



City of Tukwila
**Finance and Governance
 Committee**

- ◆ Zak Idan, Chair
- ◆ Kathy Hougardy
- ◆ Cynthia Delostrinos Johnson

<u>Distribution:</u>	
Z. Idan	Mayor Ekberg
K. Hougardy	D. Cline
C. Delostrinos Johnson	R. Bianchi
K. Kruller	C. O'Flaherty
V. Seal	A. Youn
D. Quinn	L. Humphrey
T. McLeod	

AGENDA

MONDAY, FEBRUARY 8, 2021 – 5:30 PM

HAZELNUT CONFERENCE ROOM
 (At east entrance of City Hall)

**THIS MEETING WILL NOT BE CONDUCTED AT CITY FACILITIES
 BASED ON THE GOVERNOR'S PROCLAMATION 20-28.**

**THE PHONE NUMBER FOR THE PUBLIC TO LISTEN TO THIS
 MEETING IS: 1-253-292-9750, Access Code 458647898#**

**Click here to: [Join Microsoft Teams Meeting](#)
 For Technical Support during the meeting call: 1-206-431-2179.**

Item	Recommended Action	Page
1. BUSINESS AGENDA		
a. Community Assistance – City utility payments. <i>Vicky Carlsen, Finance Director</i>	a. Forward to 2/22 C.O.W. and Special Meeting Consent Agenda.	Pg.1
b. An ordinance related to appeals authority for animal control. <i>Vicky Carlsen, Finance Director</i>	b. Forward to 2/22 C.O.W. and Special Meeting Consent Agenda.	Pg.5
c. 2020 4th Quarter investment report. <i>Vicky Carlsen, Finance Director</i>	c. Discussion only.	Pg.11
d. 2021-2022 budget survey. <i>Laurel Humphrey, Legislative Analyst</i>	d. Discussion only.	Pg.17
2. MISCELLANEOUS		

Next Scheduled Meeting: February 22, 2021



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INFORMATIONAL MEMORANDUM

TO: Finance & Governance Committee

FROM: Vicky Carlsen, Finance Director

CC: Mayor Ekberg

DATE: February 2, 2021

SUBJECT: COVID-19
Community Assistance, City Utility Payments

ISSUE

Extend interim emergency policies regarding City water and sewer accounts in response to COVID-19 until further notice, and consistent with any revised proclamations or other orders issued by the Governor.

BACKGROUND

On February 29, 2020 Governor Jay Inslee declared a state of emergency regarding the COVID-19 Pandemic, directing state agencies to use resources necessary to prepare for and respond to the outbreak. The Mayor issued a Proclamation declaring an emergency on March 9, 2020. The City Council affirmed the emergency declaration at its March 16 meeting.

As result of the Pandemic, the City has closed all City buildings to the public and moved most City functions to a virtual city hall model.

Due to the economic disruptions in the community and the disruptions in City operations, the Finance Department has adopted the following interim policy for all City water and/or sewer accounts, both commercial and residential. These temporary policies are consistent with policies adopted by other utility providers in the region, such Water District 125, Seattle City Light, and Puget Sound Energy.

1. No late fees or penalties for non-payment would be incurred, effective with the April 2020 billing.
2. Effective March 16, 2020, water shutoff for non-payment is suspended for occupied premises. Due to concerns with potential squatting and protection of the City's utility system, water shutoffs for vacant properties will still occur. Water Shut Off fees incurred prior to March 16, 2020 would still be due if there is a request to restore service.
3. Customers can establish payment plans by calling the City's Finance Department.

DISCUSSION

TMC 2.57.040 (3) requires the City Council to affirm any rules or regulations related to the protection of life, environment, and property that are affected by the emergency. The policy is one avenue that the City can do to help Tukwila community members during the COVID-19 Pandemic. As a reminder, the policy only applies to ratepayers within the City's water and sewer service area. The policy was set to expire on December 31, 2020 and staff is requesting that this policy be extended until further notice, consistent with any revised proclamations or other orders issued by the Governor of the State of Washington. This will allow the City to align shut off and late fee policies with the proclamations at the State level.

FINANCIAL IMPACT

The City typically collects \$2,000 in late fees per month from late payments, though it is reasonable to assume there will be additional late fees incurred by utility customers during the Pandemic due to employment and revenue disruption. This revenue would be lost. Allowing delayed payments could also result in a cash flow issue for each of the utilities.

RECOMMENDATION

Reaffirm the emergency policy provided by City Administration. Staff is requesting that this item be placed on the February 22, 2021 committee of the Whole and Special Meeting immediately following.

ATTACHMENTS

- Interim emergency policy regarding City water and sewer accounts

City of Tukwila
Water and Sewer Utility Policies in Response to COVID-19

SUBJECT: Temporary Policy to Discontinue Water Shut-off for Non-Payment of Water and Sewer Service Fees and to Discontinue the Imposition of Late Fees on Delinquent Water and Sewer Accounts

PURPOSE: The purpose of this policy is to temporarily suspend the imposition of past-due and late penalties on delinquent water and sewer accounts and to temporarily discontinue the water shut-off on delinquent accounts subsequent to Governor Inslee's February 29, 2020 Proclamation of Emergency No. 20 05 and subsequent orders. This policy will be effective on April 1, 2020 ~~and will expire on December 31, 2020 unless otherwise terminated or extended~~until further notice, consistent with any revised proclamations or other orders issued by the Governor.

SCOPE: This policy applies to all City of Tukwila water and sewer customers.

DEFINITIONS:

1. "Public Health Emergency" shall mean any such emergency declared by the Governor of the State of Washington pursuant to his or her powers under 38.08, 38.52 and 43.06 RCW, any such emergency declared by the King County Executive pursuant to RCW 38.52, or the Mayor of the City of Tukwila pursuant to RCW 38.52.
2. "Water Shut-off" shall mean any notice of water shut-off, the act of shutting-off water, and any fees, charges, or monetary penalties associated with water shut-off and turn-on set forth in TMC 14.04.125 and TMC 14.04.130.
3. "Late fees" shall mean any penalty, fee, or charge associated with a delinquent account as set forth in TMC 14.04.270.

POLICY:

During a Public Health Emergency, the City of Tukwila shall discontinue the issuance of Shut-off Notices for delinquent water and sewer accounts for the duration of the Public Health Emergency. In addition, the City shall not apply Late Fees incurred after April 1 on delinquent accounts during the Public Health Emergency.

This policy does not suspend regular monthly utility charges for water and sewer service. Customers are encouraged to continue making regular payments. In addition, late fee or water shut off fees incurred before March 15 are required to be paid.

PROCEDURE:

The following procedures are established to allow for community members to continue receiving water and sewer, utility service, without penalty, during a declared Public Health Emergency.

Notification

- A. The Utility Billing Division shall provide written notice of the policy herein to customers with delinquent accounts. Such notice shall state that all past due amounts are still owed

but that a penalties incurred after March 15, 2020 will be suspended, and disconnections will be postponed for the duration of the Public Health Emergency. In order to prevent spoilage and to protect the City's utility system, the City shall still disconnect water of properties the City determines are vacant.

- B. Within thirty (30) days of termination of the Public Health Emergency, the Finance Director will review delinquent accounts and will work with customers to enter into repayment plans as in the Director's discretion is appropriate as to each account.
- C. Late fees and shutoff shall resume 30-days after discontinue of this temporary policy in response to COVID-19

EFFECTIVE DATE: April 1, 2020

APPROVAL:

Mayor Allan Ekberg

~~De'Sean Quinn~~ Kate Kruller, Council President

Vicky Carlsen, Finance Director

Kari Sand, City Attorney (initials)



INFORMATIONAL MEMORANDUM

TO: Finance & Governance Committee

FROM: Vicky Carlsen, Finance Director

CC: Mayor Ekberg

DATE: February 2, 2021

SUBJECT: Update TMC 7.12.260 and 7.12.270 Related to Appeals of Animal Control Authority

ISSUE

Update Tukwila Municipal Code (TMC) sections 7.12.260 Violations – notice and order and 7.12.270 Appeals to reflect current language in King County’s code related to the enforcement of rules, regulations, and violations.

BACKGROUND

The City of Tukwila entered into a new interlocal agreement with King County to provide animal service, effective January 1, 2018 and expires December 31, 2022. The contract allows for an automatic extension of an additional five years unless one or more of the contracting parties provides written notice of an intent to opt out of a second term.

When the current interlocal agreement was drafted, King County also amended its code to designate the King County Hearing Examiner as the hearing body with jurisdiction over such appeals. It is necessary for the City of Tukwila to amend the Tukwila Municipal Code to change the current language of “board of appeals” to King County Hearing Examiner.

DISCUSSION

The ordinance amends two sections of the TMC; 7.12.260 and 7.12.270 and replaces the board of appeals with King County Hearing Examiner. King County is asking that this change be made as quickly as possible.

RECOMMENDATION

The Council is being asked to approve the ordinance and consider this item at the February 22, 2021 Committee of the Whole meeting and Special Meeting immediately following.

ATTACHMENTS

Draft Ordinance

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, AMENDING ORDINANCE NO. 2466 §4 (PART), AS CODIFIED AT TUKWILA MUNICIPAL CODE SECTIONS 7.12.260 AND 7.12.270, TO REFLECT CHANGES MADE WITHIN THE KING COUNTY CODE RELATED TO APPEALS OF ANIMAL CONTROL AUTHORITY; PROVIDING FOR SEVERABILITY; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the City of Tukwila has entered into an Interlocal Agreement with King County Animal Services; and

WHEREAS, pursuant to the Tukwila Municipal Code and the Interlocal Agreement, King County is authorized to hear appeals related to the enforcement of rules, regulations, and violations established by the Tukwila Municipal Code; and

WHEREAS, King County has amended its code to now designate the King County Hearing Examiner as the hearing body with jurisdiction over such appeals; and

WHEREAS, it is necessary to amend the Tukwila Municipal Code to reflect the changes made within the King County Code vesting jurisdiction with the King County Hearing Examiner and to align with the Hearing Examiner's procedures;

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

Section 1. TMC Section 7.12.260, subparagraph B, Amended. Ordinance No. 2466 §4 (part), as codified at Tukwila Municipal Code (TMC) Section 7.12.260, "Violations – notice and order," **subparagraph 7.12.260.B.6.a**, is hereby amended to read as follows:

7.12.260.B.

6 Statements advising:

a. that a person having a legal interest in the animal may appeal from the notice of violation and order or any action of the manager of the Regional Animal Services Section to the ~~board of appeals~~ King County Hearing Examiner, but only if the appeal is made in writing as provided by this chapter and filed with the manager of the Regional

Animal Services Section within ~~14~~ 24 days from the service of the notice of violation and order; and

Section 2. TMC Section 7.12.270 Amended. Ordinance No. 2466 §4 (part), as codified at TMC Section 7.12.270, "Appeals," is hereby amended to read as follows:

A. The King County ~~Board of Appeals Hearing Examiner, as established by Article 7 of the King County Charter,~~ is designated to hear appeals by parties aggrieved by actions of the manager of the Regional Animal Services Section under this chapter. The ~~Board Hearing Examiner~~ may adopt reasonable rules or regulations for conducting its business. Copies of all rules and regulations adopted by the ~~Board Hearing Examiner~~ shall be delivered to the manager of the Regional Animal Services Section, who shall make them freely accessible to the public. All decisions and findings of the ~~Board Hearing Examiner~~ shall be rendered to the appellant in writing with a copy to the manager of the Regional Animal Services Section.

B. Any person entitled to service under TMC Section 7.12.260.B may appeal from any notice and order or any action of the manager of the Regional Animal Services Section under this chapter by filing at the office of the manager of the Regional Animal Services Section within ~~14~~ 24 days from the service of the order, a written appeal. The appeal request shall conform to the King County Hearing Examiner rules as established pursuant to TMC Section 7.12.270 and King County Code Section 11.04.270. Appeals shall be processed in accordance with the King County Hearing Examiner rules as they are now adopted or hereafter amended. ~~containing:~~

~~1. A heading in the words: "Before the Board of Appeals Hearing Examiner of the County of King".~~

~~2. A caption reading: "Appeal of _____," giving the names of all appellants participating in the appeal.~~

~~3. A brief statement setting forth the legal interest of each of the appellants in the animal involved in the notice and order.~~

~~4. A brief statement in concise language of the specific order or action protested, together with any material facts claimed to support the contentions of the appellant.~~

~~5. A brief statement in concise language of the relief sought, and the reasons why it is claimed the protested order or action should be reversed, modified or otherwise set aside.~~

~~6. The signatures of all parties' names as appellants, and their official mailing addresses.~~

~~7. The verification, by declaration under penalty of perjury, of at least one appellant as to the truth of the matters stated in the appeal.~~

~~C. The Board of Appeals shall set a time and place, not more than 30 days from the notice of appeal for a hearing on the appeal. Written notice of the time and place of hearing shall be given at least 10 days before the hearing to each appellant by the manager-clerk of the Board.~~

~~D. At the hearing, the appellant shall be entitled to appear in person, to be represented by counsel and to offer evidence that is pertinent and material to the action of the manager of the Regional Animal Services Section. Only those matters or issues specifically raised by the appellant in the written notice of appeal shall be considered.~~

~~E. Failure of any person to file an appeal in accordance with this section shall constitute a waiver of the right to an administrative hearing.~~

~~F. Enforcement of any notice and order of the manager of the Regional Animal Services Section issued under this chapter shall be stayed during the pending of an appeal, except impoundment of an animal that is vicious or dangerous or cruelly treated.~~

~~G. In proceedings before the Board, the Regional Animal Services Section shall bear the burden of proving by a preponderance of the evidence both the violation and the appropriateness of the remedy it has imposed.~~

Section 3. Corrections by City Clerk or Code Reviser Authorized. Upon approval of the City Attorney, the City Clerk and the code reviser are authorized to make necessary corrections to this ordinance, including the correction of clerical errors; references to other local, state or federal laws, codes, rules, or regulations; or ordinance numbering and section/subsection numbering.

Section 4. Severability. If any section, subsection, paragraph, sentence, clause or phrase of this ordinance or its application to any person or situation should be held to be invalid or unconstitutional for any reason by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of the remaining portions of this ordinance or its application to any other person or situation.

Section 5. Effective Date. This ordinance or a summary thereof shall be published in the official newspaper of the City, and shall take effect and be in full force five days after passage and publication as provided by law.

PASSED BY THE CITY COUNCIL OF THE CITY OF TUKWILA, WASHINGTON, at a Special Meeting thereof this _____ day of _____, 2021.

ATTEST/AUTHENTICATED:

Christy O'Flaherty, MMC, City Clerk

Allan Ekberg, Mayor

APPROVED AS TO FORM BY:

Filed with the City Clerk: _____

Passed by the City Council: _____

Published: _____

Effective Date: _____

Ordinance Number: _____

Office of the City Attorney



INFORMATIONAL MEMORANDUM

TO: **Finance & Governance Committee**
 FROM: **Vicky Carlsen, Finance Director**
 BY: **Aaron Williams, Fiscal Coordinator**
 CC: **Mayor Ekberg**
 DATE: **January 28, 2021**
 SUBJECT: **2020 4th Quarter Cash & Investment Report**

ISSUE

The Quarterly Cash & Investment Report is provided to the Finance Committee in accordance with the City's Investment Policy.

SUMMARY OF INVESTMENT POLICY

It is the policy of the City of Tukwila to invest public funds in a manner that will provide maximum security with the highest investment return while meeting the daily cash flow demands of the City while conforming to all state and local statutes governing the investment of public funds.

INVESTMENT HOLDINGS

As of December 31, 2020, the portfolio totaled \$70.3 million comprised of \$67.1 million in cash and cash equivalents and \$3.1 million in longer term investments. The attached "Cash and Investment Report" provides additional details on the cash and investment holdings of the City.

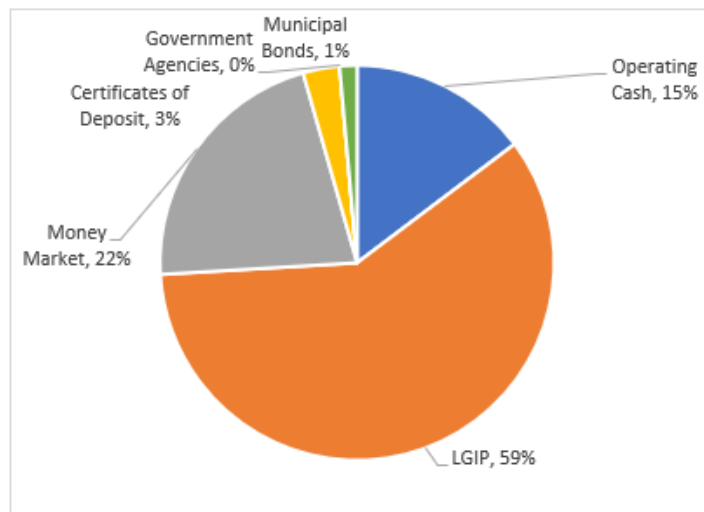
Below is a comparison of the current portfolio allocation compared to the prior year-end. The decrease in the LGIP balance compared to year end 2019 is attributed to Public Safety Plan construction projects, which utilized bond proceeds received in Oct 2019.

Portfolio Allocation 12/31/2020

Operating Cash	10,358,248	15%
LGIP	41,690,157	59%
Money Market	15,123,022	22%
Certificates of Deposit	2,106,948	3%
Government Agencies	-	0%
Municipal Bonds	1,000,195	1%
	<u>70,278,570</u>	

Portfolio Allocation 12/31/2019

Operating Cash	13,000,083	11%
LGIP	83,231,470	70%
Money Market	14,999,032	13%
Certificates of Deposit	2,045,201	2%
Government Agencies	4,000,918	3%
Municipal Bonds	2,264,572	2%
	<u>119,541,276</u>	



INVESTMENT ACTIVITY

During 2020 the City received \$583 thousand in interest earnings from the LGIP and Money Market accounts. Most of those interest earnings (65%) came from the first quarter, prior to the interest rate cuts. Fourth quarter interest earnings were \$28.5 thousand.

Longer term investments held by the City paid interest totaling \$37.3 thousand during the third quarter and \$2.29 million in investments matured or were called. No new bond investments were made during this period. Due to the ongoing pandemic and uncertainty in revenue impacts, longer term investments are not currently being pursued in an effort to maintain liquidity.

RETURN ON INVESTMENTS

The current portfolio yield at year end was 0.45%, Washington State LGIP and the Columbia Bank money market accounts were earning 0.16% and 0.26%, respectively.

Longer term investment holdings have an average return of 2.84%.

POLICY COMPLIANCE AND LIQUIDITY ANALYSIS

The portfolio profile is well within the range of all investment policy parameters. See “Policy Compliance & Liquidity Analysis” attachment for additional detail.

The portfolio benchmark is the 2-year treasury rate, which is closely tied to the changes in the Federal Reserve Fed Funds Rate. This rate steadily climbed until late 2018 when several Federal Funds Rate cuts moved the 2-yr treasury note to just above 1.5% at year end 2019. In response to the COVID-19 pandemic, there were significant cuts to the Fed Funds Rate reducing the rate to 0.13% currently. The chart below illustrates the return over the past 5 years.

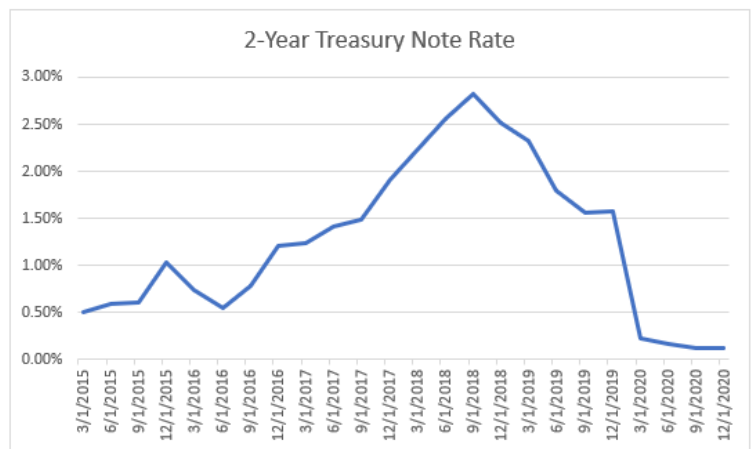
The investment portfolio will continue to be managed to take advantage of investment opportunities as they arise while maintaining adequate liquidity to meet obligations.

RECOMMENDATION

Presentation is for information only.

ATTACHMENTS

2020-Q4 Cash and Investment Report
Policy Compliance & Liquidity Analysis

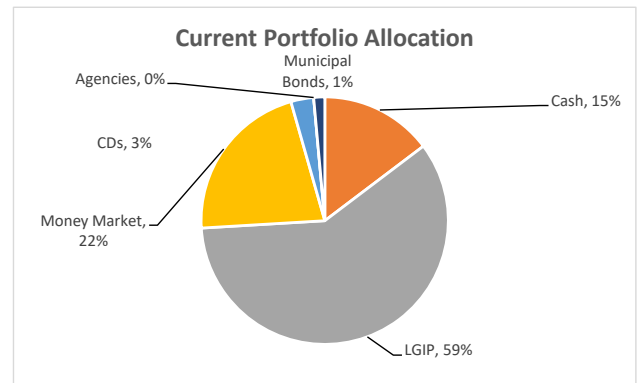


CITY OF TUKWILA
Cash and Investment Details
CASH & INVESTMENT REPORT
December 31, 2020

Agency / Issuer	Rating Moody's	Investment Type	Purchase Date	Maturity Date	(a) Term Yrs.	Par Value	Book Balance	(c) Yield to Maturity	(d) Annualized Return
CASH & CASH EQUIVALENTS									
US Bank Operating Cash		Depository	-	(b)	-	10,358,248	10,358,248	0.20%	20,716 (e)
Washington State Treasurer		LGIP Investment Pool	-	(b)	-	41,690,157	41,690,157	0.16%	65,037 (f)
Columbia Bank		Money Market	-	(b)	-	15,123,022	15,123,022	0.26%	38,715 (f)
Total Cash & Cash Equivalents						67,171,426	67,171,426	0.19%	124,468
INVESTMENTS									
Certificates of Deposits									
Sound Community Bank		Certificate of Deposit	3/4/2019	3/4/2021	0.2	2,106,948	2,106,948	2.97%	62,576
TOTAL CERTIFICATES OF DEPOSIT						2,106,948	2,106,948	2.97%	62,576
Taxable Municipal Bonds									
Multnomah County OR GO LTD	Aaa	Revenue Bonds	08/2017	6/1/2021	0.4	500,000	499,165	2.28%	- (g)
Burien WA GO LTD Bld Am Bnds	Aa2	LTGO	12/2017	12/1/2025	5.0	500,000	501,030	5.13%	25,625 (h)
TOTAL MUNICIPAL BONDS						1,000,000	1,000,195	2.56%	25,625
Total Investments						3,106,948	3,107,143	2.84%	88,201
Interest earned from matured/called investments									101,710
TOTAL CASH, CASH EQUIVALENTS & INVESTMENTS						70,278,375	70,278,570	0.45%	314,380

↑
Current Portfolio Yield

- (a) On Callable bonds, term is calculated to final maturity even though call date may occur first; term of liquid investments is one day; on sinking fund bonds, average maturity is used to calculate term.
- (b) No fixed maturity, funds are available within one day.
- (c) Yield to Maturity represents average rate for the year for various investment vehicles.
- (d) Annualized Return represents actual earnings for the fiscal year for bonds.
- (e) Represents earning credit from US Bank. City earned interest up to the amount of fees.
- (f) Represents rate in effect for period ending this report.
- (g) Zero coupon bonds, pays no interest until matured.
- (h) bond callable as of 6/1/20, not called as of 12/31/20



CITY OF TUKWILA
Policy Compliance & Liquidity Analysis
CASH & INVESTMENT REPORT
December 31, 2020

	Portfolio Amount	As of Report Date		
		Available Within 1 Year	Available Within 5 Years	Available in 5 - 10 Years
Liquidity Analysis & Maturity Diversification				
Funds immediately available - US Bank, State LGIP, Money market	\$ 67,171,426	\$ 67,171,426	\$ 67,171,426	
Fixed Maturity Investments, maturing in:				
0-90 days after Report Date	3,016,948			
91-180 days after Report Date	500,000			
181-270 days after Report Date	-			
271-360 days after Report Date	-			
Investments maturing in 1 year or less	2019 3,516,948	3,516,948	3,516,948	
Investments maturing in 1-2 years	2020 -		-	
Investments maturing in 2-3 years	2021 -		-	
Investments maturing in 3-4 years	2022 -		-	
Investments maturing in 5-10 years	2023 500,000			500,000
Investments maturing in more than 1 year and less than 10 years.	500,000			
TOTALS	\$ 71,188,375	\$ 70,688,375	\$ 70,688,375	\$ 500,000
		99%	99%	1%

	Portfolio Amount	% of Total	POLICY MAXIMUM	Policy Met?
Financial Institution Diversification				
US Bank	\$ 10,358,248	14.7%	50.0%	Yes
Columbia Bank	15,123,022	21.5%	50.0%	Yes
Sound Community Bank	2,106,948	3.0%	50.0%	Yes
Investments in Financial Institutions	27,588,218	39.3%		
Investments in US Government and other non-financial institutions	42,690,157	60.7%		
Total	<u>\$ 70,278,375</u>	<u>100.0%</u>		

	Portfolio Amount	% of Total	POLICY MAXIMUM	Policy Met?
Investment Mix				
Depository	10,358,248	14.7%	insured by PDPC	Yes
State Investment Pool	41,690,157	59.3%	75.0%	Yes
Money market	15,123,022	21.5%	insured by PDPC	Yes
Certificate of Deposit	2,106,948	3.0%	insured by PDPC	Yes
US Agency	-	0.0%	75.0%	Yes
Municipal Bonds	1,000,000	1.4%	no limit specified in policy	Yes
Total	<u>70,278,375</u>	<u>100.0%</u>		

Weighted Average Maturities:		Performance Analysis	
	Years		
Certificates of deposit	0.2	Current portfolio yield	0.45%
Agencies	0.0		
Municipal bonds	1.3		
Total Investments	0.7	Benchmarks:	
POLICY MAXIMUM	3.5	2 year treasury	0.13%
Policy Met?	Yes	Local Govt Invst Pool	0.16%

Note: Cash and cash equivalents are available within one day and are *not* factored into the Total Investments weighted average maturity.



INFORMATIONAL MEMORANDUM

TO: **Finance and Governance Committee**
FROM: **Laurel Humphrey, Legislative Analyst**
DATE: **February 2, 2021**
SUBJECT: **2021-2022 Online Budget Survey**

ISSUE

As part of its work plan, the Finance & Governance Committee requested further discussion on last year's online community survey and how it informed the final budget.

SUMMARY

With every budget cycle, the city strives to conduct meaningful community engagement to ensure that public priorities and expectations for services are being met. This engagement has taken place in the form of in-person workshops, open houses, mailings, Council Chats, public hearings, surveys, and more. During the development of the 2019-2020 budget, the City did this by seeking public input onto the Strategic Plan priorities that had been adopted in 2013. This feedback resulted in the Council adopting [amendments relating to racial equity, gentrification, health, infrastructure, and technology](#).

Proposed 2021-2022 Budget

Community outreach on the proposed 2021-2022 budget looked different due to the coronavirus emergency – since in-person meetings and open houses were not possible, the City Council had to rely on virtual and online strategies, such as social media, email, virtual public comment and public hearing, virtual listening sessions, and an online survey. Not only were engagement opportunities limited, but the City Council was facing a very difficult budget reality due to the loss of revenues associated with the pandemic leading to the need to reduce services.

Survey Development

A cross departmental team convened last summer to develop an outreach plan including messaging, strategies, and a draft survey that asked participants to rank priorities in a variety of areas that staff had identified as possible service cuts. Staff presented this draft to the Finance Committee in August, who shared concerns about the approach including potential service changes that had not yet been discussed by the City Council. The Committee requested that the survey be redrafted to be higher level and more consistent. After further analysis, staff returned to the Finance Committee with a proposal to conduct a survey directly tied into the City's Priority- Based Budgeting framework that could be used and improved upon in future years – this idea was modeled after one used by the City of Evanston, Illinois, which also uses Priority-Based Budgeting. The Finance Committee approved this approach at its August 24, 2020 meeting. Staff then prepared a survey that listed the City's PBB Programs, not including those identified as legally mandated, grant-funded, self-sustaining, or internal services.

Participants were asked to select those programs they thought most important, those that could be considered for elimination or reduction, and were also given the opportunity to share feedback on open-ended questions about their priorities, opportunities for savings, and anything else on their mind regarding the budget.

Survey Responses

The survey was made available in five languages and posted from September 25 to October 23. It was advertised via all the City's media channels and shared by Councilmembers via their constituent networks. No requests for hard copies were made, although staff would have facilitated this opportunity. Participation was excellent with 288 individuals responding. For comparison, the City's 2018 Strategic Plan online survey had 23 responses, and the City's 2017-2018 online survey had zero responses. The open-ended nature of some survey questions made statistical data difficult to identify, but the priorities that emerged from the ranking exercise were community policing, equity, fire department community outreach, human services, park maintenance, police body cameras, school district partnerships, street maintenance and teen and youth programming. The Council took these priorities, along with public input shared via the virtual listening sessions and other avenues, as it deliberated the Mayor's proposed budget over the course of multiple work sessions and the public hearing.

Lessons Learned and Future Budget Surveys

Staff found this survey format to be an effective tool due to its alignment with Priority-Based Budgeting and could be used but improved upon in future budget cycles if the City Council agrees. Staff acknowledges that the timing of the survey was not ideal in 2020. Ideally, the public engagement process would start earlier in the year so that public feedback would be more integrated into staff's development of the draft budget. This can be implemented in 2022 as the 2023-2024 budget is being drafted. In addition, the City's programs identified in the PBB process need to be revisited and further refined so that there is more consistency across how departments defined them. The City's new Enterprise Resource Planning system will help staff and Council revisit the priorities in an effective way, and these priorities will in turn inform future budget public outreach.

RECOMMENDATION

Staff is seeking Committee feedback on the recent budget outreach to help inform improvements in the next cycle.