

Next Level Budgeting

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Session Goals Are To Learn

1. Best practices for aligning your community's priorities with your city's resources
2. How to develop a strategic approach to budgeting starting with your organization's vision and mission
3. How to monitor your progress on long-term community goals.



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Assessing External Priorities

- Scientific community surveys
- Online polling
- Focus groups - IAP2 model
- Voting – Participatory Budgeting Project <https://www.participatorybudgeting.org/>
- Community budget committee
- These inputs feed staff and Council processes



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IAP2 Spectrum of Public Participation



Public participation goal	Inform To provide the public with balanced and objective information to assist them in understanding the problem, alternatives, opportunities and/or solutions.	Consult To obtain public feedback on analysis, alternatives and/or decisions.	Involve To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.	Collaborate To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution.	Empower To place final decision-making in the hands of the public.
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Participatory Budgeting Video

- <https://vimeo.com/162743651>



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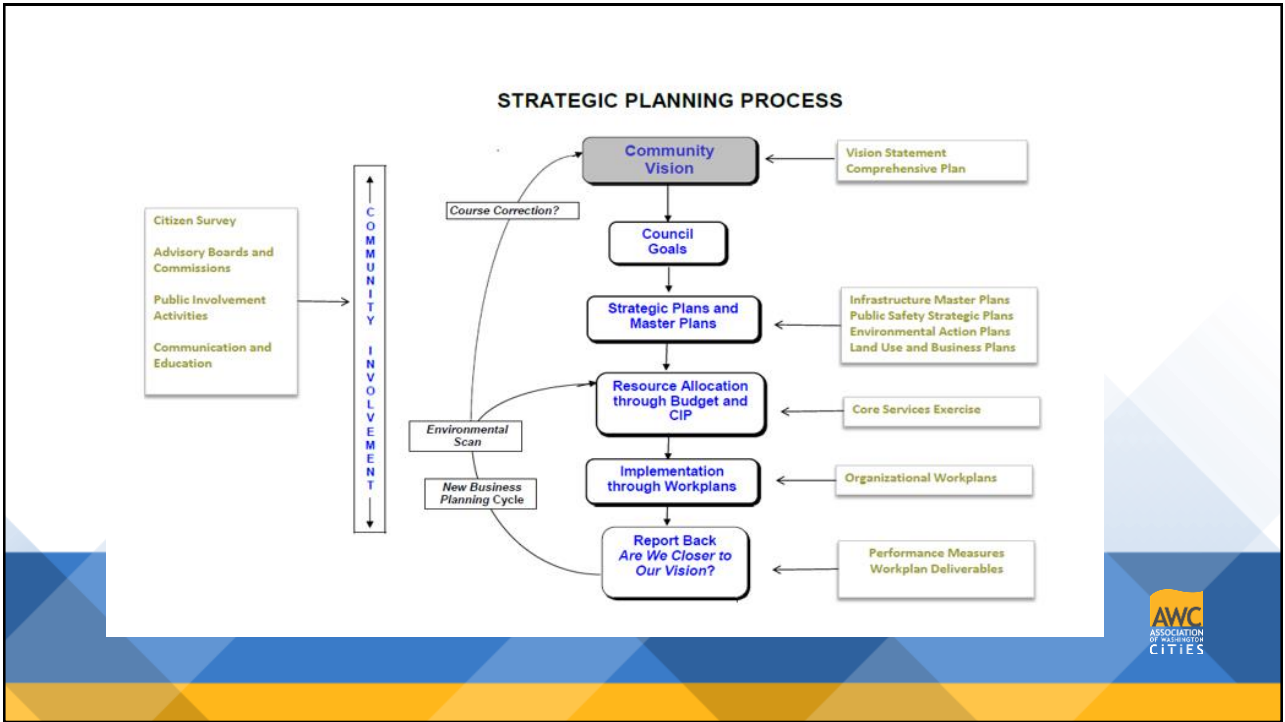
Assessing Elected Official Priorities

- Determining your overall mission, vision, and values
- Comprehensive and system planning
- Council goal setting/strategic planning
- Priority-based budgeting is an option



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Breakout – 5 minutes

- Do you do Council goal setting/strategic planning in your City?
- What is your process?
- How does it work?
- How could it be improved?
- Extra credit, have you done a community survey?

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Assessing Internal Priorities

- Setting your departmental missions and visions
- Comprehensive and system planning
- Council goal setting/strategic planning – internal impacts
- Internal strategic planning/strategic thinking (leadership at all levels)
- Develop/refine key performance indicators
- Priority-based budgeting is an option



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Internal Strategic Planning/Strategic Thinking

- Engage every employee in the budgeting process, from the division/crew level up to senior management
- Consider a budgeting process “without guidance” so that the best ideas carry the day
- Meetings without initial hierarchy will most successful for producing strategic thinking (this thinking must eventually face the hierarchy)
- Good ideas not funded will be carried forward into the future
- Coach managers and supervisors to bring out engagement from employees
- Faster, better, lower cost services



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Revenue Forecasting

- May Be the Most Important Thing You Do
- Macroeconomic Factors
- Have Someone Else Check Your Numbers
- Department Heads Can Be Good Resource
- Be Practical
- Document



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A Tale of Two Cities

–City #1

- Multiple Retailers
- 3 car lots,
- Large Grocery Stores
- Restaurants
- Big Box Stores
- Sales Tax was 0% in 2021 and 10% in 2023.

–City #2

- Small Grocery Store
- Gas (Propane, Home heating oil)
- Building Materials
- Few Restaurants
- Large Manufacturers
- Wholesalers
- Sales Tax was 2% in 2021 and 4% in 2022.



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Breakout – 5 minutes

Using the Previous Slide

- How do you forecast Sales Tax for next year?
- How could it be improved?
- Does data from the prior year affect your forecast?
- Do reserve levels affect your fund balance?



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Plugging Things Into the Budget

- Rollup from departments
- Council goals
- Financial policies
- Departmental budgets
- Finance Department's sections (including revenues)



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Balancing the budget

- There are many approaches – two examples we will discuss:
 - Individual department meetings with the chief executive
 - A team approach with the chief executive serving as the final decision-maker (aka “The Budget Scrub”)



Key Questions to Evaluate

Does it maintain existing level of service or is it a new LOS?

Regulatory (required) or discretionary (policy-based)?

Consistent with:

- Master Plan?
- Council Goals?
- Workplan?

What options did you consider?

What would you trade-off?

One-time vs. ongoing?

Have all costs been included?

Expenditure reductions/offsets?

Individual Department Meetings

- Include senior department management and budget staff
- How well does the requested budget follow guidance given up front
- Possibly provides a safe environment to discuss challenging questions or provide difficult feedback
- Forum to discuss political realities/issues



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Budget Scrub Benefits

- The budget will be out of balance to start (with no guidance given up front)
- Include directors, senior management, and division managers
- Have fun!
- Pitching your budget to your peers builds budget discipline and increases understanding
- Start with line item by line item and it becomes more efficient over time
- This method fosters team problem solving
- From here, it is on to Council



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Breakout – 5 minutes

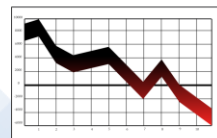
- Do you do something like a budget scrub to balance your budget?
- If not, how do you balance it?
- How could you improve your process?



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Monitoring Progress on Long-Term Goals

- Key performance indicators over time
- Survey results over time
- Review goals
- Other metrics, ex. census data



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Performance Reporting Example

PARKS AND RECREATION						
GOAL: Provide and maintain natural areas and recreational facilities and opportunities that enhance the health and well-being of the community						
MEASURE	2014	2015	2016	2017	2018	Target
Full and substantial recreation parks and manage recreation programs	59.49	59.76	60.10	60.20	60.72	60%
Per 1,000 residents (FY per 100 acres developed land)	5.41	5.46	5.48	5.54	5.55	6%
Number of volunteers	5,012	5,210	5,796	4,992	4,354	60%
Volunteer hours	78,246	10,601	20,401	21,044	17,592	10%
Public Capital Expenditure Program	\$3,829,869	\$3,552,415	\$3,477,400	\$3,793,000	\$3,741,000	6%
Public Operating & Maintenance Funding	\$3,097,407	\$3,496,339	\$3,913,738	\$3,853,972	\$3,483,484	6%
Department Operating Expenditure Funding	\$2,198,859	\$2,326,789	\$2,454,754	\$2,766,491	\$2,897,888	6%
Resident with neighborhood park within 1/4 mile	68%	68%	68%	74%	75%	100%
Area of natural area in watershed	58.4	64.3	80	83.7	107.7	107
Percent of recreation classes in attendance	85.4%	87.2%	82%	87%	82.4%	85%
Resident use City parks and facilities on a regular basis	85%	-	84%	-	87%	85%
Resident use recreation and community services on a regular basis	84%	-	79%	-	84%	84%

HOW DO WE MEASURE PARKS AND RECREATION SERVICES?
 The City, Recreation and Open Space (ROS), has a target for performance by which to measure the development and maintenance of Kirkland's parks and natural spaces, including:
 * Residents should have access to a neighborhood park within a quarter-mile of their home.
 * 487 acres of natural areas are targeted to be restored to their natural state by 2035.
 The budget and number of FT staff available to parks maintenance and operations help determine the Department's ability to maintain the parks. With the addition of two funds, park maintenance staffing was nearly restored to 2013 levels.
 Given the important contribution that volunteers make to the City, the number of volunteers and their total number of hours are also tracked. Volunteer Opportunities include recreation programs and parks maintenance. The Green Kirkland Partnership comes out environmental restoration in parks almost exclusively through volunteers.
 Recreation and community services programs and classes are measured by tracking the percentage of programs and classes that meet minimum numbers to operate. This documents how well they match residents' preferences. Over 82% of recreation classes met the minimum threshold, which exceeds the City's target, a good indicator that the classes offered met the demands of residents.
 Resident satisfaction with the parks, recreation and community services, as determined by the biennial Community Survey provides another measure of how well the park and recreation system meets the community's needs.

HOW ARE WE DOING?

Parks and Community Services has changed a great deal over the years. With the acquisition in 2011, the Department has increased its scope and responsibility. This includes an increase in park acreage from 490 acres to 619 city-owned acres and another 40 acres that are not City-owned but available for community use. New acres have been added to the restoration program, growing it from 20 acres in 2011 to 108 acres in 2018. The Department currently encompasses parks maintenance and operations, Green Kirkland Partnership, community centers, River Kirk Park, recreation and community services programming, special event support services, youth services, senior services and human services.

The Parks and Community Services Department has made considerable strides to keep pace with the community growth in order to meet the health, wellness and recreation needs of the community. New technology is giving the ways to automate how services are delivered to the community. Capital improvement projects in development for parks have finally been completed or are in construction. Customer service processes are being streamlined to better serve the community and the department is striving to allocate its resources to the community's top priorities.

WHAT ARE WE DOING?

In 2018, the recreation and community services staff offered 2,107 unique programs and had 28,502 customers registered for these programs, with another 4,892 people on waiting list. 92 percent of recreation classes met the minimum enrollment, which exceeds the City's target. In good addition that the classes offered met the demand of residents. The Human Services program granted \$90,863 to 40 organizations offering 48 different programs. The priority focus is programs that provide food to eat and a roof overhead, supportive relationships within families, neighborhoods and communities, a safe haven from all forms of violence and abuse, health care to be physically and mentally fit as possible, and education and job skills to lead an independent life. Finally, the capital improvement program grew from \$882,000 in 2011 to \$3,235,000 in 2018. The City is growing and we are growing with it.

During the City's 2018 Cost Recovery Study, the City Council gave direction to enhance and grow the adult and youth program supporting Kirkland residents' ability to participate in recreation, health and wellness programming. It is the priority of the City Department that cost should not be a significant barrier to Kirkland residents for participation in City Parks and Community Services programs. Staff formulated the scholarship program, which now includes 50%, 75% and 95% scholarships. Success of the scholarship program comes from donations from community members and local organizations. You can contribute to this program online by going to www.kirklandparks.com



Ongoing Improvements to Sarnia Wet Community
 In 2011 Sarnia Wetland Park was annexed to the City of Kirkland and in April 2015, a master plan for Edith Wharton Park was adopted by City Council. The Phase 1 restoration was funded by the voter-approved 2012 Parks Levy and includes improved gravel paths and the addition of boardwalks, a picnic pavilion, a play structure and a restroom building. It also includes a fenced off-leash dog park as well as accessible parking stalls. Along the park's western border with 108th Avenue Northeast, the City replaced the existing sidewalk with one that is accessible to those traveling by wheelchair or with visual impairment. The new sidewalk brings some of the designated parallel parking spots into compliance with the Americans with Disabilities Act. The project also resulted in a new bicycle lane.



What Budget Approach is Right for My Jurisdiction?

- Incremental Budgeting, Priorities Based Budgeting, Budgeting for Outcomes...which one is right for me?
- Whatever works best for your organization, governing body, and community
- Considerations:
 - Past experience
 - Linkage to goals and work plans
 - Reporting on performance
 - Role of communications



Learn More: Rethinking Budgeting Initiative

- Partnership between the Government Finance Officers' Association (GFOA), the International City/County Management Association (ICMA), and the National League of Cities (NLC)
- [Introduction Video](#)
- Project page: <https://www.gfoa.org/rethinking-budgeting>



Questions?

