



**Charter for
Financial Sustainability Plan Task Force (FSPTF)**
October 2023 - March 2024

Mission

Due to the State-imposed 1% limit on property tax growth, high inflation, 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) and will need to revise the Financial Sustainability Plan (FSP) that was adopted in 2020.

The City will convene a new Financial Sustainability Plan Task Force (FSPTF) of residents and business representatives similar to what was done in 2019-2020. The Task Force will work from November 2023 through March 2024 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, Service-Level 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 March 29, 2024.

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. To evaluate the Financial Sustainability Plan process and expected results, the City will utilize the attached "Criteria for Success" which was created in 2019.

History

In 2019, the City began the process of creating a Financial Sustainability Plan which was formalized and adopted in October 2020. Although the City has been implementing the recommendations from that plan, the financial picture has changed for the following reasons:

- High inflation starting in 2021,
- Significant increase, 14% from 2022 to 2023, in Police Services which is our largest general fund budget,
- New positions added in 2023 to better align staff resources with workload demands,
- Ongoing resources needed for the Regional Crisis Response (RCR) program, Farmer's Market, and Asphalt Plan legal services which had been funded with one-time monies.

Financial sustainability concerns were anticipated and discussed in the 2023-2024 Biennium Budget message. The Kenmore City Council discussed financial sustainability at their City Council Retreat on June 30 and July 1, 2023 and adopted it as one of their top five goals for 2024.

Authority and Responsibilities

The following tasks will be the responsibilities of the task force to complete by March 29, 2024.

Study and Understand City Budget, Finances, and Long-Term Financial Forecasts: The task force will get dedicated access to City staff 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 March 29, 2024. 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 May 2024 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 Manager and Finance Director will 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.

Agenda, Minutes, and Reports: City staff 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.

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 of 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 only look into those topic areas and strategies specified by the City's direction.

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 October 13, 2023 through October 30, 2023. Qualified community members may also be nominated for consideration by others. By early November 2023, the City Manager will select members based on the criteria listed here.

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 (2025-2026, 2027-2028, and 2029-2030) 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.