City of Kenmore

City of Kenmore - 18120 68th Avenue NE - Kenmore, WA 98028
Phone: 425-398-8900 - E-mail: cityhall@kenmorewa.gov

City of Kenmore
City Council Budget Retreat
Special City Council Meeting
5:30 p.m., September 10, 2020 via Zoom

Please click the link below or copy and put this in the URL to join the webinar:
https://us02web.zoom.us/j/87948259244
Or iPhone one-tap :
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Dial(for higher quality, dial a number based on your current location):
US: +1 312 626 6799 or +1 646 558 8656 or +1 301 715 8592 or +1 346 248 7799 or +1 669 900 9128 or +1 253 215 8782
Webinar ID: 879 4825 9244
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If you have any questions or to confirm agenda items prior to the meeting, or if you require special accommodations, please call the City Clerk at 425-398-8900. Council agendas are also available on our website at www.kenmorewa.gov.

I. 5:30 p.m. - CALL BUDGET RETREAT TO ORDER

II. ROLL CALL

III. FLAG SALUTE

IV. AGENDA APPROVAL

V. BUDGET RETREAT AGENDA

A.
Agenda Item

VI. RETREAT DOCUMENTS

A.
Council Priorities 2020-2021, Adopted April 13, 2020
Council Priorities and Workplan Update from the September, 2020 Budget Retreat
Priority Based Budgeting: Results of Government
Balancing Act - Community Engagement Report
Charter for City Financial Sustainability Plan Task Force (CFSPTF)

Management Partners Fiscal Sustainability Plan - Budget Strategies Analyses and Scenario Packages for Consideration
Task Force Report and Recommendations, September 4, 2020
Budget Calendar 2021-2022

VII. ADJOURNMENT

Upcoming Meetings:

A. Monday, September 14, 2020 - Council Meeting
Monday, September 21, 2020 - Council Meeting
Monday, September 28, 2020 - Council Meeting

CITY OF KENMORE CITY COUNCIL

BUDGET RETREAT

Thursday, 10 September 2020, 5:30 – 9:30 p.m. (approximate end time; may go later or end sooner)

AGENDA

THE MEETING'S PRIMARY GOALS:

1. Reach agreement on whether or not to add two proposed goals to the Council's Priorities 2020-'21.

2. Update the Council about the Kenmore Financial Sustainability Plan process, listen to the Financial Sustainability Task Force's recommendations for a balanced financial plan for the City, and hear the Council's reactions, suggestions, and further direction.

3. Identify the next steps in the 2021-'22 Biennium Budget process.

NOTE: In light of the King County Public Health Department's recommendations, this meeting will be held via video conferencing. It will be video streamed live, and the public is welcome to participate via Zoom. The time estimates below are estimates and may change.

5:30 Welcome and Introductions
MAYOR DAVID BAKER

5:35 Review Agenda and Ground Rules
FACILITATOR JIM REID

5:40 Public Comments

- Ground rules for public comment:

  1. Members of the community may speak for three minutes or less; and
  2. Comments must be focused on the topics being discussed by the Council this evening.

5:50 Review City Council Priorities
JIM REID/CITY COUNCIL

- What progress have we made to date this year on advancing the Council's Priorities 2020-'21?
- A suggestion has been made to add two priorities, Pandemic Response and Diversity, Equity, and Inclusion (DEI). What is the Council's position?

- If either one or both are added, where do they rank among the current eleven priorities?

6:35 Review Priority Based Budgeting: Results of Government
FINANCE DIRECTOR JOANNE GREGORY

- What progress have we made in applying Priority Based Budgeting (PBB)?
- What are the findings from the PBB Results of Government?
  ATTACHMENT: See link on the special meeting agenda

6:55 Break

7:00 Update on the Financial Sustainability Plan Process

- Overview of the Process to Date
  ROB

- Review the Definition of the Problem, Updated with Pandemic's Impacts
  STEVE TOLER, MANAGEMENT PARTNERS

- Management Partners' Methodology and Strategies
  STEVE

  ATTACHMENTS: See links on the special meeting agenda

- Balancing Act: Results of Community Input
  JOANNE

- The Financial Sustainability Task Force's Recommendations
  TASK FORCE MEMBERS JEFF POOLEY AND ELISABETH SPRING

  ATTACHMENTS: a) The Task Force's 3 September 2020 Report and Recommendations to the City Manager and City Council; b) The Task Force's Decision-Making Matrix (See links on special meeting agenda)

- What are the Council's reactions, comments, and suggestions?
  JIM REID/COUNCIL MEMBERS

8:45 Next Steps in the Biennium Budget Process
ROB/COUNCIL MEMBERS

- What are the key steps and timelines during the process of developing and adopting the 2021-'22 Biennium Budget?
- How will the Kenmore Financial Sustainability Plan be integrated into the process?

V. A.

- Does the Council have any further direction pertaining to the budget and budgeting process?

See link to the budget calendar on the special meeting agenda

9:20 Final Thoughts and Reflections on Tonight's Meeting
COUNCIL MEMBERS/ROB/JOANNE

9:30 Adjourn

V. A.

City of Kenmore
Washington

2020 -2021
City Council Priorities

1. Focus on and emphasize multimodal transportation safety in the City of Kenmore with a specific focus on pedestrian, bicycle, and other means of travel.
   - Implement the Sidewalk Plan
   - Target Zero
2. Increase and preserve the options for affordable housing stock.
3. Develop a Kenmore Climate and Environment Action Plan including water, air, forest, and habitat restoration.
4. Implement the Walkways and Waterways projects.
5. Create and implement a Financial Stability Plan.
6. Support Bus Rapid Transit on 522.
7. Implement the Economic Development Plan, with an emphasis on the following key points:
   - Advance Public's Access to Water
   - Create a vibrant walkable downtown
   - Attract new businesses and support existing businesses
   - Promote the Image of Kenmore
8. Foster and create a welcoming, diverse, affirming community celebrating culture and fun.
9. Engage and educate the community on growth and development in Kenmore.
10. Continue to implement a Parks Capital Improvement Plan.
11. Continue to seek opportunities to complete a successful Lakepointe Project.

City of Kenmore, Washington

Date: September 3, 2020

To: Kenmore City Council
From: Rob Karlinsey, City Manager

Re: Budget Retreat – Council Priorities and Workplan Update

The preparation of the 2021-2022 biennium budget is well underway, and we look forward to the City Council budget retreat on Thursday, September 10th at 5:30 pm. This memo provides an update on progress toward City Council priorities as well as a couple of new workload items that unexpectedly materialized this year. (Can you guess what they might be?)

Responding to the Pandemic

Unfortunately, the pandemic continues to persist and put a strain and stress on so many aspects of our lives and society. There is still much suffering, both from the COVID-19 illness itself and the resulting economic and emotional impacts. Responding to the pandemic continues to be a significant workload item, especially for several of my city coworkers.

As of this writing, King County Public Health reports that nine Kenmore residents have died from COVID-19. No COVID-19 deaths of Kenmore residents have occurred since July 13. Hospitalized cases are way down for Kenmore compared to March, as are positive cases. I attribute these reductions to the guidance and work at the state and county levels, but also to the efforts of our Kenmore residents to be safe and take precautions such as wearing masks. Kenmore was early in coming out with a public directive to wear masks, and we have been aggressive in our communications and education efforts to help slow the spread.

As the pandemic was unfolding, we created a plan of action with a purpose statement and objectives:

> Lead and support employees and the community through the social, mental, health and economic impacts of the pandemic.

Objectives in Responding to the Pandemic:

1. Help slow the spread of the virus in our community
2. Maintain essential city services
3. Keep city employees safe

4. Communicate like crazy
5. Respond to budget impacts
6. Look after each other
7. Develop a recovery plan

Early in the pandemic we predicted significant drops in certain revenues such as sales tax, permit fees, gas tax, and other sources. Our organization mobilized quickly to identify discretionary and operational cuts in this year's budget. Combined, we cut just over $1 million from the remaining eight months of the year, and some of those cuts will be and have been noticed by the public. See memo outlining these impacts and budget cuts presented at the April 27 City Council meeting.

That said, I've been extremely pleased with my coworkers' ability to keep most city services up and running while working from home and taking extra safety precautions in the field. No Kenmore city employees have tested positive for COVID-19, and our organization continues to err on the safe side in preventing the spread.

Also as of this writing, we are still in Phase II of the Governor's Safe Start Washington phased reopening of businesses and services, and we are following the plan we presented to you earlier this year. In phase II, City Hall and the Senior Center remain closed. City parks are open, and the Hangar is opened at limited capacity in compliance with state guidelines. Even though City Hall is closed, we are answering the main phone line Monday through Thursday from 10 am to noon. Office employees are encouraged to work from home as much as possible, and field employees continue to work with precautions in special procedures in place.

When phase III begins, we will be ready to open City Hall to the public on a limited basis and allow a few employees at a time to work in the office. Ballfield rentals and other recreation programs should open up a bit more in phase III.

The pandemic continues to be a major workload item because of the tasks we are performing to order supplies, channel federal funding to human service providers, track expenses, apply for federal reimbursements, and constantly adjust operations. The federally funded business grants have also been a significant effort in managing the application process, processing contracts, and documenting the transactions and funding.

Our pre-pandemic workload has not gone away, and yet it is more difficult to perform in many instances. For example, processing and reviewing plans and permits is much slower and more cumbersome for my coworkers who are working from home. Surprisingly and happily, demand for permits and the corresponding permit revenue is still strong—still less compared to year-to-date last year, but not as down as we thought it would be.

Systemic Racism

This spring and summer we saw major upheaval and public outcry in the wake of the murder of George Floyd, and the Kenmore City Council showed leadership in directing us to reexamine our lens through which we see things and what part we and our institutions play in contributing to systemic racism. The Council-led listening sessions and Council discussion with our chief of police and King County Sheriff Johanknecht was a first step in a much longer journey toward better equity and inclusion in Kenmore. The report on the Obama Foundation Mayor's Pledge – Police Use of Force will be presented at the September 14 City Council meeting.

Furthermore, we will begin the process of creating a Diversity, Equity, and Inclusion policy and program for Kenmore that will be aimed at eliminating racism and improving equity and inclusion for black, indigenous, and people of color and other people that are marginalized, excluded, and experience discrimination. We will seek further City Council direction on this at the September 14 City Council meeting.

Progress Toward City Council Priorities

Last January, the City Council created its list of top priorities for the City. Since then two significant developments emerged as major priorities for the City: 1) responding to the pandemic, and 2) responding to the public outcry against systemic racism. The City Council may wish to consider adding one or both of these priorities to the official list of Council priorities. Or you may wish to move up and/or re-word priority #8. Meanwhile, progress toward the top five priorities that were established in January is described below.

1. Target Zero – Pedestrian and Bicycle Safety

Local Road Safety Plan. We continue to implement the data-driven Local Road Safety Plan. We are in the process of designing two projects that received Highway Safety Improvement Program (HSIP) funding:

- *New radar feedback signs along 73rd Ave NE, 80th Ave NE, NE 192nd St, Simonds Rd*
- *25 New street lights throughout the City*

Sidewalks. We continue to apply for sidewalk grants as they become available. This year, applications for the WSDOT Safe Routes to Schools and the Pedestrian/Bicycle grants were submitted for:

- Arrowhead Drive: New sidewalk from NE 151st St to 64th Ave NE
- 81st Ave NE: Closing the sidewalk gap south of Moorlands Elementary
- 61st Ave NE: Sidewalk replacement from NE 190th St to 62nd Ave NE
- NE 192nd St: New sidewalk from 75th Ave NE to existing sidewalk west of 75th Ave.

We also applied for First Mile/Last Mile sidewalk grant funds on NE 155th Pl at 78th Ave and 76th Ave but we unfortunately did not received any funding.

Bike Lanes. We also applied for Pedestrian/Bicycle grants for bike lane striping along NE 175th St from 68th Ave NE to 65th Ave NE to connect the future bike lanes on 68th Ave NE to the Burke Gilman Trail

Simonds Overlay/Restripe. When Simonds overlay was completed this summer, the design for the striping reclaimed some of the road's existing real estate for peds and bikes. In other words, Simonds Road experienced more road diet—the road was originally overbuilt for cars with more lanes and right turn off ramps than were necessary. Simonds Road (at least the Kenmore portion) is now one lane in each direction, creating new room for buffered bike lanes.

West Samm Bridge. Construction is underway, and we very much look forward to the two-way ped/bike promenade that will be part of the new bridge.

Traffic Data Collection: We are continuing with our Annual Counts Program. This program allows us to stay on top of the traffic conditions within the City, monitor trends, and alert us to potential concerns that we can address before they become a problem.

2. Affordable Housing

Mobile Home Park Preservation. The April 2019 ordinance (Ordinance 19-0481) preserved the six mobile home parks and existing affordable housing stock. Preserving existing affordable housing is a Tier 1 regulatory approach in the adopted 2016 Affordable Housing Strategy. Council direction for Phase 2 of the project was to establish regulations for the four parks north of SR522, limiting the preservation of those parks to 10 years and the allowing redevelopment at higher densities but including an affordable housing component. Phase 2 is on hold pending outcome of an appeal being challenged in the courts. The City is defending this ordinance.

Accessory Dwelling Units. After much input from the community and much work by the Planning Commission and the City Council, the ordinance allowing more flexibility and opportunities for residential accessory dwelling units will be considered by the City Council for adoption on September 14. This ordinance will create another tool for affordable housing and for providing more housing choices in Kenmore. Strategies for Accessory Dwelling Units are also a Tier 1 regulatory approach for affordable housing in the adopted 2016 Affordable Housing Strategy.

Missing Middle. At the January 2019 Council retreat, Council expressed interest in learning more about smaller housing types such as cottage housing, duplexes or triplexes that support affordable housing goals and provide flexibility in single-family neighborhoods i.e. "missing middle" housing. The City hosted a developer panel October 2019 on the missing middle housing topic. The Planning Commission is expected to

begin the process of considering potential changes in our zoning regulations, that will allow for more housing stock in the "missing middle," providing more choice and potentially more affordable housing in single-family neighborhoods. Public outreach is an important component of this project. Encouraging infill, increased capacity and housing diversity is a Tier 2 regulatory strategy in the 2016 Affordable Housing Strategy.

Multi-Family Tax Exemption (MFTE). April 2019, Council adopted Ordinance 19-0479 designating the transit-oriented development (TOD) district overlay as a residential target area, eligible to apply for MFTE. MFTE is an incentive to encourage development of multi-family and affordable housing, by providing an 8-year exemption or 12-year property tax exemption if affordable housing is included. Encouraging layering incentives to create greater affordability and density is a Tier 1 regulatory approach for affordable housing in the 2016 Affordable Housing Strategy.

Rent Notification Regulations. Council adopted Ordinance 19-0484 in May 2019 with an effective date of September 1st, 2019. The ordinance requires landlords to give tenants a 90-day notice when their rent is being increased by more than 10% over the course of a year. State law calls for a 60 day notice regardless of the amount of rent increase. Rent notification regulations are not a specific strategy in the Affordable Housing Strategy. However, promoting and supporting regional and statewide initiatives is a broad category in the strategy.

Local Sales Tax for Affordable Housing. Council adopted Resolution 19-326 and Ordinance 19-0496 September 2019 in accordance with HB1406 allowing retention of 0.0073% of the state sales tax for affordable housing for a twenty-year period. The Department of Revenue noted an effective date of November 1st, 2019 and calculated a maximum capacity of $22,466.15 per year. Receipts will be pooled to ARCH. Providing local funding assistance for affordable housing is a Tier 1 direct assistance strategy in the affordable housing strategy.

Re-Use of Tax-Exempt or Publicly-Owned Sites for Affordable Housing. Development Services staff have been working with a church property on options for provision of affordable housing on their property. Sound Transit are evaluating the King County Metro park & ride site on SR522 for locating a future parking garage to support the ST3 transit initiative and city staff are encouraging inclusion of housing as a project component. Allowing flexible re-use of tax-exempt or publicly-owned sites through a special process to increase housing supply and enable more diverse forms of housing, if linked to providing some affordable housing is a Tier 1 regulatory approach in the Affordable Housing Strategy to support infill/increased capacity and housing diversity This strategy also notes the possible opportunity at the park and ride property. The Planning Commission are currently working on this topic and will bring forward a recommendation for Council consideration in the fall.

Annual Dashboard on Housing. At the January 2019 Council retreat, Council requested an annual dashboard on housing. To avoid duplication Staff were anticipating being able to use the housing dashboard prepared by the King County Housing Interjurisdictional Team (HIJT), who were also coordinating with ARCH. The HIJT initial estimate for completing the dashboard was year-end 2019 but the project was delayed in 2019 and delayed further in 2020 due to the pandemic. HIJT have gathered data from jurisdictions and other housing partners. Collaborating with other local governments on regional housing strategies is a Tier 1 approach in the Affordable Housing Strategy.

State Legislation. Staff reviewed many legislative drafts including significant review on HB1923 relating to increasing residential building capacity and HB 1406 on sales tax for affordable housing. Considering regional and statewide initiatives is a broad category in the Affordable Housing Strategy.

Housing Interjurisdictional Team (HIJT). Lauri Anderson, Principal Planner is a staff member of the HIJT (Housing Interjurisdictional Team) supporting work of the Countywide Affordable Housing Committee. Collaborating with other local governments on regional housing strategies is a Tier 1 approach in the Affordable Housing Strategy.

ARCH Membership. Kenmore continues to be one of the eastside cities to participate as a member for A Regional Coalition for Housing (ARCH). Kenmore pays an annual membership due as well as a capital contribution toward helping build new affordable housing units in the region. ARCH incentivizes affordable housing through subsidies and other tools. From ARCH's website: "ARCH assists member governments in developing housing policies, strategies, programs, and development regulations; coordinates the cities' financial support to groups creating affordable housing for low– and moderate-income households; and assists people looking for affordable rental and ownership housing." Our Assistant City Manager services on the governing board of ARCH, and ARCH staff frequently advise us on affordable housing policy development.

3. Climate Action Plan

Earlier this summer we presented the City Council with a "plan for creating a Climate Action Plan." See attached memo that was presented at the July 13 City Council meeting, including associated workload impacts if we were to move forward with developing and implementing a full Climate Action Plan for our organization and for the greater Kenmore community. At that same July 13 meeting, the City Council directed us to move forward with Phase I of a Climate Action Plan, which is to conduct an inventory of and calculate our greenhouse gas emissions.

As part of that direction, the City Council approved a contract with Cascadia Consulting Group to assist us with the greenhouse gases inventory and calculations. How to move forward with the next phases of the Climate Action Plan, including the additional resources needed, will be presented as part of the 2021-2022 biennium budget process.

As stated before, I believe that in order to do a good job with developing and implementing a CAP and to have it truly integrated into our organization and a part of everything we do, we will need a new half-time position—especially in the context of all of our other competing priorities. How that position would be funded, its exact functions, and where it would reside in the organizational structure will be presented during the 2021-2022 budget process.

4. Walkways & Waterways

I am pleased to report that all five of the Walkways & Waterways projects are on schedule, meaning the schedule we presented to our residents before they voted to approve the 2016 Walkways and Waterways Bond Measure. The bad news is that the projects are costing more than we estimated, but the corresponding good news is that my coworkers have amazingly found additional funds through grants and other resources without having to cut the projects or go back to our voters for more money. Squire's Landing Park is the only Walkways & Waterways project that is not yet fully funded, but we are optimistic that the remaining funding will materialize as we seek more resources from the state and other sources.

As you know, the Rhododendron boardwalk and float were completed ahead of schedule in 2018. The Log Boom Park improvement project has completed most of its permitting and will likely begin construction in 2021. Squire's Landing has also completed important permitting milestones and should be under construction in 2022.

We have awarded the construction contract for the new sidewalks and bike lanes on Juanita Drive, and the contractor is well under way and on schedule. This project should be completed by the end of 2021.

Next month we will go out to bid for the 68th Avenue sidewalk and bike lane project, with construction expected to begin in 2021 and wrap up in 2022.

When the Juanita Drive and 68th Avenue projects are complete (in conjunction with the West Samm Bridge Project), we will have continuous new sidewalks and bike lanes on Kenmore's main north-south arterial from city limit to city limit.

5. Financial Sustainability Plan

I am thrilled to report that the Financial Sustainability Plan Task Force has done what they set out to do. At their August 24 and 25 meetings, the task force members created a balanced financial plan for the City through 2027. The task force's recommendations are a culmination of many meetings and input from the public. The task force's recommended strategy will be presented to you at this budget retreat (September 10). You will have an opportunity to discuss the task force's recommendation and provide

your reactions and guidance. In October or November, I will bring forward a final 6-year financial sustainability plan for your approval.

What a great organization we have! We very much appreciate the City Council's support and vision as we help you accomplish your priorities. It's a thrill for all of us to be part of this progress, and we look forward to discussing it with you soon.

City Of Kenmore, Washington

Memorandum

Date: February 24, 2020

To: Financial Sustainability Task Force

From: Rob Karlinsey, City Manager
Joanne Gregory, Finance and Administration Director

Subject: Priority Based Budgeting: Results of Government

In 2014 the Center for Priority Based Budgeting worked with the City Council on an exercise to identify the City's "Results of Government". This was the beginning stage of enabling the City to look at the Budget through a "NEW LENS" to achieve fiscal wellness and support resource allocation decisions based on prioritization of programs.

The City Council was asked to identify the Results that the City of Kenmore strives to achieve for its residents, businesses and visitors. These Results were used as the City implemented its Priority Based Budgeting process. Result Maps were then created in a process that included Council, Staff and Community Members. Result Maps identify the most meaningful way that

City Of Kenmore, Washington

Memorandum

the city can achieve the stated Results by "Looking Through a New Lens" at programs the City offers vs line item expenditures. The Result Maps are attached to this memo.

The City has utilized the Priority Based Budgeting (PBB) process since 2014 and is just now completing the latest update based on the 2019-2020 Budget.

The PBB process involves the following steps:

City Programs and Services are Identified

Each department develops an inventory of their programs. This is a comprehensive list of "what we do". Based on the current Biennial Budget, the City identified 181 programs at a cost of $31,499,318 (which includes not only the General Fund and Street Fund, but also the Surface Water Management Fund).

The next task is to identify all the FTEs and personnel costs. Each department allocates all the FTE staff time to the programs, on a % of time spent.

All the 2019-2020 budgeted line item costs are then allocated to the programs based on the FTE allocation or directly applied. If programs have associated revenues, this is captured as best as possible. When this task is complete, all the programs have costs assigned (personnel and non-personnel) and the line item budget can be expressed as a program budget.

Value Programs Based on Results

These are the value/scoring steps. Each program will be scored by the responsible department. The scoring criteria is a measure of how well each program achieves the Results; (does the program have an essential role in achieving a Result or does the program have no influence in achieving a Result?). The outcome provides guidance as to the value of a program based on its influence on Results.

Also during the scoring process each program is assessed against basic program attributes which include:

- Mandated to provide the program
- Reliance on the City to provide the program
- Cost recovery of the program
- Change in demand for the program
- Portion of the community served

When scoring is complete, all the programs and scores are "peer reviewed" by committees composed of individuals that are not involved in the achievement of the programs. This year Community Members and several Councilmembers participated on these peer review teams. If the peer review team does not agree with the score given to a program, it can be changed.

City Of Kenmore, Washington

Memorandum

Allocate City Resources Based on Priorities

When the steps above are complete, a Resource Alignment Diagnostic graphic (RAD) is generated. This graphic identifies programs and costs by four quartiles so it can easily be determined which programs are of the highest significance in meeting the Results and how the resources of the City are so allocated. This enables the City to "Look Through the New Lens" by starting these conversations:

- Which programs are of the highest priority in terms of achieving what is expected by the community?
    - *And which are of lesser importance?*
- Which programs are truly mandated for us to provide?
    - *And how much does it cost to provide them?*
- Which programs are offered because they are "self-imposed"?
- Which programs are offered for which there are no other service providers?
- Are there programs might lend themselves to public/private partnerships?
- Who in the private sector is offering programs that are similar in nature?
    - *And should we consider" getting out of that business"?*
- Which programs are experiencing an increasing level of demand from the community?
    - *And which are experiencing a decreasing need?*
- Are there programs offered that are not helping us achieve our intended "Results"?
- What are we spending to achieve our "Results"?

This is the breakdown by quartile of budgeted costs associated with programs in the General Fund and Street Fund.

Attached to this memo is a listing of the city programs that were included.

The City of Kenmore

PBB
CENTER FOR
PRIORITY BASED BUDGETING

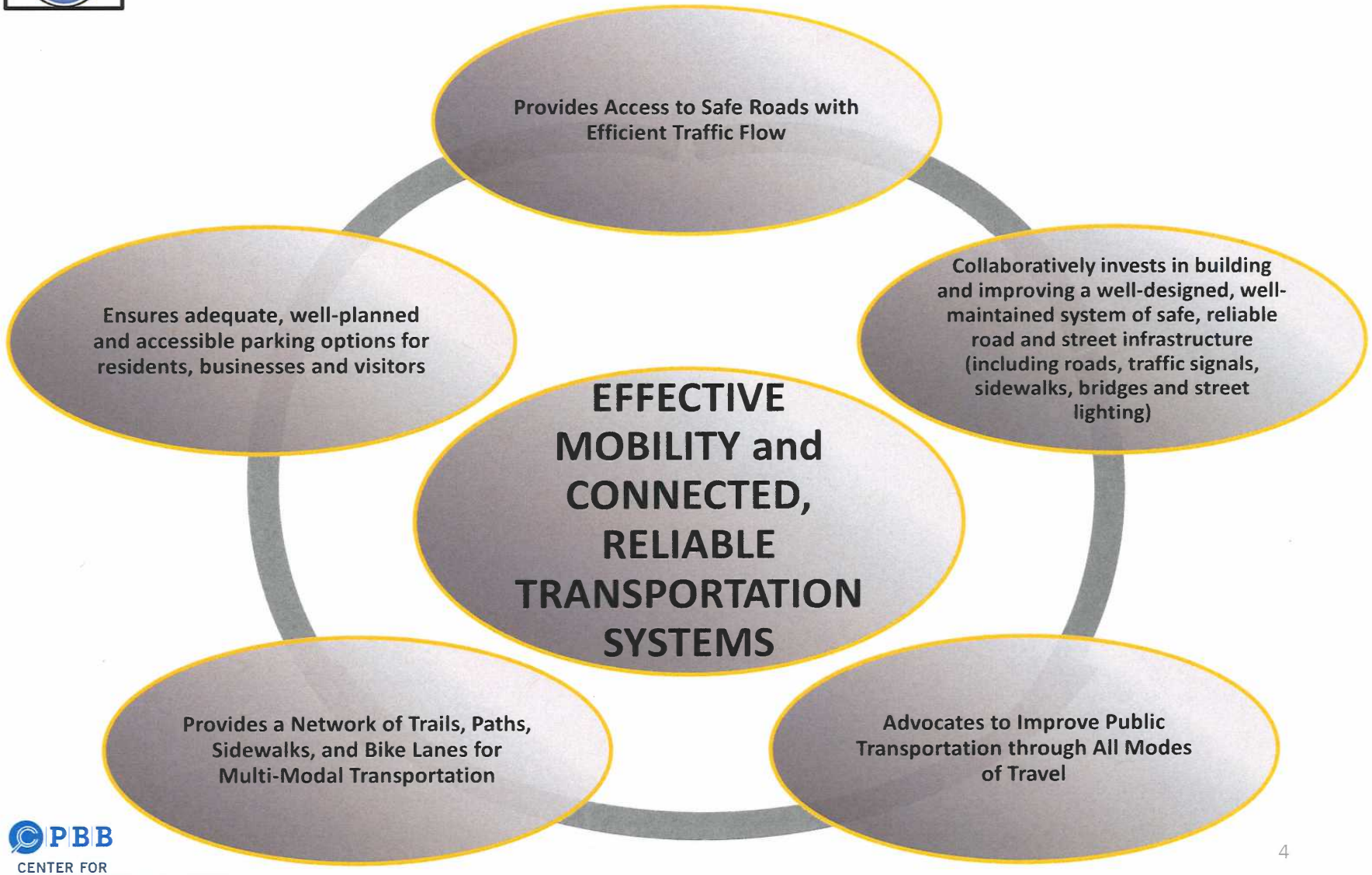
The City of Kenmore

PBB
CENTER FOR PRIORITY BASED BUDGETING

The City of Kenmore

PBB
CENTER FOR
PRIORITY BASED BUDGETING

The City of Kenmore



PBB
CENTER FOR PRIORITY BASED BUDGETING
Using a Unique Lens to Focus Community Resources on Results

The City of Kenmore

CPBB
CENTER FOR PRIORITY BASED BUDGETING
Using a Unique Lens to Focus Community Resources on Results

The City of Kenmore

CPBB
CENTER FOR PRIORITY BASED BUDGETING
Using a Unique Lens to Focus Community Resources on Results

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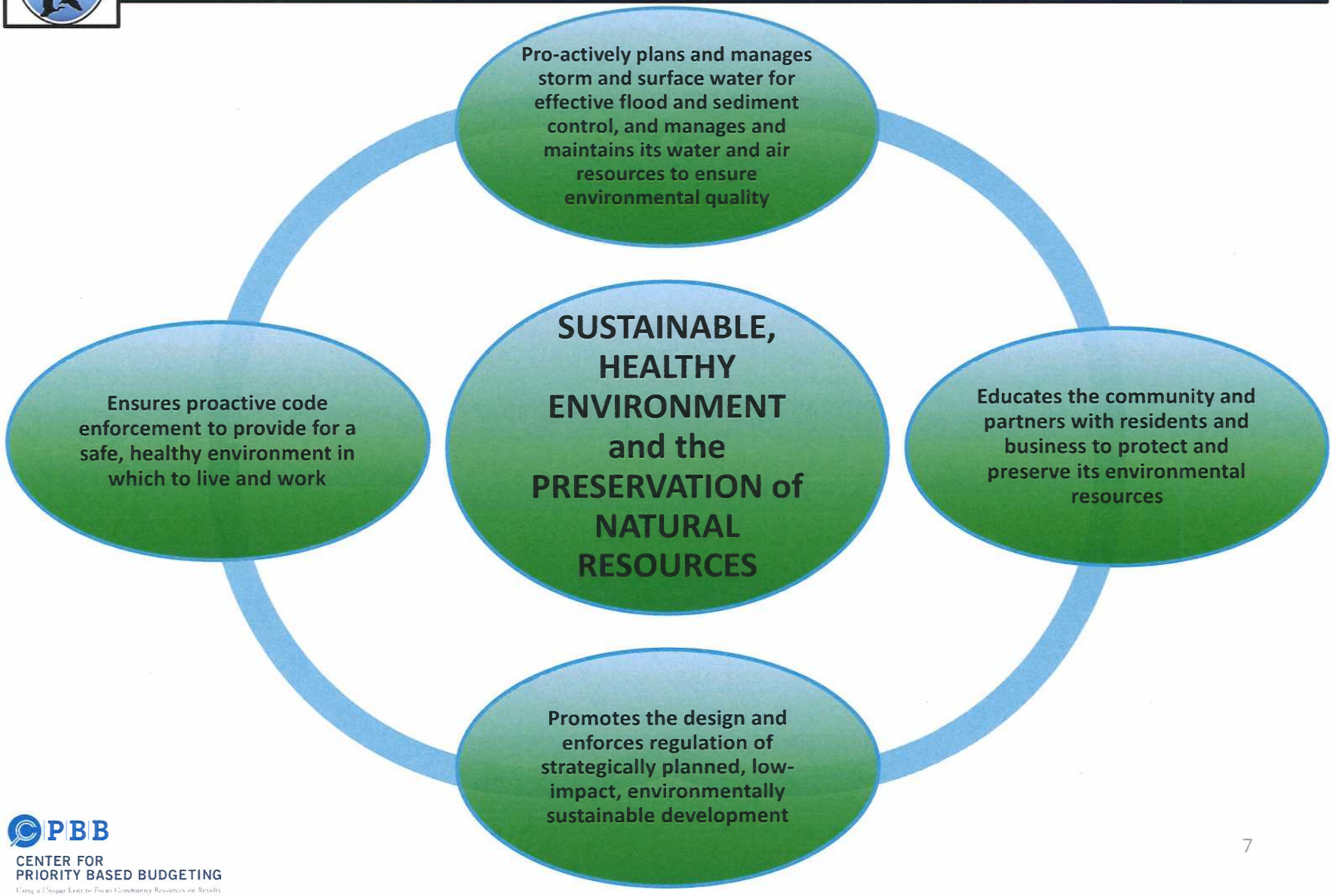


CPBB
CENTER FOR PRIORITY BASED BUDGETING

The City of Kenmore

PBB
CENTER FOR
PRIORITY BASED BUDGETING

City of Kenmore Program Quartile Ranking (1= Highest, 4 = Lowest)		
2019 - 2020 Budget	**ProgName**	**Quartile**
$20,387	City Manager Oversight	1
$85,991	Council Meetings	1
$36,125	Strategic Goal and Direction Setting	1
$157,663	City Council Administrative Support	1
$796,673	Department Administrative Support	1
$241,971	Leadership to Organization	1
$193,208	Organizational Health	1
$73,787	Policy Development	1
$47,948	Target Zero Education and Strategy	1
$120,974	Code Development	1
$189,908	Comprehensive Plan	1
$202	Park Master Plan Development	1
$796,594	Parks Capital Project Management	1
$165,454	PROS Plan	1
$182,083	Building Inspections	1
$256,517	Building Permit Review	1
$196,310	Code Enforcement	1
$32,618	Development Review	1
$112,436	Engineering Inspections	1
$117,064	Engineering Review	1
$17,425	Land-use Inspections	1
$249,632	Land-use Review	1
$259,524	Permit Intake and Management	1
$10,047	Right-of-way Review	1
$157,377	ADA Management	1
$656,633	Capital Improvement Program - Transportation	1
$343	Development Review and Inspection	1
$153,010	Pavement Management	1
$76,343	Transportation Planning and Standards (Mandated)	1
$93,129	Annual Audit	1
$122,345	Biennial Budget Development and Preparation	1
$19,607	Budget Monitoring and Amendment	1
$21,249	Capital Improvement Program Development	1
$282,771	Council Agenda and Minutes	1
$9,477	Financial Sustainability	1
$59,472	Bridge Inspection & Maintenance	1
$1,916,086	Roadway and ROW Maintenance	1
$111,782	ROW Vegetation Management	1
$437,646	Signal Operations & Maintenance	1
$22,616	Snow and Ice Management	1
$186,971	Development and Construction	1
$208,513	Environmental Planning	1
$93,544	Municipal Stormwater Permit (National Pollutant Discharge Elimination System or NPDES)	1
$1,838,483	Operations and Maintenance	1

2019 - 2020 Budget	**ProgName**	**Quartile**
$40,860	Contracts and Agreements	2
$122,527	Council Meeting Support	2
$40,860	Executive Session Support	2
$163,364	Internal Legal Support and Advisement	2
$75,993	Government Relations	2
$35,037	Animal Services	2
$135,645	Business Recruitment and Development	2
$37,697	Business Registration and Directory	2
$42,507	Business Seminars and Events	2
$386,327	City Events	2
$59,624	Franchise Agreement Management	2
$141,634	Front Desk Reception	2
$61,516	Hangar/Town Square	2
$182,493	Marketing and Media Relations	2
$329,809	Public Communications	2
$81,250	Regional and Intergovernmental Relations/Agreements	2
$86,926	Regional Transit	2
$170,999	Service Requests	2
$186,023	State Legislative Advocacy	2
$23,672	Surface Water Administration	2

$349,864	Affordable housing	2
$99,414	Critical Area Regulations/Shoreline Master Plan	2
$17,399	Data Collection and Forecasting	2
$4,427	Federal and State Regulations Compliance	2
$50,103	Planning Commission Administrative Support	2
$53,356	Public Education, Participation and Outreach	2
$200,039	Emergency Management	2
$32,361	Hearing Examiner	2
$63,218	Lakepointe Strategic Planning	2
$79,572	Code Compliance (ROW)	2
$227,031	Franchise Utility/ROW Permits	2
$81,679	Traffic Data Collection and Management	2
$66,834	Traffic Projects Implementation	2
$50,889	Transportation Planning and Standards (Unmandated)	2
$95,514	Accounting and Reporting	2
$92,842	Accounts Payable	2
$4,238	Annual Tax Levy Preparation	2
$41,367	Banking and Treasury Management	2
$73,667	Employee Compensation and Benefits	2
$17,287	Equipment Replacement Program	2
$89,074	Geographical Information System (GIS)	2
$21,823	Kenmore Municipal Code Codification	2
$47,632	Payroll Processing	2
$61,237	Priority Based Budgeting Update	2
$17,721	Recording and Publishing Legal Documents	2
$150,041	Records Management	2
$491,607	Risk Management	2
$31,768	Supervision and Personnel Matters	2
$21,304	W & W Bond Administration	2
$5,912,453	Police Contract	2
$322,904	Hangar Facility Maintenance & Support	2
$786,623	Landscape, Irrigation & Site Maintenance	2
$1,036	Non-Franchise ROW Permits	2
$134,307	Parks Facility Maintenance	2
$42,480	Playground Inspection & Maintenance	2
$593,325	ROW Landscape & Irrigation Maintenance	2
$21,599	Safety Program	2
$235,956	Street Sign Maintenance	2
$137,406	Illicit Discharge Detection and Elimination (IDDE)	2
$40,039	Public Education and Outreach	2
$19,883	Public Involvement and Participation	2
$46,593	Source Control	2
$80,583	Surface Water CIP	2
$125,883	SWM Fund Management	2
$208,007	SWM Small Works Projects	2

2019 - 2020 Budget	ProgName	Quartile
$42,125	Boards and Commissions	3
$22,649	Citizen Point of Contact	3
$29,436	Informal Informational Meetings	3
$26,738	Special Events, Awards, Presentations, Recognition Programs	3
$7,753	Arts	3
$71,832	External Events	3
$204,503	Federal Legislative Advocacy	3
$45,266	Historic Preservation	3
$15,669	Human Services	3
$96,284	Kenmore Business Incubator	3
$217,330	Professional Development	3
$226,025	Public Records Requests	3
$85,846	Recreation	3
$37,075	Shared Governance of Regional Groups	3
$116,069	Volunteers	3
$21,009	Business License	3
$31,912	Development Warranty Bonds Mgt & Release	3
$93,885	Management of Trakit Permit System	3
$60,767	MyBuildingPermit.com	3
$20,586	Right of Way Infrastructure Service Requests	3
$98,669	Traffic Service Requests	3
$16,440	Accounts Receivable	3

$32,586	Annual Financial Report	3
$3,728	Building Security	3
$6,103	City-Wide Staff Training Coordination	3
$8,103	Cost Allocation Plan	3
$6,240	Fixed Asset Accountability	3
$55,189	Human Resources Management	3
$104,031	IT Network Administration (IT) Oversight	3
$45,122	New Employee Recruitment and Onboarding	3
$28,986	Sharepoint Kennect	3
$6,240	Telecom Oversight and Support	3
$55,136	Wellness	3
$272,223	District Court Services	3
$854,400	Jail Services	3
$271,561	Misdemeanor Crime Prosecution	3
$1,373	24/7 On-Call, Call Back, Overtime	3
$70,740	City Hall Facility Rentals & Set up	3
$624,132	City Hall Maintenace & Repair	3
$297,145	Fleet Maintenance and Operations	3
$24,457	Post Office Building Maintenance & Support	3
$35,999	Public Works Operations & Maintenance Center CIP	3
$53,364	Public Works Shop/Yard Maintenance	3
$105,096	Waste Management & Recycling	3
$119,616	Aquatic Weeds Management	3
$16,818	Management of Cityworks Program	3
$51,059	Mapping and Documentation	3
$30,686	Monitoring and Assessment	3
$41,737	Regional Coordination	3
$64,879	Surface Water Utility Locates	3
$31,524	Total Maximum Daily Load (TMDL)	3

2019 - 2020 Budget	ProgName	Quartile
$40,860	Special Counsel	4
$4,642	NWMaps.net	4
$4,292	Saint Edward Ballfields	4
$19,007	Title VI Reporting	4
$18,267	Central Office Supply Inventory	4
$118,249	Financial Software Maintenance	4
$46,661	Office Equipment Management	4
$6,103	Outside Surveys	4
$273,914	Eight Grade Drug and Alcohol Education	4
$164,348	High School DUI Re-enactment Drill	4
$50,652	Junior High Dance Sponsorship	4
$50,218	National Night Out Against Crime BBQ	4
$960,698	Officer Training Discretionary	4
$13,696	Prescription Drug Box Drop Off	4
$179,000	Public Defense for Misdemeanor Crimes	4
$59,348	Sixth Grade Drug Awareness and Safety	4

Balancing Act

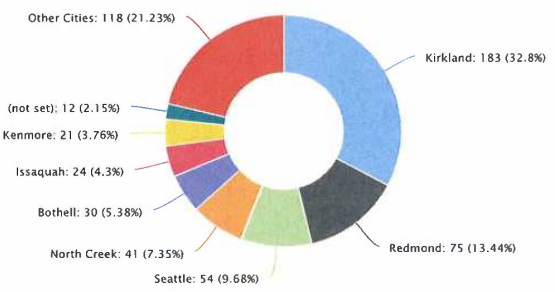
JG JOANNE GREGORY
CITY OF KENMORE

2021-2022 Biennial Budget Projection

Total Pageviews	Average Time on Site	Total Simulation Submissions
857	16m 16s	232

Sessions by City

Based on where Google Analytics thinks the user is when accessing the simulation.



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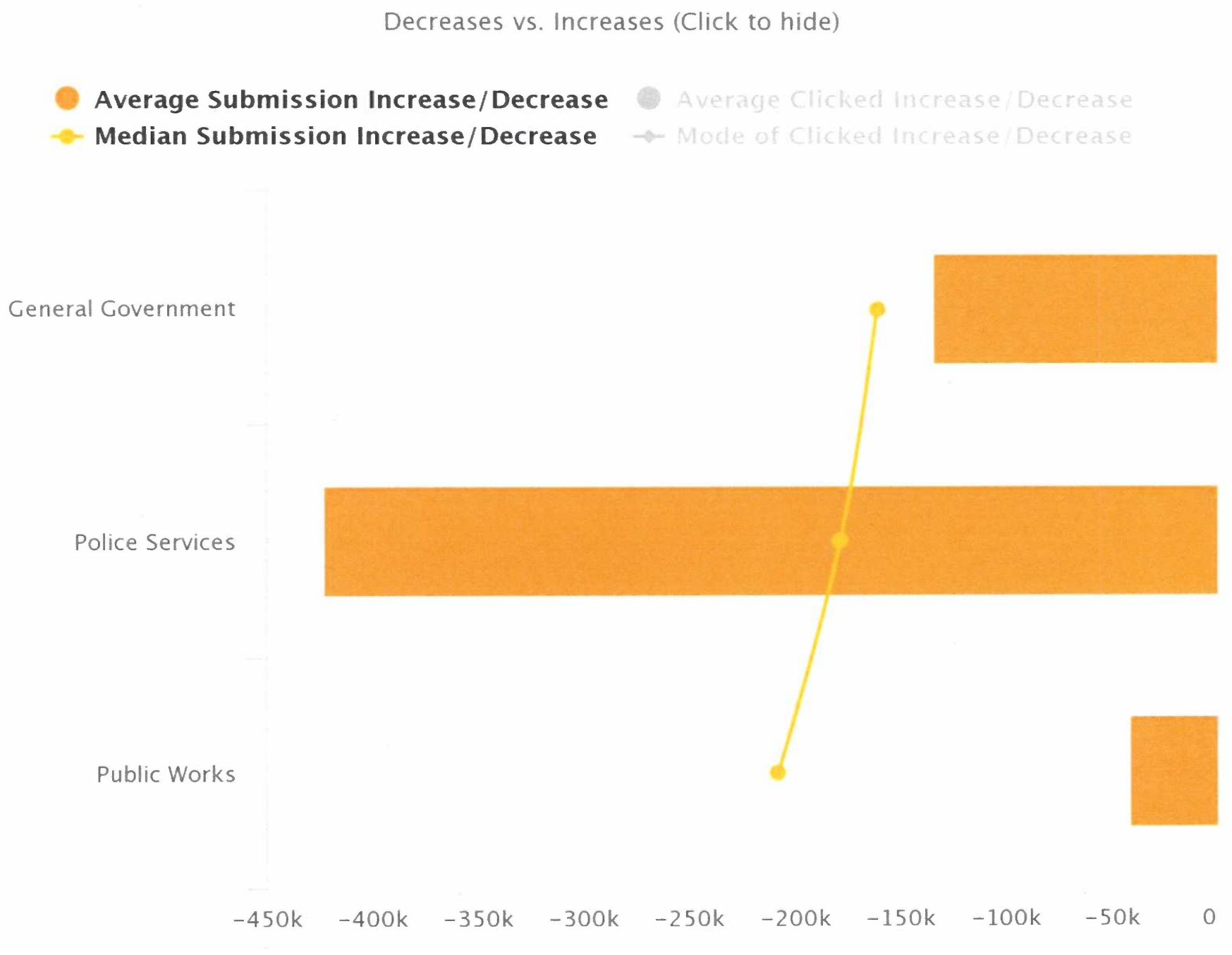
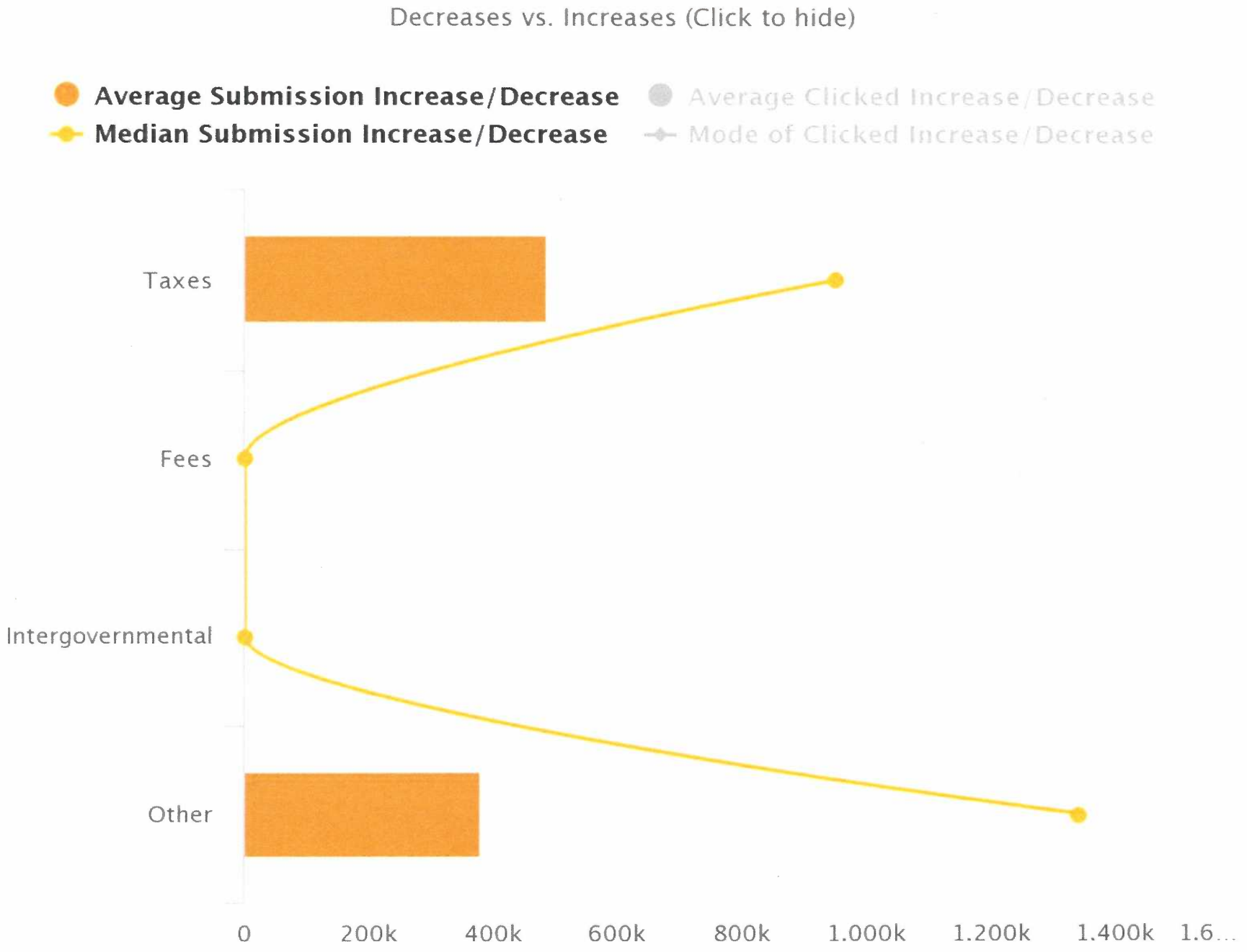

Decreases vs. Increases (Click to hide)
Average Submission Increase/Decrease
Median Submission Increase/Decrease
Average Clicked Increase/Decrease
Mode of Clicked Increase/Decrease
General Government
Police Services
Public Works
-450k
-400k
-350k
-300k
-250k
-200k
-150k
-100k
-50k
0


Decreases vs. Increases (Click to hide)
Average Submission Increase/Decrease
Median Submission Increase/Decrease
Average Clicked Increase/Decrease
Mode of Clicked Increase/Decrease
Taxes
Fees
Intergovernmental
Other
0
200k
400k
600k
800k
1.000k
1.200k
1.400k
1.6...

Top Increases/Decreases

Top Revenue Increased

Average of All Increases Across All Submissions

Taxes	$487,421
Other	$381,207
Fees	$0

Top Revenue Decreased

Average of All Decreases Across All Submissions

Taxes	-$0
Other	-$0
Fees	-$0

Top Expenses Increased

Average of All Increases Across All Submissions

Public Works	$416,789
General Government	$203,375
Police Services	$89,404

Top Expenses Decreased

Average of All Decreases Across All Submissions

Police Services	-$545,471
General Government	-$289,276
Public Works	-$267,576

Balancing Act

JG JOANNE GREGORY
CITY OF KENMORE

Property Tax

2021-2022 Biennial Budget Projection > Taxes > Property Tax

Subcategory Budgeted Amount

$10,768,089

Average Submitted Amount

$10,791,365 (100.22%)

Lowest / Highest Submitted Amount

$10,768,089 / $10,968,089

Average Submitted Increased Amount

$23,276 (0.22% of starting amount)

Average Submitted Decreased Amount

$0 (0.00% of starting amount)

Difference

$23,276

Total Changes

0

Total Individual Clicks Increased

0 (0%)

Total Individual Clicks Decreased

0 (0%)

Avg. Clicked Increased Amount / Session

$10,949

We're Online! Chat now

Multiple Choice Question Statistics

Question Text

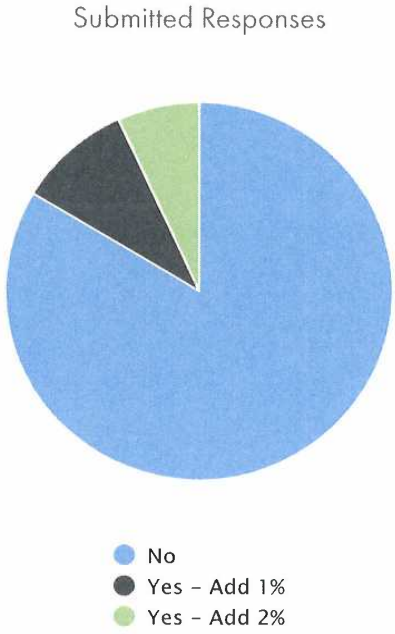
Should the City utilize its property tax banked capacity by increasing the levy? The banked capacity is about $400,000 which would be an 8% increase. Each 1% would generate about $50,000 or $100,000 over the 2021-2022 biennium.

Submitted Responses

- No: 194 (83.62%)
- Yes - Add 1%: 22 (9.48%)
- Yes - Add 2%: 16 (6.90%)

Clicked Responses

- Yes - Add 1%: 68 (50.00%)
- No: 35 (25.74%)
- Yes - Add 2%: 33 (24.26%)



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Comments

YES. This feels like a no brainer (2% over a couple years, please). I'm proud of Kenmore for not using this bank before, but I think 2020 is as good as time as any to change!
August 12, 2020 at 5:50 am

You are saying you are having a budget crisis--guess what homeowners are experiencing! Why not create a tax on Apartment Residents and ADUs so they can help pay for Kenmore services. Your City Plan is encouraging population increases via transient residents that consume resources but don't contribute per capita in to the city coffers. Either get creative with the transient, stop encouraging increasing this population or significantly reduce services and the dreams in the city plan.
August 13, 2020 at 12:00 am

Disproportionate effect on the poor with little revenue gained.
August 13, 2020 at 4:21 am

Property taxes are high enough. Raising them is counter to the desire for affordable housing, and will cause people to move out of the city, worsening the budget deficits.
August 13, 2020 at 5:44 am

I don't understand
August 13, 2020 at 7:21 am

Absolutely! Those of us who enjoy the largest stake in the community should be those to support it during troubled times!
August 14, 2020 at 8:48 am

We are residents since 1968. Our taxes on an old home are now over $7100. There have been significant increases in recent years, and more increases will likely push us out of our home.
August 15, 2020 at 8:11 pm

This is a baseline comment on the Revenue side of the model. The Expense items in the model, where I noted a lack of transparency, make going through the Revenue model a preordained exercise in endorsing various tax increases and/or the use of Photo Ticketing of traffic infractions. You should correct the transparency issue.
August 17, 2020 at 12:55 am

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> **Increase taxes on the many,many,many new construction of million dollar homes. Increase permit prices to builders.**
> August 17, 2020 at 11:55 pm

> **Add 1% per biennium**
> August 20, 2020 at 4:25 am

> **with rebates for low/fixed income residents.**
> August 21, 2020 at 12:51 am

> **You may find that people will not be able to pay their property taxes and thus these revenues may be reduced.**
> August 21, 2020 at 8:26 pm

> **Property tax is already to high. Taxing people out of their homes.**
> August 24, 2020 at 4:15 am

> **There should be a tax break for gardening and producing your own produce/food on your property.**
> August 24, 2020 at 3:47 pm

We're Online! Chat now

Balancing Act

JG JOANNE GREGORY
CITY OF KENMORE

Sales Tax

2021-2022 Biennial Budget Projection > Taxes > Sales Tax

Subcategory Budgeted Amount	Average Submitted Amount
$6,154,972	**$6,154,972** (100.00%)
Lowest / Highest Submitted Amount	Average Submitted Increased Amount
$6,154,972 / $6,154,972	**$0** (0.00% of starting amount)
Average Submitted Decreased Amount	Difference
$0 (0.00% of starting amount)	**$0**
Total Changes	Total Individual Clicks Increased
0	**0** (0%)
Total Individual Clicks Decreased	Avg. Clicked Increased Amount / Session
0 (0%)	**$0**

We're Online! Chat now

Comments

Not enough is done to encourage retail generating taxes. Look to Bothell for advice on how to encourage tax generating business into Kenmore. After pandemic is over retail should come back so get ready now. You burden to household enough. Stop depending on the easy targets
August 12, 2020 at 9:57 pm

The 10% sales tax, on top of property taxes and all the other fees/taxes should be sufficient. We are "tightening our belts" to stay in our home. The city needs to do the same.
August 15, 2020 at 8:11 pm

Ideally, no tax increase for essentials: food, modest shelter, basic clothing.
August 21, 2020 at 12:51 am

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sales tax receipts already will be reduced with covid impact
August 21, 2020 at 8:26 pm

We're Online! Chat now

Balancing Act

JG JOANNE GREGORY
CITY OF KENMORE

Admissions Tax

2021-2022 Biennial Budget Projection > Taxes > Admissions Tax

Subcategory Budgeted Amount **$0**	Average Submitted Amount **$32,414** (0%)
Lowest / Highest Submitted Amount **$0 / $400,000**	Average Submitted Increased Amount **$32,414** (0% of starting amount)
Average Submitted Decreased Amount **$0** (0% of starting amount)	Difference **$32,414**
Total Changes **0**	Total Individual Clicks Increased **0** (0%)
Total Individual Clicks Decreased **0** (0%)	Avg. Clicked Increased Amount / Session **$5,839**

We're Online! Chat now

Multiple Choice Question Statistics

Question Text

Should the City implement an admission tax on recreation and entertainment venues? Each 1% is estimated to generate about $40,000 annually or $80,000 over the 2021-2022 biennium

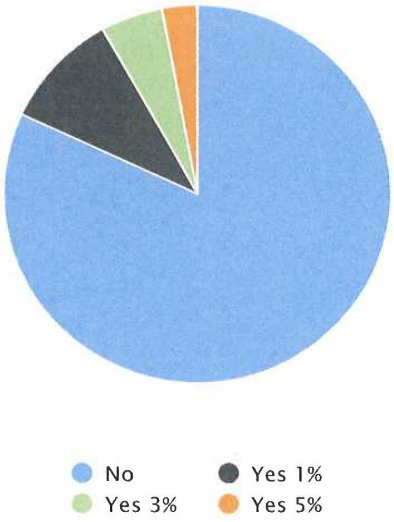
Submitted Responses

- No: 190 (81.90%)
- Yes 1%: 23 (9.91%)
- Yes 3%: 12 (5.17%)
- Yes 5%: 7 (3.02%)

Clicked Responses

- Yes 1%: 40 (45.98%)
- Yes 3%: 23 (26.44%)
- Yes 5%: 13 (14.94%)
- No: 11 (12.64%)

Submitted Responses



We're Online! Chat now

Comments

I don't want to make it harder to have fun in Kenmore.
August 12, 2020 at 5:50 am

Some tax on admissions is fair. Though I agree it shouldn't be too high.
August 12, 2020 at 6:31 pm

You want to tax something that doesn't exist?! And you want to tax any new entertainment enterprises as we come out of COVID and small businesses are trying to recover two years of losses--did you take logic in college or did you skip that class?
August 13, 2020 at 12:00 am

While a hypothetical given the lack of a theater, this seems a fair price to pay.
August 13, 2020 at 3:49 am

Would this really work?
August 13, 2020 at 4:21 am

Gotta balance the budget somehow. Those boaters with enormous pickup trucks that pack the launch on 68th can definitely pay extra. If they own a boat, they can certainly afford it.
August 13, 2020 at 5:44 am

With a program to cover low income, senior , disabled reduced fee
August 13, 2020 at 7:21 am

This is a user tax with a more equitable impact
August 20, 2020 at 4:25 am

Are there already fees to have an event to provide for additional cleaning, policing, lighting costs? This should be a fee based on the incurred costs to the city with an insurance requirement to cover adverse effects and not a new prorated tax. Think like a business and adjusts costs with a profit allowance, not just a taxing entity.
August 21, 2020 at 8:26 pm

We're Online! Chat now

Balancing Act

JG JOANNE GREGORY
CITY OF KENMORE

Business & Occupation Tax

2021-2022 Biennial Budget Projection > Taxes > Business & Occupation Tax

Subcategory Budgeted Amount

$36,044

Average Submitted Amount

$151,639 (420.71%)

Lowest / Highest Submitted Amount

$36,044 / $1,202,044

Average Submitted Increased Amount

$115,595 (320.71% of starting amount)

Average Submitted Decreased Amount

$0 (0.00% of starting amount)

Difference

$115,595

Total Changes

0

Total Individual Clicks Increased

0 (0%)

Total Individual Clicks Decreased

0 (0%)

Avg. Clicked Increased Amount / Session

$34,044

We're Online! Chat now

Multiple Choice Question Statistics

Question Text

Should the City assess a Business & Occupation (B&O) tax on retail, services and other businesses in the City? Annually this could generate about $583,000 or $1,166,000 over the 2021-2022 biennium

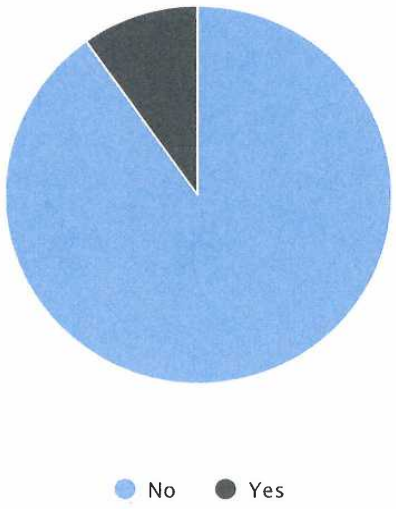
Submitted Responses

- No: 209 (90.09%)
- Yes: 23 (9.91%)

Clicked Responses

- Yes: 39 (72.22%)
- No: 15 (27.78%)

Submitted Responses



We're Online! Chat now

Comments

Some tax for businesses is fair.
August 12, 2020 at 6:31 pm

Local businesses are already strained due to pandemic, no need to exacerbate.
August 13, 2020 at 4:21 am

Absolutely not. Kenmore really needs to ATTRACT more commercial growth. The weak Kenmore business economy is a primary reason why we are in deficit. You can only tax residents so much. Do like Kirkland - invest in commercial development, which should provide a more robust business tax base, taking the pressure off residents.
August 13, 2020 at 5:44 am

Exempt home based business
August 13, 2020 at 7:21 am

Don't directly create disincentives to business and more bureaucratic complexity related to business... not during a major economic recession!
August 14, 2020 at 8:48 am

Small businesses have a hard enough time surviving without adding more costs for them to do business.
August 15, 2020 at 8:11 pm

Best to keep this off the table to continue to encourage development.
August 15, 2020 at 9:53 pm

Let's not do anything to negatively impact business at this time
August 20, 2020 at 4:25 am

Businesses are feeling the impact of covid, these fees could lessen the funds from sales tax. Would they be similar to surrounding cities.
August 21, 2020 at 8:26 pm

We're Online! Chat now

Balancing Act

JG JOANNE GREGORY
CITY OF KENMORE

Gambling Tax

2021-2022 Biennial Budget Projection > Taxes > Gambling Tax

Subcategory Budgeted Amount

$138,348

Average Submitted Amount

$138,348 (100.00%)

Lowest / Highest Submitted Amount

$138,348 / $138,348

Average Submitted Increased Amount

$0 (0.00% of starting amount)

Average Submitted Decreased Amount

$0 (0.00% of starting amount)

Difference

$0

Total Changes

0

Total Individual Clicks Increased

0 (0%)

Total Individual Clicks Decreased

0 (0%)

Avg. Clicked Increased Amount / Session

$0

We're Online! Chat now

Comments

Tax gambling as high as possible! Haha!
August 12, 2020 at 5:50 am

How can I raise this? Tax the hell out of vices like gambling, alcohol, liquor, marijuana.
August 13, 2020 at 5:44 am

Yes
August 13, 2020 at 7:21 am

RAISE THIS
August 17, 2020 at 11:55 pm

Is this money *in addition* to the money that already goes to the police budget? I would much rather see this money dedicated to education and resources for children.
August 19, 2020 at 9:42 pm

What percentage? Tax on gambling portion of business only with sales tax on restaurant portion?
August 21, 2020 at 8:26 pm

We should increase the gambling tax.
August 24, 2020 at 3:47 pm

We're Online! Chat now

Balancing Act

JG JOANNE GREGORY
CITY OF KENMORE

0.2% Local Sales Tax for Transportation F...

2021-2022 Biennial Budget Projection > Taxes > 0.2% Local Sales Tax for Transportation Funding

Subcategory Budgeted Amount **$0**	Average Submitted Amount **$111,724** (0%)
Lowest / Highest Submitted Amount **$0 / $540,000**	Average Submitted Increased Amount **$111,724** (0% of starting amount)
Average Submitted Decreased Amount **$0** (0% of starting amount)	Difference **$111,724**
Total Changes **0**	Total Individual Clicks Increased **0** (0%)
Total Individual Clicks Decreased **0** (0%)	Avg. Clicked Increased Amount / Session **$35,474**

We're Online! Chat now

Multiple Choice Question Statistics

Question Text

Should the City ask the voters to approve a 0.2% local sales tax for transportation funding? This would replace the previous $20 license tab fee and generate about $540,000 annually.

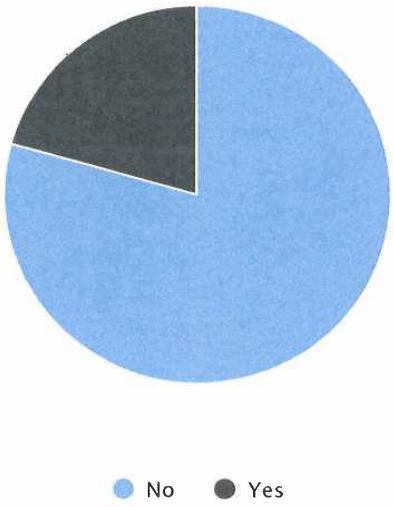
Submitted Responses

- No: 184 (79.31%)
- Yes : 48 (20.69%)

Clicked Responses

- Yes : 73 (80.22%)
- No: 18 (19.78%)

Submitted Responses



We're Online! Chat now

Comments

Yes! Let's keep our Kenmore roads safe!
August 12, 2020 at 5:50 am

Absolutely not--you are not going to use this budget to make transportation better in Kenmore in any tangible way--this is just a flagrant attempt at raising funds that are not needed for must pays.
August 13, 2020 at 12:00 am

Local businesses are already strained due to pandemic, no need to exacerbate.
August 13, 2020 at 4:21 am

With the size and weight of vehicles ever increasing, the wear and tear on roads is similarly increasing. Paying additional license fees offsets this directly.
August 13, 2020 at 5:44 am

NO! Sales taxes are the worst type of taxes for poor families, and ours are high enough!
August 14, 2020 at 8:48 am

NO MORE car tab fees, please.
August 15, 2020 at 8:11 pm

I am confused, I would rather keep the license tab fee. Is the fee already gone or would this decision remove the fee and replace it with a sales tax? If the fee is gone for other reasons, I would support this tax. I am most in favor of using the funds for pedestrian and bike infrastructure. I would also be interested in the funds helping subsidize transportation for residents.
August 19, 2020 at 9:42 pm

Would the amount generated go into the general fund or only spent on transportation funding and what is that limited to - construction and repair of roads? Really would rather increase the car tab fee.
August 21, 2020 at 8:26 pm

We're Online! Chat now

> **By implementing a sales tax all of the commuters that stop to buy stuff as they go through Kenmore well contribute.**
> August 22, 2020 at 8:45 am

We're Online! Chat now

Balancing Act

JG JOANNE GREGORY
CITY OF KENMORE

Utility Tax

2021-2022 Biennial Budget Projection > Taxes > Utility Tax

Subcategory Budgeted Amount

$2,264,457

Average Submitted Amount

$2,325,675 (102.70%)

Lowest / Highest Submitted Amount

$2,264,457 / $3,011,957

Average Submitted Increased Amount

$61,218 (2.70% of starting amount)

Average Submitted Decreased Amount

$0 (0.00% of starting amount)

Difference

$61,218

Total Changes

0

Total Individual Clicks Increased

0 (0%)

Total Individual Clicks Decreased

0 (0%)

Avg. Clicked Increased Amount / Session

$21,825

We're Online! Chat now

Multiple Choice Question Statistics

Question Text

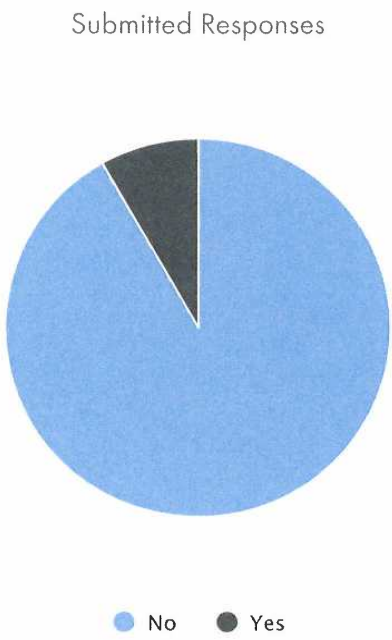
Should the City increase the electric and gas utility tax from 4% to the maximum of 6%? The cost of this increased tax would be passed on to rate payers. This would generate about $378,706 annually or $757,400 over the 2021-2022 biennium

Submitted Responses

- No: 213 (91.81%)
- Yes: 19 (8.19%)

Clicked Responses

- Yes: 25 (83.33%)
- No: 5 (16.67%)



We're Online! Chat now

Comments

No, no, no. Works against the idea of affordable housing if you are going to increase the cost of utilities.
August 13, 2020 at 12:00 am

Good source of revenue. May incentivize customers to reduce energy consumption, reducing revenue estimate. Offer vouchers for the poor?
August 13, 2020 at 4:21 am

It's really disappointing to see that all we can think of is raising taxes for residents. Kenmore needs additional economic development - primarily commercial - to form a more durable tax base that doesn't put the squeeze on residents.
August 13, 2020 at 5:44 am

Not at this time - It's a rainy day and this is too much to expect
August 13, 2020 at 7:21 am

Aside from reliable tax revenue, these utility taxes promote energy conservation, which benefits the planet.
August 14, 2020 at 8:48 am

PSE is already unreliable with frequent outages in Kenmore - don't add additional costs. Let's find a cheaper, less coal focused utility.
August 15, 2020 at 9:53 pm

This will disproportionately impact those with lower income.
August 20, 2020 at 4:25 am

Our energy costs are low, and do not reflect their actual societal/environmental costs. This would be a small step in the right direction. Exceptions for poor/low fixed income.
August 21, 2020 at 12:51 am

We're Online! Chat now

Balancing Act

JG JOANNE GREGORY
CITY OF KENMORE

New Utility Tax on Cable

2021-2022 Biennial Budget Projection > Taxes > New Utility Tax on Cable

Subcategory Budgeted Amount **$0**	Average Submitted Amount **$95,988** (0%)
Lowest / Highest Submitted Amount **$0 / $940,800**	Average Submitted Increased Amount **$95,988** (0% of starting amount)
Average Submitted Decreased Amount **$0** (0% of starting amount)	Difference **$95,988**
Total Changes **0**	Total Individual Clicks Increased **0** (0%)
Total Individual Clicks Decreased **0** (0%)	Avg. Clicked Increased Amount / Session **$25,181**

We're Online! Chat now

Multiple Choice Question Statistics

Question Text

Should the City assess a Utility Tax of up to 6% on Cable? There is no tax at this time however the City does assess a Franchise Fee of 5% on Cable. Each 1% of utility tax on Cable could generate about $78,400 or $156,800 over the 2021-2022 biennium

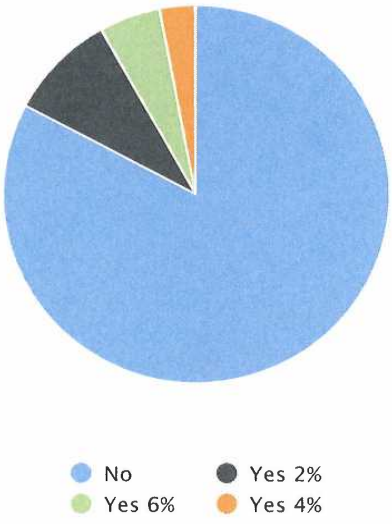
Submitted Responses

- No: 192 (82.76%)
- Yes.2%: 21 (9.05%)
- Yes 6%: 12 (5.17%)
- Yes 4%: 7 (3.02%)

Clicked Responses

- Yes 2%: 34 (41.98%)
- Yes 6%: 22 (27.16%)
- Yes 4%: 15 (18.52%)
- No: 10 (12.35%)

Submitted Responses



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Comments

If you tax cable they will just pass that back on the users. We already have bad service from cable companies. If you are able to create a contract that stipulates that the cable companies can't pass on the cost to the users that would be the only acceptable option
August 12, 2020 at 9:57 pm

If "cable" is defined as "cable tv" then I am fine with this. If defined as "cable-based internet" this could present a large issue for those working from home due to COVID.
August 13, 2020 at 3:49 am

Good source of revenue. Unsure of repercussions.
August 13, 2020 at 4:21 am

Cable TV services, yes. Internet services, no. With COVID internet services are critical for continued education of students, and for residents working remotely.
August 13, 2020 at 5:44 am

With a low income, senior, disabled reduced fee progtam
August 13, 2020 at 7:21 am

Is this related to Internet? I am most in favor of this tax if it could be intended to provide the funds necessary to create the infrastructure to make internet a public utility and ensuring every resident has access. https://www.forbes.com/sites/steveandriole/2020/03/30/its-time-for-an-internet-for-all-public-utility-before-corona-crashes-it/#56585608af95
August 19, 2020 at 9:42 pm

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Balancing Act

JG JOANNE GREGORY
CITY OF KENMORE

New Utility Tax on Solid Waste

2021-2022 Biennial Budget Projection > Taxes > New Utility Tax on Solid Waste

Subcategory Budgeted Amount **$0**	Average Submitted Amount **$31,552** (0%)
Lowest / Highest Submitted Amount **$0 / $366,000**	Average Submitted Increased Amount **$31,552** (0% of starting amount)
Average Submitted Decreased Amount **$0** (0% of starting amount)	Difference **$31,552**
Total Changes **0**	Total Individual Clicks Increased **0** (0%)
Total Individual Clicks Decreased **0** (0%)	Avg. Clicked Increased Amount / Session **$17,810**

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Multiple Choice Question Statistics

Question Text

Should the City levy a utility tax on solid waste? Currently, the City does not collect any taxes on solid waste. Each 1% would generate about $30,500 per year or about $61,000 over the 2021-2022 biennium

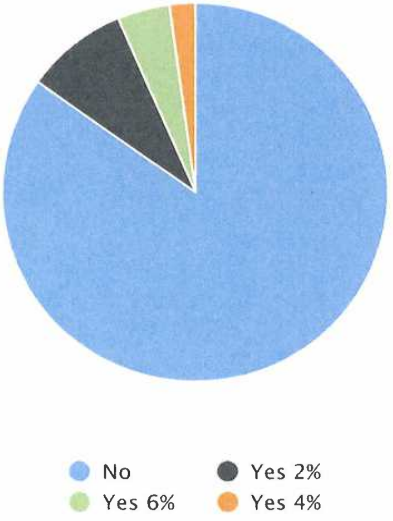
Submitted Responses

- No: 197 (84.91%)
- Yes 2%: 20 (8.62%)
- Yes 6%: 10 (4.31%)
- Yes 4%: 5 (2.16%)

Clicked Responses

- Yes 2%: 44 (46.32%)
- No: 19 (20.00%)
- Yes 6%: 18 (18.95%)
- Yes 4%: 14 (14.74%)

Submitted Responses



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Comments

Again--flagrant attempt at raising money for nice to haves not needs. Targets single family homes disproportionately. Doesn't address how apartment complexes will be measured equally. Too many variables.
August 13, 2020 at 12:00 am

Thrifty residence may reduce garbage can size... Estimate might be high. That said, we throw too much stuff away.
August 13, 2020 at 4:21 am

With a low-income, senior or disabled reduced fee program
August 13, 2020 at 7:21 am

Let's not over-complicate the tax system such that it would create more bureaucracy-- let's instead focus on taxes that are already at work and effective in our community
August 14, 2020 at 8:48 am

Only tax on 'waste' i.e. trash not compost/yard waste or recycling - this encourages a reduction in waste. Ensure republic offers smaller can sizes/costs to encourage waste reduction.
August 15, 2020 at 9:53 pm

Don't know what this means.
August 17, 2020 at 11:55 pm

Waste costs all of us. That cost needs to be apparent to the person who generates the waste.
August 21, 2020 at 12:51 am

I generally hate new taxes as there are costs to government and business in the collection process, a whole new computer program to be set up on the two government/business levels.
August 21, 2020 at 8:26 pm

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Balancing Act

JG JOANNE GREGORY
CITY OF KENMORE

New Utility Tax on Surface Water Utility

2021-2022 Biennial Budget Projection › Taxes › New Utility Tax on Surface Water Utility

Subcategory Budgeted Amount	Average Submitted Amount
$0	**$15,655** (0%)
Lowest / Highest Submitted Amount	Average Submitted Increased Amount
$0 / $272,400	**$15,655** (0% of starting amount)
Average Submitted Decreased Amount	Difference
$0 (0% of starting amount)	**$15,655**
Total Changes	Total Individual Clicks Increased
0	**0** (0%)
Total Individual Clicks Decreased	Avg. Clicked Increased Amount / Session
0 (0%)	**$6,628**

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Multiple Choice Question Statistics

Question Text

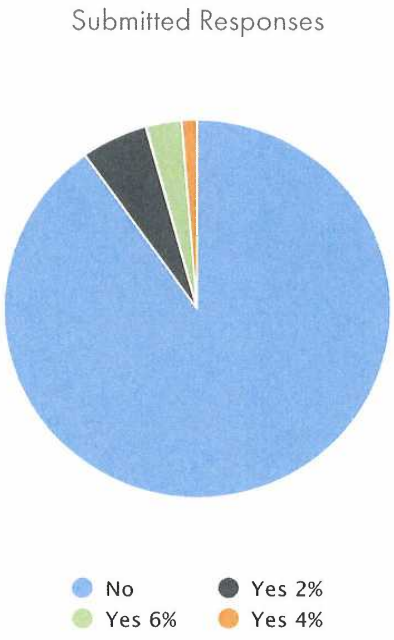
Should the City assess a utility tax on surface water revenues of 6%? There is no tax at this time. Each 1% could generate about $22,700 or $45,400 over the 2021-2022 biennium

Submitted Responses

- No: 209 (90.09%)
- Yes 2%: 13 (5.60%)
- Yes 6%: 7 (3.02%)
- Yes 4%: 3 (1.29%)

Clicked Responses

- Yes 2%: 31 (50.82%)
- No: 14 (22.95%)
- Yes 6%: 10 (16.39%)
- Yes 4%: 6 (9.84%)



We're Online! Chat now

Comments

Utility programs are tricky and feel disproportionately heavy for the elderly and low income. Let's avoid recessive taxes if possible.
August 12, 2020 at 5:50 am

My God--why not create a tax on breathing--we pay for the water out of the pipe, we pay for the water as it goes in the sewer, we pay for the water that is the delta. If you want to tax the water company and prohibit them from passing on the tax--go for it, but that will never happen.
August 13, 2020 at 12:00 am

Disproportionately affects the old and poor with few options to move.
August 13, 2020 at 4:21 am

With a low income, senior or disabled reduced fee program
August 13, 2020 at 7:21 am

Water is a precious resource. Consumers need to be aware of its value to reduce waste.
August 21, 2020 at 12:51 am

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Balancing Act

JG JOANNE GREGORY
CITY OF KENMORE

Traffic Photo Enforcement

2021-2022 Biennial Budget Projection > Other > Traffic Photo Enforcement

Subcategory Budgeted Amount **$0**	Average Submitted Amount **$381,207** (0%)
Lowest / Highest Submitted Amount **$0 / $1,340,000**	Average Submitted Increased Amount **$381,207** (0% of starting amount)
Average Submitted Decreased Amount **$0** (0% of starting amount)	Difference **$381,207**
Total Changes **0**	Total Individual Clicks Increased **0** (0%)
Total Individual Clicks Decreased **0** (0%)	Avg. Clicked Increased Amount / Session **$107,591**

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Multiple Choice Question Statistics

Question Text

Should the City implement a traffic photo enforcement program to promote safer traffic behavior in school zones and/or red light areas? One camera could generate net revenue annually of about $670,000 or $1,340,000 over the 2021-2022 biennium

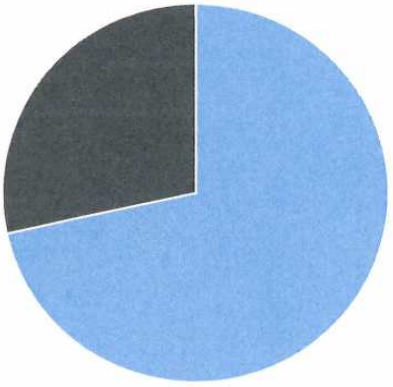
Submitted Responses

- No: **166 (71.55%)**
- Yes - 1 Camera: **66 (28.45%)**

Clicked Responses

- Yes - 1 Camera: **93 (78.15%)**
- No: **26 (21.85%)**

Submitted Responses



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Comments

Ugh. So hard. 1). I love the idea of minimizing cops patrolling around looking for something to catch us doing. Cameras can help lift this labor! 2) But I hate the "caughtya, gotcha" tone that some cities (ahem, Lynnwood) have with their cameras everywhere! So if implemented, only out it/them on major intersections (like Bothell Way & 61st) and not everywhere. 3) This seems really pricey!! Maybe some day, but it's so expensive now!!

August 12, 2020 at 5:50 am

Photo Enforcement can only be used for safety at high problem areas. Use for revenue is not acceptable for many reasons.

August 12, 2020 at 3:58 pm

Let's get this clear--traffic cameras are not about traffic safety; they are about generating revenue, hence why we are hearing about this in a budget meeting instead of a policing or safety meeting. Now if you want to exempt Kenmore residents, have at it. Just be transparent that you are trying to collect taxes on transient non-resident vehicle operators in order to generate funds for nice to haves instead of needs in our city budget.

August 13, 2020 at 12:00 am

If you add a camera, it should NOT be used for revenue. Policing and traffic enforcement should not be viewed as revenue sources.

August 13, 2020 at 12:41 am

Traffic cameras are extremely disliked, they do not provide safer roads, and a significant portion of the tickets they produce go to the private owners and operators of the cameras instead of the city.

August 13, 2020 at 1:26 am

Given the increase in education about the enforceablity of traffic cameras, especially among young people, this could end up being much more trouble than its worth.

August 13, 2020 at 3:49 am

Last resort, please.

August 13, 2020 at 4:21 am

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Funding city operations based on the collection of fines for mino.

enforcement incentives and degrades the relationship between the city and its residents over time. See Ferguson, MO.
August 13, 2020 at 5:04 am

Good lord, everyone hates these. If you have proper investment in transportation infrastructure, there won't be many vehicle/pedestrian conflicts, and people won't need to run red lights. Instead of having red lights, how about replacing with roundabouts? Less cost of maintenance, and proven to have 3x the traffic flow.
August 13, 2020 at 5:44 am

I don't like the idea of using these kinds of revenue generators to fund the city.
August 14, 2020 at 3:20 am

It is not my understanding that red light cameras always improve public safety, and implementation details are too uncertain for me to readily agree to this. I would probably be more agreeable to specifically targeting speeding in school zones.
August 14, 2020 at 8:48 am

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one around school
August 15, 2020 at 7:22 pm

First of all, I hate traffic cameras!!! BUT, if there is one camera, and the citizens know where it is and still speed or not stop, then it's on them to pay up.
August 15, 2020 at 8:11 pm

These "gain revenue" taxes are always good for one group: The company that proposes and runs them. We extract money from citizens under the guise of protection, only to have a large amount of it skimmed by for-profit companies for their "operational services".
August 19, 2020 at 12:24 am

Yes, please bring photo enforcement to Kenmore. It will improve safety and help pay for the city's roads and public safety services.
August 19, 2020 at 8:55 pm

I support this measure in conjunction with removing the control and administration from the police department. I don't know who would be in charge, but if
If the administration and the role of primary enforcer of traffic

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police department it would, I imagine, constitute an extreme savings to the city. More even than the expected revenue. It would also allow the city to show it understands that a gun isn't necessary to ticket someone for running a light. The savings/revenue could be used to fund initiatives like providing free taillight replacement for Kenmore residents at the local auto business, or to providing residents free bus passes, or to implementing safety measures like roundabouts. However, I am not inclined to support this measure if it will be run by the police department.

August 19, 2020 at 9:42 pm

This is a ridiculous idea. "Safer traffic??" This is so phony. The people know this is a revenue generation system. Is this a forgone conclusion? Is someone on the council already in bed with the vendor? Study after study show this disproportionately affects the poor. But, if Kenmore is not beneath filling the gap on the backs of the poor, then count us out.

August 20, 2020 at 12:18 am

Red light camera at the corner of 68th Ave NE and NE Bothell Way

August 20, 2020 at 4:25 am

More traffic enforcement throughout the city of all health-related (e.g., noisy vehicles) and safety-related (running red lights) traffic laws.

August 21, 2020 at 12:51 am

Cameras to ensure safe driving behavior and to protect vulnerable youth and residents make sense in school zones and at high-traffic intersections.

August 21, 2020 at 2:45 pm

This seems like a no brainer. Photo enforcement on Bothell Way would mean a significant amount of the money would be coming from outside the City. This would avoid other cutting costs that would be painful or kicking the can down the road on maintenance.

August 21, 2020 at 4:03 pm

Traffic cameras do little to make streets safer and, in fact, may make them less safe (https://www.scientificamerican.com/article/red-light-cameras-may-not-make-streets-safer/). It is unconscionable to raise funds at the expense of our health and safety.

August 21, 2020 at 4:43 pm

Generally hate these kinds of lights like lake forest park that ho[illegible] give certain times. Post signs for decrease all the time to get ac[illegible]

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around schools. May not see the child in time. Kids present at times other than school hours.

August 21, 2020 at 8:26 pm

NO!!!

August 24, 2020 at 4:15 am

No, we do not need a police camera. Put an officer there every now and then, and the message will get across. We need cameras installed to stop car break-ins, mail theft, and bicycle theft. Cameras that actually help the taxpayers, not take more money from them.

August 24, 2020 at 3:47 pm

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Balancing Act

JG JOANNE GREGORY
CITY OF KENMORE

Fees

2021-2022 Biennial Budget Projection > Fees

Total Budgeted Amount **$1,512,575**	Average Submitted Amount **$1,512,575** (100.00%)
Lowest / Highest Submitted Amount **$1,512,575 / $1,512,575**	Average Submitted Increased Amount **$0**
Average Submitted Decreased Amount **$0**	Difference **$0**
Total Aggregate Clicks **0**	Total Aggregate Clicks Increased **0** (0%)
Total Aggregate Clicks Decreased **0** (0%)	Avg. Clicked Increased Amount / Session **$0**

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Comments

City should adjust development fees to keep up with inflation costs of development review, planning, inspection, etc.
August 21, 2020 at 2:45 pm

I suggest raising development fees, as the development has put a great strain on our infrastructure, which often is not included in calculations of benefits and costs (e.g. traffic, water and air pollution, etc.)
August 21, 2020 at 12:51 am

In my ideal Kenmore, there would be an emphasis on density and mixed-use buildings. If there could be a lot of new, affordable housing and also affordable retail and restaurant leases, I think Kenmore would be able to grow and increase it's small, connected neighborhood feel while also working to maintain racial and economic diversity and environmental sustainability. To that end, I would especially support high development fees on any single-family units.
August 19, 2020 at 9:42 pm

Not really sure you are solving any problems with this tax. Do building permits solve the parking problem in the center business area of Kenmore? Are all the new apartments going up in Kenmore required to provide parking space for renters? Are building permits just an easy way to generate revenue. Don't just collect revenue and create another prolems that will cost plenty to fix later.
August 12, 2020 at 9:57 pm

Look for ways to tax or add license fees for development.
August 12, 2020 at 6:21 am

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Balancing Act

JG JOANNE GREGORY
CITY OF KENMORE

Affordable Housing

2021-2022 Biennial Budget Projection > General Government > Affordable Housing

Subcategory Budgeted Amount **$160,000**	Average Submitted Amount **$155,538** (97.21%)
Lowest / Highest Submitted Amount **$0 / $1,016,000**	Average Submitted Increased Amount **$33,231** (20.77% of starting amount)
Average Submitted Decreased Amount **$34,744** (21.72% of starting amount)	Difference **-$1,513**
Total Changes **-1,184**	Total Individual Clicks Increased **2,940** (41.62%)
Total Individual Clicks Decreased **4,124** (58.38%)	Avg. Clicked Increased Amount / Session **$11,993**

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Comments

Affordable housing!! I love Kenmore's discussions on ADU and expanding housing!! I'm concerned that part if our COVID economic crisis will intensify our national/local housing crisis and want Kenmore to be prepared with even more money and resources to keep housing affordable.
August 12, 2020 at 5:50 am

ARCH has been poorly run. Also, there are many non-profits to fund these activities. Also, restricting housing to people who have been Washington residents should help preserve our low-income housing stock. People coming to Washington and taking up low-income housing should be discouraged.
August 12, 2020 at 6:29 pm

Taxpayer funded affordable housing is a luxury Kenmore can't afford right now.
August 13, 2020 at 5:44 am

Reduce capital expense by 20%
August 14, 2020 at 5:01 pm

Is the City getting value from participating in this? Has our affordable housing increased as a result?
August 15, 2020 at 10:31 pm

See comment under Human services.
August 17, 2020 at 12:55 am

There are many families struggling financially during Covid-19 and one major problem that middle and low income families are facing are affordable housing. I propose that property tax stay the same because it ties in with affordable housing. The city should increase affordable housing contribution to help families in need during this tough time.
August 17, 2020 at 7:03 pm

Do we have any? Million dollar homes are everywhere.
August 17, 2020 at 11:55 pm

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Why does the City have a "cost of participating" that adds 78K to the 80K "capital contribution"?
August 19, 2020 at 3:24 am

This seems remarkably low. Especially now, with the governor's moratorium on evictions being the only thing preventing so many people from losing their homes, I think the city should prioritize affordable housing. Can the city create new endeavors beyond ARCH to expand affordable housing to current or new Kenmore residents? I am a big proponent of public housing as well. Within this header I want to say that policing homelessness, especially when there are no alternatives for people, is unconscionable. Kenmore isn't a big city and I wouldn't expect the council to solve the country's lack of affordable housing crisis, but I do expect the council to understand that any person living in their car or on the street could potentially be a former or future resident of Kenmore, and it's imperative the council tries not to fail them. PS. I also completely support rent control and any measures to protect people from predatory landlords.
August 19, 2020 at 9:42 pm

This is a regional/state issue. Kenmore shouldn't take on affordable housing. Needs regional/state leadership and solutions.
August 20, 2020 at 5:42 pm

I do not think we should be giving developers an opportunity to not pay property taxes for putting in low-income units.
August 22, 2020 at 8:45 am

Partner with charity groups - not City's responsibility.
August 23, 2020 at 4:06 pm

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Balancing Act

JG JOANNE GREGORY
CITY OF KENMORE

Climate Change Initiatives

2021-2022 Biennial Budget Projection > General Government > Climate Change Initiatives

Subcategory Budgeted Amount **$0**	Average Submitted Amount **$45,517** (0%)
Lowest / Highest Submitted Amount **$0 / $220,000**	Average Submitted Increased Amount **$45,517** (0% of starting amount)
Average Submitted Decreased Amount **$0** (0% of starting amount)	Difference **$45,517**
Total Changes **0**	Total Individual Clicks Increased **0** (0%)
Total Individual Clicks Decreased **0** (0%)	Avg. Clicked Increased Amount / Session **$36,934**

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Multiple Choice Question Statistics

Question Text

Should the City add an additional employee and other resources to create and implement a climate action plan?

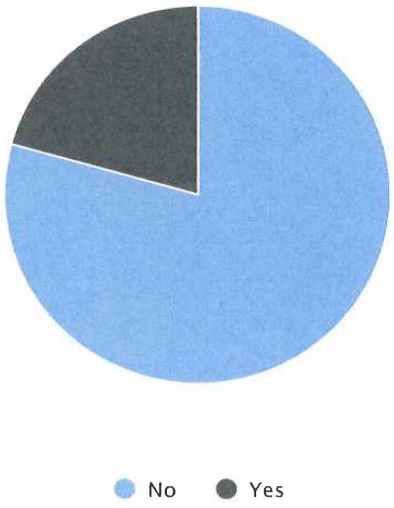
Submitted Responses

- No: 184 (79.31%)
- Yes : 48 (20.69%)

Clicked Responses

- Yes : 94 (74.60%)
- No: 32 (25.40%)

Submitted Responses



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Comments

This is important. No change now (thanks, covid) but keep up the good work!
August 12, 2020 at 5:50 am

Kenmore is very climate conscious, so this would be unnecessary.
August 12, 2020 at 6:29 pm

You are in a deficit and asking to hire and employee who will have net zero effect in changing global climate change. This is a "nice to have" and you are in a survival budget for issues that are problems now in our community--you do not have this luxury, unless you want to unlock the current employee wages and do a net reduction.
August 13, 2020 at 12:00 am

Why would this require a new full-time position? I know it's great to have such a position for optics, but in reality the day-to-day requirements of this work should not necessitate a full-time position.
August 13, 2020 at 3:49 am

This is important but should be addressed at the state and federal level
August 13, 2020 at 4:21 am

Would love to fund environmental initiatives, but if there's a budget deficit, non-essential services should be cut.
August 13, 2020 at 5:44 am

This should have a diversity and equity category
August 13, 2020 at 7:21 am

Freeze ALL city employees salaries.
August 13, 2020 at 7:28 pm

A single person won't do anything here... it needs to be a direction for the whole of government, with each part of the government doing its part. A single person robs the whole of their responsibility to act.
August 13, 2020 at 11:19 pm

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I believe we all have to do our part to address climate change, even in times when other problems seem much more pressing.
August 14, 2020 at 8:48 am

No additional resources at this period until budget is balanced. Kenmore needs to attract more businesses to our community
August 14, 2020 at 5:01 pm

Only if the city cuts Wages and Benefits to offset this
August 15, 2020 at 2:12 am

ABSOLUTELY NO! This is not the time to be adding employees. And the amount mentioned at the last meeting of your group seemed excessive. Please do not do this - our taxes cannot support this.
August 15, 2020 at 8:11 pm

Can't an existing employee take on this work?
August 15, 2020 at 10:31 pm

This is an important issue that the state government should be funding.
August 16, 2020 at 7:25 pm

The purpose of this position should be to support local level implementation of a State of Washington plan. Since there is no clear State plan, this position is premature.
August 17, 2020 at 12:55 am

NO! There is absolutely no reason to justify doing so. It will not change anything except add to the cost of government, and since we are projecting a deficit, it makes no sense.
August 19, 2020 at 3:24 am

No, this is a waste of tax payer money.
August 19, 2020 at 11:23 pm

With a budget shortage it does not make sense to add this optic.

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August 20, 2020 at 12:37 am

While important, this is not the time to add additional work plans and positions.
August 20, 2020 at 4:25 am

The council has continually place climate change concerns over the immediate needs of Kenmore citizens. It has listened to arguments by outside environmentalist above the voices of our children. Decided to save the orca instead of build play fields for our children. Why don't you take these funds and put them to work directly on behalf of children. One city position, won't change climate concerns. Action on all our parts will and we don't need an additional bureaucrat to make that happen.
August 20, 2020 at 5:44 am

Doing climate action plans city-by-city is a piecemeal approach. Needs to be mandated and funded at the state or national level.
August 20, 2020 at 5:42 pm

We should not ignore climate but it'd be helpful to know what exactly we're trying to accomplish with this position. Is it to reduce climate impact through construction? Is one employee enough? Can this work be combined with neighboring cities so that nobody is reinventing the wheel and costs can be reduced?
August 20, 2020 at 5:47 pm

The greatest threat we face. We ought to be doing something about it. This, while minimal, is a start.
August 21, 2020 at 12:51 am

We have a staff heavy city staff from the City Manager over paid Asst city Manager overpaid and a top heavy staff.
August 21, 2020 at 10:37 pm

No overhead expand current employees responsibilities to address climate changes
August 23, 2020 at 4:06 pm

This should be carried out at the county, state and federal level. Stick with having responsible environmental policy. It's unbeli

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considered.
August 24, 2020 at 3:12 am

NO!!
August 24, 2020 at 4:15 am

The City already has a huge budget for governmental services in wage/benefits and operations. The City needs to find more ways to be efficient so that it has the value that the budget holds for this category.
August 24, 2020 at 4:40 pm

At this time and with a large deficit is not the right time. We all want a safe climate, but with Inslee leading the green charge. The state will take care of it. Let's not waste our money, we have other needs.
August 25, 2020 at 12:50 am

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Balancing Act

JG JOANNE GREGORY
CITY OF KENMORE

Contributions to Human Services

2021-2022 Biennial Budget Projection > General Government > Contributions to Human Services

Subcategory Budgeted Amount

$346,681

Average Submitted Amount

$319,455 (92.15%)

Lowest / Highest Submitted Amount

$0 / $1,029,643

Average Submitted Increased Amount

$29,445 (8.49% of starting amount)

Average Submitted Decreased Amount

$56,223 (16.22% of starting amount)

Difference

-$26,778

Total Changes

-2,188

Total Individual Clicks Increased

1,666 (30.18%)

Total Individual Clicks Decreased

3,854 (69.82%)

Avg. Clicked Increased Amount / Session

$11,003

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Comments

Expanded mental health and crisis services!! Lets diversify funding from the PD over to other emergency services (like mental health, addiction and homelessness!).
August 12, 2020 at 5:50 am

These non-profits have access to grants, so the city should be able to reduce funding. Also, the senior center just received voter approval for $4MM levy, and has the ability to increase their membership charges slightly. They can also open their gym and other facilities to generate more interest and revenue. The senior center has been poorly managed, and needs to improve so the burden on the taxpayer is less.
August 12, 2020 at 6:29 pm

I think wages and benefits shouldn't be locked. Operations should also be in the running for cuts. The company I work for has had to cut expenditures and lay off many employees. City of Kenmore might need to as well
August 13, 2020 at 2:07 am

Would like to increase funding, but if we're in deficit, this should be trimmed.
August 13, 2020 at 5:44 am

Reduce by 10% across the board
August 14, 2020 at 5:01 pm

"Advertise" in the City newsletter, sent to residents, that cuts had to be made, and encourage citizens to make donations to these causes. It is surprising how people respond to calls for support to service agencies.
August 15, 2020 at 8:11 pm

Increased due to inc. demand in the next two years. These services are critical for our most vulnerable residents.
August 15, 2020 at 9:53 pm

This is a baseline comment about the entire situation. Economic recover from COVID has much uncertainty. Impacts likely to be protracted not shortened. Look at spending cuts first. Don't create additional taxes which ultimately get paid by individuals. Don

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businesses which we want to continue to employ people, not lay them off during a hard recovery. Keeping human service is important to help those struggling now.
August 17, 2020 at 12:55 am

COVID 19 has affected many people financially. The city cannot maintain the same contribution to human services when so many have been affected financially. Contributions will also go to the most heavily impacted community which are senior citizens. They need the most protection from the virus and the city needs to do more to help with providing the resources neccesary to keep the virus out of retirement homes as well as affordable housing centers which house many families in need (ex. Mary's Place).
August 17, 2020 at 7:03 pm

So called "Human Services" accomplishes WHAT for the amount of money allocated? Does someone or several people get paid to administer this money? How much? Why?
August 19, 2020 at 3:24 am

With the economy as it is and as it likely will be in the future, Kenmore should be prepared to invest heavily in services that provide basic necessities to the most marginalized and destitute. Food banks, shelter, meals on wheels, etc.
August 19, 2020 at 9:42 pm

Human services is clearly a state/county responsibility, not a Kenmore issue. Needs to be coordinated regionally to avoid have/have not pockets of cities.
August 20, 2020 at 5:42 pm

Support non-profits via public involvement and individual contributions DO NOT USE tax funds
August 23, 2020 at 4:06 pm

Tie it closely to set formula/percentage and take the politics out of it.
August 24, 2020 at 3:12 am

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Balancing Act

JG JOANNE GREGORY
CITY OF KENMORE

Economic Development

2021-2022 Biennial Budget Projection > General Government > Economic Development

Subcategory Budgeted Amount

$135,000

Average Submitted Amount

$128,518 (95.20%)

Lowest / Highest Submitted Amount

$0 / $750,600

Average Submitted Increased Amount

$16,492 (12.22% of starting amount)

Average Submitted Decreased Amount

$19,870 (14.72% of starting amount)

Difference

-$3,378

Total Changes

-2,125

Total Individual Clicks Increased

1,480 (29.11%)

Total Individual Clicks Decreased

3,605 (70.89%)

Avg. Clicked Increased Amount / Session

$5,697

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Comments

I see no direct affect of this in my day-to-day activities in Kenmore. Existing businesses have ample sources to advertise without government sponsored advertising. I see no business of significance in Kenmore started from the incubator. Any remaining economic development/advertising should be automated.
August 12, 2020 at 6:29 pm

Increase for future returns
August 13, 2020 at 4:21 am

I don't feel like Kenmore's economic development has been effective in the 5 years I've lived here. Cities like Kirkland have much better economic development, and also don't have budget deficits. Definitely need to invest more in proper economic development, but the path we've been in isn't producing results.
August 13, 2020 at 5:44 am

We should absolutely not cut back on economic development initiatives at this time
August 14, 2020 at 8:48 am

Remain as is
August 14, 2020 at 5:01 pm

Make kenmore an appealing place to live. What's is happening w the Lakepoint project - another failed attempt? We have the potential to be so much better and yet year after year it remains the same.
August 15, 2020 at 2:50 pm

It's noted that this model has preselected no change in B&O taxes. It would be inconsistent to spend money on ED, if there was an increase in B&O taxes, especially during a hard COVID economic recovery.
August 17, 2020 at 12:55 am

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stop trying to make the city pretty. Like the water feature in front of The Hanger and those businesses and pretty garden planting on strips in neighborhoods
August 17, 2020 at 11:55 pm

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> I reduced the Police budget significantly with the expectation that all the money carved from that part of the budget would be reallocated into areas that can improve community members standards of living and access to resources, etc. I think supporting affordable commercial rent for businesses and other pro-small, local business ventures would be an amazing opportunity for investment. If the budget leans so heavily toward policing, especially with the future looming so dark on the horizon, the only "fix" to any problem will be police and jail. And that will be immeasurably more expensive over the short and long term. Look for racist laws in the Kenmore code, like the loitering law, and repeal it. Make sure no police is ever getting paid to hassle someone because they "look like they don't belong" and use the money saved from the time saved to fund even more outdoor recreation areas where people actually loiter. Look for policeless alternatives to traffic enforcement, like the cameras and make sure the role and funds are taken out of the policing budget. Look to support businesses that will prevent "crime": Free taillight replacement at jiffy lube Free parcel pickup at Kenmore camera (prevent porch pirates) Free after school activities for kids (idle hands and all that) from any local business that teaches music, dance, martial arts, coding, or the tutoring centers. Etc. Etc. Etc.
>
> August 19, 2020 at 9:42 pm

> Kenmore is a residential suburb and has little control/influence on economic development. Greater, more regional forces, are at work.
>
> August 20, 2020 at 5:42 pm

> I think we need to focus on development of non-economic aspects of our city.
>
> August 21, 2020 at 12:51 am

> Show a 10 fold return on investment.
>
> August 23, 2020 at 4:06 pm

> Let economic development happen more organically.
>
> August 24, 2020 at 3:12 am

We're Online! Chat now

Balancing Act

JG JOANNE GREGORY
CITY OF KENMORE

Events

2021-2022 Biennial Budget Projection > General Government > Events

Subcategory Budgeted Amount

$386,327

Average Submitted Amount

$262,869 (68.04%)

Lowest / Highest Submitted Amount

$0 / $706,978

Average Submitted Increased Amount

$8,608 (2.23% of starting amount)

Average Submitted Decreased Amount

$132,587 (34.32% of starting amount)

Difference

-$123,979

Total Changes

-7,708

Total Individual Clicks Increased

674 (7.44%)

Total Individual Clicks Decreased

8,382 (92.56%)

Avg. Clicked Increased Amount / Session

$3,584

We're Online! Chat now

Comments

All of these events were cancelled in 2020...so those unspent funds should help balance the budget shortfall
August 12, 2020 at 4:55 am

Love Kenmore events!! My kids still talk about the Kenmore Camera Santa and tree lighting last year!! And PS we are really miss the water fountains at the Hanger 😭.
August 12, 2020 at 5:50 am

Can't imagine funds being used towards events during covid.
August 12, 2020 at 6:21 am

Charge tickets to the concerts, movies (only adults pay), tree lighting, etc. Eliminate the fireworks.
August 12, 2020 at 6:29 pm

Until the pandemic is eliminated there no need to create this expense. save the money while we can't gather in medium to large groups
August 12, 2020 at 9:57 pm

If there's a budget deficit, the non-essential things have to go.
August 13, 2020 at 5:44 am

It is not the city's business to provide events
August 13, 2020 at 7:28 pm

Remove movies in the park and concert series.
August 14, 2020 at 5:01 pm

For the next two years, the # of events will likely need to decrease giving COVID-19
August 15, 2020 at 10:31 pm

This is a nice to have and not a need to have. Human services and affordable housing should be valued much higher, especially over events.

We're Online! Chat now

August 16, 2020 at 5:55 pm

During hard times, there is always an opportunity to cut back some on these types of expenditures. This and Recreation expenses are a small part of the total expenses, so I'm not advocating cuts here, just noting.
August 17, 2020 at 12:55 am

Can we limit the events to the 4th of July fireworks and the tree lighting, paid for by sponsorships and perhaps volunteers or donations?
August 17, 2020 at 6:11 am

Hosting events during the stay-at-home order would endanger the lives of residents. Maintaining the stay at home order means cancelling city events. Sorry. The city should have the safety and health of its residents as its highest priority.
August 17, 2020 at 7:03 pm

We do not need fireworks. Every city around us has one. Only event many attend is music in the park.
August 17, 2020 at 11:55 pm

$386k is a lot of money for the relatively few who benefit from events.
August 20, 2020 at 5:42 pm

Encourage additional sponsorships. These events define our city's character; don't cut them too much.
August 22, 2020 at 8:45 am

This may be something the city needs to reduce funding for to balance the budget. Hopefully, private businesses could support these activities.
August 22, 2020 at 8:25 pm

Entertainment is NOT the responsibility of the city.
August 23, 2020 at 4:06 pm

With Covid there are less events, so no need to budget the max
August 25, 2020 at 12:50 am

We're Online! Chat now

Balancing Act

JG JOANNE GREGORY
CITY OF KENMORE

Operations

2021-2022 Biennial Budget Projection > General Government > Operations

Subcategory Budgeted Amount

$5,565,683

Average Submitted Amount

$5,565,683 (100.00%)

Lowest / Highest Submitted Amount

$5,565,683 / $5,565,683

Average Submitted Increased Amount

$0 (0.00% of starting amount)

Average Submitted Decreased Amount

$0 (0.00% of starting amount)

Difference

$0

Total Changes

0

Total Individual Clicks Increased

0 (0%)

Total Individual Clicks Decreased

0 (0%)

Avg. Clicked Increased Amount / Session

$0

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Comments

1) All city travel that is not critical to operations should cease. 2) The city should focus more on automation. 3) Interns should be utilized more frequently to create job experience (events coordinator, etc), rather than hiring regular staff. 4) Create a jobs program within the city for veterans, which OJT will be reimbursed by DAV or the feds.
August 12, 2020 at 6:29 pm

Without more info, this portion cannot be reasonably commented on.
August 12, 2020 at 11:26 pm

Feels like a lot. How do I cut this? Time to tighten the belts. For-profit companies do it all the time.
August 13, 2020 at 5:44 am

Freeze ALL salaries
August 13, 2020 at 7:28 pm

I'd like to see the breakdown here. I'm sure there are ways to cut costs.
August 14, 2020 at 3:20 am

Reduce the planning budget by 15% and freeze additional staff hires
August 14, 2020 at 5:01 pm

A 2% reduction seems reasonable. It's never easy to make decisions like this, but with the community members dealing with reduced or no income, these tough decisions need to be made.
August 15, 2020 at 8:11 pm

Are there staff positions that could be reduced from Full-Time to 75% or part-time positions that could be eliminated or folded into an existing FTE. To not be able to touch the largest expense categories is a bit disingenuous to this exercise.
August 15, 2020 at 10:31 pm

The city of Kenmore should pursue annexation with Bothell.
August 16, 2020 at 7:25 pm

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Cut city staff
August 17, 2020 at 11:55 pm

Seems to me like cutting about 600K from this budget money would make sense, as we have what amounts to too many people doing too little for what they get paid, including benefits. That 600K plus savings contributions to human services and affordable housing would just about balance the budget.
August 19, 2020 at 3:24 am

Show cost reduction with the merger with Lake Forest PArk and/or Bothell
August 23, 2020 at 4:06 pm

These cost should be cut as well. Why locked so much is wasted on consultants for various possible future projects. If many properties are owned, why cant one be used for public works. Why cant properties be sold? Looks like the City is over extending with so many Grant's to change parks. Majority of residents requested on survey natural habitat and trails,not parks for mostly rowing and dragon boat clubs. What funds are they providing now and for the future maintenance?
August 23, 2020 at 8:25 pm

Consider an across-the-board board, small percentage cut.
August 24, 2020 at 3:12 am

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Balancing Act

JG JOANNE GREGORY
CITY OF KENMORE

Recreation Coordination

2021-2022 Biennial Budget Projection > General Government > Recreation Coordination

Subcategory Budgeted Amount

$100,000

Average Submitted Amount

$81,927 (81.93%)

Lowest / Highest Submitted Amount

$0 / $300,000

Average Submitted Increased Amount

$7,566 (7.57% of starting amount)

Average Submitted Decreased Amount

$24,154 (24.15% of starting amount)

Difference

-$16,588

Total Changes

-4,334

Total Individual Clicks Increased

956 (15.31%)

Total Individual Clicks Decreased

5,290 (84.69%)

Avg. Clicked Increased Amount / Session

$3,083

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Comments

More parks and recs. Biking programs along the trails and kayaks to rent for residents.
August 12, 2020 at 6:21 am

Automate this function, or drop it entirely. Alternatively, combine the recreation coordinator with the events coordinator to a part-time position.
August 12, 2020 at 6:29 pm

If there's a budget deficit, non-essential services need to be cut.
August 13, 2020 at 5:44 am

If non-profit and for profit entities want to provide recreation, let them do it using their own dollars
August 13, 2020 at 7:28 pm

15% reduction
August 14, 2020 at 5:01 pm

Doubled budget for new outdoor focused programming and/or childcare type support for working families for youth. Could inc. 'study halls', outdoor nature preschool, after school 'camps' all modified for CV-19 safe practices to support families. Not intended only for sports or field management. Evaluate after 2 year budget and adjust.
August 15, 2020 at 9:53 pm

See Events comment.
August 17, 2020 at 12:55 am

The only recreational activity that the city should be coordinating is providing free lunches and meals to low-income families. Activities like the YMCA free lunch program should stay. Outdoor recreational activities like sports and skating should be limited to control exposure to COVID 19 especially among the youth which have a higher likelihood of being asymptomatic.
August 17, 2020 at 7:03 pm

Support the community and local jobs! Great!
August 19, 2020 at 9:42 pm

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> **Why does the city need $100k for rec if it works with nonprofits to provide rec? Does it pay those nonprofits? Nonprofits need to recover their costs through the fees they charge directly to their customers. Although I would support the city subsidizing fees for low income kids.**
> August 20, 2020 at 5:42 pm

> **Recreational outlets and amenities, along with schools, are a key asset for Kenmore. These efforts should be strengthened.**
> August 21, 2020 at 2:45 pm

> **The city provides the facilities to recreate so residents should take the initiative to use the facilities as well as encourage their children.**
> August 22, 2020 at 8:45 am

> **The city can come up with less expensive ways to support recreation... and there is a lot of uncoordinated recreation in Kenmore that residents can take advantage of.**
> August 22, 2020 at 8:25 pm

> **Show a >2 fold return on investment.**
> August 23, 2020 at 4:06 pm

> **Unnecessary**
> August 24, 2020 at 3:12 am

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Balancing Act

JG JOANNE GREGORY
CITY OF KENMORE

Wages and Benefits

2021-2022 Biennial Budget Projection > General Government > Wages and Benefits

Subcategory Budgeted Amount

$9,062,436

Average Submitted Amount

$9,062,436 (100.00%)

Lowest / Highest Submitted Amount

$9,062,436 / $9,062,436

Average Submitted Increased Amount

$0 (0.00% of starting amount)

Average Submitted Decreased Amount

$0 (0.00% of starting amount)

Difference

$0

Total Changes

0

Total Individual Clicks Increased

0 (0%)

Total Individual Clicks Decreased

0 (0%)

Avg. Clicked Increased Amount / Session

$0

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Comments

Hope everyone is making a living wage!
August 12, 2020 at 5:50 am

Wage freeze should be implemented. Also, promote cost-savings incentive like some cities and many businesses offer. If one or more employees identify cost-savings suggestions that are implemented, they participate in a percentage of the savings as a reward. My personal experience with this in the private sector resulted in much more efficient performance, and was widely approved by company employees.
August 12, 2020 at 6:29 pm

If you are looking to redistribute fund look to reducing is very large expenditure. Employees who have jobs can forgo any pay increases for a year.
August 12, 2020 at 9:57 pm

How do I cut this? It's the biggest single line item. The Kenmore government is in deficit, so the government employees are clearly not doing their job. Decisions made in previous years have not proved to be correct. Employees bear primary responsibility and should have salaries cut. That's the price of working in public service.
August 13, 2020 at 5:44 am

I'd reduce these by a modest amount, say 5%. As a teacher, my income has been frozen or reduced during times of crisis in the past, and if the amount was small enough, most of us adjusted.
August 13, 2020 at 3:06 pm

We shouldn't ignore optimization on biggest spend line and find savings here too. 5% saving here can get us very close to break even.
August 13, 2020 at 6:58 pm

Freeze ALL salaries
August 13, 2020 at 7:28 pm

This is the obvious choice. Kenmore is a small town. I don't think we need 57 employees to run it. Let's have a look at how the employee count has increased ov(at the salaries over that time.

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August 14, 2020 at 3:20 am

Too many employees.
August 14, 2020 at 3:31 am

Stay at cost of living increase only look to see if part time or seasonal employees can be eliminated
August 14, 2020 at 5:01 pm

I would not authorize any pay increases for at least a yr. Possibly reduce hours to create a fair reduction in General expenses. Remember, many residences have lost their jobs totally. lets look inward to share the burden. Otherwise someone here may need to lose their job to balance the city budget. any
August 14, 2020 at 10:42 pm

So the average salary/benefits package of the 57 people is over $150k??? Given that this accounts for over a third of the budget, some small cuts could make up the budget shortfall.
August 15, 2020 at 2:12 am

This area should be re-evaluated to reduce non essential personnel in order to balance the budget and/or re-allocate money saved to other departments.
August 15, 2020 at 4:59 am

More than HALF the budget?? Geez. You guys are not listening to your constituents.
August 15, 2020 at 2:50 pm

Eliminate raises - not a popular option, but necessary in hard times. Community members are suffering lost wages and jobs. In fact I think there should be a slight reduction--maybe 1% or 2%. (I've had to deal with a 10% reduction in my work career.) A SMALL reduction is not out of order.
August 15, 2020 at 8:11 pm

The city of Kenmore should pursue annexation with Bothell.
August 16, 2020 at 7:25 pm

This is a baseline comment on the model. The Public Works sect City is not being transparent. See my comments there. The moa

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comments to be submitted unless the budget is balanced. Given the limitations of the model and level of transparency I have made adjustments to Contracted Police Services and Parks&Facilities, so that my comments go through. I do not support reductions in either of these areas at this time. If the transparency issue was corrected, I may have filled this out differently.
August 17, 2020 at 12:55 am

The city has less revenue coming in so staffing levels should reflect this
August 18, 2020 at 10:17 pm

This category is locked. We can't touch your salaries. $9.1 divided by 57 employees = $159,649 -- each!!! There is the problem. People in the private sector are not making this much money. Cut positions, cut salaries. End of story.
August 22, 2020 at 1:00 am

Our people are very important. We should be paying a comparable salary to other cities or size nearby.
August 22, 2020 at 8:45 am

Are there positions that we can do without and still cover Kenmore's critical needs. Are there positions that could be replaced by volunteers?
August 22, 2020 at 8:25 pm

Why can this not be changed? This is where most of our money goes...
August 22, 2020 at 11:47 pm

Merge with Lake Forest PArk and/or Bothell and reduce overhead.
August 23, 2020 at 4:06 pm

Need to get this lower for a small town. Some of the positions can go. City hired extra staff before covid/ last year. Now is a time that cuts need to happen to prepare for tighter budget.
August 23, 2020 at 8:25 pm

Freeze wages and take a harder line on some of the benefit package items that have been identified in the past.
August 24, 2020 at 3:12 am

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> **Check how most of the top people are making. The mayor etc. It should be no more than $100,000.**
> August 24, 2020 at 3:47 pm

> **Ask for voluntary reductions in pay.**
> August 25, 2020 at 1:59 am

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Balancing Act

JG JOANNE GREGORY
CITY OF KENMORE

Contracted Police Services

2021-2022 Biennial Budget Projection > Police Services > Contracted Police Services

Subcategory Budgeted Amount

$7,915,334

Average Submitted Amount

$7,488,520 (94.61%)

Lowest / Highest Submitted Amount

$2,532,907 / $12,901,994

Average Submitted Increased Amount

$42,445 (0.54% of starting amount)

Average Submitted Decreased Amount

$468,206 (5.92% of starting amount)

Difference

-$425,761

Total Changes

-1,957

Total Individual Clicks Increased

671 (20.34%)

Total Individual Clicks Decreased

2,628 (79.66%)

Avg. Clicked Increased Amount / Session

$23,186

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Comments

Sorry police, but you are a huge budget item. (So many excellent city workers operate on leaner budgets!) I'm grateful for your service but I need you operate leaner. Maybe patrol on bikes (not fancy svus that I could never afford?!). Or how about police operate like our sexy fire dept and show up when they ARE CALLED, not because they are paroling for crimes to find?! Do we need so many patrolling every day? Especially when so many people are staying home? (Bars aren't open! Inglemoor is not in session this Fall!) Our ambulances don't go patrolling for sick people - they show up when called!

August 12, 2020 at 5:50 am

Would like to see what the amounts were used for and how it was spent within the department. Could the services be better accomplished with social service workers? Investigators and law enforcement? Data analysts?

August 12, 2020 at 6:21 am

We should see absolutely NO reduction in police services at all! Our neighborhood rarely sees a cop car on regular patrol, unless there is a call. We have a growing problem with homeless in our parks and in the area (mostly drug addicts that don't want help), and this needs to be curtailed, as well as robbery/mail theft from addicts, etc. We need more services, not less.

August 12, 2020 at 6:29 pm

Without law and order we have nothing. The police need more resources. Find the extra money somewhere in Operations.

August 13, 2020 at 2:07 am

Happy with police here, but reduced to balance budget

August 13, 2020 at 4:21 am

Kenmore needs to increase police presence to stem the growing tide of bad behavior. If the police would ramp up traffic enforcement, perhaps they could offset more of their cost. It would only take a few cops sitting on Juanita Dr and Simons Rd every summer night to catch all the people racing their noisy cars... instant revenue.

August 13, 2020 at 5:44 am

Police service should always be a reflection of community needs, and I believe our need will increase as a result of the economic recession that is only just b position to judge whether our budget was on target in the first h

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experts and key community members, I wouldn't be against a modest decrease in spending, say <5%, to help meet budget constraints. Investing into important programs that help those most at risk, like affordable housing and mental health, would certainly help to take some burden off of police as well.

August 14, 2020 at 8:48 am

Leave the police service budget alone.

August 14, 2020 at 5:01 pm

Continued support of the police is necessary. They do an excellent job.

August 15, 2020 at 8:11 pm

It seems like a lot of money to pay for police services.

August 16, 2020 at 5:06 pm

See first comment under General Government.

August 17, 2020 at 12:55 am

If the city really believes in the Black Lives Matter movement, defund the police and return it to families that are struggling financially during COVID-19.

August 17, 2020 at 7:03 pm

Carve out funding and use it to support alternatives that prevent crime, help people in distress, and create a future that isn't dependent on jail and punishment as the only alternative. As the police chief said during the Council meeting weeks ago, you can't expect the police to solve anything at 2am. I question whether the status quo of policing is expected to solve anything ever. If cops and prison solved crime, then the US should be the safest country in the world. Alas, not even close. I hope that the council can see that removing roles from the police and removing the funding that goes with those roles, is not about punishing police. It is entirely about seeking a safe, sustainable future for everyone. I am sure that the majority of the money goes to wages and benefits. The SPD, I know, spends something like 80% on paying staff. Defunding the police may very well mean cutting positions and reducing (or simply not raising) benefits and pay. If any council member balks at that idea I caution you to remember that millions of Americans just lost their job over the last few months as well. It is most relevant to see whether the job is necessary for the community (not just *seems* necessary) more than anything else. Too apparently, more police just *seem* necessary, but I challenge you to prove any model where more police solved anything (without relying solely on opaque numbers provided by the police themselves).

August 19, 2020 at 9:42 pm

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> Simply just cut the police budget by about 870k and we don't have to raise property taxes!!! It is not like the police in Kenmore have much to do anyways.
> August 20, 2020 at 3:34 am

> From the limited information available to me, it is easy for me to make a cut here of *only* 1.5 million. I do not know what are the repercussions of making such a cut or if we can even afford to cut more. What I see is that this is one of the biggest costs to our city aside from wages/operations and there are many other areas that could use additional funding as we move forward.
> August 20, 2020 at 5:47 pm

> Invest in mental health services. As those improve there will be opportunities to cut back on police services.
> August 22, 2020 at 8:45 am

> Virtually non existent on Finn Hill
> August 23, 2020 at 4:06 pm

> Make sure the taxpayers dollars are going to police services that benefit the taxpayers. Please stop mail theft, car break-ins, and bicycle theft.
> August 24, 2020 at 3:47 pm

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Balancing Act

JG JOANNE GREGORY
CITY OF KENMORE

School Resource Officer

2021-2022 Biennial Budget Projection > Police Services > School Resource Officer

Subcategory Budgeted Amount

$110,000

Average Submitted Amount

$65,905 (59.91%)

Lowest / Highest Submitted Amount

$0 / $110,000

Average Submitted Increased Amount

$0 (0.00% of starting amount)

Average Submitted Decreased Amount

$44,095 (40.09% of starting amount)

Difference

-$44,095

Total Changes

0

Total Individual Clicks Increased

0 (0%)

Total Individual Clicks Decreased

0 (0%)

Avg. Clicked Increased Amount / Session

$0

We're Online! Chat now

Multiple Choice Question Statistics

Question Text

Should the City continue the School Resource Officer Program? This program costs the City about $86,000 per year and the School District reimburses the City for $31,250.

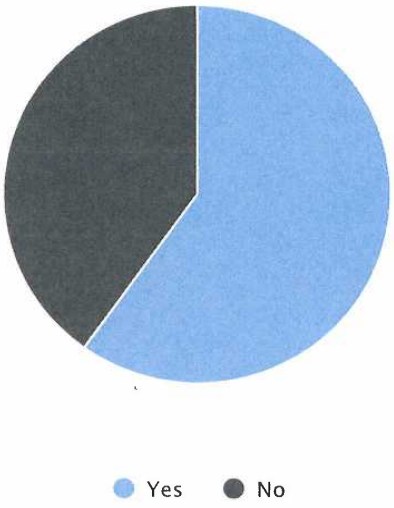
Submitted Responses

- Yes: 139 (59.91%)
- No: 93 (40.09%)

Clicked Responses

- No: 145 (89.51%)
- Yes: 17 (10.49%)

Submitted Responses



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Comments

Research doesn't support that cops in school decrease crime - let's stop treating students like criminals.
August 12, 2020 at 5:50 am

As long as the pandemic is limiting school activities, eliminating this is a no-brainer. After school resumes, the SRO should be on the school district budget, not the city.
August 12, 2020 at 6:29 pm

With a budget deficit, this is not critical.
August 13, 2020 at 5:44 am

Will this cut the school police / fire support education
August 13, 2020 at 7:21 am

There is a significant drug presence in our high schools and we need the presence of officers there in addition to protecting our children. The officers also get to know our youth and have a positive influence on their life from a community perspective
August 14, 2020 at 5:01 pm

YES!! $8million on police but you are contemplating taking away security for our kids? You know there were multiple instances last year that required these officers right? *Sigh*
August 15, 2020 at 2:50 pm

It is important to retain this to ensure that kids feel like Officers are approachable. Having had kids at Inglemoor, I always appreciate the persence of an officer.
August 15, 2020 at 10:31 pm

In today's climate this is an easy one to pick on. However, it would be best to gather a history of successes and complaints before deciding to eliminate the SRO.
August 16, 2020 at 11:27 pm

What does the School Resource officer do? Is it necessary for the safety of children?
August 17, 2020 at 6:11 am

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This is a benefit to the school district so should be covered by then
August 18, 2020 at 10:17 pm

Yes. However, cut ALL police/fire pension benefits moving forward. Shift to a 401K match like the rest of the modern world or those things will CRUSH US as they are most cities.
August 19, 2020 at 12:24 am

Yes, please keep our children protected.
August 20, 2020 at 12:37 am

If a police response is needed to protect public safety, it's appropriate for a police officer to be present. However, in general I don't think police should be at school. Unless responding to a physical threat at school, they should not be armed at school. I would like to see more funding of mental health services.
August 21, 2020 at 12:51 am

Schools need counselors and social workers, not police.
August 21, 2020 at 5:30 am

Why are these costs overtime?!
August 22, 2020 at 1:00 am

This is a preventive cost. By investing in relationships between officers and citizens we avoid more expensive problems later.
August 22, 2020 at 8:45 am

However, no resource officer is needed when learning is online.
August 22, 2020 at 8:25 pm

I like with the program does, but I feel like it is a waste of money. Let's have an officer visit a classroom once or twice a year for a specific reason an educational opportunity.
August 24, 2020 at 3:47 pm

Unfortunately with a budget short fall, this is one area that need[illegible] the majority of the costs for something that should be a school

We're Online! Chat now

Balancing Act

JG JOANNE GREGORY
CITY OF KENMORE

Mental Health Resources

2021-2022 Biennial Budget Projection > Police Services > Mental Health Resources

Subcategory Budgeted Amount

$0

Average Submitted Amount

$47,845 (0%)

Lowest / Highest Submitted Amount

$0 / $100,000

Average Submitted Increased Amount

$47,845 (0% of starting amount)

Average Submitted Decreased Amount

$0 (0% of starting amount)

Difference

$47,845

Total Changes

0

Total Individual Clicks Increased

0 (0%)

Total Individual Clicks Decreased

0 (0%)

Avg. Clicked Increased Amount / Session

$35,037

We're Online! Chat now

Multiple Choice Question Statistics

Question Text

Should the City invest more in programs such as the RADAR program and/or other mental health resources? $100,000 would provide for additional mental health resources and/or RADAR program Navigator services.

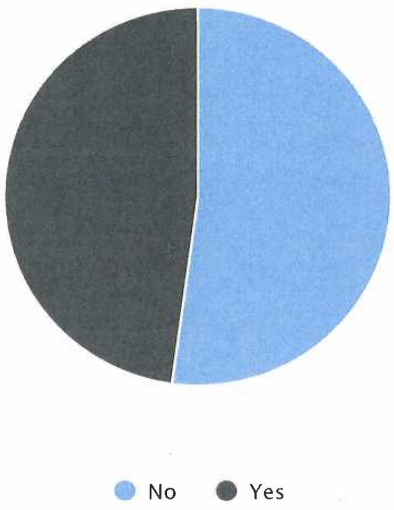
Submitted Responses

- No: 121 (52.16%)
- Yes: 111 (47.84%)

Clicked Responses

- Yes: 168 (87.50%)
- No: 24 (12.50%)

Submitted Responses



We're Online! Chat now

Comments

All the mental health support!! Yes!
August 12, 2020 at 5:50 am

We need more education around what this service actually provides compared to other services like NAMI, etc.
August 12, 2020 at 6:29 pm

Improving mental health may reduce policing and other costs. Seeking happier neighbors and a return on investment.
August 13, 2020 at 4:21 am

We have a growing mental health crisis in this country, in the wake of coronavirus.
August 14, 2020 at 8:48 am

Although mental health is a growing need, City funding at only $100K will not be significant enough to really make a difference
August 15, 2020 at 10:31 pm

Do we need to spend $100,000 on this? Is a lower amount possible, like $50K or $75K?
August 17, 2020 at 6:11 am

I highly recommend spending more time looking into models and groups that do outreach services and see that many have or are working toward divesting from the police. People who do outreach should always be able to call the police for backup if necessary, but the police should not be default. This would make people more likely to call for the services who would otherwise not involve the police This will also save money, since in most cities with groups that work with or without the police, the times police are deemed even necessary is remarkably small. There needs to be an alternative that doesn't route through the police and doesn't necessitate police response. I have linked a couple of articles I wish you would read regarding this concept. https://www.realchangenews.org/2019/07/24/homeless-outreach-program-reach-asks-change-its-relationship-citys-navigation-team https://slate.com/news-and-politics/2020/08/social-workers-police-collaborate.amp?__twitter_impression=true
August 19, 2020 at 9:42 pm

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Not services that involve police in any way. Programs should be

extensively trained mental health professionals.
August 20, 2020 at 12:12 am

There are a lot of calls that officers respond to where a counselor or social worker would be helpful. But I don't want to cut police staffing--still need all of our cops.
August 20, 2020 at 5:42 pm

This seems minimal. I suggest increasing funding for these types of programs.
August 21, 2020 at 12:51 am

These costs will be able to prevent more expensive issues that involve the police. All of my $577,312 remaining surplus should go to mental health resources.
August 22, 2020 at 8:45 am

No, this is a county level function.
August 24, 2020 at 3:12 am

The police enforce the law.
August 24, 2020 at 3:47 pm

We're Online! Chat now

Balancing Act

JG JOANNE GREGORY
CITY OF KENMORE

Park & Facility Landscape, Maintenance ...

2021-2022 Biennial Budget Projection › Public Works › Park & Facility Landscape, Maintenance and Irrigation

Subcategory Budgeted Amount

$786,623

Average Submitted Amount

$729,932 (92.79%)

Lowest / Highest Submitted Amount

$0 / $1,006,877

Average Submitted Increased Amount

$4,008 (0.51% of starting amount)

Average Submitted Decreased Amount

$61,525 (7.82% of starting amount)

Difference

-$57,517

Total Changes

-1,792

Total Individual Clicks Increased

432 (16.27%)

Total Individual Clicks Decreased

2,224 (83.73%)

Avg. Clicked Increased Amount / Session

$3,212

We're Online! Chat now

Comments

Kenmore should have a community service option for certain legal offenses that could reduce this line item.
August 12, 2020 at 6:29 pm

Would like to increase but no finding found. Maybe divert some resources to encourage volunteer work?
August 13, 2020 at 4:21 am

Cut back on landscaping/irrigation, but keep general maintenance
August 15, 2020 at 2:12 am

Local parks are critical for the next two years (and beyond). Consider ways to reduce ongoing maintenance costs such as reducing mowing areas, investing in park volunteers or partnerships.
August 15, 2020 at 9:53 pm

See first comment under General Government.
August 17, 2020 at 12:55 am

More emphasis on natural, native plant, and low-water landscapes. Use of lawn where it serves a recreational purpose; otherwise, landscaping with native vegetation. Elimination of pesticide use; reduction of irrigation. Only use "green" lawncare contractors who use no leaf blowers or pesticides. This would set an example of a city that cares about its residents' quality of life.
August 21, 2020 at 12:51 am

Keep funding.
August 22, 2020 at 8:25 pm

Clubs using Squires landing,Rhodadendrum, and log Boom should be charged to cover maintenance, especially since they monopolizing these areas, and are not leaving the park clear for use of others
August 23, 2020 at 8:25 pm

We're Online! Chat now

Balancing Act

JG JOANNE GREGORY
CITY OF KENMORE

Street Maintenance paid by General Fund

2021-2022 Biennial Budget Projection > Public Works > Street Maintenance paid by General Fund

Subcategory Budgeted Amount

$1,200,000

Average Submitted Amount

$1,047,414 (87.28%)

Lowest / Highest Submitted Amount

$600,000 / $1,200,000

Average Submitted Increased Amount

$0 (0.00% of starting amount)

Average Submitted Decreased Amount

$152,586 (12.72% of starting amount)

Difference

-$152,586

Total Changes

0

Total Individual Clicks Increased

0 (0%)

Total Individual Clicks Decreased

0 (0%)

Avg. Clicked Increased Amount / Session

$0

We're Online! Chat now

Multiple Choice Question Statistics

Question Text

Should the City reduce street preservation and maintenance efforts? Currently the General Fund contributes about $600,000 per year (or $1.2M for 2021-2022) to the Street Fund for this purpose.

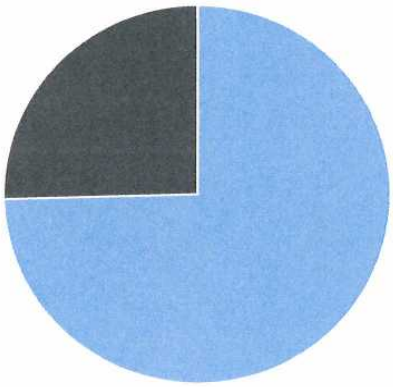
Submitted Responses

- No: 173 (74.57%)
- Yes Reduce 50%: 59 (25.43%)

Clicked Responses

- Yes Reduce 50%: 108 (75.00%)
- No: 36 (25.00%)

Submitted Responses



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Comments

This fund should not be cut until you make the deep cuts recommended under the general government tab--if you eliminate the "feel good" items from there, you do not need to make this cut here. Also--because you will not allow comment on the "locked" costs for a new Public Works Shop, that should be on the table ; the entire amount should be able to be line-itemed and only needs not wants addressed. This austerity not prosperity budgeting.
August 13, 2020 at 12:00 am

The streets will be fine for another year or so. Way less traffic due to people working from home
August 13, 2020 at 2:07 am

How about we do projects right the first time so we don't have to redo them. Let's get a traffic engineer that knows what they are doing.
August 13, 2020 at 3:32 am

If Kenmore hopes to attract more residents, businesses, and grow the Kenmore economy, transportation infrastructure is critical.
August 13, 2020 at 5:44 am

A 50% cut is too much - but there are savings that could be made. One small example is street sweeping. The sweeper went up and down our street (upper 73rd) THREE TIMES IN 8 DAYS! Then about 4 weeks later it went by again. Nothing on the road to sweep! Total waste of resources.
August 15, 2020 at 8:11 pm

The city spends way too much money on traffic control projects like round-a-bouts, Simonds RD changes. Those changes have caused more traffic problems and liablilties and the expenses of redoing the changes.
August 18, 2020 at 2:40 am

This money is apparently NOT being spent wisely as evidenced by the work done on 68th AVE NE, which has a pretty lousy patch job done to all the trenches and holes dug.
August 19, 2020 at 3:24 am

It is imperative that the City maintain its budget to take of our streets and extend the life of our roads.
August 19, 2020 at 8:55 pm

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> **The road projects you have recently spent money on have been a waste. Repaving Simonds was nice, but the restriping to one lane and adding lopsided bike lanes was a terrible idea. There is also an accident waiting to happen where the road merges from 2 lanes to one.**
> August 20, 2020 at 4:30 am

> **I recommend slowing the pace of street maintenance. Our neighborhood streets were recently re-surfaced, and to my admittedly untrained eye, it did not need it in most places.**
> August 21, 2020 at 12:51 am

> **Park are not kept way and very seasonal**
> August 21, 2020 at 10:37 pm

> **Reduced 25% also with money saved from Bastyr maintenance...**
> August 23, 2020 at 8:25 pm

> **We're doing a lot of upgrades already. Let's put a pause on these for a while and save some money.**
> August 24, 2020 at 3:47 pm

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Balancing Act

JG JOANNE GREGORY
CITY OF KENMORE

Additional Pavement Preservation

2021-2022 Biennial Budget Projection > Public Works > Additional Pavement Preservation

Subcategory Budgeted Amount

$0

Average Submitted Amount

$206,897 (0%)

Lowest / Highest Submitted Amount

$0 / $2,000,000

Average Submitted Increased Amount

$206,897 (0% of starting amount)

Average Submitted Decreased Amount

$0 (0% of starting amount)

Difference

$206,897

Total Changes

0

Total Individual Clicks Increased

0 (0%)

Total Individual Clicks Decreased

0 (0%)

Avg. Clicked Increased Amount / Session

$189,781

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Multiple Choice Question Statistics

Question Text

Should the City invest an additional $1M annually on road and pavement preservation?

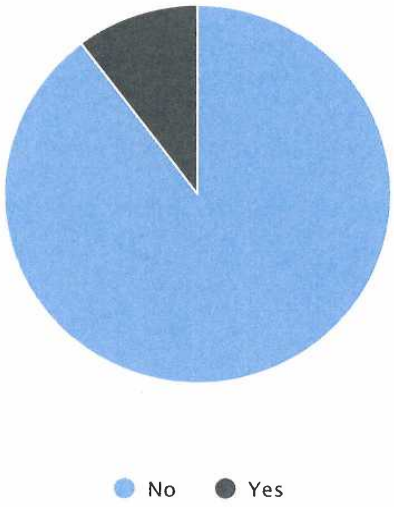
Submitted Responses

- No: 208 (89.66%)
- Yes: 24 (10.34%)

Clicked Responses

- Yes: 75 (63.56%)
- No: 43 (36.44%)

Submitted Responses



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Comments

Larger construction projects should be charged a pavement preservation fee, as they are the ones utilizing heavy equipment on our roads.
August 12, 2020 at 6:29 pm

This is a hidden tax question--of course, if you have the money; if you don't have the money what is the definition of the financial problem. This is the definition of poor communication with tax-payers.
August 13, 2020 at 12:00 am

Roads are necessary and need maintenance.
August 13, 2020 at 4:21 am

If roads are bad, people leave, companies don't want to come, and we end up with bigger deficits in the future. Must invest in critical infrastructure.
August 13, 2020 at 5:44 am

Road conditions in Kenmore have been perfectly adequate in recent years. Increasing the budget at this time makes no sense.
August 14, 2020 at 8:48 am

It seems like some of the suggested savings (employee costs) could pay for some of this. Then, how applying some of my overall "reserve" for this purpose? There are other savings that could be made in the LOCKED categories that could go toward this. These are austere times, and the City needs to make the hard choices, like citizens must, to tighten spending - this means on all things, even office supplies....maybe going for a cheaper quality of paper, etc. (spoken from a retired office manager who had to pinch pennies her entire career!). That example is only an example of getting down to the nitty-gritty to save money.
August 15, 2020 at 8:11 pm

Either increase the sales tax for transportation or add in budget dollars, but not both. I increased sales tax. Maybe explore not $2M but $1M.
August 15, 2020 at 10:31 pm

I got a letter saying they would not maintain any sidewalks or
August 17, 2020 at 11:55 pm

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Whoever or whatever company tore up 68th Ave did a really poor job of patching the holes and trenches dug! Who in the city allowed this without oversight! And how much did this crappy job cost the city?
August 19, 2020 at 3:24 am

Absolutely yes--it is very important that we extend the life of our roads, and the city needs to be investing more in its streets. It's the old saying--pay me now, or pay me a lot more later. If we defer pavement preservation now, we will be paying way more in the future to dig out and replace the crumbling asphalt.
August 19, 2020 at 8:55 pm

Pavement presentation just occurred in my Arrowhead neighborhood. The quality of work was sloppy and woefully inadequate. Does the city know about this sub-standard this road work? We are not getting what we pay for.
August 20, 2020 at 5:44 am

Need to take care of our streets. Don't cut corners on this. It will come back to bite you later.
August 20, 2020 at 5:42 pm

Additional pavement preservation would be good to do. Why is the "starting amount" $1m annually? What could be accomplished with $400k?
August 22, 2020 at 5:53 pm

Biannual pavement preservation would be okay.
August 22, 2020 at 8:25 pm

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Balancing Act

JG JOANNE GREGORY
CITY OF KENMORE

Other

2021-2022 Biennial Budget Projection > Public Works > Other

Subcategory Budgeted Amount

$542,194

Average Submitted Amount

$503,315 (92.83%)

Lowest / Highest Submitted Amount

$432,194 / $542,194

Average Submitted Increased Amount

$0 (0.00% of starting amount)

Average Submitted Decreased Amount

$38,879 (7.17% of starting amount)

Difference

-$38,879

Total Changes

0

Total Individual Clicks Increased

0 (0%)

Total Individual Clicks Decreased

0 (0%)

Avg. Clicked Increased Amount / Session

$0

We're Online! Chat now

Multiple Choice Question Statistics

Question Text

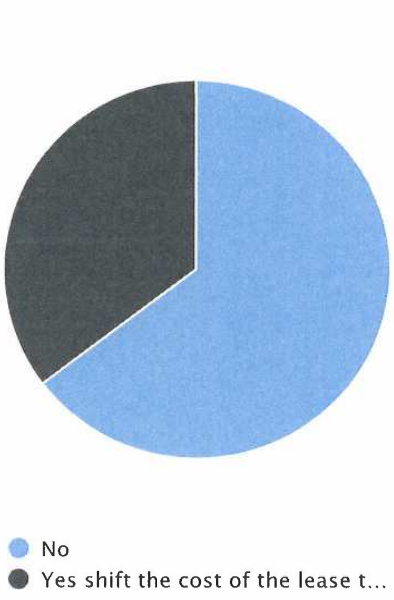
Should the City shift the cost of the Bastyr University ballfield lease ($55,000 per year or $110,000 for 2 years) to the ballfield users who pay user fees and help to maintain the fields?

Submitted Responses

- No: 150 (64.66%)
- Yes shift the cost of the lease to the ballfield users: 82 (35.34%)

Clicked Responses

- Yes shift the cost of the lease to the ballfield users: 183 (71.76%)
- No: 72 (28.24%)



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Comments

Sport groups should pay 100% for the use of any ball fields, whether city-owned or privately-owned. Most sport groups are non-profits, and can apply for grants from various sources to cover their costs. Invite a non-profit grant writer to host a grant-writing seminar for these groups, but cut all other funding.
August 12, 2020 at 6:29 pm

Absolutely--this is a nice to have not a need and we should not be using taxpayer funds to contribute to a private institution that is not open to all residents.
August 13, 2020 at 12:00 am

I didn't even know these were being used. Why are we spending so much money on them?
August 13, 2020 at 3:49 am

Reduced due to 60k deficit. Alternatives welcome.
August 13, 2020 at 4:21 am

Can this lease be renegotiated? 50% current cost or discontinue for 2 years.
August 13, 2020 at 5:11 am

Non-critical.
August 13, 2020 at 5:44 am

This is a vital resource for NYSA and the local little league and is the only soccer field area in Kenmore. Removing this would affect 1000s of families in the local area.
August 14, 2020 at 2:28 am

Why?? So our kids have to go elsewhere (along with their parents, siblings and friends) to play and eat out and spend quality time together? Why are you attempting to remove all these things that benefit our youth???
August 15, 2020 at 2:50 pm

Kids need ball fields !!
August 15, 2020 at 8:11 pm

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> **Fields will still be there. This is not a priority in the next two years but could re-evaluate.**
> August 15, 2020 at 9:53 pm

> **These ballfields are the only ones in Kenmore that comply with Little League rules. Strongly suggest renegotiating, perhaps 10% lower.**
> August 16, 2020 at 11:27 pm

> **The City is not being transparent defining what expenses are under Other. To have done so, implies decisions already made and not open to change. This lack of transparency in both this and the New PW shop has limited the people's ability to provide complete input on how to balance the budget.**
> August 17, 2020 at 12:55 am

> **There is Finn Hill park with a giant field. Make arrangements with schools in Northshore and LK WA to use their fields. Finn Hill MS has a field that is not used at all—ever**
> August 17, 2020 at 11:55 pm

> **Play little league at the elementary and junior high fields.**
> August 18, 2020 at 4:08 am

> **How on earth does it cost this much money to lease fields? How is this expense not captured on the revenue side?**
> August 18, 2020 at 10:17 pm

> **We lose 80% of the money by removing the lease?! Renegotiate it at a lower cost and increase fees for teams to use them.**
> August 19, 2020 at 12:24 am

> **WHY should it cost in excess of 400K to lease ballfields from Bastyr? Plan a schedule of activity and then pay as needed to play. This cost represents over 1000 dollars PER DAY to lease the ballfields - are they being used DAILY? 36K per month is outrageous!**
> August 19, 2020 at 3:24 am

> **Please don't discontinue this lease. The city of Kenmore has so few ballfields as it is. Ths lease with Bastyr is a good deal for the city, and the leagues are in addition paying use and maintenance fees to Bastyr.**

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August 19, 2020 at 8:55 pm

Is it possible to renegotiate the price for the next two years? Bastyr might be inclined to help the city keep costs lower to weather through the unstable economy, while also keeping the fields open to people.
August 19, 2020 at 9:42 pm

Please keep leasing for these fields to support children in our community. It is important that our children have places to play organized sports in the community.
August 20, 2020 at 12:37 am

There are not enough fields for our kids in Kenmore. Please continue leasing these fields. Especially since the council didn't listen to families and shut down building additional fields at St Edward.
August 20, 2020 at 1:08 am

With the St. Edward Fields project failing to be passed, the city of Kenmore has extremely limited ballpark access. Please do not take this away from our kids and community.
August 20, 2020 at 1:25 am

Please continue to fund the baseball fields! Our kids have very few places to play organized sports!
August 20, 2020 at 3:00 am

Kenmore doesn't have many fields that are usable. Keep the ones at Bastyr.
August 20, 2020 at 4:30 am

The city Of Kenmore already let all of his children down when they did not pursue and even finish the scheduled and paid for environmental studies for the Potential new fields at st Edwards. What are we planning to do next as a city, have our children play baseball, soccer, lacrosse and other sports in parking lots?
August 20, 2020 at 4:47 am

Please note that this figure is $55,000 per year, not the $542,000 listed here. These ballfields are essential to youth sports in Kenmore. Without them, Little League Baseball and soccer budgets for local nonprofits cannot be sustained. These all volunteer organi higher fees to working class families because of our lack of ba

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these cost without folding. Without these fields, there is no longer little league baseball in our city.
August 20, 2020 at 5:44 am

Do not discontinue this lease!
August 20, 2020 at 3:42 pm

We need more fields for our youth, not less.
August 20, 2020 at 5:42 pm

That is surprisingly expensive to lease the ballfields. While I don't think we should give up the ballfields, it'd be nice to look for alternatives.
August 20, 2020 at 5:47 pm

Support shifting a portion of the field lease cost to the users.
August 20, 2020 at 10:06 pm

It is a not a good field
August 21, 2020 at 10:37 pm

Partly- only support one ballfield
August 22, 2020 at 8:25 pm

Those group that use the fields should make arrangements directly with Bastyr. Moorlands full cost of maintenance should be charged as a use fee to groups as well.
August 23, 2020 at 8:25 pm

Why would you even consider doing this? The city has failed to adequately address the need for active recreation space by not developing city owned facilities...and this is your remedy...to cut off a lease. Absolutely not.
August 24, 2020 at 3:12 am

This is a small amount in the budget. Kenmore offers very little to the public in the way of parks. The ballfields at this park are used by many of the youth organizations in the area. There are very few available fields in the area so to shift the costs to the small ' staffed by volunteers would effectively disassemble many of th.

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support to our youth. Kenmore has a strong single family population and should continue to attempt to cater to that population.

August 24, 2020 at 4:40 pm

Please do not do anything more to hurt the youth sports that depend on the limited fields in Kenmore. You already dropped the ball by cancelling the EIS for the St Edwards ball field project. Do not "screw" the kids anymore.

August 25, 2020 at 12:34 am

We're Online! Chat now

Balancing Act

JG JOANNE GREGORY
CITY OF KENMORE

Costs for new Public Works Shop

2021-2022 Biennial Budget Projection > Public Works > Costs for new Public Works Shop

Subcategory Budgeted Amount

$478,800

Average Submitted Amount

$478,800 (100.00%)

Lowest / Highest Submitted Amount

$478,800 / $478,800

Average Submitted Increased Amount

$0 (0.00% of starting amount)

Average Submitted Decreased Amount

$0 (0.00% of starting amount)

Difference

$0

Total Changes

0

Total Individual Clicks Increased

0 (0%)

Total Individual Clicks Decreased

0 (0%)

Avg. Clicked Increased Amount / Session

$0

We're Online! Chat now

Comments

Not enough info on this matter to comment responsibly. This number seems high.
August 12, 2020 at 6:29 pm

If we cut police funding by 50%, we'd have surplus to spend on this.
August 13, 2020 at 6:36 am

Yes
August 13, 2020 at 7:21 am

Reduce this amount by $79,000.
August 15, 2020 at 8:11 pm

The model has this category locked. The City should be transparent why you have done this. See Other for further comment.
August 17, 2020 at 12:55 am

Didn't the City decline pursuing the land needed for this? what are the options?
August 17, 2020 at 9:31 pm

Don't know wha this means.
August 17, 2020 at 11:55 pm

WHY do we need a NEW public works shop? Save the half million and we have a balanced budget. Then, and ONLY then can we sensibly allocate money for such an addition or renovation.
August 19, 2020 at 3:24 am

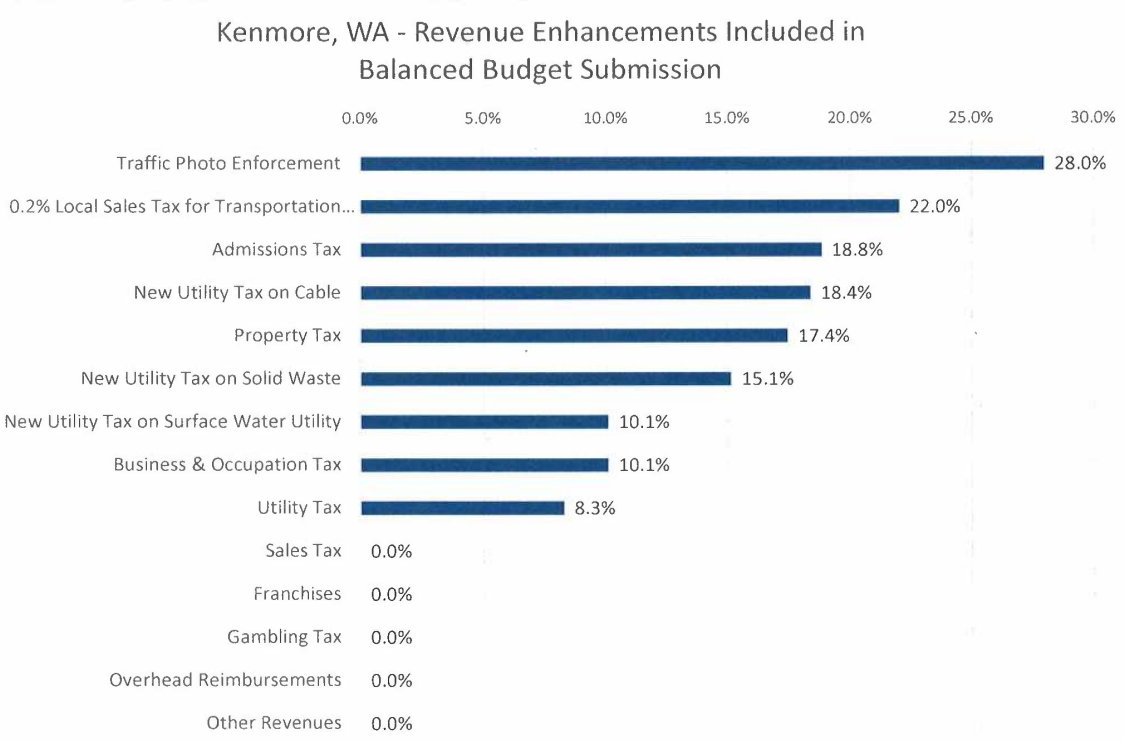
Do not create a public works shop at this time.
August 22, 2020 at 8:25 pm

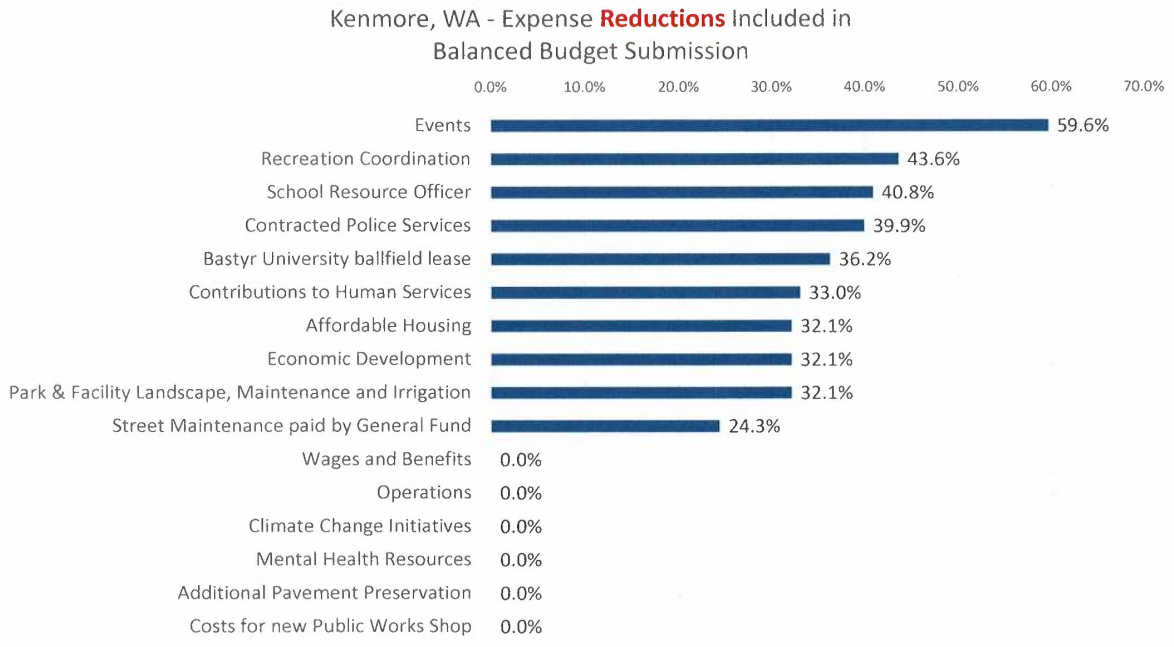
Stop it. Keep it at the existing site for 5 years. Save the money and continue a more scaled down search.
August 24, 2020 at 3:12 am

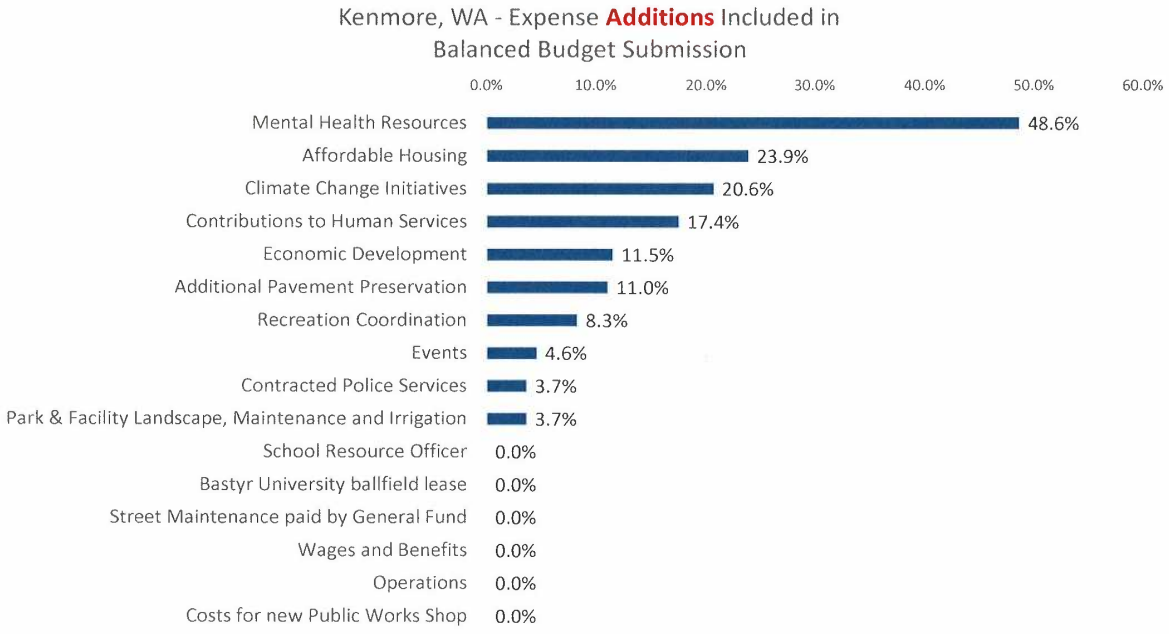
We're Online! Chat now

> **The City should not build a new Public Works Shop if it is in a deficit already. The City needs to find space where it has it currently.**
> August 24, 2020 at 4:40 pm

We're Online! Chat now


Kenmore, WA - Revenue Enhancements Included in Balanced Budget Submission
0.0%
5.0%
10.0%
15.0%
20.0%
25.0%
30.0%
Traffic Photo Enforcement
28.0%
0.2% Local Sales Tax for Transportation...
22.0%
Admissions Tax
18.8%
New Utility Tax on Cable
18.4%
Property Tax
17.4%
New Utility Tax on Solid Waste
15.1%
New Utility Tax on Surface Water Utility
10.1%
Business & Occupation Tax
10.1%
Utility Tax
8.3%
Sales Tax
0.0%
Franchises
0.0%
Gambling Tax
0.0%
Overhead Reimbursements
0.0%
Other Revenues
0.0%


Kenmore, WA - Expense Reductions Included in Balanced Budget Submission
0.0%
10.0%
20.0%
30.0%
40.0%
50.0%
60.0%
70.0%
Events
59.6%
Recreation Coordination
43.6%
School Resource Officer
40.8%
Contracted Police Services
39.9%
Bastyr University ballfield lease
36.2%
Contributions to Human Services
33.0%
Affordable Housing
32.1%
Economic Development
32.1%
Park & Facility Landscape, Maintenance and Irrigation
32.1%
Street Maintenance paid by General Fund
24.3%
Wages and Benefits
0.0%
Operations
0.0%
Climate Change Initiatives
0.0%
Mental Health Resources
0.0%
Additional Pavement Preservation
0.0%
Costs for new Public Works Shop
0.0%


Kenmore, WA - Expense Additions Included in Balanced Budget Submission
0.0%
10.0%
20.0%
30.0%
40.0%
50.0%
60.0%
Mental Health Resources 48.6%
Affordable Housing 23.9%
Climate Change Initiatives 20.6%
Contributions to Human Services 17.4%
Economic Development 11.5%
Additional Pavement Preservation 11.0%
Recreation Coordination 8.3%
Events 4.6%
Contracted Police Services 3.7%
Park & Facility Landscape, Maintenance and Irrigation 3.7%
School Resource Officer 0.0%
Bastyr University ballfield lease 0.0%
Street Maintenance paid by General Fund 0.0%
Wages and Benefits 0.0%
Operations 0.0%
Costs for new Public Works Shop 0.0%

City Council Business Agenda Item
City of Kenmore, WA

Subject/Topic: Charter for City Financial Sustainability Plan Task Force (CFSPTF)	**For Council Meeting Agenda of:** November 12, 2019 **Department:** Executive **Prepared by:** Torie Brazitis, Contracted Project Manager
Proposed Council Action/Motion: Approve charter for City Financial Sustainability Plan Task Force (CFSPTF).	**Initial & Date** **Approved by Department Head:** _____ **Approved by City Attorney:** _____ **Approved by Finance Director:** RK FOR JG **Approved by City Manager:** RJK 11/1/19 **Exhibits/Attachments:** Exhibit A: Proposed charter for City Financial Sustainability Plan Task Force (CFSPTF)

INFORMATION/BACKGROUND:

Due to State-imposed limits on property tax growth, relatively flat growth in other revenues, unfunded state and federal mandates, and other factors, the City's operating revenues are not keeping pace with the cost of doing business. As a result, the City of Kenmore faces an upcoming structural deficit in its operating budget (General Fund and Street Fund).

At the City Council's October 7, 2019 regular meeting, the Council approved a two-phase process to create a Financial Sustainability Plan, approved Professional Services Agreements for Management Partners and Chancery Civic LLC, and approved staff's proposal to commission a community survey in 2019. The goal of this process is to create a plan for the City Council's approval by early summer 2020 that will resolve the budget gap for six years (2021-2026, or for three budget biennia) in a way that reflects the community's values.

- In Phase 1, staff is gathering and verifying data on community satisfaction, community priorities, City finances, and the City's long-range financial projections to determine when the City will face a structural deficit and how large that deficit will be. Information gathered in this phase will be presented to the City Council at their retreat in January 2020 for the Council's response and direction before Phase 2 begins.
- In Phase 2, the city will convene a community conversation through spring 2020 to present this information, solicit input on these challenges, evaluate options, and work with community members to propose a range of options to the City Manager that could resolve the issue. This phase concludes with a report from the City Manager to the City Council with recommended actions before the City Council begins deliberations on the 2021-2022 budget.

Proposed Charter for City Financial Sustainability Task Force (CFSTF):

The City Council approved creation of a task force of community members to represent diverse interests in the community, become educated on City finances and causes of the structural deficit, propose ideas to resolve it, synthesize public input, and develop a range of solutions for the City Manager's consideration.

Staff has prepared a proposed charter (Exhibit A) to define the work of this task force. The goal of this charter is to create a role for the task force that adds value to the process of creating the Financial Sustainability Plan. The role must be interesting and substantial to attract attention and the time commitment of community members who want to serve, but it must also be complementary to both:

1. The City Council's decision-making authority on these matters, and
2. The City staff's professional responsibility to be experts on City finances, to perform research, to analyze options, and to advise the task force and City Council well on these matters.

Requested Actions at November 12, 2019, Regular Meeting:
To initiate this project, the City Council is asked to review and approve the City Financial Sustainability Task Force Charter.

FISCAL CONSIDERATION:
The cost of this work was previously authorized by the City Council on October 7, 2019. There are no additional cost considerations of this action.

COUNCIL GOAL/BUDGET OBJECTIVE BEING ADDRESSED:

2019-2020 City Council Goal 4. Create and Implement a Financial Sustainability Plan

Priority Based Budgeting Governance Results:
*Supports Decision-Making with Timely and Accurate Short-Term and Long-Range Analysis that Enhances Vision and Planning
*Provides Responsive and Accessible Leadership, Focused Community Priorities and Facilitates Timely, Well-Utilized Two-Way Communication and Input with All Stakeholders

DRAFT Charter for
City Financial Sustainability Plan Task Force (CFSPTF)
January 2020 - May 2020

Revised 11/01/2019

Mission
Due to State-imposed limits on property tax growth, relatively flat growth in other revenues, unfunded state and federal mandates, and other factors, the City's operating revenues are not keeping pace with the cost of doing business. As a result, the City of Kenmore faces an upcoming structural deficit in its operating budget (General Fund and Street Fund).

To provide additional community perspective on this issue, the City will create a Financial Sustainability Plan Task Force (FSPTF) of residents and business representatives. The Task Force will work from January 2020 through May 2020 to study the City's operating budget, determine the nature of the problem to be solved, assess solutions, and advise the City Manager on the matter.

As a group, task force members will learn about the City's services, budget, finances, Priority-Based Budgeting, and long-range financial forecasts. The task force will review and synthesize all financial data and public input on the City's operating budgets, then as a task force provide an advisory report to the City Manager with a range of options on ways the City could resolve the upcoming structural deficit. If any options are preferred by the task force, the advisory report can note that. The advisory report to the City Manager will be delivered by May 15, 2020.

This task force's work will be brief, focused, and advisory in nature. As members of the City Council are the directly elected representatives of the people, they retain decision-making authority and responsibility on matters related to the City's finances. Please see attached "Criteria for Success" for guidance from the City Council on the Financial Sustainability Plan process and expected results.

History
The issue of financial sustainability is discussed in the City Manager's budget message in the 2019-2020 City Budget. The Kenmore City Council discussed financial sustainability at their City Council Retreat on January 11 and 12, 2019, adopted it as one of their top five goals, and directed staff to conduct research on the issue and invite staff from other cities with similar

challenges to present to the City Council. In April 2019, after hearing presentations on similar processes in Shoreline and Kirkland, Council directed the City Manager to begin the process of creating a Financial Sustainability Plan. Staff brought Priority-Based Budgeting results maps and a proposed process for creating the Financial Sustainability Plan to the October 7, 2019 special meeting, at which point the City Council amended and approved the results maps and gave direction to proceed with the plan presented.

Authority and Responsibilities
The following tasks will be the responsibilities of the task force to complete by May 15, 2020.

Study and Understand City Budget, Finances, and Long-Term Financial Forecasts: The task force will get dedicated access to City staff, consultants and guests who will present information on the City services, budget, finances, and long-term financial projections to the task force, answer questions on the City's budget and finances, and conduct research to facilitate understanding and assess options suggested by the task force.

Advise on and Assist with Public Engagement Process: The task force will review a public engagement plan and advise on an appropriate process for this work. The task force's recommendations will consider available resources. Task force members may assist with and attend public engagement events, though at these events the task force members are encouraged to listen and observe to allow others to be heard.

The task force will review all public input and assist in synthesizing the information into useful formats for the City Council's and community's review and consideration.

Create Task Force Advisory Report to City Manager: The task force will provide their thoughts and range of solutions to the City Manager in the form of an advisory report. The report will be submitted by May 15, 2019. The facilitator will help draft this report. When approved by vote of the task force, the advisory report will be transmitted in full to the City Manager. A copy will be provided to the City Council and published on the City website for the public to read. Based on the task force's work and the work of City staff, the City Manager will then provide his recommendations to the City Council by the end of June 2019 for their consideration.

Provide Feedback on the Process: Task force members are welcome to provide input on the process while underway by email, phone, or in-person.

Organization
The following outlines how the task force will be organized and how it will complete this work.

Membership: Members will be residents of the City of Kenmore or own/work at a business physically located within the City. Members will be 16 years of age or older. Two positions are preferred for members with previous financial, business ownership, or managerial, experience. The remaining positions should be filled in ways to ensure the task force represents the Kenmore community's diversity in factors such as such as geography/neighborhood, age, education, length of Kenmore residency, and other demographics and life experiences.

With the expectation of two members filling reserved positions for professionals, there is no requirement of experience to serve on the task force. As with members of Congress or members of a City Council, the task force members' life experiences and connections to Kenmore are all the qualifications necessary to serve well on this task force and provide valuable, thoughtful insights on an important community issue.

There will be seven members on the task force.

Meetings: The task force will meet twice per month, most likely on weekday evenings, to complete this workplan.

Facilitator: The City is providing an independent facilitator to plan and moderate meetings to ensure all voices are heard, that the task force functions smoothly, that there can be productive discussion between staff and task force members on these topics, and to give the task force enough technical support to provide feedback to the City Council on the issue in the timeframe requested.

Feedback on the facilitator's service may be provided to the City Manager at any time.

Agenda, Minutes, and Reports: The facilitator will produce meeting agendas and take minutes of the meetings. When the task force member approves these, they will be posted on the City website.

The facilitator will assist the Task Force in drafting the final advisory report, along with one optional interim report if the task force wishes to produce one during their work.

Guests at Meetings: Guests are welcome at the task force meetings to observe. To ensure efficient use of time, there will not be a period for public comment at task force meetings. Instead, individual residents are asked to provide comments to the task force by email, which will be compiled weekly and given to the task force. The public can also provide comments directly to the City Council via email or at public comment periods at regular City Council meetings at any time through this process.

Expectations

Task force members are expected to do the following:

- Come prepared to task force meetings.
- Treat one another, City staff members, and the public with respect, courtesy, and civility.
- Listen with an open mind.
- Ask questions to facilitate improved understanding the issues and options.
- Think independently and speak on their own behalf as informed citizens, not as a designated representative of an organized group in the community.
- Share their viewpoint. Silence will be interpreted to indicate agreement.
- Work together with other task force members to develop an advisory report of recommendations to the City Manager in the time available.
- Maintain focus on *public benefit to all in the Kenmore community* in this work.

The task force will look into only those topic areas and strategies specified by the City's direction on this topic.

There will be no alternates appointed for this task force, so if a member cannot attend a meeting, they should either ask another member to represent their view for that meeting or submit written comments in advance.

Selection Process
The City will accept letters of interest from qualified community members from November 13, 2019 through December 2, 2019. Qualified community members may also be nominated for consideration by others. By early to mid-January 2020, the City Manager will select members based on the criteria listed here.

(Text from Exhibit B of Agenda Item VI.B of October 7, 2019 City Council Special Meeting)

Financial Sustainability Plan--Criteria for Success:
Through this process, staff will evaluate the process and results against the following criteria to determine whether we are successful:

1. The Financial Sustainability Plan closes the gap in a way that the City Council feels reflects the values of the community. For this reason, it is approved by the City Council and can be implemented.

2. The approved Financial Sustainability Plan will close the gap for six years or three budget cycles (2021-2022, 2023-2024, 2025-2026) through multiple actions over that timeframe.

3. The community conversation about the Financial Sustainability Plan is honest and open and reflects the feelings and needs of the entire Kenmore community.

4. The council, the task force members, and the public are given clear, comprehensive information on the current state of finances and feel well served. As much as possible, all questions are answered in plain language.

5. Experts are used to check the city's assumptions and improve forecast models.

6. Revenue and expenditure options from city staff, city leadership, task force members, and the public are considered fairly and openly.

7. The process is well documented and clearly communicated in the city newsletter, in the newspaper, and on social media.

8. The city website serves as a single, excellent source of information. It has all documents given to the task force, explains the current financial sustainability challenges, shows the task force meeting schedule, and invites input into the process.

Management Partners

To: Mr. Rob Karlinsey, City Manager
Ms. Joanne Gregory, Finance and Administration Director
City of Kenmore, Washington

From: Steve Toler, Partner
Jim Steele, Special Advisor
Claire Coleman, Management Analyst

Subject: Fiscal Sustainability Plan – Budget Strategies Analyses and Scenario Packages for Consideration

Date: August 5, 2020

Executive Summary

Management Partners has been working with the City of Kenmore during the past several months to identify potential budget strategies that would form the basis of a fiscal sustainability plan to address the anticipated structural deficit in the City's General Fund. This report provides our analysis of the fiscal gap that the City needs to resolve to ensure that reserves stay at or near the reserve goal of 20% of annual operating expenditures and the variety of strategies that may be employed to address that fiscal gap and provide long-term solvency to the City.

Incorporating the impacts of the COVID-19 pandemic recession, the City faces a long-term fiscal gap that grows to $1.8 million per year and will deplete reserves to nearly zero by FY 2025 if not addressed. The gap will continue to grow in future years because the anticipated growth in the City's largest tax revenue source – the property tax levy – will only grow at about 1% long-term without voter approval to increase the levy greater than 1% annually. Meanwhile, expenditures related to personnel and the contract with the King County Sheriff's Office for public safety services is expected to grow at 4% per year. This structural imbalance may only be cured by identifying diversified revenue streams that will grow at the pace of inflation with expenditures. In addition, the City's General Fund revenue per capita is one of the lowest of its comparable cities, and yet the City is still striving to provide services on par with those other cities.

In addition, the City has the potential need to use additional General Fund resources to support the City's long-term streets infrastructure needs. A recent pavement management study indicated the need to add an additional $1 million in capital and maintenance costs per year in order to maintain roads at their existing pavement condition index level. This additional drain

on the General Fund has not been incorporated into the forecasts given the magnitude of these costs on an already burdened General Fund operation.

Recommendation

We analyzed three budget scenarios that package corrective action that the City can take using a range of revenue enhancements and cost reduction strategies. The three scenarios include:

1. Reliance solely on revenue enhancements (Scenario 1),
2. Balance of revenue enhancements and expenditure reductions (Scenario 2), and
3. Reliance primarily on expenditure reductions (Scenario 3).

Given the structural imbalance in the growth of revenue and expenditure sources, we believe the City needs to diversify its revenue sources to provide revenues that have the capacity to grow with inflation. Accordingly, we believe that the City needs to focus its efforts on the strategies identified in Scenarios 1 and 2 that introduce increases in existing revenue sources (e.g., exercising banked property tax levy capacity, increase utility tax rates) and seek new revenue sources (e.g., admissions tax on recreation and entertainment venues). This will allow the City's General Fund revenue per capita to approach the average of other comparable cities.

COVID-19 Pandemic Impacts on Our Analysis

During our work, the COVID-19 pandemic struck the nation, Washington state, and the region. This pandemic brought unprecedented shutdowns of business and government services, requiring people to shelter-in-place to avoid a spread of the virus. From mid-March to mid-May, King County came to a halt – business activity slowed down for all but the most essential services.

In response to the pandemic, the City needed to take swift action to address the operational impacts to the pandemic. The City implemented one-time expenditure reductions totaling $669,000 in the General Fund, plus an additional $430,000 in streets maintenance expenditures in the Streets Fund that will reduce General Fund transfers for FY 2020. These reductions are summarized in Attachment A to this report.

Local agencies throughout the country are reeling from the pandemic impacts on the local, regional and national economies. The robust economic growth experienced in the past few years came to a grinding halt. Business travel all but stopped. Restaurants and many local businesses were forced to close, and several have been forced out of business. The fiscal impacts on the most elastic City revenue sources such as sales tax and development services fees were impacted. Fortunately, just over two-thirds of the City's General Fund revenue sources are considered inelastic, or stable, revenue sources that are not impacted as significantly by economic recessions. Nonetheless, the fiscal impacts will have a lasting effect given the high unemployment levels and how the pandemic has affected on the local business community.

As a result, the City's forecast has been updated using a COVID-19 pandemic recession forecast tool we have developed to demonstrate the General Fund forecast:

1. Prior to the pandemic recession, and
2. Impacts as a result of the pandemic recession.

Organization of this Memorandum

This memo consists of the following sections and attachments:

- **Baseline and Recession Forecasts.** This section summarizes the City's baseline pre-recession forecast as it entered FY 2020 and the impacts related to the COVID-19 pandemic recession that provides an updated recession forecast used for planning purposes.
- **Comparative Research on Revenues and Expenditures.** This section highlights the results of our comparative research of significant General Fund revenues and expenditures for Kenmore compared with 10 other agencies.
- **Determining Feasibility.** This section discusses the factors used in determining the feasibility of each strategy.
- **Strategies Considered.** This section identifies the feasibility tiers to which each strategy was evaluated and assigned.
- **Budget Strategy Scenarios.** This section discusses three different scenarios that take varied approaches to solve the fiscal gap:
    - **Budget Scenario 1**: Strong Revenue Strategies, Minor Expenditure Reductions;
    - **Budget Scenario 2:** Balanced Approach—Moderate Revenue Enhancement Strategies, Moderate Service Delivery Changes, Moderate Service Level Reductions, and Minor Expenditure Controls; and
    - **Budget Scenario 3**: Strong Operating Expenditure and Service Level Reductions, Moderate Revenue Enhancement Strategies.
- **Attachment A – Budget Adjustments Implemented by the City in Response to the COVID-19 Pandemic**. This attachment provides a summary of the strategies implemented by the City in response to the pandemic as a one-time adjustment pending the outcome of the fiscal sustainability project.
- **Attachment B – Detailed Strategies.** This attachment provides an analysis of each of the budget strategies and is organized by four strategy types:
    - **Expenditure Controls/Cost Shifts.** Maintaining service levels through reductions in expenditures or shifting the cost burden away from the General Fund.
    - **Service Delivery Changes.** Maintaining service levels by changing the way that services are delivered, either through contracting for services or insourcing services from other agencies.
    - **Revenue Enhancements.** Maintaining service levels by increasing the resources available to pay for those services through new or increased revenues.
    - **Service Level Reductions**. If the above strategy types do not yield sufficient fiscal savings to the General Fund, the City would need to explore service level reduction strategies in order to achieve fiscal sustainability.

Baseline (Pre-Recession) and Recession Forecasts

Our analysis included a review of the City's existing forecast entering FY 2020 ("baseline pre-recession forecast") and a revised forecast based on the recessionary impacts stemming from the COVID-19 pandemic ("recession forecast").

Baseline Pre-Recession Forecast

The original six-year forecast for FY 2020 through FY 2026 was developed by City staff. Management Partners analyzed the forecast, which showed that revenues were expected to outpace expenditures beginning in FY 2022 and would likely continue beyond that time. Due to this structural deficit, reserves would fall below the target reserve policy of 20% by FY 2024 if no corrective action was taken.

The City's long-term structural gap is due simply to an imbalance in the growth estimates between revenues and expenditures. This is because property taxes, which comprise nearly 40% of General Fund revenues, may only be increased by 1% unless banked capacity is exercised or a ballot measure is presented to voters to increase the levy beyond the 1% limit. Utility taxes are expected to only grow by 2% per year given the trend towards "cord cutting" which reduces expected growth in future utility taxes on telecommunications and video services. Meanwhile, expenditures are expected to grow by a reasonable inflationary factor of 3% to 4% per year. As a result, the City needed to develop a long-term fiscal sustainability plan to address the growing fiscal gap in future years.

The baseline pre-recession forecast assumed that revenue growth would be moderate and anticipated a mild recession for FY 2021, not the deep recession that the City, the region and the nation finds itself in as a result of the COVID-19 pandemic which will be discussed later. Other key assumptions included in the baseline pre-recession forecast are presented in Table 1.

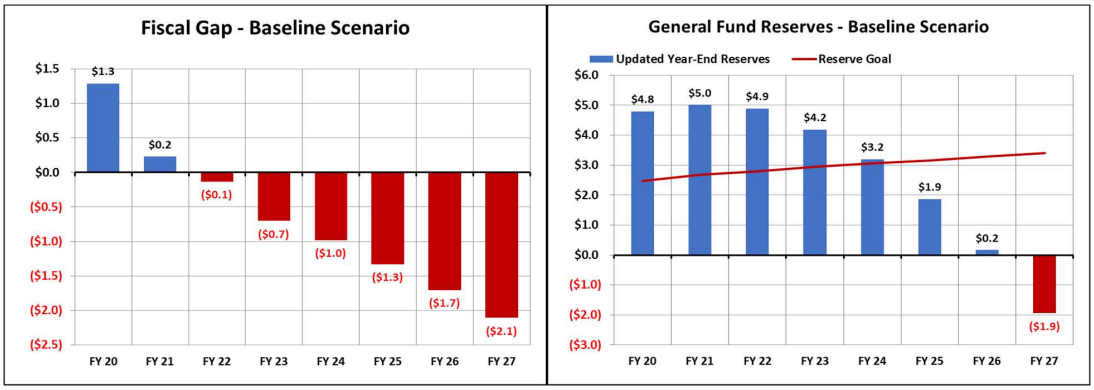
Table 1. Key Assumptions Used in Baseline Pre-Recession Forecast for FY 2020 to FY 2026

General Assumptions	Reserves
• **Recession** – Slight recessionary impact in sales tax and development fee revenues in 2020 and 2021 • **Service levels** – Maintain existing service levels	• **Minimum reserves** – General Fund reserve policy of 25% of projected development services revenues plus 20% of all other General Fund revenues sources included as minimum reserve target • **Capital project reserve funding** – No significant assumptions related to unfunded capital projects (e.g., Streets Fund projects) to be funded from General Fund

Revenues	Expenditures
• **Development activity** – Based on known/reasonably anticipated projects in progress for 2019 and 2020; future years based on modest growth of 1% per year • **Property taxes** – New construction-related growth and Council annual approval of 1% statutory allowable increase, except for 2020 where banked capacity of ~3.5% of revenue growth would be used • **Sales taxes** – Growth based on slight recession in FY 2020 and 2021, and 2% growth thereafter • **Utility tax** – Growth of 2% for gas and electric, and 1% for telephony services • **Transportation benefit district** – funding assumed to be eliminated due to voter approval of Initiative I-976 • **Other** – modest growth of 2% to 3% of other revenue sources	• **Salary and benefits** – Projections for 2020 based on salaries and benefits for each employee • **Salary increases** - Placeholder of 4% growth in salaries in future years for cost-of-living adjustments and potential merit increases • **Benefits increases** – Costs anticipated to increase by 6% per year (e.g., medical, pension) in future years • **Non-personnel operating costs** - growth based on inflationary impacts of 3% per year • **Streets funding** – Existing annual transfer into the Streets Fund of approximately $600,000, increasing by 3% per year • **Street light maintenance** – Placeholder of $150,000 per year starting in FY 2021 and increasing by 3% per year • **Log Boom and Squires Landing Waterfront Parks** – increased maintenance and operations costs starting in FY 2023 of $275,000 that grows by 3% per year • **Public Works facility** – Debt service (net of lease revenue) of $240,000 per year starting in FY 2021 • **Equipment replacement** – Placeholder of a flat $100,000 per year in facilities, fixtures and systems reserves/replacement, plus $90,000 for fleet and other equipment replacement that grows by 3% per year

Figure 1 shows the impacts of the baseline pre-recession forecast. The General Fund is expected to experience a fiscal gap starting in FY 2022 that grows to $1.8 million by FY 2027 and would continue to grow. Without corrective action, reserves would be drawn down to just above zero by FY 2026 and would fall below zero in FY 2027.

Figure 1. Projected General Fund Surplus/Shortfall and Reserves – Baseline Pre-Recession Forecast



Recession Forecast

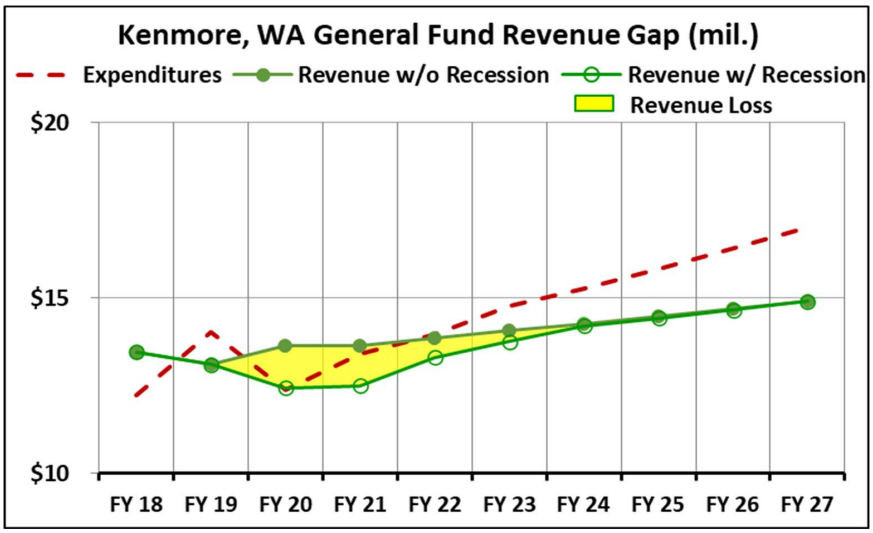
The region, the nation and the world have needed to respond to the impacts of the COVID-19 coronavirus pandemic. Shelter-in-place or "stay home" orders were issued in Washington state and King County in March 2020 as a means of combatting the spread of the pandemic and to save lives. This has had a dramatic impact on people's lives, commerce, and local governments throughout the region. Many businesses were shut down temporarily during the stay home orders, and several businesses closed for good. Federal aid in the form of the CARES Act, enacted by Congress and signed into law in April, provided some relief to individuals, businesses and local agencies.

The previously anticipated mild recession has manifested into a deep recession that is much more severe than the pre-COVID-19 forecast ever anticipated. We anticipate a prolonged recession that will form what economists call an "L-shaped" recovery where revenues will be impacted over the next three- to four-years. The significant impacts on unemployment and the fact that the virus is beginning to see a resurgence in only this first wave of the pandemic makes for a long recession that will have significant impacts on elastic (or economically volatile) revenue sources. Until which time that a vaccine is in place that provides immunity, which the Center for Disease Control and other epidemiology experts are indicating may take 12 to 18 months to develop and deploy to the general population, we are likely to see resurgence of the virus that will require further stay home orders to protect lives. In short, this will likely not be a "V-shaped" recovery that impacts only 2020.

From a revenue elasticity perspective, the City's General Fund revenue sources are well diversified. The largest revenue source – property taxes – currently comprises about 43% of total General Fund revenues and, other than possible delays in collections, is not likely to vary much. Sales tax revenues, however, are quite volatile and are expected to fall by 25% in 2020 alone. A prolonged recession can reduce these revenues even further.

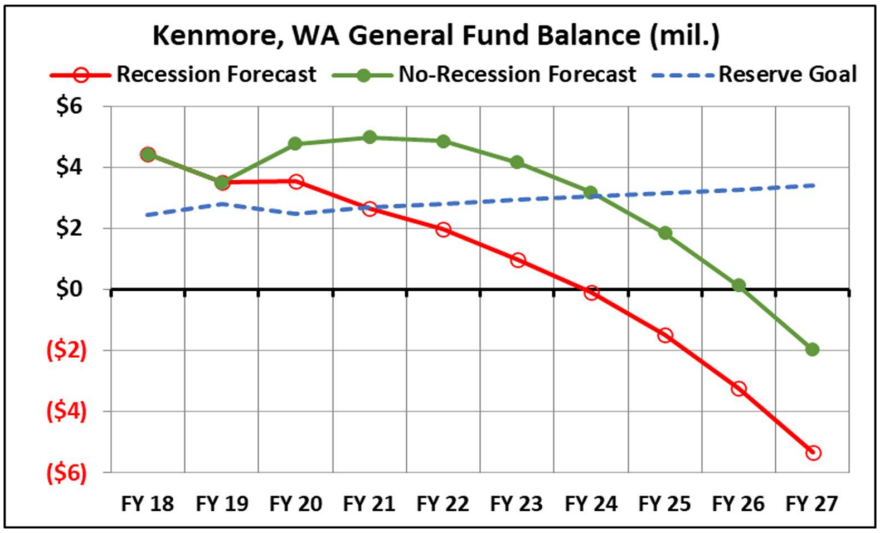
Management Partners has prepared a COVID-19 pandemic recession forecast model for the City's use. The impacts demonstrated in this revised forecast (or "recession forecast") indicate a $3.4 million loss in General Fund revenues from the start of the recession through FY 2024 as shown in Figure 2.

Figure 2. Anticipated Revenues Losses from COVID-19 Pandemic Recession



Incorporating the City's one-time expenditure reduction in FY 2020 totaling $1.1 million (see Attachment A), has helped to protect General Fund reserves for the time being. Yet the long-range forecast now shows that General Fund reserves will be drawn down much earlier that was previously anticipated. Figure 3 below demonstrates reserve levels anticipated in the baseline and recessionary forecast and indicates that General Fund reserves will fall below the 20% reserve goal by the end of FY 2021, and without corrective action would be drawn below zero in FY 2024.

Figure 3. Projected General Fund Reserves – Pre- and Post-COVID-19 Pandemic Recession



These recessionary impacts have informed the budget strategies analysis presented in this report.

Budget Strategies Analysis

Given the magnitude and timing of the budget deficit forecast, Management Partners conducted an independent analysis of the City's revenues and costs of service delivery relative to the General Fund to develop options, or strategies, for addressing the challenge. The strategies are provided in Attachment B. They were developed along a continuum that included:

- Expenditure control/cost shifts,
- Service delivery changes designed to reduce expenditures,
- Revenue enhancement opportunities, and
- Service level reductions.

Arraying ideas along such a continuum reflects the priority any organization would have for preserving service delivery to the maximum extent possible consistent with maintaining solvency.

The strategies were developed based on a combination of factors, including Management Partners' experience about approaches other cities and counties throughout Washington state and in other parts of the country are taking as they consider options to address structural deficits. We also identified ideas based on the City's unique opportunities and organizational climate. Several dozen potential strategies were developed in the categories described above.

An important element in developing an appropriate package of strategies for the City is the size and timing of the forecast deficit. Given the timing and size of the fiscal gap as well as revenue loss due to COVID-19, City leaders need to implement significant revenue and expenditure adjustments relatively quickly. Even with such actions, there is a possibility that the City may need to implement significant service level reductions. This should be avoided if possible, as such an approach might require positions to be left vacant, or layoffs to be enacted to preserve solvency. In addition, such actions are always disruptive to an organization and often affect operations for a long time.

The City's reliance on contracted services for police and a relatively small employee base will make it extremely challenging to implement $1.8 million (or 11.8% by FY 2024) in cost reductions necessary to close the fiscal gap. Doing so will most certainly impair existing service levels. The City will be in a reactive mode for many of its service delivery functions and would be ill-prepared to deal with significant unforeseen events.

City leaders must take action in the very near term to implement planned and considered deficit reduction strategies. Given the nature of the growing fiscal deficit, and the organizational structure and service delivery mechanisms, without revenue enhancements the City will be

hard pressed to resolve its structural imbalance in future years. Because revenue strategies often require voter approval, timing is a critical issue.

Comparative Research on Revenues and Expenditures

In order to understand the relative potential of revenue-generating strategies compared with cost reduction strategies, Management Partners compared General Fund revenues and expenditures for Kenmore and other peer cities in King and Snohomish Counties. Peer agencies were selected from incorporated cities in Washington that fall within a 30% range above and below Kenmore in terms of both population and median household income. Data for each criterion were taken from the 2014-2018 *American Community Survey Five-Year Estimates* and statistics published by the Washington Office of Financial Management. We also added a variety of cities that Kenmore considers peers, primarily due to geographic proximity. Table 2 presents the peers selected for this comparison.

Table 2. Comparable Agencies Selected for Peer Research

City	County	Population[1]	Median Household Income[2]	Within 25% Range
Bothell	King/Snohomish	46,750	$94,986	No; Population is larger
Kenmore	**King**	**23,320**	**$105,007**	-
Kirkland	King	88,940	$109,715	No; Population is larger
Lake Forest Park	King	13,250	$111,234	No; Population is smaller
Mercer Island	King	24,470	$142,413	No; Income is higher
Mill Creek	Snohomish	20,590	$101,239	Yes
Mountlake Terrace	Snohomish	21,590	$72,765	No; Income is lower
SeaTac	King	29,180	$58,995	No; Income is lower
Shoreline	King	56,370	$80,489	No; Population is larger
Woodinville	King	12,410	$100,306	No; Population is smaller

[1]*Source: Washington Office of Financial Management Population Projections 2019;*
[2]*Source: American Community Survey 2014-2018 Five-Year Estimated Median Household Income Projections*

Based on the criteria detailed above, only Mill Creek qualifies as a peer to Kenmore. Many of the selected peers (Bothell, Kirkland, Lake Forest Park, Shoreline, and Woodinville) are within the +/-30% range in median household income but have populations that are either too small or too large. The remaining cities have similar populations to Kenmore but median household incomes that are either higher (Mercer Island) or lower (Mountlake Terrace, SeaTac).

Table 3 contains an overview of the governing structures of each peer, how they provide fire and police services, and their 2020 combined sales tax rate. Bothell has two sales tax rates because the city is located within two counties. Woodinville also has two different sales tax rates within the city due to the Regional Transit Authority (RTA) tax that encompasses only part of the city. Of the selected peers, four including Kenmore provide fire services through a

district. An additional three peers contract with districts for fire services, while three others maintain in-house fire departments. Four of the ten peer cities, including Kenmore, contract with the King County Sheriff for police services. The remaining six cities provide police services in-house.

Table 3. Peer Agency Overview

City	Form of Government[1]	Fire[2]	Police[2]	Combined Sales Tax Rate[3]
Bothell	Council-Manager	City	City	10.0% King/ 10.4% Snohomish
Kenmore	**Council-Manager**	**District - Northshore Fire District (#16)**	**King County Sheriff (Contract)**	**10.0%**
Kirkland	Council-Manager	City	City	10.1%
Lake Forest Park	Mayor-Council	District - Northshore Fire District (#16)	City	10.0%
Mercer Island	Council-Manager	City	City	10.0%
Mill Creek	Council-Manager	Contract - Snohomish County Fire District	City	10.5%
Mountlake Terrace	Council-Manager	Contract - South County Fire Authority	City	10.4%
SeaTac	Council-Manager	Contract - Puget Sound RFA	King County Sheriff (Contract)	10.0%
Shoreline	Council-Manager	District - Shoreline Fire District #4	King County Sheriff (Contract)	10.2%
Woodinville	Council-Manager	District - Woodinville Fire & Rescue	King County Sheriff (Contract)	8.6% Non-RTA/10.0% RTA

[1]Sources: Municipal Research and Services Center (MRSC)
[2]Source: Adopted City Budgets
[3]Source: Washington Department of Revenue, consolidated by MRSC

Jurisdictions in this peer group were compared in terms of projected total General Fund revenue, General Fund revenue by source, and total expenditures for the 2020 budget period. Whenever possible, reported single-year budgets were used to match Kenmore's budgeting process most closely. In the case of Kirkland, Lake Forest Park, and Mill Creek, which publish biennial budgets that are not disaggregated by year, reported revenues and expenditures were halved to approximate a single year. To normalize General Fund revenue data across cities, we opted to compare budget information on a per capita basis.

Kenmore's total General Fund revenues fall below the average per capita of $869.98. Total General Fund revenues, population, and General Fund revenues per capita, as well as Kenmore's relative position, are shown in Table 4.

Table 4. General Fund Revenues per Capita, Kenmore and Peers

City	Total General Fund Revenues for 2020 Budget[1]	Population	General Fund Revenues per Capita for 2020 Budget
Bothell	$44,452,477	46,750	$950.86
Kenmore	$13,050,404	23,320	$559.62
Kirkland	$98,906,358	88,940	$1,112.06
Lake Forest Park	$9,847,566	13,250	$743.21
Mercer Island	$26,309,019	24,470	$1,075.15
Mill Creek	$10,117,804	20,590	$491.39
Mountlake Terrace	$16,671,127	21,590	$772.17
SeaTac	$29,832,899	29,180	$1,022.37
Shoreline	$44,488,908	56,370	$789.23
Woodinville	$10,838,224	12,410	$873.35
		Peer Average Per Capita Revenue	**$869.98**

Source: Adopted City Budgets

[1]Fire costs have been deducted from General Fund revenues for those cities with fire departments and/or those that contract for fire services. This allows a better comparison with those cities whose fire services are provided by fire protection districts with separate property tax levy funding.

Table 5 shows property tax rates and 2020 total General Fund property tax levy. Kenmore generates a similar level of property tax per capita to its peers, just shy of the median. Kirkland's property tax revenues, when adjusted to remove fire expenditures, appear negative because Kirkland uses sales tax revenues to pay for other General Fund expenditures. In Kenmore, property taxes comprise almost 40% of General Fund revenues, the second highest of the peer cities and about 40% higher than the median.

Table 5. General Fund Property Tax Revenue per Capita, Kenmore and Peers

City	2020 Property Tax Levy Rate[1]	2020 Total General Fund Property Tax Levy[2]	Property Tax per Housing Unit	Property Tax per Capita	Percent of General Fund Revenue for 2020 Budget
Bothell	$1.9677	$1,247,724	$69.33	$26.69	2.81%
Kenmore	$1.1036	$5,199,791	$573.55	$222.98	39.84%
Kirkland[3]	$1.0192	($2,880,591)	$(75.00)	$(32.39)	-2.91%
Lake Forest Park	$0.9603	$3,274,481	$611.14	$247.13	33.25%
Mercer Island	$0.9191	$7,453,645	$680.14	$304.60	28.33%
Mill Creek	$1.8385	$4,505,854	$526.51	$218.84	44.53%
Mountlake Terrace	$1.9003	$3,536,417	$408.32	$163.80	21.21%
SeaTac	$2.4938	$6,941,709	$673.56	$237.89	23.27%

City	2020 Property Tax Levy Rate[1]	2020 Total General Fund Property Tax Levy[2]	Property Tax per Housing Unit	Property Tax per Capita	Percent of General Fund Revenue for 2020 Budget
Shoreline	$1.3426	$13,666,865	$596.34	$242.45	30.72%
Woodinville	$0.7929	$3,420,000	$646.01	$275.58	31.55%
Peer Median Property Tax Revenue			**$596.34**	**$237.89**	**28.33%**

[1]Source: King County and Snohomish County Data
[2]Fire costs have been deducted from General Fund revenues for those cities with fire departments and/or those that contract for fire services. This allows a better comparison with those cities whose fire services are provided by fire protection districts with separate property tax levy funding. Source: Adopted City Budgets
[3]Kirkland's property tax revenues are insufficient to cover the costs associated with fire prevention services. They rely on other forms of tax generation to support public safety, which includes both police and fire services.

Kenmore has a median home value that is similar to most of its peers. Major exceptions are Mercer Island, which has much higher home values, and SeaTac and Mountlake Terrace, which both have much lower median home values. Kenmore's median home value of $697,648 ranks fifth highest among peer cities and is 7% higher than the peer median. Median home value, homes per square mile, and assessed values for Kenmore and its peers are shown below in Table 6.

Table 6. Comparison of Factors Influencing Property Tax Revenues, Kenmore and Peers

Agency	Median Home Value (January 2020)[1]	Residential Assessed Value[2]	2019 Locally Assessed Value[3]	Homes per Square Mile[4]
Bothell	$651,080	$638,000	$11,390,672,261	1,486.04
Kenmore	$694,648	$638,000	$4,851,092,698	1,474.15
Kirkland	$775,564	$730,000	$29,436,086,786	3,559.50
Lake Forest Park	$712,531	$617,000	$3,234,227,325	1,517.85
Mercer Island	$1,619,414	$1,393,000	$14,653,675,301	1,734.02
Mill Creek	$611,664	$584,900	$4,454,155,944	1,832.55
Mountlake Terrace	$470,069	$409,200	$3,565,803,521	2,133.25
SeaTac	$410,837	$361,000	$6,624,985,574	1,027.52
Shoreline	$606,512	$517,000	$10,228,874,349	1,963.84
Woodinville	$837,686	$691,000	$3,690,029,346	945.36
Peer Median	**$651,080**	**$617,000**	**$6,624,985,574**	**1,734.02**

[1]Source: Zillow Median Home Value Estimates, January 2020.
[2]Source: King and Snohomish County Data
[3]Source: Adopted City Budgets
[4]Source: 2018 American Community Survey

Compared with the nine selected peers, Kenmore has some of the lowest General Fund sales tax revenues. Kenmore has the second lowest sales tax revenues per capita at $95.41, which is 35.8% of the peer average. Kenmore does not have as heavy of a reliance on sales tax revenue as some of its peers, with sales tax revenue constituting just 17.05% of all General Fund revenues as compared to the 30.15% peer average. This is presented in Table 7 below.

Table 7. General Fund Sales Tax Revenues per Capita, Kenmore and Peers

Agency	General Fund Sales Tax Revenues for 2020 Budget[1]	General Fund Sales Tax per Capita	2020 Sales Tax Revenue as Percent of Total General Fund Revenues
Bothell	$16,445,978	$351.79	37.00%
Kenmore	$2,225,000	$95.41	17.05%
Kirkland	$28,673,700	$322.39	28.99%
Lake Forest Park	$1,062,862	$80.22	10.79%
Mercer Island	$4,348,797	$177.72	16.53%
Mill Creek	$3,357,500	$163.06	33.18%
Mountlake Terrace	$2,601,000	$120.47	15.60%
SeaTac	$13,886,000	$475.87	46.55%
Shoreline	$9,319,003	$165.32	20.95%
Woodinville	$6,691,291	$539.19	61.74%
	Peer Average	**$266.23**	**30.15%**

Source: Adopted City Budgets

[1]Fire costs have been deducted from General Fund revenues for those cities with fire departments and/or those that contract for fire services. This allows a better comparison with those cities whose fire services are provided by fire protection districts with separate property tax levy funding.

The 10 cities in this group generate between 5.61% and 19.2% of their General Fund revenue via utility tax, with a range of per capita utility tax revenue between $41 and $180 in 2020. Cities in Washington are authorized by state law to impose up to a 6% utility tax on electricity, gas, steam, and telephone; a utility tax rate comparable to neighboring communities on cable television; and any utility tax rate on sewer, stormwater, water, and solid waste. All of these UTs may be implemented without voter approval, while the limited rates can be raised beyond those levels with a majority vote. Utility tax revenues per capita among peer agencies are shown in Table 8.

Table 8. General Fund Utility Tax Revenues per Capita, Kenmore and Peers

Agency	Total Utility Tax Amount for 2020 Budget	Utility Tax per Capita	Percent of General Fund Revenue for 2020 Budget
Bothell	$8,401,483	$179.71	18.90%
Kenmore	$1,942,189	$83.28	14.88%

Agency	Total Utility Tax Amount for 2020 Budget	Utility Tax per Capita	Percent of General Fund Revenue for 2020 Budget
Kirkland	$14,223,410	$159.92	14.38%
Lake Forest Park	$552,750	$41.72	5.61%
Mercer Island	$4,237,566	$173.17	16.11%
Mill Creek	N/A	N/A	N/A
Mountlake Terrace	$3,200,817	$148.25	19.20%
SeaTac	N/A	N/A	N/A
Shoreline	$3,967,675	$70.39	8.92%
Woodinville	$940,000	$75.75	8.67%
	Peer Average[1]	**$121.27**	**13.11%**

Source: Adopted City Budgets

[1]Peer average includes only those cities with current utility taxes. Mill Creek and SeaTac are excluded.

Table 9 contains the utility tax rates for each city broken down by type of utility. Neither SeaTac nor Mill Creek have any utility taxes in FY 2020. Of the eight cities that do have utility taxes, four tax every utility category. Shoreline has taxes on every utility category except for electric and water. Kenmore and Lake Forest Park have the fewest utilities for which they collect utility taxes.

Table 9. Utility Tax Rates

City	Natural Gas	Electric	Telecom	Cable	Water	Sewer	Stormwater	Solid Waste
Bothell	6.0%	6.0%	6.0%	6.0%	11.15%	6.0%	6.0%	5.0%
Kenmore	4.0%	4.0%	6.0%	N/A	N/A	N/A	N/A	N/A
Kirkland	6.0%	6.0%	6.0%	6.0%	11.8%	9.5%	6.98%	9.5%
Lake Forest Park	6.0%	6.0%	6.0%	N/A	N/A	N/A	N/A	N/A
Mercer Island	6.0%	6.0%	6.0%	7.0%	8.0%	8.0%	8.0%	7.0%
Mill Creek	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mountlake Terrace	6.0%	6.0%	6.0%	5.0%	13.8%	10.0%	10.0%	10.0%
SeaTac	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Shoreline	6.0%	N/A	6.0%	6.0%	N/A	6.0%	6.0%	6.0%
Woodinville	2.0%	2.0%	4.0%	N/A	N/A	N/A	N/A	4.0%

Source: Adopted City Budgets and Municipal Codes

Beyond utility taxes, every city in the peer group collects a franchise fee for cable services under federal and state law. Other cities also exact a franchise fee from various utilities such as electric, telecom, water and solid waste, for the use of rights of way (e.g., Shoreline for electric, gas and water; SeaTac for solid waste; Kirkland for electric, gas, telecom and water). Kenmore only collects franchise fees for cable services.

Finally, Kenmore's budgeted per capita expenditures are the second lowest among its peers. When adjusted to remove fire costs for cities that contract or provide fire services in house, Kenmore's General Fund per capita expenditures of $560 is 66.5% of the peer average of $842. Kenmore's budget for FY 2020 equates General Fund expenditures to revenues. This is similar to Mercer Island, which is also operating with a balanced budget for FY 2020. With respect to surplus/(deficit) analysis, the data presented in Table 10 represent the 2020 projected amounts and do not consider existing reserve levels or what each of the jurisdiction's long-range forecasts indicate relative to the health of their respective General Fund reserves in the future. Per capita expenditures and surplus/(deficit) figures for peers are shown in Table 10 below.

Table 10. General Fund Expenditures and Surplus (Deficit) per Capita for Kenmore and Peers

Agency	Total General Fund Expenditures for 2020 Budget[1]	Surplus/(Deficit) for 2020 General Fund Budget	Expenditures per Capita	Surplus/(Deficit) as Percentage of General Fund Expenditures for 2020
Bothell	$43,198,797	$1,253,680	$924.04	2.90%
Kenmore	$13,050,403	$0	$559.62	0.00%
Kirkland	$99,190,604	$(284,246)	$1,115.25	-0.29%
Lake Forest Park	$9,825,070	$22,497	$741.51	0.23%
Mercer Island	$26,309,019	$0	$1,075.15	0.00%
Mill Creek	$10,110,797	$7,007	$491.05	0.07%
Mountlake Terrace	$14,451,833	$2,219,294	$669.38	15.36%
SeaTac	$29,770,899	$62,000	$1,020.25	0.21%
Shoreline	$44,796,652	$(307,744)	$794.69	-0.69%
Woodinville	$9,275,860	$1,562,364	$747.45	16.84%
Peer Average Per Capita Expenditures and Surplus/(Deficit)			**$842.09**	**3.85%**

Source: Adopted City Budgets

[1]Fire costs have been deducted from General Fund revenues for those cities with fire departments and/or those that contract for fire services. This allows a better comparison with those cities whose fire services are provided by fire protection districts with separate property tax levy funding.

Kenmore employs the second lowest number of FTEs per thousand residents, adjusted to exclude FTEs for police, fire and utilities in each city. Kenmore and Shoreline are the only two cities that do not have any staffing for police and fire in-house, while SeaTac and Woodinville each employ one FTE in Police to supplement their contracts with the Kings County Sheriff's Department. Table 11 contains citywide staffing and FTE per 1,000 residents.

Table 11. Citywide Total Staffing and FTE per 1,000 Residents, Kenmore and Peers for 2020

Agency	Citywide FTEs[1]	FTEs per thousand residents[1]	In-house Fire FTEs	In-house Police FTEs
Bothell	179.35	3.8364	69.25	94
Kenmore	42.04	1.8027	0	0

Agency	Citywide FTEs[1]	FTEs per thousand residents[1]	In-house Fire FTEs	In-house Police FTEs
Kirkland	365.40	4.1084	116	150
Lake Forest Park	34.38	2.5947	0	24
Mercer Island	110.50	4.5157	31	34.5
Mill Creek	33.20	1.6124	0	29
Mountlake Terrace	81.70	3.7842	0	36.5
SeaTac	126.50	4.3351	0	1
Shoreline	153.04	2.7149	0	0
Woodinville	42.15	3.3965	0	1

Source: Adopted City Budgets

[1]Fire, police and utility staffing have been deducted from cities with those functions for comparison purposes with those cities whose such services are provided by districts or that contract fire and/or police services.

As a contract-dependent city, Kenmore's options for reducing personnel expenditures are limited. The long-term agreements for contracted police services make it difficult to address expenditure reductions in a timely manner. While efficiencies may be identified, the relatively low number of personnel employed by the City make it challenging to rely exclusively on personnel reductions to address fiscal sustainability issues.

Determining Feasibility

While all the strategies are technically feasible and have been implemented in other Washington settings, they are distinguished by differing levels of community support, complexity of implementation, implementation timing, and disruption to the organization relative to the financial return. Strategies deemed most feasible are solutions that can be implemented more readily and would be least disruptive to the organization.

Certain revenue changes such as tax measures require voter approval to implement and vary in terms of complexity and community support. Some have a greater impact on voters (e.g., local property tax levy lid lift measures, utility taxes) while others have more of an impact on those from outside the city (e.g., sales taxes).

Increasing fees and charges to full cost recovery may help the City's structural deficit somewhat, but may have adverse impacts on community participation in those services. Voters are more likely to support measures when they know their tax dollars are being spent efficiently, requiring City staff to review cost efficiencies prior to taking those measures to voters. These factors require careful consideration in determining the feasibility of revenue enhancements.

Changes that would be disruptive to the organization can take time. Substantial changes in service delivery methodologies or employee benefit programs should also be weighed against the reality that they might result in ongoing employee relations issues, which can impair more

incremental change. Key decisions will need to be made in the next 12 months in order to address the fiscal challenges faced by the City.

The strategies identified in this memorandum have been quantified to the extent possible based on current information available to Management Partners and City staff. In many cases, they have been programmed into the fiscal model so City leaders can explore the cumulative impact of implementing any package of actions.

Based on these considerations, budget strategies were evaluated considering the set of factors that may weigh on difficulty of implementation as indicated in Table 12 below.

Table 12. Factors Used in Assessing Implementation Difficulty

Factors	Minimal Difficulty	Moderate Difficulty	High Difficulty
Potential for community pushback	Low	Medium	High
Technical and operational difficulties of implementation	Low	Medium	High
Timing necessary for implementation	Timely implementation is moderately to highly probable to meet timing required to resolve the structural deficit	Timely implementation is possible, but less than moderately probable	Timely implementation is unlikely to meet the timing required to resolve the structural deficit
Disruptive impact on service delivery	Low	Medium	High
Disruptive impact within City organization	Low	Medium	High

After factoring implementation difficulty, we then assessed the potential annual fiscal impact that the City would experience if the strategy were implemented. We stratified fiscal impact into three tiers:

- **Low fiscal impact**. Strategies that would have a fiscal impact of $50,000 or less per year.
- **Moderate fiscal impact**. Strategies that would have a fiscal impact between $50,000 and $100,000 per year.
- **High fiscal impact**. Strategies that would have a fiscal impact of over $100,000 per year

Combining implementation difficulty and fiscal impact, we identify those strategies that have the highest degree of potential success to provide fiscal sustainability to the City in accordance with Figure 4 presented below.

Figure 4. Budget Strategies Quadrant Analysis

		Potential Annual Fiscal Impact (estimated)		
		$0-$50,000	$50,000-$100,000	Over $100,000
Difficulty of Implementation	Minimal difficulty	1	2	3
	Moderate difficulty	4	5	6
	Significant difficulty	7	8	9

High potential of success: High fiscal impact; minimal difficulty	**Moderate-High potential of success:** Medium/High fiscal impact; Minimal/moderate difficulty	**Moderate potential of success:** Medium/high fiscal impact; Moderate/significant difficulty	**Low-Moderate potential of success:** Low fiscal impact; moderate/significant difficulty	**Low/no potential of success:** Low fiscal impact; Significant difficulty

Strategies Considered

Following meetings with City Council members and staff, Management Partners conducted an independent analysis of strategies that would be appropriate for consideration in Kenmore. Our experience working with municipalities across the United States coupled with our research of viable options exercised by other cities in Washington State, allowed us to identify strategies that could lead toward fiscal sustainability. The ultimate strategies selected for consideration were those with either great, good or moderate potential of success as indicated above. Table 13 captures the first tier of strategies that have the greatest potential of success.

Table 13. High Potential of Success

High Potential of Success	Strategies
Expenditure Controls and Cost Shifts	None
Service Delivery Changes	None
Revenue Enhancement	11. Exercise the property tax levy banked capacity 12. Implement an admissions tax on recreation and entertainment revenues
Service Reductions and Eliminations	None

Two strategies appear to have a very positive potential of success. One is to exercise property tax levy banked capacity, and the other is to implement a new admissions tax on recreation and entertainment venues. Implementation of both options is entirely within the purview of City

Council through adoption of an ordinance and is relatively simple to administer. Neither would have a significant impact on service delivery and might not meet significant community resistance. The fiscal impact of exercising the property tax levy banked capacity will raise property taxes by $400,000 per year, and the admissions tax is estimated to be $200,000 per year at a 5% tax rate. While the total of $651,000 is nominal compared with a $1.8 million structural gap, these options would still provide significant relief to the General Fund.

The next level of strategies show a moderate to high potential of success (shown in Table 14) and are considered moderately feasible to implement. The strategy to reorganize the City's organization structure may be disruptive to the City organization and there will likely be temporary service delivery impacts as well as community pushback from the business community. The utility tax will likely generate moderate to high levels of pushback from the community. Yet in both cases, the City has the authority to move forward with those strategies by Council resolution. City leaders will have to consider either or both of these strategies as their fiscal impact is considered significant, but the extent to which these will need to be fully implemented will depend on the level of success with those strategies with the greatest potential of success shown in Table 13 above. City staff will need to begin work on some of these strategies for two reasons: 1) those strategies with the greatest potential of success will not resolve the fiscal gap, and 2) they are needed as a fallback in case revenue strategies dependent on an election outcome are unsuccessful.

Table 14. Moderate to High Potential of Success

Moderate to High Potential of Success	Strategies
Expenditure Controls and Cost Shifts	None
Service Delivery Changes	5. Reorganize the City's organizational structure to provide cost efficiencies
Revenue Enhancement	9. Increase and/or implement utility taxes on various utilities
Service Reductions and Eliminations	None

Strategies with a moderate potential of success are shown in Table 15. Several of these strategies fall into this category because of the implementation difficulty primarily due to either the potential for community pushback, disruptive impacts on service delivery, or only generate moderate fiscal impact. The strategies under expenditure controls/cost shifts and service delivery changes do not yield as significant a fiscal impact as those related to revenue enhancements in this category.

Table 15. Moderate Potential of Success

Moderate Potential of Success	Strategies
Expenditure Controls and Cost Shifts	1. Reduce City's share of costs of the school resource officer program 2. Shift the costs of the ballfields and parks lease to private users/sports leagues
Service Delivery Changes	None
Revenue Enhancement	10. Implement photo traffic enforcement to fund public safety costs and roadway improvements 13. Implement the business and occupations tax specific purpose tax
Service Reductions and Eliminations	21. Reduce travel, meetings and consulting services expenditures 22. Eliminate recreation coordination activities

Strategies with a low to moderate potential of success are shown in Table 16. Several of these strategies fall into this category because of potential for significant community pushback, relying on voter approval for measures that during this recession would be difficult, if not impossible, to seek approval, or the disruptive impacts on service delivery.

Table 16. Low to Moderate Potential of Success

Low to Moderate Potential of Success	Strategies
Expenditure Controls and Cost Shifts	None
Service Delivery Changes	4. Reduce maintenance costs for Log Boom Waterfront Park and Squire's Landing Waterfront Park through a contracted or shared services model
Revenue Enhancement	14. Conduct a user fee study and adjust development services revenues to closer to full cost recovery 15. Implement a property tax levy lid lift as either a general purpose tax or special purpose tax for public safety 16. Implement a 0.2% local sales tax rate dedicated to transportation funding 17. Implement a metropolitan park district
Service Reductions and Eliminations	19. Implement General Fund service level and staffing reductions 20. Reduce street pavement standards

The final tier of strategies, one with low or little/no potential of success, is considered the least feasible to implement in the City's current economic, political and operational environment. These are presented in Table 17. Generally, these strategies neither provide sufficient fiscal impact, have proven difficult to implement in similar settings, or would have a negative impact in the long term on the organization and community. To the extent the City is unable to generate enough revenue increases or expenditure reductions from other strategies, these more difficult options for maintaining solvency might need to be explored.

Table 17. Low or Little/No Potential of Success

Low or Little/No Potential of Success	Strategies
Expenditure Controls and Cost Shifts	3. Update the cost allocation plan for administrative and overhead costs
Service Delivery Changes	6. Seek alternative jail providers 7. Issue requests for proposals for fleet maintenance services 8. Refocus parks capital improvements to lower maintenance uses
Revenue Enhancement	None
Service Reductions and Eliminations	18. Take no action

One strategy included for discussion purposes is taking no action. This is realistically not a viable option because it would result in a condition of insolvency. The majority of controllable General Fund expenditures is related to personnel costs. The public safety contract with King County Sheriff's Office (KCSO) makes up nearly 28% of the General Fund costs, but the ability to impact cost reductions in the contract is limited.

When such a circumstance becomes imminent, the only thing a city can do is leave positions vacant when employees retire or separate from employment (sometimes called a hard hiring freeze), and/or lay off employees to reduce costs and maintain solvency. This will have catastrophic impacts on the City's ability to serve the community. In extreme circumstances, a jurisdiction could be forced to consider or even file for bankruptcy protection. Filing for bankruptcy protection is an unusual circumstance in Washington, most recently experienced by the Kennewick Public Hospital District in 2017. There are no known situations in Washington where a city or county has filed for bankruptcy protection, but this has been experienced in other states such as California, Connecticut, Idaho, Michigan, Alabama and Pennsylvania.

In a worse-case scenario, the only other option short of bankruptcy would be for the City to disincorporate. State law allows opportunities for cities to disincorporate, however there have been no known instances of disincorporation in the past 20 years. In such a circumstance, the State would take over operations of the city until which time it would transfer responsibility to the County. In the community's eyes, this is perhaps as low a desirable option as taking no action and being required to file for bankruptcy in that the community would be in the hands of other parties and would have little or no say in how the City's services and its structure would be implemented. This strategy has not been incorporated into the set of viable strategies as there appears to be other viable strategies that can resolve the City's fiscal gap.

Budget Strategy Scenarios

Baseline Scenario

The baseline pre-recession forecast was updated based on the City Council approved FY 2020 budget and the adjustments made based on the City's initial response to the COVID-19

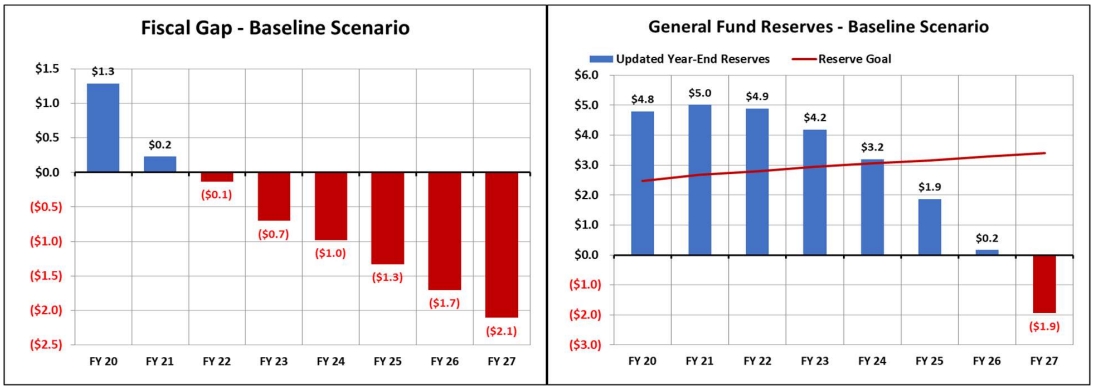
pandemic recession. The baseline pre-recession forecast indicates that surpluses would increase General Fund reserves in FY 2020 and 2021 up to $1.5 million, but that a long-term structural deficit existing starting with a modest $130,000 deficit in FY 2022 that grows dramatically to $1.8 million in FY 2027. The largest driver of the increasing structural gap is the fact that expenditure growth is projected to outpace revenue growth. Property taxes, the single largest revenue source for the General Fund, can only grow by Council action at 1% per year plus the impact of new construction on the total tax levy which equates on average to an additional 1% per year. In addition, the City is onboarding costs associated with maintaining Log Boom and Squires Landing Waterfront Parks that will add an additional $275,000 to the General Fund budget starting in FY 2023.

Personnel costs are the largest expenditure category in the General Fund totaling $4.3 million (or 35% of General Fund expenditures). The City must provide some level of compensation and benefits that are competitive in the regional marketplace for skilled talent to provide services the community expects. The City has already seen turnover as employees leave to work in other jurisdictions with better compensation.

The next largest expenditure of the General Fund is the police contract with KCSO. Unless the City chose to reduce funding the number of officers currently within the contract, there is little opportunity to reduce those costs based on the provision of the contracts.

The City has established a target reserve policy for its General Fund of maintaining undesignated reserves of not less than 20% of annual budgeted operating expenditures. The Government Finance Officers' Association (GFOA) has recommended that municipalities establish minimum reserve policies for General Funds of not less than two months, or 17%, of annual operating expenditures, considered by many to be a best practice. Such a policy helps the City weather the impacts of recessions or in addressing a catastrophic event such as the COVID-19 pandemic that has impacted the entire planet, and especially King County. If Council takes no action, the model projects that General Fund reserves will finish at the City's reserve policy of 20% by FY 2024, and will fall below zero in FY 2027, as shown in Figure 5.

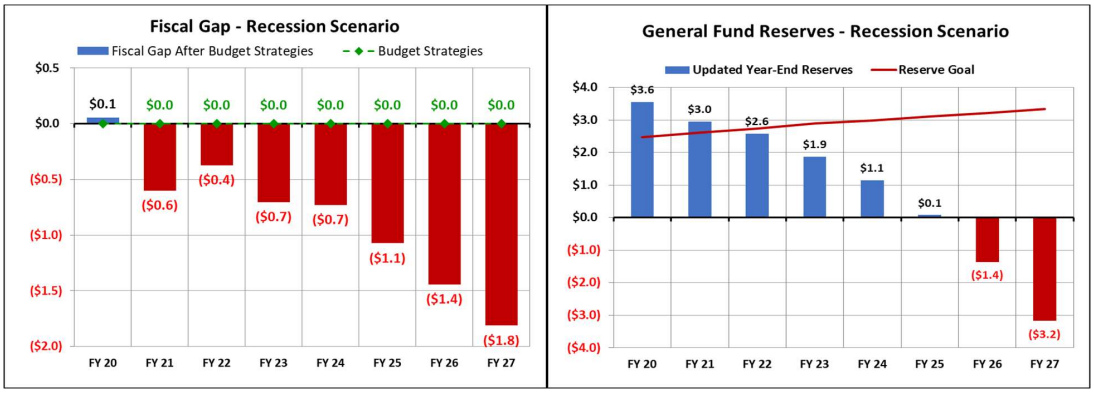
Figure 5. Projected General Fund Surplus/Shortfall and Reserves – Baseline Pre-Recession Forecast



COVID-19 Pandemic Recession Scenario

The baseline pre-recession forecast has been adjusted based on a series of recessionary assumptions that will impact key revenue sources, primarily sales tax, development services fees and business and occupations tax. The recession forecast indicates that the General Fund will stand to lose nearly $3.4 million in revenues by the time that the recession's impacts would be recovered in FY 2024. The actions that the City took to reduce expenditures by $1.1 million in FY 2020 averted a deficit. However, without further actions, the deficit will grow to $600,000 in FY 2021 and increase to $1.8 million by FY 2027. The model projects that General Fund reserves will finish just above the City's reserve policy of 20% by FY 2021, will fall below the reserve policy level by FY 2022, and will fall below zero in early FY 2026. These are presented in Figure 6.

Figure 6. Projected General Fund Surplus/Shortfall and Reserves – Recession Scenario



Development of Four Budget Scenarios

Management Partners has prepared four scenarios for Council's consideration that address this fiscal gap. Each of the scenarios would allow the General Fund to maintain an appropriate level of reserves, eliminate the structural deficit by 2027, provide the necessary transfers to the Street fund to keep it in balance, and ensure the viability of the City's operations throughout the period included in the fiscal model. The three scenarios include options that could be implemented entirely by Council action.

The budget scenarios described in this report are provided as examples of the types of strategies that Council members could consider to address the long-term fiscal gap. The Council could choose any of these scenarios or develop alternative scenarios that include varying types of strategies to resolve the fiscal gap. The scenarios included in this report employ different strategies and make assumptions with respect to the timing of implementing each strategy. Table 18 summarizes these four scenarios.

Table 18. Budget Strategy Scenarios

Scenario	Description
Recession Forecast Before Budget Corrections	• Shortfall of $1.8 million that would likely continue to grow beyond 2027 • Depleted reserves by FY 2024 • Current staffing levels
Scenario 1 – Strong Revenue Enhancement Strategies (Figure 7)	• Eliminate the **school resource officer program** in FY 2021, reducing costs by $55,000 • Exercise use of **property tax levy banked capacity** in FY 2022, phased in ratably over a 3-year period to generate additional annual revenues of $400,000 • Increase the existing **utility tax (UT)** on gas and electric from 4% to 6%, implement a cable utility tax of 6%, and implement a solid waste utility tax of 6%, generating $1 million in annual revenues starting in FY 2024 • Implement the **business and occupations (B&O) tax** fully on all businesses based on the existing 0.2% of gross receipts by FY 2027
Scenario 2 – Strong Revenues Focused on Shifting Costs for Roads and Public Safety (Figure 8)	• Eliminate the **school resource officer program** in FY 2021, reducing costs by $55,000 • Exercise use of **property tax levy banked capacity** in FY 2022, phased in ratably over a 3-year period to generate additional annual revenues of $400,000 • Implement **photo traffic enforcement** tools to offset cost of traffic mitigation and moving violations enforcement in FY 2022, phased in over a 2-year period, generating $1.7 million in annual funding for public safety and traffic improvements • Capacity to **transfer additional funds for road improvements** totaling $4.5 million by FY 2027
Scenario 3 – Balanced Approach—Moderate Revenue Enhancement Strategies, Moderate Service Delivery Changes, Moderate Service Level Reductions, and Minor Expenditure Controls (Figure 8)	• Eliminate the **school resource officer program** in FY 2021, reducing costs by $55,000 • Reduce **travel, training and consulting services** budgets citywide by $50,000 in FY 2021 • Reduce **recreation coordination activities** reducing costs by $50,000 in FY 2021 • Exercise use of **property tax levy banked capacity** in FY 2022, phased in ratably over a 3-year period • Conduct a **user fee study and adjust development services fees** closer to full cost recovery by $50,000 in FY 2022 • Reorganize the **City's organizational structure** to provide cost efficiencies totaling $240,000 annually, phased in over two years starting in FY 2023 • Increase the existing **utility tax (UT)** on gas and electric from 4% to 6%, implement a cable utility tax of 6%, and implement a solid waste utility tax of 6%, generating $1 million in annual revenues starting in FY 2026
Scenario 4 – Strong Operating Expenditure and Service Level Reductions, Moderate Revenue Enhancement Strategies (Figure 9)	• Eliminate the **school resource officer program** in FY 2021, reducing costs by $55,000 • Reduce **travel, training and consulting services** budgets citywide by $50,000 in FY 2021 • Eliminate **recreation and volunteer coordination activities** reducing costs by $90,000 in FY 2021 • Conduct a **user fee study and adjust development services fees** closer to full cost recovery by $50,000 in FY 2022 • Update the **cost allocation plan** for administrative and overhead costs to shift $50,000 in costs by FY 2022 • Shift costs of **ballfields/parks lease** to private users/sports leagues reducing costs

Scenario	Description
	by $50,000 in FY 2022 • Reduce **maintenance costs for Log Boom and Squires Landing Waterfront Parks** through shared service delivery or contracted services saving $100,000 by FY 2023 • Reorganize the **City's organizational structure** to provide cost efficiencies totaling $240,000 annually, phased in over two years starting in FY 2023 • Exercise use of **property tax levy banked capacity** in FY 2023, phased in ratably over a 3-year period to generate additional annual revenues of $400,000 • Reduce **street pavement standards** by decreasing funding totaling $600,000 by FY 2026

Figure 7. Projected General Fund Surplus/Shortfall and Reserves – Budget Scenario 1 (Strong Revenues)

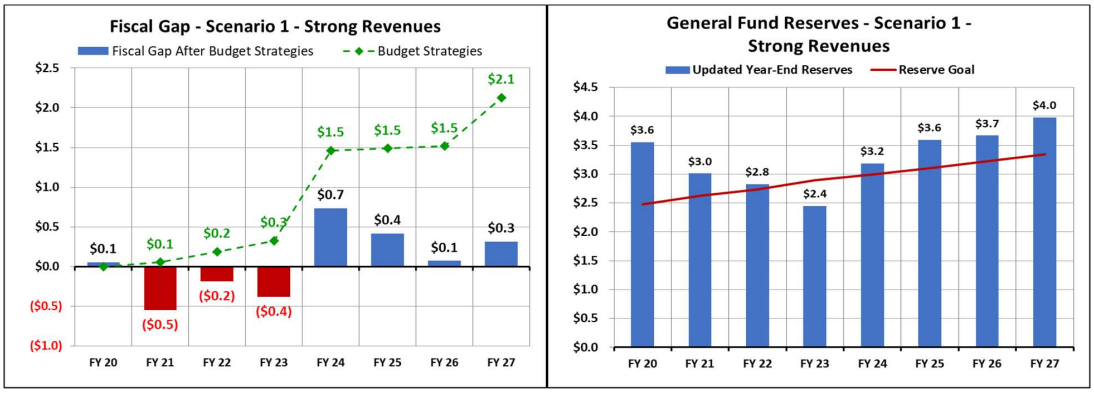


Figure 8. Projected General Fund Surplus/Shortfall and Reserves – Budget Scenario 2 (Strong Revenues Shifting Costs for Roads and Public Safety)

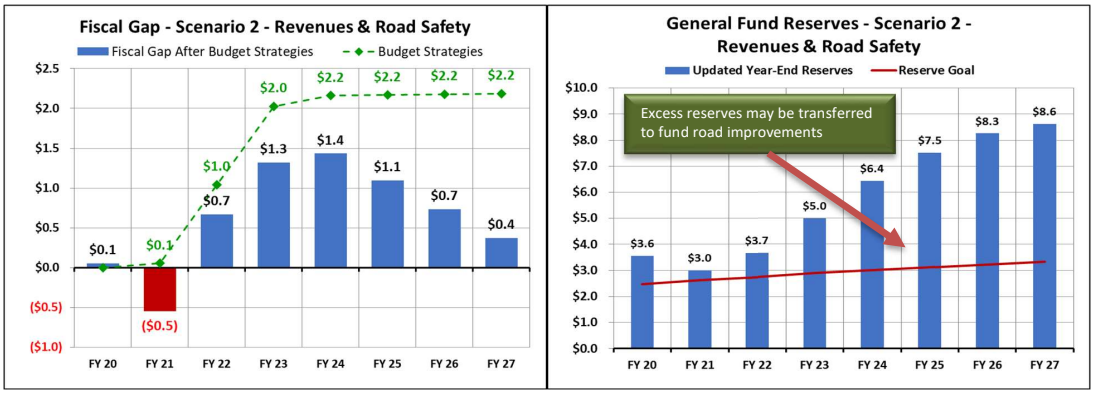


Figure 9. Projected General Fund Surplus/Shortfall and Reserves – Budget Scenario 3 (Balanced Approach)

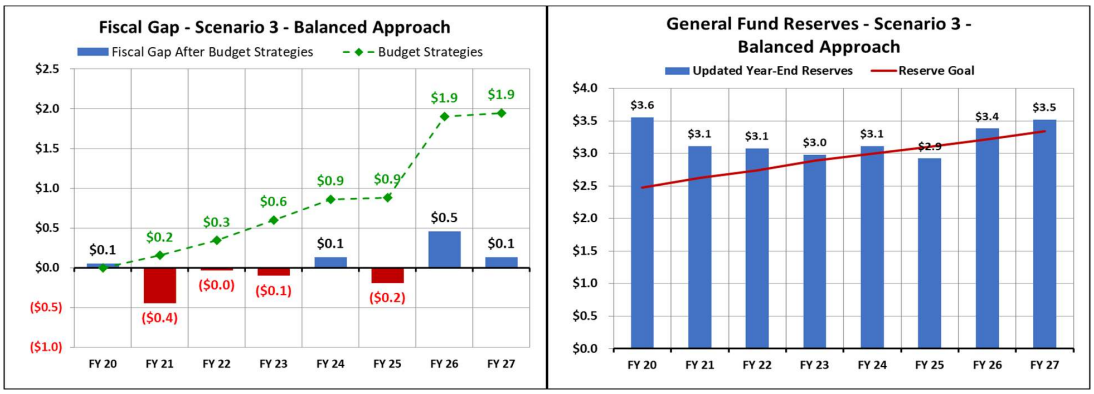
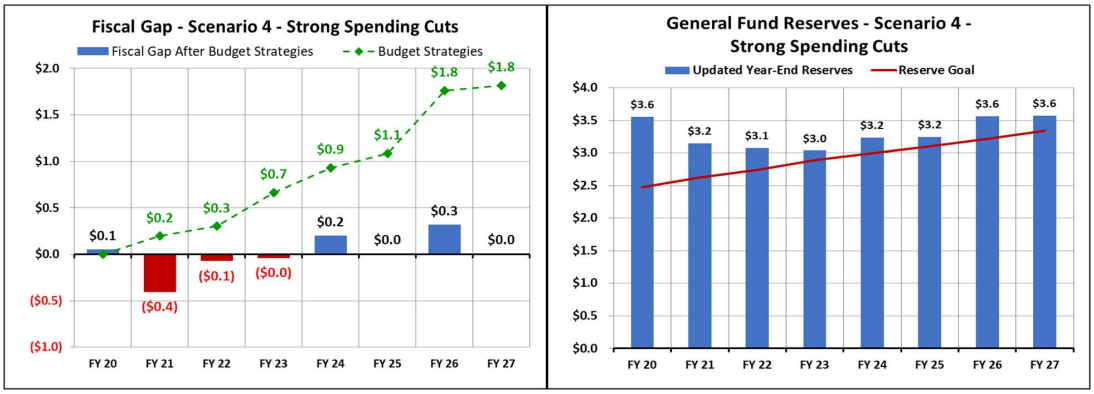


Figure 10. Projected General Fund Surplus/Shortfall and Reserves – Budget Scenario 4 (Strong Expenditure Reductions)



Attachment A – Budget Adjustments Implemented by the City in Response to the COVID-19 Pandemic

The City implemented budget adjustments as one-time measures in response to the COVID-19 pandemic recession that has impacted the country, Washington state, and the King County region. The net reductions totaled nearly $1.1 million and were enacted for the FY 2020 budget by City Council action at the April 27, 2020 City Council meeting.

The budget reductions were made in the General Fund and the Street Fund, the latter of which reduces the transfer from the General Fund, for FY 2020. Budget adjustments included a variety of reductions in such areas as:

- Streets maintenance
- Consulting costs
- District court services
- Software upgrade projects (e.g., GIS system)
- Operating and administrative supplies
- Travel, meals and lodging
- Community event sponsorships, including the 4th of July event, holiday event, and summer concerts
- Public information publication costs

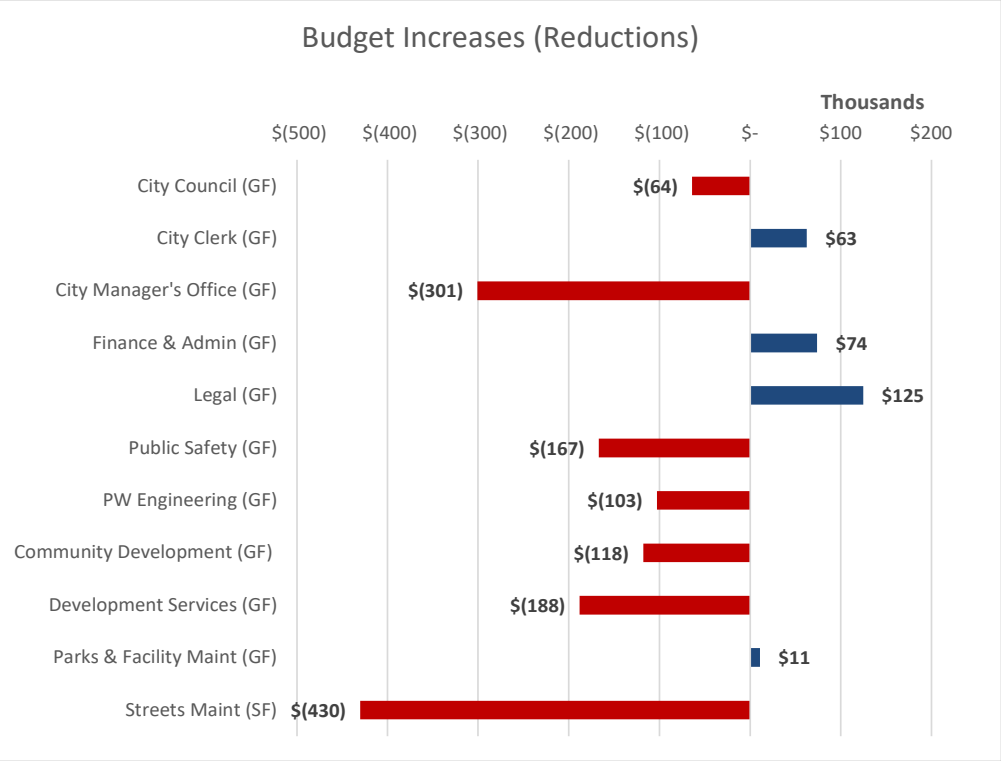
These reductions were partially offset by increases in certain budget areas in response to the pandemic such as:

- Technology to enable work-from-home for City staff
- KCSO officer overtime
- Facility maintenance services and supplies

A total of $300,000 of these reductions were expected to be ongoing reductions. The remaining $800,000 were expected to be one-time. These reductions have been identified as such in the baseline pre-recession forecast. The budget strategies analyzed in Attachment B to this memorandum are considered ongoing strategies rather than one-time strategies.

The net reduction in General Fund expenditures is $669,000, and a net reduction in Streets Fund expenditures of $430,000. A summary of the net expenditure reductions by department within the General Fund (GF) and Streets Fund (SF) is shown in Figure 10 below.

Figure 11. Budget Increases (Reductions) in Response to the COVID-19 Pandemic – FY 2020



Note: Increase in City Clerk was due to increase in human services contributions; Increase in Finance and Admin is due to increased technology costs; increase in Legal is due to increases in anticipated city attorney costs and services

Attachment B – Detailed Strategies

EXPENDITURE CONTROLS/COST SHIFTS

1. Eliminate funding of the School Resource Officer program

STRATEGY TYPE: Expenditure Controls/Cost Shifts

IMPACT ESTIMATE

Eliminating the City's funding of the School Resource Officer (SRO) program would save approximately $55,000 annually for the General Fund.

FEASIBILITY

Discussions have begun with the District in light of recent events and public sentiment to reduce or eliminate presence of law enforcement within schools. The District and City would need to agree to jointly terminate the contract. In light of recent events, elimination of this program might be met with little resistance. As much of the program was covered through overtime costs, it is unlikely that there would need to be any changes to the City's contract with KCSO other than clarification that the SRO program would be eliminated.

Factor	Difficulty Level
Potential for community pushback	Low
Technical and operational difficulties of implementation	Low
Timing necessary for implementation	Moderate
Disruptive impact on service delivery	Low
Disruptive impact within City organization	Low
Overall difficulty for Implementation	**Low**
	Rating
Fiscal Impact	**Moderate**
Potential of Success	**Moderate**

BACKGROUND/ANALYSIS

The City provides SRO services through its contract with KCSO under a cost-sharing arrangement with the Northshore School District. That arrangement was updated in 2018 to increase the School District's share to a maximum of $31,250. However, the Police Chief estimated that the city paid $86,000 in overtime in 2019 to pay for the service. (If the program were funded by dedicated staff rather than overtime, the Chief estimated the cost would increase to $207,000).

The recent events in Minneapolis and across the country have led schools and law enforcement agencies to rethink law enforcement presence in schools. The District has started conversations with community members, KCSO and the City in regard to the program. There is strong sentiment to eliminate the program. Eliminating the program would provide initial cost savings of about $55,000 annually. The City would need to negotiate a change in the KSCO contract to eliminate the dedicated SRO position and determine impacts on officer availability within the community.

2. Shift cost of ballfields/parks lease to private users/sports leagues

STRATEGY TYPE: Expenditure Controls/Cost Shifts

IMPACT ESTIMATE

The City budgets $50,000 annually to lease ballfields at Bastyr University for public and sports league use. The City could consider charging sports leagues for a share of these costs. Amount saved would depend on the fees charged by the City. Alternatively, the City could consider shifting the responsibility for the fields to sports leagues for annual savings of $50,000. The City could also consider forming a Metropolitan Parks District, discussed under revenue enhancements.

FEASIBILITY

To the extent a wide spectrum of city residents use the ballfields, there could be a high level of community pushback. However, to the extent the ballfields are used either primarily by sports leagues or by residents of surrounding communities, the pushback would be less.

Factor	Difficulty Level
Potential for community pushback	Moderate
Technical and operational difficulties of implementation	Moderate
Timing necessary for implementation	Moderate
Disruptive impact on service delivery	Low
Disruptive impact within City organization	Low
Overall difficulty for Implementation	**Moderate**
	Rating
Fiscal Impact	**Moderate**
Potential of Success	**Moderate**

BACKGROUND/ANALYSIS

Ballfields commonly used by sports leagues are an amenity that does not necessarily get fully utilized by the public at large. The City should consider the relatively high cost of paying for these facilities vs. the opportunities of direct users to pay all, or some of the costs.

3. Update the cost allocation plan for administrative and overhead costs

STRATEGY TYPE: Expenditure Controls/Cost Shifts

IMPACT ESTIMATE
Estimated impact for an updated cost allocation plan is $50,000.

FEASIBILITY

Factor	Difficulty Level
Potential for community pushback	Low
Technical and operational difficulties of implementation	Moderate
Timing necessary for implementation	Low
Disruptive impact on service delivery	Low
Disruptive impact within City organization	Low
Overall difficulty for Implementation	**Low**
	Rating
Fiscal Impact	**Moderate**
Potential of Success	**Low**

BACKGROUND/ANALYSIS
A cost allocation plan is a formal study done, often by specialist consulting firms , to build a model which allocates administrative and overhead costs (costs of City Hall, of non-operating department costs, of facilities, etc.) to operating departments that directly serve the public.

The idea is that administrative and overhead costs would not exist except to serve the operating departments that directly provide services, and therefore most if not all those costs should be re-allocated back to service departments. Two results occur. First, funds with other than General Fund sources of revenue, such as Stormwater, pay for their proportionate share of those administrative and overhead costs. Second, departments in the General Fund that charge user fees, such as Community Development, can know the true cost of providing their services and adjust their user fees accordingly. The second result, therefore, should be a more detailed user fee study to ensure full cost recovery.

The City current allocates approximately $570,000 of administrative-related General Fund costs to three funds: Transportation Capital, Surface Water Operating, and Parks Capital. It has been nearly 5 years since the City last performed a comprehensive cost allocation plan review. Costs have been updated based on cost increases in operating department budgets. There is the potential that a revised cost allocation plan might yield the opportunity to transfer an additional $50,000 to $75,000 of eligible costs to other funding sources.

SERVICE DELIVERY CHANGES

4. Reduce maintenance costs for Log Boom Waterfront Park and Squire's Landing Waterfront Park Facilities through contracted/shared services model

STRATEGY TYPE: Service Delivery Changes

IMPACT ESTIMATE

The Log Boom and Squires Landing Waterfront Park areas are undergoing significant capital improvements, which will increase the City's maintenance and operations costs by $275,000 per year starting in FY 2023. Kenmore could reduce its future cost increases by either contracting for maintenance and operations of all or parts of those parks, or by seeking concessionaires to operate the more active water-sport facilities of those parks in return for either concessionaire maintenance services or revenue sharing to defray the City's costs. Potential impact is targeted at $100,000 annually whether through reduced maintenance costs and/or concessionaire agreements with an operator.

FEASIBILITY

Factor	Difficulty Level
Potential for community pushback	Moderate
Technical and operational difficulties of implementation	Moderate-High
Timing necessary for implementation	High
Disruptive impact on service delivery	Moderate
Disruptive impact within City organization	Low
Overall difficulty for Implementation	**Moderate-High**
	Rating
Fiscal Impact	**High**
Potential of Success	**Low-Moderate**

BACKGROUND/ANALYSIS

Kenmore has budgeted for $11.7 million on park improvements between 2019 and 2024. These capital investments include major improvements to both the Log Boom Waterfront Park and the Squire's Landing Waterfront Park. The Log Boom project, when complete, will restore native habitat areas, improve the new main trail, expand the existing beach area, and create a new boat rental building, picnic shelter, and water access for hand-powered watercraft. The Squires Landing Waterfront and Natural Open Space Access project will also restore native habitat areas, trails and walkways with bridges, and river-viewing platforms through enhanced natural areas. In addition, the project will create a public hand-powered watercraft facility with staging areas, float and hand-carry launches, a community plaza, restroom, and parking lot. The

upgraded parks and facilities will increase annual maintenance efforts and costs, possibly significantly.

The more active, water sport-oriented facilities planned for both parks create an opportunity to use a Request for Qualifications process to seek private companies'/concessionaires' participation in running those facilities. Local governments may sign concession agreements with vendors to conduct business within parks (such as selling food and beverages or renting equipment) and charge the vendors a concession fee. Tacoma has a seasonal concession at Mossyrock Park for boat launch and other concessions. Longview has food and beverage concessions at Lake Sacajawea Park. Kirkland has food and beverage and various recreation concessions in their parks seasonally. The intent of seeking out concessionaires would not be for the City to make a profit; rather, it would be to defray/reduce its operating and maintenance costs. Management Partners has not performed a detailed analysis of this option, so additional research would be required if the City were to consider these options.

5. Reorganize the City's organizational structure to provide cost efficiencies

STRATEGY TYPE: Service Delivery Changes

IMPACT ESTIMATE

Reorganizing the administrative, economic development, development services and community development service within the City's organizational structure, including the elimination of the Business Incubator program, can reduce the City's ongoing operational costs by $240,000.

FEASIBILITY

Reorganizing the functions of administration, economic development, development services and community development is within the purview of the City Manager. Layoffs and/or reclassifications would need to comply with the City's personnel rules. One-time costs associated with accumulated leave payouts, severance pay, and potential unemployment claims will be more than offset by the long-term cost savings. There will be disruption within the City organization due to changing titles and shifting responsibilities and reporting relationships. Implementation could take place within a six month period, however. The potential for community pushback will likely be minimal as long as customer service is maintained in the areas of community development and development services.

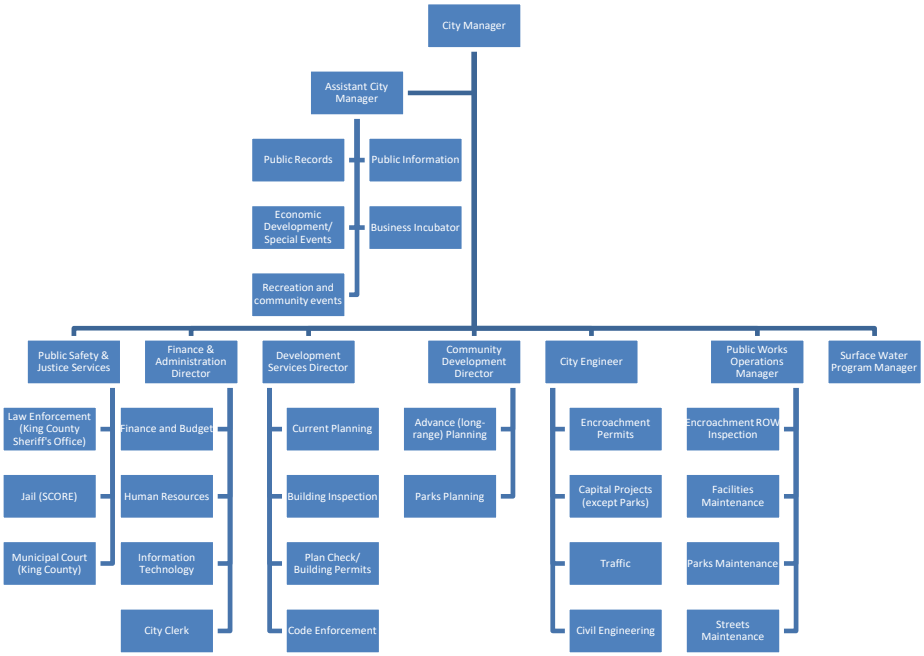
Factor	Difficulty Level
Potential for community pushback	Low
Technical and operational difficulties of implementation	Low
Timing necessary for implementation	Low
Disruptive impact on service delivery	Moderate
Disruptive impact within City organization	High
Overall difficulty for Implementation	**Moderate**
	Rating
Fiscal Impact	**High**
Potential of Success	**Moderate-High**

BACKGROUND/ANALYSIS

An in-depth assessment of the City's organizational structure was not performed, as it was not part of the scope of this project. Such a study would normally include an in-depth assessment of service delivery, reviewing alignment with the organization's strategic plan, assessing customer satisfaction with existing service delivery, review of job classifications and capacity within various positions, and an analysis of workflows and responsibilities assigned to conduct the City's various business processes.

However, when we review the City's organizational structure and service delivery, and compare it with agencies of similar size, we noticed that the City is staffed heavily at the executive team level. Figure 11 displays the City's current organization chart.

Figure 12. Kenmore Current Organization Chart



It is not common for an agency to have director level positions at both the Community Development/Planning level as well as Development Services. Typically, cities will consolidate long-range planning, current planning, plan check, building inspection, and code enforcement services under one department with managers and/or supervisors overseeing those various functions. In addition, it is more typically common for economic development, depending on the depth of services provided in that area, to be handled of a city of Kenmore's size by its community development director in collaboration with the city manager.

Furthermore, there is not sufficient capacity within the organization to address human resources needs. Those duties are being handled by the finance and administration director who is also charged with overseeing the finance, budget, information technology and city clerk functions.

Reorganizing responsibilities with remaining staff will maintain many of the services currently provided by the City. Economic development initiatives would be reduced, however, with greater emphasis placed in community events and facilitating economic development through public information, amending the comprehensive (general) plan based on Council policy to drive a thriving local economy, and process improvements in planning, building and code enforcement to support the local economy and new development.

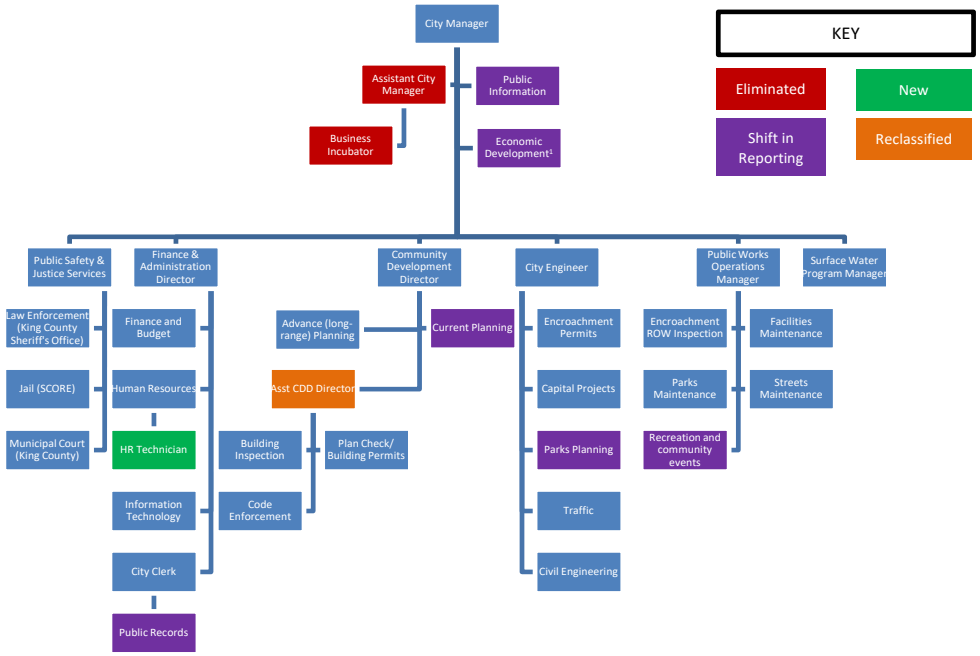
As noted earlier, a study was not conducted on the City's organizational structure. Under this proposed strategy, the City might make the following staffing changes:

- Eliminate the Assistant City Manager position
  - Eliminate the business incubator program (already planned for 2021)
  - Reduce other economic development programs
  - Assign other reporting functions directly to the City Manager and to other departments
- Reclassify Development Services Director to Assistant Community Development Director over building, plan check and code enforcement
- Transfer parks capital project development to the City Engineer
- Hire a Human Resources Technician/Analyst to report to the Finance and Administration Director that can also be cross-trained to assist in supporting community event initiatives

Organizational capacity will be significantly impaired, primarily in the areas of economic development and special events coordination, and will limit the ability to address new initiatives without making choices to eliminate other services.

Net cost savings are estimated to equal $240,000 per year. The revised organization chart might appear as shown in Figure 12.

Figure 13. Kenmore Revised Organization Chart



[1] – Economic development initiatives will only occur in a limited fashion where capacity exists within the City Manager's Office.

6. Seek alternative jail provider(s)

STRATEGY TYPE: Service Delivery Changes

IMPACT ESTIMATE

Kenmore currently contracts with South Correctional Entity (SCORE) in Des Moines for jail services at an annual cost of $425,000. Additional costs are incurred with the cost of KCSO officers transporting arrestees to SCORE, which is approximately 60 miles round trip from Kenmore, and can take 60 to 120 minutes in travel time overall roundtrip. Deputy Sheriff time is directly impacted in Kenmore's payments to KCSO under its contract. Contracting with alternative jail provider(s) could potentially save the City in both contract costs and transport costs. We estimate potential savings of $50,000, plus the opportunity cost savings by having fewer officers on transport duty during the typical patrol day. It is doubtful, however, that the number of officers could be reduced based on current caseload trends.

FEASIBILITY

Factor	Difficulty Level
Potential for community pushback	Low
Technical and operational difficulties of implementation	High
Timing necessary for implementation	High
Disruptive impact on service delivery	Moderate
Disruptive impact within City organization	Low
Overall difficulty for Implementation	**High**
	Rating
Fiscal Impact	**Moderate**
Potential of Success	**Low**

BACKGROUND/ANALYSIS

The FY 2020 budget for jail services with SCORE is $425,000, not counting the hours of Kenmore sheriff staff transporting to Des Moines. Larger cities in northern King County operate their own jail facilities (Kirkland, Bellevue). The City of Kenmore is aware of nearby jurisdictions that either have some excess jail capacity or are considering expanding their capacity and has had some discussions with these jurisdictions. Additional discussions would be required and could be fruitful by combining with other smaller north county cities in similar situations. Options include use of nearby cities' jail facilities or perhaps seeking to create a Joint Powers Authority (JPA) like SCORE in northern King County. Kenmore could not create such a JPA on their own, and the process to do so would be long and complex. However, it is worth considering such undertakings as longer-term investments for cost savings. The City of Kirkland indicates that it has saved significant amounts of money by operating its own jail.

7. Issue requests for proposals for fleet maintenance services

STRATEGY TYPE: Service Delivery Changes

IMPACT ESTIMATE

Vehicle maintenance services are budgeted at $117,000 per year according to the most recent budget document. A precise estimate of potential savings by seeking outside contractors and/or other public agencies to perform fleet maintenance cannot be made without a detailed analysis. A review by Management Partners' long time fleet management experts suggest that using contractors would generate 10 to 20% savings overall (or approximately $20,000 annually for Kenmore).

FEASIBILITY

There would likely be little or no public opposition to contracting out services often performed by the private sector or other entities. It would likely take three to six months to seek proposals, and additional time to negotiate agreements, if indeed cost savings could be realized. A transition to a new service provider could require time for the City to consider steps to work with impacted employees to find other positions within City government, in the new service provider, or elsewhere.

Factor	Difficulty Level
Potential for community pushback	Low
Technical and operational difficulties of implementation	Low
Timing necessary for implementation	Moderate
Disruptive impact on service delivery	Low
Disruptive impact within City organization	Moderate
Overall difficulty for Implementation	**Moderate**
	Rating
Fiscal Impact	**Low**
Potential of Success	**Low**

BACKGROUND/ANALYSIS

Fleet maintenance services are currently provided by Northshore Utility District. It is good business practice to periodically test potential cost savings by soliciting proposals for contracting out certain services. Fleet maintenance is a good candidate, as there are many private and public entities available to perform the service, and proposals may very well be competitive with, or more cost effective than an in-house garage. Proposals could be solicited from nearby governmental agencies with larger fleets, school districts, utility districts, and from local repair garages (for sedans and small pickups). Management Partners recommends the City consider issuing requests for proposals for fleet maintenance, targeting those entities with specializations in various types of vehicle that the City can capitalize on. What is key after such proposals are solicited and analyzed, is to ensure that clear and specific performance measures are specified in any resulting contracts on items such as turnaround time, parts costs, pick-up and delivery services, and hourly rates.

8. Refocus parks capital improvements to lower maintenance uses

STRATEGY TYPE: Service Delivery Changes

IMPACT ESTIMATE

Management Partners notes that the City is adding an increasing array of parks facilities to its future maintenance obligations, which will put further stress on its budget beyond the already strained current capacity. It is not possible to estimate potential cost savings for shifting future parks capital improvement work to more passive/lower maintenance uses without a redesign of the existing conceptual plan elements for each park. Nonetheless, the City should consider this strategy as it implements its Parks Master Plan.

FEASIBILITY

Factor	Difficulty Level
Potential for community pushback	High
Technical and operational difficulties of implementation	Low
Timing necessary for implementation	Moderate
Disruptive impact on service delivery	Low
Disruptive impact within City organization	Low
Overall difficulty for Implementation	**Moderate**
	Rating
Fiscal Impact	**Undetermined**
Potential of Success	**Undetermined**

BACKGROUND/ANALYSIS

With the City's creative use of grant and non-General Fund sources for parks capital improvements, Kenmore has expanded its future park maintenance responsibilities and costs with more intensive uses. The current fiscal situation is strained and will become more so without changes to current revenues and expenditures.

The City's capital improvement budget includes a total of $11.7 million of parks infrastructure improvements over the period from 2019 to 2024. The General Fund's share is only $500,000. Without additional sources of revenue, the ongoing maintenance of these facilities will cause increased future costs to the General Fund. The following projects include funding for more active uses that include facilities that will require a higher amount of funding for ongoing maintenance compared to more passive uses such as trails and open space:

- Moorlands Park Improvements,
- Rhododendron Park Dock/Float and Boat House,
- Squires Landing Waterfront and Dock/Float ,
- Log Boom Park Waterfront, and
- St. Edward Park Ballfields Improvements.

To reduce the future maintenance costs to the General Fund, the City would need to change the intended designs of these parks and shift to less maintenance intensive park facilities such as more hardscape, low-maintenance planting materials, and open space planning concepts rather than active parks uses. However, doing so would change the scope of what Kenmore residents voted on in the 2016 Walkways and Waterways Bond Measure for Squires and Log Boom Parks. (Another related option of creating a Metropolitan Parks District is discussed under Revenue Enhancements.)

REVENUE ENHANCEMENTS

Councilmanic Revenue Options

9. Increase existing utility tax to maximum allowed under State law (with two options to create a new tax on water, stormwater, and solid waste)

STRATEGY TYPE: Revenue Enhancement

IMPACT ESTIMATE
Estimated impact of three options studied below are as follows:

- **Option 1:** Increase the electric/gas tax rate from 4% to 6%; impose a new cable utility tax rate of 6%; impose a new solid waste tax rate of 6% - **Increased annual revenues of approximately $1 million.**
- **Option 2:** Increase the electric/gas tax rate from 4% to 6%; impose a new utility tax rate of 6% on cable, water/sewer/stormwater and solid waste – **Increased annual revenues of approximately $1.9 million.**
- **Option 3:** Increase the electric/gas tax rate from 4% to 6%, impose a new cable utility tax of 6%; impose a new utility tax rate of 10% on water/sewer/stormwater and solid waste – **Increase annual revenues of approximately $2.6 million.**

Option 1 would increase utility tax revenues per capita to $85.05, still 30% below the peer average of $121.27. Option 2 would raise utility tax revenues per capita to $131.16, which would exceed the peer average by 8.2% with four cities (Bothell, Mercer Island, Kirkland and Mountlake Terrace) above that amount. Option 3 would raise utility tax revenues per capita to $161.90, which is 33% above the peer average, but still below Bothell and Mercer Island.

We believe that Option 1 provides the greatest opportunity for success, although Option 2 might also be a viable option. Option 3 might be met with significant public resistance.

FEASIBILITY
The City Council can impose a new utility tax on the revenues of utility companies that provide services within City limits. Council action to impose the tax may be performed through adoption of an ordinance. Outreach to utility providers will be needed to allow for sufficient time for the imposed tax rate to go into effect and allow utilities to inform their customers. It could take as long as nine months to properly implement the tax and begin to receive remittances from the utility providers.

While Council may impose a new utility tax by ordinance, there is the potential that a referendum procedure could be required as per Washington State law (RCW 35.21.706). The City Attorney would need to be consulted should the City decide to impose any new or increased utility taxes. Many other cities assume that any such resolution is automatically

subject to referendum and/or place such language in an adopting resolution per State law provisions.

The assessment shown in the table below is based on implementing Options 1 or 2. Option 3 might be met with significant public resistance and, would thus, be downgraded to Low-Moderate potential of success.

Factor	Difficulty Level
Potential for community pushback	Moderate-High
Technical and operational difficulties of implementation	Moderate
Timing necessary for implementation	Moderate
Disruptive impact on service delivery	Low
Disruptive impact within City organization	Low
Overall difficulty for Implementation	**Moderate**
	Rating
Fiscal Impact	**High**
Potential of Success	**Moderate-High**

BACKGROUND/ANALYSIS

A utility tax is an excise tax placed on utilities that provide services in a municipality, including municipal utilities and utility districts. Kenmore currently levies UTs on natural gas, electric, and telephone. Its tax rates are at the maximum for telephone, but not for electric and gas. Potential additional utilities that may be included in a utility tax are cable, water, sewer, stormwater, and solid waste. The utility tax is levied on revenues collected by the utility provider within the city limits. A utility tax generally is more predictable and less volatile than other General Fund revenue sources such as sales tax and development fees and permits, particularly in a predominantly residential community. This is because public usage of utilities is somewhat stable year to year, and the revenue increases over time as the utility raises its rates.

Utility taxes, however, are typically viewed as a regressive tax that more significantly impacts the disposable income of lower income households. Cities have addressed this issue by providing exemptions and/or discounts for low-income seniors and/or low-income households. Cities often leverage existing low-income discounts extended by utilities that are subject to the tax, which by their nature reduce revenues subject to the tax, or will altogether exempt such individuals from the tax itself. Cities might also administer their own programs for exemptions, which may require hiring staff to administer the programs.

Revenues are unrestricted and may be used for any lawful governmental purpose. The maximum tax rate may not exceed 6% for electric, gas, and telephone services unless approved by voters. There is no limitation on the tax rate for water, sewer, solid waste, or stormwater

utilities. Internet and satellite TV may not be taxed per federal law, but cable TV may be subject to a tax with special provisions.

Table 7 earlier in this report indicated the per capita utility tax revenues for comparable agencies and their percentage of total General Fund revenues. Table 19 below summarizes the utility tax rate used by each comparable agency based on the types of utility tax that they levy. The table also includes the per capita revenue amount generated by utility taxes. Kenmore's utility tax per capita is 60% below the average of $121.27 across the peers that have any form of utility tax.

Table 19. Comparable Agency Per Capita Utility Tax Revenues and Utility Tax Rates by Type 2020

City	Utility Tax per Capita	Natural Gas	Electric	Telecom	Cable	Water	Sewer	Stormwater	Solid Waste
Bothell	$179.71	6.0%	6.0%	6.0%	6.0%	11.15%	6.0%	6.0%	5.0%
Mercer Island	$173.17	6.0%	6.0%	6.0%	7.0%	8.0%	8.0%	8.0%	7.0%
Kirkland	$159.92	6.0%	6.0%	6.0%	6.0%	11.8%	9.5%	6.98%	9.5%
Mountlake Terrace	$148.25	6.0%	6.0%	6.0%	5.0%	13.8%	10.0%	10.0%	10.0%
Woodinville	$75.75	2.0%	2.0%	4.0%	N/A	N/A	N/A	N/A	4.0%
Shoreline	$70.39	6.0%	N/A	6.0%	6.0%	N/A	6.0%	6.0%	6.0%
Kenmore	**$48.63**	**4.0%**	**4.0%**	**6.0%**	**N/A**	**N/A**	**N/A**	**N/A**	**N/A**
Lake Forest Park	$41.72	6.0%	6.0%	6.0%	N/A	N/A	N/A	N/A	N/A
Median	**$121.27**	**6.0%**	**6.0%**	**6.0%**	**6.0%**	**11.50%**	**8.0%**	**7.0%**	**6.5%**
Mill Creek	**None**								
SeaTac	**None**								

Source: City budgets and municipal codes

An estimation of possible revenue to be derived from extending the utility tax is contained in the table below. Management Partners took a neighboring peer city's (Mercer Island) utility tax revenues and analyzed them as a percentage of electric and gas utility tax revenues. This allows for an approximation of what utility taxes might be for Kenmore, understanding that the mix of residential and commercial users may be slightly different than Mercer Island.

Management Partners took all of Mercer Island's utility tax revenues and determined the revenue generated for each 1% of tax rate. The proportion of the non-electric and gas utility revenues were then used to extrapolate what Kenmore's non-electric and gas revenues might be as a percentage of its electric and gas revenues assuming a 1% rate. For example, at a hypothetical 1% rate, Mercer Island's solid waste revenues were 16% of its electric and gas revenues.

To estimate what Kenmore could potentially earn from a 1% tax on solid waste, we took the amount Kenmore earned for calendar year 2018 for electric and gas ($757,000 per data

Management Partners received), and divided it by 4. We therefore derived Water/Sewer/Stormwater revenues (at a 1% rate) by applying the 16% to Kenmore's electric/gas revenues at a 1% rate ($189,000). The result is that for each 1% of utility tax, we estimate that the City could generate about $30,000 in solid waste revenue (16% of $189,000). That methodology is not perfect; however, in the absence of other data it is a rough approximation that can give the City an idea of the magnitude of the potential revenue.

Table 20 below shows three options:

- **Option 1:** Increase the electric/gas tax rate from 4% to 6%; impose a new cable utility tax rate of 6%; impose a new solid waste utility tax of 6%;
- **Option 2:** Increase the electric/gas tax rate from 4% to 6%; impose a new utility tax rate of 6% on cable, water/sewer/stormwater and solid waste; and
- **Option 3:** Increase the electric/gas tax rate from 4% to 6%, impose a new cable utility tax of 6%; impose a new utility tax rate of 10% on water/sewer/stormwater and solid waste

All three options would increase or impose rates on electric/gas, cable and phone to the maximum allowed under State law. Water, Sewer, Stormwater, and Solid Waste were set at 10% in Option 3 as a further increase to demonstrate potential revenues from higher rates on those utilities. The results show increases to General Fund revenues ranging from approximately $1,030,000 under Option 1 to $2.6 million under Option 3.

Table 20. Kenmore Utility Tax Estimates at 6% and 10% for Water, Sewer, Stormwater and Solid Waste

	Electric/Gas	Water/Sewer/ Stormwater	Cable	Phone	Solid Waste	Total
Current						
Rate	4%	N/A	N/A	6%	N/A	
Revenue	$757,412	N/A	N/A	$376,638	N/A	**$1,134,050**
Option 1: Increase electric/gas to 6%; impose cable utility tax of 6%; impose solid waste tax of 6%						
Rate	6%	N/A	6%	6%	6%	
Revenue	$1,136,118	N/A	$470,697	$376,638	$183,116	$2,116,569
Additional Annual Revenue	**$378,706**	**N/A**	**$470,697**	**$0**	**$183,116**	**$1,032,519**
Option 2: Impose a uniform utility tax of 6% on all Utilities						
Rate	6%	6%	6%	6%	6%	
Revenue	$1,136,118	$892,073	$470,697	$376,638	$183,116	$3,058,641
Additional Annual Revenue	**$378,706**	**$892,073**	**$470,697**	**$0**	**$183,116**	**$1,924,592**
Option 3: Impose a utility tax rate of 6% on all electric/gas, cable and phone, and a 10% rate for Water, Stormwater, Sewer, and Solid waste						
Rate	6%	10%	6%	6%	10%	
Revenue	$1,136,118	$1,486,788	$470,697	$376,638	$305,193	$3,775,434

	Electric/Gas	Water/Sewer/ Stormwater	Cable	Phone	Solid Waste	Total
Additional Annual Revenue	**$378,706**	**$1,486,788**	**$470,697**	**$0**	**$305,193**	**$2,641,384**

Imposing a utility tax on solid waste could provide the City with the opportunity to fund environmental sustainability efforts, which could separately be explored for consideration only after the tax were implemented.

10. Implement photo traffic enforcement to fund public safety costs and roadway improvements

STRATEGY TYPE: Public Safety Cost Offset

IMPACT ESTIMATE

The amount of fine revenue generated by traffic cameras to reduce traffic accidents and promote safety would depend on the intersections at which such cameras were installed, and the activity at those intersections. The City of Lake Forest Park reports that it has three traffic cameras in operation. Its projected revenues for 2020 for fines from these cameras totals $3.0 million, with enforcement costs at $1.3 million, for a net savings to the General Fund of $1.7 million. This equates to roughly $670,000 per camera annually in net contributions to offset public safety costs and/or provide funding for traffic improvements to mitigate safety hazards.

FEASIBILITY

Factor	Difficulty Level
Potential for community pushback	High
Technical and operational difficulties of implementation	Moderate
Timing necessary for implementation	Moderate
Disruptive impact on service delivery	Low
Disruptive impact within City organization	Moderate
Overall difficulty for Implementation	**Moderate**
	Rating
Fiscal Impact	**High**
Potential of Success	**Moderate**

BACKGROUND/ANALYSIS

In Washington state, use of photo enforcement technology can only be used by cities for red light and school zone enforcement. Many police professionals believe that such technology is a valuable tool in promoting safer traffic behavior by motorists. The goal is that by the public knowing the cameras are posted, that they will be extra cognizant of obeying speed laws as well as discouraged from running red lights, especially in school zones. The extra costs associated with purchasing or renting/leasing the cameras, and costs of administering the fines and enforcing collections are more than offset by the revenues generated. Those excess revenues can then be used to offset other public safety costs and opportunities to invest in further traffic safety options in the corridors where installed and throughout the rest of the city.

Photo enforcement should not be viewed as a revenue raising tool, but rather a traffic safety tool that generates fine revenue as a side benefit which allows cities to offset some of their existing public safety and traffic mitigation costs, augment them, or both. There is often some

community pushback from installing traffic cameras, ranging from feeling that the cameras are unfair to feeling like it is an invasion of privacy.

Agencies that implement such tools indicate that traffic safety is a priority within the community and that public information about the cameras will allow residents the opportunity to know about such enforcement and obey traffic laws to avoid any moving violations. Implementing photo enforcement technology using statewide and industry standard protocols regarding placement and timing of the photo taken, and ongoing preventative maintenance of the cameras, reduces the potential for false positives.

11. Exercise the property tax levy banked capacity

STRATEGY TYPE: Revenue Enhancement

IMPACT ESTIMATE

The City's property tax levy rate in 2020 is just over $1.10 per $1,000 assessed valuation and is expected to generate $5.2 million in annual property taxes in 2020. The State of Washington allows local government entities to bank property tax capacity if they do not use the full allowed amount in a given year. They can then use that banked capacity in future years as needed. Kenmore has banked capacity after the 2020 levy in an amount of $400,000 in property tax revenues that could be used to increase the levy, which is equal to a 10% increase in the current levy. Such an increase could be implemented using a phased-in approach to mitigate the increase in any one year.

Exercising banked capacity would increase property tax revenues without requiring voter approval. It could, however, affect the property tax levies of districts in the area due to state laws that limit the overall property tax rates applied to individual properties.

FEASIBILITY

The City Council has the authority to exercise the use of banked capacity in setting property tax levies each year. The increase is implemented by instructing the County tax assessor to add the banked capacity to the levy on all properties. This is exclusive of the annual decision by the City Council of increasing the total levy by the statutorily allowed 1% increase. The existing banked capacity amount is 8.5% of the existing tax levy of $5.25 million. If the City were to exercise it all in one year, the increase might receive some community pushback. Otherwise implementation of this strategy is straightforward, and the City Council has history of using the banked levy as it used some of the banked capacity as recently as 2019.

Factor	Difficulty Level
Potential for community pushback	Moderate
Technical and operational difficulties of implementation	Low
Timing necessary for implementation	Low
Disruptive impact on service delivery	Low
Disruptive impact within City organization	Low
Overall difficulty for Implementation	**Low**
	Rating
Fiscal Impact	**High**
Potential of Success	**High**

BACKGROUND/ANALYSIS

In 1986, the Washington State Legislature instituted a policy that allows local governments to levy less than the maximum allowed increase without losing the ability to levy higher taxes as

needed in future years. This was enacted to enable local jurisdictions to levy only what is needed without being penalized.

For many years, the City of Kenmore did not exercise the full allowable levy lift of 1%, which allowed the Council to approve a 3% increase in November 2018. This approved levy lift used banked capacity to address budget shortfalls for FY 2019 and 2020. Kenmore has an additional $400,000 of banked capacity at the close of 2019 that could be used to address budget shortfalls as early as the 2021 tax year.

12. Implement an admissions tax on recreation and entertainment venues

STRATEGY TYPE: Revenue Enhancement

IMPACT ESTIMATE

The City could choose to implement an admissions tax on various recreation and entertainment venues as provided under State law. A typical example is an admissions tax on golf courses, bowling alleys, and theaters and performing arts centers.

Potential revenues from an admissions tax of 2%, 3% and 5% are indicated in Table 21 below, using conservative CPI-adjusted revenue estimates. Actual revenue figures were not publicly available for amenities in Kenmore that could be subject to such a tax, which would enable the estimate to be refined further.

Table 21. Admissions Tax Revenue Estimates

Tax Rate	Tax Revenue
2%	$80,000
3%	$120,000
5%	$200,000

FEASIBILITY

Pushback might come from the owners/operators of recreation and entertainment facilities. However, all such amenities have a regional draw. Patrons are most likely to come from a broad cross-section of nearby communities rather than solely Kenmore residents.

Implementation of the tax could be implemented by City Council action adopting an admissions tax ordinance by majority vote of the Council. It is not subject to voter approval. Collections would be administered by the City's Finance Department, which would prescribe forms and collection methods. The City could include audit provisions in the ordinance, which could be exercised on a periodic basis either with City staff or by contract with an independent accounting firm. This would ensure the appropriate amount of taxes was being received from affected businesses.

Factor	Difficulty Level
Potential for community pushback	Moderate
Technical and operational difficulties of implementation	Low
Timing necessary for implementation	Low
Disruptive impact on service delivery	Low
Disruptive impact within City organization	Low
Overall difficulty for Implementation	**Low**
	Rating
Fiscal Impact	**High**
Potential of Success	**High**

BACKGROUND/ANALYSIS

State statute (RCW 35.21.280) allows cities to create an admissions tax in an amount not greater than 5% of the admission charge for various facilities and events. The tax may be imposed by Council ordinance not requiring voter approval. The use of the funds is unrestricted.

According to state law, an admissions tax can be levied on admission charges (including season tickets or subscriptions) to venues such as theaters, dance halls, circuses, clubs that have cover charges, observation towers, stadiums, and any other activity where an admission charge is made to enter or use the facility or where a charge is made for food and drinks in a place where free entertainment, recreation, or amusement is provided. An admission charge may also be made on rental or use of equipment or facilities for the purposes of recreation or amusement if the rental is a necessary component of the enjoyment. The statute exempts cities from placing an admission tax on any elementary or secondary school activity. Cities also have the authority to exempt non-profit organizations if they so desire.

Admissions taxes are administered by the city that implements the tax, and as such, typical ordinances include the ability for the city to collect and audit the collection and remittance of taxes by affected businesses. Some cities have excepted certain activities sponsored by nonprofit organizations, but this is an option that is determined individually by the agency that imposes the tax.

Seattle, Lynnwood, Auburn, Everett, Kent, and Redmond are six local examples that charge an admissions tax applicable to golf courses and other recreation venues. Other than Everett (4% tax rate), each city charges a 5% admissions tax, the highest allowed by state law.

Applicable venues in Kenmore would include such venues as the private golf club, bowling alleys, and fitness centers.

A typical amenity in which admissions tax is levied is a golf course. According to the National Golf Foundation's 2010 Operating & Financial Performance Profiles of 18-hole golf facilities in the U.S., private 18-hole golf clubs had average total golf revenues of $3,277,000 in 2009. Adjusting those figures for inflation using the Seattle-Tacoma-Bellevue Consumer Price Index (Urban Consumers) from 2009 to 2020, the value of those revenues in today's dollars approaches $4 million. A 5% tax on such an amenity can generate tax revenues to the City of $200,000 per year for this one amenity.

13. Implement the business and occupation (B&O) tax for all businesses

STRATEGY TYPE: Revenue Enhancement

IMPACT ESTIMATE
Assuming a $25 per capita estimate based on peer cities, Kenmore could collect revenues of approximately $583,000 per year by imposing the B&O tax that is in the City's existing ordinances.

FEASIBILITY
The City's Municipal Code (Chapter 3.75) authorizes a B&O tax of 0.2% of gross receipts, however the tax is only being imposed on heavy manufacturing companies. Implementing the tax would require the City to issue notice to all businesses that it will begin to collect the tax. Pushback will likely come from the business community, especially in light of existing circumstances surrounding the current recession and its impact on small businesses in particular.

Factor	Difficulty Level
Potential for community pushback	High
Technical and operational difficulties of implementation	Moderate
Timing necessary for implementation	Low
Disruptive impact on service delivery	Low
Disruptive impact within City organization	Low
Overall difficulty for Implementation	**Moderate**
	Rating
Fiscal Impact	**High**
Potential of Success	**Moderate**

BACKGROUND/ANALYSIS
The City's Municipal Code (Chapter 3.75) authorizes a B&O tax in an amount of 0.2% ($2 per $1,000) of gross receipts, however the tax is only imposed on heavy manufacturing companies which is currently generating annual revenues of less than $20,000. Cities are permitted to charge a B&O tax of up to 0.2% of gross receipts on businesses without voter approval. Revenues can be used for any general fund purpose. As an alternative, some cities (like Bellevue and Kent) charge square footage rate on businesses like offices or warehouses that may not generate gross receipts from their locations.

While it is difficult to estimate potential B&O tax collections in Kenmore, a sample of B&O tax collections for Lake Forest Park and Mercer Island and the per capita amounts collected is presented in Table 22 below. (Only those two peers collect a B&O tax.) Their per capita amounts range from $24.79 to $27.06 per year. If Kenmore were to collect the B&O tax, and assuming the

per capita amounts are indicative of the potential tax that could be collected, we estimate that Kenmore could collect approximately $583,000 based on an estimate of $25 per capita.

Table 22. Survey of B&O Tax Rates and Collections of Peer Agencies

City	Population	B&O Tax Collection 2019	Tax Rate	Per Capita Amount per 0.1% Tax Rate
Mercer Island	24,470	$662,200	0.2%	$27.06
Lake Forest Park	13,250	$328,500	0.2%	$24.79
Shoreline	56,370	$1,565,953	0.2%	$27.78
Kenmore	**23,320**	**$21,073**	**0.2%**	**$0.45**
Bothell, Kirkland, Mill Creek, Mountlake Terrace, SeaTac, and Woodinville		N/A	N/A	N/A

14. Conduct a user fee study and adjust development services fees closer to full cost recovery

STRATEGY TYPE: Revenue Enhancement

IMPACT ESTIMATE

Without a detailed user fee study undertaken, a definitive estimate of the additional revenue that could be generated by raising Development Services User Fees and Permits closer to full cost recovery. Management Partners believes that the potential is between $50,000 and $100,000 annually, subject to a user fee study.

FEASIBILITY

The determination of a cost recovery target for fee setting purposes is a Council policy decision. For example, if a particular fee is to be charged on a program financially benefitting a specific individual or business, and if the cost of that service can be calculated, full or near full cost recovery is usually appropriate. Otherwise, the general tax base of the City, used to fund non-fee-based services like fire and police, would be making up the cost difference. In a City with a stressed fiscal situation, such as Kenmore, the need for close to full cost recovery for fees and permits to cover Development Services' full costs should be considered.

Factor	Difficulty Level
Potential for community pushback	Moderate
Technical and operational difficulties of implementation	Moderate
Timing necessary for implementation	Moderate
Disruptive impact on service delivery	Low
Disruptive impact within City organization	Low
Overall difficulty for Implementation	**Moderate**
	Rating
Fiscal Impact	**Moderate**
Potential of Success	**Low-Moderate**

BACKGROUND/ANALYSIS

The City's budget for 2019-2020 shows Development Services costs in the General Fund totaling $1.25 million in direct costs (costs for employees, consultants, and supplies and materials). Its 2018 cost allocation plan shows indirect and overhead costs for Development Services add another $633,000, for a total cost to the City of $1,878,000 for providing Development Services. The department's revenues as shown in their general ledger are budgeted for a total of $913,500 annually. The difference between revenues and total expenditures is $964,500. While some of the expenditures in Development Services, such as long-term planning, are not recoverable from user fees, it also appears that the department has a lot of room to raise fees within its cost of providing services.

When determining an appropriate cost recovery level, consideration should be given to the amount of benefit provided to an individual versus the public in general. Charges for services that most benefit a private party (e.g., building services) with limited benefit to all citizens should be recouped at a higher rate than services that at least in part also benefit all residents (e.g., planning services). State law (RCW 82.02) further limits development fees to those costs directly associated with the processing of applications, inspecting, and reviewing plans.

Best practices suggest that cities target cost recovery levels for the following services based upon a comprehensive cost recovery study:

- Building services – 90% to 100%
- Planning services – 75% to 90%
- Engineering services – 75% to 90%

It is possible that charging fees at full, or close to full cost recovery in Development Services could generate anywhere from $50,000 - $100,000 minimum, to perhaps $250,000-$500,000 maximum. Those estimates are speculative; determining better estimates would require a new Cost Allocation Plan and a revised User Fee Study

- a new Cost Allocation Plan would be set to recover not just administrative and overhead costs related to administrative departments' support, as the current Cost Allocation Plan does, but also overhead costs related to a fair share of City Hall costs.
- An updated User Fee study would then be built to reflect total costs in fee for service areas vs. in those program areas within Development Services that are for the general public welfare, (such as long-term planning).

Revenue Enhancements Requiring Voter Approval

15. Implement a property tax levy lid lift as general purpose or special purpose for public safety

STRATEGY TYPE: Revenue Enhancement

IMPACT ESTIMATE
The City's property tax levy rate in 2020 is just over $1.10 per $1,000 assessed valuation and is expected to generate $5.2 million in annual property taxes in 2020. Increasing the levy through a levy lid lift ballot measure (whether general or special purpose) is estimated to yield the following General Fund fiscal impact (based on existing assessed valuation):

- Tax rate increase of $0.05 per $1,000 assessed valuation: $243,000 increase in General Fund property tax in the first year of implementation
- Tax rate increase of $0.10 per $1,000 assessed valuation: $485,000 increase in General Fund property tax in the first year of implementation
- Tax rate increase of $0.15 per $1,000 assessed valuation: $728,000 increase in General Fund property tax in the first year of implementation

Additional revenues could be achieved if the levy lid lift measure also included a future levy lid lift increase amount beyond the 1% that can be implemented by Council action. Increased fiscal impact would depend on the level of the original levy lid lift and the future increases included in the measure.

FEASIBILITY – GENERAL PURPOSE LEVY
A levy lid lift that includes future increases that match the inflationary impacts on city expenditures (most notably, increases in employee compensation and benefits) would have a positive ongoing fiscal impact to resolve the City's General Fund fiscal gap by matching the largest revenue source with expenditure growth expectations.

Increasing the property tax rate, beyond the 1% revenue limit and use of banked capacity, requires majority voter approval. Such a measure, however, is one of the most politically sensitive ballot measures that a Washington city can bring to voters. A significant amount of public engagement and education about the City's fiscal position would be required, likely coupled with cost reduction strategies to demonstrate fiscal conservatism, before such a measure might gain the necessary public support for approval.

Factor	Difficulty Level
Potential for community pushback	High
Technical and operational difficulties of implementation	Low
Timing necessary for implementation	Moderate
Disruptive impact on service delivery	Low
Disruptive impact within City organization	Low
Overall difficulty for Implementation	**High**
	Rating
Fiscal Impact	**High**
Potential of Success	**Low-Moderate**

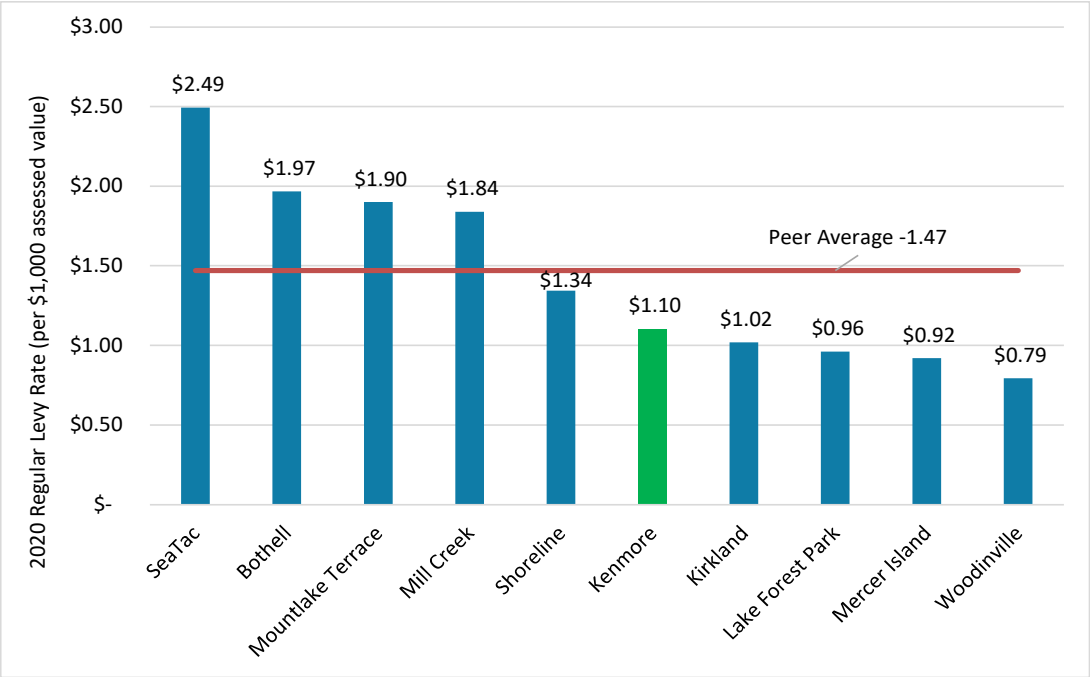
BACKGROUND/ANALYSIS – GENERAL PURPOSE LEVY

Washington state law provides the opportunity for cities to increase the annual levy on properties by not more than 1% in any one year through Council resolution, plus an allowance for new construction. Increases in any single year, or over a period of multiple years, requires a voter-approved "levy lid lift." The amount that the levy may be raised is subject to having sufficient "banked capacity" below the maximum aggregate levy rate and the local limit established under state law. The constitutional aggregate limit is $10 per $1,000 assessed value for any taxing area, while the local limit is $5.90 per $1,000 assessed value.

The current levy rate of $1.104 per $1,000 assessed value is expected to generate $5.2 million in total property tax in FY 2020. Property taxes are the single largest revenue source for the City, representing 40% of General Fund revenues in 2020. However, the projected growth in property taxes, which are subject to a 1% maximum increase by Council action not requiring voter approval, will only increase the General Fund portion of property tax revenues by $325,000 by FY 2024. In that same time period, given inflationary pressures on employee compensation and other services and supplies of about 3% per year, salaries and benefits are expected to grow by $826,000.

Current levy rates per $1,000 assessed value among peer agencies are presented in Figure 13 below. Kenmore's rate of $1.10 is about 75% of the peer average of $1.47.

Figure 14. Property Tax Levy Rates (Regular Levy) Among Comparable Agencies for 2020



Source: City budget documents and/or county assessor's offices' websites.

It should be noted that starting in 2018, cities can exempt senior citizens, disabled veterans, and other people with disabilities from the tax increase resulting from a levy lid lift if desired. Any exemptions would need to be stated in the ballot measure placed before voters.

FEASIBILITY – SPECIAL PURPOSE LEVY

In this case, voters would be asked to approve a measure dedicated to a specific purpose. Some agencies find that dedicating revenues to a specific purpose to avoid the elimination of that service meets with greater public support because the public understands what they will be getting for the tax being paid.

Factor	Difficulty Level
Potential for community pushback	Moderate
Technical and operational difficulties of implementation	Low
Timing necessary for implementation	Low
Disruptive impact on service delivery	Low
Disruptive impact within City organization	Low
Overall difficulty for Implementation	**Moderate**

	Rating
Fiscal Impact	**High**
Potential of Success	**Moderate**

BACKGROUND/ANALYSIS – SPECIAL PURPOSE LEVY

Washington state law allows for cities to create property tax levies for specified purposes. There are limits on the amount of levy that can be charged based on the specified use.

Table 23 shows the special purpose levy limits that might be applicable to Kenmore, along with other specific circumstances applicable to each type of levy.

Table 23. Special Purpose Levy Limits Allowed under Washington State Law

Levy Type	Levy Limit	Other Considerations
Affordable Housing	$0.50 per $1,000 AV	Revenues restricted to finance affordable housing for "very low-income" households; requires simple majority voter approval
Emergency Medical Services (EMS)	$0.50 per $1,000 AV	Restricted to providing emergency medical care or services; may be imposed 6 years, 10 years, or permanently; requires 60% majority voter approval for initial measures; renewal for 6- or 10-year measures require simple majority approval; separate accounting and referendum procedures apply to permanent measures
Excess Levy (operations and maintenance)	No limit	Levy is only authorized for one-year at a time; may be used for any lawful governmental purpose, but spent in accordance with purpose(s) specified in the approved ballot measure; requires 60% majority approval
Other special purpose levy lid lifts	Subject to maximum statutory rate	Follows regular levy lid lift procedures and limitations; may be implemented for single or multiple years

Source: MRSC of Washington Revenue Guide for Washington Cities and Towns, November 2019

To have the desired fiscal impact, the City would want to focus on levies that would provide ongoing revenue to fund operations. The Excess Levy would be limited to one year and would expire the following year unless renewed. Special purpose levy lid lifts with potential for voter approval could be proposed for the following:

- Public safety (combined police and fire services)
- Police services
- Fire services
- Parks and recreation operations

If such levy lid lifts were proposed, the City would need to determine if those services could be funded without the levy lid lift for the future, and would be best packaged under the provision that the measure is being sought for approval to avoid service level reductions in the specified areas.

16. Implement 0.2% local sales tax rate dedicated to the City's Transportation Benefit District for additional funding

STRATEGY TYPE: Revenue Enhancement

IMPACT ESTIMATE
If the City were to ask voters to approve an additional 0.2% Sales Tax to be used for Transportation Funding, it could generate approximately $540,000 in revenue that could be used for streets, sidewalks, and other transportation purposes. This would help offset General Fund transfers that may be required to backfill such infrastructure maintenance and improvement projects in the future. Roadways were anticipated to be underfunded by $1 million annually based on a 2018 pavement management study. This would help offset some of those deferred needs

FEASIBILITY
Voter approval for an increase to the sales tax rate of 0.2% would likely be met with resistance, especially in light of the recessionary impacts being experienced throughout the region. A ballot measure would need to be drafted, and information would need to be disseminated to the public regarding the intended use of the funds to properly inform voters. The earliest a measure could be taken to voters would likely be the general election in 2021.

If approved, the Department of Revenue would handle administration and implementation of the collection of the additional tax by businesses in Kenmore. Funds would then be remitted to the City, which would need to account for those funds as special revenues.

Factor	Difficulty Level
Potential for community pushback	High
Technical and operational difficulties of implementation	Low
Timing necessary for implementation	Moderate
Disruptive impact on service delivery	Low
Disruptive impact within City organization	Low
Overall difficulty for Implementation	**High**
	Rating
Fiscal Impact	**High**
Potential of Success	**Low-Moderate**

BACKGROUND/ANALYSIS
Established in 2012, the Kenmore Transportation Benefit District was created to acquire, construct, improve and fund the City's transportation infrastructure. In 2016, the Kenmore City Council passed Ordinance 16-0424, in which the City assumed the rights, powers, functions,

immunities and obligations of the Kenmore TBD. The separate Transportation Benefit District therefore ceased to be a Special District and is now a special fund within the City.

Initiative 976, approved by voters in November 2019, repeals the authority of TBDs to impose vehicle fees. The courts have thus far ruled in favor of the initiative, thus striking the vehicle fees imposed by the TBD. However, the TBD may impose a special sales tax of up to 0.2% with voter approval for up to 10 years.

Revenues must be used for eligible transportation improvements listed in a local, regional or state transportation plan in accordance with RCW 36.73. Improvements range from roads and transit services to sidewalks and transportation demand management. Construction, maintenance and operating costs are eligible costs that may be funded by TBD revenues. Table 24 summarizes the TBDs created by peer agencies. None of them use the local sales tax option as indicated herein, but given the passage of I-976 that renders vehicle license (cab) fees unconstitutional, these agencies are considering other options including the local sales tax option.

Table 24. Transportation Benefit Districts of Comparative Agencies[1]

Agency	Year Established	Revenue Type	Amount[2]	Powers assumed?
Bothell	2015	Unfunded/No Information		No
Kenmore	**2012**	**Vehicle License Fee**	**$20 per year**	**Yes**
Kirkland	2014	Unfunded/No Information		No
Lake Forest Park	2008	Vehicle License Fee	$40 per year	Yes
Mercer Island	2014	Vehicle License Fee	$20 per year	Yes
Mountlake Terrace	2011	Vehicle License Fee	$20 per year	Yes
Shoreline	2009	Sales Tax at 0.20%, Vehicle License Fee	$40/year	Yes

Source: MRSC List of City Transportation Benefit Districts (TBDs) in Washington State, updated December 2019
[1]Mill Creek, SeaTac and Woodinville omitted because they do not have Transportation Benefit Districts
[2]All TBDs were adversely impacted by the results of I-976 that rendered collection of vehicle license (cab) fees unconstitutional as mentioned earlier in this report.

The City earned $2.7 million in sales tax in 2019 from its current 1% local tax. If voters approved a 0.2% increase to the sales tax rate, that would generate about $540,000 annually.

17. Establish a Metropolitan Park District to fund park operations and maintenance

STRATEGY TYPE: Revenue Enhancement

IMPACT ESTIMATE

Establishing a Metropolitan Park District (MPD) in the City would transfer all or a portion of the cost of parks maintenance and operations to a new entity, with voter approval. The annual budget savings would be approximately $458,000. However, it should be noted that although this transfer would reduce the City's budget, taxpayers would not see a similar reduction in taxes paid since the MPD would have its own tax levy. In fact, from the taxpayer's perspective the total tax burden might increase due to the new levy.

A tax to fund the current operating budget would be approximately $60 per year on the property taxes of a median priced home in Kenmore as indicated in Table 25. A levy to fund likely operating budget growth for additional capital improvement enhancements would be approximately $69. A higher amount could be levied to generate funds for future capital improvements.

Table 25. Estimated Metropolitan Parks District Tax on Kenmore Median Value Home:

Description	Amount
Kenmore Median Home Value	$695,000
Annual Tax Needed, Current Parks Budget ($458,000)	$60
Annual Tax Needed, with Future Growth in Parks Budget ($530,000)	$69

FEASIBILITY

Implementing an MPD can be done by a Council resolution to submit a proposition to voters within the proposed district boundaries. The City of Kenmore could be such a District in and of itself. The governing board can be either the City Council or a separately elected body. An MPD can also be created through the citizen petition process.

There are at least 21 MPDs in the State. None of the peer cities have MPDs but Kirkland attempted to create one in 2015. Kirkland's proposed MPD initiative would have paid for park improvements and an aquatic/community center. The measure failed with 63% of voters voting against the measure.[1]

[1] Source: MRSC Local Ballot Measure Database

Factor	Difficulty Level
Potential for community pushback	High
Technical and operational difficulties of implementation	Moderate
Timing necessary for implementation	High
Disruptive impact on service delivery	Low
Disruptive impact within City organization	Low
Overall difficulty for Implementation	**High**
	Rating
Fiscal Impact	**High**
Potential of Success	**Low-Moderate**

BACKGROUND/ANALYSIS

State law allows cities to establish metropolitan parks districts to address park needs within the jurisdiction with a majority vote of the public in accordance with the provisions in RCW 35.61. An MPD may fall within city boundaries or extend to include territory in other jurisdictions. The City Council could set itself as the governing body of the District, or the ballot measure could select some other governing body.

Establishing a Metropolitan Park District (MPD) in the City would transfer all or a portion of the cost of parks maintenance and operations to the newly created District, with voter approval. This would relieve the current General Fund budget and could build in additional taxes to cover the higher future costs that will otherwise accrue to the General Fund from its current parks capital improvement projects. The maximum amount that can be levied is $0.75/$1,000 of assessed valuation.

The Park operating budget was $458,000 in 2019. That would equate to a tax levy of $.086 per each $1,000 of a property's assessed valuation. Allowing for future growth in expenditures from expanded waterfront amenities' maintenance, a tax levy of $.10 per $1,000 of assessed valuation would raise $530,000. A higher levy could pay for future capital improvements.

SERVICE LEVEL REDUCTIONS

18. Take no action

STRATEGY TYPE: Service Level Reductions

IMPACT ESTIMATE

The fiscal impact of taking no action would leave the City's General Fund fully depleted of reserves by FY 2024, at which point the City would be forced to implement hiring freezes or layoffs. To avoid bankruptcy, those hiring freezes and layoffs would need to total nearly $1.0 million per year starting in FY 2023 and grow to $1.8 million per year by 2027, or just short of 17% of the General Fund's annual operating expenditures.

FEASIBILITY

The option of "doing nothing" is not feasible without forcing the City into bankruptcy proceedings. The City would face litigation from creditors, employee groups, residents, and agencies such as the state pension fund, risk insurance pools, and others. Ultimately, the City would be placed into a form of receivership by the state and would then be overseen by an appointed court to implement the necessary actions to allow the City to operate.

Factor	Difficulty Level
Potential for community pushback	Significant
Technical and operational difficulties of implementation	Significant
Timing necessary for implementation	Significant
Disruptive impact on service delivery	Significant
Disruptive impact within City organization	Significant
Overall difficulty for Implementation	**Significant**
	Rating
Fiscal Impact	**Minimal**
Potential of Success	**None**

BACKGROUND/ANALYSIS

The fiscal model indicates that the City faces a structural deficit that would increase to an annual shortfall of $1.8 million by FY 2027 and would continue to grow thereafter given the 1% limitation on annual property tax levy increases, cost increases anticipated from KCSO police contracts, and an obligation to provide competitive salaries and benefits to employees to recruit and retain quality workers. Reserves would be fully depleted by FY 2024.

The City would be forced into bankruptcy proceedings, placing the control of fiscal and, in some cases, operational decisions in the hands of the courts, which would take the necessary action to restore the City's fiscal health. This could mean significant reductions or full outsourcing of a variety of services such as police, parks, recreation, and public works. It would

have negative impacts on economic development and quite possibly home prices. The City would face difficulties in recruiting and retaining its workforce as it would have a negative reputation in the labor market.

19. Implement General Fund service level and staffing reductions

STRATEGY TYPE: Service Level Reductions

IMPACT ESTIMATE

The City's General Fund is projected to have a nearly $900,000 budget gap in 2021 that grows to a $1.8 million gap by 2027. If the combination of enacted expenditure controls, service delivery changes, and revenue enhancements do not resolve this fiscal gap, the City would have to implement General Fund service-level reductions. A thorough analysis of all departments' operations would be needed.

Reducing the General Fund to eliminate the structural deficit is difficult given the nature of the contract service agreements for police, which represents 28% of General Fund costs. For purposes of this analysis, reducing the General Fund by $1.8 million might require the following actions:

- Eliminating Street Fund subsidies – $600,000
- Reducing police services with KCSO by 20% – $785,000
- Reducing parks and facilities maintenance by 20% – $250,000
- Reducing staffing and other expenditures in the City Manager's Office, Clerk, Finance, and IT by 20% – $500,000

The actual amount of reductions to close the fiscal gap will depend on the other strategies selected and the resultant fiscal impact of those measures.

FEASIBILITY

Achieving a $1.8 million expenditure reduction in the departments above would require significant reductions in positions, which will have an adverse impact on service delivery. The average cost per General Fund employee, inclusive of salaries and benefits, is about $130,000 per year. Based on this average, we estimate that to achieve the necessary cost reductions, the workforce would need to be reduced by three positions, or 38% of the full-time positions in the City Manager's Office and Finance and Administration functions. That would provide almost 80% of the reductions required in those departments.

The reductions outlined above would have dramatic impacts on service delivery. There would likely be significant community concerns if service levels were reduced to this extent. This strategy, however, would be necessary to provide fiscal sustainability if other cost reductions or revenue enhancement strategies are not pursued or are not successful.

Factor	Difficulty Level
Potential for community pushback	High
Technical and operational difficulties of implementation	High
Timing necessary for implementation	Moderate
Disruptive impact on service delivery	High
Disruptive impact within City organization	High
Overall difficulty for Implementation	**High**
	Rating
Fiscal Impact	**High**
Potential of Success	**Low-Moderate**

BACKGROUND/ANALYSIS

Service level reductions represent strategies that would be necessary after cost controls/shifts, service delivery changes, and/or revenue enhancement strategies do not culminate in sufficient savings to close the fiscal gap. Reducing service levels would require departments to review all expenditures, identify prioritized service levels, and develop a list of recommended reductions for City Manager and, ultimately, City Council approval to achieve the necessary fiscal target. The analysis would require a thorough and common understanding of the jurisdiction's core levels of service, legally or contractually required services, and clarity regarding mission and values. In some cases, services may need to be viewed from a programmatic perspective so those that require cooperation from multiple departments receive special consideration.

We have estimated the fiscal impact based on current expenditures in the General Fund. For purposes of our analysis, we assume that a $1.8 million General Fund expenditure reduction target would be implemented, and departments would then need to identify reductions in personnel, services and supplies, and ongoing capital needs to achieve the necessary reduction.

We have excluded community development services from this analysis because it is assumed that City leaders would seek to achieve at or near full cost recovery, generating permit fee revenues to support their operations. The number of officers in the KCSO contract, however, might be able to be reduced to generate a 15% reduction in service costs, but that would severely reduce the number of patrol officers available on any shift.

20. Reduce street pavement standards (eliminate transfer from General Fund)

STRATEGY TYPE: Service Level Reductions

IMPACT ESTIMATE

The General Fund currently includes a budget transfer of about $600,000 annually to the Streets Fund. Reducing street pavement efforts by eliminating the transfer would save up to the full $600,000 annually.

FEASIBILITY

Factor	Difficulty Level
Potential for community pushback	High
Technical and operational difficulties of implementation	Low
Timing necessary for implementation	Low
Disruptive impact on service delivery	Moderate
Disruptive impact within City organization	Low
Overall difficulty for Implementation	**Moderate-High**
	Rating
Fiscal Impact	**High**
Potential of Success	**Low-Moderate**

BACKGROUND/ANALYSIS

The City prides itself in its high pavement condition standards. Funding comes primarily through fuel tax revenues deposited into the Street Fund. In order to maintain streets to the minimum standards established by the City, an annual transfer to the Street Fund in the amount of close to $600,000 from the General Fund, and a transfer from the TBD fund in the amount of $380,000, is necessary. A pavement management study in 2018 indicated that roadway improvements were underfunded by a total of $1 million in order to achieve the City's pavement condition index (PCI) goals. This is beyond the $980,000 already provided by the two sources indicated above.

If the City had to cut back on its General Fund commitments to street maintenance, and instead relied on other funding sources or reduced its pavement maintenance efforts, General Fund expenditures could be reduced by $600,000. The City could consider what lower level of pavement condition it was willing to accept, and budget accordingly.

This could have a significant negative impact on the road conditions in Kenmore. The impact to the PCI level would need to be studied in an updated pavement management study (PMS) to quantify and determine the impact on city roadways if funding were reduced to existing dedicated transportation tax revenues such as gas tax revenues. It should be noted that Initiative 976 that repeals vehicle license (cab) fees for the City's TBD would also reduce funding if not replaced. This would exacerbate those impacts on road conditions if the impacts were not otherwise mitigated.

21. Reduce travel, meetings and consulting contracts

STRATEGY TYPE: Service Level Reductions

IMPACT ESTIMATE

Kenmore's General Fund budget for travel, training, and meetings totaled $75,000 for 2019, and its budget for consultant services totaled $403,000. A 10% reduction in both would yield $48,000.

FEASIBILITY

The City has already taken actions to reduce expenditures in this category in the short-term due to the pandemic recession. This strategy, if implemented, would permanently reduce such expenditures, which may impact staff training levels and the capacity for Public Works to address capital projects on a timely basis, and for the City Manager's Office to address research projects and other special requests from the City Council.

Factor	Difficulty Level
Potential for community pushback	Low
Technical and operational difficulties of implementation	Low
Timing necessary for implementation	Low
Disruptive impact on service delivery	Low
Disruptive impact within City organization	Moderate
Overall difficulty for Implementation	**Low**
	Rating
Fiscal Impact	**Moderate**
Potential of Success	**Moderate**

BACKGROUND/ANALYSIS

An overall $40,000 to $50,000 reduction in more discretionary General Fund spending could likely be achieved with relatively modest impact on the City.

22. Eliminate recreation coordination activities

STRATEGY TYPE: Service Level Reductions

IMPACT ESTIMATE
Eliminating the recreation coordinator position would reduce personnel and related non-personnel costs by $50,000 per year.

FEASIBILITY
The City does not directly provide recreation programs in the community. Eliminating the position that oversees coordination of these activities would likely not directly impact the availability of programs, but would reduce their overall visibility. The City could leverage the work performed by its Communications Specialist to highlight recreation opportunities, or otherwise provide a listing of such opportunities that can be maintained online by agencies posting their opportunities through the City's website.

Factor	Difficulty Level
Potential for community pushback	Low
Technical and operational difficulties of implementation	Low
Timing necessary for implementation	Low
Disruptive impact on service delivery	Moderate
Disruptive impact within City organization	Low
Overall difficulty for Implementation	**Low**
	Rating
Fiscal Impact	**Moderate**
Potential of Success	**Moderate**

BACKGROUND/ANALYSIS
The City employed the services of a recreation coordinator position in 2019 to promote recreation opportunities within the community. The City does not offer recreation programs directly. The position was intended to serve as a liaison between other private, non-profit and government agencies that provide recreation opportunities for Kenmore residents.

Eliminating the position would yield savings of $50,000 per year.

The City of Kenmore's Financial Sustainability Plan

FINANCIAL SUSTAINABILITY TASK FORCE

REPORT AND RECOMMENDATIONS

4 September 2020

TASK FORCE MEMBERS:

FERNELL MILLER

JEFF POOLEY

ELISABETH SPRING

ANTHONY TARNOWSKI

MIKE VANDERLINDE

LYNN ZWAAGSTRA

Darlene Ademba and Lou Novak also served on the Task Force

The City of Kenmore's Financial Sustainability Plan

FINANCIAL SUSTAINABILITY TASK FORCE

REPORT AND RECOMMENDATIONS

The six members of the City of Kenmore's Financial Sustainability Task Force present this report and recommendations to the City Council, City Manager Rob Karlinsey, and Finance Director Joanne Gregory.

At its eighth and final meeting on 25 August 2020, the Task Force reached agreement on eleven strategies to lay the foundation for the City's long-range financial sustainability. These strategies will eliminate the budget deficit by Fiscal Year (FY) 2023 and maintain the budget surplus through FY 2027. By recommending strategies to achieve and maintain the surplus, the Task Force has accomplished its mission. Task Force members also anticipate that the City will need to implement additional strategies at the end of this six-year period to resolve the structural financial imbalance.

THE TASK FORCE'S KEY FINDING AND GUIDING PRINCIPLES

The Task Force's recommendations are based on this key finding: The City of Kenmore is acting prudently and responsibly in how it spends and invests the public's money. The City is a lean organization. There are opportunities to be even more efficient, but there are no more opportunities to reduce the budget without significantly reducing services that Kenmore residents and businesses need and want.

During the past six months, the global Coronavirus pandemic has devastated the national economy and severely affected the City's finances. Kenmore has reduced its budget, including making about $1 million in operational discretionary cuts this year, $300,000 of which are likely to be permanent. For the foreseeable future, City services will need to be maintained by a combination of controlling expenditures and/or shifting costs, and enhancing revenues.

These five principles guided the Task Force in reaching agreement on which strategies to recommend:

1. Implement a balanced approach that recognizes and reflects: a) changes in state regulations; b) that Kenmore has changed since it became a City twenty-two years ago; and c) community conditions, needs, and interests.
2. Minimize the impacts on low income residents.
3. Fund services of the highest value to Kenmore residents and businesses.
4. Where possible, shift the burden of paying for services to those who use them, including non-residents.
5. Maintain realistic levels of service, including when revenues increase.

THE TASK FORCE'S RECOMMENDATIONS

The Task Force discussed more than twenty strategies that the consulting firm, Management Partners, identified and defined to ensure the City's long-term financial sustainability. The Task Force also reviewed potential new initiatives that are not currently funded but which the City has expressed interest in and/or were included in the Balancing Act public engagement tool. The members created four categories to determine which strategies to recommend: 1) pursue as a priority; 2) pursue as a secondary priority; 3) pursue as a last resort; and 4) do not pursue.

Task Force members also considered public preferences and comments that were expressed through the Balancing Act public engagement tool. This exercise, which the City made public from 11-24 August, allowed citizens to balance the General Fund budget by considering tradeoffs among programs and selecting those they prefer be funded.

The Task Force created a comprehensive matrix that lists: 1) the strategies from Management Partners; 2) the members' ratings, rankings, and assignments of each strategy to a category; 3) the financial impacts as estimated by Management Partners; 4) additional Task Force comments; and i5) the strategies' "high," "moderate" or "low" potential of success for helping achieve long-term financial sustainability (as assessed by Management Partners). **The matrix provides additional important information about the Task Force's analysis and accompanies this report.**

Recommended Strategies to Maintain Service Levels:

The Task Force recommends that the City should pursue the strategies that are listed on the following page (p.4) as its highest priorities between FY 2021 and FY 2027.

The first eight strategies either enhance revenues or control or shift expenditures. It is estimated they would generate $3,128,813 annually (once they all are implemented in phases over a number of years). The last three strategies are the Task Force's recommendations for new initiatives that should be funded. They would total $1,153,000 annually, once all are implemented. Therefore, the net amount generated by the Task Force's recommended strategies would be $1,975,813, which is sufficient to balance the budget by FY 2023 and put the City on the path toward long-term financial sustainability.

REVENUE OR COST-SAVING STRATEGY	FISCAL IMPACT	CATEGORY	IMPLEMENT
Exercise property tax levy banked capacity over three years starting in 2022	$ 400,000	Enhance revenues	Phased in starting in FY22
Implement admissions tax on recreation and entertainment	$ 120,000	Enhance revenues	Middle of FY 23
User fee study and adjust development services fee	$ 50,000	Enhance revenues	FY22
Impose new utility tax on cable TV at the rate of 6%	$ 470,697	Enhance revenues	FY22
Impose new utility tax on solid waste	$ 183,116	Enhance revenues	FY24
Seek alternative jail providers	$ 50,000	Expenditure controls or cost shifts	FY24
Implement photo traffic enforcement to fund public safety costs and roadway improvements (at three locations)	$1,700,000	Enhance revenues	FY22
Eliminate funding for school resource officer	$ 55,000	Expenditure controls or cost shifts	FY21

OTHER STRATEGIES OF INTEREST *	FISCAL IMPACT	CATEGORY	IMPLEMENT
Additional street funding	($1,000,000)	New initiative	FY22
Hire Human Resources/Diversity, Equity, and Inclusion FTE	($ 103,000)	New Initiative	FY21
Invest in mental health programs such as RADAR	($ 50,000)	New Initiative	FY21

* These are strategies the City has expressed interest in and/or were included in the list of projects that the public could prioritize in the Balancing Act public engagement tool.

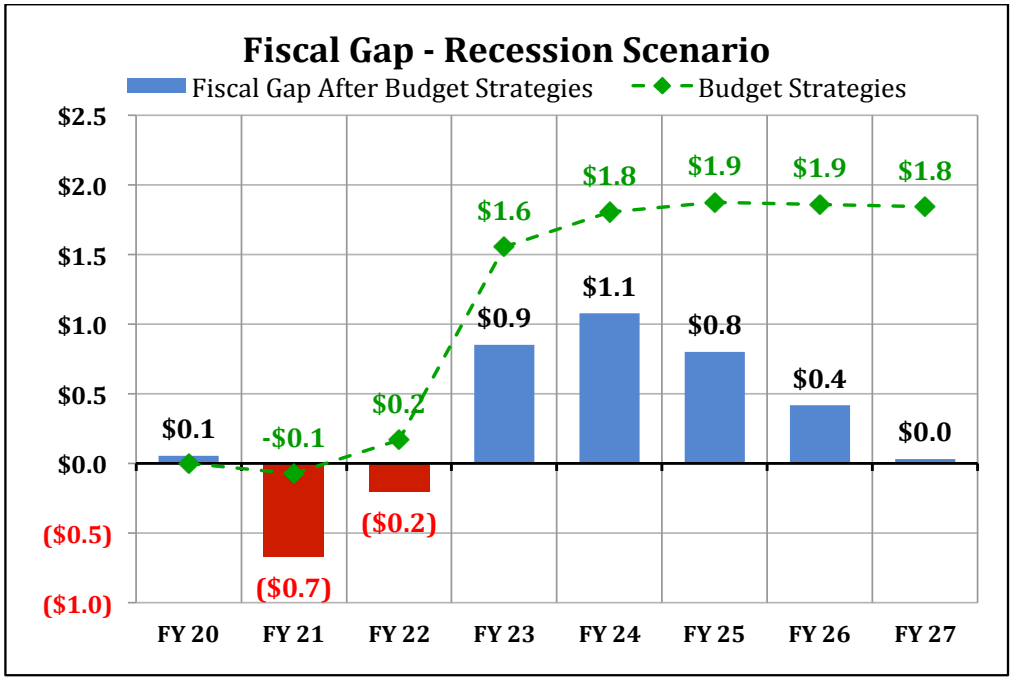
Other Strategies the City Might Need to Consider in the Future:

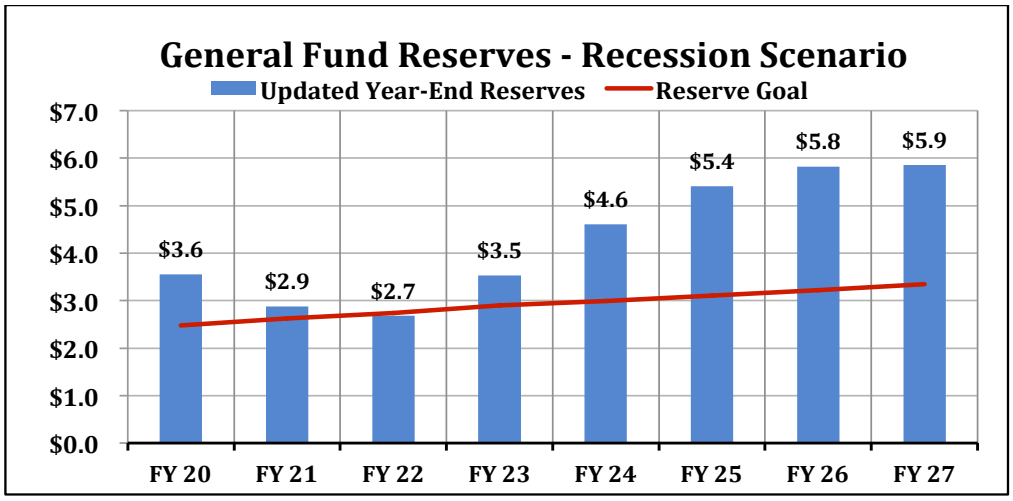
The Task Force acknowledges that the analysis by Management Partners indicates that between FY 2023 and FY 2027, the budget surplus will decline. The two graphs below illustrate the decline of the budget surplus between FY 2023 and FY 2027, and the continual increase in reserves between FY 2022 and FY 2027.

This forecasted trend resulted in the Task Force discussing the possibility of the City implementing a Business and Occupation (B&O) Tax on businesses by 2027 if new revenues from economic development initiatives do not materialize by then. The Task Force also discussed that the City could submit to the voters in 2026 a proposal for increasing taxes to address the structural deficit. Two voter-approved strategies that could be considered are a levy lid lift or a 0.2% sales tax.

The other strategies that the Task Force assigned to the remaining three categories, including the levy lid lift and sales tax increase, are included in the matrix that accompanies this report.

The following two graphs illustrate the results of the task force recommendations. The first graph shows the annual deficit/surplus, and the second graph shows the impact on the fund balance (reserves) of the General Fund.





Two Notes of Explanation:

1. The strategies that the Task Force recommends do not supplement the existing funding for affordable housing or add new resources for climate change initiatives. These policy initiatives are already City Council priorities and the City plans to fund new programs to advance them.

2. One of the principles that guided the Task Force in reaching agreement on its recommendations was "Minimize the impacts on low income residents." This principle reflects the members' interest in and commitment to Diversity, Equity, and Inclusion (DEI). The Task Force is also aware of the City's commitment to DEI. This explains the Task Force's recommendation that the City Council fund a new FTE with responsibilities for leading the City's efforts on DEI.

The Task Force's Process

The Task Force convened for the first time on the evening of 22 January 2020. Its eighth and final meeting was on 25 August. (Its work was suspended from mid-April until early August because of the public health and economic crises created by COVID-19.) Most members also attended a community open house and listening session on August 24th. They worked a total of nineteen hours in meetings, and devoted countless hours reading the reports, studies, and survey results that the City provided. Some also reviewed the City's budget and official policy documents. Every Task Force meeting provided time for members of the community to comment, and the open house on August 24th attracted approximately a dozen attendees. The Task Force also reviewed findings from the Balancing Act, the budget balancing exercise that 192 residents completed and submitted.

City of Kenmore, Washington
2021-2022 Budget Calendar

Major Task	2020 Target Date and/or Deadline
Financial Sustainability Task Force Meets	**August 11, 24, 25**
Departments Prepare 2021-2022 Budget Estimates for Revenue and Expenditures and Submit to Finance	**August 28** ***Statutory Deadline for Budget Estimates September 28***
Review and Update to 2021-2026 Capital Improvement Program	**September 1-30**
Finance Submits Complete Revenue Projections and Expenditure Requests For 2021-2022 to City Manager	**September 4** **Statutory Deadline to Submit Preliminary Budget Estimates October 1**
City Council Budget Retreat	**September 10**
Department Complete Update Accomplishments, Goals, Workload and Performance Measures, Budget Highlights **Final Department YE 2020 Projections of Expenditures Due to Finance**	**September 11**
City Clerk Publishes Notice of Filing of Proposed Preliminary Budget and Notice of Public Hearing on Revenues and Proposed Preliminary Budget (scheduled for Nov 2, Nov 16)	**September 24** **Statutory Deadline: Publish once a week for two consecutive weeks for Hearings in October & November**
Adopt 2021-2026 Capital Improvement Program	**October 5**
City Manager Provides Council with Estimates of Revenues and Expenditures	**October 5** ***Statutory Deadline: October 5***
2021-2022 Preliminary Budget Document and Budget Message Filed with City Council	**October 12** ***Statutory Deadline for Presenting Preliminary Budget to City Council is November 2***
Presentation of 2021-2022 Proposed Biennial Budget: City Council, City Manager, Finance & Admin, City Clerk, Legal, Police, Development Services, Proposed 2022 Salary Plan	**October 19**

City of Kenmore, Washington
2021-2022 Budget Calendar

Major Task	2020 Target Date and/or Deadline
Public Hearing on the 2021 Property Tax Levy	**October 19** ***Statutory Deadline for Revenue Hearing is Mid October to Mid November***
Presentation of 2021-2022 Proposed Biennial Budget: Community Development, Public Works Engineering, Maintenance, Street Fund, Parks Capital Fund, Transportation Capital Fund	**October 26**
City Council Adopts Six Year Financial Sustainability Plan	**October 26**
Presentation of 2021-2022 Proposed Biennial Budget: SWM, SWM Capital Fund, Facility Capital Fund, Impact Fee Funds, TBD Fund, Other Funds	**November 2**
Copies of Preliminary Budget Document are made Available to the Public	**November 2** **Statutory Deadline is November 20**
Review 2019-2020 Budget Amendments **Public Hearing on the 2021-2022 Preliminary Budget**	**November 9** ***Statutory Deadline for Preliminary Budget Hearing is Prior to Final Budget Hearing***
Public Hearing On 2021-2022 Final Biennial Budget	**November 16** ***Statutory Deadline for Final Budget Hearing December 7***
Adopt 2019-2020 Budget Amendment Ordinance **Adopt 2021 Property Tax Levy Ordinance** **Adopt 2021-2022 Biennial Budget Ordinance**	**November 23** ***Official Levy Deadline November 30*** ***Budget Deadline December 31***