

RESOLUTION R-5392

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND ESTABLISHING A PARKS AND COMMUNITY SERVICES DEPARTMENT RESOURCE ALLOCATION MODEL AS AN ADDENDUM TO FISCAL POLICY ESTABLISHED THROUGH RESOLUTION R-5347.

1 WHEREAS, establishment of a fiscal policy for the City of Kirkland  
2 ("City") is an extension of current City fiscal policies adopted with the  
3 biennial budget and consistent with previous Department cost recovery  
4 studies completed in 1999, 2002 and 2005; and  
5

6 WHEREAS, the fiscal policy calls for use of a resource allocation  
7 model with cost recovery targets in order to achieve the stated goal of  
8 sustaining the City's parks and recreation system into the future by  
9 responsibly using tax revenues as well as fees, charges and other  
10 identified sources (e.g. grants, donations and commercial sponsorships)  
11 in support of carrying out the Department's mission, with the goal of  
12 meeting the community's health, wellness and recreation needs; and  
13

14 WHEREAS, the use of fees, charges and other alternative  
15 revenue sources will allow for provision of some services that might not  
16 otherwise be possible based on tax revenues alone; and  
17

18 WHEREAS, the use of fees, charges and other alternative  
19 revenue sources provides financial resources to keep up with growing  
20 costs and to help make possible the expansion of services to keep up  
21 with growing demand; and  
22

23 WHEREAS, the fiscal policy will help residents, businesses and  
24 users of the parks and recreation system by providing a formal,  
25 transparent, and equitable policy basis for the use of taxes, fees,  
26 charges and alternative revenue sources to support parks and  
27 recreations system assets, programs and services; and  
28

29 WHEREAS, the fiscal policy will also help staff establish and  
30 achieve financial targets that utilize efficiencies and cost saving  
31 measures as well as revenue generation, thereby helping maximize tax  
32 revenue support for those service areas identified by the City Council as  
33 foundational to community needs and interests, in part by better  
34 matching payments for services with the recipients of those services.  
35

36 NOW, THEREFORE, be it resolved by the City Council of the City  
37 of Kirkland as follows:

38        Section 1. The City Council supports and hereby adopts the  
39 following resource allocation model for the Department of Parks and  
40 Community Services:

- 41
- 42        i. This resource allocation model is established as an addendum to  
43 fiscal policy established through Resolution R-5347.
- 44
- 45        ii. The fiscal policy established the Pyramid Model as the foundation  
46 for the resource allocation model, which utilizes the underlying  
47 principle that those who receive the benefit of a service, should  
48 help pay for the service.
- 49
- 50        iii. The resource allocation model allows for the sorting of each  
51 category of programs and services offered by Parks and  
52 Community Services into the five tiers of a pyramid. The bottom  
53 of the pyramid is Tier 1, which is understood to have the most  
54 community benefit. The top of the pyramid is Tier 5, which is  
55 understood to have the most individual benefit.
- 56
- 57        iv. If the benefit is to the community as a whole, it is appropriate  
58 to use tax revenues to completely or primarily fund the services  
59 where practicable. Examples of services that primarily benefit  
60 the community as a whole are play areas, parks, trails and large  
61 natural areas. The Department may also seek grants, donations  
62 and commercial sponsorships for these community benefit  
63 services as appropriate to help sustain these services.
- 64
- 65        v. As the benefit moves along the spectrum towards primarily  
66 benefitting an individual or identified group of individuals rather  
67 than just the community as a whole, it is appropriate to charge  
68 fees for the service at an increasing rate of cost recovery.  
69 Supervised or instructed programs, facilities that visitors can use  
70 exclusively and products and services that may be purchased are  
71 examples where user fees are appropriate.
- 72
- 73        vi. Cost recovery targets by tier in the pyramid model are set to  
74 achieve a specified financial outcome, defined as sustaining the  
75 parks and recreation system into the future by responsibly using  
76 tax revenues as well as fees, charges and other identified  
77 sources (e.g. grants, donations and commercial sponsorships) in  
78 support of carrying out the Department's mission.
- 79
- 80        vii. Each programmatic category as a whole in the tier shall achieve  
81 the set cost recovery target, although individual programs within  
82 a category may recover more or less than the target.

- 83 | viii. In establishing fees and charges, the Department will determine
- 84 | the direct and indirect costs of providing services and establish
- 85 | goals to recover those costs.
- 86 |
- 87 | ix. The Department shall also consider available resources,
- 88 | alternative service providers, public needs, the community
- 89 | economic climate and market rate when establishing fees and
- 90 | charges. Fees and charges may utilize a non-resident rate
- 91 | differential in recognition of the taxpayer resources provided by
- 92 | Kirkland residents. Other fee differentiations may be used where
- 93 | appropriate, including, but not limited to, "youth", "adult",
- 94 | "premium" and "non-profit" categories.
- 95 |
- 96 | x. In recognition of available resources, public need, the
- 97 | community economic climate and market rate, City Council, the
- 98 | City Manager or the Department Director may approve lower
- 99 | fees than those necessary to meet recovery cost targets upon
- 100 | determination that the fee arrangement will primarily benefit the
- 101 | public interest.
- 102 |
- 103 | xi. The resource allocation model does not currently contain two
- 104 | programmatic categories: special events and athletic field
- 105 | rentals.

106 |

107 | Section 2. This Parks and Community Services Department

108 | resource allocation model shall hereafter be included in the City's fiscal

109 | policy section of each City biennial budget.

110 |

111 | Passed by majority vote of the Kirkland City Council in open

112 | meeting this 1st day of October, 2019.

113 |

114 | Signed in authentication thereof this 1st day of October, 2019.

  
 Penny Sweet, Mayor

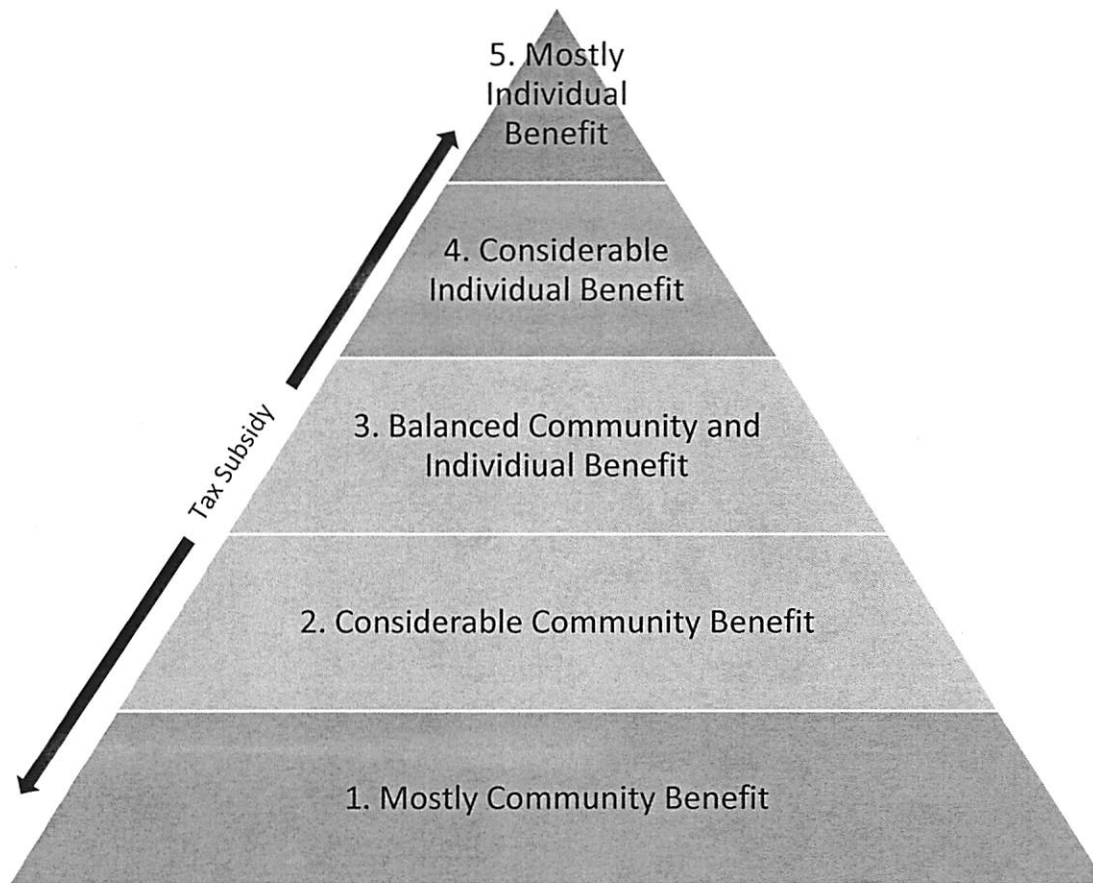
Attest:

  
 Anja Mullin, Deputy City Clerk



**Parks and Community Services**  
**Supplement to Fiscal Policy Adopted December 2018 via Resolution 5347**  
**Resource Allocation Methodology and Cost Recovery Targets**

The resource allocation methodology sorts categories of programs into 5 tiers of a pyramid. The bottom of the pyramid is Tier 1, which is understood to have the most community benefit and This methodology utilizes the underlying principle that those who receive the benefit of the service, pay for the service. expected to be supported through tax funding. The top of the pyramid is Tier 5, which is understood to have the most individual benefit and expected to receive the least tax dollar support. Tiers 2 through 4 have both community and individual benefits and would be supported by a mix of tax dollars, fees, and other alternative revenue sources. Each programmatic category in the tier shall achieve the set cost recovery target.



- Tier 5: No Subsidy,  $\geq 100\%$  Cost Recovery\***  
 Vendors/Concessionaires      Private Lessons  
 Marina Piers and Boat Launch      Park Shelter Rentals  
 Cemetery Funeral Services      Facility Rentals
- Tier 4: Partial Subsidy,  $\geq 75\%$  Cost Recovery\***  
 Adult General Classes and Sports      Senior Trips  
 50+ General Classes and Sports  
 Recreational Special Events
- Tier 3: Partial Subsidy,  $\geq 50\%$  Cost Recovery\***  
 Youth Camps and After School  
 Youth General Classes and Sports  
 Preschool General Classes and Sports
- Tier 2: Partial Subsidy,  $\geq 25\%$  Cost Recovery\***  
 Aquatics Public Swim at the Pool  
 50+ Services via Partnerships  
 Senior Transportation Program
- Tier 1: Full Subsidy,  $\geq 0\%$  Cost Recovery\***  
 Park & Beach Use      Human Services  
 Green Kirkland Partnership      Youth Services  
 Senior Services

\*R-5347: City Council, City Manager or the Department Director may approve lower fees upon determination the fee arrangement will primarily benefit the public interest.