I am honored to present a balanced budget for 2011-2012 that reflects the vision and priorities of our community.

Our country is continuing to struggle through the worst economic recession in history. While it's encouraging to see some slight improvement in the economy, high unemployment, housing foreclosures and an extremely tight lending market are providing little relief to our businesses or residents. However, our city remains in solid financial shape despite this recession.

This is the first biennial budget for our city. Planning for two years saves a lot of staff time and resources and also allows us to plan better for the near future.

Also for the first time, the city established a community budget advisory group and developed this budget to reflect community values and align city priorities with those of the community.

The total proposed two-year budget for 2011 and 2012 is $445 million, of which $198 million is the General Government fund that is used for police, fire and emergency services, parks, street repair, and other basics required to run a city.

In preparing this budget, our preliminary projections indicated that maintaining current levels of services in General Government Operations would result in a deficit of $2 million in this budget period. We have made the necessary adjustments to bring our expenditures in line with our revenue projections through the next biennium.

We are forced to eliminate some positions in order to balance this budget. These are hard decisions to make since we value each one of our employees and cannot say enough about the contributions they make every day to the public they serve. We also made additional cost reductions to reduce our overall expenditures.

We continue to focus on our core services and community priorities.

Our primary responsibility is in public safety. This includes our Police Department and Fire and Emergency Services, and the services provided by these two departments will continue to be our top priority.

As the community budget advisors noted, we need to have well maintained streets, focus on infrastructure and transportation, and maintain basic utility services. We plan to implement some of the recommendations of the advisory group including reducing some administrative support functions.

We will continue efforts to evaluate the way we do business. We will continue to right-size the structure of government.

We will continue to engage our employees to find new innovative and effective ways of serving our citizens.

We need to continue to practice fiscal responsibility and reduce our debt.

And we will continue to work with our labor groups to find sustainable ways of managing our labor costs in order for us to continue to provide quality services to our citizens with fewer dollars.

These are clearly transformational times for our city. This budget is based on the premise that while we are facing exceptionally difficult times, we must continue to forge ahead with our vision for this community.

Next month, voters in the Fairwood area will determine whether or not to annex to Renton. If they choose to annex, Renton will be a city of nearly 114,000 residents. We have prepared a plan that will allow us to provide city-levels of service to Fairwood with a revenue plan that supports all of the staffing and other costs associated with the annexation.

I want to thank each of our administrators and all those employees whose hard work and collaboration helped us through this budget process.

I also want to thank each of the council-members, for their advice and guidance as we have worked on this challenging budget.

And I’d like to extend a very special thanks to the Community Budget Advisory Group for volunteering their valuable time and thoughtful discussions. Their advice helped shape this budget and encouraged us to continue to work towards a sustainable, long-term plan that is customer-focused and reflects the priorities of our community.

A strong foundation set many years ago has positioned Renton well as the economy improves. This strong foundation, combined with our commitment to doing business more effectively and efficiently, will allow Renton to be strong and stable now and into the future.

— Mayor Denis Law

For a complete copy of the Mayor’s budget speech, go to rentonwa.gov

For more information visit the city’s website at rentonwa.gov.
2010 ACCOMPLISHMENTS

PUBLIC SAFETY:
• Enhanced safety on our trails and parks; captured and expelled 20 offenders from our city parks
• Proactive efforts from our Special Operations Division have successfully targeted and arrested several individuals responsible for many crimes including burglaries, thefts, vehicle prowls, and identity theft
• Utilizing innovative crime analysis to proactively apprehend repeat offenders, and get them longer prison sentences
• Successfully lobbied for $44 million of federal funds for interim repairs to Howard Hanson Dam; planned and prepared for Green River potential flooding

Our Community:
• Established new library board and are working with KCLS to ensure the highest quality library services for our citizens; coordinating plans for the future of our library buildings
• Partnerships, volunteers and the dedication of our local organizations and businesses resulted in significant contributions to our community
• Over 4,000 volunteers contributed over 60,000 hours of service to the Renton community valued at $1.2 million a year
• Record attendance at the Farmers Market and our festivals and events
• Strengthened and expanded the Neighborhood Program, which now serves 63 neighborhoods, hosted 23 picnics and served 5,300 people

STREETS, TRANSPORTATION AND INFRASTRUCTURE:
• Renton’s streets are among the best maintained in the region; implemented significant improvements to city sidewalks
• Investing $40 million in the Rainier Ave improvements projects to add new lanes, improve the traffic flow, make it pedestrian-friendly and enhance safety

ECONOMIC DEVELOPMENT AND PLANNING:
• The Boeing Company continues to have a pivotal place in Renton—signed a historic lease renewal agreement with Boeing for a 20-year lease for the Renton Municipal Airport
• Private investors purchased 21 acres of land south of The Landing for significant future redevelopment
• Double-digit growth for stores and restaurants at The Landing with several new openings expected in the next few months
• Fairfield Residential at The Landing and Harrington Square apartments in the Highlands report high lease and occupancy rates
• Several new businesses in downtown, Cascade Village, Renton Village, Southport and the Highlands
• Celebrated several ribbon-cuttings including Valley Medical’s Level III trauma center, Waterways Cruises, stores and restaurants at The Landing, and various businesses in downtown Renton
• Compass Regional Veteran’s Center just opened their 60,000 square foot complex in downtown Renton with affordable veteran housing and retail space
• Seahawks training camp brought 22,000 visitors to Renton
• Launched several major plans including the City Center Plan, Sunset Area Revitalization Plan, Renton History Museum Plan, Arts & Culture Master Plan, and Trails and Bicycles Plan
For most residents, a city’s budget is not that interesting and even if they are interested to learn more, they soon find it is not presented in a way for them to understand or how that translates into the services they receive. It is our hope that this pamphlet makes Renton’s budget a bit more understandable and answers some common questions you may have. If you are interested in learning more about the City’s budget and financial information, go to www.Rentonwa.Gov/ITS and select Budget and Finance.

WHAT DOES THE CITY DO FOR ME AND HOW MUCH DO THEY COST?

Under the state governance system, local governments provide most day-to-day services needed within a community and paid primarily by the local taxpayers. This table summarizes the City’s 2011 budget of $224 million (approximately half of the 2-year budget) by service area. The total budget for the year includes interfund transfers and transactions. If we exclude interfund transactions, the net budget for the City is $191 million for the year. This is roughly $2,215 per resident per year, or $6 per day for all the services the City provides.

Safety and Health – 30% of the resources are dedicated to make the City a safe and healthy community. Services provided include police and fire protection, emergency preparedness, code enforcement, building permits and inspections, criminal prosecution, and probation monitoring activities; also included are services that provide basic safety-net to the most vulnerable members of our community such as human services and housing repair programs. Overall safety and health services cost $665 per person per year, or roughly $1.82 a day.

Representative Government – At 3.3% of the total or 20¢ per day, these services will engage the community in policy development and provide access to fair individual representation in the community so that our City is more responsible and responsive to our residents and businesses. Services in this area include legislative functions, municipal court operations, overall city administration, administrative hearings of land use and other matters. It also includes services designed to engage the community such as volunteers, boards, and commissions. Also in this area are efforts to insure Renton’s interest is represented at the county, state, and federal levels and maximize the leverage of city resources with external funding.
Livable Community – These are services, programs, and amenities that make Renton a place where people want to live, learn, work, play, and visit. They include parks and recreation programs, economic development, long range planning, and neighborhood development functions. Also included in the 2011/2012 budget is the capital funding to develop two new libraries. The combined total service cost is $330 per person per year, or 90¢ a day. The cost is about half or $160 a year or 44¢ a day without capital investments.

Mobility – Provides services to plan, construct, and maintain systems such as roadways, sidewalks, trails, paths, and related components, to enable residents, visitors, employees, as well as freight and commercial transportation activities to move in, around, and through the City efficiently and safely. These include maintaining and improving smooth and safe sidewalks, trails, roadways, bridges, signs, signals, and programs that encourage and facilitate the reduction of commute trips. The majority of the cost is in capital improvements, for a total of $281 a year or 74¢ per day. The operating cost without capital is $113 per year or 31¢ per day.

Utilities and Environment – These are services and open spaces that protect our environment and provide reliable, affordable utility services. They include water, sewer, storm drainage, and garbage utilities, and the City’s golf course, open spaces, and other natural resources. Nearly all services in this category are supported by service fees or rate revenues. Overall these services and associated capital costs total $747 a year or a little over $2 per day. Capital costs represent nearly 20% of the total.

Internal Support – These are services that provide City departments with the means to operate efficiently and effectively in a safe and sustainable manner. Many of the internal support functions such as vehicles, equipment, facilities, insurance, and benefits, are integral to the direct service deliveries. These operations and costs are centralized and allocated to the direct service departments. Services not included in direct service costs are financial services, human resource management, legal services, and retiree benefits required by state law, and general governmental debt service payments. These services represent 5.4% of the total resources or about 33¢ a day.

HOW THESE SERVICES ARE PAID FOR?

General governmental services such as those in the safety and health, representative government, livable community, mobility, and internal support categories are primarily supported with taxes generated locally. The utility services are primarily supported by user fees (“charges for services”). The chart and table below shows the composition of resources providing for all the services delivered by the City.

![Revenue Sources Chart]

<table>
<thead>
<tr>
<th>Revenue Sources</th>
<th>2011 Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Tax</td>
<td>32,046,525</td>
</tr>
<tr>
<td>Sales Tax</td>
<td>21,683,285</td>
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<tr>
<td>Utility Tax</td>
<td>16,337,850</td>
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<tr>
<td>Other Taxes</td>
<td>5,684,671</td>
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<tr>
<td>Licenses &amp; Permits</td>
<td>4,389,033</td>
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<td>Grants</td>
<td>7,614,479</td>
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<tr>
<td>Intergovernmental Services</td>
<td>11,802,136</td>
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<td>Charges for Services</td>
<td>66,271,251</td>
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<tr>
<td>Miscellaneous</td>
<td>10,209,544</td>
</tr>
<tr>
<td>Bond Proceeds</td>
<td>10,000,000</td>
</tr>
<tr>
<td><strong>Subtotal Revenue &amp; Other Sources</strong></td>
<td><strong>186,038,774</strong></td>
</tr>
<tr>
<td>Interfund Services &amp; Transfers</td>
<td>33,539,854</td>
</tr>
<tr>
<td><strong>Total Budgeted Resources</strong></td>
<td><strong>219,578,628</strong></td>
</tr>
</tbody>
</table>
WHERE YOUR TAX DOLLAR GOES?

Not all the taxes you pay or generate locally come to the City. Actually the City only receives less than a quarter of each property tax dollar and a dime on each sales tax dollar you pay.

Property Tax Distribution
Property tax is the largest general governmental revenue source and is used for general governmental operations. Of the $137 million property taxes that will be paid by Renton property owners in 2011, $32 million was available for provision of city services. This means for each dollar of property tax paid, the City receives 23.3¢. The remainder of the property taxes goes to other government entities that provide other local and regional services.

Sales Tax Distribution
Of the roughly $210 million sales taxes generated by local economy, the City is receiving $19.9 million, including around $2.1 million for the 10-year temporary credit for the Benson Hill Annexation. The City also receives approximately $1.7 million a year from the Countywide Criminal Justice Sales Tax. The balance of the sales tax goes to other government entities.

The largest portion of Renton’s sales taxes is from local retail, which represents 35% of the tax revenue. Service industry represents 22%, auto sales 18%, and contracting/construction 13% of the total. Sales tax is a more volatile revenue source which provides funding for over 20% of our general governmental services. We have seen the tax revenue decline by 18% over the past two years, which contributed to the City’s service reductions.

HOW DOES RENTON’S UTILITY SERVICE COSTS COMPARE WITH OTHERS?

2011 Utility Rates
The City provides water, wastewater, and surface water services directly and contracts for garbage collection. Metro of King County provides sewerage treatment services to most cities in King County and is a pass-through charge shown on the City’s utility bills. The City’s utility rates provide both the maintenance and operation of these utilities as well as necessary replacements and enhancements for the infrastructure that enables the continued service in our community. Due to the need to replace and maintain the aging infrastructure, some are as old as the city -- over 100 years old now, and the increasing regulatory requirements that triggered higher general operating costs, necessitated rate adjustments in 2011 and 2012. Even with the proposed rate increases, the combined 2011 utility rate for Renton compares favorably with our neighboring cities.
ABOUT THE CITY OF RENTON:

DATE OF INCORPORATION: September 6, 1901
LAND AREA: 23.79 Sq. Miles
POPULATION: Official 2010 Census: 90,927
ASSESSED VALUATION: (Preliminary 2011) $11.5Billion
ELECTIONS: Registered Voters (2008): 42,167

LICENSES & PERMITS: (2009)
- Business Licenses (includes all businesses): 3,873
- Employees working within Renton: 43,946
- Amusement Device (average): 92
- Animal Licenses (Dog and Cat): 2,833

FIRE & ES PROTECTION:
- Number of Commissioned Fire & ES Personnel: 136
- Number of Non-Commissioned Personnel: 16
- Total Number of Fire & ES Personnel: 152
- Number of Fire Stations (includes FD #25 and #40): 6
- Life Support Responses (2009): 9,690
- All Other Responses (2009): 3,150
- Total Number of Responses (2009): 12,840

POLICE PROTECTION:
- Number of Commissioned: 123
- Number of Non-Commissioned: 44.4
- Total Number of Dept Personnel: 167.4
- Number of Calls for Service (2009): 78,272

PARKS & RECREATION:
- Total Parks and Open Space Acreage: 1,183
- Number of Developed Parks and Playgrounds: 30

STREET:
- State Routes: 20.6
- City Arterials: 65.43
- Local Access Streets: 177.75
- TOTAL STREET MILES: 263.78
- Alleys: 11.10
- Number of signalized intersections (2009): 122

WATER UTILITY (2009):
- Total Water Customers: 17,269
- Gallons of Water Produced: 2,768,570,000
- Number of Fire Hydrants: 3,640
- Miles of Water Main: 308

WASTEWATER UTILITY (2009):
- Total Wastewater Customers: 16,590
- Miles of Gravity Sewer and Force Main: 215.69

STORM WATER UTILITY (2009):
- Number of Accounts: 22,061
- Miles of Storm Water: 273.14

SOLID WASTE UTILITY (2009): (Contracted Services)
- Total Accounts: 20,481