



CITY OF KIRKLAND
Department of Finance & Administration
123 Fifth Avenue, Kirkland, WA 98033 425.587.3100
www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager

From: Michael Olson, Director of Finance and Administration
Tom Mikesell, Financial Planning Manager

Date: November 15, 2016

Subject: PUBLIC HEARING ON PRELIMINARY 2017-2018 BUDGET

RECOMMENDATION:

City Council hold a public hearing on the Preliminary 2017-2018 Budget, and then have a deliberation about potential budget additions as the first item under "Unfinished Business".

BACKGROUND DISCUSSION:

The purpose of this public hearing is to solicit public comment on the Preliminary 2017-2018 Budget as submitted by the City Manager and available to the public on October 21, 2016. The budget document is available at:

<http://www.kirklandwa.gov/budgetdoc>

A public hearing on anticipated revenue sources was held on September 20, 2016. RCW 35A.33 requires that a public hearing on the upcoming budget period be held on or before the first Monday in December. A public hearing on the Preliminary 2017-2018 Budget was held on November 1, 2016. Additionally, Council budget study sessions were held on October 27th and November 1st, at which time Council discussed a number of issues as explained in more detail below.

At the October 27th and November 1st study sessions, Council directed staff to incorporate into the preliminary budget approximately \$850,000 in one-time resources, which represents the estimated net proceeds from the sales of the 505 Market St. building, to help fund the siting of a permanent women's shelter, consistent with the City's 2015-2016 Work Program. In addition, Council discussed repurposing \$500,000 in ongoing resources, which was originally scheduled as a transfer to the Major Systems Reserve in the Capital Projects fund, to fund to an Annexation Sales Tax Credit Reserve in the General Fund.

The Council also discussed a number of additional 2017-2018 funding needs at the October 27th, 2016 and November 1, 2016 budget study session, with further discussion scheduled for the November 15 Council meeting. If approved in total, these changes would require one-time funding of \$789,750, as shown in the table on the following page:

Potential One-time Additions	2017	2018	2017-2018
Human Services Option 3	180,633	180,633	361,266
Human Services Commission	35,000	35,000	70,000
Seasonal Labor Service Package	75,495	75,495	150,990
Transportation Engineering Consultants	25,000	-	25,000
Forterra Research Project	40,000	-	40,000
Performance Management Consultant	50,000	-	50,000
Communications Staffing	45,134	47,360	92,494
Other	tbd	tbd	tbd
Total	451,262	338,488	789,750

Potential resources to meet these needs, as mentioned at the October 27, 2016 budget study session include an amount of unallocated 2016 year end resources that are available to fund one-time additions to the budget as directed by Council, and recent updates to Kirkland's new construction assessed valuation from the King County Assessor's Office which indicate an increase above the amount used in the preliminary budget. In addition, corrections and refunds to prior year valuation are eligible to be added to Kirkland's allowable 2017 levy. These combined resources are summarized in the table below:

Unallocated Resources	2017	2018	2017-2018
Council Set Aside	-	563,665	563,665
Extra Property Tax from New Construction	85,430	87,139	172,569
Property Tax Corrections/Refunds Re-levy	31,046	-	31,046
Total	116,476	650,804	767,280

Staff recommend using the extra property tax from new construction to fund a portion of Human Services Option 3 at the level of \$172,569 over the biennium as shown below:

Unallocated Resources	2017	2018	2017-2018
Council Set Aside	-	563,665	563,665
Extra Property Tax from New Construction	85,430	87,139	172,569
Property Tax Corrections/Refunds Re-levy	31,046	-	31,046
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Forterra Research Project	40,000	-	40,000
Performance Management Consultant	50,000	-	50,000
Communications Staffing	45,134	47,360	92,494
Total	356,059	244,994	601,053

Net	(239,583)	405,810	166,227
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If the Council concurs with this recommendation, there is approximately \$166,000 in unallocated resources beyond the potential additions detailed above. Potential options for these resources could include:

- 1) Addition to reserves;
- 2) Addition to Council contingency which creates maximum flexibility for the future;
- 3) Further one-time additions to Human Services Option 3;
- 4) Funding of any other priority of the Council.

The Council's direction on the funding of the identified needs in 2017-2018 will be incorporated in the budget ordinance brought forward for Council action on December 13th.

For additional reference, attached is the Sales Tax Report for October (**Attachment A**).

Performance Management

During the November 1st Council meeting there was considerable discussion of potential funding of a performance management consultant. To assist with the Council's evaluation of potential consulting resources, what follows is a brief overview of the work staff has presented to Council over the past three years. The City's current performance management structure was described in a June 11, 2013, memorandum where staff recommended that the Council accept and communicate our three strategic anchors as key decision making criteria for the City. That memo can be found with the link below.

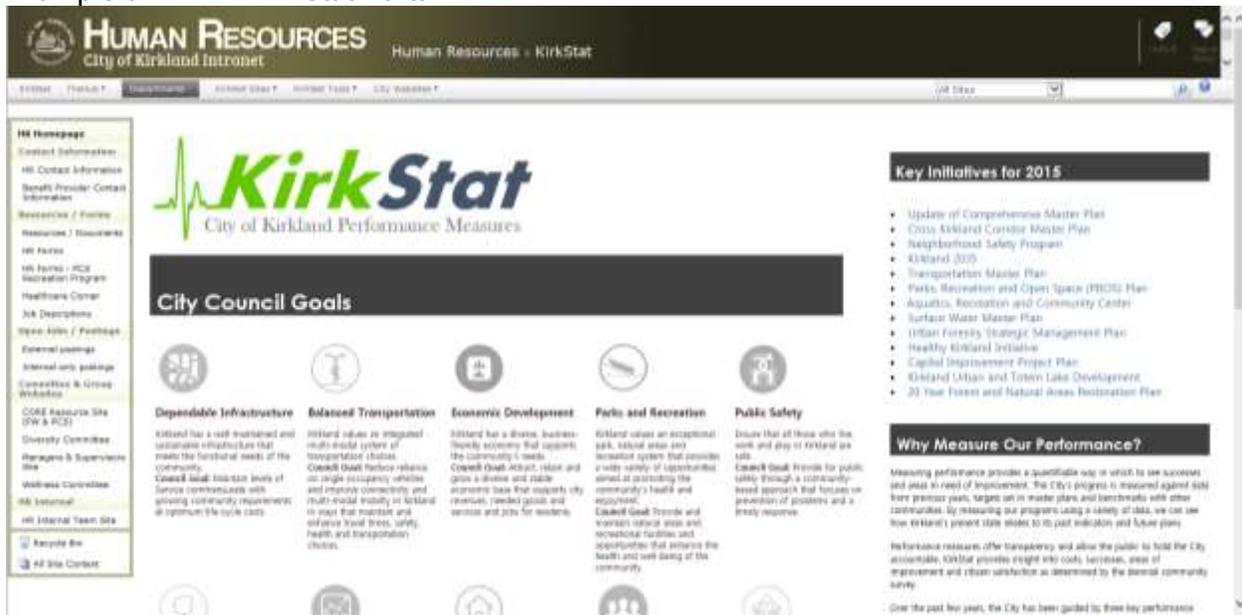
[Performance Management Council Memo June 2013](#)

As a follow up to this work, on May 5, 2015, staff made a study session presentation outlining what the next steps of this process might look like, and provided a general estimate of the costs of such a system. The memo from that presentation recommended that the City's existing Performance Report be developed into a web-based platform (similar to the "Suggest a Project" site), and be expanded to include a number of key performance indicators and a public outreach program to finalize those indicators. This new communication structure would be more dynamic than the current paper Performance Report and would have the potential to expand our current system into a dynamic, geospatial framework that could be used to better assist in the decision making process and provide a more effective method of communicating the City's progress. The May 5, 2015, document is attached to this memo (**Attachment B**) for your review and a link to the 11 page PowerPoint presentation that describes how the interactive website would work is also provided below.

[Performance Management PowerPoint Presentation May 2015](#)

More recently, staff has completed *the very early stages* of a working model of what an expanded performance management system might look like, given the working title of "KirkStat". Included below is a screenshot for your review. Finally, staff is available anytime to discuss the specifics of the framework and how to best incorporate this work with the work of a consultant, should the Council decide to take next steps in this direction.

Example of DRAFT KirkStat Portal



RECOMMENDATION

If the Council were to authorize consulting monies for performance management in the budget, staff recommends that the resources be used as follows:

- Contract with a performance management consultant with national expertise to review the suggested Kirkland performance management systems outlined in these memos. The consultant would provide feedback, evaluate the system against national best practices, and identify the resources required to implement the system;
- Help the City narrow the group of the Key Performance Indicators that would be tracked, and then conduct broad public outreach with the community to finalize the Indicators to ensure that the public agrees with the metrics being used.

Once the consultant has finished the work and Key Performance Indicators are selected in partnership with the public, staff would present a report to the Council in 2017 and the Council could decide whether to make additional resources available as part of the mid-biennial budget process.



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MEMORANDUM

To: Kurt Triplett, City Manager

From: Michael Olson, Director of Finance & Administration
 Tom Mikesell, Financial Planning Manager
 Elijah Panci, Budget Analyst

Date: November 4, 2016

Subject: October Sales Tax Revenue

October results reflect sales activity in August, due to the two month lag in reporting sales tax data. Sales tax revenue is **up 6.6 percent** compared to October 2015, which was a relatively slow month. Construction and Miscellaneous revenues drove growth, while a few sectors experienced a mild decline. The year-to-date growth, which had been steadily trending downward over the past few months, increased slightly this month, up 0.1 percent to **5.9 percent**.

The following sections discuss the highlights by business sector of both the month-to-month and year-to-date results. Also included are observations of sales tax collections in our neighboring cities, as well as a discussion of key economic variables that impact sales taxes.

Comparing October 2016 to October 2015

Comparing collections from the month of October this year and last provides insight into business sector performance controlling for seasonal cycles in sales.

2016 Sales Tax Receipts by Business Sector-Monthly Actuals

Business Sector Group	October		Dollar Change	Percent Change	Percent of Total	
	2015	2016			2015	2016
Services	232,852	219,167	(13,685)	-5.9%	14.2%	12.5%
Contracting	269,252	324,886	55,634	20.7%	16.4%	18.6%
Communications	40,110	42,224	2,114	5.3%	2.4%	2.4%
Retail:						
Auto/Gas Retail	436,117	423,558	(12,559)	-2.9%	26.5%	24.2%
Gen Merch/Misc Retail	167,301	160,118	(7,183)	-4.3%	10.2%	9.1%
Retail Eating/Drinking	145,407	143,599	(1,808)	-1.2%	8.8%	8.2%
Other Retail	209,816	223,769	13,953	6.7%	12.8%	12.8%
Wholesale	52,124	74,426	22,302	42.8%	3.2%	4.2%
Miscellaneous	90,411	139,528	49,117	54.3%	5.5%	8.0%
Total	1,643,390	1,751,274	107,885	6.6%	100%	100%

Comparing month-over-month, October sales tax collections this year are **\$107,885 (6.6 percent)** higher than October 2015.

In terms of dollar growth, **Contracting** performed best compared to October 2015, increasing by **\$56,000 (20.7 percent)**. The top three improving sectors were rounded out by **Miscellaneous**, which was up **\$49,000 (54.3 percent)** and **Wholesale**, which grew **\$22,000 (42.8 percent)**.

While there was sizable month-over-month growth this October, much of it appears to be related to one-time events. Contracting again plays a large role in keeping the growth rate higher than it might otherwise be. Miscellaneous is up almost entirely due to an anomalously large distribution from the state (\$40,000), an amount that is generally below \$5,000. This distribution alone accounts for 37.6 percent of month-over-month growth. This figure represents revenues with incomplete coding, which the state distributes according to the best estimate of origin. Without that revenue, month-over-month growth would fall to 4.1 percent.

A few groups fell this month, led by **Services, which fell \$14,000 (5.9 percent)**. Rounding out the top three were **Auto/Gas Retail, which was down \$13,000 (2.9 percent)**, and **General Merchandise/Misc Retail, which was down \$7,000 (4.3 percent)**.

The decreases in Services and General Merchandise/Miscellaneous Retail were not encouraging, but not severe either. The decline in Auto/Gas Retail is a bit misleading, as October car sales were strong, but the comparison to October 2015 is not flattering, as that month was the highest grossing of the past two years. The month-over-month trends overall were not encouraging, but not particularly poor, given that Auto/Gas Retail sales were relatively strong.

Year-to-Date Review

Year-to-date sales tax totals are useful for comparing revenues received so far this year with last year's totals through the same period. This information gives context on each sector's longer term performance and allows developing trends to be identified.

City of Kirkland Actual Sales Tax Receipts

Business Sector Group	YTD		Dollar Change	Percent Change	Percent of Total	
	2015	2016			2015	2016
Services	2,119,813	2,235,144	115,331	5.4%	13.5%	13.4%
Contracting	2,411,802	2,751,745	339,943	14.1%	15.4%	16.5%
Communications	356,300	443,455	87,155	24.5%	2.3%	2.7%
Retail:						
Auto/Gas Retail	3,955,337	3,967,043	11,706	0.3%	25.2%	23.9%
Gen Merch/Misc Retail	1,810,238	1,745,553	(64,685)	-3.6%	11.5%	10.5%
Retail Eating/Drinking	1,305,496	1,332,750	27,254	2.1%	8.3%	8.0%
Other Retail	2,091,262	2,285,208	193,946	9.3%	13.3%	13.7%
Wholesale	756,957	799,511	42,554	5.6%	4.8%	4.8%
Miscellaneous	891,529	1,067,387	175,858	19.7%	5.7%	6.4%
Total	15,698,732	16,627,794	929,062	5.9%	100%	100%

Through the end of October, year-to-date sales tax revenues are up **5.9 percent**. This is 0.1 percentage points higher than the year-to-date growth rate reported in September.

By dollar amount, the largest growth is in **Contracting**, which is up **\$340,000 (14.1 percent)** from last year. **Other Retail** and **Miscellaneous** are the next two leading sectors, up **\$194,000 (9.3 percent)** and **\$176,000 (19.7 percent)** respectively. After a somewhat slow month in September, Contracting rebounded in October and now accounts for 36.6 percent of year-to-date growth. Other Retail, which includes Internet Sales, Food & Beverage, Electronics, Furniture, and others, has consistently been one of the top growth groups in 2016. Miscellaneous jumped into the top three due to outperforming Services significantly in October.

General Merchandise/Misc Retail is the only group down on the year, **\$65,000 (3.6 percent)** below 2015 revenues. Receipts are down marginally for most major retailers in the Misc Retail category, which accounts for \$57,000 of the decrease. Though it is the only sector to decline, it is one of the largest sectors and an important contributor to the City's sales tax revenue. However, at least a portion of this due to lost economic activity from closed businesses at the Totem Lake and Kirkland Urban construction sites.

Also worth noting is the relative lack of growth of **Auto/Gas Retail**, which is now at 0.3 percent. The growth rate was up to 6.4 percent in April, but has declined almost every month since then.

Neighboring City Performance

Neighboring cities are performing well this year, though results in October were somewhat mixed. Year-to-date growth in Bellevue increased 0.6 percentage points to 7.4, while Seattle and Renton decreased 0.4 and 0.1 percentage points down to 11.0 and 7.7 percent respectively. Bothell fell 0.9 points, down to 7.9 percent on a year-to-date basis. Redmond's booming growth through August appears to be over, and saw a 3.9 point drop in year-to-date growth, which is still up an impressive 36.4 percent on the year. Overall, Kirkland has the lowest year-to-date growth of these cities, 1.8 percentage points below Seattle, the next closest growth rate.

National and Regional Economic Context:

Information about wider trends in the economy provides a mechanism to help understand current results in Kirkland, as well as predict future performance. The combination of consumer confidence, unemployment levels, housing data and auto sales provide the broader economic context for key factors in sales tax revenues. The following table includes the most recently available data and prior month's readings, for some of the most relevant indicators.

2016 Wider Economic Indicators					
Indicator	Most Recent Month of Data	Unit	Month		
			Current	Previous	Change
Consumer Confidence					
Consumer Confidence Index	October	Index	98.6	104.1	(5.5)
Unemployment Rate					
National	September	%	5.0	4.9	0.1
Washington State	September	%	5.1	5.7	(0.6)
King County	September	%	4.0	3.9	0.1
Kirkland	September	%	3.5	3.3	0.2
Housing					
New House Permits	August	Thousands	29.1	39.8	(10.7)
Seattle Area Home Prices	August	Index	204.7	203.7	1.0
Inflation (CPI-W)					
National	September	% Change	1.2	0.7	0.5
Seattle	August	% Change	2.0	2.0	0.0
Car Sales					
New Vehicle Registrations	September	Thousands	26.2	25.2	1.0

The Conference Board reported a decrease for the **Consumer Confidence Index** in October, as the Index fell 5.5 points to 98.6. The Board indicated that both near-term and long-term indicators decreased, as consumers anticipate minimal growth.

Unemployment Rates increased slightly at the National level, rising to 5.0 percent from August to September. The September unemployment rate in Washington State fell significantly, down 0.6

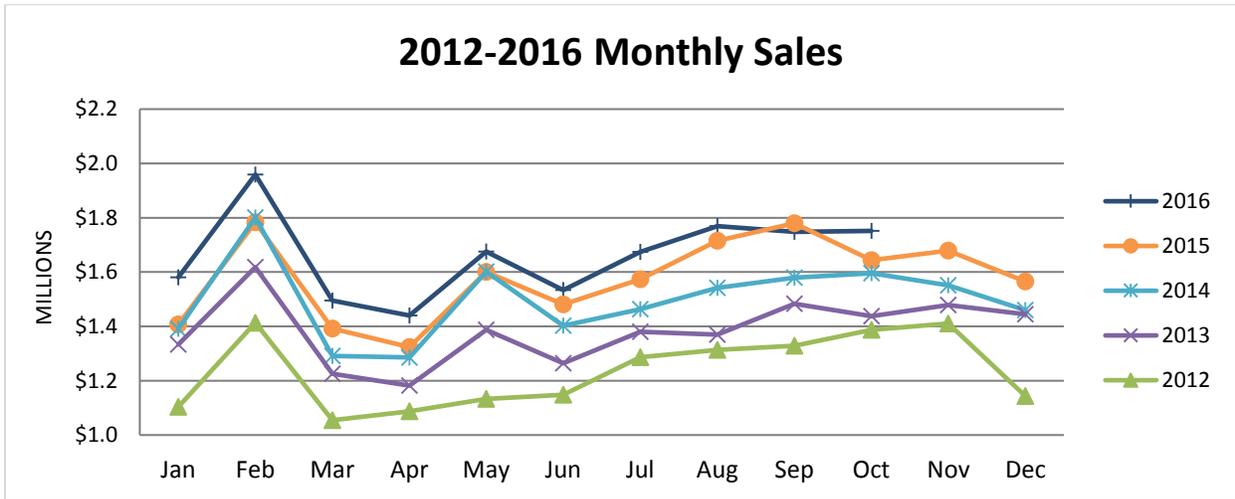
percentage points to 5.1 percent. King County and Kirkland each crept up marginally in September, but continue to remain at low levels, 4.0 and 3.5 percent respectively.

The latest data on statewide **New House Permits** continues to show a significant decrease, down to 29,100 permits in August from 39,800 permits in July. The monthly average for new permits in 2016 is now 4.3 percent below 2015 after holding steady throughout the year despite month-to-month volatility. This represented the fewest number of permits issued in the month of August since January 2014.

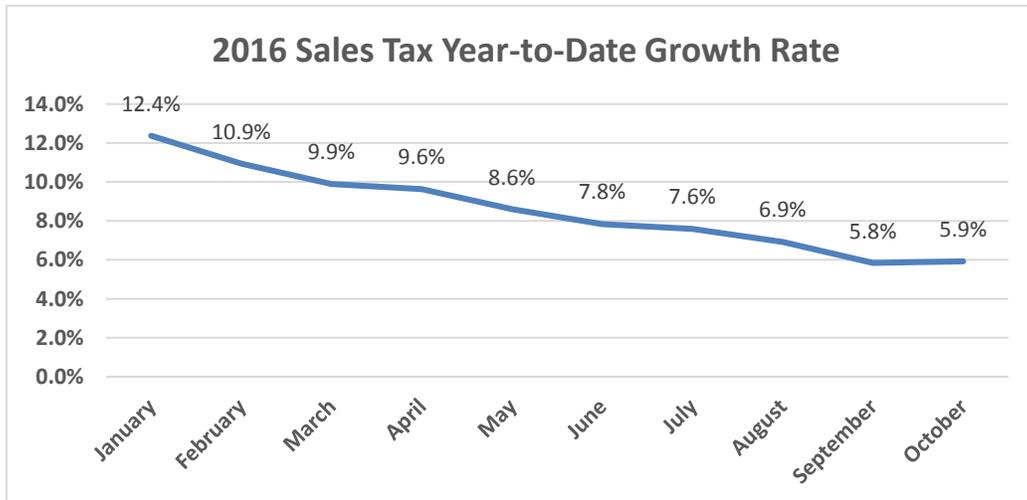
New Vehicle Registrations increased in September, up by 1,000 to 26,200, their highest level since February. Registration levels remain high relative to 2014 and 2015.

Conclusion

The following chart shows Kirkland’s monthly sales tax revenues through October.



Month-over-month sales tax revenue in October 2016 is back above 2015, though the graph shows that October 2015 was a slow month. The year-to-date growth rate increased for the first time this year, albeit marginally. October’s performance did not answer any questions, and mixed results over the past couple months don’t suggest a big change either upwards or downwards in the near future. Economic context data is somewhat mixed. Despite consumers feeling more cautious about the state of the economy, other indicators do not point to a significant downturn. For now a “wait and see” approach may be most prudent.





CITY OF KIRKLAND
Human Resources Department
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MEMORANDUM

To: Kurt Triplett, City Manager

From: James Lopez, Director of Human Resources and Performance Management
Shawn Friang, Human Resources Program Coordinator

Date: April 23, 2015

Subject: PERFORMANCE MANAGEMENT DASHBOARD

RECOMMENDATION

- **Staff is recommending that the Annual Performance Report should be revised to become a web-based communication platform and seeks direction from the Council on development and implementation of such a platform.**
- **Staff is recommending that as part of this work, the City should revise the series of key performance indicators ("KPIs") which would serve as quantifiable metrics for each of the City's established priority areas ("Priority Areas") and seeks input on the development of these measures.**
- **Staff is also recommending that the City engage the public in the development of the revised KPIs and seeks input on how best to engage the public in this effort.**
- **Staff is seeking concurrence from the Council on developing a Mid-Biennium Budget proposal for IT resources, dedicated staff time in HR and staff time from each department to maintain this program, the annual cost of which will likely range from \$50,000 to \$150,000. The proposal would be evaluated along with other priorities as part of the Mid-Biennium budget process.**

INTRODUCTION

Performance Management provides institutions with a system to identify and prioritize needs, strategies, and resources, embracing transparency and acknowledging accountability. An effective performance management system must be, at its core, simple: simple to use, simple to understand and simple to communicate. At the same time such a system must be sufficiently

complex to facilitate critical functions such as informing decision making at all levels of government and providing critical feedback on how the City is performing.

As noted by the International City/County Management Association (ICMA) “[p]erformance management is fundamental to organizational leadership and demonstrates the ‘performance dividend’ of professionally managed communities. Not only does the use of performance management and analytics facilitate better decision making by elected and appointed officials, but is also promotes accountability, transparency, and quality service delivery to the general public.”

In 2013, staff provided the Council with an overview of the City’s existing performance management framework emphasizing the need to establish and prioritize strategic anchors as the primary lens by which the City makes all decisions, and receiving guidance on the next steps toward enhancing our existing system.

The purpose of this memorandum is to update the Council on the City’s progress toward building a more complete performance system. As noted below, our recent work has focused on transforming how we report performance from our existing Performance Report, to a more dynamic web-based platform where the City can 1) better align Council goals (“Goals) to established Priority Areas, 2) build out Key Performance Indicators (KPIs) to be more reflective of what the City hopes to accomplish, 3) connect the Goals, Priority Areas and KPIs to the strategies and actions the City is either implementing or planning to implement (i.e. the Work Plan, Comprehensive Plan, Kirkland 2035) in a way that is easy to access, understand, and is meaningful to the Council, City staff and the general public.

BACKGROUND

By way of brief background, the Performance Report is a primary mechanism to measure how well the City is performing against each established goal area set by the Council. A copy of the 2013 Performance Report is included in this Council packet ([Attachment A](#)). Because the report is organized by goal area, it provides a direct road map of how the City is doing against the highest level expectations of the Council, essentially aligning yearly performance to long term vision. The report is also presented in such a way as to emphasize not only metrics and other quantitative information, but it also illustrates through narratives how the City is working to achieve its goals, in many cases in partnership with the communities we serve.

For the last several years, the City has been guided by three key performance measures that have served as “strategic anchors”, or a lens to every major decision put before it. For the City these anchors consider whether the City remains **affordable**, whether it is **responsive to the needs of its residents** and whether it is **financially sustainable** both in the near and long term. The significance of this practice should not be underestimated. Guided by these three specific inquiries, the City has been able to manage the tension of setting policies and delivering services that the community prioritizes.

The Kirkland Quadrant is one of the three strategic anchors the City relies upon to help evaluate key decisions at nearly every phase of its strategic planning process. The Quadrant, first published in its current form in 2008, communicates the results of a community-wide survey that asks specific questions regarding the *importance* and the *performance* of several key policy areas identified by the Council. These key policy areas, known by staff as Council "Priority Areas" can be organized by Goal area and range in scope from very specific i.e. "Pedestrian Safety" to very general i.e. "Police". Each Priority Area gives the Council important community insight on areas of concern and supports the idea that the City is especially *responsive* to the needs of its residents. (Attachment B – Kirkland Quad)

UPDATE ON RECENT ACTIVITIES

1. Staff has designed a web-based framework to serve as a single point of contact for key performance management information.

The proposed web-based design begins with identifying the ten Council Goals along with the three strategic anchors solidifying the basis for what we as a City prioritize. Each Goal would be hyperlinked to a goal page that explains the goal and provides an overview of how the Goal meets the needs of a citizen and what the City is doing to meet that need. The Goal page would also include a list of Priority Areas that have been connected to that goal. An image of the Quad illustrates the location of each of those Priority Areas and their importance and performance rating from the previous citizen survey and City budget. Each Priority Area would then be hyperlinked to a Priority Area page.

Each Priority Area page would include a description of the Priority Area and a list of five to ten associated KPIs, which would also be hyperlinked. There is also a section that shares the story of how these Priority Areas are playing out in City activities and work programs.

Each KPI would also be linked to a page that would contain a definition of the measure, a chart showing the history of the measure and how the City has performed over time, as well as a graphic, map or chart that illustrates the current value of the measure.

To address a prior need to align the Performance Report with strategic plans and master planning processes there would be hyperlinked boxes on the bottom of each page identifying the long-term, mid-term and short-term plans that the City has in place that pertain to each page. A visual depiction of these proposals are presented in PowerPoint format here. (Attachment C)

It is important to note this framework has been designed only—not created. Building such a web-based platform would take significantly more resources than are currently allocated to the performance management team and would require council direction before moving forward.

2. Staff has researched and continues the development of a comprehensive set of Key Performance Indicators (KPIs)

Much of our work in 2014 has been to identify Priority Areas that pertain to the ten Council Goals, and then consider KPIs which are quantifiable metrics that show where we are in relation to our target Goals and better define each of the City's Priority Areas.

Utilizing the below list as a starting point, performance management staff engaged each Department Director in identifying KPIs for each Priority Area associated with how each Director defines his or her department's work. These lists are still works in progress and staff is seeking Council comments on the draft indicators.

1. Support for Neighborhoods - NEIGHBORHOODS (ENVIRONMENT)

- a. Amount of funds for Neighborhood projects average per neighborhood
- b. Number and amount of neighborhood matching grants
- c. Number of publications out to citizens (many forms)
- d. Number of languages public docs available
- e. Average # of vacant or neglected properties registered per month
- f. Average # of demolition or rehabilitations per month
- g. Average # of voluntary compliance code violations per month
- h. Number of staff members attending neighborhood association meetings
- i. Number of KAN University classes/attendees

2. Zoning and Land Use - NEIGHBORHOODS & HOUSING (ENVIRONMENT, ECONOMIC DEVELOPMENT)

- a. Percentage of residential land use
- b. Percentage of commercial land use
- c. Number of residential permits
- d. Number of multifamily permits
- e. Number of commercial permits
- f. Residential density of downtown Kirkland
- g. Average # of working days for plan review
- h. Number of calendar days to issue permits for commercial property (may need \$ figure for max size of property)
- i. Average valuation per building permits
- j. Average number of customers served per month

3. Community Events - NEIGHBORHOODS (PARKS AND RECREATION)

- a. Number of community events per month
- b. Average attendance at community events per month
- c. Farmers Market attendance average per week
- d. Number of communications to public about community events/# of days of notice of event

4. Fire/EMS Management- PUBLIC SAFETY

- a. Number of deaths arising from accidental fires per 1000 population
- b. Number of injuries from accidental fires per 1000 population
- c. Recovery time from serious medical incident
- d. Amount of property damage for fires per 1000 population
- e. Percentage of building fires contained to area of origin
- f. Number of fire calls per 1,000 population
- g. FIRE response times under 5.5 minutes
- h. EMS response times under 5.5 minutes
- i. Average number of Fire/EMS calls per month
- j. Average of Fire Prevention class attendance
- k. Average number of inspections per month

5. Police – PUBLIC SAFETY

- a. Average number of crimes per 1,000 population per month
- b. Average number of domestic burglaries per 1,000 population per month
- c. Average number of violent crimes per 1000 population per month
- d. Average number of domestic disturbances per 1,000 population per month
- e. Average number of vehicle crimes per 1,000 population per month
- f. Average number of auto accidents per month
- g. Average number of fatal auto accidents per month
- h. Average clearance rate for crimes per month (crimes solved by officers)

6. Preparedness – PUBLIC SAFETY

- a. Number of shelters per 1,000 population
- b. Percentage of population with emergency relief center within ½ mile
- c. Number of CERT classes offered per month
- d. Number of CERT trained city staff and citizens
- e. Average Building Risk Indicator (BRI)
- f. Percentage of government departments with emergency action plan
- g. Percentage of businesses with an emergency action plan
- h. Flood prevention actions completed

7. Pedestrian Safety – PUBLIC SAFETY

- a. Number of accidents involving a pedestrian
- b. Number of deaths from accidents involving a pedestrian
- c. Number of flashing crosswalks
- d. Mileage of lighted sidewalks
- e. Percentage of crosswalks in working order
- f. Number of uncontrolled crosswalks
- g. Number of maintained/repaired crosswalks/sidewalks

8. People in Need – HUMAN SERVICES

- a. Human Services funding per capita
- b. Percentage of annual average of Growth Management Act (GMA) low income housing target met
- c. Percentage of annual average of GMA moderate income housing target met
- d. Total number of low and moderate income units brought online
- e. Number of partnerships with service organizations
- f. Ratio of demand/met need for housing services
- g. Number of food banks/distribution of food banks throughout city
- h. Average number served at food banks per month
- i. Number of new affordable housing units under construction/completed
- j. Number of active section 8 rentals

9. Sidewalks and Walking paths – BALANCED TRANSPORTATION (PUBLIC SAFETY)

- a. Miles of streets with at least one sidewalk (percentage of streets with at least one sidewalk)
- b. Miles of walking paths
- c. Average number of accidents caused by sidewalk issues
- d. Number of assaults/crimes on sidewalk/walking paths
- e. Walkability score
- f. Square footage of sidewalk repairs completed

10. City Parks - PARKS AND RECREATION (ENVIRONMENT)

- a. Acreage of open space
- b. Level of care of parks %
- c. Number of facilities maintained per year
- d. Volunteer numbers and hours for park maintenance
- e. Staff number and hours for park maintenance
- f. Per capita open/green space
- g. Percentage of residences with a park or open space within ¼ mile
- h. Parks Capital Improvement Programs funds
- i. Parks Operating and Maintenance funding

11. Recreational Programs/Classes - PARKS AND RECREATION

- a. Number of class offerings per year/month
- b. Average revenue from classes per month
- c. Average attendance of classes
- d. Number of class offerings per age group (senior, adult, teen, youth)
- e. Average attendance of class offerings per age group (senior, adult, teen, youth)
- f. Avenues of publication about recreation programs
- g. Recreation Operating and Maintenance funding

12. Support for the Arts - PARKS AND RECREATION

- a. Number of different arts programs offered
- b. Average attendance of performances
- c. Number of art installations in the City
- d. Average number of performances each month
- e. Average gross ticket sales per month

13. Environment - ENVIRONMENT

- a. Percentage of energy used from renewable resources
- b. Number of contained hazardous spills
- c. Amount of electricity used per year
- d. Amount of natural gas used per year
- e. Percentage of energy saved by solar installations
- f. Percentage of residential energy saved
- g. Percentage of commercial energy saved
- h. Green House Gas (GHG) emissions per year
- i. Per capita daily water consumption
- j. Number of trees planted/trimmed
- k. Tree canopy coverage
- l. Air quality

14. Recycling and Garbage - ENVIRONMENT

- a. Total diversion rate of City
- b. Percentage of household waste sent for recycling
- c. Percentage of multi-family household waste sent for recycling
- d. Percentage of commercial waste sent for recycling
- e. Percentage of construction and demolition waste recycled
- f. Average amount of waste sent to landfill per capita per month
- g. Number of hazardous waste recycling events
- h. Amount of hazardous waste collected per year

15. Attracting and keeping businesses – ECONOMIC DEVELOPMENT

- a. Percentage of retail space vacant
- b. Percentage of office space vacant
- c. Average revenue per business
- d. Average number of employees per 100,000 in revenue
- e. Average number of new businesses per month
- f. Average number of closed businesses per month
- g. Average number of new home-based businesses per month

16. Maintaining Streets - DEPENDABLE INFRASTRUCTURE

- a. Number of complete streets
- b. Pavement condition index for major and minor arterial streets
- c. Pavement condition index for collectors and neighborhood streets
- d. Average number of potholes reported/repared each month
- e. Percentage of capital project improvements completed on time
- f. Percentage of capital project improvements completed on budget
- g. Miles of resurfaced streets
- h. Percentage of damaged roads/pavement made safe within one working day

17. Traffic flow – DEPENDABLE INFRASTRUCTURE (BALANCED TRANSPORTATION)

- a. Coverage percentage of public transportation or density of public transportation
- b. Number of cars per 1,000 population
- c. Average travel time through major intersections (peak hours)
- d. Average parking time in city center
- e. Average commute time in/through the city
- f. Average commute time by bus
- g. Changes in population in and out of city on daily basis

18. Bike Safety – PUBLIC SAFETY

- a. Number of miles of completed bike routes
- b. Number of auto accidents involving a bicycle
- c. Number of deaths involving a bicycle accident
- d. Number of bike racks in City
- e. Number of elementary education programs completed for bicycle safety

Sources:

CALEA. "Measuring the Performance of Law Enforcement Agencies Parts 1 and 2" <http://www.calea.org/calea-update-magazine/issue-84/measuring-performance-law-enforcement-agencies-part-2-2-part-article>
City of Glendale. "Key Performance Indicators" <http://www.glendaleca.gov/home/showdocument?id=14260>
City of Tulsa. "Key Performance Indicators". <https://www.cityoftulsa.org/our-city/financial-reports/key-performance-indicators.aspx>
KPI library. <http://kplibrary.com/>

In selecting this preliminary list, staff referenced a database of commonly used measures with a focus towards measures that identify outcomes, i.e. those things citizens care most about. Staff also subsequently considered the ICMA's key service area measures as well as the International Organization for Standardization's (ISO) indicators as defined in their "ISO 37120 International Standard report for Sustainable development of communities – Indicators for city services and quality of life". (<https://www.iso.org/obp/ui/#iso:std:iso:37120:ed-1:v1:en>)

As noted above, this list is a placeholder only, put forth only to start the conversation. Our plan is to work closely with the City Manager's Office, each department Director and staff and the Council as we select, prioritize and refine these measures. With Council's guidance, staff also plans to engage the community of Kirkland in this process, helping us define these Priority Areas as well.

Staff recognizes that community involvement is especially important to this process. For example on our current citizen survey, when Kirkland residents are asked the question, "How safe do you feel walking in your neighborhood at night?" it is not fully clear to the City how each respondent is defining what it means to feel safe. We need to look further and ask, "What makes you feel safe?" While feeling safe is not necessarily quantifiable there are measurable actions from several City departments that can address this. For example, police response times, existence of sidewalks and number of street lights are all measurable items that can contribute to whether a citizen feels safe in their neighborhood.

By bringing together the various levels of indicators from local to global we believe we can provide a rich definition of indicators that the City can use to actively engage our community, better prioritize our work programs and even identify how the City measures up on a global scale.

By clearly defining our priority areas through KPI's and communicating those definitions to our citizens, we believe the value of the responses we receive in relation to our Community Survey will more accurately reflect the City's status in relation to meeting our targets.

3. Working with IT on the development of a geo-spatial element and other interactive tools to enhance our ability to communicate performance and create a pathway to an even more dynamic analytical environment.

As part of staff's proposed movement to a web-based performance management environment, staff envisions a significant part of the new system will rely upon geospatial information (GIS) analytical tools and measures to best communicate how we are doing and what we hope to accomplish. Toward that end, staff has been researching innovative ways to include GIS as part of our work.

This work involves evaluating how to leverage GIS technology to visualize location-based performance characteristics on key city services and operations. The idea is to build a dynamic mapping and monitoring system that allows elected officials, private citizens, and the City's management team to access current information on the trends and performance of City operations. The system will leverage the City's wealth of geospatial data, a variety of City departmental and program data, and regional data to provide a map-based executive summary of the current and past performance characteristics of key City services and operations. Those could include police 911 calls, crime hot spots, fire incidents, code violations issued, graffiti removed, streetlights repaired, roads constructed/repared, utility network maintained, development permits issued, participation in parks/recreation programs, etc. Also of interest

might be community property values, business sector dynamics, City services to seniors, demographics, emergency preparedness, mobility, etc.

Staff is also exploring how best to connect to other GIS based City initiatives and programs. The system would be architected to consume and process information from other initiatives, programs, and business systems. Automated data and web services update scripts will be developed and scheduled to provide fresh data to the system. Geoprocessing and geostatistical analysis results will also be fed into the system for display.

The system may also include a series of interactive "story maps," which could serve as an intuitive and effective visual communication tool on other City initiatives and programs. For example, these might include such topics as the Cross Kirkland Corridor Initiative, Development Capacity, Walkable Neighborhoods, 2035 Comprehensive Plan, Transportation Master Plan, etc.

The system development can be based on the City's enterprise implementation of ArcGIS and ArcGIS Online, a cloud-based mapping platform.

NEXT STEPS

- If Council approval is given, a Mid-Biennium Budget proposal for IT resources, dedicated staff time in HR and staff time from each department to maintain this program will be developed for implementation in 2016.
- Staff will also present the Council with a detailed plan and phased approach toward implementing each of the steps necessary to build the new platform.
- Council can then evaluate this proposal in the context of other priorities during the Mid-biennial budget process and provide final direction in December of 2015.