



## **CITY OF KIRKLAND**

123 Fifth Avenue, Kirkland, WA 98033 425.587.3000  
www.kirklandwa.gov

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### **MEMORANDUM**

**To:** City Council

**From:** Kurt Triplett, City Manager

**Date:** February 10, 2015

**Subject:** PRELIMINARY DISCUSSION OF THE 2015-2016 PRIORITY GOALS AND CITY WORK PROGRAM

#### **RECOMMENDATION:**

That the City Council reviews the preliminary 2015-2016 Priority Goals and City Work Program of major initiatives and provides direction on modifications and additions for adoption at a future Council meeting.

#### **BACKGROUND DISCUSSION:**

##### **Biennial Priority Goals and City Work Program**

The City Council began formally adopting a City Work Program to guide major policy and financial initiatives starting in 2011. The process and purpose of the City Work Program has evolved and improved over the past four years. In 2012 the Council called for a clearer link between the City Work Program and the ten adopted Council Goals. The Council concluded that one of the primary purposes of the Work Program is to allocate resources to the major financial and programmatic elements that create progress towards achieving these Goals. The Resolution adopting the 2012 City Work Program therefore identified the Goals being implemented by each Work Plan initiative. This link between Goals and initiatives has been included in all subsequent Work Programs.

At the December 11, 2012 Study Session regarding the 2013 City Work Program, the Council decided that rather than approving annual Work Programs, the Council would adopt a biennial Work Program as a more effective way to create synergy between the Work Program and the biennial budget process. The Council also concluded that since financial constraints prevented the City from making equal progress on all ten Goals at the same time, the Council would focus on priority Goals for each biennium. On February 5, 2013, the Council passed R-4963, approving the 2013-2014 Priority Goals and City Work Program.

The 2015-2016 Priority Goals and City Work Program will be patterned after R-4963, which is included as Attachment A. The Council subsequently adopted R-5003, which amended R-4963 to add exploration of replacing the Juanita Aquatics Center to the City Work Program. R-5003 is included as Attachment B as an example of how the Work Program can change over time.

## **Preliminary 2015-2016 Priority Goals and City Work Program Initiatives**

As with the 2013-2014 budget, suggestions for the draft 2015-2016 City Work Plan emerged from the 2015-2016 budget process. The preliminary elements suggest that the Priority Goals for 2015-2016 would include **Public Safety, Dependable Infrastructure, Balanced Transportation, Parks and Recreation, Financial Stability** and **Economic Development**.

The following items were preliminary Work Program recommendations (in no particular order) for the biennium that were included in the 2015-2016 budget message:

- Continue implementation of the Cross Kirkland Corridor Master Plan (Council Goals: Balanced Transportation, Parks and Recreation, Economic Development, Neighborhoods).
- Complete a comprehensive update of the Capital Improvement Program to incorporate the projects identified in the Kirkland 2035 master plans and Comprehensive Plan (Council Goals: Public Safety, Neighborhoods, Balanced Transportation, Parks and Recreation, Diverse Housing, Economic Development, Dependable Infrastructure).
- Site and begin construction of a new fire station in North Kirkland (Council Goals: Public Safety).
- Continue annexation-related facility investments by initiating the renovation of City Hall with a focus on enhancing customer service and identifying options to expand Maintenance Center capacity for both Parks and Public Works to serve the larger City (Council Goals: Neighborhoods, Economic Development, Parks and Recreation, Dependable Infrastructure).
- Cultivate private sector partnerships to attract tenants to business districts and respond to redevelopment opportunities, especially Park Place and Totem Lake (Council Goals: Economic Development, Financial Stability).
- Identify locations, costs and explore ballot measure options for funding an Aquatics, Recreation, and Community Center to replace the Juanita Aquatic Center (Council Goals: Parks and Recreation, Economic Development).
- Implement the Healthy Kirkland Plan, the consumer-driven healthcare initiative, including establishing an employee clinic as part of the effort to achieve sustainability of benefits (Council Goals: Financial Stability).

## **Potential Modifications and Additions to Work Program Elements**

### *Modifications for Parkplace, Totem Lake Mall and North End Fire Station*

Events have evolved since the budget was adopted in December of 2014. Both the Parkplace and the Totem Lake Mall sites are proceeding with redevelopment plans. This suggests modifying the private sector partnership element to focus more on implementation efforts. In addition, the Kirkland Firefighters have expressed concerns about the north end fire station plan

as currently proposed. The Council has authorized staff to “reboot” the public outreach and stakeholder process regarding the north end fire station. This element should potentially be modified in light of these developments and perhaps other options for achieving coverage in Finn Hill should be evaluated and included in the Work Program. Staff is seeking direction on these and other potential modifications at the retreat.

### *Additions*

There are several other potential topics that were not included in the budget message.

**Comprehensive Plan and Transportation Master Plan completion** – Both of these initiatives were included in the 2013-2014 Work Program. Great progress has been made but they will not be completed and adopted by the Council until the last quarter of 2015. The Council might want to continue these in the 2015-2016 Work Program to keep them prominent when considering resource allocation.

**Exploration of Fire/Emergency Medical Service Capital and/or Operating Ballot Measures** – Through the discussions about the new north end fire station, the Council has expressed interest in a potential ballot measure for the purposes of siting and building a new Station 27 on the east side of I-405 to better serve the Kingsgate area, as well as to renovate and enhance existing fire stations. Council has also expressed an interest in a potential companion operating levy. The earliest such measures could be ready for the ballot is 2016. Staff is seeking direction from the Council as to whether to pursue such ballot measures at this time given the unsettled nature of this topic. Alternatively, staff could develop options that presume an eventual resolution to the current north end fire station issue and set the stage for future ballot measures beyond the 2015-2016 time frame.

**Police Strategic Plan** – Council allocated funds for a Police Strategic Plan in the 2013-2014 budget. The Plan was deferred until at least 2015 due to the focus necessary for opening and occupying the Kirkland Justice Center, as well as the ongoing contract negotiations that contemplate a significant change in work schedules and shift staffing levels. Funds for the Police Strategic Plan have been carried forward into the current biennium. Staff recommends waiting until the conclusion of contract negotiations before proceeding with the Strategic Plan.

**Sound Transit 3** – Assuming Sound Transit is successful in securing additional funding authority from the State Legislature, the Sound Transit Board will be developing a potential Sound Transit 3 ballot measure for 2016. Kirkland needs to actively engage the Sound Transit Board to ensure that any ballot measure connects the Totem Lake Urban Center to the region with High Capacity Transit. The Council may wish to include this element on the Work Plan to highlight its importance.

**Email Archiving Implementation** – Converting all employees of the City to the email archiving system will improve responsiveness and transparency to the public, while also reducing the cost and complexity of storing email data. However the conversion will require significant cultural and logistical changes in 2015 to implement successfully. The Council may want to include this element in the Work Program given the City-wide scope of the project.

Staff is looking for direction on whether or not to include some or all of these in the Work Program, and whether there are additional topics the Council wishes to consider adding to the Work Program.

#### *CIP Policy Framework and Process Memo*

Because the CIP process must occur in 2015, staff is presuming it will be part of the City Work Program. Based on that assumption, staff has developed a draft policy framework to guide Council prioritization of capital projects. A memo outlining the policy framework and the CIP process timeline is included after the City Work Program memo. Staff intends to make a specific presentation about the CIP process at the retreat as part of the City Work Program discussion.

#### *The City Work Program and the Mid-biennial Budget Process*

The Council will have other opportunities to amend the Work Program. Given the evolution of the Work Program to a biennial plan, it is likely that throughout the year other issues will arise that also require significant financial and staff resources and City Council review. Based on the 2013-2014 experience, staff proposes that these new items are evaluated during the Mid-biennial budget process. This will allow the Council and the City Manager to proactively identify the impact of new initiatives on established priorities and budgets. Decisions can then be made about whether to attempt to accommodate new items and/or reprioritize the adopted Work Program.

#### **Next Steps**

At the retreat, staff is seeking discussion, modification, additions and suggestions on the priority goals and preliminary elements of the 2015-2016 City Work Program. After receiving direction, Staff will bring back a Resolution establishing the priority goals and final Work Program for adoption at one of the March Council meetings. Once the 2015-2016 City Work Program is adopted, the City staff will develop implementation steps, prioritize resources to achieve the Work Program, and update the Council on these efforts.

RESOLUTION R-4963

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND SETTING PRIORITY GOALS FOR 2013-2014 AND ADOPTING THE 2013-2014 CITY WORK PROGRAM.

WHEREAS, in 2011 and 2012 the City Council approved annual City Work Programs, but desires that subsequent City Work Programs be adopted as biennial initiatives to better align with the biennial budget process; and

WHEREAS, the City Council has adopted ten Goals for the City that articulate key policy and service priorities and guide the allocation of resources for Kirkland through the budget and capital improvement programs; and

WHEREAS, due to economic conditions and fiscal constraints, equal progress cannot be made on all City Goals at all times and the City Council must prioritize certain Goals at certain times; and

WHEREAS, in 2013-2014 the City Council desires to spur job growth and economic development, retain a high quality of life in Kirkland, and provide efficient, cost-effective City services to an informed and engaged public; and

WHEREAS, to help achieve these purposes in 2013-2014, the Council prioritizes the Goals of Economic Development, Neighborhoods, Parks, Dependable Infrastructure, Balanced Transportation, Financial Stability and Public Safety; and

WHEREAS, the City Council believes it is appropriate to adopt a 2013-2014 City Work Program to help implement these priority Goals, identify the priority focus of the City of Kirkland's staff and resources, and enable the public to measure the City's success in accomplishing its major policy and administrative goals; and

WHEREAS, the 2013-2014 City Work Program is a list of high priority, major cross-departmental efforts, involving significant financial resources designed to maintain public safety and quality of life in Kirkland, as well as an effective and efficient City government; and

WHEREAS, since over the course of two years new issues may arise that require substantial City resources and City Council review, the adopted 2013-2014 City Work Program will be evaluated during the mid-biennial budget process to proactively determine whether emerging items can be accommodated, deferred, or if the City Work Program must be revised or reprioritized;

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

Section 1. The 2013-2014 City Work Program consisting of the following initiatives is adopted:

1. Revitalize the Totem Lake Business District through continued implementation of the Totem Lake Action Plan to further the goals of **Financial Stability** and **Economic Development**.
2. Partner with the private sector to attract tenants to Kirkland's major business districts to further the goal of **Economic Development**.
3. Reenergize neighborhoods through partnerships on capital project implementation and plan updates while clarifying neighborhood roles in future planning and transportation efforts to further the goal of **Neighborhoods**.
4. Complete the Comprehensive Plan update and incorporate new neighborhoods into all planning documents to further the goals of **Balanced Transportation, Parks and Recreation, Diverse Housing, Economic Development, Dependable Infrastructure** and **Neighborhoods**.
5. Implement the Development Services Organizational Review recommendations and simplify the Zoning Code to further the goals of **Economic Development** and **Neighborhoods**.
6. Develop a City-wide Multimodal Transportation Master Plan to further the goals of **Economic Development Neighborhoods, Balanced Transportation, and Dependable Infrastructure**.
7. Achieve Kirkland's adopted legislative agendas, with emphasis on securing transportation revenues and funding for the NE 132<sup>nd</sup> Street ramps to I-405 to further the goals of **Balanced Transportation** and **Dependable Infrastructure**.
8. Complete the Cross Kirkland Corridor Master Plan and construction of the Interim Trail to further the goals of **Economic Development, Parks, Neighborhoods** and **Balanced Transportation**.
9. Develop a cost effective 2015-2016 Budget that maintains Kirkland's AAA credit rating and implements an improved performance management system that delivers desired outcomes to further the goal of **Financial Stability**.
10. Continue partnership initiatives with employees to achieve sustainability of wages and benefits to further the goal of **Financial Stability**.

11. Complete construction and occupy the Public Safety Building to further the goal of **Public Safety**.
12. Continue implementation of the Fire Strategic Plan recommendations, including evaluation of a Regional Fire Authority and resolution of a consolidated Finn Hill Fire Station to further the goal of **Public Safety**.

Section 2. The City organization shall demonstrate the operational values of regional partnerships, efficiency and accountability as the 2013-2014 City Work Plan is implemented.

Section 3. The City Manager is hereby authorized and directed to develop implementation steps and benchmarks for each initiative in the 2013-2014 City Work Program, prioritize resources and efforts to achieve those benchmarks, and periodically update the Council regarding progress on these efforts.

Passed by majority vote of the Kirkland City Council in open meeting this 5th day of February, 2013.

Signed in authentication thereof this 5th day of February, 2013.

  
MAYOR

Attest:

  
City Clerk

**RESOLUTION R-5003**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND AMENDING THE 2013-2014 CITY WORK PROGRAM TO EXPLORE OPTIONS TO REPLACE THE JUANITA AQUATIC CENTER.**

**WHEREAS, the City Council has adopted ten Goals for the City that articulate key policy and service priorities and guide the allocation of resources for Kirkland through the budget and capital improvement programs; and**

**WHEREAS, in 2013-2014 the City Council desires to spur job growth and economic development, retain a high quality of life in Kirkland, and provide efficient, cost-effective City services to an informed and engaged public; and**

**WHEREAS, to help achieve these purposes in 2013-2014, the Council prioritizes the Goals of Economic Development, Neighborhoods, Parks, Dependable Infrastructure, Balanced Transportation, Financial Stability and Public Safety; and**

**WHEREAS, the City Council believes it is appropriate to adopt a 2013-2014 City Work Program to help implement these priority Goals, identify the priority focus of the City of Kirkland's staff and resources, and enable the public to measure the City's success in accomplishing its major policy and administrative goals; and**

**WHEREAS, the 2013-2014 City Work Program is a list of high priority, major cross-departmental efforts, involving significant financial resources designed to maintain public safety and quality of life in Kirkland, as well as an effective and efficient City government; and**

**WHEREAS, on February 5, 2013, the City Council passed Resolution 4963 which established priority City goals and adopted the City's Work Program for 2013-2014; and**

**WHEREAS, Resolution 4963 acknowledged that because over the course of two years new issues might arise that required substantial City resources and City Council review, the adopted 2013-2014 City Work Program would be evaluated during the mid-biennial budget process to proactively determine whether emerging items could be accommodated, deferred, or if the City Work Program must be revised or reprioritized; and**

WHEREAS, in August of 2013 the Lake Washington School District Board of Directors adopted a resolution to place a school bond measure on the February 2014 ballot; and

WHEREAS, the proposed 2014 school bond measure does not include funding for the replacement of the Juanita Aquatic Center, located at Juanita High School in Kirkland, and therefore the Aquatic Center will close as early as 2017; and

WHEREAS, the Juanita Aquatic Center is the sole public indoor, year-round aquatic facility in the Kirkland community which provides a variety of critical recreational, educational, competitive, and health and wellness activities for citizens of all ages; and

WHEREAS, in September of 2013 the Lake Washington School District Board of Directors adopted a resolution affirming its intent to enter into future pool partnerships with cities and/or other entities and resolving to authorize a portion of unspent existing school capital funds for potential pool partnerships should the 2014 school bond measure pass; and

WHEREAS, the City recognizes the critical importance of recreation programs and facilities which positively impact the social, health, and economic well-being of the community and make Kirkland, Washington an attractive and desirable place to live, work, play, and visit while contributing to its ongoing economic vitality; and

WHEREAS, the City is committed to partnering with the Lake Washington School District and other interested public and private organizations to explore options for replacing the Juanita Aquatic Center by 2017;

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

Section 1. The 2013-2014 City Work Program is amended and adopted to include the following initiatives:

1. Revitalize the Totem Lake Business District through continued implementation of the Totem Lake Action Plan to further the goals of **Financial Stability** and **Economic Development**.
2. Partner with the private sector to attract tenants to Kirkland's major business districts to further the goal of **Economic Development**.

3. Reenergize neighborhoods through partnerships on capital project implementation and plan updates while clarifying neighborhood roles in future planning and transportation efforts to further the goal of **Neighborhoods**.
4. Complete the Comprehensive Plan update and incorporate new neighborhoods into all planning documents to further the goals of **Balanced Transportation, Parks and Recreation, Diverse Housing, Economic Development, Dependable Infrastructure** and **Neighborhoods**.
5. Implement the Development Services Organizational Review recommendations and simplify the Zoning Code to further the goals of **Economic Development** and **Neighborhoods**.
6. Develop a City-wide Multimodal Transportation Master Plan to further the goals of **Economic Development Neighborhoods, Balanced Transportation,** and **Dependable Infrastructure**.
7. Achieve Kirkland's adopted legislative agendas, with emphasis on securing transportation revenues and funding for the NE 132<sup>nd</sup> Street ramps to I-405 to further the goals of **Balanced Transportation** and **Dependable Infrastructure**.
8. Complete the Cross Kirkland Corridor Master Plan and construction of the Interim Trail to further the goals of **Economic Development, Parks, Neighborhoods** and **Balanced Transportation**.
9. Develop a cost effective 2015-2016 Budget that maintains Kirkland's AAA credit rating and implements an improved performance management system that delivers desired outcomes to further the goal of **Financial Stability**.
10. Continue partnership initiatives with employees to achieve sustainability of wages and benefits to further the goal of **Financial Stability**.
11. Complete construction and occupy the Public Safety Building to further the goal of **Public Safety**.
12. Continue implementation of the Fire Strategic Plan recommendations, including evaluation of a Regional Fire Authority and resolution of a consolidated Finn Hill Fire Station to further the goal of **Public Safety**.
13. Partner with the Lake Washington School District and other interested public and private organizations to explore options for replacing the

Juanita Aquatic Center by 2017 to further the goals of **Parks and Recreation**.

Section 2. The City organization shall demonstrate the operational values of regional partnerships, efficiency and accountability as the 2013-2014 City Work Plan is implemented.

Section 3. The City Manager is hereby authorized and directed to develop implementation steps and benchmarks for each initiative in the 2013-2014 City Work Program, prioritize resources and efforts to achieve those benchmarks, and periodically update the Council regarding progress on these efforts.

Passed by majority vote of the Kirkland City Council in open meeting this 17th day of September, 2013.

Signed in authentication thereof this 17th day of September, 2013.

  
MAYOR

Attest:

  
City Clerk



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

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## **MEMORANDUM**

**To:** Kurt Triplett, City Manager

**From:** Tracey Dunlap, Deputy City Manager  
Tom Mikesell, Financial Planning Manager

**Date:** February 10, 2015

**Subject:** 2015-2020 CAPITAL IMPROVEMENTS PRINCIPLES AND PLANNING

### **Recommendation**

City Council receives an overview of 2015-2020 Capital Improvements Program Planning process and provides direction on a draft resolution stating guiding principles for 2015 -2020 CIP project prioritization.

### **Background**

The City's budget schedule traditionally provides for the full review of the 6 year Capital Improvements Program (CIP) concurrent with the biennial operating budget process. Last year the City Council agreed to update the existing 2013-2018 CIP, and postpone the full 2015-2020 CIP process to this year. The intent of this delay was to allow the results of the Kirkland 2035 planning processes to factor into capital project planning.

The major plans with capital components that feed into Kirkland 2035 include the Transportation Master Plan, the Parks, Recreations and Open Space (PROS) Plan, the Surface Water Master Plan, the Water and Sewer System Plans and the Fire Strategic Plan and Standard of Cover Study. Each is expected to generate a prioritized list of projects covering the needs for their respective subject areas. These lists are available or will be available in the coming months, and will likely include a mix of current and new projects.

The 2013 -2018 CIP update that Council adopted in December included a total CIP of \$617.1 million. Of this amount, \$181.1 million is funded and \$549.2 million is unfunded. It is likely that the project needs identified through the Kirkland 2035 process will increase the demands on scarce capital resources.

In anticipation of the needs identified in the Kirkland 2035 process, the 2015-2016 biennial operating budget sets aside significant amounts of unallocated revenues, including Real Estate Excise Tax (REET I and II) and sales tax revenues above projections, park and transportation impact fees generated from increased development activity, and unexpended fund balances. This prudent planning increased the amount available in 2015-2020, but it will not close the overall funding gap. It is clear that the wants and needs will exceed the resources.

## Prioritization Themes

In light of the funding constraints, the discussion turns to prioritization, sequencing and new funding opportunities over the next six years. While each master plan has its unique prioritization criteria, it is useful to have a broader framework to apply across all capital needs. As an example, a prioritization framework reviewed at the 2002 Council Retreat is included as Attachment A. While it demonstrates how such a process can be applied, this framework does not necessarily reflect current Council and community priorities. To make the connection between past concepts and current policy directions, staff recommends using the budget strategic anchors and the following themes as the framework for prioritization:

- **Council Goals and Work Plan** - Project prioritization and sequencing should take place in the context of the City Council's ten goals and the 2015-2016 Work Plan, with clear linkages established similar to the method employed in the 2015-2016 Biennial Operating Budget.
- **Kirkland 2035 Vision** -The Vision Statement and Guiding Principles from the Kirkland 2035 planning process are the foundation for the Comprehensive Plan. Projects that make Kirkland a more livable, walkable, sustainable, and connected community, for example the Cross Kirkland Corridor, should receive priority.
- **Kirkland Quad** - The Kirkland Quad is the framework for analyzing citizen preferences and their satisfaction with services. The Imperatives section of the Quad, which lists high importance/low performance services, should be a focus for new or expanded projects. It will also be important to consider projects that fall into the Stars section of the Quad; these are services that are both high importance and high performance. Investing capital dollars in these areas, such as public safety improvements to maintain service quality in North Kirkland, will help keep our stars shining bright.
- **Five Year General Fund Forecast** - The diverging expenditure and revenue lines in the City's five-year forecast for the General Fund, including the expiration of the annexation sales tax credit in 2021, pose a financial challenge for the city to overcome. Economic development is a key part of the solution, and projects that facilitate or increase development can increase the City's revenue base. For example, projects that facilitate development in Totem Lake and Parkplace should be prioritized. In addition, projects that increase efficiency can help by reducing spending on operating costs. Finally, maintaining current infrastructure to avoid costly replacement with new facilities in the future can contribute to financial sustainability.
- **Price of Government** - The latest analysis of Kirkland's Price of Government shows total revenue as a percentage of personal income has steadily declined over the years, from nearly 5% to a little over 3% in the adopted budget. Research in this field suggests that a normal range for this metric is 4-5% for cities. Kirkland's low price of government indicates that capacity exists to explore new funding alternatives through a ballot initiative for projects that are highly-valued by citizens, such as the Aquatic Recreation and Community Center.

Staff seeks feedback on the CIP themes and recommends final themes be reflected in a resolution such as the draft included as Attachment C. The City Manager's final CIP would conform to the resolution and include projects that fit Kirkland's long term vision, align with City Council goals, and make progress in areas of importance to the community.

## Process Overview

Attachment B, the draft 2015 CIP Calendar, outlines this year's CIP process, including milestones for City department staff, Boards and Commissions, and the City Council.

- **Department Staff** - The process informally began in January by way of an overview with Department directors, to give sufficient lead time for staff to begin developing project cost sheets. A second, formal kick-off with department staff is scheduled on February 24<sup>th</sup>, to answer questions and facilitate staff completion of project cost sheets by March 31<sup>st</sup>.
- **Boards and Commissions** - Due to the intersection of this year's process with Kirkland 2035 planning, the calendar also includes informational dates where feedback from the Transportation Commission and Park Board is expected. In a similar vein, the calendar includes dates for review of the Capital Facilities Plan element of the Comprehensive Plan by the Planning Commission.
- **City Council Review and Adoption** – At the May City Council retreat staff will bring forward further information on specific CIP development and management policy issues, as discussed in more detail below. A preliminary CIP will be presented to Council at its July 23<sup>rd</sup> Study Session. A public hearing and additional Study Session are scheduled for September 1<sup>st</sup> and November 17<sup>th</sup>, respectively, with final adoption of the CIP tentatively scheduled for December 15<sup>th</sup>.

## Policy Issues

There are a number of policy issues that staff anticipates bringing forward for discussion at the Council's May retreat, including:

- **New Funding Options** – As mentioned earlier, the latest CIP update includes an unfunded project list totaling \$549.2 million. Though we are in an economic recovery, the constraints on available funding will mean projects that are important to the community cannot be completed without exploring additional funding options.
- **University of Washington (UW) Process Study** – Over the next four months, culminating in May, Financial Planning staff will be working with two students from the UW Evans School on research into CIP budget processes, including an in-depth look at our process, a review of best practices, and some benchmarking work/interviews with neighboring cities. The project report will serve a dual purpose, as both a capstone for the students' MPA work and a discussion item for the City Council's May retreat.
- **Capital/Operating Shifts** – There are projects in the Capital Improvements Program that could feasibly be funded from the operating budget. The intent is to analyze the advantages and disadvantages of shifting these projects between budgets.
- **Project Design Overhead** – Capital projects currently pay for the cost of Public Works Project management. The intent of this discussion is to explore the feasibility of also charging projects the cost of design support by City staff, where appropriate.
- **Project Management Resources** – As the City's capital budget expands, so does the need for project management resources. The correct mix of external and internal

February 6, 2015

operating resources, staffed at the appropriate skill level, will be an important consideration for discussion as the size and composition of the next six year CIP is discussed.

### **Summary**

The attached draft resolution is intended to capture the broad themes for the upcoming CIP process for communication with staff, impacted Board and Commissions, and the public. Based on Council feedback, the resolution will be brought back for adoption at one of the March regular meetings. The next Council briefing on the CIP process is scheduled for the May 29, 2015 Council Retreat.

Excerpt from March 14, 2003 Council Retreat Packet

**LONG TERM CIP  
BROAD-BASED CRITERIA FOR RANKING PROJECTS**

The following criteria would be assigned a point value and each project (or group of projects) would be matched with criteria that it met. Here are some ideas and projects that might fit under each category (first criteria get more points than those later on the list).

- Maintains or replaces existing asset needed to provide basic public services
  - Street overlay
  - Facilities life cycle repairs
  - Fire station renovation
- Required to meet concurrency (legal level of service)
  - Transportation capacity projects
- Funded from restricted source with pre-committed use/no City funds obligated
  - Some of the Sound Transit projects
- Needed for efficient/effective service delivery of basic public services
  - Public safety information system
- Provides additional capacity to meet adopted levels of service that do not have concurrency requirements
  - Parks capacity projects
- Provides new level of non-mandated service
  - Fire training facility
- Furthers Council adopted policy initiative
  - Non-motorized transportation projects

## Attachment B

### Draft 2015 Capital Improvements Program (CIP) Calendar

**Key:**

City Council Meetings  
K2035 /Comprehensive Plan Processes  
CIP Elements

#### January

January 7<sup>th</sup> –CIP Process Discussion/Informal Soft-Launch with Directors

#### February

February 11<sup>th</sup> – Park Board - Finalize Evaluation Criteria and List of Projects

February 20<sup>th</sup> - City Council Retreat

February 23<sup>rd</sup> – Formal CIP Kick-off with Departments

February 25<sup>th</sup> – Transportation Commission - Review Project List and Initial Recommendations

#### March

March 11<sup>th</sup> – Park Board - Review Rankings and Develop Preliminary CIP

March 25<sup>th</sup> - Transportation Commission – Finalize CIP Recommendations

March 31<sup>st</sup> – Departments - Complete Project Sheets

#### April

April 8<sup>th</sup> – Park Board - Finalize Proposed Parks' CIP

April 21<sup>st</sup> – City Council Study Session - Transportation Master Plan

April 23<sup>rd</sup> – Planning Commission - Review Capital Facilities Element (Text Only -Excluding Capital Facilities Project Tables)

#### May

May 29<sup>th</sup> (Tentative) - City Council Retreat

End of May – Draft Environmental Impact Statement

#### June

June 2<sup>nd</sup> – City Council Briefing on Capital Facilities Plan

## **July**

July 21<sup>st</sup> – City Council Study Session – Preliminary CIP

July 23<sup>rd</sup> –Draft Capital Facilities Plan to Planning Commission

## **August**

August 13<sup>th</sup> –Planning Commission hearing on Capital Facilities Plan draft

## **September**

September 1<sup>st</sup> – City Council CIP Public Hearing

## **November**

November 17<sup>th</sup> – City Council CIP Study Session

November 17<sup>th</sup> – City Council Regular Meeting –Adopt Final Comprehensive Plan (Excluding Capital Facilities Plan) & Planned Action EIS Ordinance

## **December**

December 15<sup>th</sup> – City Council Adopt Final CIP

December – City Council Adopt Capital Facilities Plan

RESOLUTION R-\_\_\_\_\_

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND SETTING POLICY PRINCIPLES FOR PRIORITIZATION IN THE 2015-2020 CAPITAL IMPROVEMENT PROGRAM.

WHEREAS, the Kirkland 2035 Comprehensive Plan represents a collaboration between residents, staff and the City Council to develop a long-term vision for the City of Kirkland's growth over the next 20 years; and

WHEREAS, the City Council has adopted ten goals for the City that articulate key policies and service priorities, and guide the allocation of resources for Kirkland through the budget and capital improvement programs; and

WHEREAS, the City Council desires to spur job growth and economic development, retain a high quality of life in Kirkland, and provide efficient and cost-effective city services to an informed and engaged public; and

WHEREAS, the three Strategic Anchors, including the Kirkland Quad, the Price of Government and the five-year General Fund Forecast are fundamental tools for the sustainable allocation of resources to meet the wants and needs of Kirkland residents; and

WHEREAS, the 2015-2020 Capital Improvements Plan provides an opportunity for public investments over the next six years that continue the City's progress towards meeting these goals.

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

Section 1. The Kirkland City Council endorses development of a 2015-2020 Capital Improvement Program prioritized according to the following principles:

- a. Sustains and enhances public safety, including bicycle and pedestrian safety.
- b. Invests in projects that facilitate near term economic development to help address the gap between revenues and expenditures as identified in the most recent five-year General Fund forecast.
- c. Links projects to the City Council's ten goals.
- d. Includes projects that improve services identified in the "Imperatives" and "Stars" sections of the most recent Kirkland Quad.
- e. Improves efficiency of existing facilities and maintains integrity of existing infrastructure.

- f. Explores the feasibility of new voter-approved funding for projects that are highly-valued by residents, while maintaining the City's low Price of Government.
- g. Sequences projects in a manner that advances the Vision Statement and Guiding Principles of the Kirkland 2035 Comprehensive Plan.

Passed by majority vote of the Kirkland City Council in open meeting this \_\_\_\_ day of \_\_\_\_\_, 2015.

Signed in authentication thereof this \_\_\_\_ day of \_\_\_\_\_, 2015.

\_\_\_\_\_  
MAYOR

Attest:

\_\_\_\_\_  
City Clerk

DRAFT