



CITY OF KIRKLAND

City Manager's Office

123 Fifth Avenue, Kirkland, WA 98033 425.587.3001
www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager

From: Marilynne Beard, Assistant City Manager
Tracey Dunlap, Director of Finance and Administration
Robin Jenkinson, City Attorney

Date: April 10, 2012

Subject: SPECIAL EVENTS FUNDING

RECOMMENDATION:

City Council receives a report on historical funding practices for special events and the use of Council Special Projects Reserve, and authorizes the City Manager to negotiate a contract with the organizers of Summerfest to provide services to the City in return for \$7,000 of City funding from Council Special Projects Reserve.

BACKGROUND DISCUSSION:

At their April 3, 2012 meeting, the City Council requested information about the City's past practice with regard to funding special events and the use of the Council Contingency. The Council also requested a report from the Economic Development Committee regarding the value of special events as an economic development strategy. The purpose of this memo is to provide a historical perspective on funding for outside agencies (and special events) and the policies and use related to the Council Contingency.

Outside Agency Funding

Funding for outside agencies and events has evolved over the years. At one time, the City Council's practice was to accept requests from outside agencies for funding as part of the annual budget process. Funding requests took the form of letters from various community agencies requesting funding to support special projects or agency operations. Outside agency funding was typically allocated from one-time resources for one year at a time.

In the mid 90s, the City Council established annual (ongoing) funding levels by categories for outside agencies. Business Grants were allocated \$25,000 per year and Community Grants were allocated \$10,000. Agencies were required to submit applications detailing the nature of the services to be provided, the benefits to the community and the expenses for which the City's funds would be used. Payment was provided on a reimbursement basis to outside agencies once their reporting requirements and appropriate documentation were received. Support for special events was provided from the Community Grants allocation.

During this same time period, the Kirkland Performance Center and Teen Center (KTUB) were constructed and the Kirkland Downtown Association was formed. In addition to the Community Grants, outside agency funding was considered on an annual request basis and for supplemental support for the Kirkland Performance Center, Friends of Youth (for the Kirkland Teen Center), and the Kirkland Downtown Association. Agency requests most often took the form of a letter to the City Council with a

description of the services to be provided. Community Agency grants were funded from one-time resources (a total of \$196,500 in 2006).

During the 2006 Budget process, the City Council expressed a concern about the amount of one-time funding allocated every year for community agencies. Some Council members believed that support for agencies such as the Friends of Youth and the KDA were ongoing commitments that should be funded in the base (ongoing) budget. The City Council requested an analysis and recommendation for revamping the process and identifying an ongoing funding source for these agencies. The City Council ultimately adopted the staff recommendation that defined four types of outside agency allocations:

- Partner Agencies
- Special Events
- Community Agency Funding
- Tourism Grants

A copy of the memo describing the recommendation is included at Attachment A. The adopted funding strategy redirected the ongoing Business Grant funding and the Community Grants funding (a total of \$35,000 for both) plus an additional \$136,000 of ongoing funds to provide stable funding for the Performance Center, Friends of Youth (Teen Center), the Kirkland Downtown Association and the 4th of July fireworks. In addition, \$60,500 of one-time funds was recommended on an "as available" basis for competitive community grants. A sample of the funding application form and reimbursement form are included as Attachment B.

Tourism funding was provided from lodging taxes in separate process through the Lodging Tax Advisory Committee. Human Services Agency funding is also conducted as a distinct process through the Human Services Advisory Committee based on criteria adopted by the City Council. A memo provided to the City Council in November 2011 titled "Funding Allocation Methods for Human Services and Outside Agencies" provides historical funding levels and policy basis related to selected categories of outside agency funding (http://www.kirklandwa.gov/Assets/City+Council/Council+Packets/110111/3a_StudySession.pdf).

It should be noted that, although the term "grant" is used to describe funding for outside agencies, the City is not a grantor agency and cannot provide funding to private entities without receiving specific services or products. Outside agency funding takes the form of professional services or municipal services contracts that specify deliverables, reporting requirements and reimbursement procedures. The City's annual audit process includes periodic review of contract reimbursements to assure that the proper documentation was received and that the goods or services were delivered.

During the 2009-2010 Budget process, a series of funding reductions was needed in order to balance the biennial budget. In 2009, funding for community agencies and the 4th of July fireworks was reduced by 50 percent. The continuing decline in revenue forced additional cuts at the mid-year budget update in 2010 and all funding was eliminated for outside agencies (except funding for KITH's 7 Hills of Kirkland.)

In the 2011-2012 Budget, all community agency funding other than partner agency funding was eliminated. Lodging Tax funds were still allocated through the Tourism Advisory Committee process using the criteria adopted by the committee.

Ad Hoc funding requests are periodically received by the City Council outside of the budget process. The adopted fiscal policies define the procedures for considering ad hoc requests.

The biennial budget will be formally amended by the City Council as needed to acknowledge unforeseen expenditures. All requests for funding will be analyzed by the Finance and Administration Department. The Council will be provided with a discussion of the legality and/or policy basis of the expenditure, the recommended funding sources, an analysis of the fiscal impact and a review of all reserves and previously approved amendments since budget adoption.

A request will not be approved at the same meeting at which it is introduced unless it is deemed an urgent community issue by a supermajority vote of the City Council. Requests made to Council outside of the formal budget adjustment process will be analyzed and presented to the Council for approval at the next regular Council meeting that allows sufficient time for staff to prepare an analysis and recommendation.

Council Special Project Reserve

This reserve is available to the City Council to fund special one-time projects that were unforeseen at the time the budget was prepared. When the reserve is used, it is replenished from the General Fund year-end fund balance. It has been used over the years for a variety of purposes. A summary of uses and amounts for the Council Special Project reserve for the past nine years is included as Attachment C. A fiscal note describing the current request for special events and other 2011-12 uses is included as Attachment D.

Summerfest

Under Items from the Audience at the April 3, 2012, Council Meeting, a group of citizens appeared to announce "Summerfest." This would be the inaugural year of what the organizers hope will be an annual event. The special events application submitted to the Parks and Community Services Department, by the Summerfest organizers, contains the following description: "to present an annual summer festival of arts, music and food that enriches the cultural, economic and social vitality of the region. Kirkland Summerfest aspires to be an enduring local treasure, to celebrate regional arts, and a fun festival for the whole family, a widely anticipated, interactive hub of creative and community energy."

A majority of the Council asked staff to return to the April 17th Council meeting with an appropriation request for \$7,000 from Council Special Projects for Summerfest. A Council Member asked to see the justification, on the basis of economic development, for City support of Summerfest and how the use of the Council's contingency fund to support Summerfest was not a gift of public funds contrary to the prohibition in the Washington State Constitution.

Article 8, section 7 of the Washington Constitution, provides:

No county, city, town or other municipal corporation shall hereafter give any money, or property, or loan its money, or credit to or in aid of any individual, association, company or corporation, except for the necessary support of the poor and infirm, or become directly or indirectly the owner of any stock in or bonds of any association, company or corporation.

The Washington State Supreme Court has held that when funds are expended by the government in carrying out its fundamental purposes, no gift occurs. *Citizens for Clean Air v. Spokane*, 114 Wn.2d 20, 39, 785 P.2d 447 (1990). In other words the City must be able to demonstrate a valid public purpose. Payments made to non-municipal entity to provide services that the City could itself provide for a special event or festival designed to encourage economic development would not be a gift.

Local festivals are increasingly being used as instruments for promoting tourism and boosting the local economy. Increased local income and employment arising from increased visitor volumes are two often cited reasons. A local festival, as suggested in the language quoted from the Summerfest application, may generate economic benefits, enhance local quality of life, create community solidarity, and City exposure. A festival may be used as a gateway to attract visitors to the City and distinguish its local attractions from other those of other nearby cities. The image production role of a festival is another intangible, but potentially important benefit.

Summary and Recommended Process

Staff has concluded that support for special events for the purpose of furthering economic development is an allowable use of public funds and that the Council Special Projects Reserve can be an appropriate source of funding. If the City Council decides to allocate funding for new special events, the vehicle for providing funding would be a professional services or municipal services contract. The contract would need to specify the goods and services to be provided, the specific expenditures to be reimbursed and the conditions under which expenditures would be reimbursed. The contract would need to be an agreement between the City and an individual or entity that is assuming responsibility for delivering the services and providing required documentation. The Community Agency Funding Request included as an attachment to this memo would be a good reference point for preparing scope of work for a contract.

Staff recommends that while Council Special Projects awards may always be made at the Council's discretion, the Council reestablish a budgeted amount and a timeline and competitive process for special events. Without such a process, Council may be faced with additional requests for special event funding with no real way to prioritize the requests or compare those decisions to other budgetary decisions. If Council concurs with this recommendation, staff would propose some level of funding for special events as part of the 2013-2014 budget process. Given the current fiscal constraints, the level of proposed funding is likely to be modest and may be offset by reductions in other areas of the budget.

Recommendation on Funding Summerfest

Staff recommends that the City Council authorize the City Manager to contract with a local nonprofit for \$7,000 from the Council Special Projects Reserve to provide specific services to the City as part of Summerfest. The contract will need to ensure that all funds spent provide a clear public benefit, that the deliverables are received, and that all public funds are accounted for. A fiscal note for the \$7,000 is attached.

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MEMORANDUM

To: Kirkland City Council

From: Sheila Cloney, Special Project Coordinator
Tracy Burrows, Senior Management Analyst
Marilynne Beard, Assistant City Manager

Date: February 24, 2006

Subject: Outside Agency Funding Policy

BACKGROUND

The current practice of the city is to make community event, business, tourism and outside agency grants on an annual basis to qualified applicants. The "outside agency" funding process takes place during the budget process. During the last budget process, Council asked staff to evaluate the grant funding policy especially as it relates to agencies that are funded through this process on a recurring basis. This memo discusses which organizations are currently funded through the outside agency process and a recommendation as to which should be considered for inclusion in the base budget. It also defines what types of organizations should participate in a competitive funding process on an annual or biannual basis. The creation of funding categories to better guide funding policies and a suggested schedule for the 2007-2008 budget process are also included.

DEFINITION OF CATEGORIES

In reviewing current outside agency funding (for 2006), staff identified a few "categories" that the agencies seem to fit within.

Partner Agencies - Agencies that receive support as a result of formal council action or designation. In some cases a facility may have been built or purchased for the specific purpose that an operational partner performs. Examples include Friends of Youth (operating the Kirkland Teen Union Building) and the Kirkland Performance Center. Staff is recommending that these agencies be incorporated in the base budget in future years.

Special Events - These are events that have considerable public appeal and are substantially funded and staffed by city employees. Special event funds should be part of the special event base budget. An example is the 4th of July fireworks display.

Community Agency Funding - This category is used broadly to fund activities and projects on an annual one-time basis (not limited to Kirkland-based organizations). Organizations receive funds through a competitive process. An example would be Summerfest.

Tourism Grants - These are grants funded from the Lodging Tax and are defined by State statute RCW Chapter 67.28 and KMC Chapter 5. Lodging tax funds are allocated by recommendation of the Lodging Tax Advisory Committee.

Recommended Funding

Partner Agencies

These are agencies that receive support as a result of formal council action or designation. In some cases a facility may have been built or purchased for the specific purpose that the operational partner performs. The 2006 Budget allocates \$135,000 in one time funding to these types of agencies.

Kirkland Performance Center (KPC)

Services Provided

The Kirkland Performance Center (KPC) relies on funding from the base budget and service packages/outside agency funds to supplement ticket revenue and annual fund raising. The current level of support allows our operational partner the ability to program 225 performances by more than 50 artists and groups. It also allows them to support the school learning programs through the arts. Without city support, it would be very difficult for them to run a balanced budget with this much programming. The total 2005 expenditure budget for the KPC was approximately \$1.2 million. As a result of losses from 2000-2003, the KPC implemented a more aggressive fund development plan. They were able to post a surplus for year 2004, and a project a surplus for 2005. However, they will continue to request supplemental funding.

The City recently extended the contractual agreement that refunds admissions tax back to the KPC and provides for rent-free lease of the facility. This was instituted in July of 1998, with a five year expiration clause. It was extended in 2003, for an additional five years, expiring in 2008. Below is a table outlining the amount that has been refunded to the KPC:

Year	Tax
1998	14,538
1999	28,034
2000	29,812
2001	26,286
2002	30,482
2003	20,167
2004	28,413
2005	30,000 actual

In addition to the admissions tax rebate, the City makes annual contributions to the City's Facilities Life Cycle Model, which sets aside money for carpet, interior and exterior paint, and structural systems at the KPC.

In addition to the annual budget support discussed above, the KPC has made supplemental funding requests via the outside agency process since they began operations. Below is a table outlining the historical funding of KPC through outside agency funding and Lodging and Hotel Tax Funds.

Year	Outside Agency	Lodging Taxes
2001	\$25,000.00	
2002	\$25,000.00	
2003	\$50,000.00	
2004	\$50,000.00	
2005	\$50,000.00	10,000.00
2006	\$50,000.00	10,000.00

Recommendation:

Staff recommends that outside agency funds allocated to the Kirkland Performance Center (\$50,000) be incorporated in the Parks and Community Services base budget for the 2007-08 biennium, and other sources of funding support described above continue. Increases to this amount would be requested as a service package by the Parks and Community Services Department. Funds from the Lodging Tax would not be part of the base budget.

Friends of Youth (Kirkland Teen Center – KTUB)

Services Provided

Friends of Youth provides a full menu of programming through an annual contract of \$100,000 in addition to outside agency support from the city. This funding allows them to stay open for an average of 35 hours per week. They maintain an advisory board of citizens, both youth and adults. They operate a computer lab, photo lab, art programs, drop in programs, music programs, provide shows on the weekends, a coffee shop, counseling, special events, and recreational programs. Without outside agency funding, they would have to cut the hours of operation to 20-25 hours per week. They would not be able to support some of the free programming provided, i.e. recreation, dances, music shows, drop in programs. The total 2005 expenditure budget for KTUB was \$350,000.

The KTUB started its operations in 1998 at Post 99, the American Legion Hall. The building was small, the programs limited, and the operational budget was \$200,000 per year. The City budgeted \$100,000 in the base budget for ongoing operations of the KTUB. When the KTUB moved into the new building, the operational budget grew to \$350,000. This included almost triple the programming, and hours of operation. The City retained the \$100,000 in the base budget. Friends of Youth has requested additional funding from the city every year since.

The City currently supports the KTUB in the base budget in two ways:

- \$100,000.00 per year to assist with operational costs.
- Maintenance of the structural systems at the KTUB, and incorporation of KTUB into the Facilities Life Cycles Model, putting money aside each year for capital improvements. Currently we have \$10,811 in maintenance, and \$7,717 in capital set aside per year.

Below is a table outlining the historical funding of KTUB through outside agency funding.

Year	Amount
2001	\$25,000
2002	\$25,000
2003	\$25,000
2004	\$50,000
2005	\$55,000
2006	\$60,000

Recommendation:

Staff recommends that outside agency funds allocated to Friends of Youth (\$60,000) be incorporated in the Parks and Community Services base budget for the 2007-08 biennium, and other sources of funding support describe above continue.

Kirkland Downtown Association

The Kirkland Downtown Association is an economic development program charged with business retention and attraction in the downtown core. The mission of this main street type program supports the City's goal of maintaining and enhancing its vibrant downtown core. The City has granted business matching funds to the KDA since its inception.

Recommendation:

Staff recommends that funds allocated to the KDA (\$25,000 currently allocated in the base budget under the auspices of the business grant program) be incorporated in the economic development base budget for the 2007-08 biennium. The business grant program would be eliminated. The City would contract with KDA to provide economic development services related to promoting downtown business. It is proposed that funds be allocated to KDA under a contract with specific performance measures and managed by the Economic Development Manager. As in previous years, the KDA could apply for additional funding from LTAC or community grants.

Special Events

These are events that have considerable public appeal and are substantially funded and staffed by city resources. Funding is contained in the special event base budget and/or absorbed within department operating budgets unless reimbursed by the sponsoring agency. For example, the annual fireworks show is primarily funded by the City (\$30,000 allocated in 2005) and is currently augmented by private sponsorships raised by Celebrate Kirkland.

City staff does most of the logistical planning and coordinates operations during the fireworks show. Celebrate Kirkland has indicated that they would like to relinquish control of this event and have the city coordinate the fireworks display in its entirety. This would streamline the administration and coordination of the event. However, in order to maintain the scope of the event as it is today, the City and Celebrate Kirkland would need to work together to attract community funds to supplement the City's contribution to the event. In that regard, City staff and Celebrate Kirkland are actively seeking a title sponsor for the fireworks show.

Recommendation:

Staff recommends the City produce the annual 4th of July fireworks show with a City budget allocation of \$30,000 that is incorporated into the base budget for special events. The City will work with Celebrate Kirkland to seek title and presenting sponsors to defray event costs that are in addition to the fireworks display, such as traffic and crowd control.

Community Agency Fund

This category would be used broadly to fund activities and projects on a one-time basis (not limited to Kirkland-based organizations). Organizations receive funds through a competitive process that would be conducted prior to the budget process.

Community grants are a source of funding for events and organizational support. In 2006, \$60,500 was allocated to community agency grants. Examples of organizations that would receive community grants include: Summerfest, Classic Car Show, Fourth of July Picnic, Seven Hills, Jr. Softball World Series, Heritage Society, Feet First, Transportation Choices, Leadership Eastside, and Kirkland Downtown Association. Many of these organizations have received funding on an annual basis.

Recommendation:

Staff recommends establishing a \$60,500 Community Agency budget to fund organizations on an annual one-time basis. In addition, staff recommends that \$6,000 be allocated to the Human Resources Department's training budget to fund two organizational scholarships for employee participation in Leadership Eastside. This \$6,000 is the level of funding that the City has granted Leadership Eastside since its inception.

Staff further recommends making additions to the city's existing funding policy in an effort to address program performance and program evaluation. Updates that should be considered include:

- Establishing performance measures for projects funded by the City;
- Using performance measures as a factor in determining whether repeat funding is warranted;
- Requiring evidence that applicants are pursuing funding from other sources; and
- Requiring business plans for activities funded by the City that have a significant impact on public property.

Tourism Grants

Tourism grants are provided for by State statute RCW Chapter 67.28 and KMC Chapter 5 that address the use of Lodging Tax revenue. Tourism grants are obtained through requests made to the Lodging Tax Advisory Committee (LTAC). The LTAC recommends funding allocation for tourism grants to the City Council who then appropriate the grants through the budget process. Examples of activities that qualify for tourism funds include marketing of the Kirkland Artist Studio Tour and Howard Mandeville landscape show, and the creation of a Kirkland Art Center gallery brochure.

Recommendation:

Staff recommends no change to current practice.

Recommended Process and Timeline

The recommended funding level will increase the ongoing funding need by \$146,000. One-time community grants would be limited to \$60,500 per year (\$121,000 per biennium). The following table summarizes the recommended funding.

Summary of Recommended Funding

CATEGORY	EXISTING BUDGET	PROPOSED BUDGET	LOCATION
ONGOING FUNDING			
Business Grants	\$25,000	0.00	eliminated
Community Grants	\$10,000	0.00	Moved to one-time funding
Performance Center	0.00	\$50,000	Parks base budget
Friends of Youth	0.00	\$60,000	Parks base budget
Kirkland Downtown Association	0.00	\$25,000	Economic Development base budget
Leadership Eastside	0.00	\$6,000	Scholarships in HR Training Budget
4 th of July Fireworks	0.00	\$30,000	Special Events base budget
TOTAL ONGOING FUNDING	\$35,000	\$171,000	
ONE-TIME FUNDING			
Community Agency Grants/Fund	196,500	\$60,500	Agency Funding (Includes \$10,000 from existing community event grant fund.)
Tourism Grants		Varies from year to year	Tourism Budget
TOTAL ONE-TIME FUNDING	196,500	60,500	
OVERALL TOTALS	\$231,500	\$231,500	

The funding recommendations could be incorporated in the 2007-2008 biennial budget either as part of the base budget or as a service package. Community Agency funds could be allocated on an annual or biennial basis. While an annual allocation offers more funding flexibility to applicants, staff recommends consolidating the community agency fund into the biennial budget starting with the 2007-2008 season. Community Agency applicants would have the option to apply for up to two years of funding. Would-be funding seekers who miss the funding process could

request funds from Council in writing through staff. The Council would then decide whether to allocate funds from their Special Projects Reserve.

Policy Issues for Council

- Should Community Agency fund decisions be made on an annual or biennial basis?
- Does Council agree that the KDA, KPC, and Friends of Youth are Partner Agencies?
- Does Council agree to formally bring the fireworks show in house?
- Does council accept recommended funding levels?
- Does council support making changes to the Community Agency Funding policy to address program performance and program evaluation?
- Does Council support moving \$6,000 into the HR base budget for Leadership Eastside?

Next Steps:

Staff is currently preparing recommendations for council on updates to Chapter 19.24 of the Kirkland Municipal Code relating to Temporary Special Events. This chapter has not been updated since 1997. A recommendation on fees and cost recovery for special events will be included in these updates. The cost recovery portion of the policy will go to the Finance Committee this spring and then forwarded to Council for consideration.


CITY OF KIRKLAND
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MEMORANDUM

To: David Ramsay, City Manager

From: Sheila Cloney, Special Projects Coordinator
Tracy Burrows, Sr. Management Analyst

Date: September 26, 2006

Subject: 2007 City Manager Recommendation for Outside Agency Funding Requests

The 2007 Outside Agency Funding recommendations reflect progress toward the City Council policy direction regarding the continued funding of outside agency requests. In the past, all outside agency requests were considered within available funding from a community grant and business grant program (\$10,000 and \$25,000 set aside annually). Actual requests were far in excess of the annual grant programs and some agencies/programs were funded year after year through one-time allocations. The staff recommendation defined outside agency funding in terms of a few categories.

- “Partner Agencies” are those that operate an ongoing program or facility owned by the City or provide services on behalf of the City. Designation as a partner agencies acknowledged the on-going nature of the City’s support for agencies such as the Kirkland Performance Center, Teen Center (Friends of Youth) and the Kirkland Downtown Association.
- “Special Events” are events that have significant public appeal and are substantially funded and staffed by the City. An example is the Fourth of July fireworks display.
- “Community Agency Funding” represents activities and projects that would be funded on a one-time basis through a competitive process. Annual funding would be a set amount.
- “Tourism Grants” are those projects and activities that apply for and are eligible for funding from Lodging Tax funds. The Lodging Tax Advisory Committee recommends which outside funding requests should be addressed through the LTAC budget.

Given the ongoing relationship and programs offered by the Partner Agencies, Council asked that they be included in the ongoing basic budget along with the 4th of July Fireworks display. All other outside agencies would compete for Community Agency Funding or Tourism Grants with a recommended annual allocation of \$60,500, consistent with the current funding level. The Council also acknowledged that the basic budget for staff and community training in Human Resources would cover attendance at programs such as Leadership Eastside. Requests for operating subsidies from Leadership Eastside would be considered in the Community Agency Funding process. In the 2005-2006 Biennial Budget, outside agencies were considered for one-year increments. The 2006 portion of the budget included \$35,000 of ongoing funding with an additional \$196,500 in one-time funding allocated to cover all of the outside agencies. Based on Council direction, staff prepared a service package request for the 2007-2008 Budget that incorporates ongoing and one-time funding levels described to Council at their retreat. The table below shows the General Fund allocations requested in the service package (Lodging Tax requests are addressed by a separate LTAC process and are discussed in a separate issue paper):

Biennial Funding Requests	Ongoing Funding Requested	One-Time Funding Requested
<i>Partner Agencies</i>		
-Kirkland Performance Center	\$103,500	--
-Friends of Youth (Teen Center)	\$125,000	--
-Kirkland Downtown Association	\$ 52,500	--
4 th of July Fireworks	\$ 63,000	--
Community Event Grants	--	\$125,500
Total	\$344,000	\$125,500

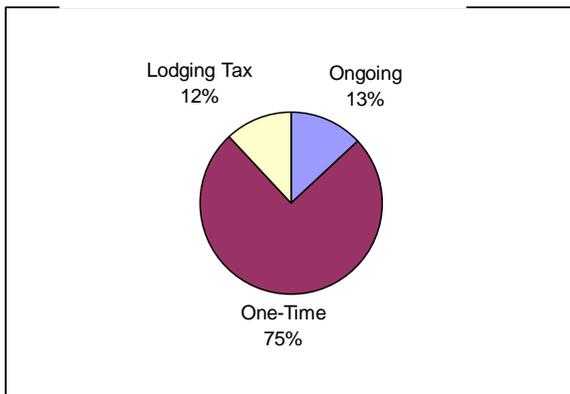
Total Funding Request for 2007-2008 **\$469,500**
Existing Ongoing Fund (savings) **70,000**
Net Funding Request **\$399,500**

It should be noted that the service package requests include an inflation adjustment for the second year of the biennium. Of the \$399,500 net funding requested, \$125,500 is one-time funding for the Community Event Grants.

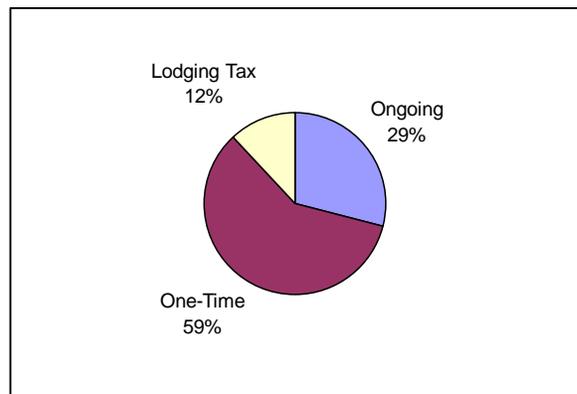
The table and charts below illustrate the City Manager's recommendation to make progress toward the goal of providing ongoing funding for the City's partner agencies and programs. Because of funding constraints, the City Manager's budget recommendation does not include funding for all of the recommended partner agencies and programs on an on-going basis. Rather, an additional \$70,000 in ongoing funding is recommended in the budget (\$35,000 each year). With the existing funding of \$70,000, the total ongoing funding recommended for partner agencies in 2007-2008 is \$140,000. It is recommended that the City make progress in this direction by funding Friends of Youth and a portion of the Kirkland Downtown Association allocation on an on-going basis. The remaining partner agencies and programs continue to be funded on a one-time basis, with the intention that the City continue to make progress toward the goal of on-going funding in future years. In addition, a set amount of one-time funding is now allocated to community events and projects on a competitive basis.

	Ongoing Funding Recommended	One-Time Funding Recommended
<i>Partner Agencies</i>		
-Kirkland Performance Center	--	\$100,000
-Friends of Youth (Teen Center)	\$120,000	--
-Kirkland Downtown Association	\$ 20,000	\$ 30,000
4 th of July Fireworks		\$ 60,000
Community Event Grants	--	\$122,000
Total	\$140,000	\$312,000

2006 Outside Agency Funding



2007-2008 Outside Agency Funding



Community Agency Funding Requests

A total of \$397,855 in requests for 2007 Community Agency and Lodging Hotel Tax funds have been received from outside agencies, including the funding amounts Council has been considering for on-going funding. The City Manager has recommended that one-time competitive outside agency requests be funded at a level of \$61,000 per year, consistent with Council direction at the City Council retreat (the Lodging Tax Advisory Committee (LTAC) has recommended funding requests at a level of \$30,000 from the lodging tax fund as addressed in a separate issue paper). **Community Agency Grants are funded on a one-year cycle.** Consequently, only requests for 2007 are addressed. The summary table attached to this memo shows the amounts requested by each agency for 2007, along with the recommended amount and a comparison to the 2006 approved amount (see attachment A).

Based on the discussion at the March 25, 2006 Council Retreat the funding for Community Agency requests are based on the establishment of a Community Agency budget in the amount of \$61,000 to fund organizations on an annual one-time basis.

Funding recommendations assume the following:

- Friends of Youth (Teen Center) annual funding is newly incorporated into the ongoing Parks base budget (\$60,000);
- Base funding for the Kirkland Downtown Association is included in the on-going budget (\$10,000).
- Funding for the Kirkland Performance Center, Fourth of July Fireworks, and a portion of the Kirkland Downtown Association continue to be funded on a one-time basis.
- Additional outside agencies are funded with one-time funds that are allocated on a competitive basis.

The one-time and on-going 2007 requests are summarized below with the recommended funding and sources summarized in the attachment:

BRIDLE TRAILS PARK

Bridle Trails Foundation has applied for first time funding to cover the actual cost of hanging banners to advertise the annual Party in the park. Funding would be contingent upon the inclusion of ExploreKirkland.com in all marketing materials.

CELEBRATE KIRKLAND – 2007

Celebrate Kirkland produces a 4th of July event that fosters community spirit and celebrates the diverse elements of our community. Rotary's picnic at Juanita Beach and the fireworks show provides an opportunity for everyone to recognize and celebrate Independence Day. A multitude of volunteers, community groups and businesses make this event a success.

Based on the March 2006 council retreat, staff recommends the City produce the annual 4th of July fireworks portion of the event with a City budget allocation of \$30,000 that is incorporated into the base budget for special events.

Celebrate Kirkland has requested an additional \$24,500 in Community Agency and Lodging Tax funds to support parade operations (i.e. police, aid, barricades) and marketing efforts.

Celebrate Kirkland received \$43,000 in 2006.

CLASSIC CAR SHOW - KDA

This is the fourth annual Classic Car Show. The event brings 5,000-10,000 visitors to downtown Kirkland where they enjoy the cars, shop and patronize the local restaurants. This will be the fourth year the Car Show has requested funding. In 2006, the car show received \$3,500.

CONCOURS

Concours d'Elegance has applied for first time funding to support its annual display of elegant cars similar to the annual show at Pebble Beach. Tourism funds would be used to leverage ad buys with regional and national travel publications. .

FEET FIRST

Feet First is pedestrian advocacy organization which promotes the rights and interests of pedestrians. The group also helps promote benefits of walking. This group has worked with the Public Works Department on pedestrian related projects. The recommended funding is at the same level as 2006.

FRIENDS OF YOUTH

Through the Kirkland Teen Union Building, Friends of Youth provides recreation, counseling, social services, arts and crafts, music recording, black and white photography, teen jobs, community service opportunities, area excursions, and special events. Friends of Youth has an on-going \$100,000 contract to provide services at the Teen Center. Based on the discussion at the March 2006 council retreat, staff recommends that outside agency funds allocated to Friends of Youth increase by \$60,000 and become incorporated in the Parks and Community Services base budget for the 2007-08 biennium for a total of \$120,000.

HERITAGE SOCIETY

The Kirkland Heritage Society informs residents and visitors about Kirkland's history and preserves artifacts, documents, structures and sites important to Kirkland's past. The City has funded the Heritage Society at this level for several years. Lodging Tax funds will fund a much needed historical site guide for tourists. This is the first time the Heritage Society has applied for lodging tax funds.

INTERLAKEN TRAILBLAZERS

In addition to the two Kirkland Year round Volkswalks, the Interlaken Trailblazers would like to host a one-day walk through Kirkland starting at Juanita Beach. This is the second year the Interlaken Trailblazers have received funding in the amount of \$300.

JR. SOFTBALL WORLD SERIES

The Jr. Softball World Series is a popular week-long softball tournament involving regional Little League all-star champions from five US regions, Canada, Europe, Latin America, Asia and a host team. In 2006 the City funded this event at the \$10,000 level.

KIRKLAND ARTS CENTER

The Kirkland Art Center continues to gain recognition as an eastside destination and studio for artists to practice their craft. The LTAC committee recommends funding in the amount of \$2,200 for the production of an upgraded gallery brochure used to attract visitors as well as students. Staff recommends Community Agency funding in the amount of \$6,000 to offer a variety of free or subsidized art opportunities for young people and families living in Kirkland.

The Kirkland Art Center received \$11,200 in 2006.

KIRKLAND ARTIST STUDIO TOUR

The Kirkland artist studio tour has grown in popularity, supporting the growing art community in Kirkland and attracting visitors to spend Mother's Day in Kirkland. The LTAC recommends that this program be funded at \$2,000.

KIRKLAND DOWNTOWN ASSOCIATION

KDA focuses on creating a more vibrant downtown for the Kirkland community. Based on the discussion at the March 2006 council retreat staff recommends that \$25,000 currently allocated in the base budget under the auspices of the business grant program be incorporated in the Economic Development base budget for the 2007-08 biennium. Having eliminated the business grant program, the City would contract with the KDA to provide economic development services related to promoting downtown businesses. It is proposed that funds be allocated to KDA under a contract with specific performance measures and managed by the Economic Development Manager.

The KDA is requesting an additional \$67,500 in Community Agency and Lodging Tax funds to fund holiday lighting/decorations, events, organizational and business development training, web-site development, and downtown marketing.

The level of funding for 2007-2008 biennium is recommended at \$50,000 from the Economic Development base budget, and \$26,500 in one-time funds from the Community Agency and Lodging Tax Funds.

Ultimately, the 2007 recommendation funds the KDA at \$51,500 the same level that it was funded in 2006.

KIRKLAND LIBRARY

The Kirkland Library has applied for first time funding to foster a wide interest and participation in all of Kirkland reading the same book.

KIRKLAND PERFORMANCE CENTER

The Kirkland Performance Center provides a theater facility in which arts, entertainment and community gatherings are presented. Approximately 70,000 people attend events at KPC annually. In 2006 the KPC received \$50,000 in outside agency support. Based on the March 2006 council retreat, staff recommends that outside agency funds allocated to the Kirkland Performance Center be incorporated in the Parks and Community Services base budget for the 2007-08 biennium in the amount of \$100,000.

The Kirkland Performance Center is requesting an additional \$10,000 in Lodging Tax funds to fund the 2007-2008 KPC Season Brochures. This project was funded at \$10,000 in 2006.

LEADERSHIP EASTSIDE

Leadership Eastside offers training in a classroom and practical setting. These skills are designed to give individuals the courage to become more actively involved in community issues.

At the March 2006 Council Retreat, Council discussed allocating ongoing funds in the Human Resources Department's training budget to fund two organizational scholarships for employees and/or neighborhood leaders. Funding for one scholarship each year is included in the Human Resources basic budget and is not reflected as outside agencies funding. Leadership Eastside is requesting an additional \$6,000 in community agency funds for operating support.

Council allocated \$6,000 to Leadership Eastside in 2006.

SEVEN HILLS OF KIRKLAND - KITH

The Seven Hills bike ride raises funds for the on-going programs of the Kirkland Interfaith Transitions in Housing. The ride will bring approximately 700 cyclists to the downtown for an event that has been widely recognized by the biking community. Seven Hills also offers an opportunity for KITH to explain its programs and projects to a wide variety of community members.

In 2006, Seven Hills received \$7,000 in funding.

TRANSPORTATION CHOICES COALITION

Transportation Choices Coalition provides education and support for expanding transportation options for Kirkland residents in an effort to improve mobility and preserve the environment. This is the third year Transportation Choices Coalition has requested funding. The recommended funding is at the same level as 2006.

KIRKLAND GALLERY ASSOCIATION

The Kirkland Gallery Association submitted a request for tourism funding in the amount of \$10,000 for the distribution of the Gallery Brochure which is intended to promote Kirkland as a destination for galleries and public art to greater Seattle residents and tourists. The brochure is widely distributed to major hotels, corporations, car rentals, ferries, convention halls and chambers. Staff recommends funding the brochure at \$5,000 from the tourism budget with the remainder of the expense covered by a credit held by the tourism program with the company that distributes these same brochures.

Performance Evaluation

This year, the outside agency funding program formally incorporates performance measures. Each outside agency has submitted both qualitative and quantitative measures of the success of their program as part of the 2007 funding application. For events that receive LTAC funding, these measures must relate to the success of the event's marketing and promotional efforts, the success of the event in attracting out-of-town visitors, and the event's impact on local hotel stays.

As part of their annual reporting to the City, recipients of outside agency funding will report on their success in achieving the measurable objectives that have been established for the event or program. This information will be used to evaluate the effectiveness of the program and will help shape the funding recommendations for subsequent years.

2007 Outside Agency Funding Recommendation

Attachment A

Event / Project	2007 Funding Requests			2007 Funding Recommendations/Source				2006 Approved Funding (for reference)			
	2007 Community Requests	2007 LTAC Requests	2007 Total Requests	LTAC	One-Time	On-going	Total 2007 Sources	LTAC	One-Time	On-going	2006 Total Sources
Bridle Trails Park	\$ 500	\$ -	\$ 500	\$ -	\$ 325	\$ -	\$ 325				\$ -
Celebrate Kirkland 4th of July											
<i>Picnic</i>	4,500	-	4,500	-	4,500	-	4,500		8,000		8,000
<i>Fireworks Show</i>	50,000	-	50,000	-	30,000		30,000		30,000		30,000
<i>Marketing - LTAC</i>	-	7,000	7,000	4,000	-	-	4,000	5,000			5,000
<i>Parade</i>	6,000	-	6,000	-	4,500	-	4,500				-
Chamber of Commerce 4th of July	-	-	-	-	-	-	-		3,000		3,000
Classic Car Show	6,500	-	6,500	-	3,500	-	3,500		3,500		3,500
Concours	6,730	-	6,730	-	2,500	-	2,500				-
Concours - tourism	-	4,000	4,000	3,000	-	-	3,000				-
Feet First	1,000	-	1,000	-	1,000	-	1,000		1,000		1,000
Friends of Youth	60,000	-	60,000	-	-	60,000	60,000		60,000		60,000
Heritage Society	2,000	-	2,000	-	2,000	-	2,000		2,000		2,000
Heritage Society	-	3,125	3,125	3,000	-	-	3,000				-
Interlaken Trailblazers	300	-	300	-	300	-	300				-
Jr. Softball World Series	10,000	-	10,000	-	8,000	-	8,000			10,000	10,000
Kirkland Art Center											
<i>Gallery Brochure - LTAC</i>	-	4,900	4,900	2,000	-	-	2,000	2,200			2,200
<i>Free or subsidized art opprotunities</i>	14,000	-	14,000	-	4,000	-	4,000				-
<i>Summerfest - Community Event</i>	-	-	-	-	-	-	-		6,000		6,000
<i>Summerfest - LTAC Marketing</i>	-	-	-	-	-	-	-	3,000			3,000
Kirkland Artist Studio Tours	-	6,800	6,800	2,000	-	-	2,000	2,000			2,000
Kirkland Downtown Association											
<i>General Promotion</i>	-	12,000	12,000	8,000	-	-	8,000	8,000			8,000
<i>Co-op Marketing</i>	-	15,000	15,000	-	-	-	-				-
<i>Community Agency</i>	12,000	-	12,000	-	18,500	-	18,500		18,500		18,500
<i>Business Grant</i>	80,000	-	80,000	-	15,000	10,000	25,000			25,000	25,000
Kirkland Gallery Association - Gallery Brochure	-	10,000	10,000	-	-	-	-				-
Kirkland Library	1,000	-	1,000	-	1,000	-	1,000				-
Kirkland Performance Center (brochure)	-	10,000	10,000	8,000	-	-	8,000	10,000			10,000
Kirkland Performance Center	50,000	-	50,000	-	50,000	-	50,000		50,000		50,000
Leadership Eastside - Operating Subsidy (note 1)	6,000	-	6,000	-	-	-	-		6,000		6,000
Seven Hills of Kirkland	7,000	-	7,000	-	7,000	-	7,000		7,000		7,000
Transportation Choices Coalition	1,500	-	1,500	-	1,500	-	1,500		1,500		1,500
Totals	\$ 319,030	\$ 72,825	\$ 391,855	\$ 30,000	\$ 153,625	\$ 70,000	\$ 253,625	\$ 30,200	\$ 196,500	\$ 35,000	\$ 261,700

(1) There are two scholarships (one each year) for staff/community participation in Leadership Eastside included in the Human Resources budget, which are not part of the outside agencies funding.



2008 Community Agency Funding Request

Date:		Funding Request Amount:	
Applicant Name:			
Contact Name (if different):			
Representing:			
Project Title:			
Address:			
Phone:	Cell:	FAX:	
Web Address:		E-mail Address:	

Guidelines for Preparing Your Proposal

Proposals must provide information in the same order as presented in this document with the same headings. This will help those who evaluate proposals. Each proposal is worth 100 points and will be scored on the elements listed below.

I. General Information

- A. Exact funding amount requested \$ _____ .
- B. Total estimated cost of entire project \$ _____ .
- C. Has your organization received Community Agency funding the past? Yes No
If yes, what year(s) did you receive funding? _____ .
- D. Is this a previously funded Community Agency Funded project? Yes No

II. Abstract—(10 Points)

Summarize in one or two paragraphs the goal, purpose, and audience of the project. Include what you want to accomplish and how it will be accomplished. How will your project enhance Kirkland's quality of life?

III. Project Design—(50 Points)

- A. **Objectives**—List the objectives of the project. They should be specific, realistic, and measurable.
- B. **Target Audience**—Describe your target audience (i.e. the number and age levels of people the project will involve or reach). Explain why you've chosen this audience.
- C. **Activities**—List the project activities you will conduct to achieve the objectives listed above. Explain how your activities are effective (for informing, educating and involving your target audience). Include plans for distributing any materials you develop.
- D. **Deliverables**—List the specific deliverables of the project, such as publications, workshops or events.

IV. Evaluation

Describe how you will evaluate whether your project achieves its measurable objectives. For each objective identified in Section III above, describe how you will measure its success. Please include qualitative and quantitative measures. Will you gather data regarding visitors generated by the project? If yes please describe (i.e. How did they hear about your project? Where did they stay?)

V. Work Plan/Timeline—(5 points)

Outline a work plan using the simple table format below showing the major tasks and deliverables of your project. The work plan should be followed by start/completion dates. Projects will start by approximately January 1, 2007, and must be completed by December 31, 2007.

Work Plan	
Major Task or Deliverables	Start/End Date

VI. Project Personnel—(10 Points)

Provide a brief description of the sponsoring organization and its mission. Then, using only the individual(s) name and affiliation, list the project personnel who will have a lead role in your proposed project. Project personnel are directly involved in the day-to-day activities of the project. They are familiar with the project's work plan and budget, play a lead role in most or all elements of the project, and are responsible for managing the contract. They may be paid staff or volunteers.

VII. Project Partners—(10 Points)

List the project partners by name and affiliation. Partners are people and organizations who commit resources to the project. Projects will be evaluated based on how well they build community partnerships. Look to local governments, local businesses, other non-profit organizations, neighborhood groups, and others who may have an interest in your project and its eventual outcome.

VIII. Budget and Cost Justification—(15 Points)

This section of the proposal will be evaluated on the budget and cost justification based on a clear description of your funding needs and how realistic and appropriate your budget is for the project.

A. Budget—Prepare and overall budget for the project. Identify how Community Agency Funds you are requesting will be used. Include your organizations financial contribution. List partners, sponsors, grantors, and the amount of support directly related to this project. *See example below.*

Item	Total Cost	Community Funding Request	Source of Non-Kirkland Funding
Banners	\$3000.00	\$2000.00	\$1,000 (Waste Management)
T-shirts	\$500.00	\$200.00	\$300.00 (Shirt Factory)
Total Budget	\$3500.00	\$2200.00	

IX. Risk Considerations

- A. What are potential risks to the project's success?
- B. What steps have been taken to ensure the project's success?

X. Publicity/Promotion Policy

Prominent acknowledgment of Explore Kirkland and the City of Kirkland is required of all recipients for use in all publicity materials, including, but not limited to brochures, press releases, programs, posters, public service announcements, flyers, newsletters, and advertisements.

Please submit three signed copies of your request and attachments to: Sheila Cloney, 123 Fifth Avenue, Kirkland, WA 98033. For questions please call 425-587-3010, or e-mail tourism@ci.kirkland.wa.us.



2008 Community Agency Reimbursement Form

Office Use Only

Authorization to Pay _____	Date _____
Account# _____	
Vendor _____	Sign _____

Agency Name:	Project 1:	Project 2:	Project 3:	Project 4:	Project 5:	Total Reimbursement Request
Item Description	Important! For reimbursement all expenses MUST be itemized below for each project .					
						\$
						\$
						\$
						\$
						\$
						\$
						\$
						\$
						\$
						\$
						\$
						\$
TOTAL	\$	\$	\$	\$	\$	\$
Authorized Signature: _____					Date: _____	
Print Name: _____			Address: _____			
Print Title: _____			City, State, Zip: _____			

Directions: Please fill in the document for each expense. Attach original receipts and keep copies for your files. (Original receipts will be held in the City Manager's Office files.) Reimbursement requests must be received by the last day of the month in order to be processed for payment by the middle of the next month.

Send to: City Manager's Office, 123 5th Avenue, Kirkland, WA 98033.



2008 Community Agency Budget Overview

Applicant Contact Information	
Organization:	Date:
Contact Person:	
Mailing Address:	
Email Address:	
Day Phone:	Eve Phone:

Project #1 Brief Description	Itemizations	Budget Estimate	Funding Request	Funding Award
TOTAL		\$	\$	\$

Project #2 Brief Description	Itemizations	Budget Estimate	Funding Request	Funding Award
TOTAL		\$	\$	\$

Project #3 Brief Description	Itemizations	Budget Estimate	Funding Request	Funding Award
TOTAL		\$	\$	\$

Project #4 Brief Description	Itemizations	Budget Estimate	Funding Request	Funding Award
TOTAL		\$	\$	\$

Project #5 Brief Description	Itemizations	Budget Estimate	Funding Request	Funding Award
TOTAL		\$	\$	\$

Total Project(s) Budget Estimate	Total Project(s) Funding Request	Total Project(s) Funding Award
\$	\$	\$

Council Special Projects Reserve Use 2002-2011

2002	\$	1,739	Transportation Value Pricing Conference host expenses
2002 Total	\$	1,739	
2003	\$	40,800	Comp Plan Update
2003	\$	3,000	RESPECT Booklet for Youth Council
2003	\$	25,000	St. Edwards Pool operation
2003	\$	25,000	Kirkland Performance Center operations
2003	\$	10,000	Family Resource Center's "Fulfilling our Vision" campaign
2003	\$	17,000	Economic Development consultant
2003 Total	\$	120,800	
2004	\$	17,160	Sculpture Purchase Sales Tax
2004	\$	25,000	Centennial Celebration project manager
2004 Total	\$	42,160	
2005	\$	17,000	Park Smart program equipment
2005	\$	22,000	Family Net program.
2005	\$	7,200	City Parks Off-leash enforcement
2005	\$	50,000	Totem Lake Mall development consultant
2005 Total	\$	96,200	
2006	\$	-	No use
2006 Total	\$	-	
2007	\$	15,000	School Bell program
2007	\$	18,000	Affordable housing regulations work plan
2007 Total	\$	33,000	
2008	\$	5,000	Cascade Land Conservancy dues
2008 Total	\$	5,000	
2009	\$	2,000	Council Retreat Facilitator
2009	\$	26,000	2009 federal lobbyist services
2009	\$	25,000	2010 Neighborhood Connections
2009	\$	20,000	Hopelink relocation
2009	\$	13,770	Flexpass program
2009	\$	12,506	Bank of America project review process
2009	\$	5,000	Council special investigation
2009 Total	\$	104,276	
2010	\$	12,400	Medical transport fee consultant contract
2010	\$	20,000	Parkplace Development Agreement Legal/Financial
2010	\$	13,750	Annexation Shoreline Master Plan Services
2010 Total	\$	46,150	
2011	\$	25,000	Cultural Council Funding
2011	\$	10,000	Eastside Severe Weather Shelter
2011	\$	5,000	Ethics Program Agreement
2011	\$	10,000	Green Kirkland Staffing
2011	\$	5,000	Eastside Severe Weather Shelter
2011 Total	\$	55,000	
10-Year Total	\$	504,325	
Average per year	\$	50,433	Range: \$0-\$120,800

FISCAL NOTE

CITY OF KIRKLAND

Source of Request							
Kurt Triplett, City Manager							
Description of Request							
Request for \$7,000 from the Council Special Projects Reserve to provide funding for the community event Summerfest as discussed at the April 3, 2012 City Council meeting.							
Legality/City Policy Basis							
Fiscal Impact							
One-time use of \$7,000 of the Council Special Projects Reserve. The reserve is able to fully fund this request.							
Recommended Funding Source(s)							
Reserve	Description	2012 Est End Balance	Prior Auth. 2011-12 Uses	Prior Auth. 2011-12 Additions	Amount This Request	Revised 2012 End Balance	2012 Target
	Council Special Projects Reserve	251,534	55,000	0	7,000	189,534	N/A
	2011-12 Prior Authorized Use of this reserve: \$15,000 for the Eastside Severe Weather Shelter, \$10,000 for Green Kirkland, \$5,000 Ethics Program Agreement, and \$25,000 for Cultural Council funding.						
Revenue/Exp Savings							
Other Source							
Other Information							

Prepared By	Neil Kruse, Senior Financial Analyst	Date	April 5, 2012
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