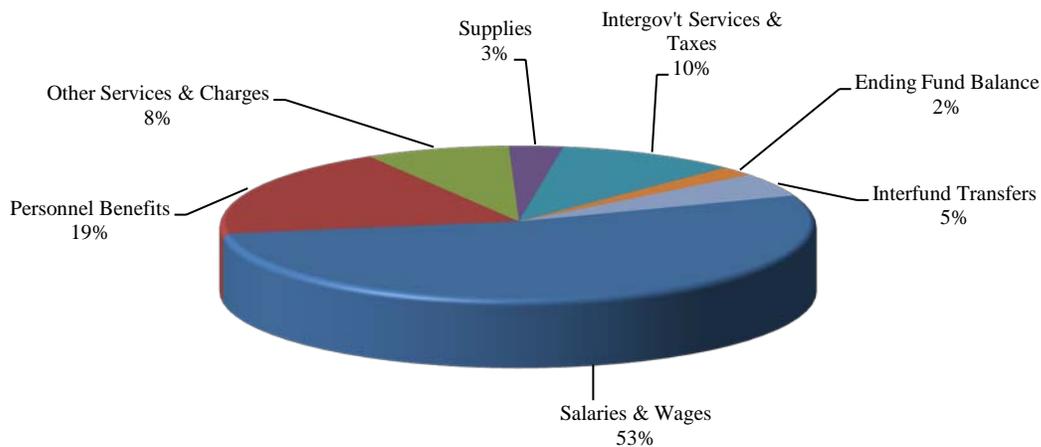
SOURCE OF REVENUE	ACTUAL 2013/2014	ADJUSTED BUDGET 2015/2016	ADOPTED BUDGET 2017/2018	VARIANCE
TAXES				
General Property Taxes	\$22,174,494	\$23,219,507	\$24,578,224	6%
Retail Sales & Use Tax	14,951,019	16,569,800	18,232,600	10%
Optional Sales Tax	6,093,000	6,953,000	7,993,000	15%
Local Sales - Crim Justice	2,693,855	2,877,100	3,276,400	14%
Brokered Natural Gas Sales & Use Tax	25,230	55,000	44,000	-20%
Business & Occupation Taxes				
Natural Gas	1,087,856	1,135,000	808,000	-29%
Garbage Collection	1,173,563	1,263,000	1,424,000	13%
Cable Television	1,429,436	1,526,000	1,555,000	2%
Telephone	4,045,628	4,128,600	3,132,000	-24%
Benton County PUD	6,703,143	7,464,000	7,392,000	-1%
Water and Sewer	2,917,674	3,118,275	3,430,000	10%
Ambulance Utility	78,382	91,000	110,000	21%
Stormwater Utility	22,453	24,000	24,000	0%
Gambling Tax	1,473,245	1,527,000	1,465,000	-4%
Other Taxes				
Leasehold Tax	64,738	61,000	71,000	16%
Admissions Tax - Coliseum	315,329	339,000	309,000	-9%
Admissions Tax - General	473,210	509,000	487,000	-4%
LICENSES AND PERMITS				
Business Licenses & Permits	818,107	979,000	1,049,000	7%
Non-Business Licenses & Permits				
Construction Engineering	249,733	328,171	604,000	84%
Gun Permits	45,306	44,000	55,000	25%
Other Non-Business Licenses & Permits	75,515	63,000	81,000	29%
INTERGOVERNMENTAL REVENUE				
Federal Grants	205,420	22,917	316,576	1281%
Indirect Federal Grants	38,991	90,575	89,000	-2%
State Grants	14,951	-	-	-
State Shared Revenue				
Motor Vehicle Fuel Tax	3,114,244	3,362,200	3,665,000	9%
PUD Privilege Tax	804,142	865,000	895,000	3%
WPPSS Privilege Tax	572,414	461,000	494,000	7%
Local Gov't Financial Assistance	-	-	210,000	-
Criminal Justice - High Crime	204,079	-	-	-
Criminal Justice - Violent Crimes/Population	37,726	41,000	50,000	22%
Criminal Justice - Special Programs	140,081	135,900	166,000	22%
DUI/Other Criminal Justice Assistance	27,413	28,700	24,600	-14%
Liquor Excise Tax	193,929	547,000	750,000	37%
Liquor Board Profits	1,354,542	1,358,000	1,328,000	-2%
Metro Reimbursement	51,793	-	-	-
CHARGES FOR SERVICES				
General Government				
Engineering Services	2,659,567	2,860,000	1,760,000	-38%
Interfund Support	3,274,494	3,814,137	4,058,808	6%
Park and Facility Engineering Services	6,384	-	2,000	-
Computer Usage Charges	202,000	202,000	202,000	0%
Other General Government Charges	409,771	389,940	384,500	-1%
Public Safety				
Alarm Violation Charges	34,254	30,300	28,500	-6%
Record Checks/Police Reports	26,870	34,300	27,100	-21%
Police Outside Employment	33,560	38,400	42,200	10%
Violent Task Force Services	34,980	30,100	59,400	97%
SRO Contract	368,236	385,600	397,100	3%
DUI Emergency Fees	-	-	72,500	-
Housing/Monitoring of Prisoners	248,832	263,800	273,900	4%
Fire Protection Services	316,278	428,400	-	-100%
Tri-Tech Contract	239,264	248,300	269,500	9%
Other Public Safety Charges	61,338	28,800	36,000	25%

Budget Summary

SOURCE OF REVENUE	ACTUAL 2013/2014	ADJUSTED BUDGET 2015/2016	ADOPTED BUDGET 2017/2018	VARIANCE
Meter Reading Charges	520,085	-	-	-
Solid Waste Recycling Fees	124,756	-	-	-
Road Maintenance Services	32,336	19,000	47,100	148%
Animal Boarding/Impound Fees	14,805	17,000	17,400	2%
Planning Fees and Charges	71,151	233,800	267,900	15%
Culture & Recreation Activities				
Swimming Pool Admission Fees	30,258	31,500	32,500	3%
Swimming Lesson Fees	73,488	80,000	82,400	3%
Swim Pool Locker Rental Fees	756	800	800	0%
Field Usage Fees	28,233	26,250	27,100	3%
Field Lighting Fees	16,318	15,000	15,600	4%
Tournament Field Usage Fees	51,550	55,000	56,800	3%
Special Rec. Program User Fees	717,719	650,000	605,800	-7%
Senior Program Fees	122,448	136,000	140,200	3%
FINES AND PENALTIES				
Proof of Motor Vehicle Insurance	47,164	54,300	32,300	-41%
Traffic Infraction Penalties	1,156,017	1,309,300	1,082,100	-17%
Non-Parking Infraction Penalties	31,070	35,900	17,000	-53%
Disabled Parking Infractions	11,348	7,400	22,000	197%
DUI Penalties	138,516	142,700	147,100	3%
DUI Cost Recovery Restitution	400	800	-	-100%
Criminal Traffic Penalties	316,402	314,700	310,900	-1%
Non-Traffic Misdemeanor Penalties	467,413	501,000	492,100	-2%
Nuisance Abatement Fees	32,472	37,500	57,200	53%
Domestic Violence Penalty Assessments	16,412	14,800	22,000	49%
Investigative Fund Assessments	491	-	-	-
Jury Demand Fee	211	200	1,400	600%
Public Defense Cost	302,716	352,200	277,800	-21%
Court Interpreter	36	-	-	-
Court Cost Recoupment	330	800	1,200	50%
Drug Disposal Recovery Restitution	7,591	9,000	9,700	8%
JIS/Trauma	627	1,200	-	-100%
MISCELLANEOUS REVENUE				
Interest on Investments	16,210	38,000	95,900	152%
Interest on Sales Tax	6,394	6,300	18,400	192%
District Court Interest	51,293	-	-	-
Rentals, Leases and Concessions	579,972	598,400	695,500	16%
Contributions and Donations	148,405	208,500	20,000	-90%
District Court Bad Debt Collections	126,333	161,800	1,600	-99%
Miscellaneous Revenue	76,528	97,650	93,300	-4%
Sale of Salvage	12,584	-	-	-
OTHER FINANCING SOURCES				
Operating Transfers (In)				
Transfer from Asset Forfeiture	17,000	-	-	-
Transfer from Public Safety	4,941,330	5,303,166	4,740,000	-11%
Transfer from Stormwater Utility	1,000	-	-	-
Transfer from Water/Sewer	16,700	-	-	-
TOTAL OPERATING FUND REVENUE	91,913,337	98,400,788	101,153,008	3%
BEGINNING FUND BALANCE	3,320,047	2,423,685	2,500,000	3%
TOTAL OPERATING FUNDS	\$95,233,384	\$100,824,473	\$103,653,008	3%

USES OF FUNDING – OPERATING FUNDS

2017/2018 Adopted Budget

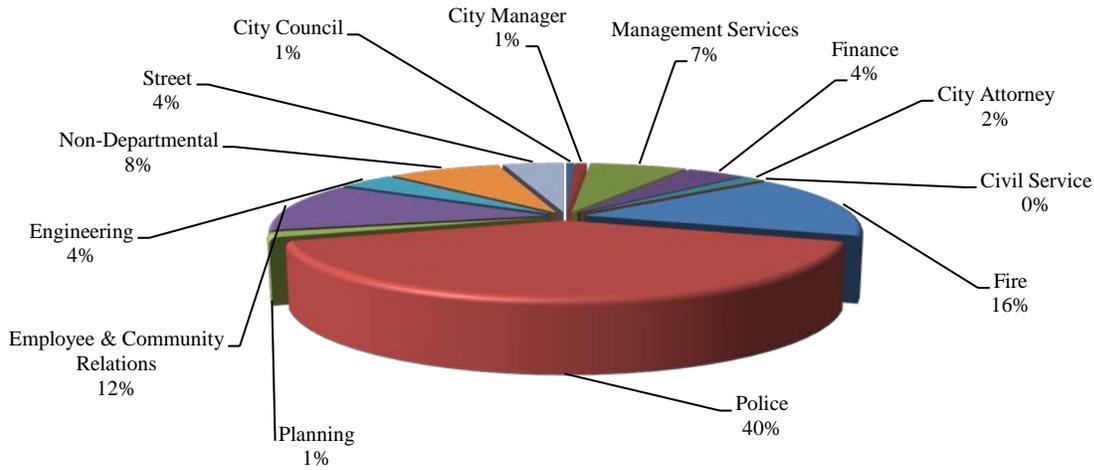


Uses of Funding Operating Funds	2013-2014	2015-2016	2017-2018	15/16 - 17/18	
	Actual	Adjusted Budget	Adopted Budget	\$ Change	% Change
Salaries & Wages	\$49,674,716	\$51,483,293	\$54,543,426	\$3,060,133	6%
Personnel Benefits	17,564,804	19,215,186	19,834,387	619,201	3%
Supplies	2,566,702	2,828,500	3,154,221	325,721	12%
Other Services & Charges	7,716,534	8,350,852	8,092,688	(258,164)	-3%
Intergov't Services & Taxes	11,316,911	9,808,817	10,112,150	303,333	3%
Interfund Transfers	3,845,683	6,357,257	5,317,500	(1,039,757)	-16%
Capital Outlay	124,349	271,951	19,120	(252,831)	-93%
Subtotal Appropriations:	92,809,699	98,315,856	101,073,492	2,757,636	3%
Ending Fund Balance	2,423,685	2,508,617	2,579,516	70,899	3%
Total Uses:	\$95,233,384	\$100,824,473	\$103,653,008	\$2,828,535	3%

**EXPENDITURE SUMMARY
OPERATING FUNDS**

Budget Summary

2017/2018 Adopted Budget



	2013/2014	2015/2016	2017/2018	15/16 - 17/18	
	Actual	Adjusted Budget	Adopted Budget	\$ Change	% Change
Operating Funds					
General Fund					
City Council	\$521,430	\$547,828	\$562,362	\$14,534	3%
City Manager	656,846	719,795	776,631	56,836	8%
Finance	4,232,878	4,167,663	4,204,058	36,395	1%
Management Services	5,601,586	6,301,288	7,002,931	701,643	11%
City Attorney	1,330,023	1,470,057	1,511,667	41,610	3%
Civil Service	34,235	47,310	47,250	(60)	0%
Community Planning	1,119,075	1,474,887	1,390,488	(84,399)	-6%
Police	37,496,176	39,167,495	40,216,103	1,048,608	3%
Fire	15,969,991	15,832,194	16,354,229	522,035	3%
Engineering	3,345,100	3,699,633	3,931,328	231,695	6%
Employee & Community Relations	10,563,496	11,966,333	12,649,688	683,355	6%
Non-Departmental	8,148,879	8,838,528	8,104,900	(733,628)	-8%
Total General Fund	89,019,715	94,233,011	96,751,635	2,518,624	3%
Street Fund	3,789,984	4,082,845	4,321,857	239,012	6%
Ending Fund Balance	2,423,685	2,508,617	2,579,516	70,899	3%
Total Operating Funds	\$95,233,384	\$100,824,473	\$103,653,008	\$2,828,535	3%

**COMPARATIVE BUDGET SUMMARY
ALL FUNDS**

Budget Summary

FUND	ACTUAL 2013/2014	ADJUSTED BUDGET 2015/2016	ADOPTED BUDGET 2017/2018	VARIANCE
GENERAL GOVERNMENT OPERATIONS				
General Fund	\$91,443,400	\$96,741,628	\$99,331,151	3%
Street	3,789,984	4,082,845	4,321,857	6%
Subtotal	95,233,384	100,824,473	103,653,008	3%
CAPITAL PROJECTS				
Urban Arterial Street	13,275,519	21,400,850	11,207,000	-48%
Capital Improvement	26,012,480	42,838,107	27,849,361	-35%
Subtotal	39,287,999	64,238,957	39,056,361	-39%
ENTERPRISE & INTERNAL SERVICE				
Water & Sewer	51,396,382	54,058,423	47,392,291	-12%
Building Safety	3,335,861	3,553,505	4,520,000	27%
Medical Services	8,731,119	12,027,325	12,875,000	7%
Coliseum Fund	7,754,012	8,087,164	8,162,800	1%
Stormwater	3,242,998	5,343,768	2,944,900	-45%
Columbia Park Golf Course	585,238	1,140,496	607,700	-47%
Equipment Rental	9,752,102	10,574,824	12,231,918	16%
Risk Management	4,045,777	3,422,968	3,172,880	-7%
Central Stores	675,594	704,205	662,660	-6%
Subtotal	89,519,083	98,912,678	92,570,149	-6%
DEBT SERVICE				
Debt Service	6,179,471	12,819,680	6,812,682	-47%
LID Guaranty	35,021	35,420	36,100	2%
Subtotal	6,214,492	12,855,100	6,848,782	-47%
SPECIAL REVENUE				
Arterial Street	1,688,739	1,008,596	3,392,000	236%
Cash Reserve Fund	2,715,500	2,795,500	2,715,500	-3%
BI-PIN Operations	596,138	679,138	709,954	5%
Community Development	2,090,913	2,415,205	1,297,000	-46%
MPD Assistant Operations	61,920	60,798	-	-100%
Asset Forfeiture Fund	233,242	178,883	49,300	-72%
Public Safety	4,941,330	5,303,166	4,740,000	-11%
Lodging Tax Fund	2,872,595	3,458,314	3,659,815	6%
Criminal Justice Sales Tax	-	4,185,000	5,756,400	38%
Subtotal	15,200,377	20,084,600	22,319,969	11%
FIDUCIARY TRUST FUNDS				
Fire Pension Fund	1,137,997	1,233,247	1,227,000	-1%
OPEB Trust Fund	2,572,879	3,640,920	5,146,000	41%
Subtotal	3,710,876	4,874,167	6,373,000	31%
TOTAL	\$249,166,211	\$301,789,975	\$270,821,269	-10%

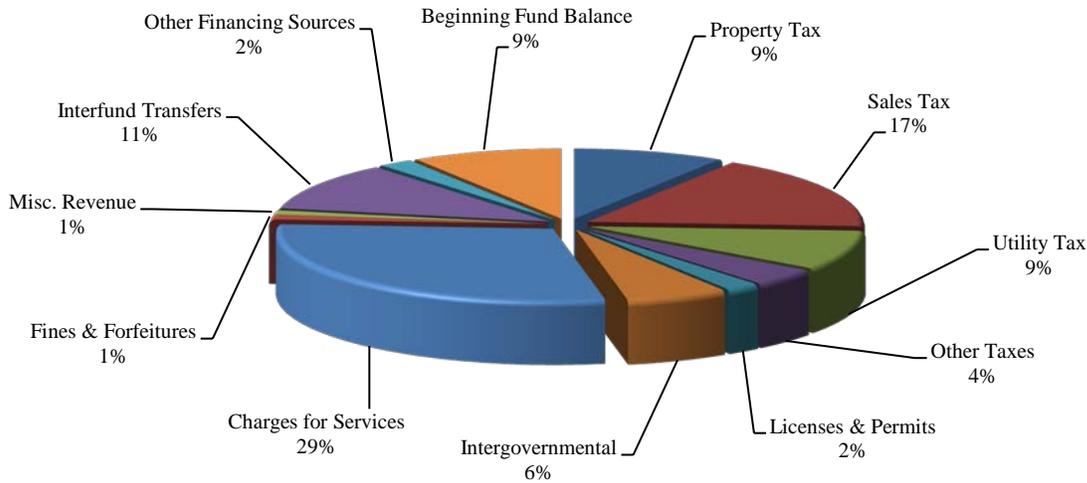
**BUDGET SUMMARY
ALL FUNDS**

Budget Summary

FUND	BEGINNING FUND BALANCE	REVENUES	EXPENSES	ENDING FUND BALANCE	% CHANGE
GENERAL GOVERNMENT OPERATIONS					
General Fund	\$2,500,000	\$96,831,151	\$96,751,635	\$2,579,516	3%
Street	-	4,321,857	4,321,857	-	-
Subtotal	2,500,000	101,153,008	101,073,492	2,579,516	3%
CAPITAL PROJECTS					
Urban Arterial Street	-	11,207,000	11,207,000	-	-
Capital Improvement	4,274,826	23,574,535	24,871,426	2,977,935	-30%
Subtotal	4,274,826	34,781,535	36,078,426	2,977,935	-30%
ENTERPRISE & INTERNAL SERVICE					
Water & Sewer	2,533,007	44,859,284	41,600,591	5,791,700	129%
Building Safety	1,700,000	2,820,000	3,060,440	1,459,560	-14%
Medical Services	475,000	12,400,000	12,468,561	406,439	-14%
Coliseum Fund	(460,000)	8,622,800	8,628,373	(465,573)	1%
Stormwater	67,400	2,877,500	2,916,128	28,772	-57%
Columbia Park Golf Course Fund	-	607,700	607,700	-	-
Equipment Rental	4,850,000	7,381,918	7,152,976	5,078,942	5%
Risk Management	-	3,172,880	3,103,827	69,053	-
Central Stores	185,000	477,660	494,768	167,892	-9%
Subtotal	9,350,407	83,219,742	80,033,364	12,536,785	34%
DEBT SERVICE					
Debt Service	-	6,812,682	6,812,682	-	-
LID Guaranty	35,600	500	-	36,100	1%
Subtotal	35,600	6,813,182	6,812,682	36,100	1%
SPECIAL REVENUE					
Arterial Street	-	3,392,000	3,392,000	-	-
Cash Reserve Fund	2,715,500	-	-	2,715,500	0%
BI-PIN Fund	-	709,954	709,954	-	-
Community Development	66,000	1,231,000	1,229,455	67,545	2%
Asset Forfeiture Fund	38,300	11,000	21,600	27,700	-28%
Public Safety Fund	-	4,740,000	4,740,000	-	-
Lodging Tax Fund	163,265	3,496,550	3,555,700	104,115	-36%
Criminal Justice Sales Tax	848,000	4,908,400	5,244,946	511,454	-40%
Subtotal	3,831,065	18,488,904	18,893,655	3,426,314	-11%
FIDUCIARY TRUST FUNDS					
Fire Pension Fund	902,000	325,000	311,300	915,700	2%
OPEB Trust Fund	2,599,000	2,547,000	1,256,200	3,889,800	50%
Subtotal	3,501,000	2,872,000	1,567,500	4,805,500	37%
TOTAL	\$23,492,898	\$247,328,371	\$244,459,119	\$26,362,150	12%

SOURCES OF FUNDING – ALL FUNDS

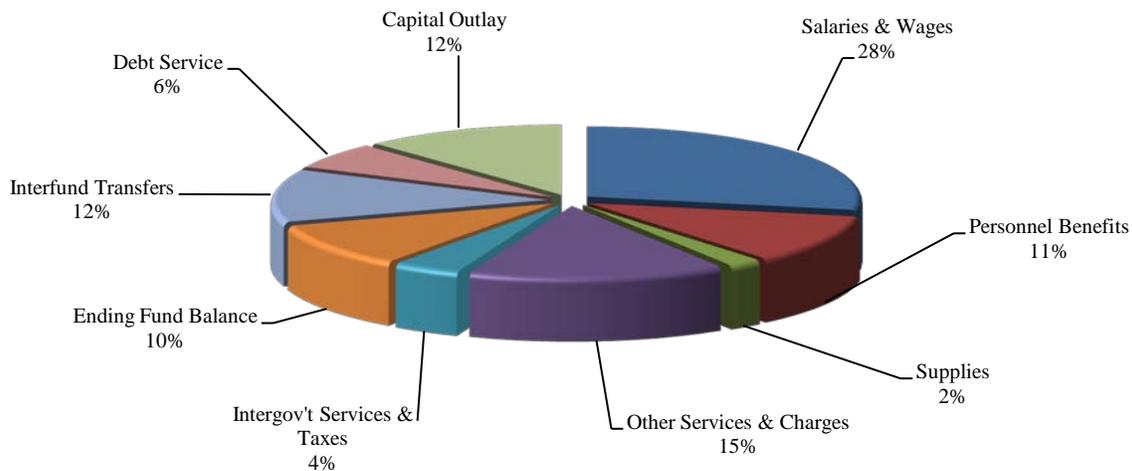
2017/2018 Adopted Budget



Sources of Funding All Funds	2013/2014	2015/2016	2017/2018	15/16 - 17/18	
	Actual	Adjusted Budget	Adopted Budget	\$ Change	% Change
Property Tax	\$23,411,585	\$24,916,507	\$25,260,224	\$343,717	1%
Sales Tax	34,314,078	41,330,700	45,772,333	4,441,633	11%
Utility Taxes	24,430,382	26,267,041	25,073,667	(1,193,374)	-5%
Other Taxes	7,243,999	8,518,000	10,192,000	1,674,000	20%
Licenses & Permits	3,929,777	3,899,171	4,589,000	689,829	18%
Intergovernmental	19,650,339	22,055,777	16,554,788	(5,500,989)	-25%
Charges for Services	68,039,185	74,156,802	78,772,739	4,615,937	6%
Fines & Penalties	2,529,217	2,781,800	2,472,800	(309,000)	-11%
Miscellaneous Revenue	2,882,924	2,043,103	1,669,165	(373,938)	-18%
Interfund Transfers	23,022,001	34,678,466	31,371,655	(3,306,811)	-10%
Other Financing Sources	8,331,136	30,472,066	5,600,000	(24,872,066)	-82%
Subtotal Revenues:	217,784,623	271,119,433	247,328,371	(23,791,062)	-9%
Beginning Fund Balance	31,381,588	30,670,542	23,492,898	(7,177,644)	-23%
Total Sources	\$249,166,211	\$301,789,975	\$270,821,269	(\$30,968,706)	-10%

USES OF FUNDING – ALL FUNDS

2017/2018 Adopted Budget



Uses of Funding All Funds	2013/2014	2015/2016	2017/2018	15/16 - 17/18	
	Actual	Adjusted Budget	Adopted Budget	\$ Change	% Change
Salaries & Wages	\$62,482,497	\$70,286,628	\$75,622,419	\$5,335,791	8%
Personnel Benefits	23,716,830	28,306,926	29,506,020	1,199,094	4%
Supplies	5,405,361	5,734,854	5,989,380	254,526	4%
Other Services & Charges	37,861,829	42,753,989	40,270,816	(2,483,173)	-6%
Intergov't Services & Taxes	12,529,719	12,528,817	11,764,150	(764,667)	-6%
Interfund Transfers	23,022,001	34,678,466	31,371,655	(3,306,811)	-10%
Debt Service	15,131,341	22,601,716	16,298,640	(6,303,076)	-28%
Capital Outlay	38,346,092	60,437,111	33,636,039	(26,801,072)	-44%
Subtotal Appropriations:	218,495,670	277,328,507	244,459,119	(32,869,388)	-12%
Ending Fund Balance	30,670,541	24,461,468	26,362,150	1,900,682	8%
Total Uses:	\$249,166,211	\$301,789,975	\$270,821,269	(\$30,968,706)	-10%

**SUMMARIZED REVENUES
ALL FUNDS**

Budget Summary

FUND	TAXES	LICENSES & PERMITS	INTERGOVT REVENUE	CHARGES FOR SERVICES
GENERAL GOVERNMENT OPERATIONS				
General Fund	\$73,849,267	\$1,663,000	\$4,323,176	\$8,860,008
Street	481,957	126,000	3,665,000	47,100
Subtotal	74,331,224	1,789,000	7,988,176	8,907,108
CAPITAL PROJECTS				
Urban Arterial Street	-	-	4,418,189	-
Capital Improvement	17,498,000	-	2,315,000	817,500
Subtotal	17,498,000	-	6,733,189	817,500
ENTERPRISE & INTERNAL SERVICE				
Water & Sewer	-	-	-	40,394,959
Building Safety	-	2,800,000	-	-
Medical Services	-	-	-	10,950,000
Coliseum Fund	-	-	-	6,132,700
Stormwater Utility	-	-	-	2,875,000
Columbia Park Golf Course	-	-	-	442,410
Equipment Rental	-	-	-	4,082,568
Risk Management	-	-	-	1,715,880
Central Stores	-	-	-	475,660
Subtotal	-	2,800,000	-	67,069,177
DEBT SERVICE				
Debt Service	-	-	439,423	-
LID Guaranty	-	-	-	-
Subtotal	-	-	439,423	-
SPECIAL REVENUE				
Arterial Street	-	-	-	-
Cash Reserve	-	-	-	-
BI-PIN Operations	-	-	-	709,954
Community Development	-	-	1,230,000	-
Asset Forfeiture	-	-	-	-
Public Safety	4,740,000	-	-	-
Lodging Tax	2,224,000	-	-	1,269,000
Criminal Justice Sales Tax	4,894,000	-	-	-
Subtotal	11,858,000	-	1,230,000	1,978,954
FIDUCIARY TRUST FUNDS				
Fire Pension Fund	134,000	-	164,000	-
OPEB Trust Fund	2,477,000	-	-	-
Subtotal	2,611,000	-	164,000	-
TOTAL	\$106,298,224	\$4,589,000	\$16,554,788	\$78,772,739

Budget Summary

FINES & PENALTIES	MISC REVENUE/ PROCEEDS	INTERFUND TRANSFERS	OTHER FINANCING SOURCES	BEGINNING FUND BALANCE	TOTAL
\$2,472,800	\$922,900	\$4,740,000	\$ -	\$2,500,000	\$99,331,151
-	1,800	-	-	-	4,321,857
2,472,800	924,700	4,740,000	-	2,500,000	103,653,008
-	-	6,788,811	-	-	11,207,000
-	196,000	2,748,035	-	4,274,826	27,849,361
-	196,000	9,536,846	-	4,274,826	39,056,361
-	164,325	-	4,300,000	2,533,007	47,392,291
-	20,000	-	-	1,700,000	4,520,000
-	-	1,450,000	-	475,000	12,875,000
-	2,400	2,487,700	-	(460,000)	8,162,800
-	2,500	-	-	67,400	2,944,900
-	72,790	92,500	-	-	607,700
-	75,000	1,924,350	1,300,000	4,850,000	12,231,918
-	82,000	1,375,000	-	-	3,172,880
-	2,000	-	-	185,000	662,660
-	421,015	7,329,550	5,600,000	9,350,407	92,570,149
-	-	6,373,259	-	-	6,812,682
-	500	-	-	35,600	36,100
-	500	6,373,259	-	35,600	6,848,782
-	-	3,392,000	-	-	3,392,000
-	-	-	-	2,715,500	2,715,500
-	-	-	-	-	709,954
-	1,000	-	-	66,000	1,297,000
-	11,000	-	-	38,300	49,300
-	-	-	-	-	4,740,000
-	3,550	-	-	163,265	3,659,815
-	14,400	-	-	848,000	5,756,400
-	29,950	3,392,000	-	3,831,065	22,319,969
-	27,000	-	-	902,000	1,227,000
-	70,000	-	-	2,599,000	5,146,000
-	97,000	-	-	3,501,000	6,373,000
\$2,472,800	\$1,669,165	\$31,371,655	\$5,600,000	\$23,492,898	\$270,821,269

**BUDGETED EXPENDITURES
ALL FUNDS**

Budget Summary

FUND	SALARIES & WAGES	PERSONNEL BENEFITS	SUPPLIES	OTHER SVCS & CHARGES	INTERGOVT SERVICES
GENERAL GOVERNMENT OPERATIONS					
GENERAL FUND					
City Council	\$173,808	\$358,204	\$4,650	\$25,700	\$ -
City Manager	582,494	172,967	5,870	15,300	-
Finance	2,510,342	997,606	45,209	575,301	75,600
Management Services	3,816,707	1,549,707	66,680	1,569,837	-
City Attorney	1,037,499	352,413	15,480	106,275	-
Civil Service	-	-	500	46,750	-
Community Planning	923,376	329,862	24,390	112,860	-
Police	22,697,412	8,008,456	500,775	1,224,460	7,785,000
Fire	11,373,679	3,394,252	711,790	574,958	299,550
Engineering	2,599,797	1,127,831	83,050	120,650	-
Employee & Community Relations	6,786,028	2,688,877	942,070	2,232,713	-
Non-Departmental	132,300	41,000	10,000	652,100	1,952,000
TOTAL GENERAL FUND	52,633,442	19,021,175	2,410,464	7,256,904	10,112,150
STREET FUND	1,909,983	813,212	743,757	835,785	-
Subtotal	54,543,425	19,834,387	3,154,221	8,092,689	10,112,150
CAPITAL PROJECTS					
Urban Arterial Street	-	-	-	-	-
Capital Improvement	-	-	-	205,800	1,450,000
Subtotal	-	-	-	205,800	1,450,000
ENTERPRISE & INTERNAL SERVICE					
Water & Sewer	6,550,900	3,065,932	581,760	14,191,651	-
Building Safety	1,840,803	734,422	34,390	436,172	-
Medical Services	7,300,040	2,050,224	365,949	2,405,454	201,000
Coliseum Fund	-	-	-	6,885,100	-
Stormwater Utility	895,973	425,293	39,860	1,103,271	-
Columbia Park Golf Course	-	-	-	607,700	-
Equipment Rental	574,368	275,780	1,373,550	361,471	-
Risk Management	150,475	61,307	650	2,891,395	-
Central Stores	-	-	339,000	155,768	-
Subtotal	17,312,559	6,612,958	2,735,159	29,037,982	201,000
DEBT SERVICE					
Debt Service	-	-	-	-	-
LID Guaranty	-	-	-	-	-
Subtotal	-	-	-	-	-
SPECIAL REVENUE					
Arterial Street	-	-	-	-	-
Cash Reserve	-	-	-	-	-
BI-PIN Operations	291,840	107,549	3,760	306,805	-
Community Development	188,688	70,730	700	470,337	-
Asset Forfeiture	-	-	-	20,600	1,000
Public Safety	-	-	-	-	-
Lodging Tax	-	-	-	1,795,000	-
Criminal Justice Sales Tax	3,285,907	1,332,396	94,900	322,743	-
Subtotal	3,766,435	1,510,675	99,360	2,915,485	1,000
FIDUCIARY TRUST FUNDS					
Fire Pension Fund	-	307,000	50	4,250	-
OPEB Trust Fund	-	1,241,000	590	14,610	-
Subtotal	-	1,548,000	640	18,860	-
TOTAL	\$75,622,419	\$29,506,020	\$5,989,380	\$40,270,816	\$11,764,150

Budget Summary

INTERFUND TRANSFERS	DEBT SERVICE	CAPITAL OUTLAY	ENDING FUND BALANCE	TOTAL
\$ -	\$ -	\$ -	\$ -	\$562,362
-	-	-	-	776,631
-	-	-	-	4,204,058
-	-	-	-	7,002,931
-	-	-	-	1,511,667
-	-	-	-	47,250
-	-	-	-	1,390,488
-	-	-	-	40,216,103
-	-	-	-	16,354,229
-	-	-	-	3,931,328
-	-	-	-	12,649,688
5,317,500	-	-	2,579,516	10,684,416
5,317,500	-	-	2,579,516	99,331,151
-	-	19,120	-	4,321,857
5,317,500	-	19,120	2,579,516	103,653,008
-	-	11,207,000	-	11,207,000
18,638,470	1,045,723	3,531,433	2,977,935	27,849,361
18,638,470	1,045,723	14,738,433	2,977,935	39,056,361
181,498	6,400,050	10,628,800	5,791,700	47,392,291
14,653	-	-	1,459,560	4,520,000
145,894	-	-	406,439	12,875,000
-	1,103,273	640,000	(465,573)	8,162,800
18,940	382,791	50,000	28,772	2,944,900
-	-	-	-	607,700
-	554,121	4,013,686	5,078,942	12,231,918
-	-	-	69,053	3,172,880
-	-	-	167,892	662,660
360,985	8,440,235	15,332,486	12,536,785	92,570,149
-	6,812,682	-	-	6,812,682
-	-	-	36,100	36,100
-	6,812,682	-	36,100	6,848,782
-	-	3,392,000	-	3,392,000
-	-	-	2,715,500	2,715,500
-	-	-	-	709,954
499,000	-	-	67,545	1,297,000
-	-	-	27,700	49,300
4,740,000	-	-	-	4,740,000
1,760,700	-	-	104,115	3,659,815
55,000	-	154,000	511,454	5,756,400
7,054,700	-	3,546,000	3,426,314	22,319,969
-	-	-	915,700	1,227,000
-	-	-	3,889,800	5,146,000
-	-	-	4,805,500	6,373,000
\$31,371,655	\$16,298,640	\$33,636,039	\$26,362,150	\$270,821,269

MAJOR FUND SUMMARY

Budget Summary

	GENERAL FUND		
	2013/2014	2015/2016	2017/2018
	Actual	Adjusted Budget	Adopted Budget
REVENUES			
Taxes:			
Property	\$ 21,660,071	\$ 22,638,462	\$ 24,096,267
Sales	23,763,104	26,454,900	29,546,000
Utility	17,458,135	18,749,875	17,875,000
Local Real Estate Excise	-	-	-
Other	2,326,522	2,436,000	2,332,000
Licenses & Permits	1,188,661	1,294,171	1,663,000
Intergovernmental	3,645,480	3,550,092	4,323,176
Charges for Services	9,562,638	9,999,427	8,860,008
Fines & Penalties	2,529,217	2,781,800	2,472,800
Miscellaneous Revenue	1,013,495	1,110,050	922,900
Total Revenues	83,147,323	89,014,777	92,091,151
EXPENDITURES			
Salaries and Wages	48,049,507	49,793,530	52,633,443
Personnel Benefits	16,922,112	18,518,717	19,021,175
Supplies	1,976,788	2,036,683	2,410,464
Other Services & Charges	6,799,343	7,471,056	7,256,903
Intergov't Services & Charges	11,316,911	9,808,817	10,112,150
Debt Service	-	-	-
Capital Outlay	119,226	246,951	-
Total Expenditures	85,183,887	87,875,754	91,434,135
OTHER FINANCING SOURCES (USES)			
Transfers In	4,976,030	5,303,166	4,740,000
Transfers Out	(3,835,828)	(6,357,257)	(5,317,500)
Debt Proceeds & Capital Leases	-	-	-
Intergov't'l Loan Proceeds	-	-	-
Proceeds from Land Sales	-	-	-
Proceeds from Sale of Fixed Assets	-	-	-
Contributed Capital	-	-	-
Total Financing Sources (Uses)	1,140,202	(1,054,091)	(577,500)
Net Change in Fund Balance	(896,362)	84,932	79,516
Fund Balances - Beginning	3,320,047	2,423,685	2,500,000
Fund Balances - Ending	<u>\$ 2,423,685</u>	<u>\$ 2,508,617</u>	<u>\$ 2,579,516</u>

Budget Summary

CAPITAL IMPROVEMENT FUND			WATER & SEWER FUND		
2013/2014	2015/2016	2017/2018	2013/2014	2015/2016	2017/2018
Actual	Adjusted Budget	Adopted Budget	Actual	Adjusted Budget	Adopted Budget
\$ 220,091	\$ 690,000	\$ 548,000	\$ -	\$ -	\$ -
10,541,580	10,690,800	11,314,000	-	-	-
-	-	-	-	-	-
3,177,047	3,992,000	5,636,000	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
61,038	204,726	2,315,000	1,407,143	57,173	-
215,562	100,000	817,500	34,845,126	37,254,121	40,394,959
-	-	-	-	-	-
529,239	275,946	196,000	186,095	133,140	164,325
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
14,744,557	15,953,472	20,826,500	36,438,364	37,444,434	40,559,284
-	-	-	5,199,082	6,299,163	6,550,900
-	-	-	2,255,999	2,972,018	3,065,932
-	-	-	525,475	622,135	581,760
162,806	387,700	205,800	13,340,994	15,563,341	14,191,651
1,032,389	2,525,000	1,450,000	-	-	-
1,225,506	1,339,150	1,045,723	6,113,369	6,528,791	6,400,050
4,383,697	13,147,120	3,531,433	15,618,459	18,280,943	10,628,800
<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
6,804,398	17,398,970	6,232,956	43,053,378	50,266,391	41,419,093
2,545,231	4,165,312	2,748,035	-	-	-
(11,782,699)	(18,824,288)	(18,638,470)	(150,039)	(779,058)	(181,498)
-	14,913,940	-	-	-	-
380,000	-	-	4,644,290	7,671,025	4,000,000
1,173,802	380,000	-	-	-	-
-	-	-	-	-	-
-	-	-	-	750,000	300,000
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(7,683,666)	634,964	(15,890,435)	4,494,251	7,641,967	4,118,502
256,493	(810,534)	(1,296,891)	(2,120,763)	(5,179,990)	3,258,693
7,168,890	7,425,383	4,274,826	10,313,727	8,192,964	2,533,007
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\$ 7,425,383	\$ 6,614,849	\$ 2,977,935	\$ 8,192,964	\$ 3,012,974	\$ 5,791,700

MAJOR FUND SUMMARY

Budget Summary

	NON-MAJOR FUNDS		
	2013/2014	2015/2016	2017/2018
	Actual	Adjusted Budget	Adopted Budget
REVENUES			
Taxes:			
Property	\$ 1,531,423	\$ 1,588,045	\$ 615,957
Sales	9,394	4,185,000	4,912,333
Utility	6,972,247	7,517,166	7,198,667
Local Real Estate Excise	-	-	-
Other	1,740,430	2,090,000	2,224,000
Licenses & Permits	2,741,116	2,605,000	2,926,000
Intergovernmental	14,536,678	18,243,786	9,916,612
Charges for Services	23,415,859	26,803,254	28,700,272
Fines & Penalties	-	-	-
Miscellaneous Revenue	1,154,095	523,967	385,940
Total Revenues	52,101,242	63,556,218	56,879,781
EXPENDITURES			
Salaries and Wages	9,233,908	14,193,935	16,438,076
Personnel Benefits	4,538,719	6,816,191	7,418,913
Supplies	2,903,098	3,076,036	2,997,156
Other Services & Charges	17,558,686	19,331,892	18,616,462
Intergov't Services & Charges	180,419	195,000	202,000
Debt Service	7,792,466	14,733,775	8,852,867
Capital Outlay	18,224,710	28,762,097	19,475,806
Total Expenditures	60,432,006	87,108,926	74,001,280
OTHER FINANCING SOURCES (USES)			
Transfers In	15,500,740	25,209,988	23,883,620
Transfers Out	(7,253,435)	(8,717,863)	(7,234,187)
Debt Proceeds & Capital Leases	1,652,395	6,342,145	1,300,000
Intergov't'l Loan Proceeds	319,775	322,456	-
Proceeds from Land Sales	-	-	-
Proceeds from Sale of Fixed Assets	160,874	92,500	-
Contributed Capital	-	-	-
Total Financing Sources (Uses)	10,380,349	23,249,226	17,949,433
Net Change in Fund Balance	2,049,585	(303,482)	827,934
Fund Balances - Beginning	10,578,924	12,628,510	14,185,065
Fund Balances - Ending	<u>\$ 12,628,509</u>	<u>\$ 12,325,028</u>	<u>\$ 15,012,999</u>

MAJOR FUND SUMMARY

Budget Summary

TOTAL FUNDS		
2013/2014	2015/2016	2017/2018
Actual	Adjusted Budget	Adopted Budget
\$ 23,411,585	\$ 24,916,507	\$ 25,260,224
34,314,078	41,330,700	45,772,333
24,430,382	26,267,041	25,073,667
3,177,047	3,992,000	5,636,000
4,066,952	4,526,000	4,556,000
3,929,777	3,899,171	4,589,000
19,650,339	22,055,777	16,554,788
68,039,185	74,156,802	78,772,739
2,529,217	2,781,800	2,472,800
2,882,924	2,043,103	1,669,165
186,431,486	205,968,901	210,356,716
62,482,497	70,286,628	75,622,419
23,716,830	28,306,926	29,506,020
5,405,361	5,734,854	5,989,380
37,861,829	42,753,989	40,270,816
12,529,719	12,528,817	11,764,150
15,131,341	22,601,716	16,298,640
38,346,092	60,437,111	33,636,039
195,473,669	242,650,041	213,087,464
23,022,001	34,678,466	31,371,655
(23,022,001)	(34,678,466)	(31,371,655)
1,652,395	21,256,085	1,300,000
5,344,065	7,993,481	4,000,000
1,173,802	380,000	-
160,874	92,500	-
-	750,000	300,000
8,331,136	30,472,066	5,600,000
(711,047)	(6,209,074)	2,869,252
31,381,588	30,670,542	23,492,898
\$ 30,670,541	\$ 24,461,468	\$ 26,362,150

“The great hope of society is individual character.”
- William Ellery Channing -

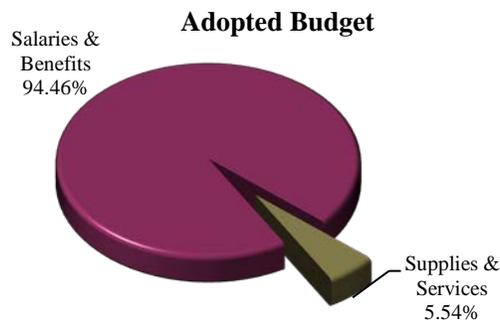
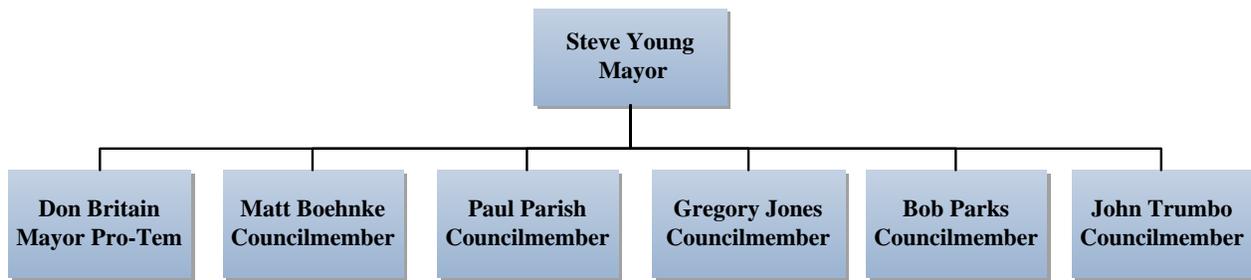
**DIRECTORY OF
CITY OFFICIALS**

ELECTED OFFICIALS

	<u>Length of Service</u>	<u>Term Expires</u>	<u>Ward</u>
MAYOR			
Steve Young	8 Years	December 31, 2019	At Large
COUNCILMEMBERS			
Paul Parish	21 Years	December 31, 2019	At Large
Bob Parks	15 Years	December 31, 2017	At Large
Don Britain	7 Years	December 31, 2017	1
Gregory Jones	4 Years	December 31, 2017	2
John Trumbo	3 Years	December 31, 2017	3
Matt Boehnke	1 Year	December 31, 2019	At Large

ADMINISTRATIVE OFFICIALS

	<u>Length in Position</u>	<u>Length of Employment</u>
CITY MANAGER		
Marie E. Mosley	7 Years	21 Years
CITY ATTORNEY		
Lisa Beaton	10 Years	16 Years
EXECUTIVE FINANCE DIRECTOR		
Dan Legard	7 Years	14 Years
EMPLOYEE AND COMMUNITY RELATIONS EXECUTIVE DIRECTOR		
Terry Walsh	9 Years	25 Years
FIRE CHIEF		
Vince Beasley	2 Years	34 Years
CHIEF OF POLICE		
Ken Hohenberg	13 Years	38 Years
PUBLIC WORKS EXECUTIVE DIRECTOR		
Cary Roe	3 Years	3 Years
PLANNING DIRECTOR		
Greg McCormick	4 Years	6 Years
MANAGEMENT SERVICES EXECUTIVE DIRECTOR		
Christina Palmer	7 Years	14 Years



Departmental Staffing				
	2013-2014	2015-2016	2015-2016	2017-2018
	Actual	Adopted	Adjusted	Adopted
Full-Time Equivalent	7.00	7.00	7.00	7.00
% of City's FTE's	2.00%	1.94%	1.87%	1.82%
Departmental Expenditures by Type				
	2013-2014	2015-2016	2015-2016	2017-2018
	Actual	Adopted	Adjusted	Adopted
Salaries & Benefits	\$ 480,900	\$ 503,958	\$ 512,058	\$ 532,012
Supplies & Services	40,530	35,770	35,770	30,350
Total Department Budget:	\$ 521,430	\$ 539,728	\$ 547,828	\$ 562,362
Funding Sources				
	2013-2014	2015-2016	2015-2016	2017-2018
	Actual	Adopted	Adjusted	Adopted
General Fund	\$ 521,430	\$ 539,728	\$ 547,828	\$ 562,362
Total Sources:	\$ 521,430	\$ 539,728	\$ 547,828	\$ 562,362

City Council

Mission

Building a Better Community



Council Purpose / Description

The City operates under a Council/Manager form of government with seven councilmen elected to four year staggered terms. The Mayor serves a 2-year term and is appointed to that position through majority vote of the Council. The City Manager is hired by the Council to act as the Chief Executive Officer and serves at the Council's pleasure.

Kennewick has three Council wards, roughly dividing the city into thirds. One councilmember is elected in each ward, and four councilmembers are elected at large. Positions are non-partisan and councilmembers are elected to these respective positions by all of the voters during the general election.

The Council derives its power from the Revised Code of Washington and State Constitution. In State law, Kennewick is classified as a Code City. The Council authorizes public improvements and expenditures, provides for public safety, adopts regulations, levies taxes, controls finances and property of the City and performs related legislative tasks.

Highlights / Changes

The Council held a budget retreat in February of 2016 to discuss and reaffirm the five priority areas and identified successes, opportunities, and the highest and lowest ranked priorities for each of the five priority areas. Council also discussed successes and path forward for each of our major opportunity centers as the City concludes 2016 and moves into the 2017/2018 biennium.

2017/2018 Goals & Objectives

Council established goals & objectives for the upcoming biennium based on its budget retreat and several workshops during 2016. Council also reaffirmed their priority areas and established goals within those priorities areas as follows:

Community Safety – Continue to ensure the safety of our community by maintaining current service levels & partnerships:

- Criminal Justice Sales Tax Strategic Staffing Implementation
- Implement Strategic Staffing and Deployment Model for the Fire Department
- Align the Code Enforcement Program to Achieve Council's Objectives and Priorities

Responsible Government – Provide exceptional public service, transparency and a sustainable future:

- Implementation of a Comprehensive Customer Service Program that provides for Increased Flexibility and Areas of Enhanced Service Delivery
- Infuse the City's Core Values into our Daily Work to Reinforce our Commitment to Transparency, Flexibility and Implement a Sustainable Operating and Capital Budget

Quality of Life – Maintain parks, provide for diverse recreation programs and a well planned community:

- Leverage Community Partnerships and Align our Service Delivery to Implement Council Goals and Priorities
- Prepare for Future Growth through Strategic Comprehensive Planning Efforts

City Council Priority Areas

- **Community Safety** – I want to be safe where I live, work and play.
- **Responsible Government** – I want a City government that is responsive, responsible and fiscally accountable.
- **Quality of Life** – I want to enjoy access to a variety of amenities and opportunities in a safe environment.
- **Economic Development** – I want a diverse and vibrant economy in Kennewick.
- **Infrastructure & Growth** – I want a well-maintained City whose infrastructure keeps pace with growth.

Division Staffing				
	2015	2016	2017	2018
	Actual	Actual	Adopted	Adopted
MAYOR	1.00	1.00	1.00	1.00
MAYOR PRO-TEM	1.00	1.00	1.00	1.00
COUNCIL MEMBER	5.00	5.00	5.00	5.00
TOTAL DEPARTMENT FTE'S:	7.00	7.00	7.00	7.00



Economic Development – Support existing businesses and the creation of sustainable family wage jobs:

- Implementation of the Biennial Economic Development Marketing Plan
- Economic Development Public/Private Partnership Opportunities

Infrastructure & Growth – Maintain existing infrastructure and build new infrastructure to support economic development and expansion:

- Strategic Funding & Implementation of a Sustainable Capital Plan
- Tie Land Use and Infrastructure Planning to Achieve Council's Strategic Goals in our Opportunity Centers

Prior Biennium Accomplishments

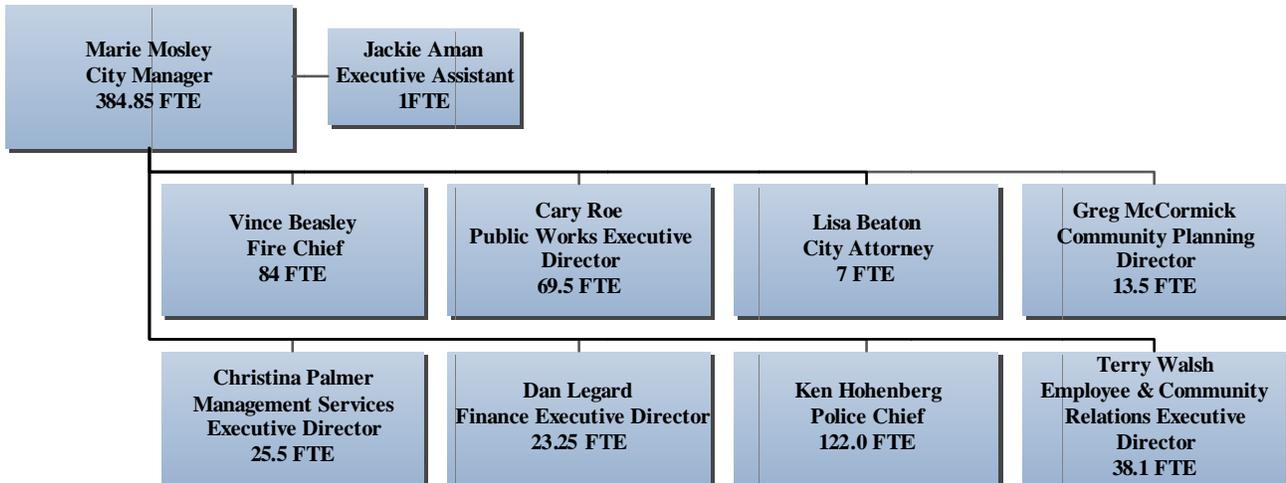
- Attended numerous ribbon cutting ceremonies that further develop our partnerships with City of Kennewick businesses and provide support in our economic development efforts.
- Reaffirmed our Budgeting by Priorities model that provides a method to evaluate the top priority services for additional funding and lower priority services for reduction, elimination or alternative service delivery.
- Adopted this 2017/2018 biennial budget that establishes a sustainable operating and capital program for the upcoming biennium and into the future.
- Continued to develop community partnerships to provide the most effective service delivery to our citizens.
- Developed work programs for the Council committees that were aligned with Council's overall goals & objectives.
- Developed legislative priorities that focused on assistance in achieving objectives in our priority areas, specifically continuing to enable economic development efforts through creative funding mechanisms.

REVENUES	2013/2014	2015/2016	2015/2016	2017/2018
	Actual	Adopted	Adjusted	Adopted
General Governmental	\$ 521,430	\$ 539,728	\$ 547,828	\$ 562,362
Current Funding Sources	\$ 521,430	\$ 539,728	\$ 547,828	\$ 562,362
EXPENDITURES				
	2013/2014	2015/2016	2015/2016	2017/2018
	Actual	Adopted	Adjusted	Adopted
Salaries	\$ 173,253	\$ 173,808	\$ 173,808	\$ 173,808
Benefits	307,647	330,150	338,250	358,204
Salaries & Benefits	480,900	503,958	512,058	532,012
Supplies	4,520	3,370	4,870	4,650
Community Events	5,484	5,500	5,500	-
Travel & Training	24,750	21,000	19,500	20,000
Dues & Subscriptions	5,450	5,450	5,450	5,450
Other Services & Charges	326	450	450	250
Supplies & Services	40,530	35,770	35,770	30,350
Total Expenditures	\$ 521,430	\$ 539,728	\$ 547,828	\$ 562,362
Expenditures by Fund				
General Fund	\$ 521,430	\$ 539,728	\$ 547,828	\$ 562,362
Total Expenditures by Fund	\$ 521,430	\$ 539,728	\$ 547,828	\$ 562,362

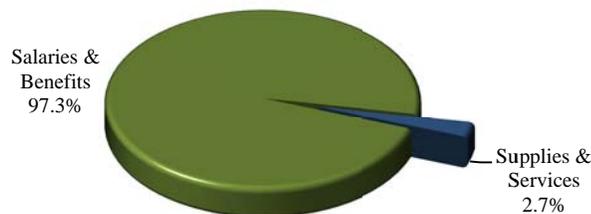
**DETAIL
BUDGET**



City Manager's Office



Adopted Budget



Resources by Type				
	2013-2014	2015-2016	2015-2016	2017-2018
	Actual	Adopted	Adjusted	Adopted
General Governmental	\$ 656,846	\$ 719,794	\$ 719,794	\$ 776,631
Total Program Revenues:	\$ 656,846	\$ 719,794	\$ 719,794	\$ 776,631
Expenditures by Program				
	2013-2014	2015-2016	2015-2016	2017-2018
	Actual	Adopted	Adjusted	Adopted
Salaries & Wages	\$ 629,685	\$ 697,174	\$ 697,174	\$ 755,461
Supplies & Services	27,161	22,620	22,620	21,170
Total Division Budget:	\$ 656,846	\$ 719,794	\$ 719,794	\$ 776,631

City Manager's Office

Mission



The mission of the City Manager's Office is to develop and mobilize resources within the parameters of the adopted budget in order to achieve the community's service needs as set forth by the City Council's vision and direction.

Department Purpose / Description

The City Manager provides the organizational leadership necessary to successfully implement and deliver the Strategic Work Program developed by the City Council, which were designed to effectively respond to the needs of the City of Kennewick.

Department Broad Goals

- Implement Criminal Justice Sales Tax to combat gang activity.
- Develop strategy for expansion of UGA South of I-82.
- Sustainable operating and capital budget into the future.
- Improve development review process and facilitate partnership with developers.
- In partnership with the Port and PFD implement the Vista Entertainment District and Vista Field vision.
- Implement strategic staffing alignment in the areas of IT, customer service and public records.
- Implement the Blue Ribbon Committee recommendations for a sustainable capital program into the future.
- Implement strategic staffing and deployment model for the Fire Department to support suppression & prevention.
- Implement the 10-year comp plan update.
- Enhance community partnerships and continue communication with Council and the organization.
- Complete Steptoe/Hildebrand Project.
- Update the W/S comp plan and rate review.

Highlights / Changes

Aligned staffing resources to most effectively achieve Council's overall goals and objectives. Established strategic work plans for our Council Committees, Council workshops and Commission meetings based on Council goals & objectives.

2017/2018 Goals & Objectives

Council Priority: Community Safety

- **Combat Gang Activity** -
 - ✓ Hire 4 new officers authorized through criminal justice sales tax.
- **Support Public Safety Personnel** -
 - ✓ Implement a Cadet Program to develop police officer candidates to help ensure adequate staffing.
 - ✓ Implement regional dispatch to enhance level of service and safety for police and fire personnel.
 - ✓ Implement a Fire RMS system.
 - ✓ Plan for future construction & staffing of station #6, remodel or rebuild of stations #1 and #3.

Council Priority: Infrastructure & Growth

- **25 Year Capital Plan** -
 - ✓ Completion of Steptoe/Hildebrand and other priority capital projects.
 - ✓ Utilize rural county capital funds for priority economic development projects and leverage funds through partnerships with the Port of Kennewick, CBC and others.
- **Land Use & Infrastructure Planning** -
 - ✓ Implement strategy for UGA expansion South of I-82.
 - ✓ Implement Water/Sewer rate study recommendations.

Council Priority: Economic Development

- **Public Private Partnerships** -
 - ✓ Continue partnership between developers and the City to further enhance review processes.
 - ✓ Leverage partnerships to develop future development opportunities.

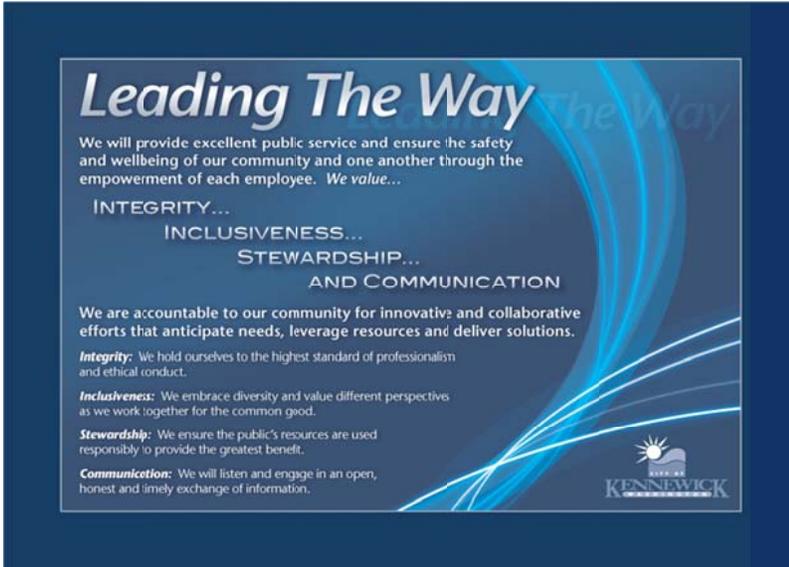
Council Priority: Responsible Government

- **Strategic Staffing Model** -
 - ✓ Implement IT Strategic Plan.

Council Priority: Quality of Life

- **Partnerships & Strategic Planning** -
 - ✓ Rebuild Playground of Dreams.
 - ✓ Finalize 10-Yr. Comp Plan Update.

Leading the Way



Division Staffing				
	2015	2016	2017	2018
	Actual	Actual	Adopted	Adopted
CITY MANAGER	1.00	1.00	1.00	1.00
EXECUTIVE ASSISTANT	1.00	1.00	1.00	1.00
TOTAL DEPARTMENT FTE'S:	2.00	2.00	2.00	2.00



Prior Biennium Accomplishments

- Developed this biennial budget that provided sustainable operating and capital programs for the biennium and into the future, while also aligning with Council priorities.
- Established strategic work programs for Council workshops, Council committees, and our Boards and Commissions that are aligned with Council's goals and objectives.
- Provided updates to Council on Department accomplishments and other key information.
- Provided updates to the organization on implementation of Council's goals and priorities.
- Hired new police officers and support positions authorized under the criminal justice sales tax program to combat gang activity.
- Completed construction of fire station #5 and placed the station into service.
- Implemented a proactive fire prevention program to inspect all businesses annually.
- Implemented a social media program and new city website to enhance public relations & economic development opportunities.
- In partnership with the Port of Kennebec, continued progress towards completion of Columbia Gardens Phase I including Duffy's Pond trail, streetscape and wine effluent treatment. Unveiled a partnership with the Port of Kennebec and CBC for Phase II to include a culinary institute located in Kennebec.
- Implemented enhancements to the development review process to reduce review times and develop a better partnership between the City and our development partners.
- Implementation of capital projects:
 - ✓ Steptoe/Hildebrand construction
 - ✓ Edison Widening
 - ✓ Columbia Cntr Blvd. Overlay
 - ✓ Clearwater Safety Improvements
 - ✓ Elliot Lake Water System

City Manager's Office

REVENUES	2013/14	2015/16	2015/16	2017/18
	Actual	Adopted	Adjusted	Adopted
General Governmental	\$ 656,846	\$ 719,794	\$ 719,794	\$ 776,631
Current Funding Sources	<u>\$ 656,846</u>	<u>\$ 719,794</u>	<u>\$ 719,794</u>	<u>\$ 776,631</u>
EXPENDITURES	2013/14	2015/16	2015/16	2017/18
	Actual	Adopted	Adjusted	Adopted
Salaries	\$ 486,203	\$ 536,105	\$ 536,105	\$ 581,495
Overtime	1,508	200	200	1,000
Benefits	141,974	160,869	160,869	172,966
Salaries & Benefits	629,685	697,174	697,174	755,461
Supplies	8,166	6,350	6,350	5,870
Contractual Services	5,476	-	-	-
Travel & Training	8,926	11,000	11,000	10,000
Dues & Subscriptions	3,937	4,670	4,670	2,900
Other Services & Charges	656	600	600	2,400
Supplies & Services	27,161	22,620	22,620	21,170
Total Expenditures	\$ 656,846	\$ 719,794	\$ 719,794	\$ 776,631
Expenditures by Fund				
General Fund	\$ 656,846	\$ 719,794	\$ 719,794	\$ 776,631
Total Expenditures by Fund	\$ 656,846	\$ 719,794	\$ 719,794	\$ 776,631

**DETAIL
BUDGET**

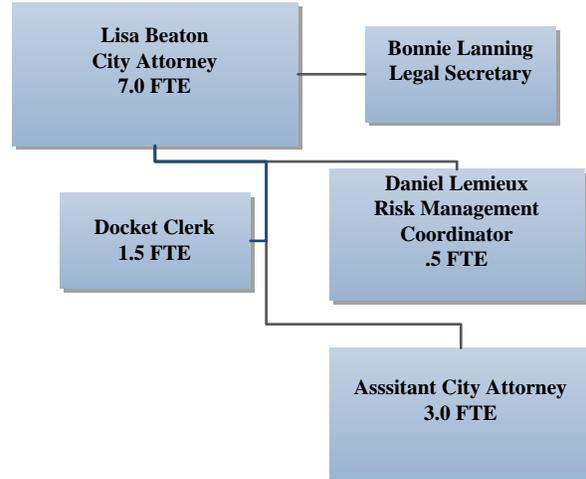


Columbia Gardens Wine Village and Duffy Pond

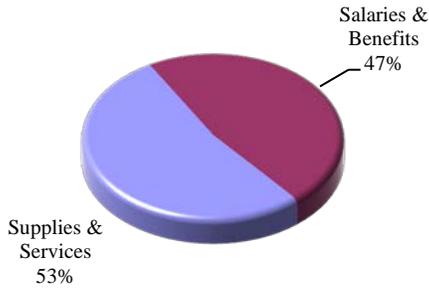
City Attorney's Office

Mission

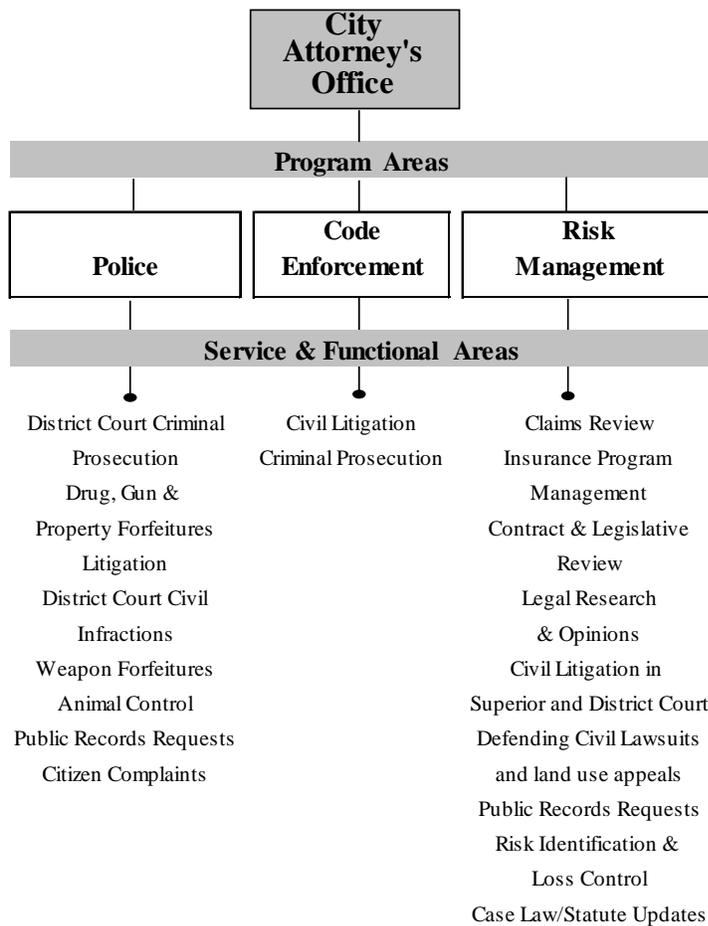
Our mission is to provide timely and reliable legal advice and zealously and competently represent the City's interest in all judicial and quasi-judicial matters while maintaining the highest level of professional ethics.



Adopted Budget



Departmental Staffing				
	2013-2014	2015-2016	2015-2016	2017-2018
	Actual	Adopted	Adjusted	Adopted
Full-Time Equivalent	5.50	5.50	6.50	7.00
% of City's FTE's	1.57%	1.53%	1.74%	1.82%
Departmental Expenditures by Type				
	2013-2014	2015-2016	2015-2016	2017-2018
	Actual	Adopted	Adjusted	Adopted
Salaries & Benefits	\$ 1,211,633	\$ 1,396,545	\$ 1,502,016	\$ 1,721,589
Supplies & Services	2,630,565	1,893,583	1,991,583	1,919,030
Interfund Transfers	39,850	-	-	-
Total Department Budget:	\$ 3,882,048	\$ 3,290,128	\$ 3,493,599	\$ 3,640,619
Funding Sources				
	2013-2014	2015-2016	2015-2016	2017-2018
	Actual	Adopted	Adjusted	Adopted
General Fund	\$ 1,330,023	\$ 1,472,057	\$ 1,470,056	\$ 1,511,667
Criminal Justice Fund	-	-	105,472	252,661
Risk Management Fund	2,552,025	1,818,071	1,918,071	1,876,291
Total Sources:	\$ 3,882,048	\$ 3,290,128	\$ 3,493,599	\$ 3,640,619



Department Purpose / Description

The City Attorney is the legal advisor to the City Manager, Administrative Staff, and City Council. Responsibilities include the preparation and review of all contracts, ordinances, and resolutions presented to City Council for consideration, counseling staff about legal matters within their respective departmental operations, and representing the City in litigation.

The Assistant City Attorneys primarily prosecute misdemeanor cases for the City of Kennewick. They advise police officers and city departments, review reports for charging decisions, conduct case settlement negotiations, prepare cases for trial and try cases in court. When necessary they fill in for the City Attorney.

Department Broad Goals

Continue reducing the cost of providing legal services while maintaining the highest quality of representation.

Highlights / Changes

In line with Council’s goal of community safety, we are continuing to handle a large criminal case load. On average 3,200 criminal cases are filed in District Court per year; of those filed cases approximately 2,500-2,800 cases per year are handled by three Assistant City Attorneys. The City Attorney’s Office continues to support Council’s goal of responsible government in the area of risk management through contract and ordinance review as well as conducting training for staff.

2017/2018 Goals & Objectives

Council Priority: Economic Development – Economic Growth

- Work with outside counsel and planning staff on the UGA expansion.

Council Priority: Responsible Government - Risk Management

- Utilize Insurance Risk Pool training programs to address high risk areas such as land use, employment law and public records.
- Respond to recent court decisions in the form of code revisions and/or training.

Council Priority: Quality of Life – Community Planning

- Work with planning and economic development staff as well as Port of Kennewick staff to implement Columbia Gardens project as well as the Bridge to Bridge subarea plan.

Prior Biennium Accomplishments

- Cleaned up provisions in Nuisance Code to address substandard and uninhabitable buildings, streamline the appeal process, and provide additional method to address weed nuisances.
- Worked with KPD records management staff and outside counsel to respond to major public records requests avoiding risk of PRA lawsuit.
- Worked with Public Works staff to obtain a permanent easement from a major railroad company for a city sewer line and resolved a long standing license agreement dispute with the same railroad company.
- Successfully met the requirements of the compact agreement and audit for the WCIA risk pool.

Performance Measures

Program / Service Outputs					
	2014	2015	2016	2017	2018
	Actual	Actual	Estimated	Projected	Projected
Number of criminal cases filed in BCDC	3,524	2,949	3,100	3,150	3,200
Number of trial settings annually	287	391	425	450	450
Number of legal opinions provided	805	548	550	560	575
Number of cases reviewed for charges	962	1,093	1,150	1,250	1,350
Number of claims received by WCIA	31	30	30	30	30
Number of third party damage billings	22	24	30	35	35

Program / Service Efficiency Measures					
	2014	2015	2016	2017	2018
	Actual	Actual	Estimated	Projected	Projected
Average time spent per criminal case	1 hour	1 hour	1 hour	1 hour	1 hour
Cost per written opinion provided	\$84.66	\$ 88.05	\$ 80.27	\$83.49	\$ 86.83
Average time spent per case reviewed	10 minutes	10 minutes	10 minutes	10 minutes	10 minutes
Annual total of paid out claims by WCIA	\$234,426	\$343,576	\$150,000	\$200,000	\$200,000
Reduction in number of claims submitted	28%	3%	0%	0%	0%
Percentage of third party billings resolved	86%	38%	90%	90%	90%

Program / Service Quality					
	2014	2015	2016	2017	2018
	Actual	Actual	Estimated	Projected	Projected
Percentage of resolved cases resulting in pleas of guilty	77%	82%	85%	85%	85%
Percentage of cases set for trial that are tried	10%	7%	7%	10%	10%
Elapsed time from request to opinion	2 days	2 days	2 days	2 days	2 days
Complied with WCIA compact	Yes	Yes	Yes	Yes	Yes
Percentage resolved without litigation	97%	93%	95%	95%	95%

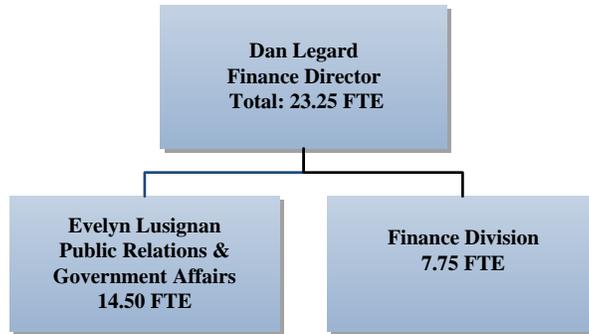
Department Staffing				
	2015	2016	2017	2018
	Actual	Actual	Adopted	Adopted
CITY ATTORNEY	1.00	1.00	1.00	1.00
ASSISTANT CITY ATTORNEY II	1.00	1.00	1.00	1.00
ASSISTANT CITY ATTORNEY I	1.00	2.00	2.00	2.00
LEGAL SECRETARY	1.00	1.00	2.00	2.00
DOCKET CLERK	1.00	1.00	0.50	0.50
RISK MANAGEMENT COORDINATOR	0.50	0.50	0.50	0.50
TOTAL FULL-TIME STAFF:	5.50	6.50	7.00	7.00
LEGAL INTERN	0.25	0.25	0.00	0.00
TOTAL PART-TIME STAFF:	0.25	0.25	0.00	0.00
TOTAL DEPARTMENT FTE'S:	5.75	6.75	7.00	7.00

City Attorney's Office

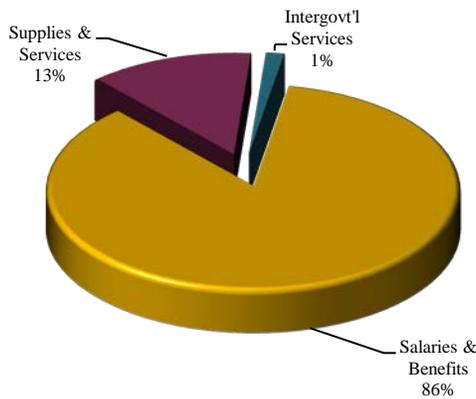
REVENUES	2013/14	2015/16	2015/16	2017/18
	Actual	Adopted	Adjusted	Adopted
General Governmental	\$ 1,247,976	\$ 2,321,411	\$ 1,259,411	\$ 1,328,131
Local Sales Tax - Criminal Justice	-	-	105,472	252,661
Risk Management Services	383,344	533,720	533,720	621,880
Charges for Services	383,344	533,720	639,192	874,541
Insurance Recoveries/Settlements	592,644	130,000	130,000	130,000
Interest/Miscellaneous	2,458	2,000	2,000	2,000
Miscellaneous Revenue	595,102	132,000	132,000	132,000
General Fund	1,525,000	110,000	1,200,000	1,375,000
Interfund Transfers	1,525,000	110,000	1,200,000	1,375,000
Total Revenues	\$ 3,751,422	\$ 3,097,131	\$ 3,230,603	\$ 3,709,672
Risk Management Fund	130,626	192,997	262,996	(69,053)
Decrease (Increase) to Fund Balance	130,626	192,997	262,996	(69,053)
Current Funding Sources	\$ 3,882,048	\$ 3,290,128	\$ 3,493,599	\$ 3,640,619
EXPENDITURES	2013/14	2015/16	2015/16	2017/18
	Actual	Adopted	Adjusted	Adopted
Salaries	\$ 877,850	\$ 1,014,130	\$ 1,088,481	\$ 1,273,130
Part-Time Wages	21,464	22,000	22,000	-
Benefits	312,320	360,415	391,535	448,460
Salaries & Benefits	1,211,633	1,396,545	1,502,016	1,721,589
Supplies	12,054	10,700	8,700	16,705
Contractual Services	217,710	163,700	163,700	101,000
Payments to Claimants	206,165	200,000	200,000	180,000
Travel & Training	8,181	13,250	13,250	16,500
Insurance Premiums	975,168	1,364,900	1,364,900	1,456,200
Self-Insured Retention Payments	1,206,445	130,000	230,000	130,000
Other Services & Charges	4,843	11,033	11,033	18,625
Supplies & Services	2,630,565	1,893,583	1,991,583	1,919,030
Equipment Rental Fund	39,850	-	-	-
Interfund Transfers	39,850	-	-	-
Total Expenditures	\$ 3,882,048	\$ 3,290,128	\$ 3,493,599	\$ 3,640,619
Expenditures by Fund				
General Fund	\$ 1,330,023	\$ 1,472,057	\$ 1,470,056	\$ 1,511,667
Criminal Justice Fund	-	-	105,472	252,661
Risk Management Fund	2,552,025	1,818,071	1,918,071	1,876,291
Total Expenditures by Fund	\$ 3,882,048	\$ 3,290,128	\$ 3,493,599	\$ 3,640,619

**DETAIL
BUDGET**





Adopted Budget



Division Expenditures	2013-2014 Actual	2015-2016 Adopted	2015-2016 Adjusted	2017-2018 Adopted
Finance	\$ 1,960,706	\$ 2,142,197	\$ 2,216,620	\$ 2,379,101
Customer Service	2,458,122	2,764,985	2,814,949	2,880,115
Total:	\$ 4,418,828	\$ 4,907,182	\$ 5,031,569	\$ 5,259,216

Funding Sources	2013-2014 Actual	2015-2016 Adopted	2015-2016 Adjusted	2017-2018 Adopted
General Fund *	\$ 4,232,877	\$ 4,047,140	\$ 4,167,663	\$ 4,204,058
Medical Services Fund	185,951	210,949	210,949	363,554
Water/Sewer Fund **	-	649,093	652,957	691,604
Total Sources:	\$ 4,418,828	\$ 4,907,182	\$ 5,031,569	\$ 5,259,216

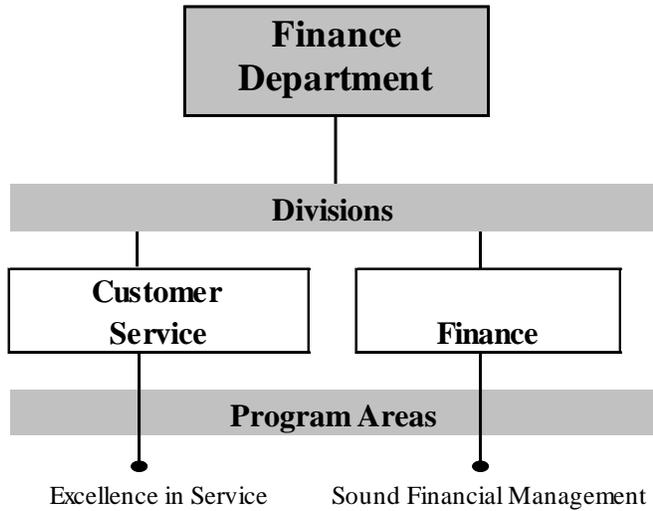
* Supervision of the City's Code Enforcement program was moved under the Customer Service Division in fall of 2015.

** Meter Reading was moved from General Fund into Water/Sewer Fund beginning in the 2015-2016 biennium.

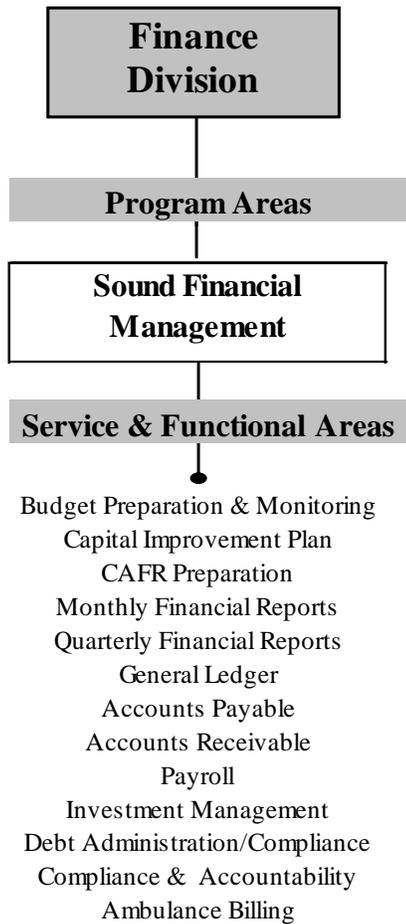
Finance Department

Mission

Our mission is to enhance the efficiency and effectiveness of City operations by providing exceptional leadership in financial and customer service to City staff and the citizen's of our community. Powered by excellent people, we are a quality driven, high performance team committed to attainment of our mission through our core service values.



Departmental Staffing				
	2013-2014	2015-2016	2015-2016	2017-2018
	Actual	Adopted	Adjusted	Adopted
Full-time Equivalent (FTE)	18.50	19.00	21.25	23.25
% of City's FTE's	5.28%	5.28%	5.68%	6.04%
Departmental Expenditures by Type				
	2013-2014	2015-2016	2015-2016	2017-2018
	Actual	Adopted	Adjusted	Adopted
Salaries & Benefits	\$ 3,743,491	\$ 4,198,153	\$ 4,198,153	\$ 4,497,393
Supplies & Services	607,654	637,029	761,416	686,223
Intergovernmental Services	67,683	72,000	72,000	75,600
Total Department Budget:	\$ 4,418,828	\$ 4,907,182	\$ 5,031,569	\$ 5,259,216



Highlights / Changes

During the 2015/2016 biennium, the Finance Division continued to provide financial services to all City departments while striving to be more efficient and effective in delivery of those services. As outlined in the Prior Year Accomplishments section, the Division completed a number of critical initiatives during the biennium and provided financial support citywide that helped the City to meet City Council’s goals and objectives.

2017/18 Goals and Objectives

- Complete the financing required to construct the remaining section of Bob Olson Parkway/Hildebrand Boulevard in the City’s Southridge Area, which is a critical transportation link to complete a route from State Route 395 in the south of the city to Highway 240 in the north near the City’s primary retail area.
- Working in partnership with Public Works, complete an updated rate study for the City’s stormwater utility.
- After completion of a citywide IT needs analysis study, work with Information Technology (IT) to develop a request for proposals (RFP) to replace the City’s Eden ERP and financial system in 2019.
- Working in partnership with the Kennewick Fire Department, complete an updated cost of service study for the City’s ambulance utility.
- During the course of the 2017/2018 biennium, develop and provide a recommendation to City Council on how to fund the construction of the City’s 6th fire station in the Southridge area, as well as to remodel the City’s fire station #1 in east Kennewick and replace fire station #3 located in west Kennewick during the next 3-5 years.

Prior Biennium Accomplishments

- Attained Government Finance Officer Association’s (GFOA) Certificate of Excellence in Financial Reporting for the 30th consecutive year for the City’s 2014 Comprehensive Annual Financial Report (CAFR).

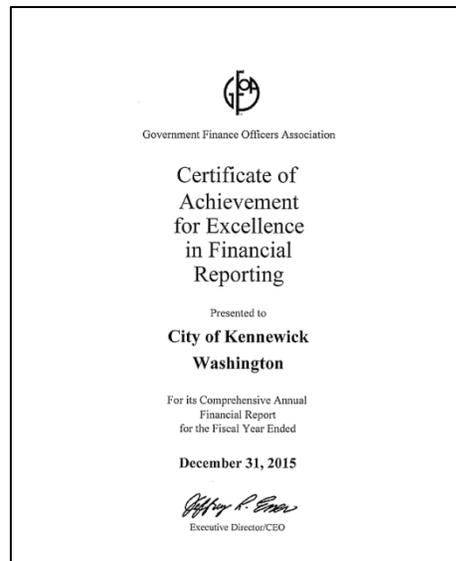
Division Purpose/Description

The Finance Division is responsible for the accounting, budgeting, reporting, treasury functions, and fiscal controls of the City of Kennewick, including the water/sewer utility and ambulance, building safety and stormwater utility programs. Other functions of the Finance Division include general ledger, payroll, accounts payable, debt administration, grant accounting and capital assets.

Division Broad Goals

- Strengthen communication with internal departments and the community.
- Strengthen relationships with our peers at other municipal agencies.
- Establish backup resources for all major operational areas.
- Provide meaningful financial reports in a timely manner.
- Maintain the highest standards in financial reporting.

Division Staffing				
	2015	2016	2017	2018
	Actual	Actual	Adopted	Adopted
FINANCE DIRECTOR	0.90	0.90	0.90	0.90
ACCOUNTING SUPERVISOR	1.00	1.00	1.00	1.00
ACCOUNTANT	2.00	2.00	2.00	2.00
PAYROLL ACCOUNTANT	0.75	0.75	0.75	0.75
ACCOUNTING TECHNICIAN	1.00	1.00	1.00	1.00
ACCOUNTING SPECIALIST	2.00	2.00	2.00	2.00
OFFICE SPECIALIST	1.00	1.00	1.00	1.00
TOTAL DIVISION FTES:	8.65	8.65	8.65	8.65



Prior Biennium Accomplishments (Cont'd)

- Attained the GFOA Distinguished Budget Presentation Award for the 15th consecutive time for the City's 2015/2016 Budget Document.
- Attained the GFOA Award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR) for the 8th consecutive year. The PAFR is a simplified, easier to read version of the City's CAFR.
- Implemented a new Criminal Justice Sales Tax Fund to separately account for the City's portion of the voter-approved public safety sales tax that became effective in January of 2015.
- In 2015, completed the issuance of \$10,000,000 in Limited Tax General Obligation (LTGO) Improvement and Refunding Bonds and \$3,255,000 in taxable LTGO bonds to construct and equip fire station #5 at 10th & Kellogg, acquire land near the Southridge Sports & Events Complex and in the City's Vista Entertainment District, and refinance \$5,945,000 in outstanding bonds associated with the construction of the City's Police Station, resulting in an estimated savings of \$483,000.
- Completed implementation of Governmental Accounting Standards Board (GASB) statement No. 68 *Accounting and Financial Reporting for Pensions* for the City's 2015 comprehensive annual financial report (CAFR).
- Working in partnership with Public Works, completed a water and sewer utility rate study for the first time since the mid-90's, which resulted in the approval by City Council to update rates in 2017 and 2018.
- Working in partnership with Public Works, implemented a transportation impact fee (TIF) in September of 2015, which provides an ongoing, sustainable funding source for transportation infrastructure needs associated with growth in the community.

City Council's Priority Area(s)

- Responsible Government

Performance Measures

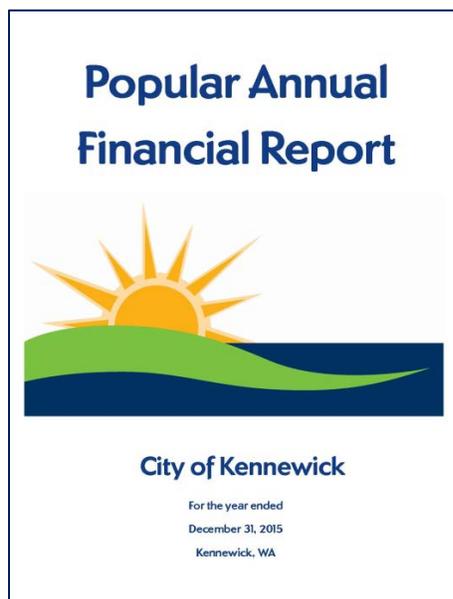
Program / Service Outputs	2014 Actual	2015 Actual	2016 Estimated	2017 Projected	2018 Projected
Number of payroll disbursements processed	10,033	10,170	10,272	10,375	10,479
Number of AP invoices processed	15,308	15,504	15,900	16,000	16,200
Average Investment Porfolio	\$ 30,100,000	\$ 38,200,000	\$ 45,700,000	\$ 40,000,000	\$ 40,000,000
Number of accounting funds maintained	28	29	29	29	29
Total dollars appropriated (adjusted biennial)	\$ 249,166,200		\$ 289,098,000		\$ 303,552,900

Program / Service Efficiency Measures

	2014 Actual	2015 Actual	2016 Estimated	2017 Projected	2018 Projected
Percentage of months where general ledger is closed by the 20th of the following month	100%	100%	100%	100%	100%
Percentage of payroll disbursements issued electronically	90.30%	89.30%	90.70%	90.70%	90.70%
Direct personnel cost per AP invoice	\$ 5.45	\$ 5.64	\$ 5.65	\$ 5.65	\$ 5.65

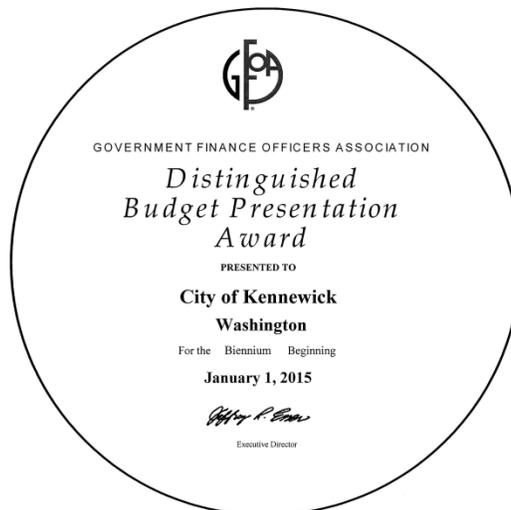
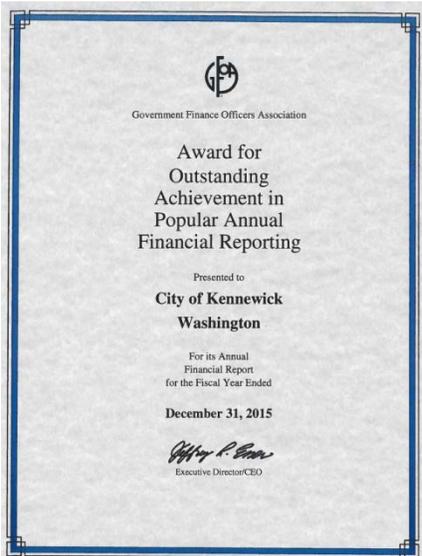
Program / Service Quality

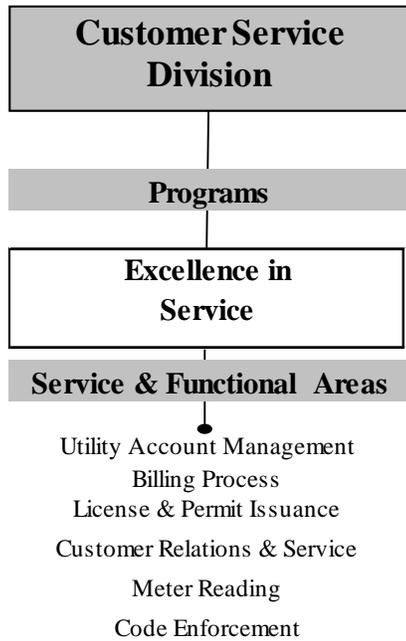
	2014 Actual	2015 Actual	2016 Estimated	2017 Projected	2018 Projected
Number of years/bienniums GFOA distinguished budget award received since 1991	-	15	-	16	-
Number of consecutive years GFOA award for excellence in financial reporting received	29	30	31	32	33
Number of audit findings	-	1	-	-	-



REVENUES	2013/14 Actual	2015/16 Adopted	2015/16 Adjusted	2017/18 Adopted
General Governmental	\$ 1,960,706	\$ 2,142,197	\$ 2,216,620	\$ 2,379,101
Current Funding Sources	\$ 1,960,706	\$ 2,142,197	\$ 2,216,620	\$ 2,379,101
EXPENDITURES	2013/14 Actual	2015/16 Adopted	2015/16 Adjusted	2017/18 Adopted
Salaries	\$ 1,369,457	\$ 1,492,832	\$ 1,492,832	\$ 1,663,659
Part-Time Wages	134	-	-	-
Benefits	467,318	542,715	542,715	598,362
Salaries & Benefits	1,836,909	2,035,547	2,035,547	2,262,021
Supplies	13,683	16,540	20,040	14,800
Contractual Services	94,063	64,800	135,723	81,400
Postage	6,421	6,900	6,900	6,900
Travel & Training	4,034	9,200	9,200	9,200
Other Services & Charges	5,596	9,210	9,210	4,780
Supplies & Services	123,797	106,650	181,073	117,080
Total Expenditures	\$ 1,960,706	\$ 2,142,197	\$ 2,216,620	\$ 2,379,101
Expenditures by Fund				
General Fund	\$ 1,774,755	\$ 1,931,248	\$ 2,005,671	\$ 2,015,547
Medical Services Fund	185,951	210,949	210,949	363,554
Total Expenditures by Fund	\$ 1,960,706	\$ 2,142,197	\$ 2,216,620	\$ 2,379,101

DETAIL
BUDGET





Division Purpose / Description

The Customer Service Division provides centralized cash receipting of all City revenues, billing for the water/sewer utility, business licensing, code enforcement, customer assistance, meter reading, and inter-departmental customer service coordination.

Division Broad Goals

- Strengthen city-wide customer service to our citizens through continued cross training of One Stop Service staff and customer service focused processes.
- Enforce city codes relating to nuisance abatement, boarded up buildings, and zoning code compliance.
- Lead the City’s interdepartmental code enforcement task force.
- Promote creative ways to tap process team resources in order to implement enhancements to customer service programs and economic development efforts.
- Expand evaluation of service priorities and processes in order to focus resources on high priority work. Eliminate appropriate low priority items and duplications of effort.
- Continue to enhance public outreach and citizen engagement through effective social media messaging, media relations, and web-based communication tools.

Highlights / Changes

New partnership with the State Department of Revenue’s (DOR) Business License System (BLS) was implemented in 2015. This included the transfer of the City’s business license application and renewal process for the majority of our business licenses. This has provided a significant efficiency to the City and a more simplified process for our customers.

To better meet Council’s goals and priorities, a Code Enforcement process review was completed which resulted in streamlining of processes, code changes and realignment of the program and 2 FTE enforcement officers from the Building Division to Customer Service.

In 2015 we did not fill an FTE Customer Care vacancy and instead increased our ¾ part-time positions to full-time and reclassified one Office Specialist to a Customer Care Representative. This provides greater flexibility and cross-training to enhance services.

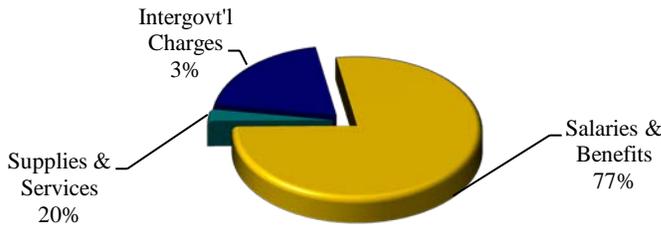
Social media outreach and coordination of city-wide messaging via Facebook and Twitter was significantly expanded during the biennium.

2017/2018 Goals and Objectives

- Continue to evaluate One-Stop delivery of services. Ensure advance training as needed especially for permitting related areas and realign resources to best serve our customers.
- Evaluate code enforcement process and code changes implemented in 2016 to determine effectiveness and provide for additional program changes as needed.
- Continue city-wide customer service and public relations training.
- Work in partnership with Public Works on path forward for Automated Meter Reading.
- Assist with evaluating utility billing software and cash receipting systems to prepare for future upgrade or replacement.
- With implementation of new webpage, additional resources can be made available for customers. Work with web team to develop more on-line tools to increase access for our customers.



2017/2018 Expenditures



Division Staffing				
	2015	2016	2017	2018
	Actual	Actual	Adopted	Adopted
FINANCE DIRECTOR	0.10	0.10	0.10	0.10
PR & GOVT AFFAIRS DIRECTOR	0.00	1.00	1.00	1.00
CUSTOMER SERVICE MANAGER	1.00	1.00	1.00	1.00
CUSTOMER SERVICE SUPERVISOR	1.00	0.00	0.00	0.00
LEAD CUSTOMER CARE REP	0.00	0.00	1.00	1.00
CUSTOMER CARE REPRESENTATIVE	5.00	5.00	4.00	4.00
OFFICE TECHNICIAN	0.00	0.00	1.00	1.00
OFFICE SPECIALIST	0.00	0.00	1.00	1.00
METER READER	3.50	3.50	3.50	3.50
CODE ENFORCEMENT OFFICERS	0.00	2.00	2.00	2.00
TOTAL DIVISION FTE'S:	10.60	12.60	14.60	14.60

Prior Biennium Accomplishments

- New partnership in 2015 with the Department of Revenue (DOR) for one-stop state and local business licensing administered by the DOR.
- Code Enforcement process review and implementation of recommendations for program and staff realignment. Also implemented new tracking software and developed new on-line reporting tool for customers to file complaints via webpage.
- Significantly expanded Social Media Outreach. Developed plan in coordination with Economic Development to provide regular postings to Facebook & Twitter.
- Assisted with the implementation of the new City webpage. Administrative support continues for managing content and developing new tools to increase customer access to information and services.
- Filled the new FTE job-share position with Public Works and developed work plan to best utilize the position.
- Expanded public outreach efforts in working with local media, coordinating information with the City's lobbyist, preparing information for publications, messaging information to Council, administrative lead for coordinating the annual State of the Cities video, and assisting departments with messaging.
- Implemented automated telephone solution, Paymentus, for processing credit card payments and e-checks 24/7. Took code change recommendations to Council for the convenience fee and new language regarding discretion on taking manual and over-telephone payments.
- Continued to evaluate One-Stop delivery of services and realign resources to best serve our customers and meet the demands of our service environment.

City Council's Priority Area(s)

- Responsible Government
- Community Safety
- Quality of Life

Performance Measures

Program / Service Outputs

	2014	2015	2016	2017	2018
	Actual	Actual	Estimated	Projected	Projected
Number of licenses & permits issued	4,668	4,960	5,034	5,085	5,136
Number of utility bills processed	139,082	141,632	143,756	145,913	148,102
Number of meters read	140,298	142,416	144,552	146,721	148,921
Number of service orders processed	1,741	1,552	1,575	1,599	1,623

Program / Service Efficiency Measures

	2014	2015	2016	2017	2018
	Actual	Actual	Estimated	Projected	Projected
Cost per license/permit issued	\$57.10	\$56.55	\$56.84	\$59.16	\$59.76
Number of accounts per FTE	5,950	6,049	6,139	6,232	6,325
Cost per account maintained	\$16.80	\$17.39	\$17.48	\$18.10	\$18.20
Cost per meter reading	\$1.52	\$1.93	\$1.94	\$1.98	\$1.99
Cost per service order	\$14.38	\$20.70	\$20.93	\$21.41	\$21.52

Program / Service Quality

	2014	2015	2016	2017	2018
	Actual	Actual	Estimated	Projected	Projected
License/permits issued on time & accurately	99%	99%	99%	99%	99%
Accounts billed within 5 days of route reading	99%	99%	98%	99%	99%
Water/sewer revenue collected	99.98%	99.98%	99.98%	99.98%	99.98%
Meters read on time	94%	93%	94%	97%	97%
Meters read accurately	99%	99%	99%	99%	99%
Service orders completed on time	99%	99%	99%	99%	99%
Number of code enforcement complaints received	1,231	1,143	850	867	884
*Cases on KIB hearing docket	189	68	44	N/A	N/A
Notice and orders issued	N/A	N/A	95	260	265
Substandard, unfit and vacant land issues	N/A	N/A	23	75	77



**CUSTOMER SERVICE
DIVISION**

Finance Department

REVENUES	2013/14	2015/16	2015/16	2017/18
	Actual	Adopted	Adjusted	Adopted
General Governmental	\$ 1,938,037	\$ 2,115,892	\$ 2,161,992	\$ 2,188,511
Water Sales	-	649,093	652,957	691,604
Meter Reading Overhead	520,085	-	-	-
Charges for Services	520,085	649,093	652,957	691,604
Current Funding Sources	\$ 2,458,122	\$ 2,764,985	\$ 2,814,949	\$ 2,880,115
EXPENDITURES				
	2013/14	2015/16	2015/16	2017/18
	Actual	Adopted	Adjusted	Adopted
Salaries	\$ 1,331,194	\$ 1,489,057	\$ 1,489,057	\$ 1,519,260
Overtime	2,067	2,550	2,550	6,720
Benefits	573,322	670,999	670,999	709,392
Salaries & Benefits	1,906,583	2,162,606	2,162,606	2,235,372
Supplies	38,211	36,701	36,701	34,729
Contractual Services	80,380	95,326	98,326	104,882
Postage	130,250	136,400	136,400	146,500
Travel & Training	6,368	11,050	14,350	9,650
Credit Card Fees	164,497	176,000	220,000	195,275
Fleet Maintenance Charges	53,352	62,712	62,376	55,824
Other Services & Charges	10,799	12,190	12,190	22,283
Supplies & Services	483,857	530,379	580,343	569,143
Graffiti Abatement Program	67,682	72,000	72,000	75,600
Intergovernmental Services	67,682	72,000	72,000	75,600
Total Expenditures	\$ 2,458,122	\$ 2,764,985	\$ 2,814,949	\$ 2,880,115
Expenditures by Fund				
General Fund	\$ 2,458,122	\$ 2,115,892	\$ 2,161,992	\$ 2,188,511
Water and Sewer Fund	-	649,093	652,957	691,604
Total Expenditures by Fund	\$ 2,458,122	\$ 2,764,985	\$ 2,814,949	\$ 2,880,115

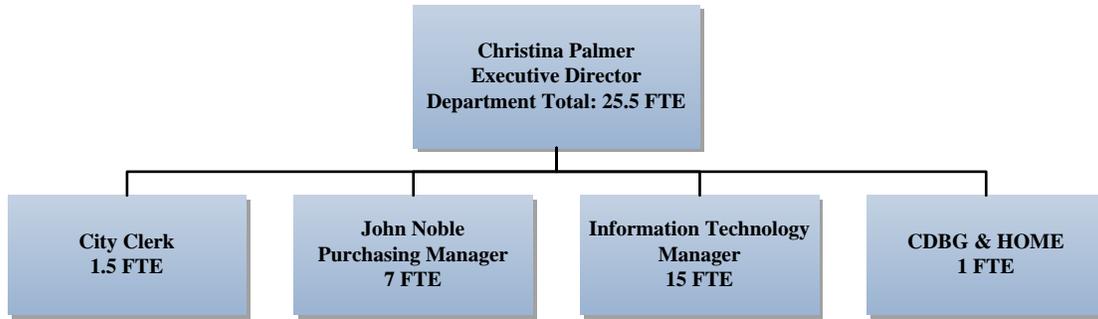
**DETAIL
BUDGET**



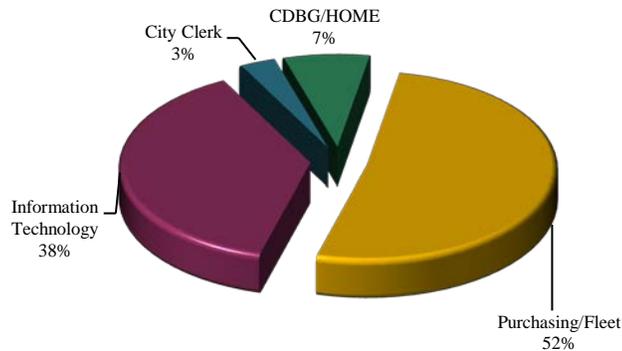
The City of Kennewick has on-line access to city services for permitting, utility billing payments, economic development, recreation programs, and employment opportunities. www.go2kennewick.com/



Management Services Department



Adopted Budget



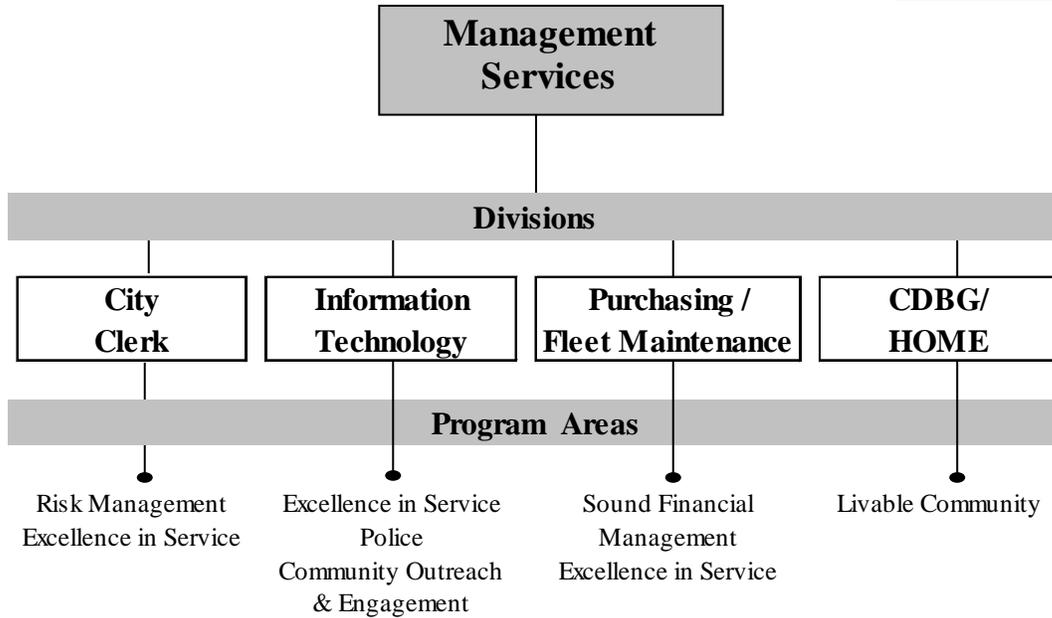
Division Expenditures	2013-2014 Actual	2015-2016 Adopted	2015-2016 Adjusted	2017-2018 Adopted
Information Technology	\$ 5,059,134	\$ 5,608,760	\$ 5,652,254	\$ 6,305,704
Purchasing / Fleet	7,267,923	6,137,317	7,547,911	8,548,142
City Clerk	341,596	470,904	472,904	506,783
CDBG/HOME	<u>1,755,876</u>	<u>1,240,000</u>	<u>2,079,368</u>	<u>1,229,456</u>
Total:	<u>\$ 14,424,529</u>	<u>\$ 13,456,981</u>	<u>\$ 15,752,437</u>	<u>\$ 16,590,085</u>

Funding Sources	2013-2014 Actual	2015-2016 Adopted	2015-2016 Adjusted	2017-2018 Adopted
General Fund	\$ 5,601,584	\$ 6,268,034	\$ 6,301,288	\$ 7,002,931
Community Development Fund	1,755,876	1,240,000	2,079,368	1,229,456
Equipment Rental Fund	6,013,343	4,740,769	6,146,603	7,152,976
Central Stores Fund	457,589	529,040	546,040	494,768
BiPIN Operations Fund	596,137	679,138	679,138	709,954
Total Sources:	<u>\$ 14,424,529</u>	<u>\$ 13,456,981</u>	<u>\$ 15,752,437</u>	<u>\$ 16,590,085</u>

Management Services Department

Mission

Our mission is to enhance the efficiency and effectiveness of City operations by providing exceptional leadership in purchasing, fleet, legislative and records management, and technological services to City staff and the citizens of our community. Powered by excellent people, we are a quality driven, high performance team committed to attainment of our mission through our core service values.



Departmental Staffing				
	2013-2014	2015-2016	2015-2016	2017-2018
	Actual	Adopted	Adjusted	Adopted
Full-time Equivalent (FTE)	25.00	24.50	24.50	25.50
% of City's FTE's	7.14%	6.80%	6.55%	6.63%
Departmental Expenditures by Type				
	2013-2014	2015-2016	2015-2016	2017-2018
	Actual	Adopted	Adjusted	Adopted
Salaries & Benefits	\$ 5,578,812	\$ 6,230,635	\$ 6,230,635	\$ 6,875,368
Supplies & Services	4,741,851	4,540,402	4,989,929	4,647,910
Interfund Transfers	624,849	614,000	880,954	499,000
Debt Service	511,088	536,244	536,244	554,121
Capital Outlay	2,967,929	1,535,700	3,114,675	4,013,686
Total Department Budget:	\$ 14,424,529	\$ 13,456,981	\$ 15,752,437	\$ 16,590,085



Division Purpose / Description

The Purchasing/Fleet Maintenance Division is responsible for the centralized procurement, fleet maintenance and warehousing/inventory functions of the City. The Division is also responsible for the administration of the Central Stores Fund, which includes copiers and central stores inventory, procurement cards, coordination with all departments on maintenance and contract agreements, bid processing, fleet replacement and surplus disposal.

Division Broad Goals

- To provide the best practices in procurement, fleet maintenance and warehousing to all city departments through collaborative partnership driven solutions.
- Provide customer and value driven service with fair and open processes.
- Make improvements by looking for opportunities, being innovative and resourceful.
- Organizational alignment & staff development to solidify the City’s ongoing financial position.

Highlights / Changes

In 2016 we completed a fleet study to provide a strategic outlook and priorities for operations and service delivery. Retirements have provided opportunities for staff development and alignment with priorities.

2017/2018 Goals & Objectives

- Implementation of fleet study recommendations to improve staff development, utilization of technology and customer service.
- Implementation of purchasing records management workflow(s) to enable electronic document process control and records retention.
- Utilize electronic signature and revision technology to improve contract and agreement routing and reduce paper records.
- Use of electronic reporting and monitoring to manage inventory ordering
- Implementation of State mandated alternative fuel guidelines for vehicle replacement.
- Follow safe practices to maintain a Safety First workplace.

Prior Biennium Accomplishments

- Implementation of the citywide vehicle and equipment replacement program recommendations.
- Implementation of document management system replacement for contracts, agreements and accounts payable processing.
- Implementation of website and intranet redevelopment to improve public and internal interface.



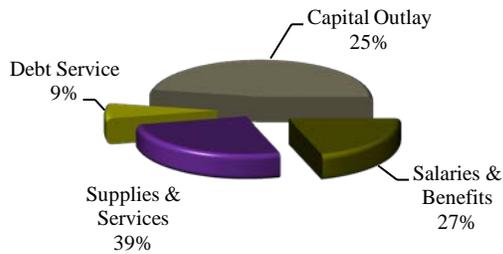
Prior Biennium Accomplishments (Cont'd)

- Use of system tools and custom reporting to monitor inventory use and stocking levels to improve turnover rate and eliminate obsolete inventory.
- Policy revisions to update authority and purchase level thresholds to align with best practices and allow more effective use of resources.

City Council's Priority Area(s)

- Responsible Government

2017/2018 Expenditures



Division Staffing				
	2015	2016	2017	2018
	Actual	Actual	Adopted	Adopted
MANAGEMENT SERVICES DIRECTOR	0.33	0.33	0.33	0.33
PURCHASING MANAGER	1.00	1.00	1.00	1.00
ACCOUNTING SPECIALIST	1.00	0.00	0.00	0.00
BUYER	1.00	2.00	2.00	2.00
MECHANIC CREW LEADER	1.00	1.00	1.00	1.00
MECHANIC	2.00	2.00	2.00	2.00
WAREHOUSE WORKER	1.00	1.00	1.00	1.00
TOTAL DIVISION FTE'S:	7.33	7.33	7.33	7.33

Performance Measures

Program / Service Outputs

	2014 Actual	2015 Actual	2016 Estimated	2017 Projected	2018 Projected
Purchasing - number of requisitions processed	830	891	876	850	850
Purchasing - number of PO's issued	725	880	832	800	800
Inventory - number of items sold	25,250	25,881	25,125	25,200	25,200
Fleet - number of repair tickets completed	2,748	3,086	2,721	2,900	2,900

Program / Service Efficiency Measures

	2014 Actual	2015 Actual	2016 Estimated	2017 Projected	2018 Projected
Purchasing - cost per PO issued	\$ 89.76	\$ 76.17	\$ 82.98	\$ 88.89	\$ 91.55
Inventory - average value	\$ 466,899	\$ 457,238	\$ 440,000	\$ 430,000	\$ 420,000
Inventory - turnover rate	NA	1.02	1.40	1.60	1.80
Fleet - cost/repair ticket	\$ 245	\$ 250	\$ 250	\$ 260	\$ 270

Program / Service Quality

	2014 Actual	2015 Actual	2016 Estimated	2017 Projected	2018 Projected
Number of PO's under \$2500	564	667	578	600	600
Inventory number of items	1,315	1,305	1,265	1,250	1,250
Fleet technician productivity rate	80%	79%	79%	82%	83%



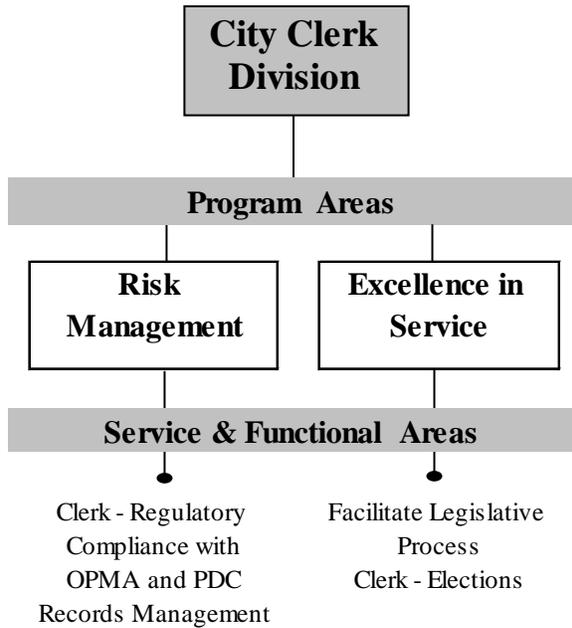
**PURCHASING AND
FLEET MAINTENANCE**

Management Services Department

REVENUES	2013/14	2015/16	2015/16	2017/18
	Actual	Adopted	Adjusted	Adopted
General Governmental	\$ 796,989	\$ 867,508	\$ 855,268	\$ 900,398
Charges for Fleet Maintenance	3,566,228	3,742,132	3,857,366	4,082,568
Copier & Inventory Sales	468,639	485,000	485,000	475,660
Charges for Services	4,034,867	4,227,132	4,342,366	4,558,228
Miscellaneous Revenue	81,148	36,200	41,200	77,000
General Fund	-	-	31,000	-
Street Fund	9,855	-	-	-
Medical Services Fund	32,150	-	-	-
Capital Improvement Fund	1,191,314	1,711,200	1,798,200	1,744,400
Water/Sewer Fund	6,763	24,000	554,000	111,950
Asset Forfeiture Fund	54,000	36,000	65,000	-
Lodging Tax Fund	-	-	-	13,000
Criminal Justice Sales Tax Fund	-	295,000	303,000	55,000
Stormwater Fund	32,273	-	25,000	-
Risk Management	39,850	-	70,000	-
Interfund Transfers	1,366,205	2,066,200	2,846,200	1,924,350
Proceeds from Sale of Fixed Assets	148,919	-	92,500	-
Capital Lease Proceeds	1,272,395	-	-	1,300,000
Other Financing Sources	1,421,314	-	92,500	1,300,000
Total Revenues	\$ 7,700,523	\$ 7,197,040	\$ 8,177,534	\$ 8,759,976
Equipment Rental Fund	(416,163)	(1,102,563)	(689,463)	(228,942)
Central Stores Fund	(16,437)	42,840	59,840	17,108
Decrease (Increase) to Fund Balance	(432,600)	(1,059,723)	(629,623)	(211,834)
Current Funding Sources	\$ 7,267,923	\$ 6,137,317	\$ 7,547,911	\$ 8,548,142
EXPENDITURES	2013/14	2015/16	2015/16	2017/18
	Actual	Adopted	Adjusted	Adopted
Salaries	\$ 1,039,759	\$ 1,105,571	\$ 1,105,571	\$ 1,148,938
Overtime	351	-	-	2,000
Part-Time Wages	1,262	21,600	21,600	21,600
Benefits	423,573	512,800	512,800	548,847
Salaries & Benefits	1,464,945	1,639,971	1,639,971	1,721,385
Supplies	1,907,028	1,999,365	1,801,868	1,721,640
Rentals/Leases	68,214	80,040	80,040	79,440
Travel & Training	5,260	10,400	10,400	11,850
Utility Charges	23,953	31,855	31,855	26,500
Repair & Maintenance	204,229	178,355	178,355	266,674
Admin/Financial Overhead	26,208	27,100	27,100	28,500
Fleet Maintenance Charges	72,384	73,512	82,628	95,616
Other Services & Charges	24,049	24,775	44,775	28,730
Supplies & Services	2,331,325	2,425,402	2,257,021	2,258,950
Debt Service	511,088	536,244	536,244	554,121
Machinery & Equipment	-	44,000	95,200	-
Office Machinery & Equipment	-	-	61,000	-
Software	-	-	113,000	-
Transportation Equipment	2,960,565	1,491,700	2,845,475	4,013,686
Capital Outlay	2,960,565	1,535,700	3,114,675	4,013,686
Total Expenditures	\$ 7,267,923	\$ 6,137,317	\$ 7,547,911	\$ 8,548,142
Expenditures by Fund				
General Fund	\$ 796,991	\$ 867,508	\$ 855,268	\$ 900,398
Equipment Rental Fund	6,013,343	4,740,769	6,146,603	7,152,976
Central Stores Fund	457,589	529,040	546,040	494,768
Total Expenditures by Fund	\$ 7,267,923	\$ 6,137,317	\$ 7,547,911	\$ 8,548,142

**DETAIL
BUDGET**





Division Purpose / Description

The purpose of the City Clerk’s division is to provide timely and accurate statutory and policy-related services to Council and staff so they can make informed decisions and efficiently conduct city business; and to manage, preserve and provide access to all official city records.

Division Broad Goals

- Immediate online access to all official records.
- Provide a welcoming environment to citizens and visitors to ensure maximum accessibility to city government.
- Increase movement towards paperless environment.
- Report and preserve the history of the City in a fair and impartial manner.
- Maximize efficiency through the utilization of existing resources and technology with innovation and creativity.

Highlights / Changes

During 2015/2016, we hired a new Public Records Officer dedicated to the processing of public record requests. Additionally, in 2016, the City Clerk received her Certified Municipal Clerk (CMC) designation. This designation is granted after completing demanding education requirements and demonstrating significant contributions to their local government, community, and state.

2017/2018 Goals & Objectives

- Implementation of electronic signatures for contracts.
- Expansion of OnBase Content Management system citywide.
- Implementation of additional workflows in OnBase.
- Facilitate scanning of records in other departments to continue goal of creating paperless environment.

Prior Biennium Accomplishments

- Implemented new Content Management system and migrated roughly 786,000 pages from legacy system into the new platform.
- Participated in the redesign of the new City website and implementation of new web portal for accessing public records.
- Implemented electronic workflow for the tracking of public record requests
- Processed approximately 740 agenda items for consideration by City Council.
- Conducted Records Management purge event(s) with City staff focusing on cleaning out records that have met their retention period.
- Implemented best practices and compliance training program for staff on Public Records Act.

City Council’s Priority Area(s)

- Responsible Government

Performance Measures

Program / Service Outputs					
	2014	2015	2016	2017	2018
	Actual	Actual	Estimated	Projected	Projected
Number of agenda items processed	352	386	400	400	400
Number of public records requests	205	244	315	400	400
Number of documents indexed & stored	1,457	1,530	1,700	1,800	1,800

Program / Service Efficiency Measures					
	2014	2015	2016	2017	2018
	Actual	Actual	Estimated	Projected	Projected
Number of hours processing public record requests	1,230	1,679	2,300	2,600	2,850
Number of agenda items processed per FTE	352	386	400	400	400

Program / Service Quality					
	2014	2015	2016	2017	2018
	Actual	Actual	Estimated	Projected	Projected
Cost per public record request filled	\$ 312.00	\$ 346.00	\$ 360.00	\$ 390.00	\$ 400.00
Percentage of documents filed within 3 days of council action	100%	100%	100%	100%	100%

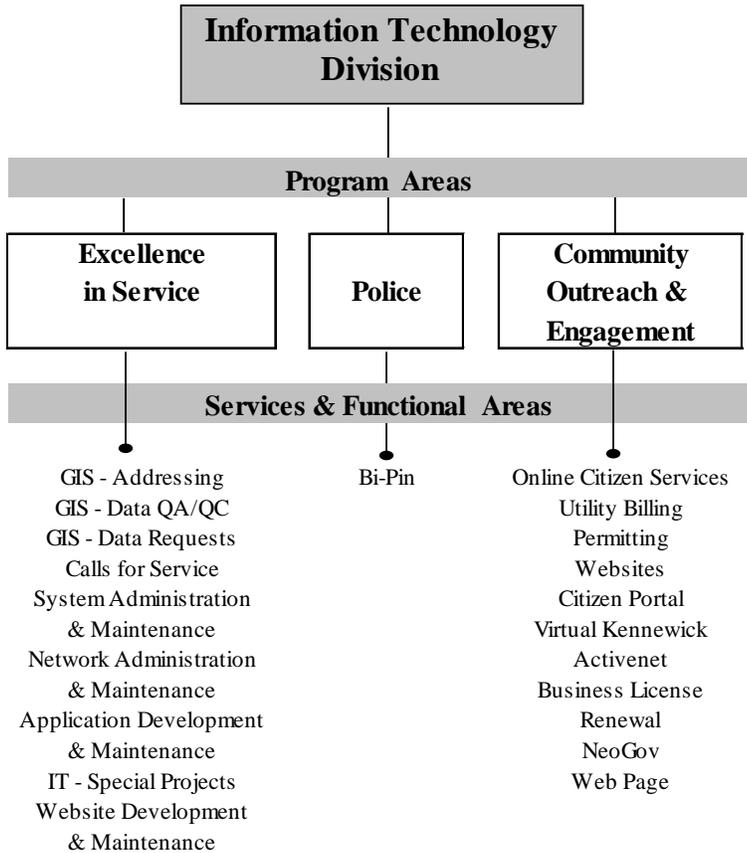
Division Staffing				
	2015	2016	2017	2018
	Actual	Actual	Adopted	Adopted
MANAGEMENT SERVICES DIRECTOR	0.33	0.33	0.33	0.33
CITY CLERK	1.00	1.00	1.00	1.00
DEPUTY CITY CLERK	0.50	0.50	0.50	0.50
TOTAL DIVISION FTE'S:	1.83	1.83	1.83	1.83



REVENUES	2013/14	2015/16	2015/16	2017/18
	Actual	Adopted	Adjusted	Adopted
General Governmental	\$ 341,596	\$ 470,904	\$ 472,904	\$ 506,783
Current Funding Sources	\$ 341,596	\$ 470,904	\$ 472,904	\$ 506,783
EXPENDITURES	2013/14	2015/16	2015/16	2017/18
	Actual	Adopted	Adjusted	Adopted
Salaries	\$ 224,297	\$ 311,920	\$ 311,920	\$ 339,568
Benefits	78,435	116,539	116,539	124,995
Salaries & Benefits	302,732	428,459	428,459	464,563
Supplies	7,505	6,530	8,530	7,110
Postage	434	750	750	600
Travel & Training	14,570	18,120	18,120	24,320
Advertising	9,892	9,500	9,500	7,500
Other Services & Charges	6,463	7,545	7,545	2,690
Supplies & Services	38,864	42,445	44,445	42,220
Total Expenditures	\$ 341,596	\$ 470,904	\$ 472,904	\$ 506,783
Expenditures by Fund				
General Fund	\$ 341,596	\$ 470,904	\$ 472,904	\$ 506,783
Total Expenditures by Fund	\$ 341,596	\$ 470,904	\$ 472,904	\$ 506,783

**DETAIL
BUDGET**





Division Purpose / Description

The Information Technology Division is a citywide support group that is working to provide high quality, reliable, creative, and diverse solutions in support of the City’s functions.

Division Broad Goals

To provide a stable, reliable computer system that can be leveraged by the City to more efficiently and effectively perform their jobs in order to provide the residents of Kennewick the highest service level possible. Additionally, it is the goal of the Information Technology Division to build and maintain a skilled Information Technology staff that is customer oriented to support the City’s systems and staff, leveraging existing technology and implementing useful emerging technologies to better provide these services.

Highlights / Changes

In 2014, the City completed an IT Strategic Plan in order to guide the City’s technology investments over the next 5-years in terms of hardware, software and support services. The first phase of capital improvements was completed during 2015/2016 with the replacement of the Content Management System, migration to ESRI platform for GIS and the replacement of the City website. We also implemented a new IT Service Desk area to improve employee access to IT support.

2017/2018 Goals & Objectives

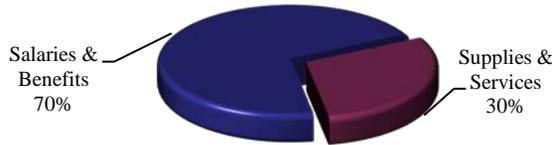
- Replacement of emergency reporting software (ERS) for the Fire Dept.
- Conduct needs analysis and generate RFP for the replacement of the City’s enterprise-wide financial system.
- Development and implementation of automated workflow and tracking solution within OnBase for the electronic distribution and acknowledgement of policies, procedures, and training materials.
- Implementation of online codification platform for City Attorney’s office.
- Replacement of existing wireless environment.
- Network infrastructure equipment updates.

Prior Biennium Accomplishments

In addition to its ongoing support of the City’s employees, the Information Technology Division has completed the following major projects:

- Replacement of the Content Management System including the migration of roughly 786,000 pages from the legacy platform.

2017/2018 Expenditures



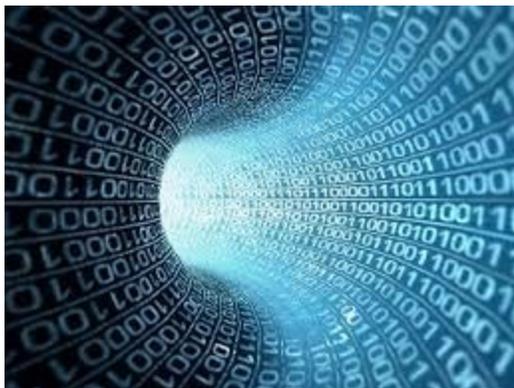
Division Staffing				
	2015	2016	2017	2018
	Actual	Actual	Adopted	Adopted
MANAGEMENT SERVICES DIRECTOR	0.34	0.34	0.34	0.34
IT MANAGER	1.00	1.00	1.00	1.00
PROJECT MANAGER	1.00	1.00	1.00	1.00
SOFTWARE SUPPORT SUPERVISOR	1.00	1.00	1.00	1.00
CUSTOMER SERVICE SUPERVISOR	0.00	0.00	1.00	1.00
SYSTEMS ADMINISTRATOR	2.00	2.00	2.00	2.00
DATABASE ADMINISTRATOR II	1.00	1.00	1.00	1.00
IT APPLICATION DEVELOPER/INTG	1.00	1.00	1.00	1.00
SOFTWARE SUPPORT ANALYST	1.00	1.00	1.00	1.00
GIS SOFTWARE SUPPORT ANALYST	1.00	1.00	1.00	1.00
NETWORK ADMINISTRATOR II	1.00	1.00	1.00	1.00
HELP DESK TECHNICIAN I	2.00	2.00	2.00	2.00
HELP DESK TECHNICIAN II	0.50	0.50	0.50	0.50
BIPIN ANALYST II	1.00	1.00	1.00	1.00
HELP DESK TECHNICIAN II - BIPIN	0.50	0.50	0.50	0.50
TOTAL DIVISION FTE'S:	14.34	14.34	15.34	15.34

Prior Biennium Accomplishments (Cont'd)

- Migration of GIS system to ESRI platform.
- Addition of blade to UCS environment and expansion of data storage capacity.
- Developed and deployed new public portal for public access to city records.
- Implementation of mobile device management solution and text capturing platform.
- Completed audit of network security environment and implementation of phase 1 recommended updates.
- Replacement of the City's primary website, as well as PlaySouthridge.com site and the City's Intranet site.
- Replacement of the City's core network switch.
- Upgrades to Liquid Office, VMWare, and Backup Exec environments.
- Developed proof of concept for site to site vpn solution to improve mobile access to city systems.
- Replacement of the BiPin domain controller.
- Installation of new workstations, phones, network access and wireless connectivity at the new Fire Station.

City Council's Priority Area(s)

- Community Safety
- Responsible Government



Performance Measures

Program / Service Outputs

	2014 Actual	2015 Actual	2016 Estimated	2017 Projected	2018 Projected
Average number of calls for service per month	n/a	244	302	320	320
Number of web services supported	n/a	12	14	15	15
Number of applications maintained	n/a	35	39	40	40
Number of servers maintained	58	58	60	60	60
Number of W/S maintained	520	525	552	552	552
Number of users accessing system	420	520	520	525	525

Program / Service Efficiency Measures

	2014 Actual	2015 Actual	2016 Estimated	2017 Projected	2018 Projected
Cost per server to maintain	\$27,017	\$29,804	\$28,100	\$34,842	\$34,842
Cost per W/S to maintain	\$3,013	\$3,293	\$3,054	\$3,787	\$3,787

Program / Service Quality

	2014 Actual	2015 Actual	2016 Estimated	2017 Projected	2018 Projected
% Up-time during business hours	98%	99%	99%	99%	99%
% unscheduled down-time	1%	1%	1%	1%	1%

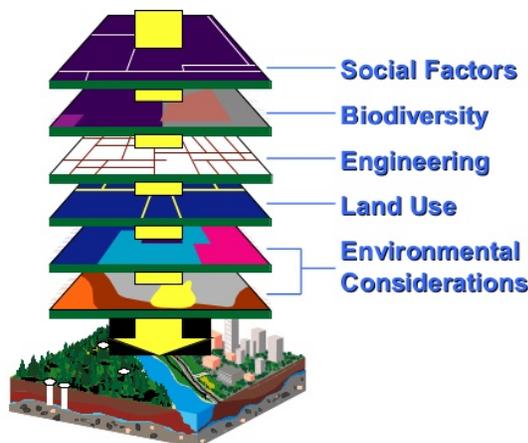


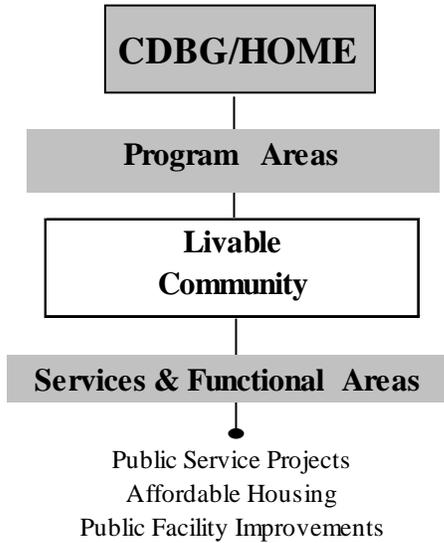
REVENUES	2013/14 Actual	2015/16 Adopted	2015/16 Adjusted	2017/18 Adopted
General Governmental	\$ 4,462,996	\$ 4,929,622	\$ 4,973,116	\$ 5,595,750
Computer Usage - BiPIN	596,138	679,138	679,138	709,954
Intergovernmental Revenue	596,138	679,138	679,138	709,954
Current Funding Sources	\$ 5,059,134	\$ 5,608,760	\$ 5,652,254	\$ 6,305,704
EXPENDITURES	2013/14 Actual	2015/16 Adopted	2015/16 Adjusted	2017/18 Adopted
Salaries	\$ 2,580,986	\$ 2,742,897	\$ 2,742,896	\$ 3,170,808
Overtime	487	-	-	-
Benefits	1,000,206	1,168,728	1,168,729	1,259,194
Salaries & Benefits	3,581,679	3,911,625	3,911,625	4,430,002
Supplies	50,597	60,170	60,170	54,240
Contractual Services	81,030	41,350	41,350	37,350
Communications Charges	268,324	288,162	290,083	294,290
Travel & Training	73,405	107,595	107,595	120,410
Repair & Maintenance	939,924	1,123,423	1,166,796	1,308,441
Fleet Maintenance Charges	3,240	3,120	1,320	1,440
Other Services & Charges	53,571	73,315	73,315	59,531
Supplies & Services	1,470,091	1,697,135	1,740,629	1,875,702
Capital Outlay	7,364	-	-	-
Total Expenditures	\$ 5,059,134	\$ 5,608,760	\$ 5,652,254	\$ 6,305,704
Expenditures by Fund				
General Fund	\$ 4,462,997	\$ 4,929,622	\$ 4,973,116	\$ 5,595,750
BiPIN Operations Fund	596,137	679,138	679,138	709,954
Total Expenditures by Fund	\$ 5,059,134	\$ 5,608,760	\$ 5,652,254	\$ 6,305,704

**DETAIL
BUDGET**



GIS is a tool to see the whole





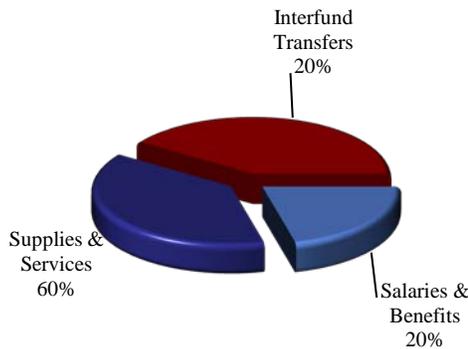
Division Purpose / Description

The CDBG/HOME division offers grants and loans for housing, human services, neighborhood improvements, economic development and public improvement activities.

Division Broad Goals

- Improve our community by providing decent housing, a suitable living environment and expanding economic opportunities principally for persons of low and moderate income.
- Continue to use CDBG assets to stimulate economic development in the Bridge-to-Bridge/River-to-Railroad area.
- Improve the local economy by promoting the addition of living wage jobs.

2017/2018 Expenditures



Highlights / Changes

Through a combination of Federal programs including Community Development Block Grant (CDBG) and HOME Investment Partnership Program, the City offers grants and loans for housing, human services, neighborhood improvements, economic development and public improvement activities.

Kennewick is a member of the Tri-Cities Consortium with Pasco and Richland, and as a Consortium, is eligible to receive federal HOME dollars from HUD on an annual basis.

2015/2016 Goals & Objectives

- Assist approximately 20 households per year with First Time Home Buyer DPA financing.
- Work with the Kennewick Housing Authority to address public housing needs.
- Promote the HUD designated single-family revitalization zone.
- Assist Benton Franklin Human Services with the planning efforts to help reduce homelessness.
- Continue to provide youth scholarships for low-income Kennewick residents to participate in City recreation programs.
- Improvements to pedestrian ramps and audible crossing buttons.

Prior Biennium Accomplishments

- Provided Downpayment Assistance for 47 first-time homebuyers.
- Awarded 1,112 youth scholarships to low-income residents to participate in recreation programs.
- Participated in planning the first ever all-day homeless services event held in Benton or Franklin Counties.

City Council's Priority Area(s)

- Quality of Life

Performance Measures

Program / Service Outputs

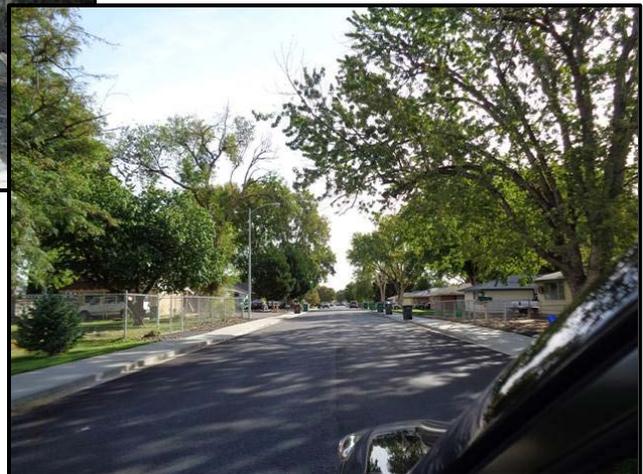
	2014 Actual	2015 Actual	2016 Estimated	2017 Projected	2018 Projected
Number of down payment assistance applications reviewed	36	41	42	42	44
Number of down payment assistance loans	32	35	36	35	36
Number of CDBG applications reviewed	6	7	5	5	5
Number of CDBG applications awarded	5	6	5	5	5
Number of recreation scholarships	576	478	500	500	500

Program / Service Efficiency Measures

	2014 Actual	2015 Actual	2016 Estimated	2017 Projected	2018 Projected
Dollars expended down payment assistance	\$298,500	\$317,359	\$330,000	\$340,000	\$345,000
Dollars expended CDBG program assistance	\$521,450	\$520,405	\$549,000	\$400,000	\$400,000
Dollars used for recreation scholarships	\$38,946	\$24,950	\$34,000	\$25,000	\$25,000

Program / Service Quality

	2014 Actual	2015 Actual	2016 Estimated	2017 Projected	2018 Projected
Number of Washington State audit findings	0	0	0	0	0
Number of HUD labor & industry audit findings	0	1	0	0	0
Number of HUD Office CPD audit findings	0	0	0	0	0
Number of HUD environmental office audit findings	0	0	0	0	0



5th Avenue – Quincy Street
to Rainier Street

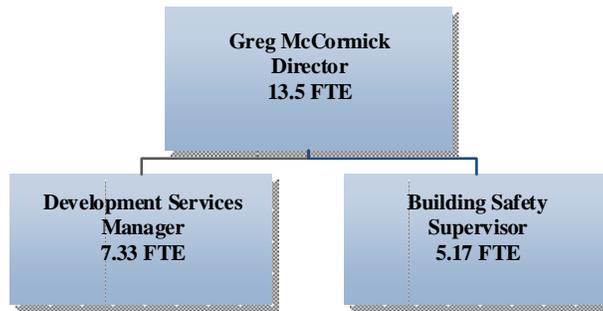
REVENUES	2013/14	2015/16	2015/16	2017/18
	Actual	Adopted	Adjusted	Adopted
CDBG Grant	\$ 1,613,285	\$ 1,000,000	\$ 1,590,766	\$ 1,000,000
HOME Grant	416,155	240,000	488,602	230,000
Intergovernmental Revenue	2,029,440	1,240,000	2,079,368	1,230,000
Interest	709	800	800	1,000
Miscellaneous Revenue	709	800	800	1,000
Total Revenues	\$ 2,030,149	\$ 1,240,800	\$ 2,080,168	\$ 1,231,000
Community Development Fund	(274,273)	(800)	(800)	(1,544)
Decrease (Increase) to Fund Balance	(274,273)	(800)	(800)	(1,544)
Current Funding Sources	\$ 1,755,876	\$ 1,240,000	\$ 2,079,368	\$ 1,229,456
EXPENDITURES	2013/14	2015/16	2015/16	2017/18
	Actual	Adopted	Adjusted	Adopted
Salaries	\$ 169,491	\$ 181,871	\$ 181,871	\$ 188,688
Benefits	59,965	68,709	68,709	70,730
Salaries & Benefits	229,456	250,580	250,580	259,418
Supplies	1,028	1,070	1,070	700
Contractual Services	55,189	55,500	55,500	27,600
Travel & Training	5,513	6,000	6,000	6,000
Advertising	4,304	4,000	4,000	4,000
CDBG Subrecipient Programs	461,936	69,250	393,062	203,238
HOME Programs	372,987	239,000	487,602	229,000
Other Services & Charges	614	600	600	500
Supplies & Services	901,571	375,420	947,834	471,038
Capital Improvement Fund - Projects	624,849	614,000	880,954	499,000
Interfund Transfers	624,849	614,000	880,954	499,000
Total Expenditures	\$ 1,755,876	\$ 1,240,000	\$ 2,079,368	\$ 1,229,456
Expenditures by Fund				
Community Development Fund	\$ 1,755,876	\$ 1,240,000	\$ 2,079,368	\$ 1,229,456
Total Expenditures by Fund	\$ 1,755,876	\$ 1,240,000	\$ 2,079,368	\$ 1,229,456

DETAIL
BUDGET

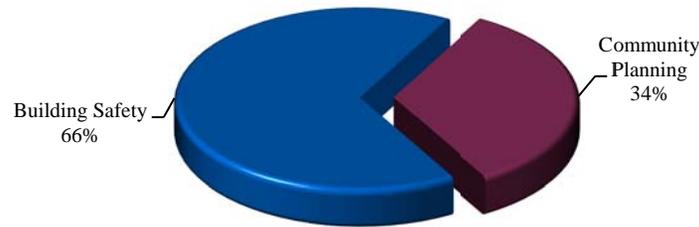


Division Staffing				
	2015	2016	2017	2018
	Actual	Actual	Adopted	Adopted
COMMUNITY BLOCK GRANT COORDINATOR	1.00	1.00	1.00	1.00
TOTAL DIVISION FTE'S:	1.00	1.00	1.00	1.00

Community Planning Department



Adopted Budget



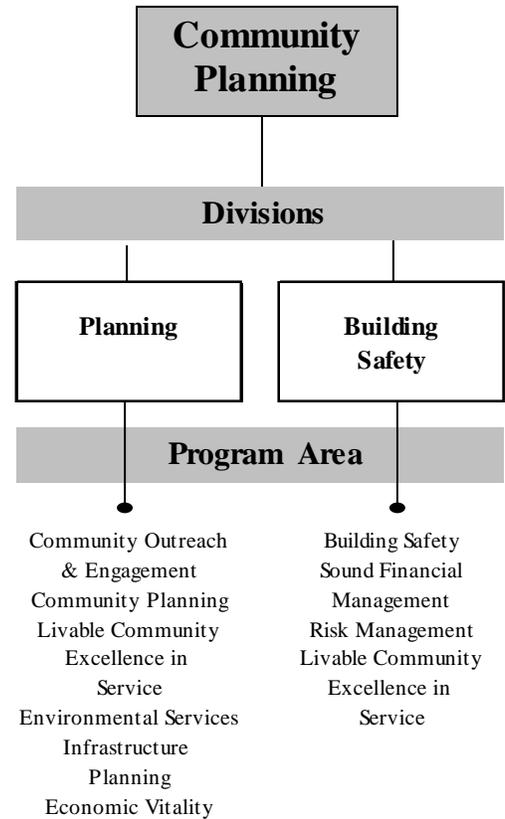
Division Expenditures	2013-2014 Actual	2015-2016 Adopted	2015-2016 Adjusted	2017-2018 Adopted
Building Safety	\$ 2,036,401	\$ 2,331,512	\$ 2,388,723	\$ 2,741,413
Community Planning	1,119,074	1,399,859	1,456,138	1,390,488
Total:	\$ 3,155,475	\$ 3,731,371	\$ 3,844,861	\$ 4,131,901

Funding Sources	2013-2014 Actual	2015-2016 Adopted	2015-2016 Adjusted	2017-2018 Adopted
General Fund	\$ 1,119,074	\$ 1,399,859	\$ 1,456,138	\$ 1,390,488
Building Safety Fund	2,036,401	2,331,512	2,388,723	2,741,413
Total Sources:	\$ 3,155,475	\$ 3,731,371	\$ 3,844,861	\$ 4,131,901

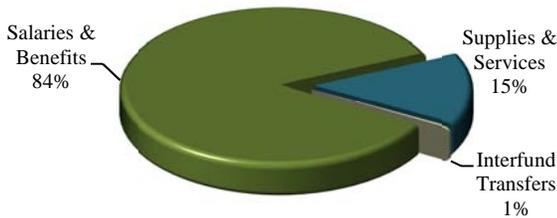
Community Planning Department

Mission

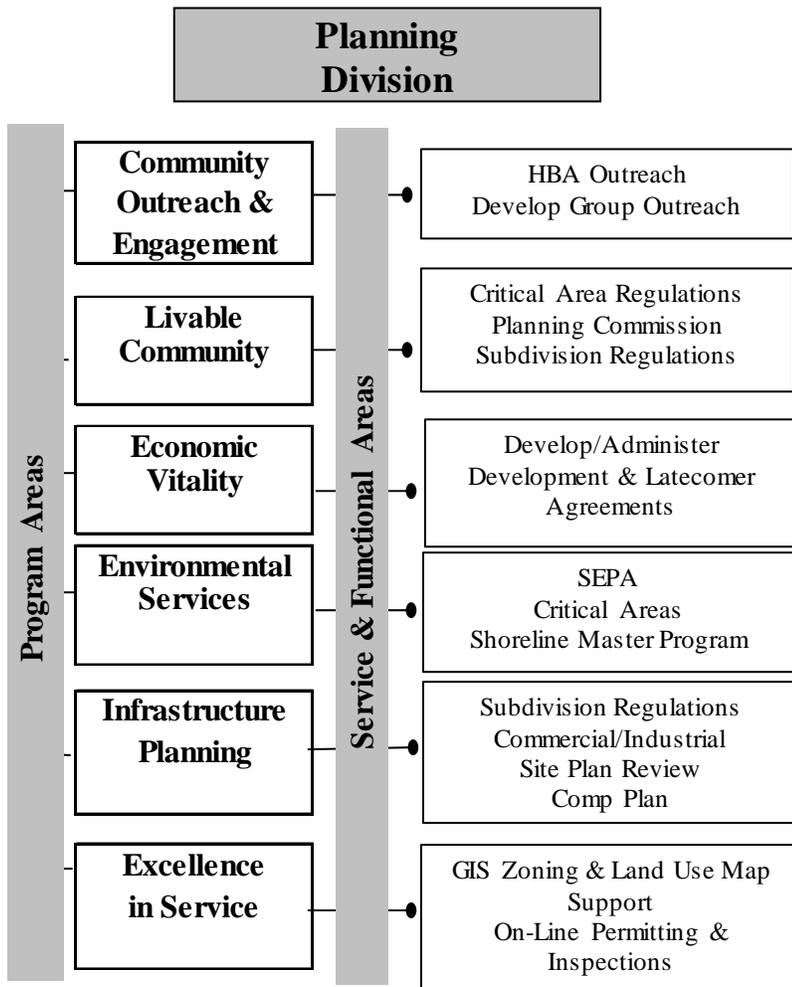
The mission of the Community Planning Department is to improve the economic foundation of the community and provide the path to realize our community vision.



Adopted Budget



Departmental Staffing				
	2013-2014	2015-2016	2015-2016	2017-2018
	Actual	Adopted	Adjusted	Adopted
Full-time Equivalent (FTE)	15.00	15.00	13.00	13.50
% of City's FTE's	4.28%	4.17%	3.48%	3.51%
Departmental Expenditures by Type				
	2013-2014	2015-2016	2015-2016	2017-2018
	Actual	Adopted	Adjusted	Adopted
Salaries & Benefits	\$ 2,575,679	\$ 2,999,442	\$ 2,999,442	\$ 3,509,436
Supplies & Services	562,866	697,044	781,756	607,812
Interfund Transfers	16,930	34,885	63,663	14,653
Total Department Budget:	\$ 3,155,475	\$ 3,731,371	\$ 3,844,861	\$ 4,131,901



Division Purpose / Description

The purpose of the Community Planning Program is to provide leadership and professional skills to define the community’s direction, coordinate diverse City functions, prepare the Comprehensive Plan and provide timely and predictable development review to ensure that Kennewick becomes a better community.

Highlights / Changes

Council’s priorities of responsible government, quality of life, economic development, and infrastructure and growth are supported by a focus on continued improvement in the development review process, increased efficiencies in the permitting process, developing outreach opportunities, maintaining and refining the Comprehensive Plan, encouraging citizen participation, and meeting Council’s goals for the urban growth expansion.

2017/18 Goals & Objectives

Council Priority: Responsible Government

- **HBA and developers outreach**
 - Maintain communication with the development community to identify areas for improvement to increase efficiencies within the permitting and development process.

Council Priority: Quality of Life

- **Comprehensive Plan Amendment and Development Regulation Updates**
 - Complete work on required Plan update (due mid-2017).
- **Hearing Examiner and Planning Commission**
 - The Hearing Examiner and Planning Commission creates a fair and equitable public hearing process helping reduce liability exposure.

Council Priority: Economic Development

- Urban Growth Expansion
- Process zoning code amendments and area wide rezones to implement Bridge to Bridge and Vista Field Plans.

Council Priority: Infrastructure & Growth

- Maintain a current Capital Facilities Element of the Comprehensive Plan in order to remain eligible for State and Federal funding.

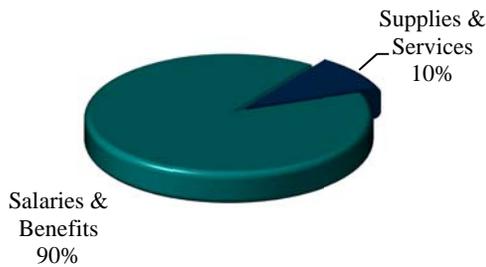
Division Broad Goals

- To provide, maintain and promote a comprehensive plan that is functionally and philosophically related to the contributions of all City departments in reaching the community vision.
- To provide staff support to the Planning Commission and City Council for community visioning, strategy and land planning; community improvement through code development and related services.
- To provide comprehensive planning meeting state requirements for interrelatedness, content and timeliness – thereby maintaining City eligibility for sources of state shared revenue, grants and loans.
- To provide and manage sub-area and contract planning in the Kennewick urban area where such inclusive and appropriately scaled efforts are needed to yield guidance and perspective on land use, capital investment urban design and economic return.
- To provide review and approval of land use permits for property and business owners, developers, and citizens in order to facilitate growth that enhances the City’s physical environment.

Prior Biennium Accomplishments

- Worked with Port of Kennewick on Columbia Gardens & Vista Field redevelopment.
- Annexations: Kennewick School District South
- Various code amendments and Title 17 and 18 updates; SEPA thresholds; CUP for schools.
- Supported City’s request for urban area expansion south of I-82.
- Continued community outreach efforts – Home Builders Assoc./ Developers meetings.
- Implemented new Tier 2 and 3 Site Plan Process.
- Implemented Tier 1 Express Permit Program.
- Annual Comp Plan Updates (15).
- Process review of Tier II and Tier III site plan; streamline development review.

2017/2018 Expenditures



City Council’s Priority Area(s)

- Community Planning
- Quality of Life
- Economic Growth
- Responsible Government

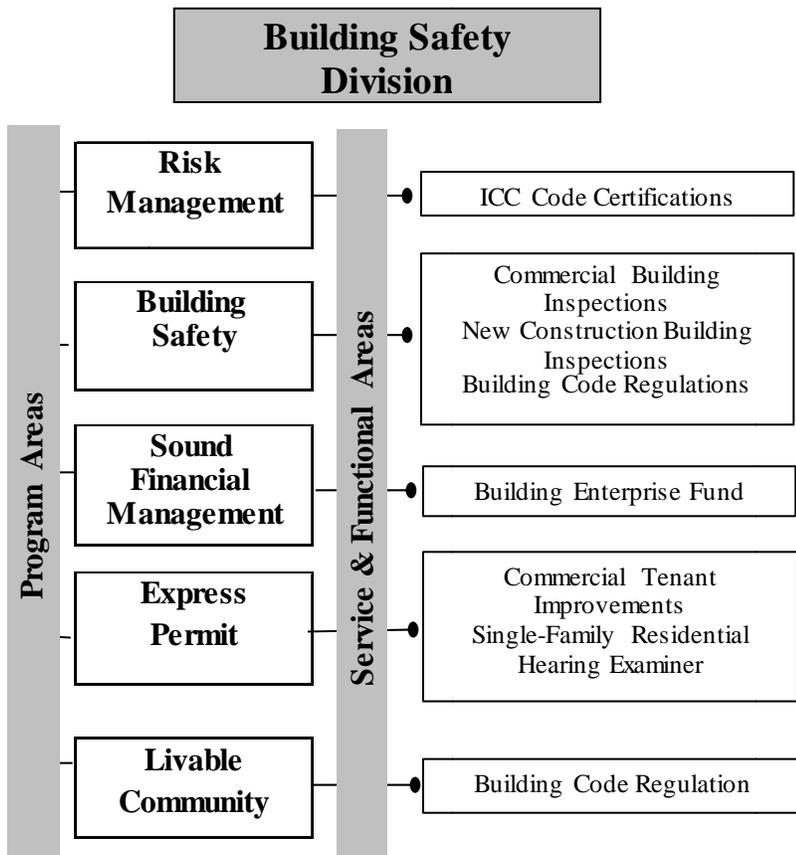
Division Staffing				
	2015	2016	2017	2018
	Actual	Actual	Adopted	Adopted
PLANNING DIRECTOR	0.67	0.67	0.67	0.67
DEVELOPMENT SERVICES MANAGER	1.00	1.00	1.00	1.00
PLANNER	1.70	1.70	1.70	1.70
ASSISTANT PLANNER	0.80	0.80	0.80	0.80
GIS TECHNICIAN	1.00	1.00	1.00	1.00
ADMINISTRATIVE ASSISTANT	0.67	0.67	0.67	0.67
TOTAL DIVISION FTE'S:	5.84	5.84	5.84	5.84



REVENUES	2013/14	2015/16	2015/16	2017/18
	Actual	Adopted	Adjusted	Adopted
General Governmental	\$ 1,047,923	\$ 1,166,059	\$ 1,222,338	\$ 1,122,588
Planning Fees and Charges	71,151	233,800	233,800	267,900
Charges for Services	71,151	233,800	233,800	267,900
Current Funding Sources	\$ 1,119,074	\$ 1,399,859	\$ 1,456,138	\$ 1,390,488
EXPENDITURES	2013/14	2015/16	2015/16	2017/18
	Actual	Adopted	Adjusted	Adopted
Salaries	\$ 749,432	\$ 876,121	\$ 876,121	\$ 921,376
Overtime	2,009	4,000	4,000	2,000
Part-Time Wages	564	-	-	-
Benefits	261,245	339,448	339,448	329,862
Salaries & Benefits	1,013,250	1,219,569	1,219,569	1,253,238
Supplies	18,985	22,470	21,749	24,390
Contractual Services	49,240	106,750	163,750	63,750
Travel & Training	9,059	15,300	15,300	12,000
Other Services & Charges	28,540	35,770	35,770	37,110
Supplies & Services	105,824	180,290	236,569	137,250
Total Expenditures	\$ 1,119,074	\$ 1,399,859	\$ 1,456,138	\$ 1,390,488
Expenditures by Fund				
General Fund	\$ 1,119,074	\$ 1,399,859	\$ 1,456,138	\$ 1,390,488
Total Expenditures by Fund	\$ 1,119,074	\$ 1,399,859	\$ 1,456,138	\$ 1,390,488

DETAIL BUDGET





Highlights / Changes

Council’s priorities of responsible government and community safety are supported by a focus on continued improvement in the development review process, increased efficiencies in the permitting process, developing outreach opportunities, plan review, building inspections and code enforcement to insure an inventory of safe structures and environment in the city.

2017/2018 Goals & Objectives

Council Priority: Responsible Government

- Meet regularly with the Home Builders Association to continue communication on increasing efficiencies in the permitting process.
- Maintain existing ICC and obtain additional necessary certifications.
- Implement “over-the-counter” permit program to complement the 24-hour field inspection program and online permitting.

Council Priority: Community Safety

- Enforce city codes relating to nuisance abatement, boarded up buildings and zoning code compliance.

Prior Biennium Accomplishments

- In 2015, there were over 10,636 inspections performed and through the end of August 2016 there have been 7,931 inspections performed by the division.
- There were 2,005 building permits issued in 2015 and through the end of August 1,549 building permits have been issued. These include 518 single family dwellings and 113 new commercial buildings.
- For 2015/2016 biennium through the end of August 2016 a total of \$3,015,808 in fees were collected.
- Total building valuation for the biennium through August 2016 is \$345,436,001.

Division Purpose / Description

The purpose of the Building Safety Division is to enhance and promote safety, security and quality of life for the citizens of Kennewick, through the administration of building codes.

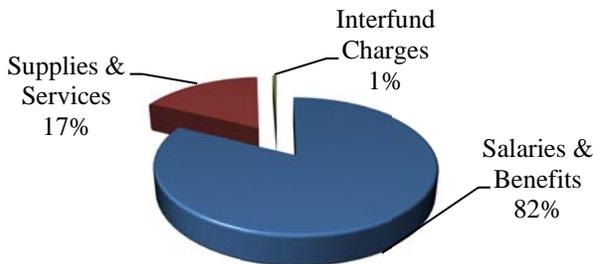


Division Broad Goals

- Demonstrate positive problem solving abilities.
- Strive to improve the quality and efficiency of our services.
- Encourage willing compliance by promoting public awareness of construction regulations and their purpose.
- Employ a helpful, creative approach in assisting members of the public and contractors in resolving their construction problems.
- Administer the building codes of the City of Kennewick in an unbiased and consistent manner.
- Provide quality customer service to all.
- Lead the City’s interdepartmental code enforcement task force.

Division Staffing				
	2015	2016	2017	2018
	Actual	Actual	Adopted	Adopted
PLANNING DIRECTOR	0.33	0.33	0.33	0.33
BUILDING OFFICIAL	1.00	1.00	1.00	1.00
EXPRESS PERMITTING MANAGER	1.00	1.00	1.00	1.00
PLANNER	0.30	0.30	0.30	0.30
ASSISTANT PLANNER	0.20	0.20	0.20	0.20
PLANS EXAMINER	1.00	1.00	1.00	1.00
RES PLAN EXAMINER/INSPECTOR	0.00	0.00	0.50	0.50
BUILDING INSPECTOR	2.00	2.00	2.00	2.00
BUILDING TECHNICIAN	1.00	1.00	1.00	1.00
ADMINISTRATIVE ASSISTANT	0.33	0.33	0.33	0.33
TOTAL DIVISION FTE'S:	7.16	7.16	7.66	7.66

2017/2018 Expenditures



**Prior Biennium Accomplishment
(Cont'd)**

- Implemented an Express Permit Program for commercial tenant improvement’s (TI) and single family residential (SF).
- As of 9/30/16 93 TI’s and 103 SF permits processed through Express.
- Fire Station #5
- Southridge Middle School
- Sage Elementary School
- Tri-Cities Cancer Treatment Center
- BMB Apartments
- Medina Building
- Brinkley Building
- High Desert Maintenance
- Badger Canyon Apartments (2)
- Kadlec Primary Care (Clearwater)
- Okanagan Business Condos
- Builder Heights Plaza
- Kennewick School District portables
- Kennewick Irrigation District Building
- Becker Business Condos
- Home Goods
- Tucannon Business Park
- Columbia Gardens Plan Revisions
- Badger Canyon Apartments
- Taco Bell
- Bush Carwash
- A to Z Rentals
- FMC Dialysis
- Bella’s Office Furniture
- Roasters
- Blue Cougar
- Bruchi’s
- Westgate Elementary School
- Hidden Meadows Apartments
- Original Pancake House
- Almond Dental
- Chiropractic Office
- Boyd’s Tree Service
- KSD Maintenance Building
- Paramount Building Shells
- G2 Construction
- Tri-City Glass
- Murphy Chiropractic

City Council’s Priority Area(s)

- Community Safety
- Responsible Government
- Quality of Life

Performance Measures

Program / Service Outputs

	2014	2015	2016	2017	2018
	Actual	Actual	Estimated	Projected	Projected
Number of permits issued	2,167	2,004	2,150	2,236	2,325
Number of inspections performed	11,361	10,636	11,593	12,051	12,539
Number of plans reviewed	1,430	1,238	1,455	1,498	1,543
Express permits - com tenant improvements	0	34	87	91	96
Express permits - single-family residential	0	11	130	136	143

Program / Service Efficiency Measures

	2014	2015	2016	2017	2018
	Actual	Actual	Estimated	Projected	Projected
Cost per permit issued	\$ 224	\$ 255	\$ 237	\$ 240	\$ 231
Cost per inspection performed	\$ 39	\$ 48	\$ 41	\$ 41	\$ 40
Cost per plan reviewed	\$ 217	\$ 264	\$ 225	\$ 230	\$ 223

Program / Service Quality

	2014	2015	2016	2017	2018
	Actual	Actual	Estimated	Projected	Projected
Percentage of permit applications completed & routed within 24 hours of time of submittal	90%	90%	90%	90%	90%
Percentage of inspections completed within 24 hours of request	98%	98%	98%	99%	99%
Percentage of plan reviews completed within 5-15 days	98%	98%	75%	80%	80%



**BUILDING
SAFETY**

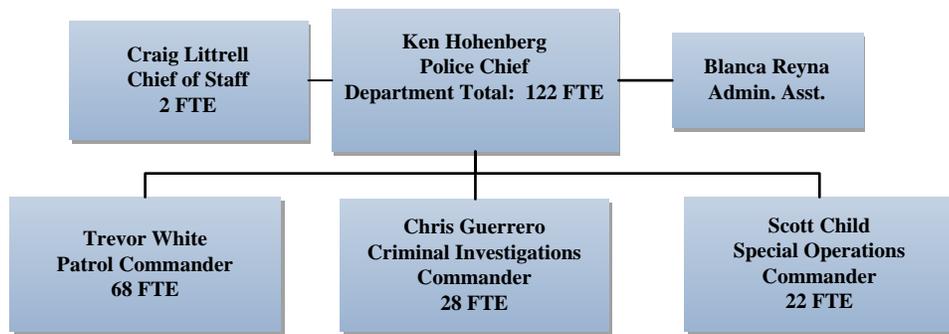
Community Planning Department

REVENUES	2013/14	2015/16	2015/16	2017/18
	Actual	Adopted	Adjusted	Adopted
Licenses & Permits	\$ 2,502,162	\$ 2,187,377	\$ 2,187,377	\$ 2,480,973
Miscellaneous Revenue	8,771	8,000	8,000	20,000
Total Revenues	\$ 2,510,933	\$ 2,195,377	\$ 2,195,377	\$ 2,500,973
Building Safety Fund	(474,532)	136,135	193,346	240,440
Decrease (Increase) to Fund Balance	(474,532)	136,135	193,346	240,440
Current Funding Sources	\$ 2,036,401	\$ 2,331,512	\$ 2,388,723	\$ 2,741,413
EXPENDITURES	2013/14	2015/16	2015/16	2017/18
	Actual	Adopted	Adjusted	Adopted
Salaries	\$ 1,097,351	\$ 1,219,077	\$ 1,219,077	\$ 1,598,230
Overtime	2,417	4,000	4,000	2,500
Benefits	462,661	556,796	556,796	655,468
Salaries & Benefits	1,562,429	1,779,873	1,779,873	2,256,198
Supplies	24,833	26,380	26,380	34,390
Contractual Services	292,418	337,711	372,711	312,676
Travel & Training	11,991	15,000	15,000	22,250
Utility Charges	11,200	11,200	11,200	-
Insurance Premiums	17,091	23,000	23,000	29,100
Fleet Maintenance Charges	36,743	39,000	32,433	36,096
Other Services & Charges	62,766	64,463	64,463	36,050
Supplies & Services	457,042	516,754	545,187	470,562
Capital Improvement Fund	16,930	34,885	63,663	14,653
Interfund Transfers	16,930	34,885	63,663	14,653
Total Expenditures	\$ 2,036,401	\$ 2,331,512	\$ 2,388,723	\$ 2,741,413
Expenditures by Fund				
Building Safety Fund	\$ 2,036,401	\$ 2,331,512	\$ 2,388,723	\$ 2,741,413
Total Expenditures by Fund	\$ 2,036,401	\$ 2,331,512	\$ 2,388,723	\$ 2,741,413

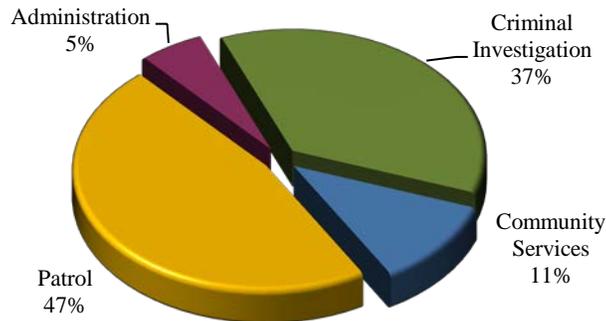
**DETAIL
BUDGET**



Police Department



Adopted Budget



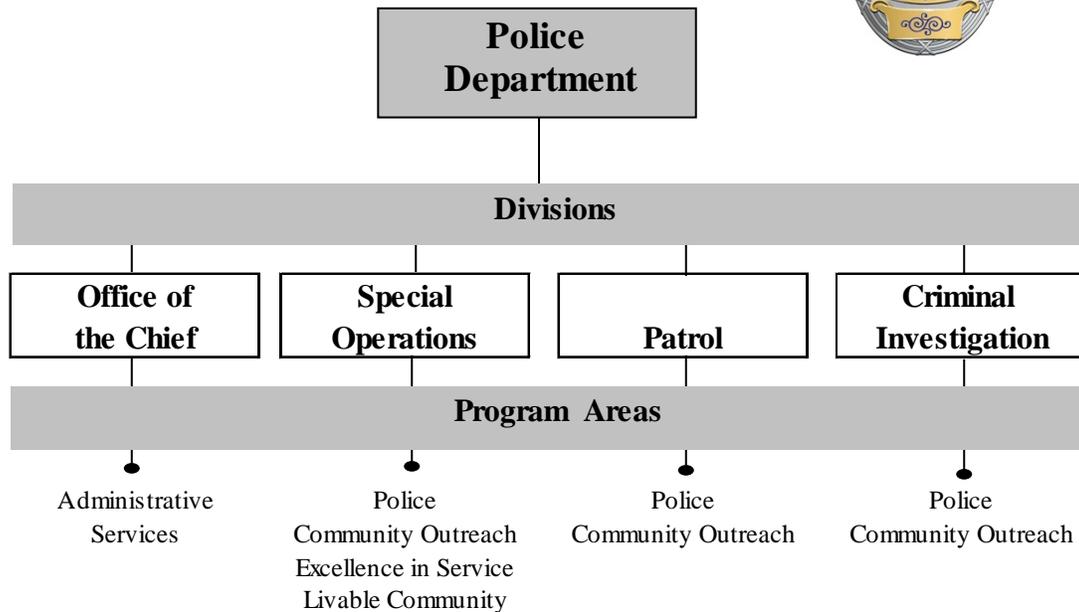
Division Expenditures	2013-2014 Actual	2015-2016 Adopted	2015-2016 Adjusted	2017-2018 Adopted
Administration	\$ 725,826	\$ 1,445,989	\$ 1,792,855	\$ 2,482,402
Patrol	15,770,343	18,844,797	19,214,989	21,148,500
Criminal Investigation	16,070,065	17,295,773	16,972,744	16,540,934
Special Operations	5,053,446	4,882,559	4,953,022	5,058,150
Total:	\$37,619,680	\$42,469,118	\$42,933,610	\$45,229,986

Funding Sources	2013-2014 Actual	2015-2016 Adopted	2015-2016 Adjusted	2017-2018 Adopted
General Fund	\$ 37,496,176	\$ 39,186,033	\$ 39,167,494	\$ 40,216,101
Criminal Justice Sales Tax	-	3,207,910	3,627,367	4,992,285
Asset Forfeiture Fund	123,504	75,175	138,749	21,600
Total Sources:	\$37,619,680	\$42,469,118	\$42,933,610	\$45,229,986

Police Department

Mission

Our mission is to promote a safe community and enhance quality of life.



Departmental Staffing				
	2013-2014	2015-2016	2015-2016	2017-2018
	Actual	Adopted	Adjusted	Adopted
Full-time Equivalent (FTE)	107.00	117.00	118.00	122.00
% of City's FTE's	30.54%	32.49%	31.56%	31.70%
Departmental Expenditures by Type				
	2013-2014	2015-2016	2015-2016	2017-2018
	Actual	Adopted	Adjusted	Adopted
Salaries & Benefits	\$ 28,178,152	\$ 32,171,085	\$ 32,153,084	\$ 35,110,433
Supplies & Services	1,577,435	1,890,233	2,029,010	1,905,053
Intergovernmental Services	7,736,093	8,064,000	8,073,167	8,005,500
Interfund Transfers	71,000	331,000	652,948	55,000
Capital Outlay	57,000	12,800	25,401	154,000
Total Department Budget:	\$ 37,619,680	\$ 42,469,118	\$ 42,933,610	\$ 45,229,986

Program Purpose / Description

Administration is assigned to the Office of the Chief. It is accountable for the oversight as well as ensuring day-to-day functioning of the organization. Primary responsibilities are hiring, promotions, internal affairs/quality assurance, rules and regulations, accreditation, the newly formed Police Cadet program and as a partner agency for Animal Control Authority and the Regional Special Investigations (SUI) Team.

We continue to focus on oversight of the department budget, State and Federal mandates and maintaining the highest standards for both internal and external customer service.

The department’s goal is to ensure Community Safety and Public Trust. “Leading the Way” by incorporating our city-wide core values of Integrity, Inclusiveness, Stewardship, and Communication throughout the department.

Program Broad Goals

- Community safety
- Budget development and oversight
- Department personnel (hiring, training, promotions, and discipline)
- Collaboration and developing relationships
- Public information
- Maintain the most current mandates by utilizing the most cost effective and efficient use of resources
- Maintain collaborative partnerships with other local, state, and federal law enforcement partners
- Maintain internal and external customer satisfaction
- Liaison to Kennewick Police Foundation and Animal Control Authority
- Provide support to other City of Kennewick departments

Division Staffing				
	2015	2016	2017	2018
	Actual	Actual	Proposed	Proposed
POLICE CHIEF	1.00	1.00	1.00	1.00
POLICE COMMANDER	1.00	1.00	1.00	1.00
POLICE SERGEANT	1.00	1.00	1.00	1.00
ADMINISTRATIVE ASSISTANT	1.00	1.00	1.00	1.00
TOTAL DIVISION FTE'S:	4.00	4.00	4.00	4.00

(3 Commissioned)

Highlights / Changes

The Kennewick Police Department is working with neighborhoods to identify and abate conditions in the community that contribute to the occurrence of crime; by providing effective and efficient officer response; conducting effective investigations of crimes; operating crime prevention and community awareness programs; co-operating with other law enforcement agencies; and providing strong internal support to our officers. We have also been focused on responding to quickly evolving crime trends within our community; aggressively pursuing grants and other funding as well as monitoring performance based budgeting to ensure adequate funding for the current and future bienniums.

2017/18 Goals & Objectives

- Continue to collaborate and facilitate local, state and federal partnerships.
- Maintain effective and efficient recruitment and hiring practices.
- Evaluate how we deliver our services to the community and see if there are more efficient methods.
- Maintain oversight of our Kennewick Police Foundation.
- Review use of force applications, complaints, collisions, pursuits and report findings quarterly.

Prior Biennium Accomplishments

- Lead agency for the Regional Special Investigation Team (SIU).
- Implemented our Community Care Program.
- Completed a re-write of the department rules and regulations.

City Council Priority Area(s)

- Community Safety
- Economic Development
- Infrastructure and Growth
- Quality of Life
- Responsible Government

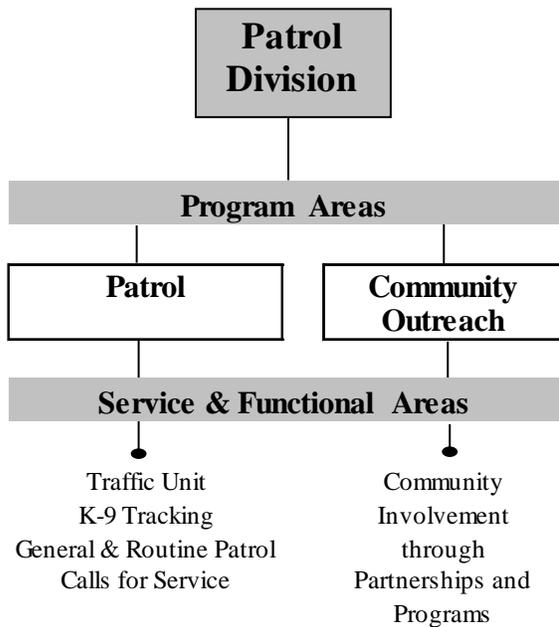
REVENUES	2013/14 Actual	2015/16 Adopted	2015/16 Adjusted	2017/18 Adopted
General Governmental	\$ 725,826	\$ 1,445,989	\$ 1,792,855	\$ 2,482,402
Current Funding Sources	\$ 725,826	\$ 1,445,989	\$ 1,792,855	\$ 2,482,402
EXPENDITURES	2013/14 Actual	2015/16* Adopted	2015/16 Adjusted	2017/18 Adopted
Salaries	\$ 428,583	\$ 998,574	\$ 1,268,959	\$ 1,653,532
Overtime	-	6,000	6,000	-
Part-Timw Wages	-	-	-	120,000
Benefits	114,362	279,005	352,189	509,540
Salaries & Benefits	542,945	1,283,579	1,627,148	2,283,072
Supplies	41,375	45,530	45,530	55,010
Contractual Services	13,206	13,000	13,000	14,000
Travel & Training	7,594	13,300	13,300	21,400
Repair & Maintenance	22,409	20,000	20,000	20,000
Fleet Maintenance Charges	27,840	36,480	30,610	22,320
Other Services & Charges	34,266	34,100	34,100	66,600
Supplies & Services	146,690	162,410	156,540	199,330
Benton County Pass-through	36,191	-	9,167	-
Intergovernmental Services	36,191	-	9,167	-
Total Expenditures	\$ 725,826	\$ 1,445,989	\$ 1,792,855	\$ 2,482,402
Expenditures by Fund				
General Fund	\$ 725,826	\$ 1,439,989	\$ 1,786,855	\$ 2,294,487
Criminal Justice Sales Tax Fund	-	6,000	6,000	187,915
Total Expenditures by Fund	\$ 725,826	\$ 1,445,989	\$ 1,792,855	\$ 2,482,402

DETAIL
BUDGET



*Increased scope of Administrative Division and moved in a Commander and Sergeant.





Division Purpose / Description

The Patrol Division is the largest division within the Kennewick Police Department. Patrol provides service to our citizens 24 hours a day seven days a week. Currently, Patrol deploys four 12 officer patrol shifts, a five officer traffic unit and a two officer K-9 unit. By the end of 2018 the Patrol Division will migrate to six 10 officer patrol shifts, adding a mid-shift to put more officers on the street during Kennewick’s busiest hours. The additional 12 officers are fully funded by Criminal Justice Sales Tax. Each patrol shift has identified officers who have specialized training in SWAT, gangs, public information and new patrol officer training.

Division Broad Goals

- Address community safety and quality of life issues currently facing our community.
- Maintain the highest level of integrity through professionalism, ethical decision making and individual conduct.
- Reduce criminal victimization while enhancing public safety through education, enforcement and crime prevention efforts.
- Engage our partners to address community safety and quality of life issues.
- Hold offenders accountable.
- Tell the Kennewick’s Police Department’s story.

Highlights / Changes

Kennewick voters passed a 3/10% criminal justice sales tax in 2014 to provide funding for 12 new police officers in Kennewick. The 12 new positions were to be added over three years with our total commissioned staff increasing by four each year in 2015 (97), 2016 (101) and 2017 (105). We are actively hiring lateral and entry level officers to reach full staffing by the end of 2018.

The KPD continued work with the Kennewick School District to improve our response to critical incidents in our schools. Several times a year we conduct school drills where officers and school officials meet in person at our schools to train for a coordinated emergency response. The KPD became one of the first police departments in the country to partner with a school district and create a program designed to give officers immediate electronic (key-carded) entry during lockdowns and emergencies at all our Kennewick schools.

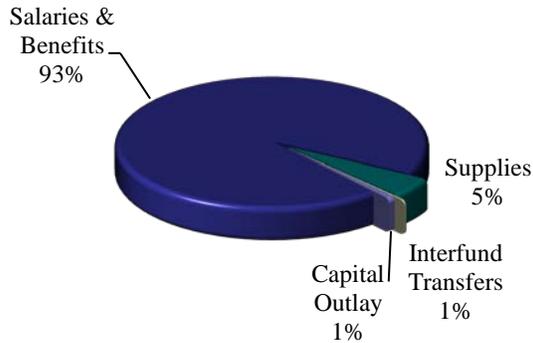
During the last biennium our K9 program made some deployment adjustments by replacing a patrol K9 with a narcotic detection K9. The changes resulted in a significant improvement in our ability to locate/detect narcotics and hold offenders accountable. The K9 teams also work with local federal law enforcement to enhance their impact on criminal organizations in our area.

Traffic collisions are the only statistic consistently rising while our crime rate in Kennewick continues to drop. Traffic motor officers Mike Gaines and Mike Bowe retired this year and we are working to replace their positions on the traffic unit once patrol has adequate staffing.

Sergeant Ken Lattin moved to the Special Services unit and Sergeant Matt Newton was selected to replace him in the Traffic Unit. Sergeant Newton will re-certify as a motor officer for the 2017-18 service years.

Along with the aforementioned retirements of Officers Gaines and Bowe, Officer Glenn Ball, Officer Wayne Meyer and Officer Rick Marquette all retired from the patrol division during the last biennium.

2017/2018 Expenditures



Division Staffing				
	2015	2016	2017	2018
	Actual	Actual	Adopted	Adopted
POLICE COMMANDER	1.00	1.00	1.00	1.00
POLICE SERGEANT	7.00	7.00	7.00	7.00
POLICE PATROL OFFICER	46.00	50.00	54.00	54.00
POLICE TRAFFIC OFFICER	4.00	4.00	4.00	4.00
POLICE K-9 OFFICER	2.00	2.00	2.00	2.00
TOTAL DIVISION FTE'S:	60.00	64.00	68.00	68.00

(All Commissioned)



2017/18 Goals & Objectives

- Continue our work with Kennewick School District coordinating school drills and tours for all elementary, middle and high schools. This program improves our ability to enhance patrol's abilities and knowledge response to school emergencies.
- Transition Patrol from four 12 officer shifts to six 10 officer shifts by the end of 2018.
- Continue the update/improve Less Lethal options for patrol by purchasing more 37mm less lethal launchers to replace 12 gauge less lethal system.
- Team with Purchasing to replace 2013 Patrol fleet with 2018 vehicles.
- Secure JAG (Justice Assistance Grant) grant to replace aging patrol rifles.

Prior Biennium Accomplishments

- Moved SWAT from the patrol division to the new special services division. The change corrects workload and better aligns the divisions.
- Received the JAG grant to begin a transition from 12 gauge less lethal munitions to the 37mm less lethal munition. The grant allowed for the purchase of 10 Sage 37mm Deuce launchers. The change will improve patrol's ability/options when responding to resistance from dangerous suspects.
- Adjusted our training days for In Service Training to better accommodate department trainers, outside trainers, and stakeholder presenters.

City Council Priority Area(s)

- Community Safety
- Economic Development
- Infrastructure and Growth
- Quality of Life
- Responsible Government

Performance Measures

Program / Service Outputs

	2014 Actual	2015 Actual	2016 Estimated	2017 Projected	2018 Projected
Number of calls for service (Patrol)	95,712	89,971	91,000	92,500	94,000
Number of traffic related citations issued	9,622	9,361	9,000	9,500	10,000
Number of K-9 assists	256	276	300	325	350
Number of SWAT call outs	30	62	70	70	70

Program / Service Efficiency Measures

	2014 Actual	2015 Actual	2016 Estimated	2017 Projected	2018 Projected
Number of citations issued per officer	103.5	96.5	89.1	90.5	95.2
Number of assists per K-9	128	138	150	162	175
Number of SWAT call outs per SWAT member	5.0	10.2	11.7	11.7	11.7
Number of officers per 1,000 population	1.20	1.24	1.26	1.29	1.27

Program / Service Quality

	2014 Actual	2015 Actual	2016 Estimated	2017 Projected	2018 Projected
Actual arrests (DUI)	175	138	140	150	160
Number of hours worked by reserves	1,319	1,353	1,200	1,200	1,200
Traffic accidents	2,583	2,712	2,900	3,100	3,300
Number of reserve officers	4	3	3	3	3



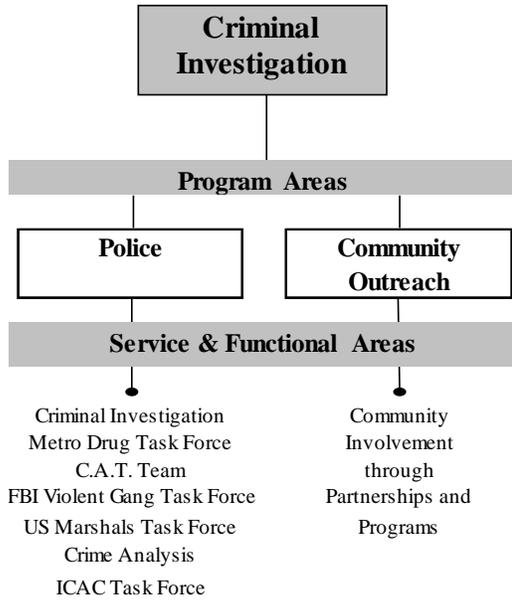
PATROL

Police Department

REVENUES	2013/14	2015/16	2015/16	2017/18
	Actual	Adopted	Adjusted	Adopted
General Governmental	\$ 13,403,233	\$ 13,318,148	\$ 13,433,982	\$ 14,267,906
Local Sales Tax - Criminal Justice	-	3,120,949	3,825,892	4,397,547
Taxes	-	3,120,949	3,825,892	4,397,547
Grants	45,964	-	1,575	-
Intergovernmental Revenue	45,964	-	1,575	-
Charges for Services	76,381	39,600	39,600	43,000
Fines & Forfeits	2,168,329	2,366,100	2,366,100	2,103,500
Miscellaneous Revenue	76,436	-	-	-
Total Revenues	\$ 15,770,343	\$ 18,844,797	\$ 19,667,149	\$ 20,811,953
Criminal Justice Sales Tax Fund	-	-	(452,160)	336,547
Decrease (Increase) to Fund Balance	-	-	(452,160)	336,547
Current Funding Sources	\$ 15,770,343	\$ 18,844,797	\$ 19,214,989	\$ 21,148,500
EXPENDITURES	2013/14	2015/16	2015/16	2017/18
	Actual	Adopted	Adjusted	Adopted
Salaries	\$ 10,812,416	\$ 12,575,659	\$ 12,575,658	\$ 14,405,735
Overtime	131,454	150,000	150,000	154,000
Benefits	3,954,624	4,837,316	4,837,316	5,334,537
Salaries & Benefits	14,898,494	17,562,975	17,562,974	19,894,272
Supplies	204,782	196,300	292,052	257,800
Contractual Services	1,551	3,000	-	18,000
Travel & Training	32,064	40,000	41,575	48,000
Repair & Maintenance	17,936	20,000	43,730	19,000
Fleet Maintenance Charges	509,810	617,400	558,650	595,200
Other Services & Charges	48,706	97,322	101,260	107,228
Supplies & Services	814,849	974,022	1,037,267	1,045,228
Interfund Transfers	-	295,000	601,948	55,000
Capital Outlay	57,000	12,800	12,800	154,000
Total Expenditures	\$ 15,770,343	\$ 18,844,797	\$ 19,214,989	\$ 21,148,500
Expenditures by Fund				
General Fund	\$ 15,770,343	\$ 16,306,938	\$ 16,259,733	\$ 16,750,953
Criminal Justice Sales Tax Fund	-	2,537,859	2,955,256	4,397,547
Total Expenditures by Fund	\$ 15,770,343	\$ 18,844,797	\$ 19,214,989	\$ 21,148,500

**DETAIL
BUDGET**





Division Broad Goals

- Complete in-depth and transparent investigations resulting in criminal accountability
- Support Kennewick Police Department’s Patrol Division
- Collaboration and developing partnerships
- Maintain internal and external customer satisfaction.
- Foster and develop mutually beneficial relationships with all local police agencies
- Provide a safe and friendly work environment to all our employees
- Be part of the City of Kennewick Team

Division Purpose / Description

The Kennewick Police Department’s Criminal Investigations Division is comprised of the following specialized units: Criminal Apprehension Team (1 sergeant and 6 detectives), Property Crimes (1 sergeant and 5 detectives), Persons Crimes (1 sergeant and 5 detectives), Metro Drug Task Force (1 sergeant and 1 detective), FBI Violent Gang Task Force (1 sergeant and 1 detective), US Marshals Pacific Northwest Violent Offender Task Force (1 detective), Internet Crimes against Children (1 detective), and Crime Analysis (1 civilian).

The Criminal Investigation Division strives to hold offenders accountable by diligently investigating crimes. The Crimes

Highlights / Changes

The Criminal Investigation Division participated in several community events aimed at positive community relations. Kennewick Police Department detectives provided over 20 officer hours of community training related to criminal street gangs, human trafficking and other law enforcement related topics to schools, community organizations and others committed to public safety. The division’s primary focus is holding individuals accountable for committing crimes against our community. This is accomplished through completing in depth investigations and working with partners who have the same commitment to public safety.

2017/2018 Goals & Objectives

- Enhance safety and “quality of life” issues in public spaces.
- Support the Patrol Division with situations that require immediate investigative needs.
- Develop and train personnel to constantly update their investigative knowledge base by utilizing analysis tools and mapping information available to the Kennewick Police Department to identify and respond to crime trends.
- Continue to monitor, evaluate and identify methods to combat gang activity.
- Continue to facilitate positive communication between local, state and federal law enforcement partners.
- Maintain an overall clearance rate above the national average.
- Strive to clear more than 50% of investigative cases within 60 days of assignment.

Prior Biennium Accomplishments

- The Kennewick Police Department joined the regional ICAC Task Force with the assignment of a Detective.
- Our Crime Analyst co-chaired the 1st annual NW Crime Analyst Network (NORCAN) Conference in Kennewick.

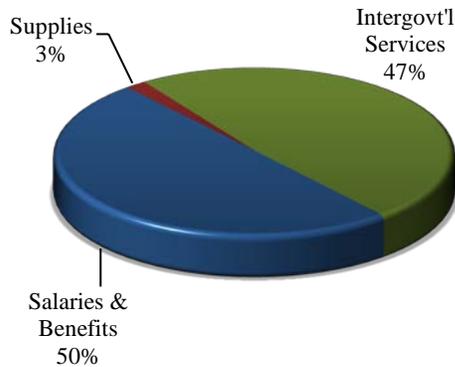
Division Purpose/Description Cont'd

Against Property and Crimes Against Persons teams are responsible for investigating crimes that are beyond an initial patrol officer response. These crimes include assaults, kidnapping, sex crimes, robberies, crimes against children, arsons, burglaries, auto thefts, gang intelligence and other felony crimes. They also work street level crimes related to narcotics and gangs while using crime analysis to respond to crime trends.

The Criminal Apprehension Team investigates street level narcotics and criminal gangs as well as directed target crimes. This is accomplished through collaboration with patrol staff and proactive efforts.

Complex criminal investigations cross jurisdictional boundaries. The Kenewick Police Department works effectively with other Local, State and Federal agencies committed to public safety and improving community well-being by communicating and sharing resources.

2017/2018 Expenditures



Division Staffing				
	2015	2016	2017	2018
	Actual	Actual	Adopted	Adopted
POLICE COMMANDER	1.00	1.00	1.00	1.00
POLICE SERGEANT	5.00	5.00	5.00	5.00
POLICE OFFICER - DETECTIVE	13.00	13.00	13.00	13.00
POLICE OFFICER - C.A.T TEAM	7.00	7.00	7.00	7.00
CRIME ANALYST	1.00	1.00	1.00	1.00
METRO LEGAL SECRETARY	0.00	1.00	1.00	1.00
TOTAL DIVISION FTE'S:	27.00	28.00	28.00	28.00

(26 commissioned)

Prior Biennium Accomplishments (Cont'd)

- The FBI's Violent Gang Task Force, the Metro/DEA Group and the Criminal Apprehension Team seized a combined total of over 129 pounds of illegal narcotics.
- Criminal Investigation Division participated in providing information and resources to educate citizens about combating criminal activity and street gangs in their neighborhood.
- The Criminal Apprehension Team (CAT) made 1,213 arrests during 2015.

~Hero/Police Officer~

"An ordinary person facing extraordinary circumstances and acting with courage, honor and self-sacrifice."

City Council Priority Area(s)

- Community Safety
- Economic Development
- Infrastructure and Growth
- Quality of Life
- Responsible Government



Performance Measures

Program / Service Outputs

	2014 Actual	2015 Actual	2016 Estimated	2017 Projected	2018 Projected
Detectives/cases (CID/CAT) handled	879	715	738	800	900
Metro/cases opened in Kennewick	77	46	30	60	80

Program / Service Efficiency Measures

	2014 Actual	2015 Actual	2016 Estimated	2017 Projected	2018 Projected
Detectives/cases per detective	56	45	46	51	58
Total CID cases per FTE	43	35	35	39	45

Program / Service Quality

	2014 Actual	2015 Actual	2016 Estimated	2017 Projected	2018 Projected
Crimes cleared by arrests/exception means	52%	44%	40%	40%	40%
CAT arrests	1,425	1,213	1,100	1,300	1,300
Persons/property arrests	188	173	150	160	160
Total CID arrests	1,613	1,386	1,250	1,450	1,450



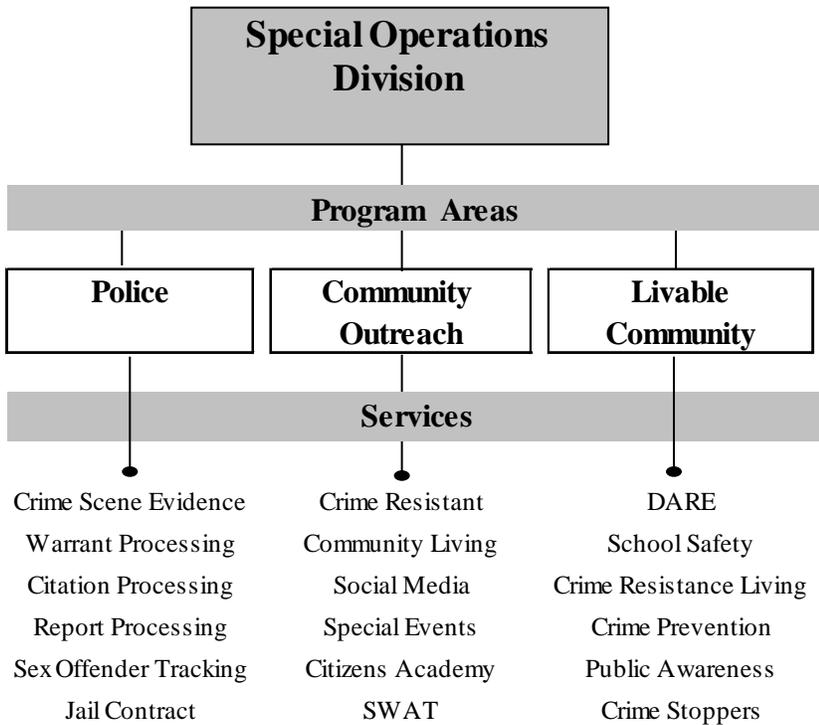
CRIMINAL INVESTIGATION

Police Department

REVENUES	2013/14	2015/16	2015/16	2017/18
	Actual	Adopted	Adjusted	Adopted
General Governmental	\$ 15,354,642	\$ 16,607,548	\$ 16,261,602	\$ 15,990,034
Local Sales Tax - Criminal Justice	-	305,325	305,325	5,400
Taxes	-	305,325	305,325	5,400
Grants	190,044	89,000	111,917	89,000
Intergovernmental Revenue	190,044	89,000	111,917	89,000
Charges for Services	525,379	293,900	293,900	456,500
Total Revenues	\$ 16,070,065	\$ 17,295,773	\$ 16,972,744	\$ 16,540,934
Current Funding Sources	\$ 16,070,065	\$ 17,295,773	\$ 16,972,744	\$ 16,540,934
EXPENDITURES	2013/14	2015/16	2015/16	2017/18
	Actual	Adopted	Adjusted	Adopted
Salaries	\$ 5,783,686	\$ 6,340,910	\$ 6,070,525	\$ 5,920,647
Overtime	286,486	245,325	245,325	245,325
Benefits	2,061,082	2,313,388	2,240,204	2,081,242
Salaries & Benefits	8,131,254	8,899,623	8,556,054	8,247,214
Supplies	43,277	46,500	58,399	58,500
Columbia Dive & Rescue Services	17,622	18,900	18,900	13,000
CDPD Access Fee	43,488	40,000	40,000	45,000
Travel & Training	30,314	31,000	31,000	41,000
Special Investigatons	27,100	77,500	77,500	20,000
Fleet Maintenance Charges	72,720	113,520	109,560	100,320
Other Services & Charges	4,388	4,730	4,730	10,400
Supplies & Services	238,909	332,150	340,089	288,220
Jail Services	5,320,574	5,850,000	5,850,000	5,700,000
BiPIN Services	106,988	137,500	137,500	148,500
SECOMM	1,636,691	1,525,000	1,525,000	1,659,000
Other Services & Charges	635,649	551,500	551,500	498,000
Intergovernmental Services	7,699,902	8,064,000	8,064,000	8,005,500
Capital Outlay	-	-	12,601	-
Total Expenditures	\$ 16,070,065	\$ 17,295,773	\$ 16,972,744	\$ 16,540,934
Expenditures by Fund				
General Fund	\$ 16,070,065	\$ 16,990,448	\$ 16,667,419	\$ 16,535,534
Criminal Justice Sales Tax Fund	-	305,325	305,325	5,400
Total Expenditures by Fund	\$ 16,070,065	\$ 17,295,773	\$ 16,972,744	\$ 16,540,934

**DETAIL
BUDGET**





Division Purpose/Description

The Kennewick Police Department Special Operations Division provides service and support internally and externally to our customers. The division is comprised of several units that include Records, Evidence, Youth Services, Training, Crime Prevention, and Crime Resistant Community Living (CRCL) program, Citizens Helping in Police Services (CHIPS) and Special Events (Water/Follies/BF Fair & Rodeo).

Division Broad Goals

- Community Safety
- Maintain our partnership with the Kennewick School District to provide a safe productive learning environment for students in all Kennewick Schools.
- To provide safety and security at all special events.
- Provide support and beneficial partnerships internally and externally with all City of Kennewick departments.
- Maintain internal and external customer satisfaction.
- Provide training in high liability areas for all staff.
- Process public disclosure requests and archive retention.
- Stay current with state wide mandates by utilizing the most cost effective and efficient use of Division resources.

Highlights / Changes

The Special Operations Division has taken oversight of the CHIPS program which better aligns our partnership with special events. We also welcomed Sergeant Lattin to the unit who will provide first line supervision to our employees and CHIP’s volunteers. Due to retirements and the Criminal Justice Sales tax we added three new Police Supports Specialists in our Records Division. We also hosted the extensive Baxter Polygraph School in our KPD training rooms and provided “in service training” to all of our officers per the state mandated training requirements. We enhanced our partnership with the Kennewick School District to provide safety in our schools and continued to partner with area business owners through our Multi Housing Crime Resistant Living Program.

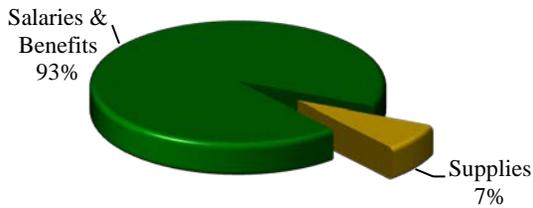
2017/18 Goals & Objectives

- Provide supporting services to our patrol/ investigations divisions.
- Accountability for keeping and maintaining all police records and evidence.
- Professionally responding to all public records requests both internally and externally.
- Facilitate all police officer training services internally through “in service” training and externally by hosting training at our facility.
- Continue our partnership with the Kennewick School District by providing a safe learning environment for all of our children in Kennewick schools.
- To provide safety and security during all special events in the City of Kennewick.
- Enhanced community outreach through social media program.

Division Staffing				
	2015	2016	2017	2018
	Actual	Actual	Adopted	Adopted
POLICE COMMANDER	1.00	1.00	1.00	1.00
POLICE SERGEANT	1.00	1.00	1.00	1.00
POLICE OFFICER	5.00	5.00	5.00	5.00
POLICE TRAINING OFFICER	1.00	1.00	1.00	1.00
POLICE RECORDS SUPERVISOR	1.00	1.00	1.00	1.00
CRIME PREVENTION SPECIALIST	1.00	1.00	1.00	1.00
POLICE TECHNICIAN	1.00	1.00	1.00	1.00
POLICE SUPPORT SPECIALIST	10.00	11.00	11.00	11.00
TOTAL DIVISION FTES:	21.00	22.00	22.00	22.00

(8 commissioned)

2017/2018 Expenditures



Prior Biennium Accomplishments

- Successfully passed the Washington State Patrol ACCESS/NCIC audit cycle and met or exceeded state standards in all areas.
- Enhanced our partnership with the Kennewick School District through collaborations with school safety programs.
- Provided over nine thousand hours of training to our officers exceeding state standards.
- Increased our involvement in the Crime Resistant Living Program by hosting 30 multi-housing meetings.
- Increased community awareness by developing and implementing social media through Facebook and Twitter. Within six months we have attracted over 10 thousand followers.

City Council Priority Area(s)

- Community Safety
- Economic Development
- Infrastructure and Growth
- Quality of Life
- Responsible Government



Performance Measures

Program / Service Outputs

	2014 Actual	2015 Actual	2016 Estimated	2017 Projected	2018 Projected
Staff services/number of warrants processed	6,782	7,161	7,116	7,150	7,160
Staff services/number of citations processed	862	2,093	1,228	1,500	1,550
Staff services/number of reports processed	40,978	41,703	43,762	45,000	47,000
Youth service/number of students taught	10,370	10,000	10,450	10,500	10,550
Number of training hours (109 FTE's)	6,775	9,168	9,200	9,300	9,350
Crime prevention referrals	8,135	5,511	5,600	5,650	5,700
Crime resistant living referrals	2,927	2,692	2,700	2,750	2,800
Staff services/public records requests processed	2,992	3,634	2,732	2,782	2,832

Program / Service Efficiency Measures

	2014 Actual	2015 Actual	2016 Estimated	2017 Projected	2018 Projected
Staff services/number of warrants per PSS	754	716	712	720	730
Staff services/number of citations per PSS	96	209	123	140	150
Staff services/number of reports per PSS	4,553	4,170	4,376	4,400	4,500
Youth service/students taught per employee	2,593	2,600	2,613	2,650	2,700
Number of hours trained per employee	73	97	97	98	99
Crime prevention referrals per officer	184	125	130	135	140
Staff services/public records requests processed	1,197	1,454	1,093	1,113	1,133

Program / Service Quality

	2014 Actual	2015 Actual	2016 Estimated	2017 Projected	2018 Projected
Error rate on warrants entered	<1%	<1%	<1%	<1%	<1%
Percentage of citations processed within 3 days	95%	95%	96%	97%	98%
Percentage of reports returned due to error	5%	5%	4%	4%	4%
Number of complaints made	20	12	10	13	13
Registered sex offenders monitored	197	219	225	230	235



SPECIAL OPERATIONS

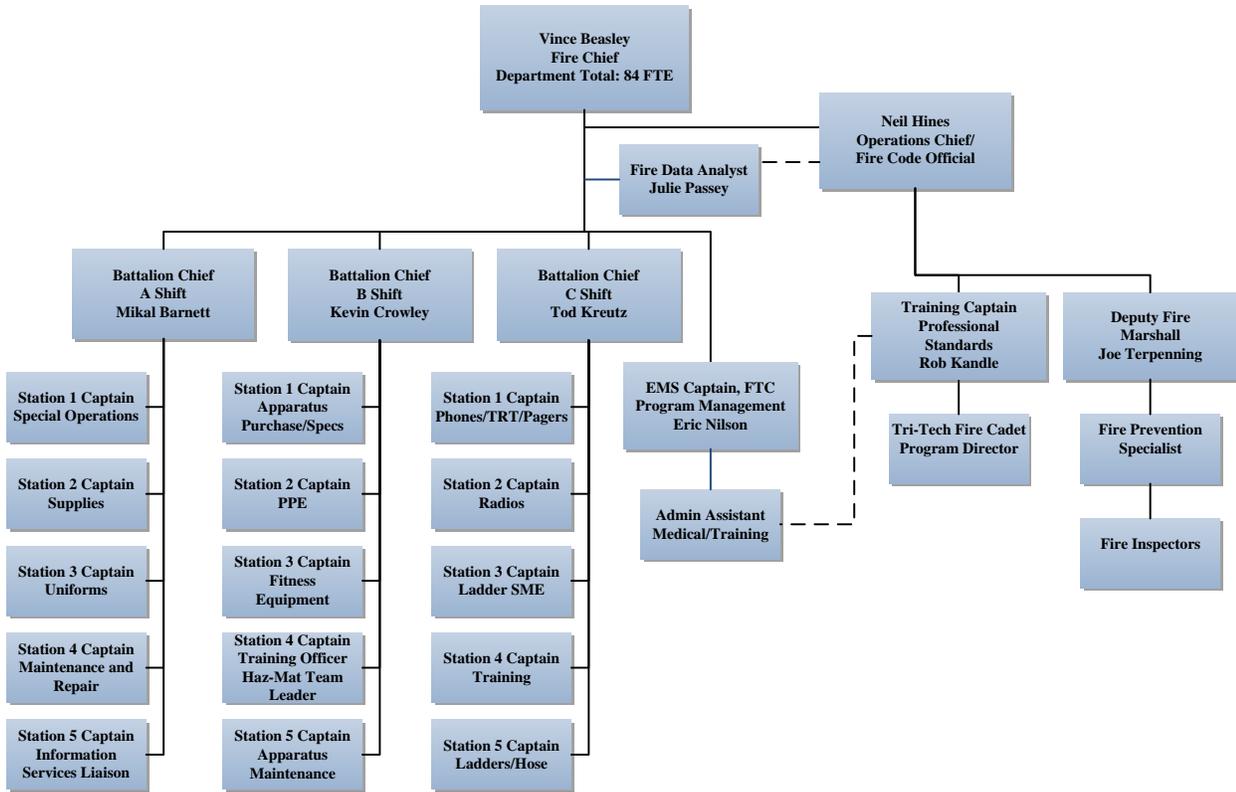
Police Department

REVENUES	2013/14	2015/16	2015/16	2017/18
	Actual	Adopted	Adjusted	Adopted
General Governmental	\$ 4,216,033	\$ 3,560,858	\$ 3,615,139	\$ 3,798,527
Local Sales Tax - Criminal Justice	-	358,726	360,786	401,423
Taxes	-	358,726	360,786	401,423
Licenses & Permits	45,306	44,000	44,000	55,000
Grants	-	-	11,000	-
Intergovernmental Revenue	-	-	11,000	-
Charges for Services	393,419	466,800	466,800	470,700
Fines & Forfeits	363,463	377,000	377,000	310,900
Miscellaneous Revenue	115,704	51,000	69,145	11,000
Total Revenues	\$ 5,133,925	\$ 4,858,384	\$ 4,943,870	\$ 5,047,550
Asset Forfeiture Fund	(80,479)	24,175	9,152	10,600
Decrease (Increase) to Fund Balance	(80,479)	24,175	9,152	10,600
Current Funding Sources	\$ 5,053,446	\$ 4,882,559	\$ 4,953,022	\$ 5,058,150
EXPENDITURES	2013/14	2015/16	2015/16	2017/18
	Actual	Adopted	Adjusted	Adopted
Salaries	\$ 3,247,045	\$ 3,010,529	\$ 2,992,528	\$ 3,249,935
Overtime	91,371	84,500	84,500	73,750
Benefits	1,267,043	1,329,879	1,329,880	1,362,190
Salaries & Benefits	4,605,459	4,424,908	4,406,908	4,685,875
Supplies	231,597	222,916	246,369	216,365
Contractual Services	6,967	56,150	56,150	6,150
Travel & Training	19,841	19,500	35,770	21,500
Repair & Maintenance	5,705	5,500	5,500	5,500
Fleet Maintenance Charges	43,920	47,760	37,200	40,560
Other Services & Charges	68,957	69,825	114,125	82,200
Supplies & Services	376,987	421,651	495,114	372,275
Interfund Transfers	71,000	36,000	51,000	-
Total Expenditures	\$ 5,053,446	\$ 4,882,559	\$ 4,953,022	\$ 5,058,150
Expenditures by Fund				
General Fund	\$ 4,929,942	\$ 4,448,658	\$ 4,453,487	\$ 4,635,127
Criminal Justice Sales Tax Fund	-	358,726	360,786	401,423
Asset Forfeiture Fund	123,504	75,175	138,749	21,600
Total Expenditures by Fund	\$ 5,053,446	\$ 4,882,559	\$ 4,953,022	\$ 5,058,150

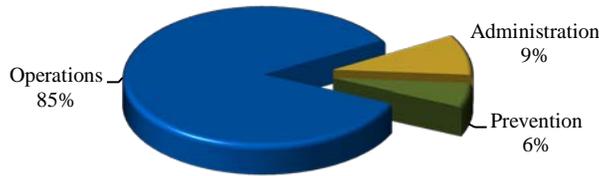
**DETAIL
BUDGET**



Fire Department



Adopted Budget

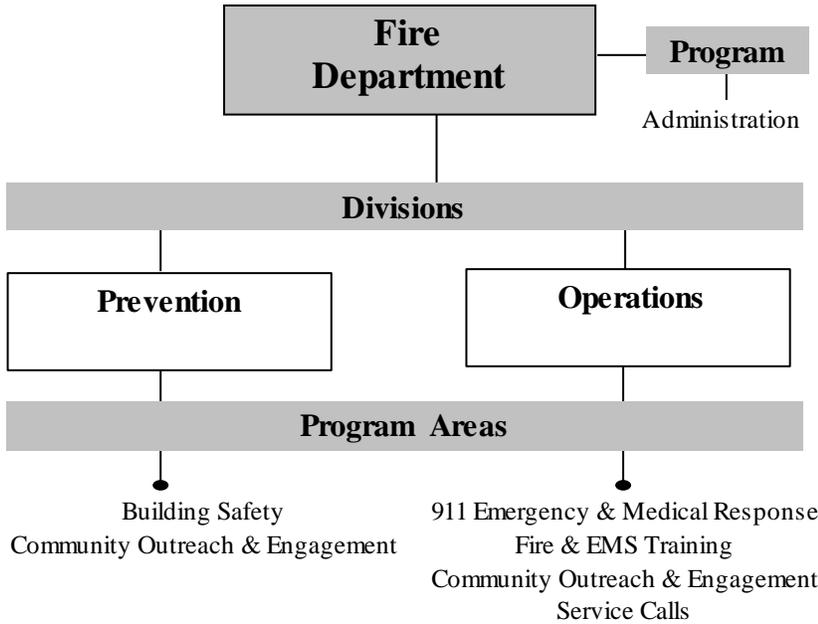


Division	2013-2014	2015-2016	2015-2016	2017-2018
Expenditures	Actual	Adopted	Adjusted	Adopted
Administration	\$ 2,288,127	\$ 2,485,166	\$ 2,586,276	\$ 2,736,785
Prevention	621,972	1,318,490	1,492,831	1,586,680
Operations	21,559,009	22,699,565	23,598,108	24,454,797
Total:	\$24,469,109	\$26,503,221	\$27,677,215	\$28,778,262
Funding Sources	2013-2014	2015-2016	2015-2016	2017-2018
	Actual	Adopted	Adjusted	Adopted
General Fund	\$ 15,969,991	\$ 14,854,951	\$ 14,636,986	\$ 16,354,229
Medical Services Fund	8,208,043	11,290,920	12,682,879	12,105,006
Building Safety Fund	238,954	297,623	297,623	319,027
MPD Assistant Operations Fund	52,121	59,727	59,727	-
Total Sources:	\$24,469,109	\$26,503,221	\$27,677,215	\$28,778,262

Fire Department

Mission

The Kennewick Fire Department is dedicated to providing excellent public service and ensuring the safety and well-being of our community and one another. We live, act, and serve our community with the utmost integrity.



Departmental Staffing				
	2013-2014	2015-2016	2015-2016	2017-2018
	Actual	Adopted	Adjusted	Adopted
Full-time Equivalent (FTE)	78.50	81.50	84.00	84.00
% of City's FTE's	22.41%	22.63%	22.47%	21.83%
Departmental Expenditures by Type				
	2013-2014	2015-2016	2015-2016	2015-2016
	Actual	Adopted	Adjusted	Adopted
Salaries & Benefits	\$20,482,055	\$22,799,366	\$23,708,484	\$24,073,667
Supplies & Services	3,418,883	3,232,488	3,455,673	4,058,151
Intergovernmental Services	435,235	415,500	415,500	500,550
Interfund Transfers	86,972	55,867	79,558	145,894
Capital Outlay	45,964	-	18,000	-
Total Department Budget:	\$24,469,109	\$26,503,221	\$27,677,215	\$28,778,262

Program Purpose / Description

The purpose of the Administrative Division is to provide oversight of the Department’s budget, records management, public inquiries, as well as ensuring the day-to-day administrative functions of the organization. The division is responsible for department planning, policy review, development and compliance of contractual agreements and providing the City Manager with accurate information regarding the state of the fire department.

Program Broad Goals

- Maintain or improve our current Washington State Bureau Rating (WSRB).
- Continue to define the department’s safety culture through Work Process Analysis (WPA).
- Continue Company Officer development via KFD’s Subject-Matter Expert (SME) program.
- Strengthen community outreach efforts through development of non-profit partner foundation.



Division Staffing				
	2015	2016	2017	2018
	Actual	Actual	Adopted	Adopted
FIRE CHIEF	1.00	1.00	1.00	1.00
ADMIN ASST/DATA ANALYST	1.00	1.00	1.00	1.00
TOTAL DIVISION FTE'S:	2.00	2.00	2.00	2.00

Highlights / Changes

The 2015/16 biennium marked the beginning of a new era for the Kennewick Fire Department (KFD) with Vince Beasley as the new Fire Chief and a new emergency response model aimed at maintaining availability of emergency personnel within the City of Kennewick. A Data Analyst position was also added in January 2015, with the establishment of the Prevention Division following shortly thereafter in March. Additionally, we launched a new recognition program to annually recognize individuals who have most exemplified the City of Kennewick’s Core Values throughout the previous year. In the fall of 2015, we broke ground on our newest fire station located at 6016 W. 10th Ave. We are proud to announce a successful Grand Opening was held on August 22, 2016.

2017/18 Goals & Objectives

Council Priorities: Community Safety, Infrastructure & Growth, and Responsible Government

- Collaborate with Parks on building of Station 6 to include an additional facility, meeting the needs of both departments.
- Continue to analyze impacts from Station 5 in relation to response model.
- Work with Benton County Fire District #1 to complete the construction of Building C at the Joint Fire Training Center (FTC).
- Collaborate with City of Richland and potentially the City of Pasco to create a single training division located at the FTC to bring about quality training to the entire region.
- Continue pursuing grants and outside funding sources for equipment, apparatus and suppression/operation needs.

Prior Biennium Accomplishments

- ✓ Completion of KFD Station 5.
- ✓ Signed Master Mutual Aid Agreement.
- ✓ Signed Agreement with Columbia Basin College for Paramedic & Emergency Medical Services Clinical Experience.
- ✓ Renewed Agreement with Tri-Tech Skills Center for Firefighter Program Instructor.
- ✓ Launch annual recognition program.

City Council Priority Area(s)

- Community Safety
- Infrastructure & Growth
- Responsible Government

ADMINISTRATION

Fire Department

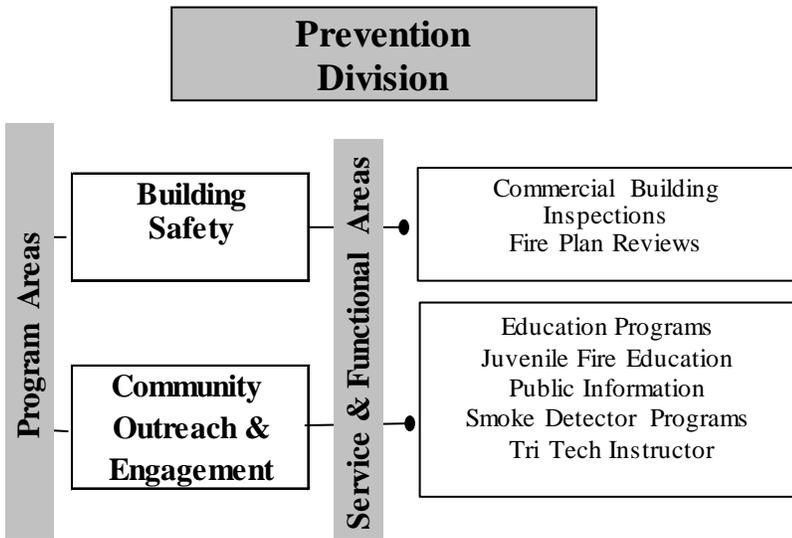
REVENUES	2013/14	2015/16	2015/16	2017/18
	Actual	Adopted	Adjusted	Adopted
General Governmental	\$ 2,288,127	\$ 2,485,166	\$ 2,586,276	\$ 2,736,785
Total Revenues	\$ 2,288,127	\$ 2,485,166	\$ 2,586,276	\$ 2,736,785

EXPENDITURES	2013/14	2015/16	2015/16	2017/18
	Actual	Adopted	Adjusted	Adopted
Salaries	\$ 626,330	\$ 691,866	\$ 702,153	\$ 735,107
Overtime	-	500	500	500
Part-Time Wages	3,861	-	-	-
Benefits	174,555	218,251	218,447	216,250
Salaries & Benefits	804,746	910,617	921,100	951,857
Supplies	85,652	73,190	128,320	114,665
Contractual Services	34,212	42,910	70,210	41,075
Ambulance Billing Overhead	499,028	460,009	460,009	650,923
Travel & Training	12,186	15,000	15,000	11,400
Bad Debt Expense	498,087	530,000	530,000	400,000
Repair & Maintenance	22,150	22,849	22,849	47,925
Insurance	45,001	54,675	54,675	113,490
State Excise Tax	124,326	138,000	138,000	190,000
City Utility Tax - Ambulance	78,382	91,000	91,000	106,000
Other Services & Charges	10,631	64,416	72,613	18,900
Supplies & Services	1,409,655	1,492,049	1,582,676	1,694,378
Benton County - Emergency Services	63,476	72,000	72,000	79,000
Hazardous Materials Team	10,250	10,500	10,500	11,550
Intergovernmental Services	73,726	82,500	82,500	90,550
Total Expenditures	\$ 2,288,127	\$ 2,485,166	\$ 2,586,276	\$ 2,736,785

Expenditures by Fund				
General Fund	\$ 572,636	\$ 664,664	\$ 576,010	\$ 596,968
Medical Services Fund	1,715,491	1,820,502	2,010,266	2,139,817
Total Expenditures by Fund	\$ 2,288,127	\$ 2,485,166	\$ 2,586,276	\$ 2,736,785

**DETAIL
BUDGET**





Division Purpose / Description

The Fire Prevention Division exists to serve the community through performing proactive building safety activities such as commercial business licensing inspections, fire permitting, fire plan reviews, fire code enforcement, special event inspections, and fire systems and hydrant flow testing.

Additionally, the Fire Prevention Division markets fire prevention and public safety education throughout our community through participation in school presentations and events, station tours/safety talks, senior/disabled smoke detector program and other public education programs.



Highlights / Changes

In March 2015, the Kennewick Fire Department officially launched its Fire Prevention/Inspection Division under the supervision of Operations Chief, and led by the Deputy Fire Marshall. Housed in City Hall, KFD’s Prevention/Inspection Division also includes three firefighters and a Prevention Specialist, all of whom have completed the required training and certification necessary to become Certified Fire Inspectors. The primary responsibilities of our Prevention/Inspection Division include building inspections, fire investigations and fire code enforcement. Our Fire Prevention Specialist is also the primary contact for public education information, including fire station tours, fire safety talks/presentations and our senior/disabled smoke detector program.

2017/2018 Goals & Objectives

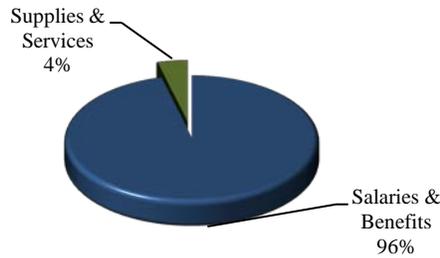
Council Priorities: Community Safety, Infrastructure & Growth, and Responsible Government

- Implement fees for fire permitting and repetitive business inspections.
- Fire Investigator I certifications for Fire Inspectors.
- Training for at least one Prevention/Inspection member to become certified as a Public Fire & Life Safety Educator.
- Ensure all Prevention/Inspection Division personnel are given the opportunity to attend the Pacific NW Fire Investigation Conference in either 2017 or 2018.
- Support all Prevention/Inspection Division personnel in participating in continuing education training/courses required to obtain and maintain Inspector/Investigator certifications.
- Continue to enhance fire business inspections program.

Division Broad Goals

- Ensure all businesses within the City of Kennewick have been inspected and meet all standards for fire safety code compliance.
- Work to inspect high hazard occupancies quarterly.
- All Fire Inspectors to obtain Fire Investigator training and certification.
- Member of Prevention Division to become Certified Public Educator.
- Member of Prevention Division to become a Certified Fire Code Plans Examiner.

2017/2018 Expenditures



Division Staffing				
	2015	2016	2017	2018
	Actual	Actual	Adopted	Adopted
PROJECT MANAGER OPERATIONS CHIEF	1.00	1.00	1.00	1.00
TRAINING CAPTAIN	1.00	1.00	1.00	1.00
DEPUTY FIRE MARSHALL	1.00	1.00	1.00	1.00
TRI TECH FIRE PROGRAM DIRECTOR	1.00	1.00	1.00	1.00
FIRE PREVENTION SPECIALIST	1.00	1.00	1.00	1.00
FIREFIGHTER/INSPECTORS	3.00	3.00	3.00	3.00
MEDICAL/TRAINING ASSISTANT	0.50	0.50	0.50	0.50
TOTAL DIVISION FTE'S:	8.50	8.50	8.50	8.50

Prior Biennium Accomplishments
Cont'd

- ✓ Fully implemented the new Fire Prevention/Inspection Division at KFD.
- ✓ Ensured all inspectors were fully trained and certified as Fire Inspectors.
- ✓ Inspected over half the City of Kennewick businesses during 2015; anticipate completion of all City businesses by year-end 2016.
- ✓ Assisted hundreds of local elderly and disabled citizens with smoke alarm battery replacement.
- ✓ Performed hundreds of plan reviews and inspections related to new construction projects throughout the city.

City Council Priority Area(s)

- Responsible Government
- Community Safety
- Quality of Life

KENNEW!CK
FIRE PREVENTION

Preventing emergency incidents that endanger lives and damage property.



Performance Measures

Program / Service Outputs

	2014 Actual	2015 Actual	2016 Estimated	2017 Projected	2018 Projected
Number of fires requiring further investigation by certified fire investigator	83	92	84	90	95
Number of fire code plan reviews assigned	622	636	667	700	735
Percentage increase from previous year	8%	2%	5%	5%	5%
Number of commercial occupancies	2,880	2,967	3,161	3,319	3,485

Program / Service Efficiency Measures

	2014 Actual	2015 Actual	2016 Estimated	2017 Projected	2018 Projected
Number of fires needing investigation	205	189	254	227	227
Number of incidents where cause could be determined	177	155	176	180	184
Number of fire code plan reviews completed	622	636	667	700	749
Number of commercial business inspections completed	395	1,094	2,067	3,319	3,485
Number of commercial business reinspections completed	142	1,872	3,213	1,660	1,742

Program / Service Quality

	2014 Actual	2015 Actual	2016 Estimated	2017 Projected	2018 Projected
Percentage of incidents where cause could be determined from investigation	86%	82%	69%	79%	81%
Percent of fire code plan reviews completed	100%	100%	100%	100%	100%
Percentage of inspections completed on the existing commercial occupancies	14%	37%	65%	100%	100%



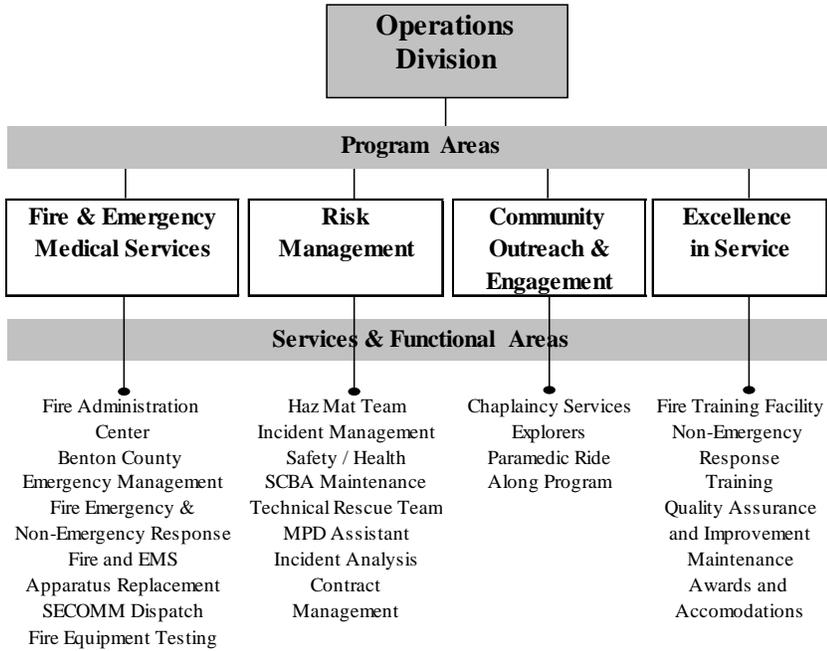
PREVENTION

Fire Department

REVENUES	2013/14	2015/16	2015/16	2017/18
	Actual	Adopted	Adjusted	Adopted
General Governmental	\$ 383,018	\$ 1,020,867	\$ 1,195,208	\$ 1,267,653
Licenses & Permits	238,954	297,623	297,623	319,027
Total Revenue Sources	\$ 621,972	\$ 1,318,490	\$ 1,492,831	\$ 1,586,680
EXPENDITURES	2013/14	2015/16	2015/16	2017/18
	Actual	Adopted	Adjusted	Adopted
Salaries	\$ 495,927	\$ 932,708	\$ 1,087,865	\$ 1,161,571
Overtime	1,343	-	5,840	6,132
Benefits	88,314	343,314	333,663	356,022
Salaries & Benefits	585,584	1,276,022	1,427,368	1,523,725
Supplies	9,490	10,470	15,625	13,940
Travel & Training	13,036	5,676	22,676	27,400
Fleet Maintenance Charges	10,260	11,760	12,600	7,200
Other Services & Charges	3,602	14,562	14,562	14,415
Supplies & Services	36,388	42,468	65,463	62,955
Total Expenditures	\$ 621,972	\$ 1,318,490	\$ 1,492,831	\$ 1,586,680
Expenditures by Fund				
General Fund	\$ 383,018	\$ 1,020,867	\$ 1,195,208	\$ 1,267,653
Building Safety Fund	238,954	297,623	297,623	319,027
Total Expenditures by Fund	\$ 621,972	\$ 1,318,490	\$ 1,492,831	\$ 1,586,680

**DETAIL
BUDGET**





Division Purpose / Description

The Operations Division provides 911 emergency fire and medical response, answers service calls and offers community outreach in many forms to our citizens. This Division is also responsible for providing and participating in on-going fire & emergency medical services (EMS) training as stipulated by state and federal laws in order to maintain valid and up-to-date fire and EMS credentials. As part of this, KFD is proud to be a “teaching” department that sponsors, participates in, and supports a variety of programs including college paramedic training programs, JATC and the Tri-Cities Regional Tri-Tech Skills Center Firefighting Program for high school juniors and seniors.

Division Broad Goals

- Continue to refine equipment replacement schedules in an effort to maintain budgetary stability.
- Maintain and improve response coverage objectives adopted by council through innovative action plans and evaluation of response models based on collected data and trends.
- Provide for a safe and healthy work environment through proactive risk management in all activities.
- Provide first class training opportunities through skill development, competency-based learning, and coordinated weekly training.

Highlights / Changes

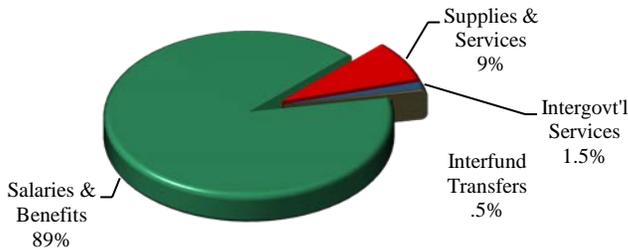
The Operations Division underwent several positive changes during the 2015/16 biennium beginning with the implementation of a new emergency response model aimed at maintaining availability of emergency personnel within the City of Kennewick. This change reduced unnecessary apparatus deployment in spite of the increase in call volume. To correspond with the rise in calls, City Council approved the hiring of five new paramedic/firefighters and three new EMT/firefighters, as well as the promotion of three individuals to the rank of Captain.

2017/2018 Goals & Objectives

Council Priorities: Community Safety, Infrastructure & Growth, and Responsible Government

- Utilize and implement funding received for Self-Contained Breathing Apparatus (SCBA) awarded to KFD through the Assistance to Firefighters Grant.
- Successfully implement new regional Records Management System (RMS) by effectively utilizing internal and external partnerships and collaboration throughout the installation, setup and configuration of the software and corresponding hardware.
- Participate in regional and departmental RMS training activities to ensure an effective and successful transition to our new software and hardware systems.
- Establish replacement schedule for Personal Protective Equipment (PPE) and other potential big-ticket items.
- Continuation of Subject-Matter Expert (SME) program with development of new and ongoing training materials.

2017/2018 Expenditures



Division Staffing				
	2015	2016	2017	2018
	Actual	Actual	Adopted	Adopted
BATTALION CHIEF	3.00	3.00	3.00	3.00
FIRE CAPTAIN	4.00	7.00	7.00	7.00
EMS CAPTAIN	1.00	1.00	1.00	1.00
CAPTAIN PARAMEDIC	8.00	8.00	8.00	8.00
FIREFIGHTER	33.00	33.00	33.00	33.00
FIREFIGHTER PARAMEDIC	21.00	21.00	21.00	21.00
MEDICAL/TRAINING ASSISTANT	0.50	0.50	0.50	0.50
TOTAL DIVISION FTE'S:	70.50	73.50	73.50	73.50

Prior Biennium Accomplishments

- ✓ Completion of Station 5.
- ✓ Promotion of three Captains.
- ✓ Addition of eight personnel; five paramedics and three firefighter/EMTs.
- ✓ Finalized Regional Master Mutual-Aid Agreement.
- ✓ Acquired additional land for FTC training prop expansion.
- ✓ Acquired land for Station 6.
- ✓ Completed design & plans for FTC Support Building C.
- ✓ Incorporated additional Officer training and development opportunities.
- ✓ Instituted ongoing successful Subject-Matter Expert (SME) Training Development program.



City Council Priority Area(s)

- Responsible Government
- Community Safety
- Quality of Life
- Infrastructure & Growth



Performance Measures

Program / Service Outputs

	2014 Actual	2015 Actual	2016 Estimated	2017 Projected	2018 Projected
Number of structure fires requiring suppression	88	95	102	109	116
Number of cardiac arrest calls	75	79	80	81	82
Number of EMS calls	6,465	6,770	7,007	7,287	7,579

Program / Service Efficiency Measures

	2014 Actual	2015 Actual	2016 Estimated	2017 Projected	2018 Projected
Percent residential/commercial structure fires meeting the the travel time goal of 5:00 minutes or less.	53%	56%	59%	62%	65%
Percentage of cardiac arrest calls meeting the travel time goal of 4:00 minutes or less.	65%	65%	66%	70%	75%
Percentage of EMS calls requiring transport to the emergency room.	78%	77%	78%	78%	78%

(*Percentages shown above are based on data extracted from ERS. Reporting thresholds fall within $STDEV*3+Mean$ and represents approximately 99.7% of available data.)

Program / Service Quality

	2014 Actual	2015 Actual	2016 Estimated	2017 Projected	2018 Projected
Percentage of working structure fires contained to room of origin.	44%	35%	40%	45%	45%
Percent of cardiac arrest's return of spontaneous circulation and survival per the <u>Utstein Criteria</u> . (*2014 percentage extrapolated from trended data due to unavailability of 2014 WACARES data.)	62%*	75%	75%	75%	75%
Net collection rate of billable calls.	92%	67%	80%	80%	80%



OPERATIONS

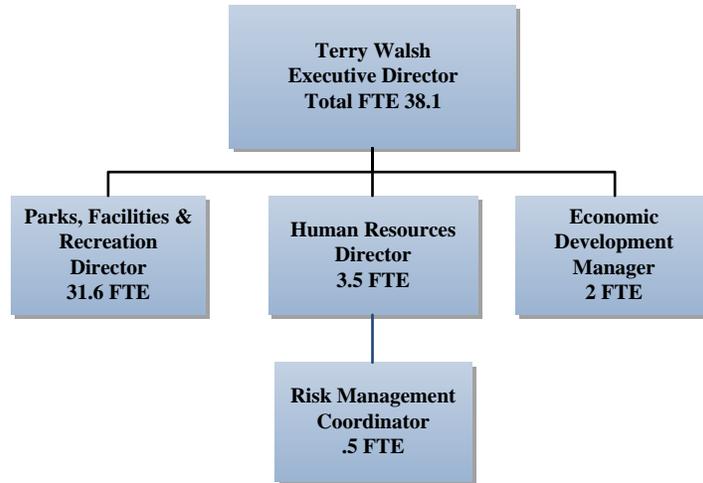
Fire Department

REVENUES	2013/14	2015/16	2015/16	2017/18
	Actual	Adopted	Adjusted	Adopted
General Governmental	\$ 12,545,883	\$ 10,757,938	\$ 11,218,560	\$ 13,124,736
Intergovernmental Revenue	90,889	-	71,000	316,576
Emergency Ambulance Service	7,128,715	7,028,000	7,028,000	7,640,000
Insurance/Utility Charge Adjustments	(3,083,720)	(2,701,000)	(2,701,000)	(3,060,000)
Household Ambulance Charge	4,209,805	5,480,000	5,480,000	4,962,000
Fire Protection Services	316,278	-	357,400	-
MPD Contractual Services	49,103	50,800	22,800	-
Tri Tech Contract	239,264	248,300	248,300	269,500
Charges for Services	8,859,445	10,106,100	10,435,500	9,811,500
Miscellaneous Revenue	13,177	200	200	-
General Fund	-	1,825,000	1,825,000	1,450,000
Interfund Transfers	-	1,825,000	1,825,000	1,450,000
Total Revenue Sources	\$ 21,509,394	\$ 22,689,238	\$ 23,550,260	\$ 24,386,236
MPD Assistant Fund	3,019	8,728	8,727	-
Medical Services Fund	49,615	1,599	39,121	68,561
Decrease (Increase) to Fund Balance	49,615	10,327	47,848	68,561
Current Funding Sources	\$ 21,559,009	\$ 22,699,565	\$ 23,598,108	\$ 24,454,797
EXPENDITURES	2013/14	2015/16	2015/16	2017/18
	Actual	Adopted	Adjusted	Adopted
Salaries	\$ 13,226,650	\$ 14,630,529	\$ 14,714,435	\$ 15,339,178
Overtime	1,607,617	1,290,650	1,901,750	1,407,470
Benefits	4,257,457	4,691,546	4,743,831	4,851,437
Salaries & Benefits	19,091,724	20,612,725	21,360,016	21,598,085
Supplies	661,808	521,577	518,327	949,134
Contractual Services	13,700	14,082	14,082	27,707
Travel & Training	98,693	103,825	133,525	98,424
Repair & Maintenance	45,679	60,779	60,779	76,400
Fleet Maintenance Charges	912,210	911,620	994,731	1,074,840
Fire Hydrant Services	118,000	-	-	-
Facility Maintenance	58,000	-	-	-
Other Services & Charges	64,750	86,090	86,090	74,313
Supplies & Services	1,972,840	1,697,973	1,807,534	2,300,818
B/C Fire District #1 - Training Facility	65,836	66,000	66,000	75,000
SECOMM	295,673	267,000	267,000	335,000
Intergovernmental Services	361,509	333,000	333,000	410,000
Equipment Rental	32,150	-	-	-
Capital Improvement Fund	54,822	55,867	79,558	145,894
Interfund Transfers	86,972	55,867	79,558	145,894
Machinery & Equipment	45,964	-	18,000	-
Capital Outlay	45,964	-	18,000	-
Total Expenditures	\$ 21,559,009	\$ 22,699,565	\$ 23,598,108	\$ 24,454,797
Expenditures by Fund				
General Fund	\$ 15,014,336	\$ 13,169,420	\$ 14,060,976	\$ 14,489,608
MPD Assistant Fund	52,121	59,727	59,727	-
Medical Services Fund	6,492,552	9,470,418	9,477,405	9,965,189
Total Expenditures by Fund	\$ 21,559,009	\$ 22,699,565	\$ 23,598,108	\$ 24,454,797

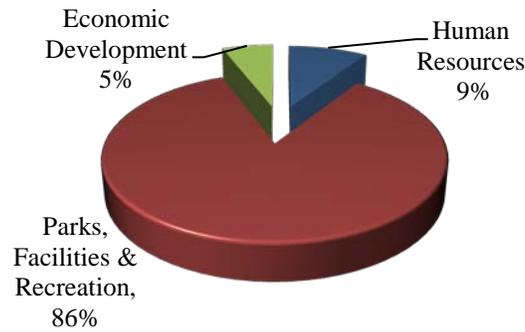
**DETAIL
BUDGET**



Employee & Community Relations Department



Adopted Budget

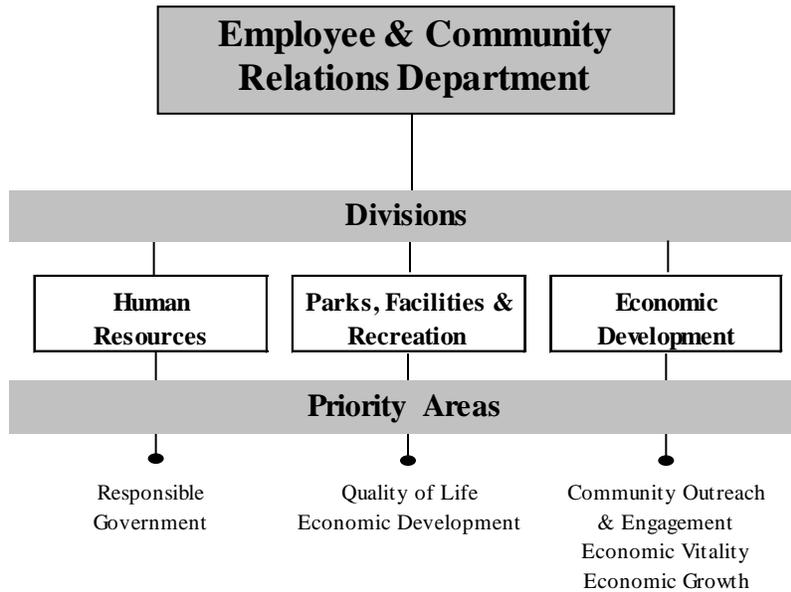


Division	2013-2014	2015-2016	2015-2016	2017-2018
Expenditures	Actual	Adopted	Adjusted	Adopted
Human Resources	\$ 1,037,561	\$ 1,113,342	\$ 1,127,920	\$ 1,238,542
Economic Development	357,045	657,082	704,682	790,746
Parks, Facilities & Recreation	9,883,977	10,712,442	11,445,067	11,408,884
Total:	\$ 11,278,583	\$ 12,482,866	\$ 13,277,669	\$ 13,438,172
Funding Sources	Actual	Adopted	Adjusted	Adopted
General Fund	\$ 10,597,730	\$ 11,592,840	\$ 12,013,643	\$ 12,696,937
Columbia Park Golf Course	586,742	749,380	1,123,380	607,700
Risk Management Fund	94,111	140,646	140,646	133,535
Total Sources:	\$ 11,278,583	\$ 12,482,866	\$ 13,277,669	\$ 13,438,172

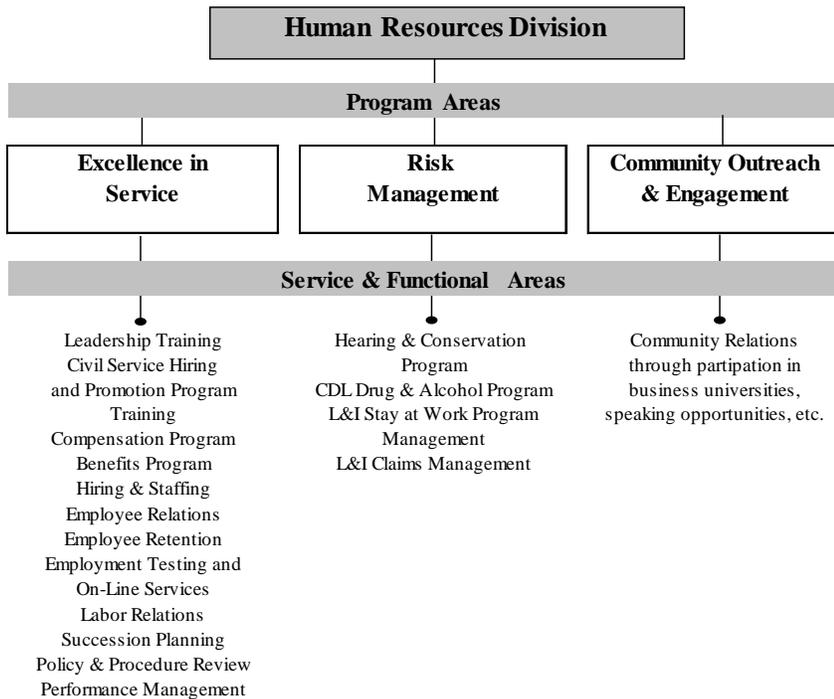
Employee & Community Relations Department

Mission

Building a better community by providing an exceptional place to live, work and play.



Departmental Staffing				
	2013-2014	2015-2016	2015-2016	2017-2018
	Actual	Adopted	Adjusted	Adopted
Full-time Equivalent (FTE)	33.10	34.10	36.10	38.10
% of City's FTE's	9.45%	9.47%	9.66%	9.90%
Departmental Expenditures by Type				
	2013-2014	2015-2016	2015-2016	2017-2018
	Actual	Adopted	Adjusted	Adopted
Salaries & Benefits	\$ 7,858,340	\$ 8,675,831	\$ 8,738,115	\$ 9,580,795
Supplies & Services	3,409,338	3,707,035	3,849,204	3,857,377
Capital Outlay	10,905	100,000	690,350	-
Total Department Budget:	\$11,278,583	\$12,482,866	\$13,277,669	\$13,438,172



Division Purpose / Description

The purpose of the Human Resources Program is to centralize human resource functions including talent acquisition, classification and compensation, employee relations, training, succession planning and organizational development in partnership with all City Departments to build an empowered, creative, and customer driven workforce reflecting the diversity of the community.

The purpose of the Employee Safety Services Program is to provide for the preservation of the health, safety and welfare of City employees and to administer the L&I industrial insurance program and related injury and safety-based programs and training for the City of Kennewick to avoid or minimize accident and injury costs and time lost from productive service to our citizens. We believe in our AWC RETRO motto of “Every Employee, Home Safe, Every Night”.

Highlights / Changes

Council’s priorities of community safety and responsible government are supported by a focus on recruitment, staff development, and increased efficiencies in services provided by Human Resources.

2017/18 Goals & Objectives

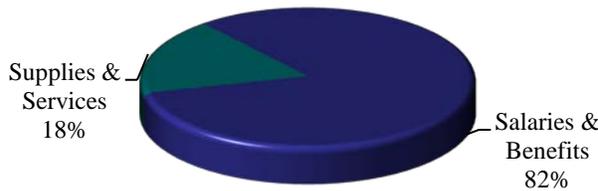
Council Priority: Responsible Government

- **Talent Acquisition -**
 - ✓ Coordinate recruitment for all City vacancies, including additional police officer vacancies created through the public safety sales tax.
 - ✓ Develop a succession planning program and assist in succession planning efforts for key positions and anticipated vacancies throughout the City.
- **Compensation & Benefits -**
 - ✓ Manage the transition of all classified employees to a new health care plan as a result of implementation of the Affordable Care Act.
- **Training & Development -**
 - ✓ Continue and enhance leadership training opportunities through Leadership 100 and the LEAD Program, and in partnership with WCIA.
- **Employee Relations -**
 - ✓ Continue to negotiate any unsettled collective bargaining agreements with five labor unions.
- **Safety -**
 - ✓ Continue to develop and promote a culture of workplace safety through enhancements to the Safety Recognition Program.
 - ✓ Focus on providing managers, supervisors and crew leaders with expanded safety training relevant to highest risk work assignments.
 - ✓ Utilize L&I’s Stay at Work Program to mitigate costs and keep employees on the job in appropriate light or modified duty assignments.

Division Broad Goals

- Continued outreach to increase Workforce Diversity statistics
- Implementation of the HR Strategic Initiative which integrates performance evaluations, succession planning and leadership development
- Integration of Well City programs with the Association of Washington Cities, our healthcare provider
- Prudent management of loss time injuries
- Review and implementation of Experience Rating reduction strategies

2017/2018 Expenditures



Prior Biennium Accomplishments

- **Compensation & Benefits -**
 - ✓ Completed a City-wide classification study to ensure appropriateness of City compensation packages.
 - ✓ Managed the transition of all unclassified employees to a new health care plan as a result of the implementation of the Affordable Care Act.
- **Training & Development -**
 - ✓ Revised and implemented an annual performance evaluation program for all police and fire employees
 - ✓ Implemented the LEAD Program to offer advanced leadership training to managers and other leaders throughout the City.
- **Employee Engagement-**
 - ✓ Spearheaded two multi-agency training programs and procured speakers to address leadership, professional development and personal wellness.
 - ✓ Obtained the Well City Award and 2% health insurance discount from AWC for the sixth year by fostering employee health and wellness.
- **Employee Relations -**
 - ✓ Negotiated collective bargaining agreements with five labor unions.
- **Employee Safety -**
 - ✓ Developed and implemented a comprehensive safety program covering all City employees.
 - ✓ Placed injured employees into light or modified duty job assignments, saving more than 300 lost days from work.
 - ✓ Obtained the maximum service fee discount through WCIA by participating in the Retro Safety Academy Program.

City Council Priority Area(s)

- Responsible Government
- Community Safety
- Quality of Life

Performance Measures

Program / Service Outputs	2014	2015	2016	2017	2018
	Actual	Actual	Estimated	Projected	Projected
Number of applications received per year (non-uniformed)	2,443	2,662	2,283	2,400	2,400
Number of applications received per year (uniformed)	555	625	606	650	650
Number of open recruitments (non-uniformed)	34	44	53	42	45
Number of open recruitments (uniformed)	8	12	19	12	8
Number of L&I claims administered	28	27	36	32	32
Risk management/safety training hours	2,382	1,792	1,878	2,200	2,200
Near miss reports	5	8	10	15	15
Safety recognition nominations	30	12	15	20	25
Safety inspections	28	28	28	28	28
Recognized hazards	8	9	10	10	10
Safety meetings	88	78	78	78	78
Certified AWC retro safety coordinators	5	5	8	9	10

Program / Service Efficiency Measures

	2014	2015	2016	2017	2018
	Actual	Actual	Estimated	Projected	Projected
Number of time loss days	581	55	208	185	185
Number of worker days lost per claim	20.8	2.0	5.8	5.8	5.8
Number of L&I claims per 100 employees	7.6	7.3	9.7	8.6	8.5
% of minority applications received (non-uniformed)	26.9%	24.7%	23.7%	25.0%	25.0%
% of minority applications received (uniformed)	21.3%	28.0%	19.0%	25.0%	25.0%

Program / Service Quality

	2014	2015	2016	2017	2018
	Actual	Actual	Estimated	Projected	Projected
Percentage of employees passing probation	99%	98%	99%	100%	100%
Reduction in claims	-9.7%	-3.6%	33.0%	-11%	0%
Reduction in time-loss claims	50%	-44%	0%	20%	0%
Time loss injury claims	9	5	5	6	6

Division Staffing				
	2015	2016	2017	2018
	Actual	Actual	Adopted	Adopted
EMPLOYEE & COMMUNITY RELATIONS				
DIRECTOR	0.50	0.50	0.50	0.50
HUMAN RESOURCES DIRECTOR	1.00	1.00	1.00	1.00
HUMAN RESOURCES ANALYST	1.00	1.00	1.00	1.00
HUMAN RESOURCES TECHNICIAN	0.50	0.50	1.00	1.00
RISK MANAGEMENT COORDINATOR	0.50	0.50	0.50	0.50
TOTAL DIVISION FTE'S:	3.50	3.50	4.00	4.00

HUMAN RESOURCES

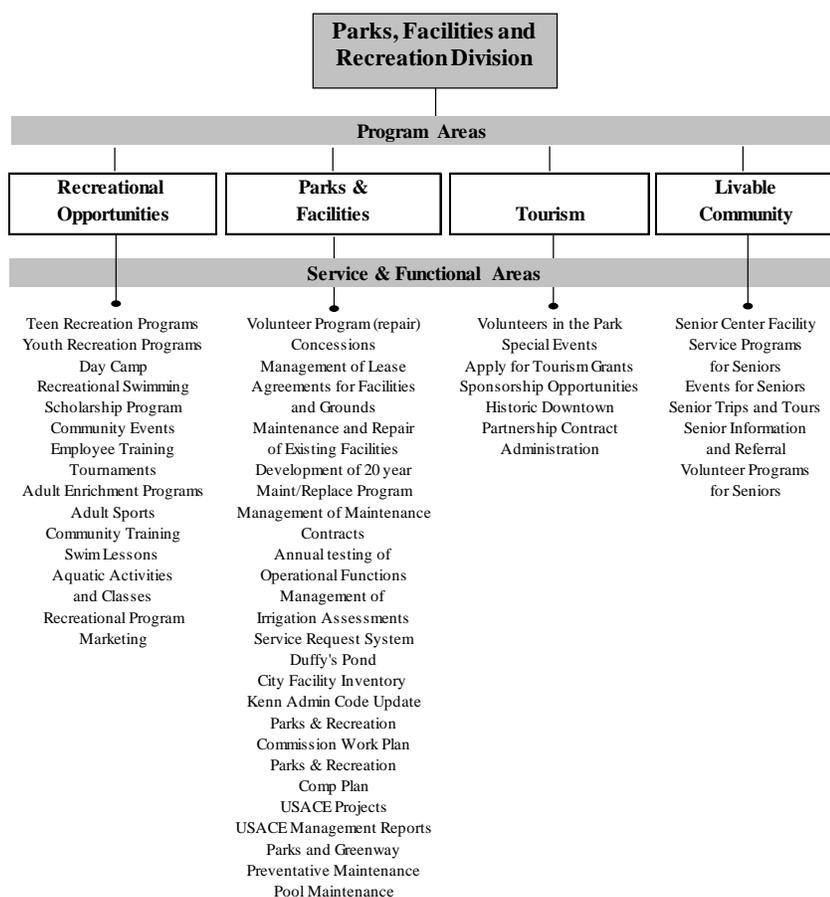
Employee & Community Relations Dept.

REVENUES	2013/14	2015/16	2015/16	2017/18
	Actual	Adopted	Adjusted	Adopted
General Governmental	\$ 1,037,561	\$ 1,113,342	\$ 1,127,920	\$ 1,238,542
Current Funding Sources	\$ 1,037,561	\$ 1,113,342	\$ 1,127,920	\$ 1,238,542
EXPENDITURES	2013/14	2015/16	2015/16	2017/18
	Actual	Adopted	Adjusted	Adopted
Salaries	\$ 628,465	\$ 674,801	\$ 674,801	\$ 741,750
Benefits	205,891	238,056	238,056	277,178
Salaries & Benefits	834,355	912,857	912,857	1,018,927
Supplies	41,225	38,810	38,810	49,115
Contractual Services	54,823	56,300	67,800	56,500
Travel & Training	29,704	30,750	30,750	30,500
Advertising	22,905	15,500	15,500	18,250
Other Services & Charges	54,550	59,125	62,203	65,250
Supplies & Services	203,206	200,485	215,063	219,615
Total Expenditures	\$ 1,037,561	\$ 1,113,342	\$ 1,127,920	\$ 1,238,542
Expenditures by Fund				
General Fund	\$ 943,450	\$ 972,696	\$ 987,274	\$ 1,105,007
Risk Management Fund	94,111	140,646	140,646	133,535
Total Expenditures by Fund	\$ 1,037,561	\$ 1,113,342	\$ 1,127,920	\$ 1,238,542

**DETAIL
BUDGET**



Employee Appreciation Luncheon



Division Purpose/Description

Kennewick Parks, Facilities and Recreation Division provides Parks and Recreation programs where every person can participate in safe, quality activities of their choice regardless of sex, color, religion, national origin, age or disability. The Division will work in partnership with other service providers to provide programs and services. Kennewick Parks, Facilities and Recreation will expand the community's investment in attractive, publicly owned parks, greenways, open space and buildings for future generations.

Division Broad Goals

- To align and integrate programs and services into a comprehensive community services model to improve efficiency of service and staff utilization. (parks, facilities recreation, special events, senior center, volunteers, customer service, and staff training)
- Increase accessibility and participation in parks and recreation programs and services.

Highlights / Changes

Kennewick Parks, Facilities and Recreation supports the Council priority areas of Quality of Life, Economic Development and Responsible Government by providing sustained and quality parks, recreation programs and special events to the local community and visitors to Kennewick.

2017/18 Goals and Objectives

Council Priority: Quality of Life

- *Hansen Park* – Completion of planned and funded improvements.
- *Columbia Park and Golf Links* – Completion of site and facility improvements.
- *Health & Wellness* – Develop an innovative city-wide health and wellness program collaborating with community stakeholders, service groups, and partners.
- *Comprehensive Communication Strategies* – Develop a singular organization-wide approach for public input and community engagement; develop effective tools for targeted public outreach; and enhance and optimize internal communication.

Council Priority: Economic Development

- *Columbia Park Conveyance* – Continue working with USACE on the process.
- *Community Event* – Create or recruit a unique festival/event to be offered between the months of September and March attracting residents and visitors to the City of Kennewick.

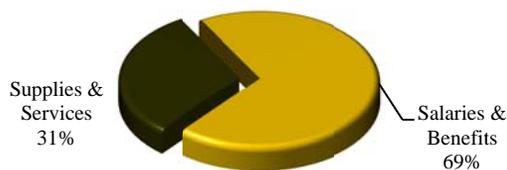
Responsible Government

- *Volunteer Program* – Utilize new website features to enhance the volunteer registration and process experience.
- *Facilities Planning* – Expand asset management, inventory, and preventative maintenance scheduling.
- *Sponsorship* – Secure Title Sponsorship for the City of Kennewick's premier facility, Southridge Sports and Event Complex, utilizing the Outreach Program.

Division Broad Goals (Cont'd)

- To provide opportunities to the public for involvement and enjoyment of parks, recreation, lifelong learning, special events and leisure programs in a fiscally responsible manner.
- To provide volunteer opportunities to the public to engage in the community through community outreach activities such as volunteer projects, support of recreation programs and special events.

2017/2018 Expenditures



Division Staffing				
	2015	2016	2017	2018
	Actual	Actual	Adopted	Adopted
EXECUTIVE DIRECTOR OF EMPLOYEE & COMMUNITY RELATIONS	0.50	0.50	0.50	0.50
PARKS & RECREATION DIRECTOR	1.00	1.00	1.00	1.00
PARKS, FACILITIES & OPS MANAGER	0.00	1.00	1.00	1.00
CUSTOMER RELATIONS, PROGRAMS AND FACILITIES MANAGER	0.00	1.00	1.00	1.00
COMMUNITY SERVICES SUPERVISOR I	1.80	1.80	1.80	1.80
PARKS & REC OPERATIONS SUPERVISOR	1.00	0.00	0.00	0.00
RECREATION COORDINATOR	1.00	1.00	1.00	1.00
SPORTS MARKETING COORDINATOR	1.00	1.00	1.00	1.00
PARKS MAINTENANCE COORDINATOR	1.00	1.00	1.00	1.00
FACILITIES COORDINATOR	1.00	1.00	1.00	1.00
CREW LEADER	2.00	2.00	2.00	2.00
GENERAL CRAFTSWORKER	4.00	4.00	4.00	4.00
M&C CRAFTSWORKER	10.00	10.00	11.00	11.00
UTILITY WORKER	2.00	3.00	3.00	3.00
ADMINISTRATIVE ASSISTANT	1.00	1.00	1.00	1.00
OFFICE SPECIALIST	1.80	1.80	1.80	1.80
TOTAL FULL-TIME STAFF:	29.10	31.10	32.10	32.10
SEASONAL PROGRAM SPECIALIST	15.68	15.68	15.68	15.68
TOTAL PART-TIME STAFF:	15.68	15.68	15.68	15.68
TOTAL DIVISION FTE'S:	44.78	46.78	47.78	47.78

Prior Biennium Accomplishments

Volunteer Program

- Implemented a fillable volunteer application; utilized justserv.org website to post volunteer project opportunities, and updated the Volunteer Guidelines manual.

Facilities and Parks Management

- Implemented a comprehensive roofing program to repair, replace and maintain City facilities.
- Completed a City facilities plan to address ongoing maintenance.
- Established a park level of service baseline applying the new park audit program.

Programs and Services

- Implemented Sunset at Southridge, a new event in partnership with the Carousel Foundation.
- Expanded services with the addition of two new tournaments hosted at Columbia Park – disc golf and lacrosse and three new tournaments in Southridge area.

Partnership Opportunities

Developed several partnerships including:

- Benton Conservation District MOU for sustainable landscape design and consultation.
- Benton County Noxious Weed Control Board consultation for tree and vegetation management.
- USTA, AAI, Skyhawk Supertots, and Challenger Sports to expand recreation programming for youth.

Projects

- Fire Station 5, L. Scott Park court improvements, KPD Community Resource Center, City Hall exterior lighting and conference room upgrades; Columbia Center Estates playground; Southridge backstop netting and volleyball standards; Duffy's Pond pathway.

City Council Priority Area(s)

- Quality of Life
- Economic Development
- Responsible Government

Performance Measures

Program / Service Efficiency Measures

	2014	2015	2016	2017	2018
	Actual	Actual	Estimated	Projected	Projected
Number of programs offered	229	296	300	310	325
Number of program participants	110,286	122,508	126,183	120,000	130,000
Number of facility rentals hours	N/A	N/A	N/A	5,800	5,900
Number of volunteer hours	19,122	19,257	19,450	19,654	19,851
Percentage of residents satisfied or very satisfied with the affordability of recreation programs	N/A	N/A	N/A	85%	87%

Program / Service Efficiency Measures

	2014	2015	2016	2017	2018
	Actual	Actual	Estimated	Projected	Projected
Parks-maintenance costs per acre	\$4,939	\$5,087	\$5,240	\$5,400	\$5,616
Parks facilities-maintenance costs per Sq. Ft.	\$3.50	\$4	\$4	\$5	\$5
Number of sites with central control systems (irrigation/lights/locks)	16	16	16	18	18

Program / Service Quality

	2014	2015	2016	2017	2018
	Actual	Actual	Estimated	Projected	Projected
Percentage of participants reporting that services made a positive difference or improvement in their lives or their family's lives	N/A	N/A	N/A	90%	95%
Percentage of residents who highly rate the quality of instruction, coaching, and leadership within recreation programs	N/A	N/A	N/A	90%	95%
Percentage of residents that visited a park within the year	N/A	N/A	N/A	85%	87%
Acres of parkland per 1,000 residents	9	9	9	9	9
Percentage of residents rating overall quality of parks as good/very good	N/A	N/A	N/A	85%	87%

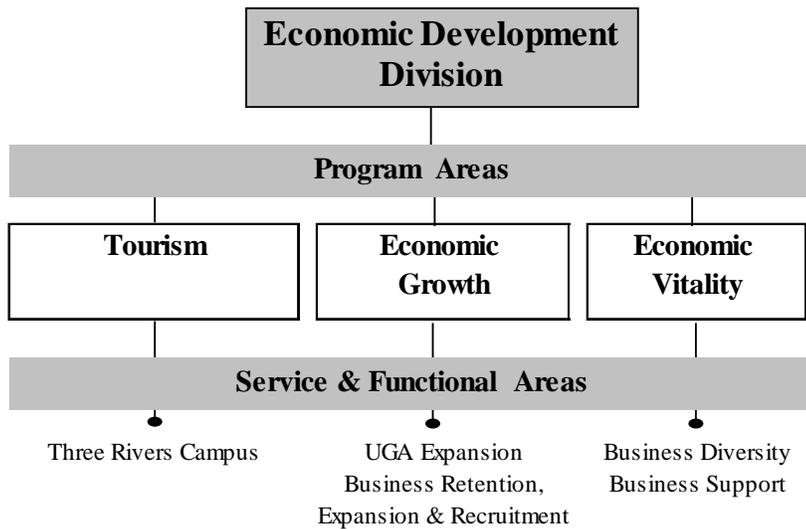


2016 Bingo at the Senior Center

REVENUES	2013/14	2015/16	2015/16	2017/18
	Actual	Adopted	Adjusted	Adopted
General Governmental	\$ 8,457,805	\$ 9,177,062	\$ 9,517,067	\$ 10,055,184
Golf Course Operations	362,371	506,780	506,780	442,410
Recreation User Fees	717,719	650,000	650,000	605,800
Senior Program Fees	122,448	136,000	136,000	140,200
Charges for Services	1,202,538	1,292,780	1,292,780	1,188,410
General Fund	170,000	85,000	85,000	92,500
Capital Improvement Fund	14,500	100,000	492,620	-
Interfund Transfers	184,500	185,000	577,620	92,500
Miscellaneous Revenue	39,134	57,600	57,600	72,790
Total Revenue Sources	\$ 9,883,977	\$ 10,712,442	\$ 11,445,067	\$ 11,408,884
EXPENDITURES	2013/14	2015/16	2015/16	2017/18
	Actual	Adopted	Adjusted	Adopted
Salaries	\$ 3,570,239	\$ 3,826,966	\$ 3,898,465	\$ 4,353,565
Overtime	55,518	66,500	66,500	68,000
Part-Time Wages	1,310,460	1,259,536	1,224,421	1,229,824
Benefits	1,864,177	2,093,200	2,119,100	2,266,630
Salaries & Benefits	6,800,394	7,246,202	7,308,486	7,918,019
Supplies	780,573	842,980	863,512	883,780
Contractual Services	453,729	454,500	489,615	534,200
Travel & Training	21,146	23,000	23,000	44,000
Advertising	16,570	11,000	12,500	15,800
Electricity Charges	507,279	533,500	533,500	546,500
Natural Gas	131,698	169,000	169,000	147,000
Senior Programs	31,320	36,000	36,000	26,000
Golf Course Operations Cost	575,837	649,380	649,380	607,700
Equipment Pool Charges	368,480	431,280	398,124	395,760
Excise tax	7,473	6,500	6,500	6,825
Irrigation Assessments	71,302	74,000	74,000	78,000
Credit Card Fees	49,401	52,500	52,500	60,000
Other Services & Charges	57,870	82,600	138,600	145,300
Supplies & Services	3,072,678	3,366,240	3,446,231	3,490,865
Capital Outlay	10,905	100,000	690,350	-
Total Expenditures	\$ 9,883,977	\$ 10,712,442	\$ 11,445,067	\$ 11,408,884
Expenditures by Fund				
General Fund	\$ 9,297,235	\$ 9,963,062	\$ 10,321,687	\$ 10,801,184
Columbia Park Golf Course	586,742	749,380	1,123,380	607,700
Total Expenditures by Fund	\$ 9,883,977	\$ 10,712,442	\$ 11,445,067	\$ 11,408,884

**DETAIL
BUDGET**





Division Purpose / Description

The Economic Development Division seeks to provide increased wealth and prosperity in Kennewick through enhanced integration of regional partnerships; business recruitment, expansion and retention activities; facilitation of development; and promoting a positive image of the city.

Division Broad Goals

- Work with Community Planning and Public Works to enhance public/private partnerships and business climate.
- Promote the Tri-Cities and Kennewick through the use of digital media and target industry outreach.
- Increase business retention and expansion through interaction with business leaders.
- Assist in efforts that enhance quality of life, create a sense of place, and attract young professionals.
- Advance business climate to improve site selector attraction.
- Continue to enhance interagency relationships, create strategic partnerships and develop City’s positive image for economic development.
- Support education and workforce development for target industry labor needs and foster entrepreneurship.
- Continue to implement the Economic Development Marketing Plan collaborating with partners.

Highlights / Changes

Economic Development seeks to support mixed use development and entrepreneurship, foster workforce development and partnerships, recruit target industries, and continue retention and expansion efforts.

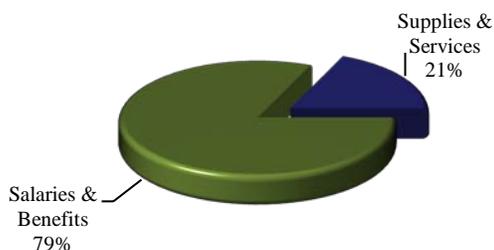
2017/18 Goals & Objectives

Council Priority: Economic Development

- **Tourism**
 - Continue to support implementation of the regional wayfinding strategy.
- **Economic Growth**
 - Business recruitment focusing on target industries.
 - Ombudsman and liaison for developers and builders.
 - Entrepreneurship support.
 - Monthly new business welcome letters and quarterly electronic newsletters to support retention and expansion.
 - Promote available sites using Zoom Prospector.
 - Enhance economic development portion of website and support social media efforts
 - Collaborate on Columbia Drive, Vista Field and potential opportunity centers.
- **Economic Vitality**
 - Support business diversity through research and recruitment of varied business categories.
 - Maintain and update sustainability program.
 - Continue business support through participation in community organizations.
 - Administer Arts Commission, placement, and promotion of public art.
 - Create structure for workforce development revitalization initiative.
 - Liaison for Kennewick School District school expansions and projects.



2017/2018 Expenditures



Division Staffing				
	2015	2016	2017	2018
	Actual	Actual	Adopted	Adopted
ECONOMIC DEVELOPMENT MANAGER	1.00	1.00	1.00	1.00
ECONOMIC DEVELOPMENT ANALYST	0.50	0.50	1.00	1.00
TOTAL DIVISION FTE'S:	1.50	1.50	2.00	2.00



Prior Biennium Accomplishments

- Awarded America’s Best Communities quarterfinalist, receiving and allocating \$50k for revitalization projects.
- Raised \$15k in sponsorship for ABC revitalization projects.
- Administered Downtown Restaurant Incentive Grant, awarding \$20k to new and expanding businesses.
- Introduced 1st Thursday and championed other Downtown marketing initiatives to increase traffic, vitality and stakeholder engagement
- Accomplished 91% of 2012-2016 Economic Development Strategic Plan goals.
- Recruiting efforts at 16 trade show events.
- Developed marketing collateral for three target industries (retail, craft beverage, grocers) and website content for site selectors.
- Executed Shop Kennewick campaign.
- Launched new business welcome campaign, including creation of “Doing Business in Kennewick” resource brochure.
- Attended more than 60 ribbon cuttings and dedications in 2015-2016.
- Generated 81% of more than 700 social media posts in 2015-2016.
- Updated logo and incorporated Tri-Cities brand into marketing.
- Coordinated Sustainability Program.
- Developed strong partnerships with the Port of Kennewick and Columbia Basin College.
- New businesses included Fieldstone Memory Care, Buffalo Wild Wings, Hampton Inn, HomeGoods, Great Floors, DSW, Moss Adams, ZPizza, Windsor Plywood, Chipotle, Maurices, Stoneway Roofing, Yogurt Beach, Bush Car Wash, Aki Sushi, Platinum Automotive, Harvey Insurance, Foodies (among others).

Council’s Priority Area(s)

- Responsible Government
- Economic Development
- Infrastructure and Growth
- Quality of Life

Program / Service Outputs

	2014 Actual	2015 Actual	2016 Estimated	2017 Projected	2018 Projected
Number of local business contacts made for retention/expansion	50	160	800	825	850
Number of ribbon cutting and community economic development events attended	42	70	77	80	82
Number of recruitment contacts provided information	275	212	200	206	212
Number of trade show/recruiting events attended	7	10	6	6	6

Program / Service Efficiency Measures

	2014 Actual	2015 Actual	2016 Estimated	2017 Projected	2018 Projected
Percentage of strategic plan goals met	86%	89%	91%	N/A	N/A
Percentage of marketing plan goals met	-	-	-	50%	90%
Sponsorship for marketing program support	\$ -	\$ 75,375	\$ -	\$ -	\$ -

Program / Service Quality

	2014 Actual	2015 Actual	2016 Estimated	2017 Projected	2018 Projected
Number of hits to econ. development website	11,400	11,970	12,570	12,900	13,300
Sq ft. of retail/office/manufacturing added	241,406	460,615	191,776	200,000	208,000
Number of business licenses* renewed	3,905	4,170	4,130	4,205	4,280
Number of new business licenses* issued	663	690	820	835	850
Number of FTEs for renewing companies*	N/A	N/A	23,128	23,548	23,968
Number of FTEs for new companies *	N/A	N/A	1,835	1,837	1,870

**excludes temporary licenses*



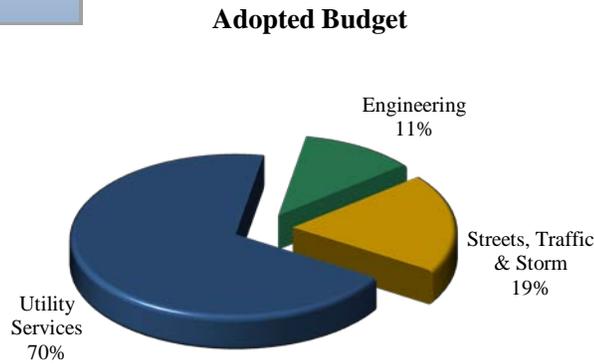
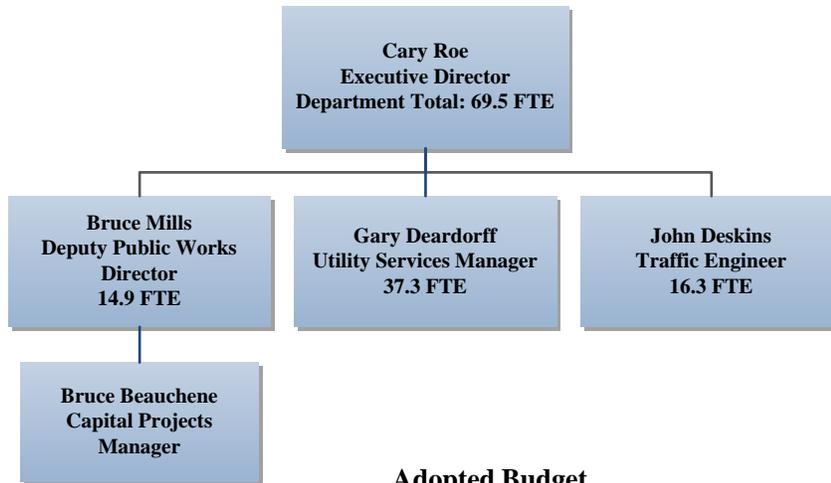
Downtown Kennewick

REVENUES	2013/14 Actual	2015/16 Adopted	2015/16 Adjusted	2017/18 Adopted
General Governmental	\$ 357,045	\$ 657,082	\$ 704,682	\$ 790,746
Current Funding Sources	\$ 357,045	\$ 657,082	\$ 704,682	\$ 790,746
EXPENDITURES				
	2013/14 Actual	2015/16 Adopted	2015/16 Adjusted	2017/18 Adopted
Salaries	\$ 165,290	\$ 373,954	\$ 373,954	\$ 468,125
Benefits	58,301	142,818	142,818	175,724
Salaries & Benefits	223,591	516,772	516,772	643,849
Supplies	10,530	10,420	10,420	10,000
Contractual Services	60,000	62,000	62,000	62,000
Travel & Training	27,940	30,000	30,000	31,500
Advertising	29,764	34,000	81,600	35,750
Other Services & Charges	5,220	3,890	3,890	7,647
Supplies & Services	133,454	140,310	187,910	146,897
Total Expenditures	\$ 357,045	\$ 657,082	\$ 704,682	\$ 790,746
Expenditures by Fund				
General Fund	\$ 357,045	\$ 657,082	\$ 704,682	\$ 790,746
Total Expenditures by Fund	\$ 357,045	\$ 657,082	\$ 704,682	\$ 790,746

**DETAIL
BUDGET**



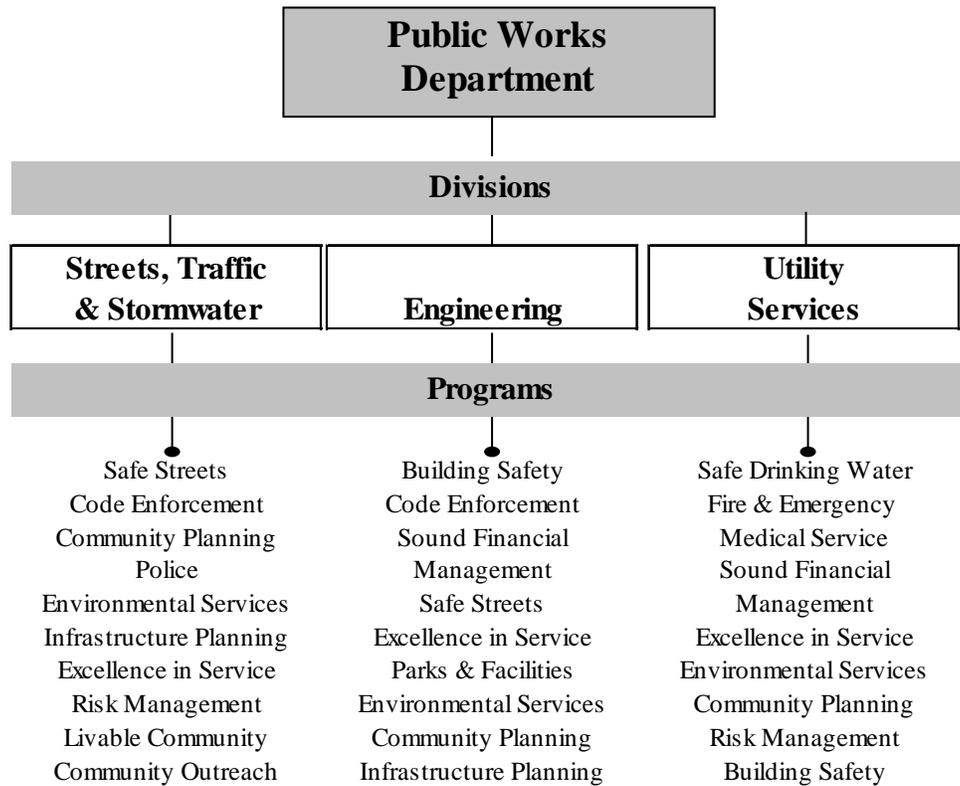
Public Works Department



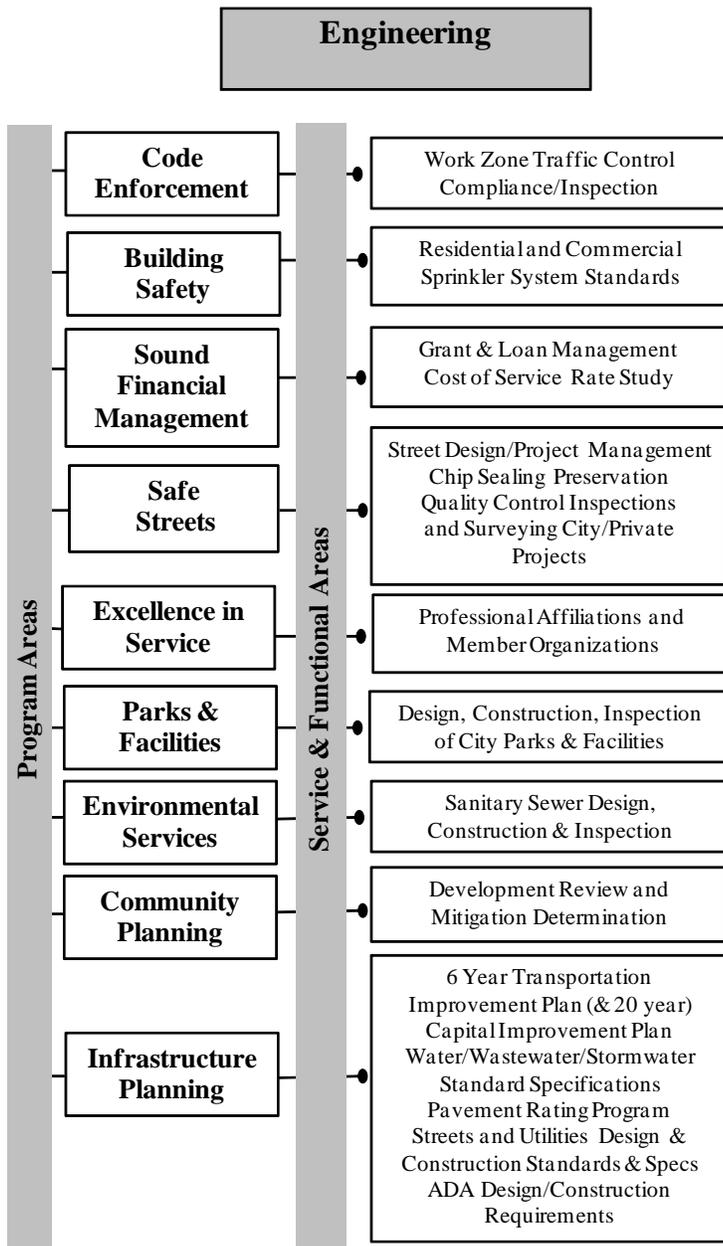
Division	2013-2014	2015-2016	2015-2016	2017-2018
Expenditures	Actual	Adopted	Adjusted	Adopted
Public Works-Engineering	\$ 3,304,937	\$ 3,603,972	\$ 3,699,634	\$ 3,931,327
Public Works-Utility Services	21,321,573	23,286,286	24,803,701	23,698,640
Public Works-Street, Traffic & Storm	5,820,465	6,130,112	6,758,546	6,767,133
Interfund Transfers	7,094,408	3,994,392	14,451,534	12,465,649
Intergovernmental Services	1,195,194	2,926,700	2,942,700	1,655,800
Debt Service	12,269,643	13,430,080	13,380,552	14,201,823
Capital Projects	34,368,948	13,718,924	56,088,685	28,828,353
Total:	\$ 85,375,168	\$ 67,090,466	\$ 122,125,352	\$ 91,548,725
Funding Sources	2013-2014	2015-2016	2015-2016	2017-2018
	Actual	Adopted	Adjusted	Adopted
General Fund	\$ 3,345,100	\$ 3,603,972	\$ 3,699,634	\$ 3,931,327
Street Fund	3,789,983	4,027,993	4,082,845	4,321,856
Arterial Street Fund	1,680,143	1,600,000	1,008,596	3,392,000
Urban Arterial Street Fund	12,244,550	-	21,400,850	11,207,000
Capital Improvement Fund	18,587,098	21,256,238	36,223,258	24,871,426
Stormwater Utility Fund	2,524,877	2,494,734	5,317,676	2,916,128
Water/Sewer Fund	43,203,417	34,107,529	50,392,493	40,908,988
Total Sources:	\$ 85,375,168	\$ 67,090,466	\$ 122,125,352	\$ 91,548,725

Mission

Enhance Kennewick’s quality of life through the construction, maintenance and operation of a safe, effective physical environment, to protect public health and safety and the natural environment, and to provide our neighborhoods, our businesses and our visitors with the efficient, quality services necessary to meet the demands of our growing and diverse community.



Departmental Staffing				
	2013-2014	2015-2016	2015-2016	2017-2018
	Actual	Adopted	Adjusted	Adopted
Full-time Equivalent (FTE)	65.75	66.50	68.50	69.50
% of City's FTE's	18.77%	18.47%	18.32%	18.06%
Departmental Expenditures by Type				
	2013-2014	2015-2016	2015-2016	2017-2018
	Actual	Adopted	Adjusted	Adopted
Salaries & Benefits	\$ 13,869,812	\$ 15,473,689	\$ 15,725,591	\$ 16,763,029
Supplies & Services	16,577,163	17,546,681	19,536,290	17,634,071
Intergovernmental Services	1,195,194	2,926,700	2,942,700	1,655,800
Interfund Transfers	7,094,408	3,994,392	14,451,534	12,465,649
Debt Service	12,269,643	13,430,080	13,380,552	14,201,823
Capital Outlay	34,368,948	13,718,924	56,088,685	28,828,353
Total Department Budget:	\$85,375,168	\$ 67,090,466	\$122,125,352	\$ 91,548,725



Division Purpose / Description

The purpose of the Design/Planning program is to provide civil engineering design, review and planning for the City of Kennewick to ensure that safety and efficiency of the infrastructure is obtained.

The purpose of the CIP Inspections/Survey program is to ensure compliance with contract documents and City Standard Specifications.

Highlights / Changes

Priority projects completed the past biennium include: Steptoe Street corridor to 10th Avenue, Edison Street Widening, Columbia Center Boulevard Pavement Preservation, RRFB installations at Park Middle School and Clearwater/Arthur, Citywide Signal Safety Improvements, W. 5th Avenue Reconstruction, Columbia Drive Streetscape, and W. 7th Place/Jean Place Extension. Steptoe Street/Bob Olson Parkway/Hildebrand Boulevard corridor construction and the Safe Clearwater Phase 3 Safety Projects will be completed in the 2017/2018 biennium.

2017/18 Goals & Objectives

Council Priority: Economic Development – Safe Streets

- US395/Ridgeline Interchange design
- Bob Olson Parkway/Hildebrand Blvd. – W. 10th Avenue to Grant Street
- Pavement Preservation Program
- Southridge Boulevard (UGA) Improvements
- Safe Clearwater - Phase 3
- Metaline Street Widening – Kellogg St. to Edison St.
- CDBG – RRFB Installations
- Columbia Park Pedestrian/Bike Improvements

Council Priority: Infrastructure & Growth – Environmental Services

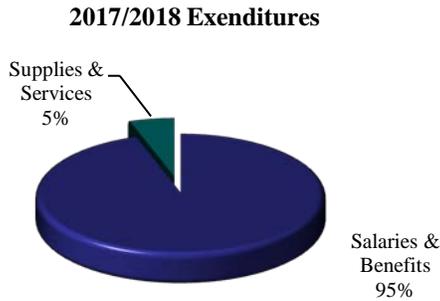
- Zone 5 Water Transmission Main
- Water and Sewer Renewals and Replacements

Council Priority: Infrastructure & Growth – Infrastructure Planning

- Updates to 6-year Streets Capital Improvement Program
- Implement Pavement Rating Program to assess arterial street condition

Division Broad Goals

To serve residents of Kennewick by providing quality civil design and public works construction.



Division Staffing				
	2015	2016	2017	2018
	Actual	Actual	Adopted	Adopted
PUBLIC WORKS DIRECTOR	0.10	0.10	0.10	0.10
DEPUTY PUBLIC WORKS DIRECTOR	0.20	0.20	0.20	0.20
ADMINISTRATIVE ASSISTANT	0.20	0.20	0.20	0.20
CAPITAL PROJECTS MANAGER	1.00	1.00	1.00	1.00
ENGINEERING SERVICES MANAGER	1.00	1.00	1.00	1.00
PW CONTRACT SPECIALIST	1.00	1.00	1.00	1.00
OFFICE TECHNICIAN	1.00	1.00	1.00	1.00
PROJECT ENGINEER	1.00	1.00	1.00	1.00
FIELD ENGINEER I	1.00	1.00	1.00	1.00
FIELD ENGINEER II	2.00	2.00	2.00	2.00
SENIOR ENGINEERING TECHNICIAN	1.00	1.00	1.00	1.00
ENGINEERING TECHNICIAN I	2.00	2.00	2.00	2.00
ENGINEERING TECHNICIAN II	1.00	1.00	1.00	1.00
ENGINEERING TECHNICIAN III	1.00	1.00	1.00	1.00
ASBUILT TECHNICIAN	1.00	1.00	1.00	1.00
UTILITIES ENGINEER	0.50	0.50	0.50	0.50
TOTAL FULL-TIME STAFF:	15.00	15.00	15.00	15.00
TOTAL DIVISION FTE'S:	15.00	15.00	15.00	15.00

Prior Biennium Accomplishments

- Completed construction of Steptoe St. Extension and Hildebrand Blvd. Extension, Phase 3A and Phase 3B Interim
- Completed construction of Edison St. Widening
- Constructed Amon Wasteway Sewer Interceptor
- Completed Elliot Lake Water System Consolidation
- Completed reconstruction of W. 5th Ave. – Quincy to Rainier
- Completed W. 7th Place/Jean Place Extension
- Constructed Columbia Dr. Streetscape
- Completed Columbia Center Blvd. Pavement Preservation
- Completed Citywide Safety Improvements
- Completed rectangular rapid flash beacon (RRFB) installations at Clearwater & Arthur and at Park Middle School
- Continued design and right-of-way for the remaining Steptoe and Hildebrand Corridor phases

City Council's Priority Area(s)

- Community Safety
- Responsible Government
- Quality of Life
- Infrastructure & Growth

5 Corners Roundabout



Before



After

Performance Measures

Program / Service Outputs

	2014	2015	2016	2017	2018
	Actual	Actual	Estimated	Projected	Projected
Total plan sheets reviewed	111	149	160	160	160
Number of in-house projects designed & delivered	6	10	10	10	10
Number of change orders written	29	17	20	20	20
Total feet of projects inspected	36,138	19,648	27,900	28,700	29,600
Total engineering revenue	\$1,481,338	\$1,178,229	\$913,600	\$940,000	\$970,000

Program / Service Efficiency Measures

	2014	2015	2016	2017	2018
	Actual	Actual	Estimated	Projected	Projected
Cost per plan sheet	\$ 3,939	\$ 2,275	\$ 3,100	\$ 3,200	\$ 3,300
Cost per in-house project designed & delivered	\$ 136,066	\$ 60,120	\$ 98,100	\$ 101,000	\$ 104,100
Total cost per change order written	\$ 23,057	\$ 5,419	\$ 10,100	\$ 10,400	\$ 10,700
Total cost per foot of project inspected	\$ 48.00	\$ 88.00	\$ 64.00	\$ 65.00	\$ 68.00
Engineering revenue per personnel cost	91%	71%	49%	49%	49%

Program / Service Quality

	2014	2015	2016	2017	2018
	Actual	Actual	Estimated	Projected	Projected
Percentage completed per project budgeted	67%	90%	100%	100%	100%
Percentage of change orders cost to contract cost	7.0%	2.0%	5.0%	5.0%	5.0%
Percentage of total inspections completed within projected time frame of the project	100%	100%	100%	100%	100%
Percentage of projects surveyed per total projects received	100%	100%	100%	100%	100%



5 Corners Roundabout with Bob Olson Parkway

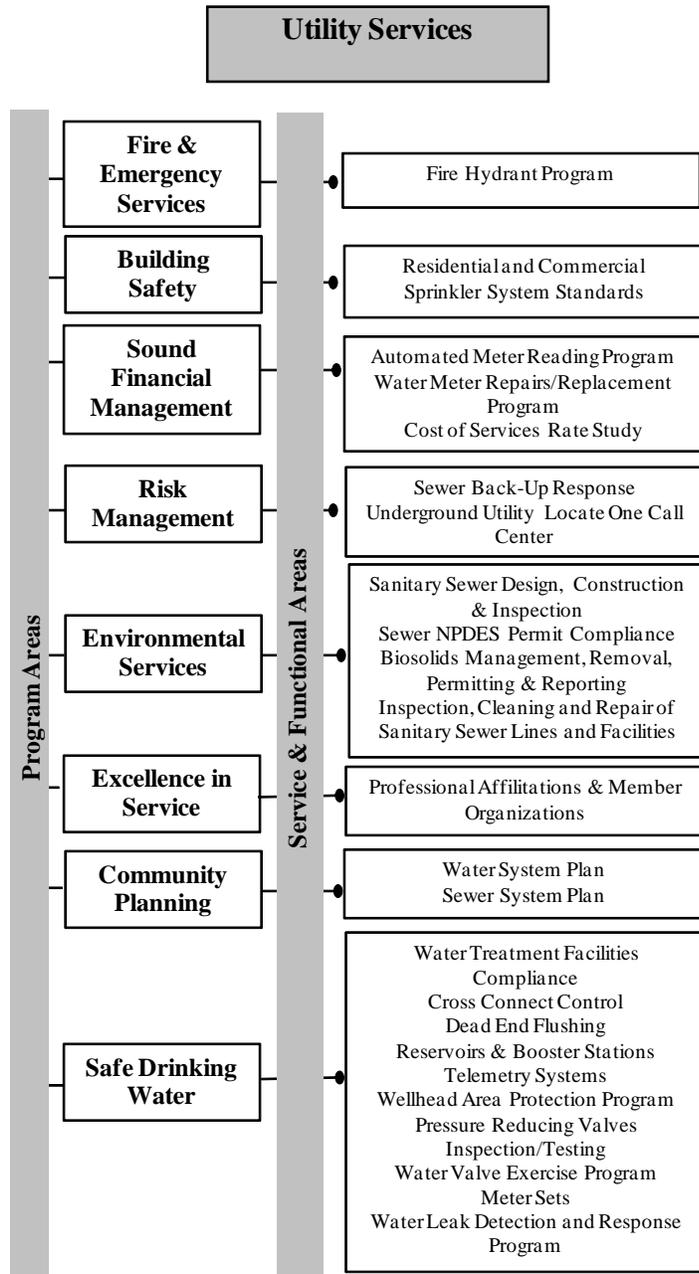


Bob Olson Parkway

REVENUES	2013/14	2015/16	2015/16	2017/18
	Actual	Adopted	Adjusted	Adopted
General Governmental	\$ 435,800	\$ 480,472	\$ 511,463	\$ 1,567,327
Licenses & Permits	249,733	263,500	328,171	604,000
Engineering Services	2,659,567	2,860,000	2,860,000	1,760,000
Charges for Services	2,659,567	2,860,000	2,860,000	1,760,000
Current Funding Sources	\$ 3,345,100	\$ 3,603,972	\$ 3,699,634	\$ 3,931,327
EXPENDITURES	2013/14	2015/16	2015/16	2017/18
	Actual	Adopted	Adjusted	Adopted
Salaries	\$ 2,084,865	\$ 2,299,594	\$ 2,299,594	\$ 2,503,386
Overtime	57,930	37,275	37,275	39,139
Part-Time Wages	99,106	54,545	114,257	57,272
Benefits	892,806	1,037,752	1,042,711	1,127,830
Salaries & Benefits	3,134,707	3,429,166	3,493,837	3,727,627
Supplies	49,254	56,551	56,551	83,050
Contractual Services	53,475	40,875	65,521	42,500
Travel & Training	17,872	22,200	22,200	20,900
Fleet Maintenance Charges	33,360	31,680	38,025	34,080
Other Services & Charges	16,269	23,500	23,500	23,170
Supplies & Services	170,230	174,806	205,797	203,700
Capital Outlay	40,163	-	-	-
Total Expenditures	\$ 3,345,100	\$ 3,603,972	\$ 3,699,634	\$ 3,931,327
Expenditures by Fund				
General Fund	\$ 3,345,100	\$ 3,603,972	\$ 3,699,634	\$ 3,931,327
Total Expenditures by Fund	\$ 3,345,100	\$ 3,603,972	\$ 3,699,634	\$ 3,931,327

**DETAIL
BUDGET**





Highlights / Changes

Utility Services strives to maintain ongoing effective and efficient operational programs and practices that assure continued reliable service at competitive rates. We have completed the updates to the General Sewer, Wastewater Treatment Facility Plans, Water Comprehensive Plan and Water-Sewer Rate Study; completed the final phase of a major bottleneck in our wastewater collection system with the second phase of Beech St. sewer interceptor; and received an award from the DOE for the 8th Consecutive Year for excellence in operation at our WWTP. The division continues to keep cost effectiveness, efficiencies and reliability a high priority and will continue to work towards sustainability through upgrades to the UV Treatment System at the WWTP, replacement of deficient water and sewer mains such as the 24” sewer trunk line in the UPRR R/W and the Entiat to Canal steel transmission main that has failed. We also expect to continue our partnership with the Port of Kennewick in developing the Columbia Gardens Wine Village along East Columbia Dr. and longer term improvements for the Three Rivers Entertainment District. The last significant highlight is the extensive water and sewer improvements being installed with the Bob Olsen Parkway that is expected to help drive new development in the Southridge area.

2017/18 Goals & Objectives

- Entiat to Canal water transmission main replacement.
- UPRR 24” trunk line replacement east of N. Edison St.
- Construction of the WWTP Phase 1 improvements.
- Construction of the Columbia Gardens pretreatment system in partnership with the Port of Kennewick.
- Zone 5 water transmission main.

Division Purpose / Description

The Public Works Utility Services Division is responsible for providing safe, adequate, dependable, and affordable drinking water by providing professional operation and maintenance of the

Division Purpose / Description (Cont'd)

City’s water filtration plant, wastewater treatment plant, sewer collection system, and water distribution system. Staff work efforts ensure compliance with state and federal regulations that are required for the utility to continue to provide water and wastewater services to our customers. The Division also provides services required to support capital improvements at key facilities such as the Ranney Collectors and the Wastewater Treatment Plant.

Division Broad Goals

To improve efficiency through the use of technology or improvement in maintenance and operations procedures in order to strive to maintain the lowest user fee rates while maintaining a top quality, safe, and reliable infrastructure.

Prior Biennium Accomplishments

- Water/Sewer Rate Study.
- Adoption of the 2015 Water Comprehensive Plan.
- Design of 23rd & Gum lift station improvements.
- Design of Phase 1 improvements at the Wastewater Treatment Plant.
- Design of the Columbia Gardens pretreatment system in partnership with the Port of Kennewick.
- Acquisition of the permanent easement for UPRR 24” sewer trunk line.
- Completion of the last portion of the Beech St. interceptor.

Division Staffing				
	2015	2016	2017	2018
	Actual	Actual	Adopted	Adopted
PUBLIC WORKS DIRECTOR	0.65	0.65	0.65	0.65
DEPUTY PUBLIC WORKS DIRECTOR	0.50	0.50	0.50	0.50
ADMINISTRATIVE ASSISTANT	1.30	1.30	1.30	1.30
UTILITY SERVICES MANAGER	1.00	1.00	1.00	1.00
UTILITY SERVICES SUPERINTENDENT	1.00	1.00	1.00	1.00
WATER SERVICES SUPERVISOR	1.00	1.00	1.00	1.00
WASTEWATER SERVICES SUPERVISOR	1.00	1.00	1.00	1.00
CREWLEADER	3.00	3.00	3.00	3.00
UTILITY ENGINEER	0.50	0.50	0.50	0.50
SR. TRAFFIC ELECTRICIAN	0.25	0.25	0.25	0.25
TRAFFIC/STREET ELECTRICIAN	0.25	0.25	0.25	0.25
ELECTRONICS TECHNICIAN	1.00	1.00	1.00	1.00
CHIEF PLANT OPERATOR	1.00	1.00	1.00	1.00
PLANT OPERATOR	5.00	5.00	5.00	5.00
GENERAL CRAFTSWORKER	8.00	8.00	8.00	8.00
EQUIPMENT OPERATOR	3.00	5.00	5.00	5.00
M & C CRAFTSWORKER	7.50	7.50	7.50	7.50
TOTAL FULL-TIME STAFF:	35.95	37.95	37.95	37.95
SEASONAL WORKERS	1.50	1.50	1.50	1.50
TOTAL PART-TIME STAFF:	1.50	1.50	1.50	1.50
TOTAL DIVISION FTES:	37.45	39.45	39.45	39.45

City Council’s Priority Area(s)

- Community Safety
- Responsible Government
- Quality of Life
- Infrastructure & Growth



Waste Water Treatment Plant Lagoons

Performance Measures

Program / Service Outputs	2014 Actual	2015 Actual	2016 Estimated	2017 Projected	2018 Projected
Water Treatment Plant -water plant & well operations: million gallons produced	4,011	3,992	4,112	4,235	4,362
Wastewater Treatment Plant - plant operations: million gallons treated	1,955	1,966	2,025	2,086	2,148
Water distribution - pipeline maintenance/operations: total # of work orders completed	2,899	3,357	3,458	3,561	3,668
Wastewater collection - pipeline maintenance: total items maintained	1,755	1,682	1,732	1,784	1,838

Program / Service Efficiency Measures	2014 Actual	2015 Actual	2016 Estimated	2017 Projected	2018 Projected
Water Treatment Plant - water plant & well operations: cost per million gallons	\$ 677	\$ 854	\$ 838	\$ 820	\$ 910
Wastewater Treatment Plant - plant operations: cost per million gallons	\$ 1,299	\$ 1,564	\$ 1,534	\$ 1,518	\$ 1,597
Water distribution - M & O maintenance: cost per work order completed	\$ 644	\$ 921	\$ 903	\$ 905	\$ 951
Wastewater collection - pipeline maintenance: cost per item of infrastructure	\$ 940.17	\$ 1,291.91	\$ 1,266.83	\$ 1,279.96	\$ 1,346.05

Program / Service Quality	2014 Actual	2015 Actual	2016 Estimated	2017 Projected	2018 Projected
Water Treatment Plant -water plant & well operations: % gallons of non-compliant water per total gallons produced	0%	0%	0%	0%	0%
Wastewater Treatment Plant-plant operations: % of effluent testing within operating parameters per number of tests run annually	100%	100%	100%	100%	100%
Water distribution - pipeline maintenance/repair: % of customer calls for no water per total # of services	0.0002%	0.0002%	0.0003%	0.0003%	0.0003%
Wastewater collection - pipeline maintenance: % of system cleaned and maintained	23%	23%	23%	24%	24%



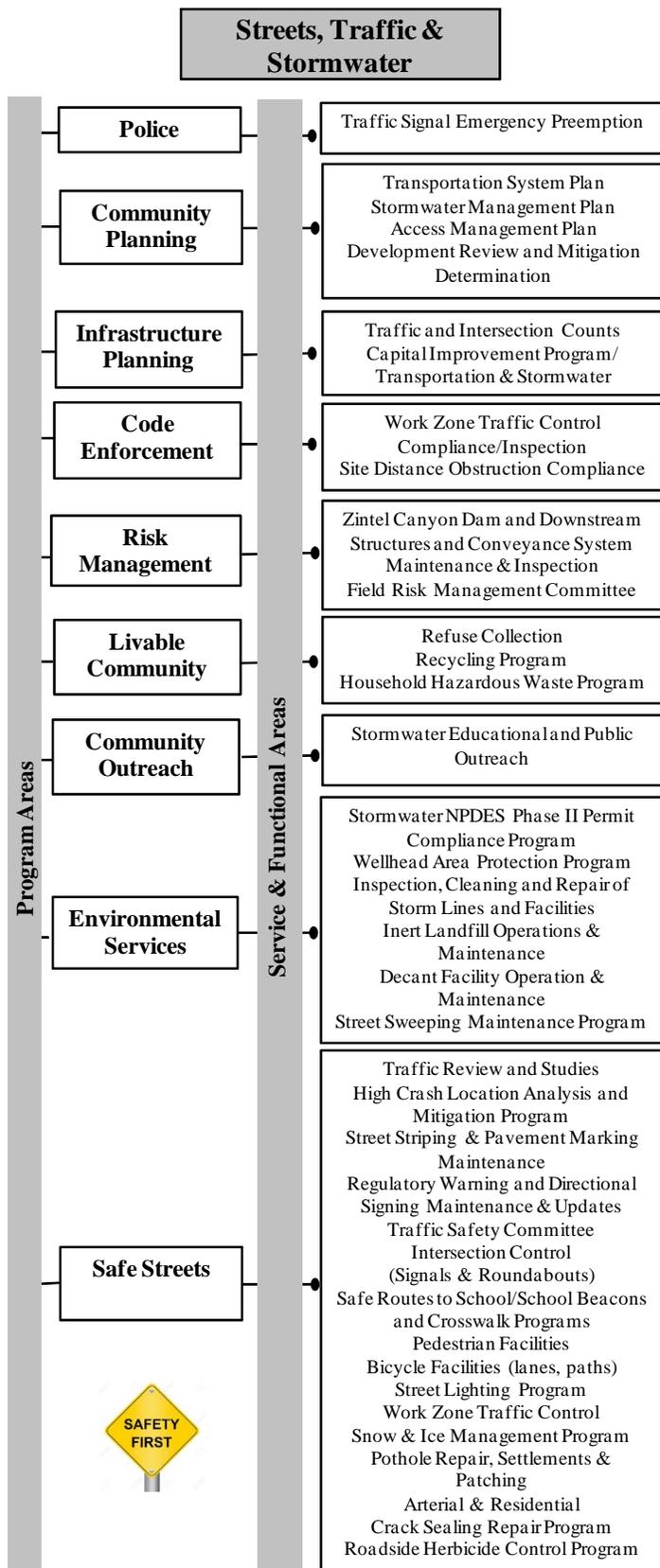
UTILITY SERVICES

Public Works Department

REVENUES	2013/14	2015/16	2015/16	2017/18
	Actual	Adopted	Adjusted	Adopted
Water Services	\$ 17,827,331	\$ 18,327,028	\$ 18,323,164	\$ 19,893,653
Sewer Services	14,595,350	15,671,384	15,671,384	17,525,677
Other Utility Fees and Charges	2,422,445	2,606,615	2,606,617	2,284,025
Charges for Services	34,845,126	36,605,027	36,601,165	39,703,355
Miscellaneous Revenue	186,095	133,140	133,140	164,325
Grants	1,388,663	-	30,000	-
Contributed Capital	18,480	750,000	777,173	300,000
Proceeds of General L-T Debt	4,644,290	-	7,671,025	4,000,000
Other Financing Sources	6,051,433	750,000	8,478,198	4,300,000
Total Revenues	\$ 41,082,654	\$ 37,488,167	\$ 45,212,503	\$ 44,167,680
Water and Sewer Fund	2,120,763	(3,380,638)	5,179,990	(3,258,692)
Decrease (Increase) to Fund Balance	2,120,763	(3,380,638)	5,179,990	(3,258,692)
Current Funding Sources	\$ 43,203,417	\$ 34,107,529	\$ 50,392,493	\$ 40,908,988
EXPENDITURES	2013/14	2015/16	2015/16	2017/18
	Actual	Adopted	Adjusted	Adopted
Salaries	\$ 5,059,323	\$ 5,628,430	\$ 5,737,237	\$ 5,954,937
Overtime	82,757	79,500	79,500	106,700
Part-Time Wages	57,025	82,000	82,000	73,800
Benefits	2,255,999	2,702,807	2,781,230	2,855,505
Salaries & Benefits	7,455,104	8,492,737	8,679,967	8,990,942
Supplies	525,475	564,140	618,585	577,440
Contractual Services	3,242,351	3,606,780	3,735,482	3,008,256
Travel & Training	51,308	49,600	50,600	52,500
Utility Charges	2,382,425	2,688,225	2,688,225	2,488,000
Repair & Maintenance	1,925,285	1,931,950	1,979,200	2,004,767
Work Performed by Other Depts	277,568	300,000	300,000	275,000
Fleet Maintenance Charges	804,261	744,864	842,832	916,584
State Excise Tax	1,228,189	1,215,714	1,215,714	1,325,900
Utility Tax	2,917,674	3,118,276	3,118,276	3,430,000
Right of Way Permits & Fees	34,098	45,000	1,045,000	50,000
Other Services & Charges	477,835	529,000	529,820	579,251
Supplies & Services	13,866,469	14,793,549	16,123,734	14,707,698
Capital Improvement Fund	126,577	121,052	225,058	69,548
General Fund	16,700	-	-	-
Equipment Rental Fund	6,763	24,000	554,000	111,950
Interfund Transfers	150,040	145,052	779,058	181,498
Debt Service	6,113,369	6,528,791	6,528,791	6,400,050
Machinery & Equipment	78,010	15,700	167,700	965,800
Projects	15,540,425	4,131,700	18,113,243	9,663,000
Capital Outlay	15,618,435	4,147,400	18,280,943	10,628,800
Total Expenditures	\$ 43,203,417	\$ 34,107,529	\$ 50,392,493	\$ 40,908,988
Expenditures by Fund				
Water and Sewer Fund	\$ 43,203,417	\$ 34,107,529	\$ 50,392,493	\$ 40,908,988
Total Expenditures by Fund	\$ 43,203,417	\$ 34,107,529	\$ 50,392,493	\$ 40,908,988

**DETAIL
BUDGET**





Highlights / Changes

The Traffic, Streets and Storm Division seeks to meet Council priorities by enhancing community safety by constructing and maintaining our transportation infrastructure and monitoring the stormwater system for illicit discharges which could have negative impacts on water supplies. By participating heavily in community planning efforts we are working to ensure that our quality of life in Kennewick is maintained into the future.

2017/18 Goals and Objectives

Council Priority: Infrastructure & Growth – Infrastructure Planning

- Update signal communications to provide better coverage and reliability for traffic engineering, and for KPD and citizen requests for video.
- Continue to work with the Port of Kennewick to provide a quality transportation network for key partnership projects.

Council Priority: Infrastructure & Growth – Safe Streets

- Update Transportation System Plan to include a review and update of TIF Program (including evaluation of zones) and develop a complete Streets Policy.
- Construct high priority “Safe Clearwater” projects on Clearwater Ave. at Union St., at SR 395, and near Columbia Center Blvd.
- Identifying trailer containing all emergency response equipment to aid with safer and more efficient operations for emergency management, snow and ice control, traffic striping, and crack sealing.

Council Priority: Infrastructure & Growth – Environmental Services

- Develop a proactive education and enforcement program for illicit discharge and stormwater development.
- Leverage grant funding for stormwater management infrastructure to more efficiently maintain the growing western and southern ends of the City.

Division Purpose / Description

The purpose of the Streets and Traffic programs are to provide the citizens and businesses of Kennewick a safe and efficient transportation network to use while conducting daily business. Providing a well planned and well maintained transportation system is an important and necessary part of meeting all five of the City Council’s Priority Areas. The Stormwater program is built around the goals of addressing drainage problems in the city and providing compliance with the National Pollution Discharge Elimination System (NPDES) Phase 2 permit. The program provides management of many facilities including the Zintel Dam, Duffy’s Pond, and others. The program also entails street sweeping to limit point source entry of pollutants into the stormwater system as well as a catch basin cleanout program.

Division Broad Goals

- Maintain all City traffic control devices including signals, roundabouts, school beacons, signing, and markings.
- Respond promptly to signs knocked down and spills in the roadway.
- Respond to citizen concerns, complaints and requests regarding traffic, streets and stormwater.

Division Staffing				
	2015	2016	2017	2018
	Actual	Actual	Adopted	Adopted
PUBLIC WORKS DIRECTOR	0.25	0.25	0.25	0.25
DEPUTY PUBLIC WORKS DIRECTOR	0.30	0.30	0.30	0.30
ADMINISTRATIVE ASSISTANT	0.50	0.50	0.50	0.50
TRAFFIC ENGINEER	1.00	1.00	1.00	1.00
ASSISTANT TRAFFIC ENGINEER	0.00	0.00	1.00	1.00
ASSISTANT CITY ENGINEER	1.00	1.00	1.00	1.00
CREWLEADER	1.00	1.00	1.00	1.00
EQUIPMENT OPERATOR	6.00	6.00	6.00	6.00
M & C CRAFTSWORKER	3.00	3.00	3.00	3.00
ENGINEERING TECHNICIAN II	1.00	1.00	1.00	1.00
SR. TRAFFIC ELECTRICIAN	0.75	0.75	0.75	0.75
TRAFFIC ELECTRICIAN	0.75	0.75	0.75	0.75
TOTAL FULL-TIME STAFF:	15.55	15.55	16.55	16.55
SEASONAL STAFFING	1.34	1.34	1.34	1.34
TOTAL PART-TIME STAFF:	1.34	1.34	1.34	1.34
TOTAL DIVISION FTE'S:	16.89	16.89	17.89	17.89

Prior Biennium Accomplishments

Council Priority: Infrastructure & Growth – Infrastructure Planning

- Created and implemented a Transportation Impact Fee (TIF) for the city that will help provide funding to meet development needs within the City.
- Worked with the Port of Kennewick to develop a transportation investment and improvement plan to serve the specific growth needs of building out the Vista Field area.
- Provided design and construction support for continuation of Steptoe & Bob Olson Parkway.

Council Priority: Infrastructure & Growth – Safe Streets

- Assisted engineering in the design and construction of the Edison St. Widening Project. The project included two significant signal improvements, two new RRFB crosswalks and bicycle lanes between Clearwater Ave. and Canal Dr.
- Installed updated traffic signal timing plans at all of the 64 traffic signals maintained by the City. Also developed plan to update the communications to all signals.
- Maintained striping and marking program on city streets.

Council Priority: Infrastructure & Growth – Environmental Services

- Council adopted the Eastern Washington Storm Water Manual to help guide the development and maintenance of the City’s system.
- Conducted the street sweeping program for point source control of pollutants.
- Conducted drywell and catch basin cleanout programs.

City Council’s Broad Goal(s)

- Infrastructure & Growth
- Community Safety
- Quality of Life
- Responsible Government

Performance Measures

Program / Service Outputs	2014	2015	2016	2017	2018
	Actual	Actual	Estimated	Projected	Projected
Total number of traffic signals maintained 	64	64	64	64	64
Total number of roundabouts	19	22	22	22	25
Total number of traffic control signs upgraded to meet minimum reflectivity requirements (800/year needed for FHWA requirements)	907	1,216	1,200	1,200	1,200
Total number of sign knockdowns replaced	40	40	40	40	40
Total lane miles restriped	300	310	326	330	340
Total number of pavement markings renewed	130	140	140	150	150
Time spent on design and review of traffic control plans (signals, signs, and pavement markings)	120	200	200	120	180
Time spent by Traffic Engineer reviewing signal timing & detection	140	200	400	300	200
Hours spent responding to citizen traffic concerns	160	140	160	170	180
Hours spent for review and comment on SPA's and civil plan review	450	510	600	600	600
Streets maintenance & operation - total # work orders completed	467	594	603	612	621
Storm maintenance & operation - total # work orders completed	1,892	3,845	3,931	3,990	4,050

Program / Service Efficiency Measures	2014	2015	2016	2017	2018
	Actual	Actual	Estimated	Projected	Projected
Streets - cost per work order	\$ 4,128	\$ 3,103	\$ 3,149	\$ 3,195	\$ 3,242
Storm - cost per work order	\$ 1,112	\$ 387	\$ 393	\$ 399	\$ 405
Cost per traffic signal maintained	\$ 6,200	\$ 6,300	\$ 7,500	\$ 7,000	\$ 6,000
Cost per upgraded traffic control sign	\$ 185	\$ 190	\$ 195	\$ 200	\$ 205
Cost per sign installation	\$ 240	\$ 245	\$ 250	\$ 260	\$ 270
Cost per lane line mile restriped	\$ 700	\$ 725	\$ 750	\$ 775	\$ 800
Cost per worn marking renewed each year	\$ 250	\$ 260	\$ 275	\$ 290	\$ 310
Cost per traffic control plan design (signals, signs, and pavement markings)	\$ 1,600	\$ 1,650	\$ 1,700	\$ 1,750	\$ 1,800
Cost per response to requests, complaints or concerns	\$ 160	\$ 165	\$ 170	\$ 175	\$ 180
Cost per SPA reviewed	\$ 325	\$ 325	\$ 400	\$ 350	\$ 350

Program / Service Quality	2014	2015	2016	2017	2018
	Actual	Actual	Estimated	Projected	Projected
Streets - percent system maintained	36%	46%	45.65%	45.64%	45.63%
Storm - percent system maintained	13%	29%	29%	29%	29%
Street sweeping - percent system maintained	100%	100%	98%	98%	98%
Percentage of traffic signals provided routine maintenance each year (goal 100%)	40%	40%	50%	75%	100%
Percentage of city traffic control signs brought into compliance each year (15 year replacement cycle) - (goal 6.7%)	7.0%	9.4%	10.0%	7.0%	7.0%
Percentage of knockdowns replaced within 5 days	90%	90%	90%	90%	90%
Percentage of paint stripes that are restriped each year (goal 100%)	100%	100%	100%	100%	100%
Percentage of all worn plastic pavement markings are renewed each year (goal 33%)	20%	20%	25%	30%	35%
Percentage of traffic control designs completed on time to match City Engineer's schedule (goal 100%)	75%	80%	75%	85%	100%
Percentage of all citizen concerns, complaints of requests responded to within 14 days of receipt (goal 100%)	85%	80%	80%	90%	100%
Percentage of SPA's reviewed and commented on within 10-days of receipt (goal 100%)	75%	80%	80%	85%	95%

**STREETS, TRAFFIC &
STORMWATER**

Public Works Department

REVENUES	2013/14	2015/16	2015/16	2017/18
	Actual	Adopted	Adjusted	Adopted
Property	\$ 512,919	\$ 676,193	\$ 581,045	\$ 481,957
Other Taxes	1,503	-	-	-
Taxes	514,422	676,193	581,045	481,957
Motor Vehicle Fuel Tax	3,114,244	3,212,200	3,362,200	3,665,000
Intergovernmental Revenue	3,114,244	3,212,200	3,362,200	3,665,000
Stormwater Utility Charges	2,245,334	2,333,000	2,333,000	2,875,000
Solid Waste Recycling Fees	124,756	120,000	120,000	126,000
Other Intergovernmental Revenue	32,336	19,000	19,000	47,100
Charges for Services	2,402,426	2,472,000	2,472,000	3,048,100
Miscellaneous Revenue	24,472	4,600	4,600	4,300
Capital Improvement Fund	-	-	155,000	-
Interfund Transfers	-	-	155,000	-
Grants	251,528	-	1,811,191	-
Proceeds of General L-T Debt	330,768	-	322,456	-
Other Financing Sources	582,296	-	2,133,647	-
Total Revenues	\$ 6,637,860	\$ 6,364,993	\$ 8,708,492	\$ 7,199,357
Stormwater Utility Fund	(323,000)	157,734	692,029	38,628
Decrease (Increase) to Fund Balance	(323,000)	157,734	692,029	38,628
Current Funding Sources	\$ 6,314,860	\$ 6,522,727	\$ 9,400,521	\$ 7,237,985
EXPENDITURES	2013/14	2015/16	2015/16	2017/18
	Actual	Adopted	Adjusted	Adopted
Salaries	\$ 2,148,821	\$ 2,295,917	\$ 2,295,918	\$ 2,611,385
Overtime	65,646	34,450	34,450	38,500
Part-Time Wages	117,282	157,130	157,130	156,070
Benefits	948,252	1,064,289	1,064,289	1,238,505
Salaries & Benefits	3,280,001	3,551,786	3,551,787	4,044,460
Supplies	623,526	743,131	834,405	783,617
Contractual Services	350,561	298,051	333,051	327,338
Travel & Training	22,931	27,200	27,200	27,350
Utility Charges	512,348	564,000	535,200	497,200
Repair & Maintenance	50,495	77,650	538,850	89,600
Stormwater Permits	46,749	48,868	48,868	52,550
Stormwater Capacity Permit Compliance	231,150	-	37,108	-
State Excise Tax	35,282	36,000	36,000	37,700
Utility Tax	22,453	24,000	24,000	25,100
Fleet Maintenance Charges	610,272	617,424	656,277	706,728
Other Services & Charges	34,697	142,002	135,800	175,490
Supplies & Services	2,540,464	2,578,326	3,206,759	2,722,673
Capital Improvement Fund	42,225	38,140	50,874	18,940
General Fund	1,000	-	-	-
Equipment Rental Fund	42,128	-	25,000	-
Interfund Transfers	85,353	38,140	75,874	18,940
Debt Service	7,085	354,475	284,925	382,791
Capital	401,957	-	2,281,176	69,120
Total Expenditures	\$ 6,314,860	\$ 6,522,727	\$ 9,400,521	\$ 7,237,984
Expenditures by Fund				
Street Fund	\$ 3,789,983	\$ 4,027,993	\$ 4,082,845	\$ 4,321,857
Stormwater Fund	2,524,877	2,494,734	5,317,676	2,916,128
Total Expenditures by Fund	\$ 6,314,860	\$ 6,522,727	\$ 9,400,521	\$ 7,237,985

**DETAIL
BUDGET**



“The price of greatness is responsibility.”

~ Winston Churchill ~

Governmental accounting systems are established on a fund basis in 3 major categories. Those are Governmental funds, Proprietary funds, and Fiduciary funds. Governmental funds are further subdivided into 4 fund types: 1) General Fund, 2) Special Revenue funds, 3) Capital Project funds, and 4) Debt Service funds. Only one general fund may be created but more than one of each of the other types of governmental funds may be created based on the specific needs of the agency. This document includes 2017/18 biennial budgets for 14 individual governmental funds and historical information for one governmental fund that has been closed.

The modified accrual method is used when the measurement focus of the fund is the flow of current financial resources. The modified accrual method includes some aspects of accrual accounting and some aspects of cash-basis accounting. Under this method, revenues are recorded in the accounting period in which the funds are measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, revenues are considered to be available if they are collected before the last claims run for the prior year, which is on the second Friday of January. Expenditures are recognized in the period in which the liabilities are both measurable and incurred, as under accrual accounting. Since governmental funds focus on the near-term aspect of the city's financial resources that are available for spending, these funds utilize the modified accrual method.

GENERAL FUND

The general fund accounts for all financial resources except those required to be accounted for in another fund. It includes transactions for the general governmental services provided by the agency.

SPECIAL REVENUE FUNDS

Special revenue funds account for the proceeds of revenue sources that are legally restricted for specified purposes.

CAPITAL PROJECT FUNDS

Capital project funds account for the financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds and trust funds.

DEBT SERVICE FUNDS

Debt service funds account for the accumulation of resources for, and the payment of, general long-term debt principal and interest. Revenues for this purpose include ad valorem property taxes on voted bond issues and assessments on local improvement districts.

GENERAL FUND

Fund Detail

REVENUES		2013/14		2015/16		2015/16		2017/18
		Actual		Adopted		Adjusted		Adopted
Beginning Fund Balance	\$	3,320,047	\$	2,350,000	\$	2,423,685	\$	2,500,000
Property		21,660,071		22,543,314		22,638,462		24,096,267
Sales & Use		17,670,104		18,751,900		19,501,900		21,553,000
Optional Sales		6,093,000		6,953,000		6,953,000		7,993,000
Utility		17,458,135		18,579,275		18,749,875		17,875,000
Gambling		1,473,245		1,527,000		1,527,000		1,465,000
Other Taxes		853,277		909,000		909,000		867,000
Taxes		65,207,832		69,263,489		70,279,237		73,849,267
Licenses & Permits		1,188,661		1,229,500		1,294,171		1,663,000
State Shared Revenues		1,376,556		1,326,000		1,326,000		1,389,000
State Entitlements		1,957,770		2,110,600		2,110,600		2,528,600
Other Intergovernmental Revenue		311,155		89,000		113,492		405,576
Intergovernmental Revenue		3,645,481		3,525,600		3,550,092		4,323,176
Engineering Services		2,659,567		2,860,000		2,860,000		1,760,000
General Government Services		3,892,648		4,406,077		4,406,077		4,647,308
Other Charges for Services		3,010,422		2,293,950		2,733,350		2,452,700
Charges for Services		9,562,637		9,560,027		9,999,427		8,860,008
Fines & Penalties		2,529,217		2,781,800		2,781,800		2,472,800
Miscellaneous Revenue		1,013,495		900,100		1,110,050		922,900
Asset Forfeiture Fund		17,000		-		-		-
Public Safety Fund		4,941,330		5,232,083		5,303,166		4,740,000
Stormwater Utility Fund		1,000		-		-		-
Water/Sewer Fund		16,700		-		-		-
Interfund Transfers		4,976,030		5,232,083		5,303,166		4,740,000
Total Revenue Sources	\$	91,443,400	\$	94,842,599	\$	96,741,628	\$	99,331,151

GENERAL FUND

Fund Detail

EXPENDITURES					
	2013/14	2015/16	2015/16	2017/18	
	Actual	Adopted	Adjusted	Adopted	
Salaries	\$ 44,624,272	\$ 46,512,740	\$ 46,771,687	\$ 49,759,251	
Overtime	1,890,155	889,625	1,506,565	1,433,196	
Part-Time Wages	1,535,081	1,490,681	1,515,278	1,440,996	
Benefits	16,922,112	18,457,561	18,518,717	19,021,175	
Salaries & Benefits	64,971,620	67,350,607	68,312,247	71,654,618	
Supplies	1,976,788	1,939,979	2,036,683	2,410,464	
Contractual Services	1,519,664	1,428,101	1,742,355	1,432,322	
Travel & Training	417,160	478,466	530,741	556,825	
Taxes & Assessments	79,719	82,000	138,000	142,325	
Rentals & Leases	1,532,102	1,581,974	1,507,908	1,408,114	
Utility Charges	864,015	927,600	927,600	968,500	
Repair & Maintenance	821,544	977,749	1,040,122	1,171,751	
Fire Hydrant Services	118,000	-	-	-	
Other Services & Charges	1,447,138	1,536,331	1,584,330	1,577,066	
Supplies & Services	8,776,130	8,952,200	9,507,739	9,667,367	
District Court	2,578,729	2,357,000	2,357,000	2,317,300	
Jail Services	5,320,574	5,850,000	5,850,000	5,700,000	
SECOMM	2,112,085	1,632,000	1,632,000	1,793,000	
Other Intergovernmental Charges	1,305,523	1,712,600	1,728,467	1,801,850	
Allowance for Underexpenditure	-	(1,275,000)	(1,758,650)	(1,500,000)	
Intergovernmental Services	11,316,911	10,276,600	9,808,817	10,112,150	
Cash Reserve Fund	61,000	-	80,000	-	
Capital Improvement Fund	1,679,828	2,000,000	2,566,257	2,000,000	
Coliseum Fund	400,000	400,000	400,000	400,000	
Medical Services Fund	-	1,825,000	1,825,000	1,450,000	
Stormwater Fund	-	-	155,000	-	
Columbia Park Golf Course Fund	170,000	85,000	100,000	92,500	
Equipment Rental Fund	-	-	31,000	-	
Risk Management Fund	1,525,000	1,100,000	1,200,000	1,375,000	
Interfund Transfers	3,835,828	5,410,000	6,357,257	5,317,500	
Capital Outlay	119,226	-	246,951	-	
Ending Fund Balance	2,423,685	2,853,192	2,508,617	2,579,516	
Total Expenditures	\$ 91,443,400	\$ 94,842,599	\$ 96,741,628	\$ 99,331,151	

PERSONNEL SUMMARY						
Division	Number of FTEs					
	2013	2014	2015	2016	2017	2018
City Manager	2.00	2.00	2.00	2.00	2.00	2.00
Finance	14.50	14.50	11.25	14.15	13.50	13.50
Management Services	18.70	20.70	19.05	19.05	20.05	20.05
City Attorney	5.00	5.00	5.00	5.00	5.50	5.50
Community Planning	8.69	8.69	7.69	4.79	4.74	4.74
Police	107.00	107.00	104.00	104.00	104.00	104.00
Fire	56.00	56.10	49.14	52.14	52.14	52.14
Engineering	12.20	12.20	13.20	13.20	14.20	14.20
Employee & Community Relations	31.85	31.85	34.35	35.35	37.35	37.35
Total General Fund	255.94	258.04	245.68	249.68	253.48	253.48

"Reputation is for a time; character is for eternity. "
- J.B. Gough -

SPECIAL REVENUE FUNDS

The **Street Fund** is responsible for the maintenance of all City streets, bridges, city-owned street lights, and traffic control devices. Major sources of revenue include state shared revenue and a set percentage of property tax receipts.

The **Arterial Street Fund** accounts for the continued development of the arterial street system within the City. Revenue sources include federal and state grants.

The **Cash Reserve Fund** was created to provide a source for City Council priorities, revenue stabilization, expenditure contingencies, emergencies, capital projects or general operations.

The **Bi-PIN Operations Fund** was established as a result of a service agreement with the Bi-County Police Information Network Agency. The agency pays the City to provide computer processing, financial, management and administrative services.

The **Community Development Fund** accounts for the proceeds of specific revenue sources, other than those for major capital projects, which are restricted legally to expenditures for specified purposes of community development.

The **MPD Assistant Operations Fund** accounts for the administrative clerical support provided to the Medical Program Director (MPD) for Benton and Franklin Counties in accordance with an interlocal cooperation agreement. This fund was closed in 2015.

The **Asset Forfeiture Fund** was established to record the value of cash and property seized during police investigations.

The **Public Safety Fund** was created to account for the proceeds of the voted 2 1/2% utility tax increase on electricity, telephone service, natural gas and steam. The tax proceeds and earned interest will be used to fund Police and Fire operations and capital costs.

The **Lodging Tax Fund** accounts for revenues from a 4% hotel/motel tax collected by the state for lodging within the City's boundaries. State law requires the funds be used for the acquisition, construction and operation of tourism facilities or for tourism promotion.

The **Criminal Justice Sales Tax Fund** accounts for revenues from a voted 0.3% sales tax increase devoted to law enforcement activities. The increased sales tax rate became effective January 1, 2015.

STREET FUND

Fund Detail

REVENUES				
	2013/14 Actual	2015/16 Adopted	2015/16 Adjusted	2017/18 Adopted
Beginning Fund Balance	\$ -	\$ -	\$ -	\$ -
Property	512,919	676,193	581,045	481,957
Road	1,503	-	-	-
Taxes	514,422	676,193	581,045	481,957
Licenses & Permits	-	120,000	120,000	126,000
Motor Vehicle Fuel Tax	3,114,244	3,212,200	3,362,200	3,665,000
Intergovernmental Revenue	3,114,244	3,212,200	3,362,200	3,665,000
Charges for Services	157,092	19,000	19,000	47,100
Miscellaneous Revenue	4,226	600	600	1,800
Total Revenue Sources	\$ 3,789,984	\$ 4,027,993	\$ 4,082,845	\$ 4,321,857
EXPENDITURES				
	2013/14 Actual	2015/16 Adopted	2015/16 Adjusted	2017/18 Adopted
Salaries	1,460,881	1,508,683	1,508,683	1,737,413
Overtime	55,591	24,450	24,450	23,500
Part-Time Wages	108,736	156,630	156,630	149,070
Benefits	642,692	696,469	696,469	813,212
Salaries & Benefits	2,267,900	2,386,232	2,386,232	2,723,195
Supplies	589,914	701,801	791,817	743,757
Contractual Services	3,765	4,750	4,750	38,250
Travel & Training	15,528	18,000	18,000	19,850
Rentals & Leases	288,016	252,060	216,896	176,120
Utility Charges	507,223	564,000	529,000	491,000
Repair & Maintenance	11,948	28,750	38,750	30,600
Other Services & Charges	90,712	72,400	72,400	79,965
Supplies & Services	1,507,106	1,641,761	1,671,613	1,579,542
Equipment Rental Fund	9,855	-	-	-
Interfund Transfers	9,855	-	-	-
Capital Outlay	5,123	-	25,000	19,120
Ending Fund Balance	-	-	-	-
Total Expenditures	\$ 3,789,984	\$ 4,027,993	\$ 4,082,845	\$ 4,321,857

	PERSONNEL SUMMARY					
	Number of FTEs					
	2013	2014	2015	2016	2017	2018
Public Works Director	0.20	0.20	0.20	0.20	0.20	0.20
Deputy Public Works Director	0.30	0.30	0.30	0.30	0.30	0.30
Traffic Engineer	0.90	0.90	1.00	1.00	1.00	1.00
Maintenance & Operations Manager	-	-	0.05	0.05	0.05	0.05
Utility Services Superintendent	-	-	0.05	0.05	0.05	0.05
Assistant Traffic Engineer	-	-	-	-	1.00	1.00
Utility Engineer	0.40	0.40	0.10	0.10	0.10	0.10
Engineering Technician II	0.75	0.75	1.00	1.00	1.00	1.00
Administrative Assistant	0.40	0.40	0.40	0.40	0.40	0.40
Senior Traffic Electrician	0.75	0.75	0.75	0.75	0.75	0.75
Crewleader	0.50	0.50	0.50	0.50	0.50	0.50
Traffic Electrician	0.75	0.75	0.75	0.75	0.75	0.75
Equipment Operator	1.50	1.50	1.50	1.50	1.50	1.50
Maintenance & Construction Craftsworker	3.00	3.00	3.00	3.00	3.00	3.00
Total Street Fund	9.45	9.45	9.60	9.60	10.60	10.60

ARTERIAL STREET FUND

Fund Detail

REVENUES					
	2013/14	2015/16	2015/16	2017/18	
	Actual	Adopted	Adjusted	Adopted	
Beginning Fund Balance	\$ 133,972	\$ -	\$ 8,596	\$ -	
Federal and State Grants	926,516	-	-	-	
Intergovernmental Revenue	926,516	-	-	-	
Miscellaneous Revenue	(125)	-	-	-	
Capital Improvement Fund	628,376	1,600,000	1,000,000	3,392,000	
Interfund Transfers	628,376	1,600,000	1,000,000	3,392,000	
Total Revenue Sources	\$ 1,688,739	\$ 1,600,000	\$ 1,008,596	\$ 3,392,000	
EXPENDITURES					
	2013/14	2015/16	2015/16	2017/18	
	Actual	Adopted	Adjusted	Adopted	
Projects	\$ 1,680,143	\$ 1,600,000	\$ 1,008,596	\$ 3,392,000	
Capital Outlay	1,680,143	1,600,000	1,008,596	3,392,000	
Ending Fund Balance	8,596	-	-	-	
Total Expenditures	\$ 1,688,739	\$ 1,600,000	\$ 1,008,596	\$ 3,392,000	

CASH RESERVE FUND

Fund Detail

REVENUES				
	2013/14 Actual	2015/16 Adopted	2015/16 Adjusted	2017/18 Adopted
Beginning Fund Balance	\$ 2,654,500	\$ 2,675,500	\$ 2,715,500	\$ 2,715,500
General Fund	61,000	-	80,000	-
Interfund Transfers	61,000	-	80,000	-
Total Revenue Sources	\$ 2,715,500	\$ 2,675,500	\$ 2,795,500	\$ 2,715,500
EXPENDITURES				
	2013/14 Actual	2015/16 Adopted	2015/16 Adjusted	2017/18 Adopted
Ending Fund Balance	\$ 2,715,500	\$ 2,675,500	\$ 2,795,500	\$ 2,715,500
Total Expenditures	\$ 2,715,500	\$ 2,675,500	\$ 2,795,500	\$ 2,715,500

BI-PIN OPERATIONS FUND

Fund Detail

REVENUES					
	2013/14		2015/16		2017/18
	Actual	Adopted	Adjusted	Adopted	
Beginning Fund Balance	\$ -	\$ -	\$ -	\$ -	-
Computer Operations	596,138	679,138	679,138		709,954
Charges for Services	596,138	679,138	679,138		709,954
Total Revenue Sources	\$ 596,138	\$ 679,138	\$ 679,138	\$ 679,138	\$ 709,954
EXPENDITURES					
	2013/14		2015/16		2017/18
	Actual	Adopted	Adjusted	Adopted	
Salaries	\$ 247,538	\$ 272,514	\$ 272,514		\$ 291,840
Benefits	97,171	110,880	110,880		107,549
Salaries & Benefits	344,709	383,394	383,394		399,389
Supplies	561	3,610	3,610		3,760
Contractual Services	300	1,350	1,350		1,350
Travel & Training	10,623	12,000	12,000		14,000
Rentals/Leases	12,000	12,000	12,000		6,000
Repair & Maintenance	224,374	263,134	263,134		272,740
Other Services & Charges	3,571	3,650	3,650		12,715
Supplies & Services	251,429	295,744	295,744		310,565
Ending Fund Balance	-	-	-		-
Total Expenditures	\$ 596,138	\$ 679,138	\$ 679,138	\$ 679,138	\$ 709,954

PERSONNEL SUMMARY						
	Number of FTEs					
	2013	2014	2015	2016	2017	2018
Programmer/Analyst II	1.00	1.00	1.00	1.00	1.00	1.00
Help Desk Technician II	0.50	0.50	0.50	0.50	0.50	0.50
Total Bi-Pin Operations Fund	1.50	1.50	1.50	1.50	1.50	1.50

COMMUNITY DEVELOPMENT FUND

Fund Detail

REVENUES				
	2013/14	2015/16	2015/16	2017/18
	Actual	Adopted	Adjusted	Adopted
Beginning Fund Balance	\$ 60,764	\$ 65,000	\$ 335,037	\$ 66,000
CDBG Grant	1,220,915	1,000,000	1,517,365	1,000,000
HOME Grant	416,155	240,000	488,602	230,000
Program Income	392,370	-	73,401	-
Intergovernmental Revenue	2,029,440	1,240,000	2,079,368	1,230,000
Miscellaneous Revenue	709	800	800	1,000
Total Revenue Sources	\$ 2,090,913	\$ 1,305,800	\$ 2,415,205	\$ 1,297,000
EXPENDITURES				
	2013/14	2015/16	2015/16	2017/18
	Actual	Adopted	Adjusted	Adopted
Salaries	\$ 169,491	\$ 181,871	\$ 181,871	\$ 188,688
Benefits	59,965	68,709	68,709	70,730
Salaries & Benefits	229,456	250,580	250,580	259,418
Supplies	1,028	1,070	1,070	700
Contractual Services	59,494	59,500	59,500	31,600
Travel & Training	5,514	6,000	6,000	6,000
Subrecipient Programs	831,723	308,250	880,664	432,237
Other Services & Charges	614	600	600	500
Supplies & Services	898,373	375,420	947,834	471,037
Capital Improvement Fund - Projects	624,848	614,000	880,954	499,000
Interfund Transfers	624,848	614,000	880,954	499,000
Capital Outlay	3,199	-	-	-
Ending Fund Balance	335,037	65,800	335,837	67,545
Total Expenditures	\$ 2,090,913	\$ 1,305,800	\$ 2,415,205	\$ 1,297,000

PERSONNEL SUMMARY						
	Number of FTEs					
	2013	2014	2015	2016	2017	2018
Community Block Grant Coordinator	1.00	1.00	1.00	1.00	1.00	1.00
Total Community Development Fund	1.00	1.00	1.00	1.00	1.00	1.00

MPD ASSISTANT OPERATIONS FUND

Fund Detail

REVENUES					
	2013/14 Actual	2015/16 Adopted	2015/16 Adjusted	2017/18 Adopted	
Beginning Fund Balance	\$ 12,817	\$ 11,423	\$ 9,798	\$ -	-
Contractual Services	49,103	-	-	-	-
Certification Fees	-	50,800	50,800	-	-
Charges for Services	49,103	50,800	50,800		-
Interest	-	200	200	-	-
Miscellaneous Revenue	-	200	200		-
Total Revenue Sources	\$ 61,920	\$ 62,423	\$ 60,798	\$ -	
EXPENDITURES					
	2013/14 Actual	2015/16 Adopted	2015/16 Adjusted	2017/18 Adopted	
Salaries	\$ 35,624	\$ 38,393	\$ 38,393	\$ -	-
Benefits	7,335	8,804	8,804	-	-
Salaries & Benefits	42,959	47,197	47,197		-
Supplies	378	1,000	1,000	-	-
Contractual Services	4,112	4,100	4,100	-	-
Travel & Training	23	900	900	-	-
Rentals/Leases	3,600	3,600	3,600	-	-
Other Services & Charges	1,050	2,930	2,930	-	-
Supplies & Services	9,163	12,530	12,530		-
Ending Fund Balance	9,798	2,696	1,071		-
Total Expenditures	\$ 61,920	\$ 62,423	\$ 60,798	\$ -	

PERSONNEL SUMMARY						
	Number of FTEs					
	2013	2014	2015	2016	2017	2018
Office Specialist	0.50	0.50	0.00	0.00	0.00	0.00
Total EMS Operations Fund	0.50	0.50	0.00	0.00	0.00	0.00

ASSET FORFEITURE FUND

Fund Detail

REVENUES				
	2013/14	2015/16	2015/16	2017/18
	Actual	Adopted	Adjusted	Adopted
Beginning Fund Balance	\$ 118,889	\$ 99,700	\$ 109,738	\$ 38,300
Forfeited Property	113,003	50,000	68,145	10,000
Interest Earnings	1,350	1,000	1,000	1,000
Miscellaneous Revenue	114,353	51,000	69,145	11,000
Total Revenue Sources	\$ 233,242	\$ 150,700	\$ 178,883	\$ 49,300
EXPENDITURES				
	2013/14	2015/16	2015/16	2017/18
	Actual	Adopted	Adjusted	Adopted
Supplies	\$ 26,227	\$ -	\$ 7,429	\$ -
Other Services & Charges	23,260	34,175	75,320	20,600
Supplies & Services	49,487	34,175	82,749	20,600
Intergovernmental Services	3,017	5,000	5,000	1,000
General Fund	17,000	-	-	-
Equipment Rental	54,000	36,000	65,000	-
Interfund Transfers	71,000	36,000	65,000	-
Ending Fund Balance	109,738	75,525	26,134	27,700
Total Expenditures	\$ 233,242	\$ 150,700	\$ 178,883	\$ 49,300

PUBLIC SAFETY FUND

Fund Detail

REVENUES				
	2013/14	2015/16	2015/16	2017/18
	Actual	Adopted	Adjusted	Adopted
Beginning Fund Balance	\$ -	\$ -	\$ -	\$ -
Brokered Natural Gas Sales & Use Tax	-	-	-	18,333
Natural Gas Utility Tax	462,668	472,917	472,917	336,667
Telephone Utility Tax	1,685,681	1,649,166	1,720,249	1,305,000
Electricity Utility Tax	2,792,981	3,110,000	3,110,000	3,080,000
Taxes	4,941,330	5,232,083	5,303,166	4,740,000
Total Revenue Sources	\$ 4,941,330	\$ 5,232,083	\$ 5,303,166	\$ 4,740,000
EXPENDITURES				
	2013/14	2015/16	2015/16	2017/18
	Actual	Adopted	Adjusted	Adopted
General Fund	\$ 4,941,330	\$ 5,232,083	\$ 5,303,166	\$ 4,740,000
Interfund Transfers	4,941,330	5,232,083	5,303,166	4,740,000
Total Expenditures	\$ 4,941,330	\$ 5,232,083	\$ 5,303,166	\$ 4,740,000

LODGING TAX FUND

Fund Detail

REVENUES				
	2013/14	2015/16	2015/16	2017/18
	Actual	Adopted	Adjusted	Adopted
Beginning Fund Balance	\$ 225,954	\$ 82,900	\$ 124,314	\$ 163,265
Hotel/Motel	1,740,431	1,782,000	2,090,000	2,224,000
Taxes	1,740,431	1,782,000	2,090,000	2,224,000
Tourism Promotion Area	903,989	1,082,000	1,242,000	1,269,000
Charges for Services	903,989	1,082,000	1,242,000	1,269,000
Interest	2,221	2,000	2,000	3,550
Miscellaneous Revenue	2,221	2,000	2,000	3,550
Total Revenue Sources	\$ 2,872,595	\$ 2,948,900	\$ 3,458,314	\$ 3,659,815
EXPENDITURES				
	2013/14	2015/16	2015/16	2017/18
	Actual	Adopted	Adjusted	Adopted
Event Promotion	\$ 34,000	\$ 20,000	\$ 15,500	\$ 20,000
Marketing	15,542	20,000	20,000	27,000
Tourism Promotion Area	903,989	1,082,000	1,242,000	1,269,000
T/C Visitor & Convention Bureau	407,600	420,000	430,000	479,000
Supplies & Services	1,361,131	1,542,000	1,707,500	1,795,000
Equipment Rental Fund	-	-	-	13,000
Coliseum Fund	1,387,150	1,397,700	1,577,700	1,747,700
Interfund Transfers	1,387,150	1,397,700	1,577,700	1,760,700
Ending Fund Balance	124,314	9,200	173,114	104,115
Total Expenditures	\$ 2,872,595	\$ 2,948,900	\$ 3,458,314	\$ 3,659,815

CRIMINAL JUSTICE SALES TAX FUND

Fund Detail

REVENUES				
	2013/14 Actual	2015/16 Adopted	2015/16 Adjusted	2017/18 Adopted
Beginning Fund Balance	\$ -	\$ -	\$ -	\$ 848,000
Sales Tax - Criminal Justice	-	3,785,000	4,185,000	4,894,000
Taxes	-	3,785,000	4,185,000	4,894,000
Interest	-	-	-	14,400
Miscellaneous Revenue	-	-	-	14,400
Total Revenue Sources	\$ -	\$ 3,785,000	\$ 4,185,000	\$ 5,756,400
EXPENDITURES				
	2013/14 Actual	2015/16 Adopted	2015/16 Adjusted	2017/18 Adopted
Salaries	\$ -	\$ 1,450,454	\$ 1,524,806	\$ 3,116,407
Overtime	-	485,825	485,825	49,500
Part-Time Wages	-	-	-	120,000
Benefits	-	709,609	740,729	1,332,396
Salaries & Benefits	-	2,645,888	2,751,360	4,618,303
Supplies	-	30,000	115,687	94,900
Contractual Services	-	50,000	50,000	33,000
Rentals/Leases	-	114,222	63,730	183,840
Other Services & Charges	-	60,000	137,315	105,903
Supplies & Services	-	254,222	366,732	417,643
Capital Improvement Fund	-	-	298,948	-
Equipment Rental Fund	-	295,000	303,000	55,000
Interfund Transfers	-	295,000	303,000	55,000
Capital Outlay	-	12,800	12,800	154,000
Ending Fund Balance	-	577,090	452,160	511,454
Total Expenditures	\$ -	\$ 3,785,000	\$ 4,185,000	\$ 5,756,400

PERSONNEL SUMMARY						
	2013	2014	Number of FTEs			
			2015	2016	2017	2018
Police Officer	-	-	7.00	11.00	15.00	15.00
Police Support Specialist	-	-	1.00	2.00	2.00	2.00
Assistant City Attorney	-	-	-	1.00	1.00	1.00
Total Criminal Justice Sales Tax Fund	-	-	8.00	14.00	18.00	18.00

CAPITAL PROJECTS FUNDS

The **Urban Arterial Street Fund** accounts for the continued development of the urban arterial street system within the City. The primary source of revenue is continuing grants from the State Transportation Improvement Board.

The **Capital Improvements Fund** accounts for the financial resources to be used for the acquisition or construction of major capital facilities and infrastructure (other than those financed by Proprietary Funds and Trust Funds).

URBAN ARTERIAL STREET FUND

Fund Detail

REVENUES					
	2013/14	2015/16	2015/16	2017/18	
	Actual	Adopted	Adjusted	Adopted	
Beginning Fund Balance	\$ 924,157	\$ -	\$ 1,030,969	\$ -	
Federal and State Grants	7,600,802	-	10,398,277	3,918,189	
Contributions from Other Govt's	-	-	-	500,000	
Intergovernmental Revenue	7,600,802	-	10,398,277	4,418,189	
Miscellaneous Revenue	258,211	-	165,822	-	
Capital Improvement Fund	4,492,349	-	9,805,782	6,788,811	
Interfund Transfers	4,492,349	-	9,805,782	6,788,811	
Total Revenue Sources	\$ 13,275,519	\$ -	\$ 21,400,850	\$ 11,207,000	
EXPENDITURES					
	2013/14	2015/16	2015/16	2017/18	
	Actual	Adopted	Adjusted	Adopted	
Intergovernmental Services	\$ -	\$ -	\$ 30,000	\$ -	
Projects	12,244,550	-	21,370,850	11,207,000	
Capital Outlay	12,244,550	-	21,370,850	11,207,000	
Ending Fund Balance	1,030,969	-	-	-	
Total Expenditures	\$ 13,275,519	\$ -	\$ 21,400,850	\$ 11,207,000	

CAPITAL IMPROVEMENT FUND

Fund Detail

REVENUES				
	2013/14	2015/16	2015/16	2017/18
	Actual	Adopted	Adjusted	Adopted
Beginning Fund Balance	\$ 7,168,890	\$ 1,381,912	\$ 7,425,383	\$ 4,274,826
Property	220,091	690,000	690,000	548,000
Sales & Use	1,398,420	1,074,000	1,074,000	1,074,000
Optional Sales Tax	9,143,160	8,866,800	9,616,800	10,240,000
Local Real Estate Excise	3,177,047	3,292,000	3,992,000	5,636,000
Taxes	13,938,718	13,922,800	15,372,800	17,498,000
Federal and State Grants	22,452	15,000	15,000	15,000
Contributions from Other Govt's	38,586	-	189,726	2,300,000
Intergovernmental Revenue	61,038	15,000	204,726	2,315,000
Transportation Impact Fee	-	-	-	717,500
Development Fees	215,562	100,000	100,000	100,000
Charges for Services	215,562	100,000	100,000	817,500
Miscellaneous Revenue	529,239	196,000	275,946	196,000
General Fund	1,679,828	2,000,000	2,566,257	2,000,000
Community Development Fund	624,849	614,000	880,954	499,000
Criminal Justice Sales Tax Fund	-	-	298,948	-
Water/Sewer Fund	126,577	121,052	225,058	69,548
Medical Services Fund	54,822	55,867	79,558	145,894
Building Safety Fund	16,930	34,885	63,663	14,653
Stormwater Fund	42,225	38,140	50,874	18,940
Interfund Transfers	2,545,231	2,863,944	4,165,312	2,748,035
Proceeds from Long Term Debt	-	5,831,168	14,913,940	-
Capital Lease Proceeds	380,000	-	-	-
Proceeds from Land Sale	1,173,802	250,000	380,000	-
Other Financing Sources	1,553,802	6,081,168	15,293,940	-
Total Revenue Sources	\$ 26,012,480	\$ 24,560,824	\$ 42,838,107	\$ 27,849,361
EXPENDITURES				
	2013/14	2015/16	2015/16	2017/18
	Actual	Adopted	Adjusted	Adopted
Contractual Services	\$ 60,025	\$ -	\$ -	\$ 100,000
Taxes & Assessments	56,055	-	-	-
Repairs & Maintenance	46,726	62,100	122,100	105,800
Building Demolition	-	339,600	265,600	-
Supplies & Services	162,806	401,700	387,700	205,800
Intergovernmental Transfer for KPPD	1,032,389	1,450,000	1,450,000	1,450,000
Animal Control Facility	-	1,075,000	1,075,000	-
Intergovernmental Services	1,032,389	2,525,000	2,525,000	1,450,000
Arterial Street Fund	628,376	1,600,000	1,000,000	3,392,000
Coliseum Fund	532,476	400,000	500,000	340,000
CP Golf Course Fund	14,500	100,000	492,620	-
Debt Service Fund	4,923,684	4,858,850	5,227,686	6,373,259
Equipment Rental Fund	1,191,314	1,711,200	1,798,200	1,744,400
Urban Arterial Street Fund	4,492,349	-	9,805,782	6,788,811
Interfund Transfers	11,782,699	8,670,050	18,824,288	18,638,470
Debt Service	1,225,506	1,687,964	1,339,150	1,045,723
Transportation Projects	1,894,840	1,621,400	2,448,387	2,132,000
Land and Facilities	1,068,491	4,253,000	7,838,146	148,280
Parks Projects	32,363	54,000	875,737	560,000
Other Improvements	-	475,000	-	-
Machinery & Equipment	1,388,003	1,568,124	1,984,850	691,153
Capital Outlay	4,383,697	7,971,524	13,147,120	3,531,433
Ending Fund Balance	7,425,383	3,304,586	6,614,849	2,977,935
Total Expenditures	\$ 26,012,480	\$ 24,560,824	\$ 42,838,107	\$ 27,849,361

"What would life be if we had no courage to attempt anything?"
- Vincent van Gogh -

DEBT SERVICE FUNDS

The **Debt Service Fund** accounts for the accumulation of resources for, and the payment of, general long-term obligation principal and interest. Revenues for this purpose include ad valorem property taxes on voted bond issues and assessments on local improvement districts.

The **LID Guaranty Fund** accounts for the accumulation and expenditure of monies obtained from local improvement district (LID) assessments and the sale of property obtained from the foreclosure of improvement liens on property. The ultimate purpose of the fund is to make up any deficiency that may exist in any LID Debt Service Fund from the redemption of any debt still outstanding after all assessments have been collected.

DEBT SERVICE FUND

Fund Detail

REVENUES				
	2013/14 Actual	2015/16 Adopted	2015/16 Adjusted	2017/18 Adopted
Beginning Fund Balance	\$ 3,032	\$ 2,580	\$ 5,099	\$ -
Property	807,000	815,000	815,000	-
Taxes	807,000	815,000	815,000	-
Intergovernmental Revenue	432,628	429,750	429,750	439,423
Miscellaneous Revenue	13,127	-	-	-
Capital Improvement Fund	4,923,684	4,858,850	5,227,686	6,373,259
Interfund Transfers	4,923,684	4,858,850	5,227,686	6,373,259
Refunding Bond Premium	-	-	427,145	-
Refunding Bond Issued	-	-	5,915,000	-
Other Financing Sources	-	-	6,342,145	-
Total Revenue Sources	\$ 6,179,471	\$ 6,106,180	\$ 12,819,680	\$ 6,812,682
EXPENDITURES				
	2013/14 Actual	2015/16 Adopted	2015/16 Adjusted	2017/18 Adopted
Debt Service	\$ 6,174,372	\$ 6,103,925	\$ 12,814,906	\$ 6,812,682
Ending Fund Balance	5,099	2,255	4,774	-
Total Expenditures	\$ 6,179,471	\$ 6,106,180	\$ 12,819,680	\$ 6,812,682

LID GUARANTY FUND*Fund Detail*

REVENUES				
	2013/14 Actual	2015/16 Adopted	2015/16 Adjusted	2017/18 Adopted
Beginning Fund Balance	\$ 34,608	\$ 35,000	\$ 35,020	\$ 35,600
Miscellaneous Revenue	413	400	400	500
Total Revenue Sources	\$ 35,021	\$ 35,400	\$ 35,420	\$ 36,100
EXPENDITURES				
	2013/14 Actual	2015/16 Adopted	2015/16 Adjusted	2017/18 Adopted
Ending Fund Balance	\$ 35,021	\$ 35,400	\$ 35,420	\$ 36,100
Total Expenditures	\$ 35,021	\$ 35,400	\$ 35,420	\$ 36,100

PROPRIETARY FUNDS

Some activities of a government, such as operation of a municipal water system, are similar to those of commercial enterprises. The objective of the government unit is to recover its costs in these operations through a system of user charges. Proprietary funds are used to account for such operations. Because these activities have a measurement focus of income determination and capital maintenance, the accrual method of accounting is used in proprietary funds.

There are two types of proprietary funds: 1) Enterprise funds, and 2) Internal Service funds. The City of Kennewick uses 6 enterprise funds and 3 internal service funds.

ENTERPRISE FUNDS

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the City is that the costs and expenses (including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governmental units on a cost-reimbursement basis.

ENTERPRISE FUNDS

The **Water and Sewer Fund** operates the water distribution system, the sewer treatment plant, sewage pumping stations and collection systems. The intent of the City is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

The **Medical Services Fund** provides ambulance services. Revenues for this fund include household charges and transport service fees.

The **Building Safety Fund** accounts for the building inspection function. Building permit fees provide the major revenue source for this fund.

The **Coliseum Fund** accounts for activities of the Toyota Center and Arena operations.

The **Stormwater Utility Fund** accounts for storm drainage maintenance and construction activities. The primary source of revenue is customer utility charges.

The **Columbia Park Golf Course Fund** accounts for the operation of the 18-hole golf course and driving range located in Columbia Park.

WATER AND SEWER FUND

Fund Detail

REVENUES				
	2013/14	2015/16	2015/16	2017/18
	Actual	Adopted	Adjusted	Adopted
Beginning Working Capital	\$ 10,313,727	\$ 2,870,197	\$ 8,192,964	\$ 2,533,007
Intergovernmental Revenue	1,407,143	-	57,173	-
Water Sales	17,827,332	18,976,122	18,976,122	20,585,257
Sewer Sales	14,595,350	15,671,384	15,671,384	17,525,677
Other Utility Fees and Charges	2,422,444	2,606,615	2,606,615	2,284,025
Charges for Services	34,845,126	37,254,121	37,254,121	40,394,959
Miscellaneous Revenue	186,096	133,140	133,140	164,325
Contributed Capital	-	750,000	750,000	300,000
Long Term Intergovt'l Loan Proceeds	4,644,290	-	7,671,025	4,000,000
Other Financing Sources	4,644,290	750,000	8,421,025	4,300,000
Total Revenue Sources	\$ 51,396,382	\$ 41,007,458	\$ 54,058,423	\$ 47,392,291
EXPENDITURES				
	2013/14	2015/16	2015/16	2017/18
	Actual	Adopted	Adjusted	Adopted
Salaries	\$ 5,059,300	\$ 6,026,308	\$ 6,135,113	\$ 6,364,280
Overtime	82,757	82,050	82,050	112,820
Part-Time Wages	57,025	82,000	82,000	73,800
Benefits	2,255,999	2,893,594	2,972,018	3,065,932
Salaries & Benefits	7,455,081	9,083,952	9,271,181	9,616,832
Supplies	525,475	567,690	622,135	581,760
Contractual Services	3,242,350	3,606,780	3,735,482	3,008,256
Travel & Training	51,308	51,400	52,400	53,000
Taxes & Assessments	4,158,016	4,347,990	4,347,990	4,772,400
Rentals & Leases	841,908	844,136	1,945,968	1,019,728
Utility Charges	2,382,425	2,688,225	2,688,225	2,488,000
Repair & Maintenance	1,925,285	1,931,950	1,979,200	2,004,767
Other Services & Charges	739,702	813,256	814,076	845,500
Supplies & Services	13,866,469	14,851,427	16,185,476	14,773,411
General Fund	16,700	-	-	-
Capital Improvement Fund	126,577	121,052	225,058	69,548
Equipment Rental Fund	6,763	24,000	554,000	111,950
Interfund Transfers	150,040	145,052	779,058	181,498
Debt Service	6,113,369	6,528,791	6,528,791	6,400,050
Machinery & Equipment	78,010	15,700	167,700	965,800
Projects	15,540,449	4,131,700	18,113,243	9,663,000
Capital Outlay	15,618,459	4,147,400	18,280,943	10,628,800
Ending Working Capital	8,192,964	6,250,836	3,012,974	5,791,700
Total Expenditures	\$ 51,396,382	\$ 41,007,458	\$ 54,058,423	\$ 47,392,291

WATER AND SEWER FUND

Fund Detail

	PERSONNEL SUMMARY					
	Number of FTEs					
	2013	2014	2015	2016	2017	2018
Public Works Director	0.65	0.65	0.65	0.65	0.65	0.65
Deputy Public Works Director	0.5	0.5	0.5	0.5	0.5	0.5
Maintenance & Operations Manager	1	1	0.9	0.9	0.9	0.9
Capital Projects Manager	0.1	0.1	0.1	0.1	0.1	0.1
Utility Engineer	0.1	0.1	0.2	0.2	0.2	0.2
Utility Superintendent	1	1	0.85	0.85	0.85	0.85
Water Services Supervisor	1	1	1	1	1	1
Wastewater Services Supervisor	1	1	1	1	1	1
Public Works Technician	1	1	1	1	1	1
Permit Technician	0.8	0.8	0.8	0.8	0.8	0.8
Utilities Coordinator	1	1	1	1	1	1
PW Contracts Specialist	0.2	0.2	0.2	0.2	0.2	0.2
Facilities Coordinator	0.25	0.25	0.25	0.25	0.25	0.25
Administrative Assistant	1.3	1.3	1.3	1.3	1.3	1.3
Senior Traffic Electrician	0.25	0.25	0.25	0.25	0.25	0.25
Crewleader	3	3	3	3	3	3
Traffic Electrician	0.25	0.25	0.25	0.25	0.25	0.25
Telemetry Specialist	1	1	1	1	1	1
Plant Operator	6	6	6	6	6	6
General Craftsworker	8	8	8	8	8	8
Equipment Operator	3	3	3	5	5	5
Maintenance & Construction (M&C) Craftsworker	6	6	11	11	11	11
Utility Worker	1	1	-	-	-	-
Total Water and Sewer Fund	38.4	38.4	42.25	44.25	44.25	44.25

BUILDING SAFETY FUND

Fund Detail

REVENUES				
	2013/14	2015/16	2015/16	2017/18
	Actual	Adopted	Adjusted	Adopted
Beginning Working Capital	\$ 585,974	\$ 720,000	\$ 1,060,505	\$ 1,700,000
Building Permits	2,741,116	2,485,000	2,485,000	2,800,000
Licenses & Permits	2,741,116	2,485,000	2,485,000	2,800,000
Miscellaneous Revenue	8,771	8,000	8,000	20,000
Total Revenue Sources	\$ 3,335,861	\$ 3,213,000	\$ 3,553,505	\$ 4,520,000
EXPENDITURES				
	2013/14	2015/16	2015/16	2017/18
	Actual	Adopted	Adjusted	Adopted
Salaries	\$ 1,282,857	\$ 1,442,226	\$ 1,442,226	\$ 1,838,303
Overtime	2,417	4,000	4,000	2,500
Benefits	516,108	631,270	631,270	734,422
Salaries & Benefits	1,801,382	2,077,496	2,077,496	2,575,225
Supplies	24,833	26,380	26,380	34,390
Contractual Services	292,418	337,711	372,711	312,676
Travel & Training	11,991	15,000	15,000	22,250
Rentals & Leases	74,956	77,213	70,646	36,096
Utility Charges	11,200	11,200	11,200	-
Other Services & Charges	41,646	49,250	49,250	65,150
Supplies & Services	457,044	516,754	545,187	470,562
Capital Improvement Fund	16,930	34,885	63,663	14,653
Interfund Transfers	16,930	34,885	63,663	14,653
Ending Working Capital	1,060,505	583,865	867,159	1,459,560
Total Expenditures	\$ 3,335,861	\$ 3,213,000	\$ 3,553,505	\$ 4,520,000

BUILDING SAFETY FUND*Fund Detail*

PERSONNEL SUMMARY	Number of FTEs					
	2013	2014	2015	2016	2017	2018
Planning Director	0.33	0.33	0.33	0.33	0.33	0.33
Building Official	1.00	1.00	1.00	1.00	1.00	1.00
Express Permitting Manager	-	-	1.00	1.00	1.00	1.00
Administrative Assistant	0.33	0.33	0.33	0.33	0.33	0.33
Captain Inspector	0.75	0.75	0.75	0.75	0.75	0.75
Fire Prevention Specialist	-	0.50	0.50	0.50	0.50	0.50
Building Inspector II	2.00	2.00	-	-	-	-
Building Inspector I	1.00	1.00	2.00	2.00	2.00	2.00
Code Enforcement Officer	0.10	0.10	0.10	0.10	-	-
Residential Plans Examiner/Inspector	-	-	-	-	0.50	0.50
Plans Examiner	1.00	1.00	1.00	1.00	1.00	1.00
Planner	0.10	0.10	0.60	0.60	0.60	0.60
Assistant Planner	0.20	0.20	0.20	0.20	0.20	0.20
Building Technician	1.00	1.00	1.00	1.00	1.00	1.00
Customer Care Representative	0.45	0.45	0.45	0.45	1.50	1.50
Office Specialist	-	-	-	-	0.50	0.50
Total Building Safety Fund	8.26	8.76	9.26	9.26	11.21	11.21

MEDICAL SERVICES FUND

Fund Detail

REVENUES				
	2013/14	2015/16	2015/16	2017/18
	Actual	Adopted	Adjusted	Adopted
Beginning Working Capital	\$ 444,740	\$ 350,000	\$ 395,125	\$ 475,000
Intergovernmental Revenue	18,403	-	-	-
Emergency Ambulance Service	7,128,715	7,028,000	7,028,000	7,640,000
Household Ambulance Charge	4,209,805	5,480,000	5,480,000	6,370,000
Insurance/Utility Charge Adjustments	(3,083,721)	(2,701,000)	(2,701,000)	(3,060,000)
Charges for Services	8,254,799	9,807,000	9,807,000	10,950,000
Miscellaneous Revenue	1,222	200	200	-
General Fund	-	1,825,000	1,825,000	1,450,000
Interfund Transfers	-	1,825,000	1,825,000	1,450,000
Proceeds from Sale of Fixed Assets	11,955	-	-	-
Other Financing Sources	11,955	-	-	-
Total Revenue Sources	\$ 8,731,119	\$ 11,982,200	\$ 12,027,325	\$ 12,875,000
EXPENDITURES				
	2013/14	2015/16	2015/16	2017/18
	Actual	Adopted	Adjusted	Adopted
Salaries	\$ 4,225,031	\$ 6,471,613	\$ 6,533,513	\$ 6,780,820
Overtime	346,378	509,500	509,500	519,220
Part-Time Wages	2,619	-	-	-
Benefits	1,219,704	1,912,678	1,931,113	2,050,224
Salaries & Benefits	5,793,732	8,893,791	8,974,126	9,350,264
Supplies	321,788	292,717	292,717	365,949
Contractual Services	364,637	497,101	524,401	690,360
Travel & Training	21,004	42,600	42,600	34,329
State Excise Tax	124,326	138,000	138,000	190,000
Utility Tax	78,382	91,000	91,000	106,000
Rentals & Leases	657,679	731,500	664,996	747,000
Repair & Maintenance	44,967	116,898	116,898	88,525
Bad Debt	498,088	530,000	530,000	400,000
Other Services & Charges	135,749	84,325	84,325	149,240
Supplies & Services	2,246,620	2,524,141	2,484,937	2,771,403
SECOMM	177,404	160,000	160,000	201,000
Intergovernmental Services	177,404	160,000	160,000	201,000
Capital Improvement Fund	54,822	55,867	79,558	145,894
Equipment Rental Fund	32,150	-	-	-
Interfund Transfers	86,972	55,867	79,558	145,894
Machinery & Equipment	31,266	-	-	-
Capital Outlay	31,266	-	-	-
Ending Working Capital	395,125	348,401	328,704	406,439
Total Expenditures	\$ 8,731,119	\$ 11,982,200	\$ 12,027,325	\$ 12,875,000

MEDICAL SERVICES FUND

Fund Detail

	PERSONNEL SUMMARY					
	Number of FTEs					
	2013	2014	2015	2016	2017	2018
Fire Chief	0.50	0.50	0.50	0.50	0.50	0.50
Operations Chief	-	-	0.25	0.25	0.25	0.25
Deputy Fire Chief	0.50	0.65	-	-	-	-
Batallion Chief	-	-	1.50	1.50	1.50	1.50
EMS Captain	1.00	1.00	1.00	1.00	1.00	1.00
Training Captain	-	-	0.50	0.50	0.50	0.50
Captain/Paramedic	6.00	6.00	6.31	6.31	6.31	6.31
Firefighter/Paramedic	12.00	12.00	19.55	19.55	19.55	19.55
Data Analyst	-	-	0.50	0.50	0.50	0.50
Administrative Assistant	0.50	0.50	0.50	0.50	0.50	0.50
Accounting Technician	-	-	-	-	0.25	0.25
Accounting Specialist	1.00	1.00	1.00	1.00	1.00	1.00
Office Specialist	0.75	0.50	1.00	1.00	1.00	1.00
Total Medical Services Fund	22.25	22.15	32.61	32.61	32.86	32.86

STORMWATER UTILITY FUND

Fund Detail

REVENUES				
	2013/14	2015/16	2015/16	2017/18
	Actual	Adopted	Adjusted	Adopted
Beginning Working Capital	\$ 395,121	\$ 697,221	\$ 718,121	\$ 67,400
Intergovernmental Revenue	266,118	-	1,811,191	-
Stormwater Utility Charges	2,245,335	2,333,000	2,333,000	2,875,000
Charges for Services	2,245,335	2,333,000	2,333,000	2,875,000
Miscellaneous Revenue	5,656	4,000	4,000	2,500
General Fund	-	-	155,000	-
Interfund Transfers	-	-	155,000	-
Long Term Intergovt'l Loan Proceeds	330,768	-	322,456	-
Other Financing Sources	330,768	-	322,456	-
Total Revenue Sources	\$ 3,242,998	\$ 3,034,221	\$ 5,343,768	\$ 2,944,900
EXPENDITURES				
	2013/14	2015/16	2015/16	2017/18
	Actual	Adopted	Adjusted	Adopted
Salaries	\$ 687,941	\$ 787,234	\$ 787,234	\$ 873,973
Overtime	10,055	10,000	10,000	15,000
Part-Time Wages	8,546	500	500	7,000
Benefits	305,560	367,821	367,821	425,293
Salaries & Benefits	1,012,102	1,165,555	1,165,555	1,321,266
Supplies	33,612	41,330	42,588	39,860
Contractual Services	264,480	293,301	328,301	289,088
Travel & Training	7,403	9,200	9,200	7,500
Taxes & Assessments	57,736	60,000	60,000	62,800
Rentals & Leases	324,895	372,864	446,881	555,608
Repair & Maintenance	38,547	50,900	502,100	61,000
Work Performed by Other Depts	4,048	30,000	30,000	35,000
Stormwater Permits/Compliance	277,899	48,868	85,976	52,550
Other Services & Charges	24,739	30,100	30,100	39,725
Supplies & Services	1,033,359	936,563	1,535,146	1,143,131
General Fund	1,000	-	-	-
Capital Improvement Fund	42,225	38,140	50,874	18,940
Equipment Rental Fund	32,273	-	25,000	-
Interfund Transfers	75,498	38,140	75,874	18,940
Debt Service	7,084	354,475	284,925	382,791
Projects	396,834	-	2,256,176	50,000
Capital Outlay	396,834	-	2,256,176	50,000
Ending Working Capital	718,121	539,488	26,092	28,772
Total Expenditures	\$ 3,242,998	\$ 3,034,221	\$ 5,343,768	\$ 2,944,900

STORMWATER UTILITY FUND*Fund Detail*

PERSONNEL SUMMARY	Number of FTEs					
	2013	2014	2015	2016	2017	2018
Public Works Director	0.05	0.05	0.05	0.05	0.05	0.05
Maintenance & Operations Manager	-	-	0.05	0.05	0.05	0.05
Traffic Engineer	0.1	0.1	-	-	-	-
Utility Services Superintendent	-	-	0.10	0.10	0.10	0.10
Utility Engineer	0.5	0.5	0.70	0.70	0.70	0.70
Administrative Assistant	0.1	0.1	0.10	0.10	0.10	0.10
Crewleader	0.5	0.5	0.50	0.50	0.50	0.50
Equipment Operator	4.5	4.5	4.50	4.50	4.50	4.50
Total Stormwater Utility Fund	5.75	5.75	6.00	6.00	6.00	6.00

COLISEUM FUND

Fund Detail

REVENUES				
	2013/14	2015/16	2015/16	2017/18
	Actual	Adopted	Adjusted	Adopted
Beginning Working Capital	\$ (454,262)	\$ (450,000)	\$ (640,536)	\$ (460,000)
Advertising/Sponsorship Revenue	720,209	718,000	718,000	1,075,000
Event Revenue	2,030,430	2,136,000	2,136,000	1,930,500
Food & Beverage Revenue	2,176,629	2,740,000	2,740,000	2,406,000
Ice Arena Revenue	586,647	650,000	650,000	721,200
Charges for Services	5,513,915	6,244,000	6,244,000	6,132,700
Miscellaneous Revenue	5,726	6,000	6,000	2,400
General Fund	400,000	400,000	400,000	400,000
Lodging Tax Fund	1,387,150	1,397,700	1,577,700	1,747,700
Capital Improvement Fund	532,476	400,000	500,000	340,000
Interfund Transfers	2,319,626	2,197,700	2,477,700	2,487,700
Long Term Intergovt'l Loan Proceeds	369,007	-	-	-
Other Financing Sources	369,007	-	-	-
Total Revenue Sources	\$ 7,754,012	\$ 7,997,700	\$ 8,087,164	\$ 8,162,800
EXPENDITURES				
	2013/14	2015/16	2015/16	2017/18
	Actual	Adopted	Adjusted	Adopted
Personnel	\$ 2,956,715	\$ 3,128,000	\$ 3,128,000	\$ 3,407,346
General and Administrative	74,893	76,000	76,000	84,000
Occupancy	1,123,095	1,130,000	1,130,000	1,080,000
Event Expenses	979,258	1,310,000	1,310,000	1,064,800
Services/Operations	1,251,451	1,286,000	1,286,000	1,220,954
Travel & Training	13,894	20,000	20,000	28,000
Supplies & Services	6,399,306	6,950,000	6,950,000	6,885,100
Debt Service	1,099,922	1,097,700	1,097,700	1,103,273
Buildings	390,019	-	-	640,000
Other Improvements	7,377	400,000	500,000	-
Machinery & Equipment	497,924	-	-	-
Capital Outlay	895,320	400,000	500,000	640,000
Ending Working Capital	(640,536)	(450,000)	(460,536)	(465,573)
Total Expenditures	\$ 7,754,012	\$ 7,997,700	\$ 8,087,164	\$ 8,162,800

COLUMBIA PARK GOLF COURSE FUND

Fund Detail

REVENUES				
	2013/14	2015/16	2015/16	2017/18
	Actual	Adopted	Adjusted	Adopted
Beginning Working Capital	\$ (767)	\$ -	\$ (1,504)	\$ -
Sales of Merchandise	17,070	24,780	24,780	23,200
Green Fees and Other Charges	337,182	470,000	455,000	413,610
Golf Lessons	8,119	12,000	12,000	5,600
Charges for Services	362,371	506,780	491,780	442,410
Miscellaneous Revenue	39,134	57,600	57,600	72,790
General Fund	170,000	85,000	100,000	92,500
Capital Improvement Fund	14,500	100,000	492,620	-
Interfund Transfers	184,500	185,000	592,620	92,500
Total Revenue Sources	\$ 585,238	\$ 749,380	\$ 1,140,496	\$ 607,700
EXPENDITURES				
	2013/14	2015/16	2015/16	2017/18
	Actual	Adopted	Adjusted	Adopted
General & Administrative	\$ 209,885	\$ 212,000	\$ 212,000	\$ 168,000
Maintenance	171,761	185,000	185,000	211,900
Operations Costs	166,725	198,000	198,000	196,000
Other Operating Expenses	27,466	54,380	54,380	31,800
Supplies & Services	575,837	649,380	649,380	607,700
Capital Outlay	10,905	100,000	474,000	-
Ending Working Capital	(1,504)	-	17,116	-
Total Expenditures	\$ 585,238	\$ 749,380	\$ 1,140,496	\$ 607,700

"It is never too late to be what you might have been."
- George Eliot -

INTERNAL SERVICE FUNDS

The **Equipment Rental Fund** is responsible for the management, maintenance, and repair of all City-owned equipment. The major source of revenue is user charges to other departments within the City. The maintenance and operation rates are established with the intent that the operation will break even. The replacement rates are established to create a reserve for the necessary replacement of City equipment and vehicles.

The **Risk Management Fund** is responsible for self-insurance services to all City departments, including provision for losses on unemployment compensation claims, dental insurance claims, sewer back-up claims, and other non-contractual claims against the City. All expenses, including insurance premiums, are paid by the Risk Management Fund and rates are charged to departments based on use and/or coverage requirements.

The **Central Stores Fund** is responsible for the purchasing, warehousing, and disbursement of supplies for all departments within the City. The major source of revenue is user charges to other departments for supplies, irrigation parts, and use of city copier machines. Maintenance charges are established with the intent that the operation will break even. Replacement charges are assessed to create a reserve for the future replacement of City owned machines.

EQUIPMENT RENTAL FUND

Fund Detail

REVENUES				
	2013/14	2015/16	2015/16	2017/18
	Actual	Adopted	Adjusted	Adopted
Beginning Working Capital	\$ 3,322,595	\$ 3,500,000	\$ 3,738,758	\$ 4,850,000
Intergovernmental Revenue	-	-	5,000	-
Maintenance & Replacement Charges	3,566,228	3,742,132	3,857,366	4,082,568
Charges for Services	3,566,228	3,742,132	3,857,366	4,082,568
Proceeds from Sale of Assets	7,738	-	-	-
Interest/Miscellaneous	68,022	35,000	35,000	75,000
Miscellaneous Revenue	75,760	35,000	35,000	75,000
General Fund	-	-	31,000	-
Street Fund	9,855	-	-	-
Asset Forfeiture Fund	54,000	36,000	65,000	-
Lodging Tax Fund	-	-	-	13,000
Criminal Justice Sales Tax Fund	-	295,000	303,000	55,000
Capital Improvement Fund	1,191,314	1,711,200	1,798,200	1,744,400
Water/Sewer Fund	6,763	24,000	554,000	111,950
Stormwater Fund	32,273	-	25,000	-
Medical Services Fund	32,150	-	-	-
Risk Management Fund	39,850	-	70,000	-
Interfund Transfers	1,366,205	2,066,200	2,846,200	1,924,350
Proceeds from Sale of Fixed Assets	148,919	-	92,500	-
Capital Lease Proceeds	1,272,395	-	-	1,300,000
Other Financing Sources	1,421,314	-	92,500	1,300,000
Total Revenue Sources	\$ 9,752,102	\$ 9,343,332	\$ 10,574,824	\$ 12,231,918
EXPENDITURES				
	2013/14	2015/16	2015/16	2017/18
	Actual	Adopted	Adjusted	Adopted
Salaries	\$ 498,218	\$ 557,885	\$ 557,885	\$ 572,368
Overtime	351	-	-	2,000
Part-Time Wages	140	-	-	-
Benefits	207,997	254,918	254,918	275,780
Salaries & Benefits	706,706	812,803	812,803	850,148
Supplies	442,500	419,805	450,508	436,397
Gasoline	1,128,823	1,228,910	1,000,710	937,153
Contractual Services	26,208	27,100	47,100	28,500
Travel & Training	1,046	5,400	5,400	5,400
Rentals & Leases	49,284	51,432	72,788	85,296
Utility Charges	23,953	31,855	31,855	26,500
Repair & Maintenance	147,652	117,095	117,095	193,345
Other Services & Charges	15,518	18,425	18,425	22,430
Supplies & Services	1,834,984	1,900,022	1,743,881	1,735,021
Debt Service	511,089	536,244	536,244	554,121
Software	-	-	113,000	-
Machinery & Equipment	-	-	95,200	-
Transportation Equipment	2,960,565	1,491,700	2,845,475	4,013,686
Capital Outlay	2,960,565	1,491,700	2,940,675	4,013,686
Ending Working Capital	3,738,758	4,602,563	4,428,221	5,078,942
Total Expenditures	\$ 9,752,102	\$ 9,343,332	\$ 10,574,824	\$ 12,231,918

EQUIPMENT RENTAL FUND*Fund Detail*

PERSONNEL SUMMARY	Number of FTEs					
	2013	2014	2015	2016	2017	2018
Purchasing/Warehouse Manager	0.20	0.20	0.35	0.35	0.35	0.35
Accounting Specialist	0.30	-	-	-	-	-
Buyer II	-	0.30	0.30	0.30	0.30	0.30
Crewleader	1.00	1.00	1.00	1.00	1.00	1.00
Mechanic	2.00	2.00	2.00	2.00	2.00	2.00
Warehouse Person	0.30	0.30	0.30	0.30	0.30	0.30
Total Equipment Rental Fund	3.80	3.80	3.95	3.95	3.95	3.95

RISK MANAGEMENT FUND

Fund Detail

REVENUES				
	2013/14	2015/16	2015/16	2017/18
	Actual	Adopted	Adjusted	Adopted
Beginning Working Capital	\$ 627,424	\$ 470,960	\$ 496,798	\$ -
Risk Management Services	383,343	533,720	533,720	621,880
Dental Premiums	914,909	1,060,450	1,060,450	1,094,000
Charges for Services	1,298,252	1,594,170	1,594,170	1,715,880
Insurance Recoveries/Settlements	592,643	130,000	130,000	80,000
Interest/Miscellaneous	2,458	2,000	2,000	2,000
Miscellaneous Revenue	595,101	132,000	132,000	82,000
General Fund	1,525,000	1,100,000	1,200,000	1,375,000
Interfund Transfers	1,525,000	1,100,000	1,200,000	1,375,000
Total Revenue Sources	\$ 4,045,777	\$ 3,297,130	\$ 3,422,968	\$ 3,172,880
EXPENDITURES				
	2013/14	2015/16	2015/16	2017/18
	Actual	Adopted	Adjusted	Adopted
Salaries	\$ 91,495	\$ 155,904	\$ 155,904	\$ 150,475
Benefits	42,862	79,478	79,478	61,307
Salaries & Benefits	134,357	235,382	235,382	211,782
Supplies	5,991	1,000	1,000	650
Dental Insurance	904,063	1,060,450	1,060,450	1,094,000
Contractual/Consulting Services	52,002	1,000	1,000	-
Payment to Claimants	250,288	200,000	200,000	180,000
Insurance Premiums	975,168	1,364,900	1,364,900	1,456,200
Self-Insured Retention Payments	1,162,321	130,000	230,000	130,000
Travel & Training	3,636	5,500	5,500	5,000
Other Services & Charges	21,303	20,935	20,935	26,195
Supplies & Services	3,374,772	2,783,785	2,883,785	2,892,045
Equipment Rental Fund	39,850	-	70,000	-
Interfund Transfers	39,850	-	70,000	-
Ending Working Capital	496,798	277,963	233,801	69,053
Total Expenditures	\$ 4,045,777	\$ 3,297,130	\$ 3,422,968	\$ 3,172,880

RISK MANAGEMENT FUND*Fund Detail*

PERSONNEL SUMMARY	Number of FTEs					
	2013	2014	2015	2016	2017	2018
Safety Coordinator	1.00	1.00	1.00	1.00	1.00	1.00
Total Risk Management Fund	1.00	1.00	1.00	1.00	1.00	1.00

CENTRAL STORES FUND

Fund Detail

REVENUES				
	2013/14 Actual	2015/16 Adopted	2015/16 Adjusted	2017/18 Adopted
Beginning Working Capital	\$ 201,568	\$ 195,000	\$ 218,005	\$ 185,000
Copier & Inventory Sales	468,639	485,000	485,000	475,660
Charges for Services	468,639	485,000	485,000	475,660
Interest/Miscellaneous	5,387	1,200	1,200	2,000
Miscellaneous Revenue	5,387	1,200	1,200	2,000
Total Revenue Sources	\$ 675,594	\$ 681,200	\$ 704,205	\$ 662,660
EXPENDITURES				
	2013/14 Actual	2015/16 Adopted	2015/16 Adjusted	2017/18 Adopted
Inventory & Supplies	\$ 327,382	\$ 341,000	\$ 341,000	\$ 339,000
Rental/Lease of Equipment	68,214	80,040	80,040	79,440
Repair & Maintenance	61,993	64,000	64,000	76,328
Supplies & Services	457,589	485,040	485,040	494,768
Machinery & Equipment	-	44,000	61,000	-
Capital Outlay	-	44,000	61,000	-
Ending Working Capital	218,005	152,160	158,165	167,892
Total Expenditures	\$ 675,594	\$ 681,200	\$ 704,205	\$ 662,660

FIDUCIARY FUNDS

Fiduciary Funds (Trust and Agency funds) are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. These funds are used to account for resources that are legally held in a trust or agency capacity for others, which therefore cannot be used to support the City's own programs.

TRUST FUNDS

The **Firemen's Pension Fund** is used to account for the City's administration of a closed, small single-employer defined benefit plan. The City of Kennewick's obligations under the Firemen's Pension Fund are limited to the benefits provided to firefighters retired prior to March 1, 1970. As of December 31, 2015, there were 12 individuals covered by the Fund, all of which were drawing benefits. To meet these obligations, the City may contribute annually to the Fund the amount raised by levying all or part of a tax of up to \$0.45 per \$1,000 of true and fair market value, the maximum provided by law for maintaining the Fund. Contributions also include donations and income from state fire insurance premium collection.

The **OPEB Trust Fund** accounts for the post-employment benefits associated with medical coverage of firefighters and police officers who have retired under the LEOFF I plan. The expenditures are funded by a 6.5% utility tax on water and sewer service revenues.

FIREMEN'S PENSION FUND

Fund Detail

REVENUES				
	2013/14 Actual	2015/16 Adopted	2015/16 Adjusted	2017/18 Adopted
Beginning Fund Balance	\$ 765,311	\$ 863,000	\$ 867,247	\$ 902,000
Property	210,000	192,000	192,000	134,000
Taxes	210,000	192,000	192,000	134,000
Fire Insurance Premium	148,527	158,000	158,000	164,000
Intergovernmental Revenue	148,527	158,000	158,000	164,000
Miscellaneous Revenue	14,159	16,000	16,000	27,000
Total Revenue Sources	\$ 1,137,997	\$ 1,229,000	\$ 1,233,247	\$ 1,227,000
EXPENDITURES				
	2013/14 Actual	2015/16 Adopted	2015/16 Adjusted	2017/18 Adopted
Retirement	\$ 266,707	\$ 283,000	\$ 298,000	\$ 307,000
Salaries & Benefits	266,707	283,000	298,000	307,000
Supplies	60	50	50	50
Actuarial Study	-	-	8,500	-
Travel & Training	3,983	4,000	4,000	4,000
Other Services & Charges	-	250	250	250
Supplies & Services	4,043	4,300	12,800	4,300
Ending Fund Balance	867,247	941,700	922,447	915,700
Total Expenditures	\$ 1,137,997	\$ 1,229,000	\$ 1,233,247	\$ 1,227,000

OPEB TRUST FUND

Fund Detail

REVENUES				
	2013/14	2015/16	2015/16	2017/18
	Actual	Adopted	Adjusted	Adopted
Beginning Fund Balance	\$ 522,526	\$ 1,407,000	\$ 1,401,920	\$ 2,599,000
Water/Sewer Utility Tax	2,040,311	2,214,000	2,214,000	2,477,000
Taxes	2,040,311	2,214,000	2,214,000	2,477,000
Interest/Miscellaneous	10,042	25,000	25,000	70,000
Miscellaneous Revenue	10,042	25,000	25,000	70,000
Total Revenue Sources	\$ 2,572,879	\$ 3,646,000	\$ 3,640,920	\$ 5,146,000
EXPENDITURES				
	2013/14	2015/16	2015/16	2017/18
	Actual	Adopted	Adjusted	Adopted
Medical Insurance	\$ 963,626	\$ 965,000	\$ 965,000	\$ 820,000
Other Medical Coverage	207,333	663,000	663,000	421,000
Salaries & Benefits	1,170,959	1,628,000	1,628,000	1,241,000
Supplies	-	470	470	590
Contractual/Consulting Services	-	15,000	15,000	-
Disability Board Secretary	-	13,000	13,000	10,000
Travel & Training	-	4,000	4,000	4,000
Other Services & Charges	-	600	600	610
Supplies & Services	-	33,070	33,070	15,200
Ending Fund Balance	1,401,920	1,984,930	1,979,850	3,889,800
Total Expenditures	\$ 2,572,879	\$ 3,646,000	\$ 3,640,920	\$ 5,146,000

*"Success is getting what you want, happiness is wanting
what you get."
- W.P. Kinsella -*

In an effort to improve the effectiveness of the Capital Improvement planning process, the City consolidates its Capital Improvement Program (CIP) document into the Comprehensive Plan and biennial budget document. The CIP project summaries and fund detail reports are presented in a section of the budget document titled “Capital Improvement Program”. The detailed project worksheets and future project listings are also integrated into the Capital Facility Element of the Comprehensive Plan.

The CIP provides the means through which the City of Kennewick takes a planned and programmed approach to utilizing its financial resources in the most responsive and efficient manner to meet service and facility needs. The CIP correlates funding sources to needed improvements and identifies projects for dedicated revenues such as the optional 1/2% sales tax and 1/2% real estate excise tax. The process encourages long-range decision-making. It also helps to assure the continuity of Council goals and objectives and identifies the impacts in future years of decisions made currently. New projects are viewed not only in terms of how much they will cost, but consideration is also given to what impact the project will have on the City’s current and future operating costs.

The long range planning process associated with the Capital Improvement Program is the link between accommodating Kennewick’s financing capability, the provision of adequate capital facilities and the ability of these facilities to meet existing and future identified needs. The adoption of the Capital Improvement Program serves to align the priorities recognized in the Comprehensive Land Use Plan and Biennial Budget with appropriate funding mechanisms for provision of community facilities. The CIP process is guided by the following policies, which have been adopted by City Council to provide for consistency between the Capital Improvement Program, the City’s Comprehensive Plan, and the biennial budget process:

- *Ensure Kennewick’s land use and infrastructure elements are internally consistent.*
- *Reassess Kennewick’s land use plan periodically to ensure consistency between capital facility needs and financing.*
- *Use adopted level of service standards, operating criteria and/or performance standards to evaluate capital facility needs.*
- *Base capital facility needs on employment and population projections developed by the City in conjunction with County and State estimates.*
- *Update the CIP in conjunction with the annual Comprehensive Plan process.*
- *Ensure that necessary capital facilities are provided as required by the City’s concurrency ordinance.*

In addition to the general policies identified above, the process of preparing the CIP is also guided by the following debt and budget related fiscal goals and policies:

- *When capital funding decisions are made, priorities shall be given to maintaining existing capital assets over the acquisition or construction of new facilities.*

- *Financing for the majority of capital assets, other than infrastructure, shall normally be made over the life of the asset, or 20 years, whichever comes first.*
- *Revenue bonds and LIDs shall be used to finance improvements when applicable.*
- *Councilmanic bonds and lease financing can be used to fund infrastructure where positive cost/benefit ratios exist or where there is no other source of funds.*
- *Voter approved general obligation bonds and special levies shall be used to finance major projects with high visibility such as fire stations, swimming pools, fire equipment, trails, waterfront projects, community parks and facilities, etc.*
- *Proceeds of the optional one-half of one percent sales tax and proceeds from both the first and second quarter of one percent real estate excise tax (as allowed by state statute) shall be used to fund City Council's priority Capital Improvement Program ("CIP") except for funds used to:*
 - *Replace Federal Revenue Sharing Funds in the amount of \$500,000;*
 - *Replace the lost 35% of motor vehicle tax that occurred in 1986 upon implementation of the one-half cent optional sales tax in an amount calculated based on past historical motor vehicle excise tax inflated by 10% per year beginning in 2002 when motor vehicle excise tax was eliminated and no additional historical information was available;*
 - *Provide repayment of debt service on the 2003 CIP projects in the amount of approximately \$670,000 per year beginning on January 1, 2009, until the bonds are paid-in-full;*
 - *Provide repayment of debt service on the police facility in the amount of approximately \$725,000 per year beginning on January 1, 2007, until the bonds are paid-in-full;*
 - *Support the City's economic development efforts in an amount equal to the optional sales tax received from economic development efforts up to a maximum of \$500,000 per year beginning on January 1, 2009;*
 - *Support the Public Facilities District for a portion of the debt service related to the construction of the Three Rivers Convention Center beginning in 2001 as per Ordinance No. 5001 in the amount of \$725,000 per year;*
 - *Provide for up to \$150,000 annually (indexed each biennium) to fund priority facility related improvements beginning January 1, 2011;*
 - *Provide for up to \$250,000 annually (indexed each biennium) to fund priority technology related improvements beginning January 1, 2011;*
 - *Provide contributions to the Police, Fire and Public Works/Parks vehicle and apparatus replacement programs, respectively, beginning in 2011.*
- *Each year, City Council shall evaluate making a \$1 million transfer from the General Fund to the Capital Fund in order to implement Council priority programs.*

The selection and prioritization of capital improvement projects included in the CIP is ultimately based on City Council approval. The CIP is recommended to the full City Council by the Council Infrastructure Committee, which consists of three council members and is led by the Director of Public Works. The Infrastructure Committee's recommendation represents a consensus of the Committee and is based on a thorough review and prioritization of potential projects and the capital program as a whole. While working within the established policies for the City's CIP, the Committee utilizes the following guiding principles to evaluate and prioritize potential projects:

- ***Quality of Life*** – Does the project enhance the overall quality of life for Kennewick residents?
- ***Economic Development*** – Does the project contribute to the financial stability and sustainability of the community?
- ***Rate of Return*** – Is there the probability that the added value of the completion of the project will exceed the cost of the project both in terms of added quality of life and financial stability?
- ***Leveraging Ability*** – Can the City contribution be leveraged to increase our chances of gaining outside funding?
- ***Partnering*** – Is the project conducive to developing public and private partnerships that will provide financial assistance?
- ***Effectiveness*** – Is the project a wise use of public funds?
- ***Positioning*** – Does the project help to position the City for short and long-term opportunities?
- ***Preservation*** – Is the City able to keep the excellent infrastructure foundation that is currently in place at its current level?
- ***Timeliness*** – Does waiting on a project that won't be completed for several years have as much value as a project of lesser importance that can be completed quicker?

The CIP is continually updated and modified, not just at budget time and during the Comprehensive Plan updates. It is intended to be a flexible, dynamic tool for the City. The capital budget encompasses all capital project funds, and each fund will continue to stand on its own merit. Projects recommended for the CIP will include source and application of funds and cash flow projections. The multi-year cash flows by fund are found in this Capital Improvement Program section of the Biennial Budget.

Growth Management Act Review - The Capital Improvement Program (CIP) of the biennial budget document has been reviewed by the Community Planning Department for consistency with the City of Kennewick's Comprehensive Plan. The CIP is formally updated every 2 years with the biennial budget in order to ensure financial resources are consistent with the Plan. The major project section of the Capital Improvement Program has been incorporated into the Comprehensive Plan as the Capital Facilities Element. All projects contained within the CIP are located within the adopted urban growth boundary. All projects in the CIP have an identified funding source within the six-year span of the document. All projects are in conformance with land uses depicted on the City's adopted land use plan map.

CITYWIDE SUMMARY

Capital Improvement Program

	ADJUSTED		PROJECTION					
	ACTUAL	BUDGET						
	2013/2014	2015/2016	2017	2018	2019	2020	2021	2022
BEGINNING FUND BALANCE								
Arterial Street	\$ 133,972	\$ 8,595	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Urban Arterial Street	924,157	1,030,967	-	-	-	-	-	-
Capital Improvement Fund	7,168,880	7,425,888	4,361,749	3,476,961	3,064,856	2,205,842	1,707,080	2,327,176
Stormwater Fund	395,121	718,120	189,784	159,891	127,083	74,663	32,017	22,017
Water and Sewer Fund	7,871,255	3,791,412	229,325	4,528,436	9,310,307	4,420,552	8,771,622	4,167,919
Total Beginning Fund Balance	16,493,385	12,974,982	4,780,858	8,165,288	12,502,246	6,701,057	10,510,719	6,517,112
REVENUES								
TAXES								
Trails & Paths Gas Tax	15,649	15,686	7,500	7,500	7,500	7,500	7,500	7,500
Optional Sales Tax	9,143,160	10,191,514	5,128,000	5,112,000	5,233,000	5,354,000	5,475,000	5,596,000
Property Tax	285,142	-	-	-	-	-	-	-
LRF Sales Tax	1,038,872	1,046,767	500,000	500,000	500,000	500,000	500,000	500,000
LRF Tax Increment - Sales Tax	74,407	74,000	37,000	37,000	-	-	-	-
Real Estate Excise Tax	1,588,524	3,010,065	1,395,000	1,423,000	1,451,000	1,480,000	1,510,000	1,540,000
Real Estate Excise Tax (2nd 1/4%)	1,588,523	3,010,065	1,395,000	1,423,000	1,451,000	1,480,000	1,510,000	1,540,000
LRF Property Tax	123,636	136,882	148,000	188,000	229,000	269,000	310,000	350,000
LRF Tax Increment - Property Tax	96,455	176,635	106,000	106,000	23,000	23,000	23,000	23,000
Subtotal Taxes	13,954,368	17,661,614	8,716,500	8,796,500	8,894,500	9,113,500	9,335,500	9,556,500
INTERGOVERNMENTAL								
Federal Industrial UGA Expansion Grant	-	970,000	-	-	-	-	-	-
State Proviso	-	1,780,000	-	-	-	-	-	-
STP Local Grant	1,305,651	865	-	-	-	-	-	-
HSIP State	1,154,581	2,043,098	-	-	-	-	-	-
STP Federal	94,040	100,000	-	-	-	-	-	-
STP State	2,094,601	2,939,191	-	-	-	-	-	-
TIB Grant	3,878,444	3,580,523	1,647,000	1,271,189	-	-	-	-
WSDOT Grant	-	320,000	-	-	-	-	-	-
WTSC Grant	6,803	-	-	-	-	-	-	-
Kennewick School District	7,936	45,000	-	-	-	-	-	-
Kennewick Irrigation District	12,844	-	-	-	-	-	-	-
Port of Kennewick	-	23,202	500,000	-	-	-	-	-
Benton County	17,806	130,000	-	-	-	-	-	-
DOE Grant	1,640,190	48,206	-	-	-	-	-	-
DOH Grant	-	30,000	-	-	-	-	-	-
EDA Grant	-	-	1,000,000	-	437,500	437,500	437,500	437,500
Subtotal Intergovernmental	10,212,896	12,010,085	3,147,000	1,271,189	437,500	437,500	437,500	437,500
CHARGES FOR SERVICES								
Revenue from Water/Sewer Rates	5,319,533	4,459,723	8,345,436	8,345,436	8,974,519	8,974,519	9,691,797	9,691,797
Revenue from Stormwater Rates	191,792	218,524	188,558	176,653	142,041	-	-	-
Water Area Charges	153,053	244,750	126,642	112,500	112,500	112,500	112,500	112,500
Sewer Area Charges	439,243	564,200	282,110	282,109	210,000	210,000	210,000	210,000
Subtotal Charges for Services	6,103,621	5,487,197	8,942,746	8,916,698	9,439,060	9,297,019	10,014,297	10,014,297

CITYWIDE SUMMARY

Capital Improvement Program

	ACTUAL 2013/2014	ADJUSTED BUDGET 2015/2016	PROJECTION					
			2017	2018	2019	2020	2021	2022
MISCELLANEOUS								
Interest/Miscellaneous	159,708	163,498	59,034	61,726	64,696	67,597	69,978	73,039
Rentals and Lease	26,055	16,000	8,000	8,000	8,000	8,000	8,000	8,000
Proceeds from Land Sale	1,173,802	658,432	-	-	-	-	-	-
Donations	11,269	68,214	15,000	15,000	15,000	15,000	15,000	15,000
Park Development Fees	215,562	200,000	50,000	50,000	-	-	-	-
Developer Contributions	629,424	1,137,564	650,000	100,000	150,000	150,000	150,000	150,000
Subtotal Miscellaneous	2,215,820	2,243,708	782,034	234,726	237,696	240,597	242,978	246,039
INTERFUND TRANSFERS								
Transfer from Capital Improvement Fund:								
Urban Arterial Fund	4,492,351	9,933,050	3,698,000	3,090,811	4,108,000	3,957,000	3,228,800	4,325,000
Arterial Street Fund	628,376	1,000,000	1,696,000	1,696,000	-	-	-	-
Capital Improvement Fund - Facilities	134,641	6,451,318	229,980	231,020	325,700	341,300	357,700	374,900
Capital Improvement Fund - Park Reserve	92,343	-	-	-	-	-	-	-
Capital Improvement Fund - TF	-	489,134	322,500	395,000	395,000	395,000	395,000	395,000
Capital Improvement Fund - LRF Tax	1,614,293	1,434,392	791,000	831,000	752,000	792,000	833,000	873,000
Capital Improvement Fund - 2015 GO Bond	-	407,800	-	-	-	-	-	-
Capital Improvement Fund - 2010B GO Bond	150,940	-	-	-	-	-	-	-
Capital Improvement Fund - Capital	738,792	1,216,516	287,873	287,794	560,900	560,900	579,900	579,900
Transfer from General Fund:								
Capital Improvement Fund - Streets	1,500,000	2,500,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Capital Improvement Fund - Facilities	179,828	-	-	-	-	-	-	-
Transfer from Medical Services Fund:								
Capital Improvement Fund - Capital	54,822	79,558	145,894	-	-	-	-	-
Transfer from Building Safety Fund:								
Capital Improvement Fund - Capital	16,930	63,663	14,653	-	-	-	-	-
Transfer from Water/Sewer:								
Capital Improvement Fund - Facilities	67,623	-	-	21,840	-	-	-	-
Capital Improvement Fund - Capital	58,954	220,758	47,708	-	-	-	-	-
Transfer from Stormwater:								
Capital Improvement Fund - Facilities	-	-	-	6,240	-	-	-	-
Capital Improvement Fund - Capital	42,225	49,644	12,700	-	-	-	-	-
Transfer from Community Development Fund:								
Capital Improvement Fund - Streets	624,849	880,954	374,000	125,000	125,000	125,000	125,000	125,000
Subtotal Interfund Transfers	10,396,967	24,726,787	8,620,308	7,684,705	7,266,600	7,171,200	6,519,400	7,672,800
OTHER FINANCING SOURCES								
Interfund Loan Principal & Interest	80,623	475,452	254,692	251,750	248,780	179,604	5,022	1,961
Bond Proceeds	-	14,827,162	-	-	14,300,000	10,000,000	-	-
State Revolving Loan Fund Proceeds	725,057	7,559,541	2,000,000	2,000,000	3,150,000	-	3,250,000	-
Rural County Funds	-	-	1,600,000	700,000	700,000	700,000	700,000	700,000
Transportation Impact Fees	-	489,134	322,500	395,000	395,000	395,000	395,000	395,000
Capital Lease Proceeds	380,000	-	-	-	2,000,000	-	-	-
Public Works Trust Fund Loan Proceeds	4,250,000	-	-	-	-	-	-	-
Subtotal Other Financing Sources	5,435,680	23,351,289	4,177,192	3,346,750	20,793,780	11,274,604	4,350,022	1,096,961
Total Revenues	48,319,352	85,480,680	34,385,780	30,250,568	47,069,136	37,534,420	30,899,697	29,024,097
TOTAL	\$64,812,737	\$98,455,662	\$39,166,638	\$38,415,856	\$59,571,382	\$44,235,477	\$41,410,416	\$35,541,209

CITYWIDE SUMMARY

Capital Improvement Program

	ADJUSTED		PROJECTION					
	ACTUAL 2013/2014	BUDGET 2015/2016	2017	2018	2019	2020	2021	2022
EXPENDITURES								
STREET CONSTRUCTION/RECONSTRUCTION								
Urban Arterial Street Fund:								
Edison Widening	\$ 149,116	\$ 2,831,579	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Columbia Center Blvd Safety Project	760,776	27	-	-	-	-	-	-
Columbia Drive Streetscape	-	575,000	-	-	-	-	-	-
Columbia Park East - Bike/Ped Improvements	-	355,000	-	-	-	-	-	-
Stepoe Street - Phase II	2,108,472	-	-	-	-	-	-	-
Stepoe Street - Phase III	1,972,685	3,342,315	-	-	-	-	-	-
Olympia - SR397 to 27th	4,365,050	229,324	-	-	-	-	-	-
Hildebrand Blvd. - 10th to City Limits	416,424	-	-	-	-	-	-	-
Hildebrand Blvd. - City Limits to Sherman	-	6,326,573	-	-	-	-	-	-
Hildebrand Blvd. - Outside Lanes/Other Improve	-	2,170,000	-	-	-	-	-	-
Southridge Blvd/Christianson Road Improvements	-	1,070,000	-	-	-	-	-	-
Dayton - CID Bridge Replacement	705,889	45,118	-	-	-	-	-	-
Citywide Safety Project	84,138	264,841	-	-	-	-	-	-
Clearwater - Leslie to US395	402,594	1,717,144	-	-	-	-	-	-
Underground Utility Lines	26,933	-	-	-	-	-	-	-
US395/Ridgeline Intersection Revision	-	750,231	1,000,000	2,000,000	2,000,000	1,000,000	-	-
45th Avenue	126,629	-	-	-	-	-	-	-
Metaline Widening	51,174	405,473	-	1,662,000	-	-	-	-
10th Avenue Widening	-	-	2,745,000	-	-	-	-	-
Columbia Gardens Phase II/Willows	-	-	2,000,000	-	-	-	-	-
Canal Dr and Edison Interchange	-	-	-	-	288,000	1,137,000	-	-
North/South (Deschutes Pl) Vista Field	-	-	1,100,000	550,000	-	-	-	-
Vista Field Transportation Improvement Projects	-	-	-	150,000	700,000	700,000	700,000	700,000
Center Parkway - Bob Olson to Ridgeline	-	-	-	-	-	-	2,528,800	-
Ridgeline Drive - Center Parkway to Sherman	-	-	-	-	-	-	-	3,625,000
Ridgeline Drive - Sherman to Southridge	-	-	-	-	1,120,000	1,120,000	-	-
Capital Improvement Fund:								
Hildebrand Blvd. - Sherman to SR395	30,554	-	-	-	-	-	-	-
Plaza Way - Ridgeline north to existing	2,808	-	-	-	-	-	-	-
Ridgeline Dr - Plaza Way to Southridge	400,912	-	-	-	-	-	-	-
Ridgeline Dr - US395 to Plaza Way	88,499	-	-	-	-	-	-	-
Ridgeline Dr - Southridge to 36th	151,691	-	-	-	-	-	-	-
W 7th Extension	-	685,000	-	-	-	-	-	-
W 5th	-	303,305	-	-	-	-	-	-
Hood/Jefferson	-	10,000	-	-	-	-	-	-
Subtotal Street Reconstruction	11,844,344	21,080,930	6,845,000	4,362,000	4,108,000	3,957,000	3,228,800	4,325,000
STREET OVERLAYS								
Arterial Street Fund:								
Pavement Preservation Program	1,676,768	1,008,595	1,696,000	1,696,000	-	-	-	-
Columbia Dr - SR395 to Hartford	3,375	-	-	-	-	-	-	-
Urban Arterial Street Fund:								
Columbia Center Blvd Overlay	-	1,140,000	-	-	-	-	-	-
Capital Improvement Fund:								
Miscellaneous Street Projects	84,148	193,050	109,000	109,000	109,000	109,000	109,000	109,000
Crack Sealing	-	116,600	123,600	123,600	129,500	129,500	136,000	136,000
Subtotal Street Overlays	1,764,291	2,458,245	1,928,600	1,928,600	238,500	238,500	245,000	245,000

CITYWIDE SUMMARY

Capital Improvement Program

	ACTUAL 2013/2014	ADJUSTED BUDGET 2015/2016	PROJECTION					
			2017	2018	2019	2020	2021	2022
STORM DRAINAGE								
Stormwater Fund:								
Drywell Storm Systems (misc locations)	76,280	33,720	25,000	25,000	10,000	10,000	10,000	10,000
Decant Facility	-	800,000	-	-	-	-	-	-
UGA Stormwater Facility	-	980,000	-	-	-	-	-	-
Wellhead Area Retro fit	265,179	-	-	-	-	-	-	-
Zintel Canyon Project	-	401,200	-	-	-	-	-	-
Low Impact Development Project	55,375	213,950	-	-	-	-	-	-
Subtotal Storm Drainage	396,834	2,428,870	25,000	25,000	10,000	10,000	10,000	10,000
STREET LIGHTS/SIGNALS								
Urban Arterial Street Fund:								
Energy Savings Program	229,430	-	-	-	-	-	-	-
Grandridge and Young Roundabout	606,526	70,973	-	-	-	-	-	-
Capital Improvement Fund:								
Flashing School Beacon	14,738	55,000	-	-	-	-	-	-
Traffic Sign Inventory	18,557	-	-	-	-	-	-	-
Traffic Volume Counts	-	25,000	-	-	-	-	-	-
Miscellaneous ADA Improvements	39,270	-	-	-	-	-	-	-
St. Lts. Misc. Locations (Arterials)	421	206,646	125,000	125,000	125,000	125,000	125,000	125,000
Misc Traffic Signals or Roundabouts	233,306	386,834	153,900	213,900	213,900	213,900	213,900	213,900
Subtotal Street Lights/Signals	1,142,248	744,453	278,900	338,900	338,900	338,900	338,900	338,900
SIDEWALKS								
Urban Arterial Street Fund:								
Gum Street Sidewalk	238,717	-	-	-	-	-	-	-
Capital Improvement Fund:								
ADA Transition Program	654,560	172,931	374,000	125,000	125,000	125,000	125,000	125,000
Sidewalk Program	90,932	150,000	75,000	75,000	75,000	75,000	75,000	75,000
Subtotal Storm Drainage	984,209	322,931	449,000	200,000	200,000	200,000	200,000	200,000
WATER/SEWER SYSTEM IMPROVEMENTS								
Water/Sewer Fund:								
Water System Improvements	10,610,487	5,856,512	1,720,000	3,683,000	8,380,000	6,175,000	6,762,500	3,587,500
Sewer System Improvements	4,253,195	8,743,184	2,880,000	1,880,000	9,532,000	9,280,000	9,568,000	8,258,000
Combined Utility Improvements	703,090	515,700	732,900	732,900	250,000	250,000	250,000	250,000
Sewer Area Charge Projects	383,453	1,563,547	1,900,000	-	-	-	1,875,000	1,875,000
Subtotal W/S Improvements	15,950,225	16,678,943	7,232,900	6,295,900	18,162,000	15,705,000	18,455,500	13,970,500
LAND & FACILITIES								
Capital Improvement Fund:								
Facilities Maintenance Program	159,016	5,090,184	32,400	33,400	325,700	341,300	357,700	374,900
Tree Removal	3,791	60,000	20,000	20,000	-	-	-	-
City Hall	318,690	188,000	-	-	-	-	-	-
Fire Station #61	-	-	-	-	2,600,000	-	-	-
Fire Station #62	938	-	33,030	-	-	-	-	-
Fire Station #63	-	-	-	-	5,500,000	-	-	-
Fire Station #65	33,183	4,355,182	-	-	-	-	-	-
Fire Station #66	-	-	-	-	5,100,000	-	-	-
Building Demolition	-	265,600	-	-	-	-	-	-
Hildebrand/395 - KID Irrigation	64,910	-	-	-	-	-	-	-
KSD Parking Lot	-	-	80,000	80,000	-	-	-	-
Library	-	-	-	37,250	-	-	-	-
Columbia Park Aquatic Center	-	-	-	25,000	-	-	-	-

CITYWIDE SUMMARY

Capital Improvement Program

	ADJUSTED		PROJECTION					
	ACTUAL	BUDGET	2017	2018	2019	2020	2021	2022
	2013/2014	2015/2016						
LAND & FACILITIES (Continued)								
Frost Facility	3,962	-	39,550	38,450	-	-	-	-
Parks Restrooms	-	-	25,000	25,000	-	-	-	-
Land Acquisition	711,718	3,300,000	-	-	-	-	-	-
Subtotal Land & Facilities	1,296,208	3,258,966	229,980	259,400	3,525,700	341,300	357,700	374,900
OTHER IMPROVEMENTS								
Capital Improvement Fund:								
SR395 Corridor Study	5,967	25,149	-	-	-	-	-	-
Southridge Softball Complex	1,027	-	-	-	-	-	-	-
TCVB Driveway	-	31,319	-	-	-	-	-	-
Ridgeline Alignment Study	-	35,000	-	-	-	-	-	-
Machinery & Equipment - Fire	-	186,323	-	-	1,100,000	-	-	-
Regional Development Portal	10,425	-	-	-	-	-	-	-
Transportation Plan Update	-	-	200,000	-	-	-	-	-
Wayfinding Program	-	-	200,000	-	-	-	-	-
Public Art	105	-	-	-	-	-	-	-
Tree City Board - Grant Enhancement	2,000	4,000	-	-	-	-	-	-
Data Processing Equipment	695,703	158,365	56,060	56,050	380,900	380,900	399,900	399,900
Software	-	926,427	389,521	289,522	-	-	-	-
Eden Replacement	-	-	-	-	2,000,000	-	-	-
IS Upgrade/Replacement Program	692,300	343,000	-	-	-	-	-	-
Subtotal Other Improvements	1,407,527	1,709,583	845,581	345,572	3,480,900	380,900	399,900	399,900
PARK IMPROVEMENTS								
Capital Improvement Fund:								
Park Development/Construction:								
Civic Center Athletic Area	-	80,000	-	-	-	-	-	-
Columbia Park Improvements	327	30,000	325,000	-	-	-	-	-
Tennis and Hard Court Repairs	-	172,000	-	-	-	-	-	-
4W 10th/CCB & Park Site	6,670	177,705	-	-	-	-	-	-
1W Sunset Park	2,768	112,634	-	-	-	-	-	-
2E Zinte/Underwood/Vancouver	1,628	3,000	-	-	-	-	-	-
2W Scott	2,808	38,192	-	-	-	-	-	-
3E Civic Area	3,107	9,000	-	-	-	-	-	-
6W Southridge	8,415	30,000	-	-	-	-	-	-
5W Grange	6,640	10,000	-	-	-	-	-	-
Subtotal Park Improvements	32,363	662,531	325,000	-	-	-	-	-
DEBT SERVICE								
Capital Improvement Fund:								
P WTF Loan - 19th Avenue	50,696	-	-	-	-	-	-	-
P WTF Loan - Comp Street Imp - Phase I	428,886	420,079	207,329	205,297	-	-	-	-
P WTF Loan - Comp Street Imp - Phase II	528,598	518,764	255,694	253,236	250,777	248,319	-	-
Stormwater Revolving Loans	-	303,828	185,211	185,211	185,211	33,296	-	-
Frost Facility Loan	203,774	-	-	-	-	-	-	-
Debt Issue Costs	-	67,404	-	-	-	-	-	-
Capital Lease Program	13,551	248,338	124,169	-	180,000	180,000	180,000	180,000
Subtotal Debt Service	1,225,505	1,558,413	772,403	643,744	615,988	461,615	180,000	180,000

CITYWIDE SUMMARY

Capital Improvement Program

	ACTUAL 2013/2014	ADJUSTED		PROJECTION					
		BUDGET 2015/2016	2017	2018	2019	2020	2021	2022	
MISCELLANEOUS									
Stormwater Utility Fund:									
Transfer to Equipment Rental	32,273	25,000	-	-	-	-	-	-	
Transfer to Capital Improvement Fund	42,225	49,644	9,240	-	-	-	-	-	
Water/Sewer Fund:									
Transfer to General Fund	16,700	-	-	-	-	-	-	-	
Transfer to Equipment Rental	6,763	554,000	-	-	-	-	-	-	
Transfer to Capital Purchases	150,039	220,758	109,903	-	-	-	-	-	
Capital Improvement Fund:									
Transfer to Arterial Fund	628,376	1,000,000	1,696,000	1,696,000	-	-	-	-	
Transfer to Urban Arterial Fund	4,492,349	9,933,050	3,698,000	3,090,811	4,108,000	3,957,000	3,228,800	4,325,000	
Transfer to Equipment Rental	1,191,314	1,798,200	872,200	872,200	837,100	837,100	879,000	879,000	
Transfer to Capital Improvement - Streets	1,706,637	1,923,526	1,113,500	1,226,000	1,147,000	1,187,000	1,228,000	1,268,000	
Transfer to Capital Improvement - Facilities	134,641	6,859,118	229,980	231,020	325,700	341,300	357,700	374,900	
Transfer to Capital Purchases	738,792	1,216,516	287,873	287,794	560,900	560,900	579,900	579,900	
Transfer to Coliseum	532,476	460,000	140,000	200,000	250,000	250,000	250,000	250,000	
Transfer to Golf Course	14,500	492,620	-	-	-	-	-	-	
Transfer to Animal Control Facility	-	1,075,000	-	-	-	-	-	-	
Transfer to LRF GO Bond 2010B	150,844	-	-	-	-	-	-	-	
Transfer to Debt Service Fund	4,923,685	5,718,462	3,187,290	3,185,969	4,236,637	4,233,243	4,229,104	4,214,409	
Transfer to Public Facilities District - Conv Ctr	571,910	960,480	725,000	725,000	725,000	725,000	725,000	725,000	
Transfer to Conv Ctr - City of Pasco	460,477	484,565	-	-	-	-	-	-	
Subtotal Miscellaneous	15,794,001	32,770,939	12,068,986	11,514,794	12,190,337	12,091,543	11,477,504	12,616,209	
Total Expenditures	51,837,755	93,674,804	31,001,350	25,913,610	52,870,325	33,724,758	34,893,304	32,660,409	
ENDING FUND BALANCE	12,974,982	4,780,858	8,165,288	12,502,246	6,701,057	10,510,719	6,517,112	2,880,800	
TOTAL	\$ 64,812,737	\$ 98,455,662	\$ 39,166,638	\$ 38,415,856	\$ 59,571,382	\$ 44,235,477	\$ 41,410,416	\$ 35,541,209	

“Strive not to be a success, but rather to be of value.”

- Albert Einstein -

MAJOR PROJECTS

Project Name: Pavement Preservation Program - BST

Project Description/Purpose:

This project is for the preservation of City streets, by seal coating (BST), of the existing roadways. These roadways are at the point in their life cycle where they will deteriorate without this preservation and will require reconstruction at a significantly higher cost.

Estimated Impact on Future Operating Costs:

Routine costs for restriping annually will be mostly offset by reduced costs for crack sealing and patching.

	2017	2018	2019	2020	2021	2022	Total 2017-2022
Total Project Cost	\$1,696,000	\$1,696,000	\$ -	\$ -	\$ -	\$ -	\$3,392,000
Project Revenues:							
CIP Fund Transfer	\$1,696,000	\$1,696,000	\$ -	\$ -	\$ -	\$ -	\$3,392,000



Project Name: W. 10th Avenue – Montana to Columbia Center Blvd.

Project Description/Purpose:

Roadway widening - the project includes roadway construction, curb and gutter, sidewalk, retaining walls, storm drainage and illumination. The existing north half of 10th will receive an asphalt overlay. The project builds the south half of the roadway from Montana to Columbia Center Blvd. and results in a fully improved section from Steptoe to Columbia Center Blvd.

Estimated Impact on Future Operating Costs:

Future O&M costs will be for street sweeping, storm drainage maintenance and landscape/irrigation maintenance.

	2017	2018	2019	2020	2021	2022	Total 2017-2022
Total Project Cost	\$ 2,745,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,745,000
<u>Project Revenues:</u>							
TIB Grant	\$1,647,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$1,647,000
CIP Funds	1,098,000	-	-	-	-	-	1,098,000
<u>On-Going M&O Costs:</u>							
Employee Costs	\$ -	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 60,000
Maintenance Costs	-	7,000	7,000	7,000	7,000	7,000	35,000
Total On-Going Costs	\$ -	\$ 19,000	\$ 19,000	\$ 19,000	\$ 19,000	\$ 19,000	\$ 95,000



Project Name: US395/Ridgeline Intersection

Project Description/Purpose:

Grade separated intersection improvements - the project includes ITS components, new acceleration and deceleration ramps, single point urban interchange (overpass). \$15,000,000 additional dollars will be spent on this project by WSDOT.

Estimated Impact on Future Operating Costs:

Future O&M will be by WSDOT.

	2017	2018	2019	2020	2021	2022	Total 2017-2022
Total Project Cost	\$ 1,000,000	\$ 2,000,000	\$ 2,000,000	\$ 1,000,000	\$ -	\$ -	\$ 6,000,000
Project Revenues:							
CIP Funds	\$ 1,000,000	\$ 2,000,000	\$ 2,000,000	\$ 1,000,000	\$ -	\$ -	\$ 6,000,000



Project Name: Columbia Gardens Phase II/Willows

Project Description/Purpose:

This project (currently in progress) adds new roadway streetscape (trees, street lights, etc.) adjacent to the Columbia Gardens project. This is in partnership with the Port of Kennewick.

Estimated Impact on Future Operating Costs:

Future O&M costs will be for street sweeping, storm drainage maintenance and landscape/irrigation maintenance.

	2017	2018	2019	2020	2021	2022	Total 2017-2022
Total Project Cost	\$ 2,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,000,000
Project Revenues:							
EDA Grant	\$ 1,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000
Port of Kennewick	500,000	-	-	-	-	-	500,000
Rural County Capital Funds	500,000	-	-	-	-	-	500,000
On-Going M&O Costs:							
Employee Costs	\$ -	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 10,000
Maintenance Costs	-	1,000	1,000	1,000	1,000	1,000	5,000
Total On-Going Costs	\$ -	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 15,000



Project Name: Ridgeline Dr. Phase I – Sherman to Southridge

Project Description/Purpose:

Ridgeline Drive; Southridge Boulevard to Sherman Street. Reconstruct existing roadway; the project includes construction of the two travel lanes, median, curb and gutter, sidewalk, storm drainage and illumination.

Estimated Impact on Future Operating Costs:

Future O&M upon completion of construction are estimated at approximately \$5,000/year. Costs will be for street sweeping, storm drainage maintenance and landscape/irrigation maintenance.

	2017	2018	2019	2020	2021	2022	Total 2017-2022
Total Project Cost	\$ -	\$ -	\$ 1,120,000	\$ 1,120,000	\$ -	\$ -	\$ 2,240,000
Project Revenues:							
CIP Funds	\$ -	\$ -	\$ 1,120,000	\$ 1,120,000	\$ -	\$ -	\$ 2,240,000
On-Going M&O Costs:							
Employee Costs	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ 5,000	\$ 10,000
Total On-Going Costs	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ 5,000	\$ 10,000



Project Name: Ridgeline Drive Phase 2

Project Description/Purpose:

Ridgeline Drive; Sherman Street to Center Parkway (alignment study underway). New roadway construction - the project includes construction of two travel lanes, median/left-turn pockets, curb and gutter, storm drainage and illumination. Roundabouts are planned at both termini. Potential relocation required during ROW.

Estimated Impact on Future Operating Costs:

Future O&M upon completion of construction. Costs will be for street sweeping, storm drainage maintenance and landscape/irrigation maintenance.

	2017	2018	2019	2020	2021	2022	Total 2017-2022
Total Project Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,625,000	\$ 3,625,000
Project Revenues:							
CIP Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,625,000	\$ 3,625,000



Project Name: N/S Deschutes Place – Vista Field

Project Description/Purpose:

This project will construct a new roadway from Deschutes Avenue to Grandridge Blvd. in support of the Vista Entertainment District redevelopment. The project is in partnership with the Port of Kennewick and includes a 44-foot street with curb, gutter and sidewalk, decorative street lighting and storm drainage.

Estimated Impact on Future Operating Costs:

Future O&M upon completion of construction are estimated at \$5,000/year beginning 2019. Costs are for street sweeping, storm drainage maintenance, & landscape/irrigation maintenance

	2017	2018	2019	2020	2021	2022	Total 2017-2022
Total Project Cost	\$ 1,100,000	\$ 550,000	\$ -	\$ -	\$ -	\$ -	\$ 1,650,000
Project Revenues:							
Rural County Capital Funds	\$ 1,100,000	\$ 550,000	\$ -	\$ -	\$ -	\$ -	\$ 1,650,000
On-Going M&O Costs:							
Maintenance Costs	\$ -	\$ -	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 20,000
Total On-Going Costs	\$ -	\$ -	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 20,000



Project Name: Canal Drive/Edison Street Intersection

Project Description/Purpose:

This project will construct additional turn lanes to improve capacity at the intersection.

Estimated Impact on Future Operating Costs:

The project is not expected to increase O&M costs.

	2017	2018	2019	2020	2021	2022	Total 2017-2022
Total Project Cost	\$ -	\$ -	\$ 288,000	\$ 1,137,000	\$ -	\$ -	\$ 1,425,000
Project Revenues:							
CIP Funds	\$ -	\$ -	\$ 288,000	\$ 1,137,000	\$ -	\$ -	\$ 1,425,000



Project Name: Center Parkway – Bob Olson Parkway to Ridgeline Drive

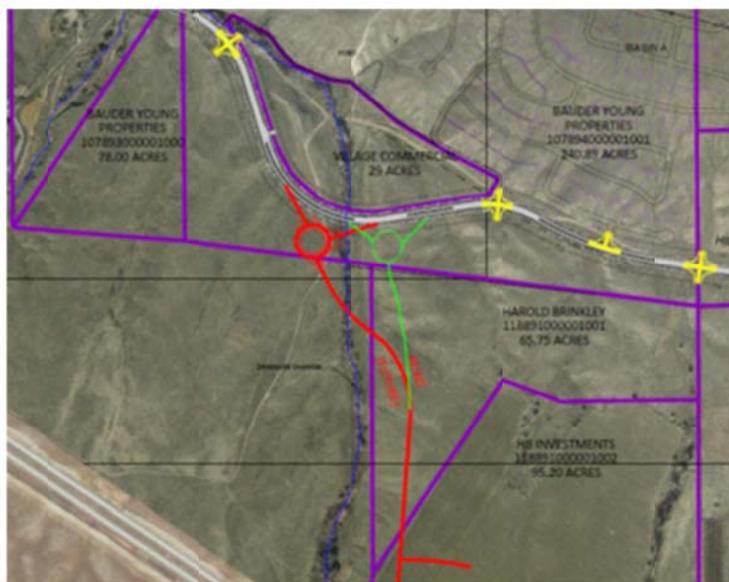
Project Description/Purpose:

This project will construct a new roadway from Bob Olson Parkway to Ridgeline Drive in support of the Southridge Area development (alignment study in progress). The project includes a 44-foot street with curb, gutter and sidewalk, decorative street lighting and storm drainage.

Estimated Impact on Future Operating Costs:

Future O&M upon completion of construction are estimated at \$5,000/year beginning 2022. Costs are for street sweeping, storm drainage maintenance, & landscape/irrigation maintenance

	2017	2018	2019	2020	2021	2022	Total 2017-2022
Total Project Cost	\$ -	\$ -	\$ -	\$ -	\$ 2,528,800	\$ -	\$ 2,528,800
Project Revenues:							
CIP Funds	\$ -	\$ -	\$ -	\$ -	\$ 2,528,000	\$ -	\$ 2,528,000
On-Going M&O Costs:							
Maintenance Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ 5,000
Total On-Going Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ 5,000



Project Name: West Metaline Street Reconstruction

Project Description/Purpose:

This project is nearing completion for design, with right-of-way acquisition in progress. Kennewick School District is a partner in this project and will be donating approximately 40% of the right-of-way for the project. The project will construct two travel lanes, a continuous left turn lane, water, sewer, storm drainage, street lighting, signing and channelization. Costs are for construction only.

Estimated Impact on Future Operating Costs:

Future O&M upon completion of construction are estimated at \$5,000/year beginning 2019. Costs are for street sweeping, storm drainage maintenance, & landscape/irrigation maintenance.

	2017	2018	2019	2020	2021	2022	Total 2017-2022
Total Project Cost	\$ -	\$ 1,662,000	\$ -	\$ -	\$ -	\$ -	\$ 1,662,000
Project Revenues:							
TIB Grant	\$ -	\$ 1,271,189	\$ -	\$ -	\$ -	\$ -	\$ 1,271,189
CIP Funds	-	390,811	-	-	-	-	390,811
On-Going M&O Costs:							
Maintenance Costs	\$ -	\$ -	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 20,000
Total On-Going Costs	\$ -	\$ -	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 20,000



Project Name: Fire Station #61 Remodel

Project Description/Purpose:

Remodel existing Fire Station #61, located in east Kennewick near City Hall.

Estimated Impact on Future Operating Costs:

It is anticipated that ongoing M&O costs will decline following a major remodel to this aging facility.

	2017	2018	2019	2020	2021	2022	Total 2017-2022
Total Project Cost	\$ -	\$ -	\$ 2,600,000	\$ -	\$ -	\$ -	\$2,600,000
Project Revenues:							
Bond Proceeds	\$ -	\$ -	\$ 2,600,000	\$ -	\$ -	\$ -	\$2,600,000



Project Name: Fire Station #63 Replacement

Project Description/Purpose:

Replace existing Fire Station #63 in west Kennewick, near the Benton County Justice Center.

Estimated Impact on Future Operating Costs:

It is anticipated that ongoing M&O costs will decline following the replacement of an aging facility.

	2017	2018	2019	2020	2021	2022	Total 2017-2022
Total Project Cost	\$ -	\$ -	\$ 5,500,000	\$ -	\$ -	\$ -	\$5,500,000
Project Revenues:							
Bond Proceeds	\$ -	\$ -	\$ 5,500,000	\$ -	\$ -	\$ -	\$5,500,000



Project Name: New Fire Station #66

Project Description/Purpose:

Construct a new fire station in the Southridge area; this project is necessary due to growth in Kennewick causing increased demands on services.

The new Fire Station will improve fire and EMS service to our citizens by reducing overall response time into south Kennewick. The station will be positioned to provide for excellent response into other fire station districts when those units are out on other emergency calls.

Estimated Impact on Future Operating Costs:

Ongoing personnel cost for three Fire Captains, three paramedics and six firefighters. Ongoing M&O costs and replacement and costs for a fire engine and a medic unit.

	2017	2018	2019	2020	2021	2022	Total 2017-2022
Total Project Cost	\$ -	\$ -	\$ 5,100,000	\$ -	\$ -	\$ -	\$ 5,100,000
<u>Project Revenues:</u>							
Bond Proceeds	\$ -	\$ -	\$ 5,100,000	\$ -	\$ -	\$ -	\$ 5,100,000
<u>On-Going M&O Costs:</u>							
Employee Costs	\$ -	\$ -	\$ 683,955	\$ 1,518,366	\$ 1,676,634	\$ 1,843,458	\$ 5,722,413
Maintenance Costs	-	-	84,574	114,109	115,507	116,960	431,150
Total On-Going Costs	\$ -	\$ -	\$ 768,529	\$ 1,632,475	\$ 1,792,141	\$ 1,960,418	\$ 6,153,563



Project Name: Fire Flow Deficiencies

Project Description/Purpose:

These water main improvements are required to resolve existing system fire flow deficiencies caused primarily by undersized water mains. Many areas also contain non-standard water main material

Estimated Impact on Future Operating Costs:

The replacement of the problem water mains will reduce maintenance costs by reducing response hours.

	2017	2018	2019	2020	2021	2022	Total 2017-2022
Total Project Cost	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 4,500,000
Project Revenues:							
Rates Revenues	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 750,000	\$ 4,500,000
On-Going M&O Costs:							
Maintenance Costs	\$ (1,000)	\$ (1,000)	\$ (1,000)	\$ (1,000)	\$ (1,000)	\$ (1,000)	\$ (6,000)
Total On-Going Costs	\$ (1,000)	\$ (1,000)	\$ (1,000)	\$ (1,000)	\$ (1,000)	\$ (1,000)	\$ (6,000)



Project Name: Entiat to Canal Water Mains

Project Description/Purpose:

A 12-inch-diameter steel main has failed beneath the canal and railroad easements northeast of Canal Drive, near the Tri-City Country Club, leaving a 16-inch-diameter ductile iron main as the primary conveyance route between the City’s existing sources and the golf course booster station. This project will consist of the installation of approximately 1,000 LF of 24” ductile iron pipe.

Estimated Impact on Future Operating Costs:

Future O&M costs will be for normal upkeep and preventative maintenance established by industry standards.

	2017	2018	2019	2020	2021	2022	Total 2017-2022
Total Project Cost	\$ -	\$ 950,000	\$ -	\$ -	\$ -	\$ -	\$950,000
<u>Project Revenues:</u>	\$ -	\$ 950,000	\$ -	\$ -	\$ -	\$ -	\$ 950,000
<u>On-Going M&O Costs:</u>							
Employee Costs	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 12,000
Other Equipment	1,000	1,000	1,000	1,000	1,000	1,000	6,000
Total On-Going Costs	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 18,000



Project Name: Ridgeline Dr. Extension Phases 3 and 4

Project Description/Purpose:

This project will extend water and sewer service along Ridgeline Drive.

Estimated Impact on Future Operating Costs:

The project is expected to increase annual O&M costs slightly.

	2017	2018	2019	2020	2021	2022	Total 2017-2022
Total Project Cost							
Phase 3	\$ -	\$ -	\$1,200,000	\$1,200,000	\$ -	\$ -	\$ 2,400,000
Phase 4	-	-	1,200,000	1,200,000	-	-	2,400,000
Project Revenues:							
Rates Revenues	\$ -	\$ -	\$2,400,000	\$2,400,000	\$ -	\$ -	\$ 4,800,000
On-Going M&O Costs:							
Maintenance Costs	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$6,000
Total On-Going Costs	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$6,000



Project Name: Sewerline Renewals and Replacements

Project Description/Purpose:

This project provides ongoing replacement of sewer mains that are identified by the City’s wastewater capital improvement program committee. This committee compiles information to assemble a list of projects that are needed to address ongoing maintenance problems.

Estimated Impact on Future Operating Costs:

The replacement of the problem sewer mains will save ongoing maintenance cost.

	2017	2018	2019	2020	2021	2022	Total 2017-2022
Total Project Cost	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 3,000,000
Project Revenues:							
Rates Revenues	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 3,000,000
On-Going M&O Costs:							
Maintenance Costs	\$ (1,000)	\$ (1,000)	\$ (1,000)	\$ (1,000)	\$ (1,000)	\$ (1,000)	\$ (6,000)
Total On-Going Costs	\$ (1,000)	\$ (1,000)	\$ (1,000)	\$ (1,000)	\$ (1,000)	\$ (1,000)	\$ (6,000)



Project Name: WAS Thickening & Anaerobic Digestion

Project Description/Purpose:

Although the lagoons are an economical means of managing biosolids, unpredictable turn over events in the solids lagoons result in extremely foul odors that result in many citizen complaints. Improvements will eliminate the odor producing lagoons and adopt a more mechanized solids stabilization process where odors are localized through WAS thickening and Anaerobic Digestion.

Estimated Impact on Future Operating Costs:

Future O&M costs will be for manufacturer recommended preventative maintenance and cleanings.

	2017	2018	2019	2020	2021	2022	Total 2017-2022
Total Project Cost	\$ -	\$ -	\$ 4,725,000	\$ 4,725,000	\$ 4,725,000	\$ 4,725,000	\$18,900,000
Project Revenues:							
State Revolving Loan	\$ -	\$ -	\$ 3,150,000	\$ 3,150,000	\$ 3,250,000	\$ 3,250,000	\$12,800,000
Rate Revenues	-	-	1,575,000	1,575,000	1,475,000	1,475,000	6,100,000
On-Going M&O Costs:							
Employee Costs	\$ -	\$ -	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 8,000
Other Equipment	-	-	1,000	1,000	1,000	1,000	4,000
Total On-Going Costs	\$ -	\$ -	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 12,000



Project Name: Mechanical Dewatering of Digested Solids

Project Description/Purpose:

This project adds mechanical de-watering to the biosolids produced from the Anaerobic Digester to produce a class B biosolids that can be disposed of.

Estimated Impact on Future Operating Costs:

Future O&M costs will be for preventative maintenance, cleaning and stock piling dry biosolids.

	2017	2018	2019	2020	2021	2022	Total 2017-2022
Total Project Cost	\$ -	\$ -	\$ 2,425,000	\$ 2,425,000	\$ 1,775,000	\$ 1,775,000	\$ 8,400,000
<u>Project Revenues:</u>							
Rate Revenues	\$ -	\$ -	\$ 2,425,000	\$ 2,425,000	\$ 1,775,000	\$ 1,775,000	\$ 8,400,000
<u>On-Going M&O Costs:</u>							
Employee Costs	\$ -	\$ -	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 8,000
Other Equipment	-	-	1,000	1,000	1,000	1,000	4,000
Total On-Going Costs	\$ -	\$ -	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 12,000



Project Name: Wastewater Treatment Plant Upgrade

Project Description/Purpose:

This project includes work on the preliminary treatment, biological treatment, final clarifiers, and UV disinfection. All upgrades will fix existing issues or make the process more effective and energy efficient.

Estimated Impact on Future Operating Costs:

Future O&M costs will be for plant preventative maintenance and cleaning.

	2017	2018	2019	2020	2021	2022	Total 2017-2022
Total Project Cost	\$ -	\$ -	\$ -	\$ -	\$ 1,875,000	\$ 1,875,000	\$ 3,750,000
Project Revenues:							
Rate Revenues	\$ -	\$ -	\$ -	\$ -	\$ 1,875,000	\$ 1,875,000	\$ 3,750,000
On-Going M&O Costs:							
Employee Costs	\$ -	\$ -	\$ -	\$ -	\$ 2,000	\$ 2,000	\$ 4,000
Other Equipment	-	-	-	-	1,000	1,000	2,000
Total On-Going Costs	\$ -	\$ -	\$ -	\$ -	\$ 3,000	\$ 3,000	\$ 6,000



Project Name: 18th & Kellogg Reservoir Improvements

Project Description/Purpose:

A structural engineer performed a visual condition assessment and structural evaluation of the reservoir in 2014, and found significant defects and vulnerabilities. The vulnerabilities include shrinkage, cracking, roof slab deflection and cracking, concrete slab reinforcing strength deficiencies, and inadequate bearing pad thickness.

Estimated Impact on Future Operating Costs:

Future O&M costs will be for normal maintenance and cleanings as established by industry standards.

	2017	2018	2019	2020	2021	2022	Total 2017-2022
Total Project Cost	\$ -	\$ -	\$ -	\$ -	\$ 1,125,000	\$ 1,125,000	\$2,250,000
<u>Project Revenues:</u>							
Rate Revenues	\$ -	\$ -	\$ -	\$ -	\$ 1,125,000	\$ 1,125,000	\$2,250,000
<u>On-Going M&O Costs:</u>							
Employee Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,000	\$ 2,000
Other Equipment	-	-	-	-	-	1,000	1,000
Total On-Going Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,000	\$ 3,000



Project Name: Columbia Drive Interceptor

Project Description/Purpose:

As part of the increase of developed flows west of US 395, specifically the development in the proposed UGA expansion basins, the Columbia Drive Interceptor will require additional capacity. The interceptor consists of parallel 30-inch pipes along Columbia Drive that then combine into a single 30-inch pipe along Kingwood Street which then enters the WWTP. Along Columbia Drive, the north pipe has a 1,750 LF section of 18-inch pipe that causes a bottleneck and will need replacement with 30-inch pipe

Estimated Impact on Future Operating Costs:

Future O&M costs will be for TV maintenance and cleaning.

	2017	2018	2019	2020	2021	2022	Total 2017-2022
Total Project Cost	\$ -	\$ -	\$ -	\$ -	\$ 1,477,000	\$ -	\$ 1,477,000
<u>Project Revenues:</u>							
Rate Revenues	\$ -	\$ -	\$ -	\$ -	\$ 1,477,000	\$ -	\$ 1,477,000
<u>On-Going M&O Costs:</u>							
Other Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000	\$ 1,000
Total On-Going Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,000	\$ 1,000



Project Name: Canyon Interceptor Crossing I-82

Project Description/Purpose:

This project is an extension of the Sewer system to provide service to the UGA.

Estimated Impact on Future Operating Costs:

Future O&M costs will be for TV inspections and cleaning.

	2017	2018	2019	2020	2021	2022	Total 2017-2022
Total Project Cost	\$ -	\$ -	\$ -	\$ -	\$ 811,000	\$ 811,000	\$1,622,000
<u>Project Revenues:</u>							
Rate Revenues	\$ -	\$ -	\$ -	\$ -	\$ 811,000	\$ 811,000	\$1,622,000
<u>On-Going M&O Costs:</u>							
Employee Costs	\$ -	\$ -	\$ -	\$ -	\$ 2,000	\$ 2,000	\$ 4,000
Other Equipment	-	-	-	-	1,000	1,000	2,000
Total On-Going Costs	\$ -	\$ -	\$ -	\$ -	\$ 3,000	\$ 3,000	\$ 6,000



Project Name: Vista Field Improvements Phases 1, 2 & 3

Project Description/Purpose:

The City anticipates significant growth will occur in Vista Field within the 6-year planning period. Transmission capacity to Vista Field is currently limited to three existing transmission mains that cross the Central Washington Railroad. Three phases have been identified to increase fire flow availability throughout Vista Field to meet the 4,000 gpm commercial, and 5,000 gpm industrial planning level fire flow requirements.

Estimated Impact on Future Operating Costs:

The replacement of the problem water mains will reduce maintenance costs by reducing response hours. The increase in main size accommodates commercial and industrial growth which spurs economic development.

	2017	2018	2019	2020	2021	2022	Total 2017-2022
Total Project Cost							
Phase 1	\$ 300,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300,000
Phase 2	-	-	1,117,000	-	-	-	1,117,000
Phase 3	-	-	2,557,000	-	-	-	2,557,000
Project Revenues:							
Rates Revenues	\$ 300,000	\$ -	\$ 3,674,000	\$ -	\$ -	\$ -	\$ 3,974,000
On-Going M&O Costs:							
Maintenance Costs	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$6,000)
Total On-Going Costs	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)	(\$6,000)



ARTERIAL STREET FUND

The **Arterial Street Fund** accounts for the continued development of the arterial street system within the City. Revenue sources include federal and state grants.

H.S.I.P. (Hazard Safety Improvement Program) - This program makes Federal dollars available to the Department of Transportation. When funds are available, the DOT will solicit submittals of projects that qualify to eliminate hazards or safety problems. The DOT sets the priority for projects submitted and funds the projects according to priority and funds available. Federal funding pays 90% of the cost to a maximum amount of \$300,000. This funded the recent improvements at Edison and Metaline including the railroad crossing upgrades. We will make application for future grants under this program.

STP Competitive – Originally funded through ISTEA (1991) and continued in TEA 21 (1998), SAFETEA-LU (2005) and MAP-21 (2012), these funds are available on a competitive basis through the local MPO. This funding is on-going.

**FUND DETAIL
ARTERIAL STREET FUND**

Capital Improvement Program

	ACTUAL		ESTIMATE		PROJECTION				
	2013/2014	2015/2016	2017	2018	2019	2020	2021	2022	
BEGINNING FUND BALANCE	\$ 133,972	\$ 8,595	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
REVENUES									
INTERGOVERNMENTAL									
STP Local	926,516	-	-	-	-	-	-	-	
MISCELLANEOUS									
Interest	(126)	-	-	-	-	-	-	-	
Transfer from Capital Improvement	628,376	1,000,000	1,696,000	1,696,000	-	-	-	-	
TOTAL REVENUES	1,554,766	1,000,000	1,696,000	1,696,000	-	-	-	-	
TOTAL	\$ 1,688,738	\$ 1,008,595	\$ 1,696,000	\$ 1,696,000	\$ -	\$ -	\$ -	\$ -	
EXPENDITURES									
STREET OVERLAYS									
Pavement Preservation Program	\$ 1,676,768	\$ 1,008,595	\$ 1,696,000	\$ 1,696,000	\$ -	\$ -	\$ -	\$ -	
Columbia Dr - SR 395 to Hartford	3,375	-	-	-	-	-	-	-	
TOTAL EXPENDITURES	1,680,143	1,008,595	1,696,000	1,696,000	-	-	-	-	
ENDING FUND BALANCE	8,595	-	-	-	-	-	-	-	
TOTAL	\$ 1,688,738	\$ 1,008,595	\$ 1,696,000	\$ 1,696,000	\$ -	\$ -	\$ -	\$ -	

URBAN ARTERIAL STREET FUND

The **Urban Arterial Street Fund** accounts for the continued development of the urban arterial street system within the City. The primary source of revenue is continuing grants from the State Transportation Improvement Board. The City of Kennewick has been one of the most successful agencies statewide in receiving these funds.

U.A.P. Funds – The Urban Arterial Program, on an annual basis, reviews projects submitted by all cities in the State and establishes priorities for grant funding. This program was formerly two funding programs known as the Arterial Improvement Program (AIP) funded from the Urban Arterial Trust Account (UATA) and the Transportation Partnership Program (TPP) funded through Transportation Improvement Account (TIA).

The City of Kennewick has funded many projects from these funds since 1987. AIP projects include West 4th Avenue - Garfield to SR 395; Columbia Center Boulevard - Quinault to Clearwater; Clearwater - Irving to Quay; 10th Avenue - Ione to Olympia Street; Clearwater - Quay to Columbia Center Boulevard; Volland - Clearwater to Canal Drive; and Kellogg - W. 4th to Clearwater. TPP projects funded by this program include: Edison Street - SR240 - 10th, 27th - Union to Ely, Union - 10th to 27th, Clearwater-Columbia Center Blvd. to I-82, Columbia Center Blvd. Signal Enhancements, Gum St. - Yew Street to Cable Bridge, Steptoe – SR240 to Gage Blvd., City Wide Signal Enhancements, and the Columbia Center Blvd. Widening/ Tapteal Overpass project.

STP Regional Competitive – Originally funded through ISTEA (1991) and continued in TEA 21 (1998), SAFETEA-LU (2005) and MAP-21 (2012), these funds are available on a competitive basis through the local MPO. This funding is on-going. STP projects include Olympia Street – SR 397 to 27th Avenue, Columbia Center Boulevard Pavement Preservation, Edison Street Widening – Clearwater to Canal, US 395/Ridgeline Intersection Improvements, and Metaline Avenue Widening – Kellogg Street to Edison Street.

Highway Safety Improvement Program (HSIP) Funds – Funding provided to the City through federal legislation called Fixing America’s Surface Transportation Act (FAST). Washington State’s plan, which is called Target Zero, represents strategies to reduce fatal and serious injury crashes to zero by the year 2030. HSIP projects include Citywide Safety and Clearwater Avenue – Leslie Road to US 395.

FUND DETAIL
URBAN ARTERIAL STREET FUND

Capital Improvement Program

	ACTUAL ESTIMATE		PROJECTON					
	2013/2014	2015/2016	2017	2018	2019	2020	2021	2022
BEGINNING FUND BALANCE	\$ 924,157	\$ 1,030,967	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
REVENUES								
INTERGOVERNMENTAL								
EDA - Columbia Gardens PH II/Willows	-	-	1,000,000	-	-	-	-	-
STP Grant - Clearwater - Leslie to US395	347,408	1,772,257	-	-	-	-	-	-
STP Grant - Citywide Safety Project	78,212	270,841	-	-	-	-	-	-
STP Grant - CCB Safety	728,961	-	-	-	-	-	-	-
Federal Southridge Industrial UGA Expansion	-	970,000	-	-	-	-	-	-
WSDOT - Columbia Park Bike/Ped Improvements	-	320,000	-	-	-	-	-	-
STP Federal Grant - Columbia Dr Streetscape	-	100,000	-	-	-	-	-	-
STP Federal Grant - Steptoe - Phase II	94,040	-	-	-	-	-	-	-
STP Local Grant - Grandridge and Young	379,135	865	-	-	-	-	-	-
STP State Grant - Dayton - CID Bridge	405,012	-	-	-	-	-	-	-
STP State Grant - Olympia	1,647,137	20,293	-	-	-	-	-	-
STP State Grant - Metaline Widening	42,452	352,548	-	-	-	-	-	-
STP State Grant - US395/Ridgeline Intersection	-	648,750	-	-	-	-	-	-
STP State Grant - Edison	-	931,500	-	-	-	-	-	-
STP State Grant - CCB Overlay	-	986,100	-	-	-	-	-	-
TIB Grant - Olympia 27th/SR395	1,780,607	-	-	-	-	-	-	-
TIB Grant - Steptoe Phase 2	774,597	414,585	-	-	-	-	-	-
TIB Grant - Edison Street Widening	82,339	1,048,661	-	-	-	-	-	-
TIB Grant - Steptoe Phase 3	1,011,723	2,117,277	-	-	-	-	-	-
TIB Grant - Gum St Sidewalk	229,178	-	-	-	-	-	-	-
TIB Grant - 10th Avenue Widening	-	-	1,647,000	-	-	-	-	-
TIB Grant - Metaline	-	-	-	1,271,189	-	-	-	-
Port of Kennewick	-	23,202	500,000	-	-	-	-	-
MISCELLANEOUS								
Developer Contributions - Grandridge Young Roundabout	90,049	29,452	-	-	-	-	-	-
Developer Contributions - US395/Ridgeline	162,363	131,284	-	-	-	-	-	-
Developer Contributions - Steptoe Phase 3	-	190,540	-	-	-	-	-	-
Developer Contributions - Edison Widening	-	1,426	-	-	-	-	-	-
Developer Contributions - Metaline Widening	5,799	-	-	-	-	-	-	-
Transfer from CIP Fund - Edison Widening	149,117	768,020	-	-	-	-	-	-
Transfer from CIP Fund - US395 Ridgeline	-	-	1,000,000	2,000,000	2,000,000	1,000,000	-	-
Transfer from CIP Fund - CCB Safety	-	31,815	-	-	-	-	-	-
Transfer from CIP Fund - Underground Utilities	26,933	-	-	-	-	-	-	-
Transfer from CIP Fund - Clearwater/Leslie	225	-	-	-	-	-	-	-
Transfer from CIP Fund - Olympia	1,185,982	(355,444)	-	-	-	-	-	-
Transfer from CIP Fund - Grandridge/Young	141,103	66,348	-	-	-	-	-	-
Transfer from CIP Fund - Gum Sidewalk	46,973	(37,434)	-	-	-	-	-	-
Transfer from CIP Fund - Hildebrand	230,841	6,511,942	-	-	-	-	-	-
Transfer from CIP Fund - Hildebrand Outside Lanes	-	2,170,000	-	-	-	-	-	-
Transfer from CIP Fund - CCB Overlay	-	153,900	-	-	-	-	-	-
Transfer from CIP Fund - Dayton	370,628	(86,434)	-	-	-	-	-	-
Transfer from CIP Fund - Steptoe 3	2,181,323	213,678	-	-	-	-	-	-
Transfer from CIP Fund - Energy Savings	229,413	-	-	-	-	-	-	-
Transfer from CIP Fund - 45th	140,000	(13,371)	-	-	-	-	-	-
Transfer from CIP Fund - Columbia Dr Streetscape	-	475,000	-	-	-	-	-	-
Transfer from CIP Fund - Columbia Park Bike/Ped Imp	-	35,000	-	-	-	-	-	-
Transfer from CIP Fund - Metaline	61,647	-	-	390,811	-	-	-	-
Transfer from CIP Fund - 10th Avenue Widening	-	-	1,098,000	-	-	-	-	-
Transfer from CIP Fund - Columbia Gardens Ph II/Willow	-	-	500,000	-	-	-	-	-
Transfer from CIP Fund - N/S Deschutes - Vista Field	-	-	1,100,000	550,000	-	-	-	-

FUND DETAIL
URBAN ARTERIAL STREET FUND

Capital Improvement Program

	ACTUAL ESTIMATE		PROJECTON					
	2013/2014	2015/2016	2017	2018	2019	2020	2021	2022
MISCELLANEOUS (Continued)								
Transfer from CIP Fund - Canal Dr/Edison Interchange	-	-	-	-	288,000	1,137,000	-	-
Transfer from CIP Fund - Ridgeline I Sherman to SR	-	-	-	-	1,120,000	1,120,000	-	-
Transfer from CIP Fund - Bob Olson to Ridgeline	-	-	-	-	-	-	2,528,800	-
Transfer from CIP Fund - Ridgeline/Ctr Pkwy to Sherman	-	-	-	-	-	-	-	3,625,000
Transfer from CIP Fund - Steptoe 2	(271,834)	-	-	-	-	-	-	-
TOTAL REVENUES	12,351,363	20,262,631	6,845,000	4,362,000	4,108,000	3,957,000	3,228,800	4,325,000
TOTAL	\$ 13,275,520	\$ 21,293,598	\$ 6,845,000	\$ 4,362,000	\$ 4,108,000	\$ 3,957,000	\$ 3,228,800	\$ 4,325,000

EXPENDITURES

STREET RECONSTRUCTION

Stephoe Street - Phase 2	\$ 2,108,472	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Stephoe Street - Phase 3	1,972,685	3,342,315	-	-	-	-	-	-
45th Ave	126,629	-	-	-	-	-	-	-
Southridge Infrastructure:								
Underground Utilities - Southridge Blvd.	26,933	-	-	-	-	-	-	-
Hildebrand Blvd. - City Limits to Sherman St	416,424	6,326,573	-	-	-	-	-	-
Hildebrand Blvd. - Outside Lanes/Other Improvements	-	2,170,000	-	-	-	-	-	-
Southridge Blvd/Christianson Road Improvements	-	1,070,000	-	-	-	-	-	-
Grandridge and Young Roundabout	606,526	70,973	-	-	-	-	-	-
Gum Street Sidewalk	238,717	-	-	-	-	-	-	-
Olympia - SR397 to 27th	4,365,050	229,324	-	-	-	-	-	-
Edison Widening	149,116	2,831,579	-	-	-	-	-	-
Columbia Center Blvd Safety Project	760,776	27	-	-	-	-	-	-
Columbia Drive Streetscape	-	575,000	-	-	-	-	-	-
Metalline Widening	51,174	405,474	-	1,662,000	-	-	-	-
Dayton St/CID Canal Bridge Replacement	705,889	45,118	-	-	-	-	-	-
US 395/Ridgeline Intersection	-	750,231	1,000,000	2,000,000	2,000,000	1,000,000	-	-
10th Avenue Widening	-	-	2,745,000	-	-	-	-	-
Columbia Center Blvd Overlay	-	1,140,000	-	-	-	-	-	-
Columbia Gardens Phase II/Wilows	-	-	2,000,000	-	-	-	-	-
Columbia Park East - Bike/Ped Improvements	-	355,000	-	-	-	-	-	-
Canal Dr and Edison Interchange	-	-	-	-	288,000	1,137,000	-	-
North/South (Deschutes Pl) Vista Field	-	-	1,100,000	550,000	-	-	-	-
Vista Field Transportation Improvement Projects	-	-	-	150,000	700,000	700,000	700,000	700,000
Center Parkway - Bob Olson to Ridgeline	-	-	-	-	-	-	2,528,800	-
Ridgeline Drive - Center Parkway to Sherman	-	-	-	-	-	-	-	3,625,000
Ridgeline Drive - Sherman to Southridge	-	-	-	-	1,120,000	1,120,000	-	-

STREET LIGHTS/SIGNALS

Energy Savings Program	229,430	-	-	-	-	-	-	-
TRAFFIC CONTROL								
Citywide Safety Project	84,138	264,841	-	-	-	-	-	-
Clearwater - Leslie to US 395	402,594	1,717,143	-	-	-	-	-	-
TOTAL EXPENDITURES	12,244,553	21,293,598	6,845,000	4,362,000	4,108,000	3,957,000	3,228,800	4,325,000

ENDING FUND BALANCE

	1,030,967	-	-	-	-	-	-	-
TOTAL	\$ 13,275,520	\$ 21,293,598	\$ 6,845,000	\$ 4,362,000	\$ 4,108,000	\$ 3,957,000	\$ 3,228,800	\$ 4,325,000

*“Don’t judge each day by the harvest you reap but by the seeds
that you plant.”*

~ Robert Louis Stevenson ~

CAPITAL IMPROVEMENT FUND

The **Capital Improvement Fund** is used to account for the expenditures incurred for the acquisition or construction of major capital assets that are not identified with other capital funds. Sources of revenue include that portion of optional local taxes designated for capital improvements, state grants, Public Works Trust Fund (PWTF) loans, and allocations from other funds. Activity in the fund is accounted for in various departments including streets, City facilities, and PWTF loan projects.

Optional sales tax is locally levied and distributed by the state to each city on the basis of collections within the jurisdiction. State law authorizes up to 1/2 of 1%. If both the county and city are levying the local sales tax, the city must allocate 15% of the amount it receives to the county. Kennewick's optional sales tax became effective July 1, 1986. By Resolution No. 95-43, the City Council designated the use of the proceeds of the optional sales tax to fund a street improvement program. A minimum of \$4,000,000 per year of optional sales tax is projected for the next five years.

The **1/4% real estate tax** is locally levied on each sale of real property within the city. The tax is collected by the county and distributed to the city monthly. All proceeds must be used for capital purposes. Kennewick imposed this tax effective July 1, 1986. A second **1/4% real estate tax** was approved effective January 1, 1999. At that time the second 1/4% was specifically designated for use in the development of Columbia Park. Council took action on October 16, 2001 that re-designated \$725,000 for other capital purposes effective January 1, 2001.

Recreational Trails and Paths receives revenue from one-half of one percent of the **motor vehicle fuel tax**, according to provisions of RCW 46.68. In accordance with RCW 47.30.030 the funds are to be expended for the planning, accommodation, establishment, and maintenance of facilities for pedestrian, equestrian, or bicycle traffic.

The Washington State **Public Works Trust Fund** program was established in 1985 to offer low interest loans to eligible local governments for public works projects. The program is designed to encourage local effort in managing local needs. To date, the City currently has two loans for street projects and six water/sewer projects. The annual debt service for the street loans is approximately \$450,000. This leaves approximately \$3,550,000 to use for the street improvement program and for matching federal and state grants.

Park Reserves - A condition of approval of any short plat or new development in the City, residential purposes, requires land be dedicated for park purposes. **Park fees** in lieu of land dedication are collected when property is subdivided or improved for residential purposes and has inadequate acreage to meet the park needs in the neighborhood or the land is already available. These "fees in lieu" are used for the acquisition or development of park and recreation facilities within the designated park service area for which the fees were imposed. The fee requirement is based on a formula using the number of proposed residential units; the population per household as indicated on the comprehensive plan; and the current assessed value of the property to be subdivided or improved.

**FUND DETAIL
CAPITAL IMPROVEMENT FUND
STREETS**

Capital Improvement Program

	ACTUAL	ESTIMATE	PROJECTON					
	2013/2014	2015/2016	2017	2018	2019	2020	2021	2022
BEGINNING FUND BALANCE	\$ 4,871,299	\$ 5,786,152	\$ 3,211,076	\$ 2,337,210	\$ 1,932,883	\$ 1,073,869	\$ 575,107	\$ 1,195,203
REVENUES								
TAXES								
Optional Sales Tax	9,143,160	10,191,514	5,128,000	5,112,000	5,233,000	5,354,000	5,475,000	5,596,000
Property Tax - Hospital	285,142	-	-	-	-	-	-	-
Local Real Estate Excise Tax	1,588,524	3,010,065	1,395,000	1,423,000	1,451,000	1,480,000	1,510,000	1,540,000
Local Real Estate Excise Tax (2nd 1/4)	1,588,523	3,010,065	1,395,000	1,423,000	1,451,000	1,480,000	1,510,000	1,540,000
Trails & Paths Gas Tax	15,649	15,686	7,500	7,500	7,500	7,500	7,500	7,500
INTERGOVERNMENTAL								
Rural County Funds	-	-	1,600,000	700,000	700,000	700,000	700,000	700,000
WTSC Grant	6,803	-	-	-	-	-	-	-
Kennewick School District	7,936	45,000	-	-	-	-	-	-
Kennewick Irrigation District	12,844	-	-	-	-	-	-	-
Benton County	-	130,000	-	-	-	-	-	-
Benton PUD	17,806	-	-	-	-	-	-	-
MISCELLANEOUS								
Developer Contributions	352,733	-	-	-	-	-	-	-
Interest/Miscellaneous	124,843	158,136	58,034	60,976	63,946	66,947	69,978	73,039
Donations	11,269	68,214	15,000	15,000	15,000	15,000	15,000	15,000
Rentals and Leases	8,279	16,000	8,000	8,000	8,000	8,000	8,000	8,000
Transfer from General Fund	1,500,000	2,500,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Transfer from Community Development	624,849	880,954	374,000	125,000	125,000	125,000	125,000	125,000
Transfer from CIP LRF Tax	1,614,294	1,434,392	791,000	831,000	752,000	792,000	833,000	873,000
Transfer from CIP TIF	-	489,134	322,500	395,000	395,000	395,000	395,000	395,000
Proceeds from Sale of Land	-	658,432	-	-	-	-	-	-
Coliseum - Interfund Loan	-	-	16,966	14,024	11,054	8,053	5,022	1,961
TOTAL REVENUES	16,902,654	22,607,592	12,111,000	11,114,500	11,212,500	11,431,500	11,653,500	11,874,500
TOTAL	\$ 21,773,953	\$ 28,393,744	\$ 15,322,076	\$ 13,451,710	\$ 13,145,383	\$ 12,505,369	\$ 12,228,607	\$ 13,069,703
EXPENDITURES								
STREET RECONSTRUCTION								
W. 7th Extension	\$ -	\$ 685,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hood/Jefferson	-	10,000	-	-	-	-	-	-
W. 5th	-	303,305	-	-	-	-	-	-
Subtotal Street Reconstruction	-	998,305	-	-	-	-	-	-
SIDEWALKS								
Sidewalk Replacement	90,932	150,000	75,000	75,000	75,000	75,000	75,000	75,000
ADA Transition Program	654,560	172,931	374,000	125,000	125,000	125,000	125,000	125,000
Subtotal Storm Drainage	745,492	322,931	449,000	200,000	200,000	200,000	200,000	200,000
STREET OVERLAYS/GRAVEL STREETS								
Miscellaneous Street Projects	84,148	193,050	109,000	109,000	109,000	109,000	109,000	109,000
Crack Sealing/Paving Program	-	116,600	123,600	123,600	129,500	129,500	136,000	136,000
Subtotal Street Overlays	84,148	309,650	232,600	232,600	238,500	238,500	245,000	245,000
TRAFFIC CONTROL DEVICES								
Traffic Sign Inventory	18,557	-	-	-	-	-	-	-
Audible Navigator Buttons	39,270	-	-	-	-	-	-	-
Traffic Volume Counts	-	25,000	-	-	-	-	-	-
Subtotal Traffic Control Devices	57,827	25,000	-	-	-	-	-	-
STREET LIGHTS/SIGNALS								
St. Lts. Misc. Locations (Arterials)	421	206,646	125,000	125,000	125,000	125,000	125,000	125,000
Flashing School Beacon Upgrade	14,738	55,000	-	-	-	-	-	-
Misc Traffic Signals or Roundabouts	233,306	386,834	153,900	213,900	213,900	213,900	213,900	213,900
Subtotal Lights/Signals	248,465	648,480	278,900	338,900	338,900	338,900	338,900	338,900
OTHER IMPROVEMENTS								
SR395 Corridor Study	5,967	25,149	-	-	-	-	-	-
Tree City Board - Grant Enhancement	2,000	4,000	-	-	-	-	-	-
Public Art	105	-	-	-	-	-	-	-
Ridge Line Alignment Study	-	35,000	-	-	-	-	-	-

**FUND DETAIL
CAPITAL IMPROVEMENT FUND
STREETS**

Capital Improvement Program

	ACTUAL	ESTIMATE	PROJECTON					
	2013/2014	2015/2016	2017	2018	2019	2020	2021	2022
OTHER IMPROVEMENTS (Continued)								
Regional Development Portal	10,425	-	-	-	-	-	-	-
TCVB Driveway	-	313.89	-	-	-	-	-	-
Transportation Plan Update	-	-	200,000	-	-	-	-	-
Wayfinding Program	-	-	200,000	-	-	-	-	-
Subtotal Other Improvements	18,497	95,468	400,000	-	-	-	-	-
PARK IMPROVEMENTS								
Civic Center Athletic Area	-	80,000	-	-	-	-	-	-
Tennis and Hard Court Repairs	-	172,000	-	-	-	-	-	-
Subtotal Park Improvements	-	252,000	-	-	-	-	-	-
COLUMBIA PARK IMPROVEMENTS								
Playground of Dreams	-	30,000	325,000	-	-	-	-	-
Irrig./Landscaping(Volunteer Support)	327	-	-	-	-	-	-	-
Subtotal Columbia Park Improvements	327	30,000	325,000	-	-	-	-	-
MISCELLANEOUS								
Transfers:								
Transfer to Arterial Fund	628,376	1,000,000	1,696,000	1,696,000	-	-	-	-
Transfer to Urban Arterial Fund - Steptoe II	(271,832)	-	-	-	-	-	-	-
Transfer to Urban Arterial Fund - Steptoe III	2,181,323	213,678	-	-	-	-	-	-
Transfer to Urban Arterial Fund - Edison Widening	149,116	768,020	-	-	-	-	-	-
Transfer to Urban Arterial Fund - Underground Utilities	26,933	-	-	-	-	-	-	-
Transfer to Urban Arterial Fund - Col Dr Streetscape	-	475,000	-	-	-	-	-	-
Transfer to Urban Arterial Fund - Olympia	1,185,982	(355,414)	-	-	-	-	-	-
Transfer to Urban Arterial Fund - Hildebrand/Bob Olson	230,841	148,194	-	-	-	-	-	-
Transfer to Urban Arterial Fund - Dayton	370,628	(86,434)	-	-	-	-	-	-
Transfer to Urban Arterial Fund - Gum St	46,973	(37,434)	-	-	-	-	-	-
Transfer to Urban Arterial Fund - Col Park Bike/Ped	-	35,000	-	-	-	-	-	-
Transfer to Urban Arterial Fund - W. 45th	140,000	(13,371)	-	-	-	-	-	-
Transfer to Urban Arterial Fund - Grandridge/Young	141,103	66,348	-	-	-	-	-	-
Transfer to Urban Arterial Fund - Metaline Widening	61,647	-	-	390,811	-	-	-	-
Transfer to Urban Arterial Fund - Energy Savings	229,412	-	-	-	-	-	-	-
Transfer to Urban Arterial Fund - CCB Overlay	-	153,900	-	-	-	-	-	-
Transfer to Urban Arterial Fund - CCB Safety	-	318.15	-	-	-	-	-	-
Transfer to Urban Arterial Fund - W 10th Widening	-	-	1,098,000	-	-	-	-	-
Transfer to Urban Arterial Fund - Columbia Gardens II	-	-	500,000	-	-	-	-	-
Transfer to Urban Arterial Fund - N/S Vista Field	-	-	1,100,000	550,000	-	-	-	-
Transfer to Urban Arterial Fund - Vista Field Transp Program	-	-	-	150,000	700,000	700,000	700,000	700,000
Transfer to Urban Arterial Fund - US 395/Ridgeline	-	-	1,000,000	2,000,000	2,000,000	1,000,000	-	-
Transfer to Urban Arterial Fund - Clearwater/Leslie	225	-	-	-	-	-	-	-
Transfer to Urban Arterial Fund - Ridgeline Sherman to Southri	-	-	-	-	288,000	1,137,000	-	-
Transfer to Urban Arterial Fund - Canal Dr/Edison Interchange	-	-	-	-	1,120,000	1,120,000	-	-
Transfer to Urban Arterial Fund - Bob Olson to Sherman	-	-	-	-	-	-	2,528,800	-
Transfer to Urban Arterial Fund - Center Parkway to Sherman	-	-	-	-	-	-	-	3,625,000
Transfer to Equipment Rental	1,191,314	1,462,600	872,200	872,200	837,100	837,100	879,000	879,000
Transfer to CIP - Facilities	134,641	6,451,318	229,980	231,020	325,700	341,300	357,700	374,900
Transfer to Capital Purchases	738,792	1,216,516	287,873	287,794	560,900	560,900	579,900	579,900
Transfer to LRF GO Bond 2010B	150,844	-	-	-	-	-	-	-
Transfer to Debt Service Fund - 2010A	1,080,059	2,700	-	-	-	-	-	-
Transfer to Debt Service Fund 2010B	683,114	1,758,459	864,493	862,428	863,697	859,495	856,644	845,585
Transfer to Debt Service Fund 2003B	409,847	-	-	-	-	-	-	-
Transfer to Debt Service Fund 2006	1,459,166	493,925	-	-	-	-	-	-
Transfer to Debt Service Fund 2003A	415,801	-	-	-	-	-	-	-
Transfer to Debt Service Fund 2011	875,698	1,292,654	644,075	649,475	648,450	647,050	649,850	641,650
Transfer to Debt Service Fund 2015A	-	655,502	373,372	374,466	369,146	373,004	371,016	373,130
Transfer to Debt Service Fund 2015B	-	1,031,222	820,925	815,175	818,700	817,050	814,950	817,400
Transfer to Debt Service Fund 2016	-	484,000	484,425	484,425	484,425	484,425	484,425	484,425
Transfer to Debt Service Fund 2019	-	-	-	-	1,052,219	1,052,219	1,052,219	1,052,219
Transfer to Conv Ctr - City of Pasco	460,476	484,565	400,000	400,000	-	-	-	-
Transfer to Public Facilities District - Conv Ctr	571,910	960,480	325,000	325,000	725,000	725,000	725,000	725,000
Transfer to Animal Control Facility	-	1,075,000	-	-	-	-	-	-
Transfer to Coliseum	532,476	460,000	140,000	200,000	250,000	250,000	250,000	250,000
Subtotal Miscellaneous	13,824,865	21,561,991	10,836,343	10,288,794	11,043,337	10,904,543	10,249,504	11,348,209

**FUND DETAIL
CAPITAL IMPROVEMENT FUND
STREETS**

Capital Improvement Program

	ACTUAL	ESTIMATE	PROJECTON					
	2013/2014	2015/2016	2017	2018	2019	2020	2021	2022
DEBT SERVICE								
P WTF Loan - 19th Avenue	50,696	-	-	-	-	-	-	-
P WTF Loan - Comp Street Imp - Phase I	428,886	420,079	207,329	205,297	-	-	-	-
P WTF Loan - Comp Street Imp - Phase II	528,598	518,764	255,694	253,236	250,777	248,319	-	-
Subtotal Debt Service	1,008,180	938,843	463,023	458,533	250,777	248,319	-	-
TOTAL EXPENDITURES								
	15,987,801	25,182,668	12,984,866	11,518,827	12,071,514	11,930,262	11,033,404	12,132,109
ENDING FUND BALANCE								
	5,786,152	3,211,076	2,337,210	1,932,883	1,073,869	575,107	1,195,203	937,594
TOTAL								
	\$ 21,773,953	\$ 28,393,744	\$ 15,322,076	\$ 13,451,710	\$ 13,145,383	\$ 12,505,369	\$ 12,228,607	\$ 13,069,703
Ending Fund Balance								
	\$ 5,786,152	\$ 3,211,076	\$ 2,337,210	\$ 1,932,883	\$ 1,073,869	\$ 575,107	\$ 1,195,203	\$ 937,594
Fund Balance Reserved for Coliseum Debt								
	1,696,605	1,105,347	805,276	502,205	196,102	-	-	-
SURPLUS (DEFICIT) CASH FLOW								
	\$ 4,089,547	\$ 2,105,729	\$ 1,531,934	\$ 1,430,678	\$ 877,767	\$ 575,107	\$ 1,195,203	\$ 937,594

**FUND DETAIL
CAPITAL IMPROVEMENT FUND
LAND & FACILITIES**

Capital Improvement Program

	ACTUAL		ESTIMATE	PROJECTION					
	2013/2014	2015/2016		2017	2018	2019	2020	2021	2022
BEGINNING FUND BALANCE	\$ 377,561	\$ 262,433	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
REVENUES									
OTHER FINANCING SOURCES:									
Rentals & Leases	17,776	-	-	-	-	-	-	-	-
Interest on Investments	5,512	-	-	-	-	-	-	-	-
Proceeds from Sale of Land	1,173,802	-	-	-	-	-	-	-	-
Transfer from Water/Sewer	67,623	-	-	21,840	-	-	-	-	-
Transfer from Stormwater	-	-	-	6,240	-	-	-	-	-
Transfer from CIP Street	134,641	6,451,318	229,980	231,020	325,700	341,300	357,700	374,900	
Transfer from CIP 2015 GO Bond	-	407,800	-	-	-	-	-	-	-
TOTAL REVENUES	1,399,354	6,859,118	229,980	259,100	325,700	341,300	357,700	374,900	
TOTAL	\$ 1,776,915	\$ 7,121,551	\$ 229,980	\$ 259,100	\$ 325,700	\$ 341,300	\$ 357,700	\$ 374,900	
EXPENDITURES									
City Hall	\$ 318,690	\$ 188,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fire Station #62	938	-	33,030	-	-	-	-	-	-
Fire Station #65	33,183	575,147	-	-	-	-	-	-	-
Hildebrand/395 - KID Irrigation	64,910	-	-	-	-	-	-	-	-
Building Demolition	-	265,600	-	-	-	-	-	-	-
Frost Facility	3,962	-	39,550	38,450	-	-	-	-	-
Library	-	-	-	37,250	-	-	-	-	-
Columbia Park Aquatic Center	-	-	-	25,000	-	-	-	-	-
KSD Parking Lot	-	-	80,000	80,000	-	-	-	-	-
Parks Restrooms	-	-	25,000	25,000	-	-	-	-	-
Facilities Maintenance Program	-	5,030,000	-	-	291,300	305,900	321,200	337,300	
Vista District Common Area O&M	42,936	50,723	32,400	33,400	34,400	35,400	36,500	37,600	
Title and Appraisal Fees	12,901	9,461	-	-	-	-	-	-	-
Property Tax	56,055	-	-	-	-	-	-	-	-
Contractual/Consulting Services	47,124	-	-	-	-	-	-	-	-
Tree Removal	3,791	60,000	20,000	20,000	-	-	-	-	-
Land Acquisition	711,718	450,000	-	-	-	-	-	-	-
Transfer to Columbia Park Golf Course	14,500	492,620	-	-	-	-	-	-	-
Frost Facility Loan - Principal	200,000	-	-	-	-	-	-	-	-
Frost Facility Loan - Interest	3,774	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES	1,514,482	7,121,551	229,980	259,100	325,700	341,300	357,700	374,900	
ENDING FUND BALANCE	262,433	-	-	-	-	-	-	-	-
TOTAL	\$ 1,776,915	\$ 7,121,551	\$ 229,980	\$ 259,100	\$ 325,700	\$ 341,300	\$ 357,700	\$ 374,900	

FUND DETAIL
CAPITAL IMPROVEMENT FUND
CAPITAL PURCHASES

Capital Improvement Program

	ACTUAL	ESTIMATE	PROJECTION					
	2013/2014	2015/2016	2017	2018	2019	2020	2021	2022
BEGINNING FUND BALANCE	\$ 1,777	\$ 164,691	\$ 118,700	\$ 57,778	\$ -	\$ -	\$ -	\$ -
REVENUES								
OTHER FINANCING SOURCES:								
Capital Lease Proceeds	380,000	-	-	-	2,000,000	-	-	-
Transfer from General Fund	179,828	-	-	-	-	-	-	-
Transfer from Capital Imp. - Streets	738,792	1,216,516	287,873	287,794	560,900	560,900	579,900	579,900
Transfer from Capital Imp. - Park Res	92,343	-	-	-	-	-	-	-
Transfer from Water/Sewer Fund	58,954	220,758	47,708	-	-	-	-	-
Transfer from Medical Services Fund	54,822	79,558	145,894	-	-	-	-	-
Transfer from Building Safety Fund	16,930	63,663	14,653	-	-	-	-	-
Transfer from Stormwater Utility Fund	42,225	49,644	12,700	-	-	-	-	-
Interest on Investments	574	-	-	-	-	-	-	-
TOTAL REVENUES	1,564,468	1,630,139	508,828	287,794	2,560,900	560,900	579,900	579,900
TOTAL	\$ 1,566,245	\$ 1,794,830	\$ 627,528	\$ 345,572	\$ 2,560,900	\$ 560,900	\$ 579,900	\$ 579,900
EXPENDITURES								
CAPITAL PURCHASES								
Data Processing Equipment:								
Data Processing Equipment	\$ 695,703	\$ 158,365	\$ 56,060	\$ 56,050	\$ 380,900	\$ 380,900	\$ 399,900	\$ 399,900
Software Needs Analysis	-	-	100,000	-	-	-	-	-
Software	-	926,427	289,521	289,522	-	-	-	-
IS Upgrade/Replacement Program	692,300	343,000	-	-	-	-	-	-
Eden Replacement	-	-	-	-	2,000,000	-	-	-
Debt Service	13,551	248,338	124,169	-	180,000	180,000	180,000	180,000
TOTAL EXPENDITURES	1,401,554	1,676,130	569,750	345,572	2,560,900	560,900	579,900	579,900
ENDING FUND BALANCE	164,691	118,700	57,778	-	-	-	-	-
TOTAL	\$ 1,566,245	\$ 1,794,830	\$ 627,528	\$ 345,572	\$ 2,560,900	\$ 560,900	\$ 579,900	\$ 579,900

**FUND DETAIL
CAPITAL IMPROVEMENT FUND
PARK RESERVES**

Capital Improvement Program

	ACTUAL	ESTIMATE	PROJECTION					
	2013/2014	2015/2016	2017	2018	2019	2020	2021	2022
BEGINNING FUND BALANCE	\$1,116,637	\$1,212,504	\$1,031,973	\$1,081,973	\$1,131,973	\$1,131,973	\$1,131,973	\$1,131,973
REVENUES								
Park Development Fees	215,562	200,000	50,000	50,000	-	-	-	-
Interest Earnings	4,684	-	-	-	-	-	-	-
TOTAL REVENUES	220,246	200,000	50,000	50,000	0	0	0	0
TOTAL	\$1,336,883	\$1,412,504	\$1,081,973	\$1,131,973	\$1,131,973	\$1,131,973	\$1,131,973	\$1,131,973
EXPENDITURES								
PARK IMPROVEMENTS								
1W Sunset Park	\$ 2,768	\$ 112,634	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2E Zintel/Underwood/Vancouver	1,628	3,000	-	-	-	-	-	-
2W Scott	2,808	38,192	-	-	-	-	-	-
3E Civic Area	3,107	9,000	-	-	-	-	-	-
4W 10th/CCB & Park Site	6,670	177,705	-	-	-	-	-	-
5W Grange	6,640	10,000	-	-	-	-	-	-
6W Southridge	8,415	30,000	-	-	-	-	-	-
Transfer to Capital Streets	92,343	-	-	-	-	-	-	-
TOTAL EXPENDITURES	124,379	380,531	-	-	-	-	-	-
ENDING FUND BALANCE	1,212,504	1,031,973	1,081,973	1,131,973	1,131,973	1,131,973	1,131,973	1,131,973
TOTAL	\$1,336,883	\$1,412,504	\$1,081,973	\$1,131,973	\$1,131,973	\$1,131,973	\$1,131,973	\$1,131,973
ENDING FUND BALANCE								
Reserve - 1E - Fruitland	\$ 3,907	\$ 3,907	\$ 3,907	\$ 3,907	\$ 3,907	\$ 3,907	\$ 3,907	\$ 3,907
Reserve - 2E Zintel/Underwood/Vancot	22,051	19,051	19,051	19,051	19,051	19,051	19,051	19,051
Reserve - 3E Civic Area	12,347	3,347	3,347	3,347	3,347	3,347	3,347	3,347
Reserve - 5E HH/CL/Insp Estates	100,957	100,957	100,957	100,957	100,957	100,957	100,957	100,957
Reserve - 6E Cascade	132,326	136,961	136,961	136,961	136,961	136,961	136,961	136,961
Reserve - 1W Sunset/CCE	261,438	148,804	148,804	148,804	148,804	148,804	148,804	148,804
Reserve - 2W Lawrence Scott	40,089	46,488	46,488	46,488	46,488	46,488	46,488	46,488
Reserve - 3W John Day/Hawthorne	4,274	6,053	6,053	6,053	6,053	6,053	6,053	6,053
Reserve - 4W 10th & Columbia Center	231,089	53,384	53,384	53,384	53,384	53,384	53,384	53,384
Reserve - 5W Grange	141,746	131,746	131,746	131,746	131,746	131,746	131,746	131,746
Reserve - 6W Southridge	72,198	60,842	60,842	60,842	60,842	60,842	60,842	60,842
Reserve - 7W Five Corners	140,609	200,555	200,555	200,555	200,555	200,555	200,555	200,555
Unreserved	49,473	119,878	169,878	219,878	219,878	219,878	219,878	219,878
TOTAL FUND BALANCE	\$1,212,504	\$1,031,973	\$1,081,973	\$1,131,973	\$1,131,973	\$1,131,973	\$1,131,973	\$1,131,973

**FUND DETAIL
CAPITAL IMPROVEMENT FUND
LRF G.O. BOND 2010B**

Capital Improvement Program

	ACTUAL 2013/2014
BEGINNING FUND BALANCE	\$ 523,713
REVENUES	
OTHER FINANCING SOURCES	
Interest Earnings	838
Transfer from CIP - Streets	<u>150,940</u>
TOTAL REVENUES	<u>151,778</u>
TOTAL	<u><u>\$ 675,491</u></u>
EXPENDITURES	
Southridge Softball Complex	\$ 1,027
Hildebrand Blvd - SR395 to Sherman	30,554
Plaza Way - Ridgeline north to existing	2,808
Ridgeline Dr - Plaza Way to Southridge	400,912
Ridgeline Dr - US395 to Plaza Way	88,499
Southridge Blvd. - Hildebrand/27th	<u>151,691</u>
TOTAL EXPENDITURES	675,491
ENDING FUND BALANCE	<u>-</u>
TOTAL	<u><u>\$ 675,491</u></u>

**FUND DETAIL
 CAPITAL IMPROVEMENT FUND
 G.O. BOND 2015A**

Capital Improvement Program

	ESTIMATE 2015/2016
BEGINNING FUND BALANCE	\$ -
REVENUES	
OTHER FINANCING SOURCES:	
GO Bond Proceeds	<u>3,255,000</u>
TOTAL REVENUES	<u>3,255,000</u>
TOTAL	<u><u>\$ 3,255,000</u></u>
EXPENDITURES	
Fire Station #65	\$ 374,801
Land Acquisition	2,850,000
Debt Issue Costs	<u>30,199</u>
TOTAL EXPENDITURES	3,255,000
ENDING FUND BALANCE	<u>-</u>
TOTAL	<u><u>\$ 3,255,000</u></u>

**FUND DETAIL
CAPITAL IMPROVEMENT FUND
G.O. BOND 2015B**

Capital Improvement Program

	ESTIMATE 2015/2016
BEGINNING FUND BALANCE	\$ -
REVENUES	
OTHER FINANCING SOURCES:	
2015B GO Bond Premium	287,162
2015 B GO Bonds	<u>4,085,000</u>
TOTAL REVENUES	<u>4,372,162</u>
TOTAL	<u><u>\$ 4,372,162</u></u>
EXPENDITURES	
Fire Station #65	\$ 3,405,234
Machinery & Equipment	186,323
Transfer to Equipment Rental	335,600
Transfer to Capital Improvements - Facilities	407,800
Debt Issue Costs	<u>37,205</u>
TOTAL EXPENDITURES	<u>4,372,162</u>
ENDING FUND BALANCE	<u>-</u>
TOTAL	<u><u>\$ -</u></u>

**FUND DETAIL
CAPITAL IMPROVEMENT FUND
G.O. BOND 2016**

Capital Improvement Program

	ESTIMATE 2016
BEGINNING FUND BALANCE	\$ -
REVENUES	
OTHER FINANCING SOURCES:	
2016 GO Bonds	<u>7,200,000</u>
TOTAL REVENUES	<u>7,200,000</u>
TOTAL	<u><u>\$ 7,200,000</u></u>
EXPENDITURES	
Transfer to Urban Arterial Street Fund	<u>\$ 7,200,000</u>
TOTAL EXPENDITURES	<u>7,200,000</u>
ENDING FUND BALANCE	<u>-</u>
TOTAL	<u><u>\$ -</u></u>

**FUND DETAIL
CAPITAL IMPROVEMENT FUND
G.O. BOND 2019**

Capital Improvement Program

	ESTIMATE 2019
BEGINNING FUND BALANCE	\$ -
REVENUES	
OTHER FINANCING SOURCES:	
2016 GO Bonds	14,300,000
TOTAL REVENUES	<u>14,300,000</u>
TOTAL	<u>\$ 14,300,000</u>
EXPENDITURES	
Fire Station #1	\$ 2,600,000
Fire Station #3	5,500,000
Fire Station #6	5,100,000
Machinery & Equipment	<u>1,100,000</u>
TOTAL EXPENDITURES	<u>14,300,000</u>
ENDING FUND BALANCE	<u>-</u>
TOTAL	<u>\$ -</u>

**FUND DETAIL
CAPITAL IMPROVEMENT FUND
LRF TAX**

Capital Improvement Program

	ACTUAL	ESTIMATE	PROJECTION					
	2013/2014	2015/2016	2017	2018	2019	2020	2021	2022
BEGINNING FUND BALANCE	\$ 277,893	\$ 108	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
REVENUES								
OTHER FINANCING SOURCES:								
LRF Property Tax	123,636	136,882	148,000	188,000	229,000	269,000	310,000	350,000
LRF Tax Increment - Property Tax	96,455	176,635	106,000	106,000	23,000	23,000	23,000	23,000
LRF Sales Tax	1,038,872	1,046,767	500,000	500,000	500,000	500,000	500,000	500,000
LRF Tax Increment - Sales Tax	74,407	74,000	37,000	37,000	-	-	-	-
Interest Income	3,139	-	-	-	-	-	-	-
TOTAL REVENUES	1,336,509	1,434,284	791,000	831,000	752,000	792,000	833,000	873,000
TOTAL	\$1,614,402	\$1,434,392	\$ 791,000	\$ 831,000	\$ 752,000	\$ 792,000	\$ 833,000	\$ 873,000
EXPENDITURES								
Transfer Capital Improvement Streets	\$1,614,294	\$1,434,392	\$ 791,000	\$ 831,000	\$ 752,000	\$ 792,000	\$ 833,000	\$ 873,000
TOTAL EXPENDITURES	1,614,294	1,434,392	791,000	831,000	752,000	792,000	833,000	873,000
ENDING FUND BALANCE	108	-	-	-	-	-	-	-
TOTAL	\$1,614,402	\$1,434,392	\$ 791,000	\$ 831,000	\$ 752,000	\$ 792,000	\$ 833,000	\$ 873,000

**FUND DETAIL
CAPITAL IMPROVEMENT FUND
TRANSPORTATION IMPACT FEE**

Capital Improvement Program

	ESTIMATE		PROJECTION				
	2015/2016	2017	2018	2019	2020	2021	2022
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
REVENUES							
OTHER FINANCING SOURCES:							
Transportation Impact Fee	489,134	322,500	395,000	395,000	395,000	395,000	395,000
TOTAL REVENUES	489,134	322,500	395,000	395,000	395,000	395,000	395,000
TOTAL	\$ 489,134	\$ 322,500	\$ 395,000	\$ 395,000	\$ 395,000	\$ 395,000	\$ 395,000
EXPENDITURES							
Transfer to Capital Improvement Streets	\$ 489,134	\$ 322,500	\$ 395,000	\$ 395,000	\$ 395,000	\$ 395,000	\$ 395,000
TOTAL EXPENDITURES	489,134	322,500	395,000	395,000	395,000	395,000	395,000
ENDING FUND BALANCE	-	-	-	-	-	-	-
TOTAL	\$ 489,134	\$ 322,500	\$ 395,000	\$ 395,000	\$ 395,000	\$ 395,000	\$ 395,000

WATER/SEWER FUND

The **Water/Sewer Fund** accounts for all revenue derived from and expenses incurred in the operation and maintenance of the City's Water and Sewer Utility. All activities necessary to provide the production, treatment, storage and distribution of water and for the collection, treatment and disposal of sewage are accounted for in this fund.

The water and sewer rate structure, which was established during the last rate study in 1994, was designed to recover an amount 1.25 times the annual depreciation from rate revenues to fund capital improvements. It was estimated by the rate study that rate revenues would generate \$1.525 million per year for capital improvements during the CIP period.

Other sources of revenue will be necessary to fund water and sewer capital improvements during the next five years. These sources might include Public Works Trust Fund Loans, revenue bonds, interfund loans, grants, or other financing mechanisms.

Sewer Cumulative Reserve – In 1952 the Corps of Engineers built a Lift Station for the City. The agreement with the Corps of Engineers provided that we would use the money plus accumulated interest to maintain the Lift Station.

Sewer Area Charge – Customers must pay a set fee to buy into the existing sewer system. The fee was adjusted through the 1994 rate study to reflect remaining capacity of the sewer system and Urban Growth Area limits set through GMA. This money is set aside for future plant expansion.

**FUND DETAIL
WATER AND SEWER FUND
WATER/SEWER SYSTEM IMPROVEMENTS**

Capital Improvement Program

BEGINNING FUND BALANCE *	\$ 7,871,255	\$ 3,791,412	\$ 229,325	\$ 4,528,436	\$ 9,310,307	\$ 4,420,552	\$ 8,771,622	\$ 4,167,919
REVENUES								
Revenue from Rates for Capital	5,319,533	4,459,723	8,345,436	8,345,436	8,974,519	8,974,519	9,691,797	9,691,797
P WTF Loan Proceeds	4,250,000	-	-	-	-	-	-	-
State Revolving Fund Loan	394,290	7,340,315	2,000,000	2,000,000	3,150,000	-	3,250,000	-
DOE Grant	1,388,662	-	-	-	-	-	-	-
EDA Grant	-	-	-	-	437,500	437,500	437,500	437,500
DOH Grant	-	30,000	-	-	-	-	-	-
Revenue Bonds	-	-	-	-	-	10,000,000	-	-
Developer Contributions	18,480	777,174	650,000	100,000	150,000	150,000	150,000	150,000
Water Area Charge	153,053	244,750	126,642	112,500	112,500	112,500	112,500	112,500
Sewer Area Charge	439,243	564,200	282,110	282,109	210,000	210,000	210,000	210,000
Interfund Loan Proceeds	80,623	475,452	237,726	237,726	237,726	171,551	-	-
TOTAL REVENUES	12,043,884	13,891,614	11,641,914	11,077,771	13,272,245	20,056,070	13,851,797	10,601,797
TOTAL	\$ 19,915,139	\$ 17,683,026	\$ 11,871,239	\$ 15,606,207	\$ 22,582,552	\$ 24,476,622	\$ 22,623,419	\$ 14,769,716

*Beginning Fund Balance is calculated revenue for capital, revenue needed for maintenance and operations has been removed.

EXPENDITURES

WATER SYSTEM IMPROVEMENTS

Water System Improvements	\$ 97,881	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ASR	3,123,418	268,397	-	-	-	-	-	-
Automated Meter Reading	-	-	-	-	-	3,000,000	3,000,000	-
Filter Plant Improvements *	-	541,200	-	-	-	-	-	-
WTP Intake Structure Permitting	-	-	-	200,000	-	-	-	-
WTP Intake Structure Improvements	-	-	-	-	800,000	-	-	-
Hildebrand - 10th to Southridge	91,845	1,320,306	-	-	-	-	-	-
W. Metaline	-	355,200	-	-	-	-	-	-
S. Irving Water Main WM 3.5 Upsize	-	-	-	-	315,000	-	-	-
Edison St Widening	-	60,000	-	-	-	-	-	-
Olympia St - CR397 to 27th	314,141	35,909	-	-	-	-	-	-
Re-Roof Water Treatment Plant	-	-	320,000	-	-	-	-	-
Southridge LRF	33,104	-	-	-	-	-	-	-
Southridge Zone 5 Water Main	3,257	-	-	-	-	-	-	-
Elliot Lake	-	1,138,315	-	-	-	-	-	-
Vista Field Improvements Phase 1	-	-	300,000	-	-	-	-	-
Vista Field Improvements Phase 2	-	-	-	-	1,117,000	-	-	-
Vista Field Improvements Phase 3	-	-	-	-	2,557,000	-	-	-
Steptoe - Phase III	39,020	-	-	-	-	-	-	-
Thompson Hill Zone 6 Booster	767,164	-	-	-	-	-	-	-
UGA Utility Expansion	-	262,500	-	-	-	-	-	-
W 5th Ave - Rainier to Quincy	-	60,000	-	-	-	-	-	-
Waterline - Renewals & Replacement	880,428	407,551	-	-	-	-	-	-
Fire Flow Deficiencies per 2015 Comp Plan	-	-	750,000	750,000	750,000	750,000	750,000	750,000
Deficient Wtr Main Rplcmnt per 2015 Comp Plan	-	-	350,000	350,000	350,000	350,000	350,000	350,000
Water Main Replacement Non-Std Material	-	-	-	-	175,000	175,000	362,500	362,500
W. Hildebrand & Ridgeline Dr. Looping - WM5	-	-	-	598,000	-	-	-	-
Entiat to Canal Water Mains	-	-	-	950,000	-	-	-	-
W. 10th Ave. (west of Steptoe)	-	-	-	835,000	-	-	-	-
Ridgeline Dr. @ Hwy. 395 Crossing - WM4	-	-	-	-	416,000	-	-	-
Ridgeline Dr. Ext. Phase 3	-	-	-	-	700,000	700,000	-	-
Ridgeline Dr. Ext. Phase 4	-	-	-	-	700,000	700,000	-	-
Montana St (W 10th to W 19th)	-	-	-	-	500,000	500,000	-	-
Morain St Ext. (W 10th to W 19th)	-	-	-	-	-	-	262,500	262,500
W. 20th - Zone 3 Connection	-	-	-	-	-	-	175,000	-
18th & Kellogg Reservoir Improvements	-	-	-	-	-	-	1,125,000	1,125,000

FUND DETAIL
WATER AND SEWER FUND
WATER/SEWER SYSTEM IMPROVEMENTS

Capital Improvement Program

	ACTUAL	ESTIMATE	PROJECTION					
	2013/2014	2015/2016	2017	2018	2019	2020	2021	2022
WATER SYSTEM IMPROVEMENTS (Continued)								
W. 45th Ave. (Ely & Olympia)	-	-	-	-	-	-	355,000	355,000
Cascade St. (Highland to 45th)	-	-	-	-	-	-	82,500	82,500
W. Kennewick Ave. (Morain to Union)	-	-	-	-	-	-	300,000	300,000
Zone 2 Transmission Main	14,463	135,537	-	-	-	-	-	-
Zone 4 Reservoir - Thompson Hill	4,714,849	690,151	-	-	-	-	-	-
Zone 4 Reservoir Transmission Main	236,974	31,446	-	-	-	-	-	-
Zone 5 Reservoir Transmission Main	293,943	550,000	-	-	-	-	-	-
Subtotal Water System Improvements	10,610,487	5,856,512	1,720,000	3,683,000	8,380,000	6,175,000	6,762,500	3,587,500
SEWER SYSTEM IMPROVEMENTS								
Sewer System Improvements	1,841	-	-	-	130,000	130,000	130,000	130,000
Beech St - 8th to Bruneau	2,107,371	35,000	-	-	-	-	-	-
Columbia Gardens	102,016	697,984	-	-	-	-	-	-
Easement Acquisition	-	1,100,000	-	-	-	-	-	-
W. Metairie	-	484,000	-	-	-	-	-	-
W. 5th	-	6,000	-	-	-	-	-	-
Edison St. Widening	-	20,000	-	-	-	-	-	-
Hildebrand - 10th to Southridge	539,041	2,246,179	-	-	-	-	-	-
Lift Station Improvements	444,169	625,000	130,000	130,000	-	-	-	-
Olympia St - CR397 to 27th	244,979	60,021	-	-	-	-	-	-
Sewerline Renewals and Replacements	808,963	644,000	500,000	500,000	500,000	500,000	500,000	500,000
Southridge LRF	4,815	-	-	-	-	-	-	-
UPRR 24" Trunk Line Replacement	-	-	1,250,000	1,250,000	-	-	-	-
Headworks Bypass & Upgrade to Influent Pumps	-	400,000	-	-	-	-	-	-
Rehabilitation of Final Clarifiers 1&2	-	600,000	-	-	-	-	-	-
Replace UV System	-	1,300,000	1,000,000	-	-	-	-	-
Emergency Backup Generator	-	200,000	-	-	-	-	-	-
Aerated Sludge Lagoon Effluent Lift Station	-	200,000	-	-	-	-	-	-
32nd & Lone Lift Station	-	-	-	-	-	-	-	317,000
Columbia Dr. Interceptor	-	-	-	-	-	-	1,477,000	-
Union St. Collector	-	-	-	-	252,000	-	-	-
WAS Thickening & Anaerobic Digestion	-	-	-	-	4,725,000	4,725,000	4,725,000	4,725,000
Mechanical Dewatering of Digested Solids	-	-	-	-	2,425,000	2,425,000	1,775,000	1,775,000
Ridgeline Dr. Ext. Phase 3	-	-	-	-	500,000	500,000	-	-
Ridgeline Dr. Ext. Phase 4	-	-	-	-	500,000	500,000	-	-
Montana St (W 10th to W 19th)	-	-	-	-	500,000	500,000	-	-
Morain St Ext. (W 10th to W 19th)	-	-	-	-	-	-	150,000	-
Canyon Interceptor Crossing I-82	-	-	-	-	-	-	811,000	811,000
UGA Utility Expansion	-	125,000	-	-	-	-	-	-
Subtotal Sewer System Improvements	4,253,195	8,743,184	2,880,000	1,880,000	9,532,000	9,280,000	9,568,000	8,258,000
SEWER AREA CHARGE								
Wastewater Treatment Plant Upgrade	383,453	1,563,547	1,900,000	-	-	-	1,875,000	1,875,000
Subtotal Sewer Area Charge	383,453	1,563,547	1,900,000	-	-	-	1,875,000	1,875,000
COMBINED UTILITY IMPROVEMENTS								
Field Machinery & Equipment	21,148	15,700	482,900	482,900	-	-	-	-
Plant Machinery & Equipment	56,862	-	-	-	-	-	-	-
Support Development Projects	625,080	500,000	250,000	250,000	250,000	250,000	250,000	250,000
Transfer to General Fund	16,700	-	-	-	-	-	-	-
Transfer to Equipment Rental	6,763	554,000	-	-	-	-	-	-
Transfer to Capital Improvement - IS Projects	150,039	220,758	109,903	-	-	-	-	-
Subtotal Combined Improvements	876,592	1,290,458	842,803	732,900	250,000	250,000	250,000	250,000
TOTAL EXPENDITURES	16,123,727	17,453,701	7,342,803	6,295,900	18,162,000	15,705,000	18,455,500	13,970,500
ENDING FUND BALANCE	3,791,412	229,325	4,528,436	9,310,307	4,420,552	8,771,622	4,167,919	799,216
TOTAL	\$ 19,915,139	\$ 17,683,026	\$ 11,871,239	\$ 15,606,207	\$ 22,582,552	\$ 24,476,622	\$ 22,623,419	\$ 14,769,716

“To add value to others, one must first value others.”

- John Maxwell -

STORMWATER FUND

The **Stormwater Fund** accounts for all revenue derived from and expenses incurred in the operation of storm drainage maintenance and capital improvements of the Stormwater Utility. Sources of revenue include customer utility charges from residential, multi-family, commercial and other non-residential customers, and an operating transfer from the Water Sewer Utility Fund.

**FUND DETAIL
STORMWATER FUND**

Capital Improvement Program

	ACTUAL		ESTIMATE		PROJECTION				
	2013/2014	2015/2016	2017	2018	2019	2020	2021	2022	
BEGINNING FUND BALANCE	\$ 395,121	\$ 718,120	\$ 189,784	\$ 159,891	\$ 127,083	\$ 74,663	\$ 32,017	\$ 22,017	
REVENUES									
OTHER FINANCING SOURCES:									
Revenue from Rates for Capital	191,792	218,524	188,558	176,653	142,041	-	-	-	
State Revolving Loan Wellhead	264,962	-	-	-	-	-	-	-	
State Revolving Loan LID	65,805	219,226	-	-	-	-	-	-	
State Proviso	-	1,780,000	-	-	-	-	-	-	
DOE Grant	251,528	48,206	-	-	-	-	-	-	
Contributions	-	7,688	-	-	-	-	-	-	
Interest/Miscellaneous	20,244	5,362	1,000	750	750	650	-	-	
TOTAL REVENUES	794,331	2,279,006	189,558	177,403	142,791	650	-	-	
TOTAL	\$ 1,189,452	\$ 2,997,126	\$ 379,342	\$ 337,294	\$ 269,874	\$ 75,313	\$ 32,017	\$ 22,017	
EXPENDITURES									
Drywell - Misc Locations	\$ 76,280	\$ 33,720	\$ 25,000	\$ 25,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	
Decant Facility	-	800,000	-	-	-	-	-	-	
UGA Stormwater Facility	-	980,000	-	-	-	-	-	-	
Wellhead Area Retrofit	265,179	-	-	-	-	-	-	-	
Low Impact Development Project	55,375	213,950	-	-	-	-	-	-	
Zintel Canyon Project	-	401,200	-	-	-	-	-	-	
Debt Service	-	303,828	185,211	185,211	185,211	33,296	-	-	
Transfer to Equipment Rental	32,273	25,000	-	-	-	-	-	-	
Transfer to Capital Improvement Fund	42,225	49,644	9,240	-	-	-	-	-	
TOTAL EXPENDITURES	471,332	2,807,342	219,451	210,211	195,211	43,296	10,000	10,000	
ENDING FUND BALANCE	718,120	189,784	159,891	127,083	74,663	32,017	22,017	12,017	
TOTAL	\$ 1,189,452	\$ 2,997,126	\$ 379,342	\$ 337,294	\$ 269,874	\$ 75,313	\$ 32,017	\$ 22,017	

PERSONNEL SUMMARY

Salary Schedules

**CITY OF KENNEWICK
PERSONNEL SUMMARY**

	2013	2014	2015	2016	2017	2018
CITY MANAGER	2.00	2.00	2.00	2.00	2.00	2.00
FINANCE*,**	14.50	14.50	11.25	14.15	13.50	13.50
MANAGEMENT SERVICES	18.70	20.70	19.05	19.05	20.05	20.05
CITY ATTORNEY	5.00	5.00	5.00	5.00	5.50	5.50
PLANNING**	8.69	8.69	7.69	4.79	4.74	4.74
POLICE	107.00	107.00	104.00	104.00	104.00	104.00
FIRE***	56.00	56.10	49.14	52.14	52.14	52.14
PUBLIC WORKS - ENGINEERING	12.20	12.20	13.20	13.20	14.20	14.20
EMPLOYEE & COMMUNITY RELATIONS	31.85	31.85	34.35	35.35	37.35	37.35
TOTAL GENERAL FUND	255.94	258.04	245.68	249.68	253.48	253.48
STREET	9.45	9.45	9.60	9.60	10.60	10.60
TOTAL GENERAL GOVERNMENT	265.39	267.49	255.28	259.28	264.08	264.08
COMMUNITY DEVELOPMENT	1.00	1.00	1.00	1.00	1.00	1.00
CRIMINAL JUSTICE SALES TAX ***	-	-	8.00	14.00	18.00	18.00
WATER/SEWER*	38.40	38.40	42.25	44.25	44.25	44.25
EQUIPMENT RENTAL	3.80	3.80	3.95	3.95	3.95	3.95
RISK MANAGEMENT	1.00	1.00	1.00	1.00	1.00	1.00
MEDICAL PROGRAM DIRECTOR (MPD) ASSISTANT	0.50	0.50	-	-	-	-
BUILDING SAFETY	8.26	8.76	9.26	9.26	11.21	11.21
MEDICAL SERVICES****	22.25	22.15	32.61	32.61	32.86	32.86
STORMWATER UTILITY	5.75	5.75	6.00	6.00	6.00	6.00
METRO DRUG TASK FORCE	-	-	-	1.00	1.00	1.00
BI-PIN OPERATIONS	1.50	1.50	1.50	1.50	1.50	1.50
TOTAL EMPLOYEES	347.85	350.35	360.85	373.85	384.85	384.85
POPULATION	76,410	77,700	78,290	79,120	Estimate 80,700	Estimate 82,300
POPULATION PER EMPLOYEE	220	222	217	212	210	214

*In 2015, the City moved 3 Meter Reader positions previously budgeted under the Finance Department in the General Fund to the Water and Sewer Fund. Prior to 2015, these positions were funded through the General fund, but then billed back to the Water and Sewer Fund.

**In 2016, the City's code enforcement program was moved under the supervision of the Customer Service Division of the Finance Department.

***In August of 2014, Benton County voters approved a 0.3% sales tax increase dedicated for criminal justice programs. With its share of the proceeds of this voter-approved sales tax, the City added 8 authorized Police officer positions, 2 Police Support Specialist positions, and 1 Assistant City Attorney positions during the 2015/2016 biennium and 4 additional Police Officers positions in 2017. Additionally, 3 authorized Police Officer positions added in 2013 are now funded through the new Criminal Justice Sales Tax fund, which provided funding for the City to add 3 new Fire Department Captain positions for fire station #5 that opened in 2016.

****Beginning In 2015, the City completed a cost of service study for its ambulance utility and reallocated 9.71 full-time equivalent positions to its Medical Services Fund from the Fire Department in the General Fund.

**SALARY SCHEDULE
NON-CONTRACT EMPLOYEES
2017**

RANGE	POSITION TITLE	Range		
		MIN	MID	MAX
P	City Manager			\$15,517
O	Deputy City Manager	\$ 10,164	\$12,197	\$14,230
N	Police Chief, Finance Director, City Attorney, Public Works Director, Planning Director, Fire Chief, Executive Director of Employee & Community Relations, Director of Management Services	\$ 9,680	\$11,616	\$13,552
M	Deputy Public Works Director, Police Commander, Fire Operations Chief	\$ 8,259	\$9,911	\$11,563
L	Parks & Recreation Director, IT Manager, HR Director/Assistant City Attorney, City Engineer, Public Relations & Government Affairs Director	\$ 7,710	\$9,252	\$10,794
K	Traffic Engineer, Economic Development Manager, Assistant City Attorney II, Utility Services Manager, Purchasing, Fleet & Warehouse Manager, Capital Projects Engineer	\$ 7,092	\$8,511	\$9,929
J	Engineering Services Manager, Building Official, Development Services Manager	\$ 6,689	\$8,027	\$9,365
I	IT Software Support Supervisor, IT Customer Service Supervisor, Utility Services Superintendent, Accounting Supervisor, Customer Service Manager, Customer Relations, Programs & Facilities Manager, Parks, Facilities & Operations Manager, IT Project Manager, Assistant Traffic Engineer	\$ 6,318	\$7,581	\$8,845
H	IT Software Support Analyst II, Assistant City Attorney I, Wastewater Services Supervisor, Water Services Supervisor, IT Applications Developer II, Project Engineer, IT Network Administrator II, IT Systems Administrator II, Accountant II, BIPIN/GIS Analyst II, IT Database Administrator II	\$ 5,987	\$7,185	\$8,382

**SALARY SCHEDULE
NON-CONTRACT EMPLOYEES
2017**

RANGE	POSITION TITLE	Range		
		MIN	MID	MAX
G	City Clerk, Senior Planner, Express Permitting Program Manager, Recreation & Community Services Supervisor II, Utilities Coordinator, Utility Engineer	\$ 5,594	\$6,712	\$7,831
F	IT Network Administrator I, Senior Design Engineer, Parks & Maintenance Supervisor, Community Block Grant Coordinator, Police Records Supervisor, Safety & Risk Management Coordinator, Recreation & Community Services Supervisor, Human Resources Analyst, IT Systems Administrator I, Planner, IT Software Support Analyst I, Plans Examiner, BIPIN/GIS Analyst I, IT Database Administrator I, IT Applications Developer I, Field Engineer III	\$ 5,199	\$6,239	\$7,279
E	Engineering Technician III, Field Engineer II, IT Service Desk Technician II, Accountant I, Economic Development Specialist, Public Records Officer, Public Works Contract Specialist, Parks Project Coordinator, Residential Plans Examiner & Building Inspector	\$ 4,955	\$5,946	\$6,937
D	As-Built Technician, Engineering Technician II, Crime Analyst, Assistant Planner, Program Coordinator, Recreation Coordinator, Code Enforcement Officer, Payroll Accountant, Building Inspector, IT Service Desk Technician I, Crime Prevention Specialist, Field Engineer I, GIS Technician, Sports Marketing Coordinator	\$ 4,602	\$5,523	\$6,443
C	Executive Assistant, Fire Data Analyst, Engineering Technician I, Buyer II, Legal Secretary, Planning Technician, Accounting Technician, Fire Prevention Specialist	\$ 4,182	\$5,019	\$5,855
B	Administrative Assistant, Police Technician, Human Resources Technician, Accounting Specialist, Buyer I, Customer Care Representative, Office Technician	\$ 3,749	\$4,498	\$5,248
A	Docket Clerk, Office Specialist	\$ 3,089	\$3,707	\$4,325

**SALARY SCHEDULE
PART TIME EMPLOYEES
January 2017**

POSITION TITLE	Min	Mid	Max
Program Specialist III <i>Program Instructor III, Pool Manager, Program Supervisor III</i>	\$ 15.00	\$ 17.00	\$ 20.00
Program Specialist II <i>Program Instructor II, Asst Pool Manager, Lead Recreation Asst (Southridge), Program Supervisor II</i>	10.50	12.50	14.50
Program Specialist I <i>Program Instructor I, Program Leader I, WSI, Maintenance (rec), Recreation Assistant (Southridge) Cashier**, Program Aide**, Sports Official**, Gym/Building Supervisor I**</i>	*9.53	10.00	10.50
Office Clerk	*9.53	10.25	11.00
Intern	*10.00	11.50	13.00

* Fulltime high school or college students who work part-time for up to 20 hours of work per week maybe paid at the Washington Student Minimum Wage rate

** Maximum wage rate is to the mid point

ADMINISTRATIVE POLICY: All movement within these ranges is based upon skill level and and satisfactory performance of job duties. Unless otherwise justified because of experience and skill, all part time employees will start at the beginning step. When warranted, with budget approval, part time employees may be upgraded. Increases require the prior approval of the Department Director and the City Manager or designee.

OPERATING ENGINEERS*Salary Schedules*

**SALARY SCHEDULE
OPERATING ENGINEERS
January 1, 2017**

POSITION TITLE	A	B	C	D	E	F	G
Seasonal Maintenance	\$ 12.00	\$ 12.25	\$ 12.50	\$ 12.75	\$ 13.00	\$ 13.25	\$ 13.50
Utility Worker	\$ 14.50	\$ 15.50	\$ 16.50	\$ 17.50	\$ 18.50		
M&C Craftsworker I	\$ 22.44	\$ 23.34	\$ 24.27	\$ 25.24	\$ 26.25		
M&C Craftsworker II	\$ 22.44	\$ 23.34	\$ 24.27	\$ 25.24	\$ 26.25	\$ 26.75	
General Craftsworker (GC) I	\$ 26.21	\$ 27.00	\$ 27.81				
General Craftsworker (GC) II	\$ 26.21	\$ 27.00	\$ 27.81	\$ 28.64			
General Craftsworker (GC) III	\$ 26.21	\$ 27.00	\$ 27.81	\$ 28.64	\$ 29.50		
W/S GC/Operator II	\$ 26.21	\$ 27.00	\$ 27.81	\$ 28.64	\$ 29.50		
W/S GC/Operator III	\$ 26.71	\$ 27.50	\$ 28.31	\$ 29.14	\$ 30.00		
W/S GC/Operator IV	\$ 27.21	\$ 28.00	\$ 28.81	\$ 29.64	\$ 30.50		
Chief Plant Operator (grandfathered)					\$ 31.40		
Mechanic I	\$ 26.43	\$ 27.23	\$ 28.04	\$ 28.88	\$ 29.75		
Mechanic II	\$ 26.93	\$ 27.73	\$ 28.54	\$ 29.38	\$ 30.25		
Mechanic III	\$ 27.43	\$ 28.23	\$ 29.04	\$ 29.88	\$ 30.75		
Crewleader	\$ 29.66	\$ 30.26	\$ 30.86	\$ 31.48	\$ 32.11	\$ 32.75	
Crewleader II (level IV cert.)	\$ 30.16	\$ 30.76	\$ 31.36	\$ 31.98	\$ 32.61	\$ 33.25	
Mechanic Crewleader I	\$ 29.66	\$ 30.26	\$ 30.86	\$ 31.48	\$ 32.11	\$ 32.75	
Mechanic Crewleader II	\$ 30.16	\$ 30.76	\$ 31.36	\$ 31.98	\$ 32.61	\$ 33.25	
Mechanic Crewleader III	\$ 30.66	\$ 31.26	\$ 31.86	\$ 32.48	\$ 33.11	\$ 33.75	
Signal Technician	\$ 31.47	\$ 32.10	\$ 32.75	\$ 33.40	\$ 34.07	\$ 34.75	
Signal Electrician/	\$ 33.29	\$ 33.95	\$ 34.63	\$ 35.32	\$ 36.03	\$ 36.75	
Sr. Signal Electrician/	\$ 35.10	\$ 35.80	\$ 36.51	\$ 37.25	\$ 37.99	\$ 38.75	
ACT Specialist	\$ 33.29	\$ 33.95	\$ 34.63	\$ 35.32	\$ 36.03	\$ 36.75	
Sr. ACT Specialist	\$ 35.10	\$ 35.80	\$ 36.51	\$ 37.25	\$ 37.99	\$ 38.75	

**SALARY SCHEDULE
FIRE CONTRACT
January 1, 2016**

	Step 1	Step 2	Step 3	Step 4	
Firefighter	\$ 5,194	\$ 5,741	\$ 6,287	\$ 6,834	
Firefighter/Paramedic	5,877	6,424	6,970	7,517	
Captain	7,107	7,449	7,791		
Administrative Captain	8,064	8,269	8,474		
Captain/Paramedic	7,790	8,132	8,474		
Battalion Chief	8,543	8,816	9,021		
Battalion Chief/Training Officer	8,859	9,143	9,355		
CLASSIFICATION PROGRAM	8 YRS	13 YRS	18 YRS	23 YRS	28 YRS
45 College Credits (27 in core fire science)	1.0%	2.0%	2.5%	3.0%	3.5%
90 College Credits (27 in core fire science)	2.0%	3.0%	4.0%	5.0%	6.0%
135 College Credits (36 in core fire science)	3.0%	4.0%	5.0%	6.0%	7.0%
180 College Credits (45 in core fire science)	4.0%	5.0%	6.0%	7.0%	8.0%

Note:

Firefighters who qualify for Hazmat Specialist Pay and/or Technical Rescue or SCBA pay, shall receive an additional 2.1% of top step firefighter, added to their salary or \$144 per month.

Firefighters upgraded to the Captain position will receive an additional \$2.85 per hour.

Captains upgraded to the Battalion Chief position will receive an additional \$4.75 per hour.

Retired Fire Pension employees received a percentage of the above rates of pay.

Effective 1/1/2010 the City will pay 4% towards Deferred Compensation with ICMA

The 2016 salary schedule is presented as the contract is presently in negotiations.

**SALARY SCHEDULE
POLICE CONTRACTS**

POLICE OFFICERS
January 1, 2016

	Hire	18 Mos	30 Mos	42 Mos	First Class *	Senior *	Master *
Police Officer	\$ 5,984	\$ 6,284	\$ 6,659	\$ 7,027	\$ 7,203	\$ 7,449	\$ 7,730
Specialty Pay at 2% **	6,104	6,410	6,792	7,168	7,347	7,598	7,885

* Must have met special requirements. Increases: First Class 2.5%, Senior 6% and Master 10%

** Traffic, METRO, K-9, SWAT, CAT, Detective, Training Officer, Crime Resistant Community Living Officer, & Youth Services: DARE, SRO & Tri-tech.

Effective 1/1/2011 the City pays 2% of monthly salary for employees who meet the bilingual language requirements. The City pays 5.0% of salary toward deferred compensation, no employee participation is required.

The 2016 salary schedule is presented as the contract is presently in negotiations.

POLICE MANAGEMENT ASSOCIATION
January 1, 2016

	Hire	5%	7%	Top	5%	7%
Corporal	\$ 7,780	\$ 8,169	\$ 8,325	\$ 8,348	\$ 8,765	\$ 8,932
Sergeant	8,140	8,547	8,710	9,141	9,598	9,781

The City pays 4.5% of salary toward deferred compensation. On 1/1/2011 the City pays 2% for those with qualified bilingual skills

The following education incentives apply:

	<u>Additional Pay</u>
90 Quarter Credits	5%
BA/BS Degree	7%

The 2016 salary schedule is presented as the contract is presently in negotiations.

NON-COMMISSIONED BARGAINING UNIT
January 1, 2017

	Step					
	A	B	C	D	E	F
Police Support Specialist	3,394	3,735	4,077	4,423	4,786	5,028

At the discretion of the Division Captain a lead may be appointed; Appointed Lead position pay is 10% above the top step.

Swing and graveyard shifts shall receive an additional \$0.50 per hour for all hours worked.

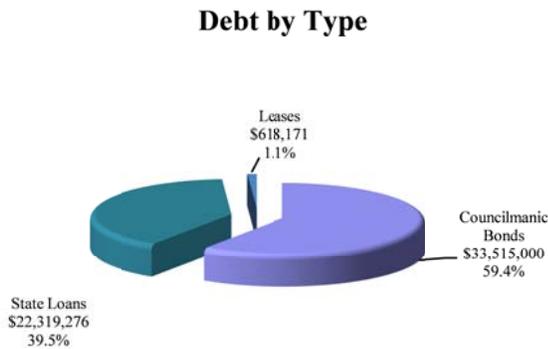
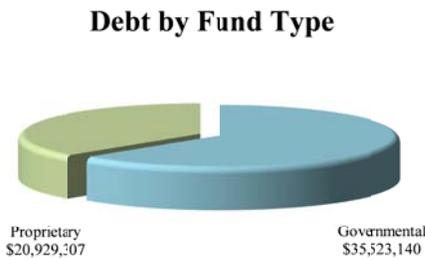
The City will contribute 4.5% of salary toward deferred compensation and employee participation is not required.

*"It is not enough to have a good mind; the main
thing is to use it well."
- Rene Descartes -*

Kennewick is typical of most cities in the types of debt incurred. We have issued general obligation bonds, both voted and non-voted, revenue bonds, and special assessment bonds. In recent years, the City has taken advantage of several low-interest loans through the state for major street and water/sewer utility capital projects. In 2000, the purchase of the remaining 51% ownership in the Toyota Center & Arena was financed internally to avoid the additional expenses associated with debt issuance. The City also has a contingent loan agreement supporting the Kennewick Public Facility District's (KPFDD) tax obligation bonds which is reflected in the debt capacity computation, but not included in the current outstanding debt schedules.

OUTSTANDING DEBT

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OUTSTANDING DEBT	
	Balance
	12/31/2016
General Obligation Debt	
<i>Councilmanic Bonds</i>	
2010B GO Bonds - LRF Tax America	\$ 10,965,000
2011 GO Bonds - Capital Projects	3,890,000
2015A GO Bonds - Capital Projects	2,775,000
2015B GO Refunding Capital Projects	5,295,000
2015B GO - Capital Projects	4,085,000
2016 GO - Capital Projects	6,505,000
Bonds	33,515,000
State Loans	1,389,969
Capital Lease	618,171
Other Debt	2,008,140
Total General Obligation Debt	\$ 35,523,140
Proprietary Debt	
State Loans	\$ 20,929,307
Other Debt	20,929,307
Total Proprietary Debt	\$ 20,929,307

GENERAL OBLIGATION DEBT

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As of December 31, 2016, the City's available debt capacity for general purposes is projected to be \$95,825,713 of which \$38,457,677 was for non-voted indebtedness. The City has used 41% of its non-voted debt capacity and currently has two refunding bond issues, four active non-voted bond issues, two general obligation loans, two leases and a contingent agreement to support a bond issue with a partial refunding for a total outstanding balance of \$47,033,140 at the end of the 2016. The current bond rating from Standard and Poor's is AA.

BOND DEBT SCHEDULE

Councilmanic Bonds

2010B GO Taxable Build America Bonds - LRF Project

Original Issue:	\$11,825,000	Dated:	March 30, 2010	Interest Dates:	Jun 1 & Dec 1
Principal Balance:	\$10,965,000	Maturity Date:	December 1, 2034	Interest Rates:	3.45% - 6.323%

2011 Refunding GO Bonds - Capital Projects

Original Issue:	\$5,330,000	Dated:	December 1, 2011	Interest Dates:	Jun 1 & Dec 1
Principal Balance:	\$3,890,000	Maturity Date:	December 1, 2023	Interest Rates:	3.0% - 4.0%

2015A Taxable GO Bonds - Capital Projects

Original Issue:	\$3,255,000	Dated:	December 1, 2015	Interest Dates:	Jun 1 & Dec 1
Principal Balance:	\$2,775,000	Maturity Date:	December 1, 2025	Interest Rates:	.53% - 3.02%

2015B Tax Exempt GO Bonds - Capital Projects

Original Issue:	\$4,085,000	Dated:	December 1, 2015	Interest Dates:	Jun 1 & Dec 1
Principal Balance:	\$4,085,000	Maturity Date:	December 1, 2034	Interest Rates:	3.0% - 4.0%

2015B Refunding GO Bonds - Capital Projects

Original Issue:	\$5,915,000	Dated:	December 1, 2015	Interest Dates:	Jun 1 & Dec 1
Principal Balance:	\$5,295,000	Maturity Date:	December 1, 2025	Interest Rates:	2.0% - 3.0%

2016 GO Bonds - Capital Projects

Original Issue:	\$6,505,000	Dated:	December 1, 2017	Interest Dates:	Jun 1 & Dec 1
Principal Balance:	\$6,505,000	Maturity Date:	December 1, 2036	Interest Rates:	3.0% - 4.0%

Direct Debt

GO Bonds - Councilmanic	\$ 33,515,000
Capital Lease	618,171
Public Works Trust Fund Loans	<u>1,389,969</u>
Total Direct Debt	35,523,140

Less: 2016 Tax Levy for Debt Service	(1,565,000)
Prior Year Tax Levies	(292,239)
Amount Available in Debt Service Funds	(5,221)
Amount Available in Capital Funds	<u>(564,354)</u>
Net Direct Debt	<u>\$ 33,096,326</u>

As the following schedule indicates, the City's voted general obligation debt is a very small percentage of the City's total debt capacity.

	<u>Outstanding</u>	<u>Legal Debt Capacity Utilized</u>	<u>Ratio of Debt to Assessed Valuation</u>	<u>Debt per Capita</u>
Net Direct Debt	\$33,096,326	7.9%	0.6%	\$423

CAPITAL LEASES

The City has two leases through the state's LOCAL lease program. One lease is for \$1,181,135 to assist with the purchase of 29 police vehicles and 27 mobile data terminals. The lease has a 5 year term and a 1.36851% interest rate. The second lease is for \$345,980 to provide funding for the replacement and upgrade of 304 computers. This lease has a 3 year term and a .70725% interest rate.

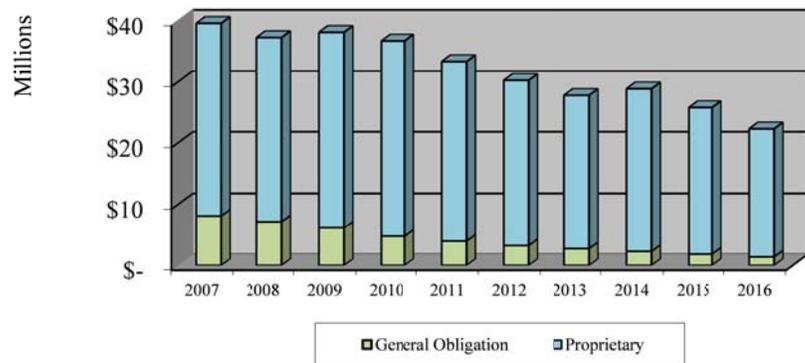
PUBLIC WORKS TRUST FUND LOANS

The City has seven active Public Works Trust Fund (PWTF) loans. The PWTF is a revolving loan account managed by the State to provide below market rate financing for health and safety related public works improvement projects through a competitive application process. The loans have financed major street reconstruction and utility projects with interest rates ranging from one-half to one percent. There are five outstanding loans payable from the Water and Sewer Utility and two general obligation loans for total outstanding Public Works Trust Fund Loans of \$14,751,069 at December 31, 2016.

STATE REVOLVING FUND LOANS

The City received a \$10,063,642 State Revolving Fund Loan for the expansion of the Wastewater Treatment Plant. The Sewer Plant reached 85% capacity during 1994, and the City was required by the State Department of Ecology and the Federal Environmental Protection Agency to expand the Treatment Plant in order to remain in compliance with our discharge permit to the Columbia River. The loan will be repaid by the Water and Sewer Utility.

Outstanding State Loans



The City was able to obtain a \$390,000 State Revolving Fund Loan at 0.5% to finance the preparation of a stormwater management program required by federal law, as well as two loans, one for \$510,759, and one for \$725,000 both at 1.4% to finance the LID manual and a Kennewick sustainability waste water treatment plant improvements project.

The City received one \$4,040,000, one \$4,080,000 and one \$3,030,000 Drinking Water State Revolving Fund Loans at 1.5% for the construction of a new reservoir, for the addition of membrane filtration facilities at the Columbia River Water Treatment Plant and for ranney improvements. These loans will be repaid by the Water and Sewer Utility. The balance as of December 31, 2016 for all City outstanding State Revolving Fund Loans is \$7,511,022.

COMMUNITY ECONOMIC REVITALIZATION BOARD LOAN

The City received a \$500,000 grant and a \$125,000 loan from the Community Economic Revitalization Board (CERB) to aid in financing the cost of a sewerline relocation and upgrade, waterline relocation, a pre-treatment device on the wastewater effluent and road improvements in the downtown area. The interest rate is 4.7% and the term of the loan is 20 years, with the final payment due in 2021. The loan will be repaid by the Water and Sewer Utility, the current outstanding balance is \$57,193.

LIMITATION OF INDEBTEDNESS

December 31, 2016

	General Capacity			
	(Limited) Councilmanic	(Unlimited) Excess Levy	Open Space and Parks	Utility Purposes
2016 Tax Collection Year Assessed Value	\$5,617,281,568			
Statutory Debt Limit:				
1.5% of Assessed Value	\$84,259,224			
2.5% of Assessed Value		\$140,432,039	\$140,432,039	\$140,432,039
Add: 2016 Tax Levy for Debt Service	375,000	1,565,000		
Add: Prior Year Tax Levies	292,239	292,239		
Add: Amount available in Debt Service Funds*		5,221		
Add: Amount available in Capital Funds	564,354	564,354		
Less: Limited Tax Debt Outstanding (1)	(35,523,140)	(35,523,140)		
Less: Limited Contingent Debt Outstanding (2)	(11,510,000)	(11,510,000)		
Total Available Debt Capacity	\$38,457,677	\$95,825,713	\$140,432,039	\$140,432,039

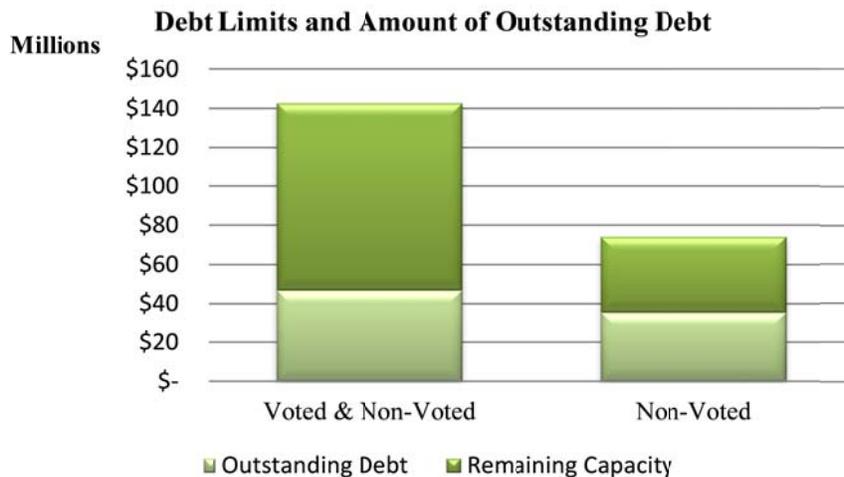
(1) The December 31, 2016 outstanding councilmanic debt consists of:

2010B G.O. Bond Issue	\$ 10,965,000
2011 Refunding G.O. Bond Issue	3,890,000
2015A Taxable G.O. Bond Issue	2,775,000
2015B Refunding G.O. Bond Issue	5,295,000
2015B G.O. Bond Issue	4,085,000
2016 G.O. Bond Issue	6,505,000
Capital Leases	618,171
PWTF Loans	1,389,969
	\$ 35,523,140

(2) Contingent debt:

2003 KPFD Bond Issue	5,000
2011 KPFD Refunding Bond Issue	7,805,000
2014 KPFD Bond Issue	3,700,000
	\$ 11,510,000

Washington State law limits the amount of general obligation debt cities may incur. Without an authorizing vote of the citizens, a city may not incur general obligation debt exceeding 1.5 percent of the assessed value of the taxable property. With a vote of its citizens, cities may incur general obligation debt up to 2.5 percent of its assessed taxable value.



TOTAL DEBT SERVICE REQUIREMENTS TO MATURITY

Year	BONDS		STATE LOANS		LEASES		
	Principal	Interest	Principal	Interest	Principal	Interest	
General Obligation							
2017	\$ 2,005,000	\$ 1,388,303	\$ 449,123	\$ 13,900	\$ 364,050	\$ 20,592	
2018	2,065,000	1,318,384	449,123	9,408	254,121	6,353	
2019	2,130,000	1,249,182	245,863	4,917	-	-	
2020	2,190,000	1,175,640	245,860	2,459	-	-	
2021	2,265,000	1,098,180	-	-	-	-	
2022	2,330,000	1,012,940	-	-	-	-	
2023	2,405,000	924,579	-	-	-	-	
2024	1,840,000	834,360	-	-	-	-	
2025	1,900,000	764,469	-	-	-	-	
2026	1,295,000	688,982	-	-	-	-	
2027	1,335,000	627,836	-	-	-	-	
2028	1,380,000	564,754	-	-	-	-	
2029	1,440,000	499,430	-	-	-	-	
2030	1,490,000	431,203	-	-	-	-	
2031	1,550,000	360,534	-	-	-	-	
2032	1,605,000	285,860	-	-	-	-	
2033	1,670,000	203,889	-	-	-	-	
2034	1,740,000	118,621	-	-	-	-	
2035	430,000	35,200	-	-	-	-	
2036	450,000	18,000	-	-	-	-	
General Obligation	\$ 33,515,000	\$ 13,600,347	\$ 1,389,969	\$ 30,684	\$ 618,171	\$ 26,945	
Proprietary							
2017	\$ -	\$ -	\$ 2,934,824	\$ 213,843	\$ -	\$ -	
2018	-	-	3,059,424	153,370	-	-	
2019	-	-	2,298,694	105,644	-	-	
2020	-	-	2,151,611	85,619	-	-	
2021	-	-	1,990,805	65,878	-	-	
2022	-	-	1,663,431	52,585	-	-	
2023	-	-	1,663,850	39,858	-	-	
2024	-	-	1,427,846	27,111	-	-	
2025	-	-	1,215,213	17,070	-	-	
2026	-	-	526,389	10,218	-	-	
2027	-	-	526,389	8,386	-	-	
2028	-	-	526,385	6,554	-	-	
2029	-	-	236,111	4,722	-	-	
2030	-	-	236,111	3,542	-	-	
2031	-	-	236,111	2,361	-	-	
2030	-	-	236,111	1,181	-	-	
Proprietary	\$ -	\$ -	\$ 20,929,307	\$ 797,940	\$ -	\$ -	
TOTAL	\$ 33,515,000	\$ 13,600,347	\$ 22,319,276	\$ 828,624	\$ 618,171	\$ 26,945	

**FUTURE DEBT SERVICE
GENERAL OBLIGATION DEBT**

YEAR	PRINCIPAL	INTEREST	TOTAL
Future Debt Service Payments for Councilmanic Bond Issues:			
2017	\$ 2,005,000	\$ 1,388,303	\$ 3,393,303
2018	2,065,000	1,318,384	3,383,384
2019	2,130,000	1,249,182	3,379,182
2020	2,190,000	1,175,640	3,365,640
2021	2,265,000	1,098,180	3,363,180
2022	2,330,000	1,012,940	3,342,940
2023	2,405,000	924,579	3,329,579
2024	1,840,000	834,360	2,674,360
2025	1,900,000	764,469	2,664,469
2026	1,295,000	688,982	1,983,982
2027	1,335,000	627,836	1,962,836
2028	1,380,000	564,754	1,944,754
2029	1,440,000	499,430	1,939,430
2030	1,490,000	431,203	1,921,203
2031	1,550,000	360,534	1,910,534
2032	1,605,000	285,860	1,890,860
2033	1,670,000	203,889	1,873,889
2034	1,740,000	118,621	1,858,621
2035	430,000	35,200	465,200
2036	450,000	18,000	468,000
	33,515,000	13,600,347	47,115,347
Future Debt Service Payments for Lease:			
2017	\$ 364,050	\$ 20,593	\$ 384,643
2018	254,121	6,352	260,473
	618,171	26,945	645,116
Future Debt Service Payments for Public Works Trust Fund Loans:			
2017	\$ 449,123	\$ 13,900	\$ 463,023
2018	449,123	9,408	458,532
2019	245,863	4,917	250,780
2020	245,860	2,459	248,318
	1,389,969	30,684	1,420,653
GENERAL OBLIGATION DEBT	\$35,523,140	\$13,657,976	\$49,181,116

**FUTURE DEBT SERVICE
PROPRIETARY DEBT**

YEAR	PRINCIPAL	INTEREST	TOTAL
Future Debt Service Payments for Community Economic Revitalization Board Loan:			
2017	\$ 7,089	\$ 2,688	\$ 9,777
2018	7,422	2,355	9,777
2019	7,771	2,006	9,777
2020	8,136	1,641	9,777
2021	8,518	1,258	9,776
2022	8,919	858	9,777
2023	9,338	439	9,777
	57,193	11,245	68,438

Future Debt Service Payments for Stormwater State Revolving Fund Loans:

2017	\$ 177,774	\$ 7,437	\$ 185,211
2018	180,279	4,932	185,211
2019	182,819	2,392	185,211
2020	33,064	232	33,296
	573,936	14,992	588,929

Future Debt Service Payments for Public Works Trust Fund Loans:

2017	\$ 1,347,479	\$ 63,798	\$ 1,411,277
2018	1,347,479	56,412	1,403,890
2019	1,347,479	49,025	1,396,504
2020	1,347,478	41,639	1,389,117
2021	1,217,014	32,658	1,249,673
2022	1,057,639	28,170	1,085,809
2023	1,057,639	23,682	1,081,321
2024	1,057,639	19,194	1,076,833
2025	1,057,639	14,706	1,072,345
2026	526,389	10,218	536,607
2027	526,389	8,386	534,775
2028	526,385	6,554	532,939
2029	236,111	4,722	240,833
2030	236,111	3,542	239,653
2031	236,111	2,361	238,472
2032	236,111	1,181	237,292
	13,361,092	366,248	13,727,341

YEAR	PRINCIPAL	INTEREST	TOTAL
Future Debt Service Payments for Water/Sewer State Revolving Fund Loans:			
2017	\$ 1,402,482	\$ 139,920	\$ 1,542,402
2018	1,524,245	89,671	1,613,916
2019	760,626	52,221	812,846
2020	762,933	42,107	805,040
2021	765,273	31,962	797,234
2022	596,873	23,556	620,430
2023	596,873	15,736	612,610
2024	370,207	7,917	378,123
2025	157,575	2,364	159,939
	6,937,086	405,455	7,342,541
PROPRIETARY DEBT	\$20,929,308	\$797,940	\$21,727,248

INTERFUND DEBT

.....

As mentioned earlier, interfund loans were used to finance the acquisition of the remaining 51% interest in the Toyota Center & Arena and installation of a second sheet of ice in 2000. The \$8 million dollar purchase price was financed through interfund loans from three funds. The Water/Sewer Fund loan was repaid within three years at a 6% interest rate. The Cash Reserve Fund loan was repaid within five years at a 6% interest rate. The loan from the Capital Improvement Fund is at 1% and will receive the final principal payment in 2020. \$1,500,000 of the Capital Improvement Fund Interfund loan was purchased by the Water/Sewer Fund in 2012. The following table shows a schedule of the future Coliseum debt service payments from the Capital Improvement Fund and the Water/Sewer Fund.

**FUTURE DEBT SERVICE
INTERFUND FINANCING**

YEAR	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	TOTAL
Future Debt Service Payments for Coliseum from:					
	<u>Water/Sewer Fund</u>		<u>Capital Improvement Fund</u>		
2017	\$ 175,703	\$ 6,472	\$ 300,071	\$ 11,054	\$ 493,300
2018	177,460	4,715	303,072	8,053	493,300
2019	179,235	2,940	306,103	5,022	493,300
2020	114,835	1,148	196,102	1,961	314,046
INTERFUND DEBT	\$ 647,234	\$ 15,276	\$ 1,105,347	\$ 26,089	\$ 1,793,946

MAJOR TAX SOURCES

Supplemental Information

Tax Source (RCW Citation)	Tax Base	Tax Rate	Collection Procedure
Local Property Taxes (84.52 & others)	Assessed value of taxable real and personal property at 100% of true and fair value	2016 Rate per \$1,000 AV: General Levy \$2.1592 Library Bonds 0.0722 Total <u>\$ 2.2314</u>	Paid by owners to county, 50% due April 30th, balance due Oct. 31st
Local Retail Sales and Use Tax (82.14)	Selling price of tangible personal property and selected services by consumers	Total rate (1/1/15) 8.60% Breakdown: State 6.50% Kennewick 0.85% County 0.25% Transit 0.60% Criminal Justice 0.10% Public Safety 0.30% <u>8.60%</u>	Paid by purchaser to retailers who report sales by local code areas
Utility Tax (82.16.020)	Gross operating revenue of public & privately owned public utilities	Ambulance & Stormwater Utility - 1.0% Water/Sewer - 15.5% 6.5% dedicated to LEOFF I Medical Refuse & Cable TV - 7.0% Telephone, Electricity & Natural Gas - 8.5%	Included as part of utility bill
Municipal Business Taxes & Licenses (35 & 35A)	Flat fee based on number of FTE employees	Basic fee of \$55 plus \$5/FTE	Paid by local firms annually for license
Gambling Taxes (9.46.110)	Gross receipts less prizes paid	Pull tabs - 10.0% Punchboards - 10.0% Card Rooms - 10.0% Bingo - 5.0% Amusement Games - 2.0%	Paid by sponsor
Real Estate Excise Tax (82.46)	Sales of real property	1.78% of selling price, of which 0.50% is distributed back to the City	Sellers pay to county when affidavit is recorded
Admission Taxes (35.21.280)	Admission charges to any place or to any place or event (except school events)	5% of admission charge	Included in ticket price
Leasehold Excise Tax (82.29A.090)	Rental value of leased publicly owned property	State tax rate of 12.84%, of which 6% is distributed back to cities and counties	Paid by lessors

**PRINCIPAL TAXPAYERS
AND EMPLOYERS**

Supplemental Information

December 31, 2016

	Assessed Valuation (1)	Percentage of Total Assessed Valuation
Columbia Mall Partnership	\$83,324,670	1.5%
DOC-3730 Plaza Way MOB, LLC	27,895,880	0.5
Heatherstone ICG Apartment Portfolio LLC	22,037,835	0.4
Argo Colonnade LLC	21,971,720	0.4
Wolff Grandridge Apartments LLC	19,539,490	0.3
La Serena-Hansen Park LLC	19,194,418	0.3
Crosspointe Apartments LLC	18,956,320	0.3
Wallace Properties-Kennewick, LLC	18,595,561	0.3
Seasons on 4th Avenue LLC	18,350,010	0.3
On the Boulevard LLC	16,636,226	0.3
Subtotal	266,502,130	4.7
Other Taxpayers	5,350,779,438	95.3
Total Assessed Value	\$5,617,281,568	100.0%

PRINCIPAL EMPLOYERS: (2)

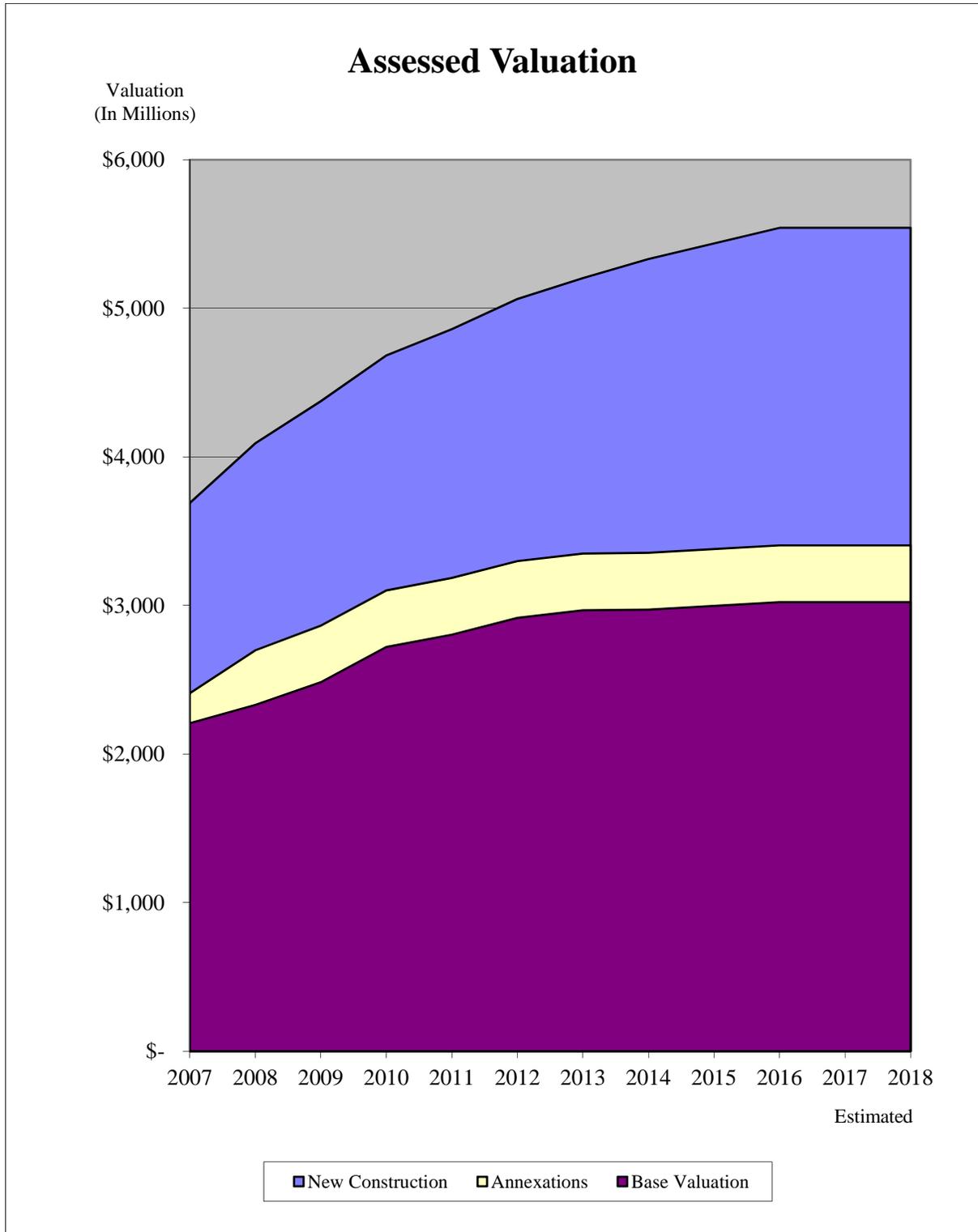
NUMBER OF EMPLOYEES

Battelle/Pacific Northwest National Laboratory	4,365
Kadlec Medical Center	3,304
Bechtel National, Inc	2,898
ConAgra Foods/Lamb Weston	2,727
Kennewick School District	2,130
Washington River Protection Solutions	2,077
Pasco School District	2,015
Mission Support Alliance	1,928
Richland School District	1,500
CH2M Hill Hanford Group, Inc.	1,400

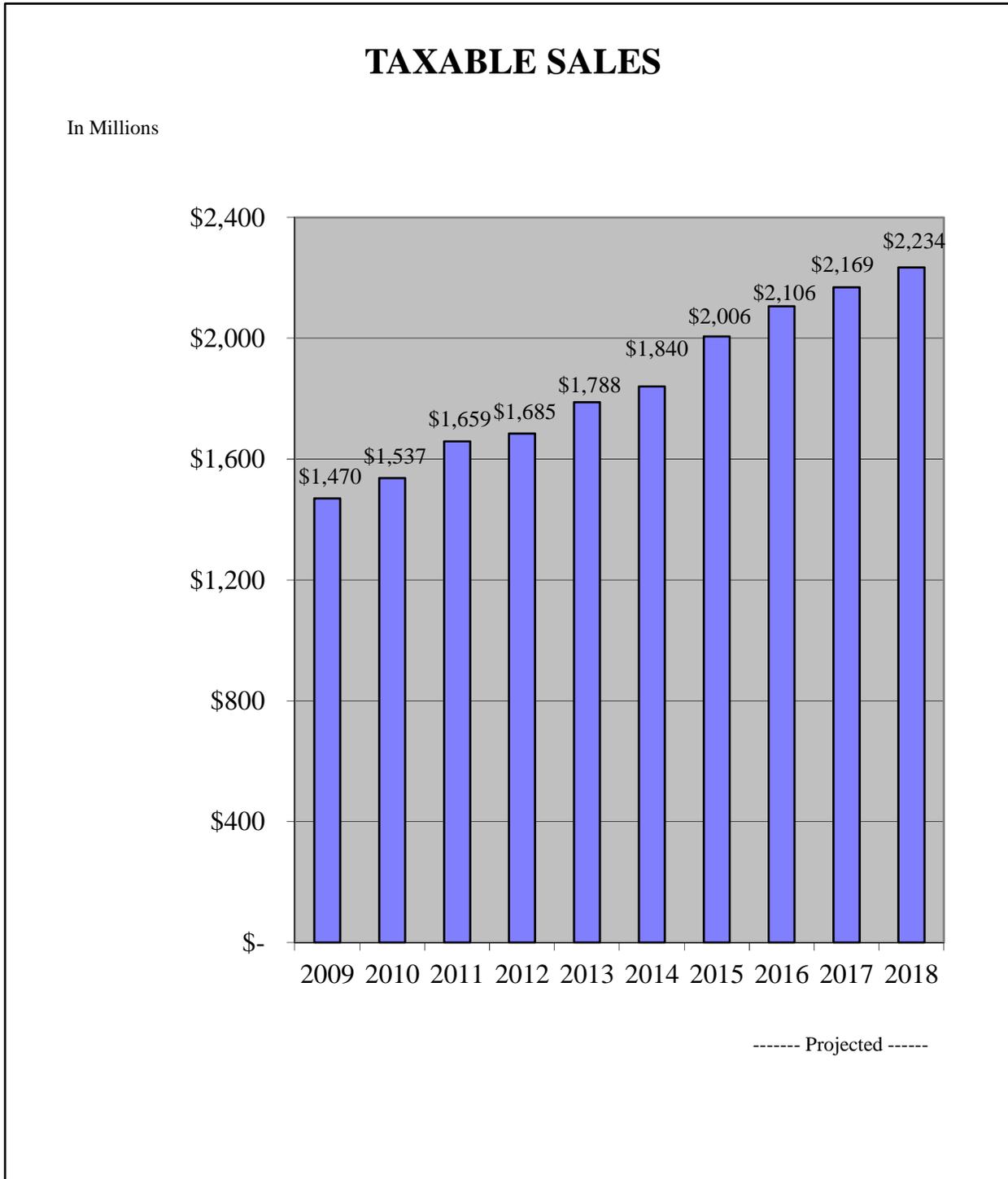
Sources:

(1) Benton County Assessor's Office

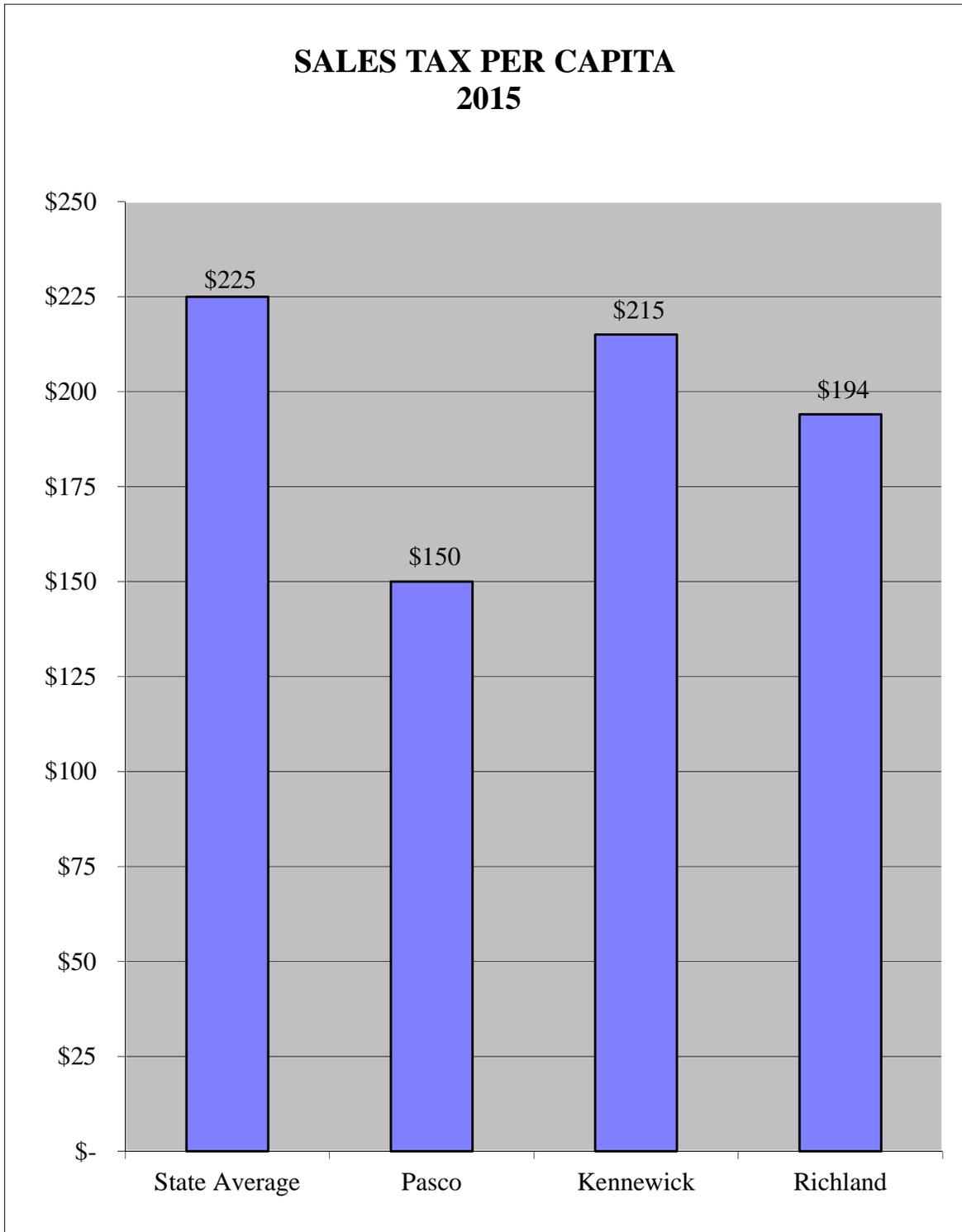
(2) Tri-City Industrial Development Council (TRIDEC) and respective school districts



This graph illustrates the increase in the City’s assessed valuation attributable to annexations, new construction, and growth in the base valuation over the last ten years. New construction provides for most of the increase in overall valuations.



This graph illustrates Kennewick’s commercial activity in recent years and projected activity for 2017-2018. The graph shows the fairly steady, moderate growth in taxable sales over the last ten years. The 2017/2018 biennial projections for sales tax revenue reflect an anticipated growth rate of 3% each year.



The historical increase in retail sales has created somewhat of a misconception by the public that Kennewick’s sales tax revenues are overly excessive compared to other cities. In reality, Kennewick’s sales tax revenue of \$215 per capita is still below the State average of \$225.

SALES TAX REVENUE BY INDUSTRY

Supplemental Information

FISCAL YEAR 2015					
	Number of Filers	Percentage of Total		Taxable Sales	Percentage of Total
RETAIL TRADE					
General merchandise stores	43	1.14 %	\$	324,873	28.09 %
Motor vehicle and parts dealers	197	5.24		310,022	26.81
Clothing and clothing accessories stores	318	8.46		106,865	9.24
Building material/garden equipment/supplies dealers	169	4.49		84,155	7.28
Electronics and appliance stores	330	8.77		60,554	5.24
Sporting goods, hobby, book, and music stores	336	8.93		58,313	5.04
Miscellaneous store retailers	980	26.07		56,431	4.88
Nonstore retailers	820	21.81		35,748	3.09
Food and beverage stores	87	2.31		33,445	2.89
Furniture and home furnishings stores	169	4.49		31,953	2.76
Health and personal care stores	289	7.68		29,025	2.51
Gasoline stations	23	0.61		25,077	2.17
Total Taxable Sales from Retail Trade	3,761	100.00 %	\$	1,156,461	100.00 %

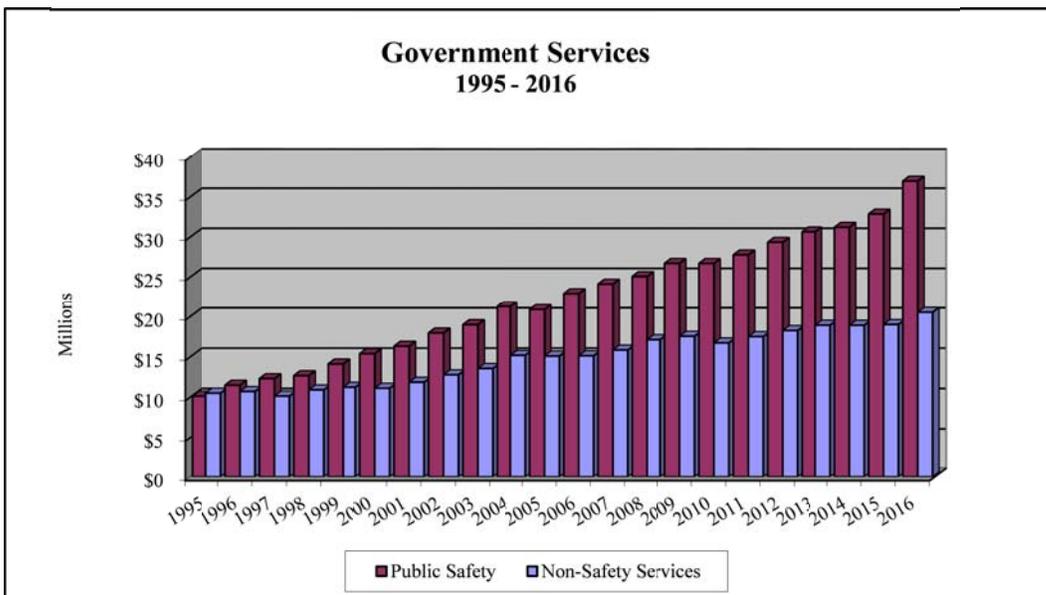
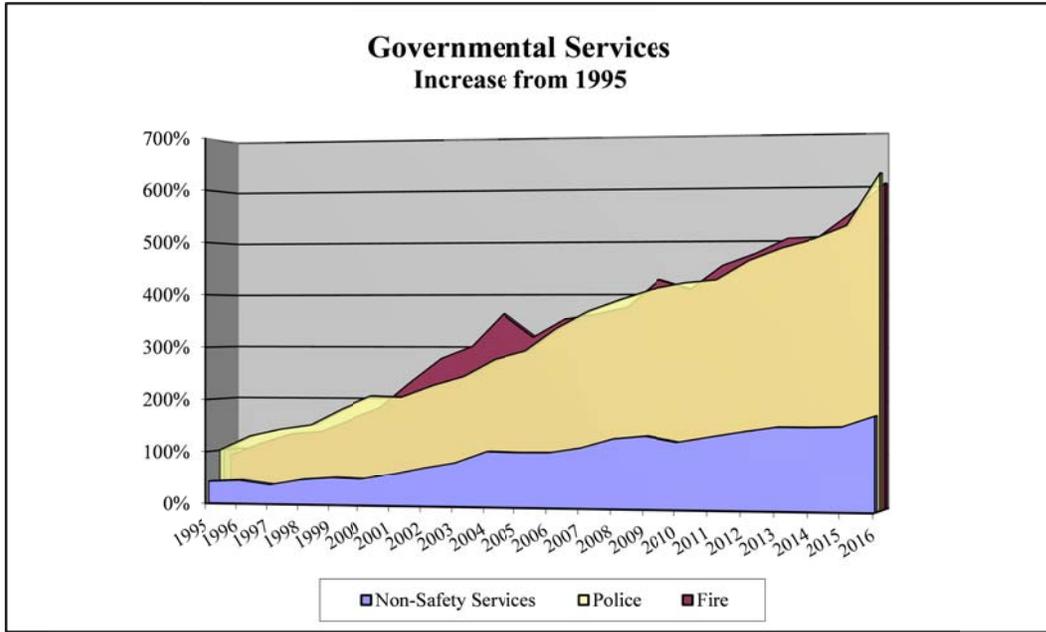
ALL TAXABLE ACTIVITIES

Retail trade (detail above)	3,761	33.98 %	\$	1,156,461	59.90 %
Construction	1,403	12.67		220,379	11.41
Accommodation and food services	249	2.25		208,645	10.81
Wholesale trade	1,967	17.78		85,291	4.42
Information	474	4.28		69,058	3.58
Other services	506	4.57		53,665	2.78
Real estate and rental and leasing	293	2.65		27,835	1.44
Administrative, support, waste mngmt and remediation svcs	557	5.03		26,708	1.38
Professional, scientific, and technical services	619	5.59		23,228	1.20
Manufacturing	722	6.52		16,711	0.87
Arts, entertainment, and recreation	110	0.99		18,464	0.96
Finance and insurance	134	1.21		17,658	0.91
Other activities	275	2.48		6,644	0.34
Total Taxable Sales	11,070	100.00 %	\$	1,930,747	100.00 %

Sales Tax Revenue 2015



Retail sales account for 60% of all taxable sales activity. Additional detail is provided for the retail sales category.



These graphs illustrate the emphasis which has been placed on funding safety services since 1995. The first graph shows the percentage increase in spending and the second graph shows the actual level of expenditures.

In 1995, Kennewick voters approved a 2.5% increase in utility tax applied to telephone, electricity, and natural gas service that is committed to fund safety services. This has created a major source of revenue that is used exclusively for the addition of new Police and Fire personnel.

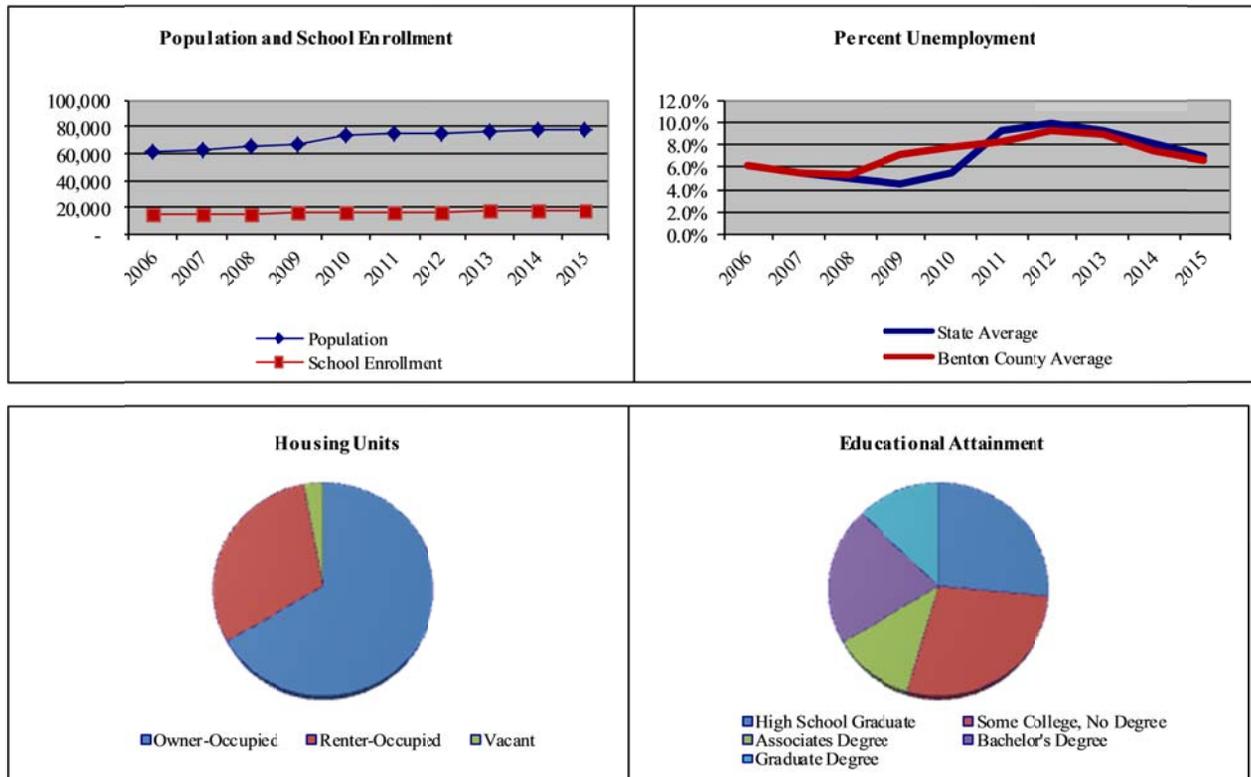
In 2014, voters approved a 0.3% sales tax that is dedicated towards public safety programs. The increased sales tax rate was effective 1/1/15 and proceeds of this 0.3% are split between Benton County and each of the cities within the county. Public safety expenditures funded from this sales tax began in 2015.

DEMOGRAPHIC STATISTICS

Supplemental Information

Year	Population (1)	Personal Income (thousands of dollars)	Per Capita Personal Income (2)	Median Age (1)	Median Household Income (1)	School Enrollment (3)	Unemployment Rate (4)
2006	61,770	\$ 2,017,285	\$ 32,658	35.23	\$ 54,942	\$ 15,112	6.2%
2007	62,520	2,206,831	35,298	35.27	55,361	15,280	5.5%
2008	65,860	2,445,184	37,127	35.29	57,114	15,595	5.4%
2009	67,180	2,534,433	37,726	35.34	58,496	15,857	7.2%
2010	73,917	2,887,715	39,067	35.55	60,070	16,285	7.8%
2011	74,665	3,041,777	40,739	35.77	60,608	16,437	8.2%
2012	75,160	3,055,404	40,652	35.95	62,739	16,874	9.3%
2013	76,410	3,076,037	40,257	36.15	63,710	17,259	9.0%
2014	77,700	3,180,960	40,939	36.44	63,157	17,548	7.4%
2015	78,290	3,406,163	43,507	36.80	63,372	18,043	6.6%

Source: (1) Office of Financial Management (www.ofm.wa.gov)
 (2) Per Capita Personal Income - Bureau of Economic Analysis (Benton County)
 (3) Kennewick School District
 (4) Washington State Employment Security Department (Benton County Annual Average)



MISCELLANEOUS STATISTICS

Supplemental Information

Date of Incorporation: February 5, 1904
 Form of Government: Non-Charter Code City
 Type of Government: Council - Manager
 Council Composed of: Mayor, Mayor Pro-Tem, and Five Councilmembers

Terms of Office:
 Mayor 2 Year Term
 Mayor Pro-Tem 2 Year Term
 Council 4 Year Term
 Manager Appointed by Council

** Every two years the Council elects the Mayor and Mayor Pro-Tem for the City of Kennewick, Washington.*

2016 Assessed Valuation: \$5,617,281,568
 Population: 78,290
 Area: (Square Miles) 24
 Miles of Streets 333
 Business Licenses Issued 4,960
 Building Permits Issued 2,004

CURRENT FACILITIES

Fire Protection:		Police Protection:	
Number of Stations	5	Number of Stations	1
Number of Firefighters	80	Number of Police Officers	105
Water Services:		Sewer Services:	
Number of Connections	23,736	Number of Connections	18,881
Daily Consumption (Per Capita)	140 gallons	Daily Usage (Per Capita)	69 gallons
Miles of Distribution/ Transmission Lines	399	Miles of Sanitary Sewer Lines	279

PARKS	SIZE (Acres)	PARKS	SIZE (Acres)
Arboretum	5.00	Jay Perry	0.50
Canyon Lakes	5.60	John Day Park	2.30
Civic Center Area	22.50	Keewaydin Park	8.90
Columbia Center Estates	2.00	Kenwood Park	1.50
Columbia Park	387.00	Lawrence Scott Park	26.00
Duffy's Pond/Levee Riverfront	70.00	Layton Park	3.00
Eastgate Park	14.40	Monopoly Park	1.60
Fruitland Park	2.50	Penn Park	0.80
Grange Park	26.00	Southridge Sports Complex	49.00
Hansen Park	25.00	Sunset Park	7.60
Hatfield Park	3.50	Underwood Park	3.10
Hawthorne Park	1.50	Vancouver Park	3.00
Horse Heaven Hills Park	20.00	Westgate Park	5.00
Inspiration Estates Park	5.00	Yelm Park	3.00

CAPITAL EQUIPMENT*Supplemental Information*

DEPARTMENT	EQUIPMENT	2017/2018
CRIMINAL JUSTICE SALES TAX FUND		
117.010.594.15.64.10	Software	
	Upgrade KPD audio and video technology	\$154,000
TOTAL CRIMINAL JUSTICE SALES TAX FUND		\$154,000
CAPITAL IMPROVEMENT FUND		
<i>Capital Purchases</i>		
300.900.594.18.64.09	Hardware	
	Network infrastructures replacements	\$70,180
	Wireless large area network	41,930
300.900.594.18.64.10	Software	
	Covers OS licenses for desktops and servers, office suite and upgrades	176,000
	RMS Software	250,525
	Onbase policy and procedure compliance	40,997
	HR Onboarding application	93,939
	Online codification services	17,582
<i>Subtotal Capital Purchases</i>		<i>691,153</i>
TOTAL CAPITAL IMPROVEMENT FUND		\$691,153
WATER/SEWER FUND		
<i>Water/Sewer Utility Combined</i>		
401.010.594.38.64.03	Field Machinery & Equipment	
	Replace 2 VFDs at water GC booster station	\$84,000
	Replace 2 VFDs at river levee	84,000
	Replace 2 VFDs at high service pumps	84,000
	Membrane replacements 2 bays	590,000
	Rebuild influent pumps (2)	102,000
	Leak detection and repair equipment	21,800
<i>Subtotal Water/Sewer Utility Combined</i>		<i>965,800</i>
TOTAL WATER/SEWER FUND		\$965,800
EQUIPMENT RENTAL FUND		
501.010.594.48.64.08	Transportation Equipment	
	<i>Funded from Lodging Tax Fund</i>	
	Infield groomer for Southridge	\$13,000
	<i>Funded from Criminal Justice Sales Tax Fund</i>	
	Patrol vehicle for 4 new officers	55,000

CAPITAL EQUIPMENT

Supplemental Information

AGENCY FUNDS - CAPITAL OUTLAY

DEPARTMENT	EQUIPMENT	2017/2018
BI-PIN AGENCY FUND		
634.010.594.18.64.06	Data Processing Equipment	<u>\$14,000</u>
TOTAL BI-PIN AGENCY FUND		<u><u>\$14,000</u></u>
TOTAL AGENCY FUND CAPITAL OUTLAY		<u><u>\$14,000</u></u>

FINANCIAL/BUDGETARY POLICIES
.....

◆ *Keep the City in a fiscally sound position in both the short and long terms.*

- Ongoing operations of the City shall be funded from ongoing revenues.
- Budgets for all funds shall be flexible in nature, with expenditures expanding and contracting based on actual revenues authorized by periodic budget adjustments.
- Two-year budget projections for all operating and capital funds shall be prepared.
- Revenues and expenditures should be budgeted as accurately as possible based upon historic trends and current conditions.
- The City will maintain existing service levels and continue to evaluate how to most effectively deliver those services. The City should accept new requirements for service delivery only when adequate funding is made available.
- Service levels will be reviewed by Council periodically and modified as necessary.

◆ *Maintain sufficient financial liquidity to meet normal operating and contingency obligations.*

- Maintain Fund Balances equal to 5% of operating expenditures to meet cash flow requirements in the general governmental operating funds (General Fund and Street Fund).
- Land sale proceeds, other unanticipated revenues and budget under-expenditures shall be reviewed at least annually with Council to determine the priority use for these funds, including pre-payment of debt service, increase in General and Street Fund reserves, unanticipated projects, budget vulnerabilities and other priority new programs. This funding source would first be used to replenish the Cash Reserve Fund and General Fund Operating Reserve if either was to fall below the target.
- Maintain a Cash Reserve Fund for revenue stabilization and contingencies equal to \$2,500,000 in 2010. Beginning in 2011, the City will increase the Cash Reserve Fund annually by CPI (not less than 2%). The funding source for increasing the Cash Reserve Fund annually shall be undesignated fund balances, capital project funding that is not allocated for Council priority programs, or other operating revenues, in this order.
- The purpose of the Cash Reserve Fund is to provide a fiscal means for the City to respond to potential adversities such as public emergencies, natural disasters or similarly major, unanticipated projects or circumstances, that were not foreseen when the biennial budget was prepared.

- The Cash Reserve Fund should be replenished as soon as possible and always within three years from the time the reserve is used or falls below the target. Sources to replenish these reserves shall be from undesignated Fund Balances, deferring non-life safety capital, and operating revenues, in this order.
 - Beginning in 2009, the City will implement an additional 6.5% utility tax on water and sewer utility services to be solely dedicated to fund the unfunded mandate of LEOFF I medical costs (bringing the total utility tax to 15.5%). As the LEOFF I medical liability is reduced and eventually eliminated, the utility tax rate will be reduced accordingly.
- ◆ *Protect the City from catastrophic losses.*
- Maintain an insurance reserve for property, casualty, unemployment, sewer backup, medical and dental claims in an amount equal to consultant or actuarial requirements.
 - Purchase medical, property and liability insurance to cover major losses as deemed appropriate by the City's risk management program.
- ◆ *Have service users pay their fair share of program costs.*
- City utilities shall be 100% user supported.
 - Development fees and charges will be reviewed every two years during the biennial budget process and compared with the cost of providing each service to determine if an appropriate level of cost recovery is attained. In all cases, the level of cost recovery shall be calculated based on the full cost of providing service, which includes all direct and indirect costs associated with the service being provided, including city-wide indirect costs. The appropriate level of cost recovery shall be determined based on the following criteria:
 - Whether the service benefits the community in general or only the individual or group receiving the service;
 - Whether the service is provided only by the public sector, or also by the private sector;
 - Whether the amount of the fee or charge would pose a hardship on specific service users;
 - Whether the amount of the fee or charge would place the city at an economic disadvantage;
 - Whether or not the amount of the fee or charge would cause an unrealistic demand on service;
 - Whether the amount of the fee or charge is reasonable and in line with the level of service being provided and requested.

- Annually, a CPI factor (no more than 4% and no less than 0%) will be applied to all development fees and charges. However, development fees and charges shall not be increased in any year until such time that the cumulative increase based on the CPI factors since the last fee or charge increase is at least \$5. In all cases, development fees and charges shall be rounded down to the nearest \$5 increment.
 - By the conclusion of the 2015/16 biennium, user fees shall contribute an average of 75% towards direct youth recreation services and operations. Adult programs will contribute an average of 100% toward direct recreation services and operations.
 - Annually, a CPI factor (no more than 4% and no less than 2%) will be applied to facility rental, administrative and usage fees and a local market comparison will be conducted where fees may be adjusted accordingly.
 - A minimum of 20% Administrative Fee will apply to the direct labor costs for all recreation and senior center programs in order to help recover some of the indirect costs associated with the recreation programs.
 - The cost to maintain a developed acre in Columbia Park will be calculated annually and a CPI factor (no more than 4% and no less than 2%) will be added to determine the appropriate rental fee in Columbia Park.
 - All City fees, charges and rates shall be reviewed periodically to determine whether they meet targeted cost coverage. Adjustments shall be made in conjunction with the budget process.
- ◆ *Operate utilities in a responsive and fiscally sound manner.*
- Utility rate studies shall be conducted at least every five years to update assumptions and ensure the long term solvency and viability of City utilities.
 - Utility rates should be reviewed annually and adjusted if necessary to reflect inflation, construction goals, maintain bond covenants and avoid major periodic increases.
 - Rates for the water/sewer utility shall include an annual capital contribution equal to the recovery of annual depreciation.
 - Fund balances in enterprise funds shall be maintained at levels established through rate studies or at levels necessary to meet operating capital and contingency requirements.
 - Excess fund balances shall be used to offset rate increases where possible, with any remaining balances being used for approved capital purposes.
 - Automatic Consumer Price Index (CPI) increases, up to a maximum of 4% per year, will be applied on an annual basis to Water & Sewer.

◆ *Maintain existing infrastructure and capital assets.*

- When capital funding decisions are made, priorities shall be given to maintaining existing capital assets over the acquisition or construction of new facilities.
- Fully fund equipment replacement for all Enterprise Funds over the vehicle's estimated useful life.
- Provide for a comprehensive equipment and apparatus replacement schedule for fire department by utilizing the medical service fund equipment reserves and ongoing biennial contribution amounts for both General Fund (\$300k plus inflation beginning in 2009) and Medical Services Fund (\$350k). The policy includes utilizing external financing for the purchase of a ladder truck when market conditions dictate that it is most economical to do so, with the remainder of the vehicle and apparatus replacements being cash transactions. Beginning in 2011, the biennial contribution previously made from the General Fund shall be made from the Capital Improvement Fund (\$315k).
- Beginning in 2011, provide for a comprehensive equipment and vehicle replacement schedule for the police department by utilizing an ongoing biennial contribution amount for the Capital Improvement Fund (\$551k plus inflation beginning in 2011). The policy includes utilizing external financing through the State Local Option Capital Asset Lending (LOCAL) lease program or other external financing programs when market conditions dictate that it is most economical to do so.
- Proceeds of the optional one-half of one percent sales tax and proceeds from the quarter of one percent real estate excise tax (as allowed by State Statute) shall be used to fund City Council's priority Capital Improvement Program ("CIP") except for funds used to:
 - Replace Federal Revenue Sharing Funds in the amount of \$500,000;
 - Replace the lost 35% of motor vehicle tax that occurred in 1986 upon implementation of the one-half percent optional sales tax in an amount calculated based on past historical motor vehicle excise tax inflated by 10% per year beginning in 2002 when motor vehicle excise tax was eliminated and no additional historical information was available;
 - Provide repayment of debt service on the 2003 CIP projects in the amount of approximately \$670,000 per year beginning on January 1, 2009, until the bonds are paid-in-full;
 - Provide repayment of debt service on the police facility in the amount of approximately \$725,000 per year beginning on January 1, 2007, until the bonds are paid-in-full;
 - Support the City's economic development efforts in an amount equal to the optional sales tax received from economic development efforts up to a maximum of \$500,000 per year beginning on January 1, 2009;
 - Support the Public Facilities District for a portion of the debt service related to the construction of the Three Rivers Convention Center beginning in 2001 as per Ordinance No. 5001 in the amount of \$725,000 per year;

- Provide for up to \$150,000 annually (plus inflation annually) to fund priority facility related improvements beginning January 1, 2011;
 - Provide for up to \$250,000 annually (plus inflation annually) to fund priority technology related improvements beginning January 1, 2011;
 - Provide contributions to the Police and Fire vehicle and apparatus replacement programs, respectively, beginning in 2011 (see items above).
-
- Each year, City Council shall evaluate making a \$1 million transfer from the General Fund to the Capital Fund in order to implement Council priority programs.
 - The admissions tax shall be receipted into the General Fund and used as determined based on budgetary priorities, except for the amount collected from the Toyota Center for admissions, which is receipted into the General Fund to help offset the General Fund operating subsidy to the Toyota Center. In the event that no operating subsidy is needed, this amount will be dedicated to repayment of debt service at the facility.
 - The basic 2% hotel/motel tax in the Lodging Tax Fund will continue to support the City's portion of Tri-Cities Visitor and Convention Bureau, event promotion funding and a portion of the debt service on the Toyota Center. An additional 2% hotel/motel tax was enacted in 1998 and is dedicated to debt service related to the purchase of the Toyota Center and Ice Arena. Beginning in 2009, an additional \$50,000 in ongoing lodging tax revenues will be used to pay down the debt service on the Toyota Center. Beginning in 2017, \$175,000 in ongoing lodging tax revenues will support the Toyota Center operating subsidy and \$150,000 will support Toyota Center capital projects.
 - The City shall review the annual operating results for the Toyota Center & Arena and compare the results to the budgeted operating subsidy for the year as approved by the Kennewick Public Facilities District (KPFDD). Subject to any legal restrictions attached to the revenue source(s) utilized by the City to fund its operating subsidy to the Toyota Center & Arena, any positive variance between the actual net operating loss and the operating subsidy level budgeted for the year shall be retained by the facilities and designated for the following purposes:
 - To provide funding for unanticipated capital projects, improvements, maintenance or major repairs required at the facilities. These projects shall be subject to the review and approval of the Joint Coliseum Advisory Committee (JCAC), or the Committee's designee, prior to the commencement of the projects.
 - To supplement the operating subsidy provided to the Toyota Center & Arena in any year that the annual operating loss for the facilities exceeds the operating subsidy budgeted for the year. Any use of designated funds for this purpose shall also be subject to the review and approval of the JCAC.

◆ ***Establish accountability in budget monitoring.***

- The City Council shall set total appropriations at the fund level.
- Department heads are responsible for managing their budgets within the total appropriated budget.
- Any budget adjustment between funds shall be approved by the Council in budget amendments and by adopted ordinances.
- Budget adjustments within a fund shall be approved by the City Manager and reported to the City Council. Adjustments affecting program implementation or modification of total appropriation require Council approval.
- Department expenditures shall be made from appropriate Budgeting, Accounting and Reporting System (BARS) accounts, not an account where an excess of funds may exist.

◆ ***Provide financial reports in a timely and understandable manner.***

- Quarterly financial reports discussing major trends, the status of Kennewick's financial operations, and other related information shall be distributed to all managers, the Mayor, the City Council and made available to the interested public.
- A Comprehensive Annual Financial Report, prepared in accordance with generally accepted accounting principles, shall be distributed to interested parties and to GFOA for certification.
- The City's budget document shall be prepared in a manner to best implement the budgetary policies of the Council.

DEBT POLICIES

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- Revenue bonds and LIDs shall be used to finance improvements when applicable.
- Financing for the majority of capital assets, other than infrastructure, shall normally be made over the life of the asset, or 20 years, whichever comes first.
- Councilmanic bonds and lease financing can be used to fund infrastructure where positive cost/benefit ratios exist or where there is no other source of funds.
- Voter approved general obligation bonds and special levies shall be used to finance major projects with high visibility such as fire stations, library, swimming pools, trails, waterfront projects, community parks, etc.

CASH MANAGEMENT POLICIES
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- The City’s cash management philosophy is to invest public funds in a manner that provides for the highest investment return with the maximum security while meeting daily cash flow demands. The City’s investment policy defines authorized investment instruments in accordance with State law. The City’s portfolio consists of certificates of deposit, U.S. agency issues and the State Treasurer’s Investment Pool.
- The primary objective of the City’s investment activities is safety of principal. To attain this objective, no more than half of the portfolio is invested in a single security type or with a single financial institution.
- To the extent possible, the City attempts to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City does not directly invest in securities maturing more than five years from the date of purchase.
- Reserve or CIP Funds may be invested in securities exceeding five years if the maturity of such investments are made to coincide as nearly as practicable with the expected use of the funds.

ECONOMIC DEVELOPMENT POLICIES
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- ◆ *Develop and implement an economic development strategy that supports and expands the City’s existing retail, wholesale, service, light industrial, distribution and the tourism sectors of the local economy.*
 - Support and find opportunities for the Bridge to Bridge Plan implementation.
 - Provide resources for businesses and entrepreneurs that will encourage their growth.
 - Identify opportunities that create a “sense of place” and develop unique assets to improve quality of life.
 - Develop a sustainability program.
 - Seek public-private partnership to help fulfill goals.
- ◆ *Create jobs that pay livable wages and broaden the tax base.*
 - Support the tourism sector of the local economy and look for opportunities to increase tourism offerings.
 - Develop a strategy that works toward the continued expansion of industrial development.
 - Support a strategy that supports recruitment, expansion and retention of primary jobs of a non-industrial nature.

- Support education and workforce development that prepares workers for jobs in target industries.
 - Encourage affordable infill single-family construction through flexibility in development techniques.
 - Recognize manufactured housing as an important component of the single-family market.
 - Authorize opportunities for group home housing within a variety of residential settings.
 - Identify strategies for promoting affordable housing.
 - Permit condominium, zero lot line and other non-traditional and innovative residential development opportunities throughout the urban area.
 - Encourage an assortment of multi-family residential developments to increase the residential rental supply.
- ◆ ***Promote neighborhoods which contain appropriate support facilities, and promote quality of life through aesthetic considerations.***
- Continue to promote development of park and/or recreational facilities jointly with the school district.
 - Encourage the extension and use of irrigation services throughout all residential areas to support and maintain a healthy landscape environment.
 - Provide code enforcement services to support aesthetic and public or private property improvements.
- ◆ ***Promote a variety of residential densities throughout the urban area.***
- Low-density residential areas are characterized by developments of up to four units per acre.
 - Medium-density residential areas are characterized by developments of 5-13 units per acre.
 - High-density residential areas are characterized by developments of 14-27 units per acre.

◆ ***Encourage the preservation of the existing housing stock through a broad strategy of public and private investments.***

- Maintain an inventory of residential properties which possess one or more qualities of local historic significance.
- Bolster private efforts to preserve local historic properties.
- Pursue the abatement of dilapidated residential structures.

URBAN DESIGN POLICIES
.....

◆ ***Enhance the aesthetics of the urban area.***

- Develop logical circulation patterns for vehicles and pedestrians.
- Landscape public right-of-ways with special emphasis given to those areas which have heavy pedestrian and motor traffic.
- Enhance public pedestrian areas with benches, lighting, and similar amenities.
- Develop and implement a program of making traffic control boxes less noticeable.
- Encourage all existing commercial and industrial uses along state highways and major and minor arterials to develop and implement landscaping and building façade programs consistent with city ordinances and policies.
- Beautify cluttered and unkempt public areas.
- Encourage better accessibility to water recreational areas.
- Encourage the Historic Downtown Kennewick Partnership to improve the appearance of their buildings and premises.
- Encourage better designed public buildings with a variety of landscaping.
- Encourage and provide a means for local artists to display their works in public buildings.
- Provide the opportunity for local artists to locate permanent artwork in public places.
- Develop a program whereby persons talented in the performing arts have the opportunity to perform in public places with minimal or no cost to the audience.

REGIONAL RELATIONSHIP POLICIES
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◆ *Promote and develop a proactive relationship with area and state agencies, public entities and other government bodies.*

- Establish inter-local agreements between the City and Benton County that will provide joint standards for development within the urban growth area.
- The City will limit its extension of utilities to development that conforms to inter-local agreements developed in accordance with this policy.
- The City and outside utility providers will develop land use and utility plans that are consistent and are developed to accommodate future build-out scenarios within the urban growth area.
- The City and Benton-Franklin Fair Board will encourage a relationship that promotes multiple use, resource growth, and facility enhancement of the fairgrounds complex at E. 10th Avenue and Oak Street.
- The public entities within the “Civic Core” area at or near 6th Avenue and Dayton Street will be encouraged to make long-term capital commitments for maintaining the maximum number of civic uses at this location.
- The irrigation districts will be encouraged to retrofit open canals to underground and pressurized systems.
- The irrigation districts will be encouraged to allow right-of-ways for irrigation systems to be used as paths or trails.
- Kennewick School District #17 will be encouraged to assume a proactive role in coordinating its long-range plans with the comprehensive planning process of the City.
- Policies within the City’s Comprehensive Plan that affect other jurisdictions will be consistent and coordinated with such jurisdictions.
- Benton County Planning policies #11, #12, and #13 will be utilized to develop regional processes for citing essential public facilities and providing waste-related services and processes.
- The Chamber of Commerce, Port District, and the Tri-Cities Industrial Development Council (TRIDEC) will be encouraged to promote the long term interests of the community in the comprehensive planning processes.

ANNEXATION POLICIES
.....

- ◆ *Develop an annexation policy emphasizing public education, service levels and timing of infrastructure improvements.*
 - Establish pre-annexation zoning for all lands in Kennewick’s urban growth area. Lands in the urban growth area that have pre-annexation zoning designations will have such designations updated as necessary as part of the Comprehensive Plan review process.
 - Systematic review of the expected service demand of each annexation proposal will be accomplished. Demands for additional service or capital improvements resulting from annexation proposals should be accommodated within six years of the effective date of the annexation.
 - Develop fiscal analysis showing estimates of expected revenues/costs for each proposed annexation.
 - Annexations that decrease existing city-wide service levels for general governmental operations will be discouraged.
 - Annexations of county “islands” (areas surrounded on at least 80% of its boundaries by corporate limits) are considered “first priority” annexations and all necessary steps will be taken to ensure their incorporation.

Accounting System - The total structure of records and procedures designed to record, classify, and report information on the financial position and results of operations of a government or any of its funds, account groups or organizational components.

Ad Valorem Taxes - (Property Tax) A tax levied on the assessed value of real property.

Adopted Budget - A plan of financial operation, legally adopted by the City Council, providing an approved level of expenditures and a means of financing them for a given fiscal period.

Agency Fund - A fund used to report resources held by the reporting government in a purely custodial capacity for individuals, private organizations, other governments, and/or other funds.

Appropriation - A legal authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes. An appropriation is usually limited in amount and as to the time when it may be expended.

Appropriation Ordinance - An ordinance by means of which appropriations are given legal effect. It is the method by which the expenditure side of the annual operating budget is enacted into law by the legislative body.

Assessed Valuation - A valuation set upon real estate or other property by the County Assessor as a basis for levying property taxes.

Basis of Accounting - The timing of recognition for financial reporting purposes, when the effects of transactions or events should be recognized in financial statements.

Cash Basis - A basis of accounting that recognizes transactions or events when related cash amounts are received or disbursed.

Accrual Basis - Method of accounting that recognizes the financial effects of transactions, events, and interfund activity when they occur, regardless of the timing of related cash flows.

Modified Accrual Basis - A basis of accounting used in conjunction with the current financial resources measurement focus that modifies the accrual basis of accounting in two important ways: 1) revenues are not recognized until they are measurable and available and 2) expenditures are recognized in the period in which governments normally liquidate the related liability rather than when that liability is first incurred.

Beginning Fund Balance - A revenue account used to record resources available in one fiscal biennium because revenues were in excess of the budget and/or expenditures in the prior fiscal biennium.

Biennial Budget - The financial and operating plan for the City that establishes a two-year appropriation in accordance with Washington State law.

Bond - A written promise to pay a specified sum of money, called the face value or principal amount, at a specified date or dates in the future, called the maturity date(s), together with periodic interest at a specified rate.

Budget - A financial operating plan for a given period which displays the estimated expenditures to provide services or to accomplish a purpose during that period together with the estimated sources of revenue (income) to pay for those expenditures.

Budgetary Control - The control or management of a government or enterprise in accordance with an approved budget for the purpose of keeping expenditures within the limitations of available appropriations and available revenues.

Budget Document - The instrument used by the budget-making authority to present a comprehensive financial program to the appropriating body. The budget document usually consists of two parts. The first part contains a message from the budget-making authority, together with a summary of the proposed expenditures and the means of financing them. The second consists of schedules supporting the summary. These schedules show in detail the information as to the past biennium's actual revenues, expenditures, and other data used in making the estimates. In addition to the budget document, an appropriation ordinance is necessary to formally approve the budget.

Capital Assets - Land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period. The City's capitalization threshold is \$5,000.

Capital Improvement Program (CIP) - A plan for capital outlay to be incurred each year over a fixed number of years to meet capital needs arising from the government's long-term needs. It sets forth each project or other contemplated expenditure in which the government is to have a part and specifies the full resources estimated to be available to finance the projected expenditures.

Capital Improvement Fund - A fund created to account for financial resources to be used for the acquisition or construction of capital facilities and other capital assets.

Capital Outlays - Expenditures that result in the acquisition of or addition to *capital assets*.

Consumer Price Index (CPI) - 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 (i.e., economic inflation).

Debt - An obligation resulting from the borrowing of money or from the purchase of goods and services. Typical debts of governments include bonds, notes, leases, contracts and accounts payable.

Debt Limit - The maximum amount of gross or net debt that is legally permitted.

Deficit - (1) The excess of the liabilities of a fund over its assets. (2) The excess of expenditures over revenues during an accounting period; or, in the case of proprietary funds, the excess of expense over income during an accounting period.

Depreciation - The portion of the cost of a fixed asset which is charged as an expense during a particular period. In accounting for depreciation, the cost of a fixed asset, less any salvage value, is prorated over the estimated service life of such an asset, and each period is charged with a portion of such cost. Through this process, the entire cost of the asset is ultimately charged off as an expense.

Distinguished Budget Presentation Awards Program - A voluntary awards program administered by the Government Finance Officers Association to encourage governments to prepare effective budget documents.

Effectiveness - Refers to how well a program achieves its stated goals, objectives, and outcomes.

Efficiency - Refers to how well inputs are utilized to produce outputs.

Encumbrance - Obligations in the form of purchase orders, contracts, or other commitments. They cease to be encumbrances when paid, cancelled, or when the actual liability is established.

Ending Fund Balance - An expenditure account used to record resources available because revenues exceed the budget and/or expenditures in that biennium.

Enterprise Fund - A fund established to account for operations financed in a manner similar to a private business enterprise where the costs of providing goods and services to the public are financed through user charges.

Expenditures - Under the current financial resources measurement focus, decreases in net financial resources not properly classified as other financing uses.

Fiscal Biennium - In accordance with Washington State Law (RCW 35A.34), a fiscal biennium is the period from January 1 of each odd-numbered year through December 31 of the next succeeding even-numbered year (i.e., January 1, 2015 - December 31, 2016).

Fixed Assets - A fixed, physically attached, and permanent improvement or real property. Fixed assets are normally those that are capitalized.

Full-Time Equivalent (FTE) - A calculation used to convert part-time hours to equivalent full-time positions. Full-time employee salaries are based on 2,080 hours per year. The full-time equivalent of a part-time employee is calculated by dividing the number of hours budgeted by 2,080.

Fund - A fiscal and accounting entity with self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Fund Balance - For accounting purposes, the excess of a fund's assets over its liabilities. For budgeting purposes, the excess of a fund's resources over its expenditures.

GAAP - Generally Accepted Accounting Principles are standards used for accounting and reporting used for 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 fund used to account for all financial resources except those required to be accounted for in another fund.

Goal - Refers to a statement of direction, purpose or intent based on the needs of the community. Operationally, a goal is a broad statement of what a program expects to achieve sometime in the future.

General Obligation (GO) Bonds - Bond issues whose repayment is guaranteed by the full faith, credit, and taxing power of the government and that are subject to the government's debt limit. GO bonds are the traditional form of government debt financing for major construction projects.

IFSAAC - International Fire Service Accreditation Congress.

Inputs - Resources allocated for the execution of activities and work processes so that stated goals, objectives, and outcomes can be achieved.

Intergovernmental Revenues - Levied by one government but shared on a predetermined basis with another government or class of governments.

Internal Service Fund - A fund type used to report activities that provide goods or services to other funds, departments, or agencies of the city on a cost reimbursement basis.

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.

Long Term Debt - Debt with a maturity of more than one year after the date of issuance.

Mission - Defines the primary purpose of the City and is intended to guide all organizational decisions, policies, and activities on a daily basis.

Operating Budget - Plans of current expenditures and the proposed means of financing them. The operating budget is the primary means by which most of the financing of acquisition, spending, and service delivery activities of a government are controlled.

Operating Transfer - Amounts transferred from one fund to another to assist in funding the services for the recipient fund.

Outputs - Refers to goods and services performed by a government and/or delivered to customers.

NFIRS - National Fire Incident Reporting System.

Park Reserve Fees - Fees received by the City as a condition of approval of any short plat or new development in the City that will be used for residential purposes. These fees shall be used for the acquisition or development of park and recreation facilities within the designated park service area for which the fees were imposed.

Performance Measure - Refers to a specific quantitative or qualitative assessment of results obtained through a program or activity.

Performance Measurement - Refers to the process for determining how a program is accomplishing its mission, goals, and objectives through the delivery of products, services or processes. Performance measurement also is defined as a systematic process of evaluating the outcomes of inputs and outputs for specific government programs and services that are delivered to customers with respect to effectiveness, efficiency, quality, and return on investment.

Program - Refers to a group of related activities performed by one or more organizational units for the purpose of accomplishing a function for which the government is responsible, such as administering recreation programming, maintaining the infrastructure, or providing public safety services.

Program Budget - A budget which allocates money to the functions or activities of a government rather than to specific items of cost or to specific departments.

Proprietary Funds - A fund classification used to account for the government's ongoing organizations and activities that are similar to those often found in the private sector. These funds are considered self-supporting in that the services rendered by them are financed through user charges or on a cost reimbursement basis. There are two types of proprietary funds: enterprise funds and internal service funds.

Quality - Refers to the level of satisfaction expressed by customers of a particular program with respect to the goods and services delivered to them by a governmental unit or department.

Refunding Bonds - Bonds issued to retire bonds already outstanding. The refunding bonds may be sold for cash and outstanding bonds redeemed in cash, or the refunding bonds may be exchanged with holders of outstanding bonds.

Reserve - (1) An account used to segregate a portion of fund balance to indicate that it is not available for expenditure; and (2) an account used to segregate a portion of fund equity as legally set aside for a specific future use.

Revenue - Cash receipts and receivables of a governmental unit derived from taxes and other sources.

Revenue Bonds - Bonds whose principal and interest are secured by and payable exclusively from earnings of an enterprise fund.

Special Revenue Fund - A fund used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Transfers - The authorized exchanges of cash or other resources between funds, divisions, departments, and/or capital projects.

WSDOT - Washington State Department of Transportation.

Several assumptions were utilized during preparation of the biennial budget to project the revenues the City will receive and expenditures the City will incur during the 2017/2018 biennium. The following is a summary of the major assumptions utilized:

REVENUES

- ◆ In general, most non-tax revenues are expected to increase by 2% in 2017 relative to projected 2016 revenues and by 2% again in 2018 relative to projected 2016 revenues.
- ◆ The City's regular and optional sales tax is projected to increase by 3% in 2017 relative to projected 2016 sales tax receipts and by 3% again in 2018 based on the overall condition of the economy and an assumption that the City will experience similar residential and commercial growth during 2017 and 2018 as it has in recent years.
- ◆ Similar to the City's projections for its regular and optional sales tax, projections for the City's portion of the voter-approved public safety (criminal justice) sales tax approved in August of 2014 and implemented in 2015 include an assumption of 3% growth in 2017 relative to projected 2016 sales tax receipts and 3% growth again in 2018.
- ◆ Property tax revenue was projected utilizing the following assumptions:
 - New construction value for the 2017 property tax levy is estimated to be \$116.3 million based on preliminary assessed values provided by the Benton County Assessor. Of the projected new construction amount for the 2017 levy, \$21.7 million is estimated to be new construction within the City's Southridge Local Revitalization Area (LRA), and therefore 75% of the property tax generated from the new construction is dedicated to the LRA under state law.
 - New construction is estimated to be \$100 million for the 2018 property tax levy and it is assumed that 70% of the new construction will occur in the Southridge Local Revitalization Area (LRA). Again, the property tax generated from that new construction would be dedicated to the LRA under the requirements of the State's Revitalization Financing (LRF) program.
 - The City will devote \$67,000 of its annual operating levy each year during the biennium to the Firemen's Pension Fund to meet pension obligations based on the recommendation of the most recent actuarial study performed for the fund.
- ◆ Electric utility tax revenue generated through gross sales of electricity from the Benton Public Utilities District (PUD) was projected to reflect a 4.9% rate increase implemented by the PUD in September of 2016 and additional increases of 4% in both 2017 and 2018 resulting from a combination of anticipated rate increases and growth in the number of customers and overall consumption.
- ◆ Telephone utility tax is projected to decline by 5% in 2017 compared to projected tax receipts for 2016 and then by an additional 5% in 2018. The City has experienced declines from this tax source in each of the last 6 years, due primarily to non-taxable data services

becoming a larger component of cell phone bills. However, current trends for 2016 suggest that the declines experienced over the past 6 years are beginning to diminish and the City should see a more stable trend moving forward.

- ◆ The 2017/2018 biennial budget assumes that the portion of the City's current 15.5% water and sewer utility tax rate not dedicated towards LEOFF 1 medical costs will remain at 9%. The City will be evaluating the results of an actuarial valuation of the medical and long-term care costs associated with its LEOFF 1 retirees to determine if a change can be made to the portion of the water and sewer utility tax rate (6.5%) that is dedicated towards these costs.
- ◆ Other utility tax revenue sources are anticipated to increase from 1.5% - 3% in each year of the 2017/2018 biennium based on recent trends.
- ◆ State shared revenues were projected utilizing Municipal Research & Services Center of Washington (MRSC) and Washington Office of Financial Management (OFM) estimates, which are typically based on a per capita distribution. The following provides further detail regarding the assumptions utilized for two of the major items within this category of revenue:
 - Liquor excise taxes are estimated at approximately \$375,000 per year in 2017 and 2018 assuming a distribution of \$4.80 per capita on average and a population of just over 79,000 for Kennewick. These estimates assume that the partial restoration of liquor excise tax revenue distributions to cities in July of 2015 will remain in place throughout the City's 2017/2018 biennium. Prior to July of 2015, city liquor excise tax distributions were fully diverted to the state from July of 2012 through June of 2013 and then partially diverted (approximately ½) to the state from July of 2013 through June of 2015 in an effort by the State Legislature to balance the State's biennial budget. The State of Washington faces a tremendous challenge for its upcoming 2017-2019 budget, primarily due to court-mandated obligations to increase spending for basic education. As a result, state shared revenues for cities and counties are very much in jeopardy in the future.
 - Motor vehicle fuel excise taxes (gas taxes) are estimated at approximately \$1.8 million in 2017 and \$1.86 million in 2018 assuming a distribution of \$22.81 per capita in 2017 and \$23.51 in 2018 along with a population of just over 79,000 for Kennewick. The per capita estimates for both 2017 and 2018 reflect additional distributions for cities as a result of increases to the State's gas tax in both 2015 and 2016 as part of a statewide transportation package that was passed by the State Legislature in 2015.
- ◆ Grant revenues were projected only for awarded operating grants within the General Fund. Assumptions for certain grant revenues have been incorporated into the budget for the City's capital funds with the understanding that the completion of the capital projects associated with the projected grant proceeds are contingent on the grants being awarded to the City.
- ◆ Annual rate adjustments based on the annual change to the consumer price index (CPI) are projected in both 2017 and 2018 on the City's monthly ambulance availability and stormwater utility charges pursuant to existing Council policies and the Kennewick Municipal Code. The CPI is anticipated to increase by 2% in both 2017 and 2018.

**REVENUE AND EXPENDITURE
ASSUMPTIONS**

Supplemental Information

- ◆ Annual rate adjustments are assumed in both 2017 and 2018 for the City's water and sewer utility rate revenue as a result of rate increases approved by the Kennewick City Council after a rate study was conducted for the utility in 2016. Water rates will be increasing by 3.15% in both 2017 and 2018, while sewer rates will be increasing by 5.4% in both years. Additionally, pursuant to the City's existing municipal code, both water and sewer rates will also be modified by the annual change to the consumer price index (CPI) in both 2017 and 2018, which is anticipated to be 2% each year.
- ◆ Building permit revenue for the 2017/2018 biennium is assumed to remain consistent with the amount generated in 2015 and amount projected for 2016 based on anticipated residential and commercial construction activity for the next two years.

EXPENDITURES

- ◆ The 2017/2018 biennial budget includes assumptions for increases to existing salaries and wages for employees based on anticipated contract settlements for union personnel. The 2017/2018 budget also provides for an increase to the non-contract salary schedule each year of the biennium based on the annual change in the consumer price index (CPI) and changes implemented by the City's comparator agencies. However, non-contract annual pay increases are not automatic. Instead, these increases are based on attainment of pay-for-performance goals, demonstration of core competencies and mastery of technical skill requirements for each position.
- ◆ The 2017/2018 budget reflects the addition of four new Police Officer positions in 2017 funded through the voter-approved public safety (criminal justice) sales tax. These four positions mark the completion of a phased hiring approach to add staffing under this program. In total, the City will fund fifteen Police Officer positions (twelve new), two Police Support Specialists, and one Assistant City Attorney with public safety sales tax. Additionally, three Police Officer positions that were authorized in 2013 and funded with a portion of the 2013 property tax levy are now funded with criminal justice sales tax, which freed up the property tax funding previously allocated to these positions to fund three new Captain positions that were required in the Fire Department when Station #5 at 10th and Kellogg opened in August of 2016.
- ◆ The City's employer retirement contribution rates were projected based on the most recent recommendations by the Office of the State Actuary. The rates included in the 2017/2018 biennial budget are as follows: PERS Plan contribution rates will increase from the current rate of 11.18% to 12.85% on 7/1/17 and rates will remain at that level through the remainder of the biennium. The City's portion of employer contribution rates for LEOFF II plan members is expected to increase moderately from the current rate of 5.23% to 5.25% on 7/1/17 and rates will remain at that level through the remainder of the biennium.
- ◆ The City's premium rates for medical insurance are projected to increase by approximately 5% in 2017 and 5% in 2018. Expenditure estimates for 2018 reflect an anticipated savings associated with moving the City's contract employees from the current AWC HealthFirst plan to another plan offered through AWC due to the elimination of the HealthFirst plan in 2018 in an effort to avoid potential costs that could result from the Affordable Care Act

**REVENUE AND EXPENDITURE
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(ACA) in the future, including the “Cadillac tax” provision that will go into effect in 2020. The City’s non-contract employees were moved from the AWC HealthFirst plan to the AWC HealthFirst 250 in 2016 and it is anticipated this employee group will remain on this plan throughout the 2017/2018 biennium.

- ◆ The City’s cost for dental insurance is expected to decrease by 3.5% in 2017 based on claims experience in 2016 and then increase by 5% in 2018, while other major benefit costs are generally expected to increase from 3-5% per year.
- ◆ The City’s costs for jail services for 2017/2018 were estimated utilizing an assumption that the 2017/2018 budget for the Benton County Jail will increase by 5% relative to its 2015/2016 budget and that the City’s portion of that budget (as assessed through a bed day charge) will remain at 18-20% based on recent trends.
- ◆ The City’s costs for District Court services and the Office of Public Defense were estimated utilizing an assumption that the 2017/2018 budget for each department will increase by 5% relative to their 2017/2018 budget and that the City’s portion of each budget will remain at approximately 21% and 35%, respectively, based on caseload statistics.
- ◆ Dispatch and emergency service costs were also projected based on the 2017 budget for each agency as approved by the Benton County Emergency Services (BCES) Executive Board. Dispatch and 800 MHz radio costs are anticipated to increase by 7.5% in 2018.
- ◆ The City will provide an operating contribution of \$750,000 to the Toyota Center & Arena (an Enterprise Fund) during the 2017/2018 biennium. This contribution will consist of \$400,000 from the General Fund and \$350,000 from the Lodging Tax Fund using excess lodging tax revenues.
- ◆ The City will provide an operating contribution of \$92,500 to its Columbia Parks Golf Links golf course during the 2017/2018 biennium. This contribution will be provided from the General Fund.
- ◆ The 2017/2018 budget includes a transfer of \$1,000,000 from the General Fund to the Capital Improvement Fund each year of the biennium in accordance with the City’s budgetary policy for City Council to evaluate such a transfer each year to fund Council priority capital programs.
- ◆ An allowance for under-expenditures of \$1.5 million has been budgeted within the General Fund for the 2017/2018 biennium. This item reflects expected savings in budgeted expenditures during the biennium, primarily through personnel savings generated from vacant positions. As has been the practice for several bienniums, all future position vacancies will be evaluated to determine city-wide needs and how they most appropriately will be filled.

Several vulnerabilities exist that may have a significant impact on the City of Kennewick's 2017/2018 biennial budget. The following is a list of the major vulnerabilities identified during the budget process:

- ◆ Initial projections for the State of Washington's 2017-2019 biennial budget indicate that the state may again be facing a significant deficit within its General Fund, primarily as a result of legal mandates to increase funding for basic education. In order to balance this deficit, the State will likely be evaluating further reductions to the City's state-shared revenues as a revenue source to reallocate to its General Fund. Many other State programs that are crucial to cities in their efforts to build and maintain infrastructure and foster economic development will be at risk as well. The City will closely monitor major legislation at the state level and will work with our local legislators, state lobbyist and the Association of Washington Cities (AWC) to minimize the impacts of new legislation on the City of Kennewick.
- ◆ Sales, property and utility taxes comprise nearly 75% of the total funding for the City's General and Street Funds. Projections utilized within the 2017/2018 biennial budget for each of these three tax revenue sources include vulnerabilities.

Sales tax, which is the single largest tax source for the City, is inherently volatile and tied to local and national economic conditions and therefore difficult to predict. Additionally, the prominence of non-taxable remote (internet) sales has eroded this tax revenue source for the City dramatically over the last decade and continues to grow more each year.

Annual growth in base property tax revenue is effectively limited to 1% under state law. The City does benefit from new property tax generated by new construction and annexation values added to the tax rolls each year, but has unfortunately become very reliant on that growth continuing to generate the revenue needed to cover increases in the City's costs to maintain its existing service levels. If growth in Kennewick were to diminish, it would likely result in a significant shortfall in this important revenue source.

Finally, as a result of the prominence of non-taxable data services, the City's telephone utility tax revenue has declined in each of the past six years, resulting in some uncertainty for future revenue projections. Although recent trends suggest this revenue source may be stabilizing and the City's 2017/2018 budget reflects an assumption of a 5% decline each year of the biennium from this revenue source, the possibility exists that more significant reductions may occur in the future.

- ◆ Jail service is the largest contracted service for the City and remains a significant vulnerability for the 2017/2018 biennial budget. The current contract in place between Benton County and cities for jail services expires at the conclusion of 2016 and negotiations on a successor contract will not be completed by the end of 2016. However, the County and all cities contracting for jail services have agreed to a 3-month extension of the current contract to allow for the completion of a new contract. Any increases to the jail budget or the portion of jail costs allocated to cities under a new jail services contract could result in a significant increase to the City's costs for jail services.

- ◆ Benton and Franklin Counties continue to work toward the potential implementation of a regional (bi-county) dispatch program that would increase public safety and the level of service for our community. Although the number one priority of a regional dispatch would be increased public safety for the community and public safety personnel, a regional approach may also result in a much more efficient operating structure with lower ongoing operating costs for all participating agencies after some of the initial start-up costs are incurred.
- ◆ The City's collective bargaining agreements with 4 of its 5 labor unions expire at the conclusion of 2016, with the fifth contract recently being extended only through 2017. Negotiations with the City's bargaining units are ongoing and assumptions have been included in the 2017/2018 biennial budget regarding the expected outcome of these negotiations. However, until the labor contract is finalized, there is uncertainty regarding the budgetary implications of the agreement.
- ◆ Identifying funding for critical capital transportation and other projects continues to be both a challenge and an opportunity for the City. It is imperative for the City to maintain the proper balance when allocating its limited resources between capital programs and the operating needs of the City and to continue exploring opportunities for dedicated funding sources to provide for the City's priority capital projects.
- ◆ The City continues to evaluate how to fund additional growth (due to new construction and annexations) with existing resources. Currently our inflationary increases (or in some cases less than inflationary increases) of our major revenue sources do not cover inflationary increases in costs for existing programs and services, therefore requiring the City to use its growth revenues to cover existing programs rather than to cover the cost to maintain the growth.
- ◆ The City has numerous new program requests that would help provide a more effective work environment. The new program requests were all reviewed and prioritized during the 2017/2018 biennial budget and only a portion of the requests were able to be funded due to resource constraints. These new programs will continue to be evaluated and prioritized during the biennium if any funding opportunities arise.
- ◆ With the exception of some capital funding that has been dedicated for police and fire vehicle and apparatus replacement programs and some street and park equipment, the City is currently not collecting replacement funds for equipment dedicated to general governmental programs, including much of the City's Parks fleet and major equipment. Reserve funds for equipment replacement may not be adequate to cover future fleet and equipment needs in these funds and alternative methods of funding these needs will have to be explored.
- ◆ The 2014 facilities plan for the City of Kennewick identified several major facility needs throughout the City, many of which the City does not have adequate funding to address. In particular, the plan identified that the City's fire station #1 needs significant remodel work, while fire station #3 will likely need to be completely replaced. Additionally, the City anticipates that growth in its Southridge area will likely require the addition of a 6th fire station in that area in the next 3-5 years. During the 2017/2018 biennium, the City will be developing a plan to address these 3 critical facilities, in addition to several of the other

major facility needs identified in the facilities plan. It is likely that a significant portion of the costs for these items will have to be funded with proceeds of a bond issuance in late 2018 or 2019.

- ◆ The City's IT Strategic Plan identified that the City's Enterprise Resource Planning (ERP) system will need to be replaced in the next 2-3 years. The City will be conducting an IT needs analysis during the 2017/2018 biennium to help plan for this replacement and to assist in developing a request for proposals (RFP) for a new ERP system. Replacing the City's ERP system will have a significant impact on City operations, and will likely have a significant budgetary impact as well.
- ◆ The City is in the midst of a cost of service study for its ambulance utility and will be presenting the results of the study to the City Council in late 2016. Preliminary results for the study indicate that the City's current monthly availability charge of \$7.67 is considerably less than the full capacity available for this charge and that the City's General Fund is subsidizing the ambulance program by a significant amount as a result. The rate structure for the City's ambulance utility will have to be considered as the City evaluates funding options to staff future fire stations and address other emergency medical service needs.
- ◆ The City's stormwater utility will be completing a rate study in early 2017 to evaluate its current rate structure and ability to fund its state stormwater permit requirements and capital program needs. It is likely that the results of this study will show that a rate increase may be required for the utility.