City of Kennewick, Washington

2015/2016 Biennial Budget

City of Kennewick, Washington

2015/2016 Biennial Budget

210 West 6th Avenue • Kennewick, WA 99336
Phone: (509) 585-4200 / Fax: (509) 585-4383
www.go2kennewick.com

City Council

Steve Young, Mayor
Don Britain, Mayor Pro-Tem
R.E. (Bob) Olson, Council Member
Paul Parish, Council Member
Bob Parks, Council Member
Greg Jones, Council Member
John Trumbo, Council Member

Executive Staff

Marie Mosley, City Manager
Lisa Beaton, City Attorney
Vince Beasley, Fire Chief
Ken Hohenberg, Chief of Police
Dan Legard, Finance Executive Director
Greg McCormick, Planning Director
Christina Palmer, Management Services Executive Director
Cary Roe, Public Works Executive Director
Terry Walsh, Employee & Community Relations Executive Director

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City of Kennewick

Office of the City Manager

BUDGET TRANSMITTAL LETTER

Date: **October 28, 2014**

To: **Steve C. Young, Honorable Mayor and Members of the City Council**

From: **Marie E. Mosley, City Manager**

Subject: **2015/2016 Biennial Budget Executive Summary**

It is an honor to present the 2015/2016 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 in January when we held our first of two Council retreats. "Advancing to the Future" was the theme of the first retreat which established the foundation for Council and Staff collaboration to clearly identify and implement a set of strategic goals that will take us into the future.

Subsequently, a retreat was held in May where you focused on biennial priorities for our opportunity centers and also identified goals, successes and opportunities for each of the five priority areas. One of the goals outlined by Council was to develop a sustainable operating and capital budget. This biennial budget provides an implementation strategy to achieve the goal of providing a sustainable budget into the future.

The May retreat resulted in reviewing the vision and successes for the major opportunity centers within the City of Kennewick: Southridge, Three Rivers Entertainment District, Bridge to Bridge Area, the Urban Growth Expansion South of I-82 for Industrial Development, Historic Downtown, and Columbia Park. In addition, the Council discussed a path forward for each opportunity center establishing the focus for the upcoming biennium. Council also reaffirmed the five priority areas that form the basis of the biennial budget, consisting of: Community Safety, Economic Development, Infrastructure & Growth, Quality of Life, and Responsible Government.

The second 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 almost 1,300 responses with over 80% living in Kennewick and 30% owning a business in Kennewick. The following is a summary of the results 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.
- Citizens were willing to pay more for safe drinking water, fire emergency response and to combat gang activity.
- Citizens were most willing to reduce in the areas of Columbia Park Golf Links Golf Course, operating hours for City offices and facilities, and recreation programs where similar programs could be offered by private or non-profit agencies.
- 53% felt we should recover the majority of our service costs for new development and 16% felt we should recover 100%.

The 2015/2016 biennial budget, for the most part, maintains our existing services, although there will be areas where lower priority programs are proposed to be eliminated in order to realign our resources to maintain or increase services to the higher priority functions. Maintaining our priority services is possible as a result of the planning efforts that have occurred over the past biennium.

This biennial budget was developed using our Budgeting by Priorities model where all services have been prioritized based on Council's overall goals. During the September 23, 2014 workshop, Council identified broad goals for the biennium. The following summarizes 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 into the future.

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 proposed 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 will be implemented on 1/1/2015. The City of Kennewick has outlined a program to combat gang activity, which supports the citizen survey results where the majority of respondents said they were willing to pay more to combat gang activity. This budget segregates the criminal justice sales tax proceeds and associated costs into a separate fund and provides for the hiring of 4 officers in 2015, 4 officers in 2016, and the final 4 officers to be hired in 2017. This

allows the appropriate time to hire the most qualified officers and provide for the training necessary for the most successful implementation.

During this biennium as we are implementing the criminal justice program, a portion of the resources will be used for the following one-time costs associated with the implementation of the criminal justice program:

- Equipment & software to support new program implementation and effective operations.
- Overtime to begin implementation of the new criminal justice program as we are hiring the officers until we achieve full staffing levels.
- Excess fund balance will be reserved to support anticipated increases in future criminal justice program costs to provide a sustainable program into the future.

We will be aligning our staffing to support the additional police officers by creating a mid-shift on Patrol. A police support specialist position will also be hired each year of the biennium and we will evaluate the appropriate time to hire an additional prosecutor position based on when the workload necessitates the additional position.

- ***Goal #2 – Implement Strategic Staffing & Deployment Model for the Fire Department*** – Consistent with the citizen survey results that said the majority are willing to pay more to maintain or reduce response times for fire and emergency medical services, the following recommendations are included in this biennial budget:

  - *Build, Equip and Staff Fire Station #5* – We are recommending the issuance of Councilmanic bonds to construct and equip a new fire station at 10th & Kellogg, with the debt service funding to come from the existing Capital Improvement Program (CIP). In alignment with our commitment last biennium, we are also recommending that we hire 3 Captain positions with the property tax funding used to hire 3 police officers this past biennium. Consistent with our commitment, those officers will now be funded with the additional 3/10% criminal justice sales tax funding approved by the voters in Benton County.

  - *Proactive Fire Prevention Program* – We are recommending to implement phase 2 of the fire prevention program during 2015. Phase 1 was implemented during the 2013/2014 biennium when we established a new construction permit and inspection fee for new businesses, which funded a portion of the fire prevention specialist position. The phase 2 inspection program is to implement a proactive annual fire inspection program that is necessary to maintain the Washington Survey & Rating Bureau (WSRB) current rating.

  - *Enhanced EMS Service & Provide a Sustainable Staffing Model* – This budget aligns the cost of service model with our emergency medical service (EMS) operations to capture the true costs of providing EMS service in our ambulance utility. In doing so, we are recommending an adjustment to the ambulance utility charge by $1.00 in 2015 to $6.67/month and $1.00 in 2016 to $7.67/month. This monthly fee is lower than the current fee for both Pasco and Richland, who are at approximately $7.75 per month. The City's cost of service model also provides the ability to adjust the monthly charge to $9.64, which provides capacity that

supports a sustainable staffing model that could be used for a portion of the resources needed for the Fire Department's current and future growth needs, such as when we need to build the 6th and 7th fire stations.

- *LEOFF I Long-Term Care* – Included in the recommended budget is funding to conduct a consultant study for LEOFF I long-term care in 2015. This study will allow us to evaluate the ability to reduce the 6.5% Water/Sewer utility tax rate that currently exists to fund medical costs for LEOFF I retirees.

- ***Goal #3 – Align the Code Enforcement Program to Achieve Council's Objectives and Priorities*** – The implementation of an automated in-field records system is currently being reviewed and tested, which will be fully implemented in 2015. This provides for a more efficient process allowing the realignment of code enforcement resources to support proactive council priorities.

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 proposed implementation strategies included in the biennial budget:

- ***Goal # 1 - Implementation of the Biennial Economic Development Marketing Plan –*** In an effort to facilitate and enhance our partnership with the development community, this budget aligns our resources to more effectively collaborate to identify creative solutions. In addition, we will be evaluating and recommending an expedited and express review process (which is further discussed in the Quality of Life priority area). An area of focus will be to work with existing businesses on expansion efforts and recruiting complimentary businesses. We will also develop a sustainability plan intended to open up additional development opportunities.

- ***Goal # 2 - Economic Development Public/Private Partnership Opportunities –*** This budget provides the resources to continue with our many community partnerships, including the following:
  - *Columbia Gardens* – complete the phase 1 partnership with the Port of Kennewick to redevelop Columbia Drive property as a wine village destination with other ancillary businesses.
  - *Social Media Presence* – implement a social media presence that will help promote Kennewick and our amenities.
  - *Zoom Prospector* – implement the regional zoom prospector tool for potential site selector leads.

- *Community Branding* – incorporate the Tri-Cities brand into marketing Kennewick with our regional partners;
- *Vista Field* – Support the Port's master planning of the 112 acres at Vista Field to complement the Entertainment District and provide a unique gathering place for our community.

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
  - Environment Services

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

- ***Goal #1 – Strategic Funding & Implementation of the Sustainable Capital Plan*** – This biennial budget includes existing funding for several projects that include the following:
  - Completion of Steptoe/Hildebrand extension.
  - Begin infrastructure improvements in the Urban Growth Area, South of I-82 with funding that was provided by the State.
  - Pavement Preservation Program.
  - Vehicle & Equipment Replacement Program – (Fire, Police & Other General Governmental).
  - Facility Strategic Plan Implementation:
    - Fire Station #5.
    - Remodel/Replace City Facilities (as prioritized by consultant and recommended by the Blue Ribbon Committee).
  - IT Strategic Plan Implementation:
    - Recommend use of the State LOCAL financing program to implement phase 1 improvements that will provide the foundation for remaining phases.

  The Blue Ribbon Committee was formed two years ago to provide a recommendation to Council on a 25 year strategic capital program. During 2013, the committee evaluated and identified the future capital projects and provided council with their recommended priorities. In 2014, the Blue Ribbon Committee has been working on a strategic implementation plan and will provide a recommendation later this year for consideration during the upcoming biennium. Options to provide a sustainable capital program will include the consideration of the following funding sources during the biennium:
  - *Transportation Benefit District* – The State has allowed this revenue option that would be used specifically for transportation funding. It allows the Council to implement a $20 car tab fee and also provides a voter approved option up to $100. This is a revenue alternative that we may want to consider in partnership with our

neighboring cities to see if there is interest and the appropriate timing of implementation on a regional basis.
    - *Infrastructure Development Charge Consideration* – This funding source provides for new development to pay for infrastructure improvements needed to support the additional growth and would be in lieu of some existing mitigation fees. These development charges could be considered to pay for future fire stations, transportation infrastructure and park improvements. Prior to bringing forward a recommendation on the implementation strategy, we would want to work with our community and development partners.

- ***Goal #2 – Tie Land Use & Infrastructure Planning to Achieve Council's Strategic Goals in our Opportunity Centers*** – This biennium is an opportunity to update several of our plans and in doing so review Council's vision for our opportunity centers. Clarifying the vision will be important so we can incorporate that vision into our planning documents. The following planning efforts are funded in this budget:
    - *Water Sewer Rate Review* – Consulting dollars to perform a rate review & evaluate the following unfunded priority program for consideration in providing a sustainable Water/Sewer utility:
        - *Sewer Main Maintenance Program* – Evaluate the feasibility of adding a crew & equipment to proactively maintain sewer mains and support water distribution repairs.
    - *Water Comprehensive Plan* – Consulting dollars to update our water comprehensive plan in conjunction with the City's 10-year Comprehensive Plan Update.

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 proposed implementation strategies included in the biennial budget:

- ***Goal #1 – Leverage Community Partnerships and Align our Service Delivery to Implement Council Goals and Priorities –*** Which are in alignment with the citizen survey results where citizens said they were willing to reduce level of service in the following areas:
    - *Columbia Park Golf Links* – The biennial budget includes an operating contribution of $85k for Columbia Park Golf Links. We are currently working with the contracted management company to identify strategies to lower the contribution and will evaluate the success during 2015. Based on the results in 2015, we will recommend a path forward for 2016 that could include continuing

at a similar annual contribution level or identifying other options for the golf course.

- *Recreation Programs Provided by Other Agencies* – Day Camp is a summer program that has been identified as a program that could be effectively performed by another community organization. We are currently working with the Boys & Girls Club, YMCA & others to transition this program to other non-profit agencies that have the expertise and experience to run this type of program.
- *Recreation Fees* – This budget incorporates the implementation of a phased approach to provide a 75% recovery rate for youth programs over the biennium. The current recovery rate is 60%, which would increase to 67.5% in 2015 and then to 75% by 2016.
- *Library Services* – During the biennium we will work in partnership with the Mid-Columbia Library District to identify creative solutions to reduce reliance on City funds for the facility maintenance and utility costs of the Union Street library.

- ***Goal #2 – Prepare for Future Growth through Strategic Comprehensive Planning Efforts*** – During this biennium we will be preparing our 10-year update to the comprehensive plan. It is critical that we clearly identify Council's vision and align the comprehensive plan with this vision, which may require code amendments that will implement the priorities of Council. This effort will occur in partnership with the County and our local jurisdictions so that the County-wide planning policies are also in alignment. In doing so, the following are incorporated into the proposed budget:
  - *10-Year Comprehensive Plan Update* – Consulting dollars to align planning policies with Council goals by updating our Comprehensive Plan.
  - *Enhanced Development Program* – The biennial budget incorporates an adjustment to the existing planning and engineering fee schedules to support an additional 1.25 FTE. These adjustments will bring our fees in alignment with our neighboring jurisdictions and we will commit to providing a more streamlined and expedited permit process. This recommendation will achieve the following goals:
    - *Citizen Survey Results* – 70% of the respondents would like to see the majority of fees recovered by development and this recommendation will move in that direction (but will not recover the majority of the costs).
    - *Enhanced Customer Service* – Commitment to site plan reviews in ½ the time & parallel civil review process.
    - *Expedited Review* – Implement a trial expedited review program that covers the cost to provide the service during 2015 for recommendation of full implementation in 2016.
    - *Fee Simplification* – The proposed fee structure will be more predictable for the developers by simplifying the fee calculation which will also make it more efficient for staff.
    - *Express Review* – Establish & recommend an express review program during the biennium for Council's consideration.

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 proposed 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 it is recommended that we hire a project manager, in lieu of filling an existing vacant position, to realign the staffing resources to implement phase 1 infrastructure improvements. These improvements will prepare the City for phase 2 improvements that will be implemented in the following bienniums. The improvements that are implemented through this biennial budget are:
    - Network Security Audit
    - Replace City Website
    - GIS Software Migration to ESRI
    - Document Management System Replacement
    - Core Switch Upgrade
  - *Customer Service Support* – This biennial budget addresses providing enhanced customer service in the Water/Sewer Utility with the hiring of an additional FTE to support meter reading and other public works maintenance assistance in the water division. We will continue to review options for implementing an automated meter reading program throughout the City in the future. Although this would require a large upfront cost, the efficiencies would allow us to reallocate the existing resources from meter reading to other priority services.
  - *Business License Partnership* – We continue to work in partnership with the State Department of Revenue (DOR) to implement a master licensing program that would allow a one stop business licensing process for our businesses to apply for their State and all local business licenses at one location. We are currently working on program implementation with DOR and expect to go live with their system in the first half of 2015.

- ***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***
  - *Public Records* – Recent legislation has left local governments with mandates to provide public records in a manner that is very time consuming without allowing for the ability to recover the costs to provide the records. In addition, there has been significant litigation throughout the State. In an effort to comply with the

public records state statute, we are recommending to implement the following program that supports the unfunded mandate created by public records legislation:

- *Hire a Deputy Clerk* – This position will be dedicated to responding to public records requests and staying current on public records requirements as new law is created through public records lawsuits.
- *Consulting Dollars for a Contract Attorney* – These dollars will be used to review the more complex public records requests to provide an outside party to review for compliance with the most recent state requirements.
- *Document Management System* – One of the priorities identified in the IT strategic plan is for the replacement of our document imaging system that will provide a more robust software solution to assist with records retention.

- *Affordable Care Act* – In anticipation of changes needed by 2018 to our health plan to avoid potential costs stemming from the Affordable Care Act, we will be moving all non-contract employees from AWC's Healthfirst plan to another plan offered through AWC in 2016 which we anticipate will result in the City saving approximately $125k annually.

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 2015/2016 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 utilize a Budgeting by Priorities strategic approach to decision making. Some of the vulnerabilities that exist in our biennial budget 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, 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. Currently the Jail budget (which is projected to be over $5M in the upcoming biennium) reflects a $68.59 bed day rate, which is similar to this biennium. We appreciate the County's effort to keep the jail costs at a similar level to the current biennium and will continue to work with the County to keep the costs at this level or lower during the biennium.

- **State Budget Deficit 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 to provide for the City's priority capital projects.

During the upcoming biennium staff will be evaluating and providing council with recommendations on several programs and services including the Blue Ribbon Committee implementation plan that will be presented to Council at the end of 2014 for implementation in the upcoming biennium.

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 work with our Blue Ribbon Citizen Advisory Committee, the community and Council to implement the established budgeting by priorities model and the Blue Ribbon Committee's strategic capital program recommendations. 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.

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

Marie E. Mosley
City Manager

"Quality means doing it right when no one is looking."

- Henry Ford -

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, 2013.

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.

GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished
Budget Presentation
Award

PRESENTED TO

City of Kennewick
Washington

For the Biennium Beginning

January 1, 2013

CITY OF KENNEWICK
ORDINANCE NO 5580

AN ORDINANCE ADOPTING THE BIENNIAL BUDGET FOR THE YEARS 2015/2016

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 2015/2016 is established as follows:

General Fund	$ 94,842,599
Street Fund	4,027,993
Subtotal - Operating Budget	98,870,592
Arterial Street Fund	1,600,000
Capital Improvement Fund	24,560,824
Water and Sewer Fund	41,007,458
Building Safety Fund	3,213,000
Medical Services Fund	11,982,200
Coliseum Fund	7,997,700
Stormwater Utility Fund	3,034,221
Columbia Park Golf Course	749,380
Equipment Rental Fund	9,343,332
Risk Management Fund	3,297,130
Central Stores Fund	681,200
Debt Service Fund	6,106,180
LID Guaranty Fund	35,400
Cash Reserve Fund	2,675,500
BI-PIN Operations Fund	679,138
Community Development Fund	1,305,800
MPD Assistant Operations Fund	62,423
Asset Forfeiture Fund	150,700
Public Safety Fund	5,232,083
Lodging Tax Fund	2,948,900
Criminal Justice Sales Tax Fund	3,785,000
Firemen's Pension Fund	1,229,000
OPEB Trust Fund	3,646,000
GRAND TOTAL	**$234,193,161**

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.

PASSED BY THE CITY COUNCIL OF THE CITY OF KENNEWICK, WASHINGTON this 18th day of November, 2014, and signed in authentication of its passage this 18th day of November, 2014.

STEVE C. YOUNG, Mayor

Attest:

TERRI L. WRIGHT, City Clerk

ORDINANCE NO. 5580 filed and recorded in the office of the City Clerk of the City of Kennewick, Washington this 19th day of November, 2014.

Approved as to Form:

LISA BEATON, City Attorney

TERRI L. WRIGHT, City Clerk

DATE OF PUBLICATION 11-22-14

Major Steps In Budget Preparation	Status & Update Schedule & Notes	City of Kennewick Schedule
1. Prepare updated projections for 2013/2014 and 2015/2016 for operating funds		11/19/13 – Workshop (Mid-biennium review)
2. Council Retreat		1/23/14 & 5/9/14
3. Prepare revised projections for 2013/2014 and 2015/2016 biennium for the Operating Funds.		5/1/14
4. Spring Budget adjustment		5/13/14
5. Biennial Budget Review (Council Workshops & Budget Committee Meetings & Community Outreach)		June, 2014-Nov, 2014
6. Internal Service Budget Managers meet with Departments to solicit feedback		5/1/14-6/30/14
7. Prepare Internal Service Fund Budgets: a. Fleet Maintenance b. Risk Management c. Central Stores d. Meter Reading e. Information Systems f. Position Allocation		5/1/14-6/30/14
8. Council Workshop to discuss budget instructions		6/24/14
9. Budget instructions delivered to Depts.	By second Monday in September (9/8/14)	6/30/14
10. Departments review and update position allocation.		7/18/14
11. Finance completes other internal items: a. Estimates of '15/'16 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.		8/8/14
12. Budget requests due from Depts. (including new programs)	By fourth Monday in September (9/23/14)	8/8/14
13. Finance finalizes position budgeting		8/22/14
14. Toyota Center & Ice Arena budget due to Finance.		10/3/14
15. 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 (10/01/14)	9/12/14

Major Steps In Budget Preparation	Status & Update Schedule & Notes	City of Kennewick Schedule
16. City Manager reviews proposed budgets with Department Directors		9/22/14 – 10/3/14
17. City Manager decision on new programs		10/3/14
18. City manager prepares preliminary budget and budget message and files with City Clerk	At least 60 days before the ensuing year (11/02/14)	11/02/14
19. Copies of the proposed budget made available to the public	Not later than 6 weeks before January 1st (11/19/14)	11/03/14
20. The legislative body, or a committee thereof, must schedule meetings on the budget or parts of the budget		Budget Workshops: 10/28/14
21. Setting property tax levies: a. Review with Council at workshop b. Public hearing on revenue sources and property tax ordinance c. File certified levy with County	November 30th for all Cities and Towns	 a. 10/28/14 b. 11/04/14 c. 11/18/14
19. 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	Published during the first two weeks in November (11/1/14-11/14/14)	11/01/14 – 11/14/14
20. Adoption of Biennial Budget for 2015/2016: a. Public Hearing	On or before the first Monday of December, and may be no later than the 25th day prior to the next fiscal year (12/02/14)	 a. 11/18/14
b. Budget Ordinance	Following the public hearing and prior to the beginning of the ensuing fiscal year	b. 11/18/14

"We are what we repeatedly do. Excellence, therefore, is not an act but a habit."

~ Aristotle ~

Steve Young
Mayor
All Wards

Don Britain
Mayor Pro Tem
Ward 1

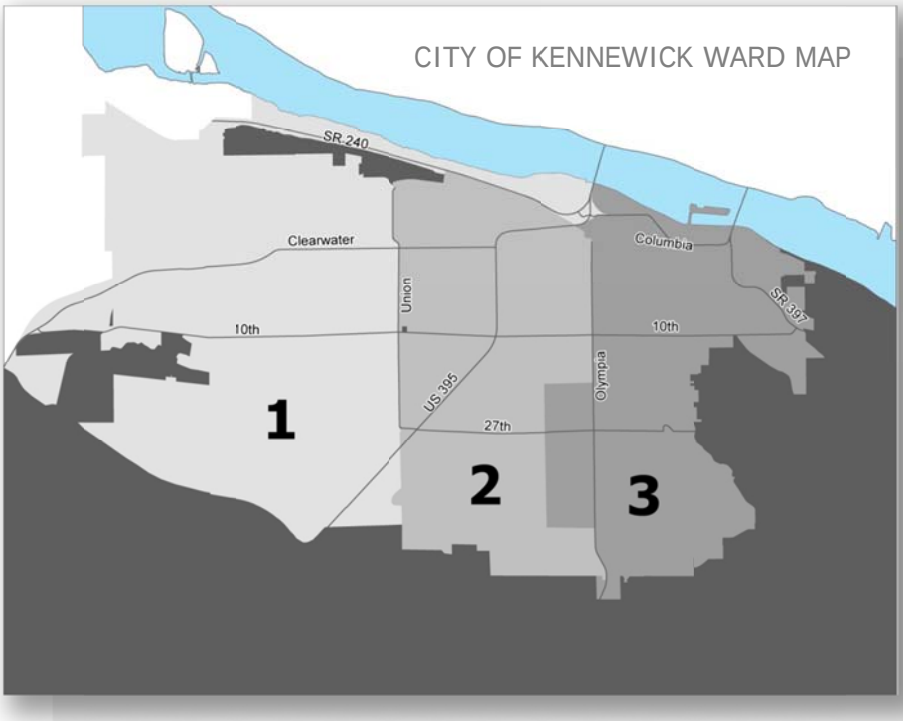
Bob Olson
All Wards

Paul Parish
All Wards

Greg Jones
Ward 2

John Trumbo
Ward 3

Bob Parks
All Wards



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.

His experience and background are serving him well in his current assignments on the Energy Communities Alliance, Disability Board, Visit Tri-Cities, the Coliseum Joint Advisory Committee, Firemen's Pension Board, the Hanford Communities Governing Board, Council Interview Committee, Joint City of Kennewick, Trios and Port of Kennewick Committee, Budget and Administrative Committee and Tri-Cities Development Council Executive Board (TRIDEC).

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 Animal Control Facilities Committee, Hanford Area Economic Investment Fund Committee, Council Interview Committee, Joint City of Kennewick and City of Richland Council Committee, Joint City of Kennewick, Trios and Port of Kennewick Committee, Tri-Cities Regional Public Facilities District, Tri-Cities Area Chamber of Commerce Committee, Planning and Economic Development Committee and Vista Field Task Force.

Bob Olson, Council Member

Councilman Olson began serving on the City Council in 1988. He has continued to work towards improving local transportation infrastructure, including a push for great regional cooperation on transportation issues. He is a strong supporter of small, local businesses.

He is currently serving on the Ben Franklin Transit Board, Benton-Franklin Council of Governments (BFCG), BFCG Policy Advisory Committee for Solid Waste Management, BFCG Surface Transportation Program, and BFCG Tri-Mats Policy Advisory Committee and Block Grant Advisory. He also serves on the Good Roads & Transportation Association and Interview Committee.

City Council Priority Areas

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

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 Law and Justice Council, Disability Board, Benton Clean Air Authority, Hanford Area Economic Investment Fund Committee, Coliseum Joint Advisory Committee, Joint City of Kennewick and City of Richland Council Committee, Joint City of Kennewick, Trios and Port of Kennewick Committee, Infrastructure and Operations Committee and Kennewick Police Community Advisory Team.

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.

He serves on the Council's Budget and Administrative and Planning and Economic Development committees as well as the Block Grant Advisory Committee, the Trios and Port of Kennewick Committee, Benton Franklin Community Action Committee, Coliseum Joint Advisory Committee, Visit Tri-Cities and Kennewick FOCUS.

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.

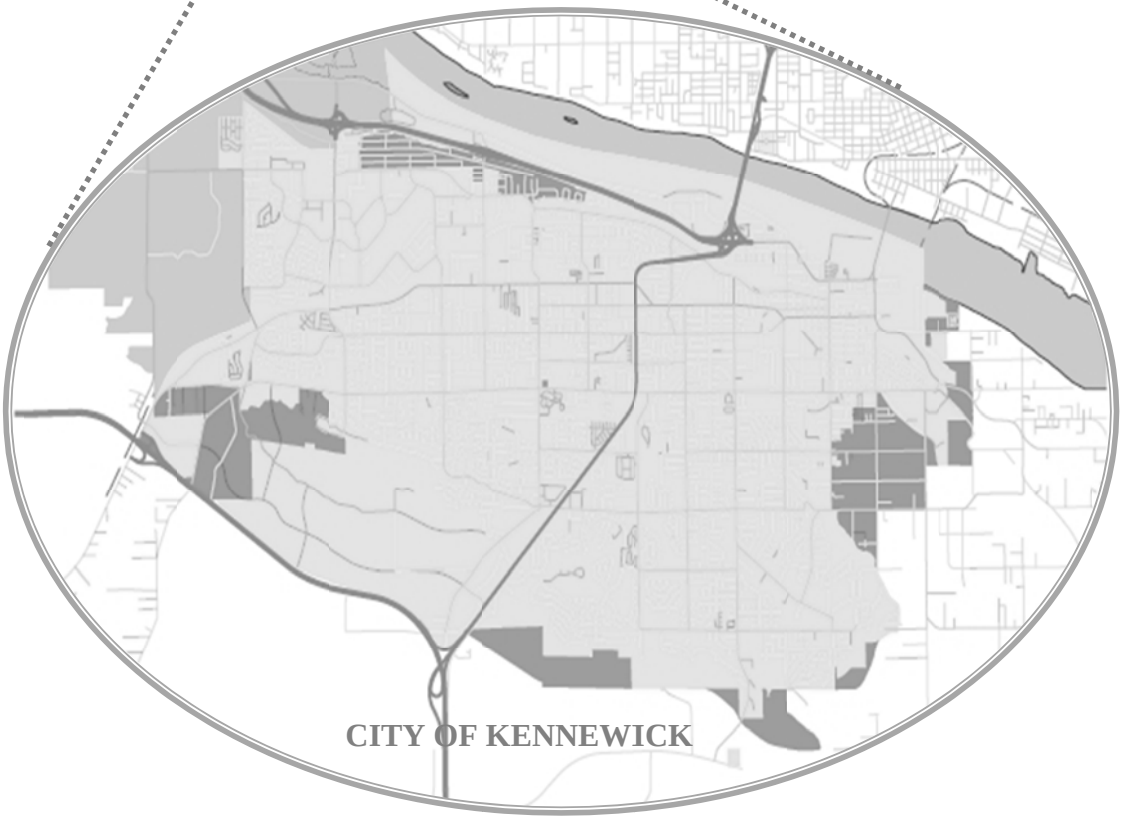
Mr. Trumbo is currently serving on the Benton Franklin Housing Continuum of Care Committee, Coliseum Joint Advisory Committee, Joint City of Kennewick and City of Richland Council Committee, Yakima Basin Fish and Wildlife Recovery Board, Infrastructure and Operations Committee and Kennewick FOCUS team.

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.

He is currently serving on the Hanford Advisory Board, Tri-Cities Regional Public Facilities District, Infrastructure and Operations Committee and Hanford Communities Governing Board. Mr. Parks also serves as Council liaison to the Park and Recreation Commission.

Kennewick, Washington



HISTORY

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 77,700 it is the largest of the Tri-Cities. The Tri-Cities Metropolitan Statistical Area has an estimated population of 271,124.

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

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 regional convention center, now known as the Three Rivers Convention Center, had its grand opening in June of 2004. 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 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. At the conclusion of 2011, spending of ARRA funding was substantially complete and had greatly accelerated the clean-up efforts at the Hanford site, which led to the loss of approximately 2,200 Hanford-related jobs in the latter half of the year and may also lead to future reductions in federal funding and employment at the site in the future.

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. Currently, the Tri-Cities are one of the premier agricultural regions in the State of Washington.

The Tri-Cities has also experienced significant growth in the food processing, wine and health care industries during the last several years. Nearly 1 of every 10 food processing jobs in the state now comes from the Tri-Cities. The Tri-Cities also leads the State in wine-associated jobs and has added a significant number of jobs in the health care industry over the last decade.

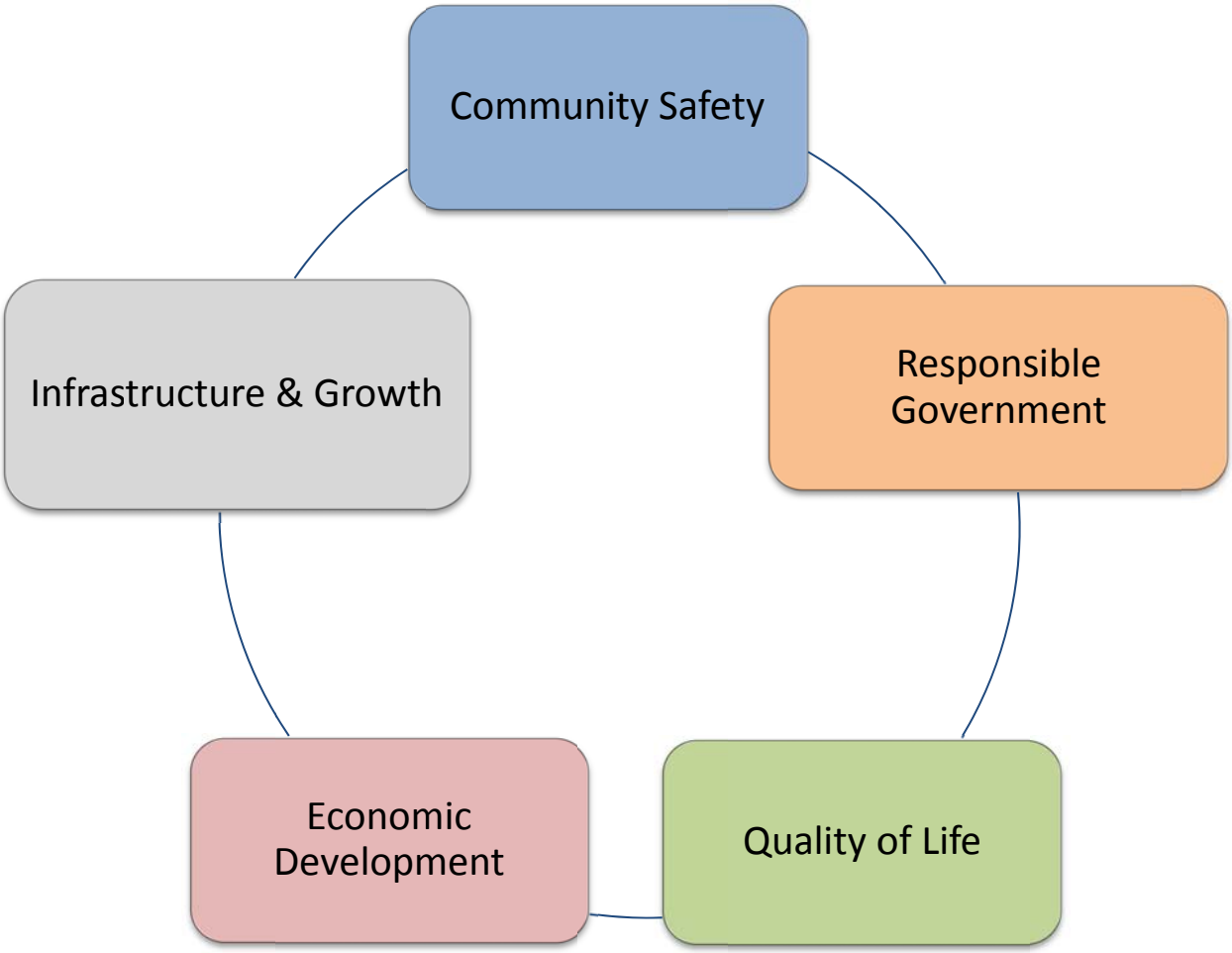
The unemployment rate for the Tri-Cities metropolitan area was 5.6% in July of 2014, which is down from 8.1% in July of 2013 and is on par with the statewide unemployment rate, which was also 5.6% for July of 2014.

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 2013 the City experienced an increase of 6.1% in its sales tax receipts. Through September of 2014, the City's sales tax receipts have increased again by approximately

4.3%. 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 2013 assessed valuation for its 2014 property tax levy was approximately $5.33 billion, which represented an overall increase of $127 million and included $118 million in new construction that was added to the property tax rolls during the year. Preliminary estimates for the City's 2014 assessed valuation include an overall increase of approximately $136 million to $5.47 billion, including $113 million in new construction. The City's building safety division issued 1,989 permits during 2013 with an estimated valuation of $127 million. Through September of 2014, the City has issued slightly less permits than during this same time period in 2013, but has experienced an increase of over 32% in the valuation of those permits, primarily as a result of a permit 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.

In general, the local economy for the City of Kennewick and the Tri-Cities region as a whole has outperformed most other areas across the nation over the last several years and has been relatively insulated from the economic difficulties experienced throughout these areas. This has been directly attributable to consistent ongoing federal funding for the Hanford area clean-up and $2 billion in one-time federal stimulus funding designated for that same purpose from 2009-2011. As the City nears the conclusion of its 2013/2014 biennium, its economic trends continue to be relatively positive and demonstrate continued growth. However, with some uncertainty regarding future federal budgets for the Hanford site, the local economy may be challenged to maintain the pace of growth the region has experienced in recent years and replace the living wage jobs previously offered at the site.


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

DIVISION RELATIONSHIP TO PRIORITY AREAS

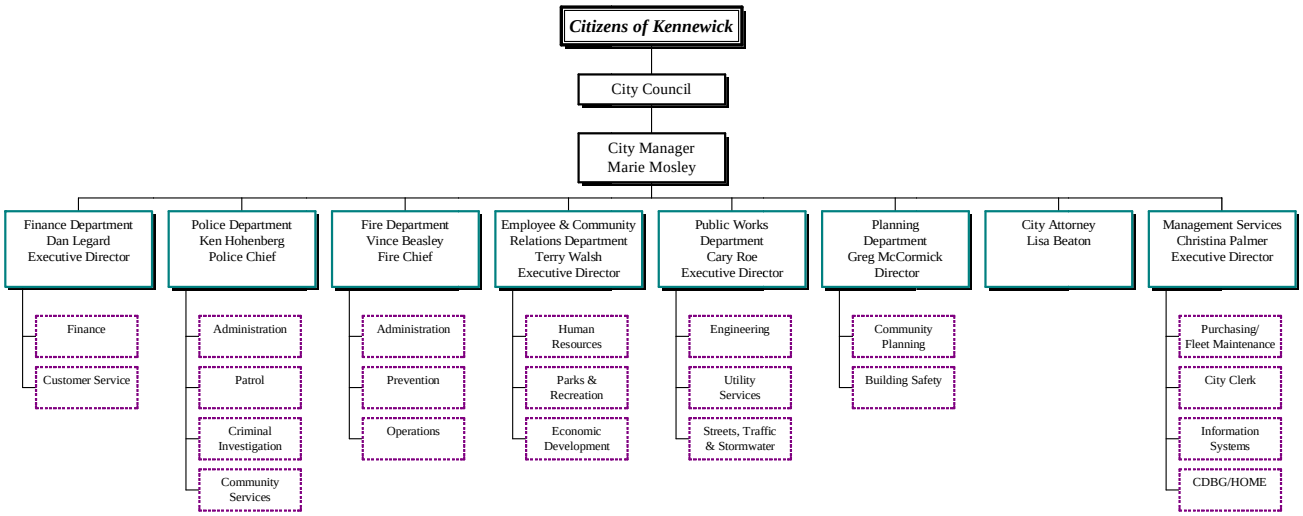
	Community Safety	Responsible Government	Quality of Life	Economic Development	Infrastructure & Growth	Page # Ref
CITY MANAGER	✓	✓	✓	✓	✓	62 - 65
CITY ATTORNEY	✓	✓	✓			66 - 69
FINANCE DEPARTMENT						70 - 79
Finance		✓				
Customer Service		✓				
MANAGEMENT SERVICES DEPARTMENT						80 - 97
Purchasing/Fleet Maintenance		✓				
City Clerk		✓				
Information Systems	✓	✓				
CDBG/HOME			✓			
PLANNING						98 - 107
Community Planning		✓	✓	✓	✓	
Building Safety	✓	✓	✓			
POLICE DEPARTMENT						108 - 123
Administration	✓	✓	✓	✓	✓	
Patrol	✓	✓	✓	✓	✓	
Criminal Investigation	✓	✓	✓	✓	✓	
Community Services	✓	✓	✓	✓	✓	
FIRE DEPARTMENT						124 - 135
Administration	✓	✓				
Prevention	✓	✓	✓			
Operations	✓	✓	✓		✓	
EMPLOYEE & COMMUNITY RELATIONS						136 - 149
Human Resources		✓				
Parks & Recreation			✓	✓		
Economic Development		✓		✓		
PUBLIC WORKS DEPARTMENT						150 - 163
Engineering	✓	✓	✓		✓	
Utility Services	✓	✓	✓		✓	
Streets, Traffic & Stormwater	✓	✓	✓		✓	

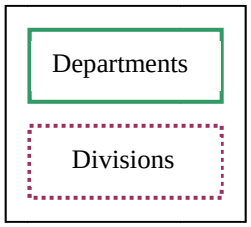
DEPARTMENT / DIVISION OPERATING BUDGET BY FUND

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	$ 539,728	$ -	$ -	$ -	$ 539,728	58
City Manager	2.00	719,794	-	-	-	719,794	62
Department Totals:	9.00	1,259,522	-	-	-	1,259,522	
CITY ATTORNEY	5.50	1,472,057	-	-	1,818,071	3,290,128	66
FINANCE DEPARTMENT							
Finance	8.15	1,931,248	-	212,023	-	2,143,271	71
Customer Service	10.85	1,416,500	-	649,093	-	2,065,593	76
Department Totals:	19.00	3,347,748	-	861,116	-	4,208,864	
MANAGEMENT SERVICES DEPARTMENT							
Purchasing / Fleet Maintenance	7.33	867,508	-	-	3,197,865	4,065,373	82
City Clerk	1.83	470,904	-	-	-	470,904	86
Information Systems	14.34	4,929,622	679,138	-	-	5,608,760	89
CDBG/HOME	1.00	-	626,000	-	-	626,000	93
Department Totals:	24.50	6,268,034	1,305,138	-	3,197,865	10,771,037	
PLANNING							
Community Planning	5.84	1,399,859	-	-	-	1,399,859	99
Building Safety	9.16	699,392	-	2,594,250	-	3,293,642	104
Department Totals:	15.00	2,099,251	-	2,594,250	-	4,693,501	
POLICE DEPARTMENT							
Administration	4.00	1,398,634	-	-	-	1,398,634	110
Patrol	64.00	15,653,016	2,236,059	-	-	17,889,075	112
Criminal Investigation	27.00	16,990,448	305,325	-	-	17,295,773	116
Community Services	22.00	5,143,934	397,901	-	-	5,541,835	120
Department Totals:	117.00	39,186,032	2,939,285	-	-	42,125,317	
FIRE DEPARTMENT							
Administration	2.00	664,664	-	1,819,428	-	2,484,092	126
Prevention	8.50	1,020,867	-	-	-	1,020,867	128
Operations	74.00	13,169,420	59,727	9,546,481		22,775,628	132
Department Totals:	84.50	14,854,951	59,727	11,365,909	-	26,280,587	
EMPLOYEE & COMMUNITY RELATIONS							
Human Resources	3.50	972,696	-	-	144,246	1,116,942	138
Parks & Recreation	29.10	9,963,062	-	649,380	-	10,612,442	142
Economic Development	1.50	657,082	-	-	-	657,082	146
Department Totals:	34.10	11,592,840	-	649,380	144,246	12,386,466	
PUBLIC WORKS DEPARTMENT							
Engineering	15.00	3,603,972	-	-	-	3,603,972	152
Utility Services	35.95	-	-	23,286,287	-	23,286,287	156
Streets, Traffic & Stormwater	15.55	-	4,027,993	2,102,119	-	6,130,112	160
Department Totals:	66.50	3,603,972	4,027,993	25,388,406	-	33,020,371	
Total Program Budget:	**375.10**	**$ 83,684,407**	**$ 8,332,143**	**$ 40,859,061**	**$ 5,160,182**	**$ 138,035,793**	

City Organizational Chart





Total 2014 Property Tax - $11.66

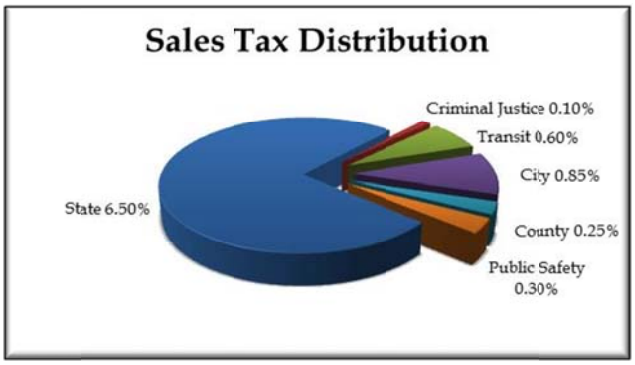
(Per $1,000 of Assessed Valuation)

	2010	2011	2012	2013	2014
City of Kennewick:					
General Fund	$2.1684	$2.1593	$2.1159	$2.1244	$2.1409
Voted G.O. Bonds	0.0850	0.0831	0.0796	0.0776	0.0766
Total City	2.2534	2.2424	2.1955	2.2020	2.2175
State	2.0057	2.1478	2.3154	2.3914	2.3194
County	1.3433	1.3265	1.2771	1.2796	1.2831
School District	4.9633	4.9195	4.9063	4.9088	4.9834
Library District	0.4014	0.3929	0.3803	0.3786	0.3775
Hospital	0.1467	0.1456	0.1418	0.1418	0.1436
Port	0.3430	0.3410	0.3315	0.3309	0.3337
Total	$11.4568	$11.5157	$11.5478	$11.6331	$11.6582

TAXES

Taxes are the City's most important source of funding and make up 71% of the City's operating revenues. They include Sales & Use taxes (37%), Property tax (33%), Utility taxes (27%), Gambling taxes (2%), and Admissions and Leasehold taxes (1%).

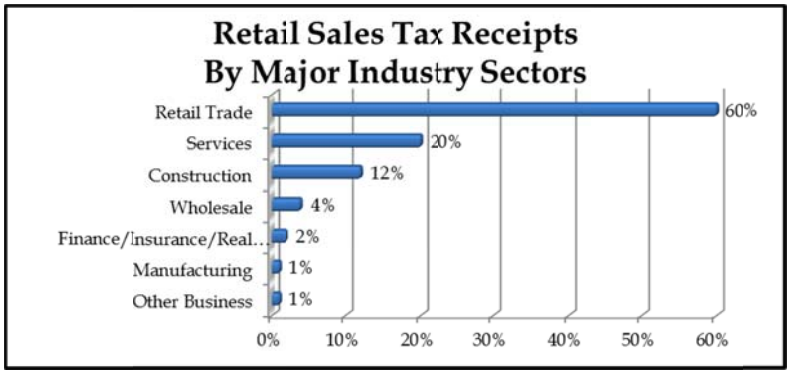
SALES & USE TAXES



Effective beginning in January of 2015, most retail sales within the City of Kennewick will be 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%), and Criminal Justice (0.10%). Additionally, in August of 2014, Benton County voters approved a 0.3% sales tax that is dedicated towards public safety (criminal justice) programs. The proceeds of this voter-approved sales tax are split 60/40 between Benton County and each of the cities within the county, with the 40% city portion of the tax distributed based on population.

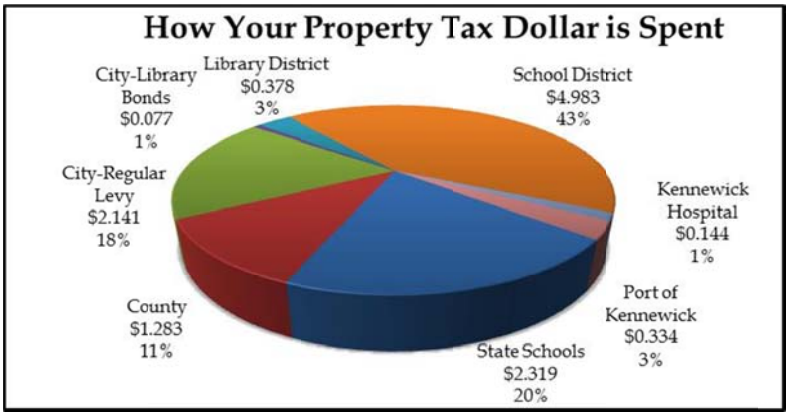
The projected sales tax receipts for the 2015/2016 biennium are $39.4 million (including regular, optional, public safety, and criminal justice sales tax revenues), making it the largest single tax revenue source for the City. Of this amount, $25.7 million is used to support operating fund services, $3.8 million in voter-approved sales tax is dedicated towards criminal justice programs, and the remainder ($9.9 million) is allocated to the Capital Improvement Fund for capital improvements and debt service obligations. The 2015/2016 biennial projections for sales tax reflect a growth rate of 3% each year of the biennium based on a projected increase of 3% in 2014, after backing out one time proceeds resulting from the construction of a new hospital in the City's Southridge area. The projected sales tax revenue for 2015/2016 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 sector. Retail Trade activity remains the largest industry sector for the City, bringing in roughly 60% of the total revenues received during 2013. Sales tax revenues from service related activities made up 19% of the total, while the construction sector, which can be volatile, made up 12% of total sales tax revenues in 2013.



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 June 2013 to June 2014 was 1.591% which means the maximum allowable levy increase for 2015 is one percent of the 2014 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 $0.025 per $1,000 of assessed valuation in banked capacity, or approximately $133,000.



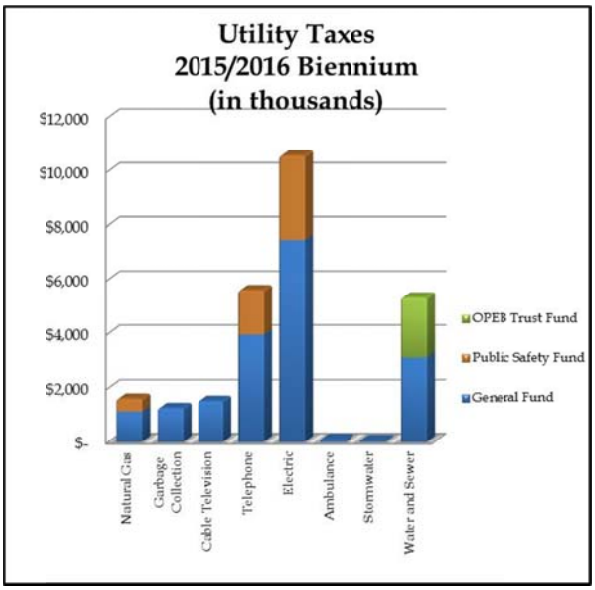
The total 2014 property tax levy for city residents is $11.66 per $1,000 in assessed valuation. Of this total, the City of Kennewick levy is $2.22. What this means is that only 19 cents of every dollar city residents pay in property taxes comes back to the City as revenue. Most of the property taxes paid by residents go to support public schools (63%).

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.

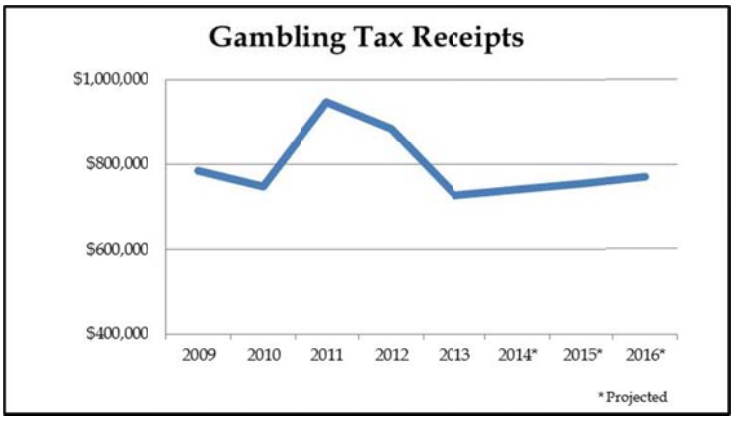
There are no restrictions on the tax rates for water, sewer, ambulance and stormwater utilities. The Cable Communications Policy Act of 1984 governs the rate on cable television and states that the rate cannot be "unduly discriminatory against cable operators and subscribers". Basically, this means that if a city has set all its tax rates at 7%, then the rate for cable television should not exceed that amount.

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 2008 through 2010 due to delinquent tax payments and casino closures during this period and again in 2012 and 2013 due to the closure of one of the City's largest casinos. The

projection for 2014 receipts is roughly $742,000, which is a moderate 2% increase from 2013 results. The projected revenue for the 2015/ 2016 biennium was calculated with a 2% growth rate per year based on projected 2014 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 2015/2016 projection for admission taxes reflect a 2% growth rate per year based on projected 2014 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 2015/2016 biennial projection for this tax revenue source is approximately $61,000, making it the smallest tax revenue source for the City.

LICENSES & PERMITS

BUSINESS LICENSES & PERMITS

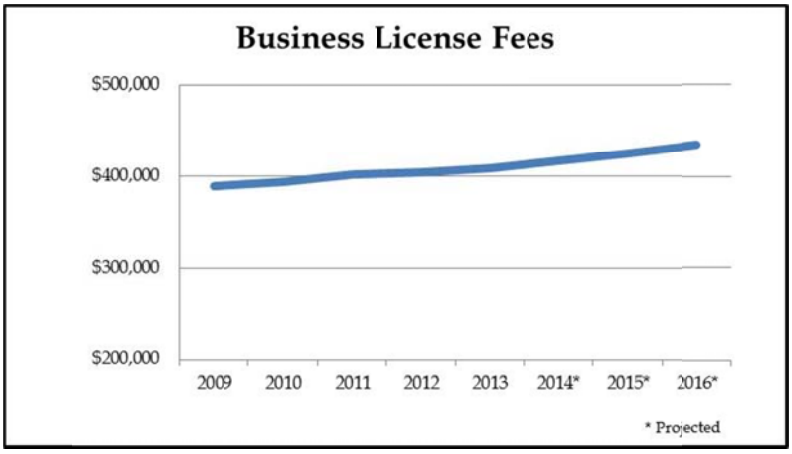
Business taxes and licenses can be classified into three categories:

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.

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 2015/2016 biennium.



OTHER LICENSES & PERMITS

This category includes Construction Engineering Permits and Gun Permits. Construction Engineering Permits are projected to be $263,500 for the 2015/2016 biennium, which reflects the implementation of a proposed new fee schedule effective January 1, 2015 that is based on project valuation. Gun Permits are projected to be $44,000 for the 2015/2016 biennium, which reflects a 2% growth rate annually based on projected revenue for 2014.

INTERGOVERNMENTAL REVENUES

GRANTS

The 2015/2016 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).

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

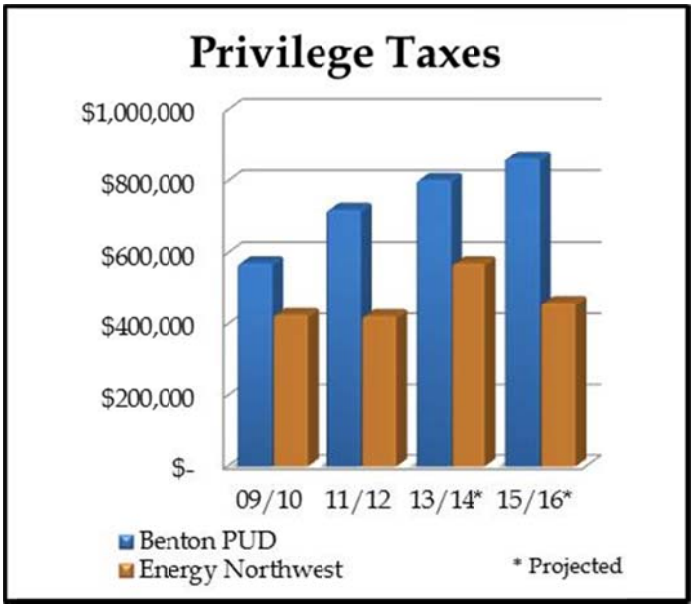
October. To be eligible to receive liquor taxes and profits, state law requires a city to devote at least 2% of its distribution to support an approved alcoholism or drug addiction program. During the 2012 legislative session, in an effort to help balance the state's budget deficit, the State Legislature 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 2015/2016 biennium reflects the changes described above, but assumes full restoration of this funding source beginning in July of 2015. 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 $1.9 million in state-shared liquor revenues during the 2015/2016 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. The state currently levies 37.5 cents per gallon on motor vehicle fuel, of which cities receive 2.96 cents. Cities receive distributions monthly and proceeds are restricted for street construction or maintenance purposes. The 2015/2016 biennial estimate for gas tax is $3,212,000 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 $865,000 for the 2015/2016 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 2015/2016 projection for this tax is $461,000, which assumes a 4% annual growth rate and an outage at the facility in 2015.

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:

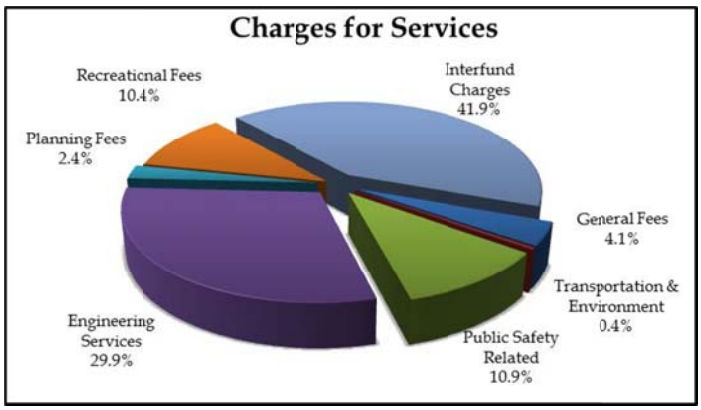
- 20% - Distributed to cities with a three-year average violent crime rate in excess of 150% of the statewide three-year average. Distributions are made on the basis of population; however, no city may receive more than $1 per capita.
- 16% - Distributed to cities based on population, with each city 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 2015/2016 biennial projection for the 16% allocation is $41,000 and was calculated using projected per capita distributions and estimated population growth for the City. The 2015/2016 biennial projection for the 54% allocation is $136,000 and was also calculated using projected per capita and population factors.

CHARGES FOR SERVICES

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. 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 $9.4 million for 2015/2016 biennium, which is roughly 10% of the total operating budget. This projection was calculated using a 2% growth factor in most cases and also reflects the implementation of a proposed new planning fee schedule beginning in January of 2015.



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 $2.8 million for 2015/2016 biennium, which is approximately 3% of the total operating budget. This projection was calculated using a 5% growth factor.

MISCELLANEOUS REVENUES

Miscellaneous revenues include interest earnings, rents/leases/concessions, donations, bad debt collections, and other miscellaneous revenues. The 2015/2016 biennial estimate for this category is $901,900, which generally includes a 2% growth rate.

OTHER FINANCING SOURCES

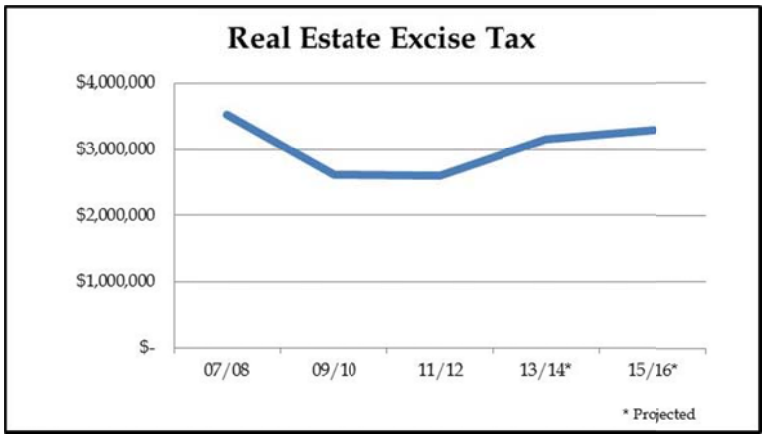
Other financing sources consist entirely of interfund operating transfers. The 2015/2016 operating budget includes approximately $5.2 million in operating transfers, which consists entirely of projected transfers from the City's Public Safety Fund to the General Fund of the 2½% voted utility tax on electric, 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.

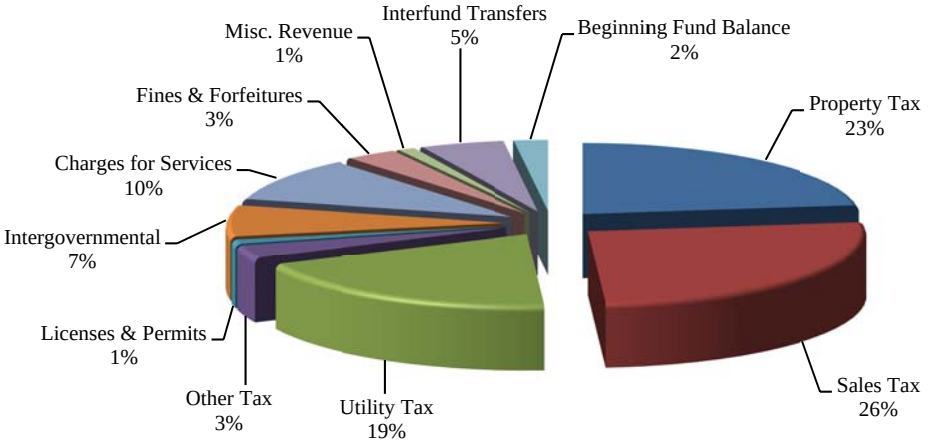
The real estate excise tax is levied on all sales of real estate, measured by the full selling price, including the amount of any liens, mortgages, and other debts given to secure the purchase. The state levies this tax at the rate of 1.28% and the City levies an additional 0.5% for a total levy of 1.78%. 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.

Because this revenue source is dependent upon real estate activity, it can be very volatile. The revised biennial estimate for 2013/2014 for real estate excise tax is $3.2 million, which is still much lower than peak levels in past bienniums and reflects only moderate growth in this revenue source since the significant downturn in real estate activity that occurred during the latter half of 2009 and the first several months of 2010. For the 2015/2016 biennium, the City is anticipating growth of 2% per year from this revenue source, which results in a projection of $3.3 million for the two-year period.



SOURCES OF FUNDING – OPERATING FUNDS

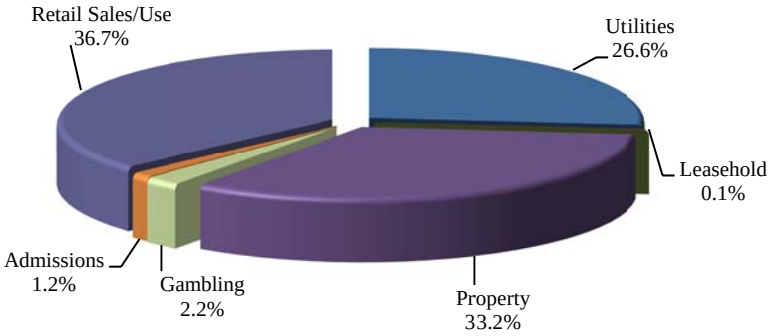
2015/2016 Adopted Budget



Sources of Funding Operating Funds	2011-2012 Actual	2013-2014 Adjusted Budget	2015-2016 Adopted Budget	13/14 - 15/16 $ Change	13/14 - 15/16 % Change
Property Tax	$20,879,357	22,209,204	23,219,507	$1,010,303	5%
Sales Tax	22,004,226	23,696,261	25,704,900	2,008,639	8%
Utility Taxes	16,809,153	18,181,932	18,579,275	397,343	2%
Other Taxes	2,794,840	2,930,000	2,436,000	(494,000)	-17%
Licenses & Permits	1,102,029	1,268,100	1,349,500	81,400	6%
Intergovernmental	6,680,146	6,389,464	6,737,800	348,336	5%
Charges for Services	9,686,001	9,894,523	9,579,027	(315,496)	-3%
Fines & Forfeitures	2,431,576	2,657,900	2,781,800	123,900	5%
Miscellaneous Revenue	906,188	1,217,354	900,700	(316,654)	-26%
Interfund Transfers	5,584,718	5,300,116	5,232,083	(68,033)	-1%
Subtotal Revenues:	88,878,234	93,744,854	96,520,592	2,775,738	3%
Beginning Fund Balance	3,415,596	3,320,047	2,350,000	(970,047)	-29%
Total Sources	**$92,293,830**	**$97,064,901**	**$98,870,592**	**$1,805,691**	**2%**

ESTIMATED TAX REVENUES
OPERATING FUNDS

2015/2016 Adopted Budget



Tax Revenue Operating Funds	2011-2012 Actual	2013-2014 Adjusted Budget	2015-2016 Adopted Budget	13/14 - 15/16 $ Change	13/14 - 15/16 % Change
Property Tax	$20,879,356	$22,209,204	$23,219,507	$1,010,303	5%
Sales Tax	22,004,226	23,696,261	25,704,900	2,008,639	8%
Utility Taxes	16,809,153	18,181,932	18,579,275	397,343	2%
Gambling Tax	1,831,825	1,837,000	1,527,000	(310,000)	-17%
Admissions Tax	897,749	1,028,000	848,000	(180,000)	-18%
Leasehold Excise Tax	65,267	65,000	61,000	(4,000)	-6%
Total Taxes	**$62,487,576**	**$67,017,397**	**$69,939,682**	**$2,922,285**	4%

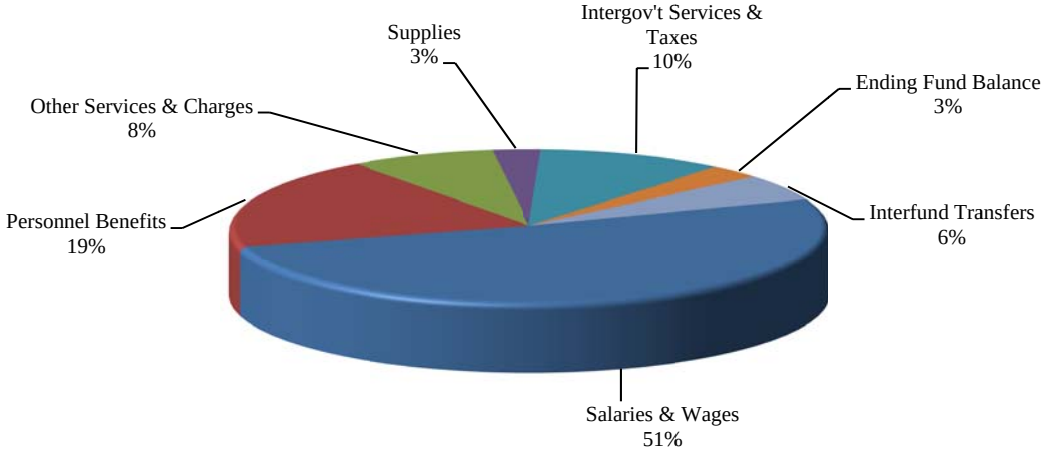
REVENUE SUMMARY
OPERATING FUNDS

SOURCE OF REVENUE	ACTUAL 2011/2012	ADJUSTED BUDGET 2013/2014	**ADOPTED BUDGET 2015/2016**	VARIANCE
TAXES				
General Property Taxes	$20,879,357	$22,209,204	**$23,219,507**	5%
Retail Sales & Use Tax	14,025,230	14,837,000	**15,819,800**	7%
Optional Sales Tax	5,373,676	6,093,000	**6,953,000**	14%
Local Sales - Crim Justice	2,605,320	2,766,261	**2,877,100**	4%
Brokered Natural Gas Sales & Use Tax	-	-	**55,000**	-
Business & Occupation Taxes				
Natural Gas	997,237	971,000	**1,135,000**	17%
Garbage Collection	1,096,078	1,181,000	**1,263,000**	7%
Cable Television	1,317,490	1,322,000	**1,526,000**	15%
Telephone	4,741,911	4,669,000	**3,958,000**	-15%
Benton County PUD	6,198,997	6,997,000	**7,464,000**	7%
Water and Sewer	2,381,650	2,941,932	**3,118,275**	6%
Ambulance Utility	59,404	80,000	**91,000**	14%
Stormwater Utility	16,386	20,000	**24,000**	20%
Gambling Tax	1,831,825	1,837,000	**1,527,000**	-17%
Other Taxes				
Leasehold Tax	65,267	65,000	**61,000**	-6%
Admissions Tax - Coliseum	429,901	481,000	**339,000**	-30%
Admissions Tax - General	467,847	547,000	**509,000**	-7%
LICENSES AND PERMITS				
Business Licenses & Permits	806,363	987,000	**979,000**	-1%
Non-Business Licenses & Permits				
Construction Engineering	203,922	191,000	**263,500**	38%
Gun Permits	34,844	32,800	**44,000**	34%
Other Non-Business Licenses & Permits	56,899	57,300	**63,000**	10%
INTERGOVERNMENTAL REVENUE				
Federal Grants	226,910	150,597	**-**	-100%
Indirect Federal Grants	80,244	88,368	**89,000**	1%
State Grants	8,376	5,499	**-**	-100%
State Shared Revenue				
Motor Vehicle Fuel Tax	3,042,693	3,128,000	**3,212,200**	3%
PUD Privilege Tax	720,559	814,000	**865,000**	6%
WPPSS Privilege Tax	423,428	440,000	**461,000**	5%
Local Gov't Financial Assistance	66,459	47,000	**-**	-100%
Criminal Justice - Violent Crimes/Population	32,934	37,000	**41,000**	11%
Criminal Justice - Special Programs	124,074	135,000	**135,900**	1%
DUI/Other Criminal Justice Assistance	29,309	29,000	**28,700**	-1%
Liquor Excise Tax	631,133	211,000	**547,000**	159%
Liquor Board Profits	1,260,000	1,304,000	**1,358,000**	4%
Metro Reimbursement	34,027	-	**-**	-
CHARGES FOR SERVICES				
General Government				
GIS Services	706,800	-	**-**	-
Engineering Services	2,690,695	2,568,193	**2,860,000**	11%
Interfund Support	2,439,117	3,177,530	**3,814,137**	20%
Park and Facility Engineering Services	239,941	370,000	**-**	-100%
Computer Usage Charges	202,000	202,000	**202,000**	0%
Other General Government Charges	562,821	616,900	**389,940**	-37%
Public Safety				
Alarm Violation Charges	32,176	38,200	**30,300**	-21%
Record Checks/Police Reports	27,550	31,700	**34,300**	8%
Police Outside Employment	34,120	35,500	**38,400**	8%
Violent Task Force Services	23,407	12,000	**30,100**	151%
SRO Contract	340,868	356,900	**385,600**	8%
Housing/Monitoring of Prisoners	215,659	247,700	**263,800**	6%
Fire Protection Services	283,996	291,000	**-**	-100%
Tri-Tech Contract	220,002	231,600	**248,300**	7%
Other Public Safety Charges	22,342	16,400	**17,800**	9%

SOURCE OF REVENUE	ACTUAL 2011/2012	ADJUSTED BUDGET 2013/2014	**ADOPTED BUDGET 2015/2016**	VARIANCE
Meter Reading Charges	480,537	513,600	**-**	-100%
Road Maintenance Services	21,787	11,400	**19,000**	67%
Animal Boarding/Impound Fees	17,970	14,800	**17,000**	15%
Planning Fees and Charges	88,603	75,100	**233,800**	211%
Culture & Recreation Activities				
Swimming Pool Admission Fees	29,829	30,000	**31,500**	5%
Field Usage Fees	15,200	25,000	**26,250**	5%
Field Lighting Fees	10,253	8,000	**15,000**	88%
Tournament Field Usage Fees	46,135	50,000	**55,000**	10%
Swimming Lesson Fees	68,373	70,000	**80,000**	14%
Swim Pool Locker Rental Fees	1,017	1,000	**800**	-20%
Special Rec. Program User Fees	727,205	770,000	**650,000**	-16%
Senior Program Fees	137,600	130,000	**136,000**	5%
FINES AND FORFEITURES				
Proof of Motor Vehicle Insurance	42,542	40,200	**54,300**	35%
Traffic Infraction Penalties	1,181,656	1,246,200	**1,309,300**	5%
Non-Parking Infraction Penalties	26,294	26,000	**35,900**	38%
Disabled Parking Infractions	5,060	6,100	**7,400**	21%
DUI Penalties	129,018	152,500	**142,700**	-6%
DUI Cost Recovery Restitution	2,246	2,200	**800**	-64%
Criminal Traffic Penalties	256,302	291,300	**314,700**	8%
Non-Traffic Misdemeanor Penalties	378,389	433,800	**501,000**	15%
Nuisance Abatement Fees	40,185	52,400	**37,500**	-28%
Domestic Violence Pentalty Assessments	12,727	13,600	**14,800**	9%
Jury Demand Fee	113	-	**200**	-
Public Defense Cost	332,025	376,600	**352,200**	-6%
Court Interpreter	87	-	**-**	-
Court Cost Recoupment	1,483	2,600	**800**	-69%
Drug Disposal Recovery Restitution	17,028	12,000	**9,000**	-25%
JIS/Trauma	6,420	2,400	**1,200**	-50%
MISCELLANEOUS REVENUE				
Interest on Investments	70,180	73,900	**38,000**	-49%
Interest on Sales Tax	15,876	76,700	**6,300**	-92%
Interest on Delinquent Taxes	41,183	-	**-**	-
Rentals, Leases and Concessions	383,811	476,700	**598,400**	26%
Contributions and Donations	34,308	209,554	**10,300**	-95%
District Court Bad Debt Collections	272,346	298,000	**161,800**	-46%
Miscellaneous Revenue	86,902	82,500	**85,900**	4%
Sale of Salvage	1,582	-	**-**	-
OTHER FINANCING SOURCES				
Operating Transfers (In)				
Transfer from Solid Waste	55,380	-	**-**	-
Transfer from Capital Improvement	96,881	-	**-**	-
Transfer from Asset Forfeiture	11,000	17,000	**-**	-100%
Transfer from Building Safety	94,657	-	**-**	-
Transfer from Public Safety	4,974,235	5,265,416	**5,232,083**	-1%
Transfer from Stormwater Utility	14,378	1,000	**-**	-100%
Transfer from Water/Sewer	338,187	16,700	**-**	-100%
TOTAL OPERATING FUND REVENUE	88,878,234	93,744,854	**96,520,592**	3%
BEGINNING FUND BALANCE	3,415,596	3,320,047	**2,350,000**	-29%
TOTAL OPERATING FUNDS	$92,293,830	$97,064,901	**$98,870,592**	2%

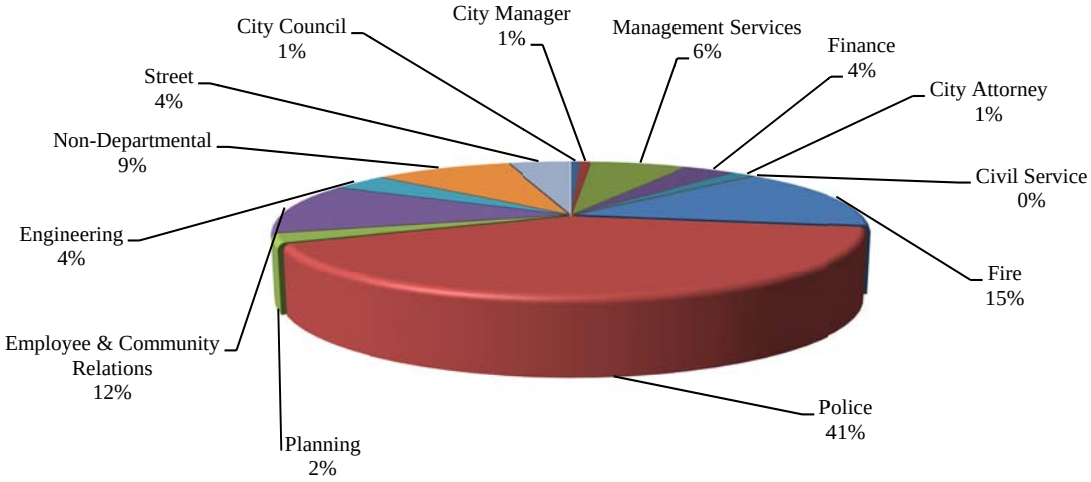
USES OF FUNDING – OPERATING FUNDS

2015/2016 Adopted Budget



Uses of Funding Operating Funds	2011-2012 Actual	2013-2014 Adjusted Budget	2015-2016 Adopted Budget	13/14 - 15/16 $ Change	13/14 - 15/16 % Change
Salaries & Wages	$46,117,264	$50,336,889	$50,582,809	$245,920	0%
Personnel Benefits	15,836,665	18,497,737	19,154,030	656,293	4%
Supplies	2,374,510	2,924,123	2,641,780	(282,343)	-10%
Other Services & Charges	7,329,793	7,837,918	7,952,181	114,263	1%
Intergov't Services & Taxes	10,833,470	10,584,596	10,276,600	(307,996)	-3%
Interfund Transfers	6,374,399	4,384,688	5,410,000	1,025,312	23%
Capital Outlay	107,682	122,904	-	(122,904)	-100%
Subtotal Appropriations:	88,973,783	94,688,855	96,017,400	1,328,545	1%
Ending Fund Balance	3,320,047	2,376,046	2,853,192	477,146	20%
Total Uses:	**$92,293,830**	**$97,064,901**	**$98,870,592**	**$1,805,691**	**2%**

2015/2016 Adopted Budget



Operating Funds	2011/2012 Actual	2013/2014 Adjusted Budget	2015/2016 Adopted Budget	13/14 - 15/16 $ Change	13/14 - 15/16 % Change
General Fund					
City Council	$495,287	$542,994	$539,728	($3,266)	-1%
City Manager	528,519	654,400	719,795	65,395	10%
Finance	3,204,037	3,646,354	3,347,749	(298,605)	-8%
Management Services	5,244,644	5,875,057	6,268,034	392,977	7%
City Attorney	1,264,808	1,383,990	1,472,057	88,067	6%
Civil Service	23,581	36,739	47,310	10,571	29%
Community Planning	1,587,975	1,887,537	2,099,250	211,713	11%
Police	34,395,464	38,481,712	39,186,034	704,322	2%
Fire	14,646,854	16,224,404	14,854,950	(1,369,454)	-8%
Engineering	2,895,275	3,229,327	3,603,971	374,644	12%
Employee & Community Relations					
Human Resources	962,343	980,750	925,386	(55,364)	-6%
Economic Development	403,363	496,055	657,081	161,026	32%
Parks & Recreation	8,187,671	9,754,665	9,963,062	208,397	2%
Non-Departmental	11,299,823	7,560,407	8,305,000	744,593	10%
Total General Fund	85,139,644	90,754,391	91,989,407	1,235,016	1%
Street Fund	3,834,139	3,934,464	4,027,993	93,529	2%
Ending Fund Balance	3,320,047	2,376,046	2,853,192	477,146	20%
Total Operating Funds	**$92,293,830**	**$97,064,901**	**$98,870,592**	**$1,805,691**	**2%**

COMPARATIVE BUDGET SUMMARY
ALL FUNDS

Budget Summary

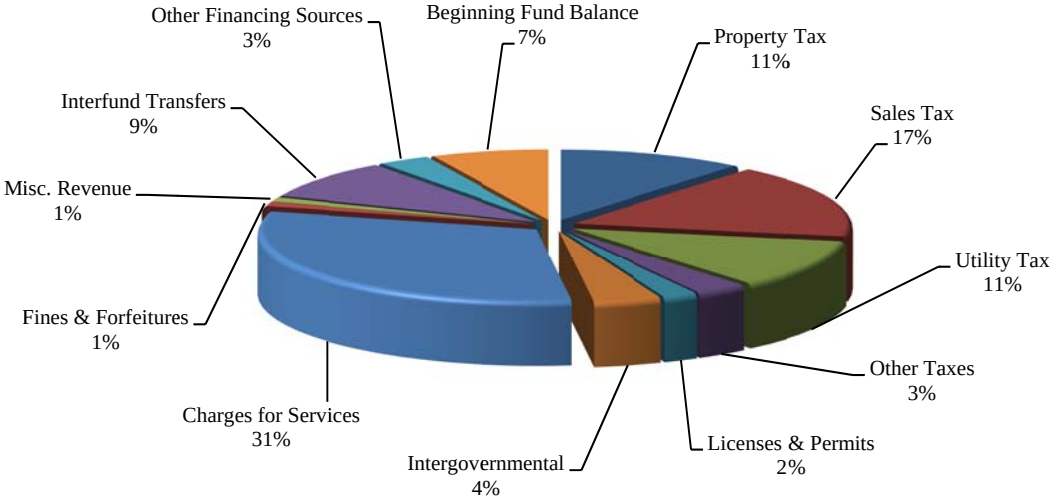
FUND	ACTUAL 2011/2012	ADJUSTED BUDGET 2013/2014	**ADOPTED BUDGET 2015/2016**	VARIANCE
GENERAL GOVERNMENT OPERATIONS				
General Fund	$88,459,691	$93,130,437	**$94,842,599**	2%
Street	3,834,139	3,934,464	**4,027,993**	2%
Subtotal	92,293,830	97,064,901	**98,870,592**	2%
CAPITAL PROJECTS				
Urban Arterial Street	8,850,741	26,379,523	**-**	-100%
Capital Improvement	38,396,808	25,123,724	**24,560,824**	-2%
Subtotal	47,247,549	51,503,247	**24,560,824**	-52%
ENTERPRISE & INTERNAL SERVICE				
Water & Sewer	43,202,831	55,297,364	**41,007,458**	-26%
Building Safety	2,749,655	2,905,974	**3,213,000**	11%
Medical Services	8,477,441	9,229,512	**11,982,200**	30%
Coliseum Fund	8,310,306	8,817,545	**7,997,700**	-9%
Stormwater	2,366,356	5,845,163	**3,034,221**	-48%
Columbia Park Golf Course	626,285	630,553	**749,380**	19%
Equipment Rental	8,474,987	9,825,031	**9,343,332**	-5%
Risk Management	5,981,980	4,422,932	**3,297,130**	-25%
Central Stores	630,126	698,208	**681,200**	-2%
Subtotal	80,819,967	97,672,282	**81,305,621**	-17%
DEBT SERVICE				
Debt Service	12,681,931	6,180,995	**6,106,180**	-1%
LID Guaranty	34,608	34,608	**35,400**	2%
Subtotal	12,716,539	6,215,603	**6,141,580**	-1%
SPECIAL REVENUE				
Arterial Street	3,739,267	2,933,972	**1,600,000**	-45%
Cash Reserve Fund	2,654,500	2,754,500	**2,675,500**	-3%
BI-PIN Operations	580,956	629,262	**679,138**	8%
Community Development	1,943,058	2,613,142	**1,305,800**	-50%
MPD Assistant Operations	75,116	84,417	**62,423**	-26%
Asset Forfeiture Fund	323,611	205,789	**150,700**	-27%
Public Safety	4,974,235	5,265,416	**5,232,083**	-1%
Lodging Tax Fund	2,562,239	2,852,954	**2,948,900**	3%
Criminal Justice Sales Tax	-	-	**3,785,000**	-
Solid Waste/Environmental	442,746	-	**-**	-
Subtotal	17,295,728	17,339,452	**18,439,544**	6%
FIDUCIARY TRUST FUNDS				
Fire Pension Fund	1,033,296	1,140,311	**1,229,000**	8%
OPEB Trust Fund	2,186,133	2,538,526	**3,646,000**	44%
Subtotal	3,219,429	3,678,837	**4,875,000**	33%
TOTAL	$253,593,042	$273,474,322	$234,193,161	-14%

BUDGET SUMMARY
ALL FUNDS

FUND	BEGINNING FUND BALANCE	REVENUES	EXPENSES	ENDING FUND BALANCE	% CHANGE
GENERAL GOVERNMENT OPERATIONS					
General Fund	$2,350,000	$92,492,599	$91,989,407	$2,853,192	21%
Street	-	4,027,993	4,027,993	-	-
Subtotal	2,350,000	96,520,592	96,017,400	2,853,192	21%
CAPITAL PROJECTS					
Urban Arterial Street	-	-	-	-	-
Capital Improvement	1,381,912	23,178,912	21,256,238	3,304,586	139%
Subtotal	1,381,912	23,178,912	21,256,238	3,304,586	139%
ENTERPRISE & INTERNAL SERVICE					
Water & Sewer	2,870,197	38,137,261	34,756,622	6,250,836	118%
Building Safety	720,000	2,493,000	2,629,135	583,865	-19%
Medical Services	350,000	11,632,200	11,633,799	348,401	0%
Coliseum Fund	(450,000)	8,447,700	8,447,700	(450,000)	0%
Stormwater	697,221	2,337,000	2,494,733	539,488	-23%
Columbia Park Golf Course Fund	-	749,380	749,380	-	-
Equipment Rental	3,500,000	5,843,332	4,740,769	4,602,563	32%
Risk Management	470,960	2,826,170	3,019,167	277,963	-41%
Central Stores	195,000	486,200	529,040	152,160	-22%
Subtotal	8,353,378	72,952,243	69,000,345	12,305,276	47%
DEBT SERVICE					
Debt Service	2,580	6,103,600	6,103,925	2,255	0%
LID Guaranty	35,000	400	-	35,400	1%
Subtotal	37,580	6,104,000	6,103,925	37,655	0%
SPECIAL REVENUE					
Arterial Street	-	1,600,000	1,600,000	-	-
Cash Reserve Fund	2,675,500	-	-	2,675,500	0%
BI-PIN Fund	-	679,138	679,138	-	-
Community Development	65,000	1,240,800	1,240,000	65,800	1%
MPD Assistant Fund	11,423	51,000	59,727	2,696	-
Asset Forfeiture Fund	99,700	51,000	75,175	75,525	-24%
Public Safety Fund	-	5,232,083	5,232,083	-	-
Lodging Tax Fund	82,900	2,866,000	2,939,700	9,200	-89%
Criminal Justice Sales Tax	-	3,785,000	3,207,910	577,090	0%
Subtotal	2,934,523	15,505,021	15,033,733	3,405,811	16%
FIDUCIARY TRUST FUNDS					
Fire Pension Fund	863,000	366,000	287,300	941,700	9%
OPEB Trust Fund	1,407,000	2,239,000	1,661,070	1,984,930	41%
Subtotal	2,270,000	2,605,000	1,948,370	2,926,630	29%
TOTAL	$17,327,393	$216,865,768	$209,360,011	$24,833,150	43%

SOURCES OF FUNDING – ALL FUNDS

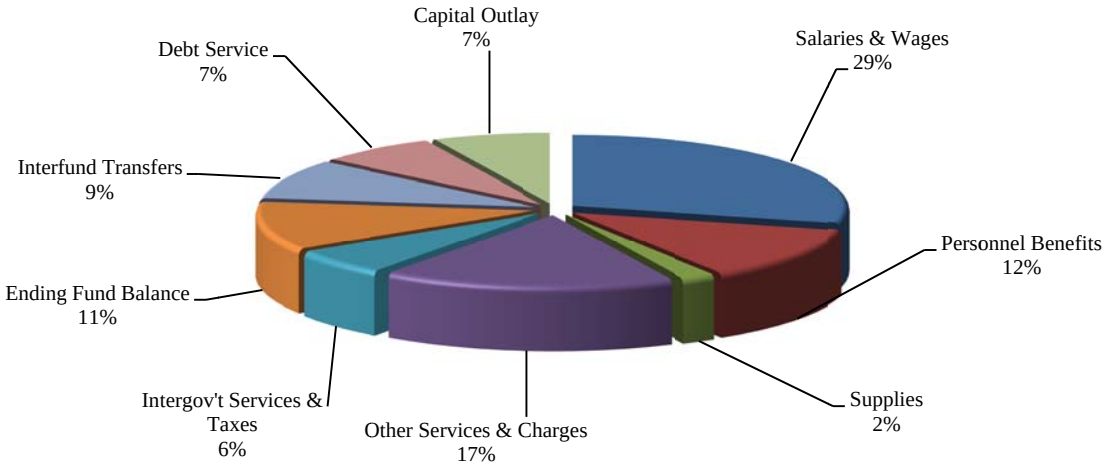
2015/2016 Adopted Budget



Sources of Funding All Funds	2011/2012 Actual	2013/2014 Adjusted Budget	2015/2016 Adopted Budget	13/14 - 15/16 $ Change	13/14 - 15/16 % Change
Property Tax	$21,960,175	$23,464,279	$24,916,507	$1,452,228	6%
Sales Tax	31,554,034	34,163,284	39,430,700	5,267,416	15%
Utility Taxes	23,666,877	25,453,348	26,025,358	572,010	2%
Other Taxes	7,067,687	7,317,000	7,510,000	193,000	3%
Licenses & Permits	3,844,923	3,588,100	3,834,500	246,400	7%
Intergovernmental	16,734,876	32,472,418	8,580,550	(23,891,868)	-74%
Charges for Services	63,509,125	69,877,238	73,457,168	3,579,930	5%
Fines & Penalties	2,431,576	2,657,900	2,781,800	123,900	5%
Miscellaneous Revenue	2,734,085	3,167,046	1,569,240	(1,597,806)	-50%
Interfund Transfers	28,640,427	27,903,554	21,928,777	(5,974,777)	-21%
Other Financing Sources	6,300,296	12,028,568	6,831,168	(5,197,400)	-43%
Subtotal Revenues:	208,444,081	242,092,735	216,865,768	(25,226,967)	-10%
Beginning Fund Balance	45,148,961	31,381,587	17,327,393	(14,054,194)	-45%
Total Sources	**$253,593,042**	**$273,474,322**	**$234,193,161**	**($39,281,161)**	**-14%**

USES OF FUNDING – ALL FUNDS

2015/2016 Adopted Budget



Uses of Funding All Funds	2011/2012 Actual	2013/2014 Adjusted Budget	2015/2016 Adopted Budget	13/14 - 15/16 $ Change	13/14 - 15/16 % Change
Salaries & Wages	$58,059,434	63,618,189	69,141,086	$5,522,897	9%
Personnel Benefits	21,931,974	25,929,312	28,102,791	2,173,479	8%
Supplies	5,034,248	5,849,658	5,596,812	(252,846)	-4%
Other Services & Charges	37,900,786	40,593,885	39,547,422	(1,046,463)	-3%
Intergov't Services & Taxes	11,702,098	12,039,321	12,966,600	927,279	8%
Interfund Transfers	28,640,427	27,903,554	21,928,777	(5,974,777)	-21%
Debt Service	21,999,875	16,223,050	16,309,099	86,049	1%
Capital Outlay	36,942,612	63,146,279	15,767,424	(47,378,855)	-75%
Subtotal Appropriations:	222,211,454	255,303,248	209,360,011	(45,943,237)	-18%
Ending Fund Balance	31,381,588	18,171,074	24,833,150	6,662,076	37%
Total Uses:	**$253,593,042**	**$273,474,322**	**$234,193,161**	**($39,281,161)**	**-14%**

SUMMARIZED REVENUES
ALL FUNDS

FUND	TAXES	LICENSES & PERMITS	INTERGOVT REVENUE	CHARGES FOR SERVICES
GENERAL GOVERNMENT OPERATIONS				
General Fund	$69,263,489	$1,229,500	$3,525,600	$9,560,027
Street	676,193	120,000	3,212,200	19,000
Subtotal	69,939,682	1,349,500	6,737,800	9,579,027
CAPITAL PROJECTS				
Urban Arterial Street	-	-	-	-
Capital Improvement	13,922,800	-	15,000	100,000
Subtotal	13,922,800	-	15,000	100,000
ENTERPRISE & INTERNAL SERVICE				
Water & Sewer	-	-	-	37,254,121
Building Safety	-	2,485,000	-	-
Medical Services	-	-	-	9,807,000
Coliseum Fund	-	-	-	6,244,000
Stormwater Utility	-	-	-	2,333,000
Columbia Park Golf Course	-	-	-	506,780
Equipment Rental	-	-	-	3,742,132
Risk Management	-	-	-	1,594,170
Central Stores	-	-	-	485,000
Subtotal	-	2,485,000	-	61,966,203
DEBT SERVICE				
Debt Service	815,000	-	429,750	-
LID Guaranty	-	-	-	-
Subtotal	815,000	-	429,750	-
SPECIAL REVENUE				
Arterial Street	-	-	-	-
Cash Reserve	-	-	-	-
BI-PIN Operations	-	-	-	679,138
Community Development	-	-	1,240,000	-
MPD Assistant Operation	-	-	-	50,800
Asset Forfeiture	-	-	-	-
Public Safety	5,232,083	-	-	-
Lodging Tax	1,782,000	-	-	1,082,000
Criminal Justice Sales Tax	3,785,000	-	-	-
Subtotal	10,799,083	-	1,240,000	1,811,938
FIDUCIARY TRUST FUNDS				
Fire Pension Fund	192,000	-	158,000	-
OPEB Trust Fund	2,214,000	-	-	-
Subtotal	2,406,000	-	158,000	-
TOTAL	$97,882,565	$3,834,500	$8,580,550	$73,457,168

FINES & FORFEITS	MISC REVENUE/ PROCEEDS	INTERFUND TRANSFERS	OTHER FINANCING SOURCES	BEGINNING FUND BALANCE	**TOTAL**
$2,781,800	$900,100	$5,232,083	$ -	$2,350,000	**$94,842,599**
-	600	-	-	-	**4,027,993**
2,781,800	900,700	5,232,083	-	2,350,000	**98,870,592**
-	-	-	-	-	**-**
-	196,000	2,863,944	6,081,168	1,381,912	**24,560,824**
-	196,000	2,863,944	6,081,168	1,381,912	**24,560,824**
-	133,140	-	750,000	2,870,197	**41,007,458**
-	8,000	-	-	720,000	**3,213,000**
-	200	1,825,000	-	350,000	**11,982,200**
-	6,000	2,197,700	-	(450,000)	**7,997,700**
-	4,000	-	-	697,221	**3,034,221**
-	57,600	185,000	-	-	**749,380**
-	35,000	2,066,200	-	3,500,000	**9,343,332**
-	132,000	1,100,000	-	470,960	**3,297,130**
-	1,200	-	-	195,000	**681,200**
-	377,140	7,373,900	750,000	8,353,378	**81,305,621**
-	-	4,858,850	-	2,580	**6,106,180**
-	400	-	-	35,000	**35,400**
-	400	4,858,850	-	37,580	**6,141,580**
-	-	1,600,000	-	-	**1,600,000**
-	-	-	-	2,675,500	**2,675,500**
-	-	-	-	-	**679,138**
-	800	-	-	65,000	**1,305,800**
-	200	-	-	11,423	**62,423**
-	51,000	-	-	99,700	**150,700**
-	-	-	-	-	**5,232,083**
-	2,000	-	-	82,900	**2,948,900**
-	-	-	-	-	**3,785,000**
-	54,000	1,600,000	-	2,934,523	**18,439,544**
-	16,000	-	-	863,000	**1,229,000**
-	25,000	-	-	1,407,000	**3,646,000**
-	41,000	-	-	2,270,000	**4,875,000**
$2,781,800	$1,569,240	$21,928,777	$6,831,168	$17,327,393	**$234,193,161**

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	$330,150	$3,370	$32,400	$ -
City Manager	536,305	160,870	6,350	16,270	-
Finance	2,033,311	775,927	41,191	497,320	-
Management Services	3,351,587	1,432,271	72,740	1,411,436	-
City Attorney	958,178	320,676	10,200	183,003	-
Civil Service	-	-	1,010	46,300	-
Community Planning	1,273,742	532,578	30,970	189,960	72,000
Police	21,457,217	8,049,981	481,246	1,354,090	7,843,500
Fire	10,460,679	3,311,023	335,651	492,097	255,500
Engineering	2,391,414	1,037,751	56,551	118,255	-
Employee & Community Relations					
Human Resources	596,849	198,317	37,300	92,920	-
Economic Development	373,954	142,817	10,420	129,890	-
Parks & Recreation	5,153,002	2,093,200	842,980	1,873,880	-
Non-Departmental	133,000	72,000	10,000	574,400	2,105,600
TOTAL GENERAL FUND	48,893,046	18,457,561	1,939,979	7,012,221	10,276,600
STREET FUND	1,689,763	696,469	701,801	939,960	-
Subtotal	50,582,809	19,154,030	2,641,780	7,952,181	10,276,600
CAPITAL PROJECTS					
Urban Arterial Street	-	-	-	-	-
Capital Improvement	-	-	-	401,700	2,525,000
Subtotal	-	-	-	401,700	2,525,000
ENTERPRISE & INTERNAL SERVICE					
Water & Sewer	6,190,358	2,893,594	567,690	14,283,737	-
Building Safety	1,446,226	631,270	26,380	490,374	-
Medical Services	6,981,113	1,912,678	292,717	2,231,424	160,000
Coliseum Fund	-	-	-	6,950,000	-
Stormwater Utility	797,734	367,821	41,330	895,233	-
Columbia Park Golf Course	-	-	-	649,380	-
Equipment Rental	557,885	254,918	1,648,715	251,307	
Risk Management	155,904	79,478	1,000	2,782,785	-
Central Stores	-	-	341,000	144,040	-
Subtotal	16,129,220	6,139,759	2,918,832	28,678,280	160,000
DEBT SERVICE					
Debt Service	-	-	-	-	-
LID Guaranty	-	-	-	-	-
Subtotal	-	-	-	-	-
SPECIAL REVENUE					
Arterial Street	-	-	-	-	-
Cash Reserve	-	-	-	-	-
BI-PIN Operations	272,514	110,880	3,610	292,134	-
Community Development	181,871	68,709	1,070	374,350	-
MPD Assistant Operations	38,393	8,804	1,000	11,530	-
Asset Forfeiture	-	-	-	34,175	5,000
Public Safety	-	-	-	-	-
Lodging Tax	-	-	-	1,542,000	-
Criminal Justice Sales Tax	1,936,279	709,609	30,000	224,222	-
Subtotal	2,429,057	898,002	35,680	2,478,411	5,000
FIDUCIARY TRUST FUNDS					
Fire Pension Fund	-	283,000	50	4,250	-
OPEB Trust Fund	-	1,628,000	470	32,600	-
Subtotal	-	1,911,000	520	36,850	-
TOTAL	$69,141,086	$28,102,791	$5,596,812	$39,547,422	$12,966,600

INTERFUND TRANSFERS	DEBT SERVICE	CAPITAL OUTLAY	ENDING FUND BALANCE	TOTAL
$ -	$ -	$ -	$ -	**$539,728**
-	-	-	-	**719,795**
-	-	-	-	**3,347,749**
-	-	-	-	**6,268,034**
-	-	-	-	**1,472,057**
-	-	-	-	**47,310**
-	-	-	-	**2,099,250**
-	-	-	-	**39,186,034**
-	-	-	-	**14,854,950**
-	-	-	-	**3,603,971**
-	-	-	-	**925,386**
-	-	-	-	**657,081**
-	-	-	-	**9,963,062**
5,410,000	-	-	2,853,192	**11,158,192**
5,410,000	-	-	2,853,192	**94,842,599**
-	-	-	-	**4,027,993**
5,410,000	-	-	2,853,192	**98,870,592**
-	-	-	-	**-**
8,670,050	1,687,964	7,971,524	3,304,586	**24,560,824**
8,670,050	1,687,964	7,971,524	3,304,586	**24,560,824**
145,052	6,528,791	4,147,400	6,250,836	**41,007,458**
34,885	-	-	583,865	**3,213,000**
55,867	-	-	348,401	**11,982,200**
-	1,097,700	400,000	(450,000)	**7,997,700**
38,140	354,475	-	539,488	**3,034,221**
-	-	100,000	-	**749,380**
-	536,244	1,491,700	4,602,563	**9,343,332**
-	-	-	277,963	**3,297,130**
-	-	44,000	152,160	**681,200**
273,944	8,517,210	6,183,100	12,305,276	**81,305,621**
-	6,103,925	-	2,255	**6,106,180**
-	-	-	35,400	**35,400**
-	6,103,925	-	37,655	**6,141,580**
-	-	1,600,000	-	**1,600,000**
-	-	-	2,675,500	**2,675,500**
-	-	-	-	**679,138**
614,000	-	-	65,800	**1,305,800**
-	-	-	2,696	**62,423**
36,000	-	-	75,525	**150,700**
5,232,083	-	-	-	**5,232,083**
1,397,700	-	-	9,200	**2,948,900**
295,000	-	12,800	577,090	**3,785,000**
7,574,783	-	1,612,800	3,405,811	**18,439,544**
-	-	-	941,700	**1,229,000**
-	-	-	1,984,930	**3,646,000**
-	-	-	2,926,630	**4,875,000**
$21,928,777	$16,309,099	$15,767,424	$24,833,150	**$234,193,161**

	GENERAL FUND		
	2011/2012 Actual	2013/2014 Adjusted Budget	2015/2016 Adopted Budget
REVENUES			
Taxes:			
Property	$ 20,112,516	$ 21,514,740	$ 22,543,314
Sales	22,004,226	23,696,261	25,704,900
Utility	16,809,153	18,181,932	18,579,275
Local Real Estate Excise	-	-	-
Other	2,794,840	2,930,000	2,436,000
Licenses & Permits	1,102,029	1,168,100	1,229,500
Intergovernmental	3,637,452	3,261,464	3,525,600
Charges for Services	9,664,216	9,883,123	9,560,027
Fines & Forfeitures	2,431,576	2,657,900	2,781,800
Miscellaneous Revenue	903,369	1,216,754	900,100
Total Revenues	79,459,377	84,510,274	87,260,516
EXPENDITURES			
Salaries and Wages	44,633,633	48,711,564	48,893,046
Personnel Benefits	15,302,081	17,825,089	18,457,561
Supplies	1,778,662	2,229,502	1,939,979
Other Services & Charges	6,109,717	6,907,908	7,012,221
Intergov't Services & Charges	10,833,470	10,584,596	10,276,600
Debt Service	-	-	-
Capital Outlay	107,682	120,904	-
Total Expenditures	78,765,245	86,379,563	86,579,407
OTHER FINANCING SOURCES (USES)			
Transfers In	5,584,718	5,300,116	5,232,083
Transfers Out	(6,374,399)	(4,374,828)	(5,410,000)
Debt Proceeds & Capital Leases	-	-	-
Intergovt'l Loan Proceeds	-	-	-
Proceeds from Land Sales	-	-	-
Proceeds from Sale of Fixed Assets	-	-	-
Contributed Capital	-	-	-
Total Financing Sources (Uses)	(789,681)	925,288	(177,917)
Net Change in Fund Balance	(95,549)	(944,001)	503,192
Fund Balances - Beginning	3,415,596	3,320,047	2,350,000
Fund Balances - Ending	$ 3,320,047	$ 2,376,046	$ 2,853,192

WATER & SEWER FUND			NON-MAJOR FUNDS		
2011/2012 Actual	2013/2014 Adjusted Budget	2015/2016 Adopted Budget	2011/2012 Actual	2013/2014 Adjusted Budget	2015/2016 Adopted Budget
$ -	$ -	$ -	$ 1,847,659	$ 1,949,539	$ 2,373,193
-	-	-	9,549,808	10,467,023	13,725,800
-	-	-	6,857,724	7,271,416	7,446,083
-	-	-	2,606,270	2,656,000	3,292,000
-	-	-	1,666,577	1,731,000	1,782,000
-	-	-	2,742,894	2,420,000	2,605,000
1,122,593	2,000,000	-	11,974,831	27,210,954	5,054,950
31,800,489	34,703,137	37,254,121	22,044,420	25,290,978	26,643,020
-	-	-	-	-	-
197,983	205,500	133,140	1,632,733	1,744,792	536,000
33,121,065	36,908,637	37,387,261	60,922,916	80,741,702	63,458,046
4,614,646	5,419,834	6,190,358	8,811,155	9,486,791	14,057,682
1,909,138	2,413,904	2,893,594	4,720,755	5,690,319	6,751,636
448,964	580,360	567,690	2,806,622	3,039,796	3,089,143
11,782,686	13,589,601	14,283,737	20,008,383	20,096,376	18,251,464
-	-	-	868,628	1,454,725	2,690,000
6,383,949	6,799,670	6,528,791	15,615,926	9,423,380	9,780,308
7,217,268	21,212,720	4,147,400	29,617,662	41,812,655	11,620,024
32,356,651	50,016,089	34,611,570	82,449,131	91,004,042	66,240,257
-	-	-	23,055,709	22,603,438	16,696,694
(532,453)	(158,294)	(145,052)	(21,733,575)	(23,370,432)	(16,373,725)
-	-	-	5,817,458	1,651,778	5,831,168
-	6,975,000	-	247,515	1,536,984	-
-	-	-	25,000	641,306	250,000
-	-	-	210,323	123,500	-
-	1,100,000	750,000	-	-	-
(532,453)	7,916,706	604,948	7,622,430	3,186,574	6,404,137
231,961	(5,190,746)	3,380,639	(13,903,785)	(7,075,766)	3,621,926
10,081,766	10,313,727	2,870,197	31,651,599	17,747,813	12,107,196
$ 10,313,727	$ 5,122,981	$ 6,250,836	$ 17,747,814	$ 10,672,047	$ 15,729,122

MAJOR FUND SUMMARY

	TOTAL FUNDS		
	2011/2012 Actual	2013/2014 Adjusted Budget	2015/2016 Adopted Budget
REVENUES			
Taxes:			
Property	$ 21,960,175	$ 23,464,279	$ 24,916,507
Sales	31,554,034	34,163,284	39,430,700
Utility	23,666,877	25,453,348	26,025,358
Local Real Estate Excise	2,606,270	2,656,000	3,292,000
Other	4,461,417	4,661,000	4,218,000
Licenses & Permits	3,844,923	3,588,100	3,834,500
Intergovernmental	16,734,876	32,472,418	8,580,550
Charges for Services	63,509,125	69,877,238	73,457,168
Fines & Forfeitures	2,431,576	2,657,900	2,781,800
Miscellaneous Revenue	2,734,085	3,167,046	1,569,240
Total Revenues	173,503,358	202,160,613	188,105,823
EXPENDITURES			
Salaries and Wages	58,059,434	63,618,189	69,141,086
Personnel Benefits	21,931,974	25,929,312	28,102,791
Supplies	5,034,248	5,849,658	5,596,812
Other Services & Charges	37,900,786	40,593,885	39,547,422
Intergov't Services & Charges	11,702,098	12,039,321	12,966,600
Debt Service	21,999,875	16,223,050	16,309,099
Capital Outlay	36,942,612	63,146,279	15,767,424
Total Expenditures	193,571,027	227,399,694	187,431,234
OTHER FINANCING SOURCES (USES)			
Transfers In	28,640,427	27,903,554	21,928,777
Transfers Out	(28,640,427)	(27,903,554)	(21,928,777)
Debt Proceeds & Capital Leases	5,817,458	1,651,778	5,831,168
Intergovt'l Loan Proceeds	247,515	8,511,984	-
Proceeds from Land Sales	25,000	641,306	250,000
Proceeds from Sale of Fixed Assets	210,323	123,500	-
Contributed Capital	-	1,100,000	750,000
Total Financing Sources (Uses)	6,300,296	12,028,568	6,831,168
Net Change in Fund Balance	(13,767,373)	(13,210,513)	7,505,757
Fund Balances - Beginning	45,148,961	31,381,587	17,327,393
Fund Balances - Ending	$ 31,381,588	$ 18,171,074	$ 24,833,150

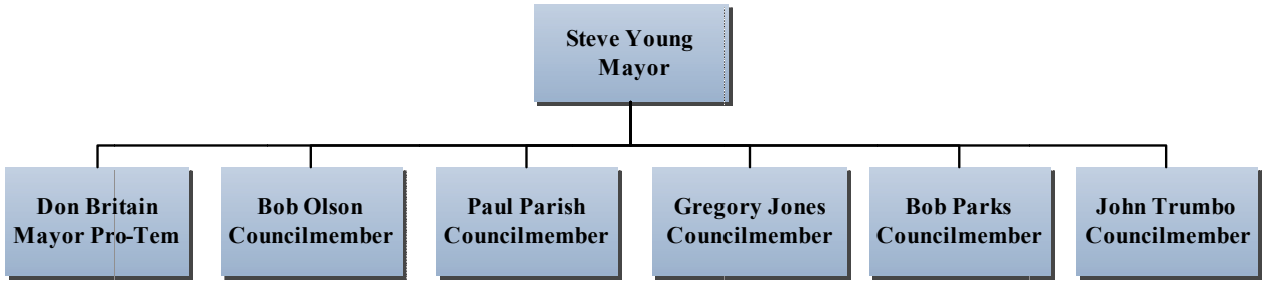
ELECTED OFFICIALS

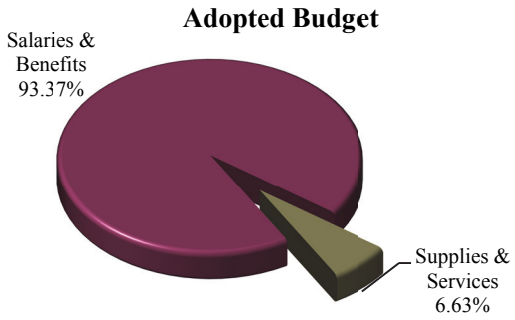
	Length of Service	Term Expires	Ward
MAYOR			
Steve Young	6 Years	December 31, 2015	3
COUNCILMEMBERS			
Don Britain	5 Years	December 31, 2017	1
R. E. (Bob) Olson	27 Years	December 31, 2015	1
Paul Parish	19 Years	December 31, 2015	2
Bob Parks	13 Years	December 31, 2017	At Large
Greg Jones	2 Years	December 31, 2017	2
John Trumbo	1 Year	December 31, 2017	3

ADMINISTRATIVE OFFICIALS

	Length in Position	Length of Employment
CITY MANAGER		
Marie E. Mosley	5 Years	19 Years
CITY ATTORNEY		
Lisa Beaton	8 Years	14 Years
EXECUTIVE FINANCE DIRECTOR		
Dan Legard	5 Years	12 Years
EMPLOYEE AND COMMUNITY RELATIONS EXECUTIVE DIRECTOR		
Terry Walsh	7 Years	23 Years
FIRE CHIEF		
Vince Beasley	New Hire	32 Years
CHIEF OF POLICE		
Ken Hohenberg	11 Years	36 Years
PUBLIC WORKS EXECUTIVE DIRECTOR		
Cary Roe	1 Year	1 Year
PLANNING DIRECTOR		
Greg McCormick	2 Years	4 Years
MANAGEMENT SERVICES EXECUTIVE DIRECTOR		
Christina Palmer	5 Years	12 Years

City Council





Resources by Type	2011-2012 Adopted	2013-2014 Adopted	2013-2014 Adjusted	2015-2016 Adopted
General Governmental	$ 495,287	$ 538,994	$ 542,994	$ 539,728
Total Program Revenues:	$ 495,287	$ 538,994	$ 542,994	$ 539,728

Expenditures by Program	2011-2012 Adopted	2013-2014 Adopted	2013-2014 Adjusted	2015-2016 Adopted
Salaries & Benefits	$ 456,754	$ 499,934	$ 499,934	$ 503,958
Supplies & Services	38,533	39,060	43,060	35,770
Total Division Budget:	$ 495,287	$ 538,994	$ 542,994	$ 539,728

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. Two councilmembers are elected in each ward during the primary election, and one councilmember is 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 Class I 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 retreat that was appropriately titled "Advancing to the Future" in January that reaffirmed Council and staff responsibilities. Subsequently, the Council held a retreat in March that discussed the five priority areas and identified successes, opportunities, highest and lowest priorities for each of the five priority areas. Council also discussed successes and path forward for each of our opportunity centers.

2015/2016 Goals & Objectives

Council established goals & objectives for the upcoming biennium based on two retreats and several workshops during 2014. 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

	2013 Actual	2014 Actual	2015 Adopted	2016 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 the 25 year Capital Plan
- Tie Land Use and Infrastructure Planning to Achieve Council's Strategic Goals in our Opportunity Centers

Prior Year Accomplishments

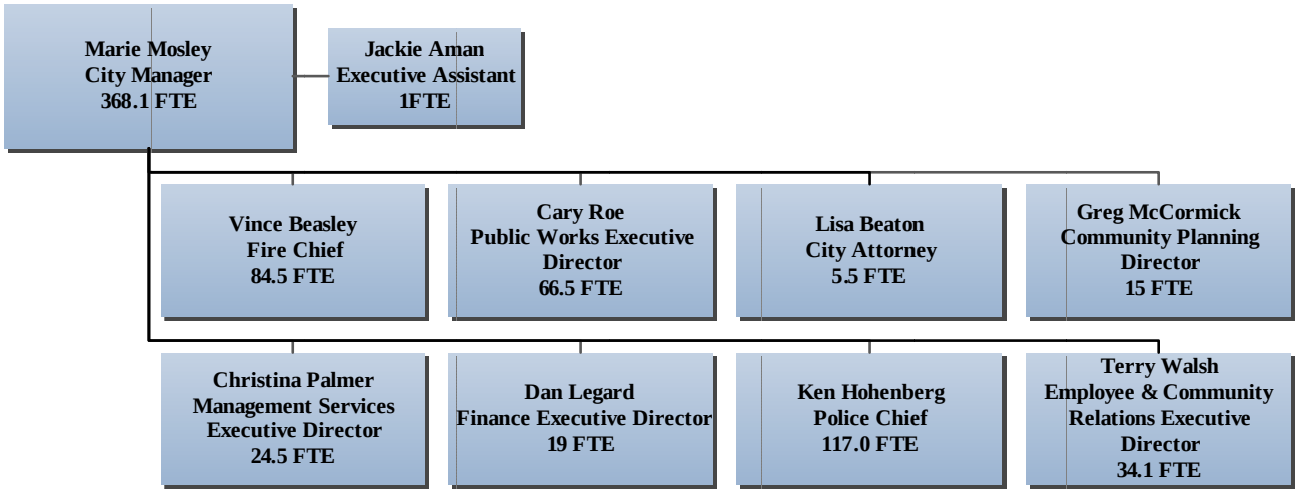
- Attended numerous ribbon cutting ceremonies that further develop our partnerships with City of Kennewick businesses and provide support in our economic development efforts.
- Reaffirmed our Budgeting by Priorities model that provides a method to evaluate the top priority services for additional funding and lower priority services for reduction, elimination or alternative service delivery.
- Adopted this 2015/2016 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	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/2016 Adopted
General Governmental	$ 495,287	$ 495,520	$ 542,994	$ 539,728
Current Funding Sources	$ 495,287	$ 495,520	$ 542,994	$ 539,728

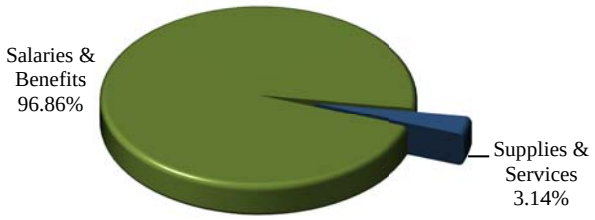
EXPENDITURES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/2016 Adopted
Salaries	$ 173,808	$ 173,856	$ 173,856	$ 173,808
Benefits	282,946	326,078	326,078	330,150
Salaries & Benefits	**456,754**	**499,934**	**499,934**	**503,958**
Supplies	5,845	7,960	7,960	3,370
Community Events	9,237	8,000	8,000	5,500
Travel & Training	18,066	18,000	22,000	21,000
Dues & Subscriptions	5,218	5,000	5,000	5,450
Other Services & Charges	167	100	100	450
Supplies & Services	**38,533**	**39,060**	**43,060**	**35,770**
Total Expenditures	$ 495,287	$ 538,994	$ 542,994	$ 539,728
Expenditures by Fund				
General Fund	$ 495,287	$ 538,994	$ 542,994	$ 539,728
Total Expenditures by Fund	$ 495,287	$ 538,994	$ 542,994	$ 539,728

DETAIL BUDGET

City Manager's Office



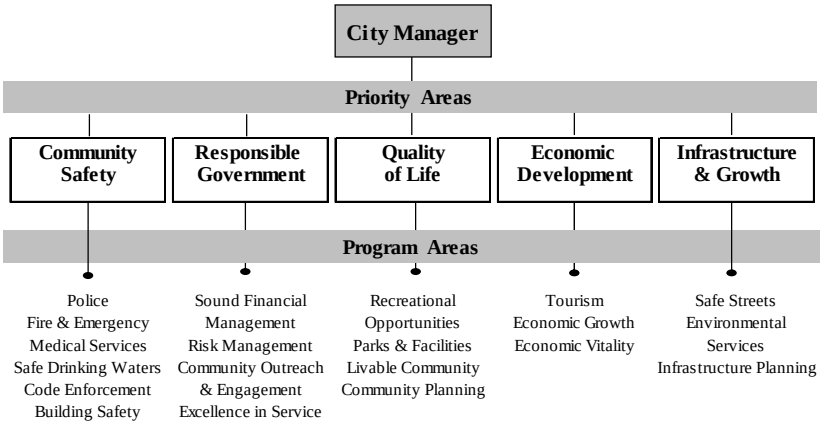
Adopted Budget



Resources by Type	2011-2012 Actual	2013-2014 Adopted	2013-2014 Adjusted	2015-2016 Adopted
General Governmental	$ 528,519	$ 646,900	$ 654,400	$ 719,794
Total Program Revenues:	$ 528,519	$ 646,900	$ 654,400	$ 719,794

Expenditures by Program	2011-2012 Actual	2013-2014 Adopted	2013-2014 Adjusted	2015-2016 Adopted
Salaries & Wages	$ 508,236	$ 624,700	$ 624,700	$ 697,174
Supplies & Services	20,283	22,200	29,700	22,620
Total Division Budget:	$ 528,519	$ 646,900	$ 654,400	$ 719,794

Mission



This 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.

2015/2016 Goals & Objectives

Council Priority: Community Safety

- ***Criminal Justice Sales Tax -***
  - ✓ Hire police officers, police support specialists and assistance to the City Attorney during the biennium to combat gang activity
- ***Strategic Staffing & Deployment Model for the Fire Department –***
  - ✓ Build, equip and staff station #5
  - ✓ Implement a proactive Fire Prevention program to inspect all businesses annually

Council Priority: Infrastructure & Growth

- ***25 Year Capital Plan -***
  - ✓ Completion of Steptoe/Hildebrand
  - ✓ Strategic implementation of the Blue Ribbon Committee recommendations
- ***Land Use & Infrastructure Planning –***
  - ✓ Develop strategy for UGA expansion South of I-82
  - ✓ Water/Sewer comp plan and rate study implementation

Council Priority: Economic Development -

- ***Public Private Partnerships -***
  - ✓ Facilitate partnership between developer and City and implement an enhanced review process
  - ✓ Continue partnership with the Port on Columbia Dr. and Vista Field
- ***Strategic Marketing Plan -***
  - ✓ Incorporate Tri-Cities branding
  - ✓ Implement a social media program

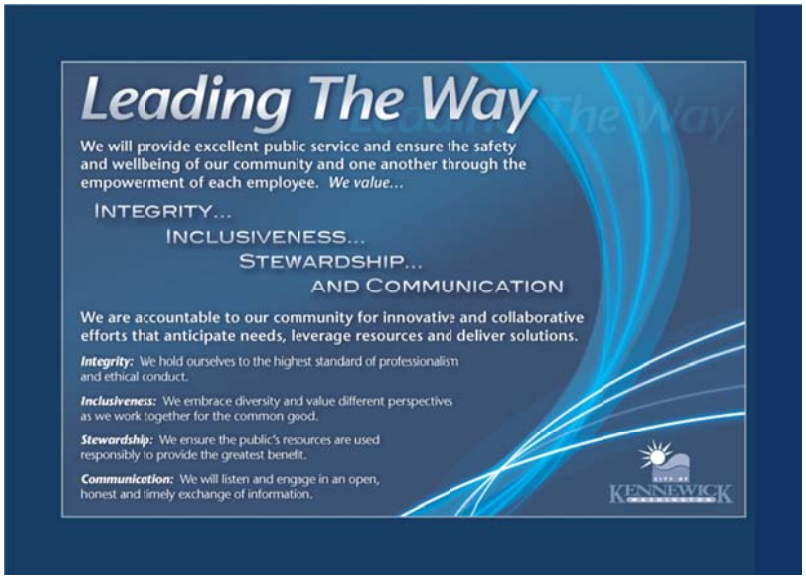
Council Priority: Responsible Government

- ***Strategic Staffing Model –***
  - ✓ Implement IT Strategic Plan
  - ✓ Public Records and Customer Service staffing

Council Priority: Quality of Life

- ***Partnerships & Strategic Planning –***
  - ✓ Library, Columbia Park Golf Links and Recreation Programs
  - ✓ 10 Year Comp Plan Update
  - ✓ Development Process Review

Leading the Way



Division Staffing	2013 Actual	2014 Actual	2015 Adopted	2016 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 Year Accomplishments

- Developed this biennial budget that provided sustainable operating and capital programs for the biennium and into the future, using the budgeting by priorities model established by Council.
- Established strategic work programs for Council workshops, Council committees, and our Boards and Commissions that are aligned with Council's strategic goals and objectives.
- Worked with the Blue Ribbon Committee to bring an implementation plan forward to Council that provides a sustainable capital program into the future.
- Worked with the Carousel Committee to complete the carousel with no additional taxpayer dollars and successful grand opening in October.
- Worked with the Port of Kennewick on the Columbia Drive partnership where the City will be completing Duffy's Pond, Streetscape and Wine Effluent treatment.
- Purchased land for station #5 and completed the design manual in partnership with the City of Richland.
- Worked in partnership with Benton and Franklin Counties, the Cities of Pasco and Richland to complete phase I and II evaluation of a Regional Dispatch system.
- Implementation of capital projects:
  - ✓ Olympia Street reconstruction
  - ✓ Columbia Center Blvd. Safety
  - ✓ Steptoe/Hildebrand construction
  - ✓ Zone 4 Reservoir
  - ✓ Zone 6 Booster Station
  - ✓ Beech Street Sewer Interceptor
- Provided updates to Council on Department accomplishments and other key information.
- Provided updates to the organization on implementation of Council's goals and priorities.

REVENUES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
General Governmental	**$ 528,519**	**$ 646,900**	**$ 654,400**	**$ 719,794**
Current Funding Sources	**$ 528,519**	**$ 646,900**	**$ 654,400**	**$ 719,794**

EXPENDITURES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
Salaries	$ 418,261	$ 475,500	$ 475,500	$ 536,105
Overtime	-	200	200	200
Benefits	89,975	149,000	149,000	160,869
Salaries & Benefits	**508,236**	**624,700**	**624,700**	**697,174**
Supplies	7,731	6,550	8,550	6,350
Contractual Services	-	-	5,500	-
Travel & Training	8,064	11,500	11,500	11,000
Dues & Subscriptions	4,253	3,900	3,900	4,670
Other Services & Charges	235	250	250	600
Supplies & Services	**20,283**	**22,200**	**29,700**	**22,620**
Total Expenditures	**$ 528,519**	**$ 646,900**	**$ 654,400**	**$ 719,794**
Expenditures by Fund				
General Fund	$ 528,519	$ 646,900	$ 646,900	$ 719,794
Total Expenditures by Fund	**$ 528,519**	**$ 646,900**	**$ 654,400**	**$ 719,794**

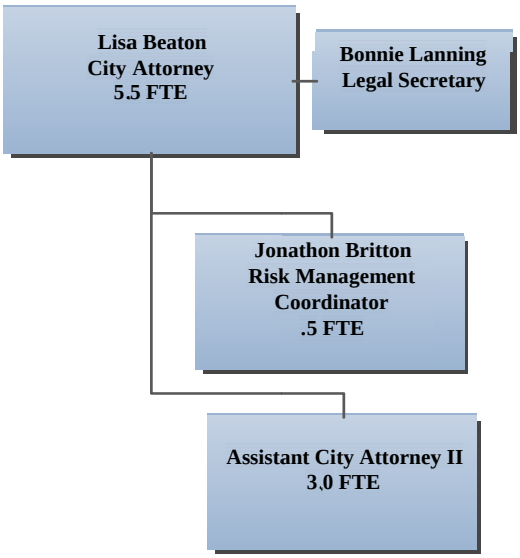
DETAIL BUDGET

Southridge local revitalization area still growing!

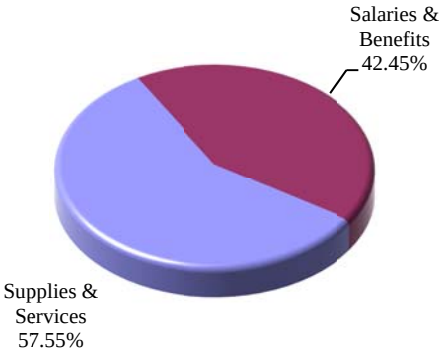
City Attorney's Office

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.



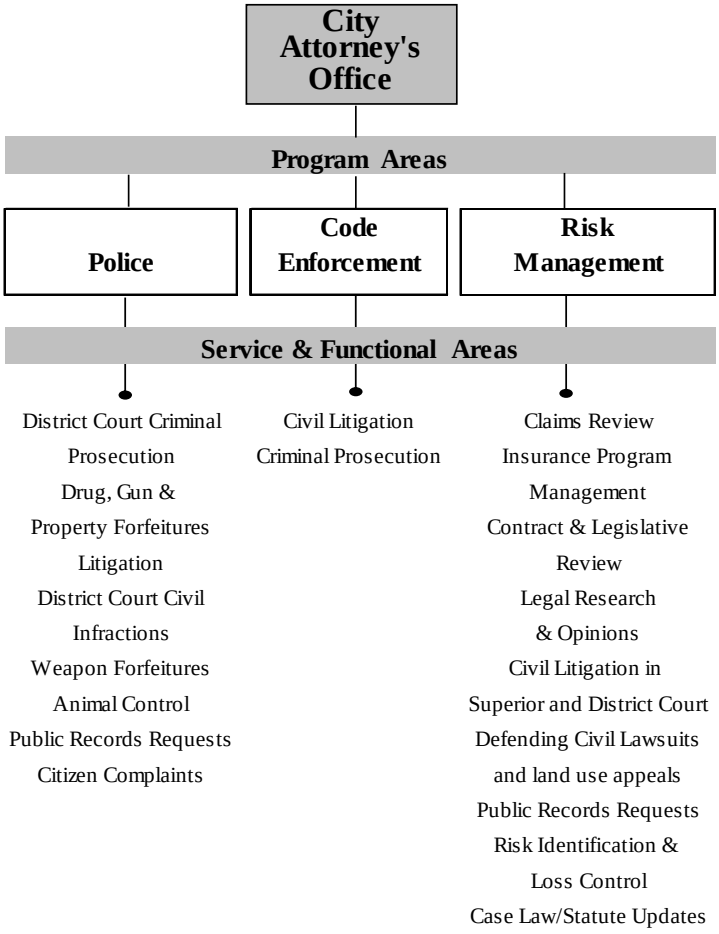
Adopted Budget



Departmental Staffing	2011-2012 Actual	2013-2014 Adopted	2013-2014 Adjusted	2015-2016 Adopted
Full-Time Equivalent	5.50	5.50	5.50	5.50
% of City's FTE's	1.58%	1.58%	1.60%	1.49%

Departmental Expenditures by Type	2011-2012 Actual	2013-2014 Adopted	2013-2014 Adjusted	2015-2016 Adopted
Salaries & Benefits	$ 1,200,294	$ 1,311,052	$ 1,311,052	$ 1,396,545
Supplies & Services	4,068,653	1,738,003	2,576,003	1,893,583
Interfund Transfers	202,421	-	39,850	-
Total Department Budget:	**$ 5,471,368**	**$ 3,049,055**	**$ 3,926,905**	**$ 3,290,128**

Funding Sources	2011-2012 Actual	2013-2014 Adopted	2013-2014 Adjusted	2015-2016 Adopted
General Fund	$ 1,264,807	$ 1,362,089	$ 1,362,089	$ 1,472,057
Risk Management Fund	4,206,561	1,686,966	2,564,816	1,818,071
Total Sources:	**$ 5,471,368**	**$ 3,049,055**	**$ 3,926,905**	**$ 3,290,128**



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 with the same staffing level since 2000. On average 4,000 criminal cases are filed in District Court per year; of those filed cases approximately 2,500-2,800 cases per year are handled by two 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.

2015/2016 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.
- Work with retained counsel to resolve major litigation and implement lessons learned in the form of code revisions and/or training.

Council Priority: Quality of Life – Community Planning

- Work with planning staff to implement Bridge to Bridge subarea plan.
- Work with staff to implement Columbia Gardens project through the Interlocal Agreement with the Port of Kennewick.

Prior Year Accomplishments

- Adopted provisions in Nuisance Code to address boarded up buildings, the appeal process, and provide additional method to collect the administrative fee imposed by Kennewick Improvement Board.
- Worked with planning staff to address zoning code density standards and change of zone criteria.
- Worked with Parks and Facilities Department to facilitate completion of the Carousel project.
- Completed internal review and update of all jury instructions for criminal cases.
- Worked with code enforcement team to resolve major life safety code enforcement issues involving a local mobile home park.
- Transitioned to the WCIA risk pool and successfully met the requirements of the compact agreement and audit.

Performance Measures

Program / Service Outputs

	2012 Actual	2013 Actual	2014 Estimated	2015 Projected	2016 Projected
Number of criminal cases prosecuted	4,129	3,835	4,020	4,030	4,040
Number of written legal opinions provided	352	358	370	380	390
Number of cases reviewed for charges	803	837	870	900	930
Number of claims received	43	43	37	36	35
Number of claims represented by Counsel	4	4	4	4	4
Number of third party damage billings	61	32	62	62	64

Program / Service Efficiency Measures

	2012 Actual	2013 Actual	2014 Estimated	2015 Projected	2016 Projected
Average time spent per criminal case	1 hour	1 hour	1 hour	1 hour	1 hour
Cost per written opinion provided	$89.02	$ 91.69	$ 84.66	$88.05	$ 91.57
Average time spent per case reviewed	10 minutes	10 minutes	10 minutes	10 minutes	10 minutes
Paid claims less than annual aggregate stop loss	Yes	Yes	N/A	N/A	N/A
Reduction in number of claims submitted	-10%	0%	25%	3%	3%
Percentage of third party billings resolved	87%	88%	95%	95%	95%

Program / Service Quality

	2012 Actual	2013 Actual	2014 Estimated	2015 Projected	2016 Projected
Average revenue per case	$ -	$ -	$ -	$ -	$ -
Elapsed time from request to opinion	2 days	2 days	2 days	2 days	2 days
Percentage non-litigated claims resolved 30 days	67%	13%	75%	75%	75%
Percentage non-litigated claims resolved 60 days	77%	41%	85%	85%	85%
Percentage resolved without litigation	91%	89%	92%	92%	92%

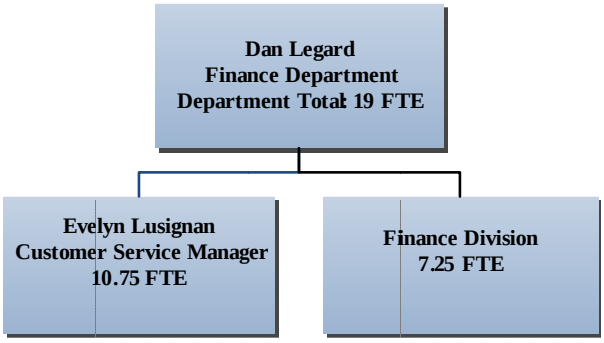
Department Staffing

	2013 Actual	2014 Actual	2015 Adopted	2016 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	1.00	1.00	1.00
LEGAL SECRETARY	1.00	1.00	1.00	1.00
DOCKET CLERK	1.00	1.00	1.00	1.00
RISK MANAGEMENT COORDINATOR	0.50	0.50	0.50	0.50
TOTAL FULL-TIME STAFF:	5.50	5.50	5.50	5.50
LEGAL INTERN	0.25	0.25	0.25	0.25
TOTAL PART-TIME STAFF:	0.25	0.25	0.25	0.25
TOTAL DEPARTMENT FTE'S:	**5.75**	**5.75**	**5.75**	**5.75**

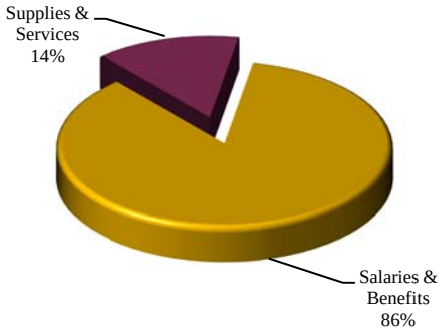
REVENUES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
General Governmental	**$ 1,076,343**	**$ 1,227,936**	**$ 1,227,936**	**$ 1,331,411**
Risk Management Services	519,993	588,318	588,318	533,720
Charges for Services	**519,993**	**588,318**	**588,318**	**533,720**
Insurance Recoveries/Settlements	395,952	86,000	587,000	130,000
Interest/Miscellaneous	(65)	500	500	2,000
Miscellaneous Revenue	**395,887**	**86,500**	**587,500**	**132,000**
General Fund	1,725,000	1,000,000	1,525,000	1,100,000
Capital Improvement Fund	1,495,150	-	-	-
Solid Waste Fund	325,000	-	-	-
Interfund Transfers	**3,545,150**	**1,000,000**	**1,525,000**	**1,100,000**
Total Revenues	**$ 5,537,373**	**$ 2,902,754**	**$ 3,928,754**	**$ 3,097,131**
Risk Management Fund	(66,005)	146,301	(1,849)	192,997
Decrease (Increase) to Fund Balance	**(66,005)**	**146,301**	**(1,849)**	**192,997**
Current Funding Sources	**$ 5,471,368**	**$ 3,049,055**	**$ 3,926,905**	**$ 3,290,128**

EXPENDITURES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
Salaries	$ 869,193	$ 942,484	$ 942,484	$ 1,014,130
Part-Time Wages	20,271	18,000	18,000	22,000
Benefits	310,830	350,568	350,568	360,415
Salaries & Benefits	**1,200,294**	**1,311,052**	**1,311,052**	**1,396,545**
Supplies	5,880	9,700	9,700	10,700
Contractual Services	144,248	140,100	140,100	163,700
Payments to Claimants	186,662	200,000	200,000	200,000
Travel & Training	8,757	12,550	12,550	13,250
Insurance Premiums	919,494	1,038,200	1,038,200	1,364,900
Self-Insured Retention Payments	2,794,611	325,000	1,163,000	130,000
Other Services & Charges	9,002	12,453	12,453	11,033
Supplies & Services	**4,068,653**	**1,738,003**	**2,576,003**	**1,893,583**
Equipment Rental Fund	202,421	-	39,850	-
Interfund Transfers	**202,421**	**-**	**39,850**	**-**
Total Expenditures	**$ 5,471,368**	**$ 3,049,055**	**$ 3,926,905**	**$ 3,290,128**
Expenditures by Fund				
General Fund	$ 1,264,807	$ 1,362,089	$ 1,362,089	$ 1,472,057
Risk Management Fund	4,206,561	1,686,966	2,564,816	1,818,071
Total Expenditures by Fund	**$ 5,471,368**	**$ 3,049,055**	**$ 3,926,905**	**$ 3,290,128**

DETAIL BUDGET



Adopted Budget



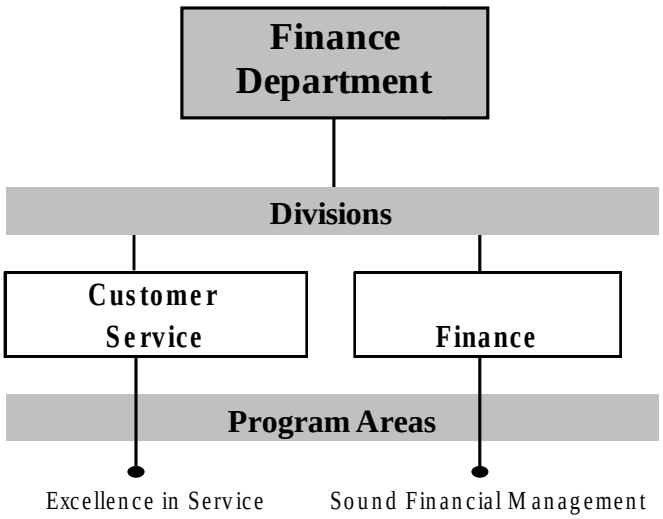
Division Expenditures	2011-2012 Actual	2013-2014 Adopted	2013-2014 Adjusted	2015-2016 Adopted
Finance	$ 1,687,309	$ 2,014,573	$ 2,047,573	$ 2,143,271
Customer Service	1,658,516	1,815,155	1,820,795	2,065,593
Total:	**$ 3,345,825**	**$ 3,829,728**	**$ 3,868,368**	**$ 4,208,864**
Funding Sources	**2011-2012 Actual**	**2013-2014 Adopted**	**2013-2014 Adjusted**	**2015-2016 Adopted**
General Fund	$ 3,204,035	$ 3,607,713	$ 3,646,353	$ 3,347,748
Medical Services Fund	141,790	222,015	222,015	212,023
Water/Sewer Fund *	-	-	-	649,093
Total Sources:	**$ 3,345,825**	**$ 3,829,728**	**$ 3,868,368**	**$ 4,208,864**

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

Finance Department

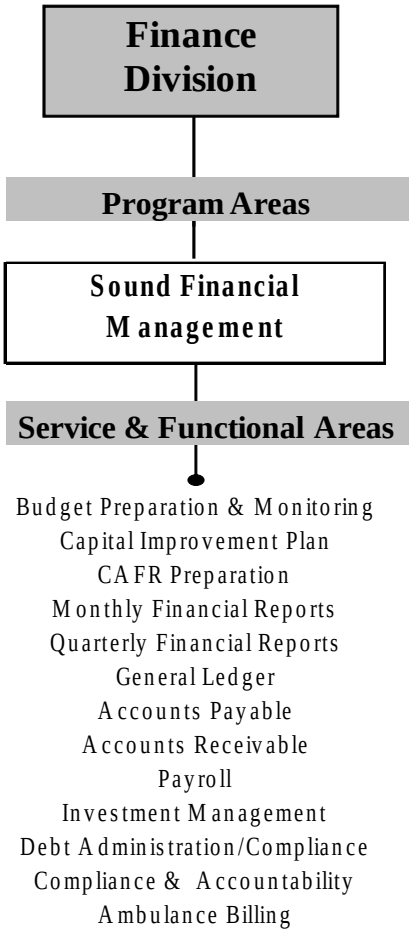
Mission

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	2011-2012 Actual	2013-2014 Adopted	2013-2014 Adjusted	2015-2016 Adopted
Full-time Equivalent (FTE)	18.75	18.00	18.50	19.00
% of City's FTE's	5.45%	5.20%	5.28%	5.16%

Departmental Expenditures by Type	2011-2012 Actual	2013-2014 Adopted	2013-2014 Adjusted	2015-2016 Adopted
Salaries & Benefits	$ 2,921,316	$ 3,313,496	$ 3,313,496	$ 3,612,475
Supplies & Services	424,509	516,232	554,872	596,389
Total Department Budget:	**$ 3,345,825**	**$ 3,829,728**	**$ 3,868,368**	**$ 4,208,864**



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.

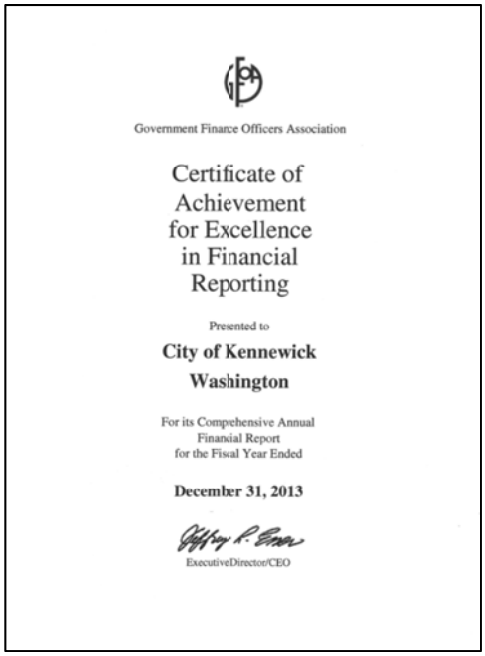
Highlights / Changes

During the 2013/2014 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.

2015/16 Goals and Objectives

- Implement a new Criminal Justice Sales Tax Fund to segregate and account separately for the City's portion of the proceeds from a three-tenths of one percent (0.3%) sales tax approved by voters in Benton County to enhance public safety programs.
- Complete the financing required to construct a new fire station at 10th & Kellogg.
- Complete an actuarial study of City's future medical and long-term care costs for its LEOFF 1 and Fire Pension Act retirees to determine if the City's 6.5% water and sewer utility tax dedicated towards these costs can be reduced.
- Working in partnership with Public Works, complete an updated rate study for the City's water and sewer utility.
- Working with Parks & Recreation, work to reduce the City's operating contribution for the Columbia Park Golf Links by half.
- Provide support in developing a potential strategy for the implementation of a Transportation Benefit District and/or Infrastructure Development Charge.
- Implement Governmental Accounting Standards Board (GASB) Statement #68, *Accounting and Financial Reporting for Pensions* for the City's 2015 comprehensive annual financial report (CAFR).
- Work with the Information Technology (IT) division to develop a timeline for replacement of the City's Eden ERP system in 2017 as outlined in the IT Master Plan.

Division Staffing	2013 Actual	2014 Actual	2015 Adopted	2016 Adopted
FINANCE EXECUTIVE 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	0.50	0.50	0.50	0.50
TOTAL DIVISION FTE'S:	**8.15**	**8.15**	**8.15**	**8.15**



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Kennewick
Washington

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

December 31, 2013

Executive Director/CEO

Prior Year Accomplishments

- Attained Government Finance Officer Association's (GFOA) Certificate of Excellence in Financial Reporting for the 29th consecutive year for the City's 2013 Comprehensive Annual Financial Report (CAFR).
- Attained the GFOA Distinguished Budget Presentation Award for the 14th consecutive time for the City's 2013/ 2014 Budget Document.
- Attained the GFOA Award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR) for the 7th consecutive year. The PAFR is a simplified, easier to read version of the City's CAFR.
- Received notification from Standard & Poor's rating agency of an upgrade to the City's bond rating for its limited tax general obligation bonds from A+ to AA in March of 2014.
- Completed implementation of Governmental Accounting Standards Board (GASB) statement No. 65 *Items Previously Reported as Assets and Liabilities*.
- Worked with the Kennewick Public Facilities District (KPFD) to refinance $3.615 million of its remaining 2003 bonds at a present value savings of $250,000.
- Completed an in-house cost of service study for the City's ambulance utility and recommended modifications to the monthly household ambulance availability charge that were implemented in conjunction with the adoption of the 2015/2016 biennial budget.
- Working in partnership with Public Works and Community Planning, developed and implemented a recommendation for an update to the City's planning and land use and engineering civil inspection fee schedules.

City Council's Priority Area(s)

- Responsible Government

Performance Measures

Program / Service Outputs

	2012 Actual	2013 Actual	2014 Estimated	2015 Projected	2016 Projected
Number of payroll disbursements processed	10,072	10,626	10,626	10,922	10,800
Number of AP invoices processed	15,828	15,556	14,700	15,000	15,500
Average Investment Porfolio	$ 34,000,000	$ 30,300,000	$ 29,300,000	$ 30,000,000	$ 30,000,000
Number of accounting funds maintained	28	28	28	29	29
Total dollars appropriated (adjusted biennial)	$ 270,792,615	$ -	$ 235,000,000	$ -	$ 242,050,000

Program / Service Efficiency Measures

	2012 Actual	2013 Actual	2014 Estimated	2015 Projected	2016 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	89.40%	89.20%	90.00%	90.00%	90.00%
Direct personnel cost per AP invoice	$ 5.15	$ 5.15	$ 5.15	$ 5.15	$ 5.15

Program / Service Quality

	2012 Actual	2013 Actual	2014 Estimated	2015 Projected	2016 Projected
Number of years/bienniums GFOA distinguished budget award received since 1991	-	14	-	15	-
Number of consecutive years GFOA award for excellence in financial reporting received	27	28	29	30	31
Number of audit findings	-	1	-	-	-

GOVERNMENT FINANCE OFFICERS ASSOCIATION

Distinguished Budget Presentation Award

PRESENTED TO

City of Kennewick
Washington

For the Biennium Beginning

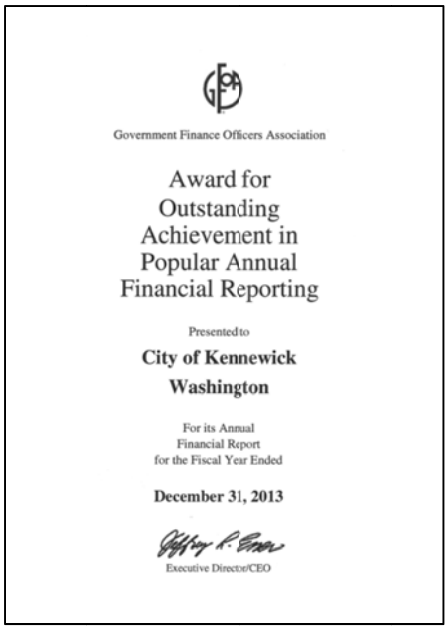
January 1, 2013

Executive Director

REVENUES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
General Governmental	**$ 1,687,309**	**$ 2,014,573**	**$ 2,047,573**	**$ 2,143,271**
Current Funding Sources	**$ 1,687,309**	**$ 2,014,573**	**$ 2,047,573**	**$ 2,143,271**

EXPENDITURES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
Salaries	$ 1,228,712	$ 1,396,012	$ 1,396,012	$ 1,498,186
Overtime	633	-	-	-
Benefits	404,539	510,936	510,936	538,435
Salaries & Benefits	**1,633,884**	**1,906,948**	**1,906,948**	**2,036,621**
Supplies	12,615	24,650	24,650	16,540
Contractual Services	25,402	62,615	95,615	64,800
Postage	6,583	6,800	6,800	6,900
Travel & Training	4,901	9,100	9,100	9,200
Other Services & Charges	3,924	4,460	4,460	9,210
Supplies & Services	**53,425**	**107,625**	**140,625**	**106,650**
Total Expenditures	**$ 1,687,309**	**$ 2,014,573**	**$ 2,047,573**	**$ 2,143,271**
Expenditures by Fund				
General Fund	$ 1,545,519	$ 1,792,558	$ 1,825,558	$ 1,931,248
Medical Services Fund	141,790	222,015	222,015	212,023
Total Expenditures by Fund	**$ 1,687,309**	**$ 2,014,573**	**$ 2,047,573**	**$ 2,143,271**

DETAIL BUDGET


Government Finance Officers Association

Award for Outstanding Achievement in Popular Annual Financial Reporting

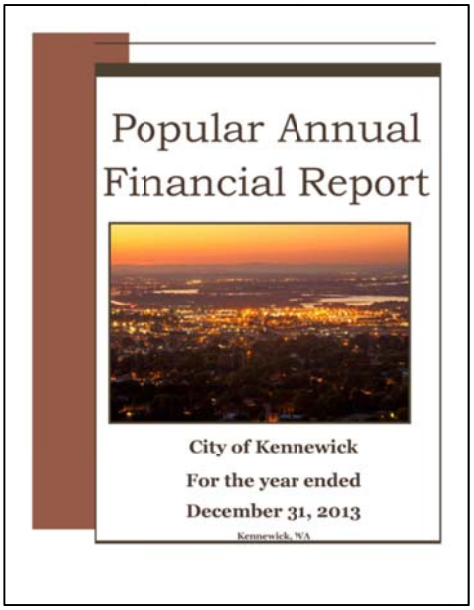
Presented to

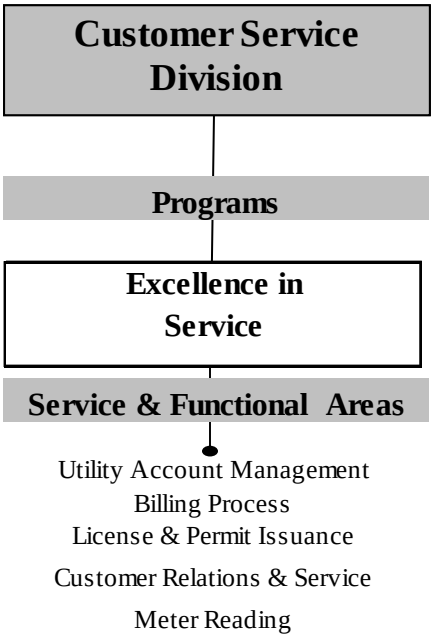
City of Kennewick
Washington

For its Annual Financial Report for the Fiscal Year Ended

December 31, 2013

Executive Director/CEO





Division Purpose / Description

The Customer Service Division provides centralized cash receipting of all City revenues, billing for the water/sewer utility, business licensing, switchboard, 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.
- Increase use of technology for customer information through on-line services, City Hall kiosk access, and automated meter reading efforts.
- 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 evaluate service and licensing fees. Also continue to increase efforts in contacting unlicensed businesses and ensure proper reporting of sales tax data to the City of Kennewick.

Highlights / Changes

The strength of the Public Relations program grew over the past biennium as more of the Customer Service Manager's position was dedicated to outreach and messaging.

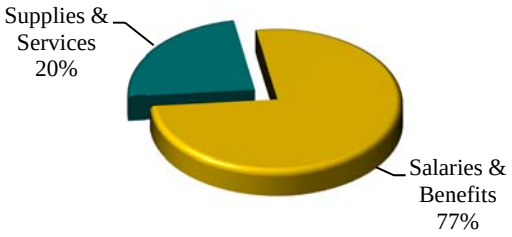
Staff emphasis was placed on continuing a comprehensive Customer Service Program that provides for flexibility and areas of enhanced service delivery. Additionally, the division implemented new processes to utilize existing technology for increased efficiency.

There was staff turnover in 2014 and a transition of responsibility between positions for primary code enforcement administrative support. This required substantial cross-training efforts throughout the year to meet necessary proficiency while still meeting expectations for the multiple services delivered at the One Stop area.

2015/2016 Goals and Objectives

- Finalize transition of City business licensing over to Department of Revenue and communicate with our business community on the changes.
- Ongoing development of public relations and messaging through press releases, printed materials, weekly KONA radio interview scheduling, and coordinating communication for public outreach events.
- Complete the process review of the code enforcement function with the goal of evaluating alignment of program to achieve Council's objectives and priorities.
- Expand social media outreach to enhance public relations outreach efforts.
- In coordination with Public Works, hire an additional FTE to support meter reading and other Public Works maintenance.
- Work with Fire Department on outreach and messaging for implementation of Fire Inspection Program.
- 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.
- Continue city-wide customer service and public relations training.
- Implement automated solution for processing credit card payments via the telephone.

2015/2016 Expenditures



Division Staffing

	2013 Actual	2014 Actual	2015 Adopted	2016 Adopted
FINANCE EXECUTIVE DIRECTOR	0.10	0.10	0.10	0.10
CUSTOMER SERVICE & PR MANAGER	1.00	1.00	1.00	1.00
CUSTOMER SERVICE SUPERVISOR	1.00	1.00	1.00	1.00
METER READER	3.00	3.00	3.50	3.50
CUSTOMER CARE REPRESENTATIVE	4.50	4.50	4.50	4.50
OFFICE SPECIALIST	0.75	0.75	0.75	0.75
TOTAL DIVISION FTE'S:	**10.35**	**10.35**	**10.85**	**10.85**

2015/2016 Goals and Objectives Cont'd

- Coordinate with Public Works on expanded implementation of Automated Reading (AMR) technology.
- Further promote electronic billing with the goal of increasing the number of customers who receive their utility billing statements via e-mail.
- Work with Public Works to test the viability of Data Logging using MVRS and ERT data to monitor commercial accounts.

Prior Year Accomplishments

- Expanded public outreach efforts in working with local media, coordinating information with the City's lobbyist, preparing information for publication through AWC, messaging information to Council, and assisting departments with reviewing external messaging.
- Signed partnership contract with the Department of Revenue to implement one-stop state and local business licensing administered by the DOR. Completed first phase of implementation preparation.
- Continued to promote the City's web based utility account access and bill pay option. By the end of 2014, nearly half of all utility payments were received electronically.
- Continued to promote the City's web based license renewal process. Nearly 1,500 customers renewed on-line in 2014.
- Evaluated new software to assist with streamlining code enforcement efforts. Also initiated code enforcement process review to ultimately free up resources to support proactive council priorities.
- Implemented automated notification system utilizing Hansen for customers who have fire hydrant meters to automatically receive e-mails to report their meter readings to the City.
- Continued to evaluate One-Stop delivery of services and realign resources to best serve our customers and meet the demands of our service environment.
- Assisted with City-wide telephone system upgrade. Provided lead support on the customer service deliverables.

City Council's Priority Area(s)

- Excellence in Service

Performance Measures

Program / Service Outputs

	2012 Actual	2013 Actual	2014 Estimated	2015 Projected	2016 Projected
Number of licenses & permits issued	4,657	4,695	4,742	4,789	4,837
Number of utility bills processed	135,383	137,076	139,132	141,219	143,337
Number of meters read	136,386	138,300	140,375	142,480	144,617
Number of service orders processed	1,404	1,241	1,400	1,421	1,442

Program / Service Efficiency Measures

	2012 Actual	2013 Actual	2014 Estimated	2015 Projected	2016 Projected
Cost per license/permit issued	51.10	55.65	56.21	58.56	59.15
Number of accounts per FTE	5,787	5,866	5,954	6,044	6,134
Cost per account maintained	15.42	16.70	16.79	17.40	17.49
Cost per meter reading	1.51	1.52	1.52	1.92	1.93
Cost per service order	17.28	19.77	17.88	22.61	22.73

Program / Service Quality

	2012 Actual	2013 Actual	2014 Estimated	2015 Projected	2016 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	97%	96%	94%	96%	98%
Meters read accurately	99%	99%	99%	99%	99%
Service orders completed on time	99%	99%	99%	99%	99%

One Stop Customer Service

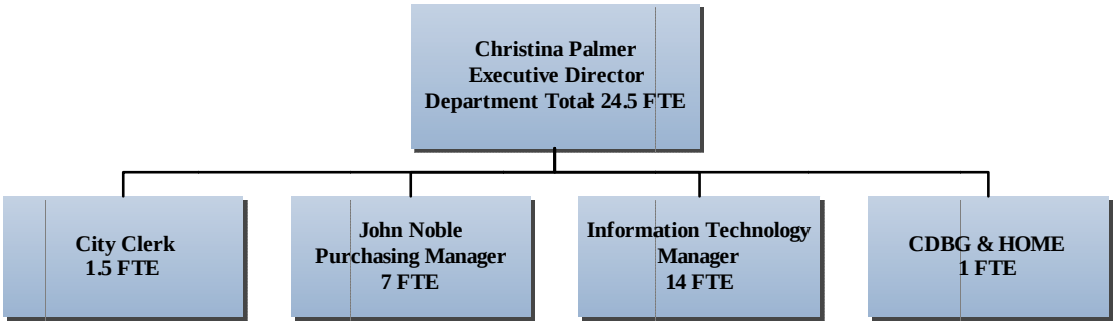
REVENUES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
General Governmental	**$ 1,177,979**	**$ 1,291,801**	**$ 1,325,160**	**$ 2,065,593**
Meter Reading Overhead	480,537	523,354	495,635	-
Charges for Services	**480,537**	**523,354**	**495,635**	**-**
Current Funding Sources	**$ 1,658,516**	**$ 1,815,155**	**$ 1,820,795**	**$ 2,065,593**

EXPENDITURES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
Salaries	$ 921,166	$ 964,496	$ 964,496	$ 1,095,435
Overtime	705	2,550	2,550	2,550
Part-Time Wages	2,794	-	-	-
Benefits	362,767	439,502	439,502	477,869
Salaries & Benefits	**1,287,432**	**1,406,548**	**1,406,548**	**1,575,854**
Supplies	17,139	22,595	22,595	28,201
Contractual Services	68,028	80,200	80,200	83,826
Postage	116,883	128,000	128,000	134,400
Travel & Training	2,248	5,640	5,640	7,050
Credit Card Fees	123,412	124,740	124,740	176,000
Fleet Maintenance Charges	34,827	37,512	43,152	49,272
Other Services & Charges	8,547	9,920	9,920	10,990
Supplies & Services	**371,084**	**408,607**	**414,247**	**489,739**
Total Expenditures	**$ 1,658,516**	**$ 1,815,155**	**$ 1,820,795**	**$ 2,065,593**
Expenditures by Fund				
General Fund	$ 1,658,516	$ 1,815,155	$ 1,820,795	$ 1,416,500
Water and Sewer Fund	-	-	-	649,093
Total Expenditures by Fund	**$ 1,658,516**	**$ 1,815,155**	**$ 1,820,795**	**$ 2,065,593**

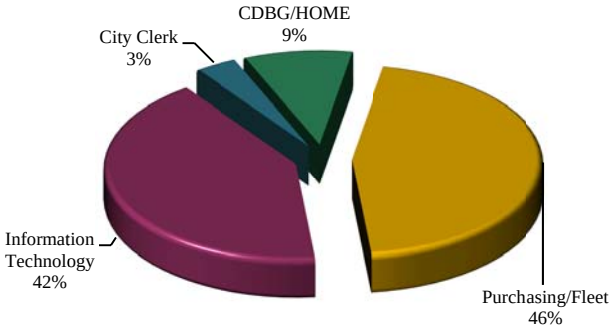
DETAIL BUDGET

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	2011-2012 Actual	2013-2014 Adopted	2013-2014 Adjusted	2015-2016 Adopted
Information Technology	$ 4,813,704	$ 5,322,550	$ 5,342,200	$ 5,608,760
Purchasing / Fleet	6,307,138	7,202,662	7,738,150	6,137,317
City Clerk	285,707	342,093	342,093	470,904
CDBG/HOME	1,882,294	1,250,000	2,551,578	1,240,000
Total:	**$ 13,288,843**	**$ 14,117,305**	**$ 15,974,021**	**$ 13,456,981**

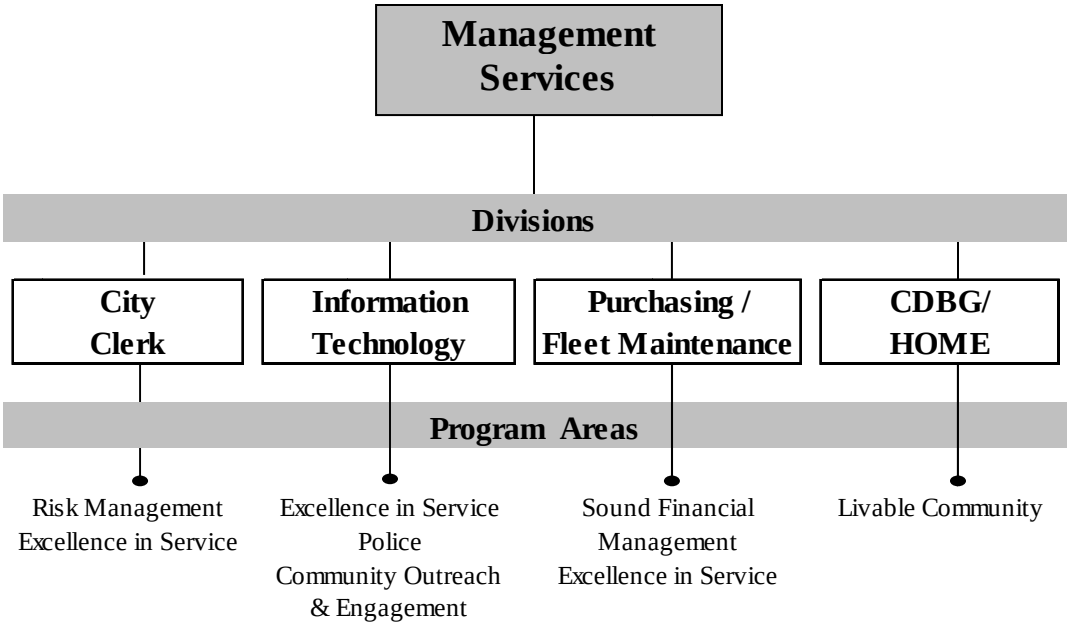
Funding Sources	2011-2012 Actual	2013-2014 Adopted	2013-2014 Adjusted	2015-2016 Adopted
General Fund	$ 5,244,644	$ 5,855,407	$ 5,875,057	$ 6,268,034
Community Development Fund	1,882,294	1,250,000	2,551,578	1,240,000
Equipment Rental Fund	5,152,392	5,908,004	6,428,492	4,740,769
Central Stores Fund	428,557	474,632	489,632	529,040
BiPIN Operations Fund	580,956	629,262	629,262	679,138
Total Sources:	**$ 13,288,843**	**$ 14,117,305**	**$ 15,974,021**	**$ 13,456,981**

Management Services Department

Mission

Our mission is to enhance the efficiency and effectiveness of City operations by providing exceptional leadership in financial, purchasing, fleet, customer service, legislative & 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.

Supporting Effectively and Responsibly with Vision and Innovation through Cooperation and Excellence



Departmental Staffing	2011-2012 Actual	2013-2014 Adopted	2013-2014 Adjusted	2015-2016 Adopted
Full-time Equivalent (FTE)	25.00	25.00	25.00	24.50
% of City's FTE's	7.27%	7.22%	7.14%	6.66%

Departmental Expenditures by Type	2011-2012 Actual	2013-2014 Adopted	2013-2014 Adjusted	2015-2016 Adopted
Salaries & Benefits	$ 5,257,771	$ 5,804,060	$ 5,804,060	$ 6,230,635
Supplies & Services	4,532,180	4,695,333	5,696,022	4,904,402
Interfund Transfers	624,377	250,000	624,850	250,000
Debt Service	19,700	523,600	511,070	536,244
Capital Outlay	2,854,815	2,844,312	3,338,019	1,535,700
Total Department Budget:	**$ 13,288,843**	**$ 14,117,305**	**$ 15,974,021**	**$ 13,456,981**

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

We have re-structured the partnership with the City of Richland to provide better alignment of our resources while continuing collaboration. We have utilized technology to enhance our services, gain efficiencies and improve communication.

2015/2016 Goals & Objectives

- Implementation of the citywide vehicle and equipment replacement program recommendations.
- Continued collaboration with Richland and other neighboring entities to maximize use of resources and opportunities for savings.
- Communication with customers to understand needs and improve service delivery, standardization, innovation and adaptability.
- Continue process reviews to identify and implement changes for efficiencies through improved workflow and optimization of resources.
- Follow safe practices to maintain a Safety First workplace.

Prior Year Accomplishments

- Revision of the Small Works Roster Process and use of technology to improve service delivery and efficiencies.
- Our fleet management software has progressed to provide enhanced customer communication and scheduling capabilities.
- Expanded the utilization of the Intranet to communicate procurement tools available to our partners.

Prior Year Accomplishments (Cont'd)

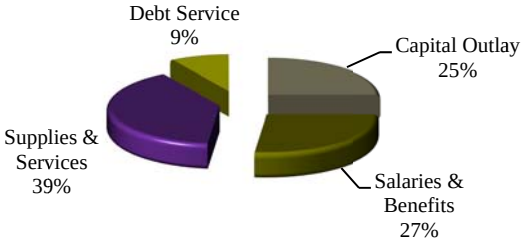
- Completion of contract scanning and tracking for improved accessibility and management of contracts and agreements.
- Implementation and management of electronic Safety Data Sheet database record system.

City Council's Priority Area(s)

- Responsible Government

Division Staffing	2013 Actual	2014 Actual	2015 Adopted	2016 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**

2015/2016 Expenditures



Performance Measures

Program / Service Outputs

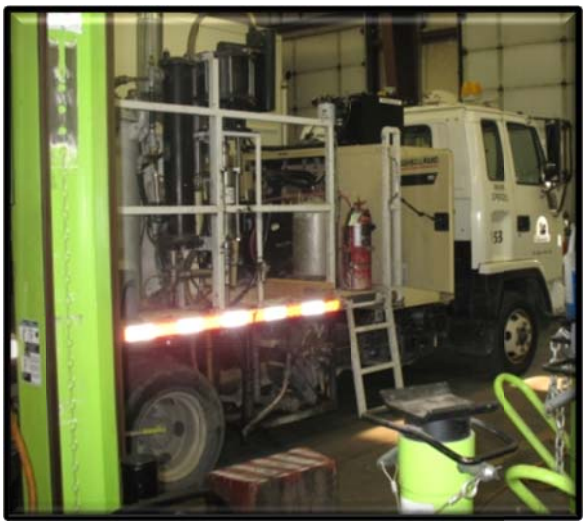
	2012 Actual	2013 Actual	2014 Estimated	2015 Projected	2016 Projected
Purchasing - No. of requisitions processed	809	883	888	850	830
Purchasing - No. of PO's Issued	745	842	784	800	750
Inventory - No. of items sold	23,439	25,218	25,500	25,000	25,000
Fleet - No. of repair tickets completed	2,917	2,928	3,133	3,200	3,200

Program / Service Efficiency Measures

	2012 Actual	2013 Actual	2014 Estimated	2015 Projected	2016 Projected
Purchasing - cost per PO issued	$ 90.71	$ 82.02	$ 86.19	$ 91.47	$ 91.47
Inventory - year end value	$ 480,702	$ 470,761	$ 475,000	$ 465,000	$ 465,000
Fleet - cost/repair ticket	$ 225	$ 212	$ 240	$ 250	$ 250

Program / Service Quality

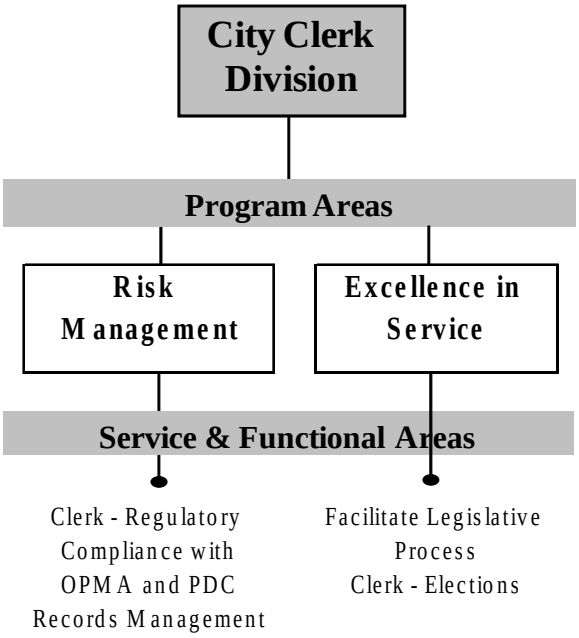
	2012 Actual	2013 Actual	2014 Estimated	2015 Projected	2016 Projected
Number of PO's under $2500	449	592	590	550	550
Inventory Number of Items	1,324	1,297	1,290	1,275	1,275
Fleet Technician productivity rate	79%	80%	81%	82%	82%



REVENUES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
General Governmental	**$ 726,190**	**$ 820,026**	**$ 820,026**	**$ 867,508**
Charges for Fleet Maintenance	3,254,752	3,549,696	3,560,726	3,742,132
Copier & Inventory Sales	365,434	479,140	494,141	485,000
Charges for Services	**3,620,186**	**4,028,836**	**4,054,867**	**4,227,132**
Miscellaneous Revenue	**92,026**	**42,500**	**66,890**	**36,200**
General Fund	20,700	-	-	-
Street Fund	-	-	9,860	-
Medical Services Fund	-	-	32,150	-
Capital Improvement Fund	1,301,704	1,310,000	1,310,000	1,711,200
Water/Sewer Fund	5,678	23,300	14,765	24,000
Asset Forfeiture Fund	107,494	36,000	54,000	36,000
Criminal Justice Sales Tax Fund	-	-	-	295,000
Stormwater Fund	229,961	-	32,800	-
Risk Management	202,420	-	39,850	-
Interfund Transfers	**1,867,957**	**1,369,300**	**1,493,425**	**2,066,200**
Proceeds from Sale of Fixed Assets	166,023	-	111,500	-
Capital Lease Proceeds	18,215	1,266,870	1,272,394	-
Other Financing Sources	**184,238**	**1,266,870**	**1,383,894**	**-**
Total Revenues	**$ 6,490,597**	**$ 7,527,532**	**$ 7,819,102**	**$ 7,197,040**
Equipment Rental Fund	(244,166)	(317,862)	(73,944)	(1,102,563)
Central Stores Fund	60,707	(7,008)	(7,008)	42,840
Decrease (Increase) to Fund Balance	**(183,459)**	**(324,870)**	**(80,952)**	**(1,059,723)**
Current Funding Sources	**$ 6,307,138**	**$ 7,202,662**	**$ 7,738,150**	**$ 6,137,317**

EXPENDITURES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
Salaries	$ 1,022,997	$ 1,038,271	$ 1,038,271	$ 1,105,571
Overtime	949	2,000	2,000	-
Part-Time Wages	-	-	-	21,600
Benefits	379,296	464,745	464,745	512,800
Salaries & Benefits	**1,403,242**	**1,505,016**	**1,505,016**	**1,639,971**
Supplies	1,815,463	1,926,010	1,928,265	1,999,365
Rentals/Leases	78,607	104,232	90,428	80,040
Travel & Training	7,456	8,600	8,600	10,400
Utility Charges	22,435	28,000	28,000	31,855
Repair & Maintenance	150,555	141,270	222,270	178,355
Admin/Financial Overhead	25,000	26,200	26,200	27,100
Fleet Maintenance Charges	66,682	72,072	72,432	73,512
Other Services & Charges	45,172	23,350	23,350	24,775
Supplies & Services	**2,211,370**	**2,329,734**	**2,399,545**	**2,425,402**
Transfer to Columbia Park Golf Course	34,300	-	-	-
Interfund Transfers	**34,300**	**-**	**-**	**-**
Debt Service	**19,700**	**523,600**	**511,070**	**536,244**
Office Machinery & Equipment	-	-	-	44,000
Transportation Equipment	2,638,526	2,844,312	3,322,519	1,491,700
Capital Outlay	**2,638,526**	**2,844,312**	**3,322,519**	**1,535,700**
Total Expenditures	**$ 6,307,138**	**$ 7,202,662**	**$ 7,738,150**	**$ 6,137,317**
Expenditures by Fund				
General Fund	$ 726,189	$ 820,026	$ 820,026	$ 867,508
Equipment Rental Fund	5,152,392	5,908,004	6,428,492	4,740,769
Central Stores Fund	428,557	474,632	489,632	529,040
Total Expenditures by Fund	**$ 6,307,138**	**$ 7,202,662**	**$ 7,738,150**	**$ 6,137,317**

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

In 2014, Terri Wright was promoted to the position of City Clerk. The City Clerk's Office continues to focus on providing excellent service to the public, City Council, and City staff through personal assistance and innovative processes to ensure the accessibility and preservation of records.

2015/2016 Goals & Objectives

- Replacement of Oracle 10g ECM system.
- Implementation of electronic workflow for the tracking of public record requests.
- Public access to City Clerk records.
- Recruitment of a Deputy City Clerk position to assist with the processing of public record requests.

Prior Year Accomplishments

- Processed approximately 740 agenda items for consideration by City Council.
- Implemented coversheet for Departments scanning records into the Contracts Application to ensure files are scanned with appropriate index values and speed up scanning time.
- Issued RFP for replacement of the Oracle 10g ECM system, which would no longer be supported.
- Provided records management training to staff in conjunction with City Attorney's office.
- Participated in the implementation of the email archiving solution.
- Continued efforts to migrate paper records into ECM system. Indexed an additional 3,000+ records.

City Council's Priority Area(s)

- Responsible Government

Performance Measures

Program / Service Outputs

	2012 Actual	2013 Actual	2014 Estimated	2015 Projected	2016 Projected
Number of agenda items processed	364	360	380	400	400
Number of public records requests	179	179	220	264	315
Number of documents indexed & stored	1,613	2,401	3,844	4,000	4,200

Program / Service Efficiency Measures

	2012 Actual	2013 Actual	2014 Estimated	2015 Projected	2016 Projected
Number of hours processing public record requests	689	1,288	1,211	1,450	1,745
Number of agenda items processed per FTE	364	360	380	400	400

Program / Service Quality

	2012 Actual	2013 Actual	2014 Estimated	2015 Projected	2016 Projected
Cost per public record request filled	$ 258.00	$ 503.00	$ 238.00	$ 250.00	$ 262.50
Percentage of documents filed within 3 days of Council Action	100%	100%	100%	100%	100%

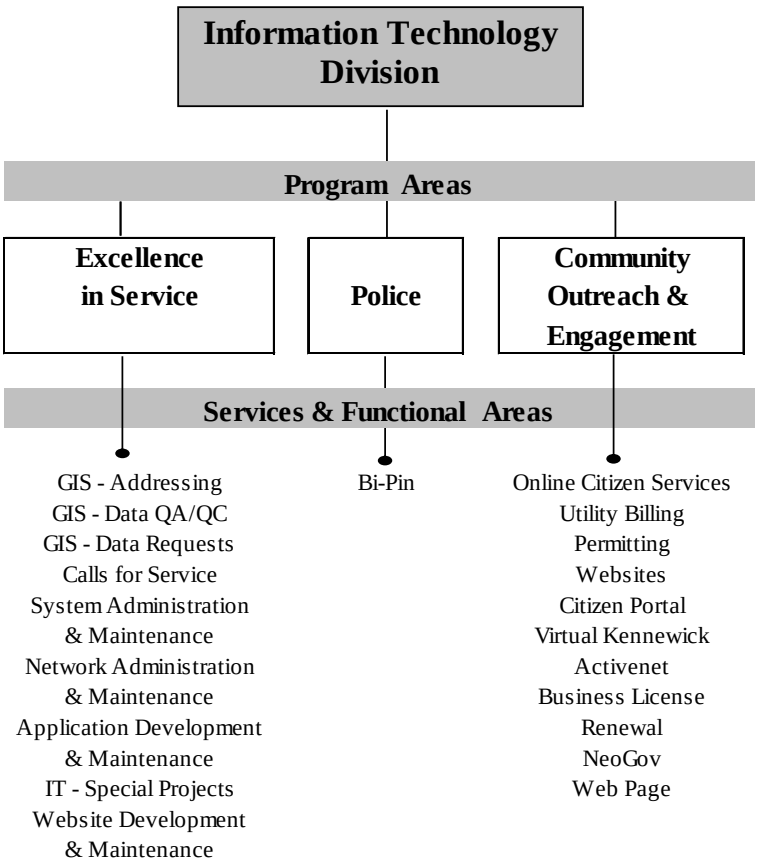
Division Staffing

	2013 Actual	2014 Actual	2015 Adopted	2016 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
TOTAL DIVISION FTE'S:	**1.33**	**1.33**	**1.83**	**1.83**

REVENUES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
General Governmental	**$ 285,707**	**$ 342,093**	**$ 342,093**	**$ 470,904**
Current Funding Sources	**$ 285,707**	**$ 342,093**	**$ 342,093**	**$ 470,904**

EXPENDITURES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
Salaries	$ 205,857	$ 232,130	$ 232,130	$ 311,920
Benefits	58,431	70,983	70,983	116,539
Salaries & Benefits	**264,288**	**303,113**	**303,113**	**428,459**
Supplies	2,718	4,120	4,120	6,530
Postage	311	750	750	750
Travel & Training	4,963	17,270	17,270	18,120
Advertising	9,127	9,000	9,000	9,500
Other Services & Charges	4,300	7,840	7,840	7,545
Supplies & Services	**21,419**	**38,980**	**38,980**	**42,445**
Total Expenditures	**$ 285,707**	**$ 342,093**	**$ 342,093**	**$ 470,904**
Expenditures by Fund				
General Fund	$ 285,707	$ 342,093	$ 342,093	$ 470,904
Total Expenditures by Fund	**$ 285,707**	**$ 342,093**	**$ 342,093**	**$ 470,904**

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 this plan involved a reorganization within the division in order to improve efficiency and overall service delivery. Additionally, in order to simplify the City's technology environment, the City standardized all workstations to the same platform and minimum set of hardware specifications.

2015/2016 Goals & Objectives

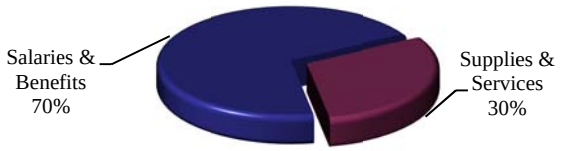
- Implementation of new ECM system.
- Core switch upgrade.
- Migration of GIS system to ESRI platform.
- Completion of a network security audit.
- Replacement of the City's website.
- File server restructuring.

Prior Year Accomplishments

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

- Replaced citywide phone system.
- Replacement of the Storage Area Network (SAN) and data domain.
- Implementation of an Email Archive solution including the citywide training of all staff.
- Replacement of 304 workstations and upgrade of all desktop and laptop devices to Windows 7.

2015/2016 Expenditures



Division Staffing	2013 Actual	2014 Actual	2015 Adopted	2016 Adopted
MANAGEMENT SERVICES DIRECTOR	0.34	0.34	0.34	0.34
PROJECT MANAGER	0.00	1.00	1.00	1.00
SOFTWARE SUPPORT SUPERVISOR	0.00	1.00	1.00	1.00
CUSTOMER SERVICE SUPERVISOR	0.00	1.00	1.00	1.00
SYSTEMS ADMINISTRATOR	0.00	2.00	2.00	2.00
DATABASE ADMINISTRATOR II	0.00	1.00	1.00	1.00
IT APPLICATION DEVELOPER/INTG	0.00	1.00	1.00	1.00
SOFTWARE SUPPORT ANALYST	0.00	1.00	1.00	1.00
GIS SOFTWARE SUPPORT ANALYST	0.00	1.00	1.00	1.00
NETWORK ADMINISTRATOR II	0.00	1.00	1.00	1.00
HELP DESK TECHNICIAN I	0.00	2.00	2.00	2.00
HELP DESK TECHNICIAN II	0.00	0.50	0.50	0.50
BIPIN ANALYST II	1.00	1.00	1.00	1.00
HELP DESK TECHNICIAN II - BIPIN	0.00	0.50	0.50	0.50
INFORMATION SERVICES MANAGER*	1.00	1.00	0.00	0.00
NETWORK SUPERVISOR*	1.00	0.00	0.00	0.00
SYSTEMS SUPERVISOR*	1.00	0.00	0.00	0.00
GIS SUPERVISOR*	1.00	0.00	0.00	0.00
IS ANALYST *	4.00	0.00	0.00	0.00
IS TECHNICIAN*	1.50	0.00	0.00	0.00
IS TECHNICIAN - BIPIN*	0.50	0.00	0.00	0.00
GIS ANALYST II*	2.00	0.00	0.00	0.00
GIS TECHNICIAN*	1.00	0.00	0.00	0.00
ENGINEERING TECHNICIAN I*	1.00	0.00	0.00	0.00
TOTAL DIVISION FTE'S:	**15.34**	**15.34**	**14.34**	**14.34**

*IT underwent a complete reorganization upon the completion of the IT strategic plan in early 2014.

Prior Year Accomplishments (Cont'd)

- Coordinated the citywide training for Windows 7 and Office 2010.
- Continued Enterprise GIS development.
- Preliminary planning for conversion to ESRI platform for GIS system.
- Continued Hansen development.

City Council's Priority Area(s)

- Community Safety
- Responsible Government

Performance Measures

Program / Service Outputs

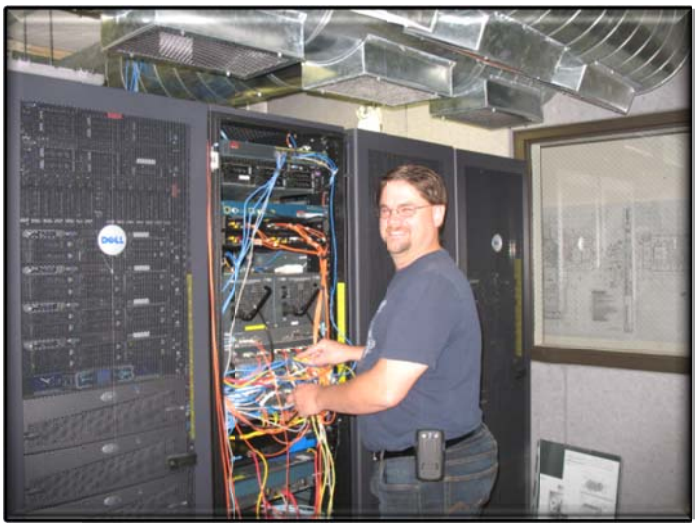
	2012 Actual	2013 Actual	2014 Estimated	2015 Projected	2016 Projected
Number of network calls for service	971	1,711	733	1,200	1,200
Number of system calls for service	2,449	5,685	3,066	4,000	4,000
Number of servers maintained	56	60	60	60	60
Number of W/S maintained	505	520	520	520	520
Number of users accessing system	410	420	420	420	420

Program / Service Efficiency Measures

	2012 Actual	2013 Actual	2014 Estimated	2015 Projected	2016 Projected
Cost per server to maintain	$24,660	$28,110	$28,908	$30,813	$30,813
Cost per W/S to maintain	$2,735	$3,243	$3,336	$3,555	$3,555

Program / Service Quality

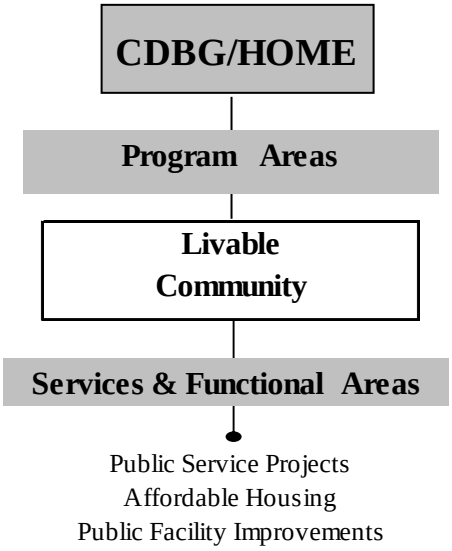
	2012 Actual	2013 Actual	2014 Estimated	2015 Projected	2016 Projected
% Up-time during business hours	98%	97%	98%	98%	98%
% unscheduled down-time	1%	2%	1%	1%	1%



REVENUES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
General Governmental	**$ 4,232,748**	**$ 4,693,288**	**$ 4,712,938**	**$ 4,929,622**
Computer Usage - BiPIN	580,956	629,262	629,262	679,138
Intergovernmental Revenue	**580,956**	**629,262**	**629,262**	**679,138**
Current Funding Sources	**$ 4,813,704**	**$ 5,322,550**	**$ 5,342,200**	**$ 5,608,760**

EXPENDITURES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
Salaries	$ 2,457,140	$ 2,656,156	$ 2,656,156	$ 2,742,897
Overtime	10,271	-	-	-
Benefits	949,626	1,102,637	1,102,637	1,168,728
Salaries & Benefits	**3,417,037**	**3,758,793**	**3,758,793**	**3,911,625**
Supplies	82,774	99,630	64,980	60,170
Contractual Services	12,765	31,350	70,270	41,350
Communications Charges	225,788	270,156	270,156	288,162
Travel & Training	56,091	78,365	78,365	107,595
Repair & Maintenance	910,581	1,030,406	1,030,406	1,123,423
Fleet Maintenance Charges	2,750	3,360	3,240	3,120
Other Services & Charges	39,471	50,490	50,490	73,315
Supplies & Services	**1,330,220**	**1,563,757**	**1,567,907**	**1,697,135**
Capital Outlay	**66,447**	**-**	**15,500**	**-**
Total Expenditures	**$ 4,813,704**	**$ 5,322,550**	**$ 5,342,200**	**$ 5,608,760**
Expenditures by Fund				
General Fund	$ 4,232,748	$ 4,693,288	$ 4,712,938	$ 4,929,622
BiPIN Operations Fund	580,956	629,262	629,262	679,138
Total Expenditures by Fund	**$ 4,813,704**	**$ 5,322,550**	**$ 5,342,200**	**$ 5,608,760**

DETAIL BUDGET



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.

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

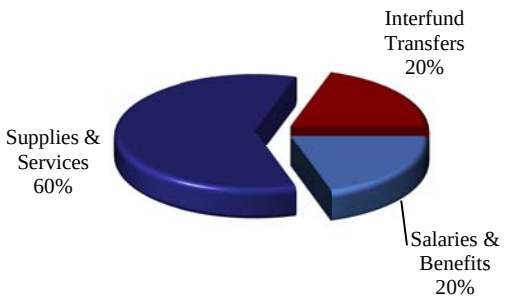
- Assist approximately 20 households per year with First Time Home Buyer DPA financing.
- Work with the Kennewick Housing Authority to address public housing needs.
- Promote the HUD designated single-family revitalization zone.
- Assist Benton Franklin Human Services with the planning efforts to help 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.

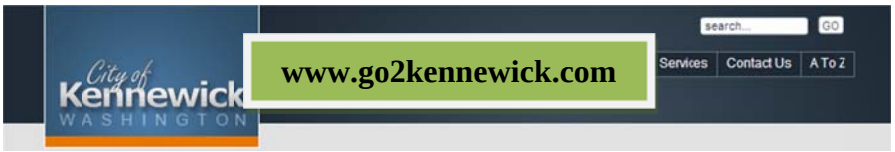
Prior Year Accomplishments

- Provided Downpayment Assistance for 47 first-time homebuyers.
- Awarded 1,112 youth scholarships to low-income residents to participate in recreation programs.

Division Staffing	2013 Actual	2014 Actual	2015 Adopted	2016 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**

2015/2016 Expenditures





CDBG funding paid for infrastructure requirements within the City's right-of-way for construction of Kennewick Perry Suites, a 14-unit complex for the developmentally disabled.

Prior Year Accomplishments (cont.)

- 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	2012 Actual	2013 Actual	2014 Estimated	2015 Projected	2016 Projected
Number of down payment assistance applications reviewed	50	19	35	40	45
Number of down payment assistance loans	43	16	31	35	37
Number of CDBG applications reviewed	8	12	7	7	8
Number of CDBG applications awarded	6	8	5	5	5
Number of recreation scholarships	453	537	575	600	625

Program / Service Efficiency Measures	2012 Actual	2013 Actual	2014 Estimated	2015 Projected	2016 Projected
Dollars expended down payment assistance	$430,000	$121,000	$310,000	$350,000	$370,000
Dollars expended CDBG program assistance	$487,150	$496,000	$539,970	$500,000	$500,000
Dollars used for recreation scholarships	$54,000	$54,000	$59,000	$62,000	$65,000

Program / Service Quality	2012 Actual	2013 Actual	2014 Estimated	2015 Projected	2016 Projected
Number of Washington state audit findings	0	0	0	0	0
Number of HUD Labor & Industry audit findings	0	0	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

HOME paid $10,000 to assist a first-time homebuyer with the down payment to purchase a house.

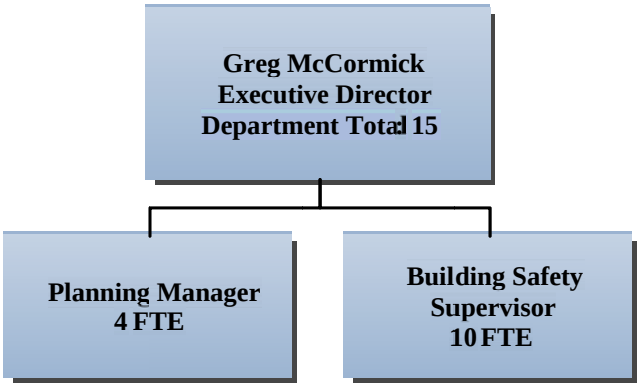
REVENUES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
CDBG Grant	$ 1,287,706	$ 1,000,000	$ 2,029,814	$ 1,000,000
HOME Grant	531,820	250,000	521,764	240,000
Intergovernmental Revenue	**1,819,526**	**1,250,000**	**2,551,578**	**1,240,000**
Interest	862	800	800	800
Miscellaneous Revenue	**862**	**800**	**800**	**800**
Total Revenues	**$ 1,820,388**	**$ 1,250,800**	**$ 2,552,378**	**$ 1,240,800**
Community Development Fund	61,906	(800)	(800)	(800)
Decrease (Increase) to Fund Balance	**61,906**	**(800)**	**(800)**	**(800)**
Current Funding Sources	**$ 1,882,294**	**$ 1,250,000**	**$ 2,551,578**	**$ 1,240,000**

EXPENDITURES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
Salaries	$ 130,614	$ 174,256	$ 174,256	$ 181,871
Benefits	42,591	62,882	62,882	68,709
Salaries & Benefits	**173,205**	**237,138**	**237,138**	**250,580**
Supplies	966	3,580	3,580	1,070
Contractual Services	52,314	77,600	77,600	55,500
Travel & Training	5,616	6,000	6,000	6,000
Advertising	2,499	4,000	4,000	4,000
CDBG Subrecipient Programs	348,596	460,002	1,082,766	69,250
HOME Programs	558,560	210,280	514,243	239,000
Other Services & Charges	620	1,400	1,401	600
Supplies & Services	**969,171**	**762,862**	**1,689,590**	**375,420**
Coliseum Fund	228,957	-	-	-
Capital Improvement Fund - Projects	361,120	250,000	624,850	614,000
Interfund Transfers	**590,077**	**250,000**	**624,850**	**614,000**
Capital Outlay	**149,841**	**-**	**-**	**-**
Total Expenditures	**$ 1,882,294**	**$ 1,250,000**	**$ 2,551,578**	**$ 1,240,000**
Expenditures by Fund				
Community Development Fund	$ 1,882,294	$ 1,250,000	$ 2,551,578	$ 1,240,000
Total Expenditures by Fund	**$ 1,882,294**	**$ 1,250,000**	**$ 2,551,578**	**$ 1,240,000**

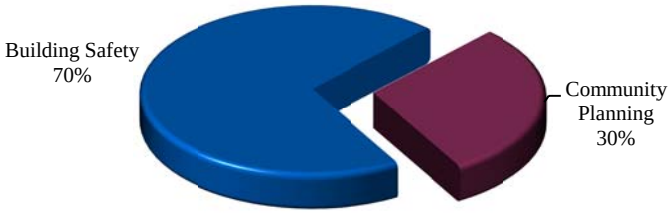
DETAIL BUDGET

"Change is inevitable. Growth is optional."

~John Maxwell~



Adopted Budget



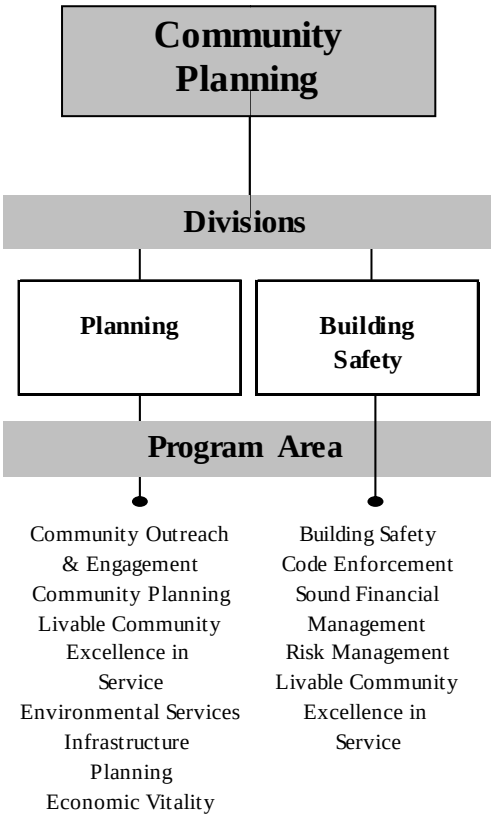
Division Expenditures	2011-2012 Actual	2013-2014 Adopted	2013-2014 Adjusted	2015-2016 Adopted
Building Safety	$2,771,001	$2,857,598	$2,971,771	$3,328,527
Community Planning	980,655	1,190,107	1,216,857	1,399,859
Total:	**$3,751,656**	**$4,047,705**	**$4,188,628**	**$4,728,386**

Funding Sources	2011-2012 Actual	2013-2014 Adopted	2013-2014 Adjusted	2015-2016 Adopted
General Fund	$1,587,975	$1,848,117	$1,887,537	$2,099,251
Building Safety Fund	2,163,681	2,199,588	2,301,091	2,629,135
Total Sources:	**$3,751,656**	**$4,047,705**	**$4,188,628**	**$4,728,386**

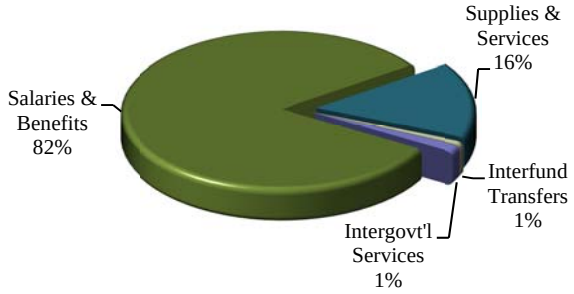
Community Planning Department

Mission

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

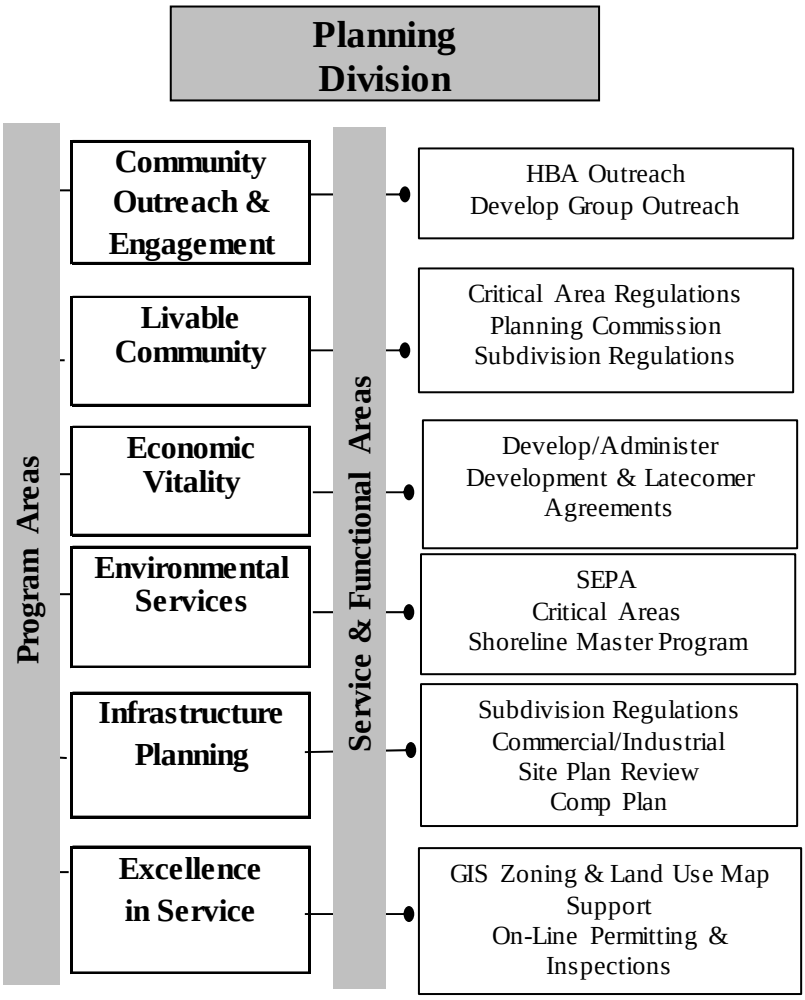


Adopted Budget



Departmental Staffing	2011-2012 Actual	2013-2014 Adopted	2013-2014 Adjusted	2015-2016 Adopted
Full-time Equivalent (FTE)	13.00	14.00	14.00	15.00
% of City's FTE's	3.78%	4.04%	4.00%	4.07%

Departmental Expenditures by Type	2011-2012 Actual	2013-2014 Adopted	2013-2014 Adjusted	2015-2016 Adopted
Salaries & Benefits	$ 2,961,780	$ 3,453,962	$ 3,453,962	$ 3,883,817
Supplies & Services	610,912	521,743	645,736	737,684
Intergovernmental Services	67,682	72,000	72,000	72,000
Interfund Transfers	111,282	-	16,930	34,885
Total Department Budget:	**$ 3,751,656**	**$ 4,047,705**	**$ 4,188,628**	**$ 4,728,386**



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.

2015/16 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**
  - Begin work on required Plan update (due mid-2017).
- **Hearing Examiner and Planning Commission**
  - The Hearing Examiner and Planning Commission process creates a fair and equitable public hearing process helping reduce liability exposure.

Council Priority: Economic Development

- Urban Growth Area Expansion
- Work with Benton County on County Wide Planning Policies update.

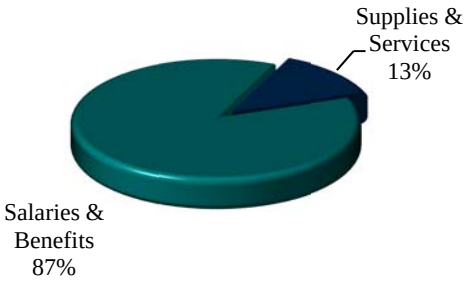
Council Priority: Infrastructure & Growth

- 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.

2015/2016 Expenditures



Division Staffing	2013 Actual	2014 Actual	2015 Adopted	2016 Adopted
PLANNING DIRECTOR	0.67	0.67	0.67	0.67
DEVELOPMENT SERVICES MANAGER	1.00	1.00	1.00	1.00
PLANNER	0.90	0.90	1.70	1.70
PLANNING TECHNICIAN	0.80	0.80	0.80	0.80
GIS TECHNICIAN	0.00	1.00	1.00	1.00
ADMINISTRATIVE ASSISTANT	0.67	0.67	0.67	0.67
TOTAL DIVISION FTE'S:	**4.04**	**5.04**	**5.84**	**5.84**

Prior Year Accomplishments

- Worked with Port of Kennewick on Columbia Gardens & Vista Field redevelopment.
- Developed City mobile app area-wide rezone north of Columbia Drive.
- Various code amendments and Title 17 and 18 updates.
- Supported City's request for urban area expansion south of I-82.
- Requested to reduce UGA on east & southeast borders of the City.
- Continued community outreach efforts – Spring & Fall Home Show Booth, and HBA/Developers meetings.
- Implemented limited OTC permit program.
- Annual Comp Plan Updates.

City Council's Priority Area(s)

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

Southridge Area - Trios

Performance Measures

Program / Service Outputs

	2012 Actual	2013 Actual	2014 Estimated	2015 Projected	2016 Projected
Zoning Code revisions	10	11	4	6	6
Maintain the GMA compliant Comprehensive Plan	1	1	1	1	1
UGA Expansion for Industrial purposes	0	0	1	0	0
Number of land use permits reviewed	268	256	285	285	285

*Planning reviews approximately 275 single-family home plot plans per year that are not included in the above land use permit numbers.

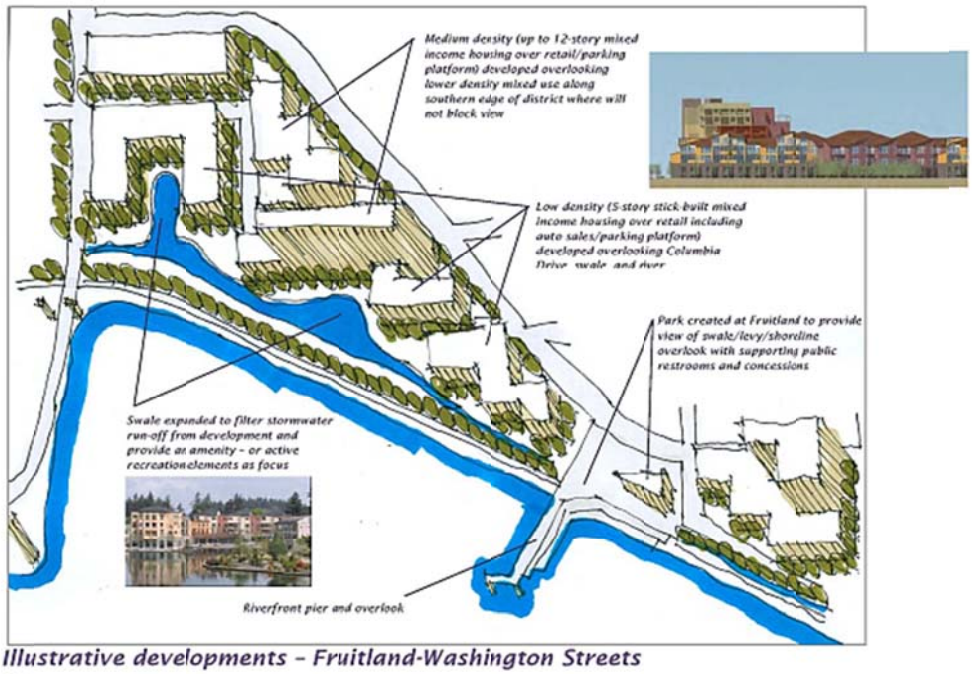
Program / Service Efficiency Measures

	2012 Actual	2013 Actual	2014 Estimated	2015 Projected	2016 Projected
UGA Expansion application	0	1	0	0	0
Comprehensive Plan updated on schedule	1	1	1	1	1
Percentage of data gathering accomplished electronically	90%	90%	90%	90%	90%

* There are not any subarea plans that are expected to be submitted for review

Program / Service Quality

	2012 Actual	2013 Actual	2014 Estimated	2015 Projected	2016 Projected
Comprehensive Plan compliance	1	1	1	1	1
Council acceptance of Planning Commission Report	1	1	1	1	1
Percentage of increase in permit processing time	8%	10%	16%	16%	16%

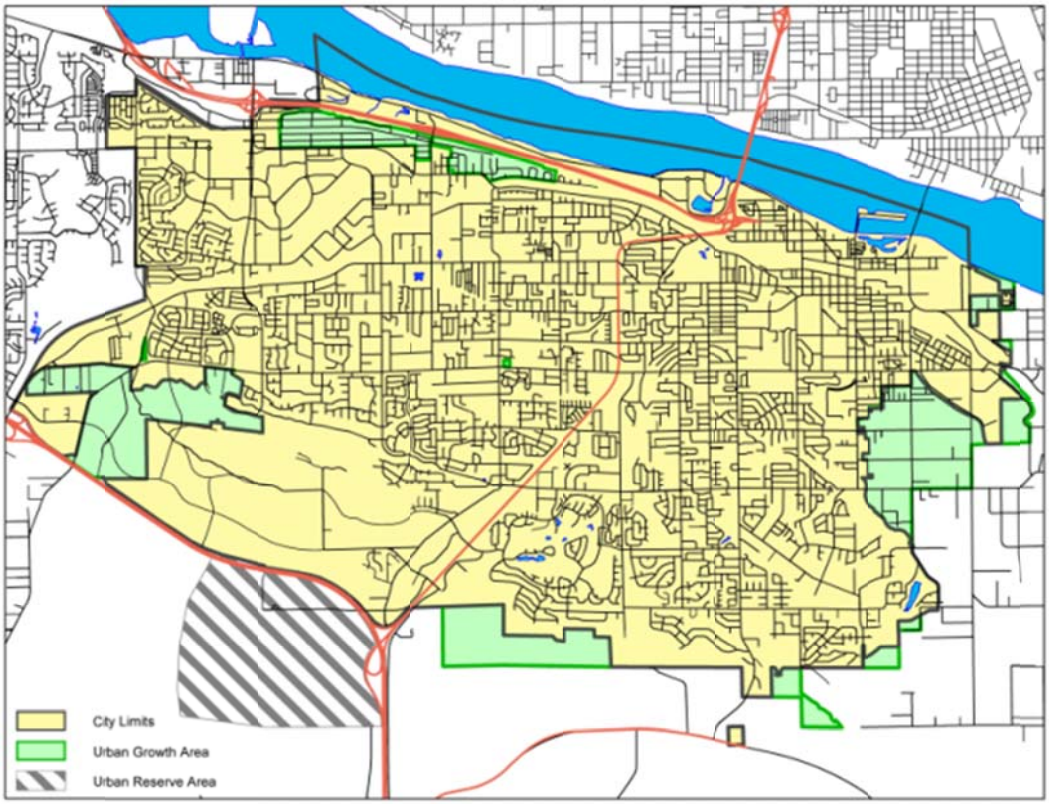


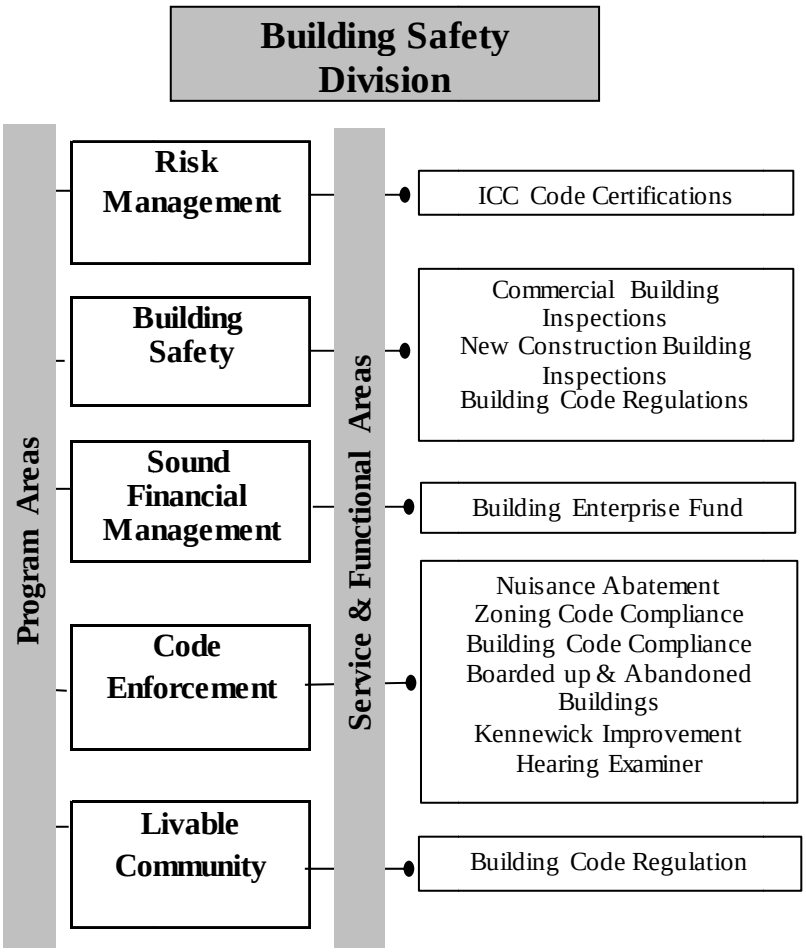
Illustrative developments – Fruitland-Washington Streets

REVENUES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
General Governmental	**$ 892,052**	**$ 1,115,007**	**$ 1,141,757**	**$ 1,166,059**
Planning Fees and Charges	88,603	75,100	75,100	233,800
Charges for Services	**88,603**	**75,100**	**75,100**	**233,800**
Current Funding Sources	**$ 980,655**	**$ 1,190,107**	**$ 1,216,857**	**$ 1,399,859**

EXPENDITURES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
Salaries	$ 569,903	$ 795,802	$ 795,802	$ 876,121
Overtime	2,811	4,000	4,000	4,000
Part-Time Wages	8,515	-	-	-
Benefits	170,821	286,735	286,735	339,448
Salaries & Benefits	**752,050**	**1,086,537**	**1,086,537**	**1,219,569**
Supplies	17,369	25,980	30,980	22,470
Contractual Services	168,381	35,000	56,750	106,750
Travel & Training	9,442	9,400	9,400	15,300
Other Services & Charges	33,413	33,190	33,190	35,770
Supplies & Services	**228,605**	**103,570**	**130,320**	**180,290**
Total Expenditures	**$ 980,655**	**$ 1,190,107**	**$ 1,216,857**	**$ 1,399,859**
Expenditures by Fund				
General Fund	$ 980,655	$ 1,190,107	$ 1,216,857	$ 1,399,859
Total Expenditures by Fund	**$ 980,655**	**$ 1,190,107**	**$ 1,216,857**	**$ 1,399,859**

DETAIL BUDGET





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.

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.

2015/2016 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 Years Accomplishments

- In 2013, there were over 13,500 inspections performed and through the end of October 2014 there have been 9,743 inspections performed by the division.
- Approximately 1,763 permits have been issued through the end of October 2014. For the 2013/2014 biennium through the end of October 2014 total of $2,373,608 in fees collected. This includes 562 new single-family dwelling permits issued for a valuation of $130,230,144 and 90 new commercial permits issued, for a valuation of $74,841,867.

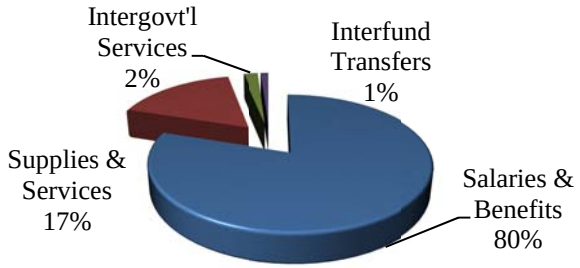
Division Broad Goals

- 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

	2013 Actual	2014 Actual	2015 Adopted	2016 Adopted
PLANNING DIRECTOR	0.33	0.33	0.33	0.33
BUILDING OFFICIAL	1.00	1.00	1.00	1.00
PLANNER	0.10	0.10	0.30	0.30
PLANS EXAMINER	1.00	1.00	1.00	1.00
BUILDING INSPECTOR II	2.00	2.00	2.00	2.00
BUILDING INSPECTOR I	1.00	1.00	1.00	1.00
CODE ENFORCEMENT OFFICER	2.00	2.00	2.00	2.00
ADMINISTRATIVE ASSISTANT	0.33	0.33	0.33	0.33
BUILDING TECHNICIAN	1.00	1.00	1.00	1.00
PLANNING TECHNICIAN	0.20	0.20	0.20	0.20
TOTAL DIVISION FTE'S:	**8.96**	**8.96**	**9.16**	**9.16**

2015/2016 Expenditures



Prior Year Accomplishments (Cont'd)

- Trios Medical Office Building
- Hampton Inn Motel
- Fieldstone Memory Care
- Great Floors
- Washington Elementary School
- Ridgeview Elementary School
- Boulder Heights Plaza
- G$ Business Center
- Toyota of Tri- Cities Used Car Office
- Southridge Towers Center
- Windsor Plywood
- LDS Church (Ridgeline Drive)
- Cross Fit Gym
- Columbia Physical Therapy
- Anderson Law
- Pittsburg Paints
- Johnson Office Building (Gage Blvd)
- Three Rivers Spring Hills Suites
- Kennewick School District remodels
- Kennewick School District Portables
- Three Rivers Carousel Foundation
- Dentistry for Kids
- Clearwater Business Complex
- Tri-Cities Orthopedic Surgery Ctr
- The Rock Restaurant
- Kadlec Urgent Care - Clearwater
- Tri-City Orthopedic Clinic
- Commercial Tire
- Silverline Electric

City Council's Priority Area(s)

- Community Safety
- Responsible Government
- Quality of Life

Performance Measures

Program / Service Outputs

	2012 Actual	2013 Actual	2014 Estimated	2015 Projected	2016 Projected
Number of permits issued	1,918	1,989	1,940	2,105	2,195
Number of inspections performed	14,607	19,565	12,400	14,500	16,000
Number of plans reviewed	1,465	1,651	1,585	1,275	1,301

Program / Service Efficiency Measures

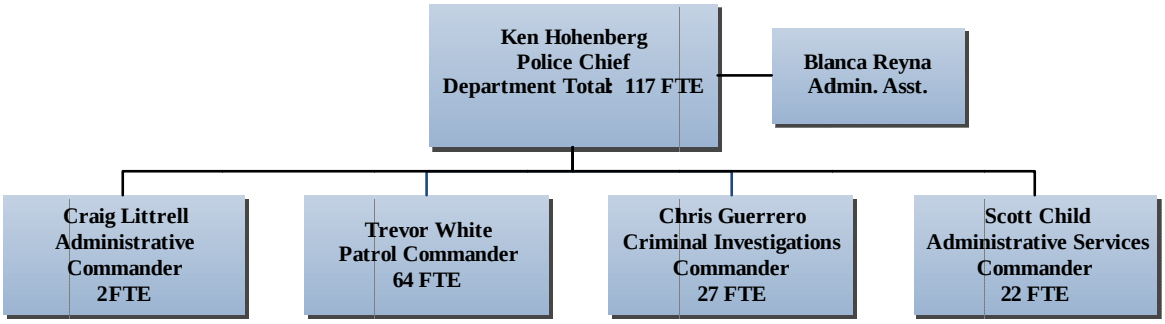
	2012 Actual	2013 Actual	2014 Estimated	2015 Projected	2016 Projected
Cost per permit issued	$ 142	$ 148	$ 150	$ 153	$ 156
Cost per inspection performed	$ 66	$ 68	$ 69	$ 70	$ 72
Cost per plan reviewed	$ 721	$ 724	$ 727	$ 730	$ 733

Program / Service Quality

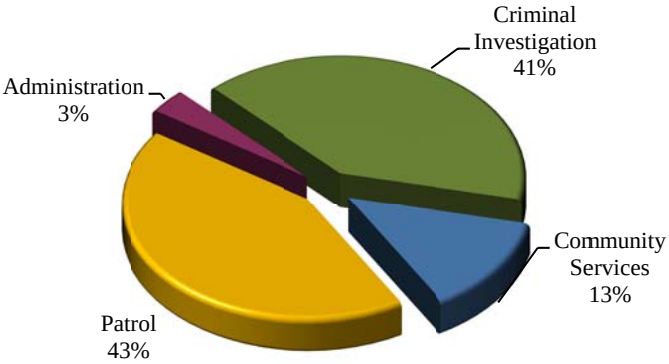
	2012 Actual	2013 Actual	2014 Estimated	2015 Projected	2016 Projected
Percentage of permit applications completed & routed within 24 hours of time of submittal	93%	91%	90%	90%	90%
Percentage of inspections completed within 24 hours of request	98%	98%	98%	99%	99%
Percentage of plan reviews completed within 5-10 days	88%	90%	85%	90%	90%
Number of cases to KIB from code enforcement	986	1,022	1,625	1,400	1,390
Number of cases heard by KIB	60	68	90	75	70

REVENUES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
General Government	**$ 567,135**	**$ 605,610**	**$ 618,280**	**$ 661,892**
Licenses & Permits	**2,742,894**	**2,320,000**	**2,320,000**	**2,485,000**
Fines & Forfeitures	**40,185**	**52,400**	**52,400**	**37,500**
Miscellaneous Revenue	**1,658**	**-**	**-**	**8,000**
Total Revenues	**$ 3,351,872**	**$ 2,978,010**	**$ 2,990,680**	**$ 3,192,392**
Building Safety Fund	(580,871)	(120,412)	(18,909)	136,135
Decrease (Increase) to Fund Balance	**(580,871)**	**(120,412)**	**(18,909)**	**136,135**
Current Funding Sources	**$ 2,771,001**	**$ 2,857,598**	**$ 2,971,771**	**$ 3,328,527**

EXPENDITURES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
Salaries	$ 1,588,102	$ 1,640,115	$ 1,640,115	$ 1,835,848
Overtime	4,173	4,000	4,000	4,000
Benefits	617,455	723,310	723,310	824,400
Salaries & Benefits	**2,209,730**	**2,367,425**	**2,367,425**	**2,664,248**
Supplies	26,619	34,110	43,780	34,880
Contractual Services	217,749	230,900	313,650	349,211
Travel & Training	11,918	16,000	16,000	19,000
Utility Charges	11,200	11,200	11,200	11,200
Insurance Premiums	14,986	18,930	18,930	23,000
Fleet Maintenance Charges	39,210	42,120	46,943	52,440
Other Services & Charges	60,625	64,913	64,913	67,663
Supplies & Services	**382,307**	**418,173**	**515,416**	**557,394**
Graffiti Abatement Program	67,682	72,000	72,000	72,000
Intergovernmental Services	**67,682**	**72,000**	**72,000**	**72,000**
General Fund	94,657	-	-	-
Capital Improvement Fund	16,625	-	16,930	34,885
Interfund Transfers	**111,282**	**-**	**16,930**	**34,885**
Total Expenditures	**$ 2,771,001**	**$ 2,857,598**	**$ 2,971,771**	**$ 3,328,527**
Expenditures by Fund				
General Fund	$ 607,320	$ 658,010	$ 670,680	$ 699,392
Building Safety Fund	2,163,681	2,199,588	2,301,091	2,629,135
Total Expenditures by Fund	**$ 2,771,001**	**$ 2,857,598**	**$ 2,971,771**	**$ 3,328,527**



Adopted Budget



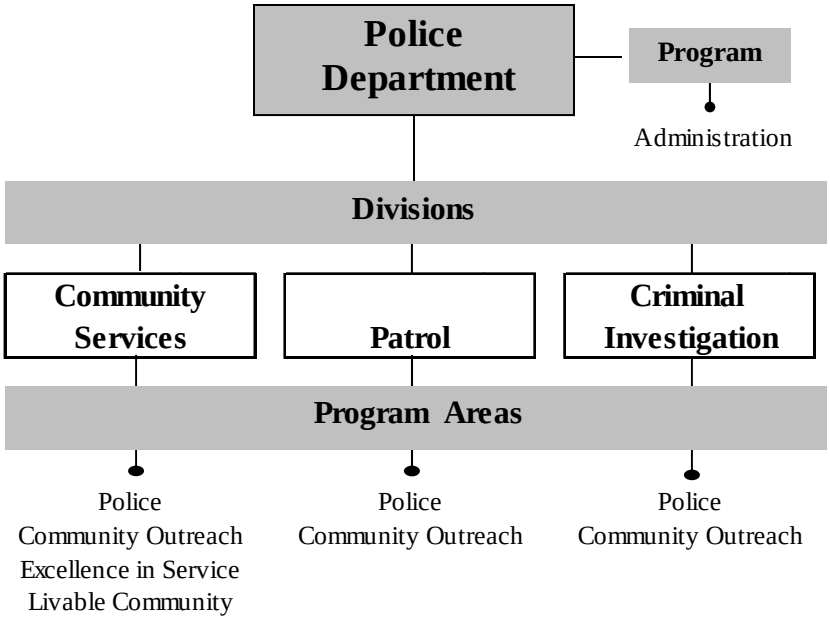
Division Expenditures	2011-2012 Actual	2013-2014 Adopted	2013-2014 Adjusted	2015-2016 Adopted
Administration	$ 660,136	$ 654,438	$ 676,800	$ 1,398,634
Patrol	14,543,740	16,663,376	16,839,601	18,196,875
Criminal Investigation	14,429,864	16,042,031	16,095,851	17,295,773
Community Services	4,966,447	4,944,838	5,011,659	5,577,835
Total:	**$34,600,187**	**$38,304,683**	**$38,623,911**	**$42,469,117**

Funding Sources	2011-2012 Actual	2013-2014 Adopted	2013-2014 Adjusted	2015-2016 Adopted
General Fund	$34,395,463	$38,227,683	$38,491,711	$39,186,032
Criminal Justice Sales Tax	-	-	-	3,207,910
Asset Forfeiture Fund	204,724	77,000	132,200	75,175
Total Sources:	**$34,600,187**	**$38,304,683**	**$38,623,911**	**$42,469,117**

Police Department

Mission

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



Departmental Staffing	2011-2012 Actual	2013-2014 Adopted	2013-2014 Adjusted	2015-2016 Adopted
Full-time Equivalent (FTE)	104.00	107.00	107.00	117.00
% of City's FTE's	30.22%	30.76%	30.54%	31.78%

Departmental Expenditures by Type	2011-2012 Actual	2013-2014 Adopted	2013-2014 Adjusted	2015-2016 Adopted
Salaries & Benefits	$ 25,599,183	$ 28,734,847	$ 28,742,548	$ 32,153,084
Supplies & Services	1,669,450	1,635,336	1,840,661	2,128,733
Intergovernmental Services	7,213,060	7,898,500	7,912,702	7,843,500
Interfund Transfers	118,494	36,000	71,000	331,000
Capital Outlay	-	-	57,000	12,800
Total Department Budget:	**$ 34,600,187**	**$ 38,304,683**	**$ 38,623,911**	**$ 42,469,117**

Program Purpose / Description

Administration is accountable for the oversight as well as ensuring the day-to-day functioning of the organization. Primary responsibilities are hiring, promotions, discipline, internal affairs, professional standards, rules and regulations and accreditation standards, training, the CHIPS volunteer program and as a partner agency for Animal Control Authority. We also continue to focus on 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

	2013 Actual	2014 Actual	2015 Adopted	2016 Adopted
POLICE CHIEF	1.00	1.00	1.00	1.00
POLICE COMMANDER	-	-	1.00	1.00
POLICE SERGEANT	-	-	1.00	1.00
ADMINISTRATIVE ASSISTANT	1.00	1.00	1.00	1.00
TOTAL DIVISION FTE'S:	**2.00**	**2.00**	**4.00**	**4.00**

Highlights / Changes

KPD 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 biennium's.

2015/16 Goals & Objectives

- Continue to collaborate and facilitate local, state and federal partnerships.
- Leading efforts to combat criminal gang activity throughout Tri-Cities.
- Evaluate how we deliver our services to the community and see if there are more efficient methods.
- Work with citizen groups to look at possible sustainable funding sources to promote criminal justice programs.
- Review use of force applications, complaints, collisions, pursuits and report findings quarterly.

Prior Year Accomplishments

- Metro/DEA Group—Formalized the Metro Drug Task Force with the Federal Drug Enforcement Administration.
- Deployed a new fuel efficient patrol fleet—saving over 25 percent in fuel cost.
- Completed a re-write of the department rules and regulations.
- Completed the re-accreditation process through the Washington Association of Sheriffs and Police Chiefs.

City Council Priority Area(s)

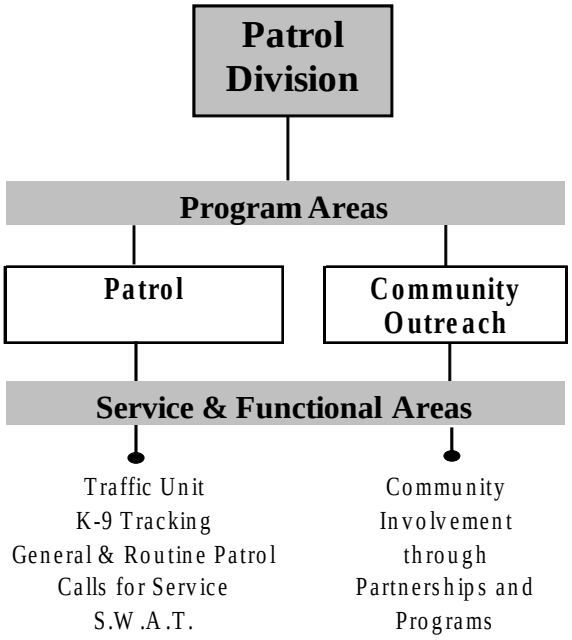
- Community Safety
- Economic Development
- Infrastructure and Growth
- Quality of Life
- Responsible Government

REVENUES	2011/12 Actual	2013/14 Adopted	2013-2014 Adjusted	2015-2016 Adopted*
General Governmental	**$ 660,136**	**$ 654,438**	**$ 676,800**	**$ 1,398,634**
Current Funding Sources	**$ 660,136**	**$ 654,438**	**$ 676,800**	**$ 1,398,634**

EXPENDITURES	2011/12 Actual	2013/14 Adopted	2013-2014 Adjusted	2015/2016 Adopted
Salaries	$ 377,523	$ 409,602	$ 409,602	$ 950,386
Benefits	103,772	120,216	120,216	297,738
Salaries & Benefits	**481,295**	**529,818**	**529,818**	**1,248,124**
Supplies	24,604	46,340	46,340	38,430
Contractual Services	13,901	14,000	14,000	13,000
Travel & Training	8,423	7,000	7,000	9,000
Repair & Maintenance	3,386	3,000	3,000	20,000
Fleet Maintenance Charges	17,520	19,680	27,840	36,480
Other Services & Charges	33,701	34,600	34,600	33,600
Supplies & Services	**101,535**	**124,620**	**132,780**	**150,510**
Benton County Pass-through	77,306	-	14,202	-
Intergovernmental Services	**77,306**	**-**	**14,202**	**-**
Total Expenditures	**$ 660,136**	**$ 654,438**	**$ 676,800**	**$ 1,398,634**
Expenditures by Fund				
General Fund	$ 660,136	$ 654,438	$ 676,800	$ 1,398,634
Total Expenditures by Fund	**$ 660,136**	**$ 654,438**	**$ 676,800**	**$ 1,398,634**

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

DETAIL BUDGET



Division Purpose / Description

The Patrol Division is the largest division within the Kennewick Police Department. This Division provides services to our citizens twenty four hours a day seven days a week. The Division consists of four twelve officer patrol shifts, a five officer traffic unit and a two officer K-9 unit. Each patrol shift works a twelve hour work day that rotates on a four month rotation between dayshift and nightshift. Our full time police officers are supported by a six officer reserve unit which assists with calls for service and special events. Each patrol shift has specialty officers who are assigned to the Tri-City Regional SWAT Team. In addition, each shift also has members who serve as Public Information Officers, Gang Officers and Police Training Officers. The Patrol Division also works closely with other Law Enforcement Divisions both internally and externally to address ever changing criminal trends locally and regionally.

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 who victimize our citizens.

Highlights / Changes

Commander Trevor White has been moved from Criminal Investigation Commander to Patrol Commander effective January 1, 2015.

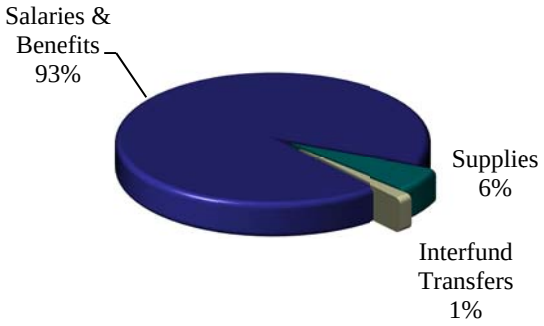
Kennewick voters passed a .3% criminal justice sales tax during 2014 to provide funding for 12 positions. The Department received approval from City Council for funding to hire three additional police officers. This will allow each patrol shift to be staffed with twelve officers. With the addition of these new police officers, members of the Criminal Apprehension Team are not needed to supplement our patrol units, thus enabling them to focus on their core mission. We also worked with the Kennewick School District to improve our response regarding critical incidents that occur in our schools. Each month we hold several school drills where officers and school officials meet at individual schools to train for a coordinated emergency response.

We also transitioned from two apprehension K-9 teams to one apprehension K-9 team and one K-9 narcotics detection team. This change has allowed us to better utilize our K-9 program to address criminal activity and criminal gang narcotic interdiction investigations.

Our patrol fleet was replaced during this reporting period. The standard Ford police vehicle format was completely changed to a new all-wheel drive vehicle. Our new fleet includes both sedans and the larger sport utility type vehicle. We also developed a new graphic scheme and upgraded all the emergency equipment in the vehicles. All of our officers received training related to operation of the new vehicles and they exceeded the State of Washington standard for police training. Our Traffic Unit also transitioned to a new motorcycle format which provides a much more reliable and durable emergency vehicle.

A gracious community donation from HAPO Community Credit Union and Windermere of Tri-Cities allowed us to purchase a new Avatar II remote robot which serves as the officer's eyes and ears during critical incidents thus keeping them out of harm's way.

2015/2016 Expenditures



Division Staffing	2013 Actual	2014 Actual	2015 Adopted	2016 Adopted
POLICE COMMANDER	1.00	1.00	1.00	1.00
POLICE SERGEANT	5.00	5.00	7.00	7.00
POLICE CORPORAL	4.00	4.00	-	-
POLICE PATROL OFFICER	40.00	40.00	47.00	50.00
POLICE TRAFFIC OFFICER	6.00	6.00	4.00	4.00
POLICE K-9 OFFICER	2.00	2.00	2.00	2.00
TOTAL DIVISION FTE'S:	**58.00**	**58.00**	**61.00**	**64.00**

2015/16 Goals & Objectives

- Work with Kennewick School Principals to develop and coordinate school drills to all elementary, middle and high schools. Also work to standardize patrol response to school emergencies.
- Create a K-9 Narcotic Detection team that assists both patrol and our narcotic investigations units.
- Transition the Traffic Unit from 12 hours shifts to nine (9) hour shifts thus providing coverage five days a week.
- Obtain respirator certifications for all sworn officers.
- Secure JAG (Justice Assistance Grant) grant to purchase training weapons and munitions.

Prior Year Accomplishments

- Obtained WASPC (Washington Association of Sheriff and Police Chiefs) Traffic Safety funding to purchase new Radar/ Lidar detectors for patrol fleet.
- Obtained local funding to purchase an Avatar II robot for the Tri-City Regional SWAT team.
- Transitioned to a new fleet. Used grant funds to purchase equipment for the new vehicles.
- Transitioned to a new In Service training format.

City Council Priority Area(s)

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

Performance Measures

Program / Service Outputs	2012 Actual	2013 Actual	2014 Estimated	2015 Projected	2016 Projected
Number of calls for service (Patrol)	99,675	97,677	99,630	101,622	103,654
Number of traffic related citations issued	12,007	10,423	10,631	10,843	11,059
Number of K-9 assists	154	116	120	140	160
Number of SWAT call outs	27	29	30	31	32

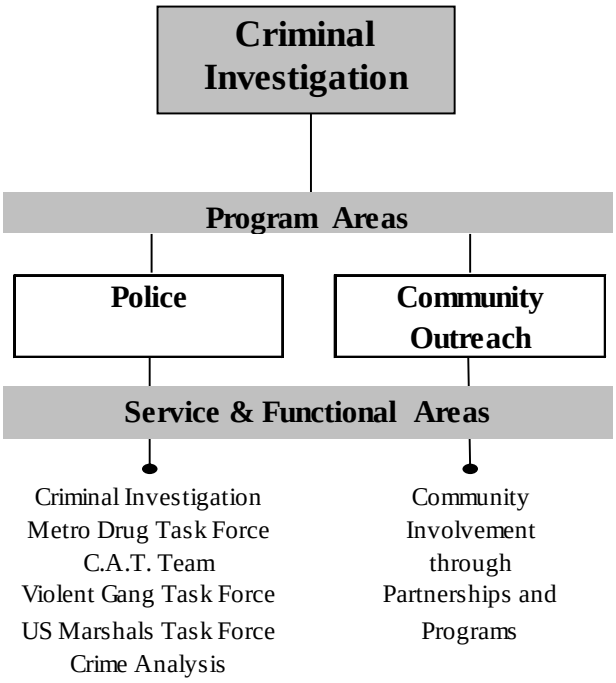
Program / Service Efficiency Measures	2012 Actual	2013 Actual	2014 Estimated	2015 Projected	2016 Projected
Number of citations issued per officer	214	186	190	194	197
Number of assists per K-9	77	58	60	70	80
Number of SWAT call outs per SWAT member	5.4	5.8	6.0	6.5	7.0
Number of officers per 1,000 population	1.24	1.22	1.20	1.18	1.16

Program / Service Quality	2012 Actual	2013 Actual	2014 Estimated	2015 Projected	2016 Projected
Actual arrests (DUI)	235	226	230	234	238
Number of hours worked by reserves	2,128	1,913	2,000	2,200	2,400
Traffic accidents	2,375	2,350	2,585	2,843	3,128
Number of reserve officers	5	4	5	5	5

REVENUES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
General Governmental	**$ 12,348,451**	**$ 14,428,776**	**$ 14,443,717**	**$ 13,247,316**
Local Sales Tax - Criminal Justice	-	-	-	3,120,949
Taxes	**-**	**-**	**-**	**3,120,949**
Grants	104,412	-	161,284	-
Intergovernmental Revenue	**104,412**	**-**	**161,284**	**-**
Charges for Services	**34,770**	**36,300**	**36,300**	**39,600**
Fines & Forfeits	**2,030,507**	**2,198,300**	**2,198,300**	**2,366,100**
Miscellaneous Revenue	**25,600**	**-**	**-**	**-**
Total Revenues	**$ 14,543,740**	**$ 16,663,376**	**$ 16,839,601**	**$ 18,773,965**
Criminal Justice Sales Tax Fund	-	-	-	(577,090)
Decrease (Increase) to Fund Balance	**-**	**-**	**-**	**(577,090)**
Current Funding Sources	**$ 14,543,740**	**$ 16,663,376**	**$ 16,839,601**	**$ 18,196,875**

EXPENDITURES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
Salaries	$ 10,032,750	$ 11,506,040	$ 11,506,040	$ 12,089,832
Overtime	172,084	170,000	170,000	156,000
Benefits	3,568,794	4,255,176	4,255,176	4,669,221
Salaries & Benefits	**13,773,628**	**15,931,216**	**15,931,216**	**16,915,053**
Supplies	278,120	176,300	254,525	196,300
Contractual Services	1,835	3,000	3,000	3,000
Travel & Training	29,090	35,000	40,000	40,000
Repair & Maintenance	16,489	20,000	20,000	20,000
Fleet Maintenance Charges	420,480	473,760	509,760	617,400
Other Services & Charges	24,098	24,100	24,100	97,322
Supplies & Services	**770,112**	**732,160**	**851,385**	**974,022**
Interfund Transfers	**-**	**-**	**-**	**295,000**
Capital Outlay	**-**	**-**	**57,000**	**12,800**
Total Expenditures	**$ 14,543,740**	**$ 16,663,376**	**$ 16,839,601**	**$ 18,196,875**
Expenditures by Fund				
General Fund	$ 14,543,740	$ 16,663,376	$ 16,839,601	$ 15,653,016
Criminal Justice Sales Tax Fund	-	-	-	2,543,859
Total Expenditures by Fund	**$ 14,543,740**	**$ 16,663,376**	**$ 16,839,601**	**$ 18,196,875**

DETAIL BUDGET



Division Broad Goals

- Community Safety
- 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

Nine specialized investigative teams comprise the Kennewick Police Department's Criminal Investigations Division. Those teams are: Criminal Apprehension Team (1 sergeant, 1 corporal 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), Special Investigations Unit and Crime Analysis (1 civilian).

The Crimes Against Property and Crimes Against Persons teams are responsible for crimes requiring investigation beyond the

Highlights / Changes

Chris Guerrero was promoted to Criminal Investigation Commander on January 1, 2015. The Criminal Investigation Division participated in several community events aimed at positive community relations. Kennewick Police Department detectives provided over 100 officer hours of community training related to criminal street gangs at various school, civic and community organizations. The department hosted four Prescription Drug Take Back events teaming up with Drug Enforcement Administration, The Metro Drug Task Force and Crime Prevention.

2015/2016 Goals & Objectives

- Enhance safety and "quality of life" issues in public spaces.
- Use force and authority fairly, efficiently and effectively.
- Develop and train personnel to constantly update their investigative knowledge base by utilizing analysis tools and mapping information available to Kennewick Police Department to identify and respond to crime trends.
- Continue to monitor and combat gang activity.
- Maintain "high-liability" training at current levels (i.e. firearms, defensive tactics, and emergency vehicle operation).
- Maintain an overall clearance rate above the national average.
- Strive to clear more than 50% of investigative cases within 60 days of assignment.

Prior Year Accomplishments

- Investigated and closed/cleared the 2013/14 homicides of Franklin Palmer, Gerardo Villamar and Kaitlin Austin.
- Hosted four Prescription Drug Take Back events at KPD partnering with the DEA, the Metro Drug Task and Crime Prevention.

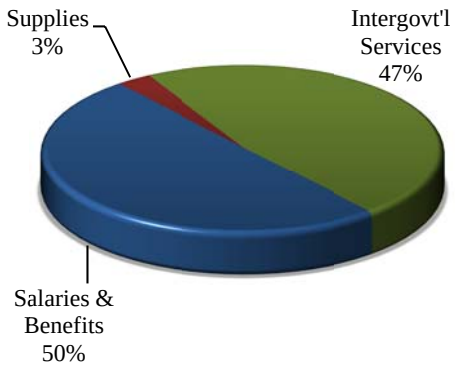
Division Purpose/Description Cont'd

initial patrol officer response. The Criminal Apprehension Team investigates street level narcotics and criminal gangs as well as directed target crimes. The Metro Drug Task Force and FBI Violent Gang Task Force focus on mid and upper level criminal organizations linked to narcotics trafficking and firearms violations. The US Marshals - Pacific Northwest Violent Offenders Task Force tracks and arrests violent offenders hiding in Eastern Washington.

The Criminal Investigation Division does its part in holding offenders accountable by diligently investigating crimes such as homicides, assaults, kidnappings, sex crimes, robberies, crimes against children, arsons, burglaries, auto thefts, identity theft, 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.

Complex criminal investigations cross jurisdictional boundaries. The Kennewick 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.

2015/2016 Expenditures



Prior Year Accomplishments (Cont'd)

- The FBI's Violent Gang Task Force and the Metro/DEA Group seized a combined $23.2 million in illegal narcotics from criminal organizations involved with gangs, guns and narcotics directly tied to our region.
- Criminal Investigation Division participated in neighborhood awareness meetings; providing information and resources to educate citizens about combating criminal activity and street gangs in their neighborhood.
- The Criminal Apprehension Team (CAT) made 2,178 arrests during 2013 and the first six months of 2014.
- The regional Special Investigations Unit, made up of investigators from all area law enforcement agencies, investigated three officer involved shootings.

"At the end of the day, the goals are simple: safety and security."

~Jodi Rell~

City Council Priority Area(s)

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

Division Staffing

	2013 Actual	2014 Actual	2015 Adopted	2016 Adopted
POLICE COMMANDER	1.00	1.00	1.00	1.00
POLICE SERGEANT	4.00	5.00	5.00	5.00
POLICE CORPORAL	1.00	1.00	-	-
POLICE OFFICER - DETECTIVE	13.00	13.00	13.00	13.00
POLICE OFFICER - C.A.T TEAM	6.00	6.00	7.00	7.00
CRIME ANALYST	1.00	1.00	1.00	1.00
TOTAL DIVISION FTE'S:	**26.00**	**27.00**	**27.00**	**27.00**

Performance Measures

Program / Service Outputs

	2012 Actual	2013 Actual	2014 Estimated	2015 Projected	2016 Projected
Detectives/cases (CID/CAT) handled	738	1,082	1,106	1,150	1,200
Metro/cases opened in Kennewick	120	90	130	130	140

Program / Service Efficiency Measures

	2012 Actual	2013 Actual	2014 Estimated	2015 Projected	2016 Projected
Detectives/cases per detective	41	57	60	61	63
Total CID cases per FTE	27	40	42	43	44

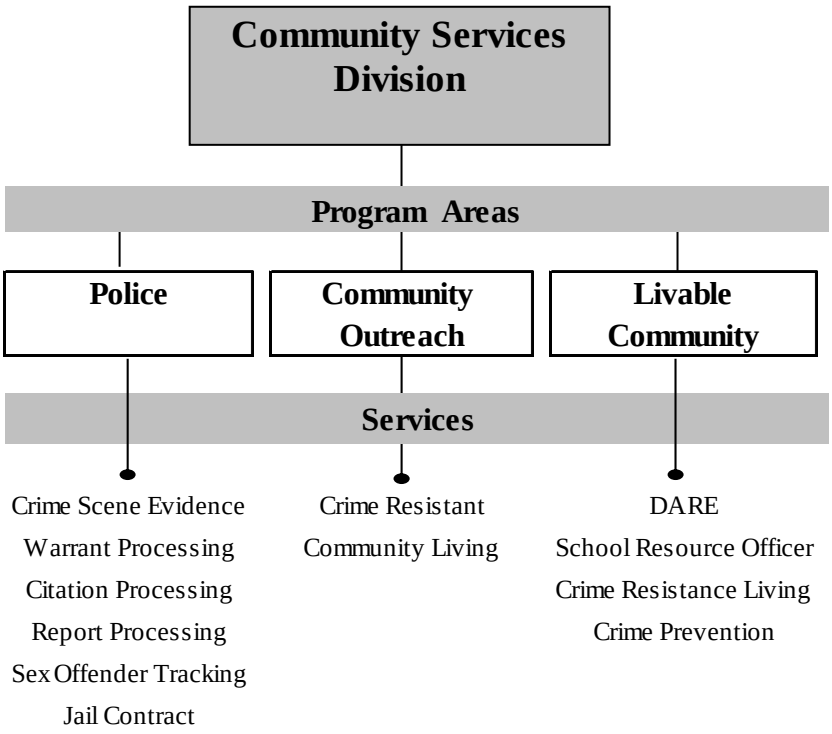
Program / Service Quality

	2012 Actual	2013 Actual	2014 Estimated	2015 Projected	2016 Projected
Crimes cleared by arrests/exception means	61%	61%	57%	50%	50%
CAT arrests	1,012	1,381	1,600	1,600	1,600
Persons/Property arrests	461	528	546	550	560
Total CID arrests	1,473	1,472	1,444	1,200	1,200

REVENUES	2011/12 Actual	2013/14 Adopted	2013/2014 Adjusted	2015/16 Adopted
General Governmental	**$ 13,285,545**	**$ 15,782,331**	**$ 15,815,457**	**$ 16,696,548**
Local Sales Tax - Criminal Justice	-	-	-	305,325
Taxes	**-**	**-**	**-**	**305,325**
Grants	905,252	-	20,694	-
Intergovernmental Revenue	**905,252**	**-**	**20,694**	**-**
Charges for Services	**239,067**	**259,700**	**259,700**	**293,900**
Total Revenues	**$ 14,429,864**	**$ 16,042,031**	**$ 16,095,851**	**$ 17,295,773**
Current Funding Sources	**$ 14,429,864**	**$ 16,042,031**	**$ 16,095,851**	**$ 17,295,773**

EXPENDITURES	2011/12 Actual	2013/14 Adopted	2013/2014 Adjusted	2015/16 Adopted
Salaries	$ 4,973,022	$ 5,652,276	$ 5,652,276	$ 6,340,910
Overtime	224,841	95,325	103,025	245,325
Benefits	1,709,878	1,993,700	1,993,700	2,313,388
Salaries & Benefits	**6,907,741**	**7,741,301**	**7,749,001**	**8,899,623**
Supplies	251,503	256,500	259,500	267,000
Columbia Dive & Rescue Services	17,622	18,900	18,900	18,900
CDPD Acess Fee	39,587	40,000	40,000	40,000
Travel & Training	30,397	31,000	35,000	31,000
Special Investigatons	14,289	17,500	17,500	77,500
Fleet Maintenance Charges	29,760	33,600	72,720	113,520
Other Services & Charges	3,211	4,730	4,730	4,730
Supplies & Services	**386,369**	**402,230**	**448,350**	**552,650**
Jail Services	4,857,788	5,500,500	5,500,500	5,850,000
BiPIN Services	105,556	119,000	119,000	137,500
SECOMM	2,041,296	1,896,000	1,896,000	1,525,000
Other Services & Charges	131,114	383,000	383,000	331,000
Intergovernmental Services	**7,135,754**	**7,898,500**	**7,898,500**	**7,843,500**
Total Expenditures	**$ 14,429,864**	**$ 16,042,031**	**$ 16,095,851**	**$ 17,295,773**
Expenditures by Fund				
General Fund	$ 14,429,864	$ 16,042,031	$ 16,095,851	$ 16,990,448
Criminal Justice Sales Tax Fund	-	-	-	305,325
Total Expenditures by Fund	**$ 14,429,864**	**$ 16,042,031**	**$ 16,095,851**	**$ 17,295,773**

DETAIL BUDGET



Division Purpose/Description

The Kennewick Police Department Community Services Division provides service to both internal and external customers. The division is comprised of several units that include Records, Evidence, Youth Services, Training, Crime Prevention, and Crime Resistant Community Living (CRCL) program.

Division Broad Goals

- Community Safety
- Maintain the most current mandates by utilizing the most cost effective and efficient use of Division resources.
- Support a safe and productive learning environment at all Kennewick Schools.
- Maintain collaborative partnerships with other local, State, and Federal law enforcement partners.
- Provide support to other City of Kennewick departments.
- Provide support to all other divisions within this organization.
- Maintain internal and external customer satisfaction.
- Provide training in high liability areas regarding Public Disclosure Requests and Archive Retention.

Highlights / Changes

Commander Scott Child was moved into the Community Services Commander position on January 1, 2015 after serving four years as Patrol Commander. The Division includes day to day operations and training and is responsible for Staff Services, evidence, quartermaster supplies, Youth Services, Crime Resistant Community Living, Crime Prevention programs, Crime Stoppers and monitoring sex offenders who live in Kennewick. The division had 2 personnel changes during 2013/2014. Officer Chris Littrell became a School Resource Officer (SRO) and was assigned to Kennewick High School and Officer Allan Knox retired in 2014 and was replaced by Officer Wes Gardner.

2015/16 Goals & Objectives

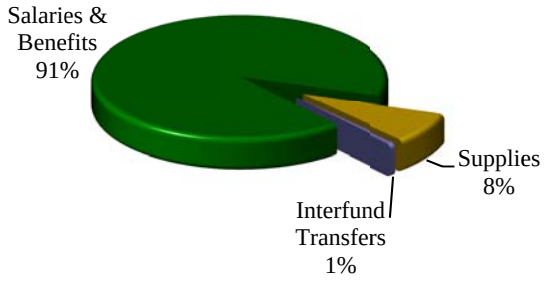
- Continue partnerships with neighboring law enforcement agencies through regional Landlord Training Classes, and the Every-15-Minutes program.
- Oversee and document annual training that meets Washington State Training requirements regarding use of lethal and non-lethal force.
- Continue to host regional training at the Kennewick Police Department.
- Facilitate programs such as City Night/National Night Out, Citizens Academy, Crime Stoppers, Crime Prevention, host the School Patrol Picnic for school crossing guards and the Every 15 Minutes program.
- Continue to foster professional relationships with multi-living unit properties through CRCL.

Prior Year Accomplishments

- We started entering firearm shell casings into the IBIS/NIBIN Washington State database for guns which were used in a serious crime. The database records shell case markings and alerts if the firearm is used in other jurisdictions.

Division Staffing	2013 Actual	2014 Actual	2015 Adopted	2016 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	1.50
POLICE SUPPORT SPECIALIST	9.00	9.00	10.00	10.50
TOTAL DIVISION FTE'S:	**20.00**	**20.00**	**21.00**	**22.00**

2015/2016 Expenditures



Prior Year Accomplishments Cont'd

- Kennewick Police started a chauffeur licensing program.
- The Kennewick Police Department hosted more than 50 regional training classes during the year.
- Redesigned and organized the Kennewick Police long term storage area.
- Updated compliance checks for 77-homicide and missing person case files.
- Increased community awareness of crime prevention methods through the use of media, crime mapping, and use of the bright sign program and community meetings.
- Development of the Tri-Cities Crime Stoppers student based web program "Students Speaking Out".
- State accident reports are now posted on-line, allowing citizens and insurance agencies to retrieve a report without going through the Public Records Request process.

City Council Priority Area(s)

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

Performance Measures

Program / Service Outputs

	2012 Actual	2013 Actual	2014 Estimated	2015 Projected	2016 Projected
Staff services/number of warrants processed	6,064	7,275	7,160	7,303	7,449
Staff services/number of citations processed	12,522	12,350	10,496	10,706	10,920
Staff services/number of reports processed	41,001	41,621	40,066	40,867	41,684
Youth service/number of students taught	10,330	10,350	10,370	10,400	10,450
Number of training hours (109 FTE's)	9,328	9,911	9,875	10,800	11,000
Crime prevention referrals	10,514	11,505	11,735	11,969	12,208
Crime resistant living referrals	3,328	4,583	4,200	4,350	4,500
Staff services/public records requests processed	3,287	3,376	3,400	3,468	3,537

Program / Service Efficiency Measures

	2012 Actual	2013 Actual	2014 Estimated	2015 Projected	2016 Projected
Staff services/number of warrants per PSS	2,021	2,425	2,387	2,434	2,483
Staff services/number of citations per PSS	4,174	4,117	3,499	3,569	3,640
Staff services/number of reports per PSS	4,556	4,625	4,452	4,541	4,632
Youth service/students taught per employee	2,583	2,588	2,543	2,593	2,600
Number of hours trained per employee	89	94	92	100	102
Crime prevention referrals per officer	184	205	207	209	214
Staff services/public records requests processed	1,096	1,125	1,133	1,156	1,179

Program / Service Quality

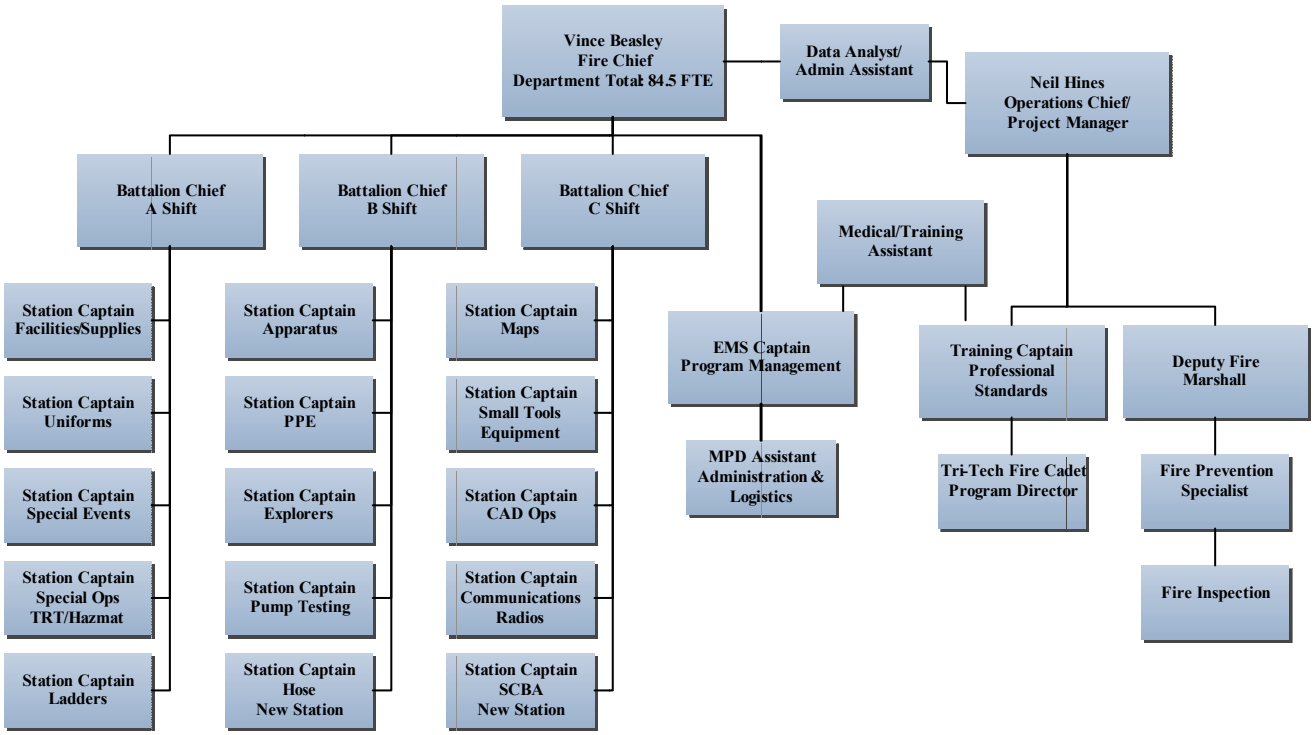
	2012 Actual	2013 Actual	2014 Estimated	2015 Projected	2016 Projected
Error rate on warrants entered	<1%	<1%	<1%	<1%	<1%
Percentage of citations processed within 3 days	95%	96%	95%	95%	95%
Percentage of reports returned due to error	5%	5%	5%	5%	5%
Number of complaints made	15	16	16	20	21
Registered sex offenders monitored	190	195	200	205	210

REVENUES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
General Governmental	**$ 3,948,132**	**$ 3,922,838**	**$ 3,934,458**	**$ 4,256,134**
Local Sales Tax - Criminal Justice	-	-	-	358,726
Taxes	**-**	**-**	**-**	**358,726**
Licenses & Permits	**34,844**	**32,800**	**32,800**	**44,000**
Charges for Services	**415,286**	**442,400**	**442,400**	**466,800**
Fines & Forfeits	**363,463**	**404,800**	**404,800**	**377,000**
Miscellaneous Revenue	285,201	115,400	151,900	51,000
Total Revenues	**$ 5,046,926**	**$ 4,918,238**	**$ 4,966,358**	**$ 5,553,660**
Asset Forfeiture Fund	(80,479)	26,600	45,301	24,175
Decrease (Increase) to Fund Balance	**(80,479)**	**26,600**	**45,301**	**24,175**
Current Funding Sources	**$ 4,966,447**	**$ 4,944,838**	**$ 5,011,659**	**$ 5,577,835**

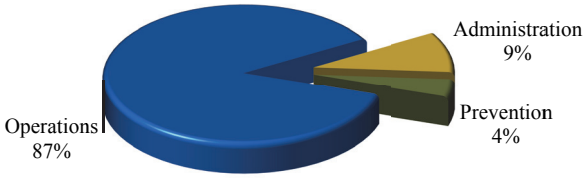
EXPENDITURES	2011/12 Actual	2013/14 Adopted	2013/2014 Adjusted	2015/16 Adopted
Salaries	$ 3,172,922	$ 3,180,046	$ 3,180,047	$ 3,526,543
Overtime	66,224	64,500	64,500	84,500
Benefits	1,197,373	1,287,966	1,287,966	1,479,241
Salaries & Benefits	**4,436,519**	**4,532,512**	**4,532,513**	**5,090,284**
Supplies	291,210	247,926	230,426	230,016
Contractual Services	21,005	6,150	6,150	56,150
Travel & Training	15,105	23,800	23,800	23,800
Repair & Maintenance	5,090	5,500	5,500	5,500
Fleet Maintenance Charges	36,240	40,800	43,920	47,760
Other Services & Charges	42,784	52,150	98,350	88,325
Supplies & Services	**411,434**	**376,326**	**408,146**	**451,551**
Interfund Transfers	**118,494**	**36,000**	**71,000**	**36,000**
Total Expenditures	**$ 4,966,447**	**$ 4,944,838**	**$ 5,011,659**	**$ 5,577,835**
Expenditures by Fund				
General Fund	$ 4,761,723	$ 4,867,838	$ 4,879,459	$ 5,143,934
Criminal Justice Sales Tax Fund	-	-	-	358,726
Asset Forfeiture Fund	204,724	77,000	132,200	75,175
Total Expenditures by Fund	**$ 4,966,447**	**$ 4,944,838**	**$ 5,011,659**	**$ 5,577,835**

DETAIL BUDGET

Fire Department



Adopted Budget

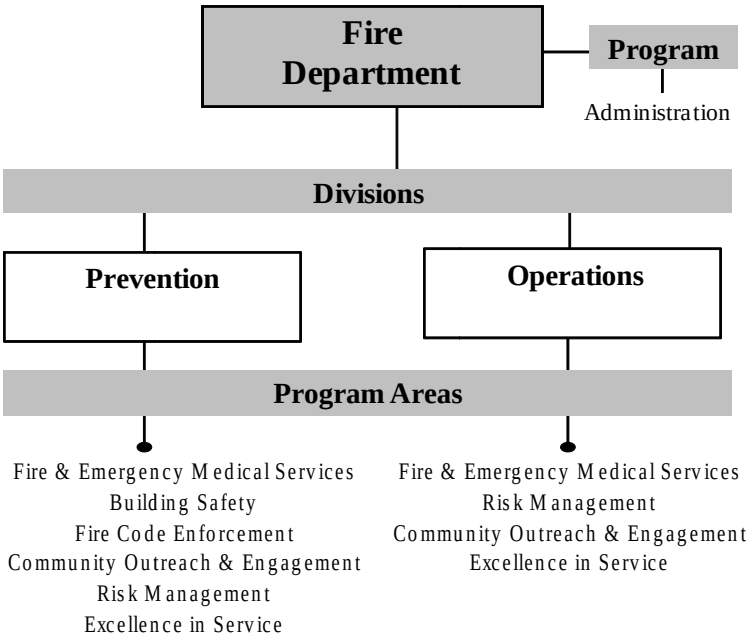


Division Expenditures	2011-2012 Actual	2013-2014 Adopted	2013-2014 Adjusted	2015-2016 Adopted
Administration	$ 2,050,224	$ 2,314,345	$ 2,413,145	$ 2,484,092
Prevention	309,875	408,318	410,238	1,020,867
Operations	20,239,964	21,984,843	22,045,183	22,831,495
Total:	**$ 22,600,063**	**$ 24,707,506**	**$ 24,868,566**	**$ 26,336,454**

Funding Sources	2011-2012 Actual	2013-2014 Adopted	2013-2014 Adjusted	2015-2016 Adopted
General Fund	$ 14,646,853	$ 16,261,696	$ 16,224,404	$ 14,854,951
Medical Services Fund	7,890,911	8,382,426	8,580,778	11,421,776
MPD Assistant Operations Fund	62,299	63,384	63,384	59,727
Total Sources:	**$ 22,600,063**	**$ 24,707,506**	**$ 24,868,566**	**$ 26,336,454**

Mission

The Kennewick Fire Department is committed to serving the community with the highest level of life safety and property protection. The department accomplishes its mission by delivering our services with well trained and skilled personnel who display our core values of Integrity, Inclusiveness, Stewardship, and Communication.



Departmental Staffing	2011-2012 Actual	2013-2014 Adopted	2013-2014 Adjusted	2015-2016 Adopted
Full-time Equivalent (FTE)	78.00	78.00	78.50	84.50
% of City's FTE's	22.67%	22.52%	22.41%	22.96%

Departmental Expenditures by Type	2011-2012 Actual	2013-2014 Adopted	2013-2014 Adjusted	2015-2016 Adopted
Salaries & Benefits	$18,680,128	$20,339,069	$20,708,469	$22,500,670
Supplies & Services	3,246,416	3,877,223	3,552,957	3,364,417
Intergovernmental Services	508,224	491,214	491,214	415,500
Interfund Transfers	39,605	-	86,972	55,867
Debt Service	84,455	-	-	-
Capital Outlay	41,235	-	28,954	-
Total Department Budget:	**$22,600,063**	**$24,707,506**	**$24,868,566**	**$26,336,454**

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

- Continue joint efforts to collaborate with other fire agencies
- Aggressively seek out and present alternative funding ideas
- Look for new ways to improve service delivery while stabilizing costs
- Continue to be good stewards of the tax dollars entrusted to the department
- Solidify the department's financial position through joint purchasing agreements with other agencies

Division Staffing

	2013 Actual	2014 Actual	2015 Adopted	2016 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

November 2014 the Kennewick Fire Department administrative staff moved out of the Joint Fire Administration Center. The agencies had explored options to move from a rented facility to a new jointly purchased facility, however, the Cities of Richland and Kennewick made the decision to move back to their respective city facilities. Collaboration between the Tri-Cities fire agencies continues to be a high priority.

2015/16 Goals & Objectives

Council Priority: Community Safety

- ***Regional Dispatch -***
  - Work to realize a Bi- County Emergency Communications Center.
- ***Fire & EMS Services -***
  - Develop a strategic staffing plan for both Fire and EMS.

Council Priority: Infrastructure & Growth

- ***Fire Facility Plan & Funding -***
  - Design and construct the city's fifth fire station.
  - Explore the potential of expanding and remodeling station 61 to house KFD administrative staff.
  - Secure property through a developer's agreement for a future fire station in the Southridge area.
  - Work with BCFPD#1 to jointly secure land for future joint station in southeast Kennewick.

Prior Year Accomplishments

- ✓ Completed a study and drafted an Interlocal Agreement for a Bi-County Emergency Communications Center.
- ✓ Developed a funding mechanism for future fire stations, equipment and staffing.
- ✓ Completed a prototype fire station manual with the City of Richland.
- ✓ Expanded the cooperation between fire agencies within the Tri-Cities area.

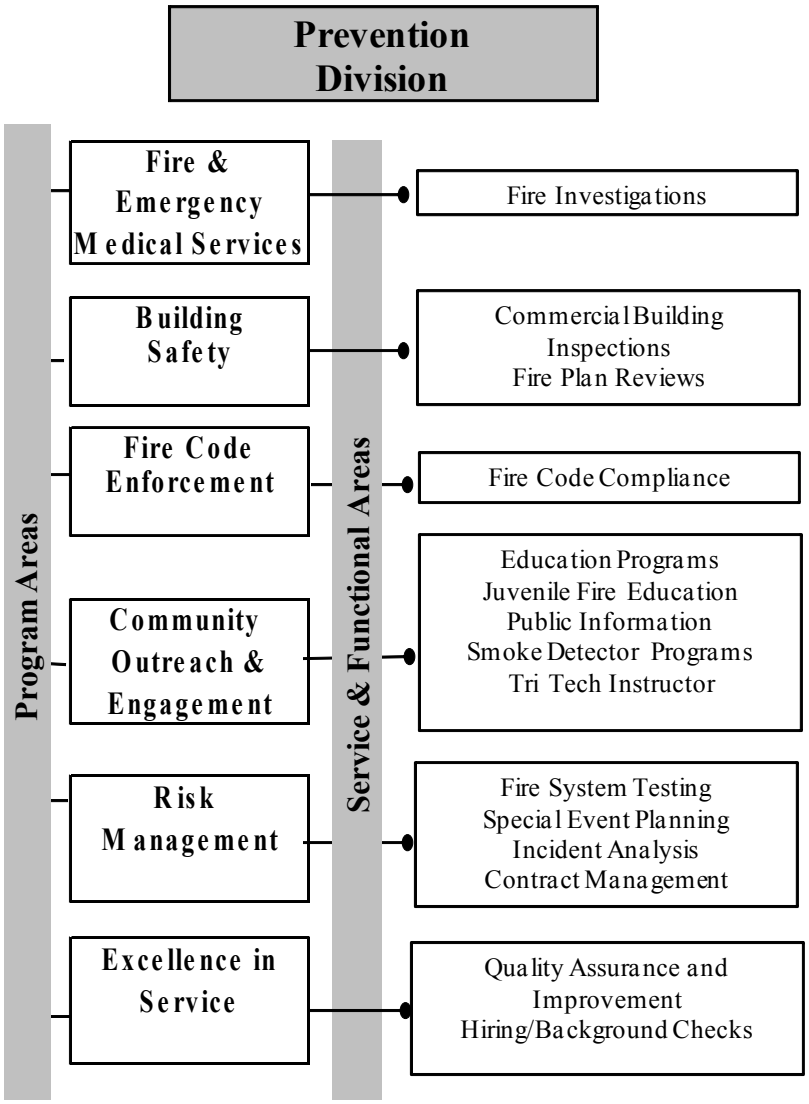
City Council Priority Area(s)

- Community Safety
- Responsible Government

REVENUES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
General Governmental	$ 2,050,224	$ 2,314,345	$ 2,413,145	$ 2,484,092
Total Revenues	$ 2,050,224	$ 2,314,345	$ 2,413,145	$ 2,484,092

EXPENDITURES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
Salaries	$ 600,345	$ 608,497	$ 647,597	$ 686,513
Overtime	118	500	500	500
Part-Time Wages	1,297	-	-	-
Benefits	184,636	185,761	213,761	222,532
Salaries & Benefits	**786,396**	**794,758**	**861,858**	**909,545**
Supplies	25,397	66,030	93,780	73,190
Contractual Services	418,486	48,348	33,348	42,910
Ambulance Billing Overhead	-	324,000	342,950	460,009
Travel & Training	11,022	13,000	13,000	15,000
Bad Debt Expense	484,565	634,000	634,000	530,000
Repair & Maintenance	22,063	22,849	22,849	22,849
Insurance	41,821	45,060	45,060	54,675
State Excise Tax	106,927	146,000	146,000	138,000
City Utility Tax - Ambulance	59,404	81,000	81,000	91,000
Other Services & Charges	6,286	57,300	57,300	64,414
Supplies & Services	**1,175,971**	**1,437,587**	**1,469,287**	**1,492,047**
Benton County - Emergency Services	77,857	72,000	72,000	72,000
Hazardous Materials Team	10,000	10,000	10,000	10,500
Intergovernmental Services	**87,857**	**82,000**	**82,000**	**82,500**
Total Expenditures	**$ 2,050,224**	**$ 2,314,345**	**$ 2,413,145**	**$ 2,484,092**
Expenditures by Fund				
General Fund	$ 518,222	$ 644,223	$ 656,973	$ 664,664
Medical Services Fund	1,532,002	1,670,122	1,756,172	1,819,428
Total Expenditures by Fund	**$ 2,050,224**	**$ 2,314,345**	**$ 2,413,145**	**$ 2,484,092**

DETAIL BUDGET



Division Purpose / Description

The Fire Prevention Division exists to proactively market fire prevention and life safety awareness throughout our community. This is performed through public education programs, code enforcement, building permit plan reviews/inspections, and fire origin and cause investigations.

The Division also provides logistical support to the department in areas such as the electronic records management system, new hire background checks, internal reviews, department liaison with internal and external groups, etc.

Highlights / Changes

The Prevention Division is an active participant in the Development Services "One-Stop" Program. The Deputy Fire Marshal, Fire Prevention Specialist as well as the (future) Fire Inspectors are stationed at City Hall which provides a more coordinated approach to fire and building code inspection services.

2015/2016 Goals & Objectives

Council Priority: Community Safety

Fire Inspection Program – Phase 2

- ✓ The Prevention Division will establish a more robust and proactive Fire Inspection Program in 2015 by hiring three new Fire Inspectors.
- ✓ Fire permit fees will be amended to include operational permits and fees and further develop the current construction permits and fee schedule.
- ✓ Work toward improving or maintaining our current Washington State Bureau Rating (WSRB) by evaluating our existing services and systems.

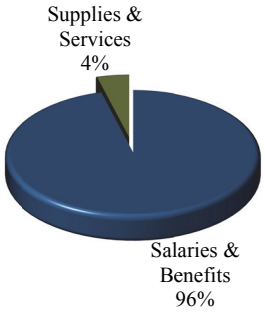
Prior Year Accomplishments

- ✓ Implemented Phase 1 of the Fire Inspection Program by establishing fire permits and a fee schedule as well as hiring a Fire Prevention Specialist.
- ✓ Effective July 1, 2014 the department partnered with a third party reporting agency, Tegris Fire, for submittal and retention of annual fire system confidence reports which provides a streamlined process for the jurisdiction, inspection companies and business owners.
- ✓ Met with internal and external stakeholders to discuss WSRB implications and the need to expand the prevention department.
- ✓ Established a shift fire investigation team.

Division Broad Goals

- Conduct and manage the programs of annual fire and life safety inspections within commercial, institutional, assembly, educational and multi-family occupancies within the City.
- Develop and implement proactive public fire safety and accident prevention programs.
- Actively participate in the multi-agency fire investigation task force.
- Conduct origin and cause fire investigations with IFSAC certified fire investigation personnel. Maintain training and education to retain such certifications.
- Continue to actively support and participate with the Development Services/One-Stop groups for property development and inspection services.

2015/2016 Expenditures



Division Staffing	2013 Actual	2014 Actual	2015 Adopted	2016 Adopted
PROJECT MANAGER OPERATIONS CHIEF	0.00	0.00	1.00	1.00
DEPUTY CHIEF	1.00	1.00	0.00	0.00
TRAINING CAPTAIN	0.00	0.00	1.00	1.00
DEPUTY FIRE MARSHALL	0.00	0.00	1.00	1.00
CAPTAIN INSPECTOR	1.00	1.00	0.00	0.00
TRI TECH FIRE PROGRAM DIRECTOR	1.00	1.00	1.00	1.00
FIRE PREVENTION SPECIALIST	0.00	1.00	1.00	1.00
FIRE INSPECTION	0.00	0.00	3.00	3.00
MEDICAL/TRAINING ASSISTANT	0.50	0.00	0.50	0.50
TOTAL DIVISION FTE'S:	**3.50**	**4.00**	**8.50**	**8.50**

Prior Year Accomplishments Cont'd

- ✓ Provided event planning through the Incident Command System for several large community events.
- ✓ Successfully mitigated numerous code violations that required legal involvement.
- ✓ Realized another biennium where arson conviction rates exceeded the industry averages.
- ✓ Utilized Vision 20/20 Community Risk Reduction processes and learned skills for prevention master plan creation and 5-year NFIRS data analysis report creation.
- ✓ Successfully obtained a $10,500 grant through Vision 20/20 and Washington Fire Marshals Association to evaluate NFIRS and create a prevention strategic plan for community risk and inspection program that is WSRB compliant.
- ✓ Over 400 hundred homes of seniors and disabled individuals were provided the smoke detector service by firefighters. This accounts for approximately 95 % of our program target goal.
- ✓ Successfully secured a FireAct Grant through the Washington State Fire Marshals Association to provide 25 ADA approved devices for homes with deaf or hard-of-hearing individuals.

City Council Priority Area(s)

- Responsible Government
- Community Safety
- Quality of Life

Performance Measures

Program / Service Outputs

	2012 Actual	2013 Actual	2014 Estimated	2015 Projected	2016 Projected
Number of fires requiring further investigation by Certified Fire Investigator	46	54	73	82	91
Number of fire code plan reviews assigned	538	574	786	868	950
Percentage increase from previous year	5%	7%	37%	10%	9%
Number of commercial occupancies	2,507	2,782	2,880	2,967	3,054

Program / Service Efficiency Measures

	2012 Actual	2013 Actual	2014 Estimated	2015 Projected	2016 Projected
Number of fires needing investigation	214	227	240	253	266
Number of incidents where cause could be determined	164	167	170	173	176
Number of fire code plan reviews completed	538	574	786	868	950
Number of company inspections of commercial occupancies completed	351	130	522	334	334

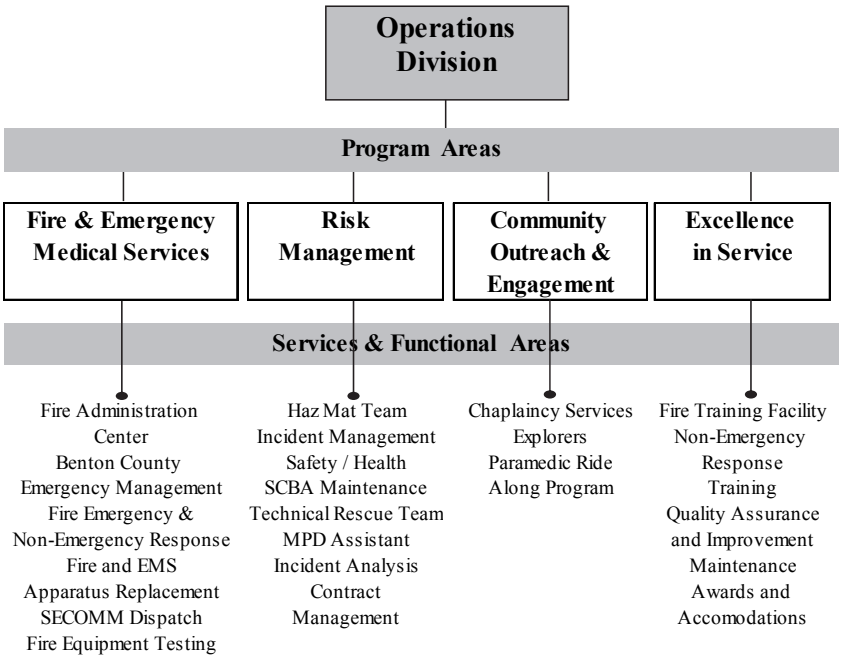
Program / Service Quality

	2012 Actual	2013 Actual	2014 Estimated	2015 Projected	2016 Projected
Percentage of incidents where cause could be determined from investigation	77%	74%	71%	68%	66%
Percent of fire code plan reviews completed	100%	100%	100%	100%	100%
Percentage of inspections completed on the existing commercial occupancies	14%	5%	18%	11%	11%

REVENUES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
General Governmental	**$ 309,875**	**$ 408,318**	**$ 410,238**	**$ 1,020,867**
Total Revenue Sources	**$ 309,875**	**$ 408,318**	**$ 410,238**	**$ 1,020,867**

EXPENDITURES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
Salaries	$ 260,560	$ 304,421	$ 304,421	$ 709,559
Benefits	16,698	70,665	70,665	268,840
Salaries & Benefits	**277,258**	**375,086**	**375,086**	**978,399**
Supplies	9,091	8,920	8,920	10,470
Travel & Training	7,261	3,670	3,670	5,676
Fleet Maintenance Charges	8,040	7,680	9,600	11,760
Other Services & Charges	8,225	12,962	12,962	14,562
Supplies & Services	**32,617**	**33,232**	**35,152**	**42,468**
Total Expenditures	**$ 309,875**	**$ 408,318**	**$ 410,238**	**$ 1,020,867**
Expenditures by Fund				
General Fund	$ 309,875	$ 408,318	$ 410,238	$ 1,020,867
Total Expenditures by Fund	**$ 309,875**	**$ 408,318**	**$ 410,238**	**$ 1,020,867**

DETAIL BUDGET



Division Purpose / Description

The Operations Division provides Fire Suppression, Emergency Medical, Technical Rescue, Hazardous Materials and Incident Management services for our citizens. The Division also provides Training, Quality Assurance and Safety/Health services to our department's members. The Division supports the activities of the Fire Prevention Division through public education and safety inspection programs.

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 close coordination with our partner agencies.
- Provide for a safe and healthy work environment through proactive risk management in all activities.
- Provide first class training opportunities. Develop our skills and build upon our competencies through coordinated weekly training.

Highlights / Changes

Another biennium with major staffing changes occurring when the Department eliminated both Deputy Chief positions. In addition to this change a new Fire Chief was appointed with a Fire Chief in charge of Operations and Project Management. The division also realized a personnel change in the EMS and Training Captain positions. Both Captains have made major changes to the professional standards and EMS programs. These changes have improved our operational effectiveness and collaboration with other agencies aligning programs with the end result of improved overall response effectiveness. This is especially crucial considering the amount of unfunded mandates that affect department operations.

2015/2016 Goals & Objectives

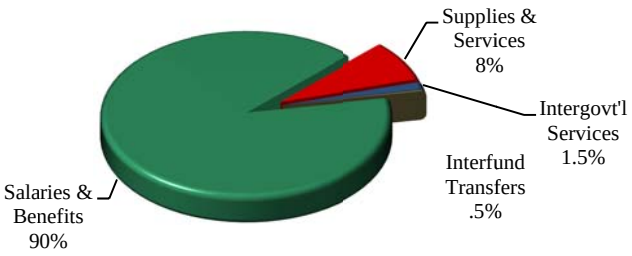
Council Priority: Community Safety

- ✓ ***Fire & EMS Services -***
  - ✓ Continue to improve on officer development training through STAR 12, IFSAC and ICT Task books.
  - ✓ Plan for Intergraded Mobile Health Care system in Kennewick.
  - ✓ Continue to develop and enhance the delivery of regional fire training at the Fire Training Center.
  - ✓ Revise records management system in the training division to comply with WA State Law.

Council Priority: Infrastructure & Growth

- ***Fire Facility Plan & Funding -***
  - ✓ Complete construction of support building at the Fire Training Center.
  - ✓ Develop a plan to add future props to the Fire Training Center to improve WSRB scores.

2015/2016 Expenditures



Division Staffing

	2013 Actual	2014 Actual	2015 Adopted	2016 Adopted
DEPUTY CHIEF	0.00	1.00	0.00	0.00
BATTALION CHIEF	4.00	3.00	3.00	3.00
FIRE CAPTAIN	4.00	4.00	7.00	7.00
EMS CAPTAIN	1.00	1.00	1.00	1.00
TRAINING CAPTAIN	1.00	1.00	0.00	0.00
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	0.00	0.00	0.50	0.50
MPD ASSISTANT	0.00	0.00	0.50	0.50
TOTAL DIVISION FTE'S:	**72.00**	**72.00**	**74.00**	**74.00**

2015/2016 Goals & Objectives Cont'd

Council Priority: Responsible Government

- ✓ ***Excellence in Service -***
  - ✓ Deploy a department wide inventory tracking system to maximize stewardship of EMS supplies and equipment.
- ✓ ***Risk Management -***
  - ✓ Develop an Occupational Health and Safety Program.
  - ✓ Refine the injury prevention program within the Kennewick Fire Department.

Prior Year Accomplishments

- ✓ Deployed Zoll ECG Monitors and Defibrillators on ambulances.
- ✓ Leveraged left over grant dollars to fund a third EZ Loader cot system in one ambulance.
- ✓ 45 minute SCBA bottles placed on all front line fire engines to increase firefighting capability.
- ✓ Improved and enhanced our water response program through partner-ships with BCSO, USCG, & CBDR.
- ✓ Improved the relationship between Training Divisions of the five local fire agencies.
- ✓ Completed equipment replacement of a Rescue Engine, Medic Unit, Staff Vehicles and major medical equipment.
- ✓ Provided advanced Incident Command Training for select Company Officers and Battalion Chiefs.

City Council Priority Area(s)

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

Performance Measures

Program / Service Outputs	2012 Actual	2013 Actual	2014 Estimated	2015 Projected	2016 Projected
Number of structure fires requiring suppression	96	119	115	118	122
Number of cardiac calls	76	69	66	73	77
Number of EMS calls for service	5,911	6,209	6,520	6,845	7,187

Program / Service Efficiency Measures	2012 Actual	2013 Actual	2014 Estimated	2015 Projected	2016 Projected
Percent of residential and commercial structure fire response times meeting the travel time goal of 5 minutes or less for the first due unit 80% of the time.	97%	97%	97%	97%	98%
Percentage of cardiac arrest calls, where the response (travel) time, met the goal of 4 minutes or less for the first due unit 80% of the time.	85%	85%	90%	90%	90%
Percentage of EMS calls requiring transport to the emergency room.	73%	75%	75%	75%	75%

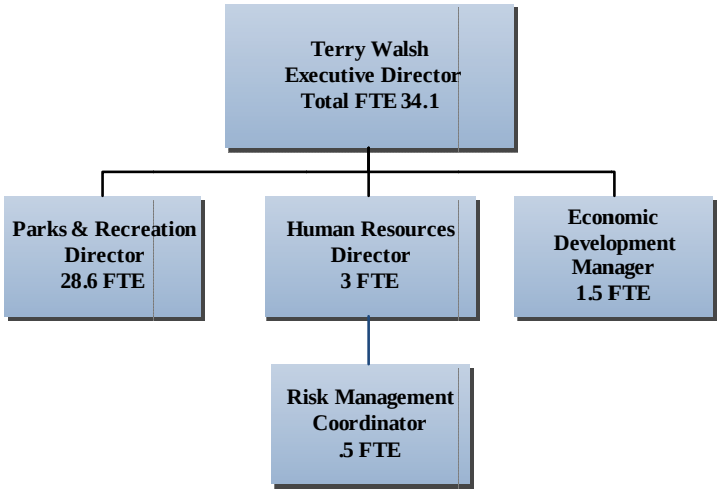
Program / Service Quality	2012 Actual	2013 Actual	2014 Estimated	2015 Projected	2016 Projected
Percentage of working structure fires contained to room of origin.	72%	71%	80%	80%	80%
Percent of cardiac arrest's return of spontaneous circulation and survival per the Utstein Criteria.	41%	50%	52%	54%	56%
Net collection rate of billable calls.	86%	79%	71%	70%	70%

REVENUES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
General Governmental	**$ 11,594,032**	**$ 13,077,202**	**$ 13,011,356**	**$ 10,910,369**
Intergovernmental Revenue	**36,260**	**-**	**15,722**	**-**
Emergency Ambulance Service	6,113,579	6,659,000	6,659,000	7,028,000
Insurance/Utility Charge Adjustments	(2,253,480)	(2,122,000)	(2,122,000)	(2,701,000)
Household Ambulance Charge	2,747,000	4,220,000	4,220,000	4,962,000
Fire Protection Services	283,996	-	-	-
MPD Contractual Services	75,116	71,600	71,600	50,800
Tri Tech Contract	220,002	231,600	231,600	248,300
Charges for Services	**7,186,213**	**9,060,200**	**9,060,200**	**9,588,100**
Miscellaneous Revenue	**13,226**	**50**	**12,050**	**400**
General Fund	1,325,000	-	-	2,325,000
Interfund Transfers	**1,325,000**	**-**	**-**	**2,325,000**
Total Revenue Sources	**$ 20,154,731**	**$ 22,137,452**	**$ 22,099,328**	**$ 22,823,869**
MPD Assistant Fund	-	-	(8,216)	9,027
Medical Services Fund	85,233	(152,609)	(45,929)	(1,401)
Decrease (Increase) to Fund Balance	**85,233**	**(152,609)**	**(54,145)**	**7,626**
Current Funding Sources	**$ 20,239,964**	**$ 21,984,843**	**$ 22,045,183**	**$ 22,831,495**

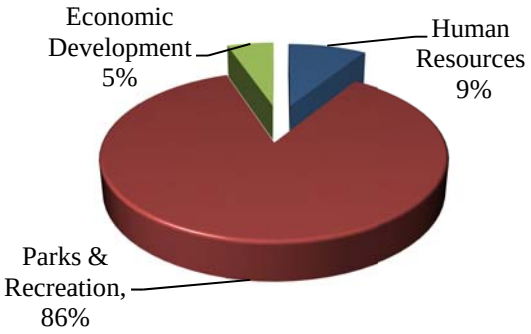
EXPENDITURES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
Salaries	$ 12,403,811	$ 13,539,081	$ 13,539,081	$ 14,630,530
Overtime	1,289,752	1,199,000	1,447,600	1,290,650
Benefits	3,922,911	4,431,144	4,484,844	4,691,546
Salaries & Benefits	**17,616,474**	**19,169,225**	**19,471,525**	**20,612,726**
Supplies	491,381	582,849	677,353	545,708
Contractual Services	11,341	24,964	21,964	17,982
Travel & Training	62,815	78,600	78,600	103,825
Repair & Maintenance	57,704	41,636	41,636	60,779
Fleet Maintenance Charges	903,860	985,608	910,368	911,620
Fire Hydrant Services	236,000	472,000	118,000	-
Facility Maintenance	58,000	58,000	58,000	58,000
Other Services & Charges	216,727	162,747	142,597	131,988
Supplies & Services	**2,037,828**	**2,406,404**	**2,048,518**	**1,829,902**
B/C Fire District #1 - Training Facility	93,187	95,000	95,000	66,000
MDT - AVL Software	-	6,214	6,214	-
SECOMM	327,180	308,000	308,000	267,000
Intergovernmental Services	**420,367**	**409,214**	**409,214**	**333,000**
MPD Operations Fund	-	-	-	-
Capital Improvement Fund	39,605	-	86,972	55,867
Interfund Transfers	**39,605**	**-**	**86,972**	**55,867**
Debt Service	**84,455**	**-**	**-**	**-**
Machinery & Equipment	41,235	-	28,954	-
Capital Outlay	**41,235**	**-**	**28,954**	**-**
Total Expenditures	**$ 20,239,964**	**$ 21,984,843**	**$ 22,045,183**	**$ 22,831,495**
Expenditures by Fund				
General Fund	$ 13,818,756	$ 15,209,155	$ 15,157,193	$ 13,169,420
MPD Assistant Fund	62,299	63,384	63,384	59,727
Medical Services Fund	6,358,909	6,712,304	6,824,606	9,602,348
Total Expenditures by Fund	**$ 20,239,964**	**$ 21,984,843**	**$ 22,045,183**	**$ 22,831,495**

DETAIL BUDGET

Employee & Community Relations Department



Adopted Budget



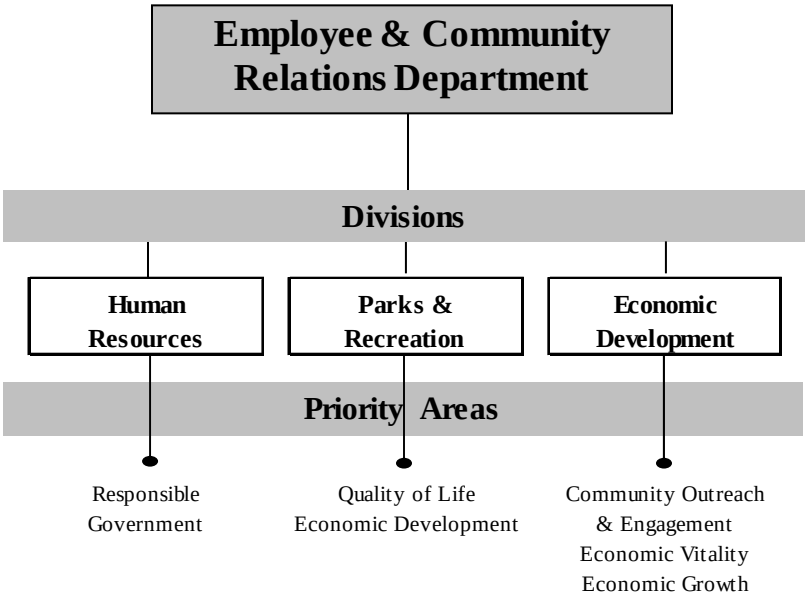
Division Expenditures	2011-2012 Actual	2013-2014 Adopted	2013-2014 Adjusted	2015-2016 Adopted
Human Resources	$ 1,102,676	$ 1,141,642	$ 1,156,642	$ 1,116,942
Economic Development	403,362	491,055	496,055	657,082
Parks & Recreation	8,813,956	10,200,683	10,231,803	10,712,442
Total:	**$ 10,319,994**	**$ 11,833,380**	**$ 11,884,500**	**$ 12,486,466**

Funding Sources	2011-2012 Actual	2013-2014 Adopted	2013-2014 Adjusted	2015-2016 Adopted
General Fund	$ 9,576,957	$ 11,046,027	$ 11,114,027	$ 11,592,840
Columbia Park Golf Course	626,285	648,200	631,320	749,380
Risk Management Fund	116,752	139,153	139,153	144,246
Total Sources:	**$ 10,319,994**	**$ 11,833,380**	**$ 11,884,500**	**$ 12,486,466**

Employee & Community Relations Department

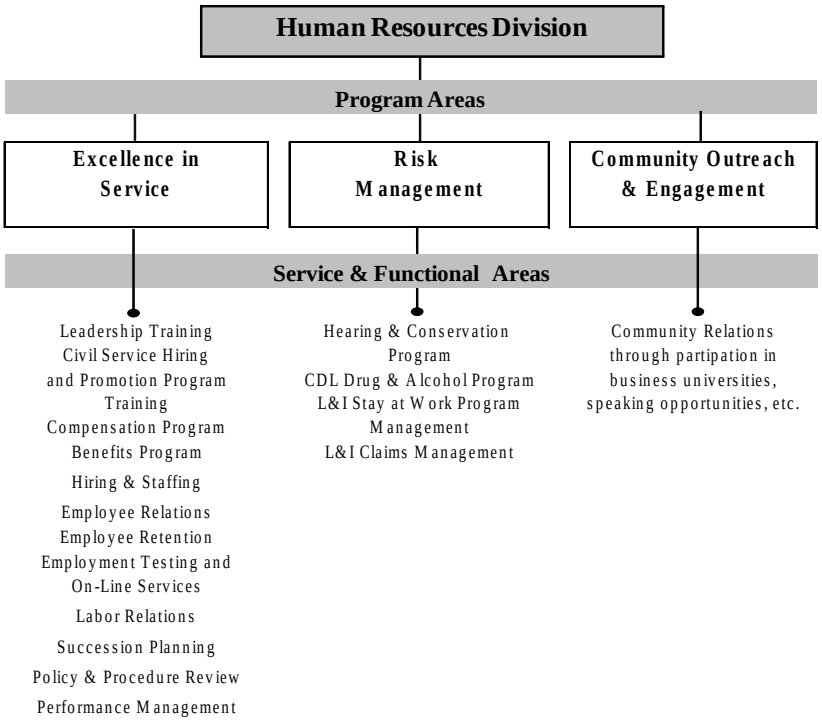
Mission

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



Departmental Staffing	2011-2012 Actual	2013-2014 Adopted	2013-2014 Adjusted	2015-2016 Adopted
Full-time Equivalent (FTE)	33.10	34.10	34.10	34.10
% of City's FTE's	9.62%	9.85%	9.73%	9.26%

Departmental Expenditures by Type	2011-2012 Actual	2013-2014 Adopted	2013-2014 Adjusted	2015-2016 Adopted
Salaries & Benefits	$ 7,311,204	$ 8,292,645	$ 8,283,444	$ 8,675,831
Supplies & Services	2,929,369	3,540,735	3,567,936	3,710,635
Capital Outlay	79,421	-	33,120	100,000
Total Department Budget:	**$10,319,994**	**$11,833,380**	**$11,884,500**	**$12,486,466**



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.

2015/16 Goals & Objectives

Council Priority: Community Safety

- ***Talent Acquisition -***
  - ✓ Continue use of NEOGOV to power our talent acquisition in all areas, including Police and Fire staffing, seeking the best qualified candidates to select and retain.
  - ✓ Fully implement electronic on-boarding for all new employees.
- ***Labor Relations -***
  - Successfully negotiate five labor contracts with the bargaining groups to take effect in 2017.

Council Priority: Responsible Government

- ***Policy Development -***
  - ✓ Continue to manage the HR Strategic Plan in the areas of leadership training, and performance management.
  - ✓ Continue to manage and improve the Pay-for-Performance program.
- ***Benefit Changes & Enhancements -***
  - ✓ Continue to follow Well City application strategies to achieve a 2% premium reduction.
  - ✓ Implement all necessary changes to comply with the Affordable Care Act.
- ***Employee Safety -***
  - ✓ Evaluate and develop proactive workplace and training processes to decrease potential injuries and illnesses.
  - ✓ Institute and administer a new safety recognition program.
  - ✓ Utilize L&I's Stay at Work program to recoup costs and shorten injury-related absences by offering appropriate light duty assignments.
  - ✓ Rework safety policies into a revised Title 19 Safety Program.

Division Broad Goals

- 100% of customer service ratings with 4+ on 5 point scale
- 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

2015/2016 Expenditures

Division Staffing	2013 Actual	2014 Actual	2015 Adopted	2016 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	0.50	0.50
RISK MANAGEMENT COORDINATOR	0.50	0.50	0.50	0.50
TOTAL DIVISION FTE'S:	**3.50**	**3.50**	**3.50**	**3.50**

2014/15 Goals & Objectives Cont'd

- ***Employee Involvement -***
  - ✓ Increase City organized family events.
  - ✓ Restart and maintain regular Leadership sessions.

Prior Year Accomplishments

- ***Talent Acquisition -***
  - ✓ New hires in a protected class: 8.9% in 2013, 25.5% (estimated) in 2014.
- ***Diversity & Community Outreach -***
  - ✓ Coordinated and provided City representation at various job fairs.
- ***Policy Development-***
  - ✓ Completed wage survey for 9 random non-contract positions to ensure salary ranges are within the 60th percentile of our comparable cities.
  - ✓ Implemented a new performance review program for Fire and Police Departments.
- ***Benefit Changes & Enhancements -***
  - ✓ Acquired the Well City award, resulting in a 2% premium reduction.
- ***Employee Safety -***
  - ✓ Enhanced and strengthened safety programs in 2013 and 2014.
  - ✓ Developed and implemented proactive tracking measures.
  - ✓ Revised and implemented several policies: confined space entry, trenching/shoring, hot work, lock-out/tag-out.

City Council Priority Area(s)

- Responsible Government
- Community Safety
- Quality of Life

Performance Measures

Program / Service Outputs

	2012 Actual	2013 Actual	2014 Estimated	2015 Projected	2016 Projected
Number of applications received per year (non-uniformed)	1983	2354	2000	2100	2200
Number of applications received per year (uniformed)	577	568	600	650	650
Number of open recruitments (non-uniformed)	32	42	40	38	38
Number of open recruitments (uniformed)	6	10	7	8	8
Number of L&I claims administered	40	31	24	24	23
Risk management/Safety training hours	1705	1800	2100	1800	1900
Near Miss Reports	Not Tracked	Not Tracked	6	12	12
Safety Recognition Nominations	Not Tracked	Not Tracked	10	15	20
Safety Inspections	Not Tracked	Not Tracked	23	36	40
Recognized Hazards	Not Tracked	Not Tracked	8	10	12
Safety Meetings	Not Tracked	Not Tracked	74	78	78
Certified AWC Retro Safety Coordinators	4	4	6	7	8

Program / Service Efficiency Measures

	2012 Actual	2013 Actual	2014 Estimated	2015 Projected	2016 Projected
Cost per hire (non-uniformed)	$625	$768	$950	$1,000	$1,300
Cost per hire (uniformed)	$7,465	$5,752	$6,000	$6,000	$6,000
Number of time loss days	161	114	190	155	150
Number of worker days lost per claim	4.0	3.7	7.9	4.7	4.7
Number of L&I claims per 100 employees	11.3	8.3	6.1	6.1	5.8
% of minority applications received (non-uniformed)	25.9%	22.6%	27.5%	27.4%	27.3%
% of minority applications received (uniformed)	21.0%	20.6%	21.0%	22.0%	23.0%
Overall satisfactory rating of customer service	NA	NA	99%	100%	100%

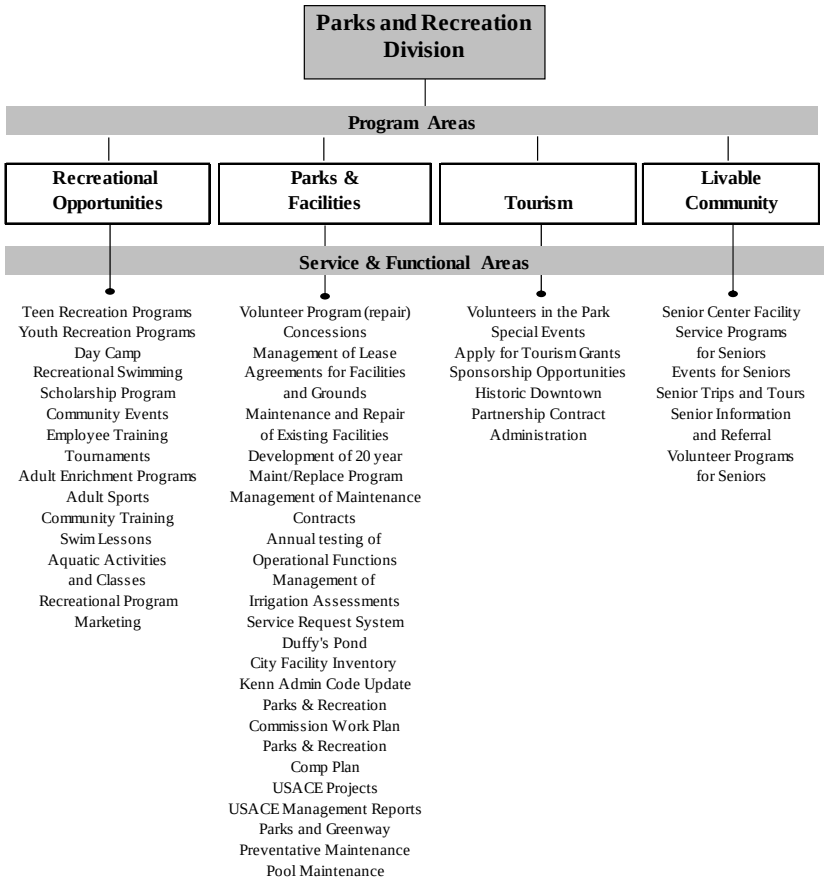
Program / Service Quality

	2012 Actual	2013 Actual	2014 Estimated	2015 Projected	2016 Projected
Percentage of employees passing probation	100%	97%	99%	100%	100%
Change in Claims Administered	37.9%	-22.5%	-22.6%	0%	-4%
Reduction in Time-loss Claims	28.6%	-33.3%	0.0%	0%	-17%
Time loss injury claims	9	6	6	6	5

REVENUES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
General Governmental	**$ 1,102,676**	**$ 1,141,642**	**$ 1,156,642**	**$ 1,116,942**
Current Funding Sources	**$ 1,102,676**	**$ 1,141,642**	**$ 1,156,642**	**$ 1,116,942**

EXPENDITURES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
Salaries	$ 719,401	$ 691,397	$ 691,397	$ 674,801
Overtime	2,226	-	-	-
Part-Time Wages	30	-	-	-
Benefits	247,588	258,230	258,230	238,056
Salaries & Benefits	**969,245**	**949,627**	**949,627**	**912,857**
Supplies	23,755	36,295	43,295	38,810
Contractual Services	38,273	54,109	54,109	56,300
Travel & Training	18,343	33,550	33,550	30,750
Advertising	14,321	16,500	24,500	15,500
Other Services & Charges	38,740	51,561	51,561	62,725
Supplies & Services	**133,431**	**192,015**	**207,015**	**204,085**
Total Expenditures	**$ 1,102,676**	**$ 1,141,642**	**$ 1,156,642**	**$ 1,116,942**
Expenditures by Fund				
General Fund	$ 985,924	$ 1,002,489	$ 1,017,489	$ 972,696
Risk Management Fund	116,752	139,153	139,153	144,246
Total Expenditures by Fund	**$ 1,102,676**	**$ 1,141,642**	**$ 1,156,642**	**$ 1,116,942**

DETAIL BUDGET



Division Purpose/Description

Kennewick Parks and Recreation Division provides Parks and Recreation programs where every person can participate in safe, quality activities of their choice. The Division will work in partnership with other service providers to provide programs and services. Kennewick Parks 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.

Kennewick Parks 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.

2015/16 Goals and Objectives

Council Priority: Quality of Life

- *Recreation Programs* – Develop partnerships for program delivery to reduce impacts to the general fund budget.
- *Sponsorships* – Obtain a title sponsor for Southridge.
- *Carousel* – Work cooperatively with the Carousel Foundation at Southridge.

Council Priority: Economic Development

- *Tournaments* - Recruit five tournaments and/or events for the Southridge pavilion.
- *Duffy's Pond* – Complete the pathway at the pond.
- *Columbia Park Conveyance* – Continue working with USACE on the process.

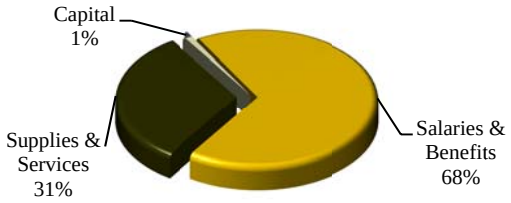
Responsible Government

- *Volunteer Program* – Update and streamline the volunteer program for ease of access for registration and administration.
- *Online Services* – Expand online services for customers through Activenet.
- *Facilities Planning* – Implement a plan to address ongoing maintenance through a "holistic" approach to facilities management.
- *Administrative Procedures* – Update procedures to reflect operating environment and service delivery models.

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.

2015/2016 Expenditures



Division Staffing	2013 Actual	2014 Actual	2015 Adopted	2016 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
COMMUNITY SERVICES SUPERVISOR I	1.80	1.80	1.80	1.80
PARKS & RECREATION OPERATIONS SUPERVISOR	1.00	1.00	1.00	1.00
RECREATION COORDINATOR	1.00	1.00	1.00	1.00
SPORTS MARKETING COORDINATOR	1.00	1.00	1.00	1.00
PARKS MAINTENANCE COORDINATOR	0.00	1.00	1.00	1.00
FACILITIES COORDINATOR	0.00	0.00	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	12.00	10.00	10.00	10.00
UTILITY WORKER	0.00	2.00	2.00	2.00
ADMINISTRATIVE ASSISTANT	2.00	1.00	1.00	1.00
OFFICE SPECIALIST	1.80	1.80	1.80	1.80
TOTAL FULL-TIME STAFF:	28.10	28.10	29.10	29.10
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:	**43.78**	**43.78**	**44.78**	**44.78**

Prior Year Accomplishments

Community Garden

- Completion of the first public Community Garden at Jay Perry Park.

Online Brochure

- Paperless brochure, complete online registration offered for recreation programs, swim lessons and gazebo rentals.

Facilities Assessment

- Completed a 17 building facilities assessment with TCA Consulting to assist with capital planning for facilities for the next 20 years.

Parks & Recreation Commission Work Plan

- Completed several key projects including: preparing a report on the feasibility of a Metropolitan Parks District, and development of the Comprehensive Marketing Plan for implementation in 2013/14.

Standardized Service Delivery Models

- Developed operational manuals for such items as turf management, recreation program operations (basketball, softball), hazardous trees, tournament and event guide updates.

Partnership Opportunities

Developed several partnerships including:

- Joint Arbor Day celebration with the City of Richland.
- Macy's Heart Your Park Program.
- Port of Kennewick - Duffy's Pond path.
- REACH Interpretive Center – programming.
- Tri-City Swim Program; a cooperative program with Kennewick, Richland and Pasco.
- 3 Rivers Carousel at Southridge.

Projects

- City Hall conference room, IT remodel, improvements to Frost landscaping, and power pedestal for vendors market at Highlands Grange Park.

City Council Priority Area(s)

- Quality of Life
- Economic Development
- Responsible Government

Performance Measures

Program / Service Outputs

	2012 Actual	2013 Actual	2014 Estimated	2015 Projected	2016 Projected
Recreation (does not include the pool)					
Number of participants	88,742	62,369*	65,487	66,796	68,132
*Softball teams decreased in 2013 by 16 in fall & 14 in spring					
Number of registrants	13,380	7,222	7,583	7,735	7,890
Number of programs	245	204	215	219	223
Number of volunteers	1,702	1,639	1,704	1,738	1,773
Total number of volunteer hours	7,490	7,214*	7,500	7,650	7,803
*Volunteers hours dropped in Day Camp					
Pool					
Total number of participants - public swim	10,473	7,993	11,000	11,250	11,475
Total number of registrants - lessons	1,263	1,368	1,250	1,275	1,300
Total number of participants – lessons (total units of participation)	11,367	12,312	11,250	11,475	11,700
Senior Center					
Total number of participants	61,451	58,065	55,406	56,000	56,560
Total number of programs	89	89	90	91	92
Total number of volunteers	169	163	119	123	126
Total number of volunteer hours	12,924	12,035	12,100	12,210	12,332
Capital Projects					
City Facilities - Square feet	287,008	305,553	324,743	324,743	324,742
Parks - Acres	558	558	558	558	558
Park Facilities - Square Feet	100,008	108,950	108,950	108,950	108,950
Greenways - Acres	36	36	36	36	36

Program / Service Efficiency Measures

	2012 Actual	2013 Actual	2014 Estimated	2015 Projected	2016 Projected
Recreation (does not include the pool)					
Number of participants per FTE	20,167	14,175	14,883	15,180	15,484
Number of programs per FTE	56	46	48	50	51
Number of volunteers per FTE	68	57	58	59	60
Number of volunteer hours per FTE	1,702	1,639	1,704	1,738	1,773
Cost savings by use of volunteers (based on $11 pr hr)	$82,390	$79,354	$82,500	$84,150	$85,833
Senior Center					
Number of participants per FTE	39,645	37,461	35,745	36,129	36,490
Number of programs per FTE	57	57	58	59	60
Number of volunteers per FTE	109	105	77	79	81
Number of volunteer hours per FTE	8,338	7,764	7,806	7,877	7,956
Cost savings by use of volunteers (based on $11 pr hr)	$142,164	$132,385	$133,100	$134,310	$135,652
Capital Projects					
City Facilities - cost per sq. ft.	$3.25	$3.35	$3.45	$3.55	$3.66
Parks - cost per acre	$4,939	$5,087	$5,240	$5,397	$5,559
Park Facilities - cost per sq. ft.	$4.12	$4.25	$4.38	$4.51	$4.64
Greenways - cost per acre	$4,887	$5,034	$5,185	$5,341	$5,501

Program / Service Quality

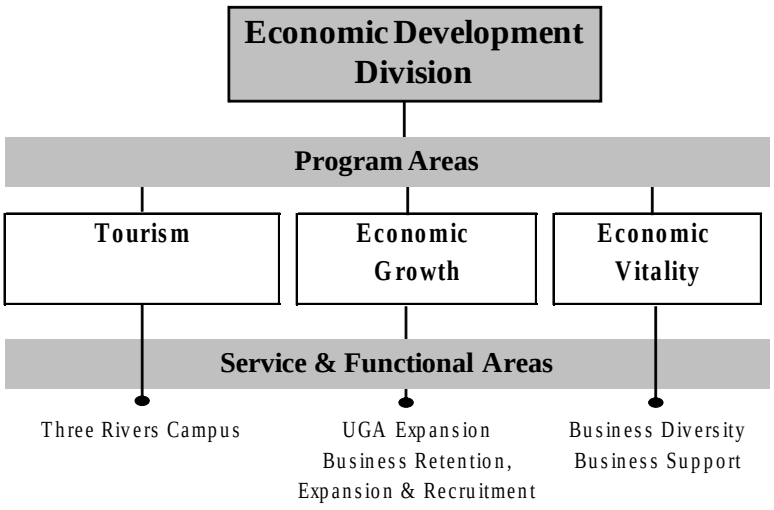
	2012 Actual	2013 Actual	2014 Estimated	2015 Projected	2016 Projected
Senior Ctr. customer rating as "good" or better	97%	97%	97%	97%	97%
Recreation customer rating as "good" or better	96%	97%	97%	97%	97%

Surveys taken in the following programs:
youth basketball, flag football, soccer starz, day camp, karate, mini-mite soccer, zumba, art camp, science camp, tennis

REVENUES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
General Governmental	**$ 7,269,729**	**$ 8,409,783**	**$ 8,457,783**	**$ 8,922,512**
Golf Course Operations	400,595	538,200	428,200	564,380
Recreation User Fees	727,205	954,000	954,000	858,550
Senior Program Fees	137,600	130,000	130,000	136,000
Charges for Services	**1,265,400**	**1,622,200**	**1,512,200**	**1,558,930**
General Fund	225,690	110,000	203,120	185,000
Interfund Transfers	**225,690**	**110,000**	**203,120**	**185,000**
Miscellaneous Revenue	**53,137**	**58,700**	**58,700**	**46,000**
Total Revenue Sources	**$ 8,813,956**	**$ 10,200,683**	**$ 10,231,803**	**$ 10,712,442**

EXPENDITURES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
Salaries	$ 3,167,222	$ 3,678,068	$ 3,678,067	$ 3,826,966
Overtime	80,688	72,230	72,230	66,500
Part-Time Wages	1,187,498	1,223,640	1,223,640	1,259,536
Benefits	1,574,295	1,996,315	1,996,315	2,093,200
Salaries & Benefits	**6,009,703**	**6,970,253**	**6,970,252**	**7,246,202**
Supplies	703,733	841,720	841,720	842,980
Contractual Services	364,249	461,500	461,500	454,500
Travel & Training	13,964	22,000	25,000	23,000
Advertising	6,582	9,000	9,000	11,000
Electricity Charges	462,821	485,000	485,000	533,500
Natural Gas	133,045	186,000	186,000	169,000
Senior Programs	35,520	38,000	38,000	36,000
Golf Course Operations Cost	547,631	648,200	598,200	649,380
Equipment Pool Charges	279,840	315,360	363,360	431,280
Excise tax	8,171	6,000	6,000	6,500
Irrigation Assessments	67,623	72,000	72,000	74,000
Other Services & Charges	101,653	145,650	142,651	135,100
Supplies & Services	**2,724,832**	**3,230,430**	**3,228,431**	**3,366,240**
Capital Outlay	**79,421**	**-**	**33,120**	**100,000**
Total Expenditures	**$ 8,813,956**	**$ 10,200,683**	**$ 10,231,803**	**$ 10,712,442**
Expenditures by Fund				
General Fund	$ 8,187,671	$ 9,552,483	$ 9,600,483	$ 9,963,062
Columbia Park Golf Course	626,285	648,200	631,320	749,380
Total Expenditures by Fund	**$ 8,813,956**	**$ 10,200,683**	**$ 10,231,803**	**$ 10,712,442**

DETAIL BUDGET



Division Purpose / Description

The Economic Development Division seeks to provide increased wealth and prosperity in Kennewick through enhanced integration of regional partnerships, targeted infrastructure funding, and business recruitment, expansion and retention activities.

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 Strategic Plan collaborating with partners.

Highlights / Changes

Economic Development seeks to diversify commercial business recruitment based on target industries, and increase retention and expansion efforts of established companies.

2015/16 Goals & Objectives

Council Priority: Economic Development

- **Tourism**
  - Incorporation of the Tri-Cities brand strategy into marketing efforts.
- **Economic Growth**
  - Business recruitment focusing on target industries.
  - Retention and expansion efforts using economic gardening model and promotion of shop local first campaign.
  - Promote available sites using ZoomProspector.
  - Increase digital presence including social media and enhanced website content.
  - Collaborate on wine village, Vista Field and potential opportunity centers.
- **Economic Vitality**
  - Support business diversity through research and recruitment of varied business categories.
  - Establish sustainability program.
  - Continue business support through participation in community organizations

Prior Year Accomplishments

- Net job growth of 522 FTE's.
- Renewed 86% of business licenses in 2013 and 87% in 2014.
- Accomplished 86% of 2012-16 Economic Development Strategic Plan goals.
- Recruiting efforts at 10 trade show events and through prospecting outreach.

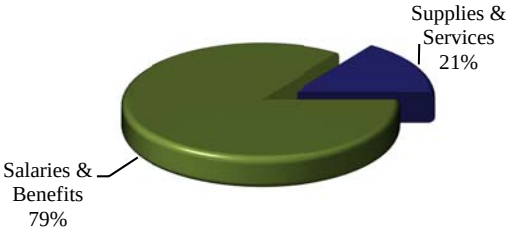
Prior Year Accomplishments (continued)

- Three Rivers Campus hotel and convention center expansion.
- Support of the Carousel of Dreams presented by GESA.
- Trios Southridge Hospital
- Kadlec Clinic and Urgent Care
- New retail businesses included Rock Wood Fired Pizza, Jimmy Johns, Fire Artisan Pizza, Get Air, Great Harvest Bread Co., Rue 21, Dickey's Barbecue and Eyemart Express (among others).

City Council's Priority Area(s)

- Responsible Government
- Economic Development
- Quality of Life

2015/2016 Expenditures



Division Staffing	2013 Actual	2014 Actual	2015 Adopted	2016 Adopted
ECONOMIC DEVELOPMENT MANAGER	1.00	1.00	1.00	1.00
ECONOMIC DEVELOPMENT TECHNICIAN	0.50	0.50	0.50	0.50
TOTAL DIVISION FTE'S:	**1.50**	**1.50**	**1.50**	**1.50**

Program / Service Outputs

	2012 Actual	2013 Actual	2014 Estimated	2015 Projected	2016 Projected
Number of local business contacts made for retention/expansion	n/a	n/a	55	100	110
Number of ribbon cutting and community economic development events attended	n/a	n/a	40	55	60
Number of recruitment contacts provided information	n/a	n/a	265	278	292
Number of trade show/recruiting events attended	n/a	5	5	6	6

Program / Service Efficiency Measures

	2012 Actual	2013 Actual	2014 Estimated	2015 Projected	2016 Projected
Percentage of strategic plan goals met	n/a	81%	86%	92%	99%
Sponsorship for marketing program support	$ 5,000	$ 5,000	$ 1,000	$ 7,500	$ 5,000

Program / Service Quality

	2012 Actual	2013 Actual	2014 Estimated	2015 Projected	2016 Projected
Number of hits to Econ. Development website	9,704	11,070	11,400	11,970	12,570
Sq ft. of retail/office/manufacturing added	83,082	144,771	242,223	120,000	130,000
Number of business licenses* renewed	3,846	3,918	3,990	4,060	4,130
Number of new business licenses* issued	711	677	650	625	605
Number of FTEs for renewing companies*	21,668	22,319	22,540	22,735	23,125
Number of FTEs for new companies *	2,025	1,753	1,675	1,560	1,510

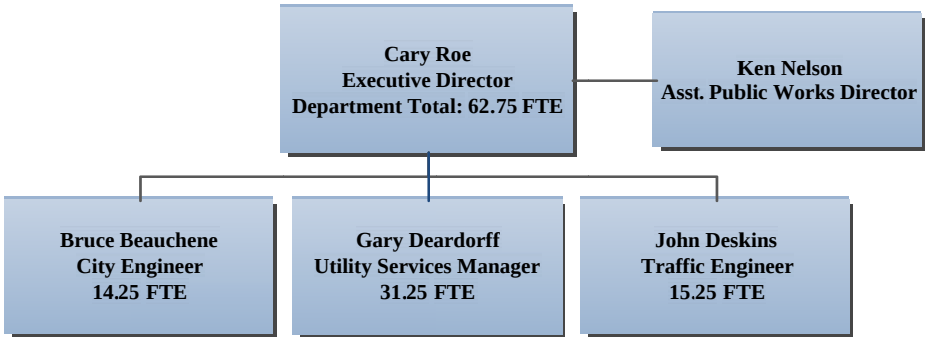
**excludes temporary licenses*

REVENUES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
General Governmental	**$ 403,362**	**$ 491,055**	**$ 496,055**	**$ 657,082**
Current Funding Sources	**$ 403,362**	**$ 491,055**	**$ 496,055**	**$ 657,082**

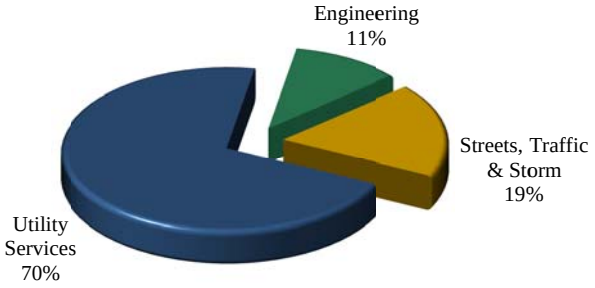
EXPENDITURES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
Salaries	$ 251,051	$ 273,234	$ 273,234	$ 373,954
Benefits	81,205	90,331	90,331	142,818
Salaries & Benefits	**332,256**	**363,565**	**363,565**	**516,772**
Supplies	14,271	7,190	12,190	10,420
Contractual Services	-	60,000	60,000	62,000
Travel & Training	26,912	26,250	26,250	30,000
Advertising	25,630	30,000	30,000	34,000
Other Services & Charges	4,293	4,050	4,050	3,890
Supplies & Services	**71,106**	**127,490**	**132,490**	**140,310**
Total Expenditures	**$ 403,362**	**$ 491,055**	**$ 496,055**	**$ 657,082**
Expenditures by Fund				
General Fund	$ 403,362	$ 491,055	$ 496,055	$ 657,082
Total Expenditures by Fund	**$ 403,362**	**$ 491,055**	**$ 496,055**	**$ 657,082**

DETAIL BUDGET

Don Antonio Restaurant



Adopted Budget

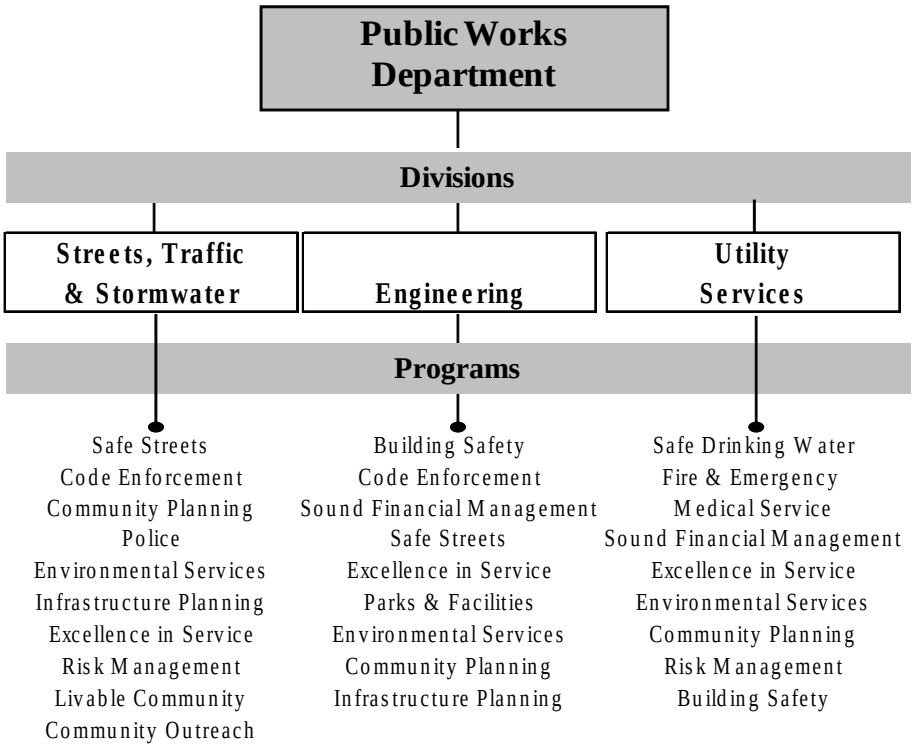


Division Expenditures	2011-2012 Actual	2013-2014 Adopted	2013-2014 Adjusted	2015-2016 Adopted
Public Works-Engineering	$ 2,895,274	$ 3,102,094	$ 3,189,128	$ 3,603,972
Public Works-Utility Services	18,755,435	21,680,746	22,003,699	23,286,287
Public Works-Street, Traffic & Storm	5,533,413	5,774,754	6,358,403	6,130,112
Interfund Transfers	9,344,756	6,020,635	11,139,607	3,994,392
Debt Service	13,833,008	13,262,448	13,378,448	13,430,080
Capital Projects	34,430,408	45,747,876	60,145,058	16,645,624
Total:	**$ 84,792,294**	**$ 95,588,553**	**$ 116,214,343**	**$ 67,090,467**

Funding Sources	2011-2012 Actual	2013-2014 Adopted	2013-2014 Adjusted	2015-2016 Adopted
General Fund	$ 2,895,274	$ 3,102,094	$ 3,229,328	$ 3,603,972
Street Fund	3,834,139	3,979,264	3,934,464	4,027,993
Arterial Street Fund	3,605,294	2,800,000	2,933,972	1,600,000
Urban Arterial Street Fund	7,926,583	7,400,000	26,379,523	-
Solid Waste/Environmental Fund	442,746	-	-	-
Capital Improvement Fund	31,227,919	28,110,383	23,741,812	21,256,238
Stormwater Utility Fund	1,971,235	2,951,436	5,820,861	2,494,734
Water/Sewer Fund	32,889,104	47,245,376	50,174,383	34,107,530
Total Sources:	**$ 84,792,294**	**$ 95,588,553**	**$ 116,214,343**	**$ 67,090,467**

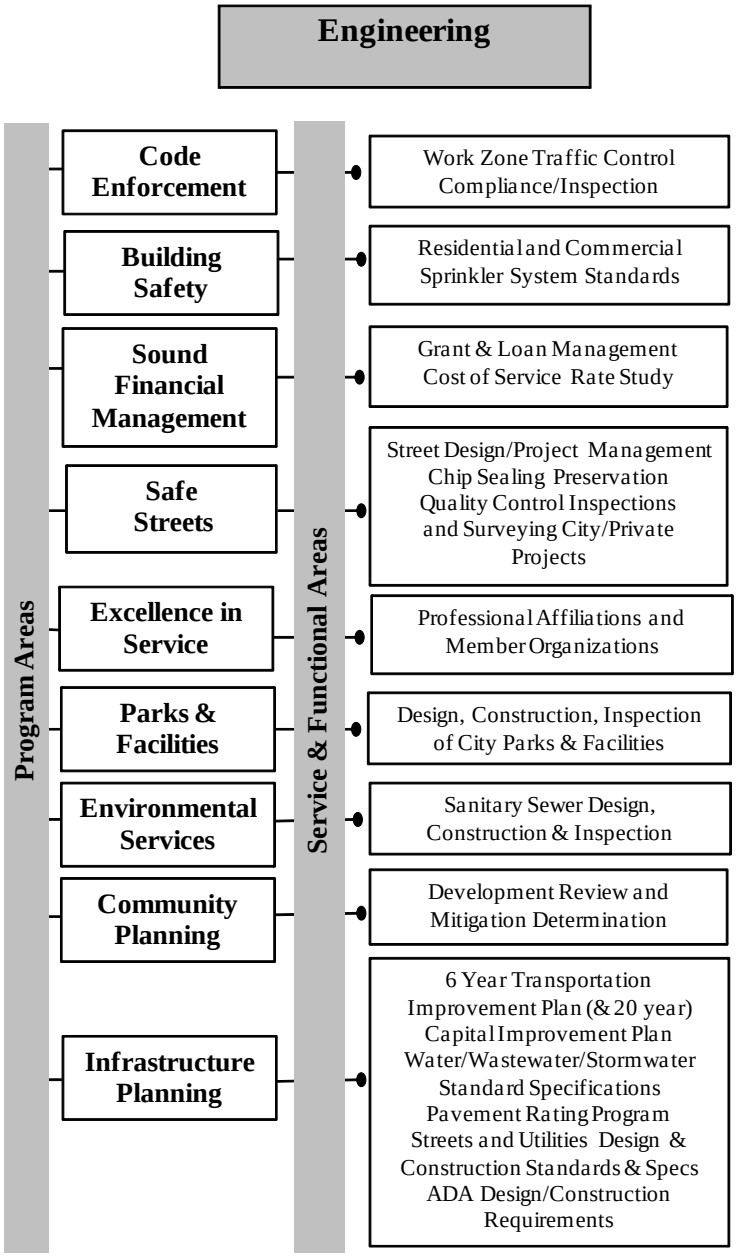
Mission

DEnhance 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	2011-2012 Actual	2013-2014 Adopted	2013-2014 Adjusted	2015-2016 Adopted
Full-time Equivalent (FTE)	61.75	63.75	65.75	66.50
% of City's FTE's	17.95%	18.41%	18.77%	18.07%

Departmental Expenditures by Type	2011-2012 Actual	2013-2014 Adopted	2013-2014 Adjusted	2015-2016 Adopted
Salaries & Benefits	$ 12,168,540	$ 13,842,953	$ 14,189,685	$ 15,473,690
Supplies & Services	15,015,583	16,714,641	17,361,545	17,546,681
Intergovernmental Services	658,683	1,234,725	1,264,725	2,525,000
Interfund Transfers	9,344,756	6,020,635	11,139,607	3,994,392
Debt Service	13,833,007	13,262,448	13,378,448	13,430,080
Capital Outlay	33,771,725	44,513,151	58,880,333	14,120,624
Total Department Budget:	**$ 84,792,294**	**$ 95,588,553**	**$ 116,214,343**	**$ 67,090,467**



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

Completed several high priority projects such as the Dayton Street Bridge, Olympia Street Reconstruction, Columbia Center Boulevard Safety Improvements, and the Grandridge and Young Street Intersection Improvements. City staff also continued with design and construction of projects associated with the continuation of the Steptoe and Hildebrand corridors.

2015/16 Goals & Objectives

Council Priority: Economic Development – Safe Streets

- Steptoe Phase 3: City Limits to 4th Ave.
- Hildebrand Blvd.: City Limits to Sherman St.
- Pavement Preservation Program
- Edison St. Widening: Clearwater to Canal Dr.
- Columbia Center Blvd. Overlay
- Clearwater Ave.: Leslie Rd. to US395
- Metaline Street Widening: Kellogg St. to Edison St.
- ADA Improvements
- W. 5th Ave.: Rainier St. to Quincy St.

Council Priority: Infrastructure & Growth – Environmental Services

- Design Zone 2 Water Transmission Main
- Water and Sewer Renewals and Replacements

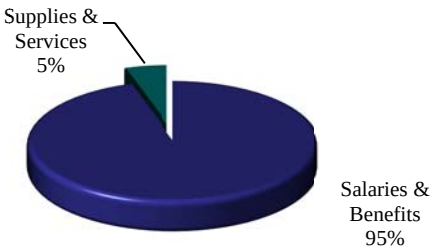
Council Priority: Infrastructure & Growth – Infrastructure Planning

- Updates to City Standard Specifications and Details
- Updates to 6-year Streets Capital Improvement Program
- Utilize Pavement Rating Program in assessment of condition of arterial street

Division Broad Goals

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

2015/2016 Exenditures



Division Staffing

	2013 Actual	2014 Actual	2015 Adopted	2016 Adopted
PUBLIC WORKS DIRECTOR	0.10	0.10	0.10	0.10
ASSISTANT PUBLIC WORKS DIRECTOR	0.20	0.20	0.20	0.20
ADMINISTRATIVE ASSISTANT	0.20	0.20	0.20	0.20
CITY ENGINEER	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	0.00	1.00	1.00	1.00
UTILITIES ENGINEER	0.50	0.50	0.50	0.50
TOTAL FULL-TIME STAFF:	14.00	15.00	15.00	15.00
TOTAL DIVISION FTE'S:	**14.00**	**15.00**	**15.00**	**15.00**

Prior Year Accomplishments

- Began construction of Steptoe St. Extension and Hildebrand Blvd. Extension, Phase 3A and Phase 3B Interim
- Completed construction of Steptoe St. Phase 2
- Completed construction of Columbia Center Blvd. Safety Improvements
- Completed construction of Grandridge and Young Roundabout
- Completed construction of Olympia St. – SR397 to W 27th Ave.
- Completed Dayton Street CID Canal Bridge
- Constructed Beech St. Sewer Phase 2
- Completed Zone 4 and 5 Water Main projects
- Completed 2013 and 2014 Pedestrian Ramp Improvement projects
- Completed City-Wide Water and Sewer Renewals and Replacements
- 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

Ridgeline Southridge Roundabout

Before

After

Performance Measures

Program / Service Outputs	2012 Actual	2013 Actual	2014 Estimated	2015 Projected	2016 Projected
Total plan sheets reviewed	226	170	180	190	200
Number of in-house projects designed & delivered	5	9	10	10	10
Number of change orders written	36	32	30	30	30
Total feet of projects inspected	31,989	24,411	24,000	24,000	24,000
Total engineering revenue	$1,555,092	$1,506,672	$1,582,006	$1,661,106	$1,744,161

Program / Service Efficiency Measures	2012 Actual	2013 Actual	2014 Estimated	2015 Projected	2016 Projected
Cost per plan sheet	$ 2,744	$ 7,482	$ 7,000	$ 7,000	$ 7,000
Cost per in-house project designed & delivered	$ 117,321	$ 149,547	$ 110,000	$ 110,000	$ 110,000
Total cost per change order written	$ 27,733	$ 14,361	$ 12,000	$ 12,000	$ 12,000
Total cost per foot of project inspected	$ 52.00	$ 69.00	$ 60.00	$ 60.00	$ 60.00
Engineering revenue per personnel cost	100%	100%	80%	80%	80%

Program / Service Quality	2012 Actual	2013 Actual	2014 Estimated	2015 Projected	2016 Projected
Percentage completed per project budgeted	90%	100%	90%	90%	90%
Percentage of change orders cost to contract cost	8%	6%	4%	4%	4%
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%

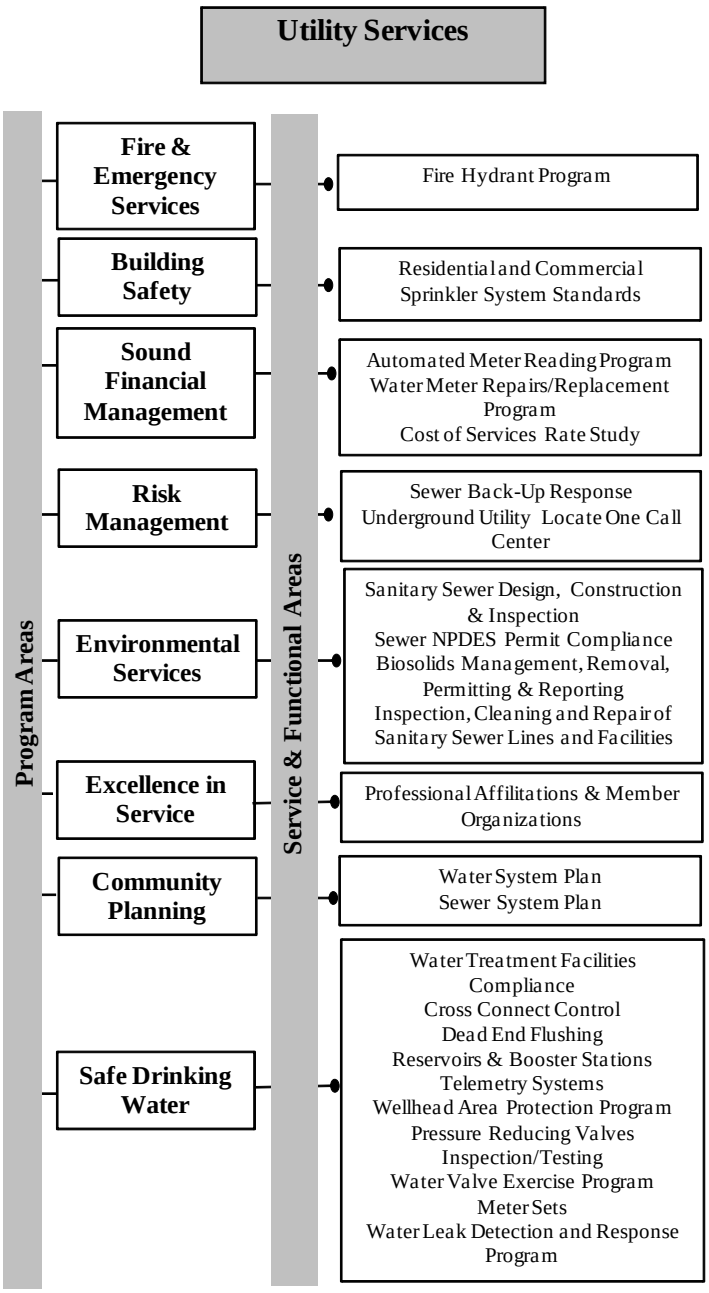
Steptoe Phase II

REVENUES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
General Governmental	**$ 33**	**$ 535,094**	**$ 662,328**	**$ 480,472**
Licenses & Permits	**203,922**	**167,000**	**167,000**	**263,500**
Engineering Services	2,691,319	2,400,000	2,400,000	2,860,000
Charges for Services	**2,691,319**	**2,400,000**	**2,400,000**	**2,860,000**
Current Funding Sources	**$ 2,895,274**	**$ 3,102,094**	**$ 3,229,328**	**$ 3,603,972**

EXPENDITURES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
Salaries	$ 1,911,525	$ 1,994,671	$ 1,994,671	$ 2,299,594
Overtime	48,496	32,300	32,300	37,275
Part-Time Wages	55,479	44,607	110,000	54,545
Benefits	761,294	877,304	877,304	1,037,752
Salaries & Benefits	**2,776,794**	**2,948,882**	**3,014,275**	**3,429,166**
Supplies	32,894	56,976	53,977	56,551
Contractual Services	33,310	30,500	54,500	40,875
Travel & Training	11,245	15,200	18,000	22,200
Fleet Maintenance Charges	31,440	35,520	33,360	31,680
Other Services & Charges	9,591	15,016	15,016	23,500
Supplies & Services	**118,480**	**153,212**	**174,853**	**174,806**
Capital Outlay	**-**	**-**	**40,200**	**-**
Total Expenditures	**$ 2,895,274**	**$ 3,102,094**	**$ 3,229,328**	**$ 3,603,972**
Expenditures by Fund				
General Fund	$ 2,895,274	$ 3,102,094	$ 3,229,328	$ 3,603,972
Total Expenditures by Fund	**$ 2,895,274**	**$ 3,102,094**	**$ 3,229,328**	**$ 3,603,972**

DETAIL BUDGET

Columbia Center Blvd. Safety Project



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

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 and Wastewater Treatment Facility Plans; completed the final phase of a major bottleneck in our wastewater collection system with the second phase of Beech St. sewer interceptor; received an award from the DOE for the 7th Consecutive Year for excellence in operation at our WWTP. The division continues to keep cost effectiveness, efficiencies and reliability as high priorities and will continue to work towards sustainability through implementation of an automated water meter reading program and completion of the Water Comprehensive Plan in the biennium as examples of our dedication to improving.

2015/16 Goals & Objectives

- Automated Meter Read implementation.
- Complete construction of Zone 4 Thompson Hill reservoir and Zone 5 booster station.
- Design of Zone 2 transmission main on W. 7th Ave.
- Water /Sewer Rate Study.
- Water Comprehensive Plan.
- Design & bid of 23rd & Gum lift station improvements.
- Design of Phase 1 improvements at the Wastewater Treatment Plant.
- Design and bid of water & sewer renewals & replacements identified in the CIP.
- Columbia Gardens pretreatment system in partnership with the Port of Kennewick.

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.

Division Staffing

	2013 Actual	2014 Actual	2015 Adopted	2016 Adopted
PUBLIC WORKS DIRECTOR	0.65	0.65	0.65	0.65
ASSISTANT 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	3.00	3.00	3.00
M & C CRAFTSWORKER	6.00	6.00	6.50	6.50
UTILITY WORKER	1.00	1.00	1.00	1.00
TOTAL FULL-TIME STAFF:	35.45	35.45	35.95	35.95
SEASONAL WORKERS	1.50	1.50	1.50	1.50
TOTAL PART-TIME STAFF:	1.50	1.50	1.50	1.50
TOTAL DIVISION FTE'S:	**36.95**	**36.95**	**37.45**	**37.45**

Prior Year Accomplishments

- Southridge Zone 5 water main.
- Zone 5 reservoir.
- Wastewater Biosolids removal at Lagoon #1.
- Completed design of the Zone 4 Thompson Hill reservoir & booster station.
- Preliminary design work on the Zone 6 booster station for Thompson Hill.
- Completed design of Arrowhead & Jefferson sanitary sewer lift station.
- Completed the north end of the Beech St. sanitary sewer interceptor.

City Council's Priority Area(s)

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

Zone 4 Reservoir

Performance Measures

Program / Service Outputs

	2012 Actual	2013 Actual	2014 Estimated	2015 Projected	2016 Projected
Water Treatment Plant -Water Plant & Well Operations: million gallons produced	3,748	3,740	3,815	3,891	3,969
Wastewater Treatment Plant - Plant Operations: million gallons treated	1,954	1,880	1,919	1,957	1,996
Water Distribution - Pipeline Maintenance/Operations: total # of work orders completed	3,812	4,235	4,320	4,406	4,494
Wastewater Collection - Pipeline Maintenance: total items maintained	2,796	2,220	2,264	2,310	2,356

Program / Service Efficiency Measures

	2012 Actual	2013 Actual	2014 Estimated	2015 Projected	2016 Projected
Water Treatment Plant - Water Plant & Well Operations: cost per million gallons	$ 1,171	$ 1,169	$ 1,192	$ 1,216	$ 1,241
Wastewater Treatment Plant - Plant Operations: cost per million gallons	$ 1,652	$ 1,829	$ 1,866	$ 1,903	$ 1,941
Water Distribution - M & O Maintenance: cost per work order completed	$ 389	$ 470	$ 479	$ 489	$ 499
Wastewater Collection - Pipeline Maintenance: cost per item of infrastructure	$ 450	$ 598	$ 605	$ 611	$ 629

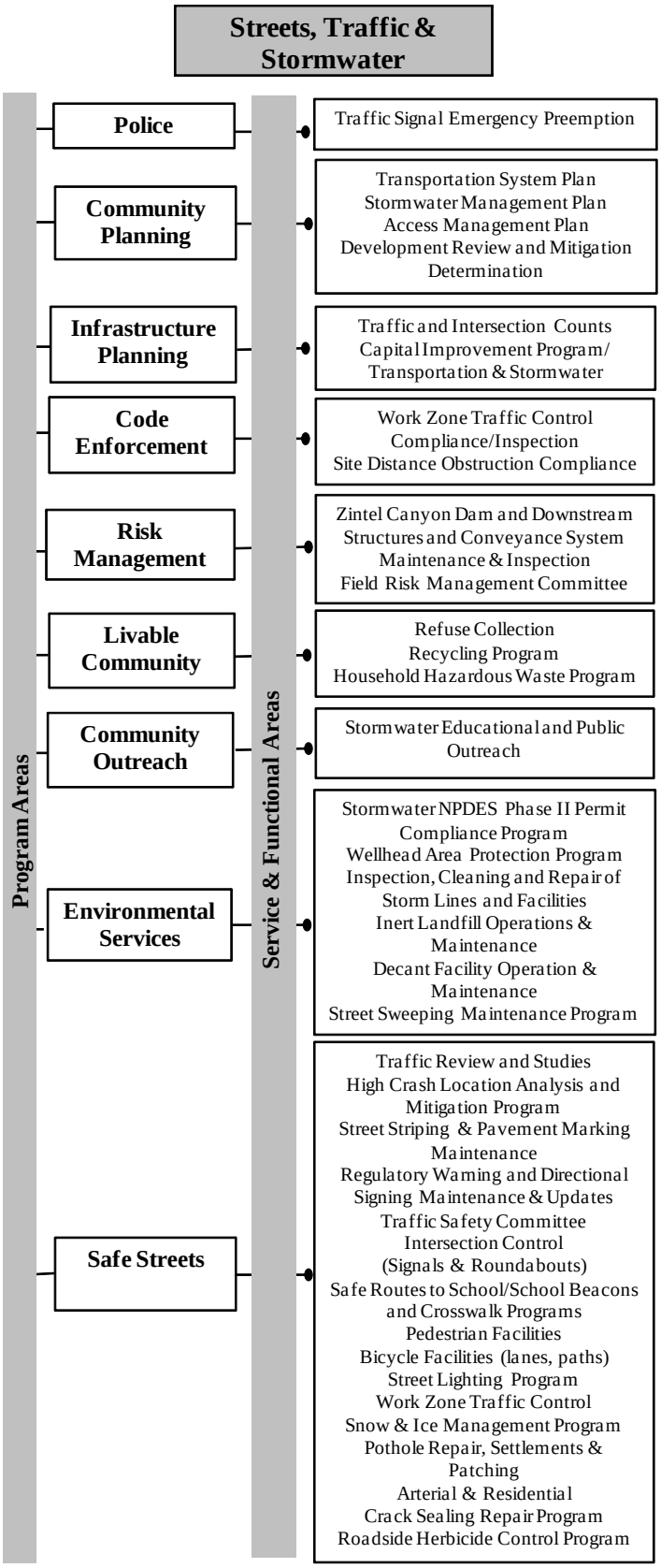
Program / Service Quality

	2012 Actual	2013 Actual	2014 Estimated	2015 Projected	2016 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	1%	1%	1%	1%	1%
Wastewater Collection - Pipeline Maintenance: % of system cleaned and maintained	23%	29%	28%	27%	27%

REVENUES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
Water Services	$ 16,431,921	$ 17,890,866	$ 17,890,866	$ 18,976,122
Sewer Services	13,582,022	14,797,271	14,797,271	15,671,384
Other Utility Fees and Charges	1,786,546	2,369,000	2,015,000	2,606,615
Charges for Services	**31,800,489**	**35,057,137**	**34,703,137**	**37,254,121**
Miscellaneous Revenue	**197,983**	**199,501**	**205,500**	**133,140**
Grants	929,664	2,000,000	2,000,000	-
Contributed Capital	192,929	1,100,000	1,100,000	750,000
Proceeds of General L-T Debt	-	12,250,000	6,975,000	-
Other Financing Sources	**1,122,593**	**15,350,000**	**10,075,000**	**750,000**
Total Revenues	**$ 33,121,065**	**$ 50,606,638**	**$ 44,983,637**	**$ 38,137,261**
Water and Sewer Fund	(231,961)	(3,361,262)	5,190,746	(4,029,731)
Decrease (Increase) to Fund Balance	**(231,961)**	**(3,361,262)**	**5,190,746**	**(4,029,731)**
Current Funding Sources	**$ 32,889,104**	**$ 47,245,376**	**$ 50,174,383**	**$ 34,107,530**

EXPENDITURES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
Salaries	$ 4,546,052	$ 5,045,574	$ 5,235,134	$ 5,628,431
Overtime	49,708	111,800	111,800	79,500
Part-Time Wages	18,886	72,900	72,900	82,000
Benefits	1,909,807	2,336,193	2,413,905	2,702,807
Salaries & Benefits	**6,524,453**	**7,566,467**	**7,833,739**	**8,492,738**
Supplies	448,964	580,360	580,360	564,140
Contractual Services	3,111,701	3,566,468	3,382,468	3,606,780
Travel & Training	41,106	47,700	47,700	49,600
Utility Charges	2,141,615	2,092,659	2,390,659	2,688,225
Repair & Maintenance	1,380,219	1,885,240	1,873,490	1,931,950
Work Performed by Other Depts	322,336	370,000	370,000	300,000
Fleet Maintenance Charges	797,935	858,576	812,007	744,864
State Excise Tax	1,147,686	1,054,845	1,054,845	1,215,715
Utility Tax	2,381,650	2,941,932	2,941,932	3,118,276
Other Services & Charges	457,770	716,499	716,499	573,999
Supplies & Services	**12,230,982**	**14,114,279**	**14,169,960**	**14,793,549**
Capital Improvement Fund	138,587	67,875	126,829	121,052
General Fund	338,187	-	16,700	-
Stormwater Utility Fund	50,000	-	-	-
Equipment Rental Fund	5,678	23,300	14,765	24,000
Interfund Transfers	**532,452**	**91,175**	**158,294**	**145,052**
Debt Service	**6,383,949**	**6,799,670**	**6,799,670**	**6,528,791**
Machinery & Equipment	86,189	92,785	104,535	15,700
Projects	7,131,079	18,581,000	21,108,185	4,131,700
Capital Outlay	**7,217,268**	**18,673,785**	**21,212,720**	**4,147,400**
Total Expenditures	**$ 32,889,104**	**$ 47,245,376**	**$ 50,174,383**	**$ 34,107,530**
Expenditures by Fund				
Water and Sewer Fund	$ 32,889,104	$ 47,245,376	$ 50,174,383	$ 34,107,530
Total Expenditures by Fund	**$ 32,889,104**	**$ 47,245,376**	**$ 50,174,383**	**$ 34,107,530**

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.

2015/16 Goals and Objectives

Council Priority: Infrastructure & Growth – Infrastructure Planning

- Develop and start implementation of a communication plan for the traffic signal system to allow for more efficient implementation of traffic signal timing plans and to provide better access to video for KPD purposes.
- Better integrate private development and city maintenance operations into Hansen and GIS software systems.

Council Priority: Infrastructure & Growth – Safe Streets

- Complete Citywide Traffic Signal Timing project, and develop staff to have back up knowledge of the traffic signal system.
- Implement key projects identified in the Safe Clearwater project.
- Identifying low cost equipment and radio upgrades 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 for stormwater similar to the FOG program.
- 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

	2013 Actual	2014 Actual	2015 Adopted	2016 Adopted
PUBLIC WORKS DIRECTOR	0.25	0.25	0.25	0.25
ASSISTANT 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 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	0.75	0.75	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:	15.30	15.30	15.55	15.55
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:	**16.64**	**16.64**	**16.89**	**16.89**

2013/14 Accomplishments

Council Priority: Infrastructure & Growth – Infrastructure Planning

- Provided design and construction support for continuation of Steptoe and Hildebrand corridor.
- Worked closely with Economic Development and Planning on Development Projects. Developed guidelines for a reduced scope traffic study process.

Council Priority: Infrastructure & Growth – Safe Streets

- Completed inductive street lighting retrofit and took over street light maintenance in-house, saving approximately 50% of costs for street lighting per biennium.
- Turned on five new traffic signals. Two in Southridge to support Trios Hospital and other development. Two on Steptoe Street and one as part of a larger safety project surrounding Columbia Center Mall.
- Assisted in the design and implementation of four new roundabouts, and two mini-roundabouts in neighborhoods.
- New school beacons at Highlands Middle School.
- Maintained striping and marking program on city streets.

Council Priority: Infrastructure & Growth – Environmental Services

- More than 400 spill protection inserts were installed in catch basins to better protect the City's Well Head Protection Area and reduce risk to our drinking water.
- 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

	2012 Actual	2013 Actual	2014 Estimated	2015 Projected	2016 Projected
Total number of traffic signals maintained	59	62	64	64	64
Total number of roundabouts	17	19	21	23	25
Total number of traffic control signs upgraded to meet minimum reflectivity requirements (800/year needed for FHWA	800	573	550	550	550
Total number of sign knockdowns replaced	61	49	50	50	50
Total lane miles restriped	35	256	301	301	301
Total number of pavement markings renewed	47	46	24	50	50
Time spent on design and review of traffic control plans (signals, sign and pavement markings)	250	200	200	150	150
Time spent by Traffic Engineer reviewing signal timing & detection	200	200	240	600	200
Hours spent responding to citizen traffic concerns	300	300	320	300	300
Hours spent for review and comment on SPA's and civil plan review	350	400	500	500	500
Streets maintenance & operation - lane miles	673	760	767	789	802
Storm maintenance & operation - curb miles	570	576	582	588	574

Program / Service Efficiency Measures

	2012 Actual	2013 Actual	2014 Estimated	2015 Projected	2016 Projected
Streets - cost per lane mile	$ 1,107	$ 1,140	$ 1,174	$ 1,210	$ 1,246
Storm - cost per curb mile	$ 1,321	$ 2,139	$ 2,203	$ 2,269	$ 2,337
Cost per traffic signal maintained	$ 5,800	$ 6,000	$ 6,200	$ 6,400	$ 6,600
Cost per upgraded traffic control sign	$ 175	$ 180	$ 185	$ 190	$ 195
Cost per sign installation	$ 230	$ 235	$ 240	$ 245	$ 250
Cost per lane line mile restriped	$ 550	$ 650	$ 700	$ 725	$ 750
Cost per worn marking renewed each year	$ 200	$ 220	$ 240	$ 250	$ 260
Cost per traffic control plan design (signals, signs, and pavement markings)	$ 1,500	$ 1,550	$ 1,600	$ 1,650	$ 1,700
Cost per response to requests, complaints or concerns	$ 150	$ 155	$ 160	$ 165	$ 170
Cost per SPA reviewed	$ 600	$ 625	$ 650	$ 675	$ 700

Program / Service Quality

	2012 Actual	2013 Actual	2014 Estimated	2015 Projected	2016 Projected
Streets maintained at LOS goal for crack sealing, ROW maint	70%	70%	80%	60%	60%
Catch basin, dry well cleaning, and TV lines at LOS goal	60%	50%	40%	50%	50%
Street sweeping maintenance at LOS goal	100%	100%	90%	90%	90%
Percentage of traffic signals provided routine maintenance each year (goal 100%)	50%	50%	50%	50%	50%
Percentage of city traffic control signs brought into compliance each year (15 year replacement cycle) - (goal 6.7%)	2.5%	2.3%	2.3%	2.3%	6.7%
Percentage of knockdowns replaced within 5 days	100%	100%	100%	100%	100%
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%	8%	22%	22%
Percentage of traffic control designs complete on time to match City Engineer's schedule (goal 100%)	100%	85%	75%	75%	75%
Percentage of all citizen concerns, complaints of requests responded to within 14 days of receipt (goal 100%)	90%	90%	90%	90%	90%
Percentage of SPA's reviewed and commented on within 10-days of receipt (goal 100%)	80%	80%	90%	90%	90%

DETAIL BUDGET

REVENUES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
Property	$ 766,521	$ 739,264	$ 694,464	$ 676,193
Other Taxes	320	-	-	-
Taxes	**766,840**	**739,264**	**694,464**	**676,193**
Motor Vehicle Fuel Tax	3,042,693	3,128,000	3,128,000	3,212,200
Intergovernmental Revenue	**3,042,693**	**3,128,000**	**3,128,000**	**3,212,200**
Stormwater Utility Charges	1,638,643	2,252,000	2,252,000	2,333,000
Solid Waste Recylcing Fees	101,622	100,000	100,000	120,000
Other Intergovernmental Revenue	22,787	11,400	11,400	19,000
Charges for Services	**1,763,052**	**2,363,400**	**2,363,400**	**2,472,000**
Miscellaneous Revenue	**12,585**	**600**	**600**	**4,600**
Water/Sewer Fund	50,000	-	-	-
Interfund Transfers	**50,000**	**-**	**-**	**-**
Grants	215,201	600,000	2,061,058	-
Proceeds of General L-T Debt	247,515	-	1,136,984	-
Other Financing Sources	**462,716**	**600,000**	**3,198,042**	**-**
Total Revenues	**$ 6,097,886**	**$ 6,831,264**	**$ 9,384,506**	**$ 6,364,993**
Solid Waste Fund	338,164	-	-	-
Stormwater Utility Fund	(187,930)	99,436	370,819	157,734
Decrease (Increase) to Fund Balance	**150,234**	**99,436**	**370,819**	**157,734**
Current Funding Sources	**$ 6,248,120**	**$ 6,930,700**	**$ 9,755,325**	**$ 6,522,727**

EXPENDITURES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
Salaries	$ 1,904,196	$ 2,119,823	$ 2,129,798	$ 2,295,917
Overtime	40,883	38,020	38,020	34,450
Part-Time Wages	135,852	157,130	157,130	157,130
Benefits	786,361	1,012,631	1,016,723	1,064,289
Salaries & Benefits	**2,867,292**	**3,327,604**	**3,341,671**	**3,551,786**
Supplies	624,946	758,091	747,231	743,131
Contractual Services	177,039	197,300	244,330	298,051
Travel & Training	5,695	27,200	27,200	27,200
Utility Charges	888,403	551,200	545,000	564,000
Repair & Maintenance	39,760	86,500	86,500	77,650
Stormwater Permits	36,484	39,770	39,770	48,868
Stormwater Capacity Permit Complaince	212,522	-	256,058	-
Kennewick IDDE	-	-	304,500	-
State Excise Tax	28,691	40,540	40,540	36,000
Utility Tax	16,386	22,252	22,252	24,000
Fleet Maintenance Charges	575,025	624,048	612,024	617,424
Other Services & Charges	61,170	100,249	91,327	142,002
Supplies & Services	**2,666,121**	**2,447,150**	**3,016,732**	**2,578,326**
Risk Management Fund	325,000	-	-	-
Capital Improvement Fund	69,240	-	42,225	38,140
General Fund	69,757	-	1,000	-
Equipment Rental Fund	229,961	-	42,660	-
Interfund Transfers	**693,958**	**-**	**85,885**	**38,140**
Debt Service	**-**	**343,946**	**343,946**	**354,475**
Capital	**20,749**	**812,000**	**2,967,091**	**-**
Total Expenditures	**$ 6,248,120**	**$ 6,930,700**	**$ 9,755,325**	**$ 6,522,727**
Expenditures by Fund				
Street Fund	$ 3,834,139	$ 3,979,264	$ 3,934,464	$ 4,027,993
Solid Waste Fund	442,746	-	-	-
Stormwater Fund	1,971,235	2,951,436	5,820,861	2,494,734
Total Expenditures by Fund	**$ 6,248,120**	**$ 6,930,700**	**$ 9,755,325**	**$ 6,522,727**

"The measure of who we are is what we do with what we have."

~Vince Lombardi~

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 2015/16 biennial budgets for 15 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. Available means that the funds are collectible within the current period or within 60 days of the end of the current period. 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.

REVENUES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
Beginning Fund Balance	**$ 3,415,596**	**$ 2,800,000**	**$ 3,320,047**	**$ 2,350,000**
Property	20,112,516	21,469,940	21,514,740	22,543,314
Sales & Use	16,630,550	17,367,261	17,603,261	18,751,900
Optional Sales	5,373,676	6,093,000	6,093,000	6,953,000
Utility	16,809,153	18,181,932	18,181,932	18,579,275
Gambling	1,831,825	1,837,000	1,837,000	1,527,000
Other Taxes	963,015	1,093,000	1,093,000	909,000
Taxes	**61,720,735**	**66,042,133**	**66,322,933**	**69,263,489**
Licenses & Permits	**1,102,029**	**1,144,100**	**1,168,100**	**1,229,500**
State Shared Revenues	1,143,987	1,254,000	1,254,000	1,326,000
State Entitlements	2,143,908	1,938,000	1,763,000	2,110,600
Other Intergovernmental Revenue	349,557	85,951	244,464	89,000
Intergovernmental Revenue	**3,637,452**	**3,277,951**	**3,261,464**	**3,525,600**
Engineering Services	2,690,695	2,400,000	2,568,193	2,860,000
General Government Services	4,150,679	4,483,700	4,366,430	4,406,077
Other Charges for Services	2,822,842	2,657,500	2,948,500	2,293,950
Charges for Services	**9,664,216**	**9,541,200**	**9,883,123**	**9,560,027**
Fines & Penalties	**2,431,576**	**2,657,900**	**2,657,900**	**2,781,800**
Miscellaneous Revenue	**903,369**	**945,600**	**1,216,754**	**900,100**
Solid Waste Fund	55,380	-	-	-
Asset Forfeiture Fund	11,000	-	17,000	-
Public Safety Fund	4,974,235	5,265,416	5,265,416	5,232,083
Capital Improvement Fund	96,881	-	-	-
Stormwater Utility Fund	14,378	-	1,000	-
Water/Sewer Fund	338,187	-	16,700	-
Building Safety Fund	94,657	-	-	-
Interfund Transfers	**5,584,718**	**5,265,416**	**5,300,116**	**5,232,083**
Total Revenue Sources	**$ 88,459,691**	**$ 91,674,300**	**$ 93,130,437**	**$ 94,842,599**

EXPENDITURES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
Salaries	$ 41,670,969	$ 45,567,169	$ 45,567,169	$ 46,512,740
Overtime	1,569,305	1,283,105	1,539,405	889,625
Part-Time Wages	1,393,359	1,419,597	1,604,990	1,490,681
Benefits	15,302,081	17,795,889	17,825,089	18,457,561
Salaries & Benefits	**59,935,714**	**66,065,760**	**66,536,653**	**67,350,607**
Supplies	1,778,662	2,026,571	2,229,502	1,939,979
Contractual Services	1,341,190	1,348,404	1,592,374	1,428,101
Travel & Training	310,159	400,995	433,445	478,466
Taxes & Assessments	75,839	78,000	78,000	82,000
Rentals & Leases	1,294,120	1,448,872	1,515,832	1,581,974
Utility Charges	800,064	889,100	889,100	927,600
Repair & Maintenance	791,756	903,638	903,638	977,749
Fire Hydrant Services	236,000	472,000	118,000	-
Other Services & Charges	1,260,589	1,380,769	1,377,519	1,536,331
Supplies & Services	**7,888,379**	**8,948,349**	**9,137,410**	**8,952,200**
District Court	2,341,367	2,772,000	2,772,000	2,357,000
Jail Services	4,857,788	5,500,500	5,500,500	5,850,000
SECOMM	2,172,168	2,019,000	2,019,000	1,632,000
Other Intergovernmental Charges	1,462,147	1,760,614	1,774,816	1,712,600
Allowance for Underexpenditure	-	(1,300,000)	(1,481,720)	(1,275,000)
Intergovernmental Services	**10,833,470**	**10,752,114**	**10,584,596**	**10,276,600**
Capital Improvement Fund	2,500,000	2,000,000	2,179,828	2,000,000
Cash Reserve Fund	154,500	-	100,000	-
Coliseum Fund	499,199	400,000	400,000	400,000
Medical Services Fund	1,325,000	-	-	1,825,000
Risk Management Fund	1,725,000	1,000,000	1,525,000	1,100,000
Columbia Park Golf Course Fund	150,000	110,000	170,000	85,000
Equipment Rental Fund	20,700	-	-	-
Interfund Transfers	**6,374,399**	**3,510,000**	**4,374,828**	**5,410,000**
Capital Outlay	**107,682**	**-**	**120,904**	**-**
Ending Fund Balance	**3,320,047**	**2,398,077**	**2,376,046**	**2,853,192**
Total Expenditures	**$ 88,459,691**	**$ 91,674,300**	**$ 93,130,437**	**$ 94,842,599**

PERSONNEL SUMMARY	Number of FTEs					
Division	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
City Manager	2.00	1.00	2.00	2.00	2.00	2.00
Finance	15.75	15.75	14.50	14.50	11.50	11.50
Management Services	18.50	18.50	18.70	20.70	19.05	19.05
City Attorney	5.00	5.00	5.00	5.00	5.00	5.00
Community Planning	6.90	7.77	8.69	8.69	7.99	7.99
Police	104.00	104.00	107.00	107.00	104.00	104.00
Fire	55.42	56.00	56.00	56.10	52.39	52.39
Engineering	13.00	12.00	12.20	12.20	13.20	13.20
Employee & Community Relations	31.31	31.10	31.85	31.85	33.35	33.35
Admin Services Support Team	5.00	5.00	-	-	-	-
Total General Fund	**256.88**	**256.12**	**255.94**	**258.04**	**248.48**	**248.48**

"There are no traffic jams along the extra mile."

~ Roger Staubach ~

SPECIAL REVENUE FUNDS

The **Street Fund** is responsible for the maintenance of all City streets, bridges, city-owned street lights, traffic control devices, and storm sewers. 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.

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 will be effective January 1, 2015.

The **Solid Waste/Environmental Fund** was established to record the cost of participation in a regional program to encourage waste reduction and recycling education. This fund has been closed and these activities are reflected in the Street Fund beginning in 2013/14.

REVENUES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
Beginning Fund Balance	$ -	$ -	$ -	$ -
Property	766,521	739,264	694,464	676,193
Road	320	-	-	-
Taxes	**766,841**	**739,264**	**694,464**	**676,193**
Licenses & Permits	**-**	**100,000**	**100,000**	**120,000**
Motor Vehicle Fuel Tax	3,042,693	3,128,000	3,128,000	3,212,200
Intergovernmental Revenue	**3,042,693**	**3,128,000**	**3,128,000**	**3,212,200**
Charges for Services	**21,787**	**11,400**	**11,400**	**19,000**
Miscellaneous Revenue	**2,818**	**600**	**600**	**600**
Total Revenue Sources	**$ 3,834,139**	**$ 3,979,264**	**$ 3,934,464**	**$ 4,027,993**

EXPENDITURES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
Salaries	1,316,294	1,440,675	1,440,675	1,508,683
Overtime	31,700	28,020	28,020	24,450
Part-Time Wages	135,636	156,630	156,630	156,630
Benefits	534,584	672,648	672,648	696,469
Salaries & Benefits	**2,018,214**	**2,297,973**	**2,297,973**	**2,386,232**
Supplies	595,848	705,481	694,621	701,801
Contractual Services	3,274	2,750	2,750	4,750
Travel & Training	16,080	18,000	18,000	18,000
Rentals & Leases	296,749	339,660	295,860	252,060
Utility Charges	882,881	545,000	545,000	564,000
Repair & Maintenance	14,381	38,000	38,000	28,750
Other Services & Charges	6,712	32,400	32,400	72,400
Supplies & Services	**1,815,925**	**1,681,291**	**1,626,631**	**1,641,761**
Equipment Rental Fund	-	-	9,860	-
Interfund Transfers	**-**	**-**	**9,860**	**-**
Ending Fund Balance	**-**	**-**	**-**	**-**
Total Expenditures	**$ 3,834,139**	**$ 3,979,264**	**$ 3,934,464**	**$ 4,027,993**

PERSONNEL SUMMARY	Number of FTEs					
	2011	2012	2013	2014	2015	2016
Public Works Director	0.10	0.20	0.20	0.20	0.20	0.20
Assistant Public Works Services Director	0.20	0.30	0.30	0.30	0.30	0.30
Parks, Streets and Facilities Manager	0.21	-	-	-	-	-
Traffic Engineer	1.00	0.95	0.90	0.90	0.90	0.90
Assistant City Engineer	-	0.60	0.40	0.40	0.40	0.40
Maintenance & Operations Supervisor	0.33	-	-	-	-	-
Engineering Technician II	0.75	0.75	0.75	0.75	1.00	1.00
Administrative Assistant	-	-	0.40	0.40	0.40	0.40
Senior Traffic Electrician	0.75	0.75	0.75	0.75	0.75	0.75
Crewleader	0.75	0.75	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	**9.34**	**9.55**	**9.45**	**9.45**	**9.70**	**9.70**

REVENUES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
Beginning Fund Balance	**$ 550,889**	**$ -**	**$ 133,972**	**$ -**
Federal and State Grants	908,770	1,230,000	2,171,624	-
Intergovernmental Revenue	**908,770**	**1,230,000**	**2,171,624**	**-**
Miscellaneous Revenue	**4,151**	**-**	**-**	**-**
Capital Improvement Fund	2,275,457	1,570,000	628,376	1,600,000
Interfund Transfers	**2,275,457**	**1,570,000**	**628,376**	**1,600,000**
Total Revenue Sources	**$ 3,739,267**	**$ 2,800,000**	**$ 2,933,972**	**$ 1,600,000**

EXPENDITURES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
Intergovernmental Services	**$ 290,000**	**$ -**	**$ -**	**$ -**
Projects	3,315,295	2,800,000	2,933,972	1,600,000
Capital Outlay	**3,315,295**	**2,800,000**	**2,933,972**	**1,600,000**
Ending Fund Balance	**133,972**	**-**	**-**	**-**
Total Expenditures	**$ 3,739,267**	**$ 2,800,000**	**$ 2,933,972**	**$ 1,600,000**

REVENUES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
Beginning Fund Balance	**$ 2,500,000**	**$ 2,597,500**	**$ 2,654,500**	**$ 2,675,500**
General Fund	154,500	-	100,000	-
Interfund Transfers	**154,500**	**-**	**100,000**	**-**
Total Revenue Sources	**$ 2,654,500**	**$ 2,597,500**	**$ 2,754,500**	**$ 2,675,500**

EXPENDITURES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
Ending Fund Balance	**$ 2,654,500**	**$ 2,597,500**	**$ 2,754,500**	**$ 2,675,500**
Total Expenditures	**$ 2,654,500**	**$ 2,597,500**	**$ 2,754,500**	**$ 2,675,500**

REVENUES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
Beginning Fund Balance	$ -	$ -	$ -	$ -
Computer Operations	580,956	629,262	629,262	679,138
Charges for Services	**580,956**	**629,262**	**629,262**	**679,138**
Total Revenue Sources	**$ 580,956**	**$ 629,262**	**$ 629,262**	**$ 679,138**

EXPENDITURES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
Salaries	$ 233,762	$ 250,424	$ 250,424	$ 272,514
Benefits	97,089	108,455	108,455	110,880
Salaries & Benefits	**330,851**	**358,879**	**358,879**	**383,394**
Supplies	10,945	10,825	10,825	3,610
Contractual Services	9,060	1,350	1,350	1,350
Travel & Training	11,103	12,000	12,000	12,000
Rentals/Leases	12,000	12,000	12,000	12,000
Repair & Maintenance	202,679	226,328	226,328	263,134
Other Services & Charges	4,318	7,880	7,880	3,650
Supplies & Services	**250,105**	**270,383**	**270,383**	**295,744**
Ending Fund Balance	-	-	-	-
Total Expenditures	**$ 580,956**	**$ 629,262**	**$ 629,262**	**$ 679,138**

PERSONNEL SUMMARY	Number of FTEs					
	2011	2012	2013	2014	2015	2016
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**

REVENUES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
Beginning Fund Balance	**$ 122,669**	**$ 60,000**	**$ 60,764**	**$ 65,000**
CDBG Grant	1,074,451	1,000,000	1,660,941	1,000,000
NSP Grant	66,409	-	-	-
HOME Grant	546,628	250,000	521,764	240,000
Program Income	132,039	-	368,873	-
Intergovernmental Revenue	**1,819,527**	**1,250,000**	**2,551,578**	**1,240,000**
Miscellaneous Revenue	**862**	**800**	**800**	**800**
Total Revenue Sources	**$ 1,943,058**	**$ 1,310,800**	**$ 2,613,142**	**$ 1,305,800**

EXPENDITURES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
Salaries	$ 129,403	$ 174,256	$ 174,256	$ 181,871
Part-Time Wages	1,210	-	-	-
Benefits	42,591	62,882	62,882	68,709
Salaries & Benefits	**173,204**	**237,138**	**237,138**	**250,580**
Supplies	966	3,580	3,580	1,070
Contractual Services	54,813	81,600	81,600	59,500
Travel & Training	5,616	6,000	6,000	6,000
Subrecipient Programs	1,039,217	670,482	1,597,010	308,250
Other Services & Charges	421	1,200	1,400	600
Supplies & Services	**1,101,033**	**762,862**	**1,689,590**	**375,420**
Capital Improvement Fund - Projects	361,120	250,000	624,850	614,000
Coliseum Fund - Projects	228,957	-	-	-
Interfund Transfers	**590,077**	**250,000**	**624,850**	**614,000**
Capital Outlay	**17,980**	**-**	**-**	**-**
Ending Fund Balance	**60,764**	**60,800**	**61,564**	**65,800**
Total Expenditures	**$ 1,943,058**	**$ 1,310,800**	**$ 2,613,142**	**$ 1,305,800**

PERSONNEL SUMMARY	Number of FTEs					
	2011	2012	2013	2014	2015	2016
Community Block Grant Coordinator	0.75	0.75	1.00	1.00	1.00	1.00
Total Community Development Fund	**0.75**	**0.75**	**1.00**	**1.00**	**1.00**	**1.00**

REVENUES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
Beginning Fund Balance	**$ -**	**$ -**	**$ 12,817**	**$ 11,423**
Contractual Services	75,116	-	-	-
Certification Fees	-	71,600	71,600	50,800
Charges for Services	**75,116**	**71,600**	**71,600**	**50,800**
Interest	-	-	-	200
Miscellaneous Revenue	**-**	**-**	**-**	**200**
Total Revenue Sources	**$ 75,116**	**$ 71,600**	**$ 84,417**	**$ 62,423**

EXPENDITURES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
Salaries	$ 38,901	$ 36,612	$ 36,612	$ 38,393
Benefits	15,628	14,892	14,892	8,804
Salaries & Benefits	**54,529**	**51,504**	**51,504**	**47,197**
Supplies	1,201	1,250	1,250	1,000
Contractual Services	1,200	5,100	5,100	4,100
Travel & Training	277	900	900	900
Rentals/Leases	3,600	3,600	3,600	3,600
Other Services & Charges	1,492	1,030	1,030	2,930
Supplies & Services	**7,770**	**11,880**	**11,880**	**12,530**
Ending Fund Balance	**12,817**	**8,216**	**21,033**	**2,696**
Total Expenditures	**$ 75,116**	**$ 71,600**	**$ 84,417**	**$ 62,423**

PERSONNEL SUMMARY	Number of FTEs					
	2011	2012	2013	2014	2015	2016
Office Specialist	0.50	0.50	0.50	0.50	0.50	0.50
Total EMS Operations Fund	**0.50**	**0.50**	**0.50**	**0.50**	**0.50**	**0.50**

REVENUES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
Beginning Fund Balance	**$ 38,410**	**$ 65,000**	**$ 118,889**	**$ 99,700**
Forfeited Property	284,082	50,000	86,500	50,000
Interest Earnings	1,119	400	400	1,000
Miscellaneous Revenue	**285,201**	**50,400**	**86,900**	**51,000**
Total Revenue Sources	**$ 323,611**	**$ 115,400**	**$ 205,789**	**$ 150,700**

EXPENDITURES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
Supplies	$ 62,879	$ 26,000	$ 26,000	$ -
Other Services & Charges	9,712	10,000	30,200	34,175
Supplies & Services	**72,591**	**36,000**	**56,200**	**34,175**
Intergovernmental Services	**13,637**	**5,000**	**5,000**	**5,000**
General Fund	11,000	-	17,000	-
Equipment Rental	107,494	36,000	54,000	36,000
Interfund Transfers	**118,494**	**36,000**	**71,000**	**36,000**
Ending Fund Balance	**118,889**	**38,400**	**73,589**	**75,525**
Total Expenditures	**$ 323,611**	**$ 115,400**	**$ 205,789**	**$ 150,700**

REVENUES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
Beginning Fund Balance	**$ -**	**$ -**	**$ -**	**$ -**
Natural Gas Utility Tax	415,515	404,585	404,585	472,917
Telephone Utility Tax	1,975,800	1,945,416	1,945,416	1,649,166
Electricity Utility Tax	2,582,920	2,915,415	2,915,415	3,110,000
Taxes	**4,974,235**	**5,265,416**	**5,265,416**	**5,232,083**
Total Revenue Sources	**$ 4,974,235**	**$ 5,265,416**	**$ 5,265,416**	**$ 5,232,083**

EXPENDITURES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
General Fund	$ 4,974,235	$ 5,265,416	$ 5,265,416	$ 5,232,083
Interfund Transfers	**4,974,235**	**5,265,416**	**5,265,416**	**5,232,083**
Total Expenditures	**$ 4,974,235**	**$ 5,265,416**	**$ 5,265,416**	**$ 5,232,083**

REVENUES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
Beginning Fund Balance	**$ 130,824**	**$ 188,000**	**$ 225,954**	**$ 82,900**
Hotel/Motel	1,666,577	1,726,000	1,731,000	1,782,000
Taxes	**1,666,577**	**1,726,000**	**1,731,000**	**1,782,000**
Tourism Promotion Area	760,832	784,000	894,000	1,082,000
Charges for Services	**760,832**	**784,000**	**894,000**	**1,082,000**
Interest	4,006	2,000	2,000	2,000
Miscellaneous Revenue	**4,006**	**2,000**	**2,000**	**2,000**
Total Revenue Sources	**$ 2,562,239**	**$ 2,700,000**	**$ 2,852,954**	**$ 2,948,900**

EXPENDITURES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
Event Promotion	$ 29,625	$ 28,000	$ 34,000	$ 20,000
Marketing	17,452	20,000	20,000	20,000
Tourism Promotion Area	760,832	784,000	894,000	1,082,000
T/C Visitor & Convention Bureau	341,776	394,000	410,000	420,000
Supplies & Services	**1,149,685**	**1,226,000**	**1,358,000**	**1,542,000**
Coliseum Fund	1,186,600	1,286,600	1,392,225	1,397,700
Interfund Transfers	**1,186,600**	**1,286,600**	**1,392,225**	**1,397,700**
Ending Fund Balance	**225,954**	**187,400**	**102,729**	**9,200**
Total Expenditures	**$ 2,562,239**	**$ 2,700,000**	**$ 2,852,954**	**$ 2,948,900**

REVENUES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
Beginning Fund Balance	$ -	$ -	$ -	$ -
Sales Tax - Criminal Justice	-	-	-	3,785,000
Taxes	-	-	-	**3,785,000**
Total Revenue Sources	$ -	$ -	$ -	$ **3,785,000**

EXPENDITURES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
Salaries	$ -	$ -	$ -	$ 1,450,454
Overtime	-	-	-	485,825
Benefits	-	-	-	709,609
Salaries & Benefits	-	-	-	**2,645,888**
Supplies	-	-	-	30,000
Contractual Services	-	-	-	50,000
Rentals/Leases	-	-	-	114,222
Other Services & Charges	-	-	-	60,000
Supplies & Services	-	-	-	**254,222**
Equipment Rental Fund	-	-	-	295,000
Interfund Transfers	-	-	-	**295,000**
Capital Outlay	-	-	-	**12,800**
Ending Fund Balance	-	-	-	**577,090**
Total Expenditures	$ -	$ -	$ -	$ **3,785,000**

PERSONNEL SUMMARY	Number of FTEs					
	2011	2012	2013	2014	2015	2016
Police Officer	-	-	-	-	7.00	11.00
Police Support Specialist	-	-	-	-	1.00	2.00
Total Criminal Justice Sales Tax Fund	-	-	-	-	**8.00**	**13.00**

REVENUES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
Beginning Fund Balance	**$ 338,164**	**$ -**	**$ -**	**$ -**
State Grant	1,000	-	-	-
Intergovernmental Revenue	**1,000**	**-**	**-**	**-**
Solid Waste Recycling Fees	101,622	-	-	-
Charges for Services	**101,622**	**-**	**-**	**-**
Miscellaneous Revenue	**1,960**	**-**	**-**	**-**
Total Revenue Sources	**$ 442,746**	**$ -**	**$ -**	**$ -**

EXPENDITURES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
Hazardous Wastes - Contracting	$ 2,366	$ -	$ -	$ -
Supplies & Services	**2,366**	**-**	**-**	**-**
General Fund	55,380	-	-	-
Capital Improvement Fund	60,000	-	-	-
Risk Management Fund	325,000	-	-	-
Interfund Transfers	**440,380**	**-**	**-**	**-**
Ending Fund Balance	**-**	**-**	**-**	**-**
Total Expenditures	**$ 442,746**	**$ -**	**$ -**	**$ -**

* The Solid Waste/Environmental Fund was closed effective 12/31/2012. Activity previously accounted for in this fund is now accounted for in the Street Fund.

"What you do speaks so loudly that I cannot hear what you say."

- Ralph Waldo Emerson -

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).

REVENUES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
Beginning Fund Balance	**$ 780,100**	**$ 300,000**	**$ 924,157**	**$ -**
Federal and State Grants	4,537,569	4,260,000	16,654,022	-
Contributions from Other Govt's	792,831	-	-	-
Intergovernmental Revenue	**5,330,400**	**4,260,000**	**16,654,022**	**-**
Miscellaneous Revenue	**-**	**190,540**	**409,888**	**-**
Capital Improvement Fund	2,740,241	2,649,460	8,391,456	-
Interfund Transfers	**2,740,241**	**2,649,460**	**8,391,456**	**-**
Total Revenue Sources	**$ 8,850,741**	**$ 7,400,000**	**$ 26,379,523**	**$ -**

EXPENDITURES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
Intergovernmental Services	**$ -**	**$ -**	**$ 30,000**	**$ -**
Projects	7,926,584	7,400,000	26,349,523	-
Capital Outlay	**7,926,584**	**7,400,000**	**26,349,523**	**-**
Ending Fund Balance	**924,157**	**-**	**-**	**-**
Total Expenditures	**$ 8,850,741**	**$ 7,400,000**	**$ 26,379,523**	**$ -**

REVENUES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
Beginning Fund Balance	**$ 21,897,023**	**$ 3,362,808**	**$ 7,168,890**	**$ 1,381,912**
Property	52,818	222,000	222,000	690,000
Sales & Use	924,220	1,074,000	1,074,000	1,074,000
Optional Sales Tax	8,625,588	9,393,023	9,393,023	8,866,800
Local Real Estate Excise	2,606,270	2,656,000	2,656,000	3,292,000
Taxes	**12,208,896**	**13,345,023**	**13,345,023**	**13,922,800**
Federal and State Grants	30,290	15,000	21,803	15,000
Kennewick School District	8,849	-	7,935	-
Intergovernmental Revenue	**39,139**	**15,000**	**29,738**	**15,000**
Development Fees	237,583	100,000	100,000	100,000
Charges for Services	**237,583**	**100,000**	**100,000**	**100,000**
Miscellaneous Revenue	**806,779**	**121,000**	**413,900**	**196,000**
General Fund	2,500,000	2,000,000	2,179,828	2,000,000
Medical Services Fund	39,604	-	54,822	55,867
Community Development Fund	361,120	250,000	624,850	614,000
Solid Waste/Environmental Fund	60,000	-	-	-
Building Safety Fund	16,625	-	16,930	34,885
Water/Sewer Fund	138,588	67,875	126,829	121,052
Other Interfund Transfers	66,451	-	42,225	38,140
Interfund Transfers	**3,182,388**	**2,317,875**	**3,045,484**	**2,863,944**
Proceeds from Long Term Debt	-	-	379,383	5,831,168
Long Term Intergovt'l Loan Proceeds	-	12,800,000	-	-
Proceeds from Land Sale	25,000	-	641,306	250,000
Other Financing Sources	**25,000**	**12,800,000**	**1,020,689**	**6,081,168**
Total Revenue Sources	**$ 38,396,808**	**$ 32,061,706**	**$ 25,123,724**	**$ 24,560,824**

EXPENDITURES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
Contractual Services	$ 10,502	$ -	$ -	$ -
Taxes & Assessments	55,143	-	-	-
Repairs & Maintenance	61,996	58,500	118,500	62,100
Building Demolition	-	-	-	339,600
Supplies & Services	**127,641**	**58,500**	**118,500**	**401,700**
Intergovernmental Transfer for KPFD	368,682	1,034,725	1,034,725	1,450,000
Animal Control Facility	-	200,000	200,000	1,075,000
Intergovernmental Services	**368,682**	**1,234,725**	**1,234,725**	**2,525,000**
Arterial Street Fund	2,275,457	1,570,000	628,376	1,600,000
Coliseum Fund	167,524	400,000	532,476	400,000
CP Golf Course Fund	41,390	-	33,120	100,000
Debt Service Fund	5,607,046	4,891,876	4,891,876	4,858,850
Equipment Rental Fund	1,301,704	1,310,000	1,310,000	1,711,200
General Fund	96,881	-	-	-
Risk Management Fund	1,495,150	-	-	-
Urban Arterial Street Fund	2,740,241	2,649,460	8,391,456	-
Interfund Transfers	**13,725,393**	**10,821,336**	**15,787,304**	**8,670,050**
Debt Service	**1,842,013**	**1,226,956**	**1,342,956**	**1,687,964**
Street Projects	7,577,241	13,449,540	1,660,385	1,621,400
Land and Facilities	284,159	650,000	1,422,143	4,253,000
Parks Projects	6,770,363	133,000	735,804	54,000
Other Improvements	33,955	-	6,000	475,000
Machinery & Equipment	498,471	536,326	1,433,995	1,568,124
Capital Outlay	**15,164,189**	**14,768,866**	**5,258,327**	**7,971,524**
Ending Fund Balance	**7,168,890**	**3,951,323**	**1,381,912**	**3,304,586**
Total Expenditures	**$ 38,396,808**	**$ 32,061,706**	**$ 25,123,724**	**$ 24,560,824**

" Our greatest fear should not be of failure but of succeeding at things in life that don't really matter. "

~ Francis Chan ~

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 bonds still outstanding after all assessments have been collected. The LID Guaranty Fund guarantees all unpaid special assessment bonds. State law requires that the Guaranty Fund maintain a balance of at least 10% of the outstanding obligations guaranteed by the fund in any single year. This balance is established and maintained by a tax levy not to exceed 12% of the amount guaranteed.

REVENUES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
Beginning Fund Balance	$ 5,734	$ -	$ 3,032	$ 2,580
Property	800,000	805,075	805,075	815,000
Taxes	**800,000**	**805,075**	**805,075**	**815,000**
Intergovernmental Revenue	**468,212**	**468,212**	**468,212**	**429,750**
Miscellaneous Revenue	**1,479**	**1,000**	**12,800**	**-**
Capital Improvement Fund	5,607,046	4,891,876	4,891,876	4,858,850
Interfund Transfers	**5,607,046**	**4,891,876**	**4,891,876**	**4,858,850**
Refunding Bond Premium	469,459	-	-	-
Refunding Bond Issued	5,330,000	-	-	-
Other Financing Sources	**5,799,459**	**-**	**-**	**-**
Total Revenue Sources	**$ 12,681,930**	**$ 6,166,163**	**$ 6,180,995**	**$ 6,106,180**

EXPENDITURES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
Debt Service	**$ 12,678,898**	**$ 6,166,163**	**$ 6,173,588**	**$ 6,103,925**
Ending Fund Balance	**3,032**	**-**	**7,407**	**2,255**
Total Expenditures	**$ 12,681,930**	**$ 6,166,163**	**$ 6,180,995**	**$ 6,106,180**

REVENUES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
Beginning Fund Balance	$ 34,106	$ 34,500	$ 34,608	$ 35,000
Miscellaneous Revenue	502	-	-	400
Total Revenue Sources	$ 34,608	$ 34,500	$ 34,608	$ 35,400

EXPENDITURES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
Ending Fund Balance	$ 34,608	$ 34,500	$ 34,608	$ 35,400
Total Expenditures	$ 34,608	$ 34,500	$ 34,608	$ 35,400

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.

REVENUES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
Beginning Working Capital	**$ 10,081,766**	**$ 3,017,928**	**$ 10,313,727**	**$ 2,870,197**
Intergovernmental Revenue	**1,122,593**	**2,000,000**	**2,000,000**	**-**
Water Sales	16,431,921	17,890,866	17,890,866	18,976,122
Sewer Sales	13,582,022	14,797,271	14,797,271	15,671,384
Other Utility Fees and Charges	1,786,546	2,369,000	2,015,000	2,606,615
Charges for Services	**31,800,489**	**35,057,137**	**34,703,137**	**37,254,121**
Miscellaneous Revenue	**197,983**	**199,500**	**205,500**	**133,140**
Contributed Capital	-	1,100,000	1,100,000	750,000
Long Term Intergovt'l Loan Proceeds	-	12,250,000	6,975,000	-
Other Financing Sources	**-**	**13,350,000**	**8,075,000**	**750,000**
Total Revenue Sources	**$ 43,202,831**	**$ 53,624,565**	**$ 55,297,364**	**$ 41,007,458**

EXPENDITURES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
Salaries	$ 4,546,052	$ 5,045,573	$ 5,235,134	$ 6,026,308
Overtime	49,708	111,800	111,800	82,050
Part-Time Wages	18,886	72,900	72,900	82,000
Benefits	1,909,138	2,336,192	2,413,904	2,893,594
Salaries & Benefits	**6,523,784**	**7,566,465**	**7,833,738**	**9,083,952**
Supplies	448,964	580,360	580,360	567,690
Contractual Services	3,111,701	3,566,468	3,382,468	3,606,780
Travel & Training	41,106	47,700	47,700	51,400
Taxes & Assessments	3,529,336	4,010,777	4,010,777	4,347,990
Rentals & Leases	836,811	1,055,576	1,009,007	844,136
Utility Charges	2,141,615	2,092,659	2,390,659	2,688,225
Repair & Maintenance	1,380,219	1,885,240	1,873,490	1,931,950
Other Services & Charges	741,898	875,500	875,500	813,256
Supplies & Services	**12,231,650**	**14,114,280**	**14,169,961**	**14,851,427**
General Fund	338,187	-	16,700	-
Capital Improvement Fund	138,588	67,875	126,829	121,052
Stormwater Utility Fund	50,000	-	-	-
Equipment Rental Fund	5,678	23,300	14,765	24,000
Interfund Transfers	**532,453**	**91,175**	**158,294**	**145,052**
Debt Service	**6,383,949**	**6,799,670**	**6,799,670**	**6,528,791**
Machinery & Equipment	85,815	92,785	104,535	15,700
Projects	7,131,453	18,581,000	21,108,185	4,131,700
Capital Outlay	**7,217,268**	**18,673,785**	**21,212,720**	**4,147,400**
Ending Working Capital	**10,313,727**	**6,379,190**	**5,122,981**	**6,250,836**
Total Expenditures	**$ 43,202,831**	**$ 53,624,565**	**$ 55,297,364**	**$ 41,007,458**

PERSONNEL SUMMARY	Number of FTEs					
	2011	2012	2013	2014	2015	2016
Public Works Director	0.8	0.65	0.65	0.65	0.65	0.65
Assistant Director of Public Works	0.5	0.5	0.5	0.5	0.5	0.5
Maintenance & Operations Manager	1	1	1	1	1	1
Parks, Streets & Facilities Manager	0.33	-	-	-	-	-
City Engineer	-	0.1	0.1	0.1	0.1	0.1
Assistant City Engineer	-	0.1	0.1	0.1	0.1	0.1
Utility Superintendent	-	-	1	1	1	1
Field Services Supervisor	0.6	0.95	1	1	1	1
Plant Services Supervisor	1	1	1	1	1	1
Parks, Streets & Facilities Supervisor	0.2	-	-	-	-	-
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
Office Engineer	0.2	0.2	0.2	0.2	0.2	0.2
Economic Development Specialist	0.25	0.25	-	-	-	-
Facilities Coordinator	-	-	0.25	0.25	0.25	0.25
Administrative Assistant	-	-	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
Chief Plant Operator	2	1	-	-	-	-
Traffic Electrician	0.25	0.25	0.25	0.25	0.25	0.25
Telemetry Specialist	1	1	1	1	1	1
Plant Operator	4	5	6	6	6	6
General Craftsworker	8	8	8	8	8	8
Equipment Operator	3	3	3	3	3	3
Maintenance & Construction (M&C) Craftsworker	7	6	6	6	10	10
Utility Worker	-	1	1	1	1	1
Total Water and Sewer Fund	**36.18**	**36.05**	**38.4**	**38.4**	**42.4**	**42.4**

REVENUES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
Beginning Working Capital	**$ 5,103**	**$ 450,000**	**$ 585,974**	**$ 720,000**
Building Permits	2,742,894	2,320,000	2,320,000	2,485,000
Licenses & Permits	**2,742,894**	**2,320,000**	**2,320,000**	**2,485,000**
Miscellaneous Revenue	**1,658**	**-**	**-**	**8,000**
Total Revenue Sources	**$ 2,749,655**	**$ 2,770,000**	**$ 2,905,974**	**$ 3,213,000**

EXPENDITURES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
Salaries	$ 1,238,382	$ 1,279,072	$ 1,279,072	$ 1,442,226
Overtime	4,173	4,000	4,000	4,000
Benefits	454,004	535,263	535,263	631,270
Salaries & Benefits	**1,696,559**	**1,818,335**	**1,818,335**	**2,077,496**
Supplies	20,342	25,590	25,590	26,380
Contractual Services	211,326	217,900	300,650	337,711
Travel & Training	8,646	13,000	13,000	15,000
Rentals & Leases	70,948	73,133	74,956	77,213
Utility Charges	11,200	11,200	11,200	11,200
Other Services & Charges	33,378	40,430	40,430	49,250
Supplies & Services	**355,840**	**381,253**	**465,826**	**516,754**
General Fund	94,657	-	-	-
Capital Improvement Fund	16,625	-	16,930	34,885
Interfund Transfers	**111,282**	**-**	**16,930**	**34,885**
Ending Working Capital	**585,974**	**570,412**	**604,883**	**583,865**
Total Expenditures	**$ 2,749,655**	**$ 2,770,000**	**$ 2,905,974**	**$ 3,213,000**

PERSONNEL SUMMARY	Number of FTEs					
	2011	2012	2013	2014	2015	2016
Fire Marshal	0.33	-	-	-	-	-
Planning Director	-	0.33	0.33	0.33	0.33	0.33
Development Services Manager	0.10	-	-	-	-	-
Building Official	1.00	1.00	1.00	1.00	1.00	1.00
Administrative Assistant	-	-	0.33	0.33	0.33	0.33
Captain Inspector	1.00	0.75	0.75	0.75	0.75	0.75
Fire Prevention Specialist	-	-	-	0.50	0.50	0.50
Building Inspector II	2.00	2.00	2.00	2.00	2.00	2.00
Building Inspector I	1.00	1.00	1.00	1.00	1.00	1.00
Code Enforcement Officer	-	-	0.10	0.10	0.10	0.10
Plans Examiner	1.00	1.00	1.00	1.00	1.00	1.00
Planner	0.50	0.10	0.10	0.10	0.30	0.30
Planning Technician	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	1.00	0.30	0.45	0.45	0.45	0.45
Total Building Safety Fund	**9.13**	**7.68**	**8.26**	**8.76**	**8.96**	**8.96**

REVENUES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
Beginning Working Capital	**$ 529,973**	**$ 450,000**	**$ 444,740**	**$ 350,000**
Intergovernmental Revenue	**3,272**	**-**	**15,722**	**-**
Emergency Ambulance Service	6,113,579	6,659,000	6,659,000	7,028,000
Household Ambulance Charge	2,747,000	4,220,000	4,220,000	5,480,000
Insurance/Utility Charge Adjustments	(2,253,480)	(2,122,000)	(2,122,000)	(2,701,000)
Charges for Services	**6,607,099**	**8,757,000**	**8,757,000**	**9,807,000**
Miscellaneous Revenue	**2,097**	**50**	**50**	**200**
General Fund	1,325,000	-	-	1,825,000
Interfund Transfers	**1,325,000**	**-**	**-**	**1,825,000**
Proceeds from Sale of Fixed Assets	10,000	-	12,000	-
Other Financing Sources	**10,000**	**-**	**12,000**	**-**
Total Revenue Sources	**$ 8,477,441**	**$ 9,207,050**	**$ 9,229,512**	**$ 11,982,200**

EXPENDITURES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
Salaries	$ 4,073,655	$ 4,343,839	$ 4,382,938	$ 6,471,613
Overtime	326,949	357,500	357,500	509,500
Part-Time Wages	865	-	-	-
Benefits	1,138,837	1,322,727	1,350,728	1,912,678
Salaries & Benefits	**5,540,306**	**6,024,066**	**6,091,166**	**8,893,791**
Supplies	276,872	278,850	303,100	292,717
Contractual Services	390,467	345,482	364,432	497,101
Travel & Training	32,238	42,600	42,600	42,600
State Excise Tax	106,927	146,000	146,000	138,000
Utility Tax	59,404	81,000	81,000	91,000
Rentals & Leases	618,035	657,648	658,128	731,500
Repair & Maintenance	55,136	50,685	108,685	116,898
Bad Debt	484,565	634,000	634,000	530,000
Other Services & Charges	148,384	159,110	80,960	84,325
Supplies & Services	**2,172,028**	**2,395,375**	**2,418,905**	**2,524,141**
SECOMM	196,308	185,000	185,000	160,000
Intergovernmental Services	**196,308**	**185,000**	**185,000**	**160,000**
Capital Improvement Fund	39,604	-	54,822	55,867
Equipment Rental Fund	-	-	32,150	-
Interfund Transfers	**39,604**	**-**	**86,972**	**55,867**
Debt Service	**84,455**	**-**	**-**	**-**
Machinery & Equipment	-	-	20,750	-
Capital Outlay	**-**	**-**	**20,750**	**-**
Ending Working Capital	**444,740**	**602,609**	**426,719**	**348,401**
Total Expenditures	**$ 8,477,441**	**$ 9,207,050**	**$ 9,229,512**	**$ 11,982,200**

PERSONNEL SUMMARY	Number of FTEs					
	2011	2012	2013	2014	2015	2016
Fire Chief	0.50	0.50	0.50	0.50	0.50	0.50
Deputy Fire Chief	0.50	0.50	0.50	0.65	0.50	0.50
Batallion Chief	-	-	-	-	1.50	1.50
EMS Captain	1.00	1.00	1.00	1.00	1.00	1.00
Training Captain	-	-	-	-	0.50	0.50
Captain/Paramedic	6.00	6.00	6.00	6.00	6.31	6.31
Firefighter/Paramedic	12.00	12.00	12.00	12.00	19.55	19.55
Administrative Assistant	0.50	0.50	0.50	0.50	0.50	0.50
Accounting Specialist	1.00	1.00	1.00	1.00	1.00	1.00
Office Specialist	0.25	0.25	0.75	0.50	0.50	0.50
Total Medical Service Fund	**21.75**	**21.75**	**22.25**	**22.15**	**31.86**	**31.86**

REVENUES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
Beginning Working Capital	**$ 207,191**	**$ 118,849**	**$ 395,121**	**$ 697,221**
Intergovernmental Revenue	**220,437**	**600,000**	**2,061,058**	**-**
Stormwater Utility Charges	1,638,643	2,252,000	2,252,000	2,333,000
Charges for Services	**1,638,643**	**2,252,000**	**2,252,000**	**2,333,000**
Miscellaneous Revenue	**2,570**	**-**	**-**	**4,000**
Water/Sewer Fund	50,000	-	-	-
Interfund Transfers	**50,000**	**-**	**-**	**-**
Long Term Intergovt'l Loan Proceeds	247,515	-	1,136,984	-
Other Financing Sources	**247,515**	**-**	**1,136,984**	**-**
Total Revenue Sources	**$ 2,366,356**	**$ 2,970,849**	**$ 5,845,163**	**$ 3,034,221**

EXPENDITURES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
Salaries	$ 587,902	$ 679,147	$ 689,123	$ 787,234
Overtime	9,183	10,000	10,000	10,000
Part-Time Wages	216	500	500	500
Benefits	251,777	339,983	344,075	367,821
Salaries & Benefits	**849,078**	**1,029,630**	**1,043,698**	**1,165,555**
Supplies	29,098	52,610	52,610	41,330
Contractual Services	183,366	206,550	241,580	293,301
Travel & Training	4,403	9,200	9,200	9,200
Taxes & Assessments	45,077	62,792	62,792	60,000
Rentals & Leases	280,065	291,888	323,664	372,864
Repair & Maintenance	28,096	50,500	50,500	50,900
Work Performed by Other Depts	6,094	30,000	30,000	30,000
Stormwater Permits/Compliance	249,006	39,770	295,828	48,868
Kennewick IDDE	-	-	304,500	-
Other Services & Charges	25,341	24,550	24,550	30,100
Supplies & Services	**850,546**	**767,860**	**1,395,224**	**936,563**
General Fund	14,378	-	1,000	-
Capital Improvement Fund	9,240	-	42,225	38,140
Equipment Rental Fund	229,961	-	32,800	-
Interfund Transfers	**253,579**	**-**	**76,025**	**38,140**
Debt Service	**-**	**343,946**	**343,946**	**354,475**
Machinery & Equipment	-	10,000	10,000	-
Projects	18,032	800,000	2,951,968	-
Capital Outlay	**18,032**	**810,000**	**2,961,968**	**-**
Ending Working Capital	**395,121**	**19,413**	**24,302**	**539,488**
Total Expenditures	**$ 2,366,356**	**$ 2,970,849**	**$ 5,845,163**	**$ 3,034,221**

PERSONNEL SUMMARY	Number of FTEs					
	2011	2012	2013	2014	2015	2016
Public Works Director	-	0.05	0.05	0.05	0.05	0.05
Parks, Streets and Facilities Manager	0.125	-	-	-	-	-
Traffic Engineer	-	0.05	0.10	0.10	0.10	0.10
Assistant City Engineer	-	0.3	0.50	0.50	0.50	0.50
Field Services Supervisor	0.2	0.05	-	-	-	-
Administrative Assistant	-	-	0.10	0.10	0.10	0.10
Crewleader	0.25	0.25	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	**5.075**	**5.2**	**5.75**	**5.75**	**5.75**	**5.75**

REVENUES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
Beginning Working Capital	**$ (350,832)**	**$ (384,083)**	**$ (454,262)**	**$ (450,000)**
Intergovernmental Revenue	**11,800**	**-**	**-**	**-**
Advertising/Sponsorship Revenue	763,172	1,170,630	1,170,630	718,000
Event Revenue	2,115,419	1,567,950	1,567,950	2,136,000
Food & Beverage Revenue	3,063,997	3,007,874	3,007,874	2,740,000
Ice Arena Revenue	613,332	709,252	709,252	650,000
Charges for Services	**6,555,920**	**6,455,706**	**6,455,706**	**6,244,000**
Miscellaneous Revenue	**11,138**	**91,400**	**91,400**	**6,000**
General Fund	499,199	400,000	400,000	400,000
Lodging Tax Fund	1,186,600	1,286,600	1,392,225	1,397,700
Capital Improvement Fund	167,524	400,000	532,476	400,000
Community Development Fund	228,957	-	-	-
Interfund Transfers	**2,082,280**	**2,086,600**	**2,324,701**	**2,197,700**
Long Term Intergovt'l Loan Proceeds	-	-	400,000	-
Other Financing Sources	**-**	**-**	**400,000**	**-**
Total Revenue Sources	**$ 8,310,306**	**$ 8,249,623**	**$ 8,817,545**	**$ 7,997,700**

EXPENDITURES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
Personnel	$ 3,232,630	$ 3,330,660	$ 3,330,660	$ 3,128,000
General and Administrative	79,322	82,420	82,420	76,000
Occupancy	1,146,533	1,124,804	1,124,804	1,130,000
Event Expenses	1,454,491	1,348,336	1,348,336	1,310,000
Services/Operations	1,395,193	1,336,886	1,336,886	1,286,000
Travel & Training	7,901	24,000	24,000	20,000
Supplies & Services	**7,316,070**	**7,247,106**	**7,247,106**	**6,950,000**
Debt Service	**990,860**	**991,195**	**1,051,820**	**1,097,700**
Buildings	115,838	-	-	-
Other Improvements	-	400,000	932,476	400,000
Machinery & Equipment	341,800	-	-	-
Capital Outlay	**457,638**	**400,000**	**932,476**	**400,000**
Ending Working Capital	**(454,262)**	**(388,678)**	**(413,857)**	**(450,000)**
Total Expenditures	**$ 8,310,306**	**$ 8,249,623**	**$ 8,817,545**	**$ 7,997,700**

REVENUES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
Beginning Working Capital	**$ -**	**$ -**	**$ (767)**	**$ -**
Sales of Merchandise	16,824	22,907	22,907	24,780
Green Fees and Other Charges	339,168	460,627	350,627	470,000
Golf Lessons	9,163	13,602	13,602	12,000
Charges for Services	**365,155**	**497,136**	**387,136**	**506,780**
Miscellaneous Revenue	**35,440**	**41,064**	**41,064**	**57,600**
General Fund	150,000	110,000	170,000	85,000
Equipment Rental Fund	34,300	-	-	-
Capital Improvement Fund	41,390	-	33,120	100,000
Interfund Transfers	**225,690**	**110,000**	**203,120**	**185,000**
Total Revenue Sources	**$ 626,285**	**$ 648,200**	**$ 630,553**	**$ 749,380**

EXPENDITURES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
General & Administrative	$ 215,022	$ 218,921	$ 218,921	$ 212,000
Maintenance	154,857	195,811	175,811	185,000
Operations Costs	150,486	194,136	174,136	198,000
Other Operating Expenses	27,266	39,332	29,332	54,380
Supplies & Services	**547,631**	**648,200**	**598,200**	**649,380**
Capital Outlay	**79,421**	**-**	**33,120**	**100,000**
Ending Working Capital	**(767)**	**-**	**(767)**	**-**
Total Expenditures	**$ 626,285**	**$ 648,200**	**$ 630,553**	**$ 749,380**

"The only way to do great work is to love what you do."

- Steve Jobs -

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 office 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.

REVENUES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
Beginning Working Capital	**$ 3,078,429**	**$ 3,700,000**	**$ 3,322,595**	**$ 3,500,000**
Maintenance & Replacement Charges	3,254,752	3,549,696	3,560,726	3,742,132
Charges for Services	**3,254,752**	**3,549,696**	**3,560,726**	**3,742,132**
Proceeds from Sale of Assets	5,018	-	-	-
Interest/Miscellaneous	50,509	40,000	64,390	35,000
Miscellaneous Revenue	**55,527**	**40,000**	**64,390**	**35,000**
General Fund	20,700	-	-	-
Street Fund	-	-	9,860	-
Asset Forfeiture Fund	107,494	36,000	54,000	36,000
Criminal Justice Sales Tax Fund	-	-	-	295,000
Capital Improvement Fund	1,301,704	1,310,000	1,310,000	1,711,200
Water/Sewer Fund	5,678	23,300	14,765	24,000
Stormwater Fund	229,961	-	32,800	-
Medical Services Fund	-	-	32,150	-
Risk Management Fund	202,421	-	39,850	-
Interfund Transfers	**1,867,958**	**1,369,300**	**1,493,425**	**2,066,200**
Proceeds from Sale of Fixed Assets	200,321	-	111,500	-
Capital Lease Proceeds	18,000	1,266,870	1,272,395	-
Other Financing Sources	**218,321**	**1,266,870**	**1,383,895**	**-**
Total Revenue Sources	**$ 8,474,987**	**$ 9,925,866**	**$ 9,825,031**	**$ 9,343,332**

EXPENDITURES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
Salaries	$ 534,999	$ 500,785	$ 500,785	$ 557,885
Overtime	949	2,000	2,000	-
Benefits	207,704	221,420	221,420	254,918
Salaries & Benefits	**743,652**	**724,205**	**724,205**	**812,803**
Supplies	374,213	374,870	406,321	419,805
Gasoline	1,139,207	1,231,625	1,173,625	1,228,910
Contractual Services	25,000	26,200	26,200	27,100
Travel & Training	1,038	5,400	5,400	5,400
Rentals & Leases	47,112	50,232	50,592	51,432
Utility Charges	22,435	28,000	28,000	31,855
Repair & Maintenance	95,450	86,610	166,610	117,095
Other Services & Charges	11,759	12,950	13,950	18,425
Supplies & Services	**1,716,214**	**1,815,887**	**1,870,698**	**1,900,022**
CP Golf Course Fund	34,300	-	-	-
Interfund Transfers	**34,300**	**-**	**-**	**-**
Debt Service	**19,700**	**523,600**	**511,070**	**536,244**
Machinery & Equipment	8,048	-	-	-
Transportation Equipment	2,630,478	2,844,312	3,322,519	1,491,700
Capital Outlay	**2,638,526**	**2,844,312**	**3,322,519**	**1,491,700**
Ending Working Capital	**3,322,595**	**4,017,862**	**3,396,539**	**4,602,563**
Total Expenditures	**$ 8,474,987**	**$ 9,925,866**	**$ 9,825,031**	**$ 9,343,332**

PERSONNEL SUMMARY						
	Number of FTEs					
	2011	2012	2013	2014	2015	2016
Purchasing/Warehouse Manager	0.50	0.50	0.20	0.20	0.35	0.35
Accounting Specialist	0.50	0.50	0.30	-	-	-
Buyer II	-	-	-	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
Total Equipment Rental Fund	**4.00**	**4.00**	**3.80**	**3.80**	**3.95**	**3.95**

REVENUES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
Beginning Working Capital	**$ 561,419**	**$ 546,476**	**$ 627,424**	**$ 470,960**
Risk Management Services	393,284	447,880	447,880	533,720
Dental Premiums	959,530	1,089,690	1,089,690	1,060,450
Safety Coordinator Charges	126,709	140,438	140,438	-
Charges for Services	**1,479,523**	**1,678,008**	**1,678,008**	**1,594,170**
Insurance Recoveries/Settlements	395,952	86,000	587,000	130,000
Interest/Miscellaneous	(65)	5,500	5,500	2,000
Miscellaneous Revenue	**395,887**	**91,500**	**592,500**	**132,000**
General Fund	1,725,000	1,000,000	1,525,000	1,100,000
Capital Improvement Fund	1,495,150	-	-	-
Solid Waste/Environmental Fund	325,000	-	-	-
Interfund Transfers	**3,545,150**	**1,000,000**	**1,525,000**	**1,100,000**
Total Revenue Sources	**$ 5,981,979**	**$ 3,315,984**	**$ 4,422,932**	**$ 3,297,130**

EXPENDITURES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
Salaries	$ 146,976	$ 174,256	$ 174,256	$ 155,904
Benefits	48,684	62,956	62,956	79,478
Salaries & Benefits	**195,660**	**237,212**	**237,212**	**235,382**
Supplies	385	920	920	1,000
Dental Insurance	868,851	1,089,690	1,089,690	1,060,450
Contractual/Consulting Services	109,657	4,000	4,000	1,000
Payment to Claimants	186,662	200,000	200,000	200,000
Insurance Premiums	919,494	1,038,200	1,038,200	1,364,900
Self-Insured Retention Payments	2,794,611	325,000	1,163,000	130,000
Travel & Training	4,760	4,100	4,100	5,500
Other Services & Charges	14,843	16,687	16,687	20,935
Supplies & Services	**4,899,263**	**2,678,597**	**3,516,597**	**2,783,785**
Capital Improvement Fund	57,211	-	-	-
Equipment Rental Fund	202,421	-	39,850	-
Interfund Transfers	**259,632**	**-**	**39,850**	**-**
Ending Working Capital	**627,424**	**400,175**	**629,273**	**277,963**
Total Expenditures	**$ 5,981,979**	**$ 3,315,984**	**$ 4,422,932**	**$ 3,297,130**

PERSONNEL SUMMARY	Number of FTEs					
	2011	2012	2013	2014	2015	2016
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**

REVENUES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
Beginning Working Capital	**$ 262,275**	**$ 174,500**	**$ 201,568**	**$ 195,000**
Copier & Inventory Sales	365,435	479,140	494,140	485,000
Charges for Services	**365,435**	**479,140**	**494,140**	**485,000**
Interest/Miscellaneous	2,416	2,500	2,500	1,200
Miscellaneous Revenue	**2,416**	**2,500**	**2,500**	**1,200**
Total Revenue Sources	**$ 630,126**	**$ 656,140**	**$ 698,208**	**$ 681,200**

EXPENDITURES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
Inventory & Supplies	$ 294,668	$ 312,500	$ 341,304	$ 341,000
Rental/Lease of Equipment	78,607	104,232	90,428	80,040
Repair & Maintenance	55,283	57,900	57,900	64,000
Supplies & Services	**428,558**	**474,632**	**489,632**	**485,040**
Machinery & Equipment	-	-	-	44,000
Capital Outlay	**-**	**-**	**-**	**44,000**
Ending Working Capital	**201,568**	**181,508**	**208,576**	**152,160**
Total Expenditures	**$ 630,126**	**$ 656,140**	**$ 698,208**	**$ 681,200**

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, 2011, there were 13 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 $0.225 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.

REVENUES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
Beginning Fund Balance	**$ 662,270**	**$ 760,470**	**$ 765,311**	**$ 863,000**
Property	228,000	228,000	228,000	192,000
Taxes	**228,000**	**228,000**	**228,000**	**192,000**
Fire Insurance Premium	129,581	131,000	131,000	158,000
Intergovernmental Revenue	**129,581**	**131,000**	**131,000**	**158,000**
Miscellaneous Revenue	**13,445**	**16,000**	**16,000**	**16,000**
Total Revenue Sources	**$ 1,033,296**	**$ 1,135,470**	**$ 1,140,311**	**$ 1,229,000**

EXPENDITURES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
Retirement	$ 266,247	$ 274,000	$ 274,000	$ 283,000
Salaries & Benefits	**266,247**	**274,000**	**274,000**	**283,000**
Supplies	-	50	50	50
Travel & Training	1,738	2,500	2,500	4,000
Other Services & Charges	-	250	250	250
Supplies & Services	**1,738**	**2,800**	**2,800**	**4,300**
Ending Fund Balance	**765,311**	**858,670**	**863,511**	**941,700**
Total Expenditures	**$ 1,033,296**	**$ 1,135,470**	**$ 1,140,311**	**$ 1,229,000**

REVENUES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
Beginning Fund Balance	**$ 297,851**	**$ 545,000**	**$ 522,526**	**$ 1,407,000**
Water/Sewer Utility Tax	1,883,488	2,006,000	2,006,000	2,214,000
Taxes	**1,883,488**	**2,006,000**	**2,006,000**	**2,214,000**
Interest/Miscellaneous	4,794	10,000	10,000	25,000
Miscellaneous Revenue	**4,794**	**10,000**	**10,000**	**25,000**
Total Revenue Sources	**$ 2,186,133**	**$ 2,561,000**	**$ 2,538,526**	**$ 3,646,000**

EXPENDITURES	2011/12 Actual	2013/14 Adopted	2013/14 Adjusted	2015/16 Adopted
Medical Insurance	$ 1,447,858	$ 1,748,000	$ 1,748,000	$ 965,000
Other Medical Coverage	215,749	295,000	295,000	663,000
Salaries & Benefits	**1,663,607**	**2,043,000**	**2,043,000**	**1,628,000**
Supplies	-	-	-	470
Contractual/Consulting Services	-	-	-	15,000
Disability Board Secretary	-	-	-	13,000
Travel & Training	-	-	-	4,000
Other Services & Charges	-	-	-	600
Supplies & Services	**-**	**-**	**-**	**33,070**
Ending Fund Balance	**522,526**	**518,000**	**495,526**	**1,984,930**
Total Expenditures	**$ 2,186,133**	**$ 2,561,000**	**$ 2,538,526**	**$ 3,646,000**

"It is better to fail in originality than to succeed in imitation."

- Herman Melville -

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.

	ACTUAL	ADJUSTED BUDGET	PROJECTION					
	2011/2012	2013/2014	2015	2016	2017	2018	2019	2020
BEGINNING FUND BALANCE								
Arterial Street	$ 550,889	$ 133,970	$ -	$ -	$ -	$ -	$ -	$ -
Urban Arterial Street	780,098	924,161	3,237,591	-	-	-	-	-
Capital Improvement Fund	21,897,019	7,168,887	3,585,292	3,303,363	2,068,761	1,609,612	1,328,221	1,023,876
Stormwater Fund	-	395,121	688,405	624,786	539,488	372,529	254,610	19,066
Water and Sewer Fund	8,760,428	7,871,255	747,957	1,634,694	3,365,740	3,318,114	645,488	1,643,097
Total Beginning Fund Balance	31,988,434	16,493,394	8,259,245	5,562,843	5,973,989	5,300,255	2,228,319	2,686,039
REVENUES								
TAXES								
Trails & Paths Gas Tax	15,290	15,268	7,500	7,500	7,500	7,500	7,500	7,500
Optional Sales Tax	8,634,912	9,618,817	4,435,000	4,431,800	4,414,000	4,377,000	4,475,000	4,573,000
LRF Sales Tax	867,242	1,000,000	500,000	500,000	500,000	500,000	500,000	500,000
LRF Tax Increment - Sales Tax	47,654	74,000	37,000	37,000	37,000	37,000	37,000	37,000
Real Estate Excise Tax	1,303,135	1,582,170	815,000	831,000	848,000	865,000	882,000	900,000
Real Estate Excise Tax (2nd 1/4%)	1,303,135	1,582,170	815,000	831,000	848,000	865,000	882,000	900,000
LRF Property Tax	30,945	132,000	239,000	245,169	338,000	338,000	358,000	358,000
LRF Tax Increment - Property Tax	21,873	90,000	106,000	106,000	106,000	106,000	106,000	106,000
Subtotal Taxes	12,224,186	14,094,425	6,954,500	6,989,469	7,098,500	7,095,500	7,247,500	7,381,500
INTERGOVERNMENTAL								
HES Grant	62,646	-	-	-	-	-	-	-
ARRA Grant	579,086	-	-	-	-	-	-	-
State Proviso	-	-	1,780,000	-	-	-	-	-
STP Local Grant	1,139,764	3,945,308	1,400,000	-	-	-	-	-
STP State	46,387	2,916,310	1,167,264	-	-	-	-	-
STP Federal - Omnibus	1,199,440	1,560	-	-	-	-	-	-
Rapid Action Grant	1,355,007	829,993	-	-	-	-	-	-
TIB Grant	1,064,025	4,762,600	2,397,243	-	1,516,200	-	-	-
WTSC Grant	15,000	6,803	-	-	-	-	-	-
RCO Grant	-	-	-	-	-	500,000	-	-
Kennewick School District	8,849	7,935	-	-	-	-	-	-
DOE Grant	929,664	1,388,662	-	-	437,500	437,500	437,500	437,500
Energy Efficiency Rebate	792,831	-	-	-	-	-	-	-
Subtotal Intergovernmental	7,192,699	13,859,171	6,744,507	-	1,953,700	937,500	437,500	437,500
CHARGES FOR SERVICES								
Revenue from Water/Sewer Rates	5,195,938	6,420,020	2,440,711	2,440,711	3,756,523	3,756,523	4,176,758	4,176,758
Revenue from Stormwater Rates	402,637	378,831	130,000	111,498	177,214	223,629	103,381	137,980
Water Area Charges	144,980	225,000	126,642	112,500	112,500	112,500	112,500	112,500
Sewer Area Charges	395,484	420,000	282,110	282,109	210,000	210,000	210,000	210,000
Subtotal Charges for Services	6,139,039	7,443,851	2,979,463	2,946,818	4,256,237	4,302,652	4,602,639	4,637,238
MISCELLANEOUS								
Interest/Miscellaneous	479,158	86,483	59,134	62,076	68,046	71,047	74,078	77,139
Rentals and Lease	39,144	21,341	8,000	8,000	8,000	8,000	8,000	8,000
Proceeds from Land Sale	25,000	1,173,802	-	250,000	-	-	-	-
Donations	46,597	30,000	15,000	15,000	15,000	15,000	15,000	15,000
Park Development Fees	232,583	204,901	50,000	50,000	550,000	250,000	50,000	50,000
Developer Contributions	183,045	1,611,548	840,540	100,000	150,000	150,000	150,000	150,000
Subtotal Miscellaneous	1,005,527	3,128,075	972,674	485,076	791,046	494,047	297,078	300,139

	ACTUAL 2011/2012	ADJUSTED BUDGET 2013/2014	PROJECTION 2015	2016	2017	2018	2019	2020
INTERFUND TRANSFERS								
Transfer from Capital Improvement Fund:								
Urban Arterial Fund	2,740,240	7,495,775	2,707,362	350,000	1,010,800	675,000	675,000	650,000
Arterial Street Fund	2,275,457	674,544	-	1,600,000	1,696,000	1,696,000	1,780,800	1,780,800
Capital Improvement Fund - Streets	378,618	1,294,943	392,034	683,322	501,000	771,700	537,200	548,200
Capital Improvement Fund - Park Reserve	-	92,343	-	-	-	-	-	-
Capital Improvement Fund - LRF Tax	691,206	1,573,892	882,000	888,169	981,000	981,000	1,001,000	1,001,000
Transfer from General Fund:								
Capital Improvement Fund - Street	2,500,000	2,000,000	1,500,000	500,000	1,000,000	1,000,000	1,000,000	1,000,000
Capital Improvement Fund - Capital	-	179,828	-	-	-	-	-	-
Transfer from Medical Services Fund								
Capital Improvement Fund - Capital	39,604	54,822	55,867	-	-	-	-	-
Transfer from Solid Waste Fund								
Capital Improvement Fund - Facilities	60,000	-	-	-	-	-	-	-
Transfer from Risk Management Fund								
Capital Improvement Fund - Capital	57,211	-	-	-	-	-	-	-
Transfer from Building Safety Fund								
Capital Improvement Fund - Capital	16,625	16,930	34,885	-	-	-	-	-
Transfer from Water/Sewer								
Capital Improvement Fund - Facilities	72,708	67,875	-	-	-	-	-	-
Capital Improvement Fund - Capital	65,879	58,954	121,052	-	-	-	-	-
Transfer from Stormwater								
Capital Improvement Fund - Capital	9,240	42,225	38,140	-	-	-	-	-
Transfer from Community Development Fund:								
Capital Improvement Fund	361,121	592,549	489,000	125,000	125,000	125,000	125,000	125,000
Subtotal Interfund Transfers	9,267,909	14,144,680	6,220,340	4,146,491	5,313,800	5,248,700	5,119,000	5,105,000
OTHER FINANCING SOURCES								
Interfund Loan Principal & Interest	470,257	258,838	254,692	251,750	248,780	245,779	242,748	239,687
Bond Proceeds	-	-	4,704,803	-	-	-	7,000,000	-
State Revolving Loan Fund Proceeds	247,515	1,371,159	-	-	2,000,000	2,000,000	7,300,000	7,000,000
Biosolids Reserve	-	-	-	-	2,840,000	-	-	-
Capital Lease Proceeds	-	379,383	1,126,365	-	-	-	-	-
Public Works Trust Fund Loan Proceeds	-	4,250,000	-	-	6,000,000	-	-	-
Subtotal Other Financing Sources	717,772	6,259,380	6,085,860	251,750	11,088,780	2,245,779	14,542,748	7,239,687
Total Revenues	36,547,132	58,929,582	29,957,344	14,819,604	30,502,063	20,324,178	32,246,465	25,101,064
TOTAL	$68,535,566	$75,422,976	$38,216,589	$20,382,447	$36,476,052	$25,624,433	$34,474,784	$27,787,103

EXPENDITURES

STREET CONSTRUCTION/RECONSTRUCTION

Arterial Street Fund:								
Edison St & Metaline Ave Intersection	$ 15,388	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Urban Arterial Street Fund:								
Edison Widening	62,614	488,500	1,400,000	-	-	-	-	-
Columbia Center Blvd Safety Project	-	730,000	-	-	-	-	-	-
UPRR Tail Extension	69,954	-	-	-	-	-	-	-
Steptoe Street - Phase I	471,977	-	-	-	-	-	-	-

	ACTUAL 2011/2012	ADJUSTED BUDGET 2013/2014	PROJECTION 2015	2016	2017	2018	2019	2020
STREET CONSTRUCTION/RECONSTRUCTION (Continued)								
Urban Arterial Street Fund (Continued):								
Steptoe Street - Phase II	3,665,961	2,069,648	-	-	-	-	-	-
Steptoe Street - Phase III	-	3,215,000	2,000,000	-	-	-	-	-
Olympia - SR397 to 27th	333,245	4,594,374	-	-	-	-	-	-
Hildebrand Blvd. - 10th to City Limits	195,987	-	-	-	-	-	-	-
Hildebrand Blvd. - City Limits to Sherman	-	750,000	4,950,000	350,000	-	-	-	-
Dayton - CID Bridge Replacement	59,555	840,442	-	-	-	-	-	-
Citywide Safety Project	404	203,612	-	-	-	-	-	-
Clearwater - Leslie to US395	560	720,000	1,400,000	-	-	-	-	-
Underground Utility Lines	202,485	13,886	-	-	-	-	-	-
27th/SR395 Intersection Revision	-	750,231	-	-	-	675,000	675,000	650,000
45th Avenue	-	140,000	-	-	-	-	-	-
Metaline Widening	-	206,647	250,000	-	-	-	-	-
UGA Expansion Roads	-	970,000	-	-	-	-	-	-
10th Avenue Widening	-	-	-	-	2,527,000	-	-	-
Capital Improvement Fund:								
Southridge Street Improvements	65,970	-	-	-	-	-	-	-
Hildebrand Blvd. - Sherman to SR395	1,414,895	211,561	-	-	-	-	-	-
Plaza Way - Ridgeline north to existing	770,535	2,808	-	-	-	-	-	-
Ridgeline Dr - Plaza Way to Southridge	206,517	210,000	-	-	-	-	-	-
Ridgeline Dr - US395 to Plaza Way	188,426	120,000	-	-	-	-	-	-
Ridgeline Dr - Southridge to 36th	-	-	-	-	-	-	-	-
Southridge Blvd.. - Hildebrand/27th	2,556,713	130,000	-	-	-	-	-	-
Ridgeline Dr - Zintel Way to US395	91,118	-	-	-	-	-	-	-
W. 5th	-	-	314,000	-	-	-	-	-
Hood/Jefferson	-	-	148,000	-	-	-	-	-
Subtotal Street Reconstruction	10,372,304	16,366,709	10,462,000	350,000	2,527,000	675,000	675,000	650,000
STREET OVERLAYS								
Arterial Street Fund:								
Pavement Preservation Program	2,171,035	1,750,000	-	1,600,000	1,696,000	1,696,000	1,780,800	1,780,800
Clearwater Overlay - SR395 to Edison	1,128,560	-	-	-	-	-	-	-
27th Ave - Union to SR395	127	-	-	-	-	-	-	-
Columbia Dr - SR395 to Hartford	127	-	-	-	-	-	-	-
Clearwater - Leslie to CCB	59	-	-	-	-	-	-	-
Urban Arterial Street Fund:								
Columbia Center Blvd Overlay	-	40,000	1,100,000	-	-	-	-	-
Capital Improvement Fund:								
Miscellaneous Street Projects	92,094	90,000	93,600	93,600	97,300	97,300	97,300	97,300
Crack Sealing	374	-	58,300	58,300	123,600	123,600	123,600	123,600
Subtotal Street Overlays	3,392,376	1,880,000	1,251,900	1,751,900	1,916,900	1,916,900	2,001,700	2,001,700
STORM DRAINAGE								
Stormwater Fund:								
Drywell Storm Systems (misc locations)	-	46,000	-	-	150,000	150,000	150,000	150,000
Decant Facility	-	-	800,000	-	-	-	-	-
UGA Stormwater Facility	-	-	980,000	-	-	-	-	-
Wellhead Area Retrofit	8,969	232,470	-	-	-	-	-	-
Low Impact Development Project	9,062	380,938	-	-	-	-	-	-
Subtotal Storm Drainage	18,031	659,408	1,780,000	-	150,000	150,000	150,000	150,000

	ACTUAL 2011/2012	ADJUSTED BUDGET 2013/2014	PROJECTION 2015	2016	2017	2018	2019	2020
STREET LIGHTS/SIGNALS								
Urban Arterial Street Fund:								
Energy Savings Program	2,258,692	229,949	-	-	-	-	-	-
ARRA Street Lighting Project	605,160	-	-	-	-	-	-	-
Grandridge and Young Roundabout	-	677,500	-	-	-	-	-	-
Capital Improvement Fund:								
Flashing School Beacon	25,547	14,738	-	-	-	-	-	-
Traffic Sign Inventory	76,962	18,315	-	-	-	-	-	-
Traffic Volume Counts	33,387	-	-	-	-	-	-	-
Miscellaneous ADA Improvements	355,807	644,900	175,000	125,000	125,000	125,000	125,000	125,000
St. Lts. Misc. Locations (Arterials)	14,754	57,246	100,000	100,000	125,000	125,000	125,000	125,000
Misc Traffic Signals or Roundabouts	240,775	389,522	176,800	176,800	153,900	213,900	213,900	213,900
Subtotal Street Lights/Signals	3,611,084	2,032,170	451,800	401,800	403,900	463,900	463,900	463,900
SIDEWALKS								
Urban Arterial Street Fund:								
Gum Street Sidewalk	-	276,051	-	-	-	-	-	-
Capital Improvement Fund:								
Sidewalk Program	8,479	89,955	75,000	75,000	75,000	75,000	75,000	75,000
Subtotal Storm Drainage	8,479	366,006	75,000	75,000	75,000	75,000	75,000	75,000
WATER/SEWER SYSTEM IMPROVEMENTS								
Water/Sewer Fund:								
Water System Improvements	5,265,710	13,945,642	1,477,700	250,000	10,474,375	3,759,375	2,809,375	2,809,375
Sewer System Improvements	1,592,747	6,566,165	962,000	942,000	1,567,500	1,567,500	1,567,500	1,567,500
Combined Utility Improvements	561,488	492,785	265,700	250,000	250,000	250,000	250,000	250,000
Public Works Trust Fund Loan Projects	2,846	-	-	-	-	-	-	-
Sewer Area Charge Projects	-	725,000	-	-	3,500,000	4,000,000	7,000,000	7,300,000
Subtotal W/S Improvements	7,422,791	21,729,592	2,705,400	1,442,000	15,791,875	9,576,875	11,626,875	11,926,875
LAND & FACILITIES								
Capital Improvement Fund:								
Facilities Maintenance Program	-	-	-	-	193,000	202,700	212,800	223,400
City Facility HVAC Replacement	6,154	-	-	-	-	-	-	-
City Hall	49,832	525,734	-	-	-	-	-	-
Fire Station #61	38,591	56,409	-	27,600	-	-	4,200,000	-
Fire Station #62	20,236	938	-	-	-	-	-	-
Fire Station #63	-	94,062	-	-	-	-	2,800,000	-
Fire Station #64	-	-	-	-	-	-	-	-
Fire Station #65	-	300,000	3,775,000	-	-	-	-	-
Machinery & Equipment - Fire	-	-	-	186,323				
Building Demolition	-	-	339,600	-	-	-	-	-
Old Police Station	9,097	-	-	-	-	-	-	-
Senior Center	1,295	-	-	-	-	-	-	-
Frost Facility	149,983	-	-	-	-	-	-	-
City Pool Pump Building	8,971	-	-	-	-	-	-	-
Golf Course Pro Shop	-	-	-	-	-	-	-	-
Vista District Common Area O&M	61,996	50,413	30,600	31,500	32,400	33,400	34,400	35,400
Land Acquisition	-	700,000	-	450,000	-	260,000	-	-
Property Tax	55,143	76,150	-	-	-	-	-	-
Contractual/Consulting Services	10,503	-	-	-	-	-	-	-
Subtotal Land & Facilities	411,801	1,803,706	4,145,200	695,423	225,400	496,100	7,247,200	258,800

	ACTUAL 2011/2012	ADJUSTED BUDGET 2013/2014	PROJECTION 2015	2016	2017	2018	2019	2020
OTHER IMPROVEMENTS								
Capital Improvement Fund:								
SR395 Corridor Study	33,884	5,967	-	-	-	-	-	-
Southridge Softball Complex	6,417,136	1,027	-	-	-	-	-	-
Cost Allocation Plan	52,156	-	-	-	-	-	-	-
Columbia River Crossing Study	6,598	-	-	-	-	-	-	-
Steptoe - Clearwater to Gage R-O-W	322,430	-	-	-	-	-	-	-
Columbia Gardens	-	-	475,000	-	-	-	-	-
Bridge to Bridge Master Plan	2,640	-	-	-	-	-	-	-
Regional Development Portal	24,551	10,857	-	-	-	-	-	-
Public Art	9,405	-	-	-	-	-	-	-
UPRR Relocation	1,009,342	-	-	-	-	-	-	-
9/11 Memorial	7,649	-	-	-	-	-	-	-
Southridge LRF Application Process	170	-	-	-	-	-	-	-
Data Processing Equipment	423,027	736,370	501,365	-	25,600	25,600	40,000	289,400
Software	-	-	880,436	-	-	-	-	-
IS Upgrade/Replacement Program	-	697,624	-	-	-	-	-	-
Fire MDT's	75,443	-	-	-	-	-	-	-
Subtotal Other Improvements	8,384,431	1,451,845	1,856,801	-	25,600	25,600	40,000	289,400
PARK IMPROVEMENTS								
Capital Improvement Fund:								
Park Development/Construction:								
Civic Center Athletic Area	-	-	240,000	-	-	-	-	-
Eastgate Park	132,711	-	-	-	-	-	-	-
Hansen Park	125	-	-	-	-	500,000	-	-
Columbia Park Improvements	130,525	-	-	-	-	-	-	-
Ball field Improvements	70,821	-	-	-	-	-	-	-
Tennis and Hard Court Repairs	12,996	-	-	-	-	-	-	-
4W 10th/CCB & Park Site	-	169,375	15,000	-	700,000	-	-	-
1W Sunset Park	4,598	115,402	-	-	-	-	-	-
2E Zintel/Underwood/Vancouver	-	6,000	-	-	-	-	-	-
2W Scott	-	41,000	-	-	-	-	-	-
3E Civic Area	-	3,107	9,000	-	-	-	-	-
6E Cascade	-	-	-	-	-	230,000	-	-
6W Southridge	1,451	20,000	-	20,000	-	-	-	-
5W Grange	-	10,000	-	10,000	-	-	-	-
Park Appurtenances	-	-	-	-	30,000	30,000	30,000	30,000
Subtotal Park Improvements	353,227	364,884	264,000	30,000	730,000	760,000	30,000	30,000
DEBT SERVICE								
Capital Improvement Fund:								
PWTF Loan - W. Hood	79,297	-	-	-	-	-	-	-
PWTF Loan - 10th Av/SR395 to Olympia	328,870	-	-	-	-	-	-	-
PWTF Loan - 19th Avenue	102,899	50,697	-	-	-	-	-	-
PWTF Loan - Comp Street Imp - Phase I	437,017	428,886	211,394	209,361	207,329	205,296	-	-
PWTF Loan - Comp Street Imp - Phase II	538,432	528,598	260,611	258,566	255,694	253,235	251,377	247,115
CCWF Loan	136,967	-	-	-	-	-	-	-
Stormwater Revolving Loans	-	-	156,579	197,896	195,273	192,648	190,025	-
Frost Facility Loan	218,126	203,775	-	-	-	-	-	-
Interfund Loan Debt Service	404	-	-	-	-	-	-	-
Capital Lease Program	-	131,000	374,222	374,222	250,000	250,000	250,000	-
Subtotal Debt Service	1,842,012	1,342,956	1,002,806	1,040,045	908,296	901,179	691,402	247,115

	ACTUAL	ADJUSTED BUDGET	PROJECTION					
	2011/2012	2013/2014	2015	2016	2017	2018	2019	2020
MISCELLANEOUS								
Arterial Street Fund:								
Intergovt'l Agreement - Richland	290,000	-	-	-	-	-	-	-
Stormwater Utility Fund:								
Transfer to Equipment Rental	229,960	32,273	-	-	-	-	-	-
Transfer to Capital Improvement Fund	9,240	42,225	38,140	-	-	-	-	-
Water/Sewer Fund:								
Transfer to General Fund	338,187	-	-	-	-	-	-	-
Transfer to Equipment Rental	5,678	-	24,000	-	-	-	-	-
Transfer to CIP - Facilities	138,587	138,587	-	-	-	-	-	-
Transfer to Capital Purchases	-	-	121,052	-	-	-	-	-
Transfer to Stormwater	50,000	-	-	-	-	-	-	-
Capital Improvement Fund:								
Transfer to Arterial Fund	2,275,457	674,544	-	1,600,000	1,696,000	1,696,000	1,780,800	1,780,800
Transfer to Urban Arterial Fund	2,740,240	7,495,775	2,707,362	350,000	1,010,800	675,000	675,000	650,000
Transfer to Equipment Rental	1,301,704	1,310,000	687,800	1,023,400	722,200	722,200	758,300	758,300
Transfer to General Fund	96,881	-	-	-	-	-	-	-
Transfer to Capital Improvement - Streets	691,206	1,573,892	882,000	888,169	981,000	981,000	1,001,000	1,001,000
Transfer to Capital Improvement - Facilities	145,417	405,365	12,320	309,100	225,400	496,100	247,200	258,800
Transfer to Capital Purchases	233,201	831,076	379,714	374,222	275,600	275,600	290,000	289,400
Transfer to LRF GO Bond 2010B	-	150,845	-	-	-	-	-	-
Transfer to Coliseum	167,524	532,476	200,000	200,000	200,000	200,000	200,000	200,000
Transfer to Golf Course	41,390	33,120	50,000	50,000	-	-	-	-
Transfer to Animal Control Facility	-	-	575,000	500,000	-	-	-	-
Transfer to Risk Management	1,495,150	-	-	-	-	-	-	-
Transfer to Debt Service Fund (2003A)	1,110,189	415,801	-	-	-	-	-	-
Transfer to Debt Service Fund (2006)	1,462,072	1,458,441	731,357	732,858	733,108	728,608	733,220	732,220
Transfer to Debt Service Fund (2003B)	1,180,215	419,424	-	-	-	-	-	-
Transfer to Debt Service Fund (2010A)	854,412	857,700	-	-	-	-	-	-
Transfer to Debt Service Fund (2010B)	870,115	888,654	878,519	878,616	864,068	862,002	863,698	859,498
Transfer to Debt Service Fund (2011)	130,129	875,395	646,575	645,925	643,650	649,050	648,450	647,050
Transfer to Debt Service Fund (2016)	-	-	-	345,000	345,000	345,000	345,000	345,000
Transfer to Debt Service Fund (2019)	-	-	-	-	-	-	520,000	520,000
Transfer to Public Facilities District - Conv Ctr	7,888	620,285	480,240	480,240	725,000	725,000	725,000	725,000
Transfer to Conv Ctr - City of Pasco	360,794	410,577	244,760	244,760	-	-	-	-
Subtotal Miscellaneous	16,225,636	19,166,455	8,658,839	8,622,290	8,421,826	8,355,560	8,787,668	8,767,068
Total Expenditures	52,042,172	67,163,731	32,653,746	14,408,458	31,175,797	23,396,114	31,788,745	24,859,858
ENDING FUND BALANCE	16,493,394	8,259,245	5,562,843	5,973,989	5,300,255	2,228,319	2,686,039	2,927,245
TOTAL	$68,535,566	$75,422,976	$38,216,589	$20,382,447	$36,476,052	$25,624,433	$34,474,784	$27,787,103

"The most powerful leadership tool you have is your own personal example."

- John Wooden -

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.

	2015	2016	2017	2018	2019	2020	Total 2015-2020
Total Project Cost	$ -	$1,600,000	$1,696,000	$1,696,000	$1,780,800	$1,780,800	$8,553,600
Project Revenues:							
CIP Fund Transfer	-	1,600,000	1,696,000	1,696,000	1,780,800	1,780,800	8,553,600

Project Name: Steptoe Street Phase 3A/Hildebrand Extension –4th Avenue to City Limit

Project Description/Purpose:

New roadway construction - the project includes roadway construction, median, curb and gutter, sidewalk, storm drainage and illumination. The project includes construction of a roundabout at Steptoe and 10th Avenue. This project started in 2014 the total project cost is $5,215,000. The information below shows project costs and revenues for 2015 through 2020.

Estimated Impact on Future Operating Costs:

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

	2015	2016	2017	2018	2019	2020	Total 2015-2020
Total Project Cost	$2,000,000	$ -	$ -	$ -	$ -	$ -	$2,000,000
Project Revenues:							
TIB Grant	1,652,098	-	-	-	-	-	1,652,098
Developer Contribution	190,540	-	-	-	-	-	190,540
Capital Improvement Funds	157,362	-	-	-	-	-	157,362
On-Going M&O Costs:							
Employee Costs	$ -	$ -	$ 12,000	$ 12,000	$ 12,000	$ 12,000	$ 48,000
Other Equipment	-	-	7,000	7,000	7,000	7,000	28,000
Total On-Going Costs	$ -	$ -	$ 19,000	$ 19,000	$ 19,000	$ 19,000	$ 76,000

Project Name: Ridgeline – US395 Intersection

Project Description/Purpose:

Grade separated intersection improvements - the project includes ITS components, new acceleration and deceleration ramps, single point urban interchange.

Estimated Impact on Future Operating Costs:

Future O&M will be by WSDOT.

	2015	2016	2017	2018	2019	2020	Total 2015-2020
Total Project Cost							
Design	$ 750,000	$ -	$ -	$ -	$ -	$ -	$ 750,000
Construction	-	-	-	15,000,000	2,300,000	-	17,300,000
Project Revenues:							
State funds (unsecured)	-	-	-	6,625,000	4,325,000	4,350,000	15,300,000
STP Regional (secured)	750,000	-	-	-	-	-	750,000
CIP Funds	-	-	-	675,000	675,000	650,000	2,000,000

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

Project Description/Purpose:

New roadway construction - the project includes roadway construction, curb and gutter, sidewalk, retaining walls, storm drainage and illumination. The project builds the south half of the roadway from Montana to Columbia Center Blvd. resulting 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.

	2015	2016	2017	2018	2019	2020	Total 2015-2020
Total Project Cost	$ -	$ -	$ 2,527,000	$ -	$ -	$ -	$2,527,000
Project Revenues:							
TIB Grant	-	-	1,516,200	-	-	-	1,516,200
CIP Funds	-	-	1,010,800	-	-	-	1,010,800
On-Going M&O Costs:							
Employee Costs	$ -	$ -	$ -	$ 12,000	$ 12,000	$ 12,000	$ 36,000
Other Equipment	-	-	-	7,000	7,000	7,000	21,000
Total On-Going Costs	$ -	$ -	$ -	$ 19,000	$ 19,000	$ 19,000	$ 57,000

Project Name: Hildebrand Blvd. City Limits to Sherman

Project Description/Purpose:

New roadway construction - the project includes roadway construction, curb and gutter, sidewalk, medians, storm drainage and illumination. The project builds the core roadway from the City Limits to Sherman resulting in a completed connection with Steptoe.

Estimated Impact on Future Operating Costs:

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

	2015	2016	2017	2018	2019	2020	Total 2015-2020
Total Project Cost	$ 4,950,000	$ 350,000	$ -	$ -	$ -	$ -	$5,300,000
Project Revenues:							
CIP Funds	4,950,000	350,000	-	-	-	-	5,300,000
On-Going M&O Costs:							
Employee Costs	$ -	$ -	$ 13,000	$ 13,000	$ 13,000	$ 13,000	$ 52,000
Other Equipment	-	-	8,000	8,000	8,000	8,000	32,000
Total On-Going Costs	$ -	$ -	$ 21,000	$ 21,000	$ 21,000	$ 21,000	$ 84,000

Project Name: Center Parkway – I-82 Overpass Ramps

Project Description/Purpose:

Center Parkway; I-82 Overpass Ramps. New construction at Interstate 82, - on/off ramps to the Center Parkway Overpass.

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.

	2015	2016	2017	2018	2019	2020	Future
Total Project Cost	$ -	$ -	$ -	$ -	$ -	$ -	$8,244,000

Project Name: Center Parkway – I-82 Overpass

Project Description/Purpose:

Center Parkway; I-82 Overpass. New bridge over Interstate 82, 4-lanes with storm drainage and illumination. On/off Ramps to be constructed as a separate project.

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.

	2015	2016	2017	2018	2019	2020	Future
Total Project Cost	$ -	$ -	$ -	$ -	$ -	$ -	$9,790,000

Project Name: Center Parkway - Southridge

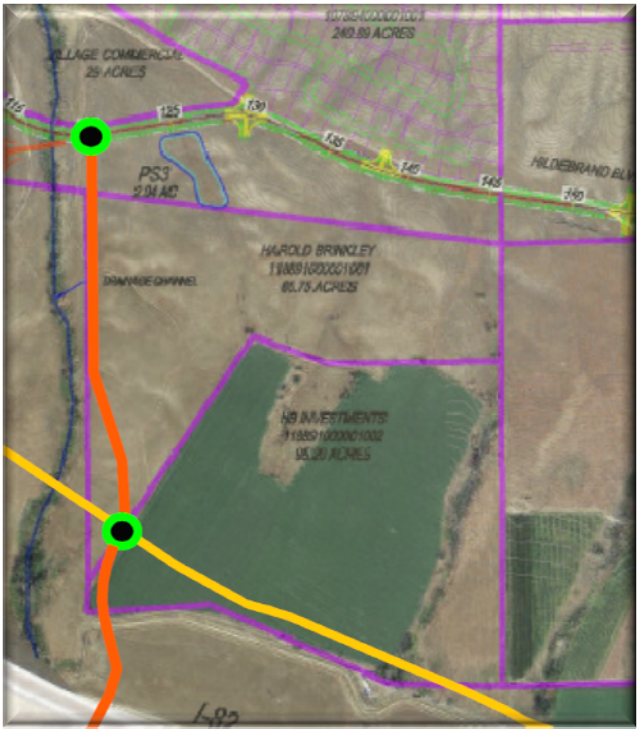
Project Description/Purpose:

Center Parkway; Hildebrand to I-82. New roadway construction - the project includes construction of the center two lanes, median w/curb and gutter, storm drainage and illumination.

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.

	2015	2016	2017	2018	2019	2020	Future
Total Project Cost	$ -	$ -	$ -	$ -	$ -	$ -	$2,528,000



Project Name: Ridgeline Drive Phase 1

Project Description/Purpose:

Ridgeline Drive; Southridge Blvd. to Sherman Street. New roadway construction - the project includes construction of the center two lanes, median w/curb and gutter, storm drainage and illumination.

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.

	2015	2016	2017	2018	2019	2020	Future
Total Project Cost	$ -	$ -	$ -	$ -	$ -	$ -	$2,240,000

Project Name: Ridgeline Drive Phase 2

Project Description/Purpose:

Ridgeline Drive; Sherman Street to Center Parkway. New roadway construction - the project includes construction of the center two lanes, median w/curb and gutter, storm drainage and illumination.

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.

	2015	2016	2017	2018	2019	2020	Future
Total Project Cost	$ -	$ -	$ -	$ -	$ -	$ -	$3,625,000

Project Name: Ridgeline Drive Phase 3

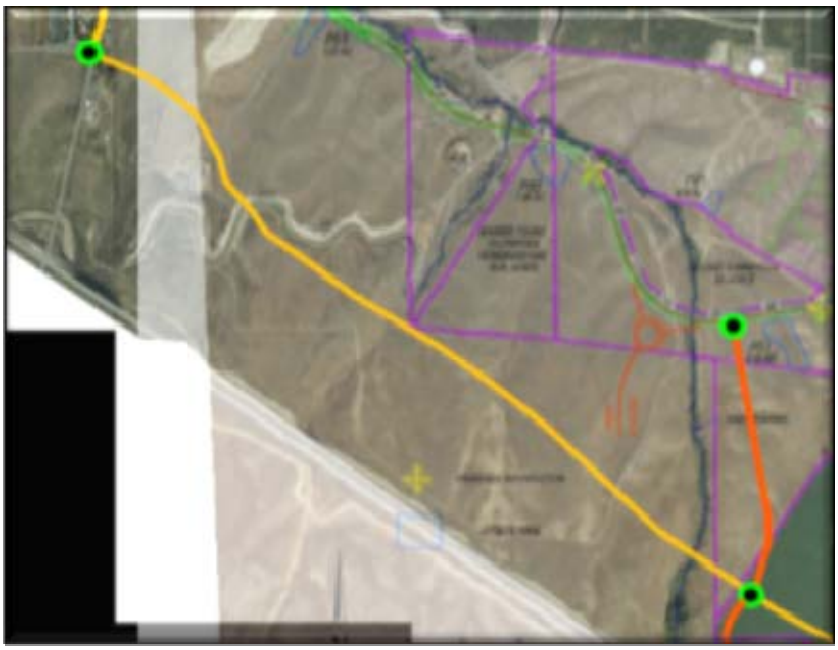
Project Description/Purpose:

Ridgeline Drive; Clodfelter Road to Center Parkway. New roadway construction - the project includes construction of the center two lanes, median w/curb and gutter, storm drainage and illumination.

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.

	2015	2016	2017	2018	2019	2020	Future
Total Project Cost	$ -	$ -	$ -	$ -	$ -	$ -	$5,695,000



Project Name: Christianson Road/Southridge Blvd

Project Description/Purpose:

Christianson Road and Southridge Blvd. from the existing improvements to the UGA. Roadway reconstruction - the project includes construction of two travel lanes, TWLTL, curb and gutter, sidewalk, storm drainage and illumination.

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.

	2015	2016	2017	2018	2019	2020	Future
Total Project Cost	$ -	$ -	$ -	$ -	$ -	$ -	$2,151,000

Project Name: New Fire Station #65

Project Description/Purpose:

Construct a new 11,000 sq ft fire station in 10th and Kellogg vicinity of the city, this project has been in the comp plan and CIP plan for several years.

The new Fire Station will improve fire and EMS service delivery to our citizens by reducing overall response time into southwest Kennewick. The station will be positioned on major arterial streets which will 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 3 Fire Captains. Ongoing M&O costs and replacement costs for a fire engine and a medic unit.

	2015	2016	2017	2018	2019	2020	Total 2015-2020
Total Project Cost	$3,775,000	$ 521,923	$ -	$ -	$ -	$ -	$4,296,923
Project Revenues:							
Bond Proceeds	4,296,923	-	-	-	-	-	4,296,923
On-Going M&O Costs:							
Employee Costs	$ -	$ 269,925	$ 381,494	$ 404,384	$ 428,647	$ 454,365	$ 1,938,815
Other Costs	28,338	78,118	50,776	51,791	52,827	53,883	315,733
Total On-Going Costs	$ 28,338	$ 348,043	$ 432,270	$ 456,175	$ 481,474	$ 508,249	$ 2,254,548

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.

	2015	2016	2017	2018	2019	2020	Total 2015-2020
Total Project Cost	$ -	$ -	$ -	$ -	$4,200,000	$ -	$4,200,000
Project Revenues:							
Bond Proceeds	-	-	-	-	4,200,000	-	4,200,000

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.

	2015	2016	2017	2018	2019	2020	Total 2015-2020
Total Project Cost	$ -	$ -	$ -	$ -	$2,800,000	$ -	$2,800,000
Project Revenues:							
Bond Proceeds	-	-	-	-	2,800,000	-	2,800,000

Project Name: Columbia Gardens Streetscape

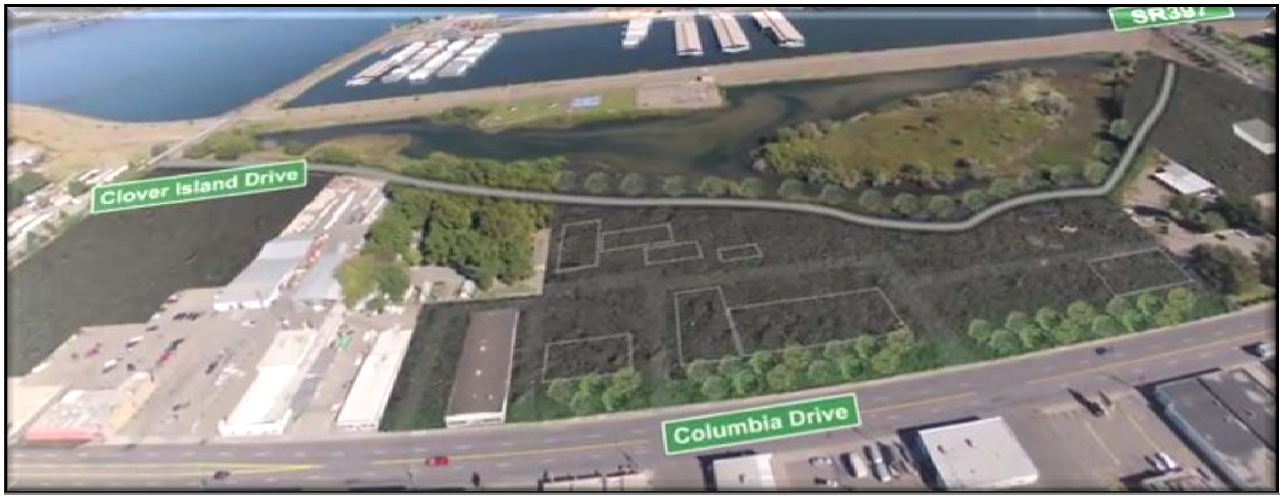
Project Description/Purpose:

This project adds new roadway streetscape (trees, street lights, etc.) adjacent to the Columbia Gardens project. The project entails improvements to the path around Duffy's Pond, streetscape improvements along Columbia Drive and wastewater pre-treatment facilities for proposed boutique wineries. This is a partnership project 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.

	2015	2016	2017	2018	2019	2020	Total 2015-2020
Total Project Cost	$475,000	$ -	$ -	$ -	$ -	$ -	$475,000
Project Revenues:							
CIP Funds	475,000	-	-	-	-	-	475,000
On-Going M&O Costs:							
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: E. 23rd Ave. & S. Gum St. Sewer Lift Station Improvement

Project Description/Purpose:

This project will replace the existing wet/dry lift station originally built in 1976 with a more efficient submersible style pump lift station and monitoring system.

Estimated Impact on Future Operating Costs:

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

	2015	2016	2017	2018	2019	2020	Total 2015-2020
Total Project Cost	$ 312,500	$ 312,500	$ -	$ -	$ -	$ -	$ 625,000
Project Revenues:							
Rates Revenues	312,500	312,500	-	-	-	-	625,000

Project Name: Zone 5 Reservoir Transmission Main

Project Description/Purpose:

This project will complete the transmission main between Canyon Lakes Zone 5 Reservoir and the Thompson Hill Zone 5 Booster Station. The pipe provides redundancy and capacity in our water system to support water services to the Southridge & Canyon Lakes development areas and the future UGA growth area south of I-82.

Estimated Impact on Future Operating Costs:

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

	2015	2016	2017	2018	2019	2020	Total 2015-2020
Total Project Cost	$ 550,000	$ -	$ -	$ -	$ -	$ -	$ 550,000
Project Revenues:							
Rates Revenues	550,000	-	-	-	-	-	550,000
On-Going M&O Costs:							
Maintenance Costs	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$5,000
Total On-Going Costs	$1,000	$1,000	$1,000	$1,000	$1,000	$1,000	$5,000

Project Name: W. Metaline Water-Sewer Improvements

Project Description/Purpose:

This project will replace existing undersized 6" AC water main and add sanitary sewer main to serve areas currently without sewer. This will be done in conjunction with the W. Metaline Street reconstruction and improvement project.

Estimated Impact on Future Operating Costs:

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

	2015	2016	2017	2018	2019	2020	Total 2015-2020
Total Project Cost	$ 597,200	$ 242,000	$ -	$ -	$ -	$ -	$ 839,200
Project Revenues:							
Rates Revenues	597,200	242,000	-	-	-	-	839,200

Project Name: UGA Water & Sanitary Sewer Extensions

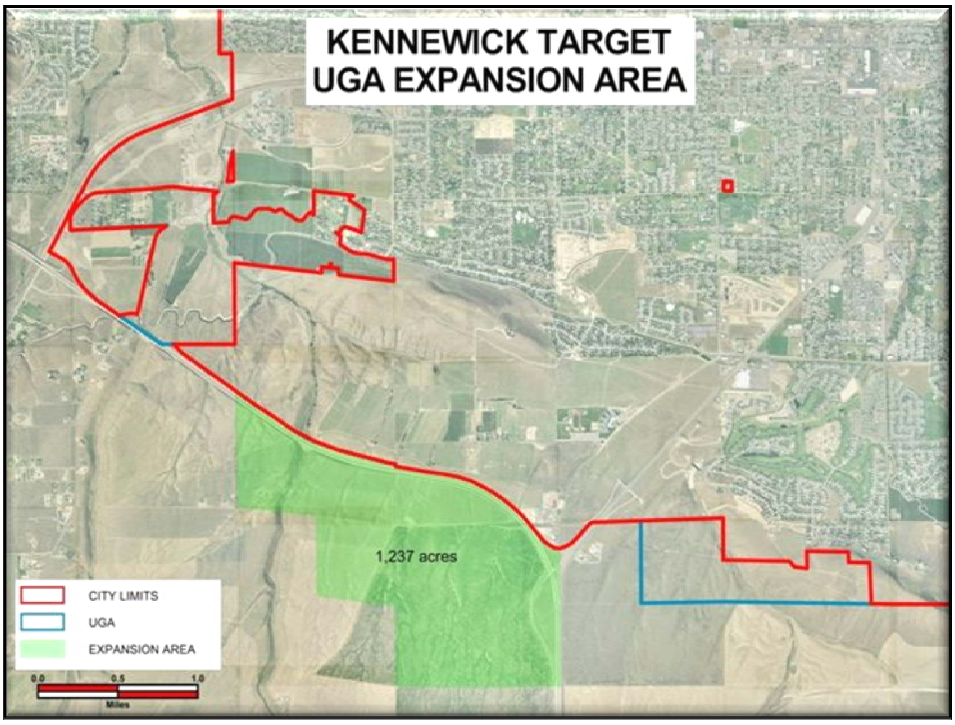
Project Description/Purpose:

This project provides for design and development of the routing of the water and sanitary sewer lines to the UGA Expansion area south of I-82.

Estimated Impact on Future Operating Costs:

There will be no impacts until development occurs.

	2015	2016	2017	2018	2019	2020	Total 2015-2020
Total Project Cost	$ 325,000	$ 62,500	$ 1,621,875	$ 1,621,875	$ 1,621,875	$ 1,621,875	$ 6,875,000
Project Revenues:							
Rates Revenues	325,000	62,500	1,621,875	1,621,875	1,621,875	1,621,875	6,875,000



Project Name: Waterline Renewals and Replacements

Project Description/Purpose:

This project provides ongoing replacement of water mains that are identified by the City's water 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 water mains will save ongoing maintenance cost.

	2015	2016	2017	2018	2019	2020	Total 2015-2020
Total Project Cost	$ 250,000	$ 250,000	$ 500,000	$ 500,000	$ 500,000	$ 500,000	$ 2,500,000
Project Revenues:							
Rates Revenues	250,000	250,000	500,000	500,000	500,000	500,000	2,500,000
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: 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.

	2015	2016	2017	2018	2019	2020	Total 2015-2020
Total Project Cost	$ 325,000	$ 325,000	$ 500,000	$ 500,000	$ 500,000	$ 500,000	$ 2,650,000
Project Revenues:							
Rates Revenues	325,000	325,000	500,000	500,000	500,000	500,000	2,650,000
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: Zone 2 Transmission Main

Project Description/Purpose:

This project will install a water transmission main to improve transmission capabilities between W. 4th Ave. and W. 10th Ave, along W. 7th Ave. corridor. The pipe will improve water system function between the Golf Course Booster Station and the 10 million gallon Kellogg water reservoir. Portions of the transmission main have been installed as part of street improvement projects or water mains installed as part of the Creekstone Development. This project will complete the remaining portion of the transmission main.

Estimated Impact on Future Operating Costs:

The project will reduce cost associated with pumping water to the reservoir.

	2015	2016	2017	2018	2019	2020	Total 2015-2020
Total Project Cost	$ -	$ -	$ 1,625,000	$ 1,625,000	$ -	$ -	$ 3,250,000
Project Revenues:							
Rates Revenues	-	-	1,625,000	1,625,000	-	-	3,250,000
On-Going M&O Costs:							
Electricity Costs	$ -	$ -	$ (500)	$ (500)	$ (500)	$ (500)	$ (2,000)
Total On-Going Costs	$ -	$ -	$ (500)	$ (500)	$ (500)	$ (500)	$ (2,000)

Project Name: Wastewater Treatment Plant Upgrades

Project Description/Purpose:

This is a 4-phased project with the first two phases planned to occur over the next 6 years. Phase 1 is for the replacement of the UV disinfection system which will not be supported by the manufacturer after mid-Spring of 2015, add backup power for UV system, effluent lift station for lagoon sludge, headworks bypass and aeration upgrade to HRT.

Phase 2 is for waste activated sludge thickening and anaerobic digestion and mechanical dewatering of digested solids to create Class B biosolids.

Estimated Impact on Future Operating Costs:

The project is expected to increase O&M costs through additional power requirements for the HRT aeration in the near term and to maintain the anaerobic digester and mechanical dewatering systems.

	2015	2016	2017	2018	2019	2020	Total 2015-2020
Total Project Cost	$ 725,000	$ -	$ -	$ 4,000,000	$ 7,000,000	$ 7,300,000	$ 19,025,000
Project Revenues:							
Rates Revenues	725,000	-	-	-	-	-	725,000
State Loans (unsecured)	-	-	-	4,000,000	7,000,000	7,300,000	18,300,000
On-Going M&O Costs:							
Maintenance Costs	$ -	$ -	$ 1,000	$ 1,000	$ 2,000	$ 2,000	$ 6,000
Total On-Going Costs	$ -	$ -	$ 1,000	$ 1,000	$ 2,000	$ 2,000	$ 6,000

Project Name: Biosolids Removal

Project Description/Purpose:

Biosolids are currently stored in two lagoons at the City's Wastewater Treatment Plant. The last project that removed biosolids from lagoon #1 was completed in 2012. Lagoon #2 is at capacity and is no longer being used for sludge storage, requiring the removal of biosolids to return it to proper operation of the lagoon system. Biosolids removed from the lagoons, are permitted for disposal as Class B material by Dept. of Ecology and approved for removal, hauling and crop land applications.

Estimated Impact on Future Operating Costs:

None

	2015	2016	2017	2018	2019	2020	Total 2015-2020
Total Project Cost	$ -	$ -	$ 3,500,000	$ -	$ -	$ -	$ 3,500,000
Project Revenues:							
Rate Revenues	$ -	$ -	$ 660,000	$ -	$ -	$ -	$ 660,000
Biosolids Reserve	-	-	2,840,000	-	-	-	2,840,000

Project Name: Adair Road - UGA Expansion

Project Description/Purpose:

Adair Road; Locust Grove to Christianson. New roadway construction - the project includes construction of the center two lanes, median w/curb and gutter, storm drainage and illumination.

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.

	2015	2016	2017	2018	2019	2020	Future
Total Project Cost							
Design	$200,000	$ -	$ -	$ -	$ -	$ -	$ -
Construction	-	-	-	-	-	-	6,335,000
Project Revenues:							
Proviso Grant (secured)	$200,000	$ -	$ -	$ -	$ -	$ -	$ -

Project Name: Center Parkway - UGA Expansion

Project Description/Purpose:

Center Parkway; I-82 to 58th Avenue. New roadway construction - the project includes construction of the center two lanes, median w/curb and gutter, storm drainage and illumination.

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.

	2015	2016	2017	2018	2019	2020	Future
Total Project Cost							
Design	$200,000	$ -	$ -	$ -	$ -	$ -	$ -
Construction	-	-	-	-	-	-	3,900,000
Project Revenues:							
Proviso Grant (secured)	$200,000	$ -	$ -	$ -	$ -	$ -	$ -

Project Name: Christianson Road - UGA Expansion

Project Description/Purpose:

Christianson Road; Adair to Center Parkway. New roadway construction - the project includes construction of the center two lanes, median w/curb and gutter, storm drainage and illumination.

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.

	2015	2016	2017	2018	2019	2020	Future
Total Project Cost							
Design	$200,000	$ -	$ -	$ -	$ -	$ -	$ -
Construction	-	-	-	-	-	-	3,785,000
Project Revenues:							
Proviso Grant (secured)	$200,000	$ -	$ -	$ -	$ -	$ -	$ -

Project Name: 58th Avenue - UGA Expansion

Project Description/Purpose:

58th Avenue; Adair to Center Parkway. New roadway construction - the project includes construction of the center two lanes, median w/curb and gutter, storm drainage and illumination.

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.

	2015	2016	2017	2018	2019	2020	Future
Total Project Cost							
Design	$370,000	$ -	$ -	$ -	$ -	$ -	$ -
Construction	-	-	-	-	-	-	3,785,000
Project Revenues:							
Proviso Grant (secured)	$370,000	$ -	$ -	$ -	$ -	$ -	$ -

ARTERIAL STREET FUND

The **Arterial Street Fund** accounts for the continued development of the arterial street system within the City. Revenue sources include state shared revenue (gas tax), along with 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

	ACTUAL	ESTIMATE	PROJECTION					
	2011/2012	2013/2014	2015	2016	2017	2018	2019	2020
BEGINNING FUND BALANCE	$ 550,889	$ 133,970	$ -	$ -	$ -	$ -	$ -	$ -
REVENUES								
INTERGOVERNMENTAL								
HES Grant	62,646	-	-	-	-	-	-	-
STP Local	846,123	941,624	-	-	-	-	-	-
MISCELLANEOUS								
Interest	4,151	(138)	-	-	-	-	-	-
Transfer from Capital Improvement	2,275,457	674,544	-	1,600,000	1,696,000	1,696,000	1,780,800	1,780,800
TOTAL REVENUES	3,188,377	1,616,030	-	1,600,000	1,696,000	1,696,000	1,780,800	1,780,800
TOTAL	$ 3,739,266	$ 1,750,000	$ -	$ 1,600,000	$ 1,696,000	$ 1,696,000	$ 1,780,800	$ 1,780,800
EXPENDITURES								
STREET RECONSTRUCTION								
Edison St & Metaline Ave Intersection	$ 15,388	$ -	$ -	$ -	$ -	$ -	$ -	$ -
STREET OVERLAYS								
Pavement Preservation Program	2,171,035	1,750,000	-	1,600,000	1,696,000	1,696,000	1,780,800	1,780,800
Columbia Dr - SR395 to Hartford	127	-	-	-	-	-	-	-
Clearwater - Leslie to CCB	59	-	-	-	-	-	-	-
27th - Union to SR395	127	-	-	-	-	-	-	-
Clearwater Overlay - SR395 to Edison	1,128,560	-	-	-	-	-	-	-
MISCELLANEOUS								
Intergovt'l Agreement - Richland	290,000	-	-	-	-	-	-	-
TOTAL EXPENDITURES	3,605,296	1,750,000	-	1,600,000	1,696,000	1,696,000	1,780,800	1,780,800
ENDING FUND BALANCE	133,970	-	-	-	-	-	-	-
TOTAL	$ 3,739,266	$ 1,750,000	$ -	$ 1,600,000	$ 1,696,000	$ 1,696,000	$ 1,780,800	$ 1,780,800

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 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.

	ACTUAL	ESTIMATE	PROJECTON					
	2011/2012	2013/2014	2015	2016	2017	2018	2019	2020
BEGINNING FUND BALANCE	$ 780,098	$ 924,161	$ 3,237,591	$ -	$ -	$ -	$ -	$ -
REVENUES								
INTERGOVERNMENTAL								
STP Grant - Clearwater - Leslie to US395	407	720,000	1,400,000	-	-	-	-	-
STP Grant - Citywide Safety Project	316	203,684	-	-	-	-	-	-
STP Grant - UGA Expansion Roads	-	970,000	-	-	-	-	-	-
STP Grant - CCB Safety	-	730,000	-	-	-	-	-	-
ARRA EEC Block Grant - Energy Efficiency	579,086	-	-	-	-	-	-	-
Rapid Action Grant - Steptoe Phase II	1,355,007	829,993	-	-	-	-	-	-
Energy Efficiency Rebate	792,831	-	-	-	-	-	-	-
STP Federal - Omnibus - Steptoe - Phase II	1,199,440	1,560	-	-	-	-	-	-
STP Local Grant - UPRR Trail Extension	69,954	-	-	-	-	-	-	-
STP Local Grant - Steptoe - Phase I	222,964	-	-	-	-	-	-	-
STP Local Grant - Grandridge and Young	-	380,000	-	-	-	-	-	-
STP State Grant - Dayton - CID Bridge	46,387	408,013	-	-	-	-	-	-
STP State Grant - Olympia	-	1,645,711	-	-	-	-	-	-
STP State Grant - Metaline Widening	-	179,236	215,764	-	-	-	-	-
STP State Grant - US395/Ridgeline Intersection	-	648,750	-	-	-	-	-	-
STP State Grant - CCB Overlay	-	34,600	951,500	-	-	-	-	-
TIB Grant - Olympia 27th/SR395	64,058	1,800,900	-	-	-	-	-	-
TIB Grant - Steptoe Phase 2	967,098	866,265	-	-	-	-	-	-
TIB Grant - Edison Street Widening	32,869	289,568	844,932	-	-	-	-	-
TIB Grant - Steptoe Phase 3	-	1,576,689	1,552,311	-	-	-	-	-
TIB Grant - Gum St Sidewalk	-	229,178	-	-	-	-	-	-
TIB Grant - 10th Ave. Widening	-	-	-	-	1,516,200	-	-	-
MISCELLANEOUS								
Developer Contributions - Grandridge Young Roundabou	-	81,700	-	-	-	-	-	-
Developer Contributions - US395/Ridgeline	-	137,648	-	-	-	-	-	-
Developer Contributions - Steptoe Phase 3	-	-	190,540	-	-	-	-	-
Transfer from CIP Fund - 10th Ave Widening	-	-	-	-	1,010,800	-	-	-
Transfer from CIP Fund - US395 Ridgeline	-	-	-	-	-	675,000	675,000	650,000
Transfer from CIP Fund - Energy Efficiency	1,390,115	-	-	-	-	-	-	-
Transfer from CIP Fund - Underground Utilities	202,485	13,886	-	-	-	-	-	-
Transfer from CIP Fund - ARRA	35,307	-	-	-	-	-	-	-
Transfer from CIP Fund - Olympia	153,885	1,092,982	-	-	-	-	-	-
Transfer from CIP Fund - Grandridge/Young	-	215,800	-	-	-	-	-	-
Transfer from CIP Fund - Gum Sidewalk	-	46,973	-	-	-	-	-	-
Transfer from CIP Fund - Hildebrand	331,492	2,985,863	2,550,000	350,000	-	-	-	-
Transfer from CIP Fund - CCB Overlay	-	153,900	-	-	-	-	-	-
Transfer from CIP Fund - Dayton	74,969	370,628	-	-	-	-	-	-
Transfer from CIP Fund - Steptoe 3	-	1,430,147	157,362	-	-	-	-	-
Transfer from CIP Fund - Energy Savings	-	229,949	-	-	-	-	-	-
Transfer from CIP Fund - 45th	-	140,000	-	-	-	-	-	-
Transfer from CIP Fund - Edison	29,745	754,000	-	-	-	-	-	-
Transfer from CIP Fund - Metaline	-	61,647	-	-	-	-	-	-
Transfer from CIP Fund - Steptoe 2	522,242	-	-	-	-	-	-	-
TOTAL REVENUES	8,070,657	19,229,270	7,862,409	350,000	2,527,000	675,000	675,000	650,000
TOTAL	$ 8,850,755	$ 20,153,431	$ 11,100,000	$ 350,000	$ 2,527,000	$ 675,000	$ 675,000	$ 650,000

	ACTUAL	ESTIMATE	PROJECTON					
	2011/2012	2013/2014	2015	2016	2017	2018	2019	2020
EXPENDITURES								
STREET RECONSTRUCTION								
Steptoe Street - Phase I	$ 471,977	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Steptoe Street - Phase 2	3,665,961	2,069,648	-	-	-	-	-	-
Steptoe Street - Phase 3	-	3,215,000	2,000,000	-	-	-	-	-
ARRA Street Lighting Project	605,160	-	-	-	-	-	-	-
UGA Expansion Roads	-	970,000	-	-	-	-	-	-
45th Ave	-	140,000	-	-	-	-	-	-
Southridge Infrastructure:								
Underground Utilities - Southridge Blvd.	202,485	13,886	-	-	-	-	-	-
Hildebrand Blvd. - 10th to City Limits	195,987	-	-	-	-	-	-	-
Hildebrand Blvd. - City Limits to Sherman St	-	750,000	4,950,000	350,000	-	-	-	-
Gradridge and Young Roundabout	-	677,500	-	-	-	-	-	-
Gum Street Sidewalk	-	276,051	-	-	-	-	-	-
Olympia - SR397 to 27th	333,245	4,594,374	-	-	-	-	-	-
Edison Widening	62,614	488,500	1,400,000	-	-	-	-	-
Columbia Center Blvd Safety Project	-	730,000	-	-	-	-	-	-
Energy Savings Program	2,258,692	229,949	-	-	-	-	-	-
UP RR Trail Extension	69,954	-	-	-	-	-	-	-
Metaline Widening	-	206,647	250,000	-	-	-	-	-
Dayton St/CID Canal Bridge Replacement	59,555	840,442	-	-	-	-	-	-
US395/Ridgeline Intersection	-	750,231	-	-	-	675,000	675,000	650,000
10th Avenue Widening	-	-	-	-	2,527,000	-	-	-
Columbia Center Blvd Overlay	-	40,000	1,100,000	-	-	-	-	-
TRAFFIC CONTROL								
Citywide Safety Project	404	203,612	-	-	-	-	-	-
Clearwater - Leslie to US395	560	720,000	1,400,000	-	-	-	-	-
TOTAL EXPENDITURES	7,926,594	16,915,840	11,100,000	350,000	2,527,000	675,000	675,000	650,000
ENDING FUND BALANCE	924,161	3,237,591	-	-	-	-	-	-
TOTAL	$ 8,850,755	$ 20,153,431	$ 11,100,000	$ 350,000	$ 2,527,000	$ 675,000	$ 675,000	$ 650,000

"The measure of who we are is what we do with what we have."

~Vince Lombardi~

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” of 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.

	ACTUAL	ESTIMATE	PROJECTON					
	2011/2012	2013/2014	2015	2016	2017	2018	2019	2020
BEGINNING FUND BALANCE	$ 8,162,408	$ 4,871,481	$ 2,716,152	$ 1,886,300	$ 1,153,621	$ 871,472	$ 597,081	$ 269,736
REVENUES								
TAXES								
Optional Sales Tax	8,634,912	9,618,817	4,435,000	4,431,800	4,414,000	4,377,000	4,475,000	4,573,000
Local Real Estate Excise Tax	1,303,135	1,582,170	815,000	831,000	848,000	865,000	882,000	900,000
Local Real Estate Excise Tax (2nd 1/4)	1,303,135	1,582,170	815,000	831,000	848,000	865,000	882,000	900,000
Trails & Paths Gas Tax	15,290	15,268	7,500	7,500	7,500	7,500	7,500	7,500
INTERGOVERNMENTAL								
RCO Grant - Hansen Park	-	-	-	-	-	500,000	-	-
WTSC Grant	15,000	6,803	-	-	-	-	-	-
Kennewick School District	8,849	7,935	-	-	-	-	-	-
MISCELLANEOUS								
Developer Contributions	183,045	292,200	-	-	-	-	-	-
Interest/Miscellaneous	330,469	62,583	58,034	60,976	63,946	66,947	69,978	73,039
Donations - General	40,147	18,000	9,000	9,000	9,000	9,000	9,000	9,000
Donations - Field Development	6,450	12,000	6,000	6,000	6,000	6,000	6,000	6,000
Rentals and Leases	21,784	21,341	8,000	8,000	8,000	8,000	8,000	8,000
Transfer from General Fund	2,500,000	2,000,000	1,500,000	500,000	1,000,000	1,000,000	1,000,000	1,000,000
Transfer from Community Development	361,121	592,549	489,000	125,000	125,000	125,000	125,000	125,000
Transfer from CIP LRF Tax	691,206	1,573,892	882,000	888,169	981,000	981,000	1,001,000	1,001,000
Coliseum - Interfund Loan	70,253	42,639	16,966	14,024	11,054	8,053	5,022	1,961
TOTAL REVENUES	15,484,796	17,428,367	9,041,500	7,712,469	8,321,500	8,818,500	8,470,500	8,604,500
TOTAL	$ 23,647,204	$ 22,299,848	$ 11,757,652	$ 9,598,769	$ 9,475,121	$ 9,689,972	$ 9,067,581	$ 8,874,236
EXPENDITURES								
STREET RECONSTRUCTION								
Southridge Street Improvements	$ 65,970	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Hood/Jefferson	-	-	148,000	-	-	-	-	-
W. 5th	-	-	314,000	-	-	-	-	-
Subtotal Street Reconstruction	65,970	-	462,000	-	-	-	-	-
SIDEWALKS								
Sidewalk Replacement	8,479	89,955	75,000	75,000	75,000	75,000	75,000	75,000
ADA Transition Program	355,807	644,900	175,000	125,000	125,000	125,000	125,000	125,000
Subtotal Storm Drainage	364,286	734,855	250,000	200,000	200,000	200,000	200,000	200,000
STREET OVERLAYS/GRAVEL STREETS								
Miscellaneous Street Projects	92,094	90,000	93,600	93,600	97,300	97,300	97,300	97,300
Crack Sealing/Preleveling Program	374	-	58,300	58,300	123,600	123,600	123,600	123,600
Subtotal Street Overlays	92,468	90,000	151,900	151,900	220,900	220,900	220,900	220,900
TRAFFIC CONTROL DEVICES								
Traffic Sign Inventory	76,962	18,315	-	-	-	-	-	-
Traffic Volume Counts	33,387	-	-	-	-	-	-	-
Subtotal Traffic Control Devices	110,349	18,315	-	-	-	-	-	-
STREET LIGHTS/SIGNALS								
St. Lts. Misc. Locations (Arterials)	14,754	57,246	100,000	100,000	125,000	125,000	125,000	125,000
Flashing School Beacon Upgrade	25,547	14,738	-	-	-	-	-	-
Misc Traffic Signals or Roundabouts	240,775	389,522	176,800	176,800	153,900	213,900	213,900	213,900
Subtotal Lights/Signals	281,076	461,506	276,800	276,800	278,900	338,900	338,900	338,900

	ACTUAL	ESTIMATE	PROJECTON					
	2011/2012	2013/2014	2015	2016	2017	2018	2019	2020
OTHER IMPROVEMENTS								
SR395 Corridor Study	33,884	5,967	-	-	-	-	-	-
Bridge to Bridge Master Plan/River to Rail	2,640	-	-	-	-	-	-	-
Cost Allocation Study	52,156	-	-	-	-	-	-	-
Public Art	9,405	-	-	-	-	-	-	-
Underground PUD Utility Lines	-	-	-	-	-	-	-	-
Regional Development Portal	24,551	10,857	-	-	-	-	-	-
Steptoe - Clearwater to Gage	322,430	-	-	-	-	-	-	-
UPRR Relocation (Center Parkway)	1,009,360	-	-	-	-	-	-	-
Columbia Gardens	-	-	475,000	-	-	-	-	-
Columbia River Crossing Study	6,598	-	-	-	-	-	-	-
9/11 Memorial	7,649	-	-	-	-	-	-	-
Subtotal Other Improvements	1,468,673	16,824	475,000	-	-	-	-	-
PARK IMPROVEMENTS								
Ballfield Improvements	70,821	-	-	-	-	-	-	-
Civic Center Athletic Area	-	-	240,000	-	-	-	-	-
Eastgate Park	132,711	-	-	-	-	-	-	-
Tennis and Hard Court Repairs	12,996	-	-	-	-	-	-	-
Hansen Park	125	-	-	-	-	500,000	-	-
Subtotal Park Improvements	216,653	-	240,000	-	-	500,000	-	-
COLUMBIA PARK IMPROVEMENTS								
Irrig./Landscaping(Volunteer Support)	130,525	-	-	-	-	-	-	-
Subtotal Columbia Park Improvements	130,525	-	-	-	-	-	-	-
MISCELLANEOUS								
Transfers:								
Transfer to Arterial Fund	2,275,457	674,544	-	1,600,000	1,696,000	1,696,000	1,780,800	1,780,800
Transfer to Urban Arterial Fund - Steptoe	522,242	1,430,147	157,362	-	-	-	-	-
Transfer to Urban Arterial Fund - Edison Widening	29,745	754,000	-	-	-	-	-	-
Transfer to Urban Arterial Fund - Underground Utilities	202,485	13,886	-	-	-	-	-	-
Transfer to Urban Arterial Fund - Energy Efficiency	1,390,115	-	-	-	-	-	-	-
Transfer to Urban Arterial Fund - Olympia	153,885	1,092,982	-	-	-	-	-	-
Transfer to Urban Arterial Fund - Hildebrand	331,492	2,985,863	2,550,000	350,000	-	-	-	-
Transfer to Urban Arterial Fund - Dayton	74,969	370,628	-	-	-	-	-	-
Transfer to Urban Arterial Fund - ARRA	35,307	-	-	-	-	-	-	-
Transfer to Urban Arterial Fund - Gum St	-	46,973	-	-	-	-	-	-
Transfer to Urban Arterial Fund - W. 45th	-	140,000	-	-	-	-	-	-
Transfer to Urban Arterial Fund - Grandridge/Young	-	215,800	-	-	-	-	-	-
Transfer to Urban Arterial Fund - Metaline Widening	-	61,647	-	-	-	-	-	-
Transfer to Urban Arterial Fund - Energy Savings	-	229,949	-	-	-	-	-	-
Transfer to Urban Arterial Fund - CCB Overlay	-	153,900	-	-	-	-	-	-
Transfer to Urban Arterial Fund - W 10th Widening	-	-	-	-	1,010,800	-	-	-
Transfer to Urban Arterial Fund - US395/Ridgeline	-	-	-	-	-	675,000	675,000	650,000
Transfer to Equipment Rental	1,292,575	1,310,000	687,800	687,800	722,200	722,200	758,300	758,300
Transfer to Risk Management	1,495,150	-	-	-	-	-	-	-
Transfer to CIP - Facilities	145,417	269,615	12,320	309,100	225,400	496,100	247,200	258,800
Transfer to Capital Improvement - Frost Loan	-	135,750	-	-	-	-	-	-
Transfer to LRF GO Bond 2010B	-	150,845	-	-	-	-	-	-
Transfer to Capital Purchases	233,201	738,733	379,714	374,222	275,600	275,600	290,000	289,400
Transfer to Debt Service Fund - 2010A	854,412	857,700	-	-	-	-	-	-
Transfer to Debt Service Fund 2010B	870,115	888,654	878,519	878,616	864,068	862,002	863,698	859,498
Transfer to Debt Service Fund 2003B	1,180,215	419,424	-	-	-	-	-	-
Transfer to Debt Service Fund 2006	1,462,072	1,458,441	731,357	732,858	733,108	728,608	733,220	732,220
Transfer to Debt Service Fund 2003A	1,110,189	415,801	-	-	-	-	-	-
Transfer to Debt Service Fund 2011	130,111	875,395	646,575	645,925	643,650	649,050	648,450	647,050
Transfer to Debt Service Fund 2016	-	-	-	345,000	345,000	345,000	345,000	345,000
Transfer to Debt Service Fund 2019	-	-	-	-	-	-	520,000	520,000

	ACTUAL	ESTIMATE	PROJECTON					
	2011/2012	2013/2014	2015	2016	2017	2018	2019	2020
MISCELLANEOUS (Continued)								
Transfers (Continued):								
Transfer to Conv Ctr - City of Pasco	360,794	410,577	244,760	244,760	-	-	-	-
Transfer to Public Facilities District - Conv Ctr	7,888	620,285	480,240	480,240	725,000	725,000	725,000	725,000
Transfer to Animal Control Facility	-	-	575,000	500,000	-	-	-	-
Transfer to General Fund	96,881	-	-	-	-	-	-	-
Transfer to Coliseum	167,524	532,476	200,000	200,000	200,000	200,000	200,000	200,000
Subtotal Miscellaneous	14,422,241	17,254,015	7,543,647	7,348,521	7,440,826	7,374,560	7,786,668	7,766,068
DEBT SERVICE								
PWTF Loan - W. Hood	79,297	-	-	-	-	-	-	-
PWTF Loan - 10th Av/SR395 to Olympia	328,870	-	-	-	-	-	-	-
PWTF Loan - 19th Avenue	102,899	50,697	-	-	-	-	-	-
PWTF Loan - Comp Street Imp - Phase I	437,017	428,886	211,394	209,361	207,329	205,296	-	-
PWTF Loan - Comp Street Imp - Phase II	538,432	528,598	260,611	258,566	255,694	253,235	251,377	247,115
CCWF Loan	136,967	-	-	-	-	-	-	-
Subtotal Debt Service	1,623,482	1,008,181	472,005	467,927	463,023	458,531	251,377	247,115
TOTAL EXPENDITURES	18,775,723	19,583,696	9,871,352	8,445,148	8,603,649	9,092,891	8,797,845	8,772,983
ENDING FUND BALANCE	4,871,481	2,716,152	1,886,300	1,153,621	871,472	597,081	269,736	101,253
TOTAL	$ 23,647,204	$ 22,299,848	$ 11,757,652	$ 9,598,769	$ 9,475,121	$ 9,689,972	$ 9,067,581	$ 8,874,236
Ending Fund Balance	$ 4,871,481	$ 2,716,152	$ 1,886,300	$ 1,153,621	$ 871,472	$ 597,081	$ 269,736	$ 101,253
Fund Balance Reserved for Coliseum Debt	2,276,214	1,696,605	1,402,447	1,105,347	805,276	502,205	196,102	-
SURPLUS (DEFICIT) CASH FLOW	$ 2,595,267	$ 1,019,547	$ 483,853	$ 48,274	$ 66,196	$ 94,876	$ 73,634	$ 101,253

	ACTUAL	ESTIMATE	PROJECTION					
	2011/2012	2013/2014	2015	2016	2017	2018	2019	2020
BEGINNING FUND BALANCE	$ 719,312	$ 377,559	$ -	$ -	$ -	$ -	$ -	$ -
OTHER FINANCING SOURCES:								
Rentals & Leases	17,360	-	-	-	-	-	-	-
Interest on Investments	9,483	16,000	-	-	-	-	-	-
Proceeds from Sale of Land *	25,000	1,173,802	-	250,000	-	-	-	-
Transfer from Solid Waste	60,000	-	-	-	-	-	-	-
Transfer from CIP Street	-	269,615	12,320	309,100	225,400	496,100	247,200	258,800
Bond Proceeds Fire Station	-	-	407,880	-	-	-	-	-
Transfer from CIP Streets - Frost Loan	145,417	135,750	-	-	-	-	-	-
Transfer from Water/Sewer	72,708	67,875	-	-	-	-	-	-
TOTAL REVENUES	329,968	1,663,042	420,200	559,100	225,400	496,100	247,200	258,800
TOTAL	$ 1,049,280	$ 2,040,601	$ 420,200	$ 559,100	$ 225,400	$ 496,100	$ 247,200	$ 258,800
EXPENDITURES								
City Facility HVAC Replacement	$ 6,154	$ -	$ -	$ -	$ -	$ -	$ -	$ -
City Hall	49,832	525,734	-	-	-	-	-	-
Fire Station #61	38,591	56,409	-	27,600	-	-	-	-
Fire Station #62	20,236	938	-	-	-	-	-	-
Fire Station #63	-	94,062	-	-	-	-	-	-
Fire Station #65	-	300,000	-		-	-	-	-
Old Police Department	9,097	-	-	-	-	-	-	-
Building Demolition	-	-	339,600	-	-	-	-	-
Frost Facility	149,983	-	-	-	-	-	-	-
Senior Center	1,295	-	-	-	-	-	-	-
City Pool Pump Bldg	8,971	-	-	-	-	-	-	-
Facilities Maintenance Program	-	-	-	-	193,000	202,700	212,800	223,400
Vista District Common Area O&M	61,996	50,413	30,600	31,500	32,400	33,400	34,400	35,400
Title and Appraisal Fees	10,503	-	-	-	-	-	-	-
Property Tax	55,143	76,150	-	-	-	-	-	-
Land Acquisition	-	700,000	-	450,000	-	260,000	-	-
Transfer to Columbia Park Golf Course	41,390	33,120	50,000	50,000	-	-	-	-
Frost Facility Loan - Principal	200,000	200,000	-	-	-	-	-	-
Frost Facility Loan - Interest	18,126	3,775	-	-	-	-	-	-
Interfund Loan Debt Service	404	-	-	-	-	-	-	-
TOTAL EXPENDITURES	671,721	2,040,601	420,200	559,100	225,400	496,100	247,200	258,800
ENDING FUND BALANCE	377,559	-	-	-	-	-	-	-
TOTAL	$ 1,049,280	$ 2,040,601	$ 420,200	$ 559,100	$ 225,400	$ 496,100	$ 247,200	$ 258,800

FUND DETAIL
CAPITAL IMPROVEMENT FUND
CAPITAL PURCHASES

	ACTUAL	ESTIMATE	PROJECTION					
	2011/2012	2013/2014	2015	2016	2017	2018	2019	2020
BEGINNING FUND BALANCE	$ 77,880	$ 1,776	$ -	$ -	$ -	$ -	$ -	$ -
OTHER FINANCING SOURCES:								
Capital Lease Proceeds	-	379,383	1,126,365	-	-	-	-	-
Transfer from General Fund	-	179,828	-	-	-	-	-	-
Transfer from Capital Imp. - Streets	233,201	738,733	379,714	374,222	275,600	275,600	290,000	289,400
Transfer from Capital Imp. - Park Res	-	92,343	-	-	-	-	-	-
Transfer from Water/Sewer Fund	65,879	58,954	121,052	-	-	-	-	-
Transfer from Medical Services Fund	39,604	54,822	55,867	-	-	-	-	-
Transfer from Risk Management Fund	57,211	-	-	-	-	-	-	-
Transfer from Building Safety Fund	16,625	16,930	34,885	-	-	-	-	-
Transfer from Stormwater Utility Fund	9,240	42,225	38,140	-	-	-	-	-
Interest on Investments	606	-	-	-	-	-	-	-
TOTAL REVENUES	422,366	1,563,218	1,756,023	374,222	275,600	275,600	290,000	289,400
TOTAL	$ 500,246	$ 1,564,994	$ 1,756,023	$ 374,222	$ 275,600	$ 275,600	$ 290,000	$ 289,400
EXPENDITURES								
CAPITAL PURCHASES								
Data Processing Equipment:								
Data Processing Equipment	$ 423,027	$ 736,370	$ -	$ -	$ 25,600	$ 25,600	$ 40,000	$ 289,400
Fire MDT's	75,443	-	-	-	-	-	-	-
Core Switch Upgrade	-	-	126,365	-	-	-	-	-
Software	-	-	880,436	-	-	-	-	-
GIS System	-	-	375,000	-	-	-	-	-
IS Upgrade/Replacement Program	-	697,624	-	-	-	-	-	-
Debt Service	-	131,000	374,222	374,222	250,000	250,000	250,000	-
TOTAL EXPENDITURES	498,470	1,564,994	1,756,023	374,222	275,600	275,600	290,000	289,400
ENDING FUND BALANCE	1,776	-	-	-	-	-	-	-
TOTAL	$ 500,246	$ 1,564,994	$ 1,756,023	$ 374,222	$ 275,600	$ 275,600	$ 290,000	$ 289,400

	ACTUAL 2011/2012	ESTIMATE 2013/2014	PROJECTION 2015	2016	2017	2018	2019	2020
BEGINNING FUND BALANCE	$ 871,319	$1,116,636	$ 869,310	$ 895,310	$ 915,310	$ 738,310	$ 731,310	$ 754,310
REVENUES								
Park Development Fees	232,583	204,901	50,000	50,000	550,000	250,000	50,000	50,000
Interest Earnings	18,783	5,000	-	-	3,000	3,000	3,000	3,000
TOTAL REVENUES	251,366	209,901	50,000	50,000	553,000	253,000	53,000	53,000
	$1,122,685	$1,326,537	$ 919,310	$ 945,310	$ 1,468,310	$ 991,310	$ 784,310	$ 807,310
EXPENDITURES								
PARK IMPROVEMENTS								
1W Sunset Park	$ 4,598	$ 115,402	$ -	$ -	$ -	$ -	$ -	$ -
2E Zintel/Underwood/Vancouver	-	6,000	-	-	-	-	-	-
2W Scott	-	41,000	-	-	-	-	-	-
3E Civic Area	-	3,107	9,000	-	-	-	-	-
4W 10th/CCB & Park Site	-	169,375	15,000	-	700,000	-	-	-
5W Grange	-	10,000	-	10,000	-	-	-	-
6E Cascade	-	-	-	-	-	230,000	-	-
6W Southridge	1,451	20,000	-	20,000	-	-	-	-
Park Appurtenances	-	-	-	-	30,000	30,000	30,000	30,000
Transfer to Capital Purchases	-	92,343	-	-	-	-	-	-
TOTAL EXPENDITURES	6,049	457,227	24,000	30,000	730,000	260,000	30,000	30,000
ENDING FUND BALANCE	1,116,636	869,310	895,310	915,310	738,310	731,310	754,310	777,310
TOTAL	$1,122,685	$1,326,537	$ 919,310	$ 945,310	$ 1,468,310	$ 991,310	$ 784,310	$ 807,310
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/Vancou	18,234	23,679	23,679	23,679	23,679	23,679	23,679	23,679
Reserve - 3E Civic Area	12,115	15,454	6,454	6,454	6,454	6,454	6,454	6,454
Reserve - 5E HH/CL/Insp Estates	46,159	100,958	100,958	100,958	100,958	100,958	100,958	100,958
Reserve - 6E Cascade	132,326	132,326	132,326	132,326	132,326	-	-	-
Reserve - 1W Sunset/CCE	264,206	143,040	143,040	143,040	143,040	143,040	143,040	143,040
Reserve - 2W Lawrence Scott	41,446	1,897	1,897	1,897	1,897	1,897	1,897	1,897
Reserve - 3W John Day/Hawthorne	480	4,274	4,274	4,274	4,274	4,274	4,274	4,274
Reserve - 4W 10th & Columbia Center	236,106	83,315	68,315	68,315	-	-	-	-
Reserve - 5W Grange	136,612	148,386	148,386	138,386	138,386	138,386	138,386	138,386
Reserve - 6W Southridge	36,743	60,613	60,613	40,613	40,613	40,613	40,613	40,613
Reserve - 7W Five Corners	51,172	129,947	129,947	129,947	129,947	129,947	129,947	129,947
Unreserved	137,130	21,514	71,514	121,514	12,829	138,155	161,155	184,155
TOTAL FUND BALANCE	$1,116,636	$ 869,310	$ 895,310	$ 915,310	$ 738,310	$ 731,310	$ 754,310	$ 777,310

	PROJECTION					
	2015	2016	2017	2018	2019	2020
BEGINNING FUND BALANCE	$ -	$ 521,923	$ -	$ -	$ -	$ -
OTHER FINANCING SOURCES:						
GO Bond Proceeds	4,296,923	-	-	-	7,000,000	-
TOTAL REVENUES	4,296,923	-	-	-	7,000,000	-
TOTAL	$ 4,296,923	$ 521,923	$ -	$ -	$ 7,000,000	$ -
EXPENDITURES						
Fire Station #65	$ 3,775,000	$ -	$ -	$ -	$ -	$ -
Fire Station #63 Replacement	-	-	-	-	4,200,000	-
Fire Station #61 Remodel	-	-	-	-	2,800,000	-
Machinery and Equipment	-	186,323	-	-	-	-
Transfer to Equipment Rental	-	335,600	-	-	-	-
TOTAL EXPENDITURES	3,775,000	521,923	-	-	7,000,000	-
ENDING FUND BALANCE	521,923	-	-	-	-	-
TOTAL	$ 4,296,923	$ 521,923	$ -	$ -	$ 7,000,000	$ -

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

	ACTUAL 2011/2012	ESTIMATE 2013/2014	PROJECTION 2015	2016	2017	2018	2019	2020
BEGINNING FUND BALANCE	$12,066,100	$ 523,713	$ -	$ -	$ -	$ -	$ -	$ -
OTHER FINANCING SOURCES:								
Interest Earnings	112,082	838	-	-	-	-	-	-
Transfer from CIP - Streets	-	150,845	-	-	-	-	-	-
TOTAL REVENUES	112,082	151,683	-	-	-	-	-	-
TOTAL	$12,178,182	$ 675,396	$ -	$ -	$ -	$ -	$ -	$ -
EXPENDITURES								
Southridge Softball Complex	$ 6,417,136	$ 1,027	$ -	$ -	$ -	$ -	$ -	$ -
Hildebrand Blvd - SR395 to Sherman	1,414,895	211,561	-	-	-	-	-	-
Plaza Way - Ridgeline north to existing	770,535	2,808	-	-	-	-	-	-
Ridgeline Dr - Plaza Way to Southridge	206,517	210,000	-					
Ridgeline Dr - US395 to Plaza Way	188,426	120,000	-	-	-	-	-	-
Southridge Blvd. - Hildebrand/27th	2,556,713	130,000	-	-	-	-	-	-
Ridgeline Dr - Zintel Way to US395	91,118	-	-	-	-	-	-	-
Transfer to Equipment Rental	9,129	-	-	-	-	-	-	-
TOTAL EXPENDITURES	11,654,469	675,396	-	-	-	-	-	-
ENDING FUND BALANCE	523,713	-	-	-	-	-	-	-
TOTAL	$12,178,182	$ 675,396	$ -	$ -	$ -	$ -	$ -	$ -

FUND DETAIL
CAPITAL IMPROVEMENT FUND
LRF TAX

	ACTUAL	ESTIMATE	PROJECTION					
	2011/2012	2013/2014	2015	2016	2017	2018	2019	2020
BEGINNING FUND BALANCE	$ -	$ 277,892	$ -	$ -	$ -	$ -	$ -	$ -
OTHER FINANCING SOURCES:								
LRF Property Tax	30,945	132,000	239,000	245,169	338,000	338,000	358,000	358,000
LRF Tax Increment - Property Tax	21,873	90,000	106,000	106,000	106,000	106,000	106,000	106,000
LRF Sales Tax	867,242	1,000,000	500,000	500,000	500,000	500,000	500,000	500,000
LRF Tax Increment - Sales Tax	47,654	74,000	37,000	37,000	37,000	37,000	37,000	37,000
Interest Income	1,384	-	-	-	-	-	-	-
TOTAL REVENUES	969,098	1,296,000	882,000	888,169	981,000	981,000	1,001,000	1,001,000
TOTAL	$ 969,098	$1,573,892	$ 882,000	$ 888,169	$ 981,000	$ 981,000	$1,001,000	$1,001,000
EXPENDITURES								
Transfer Capital Improvement Streets	$ 691,206	$1,573,892	$ 882,000	$ 888,169	$ 981,000	$ 981,000	$1,001,000	$1,001,000
TOTAL EXPENDITURES	691,206	1,573,892	882,000	888,169	981,000	981,000	1,001,000	1,001,000
ENDING FUND BALANCE	277,892	-	-	-	-	-	-	-
TOTAL	$ 969,098	$1,573,892	$ 882,000	$ 888,169	$ 981,000	$ 981,000	$1,001,000	$1,001,000

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.

	ACTUAL	ESTIMATE	PROJECTION					
	2011/2012	2013/2014	2015	2016	2017	2018	2019	2020
BEGINNING FUND BALANCE *	$ 8,760,428	$ 7,871,255	$ 747,957	$ 1,634,694	$ 3,365,740	$ 3,318,114	$ 645,488	$ 1,643,097
REVENUES								
Revenue from Rates for Capital	5,195,938	6,420,020	2,440,711	2,440,711	3,756,523	3,756,523	4,176,758	4,176,758
PWTF Loan Proceeds	-	4,250,000	-	-	6,000,000	-	-	-
State Revolving Fund Loan	-	725,000	-	-	2,000,000	2,000,000	7,300,000	7,000,000
DOE Grant	929,664	1,388,662	-	-	437,500	437,500	437,500	437,500
Developer Contributions	-	1,100,000	650,000	100,000	150,000	150,000	150,000	150,000
Water Area Charge	144,980	225,000	126,642	112,500	112,500	112,500	112,500	112,500
Sewer Area Charge	395,484	420,000	282,110	282,109	210,000	210,000	210,000	210,000
Reserve from Biosolids	-	-	-	-	2,840,000	-	-	-
Interfund Loan Proceeds	400,004	216,199	237,726	237,726	237,726	237,726	237,726	237,726
TOTAL REVENUES	7,066,070	14,744,881	3,737,189	3,173,046	15,744,249	6,904,249	12,624,484	12,324,484
TOTAL	$ 15,826,498	$ 22,616,136	$ 4,485,146	$ 4,807,740	$ 19,109,989	$ 10,222,363	$ 13,269,972	$ 13,967,581

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

EXPENDITURES								
WATER SYSTEM IMPROVEMENTS								
Water System Improvements	$ 21,099	$ 100,000	$ -	$ -	$ 400,000	$ 300,000	$ -	$ -
Water Distribution	-	-	-	-	-	-	650,000	650,000
Pump Station/Reservoirs	-	-	-	-	-	-	975,000	975,000
ASR	1,096,844	3,236,312	-	-	-	-	-	-
Automated Meter Reading	-	-	-	-	6,000,000	-	-	-
Filter Plant Improvements *	-	541,200	-	-	950,000	650,000	-	-
Grant Match	128	-	-	-	-	-	-	-
Hildebrand - 10th to Southridge	262,295	1,037,700	-	-	-	-	-	-
W. Metaline	-	-	355,200	-	-	-	-	-
S. Irving Water Main WM 3.5 Upsize	-	-	-	-	315,000	-	-	-
Edison St Widening	-	-	60,000	-	-	-	-	-
Olympia St - CR397 to 27th	91,949	233,050	-	-	-	-	-	-
Southridge LRF	392,449	407,550	-	-	-	-	-	-
Southridge Zone 5 Water Main	945,226	-	-	-	-	-	-	-
Steptoe - Center Parkway to Gage	2,914	-	-	-	-	-	-	-
Steptoe - Clearwater to Center Parkway	77,231	-	-	-	-	-	-	-
Steptoe - Phase III	-	42,045	-	-	-	-	-	-
Thompson Hill Zone 6 Booster	35,352	806,493	-	-	-	-	-	-
UGA Utility Expansion	-	-	262,500	-	684,375	684,375	684,375	684,375
W 10th Ave - Clodfelter to CCB	4,403	-	-	-	-	-	-	-
Waterline - Renewals & Replacement	54,948	879,636	250,000	250,000	500,000	500,000	500,000	500,000
Zone 2 Transmission Main	-	150,585	-	-	1,625,000	1,625,000	-	-
Zone 4 Reservoir - Thompson Hill	327,778	5,537,651	-	-	-	-	-	-
Zone 4 Reservoir Transmission Main	-	393,420	-	-	-	-	-	-
Zone 5 Reservoir	1,953,094	-	-	-	-	-	-	-
Zone 5 Reservoir Transmission Main	-	580,000	550,000	-	-	-	-	-
Subtotal Water System Improvements	5,265,710	13,945,642	1,477,700	250,000	10,474,375	3,759,375	2,809,375	2,809,375

FUND DETAIL
WATER AND SEWER FUND
WATER/SEWER SYSTEM IMPROVEMENTS

Capital Improvement Program

	ACTUAL	ESTIMATE	PROJECTION					
	2011/2012	2013/2014	2015	2016	2017	2018	2019	2020
SEWER SYSTEM IMPROVEMENTS								
Sewer System Improvements	29,745	-	-	-	130,000	130,000	130,000	130,000
Beech St - 8th to Bruneau	723,381	1,958,550	-	-	-	-	-	-
Columbia Gardens	-	800,000	-	-	-	-	-	-
Grant Match - Streets	374	-	-	-	-	-	-	-
W. Metaline	-	-	242,000	242,000	-	-	-	-
Edison St. Widening	-	-	20,000	-	-	-	-	-
Hildebrand - 10th to Southridge	294,779	2,305,220	-	-	-	-	-	-
Lift Station Improvements	106,583	290,279	312,500	312,500	-	-	-	-
Olympia St - CR397 to 27th	107,608	240,000	-	-	-	-	-	-
Sewerline Renewals and Replacements	30,106	837,301	325,000	325,000	500,000	500,000	500,000	500,000
Southridge LRF	300,171	4,815	-	-	-	-	-	-
Steptoe - Phase III	-	130,000	-	-	-	-	-	-
UGA Plant Expansion	-	-	62,500	62,500	937,500	937,500	937,500	937,500
Subtotal Sewer System Improvements	1,592,747	6,566,165	962,000	942,000	1,567,500	1,567,500	1,567,500	1,567,500
SEWER AREA CHARGE								
Wastewater Treatment Plant Upgrade	-	725,000	-	-	-	4,000,000	7,000,000	7,300,000
Biosolids Removal	-	-	-	-	3,500,000	-	-	-
Subtotal Sewer Area Charge	-	725,000	-	-	3,500,000	4,000,000	7,000,000	7,300,000
PUBLIC WORKS TRUST FUND LOAN								
Wastewater Treatment Plant Upgrade	2,846	-	-	-	-	-	-	-
Subtotal Public Works Trust Fund Loan Projects	2,846	-	-	-	-	-	-	-
COMBINED UTILITY IMPROVEMENTS								
Field Machinery & Equipment	-	-	15,700	-	-	-	-	-
Plant Machinery & Equipment	39,486	-	-	-	-	-	-	-
Computer Software	46,329	-	-	-	-	-	-	-
Support Development Projects	475,673	492,785	250,000	250,000	250,000	250,000	250,000	250,000
Transfer to General Fund	338,187	-	-	-	-	-	-	-
Transfer to Equipment Rental	5,678	-	24,000	-	-	-	-	-
Transfer to Stormwater	50,000	-	-	-	-	-	-	-
Transfer to Capital Improvement - IS Projects	-	-	121,052	-	-	-	-	-
Transfer to Capital Improvement - Frost Bldg	138,587	138,587	-	-	-	-	-	-
Subtotal Combined Improvements	1,093,940	631,372	410,752	250,000	250,000	250,000	250,000	250,000
TOTAL EXPENDITURES	7,955,243	21,868,179	2,850,452	1,442,000	15,791,875	9,576,875	11,626,875	11,926,875
ENDING FUND BALANCE	7,871,255	747,957	1,634,694	3,365,740	3,318,114	645,488	1,643,097	2,040,706
TOTAL	$ 15,826,498	$ 22,616,136	$ 4,485,146	$ 4,807,740	$ 19,109,989	$ 10,222,363	$ 13,269,972	$ 13,967,581

*Projects partially funded on anticipated grant funding.

"Great effort springs naturally from great attitude."

~ Pat Riley ~

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.

	ACTUAL 2011/2012	ESTIMATE 2013/2014	PROJECTION 2015	2016	2017	2018	2019	2020
BEGINNING FUND BALANCE	$ -	$ 395,121	$ 688,405	$ 624,786	$ 539,488	$ 372,529	$ 254,610	$ 19,066
OTHER FINANCING SOURCES:								
Revenue from Rates for Capital	402,637	378,831	130,000	111,498	177,214	223,629	103,381	137,980
State Revolving Loan Wellhead	238,712	264,962	-	-	-	-	-	-
State Revolving Loan LID	8,803	381,197	-	-	-	-	-	-
State Proviso	-	-	1,780,000	-	-	-	-	-
Interest/Miscellaneous	2,200	2,200	1,100	1,100	1,100	1,100	1,100	1,100
TOTAL REVENUES	652,352	1,027,190	1,911,100	112,598	178,314	224,729	104,481	139,080
TOTAL	$ 652,352	$ 1,422,311	$2,599,505	$ 737,384	$ 717,802	$ 597,258	$ 359,091	$ 158,146
EXPENDITURES								
Drywell - Misc Locations	$ -	$ 46,000	$ -	$ -	$ 150,000	$ 150,000	$ 150,000	$ 150,000
Decant Facility	-	-	800,000	-	-	-	-	-
UGA Stormwater Facility	-	-	980,000	-	-	-	-	-
Wellhead Area Retrofit	8,969	232,470	-	-	-	-	-	-
Low Impact Development Project	9,062	380,938	-	-	-	-	-	-
Data Processing Equipment	-	-	-	-	-	-	-	-
Debt Service	-	-	156,579	197,896	195,273	192,648	190,025	-
Transfer to Equipment Rental	229,960	32,273	-	-	-	-	-	-
Transfer to Capital Improvement Fund	9,240	42,225	38,140	-	-	-	-	-
TOTAL EXPENDITURES	257,231	733,906	1,974,719	197,896	345,273	342,648	340,025	150,000
ENDING FUND BALANCE	395,121	688,405	624,786	539,488	372,529	254,610	19,066	8,146
TOTAL	$ 652,352	$ 1,422,311	$2,599,505	$ 737,384	$ 717,802	$ 597,258	$ 359,091	$ 158,146

CITY OF KENNEWICK
PERSONNEL SUMMARY

	2011	2012	2013	2014	2015	2016
CITY MANAGER	1.00	1.00	2.00	2.00	2.00	2.00
FINANCE	15.75	15.75	14.50	14.50	11.50	11.50
MANAGEMENT SERVICES	18.50	18.50	18.70	20.70	19.05	19.05
CITY ATTORNEY	5.00	5.00	5.00	5.00	5.00	5.00
PLANNING***	6.90	7.77	8.69	8.69	7.99	7.99
POLICE	104.00	104.00	107.00	107.00	104.00	104.00
FIRE******	55.42	56.00	56.00	56.10	52.39	52.39
PUBLIC WORKS - ENGINEERING	13.00	12.00	12.20	12.20	13.20	13.20
EMPLOYEE & COMMUNITY RELATIONS**	31.31	31.10	31.85	31.85	33.35	33.35
NON-DEPARTMENTAL - ASST*	5.00	5.00	-	-	-	-
TOTAL GENERAL FUND	255.88	256.12	255.94	258.04	248.48	248.48
STREET	9.34	9.55	9.45	9.45	9.70	9.70
TOTAL GENERAL GOVERNMENT	265.22	265.67	265.39	267.49	258.18	258.18
COMMUNITY DEVELOPMENT	0.75	0.75	1.00	1.00	1.00	1.00
CRIMINAL JUSTICE SALES TAX *****	-	-	-	-	8.00	13.00
WATER/SEWER	36.18	36.05	38.40	38.40	42.40	42.40
EQUIPMENT RENTAL	4.00	4.00	3.80	3.80	3.95	3.95
RISK MANAGEMENT	1.00	1.00	1.00	1.00	1.00	1.00
EMS OPERATIONS	0.50	0.50	0.50	0.50	0.50	0.50
BUILDING SAFETY	9.13	7.68	8.26	8.76	8.96	8.96
MEDICAL SERVICES******	21.75	21.75	22.25	22.15	31.86	31.86
STORMWATER UTILITY	5.08	5.20	5.75	5.75	5.75	5.75
BI-PIN OPERATIONS	1.50	1.50	1.50	1.50	1.50	1.50
TOTAL EMPLOYEES	345.11	344.10	347.85	350.35	363.10	368.10
					Estimate	Estimate
POPULATION	74,665	75,160	76,410	77,700	79,254	80,839
POPULATION PER EMPLOYEE	216	218	220	222	218	220

*The City's Administrative Services Support Team (ASST) was formed during the 2007/2008 biennium and these personnel were budgeted to a non-departmental section of the General Fund. In the 2013/2014 biennium, these positions were reallocated back to their respective functional areas.

**In the fall of 2011, the City's Facilities & Grounds Division was reorganized and moved under the Employee & Community Relations Department as part of the Parks & Recreation Division. Additionally, in 2015, the City's Economic Development Division was formally relocated to this department from what was previously the Planning & Economic Development Department.

***In the summer of 2011, the City's code enforcement progam was moved under the Planning 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 will add 8 authorized Police officer positions and 2 Police Support Specialist positions during the 2015/2016 biennium and 4 additional Police Officers positions in 2017. Additionally, 3 authorized Police Officer positions added in 2013 will be funded through the new Criminal Justice Sales Tax fund beginning in 2015, which provides funding for the City to add 3 new Fire Department Captain positions for a new fire station.

*****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
2015

RANGE	POSITION TITLE	Range MIN	Range MID	Range MAX
O	City Manager	$ 10,345	$ 12,414	$ 14,483
N	Chief of Police	9,267	11,121	12,975
M	City Attorney, Director of Management Services, Executive Director of Employee & Community Relations, Finance Director, Fire Chief, Planning Director, Public Works Director	8,889	10,667	12,444
L	Deputy Fire Chief, Police Commander	7,987	9,584	11,180
K	Assistant Public Works Director, City Engineer, HR Director/Assistant City Attorney, Parks & Recreation Director	7,271	8,726	10,180
J	Assistant City Attorney II, Economic Development Manager, Maintenance & Operations Manager, Public Relations & Customer Service Manager, Purchasing, Fleet & Warehouse Manager, Traffic Engineer	6,879	8,256	9,632
I	Assistant City Engineer, Building Official, Development Services Manager, Engineering Services Manager	6,557	7,869	9,180
H	Accounting Supervisor, IT Customer Service Supervisor, IT Project Manager, Parks, Recreation & Operations Supervisor, Senior Planner, Software Support Supervisor, Utility Superintendent	6,191	7,431	8,670
G*	Accountant II, Assistant City Attorney I, Community Services Supervisor II, GIS Analyst II, IT Applications Developer II, IT Database Administrator II, IT Network Administrator II, IT Software Support Analyst II, Project Engineer, Water Services Supervisor, Wastewater Services Supervisor	5,674	6,809	7,943

SALARY SCHEDULE - CONTINUED
NON-CONTRACT EMPLOYEES
2015

RANGE	POSITION TITLE	Range MIN	MID	MAX
F	Accountant I, City Clerk, Community Block Grant Coordinator, Community Services Supervisor I, Customer Service Supervisor, Database Administrator I, GIS Analyst I, Human Resources Analyst, IT Applications Developer I, IT Network Administrator I, IT Systems Administrator I, Planner, Plans Examiner, Police Records Supervisor, Risk Management& Safety Coordinator, Senior Design Engineer, Software Support Analyst I, Utilities Coordinator	4,976	5,971	6,966
E	Assistant Planner, Deputy City Clerk, Engineering Technician III, Facilities Coordinator, Field Engineer II, Help Desk Technician II, Human Resources/Economic Development Specialist, Park Maint. Coordinator	4,733	5,680	6,628
D	As-Built Technician, Building Inspector, Code Enforcement Officer, Crime Analyst, Crime Prevention Specialist, Engineering Technician II, Field Engineer I, GIS Technician, Help Desk Technician I, Payroll Accountant, Program Coordinator, Recreation Coordinator, Sports Marketing Coordinator	4,511	5,413	6,316
C	Accounting Technician, Buyer II, Engineering Technician I, Executive Assistant, Planning Technician	4,093	4,913	5,731
B	Accounting Specialist, Administrative Assistant, Buyer I, Customer Care Representative, Docket Clerk, Fire Prevention Specialist, Legal Secretary, Office Technician, Police Technician, Public Works Contract Specialist	3,673	4,409	5,145
A	Office Specialist	3,027	3,634	4,240

**Positions included in the G range and above require a 4-year degree in order to obtain the maximum salary.*

SALARY SCHEDULE
PART TIME EMPLOYEES
January 2015

POSITION TITLE	Min	Mid	Max
Program Specialist III	$ 15.00	$ 17.00	$ 20.00
Program Instructor III, Pool Manager, Program Supervisor III			
Program Specialist II	10.50	12.50	14.50
Program Instructor II, Asst Pool Manager, Lead Recreation Asst (Southridge), Program Supervisor II			
Program Specialist I	*9.47	10.00	10.50
*Program Instructor I, Program Leader I, WSI, Maintenance (rec), Recreation Assistant (Southridge) Cashier**, Program Aide**, Sports Official**, Gym/Building Supervisor I***			
Office Clerk	*9.47	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 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.

SALARY SCHEDULE
OPERATING ENGINEERS
January 1, 2015

POSITION TITLE	A	B	C	D	E	F	G	Annotations
Seasonal Maintenance	$ 9.47	$ 9.50	$ 10.00	$ 10.50	$ 11.00	$ 11.50	$ 12.00	
Utility Worker	14.06	15.14	16.22	17.30				No CDL or certification required.
Maintenance & Construction (M&C) Craftsworker I	21.27	22.39	23.51	24.65	25.86			CDL or approved certification(s) required per job description.
Maintenance & Construction (M&C) Craftsworker II	21.30	22.42	23.54	24.69	25.90	26.20		CDL and approved certification(s) required per job description.
General Craftsworker (GC) I	26.08	26.60	27.14					CDL required. [Current warehouse person, Equipment Operator w/o 2 pieces of equipment / 40 hours.]
General Craftsworker (GC) II	26.08	26.60	27.14	27.91				CDL/endorsements and certification(s) required per job description. [Carpenter w/o Journeyman, Equipment Operator w/2 pieces of equipment / 40 hours.]
General Craftsworker (GC) III	26.08	26.60	27.14	27.91	28.73			CDL/endorsements and certification(s) required per job description. [Signs & Markings, Irrigation/Herbicide/Pesticide Specialist, Plumber/Aquatic Facility Operator, Carpenter w/ Journeyman.]
W/S M&C	-	-	-	-	-	26.51		[Plants Level I, Water Distribution I, Wastewater Collection I - CDL for Field Crews. Grandfathered - August 2012.]
W/S GC - Operator	26.08	26.60	27.14	27.91	28.73			CDL/endorsements and certification(s) required per job description. [Plants Level II, Water Distributions II, Wastewater Collection II, Pump Maintenance.]
Water/Wastewater Division GC/Operator holding Level III	26.58	27.10	27.64	28.41	29.23			Extra $0.50/hour for level III WTP or WWTP level III certification. Extra $1.00/hour for Level IV WTP or WWTP IV certification.
Water/Wastewater Division GC/Operator holding Level IV	27.08	27.60	28.14	28.91	29.73			
Mechanic I	26.08	26.60	27.41	28.16	28.99			1 Certification within 24 months: ASE Master (Auto A series), Med/Heavy Duty Truck (T series), EVT Master Level 3 Fire or Ambulance.
Mechanic II	26.58	27.10	27.66	28.41	29.24			2 Certifications: ASE Master (Auto A series), Med/Heavy Duty Truck (T series), EVT Master Level 3 Fire or Ambulance.
Mechanic III	26.83	27.35	27.91	28.66	29.49			3 Certifications: ASE Master (Auto A series), Med/Heavy Duty Truck (T series), EVT Master Level 3 Fire or Ambulance.
Crewleader	28.99	29.29	29.87	30.34	30.77	31.69		CDL/endorsements and certification(s) required per job description.

SALARY SCHEDULE - CONTINUED

OPERATING ENGINEERS

January 1, 2015

POSITION TITLE	A	B	C	D	E	F	Annotations
Mechanic Crewleader	$ 29.26	$ 29.55	$ 30.14	$ 30.59	$ 31.04	$ 31.97	If no certification upon entry/promotion to position, step A & B of crewleader. Must obtain 1 certification within 24 months.
2 certifications	29.51	29.80	30.39	30.84	31.29	32.22	
3 certifications	29.76	30.05	30.64	31.09	31.54	32.47	
W/S Crewleader I	29.51	29.81	30.39	30.86	31.29	32.21	Crewleader holding either Water Treatment Plant III or WWTP III (Water Distribution III, Wastewater Collection III) - $0.50/hour increase for level III certification per MOU.
W/S Crewleader II	30.01	30.31	30.89	31.36	31.79	32.71	Crewleader holding either Water Treatment Plant Plant IV or WWTP IV (Water Distribution IV, Wastewater Collection IV) - $1.00/hour increase for level IV certification per MOU.
Automated Control & Telemetry (ACT) Specialist	28.99	29.86	30.75	31.67	32.62	33.62	Certification(s) required per job description. [CCST Level I Certification, WA Level II Water Treatment Plant Operator.]
Electrician, Signal Electrician	28.99	29.86	30.75	31.67	32.62	33.62	Certification(s) required per job description. [WA State Journeyman Electrician License, IMSA Level I Traffic Signal, IMSA Traffic Signal Level II.]
Sr. Signal Electrician	32.47	33.45	34.42	35.48	36.54	-	Class B CDL and certifications required per job description. [IMSA Level II, WA State Journeyman's License.]

All annotations are illustrative and for reference only. See job descriptions for certification and CDL requirements (including endorsements) for each position.

After completion of six (6) months of employment, the City will contribute 5.0% of deferred compensation based upon a maximum of 173.3 regular monthly hours. Employees are eligible to participate in the ICMA-RC 457 loan provision under the terms and conditions established for the plan by ICMA.

Pursuant to the CBA, Utility Workers, Mechanics and Mechanic Crewleader progress through the pay steps on an annual basis (hire/promotion anniversary date). All other employees are eligible for step increases in six-month increments. Seasonal employees have no timeline for step progression.

Mechanic I, II, & III are a series and advancement to the higher classification occurs automatically upon acquiring additional certifications. No open position is necessary for movement into the higher Mechanic classification. For all other positions (M&C I, M&C II, GC I, II, & III), a vacant position must exist, and employees must apply and compete for promotion into the vacancy.

Per the CBA, advancement through the steps while serving in an upgraded capacity occurs on an annual basis, from the anniversary date of the initial upgrade. Separate annual step advancement applies to each upgraded position. Employees must possess the certification required for the upgraded position, as provided in the job description, in order to be upgraded to the top step in the upgraded band.

SALARY SCHEDULE
FIRE CONTRACT
January 1, 2013

	Hire	1 Year	2 Year	3 Year
Firefighter	$ 4,846	$ 5,356	$ 5,866	$ 6,376
Firefighter/Paramedic	5,484	5,994	6,504	7,014
Captain	6,631	6,950	7,269	
Administrative Captain	7,524	7,715	7,906	
Captain/Paramedic	7,269	7,588	7,907	
Battalion Chief	7,970	8,225	8,416	
Battalion Chief/Training Officer	8,265	8,530	8,728	

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 $134 per month.

Firefighters upgraded to the Captain position will receive an additional $2.66 per hour.

Captains upgraded to the Battalion Chief position will receive an additional $4.43 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 2013 salary schedule is presented as the contract is presently in negotiations.

SALARY SCHEDULE
POLICE CONTRACTS

POLICE OFFICERS
January 1, 2015

	Hire	18 Mos	30 Mos	42 Mos	First Class *	Senior *	Master *
Police Officer	$ 5,896	$ 6,161	$ 6,529	$ 6,890	$ 7,062	$ 7,303	$ 7,578
Specialty Pay at 2% **	6,014	6,284	6,660	7,028	7,203	7,449	7,730

* 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 4.0% of salary toward deferred compensation, no employee participation is required.

POLICE MANAGEMENT ASSOCIATION
January 1, 2015

	Hire	5%	7%	Top	5%	7%
Corporal	$ 7,627	$ 8,009	$ 8,161	$ 8,184	$ 8,593	$ 8,757
Sergeant	7,980	8,378	8,538	8,961	9,409	9,588

Effective 1/1/09, the City pays 4.5% of salary toward deferred compensation.
Effective 1/1/2011 the City pays 2% for those with qualified bilingual skills.

The following education incentives apply:

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

NON-COMMISSIONED BARGAINING UNIT
January 1, 2015

	Step A	B	C	D	E	F
Police Support Specialist	3,262	3,590	3,919	4,251	4,600	4,832

The COLA is 2.0%.

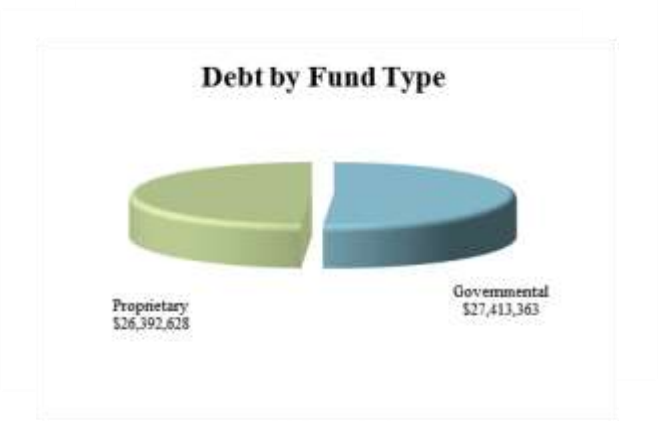
At the discretion of the Division Captain a lead may be appointed; Appointed Lead position pay is 10% above the top step.

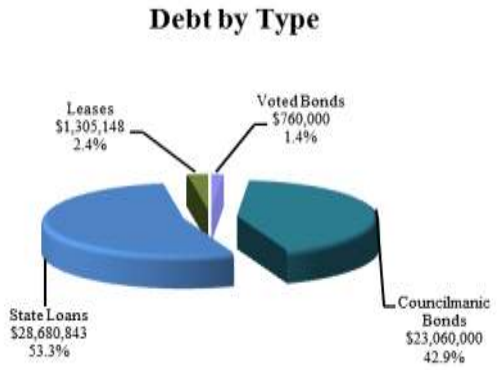
Swing and graveyard shifts shall receive an additional $0.50 per hour for all hours worked.

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

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 (KPFD) tax obligation bonds which is reflected in the debt capacity computation, but not included in the current outstanding debt schedules. As the following graphics indicate, the overall debt is fairly evenly divided between governmental and proprietary funds.

OUTSTANDING DEBT





OUTSTANDING DEBT	Balance 12/31/2014
General Obligation Debt	
Voted Bonds	
2005 Refunding Bonds	$ 760,000
Councilmanic Bonds	
2011 GO Bonds - Capital Projects	4,820,000
2006 GO Bonds - Police Station	6,415,000
2010B GO Bonds - LRF Tax America	11,825,000
Bonds	23,820,000
State Loans	2,288,215
Capital Lease	1,305,148
Other Debt	3,593,363
Total General Obligation Debt	**$ 27,413,363**
Proprietary Debt	
State Loans	$ 26,392,628
Other Debt	26,392,628
Total Proprietary Debt	**$ 26,392,628**

GENERAL OBLIGATION DEBT

As of December 31, 2014, the City's available debt capacity for general purposes was $98,103,016 of which $43,515,154 was for non-voted indebtedness. The City has used 45% of its non-voted debt capacity and currently has one voted bond issue and two refunding bond issues, two active non-voted bond issues, two general obligation loans, one lease and a contingent agreement to support a bond issue with a partial refunding for a total outstanding balance of $27,413,363 at the end of the year. The City of Kennewick's rating on its outstanding limited tax general obligation (LTGO) was raised from 'A+' to 'AA' by Standard & Poor's Rating Service in March of 2014.

BOND DEBT SCHEDULE

Voted Bonds

2005 GO Refunding Bonds

Original Issue:	$3,285,000	Dated:	December 1, 1995	Interest Dates:	Jun 1 & Dec 1
Principal Balance:	$760,000	Maturity Date:	December 1, 2016	Interest Rates:	4.0% - 4.6%

Councilmanic Bonds

2006 GO Bonds - Police Station

Original Issue:	$9,790,000	Dated:	February 1, 2006	Interest Dates:	Jun 1 & Dec 1
Principal Balance:	$6,415,000	Maturity Date:	December 1, 2025	Interest Rates:	3.75% - 5.0%

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:	$11,825,000	Maturity Date:	December 1, 2034	Interest Rates:	3.45% - 6.323%

20011 Refunding GO Bonds - Capital Projects

Original Issue:	$5,330,000	Dated:	December 1, 2011	Interest Dates:	Jun 1 & Dec 1
Principal Balance:	$4,820,000	Maturity Date:	December 1, 2023	Interest Rates:	3.0% - 4.0%

Direct Debt		
	GO Bonds - Councilmanic	$ 23,060,000
	GO Bonds - Voted	760,000
	Capital Lease	1,305,148
	Public Works Trust Fund Loans	2,288,215
	Total Direct Debt	27,413,363
Less:	2013 Tax Levy for Debt Service	(1,660,000)
	Prior Year Tax Levies	(388,682)
	Amount Available in Debt Service Funds	(3,970)
	Amount Available in Capital Funds	(476,496)
	Net Direct Debt	$ 24,884,215

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

	Outstanding	Legal Debt Capacity Utilized	Ratio of Debt to Assessed Valuation	Debt per Capita
Net Direct Debt	$24,884,215	6.2%	0.5%	$331

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.

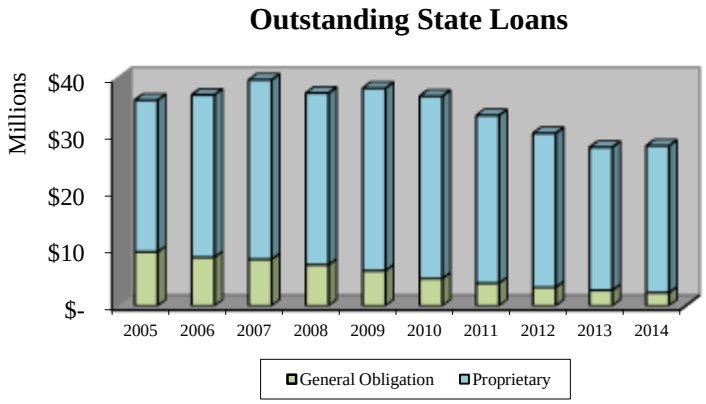
PUBLIC WORKS TRUST FUND LOANS

The City has eight 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 six outstanding loans payable from the Water and Sewer Utility and two general obligation loans for total outstanding Public Works Trust Fund Loans of $16,591,640 at December 31, 2014.

The City's newest PWTF loan is for the Zone 4 Reservoir. This loan is for $4,250,000 and was obtained to provide funding for the construction of a new 3 million gallon drinking water reservoir, including a booster pump station and building, water lines, site preparation, and access road.

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.



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, 2014 for all City outstanding State Revolving Fund Loans is $9,730,558.

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 $70,430.

LIMITATION OF INDEBTEDNESS
December 31, 2014

		General Capacity (Limited) Councilmanic	General Capacity (Unlimited) Excess Levy	Open Space and Parks	Utility Purposes
Assessed Valuation - 2015	$5,403,889,187				
Statutory Debt Limit:					
1.5% of Assessed Value		$81,058,338			
2.5% of Assessed Value			$135,097,230	$135,097,230	$135,097,230
Add: 2014 Tax Levy for Debt Service		355,000	1,660,000		
Add: Prior Year Tax Levies		388,683	388,683		
Add: Amount available in Debt Service Funds*			3,970		
Add: Amount available in Capital Funds		476,496	476,496		
Less: Limited Tax Debt Outstanding (1)		(26,653,363)	(26,653,363)		
Less: Unlimited Tax Debt Outstanding (2)			(760,000)		
Less: Limited Contingent Debt Outstanding (3)		(12,110,000)	(12,110,000)		
Total Available Debt Capacity		$43,515,154	$98,103,016	$135,097,230	$135,097,230

(1) The outstanding councilmanic debt consists of:

2006 G.O. Bond Issue	$	6,415,000
2010B G.O. Bond Issue		11,825,000
2011 G.O. Bond Issue		4,820,000
Capital Lease		1,305,148
PWTF Loans		2,288,215
	$	26,653,363

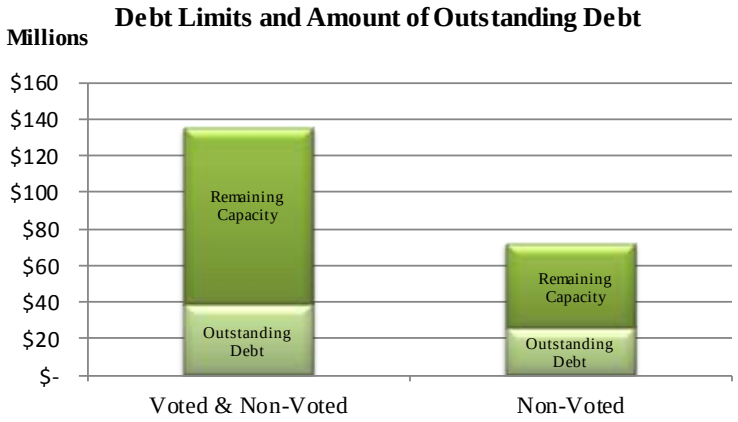
(2) Voted issue:

2005 G.O. Bond Issue	$	760,000

(3) Contingent debt:

2003 KPFD Bond Issue		3,620,000
2011 KPFD Refunding Bond Issue		8,490,000
	$	12,110,000

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

	BONDS		STATE LOANS		LEASES	
Year	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**
General Obligation						
2015	$ 1,730,000	$ 1,150,356	$ 449,123	$ 22,882	$ 337,212	$ 47,432
2016	1,785,000	1,081,519	449,123	18,391	349,764	34,878
2017	1,460,000	1,003,461	449,123	13,900	364,050	20,592
2018	1,510,000	945,799	449,123	9,408	254,122	6,353
2019	1,570,000	884,666	245,863	4,917	-	-
2020	1,620,000	820,416	245,860	2,459	-	-
2021	1,685,000	752,074	-	-	-	-
2022	1,740,000	676,820	-	-	-	-
2023	1,810,000	598,515	-	-	-	-
2024	1,235,000	519,026	-	-	-	-
2025	1,285,000	460,251	-	-	-	-
2026	605,000	399,142	-	-	-	-
2027	625,000	361,796	-	-	-	-
2028	650,000	323,214	-	-	-	-
2029	680,000	283,090	-	-	-	-
2030	705,000	241,113	-	-	-	-
2031	735,000	197,594	-	-	-	-
2032	765,000	151,120	-	-	-	-
2033	795,000	102,749	-	-	-	-
2034	830,000	52,481	-	-	-	-
General Obligation	$ 23,820,000	$ 11,005,203	$ 2,288,215	$ 71,957	$ 1,305,148	$ 109,255
Proprietary						
2015	$ -	$ -	$ 3,026,241	$ 294,647	$ -	$ -
2016	-	-	3,120,121	250,227	-	-
2017	-	-	2,865,494	210,672	-	-
2018	-	-	2,902,530	151,022	-	-
2019	-	-	2,138,616	104,131	-	-
2020	-	-	2,008,095	84,954	-	-
2021	-	-	1,878,012	65,561	-	-
2022	-	-	1,640,386	52,382	-	-
2023	-	-	1,640,805	39,771	-	-
2024	-	-	1,404,800	27,139	-	-
2025	-	-	1,192,168	17,213	-	-
2026	-	-	503,344	10,477	-	-
2027	-	-	503,344	8,760	-	-
2028	-	-	503,340	7,043	-	-
2029	-	-	213,066	5,327	-	-
2030	-	-	213,066	4,261	-	-
2031	-	-	213,066	3,196	-	-
2032	-	-	213,066	2,131	-	-
2033	-	-	213,070	3,196	-	-
Proprietary	$ -	$ -	$ 26,392,628	$ 1,342,110	$ -	$ -
TOTAL	$ 23,820,000	$ 11,005,203	$ 28,680,843	$ 1,414,066	$ 1,305,148	$ 109,255

FUTURE DEBT SERVICE
GENERAL OBLIGATION DEBT

YEAR	PRINCIPAL	INTEREST	TOTAL
Future Debt Service Payments for Voted Bond Issues:			
2015	$ 375,000	$ 34,200	$ 409,200
2016	385,000	17,325	402,325
	760,000	51,525	811,525
Future Debt Service Payments for Councilmanic Bond Issues:			
2015	$ 1,355,000	$ 1,116,156	$ 2,471,156
2016	1,400,000	1,064,194	2,464,194
2017	1,460,000	1,003,461	2,463,461
2018	1,510,000	945,799	2,455,799
2019	1,570,000	884,666	2,454,666
2020	1,620,000	820,416	2,440,416
2021	1,685,000	752,074	2,437,074
2022	1,740,000	676,820	2,416,820
2023	1,810,000	598,515	2,408,515
2024	1,235,000	519,026	1,754,026
2025	1,285,000	460,251	1,745,251
2026	605,000	399,142	1,004,142
2027	625,000	361,796	986,796
2028	650,000	323,214	973,214
2029	680,000	283,090	963,090
2030	705,000	241,113	946,113
2031	735,000	197,594	932,594
2032	765,000	151,120	916,120
2033	795,000	102,749	897,749
2034	830,000	52,481	882,481
	23,060,000	10,953,678	34,013,678
Future Debt Service Payments for Lease:			
2015	$ 337,212	$ 47,431	$ 384,643
2016	349,764	34,878	384,642
2017	364,050	20,593	384,643
2018	254,122	6,353	260,475
	1,305,148	109,255	1,414,404
Future Debt Service Payments for Public Works Trust Fund Loans:			
2015	$ 449,123	$ 22,882	$ 472,005
2016	449,123	18,391	467,514
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
	2,288,215	71,957	2,360,172
GENERAL OBLIGATION DEBT	$27,413,363	$11,186,416	$38,599,779

FUTURE DEBT SERVICE
PROPRIETARY DEBT

YEAR	PRINCIPAL	INTEREST	TOTAL
Future Debt Service Payments for Community Economic Revitalization Board Loan:			
2015	$ 6,467	$ 3,310	$ 9,777
2016	6,771	3,006	9,777
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
	70,431	17,561	87,992
Future Debt Service Payments for Stormwater State Revolving Fund Loans:			
2015	$ 64,435	$ 9,325	$ 73,759
2016	126,061	6,819	132,880
2017	127,647	5,044	132,691
2018	129,255	3,247	132,502
2019	130,886	1,427	132,312
	578,283	25,861	604,144
Future Debt Service Payments for Water/Sewer State Revolving Fund Loans:			
2015	$ 1,262,236	$ 206,195	$ 1,468,431
2016	1,294,187	166,424	1,460,611
2017	1,406,325	139,920	1,546,245
2018	1,441,420	89,671	1,531,092
2019	675,526	52,221	727,747
2020	675,526	42,107	717,633
2021	675,526	31,962	707,487
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
	9,152,273	778,073	9,930,347

YEAR	PRINCIPAL	INTEREST	TOTAL
Future Debt Service Payments for Public Works Trust Fund Loans:			
2015	$ 1,693,103	$ 75,817	$ 1,768,920
2016	1,693,103	73,978	1,767,081
2017	1,324,433	63,020	1,387,453
2018	1,324,433	55,749	1,380,182
2019	1,324,433	48,477	1,372,911
2020	1,324,433	41,206	1,365,639
2021	1,193,969	32,341	1,226,310
2022	1,034,594	27,968	1,062,562
2023	1,034,594	23,595	1,058,189
2024	1,034,594	19,222	1,053,816
2025	1,034,594	14,849	1,049,443
2026	503,344	10,477	513,820
2027	503,344	8,760	512,104
2028	503,340	7,043	510,383
2029	213,066	5,327	218,392
2030	213,066	4,261	217,327
2031	213,066	3,196	216,262
2032	213,066	2,131	215,196
2033	213,069	3,196	216,265
	16,591,640	520,614	17,112,254
PROPRIETARY DEBT	$26,392,628	$1,342,110	$27,734,737

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	TOTAL
Future Debt Service Payments for Coliseum Interfund Financing:			
2015	$ 466,400	$ 26,900	$ 493,300
2016	471,064	22,236	493,300
2017	475,774	17,526	493,300
2018	480,532	12,768	493,300
2019	485,338	7,962	493,300
2020	310,937	3,109	314,046
	$ 2,690,045	$ 90,501	$ 2,780,546

"Progress is impossible without change,
and those who cannot change their minds
cannot change anything."
~ George Bernard Shaw ~

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	2014 Rate per $1,000 AV:		Paid by owners to county, 50% due April 30th, balance due Oct. 31st
		General Levy	$2.1409	
		Library Bonds	0.0766	
		Total	$ 2.2175	
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%	Paid by purchaser to retailers who report sales by local code areas
		Breakdown:		
		State	6.50%	
		Kennewick	0.85%	
		County	0.25%	
		Transit	0.60%	
		Criminal Justice	0.10%	
		Public Safety	0.30%	
			8.60%	
Utility Tax (82.16.020)	Gross operating revenue of public & privately owned public utilities	Ambulance & Stormwater Utility	- 1.0%	Included as part of utility bill
		Water/Sewer 6.5% dedicated to LEOFF I Medical	- 15.5%	
		Refuse & Cable TV	- 7.0%	
		Telephone, Electricity & Natural Gas	- 8.5%	
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%	Paid by sponsor
		Punchboards	- 10.0%	
		Card Rooms	- 10.0%	
		Bingo	- 5.0%	
		Amusement Games	- 2.0%	
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

December 31, 2013

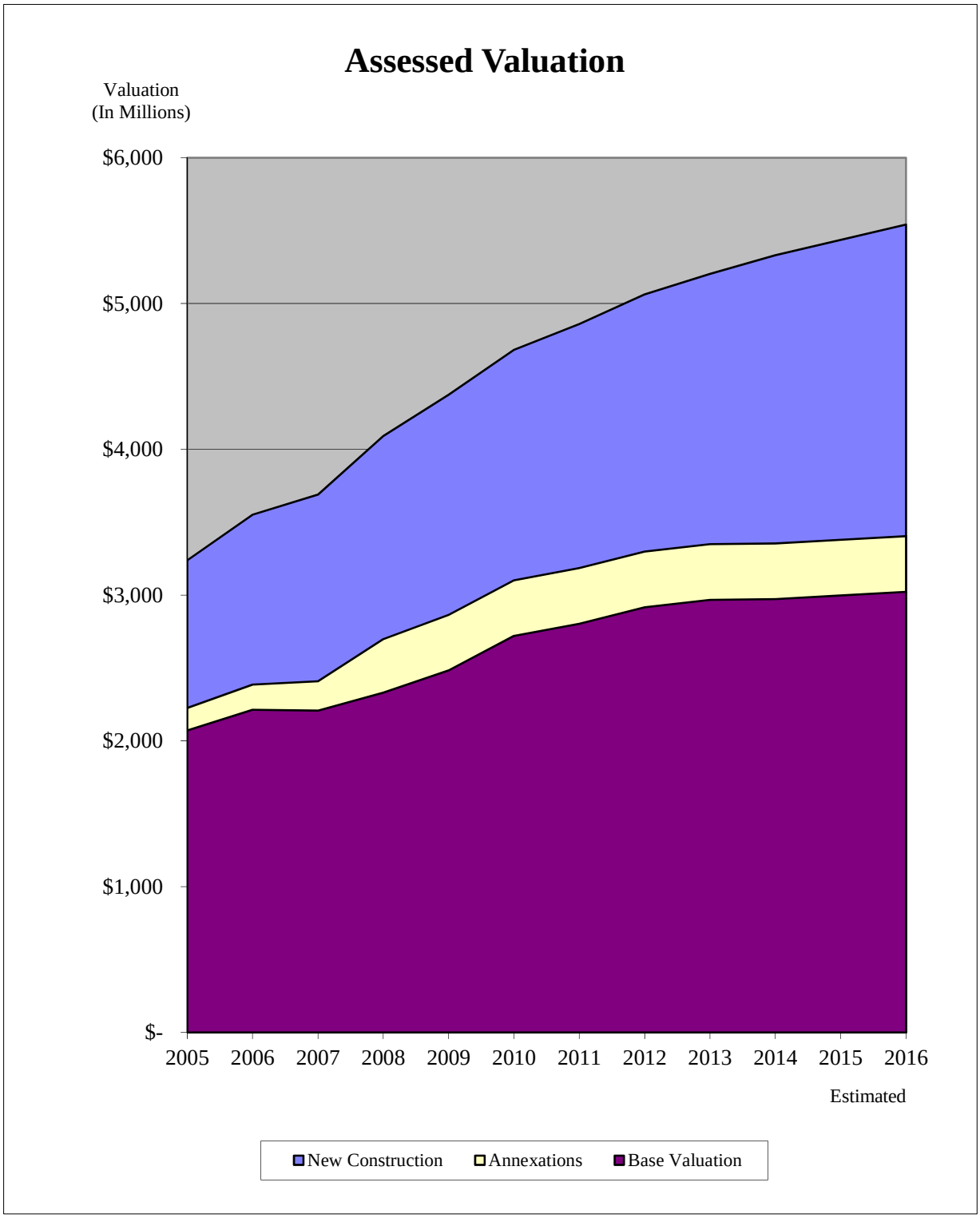
	Assessed Valuation (1)	Percentage of Total Assessed Valuation
Columbia Mall Partnership	$79,894,050	1.5%
Cascade Natural Gas Corp.	22,877,219	0.4
La Serena-Hansen Park LLC	20,037,981	0.4
Heatherstone ICP Apartment	19,909,238	0.4
Wolff Grandridge Apartments LLC	19,877,740	0.4
Crosspointe Apartments LLC	19,810,130	0.4
Seasons on 4th Avenue LLC	19,777,530	0.4
MGP XXXIX LLC	17,859,370	0.3
On the Boulevard LLC	16,501,028	0.3
Franklin Kennewick LLC	16,274,250	0.3
Subtotal	252,818,536	4.9
Other Taxpayers	4,950,671,616	95.1
Total Assessed Value	$5,203,490,152	100.0%

PRINCIPAL EMPLOYERS: (2)	NUMBER OF EMPLOYEES
Pacific Northwest National Laboratory/Battelle	3,984
ConAgra Foods	2,498
Bechtel National	2,244
Kadlec Medical Center	2,227
Kennewick School District	1,922
Pasco School District	1,900
Mission Support Alliance	1,588
Richland School District	1,500
Washington River Protection Solutions	1,470
CH2M Hill Hanford Group, Inc.	1,438

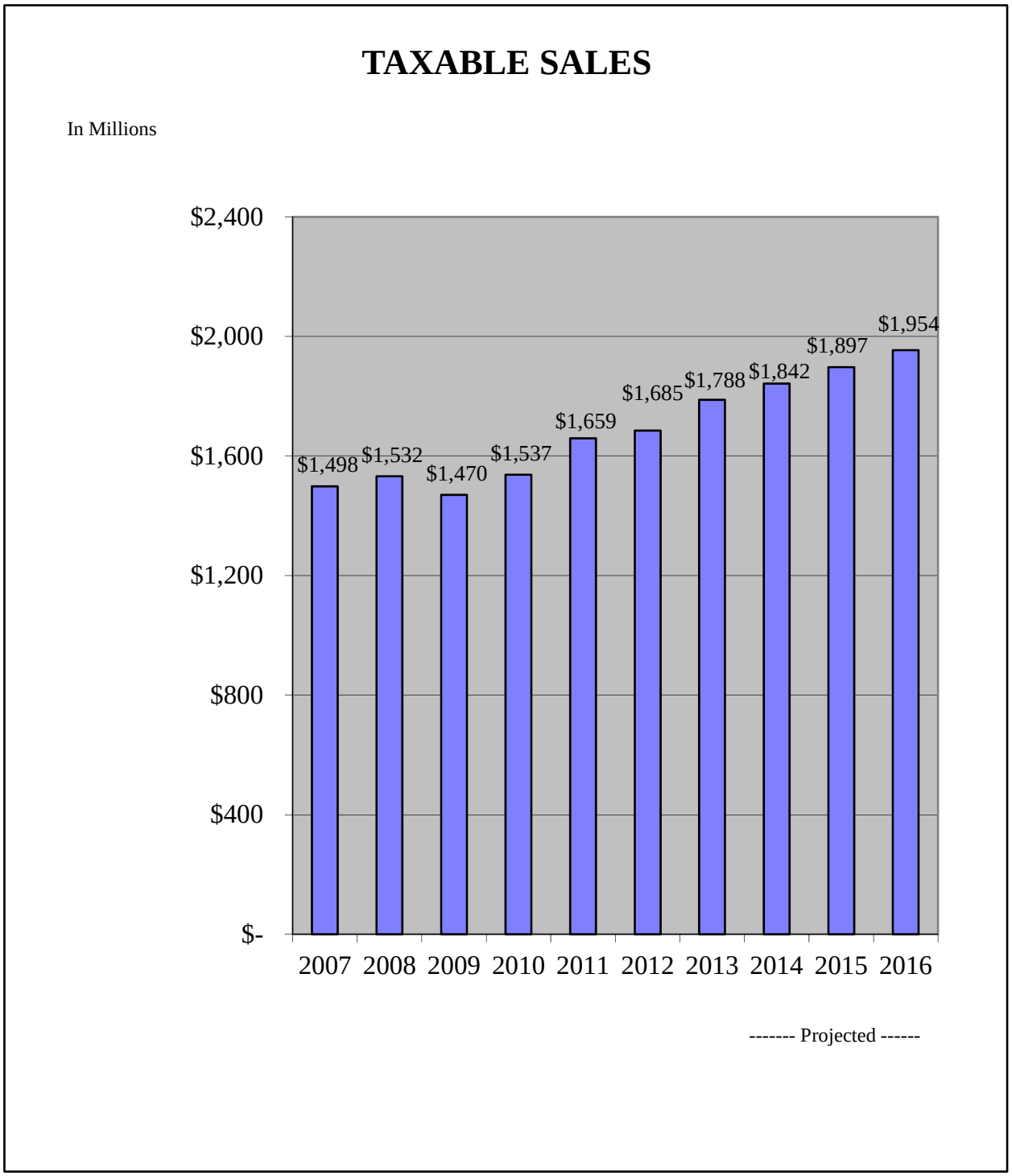
Sources:

(1) Benton County Assessor's Office

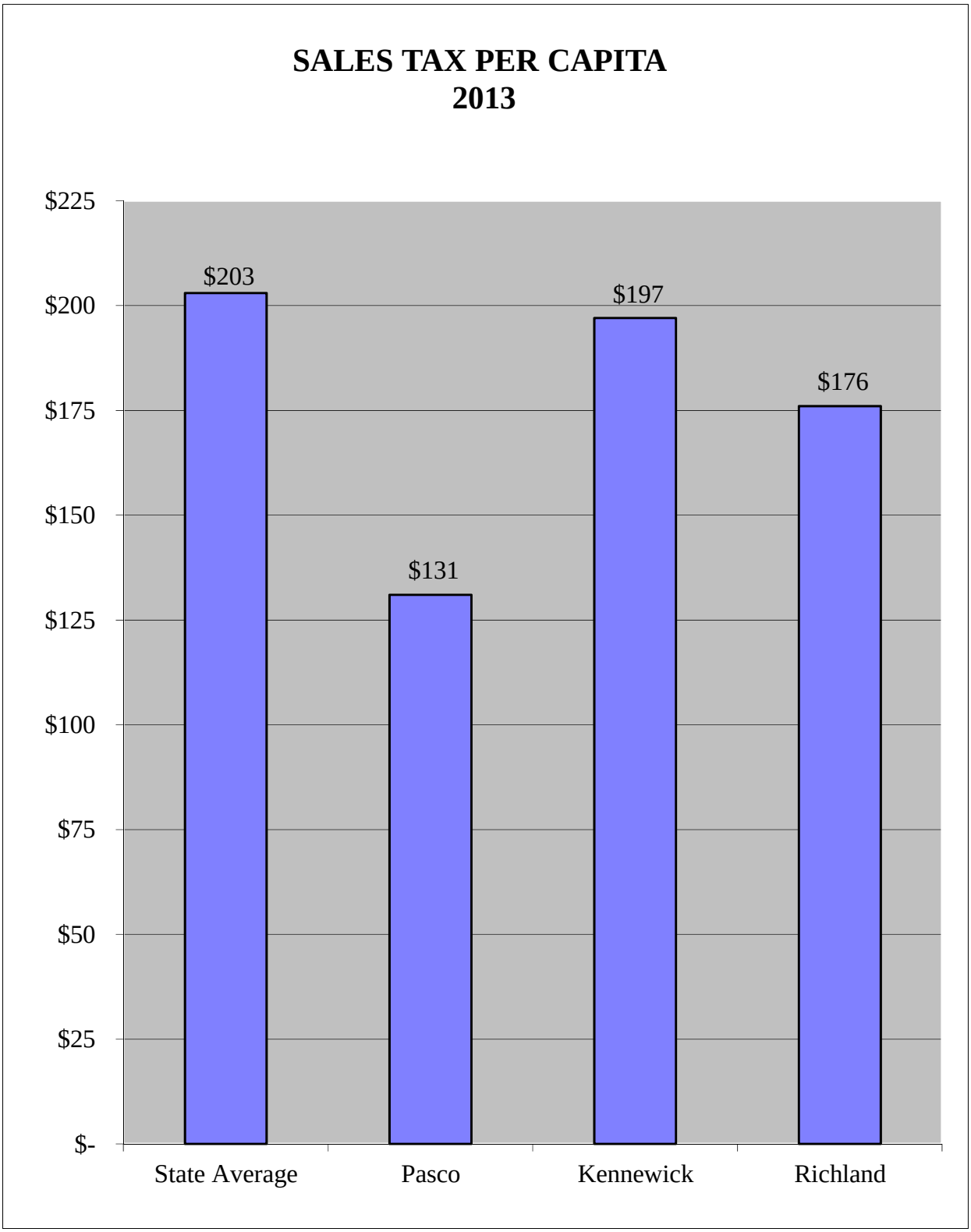
(2) Tri-City Industrial Development Council (TRIDEC) and respective school districts



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 2015-2016. The negative impact of the national recession is reflected in the reduction of sales tax revenue in 2009 and 2010, but also shows the partial recovery beginning in 2010. The 2015/2016 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 $197 per capita is still below the State average of $203.

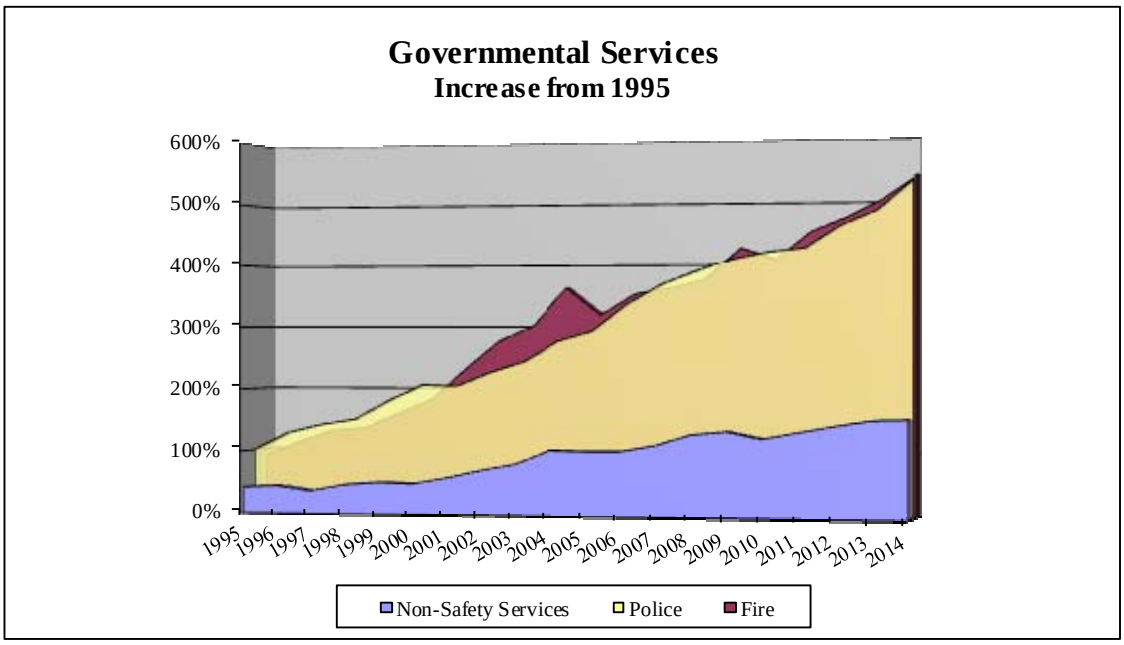
	FISCAL YEAR 2013			
	Number of Filers	Percentage of Total	Taxable Sales	Percentage of Total
RETAIL TRADE				
General merchandise stores	33	1.05 %	$ 306,523	29.66 %
Motor vehicle and parts dealers	194	6.16	246,336	23.84
Clothing and clothing accessories stores	250	7.93	102,037	9.87
Building material/garden equipment/supplies dealers	150	4.76	73,809	7.14
Miscellaneous store retailers	805	25.55	59,726	5.78
Sporting goods, hobby, book, and music stores	232	7.36	54,735	5.30
Electronics and appliance stores	283	8.98	50,804	4.92
Food and beverage stores	91	2.89	31,476	3.05
Nonstore retailers	762	24.18	29,569	2.85
Furniture and home furnishings stores	115	3.65	28,267	2.74
Health and personal care stores	214	6.79	27,633	2.67
Gasoline stations	22	0.70	22,492	2.18
Total Taxable Sales from Retail Trade	**$ 3,151**	**100.00 %**	**$ 1,033,407**	**100.00 %**

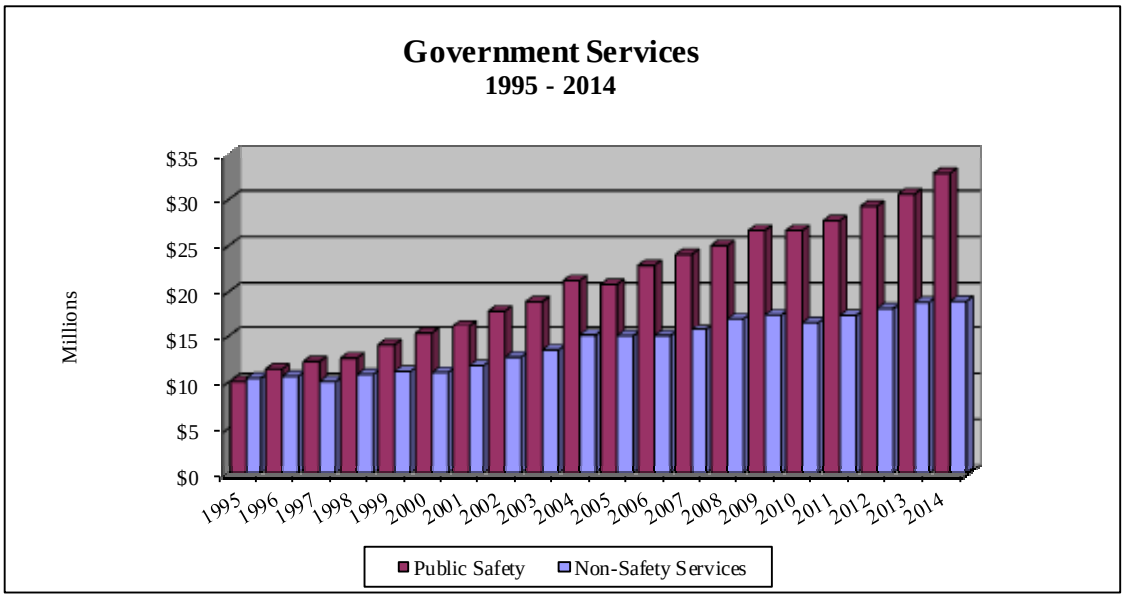
ALL TAXABLE ACTIVITIES

Retail trade (*detail above*)	**3,151**	**31.47 %**	**$ 1,033,407**	**59.97 %**
Construction	1,369	13.67	198,344	11.51
Accommodation and food services	244	2.44	185,196	10.75
Wholesale trade	1,836	18.34	76,471	4.44
Information	427	4.26	51,586	2.99
Other services	507	5.06	50,186	2.91
Administrative, support, waste mngmt and remediation svcs	540	5.39	25,719	1.49
Real estate and rental and leasing	273	2.73	24,335	1.41
Professional, scientific, and technical services	536	5.35	22,424	1.30
Manufacturing	664	6.63	17,759	1.03
Arts, entertainment, and recreation	101	1.01	17,337	1.01
Finance and insurance	110	1.10	14,409	0.84
Other activities	255	2.55	5,956	0.35
Total Taxable Sales	**$ 10,013**	**100.00 %**	**$ 1,723,129**	**100.00 %**

Sales Tax Revenue
2013

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 during the past nineteen years. The first graph shows the percentage increase in spending over the 1995 level, and the second graph shows the actual level of expenditures.

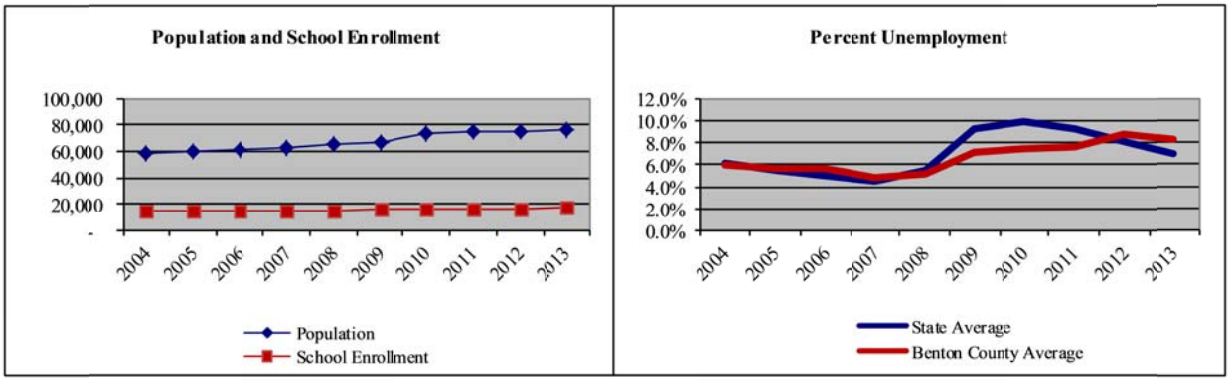
In 1995, Kennewick voters approved a 2.5% increase in utility tax applied to telephone, electricity, and natural gas service that is committed to fund safety services. This has created a major source of revenue that is used exclusively for the addition of new Police and Fire personnel.

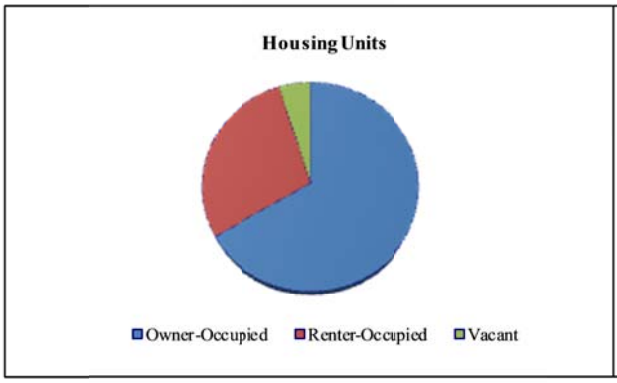
In 2014, voters approved a 0.3% sales tax that is dedicated towards public safety programs. The increased sales tax rate will be effective 1/1/15 and proceeds of this 0.3% will be split between Benton County and each of the cities within the county. Public safety expenditures funded from this sales tax will begin in 2015.

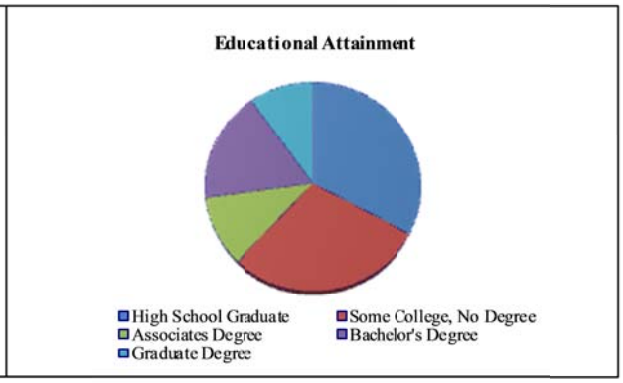
DEMOGRAPHIC STATISTICS

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)
2004	58,970	$ 1,699,928	$ 32,281	34.97	$ 57,613	$ 14,850	6.0%
2005	60,410	1,997,880	33,072	35.18	56,200	14,884	5.7%
2006	61,770	2,090,482	33,843	35.23	54,942	15,112	5.7%
2007	62,520	2,294,484	36,700	35.27	55,361	15,280	4.9%
2008	65,860	2,557,278	38,829	35.29	57,114	15,595	5.1%
2009	67,180	2,609,876	38,849	35.34	58,496	15,857	7.2%
2010	73,917	2,960,302	40,049	35.55	60,070	16,285	7.4%
2011	74,665	3,101,285	41,536	35.77	60,608	16,437	7.7%
2012	75,160	3,139,584	41,772	35.95	62,739	16,874	8.7%
2013	76,410	3,189,812	41,746	36.15	64,898	17,259	8.2%

Source: (1) Office of Finanacial Managemert (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

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.*

2014 Assessed Valuation:	$5,330,558,565
Population:	76,410
Area: (Square Miles)	24
Miles of Streets	292
Business Licenses Issued	4,837
Building Permits Issued	1,989

CURRENT FACILITIES

Fire Protection:		Police Protection:	
Number of Stations	4	Number of Stations	1
Number of Firefighters	75	Number of Police Officers	93
Water Services:		**Sewer Services:**	
Number of Connections	23,050	Number of Connections	17,514
Daily Consumption (Per Capita)	134 gallons	Daily Usage (Per Capita)	67 gallons
Miles of Distribution/ Transmission Lines	391	Miles of Sanitary Sewer Lines	272

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

DEPARTMENT	EQUIPMENT	2015/2016
CRIMINAL JUSTICE SALES TAX FUND		
117.010.594.15.64.10	Software	
	Case Management Software (4 seats)	$12,800
TOTAL CRIMINAL JUSTICE SALES TAX FUND		$12,800
CAPITAL IMPROVEMENT FUND		
Fire Station 65 Funding		
300.050.594.22.64.00	Machinery and Equipment	
	IP-Based Alerting System	$83,000
	Medic Unit Equipment	24,471
	Equip Reserve Engine	78,852
Subtotal Fire Station 65 Funding		186,323
Capital Purchases		
300.900.594.18.64.09	Hardware	
	Core Switch Upgrade	126,365
300.900.594.18.64.10	Software	
	Enterprise Agreement	141,374
	SA Maintenance	114,062
	City Website	200,000
	ECM System Replacement	350,000
	Network Security Audit	75,000
300.900.594.18.64.16	GIS System	
	ESRI Migration	375,000
Subtotal Capital Purchases		1,381,801
TOTAL CAPITAL IMPROVEMENT FUND		$1,568,124
WATER/SEWER FUND		
Water/Sewer Utility Combined		
401.010.594.38.64.03	Field Machinery & Equipment	
	Handheld Meter Reading Equipment	$5,700
	(2) 100 HP Aerators	10,000
Subtotal Water/Sewer Utility Combined		15,700
TOTAL WATER/SEWER FUND		$15,700

DEPARTMENT	EQUIPMENT	2015/2016
EQUIPMENT RENTAL FUND		
501.010.594.48.64.08	Transportation Equipment	
	Funded from Criminal Justice Sales Tax Fund	
	Commander Vehicle	$50,000
	Crimestoppers Vehicle	45,000
	(4) Patrol Vehicles	200,000
	Funded from Capital Improvement Fund	
	Replace Pool Car	22,500
	Athletic Infield Groomer/Rock Remover	15,000
	Replace #167 Engineering Inspection Vehicle	21,500
	Replace #92 and Reinstall Boom	72,250
	Replace #80 Hyster Roller with Vibratory Roller	42,000
	Replace #29 3/4t XT Cab Pickup	27,500
	Replace #52 3/4t reg Cab w/ Service Body	35,000
	Replace #72 1/2t XT Cab Pickup	25,000
	Replace #74 1/2t XT Cab Pickup	25,000
	TORO Z Master 72" D	32,000
	Replace #53	81,250
	Replace #22	21,000
	Funded from Capital Improvement Fund - Station 65	
	Medic Unit	255,400
	Zoll Defibrillator	30,000
	Powerload System	28,200
	Power Cot	22,000
	Funded from Water/Sewer Fund	
	Pickup for new Meter Reader Position	24,000
	Funded from Reserves	
	Replace #46 1/2t XT Cab Pickup	25,000
	Replace #36 w/ Economy Sedan	16,500
	Replace #37 w/ Economy Sedan	16,500
	Replace #126 w/ Economy Sedan	16,500
	Replace #27 w/ Small or Light Duty Truck	24,000
	Replace #200 Fire Staff Pickup	35,000
	Replace #222 including Powerload System	283,600
TOTAL EQUIPMENT RENTAL FUND		$1,491,700
CENTRAL STORES FUND		
502.010.594.18.64.08	Office Machinery & Equipment	
	Funded from Reserves	
	GIS Plotter	$11,000
	Wide Format Printer/Scanner (Frost)	19,000
	Wide Format Printer/Scanner (City Hall)	14,000
TOTAL CENTRAL STORES FUND		$44,000
TOTAL CAPITAL OUTLAY		**$3,132,324**

AGENCY FUNDS - CAPITAL OUTLAY

DEPARTMENT	EQUIPMENT	2015/2016
BI-PIN AGENCY FUND		
634.010.594.18.64.06	Data Processing Equipment Domain Controllers	$6,500
TOTAL BI-PIN AGENCY FUND		$6,500
TOTAL AGENCY FUND CAPITAL OUTLAY		**$6,500**

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 and annually 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 & ongoing biennial contribution amounts for both General Fund ($300k plus inflation beginning in 2009) & Medical Services Fund ($350k). The policy includes utilizing external financing for the purchase of the 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 2013, $150,000 in ongoing lodging tax revenues will support the Toyota Center operating subsidy.

- 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 (KPFD). 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

- 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

- 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

♦ ***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

- ***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 unit**s.**

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.

IFSAC - 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 2015/2016 biennium. The following is a summary of the major assumptions utilized:

REVENUES

- Most major revenues are expected to increase by 2%-3% in 2015 relative to projected 2014 revenues and by 2%-3% again in 2016 relative to projected 2015 revenues.

- Sales tax is projected to increase by 3% in 2015 relative to projected 2014 sales tax receipts, after backing out the one-time sales tax generated from construction of the Trios Health hospital in the City's Southridge area, which was completed in July of 2014. Sales tax is also projected to increase by 3% again in 2016 relative to projected 2015 revenues.

- Projections for the City's portion of the voter-approved public safety (criminal justice) sales tax approved in August of 2014 include an assumption of 2% growth in 2015 relative to projected 2014 sales tax receipts as well as 2% growth in 2016 relative to 2015. A more conservative growth factor was utilized for this source than the City's regular and optional sales tax as a result of recent trends in county-wide sales tax revenue.

- Property tax revenue was projected utilizing the following assumptions:

  - New construction value for the 2015 property tax levy is estimated to be $86.2 million based on preliminary assessed values provided by the Benton County Assessor and the assumption that the Kennewick General Hospital District (Trios) will be granted a property tax exemption for its facility in Southridge, which would remove the assessed value of the facility from the tax rolls. Of the projected new construction amount for the 2015 levy, $16.2 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 2016 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 $96,000 of its annual operating levy each year during the biennium to the Firemen's Pension Fund 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 assuming a 4% rate increase in April of both 2015 and 2016 with an additional 2% growth in consumption each year of the biennium generated through customer growth.

- Telephone utility tax is projected to remain flat in both 2015 and 2016 when compared to projected tax receipts for 2014. The City has experienced declines from this tax source in each of the last 4 years. However, current trends for 2014 suggest that the declines have diminished and the City should see a more stable trend moving forward.

- The 2015/2016 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 completing 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 generally anticipated to increase by 3% in each year of the 2015/2016 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. These estimates reflect the reallocation of 50% of the liquor excise tax revenue historically allocated to cities to the State of Washington's General Fund from July of 2013 through June of 2015 as a result of legislation passed to help the State balance its 2013-2015 biennial budget. The assumption utilized for the 2015/2016 biennium is that cities will begin receiving their full liquor excise tax revenue again starting with the 4th distribution received for 2015 in October, which is based on liquor sales from the 3rd quarter of the year.

- Projections for revenue generated from construction engineering permits and inspections as well as current and long range planning services reflect an assumption that new fee schedules will be implemented in these areas beginning in 2015. The additional revenue generated from the implementation of the new fee schedules would be utilized to fund a .25 full-time equivalent increase in staffing within the Traffic Division of Public Works and a full-time Planner in the Planning Department, respectively. The intent is to utilize the increase in staffing levels to improve the level of service for customers in both areas, with a focus on a reduction in the time required for site plan approval.

- 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 2015 and 2016 on water and sewer services as well as the City's monthly household stormwater utility charge pursuant to existing Council policies and the Kennewick Municipal Code.

- The City's monthly household ambulance utility charge is projected to increase from its current rate of $5.67 per month to $6.67 per month in 2015, with an additional $1.00 increase to $7.67 per month in 2016.

- Building permit revenue is assumed to remain consistent with the amount generated in 2013 and amount projected for 2014 after backing out significant one-time revenue generated from the building permit and plan review completed for the Trios Health hospital and medical office building during these years.

- The 2015/2016 biennial budget assumes the issuance of approximately $4.7 million in councilmanic bonds to fund the construction of a new fire station at Kellogg & 10th, including the reimbursement of costs associated with the acquisition of the station site. Additionally, an ambulance and other minor equipment needed to outfit the City's reserve fire engine for this station will be paid for using the proceeds of this bond issue.

EXPENDITURES

- The City will provide a cost of living adjustment to existing salaries and wages in 2015 and 2016 based on contract settlements (or projected contract settlements) for union personnel. The 2015/2016 budget also allows 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 City will be utilizing its portion of the voter-approved public safety (criminal justice) sales tax primarily to add a total of eight new authorized Police Officer positions and two new Police Support Specialist positions during the 2015/2016 biennium. The Police Department will be authorized to hire four new Police Officer positions and one Police Support Specialist position in April of 2015 with an additional four Police Officers and one more Police Support Specialist position in January of 2016. Additionally, three Police Officer positions that were authorized in 2013 and funded with a portion of the 2013 property tax levy will now be funded with criminal justice sales tax, which frees up the property tax funding previously allocated to these positions to fund three new Captain positions required in the Fire Department for the opening of Station #5 at 10th and Kellogg, which is expected to occur in the spring of 2016. In total, thirteen new full-time positions will be authorized during the 2015/2016 biennium as a result of criminal justice sales tax. The City also expects to add four more Police Officer positions in 2017 and evaluate the need for a new City Attorney at that time based on the increased workload generated from these new positions.

- 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 2015/2016 biennial budget are as follows: PERS Plan contribution rates will increase from the current rate of 9.21% to 11.20% on 7/1/15 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 remain at their current rate of 5.24% for the entirety of the biennium. Employer contribution rates for LEOFF 1 plan participants will also remain unchanged at 0.16%.

- The City's cost for medical insurance is projected to increase by approximately 5% in 2015 and 7.5% in 2016. Additionally, cost estimates for 2016 reflect an anticipated savings associated with moving the City's non-contract employees from the current AWC Healthfirst plan to another plan offered through AWC in an effort to avoid potential costs that could result from the Affordable Care Act (ACA) in the future, including the "Cadillac tax" provision that will go into effect in 2018.

- The City's cost for dental insurance is expected to increase by 7.5% in both 2015 and 2016, while other benefit costs are expected to increase from 3-5% per year.

- The City's costs for jail services for 2015/2016 were estimated utilizing a bed day rate of $68.59 and assumed that the number of bed days utilized by the City would be similar to current levels (3,187 per month).

- Expenditures for District Court services and the Office of Public Defense are projected based on the preliminary 2015/2016 biennial budget submitted by each agency to the Benton County Commissioners and the City's projected allocation based on caseloads. The City's allocation factors for District Court and the Office of Public Defense are projected to be 24.88% and 37.45%, respectively.

- Dispatch and emergency service costs were also projected based on the 2015 budget for each agency as approved by the Benton County Emergency Services (BCES) Executive Board. Dispatch costs are anticipated to increase by 5% in 2016, while 800 MHz radio costs are expected to remain unchanged in 2016.

- In conjunction with the City's most recent cost of service study for its ambulance utility, the City has made structural changes to its General and Medical Services (Ambulance Utility) funds to ensure that the City's costs associated with its ambulance program are appropriately allocated to its Medical Services Fund. The structural changes primarily consist of allocating the appropriate administrative personnel costs along with 100% of 12 Paramedic positions (1 per station per each of the City's 3 shifts) and 77% of the remaining 18 authorized Paramedic positions of the City based on the call volume of ambulance calls as a percentage of total calls for the City's Fire Department. As a result of this methodology, the City is reallocating budgeted personnel costs, including estimated overtime, for 9.71 full-time equivalent positions (FTE's) starting in the 2015/2016 biennium.

  After this reallocation, the full-time equivalent positions paid for from within the Medical Services Fund are as follows:

  - 0.50 FTE Fire Chief
  - 0.50 FTE Deputy Fire Chief
  - 0.50 FTE Administrative Assistant
  - 1.50 FTE Acctg. Specialist & Office Specialist (Ambulance Transport Billers)
  - 1.50 FTE Battalion Chiefs
  - 0.50 FTE Training Captain
  - 1.00 FTE EMS Captain
  - 25.86 FTE Firefighter or Captain Paramedics positions

In conjunction with these changes, the City is reinstating an operating transfer (contribution) from its General Fund to the Medical Services Fund of $1.825 million for the 2015/2016 biennium.

- The City will provide an operating contribution of $700,000 to the Toyota Center & Arena (an Enterprise Fund) during the 2015/2016 biennium. This contribution will consist of $400,000 from the General Fund and $300,000 from the Lodging Tax Fund using excess lodging tax revenues.

- The City will provide an operating contribution of $85,000 to its Columbia Parks Golf Links golf course during the 2015/2016 biennium. This contribution will be provided from the General Fund.

- The 2015/2016 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 $1.275 million has been budgeted within the General Fund for the 2015/2016 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 2015/2016 biennial budget. The following is a list of the major vulnerabilities identified during the budget process:

- Initial projections for the State of Washington's 2015-2017 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 71% of the total funding for the City's General and Street Funds. Projections utilized within the 2015/2016 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 four years, resulting in some uncertainty for future revenue projections. Although recent trends suggest this revenue source may be stabilizing and the City's 2015/2016 budget reflects an assumption of now growth in this revenue source, the possibility exists that further reductions may occur in the future.

- Jail costs represent a significant operating cost for the City and represent both a potential vulnerability and opportunity in the 2015/2016 biennial budget. Any increases to the jail bed day rate above the projected rate for the biennium of $68.59 per bed day or increases in jail usage could result in a significant increase to the City's costs for jail services. Conversely, if the County is able to reduce the bed day rate below $68.59 per day, the City may experience significant savings that could be utilized for other priority programs and 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. In the more immediate future, the City's costs for the 800 MHz system managed by BCES may be reduced if more agencies join the system in anticipation of a regional dispatch system becoming a reality.

- The City's collective bargaining agreements with 4 of its 5 labor unions are settled through the conclusion of the 2015/2016 biennium. Negotiations with the remaining bargaining unit are ongoing and assumptions have been included in the 2015/2016 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 2015/2016 biennial budget and only a few were able to be funded due to resource constraints. These new programs will continue to be evaluated 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 sources of funding may need to be explored.

The City has already begun planning for its next biennial budget and initial projections indicate that the City may be facing a shortfall from meeting its 5% reserve requirement in 2017/2018. It will be imperative for the City to begin addressing this deficit during the course of the 2015/2016 biennium to continue solidifying its financial position for the future.