



# **SERVICE LEVEL BUDGETING**

An Overview

# ALTERNATIVE BUDGETING METHODS

- Priority Based Budgeting
- Budgeting for Outcomes
- Zero-Based Budgeting
- Target Based Budgeting
- Program Budgeting
- Performance Budgeting
- Participatory Budgeting



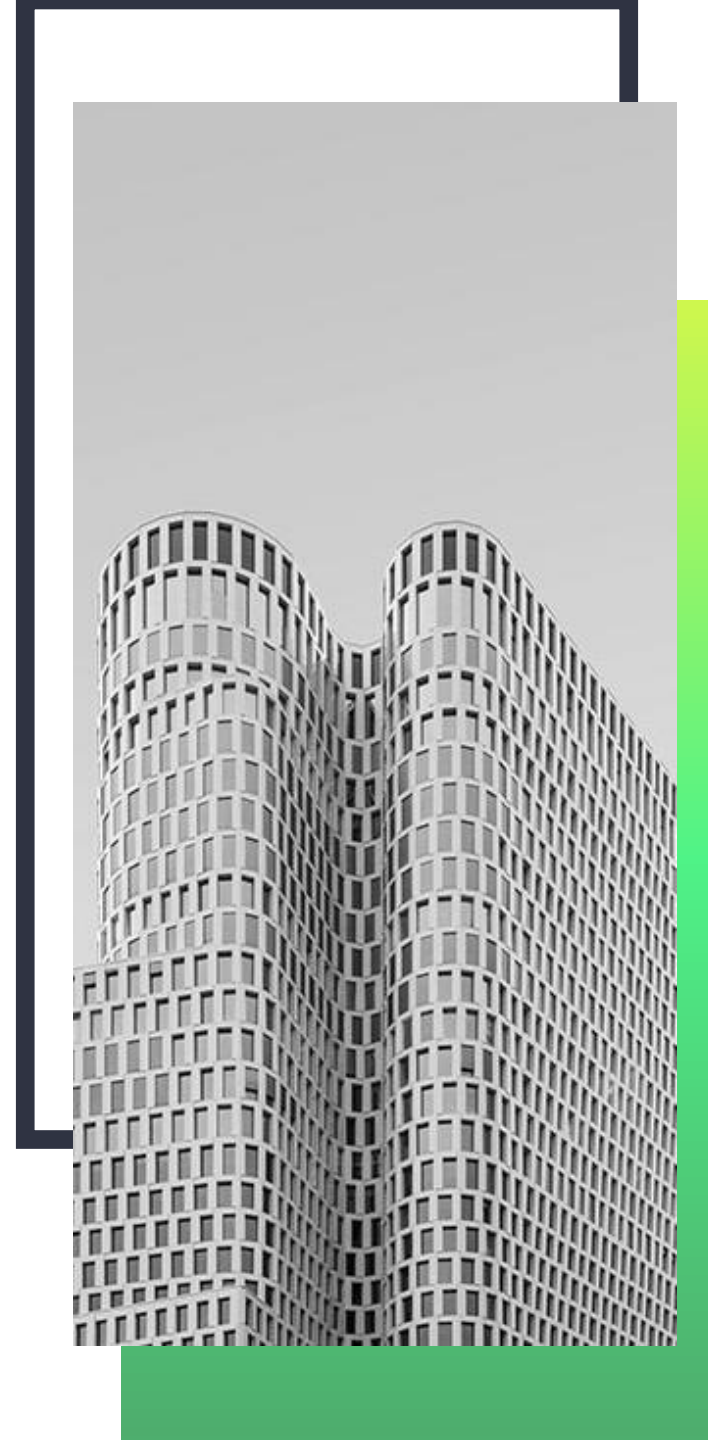
# PITFALLS OF OTHER METHODS

## Priority Based Budgeting

- Evaluates programs as if they are all discretionary, when in fact many are mandated by state or federal law or are necessary to maintain public order and safety.

## Performance Budgeting

- Linking funding to results in terms of outputs or outcomes is problematic in the public sector where goals are long-term and difficult to quantify.



## Zero-Based Budgeting

- Tries to build the budget up from the start every year as if any service could be subject to elimination but in truth, mandated and essential programs cannot be eliminated.

## Participatory Budgeting

- Disproportionately amplifies the voices of those who have the time to become involved in the budget process.

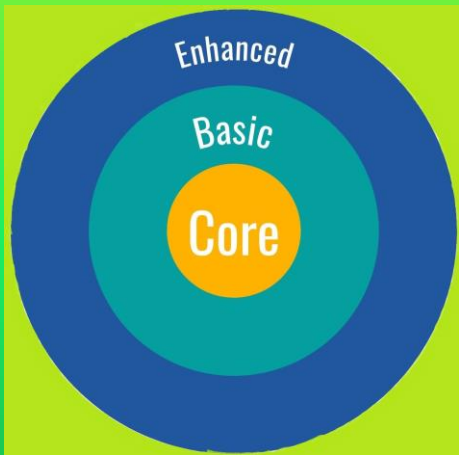


# SERVICE LEVEL BUDGETING

## An Introduction

- Programs and services are not all created equal: some are more essential while others are more discretionary
- SLB distinguishes nondiscretionary and discretionary programs and only scores the latter based on how well they advance goals and priorities
- Services & programs fall into 3 level categories: Core, Basic, & Enhanced

# LEVELS OF SERVICE



CORE	BASIC	ENHANCED
<p>Services and programs essential to public order and maintaining life safety.</p>	<p>Services considered elemental or inherent to what cities do such that it would be difficult to not provide these services.</p>	<p>Services that provide added quality of life, are more discretionary, and are not assumed to be an inherent city function. Enhanced services are often provided by other entities than just the City.</p>
<p>Examples:</p> <ul style="list-style-type: none"> <li>• Services mandated by state or federal law that are the sole responsibility of the city</li> <li>• Road maintenance</li> <li>• Police patrols &amp; investigations</li> <li>• Administrative functions like City Council governance, financial accounting, and record keeping</li> <li>• Courts</li> <li>• Emergency Management</li> </ul>	<p>Examples:</p> <ul style="list-style-type: none"> <li>• Public park maintenance</li> <li>• Streetscape maintenance</li> <li>• Capital project management</li> <li>• Administrative functions like employee trainings, website management (above and beyond what state law requires), and information technology services</li> <li>• Front desk reception</li> </ul>	<p>Examples:</p> <ul style="list-style-type: none"> <li>• Recreation programs</li> <li>• Human services funding</li> <li>• Events</li> <li>• Economic development programs</li> <li>• Affordable housing</li> <li>• State and federal lobbying</li> <li>• Farmers Market</li> <li>• Rhodie Boat House</li> <li>• The Hangar &amp; Town Square</li> </ul>
<p>Core services provided at a level beyond that required are categorized as basic or enhanced.</p>	<p>Basic services provided at a level beyond that typically provided are categorized as enhanced.</p>	<p>May augment what other public, nonprofit, or private entities already provide.</p>

# PROCESS

1. Identify Main Programs
2. Categorize Programs as Core, Basic, and Enhanced
3. Assign Costs (Including Staff Time) and Dedicated Revenues to Programs
4. Score the Programs
5. Make Budget Recommendations
6. Build Budget and Present to City Council and the Community

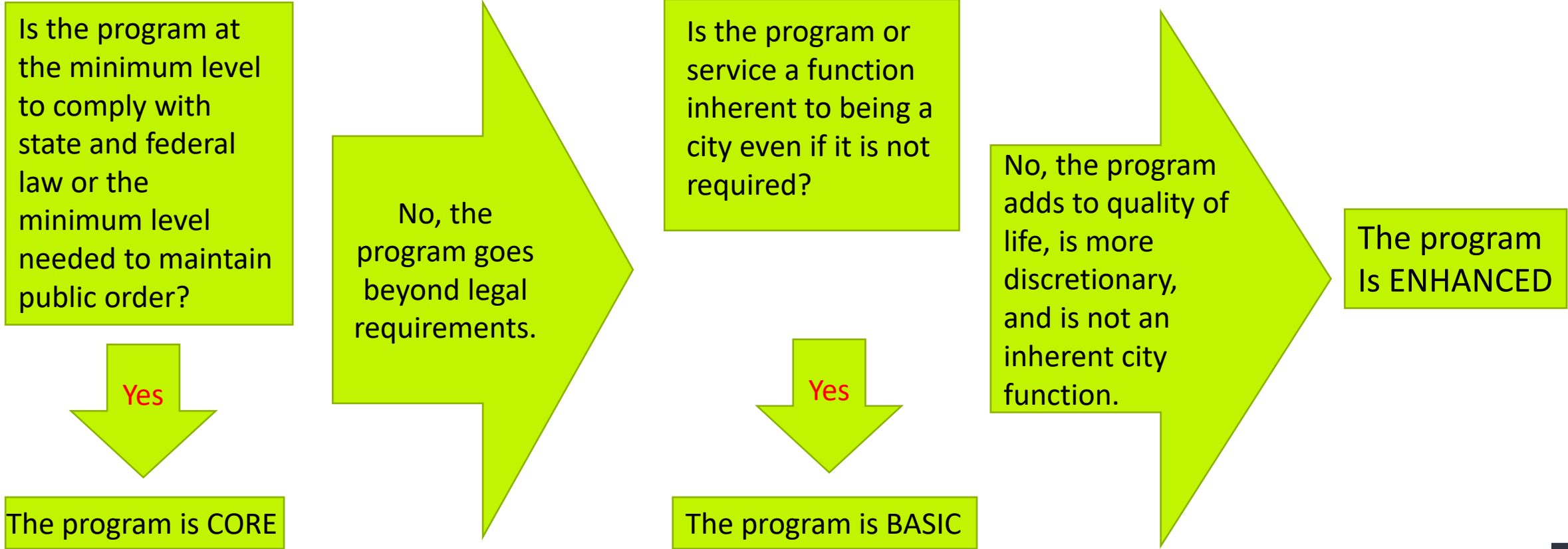


# 1. PROGRAM IDENTIFICATION

The first step is to identify the services and programs the City provides.

- Key is to find the balance between defining programs too broadly or narrowly.
- Once identified, each program and service is assigned to the City department responsible for its oversight.

# 2. CATEGORIZE PROGRAMS





# 3. ASSIGN COSTS

All of the expenses associated with a program are assigned to it on Costing Worksheet spreadsheets.

If a program exists across different service levels, then the costs are broken up according to the service level at which they are expended.

Name of Position	FTE Allocated to this Program	FTE by Service Level		
		Core	Basic	Enhanced
Administrative Specialist	0.65	0.25	0.20	0.20

Personnel Costs by Service Level:

	Core	Basic	Enhanced	Total
FTE	0.25	0.20	0.20	0.65
Salary & Benefits	\$15,750.00	\$12,600.00	\$12,600.00	\$40,950.00

Other Line Item Costs Associated with this Program:

Line Item	Core Expenditures	Basic Expenditures	Enhanced Expenditures	Total
Office & Operating Supplies		\$250.00		\$250.00
Advertising			\$2,500.00	\$2,500.00
Printing & Postage		\$500.00	\$1,750.00	\$2,250.00
Telecommunications		\$2,950.00		\$2,950.00
Media Relations/Marketing			\$5,500.00	\$5,500.00
Equipment Maintenance		\$1,500.00	\$500.00	\$2,000.00
Equipment Replacement		\$1,500.00		\$1,500.00
Facility Maintenance	\$5,000.00		\$1,075.00	\$1,075.00
Utilities	\$25,000.00		\$9,000.00	\$34,000.00
Subscriptions	\$500.00	\$884.00	\$475.00	\$1,859.00
				\$53,884.00

## 4. SCORE PROGRAMS

Once programs have been identified, categorized, and costed, a committee made up of city employees scores them, guided by the following:

- **ENHANCED** services are scored on a 1-7 scale, based on how well they advance:
  - City Council Priorities,
  - The Comprehensive Plan 20-Year Vision Statement, and
  - The Service Vision and Values.
- **BASIC** services automatically receive a 7 rating.
- **CORE** services are not subject to scoring because they are essential to public order and life safety.

Enhanced programs are then ranked into quartiles based on their scores and the City Manager finalizes the results.

## 5. BUDGET RECOMMENDATIONS

The City Manager and Finance Director work together to recommend which programs to include in the preliminary budget proposal and at what service levels.

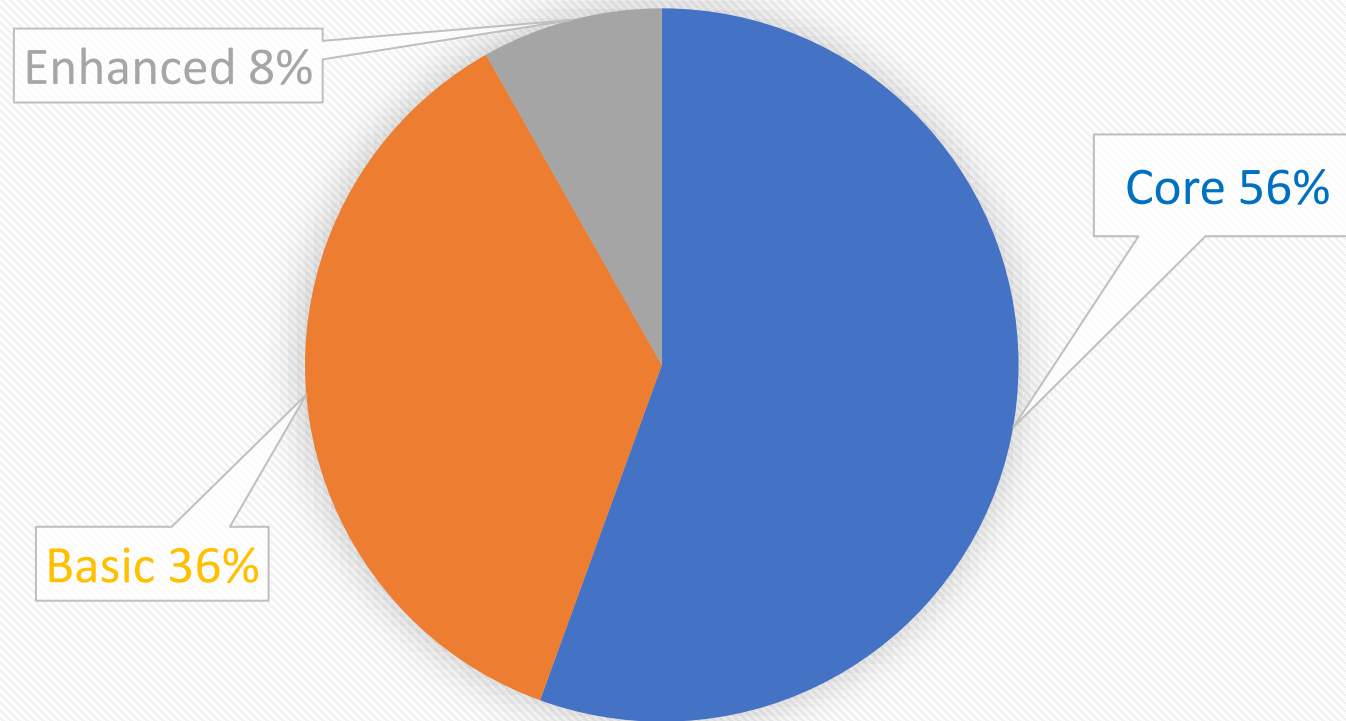
If there are not sufficient resources to fund all programs, the City Council and staff evaluate whether lower scoring programs can be reduced, eliminated, made more efficient, provided by another entity, or supported through a new revenue source.

## 6. BUILD AND PRESENT THE BUDGET

All decisions made in Step 6 are included in the budget document.

The City Manager presents the proposed budget to City Council and the Community via the process set forth in State law.

## Budget by Service Level



# PRELIMINARY RESULTS

## CORE PROGRAMS

Department	Program	Cost, 2022 est.
City Council	City Council	\$207,864.61
City Manager's Office	Public Relations and City-Wide Communications	\$81,278.50
City Manager's Office	Public Records Requests	\$47,293.00
City Manager's Office	Leadership-General Administration	\$227,155.00
Community Development	Community Development	\$164,192.10
Development Services	Permitting & Inspections	\$1,080,121.00
Development Services	Code Enforcement	\$96,020.00
Development Services	Emergency Management	\$51,152.00
Development Services	Financial Services – 2023	\$517,935.00
Finance & Administration	Financial Services- 2024	\$517,935.00
Finance & Administration	IT	\$231,722.00
Finance & Administration	Risk Management	\$406,722.00
Finance & Administration	City Clerk	\$269,987.00
Justice Services	Public Defense	\$91,500.00
Justice Services	Court	\$75,000.00
Justice Services	Jail	\$205,200.00
Justice Services	Prosecutor	\$150,000.00
Legal	Legal Services	\$260,353.66
Police Department	Patrol	\$4,074,284.80
Police Department	Investigations	\$0.00
Police Department	Special Services	\$2,000.00
Public Works- Engineering	ROW Use Management	\$204,376.50
Public Works- Engineering	Traffic Safety & Operations	\$248,082.00
Public Works- Engineering	Transportation Planning & Engineering	\$146,182.00
Public Works- Operations	Parks	\$634,993.36
Public Works- Operations	Facilities & Fleet	\$780,893.84
Public Works- Environmental Services	Environmental Services	\$2,785,162.29
Public Works- Operations	Streets	\$2,091,143.72
Public Works- Operations	Surface Water Management	\$583,434.48

# PRELIMINARY RESULTS

## BASIC PROGRAMS

Department	Program	Cost, 2022 est.
City Manager's Office	Front Desk Reception	\$79,170.00
City Manager's Office	Public Relations and City-Wide Communications	\$173,247.65
City Manager's Office	Intergovernmental Relations	\$82,285.00
City Manager's Office	Leadership-General Administration	\$71,665.00
City Manager's Office	Special Projects	\$53,165.00
Community Development	Parks CIP	\$345,828.48
Community Development	Special Projects	\$60,989.10
Community Development	Community Development	\$107,741.08
Development Services	Code Enforcement	\$23,980.00
Development Services	Code Development	\$22,900.00
Human Resources	Human Resources	\$207,700.60
Human Resources	DEI	\$63,777.40
Police Department	Training	\$5,550.00
Police Department	Crime Prevention	\$6,100.00
Public Works- Engineering	ROW Use Management	\$53,908.40
Public Works- Engineering	Traffic Safety & Operations	\$80,408.20
Public Works- Engineering	Transportation Planning & Engineering	\$18,000.00
Public Works- Engineering	Capital Projects Management	\$8,257,350.10
Public Works- Operations	Parks	\$340,646.56
Public Works- Operations	Facilities & Fleet	\$287,750.00
Public Works- Operations	Streets	\$250,000.00

# PRELIMINARY RESULTS

## ENHANCED PROGRAMS- First Quartile

		Scoring: Scale of 1-7; 1=low, 7=high				
Department	Program	Comp Plan Vision Statement	Council Priorities	Service Vision & Values	Average Weighted Score	Cost, 2022 est.
Parks Maintenance	Rhodie Boathouse	6	4	7	5.4	\$20,050
Development Services	Code Development - Tree Regulations	6	6	4	5.6	\$22,900
Housing & Human Services	Human Services	6	5	7	5.8	\$182,000
Community Development	Special Projects: Affordable Housing Regulations	6	6	5	5.8	\$13,032
City Manager's Office	Intergov Relations--ARCH	6	6	5	5.8	\$105,079
City Manager's Office	Special Initiatives: Exceptional Trees	7	6	4	6.0	\$8,861
Development Services	Redevelopment Initiatives - Lakepointe, Bench, etc.	7	5	7	6.2	\$68,700
Community Development	Comp Plan Element: Climate	6	7	5	6.2	\$95,522
City Manager's Office	Special Initiatives: Affordable Housing Developments	7	7	5	6.6	\$26,583
City Manager's Office	Intergov Relations--Lobbying	7	7	7	7.0	\$64,891
Legal Services	Legal Services in Support of Enhanced Programs	7	7	7	7.0	\$102,641
Environmental Services	Climate Action Plan Implementation	7	7	7	7.0	\$247,740
*One-Time Expense						
** Has Own Dedicated Funding Source						



# PRELIMINARY RESULTS

## ENHANCED PROGRAMS- Second Quartile

Department	Program	Scoring: Scale of 1-7; 1=low, 7=high				Average Weighted Score	Cost, 2022 est.
		Comp Plan Vision Statement	Council Priorities	Service Vision & Values			
City Manager's Office	Intergov Relations	3	5	7	4.6	\$13,291	
Public Safety	RADAR Expansion	3	5	7	4.6	\$130,000	
Community Development	Special Projects: Bench properties*	5	4	6	4.8	\$118,032	
PW Engineering	Traffic Safety: Photo Enforcement**	4	5	6	4.8	\$221,340	
Facilities Maintenance	Recycling Program	5	5	4	4.8	\$4,500	
Community Development	Parks Capital: Boathouse	5	5	5	5.0	\$11,964	
Community Development	Special Projects: Tenant Protections	5	5	5	5.0	\$13,032	
PW Engineering	Transportation Planning: ADA/Sidewalk Maps	4	6	5	5.0	\$10,000	
City Manager's Office	Special Initiatives: Lakepointe	6	4	6	5.2	\$8,861	
Parks Maintenance	Log Boom Pier	6	4	7	5.4	\$5,231	
Parks Maintenance	Log Boom Temporary Float	6	4	7	5.4	\$8,969	
Parks Maintenance	Log Boom kayak concession building**	6	4	7	5.4	\$4,038	
*One-Time Expense							
** Has Own Dedicated Funding Source							

# PRELIMINARY RESULTS

## ENHANCED PROGRAMS- Third Quartile

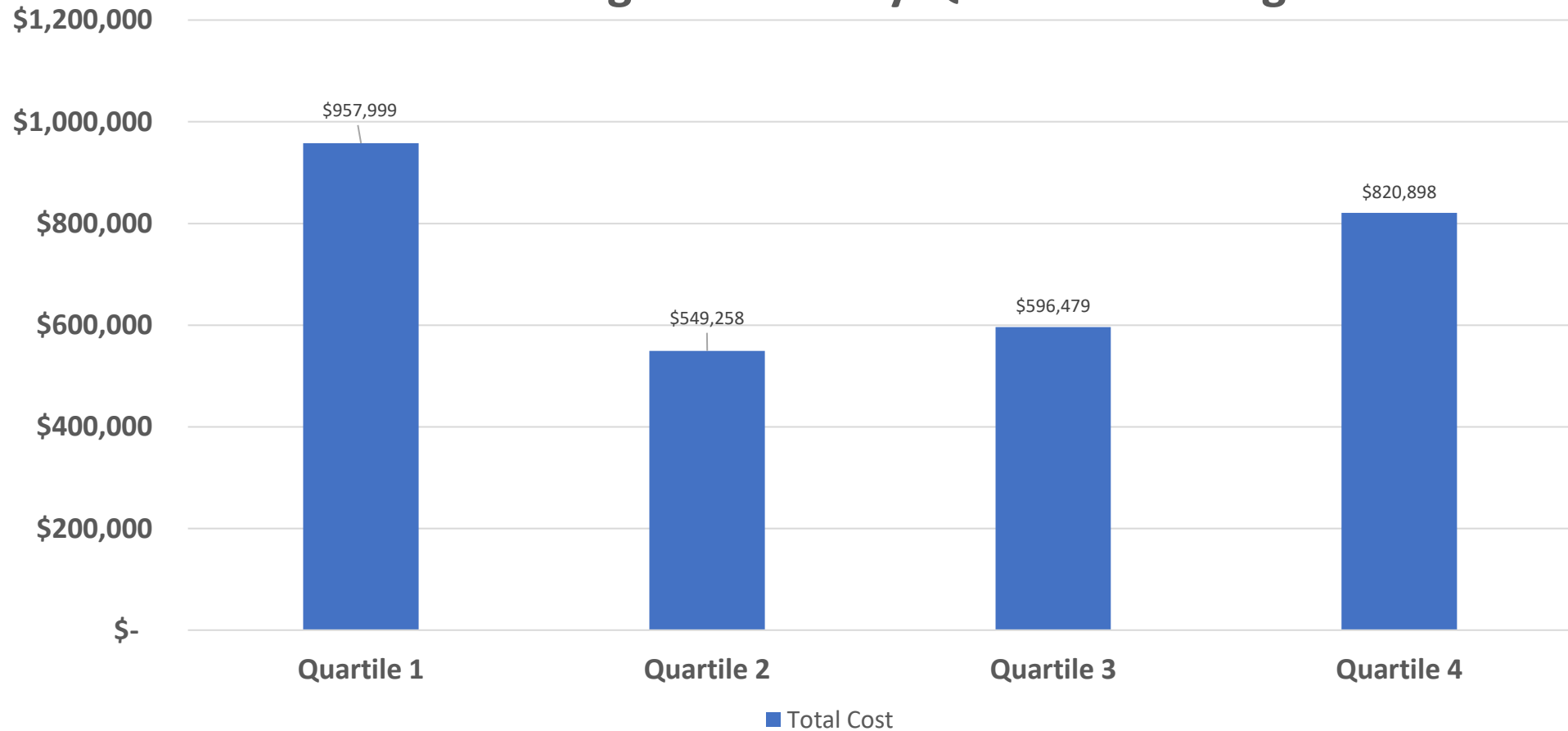
		Scoring: Scale of 1-7; 1=low, 7=high				
Department	Program	Comp Plan Vision Statement	Council Priorities	Service Vision & Values	Average Weighted Score	Cost, 2022 est.
PW Engineering	Transportation Planning: Regional Committees	4	4	3	3.8	\$2,500
PW Operations	Farmers Market	4	3	5	3.8	\$70-100k
Parks Maintenance	Special Events Support at Parks	4	3	5	3.8	\$28,774
Facilities Maintenance	Hangar & Town Square	4	3	6	4.0	\$207,000
City Manager's Office	Communications - Quarterly Printed Newsletter	5	3	5	4.2	\$49,995
City Manager's Office	Communications - Social Media	5	3	5	4.2	\$18,445
Development Services	Code Enforcement - Garbage Hauling Vouchers	6	2	5	4.2	\$0
PW Operations	NUD supplemental snow plowing	4	4	5	4.2	\$50,000
City Manager's Office	Volunteer Program	5	3	6	4.4	\$34,040
Community Development	Recreation Programs	5	3	6	4.4	\$99,264
Parks Maintenance	Recreation Programs Support at Parks	5	3	6	4.4	\$4,846
Facilities Maintenance	Recreation Programs Support in City Facilities	5	3	6	4.4	\$1,615
*One-Time Expense						
** Has Own Dedicated Funding Source						

# PRELIMINARY RESULTS

## ENHANCED PROGRAMS- Fourth Quartile

		Scoring: Scale of 1-7; 1=low, 7=high				
Department	Program	Comp Plan Vision Statement	Council Priorities	Service Vision & Values	Average Weighted Score	Cost, 2022 est.
PW Engineering	Traffic Safety: Non-safety traffic & parking service requests	2	2	2	2.0	\$25,000
Facilities Maintenance	City Hall Rentals	2	2	2	2.0	\$22,212
Facilities Maintenance	Special Events Support in City Facilities	2	2	3	2.2	\$1,615
City Manager's Office	Special Initiatives: Civics 101*	2	3	4	2.8	\$8,861
Facilities Maintenance	Post Office**	3	3	3	3.0	\$59,150
City Manager's Office	Community Court	2	4	3	3.0	\$15,000
City Manager's Office	Economic Development	4	3	2	3.2	\$265,350
City Manager's Office	Communications - Enhanced Graphics	4	2	4	3.2	\$7,000
PW Operations	Street tree lightings during the holidays	4	2	5	3.4	\$3,500
Parks Maintenance	Memorial Bench program	4	2	5	3.4	\$1,219
City Manager's Office	25th Anniversary Celebration	4	3	3	3.4	\$25,000
City Manager's Office	Bang the Table Community Engagement Platform	4	3	4	3.6	\$15,000
City Manager's Office	Regional Aquatic Center Research	5	2	5	3.8	\$13,291
City Manager's Office	Events	4	3	5	3.8	\$358,700
Development Services	Code Enforcement - KC Housing Repair Program	5	2	5	3.8	\$0
*One-Time Expense						
** Has Own Dedicated Funding Source						

## Enhanced Program Costs by Quartile Ranking



# QUESTIONS?

We will now answer any questions you have.



**CITY OF KENMORE**

# **FSP Task Force Budget Strategy Categories**

**February 21, 2024**



# Budget Strategy Categories

## Four Step approach to Financial Sustainability

- Step 1 – Reduce Expenditures
  - Step 2 – Consider Service Delivery Alternatives
  - Step 3 – Increase Revenues
  - Step 4 – Consider Service Level Reductions
- 
- Steps 1 – 3 City maintains current service levels
  - Step 4 – City engages in reduction of current service levels



# Budget Strategy Categories

## Maintain Service Levels

## Reduce Services

### Reduce Expenditures

- Control expenditure growth
- Shift costs to other viable sources

### Service Delivery Alternatives

- Shared services
- Contract out
- Insource

### Increase Revenues

- Increase base (economic development)
- Increase rate (tax rates, fees)
- Add new source (new tax, new fee)

### Service Level Reductions

- Workforce reductions
- Reduce program availability
- Eliminate program



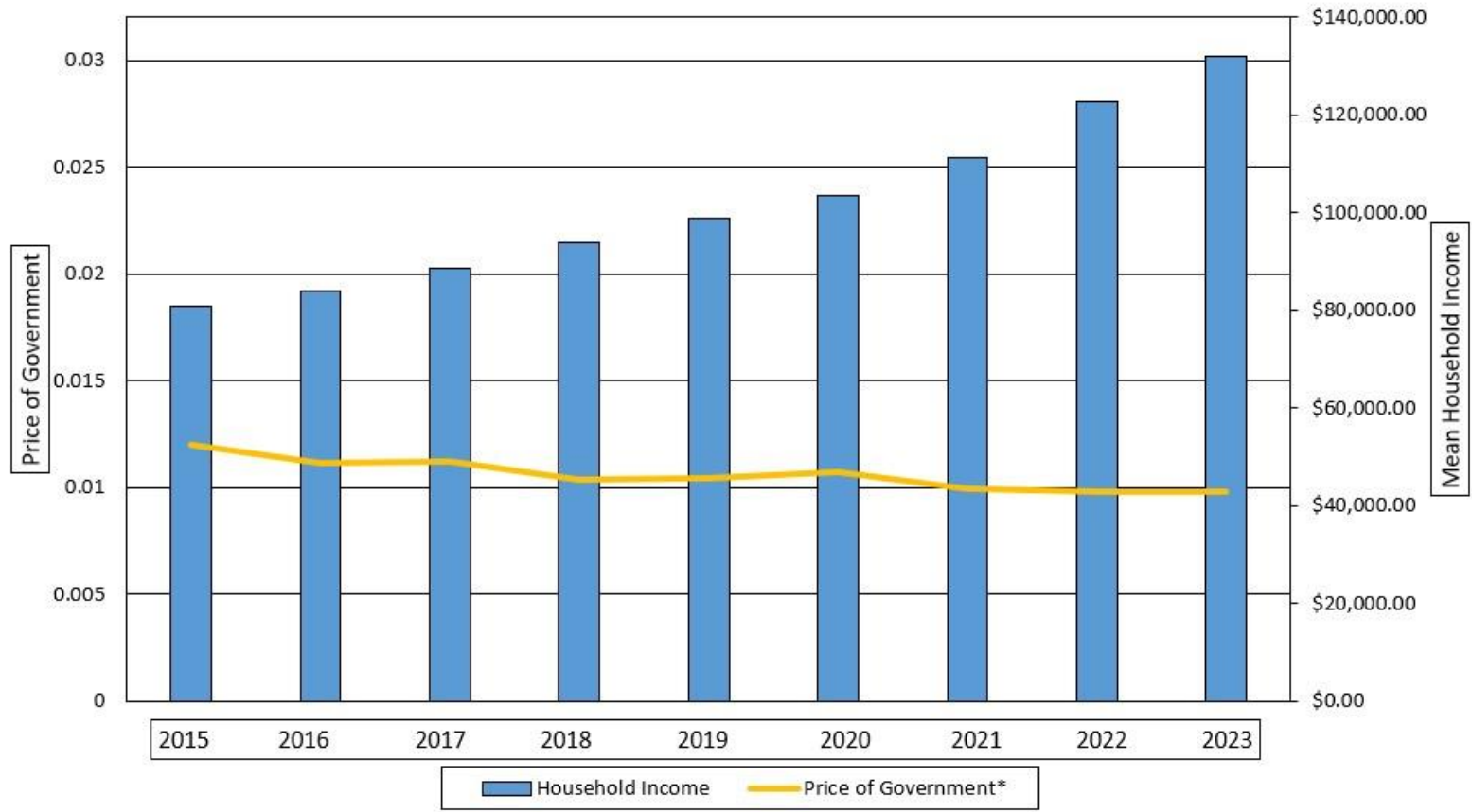


# Questions?



	2018	2019	2020	2021	2022	2023
<b>Personal Income</b>						
Population	23,153	23,711	23,914	24,050	24,090	23,230
Housing Units	9,308	9,522	9,589	9,665	9,690	9,797
Household Income	\$93,847.00	\$98,938.00	\$103,669.00	\$111,431.00	\$122,880.00	\$132,191.00
<b>Aggregate Income</b>	\$873,527,876.00	\$942,087,636.00	\$994,082,041.00	\$1,076,980,615.00	\$1,190,707,200.00	\$1,295,075,227.00
<b>Kenmore Revenue</b>						
Net Revenue	\$23,290,239	\$22,203,568	\$20,271,296	\$16,713,553	\$20,428,022	\$39,106,245
Tax Revenue Only	\$9,182,828	\$9,701,569	\$9,944,778	\$10,738,605	\$11,511,226	\$12,329,728
Tax Revenue Only (Sales Tax Not Included)	\$6,745,660	\$6,927,477	\$7,310,994	\$7,161,500	\$7,870,253	\$8,613,831
Franchise Fee Revenue	\$869,727	\$874,872	\$845,043	\$848,118	\$867,268	\$879,718
General Fund Revenue	\$12,539,459	\$12,720,232	\$14,389,772	\$13,717,862	\$14,795,500	\$15,379,292
Street Fund Revenue	\$705,674	\$687,254	\$584,264	\$607,073	\$686,964	\$1,869,572
Surface Water Mgmt Revenue	\$1,961,917	\$2,522,180	\$2,964,767	\$3,198,504	\$3,414,120	\$3,104,643
TBD Revenue	\$359,834	\$353,384	\$369,121	\$367,891	\$351,585	\$455,061
Cable Utility Tax	N/A	N/A	N/A	N/A	N/A	\$329,481
Surface Water Utility Tax	N/A	N/A	N/A	N/A	N/A	\$203,647
<b>Price of Government*</b>	1.038%	1.041%	1.071%	0.996%	0.977%	0.981%
POG (All Revenue)	2.666%	2.357%	2.039%	1.552%	1.716%	3.020%
POG (Taxes Only)	1.151%	1.123%	1.085%	1.076%	1.040%	1.061%
POG (Taxes Without Sales Tax)	0.872%	0.828%	0.820%	0.744%	0.734%	0.774%
POG- Main Funds Only (GF, SF, SWM)	1.741%	1.691%	1.805%	1.627%	1.587%	1.572%

Kenmore Price of Government vs. Household Income





# **Fiscal Capacity**

---

February 21, 2024

# Fiscal Capacity

## What is Fiscal Capacity?

- Ability of government agencies (Cities) to generate revenue
- Depends on factors that contribute to tax base
- Includes city's ability to efficiently tax
- Other non-tax forms of revenue add to fiscal capacity
  - Such as federal, state and local grants
  - Other resources such as undeveloped land

# Fiscal Capacity (FC)

## Key Takeaways

- FC is total revenue a city can realistically raise given available tax base, constraints it faces, and availability of non-tax sources of revenue
- FC starts with available tax base (amount of wealth and income under the taxing authority's jurisdiction)
- Physical, political, administrative, and economic factors create constraints on city's ability to fully tap into its tax base, limiting fiscal capacity from taxation
- Other non-tax forms of revenue add to fiscal capacity but usually come with restrictions (such as grants)
- The following charts provide insight to how well the City of Kenmore is maximizing its fiscal capacity in comparison to neighboring (peer) cities

# Surrounding Agencies Selected for Comparison

<u>City</u>	<u>County</u>	<u>2023 Population Estimates *</u>	<u>2021 Median Household Income **</u>	<u>Within 25% Range</u>
Bothell	King/Snohomish	49,550	\$121,249	No; Population is larger
Kenmore	King	24,230	\$126,329	
Lake Forest Park	King	13,660	\$145,485	No; Population is smaller
Mercer Island	King	25,800	\$176,811	No; Income is higher
Mill Creek	Snohomish	21,630	\$117,257	Yes
Mountlake Terrace	Snohomish	23,810	\$91,847	No; Income is lower
Shoreline	King	61,120	\$99,454	No; Population is larger
Woodinville	King	13,830	\$132,805	No; Population is smaller
	<i>Averages</i>	29,204	\$126,405	
Sources of information:				
* WA State Office of Financial Management				
** city-data.com				

# Form of Government & Sales Tax Rates

<u>City</u>	<u>Form of Government</u>	<u>Fire</u>	<u>Police</u>	<u>2024 Combined Sales Tax Rate *</u>
Bothell	Council-Manager	City	City	10.1% King County & 10.6% Snohomish County
Kenmore	Council-Manager	District-Northshore Fire (Shoreline)	KC Sheriff Contract	10.10%
Lake Forest Park	Mayor-Council	District-Northshore Fire (Shoreline)	City	10.20%
Mercer Island	Council-Manager	City	City	10.10%
Mill Creek	Council-Manager	Contract-Snohomish County Fire	City	10.60%
Mountlake Terrace	Council-Manager	Contract-South County Fire	City	10.50%
Shoreline	Council-Manager	District-Shoreline Fire	KC Sheriff Contract	10.30%
Woodinville	Council-Manager	District-Woodinville Fire & Rescue	KC Sheriff Contract	10.1% RTA /8.7% Non-RTA
			<i>AVERAGE</i>	<i>10.25%</i>
Sources of information:				
* WA State Department of Revenue				
Other Information from City websites and Management Partners FSP report of Aug. 2020				



# Home Values, A/V & Population Information

City	Median Home Value January 31, 2024 *	Residential Assessed Value **	2023 City Assessed Value ***	Population per Square Mile ****	# of Housing Units *****	Square Miles ****	Homes per square mile
Bothell	King County: \$973,517 Sno. County: \$1,047,411	King County 2023: \$1,044,000 Sno. County 2024: \$806,200	King: \$10,011,955,302 Sno.: \$8,255,603,792	3,532	19,323	13.60	1,420
Kenmore	\$ 939,333	\$ 1,005,000	\$ 8,131,404,954	3,890	9,589	6.15	1,559
Lake Forest Park	\$ 931,477	\$ 903,000	\$ 4,909,164,477	3,876	5,565	3.52	1,580
Mercer Island	\$ 2,049,550	\$ 2,132,000	\$ 22,474,155,238	4,034	10,565	6.38	1,655
Mill Creek	\$ 921,169	\$ 863,700	\$ 6,772,572,421	4,506	8,913	4.64	1,920
Mountlake Terrace	\$ 635,488	\$ 596,600	\$ 5,278,537,267	5,248	9,202	4.06	2,266
Shoreline	\$ 760,458	\$ 759,000	\$ 15,959,827,369	5,037	24,043	11.60	2,072
Woodinville	\$ 1,221,749	\$ 1,143,000	\$ 6,248,261,498	2,328	5,765	5.62	1,025
<b>AVERAGES</b>	\$ 1,185,019	\$ 1,156,563	\$ 11,005,185,290	4,056	11,621	6.95	1,688
Sources of information:							
* Zillow Median Home Value Estimates, January 2024							
** King County 2023 and Snohomish County 2024 Property Tax Data from Assessor's website							
*** WA State Department of Revenue 2023 Assessed Valuations							
**** US Census Bureau							
***** Lake Forest Park Budget & point2homes.com							

# City Assessed Value per Capita

<u>City</u>	<u>2023 City Assessed Value*</u>	<u>2023 Population Estimates **</u>	<u>City Assessed Value per Capita</u>
Bothell	King: \$10,011,955,302 Sno.: \$8,255,603,792	49,550	\$ 368,669.20 <sup>(1)</sup>
(1) AV per capita calc uses total of both King and Snohomish county			
Kenmore	\$ 8,131,404,954	24,230	\$ 335,592.45
Lake Forest Park	\$ 4,909,164,477	13,660	\$ 359,382.47
Mercer Island	\$ 22,474,155,238	25,800	\$ 871,091.29
Mill Creek	\$ 6,772,572,421	21,630	\$ 313,110.14
Mountlake Terrace	\$ 5,278,537,267	23,810	\$ 221,694.13
Shoreline	\$ 15,959,827,369	61,120	\$ 261,122.83
Woodinville	\$ 6,248,261,498	13,830	\$ 451,790.42
<b>AVERAGES</b>	<b>\$ 11,005,185,290</b>	<b>29,204</b>	<b>\$ 397,806.62</b>
Sources of information:			
*WA State Department of Revenue 2023 Assessed Valuations			
**WA State Office of Financial Management			

# City Assessed Value per Capita, large cities

<u>City</u>	<u>City Assessed Value *</u>	<u>2023 Population Estimates **</u>	<u>City Assessed Value per Capita</u>	<u>2023 Typical Levy Rate*</u>	<u>2023 Typical Tax*</u>
Bellevue	\$ 98,758,092,533	154,600	\$638,797.49	\$7.07	\$11,149
Kirkland	\$ 48,360,922,972	96,920	\$498,977.74	\$7.39	\$9,154
Redmond	\$ 39,057,801,704	77,490	\$504,036.67	\$7.34	\$10,635
Kenmore	\$ 8,131,404,954	24,230	\$335,592.45	\$8.35	\$8,388
<i>Averages</i>	<i>\$ 48,577,055,541</i>	<i>88,310</i>	<i>\$494,351.09</i>	<i>\$7.54</i>	<i>\$9,831</i>
Sources of information:					
*King County 2023 and Snohomish County 2024 Property Tax Data from Assessor's website					
**WA State Office of Financial Management					

# General Fund Sales Tax Revenues per Capita

<u>City</u>	<u>2022 Sales/Use Tax per WA State Dept. of Revenue</u>	<u>2022 Sales/Use Tax Per Capita (data 2023)</u>	<u>Sales Tax Revenue as % of Total 2023 General Fund Revenue Budget</u>
Bothell	\$ 18,016,342	\$ 363.60	31%
Kenmore	\$ 3,868,146	\$ 159.64	24%
Lake Forest Park	\$ 1,685,723	\$ 123.41	15%
Mercer Island	\$ 5,657,189	\$ 219.27	16%
Mill Creek	\$ 3,969,833	\$ 183.53	40%
Mountlake Terrace	\$ 4,268,727	\$ 179.28	14%
Shoreline	\$ 13,121,839	\$ 214.69	32%
Woodinville	\$ 8,723,264	\$ 338.11	53%
<i>Averages</i>	\$ 7,413,883	\$ 222.69	28%

Sources of information:

WA Dept. of Revenue - 2022 Sales/Use Tax

WA State Office of Financial Management - Population Information

2023-2024 City Budgets - Sales Tax Percentages

# General Fund Sales Tax Revenues per Capita, large cities

<u>City</u>	<u>2022 Sales/Use Tax per WA State Dept. of Revenue</u>	<u>2022 Sales/Use Tax Per Capita (data 2023)</u>	<u>Sales Tax Revenue as % of Total 2023 General Fund Revenue Budget</u>
Bellevue	\$ 89,687,240	\$ 580.12	
Kirkland	\$ 31,591,390	\$ 325.95	
Redmond	\$ 48,970,443	\$ 631.96	
Kenmore	\$ 3,868,146	\$ 159.64	24%
<i>AVERAGES</i>	\$ 43,529,305	\$ 424.42	
Sources of information:			
WA Dept. of Revenue - 2022 Sales/Use Tax			
WA State Office of Financial Management - Population Information			
2023-2024 City Budgets - Sales Tax Percentages			





# General Utility Tax Revenues Per Capita

<u>City</u>	<u>2023-2024 Budgeted Utility Tax Revenues</u>	<u>Utility Tax Per Year Per Capita</u>	<u>Percent of General Fund Revenue for 2023-2024 Budget</u>	<u>Tot GF Revenues</u>	<u>Population</u>
Bothell	\$ 15,683,499	\$ 158.26	11.6%	\$ 135,360,847	49,550
Kenmore	\$ 3,732,579	\$ 77.02	11.9%	\$ 31,305,131	24,230
Includes new Solid Waste 10% tax					
Lake Forest Park	\$ 1,247,966	\$ 45.68	5.6%	\$ 22,177,746	13,660
Mercer Island	\$ 10,202,679	\$ 197.73	14.4%	\$ 71,016,665	25,800
Mill Creek	N/A	N/A	N/A	\$ 23,405,870	21,630
Mountlake Terrace	\$ 8,247,812	\$ 173.20	14.8%	\$ 55,810,423	23,810
Shoreline	\$ 9,285,207	\$ 75.96	9.3%	\$ 100,171,501	61,120
Woodinville	\$ 1,780,000	\$ 64.35	5.5%	\$ 135,360,847	13,830
<b>Averages</b>	\$ 6,272,468	\$ 99.03	9.1%	\$ 58,960,478	29,204
Sources of information:					
WA State Office of Financial Management - Population Information					
2023-2024 Adopted City Budgets					
Population Information from WA State Office of Financial Management					

# City FTEs per Capita

<b>City</b>	<b><u>City FTEs less Police, Fire, Court &amp; Council **</u></b>	<b><u>2023 Population Estimates *</u></b>	<b><u>FTEs per thousand residents</u></b>
Bothell	183.25	49,550	3.70
Kenmore Includes 4 positions added and one removed after budget adopted	56.89	24,230	2.35
Lake Forest Park	32.30	13,660	2.37
Mercer Island	144.88	25,800	5.60
Mill Creek	31.00	21,630	1.43
Mountlake Terrace	109.77	23,810	4.61
Shoreline	205.91	61,120	3.37
Woodinville	50.56	13,830	3.66
<i>Averages</i>	<i>101.82</i>	<i>29,204</i>	<i>3.38</i>
Sources of information:			
* WA State Office of Financial Management			
** Adopted 2023-2024 City Budgets			



# Budgeting Strategies Levels of Difficulty

---

- Determining Feasibility
  - Strategies most feasible can be implemented more readily and are least disruptive to city
  - Certain revenue changes require voter approval to implement
  - Increasing fees and charges may have adverse impact on community participation
  - Substantial changes to service delivery methodologies may be disruptive and can take time to implement and see financial benefit
  - Budget strategies should be evaluated using the following tables

# Budgeting Strategies Levels of 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

# Budget Strategies Quadrant Analysis

		<i>Potential Annual Fiscal Impact (estimated)</i>		
		\$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

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



**Questions?**

---