

**RESOLUTION NO. 2020-15**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ISSAQUAH, WASHINGTON, MAKING A DECLARATION OF SUBSTANTIAL NEED FOR SETTING THE PROPERTY TAX LEVY FOR 2021.

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WHEREAS, RCW 84.55.010 provides that a taxing jurisdiction may levy taxes in an amount no more than the limit factor multiplied by the highest levy of the most recent three years plus additional amounts resulting from new construction and improvements to property and any increase in the value of state-assessed utility property; and

WHEREAS, under RCW 84.55.005(2)(c), the limit factor for a taxing jurisdiction with a population of 10,000 or over is the lesser of 101 percent or 100 percent plus inflation; and

WHEREAS, RCW 84.55.005(1) defines "inflation" the percentage change in the implicit price deflator for personal consumption expenditures for the United States as published for the most recent twelve-month period by the Bureau of Economic Analysis of the federal Department of Commerce by September 25th of the year before the taxes are payable; and

WHEREAS, "inflation" for the most recent 12 month period as published in September 2020 is 0.605 percent and the limit factor is 100.605 percent, limiting taxes levied in the City of Issaquah in 2020 for collection in 2021 to an increase of .0605 %; and

WHEREAS, RCW 84.55.0101 provides for use of a limit factor of 101 percent or less with a finding of "substantial need" by a majority plus one of the City Council; and

WHEREAS, if no finding of substantial need is adopted, the property tax revenues for 2021 would be reduced by \$38,199; and

WHEREAS, the City of Issaquah has experienced declining and unstable revenues as a result of the economic contraction from the global COVID-19 pandemic; and

WHEREAS, the 2021 Budget projects a 9% decline in General Fund revenues from the 2020 Budget; and

WHEREAS, the 2021 Budget projects an increase in employee compensation costs, including those from labor contractual obligations, to grow at 4% over 2020 costs; and

WHEREAS, the 2021 Budget projects the need to use over \$2.3 million in General Fund cash reserves to balance the proposed 2021 Budget;

WHEREAS, the City Council, after duly considering relevant evidence and factors, has determined that, in order to discharge the expected expenses and obligations of the City, and ensure adequate funding in future years, there is a substantial need to set the levy limit at 1 %. NOW, THEREFORE,

THE CITY COUNCIL OF THE CITY OF ISSAQUAH, WASHINGTON, HEREBY RESOLVES AS FOLLOWS:

Section 1. A finding is made of substantial need under RCW 84.55.0101, which authorizes the use of a limit factor of 101 percent for the property tax levy for 2021.

Section 2. This resolution has been enacted by a vote of the majority plus one in an open meeting of the City Council.

PASSED by the City Council this 2nd day of November, 2020.

DocuSigned by:  
*Victoria Hunt*  
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VICTORIA HUNT, COUNCIL PRESIDENT

APPROVED by the Mayor this 2nd day of November, 2020.

DocuSigned by:  
*Mary Lou Pauly*  
CEFF9F862CD7468...  
MARY LOU PAULY, MAYOR

ATTEST:

DocuSigned by:

*Christine L. Eggers*

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CHRISTINE L. EGGERS, CITY CLERK

APPROVED AS TO FORM:

DocuSigned by:

*James E. Haney*

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JAMES E. HANEY, CITY ATTORNEY

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AGENDA BILL NO. 7990