

City of Kenmore
Financial Sustainability Plan Task Force
Meeting Minutes
February 21, 2024

The fourth meeting of the Task Force began @ approximately 6:30 p.m. and was in person and open to the public with no public comment. This meeting was recorded.

PRESENT:

Task Force Members: Vincent Keane
Holly Koelling
Jeff Pooley
Katrina Rose
Tiffany Stoner
Mary Sullivan
Michael Vanderlinde

Staff: City Manager, Rob Karlinsey
Finance and Administration Director, Melinda Merrell
Admin/Financial Services Manager, Carla Schnee

Presenters: Garrett Oppenheim/ARPA Assistant to City Manager/DEIA Coordinator
Rob Karlinsey, City Manager
Carla Schnee, Admin/Financial Services Manager

Service Level Budgeting Overview

ARPA Assistant to the City Manager/DEIA Coordinator, Garrett Oppenheim reviewed the City's approach to Service Level Budgeting and the differences between Core, Basic and Enhanced programs. He presented the different programs and explained how Core programs are required, Basic programs are inherent to most cities, and Enhanced programs provide added quality of life but are discretionary. Enhanced programs amount to approximately 8 percent of the City Budget. He explained how the Enhanced programs were scored by City staff on a scale of 1-7 based on Council Priorities, the Comprehensive Plan 20 Year Vision Statement and the City Service Vision and Values.

Four Step Approach to Financial Sustainability

City Manager, Rob Karlinsey presented the Four Step Approach to Financial Sustainability. Step 1 is to reduce expenditures, Step 2 is considering service delivery alternatives, Step 3 is increasing revenues. These steps would still maintain current service levels. Step 4 is to consider service level reductions.

Price of Government

ARPA Assistant to the City Manager/DEIA Coordinator, Garrett Oppenheim presented spreadsheets which show City revenues related to demographics and household income in Kenmore. This data shows that even with property taxes and other taxes, (not including sales tax) increasing, the tax burden per household income has been mostly consistent going back to 2015. Over the last several years, it has even declined slightly. Income levels have been rising by a greater percentage than governmental costs.

Fiscal Capacity

Administrative/Financial Services Manager, Carla Schnee, presented a slide show and explained how Fiscal Capacity is related to ways a City can generate revenue dependent upon factors and constraints that contribute to tax base. Information was provided with comparisons between six local cities; Bothell, Lake Forest Park, Mercer Island, Mill Creek, Mountlake Terrace, Shoreline and Woodinville, as well as three larger cities; Bellevue, Redmond, and Kirkland. Information on utility tax and sales tax rates as well as the percentage of the cities' General Fund revenue related to sales tax and utility taxes. Population comparisons, assessed valuation, and full-time employees per capita were also shown. Budgeting strategies, levels of difficulty and potential fiscal impact were also discussed.

Update on Engagement HQ and Balancing Act Tool

Finance and Administration Director, Melinda Merrell, discussed the comments and suggestions from the Task Force members and the need to review the input which, once summarized, will be shared before posting to the FSP website.

Adjournment: The meeting concluded at approximately 8:55 p.m.

(Department presentation slides will be linked to the agenda for this meeting on the City's FSP website)

Approved:


Melinda Merrell (Mar 5, 2024 19:18 PST)

Melinda Merrell, Finance and Administration Director







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Final Audit Report

2024-03-06

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