

ORDINANCE O-4748

AN ORDINANCE OF THE CITY OF KIRKLAND ADOPTING THE BIENNIAL BUDGET FOR 2021-2022.

1           WHEREAS, the Kirkland City Council conducted duly noticed public  
2 hearings on November 4, 2020 and November 17, 2020, to take public  
3 comment with respect to the proposed Biennial Budget of the City of Kirkland  
4 for 2021-2022 transmitted to the City Council by the City Manager on October  
5 21, 2020, and all persons wishing to be heard were heard; and  
6

7           WHEREAS, as a result of such hearings the City Council requested  
8 specified amendments be made to the proposed Biennial Budget; and  
9

10           WHEREAS, the proposed Biennial Budget and the amendments thereto  
11 remain matters of public record; and  
12

13           WHEREAS, the City Council finds that the proposed Biennial Budget  
14 and the amendments thereto reflect revenues and expenditures that are  
15 intended to ensure the provision of vital municipal services at acceptable levels;  
16

17           WHEREAS, final budget documents reflecting the 2021-2022 Biennial  
18 Budget as amended and adopted by the Council will be available to the public  
19 during the first quarter of 2021.

20  
21           NOW, THEREFORE, the City Council of the City of Kirkland do ordain  
22 as follows:  
23

24           Section 1. The Biennial Budget of the City of Kirkland for 2021-2022,  
25 as summarized in Exhibit "A" attached and incorporated by this reference as  
26 though fully set forth, is adopted as the Biennial Budget of the City of Kirkland  
27 for 2021-2022.  
28

29           Section 2. In summary form, the totals of estimated revenues and  
30 appropriations for each separate fund and the aggregate totals for all such  
31 funds combined are as follows:

<u>Funds</u>	<u>Estimated Revenues</u>	<u>Appropriations</u>
General	266,974,628	266,974,628
Lodging Tax	835,170	835,170
Street Operating	23,507,400	23,507,400
Cemetery Operating	1,292,279	1,292,279
Parks Maintenance	4,026,546	4,026,546
Park Levy	7,170,968	7,170,968
Contingency	6,355,888	6,355,888
Impact Fees	7,735,874	7,735,874
Excise Tax Capital Improvement	26,208,513	26,208,513
Limited General Obligation Bonds	4,479,887	4,479,887
Unlimited General Obligation Bonds	1,428,739	1,428,739

General Capital Projects	53,642,631	53,642,631
Transportation Capital Projects	131,617,230	131,617,230
Water/Sewer Operating	78,014,545	78,014,545
Water/Sewer Debt Service	798,683	798,683
Utility Capital Projects	35,581,744	35,581,744
Surface Water Management	29,847,859	29,847,859
Surface Water Capital Projects	21,608,111	21,608,111
Solid Waste	41,520,106	41,520,106
Health Benefits	22,494,581	22,494,581
Equipment Rental	27,078,954	27,078,954
Information Technology	16,369,000	16,369,000
Facilities Maintenance	17,341,714	17,341,714
Firefighter's Pension	1,528,520	1,528,520
	<hr/>	<hr/>
	827,459,570	827,459,570

32            Section 3. The REET Report of the City of Kirkland for 2021-2022, as  
33 set out in Exhibit "B" attached and incorporated by this reference as though  
34 fully set forth, is adopted as the REET Report of the City of Kirkland for 2021-  
35 2022, including with respect to the use by the City of Kirkland of REET  
36 revenues.

37  
38            Section 4. This ordinance shall be in force and effect five days from  
39 and after its passage by the Kirkland City Council and publication pursuant to  
40 Section 1.08.017, Kirkland Municipal Code in the summary form attached to the  
41 original of this ordinance and by this reference approved by the City Council.

42  
43            Passed by majority vote of the Kirkland City Council in open meeting  
44 this 8 day of December, 2020.

45  
46            Signed in authentication thereof this 8 day of December, 2020.

  
Penny Sweet, Mayor

Attest:

  
Kathi Anderson, City Clerk

Approved as to Form:

  
Kevin Raymond, City Attorney

Publication Date: 12/08/2020

PUBLICATION SUMMARY  
OF ORDINANCE NO. 4748

AN ORDINANCE OF THE CITY OF KIRKLAND ADOPTING THE BIENNIAL BUDGET FOR 2021-2022.

SECTION 1. Adopts the 2021-2022 Biennial Budget of the City of Kirkland.

SECTION 2. Sets forth, in summary form, the totals of estimated revenues and appropriations for each separate fund and the aggregate totals for all such funds combined.

SECTION 3. Adopts the REET Report of the City of Kirkland for 2021-2022.

SECTION 4. Provides a severability clause for the ordinance.

The full text of this Ordinance will be mailed without charge to any person upon request made to the City Clerk for the City of Kirkland. The Ordinance was passed by the Kirkland City Council at its meeting on the 8 day of December, 2020.

I certify that the foregoing is a summary of Ordinance 4748 approved by the Kirkland City Council for summary publication.

  
\_\_\_\_\_  
Kathi Anderson, City Clerk

**CITY OF KIRKLAND**  
**2021-22 BUDGET-Preliminary to Final Adjustments**

Exhibit A

**General Government Operating Funds**

Fund	2019-20 Revised Budget	2021-22 Prelim Budget	Adjustments	2021-22 Final Budget	Percent Change
<b>General Fund</b>					
010 General	268,950,156	265,498,642	1,475,986	266,974,628	-0.73%
<b>Special Revenue Funds</b>					
112 Lodging Tax	1,022,887	835,170	-	835,170	-18.35%
117 Street Operating	23,299,053	23,257,400	250,000	23,507,400	0.89%
122 Cemetery Operating	1,153,586	1,314,279	(22,000)	1,292,279	12.02%
125 Parks Maintenance	3,719,806	4,026,546	-	4,026,546	8.25%
128 Park Levy	7,989,308	7,170,968	-	7,170,968	-10.24%
<b>Total Special Revenue Funds</b>	<b>37,184,640</b>	<b>36,604,363</b>	<b>228,000</b>	<b>36,832,363</b>	<b>-0.95%</b>
<b>Internal Service Funds</b>					
511 Health Benefits Fund	20,086,863	22,494,581	-	22,494,581	11.99%
521 Equipment Rental	27,616,278	27,180,246	(101,292)	27,078,954	-1.95%
522 Information Technology	16,943,558	16,492,891	(123,891)	16,369,000	-3.39%
527 Facilities Maintenance	15,956,995	17,343,539	(1,825)	17,341,714	8.68%
<b>Total Internal Service Funds</b>	<b>80,603,694</b>	<b>83,511,257</b>	<b>(227,008)</b>	<b>83,284,249</b>	<b>3.33%</b>
<b>Total General Government Operating Funds</b>	<b>386,738,489</b>	<b>385,614,262</b>	<b>1,476,978</b>	<b>387,091,240</b>	<b>0.09%</b>

**General Government Non-Operating Funds**

Fund	2019-20 Revised Budget	2021-22 Prelim Budget	Adjustments	2021-22 Final Budget	Percent Change
<b>Special Revenue Funds</b>					
152 Contingency	6,292,477	6,355,888	-	6,355,888	1.01%
156 Impact Fees	15,884,539	7,735,874	-	7,735,874	-51.30%
190 Excise Tax Capital Improvement	37,359,806	22,557,479	3,651,034	26,208,513	-29.85%
<b>Total Special Revenue Funds</b>	<b>59,536,822</b>	<b>36,649,241</b>	<b>3,651,034</b>	<b>40,300,275</b>	<b>-32.31%</b>
<b>Debt Service Funds</b>					
210 LTGO Debt Service	9,515,637	4,479,887	-	4,479,887	-52.92%
220 UTGO Debt Service	1,431,110	1,428,739	-	1,428,739	-0.17%
<b>Total Debt Service Funds</b>	<b>10,946,747</b>	<b>5,908,626</b>	<b>-</b>	<b>5,908,626</b>	<b>-46.02%</b>
<b>Capital Projects Funds</b>					
310 General Capital Projects	73,933,253	53,642,631	-	53,642,631	-27.44%
320 Transportation Capital Projects	113,215,562	121,776,020	9,841,210	131,617,230	16.25%
<b>Total Capital Projects Funds</b>	<b>187,148,815</b>	<b>175,418,651</b>	<b>9,841,210</b>	<b>185,259,861</b>	<b>-1.01%</b>
<b>Trust Funds</b>					
610 Firefighter's Pension	1,489,351	1,528,520	-	1,528,520	2.63%
<b>Total Trust Funds</b>	<b>1,489,351</b>	<b>1,528,520</b>	<b>-</b>	<b>1,528,520</b>	<b>2.63%</b>
<b>Total General Government Non-Op Funds</b>	<b>259,121,735</b>	<b>219,505,038</b>	<b>13,492,244</b>	<b>232,997,282</b>	<b>-10.08%</b>

**CITY OF KIRKLAND**  
**2021-22 BUDGET-Preliminary to Final Adjustments**

Exhibit A

**Water/Sewer Utility Funds**

Fund	2019-20 Revised Budget	2021-22 Prelim Budget	Adjustments	2021-22 Final Budget	Percent Change
<b><i>Operating Fund</i></b>					
411 Water/Sewer Operating	74,836,420	78,014,545	-	78,014,545	4.25%
<b>Total Operating Fund</b>	<b>74,836,420</b>	<b>78,014,545</b>	<b>-</b>	<b>78,014,545</b>	<b>4.25%</b>
<b><i>Non-Operating Funds</i></b>					
412 Water/Sewer Debt Service	923,742	798,683	-	798,683	-13.54%
413 Utility Capital Projects	42,250,391	35,581,744	-	35,581,744	-15.78%
<b>Total Non-Operating Funds</b>	<b>43,174,133</b>	<b>36,380,427</b>	<b>-</b>	<b>36,380,427</b>	<b>-15.74%</b>
<b>Total Water/Sewer Utility Funds</b>	<b>118,010,553</b>	<b>114,394,972</b>	<b>-</b>	<b>114,394,972</b>	<b>-3.06%</b>

**Surface Water Utility Funds**

Fund	2019-20 Revised Budget	2021-22 Prelim Budget	Adjustments	2021-22 Final Budget	Percent Change
<b><i>Operating Fund</i></b>					
421 Surface Water Management	29,914,147	29,847,859	-	29,847,859	-0.22%
<b>Total Operating Fund</b>	<b>29,914,147</b>	<b>29,847,859</b>	<b>-</b>	<b>29,847,859</b>	<b>-0.22%</b>
<b><i>Non-Operating Fund</i></b>					
423 Surface Water Capital Projects	26,611,497	21,608,111	-	21,608,111	-18.80%
<b>Total Non-Operating Funds</b>	<b>26,611,497</b>	<b>21,608,111</b>	<b>-</b>	<b>21,608,111</b>	<b>-18.80%</b>
<b>Total Surface Water Utility Funds</b>	<b>56,525,644</b>	<b>51,455,970</b>	<b>-</b>	<b>51,455,970</b>	<b>-8.97%</b>

**Solid Waste Utility Fund**

Fund	2019-20 Revised Budget	2021-22 Prelim Budget	Adjustments	2021-22 Final Budget	Percent Change
<b><i>Operating Fund</i></b>					
431 Solid Waste Utility	39,108,580	41,520,106	-	41,520,106	6.17%
<b>Total Operating Fund</b>	<b>39,108,580</b>	<b>41,520,106</b>	<b>-</b>	<b>41,520,106</b>	<b>6.17%</b>
<b>Total Solid Waste Utility Fund</b>	<b>39,108,580</b>	<b>41,520,106</b>	<b>-</b>	<b>41,520,106</b>	<b>6.17%</b>
<b>TOTAL ALL FUNDS</b>	<b>859,505,001</b>	<b>812,490,348</b>	<b>14,969,222</b>	<b>827,459,570</b>	<b>-3.73%</b>



**CITY OF KIRKLAND**  
**Department of Finance and Administration**  
**123 Fifth Avenue, Kirkland, WA 98033 425.587.3100**  
**www.kirklandwa.gov**

**MEMORANDUM**

**To:** Kurt Triplett, City Manager

**From:** Michael Olson, Director of Finance and Administration  
 Sri Krishnan, Deputy Director of Finance and Administration

**Date:** November 17, 2020

**Subject:** RCW 82.46.015 Real Estate Excise Tax Funding Report

The purpose of this memo is to report on Real Estate Excise Tax (REET) usage in the operating and capital budgets. RCW 82.46.015 requires REET usage information to be reported with the operating budget to qualify the City to use REET for maintenance of capital projects in the 2021-2022 Operating Budget.

**Background**

In the 2015 state legislative session, new legislation was approved to allow the use of REET for maintenance of REET-eligible capital projects, up to the greater of \$100,000 or twenty-five percent of available funds, but not to exceed \$1,000,000 per year. Unlike prior legislation providing for expanded uses, this authority is ongoing, but it comes with specific reporting conditions.

Each year a city using REET for maintenance of capital projects must adopt a report that satisfies four requirements. The requirements, and data to meet each requirement for the City of Kirkland, are included below.

- 1) Demonstrate that a city "has or will have adequate funding from all sources of public funding to pay for all capital projects, as defined in RCW 82.46.010, identified in its capital facilities plan for the succeeding two-year period".

The City of Kirkland's Preliminary Capital Budget for 2021-2022, the "succeeding two-year" time period covered by the reporting requirement, totals \$67.94 million as shown in the following table.

**2021-2022 Capital Budget (in thousands)**

<b>Area</b>	<b>2021</b>	<b>2022</b>	<b>Two Year Total</b>
Transportation	18,842	20,188	39,030
Parks	2,237	2,194	4,431
General Government	2,527	626	3,153
Public Safety	173	126	299
Water/Sewer Utility	7,430	8,593	16,023
Surface Water	2,213	2,787	5,000
<b>Total</b>	<b>33,422</b>	<b>34,514</b>	<b>67,936</b>

The planned revenue sources to fully fund the Preliminary Capital Budget in 2021-2022 are detailed in the following table.

**2021-2026 Capital Improvement Program  
Programmed Revenue Sources (in thousands)**

<b>Dedicated Revenue</b>	<b>2021</b>	<b>2022</b>	<b>2-Year Total</b>
<b>Transportation</b>			
Gas Tax	660	673	<b>1,333</b>
Gas Tax (Transportation Package)	200	200	<b>400</b>
Business License Fees	270	270	<b>540</b>
Real Estate Excise Tax (REET) 1	736	766	<b>1,502</b>
Real Estate Excise Tax (REET) 2	1,189	1,311	<b>2,500</b>
Street & Pedestrian Safety Levy	2,733	2,760	<b>5,493</b>
Transportation Impact Fees	1,500	1,500	<b>3,000</b>
Utility Rates	500	541	<b>1,041</b>
Solid Waste Street Preservation	386	393	<b>779</b>
REET 2 Reserve	404	150	<b>554</b>
Carryover/Prior Year Funds	964	-	<b>964</b>
Debt	-	-	<b>-</b>
Secured External Sources	4,400	3,842	<b>8,242</b>
Unsecured External - Sound Transit	900	3,800	<b>4,700</b>
Unsecured External Sources	4,000	3,982	<b>7,982</b>
<b>Subtotal Transportation</b>	<b>18,842</b>	<b>20,188</b>	<b>39,030</b>
<b>Parks</b>			
Real Estate Excise Tax 1	172	62	<b>234</b>
Park Impact Fees	1,200	1,200	<b>2,400</b>
Parks Levy	250	250	<b>500</b>
King County Park Levy	353	353	<b>706</b>
Park Facilities Sinking Fund	162	169	<b>331</b>
Carryover/Prior Year Funds	100	-	<b>100</b>
External Sources	-	160	<b>160</b>
<b>Subtotal Parks</b>	<b>2,237</b>	<b>2,194</b>	<b>4,431</b>
<b>General Government: Technology, Facilities &amp; Public Safety</b>			
General Fund Contributions for:			
Public Sfty. Equip. Sinking Fund	173	126	<b>299</b>
Technology Equip. Sinking Fund	170	333	<b>503</b>
Utility Rates	64	73	<b>137</b>
Facilities Life Cycle Reserve	1,244	150	<b>1,394</b>
General Fund Reserves	1,000	-	<b>1,000</b>
General Fund Cash	49	70	<b>119</b>
<b>Subtotal General Government</b>	<b>2,700</b>	<b>752</b>	<b>3,452</b>
<b>Utilities</b>			
Utility Connection Charges	425	1,325	<b>1,750</b>
Utility Rates - Surface Water	1,811	1,942	<b>3,753</b>
Utility Rates - Water/Sewer	4,789	4,861	<b>9,650</b>
Reserves	1,752	1,259	<b>3,011</b>
External Sources	865	1,994	<b>2,859</b>
<b>Subtotal Utilities</b>	<b>9,642</b>	<b>11,381</b>	<b>21,023</b>
<b>Total Revenues</b>	<b>33,421</b>	<b>34,515</b>	<b>67,936</b>

2) Identify how REET revenues were used by the city or county during the prior two-year period:

The following table shows 2019 actual and 2020 projected uses of REET 1:

	2019 Actual	2020 Projected	Two year Total
<b>REET 1</b>			
<b>Operating &amp; Maintenance Uses</b>			
CKC Maintenance	63,500	63,500	127,000
Parks Maintenance	152,900	155,568	308,468
<b>Subtotal O&amp;M Uses</b>	<b>216,400</b>	<b>219,068</b>	<b>435,468</b>
<b>Capital Uses</b>			
<b>Transportation Program</b>			
STC 00600 - Annual Street Preservation Program	-	15,500	15,500
STC 00604 - Central Way Street Preservation	28,700	-	28,700
STC 00606 - 6th Street South Street Preservation	650,000	-	650,000
STC 08000 - Annual Striping Program	-	213,600	213,600
STC 08313 - 100th Avenue NE Roadway Improvements (North Section)	179,700	14,800	194,500
STC 08314 - 100th Avenue NE Roadway Improvements (Mid-North Section)	193,400	96,900	290,300
STC 99990 - Regional Inter-Agency Coordination	82,000	82,000	164,000
NMC 01204 - Central Way Crosswalk Upgrade	-	50,000	50,000
NMC 05700 - Annual Sidewalk Maintenance Program	-	161,000	161,000
NMC 08700 - Citywide School Walk Route Enhancements	118,900	-	118,900
NMC 08710 - North Kirkland/JFK School Walk Route Enhancements	24,800	-	24,800
NMC 10200 - NE 120th Street Sidewalk	200,000	-	200,000
NMC 10902 - Lake Front Promenade Design Study	-	50,000	50,000
NMC 11302 - Citywide Greenways NE 128th Ave	126,300	-	126,300
NMC 11501 - CKC Historic Depot Site	48,200	-	48,200
NMC 12400 - Totem Lake Public Improvements Phase II	85,000	-	85,000
TRC 09400 - NE 132nd St/108th Avenue NE Intersection Imp	27,500	39,600	67,100
TRC 11600 - Annual Signal Maintenance Program	11,000	11,000	22,000
TRC 11700 - Citywide Traffic Management Safety Improvements	5,500	5,500	11,000
TRC 11705 - School Zone Beacon & Signage Improvements	50,000	-	50,000
TRC 12000 - Kirkland Intelligent Transportation System Phase 3	-	89,200	89,200
TRC 13500 - 100th Avenue NE/Simonds Road Intersection Imps	14,800	50,600	65,400
TRC 13600 - 100th Avenue NE/145th Street Intersection Imps	22,800	44,700	67,500
<b>Subtotal Transportation Program</b>	<b>1,868,600</b>	<b>924,400</b>	<b>2,793,000</b>
<b>Parks Program</b>			
PKC 06600 - Park Play Area Enhancements	15,000	-	15,000
PKC 13310 - Dock & Shoreline Renovations	160,000	300,000	460,000
PKC 13400 - 132nd Square Park Playfields Renovation	1,447,200	536,000	1,983,200
PKC 14200 - Houghton Beach & Everest Park Restroom Repl. Design	-	85,000	85,000
<b>Subtotal Parks Program</b>	<b>1,622,200</b>	<b>921,000</b>	<b>2,543,200</b>
<b>Subtotal Capital Uses</b>	<b>3,490,800</b>	<b>1,845,400</b>	<b>5,336,200</b>
<b>Total REET 1 Uses</b>	<b>3,707,200</b>	<b>2,064,468</b>	<b>5,771,668</b>

The following table shows 2019 actual and 2020 projected uses of REET 2, and summarizes total REET uses in 2019 and 2020:



	2019 Actual	2020 Projected	Two year Total
<b>REET 2</b>			
<b>Capital Uses</b>			
<b>Transportation Program</b>			
STC 00600 - Annual Street Preservation Program	126,000	441,000	567,000
STC 00605 - Totem Lake Blvd Roadway Repair	845,000	-	845,000
STC 00606 - 6th Street South Street Preservation	420,000	-	420,000
STC 00607 - 98th Avenue NE Street Preservation	17,600	-	17,600
STC 05912 - 124th Ave NE Roadway Improvements (North Section) ROW	-	102,700	102,700
STC 08000 - Annual Striping Program	500,000	486,400	986,400
STC 10300 - NE 128th Street Multimodal Corridor Study	-	211,000	211,000
STC 10400 - General Right of Way Acquisition	-	2,000,000	2,000,000
NMC 01204 - Central Way Crosswalk Upgrade	50,000	-	50,000
NMC 05700 - Annual Sidewalk Maintenance Program	191,000	20,000	211,000
NMC 07100 - NE 132nd Street Sidewalk Improvement	13,800	-	13,800
NMC 08100 - CKC to Redmond Central Connector	177,100	600,300	777,400
NMC 08610 - NE 124th St/124th Ave NE Ped Bridge Design & Construction	1,237,600	-	1,237,600
NMC 08700 - Citywide School Walk Route Enhancements	400,000	-	400,000
NMC 08710 - North Kirkland/JFK School Walk Route Enhancements	-	14,600	14,600
NMC 09010 - Juanita Drive Multi-Modal (On-Street) Improvements	-	211,000	211,000
NMC 10200 - NE 120th Street Sidewalk	200,000	-	200,000
NMC 10900 - Citywide Trail Connections (Non-CKC)	-	15,100	15,100
NMC 10902 - Lake Front Promenade Design Study	-	29,100	29,100
NMC 11010 - Citywide Accessibility Improvements	105,500	5,500	111,000
NMC 11300 - Citywide Greenways Networks	-	138,800	138,800
NMC 11500 - CKC Emergent Projects Opportunity Fund	105,500	-	105,500
NMC 11501 - CKC Historic Depot Site	-	-	-
NMC 12400 - Totem Lake Public Improvements Phase II	1,400,000	-	1,400,000
TRC 09300 - NE 132nd St/Juanita H.S. Access Rd Intersection Improvements	137,400	-	137,400
TRC 11600 - Annual Signal Maintenance Program	200,000	200,000	400,000
TRC 11700 - Citywide Traffic Management Safety Improvements	100,000	100,000	200,000
TRC 11702 - Vision Zero Safety Improvements	52,800	52,800	105,600
TRC 11703 - Neighborhood Traffic Control	-	52,800	52,800
TRC 11705 - School Zone Beacon & Signage Improvements	2,800	-	2,800
TRC 12000 - Kirkland Intelligent Transportation System Phase 3	-	19,000	19,000
TRC 12400 - 116th Avenue NE/NE 124th Street Intersection	550,000	-	550,000
TRC 13500 - 100th Avenue NE/Simonds Road Intersection Imps	174,150	99,000	273,150
TRC 13600 - 100th Avenue NE/145th Street Intersection Imps	174,150	110,000	284,150
TRC 13700 - Kirkland Avenue/Lake Street Intersection Imps	66,100	111,400	177,500
TRC 12700 - NE 13rd St. Roundabout	-	-	-
TRC 77770 - Annual Traffic CAO/SWDM Surface Water Support	-	-	-
<b>Subtotal Transportation Program</b>	<b>7,246,500</b>	<b>5,020,500</b>	<b>12,056,000</b>
<b>Total REET 2 Uses</b>	<b>7,246,500</b>	<b>5,020,500</b>	<b>12,056,000</b>
<b>Total REET Uses</b>	<b>10,953,700</b>	<b>7,084,968</b>	<b>17,827,668</b>

- 3) Identify how funds authorized for allowed maintenance purposes will be used during the succeeding two-year period.

The 2021-2022 Operating Budget includes amounts for approved maintenance as shown in the following table:

<b>REET 1</b>	<b>2021 Budgeted</b>	<b>2022 Budgeted</b>	<b>Total</b>
CKC Maintenance	63,500	63,500	127,000
Median Maintenance	125,000	125,000	250,000
Parks Maintenance	200,000	200,000	400,000
<b>Total REET Maintenance Uses</b>	<b>388,500</b>	<b>388,500</b>	<b>777,000</b>

- 4) Identify what percentage of funding for capital projects within the city or county is attributable to REET compared to all other sources of capital project funding.

As shown in the table under Requirement 1, the 2021-2022 Capital Budget includes \$67.94 million from all sources. Of this amount, 15.9 percent is from REET revenue either collected in 2021-2022 or in prior years.

As stated earlier, this report must be adopted as part of the regular, public budget process. To meet this requirement, staff recommends this report be referenced as an attachment to the biennial budget adoption ordinance presented to the City Council on December 8<sup>th</sup>, 2020. Though the City operates using a biennial budget, the law makes no distinction. Therefore, an updated report will be provided in fall of 2021 and presented for adoption with the mid-biennial budget adjustments in December 2021.

It is worth noting that staff consulted with the Municipal Research and Services Center concerning the format for this report. In brief, it is the MRSC position that the various reporting elements may be already covered through the adoption of the operating budget, the capital budget and the capital facilities plan. Though the pieces of information included in this report, by their very nature, are drawn from these separate documents, staff opted for a format that ties them together in one place for ease of review by any interested party.