



CITY OF  
**ISSAQUAH**  
WASHINGTON

## Capital Facilities Planning

Improving the Process – Enhancing the Plan



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## Executive Summary

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This report was prepared by a Leadership ICMA team retained by the City of Issaquah, Washington to examine its capital facilities planning process. Leadership ICMA is a program of the International City/County Management Association where local government professionals from diverse backgrounds and regions of the country are brought together for a series of professional development exercises and to study the current state of local government management. Teams also conduct a project to assist a local government and broaden their exposure to best practices in the field. The Issaquah project involved evaluating and making recommendations on the city's capital facilities planning process.

The Leadership ICMA Project Team analyzed the existing process for capital facilities through a series of interviews on-site with staff and local elected officials, a cross-functional process mapping exercise, and a follow-up consultation with the administration team. The team conducted a thorough review of regulatory requirements, evaluated best practices for capital facilities planning, and conducted phone interviews with numerous comparable cities to identify leading approaches. In addition, Washington's Growth Management Act requirements and regulatory guidelines were analyzed.

The Team developed numerous recommendations presented herein that we believe will align Issaquah's goals and objectives with their capital facilities needs. Recommendations are presented for defining capital facilities and the inclusion of necessary plan components such as an inventory of existing capital assets. Process change recommendations include adjusting the annual capital timetable, increasing the Administration's involvement throughout the process, and expanding communication throughout the workflow development.

The existing project prioritization was considered and alternative approaches were researched and evaluated. A tool for prioritizing projects is also presented for the city's consideration. Methods of increasing citizen and stakeholder group engagement are addressed in brief. Finally, the team created a modified project submittal worksheet for the city. The project submittal worksheet and prioritization methodologies are presented in a toolkit that may be utilized by the city as it considers enhancements to its existing capital facilities planning process.

The Leadership ICMA team found the City of Issaquah to be a high performing organization that is eager to develop best practice solutions to their capital facilities planning. The recommendations described herein provides a roadmap for the successful implementation of a Capital Facilities Plan aligned with the Growth Management Act and the City's needs and values.

## Project Team

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This report is the final product of a 2015 Leadership ICMA team retained by the City of Issaquah to examine its capital facilities planning process. Leadership ICMA is an in-depth professional development program for local government leaders that cultivates the core competencies of leadership, ethics and integrity, analytical skills, strategic planning, community building, and organizational effectiveness. The two-year program culminates in capstone projects, such as this one, which provide the opportunity for participants to put their enhanced skills to use in service to a specific local government.

The Leadership ICMA team consulting on this project for the City of Issaquah consists of five local-government professionals from diverse backgrounds and regions of the country. The team has brought its knowledge, experience, research and analytical skills together to address the issues posed by the City of Issaquah in order to deliver a final product that is both responsive to the City's needs and reflective of the latest thinking in local government management.

## Project Scope

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After discussion between the City of Issaquah, ICMA, and the Leadership ICMA team, a project proposal was created that includes the following deliverables:

- Findings and recommendations, including:
  - Evaluation of the current capital facilities plan (CFP) development process;
  - Outline of an improved planning process including suggested steps, participants, prioritization, and timeline; and
  - Recommendations for improving the plan's scope and format.
- Toolkit based on leading examples from other cities, including:
  - Enhanced template for CIP submittals; and
  - Evaluation and scoring tools for prioritizing projects.

## Project Methodology

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The Leadership ICMA Project Team analyzed the existing process for capital facilities planning in the City of Issaquah and examined the processes and plans of other cities, both within and beyond the State of Washington.

In addition to reviewing numerous documents regarding the City of Issaquah's capital facilities planning and capital budgeting processes, the project team conducted an on-site visit from March 25 – 27, 2015. Over the course of the visit, one-on-one and small group interviews were conducted with leaders from the Finance, Police, Public Works Operations, Public Works Engineering, Sustainability, and Parks & Recreation Departments, as well as with Eastside Fire & Rescue and Chamber of Commerce. The group also met with City Administrator Bob Harrison and Deputy City Administrator Emily Moon and interviewed Mayor Butler, Council President Winterstein, and Councilmembers Goodman and Pauly.

The project team facilitated a cross-functional process mapping exercise with the departments that participate in the development of the CFP. This half-day session solicited input from key stakeholders to visually plot each step of the CFP process, with special emphasis on the timing and sequence of these activities. Issaquah staff contributions spanned multiple functional disciplines and departments, providing a comprehensive assessment of the process leading up to the delivery of a fully formed CFP to the City Council.

Following the visit, members of the team conducted a thorough review of regulatory requirements, evaluated best practices for capital facilities planning, and conducted phone interviews with numerous comparable cities to identify leading approaches. Representatives of the City of Issaquah were consulted throughout the process to ensure alignment with local needs and expectations.

Finally, the team developed recommendations for the City of Issaquah's consideration that would more closely align its capital facilities planning process with desired outcomes and community priorities. These findings are outlined throughout this report.

# Growth Management Act Requirements

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As is the case with many of the functions performed by local units of government, an examination of capital facilities planning and budgeting logically starts with the regulatory framework. The State of Washington regulates local governments' capital facilities planning efforts in order to ensure adequate public facilities are available to support planned development. This is primarily done through the Growth Management Act (GMA) as codified in RCW 36.70A, and related regulations such as WAC 365-196-415.

These state laws and regulations provide a framework for local planning and budgeting efforts as they relate to the:

1. Planning cycle / frequency;
2. Definition of a capital facility; and
3. Required plan components.

However, the laws and regulations are not specific or prescriptive enough as to provide absolute direction to local governments. Rather, cities must navigate their way through the statutory and regulatory framework and make numerous decisions along the way in order to arrive at a process that both complies with state requirements and meets local needs.

## **1. Planning Cycle / Frequency**

State law requires local governments in Washington to adopt Comprehensive Plan updates every eight years. Comprehensive plans must include a capital facilities element, as described in the Growth Management Act or Revised Code of Washington (RCW) 36.70A. While not all aspects of Comprehensive Plans require updating during the eight-year cycle, the needs and goals of a community related to capital facilities often change greatly during this time period. As a result, the annually adopted document that describes capital funding needs, typically called a capital improvement plan or CIP, often differs greatly from the capital facilities element of the Comprehensive Plan. The Comprehensive Plan describes the goals and desires of the community and defines how the City will serve future development. While there will inevitably be evolution over time, there should be close correlation between the capital facilities element and the annually adopted CIP.

It is also typical for cities planning under GMA to develop a capital facilities plan to support the Comprehensive Plan element. Having a strong CFP or placing substantial information in the Comprehensive Plan is necessary for GMA compliance. Many cities develop a CFP annually, biennially, or less frequently. It is a major effort to develop a CFP after eight years of lag, so more frequent updates are useful, but time consuming.

## 2. Definition of a Capital Facility

The state does not specifically define what a capital facility is, through either the RCW or the Washington Administrative Code (WAC). As a result, the Washington Department of Commerce advises each jurisdiction to define capital facilities and identify which capital facilities are necessary to support development. According to the Department of Commerce, most jurisdictions define capital facilities as infrastructure and depreciable equipment costing in excess of a particular dollar threshold; which is often somewhere between \$10,000 and \$50,000.

The City of Issaquah's current Comprehensive Plan defines a capital facility as "a structure or equipment which generally costs \$5,000 or more and has a useful life of five years or more." ([Comprehensive Plan](#), the Comprehensive Plan describes the goals and desires of the community and defines how the City will serve future development [Definitions](#), pg. d-2)

For comparison purposes, the following are other definitions utilized by local governments.

The City of Tacoma utilizes the following definition:

*"For the purpose of the 2015- 2020 Capital Facilities Program, capital facilities projects are defined as major improvements, maintenance, replacements, or acquisitions that cost at least \$50,000 (including the cost of new equipment necessary to make a project operational), and must meet the following criteria:*

- *Have a life expectancy of ten years or more,*
  - *Result in an addition to the City's fixed assets, and/or*
  - *Extend the life of an existing City-owned capital asset"*
- (City of Tacoma, WA [Capital Facilities Plan Page V-5](#))

Note that this definition references "improvements, maintenance, replacements and acquisitions" which provides a fuller picture of the scope of projects included in most plans.

Another example comes from Kitsap County, which borrows heavily from the real estate excise tax enabling code (RCW 82.46.010), and reads:

*"those public works projects of a local government for planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of streets; roads; highways; sidewalks; street and road lighting systems; traffic signals; bridges; domestic water systems; storm and sanitary sewer systems; parks; recreational facilities; law enforcement facilities; fire protection facilities; trails; libraries; administrative and judicial facilities..."*

(Kitsap County, WA [Capital Facilities Plan Update Page 20](#))

While this definition lacks a specific financial threshold and minimum lifespan, it too provides a better picture of the scope of projects by referencing specific items such as “streets, roads, highways, sidewalks, . . .”

**Recommendation:** The City of Issaquah should revise the definition for ‘capital facility’ in the Comprehensive Plan and include it in the CIP. The definition should include the language referenced in the RCW and WAC statute, and further define a capital facility as:

- 1) A structure, improvement, parcel of land, piece of equipment, or any other tangible asset having a useful life greater than 5 years, and
- 2) That is valued at or above \$###,### (to be determined by the City of Issaquah).

We encourage a hybrid of the Kitsap County and Tacoma definitions where a dollar value is added to the description. For example: *Capital Facilities include those projects of a local government for planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of streets; roads; highways; sidewalks; street and road lighting systems; traffic signals; bridges; domestic water systems; storm and sanitary sewer systems; parks; recreational facilities; law enforcement facilities; fire protection facilities; trails; libraries; administrative and judicial facilities having a useful life of 5 year or more and with a value of \$###,### or more, inclusive of operational equipment.*

### 3. Plan Components

The GMA requires extensive information on capital facilities to be included in the Comprehensive Plan and used to support the City’s development. To assist with interpreting the law, the Department of Commerce provides guidance through the Washington Administrative Code. As described previously, many cities develop a CFP annually or biennially, but it is not necessary to do so strictly for GMA compliance.

The GMA (RCW 36.70A.070(3)) requires the following be included in the capital facilities element of the Comprehensive Plan:

- a) An inventory of existing capital facilities owned by public entities, showing the locations and capacities of the capital facilities;
- b) A forecast of the future needs for such capital facilities;
- c) The proposed locations and capacities of expanded or new capital facilities;
- d) At least a six-year plan that will finance such capital facilities within projected funding capacities and clearly identifies sources of public money for such purposes; and
- e) A requirement to reassess the Land Use Element if probable funding falls short of meeting existing needs and to ensure that the land use element, capital facilities plan

element, and financing plan within the capital facilities plan element are coordinated and consistent. Park and recreation facilities shall be included in the capital facilities plan element.

From the Washington Administrative Code (WAC 365-196-41), the State further codifies the requirements from the GMA by recommending the following:

(ii) Capital facilities involved should include, at a minimum, water systems, sanitary sewer systems, storm water facilities, reclaimed water facilities, schools, parks and recreational facilities, police and fire protection facilities.

(iii) Capital facilities that are needed to support other comprehensive plan elements, such as transportation, the parks and recreation or the utilities elements, may be addressed in the capital facility element or in the specific element.

(iv) Counties and cities should periodically review and update the inventory. At a minimum this review must occur as part of the eight-year Comprehensive Plan Update. Counties and cities may also maintain this inventory annually in response to changes in the annual capital budget.

These are key pieces of the Capital Facilities Element, and provide a useful and important foundation for the annual capital budgeting document. However, it is important to remember that the required inventory and forecast of needs does not have to be an annual undertaking. Washington requires these to be compiled at least once every eight years and as needed in between – but not necessarily on an annual basis.

**Recommendation:** We recommend that the City of Issaquah not attempt to comply with the eight-year GMA standard on an annual basis. The City should rely on the Capital Facilities Element of the Comprehensive Plan for GMA compliance in order to streamline the volume of information produced for, and contained in, the annual capital budget document.

### **Inventory of current assets**

As referenced above, an inventory of existing capital facilities, including their location and capacity, is a required component of the Capital Facilities Element required by the GMA.

The Washington Department of Commerce specifically recommends creating an inventory with data that can be used to determine the condition and capacity of existing facilities, including:

- Name/description/location of the facility
- Capacity (e.g. 2.5 acre park, 5,000 gallon water tank)
- Present condition and useful/projected life expectancy

- Improvements/projects needed to maintain asset and projected costs
- Years that improvements/projects will need to occur to maintain asset
- Asset value

The Washington Department of Commerce also recommends inventorying other public facilities located within the jurisdiction. This would include the Issaquah School District, Sammamish Plateau Water and Sewer District, and any other special purpose districts whose boundaries overlap the City of Issaquah. Sharing information with these entities is useful for ensuring that all agencies understand each other's service populations, population projections, service boundaries, and future plans.

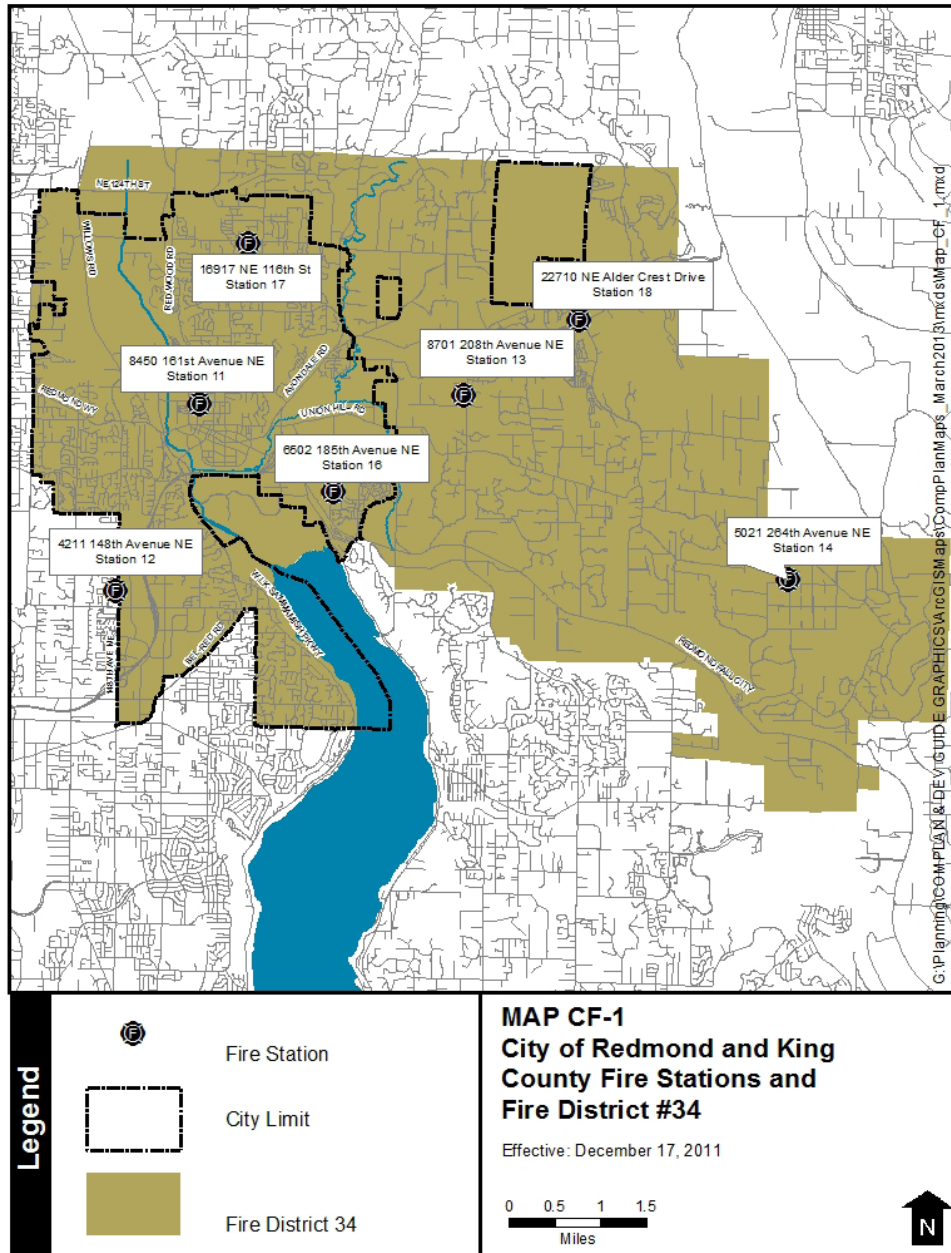
Currently, the City's Comprehensive Plan contains an inventory of most capital facilities in the "Figures" section. It seems to be missing some aspects of capital facilities for utilities and special purpose district facilities, and not all information is provided with adequate detail. We've identified the following capital facility inventory components included in the Comprehensive Plan:

- [Roadway inventory map](#) - has roads identified by type but no other information (age, expected lifetime, etc.) is included.
- [Sidewalk inventory](#) - has all sidewalks inventoried and mapped, with color designations for sidewalk thickness and material type.
- [20 year roadway capacity projects](#) - has 17 roadway projects identified and mapped. Original date of publication was in 2008.
- [Non-motorized corridors](#) - a mapped inventory of bike lanes, current and future projected.
- [Transit inventory](#) - identifies transit lanes and future transit centers, bus stops, and bus shelters.
- [20 year Transit Plan](#) - identifies future HOV lanes, bus shelters, and other transportation improvements.
- [Municipal Facilities](#) - existing and planned.
- [Parks and Recreation inventory](#) - map of parks, open space, and city/school owned facilities.

**Recommendation:** The City of Issaquah should consolidate and expand the inventory of existing capital facilities including those provided by overlapping special purpose districts. The updated inventory should be incorporated in the Comprehensive Plan at the next annual amendment cycle. We encourage the inventory to be developed in both a spreadsheet format (See City of Olympia Example) that includes attribute data useful to the departmental managers and in a graphic format (See City of Redmond Example) which tends to be useful at a glance for a reader. Attribute data should also follow the Department of Commerce recommendation and, whenever possible, include an attribute that allows for GIS mapping.

The inventory is not only mandated, but it is important for forecasting future needs. The inventory should be updated annually prior to drafting the Capital Facilities Plan. This need not be replaced in the Comprehensive Plan each year, but at a minimum should be replaced at the eight-year update cycle. It would be useful to reference the annually revised inventory in the Comprehensive Plan, so the reader is advised of its existence.

**Example: City of Redmond, WA [Redmond Comprehensive Plan](#) Page 12-3**



Example: City of Olympia, WA [Olympia Capital Facilities Plan](#) Page 119



Asset					Asset Status			
Facility	Location	Date Acquired	Historical or Purchase Cost	Acres / Capacity	Present Condition	Improvements Required	Year Needed	Estimated Cost of Improvement
<b>Community Parks (Citywide Service Area)</b>	Citywide	Varies	\$25,278,958	413.97 Ac	Varies	See Below	See Below	See Below
Artesian Commons	415 4th Ave	2013		0.2	Excellent			
East Bay Waterfront Park	313 East Bay Dr NE	1994	Lease	1.86				
Overlook		1994			Good			
East Bay View	613 East Bay Dr NE	2000	N/A		Good			
Heritage Park	330 5th Ave SE	1996	\$1,050,000	1.15				
Fountain		1996	\$610,000		Poor	Rehabilitation	2015	\$700,000
Little DaNang Restaurant		2007	\$350,000		Fair			
LBA Park	3333 Morse Merryman Rd SE	1974	Unknown	22.61				
Concessions/RR		1974			Fair			
Kitchen		1974			Good			
Lower RR		1974			Fair			
Shelter/RR		1974			Fair			
Playground		2011	\$230,000		Excellent			
Fields (6)					Good			
Tennis					Good			
Maint Bldgs		1974			Good			
Madison Scenic Park	1600 10th Ave SE	1989	\$144,000	2.21				
Stairs/Retaining Wall		2013	\$9,000		Excellent			
Percival Landing	300 4th Ave W	1970	Unknown	3.38				
Harbor House (2 unisex)		2011	\$900,000		Excellent			
NE Pavilion		2011	\$200,000		Excellent			
SE Pavilion		2011	\$200,000		Excellent			
W Restroom (2 unisex)		1988			Fair			
D & E Floats		1970			Poor			
F Float		2013	\$500,000		Excellent			
Phase I		2011	\$10,000,000		Excellent			
North Boardwalk		1970			Fair			
West Boardwalk		1988			Fair			
Priest Point Park	2600 East Bay Dr NE	1906	Unknown	312				
Carpenter Shop		1940s			Poor	Repairs	2015	\$25,000
Equip Storage		2004			Good			
Equip Repair		1980s			Fair			
Kitchen1 (Rose Garden)		1960s			Fair	Replacement	2015	\$200,000
Kitchen 2		1960s			Fair			
Kitchen 3		2008	\$87,000		Excellent			
Kitchen 4		2013			Excellent			
Office/Tool		1940			Poor			
Restroom 1		1968			Fair			
Restroom 2		1952			Fair			
Restroom 3		1952			Fair			
Shelter 1		1960			Fair			
Shelter 2					Fair			
Shelter 3					Fair			
VIP Building		1950			Fair			
Playground		2008	\$124,000		Excellent			
Basketball					Good			
E Trails					Good			
W Trails					Good			
Steven's Field	2300 Washington St SE	1963	Unknown	7.84				
Athletic Fields					Good			
Concession		1986			Good			
Storage/RR		1950s			Fair			
Shelters (3)		1990			Poor			
Tennis (2)					Good			
Basketball					Good			
Ward Lake Parcel	2008 Yelm Hwy SE	2007	\$3,575,958	10.5	Undeveloped			
West Bay Park	700 West Bay Dr NW	2006	\$5,000,000	11.71				
Phase I		2010	\$1,600,000		Excellent			

## Forecasting future needs for capital facilities

[RCW 36.70A.070\(3\)\(b\)](#) requires a capital facilities plan element in the comprehensive plan consisting of ‘a forecast of the future needs for such capital facilities’. The purpose of forecasting a future need is to identify whether there will be any projected decline in level-of-service, and if so, what additional services or facilities will be necessary to maintain defined levels-of-service.

The Washington Department of Commerce recommends organizing the forecast for future community needs by three types; existing deficiencies, system preservation, and needs resulting from growth. The distinction between these three types is important for managing the funding sources used for each type.

### **Recommendation: Categorizing Needs**

**Existing deficiencies:** While creating an inventory of existing capital facilities, staff should identify what deficiencies exist in providing services to the current population of Issaquah. Next, staff should identify the goals and policies of the City referenced in other documents, e.g. Parks and Recreation master plan, Transportation plan, etc. Finally, staff should identify external mandates that may require a level of service that is currently not obtainable.

**System preservation:** Staff should identify what projects are required to maintain the existing level-of-service to the current population of Issaquah. Replacement and maintenance schedules that identify life-cycles of infrastructure provide a timeline for when projects will need to be scheduled. It is important that all long-term maintenance and replacement costs are included.

**Needs resulting from growth:** Staff should identify what capital facilities should be planned for in the next 20 years to accommodate growth in population or geography. Establishing a realistic level-of-service is important for communicating to the Council and public what capital facilities are necessary.

## Overview of Existing Process

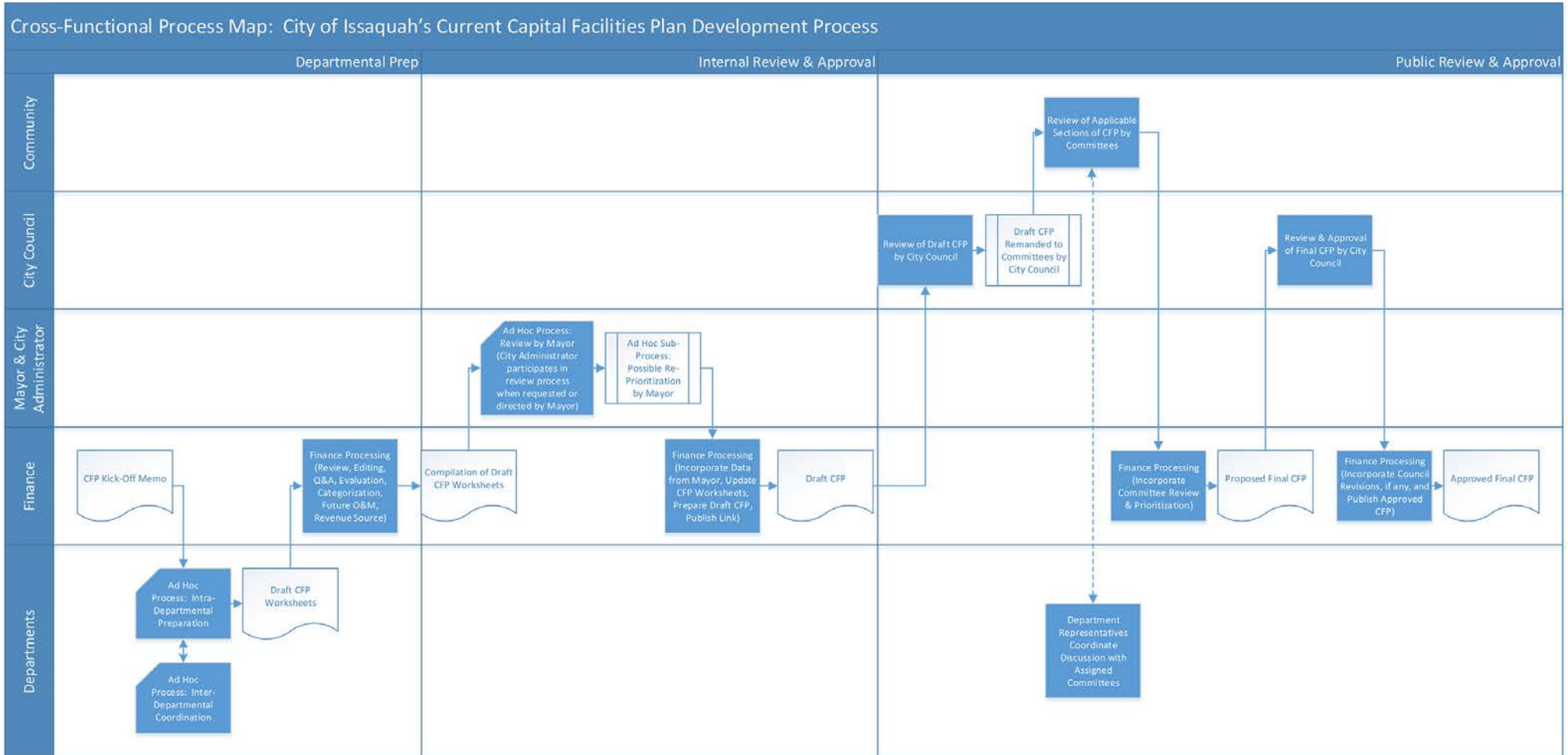
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The City of Issaquah’s existing process for development of the annual Capital Improvement Program (or Capital Facilities Plan, as it has been titled recently) involves numerous parties, each making contributions toward the final product. The process is initiated in the early spring with a “kick-off” memo distributed by the Finance Department. This outlines the overall timeline, with key dates for submittals, and provides direction as to the forms and required information for each project submittal. Individual departments then get to work discussing, developing and submitting projects back to the Finance Department. The Finance Department reviews the submitted projects and evaluates the available and projected funding sources for each of the various types of projects to begin determining the feasibility of individual requests. If funding sources are inadequate or incorrectly identified, Finance consults with the submitting department to evaluate other funding options and/or to modify the capital request.

Once compiled by the Finance Department, the submittals are given to the Mayor for review and prioritization. The Mayor’s proposed CIP (or “CFP”) is then submitted to the City Council, which delegates the responsibility of reviewing portions of the plan to various committees according to subject matter. Staff is often called upon to present the projects in the Mayor’s proposed CIP when they are considered before Council Committees. Ultimately, the City Council adopts a six-year plan of capital projects and lays the projects over for funding consideration during the annual budgeting process.

*See Exhibit A: Cross-Functional Process Map: City of Issaquah’s Current Capital Facilities Plan Development Process.*

Exhibit A:



## Recommendations for Process Realignment

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Based on interviews with staff and elected officials and an analysis of the current process, the Leadership ICMA Project Team has identified several ways in which the process could be improved to make it more effective and efficient. There are three key recommendations outlined below.

### **1 – Adjust the Calendar for the Process**

The process currently begins before reliable revenue projections are available, is well underway before the City Council conducts its annual goal setting session, and wraps up before final budget decisions have been made. The calendar should be adjusted to realign the process with the timelines of these inputs. For detail see, A, B & G, below.

### **2 – Increase Administration involvement throughout the process.**

The administration should become more directly involved in providing strategic direction at the beginning of the process and aligning priorities toward the end of the process. We recommend a meeting with the City Administrator to communicate the City’s strategic direction take place at the outset of the plan development. In addition, we recommend the City Administrator and the Mayor co-lead a prioritization process at the end of the process that evaluates the submittals from the various departments/multi-department team. Refer to sections C & E, below.

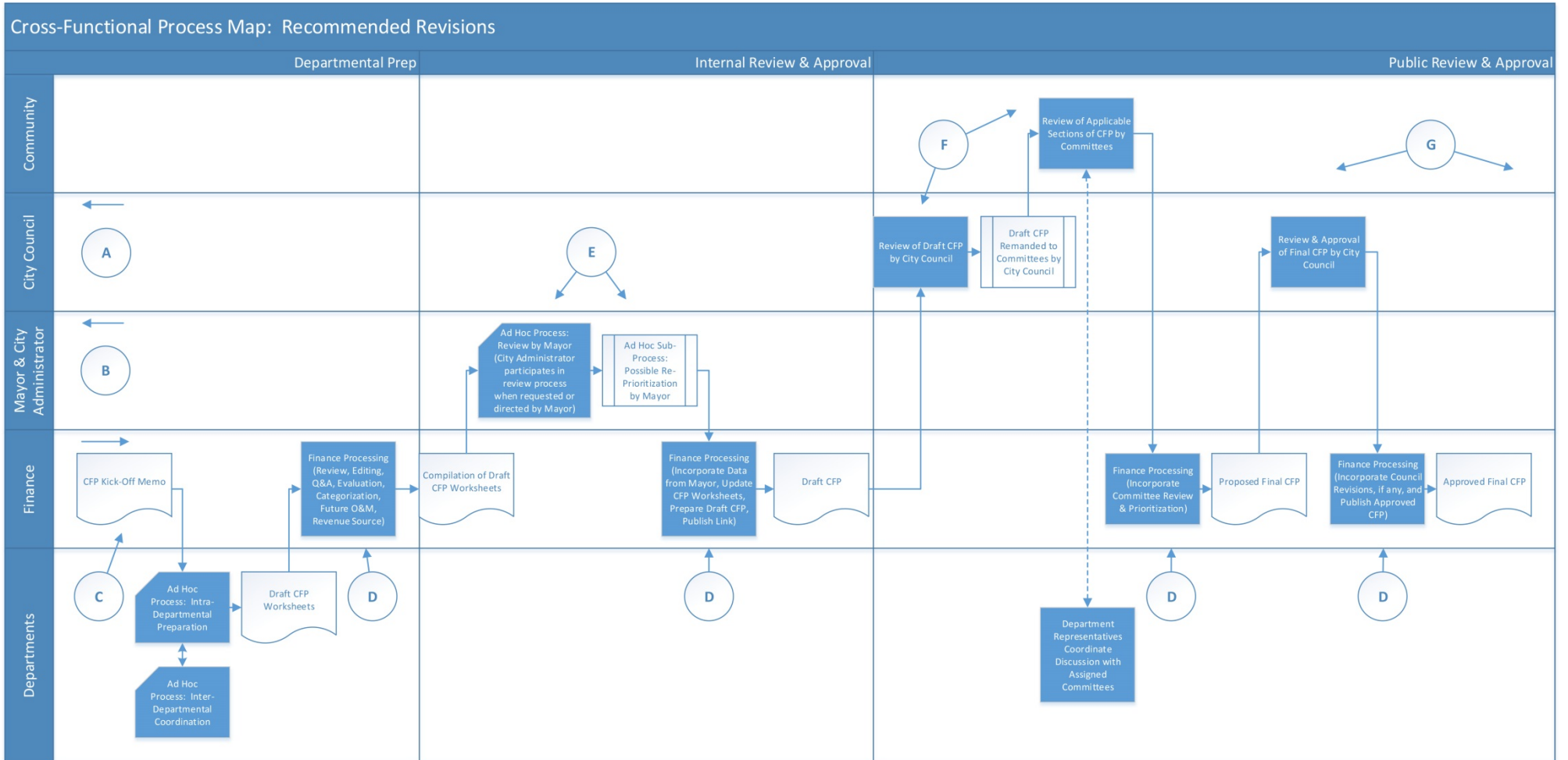
### **3 – Expand communication along the process work flow.**

We recommend expanded and more frequent communication and status updates back to the departments during the development of the plan. Communication can also be expanded to include other stakeholders outside of the organization. Expanded communication has many benefits, including increased understanding and satisfaction. Potentially the most important benefit is a better plan developed through increased exchange of ideas and knowledge. See sections D & F, below.

*See Exhibit B: Cross-Functional Process Map: Recommended Revisions.*

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Exhibit B:



### **A: Strategic Alignment**

A prerequisite to the Capital Facilities Plan development process should be alignment with Issaquah’s strategic plans and goals. The annual Goal Setting Meeting should occur prior to the CFP Kick-Off, and the activities of all participants in the CFP development process should be informed by the goals set by City Council and related information such as the Strategic Plan and other plans developed by the City.

### **B: Financial Alignment**

A second major prerequisite to the CFP development process should be alignment of the planning effort with the available financial resources. It is important to the process to have a thorough understanding of the available capital, including restrictions on the sources and uses of funds. In Issaquah, the CFP Kick-Off should be timed to occur after the revenue data is available so that the financial modeling can provide decision-makers with an appropriate level of certainty as to the resources that can be made available for the CFP and other needs.

### **C: Kick-Off Activities**

The current process starts with a CFP Kick-Off Memo, which signals to the departments that work is to commence on CFP projects and documentation. Written communication is important to document the process each year. However, it is recommended that the Kick-Off Memo phase should be expanded to include a formal Kick-Off Meeting with participation by all departments. Not only will this activity allow all participants to hear the same message regarding goals and available funding, it also provides transparency of the thought processes of senior management to each and every person who will help develop the CFP. Further, this is an excellent opportunity for specialized activities beyond the overall direction, including tasks such as project prioritization, sharing of inter-departmental resources, and more.

### **D: Departmental Participation**

Interviews and group sessions during the data-gathering phase of this project indicated that some departments may not receive the desired level of information and feedback during the CFP development process or understand the mechanics for review and approval by City Council and other decision-making or recommending entities. Some cities use a formalized mechanism to include all interested parties. The City of San Diego has a Capital Improvements Program Review and Advisory Committee (CIPRAC) that involves all “asset-owning” departments throughout the life cycle of all projects. In the event the CIPRAC approach is not feasible for Issaquah, a simple feedback loop could be established (shown above as “D” at each “processing” stage) between the Finance department and the departments that manage capital projects.

### **E: Structured Review with CAO**

In the current process, the Mayor reviews the draft CFP submissions and changes or re-prioritization may occur. It is believed that this segment of the CFP development process could benefit from a more structured review with guidance from the City Administrator's office. Formalizing this stage of the review would be helpful to the departments as well. The professional knowledge of participants such as the City Administrator, Deputy City Administrator, and Department Heads could provide invaluable assistance to the Mayor in this important stage of the process. The composition of this "prioritization team" should be evaluated and decided upon by the Mayor and City Administrator.

### **F: Community Outreach**

The City of Issaquah has multiple outlets and mechanisms for civic engagement that exist year-round, such as homeowners associations, neighborhood associations and the Chamber of Commerce. These groups can become tools put to effective use during the CFP development process. As indicated at "F" above in the chart, the stage at which City Council reviews the plan and solicits feedback from standing committees would be an excellent time to perform community outreach. The issue of community outreach was brought up as an item of interest in the original engagement with the project team, and the identified stage in the CFP development process could provide an opportunity to make sure community needs are being met in the CFP, whether now or in the future.

### **G: Alignment with Budget Adoption**

Item "G" in the flowchart above actually spans the review and approval of the CFP by City Council and its formalization as a public document. In the current process, the development of the CFP does not align with the development and adoption of the City's budget. It is possible that projects called out in the CFP may not get funded in the budget. Therefore, it is recommended that the review & approval phases of the CFP development process should align with the overall City budget approval process.

## Prioritization

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In any jurisdiction, with any budgeting or planning process, there are virtually always more needs and wants than there is funding available. This necessitates that choices be made. For the capital facilities planning process, the City should have a process for prioritizing project requests that includes the City's overall goals and strategic direction. It should also be understandable to staff, legislators and community stakeholders. We have provided a tool for prioritization that can be useful to Issaquah in formalizing the prioritization process. This can found in the Appendix below.

**Recommendation:** We recommend that a cross-functional team is developed to review submittals, to rank them according to a formalized process, and to advise the Mayor and City Administrator. Issaquah will need to modify the attached ranking tools to align with City priorities. This should be done by the same cross-functional team, reviewed and approved by the administration, and reviewed by the City Council, so that priorities are properly included in the scoring tool.

## Citizen Engagement

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Cities across the country strive for citizen participation and engagement on a wide variety of topics and services. Ongoing and constructive citizen engagement can be difficult to achieve with countless competing demands for attention. This is particularly challenging when it comes to capital facilities plans as they are often viewed as dull, technical, and long-term in nature.

The subject of how to enhance citizen engagement in the City of Issaquah's capital facilities planning process is not the primary focus of this report. It could easily be an entire project unto itself. However, in the project team's research regarding how other cities undertake capital facilities planning, several notable examples of citizen outreach and engagement were identified. These are summarized in the Appendix for the City of Issaquah's consideration.

## Conclusion

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We have found that the City of Issaquah has a strong staff dedicated to creating a CFP that meets the needs of the citizens and complies with the requirements of state law. We have also found that the elected officials are similarly dedicated and particularly interested in better understanding project prioritization. Capital facilities planning under the legislative framework is complex, and capital facilities financing no less so.

We researched and presented a number of recommendations that we believe that Issaquah may benefit from, but this is not a recipe for a whole new way to develop a CFP. The City should look at this report and our list of options and suggestions, but each recommendation must be considered individually to determine if it fits Issaquah and leads the City closer to where you want to be. Many of the recommendations require internal discussions or policy-level decisions to be made consider prior to adoption.

It is a sign of a quality government where the staff is open to change and the administration, elected officials and staff all seek a better process and better outcome. Fortunately, Issaquah has everything in place to create a great plan. With some strategic alterations to the mechanics of the process and improved communication, the City of Issaquah can arrive at a Capital Facilities Planning process that truly reflects the community's needs and values.

## Appendix - Summary of Recommendations

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### Part 1: Growth Management Act Requirements

**Recommendation 1 - Capital facility definition:** The City of Issaquah should revise the definition for ‘capital facility’ in the Comprehensive Plan and include it in the CIP. The definition should include the language referenced in the RCW and WAC statute, and further define a capital facility as:

- 1) A structure, improvement, parcel of land, piece of equipment, or any other tangible asset having a useful life greater than 5 years, and
- 2) That is valued at or above \$#,### (to be determined by the City of Issaquah).

We encourage a hybrid of the Kitsap County and Tacoma definitions where a dollar value is added to the description. For example: *Capital Facilities include those projects of a local government for planning, acquisition, construction, reconstruction, repair, replacement, rehabilitation, or improvement of streets; roads; highways; sidewalks; street and road lighting systems; traffic signals; bridges; domestic water systems; storm and sanitary sewer systems; parks; recreational facilities; law enforcement facilities; fire protection facilities; trails; libraries; administrative and judicial facilities having a useful life of 5 year or more and with a value of \$##,### or more, inclusive of operational equipment.*

**Recommendation 2 - GMA compliance schedule:** We recommend that the City of Issaquah not attempt to comply with the eight-year GMA standard on an annual basis. The City should rely on the Capital Facilities Element of the Comprehensive Plan for GMA compliance in order to streamline the volume of information produced for, and contained in, the annual capital budget document.

**Recommendation 3 - Inventory of capital facilities:** The City of Issaquah should consolidate and expand the inventory of existing capital facilities including those provided by overlapping special purpose districts. The updated inventory should be incorporated in the Comprehensive Plan at the next annual amendment cycle. We encourage the inventory to be developed in both a spreadsheet format (See City of Olympia Example) that includes attribute data useful to the departmental managers and in a graphic format (See City of Redmond Example) which tends to be useful at a glance for a reader. Attribute data should also follow the Department of Commerce recommendation and, whenever possible, include an attribute that allows for GIS mapping.

The inventory is not only mandated, but it is important for forecasting future needs. The inventory should be updated annually prior to drafting the Capital Facilities Plan. This need not be replaced in the Comprehensive Plan each year, but at a minimum should be replaced at the eight-year update cycle. It would be useful to reference the annually revised inventory in the Comprehensive Plan, so the reader is advised of its existence.

## Part 2: Categorizing Needs

**Recommendation 1 - Existing deficiencies:** While creating an inventory of existing capital facilities, staff should identify what deficiencies exist in providing services to the current population of Issaquah. Next, staff should identify the goals and policies of the City referenced in other documents, e.g. Parks and Recreation master plan, Transportation plan, etc. Finally, staff should identify external mandates that may require a level of service that is currently not obtainable.

**Recommendation 2 - System preservation:** Staff should identify what projects are required to maintain the existing level-of-service to the current population of Issaquah. Replacement and maintenance schedules that identify life-cycles of infrastructure provide a timeline for when projects will need to be scheduled. It is important that all long-term maintenance and replacement costs are included.

**Recommendation 3 - Needs resulting from growth:** Staff should identify what capital facilities should be planned for in the next 20 years to accommodate growth in population or geography. Establishing a realistic level-of-service is important for communicating to the Council and public what capital facilities are necessary.

## Part 3 - Existing Process

**Recommendation 1 - Adjust the calendar for the process:** The process currently begins before reliable revenue projections are available, is well underway before the City Council conducts its annual goal setting session, and wraps up before final budget decisions have been made. The calendar should be adjusted to realign the process with the timelines of these inputs.

**Recommendation 2 - Increase administration involvement throughout the process:** The administration should become more directly involved in providing strategic direction at the beginning of the process and aligning priorities toward the end of the process. We recommend a meeting with the City Administrator to communicate the City's strategic direction take place at the outset of the plan development. In addition, we recommend the City Administrator and the Mayor co-lead a prioritization process at the end of the process that evaluates the submittals from the various departments.

**Recommendation 3 - Expand communication along the process work flow:** We recommend expanded and more frequent communication and status updates back to the departments during the development of the plan. Communication can also be expanded to include other stakeholders outside of the organization. Expanded communication has many benefits, including increased understanding and satisfaction. Potentially the most important benefit is a better plan developed through increased exchange of ideas and knowledge.

## Part 4 - Prioritization

**Recommendation 1 - Systematic prioritization:** We recommend that a cross-functional team is developed to review submittals, to rank them according to a formalized process, and to advise the Mayor and City Administrator. Issaquah will need to modify the attached ranking tools to align with City priorities. This should be done by the same cross-functional team, reviewed and approved by the administration, and reviewed by the City Council, so that priorities are properly included in the scoring tool.

## Appendix – CIP Data Sheet Template & Toolkit

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The CIP Data Sheet Template is a compilation of items utilized by "best practice" communities and assessed by the Leadership ICMA team during the research phase of this project. It has features in common with the existing data sheet currently in use by the City of Issaquah, and it adds key items that the City may choose to incorporate into its capital plan development process in the next cycle. The CIP Data Sheet template is describe below and accompanied by an overview of each section of the template.

**PROJECT NAME**

DEPARTMENT	TEAM	STATUS
Name the department responsible for project	Identify project manager and team members	Identify current work status (e.g., design)

**DESCRIPTION**  
Describe the project in sufficient detail to inform internal and external readers of the overall scope of work and desired outcome(s)

**JUSTIFICATION**  
Describe the justification for the project with emphasis on linkages to the Comprehensive Plan, Council goals, approved Plans (e.g., the Central Issaquah Plan), etc.; Also address compliance with State or Federal laws or regulations (e.g., the Growth Management Act)

**COST ESTIMATING METHOD**  
Describe the cost estimating level and type (e.g., Engineer's Opinion of Probable Cost, internal estimate based on recent construction bids, estimate based on previous project phase with inflation factor added, etc.)

**PROJECT CATEGORY**  
List local project category here (e.g., Parks & Recreation, Transportation, Utilities, etc.)

**GMA PROJECT TYPE**  
List project type per GMA (i.e., System Preservation, Existing Deficiencies, or Needs Resulting from Growth)

**CAPITAL COSTS**

Phase	Prior FY Costs	FY2015 Budget	FY2016 Forecast	FY2017 Forecast	FY2018 Forecast	FY2019 Forecast	FY2020 Forecast	Total Forecast
Planning								
Design								
Construction								
Other								
Total								

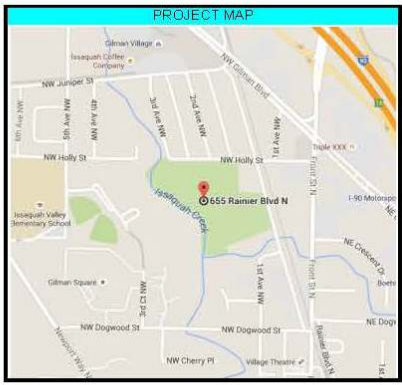
**FUNDING SOURCES**

Type	Prior FY Costs	FY2015 Budget	FY2016 Forecast	FY2017 Forecast	FY2018 Forecast	FY2019 Forecast	FY2020 Forecast	Total Forecast
Operating Rev.								
Grant Funds								
Total								

**OPERATIONS & MAINTENANCE (O&M) COSTS**

Category	Prior FY Costs	FY2015 Budget	FY2016 Forecast	FY2017 Forecast	FY2018 Forecast	FY2019 Forecast	FY2020 Forecast	Total Forecast
Operations								
Maintenance								
Reserves								
Add'l FTEs								
Other								
Total								

**PROJECT NAME**



**PROJECT SCORING**

Categories	Category Score	Category Weight	Weighted Score	Total Score
Master Plan (1-5)		2		
Health/Public Safety (1-5)		3		
Infrastructure (1-5)		2		
Regulatory Compliance (1-5)		4		
External Funding (1-5)		2		
Impact on Operational Budget (1-5)		1		
Quality of Life (1-5)		1		
Timing/Location (1-5)		1		

## **Title**

Both the existing form and the revised template feature the project title prominently at the top of the page. Please note that some jurisdictions also assign a unique project number or other alphanumeric identifier, which may be noted at this location on the form, but such a number hasn't been shown in the proposed template because Issaquah has not utilized such a system in the plans reviewed by the project team.

## **Department**

Knowing which department in the City is responsible for the project can be helpful. This information is useful to decision-makers, especially if there are questions that need to be answered during the review and approval process, and the same can be said for external parties who may interact with the department in question or who may be impacted by the proposed project.

## **Team**

Being able to contact the project manager is important to effective communication throughout the life of the project, so identifying the person in charge from the start is important. Further, many jurisdictions incorporate the use of cross-functional teams to make their project delivery more effective, so including the names of other key team members would be appropriate in this section.

## **Status**

Many capital projects straddle multiple fiscal years, so it would be helpful to officials and citizens to understand the current status of each project as it works through the approval process. Example status descriptions may include Planning or Conceptual Phase, Design Phase, Construction Phase, Commissioning or Operations & Maintenance (O&M).

## **Description**

Properly identifying the scope of work is essential to convey the essence of the project, so this description section must be filled out with an appropriate level of detail so that any reader can quickly grasp what is being proposed. The City of Issaquah's current data sheet includes the description and targeted outcome in two separate sections, but the proposed template consolidates these in one section because these two items are inextricably linked and separating these topics may make it harder for a reader unfamiliar with the project to understand the overall picture.

## **Justification**

Because capital projects represent significant outlays of taxpayer dollars, it is important to show the key reasons driving the need for each project. Because these projects should support community needs and such needs are typically conveyed in long-range plans approved via public processes (e.g., Council's Strategic Plan, the Comprehensive Plan, the Central Issaquah Plan, etc.), it will be helpful to describe the linkages to these various Plans. This section of the data sheet is named "Justification & Sustainability Benefits" in the City's current data sheet format. Because specific Strategic Plan goals, like sustainability, may change over time, this section in the proposed template is simply named "Justification" so that the template won't have to be changed in the future if a particular goal like "Sustainability" should be superseded by other plan-specific objectives.

## **Cost Estimating Method**

During the site visit by the Leadership ICMA team, information gleaned during the interviews and the process mapping exercise indicated that a wide range of cost estimating methods employed by departments as they prepared their capital requests. Because projects may be at different phases at the time the data sheets are due for submission (e.g., conceptual plan versus design drawings or construction documents), it would be impossible to employ identical cost estimation methods. However, it is important for decision-makers to understand the reliability of the estimates, especially for those project being considered for funding in the near term. Therefore, a clear description of the cost estimating method (e.g., Engineer's Opinion of Probable Cost, estimate based on current bid data, Blue Book Cost Guide, etc.) as well as any factors applied to the financial model (e.g., escalator or inflation factors for projects in future years) would be quite useful to the decision-making process.

## **Project Category**

The City of Issaquah currently lists projects by category in the Table of Contents for the CFP (e.g., Parks & Recreation, Transportation, City Facilities, etc.), and including this descriptive category on each data sheet would be a simple addition. In some situations, such as committee presentations, only certain projects are presented to the public, so having this information on every sheet would help external participants to quickly see the category even if they didn't have access to the full CFP and its Table of Contents.

## **GMA Project Type**

The State of Washington's Growth Management Act (GMA) requires municipalities to identify which category is applicable to any given capital project. These categories include the following: 1) Existing Deficiencies; 2) System Preservation; or 3) Needs Resulting from Growth. Although it is acknowledged that many citizens may not be aware of GMA requirements, having this

information on the data sheet is a quick and easy way to show the linkage between the project and GMA when it comes time demonstrate compliance with the law.

### **Capital Costs**

Although the City of Issaquah's current data sheet includes Capital Costs, the proposed template expands the level of detail in order to provide a fuller picture of the uses of funds for each project. First, the template expands the explanation of costs from a single line item in some cases to a cost per phase, with the sample template showing phases as Planning, Design, Construction, and Other. Second, the template acknowledges that some projects may stretch over multiple fiscal years and costs may have been incurred prior to the current data sheet, so a column for prior years costs has been added. Third, the expenditures forecasted for future fiscal years has been broken down on a year-by-year basis (not presenting a future lump sum) to provide an expanded picture of future cash flows as needed for financial modeling.

### **Funding Sources**

Just like the section noted above for Capital Costs, the section on Funding Sources has been expanded to include prior years funding and year-by-year breakdown for future funding. Of course, this section may be expanded as needed in the event the sources of funds for any given project should include multiple funding streams not listed on the template.

### **Operations & Maintenance (O&M) Costs**

The City currently includes a section on Operations & Maintenance (O&M) costs in its data sheet, and the template simply expands on the available information by breaking out the various categories of O&M or other lifecycle-related costs. It is important to note that it would be rare for this section to have "zero" or "N/A" as an applicable entry. Even if a particular project has no short-term maintenance or operating costs, one should consider future cost impacts such as reserves for future replacement (e.g., a roadway with a 20-year life or a roof on a facility), the need for an employee to periodically inspect the project in question (e.g., FTE or fractional FTE costs), or other project lifecycle costs.

### **Project Illustration**

The section entitled "Project Illustration" is intended to be flexible while still allowing the project team to tell the story of each project. The illustration can take many forms such as an architectural rendering of a proposed building, a photo of a similar facility (e.g., a picnic shelter) or project (e.g., a greenway or trail), a picture of similar infrastructure such as an existing pump station, or another type of exhibit sufficient to convey the intent of the project team and the future look of the proposed project.

**Project Map**

The existing data sheet used by the City of Issaquah has a section called "Location" in which the address can be placed. The proposed template expands this location data by allowing for the placement of a project map or vicinity map that can be used to quickly pinpoint the location of the improvements by interested parties. In cases where an address is all that is needed, then a simple location map may be suitable. In an example where a property or assemblage of properties should be illustrated, then including a GIS map with parcel boundaries and aerial imagery may be useful. In each case, the map can be tailored to meet the individual needs of each project and the people who will be served by the project.

**Project Scoring**

The final section in the proposed template is a sample Project Scoring rubric. Although the use of project prioritization or scoring mechanisms may be seen elsewhere in this report, it is important to note that the use of any such mechanism by the City of Issaquah should be clearly communicated to all parties, from decision-makers to staff members to citizens. Therefore, the Project Scoring information has been featured prominently in the proposed data sheet, and this section provides the final piece of data available to all users as they read about the projects proposed in the capital planning process.

**Appendix – CIP Ranking Criteria**

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**Project Categories**

**1) Master Plans** – Master Plans are prepared to provide the City of Issaquah with a valuable aid for continuing efforts to meet and exceed goals set forth by City departments, advisory boards and commissions, and the citizens at-large. Master Plans include those documents that have been prepared internally to assure consistent adherence to industry best practices, as well as those documents that have been created with the assistance of outside consultants. A component of master planning includes public discussion and/or citizen engagement. The score could be based on answers to the following example questions:

- A. Is the proposed project contained in one or more of the City’s Master Plans?
- B. Is the proposed project listed as a high priority, or over time, has it become a high priority of staff, a standing advisory board, or the City Council due to an expressed need?
- C. Has the proposed project been fully developed and defined in enough detail so that the specifics are known?
- D. Have adequate public discussion and an appropriate level of citizen engagement around the project transpired, and does there appear to be broad community support?



**2) Health/Safety** – This would include items that would improve the overall health and safety of the community such as bike/jogging trails, new recreation facilities, safer roads, and flood control measures, as well as enhancements to public safety. Projects to address employee safety issues, and to proactively manage risk, would also be included. The score could be based on answers to the following example questions:

- A. How would the proposed project impact the health and well-being or safety of Issaquah residents and/or employees and how widespread is that potential impact?
- B. What is the degree of seriousness of the health/safety issue that is being addressed through the proposed project?
- C. Does the project help assist the City to respond more effectively and efficiently to emergencies throughout the community?
- D. Does the project address a serious risk or liability issue and to what degree?

1	2	3	4	5
The project does not impact the health/ safety of the citizens.		The project addresses a serious health/safety issue that has a limited impact, or addresses a less-serious issue but serves the health/ safety of the broader community.		The project directly addresses a serious health/public safety issue that has a widespread impact.

**3) Infrastructure** – This item relates to infrastructure needs for the City of Issaquah, including sidewalks, streets, lighting, parking facilities, municipal buildings and recreational facilities, to name a few. The score could be based on answers to the following example questions:

- A. Is the infrastructure project needed?
- B. Will the project address an existing facility that is outdated or has exceeded its useful life?
- C. Is the project supported by a life cycle analysis of repair versus replacement?
- D. Does the project extend service to support/promote new growth?
- E. Does the project foster safe and accessible modes of travel?

1	2	3	4	5
The level of need for the project is low and it addresses either new or existing infrastructure.		The level of need for the project is moderate and it addresses either new or existing infrastructure. (Maximum score for a new facility.)		The level of need for the project is high; it addresses existing infrastructure; and the ancillary benefits are well-defined.

**4) Regulatory Compliance** – This includes compliance with regulatory mandates such as Environmental Protection Agency (EPA) directives, the Americans with Disabilities Act, the Manual on Uniform Traffic Control Devices and other County, State and Federal laws. The score could be based on answers to the following example questions:

- A. Does the project address a current regulatory mandate?
- B. Will the project proactively address a foreseeable (within the next 5 years) regulatory mandate?
- C. Does the project have a lasting impact on promoting regulatory compliance over the long term (more than 10 years)?

1	2	3	4	5
The project does not address a regulatory compliance issue.	↔	The project provides a short-term fix for an existing regulatory compliance issue or for one anticipated in the near future.	↔	The project resolves a pressing or long-term regulatory compliance issue.

**5) External Funding** – Capital improvement projects may be funded through sources other than City funds. Developer funding, grants through various agencies, REET funds, and donations can all be sources of external funding for a project. The percentage of total cost funded by an outside source will determine the score in this category.

1	2	3	4	5
0% – 20% External Funding	21% - 40% External Funding	41% - 60% External Funding	61% - 80% External Funding	81% - 100% External Funding

**6) Impact on Operational Budget** – Some projects may affect the operating budget for the next few years or for the life of the facility. A new facility will need to be staffed and supplied, therefore having an impact on the operational budget for the life of the facility. Replacing a streetlight with a more energy efficient model may actually decrease operational costs. The score could be based on answers to the following questions:

- A. Will the project require additional personnel to operate?
- B. Will the project require additional annual maintenance?
- C. Will the project require additional equipment not included in the project budget?
- D. Will the project reduce staff time and City resources currently being devoted, and thus have a positive effect on the operational budget?
- E. Will the efficiency of the project save money?
- F. Will the project present a revenue generating opportunity?
- G. Will the project help grow a strong, diversified economic base to help offset any additional costs?

1	2	3	4	5
The project will have a negative effect on the budget. It will require additional money to operate.	↔	The project will not affect the operating budget as it is cost/revenue neutral.	↔	The project will have a positive effect on the budget. It will have significant savings in time, materials and/or maintenance or be revenue generating to more than offset costs.



**7) Quality of Life** – Quality of life is a characteristic that makes the City a favorable place to live and work. A large park with amenities to satisfy all community members would greatly impact the quality of life. The score could be based on answers to the following example questions:

- A. Does the project enhance the quality of life for a wide range of community members?
- B. Will the project attract new residents, businesses or visitors to the City?
- C. Does the project serve to preserve the integrity of the City’s residential neighborhoods?
- D. Does the project help create a beautiful and clean community?
- E. Does the project specifically promote the responsible use of resources?
- F. Does the project encourage widespread participation in a variety of recreational and cultural activities accessible to all community members?

1	2	3	4	5
The project does not affect the quality of life for Issaquah community members.	↔	The project has a moderate impact on the quality of life for Issaquah community members.	↔	The project greatly impacts the quality of life for a wide range of Issaquah community members.

**8) Timing/Location** – The timing and location of the project is an important attribute of the project. If the project is not needed for many years, it would score low in this category. If the project is close in proximity to many other projects and/or if a project is urgent or may need to be completed before another one can be started, it would score high in this category. The score could be based on the answers to the following example questions:

- A. When is the project needed?
- B. Do other projects require this one to be completed first?
- C. Does this project require others to be completed first?
- D. Can this project be done in conjunction with other projects? (example: installation of sidewalks, street lighting and rain gardens all within the same block)
- E. Will it be more economical to build multiple projects together, thus reducing construction costs?
- F. Will it help reduce the overall number of neighborhood disruptions from year to year?
- G. Is this an existing facility at or near the end of its functional life?

1	2	3	4	5
The project does not have a critical timing/location component.		The project has either critical timing or location factor.		Both timing and location are critical components of the project.

## Appendix – Citizen Engagement

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### 1. Kirkland, WA

The City of Kirkland offers a “Suggest a CIP Project” web portal where the public can submit capital projects for the City’s consideration. This feature, added to the City's website in 2012, receives around 100 requests annually. The Neighborhood Services Coordinator, an employee within the City Manager’s Office, reads through each request and then forwards them to the relevant department. Every resident who submits a suggestion is sent a letter that states that their project is a candidate for inclusion in the CIP plan, with a hyperlink to a website where the resident can track the progress of the CIP. The requests are plotted to a map and provided to elected officials for their review.

Another tool for smaller scale projects is the neighborhood safety program, which utilizes the input from each of the City’s 13 neighborhood associations. The purpose of this popular program is to engage neighborhood associations and identify, prioritize, and recommend a project to increase pedestrian and bicyclist safety in their neighborhood. Examples of successful projects include new bike lanes and trails, new or improved crosswalks, intersection improvements, traffic calming measures, and installation of new street lights. Improvements are restricted to city property and the total project cost cannot exceed \$50,000. Information about the program is posted on Kirkland’s [website](#) and residents are encouraged to attend neighborhood association meetings in order to participate.

### 2. Redmond, WA

The City of Redmond relies on three citizen engagement tools to evaluate and prioritize capital projects: the biennial community survey, “Your City, Your Choice”, and Civic Results Teams.

The City conducts a [biennial survey](#) and residents are asked to rate their satisfaction of city services as well as city facilities. Examples include “satisfaction with the condition of parks, trails, and open space” and “satisfaction with the condition of roads and streets”. Residents are also asked to prioritize how city funds should be allocated for services. The results of the survey are reviewed by staff and elected officials prior to the creation of the capital budget.

In preparation for the 2015-2016 budget, Redmond launched a web-based interactive tool titled “Your City, Your Choice”. The purpose of this tool was to evaluate whether the City Council’s six

established budgetary priorities were aligned with residents' priorities. Residents were encouraged to visit <http://yourchoice.redmond.gov/> and watch six brief informational videos about budget priorities. At the conclusion of the video, residents were invited to share their opinion of the priority framework. About 1,400 residents participated in this program.

The Civic Results Teams program began in 2008, with six teams comprised of 4 cross-department staff members and 1-2 citizen representatives per each budget priority area. The role of the Civic Results Teams is to 'think big' about broad goals within each priority area. Teams draft descriptions of the big picture goals and then invite departments to submit budgets that meet these goals. City of Redmond staff realized after the 2008-2010 budget process that it was pivotal to include cross-departmental staff members on each team; for example, public safety staff would not be on the public safety results team. Including inter-departmental staff on Civic Results Teams proved to be counterproductive because staff members focused on the minutia of the department's operations rather than addressing broader citizen concerns.

In 2010, after realizing that the Civic Results Teams review of operational budgets often included capital projects, a seventh Result Team was created, the Capital Results Team. The team is tasked with reviewing capital budget requests. During their initial review, the Capital Results Team is not made aware of potential funding allocations. The purpose of the first round of review is to give feedback to departments based on the content of the. Departments take the feedback from the Team and resubmit the request. During the second and final review, the Capital Results Teams are made aware of estimated funding allocations and then rank the requests. Finally, the Mayor receives the Capital Results Team's rankings, with suggested funding levels for the various requests. The Mayor can adjust the ranking of capital project requests as he sees fit. Citizens volunteer for the teams by filling out an application. The City of Redmond promotes the teams by placing an ad in the newspaper and posting information on the city website and social media accounts. Staff members proactively recruit citizens who they think will be helpful contributors, including employees who work for the City's large employers.

### **3. Bothell, WA**

The City of Bothell City Council created a Capital Facilities Plan Program Committee in 2006. This committee is tasked with reviewing capital facilities requests from city departments. The committee is comprised of three City Council members, one planning commission member, one parks and recreation board member, the city manager and the finance director. The City of Bothell produces a biennial budget and capital facilities plan, and the committee meets once each year the budget is produced.

The committee relies heavily on staff recommendations for determining what projects should be included in the plan. The projects are prioritized first by whether grant funding is available, and

then by whether the projects would fulfill goals set by the comprehensive and downtown revitalization plan.

To solicit input from residents, an online form is available on the City’s website and advertisements are placed in the local newspaper and social media. The City also conducts an open house where residents are invited to learn more about the status of existing capital facilities projects and to make suggestions for future projects.

## Appendix – Leading Best Practices

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<b>Olympia, WA</b>	
Capital Budget (2014)	\$12,800,000
Population	48,338

**Why this is worth looking at:**

Olympia’s Capital Facilities Plan is identified by Municipal Research Service Center (MRSC) as a good example. The plan provides a number of valuable components including an FAQ section in the Introduction that provides instructions on how to read the plan. This helps address the concern regarding transparency at the very onset of the plan.

The CFP cites the Comprehensive Goals & Policies and indicates Council guidelines for prioritization of projects. These include:

- Maintenance or general repair of existing infrastructure
- A legal or statutory requirement
- A continuation of multi-year projects (contractual obligations, etc.)
- Implementation of legislative (Council) goals and objectives.
- Ability to leverage outside sources such as grants, mitigation, impact fees, low interest loans, etc.
- Acquisition or development of new facilities.

Early on the plan outlines the funding source for the CFP, the current year’s budget and a grouping of the outlying years (2015-2019). Olympia explains the fiscal limitations of the plan in an easy to read format and is informative regarding the specific requirements of the Growth Management Act.

**Reasons why this may apply to Issaquah:**

Olympia’s Capital Facilities Plan, like Issaquah’s, is not directly tied to the budget. On page 6 of the document, it specifically states that the plan is reviewed and updated annually, but that the

plan does not represent a financial commitment. Instead, it serves as an indicator that “the City plans to move forward with the project in the future.” The CFP is structured in a very transparent and easy to read format that breaks down the various requirements of the CFP and how it relates to both Olympia’s Comprehensive Plan and the Growth Management Act. Furthermore, it clearly identifies the timeline utilized to develop the CFP and the various projects.

**Reasons why this may not apply to Issaquah:**

This example goes into a detailed picture of various revenue streams and projected growth in those revenues in outlying years. Given the fluxuation of multi-year revenue projections, Issaquah may wish to avoid providing long-term revenue projections to the general public. Additionally, Olympia’s CFP does not include a specific scorecard that is utilized. The prioritization, while mentioned in the plan, is vague and could easily be subject to interpretation. It is also not completely clear how each project meets the City’s goals.

**Summary of the products/processes:**

Clearly, the MRSC believes that this plan is compliant with the Growth Management Planning Requirements and thus should be taken into consideration. The CFP includes many components that were discussed during our on-site meetings with Issaquah staff. Primarily the use of an FAQ section that clearly delineates what the CFP is/does and how it relates to the Growth Management Act are very strong positives to Olympia’s plan. The long term revenue projections and the specific breakdown of revenue streams may be reason to pause due to the challenges of long-term forecasting. However, the readability of the plan offers something to aspire too as it can be easily understood by residents both in the context of what the CFP is and what it isn’t.

<b>Tacoma, WA</b>	
Operating Budget (2015)	\$424.5 Million General Fund
Capital Budget (2015-2010)	\$1.3 Billion
Population	203,446

**Why this is worth looking at:**

The City of Tacoma Capital Facilities Plan clearly identifies how it meets the statutory requirements of the Growth Management Act. Elements of the plan have been identified by the Washington Department of Commerce as examples of best practices. Although the plan is extraordinarily large, it can and should be referenced due to its thoroughness in identifying its compliance with statutory requirements.

**Reasons why this may apply to Issaquah:**

The plan clearly states how each element complies with the statutory requirements of the Growth Management Act.

### **Reasons why this may not apply to Issaquah:**

The City of Tacoma provides services that the City of Issaquah does not, including; telecommunications, a municipal railway, convention facilities, and an electric utility. The scale of Tacoma's CFP is much larger than Issaquah's due to these additional services. In addition, due to the size of the organization, the City of Tacoma is able to dedicate more staff time and resources to the creation of the plan. Elements of the plan provide an example of what Issaquah can strive for in future plans many years from now. However, the complexity of the Tacoma plan is not readily achievable in the short term.

### **Summary of the products/processes:**

The structure of the introduction, beginning on page 7, thoroughly outlines each requirement of the Growth Management Act and then references where in the document the information regarding compliance can be found.

These are some of the components that make this plan good example of simple state compliance:

Definition of a capital facility (p. 389) – The City of Tacoma clearly states the definition of a capital facility project in Appendix V-5.

"For the purpose of the 2015-2020 Capital Facilities Program, capital facilities projects are defined as major improvements, maintenance, replacements, or acquisitions that cost at least \$50,000 (including the cost of new equipment necessary to make a project operational), and must meet the following criteria:

- Have a life expectancy of ten years or more,
- Result in an addition to the City's fixed assets, and/or
- Extend the life of an existing City-owned capital asset"

Levels of Service (p. 3) – Adopted levels of service standards are clearly identified in table format. Each service area section includes an analysis of the LOS standards and a brief description of how projects contribute to maintaining that standard.

CAPITAL FACILITY TYPE	LEVEL OF SERVICE STANDARD
<b>Electric Utilities</b>	Voltage level + or - 5%; Average annual system outage duration 75 minutes or less
<b>Emergency Medical Services (EMS)</b>	6 apparatus recommended per Community Risk Assessment
<b>Fire</b>	22 apparatus recommended per Community Risk Assessment
<b>Law Enforcement</b>	.288580 sq. ft. per capita
<b>Library</b>	.06 square feet per circulation
<b>Parks:</b> <b>Local Parks</b> <b>Regional Parks</b> <b>Open Space/Wildlife Habitat</b>	.003 acres per capita .007 acres per capita .002 acres per capita
<b>Roads:</b> <b>Arterial Corridors</b>	85% arterial lane miles LOS "E" (.99 or better volume to capacity ratio)
<b>Port Area Arterials and All Other Arterials</b>	85% arterial lane miles LOS "D" (.89 or better volume to capacity ratio)

Inventory and Maps (pgs. 297 - 384) – A chapter of the plan is dedicated to identifying the existing inventory of capital facilities. This inventory includes a detailed map of the city with existing facilities identified. A legend is included for each map to more easily identify asset type or function. Facilities are identified by type, description, address, and size or capacity.

Criteria (p. 10) – The CFP utilizes two sets of criteria, the projects tie in to the Comprehensive Plan and the Project Rationale.

From the plan “The template is used to qualitatively link each project in the Capital Facilities Program database to the pertinent goals and policies in the Comprehensive Plan. Each project must satisfy at least one of the 14 tie-in questions that address policy aspects of the Comprehensive Plan.

The Project Rationale, added to the database project screen in 2008, requires the program/project manager to answer the question, “Why was this project selected for inclusion in the Capital Facilities Program?” by selecting one of the following primary rationale categories: 1) Funding Availability/Opportunities, 2) Operation/Maintenance Needs, or 3) Policy / Legislative Requirements. Once the primary rationale is identified, the secondary rationale category serves to further define the primary selection.

The Project Rationale narrative presents the program/project manager with the opportunity to further explain the purpose of the project by addressing need in terms of protecting the health, welfare, safety, and quality of life of Tacoma’s residents.”

Financial Resources (pgs. 393 - 394) – A thorough description of funding sources for the six year plan is identified and totaled in Appendix 5. A more detailed report follows (pgs. 395

– 410) that identifies which projects are funded by each source.

### City of Tacoma Capital Facilities Plan

<https://www.cityoftacoma.org/cms/One.aspx?portalId=169&pageId=35830>

<b>Redmond, WA</b>	
Operating Budget (2015)	\$167.6 Million
Capital Budget (2015)	\$119 Million
Population (2013)	55,840

#### Why this is worth looking at:

Redmond utilizes a biennial budget process, including for the capital budget, which allows a longer timeline and possibly more planning. This is a luxury not available to a city operating on an annual budget cycle.

#### Reasons why this may apply to Issaquah:

Redmond has a process with some steps and tools worth considering. A biennial budget or less frequent capital plan development was mentioned more than once during our interviews with Issaquah staff.

#### Reasons why this may not apply to Issaquah:

Like other cities we evaluated, Redmond has a larger set of resources available. A conversion to a biennial budget or biennial capital planning process is a significant change.

#### Summary of the products/processes:

Redmond uses three documents to communicate the capital plan and state compliance.

1. The Comprehensive Plan handles most aspects of state compliance. In the Plan a reader will find the capital facilities inventory, level of service standards, plan-level financing considerations. The long-range planning division prepares the Comprehensive Plan.
2. The city takes a strategic approach to spending which is illustrated in their Capital Investment Strategy or “Vision Blueprint.” This document describes the city’s approach to targeted spending based on four targeted geographic areas. This program focuses investment into two urban centers with the approach in other areas being primarily preservation of assets and public safety projects. The Vision Blueprint is an 18-year plan, written in 2013. The city drafts an annual progress report. The long-range planning division works cooperatively with the Finance Department to develop the Vision Blueprint and progress reports. This occurs in the year prior to CIP development.

3. Finally, the city develops a Capital Investment Program once every two years, along with the operating budget. Because so much is involved in the other documents, the CIP is almost exclusively a budget document. Finance leads development of the CIP.

As is typical in Washington, the CIP covers a six-year time period. As part of the budget, the CIP includes web-based community outreach, community meetings and informal outreach to the business community through the Chamber. Recently the City used a web-based budget “game” which seemed to be popular and offered interesting input. Community input has historically realigned priorities in both aspects of the budget (operating and capital).

The CIP process begins with a request for the “capital project managers” to bring forward project lists which must be aligned with the Vision Blueprint. Each department with significant capital spending has a dedicated capital project manager. The first evaluation occurs in the long-range planning division where the projects are evaluated based on criteria demonstrating strength of consistency with the Vision Blueprint.

In the next step, ranked projects are sent to Finance to be checked against funding capacity. Simultaneously, the Public Works construction and project management team evaluate their capacity to build or manage the projects. Public Works also gauges the community’s capacity to tolerate the level of construction proposed.

The ranking, as developed by all three departments, is forwarded to the Mayor and Leadership Team, who finally present it to the City Council. The total process including budget adoption takes 9-10 months.

Redmond utilizes a “CIP Governance Team” composed of Public Works, Planning, Finance, and Parks, with Fire and Police participating as necessary. The Governance Team evaluates the projects at what are referred to as “phase gates.” If a project is considered to be going off track the project manager is required to consult with the Governance Team. The team assists in evaluating scope options and methods of redirecting the project. Any major scope change or budget change triggers a team evaluation.

#### **Document Links:**

##### **Comprehensive Plan – Capital Facilities Element**

<http://www.redmond.gov/PlansProjects/ComprehensivePlanning/redmond2030/>

##### **Capital Investment Strategy – Vision Blueprint**

<http://www.redmond.gov/PlansProjects/ComprehensivePlanning/VisionBlueprint/>

##### **Capital Investment Program**

<http://www.redmond.gov/common/pages/UserFile.aspx?fileId=93423>

<b>Cheney, WA</b>	
Operating Budget (2015)	\$6.7 Million General Fund
Capital Budget (2015)*	0*
Population	11,310

\*Per the Finance Director: "...there is no capital budget for 2015. The City of Cheney has not yet recovered from the recession and we are still in a downsizing and cost cutting mode."

**Why this is worth looking at:**

Cheney’s Capital Facilities Plan is identified by Municipal Research Service Center (MRSC) as a good example. The Plan is clearly written and concise. The plan is easily formatted for ease of use with specific sections breaking down the priorities of the City while also discussing funding strategies. Cheney’s plan also lists a series of criteria, including: public safety, public health, conformance with adopted comprehensive plan, legal requirement (GMA), related projects, net impact on future operating budgets, and other. This breakdown of priorities on page 5 of their document allows members to understand how certain projects were included. In addition to priorities, the various funding mechanisms are explained in short detail and include impact fees, grants, REET, GO bonds and other charges. The explanation of funding sources is concise while also allowing for a transparent understanding of the mechanisms utilized. The framework of the plan – with various sections discussing 0-6 years and then 7-20 provides general guidance on various projects that allows for flexibility for future refinement while offering information respective to long term planning.

**Reasons why this may apply to Issaquah:**

The CFP clearly identifies not only how projects are prioritized but also the funding mechanisms for how these projects will be completed. The Plan offers a 50,000 foot level approach to the 6 year plan, providing a high level overview of the projects to be completed. This provides a mix of specific projects while also giving the City wiggle-room to adjust to changing priorities. We further believe the citation of this CFP as an example of best practice is indicative of communities to create a CFP that is focuses on broad policy points rather than specific brick and mortar projects.

The use of long term revenue projections for certain funds is also a nice touch that enables both staff and Council to understand how revenue is expected to be utilized in correspondence with capital needs. The plan indicates the Level of Service (LOS) being sought in given areas and utilizes these as a basis for decision making.

**Reasons why this may not apply to Issaquah:**

This example, while highlighted by the MRSC as a leading example, is also short on detail on what specific projects will be undertaken. This would be a major change from the current CFP plan. While the formatting of the document provides for readability, it is also short on details.

While the use of revenue projections is positive, projecting revenue far in advance is not advisable given the volatility of certain revenue sources. This is evident by no capital projects being budgeted for 2015 due to the recession.

**Summary of the products/processes:**

Clearly, the MRSC believes that this plan is compliant with the Growth Management Planning Requirements and thus should be taken into serious consideration. This document offers a high degree of transparency to residents via LOS and would provide enough detail to provide individuals with an understanding of where City priorities lie in relation to funding sources.

<b>Bothell, WA</b>	
Operating Budget (2015)	\$87 Million General Fund
Capital Budget (2015)	\$26 Million
Population	35,576

**Why this is worth looking at:**

In 2007, Bothell received the Governor’s SMART award for the city’s CFP process. The award recognized particularly innovative and effective elements of the CFP plan. Bothell proudly states on their website that 51¢ of every \$1 invested in infrastructure from 2015 through 2021 is being funded by non-city resources.

**Summary of the products/processes:**

Bi-monthly Project Status Meetings

After the adoption of the CFP, staff convenes bi-monthly for project meetings to discuss the status of projects. The continual evaluation of projects allows for better project management, and also allows for two-way communication between department directors and finance. Directors use this time to identify any changes to project’s status, deadlines, or cost estimates. The finance department is also able to provide to directors any changes in budget forecasts and funding requirements.

Fiscal Policies

The following fiscal policies are incorporated into the CFP:

- A minimum of 10% of Real Estate and Excise Tax (REET) revenues should be designated as opportunity funds. These funds are set aside to take advantage of unforeseen opportunities that may arise during the current capital planning period and are available for all project types, including land acquisition.
- Annual REET receipts amounting to \$1 million should be held in reserves. These reserves can help address cash flow issues that arise from REET eligible projects.
- General obligation debt service should not exceed REET revenue estimates unless other secured funding is identified.

- A 50% minimum of one-time revenue transfers should be allocated as follows: 25% for park improvements and 25% for pavement improvements.

Bothell’s project worksheets include the following information:

- description
- justification
- future M&O costs
- timing priority considerations
- project commencement requirements
- project stopping point(s)
- status

Of note in the worksheets is the identification of secured and unsecured sources. Examples of secured funding sources include intergovernmental fund transfers, awarded grants, and developer contributions. Examples of unsecured funding sources include potential grants and pending voter approved bonds. By identifying secured and unsecured funding sources, the document is both a practical guide and a wish list. In Bothell’s CFP, transportation projects include numerous sources of secured funding whereas some park improvement projects include unsecured funding identified in a future year as ‘Funding Source TBD’. Although the unsecured funding source may not be identified, the inclusion of the project in the plan is a reflection of the project’s priority.

### Project Prioritization

Bothell’s City Council passed a resolution in 2006 creating a biennial CFP process and a Capital Facilities Plan Process Committee. The CFPPC is composed of three Bothell Councilmembers, a Planning Commissioner, a Parks and Recreation Board Member, the City Manager, and the Finance Director. The committee is responsible for strategically prioritizing capital needs for each seven-year capital planning period and producing a corresponding funding plan. After the committee prioritizes projects and produces the funding plan, it provides a recommendation to Bothell’s City Council.

### **Bothell Capital Facilities Plan**

<http://www.ci.bothell.wa.us/CityServices/Administration/BudgetAndFinance.ashx?p=1266>

<b>Austin, TX</b>	
Operating Budget (2015)	\$854 Million
Capital Budget (2013-14 Biennial)	\$ 910 Million
Population	885,400

**Why this is worth looking at:**

Austin has developed an office specifically dedicated to guiding and monitoring strategic capital spending. Austin has taken a very proactive approach to information sharing and transparency while using strategic capital implementation to realize the vision contained in the city’s Comprehensive Plan.

Austin has been identified as a leading example by the Alliance for Innovation and the American Planning Association highlighted Austin’s strategic implementation of capital facilities expenditures at its 2015 annual conference.

**Reasons why this may apply to Issaquah:**

Issaquah has expressed a desire for improved prioritization of capital expenditures. Prioritization should be based on the city’s goals and plans. Prioritization can be achieved by implementing an effective “strategic implementation” program.

Like all cities, Austin and Issaquah have priority locations and priority programs into which they wish to invest capital. Finding alignment between multiple programs and locations allows for synergistic efforts to be identified. It essentially allows for getting the most bang for the buck.

Issaquah has expressed a desire for more citizen involvement. A first step in citizen involvement is information sharing to create a more informed citizenry. Austin has created an effective tool for informing their citizens.

**Reasons why this may not apply to Issaquah:**

What Austin is doing may not be possible for Issaquah due to the simple fact that the staff resources available to Austin far exceed those available to Issaquah. Not only is a significant amount of time and manpower needed, but the mapping and analysis conducted represents significant GIS expertise that may not be available in-house.

Austin is working with a highly complex planning and operational scenario. The city has several dozen sub-area plans and specialized programs. This makes analysis and strategic implementation more important than it may be in Issaquah. In essence it is easier for Austin to stray from the city goals due to size and complexity of the task. This is less likely in Issaquah where there are fewer special programs and geographic sub areas to align. Issaquah operates in a less complex planning scenario.

## **Summary of the products/processes:**

### Dedicated Staff Resources

The Capital Planning Office works to better align and implement capital projects to ensure that the funds are being used efficiently and are being used to implement “Imagine Austin,” the city’s comprehensive plan.

### CIVIC

Austin has implemented a program called CIVIC (Capital Improvements Visualization, Information and Communication) with a dedicated website which is a citizen portal to interactive mapping of capital facilities, searchable and downloadable data about capital facilities projects, and all the reports and plans that relate to capital facilities. CIVIC is primarily a transparency and communication tool, but it does touch on citizen engagement because it has a function that allows feedback. CIVIC is an outstanding effort to make information on capital facilities planning and spending open and available to the public.

### Capital Improvement Program Plan

The Capital Improvement Program Plan (CIP Plan) is a very long and detailed document with twenty-two topic areas. Yet it manages to be highly readable. The CIP Plan summarizes projects by department or program. It does not rely on project worksheets to communicate information. A useful aspect of the plan is that it links the projects to Comprehensive Plan priority programs (p. 7) Another element of the plan that is somewhat unique is that each department’s prioritization and selection process is described in the text. (Ex. Library, P. 66) We find that some of these elements may be useful for Issaquah to include in a new plan format.

### Strategic Implementation Review and Reporting

In addition to the Capital Improvement Program Plan, the city periodically drafts a Long Range Capital Improvement Program Strategic Plan (Strategic Plan) which is an analysis of the city’s efforts to develop facilities aligned with the city’s goals. It is not meant to replace the existing planning and prioritization methods used by various city departments. It provides supplemental information that may help guide decisions, but more likely will indicate opportunities for projects to be conducted in a more coordinated and synergistic way in the future. This may result in a greater overall benefit.

The Strategic Plan is oriented toward overlay mapping of projects and priority areas to illustrate locations where the greatest benefit may be achieved and to illustrate how projects align to priority areas. An element of this which is particularly useful is that it illustrates how different departments and initiatives impact an issue or city goal. Too often a certain topic is considered to reside in one department. For instance, traffic jams are seen as a road construction issue, when in all likelihood they are heavily impacted by road maintenance, land use, and other less obvious factors such as schools, transit and non- motorized transportation and greenways.

An example for Issaquah could be this: Issaquah has identified the Central Issaquah area and the Olde Town sub-area as geographic locations where investment should be focused. The City’s Comprehensive Plan identifies many important topic areas, including cultural

vibrancy, where investment should be encouraged. The Parks, Recreation, Trails, and Open Space Plan identifies both geographic locations and topics needing capital outlays. Using this example, an analysis of a park facility that fostered an “artist in residence” program in a downtown park, would indicate that the project supports all four of these city plans and policies noted. This would suggest it is a higher priority than some other projects.

**CIVIC - Capital Improvements Visualization, Improvements and Communication**

<https://austintexas.gov/civic>

**Capital Improvements Program Plan**

**Long Range CIP Strategic Plan**

Visit [www.austintexas.gov](http://www.austintexas.gov) and select “Departments” from along the top of the screen then “Capital Planning Office” then “Documents” from the menu on the left.

<b>Greenville, SC</b>	
Operating Budget (2015)	\$156,306,313
Capital Budget (2015)	\$9,139,450
Population	61,915

**Why this is worth looking at:**

Greenville’s Capital Improvement Program (CIP) has been cited as a strong example of prioritized capital planning for Southeastern municipalities, especially with its linkage to economic development and balancing the impacts of development and growth. Although the plan itself focuses on the projects and related financial issues, Greenville has previously supplemented the plan document with interactive maps and other outreach elements.

**Reasons why this may apply to Issaquah:**

Although Greenville’s FY 2015 CIP budget is lower than Issaquah’s budget, the five-year CIP projections are very close. Second, the Greenville plan has a strong focus on economic vitality, which is understood to be a key driver in Issaquah along with public safety. Third, both municipalities have greater needs than funds, thus requiring a process that aligns proposed expenditures with stated goals.

**Reasons why this may not apply to Issaquah:**

The Greenville CIP was developed within the framework of the Council-Manager form of government, so the dynamics of structured Council direction and input may not apply in the Issaquah scenario.

### Summary of the products/processes:

The development of Greenville’s CIP is informed by the Budget Principles identified in the Operating Budget, including “continued reinvestment in the City’s infrastructure and equipment in a sustainable manner” and provision of “targeted investments that provide Greenville with a bright future through economic development and productivity improvements.”

The annual process starts with the Finance staff along with a third-party Financial Advisor as needed to assess the status of the five-year CIP including past project expenditures, work in process, sources & uses of funds, projected cash flows, and related activities. The result of this phase is the production of a financial forecast for use by staff and elected officials in preparing the proposed CIP.

Multiple departments prepare proposals for the upcoming CIP budget, and data is collected including project description, schedule, linkage with strategic goals, linkage with the Comprehensive Plan, linkage with other City-developed plans, costs by category, impacts on the Operating Budget (e.g., future operations & maintenance costs, etc.), project status, and cost estimation methodology. These project plans are distilled into CIP Data Sheets, which are included in the draft CIP as part of the review process.

Three key issues should be noted with regard to the CIP Data Sheets attached in the Greenville CIP. First, these CIP Data Sheets allow consistent review by decision-makers even when projects are quite different in scope or type. Second, the Greenville sheets include a section in which the cost estimation method must be described, and this is important so decision-makers can understand the strength of the estimate (e.g., an Engineer’s Opinion of Probable Cost is likely to be more accurate than a “rough order of magnitude” estimate). Third, Greenville’s Data Sheets can be improved through various means (e.g., use of maps or renderings), and suggestions for an improved approach may be appropriate for the Issaquah toolkit.

Following receipt of financial forecasting information, a key step in the CIP planning process in Greenville is input from City Council. Although feedback on various initiatives is provided during workshops over the course of the year, the key session for the CIP is a Council Retreat at which City Council members provide prioritization input and ranking of projects is discussed.

It should be noted that the prioritization and ranking, by necessity, leaves some projects below the line at which funding is available. Rather than leaving these projects out of the CIP altogether, Greenville chooses to include a listing of unfunded projects in the CIP document. Not only does this approach recognize the continuing interest in these projects, it also allows these projects to be in the public realm should unexpected grants or other funding become available.

After the Council Retreat, the City Manager and City staff work together to prepare the CIP document and accompanying budget ordinance in accordance with the priorities established by Council and within the budgetary framework developed by Finance. The draft CIP document is presented to City Council by the City Manager in conjunction with the Operating Budget.

## Greenville Capital Improvement Program – FY 2015-2019

<http://www.greenvillesc.gov/omb/publications.aspx>

<b>San Diego, CA</b>	
Operating Budget (2015)	\$3.0 billion
Capital Budget (2015)	\$310 million
Population	1,300,000

### Why this is worth looking at:

The City of San Diego’s Capital Improvements Program (CIP) and the projects contained in it have won numerous awards for technical and fiscal excellence. In addition, the San Diego CIP has been noted for its education and outreach efforts using multiple approaches to improve transparency and increase citizen engagement. Finally, the City of San Diego has demonstrated on-going process improvement efforts related to the development of the CIP and the overall budget, with examples ranging from implementation of a new public input process to the establishment of a Capital Improvements Program Review and Advisory Committee (CIPRAC) that prioritizes the CIP projects.

### Reasons why this may apply to Issaquah:

First, San Diego operates under the Strong Mayor form of government, which aligns with Issaquah’s form. Second, although San Diego’s CIP budget is much larger than Issaquah’s, it has many of the same types of projects ranging from transportation to buildings to parks. Third, the San Diego approach deals with constrained funding sources and the resultant need for prioritization, which is similar to the Issaquah scenario.

### Reasons why this may not apply to Issaquah:

The overall size of the CIP and operating budgets in San Diego far exceed the funding levels available in a smaller municipality such as Issaquah. Therefore, certain items in San Diego’s toolkit (e.g., interactive GIS mapping and online project mapping) may not be available to jurisdictions without those resources.

### Summary of the products/processes:

The San Diego CIP development process includes four key sub-process areas with some overlap in phases. Key sub-processes are project identification, identifying funding & prioritization, budget process (including community outreach), and project implementation.

In the project identification phase, San Diego calls out “asset-owning departments” as the key entities, and this means they are the departments responsible for operating, managing, or maintaining the assets being considered for inclusion in the CIP. Each department may have a

different methodology to determine its proposed project, but there are some higher-level guidelines such as existing City policy, legal requirements, compliance with established City plans, public input, and other factors. Please note that the City recently implemented a formal public input process for community needs, and this input helps to inform project identification or scoping activities.

In the funding and prioritization phase, the asset-owning departments take a large role in identifying sources of funds because the bulk of costs are not paid out of the General Fund. The departments are expected to work with the Mayor, City officials, and other departments (including the Finance team) to obtain funding from various sources. As the project funding picture becomes clearer, the departments are expected to provide a ranking of projects based on an adopted City Council policy directive that provides weighted criteria such as impact to health & safety (25%). It is important to note that projects in one category do not compete against projects in a different category (e.g., transportation versus parks versus buildings), and the same principle holds true for different funding streams (e.g., enterprise fund versus CDBG-funded project).

The budget processing phase includes major citizen outreach efforts including Community Planning Groups with training sessions in each Council District plus solicitation of ideas via different approaches. Community-driven ideas go to the appropriate asset-owning departments for assessment as part of their respective internal project development processes. The Financial Management group has a key part of the process at this point as they assess availability of requested funds. Following the financial assessment, the preliminary CIP submissions go to the Capital Improvements Program Review and Advisory Committee (CIPRAC), which includes representatives from client departments, asset-owning departments, service providers, department directors, and senior-level staff. The CIPRAC not only reviews the plan but also provides monitoring and oversight of the CIP on an on-going basis.

After CIPRAC's review, possible adjustment, and eventual approval of the proposed CIP, the draft program is submitted to the Mayor for review. During the Mayor's review phase, there may be interaction with Financial Management or asset-owning departments as needed. Following the Mayor's review, the CIP is released to the general public. City Council then holds budget hearings and revisions may be recommended during this time. After this round of scrutiny, the Mayor prepares the revised budget, which is reviewed and approved by City Council in time for the start of the new fiscal year.

Although one could consider the development of the CIP complete at this point, San Diego makes clear in their documentation that the process continues with project implementation, including monitoring and oversight. In other words, the overall CIP process in San Diego is not a static once-a-year approach; rather, there are on-going assessments of projects and project work by departments during the year, twice-a-year briefings to Council plus supplemental sessions as needed.

### **City of San Diego Capital Improvements Program – FY 2015**

<http://www.sandiego.gov/fm/annual/fy15/fy15vol3.shtml>

**City of San Diego Adopted Budget – FY 2015**

[http://www.sandiego.gov/fm/annual/pdf/fy15/fy15adoptedbudget\\_full.pdf](http://www.sandiego.gov/fm/annual/pdf/fy15/fy15adoptedbudget_full.pdf)

**City of San Diego Publication – A Citizen’s Guide to Infrastructure**

<http://www.sandiego.gov/iba/pdf/guidefullversion.pdf>

**City of San Diego Web Page – CIP Project Search Tools (With Mapping & Search Functions)**

<http://www.sandiego.gov/cip/projectinfo/>