



CITY OF KIRKLAND

CITY COUNCIL

Joan McBride, Mayor • Doreen Marchione, Deputy Mayor • Dave Asher • Toby Nixon
Bob Sternoff • Penny Sweet • Amy Walen • Kurt Triplett, City Manager

Vision Statement

*Kirkland is an attractive, vibrant and inviting place to live, work and visit.
Our lakefront community is a destination for residents, employees and visitors.
Kirkland is a community with a small-town feel, retaining its sense of history,
while adjusting gracefully to changes in the twenty-first century.*

123 Fifth Avenue • Kirkland, Washington 98033-6189 • 425.587.3000 • www.kirklandwa.gov

AGENDA

KIRKLAND CITY COUNCIL MEETING

City Council Chamber

Tuesday, July 17, 2012

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.kirklandwa.gov. 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 (425-587-3190) or the City Manager's Office (425-587-3001) 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 425-587-3190. 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. Utility Rate Policy Issues
4. *EXECUTIVE SESSION*
 - a. To Discuss Labor Negotiations
5. *HONORS AND PROCLAMATIONS*
6. *COMMUNICATIONS*
 - a. *Announcements*
 - b. *Items from the Audience*
 - c. *Petitions*
7. *SPECIAL PRESENTATIONS*
8. *CONSENT CALENDAR*
 - a. *Approval of Minutes:* July 3, 2012

EXECUTIVE SESSIONS may be held by the City Council only for the purposes specified in RCW 42.30.110. These include buying and selling real property, certain personnel issues, and litigation. The Council is permitted by law to have a closed meeting to discuss labor negotiations, including strategy discussions.

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.

QUASI-JUDICIAL MATTERS

Public comments are not taken on quasi-judicial matters, where the Council acts in the role of judges. The Council is legally required to decide the issue based solely upon information contained in the public record and obtained at special public hearings before the Council. The public record for quasi-judicial matters is developed from testimony at earlier public hearings held before a Hearing Examiner, the Houghton Community Council, or a city board or commission, as well as from written correspondence submitted within certain legal time frames. There are special guidelines for these public hearings and written submittals.

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.

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.

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.

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

- c. *General Correspondence*

- d. *Claims*

- e. *Award of Bids*

- (1) NE 53rd Street Sewer Main Replacement Project, Buno Construction, LLC, Snohomish, WA

- f. *Acceptance of Public Improvements and Establishing Lien Period*

- g. *Approval of Agreements*

- (1) Public Art Loan Agreement

- h. *Other Items of Business*

- (1) Development Services Funding Request
 - (2) 2011 Annual Transportation and Park Impact Fees Report
 - (3) Surplus Vehicles for Sale
 - (4) Report on Procurement Activities

9. **PUBLIC HEARINGS**

- a. Ordinance O-4364, Providing for the Submission to the Qualified Electors of the City of Kirkland at an Election to be Held on November 6, 2012, of a Proposition Authorizing an Increase to the City's Regular Property Tax Levy and the City's Property Tax Levy Base of \$.204 per \$1,000 of Assessed Valuation in Order to Pay Costs of Street and Sidewalk Maintenance and Operations and Fund the Improvement and Development of Streets and Sidewalks.
- b. Ordinance O-4365, Providing for the Submission to the Qualified Electors of the City of Kirkland at an Election to be Held on November 6, 2012, of a Proposition Authorizing an Increase to the City's Regular Property Tax Levy and the City's Property Tax Levy Base of \$.16 per \$1,000 of Assessed Valuation in Order to Pay Costs of Parks Maintenance and Operations and to Fund Facility Renovations and the Acquisition of Parkland and Open Space.

10. **UNFINISHED BUSINESS**

- a. Resolution R-4930, Calling for a Special Election to be Held in Conjunction with the General Election on November 6, 2012, for the Purpose of Placing on the Ballot a Proposition for a Street Improvement Levy Rate Increase.

- b. Resolution R-4931, Calling for a Special Election to be Held in Conjunction with the General Election on November 6, 2012, for the Purpose of Placing on the Ballot a Proposition for a Park Levy Rate Increase.
- c. Ballot Measure Pro/Con Committees Appointments
- d. Resolution R-4932, Renaming the Kirkland Cultural Council as the Kirkland Cultural Arts Commission and Refining its Mission.
- e. Future Event Pay Parking
- f. Puget Sound Energy Sammamish-Juanita Electrical Line Routing Report

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.

11. *NEW BUSINESS*

- a. NE 85th Street/132nd Avenue NE Watermain Replacement – Funding Approval

12. *REPORTS*

- a. *City Council*
 - (1) Regional Issues
- b. *City Manager*
 - (1) Calendar Update

13. *ITEMS FROM THE AUDIENCE*

14. *ADJOURNMENT*

ITEMS FROM THE AUDIENCE
Unless it is 10:00 p.m. or later, speakers may continue to address the Council during an additional Items from the Audience period; provided, that the total amount of time allotted for the additional Items from the Audience period shall not exceed 15 minutes. A speaker who addressed the Council during the earlier Items from the Audience period may speak again, and on the same subject, however, speakers who have not yet addressed the Council will be given priority. All other limitations as to time, number of speakers, quasi-judicial matters, and public hearings discussed above shall apply.



CITY OF KIRKLAND

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

MEMORANDUM

To: Kurt Triplett, City Manager
From: Tracey Dunlap, Director of Finance & Administration
Ray Steiger, P.E., Public Works Director
Date: July 5, 2012
Subject: 2013-2014 Utility Rate Policy Issues

RECOMMENDATION:

Council receives a briefing on two critical utility rate policy issues in advance of considering rate recommendations for 2013-2014.

BACKGROUND DISCUSSION:

City staff is in the process of preparing 2013-2014 rate proposals for the City's water, sewer, surface water, and solid waste utilities. During this process, two critical policy issues were identified:

- Options for adjusting the Solid Waste rate structure to improve stability, while continuing to encourage conservation (Attachment 1), and
- A state-required change in the accounting for City utility tax, which may impact revenues and/or the tax rates (Attachment 2).

Both issues have been reviewed in-depth with the Council Finance Committee at several meetings. However, given the complexity of these two issues, and the scope of the overall rate update process, the July 17 study session will provide an opportunity to discuss these specific issues in more detail with the objective of obtaining concurrence with the direction discussed with the Finance Committee.

The overall process for bringing the 2013-2014 utility rate recommendations forward is:

July 17 – Study Session briefing on Major Policy Issues
July 30 – Rate recommendations reviewed with Council Finance Committee
August 7 – Cascade Water Alliance Special Presentation
September 4 – Rate recommendations presented to City Council
September 18 – Rate ordinances for City Council approval

[Note that the solid waste rates must be adopted at or before the October 16 Council meeting to be effective at the beginning of 2013.]



CITY OF KIRKLAND
Department of Public Works
123 Fifth Avenue, Kirkland, WA 98033 425.587.3800
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MEMORANDUM

To: Kurt Triplett, City Manager

From: John MacGillivray, Solid Waste Programs Lead
Ray Steiger, P.E., Public Works Director

Date: July 5, 2012

Subject: 2013/2014 Solid Waste Rates Policy Briefing

RECOMMENDATION:

It is recommended that City Council receives a briefing on a proposed policy modification to be included in 2013/2014 solid waste rates proposal.

BACKGROUND DISCUSSION:

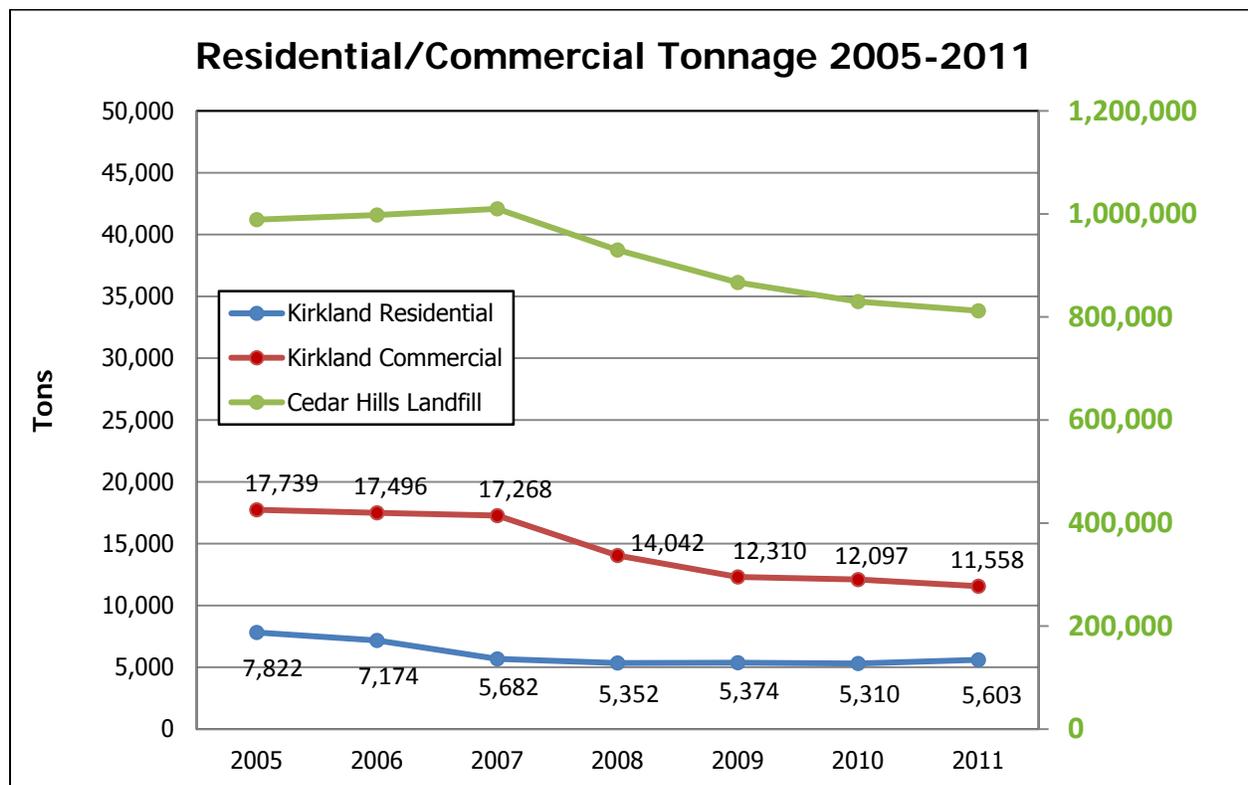
Kirkland's "linear" solid waste rate structure, established in 2009, is such that customers are billed just one price per gallon of refuse no matter what their size of container (approximately \$.56/gal in 2012). Customers are thus billed in direct correlation to the container size and efforts to save money by the customer can be realized by them reducing their container size. A linear rate structure has the effect of encouraging customers to reduce their waste, recycle more, and consequently be able to reduce the size of their garbage carts and their bills.

While the environmental impact of waste reduction due to a linear rate structure is beneficial, the potential financial consequences of excessive customer downsizing (and subsequent revenue reduction) such as that which occurred during the recent annexation, can be detrimental to the utility. In Kirkland's case, for the smaller cart sizes (35 gallon containers and less), the solid waste utility currently pays Waste Management (WMI) *more* for collection and disposal than it receives in revenue. For larger cart sizes (64 gallons and larger), the solid waste utility pays WMI *less* for collection and disposal than it receives. Depending on the container sizes and the customer makeup, those deficits and surpluses should eventually equalize, and the utility can remain in financial balance.

Typically, downsizing behaviors can be accounted for during a rate update analysis. The solid waste rate analysis done prior to adoption of the linear rate structure in 2009 accurately anticipated the amount of downsizing that would occur as a result of implementing the new linear rates in 2009/2010. The \$ 8.5 million in annual revenues projected in the rate analysis were within \$5,000 of actual year end revenues – a deviation of less than 1/1000 of one percent.

However, in the case of rapid, unanticipated downsizing, expenditures can outpace revenues and result in a deficit to the utility. This was the case after the 2011 annexation of the JFK neighborhoods.

Several factors have contributed to the discrepancy between the estimated rate of downsizing and the actual rate of downsizing that was built into the 2012 solid waste rate (note: the rate of downsizing has exceeded estimates by approximately six percentage points (pp), and the revenue shortfall is valued at \$322,000; it will be proposed later this summer that solid waste reserves be used to balance the utility in 2012): 1) the implementation of the City’s new solid waste contract in the JFK neighborhoods in July, 2011, and its comparably attractive variable rates and services encouraged more JFK residents to reduce their service levels; 2) a robust education and outreach effort undertaken in greater Kirkland around the time of annexation caused even more non-JFK residents to opt for smaller garbage carts; and 3) the poor economy has continued to contribute to the rate of downsizing. As can be seen in the table below, the overall tonnage collected in Kirkland and that processed at the Cedar Hills Landfill has gradually decreased since 2007. In an economic downturn, less waste is produced by residents and businesses, and many have decided to take advantage of Kirkland’s variable rates by selecting a smaller and less expensive garbage service level to match their waste production.



Rates Policy Review Recap

At their February 28, 2012, meeting, the Finance Committee received a briefing on the circumstances that caused the revenue deficit in the 2012 solid waste rates. At the March 27, 2012, Finance Committee meeting, staff introduced several potential rate options intended to correct the revenue deficit in the 2013/2014 solid waste rates. The Finance Committee subsequently indicated an interest in further discussion of the linear and “nearly” linear rate options but discarded the more aggressive pure cost-of-service and variable recycling and

organics rate options. Accordingly, a refined list of three rates options were presented for the Finance Committee's review and consideration at their May 29, 2012, meeting. At that meeting, staff also received unanimous direction from the Finance Committee on the three solid waste rates policy questions presented below.

Important Factors

Any of the rate policy options presented herein will likely resolve the revenue deficit in 2013/14 given the assumption that service level migration will be at a predictable, pre-annexation levels during 2013/14. Each option provides a varying degree of protection from further downsizing and, correspondingly, more or less incentive for customers to reduce waste and recycle more. More protection from further downsizing generally equates to less of an incentive to reduce waste and recycle.

The numbers presented in the following narratives and *Graph 1* (Attachment 3) should be taken as indicative of the concept and not of any specific projection of likely rate increases for each group. *The 10% rate increase example is hypothetical, not actual or proposed; it is used to illustrate how an increase could be distributed within each of the three potential rates structures.* Additional components affecting the final proposed 2013/2014 solid waste rate are the annual CPI increase to WMI (not released until July 17) and pending consideration of an administrative personnel service request.

SOLID WASTE RATES POLICY QUESTIONS:

RATES POLICY QUESTION 1: Unanticipated past and ongoing customer downsizing has caused expenditures to outpace revenues in the 2012 solid waste utility. How and should the 2013-14 solid waste rate structure be modified to correct the revenue deficit?

Solid Waste Rate Policy Options Primer

There are different revenue shortfall risks, diversion incentives, waste prevention incentives, and differential rate impacts on service levels for the three rate policy options presented below. In all cases, however, the further rates move from a linear approach towards a cost-of-service model, the lower the risk that revenues will fall short of solid waste expenses. Conversely, the more linear rates are, the higher the risk that customer migration to smaller container sizes that is not accurately projected in the rate analysis will result in revenues not covering expenses.

Additionally, in terms of the rate impact on smaller versus larger container size service levels, an increase in revenues that is apportioned across service levels will likely amplify the increase in the lower service levels when moving from linear garbage collection fees toward any of the other rate options.

Solid Waste Rate Policy Options

An illustration of each option is included in *Graph 1: Examples of 2013 Rate Design Options*. This graph illustrates a *hypothetical* 10% increase. While each service level is presented in a cost per gallon format, a retail price point for each cart size is also presented for to show what might be charged to the customer in the scenario. The blue line indicates the wholesale rate the City would pay WMI for each service level. *Table 1: Potential Rate Increase Distribution*

presents how the hypothetical 10% rate increase might be distributed across each service level by percentage and shows how each distribution might compare to the current 2012 rates.

OPTION 1: Stay Linear
(Graph 1: Red line)

Kirkland's residential rates are currently linear. Under the residential rate option of maintaining current linear rates any increase in total costs for residential collection and disposal would be passed on with equal percentage increases for all cart sizes and collection frequencies. For example, if residential costs go up by 10% in 2013 then all residential rates would go up 10%.

Option 1 offers the most diversion and waste prevention benefit, but its revenue component is the most sensitive to fluctuations in service levels. If downsizing levels can be accurately predicted, Option 1 is the preferred option. Since annexation, the rate of downsizing has leveled off to approximately 0.63% per month which is equivalent to the migration rate in pre-annexation Kirkland. Before annexation, the migration rate from the 96W/64W carts to the smaller 35M, 20W, and 35W was about 0.60% per month. However, if an unpredicted spike in downsizing occurred due to a successful education and outreach effort or a further slump in the economy, for example, expenditures would likely outpace revenues.

Conclusion: Option 1 provides the least protection from unpredicted spikes in downsizing but provides the most waste reduction and recycling diversion incentive.

OPTION 2: Nearly Linear 1 (Less linear for 10/20 gallon weekly and 35 gallon monthly)
(Graph 1: Green Line)

Under this option, residential rates for the 10 gallon weekly (10W), 20 gallon weekly (20W) and 35 gallon monthly (35M) service levels would increase by a greater percentage than would the 35 gallon (35W), 64 gallon (64W) and 96 gallon (96W) weekly service levels. The amount of the differential increases would depend on how nearly linear the rates were modified. A 10% rate increase overall for residential would increase the three higher service levels (35W, 64W, 96W) by 10%; the same as under Option 1. The three lower service levels (10W, 20W, 35M) would increase by greater than 10%. The size of the additional increase would determine the amount of additional revenue that would be available to mitigate downsizing that is not anticipated by the rate study or to offset a portion of the commercial subsidization of the residential sector. An increase of 31% for the three lower service levels would raise approximately \$55,000 in additional revenue compared to Option 1 (based on the 2012 rate study).

Option 2 insulates the Utility from some of the revenue risk caused by ongoing downsizing but still strongly encourages recycling diversion and waste prevention behaviors. However, it would result in a considerably larger rate increase for the 10W, 20W, and 35M service levels (31%) compared to the larger 35W, 64W, and 96W service levels (10%). Yet, in terms of actual dollars, the 31% increase is relatively small; for example, a 31% increase in the 20 gallon service increases the price by \$2.36 to \$14.75/month.

Conclusion: Option 2 offers a greater protection from unpredicted spikes in downsizing than Option 1 but provides slightly less of a waste reduction and recycling diversion incentive.

OPTION 3: Nearly Linear 2 (Less Linear for 10W/20W/35M, cover WMI wholesale rate for 35W, linear for 64W and 96W)
(Graph 1: Orange Line)

Under this option, residential rates for the 10W, 20W, 35W and 35M service levels would increase by a greater percentage than would the 64W and 96W service levels. The amount of the differential increase depends on how much the 35W needs to be raised to cover WMI's wholesale rate for this service level, which is the service currently used by over half of residential customers.

If all of the 10% hypothetical cost increase is due to CPI and tipping fee increases, then the WMI wholesale rate for the 35W service level in 2013 would be \$24.48. In this case, the retail rate for the 35W and the three smaller service levels would all increase by 24.2%. This would raise approximately \$400,000 in additional revenue relative to the all linear option, based on the 2012 rate study. This additional revenue could be used to mitigate any residential downsizing not anticipated in the 2013 rate study, as well as to offset the commercial subsidization of residential sector costs.

Option 3 almost certainly insulates the Utility from any revenue risk caused by ongoing downsizing, since 85% of residential customers would pay retail rates that are equal to or exceed WMI wholesale rates, and this option would produce significantly more downsizing mitigation revenue than would be raised under Option 1. Option 3 still encourages recycling diversion and waste prevention behaviors, although the incentive to downsize from the 64W to the 35W service level is less than under Option 2 or Option 1.

Option 3 would result in a considerably larger rate increase for the 10W, 20W, 35W and 35M service levels (24.2%) compared to the larger 64W and 96W service levels (10%). Yet, in terms of actual dollars, the 24.2% increase is relatively small; for example, a 24.2% increase in the 20 gallon service increases the price by \$1.59 to \$13.98/month. Furthermore, the percentage increases for the three smaller service levels (10W, 20W and 35M) could be reduced below 24% without increasing the financial risk of unanticipated downsizing very much. Simply stated, the rates for the smaller service levels could be adjusted slightly downward relative to the 35W service level to dial in a downsizing mitigation revenue target.

Conclusion: Option 3 offers greater protection from unpredicted spikes in downsizing than Options 1 or 2 but provides the lowest waste reduction and recycling diversion incentive.

RATES POLICY QUESTION 1 -- RECOMMENDATION: Finance Committee unanimously recommends Option 2.

RATES POLICY QUESTION 2: The City fully subsidizes yard waste extras. Should the City continue to fully subsidize yard waste extras, modify the subsidy, eliminate the subsidy, or limit the amount of extras?

Yard Waste Subsidy Discussion

In 2003, a policy decision was made to not charge customers for yard waste extras (a 32-gallon equivalent unit) or to limit the number of yard waste extras that may be put out at the curb. At the time, the decision was made primarily to discourage illegal dumping activity and, secondarily, as a way to encourage the diversion of more organic material for composting.

Before annexation, Kirkland customers generated on average about 1,400 yard waste extras per month at a cost to the Utility of about \$60,000 per year. After annexation, the number of yard waste extras has increased to an average of about 2,500 per month. Consequently, the subsidy of yard waste extras will cost the utility a projected \$140,000 in 2012. It is important to note, however, that if the subsidy is decreased or eliminated, the actual number of extras will decrease proportional to the amount of the extra rate increase (Principle of Price Elasticity of Demand). As such, the potential revenue received from yard waste extras will be substantially less than \$140,000.

Yard Waste Extra Policy Options

OPTION 1: Continue the Full Subsidy

If the full subsidization of yard waste extras is continued in 2013, the cost of the subsidy could increase beyond \$150,000 depending on the annual CPI increase granted to WMI. Kirkland's high overall diversion rate is more reliant upon organics diversion than regular curbside recyclables diversion – in 2011, yard and food waste accounted for 59% of all materials recycled or composted by the single family residential sector. In terms of the impact free yard waste extras had upon diversion during 2003-2010, residents recycled on average 607 tons of organic material per month compared to only 524 tons per month during 1998-2002. In 2002, the average customer recycled 104 pounds of yard waste per week compared to 117 pounds of yard and food waste per week in 2011. It is important to note, however, that some of the increase in the diversion of organic waste in 2003-2010 can be attributed to the ban on yard waste disposal at the Cedar Hills Landfill and the introduction and proliferation of residential food scrap recycling. Full subsidization has had the most positive effect upon organics diversion but the most negative impact on the Utility's balance sheet.

OPTION 2: Modify the Subsidy

A second alternative is to partially subsidize yard waste extras and charge customers some fee per extra below the wholesale rate paid to WMI. As shown in *Table 2*, most cities charge their residential customers for yard waste extras. Depending upon the price point selected, this option would bring in some revenue but would keep yard waste extra rates comparably low thus retaining some of the diversion benefit provided by the full subsidy option. Several different price points are offered in *Table 3: Yard Waste Extra Analysis* as examples to illustrate how a given rate could increase revenue. Again, the number of extras residents put out will naturally decrease as the price point increases so the actual revenues received will be less than what is indicated in each example.

OPTION 3: Subsidize with Extra Limits

This option would subsidize yard waste extras up to a limit per customer per week. If the limit is exceeded, a fee per extra would be charged. The City of Bellevue has a policy of allowing each customer six 32-gallon "units" per week wherein the customer is provided with a 96-gallon cart (three units), like Kirkland, and may put out three additional units per week at no additional charge. As shown below in *Table 4: City of Bellevue Yard Waste Extras*, this policy results in a substantially lower number of billable extras per month when compared to Kirkland's monthly average of 2,500. Other than continuing the full subsidy, this option would generate the least revenue but would still highly encourage organics diversion. By comparison, charging customers a flat fee of \$1.00 per extra, for example, might generate about \$27,000 in annual revenue whereas this extra limit option may only result in revenues similar to Bellevue of only \$17,000 per year.

Table 4: CITY OF BELLEVUE YARD WASTE EXTRAS

2011	Number of Extras	Revenue	Number of Customers w/ Extras
January	88	\$365.88	15
February	92	\$362.28	22
March	367	\$1,508.37	69
April	293	\$1,189.78	79
May	407	\$1,634.55	98
June	424	\$1,731.80	77
July	235	\$915.97	63
August	477	\$1,935.01	105
September	314	\$1,277.51	64
October	341	\$1,380.91	79
November	785	\$3,218.74	199
December	427	\$1,732.02	107
Average	354	\$17,252.82	977
Kirkland Average	2,900	\$0	

OPTION 4: Eliminate the Subsidy

The final alternative is to eliminate the yard waste subsidy. The retail rate charged to customers would be the same as the wholesale rate paid to WMI (\$4.71 each in 2012) to fully cover costs. In a survey of several King County cities, every city except for Kirkland and Renton charge their customers in some fashion for units of extra yard waste. Kirkland does have a rate for an extra 96-gallon cart but no rate for 32-gallon equivalent extra unit. This option would likely have some negative impact on diversion but would fully recover all costs associated with yard waste extras and eliminate the \$140,000 deficit.

RATES POLICY QUESTION 2 -- RECOMMENDATION: Finance Committee unanimously recommends Option 4.

RATES POLICY QUESTION 3: The City currently charges its customers less than it pays Waste Management for garbage extras. Should the City continue to partially subsidize garbage extras, eliminate the subsidy to cover costs, or increase the garbage extra retail rate beyond the wholesale rate?

Garbage Extra Policy Options Discussion

For 2012, the City charges its customers \$4.16 per 32-gallon equivalent garbage extra and pays Waste Management \$5.25 per garbage extra. In 2011, the Solid Waste Utility lost approximately \$4,500 in revenue due to this partial subsidy. For 2012, staff projects that the Utility will lose almost \$7,700 in revenue. *Table 5: Garbage Extras Analysis* provides a detail of the potential revenues if garbage extra rates were increased to cover costs or raised above cost to increase revenue and encourage waste reduction.

Kirkland's garbage extra rate is comparable to most cities in King County and is neither relaxed nor punitive in nature. Low garbage extra rates discourage waste prevention and recycling behaviors by providing customers with a cheap alternative to dispose of their waste whereas higher or punitive garbage extra rates can encourage customers to reduce their overall waste as well as proactively sort recyclable and organic material from their garbage. Additionally, a higher extra rate ratio of garbage to yard waste (2:1) can both encourage waste prevention but also encourage customers to divert more organic materials into the yard waste stream via food scrap recycling. As shown in *Table 2*, most cities in King County have about a 1:1 garbage to yard waste extra rate. The City of Seattle, however, has a garbage to yard waste extra rate which is almost exactly 2:1 (\$8.95 to \$4.45)

RATES POLICY QUESTION 3 -- RECOMMENDATION: Finance Committee unanimously recommends establishing a retail rate to fully cover the cost of the WMI wholesale rate.

SUMMARY:

Based on feedback and discussion with the full Council on July 17th, staff will continue to develop the rate recommendations for 2013/2014 considering resolution of WMI's CPI announcement and of City budget discussions. The following depicts the tentative schedule of actions to follow:

<u>Month/Date</u>	<u>Task</u>	<u>Status</u>
Jan	Rates Study Consultant Procurement	Complete
Feb/Mar/Apr/May	Finance Committee Rates Policy Review	Complete
May	Data Gathering/Admin Budget Review	Complete
June	Conduct Rate Study	Ongoing
July	Internal Review/Council Study Session	Pending
July 30	Finance Committee – Rate Proposal	Pending
September 4	City Council Meeting Review/Ordinance	Pending
September 18	City Council Meeting Ordinance (if needed)	Pending
October 16	Deadline to pass rates ordinance	Pending



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 www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager
From: Tracey Dunlap, Director of Finance and Administration
Date: July 5, 2012
Subject: Utility Tax Accounting Change and Related Impacts

RECOMMENDATION:

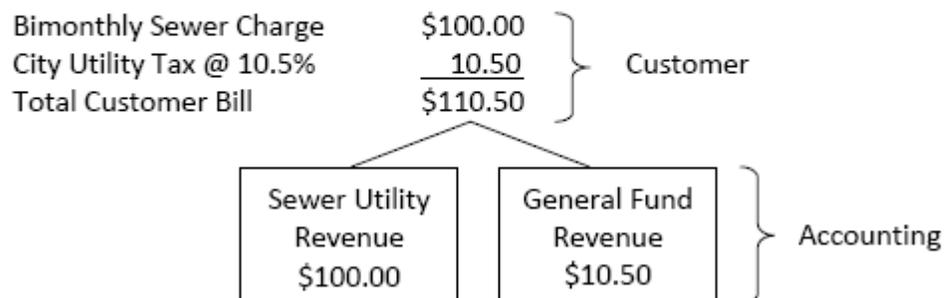
Council receives briefing on changes to the City's calculation of and accounting for City utility taxes and provides direction for inclusion in the 2013-2014 rate studies.

BACKGROUND DISCUSSION:

Historically, the City of Kirkland has charged and accounted for City utility taxes on the City-owned utilities (water, sewer, surface water, solid waste) in the following manner:

1. The customer charge is calculated based on the utility rate schedule.
2. City Utility tax is added to the bill as a separate line item.
3. Rate revenues are received to the appropriate utility enterprise fund
4. City Utility tax (City tax) revenues are received directly to the General Fund.

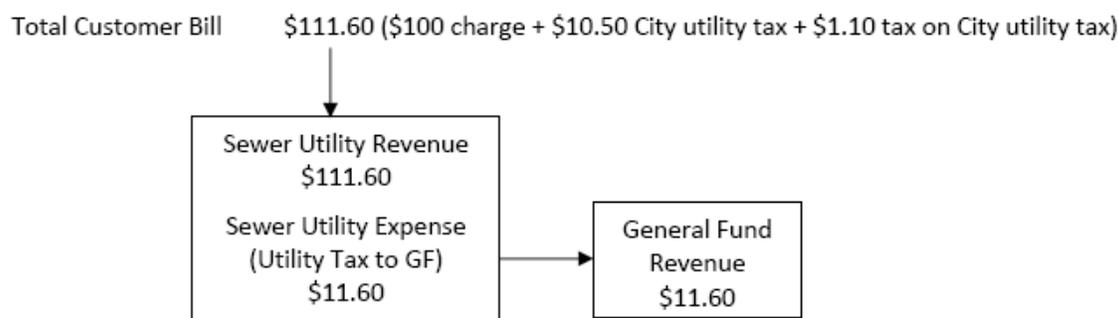
Illustration 1
 Current Practice



The State of Washington imposes a utility excise tax (State tax) on the "gross revenues" of the utilities and the City has historically paid this tax on the rate revenues received to the utilities, but not on the City tax. During the recent audit, DOR audited the City's State tax payments and determined that the City should have been paying State taxes on both the rate revenues and the City utility taxes (see attached DOR Special Notice dated August 2011), which taken together should be treated as "gross revenues". The State tax is typically built into utility rates.

Based on the recent interpretation, generally accepted accounting principles requires that the City account for the gross revenues in the utility funds, including the City utility taxes, which are then paid by the utility funds to the General Fund.

Illustration 2
Revised Accounting Practice



This change has a number of consequences:

1. Increases the State taxes paid by the utilities, which will be taken into account during the rate updates for the 2013-2014 budget process.
2. Grosses up the budget by increasing the utility revenues and expenses by approximately \$4 million in City utility tax revenues added and \$4 million in expenditures for City utility tax payments to the General Fund. The General Fund budget would be unchanged in that the revenue would still be included but the amount could be larger (see below).
3. Changing the City utility tax calculation to be based on the "gross revenues" of the utility, which now includes the City utility tax, results in a "tax on a tax". In reality, this is consistent with the fact that the City utility tax is a tax on the gross income of the utility, not on the customer. There are a few options for addressing this issue:

Option 1

Many utilities build the local and state utility taxes into the utility rates, since they are taxes on the utility (a cost of doing business). In some cases, the utility includes a note on the bill, such as "Rates include the impact of the City's x.x% utility tax and the State's y.y% utility excise tax".

Option 2

If it is desirable to continue to show the City utility tax as a line item on the bill, the tax rate would need to be grossed up to reflect the impact of applying the tax to the gross revenues. For example, 10.5% would effectively be $10.5\% \times 10.5\% = 11.60\%$. This would reflect the application of the tax to gross utility revenue and would increase City utility tax collections by at least \$500,000. PSE shows the total City tax as a line item on their bills titled "Effect of City Tax".

Option 3

Lower the City utility tax rate, to neutralize the impact on utility tax revenues. For those utilities with 10.5% tax rate, the rate would be reduced to 9.58%.

An example of the options for a bimonthly sewer charge of \$100.00 follows:

	Current	Option 1	Option 2	Option 3
Utility Tax Rate	10.50%	10.50%	10.50%	9.58%
Sewer Charge	100.00		100.00	100.00
Effective Utility Tax	10.50		11.60	10.50
Total Utility Bill	110.50	*111.60	111.60	110.50

*Note: Includes State Utility Excise Tax on collection at 3.852% and City Utility Tax on gross revenues at 10.5%

Staff has discussed these options with the Council Finance Committee and is recommending Option 3 for inclusion in the 2013-2014 rate updates.

An additional impact of the accounting change is the application of the tax rate to the gross revenues of the utilities, which subjects non-rate revenues to the tax. Since this is a tax on the utility, not on the customer, there are many instances where the added tax would be a significant burden and cannot be collected as an addition to the rate payers. A few examples include the Regional Capital Facilities Charges (RCFCs) which are remitted to Cascade Water Alliance (CWA) for new water connections, City capital facilities charges for new connections, interest earnings and grants. As a result, staff is recommending that the KMC be revised to exclude selected revenues from the gross revenues definition, specifically:

- Interest revenue,
- Capital facilities charges (including RCFCs and Emergency Sewer Program connection revenue),
- Grant revenue,
- Intergovernmental revenue (cost reimbursements from other jurisdictions), and
- Interfund transfers (cost reimbursements for work for other City funds).

Staff is seeking direction regarding the inclusion of Option 3 in the rate analysis and the recommended changes to the KMC.



Special Notice

WASHINGTON STATE DEPARTMENT OF REVENUE

AUGUST 15, 2011

City-imposed Municipal Utility Taxes are Part of Taxable Gross Income

Background

In some cases, cities provide utility services directly to their citizens. Many cities also impose a municipal utility tax on the **providers** of certain utility services. The municipal utility tax also applies to a department of the city that provides utility services.

If a city itself operates a department that provides utility services directly to its citizens, the municipal utility tax also applies to those services. The municipal utility tax is then passed on to and collected from customers by the utility provider. In some cases the municipal utility tax may be separately identified on the billing invoice to show the “effect” of the tax.

How do I report?

The entire amount charged to and collected from customers is gross revenue to the utility provider. This amount cannot be reduced by the amount of recovered taxes when the utility provider computes its state public utility tax or business and occupation tax liability, even if the city itself provides the utility service.

Example

City Z imposes a public utility tax on providers of water distribution services within its city limits. City Z’s Water Department provides water services to residents of City Z. City Z’s Water Department is subject to City Z’s utility tax. City Z’s Water Department passes on the local utility tax to its customers.

The entire amount that City Z’s Water Department bills to its customers for water services, including the municipal utility tax liability (even if separately stated on the billing invoice), is subject to the state public utility tax under the water distribution classification.

For more information

Visit our website at dor.wa.gov, send an email to dorcommunications@dor.wa.gov, or call the Department’s Telephone Information Center at 1-800-647-7706.

Graph 1: Examples of 2013 Rate Design Options - Hypothetical 10% Cost Increase

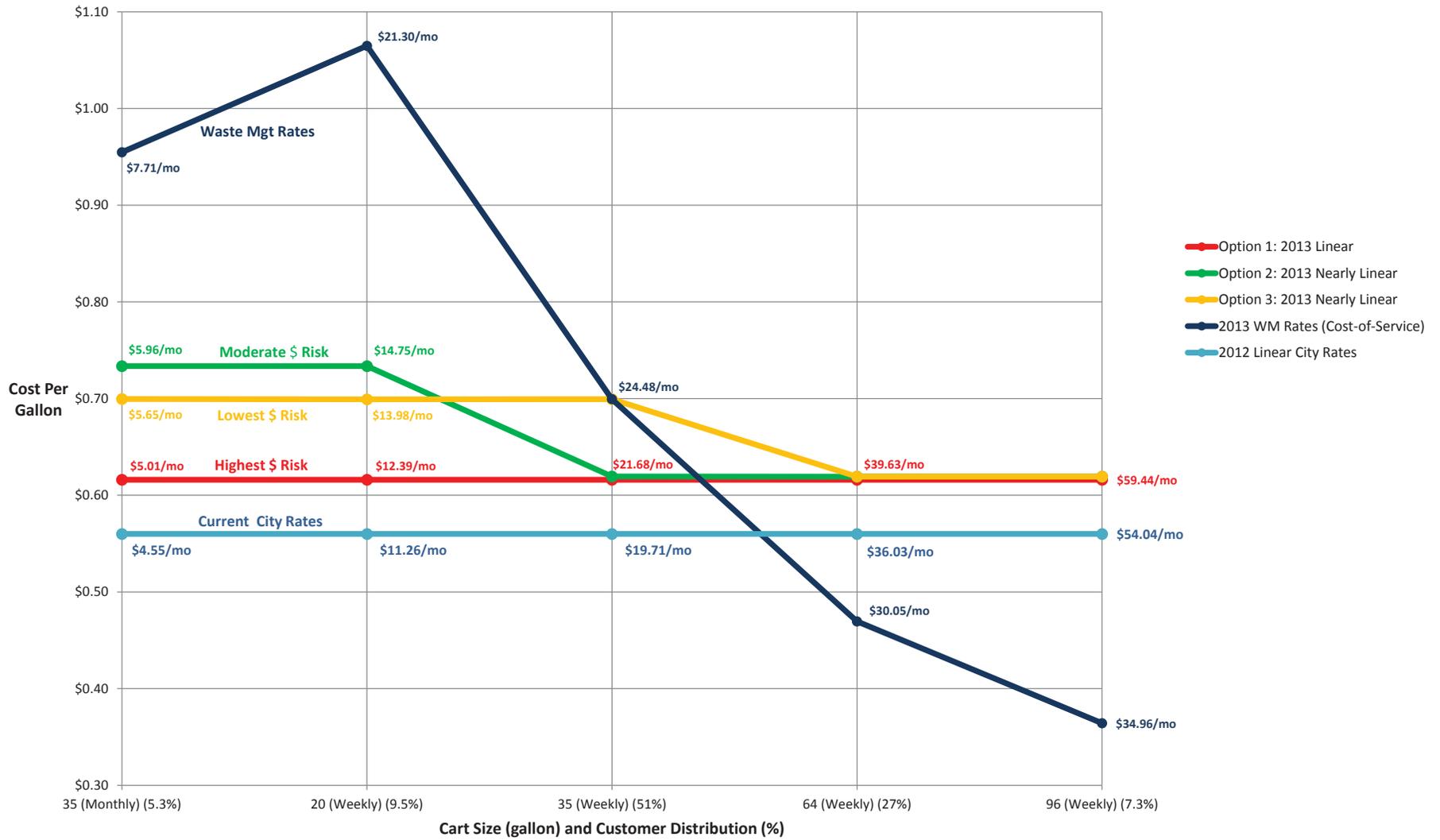


Table 1: Potential 2013 Rate Increase Distribution (10% HYPOTHETICAL INCREASE EXAMPLE)

Rate Option	GARBAGE SERVICE LEVEL				
	35 (Monthly)	20 (Weekly)	35 (Weekly)	64 (Weekly)	96 (Weekly)
Number of Customers	1,094	1,984	10,586	5,623	1,510
Waste Management Rates	\$7.71	\$21.30	\$24.48	\$30.05	\$34.96
2012 City Rates	\$4.55	\$11.26	\$19.71	\$36.03	\$54.04
Option 1: Stay Linear Highest \$ Risk Best for Waste Reduction and Recycling	\$5.01 (+10%)	\$12.39 (+10%)	\$21.68 (+10%)	\$39.63 (+10%)	\$59.44(+10%)
Option 2: Nearly Linear 1 Moderate \$ Risk Good for Waste Reduction and Recycling	\$5.96 (+31%)	\$14.75 (+31%)	\$21.68 (+10%)	\$39.63 (+10%)	\$59.44 (+10%)
Option 3: Nearly Linear 2 Lowest \$ Risk Moderate for Waste Reduction and Recycling	\$5.65 (+24.2%)	\$13.98 (+24.2%)	\$24.48 (+24.2%)	\$39.63 (+10%)	\$59.44 (+10%)

Table 2: Characteristics of Residential Organics Collection in Selected Cities

	Kirkland	Bellevue	Bothell	Redmond	Renton	Seattle
Mandatory Garbage	Yes	No	Yes	No	Yes	Yes
Mandatory Organics	No	No	No	No	No	Yes
Yard Debris Disposal Ban	Yes	Yes	Yes	Yes	Yes	Yes
Food Scraps Disposal Ban	No	No	No	No	No	No
Garbage Collection Frequency	weekly	weekly	weekly	weekly	biweekly	weekly
Organics Collection Frequency	weekly	weekly	weekly	weekly	weekly	weekly
Organics Setout Limits	1 - 96 cart	2 - 96 carts	1 - 96 cart	1 - 96 cart	No Limit	None Free
Embedded Organics	Yes	Yes	Yes	Yes	Yes	No
13 gallons weekly (Monthly Fee)						\$4.65
32 gallons weekly (Monthly Fee)						\$6.95
96 gallons weekly (Monthly Fee)						\$8.95
Second Yard Waste Cart Fee	\$11.46	no charge	\$5.61	\$7.66	no charge	\$8.95
Second Yard Waste Cart Rental Fee	incl. in above	\$2.43	incl. in above	incl. in above	\$1.98	incl. in above
Yard Waste Extra Rate (32 gal.)	\$0.00	\$4.22	\$4.52	\$4.93**	no charge	\$4.45
Garbage Extra Rate (15 gal.)					\$3.56	
Garbage Extra Rate (32 gal.)	\$4.17	\$4.38	\$4.97	\$4.56		\$8.60

* Redmond has biweekly collection in winter.

**Redmond extra can not include food waste.

Table 3: Yard Waste Extra Analysis

Month	Year	Number	Rate/ea	Paid to WM	Yard Waste Extra Fee Options					Add Revenue
					\$1.00/each	\$1.50/each	\$2.00/each	1/2 WM Rate	No subsidy	
Jan	2011	145	\$3.61	\$522.55	\$144.75	\$217.13	\$289.50	\$261.28	\$522.55	
Feb	2011	99	\$3.61	\$357.39	\$99.00	\$148.50	\$198.00	\$178.70	\$357.39	
Mar	2011	566	\$3.61	\$2,043.26	\$566.00	\$849.00	\$1,132.00	\$1,021.63	\$2,043.26	
April	2011	1388	\$3.61	\$5,010.68	\$1,388.00	\$2,082.00	\$2,776.00	\$2,505.34	\$5,010.68	
May	2011	1253	\$3.61	\$4,523.33	\$1,253.00	\$1,879.50	\$2,506.00	\$2,261.67	\$4,523.33	
June	2011	5103	\$3.61	\$18,422.13	\$5,103.08	\$7,654.62	\$10,206.17	\$9,211.07	\$18,422.13	
		8554			\$8,553.83	\$12,830.75	\$17,107.67	\$15,439.67	\$30,879.34	
July	2011	2712	\$4.55	\$12,337.43	\$2,711.52	\$4,067.28	\$5,423.05	\$6,168.72	\$12,337.43	
Aug	2011	2268	\$4.55	\$10,319.41	\$2,268.00	\$3,402.00	\$4,536.00	\$5,159.71	\$10,319.41	
Sept	2011	1734	\$4.55	\$7,889.70	\$1,734.00	\$2,601.00	\$3,468.00	\$3,944.85	\$7,889.70	
Oct	2011	1855	\$4.55	\$8,439.25	\$1,854.78	\$2,782.17	\$3,709.56	\$4,219.63	\$8,439.25	
Nov	2011	3629	\$4.55	\$16,511.95	\$3,629.00	\$5,443.50	\$7,258.00	\$8,255.98	\$16,511.95	
Dec	2011	5210	\$4.55	\$23,705.50	\$5,210.00	\$7,815.00	\$10,420.00	\$11,852.75	\$23,705.50	
		17407		\$110,082.58	\$17,407.31	\$26,110.96	\$34,814.61	\$39,601.62	\$79,203.24	
		25961			\$25,961.14	\$38,941.71	\$51,922.28	\$55,041.29	\$110,082.58	Add Revenue
					(\$84,121.44)	(\$71,140.87)	(\$58,160.30)	(\$55,041.29)	\$0.00	Profit/Loss

Month	Year	Number	Rate/ea	Paid to WM	Yard Waste Extra Fee Options					Add Revenue
					\$1.00/each	\$1.50/each	\$2.00/each	1/2 WM Rate	No subsidy	
Jan	2012	1154	\$4.71	\$5,436.64	\$1,154.28	\$1,731.41	\$2,308.55	\$2,718.32	\$5,436.64	
Feb	2012	1840	\$4.71	\$8,666.40	\$1,840.00	\$2,760.00	\$3,680.00	\$4,333.20	\$8,666.40	
Mar	2012	686	\$4.71	\$3,231.06	\$686.00	\$1,029.00	\$1,372.00	\$1,615.53	\$3,231.06	
April	2012	3837	\$4.71	\$18,072.27	\$3,837.00	\$5,755.50	\$7,674.00	\$9,036.14	\$18,072.27	
May	2012	4686	\$4.71	\$22,071.06	\$4,686.00	\$7,029.00	\$9,372.00	\$11,035.53	\$22,071.06	
June	2012	2794	\$4.71	\$13,159.74	\$2,794.00	\$4,191.00	\$5,588.00	\$6,579.87	\$13,159.74	
July	2012	2500	\$4.71	\$11,775.00	\$2,500.00	\$3,750.00	\$5,000.00	\$5,887.50	\$11,775.00	Projected
Aug	2012	2500	\$4.71	\$11,775.00	\$2,500.00	\$3,750.00	\$5,000.00	\$5,887.50	\$11,775.00	
Sept	2012	2500	\$4.71	\$11,775.00	\$2,500.00	\$3,750.00	\$5,000.00	\$5,887.50	\$11,775.00	
Oct	2012	2500	\$4.71	\$11,775.00	\$2,500.00	\$3,750.00	\$5,000.00	\$5,887.50	\$11,775.00	
Nov	2012	2500	\$4.71	\$11,775.00	\$2,500.00	\$3,750.00	\$5,000.00	\$5,887.50	\$11,775.00	
Dec	2012	2500	\$4.71	\$11,775.00	\$2,500.00	\$3,750.00	\$5,000.00	\$5,887.50	\$11,775.00	
		29997		\$141,287.17	\$29,997.28	\$44,995.91	\$59,994.55	\$70,643.59	\$141,287.17	
					(\$111,289.89)	(\$96,291.26)	(\$81,292.62)	(\$70,643.59)	\$0.00	Profit/Loss

Table 5: Garbage Extras Analysis

Month	Year	Number	WM Rate/ea	2011 Rates				Garbage Extra Fee Options (City Rate)							
				Paid to WM	City Rate/Ea	City Revenue	Cover Cost	\$6.00/ea	\$6.50/ea	\$7.00/ea	\$7.50/ea	\$8.00/ea	\$8.50/ea	\$9.00/ea	
Jan	2011	670	\$3.97	\$2,660.94	\$3.80	\$2,547.00	\$2,660.94	\$4,021.57	\$4,356.70	\$4,691.83	\$5,026.96	\$5,362.10	\$5,697.23	\$6,032.36	
Feb	2011	530	\$3.97	\$2,102.22	\$3.80	\$2,012.20	\$2,102.22	\$3,177.16	\$3,441.92	\$3,706.69	\$3,971.45	\$4,236.21	\$4,500.97	\$4,765.74	
Mar	2011	456	\$3.97	\$1,810.32	\$3.80	\$1,732.80	\$1,810.32	\$2,736.00	\$2,964.00	\$3,192.00	\$3,420.00	\$3,648.00	\$3,876.00	\$4,104.00	
April	2011	574	\$3.97	\$2,278.78	\$3.80	\$2,181.20	\$2,278.78	\$3,444.00	\$3,731.00	\$4,018.00	\$4,305.00	\$4,592.00	\$4,879.00	\$5,166.00	
May	2011	631	\$3.97	\$2,505.07	\$3.80	\$2,397.80	\$2,505.07	\$3,786.00	\$4,101.50	\$4,417.00	\$4,732.50	\$5,048.00	\$5,363.50	\$5,679.00	
June	2011	801	\$3.97	\$3,179.97	\$3.80	\$3,043.80	\$3,179.97	\$4,806.00	\$5,206.50	\$5,607.00	\$6,007.50	\$6,408.00	\$6,808.50	\$7,209.00	
July	2011	528	\$5.00	\$2,642.49	\$3.80	\$2,008.29	\$2,642.49	\$3,170.99	\$3,435.24	\$3,699.49	\$3,963.74	\$4,227.98	\$4,492.23	\$4,756.48	
Aug	2011	551	\$5.00	\$2,755.00	\$3.80	\$2,093.80	\$2,755.00	\$3,306.00	\$3,581.50	\$3,857.00	\$4,132.50	\$4,408.00	\$4,683.50	\$4,959.00	
Sept	2011	580	\$5.00	\$2,900.00	\$3.80	\$2,204.00	\$2,900.00	\$3,480.00	\$3,770.00	\$4,060.00	\$4,350.00	\$4,640.00	\$4,930.00	\$5,220.00	
Oct	2011	645	\$5.00	\$3,225.00	\$3.80	\$2,451.00	\$3,225.00	\$3,870.00	\$4,192.50	\$4,515.00	\$4,837.50	\$5,160.00	\$5,482.50	\$5,805.00	
Nov	2011	506	\$5.00	\$2,530.00	\$3.80	\$1,922.80	\$2,530.00	\$3,036.00	\$3,289.00	\$3,542.00	\$3,795.00	\$4,048.00	\$4,301.00	\$4,554.00	
Dec	2011	434	\$5.00	\$2,170.00	\$3.80	\$1,649.20	\$2,170.00	\$2,604.00	\$2,821.00	\$3,038.00	\$3,255.00	\$3,472.00	\$3,689.00	\$3,906.00	
				\$30,759.79		\$26,243.89	\$30,759.79	\$41,437.72	\$44,890.86	\$48,344.00	\$51,797.15	\$55,250.29	\$58,703.43	\$62,156.58	
					Profit/Loss	(\$4,515.90)	\$0.00	\$10,677.93	\$14,131.07	\$17,584.21	\$21,037.36	\$24,490.50	\$27,943.64	\$31,396.79	
Month	Year	Number	WM Rate/ea	2012 Rates				Garbage Extra Fee Options (City Rate)							
				Paid to WM	City Rate/Ea	City Revenue	Cover Cost	\$6.00/ea	\$6.50/ea	\$7.00/ea	\$7.50/ea	\$8.00/ea	\$8.50/ea	\$9.00/ea	
Jan	2012	610	\$5.25	\$3,200.50	\$4.16	\$2,536.02	\$3,200.50	\$3,657.71	\$3,962.52	\$4,267.33	\$4,572.14	\$4,876.95	\$5,181.76	\$5,486.57	
Feb	2012	383	\$5.25	\$2,010.75	\$4.16	\$1,593.28	\$2,010.75	\$2,298.00	\$2,489.50	\$2,681.00	\$2,872.50	\$3,064.00	\$3,255.50	\$3,447.00	
Mar	2012	551	\$5.25	\$2,893.83	\$4.16	\$2,293.02	\$2,893.83	\$3,307.23	\$3,582.84	\$3,858.44	\$4,134.04	\$4,409.65	\$4,685.25	\$4,960.85	
April	2012	806	\$5.25	\$4,233.84	\$4.16	\$3,354.81	\$4,233.84	\$4,838.67	\$5,241.90	\$5,645.12	\$6,048.34	\$6,451.57	\$6,854.79	\$7,258.01	
May	2012	665	\$5.25	\$3,489.59	\$4.16	\$2,765.08	\$3,489.59	\$3,988.10	\$4,320.44	\$4,652.79	\$4,985.13	\$5,317.47	\$5,649.81	\$5,982.15	
June	2012	714	\$5.25	\$3,746.84	\$4.16	\$2,968.92	\$3,746.84	\$4,282.10	\$4,638.94	\$4,995.79	\$5,352.63	\$5,709.47	\$6,066.31	\$6,423.15	
July	2012	560	\$5.25	\$2,940.00	\$4.16	\$2,329.60	\$2,940.00	\$3,360.00	\$3,640.00	\$3,920.00	\$4,200.00	\$4,480.00	\$4,760.00	\$5,040.00	
Aug	2012	560	\$5.25	\$2,940.00	\$4.16	\$2,329.60	\$2,940.00	\$3,360.00	\$3,640.00	\$3,920.00	\$4,200.00	\$4,480.00	\$4,760.00	\$5,040.00	
Sept	2012	560	\$5.25	\$2,940.00	\$4.16	\$2,329.60	\$2,940.00	\$3,360.00	\$3,640.00	\$3,920.00	\$4,200.00	\$4,480.00	\$4,760.00	\$5,040.00	
Oct	2012	560	\$5.25	\$2,940.00	\$4.16	\$2,329.60	\$2,940.00	\$3,360.00	\$3,640.00	\$3,920.00	\$4,200.00	\$4,480.00	\$4,760.00	\$5,040.00	
Nov	2012	560	\$5.25	\$2,940.00	\$4.16	\$2,329.60	\$2,940.00	\$3,360.00	\$3,640.00	\$3,920.00	\$4,200.00	\$4,480.00	\$4,760.00	\$5,040.00	
Dec	2012	560	\$5.25	\$2,940.00	\$4.16	\$2,329.60	\$2,940.00	\$3,360.00	\$3,640.00	\$3,920.00	\$4,200.00	\$4,480.00	\$4,760.00	\$5,040.00	
				\$37,215.35		\$29,488.73	\$37,215.35	\$42,531.83	\$46,076.15	\$49,620.47	\$53,164.79	\$56,709.10	\$60,253.42	\$63,797.74	
					Profit/Loss	(\$7,726.62)	\$0.00	\$5,316.48	\$8,860.80	\$12,405.12	\$15,949.44	\$19,493.75	\$23,038.07	\$26,582.39	

Projected



KIRKLAND CITY COUNCIL REGULAR MEETING MINUTES
July 03, 2012

1. CALL TO ORDER

2. ROLL CALL

ROLL CALL:

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

Members Absent: None.

3. STUDY SESSION

a. Proposed Roads and Parks Ballot Measures

Joining Councilmembers for this discussion were City Manager Kurt Triplett, Assistant City Manager Marilynne Beard, Director of Public Works Ray Steiger and Director of Parks and Community Services Jennifer Schroder.

4. EXECUTIVE SESSION

a. To Discuss Labor Negotiations

At the conclusion of the Council's study session, Mayor McBride announced at 6:45 p.m. that Council would enter into executive session, returning at 7:30 for their regular meeting. City Attorney Robin Jenkinson was also in attendance.

Deputy City Clerk made a further announcement at 7:30 p.m. that the council would require an additional ten minutes, returning to the regular meeting at 7:40 p.m.

5. HONORS AND PROCLAMATIONS

a. Park and Recreation Month Proclamation

Park Board Chair Sue Keller accepted the proclamation from Mayor McBride and Councilmember Sweet.

6. COMMUNICATIONS

a. Announcements

b. Items from the Audience

Jeff Grove
Isaac Roybac
Jason Van Nort
Scott Morris

c. Petitions

7. SPECIAL PRESENTATIONS

None.

8. CONSENT CALENDAR

a. Approval of Minutes: June 19, 2012

b. Audit of Accounts:

Payroll \$ 2,487,471.83
Accounts Payable: \$ 4,140,575.34
run #1106 checks #535575-535588
run #1107 checks #535481-535570
run #1108 checks #535616-535731
run #1109 checks #535732-535856

c. General Correspondence

d. Claims

e. Award of Bids

f. Acceptance of Public Improvements and Establishing Lien Period

(1) Kirkland Transit Center Bus Layover Sidewalk Project, AGR Contracting,
Monroe, WA

g. Approval of Agreements

h. Other Items of Business

(1) Ordinance O-4363 and its Summary, entitled "AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO THE SALE AND DISPOSAL OF SURPLUS PERSONAL PROPERTY."

Council agreed to move item 8.h.(1) to New Business in order to discuss.

(2) Resolution R-4927, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND ADOPTING A REVISED POLICY FOR INVESTMENT OF CITY FUNDS."

(3) Event Pay Parking at SummerFest

(4) Downtown Parking Pay Station Pilot Program

(5) Report on Procurement Activities

Motion to Approve the Consent Calendar, with the exception of item 8.h.(1)., which was moved to New Business.

Moved by Councilmember Dave Asher, seconded by Councilmember Amy Walen

Vote: Motion carried 7-0

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

9. PUBLIC HEARINGS

- a. Resolution R-4928, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND STATING THE CITY COUNCIL'S SUPPORT FOR PROPOSITION NO. 1, SALES AND USE TAX FOR CRIMINAL JUSTICE, FIRE PROTECTION, AND OTHER GOVERNMENT PURPOSES."

(1) Proposition No. 1 Children and Family Services Center Capital Levy The King County council passed Ordinance No. 17304 concerning a replacement facility for juvenile justice and family law services. This proposition would authorize King County to levy an additional property tax for nine years to fund capital costs to replace the Children and Family Justice Center, which serves the justice needs of children and families. It would authorize King County to levy an additional regular property tax of \$0.07 per \$1,000 of assessed valuation for collection in 2013. Increases in the following eight years would be subject to the limitations in chapter 84.55 RCW, all as provided in Ordinance No. 17304. Should this proposition be:
Approved Rejected

Mayor McBride explained the parameters and opened the public hearing. Intergovernmental Relations Manager Lorrie McKay provided background information on the proposition as well as reading the statement against the proposition. Testimony in favor of the proposition was provided by the Honorable Judge Patricia Clark and the Honorable Judge Mike Trickey. No further testimony was offered and the Mayor closed the hearing.

Motion to Approve Resolution R-4928, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND STATING THE CITY COUNCIL'S SUPPORT FOR PROPOSITION NO. 1, SALES AND USE TAX FOR CRIMINAL JUSTICE, FIRE PROTECTION, AND OTHER GOVERNMENT PURPOSES."

Moved by Councilmember Penny Sweet, seconded by Deputy Mayor Doreen Marchione

Vote: Motion carried 7-0

Yes: Councilmember Dave Asher, Deputy Mayor Doreen Marchione, Mayor Joan

McBride, Councilmember Toby Nixon, Councilmember Bob Sternoff, Councilmember Penny Sweet, and Councilmember Amy Walen.

- b. Resolution R-4929, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND AUTHORIZING APPLICATION FOR GRANT FUNDING ASSISTANCE FOR A FIREARMS AND ARCHERY RANGE RECREATION (FARR) PROGRAM PROJECT TO THE RECREATION AND CONSERVATION OFFICE AS PROVIDED IN RCW 79A.25.210-230; TITLE 286 WAC AND SUBSEQUENT LEGISLATIVE ACTION.

Mayor McBride explained the parameters and opened the public hearing. City Manager Kurt Triplett provided a brief explanation of the resolution. No one from the public came forward to provide testimony and the Mayor closed the hearing.

Motion to Approve Resolution R-4929, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND AUTHORIZING APPLICATION FOR GRANT FUNDING ASSISTANCE FOR A FIREARMS AND ARCHERY RANGE RECREATION (FARR) PROGRAM PROJECT TO THE RECREATION AND CONSERVATION OFFICE AS PROVIDED IN RCW 79A.25.210-230; TITLE 286 WAC AND SUBSEQUENT LEGISLATIVE ACTION.

Moved by Councilmember Amy Walen, seconded by Deputy Mayor Doreen Marchione

Vote: Motion carried 7-0

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

10. UNFINISHED BUSINESS

None.

11. NEW BUSINESS

- a. Ballot Measure Pro and Con Committees

Motion to direct the City Clerk to recruit citizens to serve on committees charged with writing pro and con voter pamphlet statements for the roads and parks levies.

Moved by Councilmember Dave Asher, seconded by Councilmember Amy Walen

Vote: Motion carried 7-0

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

- b. Ordinance O-4363 and its Summary, entitled "AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO THE SALE AND DISPOSAL OF SURPLUS PERSONAL PROPERTY."

This item was pulled from the Consent Calendar to be considered under New Business.

Motion to Approve Ordinance O-4363 and its Summary, entitled "AN ORDINANCE OF THE CITY OF KIRKLAND RELATING TO THE SALE AND DISPOSAL OF SURPLUS PERSONAL PROPERTY."

Moved by Councilmember Toby Nixon, seconded by Councilmember Dave Asher
Vote: Motion carried 7-0

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

12. REPORTS

a. City Council

(1) Regional Issues

Councilmembers shared information regarding a recent Puget Sound Regional Council regional transit committee meeting; Bridle Trails Party in the Park; Nourishing Networks Summit; Puget Sound Energy Sammamish-Juanita 115kV Transmission Line Routing Community Meetings; Groundbreaking for the new Friends of Youth facility; Hopelink Farewell to Linda Benson; Washington State Department of Transportation I-405 Executive Advisory Group; Totem Lake Conversations Luncheon; and a Puget Sound Regional Council Executive Board appointment.

b. City Manager

(1) Calendar Update

The Fire Strategic Plan Report scheduled for the July 17 study session may be replaced by Solid Waste Rates. There will be an Open House Discussion on the Public Safety Building on July 10, 6:30 p.m. at the Municipal Court.

13. ITEMS FROM THE AUDIENCE

Mansoor Jafry

14. ADJOURNMENT

The Kirkland City Council regular meeting of July 3, 2012 was adjourned at 8:55 p.m.

City Clerk

Mayor



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

MEMORANDUM

To: Kurt Triplett, City Manager
From: Kathi Anderson, City Clerk
Date: July 5, 2012
Subject: CLAIM(S) FOR DAMAGES

RECOMMENDATION

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

POLICY IMPLICATIONS

This is consistent with City policy and procedure and is in accordance with the requirements of state law (RCW 35.31.040).

BACKGROUND DISCUSSION

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

- (1) Catherine Eide
16006 Saybrook Dr. NE
Woodinville, WA 98077

Amount: \$2,923.97

Nature of Claim: Claimant states damage to vehicle resulted from striking a dislodged metal plate in the roadway.

- (2) Maria A. Fialho
643 12th Avenue
Kirkland, WA 98033

Amount: Unspecified amount

Nature of Claim: Claimant states injury resulted from tripping on raised section of public pathway.

- (3) Sheila E. Jarvis
11925 NE 140th Pl
Kirkland, WA 98034

Amount: \$673.00

Nature of Claim: Claimant states injury resulted from tripping on raised section of sidewalk.

- (4) Dennis Matter
16107 NE 145th St.
Woodinville, WA 98072

Amount: \$1,000.00

Nature of Claim: Claimant states damage to vehicle resulted from unconstrained public works pipe in street.

- (5) John Soper
13515 131st Ave NE
Kirkland, WA 98034

Amount: \$500.00

Nature of Claim: Claimant states damage to vehicle resulted from striking a displaced water valve cover.

- (6) The Village Condominiums HOA
9805 NE 124th St
Kirkland, WA 98034

Amount: Unspecified amount

Nature of Claim: Claimant states damage to property resulted from a falling tree.

Note: Names of claimants are no longer listed on the Agenda since names are listed in the memo



CITY OF KIRKLAND
Department of Public Works
123 Fifth Avenue, Kirkland, WA 98033 425.587.3800
www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager

From: Dave Snider, P.E., Capital Projects Manager
Ray Steiger, P.E., Public Works Director

Date: July 5, 2012

Subject: NE 53rd STREET SEWER MAIN REPLACEMENT PROJECT
AWARD CONTRACT

RECOMMENDATION:

It is recommended that City Council award the construction contract for the NE 53rd Street Sewer Main Replacement Project to Buno Construction, LLC, of Snohomish, WA, in the amount of \$422,954.70.

BACKGROUND AND DISCUSSION:

The NE 53rd Street Sewer Main Replacement Project will provide for the replacement of approximately 850 linear feet of aged 6-inch diameter concrete sewer pipe with new 8-inch PVC pipe, between 108th Avenue NE and 111th Avenue NE (Attachment A). The Project will also allow the replacement of four substandard (original brick) manholes and rehabilitation of the interior of a fifth manhole with the application of a new concrete spray-on lining.

The existing, undersized sewer main requires greater frequency of maintenance by City sewer crews due to cracks, pipe inflow and infiltration, age, and size. This stretch of sewer main has limited side sewer laterals and, as a result, a portion of the new pipe installation will be accomplished by using a trenchless method of construction known as pipe-bursting. With pipe-bursting, a new larger pipe is pulled through the existing pipe leaving the old broken (i.e., "burst") pipe in place. This method of construction allows for sewer line replacement without needing a continuous open trench between manholes, and results in minimal disruption to the roadway surface.

The existing manhole at the intersection of NE 53rd Street and 108th Avenue NE is 25-feet deep, and its replacement will require extensive excavation at an intersection that is congested with a high number of other significant underground utilities including: water, gas, communications, and power. The work effort needed to replace this manhole will require the intersection to be fully closed for up to ten consecutive days. As per the contract documents, the intersection's closure has been established to begin on or after August 13 in order to keep the intersection open during the SummerFest weekend of August 11-12. The contract documents also require 108th Avenue NE be fully opened by August 31, just prior to the start of school at Lake Washington School District; a detailed traffic control plan is part of the Project specifications calling for a temporary traffic diversion via Lake Washington Boulevard, NE 68th Street, NE 52nd Street, and NE 38th Place, as well as onto I-405 (Attachment B). All local neighborhood streets and emergency access will be maintained throughout the Central Houghton area during the Project's entire duration.

For this Project, an extensive outreach to all potentially impacted stakeholders and local property owners began in early March, 2012, in order to ascertain and coordinate, as early as possible, all impacts anticipated throughout the construction phase (Attachment C). The Kirkland Alliance of Neighborhoods was first notified about the upcoming intersection closure at their March meeting. Public Works staff then met with staff from the four schools in the immediate area of the work: BEST High School (Lake Washington School District), Seventh-day Adventist Academy, Kirkland Children's School, and Northwest University. Additional information was presented at the Central Houghton Neighborhood Association's meetings of May 2 and June 6, and all feedback from the various meetings and discussions served to formulate the Project plans and contract specifications.

The Project was first advertised on June 11; on June 28, 2012, one contractor bid was received from Buno Construction Company, as shown below:

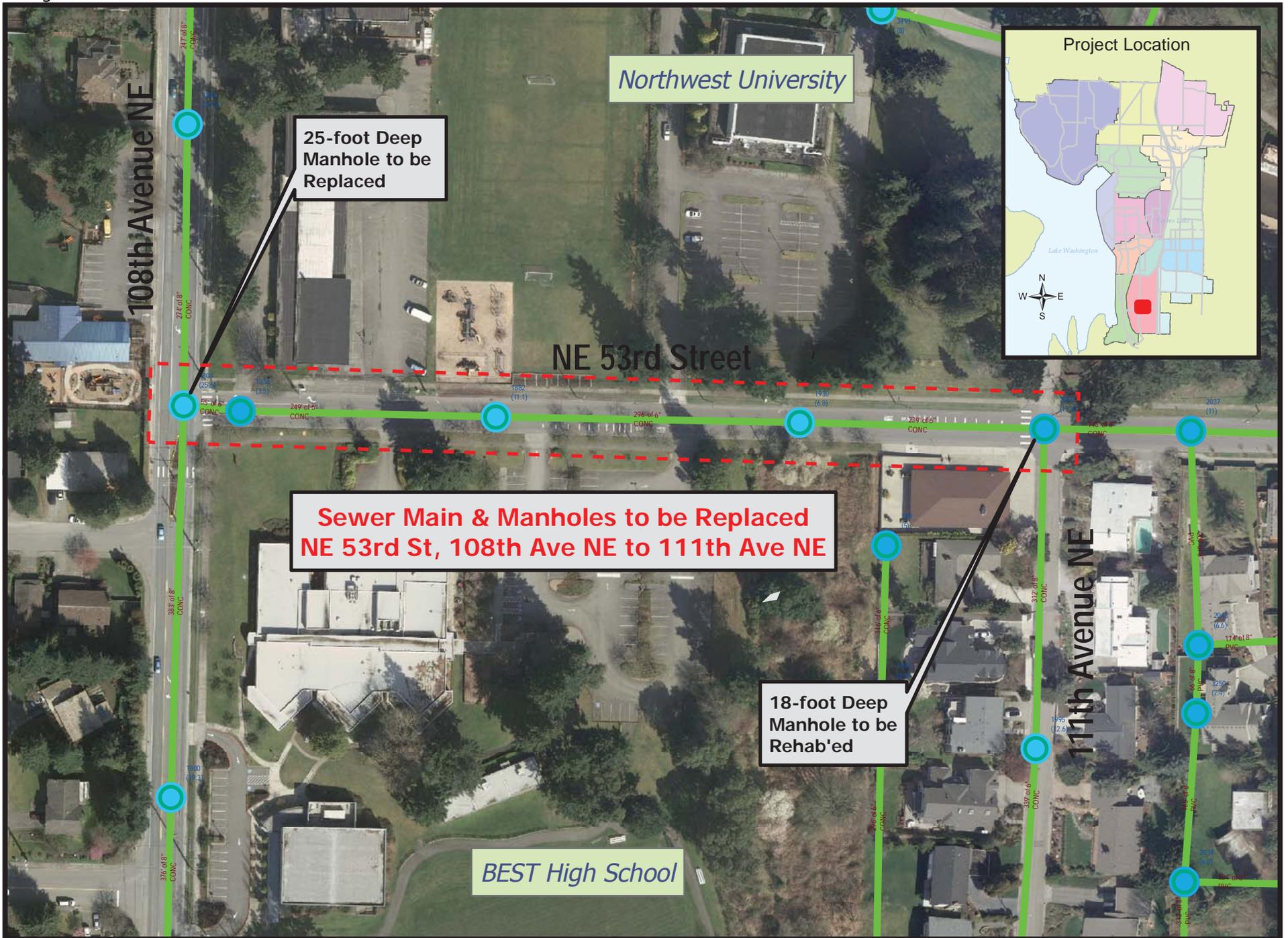
	CONTRACTOR	AMOUNT
1	<i>Engineer's Estimate</i>	<i>\$408,400.00</i>
2	Buno Construction, LLC	\$422,954.70

The receipt of a single bid is highly unusual, and it did raise concerns over making an award recommendation to City Council. In this case, however, staff has concluded that such a recommendation is appropriate for the following reasons:

- Buno Construction has completed many projects for the City over the past 20+ years providing high quality results at fair contract pricing;
- Buno Construction has the expertise to complete complex sewer projects such as the subject Project. Of the five general contractors on the plan holder's list, Buno Construction appears to be among the most qualified for this type of work;
- The main reason given to staff's inquiry with other general contractors on the plan holders list as to why they elected not to submit a bid was crew availability. Over the past few years, many contractors have reduced their crew sizes and are no longer able to handle more than one to two jobs at one time. A further check with surrounding agencies has confirmed that bidder turn-out has been low, especially on utility projects, for the 2012 construction season;
- Due to the complexity of the Project, a future re-bid would most likely result in a higher bid price and additional administration cost; and
- The approved Project funding is sufficient enough to accomplish the work (Attachment D).

With City Council's award of a contract for the NE 53rd Street Sewer Main Replacement Project at their meeting of July 17, work will begin in early August and is anticipated to be complete by November, 2012. In advance of construction, Public Works staff will continue to work closely with all stakeholders and adjacent property owners by keeping them apprised of the construction schedule, all planned activities and pertinent contact information.

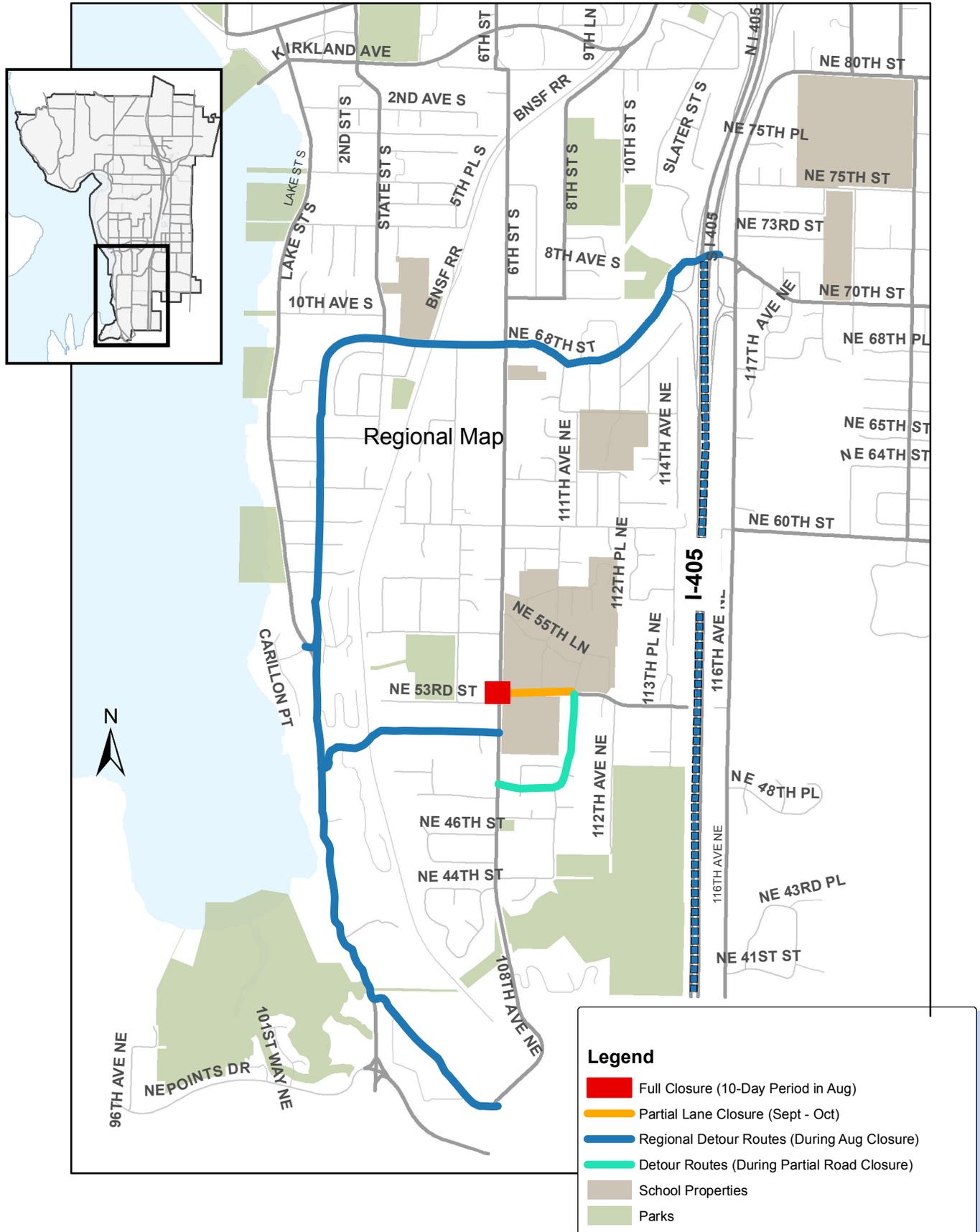
Attachments (4)



Attachment A



Detour Routes, NE 53rd Street Sewer Project



NE 53rd Street Sewermain Replacement Project Communications/Outreach Highlights

Previous: *March, April, May & June 2012*

- Outreach Effort #1 (Consult) - general information about project and consultation with directly impacted stakeholders:
 - KAN Announcement of Planned Closure – *March, May*
 - Meetings began with Individual Stakeholders – *April*
(Lake Washington School District, Seventh Day Adventist Academy, Kirkland Children's School, Northwest University, METRO, Central Houghton Neighborhood, Google, Metropolitan Market, Puget Sound Consumer Coop)
 - Presentations at and Discussions with the Central Houghton Neighborhood Association Meetings- *May & June*
 - Web site live – *March*
 - Hot Sheet – *March, May*
 - Post on KirkNet – *Early June*
- Outreach Effort #2 (Inform)- preliminary construction schedule and detours: *June*
 - Delivered to adjacent property owners: *Last week of June*
 - Churches and schools in vicinity
 - Residents and businesses adjacent to project, detours, and general vicinity (approximately 500 addresses)
 - Businesses in Houghton, Google and along Northup and 112th Avenue NE in Bellevue (collecting email addresses for electronic notifications in July)
 - Chamber of Commerce and Kirkland Downtown Association
 - Email to list serves: CIP, Neighborhood News, Construction Update Project Notice (franchise utilities, post office, delivery services, hospitals, fire stations, waste management, Metro, WSDOT, City of Bellevue, etc.), project stakeholders list: *Last week of June*
 - Project notice and preliminary schedule on Currently Kirkland: *June 22 - 28*
 - Notices at Wednesday Market: *June 27*
 - CIP Project Hotline: *Last week of June*

Upcoming: *July & August 2012*

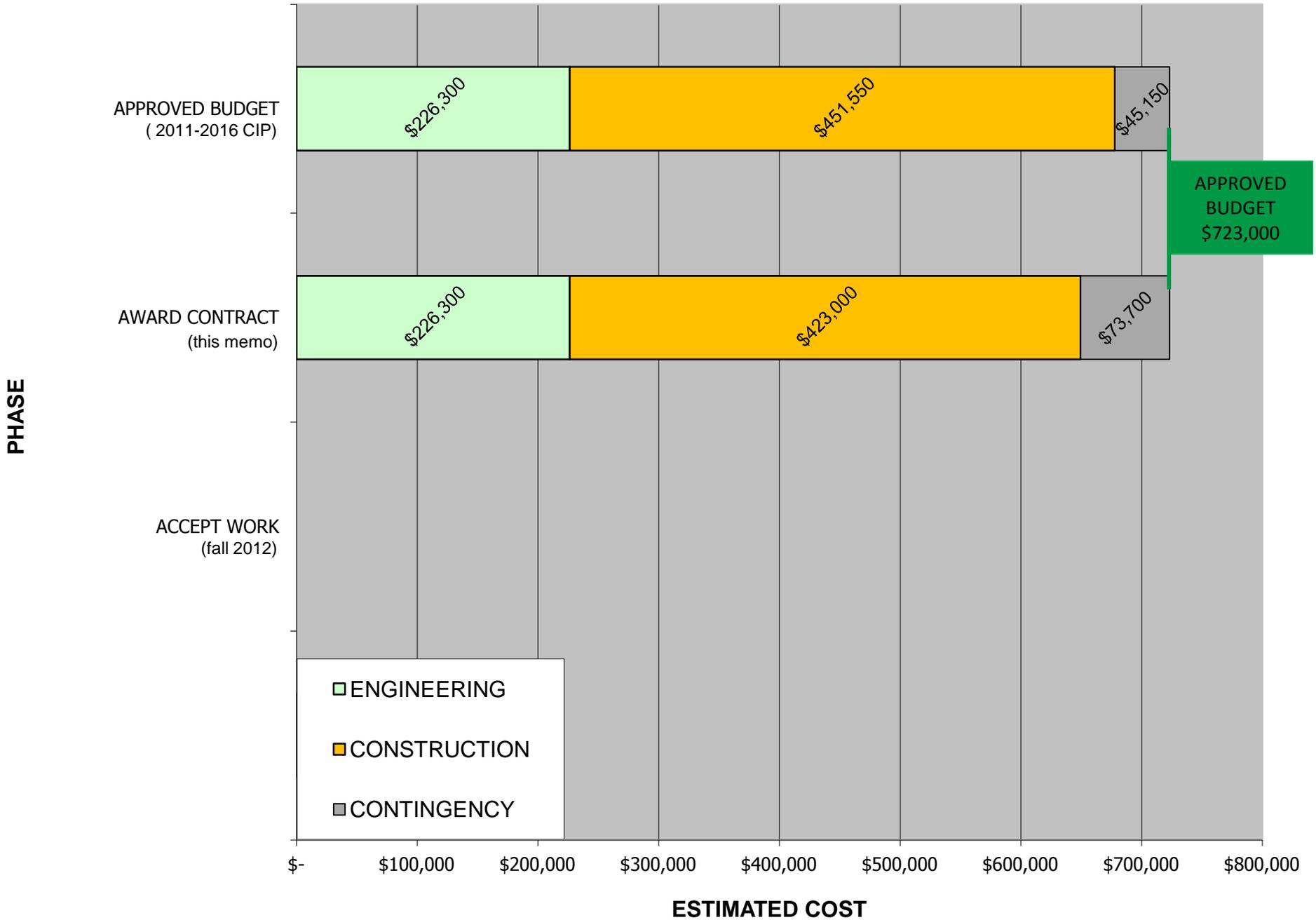
- Outreach Effort #3 (Update) - exact construction schedule and detours: *July and August*
 - Project article on City Update: *July*
 - Post on KirkNet: *July*
 - Project Notice sign with information at site: *July*
 - Post card mailing: *July*
 - Churches and schools in vicinity
 - Central Houghton residents and businesses 1300-1500 addresses
 - Lakeview residents and businesses 1000 to 1800 addresses
 - Moss Bay residents and businesses 2300 to 3500 addresses
 - Everest residents and businesses 700 to 800 addresses
 - Notices at Wednesday Market: *July 18 and August 1*

- Email to list serves: CIP, Neighborhood News, Construction Update Project Notice (franchise utilities, post office, delivery services, hospitals, fire stations, waste management, Metro, WSDOT, City of Bellevue, etc.), project stakeholders email list: *Mid July*
- Open House/Business Booth in vicinity of Houghton Plaza: *Mid July*
- Press Release: *Mid July*
- Project notice and preliminary schedule on Currently Kirkland: *Mid July*
- Variable message reader board announcements north and southbound 108th Avenue NE prior to closure according to the approved traffic control plan: *Mid July or Early August*
- City's Web site – home page: *Mid July*
- Twitter notices: *Early August*
- CIP Project Hotline: *Early August*

NE 53rd STREET SEWER MAIN REPLACEMENT PROJECT
(CSS -0063)

Attachment D

PROJECT BUDGET REPORT



Attachment D

**CITY OF KIRKLAND**

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

MEMORANDUM

To: Kurt Triplett, City Manager
From: Ellen Miller-Wolfe, Economic Development Manager
Date: July 10, 2012
Subject: Extension of Public Art Loan

In accordance with the Public Art Policy Guidelines, the Kirkland Cultural Council recommends that the City Council concur with its recommendation to approve a one year loan extension for an existing outdoor private sculpture, "Fine Feathered Friends," currently on loan to the City.

The Public Art Committee of the Kirkland Cultural Council met on June 20, 2012 to review the loan agreement and recommended a one year extension. That same day, the Kirkland Cultural Council met and adopted the recommendation of the Public Art Committee. The art, located at the corner of Main Street and Park Lane, is on loan to the City of Kirkland by the Howard Mandville Gallery. It was created by the artist, Gary Lee Price and is pictured in Attachment A.

The City of Kirkland's public art collection encompasses thirty-three pieces. Six of the pieces are on loan to the City and periodically the loans come up for renewal. Owners of the loaned pieces have the ability to sell them whenever they choose. The City insures the pieces and they are overseen by the Parks Department which maintains a prioritization list for cleaning, and tracks cleaning. Contracts with owners specifically state that the City will only maintain loaned art if there is budget to do so.

EXHIBIT A

Title: "Fine Feathered Friends"

Creator: Gary Lee Price

Medium: Bronze

Dimensions: 44" h x 24" w x 16" d

Sale Price: \$7,320.00



Display Area Location: SW corner of Park Lane and Main Street

Commission: _____ % of final sale price

Condition Upon Installation: Excellent



CITY OF KIRKLAND
City Manager's Office
123 Fifth Avenue, Kirkland, WA 98033 425.587.3001
www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager
From: Marilynne Beard, Assistant City Manager
Date: July 3, 2012
Subject: DEVELOPMENT SERVICES ORGANIZATIONAL STUDY

RECOMMENDATION:

City Council authorizes the use of up to \$100,000 from 2012 General Fund year-end savings for an organizational review of the City's development services functions.

BACKGROUND DISCUSSION:

This study is the second in a series of studies that is intended to evaluate and identify opportunities for increased efficiency and effectiveness in various City operations. The series of organizational studies is supplemental to the budget process. The first study was the Fire and Emergency Services Organizational Review. The second study included on the City's 2012 work plan is a cross-departmental review of development services functions. A copy of the Request for Proposals is attached that describes the proposed scope of the project and proposed time line. The timing of this study coincides with the City Hall renovation project that will begin in 2014. The Development Services study may include recommendations for organizational and/or physical reconfigurations of customer service functions that would need to be taken into consideration in the City Hall design process.

At the City Council retreat financial update, staff estimated up to \$1 million in expenditure savings that will result from the delayed hiring of annexation staffing across all General Fund Departments, including development service. Staff recommends that funding for this study be funded from anticipated savings.

**CITY OF KIRKLAND
DEVELOPMENT SERVICES
Request for Proposals
Job Number 30-12-CMO
ORGANIZATIONAL REVIEW**

Organizational Evaluation of Development Services Functions

The City of Kirkland, Washington is seeking a qualified consultant to conduct an organizational and operational analysis of the City's development services functions and to assist the City in refining its staffing and service delivery model.

Background

The City of Kirkland provides development services from three departments that coordinate internally through a Development Services Team composed of division managers from the Planning and Community Development Department, the Public Works Department and the Fire and Building Services Department.

- **Planning and Community Development** provides long range and current planning services through the review and issuance of land use permits and the review of building permits for zoning code compliance. The department is also responsible for code enforcement services.
- **Public Works Development Services Division** provides review, permitting and inspection services for public and private street and utility improvements related to building, land surface modification, projects and right-of-way permits. The Public Works Division is also responsible for all traffic impact review as well as providing general day to day customer service and public information for all Public Works issues.
- **The Fire and Building Department's Building Division** provides permit processing, plan review and inspection services for building, mechanical, electrical and plumbing permits.
- **The Fire and Building Department's Fire Prevention Division** provides permit processing, plan review and inspection services for building, land use, fire suppression and alarm permits. These functions were reviewed in a recent fire department study so the scope of this study will be limited to how this division interacts with the other development services divisions.

On June 1, 2011, the City of Kirkland annexed an area of approximately 31,000 new residents, bringing the total city population to 81,000. Additional staffing was added in all development services departments to address the increased workload associated with development in the larger City. At the same time, the current recession has caused a significant slow down in development activity resulting in the addition of fewer staff than had been anticipated. Over the past year, the City has also been implementing a new permit system which went "live" on April 1, 2012.

The development services departments commissioned two permit process improvement studies between 2007-2009 that resulted in operational changes and code amendments intended to improve permit processing times and customer satisfaction.

An upcoming remodel of City Hall will provide an opportunity to optimize the City's development services customer interface and interdepartmental coordination by relocating and/or co-locating selected functions. A City Hall space planning and renovation project will run concurrent with the Development Services Organizational Study.

Scope of Work

The consultant work will include a review of current conditions, an evaluation of future service demands, and an analysis of opportunities for organizational changes and process improvements that can further enhance customer service and achieve efficiencies.

The selected consulting firm will interview key stakeholders in the departments and in other departments of the City, the Kirkland City Council, a variety of external customers, appropriate community decision makers and others that the project team deems necessary. From these interviews, the consultants will obtain additional perspective on operational, economic, and policy issues facing the City. The consultant will also include comparisons with and examples of service delivery models and performance standards with other similar agencies.

I. Review and Evaluation of the Current Service Demand and Organization

The consultant will complete a comprehensive review of Kirkland's development services functions including organizational and service delivery configuration. The purpose of this evaluation is to assess the agency's operations in comparison to industry standards and best practices. The study shall focus on a baseline assessment of the current conditions and current service delivery performance.

Analysis of Current Service Demand

The Consultant will evaluate historical and current service demands and how staff resources are applied to meet customer service demands and regulatory requirements. Analysis of service levels will be applied to:

1. Permit processing
2. Long range planning projects
3. Code enforcement
4. Customer inquiries
5. Field inspection
6. Plan review

Analysis of Current Operations

An in-depth review of the organization will be conducted including an evaluation of:

1. Organizational configuration
2. Staffing levels
3. Department management and administrative support functions and lines of authority
4. Interdepartment coordination and planning practices
5. Data collection systems, record keeping, reporting and performance metrics
6. Human resource management practices and systems
7. Public outreach and education
8. Operating budget and funding sources
9. Impact of current laws and regulations that drive staffing and permit processing
10. Permit processing efficiency and effectiveness

II. Future Service Demand and Delivery Options

Analysis of Future Service Demand

Conduct an assessment of the future service delivery needs and projected service demand including:

1. Service area characteristics
2. Projected population growth
3. Future service demand as it relates to increasing density and redevelopment patterns

Analysis of Future Delivery System Models

The consultant will develop alternatives and strategies for meeting future service delivery needs, develop and analyze options for models by which services may be delivered with increased effectiveness and efficiency. Analysis shall include, at a minimum:

- Review and analysis of permit processing standards and development of revised standards as appropriate
- Review of customer service facilities and physical adjacencies as they relate to maximizing customer responsiveness and interdepartmental coordination
- Analysis and recommended changes to code provisions as they relate to work flow, cost/benefit and customer service
- Review and analysis of staff resource allocation between permitting and other departmental work
- Recommendations for long, mid and short-term strategies and alternative service delivery models that will enhance customer service and staff productivity
- Financial analysis and cost projections relating to recommended strategies including consideration of the impact of any changes to the organizational structure on the current cost of service model and fee structure

III. Implementation Planning

The consultant will develop a report detailing organizational capabilities and challenges, goals and objectives for maintaining and improving services and development of performance measures to quantify progress.

The report will outline an implementation plan addressing each of the areas discussed in previous sections with particular focus on processing development permits. Key components include:

1. Development of departmental/functional goals and target objectives for moving forward
2. Description of recommended actions to achieve goals and objectives including, organizational changes, relocation or co-location of functions, investments and new or modified laws or regulations
3. Cost or savings of proposed changes and enhancements to the current system
4. Establishment of performance measures relative to goals and objectives
5. Identification of the process needed to implement recommendations including actions needed by the City Council

Proposal Submission and Consultant Selection

Proposals titled "**Development Services Organization Review**" may be submitted as an email attachment in PDF or MS Word format to: purchasing@kirklandwa.gov. Note that faxed proposals or proposals submitted as Zip files will not be accepted.

OR

One (1) unbound double sided original and four (4) double sided paper copies with one (1) CD in PDF or MS Word format of the proposal must be mailed or delivered to:

City of Kirkland
Attn: Purchasing Agent-Job #30-12-CMO
123 5th Ave
Kirkland, WA 98033

The City is committed to reducing costs and facilitating quicker communication by using electronic means to convey information. Those interested in submitting a proposal are encouraged to provide contact information to Barry Scott, Purchasing Agent, at bscott@kirklandwa.gov. Providing contact information will allow the City to provide notification if an addendum to the RFP is issued or the RFP is cancelled. Those who choose not to provide contact information are solely responsible for checking the City's website for any issued addenda or a notice of cancellation.

The City of Kirkland reserves the right to reject any or all proposals, or to withhold the selection of firms for any reason it may determine, or to waive or decline irregularities in any submittal.

Interpretation or corrections of the RFP documents will be made only by written addendum, which will be mailed or delivered via e-mail to each offeror on record. The City is not responsible for any other explanations or interpretations of the RFP and/or RFP documents.

Submission Requirements

1. A summary of the firm's qualifications as they relate to the scope of work.

2. A description of similar projects performed.
3. A description of your firm's proposed approach to this project.
4. A list of personnel who would be assigned to this project and resumes and references for each especially related to the scope of work.
5. Proposed not-to-exceed fee and any related costs over and above the contract fee.
6. A list of references knowledgeable of your firm's work. Please include telephone numbers and email addresses.

All proposal submissions must be prepared in accordance with the requirements set forth in this RFP. The Submittal shall not exceed twenty (20) pages (10 double-sided sheets of paper). The front cover, the back cover, and a maximum two-page cover letter, may be in addition to the twenty (20)-page limit.

Evaluation Criteria

Proposals will be evaluated according to the following criteria, listed in order of importance:

1. Specialized experience and technical competence of the firm and its personnel considering the scope of work.
2. Recent experience and expertise with similar projects.
3. Proposed approach to accomplish the work required.
4. Proposed cost to perform the work.
5. Capacity to perform the work (including any specialized services) within the time limitations, considering the firm's current and planned workload.
6. Past record of performance on contracts with Kirkland, other governmental agencies or public bodies, and with private industry, including such factors as control of costs, quality of work, ability to adhere to schedules, cooperation, responsiveness and ability to communicate with a range of participants including elected officials, staff, members of the public and bargaining unit representatives.
7. Familiarity with types of challenges applicable to the project.

Selection Process

An evaluation team shall review the proposals, discuss, assess and rank the proposals according to the evaluation criteria. These rankings will be used to determine which firms should be contacted for an interview by the team. It is pointed out that nothing in these procedures shall be interpreted to require Kirkland to award a contract to the lowest cost proposer.

Selected firms will be invited for an interview with the evaluation team to discuss the proposal and to answer specific questions. The purpose of the interviews will be to evaluate the experience and fit of the firms and to clarify and assure understanding of the requirements of the contract.

Following interviews, references will be checked on one or more finalist firm.

The City of Kirkland reserves the right to accept or reject proposals submitted and to waive informational and minor irregularities and to request additional information required to fully evaluate a proposal.

Proposals will not be publicly opened and will be kept strictly confidential during this process. All aspects of the evaluations and any negotiations, including documentation, correspondence and meetings, will be kept confidential by the Evaluation Committee. No information regarding any proposal or its evaluation will be discussed with other companies.

Confidentiality of proposals is considered by Kirkland as an essential element of maintaining fairness during the evaluation process. However, confidentiality cannot be guaranteed under the State Public Disclosure Act, Chapter 42.17 RCW.

If a member of the public demands in writing to review portions of proposals which have been marked or identified as confidential, proprietary or business secrets, Kirkland will notify the affected proposer prior to releasing such portions. The proposer shall take such legal actions as it deems necessary to protect its interests. If the proposer has not commenced such actions within five (5) calendar days after receipt of the notice from Kirkland of a demand to review such portions of its proposal and provided Kirkland written notice of the actions, Kirkland may make such portions available for review and copying by the public as Kirkland deems necessary to comply with state law.

The proposer asserting that portions of its proposal are legally protectable shall bear all costs of defending such assertion, including indemnifying and reimbursing Kirkland for its administrative, expert and legal costs and judgments involved in defending itself in actions arising from such assertions by the proposer including (without limitation) any assessments under RCW 42.17.340(3). By submitting a proposal with portions marked confidential, proprietary, business secrets or the like, the proposer has thereby agreed to the provisions of this section, including the defense and reimbursement obligations.

Contract Requirements

The City of Kirkland Plans to use the attached City of Kirkland Professional Services Agreement. Firms with significant concerns about the sample agreement should not submit on this RFP.

The top ranked firm will be notified in writing and will be asked to meet and submit its prospective scope of services and refine its fee (to be broken down by phases). If, after negotiation and consideration, the City is unable to reach an acceptable agreement with the top-ranked firm, it will terminate negotiations with the top ranked firm and, at its sole discretion, may: enter into negotiations with the second ranked firm; withhold the award for any reason; elect not to proceed with any of the proponents; or re-solicit new Proposals.

Questions

Questions regarding the RFP process should be addressed to Barry Scott, Purchasing Agent, by email to bscott@kirklandwa.gov.

Questions regarding the scope of work, timeframe or deliverables should be addressed to Marilynne Beard, Assistant City Manager, by email to mbeard@kirklandwa.gov.

Proposed Timeline

<u>Task</u>		<u>Date</u>
RFP issued		6/28/12
Questions submitted by noon		7/10/12
Proposals due by 4:00 pm		7/19/12
Interviews	Week of	8/6/12
Consultant Selection Completed		8/17/12
Contract Execution		9/7/12
Draft Report		3/1/13
Final Report		5/1/13

SAMPLE



PROFESSIONAL SERVICES AGREEMENT

Job Name and Number

The City of Kirkland, Washington, a municipal corporation (hereinafter the "City") and _____, whose address is _____ (hereinafter the "consultant"), agree and contract as follows:

I. SERVICES BY CONSULTANT

- A. The Consultant agrees to perform the services described in Attachment _____ to this Agreement, which attachment is incorporated herein by reference.
- B. All services, and all duties incidental or necessary thereto, shall be conducted and performed diligently and completely and in accordance with professional standards of conduct and performance.

II. COMPENSATION

- A. The total compensation to be paid to Consultant for these services shall not exceed \$_____, as detailed in Attachment _____.
- B. Payment to Consultant by the City in accordance with the payment ceiling specified above shall be the total compensation for all work performed under this Agreement and supporting documents hereto as well as all subcontractors' fees and expenses, supervision, labor, supplies, materials, equipment or the use thereof, reimbursable expenses, and other necessary incidentals.
- C. The Consultant shall be paid monthly on the basis of invoices submitted. Invoicing will be on the basis of percentage complete or on the basis of time, whichever is applicable in accordance with the terms of this Agreement.
- D. The City shall have the right to withhold payment to Consultant for any work not completed in a satisfactory manner until such time as consultant modifies such work to the satisfaction of the City.
- E. Unless otherwise specified in this Agreement, any payment shall be considered timely if a warrant is mailed or is available within 45 days of the date of actual receipt by the City of an invoice conforming in all respects to the terms of this Agreement.

III. TERMINATION OF AGREEMENT

The City reserves the right to terminate or suspend this Agreement at any time, with or without cause, by giving ten (10) days notice to Consultant in writing. In the event of termination, all finished or unfinished reports, or other material prepared by the Consultant pursuant to this Agreement, shall be provided to the City. In the event the City terminates prior to completion without cause, consultant may complete such analyses and records as may be necessary to place its files in

order. Consultant shall be entitled to receive just and equitable compensation for any satisfactory work completed on the project prior to the date of suspension or termination, not to exceed the payment ceiling set forth above.

IV. OWNERSHIP OF WORK PRODUCT

- A. Ownership of the originals of any reports, data, studies, surveys, charts, maps, drawings, specifications, figures, photographs, memoranda, and any other documents which are developed, compiled or produced as a result of this Agreement, whether or not completed, shall be vested in the City. Any reuse of these materials by the City for projects or purposes other than those which fall within the scope of this contract or the project to which it relates, without written concurrence by the Consultant will be at the sole risk of the City.

The City acknowledges the Consultant's plans and specifications as instruments of professional service. Nevertheless, the plans and specifications prepared under this Agreement shall become the property of the City upon completion of the work. The City agrees to hold harmless and indemnify consultant against all claims made against Consultant for damage or injury, including defense costs, arising out of any reuse of such plans and specifications by any third party without the written authorization of the Consultant.

- B. Methodology, materials, software, logic, and systems developed under this contract are the property of the consultant and the City, and may be used as either the consultant or the City sees fit, including the right to revise or publish the same without limitation.

V. GENERAL ADMINISTRATION AND MANAGEMENT

The _____ for the City of Kirkland shall review and approve the Consultant's invoices to the City under this Agreement, shall have primary responsibility for overseeing and approving services to be performed by the Consultant, and shall coordinate all communications with the Consultant from the City.

VI. COMPLETION DATE

The estimated completion date for the consultant's performance of the services specified in Section I is _____.

Consultant will diligently proceed with the work contracted for, but consultant shall not be held responsible for delays occasioned by factors beyond its control which could not reasonably have been foreseen at the time of the execution of this Agreement. If such a delay arises, Consultant shall forthwith notify the City.

VII. SUCCESSORS AND ASSIGNS

The Consultant shall not assign, transfer, convey, pledge, or otherwise dispose of this Agreement or any part of this Agreement without prior written consent of the City.

VIII. NONDISCRIMINATION

Contractor shall, in employment made possible or resulting from this Agreement, ensure that there shall be no unlawful discrimination against any employee or applicant for employment in violation of RCW 49.60.180, as currently written or hereafter amended, or other applicable law prohibiting discrimination, unless based upon a bona fide occupational qualification as provided in RCW 49.60.180 or as otherwise permitted by other applicable law. Further, no person shall be denied or subjected to discrimination in receipt of the benefit of any services or activities made possible by or resulting from this Agreement in violation of RCW 49.60.215 or other applicable law prohibiting discrimination.

IX. HOLD HARMLESS/INDEMNIFICATION

Consultant shall defend, indemnify and hold the City, its officers, officials, employees and volunteers harmless from any and all claims, injuries, damages, losses or suits including attorney fees, arising out of or resulting from its negligence or breach of any of its obligations in performance of this Agreement, except for injuries and damages caused by the sole negligence of the City.

X. LIABILITY INSURANCE COVERAGE

The Consultant shall procure and maintain for the duration of the Agreement, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Consultant, its agents, representatives, or employees. A failure to obtain and maintain such insurance or to file required certificates and endorsements shall be a material breach of this Agreement.

A. *Minimum Scope of Insurance*

Consultant shall obtain insurance of the types described below:

1. Automobile Liability insurance covering all owned, non-owned, hired and leased vehicles. Coverage shall be written on Insurance Services Office (ISO) form CA 00 01 or a substitute form providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage.
2. Commercial General Liability insurance shall be written on ISO occurrence form CG 00 01 and shall cover liability arising from premises, operations, independent contractors and personal injury and advertising injury. The City shall be named as an additional insured under the Consultant's Commercial General Liability insurance policy with respect to the work performed for the City.
3. Workers' Compensation coverage as required by the Industrial Insurance laws of the State of Washington.
4. Professional Liability insurance appropriate to the Consultant's profession.

B. Minimum Amounts of Insurance

Consultant shall maintain the following insurance limits:

1. Automobile Liability insurance with a minimum combined single limit for bodily injury and property damage of \$1,000,000 per accident.
2. Commercial General Liability insurance shall be written with limits no less than \$1,000,000 each occurrence, \$2,000,000 general aggregate.
3. Professional Liability insurance shall be written with limits no less than \$1,000,000 per claim and \$1,000,000 policy aggregate limit

C. Other Insurance Provisions

The insurance policies are to contain, or be endorsed to contain, the following provisions for Automobile Liability, Professional Liability and Commercial General Liability insurance:

1. The Consultant's insurance coverage shall be primary insurance as respects the City. Any insurance, self-insurance, or insurance pool coverage maintained by the City shall be excess of the Consultant's insurance and shall not contribute with it.
2. The Consultant's insurance shall be endorsed to state that coverage shall not be cancelled by either party, except after thirty (30) days prior written notice by certified mail, return receipt requested, has been given to the City.

D. Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best rating of not less than A:VII.

E. Verification of Coverage

Consultant shall furnish the City with original certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured endorsement, evidencing the insurance requirements of the Consultant before commencement of the work.

F. Claims-made Coverage

Any policy of required insurance written on a claims-made basis shall provide coverage as to all claims arising out of the services performed under the contract and filed within three (3) years following completion of the services so to be performed.

XI. COMPLIANCE WITH LAWS/BUSINESS LICENSE

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

XII. FUTURE SUPPORT

The City makes no commitment and assumes no obligations for the support of Consultant activities except as set forth in this Agreement.

XIII. INDEPENDENT CONTRACTOR

Consultant is and shall be at all times during the term of this Agreement an independent contractor and not an employee of the City. Consultant agrees that he is solely responsible for the payment of taxes applicable to the services performed under this Agreement and agrees to comply with all federal, state, and local laws regarding the reporting of taxes, maintenance of insurance and records, and all other requirements and obligations imposed on him as a result of his status as an independent contractor. The Consultant is responsible for providing the office space and clerical support necessary for the performance of services under this Agreement. The City shall not be responsible for withholding or otherwise deducting federal income tax or social security or for contributing to the state industrial insurance of unemployment compensation programs or otherwise assuming the duties of an employer with respect to the Consultant, or any employee of consultant.

XIV. EXTENT OF AGREEMENT/MODIFICATION

This Agreement, together with all attachments and addenda, represents the entire and integrated Agreement between the parties hereto and supersedes all prior negotiations, representations, or agreements, either written or oral. This Agreement may be amended, modified, or added to only by written instrument properly signed by both parties hereto.

XV. ADDITIONAL WORK

The City may desire to have the Consultant perform work or render services in connection with the project other than provided for by the express intent of this contract. Any such work or services shall be considered as additional work, supplemental to this contract. Such work may include, but shall not be limited to,

_____.
Additional work shall not proceed unless so authorized in writing by the City.

Authorized additional work will be compensated for in accordance with a written supplemental contract between the Consultant and the City.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates written below:

CONSULTANT:

CITY OF KIRKLAND:

By: _____

By: _____

Marilynne Beard,
Assistant City Manager

Date: _____

Date: _____



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

MEMORANDUM

To: Kurt Triplett, City Manager

From: Tracey Dunlap, Director of Finance and Administration
Carol Wade, Accountant

Date: July 5, 2011

Subject: 2011 Annual Transportation and Park Impact Fees Report

RECOMMENDATION:

Council accepts the 2011 Annual Transportation and Park Impact Fee Report.

BACKGROUND DISCUSSION:

RCW 82.02.070 related to impact fees provides that: "Annually, each county, city or town imposing impact fees shall provide a report on each impact fee account showing the source and amount of all moneys collected, earned, or received and system improvements that were financed in whole or in part by impact fees." This report is presented to the City Council in response to that requirement.

The City began collecting impact fees for transportation in June 1999 and for parks in August 1999. Although impact fees are not required to be tracked and applied to projects by zones per the ordinances, impact fees are being tracked by zones for administrative purposes (see Attachment C for map). Tracking the collection and subsequent transfer of impact fees helps to analyze what area(s) of the city development is occurring in and how funding of future capacity projects is related to the amount of development. A new "North" zone has been added to reflect the new neighborhoods added by the June 1, 2011 annexation.

During 2011, \$327,104 in transportation impact fees and \$230,248 in park impact fees were collected. Attachment A summarizes by zone all 2011 impact fees that were collected. The Northwest zone accounted for the majority of activity collecting 25% of transportation impact fees and 33% of parks impact fees.

Once again, single family residential development reflected the most activity with 65% in transportation and 91% in parks. The Southwest zone residential development, Lakeview Lane, contributed \$26,775 for transportation impact and \$30,760 for park impact fees while the development, Highlands 25, in the Northwest zone contributed \$53,550 transportation impact

fees and \$53,830 park impact fees. The largest non-residential transportation contributors were the Central Park Tennis Club at \$34,083 and Lake Washington School District at \$29,508.

On June 1, 2010, the City Council amended the Kirkland Municipal Code to provide for the optional deferral of impact fees received on or prior to May 31, 2012. The KMC was amended again as of April 17, 2012, extending the deferral date to May 31, 2013. As of December 31, 2011, the City had six applicants who opted to defer transportation impact fees of \$22,950 and park impact fees of \$23,070. A lien has been filed against the title to the property and impact fees due will be paid upon closing of the sale of property.

Attachment B is a cumulative report showing total transportation and park impact fees collected by zone since inception. The development at Evergreen Hospital continues to be the biggest contributor to the cumulative transportation impact fees collected in the Northeast zone, with the addition of \$16,356 in 2011. The new neighborhood North zone generated impact fees in the amount of \$117,894 (\$66,869 for transportation and \$51,025 for parks).

2011 impact fee revenues increased 62% from 2010 collections, but for transportation were still lower than previous years' impact fee collections as summarized in table below.

Year	Transportation	Parks
2007	\$613,567	\$108,400
2008 *	\$680,391	\$200,870
2009	\$382,549	\$200,850
2010	\$186,076	\$161,892
2011	\$327,104	\$230,248

* Effective 02/01/08, impact fees increased substantially following a rate study completed in 2007

At year end 2011, the Impact Fee Fund balance was \$992,384 (\$859,069 for transportation and \$133,315 for parks). No transportation CIP projects were funded with transportation impact fees in 2011. Park impact fees in the amount of \$97,500 were transferred for the McAuliffe Park debt service payments and the fund balance remaining reflects the balance after transfers. The City's practice is to allocate impact fee-related revenues to qualifying capital projects in the order that they are received (i.e., first-in, first-out). Note that the Washington State Legislature extended the time period to expend impact fees to ten years from collection date. The City Council amended the Kirkland Municipal Code to reflect that change on September 20, 2011.

The table on the following page shows impact fee revenues expended on projects and debt service payments since 1999.

Year	Project Name (Project Number)	Transportation	Parks
1999 through 2006		\$2,659,761	\$160,000
2007	124th Ave NE Roadway Improvements (CST0059000)	89,919	
	NE 120th Street Roadway Extension (CST0057000)	309,000	
	Heritage Park Development (CPK0095000)		155,000
2008	124th Ave NE Roadway Improvements (CST0059000)	40,000	
	NE 85th St/132nd Ave NE Intersection Imprvmnts (CTR0078000)	279,000	
	NE 68th/108th Ave Intersection Improvements (CTR0085000)	400,000	
	NE 85th St/114th Ave Intersection Improvements (CTR0079000)	356,000	
	NE 85th/124th Ave Intersection Improvements (CTR0080000)	179,000	
	Park Acquisition-Shelton Property (CPK0131001)		81,573
	Park & Open Space Acquisition Program (CPK0131000)		367,500
	Teen Center Debt Service Payment		40,185
	McAuliffe Park Debt Service Payment		231,365
2009	NE 120th Street Roadway Extension (CST0057000)	672,000	
	NE 68th/108th Ave Intersection Improvements (CTR0085000)	562,000	
	Teen Center Debt Service Payment		44,650
	McAuliffe Park Debt Service Payment		231,415
2010	No CIP projects were funded from impact fees		
	Teen Center Debt Service Payment		44,650
	McAuliffe Park Debt Service Payment		229,803
2011	No CIP projects were funded from impact fees		
	McAuliffe Park Debt Service Payment		97,500
Total impact fee revenues transferred to projects through 2011 *		\$5,546,680	\$1,683,641
	Impact fees collected through 2011	6,006,675	1,700,290
	Interest accrued through 2011	399,074	116,666
Total impact fee collections and interest		\$6,405,749	\$1,816,956
Impact fee balance		\$859,069	\$133,315

* Includes transfer of interest on impact fee balances.

Attachments (3)

cc: Dave Snider, Capital Projects Manager
 Rob Jammerman, Development Engineering Manager
 Jennifer Schroder, Parks & Community Services Director
 Michael Cogle, Parks Planning & Development Manager
 Teresa Swan, Senior Planner
 Sri Krishnan, Financial Planning Manager

City of Kirkland 2011 Impact Fee Report - Summary

Zone Collected	Amount Collected	
	Transportation	Parks
East		
Multi-Family/Non-Residential	\$37,870	\$0
Single Family Residential	\$34,425	\$30,760
Subtotal East	\$72,295	\$30,760
North		
Multi-Family/Non-Residential	\$26,730	\$12,575
Single Family Residential	\$40,139	\$38,450
Subtotal North	\$66,869	\$51,025
Northeast		
Multi-Family/Non-Residential	\$37,028	\$0
Single Family Residential	\$3,825	\$3,845
Subtotal Northeast	\$40,853	\$3,845
Northwest		
Multi-Family/Non-Residential	\$12,620	\$5,160
Single Family Residential	\$69,442	\$71,578
Subtotal Northwest	\$82,062	\$76,738
Southwest		
Multi-Family/Non-Residential	\$0	\$2,515
Single Family Residential	\$65,025	\$65,365
Subtotal Southwest	\$65,025	\$67,880
Total Collected - All Zones	\$327,104	\$230,248

City of Kirkland

Transportation Impact Fee Tracking - 2011 Revenue

Date Received	Payer/ApplicantName	Amount Received	Case # (link to P*P)
East - Multi-Family/Non-Residential			
7/14/2011	TOTEM BOWL MV, INC	\$3,787	BLD11-00165
8/19/2011	CENTRAL PARK TENNIS CLUB	\$34,083	BLD11-00147
	subtotal:	\$37,870	
East - Single Family Residential			
3/28/2011	LAKEVIEW RESIDENTIAL LLC	\$3,825	BLD11-00070
6/9/2011	MERIT HOMES, INC.	\$3,825	BLD11-00096
7/22/2011	JOSH LYSEN	\$3,825	BLD10-00541
8/1/2011	MERIT HOMES INC	\$3,825	BLD11-00270
8/5/2011	ARKADI GABRIELIAN	\$3,825	BLD11-00176
9/22/2011	FDIC	\$3,825	BLD11-00219
11/22/2011	DGR DEVELOPMENT, INC	\$3,825	BLD11-00617
11/23/2011	DGR DEVELOPMENT, INC	\$3,825	BLD11-00616
12/20/2011	MERIT HOMES INC	\$3,825	BLD11-00653
	subtotal:	\$34,425	
North - Multi-Family/Non-Residential			
7/6/2011	LAKE WASHINGTON SCHOOL DISTRICT	\$4,365	BLD11-00244
8/4/2011	LAKE WASHINGTON SCHOOL DISTRICT	\$11,155	BLD11-00217
11/2/2011	BAYSHORE LLC	\$11,210	BLD11-00180
	subtotal:	\$26,730	
North - Single Family Residential			
7/1/2011	MCJUNKIN, PATRICK	\$317	KC B11L0017
7/5/2011	BURNSTEAD CONSTRUCTION, LLC	\$3,825	BLD11-00205
8/23/2011	JAMES MILLER & PAULA MILLER	\$3,825	BLD11-00245
8/23/2011	JAMES MILLER & PAULA MILLER	\$3,825	BLD11-00246
8/25/2011	BURNSTEAD CONSTRUCTION	\$3,825	BLD11-00307
9/2/2011	CAMWEST GARMIRE LLC	\$314	BLD11-00264
9/6/2011	JAMES MILLER & PAULA MILLER	\$3,825	BLD11-00309
9/21/2011	CAMWEST GARMIRE LLC	\$314	BLD11-00462
10/11/2011	MAJID & NAHID VOSSOUGH	\$3,825	BLD11-00360
10/11/2011	CAMWEST GARMIRE LLC	\$314	BLD11-00461
10/12/2011	BURNSTEAD CONSTRUCTION	\$3,825	BLD11-00455
10/21/2011	CAMWEST GARMIRE LLC	\$314	BLD11-00464

Date Received	Payer/ApplicantName	Amount Received	Case # (link to P*P)
10/27/2011	CAMWEST GARMIRE LLC	\$314	BLD11-00463
12/6/2011	PARKLAND HOMES, INC.	\$3,825	BLD11-00634
12/6/2011	PARKLAND HOMES, INC.	\$3,825	BLD11-00635
12/14/2011	WEST TIER DEVELOPMENT CORP	\$3,825	BLD11-00607
subtotal:		\$40,139	
Northeast - Multi-Family/Non-Residential			
5/12/2011	AUTOZONE	\$6,684	BLD11-00094
9/19/2011	LAKE WASHINGTON SCHOOL DISTRIC	\$13,988	BLD11-00206
10/12/2011	EVERGREEN HEALTH CARE	\$16,356	BLD10-00147
subtotal:		\$37,028	
Northeast - Single Family Residential			
9/14/2011	CALLIDUS NEW PROJECTS LLC	\$3,825	BLD11-00234
subtotal:		\$3,825	
Northwest - Multi-Family/Non-Residential			
4/14/2011	WEIDNER INVESTMENTS	\$7,032	BLD07-00996
4/14/2011	KAHN PROPERTIES LLC	\$938	BLD11-00110
5/12/2011	LAKE VIEW MANOR HOA	\$2,242	BLD11-00069
9/7/2011	720 BUILDING LLC	\$2,407	BLD10-00095
subtotal:		\$12,620	
Northwest - Single Family Residential			
3/4/2011	JAVAD MAADANIAN & MATIN AHM MAADANI	\$592	BLD08-00560
3/10/2011	SOLUS-GREENBANK DEVELOPMENT, LLC	\$3,825	BLD11-00015
3/10/2011	SOLUS-GREENBANK DEVELOPMENT, LLC	\$3,825	BLD11-00016
3/10/2011	SOLUS-GREENBANK DEVELOPMENT, LLC	\$3,825	BLD11-00017
4/8/2011	SOLUS-GREENBANK DEVELOPMENT, LLC	\$3,825	BLD11-00013
4/8/2011	SOLUS-GREENBANK DEVELOPMENT, LLC	\$3,825	BLD11-00014
5/20/2011	SOLUS-GREENBANK DEVELOPMENT, LLC	\$3,825	BLD11-00134
6/3/2011	SOLUS-GREENBANK DEVELOPMENT, LLC	\$3,825	BLD11-00018
6/3/2011	SOLUS-GREENBANK DEVELOPMENT, LLC	\$3,825	BLD11-00131
7/1/2011	SAMAR MAKHLOUF & MARK HIJAZI	\$3,825	BLD11-00188
7/6/2011	SOLUS-GREENBANK DEVELOPMENT, LLC	\$3,825	BLD11-00130
7/6/2011	SOLUS-GREENBANK DEVELOPMENT, LLC	\$3,825	BLD11-00133
7/8/2011	SOLUS-GREENBANK DEVELOPMENT, LLC	\$3,825	BLD11-00019
7/8/2011	SOLUS-GREENBANK DEVELOPMENT, LLC	\$3,825	BLD11-00193
8/19/2011	FRANK PANDJI	\$3,825	BLD11-00202
9/6/2011	ERNIE GEHRE	\$3,825	BLD11-00201

Date Received	Payer/ApplicantName	Amount Received	Case # (link to P*P)
9/14/2011	SOLUS-GREENBANK DEVELOPMENT, LLC	\$3,825	BLD11-00132
9/14/2011	SOLUS-GREENBANK DEVELOPMENT, LLC	\$3,825	BLD11-00136
11/4/2011	BRYAN & DANA ROGNIER	\$3,825	BLD11-00552
	subtotal:	\$69,442	

Southwest - Single Family Residential
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2/15/2011	LAKEVIEW RESIDENTIAL LLC	\$3,825	BLD10-00261
3/2/2011	LAKEVIEW RESIDENTIAL LLC	\$3,825	BLD11-00006
3/17/2011	LAKEVIEW RESIDENTIAL LLC	\$3,825	BLD11-00039
3/17/2011	CAMWEST NETTLETON COMMONS LLC	\$3,825	BLD11-00048
3/17/2011	LAKEVIEW RESIDENTIAL LLC	\$3,825	BLD11-00052
3/17/2011	LAKEVIEW RESIDENTIAL LLC	\$3,825	BLD11-00058
4/18/2011	LAKEVIEW RESIDENTIAL LLC	\$3,825	BLD11-00045
4/20/2011	MICHAEL JACKLING	\$3,825	BLD11-00073
4/28/2011	CAMWEST DEVELOPMENT INC	\$3,825	BLD10-00287
6/16/2011	CAMWEST DEVELOPMENT INC	\$3,825	BLD10-00286
7/28/2011	BANK OF WASHINGTON	\$3,825	BLD11-00240
8/8/2011	LAKEVIEW RESIDENTIAL LLC	\$3,825	BLD11-00222
9/7/2011	JIM CARROLL	\$3,825	BLD10-00361
12/12/2011	ISOLA FINANCIAL III LLC	\$3,825	BLD11-00392
12/12/2011	ISOLA FINANCIAL III LLC	\$3,825	BLD11-00393
12/12/2011	ISOLA FINANCIAL III LLC	\$3,825	BLD11-00403
12/20/2011	GED LLC	\$3,825	BLD10-00540
	subtotal:	\$65,025	

Total Transportation Impact Fees: \$327,104

City of Kirkland

Park Impact Fee Tracking - 2011 Revenue

Date Received	Payer/ApplicantName	Amount Received	Case # (link to P*P)
East - Single Family Residential			
3/4/2011	JOSH LYSEN	\$3,845	BLD10-00541
6/9/2011	MERIT HOMES, INC.	\$3,845	BLD11-00096
8/1/2011	MERIT HOMES INC	\$3,845	BLD11-00270
8/5/2011	ARKADI GABRIELIAN	\$3,845	BLD11-00176
9/22/2011	FDIC	\$3,845	BLD11-00219
11/22/2011	DGR DEVELOPMENT, INC	\$3,845	BLD11-00617
11/23/2011	DGR DEVELOPMENT, INC	\$3,845	BLD11-00616
12/20/2011	MERIT HOMES INC	\$3,845	BLD11-00653
	subtotal:	\$30,760	
North - Multi-Family/Non-Residential			
11/2/2011	BAYSHORE LLC	\$12,575	BLD11-00180
	subtotal:	\$12,575	
North - Single Family Residential			
7/5/2011	BURNSTEAD CONSTRUCTION, LLC	\$3,845	BLD11-00205
8/23/2011	JAMES MILLER & PAULA MILLER	\$3,845	BLD11-00245
8/23/2011	JAMES MILLER & PAULA MILLER	\$3,845	BLD11-00246
8/25/2011	BURNSTEAD CONSTRUCTION	\$3,845	BLD11-00307
9/6/2011	JAMES MILLER & PAULA MILLER	\$3,845	BLD11-00309
10/11/2011	MAJID & NAHID VOSSOUGH	\$3,845	BLD11-00360
10/12/2011	BURNSTEAD CONSTRUCTION	\$3,845	BLD11-00455
12/6/2011	PARKLAND HOMES, INC.	\$3,845	BLD11-00634
12/6/2011	PARKLAND HOMES, INC.	\$3,845	BLD11-00635
12/14/2011	WEST TIER DEVELOPMENT CORP	\$3,845	BLD11-00607
	subtotal:	\$38,450	
Northeast - Single Family Residential			
9/14/2011	CALLIDUS NEW PROJECTS LLC	\$3,845	BLD11-00234
	subtotal:	\$3,845	
Northwest - Multi-Family/Non-Residential			
4/14/2011	WEIDNER INVESTMENTS	\$5,160	BLD07-00996
	subtotal:	\$5,160	

Date Received	Payer/ApplicantName	Amount Received	Case # (link to P*P)
Northwest - Single Family Residential			
3/4/2011	JAVAD MAADANIAN & MATIN AHM MAADANI	\$2,368	BLD08-00560
3/10/2011	SOLUS-GREENBANK DEVELOPMENT, LLC	\$3,845	BLD11-00015
3/10/2011	SOLUS-GREENBANK DEVELOPMENT, LLC	\$3,845	BLD11-00016
3/10/2011	SOLUS-GREENBANK DEVELOPMENT, LLC	\$3,845	BLD11-00017
4/8/2011	SOLUS-GREENBANK DEVELOPMENT, LLC	\$3,845	BLD11-00013
4/8/2011	SOLUS-GREENBANK DEVELOPMENT, LLC	\$3,845	BLD11-00014
5/20/2011	SOLUS-GREENBANK DEVELOPMENT, LLC	\$3,845	BLD11-00134
6/3/2011	SOLUS-GREENBANK DEVELOPMENT, LLC	\$3,845	BLD11-00018
6/3/2011	SOLUS-GREENBANK DEVELOPMENT, LLC	\$3,845	BLD11-00131
7/1/2011	SAMAR MAKHLOUF & MARK HIJAZI	\$3,845	BLD11-00188
7/6/2011	SOLUS-GREENBANK DEVELOPMENT, LLC	\$3,845	BLD11-00130
7/6/2011	SOLUS-GREENBANK DEVELOPMENT, LLC	\$3,845	BLD11-00133
7/8/2011	SOLUS-GREENBANK DEVELOPMENT, LLC	\$3,845	BLD11-00019
7/8/2011	SOLUS-GREENBANK DEVELOPMENT, LLC	\$3,845	BLD11-00193
8/19/2011	FRANK PANDJI	\$3,845	BLD11-00202
9/6/2011	ERNIE GEHRE	\$3,845	BLD11-00201
9/14/2011	SOLUS-GREENBANK DEVELOPMENT, LLC	\$3,845	BLD11-00132
9/14/2011	SOLUS-GREENBANK DEVELOPMENT, LLC	\$3,845	BLD11-00136
11/4/2011	BRYAN & DANA ROGNIER	\$3,845	BLD11-00552
	subtotal:	\$71,578	
Southwest - Multi-Family/Non-Residential			
5/12/2011	LAKE VIEW MANOR HOA	\$2,515	BLD11-00069
	subtotal:	\$2,515	
Southwest - Single Family Residential			
2/15/2011	LAKEVIEW RESIDENTIAL LLC	\$3,845	BLD10-00261
3/2/2011	LAKEVIEW RESIDENTIAL LLC	\$3,845	BLD11-00006
3/3/2011	CHARLES PEACH & MONICA PEACH	(\$3,845)	BLD10-00136
3/17/2011	LAKEVIEW RESIDENTIAL LLC	\$3,845	BLD11-00039
3/17/2011	CAMWEST NETTLETON COMMONS LLC	\$3,845	BLD11-00048
3/17/2011	LAKEVIEW RESIDENTIAL LLC	\$3,845	BLD11-00052
3/17/2011	LAKEVIEW RESIDENTIAL LLC	\$3,845	BLD11-00058
3/28/2011	LAKEVIEW RESIDENTIAL LLC	\$3,845	BLD11-00070
4/18/2011	LAKEVIEW RESIDENTIAL LLC	\$3,845	BLD11-00045
4/20/2011	MICHAEL JACKLING	\$3,845	BLD11-00073
4/28/2011	CAMWEST DEVELOPMENT INC	\$3,845	BLD10-00287
6/16/2011	CAMWEST DEVELOPMENT INC	\$3,845	BLD10-00286

Date Received	Payer/ApplicantName	Amount Received	Case # (link to P*P)
7/28/2011	BANK OF WASHINGTON	\$3,845	BLD11-00240
8/8/2011	LAKEVIEW RESIDENTIAL LLC	\$3,845	BLD11-00222
9/7/2011	JIM CARROLL	\$3,845	BLD10-00361
12/12/2011	ISOLA FINANCIAL III LLC	\$3,845	BLD11-00392
12/12/2011	ISOLA FINANCIAL III LLC	\$3,845	BLD11-00393
12/12/2011	ISOLA FINANCIAL III LLC	\$3,845	BLD11-00403
12/20/2011	GED LLC	\$3,845	BLD10-00540
	subtotal:	\$65,365	
	Total Park Impact Fees:	\$230,248	

City of Kirkland
Cumulative Impact Fee Report - Summary
1999-2011

Zone Collected	Amount Collected	
	Transportation	Parks
East		
Multi-Family/Non-Residential	\$1,275,467	\$65,234
Single Family Residential	\$516,573	\$402,032
Subtotal East	\$1,792,040	\$467,266
North		
Multi-Family/Non-Residential	\$26,730	\$12,575
Single Family Residential	\$40,139	\$38,450
Subtotal North	\$66,869	\$51,025
Northeast		
Multi-Family/Non-Residential	\$1,576,083	\$57,700
Single Family Residential	\$13,485	\$4,457
Subtotal Northeast	\$1,589,568	\$62,157
Northwest		
Multi-Family/Non-Residential	\$638,690	\$315,146
Single Family Residential	\$333,899	\$323,199
Subtotal Northwest	\$972,589	\$638,345
Southwest		
Multi-Family/Non-Residential	\$1,312,772	\$291,293
Single Family Residential	\$272,837	\$190,204
Subtotal Southwest	\$1,585,609	\$481,497
Total Collected - All Zones	\$6,006,675	\$1,700,290



CITY OF KIRKLAND

Department of Public Works

123 Fifth Avenue, Kirkland, WA 98033 425.587.3800

www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager

From: Tim Llewellyn, Fleet Supervisor
Donna Burris, Internal Services Manager
Ray Steiger, Public Works Director

Date: July 5, 2012

Subject: SURPLUS EQUIPMENT RENTAL VEHICLES/EQUIPMENT FOR SALE

RECOMMENDATION:

It is recommended that the City Council approves the surplusing of the Equipment Rental vehicle/equipment identified in this memo.

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 by City Council, will be sold in accordance with the 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>
PU-61	2001	Dodge Pickup 2500 HD	3B7KC26Z51M582127	34115D	51,103
PU-48	2000	Chevrolet Pickup 2500 Ext.	2GCEC19V6Y1322322	29918D	63,554
T05-04	2005	Honda ST1300P Motorcycle	JH2SC51765M300044	1387EX	47,884
T05-05	2005	Honda ST1300P Motorcycle	JH2SC51735M300051	2183EX	41,058

PU-61 is a 2001 pickup which was used by the Facilities division in Public Works. It exceeded its anticipated useful life of 8 years by 3 additional years.

PU-48 is a 2000 pickup which was used by one of the Public Works Development Services Inspectors. It exceeded its anticipated useful life of 8 years by 4 additional years.

T05-04 and T05-05 are 2005 motorcycles that were assigned to the Police Traffic division, and both exceeded their anticipated useful life of 5 years by 1 additional year.

The anticipated "useful" life of a vehicle is the number of years determined by historical averages and replacement cycles of actual City vehicles. This life provides an accounting timeline basis for the accrual of vehicle Replacement Reserve charges. At end of a vehicle's accounting (useful) life, there are typically sufficient funds in the Replacement Reserve Fund to purchase a similar replacement vehicle. The accounting life of a vehicle is a guideline only, and actual usage of City vehicles can vary from averages. All vehicles considered for replacement are evaluated on their individual condition, availability of replacement funding, and with close cooperation of the operational needs of the Departments utilizing the vehicles.



CITY OF KIRKLAND

Department of Finance & Administration

123 Fifth Avenue, Kirkland, WA 98033 425.587.3100

www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager

From: Barry Scott, Purchasing Agent

Date: July 5, 2012

Subject: REPORT ON PROCUREMENT ACTIVITIES FOR COUNCIL MEETING OF JULY 17, 2012

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 June 15, 2012, are as follows:

	Project	Process	Estimate/Price	Status
1.	A&E Services for City Hall Renovation	Request for Qualifications	\$150,000 – \$200,000	Advertised on 6/29 with qualifications due on 7/23.
2.	Development Services Organizational Review	Request for Proposals	\$75,000 – \$100,000	Advertised on 6/28 with proposals due on 7/19.
3.	Motorola Radios for Fire Department (24)	Cooperative Purchase	\$95,475.24	Ordered using Western States Contracting Alliance contract.
4.	Toro Groundmaster Mower	Cooperative Purchase	\$61,417.45	Ordered using WA State Contract with Western Equipment Distributors.
5.	Storage Area Network Replacement	Request for Proposals	\$300,000 – \$325,000	Advertised on 7/10 with proposals due on 8/2.
6.	Enterprise Network Replacement	Request for Proposals	\$1,010,000 – \$1,050,000	Advertised on 7/10 with proposals due on 8/2.
7.	Rose Hill Business District Sidewalks Project	Invitation for Bids	\$1,000,000 – \$1,500,000	Advertised on 7/9 with bids due on 7/24.

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



CITY OF KIRKLAND
Public Works Department
123 Fifth Avenue, Kirkland, WA 98033 425.587.3800
www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager
From: Ray Steiger, P.E., Public Works Director
Date: July 9, 2012
Subject: Public Hearing – Street Maintenance and Pedestrian Safety measure

RECOMMENDATION:

It is recommended that the City Council holds a public hearing and adopts the attached ordinance calling for a street improvement and pedestrian safety ballot measure at the November 6, 2012 general election. Although a public hearing is not required, it is allowed for ballot measures and the Council requested that a hearing be held to ensure citizens had the opportunity to provide input prior to final Council action.

BACKGROUND:

On July 3, the City Council provided final policy direction for a street maintenance and pedestrian safety levy to be presented to voters at the November 6, 2012 election. The levy will raise an estimated \$3.0 million annually to be used for street preservation, pedestrian and neighborhood safety measures. The levy is designed to be flexible over time to respond to changing needs, but will have a goal of providing the following funds annually:

- \$2.7 Million for street preservation focusing on the arterial system;
- \$150,000 for the City's safe walk routes to schools;
- \$150,000 for neighborhood traffic, pedestrian and safety measures.

The City's regular property tax levy shall be increased permanently by \$.204 per \$1,000 of assessed value for collection beginning in 2013 to fund these improvements; the annual cost for a typical single family home valued at \$346,000 (median single family value) would be \$70.58.

Two actions are needed by Council to finalize the proposed levy. In addition to the ordinance placing the levy on the ballot, the City Council must also adopt a resolution calling for a special election for the purpose of placing the levy on the ballot.

ORDINANCE NO. 4364

AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED ELECTORS OF THE CITY OF KIRKLAND AT AN ELECTION TO BE HELD ON NOVEMBER 6, 2012, OF A PROPOSITION AUTHORIZING AN INCREASE TO THE CITY'S REGULAR PROPERTY TAX LEVY AND THE CITY'S PROPERTY TAX LEVY BASE OF \$.204 PER \$1,000 OF ASSESSED VALUATION IN ORDER TO PAY COSTS OF STREET AND SIDEWALK MAINTENANCE AND OPERATIONS AND FUND THE IMPROVEMENT AND DEVELOPMENT OF STREETS AND SIDEWALKS.

WHEREAS, the City Council of the City of Kirkland, Washington (the "City") has previously approved a Transportation Plan and Active Transportation Plan (the "Plans") as part of the Kirkland Comprehensive Plan, which calls for the City to: provide safe and accessible streets and transportation that support the City's land use plan; create a transportation system which allows the mobility of people and goods; maintain existing adopted levels of service for important public facilities; plan for a fair share of regional growth, and solve regional transportation problems that affect the City through regional coordination and partnerships; and

WHEREAS, the City's Pavement Condition Index (PCI) goals are 70 for arterials and 65 for the overall street network, the current PCI ratings are 59 for arterials and 66 overall, but at current levels of funding over the next twenty years the arterial PCI will decline to 50 and the overall network to 56 while the backlog of deferred maintenance projects will grow from \$39 million to \$148 million; and

WHEREAS, in order to implement the transportation capital goals under the Plans, and to maintain and operate City streets to City standards in the future, the City is in need of additional funding to supplement City funds to be applied to these purposes; and

WHEREAS, preventive pavement maintenance is prudent public policy because it costs significantly less overall than repairs or replacement that are delayed into the future; and

WHEREAS, Kirkland has established balanced transportation, including bicycle paths and safe walking, as a foundation of its Comprehensive Plan; and

WHEREAS, bicycle paths are an essential element of complete streets; and

WHEREAS, safe walking is dependent upon the presence of a complete sidewalk network and crosswalks equipped with modern safety features; and

WHEREAS, safe routes to school prevent accidents and allow children to receive the many health benefits of walking to school; and

WHEREAS, traffic calming investments improve the quality of Kirkland's neighborhoods by keeping vehicles at safe speeds which benefits drivers, cyclists and pedestrians; and

WHEREAS, RCW 84.55.050 authorizes the voters of a City to permit the levy of taxes in excess of the levy limitations established in RCW 84.55.010 pursuant to a "levy lid lift"; and

WHEREAS, the City Council has determined to fund the Plans on an ongoing basis and in the future with the proceeds of a permanent levy lid lift to be placed before the voters of the City pursuant to this ordinance; and

WHEREAS, to fund all or a portion of the cost of capital improvements for street maintenance and safety consistent with the Plans and the Capital Improvement Program as updated over time and on an ongoing and future basis and identified in Section 1 hereof (the "Street Improvements"), the City Council proposes to present a ballot proposition to the City's voters to increase the City's regular property tax levy in an amount of \$.204 per \$1,000 for collection in 2013 and to provide that the dollar amount of such levy be used for the purpose of computing the limitations for subsequent levies provided for in RCW ch. 84.55;

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

Section 1. In order to provide safe and accessible roads and transportation that supports the City's land use plan, to create a transportation system which allows the mobility of people and goods, to maintain existing adopted levels of service for important public facilities, to plan for a fair share of regional growth, and to solve regional problems that affect the City through regional coordination and partnerships, the City Council approves a Transportation and Active Transportation Plan (the "Plans") from time to time as a part of the Kirkland Comprehensive Plan. The Plans include, but are not limited, to the following: street maintenance and safety improvements for neighborhood streets and arterials, including resurfacing, pothole repair, pedestrian safety improvements, sidewalks and crosswalks. The initial goal for the permanent levy shall be to:

- Resurface, restore or replace approximately 90 lane-miles of arterial streets;
- Provide preventive maintenance on 650 lane-miles of local and neighborhood streets,
- Create safe routes to school near 12 elementary schools, as well as develop middle school and high school walk routes,
- Upgrade 50 crosswalks with new highly visible and energy efficient warning devices,
- Install approximately 500 new Americans with Disabilities Act wheelchair ramps to meet federal requirements,
- Restripe 450 crosswalks,
- Address neighborhood-identified safety improvements,
- Enhance transit and safety improvements on eight key transit corridors, and
- Produce an annual accountability report documenting actions and program status.

(collectively, "Street & Pedestrian Safety Improvements").

Once the initial goals are met additional street and pedestrian safety improvements shall be developed and implemented in accordance with the Transportation Plan, the Active Transportation Plan and the Capital Improvement Program as updated over time and as prioritized by the Transportation Commission and the City Council.

The cost of all necessary appraisals, negotiation, closing, architectural, engineering, financial, legal and other consulting services, inspection and testing, administrative and relocation expenses and other costs incurred in connection with the foregoing Street Improvements shall be deemed a part of the costs of such Street Improvements.

The City Council shall determine the exact specifications for the Street Improvements as well as the timing, order and manner of completing the Street Improvements. By ordinance of the City, the Council may alter, make substitutions to and amend the description of any Street Improvement as it determines is in the best interests of the City and consistent with the general descriptions provided herein. By ordinance, the City Council shall determine the application of moneys available for the Street Improvements set forth above so as to accomplish, as nearly as may be, all of the Street Improvements described.

If the City Council, by ordinance, shall determine that it has become impractical to acquire, construct or equip all or any portion of the Street Improvements by reason of changed conditions, incompatible development, costs substantially in excess of the amount of tax levies and other City funds estimated to be available, or acquisition by a superior governmental authority, the City shall not be required to acquire, construct or equip such portions. If all of the Street Improvements have been constructed or acquired or duly provided for, or found to be impractical, the City may apply the levy proceeds (including earnings thereon) or any portion thereof to other transportation purposes as the Council, by ordinance and in its discretion, shall determine.

Section 2. It is hereby found that the best interests of the inhabitants of the City require the submission to the qualified electors of the City of a proposition whether the City shall levy regular property taxes above the limitations established in RCW 84.55.010 for approval or rejection at the general election to be held on November 6, 2012, a proposition to increase the City's regular property tax levy by \$.204 per \$1,000 of assessed valuation for collection beginning in 2013 (with an estimated total annual collection amount of \$3,000,000 based on current estimates of assessed valuation) for the street purposes described herein. The dollar amount of such increased levy shall be used for the purpose of computing the limitations for subsequent levies provided for in RCW ch. 84.55. King County Elections, as *ex officio* supervisor of elections in King County, Washington, is hereby requested to assume jurisdiction of and to submit to the qualified electors of the City the proposition hereinafter set forth.

The City Clerk is hereby authorized and directed, not less than 84 days prior to such election date, to certify the proposition to King County Elections in the following form:

CITY OF KIRKLAND
PROPOSITION NO. 1

LEVY FOR CITY STREET MAINTENANCE AND PEDESTRIAN
SAFETY

The Kirkland City Council adopted Ordinance No. 4364 concerning a proposition for a street improvement levy rate increase. To fund street maintenance and safety improvements for neighborhood streets and arterials, including resurfacing, pothole repair, pedestrian safety improvements, traffic calming projects, school walk routes, sidewalks and crosswalks, the City's regular property tax levy shall be increased permanently by \$.204 per \$1,000 of assessed value for collection beginning in 2013 and such amount shall be used for the purpose of computing the limitations for subsequent levies provided under RCW ch. 84.55. Should this proposition be:

APPROVED?

REJECTED?

Certification of such proposition by the City Clerk to King County Elections, in accordance with law, prior to the date of such election, and any other acts consistent with the authority, and prior to the effective date, of this ordinance, are hereby ratified.

Section 3. If a section, subsection, paragraph, sentence, clause, or phrase of this ordinance is declared unconstitutional or invalid for any reason by any court of competent jurisdiction; such decision shall not affect the validity of the remaining portions of this ordinance.

Section 4. This ordinance shall be in force and effect five days from and after its passage by the Kirkland City Council and publication.

Passed by a majority vote of the Kirkland City Council in open meeting this ____ day of ____, 2012 and approved by the City Council as required by law.

Signed in authentication thereof this ____ day of ____, 2012.

MAYOR

Attest:

City Clerk

Approved as to Form:

City Attorney



CITY OF KIRKLAND
City Manager's Office
123 Fifth Avenue, Kirkland, WA 98033 425.587.3001
www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager
From: Jennifer Schroder, Parks and Community Services Director
Date: July 9, 2012
Subject: Public Hearing - Park Levy

RECOMMENDATION

City Council holds a public hearing and adopts the attached ordinance calling for a parks levy ballot measure at the November 6, 2012 general election. Although a public hearing is not required, it is allowed for ballot measures and the Council requested that a hearing be held to ensure citizens had the opportunity to provide input prior to final Council action.

BACKGROUND

On July 3, the City Council provided final policy direction for a permanent parks levy to be presented to voters at the November 6, 2012 election. This levy implements the recommendations of the Parks Funding Exploratory Committee, an advisory board to the Council tasked with reviewing and proposing a potential park ballot measure. The levy will raise annually an estimated \$2.345 million to be used for maintenance, operations, renovation and enhancement of City parks and natural areas.

Park Maintenance and Operations Annual Funding (\$1.095 million)

- Provides dedicated funding to restore maintenance and operations cuts to Kirkland parks and ensure that all current and new parks are maintained consistent with Kirkland's standards.
- Provides funding for lifeguards at Houghton Beach Park, Waverly Beach Park, and Juanita Beach Park.
- Provides funding for the community's Green Kirkland Partnership which restores and provides healthy forests and habitat areas.
- Provides funding to maintain O.O. Denny Park, a community multi-use waterfront park (current funding for this park is derived from a special tax assessment on Finn Hill properties which expires in 2014).

Park Restoration, Renovation, and Enhancement Annual Capital Funding (\$1.25 million)

The capital element of the ballot measure will prioritize the funding of the following projects over the next seven years:

Open Space and Park Land Acquisition (\$2.5 million): Provides funding to preserve natural areas and opens spaces and to acquire land for future neighborhood parks in areas of the city where new parks are needed;

Cross Kirkland Corridor Trail (\$1.6 million): Provides funding to create an interim hiking and biking trail within the 5.75 mile Cross Kirkland Corridor;

Edith Moulton Park Renovation (\$1 million): Provides funding to complete renovations to this community park transferred from King County as part of the 2011 annexation;

City-School District Playfields Partnership (\$1 million): Provides funding to continue partnership with Lake Washington School District to upgrade school playfields for neighborhood and community use;

Juanita Beach Bathhouse Replacement (\$1.2 million): Provides funding for a new replacement facility for park restrooms, park maintenance, and canoe/kayak boating concession;

Dock and Shoreline Renovations (\$800,000): Provides funding for major repairs and improvements to public docks and park shorelines for safety and property protection;

Waverly Beach Park Renovation (\$500,000): Provides funding for needed improvements to this popular community waterfront park;

The proposed levy increases the City's regular property tax levy by 16 cents per \$1,000 assessed value. The annual cost for a typical single family home valued at \$346,000 (median single family value) would be \$55.36.

Two actions are needed by Council to finalize the proposed levy. In addition to the ordinance placing the levy on the ballot, the City Council must also adopt a resolution calling for a special election for the purpose of placing the levy on the ballot.

ORDINANCE NO. 4365

AN ORDINANCE PROVIDING FOR THE SUBMISSION TO THE QUALIFIED ELECTORS OF THE CITY OF KIRKLAND AT AN ELECTION TO BE HELD ON NOVEMBER 6, 2012, OF A PROPOSITION AUTHORIZING AN INCREASE TO THE CITY'S REGULAR PROPERTY TAX LEVY AND THE CITY'S PROPERTY TAX LEVY BASE OF \$.16 PER \$1,000 OF ASSESSED VALUATION IN ORDER TO PAY COSTS OF PARKS MAINTENANCE AND OPERATIONS AND TO FUND FACILITY RENOVATIONS AND THE ACQUISITION OF PARKLAND AND OPEN SPACE.

WHEREAS, the City of Kirkland, Washington (the "City") owns, maintains and operates a system of parks and natural areas that provide a balanced park system that defines the City; and

WHEREAS, the City Council has previously approved a Parks, Recreation & Open Space Plan ("PROS") as part of the Kirkland Comprehensive Plan that calls for the acquisition, improvement and development of parks that enhance the range and quality of facilities, preserve natural areas, provide trail corridors and open space buffers, and additional community and neighborhood parks; and

WHEREAS, the City has established goals to maintain a system of parks that are attractive, safe, functional, and available to all segments of the population and has established a program to provide routine and periodic restoration, renovation and replacement, including waterfront docks and shorelines, restrooms, landscaping, urban forests and wetlands, irrigation and drainage systems, trails and pathways, playfields, playgrounds, and other park amenities; and

WHEREAS, since 2008 the City has been unable to provide the necessary funding to adequately maintain, operate, and renovate its system of parks and open spaces to the community's expectations, resulting in an unacceptable backlog of repairs and preventive maintenance projects, closure of certain park restrooms, and the elimination of on-going funding for beach lifeguards; and

WHEREAS, in 2011 as a result of annexation the City assumed ownership and responsibility from King County for public parks and open spaces in the Finn Hill, Juanita, and Kingsgate neighborhoods; and

WHEREAS, the 2011 annexation area included the Finn Hill Park and Recreation District (the "District"), which has established a levy on Kirkland property owners located within District boundaries to maintain O.O. Denny Park and said levy will expire on December 31, 2014; and

WHEREAS, the City is committed to ensuring that O.O. Denny Park remains open and available to all Kirkland residents in perpetuity; and

WHEREAS the City is in need of additional funding to supplement City funds for parks maintenance, restoration and enhancement; and

WHEREAS, RCW 84.55.050 authorizes the voters of a City to permit the levy of taxes in excess of the levy limitations established in RCW 84.55.010 pursuant to a "levy lid lift"; and

WHEREAS, the City Council proposes to present a ballot proposition to the City's voters to increase the City's regular property tax levy in an amount of \$.16 per \$1,000 for collection in 2013 and to provide that the dollar amount of such levy be used for the purpose of computing the limitations for subsequent levies provided for in RCW ch. 84.55;

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

Section 1. The City Council hereby finds that the best interests of the inhabitants of the City require the City to operate and maintain its parks and recreation areas to City standards and further to acquire, expand and enhance its park, recreation area and open space in accordance with PROS ("Park Improvements") and Capital Improvement Program.

Initially, the identified annual operation and maintenance expenditures are anticipated to be \$1,095,000 and include:

- a. Restoration of Maintenance and Operations, including restoration of lifeguards at Houghton Beach Park and Waverly Beach Park as well as the addition of lifeguards to Juanita Beach Park;
- b. Assumption of O.O. Denny Park Maintenance from the Finn Hill Park and Recreation District;
- c. Fully funded maintenance and operations for parks and opens space in the new neighborhoods of Finn Hill, Juanita and Kingsgate; and
- d. Forest and Habitat Restoration.

Initially, the capital improvement expenditures include:

- i. Dock and Shoreline Renovations (major repairs and improvements to public docks and park shorelines for safety and property protection);
- ii. City-School Playfield Partnerships (continuation of partnership with Lake Washington School District to upgrade school playfields for neighborhood and community use);
- iii. Waverly Beach Park Renovation (improvements to community waterfront park);
- iv. Edith Moulton Park Renovation (completion of renovations to community park transferred from King County as part of the 2011 annexation);
- v. Cross Kirkland Corridor Trail (an interim pedestrian and bicycle trail within the 5.75 mile Cross Kirkland Corridor);
- vi. Juanita Beach Bathhouse Replacement (replacement facility for park restrooms, maintenance storage and canoe/kayak boating concession); and
- vii. Neighborhood Park Land Acquisition (funding to acquire land for future neighborhood parks).

Future Park Improvements, including operation and maintenance priorities, will be identified and undertaken in accordance with PROS and the Capital Improvement Program as updated over time and as prioritized by the Park Board and City Council.

The cost of all necessary appraisals, negotiation, closing, architectural, engineering, financial, legal and other consulting services, inspection and testing, administrative and relocation expenses and other costs incurred in connection with the foregoing Park Improvements shall be deemed a part of the costs of such Park Improvements.

The City Council shall determine the exact specifications for the Park Improvements as well as the timing, order and manner of completing the Park Improvements. By ordinance of the City, the Council may alter, make substitutions to and amend the description of any Park Improvement as it determines is in the best interests of the City and consistent with the general descriptions provided herein. By ordinance, the City Council shall determine the application of moneys available for the Park Improvements set forth above so as to accomplish, as nearly as may be, all of the Park Improvements described.

If the City Council, by ordinance, shall determine that it has become impractical to acquire, construct or equip all or any portion of the Park Improvements by reason of changed conditions, incompatible development, costs substantially in excess of the amount of tax levies and other City funds estimated to be available, or acquisition by a superior governmental authority, the City shall not be required to acquire, construct or equip such portions. If all of the Park Improvements have been constructed or acquired or duly provided for, or found to be impractical, the City may apply the levy proceeds (including earnings thereon) or any portion thereof to other open space, park and recreation purposes as the Council, by ordinance and in its discretion, shall determine.

Section 2. It is hereby found that the best interests of the inhabitants of the City require the submission to the qualified electors of the City of a proposition whether the City shall levy regular property taxes above the limitations established in RCW 84.55.010 for approval or rejection at the general election to be held on November 6, 2012, a proposition to increase the City's regular property tax levy by \$.16 per \$1,000 of assessed valuation for collection beginning in 2013 (with an estimated total annual collection amount of \$2,345,000 based on current estimates of assessed valuation) for the park purposes described herein. The dollar amount of such increased levy shall be used for the purpose of computing the limitations for subsequent levies provided for in RCW ch. 84.55. King County Elections, as *ex officio* supervisor of elections in King County, Washington, is hereby requested to assume jurisdiction of and to submit to the qualified electors of the City the proposition hereinafter set forth.

The City Clerk is hereby authorized and directed, not less than 84 days prior to such election date, to certify the proposition to King County Elections in the following form:

CITY OF KIRKLAND
PROPOSITION NO. 2

LEVY FOR CITY PARKS MAINTENANCE, RESTORATION AND
ENHANCEMENT

The Kirkland City Council adopted Ordinance No. 4365 concerning a proposition for a park levy rate increase. To restore and enhance funding for park maintenance and beach lifeguards, to maintain, renovate, and enhance docks, park facilities, trails and playfields and to acquire parkland and open space, the City's regular property tax levy base shall be increased permanently by \$.16 per \$1,000 of assessed value for collection beginning in 2013 and such amount shall be used for the purpose of computing the limitations for subsequent levies provided under RCW ch. 84.55. Should this proposition be:

APPROVED?

REJECTED?

Certification of such proposition by the City Clerk to King County Elections, in accordance with law, prior to the date of such election, and any other acts consistent with the authority, and prior to the effective date, of this ordinance, are hereby ratified.

Section 3. If a section, subsection, paragraph, sentence, clause, or phrase of this ordinance is declared unconstitutional or invalid for any reason by any court of competent jurisdiction; such decision shall not affect the validity of the remaining portions of this ordinance.

Section 4. This ordinance shall be in force and effect five days from and after its passage by the Kirkland City Council and publication.

Passed by a majority vote of the Kirkland City Council in open meeting this ____ day of ____, 2012 and approved by the City Council as required by law.

Signed in authentication thereof this ____ day of ____, 2012.

MAYOR

Attest:

City Clerk

Approved as to Form:

City Attorney



CITY OF KIRKLAND
Public Works Department
123 Fifth Avenue, Kirkland, WA 98033 425.587.3800
www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager

From: Ray Steiger, P.E., Public Works Director

Date: July 9, 2012

Subject: Resolution Calling for Special Election for Street Maintenance and Pedestrian Safety Levy

RECOMMENDATION:

It is recommended that the City Council adopts the attached resolution calling for a special election to be held in conjunction with the November 6, 2012, general election for the purpose of placing a street maintenance and pedestrian safety levy increase on the ballot.

BACKGROUND:

Two actions are needed by Council to finalize the proposed levy. In addition to the ordinance placing the levy on the ballot, the City Council must also adopt a resolution calling for a special election for the purpose of placing the levy on the ballot.

RESOLUTION R-4930

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND CALLING FOR A SPECIAL ELECTION TO BE HELD IN CONJUNCTION WITH THE GENERAL ELECTION ON NOVEMBER 6, 2012, FOR THE PURPOSE OF PLACING ON THE BALLOT A PROPOSITION FOR A STREET IMPROVEMENT LEVY RATE INCREASE.

WHEREAS, the City Council of Kirkland has previously approved a Transportation Plan and Active Transportation Plan as part of the Kirkland Comprehensive Plan (the "Plan"), which calls for the City to: provide safe and accessible streets and transportation that supports the City's land use plan; create a transportation system which allows for mobility of people and goods; maintain existing adopted levels of service for important public facilities; plan for a share of regional growth, and solve regional problems that affect the City through regional coordination and partnerships; and

WHEREAS, the City's Pavement Condition Index (PCI) goals are 70 for arterials and 65 for the overall street network, the current PCI ratings are 59 for arterials and 66 overall, but at current levels of funding over the next twenty years the arterial PCI will decline to 50 and the overall network to 56 while the backlog of deferred maintenance projects will grow from \$39 million to \$148 million; and

WHEREAS, in order to implement the transportation capital goals under the Plan, and to maintain and operate the City streets to City standards in the future, the City is in need of additional funding to supplement City funds to be applied to these purposes; and

WHEREAS, the City Council of Kirkland has determined to fund the Plan, including updates over time, on an ongoing basis and in the future with the proceeds of a permanent levy lid lift to be placed before the voters of the City; and

WHEREAS, the City Council has determined to call for a special election to be held in conjunction with the general election on November 6, 2012, and to submit to the qualified electors of the City the proposition for a street improvement levy as set forth below;

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

Section 1. The City Council hereby calls for a special election to be held in conjunction with the general election on November 6, 2012, for the purpose of submitting to the qualified electors of the City of Kirkland a proposition authorizing an increase to the City's regular property tax levy and the City's property tax levy base of \$.204 per

\$1,000 of assessed valuation in order to pay costs of maintenance and operations and to fund the improvement and development of streets.

Section 2. The ballot title shall read as follows:

CITY OF KIRKLAND
PROPOSITION NO. 1

LEVY FOR CITY STREET MAINTENANCE AND PEDESTRIAN
SAFETY

The Kirkland City Council adopted Ordinance No. 4364 concerning a proposition for a street improvement levy rate increase. To fund street maintenance and safety improvements for neighborhood streets and arterials, including resurfacing, pothole repair, pedestrian safety improvements, traffic calming projects, school walk routes, sidewalks and crosswalks, the City's regular property tax levy shall be increased permanently by \$.204 per \$1,000 of assessed value for collection beginning in 2013 and such amount shall be used for the purpose of computing the limitations for subsequent levies provided under RCW ch. 84.55. Should this proposition be:

APPROVED?.....

REJECTED?.....

Section 3. The City Clerk shall file a certified copy of this Resolution with the King County Council and the King County Elections Director.

Passed by majority vote of the Kirkland City Council in open meeting this ____ day of _____, 2012.

Signed in authentication thereof this ____ day of _____, 2012.

MAYOR

Attest:

City Clerk



CITY OF KIRKLAND
City Manager's Office
123 Fifth Avenue, Kirkland, WA 98033 425.587.3001
www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager

From: Jennifer Schroder, Parks and Community Services Director

Date: July 9, 2012

Subject: Resolution Calling for Special Election for Parks Levy

RECOMMENDATION

City Council adopts the attached resolution calling for a special election to be held in conjunction with the November 6, 2012 general election for the purpose of placing a parks levy increase on the ballot.

BACKGROUND

Two actions are needed by Council to finalize the proposed parks levy. In addition to the ordinance placing the levy on the ballot, the City Council must also adopt a resolution calling for a special election for the purpose of placing the levy on the ballot.

RESOLUTION R-4931

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND CALLING FOR A SPECIAL ELECTION TO BE HELD IN CONJUNCTION WITH THE GENERAL ELECTION ON NOVEMBER 6, 2012, FOR THE PURPOSE OF PLACING ON THE BALLOT A PROPOSITION FOR A PARK LEVY RATE INCREASE.

WHEREAS, the City Council of Kirkland has established a program to identify park and open space facilities needing routine and periodic restoration, renovation and replacement, including waterfront docks and shorelines, restrooms, landscaping, urban forests and wetlands, irrigation and drainage systems, trails and pathways, playfields, playgrounds, and other park amenities; and

WHEREAS, since 2008 the City has been unable to provide the necessary funding to adequately maintain, operate, and renovate its system of parks and open spaces to City standards; and

WHEREAS, the City Council of Kirkland has determined the best interests of the inhabitants of the City require the City to operate and maintain its parks and recreation areas to City standards and further to acquire, expand and enhance its park, recreation area and open space; and

WHEREAS, in order to maintain and operate parks and recreation areas to City standards, and implement parks, recreation and open space capital goals the City is in need of additional funds to supplement City funds; and

WHEREAS, the City Council has determined to fund all or a portion of the cost of park and open space maintenance and capital improvements with a permanent levy lift to be placed before the voters of the City; and

WHEREAS, the City Council has determined to call for a special election to be held in conjunction with the general election on November 6, 2012, and to submit to the qualified electors of the City the proposition for a park levy rate increase as set forth below;

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

Section 1. The City Council hereby calls for a special election to be held in conjunction with the general election on November 6, 2012, for the purpose of submitting to the qualified electors of the City of Kirkland a proposition authorizing an increase to the City's regular property tax levy and the City's property tax levy base of \$.16 per

\$1,000 of assessed valuation in order to pay costs of maintenance and operations and to fund the acquisition of parkland and open space.

Section 2. The Ballot title shall read as follows:

CITY OF KIRKLAND
PROPOSITION NO. 2

LEVY FOR CITY PARKS MAINTENANCE, RESTORATION AND
ENHANCEMENT

The Kirkland City Council adopted Ordinance No. 4365 concerning a proposition for a park levy rate increase. To restore and enhance funding for park maintenance and beach lifeguards, to maintain, renovate, and enhance docks, park facilities, trails and playfields and to acquire parkland and open space, the City's regular property tax levy base shall be increased permanently by \$.16 per \$1,000 of assessed value for collection beginning in 2013 and such amount shall be used for the purpose of computing the limitations for subsequent levies provided under RCW ch. 84.55. Should this proposition be:

APPROVED?

REJECTED?

Section 3. The City Clerk shall file a certified copy of this Resolution with the King County Council and the King County Elections Director.

Passed by majority vote of the Kirkland City Council in open meeting this ____ day of _____, 2012.

Signed in authentication thereof this ____ day of _____, 2012.

MAYOR

Attest:

City Clerk



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

MEMORANDUM

To: Kurt Triplett, City Manager

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

Date: July 10, 2012

Subject: Ballot Measure Pro/Con Committees Appointments

RECOMMENDATION:

That the City Council appoint members to the "pro" and "con" committees for proposed ballot measures for a street improvement and pedestrian safety levy and for a parks maintenance, renovation and enhancement levy.

BACKGROUND DISCUSSION:

At its meeting on July 17th, the City Council will hold public hearings and potentially take action on Ordinances 4364 and 4365, providing for submission of ballot measures for the November general election ballot: a street improvement and pedestrian safety levy and a parks maintenance, renovation, and enhancement levy.

As part of the ballot measure information in the voter pamphlet, the Council must appoint individuals to write statements in favor of, and in opposition to, the ballot measures. At its July 3, 2012 meeting, the Council directed the City Clerk to proceed to advertise for applicants for these committees. On July 5, a press release was issued for individuals to volunteer for the committees, with a deadline of July 13, 2012.

King County Elections' Jurisdiction Manual states the committees shall have no more than three members. However, a committee may seek the advice of any person or persons. Members shall be appointed from persons known to favor or oppose the measures as appropriate. The committees should each select a spokesperson for that committee. If the jurisdiction is unable to identify persons to serve on any of the committees, the Council must notify King County Elections, detailing efforts made to establish the committees, and they will publish a statement to that effect in the pamphlet.

The committee appointment forms must be submitted to King County no later than August 10, 2012. The committees' statements are due on August 15, 2012. The purpose of July appointment is to allow the committees ample time to meet and to construct their arguments. If the Council is not satisfied with any of the submitted names, there is time to extend the recruitment for additional interest and delay the appointments to the Council's meeting in August; however that will provide the committees with very little time to complete their statements. If desired, the Council may choose to interview the applicants prior to appointment.

Applications will be forwarded to Council following the deadline of 4:00 p.m. on Friday, July 13th. Council may make a motion to appoint up to three of the applicants to each committee at their July 17 meeting, or continue their deliberations or selection process to the subsequent meeting. Following appointments, the City Clerk will then prepare the appointment form for submittal to King County and contact the individuals to provide them with the information they will need to complete their tasks.

**CITY OF KIRKLAND**123 Fifth Avenue, Kirkland, WA 98033 425.587.3000
www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager

From: Ellen Miller-Wolfe, Economic Development Manager

Date: July 17, 2012

Subject: Resolution Renaming and Refining the Mission of the Kirkland Cultural Council

RECOMMENDATION

The Council approves the attached Resolution renaming the Cultural Council as the Kirkland Cultural Arts Commission and refining the mission of the Commission to focus on public art.

Background: Approximately one year ago, July 19, 2011, the City Council met to consider options for the future of the Kirkland Cultural Council (KCC). The KCC had been eliminated from the City 2010-11 budget and as a result, had relied upon an \$8000 grant from 4Culture and some money that it has raised to cover the costs of limited staffing (5 hrs. per week on average) and incidental costs associated with events and programs. At the July 19, 2011 meeting, the City Council approved one-time funding from its special projects reserve totaling \$25,000 to fund the KCC through December, 2012. The Council indicated that there should be no increase in KCC programs, that the minimum level of staffing be maintained, that there be no fundraising, and that a study would be undertaken to determine the best option for providing arts programs for the City.

Upon presentation of the results of the study analyzing the Kirkland Cultural Council, and also, upon review of comparable programs in other cities, the City Council determined on May 15, 2012 that the Cultural Council should continue as an advisory body to the City Council, and that it should focus on public art, an area of expertise most needed by city government. The Council also recommended that the group recommend a name that better describes its focus on public art, and that it can take on other projects as budget (and limited staffing) permit. To respond to Council requirements and also "right size" administrative functions of the Cultural Council to reflect a limited budget, staff recommends adoption of the attached Resolution and initial roster.

Name Change and Mission Refinement

The principal changes described in the resolution are as follows:

- Name is changed from the Kirkland Cultural Council to the Kirkland Cultural Arts Commission to reflect major focus of Commission on public art and requirements that two members of the Commission have demonstrable public art expertise.

- Reduction of membership to no more than twelve (12) members and distribution of those appointments among the City Council (Positions 1-5) and Cultural Arts Commission (Positions 6-12).
- Reduction of public meetings to more than ten (10) annually and at least one every two (2) months.
- The Commission may pursue strategic planning and development, along with special projects, after consultation with the City Manager and based on the availability of resources.

Roster Changes

In addition, staff recommends that the roster governing appointments to the Commission be revised to accomplish:

- Reduction of 15 to 12 positions
- Distribution of the 12 positions between City Council and Commission appointments
- Retention of current members with unexpired terms
- Identification of two positions as public art positions, and one additional position as being filled by an artist.

Cultural Council Concurrence

These proposed changes to the name, mission and roster of the group have been reviewed and approved by the current Kirkland Cultural Council.

Recommendation: Staff recommends that the City Council approves the Resolution renaming the Kirkland Cultural Council the Cultural Arts Commission and refining the Commission's mission, as well as approve the new roster of appointments. Both respond to the City's need for a public art- focused body whose administration and programs reflect current budgetary limitations.

Kirkland Cultural Council Roster & Member Terms July 5, 2012

Position	Name/Address	Appointed By	Term Length	Expiration
Position 1 Youth		City Council	4 years	
Position 2 Public Art	Gaerda Zeiler	City Council	4 years	March 31, 2015 (started 3/2011)
Position 3	Bhaj Townsend	City Council	4 years	March 31, 2013 (started 5/2009)
Position 4	Linda Paros	City Council	4 years	March 31, 2015 (started 3/2011)
Position 5	Trent Latta	City Council	4 years	March 31, 2015 (started 3/2011)
Position 6 Artist		Cultural Council	4 years	
Position 7 Public Art		Cultural Council	4 years	
Position 8 Cultural Heritage	Nora Carlson	Cultural Council Discretionary	2 years	March 31, 2013
Position 9		Cultural Council Discretionary	4 years	
Position 10	Melissa Nelson	Cultural Council Discretionary	4 years	March 31, 2015 (started 12/2009)
Position 11	Amy Whittenburg	Cultural Council Discretionary	4 years	March 31, 2014 (started 3/2008)
Position 12	Cathy Heffron	Cultural Council Discretionary	4 years	March 31, 2013 (started 3/2009)
	Ellen Miller-Wolfe Julie Huffman 123 5 th Avenue Kirkland WA 98033	Staff		

RESOLUTION R-4932

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND RENAMING THE KIRKLAND CULTURAL COUNCIL AS THE KIRKLAND CULTURAL ARTS COMMISSION AND REFINING ITS MISSION.

WHEREAS, the Kirkland Cultural Council was formed in November 2002 pursuant to Resolution R-4353; and

WHEREAS, given the current economic and budgetary challenges faced by the City, the City Council would like to update the priorities and mission of the Cultural Council; and

WHEREAS, to better reflect its refined mission, the Cultural Council will be renamed as the Cultural Arts Commission; and

WHEREAS, the City Council hereby reiterates its approval of the Cultural Arts Commission as a local arts agency and requests that King County recognize the Cultural Arts Commission as a local arts agency located in Kirkland, Washington;

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

Section 1. Renaming the Kirkland Cultural Council to the Kirkland Cultural Arts Commission. The Kirkland Cultural Council is hereby renamed as the Kirkland Cultural Arts Commission.

Section 2. Purpose. The primary purpose of the Cultural Arts Commission shall be to advise the City Council on public art acquisitions and loans, and review and recommend projects under the City's "one percent for the arts" program. After consultation with the City Manager, and based on the availability of resources, the Cultural Arts Commission may also promote strategic planning and development for arts, culture and heritage in the community, including implementation of projects.

Section 3. Membership. There will be no fewer than 7 members and no more than 12 members of the Cultural Arts Commission. The City Council shall appoint members 1-5, the Cultural Arts Commission shall, in its discretion, appoint members 6-12. All of the members shall reside or own a business within the City of Kirkland. All members must have an interest in the arts and in the role of public art in the community. A member may serve in an individual capacity, even if he or she works for an organization that may make a proposal to the Cultural Arts Commission. The membership of the Cultural Arts Commission is intended to reflect balance, taking into account such elements as the diversity of the community, connection to various geographic areas of the City, and art, culture and heritage expertise.

Position 1 shall be filled by a "Youth," meaning a person who meets the requirements of Kirkland Municipal Code 3.08.110(b). Position 6

shall be filled by an "Artist," meaning a person who has a demonstrated commitment as an artist. Positions 2 and 7 shall be designated as "Public Art" positions, meaning filled by a person with demonstrated expertise in the area of public art, including the curation and management of a public art collection. Position 8 shall be designated "Cultural/Heritage" meaning it is filled by a person who has a demonstrated commitment to cultural and/or heritage matters. If a person who meets the special qualifications listed above happens to be serving in another position, then this position may be filled without regard to the special qualification.

Except for the Youth Position, a member's term on the Cultural Arts Commission shall be for four years. Except as otherwise provided, the terms for all positions shall begin on April 1 and expire on March 31 of the applicable calendar year. Positions 8-12 may be filled or left unfilled, at the discretion of the Cultural Arts Commission.

A member may be reappointed to the Cultural Arts Commission; provided that, no person shall serve as a member for more than two full terms. Vacancies shall be filled for the remainder of the unexpired term of the vacant position. A member will be expected to attend no less than 80% of all meetings for which there is no prearranged absence. In addition, when a member misses three or more consecutive meetings, not excused by a majority vote of the Cultural Arts Commission, the Cultural Arts Commission shall consider removal of that member. In the case of a member who was appointed by the City Council, the Cultural Arts Commission shall report a member's pattern of absence to the City Council, together with a recommendation concerning removal by the City Council. A member who is unable to attend regular meetings is expected to tender his or her resignation. A resignation shall be effective on such date as designated by the resigning member.

The Cultural Arts Commission shall meet at least every other month, and no more than ten times per year.

Section 4. Officers. Annually, the Cultural Arts Commission shall elect from the members of the Commission a Chair and a Vice Chair. The Cultural Arts Commission will pick a Chair for a term of one year with the possibility of selection for one additional year. The term for Vice Chair shall be one year and the Vice Chair will not automatically ascend to become the Chair. There will be no term limit on serving as Vice Chair. It shall be the duty of the Chair to preside at all meetings of the Cultural Arts Commission. In the Chair's absence, the Vice Chair shall preside. The Chair shall propose an agenda for meetings and shall vote on matters being voted on by the Cultural Arts Commission.

Section 5. Voting. A quorum of the Cultural Arts Commission shall be a majority of persons currently serving as voting members. Each voting member is entitled to one vote.

Section 6. Procedure. All business of the Cultural Arts Commission shall be guided by "Roberts Rules of Order".

Section 7. Compensation. The members of the Cultural Arts Commission shall receive no compensation from the City of Kirkland. Expenses specifically authorized by the City Manager may be reimbursed to a member.

Passed by majority vote of the Kirkland City Council in open meeting this ____ day of _____, 2012.

Signed in authentication thereof this ____ day of _____, 2012.

MAYOR

Attest:

City Clerk

**CITY OF KIRKLAND**

Department of Public Works

123 Fifth Avenue, Kirkland, WA 98033 425.587.3800

www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager

From: Tami White, Parking Coordinator
Ray Steiger, P.E. Public Works Director

Date: July 5, 2012

Subject: Event Pay Parking

RECOMMENDATION:

It is recommended that City Council approve pay event parking at the Library garage during the Kirkland Uncorked and Kirkland Car Show events.

BACKGROUND DISCUSSION:

At their July 3rd meeting, City Council approved pay event parking for Kirkland SummerFest. The staff memo for that item is Attachment 1. On July 3rd, Council also indicated that event pay parking should be considered for other events and that criteria for identifying events requiring pay parking should be developed by the Parking Advisory Board.

Because Uncorked and Car Show events will occur before the next Council meeting, staff is seeking Council approval for event parking prior to establishing criteria. Both events do meet multiple draft criteria as explained below. On July 12, The Parking Advisory Board will begin to further identify and refine the following draft criteria as follows, with the intent of recommending a more fully developed set of criteria for Council approval in September:

Draft Criteria For Determining if pay event parking in the Library Garage should be implemented

- 1) Recommend pay event parking at the Library garage if there is reduced public parking supply at the time of the event due to:
 - a) Closure of multiple public parking lots
 - b) Unavailability of on street parking due to street closures
 - c) Multiple special events on the same day

- 2) Size, location and duration of the event. The following event characteristics are more likely to recommend pay event parking at the Library garage;
 - a) All day events
 - b) Events with high volumes of participations and patrons expected.
 - c) Proximity to library garage

- 3) Other considerations
 - a) Approval of event planners
 - b) Unique circumstances

Based on the draft criteria, these are the 2012 events which may warrant pay event parking in the Library garage:

- Kirkland Uncorked, July 20-22 (Criteria 2 a, b.) (*with short turnaround time, the pay parking operator is available on Friday and Saturday only*)
- Kirkland Classic Car Show, July 29 (Criteria 1 a, b, 2 a, b)
- SummerFest, August 11 (previously approved by Council – Criteria 1a, 1b, 2a, 2b)
- Northwest BookFest, September 22-23 (Criteria 2 a, b, c)

The previously approved logistical operations approved by Council for SummerFest would be maintained for future recommended events. (See attachment 1)

**CITY OF KIRKLAND**

Department of Public Works

123 Fifth Avenue, Kirkland, WA 98033 425.587.3800

www.ci.kirkland.wa.us

MEMORANDUM

To: Kurt Triplett, City Manager

From: Tami White, Parking Coordinator
Ray Steiger, P.E., Public Works Director

Date: June 21, 2012

Subject: Proposed Event Pay parking at the Library garage during SummerFest

RECOMMENDATION:

It is recommended that City Council approve event pay parking in the Library garage on Saturday, August 11th, during the Kirkland SummerFest event. Pay parking will help manage traffic flow and congestion which is expected to occur inside the library due to increased public parking demand associated with the event.

BACKGROUND DISCUSSION:

At their June meeting, the Parking Advisory Board (PAB) recommended instituting event pay parking during SummerFest. Details of this recommendation are described in this memo.

During the upcoming SummerFest event, both the Marina Park and Lake and Central parking lots and on-street parking will be occupied by participants in the event. As a result, a dramatically increased use of the library garage is anticipated. In July of 2010, City Council approved event pay parking similar to that being recommended at this time was successfully used to manage parking when both the Classic Car Show and Kirkland Uncorked took place on the same Sunday in Downtown.

Under the 2010 situation, parking was managed by an outside contractor. Parkers were charged a single flat \$5 fee for all day parking. Revenue of \$1,545 was collected; the total cost of the contractor was \$650 providing a net revenue of \$895. Attendants collected the money and managed flow so that the number of drivers searching for parking and circulating within the garage was minimized. Parking for downtown employees with permits was free within the garage. Not only was a small amount of net revenue generated, feedback from the event planners, the surrounding businesses, and the users of the parking facility all concluded that the approach was a success.

Because of its success, it is recommended that the 2010 parking plan be used as a model for this year's SummerFest event. The event organizers met with the PAB in June, and the organizers support this pay parking plan. The event will assist with providing information to the public via their outreach activities and in their planning for the event.

On Saturday, August 11th, SummerFest activities will begin at 11:00 AM and continue until 9:00 PM. The library parking operation is proposed to begin at 10:30 AM and end no earlier than 5:30 PM. The exact ending time will be based on demand, if there is no need for attendants after 5:30, they will be released and the garage returned to its normal operations. Cars parked prior to the contractor being on-site will not be subject to event pay parking or a parking violation. No vehicle will be subject to towing unless traffic is obstructed in some way.

Finally, in 2010, the 3rd Street access to the garage was closed due to construction of the Transit Center; this restriction worked in the favor of parking operations. For this event, in order to minimize confusion and additional manpower, the PAB recommends closing the 3rd Street entrance and permitting access from the Kirkland Ave driveway only (Figure 1).

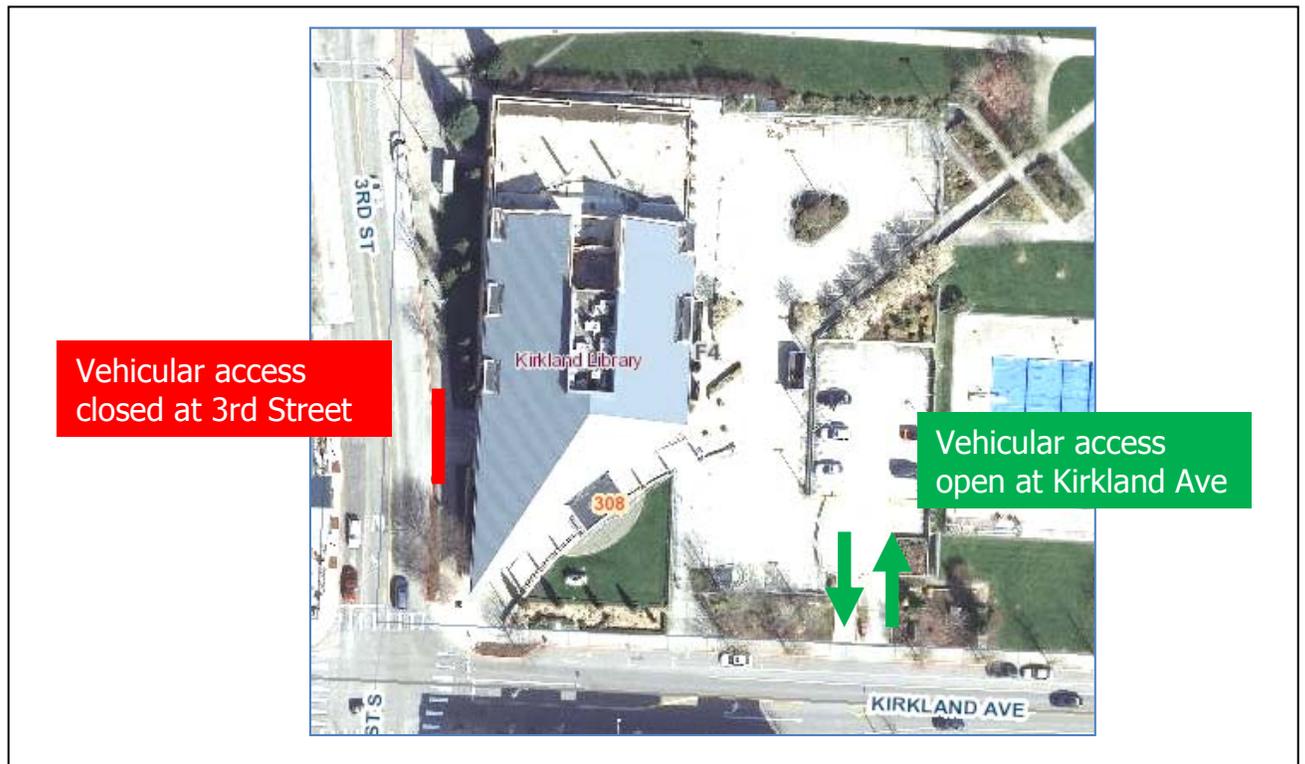


Figure 1. Proposed library garage vehicular access during SummerFest

Attachment A defines the contractor's responsibilities. The responsibilities exclude parking enforcement citations. The contractor will collect all parking revenue. Their fee is assessed as a fixed hourly rate which will be paid from the parking fees collected, after which the remaining revenue will go into the City's parking fund. As in 2010, this proposed event parking is a tool to manage parking and turnover and not as a source of revenue. The details and final costs of a contract with a contractor are being negotiated, but contractor costs are expected to be on the order of \$900. These estimated costs are higher than the actual 2010 costs due to increased operating hours and increased costs for signing.

ATTACHMENT A (DRAFT)

EVENT PARKING, SATURDAY, AUGUST 11, 2012 At the Peter Kirk Municipal (Library) Garage

DRAFT

SCOPE OF WORK

- Contractor will provide signage 72-hour advanced, on August 8th, notifying public of Event pay parking. As done at the prior event, sign placement will be on street in the same locations, and staff will post notices in the library garage at least one week prior to the event.
- In order to better manage traffic, the Third Street (west) entrance/exit will be closed to traffic on the day of the event; Kirkland Ave will be the only vehicular access point to the garage.
- Contractor will provide:
 - 1) Attendant One (outside garage to direct traffic/customer service) from 10:30 AM – 5:30 PM
 - 2) Attendant Two (collection of parking fee at entrance) from 10:30 AM – 4:00 PM (or until needed)
 - 3) Attendant Three (in garage traffic control) from 10:30 AM – 5:30 PM
 - 4) Supervision for set up and for the event, to be defined
- Contractor is to charge \$5 cash (only), tax included, per vehicle and issuing a receipt/ticket to each vehicle from which payment is accepted. Parking rate is good for all-day.
- Contractor will not issue parking citations/violations for any such reasons as non-payment or overtime.
- Contractor will direct visitors to open parking spaces and manage traffic flow to reduce and prevent backups.
- Contractor is responsible to provide all supplies including safety vests, directional flags, parking tickets, and receipts.
- Contractor will provide the City a complete audit of all cash transactions including:
 - ✓ The beginning and ending ticket number as a record of receipts issued.
 - ✓ Reconciliation of total cash collected.
 - ✓ Vehicle inventory at the beginning of the event and end of event to include unpaid vehicles in the garage at the start of the day.

- ✓ Number of vehicles in the garage paid at the end of the day.
- Contractor will be responsible for all funds and will provide a report of parking revenue, less operator fees, payable to the City of Kirkland within 30 days of event. In the unlikely event the contracted operator costs exceed the income, the City of Kirkland will issue a check for the difference due 30 days from the final report.

**CITY OF KIRKLAND**

Department of Public Works

123 Fifth Avenue, Kirkland, WA 98033 425.587.3800

www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager

From: Ray Steiger, P.E., Public Works Director
Rob Jammerman, Development Engineering Manager

Date: July 10, 2012

Subject: Puget Sound Energy Sammamish-Juanita Electrical Line Routing Report

RECOMMENDATION:

It is recommended that Council select one of two options regarding Puget Sound Energy's (PSE) route selection process.

BACKGROUND DISCUSSION:

In the summer of 2011, PSE began a community involvement process to select a route for a new 115 kilovolt (kV) transmission main. On October 18, 2011, Jim Hutchinson, PSE Government and Community Relations Manager, shared information about the Sammamish-Juanita 115kV Transmission Line Project with the Kirkland City Council. Mr. Hutchinson explained the role of the Stakeholder Advisory Group, the various alignments under consideration, and the project schedule.

During the last 9 months the Stakeholder Group met to develop three route alternatives. In June, two open houses were held to gather public feedback on the proposed routes. At the July 3rd City Council meeting, a number of members of the community addressed the Council and requested that the Council provide input to PSE about which route they prefer prior to the next Stakeholder Group meeting on July 18th. The meeting is being held to consider the additional public feedback gathered since June, and decide upon the preferred route alternative.

At their July 3rd meeting, City Council directed staff to return with a summary of the route selection process, an identification of potential pros and cons of the routes through Kirkland, regulatory powers the City has in the permitting approval process for the route, and the City's ability to control PSE's selection of a route. This memo provides that information.

Selection process

One concern raised by a citizen at the July 3rd Council meeting is that the route selection process has not been transparent. PSE has attempted to make the route selection process very open and address a wide array of interests by forming a 16-member Stakeholder Advisory

Group; Kirkland is represented by two City staff and six community members. The three route alternatives were developed from a process that began with nearly 30 routes variations which were mapped using georoute modeling criteria that were agreed upon by the Stakeholder Group. The criteria included 35 different data sources that made up four main categories of *Built Environment, Natural Environment, Engineering Considerations, and Opportunities*. The 35 different data sources addressed things such as existing land use zoning, proximity to parks and schools, impacts on sensitive areas, available existing transmission corridors, access through commercial areas and along arterial type streets, and many other items. A full review of the Georoute Model Criteria can be found on the PSE Sammamish-Juanita 115kV website at: http://pse.com/inyourcommunity/king/ConstructionProjects/Final_120211.pdf

After the three route alternatives were agreed upon by the Stakeholder Group, PSE presented the routes to the community at two open house meetings in June. A postcard mailing was sent to over 4800 Kirkland and Redmond property owners that owned property within 500 feet of one of the proposed routes inviting them to the open house, or to visit the project website and provide feedback on the three route alternatives.

Attached is a copy of the *Summary of Online Questionnaire Results* prepared by PSE to show the trends and comments resulting from the questionnaire that was filled out by 314 citizens between June 1 and July 2. After reviewing the results, you will see that route alternative 3 is leading route choice with the community.

From staff's perspective, the process that PSE has undertaken to develop the three route alternatives and solicit feedback has been thorough, inclusive, and attempts to balance all of the interests agreed upon by the Stakeholder Group (see Figure A below for map of the three route alternatives).



Figure A. PSE Sammamish-Juanita 115kV Transmission Line potential routes

Route Opportunities and Challenges

Because of the myriad uses along the corridors and concerns ranging from the natural environment to property rights, all of the alternative routes present opportunities and challenges that may be considered.

Alternative 1 - 124th Ave NE:

Opportunities:

1. Significant portions of the line could be overbuilt above existing distributions lines – this means reduced vegetation impacts because of the existing presence of overhead lines.
2. Potentially the shortest total distance of the three routes.
3. Avoids Totem Lake Mall area.
4. Avoids environmentally-sensitive areas.

Challenges:

1. Fronts along the highest number of residential properties.
2. Proximity to an elementary school (public concern).
3. Proximity to the existing Seattle City Light transmission lines approximately one block to the east of 124th Ave. NE.

Alternative 2 - 132nd Ave NE**Opportunities:**

1. Significant portions of the line could be overbuilt above existing distributions lines – this means reduced vegetation impacts because of the existing presence of overhead lines.
2. Avoids environmentally-sensitive areas and follows the railroad corridor, which avoids some residential areas.

Challenges:

1. Fronts along second highest number of residential properties.
2. Requires property (rights) acquisition to locate a portion of the line through an established commercial property.
3. There are already a number of poles and lines (electric and communication) along both sides of 132nd Avenue NE.

Alternative 3 - Willows Road**Opportunities:**

1. Allows avoidance of most residential areas.
2. Uses a portion of the former rail corridor where PSE already has property rights.

Challenges:

1. There is an established City of Redmond 'view corridor' along a portion of Willows Road.
2. Requires easements from a number of property owners (for preferred route 3 alternative – not for fallback route alternative that extends all the way along Willows Road to NE 124th Street).

Regulatory Powers

Puget Sound Energy (PSE) was granted the right and privilege to use the City rights-of-way for the distribution and transmission of energy through a Franchise Agreement approved by Ordinance 3493 in May 1998. Under the agreement, PSE has the authority to locate "facilities" within "every and all of the roads, streets, avenues, alleys and highways of the City, together with City-owned general utility easements abutting and appurtenant thereto" "Facilities" includes poles (with or without crossarms), wires, lines "and all necessary or convenient facilities and appurtenances thereto."

The Franchise does state that the rights and privileges granted PSE are subject to the applicable ordinances and codes of the City. No specific rules or regulations are identified except the Public Works Policies and Standard Plans with respect to "location, relocation, erection or excavation."

PSE will be required to secure right-of-way permits from the Public Works Department under Kirkland Municipal Code Chapter 19.12. Should construction of the new 115 kV transmission

lines involve work in critical areas such as wetlands, buffers, or streams, sensitive area, critical area, or buffer modification permits may be required. The construction of transmission lines greater than 55 kV exceeds the State Environmental Policy Act (SEPA) categorical exemptions from threshold environmental determination and Environmental Impact Statement requirements. This means the project will require SEPA review and completion of an environmental checklist and the provision of other environmental information.

The City's Comprehensive Plan has acknowledged PSE's long-range plans, through the year 2022, for a new 115 kV line along the eastern and northern City boundaries to connect to the Sammamish substation in Redmond. (*see City of Kirkland Comprehensive Plan, XI. Utilities, p. XI-9*)

The Zoning Code does permit a "public utility" use in each zone of the City with different required review processes for the different zones. The Planning Department has not considered the Zoning Code applying to utility lines within rights of way.

City Council's Options

Two apparent options are available for Council consideration to advance the City's position or route selection:

Option 1: Direct City staff stakeholder members to provide City Council preference/feedback on route selection at the July 18th meeting; or,

Option 2: Allow the route selection process to proceed as scheduled and provide feedback to PSE during the ensuing community outreach phase.

Under the first option, City Council could direct City staff to recommend one of the three alternatives, or a hybrid of the alternatives. Feedback from Kirkland residents addressing the Council at their July 3 meeting proposed a hybrid of Alternative 3 which includes the commercial ending of Alternative 1 (i.e. NE 124th Street west of I-405) as an option. The most recent update on the PSE project website notes that this hybrid alternative will be discussed at the July 18 Stakeholder Group meeting.

Attachment – Summary of Online Questionnaire Results

Sammamish-Juanita 115 kV Project

Summary of Online Questionnaire Results

Overview

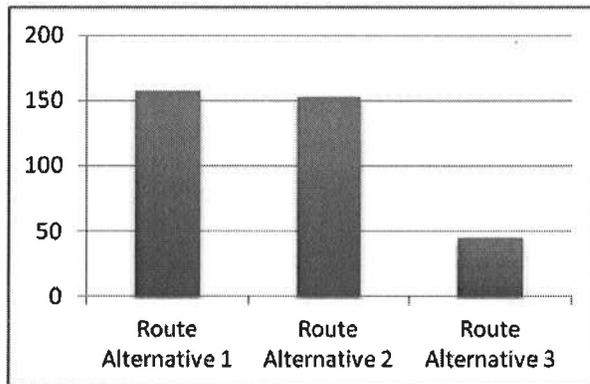
To enlist feedback from the community on the three route alternatives for the Sammamish-Juanita 115 kV Transmission Line Project, Puget Sound Energy administered an online questionnaire between June 1 and July 2, 2012. The questionnaire included maps of the three alternatives, followed by a series of questions about each route.

A total of 314 online questionnaires were submitted.

Response summary

A summary of what we have heard can be found below. Please note some respondents did not provide responses for all questions.

Q1. Please indicate which of the three route alternatives is closest to your residence or business.



Q2. Rank the three route alternatives based on which one you believe should be considered the preferred route, using 1 for your first preference and 3 for your third.

	Most preferred	Second choice	Least preferred
Route Alternative 1	44	108	159
Route Alternative 2	13	172	126
Route Alternative 3	254	31	26

Common themes from the open-ended questions included:

- Recommendations to:
 - Combine alternatives and consider new route paths
 - Avoid residential areas, playgrounds, parks, wetlands and schools
 - Use commercial and industrial areas to reduce impacts to residential areas
 - Underground the line

- Concerns about:
 - Health
 - Electric and magnetic fields (EMF)
 - Community impacts
 - Existing lines
 - View impacts
 - Environmental impacts
 - Property values
 - Project design
 - Construction and traffic impacts
 - Safety
 - Cumulative impacts for property owners already impacted by existing lines
 - Noise
 - Tree removal and trimming

We thank the community members for sharing their thoughts, questions and concerns about the three route alternatives. The advisory group will soon receive a complete package of all public comments from those who asked for their comments to be shared, and will take the feedback into consideration when selecting the preferred route at the July 18, 2012 advisory group meeting.



Sammamish-Juanita 115 kV Project

Hello Interested Community Member,

Thank you for your interest in Puget Sound Energy's Sammamish-Juanita 115 kV Transmission Line Project. We have a few project updates to share with you.

Community Meetings on the Three Route Alternatives – June 20 and June 23

Join us for a community meeting to discuss the remaining route alternatives and provide your input! Each meeting will include a presentation by PSE and a facilitated question and answer session. Both meetings will cover the same information, so please choose the date that is most convenient for you.

Wednesday, June 20, 6 p.m. to 8 p.m.

Presentation at 6:15 p.m.

Old Redmond Schoolhouse Community Center, Auditorium

[\[16600 NE 80th Street, Redmond\]](#)

Saturday, June 23, 10 a.m. to 12 p.m.

Presentation at 10:15 a.m.

Evergreen Hospital, Surgery and Physicians Center's Room TAN 100/TAN 101

[\[12040 NE 128th Street, Kirkland\]](#)

During the meeting you can learn about the challenges facing the local electric system and how PSE plans to address those challenges with a new 115 kilovolt transmission line. You can also learn about the public involvement process, discuss the route alternatives, ask questions, and provide comments.

We want your feedback on the route alternatives to help us understand additional community concerns or information that should be considered as we develop the preferred route.

How Can I Learn More?

We encourage you to join the conversation about siting the new transmission line. To learn more:

- Review the project [newsletter](#) for an overview on PSE and the advisory group's selected route alternatives.
- View the [route alternatives map](#).
- Tell us what you think – complete the route alternatives [questionnaire](#).
- Ask questions about the project via email at info@sammjuan115.com.
- Participate in one of the June community meetings, described above.
- Visit the project [webpage](#) to review project information and next steps.

E-Page 103

- Attend and observe advisory group meetings. Meeting information is available on the project webpage.
- Request PSE give a project briefing to your neighborhood group or organization.

PSE encourages you to stay involved in the project and welcomes your comments. If you have any questions, please email info@sammjuan115.com or call the PSE project manager, Barry Lombard, at 425-456-2230.

[forward to a friend](#)

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**CITY OF KIRKLAND**

Department of Public Works

123 Fifth Avenue, Kirkland, WA 98033 425.587.3800

www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager

From: Dave Snider, P.E., Capital Projects Manager
Ray Steiger, P.E., Public Works Director

Date: July 5, 2012

Subject: NE 85TH ST WATERMAIN REPLACEMENT – AUTHORIZE FUNDING

RECOMMENDATION:

It is recommended that City Council approves funding for the NE 85th Street Watermain Replacement Project.

BACKGROUND DISCUSSION:

A combination of work efforts on two on-going but separate Public Works projects has led staff to conclude that significant savings in overall construction timing and of costs can be realized by funding CWA 0140, the NE 85th Street watermain replacement project, at this time and commencing with preparation of construction/bid documents. Work efforts on the 2012 Comprehensive Water System Plan Update (WSP) and the NE 85th Street corridor improvements have brought this opportunity to light. The watermain project is currently an unfunded CIP project; approval of funds will be reflected in the 2013 – 2018 CIP with a starting year of 2012.

The WSP is an undertaking that staff and a private consultant must undertake every six years. The previous WSP was adopted by City Council and approved by the King County Department of Health in 2007 making the next required update due in 2013. With information gathering, research, system modeling updates, the regulatory review processes, and other WSP specific requirements, it takes up to 18-months to complete the WSP. Work efforts on the current WSP began in January of this year.

As work efforts began on the WSP, staff and the City's consultant, RH2 Engineering, reviewed preliminary updated water modeling results and the list of water system capital improvements planned for the next 20-years. During that review, it became clear that by a modification of various capital improvements now (and at today's costs) the results will:

- save up to \$1.5 million over the next 10 to 12 years (Table 1);
- eliminate future water system upgrades in the NE 85th Street corridor; and
- provide Kirkland water customers with a safe and reliable water distribution system for domestic and fire suppression needs for the next 25+ years.

The NE 85th Street corridor improvements are a multi-phase project that includes the on-going undergrounding of a significant portion of the overhead utilities, the provision of continuous sidewalks and pedestrian improvements on both sides of NE 85th Street and along 124th Avenue between NE 80th and NE 90th Streets, the addition of traffic signal upgrades and additional capacity improvements at key intersections, and storm water quality improvements (Attachment A). In addition, in order to provide sufficient fire flow protection for growth, watermain improvements would eventually be required along the corridor.

Water system background

There is an existing 16-inch diameter steel lined, reinforced, concrete transmission main within NE 85th Street from 114th Avenue NE to 132nd Avenue NE. This transmission main supplies two City master meters with water from Supply Station 2 which is located at the southeast corner of NE 85th Street and 132nd Avenue NE. Approximately 25 to 30 percent of the entire Kirkland water system demand is transported through the existing NE 85th Street transmission main. The main is over 50 years old and has experienced a few costly and highly visible emergency repairs over the past 10 years.

At the time of the previous WSP, adopted in 2007, because of the anticipated construction schedule of the NE 85th Street corridor improvements, direction was given to plan for the replacement of the NE 85th Street water main capacity outside of the NE 85th Street corridor in order to avoid a second disruption to this heavily traveled roadway. In 2007, it was anticipated that the NE 85th corridor improvements would be under construction shortly, and installing a new watermain along the corridor after the roadway was reconstructed was not a practical option; the watermain improvements in NE 85th Street were envisioned to be undertaken beyond 2025.

In addition, since hydraulic modeling of the water system indicated that an alternative route along NE 80th Street was a viable option to provide sufficient system capacity, the decision was made to pursue the NE 80th Street option. Since that time, however, the NE 85th Street corridor improvements, with scope modifications including the addition of the utility conversion component, prolonged challenges with the right-of-way acquisition, and its multiple construction elements, remains under construction. As a result of these delays in getting to construction, there is an opportunity to replace the existing 16-inch watermain with a new 24-inch watermain concurrent with the NE 85th Street corridor improvements with no significant extension to the overall schedule. This would eliminate the need to go into NE 85th Street at a future date as was envisioned in the 2007 WSP, and reduce the redundancies that were being considered in NE 80th Street thereby lowering the overall costs.

Analysis

As a result of the on-going and future work planned for the NE 85th Street corridor, staff had the WSP consultant analyze water system alternatives associated with the existing 16-inch transmission main. Staff was interested in determining whether the projects identified in the 2007 WSP were still the best options given that the NE 85th Street corridor improvements were not yet completed. An updated hydraulic analysis was performed to identify the required supply needs to customers and included detailed fire flow projections for the NE 85th Street commercial area.

Upon review of the water system modeling, one alternative became the preferred option for providing the best overall value to the City. With full consideration being given to overall project timing, community impacts, and short versus long-term funding needs, the preferred alternative is to replace the existing 50-year old 16-inch concrete water main in NE 85th Street

between 114th Avenue NE and 132nd Avenue NE with a 24-inch ductile iron watermain at this time (Alternative 4).

Table 1: Cost Summary

	Current improvement costs (NE 85 th Street costs)	Required Future improvement costs (NE 80 th Street costs)	Estimated total improvement cost
Alternative 1	\$ 1,675,000	\$ 2,455,000	\$ 4,130,000
Alternative 2	\$ 2,588,000	\$ 1,831,000	\$ 4,419,000
Alternative 3	\$ 2,992,000	\$ 1,047,000	\$ 4,039,000
Alternative 4	\$ 3,039,000	\$ 0	\$ 3,039,000

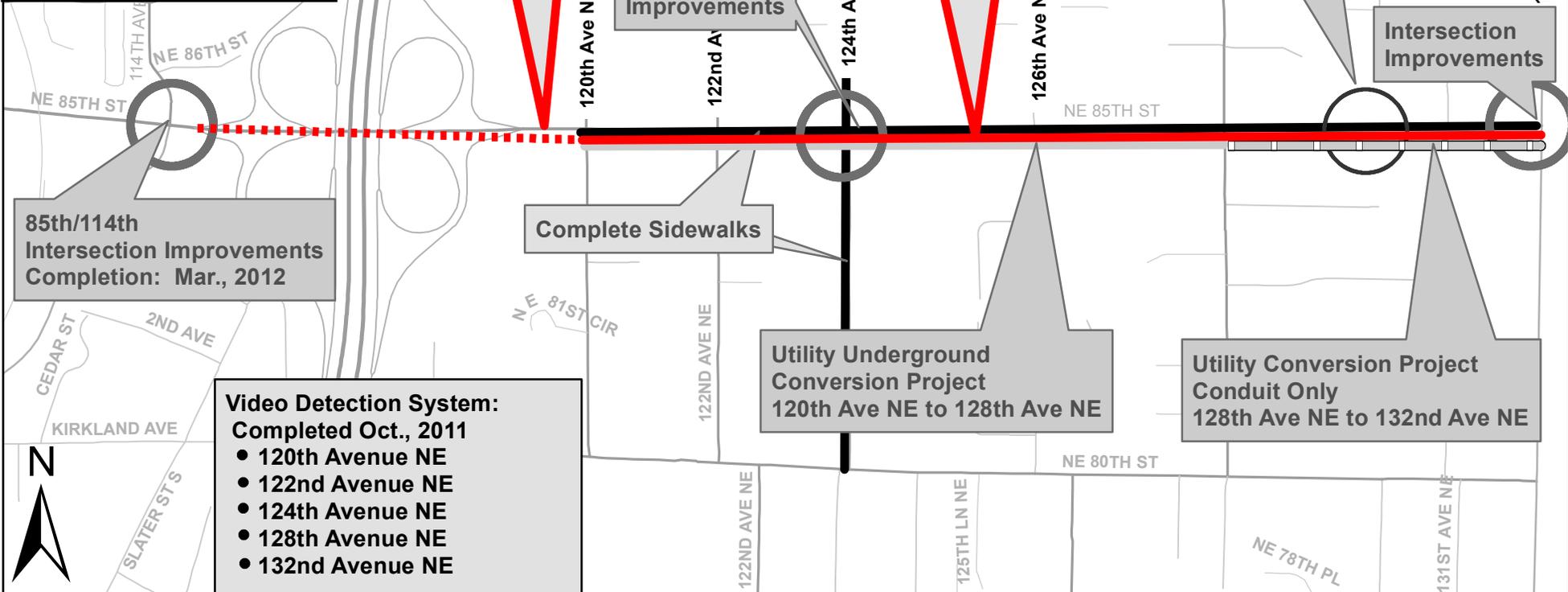
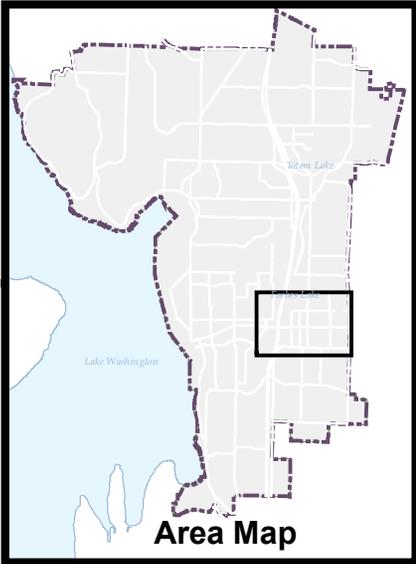
Under each alternative there are two required components for overall system improvement needs: a watermain in NE 85th Street and one in NE 80th Street. Based on current analysis, Alternative 1 (the currently existing plan) does not meet all future fire flow requirements in NE 85th Street despite a \$1.7 million investment in watermain improvements – Alternative 1 does not provide for a complete long-term water system improvement. Alternative 2 and 3 have lower initial improvement costs (compared to Alternative 4), but still require future system enhancements, leading to higher overall costs and future construction needs within NE 85th Street. Alternative 4, staff's recommendation, provides for current and future fire flow needs and system capacity needs for many years.

In order to best take advantage of the cost savings that would be realized by construction of this option concurrent with the City's on-going NE 85th Street corridor improvements, it is recommended that the watermain replacement be added as an additional component of the NE 85th Street corridor improvements. Construction will begin later this year. Also, in order to maintain the existing schedule and in light of the nature of the watermain work, it is also recommended that the construction of the watermain be bid to be *constructed at night*. This will allow construction impacts to the surrounding businesses be minimized. Traffic control costs will also be lower due to the reduced volumes at night along NE 85th Street. Night-time construction has been suggested by the business community from the beginning of construction of the utility conversion phase however with the required coordination of the various telecom utilities, it has not been feasible – watermain construction would be feasible.

Staff requests City Council's authorization to fund this project in order to immediately begin the Design of the replacement watermain. The funding needed for 2012 for engineering, permitting, and a start of construction is \$625,000, with funding available from the Utility Reserve (Attachment B & C). Funding for the remaining construction and contract administration phases will be identified and accounted for in the 2013-2018 CIP with an estimated total project cost of \$3,039,000.

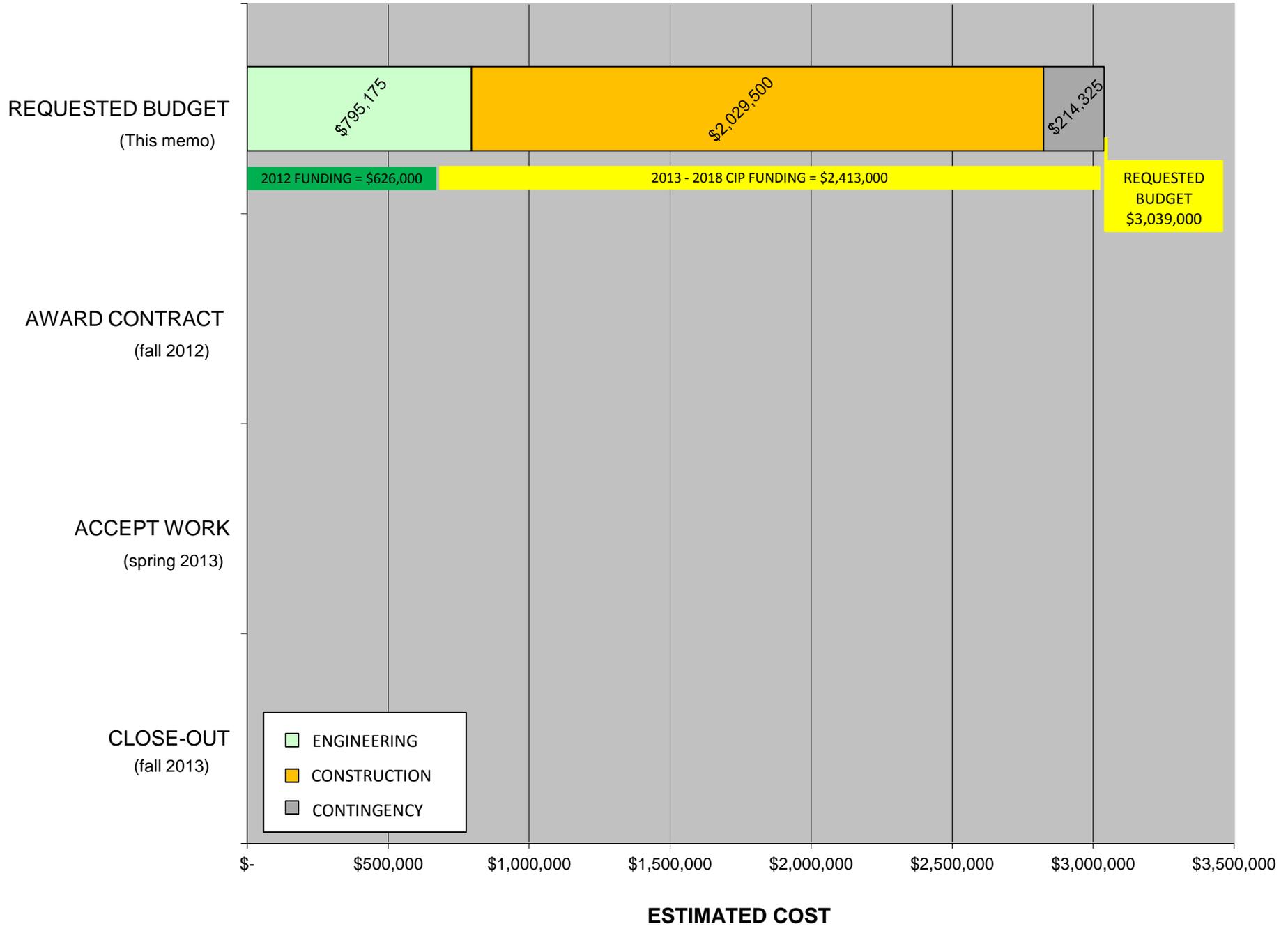
Attachments (3)

Attachment A



Vicinity Map
NE 85th Street Corridor Improvements
Watermain Replacement

NE 85th St/132nd Ave WATERMAIN REPLACEMENT CWA 0140 PROJECT BUDGET REPORT



FISCAL NOTE

CITY OF KIRKLAND

Source of Request							
Ray Steiger, Public Work Director							
Description of Request							
Request for funding of \$626,000 to fund engineering and design in 2012 for the NE 85th Street Watermain Replacement project (CWA 140). Construction is expected to begin in 2013 and the balance of the funding will be included in the adoption of the 2013-18 CIP in December 2012. The total project cost is \$3,039,000.							
Legality/City Policy Basis							
Fiscal Impact							
One-time use of \$626,000 of the Water/Sewer Capital Reserve. The reserve is able to fully fund this request.							
Recommended Funding Source(s)							
Reserve	Description	2012 Est End Balance	Prior Auth. 2011-12 Uses	Prior Auth. 2011-12 Additions	Amount This Request	Revised 2012 End Balance	2012 Target
	Water/Sewer Capital Reserv	9,871,542	2,441,888	0	626,000	6,803,654	N/A
	2011-12 Prior Authorized Use of this reserve: \$100,000 for NE 116th Street Watermain Upgrades, \$272,000 for 120th Ave NE Watermain Replacement, \$39,500 for I-405 WSDOT Construction Agreement, and \$2,030,388 for Cross Kirkland Corridor Interfund Loan (which will be re-paid at within three years).						
Revenue/Exp p Savings							
Other Source							
Other Information							
The Utility Construction Reserve accounts for capital contributions from utility rates and connections charges and is used to fund capital projects. Capital replacement cycles require that reserves accumulate to pay for future replacement of infrastructure to supplement the use of debt. The liability against this reserve occurs in future years as capital replacement needs peak.							
Prepared By	Neil Kruse, Senior Financial Analyst				Date	July 5, 2012	