After compiling the budget, Kirkland administrators wanted to know how affordable City services are to residents. The answer: Revenues represent roughly three percent of Kirkland residents’ total per capita income. Redmond’s mayor John Marchione says the ideal percentage is between five and six percent. To calculate it, they divided the City of Kirkland’s total revenue from taxes and fees by the total income of the City’s residents.

The chart explains Kirkland's financial integrity, Council members say

The preliminary budget includes an eight-year graph of this data, similar to the one included above.

“The Price of Government chart really is one of a number of ways of saying ‘How affordable is it?’” said Tracey Dunlap, Kirkland’s director of finance and administration, during the four-hour, Oct. 25 budget study session with the City Council. “The numbers are so large that they are hard to put in context. This is something you can look at across jurisdictions. While the relative numbers aren’t as important, the trendlines are interesting.”

The concept of pricing government stems from David Osborne’s 2004 book, “The Price of Government,” which encouraged local governments to restructure their budgets according to the total price citizens are willing to pay for their government and the priorities.

New budget approach impresses Council

Priorities help Council Members make tough choices

City Council members spent almost four hours in the Oct. 25 special budget study session pouring over 84 PowerPoint slides of pie charts, trendlines and forecasts. It was their first comprehensive inspection of how the City’s new approach to budgeting could affect the services it will offer its 81,000 citizens in the 2013-2014 biennium.

“You did it!” said Council Member Dave Asher during the Council discussion that followed. “You guys did it. You put together the systems approach to taking the desires of the community and the goals of the council and translated them into fiscal realities and brought them around to a work
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plan. You did it! ... This is so dang cool.

“...It’s the beginning,” Asher con-
tinued. “... Next year you measure
where you were and where you are. But this is the system that
does it.”

The system that Asher was
ing about is fairly simple in
concept: It says every budget
decision—every lay off, every hire,
every cut to funding or increase
of it—must make progress toward
one of the City Council’s 10 goals.
It also must help re-align the
performance of that particular ser-
vice with the importance citizens
place on it.

TRAFFIC FLOW

Economic development, citi-
zens said, is an important, yet
underperforming City service. So
are street maintenance, emer-
gency preparedness and traffic
flow. Traffic flow is something
Kirkland’s leaders have been
working on for some time now.
One solution known to increase
traffic flow and safety relies on
new technology called Intelligent
Transportation Systems. Using
video detection, Intelligent Trans-
portation Systems collect traffic
flow data in real-time, and translate
that data to commuters and transporta-
tion engineers. With it, transportation
engineers can diagnose traffic
flow problems and fix them im-
mediately. Motorists can use the
data to adjust their routes, ac-
cording to travel times.

Kirkland was awarded in 2010 a
$1.8 million federal grant to con-
vert N.E. 85th Street, 100th Ave.
N.E., Lake Washington Boule-
vard and downtown to Intelligent
Transportation Systems. With the
new system, Kirkland transportation
engineers say, traffic flow can
improve dramatically. when there's intersection
improvements and Intelligent
Transportation System improve-
ments, you can save up to 15
percent in travel times,” said Iris
Cabrera, one of Kirkland’s three
transportation engineers.

Problem is, to capitalize on the
technology, Kirkland’s public
works department needs a tech-
nician who can manage it. That
costs money. And, for the third
straight budget, Kirkland has
been dealing with a budget gap.

Six months ago, Kirkland’s
financial administrators projected
the 2013-2014 gap at $7.7 mil-
ion.

With problems such as these,
says Tracey Dunlap, Kirkland’s
director of finance and adminis-
tration, the solution is to redirect
resources from areas where Kirk-
land is over-per-
forming into areas
where Kirkland
is underperforming.

“It’s a struggle
either way,” she
said. “But it’s
easier to be able to cast it in that
light.”

For City Council Members, who
are dealing with Kirkland’s third-
straight substantial budget gap,
the metrics provide a compass.

“This is wonderful stuff,” said
Council Member Penny Sweet.

“Patent it. I was ready to accept
this budget when I got here this
morning. Not only was it beauti-
fully presented as a
document. But it made sense.”

DEFINING SUCCESS

The new approach results from
the City Council’s long-held
desire to generate more citizen
involvement in the budget pro-
cess and to more overtly use the
budget to organize the commu-
nity’s priorities.

“We’ve been talking about talk-
ing about this for a long time,”
Sweet said at the March 2011 City
Council Budget Retreat.

Early in 2011, the City Council
asked Kirkland’s financial admin-
istrators to explore new methods
of producing the budget.

In response, City staff invited
leaders from Redmond, Shoreline
and King County to present the
innovative systems each had de-
developed for its own budget at the
March 2011 City Council retreat.

The City Council also partici-
pated in an exercise that day, led
by facilitator Andrew Kidde.

The purpose of the exercise was to
help Council members articu-
late their vision for a new budget.
Kidde’s first question was sim-
ple: “I want you to imagine that it
is December 2012 and you have
just adopted a budget,” he said.

“This budget is based on sound
financial management principles.
It’s sustainable and it reflects the
priorities of the community, of
you, the Council and of your staff.
You have succeeded ... How will
you know you have succeeded?”

The most common metric was
community support.

“Focus groups,” said Council
Member Bob Sternoff.

“There’ll be a process for pub-
lic involvement,” said Doreen
Marchione, whom fellow Coun-
cil Members elected to Deputy

Chart compiles from City of Kirkland data
The Kirkland Quad

Chart compiled from City of Kirkland data and the 2012 Community Survey

This chart reflects proposals in the 2013-2014 preliminary budget. It derives from the 2012 Community Survey, which asked residents to rank the importance of Kirkland’s various services and the City’s performance in delivering them. The diagonal line represents ideal performance relative to level of importance. Services near this line are performing optimally compared to how citizens value them. The services with which City leaders are most concerned are the ones far left of the diagonal line. These are improvement opportunities. To better align the performance of these services with the community’s expectations for them, Kirkland’s leaders devoted more resources to the items far left of the diagonal line. The dollar amounts represent the City Manager’s proposals for the 2013-2014 budget.