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.

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.

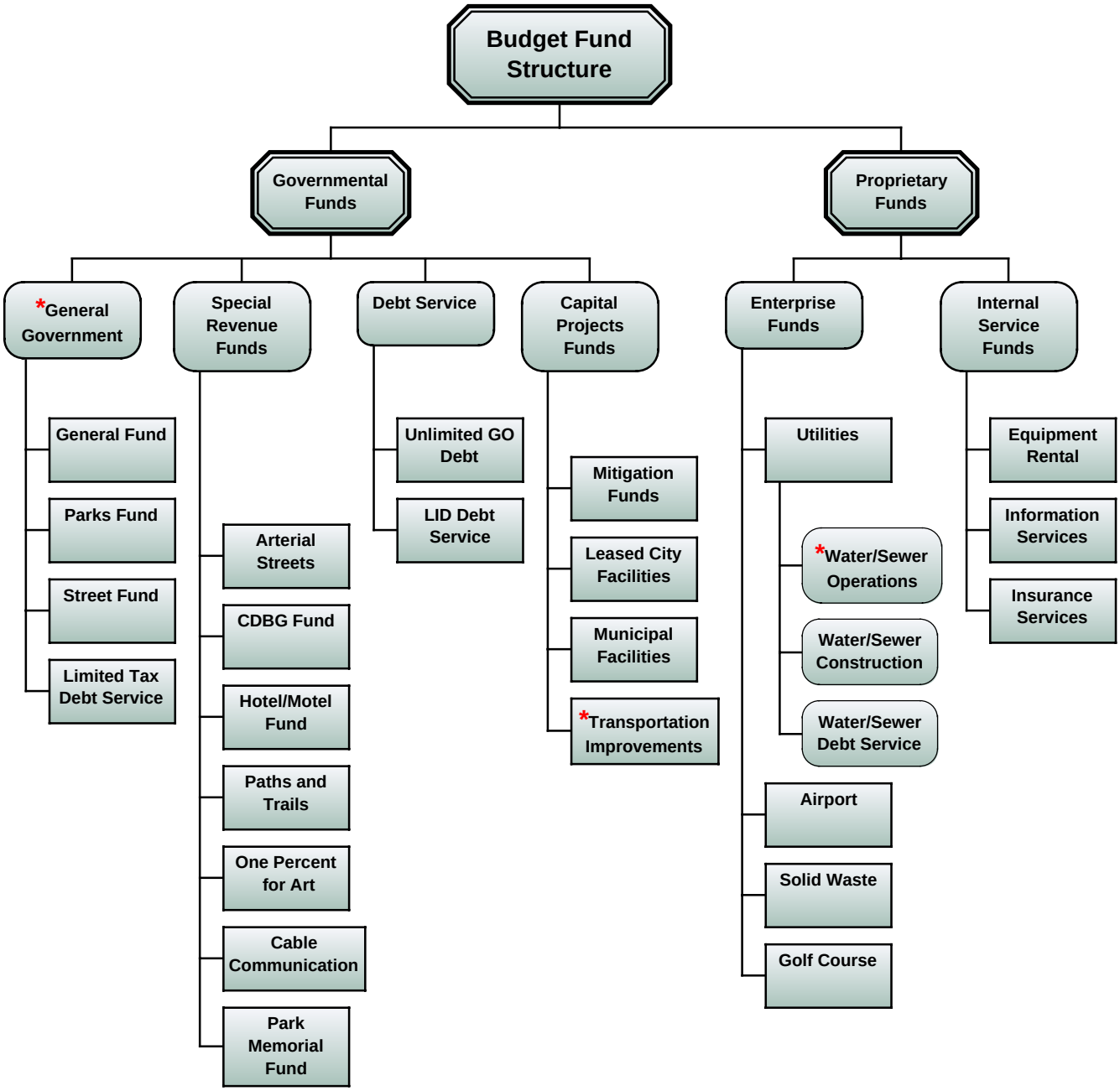
2. Modified Accrual

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.

Table 2-1. 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 adjeres to thefollowing 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 a red 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; 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

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
• Taxes	• Police protection
• Fees, licenses, and permits	• Fire protection/emergency medical services
• Fines and forfeitures	• Parks and recreation
• Intergovernmental (Federal, State)	• Municipal Court/legal services
	• Library services
	• Street maintenance/planning
	• Economic development/planning
	• Administrative functions

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
• State and Federal grants	• Economic development
• Taxes	• Cable communications
	• Street overlay
	• Art fund

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
• Property tax levies	• Payment of principal and interest on outstanding bonds
• Real estate excise tax	
• Special assessments	

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 2006-2011 City of Renton Capital Improvement Program.

Major Revenues	Primary Services
• Federal and State grants	• Capital improvement projects
• Special assessments	
• Property tax	
• Sales tax	
• Real estate excise tax	
• Impact mitigation	

Enterprise Funds

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

Major Revenues	Primary Services
• Service (user) charges	• City utilities
• Federal and State grants	• Renton Municipal Airport
• Revenue bonds	• Maplewood Golf Course
• State loans	

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.

Major Revenues	Primary Services
• Charges to other city departments	• Fleet management
• Insurance, health/property liability	• Information Services

Fiduciary Funds

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

Major Revenues	Primary Services
• Investment interest	• Fire pension fund

Please refer to the following tables and figures for specific information on the budget, fund groups, and employment history. In table 2-2, we provide details on revenue and expenditure categories.

In table 2-3, we provide sources and amounts of revenue by year from 2003 through 2006. In figure 2-1, we show the budget percentages for each fund type and the General Governmental Fund, by department. In table 2-4, we provide specifics for fund expenditures and in figure 2-2, we graphically present the history of employment for the City of Renton.

Table 2-2. The Total Budget for 2006

	General Govmtal	Special Revenue	Debt Services	Capital Imprvmts	Enterprise	Internal Services	Fiduciary	Total
Revenue								
Property Tax	22,076,707		514,100					22,590,807
Sales Tax	19,138,252	150,000						19,288,252
Utility & Natural Gas	10,075,036	35,000						10,110,036
Gambling Excise Tax	2,305,000							2,305,000
Other Taxes	2,801,582			2,000,000				4,801,582
Fees & Permits	3,421,898			1,600,000	61,000			5,082,898
Federal and State Grants	462,257			5,342,200	977,000			6,781,457
Intergov and Interfund Revenue	6,304,900	438,000		4,252,200	685,800		73,000	11,753,900
Charges for Services	3,618,600			1,250,000	35,950,929	4,005,450		44,824,979
Other Revenues	2,770,050	135,900	13,800	6,538,102	13,787,617	14,596,612	150,000	37,992,081
Total New Revenue	**72,974,282**	**758,900**	**527,900**	**20,982,502**	**51,462,346**	**18,602,062**	**223,000**	**165,530,992**
Use of Prior-Year Revenue	5,947	105,000	22,525	4,147,900	1,913,623	59,240	234,300	6,488,535
Total Resources	**$72,980,229**	**$863,900**	**$550,425**	**$25,130,402**	**$53,375,969**	**$18,661,302**	**$457,300**	**$172,019,527**
Expenditures								
Legislative	266,749							266,749
Administrative and Judicial	3,204,892	203,900						3,408,792
Legal Services	1,146,744							1,146,744
Econ Dev, Neigh, Strgic Plng	1,399,736	220,000		200,000				1,819,736
Human Resources & Risk Mgmt	626,753					11,620,808		12,247,561
Finance and Information Svcs	1,518,009					3,431,550		4,949,559
Police	17,994,591							17,994,591
Fire	14,086,994							14,086,994
Planning/Building/Public Works	11,423,050			18,283,700	42,752,935	3,069,710		75,529,395
Community Services	13,955,904			3,739,032	1,928,680			19,623,616
Interfund Transfers	272,000	440,000		2,644,200	2,888,000			6,244,200
Other City Services	4,237,207				1,139,628	323,627	457,300	6,157,762
Debt Service	2,812,600		550,425		4,666,726			8,029,751
Total Committed Expenditures	**72,945,229**	**863,900**	**550,425**	**24,866,932**	**53,375,969**	**18,445,695**	**457,300**	**171,505,450**
Increase to Reserves	35,000	0	0	263,470	0	215,607	0	514,077
Total Expenditures	**$72,980,229**	**$863,900**	**$550,425**	**$25,130,402**	**$53,375,969**	**$18,661,302**	**$457,300**	**$172,019,527**

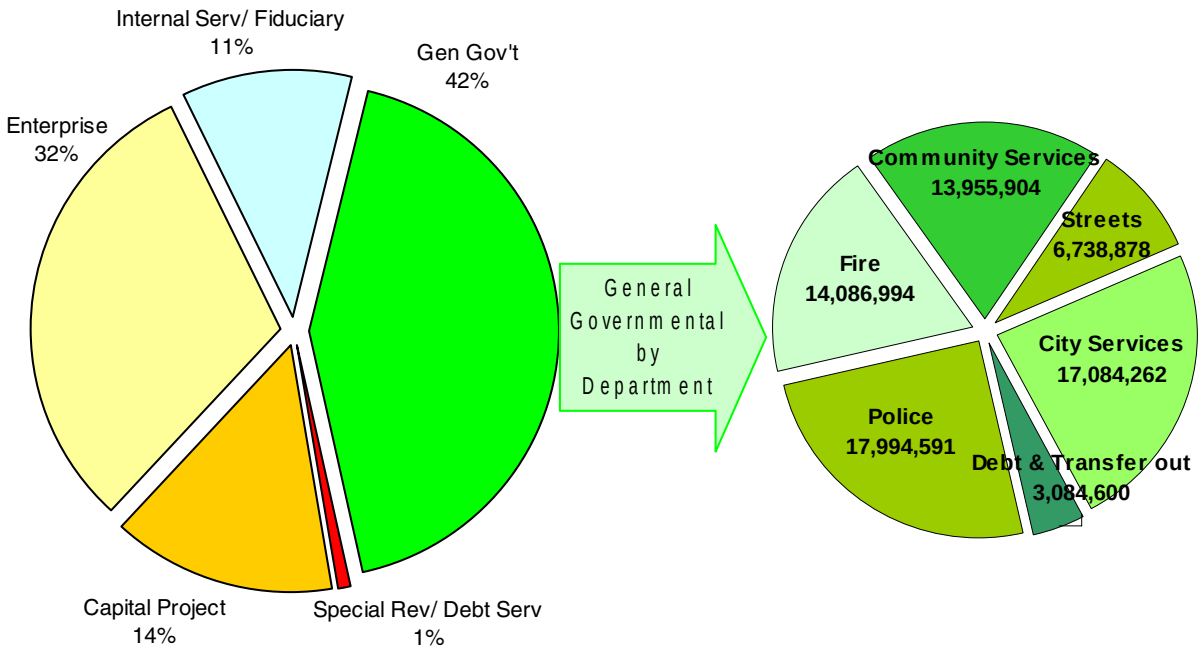
Table 2-3. Revenue Over Time

	2003 Actual	2004 Actual	2005 Adj Bdgt	2005 Actual	2006 Budget	Change 05/06
Tax Revenues						
Property Taxes	19,352,806	20,110,105	21,238,500	21,618,590	22,590,807	*6.4%*
Retail Sales and Use Tax	17,334,831	18,071,140	18,792,600	18,692,911	19,503,252	*3.8%*
Utility Taxes	8,952,000	8,957,389	9,599,800	9,585,293	9,895,036	*3.1%*
Real Estate Excise Tax	3,104,519	4,610,770	2,814,000	4,546,374	3,375,000	*19.9%*
Gambling Excise Tax	1,922,211	2,117,985	2,005,000	2,305,120	2,305,000	*15.0%*
Other Taxes	1,485,714	1,557,653	1,293,000	1,376,156	1,426,582	*10.3%*
Total Tax Revenue	**52,152,081**	**55,425,042**	**55,742,900**	**58,124,444**	**59,095,677**	***6.0%***
Operating Revenue						
Licenses and Permits						
Business Licenses and Permits	2,139,911	2,086,040	2,107,600	2,106,894	2,202,184	*4.5%*
Building Permits	2,129,296	2,252,851	1,495,800	2,559,224	2,850,014	*90.5%*
Non-Business Licenses/Permits	57,315	45,282	30,700	47,008	30,700	*0.0%*
Total Licenses and Permits	4,326,522	4,384,173	3,634,100	4,713,126	5,082,898	*39.9%*
Intergovernmental Revenue						
Federal and State Grants	4,912,009	1,932,184	3,442,870	1,326,589	6,781,457	*97.0%*
State Shared Revenue	1,758,741	1,871,333	1,960,000	1,939,001	2,059,500	*5.1%*
Intrgovl Service and Interlocal Grants	1,479,319	3,975,960	2,455,935	1,732,058	5,565,200	*126.6%*
Total Intergovernmental Revenue	8,150,069	7,779,477	7,858,805	4,997,648	14,406,157	*83.3%*
Charges for Services						
Utility and Environment	31,287,637	32,223,826	33,459,500	33,449,941	34,101,649	*1.9%*
Recreation	2,470,275	3,028,333	3,182,000	3,016,853	3,219,880	*1.2%*
Plan Checking Fees	943,892	976,686	582,000	1,127,350	1,082,000	*85.9%*
Planning/Zoning/EIS Fees	1,164,803	162,251	124,200	161,387	131,700	*6.0%*
Mitigation Fees: Transp, Fire & Parks	1,237,051	1,820,252	1,025,000	1,186,406	1,250,000	*22.0%*
Other Transportation	5,546	6,657	5,100	8,314	5,100	*0.0%*
Other Charges for Services	1,939,938	2,326,686	2,579,600	2,470,252	5,034,650	*95.2%*
Total Charges for Services	**39,049,142**	**40,544,691**	**40,957,400**	**41,420,503**	**44,824,979**	***9.4%***
Total Operating Revenue	**51,525,733**	**52,708,341**	**52,450,305**	**51,131,277**	**64,314,034**	***22.6%***
Other Revenues						
Fines and Forfeits	991,753	1,025,151	999,000	720,312	732,350	*-26.7%*
Interest Earnings	2,510,785	1,296,448	1,511,200	2,245,773	1,551,201	*2.6%*
Rents/Leases/Concessions	2,442,067	2,786,977	2,449,400	2,160,295	3,002,719	*22.6%*
Employee Insurance Premiums	6,761,998	7,290,739	8,345,900	8,470,623	9,629,212	*15.4%*
Interfund Dept. Service Charges	4,390,232	4,341,623	4,134,400	4,501,598	4,129,200	*-0.1%*
Other Revenue	2,030,385	1,812,011	1,861,025	3,005,168	2,826,400	*51.9%*
Interfund Transfers	12,773,312	35,720,467	24,616,524	24,006,355	20,250,199	*-17.7%*
Total Other Revenue	**31,900,532**	**54,273,416**	**43,917,449**	**45,110,124**	**42,121,281**	***-4.1%***
Total New Revenues	**$135,578,346**	**$162,406,799**	**$152,110,654**	**$154,365,845**	**$165,530,992**	***8.8%***

Table 2-4. Expenditure Over Time

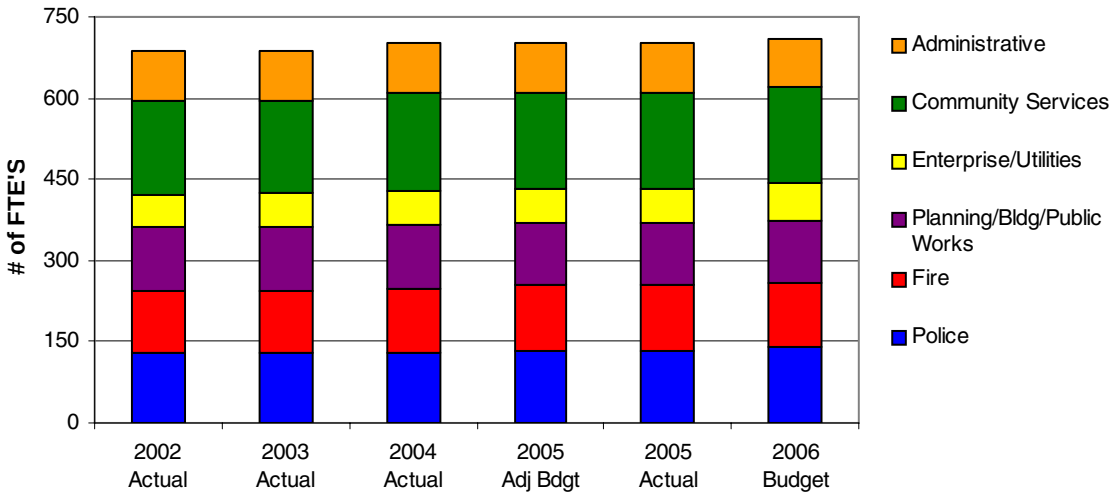
	2003 Actual	2004 Actual	2005 Adj Bdgt	2005 Actual	2006 Budget	Change 05/06
Salaries and Wages						
Salaries	37,540,681	37,510,357	41,818,500	40,362,460	43,468,636	*3.9%*
Overtime	1,952,333	2,085,720	2,082,335	2,203,460	2,092,781	*0.5%*
Total Salaries and Wages	**39,493,014**	**39,596,077**	**43,900,835**	**42,565,920**	**45,561,417**	***3.8%***
Personnel Benefits						
Retirement/FICA	3,665,760	3,549,686	4,481,800	4,105,152	4,910,890	*9.6%*
Medical and Employee Insurance	12,976,344	13,471,446	16,020,600	15,548,599	18,090,168	*12.9%*
Total Personnel Benefits	**16,642,104**	**17,021,132**	**20,502,400**	**19,653,751**	**23,001,058**	***12.2%***
Supplies						
Operating Supplies/Equipment	**3,894,536**	**4,384,438**	**5,350,995**	**4,196,592**	**5,409,673**	***1.1%***
Other Services and Charges						
Professional Services	11,698,081	11,316,152	12,938,020	12,212,347	13,306,211	*2.8%*
Operating Rentals and Leases	2,660,228	2,865,104	3,313,200	3,220,921	3,304,700	*-0.3%*
Property/Liability Insurance	3,829,319	3,278,326	4,398,300	3,340,173	3,761,400	*-14.5%*
Public Utility Services	9,432,968	10,312,915	11,188,700	11,146,412	11,292,174	*0.9%*
Operating Services and Charges	3,351,695	3,362,326	3,721,900	3,259,660	4,023,388	*8.1%*
Total Other Services and Charges	**30,972,291**	**31,134,823**	**35,560,120**	**33,179,513**	**35,687,873**	***0.4%***
Intergovernmental Services						
Total Intergovernmental Services	**4,482,436**	**4,878,309**	**5,191,500**	**5,315,323**	**5,581,581**	***7.5%***
Capital Outlay						
Land, Buildings, and Equipment	15,203,002	6,310,129	13,338,399	4,422,731	6,419,556	*-51.9%*
Construction	15,996,000	19,956,803	29,981,037	16,943,313	29,723,700	*-0.9%*
Total Capital Outlay	**31,199,002**	**26,266,932**	**43,319,436**	**21,366,044**	**36,143,256**	***-16.6%***
Debt Service (Principal and Interest)						
Principal	4,707,131	3,920,294	4,013,400	3,924,737	4,342,645	*8.2%*
Interest and Related Debt Costs	3,236,263	3,161,138	3,404,100	3,475,473	3,701,506	*8.7%*
Total Debt Service	**7,943,394**	**7,081,432**	**7,417,500**	**7,400,210**	**8,044,151**	***8.4%***
Interfund Payments and Transfers	**12,068,858**	**21,710,656**	**19,725,624**	**18,720,720**	**12,076,441**	***-38.8%***
Total Committed Expenditures	**$146,695,635**	**$152,073,799**	**$180,968,410**	**$152,398,073**	**$171,505,450**	***-5.2%***

Figure 2-1. Fund Groups



General Governmental		72,945,229
Special Revenue		863,900
Debt Service		550,425
Capital Project		24,866,932
Enterprise:	Utilities	48,287,289
	Airport	2,416,800
	Golf Course	2,671,880
Internal Service		18,445,695
Fiduciary		457,300
Total Committed Expenditures		**$171,505,450**

Figure 2-2. Employment History - City of Renton



2005 Original Budget Staffing Count - 699.1 FTE's

2005 Staffing Changes (2.0 FTE's)

Two positions added to Police to fill existing vacancies due to military commitments and temporary assignments to other public agencies

2006 Staffing Changes (8.0 FTE's)

One limited term Office Assistant III position changed to regular position in Fire

One Fire Inspector position added to Fire

Five Police Officers added to Police

One Code Enforcement Inspector reclassified to Police Officer in Police

Two water maintenance positions added to Water Utilities in Planning/ Building/ Public Works

Four positions in Finance will be directly charged to Enterprise/Utilities for direct services provided

2006 Budget Staffing Count - 709.1 FTE's

The total authorized FTE count for the City is 709.1 (regular, full-time, limited term, and part time temporary and intermittent staff)

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