



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



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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.



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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.

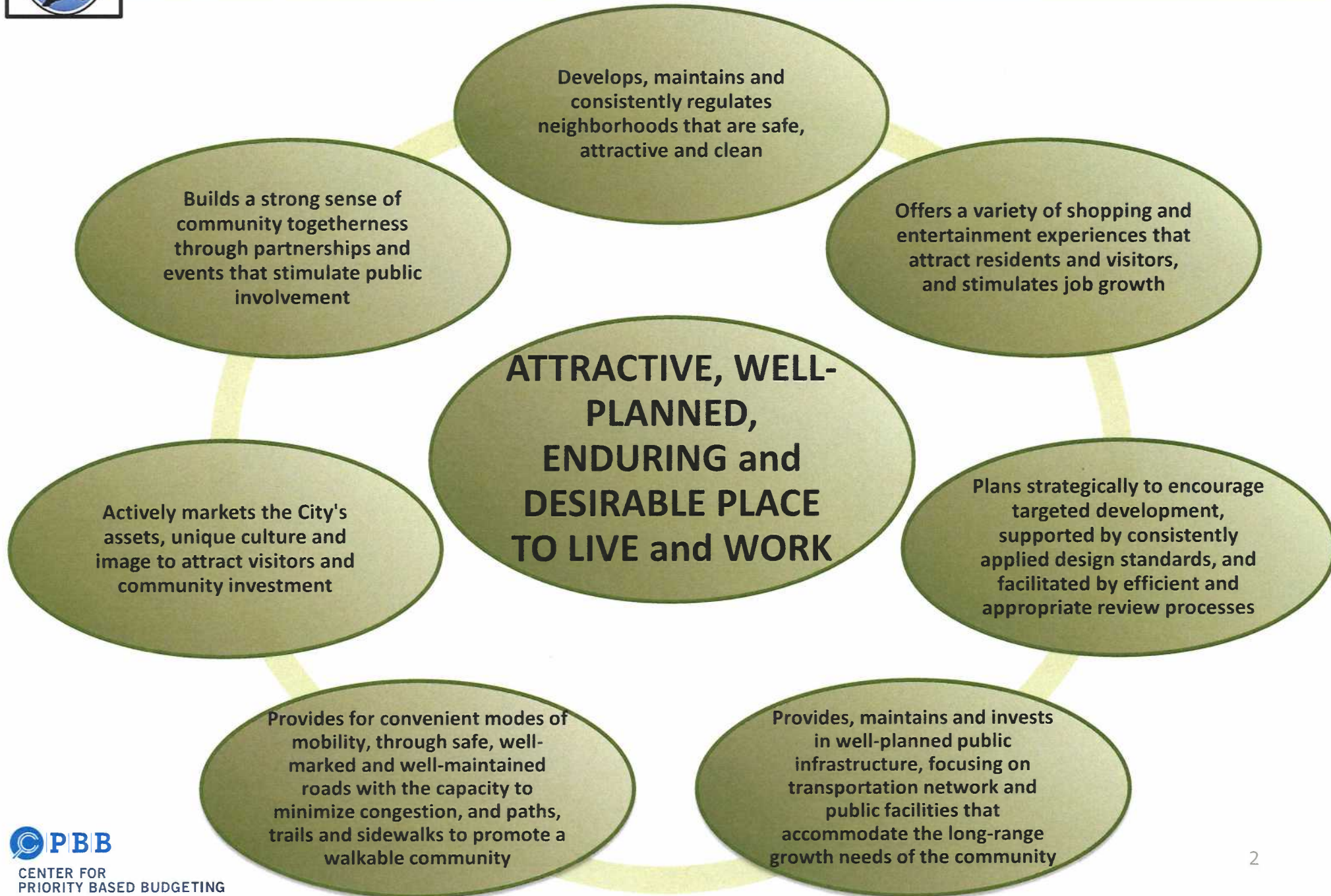


The City of Kenmore





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The City of Kenmore

Provides Access to Safe Roads with Efficient Traffic Flow

Collaboratively invests in building and improving a well-designed, well-maintained system of safe, reliable road and street infrastructure (including roads, traffic signals, sidewalks, bridges and street lighting)

**EFFECTIVE
MOBILITY and
CONNECTED,
RELIABLE
TRANSPORTATION
SYSTEMS**

Ensures adequate, well-planned and accessible parking options for residents, businesses and visitors

Provides a Network of Trails, Paths, Sidewalks, and Bike Lanes for Multi-Modal Transportation

Advocates to Improve Public Transportation through All Modes of Travel



The City of Kenmore



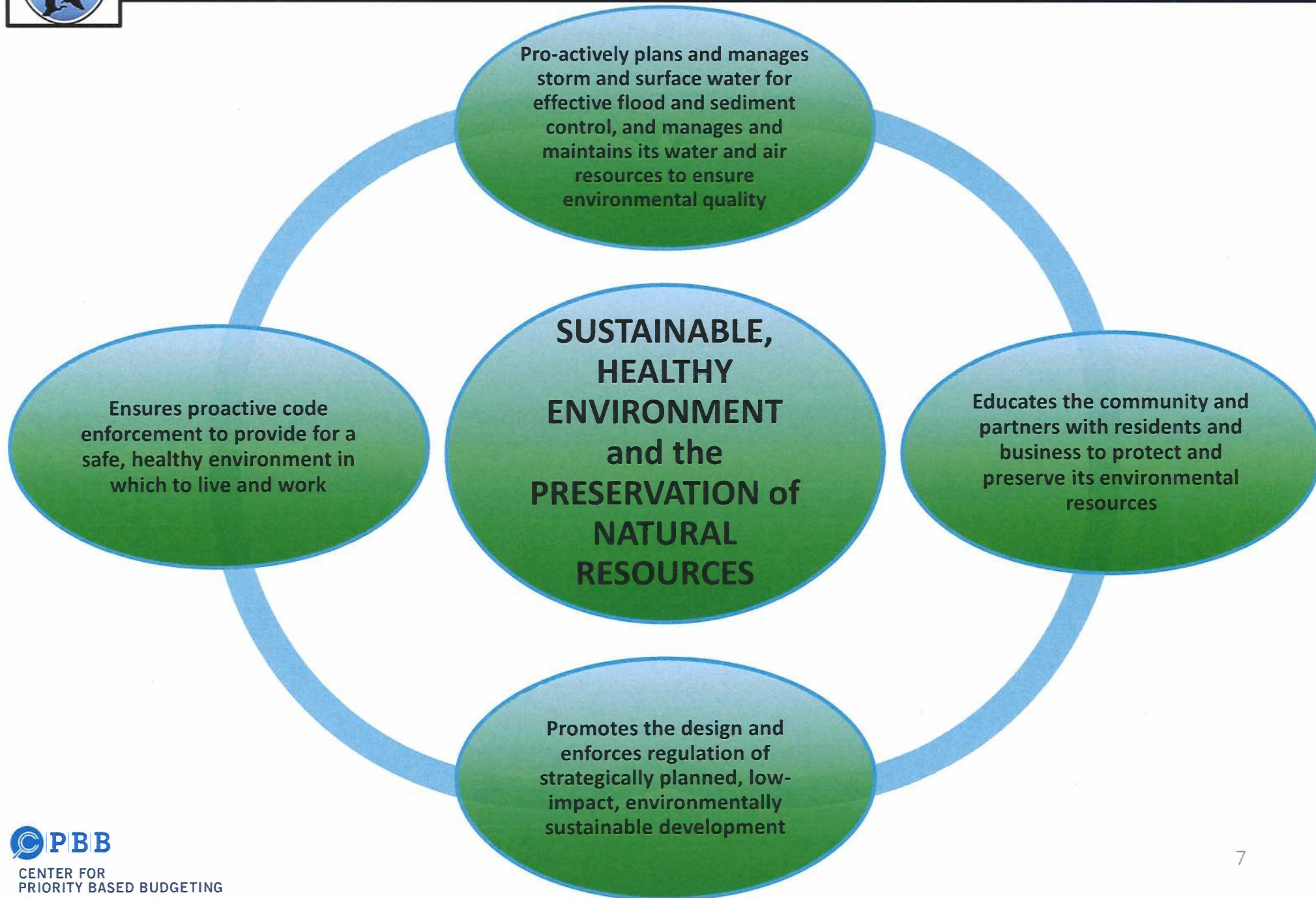


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City of Kenmore Program Quartile Ranking (1= Highest, 4 = Lowest)

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 Maintenance & 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