

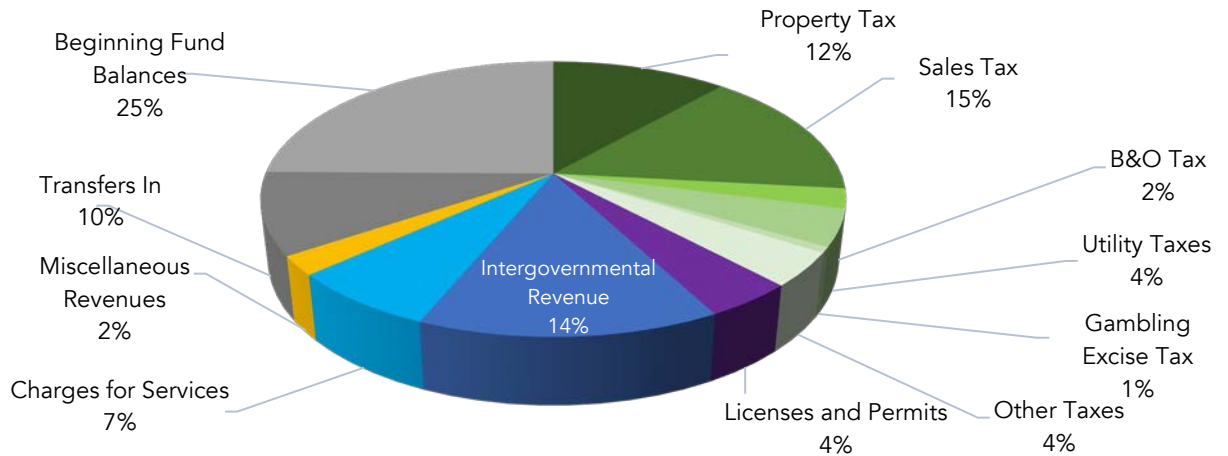
All Funds Summary

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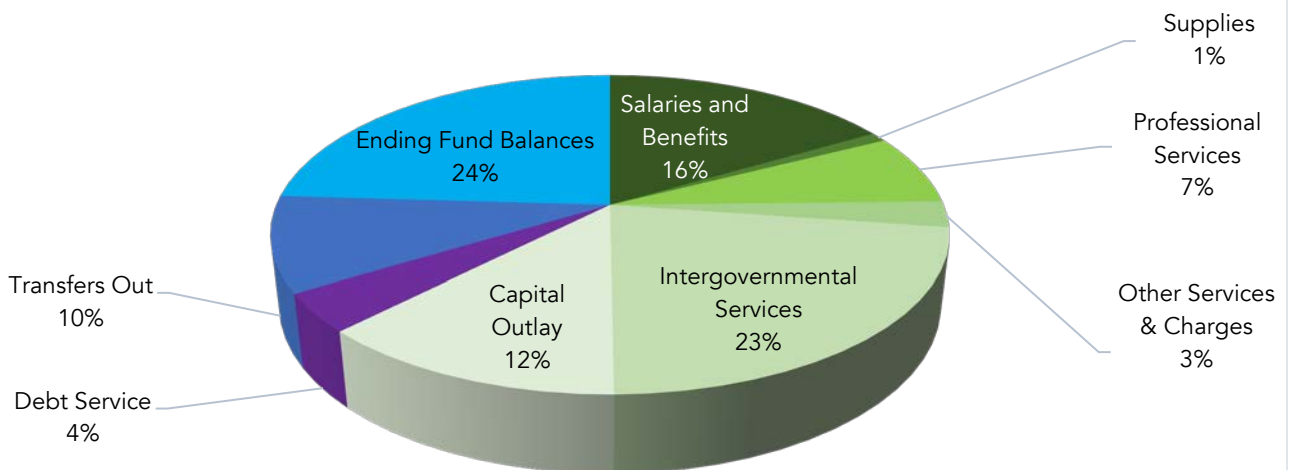
2019-2020 All Funds Revenue and Expenditure Summary

The two charts below show all resources and uses of all City funds. The resources chart shows beginning fund balances, revenues, and transfers in. The uses chart shows all expenditures, transfers out, and ending fund balances. The General, Special Revenue and Debt Service Funds are adopted on a biennial basis while capital projects may span multiple years. Special Revenue Funds include the Street Fund, Surface Water Management Fund, Equipment Reserve Fund, Public Works Reserve Fund, Art in Public Places Fund, Capital Projects Reserve Fund, and Transportation Benefit District Fund. Debt Service Funds include the Debt Service Fund and Local Improvement District Guaranty Fund. Capital Project Funds include the Parks and General Government Capital Improvement Projects Fund, Transportation Capital Improvement Projects Fund, and Surface Water Management Capital Improvement Projects Fund.

2019 - 2020 Resources by Type: All Funds
\$137.7 million



2019 - 2020 Uses by Type: All Funds
\$137.7 million



2019-2020 Revenue Summary – All Funds

Fund Name	Beginning Fund Balance	Revenues	Transfers In	Total Resources
General	\$ 23,736,990	\$ 58,581,200	\$ 160,000	\$ 82,478,190
Street	1,394,350	6,075,000	-	7,469,350
Surface Water Management	1,326,825	7,216,000	-	8,542,825
Public Works Reserve	1,936,720	3,630,000	-	5,566,720
Equipment Reserve	1,226,215	50,000	540,000	1,816,215
Art in Public Places	35,830	-	53,000	88,830
Capital Projects Reserve	439,800	845,000	-	1,284,800
Transportation Benefit District	99,660	1,585,000	-	1,684,660
Debt Service	53,075	716,000	4,474,000	5,243,075
Local Improvement District Reserve	165,000	-	-	165,000
Sub-Total Governmental Funds	\$ 30,414,465	\$ 78,698,200	\$ 5,227,000	\$ 114,339,665
Parks & General Government CIP	738,366	2,016,765	1,000,000	3,755,131
Transportation CIP	601,212	6,600,000	4,630,000	11,831,212
Surface Water Management CIP	2,393,684	2,985,000	2,400,000	7,778,684
Sub-Total Capital Projects Funds	\$ 3,733,262	\$ 11,601,765	\$ 8,030,000	\$ 23,365,027
TOTAL RESOURCES	\$ 34,147,727	\$ 90,299,965	\$ 13,257,000	\$ 137,704,692

2019-2020 Expenditure Summary – All Funds

Fund Name	Expenditures	Transfers Out	Ending Fund Balance	Total Uses
General	\$ 58,851,795	\$ 753,000	\$ 22,873,395	\$ 82,478,190
Street	4,456,650	2,465,000	547,700	7,469,350
Surface Water Management	5,256,560	2,620,000	666,265	8,542,825
Public Works Reserve	-	3,894,000	1,672,720	5,566,720
Equipment Reserve	205,500	-	1,610,715	1,816,215
Art in Public Places	53,000	-	35,830	88,830
Capital Projects Reserve	-	1,000,000	284,800	1,284,800
Transportation Benefit District	-	1,600,000	84,660	1,684,660
Debt Service	5,198,925	-	44,150	5,243,075
Local Improvement District Reserve	-	-	165,000	165,000
Sub-Total Governmental Funds	\$ 74,022,430	\$ 12,332,000	\$ 27,985,235	\$ 114,339,665
Parks & General Government CIP	3,436,764	-	318,367	3,755,131
Transportation CIP	7,074,000	-	4,757,212	11,831,212
Surface Water Management CIP	6,765,000	925,000	88,684	7,778,684
Sub-Total Capital Projects Funds	\$ 17,275,764	\$ 925,000	\$ 5,164,263	\$ 23,365,027
TOTAL USES	\$ 91,298,194	\$ 13,257,000	\$ 33,149,498	\$ 137,704,692

2019 Revenue Summary – All Funds

FOR REFERENCE ONLY

Fund Name	Beginning Fund Balance	Revenues	Transfers In	Total Resources
General	\$ 23,736,990	\$ 28,793,600	\$ 80,000	\$ 52,610,590
Street	1,394,350	2,990,000	-	4,384,350
Surface Water Management	1,326,825	3,558,000	-	4,884,825
Public Works Reserve	1,936,720	1,790,000	-	3,726,720
Equipment Reserve	1,226,215	25,000	270,000	1,521,215
Art in Public Places	35,830	-	26,500	62,330
Capital Projects Reserve	439,800	815,000	-	1,254,800
Transportation Benefit District	99,660	792,500	-	892,160
Debt Service	53,075	358,000	2,237,000	2,648,075
Local Improvement District Reserve	165,000	-	-	165,000
Sub-Total Governmental Funds	\$ 30,414,465	\$ 39,122,100	\$ 2,613,500	\$ 72,150,065
Parks & General Government CIP	738,366	431,765	-	1,170,131
Transportation CIP	601,212	150,000	1,225,000	1,976,212
Surface Water Management CIP	2,393,684	-	1,200,000	3,593,684
Sub-Total Capital Projects Funds	\$ 3,733,262	\$ 581,765	\$ 2,425,000	\$ 6,740,027
TOTAL RESOURCES	\$ 34,147,727	\$ 39,703,865	\$ 5,038,500	\$ 78,890,092

2019 Expenditure Summary – All Funds

FOR REFERENCE ONLY

Fund Name	Expenditures	Transfers Out	Ending Fund Balance	Total Uses
General	\$ 29,195,335	\$ 376,500	\$ 23,038,755	\$ 52,610,590
Street	2,215,915	910,000	1,258,435	4,384,350
Surface Water Management	2,584,555	1,310,000	990,270	4,884,825
Public Works Reserve	-	1,317,000	2,409,720	3,726,720
Equipment Reserve	115,500	-	1,405,715	1,521,215
Art in Public Places	26,500	-	35,830	62,330
Capital Projects Reserve	-	-	1,254,800	1,254,800
Transportation Benefit District	-	800,000	92,160	892,160
Debt Service	2,608,285	-	39,790	2,648,075
Local Improvement District Reserve	-	-	165,000	165,000
Sub-Total Governmental Funds	\$ 36,746,090	\$ 4,713,500	\$ 30,690,475	\$ 72,150,065
Parks & General Government CIP	841,764	-	328,367	1,170,131
Transportation CIP	1,782,000	-	194,212	1,976,212
Surface Water Management CIP	2,365,000	325,000	903,684	3,593,684
Sub-Total Capital Projects Funds	\$ 4,988,764	\$ 325,000	\$ 1,426,263	\$ 6,740,027
TOTAL USES	\$ 41,734,854	\$ 5,038,500	\$ 32,116,738	\$ 78,890,092

2020 Revenue Summary – All Funds

FOR REFERENCE ONLY

Fund Name	Beginning Fund Balance	Revenues	Transfers In	Total Resources
General	\$ 23,038,755	\$ 29,787,600	\$ 80,000	\$ 52,906,355
Street	1,258,435	3,085,000	-	4,343,435
Surface Water Management	990,270	3,658,000	-	4,648,270
Public Works Reserve	2,409,720	1,840,000	-	4,249,720
Equipment Reserve	1,405,715	25,000	270,000	1,700,715
Art in Public Places	35,830	-	26,500	62,330
Capital Projects Reserve	1,254,800	30,000	-	1,284,800
Transportation Benefit District	92,160	792,500	-	884,660
Debt Service	39,790	358,000	2,237,000	2,634,790
Local Improvement District Reserve	165,000	-	-	165,000
Sub-Total Governmental Funds	\$ 30,690,475	\$ 39,576,100	\$ 2,613,500	\$ 72,880,075
Parks & General Government CIP	328,367	1,585,000	1,000,000	2,913,367
Transportation CIP	194,212	6,450,000	3,405,000	10,049,212
Surface Water Management CIP	903,684	2,985,000	1,200,000	5,088,684
Sub-Total Capital Projects Funds	\$ 1,426,263	\$ 11,020,000	\$ 5,605,000	\$ 18,051,263
TOTAL RESOURCES	\$ 32,116,738	\$ 50,596,100	\$ 8,218,500	\$ 90,931,338

2020 Expenditure Summary – All Funds

FOR REFERENCE ONLY

Fund Name	Expenditures	Transfers Out	Ending Fund Balance	Total Uses
General	\$ 29,656,460	\$ 376,500	\$ 22,873,395	52,906,355
Street	2,240,735	1,555,000	547,700	4,343,435
Surface Water Management	2,672,005	1,310,000	666,265	4,648,270
Public Works Reserve	-	2,577,000	1,672,720	4,249,720
Equipment Reserve	90,000	-	1,610,715	1,700,715
Art in Public Places	26,500	-	35,830	62,330
Capital Projects Reserve	-	1,000,000	284,800	1,284,800
Transportation Benefit District	-	800,000	84,660	884,660
Debt Service	2,590,640	-	44,150	2,634,790
Local Improvement District Reserve	-	-	165,000	165,000
Sub-Total Governmental Funds	\$ 37,276,340	\$ 7,618,500	\$ 27,985,235	\$ 72,880,075
Parks & General Government CIP	2,595,000	-	318,367	2,913,367
Transportation CIP	5,292,000	-	4,757,212	10,049,212
Surface Water Management CIP	4,400,000	600,000	88,684	5,088,684
Sub-Total Capital Projects Funds	\$ 12,287,000	\$ 600,000	\$ 5,164,263	\$ 18,051,263
TOTAL USES	\$ 49,563,340	\$ 8,218,500	\$ 33,149,498	\$ 90,931,338

2019-2020 All Funds Adopted Budget

Fund Name	Beginning Fund Balance	Revenues & Transfers In	Expenditures & Transfers Out	Ending Fund Balance	Designated Reserves	Undesignated Fund Balance
General	\$ 23,736,990	\$ 58,741,200	\$ 59,604,795	\$ 22,873,395	\$ 14,666,720	\$ 8,206,675
Street	1,394,350	6,075,000	6,921,650	547,700	149,500	398,200
Surface Water Management	1,326,825	7,216,000	7,876,560	666,265	177,900	488,365
Sub-Total Operating Funds	\$ 26,458,165	\$ 72,032,200	\$ 74,403,005	\$ 24,087,360	\$ 14,994,120	\$ 9,093,240
Public Works Reserve	1,936,720	3,630,000	3,894,000	1,672,720	1,672,720	-
Equipment Reserve	1,226,215	590,000	205,500	1,610,715	-	1,610,715
Art in Public Places	35,830	53,000	53,000	35,830	-	35,830
Capital Projects Reserve	439,800	845,000	1,000,000	284,800	-	284,800
Transportation Benefit District	99,660	1,585,000	1,600,000	84,660	84,660	-
Sub-Total Special Revenue Funds	\$ 3,738,225	\$ 6,703,000	\$ 6,752,500	\$ 3,688,725	\$ 1,757,380	\$ 1,931,345
Debt Service	53,075	5,190,000	5,198,925	44,150	44,150	-
Local Improvement District Reserve	165,000	-	-	165,000	165,000	-
Sub-Total Debt Service Funds	\$ 218,075	\$ 5,190,000	\$ 5,198,925	\$ 209,150	\$ 209,150	\$ -
Parks & General Government CIP	738,366	3,016,765	3,436,764	318,367	-	318,367
Transportation CIP	601,212	11,230,000	7,074,000	4,757,212	-	4,757,212
Surface Water Management CIP	2,393,684	5,385,000	7,690,000	88,684	-	88,684
Sub-Total Capital Projects Funds	\$ 3,733,262	\$ 19,631,765	\$ 18,200,764	\$ 5,164,263	\$ -	\$ 5,164,263
TOTAL RESOURCES	\$ 34,147,727	\$ 103,556,965	\$ 104,555,194	\$ 33,149,498	\$ 16,960,650	\$ 16,188,848

2019 Designated Reserves

Fund	Reservation	Designated Reserves
General Fund	Operating Reserve - 20%	\$ 5,758,720
General Fund	Capital Partnership Reserve	7,500,000
General Fund	Capital Equipment Reserve	1,000,000
General Fund	Asset Forfeiture (Drug Seizure) Funds	270,000
General Fund	Parking Reserve	138,000
Street Fund	Operating Reserve - 5.0%	149,500
Surface Water Management Fund	Operating Reserve - 5.0%	177,900
Sub-Total Operating Fund Balance Reserves		\$ 14,994,120
Public Works Reserve Fund	Debt Service	1,672,720
Transportation Benefit District Fund	Debt Service	84,660
Sub-Total Special Revenue Fund Balance Reserves		\$ 1,757,380
Debt Service Fund	Debt Service	44,150
LID Guaranty Fund	Debt Service	165,000
Sub-Total Debt Service Fund Balance Reserves		\$ 209,150
TOTAL FUND BALANCE RESERVATIONS		\$ 16,960,650

2019-2020 All Funds Revenues & Expenditures

	General Fund	Special Revenue Funds	Debt Service Funds	Capital Project Funds	TOTAL ALL FUNDS
Beginning Fund Balance	\$ 23,736,990	\$ 6,459,400	\$ 218,075	\$ 3,733,262	\$ 34,147,727
REVENUES					
Property Tax	15,045,000	785,000	-	99,500	15,929,500
Sales Tax	17,655,000	-	-	-	17,655,000
Sales Tax - Criminal Justice	3,235,000	-	-	-	3,235,000
Business & Occupation Tax	3,180,000	-	-	-	3,180,000
Real Estate Excise Taxes	-	3,450,000	-	-	3,450,000
Utility Taxes	5,005,000	915,000	-	-	5,920,000
Gambling Excise Tax	920,000	-	-	-	920,000
Other Taxes	-	2,025,000	-	-	2,025,000
Total Taxes	\$ 45,040,000	\$ 7,175,000	\$ -	\$ 99,500	\$ 52,314,500
Licenses & Permits	3,709,000	2,125,000	-	-	5,834,000
Intergovernmental	5,077,200	2,570,000	220,000	11,502,265	19,369,465
Charges for Services	2,320,000	7,100,000	286,000	-	9,706,000
Other Revenues	2,435,000	431,000	210,000	-	3,076,000
TOTAL REVENUE	\$ 58,581,200	\$ 19,401,000	\$ 716,000	\$ 11,601,765	\$ 90,299,965
Transfers In	160,000	593,000	4,474,000	8,030,000	13,257,000
TOTAL REVENUE & TRANSFERS	\$ 58,741,200	\$ 19,994,000	\$ 5,190,000	\$ 19,631,765	\$ 103,556,965
TOTAL ALL RESOURCES	\$ 82,478,190	\$ 26,453,400	\$ 5,408,075	\$ 23,365,027	\$ 137,704,692
EXPENDITURES					
Salaries & Benefits	16,728,135	5,774,815	-	291,000	22,793,950
Supplies	622,400	680,000	-	-	1,302,400
Professional Services	7,613,330	1,341,900	6,000	861,000	9,822,230
Other Services & Charges	2,529,930	1,089,200	-	-	3,619,130
Intergovernmental Services	30,428,000	670,000	-	-	31,098,000
Capital Outlay	930,000	243,500	-	16,123,764	17,297,264
Debt Service	-	172,295	5,192,925	-	5,365,220
TOTAL EXPENDITURES	\$ 58,851,795	\$ 9,971,710	\$ 5,198,925	\$ 17,275,764	\$ 91,298,194
Transfers Out	753,000	11,579,000	-	925,000	13,257,000
TOTAL EXPENDITURES & TRANSFERS	\$ 59,604,795	\$ 21,550,710	\$ 5,198,925	\$ 18,200,764	\$ 104,555,194
Ending Fund Balance	22,873,395	4,902,690	209,150	5,164,263	33,149,498
TOTAL ALL USES	\$ 82,478,190	\$ 26,453,400	\$ 5,408,075	\$ 23,365,027	\$ 137,704,692

2019-2020 Fund Transfers

TRANSFERS IN			
Transfer TO	2019 Budget	2020 Budget	Transfer FROM
General Fund	40,000	40,000	Street Fund
General Fund	40,000	40,000	Surface Water Management Fund
Total General Fund	\$ 80,000	\$ 80,000	
Equipment Reserve Fund	150,000	150,000	General Fund
Equipment Reserve Fund	50,000	50,000	Street Fund
Equipment Reserve Fund	70,000	70,000	Surface Water Management Fund
Total Equipment Reserve Fund	\$ 270,000	\$ 270,000	
Art in Public Places Fund	26,500	26,500	General Fund
Total Art in Public Places Fund	\$ 26,500	\$ 26,500	
Debt Service Fund	200,000	200,000	General Fund
Debt Service Fund	320,000	310,000	Street Fund
Debt Service Fund	1,317,000	1,327,000	Public Works Reserve Fund
Debt Service Fund	400,000	400,000	Transportation Benefit District Fund
Total Debt Service Fund	\$ 2,237,000	\$ 2,237,000	
Parks & General Government CIP	-	1,000,000	Capital Projects Reserve Fund
Total Parks & General Govt. CIP	\$ -	\$ 1,000,000	
Transportation CIP Fund	500,000	1,155,000	Street Fund
Transportation CIP Fund	-	1,250,000	Public Works Reserve Fund
Transportation CIP Fund	400,000	400,000	Transportation Benefit District Fund
Transportation CIP Fund	325,000	600,000	Surface Water Management CIP Fund
Total Transportation CIP Fund	\$ 1,225,000	\$ 3,405,000	
Surface Water Management CIP	1,200,000	1,200,000	Surface Water Management Fund
Total Surface Water Management	\$ 1,200,000	\$ 1,200,000	
TOTAL TRANSFERS IN	\$ 5,038,500	\$ 8,218,500	
TRANSFERS OUT			
Transfer FROM	2019 Budget	2020 Budget	Transfer TO
General Fund	150,000	150,000	Equipment Reserve Fund
General Fund	26,500	26,500	Art in Public Places Fund
General Fund	200,000	200,000	Debt Service Fund
Total General Fund	\$ 376,500	\$ 376,500	
Street Fund	40,000	40,000	General Fund
Street Fund	50,000	50,000	Equipment Reserve Fund
Street Fund	320,000	310,000	Debt Service Fund
Street Fund	500,000	1,155,000	Transportation CIP Fund
Total Street Fund	\$ 910,000	\$ 1,555,000	
Surface Water Management Fund	40,000	40,000	General Fund
Surface Water Management Fund	70,000	70,000	Equipment Reserve Fund
Surface Water Management Fund	1,200,000	1,200,000	Surface Water Management CIP Fund
Total Surface Water Management	\$ 1,310,000	\$ 1,310,000	
Public Works Reserve Fund	1,317,000	1,327,000	Debt Service Fund
Public Works Reserve Fund	-	1,250,000	Transportation CIP Fund
Total Public Works Reserve Fund	\$ 1,317,000	\$ 2,577,000	
Capital Projects Reserve Fund	-	1,000,000	Parks & General Govt CIP Fund
Total Capital Projects Reserve Fu	\$ -	\$ 1,000,000	
Transportation Benefit District Fund	400,000	400,000	Debt Service Fund
Transportation Benefit District Fund	400,000	400,000	Transportation CIP Fund
Total Transportation Benefit Distri	\$ 800,000	\$ 800,000	
Surface Water Management CIP Fund	325,000	600,000	Transportation CIP Fund
Total Surface Water Management	\$ 325,000	\$ 600,000	
TOTAL TRANSFERS OUT	\$ 5,038,500	\$ 8,218,500	

2019-2020 Governmental Funds Analysis

	2015-2016 Actuals	2017-2018 Forecasted Actuals	2019-2020 Adopted Budget
Beginning Fund Balance	\$ 14,303,733	\$ 26,617,310	\$ 30,414,465
REVENUES			
Property Tax	14,864,541	15,446,365	15,830,000
Sales Tax	14,634,670	17,053,799	17,655,000
Sales Tax - Criminal Justice	2,597,825	2,950,838	3,235,000
Business & Occupation Tax	2,487,420	2,803,544	3,180,000
Real Estate Excise Taxes	3,608,448	5,486,141	3,450,000
Utility Taxes	5,869,119	5,525,786	5,920,000
Gambling Excise Tax	969,163	983,818	920,000
Other Taxes	1,222,757	1,919,623	2,025,000
Total Taxes	\$ 46,253,944	\$ 52,169,915	\$ 52,215,000
Licenses & Permits	5,976,960	5,783,345	5,834,000
Intergovernmental	6,237,933	7,501,748	7,867,200
Charges for Services	9,357,240	9,886,636	9,706,000
Other Revenues	1,538,133	2,317,087	3,076,000
TOTAL REVENUE	\$ 69,364,209	\$ 77,658,731	\$ 78,698,200
Transfers In	8,996,000	6,844,335	5,227,000
Other Financing Sources	10,621,187	849,371	-
TOTAL REVENUE & TRANSFERS	\$ 88,981,396	\$ 84,503,065	\$ 83,925,200
TOTAL ALL RESOURCES	\$ 103,285,129	\$ 109,038,220	\$ 114,339,665
EXPENDITURES			
Salaries & Benefits	14,716,797	17,953,172	22,502,950
Supplies	858,954	1,141,183	1,302,400
Professional Services	6,858,406	7,938,906	8,961,230
Other Services & Charges	2,842,652	3,106,698	3,619,130
Intergovernmental Services	24,834,583	27,043,634	31,098,000
Capital Outlay	98,076	1,380,121	1,173,500
Debt Service	14,741,351	4,972,245	5,365,220
TOTAL EXPENDITURES	\$ 64,950,818	\$ 63,535,959	\$ 74,022,430
Transfers Out	11,717,000	14,070,575	12,332,000
TOTAL EXPENDITURES & TRANSFERS	\$ 76,667,818	\$ 77,606,534	\$ 86,354,430
Ending Fund Balance	26,617,310	33,513,841	27,985,235
TOTAL ALL USES	\$ 103,285,129	\$ 111,120,375	\$ 114,339,665

**2017-2018 Ending Fund Balance is a forecasted estimate.

Governmental Fund Revenues

Governmental Fund revenues, excluding transfers and other financing sources such as asset sales, are expected to increase by approximately \$1.04 million or 1.3% for the 2019-2020 biennium, compared with forecasted actuals of the prior biennium. The following is an explanation of the changes in revenue levels:

Taxes:

- **Property Tax:** Levy collection were slightly higher in 2017-2018 compared to the prior biennium because of the increase in assessed value for new construction. This increase is partially offset by the transfer of the King County Parks Levy from the General Fund to the Parks and General Government Capital Improvement Program Fund. In the 2019-2020 biennium, the property tax collection rate is estimated to be 99% of the total budgeted Property Tax Levy.
- **Sales Taxes:** Continued economic growth propelled the 18% growth in Sales Taxes compared to the prior biennium. Motor vehicle sales, construction activity, and food services were the primary drivers of sales tax revenues in 2017-2018. While motor vehicle sales has been the primary driver of Sales Tax since the end of the last recession, estimated 2017-2018 returns indicates slowing growth. This assumption is included in the 2019-2020 Sales Tax revenue estimates. Overall, 2019-2020 Sales Taxes are estimated conservatively, largely because construction sales tax is a highly cyclical revenue source that cannot be assumed to steadily increase into the future.
- **Sales Tax – Criminal Justice:** This source of sales tax, distributed by King County based on Burien’s share of County population, has steadily increased compared to the prior biennium. Revenue estimates for 2019-2020 are based on sustained population growth, combined with a steadily increasing County-wide sales tax base.
- **Business & Occupation Tax:** The 12% increase in 2017-2018 compared to the prior biennium is due to the increase in the Business & Occupation Tax from 0.05% to 0.10% in 2016. However, continued economic growth further increased revenue collections in 2017. Based on comparing 2018 quarterly collections with 2017, the City estimates that collections are projected to increase modestly in the 2019-2020 biennium.
- **Real Estate Excise Tax (REET):** The increase in REET is due to the sale of several large commercial and residential properties in the 4th Quarter of 2017 and 2018. This includes the sale of four major apartment complexes, two warehouses, and a nursing home. 2019-2020 REET revenue estimates are projected conservatively, estimating revenue collected only from single-family residential properties or small businesses.
- **Utility Taxes:** The decreased collections in Telephone Utility Tax continues to cause an overall decline in utility tax revenues. Telephone Utility Tax is projected to decline \$400,000, or 19%, compared to the prior biennium as the use of landline telephones continues to decrease. This estimated decrease is offset by strong growth in Solid Waste and Natural Gas utility taxes, primarily due to newly-introduced industrial economic activity in the Northeast Redevelopment Area (NERA).
- **Other Taxes:** This category is primarily revenue from the City’s Transportation Benefit District Vehicle Fee. The increase in 2017-2018 compared to the prior biennium is because of the fee increase from \$10 to \$20 in March 2017.

Licenses and Permits: This category is primarily comprised of franchise fees for cable and solid waste, building permits, and business licenses. The slight estimated decrease in 2017-2018 is compared to the development of several large commercial and residential construction projects in the prior biennium, most notably development around Town Square Park. These construction projects increased building and related

permit revenues in the 2015-2016 biennium. Estimates for licenses and permits revenues in the 2019-2020 biennium are slightly lower than the 2017-2018 biennium. The decrease in estimated building related permits is offset by the introduction of a 5% technology fee applied to all building related and electrical permits, as well as continued growth in franchise fees for cable and solid waste.

Intergovernmental Revenue: This category contains all grants, shared revenues, and franchise fees paid to the City from other government entities. Revenue in this category is mainly comprised of State shared revenue, such as the City's share of State liquor tax and profits, motor vehicle fuel tax, and marijuana excise tax, as well as franchise fees paid by Seattle City Light. A colder than average winter in 2017, compared with warmer than average winter in 2016, is the cause for the increase observed in Seattle City Light franchise fee revenue compared to the prior biennium. The anticipated rate increases approved by Seattle City Light, starting in 2019, is the primary reason for increasing Intergovernmental Revenues in the 2019-2020 biennium.

The receipt of several new federal grants and State shared revenue also contributed to the estimated \$1 million total increase in Intergovernmental Revenue. The City received a Community Oriented Policing Services (COPS) grant in 2017 to partially pay for new officers on the City's High Visibility Team, as well as a direct receipt of Community Development Block Grants. An increase in local government grants – from King County for improvements to Veterans and Senior Services, and reimbursement from the Highline School District for the City's School Resource Officer, also contributed to the increase in Intergovernmental Revenues in the 2017-2018 biennium.

Charges for Services: Fees for Storm Drainage, Planning Review, and Recreation programs are the main revenue sources in this revenue category. The increase in 2017-2018 compared with the prior biennium is due to a \$526,000 one-time Stormwater Connection Fee at the Northeast Redevelopment Area. Estimates for the 2019-2020 budget anticipate a decrease in demand for planning reviews, offset by the 3.3% increase in Storm Drainage Fees, as determined by City's Financial Policies.

Other Revenues: The estimated \$722,000 increase in the 2017-2018 biennium is due to increased collection of investment income the City receives from investments in the State's Local Government Investment Pool (LGIP). The 30-day LGIP yield at the end of December 2016 was 0.50%, increasing to 2.23% as of the end of October 2018. The 2019-2020 investment income revenue estimates anticipate that interest rates will remain around 2.5% in 2019.

Governmental Fund Expenditures

Governmental Fund expenditures, excluding transfers, are expected to increase by approximately \$10.5 million or 16.5% for the 2019-2020 biennium, compared with forecasted actuals of the prior biennium. The following is an explanation of the changes in expenditure levels:

Salaries and Benefits: Several factors contributed to the 21.7% (\$3.2 million) increase in Salaries and Benefits expenditure in 2017-2018. These factors are include:

- **Cost of Living Adjustments (COLA):** The increase in COLA was higher in the 2017-2018 compared to the prior biennium. The City's COLA in 2015 and 2016 was 2% and 1.1%, respectively, whereas the increase in 2017 and 2018 was 2% and 3%, respectively. The City's COLA is based on the Seattle area Consumer Price Index, which continues to increase. 2019 COLA is a 3.6% increase, and an estimated increase of 3% in 2020.

- **Personnel Benefits:** Approximately 28% of all Salary and Benefits expenditure are for personnel benefits. The main cost drivers are City contributions to medical insurance plans and the Public Employees' Retirement System (PERS). In 2017 and 2018, the cost of medical insurance plans increased by 6% per year. The increase in 2019-2020 will be somewhat lower at around 5% per year. The cost of retirement contributions also increased, as the State's PERS rate increased from 11.18% in 2015 to 12.52% in 2017. The rate in 2019 will be at 12.83%.
- **Staffing Levels:** Increases in staffing levels are the primary cost driver of salary and benefits expenditure in 2017-2018 compared to the prior biennium. Authorized staffing levels in 2017 increased by 6.60 FTE, and a further 6.89 FTE in 2018. Several positions were also reclassified to reflect the increased workload and complexity of tasks undertaken by City staff. The following is a brief explanation of changes by department:
 - **City Manager:** The City's Management Analyst position was eliminated to create a Civil Engineer II position in the Public Works Department for capital project management.
 - **Human Services:** A Human Services Manager position was created in 2018 to reflect increased community needs for outreach and coordination to provide human services to residents.
 - **Administrative Services:** This newly re-organized department was created in 2018, with the Administrative Services Manager was reclassified to become an Administrative Services Director. A Human Resources Technician position was created to become the primary position to accommodate Human Resources responsibilities. A Public Records Officer was created to address the backlog of public records requests and provide document management and process improvements for City operations. The Systems and GIS Administrator was reclassified to an Information Systems Manager, and the part-time Geographic Information Systems (GIS) Intern was reclassified to a full-time GIS Analyst. The Computer Support Technician was reclassified to an Information Systems Analyst with a focus on project management, while a limited-term Information Systems Help Desk Technician position was created to solve maintenance issues as several information systems projects are being implemented.
 - **Finance:** The Contract Management Analyst was increased from 0.7 FTE to 0.8 FTE, and a limited-term Accounting Assistant position was added to manage Business & Occupation Tax processing that was brought in-house in 2018. This position is extended to the end of 2019.
 - **Community Development:** A Senior Planner position was added in 2017 with a focus on long-range planning projects.
 - **Parks, Recreation, and Cultural Services:** A net increase of 2.24 FTE in intermittent recreation staff was added in 2017 to accommodate increased programming for after school programs. A Customer Service Representative III position was created, along with an increase of 0.58 FTE for intermittent Customer Service Representative I staff, to improve customer service at the Community Center and address safety concerns. In the 2019-2020 biennium, a Parks & Facilities Maintenance Lead position, two additional Parks & Facilities Maintenance Workers, and a new Parks Facilities Operations Worker will be created as City staff will take over landscape maintenance operations from a third-party contractor. Finally, the Parks Operations Manager Position was reclassified as a Parks Project Manager, and a Recreation Leader was reclassified to become a Teen Programmer. A temporary increase of 0.57 FTE for Department Assistants was granted in 2018 to assist implementation of the Department's new registration software.
 - **Public Works:** A new Civil Engineer II position was created from the eliminated Management Analyst position, with responsibility for capital project management. A Civil Engineer – Journey Level position was reclassified to a Civil Engineer II for Surface Water Management projects. A

temporary increase for the Assistant Public Works Director (0.57 FTE) was provided in 2017 and 2018 to allow for the outgoing assistant director to train the incoming Assistant Director.

Supplies: The increased use of supplies in 2017-2018 compared to the prior biennium is partially due to the increased use of sand and salt to clear City roads during an unusually cold winter. The City also replaced more small equipment through the Equipment Reserve Fund compared to the prior biennium for scheduled replacement of desktop computers and monitors. The increase in 2019-2020 relates to additional supplies needed for landscape maintenance operations that will be taken on by City staff.

Professional Services: The estimated 15%, or \$1 million, increase in 2017-2018 compared to the prior biennium largely due to third-party support for essential City services, namely legal consulting for pending litigation and on-call engineering for soil erosion and landslide monitoring. One-time expenses related to the relocation of the Public Works shop and the organization of the environmental science fair StormFest, also contributed to the increase in professional services expenditures. In the 2019-2020 biennium, \$305,000 of the \$1.1 million increase are for one-time costs for the development of the Urban Center Plan, and project management for the replacement of the City's permit and document management systems. Ongoing changes include additional prosecutor and legal defense services related to the City's participation in King County's Community Court, additional on-call engineering services related to landslide and soil erosion repair, and various information technology upgrades, including improved cyber security.

The \$1.1 million increase in the 2019-2020 budget is compared to the under expenditure of 2017-2018 revised professional services budget, estimated at 77% of total budget. Approximately \$1 million of the professional services budget is for contingency and on-call services. Professional Services expenditures will vary based to number and complexity of issues the City may need to address on an emergent basis.

Other Services and Charges: Increased liability insurance premiums and increased utility usage and rates contributed to the increase in other services and charges in 2017-2018 compared to the prior biennium. Utilities will continue to drive the increase in other services and charges in the 2019-2020 biennium, mainly due to planned rate increases by Seattle City Light. Insurance premiums will also rise in 2019 as the City increased its total worker hours in the prior biennium.

Intergovernmental Services: Of the \$2.16 million (7.5%) increase in 2017-2018 compared to the prior biennium, \$1.64 million is for the City's contract with the King County Sheriff's Office for police services. The lower than average increase in the City's contract costs in 2017-2018 is due to including only a baseline cost of living adjustment for the City's police officers while the King County Sheriff's Office and the police guild agree a long-term contract. The City estimates the police contract will increase by \$3.2 million in the 2019-2020 biennium based on historical experience and anticipated rise in COLA upon the agreement of a long-term labor contract. The 2019-2020 biennium will also see a \$570,000 increase for Jail Services due to the City's increased utilization primarily for DUI offenses.

Capital Outlay: The main capital outlay expenditures in the 2017-2018 biennium are the replacement of the City's dump and pickup trucks, implementation of a new financial management system and upgrade of the City's telephone system. Planned capital outlay for the 2019-2020 biennium includes the implementation of new permitting and document management software, a technology upgrade for the City Council Chamber, and the replacement of an asphalt roller and flatbed truck.

Debt Service: The City refunded its \$6 million 2006 Limited Tax General Obligation (LTGO) bond, largely paid for by proceeds of bond refunding, and paid off its \$3.6 million line of credit used to purchase property in the Northeast Redevelopment Area (NERA) with proceeds from the sale of that property. The increase in the 2019-2020 budget is for amounts budgeted for share of debt service for the South Correctional Entity (SCORE) as a requirement of the City's debt covenant. This debt service is paid for through increased contract revenue provided by the facility.

Fund Balances

Fund balances are the net worth of a fund measured by total assets minus liabilities. They provide a measure of the amount available in a fund to budget or spend in the future. By Council policy, the City maintains a minimum balance of 20% of ongoing revenues in the General Fund, and 5% of ongoing revenues in the Street and Surface Water Management funds. Furthermore, \$7.5 million of the fund balance in the General Fund is committed for a capital partnership reserve, and \$1 million is for a capital equipment reserve to equip new City facilities.

General Fund: The primary reason for growth in fund balance is that revenues continue to exceed expenditures. In the 2015-2016 biennium, revenues exceeded expenditures by \$6.8 million. The growth in fund balance for the 2017-2018 biennium is expected to be \$5.3 million. This \$1.5 million decrease is largely due to sales tax growth moderating after years of rapid growth in construction and motor vehicle sales, and expenditures increasing faster than revenues. Expenditures increased by 13.6% in 2017-2018 compared to the prior biennium, whereas revenues increased by 9.6%. Fund balance in 2019-2020 is projected to decrease by about \$800,000 due to \$870,000 in one-time capital outlay expenditures to implement new permitting and document management systems, and upgrade technology in the City Council Chambers.

Street Fund: The estimated increase in fund balance in the 2017-2018 biennium is largely due to an \$820,000 sale of the right-of-way in several subdivisions of the Northeast Redevelopment Area to the Port of Seattle. The fund balance is projected to decrease by \$850,000 due to \$2.47 million being transferred to transportation capital projects, debt service, equipment replacement, and IT services.

Surface Water Management Fund: The fund balance in 2019-2020 is projected to decrease by \$670,000 due to \$2.62 million being transferred to surface water management capital projects, equipment replacement, and IT services.