



CITY OF KIRKLAND CITY COUNCIL

Joan McBride, Deputy Mayor • Dave Asher • Jessica Greenway • Doreen Marchione
Bob Sternoff • Penny Sweet • Amy Walen • David Ramsay, City Manager

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AGENDA KIRKLAND CITY COUNCIL MEETING City Council Chamber Tuesday, January 5, 2010 6:00 p.m. – Study Session – Peter Kirk Room 7:30 p.m. – Regular Meeting

COUNCIL AGENDA materials are available on the City of Kirkland website www.ci.kirkland.wa.us, at the Public Resource Area at City Hall or at the Kirkland Library on the Friday afternoon prior to the City Council meeting. Information regarding specific agenda topics may also be obtained from the City Clerk's Office on the Friday preceding the Council meeting. You are encouraged to call the City Clerk's Office (587-3190) or the City Manager's Office (587-3001) if you have any questions concerning City Council meetings, City services, or other municipal matters. The City of Kirkland strives to accommodate people with disabilities. Please contact the City Clerk's Office at 587-3190, or for TTY service call 587-3111 (by noon on Monday) if we can be of assistance. If you should experience difficulty hearing the proceedings, please bring this to the attention of the Council by raising your hand.

1. *CALL TO ORDER*
2. *ROLL CALL*
3. *STUDY SESSION, Peter Kirk Room*
 - a. Information Technology
4. *EXECUTIVE SESSION*
 - a. To Discuss Labor Negotiations
5. *OATH OF OFFICE*
 - a. Councilmember Doreen Marchione
 - b. Councilmember Joan McBride
 - c. Councilmember Penny Sweet
 - d. Councilmember Amy Walen
6. *ELECTION OF MAYOR AND DEPUTY MAYOR*
7. *HONORS AND PROCLAMATIONS*
8. *COMMUNICATIONS*
 - a. *Items from the Audience*
 - b. *Petitions*

EXECUTIVE SESSIONS may be held by the City Council to discuss matters where confidentiality is required for the public interest, including buying and selling property, certain personnel issues, and lawsuits. An executive session is the only type of Council meeting permitted by law to be closed to the public and news media

ITEMS FROM THE AUDIENCE provides an opportunity for members of the public to address the Council on any subject which is not of a quasi-judicial nature or scheduled for a public hearing. (Items which may not be addressed under Items from the Audience are indicated by an asterisk*.) The Council will receive comments on other issues, whether the matter is otherwise on the agenda for the same meeting or not. Speaker's remarks will be limited to three minutes apiece. No more than three speakers may address the Council on any one subject. However, if both proponents and opponents wish to speak, then up to three proponents and up to three opponents of the matter may address the Council.

9. SPECIAL PRESENTATIONS

- a. Transportation Policy Document
- b. SR 520 Eastside Transit and HOV Project Update

10. CONSENT CALENDAR

- a. Approval of Minutes: (1) December 15, 2009 Special Meeting
(2) December 15, 2009

- b. Audit of Accounts:
 - Payroll \$
 - Bills \$

c. General Correspondence

d. Claims

- (1) Cliff Binstock
- (2) Joey Lodson
- (3) Debra J. Seier
- (4) Danielle Schlepp
- (5) The Plaza at Yarrow Bay, Inc.

e. Award of Bids

- (1) Juanita Beach Park Phase 1 Improvements, DMSL Construction, Inc., Arlington, WA

f. Acceptance of Public Improvements and Establishing Lien Period

- (1) Kirkland Avenue/3rd Street Traffic Signal Improvements

g. Approval of Agreements

h. Other Items of Business

- (1) Board and Commission Resignations

11. PUBLIC HEARINGS

- a. Ordinance No. 4232 and its Summary, Relating to Residential Targeted Areas and Amending Section 5.88.030 of the Kirkland Municipal Code

b. Lake Washington School District No. 414 Ballot Measures:

- (1) a. Lake Washington School District No. 414 Proposition No. 1

GENERAL CORRESPONDENCE

Letters of a general nature (complaints, requests for service, etc.) are submitted to the Council with a staff recommendation. Letters relating to quasi-judicial matters (including land use public hearings) are also listed on the agenda. Copies of the letters are placed in the hearing file and then presented to the Council at the time the matter is officially brought to the Council for a decision.

PUBLIC HEARINGS are held to receive public comment on important matters before the Council. You are welcome to offer your comments after being recognized by the Mayor. After all persons have spoken, the hearing is closed to public comment and the Council proceeds with its deliberation and decision making.

Replacement of Existing Educational Programs and Operations Levy. The Board of Directors approved Resolution No. 2044 concerning educational funding. This proposition authorizes the District to levy the following excess taxes, to replace an expiring levy, on all taxable property within the District, to support the District’s educational programs and operations:

ORDINANCES are legislative acts or local laws. They are the most permanent and binding form of Council action, and may be changed or repealed only by a subsequent ordinance. Ordinances normally become effective five days after the ordinance is published in the City’s official newspaper.

<u>Collection Years</u>	<u>Approximate Levy Rate/\$1,000 Assessed Value</u>	<u>Levy Amount</u>
2011	\$1.34	\$49,100,000
2012	\$1.38	\$52,500,000
2013	\$1.42	\$56,200,000
2014	\$1.46	\$60,100,000

As provided in the Resolution. Should this proposition be approved?

YES []
NO []

RESOLUTIONS are adopted to express the policy of the Council, or to direct certain types of administrative action. A resolution may be changed by adoption of a subsequent resolution.

- (1) b. Resolution R-4794, Stating the City Council’s Support for Lake Washington School District No. 414’s Proposition No. 1 Replacement of Existing Educational Programs and Operations Levy
- (2) a. Lake Washington School District No. 414 Proposition No. 2 Replacement of Existing Capital Projects Levies. The Board of Directors approved Resolution No. 2045 for educational facilities and technology levies. This proposition authorizes the improvement and upgrade of District facilities; including educational technology, software and training; building and site improvements; and authorizes the following excess levies for such purposes on all taxable property within the District:

<u>Collection Years</u>	<u>Approximate Levy Rate/\$1,000 Assessed Value</u>	<u>Levy Amount</u>
2011	\$0.49	\$18,000,000
2012	\$0.52	\$19,600,000
2013	\$0.55	\$21,700,000
2014	\$0.58	\$23,700,000

all as provided in the Resolution. Should this proposition be approved?

YES []
NO []

- (2) b. Resolution R-4795, Stating the City Council’s Support for Lake Washington School District No. 414’s Proposition No. 2

Replacement of Existing Capital Projects Levy

- (3) a. Lake Washington School District No. 414 Proposition No. 3 General Obligation Bonds - \$234,000,000. The Board of Directors approved Resolution No. 2046 concerning this proposition for bonds. This proposition authorizes the District to modernize Juanita High School, make additions to Redmond High School and Eastlake High School, construct and equip two new elementary schools and a Environmental and Adventure School, and make other capital improvements; to issue \$234,000,000 of general obligation bonds maturing within a maximum term of 20 years; and to levy excess property taxes annually to repay bonds, as described in Resolution No. 2046.

Should this proposition be:

APPROVED? []
 REJECTED? []

- (3) b. Resolution R-4796, Stating the City Council’s Support for Lake Washington School District No. 414’s Proposition No. 3 General Obligation Bonds - \$234,000,000

12. UNFINISHED BUSINESS

- a. Authorizing Correspondence Regarding SR 520 Eastside Transit and HOV Project Environmental Assessment

NEW BUSINESS consists of items which have not previously been reviewed by the Council, and which may require discussion and policy direction from the Council.

13. NEW BUSINESS

- a. Resolution R-4797, Adopting a Revised Policy for Investment of City Funds

14. REPORTS

a. City Council

- (1) City Council Committee Appointments
- (2) Regional Issues

b. City Manager

- (1) 2010 Legislative Update 1
- (2) City Manager Recruitment Process
- (3) Calendar Update

15. ANNOUNCEMENTS

16. ADJOURNMENT



CITY OF KIRKLAND
Information Technology Department
 123 Fifth Avenue, Kirkland, WA 98033 425.587.3050
 www.ci.kirkland.wa.us

MEMORANDUM

To: David Ramsay, City Manager

From: Brenda Cooper, Chief Information Officer

Date: 12/23/2009

Subject: Technology Study Session

About once a year, we get an opportunity to talk with the City Council about technology. This year, we hope to focus on specific topics that generally all revolve around citizen-facing technology. These include a brush-up on where we are with our regional efforts such as the eCityGov Alliance, some citizen notes about our popular downtown wireless, a spin through the statistics on our website and television, a discussion of the new Currently Kirkland format, a trip through the interactive internet (blogs, mashups, and Web 2.0). We'll end with a brief look at the new technologies coming our way like cloud computing. Attending presenters will include me, Rob Mullin, Xiaoning Jiang, Janice Perry, and Donna Gaw. We have attached a television channel lineup document that Janice will talk to during her part.

In the meantime, like last year, this staff memo addresses other technology issues which may be of interest to the Council, but which we don't have time to cover individually in our presentation.

IT BUDGET

We have come in on-budget every year. Since it's hard to see most of the IT expenditures in any one location, the table below should help you visualize your current level of investment in Information Technology.

<i>Anticipated IT Budget for 2006-2010</i>							
	<i>2008 Budget</i>	<i>2008 Actuals</i>	<i>2009 Budget</i>	<i>2010 budget</i>	<i>2011 Estimated budget*</i>	<i>2012 Estimated budget</i>	<i>Totals</i>
Capital	\$1,796,400	\$1,574,195	\$1,144,200	\$1,231,400	\$925,600	\$1,103,400	\$5,978,795
Operating	\$4,707,363	\$4,202,710	\$4,512,965	\$3,979,296	\$4,178,261	\$4,387,174	\$21,260,406
Totals	\$6,503,763	\$5,776,905	\$5,657,165	\$5,210,696	\$5,103,861	\$5,490,574	\$27,239,201

*Does not include annexation costs or estimates. 2011 and 2012 operating budgets are estimated at previous year plus 5% for the purpose of keeping this simple.

IT STRATEGIC PLAN SUMMARY RECOMMENDATIONS AND STATUS

In 2006, we created an IT Strategic Plan. Here is our status on the projects which were identified as the most important in that plan and which we also reported on to you in 2008.

APPLICATIONS		
<p>Implement an Electronic Document Management System (EDMS)</p>	<p><i>Continue the procurement process and prepare for implementation. Execute a Discovery/Planning project to review and document key use cases associated with that function across the enterprise. Encourage a review of existing processes, and potential re-engineering based on the outcome. Deliver prioritized list of use cases for implementation - the document management roadmap - with target implementation dates.</i></p>	<p><i>We have selected, purchased, and implemented HP's TRIM records management software. All new city contracts are now managed in TRIM. All Ordinances and Resolutions are now in the system and available over the internet to the public. We have over 110 thousand records so far. Almost 700 are contracts. This is only a portion of the work needed to get all of our records into the system.</i></p>
<p>Develop a Virtual Kirkland GeoSpatial Model</p>	<p><i>Create a virtual model of the city, or parts of the city, using digital terrain models, building footprints, tree inventory, building textures, window treatments, sidewalks, and other layers to demonstrate how a development (e.g., a new commercial or office building) or policy (e.g., Zoning Code, Comprehensive Plan, etc.) will visually impact the city. This may also incorporate the ability to show changes over time.</i></p>	<p><i>This is not complete. It was not our highest priority to fund, and many of the commercial GIS applications are beginning to fill this need, so it may not need to be done by the City at all.</i></p> <p><i>We have used 3D GIS for specific projects on request, and remain able to do so when warranted.</i></p>
<p>Analyze recruitment process and implement an online application solution</p>	<p><i>Improve and automate the process for attracting and hiring quality staff, including leveraging our regional relationships to provide a regional applicant portal. This project will be pursued jointly with regional partners and executed in two phases. Phase I will analyze areas for improvement and how technology can assist with process automation. Phase II will implement an Application Online solution based on the results of Phase I.</i></p>	<p><i>We have implemented an applicant online system called GovJobsToday.com as part of our eCityGov.net portfolio. We began to use it for recruitments in 2009.</i></p>

<p>Streamline permit process workflow</p>	<p><i>Perform detailed review of all permitting processes, workflow, and roles and responsibilities. This work will prepare the City to scale its permitting function to accommodate new demand post-annexation. In addition, the permit process workflow will provide guidance to the EDMS project to ensure that the system is aligned to effectively support permitting.</i></p>	<p><i>The Development Services Team worked with a consultant and made progress in this area. Some of the things that they learned have been incorporated into the requirements for the permit system replacement.</i></p>
<p>Receivables</p>	<p><i>Document the Accounts Receivable process for each department that currently deals with receivables. Define requirements for an Accounts Receivable system. Implement a centralized AR system (potentially Springbrook) with refined AR processes. Provide automated posting to IFAS.</i></p>	<p><i>The Accounts Receivable process for each department has been documented and there has been some progress in defining the system requirements. The preferred AR system is IFAS. Once the IFAS upgrade is completed in Spring 2010, work will begin on setting up and testing the AR System in IFAS.</i></p>
<p>e-Gov</p>	<p><i>NWMaps is an online GIS mapping resource for the public to provide regional GIS data from multiple entities into a seamless whole for specific data layers.</i></p> <p><i>NWProperty.net is a regional property locator service. The eCityGov Alliance Operations and Executive Boards manage the work plan for the system which facilitates decision-making for businesses looking to relocate to or within Kirkland and other eCityGov Alliance members.</i></p> <p><i>MyParksandRecreation.com is a single online source for regional information about parks and recreation opportunities. The website allows citizens to search and find availability of classes across the region, and connect to City sites to register for recreation classes. Particular work this year is to integrate parks, facilities, and trails information for the region with a search functionality and GIS component.</i></p>	<p><i>Work completed in the last few years includes implementing interactive online inspection scheduling in MyBuildingPermit.com, addition of trails data to MyParksandRecreation.com, creation and implementation of a regional small works roster for purchasing, and implementation of GovJobsToday.</i></p> <p><i>We are finalizing requirements for an upgrade to NWMaps.net. We are also working on a project to accept permit applications electronically for those permits that need plans (we already accept electronic application for over the counter permits).</i></p>

Mobilize Remote Workforce	<i>Develop a city-wide mobile strategy. For example, to what extent do we want to provide mobile systems, and how will we maintain connectivity? There are currently funded in-flight mobility projects to provide GIS connectivity in the field and for field inspectors in Public Works and Building. The City already provides mobility solutions for Police and Fire (Fire's are managed by the City of Bellevue, who also dispatches Fire). This project is to define the strategy for current, funded, and unfunded wireless mobility needs. Unfunded mobility projects include providing photographic and complaints data to code enforcement officers via mobile technology, Mobile fire inspections and field time entry for Public Works & Parks crews.</i>	<i>The strategy is completed and we have rolled out mobility projects for inspectors and for the GIS field staff.</i>
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INFRASTRUCTURE		
Implement a storage area network	<i>Install a Storage Area Network (SAN) attached to key servers based on application storage requirements. The system will give the City a flexible central pool of data storage space that can be allocated to applications as needed. It will position the City to spend less money in the future as the need for new data storage grows.</i>	<i>This is completed.</i>
Perform server virtualization	<i>Perform server virtualization to reduce the physical footprint of the servers in use (reducing electricity and cooling load), and allow the City to maintain a comprehensive testing environment, potentially reducing the number of outages due to change issues.</i>	<i>This is completed.</i>
Improve network redundancy	<i>Consider entering into an agreement with the City of Bellevue to use the fiber connection between the two cities and share connections to King County as a back-up link in the event of an outage. The City of Kirkland recently established multiple pairs of fiber cable between Kirkland City Hall and the City of Bellevue's new data center. The City should also evaluate the redundancy of its phone system.</i>	<i>We have the fiber connected. To some extent, funding for increased IT resiliency and disaster recovery has been traded off for other things (for example, when we needed to move much of our infrastructure to Bellevue, we repurposed money that had been tagged for disaster recovery).</i>
Implement automated system monitoring	<i>Select and implement automated system monitoring tools on critical City systems. There are a number of commercially available tools that can be easily implemented, would significantly reduce the time required to perform the daily checklist, and provide a real time view into the health of the infrastructure. The City IT department's current process uses a lengthy daily checklist to verify that infrastructure services are working correctly and to identify potential issues. It is a time consuming process and can benefit from automation.</i>	<i>This is completed.</i>

Address disaster recovery needs	<i>Implement back-up and recovery hardware infrastructure and redundancy of various City systems. Also utilize neighboring City of Bellevue data center to store backup systems and Bellevue's connection to other agency networks to ensure connectivity during emergencies.</i>	<i>We ended up having to use the Bellevue site as a primary data center instead of setting it for disaster recovery. We do have some funding planned for 2011, 2013, and 2014 in 2009-2015 CIP and are hopeful that funding will remain available.</i>
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ORGANIZATION		
Continue approach to regionalization and establish a strategic, rational process for regional project planning and selection	<i>Work with regional partners to develop a set of criteria to select projects for consideration. Convene an annual coordination meeting between key regional representatives to share annual programs, priorities, and identify synergies. Regional decision-makers should involve appropriate representation in project selection discussions. These should be individuals that can speak to implementation challenges. Continue current approach to regional project evaluation, which is to move forward if the initiative makes sense for customers, not necessarily because it is cheaper, faster, better, or easier. At times, internal, non-strategic drivers force the need to complete regional initiatives.</i>	<i>This work is done through the eCityGov Alliance.</i>
Introduce the role of Public Information Officer (PIO)	<i>Add a PIO reporting to the City Manager's Office (CMO). Tools and technology to support the PIO should reside in IT. The PIO will help the City communicate with the public more effectively.</i>	<i>The City Manager's Office hired a Communications Manager to fill this role.</i>
Introduce the role of Application Team Manager	<i>Add a full-time application team manager with responsibilities and high demand for applications staff time for workload leveling, prioritization, issue escalation and project performance monitoring. The application team manager will be able to relieve the project management workload which will exceed existing staff capacity over the duration of the plan.</i>	<i>This position is built into our annexation expectations.</i>

<p>Implement a project governance body or IT Project Management Organization (PMO)</p>	<p><i>Implement a virtual project management organization to develop project management best practices and delivery standards. A virtual project management organization (PMO) is one where critical project delivery roles are primarily distributed amongst existing staff resources. The IT PMO will provide monitoring and review of projects for quality and also provide project portfolio management and prioritization. It is recommended that the proposed Application Team Manager position chair the PMO and develop an implementation plan. The implementation plan should take a phased approach that defines the PMO components (i.e. standards and best practices) and defines plans for training and resource assignment. It is further recommended that the PMO functions be piloted on major projects and focus on the most challenging aspects of project delivery as currently experienced by City of Kirkland IT, which are scheduling and resource leveling.</i></p>	<p><i>It will be easier to do this once we have the applications manager.</i></p>
<p>Continue to add staff as appropriate and as resources allow</p>	<p><i>Identify and address other staffing gaps such as those currently filled by one-time funded staff and those posed by future growth plans. The City should request ongoing City funding for its four one-time funded staff who are not currently built into the City's base budget and whose workloads are not anticipated to diminish. Other current staffing needs have been identified as a GIS specialist (see GIS Strategic Plan), network specialist, and an intern. As the City grows – in physical size through annexation and in associated staffing and infrastructure – the IT department should continue to assess its customers' growing needs and add staff as appropriate to help support the City's ability to run efficiently.</i></p>	<p><i>We did move some of our temporary staff to ongoing positions by shifting CIP funding to operating funding, but we have also now lost staff to the budget reductions, including part of one of the positions we shifted.</i></p>

These are the highest priority tasks from the IT Strategic Plan, which had over 104 projects, and which we've continued to add to. On our typical operating calendar, we would be working on a new Strategic Plan in 2010, but at this point we recommend that we continue to complete these tasks and the new ones that we already know of (such as replacing the Permit System) and do another strategic plan process in 2012 after the bulk of the annexation is complete from an IT point of view. We will request funding for that planning process in the 2011/2012 budget process.

MAJOR PROJECTS FOR 2010 AND 2011

We haven't completely finished getting our work plan through the IT Steering team and blessed for these two years because we were waiting for the outcome of the annexation vote, but the following projects and concerns will be the primary elements in our detailed plan:

- Replace the aging permit management system. By the end of 2010, we'd like to be almost done. This will be our single largest project.
- Make significant progress on getting the base layers in the Annexation area completed.
- Re-design the city website with a new graphic look and feel, and clean up the content.
- Begin using Web 2.0 tools in production to communicate with the community.
- Release the RFP to get a NWMaps product that allows citizens to easily access the city's GIS data as appropriate.
- Perform a complete upgrade of our telephone system server hardware (this is maintenance – not replacement, but is still a large job).
- Finish implementation of the web-based version of our finance system front end, which includes significant business process redesign.
- Further enhance the city's intranet to support more communication via web 2.0 technologies for internal needs.
- Replace our almost twelve-year-old help desk system and implement best practices to help us better document, maintain, and support our increasingly-complex systems.
- Replace the core switches in the city network. This is a big, risky project that will occupy the last half of the year.

Please feel free to ask me any questions you may have.



continued

Currently Kirkland * **

Sun./Mon./Wed.- Sat. 6:30am & 6:30pm
An award winning monthly news and information program aired on the KGOV and KLIFE Channels.

Spotlight on Environmental Health

Mon./Sat. 9am
Produced by King County Public Health's Environmental Health Division to address issues related to healthy living and the environment. Division aims to identify and sustain healthy environmental conditions that protect and promote people's health.

Fire Safety * **

Mon./Thurs. 9:30pm
From fire drills to garage appliance safety, youth fire setting to life saving fire sprinklers. Guaranteed to be the hottest topic on your set!

History* **

Sun./Wed./Fri. 8pm
Learn about Kirkland's history and the east side of Lake Washington.

Kirkland in Focus* **

Mon./Thurs. 8pm
Features initiatives, a look at department or specific information about programs undertaken by the City such as Traffic Calming, City Parks and Emergency Preparedness to name a few.

Inside Transportation

Wed./Fri. 7am; Sun. 8pm
Inside Transportation is designed to help you learn how the King County Department of Transportation serves the public and how to take advantage of

the transportation options available to you. It is a presentation of the King County Department of Transportation Public Affairs Unit.

Lecture Series * **

Tues./Sat. 3pm; Wed./Fri. 8pm
Presentations on a range of topics including global Warming, affordable housing, earthquake retrofits for the homeowner and much more.

Legislative Update

Sun./Mon./Wed.- Fri. 7pm
Stay informed about what's happening in our state capital! Legislative Update airs monthly throughout our state's legislative session, providing residents with a summary of legislation being considered. Updates are provided by our area's House Representatives and Senators.

Pentagon Channel

Wed./Sun. 12pm; Tues. 6pm
The Pentagon Channel broadcasts military news and information for the 2.6 million members of the U.S. Armed Forces through programming including: Department of Defense news briefings, military news, interviews with top Defense officials and short stories about the work of our military.

Perils for Pedestrians

Thurs. 7am; Mon. 1pm
Learn about pedestrian safety and ways to improve it. Our host visits different places throughout the United States, focusing on steps that are being taken to enhance pedestrian safety.

Project Impact

Mon./Sat. 10am; Tues. 9am
Project Impact features local, regional and national experts talking about disaster and emergency management issues relevant to our area. Topics include information on hazards and disasters, emergency preparedness and response, homeland security and other topics.

Public Safety

Sun./Tues./Wed./Fri. 5am; Mon/Thurs. 11pm; Mon. 11am
Programs, information and tips to keep you up to date and families safe, including such topics as new laws around children car seats, driving tips, identify theft etc.

Sound Transit Board Meetings

Wed./Fri. 8am; Sun. 9pm
Tune in to the latest from the Sound Transit Board.

Sound Transit in Motion

Wed./Fri. 8am; Sun. 8:30pm
This video magazine contains feature stories, updates and other information about Sound Transit services, construction and plans for expansion of the regional mass transit system.

Special Features *

Thurs. 3pm; Tues./Sat. 12am; Mon./Wed./Fri./ Sun. 5pm
An à la carte selection of entertainment, event, and informational programs.

White House Chronicle

Tues./Sat. 2pm, Fri. 11:30pm
A weekly news and public affairs program. It hosts are nationally syndicated columnist and author Llewellyn King and veteran journalist Linda Gasparello.

Kirkland TV Tune in, Log-on
123 Fifth Avenue, Kirkland, WA 98033
425-587-3207
Email: KirklandTV@ci.kirkland.wa.us

Comcast:
KGOV - Channel 21 / KLIFE Channel 75
Verizon:
KGOV - Channel 31 / KLIFE Channel 32

www.ci.kirkland.wa.us/tv





Check our website for more details on days and times:

http://www.ci.kirkland.wa.us/depart/TV/Kirkland_TV_Programs.htm

*Denotes streamed programs

** Denotes in-house production

Arts & Artist

Mon./Thurs./Sat. 6am; Sun./Wed./Fri. 1am & 1pm
 Programs made available through the National gallery of Art to foster awareness of the visual arts. View such programs as “The landscapes of Frederick Edwin Church”, “Adventures in Art”, “Picasso: The Saltimbanques”, etc.

Currently Kirkland * **

Daily 7:30am/12pm/7:30pm
 An award winning monthly news and information program airs on the K-Life and KGOV Channels. Get a sense of Kirkland life and learn about City programs, news, developments and events. Be aware of breaking news items such as traffic revisions and public safety updates.

Education News Parents Can Use

Sun./Mon./Wed./Fri. 8am; Tues./Thurs./Sat. 10 am
 A television series about ways to ensure children’s educational success.

Fire Safety * **

Sun./Mon./Wed./Fri. 9 pm
 From fire drills to garage appliance safety, youth fire setting to life saving fire sprinklers. Guaranteed to be the hottest topic on your set!

Give Your Wall Some Soul

Mon./Wed. 1am; Mon./Fri. 1pm
 Enjoy Shannon Grissom’s award-winning television show “Give Your Walls Some Soul”. Let Shannon share with you her tips and techniques for painting with soul!

Health and Safety 50+*

Sun./Mon./Wed./Fri. 9am; Tues./Thurs./Sat. 4 pm
 A wealth of information for Baby Boomers and Beyond. Learn about cyber cons, emergency readiness for older adults or how to be a drug smart consumer.

Health Issues

Sun./Tues./Wed./Fri. 9am; Tues./Thurs./Sat. 4 pm
 A variety of topics including physical health, healing and recovery from addiction and the faces of influenza.

It’s Your City

Sun./Mon./Wed./Fri. 7pm
 Monthly magazine show produced by the City of Bellevue giving you a look at what’s happening in and around the City of Bellevue.

Jazzercise’s “Jazz Cardio Strength Stretch”

Tues./Fri. 6am; Wed./Sun. 7am; Tues. 2pm;
 Wed./Sun., 8:30pm
 An exciting 30-minute workout program produced specifically for local access television. This non-commercial program featuring Judi Sheppard Missett, Shanna Missett Nelson and other Jazzercise Instructors incorporates cardio, strength, and stretch routines.

Public Safety

Sun./Wed./Fri. 11pm; Mon./Thurs./Sat. 11am
 Programs, information and tips to keep you up to date and families safe; programs include such topics as new laws around children’s car seats, driving tips, identify theft etc.

Sam the Cooking Guy

Wed./Thurs./Sat. 2am; Mon./Wed./Fri./Sun. 2:30pm; Sat. 11:30pm
 A message from Sam: “Sam the Cooking Guy is about an everyday guy - me (ok, so I have 8 Emmys) who has found a way to make cooking casually understandable. With no fancy equipment and by speaking English instead of ‘chef-speak,’ I’m sort of the everyman of television cooking. The show is shot right in my house – and I cook with my kids, dogs and neighbors occasionally around – just like we all do... Food that’s ‘big in taste and small in effort’.

Senior Council Spotlight * **

Tues./Thurs./Sat. 9am; Sun./Mon./Wed./Fri. 4pm
 The Kirkland Senior Council produces a variety of educational award winning TV/Video programs on topics ranging from aging in place to influencing your elected officials. Kirkland’s Senior Council strives to ensure that Kirkland remains a safe, vibrant community for residents aged 50 and older.

Special Features

Tues./Thurs./Sat. 8pm
 An à la carte selection of entertainment, event, and informational programs.

Vintage Vehicle Show

Wed. 1:30pm; Mon./Tues./Thurs./Sat. 5pm; Fri. 8:30pm
 This award winning show brings you the best television coverage of all aspects of the classic, stock, custom and hot rod car hobby. Over the past thirteen years the Vintage Vehicle Show has taken viewers to America’s best car shows, museums, private collections and restoration facilities.

We’ve Got Issues * **

Sun./Mon./Wed./Fri./Sat. 10pm; Tues./Thurs. 12am; Wed. 5pm
 This award winning program produced by the Kirkland Youth Council focuses on issues and topics important to today’s youth and our community which values their perspective.

Words that Cook! Parenting with Children’s Books

Sun./Mon./Wed./Fri. 10am; Tues./Thurs./Sat. 8am
 An award winning half-hour family literacy program co-hosted by Monty Haas and Martine Bernard. The series celebrates the joy of reading, the art of writing, the wonder of storytelling and the magic of wordplay through a combination of interviews and live action spiced up with animated fun.



Check our website for more details on days and times:

http://www.ci.kirkland.wa.us/depart/TV/Kirkland_TV_Programs.htm

*Denotes streamed programs

** Denotes in-house production

American Democracy Television

Fri. 12pm; Sat. 7pm
 The American Democracy Television network provides video programs to engage citizens with our representative government. Viewers will learn: How representative democracy works at the local, state and national level; that compromise and disagreement are an important part of our system of democracy; and how their ideas and special interests are represented.

Kirkland City Council Meetings* **

Sun./Wed./Fri. 12pm; Thurs. 8am; Sat. 7pm
 For special sessions check our website. Live broadcasts of City Council meetings are the first and third Tuesday of each month beginning with a Study Session at 6:00 p.m. continuing into the regular meeting.

**CITY OF KIRKLAND****Department of Public Works**

123 Fifth Avenue, Kirkland, WA 98033 425.587.3800

www.ci.kirkland.wa.us

To: City Council

From: Transportation Commission, Jon Pascal, Chair

Date: December 23, 2009

Subject: TRANSPORTATION CONVERSATION DOCUMENT

During much of 2009, the Transportation Commission has been developing a policy document titled *Transportation Conversations*. Before we begin discussions with a wider audience, we wanted to share an outline of our work with the Council and that is the purpose of our presentation at the January 5 Council meeting.

Transportation Conversations has two purposes. The first is to establish principles which underpin Kirkland's transportation policy. These principles will then serve not only as pillars of the Comprehensive Plan, but guideposts for evaluating future transportation decisions that come before the Commission and the Council. The principles are:

- **Move people**
Support a transportation system, and related government and private actions, that promotes all forms of transportation.
- **Be sustainable**
Support a transportation system that can be sustained over the next 50 years. Act to assure that the existing and future transportation system:
 - *will be implemented, operated and maintained over the long-term using reasonably assured revenue sources.*
 - *Will be designed to move the overall environmental impact of the system toward zero.*
- **Be an active partner**
Actively build and maintain partnerships locally, regionally and nationally, to further our transportation goals.
- **Link to Land Use**
Ensure consistency between land use and transportation planning and implementation.

The second purpose is to make recommendations, based on the principles, for action on three important transportation topics:

- **Development review;** including concurrency, impact fees, transportation impact analysis and SEPA review.
- **Transportation funding;** how will we afford to maintain what we have and build what we need.

December 23, 2009

Page 2

- **Transportation, climate change and public health;** Climate change and public health are impacted by transportation but have not been considered at the policy level as transportation issues.

By examining these critical topics we will develop a series of bold but practical recommendations that the City and our partners can work to implement.

We are planning a two step approach to the project. The first step is to present the principles to the community. It is our hope that by engaging others in a discussion we can develop principles that can be supported by the City Council and the Kirkland Community. Then, based on what we hear, we will modify the principles and develop recommendations for each issue. Other issues may surface during this discussion, and we can then use the principles to address them over the months ahead.

We have already made contact with KAN, the Business Roundtable and the Planning Commission and are on each group's January agenda. We would like to return to the Council in the second quarter of 2010 for discussion of the recommendations.

The latest draft of the document is contained in Attachment A.

TRANSPORTATION CONVERSATIONS



PERSPECTIVES ON KIRKLAND'S TRANSPORTATION POLICY



City of Kirkland Transportation Commission

DRAFT JANUARY 2010

This document was prepared by the City of Kirkland Transportation Commission and does not necessarily reflect the views of City staff or the City Council

City of Kirkland Transportation Commission

Don Samdahl, Chair

Joel Pfundt, Vice-chair

Morgan Hopper

Mike Miller

Tom Neir

Jon Pascal

Sandeep Singhal

City of Kirkland Public Works Department

Daryl Grigsby, Director

David Godfrey, P.E. Transportation Engineering Manager

Ray Steiger, P.E. Capital Projects Manager

Modern style, Paper colors, median font

Cover photo credits

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INTRODUCTION

This document began as a tool to organize thinking around Kirkland's transportation policy. Kirkland is making progress in many areas of transportation, but principles underlying the different programs have not been enunciated. The Transportation Commission felt that the alignment illustrated in Figure 1 was missing --Kirkland's transportation vision wasn't clear and funding, project priorities and programs didn't flow logically. Securing agreement on principles that guide decision making is an important factor in achieving alignment of these elements. At a retreat in the spring of 2009, the Commission first developed these four principles.

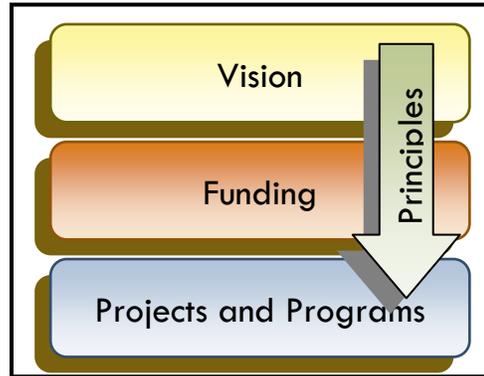


Figure 1 Consistent principles help align Vision, Funding and Projects and Programs

- Move People
- Be Sustainable
- Create Partnerships
- Link to land use

Often, the Transportation Commission is asked to recommend positions on issues for the City Council. Using the principles as a guide will help to give the Commission a uniform way of considering issues, and will also help ensure that the Commission's recommendations are grounded in principles that are supported by the Council and the Community. As the City's Comprehensive Plan undergoes a major update in 2011, revisions to the Transportation Element of the Comprehensive Plan should rest on a foundation of the principles. One example of how the Commission has used the principles previously is shown in Figure 2.

Principle → Concept ↓	Move people	Sustainable	Partnership	Link to land use
Maintain routes that perform well in one or more standard measures	Limits the amount of coverage but moves the most people per hour of bus service	Fewer higher frequency routes are cheaper and higher performance.	Serve all subareas, but don't be bound by formulas.	
Serve all subareas, but don't be bound by formulas in reductions and adds.	Formulas don't necessarily support this principle		Strict formulas lead to turf wars.	Formulas don't maximize this link.
Focus most on all day routes with a few high performing peak routes.	All day routes are necessary for true mobility	Peak hour routes cost more in general and can encourage short car trips to park and rides		All day routes support multi-use development

Figure 2 Transportation principles are used to help evaluate policy choices. This table is an example of how the Commission used the principles to consider alternatives for Metro service cuts. The matrix entries show how the concept is or is not supported by a principle.

During the first months of 2010, the Commission will be discussing the principles with the Community. Based on those discussions, the principles will be refined and then be applied to three important transportation issues. Specific recommendations for each issue, developed by the Commission, and based on the principles will be presented. These recommendations will be in the form of work items for the Commission or policy goals to be adopted by City Council. The Commission plans to develop the recommendations in early 2010 and publish a revised document that combines both the principles and the recommendations.

THE PRINCIPLES

MOVE PEOPLE

SUPPORT A TRANSPORTATION SYSTEM, AND RELATED GOVERNMENT AND PRIVATE ACTIONS, THAT PROMOTES ALL FORMS OF TRANSPORTATION.

In the past, Kirkland’s transportation system has focused on moving cars. The principle of Moving People requires development of facilities and programs that support not only cars but travel by bicycle, transit and walking to move people where they want to go. The movement of people includes people who are moving in support of commerce, moving goods, freight and providing services. Moving cars has been the organizing concept for transportation during the past 70 years, but today people are seeking alternatives.



Figure 3 Juanita Drive is a complete street, with facilities for bicycles, pedestrians and cars.

Instead of considering how people can move around Kirkland, the city’s transportation policy decisions have been based mainly on how autos will fare. The level of service standards in our Comprehensive Plan that require transportation projects to be built consider only automobiles. Fees paid by developers to mitigate the transportation impacts of their developments can be spent only on projects that provide capacity for cars. Capital project spending is not currently balanced across modes; only a small fraction directly benefits cyclists and pedestrians.

Except for a few missing segments, Kirkland’s street system is fully developed for auto travel. In order to have a complete transportation system however, the street system has to be complemented by additional facilities for bicycles and more sidewalks. Improvements that allow buses to have increased speed and on-time performance are also needed.

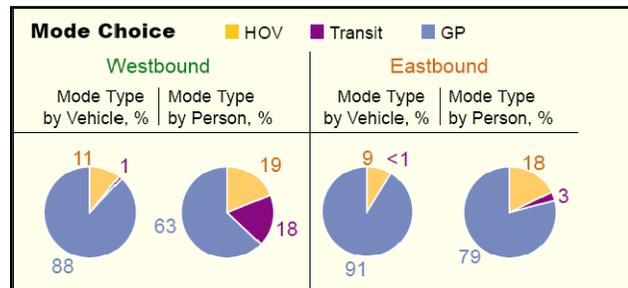


Figure 4 Mode split by vehicle trips and person trips, SR 520 bridge, AM period. In the westbound direction, transit carries 18% of the person trips in 1% of the vehicles. Source: WSDOT

BE SUSTAINABLE

SUPPORT A TRANSPORTATION SYSTEM THAT CAN BE SUSTAINED OVER THE NEXT 50 YEARS. ACT TO ASSURE THAT THE EXISTING AND FUTURE TRANSPORTATION SYSTEM:

- **WILL BE IMPLEMENTED, OPERATED AND MAINTAINED OVER THE LONG-TERM USING REASONABLY ASSURED REVENUE SOURCES.**
- **WILL BE DESIGNED TO MOVE THE OVERALL ENVIRONMENTAL IMPACT OF THE SYSTEM TOWARD ZERO.**

If the transportation system is sustainable, it's condition is stable or improving over time. Kirkland faces challenges in each sustainability area. Because approximately 50% of greenhouse gasses are transportation related, (Figure 5) it will be impossible to meet the Council's adopted climate change goals without changing the way we travel. Fiscally, even if all the current capital budget were spent on pavement preservation, it's likely that current maintenance standards could not be met. This is without funding the construction of other types of projects, like development of ITS and preservation of other transportation infrastructure. New funding methods must be developed and projects must be carefully prioritized in new ways.

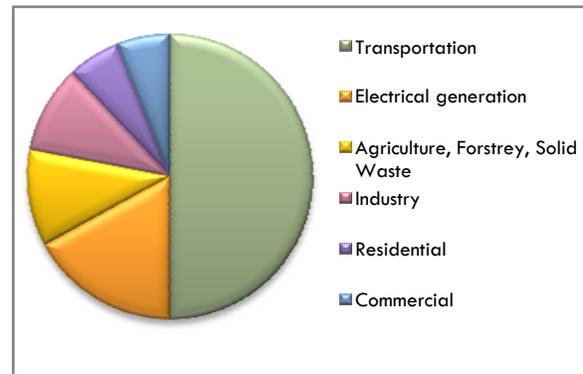


Figure 5 Relative contributions of various sources to greenhouse gas emissions, 2002. Source: Puget Sound Clean Air Agency.

BE AN ACTIVE PARTNER

ACTIVELY BUILD AND MAINTAIN PARTNERSHIPS LOCALLY, REGIONALLY AND NATIONALLY, TO FURTHER OUR TRANSPORTATION GOALS.

A shared vision is vital to accomplishing transportation goals and leveraging resources. Partnerships must be created locally –between neighborhoods, businesses and others; as well as regionally –among Kirkland, other cities and transportation agencies like Metro, Sound Transit and WSDOT.

In order to be successful, a renewed vision for transportation policy has to have support from stakeholders. At the same time, once agreement on a course of action is achieved, implementation must follow. The City of Kirkland has a sterling reputation for involving local stakeholders in decision making. However, too many times in the past plans have been adopted only to unravel during implementation when criticism from a few undermines previous resolve. Recent struggles around downtown land use decisions exemplify this problem. Traffic doesn't stop at city borders. Cars, busses, bicycles and pedestrians all travel within and between cities.

Kirkland is bisected by I-405, which is the responsibility of the Washington State Department of Transportation. Transit service is provided by King County Metro and Sound Transit both of which are governed by separate boards. Regional policy determines, to a large extent, the minimum number of trips that Kirkland must plan for. For all these reasons, working with other agencies is a requirement for achieving Kirkland's transportation goals. Kirkland must be proactive in its work with regional partners. Kirkland should come to other partners with a strong sense of our needs rather than reacting to what is offered by others.

LINK TO LAND USE

ENSURE CONSISTENCY BETWEEN LAND USE AND TRANSPORTATION PLANNING AND IMPLEMENTATION.

Transportation networks are often designed to support certain land use patterns. At the same time, transportation facilities can alter and influence land use patterns. Land use and transportation plans must be developed with consideration of effects each has on the other.

The interchange at I-405 and NE 124th Street has been reconstructed several times since it was first built. In 1936 (see Figure 6) the area was rural. A modest interchange supported the semi-rural land of the mid 1960's. However, the fact that there was an interchange at all presented an opportunity to intensify the land use. As the land use changes increased, more capacity was added to the interchange which in turn supported more land use growth.



System performance is a result of land use and



transportation (Figure 7). The intersection of land use and

Figure 6 The I-405 NE 124th Street area 1936 (left) and 2007 (right). Land use and transportation changes combined to transform the area.

Source: King County

transportation network takes place most fundamentally in Kirkland's Comprehensive Plan where the Land Use and Transportation Plans reside. Discussions about the implications of land use and transportation often take place during development review where the impacts of development are quantified and mitigations are proposed.



Figure 7 Transportation system performance is as much a function of land use as it is of facilities and programs.

ISSUES

The Commission has chosen three issues to examine in more detail in a future version of this report. These issues are relevant, timely and offer opportunities for progress. Taken together, they span Kirkland's transportation spectrum and touch the life of every Kirkland citizen. Each issue will be examined in the context of the principles identified above.

Development Review. New developments cause impacts on the transportation system. Development review is the process by which city staff reviews those impacts and prescribes mitigating measures. Elements of development review include Transportation Impact Analysis, concurrency, SEPA¹ and impact fees. In 2008, the Commission proposed several ideas for improvements to concurrency but was not able to achieve adequate consensus to move forward. Several other aspects of development review are in need of improvement. Development review has important influences on both project funding and land use decisions.

Funding. Project funding and prioritization has not been comprehensively looked at for 10 years. Ensuring the adequacy of capital funding and its proper allocation is the most important challenge facing Kirkland's transportation system.

Pollution, climate change and public health. Increasing attention is being paid to the role of transportation in climate change and in public health issues such as obesity. Automobiles are important contributors to air and water pollution. Kirkland has not yet comprehensively examined this relationship.

The following table shows how the three issues fit within the framework of the principles

TABLE 1 ISSUES AND PRINCIPLES

Issue → Principle ↓		Development Review	Funding	Climate change/public health/pollution
Move People		Analysis and mitigation currently focus on moving motor vehicles.	Clear funding levels and priorities have not been identified across the entire range of modal projects.	How people move will have determine impacts on climate change, health and pollution.
Be Sustainable	fiscal	Funds to construct projects to meet concurrency account use up a large portion of the capital budget.	Shift funds to meet sustainability goals.	Fiscal sustainability will require changing pricing mechanisms to align with this issue.
	environment	Environmental aspects of transportation are not currently addressed.	Choices of funding mechanism can impact vehicle miles of travel and green house gas production.	Environmental sustainability is directly impacted through this issue.
Create Partnerships		Changing development review practices requires acceptance from a number of internal and external stakeholders.	Funding priorities will require agreement from many groups	These issues have the potential to be polarizing. Significant changes require state and regional partners.
Link to Land Use		Development review is intended to directly relate land use choices and transportation facilities.	Determine development's fair share of funding.	The combination of land use and transportation choices are central to working on these issues.

In a future version of this document, the issues will be discussed further and recommendations will be developed for each issue, based on the principles. These recommendations will likely take the form of recommendations for the Commission's work plan or policy objectives for the City Council to consider.

¹ SEPA State Environmental Protection Act

CONCLUSIONS

Every community needs principles to organize its transportation policy making. This report proposes four principles tailored to Kirkland's needs

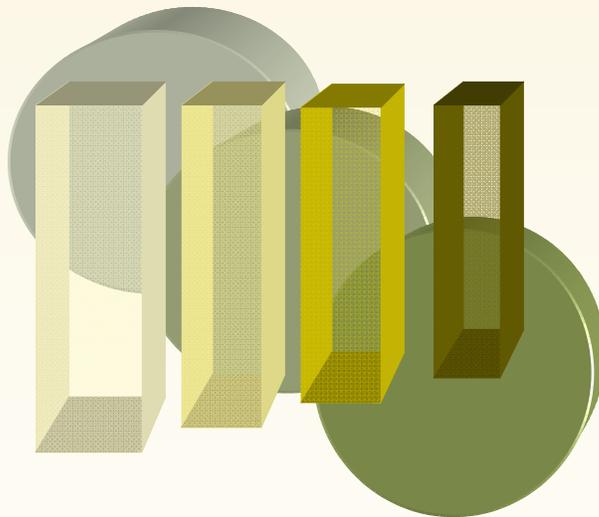
- Move People
- Be Sustainable
- Create Partnerships
- Link to Land Use

These principles provide a helpful lens for examining transportation issues facing Kirkland. Further, incorporating these principles into the Comprehensive Plan will give a consistent basis with which to view transportation decisions in the future.

In the next iteration of this document, three issues will be looked at in the context of the principles to illustrate how the principles can be brought to bear on existing problems to generate meaningful and coordinated recommendations. It is the goal of the Transportation Commission to incorporate the recommendations into its work plan in order to bring forth changes in the way Kirkland plans, designs, constructs, operates and maintains its transportation projects and programs.

TRANSPORTATION CONVERSATIONS

Perspectives on Kirkland's Transportation Policy



City of Kirkland Transportation Commission



CITY OF KIRKLAND

Department of Public Works

123 Fifth Avenue, Kirkland, WA 98033 425.587.3809

www.ci.kirkland.wa.us

MEMORANDUM

To: David Ramsay, City Manager

From: Daryl Grigsby, Public Works Director
Noel Hupprich, P.E., Project Engineer
David Godfrey, P.E., Transportation Engineering Manager

Date: December 23, 2009

Subject: SR 520 EASTSIDE TRANSIT AND HOV PROJECT – PROJECT BRIEFING

RECOMMENDATION:

It is recommended that Council receive the planned special presentation to provide a briefing on the SR 520 Eastside Transit and HOV Project by WSDOT Staff. Daniel Babuca, Engineering Manager, SR 520 Bridge Replacement and HOV Program will present.

BACKGROUND AND DISCUSSION:

The Eastside Transit and HOV Project is one of four projects under the SR 520 Bridge Replacement and HOV Program. The project provides infrastructure and operational improvements along SR 520 from approximately Lake Washington to 108th Avenue NE and restriping of HOV lanes from 108th to SR 202 (Attachment A). Council has closely followed development of this project for several years, and WSDOT has been developing the project components with the cooperation of Eastside jurisdictions. Kirkland related project elements include:

- Construction of a direct-access interchange for transit and HOV at 108th Avenue NE
- Realignment of NE Points drive. This work will accommodate wider lanes along SR 520, installation of noise walls and construction of an extension to the SR 520 regional bicycle trail.
- Storm water detention and treatment facilities. Currently there are no detention or treatment facilities along SR 520 and it is expected that the project will meet current standards.
- Fish passage improvements to Yarrow Creek. Replacement of two culverts that cross under NE Points Drive.
- Development of a regional trail for cyclists and pedestrians.
- Reconstruction of the interchange at Lake Washington Boulevard

On September 23, 2009 WSDOT Staff briefed the Kirkland Transportation Commission on the project. On December 16, the Commission reviewed the project's recently released Environmental Assessment and identified several questions and issues that the Council may want to address with WSDOT staff. These are detailed in a separate item under Unfinished Business on the January 5 Council agenda and include:

- Linkage of the proposed regional trail with the existing SR 520 trail to the east and other bicycle/pedestrian issues.
- Consideration of tolls on SR 520 and I-405 in the Environmental Assessment.
- Operation of the new interchange at Lake Washington Boulevard/Bellevue Way.
- Impacts of changes to Points Drive

WSDOT staff plans to present a program overview, a funding/schedule update and information about the Environmental Assessment.

Attachments (1)

SR 520 Bridge Replacement and HOV Program



Medina to SR 202: Eastside Transit and HOV Project

Fall 2009

Enhancing safety and mobility on the Eastside

The Eastside Transit and HOV Project will provide infrastructure and operational improvements in the SR 520 corridor to support planned population growth, economic expansion and increases in transit service in rapidly growing communities on the east side of Lake Washington.

What does the Eastside Transit and HOV Project include?

The Eastside Transit and HOV Project would complete and improve the HOV system from Evergreen Point Road to the vicinity of the SR 202 interchange, a distance of approximately 8.5 miles. The six-lane corridor would have two general-purpose lanes and one HOV lane in each direction.



Conceptual rendering of Eastside lane configuration looking west near Bellevue Way.

Project highlights include:

Transportation

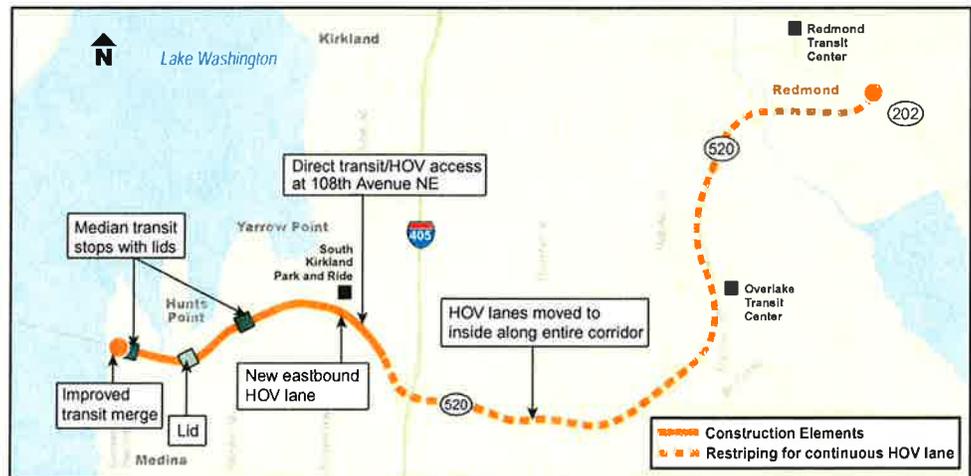
- Restriping the existing HOV lanes to the inside lane between Evergreen Point Road and SR 202.
- Constructing an eastbound HOV lane between Evergreen Point Road and 108th Avenue NE.
- Constructing lids at Evergreen Point Road, 84th Avenue and 92nd Avenue NE.
- Relocating transit stops to the center lanes at 92nd Avenue NE and Evergreen Point Road.
- Constructing a direct-access interchange for transit and HOV at 108th Avenue NE.
- Constructing a regional bicycle/pedestrian path along the north side of SR 520.
- Expanding the Evergreen Point Road Park and Ride.

Environmental

- Constructing noise walls along the corridor between Evergreen Point Road and Bellevue Way.
- Improving Yarrow Creek and making culverts passable for fish.

The Eastside Transit and HOV Project is one of four projects of the SR 520 Bridge Replacement and HOV Program.

- Eastside Transit and HOV Project
- Bridge Replacement and HOV Project
- Pontoon Construction Project
- Lake Washington Congestion Management Project



What is the environmental review process?

WSDOT's goal is to deliver effective transportation solutions while minimizing effects to the community and natural surroundings. We are currently in the process of developing an environmental assessment that evaluates environmental effects and mitigation measures. This assessment will incorporate and build upon other planning efforts and environmental studies related to the SR 520 corridor.

What's happening with project design?

WSDOT recently worked with corridor users and neighbors to provide input on our preliminary designs. The Eastside Community Design Collaboration committee helped to refine the Eastside corridor, including lids, transit stops, corridor walls, pathways and trails.

We are pursuing interagency review of our lid design plans prior to finalizing the preliminary design.



Conceptual rendering of a bus picking up passengers at an Eastside lid and transit station at 92nd Avenue NE.

Costs and funding

The current cost estimate for the Eastside Transit and HOV Project is \$776 million.

WSDOT applied for federal stimulus funds this year to help pay for improvements included in this project. The United States Department of Transportation is evaluating applications and is expected to make selections by February 2010.

What is the project schedule?

Environmental review and design

- 2008 - Conduct environmental scoping.
- 2009 - Release environmental assessment.
- 2010 - Finalize design.
- 2010 - Receive permits.

Construction (pending funding)

- 2010 - Begin construction.

For more information:

Phone: 1-888-520-NEWS

E-mail: SR520bridge@wsdot.wa.gov

Web site: www.wsdot.wa.gov/projects/SR520Bridge

Mail: SR 520 Bridge Replacement and HOV Program
600 Stewart Street, Suite 520
Seattle, WA 98101



**Washington State
Department of Transportation**

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KIRKLAND CITY COUNCIL SPECIAL MEETING

Minutes

December 15, 2009

1. CALL TO ORDER

Mayor Lauinger called the Special Meeting of the Kirkland City Council to order at 6:00 p.m.

2. ROLL CALL

Members Present: Mayor James Lauinger, Deputy Mayor Joan McBride, Councilmembers Dave Asher, Mary-Alyce Burleigh, Jessica Greenway, Tom Hodgson and Bob Sternoff.

3. SALARY COMMISSION INTERVIEWS

- a. Kathleen Finney
- b. Erin Howard
- c. Tina McDade
- d. Bea Nahon
- e. Anna Rising
- f. Doug Sayed

4. SELECTION AND APPOINTMENT OF SALARY COMMISSION MEMBER

Councilmember Asher moved to appoint Tina McDade to the remainder of an unexpired term ending 3/31/2010, appoint Anna Rising to the remainder of an unexpired term ending 3/31/2011, reappoint Bea Nahon to a three year term ending 3/31/2012 and to select Scott McClelland as an alternate appointee should an additional vacancy arise within the next six months, on the Salary Commission. Councilmember Greenway seconded the motion, which passed unanimously.

5. ADJOURNMENT

The December 15, 2009 Special Meeting of the Kirkland City Council was adjourned at 6:40 p.m.

City Clerk

Mayor



KIRKLAND CITY COUNCIL REGULAR MEETING MINUTES
December 15, 2009

1. CALL TO ORDER

2. ROLL CALL

ROLL CALL:

Members Present: Mayor Jim Lauinger, Deputy Mayor Joan McBride, Councilmember Dave Asher, Councilmember Mary-Alyce Burleigh, Councilmember Jessica Greenway, Councilmember Tom Hodgson, and Councilmember Bob Sternoff.

Members Absent: None.

3. STUDY SESSION

None.

4. EXECUTIVE SESSION

None.

5. HONORS AND PROCLAMATIONS

None.

6. COMMUNICATIONS

Mayor and Councilmembers completing their terms of office expressed thanks and appreciation for the public, staff and regional partners during their tenure.

a. Items from the Audience

Bob Style
Penny Sweet
Scott Brady
G.G. Getz
Jack Wherry
Katherine Winder
Jane Hague
Bea Nahon
Todd Woosley
Omar Aftab

b. Petitions

None.

7. SPECIAL PRESENTATIONS

None.

8. CONSENT CALENDAR

Motion to Approve the addition of an item on the Consent Calendar acknowledging a Salary Commission resignation under item 8.h.2.

Moved by Councilmember Mary-Alyce Burleigh, seconded by Councilmember Dave Asher

Vote: Motion carried 7-0

Yes: Mayor Jim Lauinger, Deputy Mayor Joan McBride, Councilmember Dave Asher, Councilmember Mary-Alyce Burleigh, Councilmember Jessica Greenway, Councilmember Tom Hodgson, and Councilmember Bob Sternoff.

a. Approval of Minutes: December 1, 2009

b. Audit of Accounts:

Payroll \$2,183,094.59

Bills \$2,321,045.90

run # 874 checks # 513456 - 513570

run # 875 checks # 513573 - 513728

c. General Correspondence

None.

d. Claims

(1) Bill Nelson

(2) Earl G. Wayman

e. Award of Bids

(1) The 120th Avenue NE and 73rd Street Water Main Replacement Project was awarded to Freeman Bell LLC, of Pacific, WA in the amount of \$267,855.62, and authorization was given to transfer \$90,000 of the project budget into the annual street preservation program to provide for the half street overlay required by

the watermain project.

f. Acceptance of Public Improvements and Establishing Lien Period

- (1) 2009 Water System Improvement Project
- (2) Kirkland City Hall Annex Renovation

g. Approval of Agreements

(1) Resolution R-4788, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND APPROVING PARTICIPATION BY THE CITY IN A COOPERATIVE PURCHASING AGREEMENT WITH THE WASHINGTON STATE DEPARTMENT OF GENERAL ADMINISTRATION'S OFFICE OF STATE PROCUREMENT AND AUTHORIZING THE CITY MANAGER TO EXECUTE SAID AGREEMENT ON BEHALF OF THE CITY OF KIRKLAND."

(2) Resolution R-4789, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT FOR THE USE OF PORTIONS OF THE DILLARD PROPERTY AT 151 3RD STREET FOR PUBLIC PAY PARKING PURPOSES."

This item was pulled for consideration under Unfinished Business.

h. Other Items of Business

- (1) Next Steps for South Rosehill Water District Building
- (2) Salary Commission Resignation

Motion to Approve the Consent Calendar with the exception of item 8.g.(2). which was pulled for consideration under unfinished business.

Moved by Councilmember Mary-Alyce Burleigh, seconded by Deputy Mayor Joan McBride

Vote: Motion carried 7-0

Yes: Mayor Jim Lauinger, Deputy Mayor Joan McBride, Councilmember Dave Asher, Councilmember Mary-Alyce Burleigh, Councilmember Jessica Greenway, Councilmember Tom Hodgson, and Councilmember Bob Sternoff.

9. PUBLIC HEARINGS

a. School Impact Fees Public Hearing Continuation to January 19, 2010

Motion to table the public hearing indefinitely.

Moved by Councilmember Bob Sternoff, seconded by Deputy Mayor Joan McBride

Vote: Motion carried 7-0

Yes: Mayor Jim Lauinger, Deputy Mayor Joan McBride, Councilmember Dave Asher, Councilmember Mary-Alyce Burleigh, Councilmember Jessica Greenway, Councilmember Tom Hodgson, and Councilmember Bob Sternoff.

10. UNFINISHED BUSINESS

- a. Resolution R-4792, Approving the Transfer of Control of the Cable Franchisee Verizon Northwest, Inc. to Frontier Communications Corporation and Authorizing the City Manager to Execute a Transfer of Control Agreement

Chief Information Officer Brenda Cooper reviewed the discussions and provided a status update on the proposed transfer; she introduced Frontier Communications of Rochester Chairman Ann L. Burr, who shared additional comments and perspective.

Motion to Approve Resolution R-4792, entitled, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND APPROVING THE TRANSFER OF CONTROL OF THE CABLE FRANCHISEE VERIZON NORTHWEST, INC. TO FRONTIER COMMUNICATIONS CORPORATION AND AUTHORIZING THE CITY MANAGER TO EXECUTE A TRANSFER OF CONTROL AGREEMENT."

Moved by Councilmember Mary-Alyce Burleigh, seconded by Councilmember Jessica Greenway

Vote: Motion carried 7-0

Yes: Mayor Jim Lauinger, Deputy Mayor Joan McBride, Councilmember Dave Asher, Councilmember Mary-Alyce Burleigh, Councilmember Jessica Greenway, Councilmember Tom Hodgson, and Councilmember Bob Sternoff.

- b. Development Incentives for Affordable Housing:

Planning Supervisor Dawn Nelson reviewed the proposed amendments and related issues.

(1) Ordinance No. 4222 and its Summary, Relating to Zoning, Planning, and Land Use, Revising the City's Regulations Regarding Affordable Housing and Development Incentives, Amending

Ordinance 3719 as Amended, the Kirkland Zoning Ordinance and Approving a Summary Ordinance for Publication, File No. ZON09-00005

Motion to Approve Ordinance No. 4222 and its Summary, entitled "AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO ZONING, PLANNING, AND LAND USE, REVISING THE CITY'S REGULATIONS REGARDING AFFORDABLE HOUSING AND DEVELOPMENT INCENTIVES, AMENDING ORDINANCE 3719 AS AMENDED, THE KIRKLAND ZONING ORDINANCE AND APPROVING A SUMMARY ORDINANCE FOR PUBLICATION, FILE NO. ZON09-00005" as amended.

Moved by Deputy Mayor Joan McBride, seconded by Councilmember Jessica Greenway

Vote: Motion carried 7-0

Yes: Mayor Jim Lauinger, Deputy Mayor Joan McBride, Councilmember Dave Asher, Councilmember Mary-Alyce Burleigh, Councilmember Jessica Greenway, Councilmember Tom Hodgson, and Councilmember Bob Sternoff.

Motion to amend Ordinance 4222 and its summary, to include option 2 that would include enhancements for affordable housing but would exempt the Houghton area from the mandatory provision.

Moved by Deputy Mayor Joan McBride, seconded by Councilmember Bob Sternoff

Vote: Motion carried 5-2

Yes: Mayor Jim Lauinger, Deputy Mayor Joan McBride, Councilmember Jessica Greenway, Councilmember Tom Hodgson, and Councilmember Bob Sternoff.

No: Councilmember Dave Asher, and Councilmember Mary-Alyce Burleigh.

(2) Ordinance No. 4223 and its Summary, Amending Kirkland Municipal Code Chapter 5.88 Regarding the Multifamily Housing Property Tax Exemption

Motion to Approve Ordinance No. 4223 and its Summary, entitled, "AN ORDINANCE OF THE CITY OF KIRKLAND AMENDING KIRKLAND MUNICIPAL CODE CHAPTER 5.88 REGARDING THE MULTIFAMILY HOUSING PROPERTY TAX EXEMPTION."

Moved by Deputy Mayor Joan McBride, seconded by Councilmember Jessica Greenway

Vote: Motion carried 7-0

Yes: Mayor Jim Lauinger, Deputy Mayor Joan McBride,

Councilmember Dave Asher, Councilmember Mary-Alyce Burleigh, Councilmember Jessica Greenway, Councilmember Tom Hodgson, and Councilmember Bob Sternoff.

(3) Ordinance No. 4224 and its Summary, Relating to Transportation and Park Impact Fees and Amending Certain Sections of Chapters 27.04 and 27.06 of the Kirkland Municipal Code

Motion to Approve Ordinance No. 4224 and its Summary, entitled, "AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO TRANSPORTATION AND PARK IMPACT FEES AND AMENDING CERTAIN SECTIONS OF CHAPTERS 27.04 AND 27.06 OF THE KIRKLAND MUNICIPAL CODE."

Moved by Deputy Mayor Joan McBride, seconded by Councilmember Dave Asher

Vote: Motion carried 7-0

Yes: Mayor Jim Lauinger, Deputy Mayor Joan McBride, Councilmember Dave Asher, Councilmember Mary-Alyce Burleigh, Councilmember Jessica Greenway, Councilmember Tom Hodgson, and Councilmember Bob Sternoff.

(4) Ordinance No. 4225, Relating to Sewer Capital Facility Charges and Amending Certain Sections of Chapters 15.12 of the Kirkland Municipal Code

Motion to Approve Ordinance No. 4225, entitled, "AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO SEWER CAPITAL FACILITY CHARGES AND AMENDING CERTAIN SECTIONS OF CHAPTERS 15.12 OF THE KIRKLAND MUNICIPAL CODE."

Moved by Deputy Mayor Joan McBride, seconded by Councilmember Mary-Alyce Burleigh

Vote: Motion carried 7-0

Yes: Mayor Jim Lauinger, Deputy Mayor Joan McBride, Councilmember Dave Asher, Councilmember Mary-Alyce Burleigh, Councilmember Jessica Greenway, Councilmember Tom Hodgson, and Councilmember Bob Sternoff.

(5) Resolution R-4790, Stating Its Intent to Designate Residential Targeted Areas Under Chapter 84.14 RCW and Providing Notice of a Public Hearing Pursuant to RCW 84.14.040

Motion to Approve Resolution R-4790, entitled, "A RESOLUTION OF THE CITY OF KIRKLAND STATING ITS INTENT TO

DESIGNATE RESIDENTIAL TARGETED AREAS UNDER
CHAPTER 84.14 RCW AND PROVIDING NOTICE OF A PUBLIC
HEARING PURSUANT TO RCW 84.14.040."

Moved by Deputy Mayor Joan McBride, seconded by Councilmember
Jessica Greenway

Vote: Motion carried 7-0

Yes: Mayor Jim Lauinger, Deputy Mayor Joan McBride,
Councilmember Dave Asher, Councilmember Mary-Alyce Burleigh,
Councilmember Jessica Greenway, Councilmember Tom Hodgson,
and Councilmember Bob Sternoff.

c. Tree Regulation Amendments:

Senior Planner Jon Regala and Urban Forester Deb Powers reviewed the
proposed changes and staff recommendation.

(1) Ordinance No. 4226 and its Summary, Relating to Zoning and
Land Use, Amending City Regulations Relating to Trees, Amending
Ordinance 3719 as Amended, the Kirkland Zoning Ordinance and
Approving a Summary Ordinance for Publication, File No. ZON08-
00016

Motion to amend Ordinance No. 4226 and its Summary, part 95.23
subparagraph 5.b. (1 and 2.b) as proposed in option 2
on electronic council meeting packet page 183.

Moved by Councilmember Dave Asher, seconded by Councilmember
Mary-Alyce Burleigh

Vote: Motion carried 6-1

Yes: Mayor Jim Lauinger, Deputy Mayor Joan McBride,
Councilmember Dave Asher, Councilmember Mary-Alyce Burleigh,
Councilmember Tom Hodgson, and Councilmember Bob Sternoff.
No: Councilmember Jessica Greenway.

Motion to amend Ordinance No. 4226 and its Summary, to include the
staff recommended revision to part 95.23 subparagraph 5.a.

Moved by Councilmember Dave Asher, seconded by Councilmember
Mary-Alyce Burleigh

Vote: Motion carried 6-1

Yes: Mayor Jim Lauinger, Deputy Mayor Joan McBride,
Councilmember Dave Asher, Councilmember Mary-Alyce Burleigh,
Councilmember Jessica Greenway, and Councilmember Tom
Hodgson.

No: Councilmember Bob Sternoff.

Motion to amend Ordinance No. 4226 and its Summary, as proposed

by staff in part 95.20 (exemptions) as shown on electronic council meeting packet page 185.

Moved by Councilmember Dave Asher, seconded by Councilmember Mary-Alyce Burleigh

Vote: Motion carried 7-0

Yes: Mayor Jim Lauinger, Deputy Mayor Joan McBride, Councilmember Dave Asher, Councilmember Mary-Alyce Burleigh, Councilmember Jessica Greenway, Councilmember Tom Hodgson, and Councilmember Bob Sternoff.

Motion to Approve Ordinance No. 4226 and its Summary, entitled "AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO ZONING AND LAND USE, AMENDING CITY REGULATIONS RELATING TO TREES, AMENDING ORDINANCE 3719 AS AMENDED, THE KIRKLAND ZONING ORDINANCE AND APPROVING A SUMMARY ORDINANCE FOR PUBLICATION, FILE NO. ZON08-00016" as amended.

Moved by Councilmember Dave Asher, seconded by Councilmember Mary-Alyce Burleigh

Vote: Motion carried 7-0

Yes: Mayor Jim Lauinger, Deputy Mayor Joan McBride, Councilmember Dave Asher, Councilmember Mary-Alyce Burleigh, Councilmember Jessica Greenway, Councilmember Tom Hodgson, and Councilmember Bob Sternoff.

(2) Ordinance No. 4227 and its Summary, Amending Chapter 19.36 of the Kirkland Municipal Code Regarding Street Trees and Trees on City Property

Motion to Approve Ordinance No. 4227 and its Summary, entitled "AN ORDINANCE OF THE CITY OF KIRKLAND AMENDING CHAPTER 19.36 OF THE KIRKLAND MUNICIPAL CODE REGARDING STREET TREES AND TREES ON CITY PROPERTY."

Moved by Councilmember Dave Asher, seconded by Councilmember Mary-Alyce Burleigh

Vote: Motion carried 7-0

Yes: Mayor Jim Lauinger, Deputy Mayor Joan McBride, Councilmember Dave Asher, Councilmember Mary-Alyce Burleigh, Councilmember Jessica Greenway, Councilmember Tom Hodgson, and Councilmember Bob Sternoff.

(3) Ordinance No. 4228 and its Summary, Relating to Fees Charged

by the Department of Planning and Community Development, Establishing New Fees for Certain Tree Related Permits and Reflecting the Current Published Annual Change in the Seattle Consumer Price Index for Wage Earners and Clerical Workers

Motion to Approve Ordinance No. 4228 and its Summary, entitled "AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO FEES CHARGED BY THE DEPARTMENT OF PLANNING AND COMMUNITY DEVELOPMENT, ESTABLISHING NEW FEES FOR CERTAIN TREE RELATED PERMITS AND REFLECTING THE CURRENT PUBLISHED ANNUAL CHANGE IN THE SEATTLE CONSUMER PRICE INDEX FOR WAGE EARNERS AND CLERICAL WORKERS."

Moved by Councilmember Dave Asher, seconded by Councilmember Mary-Alyce Burleigh

Vote: Motion carried 7-0

Yes: Mayor Jim Lauinger, Deputy Mayor Joan McBride, Councilmember Dave Asher, Councilmember Mary-Alyce Burleigh, Councilmember Jessica Greenway, Councilmember Tom Hodgson, and Councilmember Bob Sternoff.

d. Annexation:

(1) Resolution R-4791, Expressing the Council's Intent to Accept the Annexation of Certain Territory Referred to as the Finn Hill, Kingsgate and North Juanita Annexation Area Without the Assumption of Voter-Approved Indebtedness

Motion to Approve Resolution R-4791, entitled, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND EXPRESSING THE COUNCIL'S INTENT TO ACCEPT THE ANNEXATION OF CERTAIN TERRITORY REFERRED TO AS THE FINN HILL, KINGSGATE AND NORTH JUANITA ANNEXATION AREA WITHOUT THE ASSUMPTION OF VOTER-APPROVED INDEBTEDNESS."

Moved by Councilmember Dave Asher, seconded by Councilmember Bob Sternoff

Vote: Motion carried 6-1

Yes: Mayor Jim Lauinger, Deputy Mayor Joan McBride, Councilmember Dave Asher, Councilmember Mary-Alyce Burleigh, Councilmember Tom Hodgson, and Councilmember Bob Sternoff.
No: Councilmember Jessica Greenway.

(2) Ordinance No. 4229 and its Summary, Annexing Certain Territory Referred to as the Finn Hill, Kingsgate and North Juanita

Annexation Area; Providing that the Property in the Annexation Area be Assessed and Taxed at the Same Rate and on the Same Basis as Other Property Within the City of Kirkland, but Without the Assumption of Voter-Approved Indebtedness; Adopting Zoning Regulations; and Fixing the Effective Date of the Annexation

Motion to Approve Ordinance No. 4229 and its Summary, entitled, "AN ORDINANCE OF THE CITY OF KIRKLAND ANNEXING CERTAIN TERRITORY REFERRED TO AS THE FINN HILL, KINGSGATE AND NORTH JUANITA ANNEXATION AREA; PROVIDING THAT THE PROPERTY IN THE ANNEXATION AREA BE ASSESSED AND TAXED AT THE SAME RATE AND ON THE SAME BASIS AS OTHER PROPERTY WITHIN THE CITY OF KIRKLAND, BUT WITHOUT THE ASSUMPTION OF VOTER-APPROVED INDEBTEDNESS; ADOPTING ZONING REGULATIONS; AND FIXING THE EFFECTIVE DATE OF THE ANNEXATION."

Moved by Councilmember Mary-Alyce Burleigh, seconded by Deputy Mayor Joan McBride

Vote: Motion carried 4-3

Yes: Mayor Jim Lauinger, Deputy Mayor Joan McBride, Councilmember Mary-Alyce Burleigh, and Councilmember Bob Sternoff.

No: Councilmember Dave Asher, Councilmember Jessica Greenway, and Councilmember Tom Hodgson.

- e. Ordinance No. 4230, Establishing the Amount of Property Taxes to be Levied for the Year 2010, the Second Year of the City of Kirkland's 2009-2010 Fiscal Biennium and Repealing Ordinance 4216

Motion to Approve Ordinance No. 4230, entitled, "AN ORDINANCE OF THE CITY OF KIRKLAND ESTABLISHING THE AMOUNT OF PROPERTY TAXES TO BE LEVIED FOR THE YEAR 2010, THE SECOND YEAR OF THE CITY OF KIRKLAND'S 2009-2010 FISCAL BIENNIUM AND REPEALING ORDINANCE NO. 4216."

Moved by Councilmember Dave Asher, seconded by Deputy Mayor Joan McBride

Vote: Motion carried 7-0

Yes: Mayor Jim Lauinger, Deputy Mayor Joan McBride, Councilmember Dave Asher, Councilmember Mary-Alyce Burleigh, Councilmember Jessica Greenway, Councilmember Tom Hodgson, and Councilmember Bob Sternoff.

- f. 2009-2010 Mid-Biennial Budget Adjustment:

(1) Ordinance No. 4231, Amending the Biennial Budget for 2009-2010

Motion to Approve alternate Ordinance No. 4231, entitled "AN ORDINANCE OF THE CITY OF KIRKLAND AMENDING THE BIENNIAL BUDGET FOR 2009-2010."

Moved by Councilmember Mary-Alyce Burleigh, seconded by Deputy Mayor Joan McBride

Vote: Motion carried 6-1

Yes: Mayor Jim Lauinger, Deputy Mayor Joan McBride, Councilmember Mary-Alyce Burleigh, Councilmember Jessica Greenway, Councilmember Tom Hodgson, and Councilmember Bob Sternoff.

No: Councilmember Dave Asher.

(2) Resolution R-4793, Authorizing the Transfer of Funds from the Contingency Reserve Fund to the General Fund to Pay Firefighter Overtime Costs in 2009

Motion to Approve Resolution R-4793, entitled, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND AUTHORIZING THE TRANSFER OF FUNDS FROM THE CONTINGENCY RESERVE FUND TO THE GENERAL FUND TO PAY FIREFIGHTER OVERTIME COSTS IN 2009."

Moved by Councilmember Dave Asher, seconded by Deputy Mayor Joan McBride

Vote: Motion carried 7-0

Yes: Mayor Jim Lauinger, Deputy Mayor Joan McBride, Councilmember Dave Asher, Councilmember Mary-Alyce Burleigh, Councilmember Jessica Greenway, Councilmember Tom Hodgson, and Councilmember Bob Sternoff.

g. Shoreline Master Program

Deputy Director of Planning and Community Development Paul Stewart provided an update on the status of the program.

h. Kenyon Disend Contract Amendment

Motion to Approve approve a contract amendment for additional services related to the Bank of America review and approve the use of \$2,400.49 from the Council special project reserve.

Moved by Councilmember Mary-Alyce Burleigh, seconded by Councilmember Jessica Greenway

Vote: Motion carried 7-0

Yes: Mayor Jim Lauinger, Deputy Mayor Joan McBride, Councilmember Dave Asher, Councilmember Mary-Alyce Burleigh, Councilmember Jessica Greenway, Councilmember Tom Hodgson, and Councilmember Bob Sternoff.

Council recessed for a short break at 9:06 p.m.

- i. Resolution R-4789, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT FOR THE USE OF PORTIONS OF THE DILLARD PROPERTY AT 151 3RD STREET FOR PUBLIC PAY PARKING PURPOSES."

This item was pulled from Consent Calendar.

Motion to Approve Resolution R-4789, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT FOR THE USE OF PORTIONS OF THE DILLARD PROPERTY AT 151 3RD STREET FOR PUBLIC PAY PARKING PURPOSES."

Moved by Councilmember Dave Asher, seconded by Councilmember Mary-Alyce Burleigh

Vote: Motion carried 7-0

Yes: Mayor Jim Lauinger, Deputy Mayor Joan McBride, Councilmember Dave Asher, Councilmember Mary-Alyce Burleigh, Councilmember Jessica Greenway, Councilmember Tom Hodgson, and Councilmember Bob Sternoff.

11. NEW BUSINESS

None.

12. REPORTS

a. City Council

(1) Regional Issues

Councilmembers shared information regarding the upcoming Lodging Tax Advisory Committee Branding Study presentation; Kirkland Heritage Society Cookie Exchange at the Marsh Mansion; Public Meeting to solicit comment on the Solid Waste Comprehensive Plan; Food Waste Recycling Project for Multifamily properties; Eastside Human Services Forum; SR520 Environmental Impact Statement

Public Hearing; and Suburban Cities Regional Board Assignments. Thanks were extended to outgoing Councilmembers and an update on the City Manager recruitment was requested.

b. City Manager

(1) Calendar Update

13. ANNOUNCEMENTS

None.

14. ADJOURNMENT

The Kirkland City Council regular meeting of December 15, 2009 was adjourned at 10:23 p.m.

City Clerk

Mayor



CITY OF KIRKLAND
Department of Finance and Administration
123 Fifth Avenue, Kirkland, WA 98033 425.587.3100
www.ci.kirkland.wa.us

MEMORANDUM

To: David Ramsay, City Manager
From: Kathi Anderson, City Clerk
Date: December 28, 2009
Subject: CLAIM(S) FOR DAMAGES

RECOMMENDATION

It is recommended that the City Council acknowledge receipt of the following Claim(s) for Damages and refer each claim to the proper department (risk management section) for disposition.

POLICY IMPLICATIONS

This is consistent with City policy and procedure and is in accordance with the requirements of state law (RCW 35.31.(040)).

BACKGROUND DISCUSSION

The City has received the following Claim(s) for Damages from:

- (1) Cliff Binstock
1121 NE 97th Street 14th Avenue
Kirkland, WA 98033

Amount: Unspecified amount

Nature of Claim: Claimant states damage to water pipe resulted from replacement of water meter.

- (2) Joey Lodson
12404 NE 112th Pl.
Kirkland, WA 98033

Amount: Unspecified amount

Nature of Claim: Claimant states damage to property resulted from city vehicle striking residence.

- (3) Debra J. Seier
11008 100th Avenue NE
Kirkland, WA 98033

Amount: \$4,655.09

Nature of Claim: Claimant states damage to vehicle resulted, in part, from being struck by a City vehicle.

- (4) Danielle Schleep
12823 NE 95th Street
Kirkland, WA 98033

Amount: Unspecified amount

Nature of Claim: Claimant states damage to vehicle resulted from running over a pothole

- (5) The Plaza at Yarrow Bay, Inc.
2025 First Avenue, Suite 700
Seattle, WA

Amount: Unspecified amount

Nature of Claim: Claimant states damage to property is due to flooding caused by the City's culverts and right of easement.



CITY OF KIRKLAND

Department of Parks & Community Services

505 Market Street, Suite A, Kirkland, WA 98033 425.587.3300

www.ci.kirkland.wa.us

MEMORANDUM

To: David Ramsay, City Manager

From: Jennifer Schroder, CPRP, Director of Parks and Community Services
Michael Cogle, Park Planning Manager

Date: December 20, 2009

Subject: Juanita Beach Park Phase 1 Redevelopment: Award of Construction Bid to DMSL Construction, Inc.

RECOMMENDATION:

That the City Council award a construction contract to DMSL Construction, Inc. in the amount of \$1,180,390.57 for Phase 1 renovation of Juanita Beach Park.

BACKGROUND DISCUSSION:

Funding for the Juanita Beach Park Phase 1 Redevelopment is derived from multiple sources as follows:

\$1,200,000	City of Kirkland CIP Funding
\$ 500,000	2002 Kirkland Park Bond Funds
\$1,000,000	State of Washington Grants (matching funds)
\$ 100,000	King County Flood Control District
\$2,800,000	Total Funding Available

Competitive construction bids were opened for the Juanita Beach Park Phase 1 Renovation Project on December 1, 2009. A total of 13 bids were received (see Attachment 1). In addition to a Base Bid, contractors were asked to provide bids on five additive-alternate items:

Base Bid: Park Construction. Items included in the bidders' base bid include all work related to demolition of existing shelters and creek bridge, construction of a concrete waterfront promenade, parking lot reconfiguration and associated rain gardens, surface drainage and water quality improvements, habitat restoration of Juanita Creek including side channel creation, removal of hazard trees, significant new plantings, lawn renovation, new site furniture, new bridge, new irrigation, new paths, and a public art sculpture. All work for this phase of the Juanita Beach Park project will occur on the beach (south) side of Juanita Drive and the proposed improvements are consistent with the approved 2005 park master plan.

Award of Bid: Juanita Beach Park Phase I Improvements

December 20, 2009

Page 2

Additive Alternate #1: Parking Lot Lighting. This item is for providing parking lot light fixtures and associated wiring/conduit.

Additive Alternate #2: Vertical Wave Baffle Removal. This item is for removing vertical wave baffles on the west side of the existing walking over-water walking pier so as to improve water circulation (and water quality) within the wading beach area.

Additive Alternate #3: Seal Coat and Striping of Portion of Existing Parking Lot. This item is for applying a seal coat and restriping of an approximately 22,000 sq. ft. portion of the existing parking lot (western portion of existing lot that will remain during this phase).

Additive Alternate #4: Upgrade new park pathways. This item would upgrade new pathways from compacted gravel to asphalt.

Additive Alternate #5: Provide additional benches. This item would provide 5 additional park benches (with associated concrete pads) beyond those benches specified in the Base Bid.

Bid Award Recommendation

The City has received excellent bids for this project. After careful review of the bids received, staff makes the following recommendation for bid award:

Award a construction contract to DMSL Construction, Inc., Arlington, WA

DMSL Construction, Inc. has met the requirements of the City's bidder responsibility criteria. Their public work has included projects for the City of Olympia, City of Mount Vernon, and Washington State Parks. In addition, DMSL successfully completed demolition of structures at Rose Hill Meadows for the City in 2008.

Contract Award

Staff recommends the following contract award to DMSL Construction:

\$960,753.00	Base Bid
\$165,213.33	Additive Alternate #1 – Parking Lot Lighting
\$ 47,304.00	Additive Alternate #4 – Upgrade new park pathways to asphalt
<u>\$ 7,120.24</u>	Additive Alternate #5 – Additional park benches

\$1,180,390.57 Total Contract Award (plus applicable sales tax)

Staff recommends that Additive Alternates #2 and #3 not be awarded as part of this contract. Alt #2 (Removal of vertical baffles) can be completed at a later date. The associated work is under separate permit and our grant funding cannot be applied to this work. Alt #3 (Seal Coat/Striping of Parking Lot) is also not associated with grant funds and can also be completed at a later date.

Subject to receiving final permits, construction is slated to begin in early February and will take 8 - 10 months to complete. Construction is likely to significantly restrict public access to the beach side of the park this summer.

Attachments:

- 1 – Bid Tabulation Sheet
- 2 – Project Budget Chart
- 3 – Phase 1 Work Graphic
- 4 – Park Master Plan Graphic

JUANITA BEACH PARK PHASE 1 BIDS
1-Dec-09

								Base Bid Plus Add Alt #1, #4, #5
<u>Contractor</u>	<u>Base Bid</u>	<u>#1 Park Lighting</u>	<u>#2 Baffel Removal***</u>	<u>#3 Seal Coat/Striping***</u>	<u>#4 Asphalt Pathways</u>	<u>#5 Additional Benches</u>	<u>Total All Items</u>	<u>As Recommended</u>
<i>Engineer's Estimate</i>	\$2,000,000.00	\$105,000.00	\$48,000.00	\$52,000.00	\$17,000.00	\$13,000.00	\$2,235,000.00	\$2,135,000.00
1 DMSL Construction	\$960,753.00	\$165,213.33	\$119,683.50	\$49,418.45	\$47,304.00	\$7,120.24	\$1,349,492.52	\$1,180,390.57
2 L.W. Sundstrom	\$1,334,323.20	\$64,703.55	\$52,948.73	\$6,210.84	\$32,959.50	\$7,309.13	\$1,498,454.95	\$1,439,295.38
3 Wyser Construction	\$1,518,994.85	\$87,600.00	\$60,225.00	\$7,829.25	\$36,135.00	\$13,550.63	\$1,724,334.73	\$1,656,280.48
4 Mid-Mountain Contractors	\$1,535,190.00	\$68,985.00	\$65,700.00	\$6,570.00	\$28,470.00	\$9,855.00	\$1,714,770.00	\$1,642,500.00
5 Precision Earth Works	\$1,673,598.00	\$88,038.00	\$56,940.00	\$7,665.00	\$65,700.00	\$21,243.00	\$1,913,184.00	\$1,848,579.00
6 A-1 Landscaping	\$1,738,860.00	\$78,840.00	\$60,225.00	\$19,710.00	\$63,510.00	\$10,731.00	\$1,971,876.00	\$1,891,941.00
7 Construct Co.	\$1,750,510.80	\$76,102.50	\$52,560.00	\$6,022.50	\$21,452.00	\$4,599.00	\$1,911,246.80	\$1,852,664.30
8 Construction International	\$1,752,000.00	\$65,700.00	\$43,800.00	\$6,022.50	\$10,950.00	\$9,855.00	\$1,888,327.50	\$1,838,505.00
9 Paul Brothers	\$1,785,850.00	\$80,312.80	\$55,467.23	\$6,898.50	\$31,755.00	\$17,520.00	\$1,977,803.53	\$1,915,437.80
10 Ohno Construction	\$1,813,081.00	\$80,417.00	\$22,323.00	\$6,710.00	\$7,542.00	\$11,647.00	\$1,941,720.00	\$1,912,687.00
11 Aero Construction	\$1,866,556.00	\$72,270.00	\$72,051.00	\$6,022.50	\$60,459.33	\$12,045.00	\$2,089,403.83	\$2,011,330.33
12 Thompson Brothers	\$1,971,000.00	\$83,220.00	\$41,610.00	\$6,570.00	\$33,945.00	\$10,512.00	\$2,146,857.00	\$2,098,677.00
13 Pelco Construction	\$2,173,575.00	\$77,526.00	\$52,122.00	\$6,428.00	\$4,818.00	\$8,026.00	\$2,322,495.00	\$2,263,945.00
Average:	\$1,682,637.83	\$83,763.71	\$58,127.34	\$10,929.04	\$34,230.76	\$11,077.92	\$1,880,766.60	\$1,811,710.22

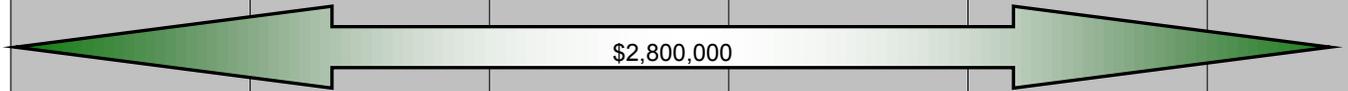
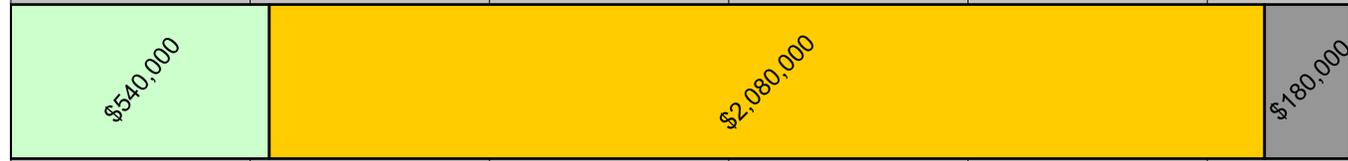
(all prices exclude sales tax)

*** These additive items NOT recommended for inclusion in construction contract award.

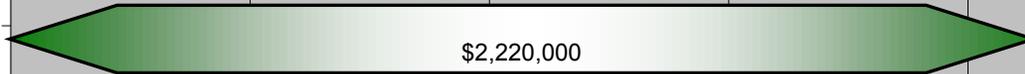
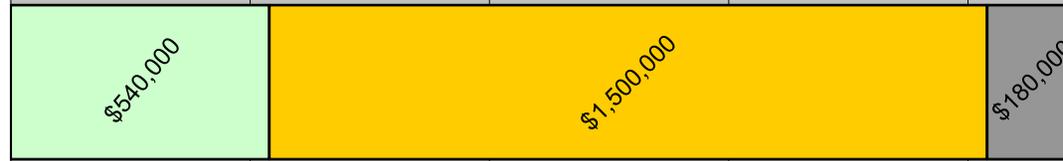
Attachment 2 - Juanita Beach Redevelopment Phase 1 Project

PROJECT BUDGET REPORT

ORIGINAL BUDGET

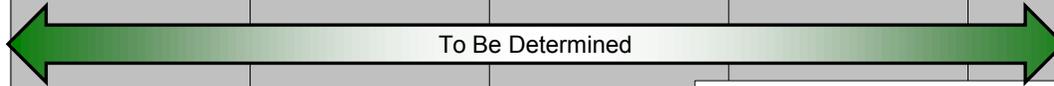


AWARD CONTRACT
(This memo)



ACCEPT WORK

Upon Project Completion



- DESIGN / ENGINEERING / PROJECT MANAGEMENT
- CONSTRUCTION-RELATED COSTS
- CONSTRUCTION CONTINGENCY

\$- \$500,000 \$1,000,000 \$1,500,000 \$2,000,000 \$2,500,000 \$3,000,000

ESTIMATED COST

Attachment: Phasing Plan

IAC ALEA 06-1923

City of Kirkland Parks and Community Services
Juanita Beach Park Redevelopment Phase 1-A





MASTER PLAN

JUANITA BEACH PARK MASTER PLAN
CITY OF KIRKLAND PARKS AND COMMUNITY SERVICES

J.A. BRENNAN ASSOCIATES, PLLC
 In Association with
 J.T. ATKINS & COMPANY P.C.
 MAKERS ARCHITECTURE AND URBAN DESIGN
 TETRATECH
 DOUGLASS CONSULTING
 LANDAU ASSOCIATES



CITY OF KIRKLAND

Department of Public Works

123 Fifth Avenue, Kirkland, WA 98033 425.587.3000

www.ci.kirkland.wa.us

MEMORANDUM

To: David Ramsay, City Manager

From: Daryl Grigsby, Public Works Director
Ray Steiger, P.E., Capital Projects Manager

Date: December 23, 2009

Subject: KIRKLAND AVENUE /3RD STREET TRAFFIC SIGNAL – ACCEPT WORK

RECOMMENDATION:

It is recommended that City Council accept the Kirkland Avenue and 3rd Street Traffic Signal Improvements Project as constructed by Northeast Electric, LLC, Woodland, Washington, establish the required 45-day lien period.

BACKGROUND DISCUSSION:

The Kirkland Avenue and 3rd Street Traffic Signal Project (Traffic Signal) was constructed to improvement traffic control, relieve congestion, and improve pedestrian safety. The Traffic Signal was first of four separate construction projects to be completed within the Kirkland Transit Center area, See *Transit Center Area Project Map* to the right and the *Vicinity Map* on Attachment A. Other projects include the King County Library Expansion (which reopened on December 5), the Transit Center Improvements (currently under construction), and the King County Pump Station/Kirkland Avenue force-main (scheduled for construction October 2010 through October 2012).

Specific work for the Traffic Signal included the installation of four new signal poles, a video traffic detection system, streetlights, ADA curb ramp upgrades, sidewalk, channelization and new crosswalk markings, and new control cabinet equipment.



In the last quarter of 2008, Cultural Council echoed City Council's previous concerns about the location of the controller and encouraged Staff to relocate the controller in addition to providing natural screening. The relocation of the control cabinet was limited by the operational ability of maintenance staff and it was determined that only the existing location provided the functionality necessary for the intersection. City Council also directed Staff to work with the Cultural Council on a preferred screening option. Staff worked with the Cultural Council and found that the Council supported natural plantings as well as a lattice approach to screening using materials consistent with those in the surrounding location. The result was a mesh style fence that resembled fencing found on adjacent buildings and did not present operational or safety complications to the control equipment. Additionally, Staff decided to recess the new control cabinets in an effort to minimize the overall height of the equipment and surrounding fencing so that the screening affect would not detract from the Bears as the central art theme.



Pre-construction Control Cabinets (before)



Lowered Control Cabinets with Fence Screening (after)

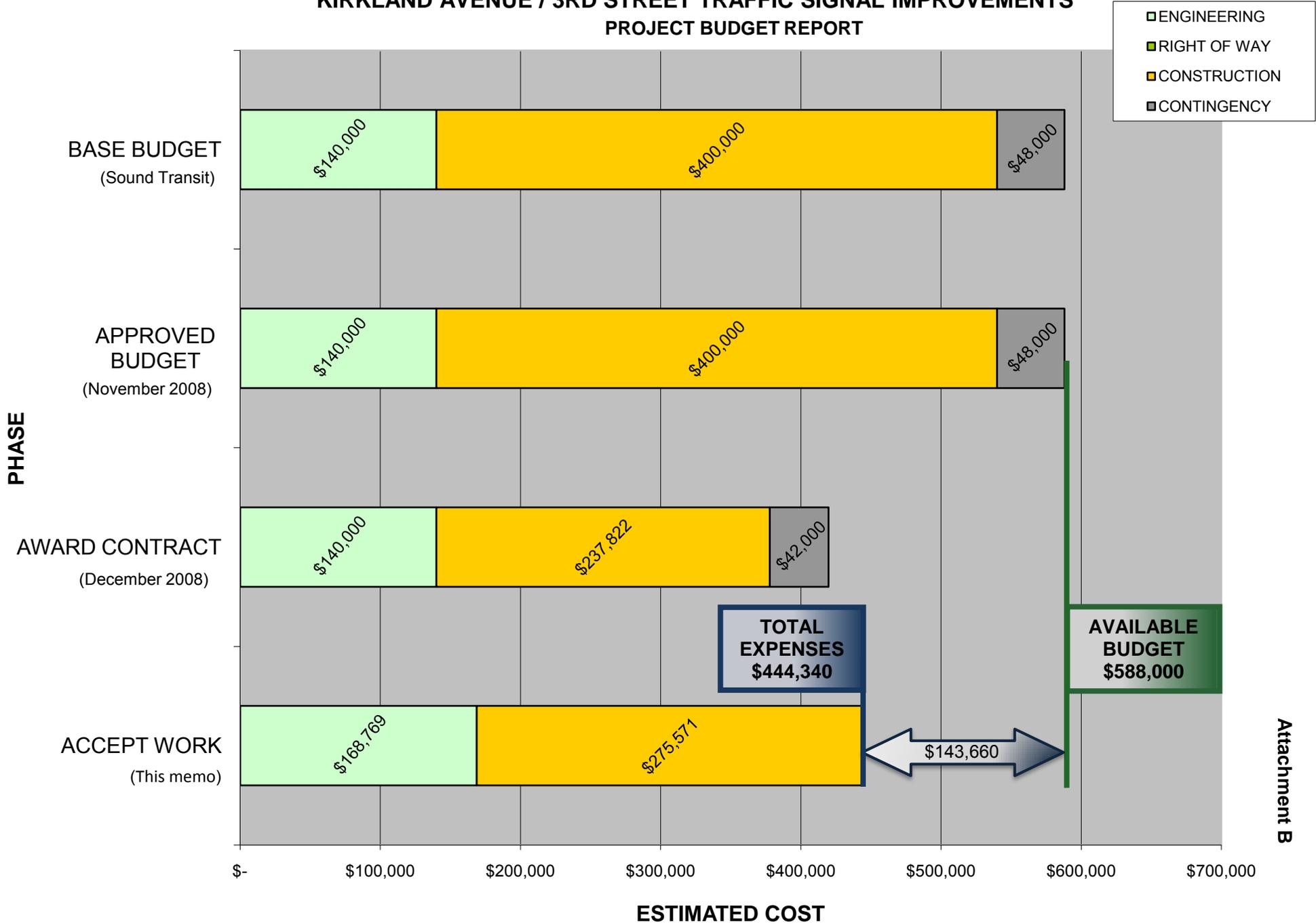
At the time of award, and at the regular meeting of November 21, 2008, Council awarded the construction contract to Northeast Electric in the amount of \$237,822.00. The project was physically complete on November 10, 2009, with total payments to the contractor being \$261,948.97. Included in these payments were change orders for the recessed control cabinet base (\$17,530), control cabinet fence screening (\$3,500), and control cabinet revisions, with associated components, requested by King County Metro and Staff for components not available at the time of bid (\$14,820). Total expenses to construct the Project are \$444,340 which is significantly below the available budget of \$588,000 (Attachment B). This project was fully funded by Sound Transit as part of the \$13,300,000 Transit Center funding.

Attachments: (2)



Vicinity Map
KIRKLAND AVENUE / 3RD STREET
TRAFFIC SIGNAL IMPROVEMENTS

KIRKLAND AVENUE / 3RD STREET TRAFFIC SIGNAL IMPROVEMENTS PROJECT BUDGET REPORT



CITY OF KIRKLAND

123 FIFTH AVENUE • KIRKLAND, WASHINGTON 98033-6189 • (425) 587-3000

**DEPARTMENT OF FINANCE AND ADMINISTRATION
MEMORANDUM**

To: David Ramsay, City Manager

From: Kathi Anderson, City Clerk
Tracey Dunlap, Director, Finance and Administration

Date: December 29, 2009

Subject: Library Board, Parking Advisory Board, and Transportation Commission Resignations

RECOMMENDATION:

That Council acknowledges the receipt of resignations from Library Board member Caprice Leinonen, Parking Advisory Board member Robert Pease and Transportation Commission member Jennifer Spall, and authorize the attached correspondence thanking them for their service.

BACKGROUND DISCUSSION:

Ms. Leinonen has tendered her resignation as she has moved from Kirkland and is no longer eligible to serve on the Library Board. Mr. Pease and Ms. Spall both cite work and travel conflicts which prevent them from completing their service. Council's annual recruitment for Boards and Commissions is slated to begin in late January, and staff will recruit to fill these unexpired terms at that time.

From: Caprice [mailto:cleinonen@comcast.net]
Sent: Tuesday, December 15, 2009 3:22 PM
To: Kathi Anderson
Cc: 'Lucy Zuccotti'; 'Debra Westwood'; Elsa Steele
Subject: Kirkland Library Board Resignation

Hi Kathi,

I have moved from Kirkland and am selling my house there. I also do not work in Kirkland at this time so these, in addition to other time-limiting factors; I am resigning from the Kirkland Library Advisory Board. I should expect my last meeting will be in January. KCLS and the Kirkland Library Staff have done a wonderful job of continuing to serve the public in spite of the remodeling challenges. It has been my pleasure to serve on this Board and thank you as well as rest of the City Counsel for the opportunity.

Kindest regards and happy holidays,
Caprice

From: Robert Pease [mailto:robertcpease@gmail.com]
Sent: Saturday, December 26, 2009 4:32 PM
To: Kathi Anderson; Tami White; great.homes
Subject: Robert Pease resignation from City of Kirkland Parking Advisory Board

To: Kirkland City Council
From: Robert Pease
Re: Resignation from Parking Advisory Board
Date: 12/26/09

This email serves as notice that I am resigning my position on the City of Kirkland Parking Advisory Board (PAB) effective immediately. I am unfortunately unable to continue my involvement due to work and travel schedules and sincerely appreciate being given the opportunity to serve on the Parking Advisory Board. I look forward to continuing my involvement with the City of Kirkland in some capacity in the future.

Best regards,
Robert Pease

Robert C. Pease

Sent: Friday, November 13, 2009 1:24 PM
To: David Godfrey; d.samdahl@fehrendpeers.com; jpfundt@redmond.gov; jpfundt@netscape.net; jon.pascal@transpogroup.com; MikeM@murrayfranklyn.com; magenta683@hotmail.com; sandeep_singhal@excite.com; TomNeir@gmail.com
Cc: Lisa Nelson; Kathi Anderson; Marie Stake
Subject: Re: Transportation Commission meeting 11/18

Hi all,

As you may know I recently changed jobs within my company and now travel more than ever. This has caused me to miss the last two meetings and I will miss the remaining meetings for this year with the schedule changes. I believe this many absences is in violation of our duties and certainly isn't fair to those who participate on the council.

As such I would like to thank you all for allowing me to serve for the past several years but feel that I need to resign my position as I am not able to effectively participate.

Thanks,

Jennifer Spall

January 5, 2010

Ms. Caprice Leinonen
P.O. Box 53085
Bellevue, WA 98015

Dear Ms. Leinonen:

We have regretfully received your letter of resignation from the Library Board.

The City Council appreciates your contributions to the Board, and we thank you for volunteering your time and talent to serve our community.

Sincerely,
KIRKLAND CITY COUNCIL

Mayor

January 5, 2010

Mr. Robert Pease
1413 – 1st Street
Kirkland, WA 98033

Dear Mr. Pease:

We have regretfully received your letter of resignation from the Parking Advisory Board.

As a resident of the Norkirk neighborhood, you were able to provide the insights of a user of downtown parking and that was a valuable perspective.

The City Council appreciates your contributions to the Board, and we thank you for volunteering your time and talent to serve our community.

Sincerely,
KIRKLAND CITY COUNCIL

Mayor

January 5, 2010

Ms. Jennifer Spall
32604 S.E. 108th Street
Issaquah, WA 98027

Dear Ms. Spall:

We have regretfully received your letter of resignation from the Transportation Commission.

Your perspective as a representative from the business community will be missed. The Commission also benefitted from your knowledge of transportation issues at the state level as you were always well informed on what was happening in Olympia.

The City Council appreciates your contributions to the Commission, and we thank you for volunteering your time and talent to serve our community.

Sincerely,
KIRKLAND CITY COUNCIL

Mayor



CITY OF KIRKLAND
Department of Planning and Community Development
123 Fifth Avenue, Kirkland, WA 98033 425-587-3225
www.ci.kirkland.wa.us

MEMORANDUM

To: David Ramsay, City Manager

From: Dawn Nelson, Planning Supervisor
Eric Shields, Planning Director
Arthur Sullivan, ARCH Program Manager

Date: December 29, 2009

Subject: **DESIGNATION OF RESIDENTIAL TARGETED AREAS FOR MULTIFAMILY TAX EXEMPTIONS (FILE ZON09-00005)**

RECOMMENDATION

Staff recommends that the City Council hold a public hearing to receive citizen input on the designation of residential targeted areas pursuant to Chapter 84.14 RCW. This will establish the areas where new or rehabilitated multifamily residential units may qualify for an eight or twelve year property tax exemption if affordable housing is provided. Following the hearing, staff recommends that the Council adopt the enclosed ordinance amending Section 5.88.030 of the Kirkland Municipal Code to show the revised residential targeted areas.

BACKGROUND

Chapter 84.14 RCW requires that the City hold a hearing to establish residential targeted areas within which the Multifamily Housing Property Tax Exemption will be available. The existing residential targeted areas identified in Section 5.88.030 of the KMC do not include all of the areas of the City where affordable housing requirements were established with the adoption of O-4222 on December 15, 2009. The tax exemption is critical in filling the gap between the cost of providing an affordable housing unit and the value of the land use and fee incentives provided in the Zoning regulations. The attached ordinance establishes residential targeted areas that cover all properties where affordable housing is required as part of new multifamily or mixed use development, as shown in the attached maps.

The criteria for designating residential targeted areas are identified in Section 5.88.030(a) of the KMC as:

5.88.030 Residential targeted areas—Criteria—Designation—Rescission.

(a) Following notice and public hearing as prescribed in RCW 84.14.040, the city council may designate one or more residential targeted areas, in addition to the areas stated in subsection (d) of this section, upon a finding by the city council in its sole discretion that the residential targeted area meets the following criteria:

- (1) The residential targeted area is within an urban center as defined by Chapter 84.14 RCW;
- (2) The residential targeted area lacks sufficient available, desirable and convenient residential housing, including affordable housing, to meet the needs of the public who would be likely to live in the urban center if the affordable, desirable, attractive and livable residences were available; and
- (3) Providing additional housing opportunity in the residential targeted area will assist in achieving one or more of the following purposes:
 - (A) Encourage increased residential opportunities within the city; or
 - (B) Stimulate the construction of new affordable multifamily housing; or
 - (C) Encourage the rehabilitation of existing vacant and underutilized buildings for multifamily housing.

Urban centers are defined in Chapter 84.14 RCW as compact identifiable districts where urban residents may obtain a variety of products and services. Each of the proposed residential targeted areas contains a mix of housing, commercial and office uses.

ORDINANCE NO. 4232

AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO RESIDENTIAL TARGETED AREAS AND AMENDING SECTION 5.88.030 OF THE KIRKLAND MUNICIPAL CODE.

WHEREAS, Washington state law, Chapter 84.14 RCW, provides for the exemption from ad valorem property taxation for the value of eligible improvements associated with qualifying multi-unit housing located in residential targeted areas and authorizes the City to designate said residential targeted areas; and

WHEREAS, the stated purpose of Chapter 84.14 RCW is to increase residential opportunities by stimulating construction of new multifamily housing and the rehabilitation of existing vacant and underutilized buildings for multifamily housing in areas where the City finds there are insufficient residential opportunities; and

WHEREAS, the City Council solicited public comment regarding the residential targeted areas and this Ordinance at a public hearing on January 5, 2010 and gave notice of hearing in accordance with RCW 84.14.040; and

WHEREAS, the City finds that the areas designated as residential targeted areas in this Ordinance are each located within an urban center as defined in RCW 84.14.010, that each area lacks sufficient available, desirable and convenient residential housing, including affordable housing, to meet the needs of the public who would be likely to live in such areas if the affordable, desirable, attractive and livable residences were available; and that the residential targeted areas implemented by this Ordinance will encourage increased residential opportunities within the City and stimulate the construction of new multifamily housing and the rehabilitation of existing vacant and underutilized buildings for multifamily housing.

NOW, THEREFORE, the City Council of the City of Kirkland do ordain as follows:

Section 1. Section 5.88.030 of the Kirkland Municipal Code is hereby amended to read as follows:

As set forth in Attachment A attached to this ordinance and incorporated by reference.

Section 2. If any provision of this ordinance or its application to any person or circumstance is held invalid, the remainder of the ordinance, or the application of the provision to other persons or circumstances is not affected.

Section 3. This ordinance shall be in force and effect five days from and after its passage by the Kirkland City Council and publication pursuant to Section 1.08.017, Kirkland Municipal Code in the summary

form attached to the original of this ordinance and by this reference approved by the City Council.

Passed by majority vote of the Kirkland City Council in open meeting this _____ day of _____, 2010.

Signed in authentication thereof this _____ day of _____, 2010.

MAYOR

Attest:

City Clerk

Approved as to Form:

City Attorney

5.88.030 Residential targeted areas—Criteria—Designation—Rescission.

(a) Following notice and public hearing as prescribed in RCW 84.14.040, the city council may designate one or more residential targeted areas, in addition to the areas stated in subsection (d) of this section, upon a finding by the city council in its sole discretion that the residential targeted area meets the following criteria:

(1) The residential targeted area is within an urban center as defined by Chapter 84.14 RCW;

(2) The residential targeted area lacks sufficient available, desirable and convenient residential housing, including affordable housing, to meet the needs of the public who would be likely to live in the urban center if the affordable, desirable, attractive and livable residences were available; and

(3) Providing additional housing opportunity in the residential targeted area will assist in achieving one or more of the following purposes:

(A) Encourage increased residential opportunities within the city; or

(B) Stimulate the construction of new affordable multifamily housing; or

(C) Encourage the rehabilitation of existing vacant and underutilized buildings for multifamily housing.

(b) In designating a residential targeted area, the city council may also consider other factors, including:

(1) Whether additional housing in the residential targeted area will attract and maintain an increase in the number of permanent residents;

(2) Whether providing additional housing opportunities for low and moderate income households would meet the needs of citizens likely to live in the area if affordable residences were available;

(3) Whether an increased permanent residential population in the residential targeted area will help to achieve the planning goals mandated by the Growth Management Act under Chapter 36.70A RCW, as implemented through the city's comprehensive plan; or

(4) Whether encouraging additional housing in the residential targeted area supports plans for significant public investment in public transit or a better jobs and housing balance.

(c) At any time, the city council may, by ordinance, in its sole discretion, amend or rescind the designation of a residential targeted area pursuant to the same procedural requirements as set forth in this chapter for original designation.

(d) The following areas, as shown in Maps 1 through 4-8 in this section, meet the criteria of this chapter for residential targeted areas and are designated as such:

(1) Central Kirkland/~~Houghton~~;

(2) Totem Lake and North Rose Hill;

(3) Juanita; ~~and~~

(4) NE 85th Street; ~~and~~

(5) Houghton/Everest;

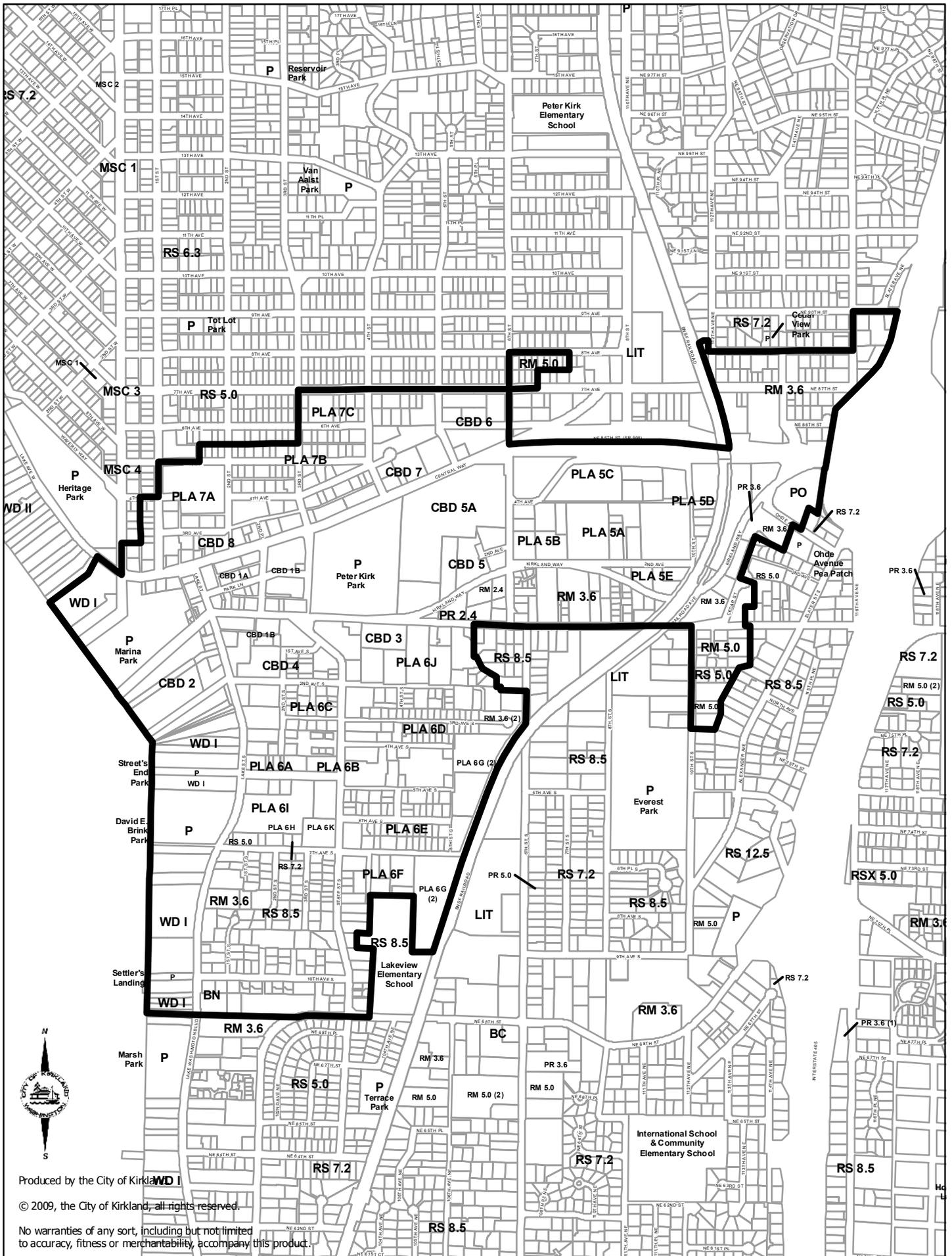
(6) Bridle Trails;

(7) Lakeview; and

(8) Market Street Corridor.

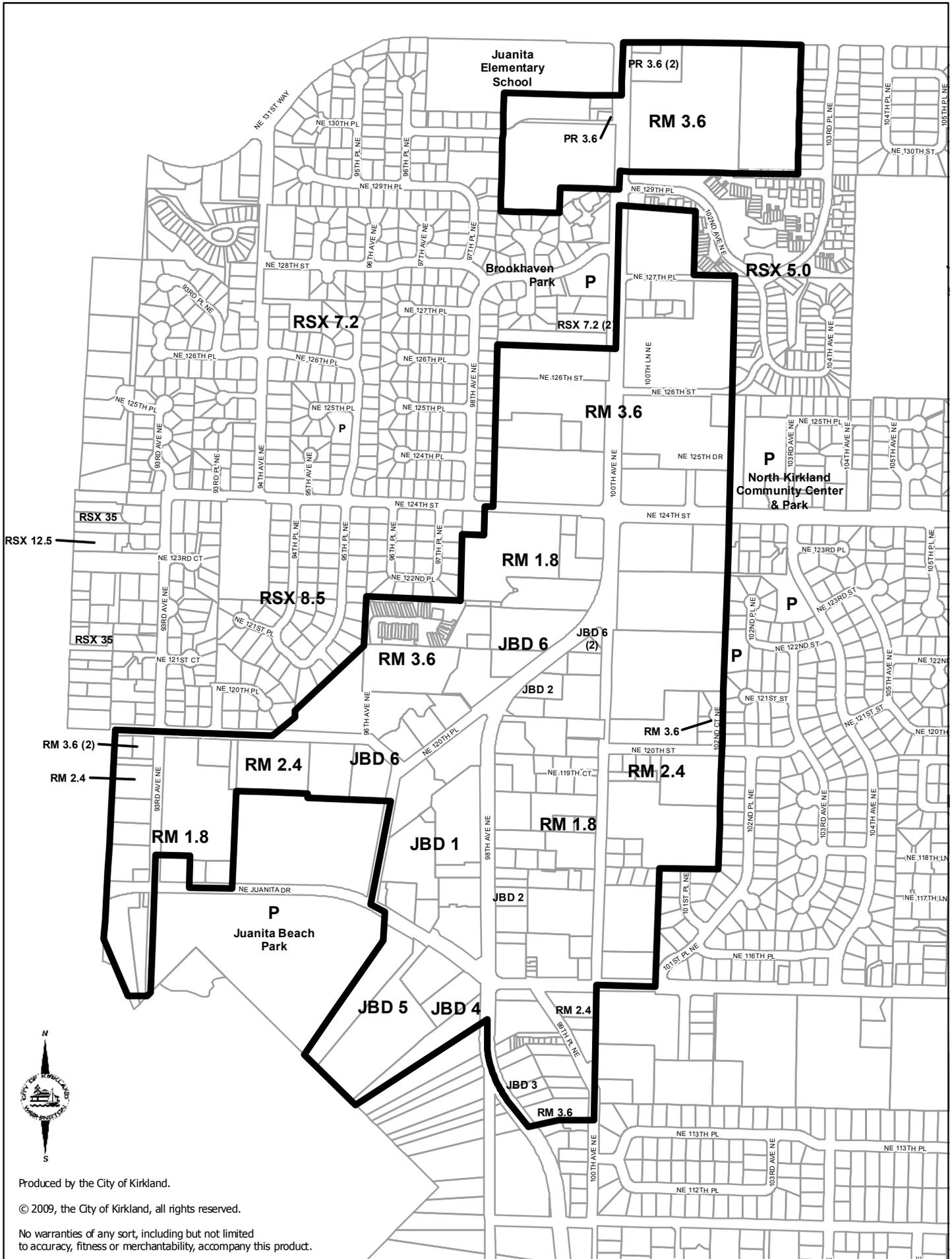
(e) If a part of any legal lot is within a residential targeted area as shown in Maps 1 through 4 in this section, then the entire lot shall be deemed to lie within such residential targeted area.

Central Kirkland Residential Targeted Areas



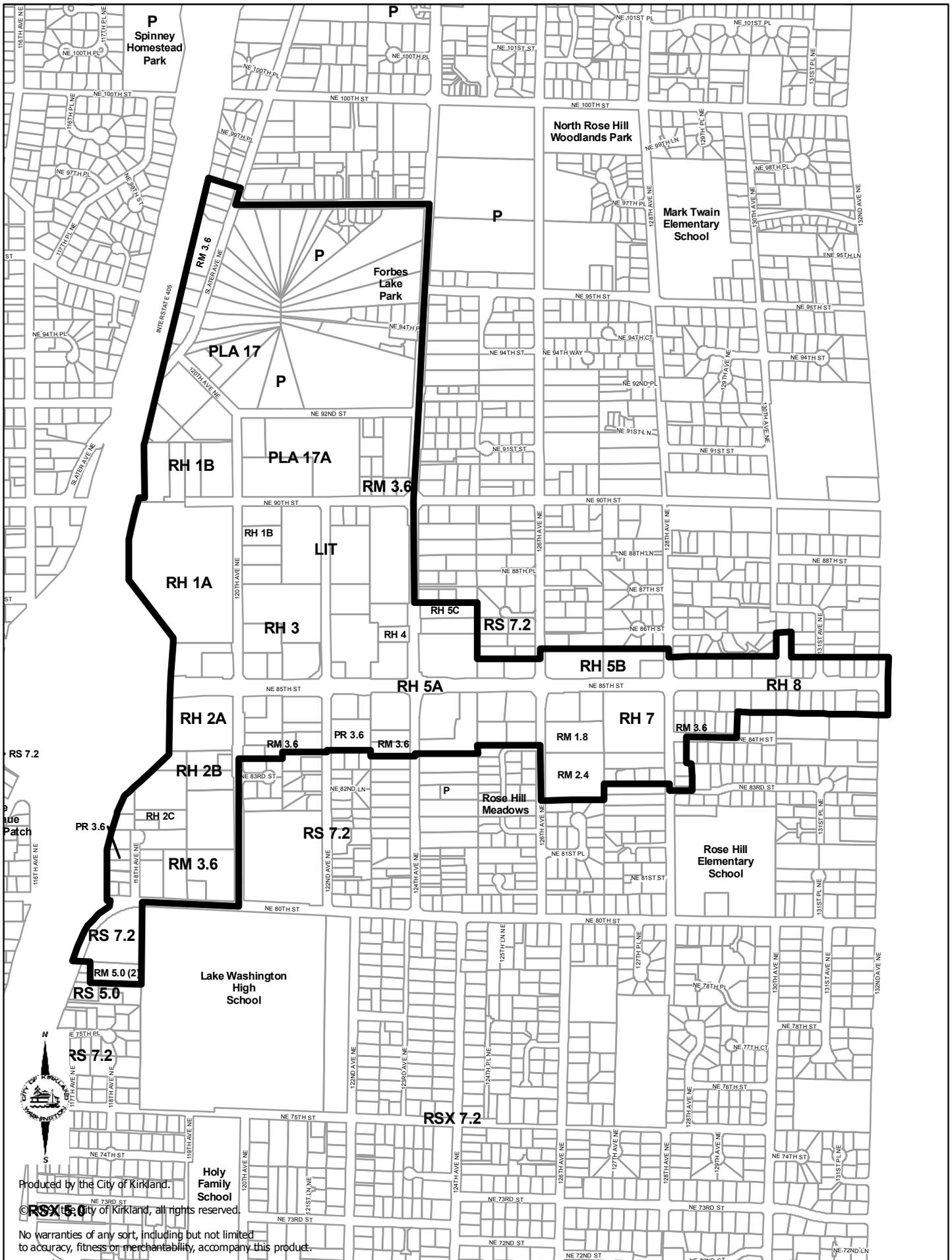
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 No warranties of any sort, including but not limited to accuracy, fitness or merchantability, accompany this product.

Juanita Residential Targeted Areas



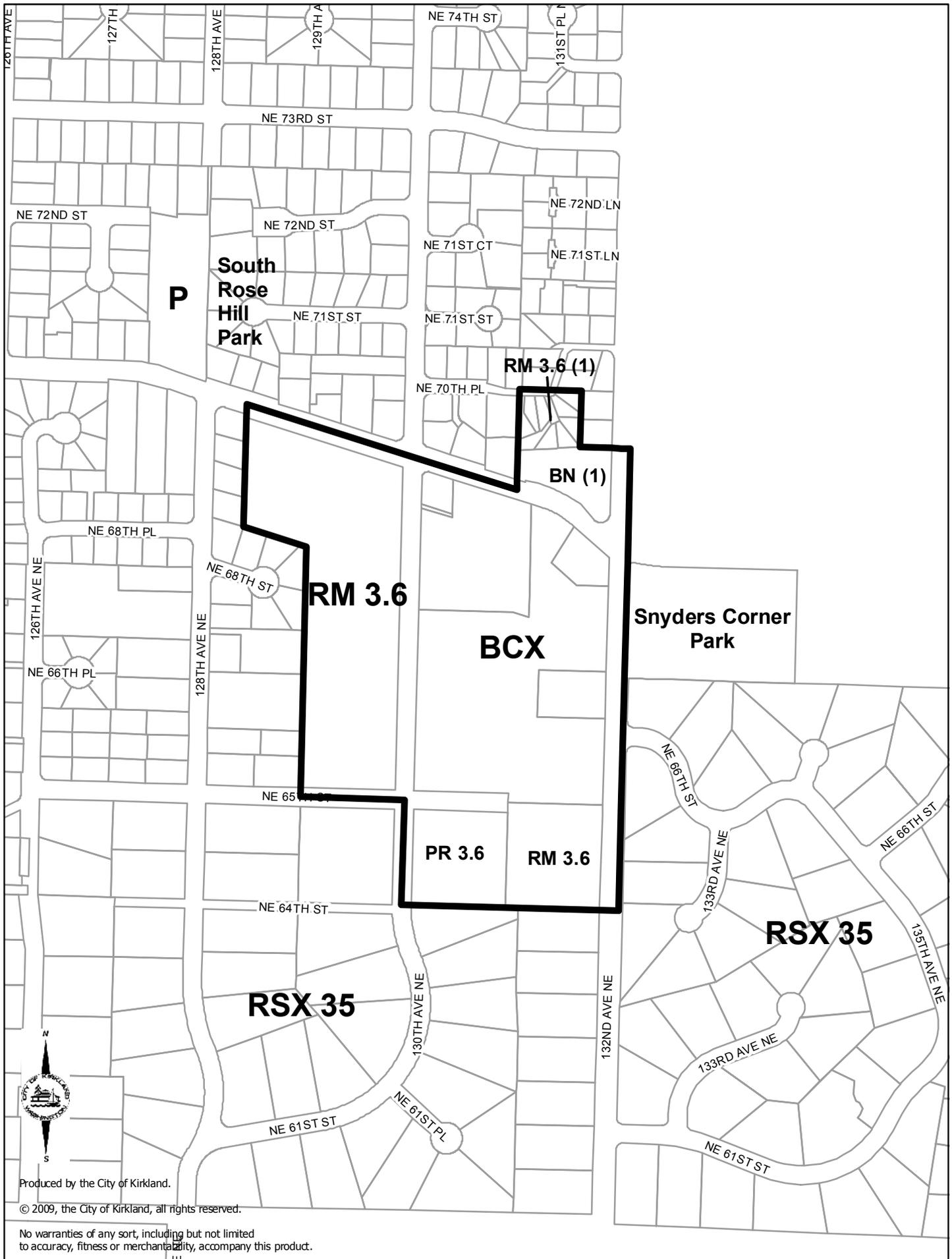
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85th Street Residential Targeted Areas



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E-Page **Bridle Trails Residential Targeted Areas**

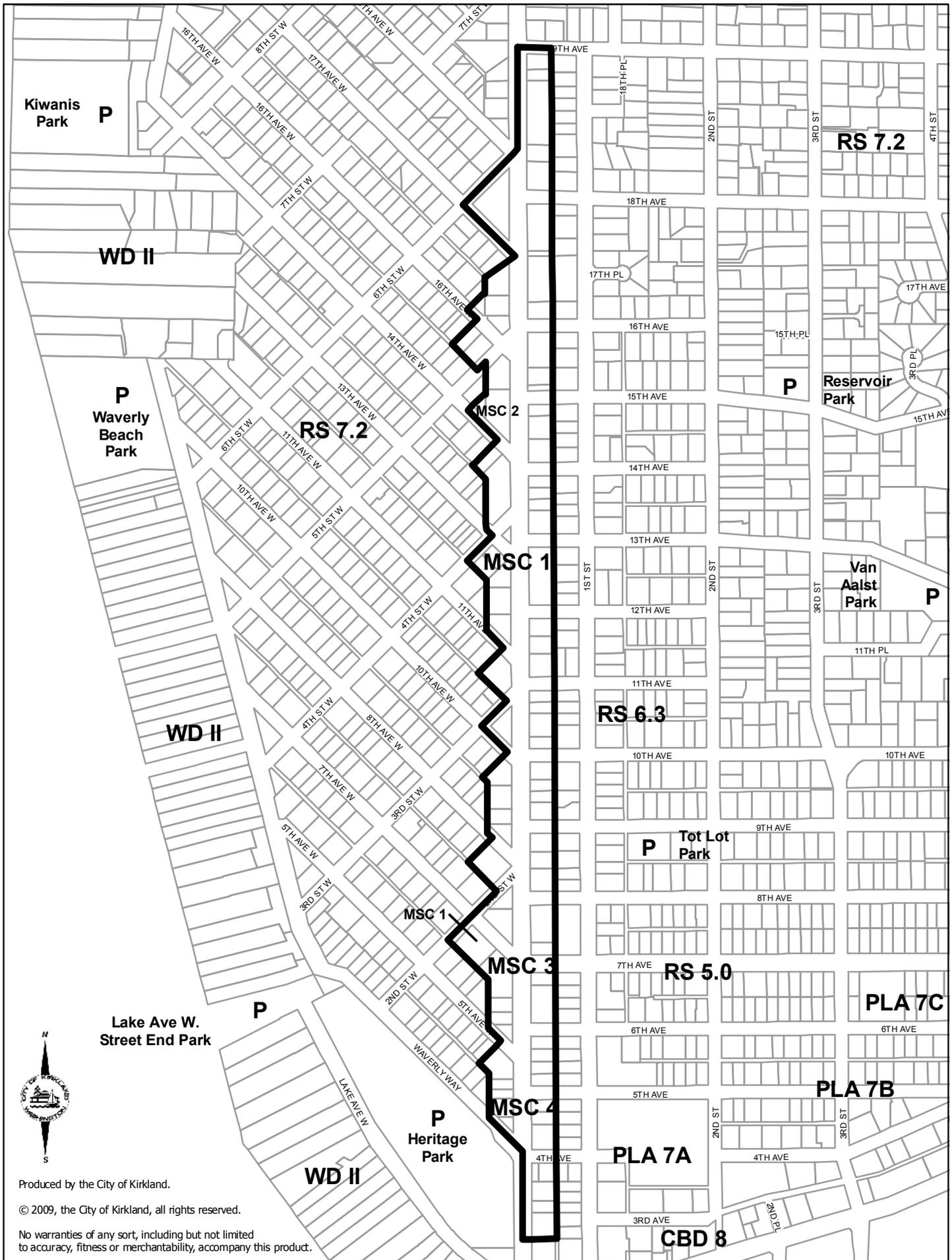


Produced by the City of Kirkland.

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No warranties of any sort, including but not limited to accuracy, fitness or merchantability, accompany this product.

Market St. Corridor Residential Targeted Areas



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 No warranties of any sort, including but not limited to accuracy, fitness or merchantability, accompany this product.

PUBLICATION SUMMARY
OF ORDINANCE NO. 4232

AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO RESIDENTIAL TARGETED AREAS AND AMENDING SECTION 5.88.030 OF THE KIRKLAND MUNICIPAL CODE.

Section 1. Amends KMC Section 5.88.030 relating to residential targeted areas.

Section 2. Provides a severability clause for the ordinance.

Section 3. Authorizes publication of the ordinance by summaray, which summary is approved by the City Council pursuant to Section 1.08.017, Kirkland Municipal Code and establishes the effective date as five days after publication of summary.

The full text of this Ordinance will be mailed without charge to any person upon request made to the City Clerk for the City of Kirkland. The Ordinance was passed by the Kirkland City Council at its meeting on the _____ day of _____, 2010.

I certify that the foregoing is a summary of Ordinance _____ approved by the Kirkland City Council for summary publication.

City Clerk

**CITY OF KIRKLAND**123 Fifth Avenue, Kirkland, WA 98033 425.587.3001
www.ci.kirkland.wa.us**MEMORANDUM**

To: David Ramsay, City Manager

From: Erin Leonhart, Intergovernmental Relations Manager
Robin S. Jenkinson, City Attorney

Date: December 17, 2009

Subject: RESOLUTIONS SUPPORTING LAKE WASHINGTON SCHOOL DISTRICT BALLOT MEASURES

RECOMMENDATION:

It is recommended that City Council hold a public hearing and consider the attached Resolutions.

BACKGROUND DISCUSSION:

On February 9, 2010, Kirkland voters will be asked to vote on three ballot measures for the Lake Washington School District: an Educational Programs and Operations Levy; a Capital Projects Levy; and a Modernization Bond Measure.

Proposition No. 1, Renewal of Expiring Educational Programs and Operations Levy would: continue to provide local funding for programs and educational improvement efforts. The current levy provides about 19 percent of the District's operating budget, paying for about 40 percent of non-employee related costs such as utilities, supplies, insurance and textbooks. It also pays over and above the state payments for transportation, special education services, English Language Learning programs, classified staff and substitute costs. It provides student athletics and activities, including theaters and stadiums.

Proposition No. 2, Renewal of Expiring Capital Projects Levy, includes two components: technology and facilities projects. These dollars provide a systematic life cycle approach to replacing major systems in buildings, like roofs, flooring and heating systems. The technology portion includes replacement of computers, classroom projectors, and other hardware and network infrastructure. It also provides educational software, access to research databases, emergency alert systems, and other electronic communication to parents and students.

Proposition No. 3, would authorize the District to issue \$234 million of general obligations bonds to modernize Juanita High School and ensure that all high schools in the district have modern facilities and will take advantage of current favorable construction costs and interest rates. In addition, more space is needed to handle projected enrollment growth plus needs for space for programs like all-day kindergarten. The District is also moving to a four-year high school grade configuration, which will require more space at the high schools while relieving space in the

elementary schools. To accommodate both needs, the District proposes adding two elementary schools, adding on to Redmond High School and Eastlake High School plus expanding Environmental and Adventure School.

Additional information about the ballot measures can be found on the Lake Washington School District website, specifically here: <http://www.lwsd.org/News/2010-Levy-and-Bond-Measures-Information.aspx>.

The three attached resolutions correspond to and express the Council's support for each of the Lake Washington School District ballot measures. Under RCW 42.17.130, the Council may vote on a resolution to support or oppose a ballot proposition "so long as (a) any required notice of the meeting includes the title and number of the ballot proposition, and (b) members of the legislative body or members of the public are afforded an approximately equal opportunity for the expression of any opposing view; . . ."

The City Clerk published notice of the public hearing and included the ballot titles and proposition numbers in the notice.

Attachments

RESOLUTION R-4794

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND STATING THE CITY COUNCIL'S SUPPORT FOR LAKE WASHINGTON SCHOOL DISTRICT NO. 414'S PROPOSITION NO. 1 REPLACEMENT OF EXISTING EDUCATIONAL PROGRAMS AND OPERATIONS LEVY.

WHEREAS, on February 9, 2010, voters in the City of Kirkland will decide whether to approve Lake Washington School District No. 414's Educational Programs and Operations Levy; and

WHEREAS, the Educational Programs and Operations Levy provides local funding for programs and educational improvement efforts; and

WHEREAS, the Educational Programs and Operations Levy provides about 19 percent of the District's operating budget, paying for about 40 percent of non-employee related costs such as utilities, supplies, insurance, and textbooks; and

WHEREAS, the Educational Programs and Operations Levy also pays over and above the state payments for transportation, special education services, English Language Learning programs, classified staff, and substitute costs; and

WHEREAS, the investment in top-quality education for our children is an important part of the quality of life enjoyed by Kirkland residents; and

WHEREAS, pursuant to State law, RCW 42.17.130, the City Council of Kirkland desires to show its support for the Lake Washington School District No. 414's Educational Programs and Operations Levy;

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

Section 1. The City Council hereby supports Lake Washington School District No. 414 Proposition No. 1, Replacement of Existing Educational Programs and Operations Levy.

Section 2. The City Council hereby urges Kirkland voters to support the Educational Programs and Operations Levy measure to ensure continued high quality education to the benefit of our community and quality of life.

Passed by majority vote of the Kirkland City Council in open meeting this ____ day of _____, 2010.

Signed in authentication thereof this ____ day of _____,
2010.

MAYOR

Attest:

City Clerk

RESOLUTION R-4795

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND STATING THE CITY COUNCIL'S SUPPORT FOR LAKE WASHINGTON SCHOOL DISTRICT NO. 414'S PROPOSITION NO. 2 REPLACEMENT OF EXISTING CAPITAL PROJECTS LEVIES.

WHEREAS, on February 9, 2006, voters in the City of Kirkland will decide whether to approve replacement of the existing Lake Washington School District No. 414's Capital Projects Levy; and

WHEREAS, while the Capital Projects Levy appears on the ballot as one measure, it includes both technology and facilities components; and

WHEREAS, the facility items to be paid for through the renewal Capital Projects Levy include replacing major systems in building systems, such as roofs, flooring and heating systems at appropriate times through the life of a school building; and

WHEREAS, the technology portion provides tools that help students to learn and teachers to teach, provides for replacement of computers, classroom projectors, other hardware and network infrastructure, as well as providing educational software, access to research databases, emergency alert systems, and other electronic communication to parents and students; and

WHEREAS, the investment in top-quality educational facilities and technology for our children is an important part of the quality of life enjoyed by Kirkland residents; and

WHEREAS, pursuant to State law, RCW 42.17.130, the City Council of Kirkland desires to show its support for the Lake Washington School District No. 414's Capital Projects Levy;

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

Section 1. The City Council hereby supports Lake Washington School District No. 414 Proposition No. 2, Replacement of Existing Capital Projects Levies.

Section 2. The City Council hereby urges Kirkland voters to support the Capital Projects Levies measure to ensure continued high quality education to the benefit of our community and quality of life.

Passed by majority vote of the Kirkland City Council in open meeting this ____ day of _____, 2010.

Signed in authentication thereof this ____ day of _____,
2010.

MAYOR

Attest:

City Clerk

RESOLUTION R-4796

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND STATING THE CITY COUNCIL'S SUPPORT FOR LAKE WASHINGTON SCHOOL DISTRICT NO. 414'S PROPOSITION NO. 3 GENERAL OBLIGATION BONDS - \$234,000,000.

WHEREAS, on February 9, 2006, voters in the City of Kirkland will decide whether to approve Lake Washington School District No. 414's General Obligation Bonds - \$234,000,000; and

WHEREAS, the General Obligation Bonds would provide funding to modernize Juanita High School, make additions to Redmond High School and Eastlake High School, construct and equip two new elementary schools and an Environmental and Adventure School, and make other capital improvements; and

WHEREAS, more space is needed to handle projected enrollment growth, plus needs for programs such as all-day kindergarten, without which substantial overcrowding will result; and

WHEREAS, the District is moving to a four-year high school grade configuration, which will require more space at the high schools, but will free space in the elementary schools; and

WHEREAS, the investment in top-quality educational facilities for our children is an important part of the quality of life enjoyed by Kirkland residents; and

WHEREAS, pursuant to State law, RCW 42.17.130, the City Council of Kirkland desires to show its support for the Lake Washington School District No. 414's General Obligation Bonds - \$234,000,000;

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

Section 1. The City Council hereby supports Lake Washington School District No. 414 Proposition No. 3, General Obligation Bonds - \$234,000,000.

Section 2. The City Council hereby urges Kirkland voters to support the General Obligation Bonds measure to ensure continued high quality education to the benefit of our community and quality of life.

Passed by majority vote of the Kirkland City Council in open meeting this ____ day of _____, 2010.

Signed in authentication thereof this ____ day of _____, 2010.

MAYOR

Attest:

City Clerk



CITY OF KIRKLAND

Department of Public Works

123 Fifth Avenue, Kirkland, WA 98033 425.587.3809

www.ci.kirkland.wa.us

MEMORANDUM

To: David Ramsay, City Manager

From: Daryl Grigsby, Public Works Director
Noel Hupprich, P.E., Project Engineer
David Godfrey, P.E., Transportation Engineering Manager

Date: December 23, 2009

Subject: SR 520 EASTSIDE TRANSIT AND HOV PROJECT –
ENVIRONMENTAL ASSESSMENT COMMENT LETTER

RECOMMENDATION:

It is recommended that Council authorize the Mayor to sign the attached letter containing comments on the SR 520 Eastside Transit and HOV Project Environmental Assessment (EA).

BACKGROUND AND DISCUSSION:

The EA was released on December 3, 2009 and the comment period closes on January 7, 2010. On December 16, the Transportation Commission reviewed the EA and prepared comments for Council consideration. The Commission reviewed and edited the attached letter. The complete EA is available on the [WSDOT website](#). More information on the scope of the project is contained in the SR 520 Council agenda item under special presentations.

Several comments involve pedestrian and bicycle facilities. The primary concern is that the proposed regional trail does not connect to the existing SR 520 trail which currently begins near 124th Avenue in Bellevue (figure 1). The missing segment shown in figure 1 aligns with Northrup Way but a connection would not necessarily have to maintain this alignment. A City of Bellevue sponsored project to complete bike lanes along Northrup Way is not funded. Other concerns involve treatment of proposed trail ends at Lake Washington Boulevard (Figure 2) and at 108th Avenue NE (Figure 3). Kirkland staff met with City of Bellevue and WSDOT staff and WSDOT is preparing to address these last two issues.

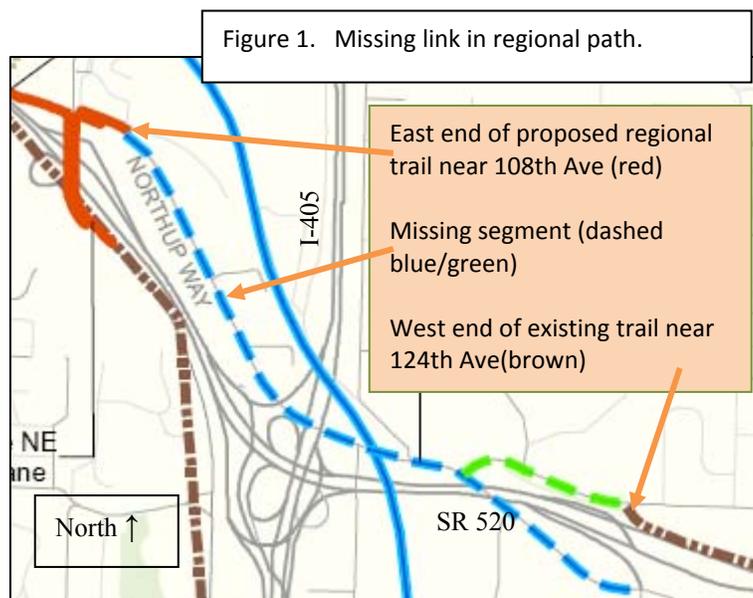


Figure 2 Proposed Bellevue Way/Lake Washington Blvd. Interchange

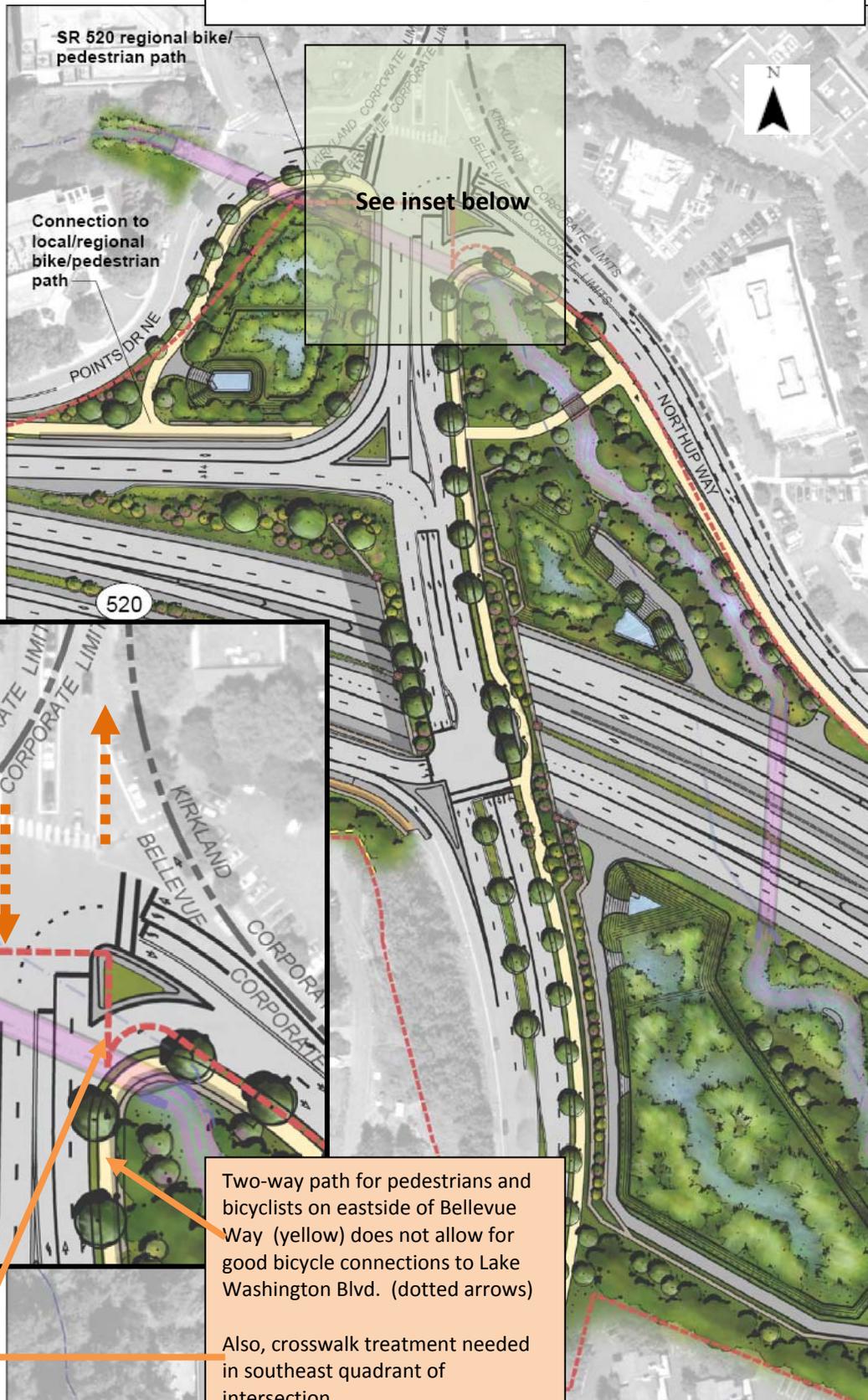
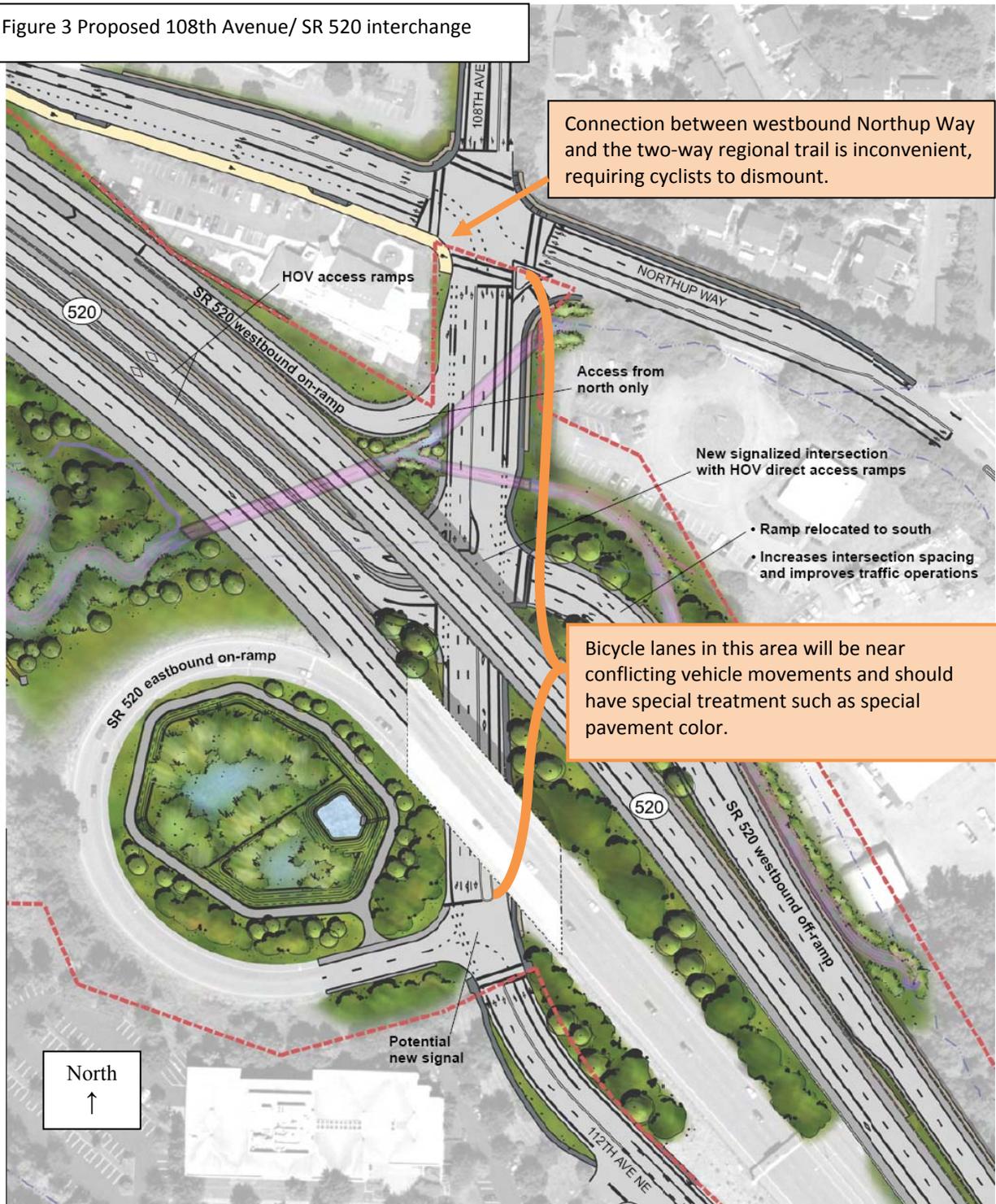


Figure 3 Proposed 108th Avenue/ SR 520 interchange



Memorandum to David Ramsay

December 23, 2009

Page 4

The proposed regional bicycle/pedestrian path alignment will pass under the Bellevue Way interchange and the lid at 92nd Avenue NE. The bike path would cross the lids at 84th Avenue NE and Evergreen Point Road at surface street grade. The path is designed with gentle inclines in compliance with ADA slope standards.

Detailed traffic analysis was done under the assumption that tolling would not be in place on SR 520 or I-405 and that the floating bridge would be in its current lane configuration. While this helps to isolate the impacts of the project, it is not necessarily realistic. Tolls are scheduled to be put in place on SR 520 beginning in late 2020/early 2011. Replacement of the bridge is also likely to be completed, at latest, soon after the eastside project is complete. This leaves a somewhat muddled picture of the project's exact impacts. On the other hand, it's likely that the project will provide benefits to all users, especially HOV and Transit users.

The existing interchange at Bellevue Way will be replaced with a "half-diamond" (so called because of its shape) interchange that includes two new signals. It's important that the new signals have the infrastructure necessary to communicate with the existing signals at Northup Way and NE 38th Street. This will require cooperation between the cities of Kirkland, Bellevue and WSDOT. Staff from all three agencies have had preliminary discussions that indicate a reasonable agreement can be reached.

Impacts to properties that access Points Drive may take place as the road is closed for reconstruction. The City of Kirkland will continue to work with Points communities and WSDOT to minimize these impacts.

January 6, 2010

Mr. Bill Blaylock
SR 520 Eastside Environmental Manager
WSDOT
600 Stewart Street, Suite 520
Seattle, WA 98154-1192

Dear Mr. Blaylock:

Thank you for the opportunity to comment on the SR 520 Eastside Transit and HOV project Environmental Assessment. The project will bring numerous benefits to the SR 520 corridor and to Eastside cities. Direct access ramps at the South Kirkland park & ride, along with other improvements will increase transit and HOV speed and reliability. Reconstruction of interchanges will provide travel benefits to all users and to the environment. The project also makes important improvements for cyclists and pedestrians. We appreciate the many years of work that have been spent by WSDOT both in developing the project and working with the City of Kirkland and other Eastside cities.

We are disappointed that the project does not include a connection between the proposed regional bicycle and pedestrian trail and the existing SR 520 trail. When the entire 520 project is completed, a connected path would provide a relatively flat route between Overlake on the east and the University of Washington on the west. This trip of about eight miles would be well within the range of many cyclists. Connections to the north and south would lead to Bellevue and Kirkland. We appreciate the fact that the path which was once planned to end at Points Drive has been continued to the 108th NE vicinity. During the 2007 eastside design process, WSDOT offered several alternatives for connecting the two trail segments but none of those ideas has been advanced further. Funding should not be a barrier because of the small cost of the trail connection relative to the entire project coupled with the fact that project funding has not been secured. Cities in the northwest, throughout the US and around the world have documented significant increases in bicycle use when facilities, particularly key regional facilities, are constructed. We cannot let this opportunity to connect the regional trail be lost. To that end, we remain available and willing to discuss how we can help WSDOT complete the trail connection.

Three other connections for bicyclists and pedestrians need further examination.

- The proposed separated path on the eastside of Bellevue Way ends at the intersection of Northrup Way and Lake Washington Boulevard. There are good connections for those seeking to use the regional trail to the west, but no facilities for those wishing to head north to Kirkland. At a minimum, a crosswalk with a pedestrian activated warning device must be constructed on the eastside of the intersection.
- Similarly, where the regional path ends at the Northrup Way/108th NE intersection, there is no convenient way for cyclists to move from westbound Northrup Way to the regional path or from the path to northbound 108th NE. Expecting cyclists to dismount to make these connections is unrealistic and not in keeping with good design practices.

Letter to Mr. Bill Blaylock

January 6, 2010

Page 2

- Finally, we appreciate the provision of bicycle facilities on 108th Avenue NE north and south of Northup Way as it provides an important connection between Bellevue and Kirkland. However, the proximity of vehicle lanes and turning movements makes the cycling environment difficult and high visibility treatments such as colored pavement should be used to mark the bike lanes in this area.

The transportation analysis performed for the environmental assessment does not assume tolling on the SR 520 corridor or on I-405. It also assumes that the bridge is in its existing lane configuration rather than the planned expansion to 6 lanes. Increases in bus service that may come to the corridor through the Urban Partnership Grant are also not analyzed. A cumulative analysis section in Appendix Q briefly looks at some of the impacts of these assumptions but the detailed traffic analysis does not. Therefore, the conclusions of the EA are imprecise. The general findings of the EA are probably correct, but it is somewhat troubling to think that these important factors have not been included in the main analysis.

We support replacement of the loop ramps at the Lake Washington Boulevard interchange with two signals in a "half-diamond" configuration. The simulations you have shown the Council in the past indicate that queuing will decrease from today's conditions and overall traffic flow will improve. The two new interchange signals plus the existing signals at Lake Washington Boulevard/Northup Way and Lake Washington Boulevard/NE 38th Street will be closely spaced and must be operated as a system by the Cities of Kirkland and Bellevue. The SR 520 project should provide the infrastructure to interconnect the signals and make this possible.

NE Points Drive has no outlet to the west and the project's proposed culvert replacement work at Yarrow Creek may require closing the road. This closure could impact parking at the Plaza at Yarrow Bay office complex and access for residents west of the culvert crossing. It is possible to temporarily open Points Drive to the west, but this will require cooperation with the communities of Kirkland, Clyde Hill and Yarrow Point. The EA should address how planned work on NE Points Drive will impact and be coordinated with businesses, residents and emergency services.

Again, we thank you for the opportunity to comment on the Environmental Assessment and for the efforts of the WSDOT to move the Eastside projects forward independently of other portions of the broader SR 520 project.

Sincerely,
Kirkland City Council

Mayor

**CITY OF KIRKLAND****Department of Finance & Administration**123 Fifth Avenue, Kirkland, WA 98033 425.587.3100
www.ci.kirkland.wa.us

MEMORANDUM

To: David Ramsay, City Manager

From: Tracey Dunlap, Director of Finance and Administration
Michael Olson, Deputy Director, Finance and Administration

Date: December 10, 2009

Subject: Council adoption of the City's Investment Policy revisions

Recommendation

Council adopt the attached resolution revising the City of Kirkland Investment Policy.

Background

The City's Fiscal Policies require that an external review of the investment policy and procedures be conducted every two years. The most recent review was completed April 7, 2009 by MBIA Asset Management. The review noted that the City's Investment Policy is in compliance with Washington state statutes and generally addresses all items recommended by the Government Finance Officers Association and the Association of Public Treasurers in relation to investment policies.

MBIA commended the City for many of the sections of the policy as well as providing recommendations for policy and procedure improvement. The recommendations are designed to tighten the language in the policy in order to improve controls in the City's investment program.

Many of the recommended practices and reports are currently in place and the revisions to the Policy will document current practice. The City of Kirkland Investment Policy in final form and in track changes form follow this memo as Attachments A and B.

The most notable changes include the following:

- Section 8 Broker Allocation: Documented the competitive bidding requirements on investment selection.
- Section 9 Authorized and Suitable Investments: Documented the specific requirements for authorized investments which are currently in practice.
- Section 12 Diversification: Included a table to establish portfolio and issuer maximum limit guidelines.
- Section 13: Clarified that weighted average maturity refers to final maturity, not effective maturity. Definitions of both are included in the Glossary.
- Section 15: Modified the external review requirement from two years to every three years.
- Section 16: Established more defined, measurable performance standards.
- Section 18: The investment policy will be reviewed annually by the Investment Committee with any modifications to be submitted to and approved by City Council.

The report and revised policies were reviewed by the Council Finance Committee at their September 29th meeting.

***CITY OF KIRKLAND
INVESTMENT POLICY
September 29, 2009
Adopted:***

1.0 Policy Statement

It is the policy of the City of Kirkland, ("the City") to invest public funds in a manner which provides the highest investment return with maximum security while meeting the daily cash flow requirements and conforming to all state and local statutes governing the investment of public funds.

2.0 Scope

This investment policy applies to all financial assets for the City of Kirkland. These funds are accounted for in the City's annual financial report and include:

- General Fund
- Special Revenue Funds
- Capital Project Funds
- Enterprise Funds
- Trust and Agency Funds
- Debt Service Funds

Any new funds created by the Finance Director unless specifically exempted.

3.0 Objective

The primary objectives, in order of priority, for the City of Kirkland's investment activities are as follows:

- 3.1 **Legality:** The City's investments will be in compliance with all statutes governing the investment of public funds in the State of Washington.
- 3.2 **Liquidity:** The City's investments will remain sufficiently liquid to enable the city to meet all operating requirements which might be reasonably anticipated.
- 3.3 **Safety:** Investments of the City will be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from other investments.
- 3.4 **Yield:** The City's investments will be designed with the objective of attaining a market rate return throughout budgetary and economic cycles, taking into account the City's investment risk constraints and cash flow characteristics.

Core investments are limited to relatively low-risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall generally be held until maturity with the following exceptions:

- a. A security with declining credit may be sold early to minimize loss of principal.
- b. A security swap that would improve the quality, yield or target duration in the portfolio.
- c. Liquidity needs of the portfolio require that the security be sold.

4.0 Delegation of Authority

In accordance with City of Kirkland Municipal code, Ordinance No.2455, an Investment Committee was created consisting of the City Manager and Finance Director. Authority is granted to these individuals to invest any portion of the monies in the City's inactive funds or other funds in excess of current needs. The Finance Director may designate a person to coordinate the day to day operations of the investment portfolio.

5.0 Prudence

Investments will be made with judgment and care, under circumstances then prevailing, which person of prudence, discretion and intelligence would use in the management of their own affairs, not for speculation, but for investment purposes (Prudent Person Standard).

The standard of prudence to be used by investment officials will be the "prudent person" and will be applied in the context of managing an overall portfolio. Investment officers meeting the "prudent person" standard will be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse developments.

6.0 Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that may conflict with the proper execution of the investment program, or may impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to Investment Committee any material financial interests in financial institutions that conduct business within this jurisdiction, and they shall further disclose any personal financial/investment positions that could be related to the performance of the City's portfolio.

7.0 Authorized Financial Dealers and Institutions

The Investment Committee will maintain a list of financial institutions as required by the Public Deposit Protection Commission (PDPC), authorized to provide investment services as outlined in R.C.W. 39.58.080. In addition, a list will also be maintained of approved security broker/dealers selected by credit worthiness. No public deposits will be made except in a qualified public depository in the State of Washington. These may include "primary" dealers or regional dealers that qualify under SEC Rule 15C3-1 (uniform net capital rule).

All brokers/dealers and financial institutions who desire to do business with the City must supply the Finance Director with the following: Annual audited financial statement, proof of Financial Industry Regulatory Authority (FINRA) Certification, certification of having read the City's investment policy and receipt of the City's Trading Authorization. The Investment Committee will conduct an annual review of the financial condition of authorized brokers/dealers and the safekeeping institution and an audit of the submitted documents on file.

8.0 Broker Allocation

Investment transactions will be based upon the financial institution or brokerage firm that offers the best price to the City on each particular transaction. The City will make its best effort to obtain three bids for purchase or sale of government agency securities other than new issues. If circumstances dictate fewer than three bids due to the volatility of the market place, lack of bids, etc. the Finance Director or the Deputy Director has the authority to waive this. Generally all brokers will not have the same inventory of agency securities available to sell, but should be able to offer comparable alternatives. Banker's acceptances and Certificates of Deposit (other than a compensating balance CD) also require the acquisition of at least three bids, and acceptance of the most attractive rate from among comparable alternatives. Where two or more institutions or brokers have offered the same low bid, allocation will go to the lowest bidder that has provided the best service to the City.

9.0 Authorized and Suitable Investments

The City is empowered to invest in the following types of securities:

Eligible investments are only those securities and deposits authorized by statute (RCW 39.58, 39.59, 43.250, and 43.84.080) Eligible investments include:

- Obligations of the U.S. government;
U.S. Treasury Notes, Bonds and Bills

- Obligations of U.S. government agencies, corporations wholly owned by the U.S. government or any Government Sponsored Enterprises (GSE's) with the exception of mortgage backed securities (MBS), which are prohibited.

Specific listing:

Federal Home Loan Bank - FHLB
Federal Farm Credit Bank - FFCB
Government National Mortgage Association - GNMA
Federal Home Loan Mortgage Corporation - FHLMC
Federal National Mortgage Association - FNMA
Federal Agricultural Mortgage Corporation - FAMC
Tennessee Valley Authority - TVA

* Other issuers may qualify if they meet the above criteria.

- Banker's acceptances purchased on the secondary market rated with the highest short-term credit rating of any two Nationally Recognized Statistical Rating Organizations (NRSROs), at the time of purchase. A-1+, A1+, or P-1. If the banker's acceptance is rated by more than two NRSROs., it must have the highest rating from all the organizations. Banker's Acceptances are considered illiquid as there is no active secondary market for these securities.
- Commercial Paper, provided that the Finance Director adheres with the policies and procedures of the State Investment Board regarding commercial paper (RCW 43.84.080(7)), including the following:
 - Must have the highest short-term credit rating of any two Nationally Recognized Statistical Rating Organizations (NRSROs), at the time of purchase. A-1+, A1+, or P-1.
 - Must be approved by the Investment Committee.
 - Purchases of commercial paper issued by a firm on negative credit watch is prohibited.
 - Procedures for steps to be taken should an issuer be placed on credit watch or downgraded are included in the Investment Procedures.
- Certificates of deposit with financial institutions qualified by the Washington Public Deposit Protection Commission;
- Local Government Investment Pool, for proceeds of bonds, liquidity funds or other debt obligations;

- Obligations of the State of Washington or its political sub-divisions with the following guidelines:
 - Limited to securities which have one of the two highest rating categories by two of the NRSROs. Requiring AA- or better from Fitch and Standard & Poors and a Aa3 by Moodys
 - Purchases of any security on negative credit watch is prohibited.
 - Procedures for steps to be taken should an issuer be placed on credit watch or downgraded are included in the Investment Procedures.

- Obligations of a state other than the State of Washington or its political sub-divisions, with the following guidelines:
 - Limited to securities which have one of the two highest rating categories by two of the NRSROs. Requiring AA- or better from Fitch and Standard & Poors and a Aa3 by Moodys
 - Purchases of any security on negative credit watch is prohibited.
 - Procedures for steps to be taken should an issuer be placed on credit watch or downgraded are included in the Investment Procedures.

- Repurchase Agreements. The City does not actively invest in repurchase agreements for short term investments. However, if a repurchase agreement is utilized collateralization is required. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be (102%) of market value of principal and accrued interest. Re-pricing of the collateral should occur daily.

The City chooses to limit the collateral to Treasury and GSE Agency securities only, with a maximum maturity of three years.

Collateral will always be held by an independent third party with whom the entity has a current custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the entity and retained.

If the City chooses to invest in repurchase agreements, only primary dealers are to be used as counterparties to repurchase agreements, short term credit rating must be the highest credit rating, A-1 or the equivalent and a long term rating of A or the equivalent, the approved Bond Market Association's master repurchase agreement must be executed and on file prior to entering into these transactions and the maximum term for a repurchase agreement shall be limited to 30 days.

- The City is prohibited from purchasing securities that leverage the portfolio or are used for speculation on interest rates.

10.0 Investment Pools / Mutual Funds

The City is allowed to invest in the Washington State Local Government Investment Pool as authorized by City of Kirkland Resolution 3370. The City is restricted from investing in mutual funds by State Statute.

11.0 Safekeeping and Custody

All security transactions, including collateral for repurchase agreements, entered into by the City of Kirkland will be conducted on a delivery-versus-payment (DVP) basis. Securities will be held in safekeeping by a third party custodian designated by a member of the Investment Committee.

12.0 Diversification

The City will diversify its investments by security type and institution so that reliance on any one issuer or financial institution will not place an undue financial burden on the City. The City's policy is to assure that no single institution or security is invested to such an extent that a delay of liquidation at maturity is likely to cause a current cash flow emergency.

The following table provides maximum portfolio and issuer limit guidelines for the eligible securities which shall be complied with at the time of a security purchase, unless an exception waiver is approved by the Investment Committee. However, no sale of securities shall be required to meet revised limits due to a decrease in the total size of the portfolio.

Investment	Percent of Fund	Percent Per Issuer	Maturity
US Treasury Obligations	100	100	5 Years
US Agency Obligations	100	30	5 Years
Callable Agency Securities	50	30	5 Years
State or Political Subdivision Securities	20	5	5 Years
Certificates of Deposits	10	5	1 year
Bankers Acceptances	5	5	180 days
A-1/P-1 Commercial Paper	5	5	180 days

Special funds may have maturities in excess of stated guidelines due to specific fund objectives.

13.0 Maximum Maturities

To the extent possible, the City will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, or estimated to cash flow needs, the City will not directly invest in securities maturing more than five (5) years from the date of settlement.

The maximum weighted average maturity (WAM) of the total portfolio shall not exceed 3 years. This maximum is established to limit the portfolio to excessive market exposure. The WAM refers to the final WAM not the effective WAM.

Reserve or Capital Improvement Project monies may be invested in securities exceeding five (5) years if the maturities of such investments are made to coincide as nearly as practicable with the expected use of the funds.

14.0 Internal Control

On an annual basis, the Investment Committee, in conjunction with the State Auditor's Office, will evaluate conformance with the Investment Policy and audit internal controls. The purpose of these examinations shall be to audit the accountability of the City's Investment Portfolio and to verify that Investment Officials have acted in accordance with the investment policies and procedures. Should the Investment Procedures be in conflict with the Investment Policy, the Investment Policy is the final authority.

15.0 External Control

The City will have an external review of the investment policy and procedures every three (3) years. The City may enter contracts with third-party investment advisory firms when their services are required.

16.0 Performance Standards

The portfolio shall be managed to obtain a fair rate of return, keeping in mind the primary objectives of protecting the City's capital and assuring adequate liquidity to meet cash flow needs.

For purposes of this policy, "fair rate of return" will be a band between the average yield of the ninety-day Treasury bill and the 2-year Treasury note for the period of time being evaluated. The goal is for the portfolio to generally perform within or above the band.

17.0 Reporting Requirements

17.1 The Finance Director shall prepare a quarterly and annual investment report summarizing the activity of the investment portfolio as to types of investments, yields, maturities and other related data.

17.2 Monthly reports will be submitted to the Investment Committee that report market value changes and investment income.

17.3 Additional reporting requirements are outlined in the Investment Procedures.

18.0 Investment Policy Adoption

The City's investment policy shall be adopted by City Council. The policy shall be reviewed annually by the Investment Committee. Any modifications shall be submitted and approved by City Council.

GLOSSARY

BANKERS' ACCEPTANCES (Bas) – Bankers Acceptances are a form of a loan used in import-export financing transactions which becomes negotiable when accepted by a bank. The issuing bank is liable for the payment at its maturity. Terms vary but normally they are under six months and are purchased on a discount basis.

BROKER – A middleman who brings buyers and sellers together and handles their orders generally charging a commission for their services.

CERTIFICATES OF DEPOSIT – Instruments issued by a bank specifying that a sum of money has been deposited, payable with interest to the bearer of the certificate on a certain date.

COMMERCIAL PAPER - A short – term promissory note issued by a bank holding company, for the purpose of financing current transactions. Issues are sold on a discount basis with maturities up to 270 days.

DELIVERY VS PAYMENT – Physical delivery of collateral securities or book entry control in exchange for the cash payment. Under this system funds are not transferred until the securities are delivered. If a third party acts as custodian, funds are released by the custodian only when delivery is accomplished.

DEPOSITORY – A bank or financial institution accepting cash deposits and investments.

DIVERSIFICATION – Dividing available funds among a variety of securities and institutions so as to minimize market risk.

DURATION - The number of years required to receive the present value of future payments, both of interest and principle, of a bond, often used as an indicator of a bond's price volatility resulting from changes in interest rates.

FEDERAL CREDIT AGENCIES - Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g., S&L's, small business firms, students, farmers, farm cooperatives and exporters.

FEDERAL HOME LOAN BANKS (FHLB) - The 12 Federal Home Loan Banks are a system of regional banks from which local lending institutions everywhere in America borrow funds to finance housing, economic development, infrastructure and jobs. About 80 percent of U.S. lending institutions rely on the Federal Home Loan Banks. Because the Federal Home Loan Banks are cooperatives, their low costs are passed on to consumers and communities.

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA, or Fannie Mae) - FNMA, like GNMA, was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing & Urban Development, H.U.D. It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA OR GINNIE MAE) - Securities guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by FHA, VA, or FMHM mortgages. The term passthroughs is often used to describe Ginnie Maes.

GOVERNMENT SPONSORED ENTERPRISES (GSE's) - A group of financial services corporations created by the United States Congress. Their function is to reduce interest rates for specific borrowing sectors of the economy, farmers, and homeowners. The mortgage borrowing segment is by far the largest of the borrowing segments that the GSE's operate in.

LIQUIDITY - The length of time required to convert any investment to cash.

LOCAL GOVERNMENT INVESTMENT POOL (LGIP) – The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

MARKET VALUE – The market value of a security is the price at which the last sale of the same issue was sold.

MATURITY – The date upon which the principal or stated value of an investment becomes due.

PRINCIPAL – The cost of an instrument on which interest is earned.

REPURCHASE AGREEMENT – Range in maturity from overnight to fixed time to open end. Repo's involve a simultaneous sale of securities by a bank or government securities dealer to a city with an agreement for the bank to repurchase the securities at a fixed date at a specified rate of interest.

SAFEKEEPING – An arrangement under which an organization's securities are kept in a bank vault or in the case of book entry securities, are held and recorded in the customer's name. Evidence of this arrangement is a safekeeping receipt.

SEC RULE 15c3-1 - An SEC rule that sets minimum net capital requirements for broker-dealers. Firms are expected to have liquid assets equal to or greater than a certain percentage of total liabilities. If the ratio falls below this minimum, the broker-dealer may face restrictions on soliciting new business or on keeping existing business. See UNIFORM NET CAPITAL RULE.

SECONDARY MARKET – A market where certain securities may be bought and sold at prevailing market prices after their initial distribution but before their state maturity date.

TREASURY BILLS – Short-term marketable securities issued by the U.S. Treasury and secured by the Federal Government and have maximum liquidity.

TREASURY NOTES AND BONDS – These are direct obligations of the U.S. Government with maturities from one to ten years on the notes and 10 to 30 years on the bonds.

UNIFORM NET CAPITAL RULE - Securities & Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities. Liquid capital includes cash and assets easily converted into cash.

WEIGHTED AVERAGE MATURITY - The average time it takes for securities in a portfolio to mature, weighted in proportion to the dollar amount that is invested in the portfolio. Weighted average maturity measures the sensitivity of fixed-income portfolios to interest rate changes. Portfolios with longer WAMs are more sensitive to changes in interest rates because the longer a bond is held, the greater the opportunity for interest rates to move up or down and affect the performance of the bonds in the portfolio.

EFFECTIVE WEIGHTED AVERAGE MATURITY - For a single bond, it is a measure of maturity that takes into account the possibility that a bond might be called back to the issuer.

For a portfolio of bonds, average effective maturity is the weighted average of the maturities of the underlying bonds. The measure is computed by weighing each bond's maturity by its market value with respect to the portfolio and the likelihood of any of the bonds being called.

YIELD – The rate of annual return on an investment expressed as a percentage.

**CITY OF KIRKLAND
INVESTMENT POLICY**
~~Draft 5/1/2009~~September 29, 2009
Adopted:

1.0 Policy Statement

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- Certificates of deposit with financial institutions qualified by the Washington Public Deposit Protection Commission;
- ~~Local Government Investment Pool, for proceeds of bonds, liquidity funds or other debt obligations;~~

- Obligations of the State of Washington or its political sub-divisions with the following guidelines:
 - Limited to securities which have one of the two highest rating categories by two of the NRSROs. Requiring AA- or better from Fitch and Standard & Poors and a Aa3 by Moodys-
 - Purchases of any security on negative credit watch is prohibited.
 - Procedures for steps to be taken should an issuer be placed on credit watch or downgraded are included in the Investment Procedures.

- Obligations of a state other than the State of Washington or its political sub-divisions, with the following guidelines:
 - Limited to securities which have one of the two highest rating categories by two of the NRSROs. Requiring AA- or better from Fitch and Standard & Poors and a Aa3 by Moodys
 - Purchases of any security on negative credit watch is prohibited.
 - Procedures for steps to be taken should an issuer be placed on credit watch or downgraded are included in the Investment Procedures.

~~The City is prohibited from purchasing securities that leverage the portfolio or are used for speculation on interest rates.~~

- ~~Repurchase Agreements~~
- The City does not actively invest in repurchase agreements for short term investments. However, if a repurchase agreement is utilized collateralization is required. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be (102%) of market value of principal and accrued interest. Re-pricing of the collateral should occur daily.

The City chooses to limit the collateral to Treasury and GSE Agency securities only, with a maximum maturity of three years.

Collateral will always be held by an independent third party with whom the entity has a current custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the entity and retained.

If the City chooses to invest in repurchase agreements, only primary dealers are to be used as counterparties to repurchase agreements, short term credit rating must be the highest credit rating, A-1 or the equivalent and a long term rating of A or the equivalent, the approved Bond Market Association's master repurchase agreement must be executed and on file prior to entering into these transactions and the maximum term for a repurchase agreement shall be limited to 30 days.

- The City is prohibited from purchasing securities that leverage the portfolio or are used for speculation on interest rates.

~~9.0~~ 10.0 Investment Pools / Mutual Funds

The City is allowed to invest in the Washington State Local Government Investment Pool as authorized by City of Kirkland Resolution 3370. The City is restricted from investing in mutual funds by State Statute.

~~10.0~~ Collateralization

~~The City does not actively invest in repurchase agreements for short term investments. However, if a repurchase agreement is utilized collateralization is required. In order to anticipate market changes and provide a level of security for all funds, the collateralization level will be (102%) of market value of principal and accrued interest. Re-pricing of the collateral should occur daily.~~

~~The City chooses to limit the collateral to Treasury and GSE Agency securities only, with a maximum maturity of three years.~~

~~Collateral will always be held by an independent third party with whom the entity has a current custodial agreement. A clearly marked evidence of ownership (safekeeping receipt) must be supplied to the entity and retained.~~

11.0 Safekeeping and Custody

All security transactions, including collateral for repurchase agreements, entered into by the City of Kirkland will be conducted on a delivery-versus-payment (DVP) basis. Securities will be held in safekeeping by a third party custodian designated by a member of the Investment Committee.

12.0 Diversification

The City will diversify its investments by security type and institution so that reliance on any one issuer or financial institution will not place an undue financial burden on the City. The City's policy is to assure that no single institution or security is invested to such an extent that a delay of liquidation at maturity is likely to cause a current cash flow emergency.

The following table provides maximum portfolio and issuer limit guidelines for the eligible securities which shall be complied with at the time of a security purchase, unless an exception waiver is approved by the Investment Committee. However, no sale of securities shall be required to meet revised limits due to a decrease in the total size of

~~the portfolio. With the exception of U.S. Treasury securities and authorized pools, no more than 50% of the entity's total investment portfolio will be invested in a single security type, issuer or financial institution. Diversification strategies shall be determined and revised periodically by the Investment Committee.~~

<u>Investment</u>	<u>Percent of Fund</u>	<u>Percent Per Issuer</u>	<u>Maturity</u>
<u>US Treasury Obligations</u>	<u>100</u>	<u>100</u>	<u>5 Years</u>
<u>US Agency Obligations</u>	<u>100</u>	<u>30</u>	<u>5 Years</u>
<u>Callable Agency Securities</u>	<u>50</u>	<u>30</u>	<u>5 Years</u>
<u>State or Political Subdivision Securities</u>	<u>20</u>	<u>5</u>	<u>5 Years</u>
<u>Certificates of Deposits</u>	<u>10</u>	<u>5</u>	<u>1 year</u>
<u>Bankers Acceptances</u>	<u>5</u>	<u>5</u>	<u>180 days</u>
<u>A-1/P-1 Commercial Paper</u>	<u>5</u>	<u>5</u>	<u>180 days</u>

~~10~~

~~Special funds may have maturities in excess of stated guidelines due to specific fund objectives.~~

13.0 Maximum Maturities

~~To the extent possible, the City will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, or estimated to cash flow needs, the City will not directly invest in securities maturing more than five (5) years from the date of settlement.~~

~~The maximum weighted average maturity (WAM) of the total portfolio shall not exceed 3 years. This maximum is established to limit the portfolio to excessive market exposure. The WAM refers to the final WAM not the effective WAM.~~

~~Reserve or Capital Improvement Project monies may be invested in securities exceeding five (5) years if the maturities of such investments are made to coincide as nearly as practicable with the expected use of the funds.~~

14.0 Internal Control

~~To the extent possible, the City will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, or estimated to cash flow needs, the City will not directly invest in securities maturing more than five (5) years from the date of purchase.~~

~~The maximum weighted maturity of the total portfolio shall not exceed 3 years. This maximum is established to limit the portfolio to excessive market exposure.~~

~~Reserve or Capital Improvement Project monies may be invested in securities exceeding five (5) years if the maturities of such investments are made to coincide as nearly as practicable with the expected use of the funds.~~

On an annual basis, the Investment Committee, in conjunction with the State Auditor's Office, will evaluate conformance with the Investment Policy and audit internal controls. The purpose of these examinations shall be to audit the accountability of the City's Investment Portfolio and to verify that Investment Officials have acted in accordance with the investment policies and procedures. Should the Investment Procedures be in conflict with the Investment Policy, the Investment Policy is the final authority.

15.0 External Control

The City will have an external review of the investment policy and procedures every ~~2~~ three (3) years. The City may enter contracts with third-party investment advisory firms when their services are required.

16.0 Performance Standards

~~The City of Kirkland's investment portfolio will be designed to obtain a market average rate of return during budgetary and economic cycles, taking into account the City's investment risk constraints and cash flow needs~~

The portfolio shall be managed to obtain a fair rate of return, keeping in mind the primary objectives of protecting the City's capital and assuring adequate liquidity to meet cash flow needs.

For purposes of this policy, "fair rate of return" will be a band between the average yield of the ninety-day Treasury bill and the 2-year Treasury note for the period of time being evaluated. The goal is for the portfolio to generally perform within or above the band.

17.0 Reporting Requirements

~~17.1~~ The Finance Director shall prepare a quarterly and annual investment report summarizing the activity of the investment portfolio as to types of investments, yields, maturities and other related data.

~~17.2~~ Monthly reports will be submitted to the Investment Committee that report market value changes and investment income.

17.3 Additional reporting requirements are outlined in the Investment Procedures.

18.0 Investment Policy Adoption

The City's investment policy shall be adopted by City Council. The policy shall be reviewed ~~every two years~~ annually by the Investment ~~Committee~~ Committee. ~~e and Any~~ modifications shall be submitted and approved by City Council.

GLOSSARY

BANKERS' ACCEPTANCES (Bas) – Bankers Acceptances are a form of a loan used in import-export financing transactions which becomes negotiable when accepted by a bank. The issuing bank is liable for the payment at its maturity. Terms vary but normally they are under six months and are purchased on a discount basis.

BROKER – A middleman who brings buyers and sellers together and handles their orders generally charging a commission for their services.

CERTIFICATES OF DEPOSIT – Instruments issued by a bank specifying that a sum of money has been deposited, payable with interest to the bearer of the certificate on a certain date.

COMMERCIAL PAPER - A short – term promissory note issued by a bank holding company, for the purpose of financing current transactions. Issues are sold on a discount basis with maturities up to 270 days.

DELIVERY VS PAYMENT – Physical delivery of collateral securities or book entry control in exchange for the cash payment. Under this system funds are not transferred until the securities are delivered. If a third party acts as custodian, funds are released by the custodian only when delivery is accomplished.

DEPOSITORY – A bank or financial institution accepting cash deposits and investments.

DIVERSIFICATION – Dividing available funds among a variety of securities and institutions so as to minimize market risk.

DURATION - The number of years required to receive the present value of future payments, both of interest and principle, of a bond, often used as an indicator of a bond's price volatility resulting from changes in interest rates.

FEDERAL CREDIT AGENCIES - Agencies of the Federal government set up to supply credit to various classes of institutions and individuals, e.g., S&L's, small business firms, students, farmers, farm cooperatives and exporters.

~~**FEDERAL HOME LOAN BANKS (FHLB)** - The institutions that regulate and lend to savings and loan associations. The Federal Home Loan Banks play a role analogous to that played by the Federal Reserve Banks vis-a-vis member commercial banks.~~

The 12 Federal Home Loan Banks are a system of regional banks from which local lending institutions everywhere in America borrow funds to finance housing, economic development, infrastructure and jobs. About 80 percent of U.S. lending institutions rely on the Federal Home Loan Banks. Because the Federal Home Loan Banks are cooperatives, their low costs are passed on to consumers and communities.

FEDERAL NATIONAL MORTGAGE ASSOCIATION (FNMA, or Fannie Mae) - FNMA, like GNMA, was chartered under the Federal National Mortgage Association Act in 1938. FNMA is a federal corporation working under the auspices of the Department of Housing & Urban Development, H.U.D. It is the largest single provider of residential mortgage funds in the United States. Fannie Mae, as the corporation is called, is a private stockholder-owned corporation. The corporation's purchases include a variety of adjustable mortgages and second loans in addition to fixed-rate mortgages. FNMA's securities are also highly liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION (GNMA OR GINNIE MAE) - Securities guaranteed by GNMA and issued by mortgage bankers, commercial banks, savings and loan associations and other institutions. Security holder is protected by full faith and credit of the U.S. Government. Ginnie Mae securities are backed by FHA, VA, or FMHM mortgages. The term passthroughs is often used to describe Ginnie Maes.

GOVERNMENT SPONSORED ENTERPRISES (GSE's) - A group of financial services corporations created by the United States Congress. Their function is to reduce interest rates for specific borrowing sectors of the economy, farmers, and homeowners. The mortgage borrowing segment is by far the largest of the borrowing segments that the GSE's operate in.

LIQUIDITY - The length of time required to convert any investment to cash.

LOCAL GOVERNMENT INVESTMENT POOL (LGIP) - The aggregate of all funds from political subdivisions that are placed in the custody of the State Treasurer for investment and reinvestment.

MARKET VALUE - The market value of a security is the price at which the last sale of the same issue was sold.

MATURITY - The date upon which the principal or stated value of an investment becomes due.

PRINCIPAL - The cost of an instrument on which interest is earned.

REPURCHASE AGREEMENT - Range in maturity from overnight to fixed time to open end. Repo's involve a simultaneous sale of securities by a bank or government securities dealer to a city with an agreement for the bank to repurchase the securities at a fixed date at a specified rate of interest.

SAFEKEEPING - An arrangement under which an organization's securities are kept in a bank vault or in the case of book entry securities, are held and recorded in the customer's name. Evidence of this arrangement is a safekeeping receipt.

SEC RULE 15c3-1 - An SEC rule that sets minimum net capital requirements for broker-dealers. Firms are expected to have liquid assets equal to or greater than a certain percentage of total liabilities. If the ratio falls below this minimum, the broker-dealer may face restrictions on soliciting new business or on keeping existing business. See UNIFORM NET CAPITAL RULE.

SECONDARY MARKET – A market where certain securities may be bought and sold at prevailing market prices after their initial distribution but before their state maturity date.

TREASURY BILLS – Short-term marketable securities issued by the U.S. Treasury and secured by the Federal Government and have maximum liquidity.

TREASURY NOTES AND BONDS – These are direct obligations of the U.S. Government with maturities from one to ten years on the notes and 10 to 30 years on the bonds.

UNIFORM NET CAPITAL RULE - Securities & Exchange Commission requirement that member firms as well as nonmember broker-dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities. Liquid capital includes cash and assets easily converted into cash.

WEIGHTED AVERAGE MATURITY - The average time it takes for securities in a portfolio to mature, weighted in proportion to the dollar amount that is invested in the portfolio. Weighted average maturity measures the sensitivity of fixed-income portfolios to interest rate changes. Portfolios with longer WAMs are more sensitive to changes in interest rates because the longer a bond is held, the greater the opportunity for interest rates to move up or down and affect the performance of the bonds in the portfolio.

EFFECTIVE WEIGHTED AVERAGE MATURITY - For a single bond, it is a measure of maturity that takes into account the possibility that a bond might be called back to the issuer.

For a portfolio of bonds, average effective maturity is the weighted average of the maturities of the underlying bonds. The measure is computed by weighing each bond's maturity by its market value with respect to the portfolio and the likelihood of any of the bonds being called.

YIELD – The rate of annual return on an investment expressed as a percentage.

RESOLUTION R-4797

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND
ADOPTING A REVISED POLICY FOR INVESTMENT OF CITY FUNDS.

WHEREAS, the City Council of the City of Kirkland deems to have City funds invested in secure depositories and maximize returns on these investments; and

WHEREAS, the City Council of the City of Kirkland desires to develop an investment policy to guide the investment of City funds to meet these objectives; and

WHEREAS, the Kirkland City Treasurer (Deputy Director of Finance) has recommended revisions to the policy for investment of City funds; and

WHEREAS, the City of Kirkland investment policy has been written in accordance with the Washington Municipal Treasurers Model Investment Policy.

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

Section 1. The policy for investment of City funds set forth in the document entitled "City of Kirkland Investment Policy September 29, 2009" which is attached hereto as Attachment A and incorporated herein by this reference as if set forth in full is hereby adopted as official policy for investment of City funds.

Section 2. That the document entitled City of Kirkland Investment Policy September 29, 2009, replaces all previous City of Kirkland Investment Policies.

Passed by majority vote of the Kirkland City Council in open meeting this ____ day of _____, 2010.

Signed in authentication thereof this ____ day of _____, 2010.

MAYOR

Attest:

City Clerk

**CITY OF KIRKLAND**

City Manager's Office

123 Fifth Avenue, Kirkland, WA 98033 425.587.3001
www.ci.kirkland.wa.us**MEMORANDUM**

To: David Ramsay, City Manager

From: Erin Leonhart, Intergovernmental Relations Manager

Date: December 22, 2009

Subject: 2010 LEGISLATIVE UPDATE 1

The 2010 State Legislative session is scheduled to begin on January 11th. This report contains information from the final meeting of the 2009 Legislative Committee, an update on Kirkland's 2010 Federal Appropriations Requests and a proposed addition to the 2010 Legislative Agenda (attached).

RECOMMENDATION

It is recommended that the City Council receive an update on legislative issues and approve an addition to the 2010 Legislative Agenda related to the Public Records Act.

COUNCIL LEGISLATIVE COMMITTEE 12/21/2009

The 2009 Council Legislative Committee met on December 21, 2009 to meet Tim Schellberg and Briahna Taylor from Gordon Thomas Honeywell and to begin discussions about the upcoming session. The primary topics of conversation during the meeting were:

- Introduction to Tim Schellberg & Briahna Taylor from Gordon Thomas Honeywell – Mr. Schellberg and Ms. Taylor introduced themselves and the firm. Mr. Schellberg and Ms. Taylor are contracted to act in an advisory capacity on State Legislative issues for the 2010 session. The contract includes:
 - Monday morning reports, emailed to Kirkland every week during the Legislative Session;
 - Access to two Bill tracking lists with summaries – one specific to City priorities and the other including all AWC & King County interests;
 - Ms. Taylor or Mr. Schellberg will call Erin Leonhart, Intergovernmental Relations Manager, if there is a time-sensitive item of interest to the City;
 - Although Gordon Thomas Honeywell will not register as Kirkland's lobbyist, they can sign for the City in support or opposition of particular legislation if directed; and
 - The City can ask for advice or information on legislative issues.
- Legislative Session Schedule – The 2010 Legislative Session is scheduled to begin on January 11th. The Legislature finalizes the cutoff schedule on the first day of the session.
- 2010 Legislative Committee Meeting Schedule – Once the 2010 Legislative Committee membership is determined, the group will discuss meeting schedule. Historically, the Committee met weekly during the session to provide guidance on pressing issues.
- Public Records Act Disclosure Exemption – The City of Everett is pursuing legislation that would exempt the names of code enforcement complainants from disclosure under the Public Records Act. The Legislative Committee supported this legislation as recommended by the City Attorney's Office and the Planning and Community Development Department.
- Extension of Growth Management Act Deadlines – The Planning and Community Development Department requested support for changes to Growth Management Act planning deadlines to 10-year cycles instead of 7-year cycles. The Governor's Office may propose legislation that would temporarily extend the deadlines due to budget issues. This proposal should be released within the next few weeks.

- Washington State Sentencing Guidelines Commission – The Association of Washington Cities is seeking applications for a City Representative to fill a vacancy on the Washington State Sentencing Guidelines Commission. The Commission typically meets the second Friday of each month from 9:00am until noon.

2010 FEDERAL APPROPRIATIONS REQUESTS

The City of Kirkland submitted four Federal Appropriations Requests to our Congressional Delegation for the 2010 Budget:

- 116th Ave NE Non-Motorized Project (\$2 million)
- NE 120th Street Extension (\$1.5 million)
- Emergency Services Training (\$675,000)
- Emergency Services Equipment (\$500,000)

As a result of Senator Murray and Congressman Inslee's support, there is an appropriation in the Omnibus Appropriations Bill for \$300,000 for Kirkland's Emergency Services Equipment. This funding will be awarded from the Department of Justice as a COPS Tech grant. Staff will provide details as they are available.

Senator Murray and Congressman Inslee also supported the two transportation projects; however, neither has been funded to date. Congressman Inslee included the 116th Ave NE Non-Motorized Project in the House version of the Transportation Reauthorization Bill but the reauthorization process did not progress during this Congressional session. Erin Leonhart, Intergovernmental Relations Manager, will work with Congressional staff to continue pursuit of funding for 116th and other requests per Council direction.

PROPOSED ADDITION TO 2010 LEGISLATIVE AGENDA

The Council Legislative Committee supports the following addition on page six of the 2010 Legislative Agenda: "Kirkland supports legislation that would exempt the names of code enforcement complainants from disclosure under the Public Records Act." The City Attorney's Office and Planning and Community Services Department support this proposal.

Attachment

CITY OF KIRKLAND 2010 LEGISLATIVE AGENDA – ADOPTED

--- CITY COUNCIL GOALS ---

NEIGHBORHOODS

Goal: Achieve active neighborhood participation and a high degree of satisfaction with neighborhood character, services and infrastructure.

Legislative Issues – none

PUBLIC SAFETY

Goal: Provide for public safety through a community-based approach that focuses on prevention of problems and a timely response.

Legislative Issues

- Kirkland supports legislation that provides additional funding options for public safety purposes, including public safety facilities
- Kirkland supports cities' ability to form municipal courts and is working to preserve all options for providing municipal court services in the future.
- Kirkland supports coordination of criminal justice services provided by the state, counties and municipalities to achieve the greatest efficiencies possible.
- Kirkland opposes any further shifting of criminal justice services to municipalities from the state or county.
- Kirkland supports the 2010 Legislative priorities from the Association of Washington Cities' Subcommittee on Community Safety & Justice Funding for Gang Intervention and Prevention Activities:
 - Support local tools and innovation for gang prevention and intervention; seek sustainable, ongoing funding for gang prevention and intervention, graffiti removal programs, and law enforcement suppression activities.
 - Support the creation of new offenses for criminal gang intimidation and school criminal gang intimidation and sentence enhancements for gang-related offenses.
- Kirkland supports the 2010 Legislative Agenda from the Washington Association of Sheriffs & Police Chiefs (WASPC):
 - Obtain funding for WASPC's critical incident mapping program to finish mapping community colleges (approx. \$600,000) and K-12 new and major remodeled buildings (approx. \$400,000).
 - Maintain funding for the WASPC sex offender address verification program at the current level of \$5 million/year. Amend the sex offender registration laws in response to State v. Ramos (2009) which rendered the law requiring Level II and III registered sex offenders to check in every 90 days inoperable, by repealing the 90-day check-in requirement and codifying the new address verification program.
 - Amend WASPC's recently codified Sex Offender Notification and Registration Program (RCW 36.28A.040(6)) to protect the personal information of community members utilizing the notification services of the program.
 - Amend the Public Disclosure Act (RCW 42.56) to protect lists of burglar alarm customers, addresses and other records for false alarm programs retained by law enforcement agencies.

- Kirkland supports the following items from the 2010 Legislative Goals of the Washington Fire Chiefs:
 - Simple majority election (50% plus 1) for Emergency Medical Services Levies (via SB 5432)
 - Work toward mandatory residential sprinkler systems in new construction (HB 2224)
 - Fire Inspection/Investigation Issues:
 - Ability to obtain administrative search warrants for fire inspections in RCW 19.27
 - Presumptive illness provisions for PERS employees doing fire investigations akin to LEOFF covered employees
 - Ability for Fire Districts and Regional Fire Authorities to take over inspection/investigation from the County they reside within
 - Expand LEOFF eligibility to County or State Fire Marshalls
 - Increase the fee for E-911 in preparation for next generation systems (HB 2029 or HB 2351)

HUMAN SERVICES

Goal: To support a coordinated system of human services designed to meet the special needs of our community and remove barriers to opportunity.

Legislative Issues

- Kirkland supports legislative action aimed at preventing homelessness and moving the homeless to stable, supported housing as quickly as possible. To accomplish these goals, the City supports the appropriation of funding for temporary rental assistance and supportive services, increased resources for mental health and substance abuse treatment services, supportive services to those transitioning out of the corrections system and young people who age out of the foster care system.
- Kirkland supports the following legislative recommendations from the Eastside Human Services Forum for the 2010 Legislative Session:
 - Preventing and Ending Homelessness
 - Restore the Housing Trust Fund to the \$200 million level
 - Stabilize Washington Families Fund
 - Early Childhood and School Readiness
 - Preserve and restore Home Visiting funds to 2009 levels for a continuum of programs such as Parents as Teachers and the Parent Child Home Program
 - Support training for child care professionals
 - Change policies regarding state child care subsidy rates such as amount of co-pays, or frequency of eligibility reauthorization
 - Access to Basic Needs
 - Increase access to public benefits, such as Food Stamps and the Earned Income Tax Credit
 - Washington Information Network 2-1-1: Maintain current level of funding, improve quality and accessibility of services
 - Older Adults
 - Restore funding for Adult Day Health including transportation
 - Continue current funding for the Senior Citizens Services Act (SCSA is a primary source of funding for the critical Senior Information and Assistance programs operated through Area Agencies on Aging.)

BALANCED TRANSPORTATION

Goal: To reduce reliance on single occupancy vehicles.

Legislative Issues

- Kirkland supports non-motorized transportation and issues raised by the Bicycle Alliance of Washington, specifically:
 - Compliance with Manual of Uniform Traffic Code in Construction Zones: Support compliance with national standards that that bicycles and pedestrians be considered when planning for access through construction zones, particularly when detours are necessary.
 - School Transportation Funding: Support and encourage programs that educate, engineer, encourage and evaluate walking and biking programs and facilities for schools.
 - Global Warming: Support policies that recognize bicycles as an earth-friendly transportation option.
 - 3-Foot Passing: Support specifying that motorists allow a minimum of three feet of distance when passing bicyclists.

PARKS, OPEN SPACES AND RECREATIONAL SERVICES

Goal: To provide and maintain natural areas and recreational facilities and opportunities that enhance the health and well being of the community.

Legislative Issues

- Kirkland supports the WRPA (Washington Recreation & Park Association) legislative agenda, which is based on the following principles:
 - Parks are about helping build and sustain Healthy Communities, especially important at a time when health care costs and obesity rates continue to rise.
 - Parks are about open spaces and recreation inside of growing communities, especially important with increasing population densities, and state policy goals associated with achieving Climate Change, cleanup and restoration of the Puget Sound, and livable and walkable communities.
 - Parks are about connecting communities through trails and greenways, especially important at a time where population growth puts more pressure on our natural resources, and scarce transportation dollars and ever-rising gas prices are inducing more people to walk and bike as an alternative to the automobile.
 - Parks are inducers of and incentivizers to economic development, urban plazas, waterfront parks, greenways, and trail connections and the like are central to tourism.

DIVERSE HOUSING

Goal: To ensure the construction and preservation of housing stock that meet a diverse range of incomes and needs.

Legislative Issues

- Kirkland supports protection of and new state contributions to the Housing Trust Fund levels established in 2008 to support statewide public-private investment in low-income housing.
- Kirkland also supports tax incentives and targeted investments in workforce housing.
- Kirkland supports legislation amending RCW 82.02.060 to eliminate the requirement that impact fees waived for affordable housing be paid from public funds other than impact fee accounts.

FINANCIAL STABILITY

Goal: Provide a sustainable level of core services that are funded from predictable revenue.

Legislative Issues

- Kirkland supports legislation to reverse the court decision (Lane vs. Seattle) that allocates hydrant/fire suppression costs to the general fund
- Kirkland supports the City Flexibility Package proposed by the Association of Washington Cities:
 - Public safety sales tax (0.3% county-wide local option) – 2SSB 5433, which passed in 2009, allowed for partial supplanting of the public safety sales and use tax until 2015. Pursue full removal of non-supplant language and no expiration date.
 - Real estate excise tax – Currently cities that collect the 2nd 0.25% REET must spend those funds on a shorter list of projects than the 1st 0.25% REET. Allow the list of projects for the 2nd 0.25% locally collected real estate excise tax to match the list of projects for the 1st 0.25% real estate excise tax.
 - Gambling tax – Currently this tax can be used for local gambling enforcement programs. Expand uses to general public safety purposes.
 - Lodging tax – Currently the lodging tax is restricted to specific uses that are tourism-related. Expand uses for any purpose that maintains or enhances tourism, including public safety.
 - Growth Management Act (GMA) impact fees – Currently cities can charge for fire, parks, roads and schools if provided by the city. Add police/public safety and emergency response facilities, as well as fire, if provided by a district. Broaden definition of allowable transportation expenditures to include "multimodal" (trails, transit and others). Extend period of time when impact fees can be spent.
 - GMA & shoreline update – Skip next round of GMA updates in smaller/slow growth cities and counties. Alter GMA and Shoreline planning update schedule (i.e. provide more time).
 - Grant-matching requirements – Reduce matching requirements for State grants.
 - Transportation Benefit District – Amend statute to extend voter approved sales tax beyond current 10 year provision. This would allow bonding of this revenue stream.
- Kirkland supports legislation that would improve cost recovery for public disclosure requests.
- Kirkland supports legislation to implement a more equitable distribution of the state gas tax, with an increased share allocated to cities. Since 1991, the per capita gas tax distribution has declined significantly because the tax is not distributed equitably to growing municipal areas.

ENVIRONMENT

Goal: To protect our natural environment for current residents and future generations.

Legislative Issues

- Kirkland supports the Secure Medicine Return Bill – HB 1165/SB 5279
- Kirkland supports Mercury Lighting Recycling – HB 1469/SB 5543
- Kirkland supports legislation that builds on the land use and transportation planning that is already required of state and local governments to help accomplish the State's adopted greenhouse gas emissions reduction goals. This approach should be targeted at the more populous cities, counties and regions. Kirkland supports legislation related to climate change and believes that funding for this legislation should not be fully borne by cities.
- Kirkland supports legislation that implements the Governor's Climate Advisory Team recommendations and that provides monetary incentives for reducing vehicle miles traveled and increasing fuel efficiency through annual motor vehicle license fees.

- Kirkland supports incentives for including transit-oriented development with transit investment.
- Kirkland supports legislation that encourages alternative modes of transportation including capital and regulatory support to encourage biking and walking.

ECONOMIC DEVELOPMENT

Goal: To attract, retain and grow a diverse and stable economic base that supports city revenues, needed goods and services and jobs for residents.

Legislative Issues

- Kirkland supports revisions to Local Revitalization Funding criteria to allow communities to compete that may not have large developments planned. Or, simply, to make funding available for needed infrastructure without the requirement of a known developer.
- Kirkland supports community facilities districts legislation
- Kirkland supports development of a source of funding for small brownfield projects such as gas station and dry cleaner sites
- Kirkland supports reconsideration/strengthening of role of Associate Development Agencies (ADOs) such as enterpriseSeattle particularly in the area of business recruitment

DEPENDABLE INFRASTRUCTURE

Goal: To maintain levels of service commensurate with growing community requirements at optimum life-cycle costs.

Legislative Issues

- Kirkland supports legislation to eliminate RCW 47.17.855, transferring jurisdiction of SR 908 (NE 85th Street from I-405 to SR-202 in Redmond) from the Washington State Department of Transportation to the Cities of Redmond and Kirkland. Kirkland also supports the transfer of pavement overlay funds budgeted specifically for SR 908.
- Kirkland supports legislation that would allow for strategies such as Tax Increment Financing that would assist with the formation and funding of public/private partnerships in support of infrastructure and affordable housing. This funding must have safeguards to mitigate/minimize risks.
- Kirkland supports Municipal Stormwater Funding – a long-term state funding mechanism is needed to support "Phase I" and "Phase II" NPDES stormwater requirements, as well as Puget Sound cleanup efforts, that impacts 137 cities. AWC will aggressively pursue ESHB 1614 (from 2009) which would establish a fee on a barrel of unrefined oil (approximately \$120M/year in revenue); however, we will remain open to alternative legislation that provides equivalent funding.
- Kirkland supports Street Utility – declared unconstitutional in 1995, a new authority would enable cities to charge a fee based on trip generation.
- Kirkland urges the state to take the following actions to ensure completion of the six-lane State Route 520 Bridge and Corridor Project by 2016:
 - Make a decision on the design plan for the west side that is achievable within the constraints of the current project budget to keep the project on schedule; and
 - Provide funding for design and construction of the east side corridor project to allow completion of the project by 2014.
- Kirkland supports implementation of express toll lanes on Interstate 405.

- Kirkland supports revisions to grant eligibility that would reward cities for accepting density in accordance with the Growth Management Act and additional grant funding to assist cities with implementation of new stormwater regulations.
- Kirkland generally supports roadway pricing as an effective tool for managing the regional transportation system and generating additional revenue to leverage against existing revenue sources. Revenues from pricing may be used for a variety of purposes, including transit service on tolled or adjacent facilities, but there must be a reasonable nexus between collection and spending. Pricing for management must have clear objectives and pricing efforts must include careful consideration of potential negative impacts, particularly considering the needs of low income users of priced facilities.

--- OTHERS ---

TELECOMMUNICATIONS

- Kirkland supports maintaining local franchising and opposes any legislation that would create a statewide franchise. Kirkland recognizes the importance and need for local governments to manage their rights-of-ways and ability to deliver local programming.
- Kirkland supports telecommunications legislation that is balanced and addresses the concerns and interests of local government, consumers and telecommunication/ broadband providers.

PUBLIC RECORDS ACT

- Kirkland supports legislation proposed by the AWC and the Sunshine Committee addressing the Public Records Act (PRA), in particular:
 - Adding a "meet and confer" requirement to the PRA. This would say requesters should meet and confer (like CR 26(i)) before filing suit. It will not be mandatory, but if requesters do not meet and confer, the trial court will have the authority to reduce and/or eliminate attorney fees and penalties if the court determines that a meeting would have avoided a lawsuit.
 - Allowing agencies to fulfill PRA requests by giving links to documents posted on line.
 - Removing the legislative exemption to the PRA
 - Requiring that all new PRA exemptions expressly cite to 42.56 and be referenced in 42.56
- Kirkland supports legislation that would exempt the names of code enforcement complainants from disclosure under the Public Records Act.

LEGISLATIVE DISTRICTS

Kirkland supports legislation that would preserve jurisdictions in the same legislative district.