



CITY OF ISSAQUAH

2021 Proposed Budget



CITY OF
ISSAQUAH
WASHINGTON

Table of Contents

Introduction

Issaquah History.....	4
Issaquah Today.....	5
Elected Officials.....	6
Issaquah Leadership.....	7
Committees, Boards, & Commissions	8
Issaquah Organizational Chart.....	9
Issaquah Organizational Chart 2021 Reorganizations.....	10

Budget Overview

Message From the Mayor.....	12
2021 Budget on a Page.....	15
Strategic Plan.....	16
Strategic Plan, Goals, and Programs Summary.....	17
2021 Revenue Overview.....	21
General Fund Financial Plan.....	23
2021 General Fund Revenue Summary	26
2021 General Fund Expenditure Summary	27
Personnel, Positions, and FTE's.....	29

Department Overview

Executive Department.....	35
City Clerk's Office.....	43
Communications Office.....	48
Community Planning & Development Department.....	54
Finance Department.....	61
Human Resources Department.....	69
Information Technology.....	75
Municipal Court.....	83

Table of Contents

Parks and Community Services Department.....	89
Police Department.....	104
Public Works Department.....	113
Other General Fund Expenditures.....	130

Special Revenue Funds

Overview.....	133
Lodging Tax Fund.....	134
Mitigation Fund.....	135
REET Fund.....	137
School Zone Safety Fund.....	139

Debt Service Funds

Overview.....	141
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Capital Funds

Capital Improvement Projects.....	148
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Issaquah History



The Issaquah area was first called Squak, a Native American name that referred to the calls and squawks of the many water birds which frequented the boggy land, swamps, and creeks of the valley.

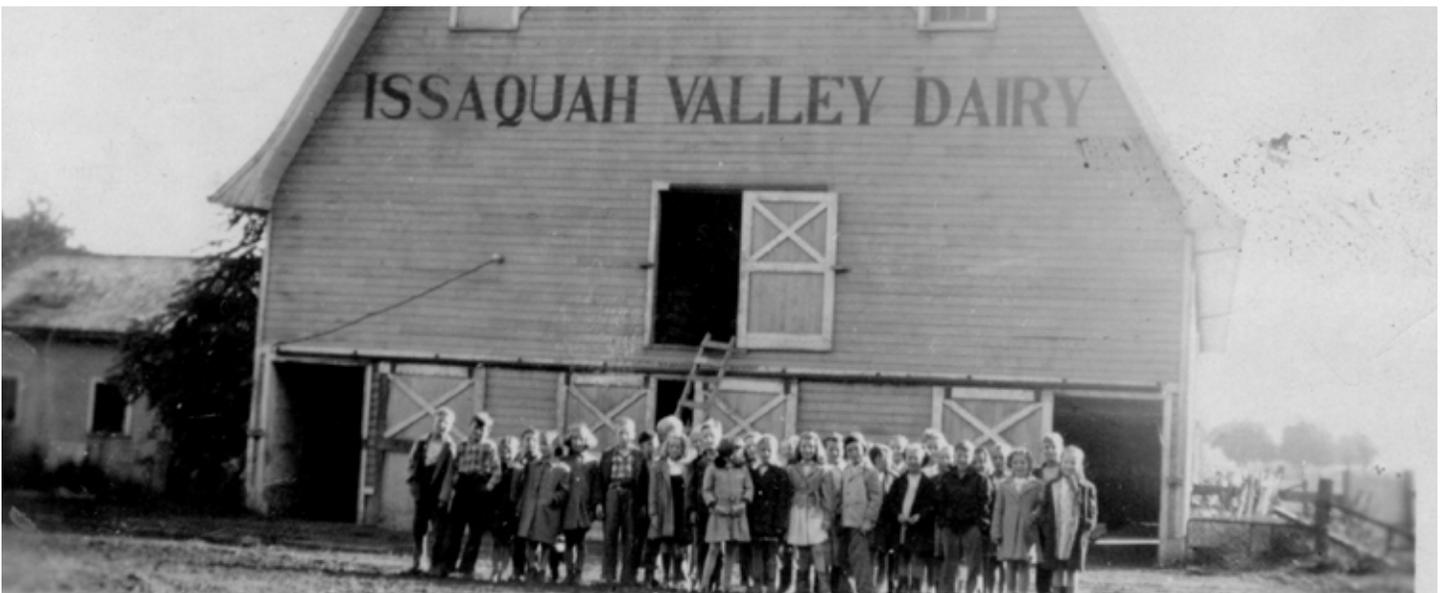
Several years later, the citizens changed the town's name to Gilman, after Daniel Gilman, who was responsible for bringing the railroad to the area.

Gilman was incorporated in April 1892. In 1899, the Washington State Legislature changed the City's name to Issaquah.

Today, people are still drawn to Issaquah for its natural resources.

Rather than mining coal, harvesting timber or farming, we now walk outside to hike, mountain bike, kayak, paraglide, and celebrate the annual return of salmon to Issaquah Creek.

Many things have changed over the past 125 years, but Issaquah's natural beauty and sense of community are timeless.



Issaquah Today

Issaquah is a base camp for Northwest adventure – close enough to enjoy the metropolitan amenities of Seattle and Bellevue, while still mere footsteps from the spectacular Cascade Mountains.

Named Best Burb by Sunset, one of the Best Towns for Families by Family Circle and one of the Best Towns by Outside, the City is centered within the Issaquah Alps (Cougar, Squak, and Tiger mountains) and Lake Sammamish, which attract countless outdoor enthusiasts, including hikers, paddlers, and paragliders.

Today, Issaquah (population of 37,000+) combines its rich history with a modern atmosphere, providing art, music, and entertainment for its residents and guests.

Downtown Issaquah boasts many historical attractions including the iconic Shell Station/Feed Store and the historic Train Depot. Issaquah also features a Saturday farmers

market, professional live theater performances, a seasonal ArtWalk, a salmon hatchery and a zoo. Every October, the community hosts a celebration for more than 150,000 people during the Issaquah Salmon Days Festival.

With top-rated schools and a growing business scene which includes Costco's world headquarters, Issaquah is known for its innovation and commitment to sustainability; family values; outdoor recreation; and environmental stewardship.



Elected Officials



Mary Lou Pauly
Mayor



Chris Reh
Council Position 1
Deputy Council President



Zach Hall
Council Position 2



Barbara de Michele
Council Position 3



Lindsey Walsh
Council Position 4



Stacy Goodman
Council Position 5



Victoria Hunt
Council Position 6
Council President



Tola Marts
Council Position 7



Roles

Issaquah is a full-service City with an exceptional workforce of approximately 252 employees, a stable political environment, and a vision where Issaquah thrives as a welcoming community creating a sustainable legacy for future generations that honors its rich history and passion for the natural environment.

Issaquah operates under the Mayor-Council form of government. The seven-member City Council establishes citywide policy and provides leadership for the community.

The elected Mayor is responsible for the day-to-day

administration of City business, implementation of Council policies, and establishment of operating policies and processes, utilizing a Senior Leadership Team consisting of a City Administrator, Deputy City Administrator, and Department Directors.

The Council's mission is to provide effective City government representation for its citizens, determine policy, enact ordinances and resolutions, approve contracts and authorize the payment of all obligations incurred by the City.

After reviewing the administration's revenue estimates and expenditure requests, it is the responsibility of the Council to adopt an annual budget.

Senior Leadership Team

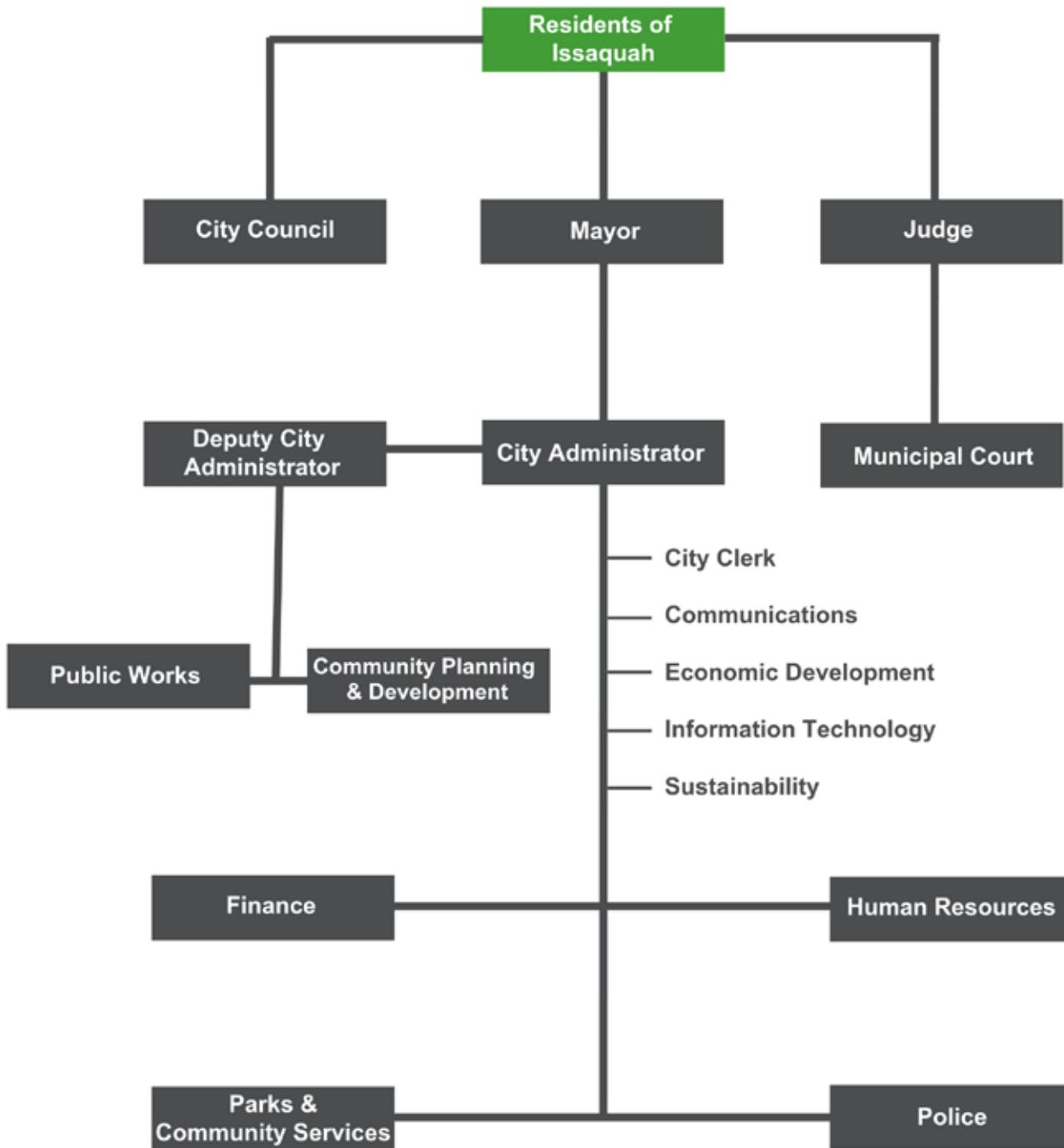
- City Administrator - Wally Bobkiewicz
- Deputy City Administrator - Andrea Snyder
- Assistant to the City Administrator - Autumn Monahan
- City Clerk - Tina Eggers
- Community Planning and Development - Keith Niven
- Economic Development - Jen Davis Hayes
- Finance - Beth Goldberg
- Human Resources - Stephanie Johnson
- Information Technology - John Traeger
- Parks and Community Services - Jeff Watling
- Police - Scott Behrbaum
- Public Works - Harvey Walker and Robert York

Committees, Boards, & Commissions

- Arts Commission
- Cable TV Commission
- Cemetery Board
- Civil Service Commission
- Development Commission
- Economic Vitality Commission
- Hearing Examiner
- Human Services Commission
- Lodging Tax Advisory Committee
- Park Board
- Planning Policy Commission
- Recovery Task Force
- Sister Cities Commission
- Transportation Advisory Board
- Youth Advisory Board



City of Issaquah Organizational Chart



Issaquah Organization Chart 2021 Reorganizations

In 2020, the City of Issaquah re-organized several long-standing functions to improve service delivery, promote better coordination among functional units, flatten the management structure, and lower operating costs. The 2021 Proposed Budget reflects the results of these re-organizations. Notable changes include:

- **Creating a Consolidating Public Works Department:** For many years, the City had two public works-related departments – Public Works Engineering and Public Works Operations. In 2020, the City merged these two departments into a single Public Works Department, allowing the City to eliminate one department director position.
- **Streamlining Administrative Support Function:** In 2012, the City created a centralized Support Services function that amassed the City’s administrative support staff into a single operating unit under the leadership of a Support Services Manager. In response to the budget challenges created by the COVID-19 pandemic and to improve service delivery, the City disbanded the centralized Support Services unit, eliminated the Support Services Manager, and moved the remaining administrative support staff positions into the departments they serve.
- **Creating a Parks and Community Services Department:** Issaquah’s Parks Department plays an important role in creating a sense of community for Issaquah residents. To further enhance this role, in 2020, the City moved its Municipal Arts program and its Human Services function into the Parks Department, renaming it the Parks and Community Service Department.
- **Refocusing Planning, Permitting and Development Services:** In 2020, the City performed a strengths, weaknesses, opportunities, and threats (SWOT) analysis on the Development Services Department. Based on the results of this analysis, the City re-focused the priorities of the department to put the Issaquah community at the center of everything it does starting with a name change – the Community Planning and Development Department. The City identified process improvements to gain efficiencies and areas in the greatest need of additional resources. This resulted in the elimination of three manager positions and the addition of two new engineering positions that will allow more work to be completed in house and reduce costs.
- **Refocusing the Office of Sustainability:** Underscoring the City’s ongoing commitment to environmental sustainability, in 2020 the City moved sustainability functions out of a stand-alone Office of Sustainability into the Executive Department, with staff reporting directly to the City Administrator. As part of this change, the Human Services Coordinator previously housed in the Office of Sustainability moved to the Parks and Community Services Department. Responsibility for managing the City’s solid waste collections contract is absorbed by the Public Works Departments, as is common for other similarly sized cities in the region. Three positions were eliminated in mid-2020 as part of this reorganization.



CITY OF
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WASHINGTON

Budget Overview

Message from the Mayor

September 29, 2020

Dear City Councilmembers and Community Members,

I am pleased to present the 2021 Proposed Budget for the City of Issaquah. The 2021 Proposed Budget totals \$122.6 million, including \$49 million for the General Fund. The 2021 Proposed Budget is down \$20.5 million (14.3%) from the 2020 Adopted Budget, and the General Fund budget is \$872,390 (1.8%) lower than 2020.

The COVID-19 pandemic and the resulting economic fall-out significantly influence the 2021 Proposed Budget. The City's General Fund and other funds that rely on revenues prone to economic volatility are strained. Even funds with more stable revenues – such as the City's utility funds – are touched by the COVID-19 pandemic. As some households struggle with the financial ramifications of COVID-19, the City has sought to contain its utility expenses in the 2021 Proposed Budget to avoid passing on rate increases to utility customers. In short, the 2021 Proposed Budget demonstrates fiscal restraint and is mindful of the current economic and societal dynamics.

To support high priority services, the 2021 Proposed Budget compensates for contracting General Fund revenues through selective use of fund balance and increasing some fees for services provided to contract cities and other outside entities to better cover City costs. These measures, as well as the City's proactive steps to quickly decrease spending following the onset of COVID and modest improvements to the revenue forecast in the months that followed, allow the City to direct resources to services such as human services and the social safety net; public safety; parks and open space; and high priority capital investments, such as the pavement management program and Central Park Pad 3 improvement in the 2021 Proposed Budget.



Enhancing the Social Safety Net

The COVID pandemic and the economic strain it has left on some community members, as well as recent discussions around the role of police locally and nationally, have shined a light on the need to do more to enhance the City's social safety net. The 2021 Proposed Budget demonstrates the City's commitment to supporting those in need of social service by adding

two new human services positions – a human services supervisor position in the Parks and Community Services Department and a human services coordinator position in the Police Department – in addition to an existing human services coordinator position in the Parks and Community Services Department. Collectively, this cohort will oversee the development and implementation of the recently adopted [Issaquah Police Accountability, Equity, and Human Services Action Plan](#). Like past years, the 2021 Proposed Budget allocates \$500,000 in human services grants to non-profits service Issaquah residents based on recommendations from the Human Services Commission.

Protecting Public Safety and Upholding Police Accountability

Public safety and public trust in law enforcement are a priority for the City of Issaquah. The 2021 Proposed Budget underscores this commitment by restoring funding for civilian positions in the Police Department to enhance the City's reporting, data analysis and records needs to provide greater transparency and enhance public trust. The budget also restores funding for one police officer position and one jail transport officer. Even with the funding for these positions, Police Department staffing is at the lowest level since 2017.

Investing in Parks and Open Space

The City also places a priority on ensuring that its parks, trails, and open space are welcoming and safe for everyone. To support this goal, the 2021 Proposed Budget adds funding to hire a park ranger and restores funding for two parks maintenance positions. These positions will care for the City's public lands and ensure users feel safe. The addition of the park ranger will also free up time for police officers who currently respond to non-emergency calls from people using the City's natural areas.

Message from the Mayor

The 2021 Proposed Budget also dedicates funding to acquire more creek side and sensitive lands to protect essential habitats and continue to build a Green Necklace of connected parks, trails and open space. And, to enhance the user experience, the 2021 Proposed Budget allocates funding to standardize and update parks and trail signage and dedicated capital funding to make improvements to Central Park Pad 3 in the Issaquah Highlands and Hillside Park on Squak Mountain.

Overview of Other Funds

The General Fund is not the only City fund that is smaller in the 2021 Proposed Budget relative to 2020. In fact, all fund categories are smaller in 2021 than in 2020, driven in large part by belt-tightening in the utilities to keep City-controlled utility rates passed on to customers down and by a smaller portfolio of capital investments.

Utilities: On August 3, 2020, the City Council adopted the [rate study](#) that establishes the water, sewer, and stormwater utility rates for 2021 – 2025. A key objective for the City in setting these rates was to hold rates steady (aka avoid a rate increase) in 2021, recognizing that the COVID-19 pandemic has caused financial strain on some Issaquah households. The City achieves this objective by securing more of its water at favorable rates from the Cascade Water Alliance, thereby avoiding the need in the near-term for expensive capital infrastructure investments in the City's water treatment system and through other adjustments to the utilities' capital improvement program.

Transportation: The 2021 Proposed Budget largely preserves funding for the City's transportation program, including reinstating funding for the City's high-priority Pavement Management Program after temporarily scaling back those investments in mid-2020 in response to the immediate impacts of the COVID-19 pandemic on the City's finances.

Capital: A more modest portfolio of capital investment in



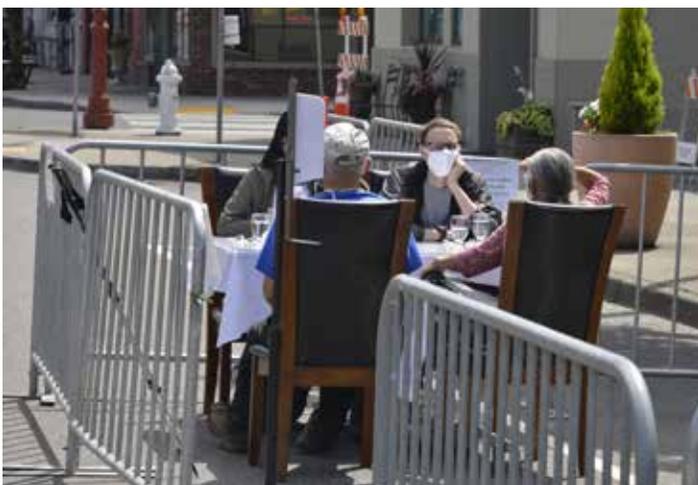
2021 (down \$13.1 million relative to 2021) is the biggest reason why the 2021 Proposed Budget is smaller than the 2020 Adopted Budget. This reduction in the capital portfolio is not because the City was seeking to reduce the size of the capital program, per se. Rather, the 2020 Adopted Budget featured a number of large, one-time capital investments, including the SE 43rd signalization project, MUNIS reimplementation costs; and capital investments in fire stations, that do not require additional funding in 2021.

That said, the 2021 Proposed Budget includes more than \$17.9 million in capital investments, including a revamping of the intersection of State Route 900 and NW Sammamish Road to improve overall traffic circulation north of Interstate 90; studying design options for adding sidewalks and bicycle lanes between 193rd Place SE and the entrance to Lake Sammamish State Park; acquiring more creek side and sensitive lands to preserve as open space and continue to build a Green Necklace of connected parks, trails, and open space; and improvements to Central Park's Pad 3 and Hillside Park.

Future Financial Outlook

The City's ability to maintain support for critical City services during these challenging economic and societal times is made possible by the City's past proactive financial management and the availability of fund balances, intended to provide a one-time financial buffer in challenging times. While the 2021 Proposed Budget makes use of selective fund balances, it is important to remain mindful of the long-term financial implications.

For nearly two decades, local governments in the State of Washington have faced on-going structural budget deficits whereby the revenue tools afforded to local governments under State law do not grow at a rate sufficient to match the growth rate in expenditures. In recent years, the City of Issaquah has avoided budget deficits thanks to a growing sales tax base and new construction and a growing population. But,



Message from the Mayor

\$ in million	2021	2022	2023	2024	2025
	Proposed	Forecast	Forecast	Forecast	Forecast
Revenues	46.6	48.1	49.6	50.7	51.8
Expenditures	49.0	49.0	50.5	52.0	53.6
Increase/(Decrease) in Fund Balance	(2.3)	(0.9)	(0.8)	(1.3)	(1.8)
Beginning Fund Balance	15.0	12.7	11.8	10.9	9.6
Total Ending Fund Balance	12.7	11.8	10.9	9.6	7.9
Designated Fund Balance	3.0	3.0	3.0	3.0	3.0
Undesignated Fund Balance	9.7	8.8	7.9	6.6	4.9
Total Fund Balance as % of Expenditures	26%	24%	22%	19%	15%
Undesignated Fund Balance as % of Expenditures	20%	18%	16%	13%	9%

as the City’s sales tax base struggles in the face of an anemic economy and as growth and new construction slows, the City will likely contend with structural budget deficits in the future.

The 2021 Proposed Budget draws down \$2.3 million of General Fund fund balance, leaving a projected \$9.7 million undesignated (or unassigned) fund balance, or 20% of expenditures, at yearend 2021. Because expenditures are forecast to grow at a greater rate than revenues, the outyear budget forecast anticipates additional draws on fund balance each year through 2025. While undesignated fund balance remains above the 15 – 20% target set in the [City’s Financial Management Policy](#) through 2023, it dips below the target beginning in 2024. While there are many variables that could change the City’s long-term financial outlook, based on current information, the City would need to identify spending reductions or new revenues by 2024 in order to satisfy the fund balance target set in the City’s Financial Management Policy.

Improving Financial Management Practices

When reviewing the 2021 Proposed Budget presented in the remaining pages of this book, City Councilmembers and residents may notice differences in how the budget is presented. The City continues the efforts started in 2019 to improve its financial management approach to conform to best practices and make financial information more transparent to the community. Notable changes to the 2021 Proposed Budget include:

Organizing Budget by Department and Strategic Plan Priorities:

The components of the 2021 Proposed Budget are described by department thanks to an update in how the City accounts for its resources. Prior to 2021, the City’s accounting framework made it difficult to describe the budget by department, making the budget more difficult to decipher. In addition, the new accounting framework also allows the City to demonstrate in the pages that follow how spending aligns with the City’s Strategic Plan goals.

Updating the City’s Cost Allocation Methodologies: A budgeting best practice involves spreading internal service costs, such as finance, human resources, facilities, and information technology costs, to the various funds that benefit from those services. This action is often called “cost allocation.” In the 2020 Adopted Budget, the City began to update its cost allocation practices to more equitably distribute costs. The 2021 Proposed Budget, makes further updates to the City’s cost allocation methodologies, the results of which are described in the pages that follow.

Baseline Budget: The first step in many local government budget processes is to prepare a preliminary or baseline budget that examines the costs in the current fiscal year and updates those costs for natural growth (i.e. inflationary increases), removes one-time expenditures and accounts for other changes that have occurred since the budget was originally adopted and compares those costs with forecasted revenues for the following fiscal year. In essence, a baseline budget process is looking to answer the questions: (1) how much will it cost to continue the current mix of services in the following fiscal year? and (2) are revenues sufficient to support those services? The City conducted a more formal baseline budget analysis than in past years. In the pages that follow, readers will see references to baseline budget changes. These changes account for these preliminary budget changes.

Looking Ahead

While the City continues to face budget challenges, I am confident that the our team – including a dedicated City Council, hardworking staff, and passionate community members – have provided a budget that meets the needs of our community in the coming year and are poised to guide the City’s finances through these unusual times.

Respectfully,



2021 Budget on a Page

Fund Name	2019 Ending	2020 Adopted	2020 Adopted	Forecasted 2020	Forecasted 2020	2020 Estimated	2021 Proposed	2021 Proposed	2021 Estimated
	Fund Balance (Audited)*					Revenues			Expenditures
General	15,183,880	49,653,023	49,849,234	44,096,364	44,255,911	15,024,333	46,631,109	48,976,844	12,678,598
General Fund Sub-total	\$ 15,183,880	\$ 49,653,023	\$ 49,849,234	\$ 44,096,364	\$ 44,255,911	\$ 15,024,333	\$ 46,631,109	\$ 48,976,844	\$ 12,678,598
Special Revenue Funds									
Contingency	300,940	-	-	-	-	300,940	-	300,940	-
Street Operating	345,960	4,582,323	4,381,672	4,121,921	4,059,384	408,497	3,999,156	4,380,551	27,102
REET	5,610,212	3,500,000	3,964,651	2,900,000	2,838,199	5,672,013	2,050,000	4,564,128	3,157,885
Mitigation	19,321,005	2,665,000	4,637,288	2,666,057	4,657,097	17,329,965	2,075,195	1,725,405	17,679,755
School Zone Safety	2,001,291	834,000	1,185,131	287,404	1,160,811	1,127,884	512,978	626,931	1,013,931
Sustainability	538,433	1,506,200	1,197,558	1,057,182	824,006	771,609	588,899	459,388	901,120
Communications/Cable TV	600,312	484,000	636,454	484,000	636,454	447,858	481,244	511,520	417,582
Lodging Tax	614,524	253,000	360,000	50,187	360,000	304,711	54,000	175,000	183,711
Municipal Art	442,607	340,358	418,621	100,796	271,921	271,482	112,617	245,096	139,003
Cemetery	433,772	119,400	78,644	119,400	78,644	474,528	115,000	177,700	411,828
Special Revenue Funds Sub-total	\$ 30,209,056	\$ 14,284,281	\$ 16,860,019	\$ 11,786,947	\$ 14,886,516	\$ 27,109,487	\$ 9,989,089	\$ 13,166,659	\$ 23,931,917
Debt Service**									
Debt Service - Voted	753,247	1,790,000	1,788,219	1,790,000	1,788,219	755,028			
Debt Service - Non-Voted	833,486	1,259,830	2,015,830	9,552,979	10,308,979	77,486			
LID No. 23 Debt Service	76,211	18,625	70,050	18,625	70,050	24,786	3,612,362	3,658,516	1,565,513
LID No. 24 Debt Service	82,857	81,587	85,454	81,587	85,454	78,990			
LID Guaranty	675,377	-	-	-	-	675,377			
Debt Service Funds Sub-total	\$ 2,421,178	\$ 3,150,042	\$ 3,959,553	\$ 11,443,191	\$ 12,252,702	\$ 1,611,667	\$ 3,612,362	\$ 3,658,516	\$ 1,565,513
Capital Project**									
Municipal Facilities Capital Project	682,533	628,464	628,464	820,663	628,464	874,732			
Street Capital Projects	9,795,967	15,577,075	16,070,036	27,564,499	24,062,129	13,298,337			
Centralized ITS System	372,216	-	-	-	372,116	100	8,478,688	9,713,026	15,795,458
Park Capital Projects	4,591,147	3,230,683	3,230,683	3,371,767	5,334,697	2,628,217			
Fire Capital Projects	228,410	2,857,500	2,857,500	2,857,500	2,857,500	228,410			
Capital Project Funds Sub-total	\$ 15,670,273	\$ 22,293,722	\$ 22,786,683	\$ 34,614,429	\$ 33,254,906	\$ 17,029,796	\$ 8,478,688	\$ 9,713,026	\$ 15,795,458
Enterprise									
Water	14,406,413	15,260,918	18,425,762	15,260,918	22,882,600	6,784,731	16,953,979	16,216,645	7,522,065
Sewer	7,756,411	11,313,791	11,678,079	11,336,276	12,602,195	6,490,492	11,415,658	9,978,355	7,927,795
Stormwater	8,695,397	5,950,695	6,234,474	6,030,902	6,831,093	7,895,206	6,794,361	8,262,546	6,427,021
Enterprise Funds Sub-total	\$ 30,858,220	\$ 32,525,404	\$ 36,338,315	\$ 32,628,096	\$ 42,315,888	\$ 21,170,428	\$ 35,163,998	\$ 34,457,546	\$ 21,876,880
Internal Service Funds									
General Insurance	778,393	737,596	845,821	737,596	1,132,450	383,539	935,350	969,445	349,444
Medical Insurance	2,441,990	4,721,804	4,656,837	4,721,804	4,656,837	2,506,957	4,243,022	4,878,334	1,871,645
Unemployment Insurance	130,211	40,000	40,000	40,000	40,000	130,211	440,000	440,000	130,211
Technology Services	916,261	4,979,450	5,179,450	4,282,836	4,708,102	490,995	3,939,444	3,939,440	490,999
Fleet Services	6,159,344	1,311,497	2,583,268	1,311,497	2,580,195	4,890,646	1,751,983	2,391,917	4,250,712
Ruth Kees Award	29,012	-	500	-	500	28,512	-	500	28,012
Internal Service Funds Sub-total	\$ 10,455,211	\$ 11,790,347	\$ 13,305,876	\$ 11,093,733	\$ 13,118,084	\$ 8,430,860	\$ 11,309,799	\$ 12,619,636	\$ 7,121,023
All Funds Totals	\$ 104,797,817	\$ 133,696,819	\$ 143,099,680	\$ 145,662,760	\$ 160,084,007	\$ 90,376,570	\$ 115,185,045	\$ 122,592,227	\$ 82,969,388

* Represents cash balances. These balances may differ from what is presented in the audited financial statements. Fund balances in the audited financial statements include non-cash balances (i.e. value of certain capitalized assets) that would typically not be available to use for budget purposes.

** The new Chart of Accounts (COA) consolidates the individual debt service funds into a single fund. Similarly, the new COA consolidates the individual capital project funds into a single fund.

Strategic Plan

VISION

Issaquah thrives as a welcoming community creating a sustainable legacy for future generations that honors its rich history and passion for the natural environment

MISSION

Foster a safe, vibrant, livable, and inclusive community through effective stewardship and quality public services

GUIDING PRINCIPLES

PEOPLE

Foster community pride, engagement, strong and safe neighborhoods, and diverse opportunities

ENVIRONMENT

Effectively steward our natural environment to ensure a sustainable legacy for future generations

COMMUNITY PROSPERITY

Sustain a vibrant place to live and work with a stable and robust economy, an engaging civic culture, and an integrated transportation system

SERVICE EXCELLENCE

Deliver proactive, efficient, and effective public services for residents, businesses, and visitors

EQUITY

Ensure that Issaquah's services and outstanding quality of life are accessible to everyone



GOALS

MOBILITY

Getting around town is easier for people who live, work, and play here

GROWTH & DEVELOPMENT

Growth is proactively managed, planned and communicated in a responsible way that retains our strong sense of community and livability

ENVIRONMENTAL STEWARDSHIP

Environmental resources are proactively enhanced, protected, and stewarded

SOCIAL & ECONOMIC VITALITY

An economically vital and diverse community is supported by robust businesses, affordable housing and supportive services

CITY LEADERSHIP & SERVICES

Leadership and accountability is provided in the delivery of public services for our growing and diversifying community

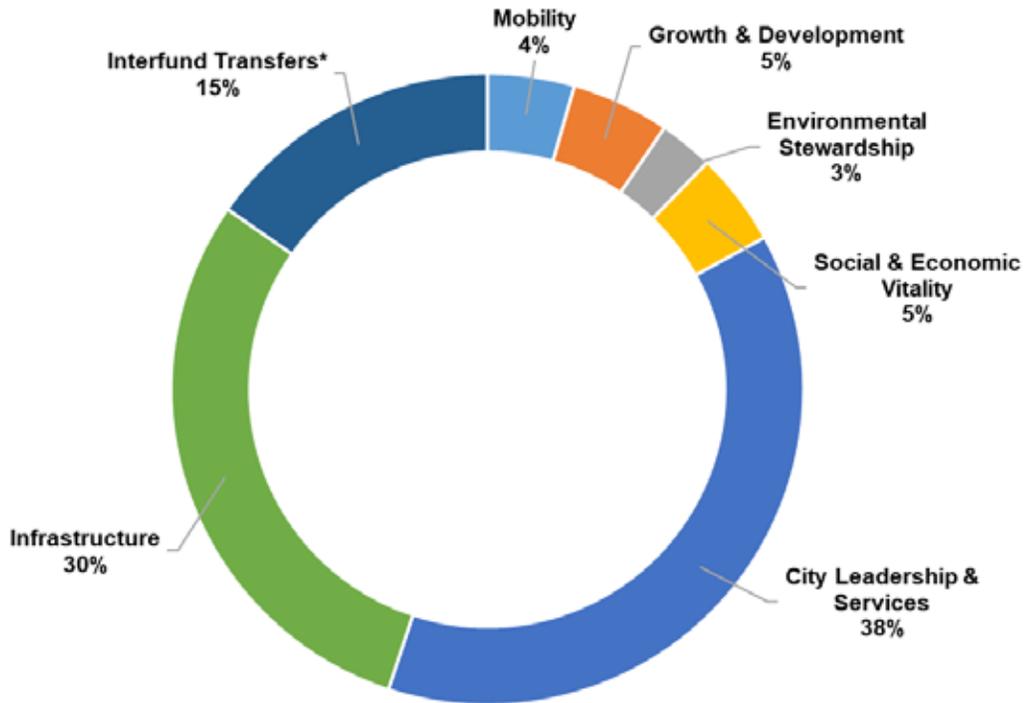
INFRASTRUCTURE

An infrastructure system that is planned, designed, built, and maintained well supports current and future community needs

Strategic Plan, Goals, and Programs Summary

The 2021 Proposed Budget aligns spending with the City's Strategic Plan goals. The chart and tables in the following pages summarize how the City programs included in the 2021 Proposed Budget align with Strategic Plan goals.

2021 Proposed Budget by Strategic Plan Goal



* Interfund transfers are not assigned to a Strategic Plan Goal as they are used as a revenue source for other City programs. All interfund transfers are attributed to program 001 to avoid double counting when considering the full City budget by Strategic Plan goal.

Strategic Plan, Goals, and Programs Summary

Strategic Plan Goal	Program Name	2021 Proposed Expenditures
City Leadership & Services		
	Animal Control	55,000
	Cable TV	181,538
	City Clerk	589,365
	City Council	128,951
	Citywide	136,675
	Communications	369,549
	Cybersecurity	233,095
	Debt Service - LID 23	72,858
	Debt Service - LID 24	74,754
	Debt Service - Non-Voted	2,554,922
	Debt Service - Voted	1,759,142
	Desktop Devices and Support	281,855
	Dispatch Services	1,409,009
	Eastside Fire and Rescue Annual Contract	7,661,922
	Elections	100,000
	Emergency Management	140,290
	Executive Office	968,016
	Facility Capital Projects	358,397
	Facility Services	1,620,148
	Financial Management	2,016,167
	General Insurance	969,445
	Human Resources	617,703
	HVAC Capital	11,439
	Incident Management	75,710
	Jail and Corrections	2,226,892
	Legal Services	1,520,000
	Lobbying Service	58,000
	Medical Self Insurance	4,878,334
	Mobile and Telecom Services	211,880
	Municipal Court Operations	1,044,694
	Network and Data Center Services	456,705
	Park Administration (25%)	137,208
	Police Administration	1,016,297
	Police Patrol	5,242,715
	Police Records	421,442
	Police School Resource	146,795
	Print Services	117,170
	Prosecuting Attorney and Public Defense	399,400
	Public Works Fleet Operational Support	344,473
	Public Works Street Operational Support	644,867
	Roofing Capital	246,977
	Ruth Kees Award	500
	School Zone Safety	224,631
	Software Support and Services	1,716,958
	Street Cleaning	141,458
	Technology Administration	373,472
	Technology Projects	401,801
	Unemployment Insurance	440,000
	Utility Billing	274,550
	Vehicle and Equipment Acquisition	578,599
	Vehicle and Equipment Maintenance	1,061,001
	Worker's Comp	30,000
	Total City Leadership & Services	46,742,769

Strategic Plan, Goals, and Programs Summary

Strategic Plan Goal	Program Name	2021 Proposed Expenditures
Social & Economic Vitality		
	Affordable Housing	247,300
	Aquatics	793,770
	Arts Creative District	15,000
	Business Assistance and Retention	297,044
	Business Recruitment	105,922
	Community Arts Programming	200,578
	Community Center	1,562,666
	Human Services	1,210,634
	Lodging Tax Advisory Committee	175,000
	Non-Profit Partnership	145,000
	Park Administration	137,208
	Public Art	133,279
	Rentals	394,025
	Senior Center	444,584
	Total Social & Economic Vitality	5,862,010
Mobility		
	Mobility	601,232
	Mobility Capital Projects	4,130,101
	Sidewalk and Paths	196,233
	Signs and Pavement Markings	200,052
	Snow and Ice	341,128
	Total Mobility	5,468,746
Infrastructure		
	Bridges	82,702
	Cemetery	177,700
	Park Administration (25%)	137,208
	Park Capital Projects (50%)	1,576,429
	Park Operations (50%)	1,277,872
	Pavement Management	1,493,220
	Public Works Infrastructure	50,000
	Public Works Operational Support - Utilities	909,767
	Roadside	341,457
	Roadway	347,006
	Sewer Conveyance	613,802
	Sewer Treatment	8,147,250
	Shared Public Works Costs - Utilities	2,448,341
	Stormwater Conveyance	522,931
	Stormwater Retention	313,667
	Stormwater Treatment	606,808
	Street Infrastructure Capital Projects	331,537
	Traffic Systems and Lighting	588,156
	Utility Engineering	11,120,810
	Water Distribution	1,973,275
	Water Purchase	2,277,888
	Water Treatment/Production	1,000,493
	Total Infrastructure	36,338,318

Strategic Plan, Goals, and Programs Summary

Strategic Plan Goal	Program Name	2021 Proposed Expenditures
Environmental Stewardship		
	Climate	208,084
	Community Stewardship	65,697
	Environmental Management	46,097
	Park Administration (25%)	137,208
	Park Capital Projects (50%)	1,576,429
	Park Operations (50%)	1,277,872
	Solid Waste	98,423
	Total Environmental Stewardship	3,409,809
Growth & Development		
	Building - CPD	1,440,458
	Consulting - CPD	650,000
	CPD Administration	1,353,696
	Engineering - CPD	1,450,411
	Planning - CPD	1,268,791
	Total Growth & Development	6,163,356
N/A		
	Transfers Out*	18,852,940
	City Total	\$ 122,837,947

* Interfund transfers are not assigned to a Strategic Plan Goal as they are used as a revenue source for other City programs. All interfund transfers are attributed to program 001 to avoid double counting when considering the full City budget by Strategic Plan goal.

2021 Revenue Overview

Under Washington State law, the City has authority to manage two types of funds:

Dedicated funds account for revenues that are collected for a specific purpose and must be allocated toward those purposes. Examples of dedicated funds include enterprise funds where the City accounts for City-run utility revenues and expenditures, and special revenue funds where the City accounts for dedicated revenues such as the Real Estate Excise Tax and mitigation (impact fees) revenues. Dedicated funds account for 59.5% of the total budget

In the **General Fund** the City accounts for property tax, sales tax, business & occupation (B&O) tax, utility tax, and other general-purpose revenues. This is the City's most flexible fund and where the City accounts for most of the traditional day-to-day government services, such as public safety and parks. The General Fund accounts for 40.5% of total revenues.

The 2021 Proposed Budget assumes declines in many General Fund revenues primarily because of the impact of COVID-19 on the economy and City service levels. The 2021 Proposed Budget projects a 9% decline in General Fund revenues, which are partially offset by increases in select fees for service.

As highlighted in the 2021 Financial Forecast presentation to the City Council on August 11, 2020, declines in sales, B&O, and utility taxes contribute significantly to the change in revenues. In addition, Parks & Community Services revenues are down sharply because of limitations in the amount of recreation services the City can offer amid the pandemic.

The 2021 Proposed Budget partially offsets these declines in revenues by recommending increases in two notable fees for service – the rate it charges other cities to house their inmates in the Issaquah jail and various permit fees charged by the Community Planning and Development Department – to better cover City costs for delivering these services. Together these changes will generate nearly \$1.5 million in additional revenue for the General Fund. In addition, the Proposed Budget pulls in nearly \$301,000 from the Contingency Fund to offset unforeseen COVID-related unemployment costs.

The table below summarizes the overall change in 2021 revenues relative to 2020.

\$ in millions	2019	2020	2021
	Actual*	Adopted	Proposed
Property Tax	9.2	9.6	9.8
Sales Tax	16.1	15.9	14.8
Business & Occupation Tax	5.5	5.8	5.4
Utility Tax	4.2	4.8	4.5
Other Taxes	0.3	0.2	0.2
Planning Permits & Licensing	4.2	3.2	4.0
Public Safety & Enforcement	8.3	2.9	3.1
Parks and Recreation	1.5	2.0	1.0
Cost Allocation	0.8	1.1	0.7
Miscellaneous	6.3	2.4	1.7
Shared and Intergovernmental	1.2	1.2	0.7
Transfers-In	0.4	0.5	0.6
TOTAL	58.0	49.7	46.6

2021 Revenue Overview

Forecasting Revenues in Uncertain Times

Forecasting revenues during an economic downturn – particularly one caused by a pandemic – is unusually difficult, presents unique circumstances, and is prone to change.

Sales Tax and B&O Tax: Since the financial forecast was presented to the City Council in August, the City received additional sales tax and B&O tax data that led to the City taking the unusual step of increasing the sales tax and B&O tax projections for the 2021 Proposed Budget. The August financial forecast assumed a 15% decline in sales tax and B&O tax for 2020, followed by 1% growth in 2021. Because the City's actual sales tax and B&O tax performance continues to improve, the 2021 Proposed Budget reduces the 2020 decline to 7.5% and continues to assume a 1% growth rate for 2021. This change adds \$1.6 million in revenues for 2021.

Property Tax: Property tax revenue assumptions in the 2021 Proposed Budget are also somewhat unusual. State law allows the City to increase its annual property tax levy by 1% or the value of the implicit price deflator (IPD), whichever is lower. In most years, IPD is greater than 1%, meaning that the property tax levy typically grows by 1%, as forecast in the August presentation. However, the City subsequently learned that IPD is running below 1%. When this occurs, State law allows jurisdictions to declare a "substantial need" and levy the 1%. The City of Issaquah declared a substantial need in 2015 and 2016 – two years when IPD ran under 1% -- and levied a 1% increase in property tax. The 2021 Proposed Budget assumes the City Council will take similar action in 2021.

Updating the Revenue Forecast: Given the unique challenges of predicting revenue performance in a pandemic, the City intends to re-examine the 2020-2021 revenue forecast in October and will present any recommended changes to the City Council in early November. While not part of Issaquah's past practice, many jurisdictions develop a revised revenue forecast prior to budget adoption.



2021 General Fund Financial Plan

As part of the City's ongoing effort to provide access to information about the City's financial position, it is including a General Fund Financial Plan on the following two pages. A financial plan is a tool commonly used by government entities to display financial information over time, allowing readers to see financial trends over multiple years. The financial plan included here shows General Fund revenues and expenditures at various moments in time, including 2018 and 2019 actual results; the 2020 Adopted Budget; a forecast of how 2020 will end; the 2021 Proposed Budget, and forecasts for 2022 - 2025. The City's General Fund fund balance position is displayed at the end of the financial plan, allowing the reader to see projected fund balance trends over time.

The financial plan displays revenues and expenditures by functional category as defined by the City's "chart of accounts." The City is in the process of updating its chart of accounts. The new chart of accounts will allow the City to display revenues and expenditures by department. In this transition period, the new chart of accounts makes it more difficult to present year-to-year comparisons. For this reason, the information presented here follows the old chart of accounts but provides additional detail for each revenue category to indicate how the previous "catch-all" revenue categories are aligned by department. In future years, this detail will be presented by department.

The financial plan presents future year forecasts for revenues and expenditures. The City's major revenue sources - property tax, sales tax, business and occupation tax, and utility tax - are adjusted in future years based on past trends. Most remaining revenues are forecast to grow by 1% each year. Overall, revenues are forecast to grow by roughly 3% in 2022 and 2023 and roughly 2% in 2024 and 2025. Expenditures are forecast to grow 3% each year. The difference between the growth rate of revenues and expenditures demonstrate the structural imbalance between the two and, if the forecasts hold, mean the City would be drawing down fund balance in each year in the forecast period.

While fund balance declines each year through 2025, total fund balance remains above 15% of expenditures during the forecast period. The 2021 Proposed Budget suggests designating or assigning \$3 million of total fund balance to cover City liabilities for compensated absences. When taking this into account, undesignated fund balance is forecast to drop below 15% of expenditures by 2024, meaning the City would need to identify expenditure reductions or new revenues in 2024 to stay in compliance with its fund balance policies, which set a fund balance target at 15 – 20% of expenditures.



General Fund Financial Plan: 2018 - 2025

GENERAL FUND	2018 Actual (Audited)	2019 Actual (Audited)	2020 Adopted Budget	2020 Forecast	2021 Proposed Budget	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast
REVENUE									
PROPERTY TAX LEVY	8,801,120	9,171,942	9,559,713		9,759,713	10,059,713	10,359,713	10,659,713	10,959,713
SALES TAX	16,345,091	16,107,031	15,875,240		14,831,442	15,360,924	15,909,309	16,477,272	17,065,510
BUSINESS & OCCUPATION TAX	5,382,797	5,497,853	5,785,371		5,404,983	5,597,941	5,797,787	6,004,768	6,219,139
UTILITY TAX	4,348,372	4,234,849	4,797,080		4,530,515	4,380,515	4,230,515	4,080,515	3,930,515
OTHER TAXES	242,384	281,007	242,800		240,300	242,703	242,702	245,129	247,580
PLANNING, PERMITS & LICENSING									
<i>Community Planning & Development Department</i>	4,771,336	4,242,028	3,175,000		4,029,620	4,069,916.20	4,110,615.36	4,151,721.52	4,151,720.51
PUBLIC SAFETY & ENFORCEMENT									
<i>Community Planning & Development Department</i>					50,000	50,500	51,005	51,515	52,030
<i>Economic Development Division</i>					37,590	37,966	38,346	38,729	39,116
<i>Finance Department</i>	3,147,138	8,258,568	2,948,190		155,000	156,550	158,116	159,697	161,294
<i>Municipal Court</i>					551,260	556,773	562,340	567,964	573,643
<i>Parks and Community Services</i>					307,000	310,070	313,171	316,302	319,465
<i>Police Department</i>					1,976,385	1,996,149	2,016,110	2,036,271	2,056,634
PARKS AND RECREATION									
<i>Parks and Community Services</i>	2,209,120	1,547,505	2,020,782		1,028,000	1,500,000	2,020,782	2,040,990	2,061,400
COST ALLOCATION	846,837	846,837	1,117,162		726,819	748,624	771,082	794,215	818,041
MISCELLANEOUS									
<i>Community Planning & Development Department</i>					125,000	126,250	127,513	128,788	130,076
<i>Executive Department</i>					1,000	1,010	1,020	1,030	1,041
<i>Parks and Community Services</i>	2,912,460	6,274,454	2,358,684		853,557	862,093	870,713	879,421	888,215
<i>Police Department</i>					10,000	10,100	10,201	10,303	10,406
<i>All other Miscellaneous</i>					673,984	680,724	687,531	694,406	701,350
SHARED/INTERGOVERNMENTAL	1,322,567	1,168,376	1,235,400		700,400	707,404	714,478	721,623	728,839
TRANSFERS-IN	351,000	415,000	537,601		638,541	644,926	651,376	657,889	664,468
TOTAL REVENUE	50,680,220	58,045,451	49,653,023	44,096,364	46,631,109	48,100,850	49,644,426	50,718,262	51,780,197

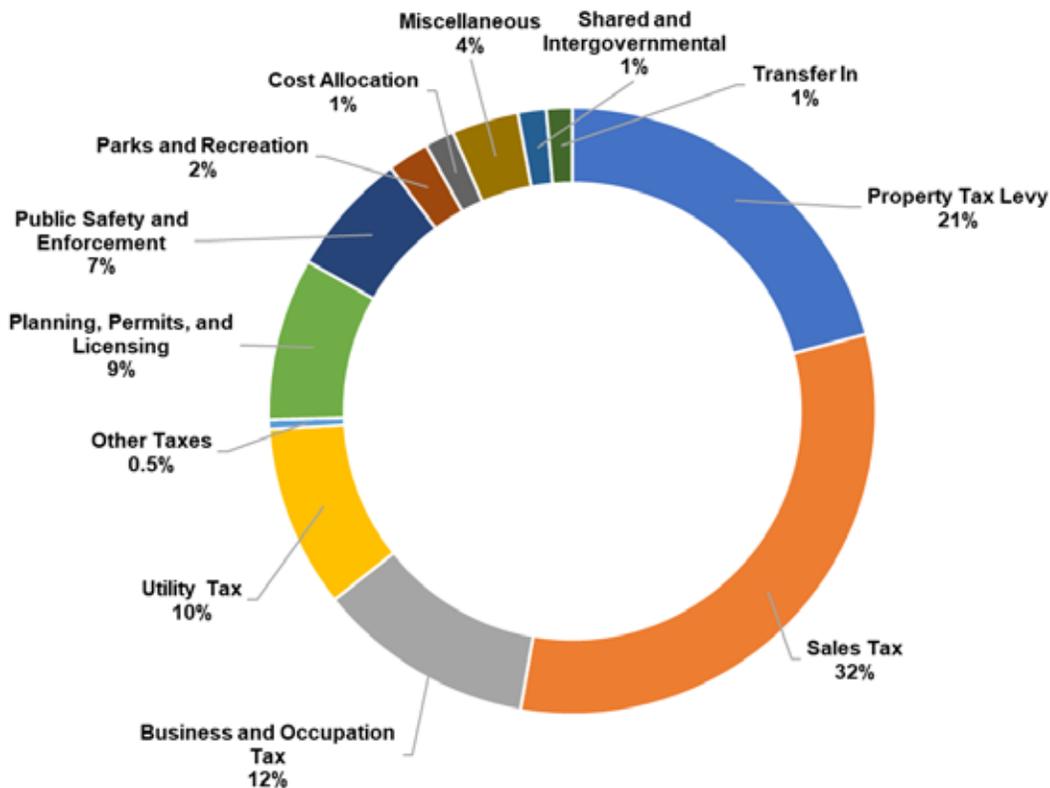
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General Fund Financial Plan: 2018 - 2021

GENERAL FUND	2018 Actual (Audited)	2019 Actual (Audited)	2020 Adopted Budget	2020 Forecast	2021 Proposed Budget	2022 Forecast	2023 Forecast	2024 Forecast	2025 Forecast
EXPENDITURES									
ECONOMIC DEVELOPMENT	711,663	806,467	488,205		437,312				
PLANNING & DEVELOPMENT	6,231,235	6,862,298	6,368,376		6,672,816				
MUNICIPAL COURT	1,135,425	1,089,177	1,163,074		1,143,001				
POLICE/PUBLIC SAFETY	11,198,003	11,640,499	11,601,628		11,981,174				
FIRE SERVICES	6,647,581	6,996,108	7,270,312		7,661,922				
PARKS	9,028,967	9,275,994	9,529,840		8,989,002				
HUMAN SERVICES	964,704	915,211	996,186		1,104,904				
INTERNAL SERVICES	6,874,025	7,382,760	7,143,768		7,290,786				
Non-DEPARTMENTAL	1,423,801	11,632,093	1,367,415		68,629				
TRANSFERS OUT - Debt Service - LTGO Obligations	2,450,000	2,999,000	1,259,830		1,751,762				
TRANSFERS OUT - Street Operating Fund	1,675,000	1,500,000	2,372,000		1,510,400				
TRANSFERS OUT - Capital Project Funds	500,000	725,865	-		-				
TRANSFERS OUT - Other or Other Expenditures	160,000	295,000	288,600		365,136				
TOTAL EXPENDITURES	49,000,403	62,120,472	49,849,234	44,255,911	48,976,844	49,012,352	50,482,723	51,997,204	53,557,121
BUDGETED INCR(DEC) IN FUND BALANCE	1,679,817	(4,075,021)	(196,211)	(159,547)	(2,345,735)	(911,502)	(838,297)	(1,278,943)	(1,776,924)
EFFECT on Fund Balance									
Beginning Fund Balance - January 1	17,992,216	19,471,354	13,710,514	15,183,880	15,024,333	12,678,598	11,767,096	10,928,799	9,649,856
Operating Deficit - Budgeted Increase(Decrease)	1,679,817	(4,075,021)	(196,211)	(159,547)	(2,345,735)	(911,502)	(838,297)	(1,278,943)	(1,776,924)
Technical Accounting Adjustments	(200,680)	(212,453)	-						
Total Ending Fund Balance - December 31	19,471,354	15,183,880	13,514,303	15,024,333	12,678,598	11,767,096	10,928,799	9,649,856	7,872,932
Designated Fund Balance					3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Undesignated Fund Balance					9,678,598	8,767,096	7,928,799	6,649,856	4,872,932
Total Fund Balance as % of Expenditures	40%	24%	27%	34%	26%	24%	22%	19%	15%
Undesignated Fund Balance as % of Expenditures					20%	18%	16%	13%	9%

2021 General Fund Revenue Summary

2021 General Fund Proposed Revenues

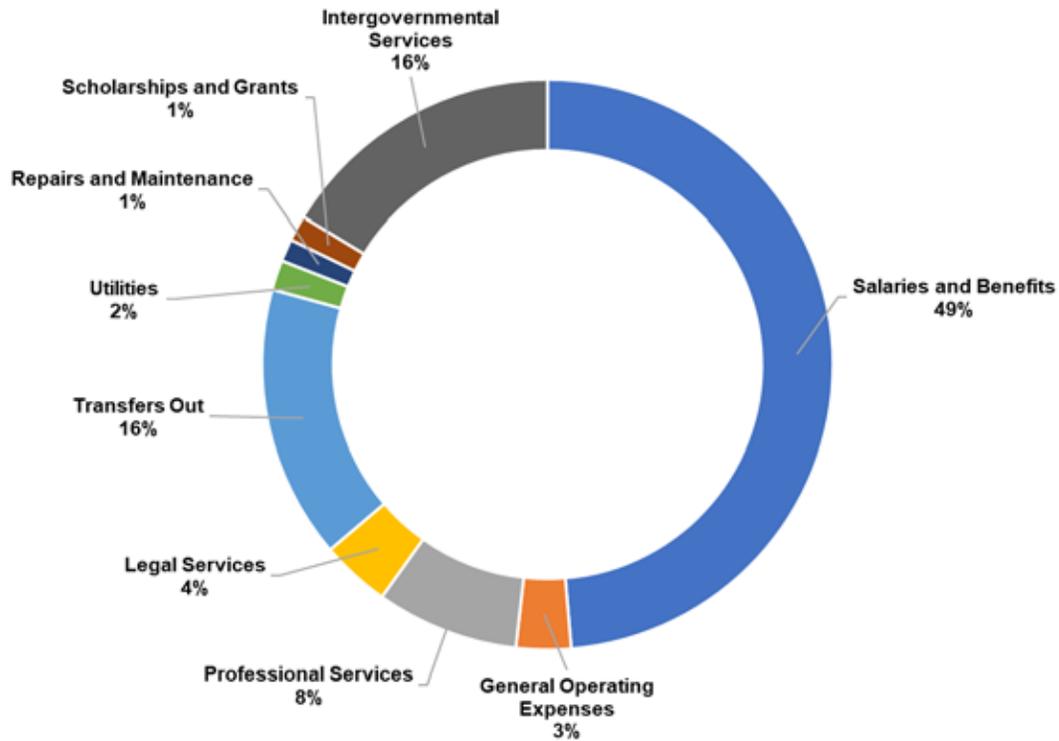


General Fund*	2021 Proposed Budget
Property Tax Levy	9,759,713
Sales Tax	14,831,442
Business and Occupation Tax	5,404,983
Utility Tax	4,530,515
Other Taxes	240,300
Planning, Permits, and Licensing	4,029,620
Public Safety and Enforcement	3,077,235
Parks and Recreation	1,028,000
Cost Allocation	726,819
Miscellaneous	1,663,541
Shared and Intergovernmental	700,400
Transfer In	638,541
TOTAL	46,631,109

* While there are some departmental revenues included in multiple categories in this table, the dollar figure represents the total amount for the category. For the departmental portions of these categories, please refer to the General Fund Financial Plan section of this document.

2021 General Fund Expenditure Summary

2021 General Fund Proposed Expenditures



General Fund	2021 Proposed Budget
Salaries and Benefits	23,839,882
General Operating Expenses	1,516,665
Professional Services	3,958,962
Legal Services	1,919,400
Transfers Out	7,582,678
Utilities	833,030
Repairs and Maintenance	620,655
Scholarships and Grants	706,000
Intergovernmental Services	7,999,572
TOTAL	48,976,844

General Fund Department Expenditure Summary

The table below summarizes expenditures included the 2021 Proposed Budget for each City department. Further information on each of these departments, the items included in their 2021 Proposed Budgets, and the changes from the 2020 Adopted Budget.

General Fund - City Department	2021 Proposed Budget
Executive Department	4,019,449
City Clerk's Office	680,496
Communications Office	436,765
Community Planning & Development Department	6,672,816
Finance Department	1,920,212
Human Resources	671,176
Information Technology*	-
Municipal Court	1,143,001
Parks and Community Services Department	10,093,906
Police Department	11,981,174
Public Works Department*	-
Fire Contract	7,661,922
Interfund Transfers	3,627,298
Other General Fund Expenditures	68,629
TOTAL	48,976,844

* While the Information Technology and Public Works Departments receive some revenues and support from the General Fund, their expenditures are budgeted entirely outside of the General Fund. Please refer to their respective department overview sections for further information.

Personnel, Positions, and Full Time Equivalents (FTEs)

The 2021 Proposed Budget reduces the number of Full Time Equivalents (FTEs) by 35 from the 2020 Adopted Budget. This reduction includes eliminating unfunded and currently unfilled positions from both the 2020 Adopted Budget and the City's COVID-19 budget reduction plan. There are also several new positions, as well as some position shifts among departments following the City's reorganizations described earlier in this document. For further detail and rationale for added and eliminated positions, please refer to the Department Overview sections.

A list of the 2021 proposed positions by department is presented below:

Position Title	2020 Adopted FTE Count	2021 Proposed FTE Count
Legislative Office		
City Council President	1	1
Deputy City Council President	1	1
City Council Member	5	5
Total Legislative FTE Count	7	7
Executive Department		
Mayor	1	1
City Administrator	1	1
Deputy City Administrator	1	1
Executive Assistant to the Mayor	1	1
Arts Program Administrator -> moved to Parks & Comm. Serv. Dept.	0.75	-
Management Analyst	1	1
Sustainability Coordinator -> moved from Office of Sustainability	-	1
Economic Development Manager -> moved from Economic Development Dept.	-	1
Economic Development Coordinator -> moved from Economic Development Dept.	-	1
Total Executive Department FTE Count	5.75	8
Municipal Court		
Court Administrator	1	1
Municipal Court Judge	0.75	0.75
Court Security Officer	0.5	-
Judicial Specialist	3	3
Probation Officer	1	1
Total Municipal Court FTE Count	6.25	5.75
City Clerk's Office		
City Clerk	1	1
Deputy City Clerk	1	1
Public Records Analyst	1	1
Administrative Specialist -> moved from Support Services Div.	-	1
Total City Clerk's Office FTE Count	3	4

Continued on following page.

Personnel, Positions, and Full Time Equivalents (FTEs)

Position Title	2020 Adopted FTE Count	2021 Proposed FTE Count
Finance Department		
Finance Director	1	1
Deputy Finance Director	1	1
Budget Manager	1	-
Senior Budget Analyst	1	1
Senior Accountant	1	0.75
Financial Analyst	2	2
Management Analyst	-	1
Utility Services Coordinator	1	1
Senior Tax Auditor	0.75	-
Procurement and Contract Specialist	1	1
Senior Payroll Coordinator	1	1
Accountant	1	1
Fiscal Specialist II	2	2
Department Operations Specialist	1	1
Business Tax & Cash Control Coordinator	0.5	0.5
Total Finance Department FTE Count	15.25	14.25

Communications Office		
Assistant to the City Administrator	1	1
Media Production Specialist	1	1
Media Production Assistant	0.75	-
Communications Coordinator	1	1
Neighborhood Engagement Coordinator	1	-
Total Communications Office FTE Count	4.75	3

Support Services Division		
Support Services Manager	1	-
Administrative Support Assistant III	1	-
Administrative Specialist -> moved to Parks & Comm. Serv. Dept.	1	-
Administrative Specialist -> moved to Public Works Dept.	2	-
Administrative Specialist -> moved to City Clerks Office	1	-
Administrative Specialist -> moved to Comm. Plann. & Dev. Dept.	2	-
Administrative Specialist	0.5	-
Office Assistant -> moved to Comm. Plan. & Dev. Dept.	1	-
Total Support Services Division FTE Count	9.5	-

Information Technology Division		
Information Technology Manager	1	1
Database Administrator	1	-
Senior IT Project Manager	1	1
Senior Network Systems Analyst	3	3
Senior Application Analyst	1	1
GIS Coordinator	1	1
Network Systems Analyst	1	1
PC Technician I	1	1
Total Information Technology Division FTE Count	10	9

Continued on following page.

Personnel, Positions, and Full Time Equivalents (FTEs)

Position Title	2020 Adopted FTE Count	2021 Proposed FTE Count
Human Resources Department		
Human Resources Director	1	1
Senior Human Resources Analyst	2	1
Human Resources Analyst	1	-
Human Resources Coordinator	-	1
Total Human Resources Department FTE Count	4	3

Police Department		
Police Chief	1	1
Police Commander	3	2
Police Sergeant	5	5
Police Corporal	5	5
Police Officer	28	23
Human Services Coordinator	-	1
Department Operations Specialist	1	-
Police Support Services Manager	-	1
Administrative Specialist	0.75	1
Police Communication Supervisor	1	1
Police Communication Lead	2	2
Police Communication Specialist	9	9
Police Records Supervisor	1	1
Police Records Support Specialist	1	-
Police Records Specialist	2	2.5
Jail Manager	1	1
Correction Transportation Officer	1	1
Correction Officer	12	11
Total Police Department FTE Count	73.75	67.50

Office of Sustainability		
Office of Sustainability Director	1	-
Senior Sustainability Program Manager	1	-
Human Services Coordinator -> moved to Parks & Comm. Serv. Dept.	1	-
Sustainability Coordinator -> moved to Executive Dept.	1	-
Sustainability Coordinator	1	-
Total Office of Sustainability FTE Count	5	-

Continued on following page.

Personnel, Positions, and Full Time Equivalents (FTEs)

Position Title	2020 Adopted FTE Count	2021 Proposed FTE Count
Parks and Community Services Department		
Parks and Recreation Director	1	1
Parks and Recreation Deputy Director	1	-
Parks and Recreation Manager	-	1
Department Operations Specialist	1	1
Administrative Specialist -> moved from Support Services Div	-	1
Arts Program Administrator -> moved from Executive Dept	-	0.75
Human Services Supervisor	-	1
Human Services Coordinator -> moved from Office of Sustainability	-	1
Park Ranger	-	1
Administrative Specialist	3.5	1
Parks Planning & Project Administrator	2	1
Parks Maintenance Operations Manager	1	1
Parks Operations Supervisor	1	1
Parks Maintenance Lead	3	2
Parks Maintenance Worker II	5	6
Parks Maintenance Worker I	3	3
Facilities Services Supervisor	1	1
Facilities Coordinator	1	-
Facilities Services Worker II	3	4
Facilities Services Worker I	1	-
Recreation Supervisor	5	4
Recreation Coordinator	4	4
Recreation Leader	6	2
Custodian	3	1
Total Parks and Community Services Department FTE Count	45.5	38.75

Community Planning & Development Department		
Community Planning & Development Director	1	1
Department Operations Specialist	1	1
Administrative Specialist -> moved from Support Services Div	-	2
Office Assistant -> moved from Support Services Div	-	1
Project Manager	1	-
Permit Center Manager	1	-
Permit Technician	3	3
Building Official	1	1
Building Inspection Supervisor	1	-
Senior Building Inspector	2	2
Building Inspector	1	1
Code Compliance Officer	2	2
Plans Examiner	2	2
Planning Manager	2	1
Senior Planner	3.63	1.63
Planning Technician	1	1
Associate Planner	2	2
Assistant Planner	1	1
Engineering Manager	-	1
Senior Engineer	3	3
Senior Construction Inspector	2	2
Construction Inspector	1	1
Total Community Planning and Development Department FTE Count	31.63	29.63

Continued on following page.

Personnel, Positions, and Full Time Equivalents (FTEs)

Position Title	2020 Adopted FTE Count	2021 Proposed FTE Count
Economic Development Department		
Economic Development Manager -> Moved to Executive Dept	1	-
Economic Development Officer	1	-
Economic Development Coordinator -> Moved to Executive Dept	-	-
Total Economic Development Department FTE Count	2	-
Public Works Department		
Public Works Department Director	-	1
Public Works Engineering Director	1	-
Engineering Manager	2	2
Senior Engineer Technician	1	1
Senior Engineer	4	3
Engineer	1	1
Senior Construction Inspector	2	2
Department Operations Specialist	1	1
Traffic Signal Operations Engineer	1	-
Senior Transportation Planner	1	1
Environmental and Regulatory Program Administrator	2	2
Environmental and Regulatory Program Specialist	1	1
Public Works Operations Director	1	-
Public Works Operations Manager	3	3
PWO Construction Technician	0.5	-
PWO Maintenance Senior Lead	4	5
PWO Maintenance Worker III	14	18
PWO Maintenance Worker II	10	6
Senior Signal Technician	2	2
Mapping Technician	1	1
Utility Technician	3	3
Fleet Manager	1	1
PWO Heavy Equipment Mechanic	2	1
PWO Mechanic	1	1
PWO Shop Aide	1	1
Emergency Preparation Coordinator	1	1
Administrative Specialist -> moved from Support Services Div.	-	2
Total Public Works Department FTE Count	61.5	60
Total City FTE Count	284.88 *	249.88

* Includes 9 unfunded - or frozen - positions. All unfunded/frozen positions are eliminated in the 2021 proposed budget.



CITY OF
ISSAQUAH
WASHINGTON

Department Overview

Executive Department

Mission Statement

The Executive Department ensures excellent public service by providing direction to all departments in implementing City policies and procedures. The Executive Department identifies projects, procedures, and programs that meet the community's needs and ensure that all are successfully and lawfully implemented. Following the 2020 reorganization, Economic Development and Sustainability now fall under the Executive Department. These programs focus on ensuring the City has a sustainable, diverse, and flourishing local economy while also advancing environmental stewardship.

2021 Work Plan Items

- Implement and monitor the Strategic Plan and annual workplan.
- Advocate for State Legislative priorities and pursue regional collaboration on transportation and other issues.
- Enhance the Business Retention and Expansion programs and provide new small business services to support business recovery.
- Build recruitment efforts to attract new employers.
- Develop a Climate Implementation Framework.
- Establish the Environmental Board to protect, preserve, and enhance the natural environment and take action on climate change to reduce its impacts.

2021 Proposed Budget Overview

The 2021 Proposed Budget for the Executive Department reflects the 2020 reorganization to merge the Executive Department with the Office of Sustainability and Economic Development Department. The Proposed 2021 Budget includes funds for Citywide programs such as regional affordable housing contributions, business retention programs, and legal services.

Operating Budget Overview*

	2020 Adopted Budget	2021 Baseline Increment	2021 COVID-19 Increment	Proposed Increment	2021 Proposed Budget	Percent Change ('20 Adopted to '21 Proposed)	Budget Variance ('20 Adopted to '21 Proposed)
Executive Department							
Revenues	1,506,200	-	-	(952,610)	553,590	-63%	\$ (952,610)
Expenditures	4,764,224	24,969	(925,855)	535,583	4,398,921	-8%	\$ (365,303)

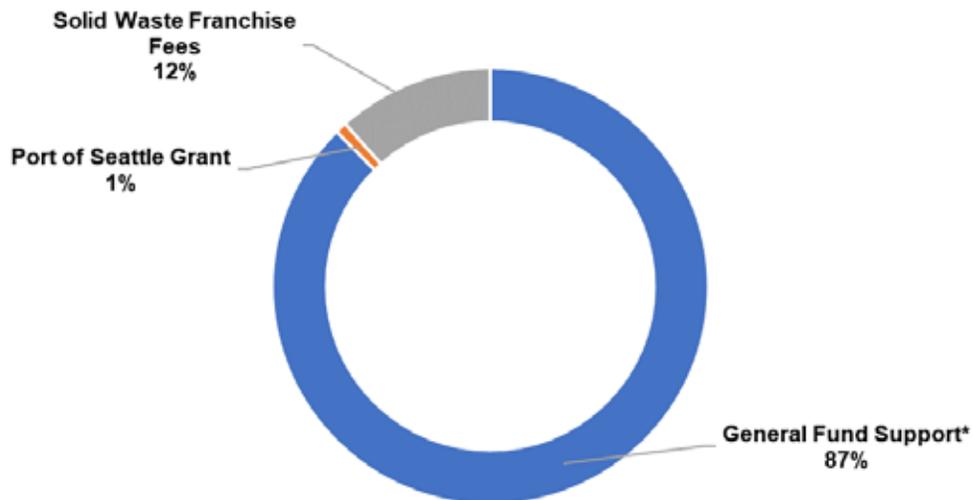
* The Executive Department's 2020 Adopted Budget figures will not equate to the Executive Department Budget in the 2020 Adopted Budget Book due to reorganized functions that are better represented in the new Chart of Accounts shown in this Budget Book.

Executive Department

2021 Executive Department Revenues

2021 Proposed Executive Department Revenues		
Fund	Revenue Source	2021 Proposed Revenues
General Fund		
	General Fund Support*	3,845,331
	Port of Seattle Grant	37,590
	Animal Licenses	1,000
Sustainability Fund		
	Solid Waste Franchise Fees	515,000
TOTAL		4,398,921

2021 Executive Department Proposed Revenues



* The Executive Department collects various revenues that directly support its operations, but the expenditures exceed these department-specific revenues. The difference is made up by non-Executive Department General Fund revenues.

Executive Department

Department 2020-2021 Revenue Crosswalk

2020 Adopted Revenues		\$ 1,506,200
Baseline Adjustments:		-
Annualizing Mid-Year 2020 COVID Reductions:		-
Proposed 2021 Adjustments:		
Move Solid Waste Grants to Public Works		(73,899)
Reduced Grant Revenue		(212,301)
Eliminate Transfer to Sustainability Fund		(700,000)
Reduced Solid Waste Franchise Fee Revenues		(5,000)
Technical Revenue Adjustments		38,590
	Total Adjustments:	(952,610)
2021 Proposed Revenues		\$ 553,590

Move Solid Waste Grants to Public Works: (\$73,899) - The 2021 Proposed Budget moves solid waste grant revenue from the Executive Department to the Public Works Department to better align the revenue with the functional unit managing the program.

Reduced Grant Revenue: (\$212,301) - The 2021 Proposed Budget reflects the lower anticipated Sustainability Fund grant revenue from U.S. Department of Transportation, and Washington Departments of Ecology and Transportation.

Eliminate Transfer to Sustainability Fund: (\$700,000) - The 2021 Proposed Budget eliminates transfers from the General Fund and the utility funds to the Sustainability Fund. In previous years, these transfers supported Sustainability Fund activities; however, in the 2021 Proposed Budget, Sustainability Fund expenditures are fully supported by solid waste franchise fees to relieve financial pressure on the General Fund and utility funds.

Reduced Solid Waste Franchise Fee Revenues: (\$5,000) - The 2021 Proposed Budget includes a reduction to the Executive Department's anticipated solid waste franchise fee.

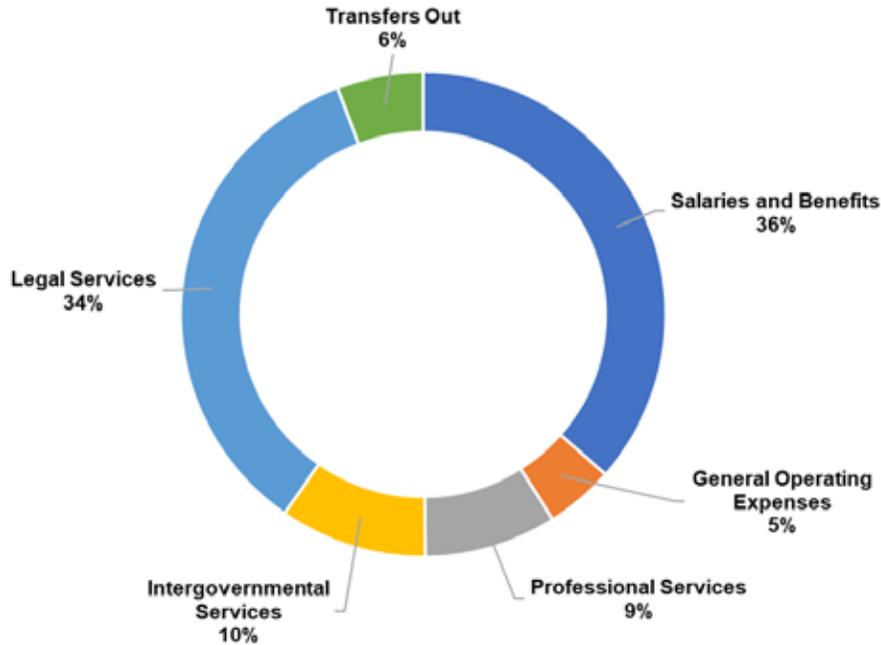
Technical Revenue Adjustments: \$38,590 - The 2021 Proposed Budget includes technical adjustments to reflect existing revenues received from the Port of Seattle and animal licenses.

Executive Department

2021 Executive Department Expenditures

2021 Proposed Executive Department Expenditures		
Fund	Department Expenditures	2021 Proposed Expenditures
General Fund		
	Salaries and Benefits	1,362,858
	General Operating Expenses	195,515
	Professional Services	278,435
	Intergovernmental Services	432,300
	Legal Services	1,520,000
	Transfers Out	230,341
Sustainability Fund		
	Salaries and Benefits	206,978
	General Operating Expenses	5,700
	Professional Services	110,000
	Transfers Out	22,699
General Insurance		
	Salaries and Benefits	34,095
TOTAL		4,398,921

2021 Executive Department Proposed Expenditures



Executive Department

Department 2020-2021 Expenditure Crosswalk

	Budgeted Expenditures	Budgeted FTEs
2020 Adopted Expenditures	\$ 4,764,224	5.75
Baseline Adjustments:	24,969	5.25
Annualizing Mid-Year 2020 COVID Reductions:		
Reduce Department Operating Expenses	(363,961)	-
Eliminate Three Positions	(530,959)	-3
Reclassified Position	(30,935)	-
Total Reductions:	(925,855)	-3
Proposed 2021 Adjustments:		
COVID-19 Office Reopening Expenses	25,000	-
Reduced ORCA Card Budget	(40,000)	-
Reduced Contribution to ARCH	(89,000)	-
Increased Legal Services Contract	520,000	-
Reduced Information Technology Costs	(6,313)	-
Add Fleet Operating Costs	11,702	-
Increased Liability Insurance Costs	27,038	-
Add Finance Operating Costs	5,362	-
Add Unemployment Insurance Costs	1,980	-
Miscellaneous Adjustments	23,000	-
Update of Personnel Costs	56,814	-
Total Adjustments:	535,583	-
2021 Proposed Expenditures	\$ 4,398,921	8

Baseline Expenditure Adjustments: \$24,969 - The Executive Department's expenditures increased by \$24,969 from the 2020 Adopted Budget. Changes include increases to City legal services contracts and eliminating one-time expenditures, including the Citywide service assessment and election costs.

This baseline adjustment also includes the net addition of 5.25 full time equivalent (FTE) positions to the Executive Department by adding six full time positions and moving one Arts Program Administrator (0.75 FTE) to the Parks and Community Services Department. The added positions include the following six positions previously housed in other City departments:

- Sustainability Coordinator II (2) - Formerly in Office of Sustainability
- Office of Sustainability Director - Formerly in Office of Sustainability
- Senior Sustainability Program Manager - Formerly in Office of Sustainability
- Economic Development Manager - Formerly in the Economic Development Department
- Economic Development Coordinator - Formerly in the Economic Development Department

Reduce Department Operating Expenses: (\$363,961) - As part of the City's 2020 COVID-19 budget reduction plan, the Executive Department reduced various operating expenses, including office and operating supplies; City staff events; scholarships and grants; professional services contracts for community engagement around environmental sustainability; and staff travel, training, and memberships.

Executive Department

Eliminate Three Positions: (\$530,959) - As part of the City's 2020 COVID-19 budget reduction plan, the Executive Department eliminated three positions. These positions included:

- Office of Sustainability Director
- Senior Sustainability Program Manager
- Sustainability Coordinator II

Reclassified Position: (\$30,935) - As part of the City's 2020 COVID-19 budget reduction plan, the Economic Development Officer was reclassified to an Economic Development Coordinator.

COVID-19 Office Reopening Expenses: \$25,000 - The City closed its offices outside of essential services following Washington State's "Stay Home, Stay Healthy" order. The 2021 Proposed Budget includes funding to reopen City facilities in 2021 following safety guidelines to ensure the health of City staff and community members.

Reduced ORCA Card Budget: (\$40,000) - Fewer staff are commuting to City offices due to Washington State's "Stay Home, Stay Healthy" order. The 2021 Proposed Budget reduces funding for the purchase of ORCA cards for City staff who commute to work using public transit.

Reduced Contribution to A Regional Coalition to Housing (ARCH): (\$89,000) - The 2021 Proposed Budget includes a reduction to ARCH contributions to better reflect historical contribution amounts.

Increased Legal Services Contract: \$520,000 - The 2021 Proposed Budget increases funding for a professional services contract to support the City's legal claims and lawsuits.

Reduced Information Technology Costs: (\$6,313) - The Executive Department's information technology costs are anticipated to decrease in 2021.

Fleet Operating Costs: \$11,702 - Beginning in 2019, the City temporarily suspended allocation of Fleet operating costs to the General Fund in order to reduce the large fund balance that had accumulated in the Fleet Fund. With the Fleet fund balance reduced, the 2021 Proposed Budget reinstates the cost allocation for Fleet operating costs - such as fuel, repairs, and maintenance - within the General Fund. This increment represents the Executive Department's share of 2021 Fleet operating costs. Further information on the Fleet budget is included in the Public Works Department section of this document.

Liability Insurance Increase: \$27,038 - The City's liability insurance costs are anticipated to increase in 2021. This increment represents the increase to the Executive Department's share of the City's annual payment, as well as updates to how the City allocates these costs.

Finance Operating Costs: \$5,362 - This increment represents the increase to the Executive Department's share of the Finance Department's allocated costs.

Add Unemployment Insurance: \$1,980 - The 2021 Proposed Budget includes an increase to unemployment insurance costs, as well as an update of how the City allocates these costs.

Miscellaneous Adjustments: \$23,000 - These are small technical budget adjustments including increases to job fair costs; professional services costs; environmental sustainability professional services costs; and staff travel, training, and memberships.

Increased Personnel Costs: \$56,814 - This increase from baseline is primarily the result adding an intern to support the Sustainability program, as well as technical adjustments and corrections of Executive Department personnel costs.

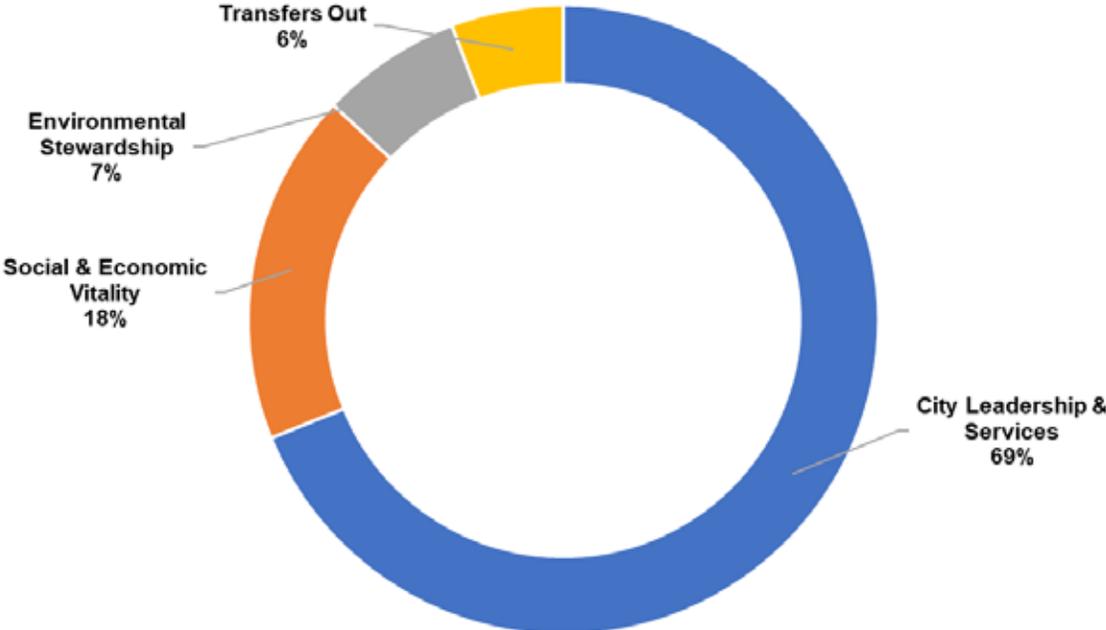
Executive Department

Executive Department Programs and Strategic Plan Goals

Strategic Plan Goal	Program Name	2021 Proposed Expenditures
City Leadership & Services		
	Executive Office	968,016
	General Insurance	34,095
	City Council	128,951
	Legal Services	1,520,000
	Citywide	136,675
	Lobbying Service	58,000
	Elections	100,000
	Worker's Comp	30,000
	Animal Control	55,000
Social & Economic Vitality		
	Non-Profit Partnership	145,000
	Affordable Housing	247,300
	Business Recruitment	105,922
	Business Assistance and Retention	297,044
Environmental Stewardship		
	Community Stewardship	65,697
	Climate	208,084
	Environmental Management	46,097
N/A		
	Transfers Out*	253,040
		4,398,921

* Interfund transfers are not assigned to a Strategic Plan Goal as they are used as a revenue source for other City programs. All interfund transfers are attributed to program 001 to avoid double counting when considering the full City budget by Strategic Plan goal.

2021 Executive Department Expenditures by Strategic Plan Goal



Mission Statement

The City Clerk's Office is dedicated to delivering outstanding, thoughtful, and effective municipal clerk services to a variety of customers, including the public, City Council, the Mayor's Office, City departments, and other agencies.

The Clerk's Office coordinates the production of materials needed for legislative meetings; provides public and legal notifications; and maintains essential records. The office also manages requests for public records; serves as liaison to King County Elections; issues cemetery deeds; and manages the recruitment process and mandated training for City boards and commissions.

2021 Work Plan Items

- Administer citywide automated agenda process, including implementation of upgrades and enhancements.
- Develop and implement a citywide email retention policy.
- Continue to standardize board and commission bylaws/rules and regulations.
- Provide additional reporting capabilities for the board and commission recruitment process.
- Conduct board and commission Chair training.
- Begin training and development of implementation plan for Enterprise Content Management System.
- Evaluate, recommend, and implement new public records fee structure.
- Facilitate ballot items with King County Elections.
- Enhance information available to the community through the City's website.

2021 Proposed Budget Overview

The 2021 Proposed Budget includes few changes to the City Clerk's Office's budget. Funding is provided to refill the previously vacant Public Records Analyst and an Administrative Specialist previously housed in Support Services is added to the Clerk's Office.

Operating Budget Overview*

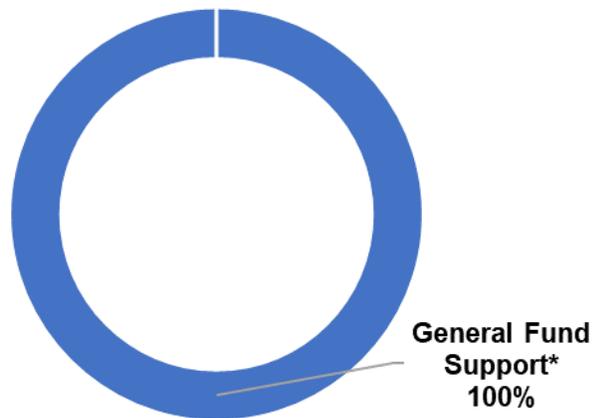
	2020 Adopted Budget	2021 Baseline Increment	2021 COVID-19 Increment	Proposed Increment	2021 Proposed Budget	Percent Change ('20 Adopted to '21 Proposed)	Budget Variance ('20 Adopted to '21 Proposed)
City Clerk's Office							
Expenditures	522,405	18,964	(116,884)	256,011	680,496	30%	\$ 158,091

* The City Clerk's Office has no dedicated revenues and is fully supported by the General Fund.

2021 City Clerk's Office Revenues

2021 Proposed City Clerk's Office Revenues		
Fund	Revenue Source	2021 Proposed Revenues
General Fund		
	General Fund Support*	680,496
	TOTAL	680,496

2021 Proposed City Clerk's Office Revenues

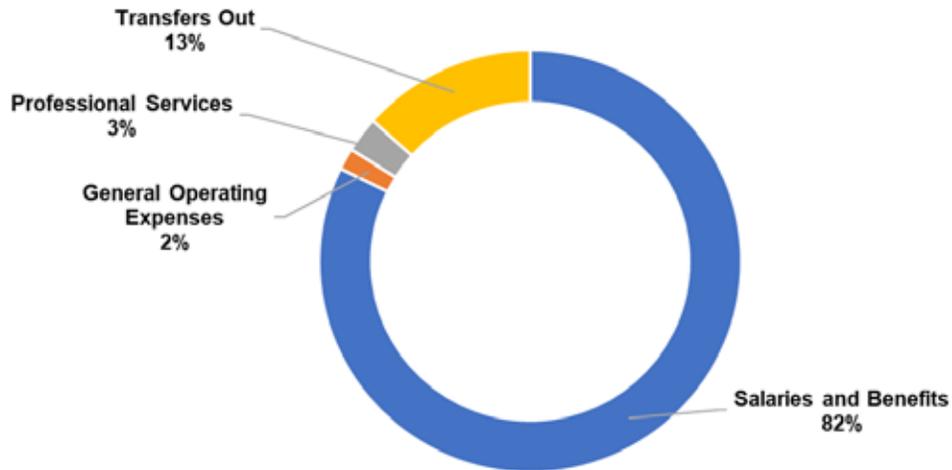


* The City Clerk's Office has no dedicated revenues and is fully supported by non-City Clerk General Fund revenues.

2021 City Clerk's Office Expenditures

2021 Proposed City Clerk's Office Expenditures		
Fund	Department Expenditures	2021 Proposed Expenditures
General Fund		
	Salaries & Benefits	559,615
	General Operating Expenses	11,250
	Professional Services	18,500
	Transfers Out	91,131
TOTAL		680,496

2021 City Clerk's Office Proposed Expenditures



Department 2020-2021 Expenditure Crosswalk

	Budgeted Expenditures	Budgeted FTEs
2020 Adopted Expenditures	\$ 522,405	3
Baseline Adjustments:	18,964	-
Annualizing Mid-Year 2020 COVID Reductions:		
Eliminate Public Records Analyst Position	(116,884)	-1
Total Reductions:	(116,884)	-1
Proposed 2021 Adjustments:		
Restore Public Records Analyst Position	121,666	1
Reassign Support Services Position	101,402	1
Increased Information Technology Costs	23,900	-
Liability Insurance Increase	12,364	-
Update of Personnel Costs	(3,321)	-
Total Adjustments:	256,011	2
2021 Proposed Expenditures	\$ 680,496	4

Baseline Expenditure Adjustments: \$18,964 - The City Clerk's Office's expenditures increased by \$18,964 from the 2020 Adopted Budget, primarily as a result of increases in salary and benefit costs.

Eliminate Public Records Analyst Position: (\$116,884) - As part of the City's 2020 COVID-19 budget reduction plan, the City Clerk's Office eliminated the Public Records Analyst Position.

Restore Funding for Public Records Analyst Position: \$121,666 - The 2021 Proposed Budget restores funding for the Public Records Analyst position eliminated as part of the City's 2020 COVID-19 reduction plan. This position supports the City Clerk's Office by analyzing, processing, and responding to public records requests.

Reassign Support Services Position: \$101,402 - The 2021 Proposed Budget reflects the re-organization of the now defunct Support Services function. As part of the City's 2020 COVID-19 reduction plan, the City eliminated the centralized Support Services function and is reassigning remaining administrative support staff positions to various departments. The City Clerk's Office will house one Administrative Specialist.

Increased Information Technology Costs: \$23,900 - The City Clerk's Office's information technology costs are anticipated to increase in 2021, partially due to increased software and subscription costs and increased costs shared by all City departments. Further information on these items is included in the Information Technology Department section of this document.

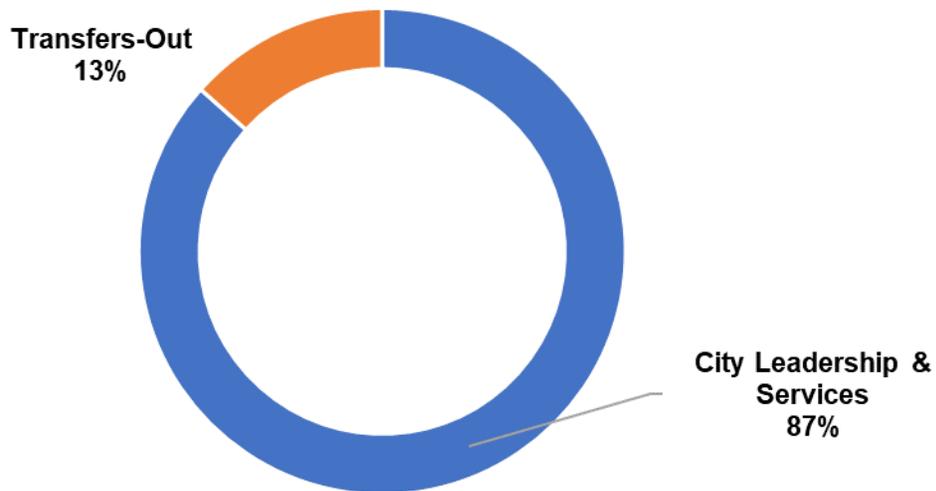
Liability Insurance Increase: \$12,364 - The City's liability insurance costs are anticipated to increase in 2021. This increment represents the increase to the City Clerk's Office's share of the City's annual payment, as well as updates to how the City allocates these costs.

Decreased Personnel Costs: (\$3,321) - This decrease from baseline is the result of technical adjustments and corrections of City Clerk's Office's personnel costs.

City Clerk's Office Programs and Strategic Plan Goals

Strategic Plan Goal	Program Name	2021 Proposed Expenditures
City Leadership & Services		
	City Clerk	589,365
N/A		
	Transfers Out*	91,131
		680,496

2021 City Clerk's Office Proposed Expenditures by Strategic Plan Goal



* Interfund transfers are not assigned to a Strategic Plan Goal as they are used as a revenue source for other City programs. All interfund transfers are attributed to program 001 to avoid double counting when considering the full City budget by Strategic Plan goal.

Communications Office

Mission Statement

The mission of the Communications Office is to foster community pride and provide exceptional customer service quickly and effectively for all customers, including residents, businesses, visitors, and public servants through a variety of dynamic communication tools.

2021 Work Plan Items

- Test new strategies for community engagement and incorporate results into planning efforts. This includes updating the City’s engagement toolkit with a focus on equity and how to close the “engagement loop.”
- Translate key City communications into multiple languages.
- Conduct National Community Survey and report out on results.
- Continue Neighborhood Engagement Program, including hosting virtual meetings and sharing updates on City/private projects.
- Finalize new franchise agreements with Comcast and Wave Broadband.

2021 Proposed Budget Overview

The 2021 Proposed Budget includes reductions to the Communications Office budget primarily as a result of two eliminated positions included in the 2020 COVID-19 reduction plan. The Proposed Budget also includes funding for the City to conduct the biennial community survey.

Operating Budget Overview

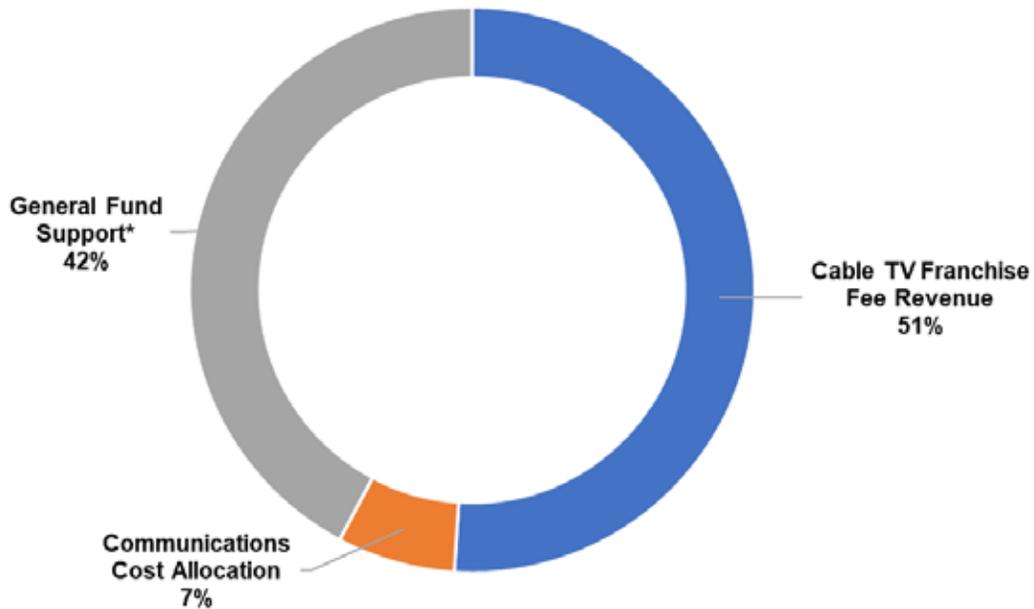
	2020 Adopted Budget	2021 Baseline Increment	2021 COVID-19 Increment	Proposed Increment	2021 Proposed Budget	Percent Change ('20 Adopted to '21 Proposed)	Budget Variance ('20 Adopted to '21 Proposed)
Communications Office							
Revenues	591,343	-	-	(46,254)	545,089	-8%	\$ (46,254)
Expenditures	1,163,070	42,347	(234,702)	(22,430)	948,285	-18%	\$ (214,785)

Communications Office

2021 Communications Office Revenues

2021 Proposed Communications Office Revenues		
Fund	Revenue Source	2021 Proposed Revenues
Cable TV Fund		
	Cable TV Franchise Fee Revenue	481,244
Water Fund		
	Communications Cost Allocation	29,945
Sewer Fund		
	Communications Cost Allocation	6,623
Stormwater Fund		
	Communications Cost Allocation	27,277
General Fund		
	General Fund Support*	403,196
TOTAL		948,285

2021 Communications Office Proposed Revenues



* The Communications Office collects Cable TV Franchise Fees and cost allocation revenues that directly support its operations, but the expenditures exceed these department-specific revenues. The difference is made up by non-Communications Office General Fund revenues.

Communications Office

Department 2020-2021 Revenue Crosswalk

2020 Adopted Revenues	\$ 591,343
Proposed 2021 Adjustments:	
Reduced Cable TV Franchise Fee Revenue	(2,756)
Reduced Communications Cost Allocation	(43,498)
Total Adjustments:	(46,254)
2021 Proposed Revenues	\$ 545,089

Reduced Franchise Fee Revenue: (\$2,756) - The 2021 Proposed Budget reflects a decrease to the franchise fee revenues to align with the downward-trend of this fee. This reduction represents a 5% decrease from 2020 estimated revenues.

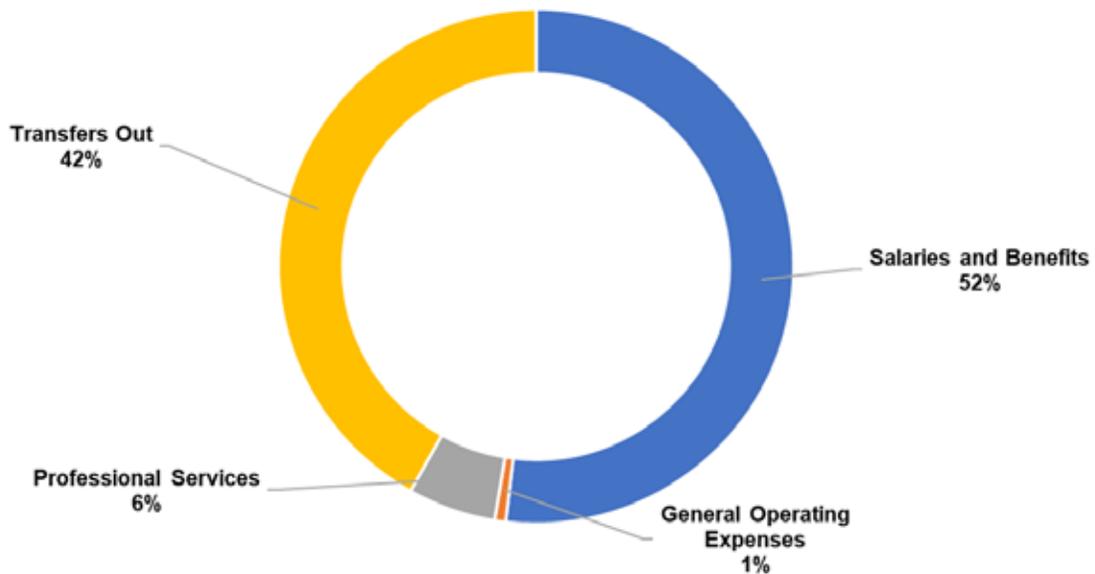
Reduced Communications Cost Allocation: (\$43,498) - This increment represents the reduction to the utility funds' share of communications costs.

Communications Office

2021 Communications Office Expenditures

2021 Proposed Communications Office Expenditures		
Fund	Department Expenditures	2021 Proposed Expenditures
General Fund		
	Salaries & Benefits	316,349
	General Operating Expenses	1,700
	Professional Services	51,500
	Transfers Out	67,216
Cable TV Fund		
	Salaries & Benefits	175,738
	General Operating Expenses	4,800
	Professional Services	1,000
	Transfers Out	329,982
TOTAL		948,285

2021 Communications Office Proposed Expenditures



Department 2020-2021 Expenditure Crosswalk

	Budgeted Expenditures	Budgeted FTEs
2020 Adopted Expenditures	\$ 1,163,070	5.0
Baseline Adjustments:	42,347	-
Annualizing Mid-Year 2020 COVID Reductions:		
Reduce Department Operating Expenses	(11,900)	
Eliminate Two Positions	(222,802)	(2)
Total Reductions:	(234,702)	(2)
Proposed 2021 Adjustments:		
National Community Survey	30,000	-
Decreased Information Technology Costs	(23,226)	-
Liability Insurance Increase	4,765	-
Reduced Transfers to General Fund	(48,200)	-
Miscellaneous Adjustments	14,231	-
Total Adjustments:	(22,430)	-
2021 Proposed Expenditures	\$ 948,285	3.0

Baseline Expenditure Adjustments: \$42,347 - The Communications Office's expenditures increased by \$42,347 from the 2020 Adopted Budget, accounting for increases in salary and benefit costs.

Reduce Department Operating Expenses: (\$11,900) - As part of the City's 2020 COVID-19 budget reduction plan, the Communications Office reduced various operating expenses, including operating supplies; neighborhood engagement projects; and staff travel, training, and memberships.

Eliminate Two Positions (\$222,802) - As part of the City's 2020 COVID-19 budget reduction plan, the Communications Office eliminated two positions: Neighborhood Engagement Coordinator and Media Production Assistant.

National Community Survey: \$30,000 - The City carries out a biennial community-wide survey to assess City services and Issaquah's quality of life. The survey is scheduled to occur in 2021.

Decreased Information Technology Costs: (\$23,226) - The Communications Office information technology costs are anticipated to decrease in 2021.

Liability Insurance Increase: \$4,765 - The City's liability insurance costs are anticipated to increase in 2021. This increment represents the increase to the Communications Office's share of the City's annual payment, as well as updates to how the City allocates these costs.

Reduce Transfer from Cable TV Fund to General Fund: (\$48,200) - This reduction eliminates a one-time transfer in 2020 from the Cable TV Fund to the General Fund.

Miscellaneous Adjustments: \$14,231 - These are small technical budget adjustments including increases to City document translation services, graphic design project costs, social media advertising, and personnel costs.

Communications Office Programs and Strategic Plan Goals

Strategic Plan Goal	Program Name	2021 Proposed Expenditures
City Leadership & Services		
	Communications	369,549
	Cable TV	181,538
N/A		
	Transfers Out*	397,198
		948,285

2021 Communications Office Proposed Expenditures by Strategic Plan Goal



* Interfund transfers are not assigned to a Strategic Plan Goal as they are used as a revenue source for other City programs. All interfund transfers are attributed to program 001 to avoid double counting when considering the full City budget by Strategic Plan goal.

Community Planning & Development Department

Mission Statement

The Community Planning & Development Department's mission is to be good stewards of the environment by proactively balancing the value of the natural environment with the forces of the built environment; to enforce all City-adopted plans, policies, codes, and standards in a fair and consistent manner; and, to be forward-thinking, considering the long-term impacts growth and development activities have on residents, businesses, and the future of the community.

2021 Work Plan Items

- Resume work on update of Municipal Code Title 18 (Land Use).
- Update Municipal Code Title 16 (Building Code).
- Build a database and contact list for inventoried, lower-cost multi-family housing (Housing Strategy 3).
- Develop policies and potential codes for “Missing Middle” housing (Housing Strategy 8).
- Work on planning and development agreement for Lake Sammamish State Park.
- Development agreement for Trailhead/TOD project.
- Review Olde Town boundaries (Olde Town Plan implementation).

2021 Proposed Budget Overview

The 2021 Proposed Budget for the Community Planning & Development Department (formerly the Development Services Department) includes funding to support a comprehensive and accelerated update of Municipal Code Title 18 and assistance with the preparation of an Environmental Impact Statement for Lake Sammamish State Park. In addition, funding is allocated to rehire a vacant Senior Planner (a previously unfunded position) and for a new Engineering Manager. The new position will decrease costs and reliance on consultants while allowing the Engineering function of Community Planning & Development to operate as an independent work group within the department.

The 2021 Proposed Budget also assumes increased revenues as a result of an increase in permitting fees, revisions to IMC 3.64. In 2017, through Agenda Bill 7050, the City Council set an 80% cost recovery for that portion of the department dedicated to permit processing, review, and inspections. The permit fee increase proposed with the 2021 Budget accounts for increases in operating costs and would allow the City to meet this target.

Operating Budget Overview

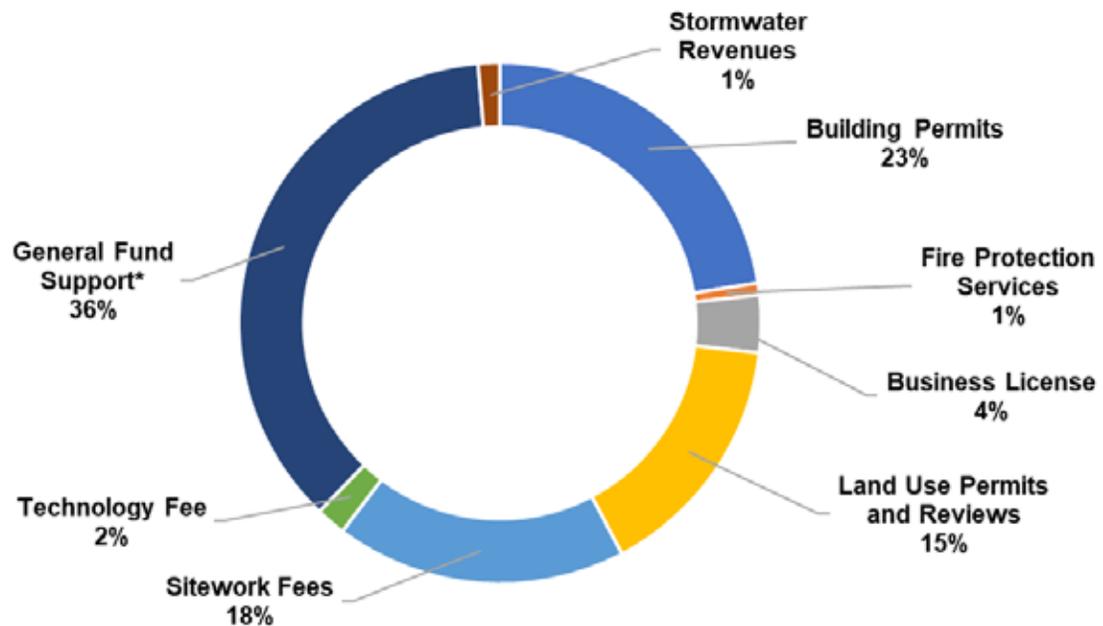
	2020 Adopted Budget	2021 Baseline Increment	2021 COVID-19 Increment	Proposed Increment	2021 Proposed Budget	Percent Change ('20 Adopted to '21 Proposed)	Budget Variance ('20 Adopted to '21 Proposed)
Community Planning & Development							
Revenues	3,235,000	(266,000)	-	1,235,620	4,204,620	30%	\$ 969,620
Expenditures	6,458,890	(8,601)	(751,962)	1,065,217	6,763,544	5%	\$ 304,654

Community Planning & Development Department

2021 Community Planning & Development Department Revenues

2021 Proposed Community Planning & Development Department Revenues		
Fund	Revenue Source	2021 Proposed Revenues
General Fund		
	Building Permits	1,524,000
	Fire Protection Services	50,000
	Business License	240,000
	Land Use Permits and Reviews	1,044,248
	Sitework Fees	1,221,372
	Technology Fee	125,000
	General Fund Support*	2,468,409
Stormwater Fund		
	Stormwater Revenues	90,728
TOTAL		6,763,757

2021 Community Planning & Development Proposed Revenues



* The Community Planning & Development Department collects various revenues that directly support its operations, but the expenditures exceed these department-specific revenues. The difference is made up by non-Community Planning & Development Department General Fund revenues.

Department 2020-2021 Revenue Crosswalk

2020 Adopted Revenues		\$ 3,235,000
Baseline Adjustments:		(266,000)
Proposed 2021 Adjustments:		
Increasing Permit Fee Rates		1,110,620
Technology Permit Fee Revenues		125,000
	Total Adjustments:	1,235,620
2021 Proposed Revenues		\$ 4,204,620

Baseline Revenue Adjustments: (\$266,000) - Community Planning & Development (CPD) revenues are reduced by \$266,000 from the 2020 Adopted Budget, primarily because CPD is expecting fewer large development projects in 2021.

Increasing Permit Fee Rates: 1,110,620 - This increase represents the additional revenue anticipated from increasing the City's permit fees. This increase proposed is consistent with Agenda Bill 7050, which sets a permit cost-recovery target at 80% of permit costs.

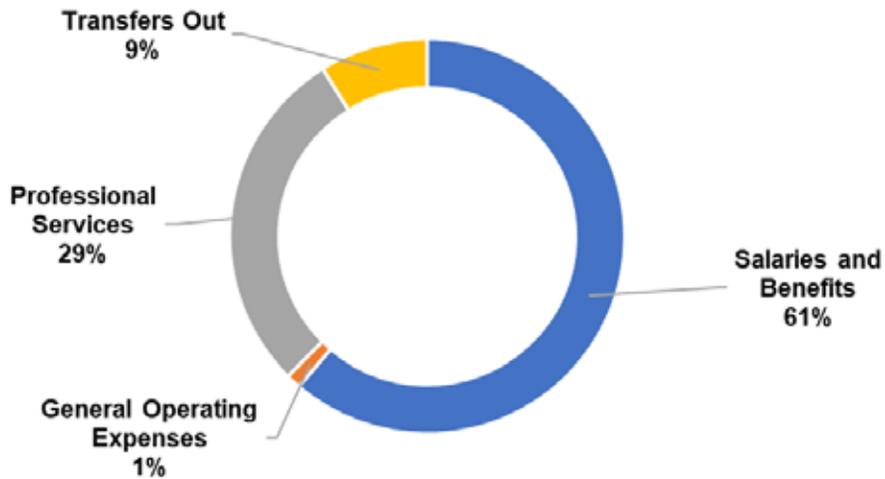
Technology Permit Fee Revenues: \$125,000 - The City assesses a 5% surcharge on permit fees to cover Information Technology costs related to the City's permitting function. In the 2020 Adopted Budget - and prior years since this surcharge was instituted - this revenue was collected directly into the IT Fund. As a result, the cost allocation for IT costs charged to the Community Planning and Development Department was reduced as some of its costs were being covered by way of this surcharge. The City's new chart of accounts (COA) allows for more flexibility in how these types of transactions are budgeted. The 2021 Proposed Budget moves these charges to the Community Planning & Development Department and does not reduce the IT cost allocation charged to Community Planning & Development.

Community Planning & Development Department

2021 Community Planning & Development Department Expenditures

2021 Proposed Community Planning & Development Department Expenditures		
Fund	Department Expenditures	2021 Proposed Expenditures
General Fund		
	Salaries & Benefits	4,053,523
	General Operating Expenses	81,605
	Professional Services	1,937,500
	Transfers Out	600,188
Stormwater		
	Salaries & Benefits	90,728
TOTAL		6,763,544

2021 Community Planning & Development Proposed Expenditures



Department 2020-2021 Expenditure Crosswalk

	Budgeted Expenditures	Budgeted FTEs
2020 Adopted Expenditures	\$ 6,458,890	31.63
Baseline Adjustments:	(8,601)	-
Annualizing Mid-Year 2020 COVID Reductions:		
Reduce Department Operating Expenses	(60,000)	-
Eliminate Four Positions	(691,962)	-4
Total Reductions:	(751,962)	-4
Proposed 2021 Adjustments:		
Title 18 Contract	500,000	-
State Park Environmental Impact Statement Contract	125,000	-
RH2 Contract Reduction	(226,000)	-
Restore Funding for Senior Planner Position	159,544	1
Add Engineering Manager Position	202,964	1
Eliminate Building Inspector I Position	(123,479)	-1
Reassign Support Services Positions	155,387	3
Increased Information Technology Costs	177,671	-
Fleet Operating Costs	25,772	-
Liability Insurance Increase	91,005	-
Decreased Personnel Costs	(22,647)	-
Eliminate 2 Unfunded Senior Planner Positions	-	-2
Total Adjustments:	1,065,217	2
2021 Proposed Expenditures	\$ 6,763,544	29.63

Baseline Expenditure Adjustments: (\$8,601) - The Community Planning & Development (CPD) Department's expenditures decreased by \$8,601 from the 2020 Adopted Budget, primarily as a result of the net impact of the reassignment of the Senior Network Systems Analyst from CPD to the IT Department and the addition of a new Senior Engineer position. The Senior Engineer position was authorized by Council in Agenda Bill 7916 to lessen the reliance on consultants for providing on-going engineering staff services for CPD.

Reduce Department Operating Expenses: (\$60,000) - As part of the City's 2020 COVID-19 budget reduction plan, CPD reduced various operating expenses, including office and operating supplies; professional service contracts for expedited permit reviews; and staff travel, training, and memberships.

Eliminate Four Positions (\$691,962) - As part of the City's 2020 COVID-19 budget reduction plan, CPD eliminated four positions. These positions included:

- Permit Center Manager
- Planning Manager
- Project Manager
- Senior Planner

Title 18 Contract: \$500,000 - The 2021 Proposed Budget includes funding for a professional services contract to update Municipal Code Title 18, a top priority for the Mayor and the City Council.

Community Planning & Development Department

State Park Environmental Impact Statement Contract: \$125,000 - The 2021 Proposed Budget includes funding for a professional services contract to carry out an Environmental Impact Statement for development of the Lake Sammamish State Park. For information on this analysis, please refer to Agenda Bill 7493.

RH2 Contract Reduction: (\$226,000) - The 2021 Proposed Budget includes a reduction to the RH2 professional services contract due to the hiring of a Senior Engineer, which shifts a portion of engineering plan reviews from the consultant to City staff. For more information on this analysis, please refer to Agenda Bill 7903.

Restore Funding for Senior Planner Position: \$159,544 - The 2021 Proposed Budget restores funding for the Senior Planner position eliminated as part of the City's 2020 COVID-19 reduction plan. Restoring funding for a Senior Planner position will allow CPD to complete work currently being outsourced to planning consultants.

Add Engineering Manager Position: \$202,964 - The 2021 Proposed Budget adds a new Engineering Manager position in the Community Planning & Development Department. The addition of this position will allow CPD to decrease reliance on engineering consultants and allow the Engineering function of CDP to operate as an independent work group within the department.

Eliminate Building Inspector I Position: (\$123,479) - The 2021 Proposed Budget eliminates a vacant Building Inspector position. The savings from this position partially offsets the costs of the new positions added to CPD.

Reassign Support Services Positions: \$155,387 - The 2021 Proposed Budget reflects the re-organization of the now defunct Support Services function. As part of the City's 2020 COVID-19 reduction plan, the City eliminated the centralized Support Services function and is reassigning remaining administrative support staff positions to various departments. CPD will house three of the positions, as follows:

- Administrative Specialist (2)
- Office Assistant

Increased Information Technology Costs: \$177,671 - CPD's information technology costs are anticipated to increase in 2021, partially due to increased software and subscription costs and increased costs shared by all City departments. Further information on these items is included in the Information Technology Department section of this document.

Fleet Operating Costs: \$25,772 - Beginning in 2019, the City temporarily suspended allocation of Fleet operating costs to the General Fund in order to reduce the large fund balance that had accumulated in the Fleet Fund. With the Fleet fund balance reduced, the 2021 Proposed Budget reinstates the cost allocation for Fleet operating costs - such as fuel, repairs, and maintenance - within the General Fund. This increment represents CPD's share of 2021 Fleet operating costs. Further information on the Fleet budget is included in the Public Works Department section of this document.

Liability Insurance Increase: \$91,005 - The City's liability insurance costs are anticipated to increase in 2021. This increment represents the increase to CPD's share of the City's annual payment, as well as updates to how the City allocates these costs.

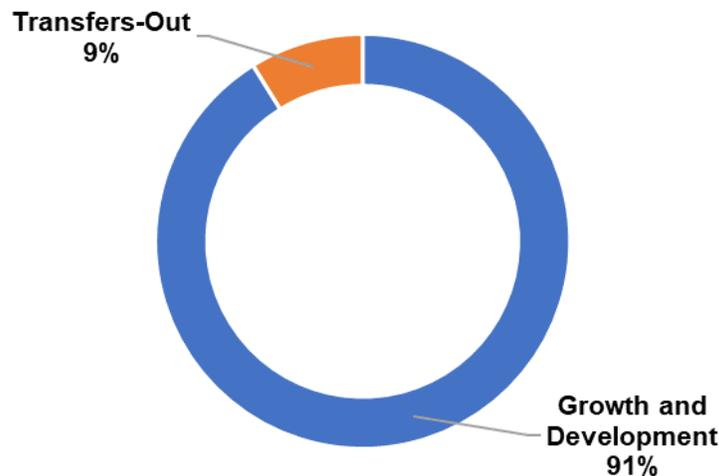
Decreased Personnel Costs: (\$22,647) - This decrease from baseline is the result of technical adjustments and corrections of CPD's personnel costs.

Eliminate 2 Unfunded Senior Planner Positions: \$ N/A - In recent years, the City has included a number of unfunded (aka frozen) positions in the budget. In order to present a more realistic picture of the City's staffing levels, the FTEs associated with unfunded positions are eliminated in the 2021 Proposed Budget.

Community Planning & Development Department Programs and Strategic Plan Goals

Strategic Plan Goal	Program Name	2021 Proposed Expenditures
Growth and Development		
	CPD Administration	1,353,696
	CPD Building	1,440,458
	CPD Planning	1,268,791
	CPD Engineering	1,450,411
	CPD Consulting	650,000
N/A		
	Transfers Out*	600,188
		6,763,544

2021 Community Planning & Development Department Proposed Expenditures by Strategic Plan Goal



* Interfund transfers are not assigned to a Strategic Plan Goal as they are used as a revenue source for other City programs. All interfund transfers are attributed to program 001 to avoid double counting when considering the full City budget by Strategic Plan goal.

Finance Department

Mission Statement

To provide the City with accurate and transparent financial information, facilitate adherence to Financial Management Policy, maintain financial service operations, and maintain the fiscal viability of the City.

2021 Work Plan Items

- Continue modernizing the City’s financial management practices through the Phase 2 and 3 reimplementation of MUNIS.
- Update the City’s financial management policies to conform to best practices.
- Continue developing tools to improve how financial information is presented to the public.
- Continue developing the City’s performance measurement program.
- Negotiate long-term prosecuting attorney and public defense contracts.

2021 Proposed Budget Overview

The 2021 Proposed Budget for the Finance Department includes funding to support the preparation of finance statement documents and the annual financial audit. In 2020, responsibility for the City’s prosecuting attorney and public defense contracts moved to the Finance Department. The 2021 Proposed Budget reflects this change, as well as adjustments to the contract amounts for these services.

Operating Budget Overview*

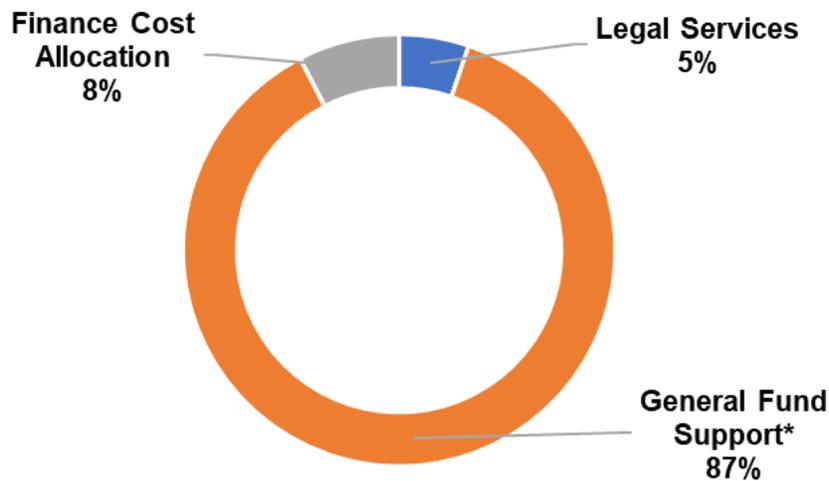
	2020 Adopted Budget*	2021 Baseline Increment	2021 COVID-19 Increment	Proposed Increment	2021 Proposed Budget	Percent Change ('20 Adopted to '21 Proposed)	Budget Variance ('20 Adopted to '21 Proposed)
Finance Department							
Revenues	876,900	15,000	-	(511,713)	380,187	-57%	\$ (496,713)
Expenditures	3,395,016	(222,839)	(132,814)	(68,699)	2,970,664	-12%	\$ (424,352)

* The Finance Department’s 2020 Adopted Budget figures will not equate to the Finance Department Budget in the 2020 Adopted Budget Book due to reorganized functions that are better represented in the new Chart of Accounts shown in this Budget Book.

2021 Finance Department Revenues

2021 Proposed Finance Department Revenues		
Fund	Revenue Source	2021 Proposed Revenues
General Fund		
	Legal Services	155,000
	General Fund Support*	2,590,477
Water Fund		
	Finance Cost Allocation	112,593
Sewer Fund		
	Finance Cost Allocation	26,808
Stormwater Fund		
	Finance Cost Allocation	37,531
Street Operating Fund		
	Finance Cost Allocation	26,808
Fleet Fund		
	Finance Cost Allocation	16,085
Sustainability Fund		
	Finance Cost Allocation	5,362
TOTAL		2,970,664

2021 Finance Department Proposed Revenues



* The Finance Department collects revenues from legal services and cost allocation that directly support its operations, but the expenditures exceed these department-specific revenues. The difference is made up by non-Finance Department General Fund revenues.

Finance Department

Department 2020-2021 Revenue Crosswalk

2020 Adopted Revenues	\$ 876,900
Baseline Adjustments:	15,000
Annualizing Mid-Year 2020 COVID Reductions:	-
Proposed 2021 Adjustments:	
Increased Legal Services Revenue	(10,000)
Reduced Finance Cost Allocation	(501,713)
Total Adjustments:	(511,713)
2021 Proposed Revenues	\$ 380,187

Baseline Revenue Adjustments: \$15,000 - In 2020, the Finance Department assumed responsibility for managing the City's prosecuting attorney and public defense contracts. These revenues reflect the revenue the City receives from its contract cities for providing this service.

Reduced Legal Services Revenue: (\$10,000) - The 2021 Proposed Budget includes a reduction to the Finance Department's legal services revenue to reflect revised contract costs.

Reduced Finance Cost Allocation: (\$501,713) - This increment represents the reduction to other funds' finance cost allocation as well as updates to how the City allocates these costs.

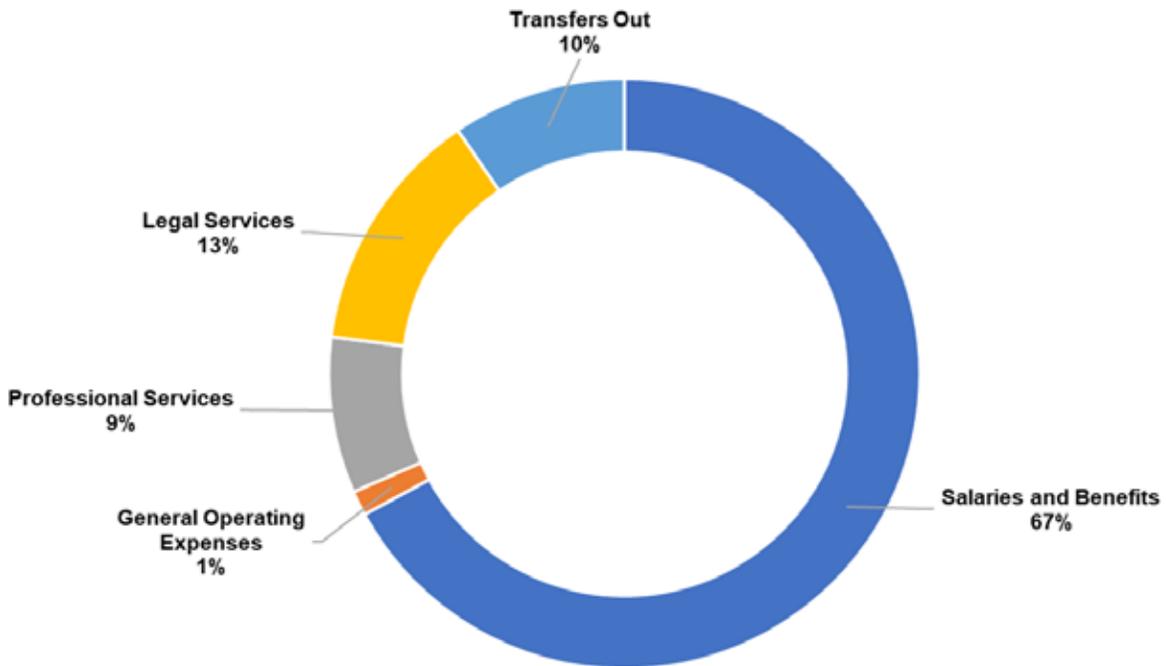
Finance Department

2021 Finance Department Expenditures

Most of the costs associated with the City's Finance Department are allocated to other City funds to reflect the service those funds receive from the Finance Department, as reflected in the table below.

2021 Proposed Finance Department Expenditures		
Fund	Department Expenditures	2021 Proposed Expenditures
General Fund		
	Salaries and Benefits	976,050
	General Operating Expenses	40,250
	Professional Services	221,165
	Legal Services	399,400
	Transfers Out	283,347
Water Fund		
	Salaries and Benefits	434,160
	Professional Services	11,000
Sewer Fund		
	Salaries and Benefits	132,956
	Professional Services	11,000
Stormwater Fund		
	Salaries and Benefits	213,214
	Professional Services	11,000
Sustainability Fund		
	Salaries and Benefits	15,588
Street Operating Fund		
	Salaries and Benefits	83,871
Fleet Fund		
	Salaries and Benefits	44,117
Information Technology Fund		
	Salaries and Benefits	93,546
TOTAL		2,970,664

2021 Finance Department Proposed Expenditures (All Funds)



Department 2020-2021 Expenditure Crosswalk

	Budgeted Expenditures	Budgeted FTEs
2020 Adopted Expenditures	\$ 3,395,016	15.25
Baseline Adjustments:	(222,839)	-
Annualizing Mid-Year 2020 COVID Reductions:		
Reduce Department Operating Expenses	(20,000)	-
Eliminate Senior Tax Auditor Position	(112,814)	-0.75
Total Adjustments:	(132,814)	-0.75
Proposed 2021 Adjustments:		
State Auditor Office Costs	36,000	-
Finance Statement Preparation	60,000	-
Business and Occupation Tax Postage and Mailing	11,315	-
Reduced Prosecuting Attorney and Public Defender Expenditures	(85,600)	-
Reduced Information Technology Costs	(126,503)	-
Increased Liability Insurance Costs	40,668	-
Miscellaneous Adjustments	(4,579)	-0.25
Total Adjustments:	(68,699)	-0.25
2021 Proposed Expenditures	\$ 2,970,664	14.25

Baseline Expenditure Adjustments: (\$222,839) - Finance Department expenditures are reduced by \$222,839 from the 2020 Adopted Budget primarily due to eliminating one-time 2020 expenditures, including professional services contracts for MUNIS implementation, and financial statement preparation. This also reflects changes to salaries and benefits, including the reclassification of the Budget Manager position to a Management Analyst.

Reduce Department Operating Expenses: (\$20,000) - As part of the City's 2020 COVID-19 budget reduction plan, the Finance Department reduced staff travel, training, and memberships costs.

Eliminate Senior Tax Auditor Position: (\$112,814) - As part of the City's 2020 COVID-19 budget reduction plan, the Finance Department eliminated the Senior Tax Auditor Position (.75 FTE).

State Auditor Office Costs: \$36,000 - The 2021 Proposed Budget includes increased funding for the City's 2020 annual financial audit, accountability audit, and single audit conducted by the State Auditor Office. The increase anticipates the need for two grants to be audited as part of the Single Audit in 2021 as a result of the City's Federal grant activity in 2020. City expenditures of Federal funds in excess of \$750,000 during the fiscal year require a Single Audit. With this increment, a total of \$146,000 is budgeted for audit work in 2021.

Financial Statement Preparation: \$60,000 - The 2021 Proposed Budget includes funding for a professional services contract to assist in the preparation of the City's financial statements.

Business and Occupation Tax Postage and Mailing: \$11,315 - The 2021 Proposed Budget includes funding to cover increased costs business and occupation tax mailing costs.

Finance Department

Reduced Prosecuting Attorney and Public Defender Contract Expenditures: (\$85,600) - In 2020, the City negotiated new rates for its prosecuting attorney and public defense contracts. The final negotiated amounts for these contracts is lower than what was assumed in the 2020 Adopted Budget.

Reduced Information Technology Costs: (\$126,503) - The Finance Department's information technology costs are anticipated to decrease in 2021. This is primarily due to a change in the 2021 budget to allocate MUNIS software costs to other City departments rather than only the Finance Department. The decrease is partially offset by increased software and subscription costs and increased costs shared by all City departments. Further information on these items is included in the Information Technology Department section of this document.

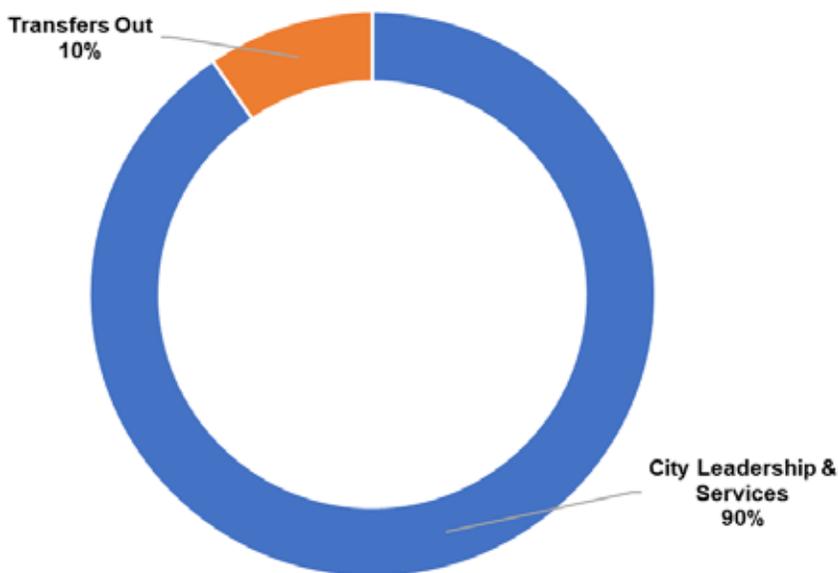
Liability Insurance Increase: \$40,688 - The City's liability insurance costs are anticipated to increase in 2021. This increment represents the increase to the Finance Department's share of the City's annual payment, as well as updates to how the City allocates these costs.

Miscellaneous Adjustments: (\$4,579) - These are small technical budget adjustments including an addition to staff subscription and dues and a reduction to salary and benefits.

Finance Department Programs and Strategic Plan Goals

Strategic Plan Goal	Program Name	2021 Proposed Expenditures
City Leadership & Services		
	Financial Management	2,013,367
	Utility Billing	274,550
	Prosecuting Attorney and Public Defense	399,400
N/A		
	Transfers Out	283,347
		2,970,664

2021 Finance Department Expenditures by Strategic Plan Goal



* Interfund transfers are not assigned to a Strategic Plan Goal as they are used as a revenue source for other City programs. All interfund transfers are attributed to program 001 to avoid double counting when considering the full City budget by Strategic Plan goal.

Human Resources Department

Mission Statement

Human Resources supports the work culture by facilitating employee engagement and promoting the SALMON values of Sustaining Trust, Acting with Integrity, Leading with Respect, Mastering Communication, Owning our Actions and being N’gaged. The department strives to engage employees through the development of culturally aligned, equitable, and innovative services and programs.

Departmental program responsibilities include staffing and recruitment, civil service, classification and compensation, benefits administration and wellness, employee and labor relations, training and organizational development, performance management, safety and risk management, workers compensation, and employee recognition.

2021 Work Plan Items

- Implement improvements to the employee experience, fostering development, organizational values, and connection.
- Provide leadership and support to achieve the action items of the Mayor’s Police Accountability, Equity, and Human Services Action Plan.
- Enhance the Citywide training program with an emphasis on Supervisor trainings and Diversity, Equity, and Inclusion.
- Transition the Risk Management function to the Department from the Executive Office.
- Negotiate first agreements with Teamsters 117 representing Commanders and Sergeants, and a successor agreement with the Issaquah Police Support Services Association representing Corrections, Dispatch, and Records.
- Review and revise Human Resources policy documents, including the Personnel Policy Manual, Municipal Code, Issaquah Administrative Manual, and Civil Service rules. Negotiate and implement revised policies and recommendations.
- Collaborate with the Issaquah Healthcare Advisory Committee and the City’s medical insurance broker to ensure the financial health of our plans so that we can continue to provide robust plans to our employees and their families.

2021 Proposed Budget Overview

The 2021 Proposed Budget includes increased funding for Citywide equity training as part of the Issaquah Police Accountability, Equity and Human Services Action Plan.

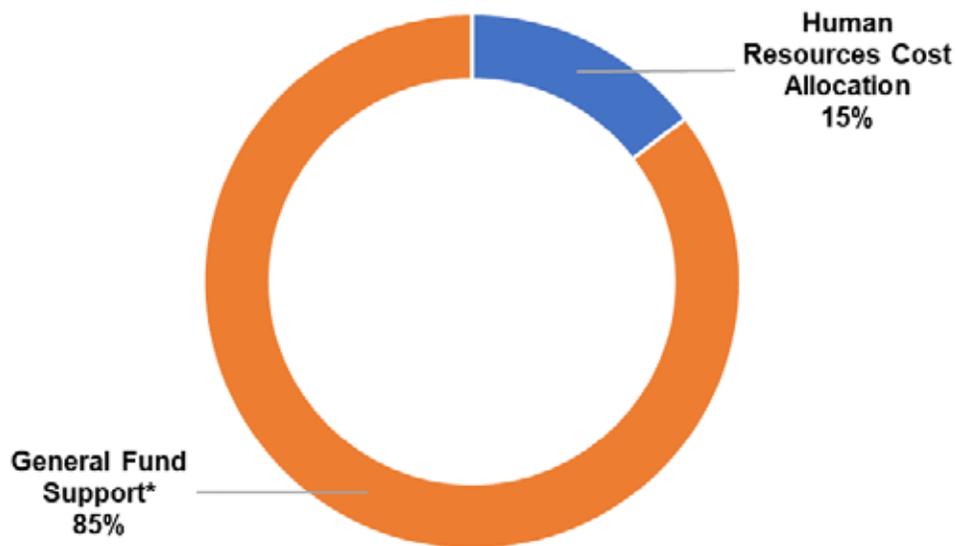
Operating Budget Overview

	2020 Adopted Budget	2021 Baseline Increment	2021 COVID-19 Increment	Proposed Increment	2021 Proposed Budget	Percent Change ('20 Adopted to '21 Proposed)	Budget Variance ('20 Adopted to '21 Proposed)
Human Resources							
Revenues	116,688	-	-	(18,578)	98,110	-16%	\$ (18,578)
Expenditures	843,998	(73,864)	(182,538)	83,580	671,176	-20%	\$ (172,822)

2021 Human Resources Revenues

2021 Proposed Human Resources Revenues		
Fund	Revenue Source	2021 Proposed Revenues
Water Fund	Human Resources Cost Allocation	46,016
Sewer Fund	Human Resources Cost Allocation	10,177
Stormwater Fund	Human Resources Cost Allocation	41,917
General Fund	General Fund Support*	573,066
TOTAL		671,176

2021 Proposed Human Resources Revenues



* The Human Resources Department collects cost allocation revenues that directly support its operations, but the expenditures exceed these department-specific revenues. The difference is made up by non-Human Resources Department General Fund revenues.

Human Resources Department

Department 2020-2021 Revenue Crosswalk

2020 Adopted Revenues	\$ 116,688
Baseline Adjustments:	-
Proposed 2021 Adjustments:	
Reduced Human Resources Cost Allocation	(18,578)
Total Adjustments:	(18,578)
2021 Proposed Revenues	\$ 98,110

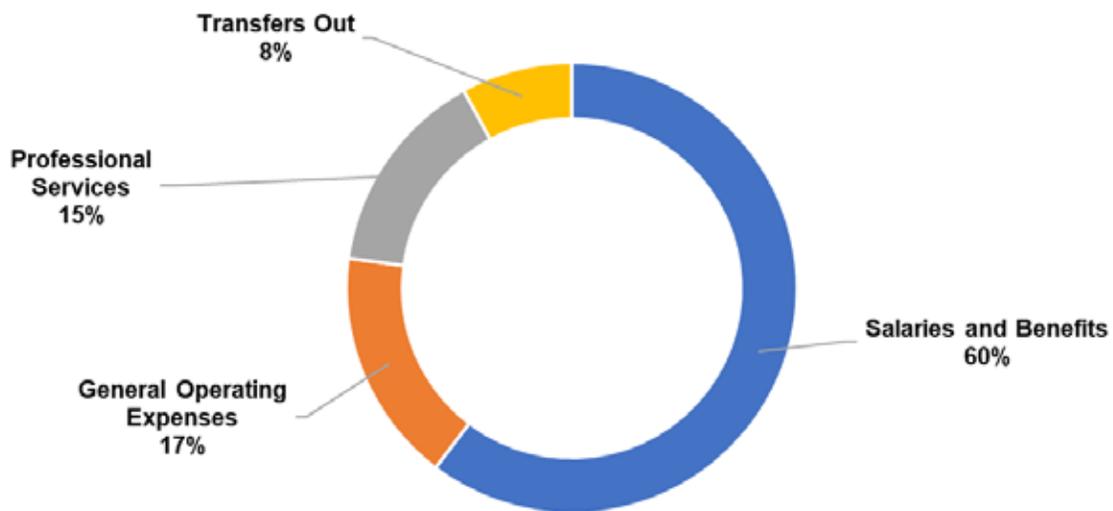
Reduced Human Resources Cost Allocation: (\$18,578) - This increment represents the reduction to the utility funds' share of human resources costs.

Human Resources Department

2021 Human Resources Department Expenditures

2021 Proposed Human Resources Department Expenditures		
Fund	Department Expenditures	2021 Proposed Expenditures
General Fund		
	Salaries & Benefits	404,968
	General Operating Expenses	112,735
	Professional Services	100,000
	Transfers Out	53,473
TOTAL		671,176

2021 Human Resources Department Proposed Expenditures



Human Resources Department

Department 2020-2021 Expenditure Crosswalk

	Budgeted Expenditures	Budgeted FTEs
2020 Adopted Expenditures	\$ 843,998	4
Baseline Adjustments:	(73,864)	-
Annualizing Mid-Year 2020 COVID Reductions:		
Reduce Department Operating Expenses	(53,599)	-
Eliminate One Position	(128,939)	-1
Total Reductions:	(182,538)	-1
Proposed 2021 Adjustments:		
Citywide Equity Training	72,599	-
Miscellaneous Adjustments	(2,453)	-
Increased Information Technology Costs	6,970	-
Liability Insurance Increase	6,464	-
Total Adjustments:	83,580	-
2021 Proposed Expenditures	\$ 671,176	3

Baseline Expenditure Adjustments: (\$73,864) - Human Resources' expenditures decreased by \$73,864 from the 2020 Adopted Budget, largely as a result of salary and benefit savings from reclassifying the Senior Human Resources Analyst to a Human Resources Coordinator.

Reduce Department Operating Expenses: (\$53,599) - As part of the City's 2020 COVID-19 budget reduction plan, the Human Resources Department reduced various operating expenses, including recruitment professional services contracts and staff travel, training, and memberships.

Eliminate One Position (\$128,939) - As part of the City's 2020 COVID-19 budget reduction plan, the Human Resources Department eliminated the Human Resources Analyst Position.

Citywide Equity Training: \$72,599 - The 2021 Proposed Budget increases the City's training budget to carry out a series of Citywide equity and anti-bias trainings as part of the Issaquah Police Accountability, Equity and Human Services Action Plan, which was adopted by the City Council on August 10, 2020.

Miscellaneous Adjustments: (\$2,453) - These are small technical budget adjustments including reductions to office and operating supplies and increases to personnel costs.

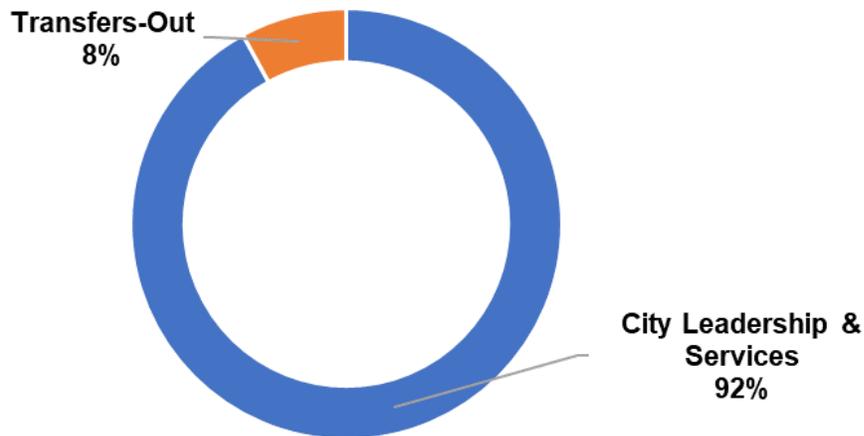
Increased Information Technology Costs: \$6,970 - The Human Resources Department's information technology costs are anticipated to increase in 2021, partially due to increased software and subscription costs and increased costs shared by all City departments. Further information on these items is included in the Information Technology Department section of this document.

Liability Insurance Increase: \$6,464 - The City's liability insurance costs are anticipated to increase in 2021. This increment represents the increase to the Human Resource Department's share of the City's annual payment, as well as updates to how the City allocates these costs.

Human Resources Programs and Strategic Plan Goals

Strategic Plan Goal	Program Name	2021 Proposed Expenditures
City Leadership & Services	Human Resources	617,703
N/A	Transfers Out*	53,473
		671,176

2021 Human Resources Department Proposed Expenditures by Strategic Plan Goal



* Interfund transfers are not assigned to a Strategic Plan Goal as they are used as a revenue source for other City programs. All interfund transfers are attributed to program 001 to avoid double counting when considering the full City budget by Strategic Plan goal.

Information Technology

Mission Statement

The mission of the Information Technology (IT) Division is to support the City's technology needs and use innovation to provide Issaquah's community, elected officials, and employees access to timely and accurate information.

2021 Work Plan Items

- Reimplement MUNIS, the City's financial management platform (Strategic Plan Item).
- Complete implementation of Utility Billing with online Citizen Self Service.
- Public Works management system evaluation and upgrades/replacement.
- Continue innovation in paperless work processes and public facing information systems.
- Support employee work-from-home and eventual return to office.

2021 Proposed Budget Overview

The 2021 Proposed Budget for Information Technology operating costs is nearly \$400,000 lower than the 2020 Adopted Budget, largely as a result of reductions to software, equipment, and professional services. IT's proposed capital budget is down an additional \$800,000 as a result of a smaller number of proposed capital investments in 2021. The 2020 Adopted Budget included capital funds for the MUNIS reimplementation project, which does not require additional funding in 2021. This accounts for most of the decline in IT's 2021 capital budget.

Even with this smaller budget, funding is included for several new investments in cybersecurity and software services, which are required in response to the continuation of remote work for City staff as the impacts of the COVID pandemic persist.

Operating Budget Overview

	2020 Adopted Budget	2021 Baseline Increment	2021 COVID-19 Increment	Proposed Increment	2021 Proposed Budget	Percent Change ('20 Adopted to '21 Proposed)	Budget Variance ('20 Adopted to '21 Proposed)
Information Technology							
Revenues	3,758,950	-	(487,901)	348,494	3,619,543	-4%	\$ (139,407)
Expenditures	3,922,092	(369,720)	(487,901)	298,087	3,525,993	-10%	\$ (396,099)

Information Technology

2021 Information Technology Revenues

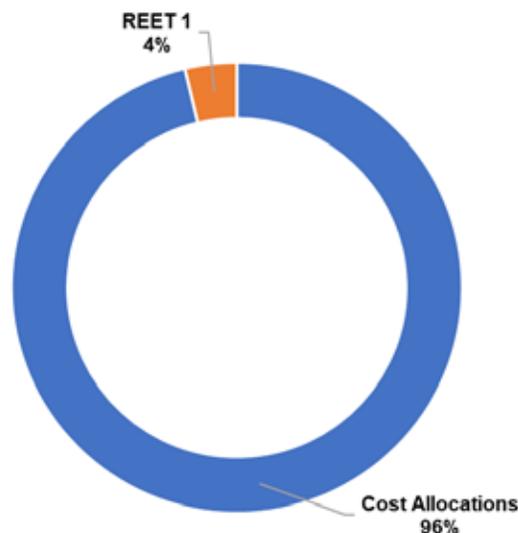
Information Technology (IT) is an internal service function that allocates nearly all of its operating costs to the City departments it serves. The amounts allocated to each department is determined by three factors:

- **Direct department charges** - These are IT costs that support an individual department. For example, the iCompass software used to manage agenda bills and ordinances for City Council meetings is allocated directly to the City Clerk's Office and the PerfectMind software used for Parks recreation bookings and reservations is allocated directly to the Parks and Community Services department.
- **Citywide shared services** - These are IT costs that support the entire City staff and facilities. These items include such costs as Windows server licenses and support, printer usage and support, and the citywide phone system. These costs are allocated based on the number of full-time equivalents (FTEs) per department.
- **Information Technology personnel costs** - IT personnel costs are allocated using the same methodology as citywide shared services.

Information Technology also utilizes Real Estate Excise Tax (REET) revenues to support its PC replacement expenses.

2021 Proposed Information Technology Revenues		
Fund	Revenue Source	2021 Proposed Revenues
Information Technology Fund		
	Cost Allocations	3,485,393
	Real Estate Excise Tax (REET) 1	134,150
TOTAL		3,619,543

2021 Information Technology Proposed Revenues



Information Technology Department

Department 2020-2021 Revenue Crosswalk

2020 Adopted Revenues	\$ 3,758,950
Annualizing Mid-Year 2020 COVID Reductions	(487,901)
Proposed 2021 Adjustments:	
Increased Cost Allocations	574,644
Move IT Permit Fee to Community Planning & Development	(150,000)
Reduce REET Support for Operating Expenses	(76,150)
Total Adjustments:	348,494
2021 Proposed Revenues	\$ 3,619,543

Annualizing Mid-Year 2020 COVID Reductions: (\$487,901) - Information Technology's anticipated operating revenues were reduced by \$487,901 to match the annualized mid-year 2020 COVID reductions. Since Information Technology fully recovers its costs via department cost allocations, revenues are reduced by the same amount that expenditures are reduced.

Increased Cost Allocation: \$574,644 - This increase in cost allocation revenue is the result of increased IT expenditures over the annualized mid-year 2020 COVID reductions. Further information on the operating expenditure increases is detailed in the Expenditure Crosswalk of this section. Ultimately, the net impact on cost allocations for 2021 IT operating expenses is an increase of \$86,743 (a combination of this change and the COVID change described above).

Move IT Permit Fee to Community Planning & Development: (\$150,000) - The City assesses a 5% surcharge on permit fees to cover Information Technology costs related to the City's permitting function. In the 2020 Adopted Budget - and prior years since this surcharge was instituted - this revenue was collected directly into the IT Fund. As a result, the cost allocation for IT costs charged to the Community Planning and Development Department was reduced as some of its costs were being covered by way of this surcharge. The City's new chart of accounts (COA) allows for more flexibility in how these types of transactions are budgeted, the 2021 Proposed Budget moves these charges to the Community Planning and Development Department (CPD) and does not reduce the IT cost allocation charged to CPD.

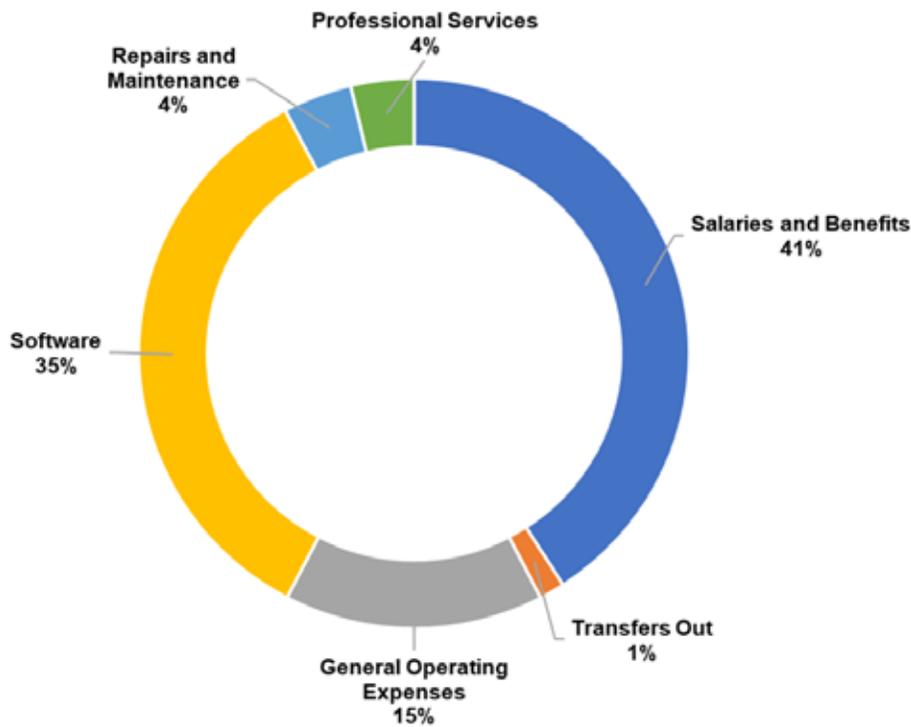
Reduce REET Support for Operating Expenses: (\$76,150) - This represents the revenue impact of a true-up of operating expenses supported by REET revenues from 2020 to 2021.

Information Technology

2021 Information Technology Expenditures

2021 Proposed Information Technology Expenditures		
Fund	Department Expenditures	2021 Proposed Expenditures
Information Technology Fund		
	Salaries and Benefits	1,442,207
	General Operating Expenses	537,340
	Professional Services	130,500
	Software	1,219,918
	Repairs and Maintenance	143,070
	Transfers Out	52,958
TOTAL		3,525,993

2021 Information Technology Proposed Expenditures



Information Technology

Department 2020-2021 Expenditure Crosswalk

	Budgeted Expenditures	Budgeted FTEs
2020 Adopted Expenditures	\$ 3,922,092	10
Baseline Expenditure Adjustments:	(369,720)	-
Annualizing Mid-Year 2020 COVID Reductions:	(487,901)	-1
Proposed 2021 Adjustments:		
Add Back COVID Reductions	284,100	-
Increased Software Costs	129,565	-
New 2021 Software and Equipment	32,600	-
Liability Insurance Increase	3,728	-
Add Unemployment Insurance	19,404	-
Decreased Personnel Costs	(7,875)	-
Total Adjustments:	461,522	-
2021 Proposed Expenditures	\$ 3,525,993	9

Baseline Expenditure Adjustments: (\$369,720) - Information Technology expenditures decrease by \$369,720 from the 2020 Adopted Budget, largely as a result of eliminating a one-time transfer from the IT Fund to the General Fund to correct a 2019 budget error. These adjustments also include eliminations of one-time 2020 software and professional service costs, as well as small increases in salary and benefit costs.

Annualizing Mid-Year 2020 COVID Reductions: (\$487,901) - As part of the City's 2020 COVID-19 budget reduction plan, Information Technology reduced various software, equipment, and professional service costs. IT also eliminated a Database Administrator position, but these savings were largely offset by moving a Senior Network Systems Analyst position that had previously been budgeted in the Community Planning and Development Department (CPD) into Information Technology. In prior years, this position had been supporting CPD, but with the loss of the Database Administrator position, the Senior Network Systems Analyst is now supporting other City departments and was therefore moved over to the IT budget.

Add Back COVID Reductions: \$284,100 - Information Technology determined that certain IT costs eliminated through the COVID reduction plan are not sustainable for more than one year, including the PC replacement program and other equipment, software, and professional services costs.

Increased Software Costs: \$129,565 - Information Technology supports many software packages, subscriptions, and services for various City functions. These costs will typically increase each year depending on the individual vendor for each item.

New 2021 Software and Equipment: \$32,600 - The 2021 Proposed Budget includes several new investments in cybersecurity and software services. These include DocuSign - software used to electronically sign contracts and other documents remotely - and WebEx - the online video platform used for remote City Council Meetings. These new investments are essential to support City business during the physical distancing requirements during the COVID pandemic.

Information Technology

Liability Insurance Increase: \$3,728 - The City's liability insurance costs are anticipated to increase in 2021. This increment represents the increase to Information Technology's share of the City's annual payment, as well as updates to how the City allocates these costs.

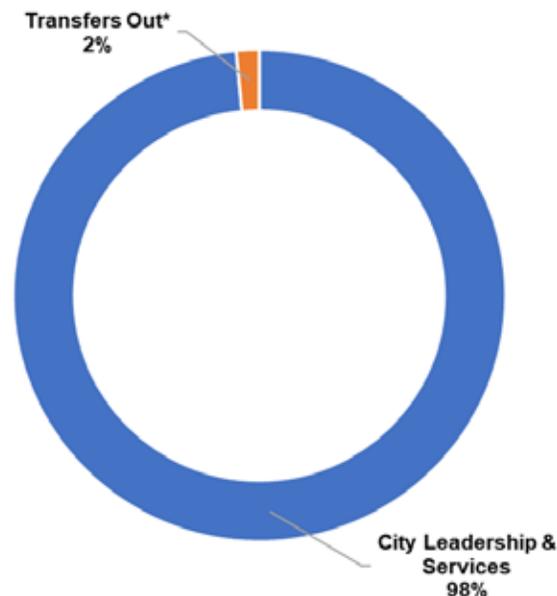
Add Unemployment Insurance: \$19,404 - The 2021 Proposed Budget includes an increase to unemployment insurance costs, as well as an update of how the City allocates these costs.

Decreased Personnel Costs: (\$7,875) - This decrease over the baseline is the result of small technical adjustments and corrections to Information Technology personnel costs.

Information Technology Programs and Strategic Plan Goals

Strategic Plan Goal	Program Name	2021 Proposed Expenditures
City Leadership & Services		
	Technology Administration	373,472
	Desktop Devices and Support	281,855
	Network and Data Center Services	456,705
	Software Support and Services	1,716,958
	Print Services	117,170
	Cybersecurity	233,095
	Mobile and Telecom Services	211,880
	Technology Projects	81,900
N/A		
	Transfers Out*	52,958
		3,525,993

Information Technology Expenditures by Strategic Plan Goal



* Interfund transfers are not assigned to a Strategic Plan Goal as they are used as a revenue source for other City programs. All interfund transfers are attributed to program 001 to avoid double counting when considering the full City budget by Strategic Plan goal.

Information Technology

Information Technology 2021 Capital Projects

The table below summarizes the Information Technology capital projects included in the Mayor's 2021 Proposed Budget. For further detail on each capital project, please refer to the Capital Projects section of this book.

Asset Category	Project Name	2021 Project Budget
Technology & Systems		
	EQ 004 - PC Replacement Program*	194,150
	EQ 007 - Annual Server Replacement Program	111,911
	TC 006 - Public Works Operations MMS Upgrade	75,000
	TC 007 - Electronic Records Management Software	102,300
	TC 009 - Maintenance Management Software Replacement	30,690
TOTAL 2021 Information Technology Capital Projects:		514,051

* EQ 004 - PC Replacement Program is partially supported by REET revenues and partially cost allocated as a citywide shared cost. Due to this cost allocated aspect of the project, revenues and expenditures for this program are included in the operating budget detailed throughout this section.

Municipal Court

Mission Statement

The Municipal Court’s mission is to establish and maintain public trust and confidence. The Court serves the citizens of Issaquah, Snoqualmie, and North Bend by providing access to justice and ensuring that all individuals are afforded due process of law as recognized by the Constitutions of the United States and the State of Washington.

2021 Work Plan Items

- Continued development and expansion of Community Court - This is an alternative, non-traditional approach to low-level crime. By facilitating social service providers on site, Community Court seeks to find an individualized solution for participants to become self-sufficient and avoid further criminal conduct.
- Broaden community access to the Washington Connection Community Partnership Program - In the fall of 2020, the Issaquah Probation Department began aiding the community, offering assistance with the online application process to apply for benefits and services such as food, cash, and medical assistance; childcare subsidies; long-term care services and support; and drug and alcohol treatment.
- Implement a licensing restoration program to assist suspended drivers to regain their license, which is often essential for finding and maintaining employment.
- Continued enhancement of Virtual Court equipment and processes and move as many court processes as possible online.
- In the Spring of 2021, the Court will join in a newly implemented Statewide electronic filing system to improve public access to records.
- Transition all current paper case files to an electronic format utilizing SharePoint.
- Utilize technology to increase customer service levels with existing staff and workload demands.

2021 Proposed Budget Overview

The 2021 Proposed Budget includes a few changes to Municipal Court operations. Court revenues are anticipated to be slightly lower than the 2020 Adopted Budget primarily resulting from COVID-related drops in infractions and penalties, parking infractions, and other criminal fines. The 2021 Proposed Budget also reduces Court expenditures, primarily as a result of shifting court security responsibilities from a part-time employee to a professional services contract.

Operating Budget Overview

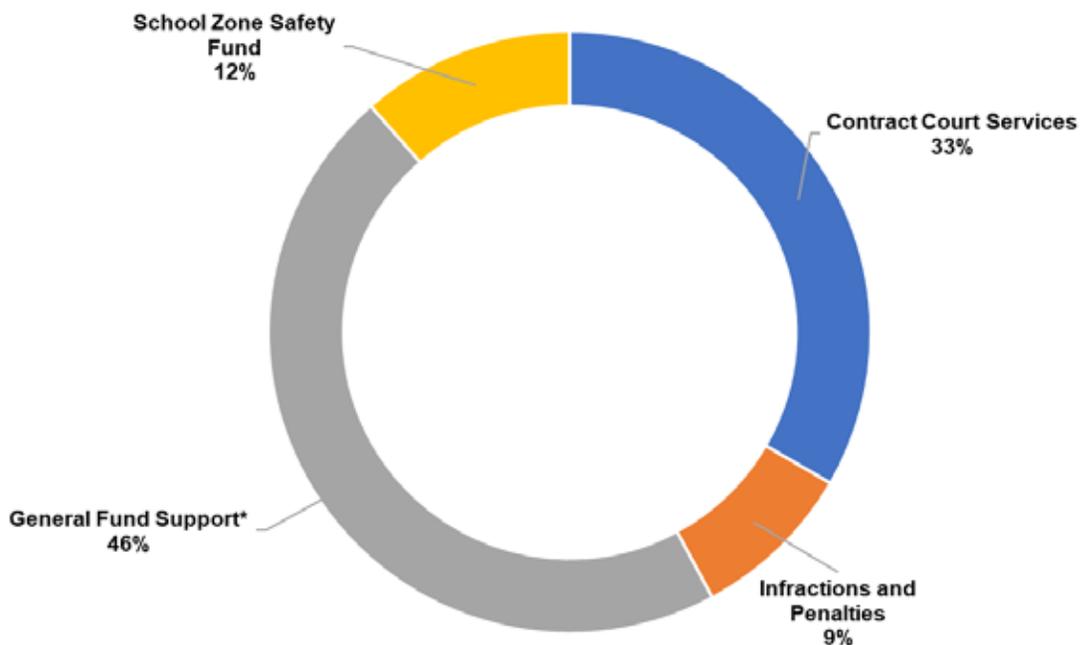
	2020 Adopted Budget	2021 Baseline Increment	2021 COVID-19 Increment	Proposed Increment	2021 Proposed Budget	Percent Change ('20 Adopted to '21 Proposed)	Budget Variance ('20 Adopted to '21 Proposed)
Municipal Court							
Revenues	777,831	(78,340)	-	-	699,491	-10%	\$ (78,340)
Expenditures	1,163,074	(54,094)	(1,150)	35,171	1,143,001	-2%	\$ (20,073)

Municipal Court

2021 Municipal Court Revenues

2021 Proposed Municipal Court Revenues		
Fund	Revenue Source	2021 Proposed Revenues
General Fund		
	Contract Court Services	437,700
	Infractions and Penalties	113,560
	General Fund Support*	443,510
School Zone Safety Fund		
	Support for School Zone Camera Enforcement**	148,231
TOTAL		1,143,001

2021 Municipal Court Proposed Revenues



* The Municipal Court collects various revenues that directly support its operations, but the expenditures exceed these department-specific revenues. The difference is made up by non-Municipal Court General Fund revenues.
 ** The Municipal Court is instrumental in the collection and enforcement of speed zone traffic cameras infractions. More information regarding this revenue can be found in the School Zone Safety Fund section of this document.

Municipal Court

Department 2020-2021 Revenue Crosswalk

2020 Adopted Revenues	\$	629,600
Baseline Adjustments:		(78,340)
2021 Proposed Revenues	\$	551,260

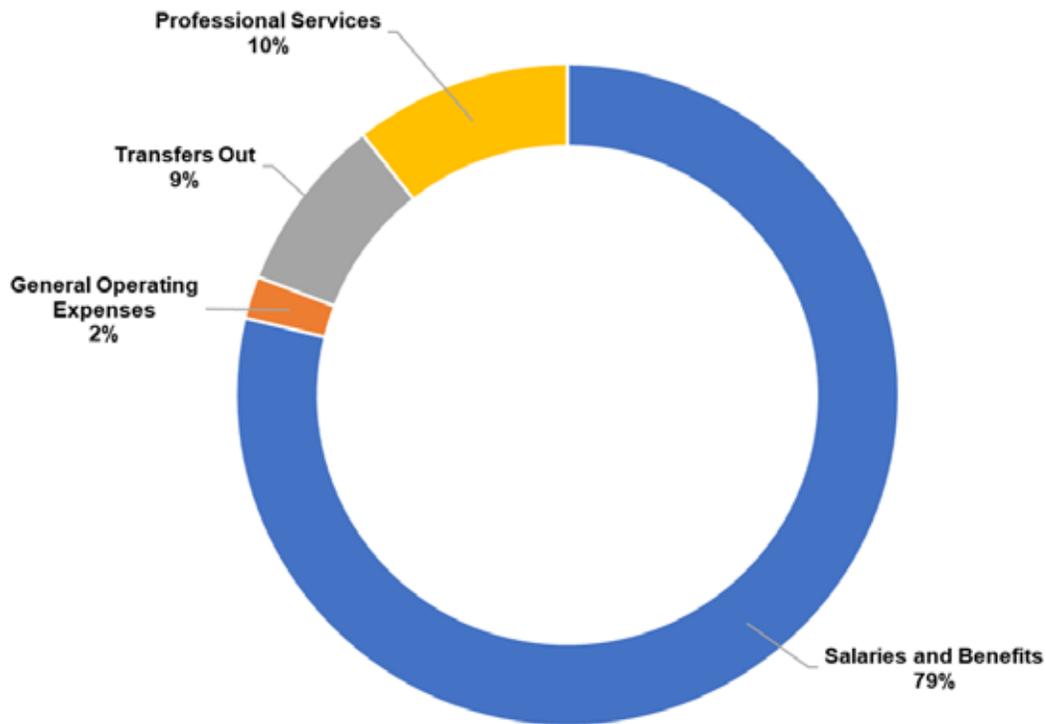
Baseline Revenue Adjustments: (\$78,340) - Municipal Court revenues are reduced by \$78,340 from the 2020 Adopted Budget accounting for anticipated COVID-related drops in infractions and penalties, parking infractions, and other criminal fines.

Municipal Court

2021 Municipal Court Department Expenditures

2021 Proposed Municipal Court Expenditures		
Fund	Department Expenditures	2021 Proposed Expenditures
General Fund		
	Salaries and Benefits	900,044
	General Operating Expenses	23,650
	Professional Services	121,000
	Transfers Out	98,307
	TOTAL	1,143,001

2021 Municipal Court Proposed Expenditures



Municipal Court

Department 2020-2021 Expenditure Crosswalk

	Budgeted Expenditures	Budgeted FTEs
2020 Adopted Expenditures	\$ 1,163,074	6.25
Baseline Expenditure Adjustments:	(54,094)	-0.5
Annualizing Mid-Year 2020 COVID Reductions:	(1,150)	
Proposed 2021 Adjustments:		
Court Security Contract	61,300	-
Reduced Information Technology Costs	(36,023)	-
Liability Insurance Increase	8,410	-
Miscellaneous Adjustments	1,484	-
Total Adjustments:	35,171	-
2021 Proposed Expenditures	\$ 1,143,001	5.75

Baseline Expenditure Adjustments: (\$54,094) - Municipal Court expenditures decrease by \$54,094 from the 2020 Adopted Budget, largely as a result of the elimination of a part-time Court security officer position. In its place, court security is provided through a less expensive professional services contract with a security firm. The baseline adjustments also include increases in salary and benefit costs for Court employees.

Annualizing Mid-Year 2020 COVID Reductions: (\$1,150) - As part of the City's 2020 COVID-19 budget reduction plan, the Municipal Court reduced ongoing supplies and equipment expenditures.

Court Security Contract: \$61,300 - At the beginning of 2020, the Municipal Court shifted its court security services from a part-time employee to a professional services contract. This ultimately allows the Court to lower security costs and incorporate other Court services, such as drug testing, into a single contract. While this is shown as an increase to expenditures, it actually results in a net savings after the elimination of the part-time Court Security Officer position.

Reduced Information Technology Costs: (\$36,023) - The Municipal Court's information technology costs are anticipated to decrease in 2021. This is primarily due the completion of a one-time Court IT project in 2020. The decrease is partially offset by increased software and subscription costs and increased costs shared by all City departments. Further information on these items is included in the Information Technology Department section of this document.

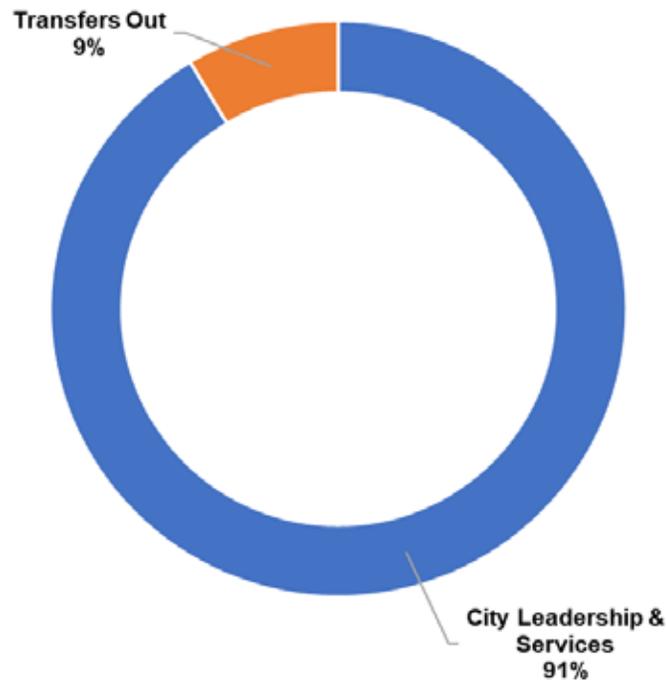
Liability Insurance Increase: \$8,410 - The City's liability insurance costs are anticipated to increase in 2021. This increment represents the increase to the Municipal Court's share of the City's annual payment, as well as updates to how the City allocates these costs.

Miscellaneous Adjustments: \$1,484 - These are small technical budget adjustments including a reduction to travel and training, as well as small increases to part time, non-regular personnel costs to reflect an increase in the minimum wage and full time personnel costs as the result of technical adjustments and corrections.

Municipal Court Programs and Strategic Plan Goals

Strategic Plan Goal	Program Name	2021 Proposed Expenditures
City Leadership & Services		
	Municipal Court Operations	1,044,694
N/A		
	Transfers Out*	98,307
		1,143,001

Municipal Court Expenditures by Strategic Plan Goal



* Interfund transfers are not assigned to a Strategic Plan Goal as they are used as a revenue source for other City programs. All interfund transfers are attributed to program 001 to avoid double counting when considering the full City budget by Strategic Plan goal.

Parks and Community Services Department

Mission Statement

Connecting residents and visitors to nature and each other through:

- a vibrant parks and trails system within the city, neighborhoods, and regional lands; and
- the delivery of recreation, human services, and arts programs to an inclusive and healthy mountain, lake, and valley community.

2021 Work Plan Items

Parks Administration and Planning

- Replace the Synthetic Turf at the Central Park-Pad 3 fields.
- New Play Area at Hillside Park.
- Park Signage/Wayfinding – design completion and begin phase 1 fabrication.
- Master Planning of Veterans Memorial Field, Tibbetts Valley Park and the Issaquah Creek Corridor.
- Develop strategies to ensure long-term financial sustainability of the City's parks and open space program.

Park Operations

- Overall maintenance and stewardship of Issaquah's parks, trails and public open space.
- Implement the Green Issaquah Volunteer Stewards Program.
- Invasive plant removal along sections of Issaquah creek within Tibbetts Valley Park.

Facilities

- Overall maintenance and management of City buildings and facilities.
- Replace flooring in first floor of City Hall.
- Install security fence and gate system at City Hall/Police parking lot.

Human Services

- Implement and manage the 2021-2022 Human Services Grants.
- Complete the Human Services Strategic Plan (former the Healthy Community Strategy).
- Create a Plan to address resident review of Equity and Human Services Initiatives, per the Equity Plan.

Arts

- Manage the city arts grant program- delivering a wide variety of arts and culture opportunities for the community and supports the local arts sector.
- Develop the Issaquah Creative District to support and grow the local creative economy and promote cultural tourism.

Recreation Services

- Continued planning and aligning of program delivery and service levels with the reduced resources from the COVID-based budget/staffing reductions in 2020 (all divisions).
- Review Interlocal Agreement with Issaquah School District (all divisions).
- Implement recurring pass sales (Community Center and Pool).
- Review CPR/AED/First Aid and Lifeguard training programs internally and externally (Pool).
- Migration of Rental Division into Perfect Mind registration platform (Rentals).
- Research legal options in pursuing a preferred caterers list for 2023 for wedding and events as a new revenue source (Rentals).
- Evaluate Farmers Market to best align reduced resources with service delivery (Rentals).
- Continue to transform before and after-school programming (Community Center).

Cemetery

- Complete Phase 1 Columbarium Addition in Lower Hillside Cemetery.

Parks and Community Services Department

2021 Proposed Budget Overview

The operations of no City department have been more influenced by the COVID-19 pandemic than the City's Parks and Community Services Department. The stay at home and physical distancing orders have dramatically impacted the Parks and Community Services Department, restricting operations and reducing revenues.

The 2021 Proposed Budget for the Parks and Community Services Department reduces both revenues and expenditures in anticipation of continued COVID-related physical distancing measures restricting levels of operations, primarily affecting the City's recreation services. That said, the 2021 Proposed Budget restores funding for two Park Operations positions eliminated as part of the 2020 COVID-19 reduction plan and creates two new positions: a Human Services Manager and a Park Ranger, underscoring the City's commitment to a strong social safety net and public safety.

The 2021 Proposed Budget for Parks and Community Services reflects a reorganization of the City's human services function, which was previously housed in the Office of Sustainability, and municipal arts, which was previously housed in the Executive Department. This reorganization will help connect the City's traditional parks and recreation services with its community-oriented services, creating a Parks and Community Services Department focused on maintaining a healthy community for all Issaquah residents.

Operating Budget Overview

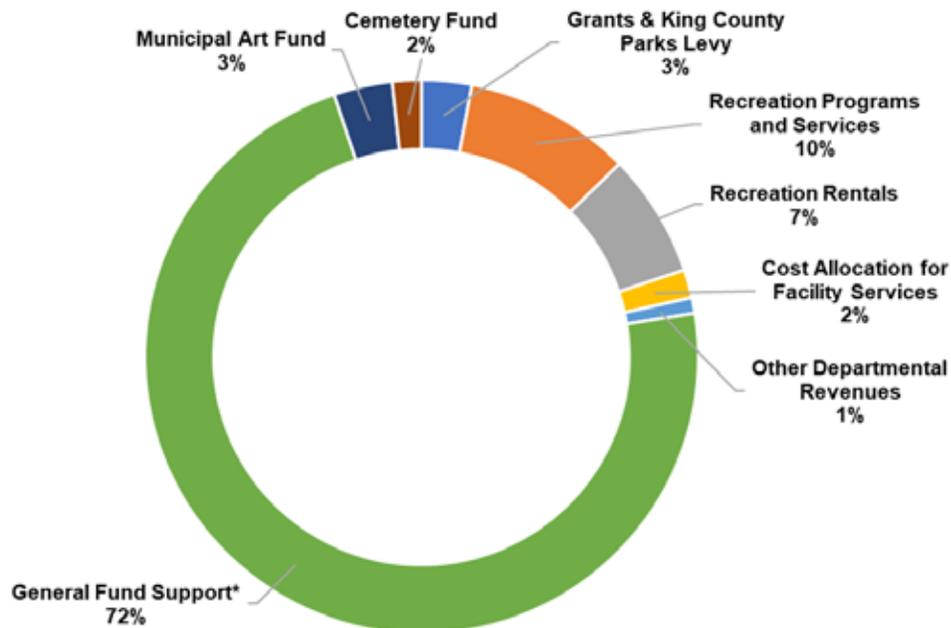
	2020 Adopted Budget	2021 Baseline Increment	2021 COVID-19 Increment	Proposed Increment	2021 Proposed Budget	Percent Change ('20 Adopted to '21 Proposed)	Budget Variance ('20 Adopted to '21 Proposed)
Parks and Community Services Department							
Revenues	3,892,040	(127,000)	(1,537,039)	354,369	2,582,370	-34%	\$ (1,309,670)
Expenditures	10,989,046	228,356	(1,183,489)	482,789	10,516,702	-4%	\$ (472,344)

Parks and Community Services Department

2021 Parks and Community Services Department Revenues

2021 Proposed Parks and Community Services Revenues		
Fund	Revenue Source	2021 Proposed Revenues
General Fund		
	Grants & King County Parks Levy	307,000
	Recreation Programs and Services	1,028,000
	Recreation Rentals	759,000
	Cost Allocation for Facility Services	173,446
	Other Departmental Revenues	94,557
	General Fund Support*	7,616,624
Municipal Arts Fund		
	Admissions Tax, Grants, and Capital Project Support	105,367
	Usage of Municipal Art Fund Balance	255,008
Cemetery Fund		
	Lot Sales and Other Fees	115,000
	Usage of Cemetery Fund Balance	62,700
TOTAL		10,516,702

2021 Parks and Community Services Proposed Revenues



* The Parks and Community Services Department collects various revenues that directly support its operations, but the expenditures exceed these department-specific revenues. The difference is made up by non-Parks and Community Services Department General Fund revenues.

Parks and Community Services Department

Department 2020-2021 Revenue Crosswalk

2020 Adopted Revenues		\$ 3,892,040
Baseline Adjustments:		(127,000)
Annualizing Mid-Year 2020 COVID Reductions:		(1,537,039)
Proposed 2021 Adjustments:		
King County Parks Levy for Parks Wayfinding		100,000
Move Facility Rentals from Capital Fund to General Fund		72,055
True-up Facilities Cost Allocation		(6,552)
Baseline Corrections		227,000
Reduce Art Fund Contributions from Capital Projects		(33,734)
Reduce Cemetery Fund Revenues from Baseline		(4,400)
	Total Adjustments:	354,369
2021 Proposed Revenues		\$ 2,582,370

Baseline Revenue Adjustments: (\$127,000) - Parks and Community Services revenues are reduced by \$127,000 from the 2020 Adopted Budget accounting for lower anticipated grant revenues for 2021.

Annualizing Mid-Year 2020 COVID Reductions: (\$1,537,039) - The 2021 Parks and Community Services Department baseline revenues were reduced in anticipation of reduced recreational programming offered at the Community Center, Pool, Senior Center, and rental facilities due to continued COVID-related State and Public Health guidelines. These reductions in revenue are partially offset by ongoing reductions in expenditures associated with providing these services. As COVID-related restrictions are lifted in 2021 and/or beyond, these department generated revenues will increase.

King County Parks Levy for Parks Wayfinding: \$100,000 - Parks and Community Services will use revenue from the King County Parks Levy to support one-time expenditures in 2021 program to improve park and trail signage and wayfinding.

Move Facility Rentals from Capital Fund to General Fund: \$72,055 - In prior years, certain facility rental revenues were captured within the Capital Facilities Fund, intending to support capital projects for City facilities. The 2021 Proposed Budget instead captures these revenues directly in the General Fund to support ongoing facility operations and maintenance costs.

True-Up Facility Services Cost Allocation: (\$6,552) - As part of the City's 2020 COVID-19 reduction plan, the Parks and Community Services Department began cost allocating its facility services costs to several other City funds, a common practice in other cities. This reduction trues up the amount allocated to other funds from 2020 to 2021 to reflect proposed 2021 facility services expenditures.

Parks and Community Services Department

Baseline Corrections: \$227,000 - This increase corrects several revenues excluded from the baseline, including a Senior Center grant, King County Parks Levy revenues supporting the Parks Operations Division, and a refined forecast for Aquatics revenues that increased anticipated revenues by \$20,000.

Reduce Art Fund Contributions from Capital Projects: (\$33,734) - This reduction trues up the contributions anticipated from capital projects to the Municipal Art fund. These transfers change year to year depending on the particular capital projects planned for the given budget year.

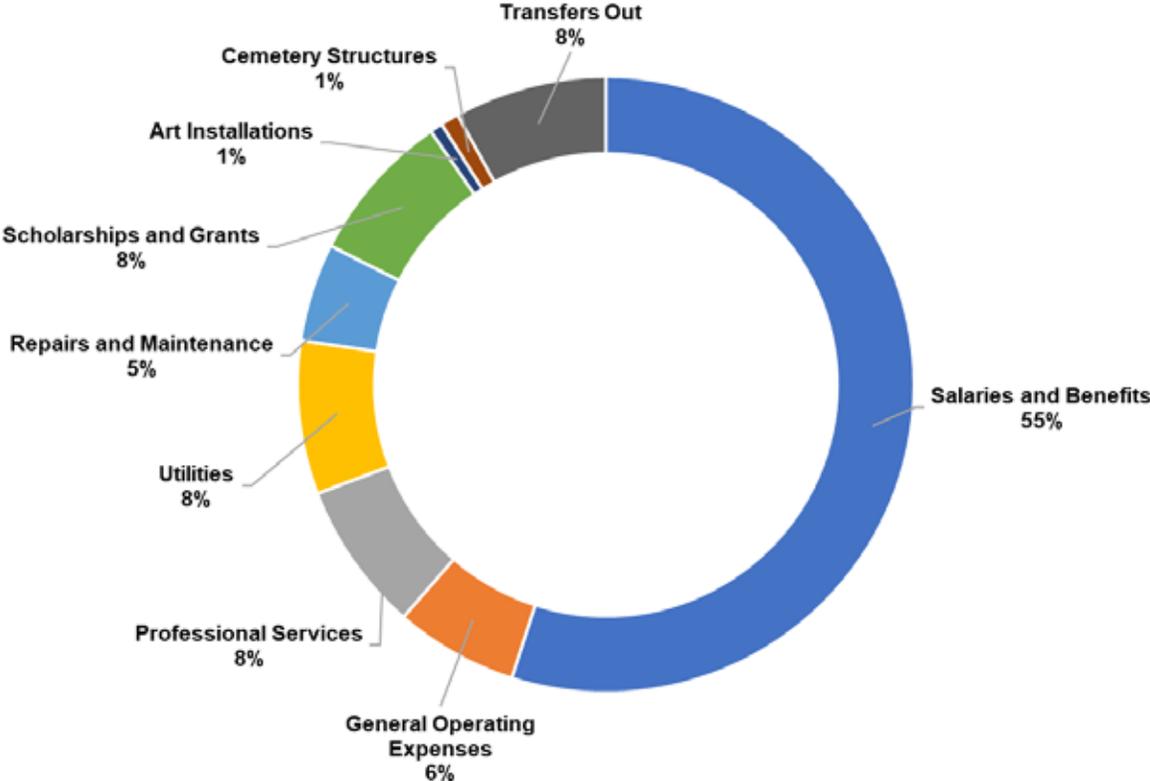
Reduce Cemetery Fund Revenues from Baseline (\$4,400) - This reduction adjusts Cemetery Fund revenues to better reflect anticipated lot sales and fees for 2021.

Parks and Community Services Department

2021 Parks and Community Services Department Expenditures

2021 Proposed Parks and Community Services Department Expenditures		
Fund	Department Expenditures	2021 Proposed Expenditures
General Fund		
	Salaries and Benefits	5,755,179
	General Operating Expenses	674,060
	Professional Services	805,862
	Utilities	832,830
	Repairs and Maintenance	523,155
	Scholarships and Grants	690,500
	Transfers Out	812,320
Municipal Art Fund		
	General Operating Expenses	2,300
	Professional Services	15,000
	Repairs and Maintenance	10,000
	Scholarships and Grants	145,000
	Art Installations	70,000
	Transfers Out	2,796
Cemetery Fund		
	Salaries and Benefits	22,600
	General Operating Expenses	3,600
	Professional Services	5,000
	Utilities	13,500
	Repairs and Maintenance	8,000
	Cemetery Structures	100,000
	Transfers Out	25,000
TOTAL		10,516,702

2021 Parks and Community Services Proposed Expenditures



Parks and Community Services Department

Department 2020-2021 Expenditure Crosswalk

	Budgeted Expenditures	Budgeted FTEs
2020 Adopted Expenditures	\$ 10,989,046	45.5
Baseline Expenditure Adjustments:	228,356	2.75
Annualizing Mid-Year 2020 COVID Reductions:	(1,183,489)	(12.5)
Proposed 2021 Adjustments:		
Restore Funding for 2 Park Operations Positions (2 FTEs)	219,582	2
New Human Services Supervisor Position	148,203	1
New Park Ranger Position	123,329	1
Reclassify Parks Maintenance Lead to Maintenance Worker II	(16,425)	-
Parks Wayfinding	100,000	-
Reduce Recreation Services due to Anticipated COVID-19 Operational Restrictions	(242,107)	-
Increased Custodial Costs	41,948	-
Increased Information Technology Costs	20,841	-
Fleet Operating Costs	173,203	-
Liability Insurance Reduction	(80,117)	-
Reduce Municipal Art Scholarships/Grants and New Art Installations	(151,367)	-
New Municipal Art Creative District Implementation	15,000	-
New Cemetery Columbarium	100,000	-
Miscellaneous Adjustments	14,150	-
Increased Personnel Costs	16,549	-
Eliminate Unfunded Facilities Coordinator Position	-	-1
Total Adjustments:	482,789	3
2021 Proposed Expenditures	\$ 10,516,702	38.75

Baseline Expenditure Adjustments: \$228,356 - Parks and Community Services expenditures increase by \$228,356 from the 2020 Adopted Budget, accounting for increases in salary and benefit costs. This baseline adjustment also includes the addition of 3 positions - or 2.75 full time equivalents (FTE) previously housed in other City departments. These include:

- Human Services Coordinator (1) - formerly in Office of Sustainability
- Administrative Specialist (1) - formerly in Support Services division
- Arts Program Administrator (0.75) - formerly in Executive Department

Parks and Community Services Department

Annualizing Mid-Year 2020 COVID Reductions (\$1,183,489) - As part of the City's 2020 COVID-19 budget reduction plan, the Parks and Community Services Department eliminated 13 positions, or 12.5 FTEs. These positions included:

- Parks Planner
- Recreation Supervisor
- Recreation Leader (4)
- Administrative Support Assistant (2.5)
- Park Maintenance Worker (2)
- Custodian (2)

The Deputy Parks and Community Services Director position was also reclassified to a Recreation Manager.

Restore Funding for 2 Park Operations Positions (2 FTE): \$219,582 - The 2021 Proposed Budget restores funding for the 2 Park Maintenance Worker positions eliminated as part of the City's 2020 COVID-19 reduction plan. These positions are needed to maintain service levels within Issaquah's Park system.

New Human Services Supervisor Position: \$148,203 - The 2021 Proposed Budget adds a new Human Services Supervisor position in the Parks and Community Services Department. This position will oversee two Human Services Coordinator positions - one each in the Police and Parks and Community Services Departments - and will oversee several initiatives outlined in the Issaquah Police Accountability, Equity and Human Services Action Plan, which was adopted by the City Council on August 10, 2020. This new position will also assist Municipal Court in the launch of the planned Community Court.

New Park Ranger Position: \$123,329 - The 2021 Proposed Budget adds a new Park Ranger position in the Parks and Community Services Department. This position will coordinate with the Police Department on public safety issues in Issaquah parks and open space, freeing up time for police officers, who currently respond to non-emergency calls from patrons using the City's natural areas. This position also serves to address several initiatives outlined in the adopted Issaquah Police Accountability, Equity and Human Services Action Plan.

Reclassify Parks Maintenance Lead to Maintenance Worker II: (\$16,425) - This is a technical adjustment following the retirement of a Parks Maintenance Lead, reclassifying the position to a Maintenance Worker II.

Parks Wayfinding: \$100,000 - This one-time 2021 expenditure will standardize and update the City's parks and trail signage to improve park users' experience. This project is entirely funded with King County Parks Levy revenues.

Reduce Recreation Services due to Anticipated COVID-19 Operational Restrictions: (\$242,107) - In response to continued COVID-related operational restrictions that are anticipated to continue into 2021, the 2021 Proposed Budget reduces programming and services throughout the parks recreational facilities, including the Community Center, Pool, Senior Center, and facility rentals. Should the COVID-related restrictions loosen over the course of 2021, the City may consider reinstating some of the reduced recreational services and programs.

Increased Custodial Costs: \$41,948 - Following the elimination of two Custodian positions as part of the City's 2020 COVID-19 reduction plan, the 2021 Proposed Budget increases Parks and Community Services Department professional services costs to offset these reductions. The net impact of this change in service delivery is still a lower cost to the City.

Increased Information Technology Costs: \$20,841 - The Parks and Community Services Department's information technology costs are anticipated to increase in 2021, partially due to increased software and subscription costs and increased costs shared by all City departments. Further information on these items is included in the Information Technology Department section of this document.

Parks and Community Services Department

Fleet Operating Costs: \$173,203 - Beginning in 2019, the City temporarily suspended allocation of Fleet operating costs to the General Fund in order to reduce the large fund balance that had accumulated in the Fleet Fund. With the Fleet fund balance reduced, the 2021 Proposed Budget reinstates the cost allocation for Fleet operating costs - such as fuel, repairs, and maintenance - within the General Fund. This increment represents the Parks and Community Services Department share of 2021 Fleet operating costs. Further information on the Fleet budget is included in the Public Works Department section of this document.

Liability Insurance Reduction: (\$80,117) - The City's liability insurance costs are anticipated to increase in 2021. This increment represents the increase to the Parks and Community Services Department's share of the City's annual payment, as well as updates to how the City allocates these costs. In the case of the Parks and Community Services Department, these cost allocation updates resulted in a significant reduction to the department's overall liability insurance allocation.

Reduce Municipal Art Scholarships/Grants and New Art Installations: (\$151,367) - The 2021 Proposed Budget forecasts significant reductions to admissions tax revenues - the primary source of funding for the Municipal Art Fund. While the fund has sufficient balance to absorb this loss of revenue, the 2021 Proposed Budget also reduces Municipal Art Fund expenditures so as to not overly deplete the fund balance.

New Municipal Art Creative District Implementation: \$15,000 - In March 2020, the City Council approved the designation of a Creative District in the City of Issaquah. This program - funded out of the Municipal Arts Fund - began work in 2020 with the receipt of a grant from Washington Arts Commission (ArtsWA). In 2021, this work will continue with a request for qualifications (RFQ) to recruit a community organization to take the lead with ongoing creative district plans and programming.

New Cemetery Columbarium: \$100,000 - The 2021 Proposed Budget includes one-time funding for the constructions of a new columbarium at the Lower Hillside Cemetery.

Miscellaneous Adjustments: \$14,150 - These are small technical budget adjustments including a reduction to travel and operating supplies, as well as increases for a reprinting of trail maps and facility service overtime.

Increased Personnel Costs: \$16,549 - This increase over baseline is primarily the result of the collective bargaining agreement with the American Federation of State, County, and Municipal Employees Issaquah Administration Staff Association (AFSCME) - which represents several employees in the Parks and Community Services Department (as well as other City departments) - approved in 2020, as well as other technical adjustments and corrections of Parks and Community Services personnel costs.

Eliminate Unfunded Facilities Coordinator Position \$N/A - In recent years, the City has included a number of unfunded (aka frozen) positions in the budget. In order to present a more realistic picture of the City's staffing levels, the FTEs associated with unfunded positions are eliminated in the 2021 Proposed Budget.

Parks and Community Services Department

The 2021 Proposed Budget includes \$500,000 budgeted for Human Services Grants. The City received 91 applications requesting \$1.38 million from non-profits serving Issaquah resident. The Human Services Commission reviewed the applications and recommends the following distributions:

2021 Human Service Grants		2021 Human Services Commission Funding Recommendation
Goal Area	Organization	
Goal Area 1: Food to Eat and Roof Overhead		
	Catholic Community Services of King County - Issaquah Meals Program	11,760
	Eastside Baby Corner (EBC) - Meeting Basic Needs for Children	7,560
	Issaquah Food & Clothing Bank - General Operating Expenses	16,800
	Sound Generations - Meals on Wheels	6,720
	Crisis Clinic - King County 2-1-1	5,880
	Hopelink - Financial Assistance Resiliency Program	10,000
	Issaquah Community Services - Emergency Financial Assistance for Rent or Utilities	11,371
	St. Vincent de Paul of Seattle King County - St. Joseph Issaquah conference	10,920
	Catholic Community Services of King County - New Bethlehem Place	10,000
	Congregations for the Homeless - 24/7 Enhanced Shelter Program	25,200
	Friends of Youth - Youth and Young Adult Shelter	10,920
	Friends of Youth - Drop-In Services for Homeless Youth and Young Adults	8,400
	Hopelink - Housing	8,652
	Snoqualmie Valley Shelter Services - Snoqualmie Valley Winter Shelter (SVWS)	11,760
	The Sophia Way - Helen's Place - Day Center & Emergency Shelter	25,200
	Acres of Diamonds - Transitional Housing & Supportive Services: Issaquah Campus	4,200
	Congregations for the Homeless - Housing	4,000
	Imagine Housing - Imagine Housing Supportive Services	8,400
	MAPS - MCRC - Housing For Single Women	6,720
	YWCA Seattle King Snohomish - YWCA Family Village	7,182
	Issaquah Food & Clothing Bank - Outreach & Case Management for Individuals who are homeless	73,155
Goal Area 1 Total:		284,800
Goal Area 2: Supportive Relationships within Families, Neighborhoods, and Communities		
	Chinese Information and Service Center - CISC Family Resource Support Program	4,000
	Eastside Friends of Seniors - Helping Local Seniors	6,000
	Eastside Legal Assistance Program - Eastside Legal Assistance Program	4,000
	Friends of Youth - Healthy Start Home Visiting Program	5,000
	India Association of Western Washington - Cultural Navigation Program	4,000
	Issaquah Schools Foundation (ISF) - Cultural Bridges	6,000
	King County Bar Association - Pro Bono Services	4,000
	MAPS - MCRC - Refugee and Immigrant Assistance	6,000
	Sound Generations - Volunteer Transportation Program	4,000
	The Tavon Center DBA Tavon Learning Center - Nature-Based Learning Program	4,000
Goal Area 2 Total:		47,000
Goal Area 3: Safe Haven from All Forms of Violence and Abuse		
	Harborview Medical Center - Harborview Center for Sexual Assault & Traumatic Stress	4,000
	King County Sexual Assault Resource Center - Comprehensive sexual assault advocacy services	9,100
	LifeWire - Housing Stability Program	8,000
	LifeWire - Emergency Shelter (MSH)	4,800
	LifeWire - Survivor Advocacy Services	19,200
Goal Area 3 Total:		45,100

Continued on the following page.

Parks and Community Services Department

2021 Human Service Grants		
Goal Area	Organization	2021 Human Services Commission Recommendation
Goal Area 4: Health Care to be as Physically and Mentally Fit as Possible		
	Alpha Supported Living Services - Alpha Health Services Program	4,000
	Bridge Disability Ministries - Meyer Medical Equipment Center	4,000
	Crisis Clinic - Crisis Line	5,000
	Crisis Clinic - Teen Link	5,500
	Friends of Youth - Youth and Family Services Counseling and Prevention	22,600
	HealthPoint - Medical Care	7,000
	HealthPoint - Dental Care	5,000
	IKRON of Greater Seattle - Behavioral Health Services	10,000
	Kindering Center - Kindering - Child Care and Preschool Consultation (CCPC)	5,000
	Kindering Center - Kindering - Families In Transition (FIT)	4,600
	NAMI Eastside - NAMI-in-the-Schools	5,000
	NAMI Eastside - Individual & Family Support, Educational Programs, and Resource & Referrals	4,600
	Therapeutic Health Services - Alcohol/Drug Treatment	7,800
	Washington Poison Center - Washington Poison Center Emergency Services	4,000
Goal Area 4 Total:		94,100
Goal Area 5: Education and Job Skills to Lead an Independent Life		
	AtWork! - Community Liaison	4,000
	Bellevue College - Center for Career Connections	4,000
	HERO House - Supported Employment	4,500
	Hopelink - Adult Education	4,500
	IKRON of Greater Seattle - Integrated Employment Services	4,000
Goal Area 5 Total:		21,000
Grassroots Grants		
	Issaquah Latino Club	4,000
	The Garage - A Teen Café	4,000
Grassroots Grants Total:		8,000
TOTAL		\$500,000

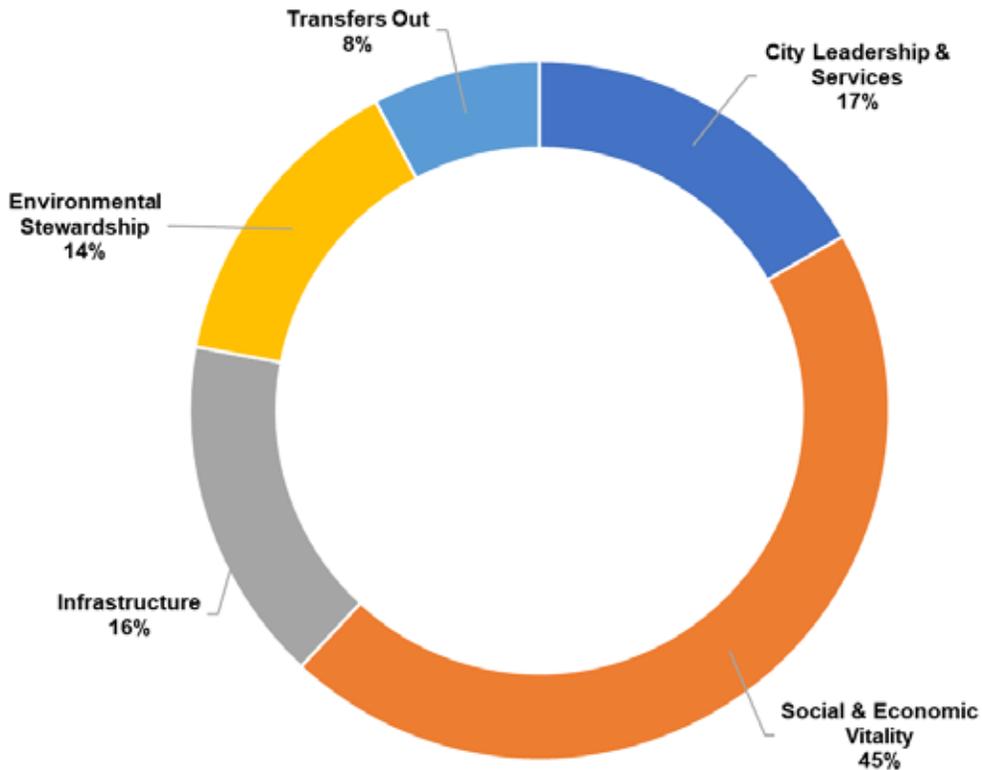
Parks and Community Services Department

Parks and Community Services Department Programs and Strategic Plan Goals

Strategic Plan Goal	Program Name*	2021 Proposed Expenditures
City Leadership & Services		
	Park Administration (25%)	137,208
	Facility Services	1,620,148
Social & Economic Vitality		
	Park Administration (25%)	137,208
	Human Services	1,074,188
	Community Center	1,562,666
	Aquatics	793,770
	Senior Center	444,584
	Rentals	394,025
	Public Art	133,279
	Community Arts Programming	200,578
	Arts Creative District	15,000
Infrastructure		
	Park Administration (25%)	137,208
	Cemetery	177,700
	Park Operations (50%)	1,277,872
	Park Capital Project Support (50%)	90,537
Environmental Stewardship		
	Park Administration (25%)	137,208
	Park Operations (50%)	1,277,872
	Park Capital Project Support (50%)	90,537
N/A		
	Transfers Out*	815,116
		10,516,702

* Some programs are split across several Strategic Plan goals to reflect how these programs support more than one goal area. In future budget years, the City plans to evaluate programs further - beyond the Parks and Community Services Department - and determine if others should be similarly split.

2021 Parks and Community Services Department Expenditures by Strategic Plan Goal



* Interfund transfers are not assigned to a Strategic Plan Goal as they are used as a revenue source for other City programs. All interfund transfers are attributed to program 001 to avoid double counting when considering the full City budget by Strategic Plan goal.

Parks and Community Services Department

Parks and Community Services Department 2021 Capital Projects

The table below summarizes the Parks and Community Services Department capital projects included in the Mayor's 2021 Proposed Budget. For further detail on each capital project, please refer to the Capital Projects section of this book.

Asset Category	Project Name	2021 Project Budget
Facility		
	FC 002 - HVAC Capital Replacement Program	11,439
	FC 003 - Roof Capital Replacement Program	246,977
	FC 004 - Flooring Capital Replacement Program	217,501
	FC 025 - Secured Fencing for Patrol Vehicles	160,176
Park		
	PK 012 - Valley Trail and Creekside (Sensitive Land) Acquisitions	1,246,888
	PK 037 - Central Park Pad #3	1,607,250
	PK 044 - Wayfinding and Park Signage	117,645
TOTAL 2021 Parks and Community Services Department Capital Projects:		3,607,876

Mission Statement

The Issaquah Police Department (IPD) is comprised of three major divisions: Police Operations, Corrections, and Support Services (Communication Center/Records). The Communication Center (dispatch) and the Jail provide service to the Issaquah community, as well as providing contract services to other jurisdictions. Police officers maintain public trust while providing 24-hour response to community needs such as: criminal and civil matters, human services, traffic enforcement, and public education.

In addition to the core services, the department proactively promotes public trust by initiating non-enforcement activities to engage the community. The department is focused on community-oriented policing and works in partnership with the citizens of Issaquah to increase the feeling of safety and prevent and solve crimes.

2021 Work Plan Items

Core Services

- Maintain Public Trust - collaborate with the community to build trust and nurture legitimacy.
- Maintain Level of Service - maintain emergency and routine response levels to calls for service.
- Reduction in Crime - through targeted patrols, crime prevention activities, and community collaboration.
- Traffic Safety - collision reduction and promotion of traffic safety through enforcement and education.

Community Partnerships

- Increase transparency of department activities through data sharing and reporting through department website.
- Implement dedicated mental health professional into community response.
- Maintain community involvement through projects such as National Night Out, Citizen Academy, block watch, crime prevention outreach, and communication regarding police services.
- Utilize Community Resource Officer program to address community issues, criminal trends, and communication with residential and commercial areas.
- Grow programs for victim assistance and crime reduction.
- Grow Parent Project reach and effectiveness with the community.
- Enhance Workplace Violence Response through coordination with community partners.

Technology

- Utilize crime analytics to make intelligence-based decisions to address crime trends and direct police resources.
- Integration of online crime reporting with records management system.
- Collaborate with Puget Sound Emergency Radio Network (PSERN) project for replacement and implementation of radio network equipment.
- Continue to pursue electronic imaging and data file storage.
- Continue partnership with other jurisdictions to identify, implement, and coordinate efficiencies and opportunities with RMS and CAD systems.
- Continue participation in the King County Public Safety Answering Point (PSAP), E-911 regional planning, and upgrades for NextGen 911 systems.

Police Department

2021 Proposed Budget Overview

The 2021 Proposed Budget for the Issaquah Police Department (IPD) focuses on supporting the Issaquah Police Accountability, Equity and Human Services Action Plan, which was adopted by the City Council on August 10, 2020 and fulfilling the City's commitment to public safety. The City's 2020 COVID-19 budget reduction plan reduced funding for IPD by \$1.9 million and 9.0 FTEs. With General Fund revenues improving from when the COVID plan was developed, the City is in a position to restore some of this funding, with a focus on non-commissioned public safety and human services resources. The positions will help with reporting, data analysis and responding to the community's records requests. Even with the funding restoration, IPD staffing levels are at the lowest level since 2017.

The 2021 Proposed Budget assumes increased revenues as a result of an increase in the rate Issaquah will charge to contract cities that house their jail inmates in the Issaquah jail. The increased rates will ensure better cost recovering.

Operating Budget Overview

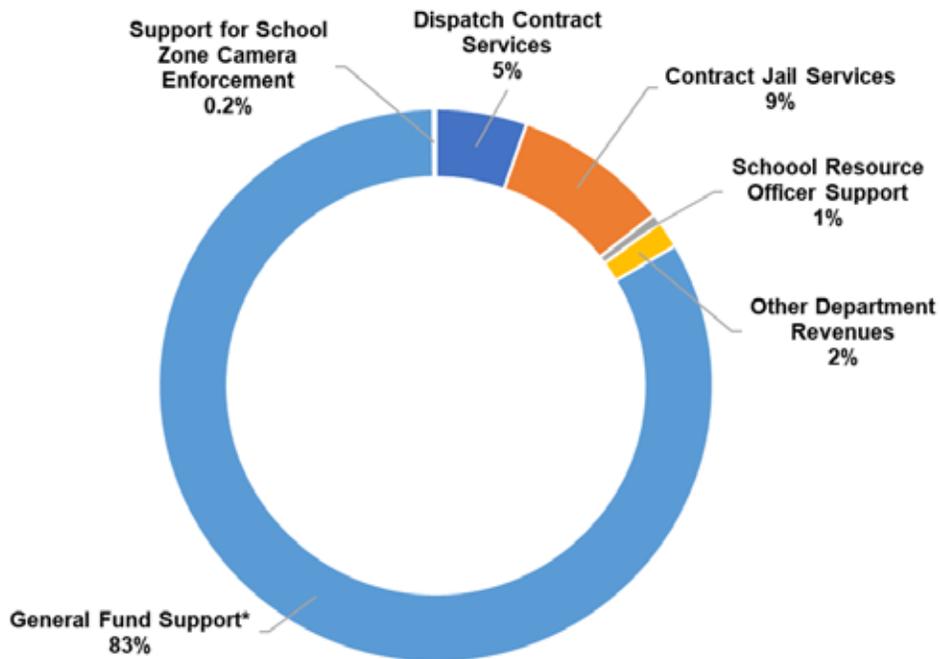
	2020 Adopted Budget	2021 Baseline Increment	2021 COVID-19 Increment	Proposed Increment	2021 Proposed Budget	Percent Change ('20 Adopted to '21 Proposed)	Budget Variance ('20 Adopted to '21 Proposed)
Police Department							
Revenues	2,100,890	(454,539)	-	358,034	2,004,385	-5%	\$ (96,505)
Expenditures	11,601,628	293,134	(1,119,066)	1,205,478	11,981,174	3%	\$ 379,546

Police Department

2021 Police Department Revenues

2021 Proposed Police Department Revenues		
Fund	Revenue Source	2021 Proposed Revenues
General Fund		
	Dispatch Contract Services	637,051
	Contract Jail Services	1,089,860
	School Resource Officer Support	70,000
	Other Department Revenues	189,474
	General Fund Support*	9,976,789
School Zone Safety Fund		
	Support for School Zone Camera Enforcement**	18,000
TOTAL		11,981,174

2021 Police Department Proposed Revenues



* The Police Department collects various revenues that directly support its operations, but the expenditures exceed these department-specific revenues. The difference is made up by non-Police Department General Fund revenues.

** The Municipal Court is instrumental in the collection and enforcement of speed zone traffic cameras infractions. More information regarding this revenue can be found in the School Zone Safety Fund section of this document.

Police Department

Department 2020-2021 Revenue Crosswalk

2020 Adopted Revenues	\$ 2,082,890
Baseline Revenue Adjustments:	(454,539)
Proposed 2021 Adjustments:	
Jail Rate Increase	355,860
Off Duty Patrol Rate Increase	2,174
Total Adjustments:	358,034
2021 Proposed Revenues	\$ 1,986,385

Baseline Revenue Adjustments: (\$454,539) - Police Department revenues were reduced by \$454,539 from the 2020 Adopted Budget accounting for lower external grant and E-911 escrow funding and assuming that police activity will remain below the pre-COVID levels into 2021.

Jail Rate Increase: \$355,860 - This increase represents the additional revenue anticipated from increasing the rates charged to contract cities that house their inmates in the Issaquah jail. For more information on this analysis, please refer to the July 28, 2020 City Council Study Session.

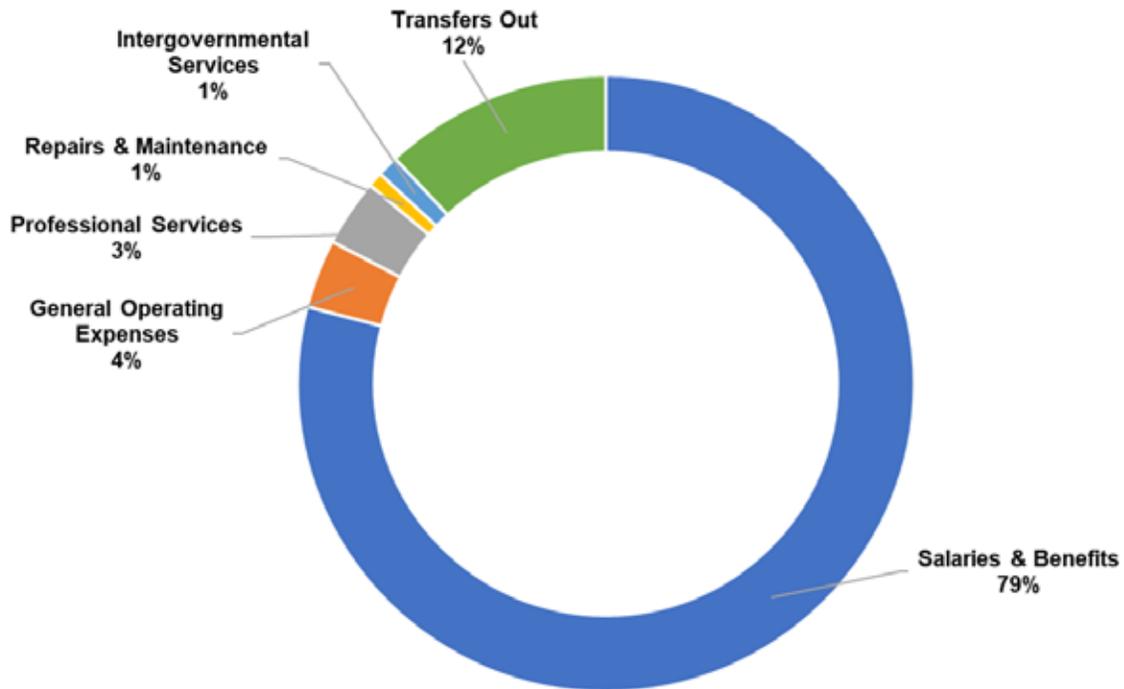
Off Duty Patrol Rate Increase: \$2,174 - This increase results from truing up the rate charged to external entities for off-duty Issaquah police officers to provide traffic control and security for special events. The 2021 Proposed Budget includes \$2,174 of increased revenue resulting from increasing the off-duty rate from \$92 per hour to \$110 per hour to better recover the costs to the City. This rate was last updated in 2018.

Police Department

2021 Police Department Expenditures

2021 Proposed Police Department Expenditures		
Fund	Department Expenditures	2021 Proposed Expenditures
General Fund		
	Salaries & Benefits	9,445,467
	General Operating Expenses	435,300
	Professional Services	425,000
	Repairs & Maintenance	95,000
	Intergovernmental Services	133,000
	Transfers Out	1,447,407
	TOTAL	11,981,174

2021 Police Department Proposed Expenditures



Police Department

Department 2020-2021 Expenditure Crosswalk

	Budgeted Expenditures	Budgeted FTEs
2020 Adopted Budget	\$ 11,601,628	73.75
Baseline Expenditure Adjustments:	293,134	-
Annualizing Mid-Year 2020 COVID Reductions:		
Reduce Department Operating Expenses	(93,300)	-
Eliminate 9 Positions	(1,025,766)	(9)
Total Reductions:	(1,119,066)	(9)
Proposed 2021 Adjustments:		
Restore Funding for 5 Positions (4.5 FTE)	542,227	4.5
Eliminate Commander Position	(230,409)	(1)
New Human Services Coordinator Position	138,573	1
Increase Administrative Assistant Position from 0.75 FTE to 1 FTE	22,259	0.25
Reclass Department Operations Manager Position to Support Services Manager	24,545	-
Add Evidence Technician PTNR	36,000	-
Increased Information Technology Costs	128,367	-
Fleet Operating Costs	239,926	-
Liability Insurance Increase	113,406	-
Increased Personnel Costs	190,584	-
Eliminate 2 Unfunded Police Officer Positions	-	(2)
Total Adjustments:	1,205,478	2.75
2021 Proposed Budget	\$ 11,981,174	67.5

Baseline Expenditure Adjustments: \$293,134 - Police Department expenditures increase by \$293,134 from the 2020 Adopted Budget, accounting for increases in salary and benefit costs.

Reduce Department Operating Expenses (\$93,300) - As part of the City's 2020 COVID-19 budget reduction plan, the Police Department reduced various operating expenses. This reduction includes office and operating supplies in the jail, as well as departmental travel and training.

Eliminate 9 Positions (\$1,025,766) - As part of the City's 2020 COVID-19 budget reduction plan, the Police Department also eliminated 9 positions that were unfilled at the time of the reductions. These positions included:

- Police Officer (4)
- Dispatcher (2)
- Records Specialist (1)
- Corrections Officer (1)
- Transport Officer (1)

Police Department

Restore Funding for 5 Positions (4.5 FTE): \$542,227 - The 2021 Proposed Budget restores funding for 5 of the 9 positions eliminated as part of the City's 2020 COVID-19 reduction plan. These positions include:

- *Police Officer (1 FTE): \$139,024* - Restores one of the four Patrol Officer positions eliminated in the 2020 COVID-19 reduction plan. This position is needed to maintain adequate patrol officer coverage.
- *Two Dispatchers (2 FTE): \$211,956* - Restores both of the Dispatcher positions eliminated in the 2020 COVID-19 reduction plan. Without these positions, the current staffing in dispatching is not sustainable, requiring employees to routinely work extensive overtime hours each week to maintain coverage.
- *Transport Officer (1 FTE): \$123,171* - Restores the Jail Transport Officer eliminated in the 2020 COVID-19 reduction plan to manage the increased inmate movement as the COVID-19 pandemic is anticipated to dissipate.
- *Records Specialist (0.5 FTE): \$68,076* - Restores the Records Specialist position eliminated in the 2020 COVID-19 reduction plan, though only as a part-time position, rather than full-time. This position is needed to support public records requests, weapons background checks, and online reporting, which are anticipated to return to pre-COVID operations in January 2021.

Eliminate Commander Position: (\$230,409) - To offset some of the increased costs of the restored positions, the 2021 Proposed Budget includes the elimination of one of the three Commander positions following the 2020 retirement of position's incumbent.

New Human Services Coordinator Position: \$138,573 – The 2021 Proposed Budget includes a new Human Services coordinator position within the Police Department dedicated to responding to mental and behavioral health incidents. This position will work as part of three-person Human Services team coordinated between the Police Department and the Parks and Community Services Department and serves to address several initiatives outlined in the Issaquah Police Accountability, Equity and Human Services Action Plan, which was adopted by the City Council on August 10, 2020.

Increase Administrative Assistant Position from 0.75 FTE to 1 FTE: \$22,259 – The 2021 Proposed Budget increases an existing Administrative Assistant position from part-time to full-time to address increased billing invoicing responsibilities from the jail and other police divisions. These responsibilities were previously handled by the eliminated Commander position.

Reclass Department Operations Manager Position to Support Services Manager: \$24,545 - The responsibilities of this reclassified position will expand to include supervision of records, evidence, financial operations, human resources, and quartermaster functions for the Police Department. These responsibilities were previously handled by the eliminated Commander position.

Add Evidence Technician PTNR: \$36,000 – The 2021 Proposed Budget creates a part-time, non-regular (PTNR) position to support evidence management within the Police Department.

Increased Information Technology Costs: \$128,367 - The Police Department's information technology costs are anticipated to increase in 2021, partially due to increased software and subscription costs and increased costs shared by all City departments. Further information on these items is included in the Information Technology Department section of this document.

Police Department

Fleet Operating Costs: \$239,926 – Beginning in 2019, the City temporarily suspended allocation of Fleet operating costs to the General Fund in order to reduce the large fund balance that had accumulated in the Fleet Fund. With the Fleet fund balance reduced, the 2021 Proposed Budget reinstates the cost allocation for Fleet operating costs - such as fuel, repairs, and maintenance – within the General Fund. This increment represents the Police Department share of 2021 Fleet operating costs. Further information on the Fleet budget is included in the Public Works Department section of this document.

Liability Insurance Increase: \$113,406 – The City's liability insurance costs are anticipated to increase in 2021. This increment represents the increase to the Parks and Community Services Department's share of the City's annual payment, as well as updates to how the City allocates these costs.

Increased Personnel Costs: \$190,584 - This increase over the baseline is primarily the result of the collective bargaining agreement with the Issaquah Police Officer Association (IPOA) - which represents Police Officers and Corporals - approved in 2020, as well as other technical adjustments and corrections of Police personnel costs.

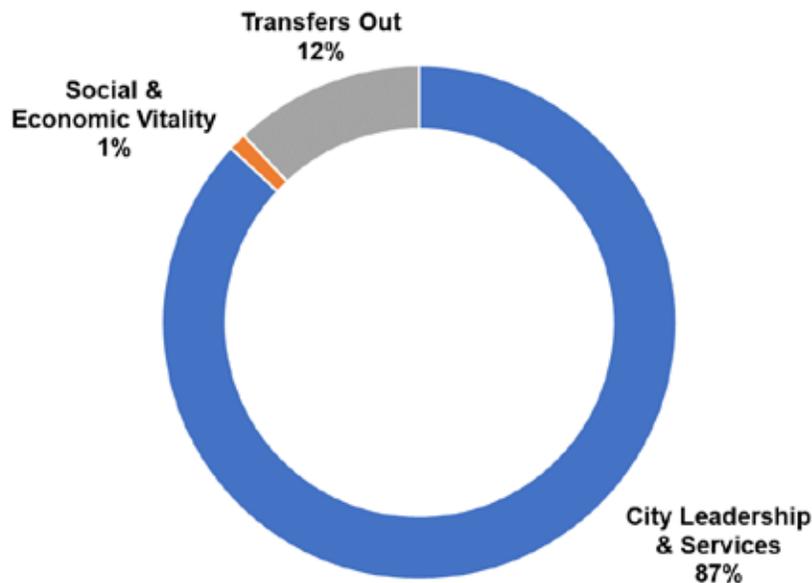
Eliminate 2 Unfunded Police Officer Positions: \$ N/A – In recent years, the City has included a number of unfunded (aka frozen) positions in the budget. In order to present a more realistic picture of the City's staffing levels, the FTEs associated with unfunded positions are eliminated in the 2021 Proposed Budget.

Police Department

Police Department Programs and Strategic Plan Goals

Strategic Plan Goal	Program Name	2021 Proposed Expenditures
City Leadership & Services		
	Police Administration	1,012,650
	Police Patrol	5,234,995
	Dispatch Services	1,383,800
	Jail and Corrections	2,201,644
	Police Records	417,437
	Police School Resource	146,795
Social & Economic Vitality		
	Human Services	136,446
N/A		
	Transfers Out*	1,447,407
		11,981,174

2021 Police Department Proposed Expenditures by Strategic Plan Goal



* Interfund transfers are not assigned to a Strategic Plan Goal as they are used as a revenue source for other City programs. All interfund transfers are attributed to program 001 to avoid double counting when considering the full City budget by Strategic Plan goal.

Mission Statement

The City of Issaquah Public Works Department works diligently as a team to provide essential services to the residents, businesses, and visitors in a thoughtful, reliable, responsive, safe, and cost-effective manner. Working with internal and external stakeholders, Public Works strives to enhance motorized and non-motorized mobility and deliver water, sewer, and stormwater services using integrated and holistic planning, design, construction, operations, and maintenance.

2021 Work Plan Items

- Complete SE 43rd Signalization project.
- Begin construction on Sammamish Plateau Access Road (SPAR) water system project.
- Complete Sewer Master Plan.
- Complete Storm and Surface Water Master Plan.
- Plan and execute the 2021 Pavement Management Program and develop a 5-year maintenance plan.
- Maintain a safe, reliable multi-modal transportation network with dedicated in-house maintenance crews.
- Inspect, maintain, and repair the City-owned stormwater system's flow control devices, treatment facilities, and catch basins.
- Inspect, maintain, and repair Issaquah's sewer system to ensure proper operation and prevent sanitary sewer overflows (SSO), and clean 150,000 feet of Issaquah's 448,800 total feet of sewer main lines.
- Conduct Fleet Vehicle Replacement Study.

2021 Proposed Budget Overview

The 2021 Proposed Budget includes several changes to the Public Works Department. Perhaps most notable is the consolidation of the Public Works Engineering (PWE) and Public Works Operations (PWO) Departments into a single, consolidated Public Works Department. With this reorganization comes the elimination of two separate PWE and PWO directors and the creation of a new Public Works Director position.

The 2021 Proposed Budget preserves funding for transportation services and restores funding for the Pavement Management Program, which had been scaled back as part of the City's 2020 COVID-19 budget reduction plan. For more information on the Pavement Management Program and other Public Works capital projects, please refer to the Capital Projects section of this book.

In August 2020, the City Council adopted new rates for the City's three utilities: water, sewer, and stormwater. In respect to the financial hardships felt by many Issaquah residents as a result of the COVID-19 pandemic, there will be no City rate increases to the water, sewer, and stormwater utilities in 2021. To achieve this, the City opted to defer the construction of a water treatment plant to future years and will instead purchase additional water from Cascade Water Alliance (CWA) at a reduced rate.

The 2021 Proposed Budget reinstates the allocation of Fleet operating costs to the General Fund. Beginning in 2019, the City temporarily suspended allocation of Fleet operating costs and vehicle replacement costs to the General Fund in order to reduce the large fund balance that had accumulated in the Fleet Fund. With the Fleet fund balance reduced, the 2021 Proposed Budget reinstates the cost allocation for Fleet operating costs within the General Fund. The 2021 Proposed Budget for the Public Works Department also includes a vehicle replacement study to better anticipate and allocate Fleet Fund costs in the future.

Public Works Department

Operating Budget Overview

	2020 Adopted Budget	2021 Baseline Increment	2021 COVID-19 Increment	Proposed Increment	2021 Proposed Budget	Percent Change ('20 Adopted to '21 Proposed)	Budget Variance ('20 Adopted to '21 Proposed)
Public Works Department							
Revenues	35,432,774	-	(522,938)	1,797,409	36,707,245	4%	\$ 1,274,471
Expenditures	32,146,364	37,609	(30,858)	413,345	32,566,460	1%	\$ 420,096

Due to the size and variety of services provided by the Public Works Department, the revenue and expenditure sections of this overview are divided into three categories:

- *Street Operating and Street Capital Support Divisions* - includes Street Operating and Capital Project Funds. The Street Operating Fund also includes the Emergency Management division.
- *Utility Divisions* - includes Water, Sewer, Stormwater, and Sustainability Funds
- *Fleet Division* - Fleet Fund only

The budget details provided in this section will not include capital projects. A list of Public Works Department capital projects contained in the 2021 Proposed Budget is included at the end of this section.

Public Works Personnel Changes

Since many Public Works Department staff work in more than one of these divisions - many spanning all department functions, funds, and divisions - position changes are summarized in the table below instead of within the crosswalk tables through this section.

2020 Adopted FTEs	61.5
Annualizing Mid-Year 2020 COVID Reductions:	
Eliminate Senior Engineer	(1)
Eliminate Construction Technician	(0.5)
Total Adjustments:	(1.5)
Proposed 2021 Adjustments:	
Eliminate Public Works Operations Director	(1)
Eliminate Public Works Engineering Director	(1)
Add Public Works Director	1
Eliminate Unfunded Traffic Signal Engineer*	(1)
Move 2 Administrative Specialists from Support Services	2
Total Adjustments:	-
2021 Proposed FTEs	60

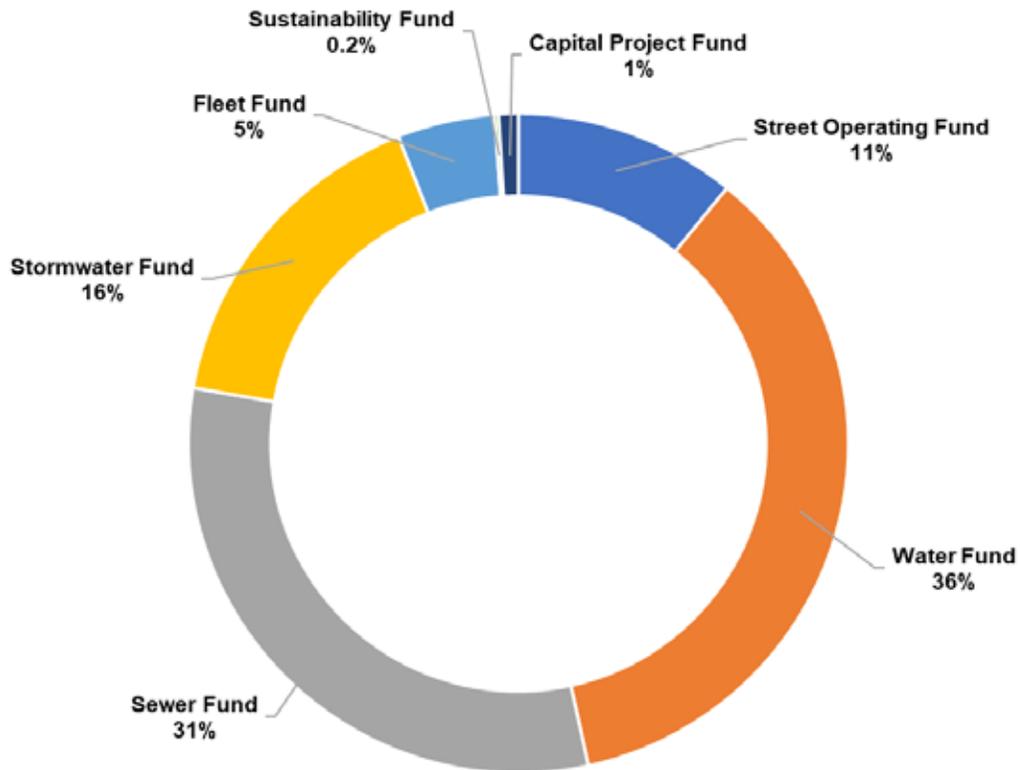
* In recent years, the City has included a number of unfunded (aka frozen) positions in the budget. In order to present a more realistic picture of the City's staffing levels, the FTEs associated with unfunded positions are eliminated in the 2021 Proposed Budget.

Public Works Department

2021 Public Works Department Revenues

2021 Proposed Public Works Revenues		
Fund	Revenue Source	2021 Proposed Revenues
Street Operating Fund		
	General Fund Transfer	1,510,400
	REET Transfer	1,713,298
	Motor Vehicle Fuel Tax	600,000
	Emergency Management Cost Allocation	35,858
	Street Cut Fees	75,000
	Other Sources	64,600
	Total PW Street Operating Proposed Revenues	3,999,156
Water Fund		
	Charges for Service - City	10,504,641
	Cascade Water Regional Facilities Charge (Pass Through)	1,377,074
	Utility Tax	223,412
	Sewer and Stormwater Contributions for PW Shop Bonds	249,000
	General Facility Charges	442,813
	Other Sources	310,589
	Total PW Water Fund Proposed Revenues	13,107,529
Sewer Fund		
	Charges for Service - City	3,151,380
	Charges for Service - King County Metro (Pass Through)	7,694,494
	Utility Tax	261,411
	General Facility Charges	156,002
	Other Sources	152,371
	Total PW Sewer Fund Proposed Revenues	11,415,658
Stormwater Fund		
	Charges for Services - City	5,643,411
	Utility Tax	168,911
	Other Sources	196,698
	Total PW Stormwater Fund Proposed Revenues	6,009,020
Fleet Fund		
	Cost Allocations from other City Departments	1,738,983
	Other Sources	13,000
	Total PW Fleet Fund Proposed Revenues	1,751,983
Sustainability Fund		
	Grants	73,899
Capital Project Fund		
	Street Mitigation and Impact Fees	350,000
	TOTAL	36,707,245

2021 Public Works Department Proposed Revenues by Fund



Public Works Department

Street Operating and Street Capital Support Divisions 2020-2021 Revenue Crosswalk

2020 Adopted Revenues	\$ 4,582,323
Annualizing Mid-Year 2020 COVID Reductions:	(522,938)
Proposed 2021 Adjustments:	
New Street Cut Fees	75,000
Emergency Management Grants and Cost Allocation	(26,078)
Reduce General Fund Support	(150,000)
Refined Estimate of Motor Vehicle Fuel Tax	40,849
Traffic Mitigation and Impact Fees	350,000
Total Adjustments:	289,771
2021 Proposed Revenues	\$ 4,349,156

Annualizing Mid-Year 2020 COVID Reductions: (\$522,938) - The Street Operating Fund is primarily supported by three sources: Motor Vehicle Fuel Tax (MVFT), Real Estate Excise Tax (REET), and the General Fund. The 2021 Street Operating Fund baseline revenues were reduced to reflect the COVID-related reductions to each of these three sources

New Street Cut Fees: \$75,000 - The 2021 Proposed Budget includes a new fee assessed on non-City entities cutting into City pavement. Nearby cities charge similar fees. Enacting this fee will require separate City Council action and will be presented to the City Council in October as a stand-alone ordinance.

Emergency Management Grants and Cost Allocation: (\$26,078) - The 2020 Adopted Budget instituted a new cost allocation for Emergency Management activities to spread a portion of these costs to the utility funds that benefit from these functions. This reduction represents a true-up of that allocation for 2021 emergency management costs, as well as a true-up of emergency management grants anticipated for 2021.

Reduce General Fund Support: (\$150,000) - The Street Operating Fund is anticipated to end 2020 with a healthy fund balance. As a result, the 2021 Proposed Budget makes a one-time reduction in General Fund support to the Street Operating Fund.

Refined Estimate of Motor Vehicle Fuel Tax: \$40,849 - The 2021 Proposed Budget restores \$40,849 of MVFT revenues over the annualized mid-year 2020 COVID reductions, resulting from a refined revenue estimate.

Traffic Mitigation and Impact Fees: \$350,000 - This revenue supports the 2021 payment to King County for the North Sammamish Road Plateau Access Road (SPAR) Interlocal Agreement. The City agreed to pay King County 20 annual of \$350,000 payments for the North SPAR improvements from Issaquah Fall City Road and Issaquah Pine Lake Road to Issaquah Highlands Drive. The City will fulfill the terms of this agreement in 2022.

Public Works Department

Utility Divisions 2020-2021 Operating Revenue* Crosswalk

2020 Adopted Revenues	\$ 29,538,954
Proposed 2021 Adjustments:	
Water Revenue Adjustments	793,061
Sewer Revenues Adjustments	101,867
Stormwater Revenue Adjustments	98,325
Solid Waste Grants	73,899
Total Adjustments:	1,067,152
2021 Proposed Revenues	\$ 30,606,106

Water Revenue Adjustments: \$793,061 - In August 2020, the City adopted new water utility rates for 2021 through 2025. Though the 2021 water rates will not increase over 2020 rates, this increase accounts for natural growth of water utility revenues.

Sewer Revenue Adjustments: \$101,867 - In August 2020, the City adopted new sewer utility rates for 2021 through 2025. The City collects revenues both from a City-imposed sewer rate and a rate imposed by King County Wastewater Treatment Division. The revenues collected for the King County portion are then paid to King County. Though the 2021 City-imposed sewer rates will not increase over 2020, King County adopted a 4.5% increase to their rates.

Stormwater Revenue Adjustments: \$98,325 - In August 2020, the City adopted new stormwater utility rates for 2021 through 2025. Though the 2021 water rates will not increase over 2020 rates, this increase accounts for natural growth of stormwater utility revenues.

Solid Waste Grants: \$73,899 - The solid waste management function previously housed in the City's Office of Sustainability was moved to the Public Works Department and is budgeted within the Public Works Department's stormwater division. These revenues are from the Local Solid Waste Financial Assistance and Waste Reduction and Recycling programs from the WA Department of Ecology, as well as King County's Local Hazardous Waste Management Program, and are added to Public Works to support this work.

* Reflects all revenues except those specifically dedicated to capital projects. Operating revenues may also support capital projects.

Public Works Department

Fleet Division 2020-2021 Revenue Crosswalk

2020 Adopted Revenues	\$ 1,311,497
Proposed 2021 Adjustments:	
Update Utility Cost Allocations	(301,154)
Update Street Operating Cost Allocations	19,387
Add General Fund Operating Cost Allocations	722,253
Total Adjustments:	440,486
2021 Proposed Revenues	\$ 1,751,983

Update Utility Cost Allocations: (\$301,154) - The Fleet Fund charges two types of cost allocations to the departments it supports: Fleet operating costs - including fuel, repairs, maintenance, and personnel costs - and vehicle replacement costs. The 2021 Proposed Budget reduces Fleet cost allocations from the Water, Sewer, and Stormwater utilities, primarily resulting from a decrease in vehicle replacements anticipated in 2021.

Update Street Operating Cost Allocations: \$19,387 - Beginning in 2019, the City temporarily suspended allocation of Fleet vehicle replacement costs to the Street Operating Fund in order to reduce the large fund balance that had accumulated in the Fleet Fund. The 2021 Proposed Budget continues this practice with the intention of conducting a study to determine a sustainable vehicle replacement cost allocation policy. This increment represents an increase to the Street Operating Fund's share of the 2021 Fleet operating costs.

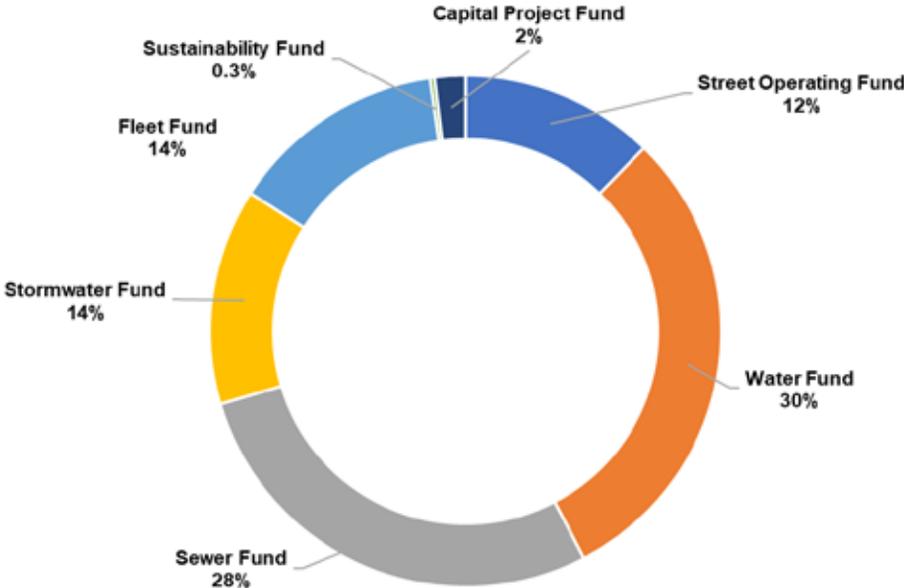
Add General Fund Operating Cost Allocations: \$722,253 - Beginning in 2019, the City temporarily suspended allocation of Fleet operating costs and vehicle replacement costs to the General Fund in order to reduce the large fund balance that had accumulated in the Fleet Fund. With the Fleet fund balance reduced, the 2021 Proposed Budget reinstates the cost allocation for Fleet operating costs within the General Fund. This increase represents the total amount to be received from General Fund departments for their shares of 2021 Fleet operating costs. The City will reevaluate vehicle replacement cost allocation policies in 2021.

Public Works Department

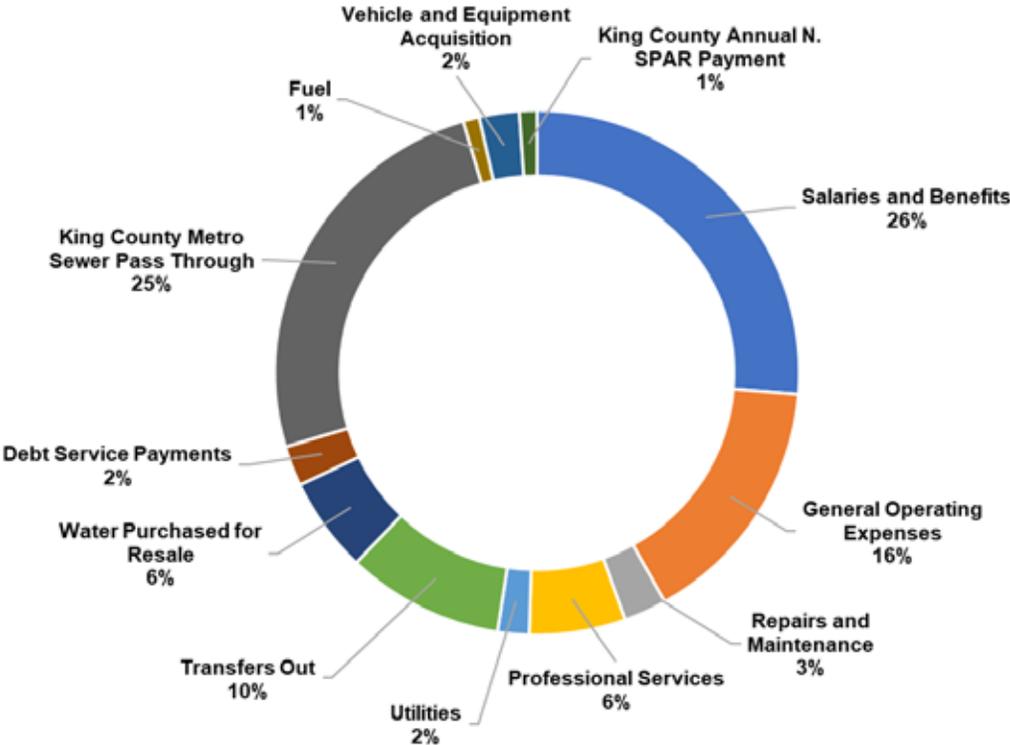
2021 Public Works Department Operating Expenditures

2021 Proposed Public Works Expenditures		
Fund	Department Expenditures	2021 Proposed Expenditures
Street Operating Fund		
	Salaries and Benefits	2,329,832
	General Operating Expenses	488,009
	Repairs and Maintenance	258,800
	Professional Services	250,215
	Utilities	340,345
	Transfers Out	629,479
	Total PW Street Operating Proposed Expenditures	4,296,680
Water Fund		
	Salaries and Benefits	2,417,467
	General Operating Expenses	3,248,569
	Repairs and Maintenance	412,900
	Professional Services	468,063
	Utilities	290,000
	Water Purchased for Resale	1,910,110
	Debt Service Payments	803,160
	Transfers Out	978,023
	Total PW Water Fund Proposed Expenditures	10,528,292
Sewer Fund		
	Salaries and Benefits	585,092
	General Operating Expenses	436,364
	Professional Services	133,010
	King County Metro Pass Through	8,147,250
	Transfers Out	522,114
	Total PW Sewer Fund Proposed Expenditures	9,823,830
Stormwater Fund		
	Salaries and Benefits	2,212,964
	General Operating Expenses	564,960
	Repairs and Maintenance	134,050
	Professional Services	955,479
	Transfers Out	919,644
	Total PW Stormwater Fund Proposed Expenditures	4,787,097
Fleet Fund		
	Salaries and Benefits	665,318
	General Operating Expenses	343,240
	Repairs and Maintenance	55,380
	Professional Services	47,050
	Fuel	325,000
	Vehicle and Equipment Acquisition	803,650
	Transfers Out	108,162
	Total PW Fleet Fund Proposed Expenditures	2,347,800
Sustainability Fund		
	Salaries and Benefits	19,891
	Professional Services	78,532
	Total PW Sustainability Fund Proposed Expenditures	98,423
Capital Project Fund		
	Salaries and Benefits	334,338
	King County Annual N. SPAR Payment	350,000
	Total PW Capital Project Fund Proposed Expenditures	684,338
TOTAL		32,566,460

2021 Public Works Department Proposed Expenditures by Fund



2021 Public Works Department Proposed Expenditures by Type



Public Works Department

Street Operating and Street Capital Project Support Divisions 2020-2021 Operating Expenditure Crosswalk

2020 Adopted Expenditures		\$ 4,632,986
Baseline Expenditure Adjustments:		32,676
Annualizing Mid-Year 2020 COVID Reductions:		(148,188)
Proposed 2021 Adjustments:		
Operating Adjustments		34,396
Add Unemployment Insurance		28,424
Finance Cost Allocation		26,808
Update Fleet Cost Allocation		19,387
Increased Information Technology Costs		10,438
Liability Insurance Increase		18,493
Decreased Personnel Costs		(24,402)
N SPAR Interlocal Agreement Annual Payment		350,000
	Total Adjustments:	429,148
2021 Proposed Expenditures		\$ 4,981,018

Baseline Expenditure Adjustments: \$32,676 - Public Works Street Operating and Street Capital Project Support expenditures increase by \$32,676 from the 2020 Adopted Budget, accounting for increases in salary and benefit costs.

Annualizing Mid-Year 2020 COVID Reductions (\$148,188) - As part of the City's 2020 COVID-19 budget reduction plan, the Street Operating and Street Capital Project Support Divisions eliminated a vacant Senior Engineer position. There were also several operating expense reductions, a small number of which were annualized in the 2021 Proposed Budget.

Operating Adjustments: \$34,396 - The 2021 Proposed Budget minimally adjusted the Street Operating and Street Capital project support expenditures, primarily adding several projects to street engineering professional services around slide monitoring and geotechnical evaluations. There were also slight increases to utility costs.

Add Unemployment Insurance: \$28,424 - The 2021 Proposed Budget includes an increase to unemployment insurance costs, as well as an update of how the City allocates these costs.

Finance Cost Allocation: \$26,808 - The 2021 Proposed Budget includes an update to how the City allocates Finance Department costs to other funds.

Update Fleet Cost Allocation: \$19,387 - This increment represents an increase to the Street Operating Fund's share of the 2021 Fleet operating costs.

Public Works Department

Increased Information Technology Costs: \$10,438 - The Street Operating and Street Capital Project Support Divisions' information technology costs are anticipated to increase in 2021, partially due to increased software and subscription costs and increased costs shared by all City departments. Further information on these items is included in the Information Technology Department section of this document.

Liability Insurance Increase: \$18,493 - The City's liability insurance costs are anticipated to increase in 2021. This increment represents the increase to the Public Works Street Operating division's share of the City's annual payment, as well as updates to how the City allocates these costs.

Decreased Personnel Costs: (\$24,402) - The 2021 Proposed Budget eliminates the Public Works Operations Director and Public Works Engineering Director positions and creates a new consolidated Public Works Director position. This change resulted in a savings to all Public Works divisions. These savings are partially offset by an increase in personnel costs over the baseline, primarily resulting from the collective bargaining agreement with the Teamsters Local Union No. 763 - which represents many employees in the Public Works Department - approved in 2020. This increment also includes several technical adjustments and corrections of Public Works Street Operating and Street Capital project support divisions personnel costs.

N SPAR Interlocal Agreement Annual Payment: \$350,000 - This represents the 2021 payment to King County for the North Sammamish Road Plateau Access Road (SPAR) Interlocal Agreement. The City agreed to pay King County 20 annual \$350,000 payments for the North SPAR improvements from Issaquah Fall City Road and Issaquah Pine Lake Road to Issaquah Highlands Drive. The City will fulfill the terms of this agreement in 2022.

Public Works Department

Utility Divisions 2020-2021 Operating Expenditure Crosswalk

2020 Adopted Expenditures	\$ 24,962,743
Baseline Expenditure Adjustments:	(5,800)
Annualizing Mid-Year 2020 COVID Adjustments:	117,330
Proposed 2021 Adjustments:	
Water Operating Adjustments	879,824
Sewer Operating Adjustments	389,846
Stormwater Operating Adjustments	317,912
Reduced Utility Tax Transfer	(154,523)
Add Solid Waste Management	98,423
Eliminate Transfers to Sustainability Fund	(500,000)
New Unemployment Insurance	63,360
True-up Finance Cost Allocation	(461,968)
Update Fleet Cost Allocation	(301,154)
Update Communications, Facility, Emergency Management, and HR Cost Allocations	(147,342)
Decreased Information Technology Costs	(98,249)
Liability Insurance Decrease	(40,188)
Increased Personnel Costs	117,428
Total Adjustments:	163,369
2021 Proposed Expenditures	\$ 25,237,642

Baseline Expenditure Adjustments: (\$5,800) - Public Works Utility Divisions expenditures decrease by \$5,800 from the 2020 Adopted Budget, accounting for reduced personnel costs resulting from retirements and turnovers from long-serving incumbents. These savings are partially offset by increases in salary and benefit costs to all employees.

Annualizing Mid-Year 2020 COVID Adjustments \$117,330 - As part of the City's 2020 COVID-19 reduction plan, the Parks and Community Services Department began cost allocating its facility services costs to several other City funds, a common practice in other cities. This increment represents the increased Utility Divisions expenditures for this new cost allocation, partially offset by a decrease resulting from the elimination of a vacant Construction Technician position.

Water Operating Adjustments: \$879,824 - This increment represents an increase to water utility operating expenditures, primarily resulting from a substantial increase in the payment due to Cascade Water Alliance (CWA) for Regional Capital Facility Charges (RCFCs) to purchase discounted CWA water. The City decided in 2020 to purchase more of its water from CWA as an overall cost savings plan. Purchasing more water from CWA will allow the City to delay costly capital upgrades to its water treatment infrastructure.

Sewer Operating Adjustments: \$389,846 - This increment represents an increase to sewer utility operating expenditures, primarily resulting from the increased amount due to King County following its 4.5% increase to pass-through wastewater treatment rates.

Public Works Department

Stormwater Operating Adjustments: \$317,912 - This increment represents an increase to stormwater utility operating expenditures, primarily resulting from the addition of several large professional service projects to be completed in 2021 including the Storm and Surface Water Masterplan, various bank stabilization projects, and the Confluence Park letter of map revision.

Reduced Utility Tax Transfer: (\$154,523) - The 2021 Proposed Budget includes a reduction to the amount transferred to the General Fund for utility tax collected into the Utility Funds to reflect actual transfer amounts.

Add Solid Waste Management Function to Public Works: \$98,423 - The solid waste management function previously housed in the City's Office of Sustainability was moved to the Public Works Department and is budgeted within the Public Works Department's stormwater division.

Eliminate Transfers to Sustainability Fund: (\$500,000) - As part of the City's 2020 COVID-19 reduction plan, three positions were eliminated from the Office of Sustainability, requiring far less support for the Sustainability Fund from the Utility Funds. This increment represents the elimination of this support in 2021.

Add Unemployment Insurance: \$63,360 - The 2021 Proposed Budget includes an increase to unemployment insurance costs, as well as an update of how the City allocates these costs.

True-Up Finance Cost Allocation: (\$461,968) - The 2021 Proposed Budget includes an update to how the City allocates these Finance Department costs to other funds.

Update Fleet Cost Allocation: (\$301,154) - The Fleet Fund charges two types of cost allocations to the departments they support: Fleet operating costs - including fuel, repairs, maintenance, and personnel costs - and vehicle replacement costs. The 2021 Proposed Budget reduces Fleet cost allocations from the Water, Sewer, and Stormwater utilities, primarily resulting from a decrease in vehicle replacements anticipated in 2021.

Update Communications, Facility, Emergency Management, and HR Cost Allocations: (\$147,342) - This increment represents the reduction to the Utility Funds' share of communications, facility, emergency management, and human resources (HR) costs.

Decreased Information Technology Costs: (\$98,249) - The Public Works Utility Divisions' information technology costs are anticipated to decrease in 2021, primarily due to updates to how the City allocates these costs. These savings are partially offset by increased software and subscription costs and increased costs shared by all City departments. Further information on these items is included in the Information Technology Department section of this document.

Liability Insurance Decrease: (\$40,188) - The City's liability insurance costs are anticipated to decrease in 2021. This increment represents the decrease to the Utility Divisions' share of the City's annual payment, primarily resulting from an update to how the City allocates these costs. In the case of these divisions, these cost allocation updates resulted in a significant reduction to the department's overall liability insurance allocation.

Increased Personnel Costs: \$117,428 - This increase over the baseline is primarily the result of the collective bargaining agreement with the Teamsters Local Union No. 763 - which represents many employees in the Public Works Department - approved in 2020. This increase is partially offset by the savings achieved from the elimination of the Public Works Operations Director and Public Works Engineering Director positions and creation of a new consolidated Public Works Director position. This increment also includes several technical adjustments and corrections of Public Works Utility Division personnel costs.

Public Works Department

Fleet Division

2020-2021 Operating Expenditure Crosswalk

2020 Adopted Expenditures	\$ 2,550,635
Baseline Expenditure Adjustments:	10,733
Proposed 2021 Adjustments:	
Increased Fuel Costs	49,000
Repairs, Maintenance, and Operating Cost Reductions	(56,830)
Fleet Vehicle Replacement Study	25,000
Reduce Vehicle Replacements	(229,502)
True-up Finance Cost Allocation	(71,915)
Increased Personnel Costs	45,769
Miscellaneous Adjustments	24,910
Total Adjustments:	(213,568)
2021 Proposed Expenditures	\$ 2,347,800

Baseline Expenditure Adjustments: \$10,733 - Fleet expenditures increase by \$10,733 from the 2020 Adopted Budget, accounting for increases in salary and benefit costs.

Increased Fuel Costs: \$49,000 - This increment represents the anticipated increase of fuel costs for City vehicles.

Repairs, Maintenance, and Operating Cost Reductions: (\$56,830) - The 2021 Proposed Budget reduces Fleet operating costs by \$56,830, including reductions to repairs, maintenance, training, and travel.

Fleet Vehicle Replacement Study: \$25,000 - The 2021 Proposed Budget includes funding for a study to reevaluate the City's vehicle replacement plan and related cost allocation policies.

Reduce Vehicle Replacements: (\$229,502) - The 2021 Proposed Budget reduces vehicle replacement costs from the 2020 Adopted Budget in an effort to extend the life of City vehicles and reduce costs. The City plans to further evaluate the life cycle and replacement costs as part of its proposed 2021 vehicle replacement study.

True-Up Finance Cost Allocation: (\$71,915) - The 2021 Proposed Budget includes an update to how the City allocates these Finance Department costs to other funds.

Increased Personnel Costs: \$45,769 - This increase over the baseline is primarily the result of the collective bargaining agreement with the Teamsters Local Union No. 763 - which represents many employees in the Public Works Department - approved in 2020. This increase is partially offset by the savings achieved from the elimination of the Public Works Operations Director and Public Works Engineering Director positions and creation of a new consolidated Public Works Director position. This increment also includes several technical adjustments and corrections of Public Works Utility Division personnel costs.

Miscellaneous Adjustments: \$24,910 - These are small increases to unemployment insurance, Fleet information technology costs, and Fleet's share of liability insurance costs.

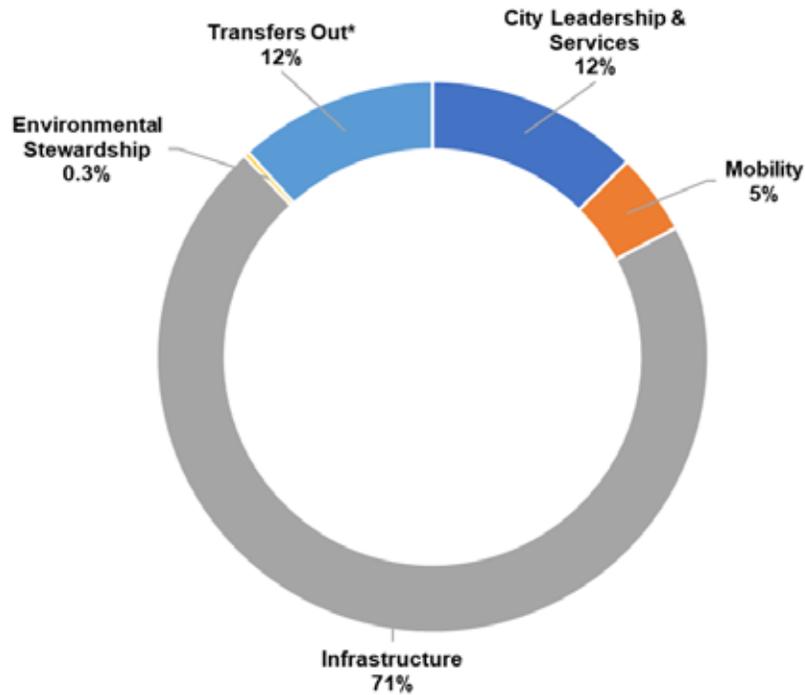
Public Works Department

Public Works Department Programs and Strategic Plan Goals

Strategic Plan Goal	Program Name	2021 Proposed Expenditures
City Leadership & Services		
	Debt Service - Non-Voted	803,160
	Emergency Management	140,290
	Incident Management	75,710
	Eastside Fire and Rescue Annual Contract	271,650
	Street Cleaning	141,458
	Public Works Street Operational Support	644,867
	Vehicle and Equipment Acquisition	578,599
	Vehicle and Equipment Maintenance	1,061,001
	Public Works Fleet Operational Support	344,473
Mobility		
	Mobility Capital Projects	352,801
	Snow and Ice	201,128
	Sidwalks and Paths	196,233
	Signs and Pavement Markings	200,052
	Mobility Capital Projects	601,232
Infrastructure		
	Street Infrastructure Capital Projects	331,537
	Roadway	347,006
	Bridges	82,702
	Traffic Systems and Lighting	588,156
	Roadside	341,457
	Pavement Management	69,708
	Public Works Infrastructure	50,000
	Water Purchase	2,277,888
	Water Distribution	1,973,275
	Water Treatment/Production	1,000,493
	Stormwater Conveyance	522,931
	Stormwater Treatment	526,808
	Stormwater Retention	313,667
	Sewer Conveyance	348,802
	Sewer Treatment	8,147,250
	Utility Engineering	2,780,524
	Shared Public Works Costs - Utilities	2,448,341
	Public Works Operational Support - Utilities	909,767
Environmental Stewardship		
	Solid Waste Management	98,423
N/A		
	Transfers Out*	3,795,071
		32,566,460

* Interfund transfers are not assigned to a Strategic Plan Goal as they are used as a revenue source for other City programs. All interfund transfers are attributed to program 001 to avoid double counting when considering the full City budget by Strategic Plan goal.

2021 Public Works Department Operating Expenditures by Strategic Goal



** Interfund transfers are not assigned to a Strategic Plan Goal as they are used as a revenue source for other City programs. All interfund transfers are attributed to program 001 to avoid double counting when considering the full City budget by Strategic Plan goal.*

Public Works Department

Public Works Department 2021 Capital Projects

The table below summarizes the Public Works Department capital projects included in the Mayor's 2021 Proposed Budget. For further detail on each capital project, please refer to the Capital Projects section of this book.

Asset Category	Project Name	2021 Project Budget
Facility		
	EU 014 - PWO Salt Storage Cover	220,000
Transportation		
	TR 004 - 12th Avenue NW and SR 900/17th Ave NW	3,075,000
	TR 028 - NW Sammamish Road Non-Motorized Improvement Project	300,000
	TR 030 - Pavement Management Program	1,423,512
	TR 031 - Southeast 43rd Way Signal Improvements	300,000
	TR 058 - Strategic Small Capital Projects	102,300
Water Utility		
	WT 006 - Redundant Water feed to Squak Mountain	20,000
	WT 009 - SE Newport Way PRV Master Meter (Cascade Water Alliance to 297 Zone)	51,150
	WT 013 - SPAR Booster Pump Station	2,946,450
	WT 015 - Water Main Replacement Program	943,886
	WT 027 - Newport and SR-900 Intertie	250,000
	WT 044 - Upgrades to Purchase Cascade Water	1,000,000
Stormwater Utility		
	ST 002 - East Lake Sammamish Pkwy West Ditch Conveyance Project	1,900,000
	ST 006 - Lower Issaquah Creek Stream & Riparian Enhancement	155,000
	ST 008 - Storm Drainage Rehabilitation & Improvement Program	400,000
	ST 020 - Issaquah Highlands West 45 Stormwater Lift Station Rehabilitation	67,380
	ST 042 - Reservoir Overflow Discharge Improvements	606,420
TOTAL 2021 Parks and Community Services Department Capital Projects:		13,761,098

Other General Fund Expenditures

There are various General Fund-supported activities that are not specifically aligned to a particular department. These activities include the technical items such as interfund transfers (transfers between funds), as well as external contract, such as the annual contract with Eastside Fire and Rescue (EF&R), which serves as the City's fire department. The following pages provide an overview the change between the 2020 Adopted Budget and the 2021 Proposed Budget.

Other General Fund Expenditures 2020-2021 Expenditure Crosswalk

2020 Adopted Expenditures	\$ 11,597,875
Baseline Expenditure Adjustments:	119,960
Annualizing Mid-Year 2020 COVID Adjustments:	
Reduce Interfund Transfer to Street Operating Fund	(711,600)
Eliminate Interfund Transfer to Sustainability Fund	(200,000)
Total Adjustments:	(911,600)
Proposed 2021 Adjustments:	
Add Interfund Transfer to Fleet Fund for EF&R Equipment	271,650
Further Reduce Interfund Transfer to Street Operating Fund	(150,000)
Increase Interfund Transfer to Unemployment Fund	276,536
Increase Interfund Transfer to Debt Service Fund	491,932
True-up Personnel Contingencies	(338,504)
Total Adjustments:	551,614
2021 Proposed Expenditures	\$ 11,357,849

Baseline Expenditure Adjustments: \$119,960 - Other General Fund expenditures increase by \$119,960 from the 2020 Adopted Budget, accounting for a 1.65% increase to the annual contract with Eastside Fire & Rescue.

Reduce Interfund Transfer to Street Operating Fund: (\$711,600) - This transfer from the General Fund to the Street Operating Fund is to support street operations and maintenance needs that exceed other the revenues brought in by this fund. As part of the City's 2020 COVID-19 reduction plan, this transfer was reduced by \$711,600. For more information on the Street Operating budget, please refer to the Public Works Department section.

Eliminate Interfund Transfer to Sustainability Fund: (\$200,000) - As part of the City's 2020 COVID-19 reduction plan, three positions were eliminated from the Office of Sustainability, requiring less support for the Sustainability Fund from the General Fund. This \$200,000 transfer from the General Fund to the Sustainability Fund was eliminated as part of the City's 2020 COVID-19 reduction plan and is not restored in the 2021 Proposed Budget.

Other General Fund Expenditures

Add Interfund Transfer to Fleet Fund for EF&R Equipment: \$271,650 - Eastside Fire and Rescue (EF&R) Fleet and Equipment costs are budgeted out of the Fleet Fund in the Public Works Department. The 2021 Proposed Budget reinstates the allocation of Fleet operating costs to the General Fund - including this increment for Eastside Fire and Rescue Vehicles and Equipment. Beginning in 2019, the City temporarily suspended allocation of Fleet operating costs and vehicle replacement costs to the General Fund in order to reduce the large fund balance that had accumulated in the Fleet Fund. With the Fleet fund balance reduced, the 2021 Proposed Budget reinstates the cost allocation for Fleet operating costs within the General Fund.

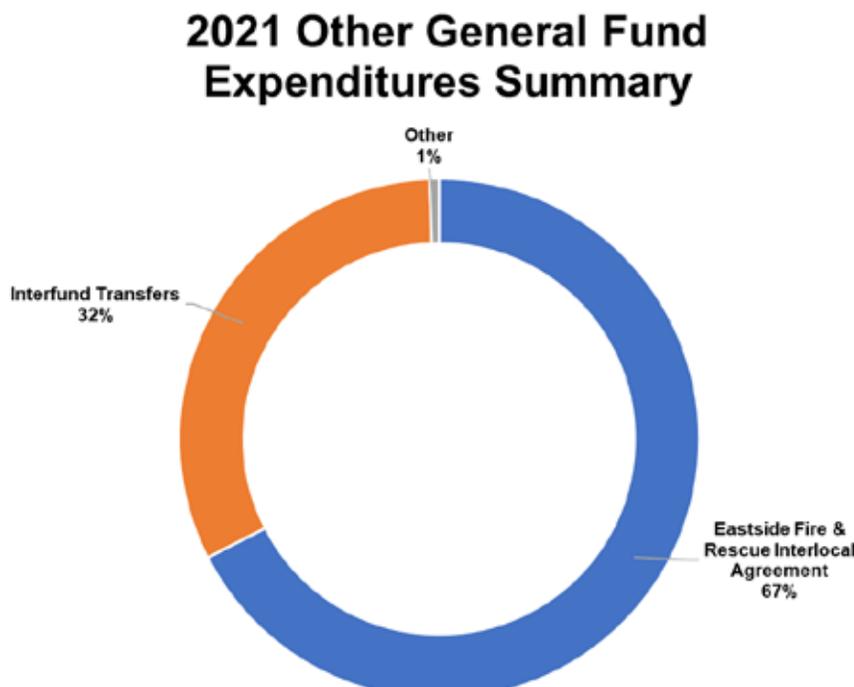
Further Reduce Interfund Transfer to Street Operating Fund: (\$150,000) - The Street Operating Fund is anticipated to end 2020 with a healthy fund balance. As a result, the 2021 Proposed Budget makes a one-time reduction in General Fund support to the Street Operating Fund.

Increase Interfund Transfer to Unemployment Fund: \$276,536 - The 2021 Proposed Budget increases the General Fund's share of unemployment insurance costs by \$276,536 in anticipation of increased claims resulting from the staffing changes included in the City's 2020 COVID-19 reduction plan. Unemployment insurance costs are also allocated to other City funds and this portion only represents the General Fund's portion of these costs. To offset this cost, plus the increased cost for unemployment insurance in 2020, the 2021 Proposed Budget transfers \$300,940 from the Contingency Fund to the General Fund. The Contingency Fund was created to protect the City from emergencies or unforeseen financial circumstances. The City's increased unemployment costs are the direct result of the unprecedented COVID-19 pandemic and the economic fallout that has resulted.

Increase Interfund Transfer to Debt Service Fund: \$491,932 - The interfund transfer to the debt service funds is increased to account for 2021 debt services costs. The General Fund avoided making this transfer in 2020 as the City drew down fund balance.

True-up Contingencies: (\$338,504) - The 2020 Adopted Budget included several contingency accounts to reserve money for future labor agreements and other costs. With the City's successful negotiation of several collective bargaining agreements, the City can reduce these contingency reserves.

Other General Fund Expenditures Summary





CITY OF
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Special Revenue Funds

Special Revenue Funds Overview

Special Revenue Funds account for the revenues and expenditures that are dedicated for specific purposes through either State statute or City Council policy.

The City's Special Revenue Funds include:

- Cemetery Fund
- Communications/Cable TV Fund
- Lodging Tax Fund
- Mitigation Fund
- Municipal Art Fund
- REET Fund
- School Zone Safety Fund
- Sustainability Fund
- Street Operating Fund

The Cemetery, Communications/Cable TV, Municipal Art, Sustainability, and Street Operating Funds are included in the departmental overviews in the previous section. The 2021 Proposed Budget for the remaining Special Revenue funds are described in following pages.

Lodging Tax Fund

The Lodging Tax Fund was created in 1998 to account for transactions associated with the City's share of the hotel/motel tax. The City of Issaquah's 1% tax is currently collected by hotels, motels, and bed and breakfast inns. Per state law, proceeds received from this tax can only be used to fund tourism promotion, acquisition of tourism-related facilities, or the operation of tourism-related facilities.

The 2021 Proposed Budget reduces the Lodging Tax Fund revenues and expenditures to account for fewer people traveling and staying in hotels and motels due to the COVID-19 pandemic. While total expenditures are reduced in the 2021 Proposed Budget, \$50,000 is allocated for tourism related business/organization grants.

Revenue Overview

	2020 Adopted Budget	2021 COVID-19 Increment	Proposed Increment	2021 Proposed Budget	Budget Variance ('20 Adopted to '21 Proposed)
Lodging Tax Fund - Revenue					
Hotel/Motel Tax	253,000	(199,000)	-	54,000	(199,000)

Expenditure Overview

	2020 Adopted Budget	2021 COVID-19 Increment	Proposed Increment	2021 Proposed Budget	Budget Variance ('20 Adopted to '21 Proposed)
Lodging Tax Fund - Expenditures					
Professional Services	360,000	-	(235,000)	125,000	(235,000)
Scholarship and Grants	-	-	50,000	50,000	50,000
TOTAL	360,000	-	(185,000)	175,000	(185,000)

Mitigation Fund

The Mitigation Fund accounts for revenues received from mitigation and impact fees assessed on new development to offset City costs required to support the development and the related increase in population. Revenue from these fees is largely unpredictable, subject to development patterns, and can only be used for increasing the capacity of City facilities and services. The City collects and aggregates these fees by six types: Traffic, General Government Building, Police, Parks, Fire, and Bike/Pedestrian. The City also receives some interest revenue from investing these mitigation and impact fees until ready for use. By State law, mitigation and impact fee revenues must be spent within ten-years of receipt.

The City's six-year Capital Improvement Plan (CIP) includes revenues from mitigation and impact fees as a source of project funding for various capacity-building capital projects. For further information on 2021 capital projects, please see the Capital Project Overview section.

Revenue Overview

	2020 Adopted Budget	2021 Proposed Budget	Budget to Budget Variance
Mitigation Fund - Revenues			
Traffic	1,020,000	906,938	(113,062)
General Government Building	10,000	19,390	9,390
Police	110,000	41,297	(68,703)
Parks	825,000	591,703	(233,297)
Fire	500,000	402,747	(97,253)
Bike/Pedestrian	100,000	13,120	(86,880)
Open Space	-	-	-
Investment Interest	100,000	100,000	-
Total	2,665,000	2,075,195	(589,805)

Expenditure Overview

	2020 Adopted Budget	2021 Proposed Budget	Budget to Budget Variance
Mitigation Fund - Expenditures			
Traffic	-	350,000	350,000
General Government Building	-	475,917	475,917
Police	-	160,176	160,176
Parks	1,763,213	739,312	(1,023,901)
Fire	2,857,500	-	(2,857,500)
Bike/Pedestrian	16,575	-	(16,575)
Open Space	-	-	-
Total	4,637,288	1,725,405	(2,911,883)

Mitigation Fund

Estimated Mitigation/Impact Fee Balances

	Traffic	General	Police	Parks	Fire	Bike/Ped	Open Space
2020 Estimated Ending Balance	3,321,528	5,148,810	181,239	1,878,210	990,325	827,402	258,042
2021 Forecasted Revenues	906,938	19,390	41,297	591,703	402,747	13,120	-
2021 Proposed Expenditures	350,000	475,917	160,176	739,312	-	-	-
2021 Estimated Ending Balance	3,878,466	4,692,283	62,360	1,730,601	1,393,072	840,523	258,042

2021 Capital Projects Supported by Mitigation/Impact Fee Revenues:

Traffic:

- North Sammamish Plateau Access Road (SPAR) Interlocal Agreement with King County: \$350,000
The City agreed to pay King County 20 annual \$350,000 payments for the North SPAR improvements from Issaquah Fall City Road and Issaquah Pine Lake Road to Issaquah Highlands Drive. The City will fulfill the terms of this agreement in 2022.

General Government Building:

- FC 002 - HVAC Capital Replacement Program: \$11,439
- FC 003 - Roof Capital Replacement Program: \$246,977
- FC 004 - Flooring Capital Replacement Program: \$217,501

Police:

- FC 025 - Secured Fencing for Patrol Vehicles: \$160,176

Parks:

- PK 012 - Valley Trail and Creekside (Sensitive Land) Acquisitions: \$739,312

REET Fund

The REET (Real Estate Excise Tax) Fund accounts for revenues received from the tax imposed on real estate sales transactions with the City. These funds are primarily transferred to capital project funds based on the adopted six-year Capital Improvement Plan (CIP). REET funds are also transferred to the Street Operating Fund as a source of support for ongoing street maintenance operations. REET is a highly volatile revenue source that is tied to the health of the real estate market. Large, yet unpredictable, commercial real estate transactions can lead to wide fluctuations in annual REET revenue collections. Because of the economic uncertainty in the face of the COVID-19 pandemic, the 2021 Proposed Budget assumes a contraction in REET revenues. The 2021 Proposed Budget makes use of REET fund balance to offset the forecasted reduction in revenues.

Revenue Overview

	2020 Adopted Budget	2020 COVID March Forecast	2020 COVID August Forecast	2021 Proposed Budget	Budget to Budget Variance (Adopted to Proposed)
REET FUND - Revenue					
REET 1	1,750,000	1,400,000	1,450,000	1,025,000	(725,000)
REET 2	1,750,000	1,400,000	1,450,000	1,025,000	(725,000)
Total	3,500,000	2,800,000	2,900,000	2,050,000	(1,450,000)

Expenditure Overview

	2020 Adopted Budget	2020 COVID Expenditures	2021 Proposed Budget	Budget to Budget Variance (Adopted to Adopted)
REET FUND - Expenditures				
Transfer to Street Operating	1,285,000	1,713,298	1,713,298	428,298
Capital Facility Projects	236,265	81,765	140,000	(96,265)
Street Capital Projects	1,128,000	-	1,423,512	295,512
Information Technology Projects	1,115,386	993,136	380,068	(735,318)
Park Capital Projects	200,000	50,000	907,250	707,250
Total	3,964,651	2,838,199	4,564,128	599,477

Fund Balance Overview

	REET 1	REET 2	Total
2020 Estimated Ending Balance	3,698,440	1,973,572	5,672,012
2021 Forecasted Revenues	1,025,000	1,025,000	2,050,000
2021 Proposed Expenditures	1,905,318	2,658,810	4,564,128
2021 Estimated Ending Balance	2,818,122	339,762	3,157,884

Capital Projects Supported by REET Revenues:

Street Operating:

- General Repairs and Maintenance of Capital Investments: \$1,713,298

Capital Facilities:

- EU 014 - PWO Salt Storage Cover: \$140,000

Street Capital:

- TR 030 - Pavement Management Program: \$1,423,512

Park Capital:

- PK 037 - Central Park Pad #3: \$907,250

Information Technology:

- EQ 004 - PC Replacements: \$134,150
- EQ 007 - Annual Server Replacement Program: \$111,911
- TC 006 - Public Works Operations MMS Upgrade: \$22,500
- TC 007 - Electronic Records Management Software: \$102,300
- TC 009 - Maintenance Management Software Replacement: \$9,207

For further information on the proposed 2021 capital projects supported by REET, please refer to the Capital Projects section of this document.

School Zone Safety Fund

The School Zone Safety Fund was created in 2017 to account for transactions associated with the City's School Zone Speed (SZS) Camera program. SZS cameras were installed in 2009 on Second Avenue SE near Issaquah School District school facilities to promote a safer environment for children in and around the 20 miles per hour school speed zones. The SZS Camera fund provides resources to cover the cost of:

- Municipal Court and Law Enforcement expenditures associated with the speed zone enforcement program and violator caseload management.
- Transportation, mobility, and traffic safety related capital improvements as identified in the ADA Program and the Capital Improvement Plan (CIP).

The 2021 Proposed Budget reduces the SZS revenues as a result of the COVID-19 pandemic. The cameras only operate when school is in session and when schools are closed, the cameras sit idle. Because the Issaquah School District announced that the 2020/2021 school year will begin with online classes, the 2021 Proposed Budget assumes significant declines in speed enforcement revenues for the first part of 2021.

Revenue Overview

	2020 Adopted Budget	2021 COVID-19 Increment	Proposed Increment	2021 Proposed Budget	Budget Variance ('20 Adopted to '21 Proposed)
School Zone Safety Fund - Revenue					
Traffic Infraction Penalty	2,000	-	-	2,000	-
Parking Infraction Penalty	832,000	(321,022)	-	510,978	(321,022)
	834,000	(321,022)	-	512,978	(321,022)

Expenditure Overview

	2020 Adopted Budget	2021 COVID-19 Increment	Proposed Increment	2021 Proposed Budget	Budget Variance ('20 Adopted to '21 Proposed)
School Zone Safety Fund - Expenditures					
Professional Services	58,400	-	-	58,400	-
Cost Allocation	166,231	-	-	166,231	-
Street Capital Project Support	960,500	-	402,300	402,300	(558,200)
	1,185,131	-	402,300	626,931	(558,200)

The 2021 Proposed Budget funds two capital projects with SZS Fund revenues:

- TR 028 - NW Sammamish Road Non-Motorized Improvement Project: \$300,000
- TR 058 - Strategic Small Capital Projects: \$102,300



CITY OF
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Debt Service Funds

Debt Service

Overview

The debt service fund is used to account for principal and interest payments. The City secures debt financing as a means of paying for certain capital improvements. By extending the repayment of debt over the anticipated useful life of the improvement, the cost is more equitably spread among the citizens who benefit from the improvement.

Bonds are sold and the proceeds are used to pay for the construction of capital improvements. The bonds are repaid over a period of time from taxes, fees, or other revenue sources dedicated for that purpose.

There are three types of debt generally issued by the City for general government purposes:

- Unlimited Tax General Obligation (UTGO) Bonds represent debt that was approved by voters for a specific purpose. In this case, citizens have agreed to levy additional property taxes to repay the debt.
- Limited Tax General Obligation (LTGO) Bonds (also called Councilmanic Bonds) can be issued with approval of the City Council. The debt is repaid from existing general revenues of the City. If the amount of debt required is small enough, the City may secure a bank loan rather than issuing LTGO bonds.
- Local Improvement District (LID) Bonds represent debt that is repaid by the property owners who benefited from the capital improvement through annual assessments paid to the City. LIDs are formed by the City Council after a majority of property owners within the LID agree to the assessment.

When the City issues bonds, a thorough review of the City's financial condition is completed by bond rating agencies. Based on their findings, the bonds are given a rating. The City's bond rating is a reflection of creditworthiness and affects the cost to the City of issuing debt. The higher the bond rating, the lower the interest rates. The City holds a AAA bond rating, the highest bond rating available. This bond rating was awarded to the City in 2014 by Standard and Poor's (S&P).

The 2021 Proposed Budget consolidates debt service into a single debt service fund to track the principal and interest payments on general government debt. Each year, a sufficient amount of money is budgeted in the debt service fund to pay the annual principal and interest due on the City's general government outstanding debt.

Debt Capacity

Washington State law limits the total amount of debt (LTGO and UTGO) that a city can have outstanding to 2.5 percent of total assessed property valuation plus the net of current assets and liabilities. The City also has the authority to use up to 2.5 percent of the total assessed property valuation for both parks and utility purposes. This comprises the City's "Debt Capacity" at any one time. The City Council has authority to issue bonds without voter approval (LTGO or Councilmanic debt) for a combined total of up to 1.5 percent of the City's assessed valuation. As the table below demonstrates, the City's outstanding debt is well below both these limits.

Debt Capacity as of September 2020

	General Capacity		Special Purpose Capacity		
9/24/2020 Preliminary				Utility	
Assessed Value:	Councilmanic	Excess Levy	Parks & Open	Purposes	Total Capacity
\$12,029,009,231	(Non-Voted)	(Voted-in)	Space (Voted-in)	(Voted-in)	
2.50% of Assessed Value	\$ -	\$ 300,725,231	\$ 300,725,231	\$ 300,725,231	\$ 902,175,692
1.50% of Assessed Value	180,435,138	(180,435,138)	-	-	-
Statutory Debt Limit	\$ 180,435,138	\$ 120,290,092	\$ 300,725,231	\$ 300,725,231	\$ 902,175,692
Less Debt Outstanding G.O. Bonds	(15,773,658)	(3,015,257)	(9,834,627)	-	(28,623,542)
Available in Debt Service Fund	469,282	182,625	595,653	-	1,247,560
Debt Capacity	\$ 165,130,763	\$ 117,457,460	\$ 291,486,257	\$ 300,725,231	\$ 874,799,710

Debt Service

General Obligation Bond Summary

The general obligation debt payable as of December 31, 2020, are listed below. Issues voted in by the residents of Issaquah are being paid through an excess property tax levy.

Name	Date of Issue	Issued Amount	Average Coupon Interest	Date of Final Maturity	12/31/2020 Outstanding Bond Balance	Annual Debt Service
Voted-In Debt (UTGO Bonds):						
2014 Parks Bond	12/1/2014	\$ 8,380,000	3.22	12/1/2033	6,120,000	676,598
2017 Parks Bond / Refunding of 2005 ITS & Police, 2006 Parks Bonds	6/19/2017	\$ 6,725,000	1.95	12/1/2026	4,277,127	779,711
2019 BABs Fire Station #72 Refunding	12/4/2019	\$ 2,702,633	1.89	12/1/2029	2,452,757	301,933
Total Voter-Approved Debt					\$ 12,849,884	\$ 1,758,242
Non-Voted Debt (LTGO or Councilmanic):						
2006 Police/Barn Refunding	12/1/2006	\$ 3,485,000	4.05	1/1/2021	205,000	208,998
2009B Fire Station, Property	12/1/2009	\$ 6,355,000	3.80	12/1/2021	740,000	769,600
2014 Highland Park Facilities	11/5/2014	\$ 2,310,000	4.15	12/1/2024	975,000	258,875
2019A Bergsma Property	2/27/2019	\$ 3,850,772	2.77	12/1/2028	3,850,772	106,666
2019B Refunding of 2009 Bollinger Property	3/15/2019	\$ 1,681,095	2.75	12/1/2028	1,359,737	195,175
2020 Transportation and Facilities	5/28/2020	\$ 8,643,149	2.44	12/1/2034	8,643,149	210,893
Total Non-Voted Debt					\$ 15,773,658	\$ 1,750,207
Total Debt					\$ 28,623,542	\$ 3,508,449

Debt Service

Voter Approved (UTGO Debt)

Issues voted in by the residents of Issaquah are paid through an excess property tax levy. The City has three outstanding voter-approved debt series with total balances of \$12.8 million. Annual debt service on these bonds is estimated at \$1.8 million.

Fund Revenues

	2020 Proposed Budget	2021 Proposed Budget	Percent Change	Budget to Budget Variance
Voted Debt				
Property Taxes & Interest Earnings	1,790,000	1,760,000		
Total	1,790,000	1,760,000	-1.7%	(30,000)

Fund Expenditures

	2020 Proposed Budget	2021 Proposed Budget	Percent Change	Budget to Budget Variance
Voted Debt				
Bond Principal	1,370,845	1,425,725	4%	54,880
Interest Expense	415,874	332,517	-20%	(83,357)
Debt Issuance & Fees	1,500	900	-40%	(600)
Total	1,788,219	1,759,142	-2%	(29,077)

Debt Service

Councilmanic / Non-Voted / LTGO Debt

Non-voted debt is paid with general revenues in the General Fund.. The City has six outstanding Councilmanic debt series with total balances of \$15.8 million as of December 31, 2020. Annual debt service on these bonds is estimated at \$1.8 million.

Fund Revenues

	2020 Adopted Budget	2021 Proposed Budget	Percent Change (Adopted to Adopted)	Budget to Budget Variance
Non-Voted Debt				
Transfer-In from General Fund	1,259,830	1,751,762		
Total	1,259,830	1,751,762	39.0%	491,932

Fund Expenditures

	2020 Adopted Budget	2021 Proposed Budget	Percent Change (Adopted to Adopted)	Budget to Budget Variance
Non-Voted Debt				
Bond Principal	1,284,196	1,337,782	4.2%	53,586
Interest Expense	730,134	412,425	-43.5%	(317,709)
Fees and Other Cost of Debt	1,500	1,555	3.7%	55
Total	2,015,830	1,751,762	-13.1%	(264,068)

Debt Service

Local Improvement District – Special Assessments

Special assessment bonds are issued to finance construction of local improvement district (LID) and utility local improvement district (ULID) projects and are repaid through assessments collected from property owners benefiting from the related improvements.

The City is required under state law to establish a guaranty fund to provide a means of paying LID bond debt service obligations in the event there are insufficient resources in the LID control fund.

Information on anticipated 2021 revenue and expenditures for the City's LID Debt Service and LID Guaranty fund is detailed below.

Active LID Debt

Name	Issue Date	Issue Amount	Average Coupon Interest	Date of Final Maturity	12/31/2019 Outstanding Balance
L.I.D #23 - Mall Street Sidewalk Improvements	12/31/2009	\$ 977,390	4.70%	20	\$ 65,000
L.I.D. #24 Traffic Roundabout at E. Lake Sammamish Pkwy and S.E. 43rd Way	12/15/2011	\$ 2,345,000	4.00%	20	\$ 423,840

LID No. 23 Debt Service

Fund Revenues

	2020 Adopted Budget	2021 Proposed Budget	Percent Change (Adopted to Proposed)	Budget to Budget Variance (Adopted to Proposed)
LID 23				
Special Assessment Capital	15,635	15,600	0%	(35)
Investment Interest	2,990	3,400	14%	410
Total	18,625	19,000	2.0%	375

Fund Expenditures

	2020 Adopted Budget	2021 Proposed Budget	Percent Change (Adopted to Proposed)	Budget to Budget Variance (Adopted to Proposed)
LID 23				
Assessment Principal	65,000	65,000	0%	-
Assessment Interest	3,250	6,858	111%	3,608
Debt Issuance & Fees	1,800	1,000	-44%	(800)
Total	70,050	72,858	4.0%	2,808

Debt Service

LID No. 24 Debt Service

Fund Revenues

	2020 Adopted Budget	2021 Proposed Budget	Percent Change (Adopted to Proposed)	Budget to Budget Variance (Adopted to Proposed)
LID 24				
Special Assessment Capital	60,000	60,000	0%	-
Special Assessment Interest	21,587	21,600	0%	13
Total	81,587	81,600	0.0%	13

Fund Expenditures

	2020 Adopted Budget	2021 Proposed Budget	Percent Change (Adopted to Proposed)	Budget to Budget Variance (Adopted to Proposed)
LID 24				
Interfund Loan Principal	60,000	60,000	0%	-
Interfund Loan Interest	16,954	9,754	-42%	(7,200)
Debt Issuance & Fees	8,500	5,000	-41%	(3,500)
Total	85,454	74,754	-12.5%	(10,700)



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Capital Projects

2021 Capital Improvement Projects

In July 2019, the Issaquah City Council Adopted the 2020-2025 Capital Improvement Plan (CIP), a multi-year plan of capital projects with projected beginning and completion dates, estimated costs, and proposed financing methods. The projects put forth in the CIP are reviewed and updated biennially per the availability of resources; changes in City policy and community needs; unexpected emergencies and events; and changes in cost and financial strategies.

A CIP is a planning document and project expenditures and revenues are not authorized until they have been adopted through the annual budget process.

The 2021 Proposed Budget includes approximately \$17.9 million for 29 capital projects, across six asset categories:

Asset Category	2021 Proposed Budget
Facility	856,093
Park	2,971,783
Technology & Systems	514,051
Transportation	5,200,812
Water Utility	5,211,486
Stormwater Utility	3,128,800
TOTAL	17,883,025

These projects utilize various funding sources as detailed in the following table:

Revenue Source	2021 Proposed Budget
IT Fund (Cost Allocated)	58,500
Real Estate Excise Tax (REET)	2,852,330
Mitigation & Impact Fees	1,375,405
Grants	3,287,576
School Zone Safety Fund	402,300
Developer Contributions	1,297,986
Turf Replacement Fund	600,000
Water Utility Revenue	2,296,743
Sewer Utility Revenue	10,569
Stormwater Utility Revenue	2,455,166
General Fund-Supported Debt	300,000
Utility-Supported Debt	2,946,450
TOTAL	17,883,025

The following pages detail the projects included in the 2021 Proposed Budget. Please note these pages only show 2021 project budgets - some projects span several years.

2021 Capital Improvement Projects

EQ 004 - PC Replacements

Department: Information Technology

Asset Category: Technology & Systems

Project Summary: Replace outdated staff computers based on industry best practices that ensures reliability, reduces security risk, and reduces operating costs.

Reason for Difference from 2020-2025 CIP: The 2021 Proposed Budget increases the budget for this project by \$58,500 from the 2020-2025 CIP to restore funding that was reduced as part of the City's 2020 COVID-19 reduction plan.

EQ 004 - PC Replacements	
	2021 Proposed Budget
Revenues	
IT Fund - Cost Allocated	58,500
Real Estate Excise Tax 1	135,650
Expenditures	
Software/Hardware - 2020 Deferment due to COVID-19 Reductions	135,650
Software/Hardware - 2021 Project Costs	58,500
Total Project Cost	194,150

EQ 007 - Annual Server Replacement Program

Department: Information Technology

Asset Category: Technology & Systems

Project Summary: Replace a portion of the City's computer servers annually as part of the ongoing replacement cycle.

Reason for Difference from 2020-2025 CIP: The 2021 Proposed Budget increases the budget for this project by \$18,000– relative to the 2020-2025 CIP to restore funding that was reduced as part of the City's 2020 COVID-19 reduction plan.

EQ 007 - Annual Server Replacement Program	
	2021 Proposed Budget
Real Estate Excise Tax 1	111,911
Total Revenue	111,911
Software/Hardware - 2020 Deferment due to COVID-19 Reductions	18,000
Software/Hardware - 2021 Project Costs	93,911
Total Expenses	111,911
Net Revenue and Expenses	-

2021 Capital Improvement Projects

EU 014 - PWO Salt Storage Cover

Department: Public Works

Asset Category: Facility

Project Summary: Cover the remaining three storage bins at the Public Works Operations facility to accommodate rock salt storage and additional covered spoil bins. This project will also cover the satellite storage yard on SR 900 near Talus.

Reason for Difference from 2020-2025 CIP: The CIP did not anticipate costs for this project in 2021, but the 2021 Proposed Budget adds funding for this project after this project was delayed as part of the City's 2020 COVID-19 reduction plan. The 2021 scope and costs for this project are increased over 2020 as the 2020 scope of this project only included the storage cover at the Public Works Operations facility, not the additional cover at the satellite storage yard on SR 900 near Talus.

EU 014 - PWO Salt Storage Cover	
	2021 Proposed Budget
Real Estate Excise Tax 1	140,000
Stormwater Revenues	80,000
Total Revenue	220,000
Machinery & Equipment	220,000
Total Expenses	220,000
Net Revenue and Expenses	-

FC 002 - HVAC Capital Replacement Program

Department: Parks and Community Services

Asset Category: Facility

Project Summary: Install energy efficient heating, ventilation, and air conditioning (HVAC) systems in City facilities that are at or beyond the end of their expected useful life. In 2021, these facilities include the Main City Hall/Police Department and the Senior Center. The budget proposed for 2021 will supplement the 2020 appropriation for this project to attain the total funds required. Any unspent budget from 2020 for this project will be requested as a reauthorization in early 2021.

Reason for Difference from 2020-2025 CIP: The CIP did not anticipate costs for this project in 2021, but the 2021 Proposed Budget includes funding to accommodate refined cost estimates.

FC 002 - HVAC Capital Replacement Program	
	2021 Proposed Budget
Mitigation & Impact Fees - General Government Building	11,439
Total Revenue	11,439
Construction & Permitting	11,382
Art Fund Contribution	57
Total Expenses	11,439
Net Revenue and Expenses	-

2021 Capital Improvement Projects

FC 003 - Roof Capital Replacement Program

Department: Parks and Community Services

Asset Category: Facility

Project Summary: Replace roofing systems in City facilities that are beyond the end of their expected useful life. The 2020 budget included an appropriation for this project to repair the Senior Center roof but the bids for the project came in substantially higher than anticipated at the time the budget was proposed. The 2021 Proposed Budget supplements the 2020 appropriation for this project to provide the total funds required. Any unspent budget from 2020 for this project will be requested as a reauthorization in early 2021.

Reason for Difference from 2020-2025 CIP: The CIP did not anticipate costs for this project, but the 2021 Proposed Budget includes funding to accommodate refined cost estimates.

FC 003 - Roof Capital Replacement Program	
	2021 Proposed Budget
Mitigation & Impact Fees - General Government Building	246,977
Total Revenue	246,977
Construction & Permitting	224,265
Art Fund Contribution	1,082
Contingency	21,630
Total Expenses	246,977
Net Revenue and Expenses	-

FC 004 - Flooring Capital Replacement Program

Department: Parks and Community Services

Asset Category: Facility

Project Summary: Replace carpets, tiles, and other flooring finishes in City buildings that are beyond the end of their expected useful life. This 2021 budget proposal will replace the floor in the Police Department portion of the Main City Hall.

Reason for Difference from 2020-2025 CIP: The 2021 Proposed Budget for this project matches what was assumed in the CIP.

FC 004 - Flooring Capital Replacement Program	
	2021 Proposed Budget
Mitigation & Impact Fees - General Government Building	217,501
Total Revenue	217,501
Construction & Permitting	197,257
Art Fund Contribution	964
Contingency	19,280
Total Expenses	217,501
Net Revenue and Expenses	-

2021 Capital Improvement Projects

FC 025 - Secured Fencing for Patrol Vehicles

Department: Parks and Community Services

Asset Category: Facility

Project Summary: Secured parking facilities for police vehicles between City Hall and the community building/fire department.

Reason for Difference from 2020-2025 CIP: The 2021 Proposed Budget for this project matches what was assumed in the CIP.

FC 025 - Secured Fencing for Patrol Vehicles	
	2021 Proposed Budget
Mitigation & Impact Fees - Police	160,176
Total Revenue	160,176
Equipment Acquisition	145,266
Art Fund Contribution	710
Contingency	14,200
Total Expenses	160,176
Net Revenue and Expenses	-

PK 012 - Valley Trail and Creekside (Sensitive Land) Acquisitions

Department: Parks and Community Services

Asset Category: Park

Project Summary: Acquire creek-side and sensitive land areas for the preservation of natural habitats and fulfillment of the Green Necklace vision.

Reason for Difference from 2020-2025 CIP: The 2021 Proposed Budget reduces the budget for this project by \$274,272 relative to the CIP to match available grant funding and availability of other funding sources.

PK 012 - Valley Trail and Creekside (Sensitive Land) Acquisitions	
	2021 Proposed Budget
Mitigation & Impact Fees - Parks	739,312
Grant - County	507,576
Total Revenue	1,246,888
Acquisition/ROW	1,171,888
Demolition & Clean Up	75,000
Total Expenses	1,246,888
Net Revenue and Expenses	-

2021 Capital Improvement Projects

PK 037 - Central Park Pad #3

Department: Parks and Community Services

Asset Category: Park

Project Summary: Multi-year project to replace aging pad three turf and complete playground, shelter, seating, and storage improvements based on the Central Park Master Site Development Plan.

Reason for Difference from 2020-2025 CIP: The 2021 Proposed Budget reduces the budget for this project by \$79,282 relative to the CIP due to a reduced project scope for 2021.

PK 037 - Central Park Pad #3	
Central Park Pad #3	2021 Proposed Budget
Real Estate Excise Tax 1	907,250
King County Parks Levy	100,000
Turf Replacement Program	600,000
Total Revenue	1,607,250
Construction & Permitting	1,450,000
Art Fund Contribution	7,250
Contingency	150,000
Total Expenses	1,607,250
Net Revenue and Expenses	
	-

PK 044 - Wayfinding and Park Signage

Department: Parks and Community Services

Asset Category: Park

Project Summary: Start standardizing park and trail signage to improve user experience throughout Issaquah's parks, trails, and open spaces.

Reason for Difference from 2020-2025 CIP: The 2021 Proposed Budget for this project matches what was assumed in the CIP.

PK 044 - Wayfinding and Park Signage	
	2021 Proposed Budget
Developer Contribution	117,645
Total Revenue	117,645
Construction & Permitting	117,645
Total Expenses	117,645
Net Revenue and Expenses	
	-

2021 Capital Improvement Projects

ST 002 - East Lake Sammamish Pkwy West Ditch Conveyance Project

Department: Public Works

Asset Category: Stormwater Utility

Project Summary: Construct stormwater flow capacity improvements along East Lake Sammamish Parkway to alleviate areas with a history of flooding and drainage issues.

Reason for Difference from 2020-2025 CIP: The 2021 Proposed Budget increases the budget for this project by \$215,500 relative to the CIP based on refined cost estimates.

ST 002 - East Lake Sammamish Pkwy West Ditch Conveyance Project	
	2021 Proposed Budget
Stormwater Revenues	1,269,659
Grant - County	500,000
Developer Contribution	130,341
Total Revenue	1,900,000
Design & Engineering	80,000
Construction & Permitting	1,820,000
Total Expenses	1,900,000
Net Revenue and Expenses	-

ST 006 - Lower Issaquah Creek Stream and Riparian Enhancement

Department: Public Works

Asset Category: Stormwater Utility

Project Summary: Extend and integrate existing habitat restoration and improvement areas along Issaquah Creek between I-90 and NW Sammamish Road.

Reason for Difference from 2020-2025 CIP: The 2021 Proposed Budget reduces the budget for this project by \$1,202,830 relative to the CIP, deferring construction to future years due to a project delay.

ST 006 - Lower Issaquah Creek Stream & Riparian Enhancement	
	2021 Proposed Budget
Grant - County	155,000
Total Revenue	155,000
Design & Engineering	150,000
Construction & Permitting	5,000
Total Expenses	155,000
Net Revenue and Expenses	-

2021 Capital Improvement Projects

ST 008 - Storm Drainage Rehab & Improvement Program

Department: Public Works

Asset Category: Stormwater Utility

Project Summary: Ongoing capital infrastructure maintenance project to complete annual improvements to deteriorated components of the City's stormwater system.

Reason for Difference from 2020-2025 CIP: The 2021 Proposed Budget reduces the budget for this project by \$308,388 relative to the CIP, reducing the size of the project to conserve Stormwater revenues.

ST 008 - Storm Drainage Rehab & Improvement Program	
	2021 Proposed Budget
Stormwater Revenues	400,000
Total Revenue	400,000
Construction & Permitting	370,000
Contingency	30,000
Total Expenses	400,000
Net Revenue and Expenses	-

ST 020 - Issaquah Highlands West 45 Stormwater Lift Station Rehabilitation

Department: Public Works

Asset Category: Stormwater Utility

Project Summary: Repair existing West 45 Stormwater Lift Station to prevent groundwater from entering the vault.

Reason for Difference from 2020-2025 CIP: The 2021 Proposed Budget for this project matches what was assumed in the CIP.

ST 020 - Issaquah Highlands West 45 Stormwater Lift Station Rehabilitation	
	2021 Proposed Budget
Stormwater Revenues	67,380
Total Revenue	67,380
Construction & Permitting	61,380
Contingency	6,000
Total Expenses	67,380
Net Revenue and Expenses	-

2021 Capital Improvement Projects

ST 042 - Reservoir Overflow Discharge Improvements

Department: Public Works

Asset Category: Stormwater Utility

Project Summary: Upgrade reservoir overflow drainage with the addition of a conveyance pipe from the reservoir overflow down slope to City detention ponds.

Reason for Difference from 2020-2025 CIP: The 2021 Proposed Budget for this project matches what was assumed in the CIP.

ST 042 - Reservoir Overflow Discharge Improvements	
	2021 Proposed Budget
Stormwater Revenues	606,420
Total Revenue	606,420
Construction & Permitting	552,420
Contingency	54,000
Total Expenses	606,420
Net Revenue and Expenses	-

TC 006 - PWO MMS Upgrade

Department: Information Technology

Asset Category: Technology & Systems

Project Summary: Upgrade Public Works Mobile Maintenance System (MMS) software to currently technology.

Reason for Difference from 2020-2025 CIP: The CIP did not anticipate costs for this project in 2021, but the 2021 Proposed Budget adds funding for this project after this project was delayed as part of the City's 2020 COVID-19 reduction plan.

TC 006 - PWO MMS Upgrade	
	2021 Proposed Budget
Real Estate Excise Tax 1	22,500
Water Revenues	22,500
Stormwater Revenues	22,500
Sewer Revenues	7,500
Total Revenue	75,000
Design & Implementation	75,000
Total Expenses	75,000
Net Revenue and Expenses	-

2021 Capital Improvement Projects

TC 007 - Electronic Records Management Software

Department: Information Technology

Asset Category: Technology & Systems

Project Summary: Ongoing project to implement an Enterprise Content Management system (ECM), which provides a digital library to manage, organize, and search City records behind existing file locations and platforms.

Reason for Difference from 2020-2025 CIP: The 2021 Proposed Budget for this project matches what was assumed in the CIP.

TC 007 - Electronic Records Management Software	
	2021 Proposed Budget
Real Estate Excise Tax 1	102,300
Total Revenue	102,300
Design & Implementation	102,300
Total Expenses	102,300
Net Revenue and Expenses	-

TC 009 - Maintenance Management Software Replacement

Department: Information Technology

Asset Category: Technology & Systems

Project Summary: Discovery and implementation to upgrade or replace the HAL maintenance management software for Public Works Operations.

Reason for Difference from 2020-2025 CIP: The 2021 Proposed Budget for this project matches what was assumed in the CIP.

TC 009 - Maintenance Management Software Replacement	
	2021 Proposed Budget
Real Estate Excise Tax 1	9,207
Water Fund	9,207
Stormwater Fund	9,207
Sewer Fund	3,069
Total Revenue	30,690
Design & Implementation	30,690
Total Expenses	30,690
Net Revenue and Expenses	-

2021 Capital Improvement Projects

TR 004 - 12th Avenue NW and SR 900/17th Ave NW

Department: Public Works

Asset Category: Transportation

Project Summary: This multi-year project seeks to widen the northbound SR 900/17 Avenue NW approach to 12 Avenue NW for an exclusive right-turn lane from northbound SR 900/17 Avenue NW to eastbound/southbound 12 Avenue NW and widen 12th Avenue NW at SR 900/NW Sammamish Road to provide additional westbound left-turn approach lane capacity.

Reason for Difference from 2020-2025 CIP: The 2021 Proposed Budget increases the budget for this project by \$550,000 relative to the CIP based on refined cost estimates.

TR 004 - 12th Avenue NW and SR 900/17th Ave NW	
	2021 Proposed Budget
Developer Contribution	1,050,000
Grant - State	2,025,000
Total Revenue	3,075,000
Acquisition/ROW	550,000
Construction & Permitting	2,289,986
Art Fund Contribution	11,191
Contingency	223,823
Total Expenses	3,075,000
Net Revenue and Expenses	
	-

TR 028 - NW Sammamish Road Non-Motorized Improvement Project

Department: Public Works

Asset Category: Transportation

Project Summary: Design work for project to widen the NW Sammamish roadway between 193rd PI SE and the State Park Entrance as well as install curb, gutter, sidewalks, bike lanes, and storm drainage.

Reason for Difference from 2020-2025 CIP: The 2021 Proposed Budget for this project matches what was assumed in the CIP.

TR 028 - NW Sammamish Road Non-Motorized Improvement Project	
	2021 Proposed Budget
School Zone Safety Fund	300,000
Total Revenue	300,000
Design & Engineering	273,286
Contingency	26,714
Total Expenses	300,000
Net Revenue and Expenses	
	-

2021 Capital Improvement Projects

TR 030 - Pavement Management Program

Department: Public Works

Asset Category: Transportation

Project Summary: Perform annual street maintenance projects to preserve the life of existing pavement and reduce degradation of the roadway. This program is vital to protect City infrastructure and improve safety within the roadway network. For 2021, work will include updating curb ramps at intersections impacted by the pavement management program, to meet ADA compliance (TR 011 - ADA Improvements in the 2020-2021 CIP).

Reason for Difference from 2020-2025 CIP: The 2021 Proposed Budget increases the budget for this project by \$423,512 relative to the CIP to include TR 011 - ADA Improvements and other REET funding from deferred transportation projects.

TR 030 - Pavement Management Program	
	2021 Proposed Budget
Real Estate Excise Tax 2	1,423,512
Total Revenue	1,423,512
Pavement Management	1,423,512
Total Expenses	1,423,512
Net Revenue and Expenses	-

TR 031 - Southeast 43rd Signal Improvements

Department: Public Works

Asset Category: Transportation

Project Summary: Realign the entrances to Providence Point and Forest Village and install a new traffic signal. The \$300,000 of General Fund-supported debt supporting this project was part of the 2020 debt sale and no further funds are required for this project.

Reason for Difference from 2020-2025 CIP: The 2021 Proposed Budget for this project matches what was assumed in the CIP.

TR 031 - Southeast 43rd Signal Improvements	
	2021 Proposed Budget
General Fund-Supported Debt	300,000
Total Revenue	300,000
Construction & Permitting	272,077
Art Fund Contribution	1,330
Contingency	26,593
Total Expenses	300,000
Net Revenue and Expenses	-

2021 Capital Improvement Projects

TR 058 - Strategic Small Capital Projects

Department: Public Works

Asset Category: Transportation

Project Summary: On-going capital project to strategically design and construct early implementation, small scale capital improvements to complete "near-term connections and efficiencies in the mobility system," as outlined in objective MO2 of the Strategic Plan.

Reason for Difference from 2020-2025 CIP: The 2021 Proposed Budget for this project matches what was assumed in the CIP.

TR 058 - Strategic Small Capital Projects	
	2021 Proposed Budget
School Zone Safety Fund	102,300
Total Revenue	102,300
Small Capital Projects	102,300
Total Expenses	102,300
Net Revenue and Expenses	-

WT 006 - Redundant Water Feed to Squak Mountain

Department: Public Works

Asset Category: Water Utility

Project Summary: Construct a water main to provide redundancy and added reliability to the City's water system.

Reason for Difference from 2020-2025 CIP: The 2021 Proposed Budget reduces the budget for this project by \$1,116,553 relative to the CIP, deferring the project to future year to conserve Water revenues.

WT 006 - Redundant Water Feed to Squak Mountain	
	2021 Proposed Budget
Water Revenues	20,000
Total Revenue	20,000
Design & Engineering	20,000
Total Expenses	20,000
Net Revenue and Expenses	-

2021 Capital Improvement Projects

WT 009 - SE Newport Way PRV Master Meter (CWA to 297 Zone)

Department: Public Works

Asset Category: Water Utility

Project Summary: Design and construct a new pressure-reducing valve (PRV) station and master meter to supply water from the Bellevue-Issaquah water pipeline to zone 297, via a new intertie on Newport Way NW.

Reason for Difference from 2020-2025 CIP: The 2021 Proposed Budget for this project matches what was assumed in the CIP.

WT 009 - SE Newport Way PRV Master Meter (CWA to 297 Zone)	
	2021 Proposed Budget
Water Revenues	51,150
Total Revenue	51,150
Design & Engineering	51,150
Total Expenses	51,150
Net Revenue and Expenses	-

WT 013 SPAR Booster Pump Station

Department: Public Works

Asset Category: Water Utility

Project Summary: Construct a 3,000-gallon per minute booster pump station (BPS) and transmission piping to increase overall reliability and provide redundancy within the City's water system.

Reason for Difference from 2020-2025 CIP: The 2021 Proposed Budget increases the budget for this project by \$1,795,375 relative to the CIP, accelerating the construction timeline.

WT 013 - SPAR Booster Pump Station	
	2021 Proposed Budget
Water Revenue-Supported Debt	2,946,450
Total Revenue	2,946,450
Construction & Permitting	2,946,450
Total Expenses	2,946,450
Net Revenue and Expenses	-

2021 Capital Improvement Projects

WT 015 - Water Main Replacement Program

Department: Public Works

Asset Category: Water Utility

Project Summary: This ongoing capital infrastructure maintenance project replaces approximately 2,000 lineal feet of water main each year as identified in the City's Water System Update.

Reason for Difference from 2020-2025 CIP: The 2021 Proposed Budget for this project matches what was assumed in the CIP.

WT 015 - Water Main Replacement Program	
	2021 Proposed Budget
Water Revenues	943,886
Total Revenue	943,886
Design & Engineering	46,000
Construction & Permitting	818,026
Contingency	79,860
Total Expenses	943,886
Net Revenue and Expenses	-

WT 027 - Newport and SR 900 Intertie

Department: Public Works

Asset Category: Water Utility

Project Summary: Replace Cascade Water Alliance intertie station at the intersection of Newport Way and SR-900 that will include pressure reducing and metering capabilities.

Reason for Difference from 2020-2025 CIP: The 2021 Proposed Budget increases the budget for this project by \$224,425 relative to the CIP, accelerating the timeline for this project to accommodate a new water supply strategy.

WT 027 - Newport and SR-900 Intertie	
	2021 Proposed Budget
Water Revenues	250,000
Total Revenue	250,000
Construction & Permitting	250,000
Total Expenses	250,000
Net Revenue and Expenses	-

2021 Capital Improvement Projects

WT 044 - Upgrades to Purchase Cascade Water

Department: Public Works

Asset Category: Water Utility

Project Summary: This work includes upgrades to various potable water facilities within the City's service area, to be completed in 2021. This work is necessary as part of the approved alternative to installing a water treatment plant within the City, which was moved to an out-year project. Funds originally allocated to the development of the water treatment plant will be shifted in-part to these necessary upgrades.

Reason for Difference from 2020-2025 CIP: This is a new 2021 project that was not included in the 2020-2025 CIP. This project is required to prepare the City for its new water supply strategy.

WT 044 - Upgrades to Purchase Cascade Water	
	2021 Proposed Budget
Water Revenues	1,000,000
Total Revenue	1,000,000
Construction & Permitting	1,000,000
Total Expenses	1,000,000
Net Revenue and Expenses	-

2021 Capital Improvement Projects

There were 24 projects that anticipated 2021 project costs in the 2020-2025 CIP that are not included in the 2021 Proposed Budget. The table below lists these projects, the anticipated 2021 project cost in the CIP, and the reason the project was not included in the 2021 Proposed Budget.

Asset Category	Project	2021 Budget Proposed in CIP	Reason for Removal in 2021 Proposed Budget
Facility			
	FC 019 - Maintenance Facility Improvements	252,170	Deferred to future years to preserve Real Estate Excise Tax revenues
	FC 022 - Consolidated City Hall	4,368,900	Change to project timeline
Park			
	PK 006 - Blackberry Park Improvements	551,366	Deferred to future years due to staff capacity
	PK 031 - Hillside Park Project	551,366	Remains on 2021 work plan supported by previously budgeted funds from 2020 appropriation and 2019 reauthorization
	PK 032 - Hillside Acquisition	496,257	Deferred to future years until land becomes available
Technology & Systems			
	TC 008 - Physical security / Access control system - Phase II	61,380	Deferred to future years to preserve Real Estate Excise Tax revenues
	TC 010 - Munis implementation reconfiguration module optimization	533,239	Change to project timeline
	TC 012 - Physical Security / Camera Monitoring System	40,920	Deferred to future years to preserve Real Estate Excise Tax revenues
Transportation			
	TR 001 - 2nd Avenue SE	278,441	Deferred to future years due to staff capacity
	TR 003 - I-90 Crossing - Between 10th and 12th Ave NW	50,000	Deferred to future years to allow additional planning
	TR 010 - Central Park Traffic Signal and Mini-Roundabout	224,000	Deferred to future years due to lack of funding source
	TR 011 - ADA Improvements	250,000	Merged with TR 030 - Pavement Management Program for 2021
	TR 041 - Front Street Streetscape	300,000	Deferred to future years to preserve general fund debt capacity
	TR 043 - Tibbets Valley Park Frontage Improvements	117,915	Deferred to future years to allow additional planning
	TR 051 - SE 66th Bridge Improvements	100,000	Eliminated - no longer needed following initiation evaluation
	TR 056 - Highlands Signal Pole Painting	204,600	Deferred to future years to preserve Real Estate Excise Tax revenues
Water Utility			
	WT 016 - Water Treatment Plant	1,023,000	Deferred to future years following Council direction on 2021-2025 Utility Rate Study and future utility investments
	WT 017 - Forest Rim Reservoirs Retrofit	308,825	Construction already underway - further 2021 appropriation no longer needed
	WT 018 - Highwood Reservoirs Retrofit	336,900	Deferred to future years to preserve Water revenues
	WT 020 - Terra II Booster Station Retrofit	102,300	Deferred to future years to preserve Water revenues
Sewer Utility			
	SW 004 - Manhole Rehabilitation Program	279,178	Deferred to future years to preserve Sewer revenues
	SW 007 - Sewer System Rehabilitation Program	46,035	Deferred to future years to preserve Sewer revenues
Stormwater Utility			
	ST 011 - Cabin Creek Tributary Stabilization and Enhancement	409,395	Eliminated after additional evaluation of cost-benefit
	ST 019 - Central Park Bioswale Improvements	38,418	Eliminated after additional evaluation of cost-benefit



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