



CITY OF KIRKLAND CITY COUNCIL

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

123 Fifth Avenue • Kirkland, Washington 98033-6189 • 425.587.3000 • TTY 425.587.3111 • www.ci.kirkland.wa.us

AGENDA KIRKLAND CITY COUNCIL MEETING City Council Chamber Tuesday, March 16, 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. City Council Brainstorming
4. *EXECUTIVE SESSION*
 - a. To Discuss Pending Litigation
5. *HONORS AND PROCLAMATIONS*
6. *COMMUNICATIONS*
 - a. *Announcements*
 - b. *Items from the Audience*
 - c. *Petitions*
7. *SPECIAL PRESENTATIONS*
 - a. Certificate of Achievement for Excellence in Financial Reporting
8. *CONSENT CALENDAR*
 - a. *Approval of Minutes:* March 2, 2010
 - b. *Audit of Accounts:*

<i>Payroll</i>	\$
<i>Bills</i>	\$

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.

P - denotes a presentation from staff or consultant

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.

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.

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.

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.

c. General Correspondence

d. Claims

e. Award of Bids

- (1) Park Lane Phase 1 Improvements, Pacific Northwest Earthworks, LLC, Fall City, Washington

f. Acceptance of Public Improvements and Establishing Lien Period

g. Approval of Agreements

h. Other Items of Business

- (1) Resolution R-4808, Entering Into an Interlocal Agreement With Other Eastside Cities for the Purpose of Installing Grant Funded Bicycle Wayfinding Signs and Pavement Markings
- (2) Report on Procurement Activities
- (3) Surplus Vehicles/Equipment for Sale

9. PUBLIC HEARINGS

10. UNFINISHED BUSINESS

- a.* Kirkland Tour Dock Proposals
- b.* Medical Transport Fee Study Contract Approval

11. NEW BUSINESS

- a.* Kirkland's Investment Portfolio Annual Review

12. REPORTS

a. City Council

- (1) Regional Issues

b. City Manager

- (1) 2010 Legislative Update 6
- (2) Calendar Update

13. ADJOURNMENT

**CITY OF KIRKLAND****City Manager's Office**

123 Fifth Avenue, Kirkland, WA 98033 425.587.3001

www.ci.kirkland.wa.us

MEMORANDUM

To: Dave Ramsay, City Manager

From: Kari Page, Neighborhood Outreach Coordinator

Date: March 4, 2010

Subject: Neighborhood Meetings with the City Council

RECOMMENDATION:

City Council provide direction to staff on the format for Neighborhood Meetings with the City Council.

BACKGROUND:

On March 2, the City Council approved the preliminary schedule for the next four Neighborhood Meetings with the City Council. Staff was directed to add two additional meetings for the annexation areas between now and June 2011 (the effective date for the annexation). Identifying the geographic areas and dates for these two extra meetings will be combined with the public outreach on annexation neighborhood boundaries. Staff will return to Council with proposed dates this fall.

The first Neighborhood Meeting with the City Council is scheduled for May 11 with the South Rose Hill/Bridle Trails Neighborhood.

Meeting Format:

Council members expressed an interest in changing the format of these meeting. The questions below were included in the March 2 Council packet; and staff has noted Council member comments (in italics) from the March 2 meeting.

1) What is the purpose of the Neighborhood Meetings with the City Council?

Current purpose:

- Residents meet City Council members and staff in an informal setting and discuss issues of interest to their neighborhood.
- Council stays in touch with the interests and needs of the community.

Council comment: No significant change to the overall purpose.

2) What are the desired outcomes?

Current outcomes:

- Residents get to know their Council members.
- Residents get answers to their issues and questions.
- Council gains an understanding of issues facing a particular neighborhood.

Council comments:

- *Continue the process of collecting citizen question/comment cards in advance and having our best professional staff respond in writing.*
- *Direct participants to the handouts and web page for answers to the questions/comment cards (rather than addressing each one at the meeting).*
- *Engage in an open discussion with the participants at the meeting on topics they are most interested in.*

3) How much control over content and preparation does Council want?

Current preparation:

- Council has questions in advance and has time to discuss issues with each other and appropriate staff prior to meeting.
- Council presents answers to the questions and entertains two questions from the audience afterwards.
- Council determines agenda and controls focus of meeting.

Council comments:

- *Continue preparation process in advance of meeting.*
- *Allow more time for open discussion giving citizens the opportunity to talk with Council; raise issues and ask questions on things they are interested at the meeting.*
- *Allow discussion of both citywide and neighborhood specific issues.*

4) How much depth or breadth of issues is appropriate? Is the meeting more about content or building relationships?

Current depth of issues:

- On the average, Council addresses 20 to 40 questions/issues per meeting.
- Generally the communication is one way (from council to the audience). There is little two-way dialogue and limited problem solving between Council and participants.

Council comments:

- *Provide more two-way dialogue with audience.*
- *Consider doing small group discussions with more time to thoroughly discuss topics while providing flexibility to move from one group to the next.*

As directed by the Council, staff will be discussing the format of the Neighborhood Meetings with the City Council at the March 10th Kirkland Alliance of Neighborhood (KAN) meeting. In addition, an electronic survey will be sent to those KAN members who were unable to attend the meeting as well as representatives from the annexation area. Feedback received from KAN will be shared with the Council at its March 16 Study Session. Additionally, new meeting format options will be presented to the Council.



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

MEMORANDUM

To: Dave Ramsay, City Manager
From: Tracey Dunlap, Director of Finance and Administration
Date: March 4, 2010
Subject: Certificate of Achievement for Excellence in Financial Reporting

At the March 16, 2010 Council Meeting, we would like the Mayor to present the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting Award to the City of Kirkland Accounting Staff led by the Accounting Manager Teresa Levine. The award is for the Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2008. Attachment A contains a brief description of the award, which the City has received since 2004.



Government Finance Officers Association
203 N. LaSalle Street - Suite 2700
Chicago, IL 60601

Phone (312) 977-9700 Fax (312) 977-4806

12/02/2009

NEWS RELEASE

For Information contact:
Stephen Gauthier (312) 977-9700

(Chicago)--The Certificate of Achievement for Excellence in Financial Reporting has been awarded to **City of Kirkland** by the Government Finance Officers Association of the United States and Canada (GFOA) for its comprehensive annual financial report (CAFR). The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management.

An Award of Financial Reporting Achievement has been awarded to the individual(s), department or agency designated by the government as primarily responsible for preparing the award-winning CAFR. This has been presented to:

Department of Finance and Administration, City of Kirkland

The CAFR has been judged by an impartial panel to meet the high standards of the program including demonstrating a constructive "spirit of full disclosure" to clearly communicate its financial story and motivate potential users and user groups to read the CAFR.

The GFOA is a nonprofit professional association serving approximately 17,500 government finance professionals with offices in Chicago, IL, and Washington, D.C.



KIRKLAND CITY COUNCIL REGULAR MEETING MINUTES
March 02, 2010

1. CALL TO ORDER

2. ROLL CALL

ROLL CALL:

Members Present: Councilmember Dave Asher, Councilmember Jessica Greenway,
Councilmember Doreen Marchione, Mayor Joan McBride, Councilmember
Bob Sternoff, Deputy Mayor Penny Sweet, and Councilmember Amy Walen.

Members Absent: None.

3. STUDY SESSION

a. Annexation Update

Joining Councilmembers for this discussion in addition to City Manager Dave Ramsay were Assistant City Manager Marilynne Beard, Director of Planning and Community Development Eric Shields, Planning Supervisor Jeremy McMahan and Internal Services Manager Donna Burris. Also contributing to the discussion was Director of Finance and Administration Tracey Dunlap.

4. EXECUTIVE SESSION

a. To Discuss Labor Negotiations

5. HONORS AND PROCLAMATIONS

a. Sustainable Kirkland Earth Hour Proclamation and Green Tip

Public Works Management Analyst Vandana Ingram-Lock and Sustainable Kirkland members Tania Scutt and Vivian Weber presented information on Earth Hour (March 27, 8:30 p.m.) and accepted the proclamation.

6. COMMUNICATIONS

a. Announcements

b. Items from the Audience

Sterling Bentsen
Marchelle Mertens
Bill Vadino
Kevin Corbett
Michael Heslop

Norm Storme
Graham Comley
Marta Asa
Jodie Salz
Dwight Baker

c. Petitions

7. SPECIAL PRESENTATIONS

8. CONSENT CALENDAR

a. Approval of Minutes: February 16, 2010

b. Audit of Accounts:

Payroll \$ 1,937,239.61

Bills \$ 1,272,080.29

run #894 checks #515212 - 515220

run #895 checks #515245 - 515358

run #896 checks #515359 - 515495

run #897 checks #515496 - 515535

c. General Correspondence

(1) Sustainable Kirkland, Regarding a Potential Kirkland Food Service Product Polystyrene Ban

d. Claims

(1) Ethel E. Hosea

(2) David Morales

(3) Marjorie Waldron

e. Award of Bids

f. Acceptance of Public Improvements and Establishing Lien Period

g. Approval of Agreements

(1) Resolution R-4804, entitled "A RESOLUTION OF THE CITY OF KIRKLAND APPROVING THE INTERLOCAL AGREEMENT FOR ARCH (A REGIONAL COALITION FOR HOUSING) BETWEEN THE CITIES OF KIRKLAND, BELLEVUE, REDMOND, BOTHELL, WOODINVILLE, ISSAQUAH, MERCER ISLAND, NEWCASTLE, BEAUX ARTS, LYDE HILL, HUNTS POINT, MEDINA, YARROW POINT, KENMORE, AND SAMMAMISH."

h. Other Items of Business

(1) Resolution R-4805, entitled "A RESOLUTION OF THE CITY OF KIRKLAND AUTHORIZING THE DIRECTOR OF PLANNING AND COMMUNITY DEVELOPMENT TO ENTER INTO A CONTRACT WITH LUNA SOL, LLC, REGARDING A POTENTIAL MULTIFAMILY HOUSING PROPERTY TAX EXEMPTION AND APPROVING THE ISSUANCE OF A CONDITIONAL CERTIFICATE OF TAX EXEMPTION."

(2) Ordinance No. 4238 and its Summary, entitled " AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO ZONING AND LAND USE AMENDING CITY REGULATIONS RELATING TO TREES, REPEALING ORDINANCE 4226, AMENDING ORDINANCE 3719 AS AMENDED, THE KIRKLAND ZONING ORDINANCE AND APPROVING A SUMMARY ORDINANCE FOR PUBLICATION FILE NO. ZON08-00016."

(3) Resolution R-4806, entitled, "A RESOLUTION OF THE CITY OF KIRKLAND APPOINTING MARILYNNE BEARD AS INTERIM CITY MANAGER FOR THE CITY OF KIRKLAND."

(4) Letter of Support for Broadband Technology Opportunities Program Grant Request

(5) Report on Procurement Activities

Motion to Approve the Consent Calendar with the exception of item 8.h.(2)., which was pulled for discussion under New Business, item 11.e.

Moved by Councilmember Bob Sternoff, seconded by Councilmember Doreen Marchione
Vote: Motion carried 7-0

Yes: Councilmember Bob Sternoff, Councilmember Doreen Marchione, Councilmember Jessica Greenway, Mayor Joan McBride, Deputy Mayor Penny Sweet, Councilmember Dave Asher, and Councilmember Amy Walen.

9. PUBLIC HEARINGS

10. UNFINISHED BUSINESS

a. Pedestrian Safety Update

Police Lieutenant Mike Murray, Chief Eric Olsen and Transportation Engineering Manager David Godfrey responded to Council questions and comment.

b. Transportation 2040 Comment Letter

Motion to Approve the draft comment letter with edits as discussed.

Moved by Councilmember Jessica Greenway, seconded by Councilmember Amy Walen

Vote: Motion carried 7-0

Yes: Councilmember Dave Asher, Councilmember Jessica Greenway, Councilmember Doreen Marchione, Mayor Joan McBride, Councilmember Bob Sternoff, Deputy Mayor Penny Sweet, and Councilmember Amy Walen.

c. Lodging Tax Advisory Committee Follow-up

Motion to Approve the staff recommendation to retain the seven member structure, establish an interview process and change the annual review date to March 31.

Moved by Deputy Mayor Penny Sweet, seconded by Councilmember Jessica Greenway

Vote: Motion carried 7-0

Yes: Councilmember Dave Asher, Councilmember Jessica Greenway, Councilmember Doreen Marchione, Mayor Joan McBride, Councilmember Bob Sternoff, Deputy Mayor Penny Sweet, and Councilmember Amy Walen.

d. Resolution R-4807, Temporarily Increasing the Membership of Certain Advisory Boards, Commissions, and Committees to Add Representation From the Annexation Area

Motion to Approve Resolution R-4807, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND TEMPORARILY INCREASING THE MEMBERSHIP OF CERTAIN ADVISORY BOARDS, COMMISSIONS, AND COMMITTEES TO ADD REPRESENTATION FROM THE ANNEXATION AREA."

Moved by Councilmember Dave Asher, seconded by Councilmember Doreen Marchione

Vote: Motion carried 7-0

Yes: Councilmember Dave Asher, Councilmember Jessica Greenway, Councilmember Doreen Marchione, Mayor Joan McBride, Councilmember Bob Sternoff, Deputy Mayor Penny Sweet, and Councilmember Amy Walen.

11. NEW BUSINESS

a. Neighborhood/Business Partnership Opportunities

Parks and Community Services Director Jennifer Schroder presented information on opportunities for local businesses and organizations to partner on community projects.

b. Neighborhood Meetings with the City Council 2010/11 Schedule

Council requested two neighborhood meetings in the annexation area be added to the schedule and agreed to postpone additional discussion on the format to the

Council's study session on March 16.

- c. Google Request for Information Regarding High Speed Broadband

CIO Brenda Cooper shared information on Google's request and received Council support for the City's proposed intent to respond.

- d. Tourism Branding Logo

Economic Development Manager Ellen Miller-Wolfe provided background for the proposed logo and strapline.

Motion to Approve the proposed tourism branding logo and strapline.

Moved by Councilmember Amy Walen, seconded by Councilmember Jessica Greenway

Vote: Motion carried 7-0

Yes: Councilmember Dave Asher, Councilmember Jessica Greenway, Councilmember Doreen Marchione, Mayor Joan McBride, Councilmember Bob Sternoff, Deputy Mayor Penny Sweet, and Councilmember Amy Walen.

- e. Ordinance No. 4238 and its Summary, entitled " AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO ZONING AND LAND USE AMENDING CITY REGULATIONS RELATING TO TREES, REPEALING ORDINANCE 4226, AMENDING ORDINANCE 3719 AS AMENDED, THE KIRKLAND ZONING ORDINANCE AND APPROVING A SUMMARY ORDINANCE FOR PUBLICATION FILE NO. ZON08-00016."

This item was pulled from the Consent Calendar (8.h.(2).) for consideration.

Motion to Approve Ordinance No. 4238 and its Summary, entitled " AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO ZONING AND LAND USE AMENDING CITY REGULATIONS RELATING TO TREES, REPEALING ORDINANCE 4226, AMENDING ORDINANCE 3719 AS AMENDED, THE KIRKLAND ZONING ORDINANCE AND APPROVING A SUMMARY ORDINANCE FOR PUBLICATION FILE NO. ZON08-00016."

Moved by Councilmember Doreen Marchione, seconded by Councilmember Dave Asher

Vote: Motion carried 5-2

Yes: Councilmember Dave Asher, Councilmember Jessica Greenway, Councilmember Doreen Marchione, Mayor Joan McBride, and Deputy Mayor Penny Sweet.

No: Councilmember Bob Sternoff, and Councilmember Amy Walen.

12. REPORTS

- a. City Council

(1) Code of Ethics Development Process

Assistant City Manager Marilynne Beard reviewed the subcommittee's process and recommendation. Council requested to move forward with recruitment of an ad hoc committee to assist with the development of an ethics code and code of conduct.

(2) Regional Issues

Council recessed for a short break.

City Councilmembers shared information regarding a recent Enterprise Seattle meeting; Suburban Cities Public Issues Committee meeting; Regional Law Safety and Justice Committee Meeting; Pedestrian flags; Cascade Water Alliance meeting; a proposed letter to Army Corps of Engineers; Testimony before the State Senate for SHB 2941 on Express Toll Lanes; and the upcoming federal census.

Motion to Approve the signing of a proposed letter to the Army Corps of Engineers.

Moved by Councilmember Dave Asher, seconded by Deputy Mayor Penny Sweet

Vote: Motion carried 7-0

Yes: Councilmember Dave Asher, Councilmember Jessica Greenway, Councilmember Doreen Marchione, Mayor Joan McBride, Councilmember Bob Sternoff, Deputy Mayor Penny Sweet, and Councilmember Amy Walen.

b. City Manager

(1) 2010 Legislative Update 5

(2) Calendar Update

(3) CM Search Process

13. ADJOURNMENT

The Kirkland City Council regular meeting of March 2, 2010 was adjourned at 10:11 p.m.

City Clerk

Mayor



CITY OF KIRKLAND

Department of Public Works

123 Fifth Avenue, Kirkland, WA 98033 425.587.3800

www.ci.kirkland.wa.us

Council Meeting: 03/16/2010

Agenda: Award of Bids

Item #: 8. e. (1).

MEMORANDUM

To: David Ramsay, City Manager

From: Ray Steiger, P.E., Interim Public Works Director
Gina Hortillosa, P.E., Project Engineer

Date: March 4, 2010

Subject: Park Lane Phase 1 Improvements – Award Contract

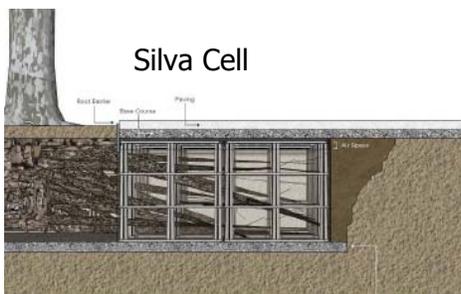
Recommendation:

It is recommended that Council award the construction contract for the Park Lane Phase 1 Improvements to Pacific Northwest Earthworks, LLC, of Fall City, Washington in the amount of \$48,152.50. It is also recommended that Council approve the transfer of funds from the Annual Sidewalk Maintenance Project to increase the overall budget of the Park Lane Phase I Improvement Project.

Background and Discussion:

The Park Lane Phase 1 Improvements Project consists of the installation of approximately 3,000 square feet of Terrewalk rubber sidewalks, the removal and replacement of one tree, coordination with a tree root-pruning air spading contractor and the installation of Silva cell units (Attachment A).

A unique element of this Project will be the pilot installation of Silva Cell units in front of Lakeshore Gallery, where one existing tree will be removed and replaced. A summary of the Silva Cell background and installation was presented to Council at their regular meeting of February 2nd (Attachment B).



Silva Cell



Terrewalk

Staff advertised for contractor bids on the Project using the Small Works Roster. The first advertisement was published on February 15, 2010 and seven bids were opened on March 2, 2010.

Pacific Northwest Earthworks LLC	\$48,152.50
Storey Construction, Inc.	\$54,580.00
Construction International	\$74,100.00
Precision Earthworks	\$84,850.00
Westwater Construction Company	\$93,058.00
<i>Engineer's Estimate</i>	<i>\$93,895.00</i>
PJM Construction	\$94,730.00
Merlino Brothers	\$97,710.00

March 4, 2010

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As presented to Council at their February 2nd meeting (Attachment B), staff will proceed with the complete Festival Street design concept. This will include the design of storm drainage improvements and the 100% design for the street frontage immediately adjacent to the King County Pump Station, near the corner of 3rd St and Park Lane; King County will construct that portion of our Project as a part of their upcoming Pump Station Improvement Project. The current Park Lane Sidewalk budget, as per the Revised 2009-2014 CIP, is \$179,000. In order to complete the construction of Phase I and to move the design of the Festival Street concept forward, including the finalizing of the area that King County will be completing, staff recommends transferring \$91,000 of unspent funds from the 2009 Sidewalk Maintenance Program plus \$100,000 of available funds from the 2010 Sidewalk Maintenance Program for a new budget total of \$370,000 (Attachment C). The remaining portions of the Park Lane Corridor will be advanced to 30% (preliminary) design with 100% Phase II design and construction to follow once additional funding is secured.

With award of the contract by Council at their March 16 meeting, construction is expected to start in April followed by total project completion in early May, 2010, well ahead of the Memorial Day weekend. In advance of the work, Public Works will notify adjacent business and property owners with door to door visits describing the construction schedule for the Park Lane Phase 1 Improvements. Staff will ensure the contractor maintains safe travel for pedestrian and vehicular traffic throughout the Park Lane corridor.

Attachments (3)

Council Meeting: 02/02/2010

Agenda: Unfinished Business

Item #: 10. b.

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

123 Fifth Avenue, Kirkland, WA 98033 425.587.3800

www.ci.kirkland.wa.us**MEMORANDUM**

To: David Ramsay, City Manager

From: Daryl Grigsby, Public Works Director
Gina M. Hortillosa, Project Engineer

Date: January 25, 2010

Subject: Park Lane Pedestrian Corridor Enhancements - Project Update

Recommendation:

It is recommended that the City Council provide input and feedback on the Park Lane project.

Background and Discussion:

The Park Lane Pedestrian Corridor Enhancement Study was funded beginning in 2008 as a part of the 2008-2013 Capital Improvement Program. The Study was the first step in developing an overall strategy for addressing various issues along Park Lane. The Study's primary objective was to explore and develop a corridor concept for enhancements along Park Lane between Lake Street and Third Street, and a second objective was to identify various funding alternatives to accomplish the enhancements.

Primary drivers of the Study were failing sidewalks between Main Street and Lake Street where significant mature tree roots are impacting sidewalks, infrastructure is aging and deteriorating (pavement, surface water conveyance systems, and lighting), and a number of redevelopment opportunities exist along the eastern end of the corridor including the Kirkland Transit Center and King County's replacement of the existing sanitary sewer pump station at Third Street and Park Lane.

*Study Chronology***Summer 2008**

Due in part to their experience implementing low impact development in projects in the Northwest, the City hired SvR Design Company to work with adjacent property owners, businesses, and interested citizens in creating a community vision for the future of Park Lane.

August 2008

A survey was mailed to all property and business owners along Park Lane and to other key stakeholders to obtain baseline information regarding attitudes and perceptions of Park Lane as it looks and feels today and their aspirations of where it could be in the future.

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January 25, 2010
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September 2008

Stakeholders convened to discuss opportunities presented with the new Downtown Transit Center and to create a shared vision for the corridor. Stakeholders participated in a design charrette to learn how Park Lane was first created through a Local Improvement District in 1974, and then to develop concepts that could then be circulated for public comment. Three design concepts emerged from the stakeholder's long term vision for Park Lane and over the next weeks, staff and their consultants developed the concepts further. Concurrent with the development of the design concepts, Gilles Consulting (arborist) prepared a detailed tree inventory of all trees along Park Lane from Lake Street to Third Street.

October/November 2008

The three design concepts were presented to the public in a number of public meetings and venues including online information and comment forms. Over one hundred comments regarding the concepts were collected from the public.

February 2009

The City Council reviewed and endorsed the Stakeholder's recommendation of what emerged as the preferred design option: the Festival Street concept (Attachment A).

July 2009

Gilles Consulting, the City's Urban Forester, SVR Consulting, and staff met at Park Lane to re-assess trees and refine the Festival Street concept.

October 2009

Tree 'report cards' were prepared and attached to 41 trees along Park Lane (see sample as Attachment E). The report cards were part of the ongoing community outreach plan to inform and engage stakeholders and other Park Lane users about the City's design process. The report cards included a "grade" and tree specific information such as: its species, diameter, comments on vigor, structure, health, and long term viability. On October 27th, Stakeholders were invited to tour Park Lane with the City's Urban Forester, Gilles Consulting, SVR and other City Staff. During the tour, the tree report cards were explained, trees were compared among each other for purposes of educating the Stakeholders on tree health/structure/vigor. Potential impacts to trees as a result of construction and root pruning were also discussed. Trees with diseases such as *verticillium wilt* were identified and signs of the disease were explained in detail by the City's Urban Forester and Brian Gilles (Gilles Consulting).

The tour also offered the opportunity to discuss and explain the process of sidewalk buckling due to tree roots. Further, the proposed locations for surface water run-off collection and treatment using a new product known as Silva Cell (Attachment D) were shown on the tour. At the conclusion of the tour, Stakeholders, consultants and staff reconvened at Zeek's Pizza to review the preferred design option and discuss the proposed Phase 1 implementation plan (Attachments B, C and D). The Park Lane tour and the following meeting at Zeek's were also videotaped as a part of the community outreach process, and the video will be made available in the project's webpage by January for the general public to view.

Study Recommendations

The 2009-2014 CIP (revised) includes an allocation of \$119,000 for Phase 1 of the Park Lane Pedestrian Corridor Enhancement Project; these funds are proposed to be combined with a portion of

Memorandum to David Ramsay
January 25, 2010
Page 3

the funding from the annual sidewalk replacement programs of 2009 and 2010. Phase 2, unfunded at this time, is also included in the CIP. Phase 1 of the Park Lane improvements consists of:

- A) Installation of Terrewalk panels (made out of recycled rubber and plastic) at approximately twenty critical locations along the corridor where the sidewalk is buckling as a result of root uplifting impacting approximately 4,000 SF of sidewalk repair. In these locations, tree roots will be carefully pruned concurrent with the new sidewalk panels.
- B) Removal and replacement of one tree. This tree, a nearly 14 inch diameter sweetgum, is located in front of the Lakeshore Gallery (Attachment B). It received a D- grade and is causing severe sidewalk buckling. Staff is recommending the use of a Silva Cell unit at this location in order to prevent future sidewalk buckling as the replacement tree roots grow. Silva Cell units are stacked one, two or three frames high depending on space, budget and site needs. The unit acts as "suspended pavement" and requires less soil compaction than conventional tree wells. This pilot use of the Silva Cell technology will be monitored for its application in other Kirkland locations.

The Phase 1 immediate objectives are to address the most severe potential tripping hazards along the corridor consistent with the overall development of the Festival Street concept. Additionally, the tree information that will be learned by exposing and pruning roots during the panel replacement will enable more appropriate solutions as to how to incorporate as many existing trees as possible into the overall project. Staff and consultants will be able to visually assess the location and condition of the roots and better gauge how the trees will respond to the installation of the Festival Street concept using standard concrete sidewalk (in future Phase 2 improvements). Once funding is secured and construction is undertaken on future improvements, the Terrewalk panels can either be incorporated into the project or removed and reused in other locations.

Concurrent with the implementation of Phase 1 this winter, SVR Consulting is proceeding with the complete Festival Street storm drainage design of Park Lane and the street frontage adjacent to the King County Pump Station; reconstruction of this portion of Park Lane will be performed by King County during the completion of the Pump Station and the associated utilities. The design of the remaining portions of the Park Lane Corridor will be advanced to 30% (preliminary) design and will be performed at a later time once additional funding is secured.

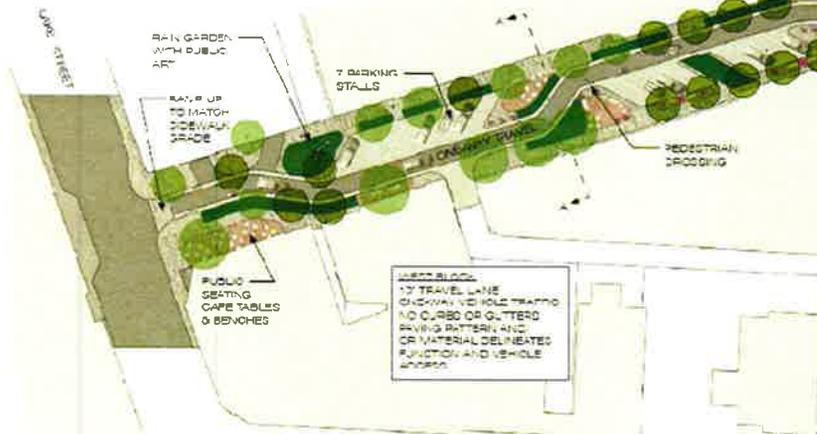
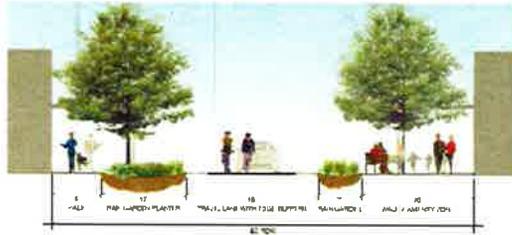
A complete funding strategy is being recommended and has been outlined in this memo (Attachment F). Grants, CIP, and private funding potentially through a local improvement district approach or development frontage improvements are all potential funding sources at this time.

Attachment: (6)

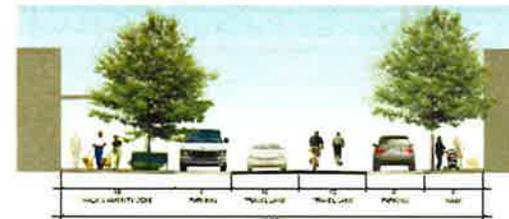
Flexible Festival Street Concept

PREFERRED CONCEPT | FLEXIBLE FESTIVAL STREET | PLAN AND SECTIONS

SECTION A-A WEST BLOCK (NOT TO SCALE)



SECTION B-B EAST BLOCK (NOT TO SCALE)



- LEGEND
- EXISTING TREE
- PROPOSED TREE
- RAIN GARDEN
- PEDESTRIAN AMENITY ZONE
- ROADWAY
- PEDESTRIAN WALKWAY
- PARKING BAND



Phase 1 Implementation



Phase 1 – Terrewalk Rubber Walkway Panels



Issaquah, WA 2009

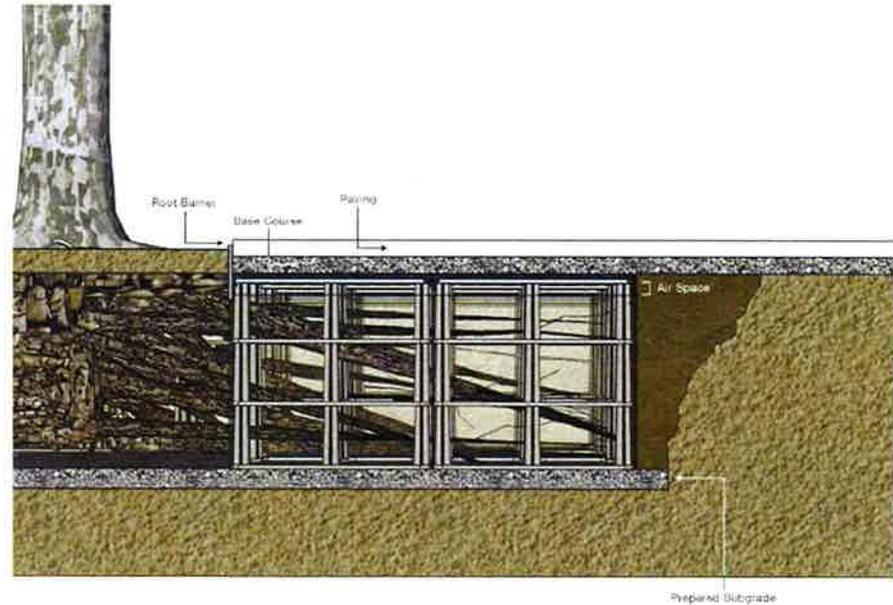


Spokane, WA 2008

- Easy interlocking
- Made out of recycled rubber and plastic
- Panels can be removed and reused at other locations
- Storm water can percolate to tree at panel edges

Phase 1 – Silva Cell Units

ATTACHMENT D



Silva cell units act as “suspended pavement”. The soil within the units requires less compaction. Hence, they provide more void space for roots to grow.

PARK LANE TREE INVENTORY

TREE REPORT CARD

Tree Number: 427
Species: Armstrong Red Maple
Diameter: 8.4"

A

Grade Definition:

A(Retain) B(Retain/Monitor) C(Monitor) F(Remove/Replace)

Tree Criteria:

- Vigor: Good
- Structure: Good
- Health : Very Good
- Impact on other trees/infrastructure: sidewalk/curb
- Long term viability: Very Good
- Notes: 4x4 cutout

Working to restore, enhance and protect the City of Kirkland's Tree Assets

Tour of Park Lane Trees with City Urban Forester

Tuesday October 27th (8:30 am – 9:15 am); Meet at Park Lane and Lake Street

Phase I Implementation Plan

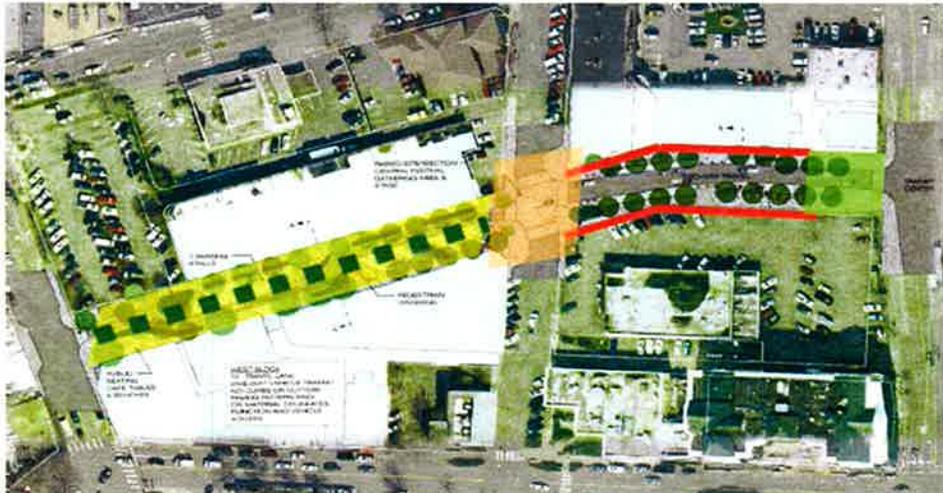
9:15 am – 10:15 am; Zeek's Pizza (124 Park Lane)

For more information, contact Kari Page 425-587-3011 kpage@ci.kirkland.wa.us

Proposed Park Lane Pedestrian Corridor Funding Strategy

ATTACHMENT F

PHASE	DESCRIPTION	Frontage (linear feet)	Design fees	Construction Estimate (*)	Total Estimate (2009)	Design (**)	Construction	Funding source	Secured Funds	Shortfall
	Replacement of damaged infrastructure (Terrewalk rubber walkway panels, Silva Cell units, root pruning, conduit)	Various	\$ 5,000	\$ 114,000	\$ 119,000	2009	2010	\$100K from 2009 Sidewalk Program, \$58K from Surface Water, \$61K from Reserve – Project identified in the 2009-2014 CIP (revised)	\$119,000	\$0
2	King County DNR pump station street frontage Improvements	150	\$ 17,300	\$ 110,700	\$ 128,000	2009	2010	Design funding is included in Phase 1. Construction will be completed by KCDNR. Park Lane crosswalk along west side of Third Street will be constructed with Downtown Transit Center.	\$128,000	\$0
3	Festival Street Implementation: Installation of porous concrete sidewalks, new roadway, street furniture, patterned concrete, storm drainage and rain gardens.	900	\$ 128,600	\$ 590,400	\$ 719,000	2010	TBD	\$200K from 2010 Sidewalk Program, \$164K from Surface Water Program, \$20K from Centennial Program, \$16K donated benches. Project is identified in the 2009-2014 CIP (revised)	\$400,000	\$319,000
4	Festival Street Implementation: Raised intersection at Main Street and Park Lane	100	\$ 16,200	\$ 73,800	\$ 90,000	TBD	TBD	Staff will be applying for grants: 2010 TIB sidewalk, 2010 TIB UCP, 2011 Countywide Non Motorized and LID grants.	\$0	\$90,000
5.5	Antique Mall Redevelopment right of way improvements per Festival Street Concept	275	\$ 44,050	\$ 202,950	\$ 247,000	TBD	TBD	Private development	\$0	\$247,000
5.14	Kirkland Square Redevelopment right of way improvements per Festival Street Concept	275	\$ 44,050	\$ 202,950	\$ 247,000	TBD	TBD	Private development	\$0	\$247,000
TOTAL		1600	\$ 255,200	\$ 1,294,800	\$ 1,550,000				\$647,000	\$903,000



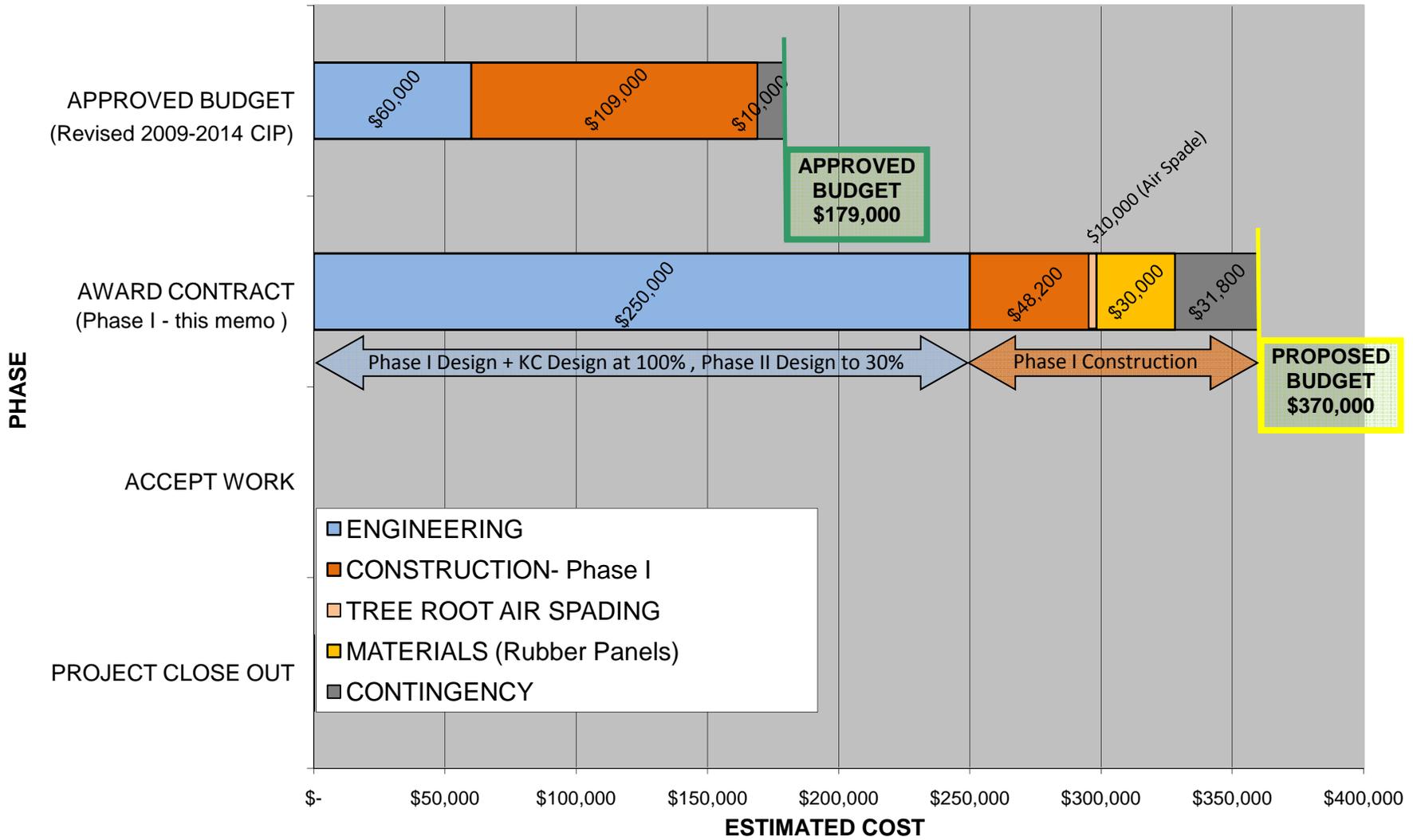
(*) Does not include water, sewer nor art improvements

(**) 2009/2010 design will include

- 1) Phase 1 Terrewalk rubber walkway panels and one Silva Cell unit
- 2) Phase 2 100% design for King County Pump Station street frontage
- 3) 100% Storm Drainage for Park Lane (Lake Street to 3rd Street)
- 4) 30% street design for Park Lane (Lake Street to west end of KC Improvements)

Park Lane Phase 1 Improvements-- CNM 0064

PROJECT BUDGET REPORT



**CITY OF KIRKLAND****Department of Public Works****123 Fifth Avenue, Kirkland, WA 98033 425.587.3800****www.ci.kirkland.wa.us**

To: Dave Ramsay, City Manager

From: David Godfrey, P.E., Transportation Engineering Manager

Date: March 4, 2010

Subject: Resolution and Agreement for Bicycle Wayfinding

RECOMMENDATION:

It is recommended that the Council approve the attached resolution authorizing the City Manager to sign an interlocal agreement for bicycle wayfinding signs and markings.

BACKGROUND DISCUSSION:

As a part of the federal Congestion Mitigation and Air Quality Program distributed through the King County Non-Motorized process, the cities of Kirkland, Bellevue, Bothell, Issaquah and Redmond made a joint application for \$443,198 to install a coordinated set of bicycle wayfinding signs and markings throughout the Eastside. Local match is 13.5% of the total project cost and Kirkland's match is available from existing budget. Bellevue prepared the grant application and is the lead agency. The project was awarded \$150,493 of the grant funds requested (See table 1). The rest of the request, \$292,405, was placed first on a contingency list and it's likely, but not guaranteed, that the remainder of the original request will be awarded later this year. Phase 1 funding was divided amongst the cities in proportion to the total amount requested by each city. A portion of Kirkland's request was for markings that are placed at traffic signal detectors so that cyclists know where to stop in order to activate the signal, as tested in a pilot marking project that was completed last summer. Completing both wayfinding and pavement markings as described in the grant are objectives in the Active Transportation Plan. The other cities are requesting only wayfinding signs. Installation of signs and markings funded by the initial grant is scheduled for completion late this summer.

Table 1. Grant funds and match funds, by phase; Kirkland's portion and partner city's portion. The required match for the federal funds is 13.5%

Phase	Entire Project			Kirkland Portion		
	Grant	Match	Total	Grant	Match	Total
Current	\$150,493	\$23,487	\$173,980	\$21,069	\$3,288	\$24,357
Future	\$292,405	\$45,683	\$338,388	\$40,458	\$6,315	\$46,773
Total	\$443,198	\$69,170	\$512,368	\$61,527	\$9,603	\$71,130

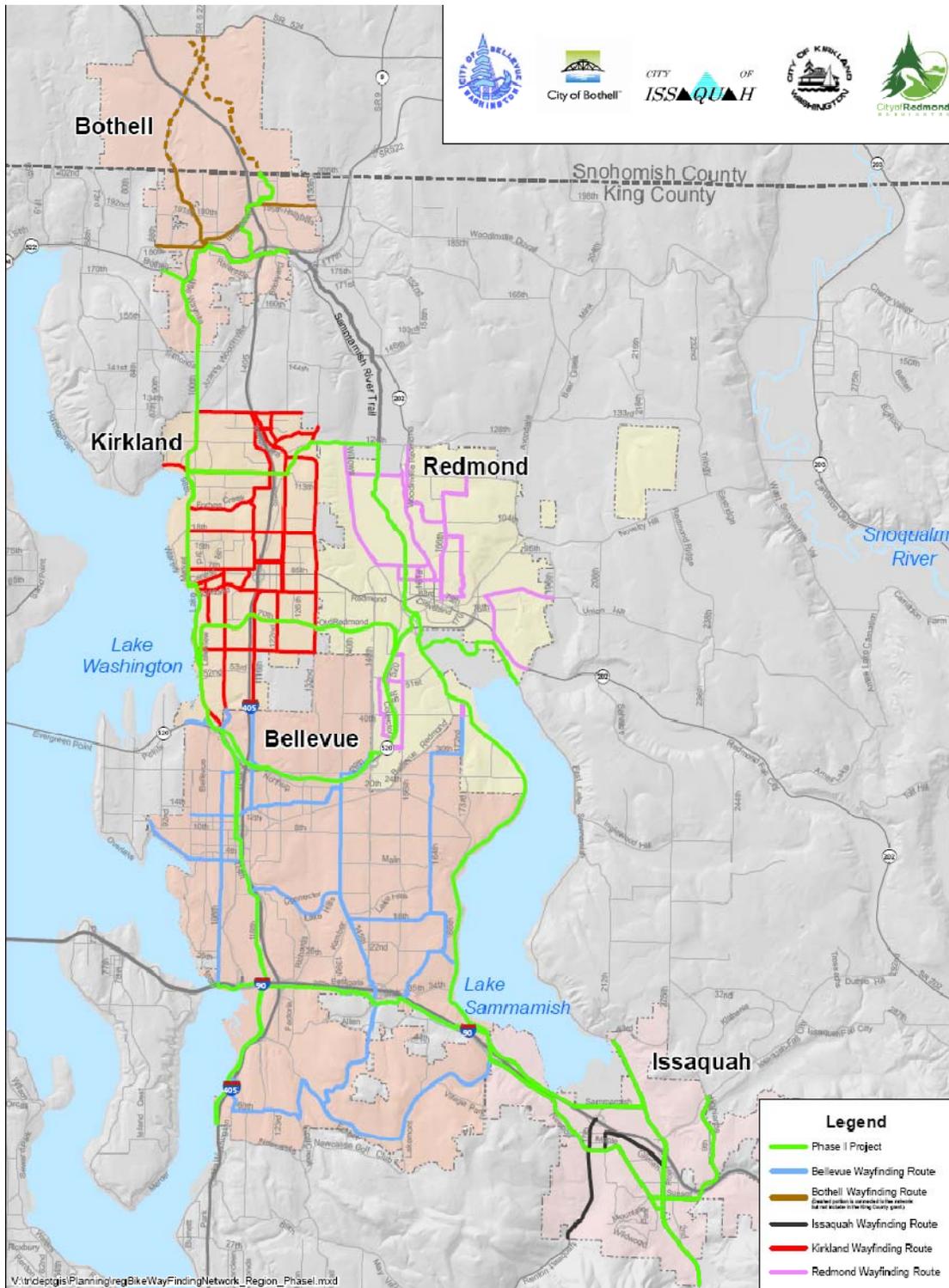
March 4, 2010

Page 2

Staff from the grant cities have agreed upon a set of guidelines that will be used to insure that the signing is consistent across jurisdictions. Map 1 shows proposed routes that may be marked for each city, Kirkland's routes are shown in red. The Kirkland routes includes the bicycle network as defined in the Active Transportation Plan. Not all of the routes must be marked, but the terms of the grant require that signing is limited to these routes. The map also shows, in green, routes that staff has proposed for signing from the initial funding. In Kirkland this includes the Lake Washington Boulevard/Lake Street/Market Street/100th corridor and the NE 70th and NE 116th Street corridors. In general, wayfinding signs will be placed where bicycle routes intersect. The exact number and location of signs and markings will be determined after more design work is completed.



Figure 1. Example of wayfinding signs (right), and pavement markings (left).



MAP 1. Eastside cities bicycle wayfinding routes. Eligible routes for each city are shown. Phase 1 routes are shown in green.

RESOLUTION R-4808

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND ENTERING INTO AN INTERLOCAL AGREEMENT WITH OTHER EASTSIDE CITIES FOR THE PURPOSE OF INSTALLING GRANT FUNDED BICYCLE WAYFINDING SIGNS AND PAVEMENT MARKINGS.

WHEREAS, the City of Kirkland Comprehensive Plan supports developing a multimodal transportation system including bicycle facilities; and

WHEREAS, the City of Kirkland Active Transportation Plan adopted by the Kirkland City Council on March 3, 2009 also supports development of facilities for bicycle transportation; and

WHEREAS, Objective G 8.1 of the Active Transportation Plan specifically calls for development and implementation of a bicycle wayfinding system and Objective G 8.4 of the Plan calls for installation of pavement markings to aid bicycle travel; and

WHEREAS, The cities of Kirkland, Bellevue, Bothell, Issaquah and Redmond have jointly applied for and received grant funding for bicycle wayfinding signs and pavement markings; and

WHEREAS, the cities are authorized to enter into this Agreement pursuant to RCW Chapter 39.34, the Interlocal Cooperation Act;

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

Section 1. The City Manager is hereby authorized and directed to execute on behalf of the City an Interlocal Agreement for the East King County Bicycle Wayfinding Project substantially similar to the Agreement attached hereto as Exhibit A.

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

Exhibit A**INTERLOCAL AGREEMENT**

Between

City of Bellevue, WA

And

Cities of Bothell, Issaquah, Kirkland, and Redmond

For the

East King County Bicycle Wayfinding Project

PARTIES

The parties to this agreement are the City of Bellevue (hereinafter referred to as “Bellevue”) and the cities of Bothell, Issaquah, Kirkland, and Redmond (hereinafter referred to as “Bothell,” “Issaquah,” “Kirkland,” and “Redmond”) or collectively the five cities may be referred to as the “Parties.”

PURPOSE

This Memorandum of Agreement (Agreement) between the parties sets forth the working principles and responsibilities for the implementation of the East King County Bicycle Wayfinding Project as funded through the 2009 King County Non-Motorized Program.

FUNDING BACKGROUND

In Spring 2009, the Parties, with Bellevue as the sponsoring agency, applied for \$443,198 in federal Congestion Mitigation and Air Quality Program funding through the King County Non-Motorized Program. The project description stated:

Five cities are partnering to implement a coordinated and comprehensive Wayfinding Program along high priority bicycle corridors in Bellevue, Bothell, Issaquah, Kirkland, and Redmond. Once completed, approximately 1,100 wayfinding signs or pavement markings directing bicyclists to distinct neighborhoods, destinations, and regional trail facilities will be installed on 55-60 corridors throughout East King County.

The application detailed the request and commitments per city (See Attachment A for map of corridors):

Corridors	Example Destinations	# Signs or Pavement Markings	Total Cost	Grant Funded	Local Match
Bellevue					
Lake Washington Loop Trail, 118 th Avenue NE, 140 th Avenue NE/145 th Place, 164 th Avenue, West Lake Sammamish Parkway, 520 Trail, Lake to Lake Trail, Lake Washington Boulevard/SE 60 th /Coal Creek Parkway/Forest Drive/Lakemont Boulevard	Mercer Slough, Enatai Beach Park, Bellevue High School, Newcastle Beach Park, Bellevue Golf Course, Crossroads Community Center, Crossroads Mall, Interlake High School, Wilburton Hill Park and Botanical Garden, and Downtown Bellevue	269	\$174,931	\$151,315	\$23,616

Corridors	Example Destinations	# Signs or Pavement Markings	Total Cost	Grant Funded	Local Match
Bothell					
Sammamish River Trail (Burke-Gilman), North Creek Trail, SR-527, NE 180 th Street, Main Street/Beardslee/NE 195 th , Waynita Way	UW Bothell/Cascadia Campus, Park at Bothell Landing, North Creek Business Park, Canyon Park Business Park, North Creek Playfields, Skateboard Park, Downtown Bothell, and Canyon Park Shopping Center	172	\$134,307	\$116,175	\$18,132
Issaquah					
Newport Way, West Lake Sammamish Parkway, NW Sammamish Road, Highlands Drive NE, Front Street, East Lake Sammamish Parkway, NW Gilman Boulevard, 2 nd Avenue SE, Sunset Way, 12 th Avenue NE, and SR-900.	Issaquah P&R, Tibbets Valley Park, Lake Sammamish State Park, Timberlake Park, East Lake Sammamish Trail, Costco Corporate, Microsoft, Siemens, Tiger Mountain State Park, Issaquah Commons, King County Library, Issaquah Fish Hatchery, and schools	136	\$34,000	\$29,410	\$4,590
Kirkland					
NE 132 nd Street, NE 124 th Street, 124 th Avenue NE, Juanita Drive, NE 100 th Street, 100 th Avenue NE, NE 8 th Street, NE 68 th /70 th Street, 520 Trail, 116 th Avenue NE, 108 th Avenue NE, Lake Washington Boulevard	Sammamish River Trail, Burke-Gilman Trail, Totem Lake, Downtown Kirkland, Juanita, Houghton, Bellevue, Woodinville, Bothell, Kenmore, SR 520 Trail, and Rose Hill	399	\$71,130	\$61,527	\$9,603
Redmond					
Willows Road, Sammamish River Trail, Redwood Road, 166 th Avenue NE, Avondale Road, NE 109 th Street/NE 104 th Street, NE 90 th Street, NE 80 th Street, 180 th Avenue NE, Old Redmond Road, 150 th Avenue NE, SR 520 Trail, 156 th Avenue NE/154 th Avenue NE, West & East Lake Sam Parkways, Marymoor Connector Trail	Marymoor Park, Downtown Redmond, Overlake/Microsoft, SR 520 Trail, Sammamish River Trail, and adjacent Urban Centers	140	\$98,000	\$84,770	\$13,230

The project has been awarded an initial grant of \$150,493 with the remaining \$292,405 first in line to receive contingency funding. This Agreement covers the Parties' responsibility for the full grant funded

program, which could be awarded and implemented in phases. The breakdown by agency for each distribution will be determined by a consensus of the group on the selection of priority corridors that provide the highest value in terms of supporting regional wayfinding efforts. (See Attachment B for the breakdown by agency for each funding distribution. This attachment can be updated without affecting the base terms of this agreement.)

SCHEDULE

The Parties will work to achieve the following schedule, as outlined in the application, for the initial grant award:

January, 2010	Funding available
May, 2010	Obligation Date
November, 2010	Project Completed

Should contingency funding become available, Bellevue will coordinate with Bothell, Issaquah, Kirkland, and Redmond to establish an aggressive yet feasible implementation schedule.

PROJECT MANAGEMENT TEAM

To ensure effective cooperation, efficiencies, communication, and coordination between the Parties and to serve as central points of contact for the purposes of this Agreement, the Parties have designated the following representatives:

Bellevue:	Darek Jarzynski Sr. Transportation Engineer 450 110 th Avenue NE Bellevue, WA 98004 425-452-4277 djarzynski@bellevuewa.gov	Bothell:	Seyed Safavian Transportation Manager 9654 NE 182 nd Street Bothell, WA 98011 425-486-2768 Seyed.Safavian@ci.bothell.wa.us
Issaquah:	Rory Cameron Sr. Transportation Engineer 1775 12 th Avenue NW Issaquah, WA 98027 425-837-3451 roryc@ci.issaquah.wa.us	Kirkland:	David Godfrey Transportation Engineering Manager 123 5 th Avenue Kirkland, WA 98033 425-587-3865 dgodfrey@ci.kirkland.wa.us
Redmond:	Joel Pfundt Principal Planner 15670 NE 85 th Street Redmond, WA 98073 425-556-2750 jpfundt@redmond.gov		

WORKING PRINCIPLES and RESPONSIBILITIES

The Parties shall advance project development under the following guidelines:

- 1) The East King County Bicycle Wayfinding Practice Guide will be the principal document used to design and install Wayfinding signs under this Agreement.
- 2) The preparation of Design plans and Contract documents shall be in accordance with applicable Local Agency Guidelines for Federal Aid projects, local agency Standards and other applicable Design Standards. As the city responsible for administering the grant, Bellevue reserves the right to review all documents before they are finalized and will be the primary liaison with WSDOT local programs.
- 3) Each City shall complete a SEPA determination and obtain the necessary permits for its contract work prior to beginning work. Each party shall comply with all conditions set forth in all permits applicable to it. Copies of all approvals should be provided to Bellevue for use in completing NEPA documentation as required prior to obligating the grant for the implementation phase.
- 4) Each City is responsible for bearing the cost of planning and its proportionate share of the local match for the design (if applicable) and implementation phases, including the cost for obtaining any necessary permits.
- 5) If required, each party will obtain all necessary easements individually within its respective jurisdiction.
- 6) Each party will provide and distribute public information and communications regarding the proposed work and information regarding street closures. Public information will be coordinated between parties.
- 7) The construction contract advertisement and award process shall be in accordance with applicable Local Agency Guidelines for Federal aid projects. Each City will contract separately.
- 8) Each City will conduct a pre-construction conference required by the Contract permits and invite all involved parties. As the city responsible for administering the grant, Bellevue staff should be invited to all pre-construction conferences.
- 9) Construction Project documentation management, materials approval process, completed work measurements and payments shall follow the rules and regulations of Federal Aid projects.
- 10) Any construction administration and inspection cost shall be borne by the contracting party.
- 11) Each party will ensure that its contractors provide an updated construction schedule that reflects the proposed work along with timeframe for work completion in accordance to the Contract documents.
- 12) Each party shall bear all cost for any damage and fines resulting from its Contractor activities associated with its respective project.
- 13) Each city may choose to include additional wayfinding/signage work not covered by this agreement in its installation contract, provided that the additional work is bid on a separate schedule and is fully funded with sources separate from this grant-funded effort.
- 14) The parties shall exercise due diligence to ensure that schedule and budget are maintained.
- 15) All parties shall make all reasonable efforts to ensure that all tasks, cost, and implementation coordination elements are identified and addressed as early in the process as possible.
- 16) Each city will be responsible for providing complete invoice documentation (including eligible grant and local match expenditures) to Bellevue before receiving reimbursement. Bellevue reserves the right to hold payment of partner invoices until federal reimbursement is received for the master invoice.

PERFORMANCE MONITORING AND REPORTING

The Parties shall communicate regularly to discuss the tasks, critical issues, potential risks and impacts, and approvals to be performed as part of the project.

Bothell, Issaquah, Kirkland, and Redmond shall provide quarterly status reports on project milestones and expenditures to Bellevue by the following dates:

- March 31, 2010
- June 30, 2010
- September 30, 2010
- December 31, 2010

Based on this information and the status of Bellevue's own portion of the project, Bellevue shall then prepare quarterly progress reports identifying potential risks to scope, schedule, and budget and projecting future quarter milestones and cash flow needs.

Bellevue has responsibility to audit compliance with all federal guidelines, including but not limited to the ADA and Title VI (at the level appropriate to each city), and may seek additional information, as needed, for that purpose.

DISPUTE RESOLUTION

The Parties will work collaboratively to resolve issues and any disagreements arising from activities performed in the delivery of the project. Each Party's designated representative will jointly cooperate in providing staff support to facilitate the performance of this Agreement and the resolution of any issues or disputes arising during the term of this Agreement and delivery of the project. Disagreements shall be resolved promptly and at the lowest level of hierarchy.

INDEMNIFICATION

Except as otherwise provided for in this Agreement, each party shall protect, defend, indemnify and save harmless the other parties, its officers, employees and agents from any and all costs, claims, judgments, suits, actions, award of damages, or liability of any kind whatsoever, brought by any third party, which arise out of, are connected with, or in any way result from negligent acts or omissions of the indemnifying party, its officers, employees and agents in performing its project and/or terms of the Agreement, to the maximum extent permitted by law as set forth in RCW 4.24.115 as now enacted or as hereafter amended. The Parties agree that if a claim is made by another party's employee or agents against one or more of the partner cities, for this purpose, the parties hereby waive, with respect to the other parties only, any immunity that would otherwise be available against such claims under the industrial insurance provision of Title 51 RCW. In the event one of the Parties incurs attorney's fees, costs, or other legal expenses to enforce the provisions of this section against another partner city, all such fees, costs, and expenses shall be recoverable by the prevailing party.

INSURANCE

The parties and their contractors shall procure and maintain for the duration of this Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the grant-funded work. The cost of such insurance shall be paid individually by each city and its respective contractor. Insurance shall meet or exceed the following unless otherwise approved by Bellevue:

- Commercial General Liability coverage with limits not less than \$1,000,000 per occurrence/\$2,000,000 annual aggregate. (Must be endorsed to: include Bellevue, its officials, employees and volunteers as additional insureds; provide that such insurance shall be primary as respects any insurance or self-insurance maintained by Bellevue; and each insurance policy shall

provide that coverage shall not be cancelled except after thirty days' written notice has been given to Bellevue.)

- Business Automobile Liability coverage with limits not less than \$1,000,000 per accident for any auto.
- Stop Gap/Employer's Liability coverage with limits not less than \$1,000,000 per accident/disease.
- Worker's Compensation coverage as required by the Industrial Insurance Laws of the State of Washington.

Self-insurance retentions must be declared to and approved by Bellevue. Insurance shall be placed with insurers with a rating acceptable to Bellevue. Each party shall furnish Bellevue with its certificate of insurance required by this clause and certify that its contractors and sub-contractors provided evidence coverage which complies with the requirements stated herein. As the city administering the grant, Bellevue reserves the right to require complete, certified copies of all required insurance at any time.

AMENDMENTS

This agreement constitutes the entire agreement among the Parties for the stated purpose. Any party may request modifications in the scope of permissible activities, terms, or conditions of this Agreement. Proposed modifications that are mutually agreed upon and consistent with the parameters of the federal funding shall be incorporated by written amendment to this Agreement and signed by the Parties' authorized designees.

RECORD RETENTION and AUDIT

During the progress of the work and for a period not less than six (6) years from the date of completion of the work, records and accounts pertaining to those portions of the project constituting improvements to municipal facilities are to be kept available for inspection and audit by the State and/or Federal Government. Copies of all records, accounts, documents or other data pertaining to the project shall be furnished upon request.

DURATION

This Agreement shall commence once all signatures are obtained and continue until the federal grant has been closed or until it is terminated as provided herein.

TERMINATION

This Agreement will terminate three years from the effective date unless terminated sooner by mutual agreement of the Parties or through completion of the grant funded project. However, the indemnification provision will survive the termination of this agreement, subject to the applicable statute of limitations.

SIGNATURE

This Agreement may be executed simultaneously in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute the same instrument. Facsimile signatures of the Parties shall be acceptable for the purposes of implementing this Agreement, but said facsimile shall be replaced, as expeditiously as possible, with original signatures.

The Parties hereto agree to the terms and conditions of this agreement:

CITY OF BELLEVUE

By: _____

Title: Deputy City Manager

Date: _____

Approved to Form (Bellevue)

By: _____

Title: Assistant City Attorney

Date: _____

CITY OF ISSAQUAH

By: _____

Title: Mayor

Date: _____

Approved to Form (Issaquah)

By: _____

Title: Mayor

Date: _____

CITY OF REDMOND

By: _____

Title: Mayor

Date: _____

Approved to Form (Redmond)

By: _____

Title: City Attorney

Date: _____

CITY OF BOTHELL

By: _____

Title: Public Works Director

Date: _____

Approved to Form (Bothell)

By: _____

Title: City Attorney

Date: _____

CITY OF KIRKLAND

By: _____

Title: City Manager

Date: _____

Approved to Form (Kirkland)

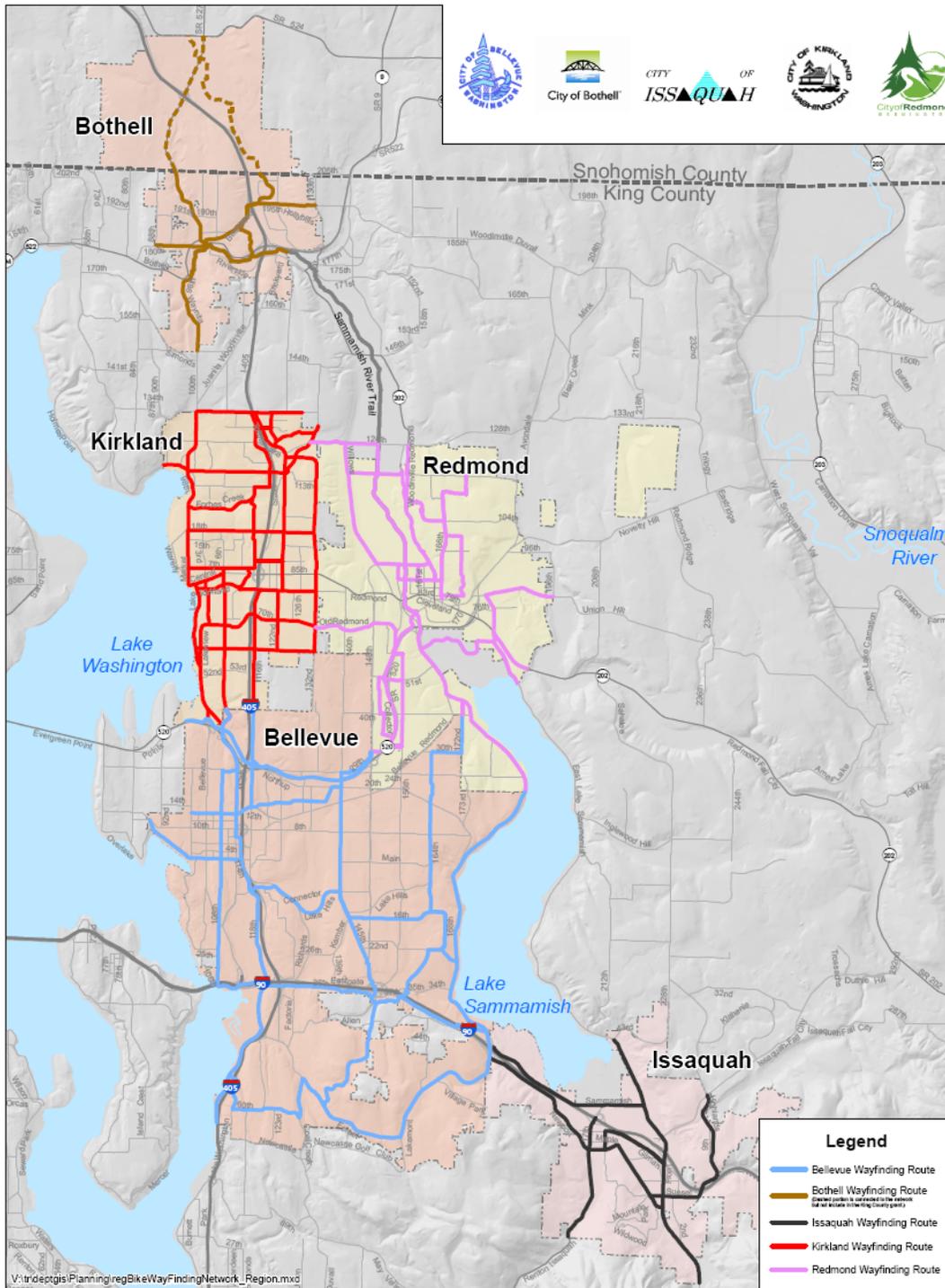
By: _____

Title: City Attorney

Date: _____

ATTACHMENT A

Proposed Eastside Cities Bicycle Wayfinding Network



The information on this map is a geographic representation derived from the City of Bellevue Geographic Information System. The City of Bellevue does not guarantee that the information on this map is accurate or complete. This map is provided on an "as is" basis and disclaims all warranties, express or implied, including but not limited to warranties of merchantability, fitness for a particular purpose and non-infringement. Any commercial use or sale of this map or portions thereof is prohibited without express written authorization by the City of Bellevue. The City of Bellevue is not responsible for any damages arising from the use of information on this map. Use of this map is at user's risk. Users should verify the information before making project commitments.

East King County Bicycle Wayfinding Project
Interlocal Agreement - **Attachment B**

City	Percent of Original Request	Share of Phase 1 Distribution	Match	Total Project Cost
Bellevue	34	\$51,168	\$7,986	\$59,154
Bothell	26	\$39,128	\$6,107	\$45,235
Issaquah	7	\$10,534	\$1,644	\$12,178
Kirkland	14	\$21,069	\$3,288	\$24,357
Redmond	19	\$28,594	\$4,463	\$33,057
TOTAL	100	\$150,493	\$23,487	\$173,980



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: Barry Scott, Purchasing Agent

Date: March 3, 2010

Subject: REPORT ON PROCUREMENT ACTIVITIES FOR COUNCIL MEETING OF MARCH 16, 2010

This report is provided to apprise the Council of recent and upcoming procurement activities where the cost is estimated or known to be in excess of \$50,000. The "Process" column on the table indicates the process being used to determine the award of the contract.

The City's major procurement activities initiated since the last report, dated February 17, 2010, are as follows:

	Project	Process	Estimate/Price	Status
1.	IT Service Management Software & Implementation Services	RFP	\$100,000	Advertised on 2/22. Proposals due on 3/15.
2.	Operation of Kirkland Teen Union Building	RFQ	\$160,000/yr	Advertised on 2/12. Qualifications due on 3/15.
3.	Janitorial Services	Cooperative Purchasing	\$139,313,26 (Includes \$10,320.38 option for window & carpet cleaning.)	The City has exercised its option to cancel its existing contract for Janitorial Services that was issued through the Office of State Procurement. We are instead piggybacking on a contract competitively awarded by the City of Bellevue. We anticipate an annual savings of approximately \$9,000.

Please contact me if you have any questions regarding this report.



CITY OF KIRKLAND
Department of Public Works
 123 Fifth Avenue, Kirkland, WA 98033 425.587.3800
 www.ci.kirkland.wa.us

MEMORANDUM

To: David Ramsay, City Manager

From: Tim Llewellyn, Fleet Supervisor
Ray Steiger, Interim Public Works Director

Date: March 1, 2010

Subject: SURPLUS EQUIPMENT RENTAL VEHICLES/EQUIPMENT FOR SALE

RECOMMENDATION:

It is recommended that the City Council approve the surplusing of the Equipment Rental vehicles/equipment listed below:

BACKGROUND DISCUSSION:

The surplusing of vehicles or equipment which have been replaced with new vehicles or equipment, or no longer meet the needs of the City, is consistent with the City's Equipment Rental Replacement Schedule Policy. The following equipment has been replaced by new equipment, and if approved for surplusing, will be sold in accordance with purchasing guidelines at public auction or to public agencies.

<u>Fleet #</u>	<u>Year</u>	<u>Make</u>	<u>VIN/Serial Number</u>	<u>License #</u>	<u>Mileage</u>
F303	1993	Ford Road Rescue Aid Car	1FDKE30M5PHB46920	15566D	71,950
TS-02	2000	Smithco Turf Sweeper	G1383	n/a	n/a
n/a	unk	Magnetek Air Compressor	Part 6-349415-03	n/a	n/a

For clarification purposes, F303 completed its original useful life of 8 years as an aid car for Fire Operations Division in 2001. It was retained and utilized as a Fire Investigations vehicle since that time, and has recently completed its useful service in this capacity.

TS-02 was a self-propelled turf sweeper with large hopper which was operated by Parks Operations and Maintenance. It achieved its anticipated useful life of 8 years.

The Magnetek Air Compressor has been the primary Fleet Shop air compressor since the Fleet Shop was initially constructed in 1989. It operates the vehicle lifts and pneumatic tools used by the staff technicians. The compressor has been replaced by Facilities at the end of its useful life.

The above vehicle and equipment will be sold at public auction.

Cc: Donna Burriss, Internal Services Manager



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: Mike Metteer, Business Services Programs Manager
Carrie Hite, Deputy Director Parks and Community Services
Jennifer Schroder, Director Parks and Community Services

Date: March 4, 2010

Subject: Request for Proposal - Kirkland Tour Dock

RECOMMENDATION

That the City Council receives a briefing on two proposals submitted to lease the south side of the tour dock in Marina Park for the purpose of conducting a boat tour business. Staff requests Council's direction on the proposals received.

BACKGROUND

The City Council received a letter dated October 23, 2009 from Don Stabbert, Managing Partner of Kirkland Ferry LLC, stating that two offers had been made to purchase the MV Kirkland, and requested an exclusive lease of the south side of the Marina Park Tour Dock for the MV Kirkland to help solidify the sale. Currently the north side of the tour dock is leased to Argosy Cruises. Argosy Cruises, until recently, leased the MV Kirkland and operated its boat tours from Marina Park. Argosy Cruises will be replacing the MV Kirkland with another boat to continue its operations.

On November 17, 2009, City Council received a briefing from staff regarding the status of the MV Kirkland and discussed options of advertising a Request for Proposal to lease the south side of the tour dock in Marina Park. Council gave direction to advertise a Request for Proposal for the south side of the tour dock. This would give Stabbert with the MV Kirkland, and any other tour company an equal chance to bid on additional tour operations at the Marina Park Tour Dock.

The City of Kirkland Marina has two docks – the Marina Park dock and the 2nd Avenue South dock (located adjacent to Anthony's Homeport). Of the two docks, the Marina Park Tour Dock is the only one available for long term stays due to the boundary lines and navigable waters. Currently, the north side of the tour dock is leased to Argosy with two more years of a three year lease. Based on the terms of this lease, the City of Kirkland will receive \$20,460 in 2010. The south side of the dock has been used for "touch-and-go tours" and charters, the fee for which is charged on the length of the vessel at a rate of \$0.94 per linear foot. In 2008, there were 220 touch-and-go permits, resulting in \$11,253 in revenue for the City; in 2009, there

were 213 touch-and-go permits, resulting in \$11,571 in revenue. The Second Avenue Dock is primarily used for transient moorage, with some overflow traffic for touch and go tours.

Per Council's direction, staff issued an RFP for the south side of the tour dock in Marina Park on January 11, 2010 and received two proposals within the January 22, 2010 deadline.

The two proposals received were from:

- MV Kirkland Cruises – Don Stabbert, Managing Partner, Kirkland Ferry, LLC
- Waterways Holding Corporation – Hilton Smith, Waterways Cruises and Events

PROPOSALS

MV KIRKLAND CRUISES – MV Kirkland Cruises is a new business proposed by Mr. Stabbert. The proposal is to operate a year-round schedule with multiple daily departures offering private charters and public themed cruises. MV Kirkland Cruises proposes to take a different approach from that of other cruise operators. Instead of the typical Lake Washington sightseeing cruise, this new company intends to take a more local and creative approach to the cruise/tour and event business emphasizing historic and educational components.

WATERWAYS HOLDINGS – Waterways Holdings has proposed to operate lake tours consisting of dinner cruises Thursday through Sunday evenings and lake tours between Renton and Kirkland. Lake tours would alternate departure points (either Kirkland or Renton) every other weekend; as an option, customers will have the choice to tour the lake to the alternate destination and return, or have the option of getting off and spending time in that community and return on a later boat.

A sample weekend cruise schedule follows:

DEPARTURE	WEEK 1	WEEK 2
10:30	Renton	Kirkland
12:00	Kirkland	Renton
1:30	Renton	Kirkland
3:00	Kirkland	Renton
4:30	Renton	Kirkland
6:00	Kirkland	Renton

EVALUATION OF PROPOSALS

On February 11, 2010 the proposals were reviewed by a panel that included Ellen Miller-Wolfe, Economic Development Manager; Kirkland Downtown Association and Kirkland Chamber representatives, Doug Davis and Bonnie McLeod; and staff from the Parks and Community Services department, Jennifer Schroder, Carrie Hite and Mike Metteer.

The interview consisted of a brief presentation and questions based on the evaluation criteria included in the Request For Proposal (RFP), a copy of which is attached.

Both proposals were evaluated with some merits and some concerns. Please see Attachment A to review the analysis of these proposals.

Based on the information provided in the submittals to the RFP and gathered from the interviews, the evaluation panel, at the end of the process, had some concerns about each of the proposals. Some of the concerns were based on the recent economic conditions present in the community, and whether there is currently a sufficient market to sustain two boat tour companies. In addition, the panel had concerns that an additional tour operation may adversely impact parking downtown, which is already limited.

Although each submittal describes a different scope, one being an educational/historical experience and the other a destination tour (Kirkland – Renton), what is common among all three operators is they all would provide an experience on Lake Washington for either the purpose of entertaining out-of-town guests, family, business events, special events or private charter opportunities.

Options for Council to consider:

- 1) Direct staff to award the contract one of the two operators
- 2) Direct staff to reject the proposals

**Kirkland Marina Park Tour Dock
Evaluation of Request for Proposals
March 2010**

Evaluation Criteria	Waterways Holdings	MV Kirkland Cruises, LLC
Overall Plan	<ul style="list-style-type: none"> • Business operations Thursday through Sundays. • Dinner and brunch cruises Thursday-Sunday. • Lake tours between Renton and Kirkland Saturday and Sunday. • Alternating departure points from Renton/Kirkland. • Attractive, well maintained boats. 	<ul style="list-style-type: none"> • Year round schedule • Multiple daily departures • Private charter • Themed tours, emphasis on historical, educational components. • Kirkland/Eastside target market. • Use of MV Kirkland.
Tourism	<ul style="list-style-type: none"> • Draws on both Kirkland and Renton area for tourism draw. • Dinner cruises, private charters, Friday escape cruises • Wants to work with hotels in area. 	<ul style="list-style-type: none"> • Emphasis on historical significance, partnering with local historians, docents and interpreters, to provide a unique appeal for tourists.
Community Interest	<ul style="list-style-type: none"> • Participate in local service groups. • Charitable contributions of tickets/cruises 	<ul style="list-style-type: none"> • Support local business in purchasing. • Participate in local service groups. • Charitable contributions of tickets/cruises
Business Experience	<ul style="list-style-type: none"> • Waterways Holdings is a new business. It was formerly operating under Waterways Hospitality. • Operating cruises in the Seattle area for 18 years. 	<ul style="list-style-type: none"> • MV Kirkland Cruises is a new business. • Owned and proposed by Salmon Bay Marine Center, in business for over 25 years. • Operator of MV Kirkland Cruises is proposed to be Michael Lomax, with 30 years experience developing successful cruises.
Compensation	<ul style="list-style-type: none"> • \$19,845.00, annually. Prorated for partial year of 2010. 	<ul style="list-style-type: none"> • 2010: \$21,120 (Prorated for partial year) • 2011: \$21,780 • 2012: \$22,440
Merits	<ul style="list-style-type: none"> • Traffic/parking would alternate between Renton and Kirkland • Opportunity to bring more people into Kirkland from Renton, might bring more people in to town to shop. 	<ul style="list-style-type: none"> • MV Kirkland has been in Kirkland 14 years, may have some local appeal to citizens. • Historical significance as a ferry in Washington/Oregon area. • Creative business plan, not offering the typical lake tour, but themed cruises.
Concerns	<ul style="list-style-type: none"> • Doesn't address parking concerns • Seasonal plan, not operating year round. • With recent economic conditions, not known whether the Kirkland Tour Dock has capacity to support two vendors, without adversely impacting both businesses. 	<ul style="list-style-type: none"> • Doesn't address parking concerns. • Plans to launch business and sell. City would still need to consent to new lessee at tour dock. • With recent economic conditions, not known whether the Kirkland Tour Dock has capacity to support two vendors, without adversely impacting both businesses.

**The City of Kirkland Parks & Community Services
Request for Proposal (RFP)**

Kirkland Tour Dock RFP 2010

I. PURPOSE OF REQUEST

The City of Kirkland Parks & Community Services (KPCS) is accepting proposals from Commercial Tour Boat Companies interested in utilizing dock space at the Kirkland Marina for commercial tourism use. Each proposal must clearly identify the intended use and the amount of space needed for operations.

II. RFP SELECTION PROCESS SCHEDULE

The Department's proposed schedule for review of the RFP submittals and final selection of the Contractor is as follows:

January 11	- RFP Packages available
January 22	- RFP Submittal Deadline: 4:30 PM
January 25 - 27	- Evaluation Period
February 1 -5	- Oral interviews – If needed; optional by Department
February 11	- Award contracts

RFP SUBMITAL DEADLINE

Mailed or emailed RFP Submittals must be received in the office of the Purchasing Agent no later than 4:30 PM January 22, 2010. Sealed proposals submitted by mail should be addressed to:

City of Kirkland
Attn: Barry Scott – Tour Dock RFP
123 5th Ave
Kirkland, WA 98033

Emailed proposals should include "Tour Dock RFP" in the subject line and be addressed to:

bscott@ci.kirkland.wa.us

III. RFP REQUIREMENTS

Please note the following general requirements are mandatory to all proposals. Proposals submitted after the deadline date or lacking one or more of the following requirements will not be accepted.

- All proposals sent electronically must be sent in PDF format or as Microsoft Word documents.
- All RFP forms provided by the Department must be completed and signed by the applicant and submitted to the Department. To be evaluated, a proposal must completely answer each question in the questionnaire.
- All proposals must include the legal name of organization, firm or individual(s) submitting the RFP. Proposal must include the address of principle place of business, phone numbers and the primary contact person. The proposal must be signed by an official who is legally authorized to bind the organization including his or her signature on the Financial Page.
- The applicant must provide all references and materials required by the RFP instructions.
- If clarification is required, submit questions by e-mail to Mike Metteer, Business Services Programs Manager at mmetteer@ci.kirkland.wa.us prior to the due date. Please allow at least one business day for responses. Questions submitted after the due date will not be answered.
- For applications not submitted electronically, three signed and completed RFP Submittals shall be mailed or delivered to the address provided before the due date and time. Incomplete proposals, proposals not on the forms provided by the Department and proposals that arrive after the due date and time will not be accepted.
- If mailed, clearly mark the exterior of the RFP package – **“2010 Kirkland Tour Dock RFP”**.
- All proposals become public records upon submittal the City of Kirkland.

IV. SITE INFORMATION:

Kirkland Tour Dock; located in Marina Park, 25 Lake Shore Plaza

The north side of the Marina Park Tour Dock is not open for bids, (*where the MV Kirkland currently moors*); the south side will be available for a proposed use.

Power and water are available.

All applicants are encouraged to visit the site prior to submitting a proposal.

Point of sale ticket booth is not provided. It will be the responsibility of the bidder to provide, obtain all necessary permits and, after the approval of design and location by KPCS, install the point of sale ticket booth at the sole expense of the bidder.

V: REQUIREMENTS FROM CONTRACTOR

If your proposal is accepted, the following will be due upon issuance of your use permit:

City of Kirkland Business License: Please be advised that you must present a current copy of a valid City of Kirkland Business license prior to being awarded an agreement.

Insurance: Contractor shall obtain and maintain for the duration of this agreement, policies of comprehensive general liability with combined single limits of not less than \$1,000,000 per occurrence, \$2,000,000 general aggregate with an insurer having no less than a Best's rating of A VII and authorized to do business in the State of Washington. A \$2,000,000 products/completed operations aggregate is required for contractors that prepare food. The insurance policy shall be written on an occurrence basis. The City shall be named as an additional insured and a copy of the endorsement naming the City as an additional insured shall be attached to the Certificate of Insurance. Certificate of Insurance shall be filed with the City prior to the City executing the contract.

Compliance with law/business license: The Contractor shall comply with all applicable State, Federal and City laws, ordinances, regulations, and codes. Contractor must obtain City of Kirkland business license or otherwise comply with Kirkland Municipal Code Chapter 7.02

VI. PROPOSAL EVALUATION AND SELECTION

PROCESS

A panel will review the qualified Bids and qualifications as submitted in this RFP process. The panel will score the RFP submittals, determine the highest qualified applicants, conduct interviews as necessary, and make a final recommendation to the Parks and Community Services Deputy Director regarding the award.

PROPOSALS

Proposals should be prepared providing straightforward, concise descriptions of the applicants' capabilities to satisfy the requirements of the request. All proposals submitted electronically must be in either a PDF or Word document. All proposals will be evaluated based on point values where indicated below.

Applicants must designate and establish one vessel to moor at an agreed upon space of the Marina Park Tour Dock. The applicant will not moor another vessel in the same dock space designated for any amount of time unless that vessel is a for short term replacement being used to provide tours in place of the designated vessel. The applicant may elect to re-designate a different vessel to moor at the Marina dock during the month of January each year. Please provide the name of the vessel to be designated and the details of the boat (size, make of vessel, any historical significance, etc.).

Tenant improvement; list any and all desired improvements in the RFP; include items such as storage lockers, seating, additional power, additional water, security, point of sale booth, etc. It is to be understood that any modifications or improvements desired by the Bidder shall be installed at the sole expense of the Bidder and requires advance written approval from the Kirkland Parks and Community Services Department. All improvements shall become the property of the City of Kirkland upon completion of installation, provided that the contractor shall be entitled to utilize the modifications and improvements in accordance with this Agreement while this Agreement is in effect. Any improvements that are deemed a liability for the City upon completion of a contract will be required to be removed at the term of the contract.

KPCS will evaluate and consider all proposals submitted.

EVALUATION

- Tourism: Kirkland has become a destination place for both locals and tourists from afar to visit for a day, a week, or more; the waterfront beckons, the parks provide a cool oasis, and the charming pedestrian friendly downtown calls out to be explored. Please provide information what services you plan to offer and how your business aligns with promoting tourism.

[20 points]

- Community: It is understood that any tour boat company operating out of the Marina is a for-profit business. But, like any business in Kirkland, they are part of the community. Please list any and all community contributions and/or partnerships that your company has been able to offer service groups, associations, agencies or likewise.

[20 points]

- Accident and safety procedures. Given the situation and potential hazards on the water, it's highly possible that docking accidents may happen. Please provide your accident and safety procedures. In the event of an accident, please describe how damages caused by your vessel to the dock will be handled.
 - Although the Marina Park tour dock is a public dock the primary user of the tour dock will be responsible for routine maintenance and repairs of the tour dock. The tour dock must remain accessible at all times to the public and other vessels that utilize unassigned available space.

[20 points]

- Business experience: how long has this organization been in business; descriptions of businesses, numbers of employees. Please list at least three (3) references to support, document or verify your performance in providing vessel services and/or operating a business. Include name, business name, address, phone number, fax number and nature of your relationship.
 - Client references. Provide information about similar clients for whom you currently provide tour boat services.

- Business or financial references. Please provide three financial or business references. These could include financial institutions, suppliers, insurance companies, clients, etc. Please do not use the same references for both Client References and Business References.

[20 points]

- Compensation: The City of Kirkland views the tour dock as a partnership; the compensation the city receives from the tour boat company is important but it is only a part of the whole package. Please detail the monthly moorage schedule to be paid to the City; this shall be a minimum of \$15.75 per foot of vessel or dock space desired, whichever is greater.
 - Please present detailed information on the firm's proposed fee schedule for specifications proposed and any variation for non-routine services, inclusive of Washington State sales tax and any other applicable governmental charges.
 - Please provide a statement outlining how contractor will document and report revenues and expenditures.

[20 points]

SELECTION

Upon completion of interviews the successful bidders will be required to sign contracts, submit business licenses and insurance requirements.

Contract will be awarded for a three year term.

The successful bidder will be expected to abide by all City of Kirkland Ordinances, Park rules, business license requirements, Public Health food service requirements and Washington State Liquor Control Board requirements.

The successful bidder understands and agrees that KPCS will only grant space by the contract, and not lease. Contract(s) will only confer permission to occupy and use the premises for described purposes. A successful bidder's expenditure of capital and /or labor in the course of use and occupancy will not confer any interest or estate in the premises by virtue of said use, occupancy and / or expenditure of money thereon. KPCS will only grant successful bidders ("Contractors") an individual, revocable and non-transferable privilege of use in the premises for the concession granted.

City of Kirkland Parks & Community Services

Response to RFP

**Kirkland Marina Park Tour Dock
25 Lake Shore Plaza
Kirkland, WA**

1/22/10

Waterways Holdings Corporation

(dba Waterways Cruises & Events and *Lake Washington Dining Cruises*)

205 NE Northlake Way

Seattle, WA 98105

206-223-2060

www.waterwayscruises.com

Contact: S. Hilton Smith @ 206-999-2500

History

- Waterways Cruises & Events
 - Founded in 1992.
 - Trade name of Waterways Holdings Corporation.
- For 18 years Waterways has provided public cruises and private yacht charters on Seattle's Lakes.
- Waterways operates three luxury small passenger vessels from its HomePort on the north shore of Lake Union.
- In 2005 Waterways assumed operation of the Lakeside Event Center on the north shore of Lake Union.
- Waterfront employs, on a seasonal basis, approximately 60 employees, of which approximately 10 are "core staff" working on a year round, full-time basis for the company.

2009 Business

- In 2009 Waterways Cruises generated \$1,800,000 in revenue.
 - Approximately 350 cruise events
 - Approximately 90 events at the Lakeside Event Center
- Distribution of current business by customer
 - Corporate Events - 52%
 - Wedding Events - 30%
 - Social Events - 9%
 - Tour & Travel - 3%
 - School - 3%
 - Public Cruises - 3%
- Approximately 10% of 2009 business generated originated from Kirkland (Kirkland Marina Park Tour Dock & Carillon Point)

2010 Business

- ***New Service Locations for 2010***
 - Southport Dock in Renton
 - Kirkland Marina Park Tour Dock in Kirkland
- **Public Cruises**
 - Seattle = Approximately 100 cruises
 - Renton = approximately 170 cruises
 - Kirkland = approximately 160 cruises
- **Private Yacht Charters**
 - Approximately 250 cruises
- **Lakeside Private Events**
 - Approximately 75 events
- **Total Cruises & Events**
 - Approximately 755 cruises and events

Proposed Operations from Kirkland

- **Kirkland's Marina Park Tour Dock**
 - Eastside HomePort for Waterways Cruises' **New** 105' *MV Mount Rainier* (105' *MV Emerald Star* until 2011)
 - Eastside docking Location for other vessels in the Waterways fleet when servicing Eastside private yacht charter customers – a continuation of past activities.
- **Cruises that will be provided by Waterways from the Marina Park Tour Dock in 2010 - 2112**
 - Public Cruises
 - *Chef's Select Dinner Cruises* (Thursday – Saturday)
 - *Weekend Brunch Cruises* (Saturday & Sunday)
 - *Homes & History Cruise Tours* (Saturday & Sunday)
 - *Friday Escape Cruises* (Friday)
 - *Sounds of the City Party Cruises* (Weekends)
 - Special Event Cruises
 - Theme Cruises
 - Private Yacht Charters
 - As scheduled by corporate, social, school and tour customers

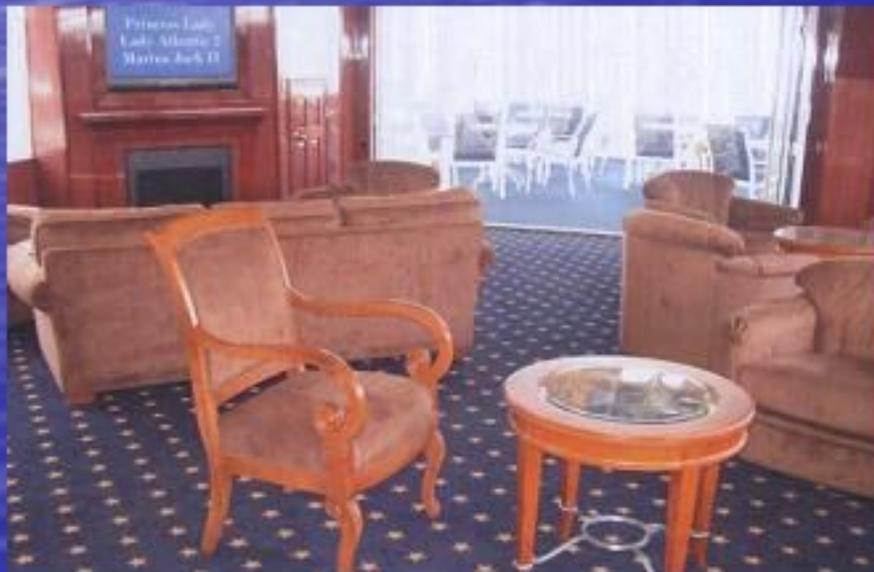
MV Mount Rainier



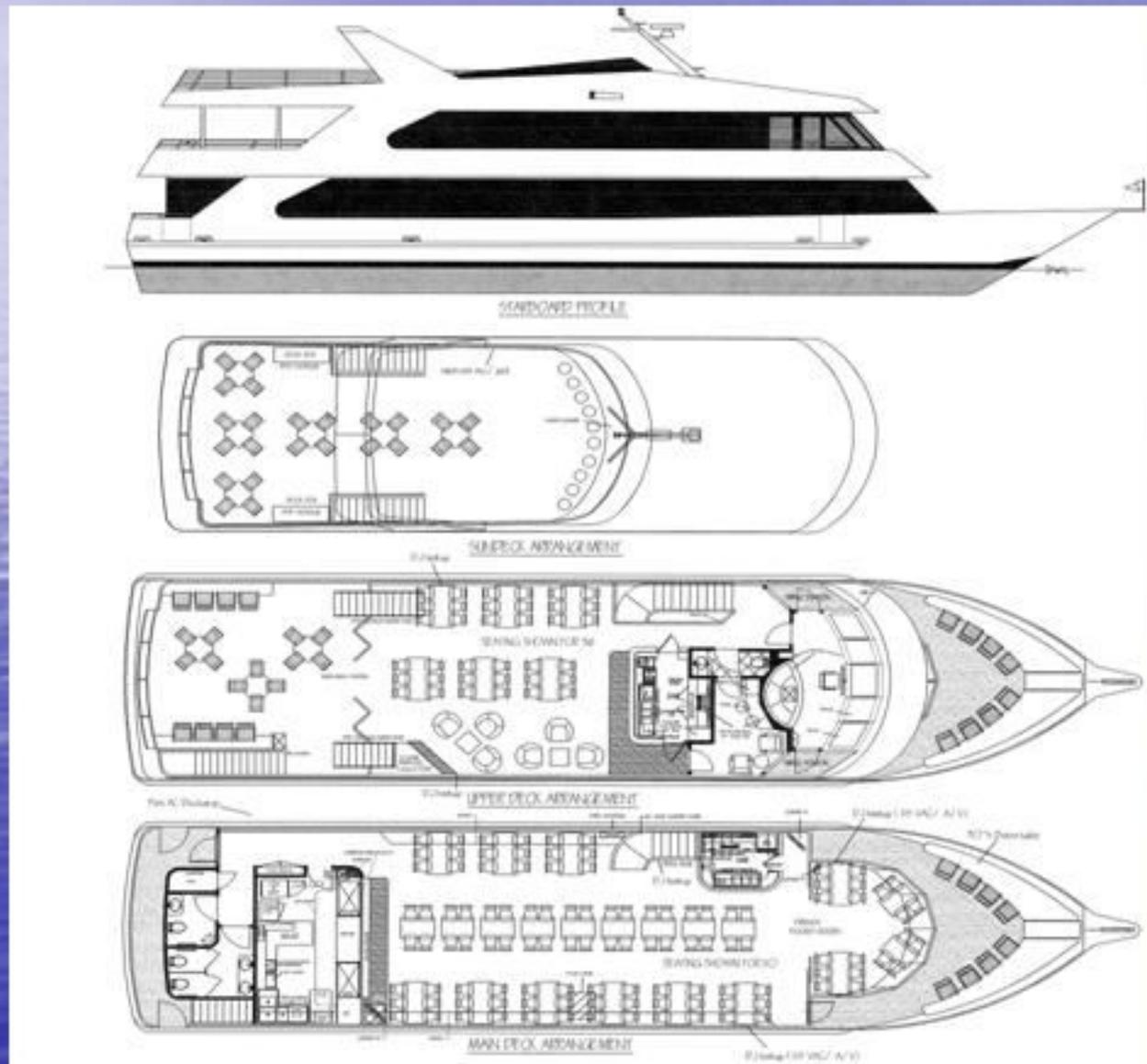
MV Mount Rainier (continued)



MV Mount Rainier (continued)



MV Mount Rainier (continued)



MV Rainier (Delivery early 2011)

- 2011 *New* Skipperliner commercial dining yacht
 - 105' x 24' three deck vessel
 - USCG certified for 150 passengers
 - Buffet & plated dinner seating for 150 passengers
 - On board, full service galley
 - Three bars
- *Dual cruise capability*
 - Simultaneous use for public cruises & private yacht charter events
- Delivery to Kirkland – January 2011
- Investment by Waterways = \$3,500,000

MV Emerald Star (deployed in April 2010)

- **1997 Skipperliner dining yacht**
 - 105' x 20' two deck vessel
 - USCG certified for 250 passengers
 - Buffet & plated dinner seating for 125 passengers
 - On board, full service galley
 - Two bars
- **Deployed to Kirkland - May 2010**
- **Investment by Waterways = \$2,000,000**

MV Emerald Star



MV Emerald Star (Continued)



Benefits Waterways Cruises Brings to Kirkland

- ***New cruise opportunities for city residents & visitors***
 - *New* sightseeing cruise routes to South Lake Washington - ***NEW*** to Kirkland
 - *New* Renton originated sightseeing cruises with 3 hour stop-over in downtown Kirkland – ***NEW*** to Kirkland
 - *New* Combination Weekend Brunch and Winery Cruise Tours - ***NEW*** to Kirkland
 - Brunch cruises – ***NEW*** to Kirkland
 - Dinner cruises – ***NEW*** to Kirkland
 - Party Cruises -- ***NEW*** to Kirkland
 - Special event cruises – ***NEW*** to Kirkland
- ***NEW modern commercial yacht*** located on the Kirkland waterfront (2011)
- ***Increased revenues for the City of Kirkland***
 - Moorage rental
 - City of Kirkland's portion of retail sales tax
 - City of Kirkland parking revenues
 - Kirkland Marina Tour Dock revenues from other Waterways Cruises vessels
- ***NEW Connection to Renton and Southend***
 - Renton passengers will be able to disembark for 3 hours in Kirkland as an option with Weekend Brunch Cruise from Renton (see schedule and route configuration)

Benefits Waterways Cruises Brings to Kirkland (continued)

- **Active marketing and sales participation and partnering with existing Kirkland retail, lodging and touristic businesses**
 - On-line hotel concierge ticketing service and commission program.
 - Periodic sales calls to all local Kirkland businesses by Waterways sales staff
 - Joint cruise marketing with local Kirkland businesses.
 - Annual Spring Showcase of the Waterways fleet at the Kirkland Tour Dock
 - Annual Fall Waterways Cruises Open-House at the Kirkland Marina Park Tour Dock
 - Membership and active participation in the Kirkland Chamber of Commerce, the Washington State Tourism Council, and other Eastside business groups by Waterways Cruises sales staff and executives
- **Increased downtown retail traffic**
 - *Increased revenues for Kirkland businesses* resulting from increased cruise tour activity
 - *Increased taxes for the City of Kirkland*

Benefits Waterways Cruises Brings to Kirkland (continued)

- **Increased Kirkland waterfront activity**
 - Increased number of *new* public cruises offered with a *wider variety of cruise offerings* (i.e. brunch, lunch, dinner, party and sightseeing cruises)
 - More use by local residents
 - More use by tourists
 - More boating activity
- **Waterways has a “Green, Clean & Lean Initiative”**
 - Reduce diesel fuel consumption and particulate discharge
 - Reduce utility usage
 - Reduce production of waste; recycle as much waste as possible.

Public Cruise Schedule (Kirkland) - 2010

- **Sightseeing Cruises**
 - 40 *new* sightseeing cruises (3 hours/each) from April - October
- **Dining Cruises**
 - 54 *new* weekend brunch cruises (3 hours/each) from April – October
 - 52 *new* weekday and weekend dining cruises (2.5 hours/each) from April – October
 - 11 *new* party cruises
 - 40 *new* sightseeing cruises
- **Special Events Cruises**
 - As scheduled
- **Total Public Cruises**
 - *More than 157 new* public cruises

Waterways Cruises and Events

Lake Washington Dining Cruises

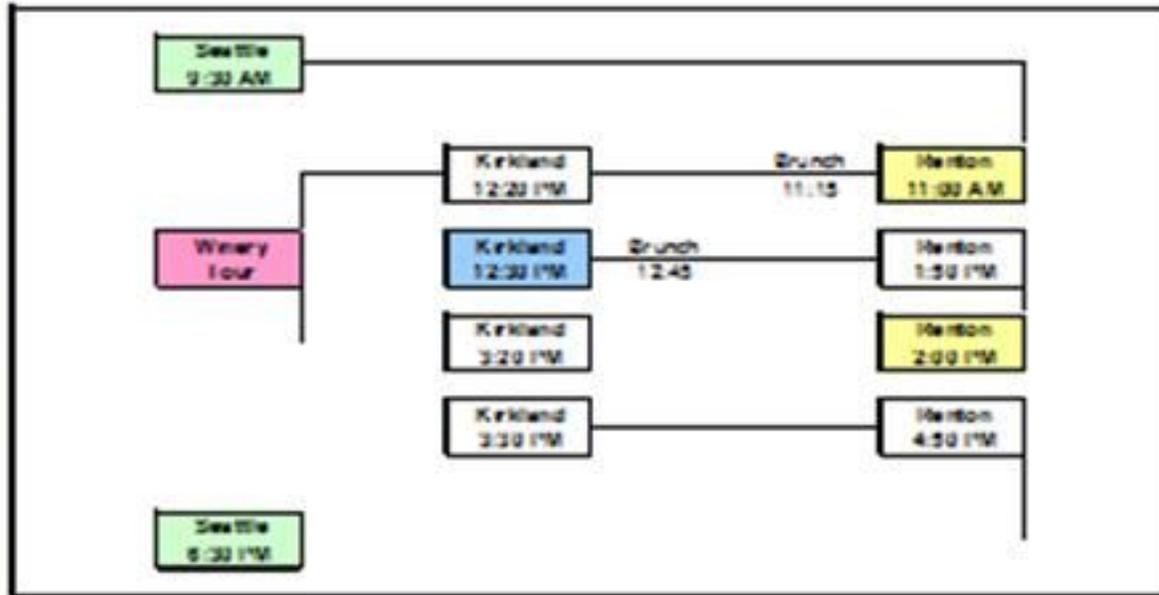
2010 Cruise Schedule

TOTAL	Thursday Dinner 7:00 PM	Friday Escape 5:30 PM	Friday Dinner 7:00 PM	Friday Party 10:30 PM	Saturday Brunch 10:30 & 12:00	Saturday Homes 1:30 & 3:00	Saturday Dinner 7:00 PM	Saturday Party 10:30 PM	Sunday Brunch 10:30 & 12:00	Sunday Homes 1:30 & 3:00	Special Event Cruises & Theme Cruises
Shift Hours	5 hours		12 hours		9.5 hours		8.5 hours		9.5 hours		
May (Incl April 30)	VIP Cruise	30	30		1	1	1	1	2	2	LWCLaunch - Renton
	VIP Cruise	7	7		8	8	8	8	9	9	LWCLaunch - Kirkland
		13	13		14	14	14		16	16	Chquo de Mayo (Wed 5/5)
		20	20	20	21	21	21	21	23	23	Mothers Day (Sun 5/9)
		27	27		28	28	28		30	30	Senior Day (Wed 5/19)
June	3	4	4		5	5	5		6	6	
	10	11	11	11	12	12	12	12	13	13	
	17	18	18		19	19	19		20	20	Father's Day (Sun 6/20)
	24	25	25		26	26	26		27	27	Senior Day (Wed 6/23)
July	1	2	2	2	3	3	3	3	4	4	July 4 Fireworks (Sun 7/4)
	8	9	9		10	10	10		11	11	
	15	16	16		17	17	17		18	18	
	22	23	23	23	24	24	24	24	25	25	Senior Day (Wed 7/14)
	29	30	30		31	31	31				
August	5	6	6	6	7	7	7	7	8	8	Meet the Fleet (Thu 8/4)
	12	13	13		14	14	14		15	15	Blue Angels (Thu-Fri 8/5-6)
	19	20	20	20	21	21	21	21	22	22	Seafair Races (Sat-Sun 8/7-8)
	26	27	27		28	28	28		29	29	Senior Day (Wed 8/18)
September	2	3	3	3	4	4	4	4	5	5	Husky Football (2)
	9	10	10		11	11	11		12	12	
	16	17	17	17	18	18	18	18	19	19	Senior Day (Wed 9/15)
	23	24	24		25	25	25		26	26	
	30										
October	7	8	8	1	2	2	2	2	3	3	
	14	15	15	15	16	16	16	16	17	17	Husky Football (2)
	21	22	22		23	23	23		24	24	Senior Day (Wed 10/13)
	28	29	29	29	30	30	30	30	31	31	Halloween (Sun 10/31)
May - October	336	24	26	11	54	40	26	13	54	40	22
Renton	170	12	12	3	27	20	13	10	27	20	13
Kirkland	159	12	14	8	27	20	13	3	27	20	2
Seattle	7										7

75 Boarding in Renton
 66 Boarding in Kirkland
 432 Boarding in Kirkland & Renton
 336 Total Number of Cruises
7 Boarding in Seattle

Lake Washington Dining Cruises

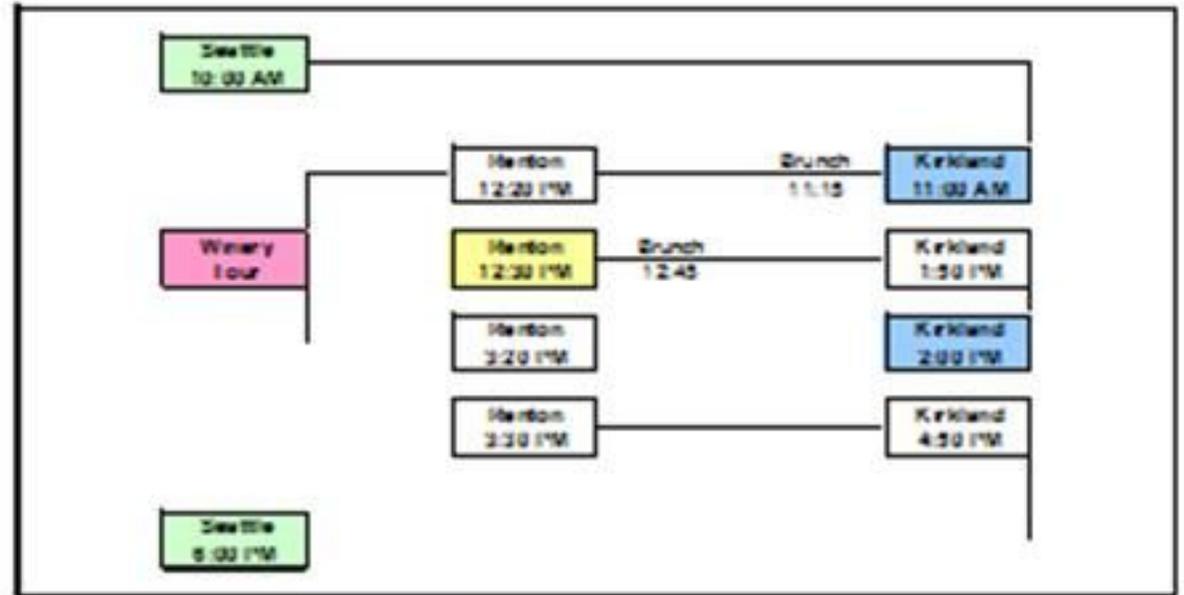
Sunday Schedule - First Departure From Renton



Boarding in Renton Boarding in Kirkland

Lake Washington Dining Cruises

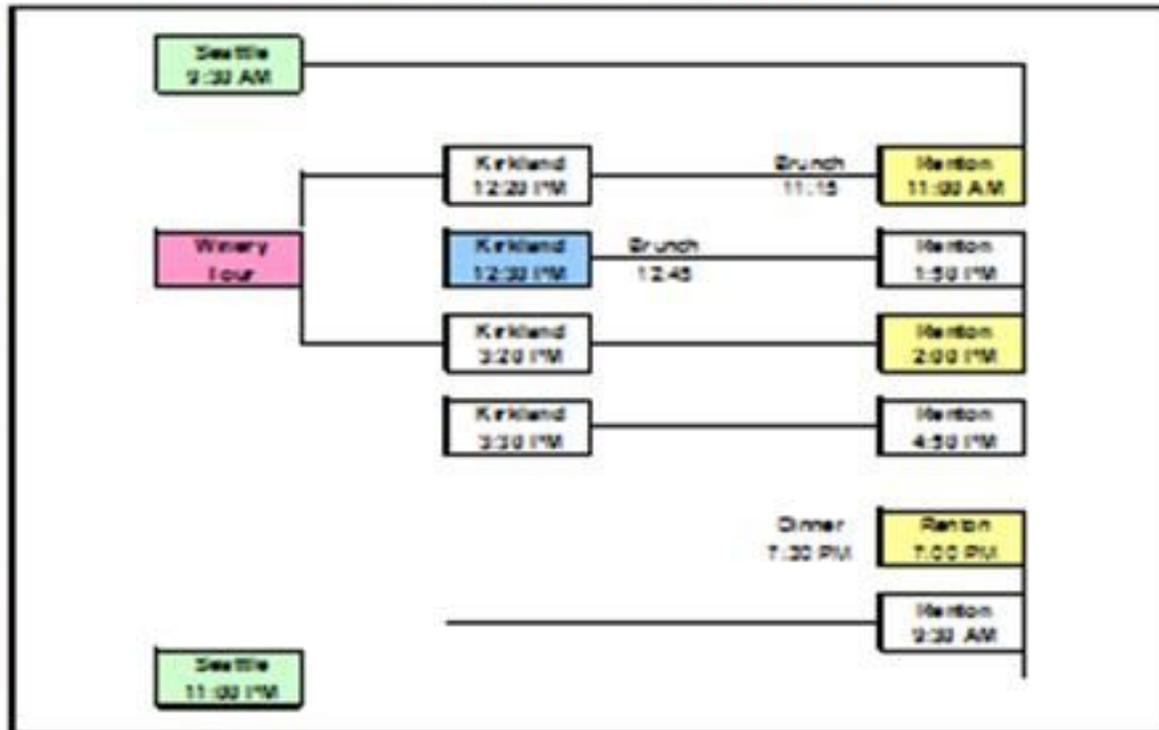
Sunday Schedule - First Departure From Kirkland



Boarding in Renton Boarding in Kirkland

Lake Washington Dining Cruises

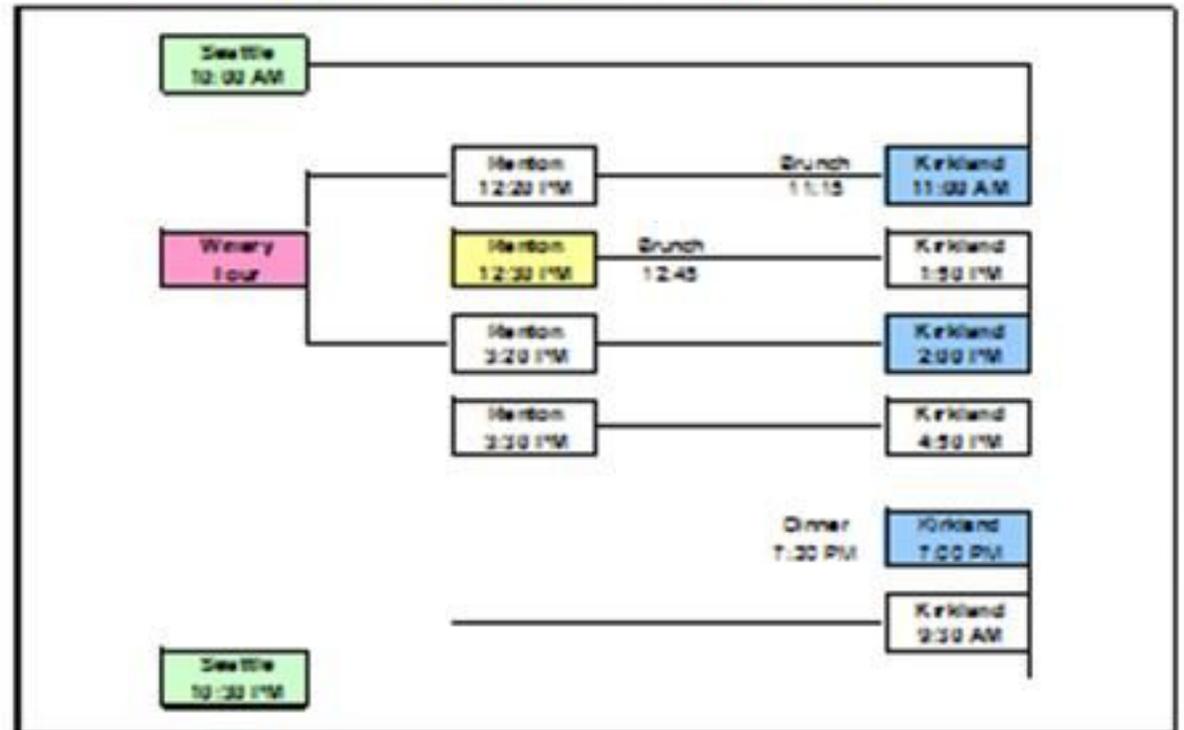
Saturday Schedule - First Departure From Renton



Boarding in Renton Boarding in Kirkland

Lake Washington Dining Cruises

Saturday Schedule - First Departure From Kirkland



Boarding in Renton Boarding in Kirkland

Operations Plan -2010

- **Start of Operations** – May 6, 2009
- **Public Cruises**
 - More than 157 *new* cruises per year
- **Private Yacht Charters**
 - Approximately 75 cruises/year

Passengers (each year)

- **Public Cruises**

- Sightseeing cruises = 2,000 *new* passengers
- Brunch cruises = 2,500 *new* passengers
- Dinner cruises = 2,500 *new* passengers
- Party Cruises = 1,500 *new* passengers
- Special events cruises = 1,000 *new* passengers
- Total public cruise passengers = 9,500 *new* passengers

- **Private Yacht Charters**

- 75 cruise events = 4,500 passengers

- **Total Passengers**

- 14,000 passengers

Revenues (each year)

- **Public Cruise Revenues**
 - Sightseeing cruises = \$65,000
 - Bruch cruises = \$100,000
 - Dinner cruises = \$175,000
 - Party Cruises = \$60,000
 - Special event cruises = \$65,000
 - Total Public Cruise Revenues = \$465,000
- **Private Yacht Charter Revenue**
 - Private yacht charters = \$375,000
- **Total Revenues**
 - Total Cruise Revenues = \$830,000

Direct Economic Benefits for City of Kirkland (each year)

- **Monthly Dock Rental** = \$1,653.75/month
(\$15.75/LF) beginning 5/1/10
- **Estimated parking revenues** = estimated at
\$5,000/year
- **Estimated sales tax receipts** = \$55,000/year
 - Portion Allocated to the City of Kirkland =
\$14,500/year
- **Total benefits to City of Kirkland in 2009** =
\$39,000+

Community Outreach

- **Donations to Community Based Organizations**

- Waterways principal owner is active in the Puget Sound educational and religious community:
 - Served on the Mercer Island School Board
 - Served on the Board of Trustees of University Preparatory School, Seattle, WA
 - Served on the Board of Trustees of Saint Martin's University, Lacey, WA
 - Serves as a faculty member in the MBA program at Saint Martin's University
 - Serves as the real estate advisor to Saint Martin's Abbey
- Waterways donates its facilities and vessels annually, free of charge, to over 15 charitable causes, primarily in support of local and regional educational institutions and cancer prevention/research organizations.

- **Discount Programs**

- Waterways offers discounts on its public cruises to all seniors and military personnel.
- Waterways offers heavily discounted cruises for high school graduation parties to keep teenagers safe on the riskiest night of their life.

Community Outreach (continued)

• Purchasing Programs

- Waterways has a “Buy Northwest” preferential purchasing policy focusing on purchasing locally produced food and beverage products.
- Waterways has a “Buy from Small Business” preferential purchasing policy supporting other local and regional small businesses.

• Community Based Hiring Policies

- Waterways actively recruits students at local colleges to provide employment support for students paying for their own education.
- Waterways actively recruits and employs minority employees:
 - Over 25% of Waterways employees are from African-American, Hispanic, and Asian cultures.
- Waterways actively recruits and employs women employees:
 - Over 50% of Waterways employees are women.
 - Over 50% of Waterways management employees are women.
- Waterways employs senior citizens.
- Waterways has a “drug free” employment policy:
 - All employees must pass a pre-employment drug test.
 - All employees are drug tested randomly in a USCG approved drug testing program.
 - Any employee found violating the “drug free” policy is immediately terminated.

Community Outreach (continued)

- **Green, Clean & Lean Initiative**

- Waterways is currently working with the City of Seattle and local utility and service providers to reduce its carbon foot print:
 - Reduce the amount of garbage generated by its operations.
 - Recycle paper, food, and oil waste.
 - Reduce electrical power, natural gas and water usage.
- Waterways recently reduced its diesel fuel consumption by 20% and will be reducing it further in 2010 after approval by the USCG of a change in operational policies:
 - Operating at slower vessel speeds results in significant reduction in diesel fuel consumption and generation of diesel particulate
 - Operating vessels underway on one engine in conditions where such operation does not compromise operational safety.
 - Using low carbon diesel fuel and fuel additives that reduce fuel consumption and diesel particulate discharge.

Kirkland Docking Requirements

- **Kirkland Marina Park Tour Dock, Kirkland, WA**
 - **Location of moorage area** - westerly 105' of the existing dock frontage, south side of the dock.
 - **Electrical power** – City of Kirkland installation including dock lighting and kiosk.
 - **Water** – City of Kirkland installation.
 - **Sewerage** – use of existing pump-out facility located on the Second Avenue Dock.
 - **Dock lighting** - adequate for passenger access to leased dock area, boarding and security 24/7
 - **Secured area** – not required.

Proposed Contract Terms

- **Moorage**

- Exclusive use of 105' of moorage located on the west end of the south side of the Kirkland Marina Park Tour Dock.

- **Initial term of contract** - 3 years

- Options to extend lease under mutually agreeable terms (if available) - Three terms of 3 years each

- **Per month moorage rental** - \$1,653.75 per month

- **Contract initiation date**

- 5/1/10

- **Utilities**

- Electricity and water provided on the dock by the City of Kirkland with the service cost to be paid for by Waterways Cruises.

Proposed Contract Terms

(continued)

- **Landlord Improvements**

- Refurbish/upgrade existing 50 amp metered electrical and phone service to shed/kiosk.
- Install 100 amp metered electrical service to moorage location.
- Install 60 psi of water service to dock and shed/kiosk
- Access to existing sewerage pump-out on the Second Avenue Dock as needed.
- Dock lighting adequate for passenger access to occupied dock area, boarding and security 24/7.

Proposed Contract Terms

(continued)

- **Payment for Landlord Improvements**
 - City of Kirkland to provide, electrical power, water, sewerage access and dock lighting at their cost.

Proposed Contract Terms

(continued)

- **Tenant Improvements** (at Waterways sole cost)
 - **Portable shed/ticket kiosk** (approximately 6'x18') to be located at east end of dock – design/location to be approved by the City of Kirkland
 - **Customer waiting area** located at west end of dock to include seating for customers - design/location to be approved by the City of Kirkland
 - **Signage** (described in following section)
 - **Seasonal tent at the west end of the dock** - design/location to be approved by the City of Kirkland

Proposed Contract Terms

(continued)

- **Public access area**
 - Dock east of park.
- **Private access areas**
 - Vessels - Waterways passengers and employees only
 - Operations “shed” and ticket booth – Waterways employees only

Proposed Contract Terms

(continued)

- **Signage** (at Waterways sole cost)
 - “A-board” signage on Second Avenue to east of dock
 - “Banner” signage on the dock (similar to that located at Waterways Seattle HomePort)
 - Vinyl covered canopy (similar to that located at Waterways Seattle HomePort) with Waterways logo facing east and west
 - Appropriate signage on shed/ticket kiosk located at east end of dock

Business References

Skipperliner Industries, Inc - Vessel Manufacturer

Mr. Noel Jordan. President
Skipperliner Industries, Inc.
127 Marine Drive
La Crosse, WI 54603

Cell 608-304-6635
Fax 608-784-7778
E-mail jordann@skipperliner.com

Business References (continued)

US Foods— Food Supplier

John Sutley

U.S. Foodservice

2204 70th Avenue East, Suite 100
Fife, WA 98424-3600

Phone: 253.620.9000 or 800.572.3810

Additional Business References (information available upon request)

Select Credit – equipment leasing

Fisheries Supply – marine supplies

Alaska Distributors – beer & wine supplier

Tomlinson Linen – linen service

Morrison's North Star Marine – diesel fuel supplier

Customer References

Washington State Hospital Association – Customer

Randy Revelle, Senior Vice President
Washington State Hospital Association
300 Elliott Avenue West
Suite 300
Seattle, WA 98119

Phone 206-281-7211
Fax 206-283-6122

Microsoft – Customer

Jillian McLain
1 Microsoft Way
Redmond, WA 98052

Phone 425-705-8257
E-mail jillianm@microsoft.com

Customer References (continued)

Seattle Hospitality - Customer

Carol Riddle
Seattle Hospitality
1000 Dexter Avenue N.
Seattle, WA 09109

Phone 206-270-3422
E-mail carol@seattlehospitality.com

Additional Business References (information available upon request)

- Gates Foundation
- Microsoft
- Polygon Development
- Russell Investments
- Boeing
- Grad Nights
- Tauck World Discovery Tours
- University of Washington

Safety

- **Safety Management**

- Safety and Risk Management is a key factor in Waterways Cruises' passenger vessel operations.
- Waterways' Senior Captain is in charge of all safety related issues and crew training programs
- Waterways' vessels are inspected, maintained and operated under the strict supervision of the US Coast Guard.
- Vessels are operated at all times by US Coast Guard licensed, supervised and regulated master mariners.
- Waterways is a long-standing member of the Passenger Vessel Association and participates in all safety education and training developed and provided by PVA.
- All Waterways vessels are equipped with USCG required safety equipment.
- All vessels have direct radio and cell phone contact with all local emergency services at all times.
- All safety incidents are reported, as required, to the USCG.
- All Waterways vessels are operated in accordance with Waterways Cruises' Safety Management Manual.

Safety (continued)

- **Crew Safety Training**

- All vessel crew employed by Waterways must pass a pre-employment drug test and are drug tested on a continual random basis under a USCG approved drug testing program.
- All vessel crew undergo new employee safety training, and continual retraining, including training in firefighting; preventing trips and falls; personal safety for the crew member; line handling; and the use of life saving equipment. These training programs and exercises are monitored by the USCG.
- All vessel crew, other than the vessel captain, hold local and state food handler and bartender permits and licenses; have participated in the qualification training to obtain these permits and licenses; and continually undergo company sponsored re-training in safe food and beverage handling.
- A majority of each vessel crew have undergone CPR and First Aid training.
- Crew training and re-training is a continual as well as a periodic activity at Waterways Cruises.

Safety (continued)

- **Safety Record**

- Waterways Cruises has an enviable record of safety.
- No passengers have been seriously injured in 17 years of operation.
- No crew members have been seriously injured.
- There have been no serious safety incidents involving Waterways vessels in its 17 year history of operation

Security

- **Vessel Security Plan**

- Waterways Cruises operates its vessels subject to the Marine Transportation Security Act (MTSA), as administered by the USCG and Department of Homeland Security.
- The USCG officially designated the *PVA Industry Standard for Security of Passenger Vessels and Small Passenger Vessels and their Facilities* as an approved Alternative Security Program required under the MTSA.
- Since 2002 Waterways Cruises has used the *PVA Industry Standard for Security of Passenger Vessels and Small Passenger Vessels and their Facilities* as its Vessel and Facility Security Plan.
- This Vessel and Facility Security Plan is monitored by the USCG and the Department of Homeland Security on an annual and random basis.

Security (continued)

- **Crew Security Training**

- Crew training on security is administered on an ongoing and periodic basis.
- The *Security System Awareness for Passenger Vessels* course developed by the National Transit Institute and the PVA Safety and Security Committee is given to vessel crew on an annual basis each spring.

- **Vessel and Dock Security**

- Waterways will immediately report any security breaches of the vessel or any secured dock area to local law enforcement agencies.

Dock Damage & Repairs

- **Minor Repairs to the Kirkland Marina Park Tour Dock**
 - Minor repairs will be completed by Waterways personnel or third party vendors
- **Damage to Kirkland Marina Park Tour Dock**
 - Damages to the dock which result from use by Waterways Cruises will be covered by Waterways' insurance carrier with the deductible covered by Waterways.
 - Waterways' Senior Captain is the liaison to the City of Kirkland, the USCG and our insurance carrier for handling all damage and other incidents
 - All damage incidents will be reported to the City of Kirkland within 24 hours of occurrence, including a full description of the damage, the anticipated cost to repair and proposed repair schedule.
 - All major damage repairs will be permitted in the normal course by the City of Kirkland and shall be in full compliance with all federal, state and local jurisdictions having jurisdiction over the Kirkland waterfront.

Documentation & Reporting

- **Payment of Contract Compensation**
 - Moorage charge will be paid monthly in advance.
- **Kirkland Tour Dock Activity Report**
 - Quarterly report to be prepared by Waterways
 - Report to include the following information.
 - Number of cruises originating from the Kirkland Tour Dock - all vessels; by vessel.
 - Number of passengers boarding at Kirkland – public cruises & private yacht charters - all vessels; by vessel.
 - Revenues generated by all vessels using the dock – public cruises & private yacht charters.
 - Sales tax revenue generated by all vessels using the Kirkland Tour Dock.
 - B & O taxes generated by Waterways use of the Kirkland Tour Dock.
 - Expenses of operating the Waterways HomePort at the Kirkland Tour Dock.

Additional Information

- **Passenger Vessel Association**

- Waterways Cruises has been an active member in good standing of the Passenger Vessel Association (www.passengervessel.com) for 17 years.

- **Insurance**

- Waterways is a participant in the *Passenger Vessel Association Endorsed Insurance Program*.
- \$2,000,000 liability insurance; vessel hull insurance; dock insurance; etc.

- **Accident, Safety & Security Procedures**

- Waterways is a PVA participant/signatory to the USCG approved Security Plan - *Industry Standard for Security of Passenger Vessels and Small Passenger Vessels and their Facilities*

Additional Information

(continued)

- **Legal name**
 - Waterways Holdings Corporation
- **Trade names**
 - Waterways Cruises and Events
 - *Lake Washington Dining Cruises*
 - Lakeside Event Center
 - CaterArts Catering
- **Tenant contact**

S. Hilton Smith, President
Waterways Holdings Corporation
205 NE Northlake Way
Suite 240
Seattle, WA 98105

Cell 206-999-2500
Fax 206-223-2066
E-mail hiltonmail@aol.com

For additional information contact:

S. Hilton Smith

Waterways Holdings Corporation

Waterways Cruises & Events

Lake Washington Dining Cruises

206-999-2500

hiltonmail@aol.com



January 22, 2010

City of Kirkland
Attn: Barry Scott – Tour Dock RFP
123 5th Ave
Kirkland, WA 98033

RE: Tour Dock RFP 2010

Dear Mr. Scott:

We are pleased to submit this proposal to operate the historic ferry MV Kirkland from the Marine Park Tour Dock. We are submitting our proposal for consideration by the City of Kirkland Parks & Community Services (KPCS) to utilize dock space at the Kirkland Marina for commercial tourism use.

Pending the necessary permits and approvals required for the new *MV Kirkland Cruises* vessel operations from the Marina Park Tour Dock, we expect scheduled and charter cruise services to begin around April, 2010. The company anticipates operating on an almost year-round schedule ranging from 5 to 7 days a week, with multiple daily departures offering private charter and public themed cruises. *MV Kirkland Cruises* will take a different approach from that of other cruise operators. Instead of the typical Lake Washington sightseeing cruise of Bill Gates house, our company intends to take a more local and creative approach to the new *MV Kirkland Cruises* cruise / tour and event business, emphasizing historic and educational components and materials.

The vessel we would be operating from the Marina Park Tour Dock is the MV Kirkland. She is a historic vessel launched in Astoria, Oregon in 1924. She measures 110' long, has a 36' beam, and draws 6' in depth. The MV Kirkland has been in continuous service for the last 86 years and has many years of service still left in her. For her entire career she has operated as a ferry and tour boat and has developed a loyal following in Kirkland in her last 14 years of operation there. She also saw service during WWII as a mine layer across the mouth of the Columbia River. The MV Kirkland was added to the National Register of Historic Places in 1997 under her original name The Tourist II. She is a vessel with a wealth of history, character, and charm that is very much in keeping with the character of downtown Kirkland. For additional information about the MV Kirkland, please see the attached historical summary.

We are requesting to lease 110' of dock space on the south side of the Marina Park Tour Dock. Infrastructure requirements beyond what is already available are expected to be modest. We would want the option of installing a Ticketing / Operations booth / facility near the dock and similar to that of Argosy's ticketing booth. On the south side of the pier we would need to install steel mooring knees with UHMW wear surfaces for the vessel to bear similar to what is installed on the north side of the pier. On those mooring knees we would also incorporate mooring cleats and bollards for securing mooring

lines. It is our understanding that a power pedestal with 100 amps of 240 volt single phase electricity and a ¾ inch water connection will be provided by the city for the use of the mooring tenant on the south side of the Tour Dock. This base power and water connection is sufficient for our needs. We also anticipate installing either on the pier near the boarding ladder, or at a point of sale ticket booth near the base of the pier, a public information board describing the history of the MV Kirkland and her long career in and around Washington, Oregon, Puget Sound, and Lake Washington. This information would tie in with the City's own information on display about Marina Park being the historic site of the Kirkland ferry dock and help to emphasize the connection to the location and the past.

Below are the salient evaluations that the panel has requested the applicants address:

Tourism:

The company's primary market focus will be in building its tour and private charter business from surrounding communities and businesses most of which are within a 10 to 15 mile radius from Kirkland. Lake Washington's growing 'eastside' business sector, the growing demand for 'closer to home' tourism experiences ("StayCations") and the focus of packaged tour operators and the cruise industry in bringing vacationers to Seattle are key sources of business.

The company's vision and intention for the business, knowing well the focus and past activities of Argosy Cruises and other vessel operators in the region, is to attract individual and group clientele to our Kirkland based cruises from the eastside communities around Lake Washington. The approximate 15-mile length of territory running north to south and the occupying communities hold a significant population base and more than enough to drive the company's business initiatives. As an example, the City of Renton supported the now defunct *Washington Dinner Train* for many years bringing over 100,000 riders annually to the area.

A number of unique public cruises and program elements are planned, including incorporating the rich, mostly untold history of the region, entertainment themes, family and children programs, educational events, Lifelong Learning Programs for seniors, and much more. Hosted by volunteer docents, historians and entertainers, thematically and creatively designed themed cruise and land based tours will be offered depicting the rich 100-year history of the eastside of Lake Washington. These 'points of difference' will capitalize on the range of popular tourism, social interests and group meeting activities up to this point not available in the region.

In addition to the quality of the tours, charters and events we would host on the MV Kirkland, the vessel itself is a draw to those who appreciate the Pacific Northwest maritime history and traditions. The MV Kirkland is on the national historic register (under its original name the Tourist II) and has been in continuous operation in the Northwest since her launching from the Astoria Shipyard in 1924. With the exception of the Virginia V, there is no other vessel operating in and around Seattle that can match her history, charm and character.

Community:

Work would begin immediately once the dock and moorage rights are approved by the City of Kirkland Parks & Community Services, to execute a business plan designed to create a new and distinctive cruise/tour operation from the Marina Park Dock in Kirkland. The new operating company for the MV Kirkland, to be named *MV Kirkland Cruises*, expects to initiate working relationships with a variety of public and private entities within the City of Kirkland, and surrounding areas, each intended to benefit

the community, local businesses and the cruise operation. Our positioning of the *MV Kirkland* this spring is not directly intended to either conflict with nor directly compete with any other vessel operator.

We recognize as a high priority the value in immediately creating a direct relationship with the Kirkland business community and various other public and private entities. This effort will help the company in its sales as well as increase the overall tourism and downtown business activity. A major focus and objective of the *MV Kirkland Cruises* operating company, in contrast with the existing Seattle based cruise vessel operators, will be to establish and operate the company from a location in the City of Kirkland.

The new *MV Kirkland Cruises*, once in operation will stand-out as a distinctive and appealing tourism icon for the community of Kirkland and those interested in visiting the region. With an interest in emphasizing the region's numerous visitor attractions, in addition to our own cruise programs, the company will cross-promote its public tour and private charter cruise packages with other local tourism attractions. This will be done through the company's web-site and other marketing venues in development.

Ongoing community involvement will play a major role in building our public and private charter cruise business. With an interest in benefitting from certain operating efficiencies, a range of onboard amenities and services will be provided by third party contractors. This may include partnerships with local caterers, food service wholesalers, entertainers, florists and a variety of other small merchants with the ability to provide needed contractor services. The company will further align itself with eastside hotels, restaurants and event planners with the intention of having them provide other onboard services to *MV Kirkland Cruises*. As an adjunct to its cruise business the company intends to work towards adding a packaged tour operation, intended to promote and sell other non-cruise regional attractions.

The company's management understands the value of being a part of the business community in Kirkland and intends to work closely with various organizations to support their causes. This includes working to help advance the City Managers economic development efforts, including the "*Explore Kirkland*" campaign and collaborating with the Lodging Tax Advisory Committee's (LTAC) in their efforts. A unique aspect of the cruise programs will be a series of creatively developed regional historical and cultural onboard interpretive programs, illustrating a 100 Year History of the region. *MV Kirkland Cruises* will seek out support from the *Kirkland Cultural Council* and *Kirkland Heritage Society* in the development of the programs and staffing with Docents and historians.

Accident and safety procedures

The company and its management are experienced in developing and executing formal marine management plans, each of which support USCG requirements and all regional and federal regulators. A summary of Marine Management Activities and Disciplines is as follows:

- Ongoing Planned Maintenance Schedules
- Application of Engineering Management System (EMS)
- Unscheduled and Preventative Maintenance Programs
- USCG Repair Requests
- Condition Reports

- Equipment Management
- System Implementation
- Crew safety training (Emergency First Aid and Fire Fighting)
- Annual Vessel Inspections
- Hazardous Material Handling
- For more detailed information on the MV Kirkland accident and safety procedures, please see the attached vessel and facilities maintenance plan.

The above referenced procedures and training go a long way to preventing or mitigating any damage from occurring. In addition, the mooring knees proposed in the tenant improvements section will provide a low friction mooring surface and distribute vessel loads over a greater area of the wood pier to minimize wear and tear on the pier structure. However, in the event of an accident causing damage to the pier, we would undertake to repair the structure in a professional and workmanlike manner as quickly as possible while obtaining all required permits from the City, State, and Federal permitting agencies. In the event of a spill or releases of hazardous materials or liquids, we would deploy on board containment booms and absorption materials, call our environmental response contractor, and notify the Coast Guard and DOE. From that point all cleanup would be handled in accordance to the regulatory requirements.

Business Experience:

The newly formed *MV Kirkland Cruises* operating company is planned with the support of the Don Stabbert organization. The Stabberts are partial owners in the MV Kirkland ferry and experienced marine facility and vessel managers. The new operation will be headed by Brooke Stabbert. The Stabbert family and their related companies bring financial support for the project and an expert knowledge gained from operating a variety of vessels in local and international waters for multiple generations. The Stabbert family companies are aimed at supplying vessel moorage, maintenance, management, and support services to virtually every aspect of the marine industry. Whether building moorage and shipyard facilities, refitting and retasking vessel platforms such as the MV Kirkland, or providing services directed to luxurious super yachts, the Stabberts are experts in the field. Brooke Stabbert is third generation commercial maritime, former USCG licensed merchant marine ship's engineer, with a master's degree in business and finance from the Kellogg School of Management. To add to this considerable experience and run day to day operation of the new *MV Kirkland Cruises*, the company is in discussions with an accomplished cruise and tour executive with 20 years of entrepreneurial expertise in designing, launching and operating smaller tourism based cruise lines and hospitality oriented companies. While the operating company *MV Kirkland Cruises* will be new, the experience and backing behind is not. There are two additional in office staff to run marketing and reservations and we will hire a new captain/marine superintendant to run the vessel with two deck hands.

The MV Kirkland was purchased and refit in 1995 and since then has been chartered to Argosy Cruises. During the past 13 years Don Stabbert been responsible for maintaining the vessel hull and overseeing haul outs and repairs and have done so successfully. Unfortunately, we are in dispute with Argosy regarding their obligations to maintain the vessel and it is not appropriate to list them as a reference as

a tour boat client. We can provide multiple references of our abilities as skilled marine business and vessel operators and have done so below.

References:

1. Paul Wilcox
Waterfront Construction
205 NE Northlake Way, #230
Seattle, WA 98105
(206) 548-9800 ph
(206) 548-1022 fax
We have worked with Paul and his company to build and maintain the Kirkland Homeport Marina and the Salmon Bay Marine Center.

2. Rich Haynie
Rich Haynie Insurance
2 Nickerson Street, Suite 302
Seattle, WA 98109
(206) 634-1770 ph
(206) 634-1787 fax
Rich is our marine insurance provider.

3. Don Cummings
Elite Electrical
P.O. Box 29165
Bellingham, WA 98228-1165
(360) 647-8050 ph
(360) 647-0050 fax
Don owns Elite Electrical, a marine electrical contractor who has worked for us on numerous marine projects.

4. Patsy Mallory
US Bank Private Client Group
10800 N.E. 8th St, Suite 500
Bellevue, WA 98004
(425) 450-5677 ph
(425) 450-5690 fax
Patsy is our banker.

5. Frank Firmani

Charter Construction
2400 NW 80th. St. #162
Seattle, WA. 98117
(206) 706-3010 ph
(206) 382-0450 fax

Frank's company Charter worked with us to build the Salmon Bay Marine Center.

6. Craig Hatton

Hatton Marine
4735 Shilshole Ave NW, Bld A
Seattle, WA 98107
(206) 283-5501 ph
(206) 283-5639 tax

Craig Hatton is the owner of Hatton Marine and has worked on many of our vessels.

Compensation:

We propose to lease a 110 foot section of the Marina Park Tour Dock for a period of three years. For the first year we propose to pay \$16.00 per foot per month for a total payment of \$1,760.00 plus electrical use billed by the kilowatt hour. Electrical use shall be metered separately and rates shall be equal to the same rate the city of Kirkland is billed per kilowatt hour plus an administrative fee for processing the bill. For the second year of operation we propose a moorage rate of \$16.50 per foot per month plus utilities. The third year would be \$17.00 per foot per month.

The operational revenues and expenditures will be recorded in the Company's books of record which are maintained on the cash basis recognizing revenue and expenses at the time physical cash is actually received or paid out. The company files annually both the Federal Tax Form 1065 and the Washington State Excise Tax Return. The company will also file any reports of revenues and expenditures required under its Kirkland business license.

Thank you for considering our proposal. Please do not hesitate to contact me if you have any questions.

Sincerely,



Brooke Stabbert
MV Kirkland Cruises
2292 W Commodore Way, #200
Seattle, WA 98199
(206) 963-9057 ph
(206) 260-3953 fax
bstabbert@westwater.com

MV Kirkland History (formerly the Tourist II)



- *The ferry was launched in Astoria, Oregon on June 23, 1924 as the Tourist II for Captain Fritz Elfving to run service as a 22 car ferry boat from Astoria to Megler, Washington (near Ilwaco, Wa.).*
- *With the outbreak of WW II the Tourist II was purchased by the armed services, renamed the Octopus, and was operated as a troop transport across the Columbia River.*
- *On June 21, 1942 the Japanese submarine I-25 surfaced off the Oregon coast and shelled Fort Stevens, just 5 miles west of Astoria, and soon thereafter the ferry was converted into a minelayer and worked across the mouth of the Columbia River.*
- *After the war, the Department of Defense sold the Octopus back to Capt. Elfving who rechristened her the Tourist II. She went back to work on her ferry run until 1966 at which time the Astoria Bridge was completed and the ferry run became obsolete.*
- *In 1967 the Tourist II was sold to Pierce county transit and renamed the Islander of Pierce County. She went under a major renovation having the 2nd deck raised by 2' to accommodate oversized service vehicles. She ran from Steilacoom to McNeil and Anderson Islands.*
- *By the early 1990's The Islander of Pierce County became the back up to the backup boat, basically sitting unused as a ferry boat for about 3 years before being acquired by the Kirkland Ferry LLC. in November of 1995. She went through an \$800,000 remodel and refit, was renamed the M.V. Kirkland and in June, 1996 was placed in service as a tour and charter boat operating out of downtown Kirkland on Lake Washington.*
- *The M.V. Kirkland has carried hundreds of thousands passengers on Lake Washington public tours, private charters and special events during her career as a tour boat.*
- *On April 15, 1997 the M.V. Kirkland was added to the National Registry of Historic Places under her original name of Tourist II.*

MV Kirkland Cruises

Vessel & Facilities Maintenance Plan

Submitted To:

The City of Kirkland Parks & Community Services (RFP Process)

Submitted By:

Brooke Stabbert
President
BStabbert@WestWater.com
2292 W Commodore Way, #200
Seattle, WA 98199
Phone 206-450-9100
Email bstabbert@westwater.com
URL www.sbmceseattle.com

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1. Introduction to the MV Kirkland Equipment Maintenance Plan

A Comprehensive and expert approach to managing the development, introduction and operation of the MV Kirkland

A. Equipment Description

A detailed outline of specific marine equipment and a report on the condition of the vessel will be developed within 30 days after the approval of the docking and moorage agreement is set for the Kirkland Main Street Dock location. At this time specific information is unavailable from Argosy Cruises who has overseen the maintenance of the vessel. Generally speaking, the working *Maintenance Plan* will be developed and managed by our Senior Captain / Marine Superintendent around several key factors; including the diesel engines, wooden hull design, steel superstructure, AC and DC power, navigation and safety equipment and etc.

It is not believed that the current operators maintained such a comprehensive tracking, oversight or recording of information related to the vessel's maintenance activities and requirements. This is to be determined upon return of the vessel to the owners along with all maintenance records. The EMS system of marine management is integral to any professionally run cruise operation and involves collecting, cataloging and acting on vessel and facility maintenance requirements.

B. Our Operational Goals

As the new operators of the MV Kirkland Cruises we intend to take a highly disciplined and thoughtful approach to the care and safety of the vessel, the crew, our passengers, and surrounding property and facilities. Safety is our highest priority. A new *Vessel Engineering Management System (EMS)* will be prepared within 30 days of the return of the MV Kirkland to the company and will be designed to achieve the following goals:

- Promote a safe working environment through effective maintenance practices
- Ensure all vessel maintenance is done in a timely manner
- Record the completion of all planned maintenance tasks, in order to provide verification and generate equipment history
- Identify required repairs, and provide a means of recording repairs completed on the vessel
- Provide a means of notifying office and management personnel of required repairs that cannot be completed onboard the vessel
- Build a knowledge base of information related to vessel equipment, vessel equipment maintenance, and technical information resources on the vessel
- Fulfill regulatory compliance concerning vessel equipment

C. Philosophy

The general philosophy of the *MV Kirkland Engineering Management System (EMS)* is to combine planned and unscheduled maintenance activities into one system in order to provide an accurate history of all equipment and make this information readily available. Depending upon the specific application, this system can be purely paper-based, fully digital or a combination of the two.

D. Application of *MV Kirkland Engineering Management System*

To the extent possible, a thorough evaluation of the needs of the operation is currently underway. This is being evaluated through our 'on-staff' marine management experts and outside marine surveyors familiar with the vessel. From this analysis a fully digital and workable EMS package will be developed illustrating the most effective approach to bringing the MV Kirkland to a higher standard, esthetically and mechanically to accommodate the requirements of the new and expanded cruise operation.

E. Equipment (*MV Kirkland*) System Design

The EMS is made up of several binders:

- **Primary Binder** – referred to as the EMS Binder, contains system directions and general information, divided into the following sections:
 - Planned Maintenance
 - Unscheduled Maintenance
 - System Implementation
- **Supporting Binders** – referred to as the System Binders, divided by shipboard systems as classified by the Vessel System / Equipment List, containing the following:
 - Planned Maintenance Task Sheets
 - Equipment History Logs
 - Equipment Information Forms
 - Technical Reference Information Forms

The System/Equipment list is a vessel specific classification of all vessel equipment into a hierarchy of systems, system groups, and equipment. The list assigns a unique equipment code to every step in the hierarchy, which is used by various parts of the EMS to refer to specific equipment. The System/Equipment list is included in this section.

2. Planned Maintenance

The *EMS Planned Maintenance System* is a collection of maintenance tasks that occur at regular intervals:

- weekly, Weekly Task List
- monthly, Monthly Task List
- annually, Annual Task List or
- hourly Task List

For each occurrence of each task that the EMS anticipates, an individual *Planned Maintenance Task Sheet (PMTS)*, usually prepared by the MV Kirkland Captain/s is included in the appropriate system binder, grouped according to occurrence interval.

Task Schedules included in *the Planned Maintenance* section of the EMS binder summarize the task schedules and provide a means of tracking planned maintenance progress over time.

A. Weekly

The Weekly Task Schedule is a day by day listing of all planned maintenance tasks that must be completed on a weekly basis. These tasks are each assigned to a specific day of the week. On a daily basis, the appropriate engineering staff member will look up the 'Weekly Planned Maintenance Job' sheet for the assigned tasks in the '*Planned Maintenance – Weekly*' section of the appropriate system binder. This sheet provides additional details regarding the task, and

space to record weekly completion information. After completing the task, the responsible individual should enter their name, position, and initials onto the job sheet, along with the date of completion, and any comments / observations regarding the work. The Weekly Planned Maintenance Job sheet in this way acts as a weekly log of each task.

B. Monthly

The Monthly Task Schedule is a chronological list of all maintenance tasks that occur on a monthly (or multi-monthly) basis, listed as a week by week maintenance schedule for the season. This list should be reviewed frequently by vessel engineering personnel in order to anticipate upcoming maintenance tasks. As tasks are identified by the task schedule as due, vessel engineering personnel should look up the associated Planned Maintenance Job sheets in the 'Planned Maintenance – Monthly' section of the appropriate system binder. The job sheet lists additional details regarding the maintenance task, and provides space for completion information. Upon completion of the task, the responsible person should enter the appropriate completion information to the job sheet, and initial the Monthly Task Schedule for that specific task, indicating that the work has been completed.

C. Annual

The Annual Task List is a collection of all maintenance tasks that occur on an annual basis. Tasks are listed by system, and include a box where engineers can indicate task completion by entering their initials. When a task is to be completed, the responsible person should look up the Planned Maintenance Job sheet in the 'Annual' section of the appropriate system binder. The job sheet lists additional details regarding the maintenance task, and provides space for completion information. Upon completion of the task, the responsible person should enter the appropriate completion information to the job sheet, and initial the Annual Task List for that specific task, indicating that the work has been completed. At the beginning of the season, the vessel chief engineer should review the Annual Task List, and sign off on Planned Maintenance Job Sheets for each annual maintenance task sheet that was completed during the off season.

D. Hourly

The Hourly Task list is a chronological listing of planned maintenance tasks that are completed based on observed equipment hours, grouped by individual pieces of equipment. At the beginning of the MV Kirkland's season, engineering personnel will enter the date and equipment hours in the space provided in the equipment header of the list. The list should be consulted periodically to anticipate when the next task is due, as dictated by observed hours. Anticipated due dates are also provided as a guideline. As tasks are identified as due, vessel engineering personnel should look up the associated Planned Maintenance Job sheets in the 'Planned Maintenance – Hourly' section of the appropriate system binder. The job sheet lists additional details regarding the maintenance task, and provides space for completion information. Upon completion of the task, the responsible person should enter the appropriate completion information to the job sheet, and initial the Monthly Task Schedule for that specific task, indicating that the work has been completed. When initialing the Hourly Task List, the responsible person should also fill in the 'Estimated' Hours for the next occurrence of that specific task.

3. Unscheduled Maintenance

The *EMS Unscheduled Maintenance System* is designed to track identified deficiencies on the vessel. Any crew member of staff member working on the MV Kirkland who notices a piece of equipment needing repair, or a deficient material condition can identify the deficiency with a *Repair Request* form. Vessel engineering personnel record the deficiency, and make the appropriate repairs. In the event that the problem cannot be rectified by vessel personnel, shore-side engineering staff is notified by means of a Condition Report, which is completed by the vessel chief engineer (or designee) and relayed to the vessel operations office. Please see

the Unscheduled Maintenance Section of the EMS binder for more detailed information regarding the Unscheduled Maintenance system forms and instructions.

A. Repair Requests

Any item that is noticed to be deficient on the vessel should be addressed by completing a Repair Request form. Any crew member, office staff member, or passenger can complete a Repair Request form. On a daily basis, the Chief Engineer (or designee) shall record received Repair Request Forms onto the Repair Request Log, located in the Unscheduled Maintenance Section of the EMS Binder. The Chief Engineer shall then assign personnel to remedy the identified problem. If it is determined that the problem cannot be completed by vessel personnel, or if materials required to complete the repairs exceed \$500.00, the ferry's Captain or Marine Superintendent shall complete a *Condition Report* for the identified Deficiency. Repair request items that become Condition Report items should be noted in the Repair Request Log.

B. Condition Reports

When a problem is identified on the vessel that cannot be corrected by vessel personnel, or that requires materials costing more than \$500.00, the problem should be addressed by the completion of a Condition Report. (Note: If the deficiency is related to a casualty or other incident, vessel personnel should follow directives listed in the vessel emergency plan. Issues with urgency ratings of Orange or below should be handled by the Condition Report process.)

4. Equipment Management

One objective of the EMS is to develop a historical record for all equipment on the vessel, in order to promote continuity. Completed planned maintenance task sheets make up a significant portion of this historical record. Additionally, retained Condition Reports detailing the identification and correction of specific problems on the vessel are also part of the EMS equipment history. In order to capture information about equipment that is not related to planned or unscheduled maintenance, the EMS provides Equipment

A. History Log Sheets

Equipment History Log Sheets will be located in the Equipment History portion of each System Binder section, and are used to record miscellaneous notes about vessel systems or equipment. Log entries can be made by any engineering staff member. When making a log entry, the following fields should be completed:

- **Date** Date that the log entry is made
- **Equipment Code** Equipment Code number for the equipment involved (listed on the vessel's System / Equipment List)
- **Notes** The comments of the person making the entry
- **Name** Name of the person making the entry
- **Position** Position of the person making the entry

B. Equipment Information Forms

Another objective of the EMS is to build a comprehensive library of information about vessel systems and equipment. The system achieves this objective by collecting and presenting equipment information on Equipment Information Sheets, and identifying all technical reference material related to equipment on a Technical Reference List.

Equipment Information Forms

Equipment Information Forms are located in the Equipment Information portion of the individual system binder sections. Each form contains information in four sections: Form Header, Equipment Information Section, Critical Spare Part Section, and Emergency Contact Section. When the EMS is fully implemented, the Equipment Information Forms will be fully completed and used as a reference for onboard personnel.

Form Header: EMS equipment details

- **Vessel Name**
- **Equipment Name**
- **System** System to which this equipment belongs
- **Equipment Code** Equipment Code number for this equipment (from vessel System / Equipment List)
- **Equipment Location** Location of equipment, as listed on the Vessel Location List
- **Location Code** Location Code number, as listed on the Vessel Location List

Equipment Information Section: Specific Equipment Information

- **Manufacturer**
- **Model Name**
- **Model Number**
- **Type**
- **Serial Number**
- **Additional Identifying Information**

Critical Spare Part Section: Tabular listing of critical spare parts that should be retained on the vessel at all times

- **Part Name**
- **Part Manufacturer**
- **Part Number (P/N)**
- **Par Level** The quantity of this part that should be onboard at all times.
- **Units** The unit measure used in 'Par Level' field
- **Note** Any notes regarding the part, supplier, alternate P/N, etc.

Emergency Contact Information: Information regarding the technical resource to be contacted in the event of an emergency with this equipment.

- **Company Name**
- **Address**
- **Business Phone Number**
- **Mobile Phone Number**
- **Fax Number**
- **Contact Name**
- **Contact Email Address**

C. Tech Reference Lists

A Technical Reference List is included in the Equipment Information Section of each System Binder section. Every technical reference document related to any piece of equipment in that particular system should be listed, along with the following information:

- **Equipment Name**
- **Reference Name** for Example, Operator's Manual
- **Reference Number** Manufacturer's number for the technical reference
- **Location** - Permanent location of the technical reference, from the Vessel Location List.

As noted for the Equipment Information Forms above, once the EMS is fully implemented, the Technical Reference List will be a comprehensive listing of all technical resources available for a given system.

5. System Implementation

The company will utilize the mobilization period between the times the vessel is reclaimed from Argosy Cruise to the April, 2010 launch date for the operation to build a knowledge base of information with which a permanent engineering management system shall be created. In order for a permanent system to be created, a great deal of information regarding vessel equipment, equipment maintenance, and technical references is required. This information will be compiled through the information provided by Argosy Cruises and the following means:

Equipment Information Forms

- Complete forms in system binder for equipment already identified
- Complete 'New Equipment Forms' for equipment not yet identified

Planned Maintenance Job Sheets

- Add / Correct descriptions for existing jobs (on the job sheets themselves) Add info regarding required tools/materials, add tech ref info directly related to the task
- Complete 'New Planned Maintenance Job Forms' for maintenance tasks not yet identified.

Technical Reference Forms

- Add entries to forms for all resources available on vessel: tech manuals, binders, drawings, tech bulletins, relief notes, etc.

6. MV KIRKLAND / MARINE OPERATIONS POLICY MANUAL

Our Approach to the Business:

Guided by expert marine managers the MV Kirkland operation will operate strictly within the directives and disciplines of formal policies, operating guidelines and state and federal regulations. A new and comprehensive *MV KIRKLAND / MARINE OPERATIONS POLICY MANUAL* are in development which will describe all directives and applicable resource information. These marine management standards could be made available to all agencies with a 'need to know', including our insurers and those included as 'additional insured's on our policies, including the City of Kirkland.

The objective of the MV Kirkland Cruises operations staff and management is to provide a safe and enjoyable experience for our guests, exceeding their highest expectations. The individual performance of each and every crewmember is especially important in achieving this goal. This requires a lot of hard work, training and particularly a strong team effort. An individual's attitude and ability to work with others are qualities considered every bit as important as job skills.

As a company, the new MV Kirkland Cruises places a strong emphasis on creating memorable and truly first-class experiences for our guests, and to this end we will employ a first class knowledgeable team and leaders with the expertise to succeed. Our approach to the business demands a high level of flexibility and spontaneity from all involved and each and every crewmember plays a key role in creating a successful operation.

Fueling and Waste Removal

Fueling and waste removal will be accomplished as with previous operations

Vessel Refueling Plan

To be evaluated.

- Vessel securely moored.
- No Smoking policy enforced.
- Fueling hoses in good condition.
- Fueling hoses proper length.
- Fueling hose is supported to prevent kinking or strain on connection.
- Emergency Shutdown Systems understood.
- Location of valve or switch to stop fuel transfer
- Enough personnel are present and in proper locations.
- Spill containment equipment is readily accessible.
- Communications set up with transfer personnel.

Vessel Cleaning

Trash

The vessel crew shall keep the vessel, ramps, docks and queuing area clear of trash and debris by sweeping these areas throughout their shift. The trash will be placed in receptacles located on

the vessel or in approved dumping location/s. At the end of the day, all trash will be properly bagged and disposed.

Spills

The vessel crew will promptly clean up any beverage spills on the vessel, ramps, docks and passenger areas approaching the MV Kirkland boarding area and within reasonable time of being notified of a spill.

Washing of Boat

The vessel crew will wash and detail the boat with fresh water. The cabin windows, railings and brass will be touched up as needed daily.

Sanitary

The vessel crew shall keep all crew spaces in a sanitary condition at all times, including but not limited to sanitizing the vessel's head system, wheelhouse and interior cabin space. The engine room and decks will be kept clean and oil free at all times.

Vessel Preparation

Generally speaking we will do all we can to prepare the vessel for any operation the day before, but in reality there will always be work to be done before passengers arrive for the next cruise.

Following is a list of checks and duties to be accomplished before guests arrive:

- Check vacuuming of floors.
- Check/stock paper products, brochures, etc.
- Check all waste baskets for trash bags.
- Check all areas for trash.
- Check heads.
- Help take food aboard if necessary.

Following are closing duties to be accomplished before leaving vessel:

- Check heads, clean and restock.
- Empty trash, take off boat.
- Replace trash can liners.
- Stock supplies.

Shipboard Spill Mitigation Procedures

The MV Kirkland operation requires a constant vigil to prevent and mitigate any spill or discharge of toxic liquids, which could be dangerous to the environment. In addition to notification of the appropriate authorities rapid response is imperative in case of an accidental overboard discharge of fuel. The first priority is to prevent further discharge into the water. Secondly, the spill should be contained using sorbent pads to mitigate further spread and damage. The company will maintain required materials and equipment onboard to minimize this threat and report any occurrence as required.

KEY POSITION/JOB DESCRIPTIONS

MV Kirkland Captain and or Marine Superintendent

Job Summary

Directs the MV Kirkland / ferry's activities including repair, maintenance, restoration, inspection and licensing programs. Supervise on-board crewmembers. Provide high level of customer service.

Essential Functions – THE FOLLOWING ARE ESSENTIAL FUNCTIONS OF THE JOB BUT ARE NOT ALL-INCLUSIVE.

- Direct the ferry's activities and insures passengers' safety and security while vessel is underway.
- Ensures that Vessel logs concerning safety drills, licensing information and safety training records are maintained.
- Trains and provides feedback for evaluation of the performance of marine crew.
- Acts as representative of the operation to the public, community groups and other appropriate governmental agencies to provide information concerning the MV Kirkland ferry operations.
- Prepares and submits reports and completes special projects as directed.
- Maintain and enhances our benchmark status with all inspecting agencies.
- Operate vessel at economical engine speeds, per established policies.
- Ensure a physically safe and environmentally sound working environment, proper tools, training, facilities and materials for all crewmembers. **Conduct weekly emergency drills.**
- Ensure compliance with all applicable local, state and federal safety and environmental regulations to include station bill assignments.
- Provide required training as needed for working with and properly disposing of hazardous waste.
- Review contents of Marine Operations Manual.
- Ensure that the vessel is always kept in satisfactory condition and that maintenance work is done as unobtrusively as possible while guests are onboard.
- Maintain radio watch.
- Responsible for accuracy of passenger numbers.
- Ensure that the safety of our guests and crewmembers is maximized through careful and vigorous definition, administration and enforcement of safety policies and guidelines. Coordinate emergency response.
- Ensure that all company policies are understood, valued and followed by crewmembers. Demonstrate the MV Kirkland Cruises company goals and values and distribute to all crewmembers.
- Develop strong relationships with appropriate crewmembers and represent the Company at meetings and other functions as requested.
- Participate in meetings, training, drills and safety audits as required by company policy.
- Ensure vessel is secure and alarm is set prior to departure from evening shift.
- Assure quality workmanship and performance by crewmembers.
- Ensure that the crew is properly uniformed, demonstrate appropriate attitudes, is technically competent in their area of their responsibility, that all crewmembers are providing their best efforts, and that we have identified and are using their skills to the company's best advantage.
- Perform minor engineering repairs and engineering rounds as directed.
- Comply with rules and regulations contained in the Crew Handbook and as directed by the General Manager including, but not limited to:
 - Report to work on time and ready for duty;
 - Depart the vessel(s) only when properly relieved;
 - Ensure that the proper uniform is worn and grooming standards are met;

- Complete required administrative forms clearly and accurately to include Accident/Incident Reports.
- Present professional level of customer service and appearance to all – internal and external.
- Performs other duties as assigned.

Minimum Requirements

Experience	Education/Certification
Master experience on vessels of 100 gross tons or more Demonstrated ability to safely operate the vessel	Licensed Master for motor vessels of 100 gross tons or more by the USCG
Must be a minimum of 18 years of age Must wear safety equipment as mandated by the USCG	
Submit to and pass alcohol and drug tests as mandated by the USCG including but not limited to pre-employment, random, post-accident testing	
Maintain compliance with USCG licensing requirements regarding physical standards.	

Working Conditions

Mental	Physical	Use of Senses	Environmental
Ability to determine safe or unsafe conditions. Process calculations occasionally.	Ability to carry materials weighing upwards of 75 lbs. to include hoses, garbage, paint and other. Ability to work on scaffold and ladders.	Observe for safety. Vision correctible to 20/40. Full color vision, no night blindness Full range of all limbs	Outside conditions, extreme temperatures. Marine operation subject to varied wake and motion.

PHYSICAL REQUIREMENTS

	Not Required	Occasionally (33%)	Frequently (66%)	Continuously (100%)
Standing			x	
Walking			x	
Sitting			x	
Lifting		x		
Carrying		x		
Pushing		x		
Pulling		x		
Climbing		x		
Balancing		x		
Stooping		x		
Kneeling		x		
Crawling		x		
Reaching		x		
Handling		x		
Speaking				x
Hearing				x
Seeing				x
Color Vision				x
Depth Perception				x

MV Kirkland Deckhand

Job Summary

Observes lake and dock conditions and passengers activities to ensure the safest conditions during the MV Kirkland ferry operation and/or during special events. Handles lines and rigging to launch or dock the boat. Performs custodial and maintenance tasks as directed. Provide high level of customer service.

Essential Functions – THE FOLLOWING ARE ESSENTIAL FUNCTIONS OF THE JOB BUT ARE NOT ALL-INCLUSIVE.

- Handles mooring lines and rigging to launch or dock the boat.
- Carry out and complete assigned tasks within legal requirements of USCG and other regulatory agencies.
- Assists with training of non-deck staff/ crew as directed in safety and operational requirements.
- Assist with filling water, bunkering fuel, and shore powers connect & disconnect, engine room repairs & maintenance as directed.
- Responsible for getting underway, mooring, anchoring, handling lines, ship's ramps, and shore side facilities in all weather conditions.
- Perform lookout duties while underway - to include watching for other vessels, monitoring traffic conditions and potential unsafe conditions onboard and otherwise.
- Monitor passenger & crewmember safety issues on the boat. Ensure that safety equipment is utilized and appropriate guidelines are followed for all tasks involving physical risk or hazardous materials.
- Demonstrate practical knowledge of all phases of shipboard safety procedures and knowledge of location and use of all firefighting and safety equipment (i.e. fire extinguishers, fire stations, life preservers, work vest, life floats, rescue boat).
- Participate in meetings, training, drills and safety audits as required by USCG & company policy.
- Perform cleaning tasks of the vessels & property as required.
- Perform maintenance and construction tasks as required.
- Perform minor engineering repairs and engineering rounds as directed.
- Assist in boarding and disembarking of passengers.
- Comply with rules and regulations contained in the Crew Handbook and as directed by the Captain and General Manager including, but not limited to:
 - Report to work on time and ready for duty;
 - Depart the vessel(s) only when properly relieved;
 - Ensure that the proper uniform is worn and grooming standards are met;
 - Complete required administrative forms clearly and accurately.
- Present professional level of customer service and appearance to all – internal and external.
- Performs other duties as assigned.

Minimum Requirements

Experience	Education/Certification
Previous customer service experience preferred. Must be a minimum of 18 years of age Must wear safety equipment as mandated by the USCG.	High School Diploma or Equivalent
Submit to and pass alcohol and drug tests as mandated by the USCG including but not limited to pre-employment, random, post-accident testing	
An equivalent combination of education and experience may be substituted.	

Working Conditions

Mental	Physical	Use of Senses	Environmental
Ability to determine safe or unsafe conditions.	Ability to carry materials weighing upwards of 75	Observe for safety.	Outside conditions, extreme temperatures. Marine

	lbs. to include hoses, garbage, paint, ladders and other. Ability to work on scaffold and ladders.		operation subject to varied wake and motion.
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PHYSICAL REQUIREMENTS

	Not Required	Occasionally (33%)	Frequently (66%)	Continuously (100%)
Standing			x	
Walking			x	
Sitting		x		
Lifting		x		
Carrying		x		
Pushing		x		
Pulling		x		
Climbing		x		
Balancing			x	
Stooping		x		
Kneeling		x		
Crawling		x		
Reaching		x		
Handling		x		
Speaking				x
Hearing				x
Seeing				x
Color Vision	x			
Depth Perception				x



CITY OF KIRKLAND
Fire & Building Department
123 Fifth Avenue, Kirkland, WA 98033 425.587.3000
www.ci.kirkland.wa.us

MEMORANDUM

To: Kirkland City Council
From: J Kevin Nalder, Fire Chief
Date: March 4, 2010
Subject: Medical Transport Fee Contract Approval

Recommendation

Council considers hiring a third party consulting firm to provide a complete, thorough, and unbiased analysis of a Medical Transport Fee Program for the City. Management Partners Inc. was recently hired by the City of Renton to perform a Medical Transport Fee analysis. Therefore, I recommend considering them as the preferred consulting firm to perform the analysis, in an effort to save cost, expedite the turnaround time of the study, and utilize data that has been collected in our region already. Attached is a Proposed Scope of Work provided by Management Partners Inc. In the Scope of Work they have quoted \$12,400 as the total fees and expenses to complete the work. They anticipate the project will take 80 hours of professional consulting assistance to complete.

Purpose

Fee for Emergency Medical Service is increasingly being used by Cities in the State of Washington and across the United States to recover the cost for this service from insurance companies and users of the service. A proposal to recover revenue through a mechanism of a fee for Basic Life Support transport has been presented to the Public Safety Committee (PSC) and the Finance Committee. They have asked that a proposal to have a third party consultant hired to further the research be presented to the full Council as an agenda item during Council meeting.

Background

Issue

In our current economic environment governments and their fire departments are facing declining tax bases and resources while trying to maintain timely and high-quality emergency responses to their constituents. Specifically, in order for the Kirkland Fire Department to maintain the current standard of service we must also maintain current minimum staffing levels. Based on 2009 budget data we are facing an anticipated budget shortfall in 2010 of \$200,000 if we are to maintain the current minimum staffing levels through the end of the year. This is coupled with a "hard cap" on the overtime budget as a result of the City's anticipated 2010

budget shortfall. Once the overtime budget for the year has been spent, strategies will need to be considered including a policy to brownout fire stations based upon staffing fire stations with only firefighters scheduled to work that day.

Emergency Medical Service

Emergency Medical Service to our community consists of a tiered level of response requiring Advanced Life Support (ALS), Basic Life Support (BLS), or a combination of both. Calls for Advanced Life Support require personnel trained to the level of Paramedic. Calls for Basic Life Support require personnel trained to the level of Emergency Medical Technician (EMT). ALS is fully funded in King County through the Medic One Levy. A portion of BLS is funded by the Medic One Levy.

Kirkland Levy Revenue

2008 - \$ 793,023
2009 - \$ 836,938
2010 - \$ 831,434

Kirkland Fire Department (KFD) is the Emergency Medical Authority in the City of Kirkland and Fire District 41. We are designated first responders to EMS calls. KFD firefighters are all trained to the level of EMT. KFD responds to EMS calls in four cross staffed Aid Units, one dedicated staffed Aid Unit, and one Aid Unit staffed part time with Reserve Firefighters.

Patients are triaged to be transported to a hospital via one of three transport modalities.

- Medic One ALS Aid Unit
- KFD BLS Aid Unit
- Private Ambulance BLS Transport

Data averaged over the past five years show calls for EMS account for seventy percent of KFD total call volume. The Kirkland Fire Department responded to 5,248 BLS calls in 2009. KFD transported 3,404 of those patients, and utilized a private ambulance to transport 103 of those patients.

Preliminary Research

In order to determine the feasibility of a Fee for Transport (FFT) program the KFD Fire Chief queried the King County and Snohomish County Fire Chief's to determine which agencies had implemented a FFT program. Next, a questionnaire was sent to those agencies soliciting experience and input regarding the opportunities and obstacles encountered during implementation of a FFT program. KFD also gathered national insurance data. This data was then used to determine what the potential revenue could be from implementing a FFT program.

Regional Transport

Snohomish County:

- 23 dept's currently charge fee for transport
- 2 performing feasibility studies (Edmonds, Lynnwood)

King County:

- 3 dept's charge (Bothell, Maple Valley, Valley Regional)
- 1 performing feasibility study (Renton)

Seattle:

- Contracting out all transport

Regional Experience

- Revenue is considered justifiable
- Non-payment is accepted and written off
- Minimal citizen objection (Most citizens already pay insurance premiums and the impact is mostly on insurance companies)
- Difficult change for Firefighters
- Contracted billing agency is important
- Additional staffing to cover in-house admin. is necessary

Who Covers the Fee Nationally?

- Medicare coverage = 29.7%
- Private Insurance = 25.5%
- Other = 17.7%
- Medicaid coverage = 15.5%
- Patient self pay = 11.6%

Average collection rate = 72%

Kirkland Transports

3,404 BLS Transports in 2009

- City - 53%
- District - 47%

Citizens currently pay no additional cost for transport

Potential Revenue using Average Regional Fees

Basic fee @ \$500/transport x 3,404 transports/yr.	\$1,702,000
Mileage @ \$12.00/mile x 8,500 transport miles/yr.	\$ 102,000
Possible gross revenue	\$1,804,000

Expected Revenue using Average Fee Recovery Rate

Average amount of billing recovered = 56%

Collection rate less insurance adjustment & individual non-pay

Kirkland estimated revenue

Possible Gross Revenue \$1,804,000 x 56% = \$1,010,240

FFT Program Expenses

Administrative Assistant to administer program	\$ 75,000
Printing forms & brochures	\$ 1,000
Contracted billing service @ \$22/transport	<u>\$ 74,900</u>
Total FFT Expenses	\$150,900

Kirkland Estimated Net Revenue

Collected Gross Revenue	\$1,010,240
Less FFT Program Expenses	<u>\$ 150,900</u>
Net Revenue	\$ 859,340

FFT Opportunities

- Recover medical insurance payments from patients paying insurance premiums covering fee for transport to hospitals
- Revenue to bridge current fire department budget gap to maintain current minimum staffing
- Revenue to improve EMS to citizens by converting cross staffed Aid Units to dedicated staffed Aid Units. Improving the availability of Fire Units for all other hazard responses including EMS calls also increases our capabilities to respond.

FFT Obstacles

- Firefighters perceive a change in relationship with their patients
- Some patients may be discouraged from calling for medical aid
- Some citizens may object to a new fee
- May create additional paperwork for firefighter at the scene

Elements for FFT Program Success

- Professional survey to assess citizen response
- Contract with highly rated billing agency
- Minimum 1 FTE program administrator
- Adopt successful policies, procedures, materials
- On-going community education
- Personnel training; on-going refreshers
- Annual program evaluations

City Consideration

- Timing of introducing fee for transport
- Willingness to undertake City-community change
- Preparedness for dealing with internal/external objections
- Willingness to take steps and assume expenses necessary to succeed



MANAGEMENT PARTNERS

I N C O R P O R A T E D

January 20, 2010

Chief J. Kevin Nalder, Director of Fire and Building
City of Kirkland
123 Fifth Avenue
Kirkland, WA 98033-6189

Dear Chief Nalder:

It was a pleasure to talk with you yesterday regarding an analysis and evaluation of fee and revenue generation options related to EMS services in order to help support fire and emergency service provision. In what follows I have updated an earlier proposal we had provided to the City in August of 2009.

Management Partners would be pleased to help the City of Kirkland develop revenue projections for proposed EMS fees for your Fire Department. As a result of our conversation, we understand that you are interested in an analysis of potential revenue generated by new EMS transport fees. Management Partners will develop these revenue projections based on our experience and research with peer cities and nationwide best practices. We will also make recommendations about implementing and administering the new fee program.

EMS fees have been charged for many years by cities and others who provide basic and advanced on-scene life support services and transport. The fees are intended to recover a portion of the cost for services that are rendered during an emergency medical response. As the cost for public safety services continues to rise and local governments face difficulty funding basic services, cities have begun to examine (and some have enacted) fees for public services to recover some of the costs incurred with the provision of such services. The rationale is to charge a portion (or all) of the cost of some services to the users of the service. This is especially true for non-fire suppression services that are not linked to property or supported by property taxes and are likely to be used by non-residents.

Proposed Scope of Work

The following scope of work outlines our approach. We are confident that it will provide the results you are seeking. Upon completion, you will have the information you need to establish an EMS fee program that will recover a portion of the costs to users of non-fire suppression services.

Activity 1 – Start Project

Our project will begin with a careful listening phase designed to identify and clarify the desired outcomes of the project. I will meet with appropriate Kirkland officials to review the proposed project schedule and scope of work. The purpose of this meeting is to ensure that both are well-drawn to accomplish management's objectives in a timely fashion, while considering the existing work commitments that staff must address. In addition during this initial meeting we will identify what cost effective and appropriate public outreach efforts can be made as part of the project in

Activity 2 to help inform the recommendations which will be developed in subsequent phases of the work. It will also ensure that we identify the communication process and contacts for both Management Partners and the City.

Activity 2 – Collect and Analyze Data

We will begin this activity by requesting information and data regarding the City's fire and EMS operations. We will review the annual budget, operating policies and procedures, performance reports and other pertinent documents. Incident response data will be critical so we can analyze the composition of the workload and identify specific costs included in major service categories.

Management Partners will calculate recommended service fees using the number of incidents and the market rates in the Seattle region. Based on the recommended fees, we will then calculate the annual estimated net revenue to be produced by the fees. The proposed fee schedule will be reviewed with the appropriate City staff and then modified as necessary.

During this phase of the project we will also initiate some limited public outreach efforts in partnership with the Department to ascertain the issues and objectives that members of the public may have with respect to the proposals to be developed as recommendations

Activity 3 – Research Best Practices

Fees for EMS services are quite common in Snohomish County but less so for King County. However, given the current decline in general revenues; we expect more cities to rely on EMS fees to cover some of the cost for EMS services.

Management Partners will gather data and experiences from Washington cities that have successfully developed and adopted new EMS fees. In addition to collecting quantitative data regarding the fees and revenues generated, we will also learn about significant issues and challenges from their experiences. We will evaluate issues related to billing and collection, policy considerations, and customer and community relations issues. In short, we will help the City of Kirkland learn from the most successful fee programs and avoid the pitfalls and problems experienced by those who have already implemented these fees.

Activity 4 – Report Results

Management Partners will prepare a draft report that includes recommendations for implementing a new fee program. This will include a sample of any required ordinances, the recommended fees to be charged for each service, tables and schedules supporting the fee calculations, and a sample request for proposals (RFP) for a billing and collection vendor.

The draft report will be reviewed with appropriate staff to assure that it is complete and meets the City's expectations. Following a review of the draft report, we will make the necessary revisions and produce a final report.

Activity 5 – Support Implementation

Management Partners has a strong bias for action. We pride ourselves on being the authors of reports that do not just sit on shelves collecting dust. Rather, we provide our clients with a management tool to implement (and track implementation of) the recommendations contained in our report and remain available to assist with the implementation process. The action plan will detail the specific steps and individual responsibilities for implementing the recommended fee program.

Management Partners' Experience and Qualifications

Management Partners brings extensive public sector experience to this project, along with first-hand knowledge of innovative financial approaches to support critical public safety services. Each of our team members has actual public service experience in addition to the analytical and collaborative skills necessary for high-performance consulting work. Our methodology and unique skill sets will provide the City of Kirkland with a superior end product.

The firm was created in 1994 to help local government leaders improve their organizations. Our team has significant experience helping numerous local governments improve their operations. Management Partners' previous experience assisting cities with EMS fee studies will allow us to deliver this work in a timely and cost effective manner.

Project Team

This project will be led by Steve Burkett, Partner, who will provide direction and guidance throughout the project. Steve will be assisted by Jovan Grogan and Simon Grille. The most significant qualifications for each team member follows.

Steven Burkett, Partner, joined Management Partners in 2006, and he has subsequently led a variety of organizational reviews and studies in Washington, Oregon, Utah and California. The focuses of those analyses range from strategic planning to customer service to organizational development. Steve has 38 years of diverse local government management experience, including serving four cities as city manager: Shoreline, Washington; Tallahassee, Florida; Fort Collins, Colorado; and Springfield, Oregon. He also worked in management positions in Phoenix, Arizona, and Corvallis, Oregon. Over the span of his career, Steve has developed expertise in strategic planning, financial planning, customer service, performance/management audits, team building/organizational development and project management. He has made presentations on local government management to the International City/County Management Association, the National League of Cities and international delegations.

Jovan Grogan, Management Advisor, has a breadth of local government experience that ranges from hands-on leadership to community relations to national agency work. He joined Management Partners in 2006. Jovan most recently worked as a special assistant to the county administrator of Tompkins County, New York. In this capacity, he was responsible for a wide range of budgetary and fiscal analysis, and he successfully facilitated and developed a consensus on information sharing among criminal justice agencies within the county. Jovan graduated from Cornell University, where he earned a bachelor's degree in urban and regional studies, with a concentration in law; and a master's degree in regional planning, with a concentration in economic development planning.

Simon Grille, Management Analyst, initially joined Management Partners in the summer of 2007 as an intern while completing his degree at the University of California, Berkeley. He began working in the San Jose office on a full-time basis in September 2008. Simon has provided benchmarking and best practices research for a variety of clients in the cities of San Jose, Kirkland, Ceres, Long Beach and Vallejo, California and Bellevue, Washington. Simon is the recipient of many academic awards including the Marshall Memorial Scholarship, Robert D. Lynd Scholarship, Alumni Leadership Scholarship, and others. He served as president of Kappa Delta Rho for three semesters and was recently named a "Man of Honor" to recognize his accomplishments in this role. While attending UC Berkeley, he served as a supervisor at the Cal Calling Center, a division of University Relations.

Hours, Schedule and Cost

Based on the work plan above, we estimate that the project will take 80 hours of professional consulting assistance to complete. The ultimate test of a quality project is that the client is pleased with the results, and we are committed to achieving that goal. Total fees and expenses for the work plan described above are \$12,400.

The project schedule will be tailored to meet the City's needs at the first project meeting. Management Partners anticipates that the work will take approximately two months from the time we receive a notice to proceed.

Conclusion

Management Partners will be pleased to assist the City of Kirkland with this EMS fee study. We look forward to the opportunity to discuss this proposal further with you and welcome the opportunity to provide any additional information that may be helpful. Please feel free to call Steve Burkett at 425-774- 8579, or you can reach me in our San Jose office at 408-437-5400.

Sincerely,



Andy Belknap
Regional Vice President

Accepted for the City of Kirkland by:

Name: _____

Title: _____

Date: _____

FISCAL NOTE

CITY OF KIRKLAND

Source of Request							
J. Kevin Nalder, Director of Fire & Building Services							
Description of Request							
Request for \$12,400 from the Council Special Projects Reserve to pay for medical transport consultant contract fee.							
Legality/City Policy Basis							
Fiscal Impact							
One-time use of \$12,400 of the Council Special Projects Reserve. The reserve is able to fully fund this request.							
Recommended Funding Source(s)							
Reserve	Description	2010 Est End Balance	Prior Auth. 2009-10 Uses	Prior Auth. 2009-10 Additions	Amount This Request	Revised 2010 End Balance	2010 Target
	Council Special Projects Reserve	271,960	104,276	0	12,400	155,284	N/A
	2009-2010 Prior Authorized Uses of this reserve include: \$2,000 for Council Retreat facilitator, \$26,000 for federal lobbyist services, \$25,000 for Neighborhood Connections program, \$20,000 for Hopelink's relocation, \$13,770 for the Flexpass alternative program, \$5,000 for Council requested special investigation, and \$12,506 for the Bank of America review.						
Revenue/Exp Savings							
Other Source							
Other Information							

Prepared By	Neil Kruse, Budget Analyst	Date	March 6, 2010
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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

Date: March 5, 2010

Subject: Kirkland's Investment Portfolio Annual Review

Annual Review

The Investment Committee, comprised of the City Manager and Director of Finance and Administration, met on March 5, 2010 to conduct the annual review of the City's Investment Portfolio. The Investment Committee looked at the Investment Portfolio performance results for 2009 (detailed in the Statistical Review table below), the Investment Procedures, the Investment Policy Compliance Report, the December 31, 2009 Investment Report, and the source documents for the bank accounts, investment accounts and safekeeping account (attached as exhibits following this memo).

The Investment Committee noted that the investment portfolio is in compliance with the Investment Policy for every requirement as noted in Attachment A, Investment Policy Compliance Report.

Overall, the investment portfolio performed well in 2009 considering the economic environment. The rate of return continued to decline, however not as rapidly as the State Investment Pool or the 2 Year Treasury Rate (which briefly rose above 1 percent at the end of the year and averaged 0.95% for the year) due to the purchase of longer term securities. It is expected that interest earnings will decline significantly in 2010 as the portfolio size decreases and interest rates continue to remain at historic low levels.

Statistical Review

	12/31/2009	12/31/2008	12/31/2007	12/31/2006	12/31/2005
COK Portfolio YTM	1.66%	3.57%	4.89%	4.51%	3.88%
State Investment Pool	0.33%	1.82%	4.56%	5.21%	4.16%
2 Year Treasury Rate	1.14%	0.76%	3.05%	4.82%	4.41%
Fed Funds Rate	0.25%	0.25%	4.25%	5.25%	4.25%
Duration	0.72 Years	2.01 Years	2.01 Years	.99 Years	1.24 Years
Portfolio Size	\$95.2 million	\$105.6 million	\$105.9 million	\$97.9 million	\$84.4 million
Interest Earned	\$2,990,444	\$4,571,710	\$4,827,094	\$3,605,701	\$2,340,696

Investment Policy and Portfolio External Review

In accordance with the Investment Policy requirement of an external review of the policy and portfolio every three years, MBIA Asset Management completed their review in April 2009. MBIA noted that the current Investment Policy complies with state statutes guidelines and generally addresses all items recommended by the Government Finance Officers Association and the Association of Public Treasurers. They stated that the policy is rather flexible and recommended that the City tighten the language in the policy in order to improve controls in the City's investment program.

MBIA made specific recommendations in the following five areas:

- Investment Policy and Procedures
- Portfolio Management
- Investment Performance
- Investment Accounting and Reporting
- Oversight and strategy setting

Approximately a third of the recommendations involve formalizing, in writing, investment practices currently in place in the management of the investment portfolio, such as requiring competitive transactions, more clearly defining authorized securities, and specifying exposure limits for specific types of investment instruments. About half of the recommendations relate to the investment procedures including the type and frequency of reporting as well as agenda guidelines for the Investment Committee meetings.

The majority of the recommendations were incorporated into the Investment Policies adopted by City Council on January 5, 2010 and into the Investment Procedures which were reviewed by the Investment Committee on March 5, 2010.

Attachments:

Investment Report as of December 31, 2009

- A. Investment Policy Compliance Report
- B. Portfolio Management Portfolio Summary
- C. Investment Portfolio Summary: Average Life, Maturity Structure, Diversification Structure
- D. Investment Portfolio Analysis
- E. Graphs; Portfolio Size, Monthly Interest Earned, Budget to Actual 2009, Yield Comparisons
- F. 2009 Activity Report sorted by issuer

Cash/Investment Source Documents

- G. Local Government Investment Pool Statement – December 31, 2009
- H. US Bank Safekeeping Statement, page 1 – December 31, 2009
- I. Bank of America Sweep Account Statement, page 1, December 31, 2009
- J. Bank of America General Account Statement, page 1, December 31, 2009

**CITY OF KIRKLAND
INVESTMENT POLICY COMPLIANCE REPORT**

Date of Report 03/01/2010Period Covered Month of December 2009 and Year End 2009, Dated: December 31, 2009

Policy Section	Policy Requirement	Portfolio	Compliance	Frequency
7.0 Authorized Financial Dealers and Institutions	1. Annual Audited Financial Statements 2. Proof of Financial Industry Regulatory Authority Certification 3. Certification of having read the Policy and receipt of the City's Trading Authorization	Detailed Authorized Brokers in Annual Review for Broker Dealer Relationships	Compliant	Annual
8.0 Broker Allocation	3 bids for security purchase or sale	Requirement effective 1/5/10	Compliant	Monthly
9.0 Authorized Investments	See Section 12.0 Diversification	Breakdown of Portfolio listed in Section 12.0	Compliant	Monthly
9.0 Authorized Investments Credit Ratings	Requires AA- or better from Standard & Poors and Aa3 by Moodys	Detailed in Sympro Credit Rating Report	Compliant	Semi-Annual
11.0 Safekeeping	All Securities will be held in Safekeeping	US Bank Safekeeping	Compliant	Monthly
12.0 Diversification				Monthly
US Treasury	100%	0%	Compliant	
US Agency	100%, 30% per issuer	31%, 16% largest issuer	Compliant	
Callable Securities	50%	14%	Compliant	
Local Government Investment Pool	100%	55%	Compliant	
State or Political Subdivision Securities	20%, 5% per issuer	7%, 3% largest issuer	Compliant	
Certificates of Deposits	10%, 5% per issuer	0%	Compliant	
Bankers Acceptances	5%, 5% per issuer	0%	Compliant	
A-1/P-1 Commercial Paper	5%, 5% per issuer	0%	Compliant	
13.0 Maximum Maturities	Average Maturity Exposure 3 Years	.72 Years	Compliant	Monthly
	Maximum Maturity of Individual Issue 5 Years	3 Yrs 2 mo. 2/25/2013	Compliant	Monthly
14.0 Conformance to Policy	Annual Review	March 5, 2010 Investment Committee Review	Compliant	Annual
15.0 External Review	Every three (3) years	Last review April 2009	Compliant	Every 3 Years
16.0 Performance Standards	Band between 90 T Bill and 2 Yr Treasury Note	90 Day T Bill .06% 2 Yr. T Note 1.14% Portfolio 1.66%	Compliant	Monthly
17.0 Reporting Requirements	Annual, Quarterly & Monthly		Compliant	Monthly
18.0 Policy Adoption	Policy shall be adopted by City Council	Last adopted 1-5-2010	Compliant	Changes Adopted As Needed



**City of Kirkland
Portfolio Management
Portfolio Summary
December 31, 2009**

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 365 Equiv.
State Investment Pool	52,722,825.81	52,722,825.81	52,722,825.81	55.38	1	1	0.330	0.335
Passbook/Checking Accounts	6,264,208.29	6,264,208.29	6,264,208.29	6.58	1	1	0.296	0.300
Federal Agency Issues - Coupon	30,000,000.00	30,582,574.00	29,944,897.33	31.45	1,269	637	3.710	3.761
Miscellaneous Securities - Coupon	6,180,000.00	6,524,568.70	6,278,559.55	6.59	1,359	957	4.015	4.070
Investments	95,167,034.10	96,094,176.80	95,210,490.98	100.00%	489	264	1.634	1.657

Total Earnings	December 31 Month Ending	Fiscal Year To Date	Fiscal Year Ending
Current Year	152,506.78	2,774,751.45	2,774,751.45
Average Daily Balance	95,379,062.79	97,557,359.93	
Effective Rate of Return	1.88%	2.84%	

Michael Olson
 Michael Olson, Deputy Director, Finance & Admin.

1-4-10

City of Kirkland
Investment Portfolio
Average Life
As of 12/31/2009

	Actual	Target	2 Yr T-Note
Avg Days to Maturity	264	274 - 365	1.14%
Avg Years to Maturity	0.72	.75 - 1.00	

City of Kirkland
Investment Portfolio
Maturity Structure
As of 12/31/2009

Days to Maturity	Latest Maturity Dates	Amount	% of the Total	Target %
Overnight	1/1/2010	58,987,034.10	62.0%	
2 days to 6 mo	4/20/2010	4,858,061.33	5.1%	
6 mo to 1 yr	11/15/2010	2,105,436.00	2.2%	
1 yr to 2 yrs	11/23/2011	9,988,350.00	10.5%	
2 yrs and less subtotal		75,938,881.43	79.8%	> 65.0%
2 yrs to 3 yrs	12/1/2012	12,808,038.10	13.5%	
3 yrs to 4 yrs	2/25/2013	6,463,571.45	6.8%	
4 yrs to 5 yrs		0.00	0.0%	
Greater than 2 yrs		19,271,609.55	20.3%	< 35.0%
<i>Total</i>		95,210,490.98	100.0%	

City of Kirkland
Investment Portfolio
Diversification Structure
As of 12/31/2009

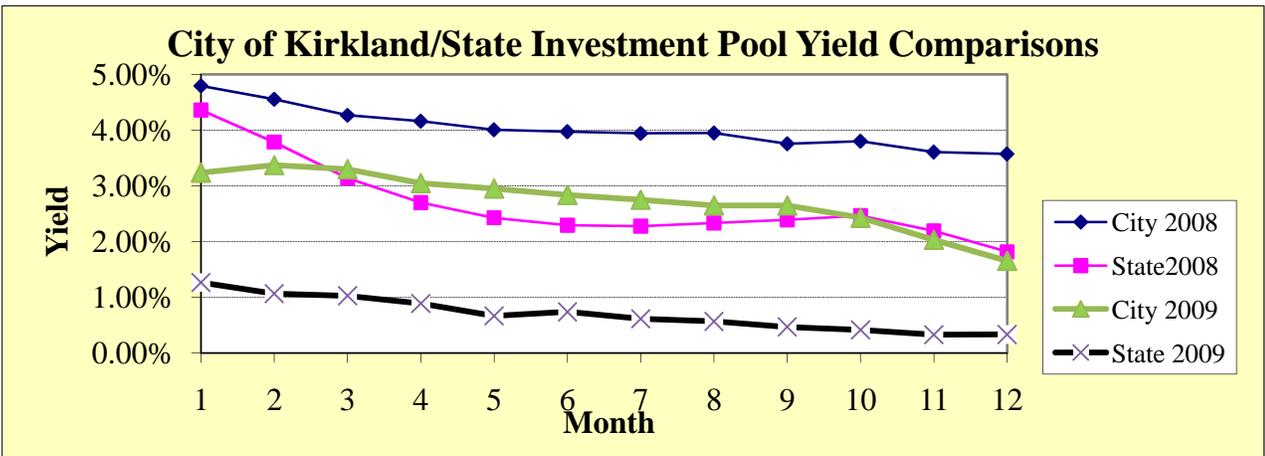
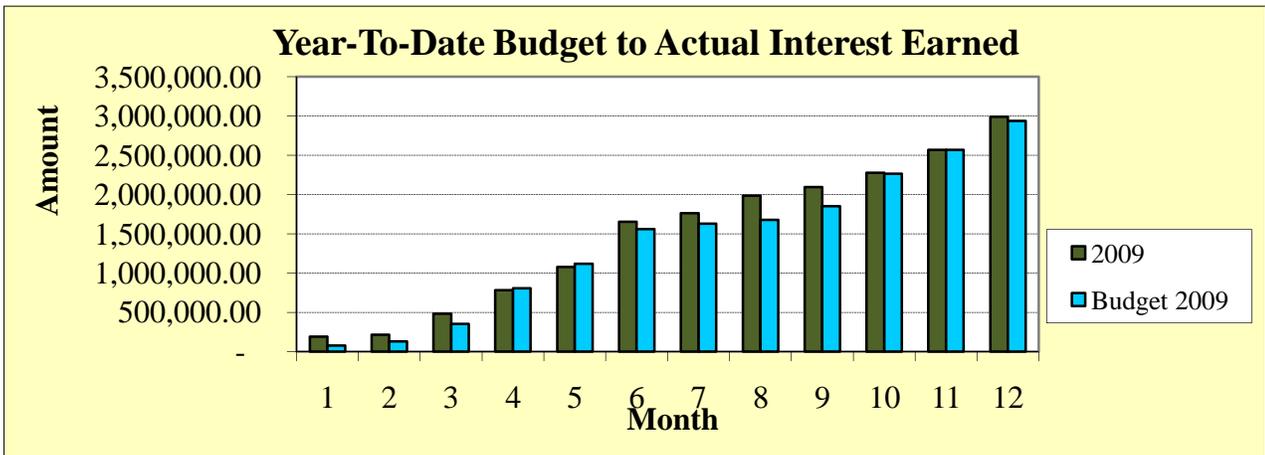
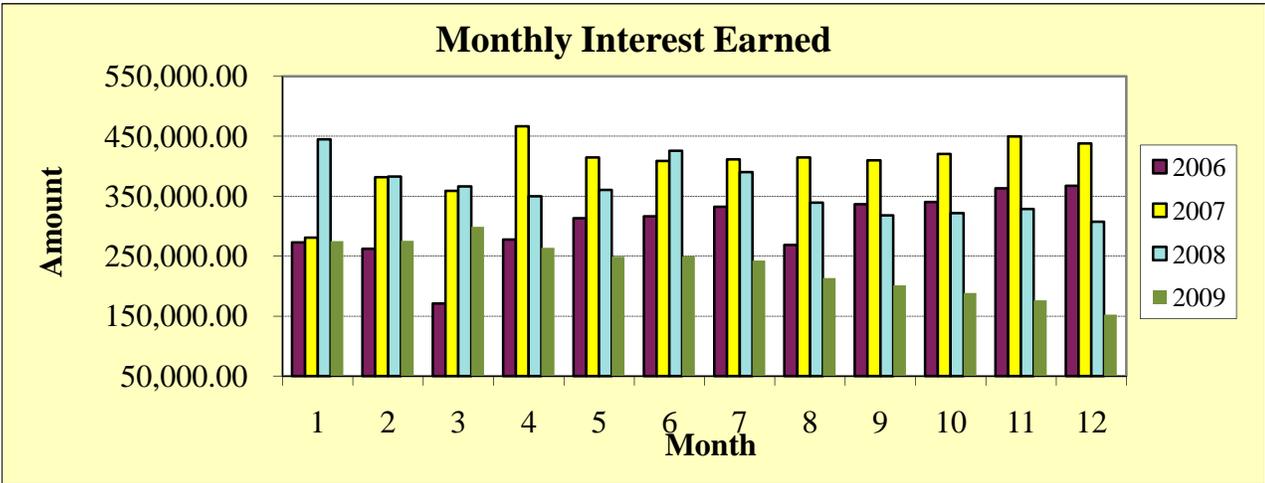
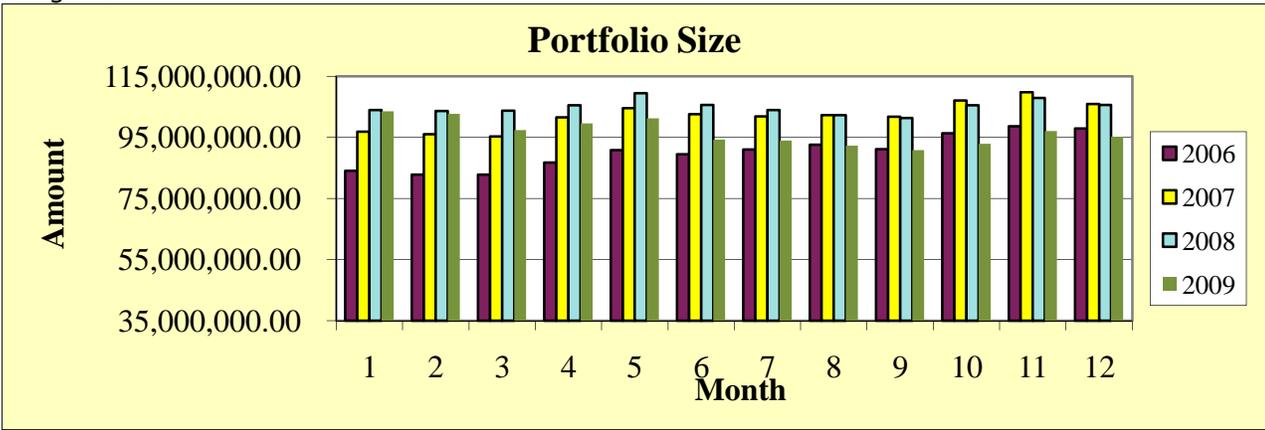
Type of Security	Amount	Type %	Type Max %	Class Max %
Local Government Investment Pool	52,722,825.81	55%		100%
Bank Sweep Account	6,264,208.29	7%		
Federal Farm Credit Bank	14,981,400.00	16%	50%	
Federal Home Loan Bank	10,105,436.00	10%	50%	
Federal Home Loan Mtg Corp	947,903.25	1%	50%	
Federal Nat't Mtg Assn	3,910,158.08	4%	50%	
Federal Agency Total	29,944,897.33	31%		100%
Other Securities	6,278,559.55	7%	50.0%	
Total Portfolio	95,210,490.98	100%	n/a	n/a

City of Kirkland
Investment Portfolio Analysis
As of December 31, 2009

Month	Kirkland Portfolio				Monthly Interest Earned				Year to Date Interest Earned*			
	2006	2007	2008	2009	2006	2007	2008	2009	2006	2007	2008	2009
January	84,055,869.85	96,909,155.99	103,988,286.94	103,541,786.98	272,737.24	280,819.31	444,988.46	274,939.49	272,737.24	280,819.00	444,988.46	274,939.49
February	82,830,671.86	96,085,321.27	103,679,277.19	102,716,691.52	262,077.02	381,883.77	382,743.31	275,472.76	519,581.45	658,819.21	818,477.50	540,907.48
March	82,863,554.44	95,346,025.83	103,711,918.61	97,432,252.91	171,177.34	358,862.64	366,551.37	299,032.12	792,366.65	1,017,501.85	1,171,103.08	830,395.66
April	86,728,062.30	101,516,820.60	105,547,783.40	99,585,851.15	277,517.31	466,647.89	349,945.00	263,979.46	1,073,064.10	1,484,149.74	1,496,414.93	1,094,381.35
May	90,880,252.42	104,582,719.89	109,507,596.54	101,219,267.24	313,201.61	414,428.13	360,747.55	249,214.19	1,408,977.23	1,898,577.87	1,852,065.76	1,346,424.04
June	89,488,838.61	102,630,107.80	105,653,810.36	94,275,179.32	316,637.53	408,752.06	425,863.14	249,387.78	1,707,794.36	2,282,025.48	2,270,026.87	1,596,396.75
July	91,050,653.83	101,847,425.12	103,951,542.45	93,934,600.51	332,358.09	411,511.68	390,061.86	242,559.23	2,047,486.59	2,681,060.12	2,666,274.18	1,844,066.13
August	92,595,514.28	102,297,705.53	102,258,867.53	92,304,934.02	268,890.72	414,903.75	339,485.75	213,486.32	2,325,925.07	3,112,489.03	3,009,290.87	2,056,672.45
September	91,116,452.56	101,786,112.17	101,335,890.13	90,782,010.62	336,470.75	409,907.94	318,008.60	201,104.11	2,667,986.50	3,511,311.19	3,340,875.93	2,256,492.05
October	96,386,548.59	107,127,775.67	105,524,775.93	92,910,515.99	340,479.21	420,305.41	321,953.37	188,460.58	3,010,942.45	3,920,032.46	3,663,564.22	2,444,762.05
November	98,641,841.83	109,802,765.61	107,919,426.21	97,068,227.64	363,376.96	449,864.28	328,826.66	176,213.54	3,403,956.58	4,401,098.09	3,983,178.44	2,620,694.19
December	97,907,593.59	105,897,534.48	105,638,449.55	95,210,490.98	367,519.79	438,092.68	307,183.45	152,506.78	3,773,836.94	4,841,504.74	4,267,304.67	2,774,751.45
Average	90,378,821.18	102,152,455.83	104,893,135.40	96,748,484.07	301,870.30	404,664.96	361,363.21	232,196.36	n/a	n/a	n/a	n/a

*Will not foot to Monthly Interest Earned due to calls

Month	Kirkland Yield to Maturity				State Pool Yield				2 Yr T-Bill				YTD Interest**		% of Budget	
	City 2006	City 2007	City 2008	City 2009	State2006	State2007	State2008	State2009	Tbill 2006	Tbill 2007	Tbill 2008	Tbill 2009	2009	Budget 2009	Actual	Budget
January	3.89%	4.55%	4.80%	3.24%	4.23%	5.21%	4.36%	1.27%	4.54%	4.94%	2.17%	0.94%	188,640.59	75,300.00	6%	3%
February	3.94%	4.58%	4.55%	3.37%	4.42%	5.28%	3.79%	1.07%	4.69%	4.65%	1.65%	1.00%	213,933.64	130,300.00	7%	4%
March	3.97%	4.56%	4.27%	3.30%	4.50%	5.24%	3.14%	1.03%	4.82%	4.58%	1.62%	0.81%	482,288.56	352,820.50	16%	12%
April	4.09%	4.69%	4.16%	3.05%	4.66%	5.23%	2.70%	0.89%	4.87%	4.60%	2.29%	0.91%	782,192.03	806,670.50	27%	27%
May	4.14%	4.75%	4.01%	2.95%	4.85%	5.19%	2.43%	0.67%	5.04%	4.92%	2.66%	0.92%	1,076,698.52	1,116,320.50	37%	38%
June	4.32%	4.79%	3.98%	2.84%	4.99%	5.21%	2.29%	0.74%	5.16%	4.87%	2.63%	1.11%	1,652,439.95	1,559,820.50	56%	53%
July	4.36%	4.82%	3.94%	2.75%	5.16%	5.21%	2.28%	0.62%	4.97%	4.56%	2.52%	1.13%	1,760,642.24	1,628,870.50	60%	55%
August	4.42%	4.87%	3.95%	2.65%	5.19%	5.23%	2.33%	0.57%	4.79%	4.15%	2.36%	0.97%	1,986,880.16	1,677,620.50	68%	57%
September	4.41%	4.89%	3.76%	2.65%	5.20%	5.12%	2.39%	0.47%	4.71%	3.97%	2.00%	0.95%	2,094,488.95	1,851,370.50	71%	63%
October	4.45%	4.77%	3.80%	2.43%	5.19%	4.91%	2.47%	0.42%	4.71%	3.94%	1.56%	0.90%	2,278,254.86	2,266,470.50	78%	77%
November	4.48%	4.90%	3.61%	2.03%	5.22%	4.70%	2.19%	0.33%	4.62%	3.04%	1.00%	0.67%	2,567,118.40	2,569,870.50	87%	87%
December	4.51%	4.89%	3.57%	1.66%	5.21%	4.56%	1.82%	0.33%	4.82%	3.05%	0.76%	1.14%	2,990,443.60	2,937,370.50	102%	100%
Average	4.25%	4.75%	4.03%	2.74%	4.90%	5.09%	2.68%	0.70%	4.81%	4.27%	1.94%	0.95%	n/a	2,937,370.50	n/a	n/a





**Fiscal Year 2009 Data
Activity Report
Sorted By Issuer
January 1, 2009 - December 31, 2009**

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value Beginning Balance	Current Rate	Transaction Date	Purchases or Deposits	Par Value Redemptions or Withdrawals	Ending Balance
Issuer: Bank of America Sweep Account									
Passbook/Checking Accounts									
SYS488	488	Bank of America Sweep Account			0.200		117,191,246.28	112,082,496.07	
		Subtotal and Balance		1,155,458.08			117,191,246.28	112,082,496.07	6,264,208.29
		Issuer Subtotal	6.582%	1,155,458.08			117,191,246.28	112,082,496.07	6,264,208.29
Issuer: Deschutes School District									
Miscellaneous Securities - Coupon									
		Subtotal and Balance		1,240,000.00					1,240,000.00
		Issuer Subtotal	1.303%	1,240,000.00			0.00	0.00	1,240,000.00
Issuer: Energy Northwest Elec Revenue									
Miscellaneous Securities - Coupon									
29270CFL4	512	Energy Northwest Elec Revenue			4.060	07/01/2009	0.00	1,000,000.00	
		Subtotal and Balance		1,000,000.00			0.00	1,000,000.00	0.00
		Issuer Subtotal	0.000%	1,000,000.00			0.00	1,000,000.00	0.00
Issuer: Federal Agricultural Mortgage									
Federal Agency Issues - Coupon									
31315PBP3	493	Federal Agricultural Mortgage			5.050	03/30/2009	0.00	1,882,000.00	
		Subtotal and Balance		1,882,000.00			0.00	1,882,000.00	0.00
		Issuer Subtotal	0.000%	1,882,000.00			0.00	1,882,000.00	0.00
Issuer: Federal Farm Credit Bank									
Federal Agency Issues - Coupon									
31331VG34	497	Federal Farm Credit Bank			5.250	06/19/2009	0.00	2,000,000.00	
31331GGQ6	534	Federal Farm Credit Bank			3.000	12/15/2009	0.00	5,000,000.00	

**Fiscal Year 2009 Data
Activity Report
January 1, 2009 - December 31, 2009**

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value Beginning Balance	Current Rate	Transaction Date	Purchases or Deposits	Par Value Redemptions or Withdrawals	Ending Balance
Issuer: Federal Farm Credit Bank									
Federal Agency Issues - Coupon									
31331GKB4	539	Federal Farm Credit Bank			2.820	01/26/2009	755,000.00	0.00	
31331GKB4	539	Federal Farm Credit Bank				04/13/2009	0.00	755,000.00	
31331GNG0	541	Federal Farm Credit Bank			3.000	02/25/2009	5,000,000.00	0.00	
31331GND7	542	Federal Farm Credit Bank			2.250	03/13/2009	5,000,000.00	0.00	
		Subtotal and Balance		12,000,000.00			10,755,000.00	7,755,000.00	15,000,000.00
		Issuer Subtotal	15.762%	12,000,000.00			10,755,000.00	7,755,000.00	15,000,000.00

Issuer: Federal Home Loan Banks									
Federal Agency Issues - Coupon									
3133XLE82	510	Federal Home Loan Banks			5.650	06/15/2009	0.00	3,000,000.00	
3133XMEG2	515	Federal Home Loan Banks			5.050	10/01/2009	0.00	3,000,000.00	
3133XMUY5	519	Federal Home Loan Banks			4.800	11/05/2009	0.00	2,975,000.00	
3133XNPD5	521	Federal Home Loan Banks			4.500	12/14/2009	0.00	3,000,000.00	
3133XQYE6	525	Federal Home Loan Banks			4.300	04/29/2009	0.00	5,000,000.00	
3133XSF60	528	Federal Home Loan Banks			3.625	01/02/2009	0.00	5,000,000.00	
3133XSER5	529	Federal Home Loan Banks			4.050	01/22/2009	0.00	5,000,000.00	
3133XSQH4	537	Federal Home Loan Banks			3.000	12/29/2009	0.00	5,000,000.00	
3133XSXC7	540	Federal Home Loan Banks			3.000	02/13/2009	5,000,000.00	0.00	
3133XSXC7	540	Federal Home Loan Banks				08/27/2009	0.00	5,000,000.00	
		Subtotal and Balance		41,975,000.00			5,000,000.00	36,975,000.00	10,000,000.00
		Issuer Subtotal	10.508%	41,975,000.00			5,000,000.00	36,975,000.00	10,000,000.00

Issuer: Federal Home Loan Mtge Corp.									
Federal Agency Issues - Coupon									
		Subtotal and Balance		1,000,000.00					1,000,000.00
		Issuer Subtotal	1.051%	1,000,000.00			0.00	0.00	1,000,000.00

Issuer: Federal National Mtg Assn.									
Federal Agency Issues - Coupon									
3136F8XJ9	520	Federal National Mtg Assn.			4.800	11/27/2009	0.00	3,000,000.00	

Fiscal Year 2009 Data
 Activity Report
 January 1, 2009 - December 31, 2009

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value Beginning Balance	Current Rate	Transaction Date	Purchases or Deposits	Par Value Redemptions or Withdrawals	Ending Balance
Issuer: Federal National Mtg Assn.									
Federal Agency Issues - Coupon									
31398APLO	524	Federal National Mtg Assn.			4.000	03/19/2009	0.00	5,000,000.00	
		Subtotal and Balance		<u>12,000,000.00</u>			<u>0.00</u>	<u>8,000,000.00</u>	<u>4,000,000.00</u>
		Issuer Subtotal	4.203%	<u>12,000,000.00</u>			<u>0.00</u>	<u>8,000,000.00</u>	<u>4,000,000.00</u>
Issuer: Grant County PUD #2									
Miscellaneous Securities - Coupon									
		Subtotal and Balance		<u>1,485,000.00</u>					<u>1,485,000.00</u>
		Issuer Subtotal	1.560%	<u>1,485,000.00</u>			<u>0.00</u>	<u>0.00</u>	<u>1,485,000.00</u>
Issuer: Oregon State Taxable Pension B									
Miscellaneous Securities - Coupon									
		Subtotal and Balance		<u>2,700,000.00</u>					<u>2,700,000.00</u>
		Issuer Subtotal	2.837%	<u>2,700,000.00</u>			<u>0.00</u>	<u>0.00</u>	<u>2,700,000.00</u>
Issuer: Port of Vancouver, WA									
Miscellaneous Securities - Coupon									
		Subtotal and Balance		<u>755,000.00</u>					<u>755,000.00</u>
		Issuer Subtotal	0.793%	<u>755,000.00</u>			<u>0.00</u>	<u>0.00</u>	<u>755,000.00</u>
Issuer: Port of Seattle General Obliga									
Miscellaneous Securities - Coupon									
735389AQ	501	Port of Seattle General Obliga			4.500	06/01/2009	0.00	1,000,000.00	
		Subtotal and Balance		<u>1,000,000.00</u>			<u>0.00</u>	<u>1,000,000.00</u>	<u>0.00</u>
		Issuer Subtotal	0.000%	<u>1,000,000.00</u>			<u>0.00</u>	<u>1,000,000.00</u>	<u>0.00</u>
Issuer: State Investment Pool									

Fiscal Year 2009 Data
 Activity Report
 January 1, 2009 - December 31, 2009

CUSIP	Investment #	Issuer	Percent of Portfolio	Par Value		Transaction Date	Purchases or Deposits	Par Value		Ending Balance
				Beginning Balance	Current Rate			Redemptions or Withdrawals		
Issuer: State Investment Pool										
State Investment Pool										
SYS1	1	State Investment Pool			0.286		72,767,639.69	47,500,000.00		
		Subtotal and Balance					72,767,639.69	47,500,000.00		52,722,825.81
		Issuer Subtotal	55.400%				72,767,639.69	47,500,000.00		52,722,825.81
		Total	100.000%				205,713,885.97	216,194,496.07		95,167,034.10

State of Washington
Date: 12/31/2009 2:03 pm

Local Government Investment Pool

Treasury Management System
ReportID: LgipStatement

Statement of Account for No: 01090
December 2009
Primary Account

TRACEY DUNLAP
CITY OF KIRKLAND
123 5TH AVE
KIRKLAND, WA 98033-6189

Date	Description	Deposits	Withdrawals	Balance
11/30/2009	Ending Balance			41,450,727.25
12/23/2009	Deposit	10,000,000.00	0.00	51,450,727.25
12/31/2009	Direct Deposit	1,259,477.88	0.00	52,710,205.13
12/31/2009	Earnings	12,620.68	0.00	52,722,825.81

Account Summary

Previous Month's Balance:	41,450,727.25	Gross Earnings:	13,940.35
Deposits:	11,259,477.88	Administrative Fee:	1,319.67
Withdrawals:	0.00	Net Earnings:	12,620.68
Ending Balance:	52,710,205.13	Net Ending Balance:	52,722,825.81
Administrative Fee Rate:	0.0350 %	Average Daily Balance:	44,394,581.38
Gross Earnings Rate:	0.3697 %		
Net Earnings Rate:	0.3347 %		

COPY



Account Name: CITY OF KIRKLAND

SUMMARY - USD

Page 1

Account Number: 777224149

For period 12/01/2009 - 12/31/2009

ACTIVITY - Settled/Cleared Cash Activity

Transaction Type	Amount
Purchases	0.00
Purchase Reversals	0.00
Sales	0.00
Sale Reversals	0.00
Withdrawals	0.00
Receipts	0.00
Deliveries	0.00
Principal Reversals	0.00
Interest	429,641.67
Interest Reversals	0.00
Interest Adjustments	0.00
Maturities	0.00
Calls	13,000,000.00
Puts	0.00
Paydowns	0.00
Paydown Adjustments	0.00
Payups	0.00
Payup Adjustments	0.00
Cash Dividends	0.00
Balance Changes	0.00
Stock Dividends	0.00
Closeouts	0.00
Net Activity	13,429,641.67

Your Sales Representative is: CRAIG J. OLIVER
(888) 827-4381

Statement Contents

- *Summary
- *Activity - Settled/Cleared Cash Activity
- *Activity - Projected Activity for Next Statement Period
- *Holdings
- *Cash Flow Projections

HOLDINGS - Custody

Category	Par/Shares	Original Face	Principal Cost	Market Value
US Government Agency Securities	30,000,000.00	30,000,000.00	29,944,897.33	30,606,114.00
Municipal Securities	6,180,000.00	6,180,000.00	6,278,559.55	6,533,374.70
Total Custody Holdings	36,180,000.00	36,180,000.00	36,223,456.88	37,139,488.70



PUBLIC SECTOR BKG-WA/ID
800 FIFTH AVENUE
SEATTLE WA 98104

PAGE 1 OF 2



IF YOU HAVE QUESTIONS ABOUT YOUR ACCOUNT, CALL YOUR
COMMERCIAL ACCOUNTS SERVICE CENTER REPRESENTATIVE
TOLL FREE AT 1.800.426.1411.
TTY/TDD USERS MAY CALL 1.800.232.6299 TOLL FREE.

HD 0200 00 000 559 032319 #001 AV 0.335

CITY OF KIRKLAND
SWEEP ACCOUNT
ATTN TREASURY MANAGER
123 5TH AVE
KIRKLAND WA 98033-6121

ACCOUNT NUMBER
78960911
STATEMENT PERIOD
12-01-2009 TO 12-31-2009
C 1SK 0



IMPORTANT INFORMATION ABOUT YOUR ACCOUNT

Bank of America would like to remind our small business account holders that accounts may not be used for illegal transactions, for example those prohibited by the Unlawful Internet Gambling Enforcement Act 31 U.S.C. Section 5361 et. seq.

SUMMARY OF YOUR ACCOUNTS

CHECKING		SAVINGS	
<u>FIRSTCHOICE BUS. INT.</u>	<u>78960911</u>	<u>FIRSTCHOICE BUSINESS</u>	<u>78960911</u>
BEGINNING BALANCE	7188255.41	BEGINNING BALANCE	.00
DEPOSITS	16126856.50	ENDING BALANCE	.00
INTEREST THIS PERIOD	1108.68	AVERAGE DAILY BAL	.00
WITHDRAWALS	15551096.24		
ENDING BALANCE	7765124.35		
MINIMUM BALANCE	1701357.15		
TOTAL NUMBER OF CHECKS	0		
INTEREST YEAR-TO-DATE	9,286.26		
ANNUAL PERCENTAGE YIELD EARNED	.20%		
DAYS INTEREST EARNED	31		

FIRSTCHOICE BUS. INTEREST CHECKING ACTIVITY

POSTED	TRANSACTION DESCRIPTION/SERIAL NUMBER	DEBIT AMOUNT	CREDIT AMOUNT	REFERENCE #
12-02	FUNDS TRANSFER FROM DDA ACCOUNT 000000016754004		190,616.43	I-GEN10912
12-03	FUNDS TRANSFER FROM DDA ACCOUNT 000000016754004		200,481.66	I-GEN10912
12-04	FUNDS TRANSFER FROM DDA ACCOUNT 000000016754004		101,610.82	I-GEN10912
12-07	FUNDS TRANSFER FROM DDA ACCOUNT 000000016754004		348,150.78	I-GEN10912
12-11	FUNDS TRANSFER FROM DDA ACCOUNT 000000016754004		215,876.49	I-GEN10912
12-14	FUNDS TRANSFER FROM DDA ACCOUNT 000000016754004		2,810,675.36	I-GEN10912
12-15	FUNDS TRANSFER FROM DDA ACCOUNT 000000016754004		5,763,781.54	I-GEN10912
12-18	FUNDS TRANSFER FROM DDA ACCOUNT 000000016754004		250,183.59	I-GEN10912
12-22	FUNDS TRANSFER FROM DDA ACCOUNT 000000016754004		140,400.72	I-GEN10912
12-24	FUNDS TRANSFER FROM DDA ACCOUNT 000000016754004		616,339.77	I-GEN10912
12-29	FUNDS TRANSFER FROM DDA ACCOUNT 000000016754004		5,053,042.92	I-GEN10912
12-30	FUNDS TRANSFER FROM DDA ACCOUNT 000000016754004		164,314.83	I-GEN10912
12-31	INTEREST PAYMENT		1,108.68	I-GEN10912
12-31	FUNDS TRANSFER FROM DDA ACCOUNT 000000016754004		271,381.59	I-GEN10912
12-01	FUNDS TRANSFER TO DDA ACCOUNT 000000016754004	2,127,198.77		I-GEN10912
12-08	FUNDS TRANSFER TO DDA ACCOUNT 000000016754004	1,173,439.59		I-GEN10912
12-09	FUNDS TRANSFER TO DDA ACCOUNT 000000016754004	239,672.45		I-GEN10912
12-10	FUNDS TRANSFER TO DDA ACCOUNT 000000016754004	239,855.30		I-GEN10912
12-16	FUNDS TRANSFER TO DDA ACCOUNT 000000016754004	45,556.06		I-GEN10912

CONTINUED



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TOLL FREE AT 1.800.426.1411.
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CITY OF KIRKLAND
GENERAL ACCOUNT
ATTN TREASURY MANAGER
123 5TH AVE
KIRKLAND WA 98033-6121

ACCOUNT NUMBER
16754004
STATEMENT PERIOD
12-01-2009 TO 12-31-2009
C OSK O



CHECKING

CORPORATE CHECKING	16754004
BEGINNING BALANCE	5,000,000.00
TOTAL CREDITS	35,950,726.73
TOTAL MISC DEBITS	31,523,422.41
TOTAL CHECKS	4,427,304.32
SERVICE CHARGES/FEES	.00
ENDING BALANCE	5,000,000.00
NUMBER OF CREDITS	395
NUMBER OF MISC DEBITS	54
NUMBER OF CHECKS	792

ACTIVITY DETAIL

POSTED	TRANSACTION DESCRIPTION/SERIAL NUMBER	DEBIT AMOUNT	CREDIT AMOUNT	REFERENCE #
12-01	SETTLEMENTAMERICAN EXPRESS0000004480		44.16	LACH535234
12-01	PROP TAX KING COUNTY 073098510		560.94	LACH815325
12-01	PROP TAX KING COUNTY 073094010		1,501.46	LACH815326
12-01	PROP TAX KING COUNTY 073090010		5,152.46	LACH815327
12-01	PAYMENT BAC PAYMODE 620383772		20,480.13	LACH076197
12-01	PARKS LEVYKING COUNTY PARKS LEVY 19		51,033.47	LACH815354
12-01	WIRE IN TIME:1053 ET TRN:2009120100158665		80,425.00	TTFT158665
12-01	FUNDS TRANSFER FROM DDA ACCOUNT 00000078960911	2,127,198.77		I-GEN10912
12-02	PROP TAX KING COUNTY 073098510		3,519.40	LACH480630
12-02	PROP TAX KING COUNTY 073094010		18,609.49	LACH480631
12-02	PAYMENT BAC PAYMODE 620384293		22,267.21	LACH855649
12-02	PROP TAX KING COUNTY 073090010		32,323.33	LACH480632
12-03	SETTLEMENTAMERICAN EXPRESS0000004480		8.28	LACH399195
12-03	PROP TAX KING COUNTY 073098510		70.33	LACH244491
12-03	PROP TAX KING COUNTY 073094010		288.41	LACH244492
12-03	PROP TAX KING COUNTY 073090010		646.05	LACH244493
12-03	VENDOR PAYWA STATE OFM 326260		10,948.28	LACH916879
12-03	VENDOR PAYWA STATE OFM 326252		13,935.51	LACH916876
12-03	PAYMENT BAC PAYMODE 620384884		18,528.23	LACH430833
12-04	SETTLEMENTAMERICAN EXPRESS0000004480		61.47	LACH800508
12-04	PROP TAX KING COUNTY 073098510		184.99	LACH948956
12-04	PROP TAX KING COUNTY 073094010		625.73	LACH948957
12-04	PROP TAX KING COUNTY 073090010		1,699.21	LACH948958
12-04	PAYMENT BAC PAYMODE 620385477		13,933.42	LACH896462
12-07	SETTLEMENTAMERICAN EXPRESS0000004480		14.57	LACH774062
12-07	SETTLEMENTAMERICAN EXPRESS0000004480		26.01	LACH216700
12-07	PROP TAX KING COUNTY 073098510		2,301.04	LACH115611
12-07	PROP TAX KING COUNTY 073094010		4,907.29	LACH115612
12-07	PAYMENT BAC PAYMODE 620385957		12,154.29	LACH715253
12-07	PROP TAX KING COUNTY 073090010		21,301.04	LACH115613
12-08	SETTLEMENTAMERICAN EXPRESS0000004480		57.25	LACH046444
12-08	PROP TAX KING COUNTY 073098510		72.85	LACH028410

**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: March 5, 2010

Subject: 2010 LEGISLATIVE UPDATE 6

As of the March 16th Council meeting, the 2010 State Legislative session is scheduled to be over. March 5th is the last day to consider opposite house bills except initiatives and alternatives to initiatives, budgets and matters necessary to implement budgets, differences between the houses, and matters incident to the interim and closing of the session. This is an update on the City's interests as of March 5th; however, changes are happening very rapidly so the final disposition of bills may be significantly different from this report. Status reports from Gordon Thomas Honeywell will be emailed to Council in advance of the meeting on March 16th.

WASHINGTON STATE LEGISLATURE2010 Supplemental State Budget Proposals

The Senate and House of Representatives released 2010 Supplemental Budget proposals. Documents for these two proposals as well as Governor Gregoire's are available on the web:

<http://fiscal.wa.gov/budgets.aspx>.

- All three proposals include cuts to the Basic Law Enforcement Academy that may impact the City of Kirkland as the annexation effective date approaches:
 - Governor's Budget - May not run an academy of less than 30 cadets;
 - Senate Budget - May require local law enforcement agencies to fund 25% of the cost or train & certify students in firearms training prior to attending Basic Law Enforcement Academy and increase the minimum number to 40 students per class;
 - House Budget - Jurisdictions with over 100 full-time commissioned officers shall reimburse the commission for the cost of ammunition and may not run an academy of less than 30.
- The House Capital Budget ([PSHB2836](#)) includes \$100 million for the Housing Trust Fund, the Senate Capital Budget has not been heard at this time

Per Council direction, a letter was sent to Governor Gregoire (and copied to the Legislators in the 48th, 45th and 32nd Districts) expressing concerns about cuts to the Academy. Consistent with the adopted Legislative Agenda and per Council Legislative Committee direction, emails were sent to Senator Oemig and Senator Tom about including additional funding for the Housing Trust Fund in the Senate Capital Budget.

Fiscal Flexibility ([ESHB3179](#) and [ESSB6424](#)) - Bills have been significantly amended, the latest comparison matrix is attached (Attachment A).

- ESHB3179 passed out of Senate Ways & Means
- ESSB6424 passed out of the House Finance Committee but did not pass out of the House as of March 5th.

Storm Water/Clean Water Act Funding (HB3181 and SB6851)

2SHB3181 passed out of the House Finance Committee where it was amended to be very specific to storm water funding, eliminating the contribution to the State General Fund:

- Reduced MTCA tax increase (0.10%/year for 4 years, resulting in a total tax of 1.1%)
- 84% of additional tax deposited in new Storm Water Account, \$75k to each city & county each year
- 10% to Motor Vehicle Account for Washington State Dept. of Transportation storm water projects
 - 4% to Puget Sound Recovery
 - 2% to Oil Spill Prevention
- Credit for petroleum products exported from state

Wrongful Death Statute Revisions (2ESSB6508)

This bill would substantially expand the scope of liability in wrongful injury or death causes of action by expanding the number of people who may file a cause of action in a wrongful death case and the damages for which they could seek redress. Before the bill passed the Senate, it was amended to remove the joint liability of state and local governments.

During the week of March 1st, the House of Representatives passed the bill with a number of amendments. The most significant amendment put joint liability back in the bill and established an account to pay these new claims against local governments. The account would be funded by a \$10 surcharge on superior court filing fees and a \$5 surcharge on traffic infractions. Now the bill goes back to the Senate for concurrence on the House changes.

Election of Municipal Court Judges (SSB6686) – Removes exemptions from elections related to community size and would require the Points communities to hold election for Kirkland's Municipal Court Judge. This bill passed out of the Senate but did not pass out of the House of Representatives before the March 5th cutoff.

Authorized Use of Express Toll Lanes on the Interstate 405 Corridor (SHB2941) – Bill would allow for tolling in express toll lanes on I-405, between Interstate 5 and Bellevue. The State Transportation Commission is directed to set the schedule of toll rates for these express toll lanes, which can vary by time of day, level of congestion, vehicle occupancy, and other criteria determined by the tolling authority. This bill was amended to remove the requirement that vehicles with two occupants will need to pay a toll to use the Interstate 405 express toll lanes. This bill did not pass out of the Senate before the March 5th cutoff; however, it may be included in the final budget.

U. S. CONGRESS

Staff submitted federal appropriations requests for four projects in February and Tracey Dunlap, Director of Finance and Administrative Services, visited Congressional offices while in Washington DC. Congressman Jay Inslee developed a new process in which community panels will review all requests and make the initial determination of community value. Kirkland chose to make presentations to this community panel for the three priority projects: 120th Street Extension, 116th Non-Motorized Improvements and Public Safety Training. Deputy Fire Chief Jack Henderson also made a presentation to the panel for the Fire District 41 request for funds to construct the combined fire station.

AWC Priority Fiscal Flexibility Proposals

	ESHB 3179	ESSB 6424
0.3% Public safety sales and use tax	<ul style="list-style-type: none"> If a county does not impose, allows cities to impose the public safety sales and use tax at a rate not to exceed 0.1 % effective January 1, 2011, with voter approval. Eliminates the non-supplant language. 	<ul style="list-style-type: none"> Eliminates the non-supplant language.
0.1 % Mental health sales and use tax	<ul style="list-style-type: none"> Allows a city with a population over 200,000 and located in a county with a population over 800,000 to impose the mental health/chemical dependency sales and use tax (0.1%) if the county has not imposed it by January 1, 2011. 	<ul style="list-style-type: none"> N/A
0.1% Criminal justice sales and use tax	<ul style="list-style-type: none"> Eliminates the non-supplant language in the criminal justice sales and use tax. 	<ul style="list-style-type: none"> Eliminates the non-supplant language in the criminal justice sales and use tax.
Brokered Natural Gas Use Tax	<ul style="list-style-type: none"> Addresses the recent court of appeals decision that impacts approximately 50 cities that impose the tax, which represents approximately \$14 million in 2008 revenues. Clarifies the definition and use by imposing the brokered natural gas use tax at the location where the gas is consumed or stored by the customer. 	<ul style="list-style-type: none"> N/A
Gambling Tax	<ul style="list-style-type: none"> Allows local gambling revenue to be used for general public safety programs. 	<ul style="list-style-type: none"> Allows local gambling revenue to be used for general public safety programs until January 1, 2014.