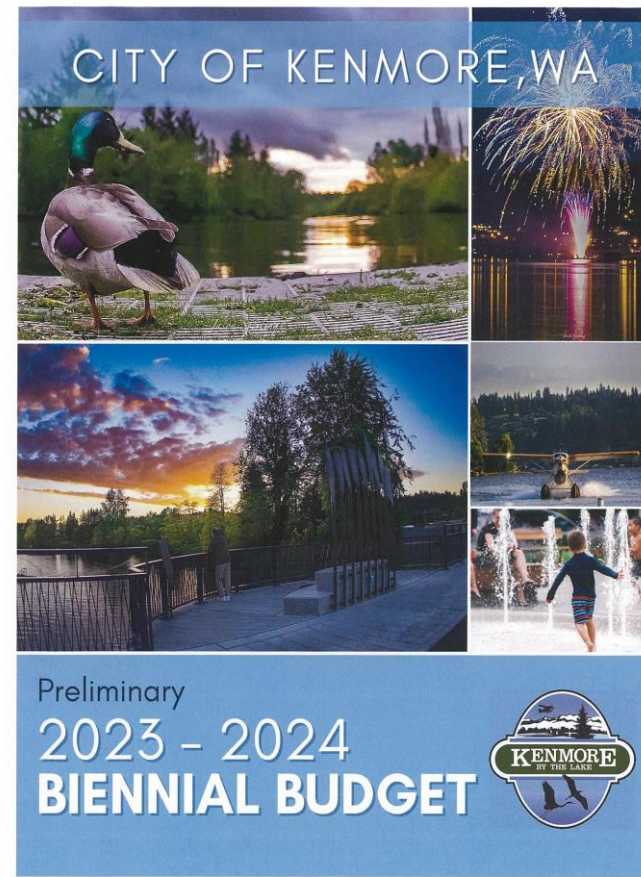


City of Kenmore
Proposed
Preliminary
2023-2024
Biennial Budget
Presentation

Meeting of
October 24, 2022



DEPARTMENT PRESENTATIONS



CIP - CHANGES FROM LAST PRESENTATION

- P18 Rhododendron Park Sign Replacement
 - Reduced amount from \$50k to \$28k
 - Funds affected -Park Capital, Art, REET
- P32 Moorland Park Improvements
 - From lighting to installing synthetic turf
 - Allocation decreased from \$2.6M to \$775,000
 - With \$220 contribution from sports leagues to help fund the project
 - Funds affected – Park Capital, Park Impact
- T27 Sidewalk Program – Pedestrian Facilities
 - Increased allocation from \$515,000 to \$1.9M
 - Funds affected – Transportation Capital, Transportation Impact, REET
- F1 Public Works Shop
 - Reduced total project cost and corresponding debt service
 - From \$49.5M to \$21.1M
 - Funds affected - SWM, REET, TBD, Street, PW Shop Fund

SURFACE WATER MANAGEMENT FUND & SURFACE WATER CAPITAL FUND

These are considered Enterprise Funds as they are self balancing with a dedicated revenue stream.

SURFACE WATER MANAGEMENT FUND

Fund Description

- Clean Water Act and National Pollutant Discharge Elimination System (NPDES) Compliance
- Protecting and enhancing the City's natural environment
- Implementing Climate Action Plan strategies and actions
- Managing the City's stormwater utility
- Surface Water Capital Program

Fund Revenue

- A surface water service charge is assessed for each property in the City.
- Single family residential properties are charged a flat fee
- all other properties, including multifamily and commercial, are charged a rate per acre based on the amount of impervious surface on the property.

SURFACE WATER MANAGEMENT FUND

Proposed Budget

- Total 2023-2024 Budget \$8,467,779
 - (down from \$9,031,548- reduced debt service on PW debt – need to update page in budget book)
- Change Compared To 21/22 Budget
 - SWM Fund Operational 20%
 - Impact to General Fund (Transfer) 0.9%
 - SWM Capital Projects -14%
 - FTEs Funded 8.17

Highlights and changes

- 1.0 FTE Environmental Services Technician added to support increased NPDES Requirements.
- 0.67 FTE GIS Analyst added to support Environmental Services and Citywide GIS support.
- Existing Administrative Specialist previously funded 50% by Strategic Opportunities Fund now fully funded by SWM.
- New and expanded programs being added to comply with NPDES requirements and climate action plan, particularly in the areas of inspections and stormwater planning.
- transfer to General Fund to account for citywide overhead expenses associated with management of the surface water fund and stormwater utility.

SURFACE WATER CAPITAL FUND

Fund Description

- This fund accounts for expenditures to surface water capital improvements and surface water components of other capital improvements.

Proposed Budget

- | | |
|-------------------------------------|-------------|
| • Total 2023-2024 Budget | \$3,949,550 |
| • Revenue sources | |
| • Surface Water Management Fund | \$2,128,550 |
| • Public Works Trust Fund Loan | \$890,000 |
| • Capital Facilities Charge | \$270,000 |
| • Conservation Grant | \$365,000 |
| • Reimbursement from other agencies | \$296,000 |

SURFACE WATER CAPITAL FUND

Projects

- 2023-2024 Projects Include:
 - SW-8 61ST Fish Passable Culvert
 - SW-20 Small Works Projects
 - SW-34 Blueberry Creek Culvert
 - SW-35 Muck Creek Restoration

Highlights and changes

- Construction of 61ST/190TH Culvert during 2023 fish window
- Culvert design and construction required as mitigation for 68TH pedestrian improvement project
- Muck Creek restoration required as mitigation for 68TH pedestrian improvement project

SWAMP CREEK BASIN FUND

Fund Description

- This fund accounts for balances remaining from the 2000 Memorandum of Agreement with King County for projects, improvements and maintenance in the Swamp Creek Basin
- Revised agreement in 2018 allowed funds to be used to acquire and restore land for flood prevention, open space and wildlife habitat in the Swamp Creek Basin

2023-2024 Resources

- Investment Interest \$10,000

Expenditures FB

- \$80,000 Transfer to Park Capital for the Adams Park Project
- \$470,995 - Projected 2024 Ending Fund Balance

STRATEGIC RESERVE FUND

Description

- Page 155
- Serves as the City's emergency reserve
- Cannot exceed \$.375 per \$1000 AV (RCW)
 - \$3,045,985

2023-2024 Resources

- Investment Interest \$27,356
- No additions budgeted

Expenditures Fund balance

- No expenditure or uses are budgeted for 2023-2024
- \$1.4M - Projected 2024 Ending Fund Balance

STRATEGIC OPPORTUNITIES FUND

Description

- Page 157
- Created from General Fund reserves; serves as Savings Account
- Used to respond to strategic initiatives or opportunities on a start up or temporary basis

2023-2024 Resources

- \$100K to be repaid from Park Capital for advance on Rhododendron Boathouse
 - of \$410K advanced in 2020
- Investment Interest
- \$28k – Farmer’s Market revenue

Expenditures FB

- \$342,000 RADAR
- \$164,000 Farmer’s Market
- \$10,000 Bastyr Clinic
- \$60,000 Air Quality & Emissions Consulting services

- \$32,041 Projected 2024 Ending Fund Balance

PUBLIC ART FUND

Description

- Page 166
- Kenmore Municipal Code 3.50 established the fund to be used for selection, acquisition, installation, or display of visual art in public facilities or as part of a project, and performing arts events in public places
- Accumulates resources from 1% of construction contracts from City capital projects (buildings, streets, sidewalks, parks, drainage, etc.)

2023-2024

Resources

- \$1,400 Investment Interest

Expenditures

FB

- No expenditure or uses are budgeted for 2023-2024
- \$45,710 Projected 2024 Ending Fund Balance.
 - revised from \$42,138 (page will be replaced)

TRANSPORTATION BENEFIT DISTRICT FUND

Description

- Page 168
- Accumulates resources from the \$20 vehicle license fee
- Purpose – supports transportation Improvements and road preservation efforts

2023-2024 Resources

- \$723,600 – Vehicle License Fee Revenue
- Interest

Expenditures FB

- \$700,000 - Transfer to Street Fund
- \$170,239 - Projected 2024 Ending Fund Balance
- Revised from \$78,039 (page needs to be updated)

2016 & 2021 UTGO DEBT SERVICE FUND

Fund Description

- Page 173
- This fund accounts for the special property tax levy for the W&W bonds
- Tax revenues are deposited here
- Principal and interest on the bonds are paid from these revenues

2023-2024 Resources

- \$2,116,750 taxes

Expenditures

- 2023 Principal \$575K, Interest \$484,500
- 2024 Principal \$590K, Interest \$467,250

WALKWAYS & WATERWAYS PROJECT FUND

Fund Description

- This fund accounts for the proceeds of the 2016 & 2021 UTGO bonds and
- Transfers funds to the W&W Transportation and Park projects as needed

2023-2024 Resources

- Interest on remaining balance

Proposed Budget

- No expenditures budgeted for 2023-2024

REAL ESTATE EXCISE TAX FUND

Fund Description

- Page 179
- Accounts for the two 1/4 % of real estate excise tax revenues
- Dedicated to capital expenditures (except \$100K annually)

2023-2024 Resources

- Projection = \$2.4 million per year
- Investment Interest

Expenditures FB

- \$3,896,379 Transfer to Transportation Capital Fund
- \$ 835,470 Transfer to Sammamish Bridge Fund
- \$ 50,000 Transfer to General Fund Maintenance
- \$ 809,051 Transfer to PW Shop Fund for debt service

- \$2,228,809 - Projected 2024 Ending Fund Balance
 - revised from \$2,028,334 (page will be updated)

PARK IMPACT FEE FUND

Fund Description

- Page 160
- This fund accounts for park impact fees assessed on new development that creates additional demand and need for public parks
- Single family fee for 2022 is \$4,129.76
- Restricted for park capital improvements that benefit new development and create new capacity

2023-2024 Resources

- \$495,100 Impact Fees (5% decline in 2023 and 1% increase in 2024)
- Investment Interest

Expenditures FB

- \$0 - No expenditure or uses are budgeted for 2023-2024
- \$911,617 Projected 2024 Ending Fund Balance
 - Revised from \$896,617 (page will be updated)

TRANSPORTATION IMPACT FEE FUND

Fund Description

- Page 188
- This fund accounts for transportation impact fees assessed on new development that creates additional demand and need for transportation improvements
- Single family fee for 2021 is \$10,751.95
- Restricted for transportation capital improvements that benefit new development and create new capacity

2023-2024 Resources

- \$1,032,638 projected in 2023-2024 (24% decline from 2021-2022 actual/projected)
- Investment Interest

Expenditures FB

- \$700,000 Transfers to Transportation Capital Fund (sidewalk program/Sammamish Bridge)
- \$868,596 Projected 2024 Ending Fund Balance
 - Revised from \$1,068,596 (page will be updated)

PUBLIC WORKS SHOP FUND

Fund Description

- Page 192
- This fund accounts for property acquisition, development and financing of a public works shop facility
- Assumption – Total cost of \$20 million (revised from \$36 million)
- Assumes financing (20-year bank note at 4.5% interest)

2023-2024 Resources

- \$10M - Assumed proceeds from new bank note in 2024
- \$4M - from 2022 Banner Bonds
- \$1.9M – transfers for debt service from SWM, REET, Street Fund, General Fund

Expenditures

- \$14M Budget for construction & development
- \$1.9M Debt Service (lowered from \$3.2M) (page will be updated)

EQUIPMENT REPLACEMENT FUND

Fund Description	<ul style="list-style-type: none">• Page 205• This fund is used to collect and maintain a reserve for future replacement of vehicles, computers, and equipment• Payments are received from departments and Funds that benefit from or use the assets	
2023-2024 Resources	<ul style="list-style-type: none">• \$191,740 - Contributions from departments and funds• Investment Interest	
Expenditures	<ul style="list-style-type: none">• \$470,000• 2023:• 2024:	<p>Replacements:</p> <p>Street Sweeper and \$10K for technology replacements</p> <p>Vehicles for streets & PW (\$150k) & technology replacements (\$10k)</p>
Fund Balance	<ul style="list-style-type: none">• \$213,930	<p>Projected 2024 Ending Fund Balance</p>

Thank you!

Questions?

Next budget Meeting -Public Hearing

November 7, 2022

November 14, 2022

