



INFORMATIONAL MEMORANDUM

TO: Finance Committee

FROM: Peggy McCarthy, Finance Director

BY: **Vicky Carlsen, Deputy Finance Director, and Mia Navarro, Community Engagement Manager**

CC: **Mayor Ekberg**

DATE: **06/21/2018**

SUBJECT: **Strategic Plan and Priority Based Budgeting**

ISSUE

This memo provides an update on the implementation of Priority Based Budgeting, and recommended changes to the City's Strategic Plan for use in developing the 2019-2020 budget.

BACKGROUND

The City is implementing a new budgeting method called Priority Based Budgeting. Each department has drafted a list of programs, and have almost completed allocating their 2017-18 expenditure budget to these programs as a practice run. The next step in Priority Based Budgeting is to score the programs against the City's goals identified in the adopted Strategic Plan. Staff has done outreach to the community to see if the Strategic Plan still reflects the Community's priorities and values. The outreach included an online survey, print surveys distributed to the City's Boards & Commissions, community groups, the Foster High School civics classes (71), the Community Connectors, and other opportunities, as well as a community dinner and workshop on May 3rd at Thorndyke Elementary School attended by around 50 people. The survey was translated into Spanish, Somali, Burmese, Nepali, Vietnamese, and Amharic. The City also offered an online survey to staff as well.

DISCUSSION

Strategic Plan:

The following is a summary of the survey feedback from the community and from staff.

1. **What has been accomplished since 2012?** Accomplishments that constituents and staff are proud of include improvements to roads and sidewalks, the new library, Tukwila Village, general improvements to Tukwila International Boulevard, and adding residential development to the Southcenter business district.
2. **What does our community still need to work on?** Constituents report that the City still has work to do with regard to safety, projecting a positive image, ensuring that Tukwila residents can get basic needs met—affordable housing being at the top of the list—and community outreach and engagement.
3. **What do you like about the Plan? What is important to you that the City should consider when developing the budget?** For the most part, constituents agree with the vision, mission, goals and objectives laid out in the 2012 Strategic Plan, and that the City should keep working toward the aspirational vision of being "The City of Opportunity, the Community of Choice."

4. **What would you change about the Plan? What's missing?** Important items that the community and staff have identified as missing from the Strategic Plan in its current form, are:
- a. Equity, particularly with regard to race
 - b. Addressing gentrification and displacement
 - c. Health and environmental health
 - d. Infrastructure
 - e. Technology and innovation

Priority Based Budgeting and 2019-2020 Budget Process:

The priority based budget model will be implemented over the next few budget cycles. For the 2019-2020 biennium, it is anticipated that all departments will have identified programs and will allocate the 2019 and 2020 budgets to those programs. Additionally, programs will be scored against an established set of attributes that will allow the City to place programs in tiers based on how they score against the attributes.

The attributes that are being recommended to score programs are attributes that are used by most of the organizations the Center for Priority Based Budgeting contracts with. By using the same attributes that other organizations use will provide another tool to evaluate our own programs against other like cities with similar programs.

Departments will be presenting departmental and fund budgets to Council committees beginning in August. It is anticipated that budget information presented during the committee meetings will include, not only the traditional budget information, but will also include budgets allocated to programs ~~as well as the scoring results.~~ The plan is to present the final package of scored and tiered programs to Council later in the budget process, most likely in late September or early October. -Staff is still on track to meet the committee review schedule presented to the Finance Committee at its April 3, 2018 meeting, copied below:

Committee	Date	Departments/Funds
Finance	8/7/18	Council
Transp, Infra	8/13/18	Public Works, Street
CDN	8/14/18	Land Acquisition & Park Fund, DCD
Public Safety	8/20/18	Court, Fire Impact Fee, Public Safety Plan, PW Shops funds
Finance	8/21/18	HR, Self-Insurance, LEOFF 1
Transp, Infra	8/27/18	Residential Street, Arterial Street
CDN	8/28/18	Recreation, Parks
Public Safety	9/4/18	Police, Drug Seizure
Finance	9/5/18	Finance, Contingency Fund, Debt Service, Urban Renewal, General Government
Transp, Infra	9/10/18	Fleet
CDN	9/11/18	Golf Course
Public Safety	9/17/18	Fire, Firemen's Pension
Finance	9/18/18	Mayor, TIS
Transp, Infra	9/24/18	Water, Sewer, Surface Water
CDN	9/25/18	Lodging Tax

Each department will score their own programs. A cross-departmental workgroup will then review the scoring down by departments. A final review of program scoring will be done by Administration.

RECOMMENDATION

The Council is being asked to approve changes to the Strategic Plan and the recommended attributes for scoring via a motion. Staff requests that the recommended changes go before the Committee of the Whole for discussion on July 9th, and that the motion be presented for a vote at the July 16th regular meeting.

ATTACHMENTS

Strategic Plan Recommended Changes for PBB
Draft attributes for program scoring

DRAFT

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, AMENDING RESOLUTION NO. 1784, TO ADOPT AN AMENDED 2012 CITY OF TUKWILA STRATEGIC PLAN.

WHEREAS, on December 10, 2012, the City of Tukwila passed Resolution No. 1784, adopting a Strategic Plan for the purpose of developing a broader understanding of the needs of its community; and

WHEREAS, the City desires to use the goals from the Strategic Plan as part of the City's 2019-2020 priority-based budget development process; and

WHEREAS, as part of the budget development process, the City also desires to ensure that the 2012 City of Tukwila Strategic Plan continues to reflect the priorities and values of the community; and

WHEREAS, to gather feedback and encourage participation from as many community members as possible regarding community priorities and values, a range of events and tools were utilized including via online and written surveys, newspaper and City publications, and a community meeting; and

WHEREAS, common themes emerged from this community feedback, necessitating adjustments to the 2012 City of Tukwila Strategic Plan prior to its use as part of the 2019-2020 budget development process; and

WHEREAS, as amended, this Strategic Plan will continue to provide a broad strategy for prioritizing the needs of the community in the months and years ahead;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, HEREBY RESOLVES AS FOLLOWS:

Exhibit A to Resolution No. 1784 (exhibit entitled "2012 City of Tukwila Strategic Plan,") is hereby amended and incorporated by this reference as if fully set forth herein, and the amended version is attached to this resolution as Exhibit A.

PASSED BY THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON,
at a Regular Meeting thereof this _____ day of _____, 2018.

ATTEST/AUTHENTICATED:

Christy O'Flaherty, MMC, City Clerk

Verna Seal, Council President

APPROVED AS TO FORM BY:

Filed with the City Clerk: _____

Passed by the City Council: _____

Resolution Number: _____

Rachel B. Turpin, City Attorney

Exhibit A: Amended 2012 City of Tukwila Strategic Plan



City of Tukwila Strategic Plan 2012 Recommended Changes

GOAL ONE A Community of Inviting Neighborhoods & Vibrant Business Districts

- A. Cultivate community ownership of shared spaces.
 - 1. Expand the system of incentives, tools, and supports that encourage investment in and maintenance of private and public spaces. Improve enforcement of the City's regulations.
 - 2. Ensure City-owned properties meet the community's desired look and feel. Encourage partners to maintain their properties to similar standards.
 - 3. Explore ways to use public art to beautify and enrich the community.
 - 4. Reduce commercial activity that is not compatible with residential neighborhoods as opportunities arise.
- B. Build a broad and collaborative approach to preventing crime and increasing the sense of safety.
 - 1. Engage all City departments in reducing crime.
 - 2. Use environmental design principles to improve public safety.
 - 3. Engage businesses and residents in preventing crime and preparing for emergencies.
 - Over time, broaden the focus of this engagement to other community-building efforts.
 - Explore opportunities to engage visitors in crime prevention and crime reporting.
 - Improve relationships between the City and immigrant communities around public safety.
 - 4. Partner with social service organizations and explore regional solutions to prevent crime.
 - Review case data to identify frequent violators and coordinate with service providers to resolve issues.
- C. Focus City planning and investments on creating a connected, dynamic urban environment.
 - 1. Prioritize changes that promote public safety, encourage the active use of space, and facilitate foot and bike access.
 - Make smart investments to support the desired environment, including sidewalk, trail, street, and lighting improvements to support biking and walking as funding and other factors allow.
 - Identify appropriate parks to be made safer for all users by reducing vegetation to improve visibility, allowing other parks to have more native landscaping.
 - Advance implementation of the City Walk & Roll Plan.
 - 2. Explore creative ways to increase transit, foot, and bicycle access to community amenities, stores, and jobs.
 - 3. Work with the community to identify desirable retail opportunities in residential neighborhoods.
- D. Use City efforts and investments to realize established visions for specific sub-areas.
 - 1. Implement the community-led vision for the Tukwila International Boulevard neighborhood.
 - 2. Work with businesses to finalize and implement the City's Southcenter Plan.
 - 3. Continue to support the development of Tukwila South.

4. Tailor land use codes for the specific circumstances of individual subdistricts rather than applying one set of codes citywide.
 5. Identify public and private infrastructure investments that will be needed to support the long-term vision for specific areas of the City.
 - Use multi-department teams in long-term planning efforts to establish shared goals and target City investments in catalytic projects.
- E. Build and maintain public infrastructure that supports a healthy and attractive built and natural environment.
1. Ensure that all neighborhoods and business districts have the necessary utilities, roads, bridges, sidewalks, and other infrastructure to thrive.
 2. Ensure that all public infrastructure in the City supports a healthy and attractive natural environment.

GOAL TWO A Solid Foundation for All Tukwila Residents

- A. Partner with organizations that help meet the basic needs of all residents.
 1. Continue to advocate for vulnerable populations and increase understanding of the challenges they face.
 2. Actively collaborate with service providers supporting basic needs, including housing, food, health care, education, employment and job readiness.
 3. Be a regional leader in efforts to increase housing security and meeting the needs of a dynamic community.
 - Explore opportunities for supporting cooperative and alternative housing for transitioning and recent refugees.
- B. Strive for excellent education, vocational supports, and personal growth opportunities through effective partnerships and City services.
- C. Encourage maintenance, improvements, and diversity in the City's housing stock.
- D. Work to eliminate systemic barriers and provide equitable access to opportunities and services as outlined in the City's Equity Policy.

GOAL THREE A Diverse & Regionally Competitive Economy

- A. Embrace the City's economic potential and strengthen the City's role as a regional business and employment center.
 1. Establish and implement an economic development strategy that identifies ambitious goals and leverages the efforts of all City departments to strengthen the City's economy.
 2. Employ a business-friendly approach to regulation while protecting the long-term interest of neighborhoods and businesses districts.
 3. Strengthen the City's image as an economic hub, promoting Tukwila's businesses and the City as a good place to do business.
 4. Promote understanding of the interdependencies and mutual interests among Tukwila residents, Tukwila businesses, and the City of Tukwila.
- B. Strengthen the City's engagement and partnership with the business community.
 1. Improve the City's ability to have two-way communication with Tukwila businesses.

2. Cultivate business participation in strengthening and promoting the Tukwila community.
- C. Encourage development, maintenance, improvements, and diversity in the City's stock of business space.
 1. Promote the availability of quality business space options at all price points to support business diversity and ensure that businesses of all sizes can and want to remain in Tukwila.

GOAL FOUR A High-Performing & Effective Organization

- A. Use Tukwila's Vision, Mission, and Strategic Plan to focus and prioritize City efforts.
 1. Align City efforts and priorities around the Strategic Plan, including Council goal-setting, the City's regular budgeting processes, and department-level workplanning.
 - Create a results-oriented customer service culture focused on achieving the City's Mission.
 - Establish an annual process for reviewing progress and establishing new action plans for implementing the community aspirations set by this Strategic Plan.
 - Establish City of Tukwila Values or Guiding Principles to shape organizational culture and guide decision-making.
 2. Track and report progress on meeting Strategic Plan Goals to City staff, residents, businesses, and other interested parties.
 - Identify performance measures by department and establish tools and schedules for reviewing, sharing, and learning from progress.
 3. Improve communication and strengthen relationships up, down, and across the organization.
- B. Advance Tukwila's interests through participation in regional partnerships.
 1. Encourage broad participation of City staff and elected officials in regional partnerships.
 2. Be a regional leader in building common goals with our local and regional partners to achieve the greatest possible results.
- C. Continue to innovate and develop as an organization, and support individual growth.
 1. Encourage employee leadership throughout the organization. Engage and leverage the full abilities of each employee.
 2. Establish a culture and mechanisms to support ongoing growth and learning as an organization.
 3. Seek innovative opportunities to improve public service.
- D. Ensure City facilities are safe, efficient, and inviting to the public.
- E. Ensure the long-term fiscal sustainability of the City.
 1. Promote shared staff and community understanding of the City's fiscal position. Share information about significant revenue and cost factors, as well as the rationale for decision-making.
 2. Focus City expenditures on community priorities and maximize efficiencies in service delivery.
 - Evaluate City services and service delivery models relative to the City's Mission, Strategic Plan, fiscal outlook, and ongoing input from the community.
 - Establish policies and processes to adopt technology that improves City services and makes them more efficient.
 - Explore opportunities for regional partnerships and regional service delivery models that are fiscally beneficial to the City and in line with community values.
 - Encourage future development in locations where existing infrastructure can absorb the growth.

3. Increase City revenues to support quality services for the whole community.
 - Aggressively pursue opportunities to grow the City’s business tax base through economic development.
 - Explore options to increase revenues for the provision of City services or facilities for the benefit of our residents, businesses, and visitors through mechanisms that are fair and appropriate.

GOAL FIVE A Positive Community Identity & Image

- A. Improve the City’s ability to build trust and work with all members of the Tukwila community.
 1. Broaden the City’s toolkit to include new technology and formats that enable two-way communication and improve business processes.
 2. Strengthen the City’s ability to engage with communities that do not participate in traditional formats.
 - Adopt engagement strategies that bring City staff and decision makers out into the communities they serve to engage in meaningful dialogue.
 - Cultivate meaningful, long-term relationships with members of the City’s communities.
 - Expand the linguistic and cultural competencies of City staff through training and hiring.
 3. Cultivate participation by Tukwila’s many communities in the City’s decision-making processes.
- B. Facilitate connections among Tukwila’s communities.
 1. Build connections among the many communities that make up the broader Tukwila community.
 2. Improve broad understanding and appreciation of all of the City’s cultures.
- C. Promote a positive identity and image of Tukwila.
 1. Take a proactive role in generating positive media coverage of the community.
 - Promote the City’s amenities, cultural dynamism, and geographic location.
 - Shift negative perceptions about crime in Tukwila.
 2. Implement a long-term, scalable community branding effort.
 - Establish common themes that promote Tukwila’s many positive attributes.
 - Expand community markers at City boundaries and at key points throughout the community, establishing a clear community signature.
 - Use public art that is representative of the City’s diverse communities in the branding effort.
 3. Promote Tukwila’s international diversity as a strength and draw for regional visitors.
 - Support neighborhood businesses in reaching new markets through improved facades, way-finding banners, and common promotions.
 - Explore opportunities for establishing a neighborhood business district organization to provide ongoing support for small businesses operating within a defined geographic area.
 - Explore opportunities to establish a shopping and dining destination, similar to Seattle’s Pike Place Market or International District.

Basic Program Attribute	Mandated to Provide the Program	Reliance on the City/Organization to Provide the Program	Change in Demand for Program	Cost Recovery of the Program	Portion of the Community/Organization Served
Brief explanation	Programs that are mandated by another level of government (i.e. federal, state or county) will receive a higher score for this attribute compared to programs that are mandated solely by the City or have no mandate whatsoever	Programs for which residents, businesses and visitors can look only to the City to obtain the service will receive a higher score for this attribute compared to programs that may be similarly obtained from another intergovernmental agency or a private business	Programs demonstrating an increase in demand or utilization will receive a higher score for this attribute compared to programs that show no growth in demand for the program. Programs demonstrating a decrease in demand or utilization will actually receive a negative score for this attribute	Programs that demonstrate the ability to "pay for themselves" through user fees, intergovernmental grants or other user-based charges for services will receive a higher score for this attribute compared to programs that generate limited or no funding to cover their cost	Programs that benefit or serve a larger segment of the City's residents, businesses and/or visitors will receive a higher score for this attribute compared to programs that benefit or serve only a small segment of these populations
4	Required by Federal, State, or County Legislation	City is the sole provider of the program and there are no other public or private entities that provide this type of service	Programs experiencing a SUBSTANTIAL increase (or score of -4 for decrease) in demand of 25% or more	Fees generated cover 75-100% of the cost to provide the program	Program benefits/serves the ENTIRE community/organization-100%
3	Required by City Code or Resolution	City is currently the sole provider of the program, but there are other public or private entities that could be contracted to provide a similar service	Programs experiencing a SIGNIFICANT increase (or score of -3 for decrease) in demand of 15-24%	Fees generated cover 50-74% of the cost to provide the program	Program benefits/serves a SUBSTANTIAL portion of the community/organization->75%
2	Required to fulfill executed franchise or contractual agreement	Program is also offered by another governmental, non-profit, or civic agency	Program experiencing a MODEST increase in demand of 5-14% (or -2 for decrease)	Fees generated cover 25-49% of the cost to provide the program	Program benefits/serves a SIGNIFICANT portion of the community/organization->50%
1	Recommended by national professional organization	Program is offered by other private businesses, but none are located within city limits	Program experiencing MINIMAL increase in demand of 1-4% (or -1 for decrease)	Fees generated cover 1-24% of the cost to provide the program	Program benefits/serves SOME portion of the community/organization->10%
0	No requirement or Mandate Exists	Program is also offered by other private businesses located within the City limits	Program experiencing NO change in demand	No fees are generated that cover the cost to provide the program	Program benefits/serves a SMALL portion of the community/organization-<10%

Community Scoring Criteria				Governance Scoring Criteria
A Community of Inviting Neighborhoods & Vibrant Business Districts	A Solid Foundation for All Tukwila Residents	A Diverse & Regionally Competitive Economy	A Positive Community Identity & Image	A High-Performing and Effective Organization
Cultivate community ownership of shared spaces	Partner with organizations that help meet the basic needs of all residents.	Embrace the City's economic potential and strengthen the City's role as a regional business and employment center	Improve the City's ability to build trust and work with all members of the Tukwila community	Use Tukwila's Vision, Mission, and Strategic Plan to focus and prioritize City efforts
Build a broad and collaborative approach to preventing crime and increasing the sense of safety	Strive for excellent education, vocational supports, and personal growth opportunities through effective partnerships and City services	Strengthen the City's engagement and partnership with the business community	Facilitate connections among Tukwila's communities	Advance Tukwila's interests through participation in regional partnerships
Focus City planning and investments on creating a connected, dynamic urban environment	Encourage maintenance, improvements, and diversity in the City's housing stock	Encourage development, maintenance, improvements, and diversity in the City's stock of commercial space	Promote a positive identity and image of Tukwila	Continue to innovate and develop as an organization, and support individual growth
Use City efforts and investments to realize established visions for specific sub-areas	Work to eliminate systemic barriers and provide equitable access to opportunities and services as outlined in the City's Equity Policy			Ensure City facilities are safe, efficient, and inviting to the public.
Build and maintain public infrastructure that supports a healthy and attractive built and natural environment				Ensure the long-term fiscal sustainability of the City

Scoring Processes:

Community focused programs:

All community programs (those that serve the public- Police patrol, elections, courts, etc.) are scored against all 5 Basic Program Attributes as well as the 4 Community “Results” or “Goals”. Community results scoring is based on the “degree” at which a program impacts your community’s ability to provide the goal or result, as defined by the additional supporting definitions. The scoring criteria for all scoring is on a 0-4 grading scale, 0 meaning the program has no bearing on achieving the result- i.e. a program of “Parks Maintenance” may score well against most goals, but may score a 0 or 1 against the goal: “A Diverse and Regionally Competitive Economy”

Governance focused programs:

All governance programs are scored against the 5 Basic Program Attributes as well as the supporting measures for the goal: “A High Performing and Effective Organization.” We treat these supporting measures as independent goals as to ensure each governance program is scored against enough valid data to ensure clear ranking of all programs.

How do we Rank Programs?

After the departments score, we will kick off the “Peer Review” process. The Peer Review scores will be considered the final scores for the generation of the “Quartile Ranks”. The combined scores from the Results/Goals paired with the Basic Program Attributes will then be tabulated and normalized to a 100 pt scale. Results/Goals will make up the majority (75%) of a program’s total score, while Basic Program Attributes will contribute to the final 25%. After this calculation, we use the median score and standard deviation to calculate the Quartiles.

