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# *Budget at a Glance*

## **The Budget Process**

The City of Renton develops its budget every year from February through September. The Mayor and the Council review the City's revenues and services in order to determine if they need to make significant changes to the budget.

In reviewing the anticipated revenue, the Mayor's first priority is to ensure that the City is able to continue providing the same levels of service. This may require obtaining additional funds because the same service level now costs more. For example, as our population increases, we need more police officers to maintain the same response times.

City departments estimate the costs of providing existing base services for the budget year. In addition, they submit requests for new programs that they would like the Mayor to consider. The Mayor evaluates the department requests and can recommend new programs for Council approval within the context of the Council's adopted Business Plan Goals.

The Mayor and the Council hold a strategic planning retreat in the spring of each year in order to adopt these Business Plan Goals. At that time, the Council sets policy direction and priorities for the next budget cycle. They also determine whether the City's current levels of service are meeting the needs of our community.

The Mayor must provide to the Council by October 31 a proposed budget for the following year. The Mayor also provides them with an estimate of expected revenue in order to meet the costs of providing City services. The Council reviews the budget and any revisions in November and December. It must approve a balanced budget for all City expenditures by the beginning of the budget year, which is January for the City of Renton. In order to obtain citizen opinion about proposed expenditures, the City holds two public budget hearings.

Once the Council adopts the budget, the Mayor must ensure that expenditures are made within legal limits. If the economy changes or the City identifies unanticipated needs during the year that require changing the budget, the Mayor will recommend those changes. A Council-adopted ordinance must accompany all budget increases. If revenues fall short, the Mayor can make decreases to the budget to ensure that the City does not overspend available resources. The Mayor will work closely with the Council whenever changes to the budget must be made.

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## **Budgetary Basis and Basis of Accounting**

The budget, as adopted, constitutes the legal authority for expenditures. Budgets are adopted on the cash basis of accounting. The annual budget is adopted with budgetary control at the fund level so expenditures may not legally exceed appropriations at that level of detail. Transfers or revisions within funds are allowed, but only the City Council has the legal authority to increase or decrease a given fund's annual budget.

Basis of accounting refers to the point at which revenues or expenditures / expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurement made regardless of the measurement focus applied:

### **1. Accrual**

Both governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

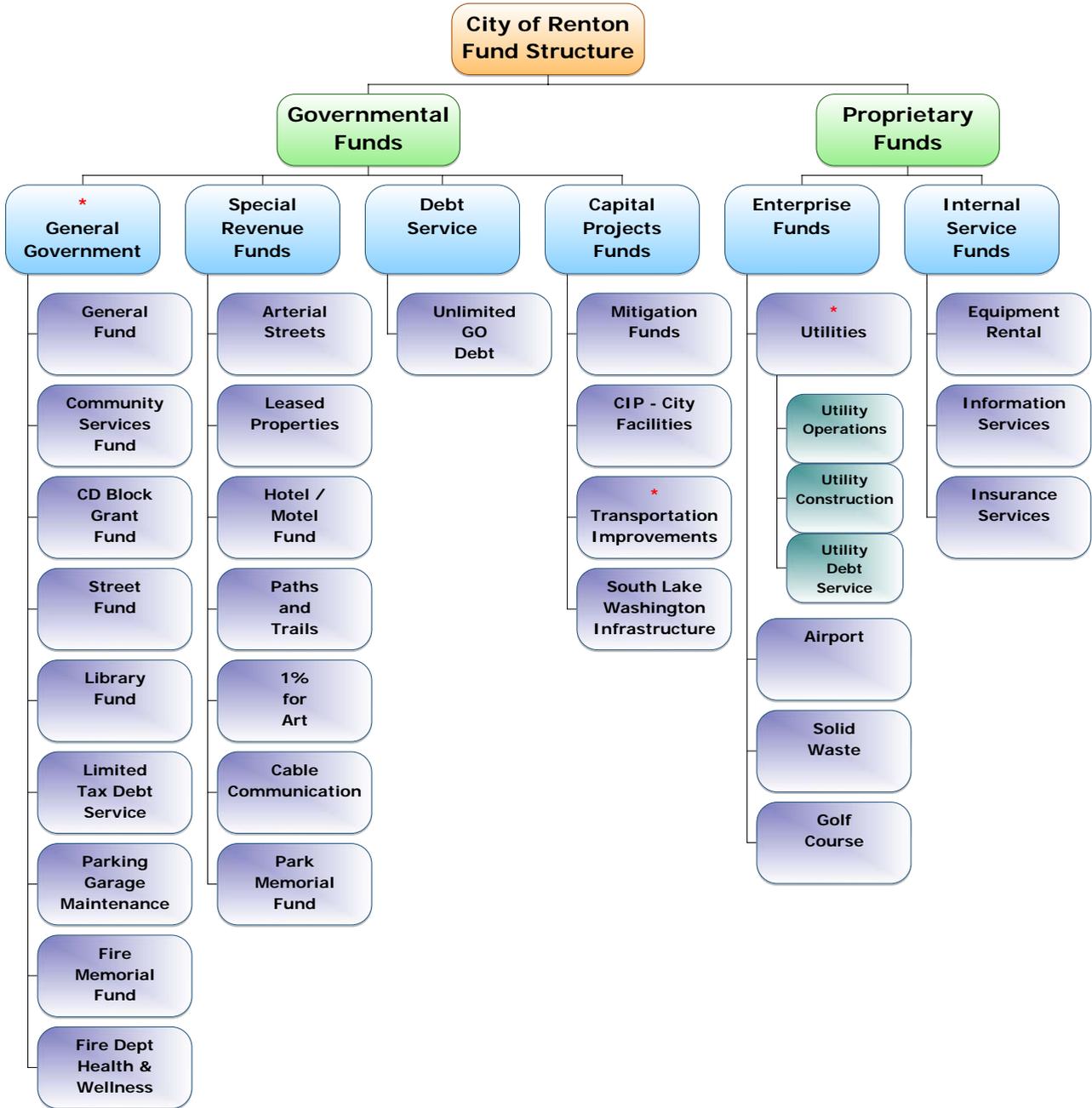
### **2. Modified Accrual**

The government funds financial statements are presented on the modified basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual: i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

## Schedule of the Budget Process

Description	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan
The budget process and time limits are established by State law. The City of Renton adheres to the following procedures.												
1 The Mayor, Council and staff meet to set priorities (Council / staff retreat.)	→											
2 Council Committee of the Whole adopts the Business Plan Goals and Strategies.		→										
3 Budget instructions, salary and benefit computations and forms are prepared and distributed to departments on or before July 1.				→	→							
4 Six-year Transportation Capital Improvement Program and associated budget adjustments adopted by Council, by Resolution.					→							
5 Departments prepare and submit new operating programs, positions and reclassifications, and six-year capital improvements.						→	→					
6 Departments prepare line item (base line) budget requests and submit to Finance by the second week of August.						→	→					
7 Base line budget requests, revenue assumptions, new programs and capital improvement requests are compiled into a document for the Mayor's review in September.								→				
8 The Mayor reviews budget requests with each department during first two weeks in September, with decisions made by the end of September.								→				
9 The property tax levy is established by ordinance the first Monday in October, or when available.									→			
10 The Mayor's Preliminary Budget is prepared and filed with the City Clerk by the first working day in November; available for public review.									→			
11 The City Clerk publishes a notice of filing the preliminary budget, and also designates the date, time, and place of the public hearing on the final budget.										→		
12 Council Committee of the Whole conducts budget hearings with department heads during the month of November. The hearings are open to the public.										→		
13 The final hearing on the proposed budget must begin on or before the first Monday of December, and may continue until the 25th day prior to the next fiscal year.											→	
14 Year-end budget adjustments for the current budget year are presented to Council for adoption, by ordinance.											→	
15 The City Council approves amendments to the proposed budget, and following the public hearing adopts a final balanced budget, by ordinance, prior to January 1.											→	
16 The final Budget as adopted is published, distributed, and made available to the public during the first three months of the ensuing year.												→

*City of Renton  
Budget Fund Structure*



Major Funds are those with budgets representing ten percent or more of the City's overall budget. They are marked with an asterisk (\*).

For descriptions of Major Funds, see next page.

*City of Renton*  
*Budget Fund Structure*

**General Government** is used to group those accounts that are largely supported by general taxes of the City.

**General Fund** accounts for all general government activity not accounted for in other funds. It includes most tax revenues and such services as police, fire, engineering, long range planning, city clerk, administration, and economic development.

**Transportation Improvements Fund** accounts for all roadway capital projects managed and funded by the City. These are capital projects found in the Capital Improvement Program section of this budget.

**Water / Sewer Utility** is comprised of a number of sub-funds working towards a mission to operate and maintain a quality water supply system and to collect, convey and treat wastewater effectively and economically within the Council's rate structure and to construct water and / or sewer projects by contract or City participation in private projects for infrastructure improvements consistent with the Capital Facilities Plan.

**Non-budgetary funds include:**

Reserve Retirement Contribution Fund	Firemen's Pension and Relief Fund
ICMA Deferred Compensation Fund	Arbitrage Deposit Fund
Salary Clearing Fund	Claims Clearing Fund

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## Financial Structure

The City's budget comprises seven major fund types or groups. The following is a general overview of each fund type.

### General Governmental Funds

These funds are used to account for resources that are generally not dedicated for a specific purpose. They are used to meet the basic services that your local government provides.

Major Revenues	Primary Services
<ul style="list-style-type: none"><li>• Taxes</li></ul>	<ul style="list-style-type: none"><li>• Police protection</li></ul>
<ul style="list-style-type: none"><li>• Fees, licenses, and permits</li></ul>	<ul style="list-style-type: none"><li>• Fire protection / emergency medical services</li></ul>
<ul style="list-style-type: none"><li>• Fines and forfeitures</li></ul>	<ul style="list-style-type: none"><li>• Parks and recreation</li></ul>
<ul style="list-style-type: none"><li>• Intergovernmental (Federal, State)</li></ul>	<ul style="list-style-type: none"><li>• Municipal Court / legal services</li></ul>
	<ul style="list-style-type: none"><li>• Library services</li></ul>
	<ul style="list-style-type: none"><li>• Street maintenance planning</li></ul>
	<ul style="list-style-type: none"><li>• Economic development / planning</li></ul>
	<ul style="list-style-type: none"><li>• Administrative functions</li></ul>

### Special Revenue Funds

These funds are used to account for revenues that are to be used for a specific purpose as required by law or administrative action.

Major Revenues	Primary Services
<ul style="list-style-type: none"><li>• State and Federal Grants</li></ul>	<ul style="list-style-type: none"><li>• Economic development</li></ul>
<ul style="list-style-type: none"><li>• Taxes</li></ul>	<ul style="list-style-type: none"><li>• Cable communications</li></ul>
	<ul style="list-style-type: none"><li>• Street overlay</li></ul>
	<ul style="list-style-type: none"><li>• Art fund</li></ul>

### Debt Service Funds

These funds are used to account for accumulation of dedicated revenue and payment of principal and interest related to the City's general obligation bond issues.

Major Revenues	Primary Services
<ul style="list-style-type: none"><li>• Property tax levies</li></ul>	<ul style="list-style-type: none"><li>• Payment of principal and interest on outstanding bonds</li></ul>
<ul style="list-style-type: none"><li>• Real estate excise tax</li></ul>	
<ul style="list-style-type: none"><li>• Special assessments</li></ul>	

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### Capital Improvement Funds

These funds are used to account for the acquisition and construction of major capital facilities and equipment. All projects supported by these funds can be found in the 2007-2012 City of Renton Capital Improvement Program.

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#### Major Revenues

- Federal and State grants
  - Special assessments
  - Property tax
  - Sales tax
  - Real estate excise tax
  - Impact mitigation
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#### Primary Services

- Capital improvement projects
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### Enterprise Funds

These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises.

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#### Major Revenues

- Service (user) charges
  - Federal and State grants
  - Revenue bonds
  - State loans
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#### Primary Services

- City utilities
  - Renton Municipal Airport
  - Maplewood Golf Course
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### Internal Service Funds

These funds are used to account for the goods and services furnished by one city department for another department on a cost reimbursement basis.

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#### Major Revenues

- Charges to other city departments
  - Insurance, health / property liability
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#### Primary Services

- Fleet management
  - Information Services
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### Fiduciary Funds

These funds are used to account for assets held by the City in a trustee capacity.

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#### Major Revenues

- Investment interest
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#### Primary Services

- Fire pension fund
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Please refer to the following tables and figures for specific information on the budget, fund groups, and employment history. In *The Total Budget for 2007* table, we provide details on revenue and expenditure categories.

In the *Revenue Over Time* table we provide sources and amounts of revenue by year from **2004** through **2007**.

In the *Fund Groups* pie chart we show the budget percentages for each fund type and the General Governmental Fund, by department.

In the *Expenditure Over Time* table we provide specifics for fund expenditures.

In the *Employment History – City of Renton* graph we present the history of employment for the City of Renton.

*The Total Budget for 2007*

	General Govmtal	Special Revenue	Debt Services	Capital Imprvmts	Enterprise	Internal Services	Fiduciary	Total
<b>Revenue</b>								
Property Tax	23,646,892		516,000					24,162,892
Sales Tax	21,198,335	180,000						21,378,335
Utility & Natural Gas	11,184,080	35,000						11,219,080
Gambling Excise Tax	2,088,680							2,088,680
Other Taxes	3,945,938			900,000				4,845,938
Fees & Permits	3,739,698			1,600,000	70,000			5,409,698
Federal and State Grants	342,114			8,850,900	226,400			9,419,414
Intergov and Interfund Revenue	5,771,447	562,500		5,991,900	673,600		73,000	13,072,447
Charges for Services	3,755,020			2,088,100	38,670,386	4,583,191		49,096,697
Other Revenues	4,684,445	1,156,499	5,000	7,077,600	17,364,661	15,194,650	175,000	45,657,855
<b>Total New Revenue</b>	<b>80,356,649</b>	<b>1,933,999</b>	<b>521,000</b>	<b>26,508,500</b>	<b>57,005,047</b>	<b>19,777,841</b>	<b>248,000</b>	<b>186,351,036</b>
Use of Prior-Year Revenue	2,235,769	245,800	0	20,005,624	2,765,952	779,314	256,176	26,288,635
<b>Total Resources</b>	<b>\$82,592,418</b>	<b>\$2,179,799</b>	<b>\$521,000</b>	<b>\$46,514,124</b>	<b>\$59,770,999</b>	<b>\$20,557,155</b>	<b>\$504,176</b>	<b>\$212,639,671</b>
<b>Expenditures</b>								
Legislative	284,284							284,284
Administrative and Judicial	3,410,626	138,900						3,549,526
Legal Services	1,197,238							1,197,238
Econ Dev, Neigh, Strgic Plng	1,594,376	255,000		350,000				2,199,376
Human Resources & Risk Mgmt	854,233					11,582,190		12,436,423
Finance and Information Svcs	1,870,378					3,643,625		5,514,003
Police	19,750,056							19,750,056
Fire	15,302,856							15,302,856
Planning/Building/Public Works	12,356,300			36,416,027	50,199,173	4,247,480		103,218,980
Community Services	15,436,255	836,321		4,892,497	1,910,516			23,075,589
Interfund Transfers	86,500	692,200		4,615,600	1,585,500			6,979,800
Other City Services	4,378,851				1,071,712	202,497	504,176	6,157,236
Debt Service	6,070,465		521,000		4,604,646			11,196,111
<b>Total Committed Expenditures</b>	<b>82,592,418</b>	<b>1,922,421</b>	<b>521,000</b>	<b>46,274,124</b>	<b>59,371,547</b>	<b>19,675,792</b>	<b>504,176</b>	<b>210,861,478</b>
Increase to Reserves	0	257,378	0	240,000	399,452	881,363	0	1,778,193
<b>Total Expenditures</b>	<b>\$82,592,418</b>	<b>\$2,179,799</b>	<b>\$521,000</b>	<b>\$46,514,124</b>	<b>\$59,770,999</b>	<b>\$20,557,155</b>	<b>\$504,176</b>	<b>\$212,639,671</b>

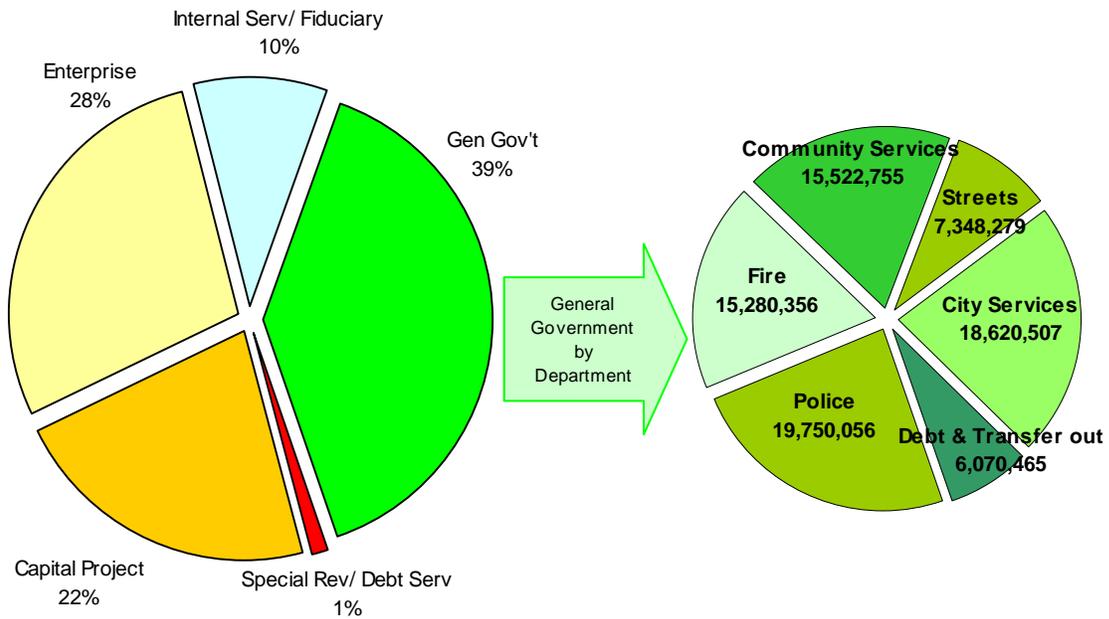
## Revenue Over Time

	2004 Actual	2005 Actual	2006 Adj Bdgt	2006 Actual	2007 Budget	Change 06/07
<b>Tax Revenues</b>						
Property Taxes	20,110,105	21,618,590	22,590,807	22,571,772	24,162,892	7.0%
Retail Sales and Use Tax	18,071,140	18,692,911	20,134,697	20,567,102	21,651,799	7.5%
Utility Taxes	8,957,389	9,585,293	9,895,036	10,513,362	10,945,616	10.6%
Real Estate Excise Tax	4,610,770	4,546,374	4,827,181	6,003,998	3,335,977	-30.9%
Gambling Excise Tax	2,117,985	2,305,120	2,305,000	2,064,544	2,088,680	-9.4%
Other Taxes	1,557,653	1,376,156	1,426,582	1,211,763	1,509,961	5.8%
<b>Total Tax Revenue</b>	<b>55,425,042</b>	<b>58,124,444</b>	<b>61,179,303</b>	<b>62,932,541</b>	<b>63,694,925</b>	<b>4.1%</b>
<b>Operating Revenue</b>						
<i>Licenses and Permits</i>						
Business Licenses and Permits	2,086,040	2,106,894	2,202,184	2,493,918	2,269,984	3.1%
Building Permits	2,252,851	2,559,224	3,118,014	2,494,211	3,109,014	-0.3%
Non-Business Licenses/Permits	45,282	47,008	30,700	59,183	30,700	0.0%
Total Licenses and Permits	4,384,173	4,713,126	5,350,898	5,047,312	5,409,698	1.1%
<i>Intergovernmental Revenue</i>						
Federal and State Grants	1,932,184	1,326,589	14,347,059	4,003,128	9,474,814	-34.0%
State Shared Revenue	1,871,333	1,939,001	2,059,500	2,082,557	2,274,951	10.5%
Intrgovl Service and Interlocal Grants	3,975,960	1,732,058	5,573,580	1,887,858	7,433,184	33.4%
Total Intergovernmental Revenue	7,779,477	4,997,648	21,980,139	7,973,543	19,182,949	-12.7%
<b>Charges for Services</b>						
Utility and Environment	32,223,826	33,449,941	34,101,649	36,080,300	36,831,900	8.0%
Recreation	3,028,333	3,016,853	3,219,880	3,200,693	3,336,986	3.6%
Plan Checking Fees	976,686	1,127,350	1,082,000	1,149,365	1,082,000	0.0%
Planning/Zoning/EIS Fees	162,251	161,387	1,147,542	240,604	969,800	-15.5%
Mitigation Fees: Transp, Fire & Parks	1,820,252	1,186,406	1,250,000	1,121,371	1,250,000	0.0%
Other Transportation	6,657	8,314	5,100	10,214	8,000	56.9%
Other Charges for Services	2,326,686	2,470,252	5,034,650	4,907,413	5,618,011	11.6%
<b>Total Charges for Services</b>	<b>40,544,691</b>	<b>41,420,503</b>	<b>45,840,821</b>	<b>46,709,960</b>	<b>49,096,697</b>	<b>7.1%</b>
<b>Total Operating Revenue</b>	<b>52,708,341</b>	<b>51,131,277</b>	<b>73,171,858</b>	<b>59,730,815</b>	<b>73,689,344</b>	<b>0.7%</b>
<b>Other Revenues</b>						
Fines and Forfeits	1,025,151	720,312	732,350	920,168	953,600	30.2%
Interest Earnings	1,296,448	2,245,773	1,548,701	3,717,868	1,901,975	22.8%
Rents/Leases/Concessions	2,786,977	2,160,295	3,041,479	2,691,441	3,163,185	4.0%
Employee Insurance Premiums	7,290,739	8,470,623	9,629,212	9,204,453	10,890,504	13.1%
Interfund Dept. Service Charges	4,341,623	4,501,598	4,183,993	3,588,741	3,308,912	-20.9%
Other Revenue	1,812,011	3,409,662	2,833,150	3,339,374	2,934,700	3.6%
Interfund Transfers	35,720,467	24,006,355	39,727,717	32,677,791	25,813,891	-35.0%
<b>Total Other Revenue</b>	<b>54,273,416</b>	<b>45,514,618</b>	<b>61,696,602</b>	<b>56,139,836</b>	<b>48,966,767</b>	<b>-20.6%</b>
<b>Total New Revenues</b>	<b>162,406,799</b>	<b>154,770,339</b>	<b>196,047,763</b>	<b>178,803,192</b>	<b>186,351,036</b>	<b>-4.9%</b>

*Expenditure Over Time*

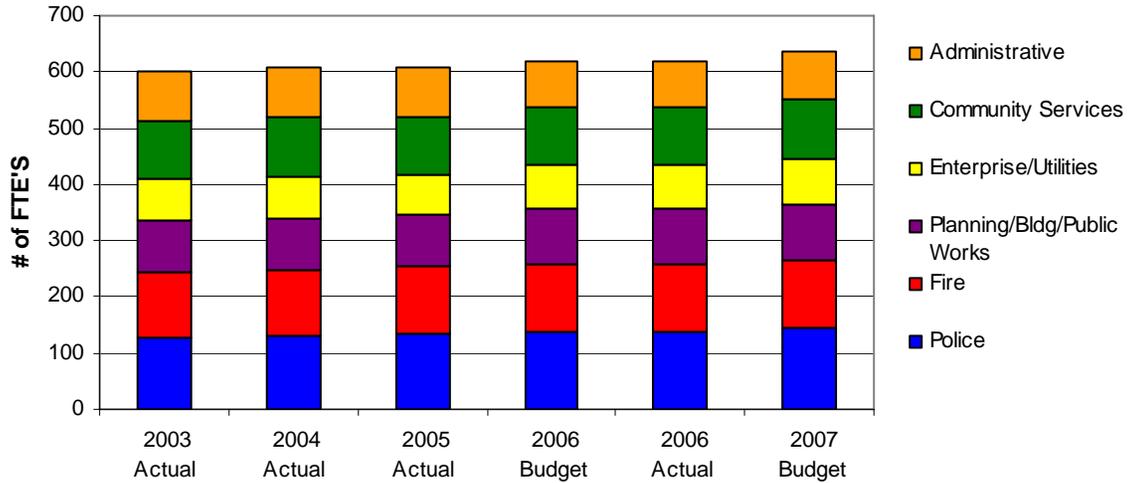
	2004 Actual	2005 Actual	2006 Adj Bdgt	2006 Actual	2007 Budget	Change 06/07
<b>Salaries and Wages</b>						
Salaries	37,510,357	40,362,460	43,738,363	42,106,727	46,000,992	5.2%
Overtime	2,085,720	2,203,460	2,296,162	2,575,565	2,315,077	0.8%
<b>Total Salaries and Wages</b>	<b>39,596,077</b>	<b>42,565,920</b>	<b>46,034,525</b>	<b>44,682,292</b>	<b>48,316,069</b>	<b>5.0%</b>
<b>Personnel Benefits</b>						
Retirement/FICA	3,664,386	4,219,852	5,083,828	4,798,082	6,249,339	22.9%
Medical and Employee Insurance	13,356,746	15,433,899	17,978,958	17,565,897	20,368,363	13.3%
<b>Total Personnel Benefits</b>	<b>17,021,132</b>	<b>19,653,751</b>	<b>23,062,786</b>	<b>22,363,979</b>	<b>26,617,702</b>	<b>15.4%</b>
<b>Supplies</b>						
<b>Operating Supplies/Equipment</b>	<b>4,384,438</b>	<b>4,196,592</b>	<b>5,678,274</b>	<b>4,779,921</b>	<b>5,492,163</b>	<b>-3.3%</b>
<b>Other Services and Charges</b>						
Professional Services	11,316,152	12,212,347	14,042,773	12,920,620	14,396,417	2.5%
Operating Rentals and Leases	2,865,104	3,220,921	3,304,700	3,233,504	3,793,214	14.8%
Property/Liability Insurance	3,278,326	3,340,173	5,161,400	3,178,942	2,710,469	-47.5%
Public Utility Services	10,312,915	11,146,412	11,353,874	11,995,911	12,540,013	10.4%
Operating Services and Charges	3,362,326	3,259,660	4,056,371	3,774,102	4,108,083	1.3%
<b>Total Other Services and Charges</b>	<b>31,134,823</b>	<b>33,179,513</b>	<b>37,919,118</b>	<b>35,103,079</b>	<b>37,548,196</b>	<b>-1.0%</b>
<b>Intergovernmental Services</b>						
<b>Total Intergovernmental Services</b>	<b>4,878,309</b>	<b>5,315,323</b>	<b>6,372,531</b>	<b>5,930,497</b>	<b>6,498,570</b>	<b>2.0%</b>
<b>Capital Outlay</b>						
Land, Buildings, and Equipment	6,310,129	4,422,731	32,654,630	14,157,847	21,920,856	-32.9%
Construction	19,956,803	16,943,313	38,607,093	12,909,379	36,652,100	-5.1%
<b>Total Capital Outlay</b>	<b>26,266,932</b>	<b>21,366,044</b>	<b>71,261,723</b>	<b>27,067,226</b>	<b>58,572,956</b>	<b>-17.8%</b>
<b>Debt Service (Principal and Interest)</b>						
Principal	3,920,294	3,924,737	4,342,645	4,348,970	4,545,871	4.7%
Interest and Related Debt Costs	3,161,138	3,475,473	3,659,481	3,829,184	4,343,975	18.7%
<b>Total Debt Service</b>	<b>7,081,432</b>	<b>7,400,210</b>	<b>8,002,126</b>	<b>8,178,154</b>	<b>8,889,846</b>	<b>11.1%</b>
<b>Interfund Payments and Transfers</b>	<b>21,710,656</b>	<b>18,720,720</b>	<b>17,022,998</b>	<b>15,784,033</b>	<b>18,925,976</b>	<b>11.2%</b>
<b>Total Committed Expenditures</b>	<b>\$152,073,799</b>	<b>\$152,398,073</b>	<b>\$215,354,081</b>	<b>\$163,889,181</b>	<b>\$210,861,478</b>	<b>-2.1%</b>

*Fund Groups*



General Government	82,592,418
Special Revenue	1,922,421
Debt Service	521,000
Capital Project	46,274,124
Enterprise: Utilities	52,885,618
Airport	3,841,464
Golf Course	2,644,465
Internal Service	19,675,792
Fiduciary	504,176
<b>Total Committed Expenditures</b>	<b>\$210,861,478</b>

*Employment History – City of Renton*



*2006 Original Budget Staffing Count 616.0 FTE's*

**2006 Staffing Changes (4.0 FTE's)**

Planning/Building/Public Works added five limited term positions  
 One limited term position ended in Enterprise/Utilities

**2007 Staffing Changes (18.0 FTE's)**

Administrative is adding one part-time and four regular positions  
 Community Services is adding one limited term and two regular positions  
 Enterprise/Utilities is adding one part-time and two regular positions  
 Planning/Building/Public Works is adding two regular positions  
 Fire is adding two regular positions  
 Police is adding four regular positions

**2007 Budget Staffing Count 638.0 FTE's**

The total authorized FTE count for the City is 638.0 regular full-time, part-time, and limited term positions. Refer to the Operating Section for additional detail.

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