



CITY OF KIRKLAND

CITY COUNCIL

Joan McBride, Mayor • Penny Sweet, Deputy Mayor • Dave Asher • Jessica Greenway
Doreen Marchione • Bob Sternoff • 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, October 18, 2011

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 or at the Public Resource Area at City Hall on the Friday afternoon prior to the City Council meeting. Information regarding specific agenda topics may also be obtained from the City Clerk's Office on the Friday preceding the Council meeting. You are encouraged to call the City Clerk's Office (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. Information Technology
4. *EXECUTIVE SESSION*
5. *HONORS AND PROCLAMATIONS*
 - a. 2011 Arbor Day Proclamation
6. *COMMUNICATIONS*
 - a. *Announcements*
 - b. *Items from the Audience*
 - c. *Petitions*
7. *SPECIAL PRESENTATIONS*
 - a. Puget Sound Energy Transmission Line Project
 - b. Park Funding Exploratory Committee Update

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

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

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.

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

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

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

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.

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.

8. *CONSENT CALENDAR*
 - a. *Approval of Minutes:* October 4, 2011
 - b. *Audit of Accounts:*

<i>Payroll</i>	\$
<i>Bills</i>	\$
 - c. *General Correspondence*
 - d. *Claims*
 - e. *Award of Bids*
 - f. *Acceptance of Public Improvements and Establishing Lien Period*
 - g. *Approval of Agreements*
 - h. *Other Items of Business*
 - (1) Ordinance O-4324, Revising the City Boundaries to Include Portions of NE 155th Street and 116th Avenue NE
 - (2) Ordinance O-4325 and its Summary, Creating the Community Connectivity Consortium, a Public Corporation and Approving Its Charter
 - (3) NE 85th Street Utility Underground Conversion Authorization to Bid
 - (4) Funding Request for Ethics Training and Code Revision
 - (5) Resolution R-4899, Authorizing the City Manager to Execute a Memorandum of Understanding Regarding Utility Taxes Between the Cities of Bellevue, Medina, Issaquah, and Kirkland, and the Towns of Hunts Point and Yarrow Point
 - (6) Report on Procurement Activities
9. PUBLIC HEARINGS
10. UNFINISHED BUSINESS
 - a. Cultural Council 2011-2012 Work Plan
 - b. Resolution R-4900, Establishing Reserve Replenishment Principles
11. NEW BUSINESS
12. REPORTS
 - a. City Council

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.

(1) Regional Issues

b. City Manager

(1) The "New" Juanita Neighborhood Meeting with the City Council

(2) Calendar Update

13. *ITEMS FROM THE AUDIENCE*

14. *ADJOURNMENT*



CITY OF KIRKLAND
Information Technology Department
123 Fifth Avenue, Kirkland, WA 98033 425.587.3050
www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager
From: Brenda Cooper, Chief Information Officer
Date: October 5th 2011
Subject: 2011 IT Study Session

RECOMMENDATION

Council review this memo and let Brenda Cooper, CIO, know if there are any specific questions about technology that they would like to see addressed and which may not be included in the following memo or agenda for the study session.

BACKGROUND DISCUSSION

The Information Technology department very much appreciates this annual opportunity to spend time with Council and explore technology. There is no action being required of Council at this Study session.

The study session will highlight a significant new opportunity for citizens and businesses to submit plans electronically via the regional website MyBuildingPermit.com, briefly showcase other IT successes, and move on to discussion of some future technologies that the city might consider.

The study session will not be long enough to talk about all of the technology topics that might interest Council, so a separate report has been attached that highlights work completed and in progress or starting soon from each of the Information Technology divisions. Only a few of the items in the report will also be highlighted in the presentation.

City of Kirkland 2011 Information Technology Department Tour

This report highlights some Information and Communications Technology accomplishments and work in progress or starting soon. For the sake of brevity, it focuses primarily on work that affects the community or the city as an enterprise.

Department-wide activities:

Accomplishments:

Kirklandwa.gov



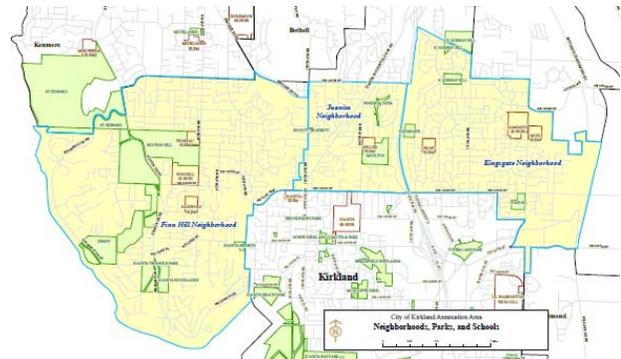
Successfully changed the city's email, internet address, and related materials from ci.kirkland.wa.us to kirklandwa.gov, which is easier to remember and to say. This required the Network and Operations division to change the email information and a numerous backend processes, the Digital Communications division to change the website and the addressing, update the business cards, and develop publicity to support the PIO in making the change known.

New Service Desk Software

Replaced aging help desk software with Assyst from Axios, which provides the IT department with an internationally accepted framework for IT operations and best practices. We expect to gain efficiency through the implementation of better processes, improved backlog management, and time tracking. This new system will be used department-wide when implementation is completed.

Annexation Support

The GIS Division responded proactively to numerous support calls, including extending the state-mandated Shoreline Management Plan, mapping and analyzing real property values in subsets of the annexation areas, supporting address notifications, and inventorying and classifying park and stormwater property swaps from King County. GIS also assisted Finance staff in locating/registering residential alarm customers and businesses, and coordinated with the U. S. Postal Service on realigning ZIP code boundaries in North Kirkland. Digital Communications managed a huge increase of work related to community information, new signage, website changes, and support for annexation-related events.



Geographic Information Systems

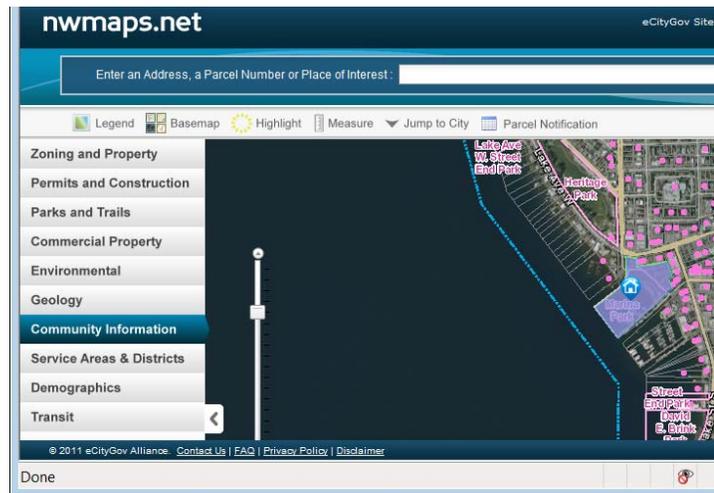
Accomplishments:

GIS Browser Upgrade

GIS staff and a local vendor successfully rolled out a new citywide internal GIS Browser application, an improved replacement for the previous product which is no longer supported by the software vendor. The city requested increased functionality in the new application, including tools to enhance staff productivity, and procedures for customizing the browser in-house without vendor involvement. Feedback from city staff users indicates the new GIS Browser is both effective and highly valued.

Regional GIS Website launched

The regional GIS website NWMaps.net was significantly upgraded to provide more information and make it easier to find. This website includes map-related information provided by common theme, including zoning and property information, parks and trails, environmental information, and more.



In Progress or Starting Soon:

Street Infrastructure Mapping

In support of city service levels in North Kirkland, the GIS Division will be extending existing GIS data layers for signs, streetlights, sidewalks, signals, and possibly street trees. This may be a joint effort with Public Works staff to reduce expenses. The project plan also calls for all street assets to be mapped in one pass, if practicable, to minimize visits to each neighborhood and save transportation expenses.

Intelligent Map and Application Gallery

Planning has begun for a web-based "gallery" portal for all city staff to easily access commonly requested maps and applications. For example, standard maps of zoning, parks and recreation, active and planned CIP, selected crime and fire statistics, census, and other themes of interest will be packaged and organized for easy reference, printing, and copying. This is seen as a streamlined approach to connecting a majority of requestors with resources, without significant e-mail, telephone, or in-person contact.

Applications

Accomplishments:

Utility Billing Application Upgrade

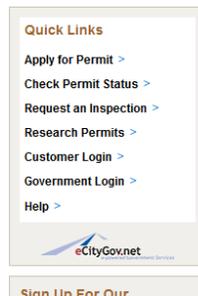
Worked with Utility Billing Staff to upgrade Springbrook to the latest version replacing an obsolete one. This was done in advance of Annexation activities to allow staff to prepare for billing to the new area and so that the city can bill for garbage.

Video Parking Enforcement

Helped police implement a new video parking enforcement application this year. This involved new hardware, software and numerous technical and procedural changes. We worked diligently with Parking Enforcement staff to understand the new system and ease their transition from the old chalk.

E-Plan Permits thru eCity Gov Alliance

Worked with the eCityGov Alliance to allow electronic submission of multiple plan types. This makes it easier for businesses, contractors and citizens to complete a building or permit application, especially if they interact with multiple Eastside cities.



Welcome to MyBuildingPermit.com



MyBuildingPermit.com is an easy-to-use permitting portal that makes it possible to apply for, pay for, and receive electrical, low voltage, mechanical, plumbing, and re-roof permits from each of the [participating jurisdictions](#). This is one-stop government service at its best.

New! Plan Review Permits Customers can submit applications, upload plans, pay for fees and receive permits electronically for permits that require plan review. Plan review applications are offered on a jurisdiction-by-jurisdiction basis. If you have questions regarding the availability of online permits for participating jurisdictions, please [contact the jurisdiction directly](#).

In Progress or Starting Soon:

Energov Implementation

We continue to work diligently on the Energov implementation. This is a huge project touching many aspects of the city's business, and the project has been challenged. We have entered the User Acceptance Testing (UAT) phase and plan to go-live with the system on January 3, 2012, which will be about a year behind the original anticipated implementation date.

Timekeeping

We are implementing a new timekeeping system to replace our aging timekeeping system. This was also an opportunity to consolidate and save money by using an existing module in our Finance system.

Court Projects

Court staff have been heavily impacted by Annexation and we are working with them to improve efficiency and provide them with better functionality in their applications. We are in the process of upgrading their Probation Management System and working on an interface with the Administration of the Court (AOC) to transfer ticket data directly to the state which eliminates Court staff data-entry of ticket information.

Network and Operations

Accomplishments:

Windows Deployment Services

Network and Operations replaced the way we install operating systems and base city software on PCs, a process called imaging, with Windows Deployment Services (WDS). With this new method, we have reduced the time it takes to create a base image by 95%, reduced the per PC time it takes to install the operating system and base city software by 30% and reduced the required network disk space for images from 450 GB to 40 GB. WDS technology will play a primary automation role in our 2012 work plan for upgrading city computers to Windows 7 and Office 2010.

Council iPad Pilot

Ran a successful process to pilot the iPad for City Council use. Even though Council did not choose to use iPads at this time, the process was a valuable learning opportunity for IT Staff.

In Progress or Starting Soon:

Upgrade City Email

Upgraded city email. This upgrade provided a significant increase in performance. When fully completed, the city will have a redundant secondary server in the event the primary server fails, better support and security for smartphones/personal mobile devices and more options for email archiving.

Upgrade City Computers to Windows 7 and Office 2010

Network and Operations will upgrade city computers to Microsoft's Windows 7 operating system and Office 2010 suite. These two upgrades will provide improved security in the operating system and new process improvement features in the Office suite.

Replace aging network infrastructure and equipment

Much of our network and storage equipment is currently five to seven years old, and will need replacement over the next few years. We will develop a roadmap to replace aging infrastructure. Work is expected to start in 2011 and continue through 2012, and will provide more redundancy and fault tolerance to reduce single points of failure.

IT Security Audit

IT security is increasingly becoming expensive, complex, and mandated. Our last complete security audit was 2005. We expect to begin this audit in the next few months and have it completed before the end of 2012. Recent security-related accomplishments include providing security training and certification to one staff member and re-doing our security policy.

Digital Communications (formerly Multimedia Services)

This group has undergone significant changes, and thus been re-named. The division's manager retired, the webmaster and web production assistant position have been moved into the division, some of the responsibility for television content has been moved to the PIO, and an intern has been hired to help with workload in graphics, video, and web production. They are all now direct reports to the Chief Information Officer.

Accomplishments:

The Lifecycle of a Street Video

Working with Public Works and the City Manager's Office, our team created an information video designed to help the citizens of Kirkland better understand the costs and challenges of street maintenance.



Teen video: Distracted Driving



In partnership with the Teen Council and the Parks and Recreation Department, the Digital Communications team created a video designed to warn teens about dangers inherent in driving while texting, talking on the phone, or otherwise being distracted.

New Directional Signage

Helping people find their way around is important. This year, Digital Communications re-designed the signage to help people find their way around City Hall, and also re-did the downtown signage.

In Progress or Starting Soon:

Intranet Upgrade

We will be upgrading our Microsoft SharePoint based intranet as part of our regular cycle of technology refreshes. We plan to use this upgrade to improve the project management tools available to city staff in all departments.

Additional Informational Videos

This year we will replace our usual senior and teen video projects with more video similar to *The Lifecycle of a Street*. This is to educate citizens about how the city supports them and to provide context for important issues as they arise.

**CITY OF KIRKLAND**

Planning and Community Development Department
123 Fifth Avenue, Kirkland, WA 98033
425.587-3225 - www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager
From: Deb Powers, Urban Forester
Date: October 18, 2011
Subject: Kirkland Arbor Day 2011 Proclamation

RECOMMENDATION

City Council declares November 12, 2011 as Arbor Day in the City of Kirkland.

BACKGROUND DISCUSSION

Attached is the proclamation declaring **Saturday, November 12, 2011** as Arbor Day in the City of Kirkland. The Mayor, City Council and the public are invited to attend a natural area restoration planting in Juanita Bay Park from 9am to noon. A commemorative tree planting will take place at noon to celebrate Kirkland Arbor Day.

The event is being hosted by the Green Kirkland Partnership and managed by the EarthCorps partnership and Native Plant Stewards. Participants and volunteers are welcome to join in planting native trees and shrubs in areas of Juanita Bay Park that have been previously cleared of invasive vegetation.

This proclamation, along with the Arbor Day celebration, will fulfill one of the four standards required for Kirkland to maintain its Tree City USA status for the Year 2011. The Tree City USA designation from the National Arbor Day Foundation requires annual renewal in order to show that the City has met all four standards:

1. A community forestry program with an annual budget of at least \$2 per capita
2. A tree board or department
3. A tree care ordinance
4. An Arbor Day proclamation and observance.

By meeting these standards in 2011, Kirkland will have maintained its status as a Tree City USA for 10 consecutive years. Kirkland is one of a limited number of cities in the state of Washington that has exceeded these standards and received Growth Awards for its achievements in community forestry.

cc: Sharon Rodman
Paul Stewart



A PROCLAMATION OF THE CITY OF KIRKLAND

Proclaiming November 12, 2011 as Kirkland Arbor Day

WHEREAS, in 1872, J. Sterling Morton proposed to the Nebraska Board of Agriculture that a special day be set aside for the planting of trees; and

WHEREAS, this celebration, called Arbor Day, was first observed with the planting of more than a million trees in Nebraska; and

WHEREAS, Washington, the "Evergreen State," has celebrated Arbor Day since 1917; and

WHEREAS, trees produce oxygen, clean the air, provide wildlife habitat, minimize the adverse impacts of impervious surfaces thus reducing the costs for storm water management and improving the overall quality of life; and

WHEREAS, trees in Kirkland provide recreational benefit, increase property values, enhance the economic vitality of business areas, can be enjoyed by citizens and visitors and beautify our community making Kirkland the place to be; and

WHEREAS, Kirkland has shown gains in its urban tree canopy coverage, as measured in the 2011 study assessing the City's urban tree canopy; and

WHEREAS, Kirkland received its 9th consecutive Tree City USA award from the National Arbor Day Foundation in 2010; and

WHEREAS, Kirkland's Arbor Day is an event with the Green Kirkland Partnership to plant native trees in Juanita Bay Park on Saturday, November 12, 2011, in honor of the City of Kirkland's commitment to urban forestry and natural areas restoration;

NOW THEREFORE, I, Joan McBride, Mayor of Kirkland, do hereby proclaim November 12, 2011 as Kirkland Arbor Day and urge all citizens to celebrate Arbor Day by planting a tree, to support the City's efforts to care for our trees and woodlands, and to support our community forestry program.

Signed this 18th day of October, 2011

Joan McBride, Mayor



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: Rob Jammerman, Development and Environmental Services Manager
Ray Steiger, P.E., Public Works Director

Date: October 6, 2011

Subject: PUGET SOUND ENERGY TRANSMISSION LINE PROJECT

RECOMMENDATION:

It is recommended that the City Council receive a presentation from Puget Sound Energy (PSE) staff regarding their proposed high voltage transmission line project.

BACKGROUND DISCUSSION:

In order to increase electric system capacity and reliability in and around the Kirkland, Redmond, Kenmore, Bothell and Woodinville areas, PSE will be constructing a new power transmission line sometime in 2013 (Attachment 1). The proposed above ground transmission line will run from their Sammamish switching station in Redmond to the newly constructed Juanita switching station on NE 132nd Street in Kirkland. Prior to alignment selection and design, PSE is conducting an extensive stakeholder involvement (Attachment 2) and outreach process to help develop a recommended route for the Project. Their first stakeholder meeting was held on Thursday, October 6.

For the City Council meeting, PSE will give a short presentation to the Council explaining the Project and the outreach process they have underway.

Attachments (2)

Sammamish-Juanita 115 kV transmission line project

Delivering your energy future

Fact sheet

PSE.com

August 2011

What is the project?

Peak customer demand at times can strain and/or exceed the capacity of the existing electric grid in northeastern King County, reducing our ability to reliably serve power to our customers in the area.

To increase electric system capacity and improve reliability for our customers, Puget Sound Energy plans to construct approximately 4 miles of 115 kilovolt transmission line from our Sammamish substation (9221 Willows Road NE in Redmond) to or near our existing Juanita substation (10910 NE 132nd Street in Kirkland). PSE is working with Kirkland and Redmond community members to select a preferred route for the project.

Where will PSE build the new transmission line?

At this time, we have not selected a route. Building on past public input on the project, we are convening a stakeholder advisory group to help us develop and evaluate possible routes. We will be holding additional public meetings during the route selection process.

Why does PSE need the new transmission line?

Demand for power is growing – our customers use more electronics and there are more and larger homes and businesses in the communities we serve. With the increased demand for power in the Kirkland, Redmond, Kenmore, Bothell and Woodinville areas, our local transmission lines are approaching their capacity limits. Under certain conditions, including during summer and winter peaks (periods of the heaviest use of electricity for cooling or heating), the existing system can be overloaded, resulting in loss of service to our customers.

We need to accommodate this growing demand for power in order to continue to provide reliable power to our customers. Adding a new 115 kV transmission line will allow PSE to respond to the area's current and future need for power and reduce the possibility of system overloads, while increasing overall reliability to our 57,000 residential, commercial and industrial customers in the area.

How will this benefit you and your community?

The new transmission line will increase our electric capacity and improve reliability for our customers in the Kirkland, Redmond, Kenmore, Bothell and Woodinville areas.

Project schedule

- Initial community meetings: Summer 2008 and spring 2009
- Stakeholder advisory group meetings: Fall 2011 – winter 2012
- Community meetings: Fall 2011
- Route analysis and selection: Winter 2012
- Community meeting: Winter 2012
- Design and permitting: Spring – fall 2012
- Construction: Summer 2013
- Completion: 2013

What will the work entail?

- Trimming and removing vegetation along the route
- Installing new transmission poles and insulators
- Stringing transmission line
- Site restoration, including landscaping

Construction will be confined to normal daytime working hours during the week, with the possibility of some work on Saturdays. When working in or along roads, signs and flaggers will help direct traffic.

Why are transmission lines necessary?

Transmission lines are key elements in the electrical distribution system. The lines safely transport high voltage electricity from power generation sources like dams and wind farms to substations in local communities. Transmission normally takes place at voltages of 55 kV and higher.

PSE's commitment

PSE's mission is to deliver vital energy to meet the needs of our customers now and in the future. We are committed to keeping everyone informed of scheduled activities in their communities, and to ask for suggestions and opinions as we plan those activities.

For additional information/questions, please visit our project Web page at www.PSE.com/SammJuan115 or contact:

Barry Lombard
Project Manager
Puget Sound Energy
(425) 456-2230
barry.lombard@pse.com

Jason Van Nort
Government and Community Relations Manager
Puget Sound Energy
(425) 462-3820
jason.vannort@pse.com

We also welcome your comments and questions on our Sammamish – Juanita 115 kV transmission line project at info@sammjuan115.com.



Sammamish - Juanita
115 kV transmission line project



Attachment 2

PSE Transmission Line Project Advisory Group Members:

- **Wilson Anhar**, Aegis Lodge
- **Dirk Lakin**, Aerojet
- **Linda Murphy**, City of Kirkland – Parks and Community Services
- **Rob Jammerman**, City of Kirkland – Public Works
- **Eric McConaghy**, City of Redmond – Planning and Community Development
- **Jean Rice**, City of Redmond
- **Lynda Haneman**, Evergreen Hill Neighborhood
- **Lavon Weighall**, Evergreen Hospital
- **Ron Parker**, Greater Kirkland Chamber of Commerce
- **Danielle Lynch**, Greater Redmond Chamber of Commerce
- **Don Schmitz**, North Rose Hill Neighborhood
- **Mary Dunphy**, Juanita Neighborhoods
- **Andy Swayne**, Puget Sound Energy
- **Cindy Jayne**, Sustainable Redmond
- **Tom Matthews**, Willows Rose Hill Neighborhood

Purpose of the advisory group: The purpose of the project stakeholder advisory group is to collaborate with PSE to develop possible community-acceptable alternatives, as well as help PSE better understand the community issues to consider as they make the alignment decision on a route that will meet the needs of PSE’s customers, the local community and PSE.



CITY OF KIRKLAND
Department of Parks & Community Services
505 Market Street, Suite A, Kirkland, WA 98033 425.587.3300
www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager
From: Jennifer Schroder, Director of Parks and Community Services
Date: October 6, 2011
Subject: Park Funding Exploratory Committee Update

RECOMMENDATION:

That the City Council receive a brief presentation to update them on the progress of the Park Funding Exploratory Committee.

BACKGROUND DISCUSSION:

The Park Funding Exploratory Committee (PFEC) is a City Council-appointed group of citizens asked to consider and make recommendations regarding funding to help meet the capital, maintenance, and operational needs of the City's park, open space and recreation system. The Committee is comprised of nearly 50 citizens representing a broad array of key community stakeholders and is chaired by City Councilmember Amy Walen.

PFEC had its initial meeting and orientation in September, and is scheduled to hold its second meeting on October 13.

At the City Council meeting of October 18, staff would like an opportunity to update the Council on the following items:

- Progress of Committee work to-date;
- Upcoming public survey and outreach activities;
- Anticipated timeline for completing Phase 1 of the Committee's work including presenting preliminary conclusions and recommendations to the Council for consideration.



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: October 6, 2011
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) Rose Burelison
16355 Fremont Pl. N.
Shoreline, WA 98133

Amount: \$258.10

Nature of Claim: Claimant states damage resulted from vehicle being towed.

- (2) David Rowan
10467 NE 52nd Street
Kirkland, WA 98033

Amount: \$1311.22

Nature of Claim: Claimant states damage to property resulted from street maintenance equipment.

(3) Ryan Ward
128 State Street #409
Kirkland, WA 98033

Amount: \$265.76

Nature of Claim: Claimant states damage occurred as a result of towing a vehicle.

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



CITY OF KIRKLAND
Planning and Community Development Department
123 Fifth Avenue, Kirkland, WA 98033
425.587-3225 - www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager
From: Eric Shields, AICP, Planning Director
Date: September 30, 2011
Subject: Annexation Boundary Adjustment

RECOMMENDATION

Adopt the proposed ordinance to adjust the northern Kirkland city limit created with the Juanita/ Fill Hill/ Kingsgate Annexation, bringing into the City a small portion of street right of way.

BACKGROUND DISCUSSION

Following the annexation of the Juanita/ Finn Hill/ Kingsgate area, an irregularity in the new northern City boundary was discovered. A small portion of street right of way (ROW) where NE 155th Street connects with 116th Ave NE was inadvertently excluded from the annexation due to the fact that the area was originally part of the adjacent I-405 ROW (see attached map). The excluded ROW abuts and provides access to three single family lots that are now within the City of Kirkland. Consequently, it would be preferable for the ROW to also be within the City.

The City of Bothell will soon start the process of annexing the now unincorporated areas immediately to the north and west of the subject ROW. Bothell officials agree that the ROW should more appropriately be in the City of Kirkland, and would like to have the boundary adjustment made before their annexation is submitted for Boundary Review Board consideration.

We have discussed this matter with King County officials who have agreed to process a boundary adjustment through a simplified procedure available only to rights of way. The procedure involves the City Council adopting the proposed ordinance and the County Council adopting a similar ordinance. The County ordinance will be prepared and scheduled for consideration following City Council adoption of the ordinance.

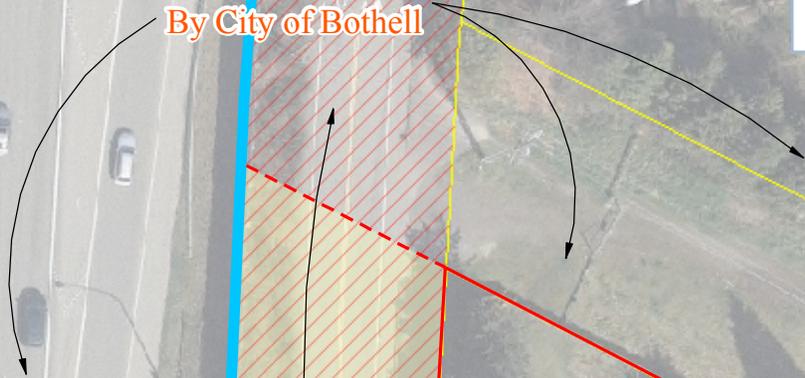
Potential Boundary Adjustment To The City of Kirkland

- City of Kirkland (Ordinance 4229; June 1, 2011)
- State of Washington (WDOT) right of way
- King County or City of Kirkland public street (right of way)
- Area under consideration for addition to City of Kirkland

0 25 50 100 Feet

9/2011

**Future Annexation
By City of Bothell**



Right of Way

State of Washington

116th Avenue NE

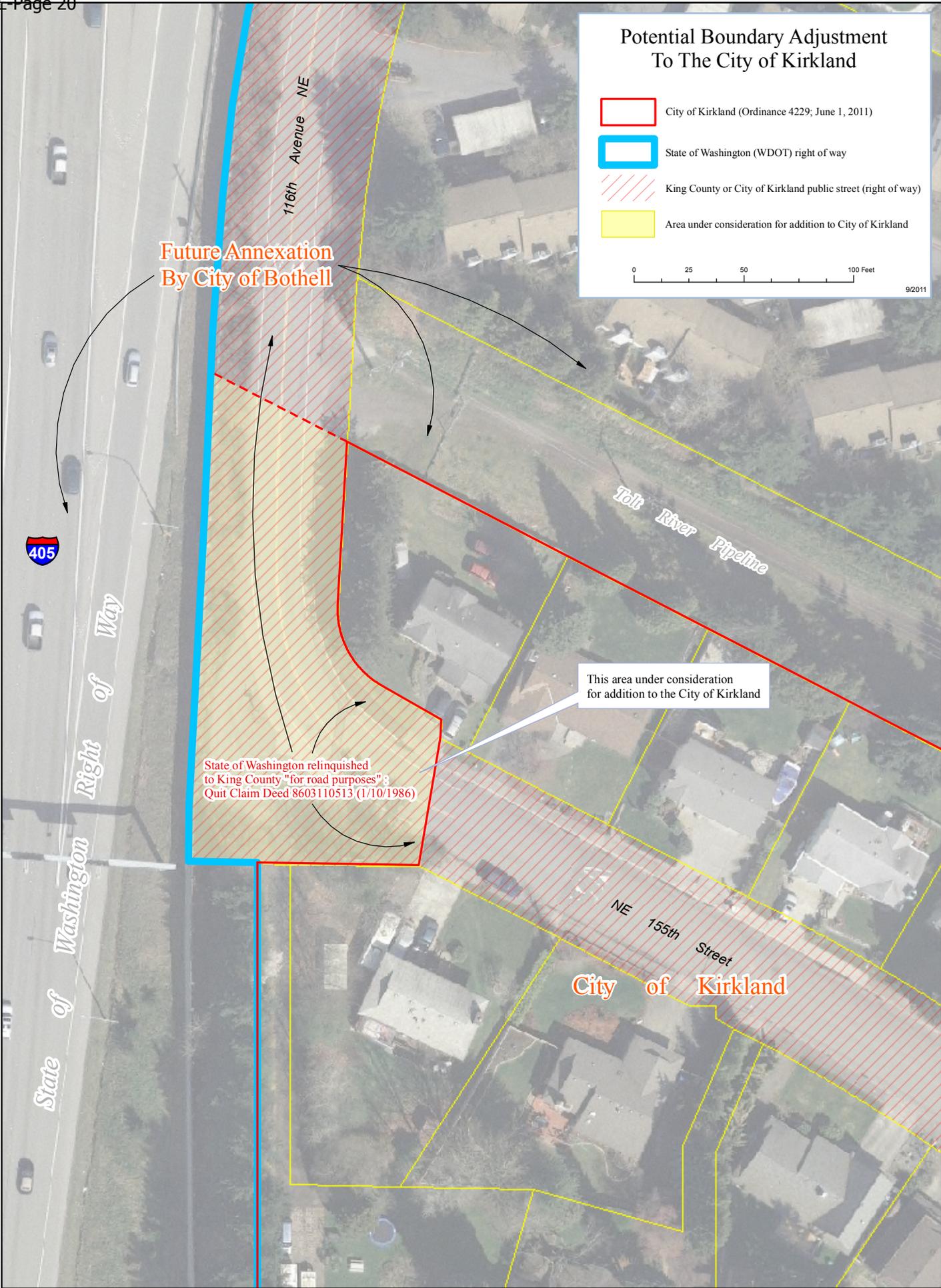
Tolt River Pipeline

This area under consideration for addition to the City of Kirkland

State of Washington relinquished to King County "for road purposes":
Quit Claim Deed 8603110513 (1/10/1986)

NE 155th Street

City of Kirkland



ORDINANCE O-4324

AN ORDINANCE OF THE CITY OF KIRKLAND REVISING THE CITY BOUNDARIES TO INCLUDE PORTIONS OF NE 155TH STREET AND 116TH AVENUE NE

WHEREAS, it was discovered after the Juanita/Finn Hill/Kingsgate annexation that a small portion of right of way was excluded because it had been part of the I-405 corridor; and

WHEREAS, staff of King County, the City of Bothell and Kirkland agree the right of way should be within Kirkland's jurisdiction and not Bothell's because it serves Kirkland residences; and

WHEREAS, RCW 35.21.790 allows a city and county to revise corporate boundaries within a right of way by substitution of a right of way line by separate ordinance of each body so as to include the designated right of way within one jurisdiction, which is not subject to Boundary Review Board approval; and

WHEREAS, King County staff have stated that after the Kirkland City Council approves the ordinance, it will be submitted to the County Council for consideration,

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

Section 1. Upon approval of a similar ordinance or resolution by the King County Council, the corporate boundaries of the City of Kirkland shall be revised to include the following described portions of the NE 155th Street and 116th Avenue NE rights of way as depicted on the map attached as Exhibit A:

That portion of Sections 16 and 17, Township 26 North, Range 5 East W.M. in King County, Washington described as follows:

Beginning at the intersection of the east line of a tract land conveyed to King County by the State of Washington by the instrument recorded under 8603110513, records of King County, Washington and the southwesterly margin of the City of Seattle Tolt River Pipeline Right of Way;

Thence northwesterly, along the northwesterly extension of the said southwesterly margin, to the easterly margin of Primary State Highway No. 1 (SR-405) as depicted on the Record of Survey recording in Book 182 of Surveys, at Pages 251 through 259, records of King County, Washington

Thence south along said easterly margin of Primary State Highway No. 1 to the south line of said tract of land conveyed to King County;

Thence east along said south line of said tract to the east line of said tract;

Thence north along the east line of said tract to the Point of Beginning.

Section 2. The Official Zoning Map as designated by Section 10.20 of the Kirkland Zoning Code shall be amended to reflect incorporation of this right of way and shall include the right of way within the adjacent RSA 6 zone.

Section 3. If any provision of this ordinance or its application to any person or circumstance is held invalid, the remainder of this Section, or the application of the provision to other persons or circumstances is not affected.

Section 5. This Ordinance shall be in force and effect five days from and after its passage by the Kirkland City Council and publication, as required by law.

Passed by majority vote of the Kirkland City Council in open meeting this ____ day of _____, 2011.

Signed in authentication thereof this ____ day of _____, 2011.

MAYOR

Attest:

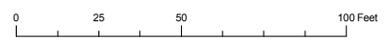
City Clerk

Approved as to Form:

City Attorney

O-4324
Exhibit A

City Boundary Adjustment
Kirkland, Washington



9/2011

116th Avenue NE

Tolt River Pipeline

NE 155th Street

City of Kirkland

New City of Kirkland boundary

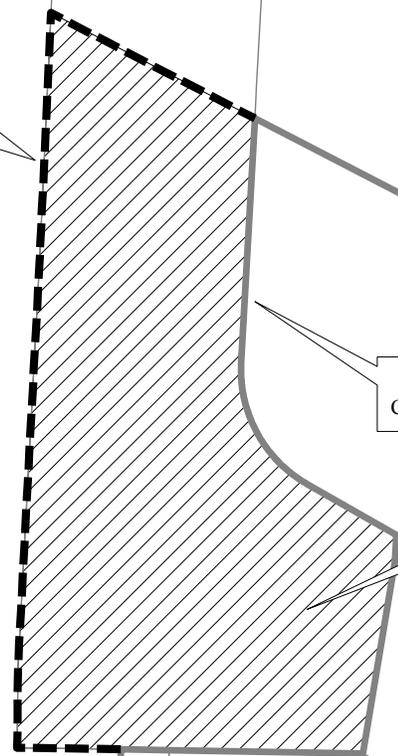
Existing City of Kirkland boundary

Right of way added to City of Kirkland

Existing City of Kirkland boundary



State of Washington Right of Way



**CITY OF KIRKLAND**

Information Technology Department

123 Fifth Avenue, Kirkland, WA 98033 425.587.3050

www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager

From: Brenda Cooper, Chief Information Officer

Date: October 5th 2011

Subject: Approval of Ordinance for Community Connectivity Consortium

RECOMMENDATION

Council approve the attached Ordinance which creates the Community Connectivity Consortium as a public corporation and approves its Charter.

BACKGROUND DISCUSSION

This is the last step in a multi-step process that improves the governance of our current partnership between education, healthcare, and municipalities to create and manage a wide area fiber network that connects anchor public institutions. Council approved the Interlocal Agreement (ILA) on September 6, 2011 and this Charter was provided at that time for advanced reading material.

Approval and issuance of the Charter will create the Community Connectivity Consortium as a public corporation. This change is necessary to allow the consortium to apply for grants, manage grant money, make joint purchases where required, and more effectively manage a much larger membership. The partnership originated between four parties (the City of Kirkland, the University of Washington, the Lake Washington School District and the City of Bellevue), and stretches south through Auburn. The ILA required that nine entities approve the ILA for the Charter to be enacted. The ILA has now been approved by the cities of Auburn, Kirkland, Pacific and Renton, by the University of Washington, the Bellevue and Lake Washington School Districts, by Bellevue College, and by the Valley Communications Center. The ILA is expected to be on the City of Bellevue Council agenda on October 17th. The following entities are historical members and may choose to approve the ILA in the future: The cities of Tukwila, Puyallup, Federal Way, Kent, and Seattle, the King County Public Hospital District (Evergreen Health Care), and the Renton School District.

There are no immediate budget implications of this activity. We have funding already set aside to manage our fiber in our Network CIP, and there is no increase in this request anticipated for 2012. Future increases, if any, will have to be approved via normal budget processes.

So far, the value that has accrued to the city as a result of this long-term partnership includes significantly lower cost and faster connectivity between city facilities, connectivity to the portions of our data center that are located in Bellevue City Hall, and available dark fiber to support the Intelligent Transportation System.

ORDINANCE O-4325

AN ORDINANCE OF THE CITY OF KIRKLAND CREATING THE COMMUNITY CONNECTIVITY CONSORTIUM, A PUBLIC CORPORATION AND APPROVING ITS CHARTER.

WHEREAS, the City of Kirkland is a participant in the Regional Fiber Consortium, which is comprised of local government agencies for the purpose of acquiring, constructing, operating, managing and maintaining a regional communications network that meets the needs of community institutions, including but not limited to government agencies, hospitals, schools and universities; and

WHEREAS, the Regional Fiber Consortium members operate pursuant to an interlocal agreement entitled General Terms and Conditions;

WHEREAS, the current Regional Fiber Consortium Members, along with prospective new members would like to adopt a new Interlocal Agreement Establishing the Community Connectivity Consortium ("Interlocal Agreement") pursuant to RCW 39.34 and form a public corporation pursuant to RCW 35.21.730 through 35.21.759 to govern their continued operations; and

WHEREAS, the Interlocal Agreement and the Charter of the Community Connectivity Consortium ("Charter") has been approved by at least nine (9) prospective Consortium Members, which constitutes authorization for proceeding with formation with the Consortium under the Interlocal Agreement;

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

Section 1. The Charter of the Consortium, attached hereto as Exhibit A and incorporated herein, is hereby approved. The Charter shall be issued in duplicate originals, each bearing the seal of the City of Kirkland attested by the City Clerk. One original shall be filed with the City Clerk. A duplicate original shall be provided to the Consortium.

Section 2. The Consortium shall commence existence upon the fulfillment of each of the following:

(1) The governing bodies of at least nine (9) Consortium Members have approved the creation of the Consortium by the City of Kirkland;

(2) This Ordinance shall become effective; and

(3) The Charter shall have been executed, and the Charter shall be on file with the City Clerk.

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

Passed by majority vote of the Kirkland City Council in open meeting this ____ day of _____, 2011.

Signed in authentication thereof this ____ day of _____, 2011.

MAYOR

Attest:

City Clerk

Approved as to Form:

City Attorney

CHARTER OF THE COMMUNITY CONNECTIVITY CONSORTIUM, A WASHINGTON PUBLIC CORPORATION

ARTICLE I NAME AND SEAL

The name of this corporation shall be the "Community Connectivity Consortium" ("Consortium"). The corporate seal of the Consortium shall be a circle with the name of the Consortium and the word "SEAL" inscribed therein.

ARTICLE II AUTHORITY FOR CONSORTIUM; LIMIT ON LIABILITY

Section 1. Authority. The Consortium is a public corporation organized pursuant to Revised Code of Washington ("RCW") 35.21.730 through 35.21.759, as the same now exist or may hereafter be amended, or any successor act or acts (the "Act"), Ordinance No. ____ of the City of Kirkland, passed on _____, 2011 and the Interlocal Agreement Establishing the Community Connectivity Consortium adopted and approved by Consortium Members, a copy of which is attached hereto as Exhibit A and incorporated herein by this reference ("Interlocal Agreement").

Section 2. Limitation on Liability. All liabilities incurred by the Consortium shall be satisfied (a) in the case of obligations or liabilities of the Consortium which are not limited recourse in nature, exclusively from the assets, credit, and properties of the Authority, or (b) in the case of obligations or liabilities of the Authority which, by their terms, are limited recourse obligations, from such assets, properties or revenue of the Authority as shall be specifically pledged thereto or otherwise identified as being the source of payment of such limited recourse obligations or liabilities, and no creditor or other person shall have any right of action against or recourse to Consortium Members, their assets, credit or services on account of any debts, obligations, liabilities or acts or omissions of the Consortium.

Section 3. Liability of Consortium and Consortium Members. The following disclaimer shall be printed or stamped on all contracts or other documents that may entail any debt or liability by the Consortium:

The Community Connectivity Consortium ("Consortium") is a public corporation organized pursuant to the ordinances and approvals of the Consortium Members and RCW 35.21.730 through 35.21.759 and RCW Chapter 39.34. RCW 35.21.750 provides as follows: "[A]ll liabilities incurred by such public corporation, commission, or authority shall be satisfied exclusively from the assets and properties of such public corporation, commission, or authority and no creditor or other person shall have any right of action against the city, town, or county creating such corporation, commission or authority on account of any debts, obligations, or liabilities of such public corporation, commission, or authority."

In no event shall the obligations of the Consortium be payable by recourse against any properties, assets or revenues of the Consortium Members, the State

of Washington or any other political subdivision of the State of Washington. No person to whom such obligations are owed shall have any recourse or right of action against the Consortium Members, the State of Washington or any other political subdivision thereof on account of such obligations.

Any of the Consortium Members may, by ordinance or contract or pursuant to interlocal agreement, agree to pay (on a contingent basis or otherwise) all or any portion of the obligations of the Authority; however, (1) no Member shall be obligated beyond the proportion of sum specified by ordinance or contract; and (2) no Member shall be obligated, directly or indirectly for the obligations of another Member.

ARTICLE III DURATION

The duration of the Consortium shall be perpetual except as provided in the Interlocal Agreement.

ARTICLE IV PURPOSE

The purpose of the Consortium is to acquire, construct, operate, manage and maintain a regional communications network that meets the needs of community institutions, including but not limited to government agencies, hospitals, schools and universities.

ARTICLE V POWERS

The Consortium shall have and may exercise all lawful powers conferred by state laws, the Interlocal Agreement, this Charter and its Bylaws that are consistent with the purpose of the Consortium. The Consortium in all of its activities and transactions shall be subject to the powers, procedures, and limitations contained in the Interlocal Agreement, this Charter and the Bylaws.

ARTICLE VI CONSORTIUM MEETINGS AND BOARD RESPONSIBILITIES

Section 1. Consortium Initial Meeting. Upon issuance of this Charter, there shall be an initial meeting of Consortium Members within 60 days. At the initial meeting, Consortium Members shall adopt the Consortium's Bylaws and elect the Consortium Board. The Bylaws shall be approved and a Board member shall be deemed elected to the Board if they receive a majority vote of all Consortium Members with voting member status. Thereafter, the Board shall manage and oversee the Consortium's activities, in accordance with the Interlocal Agreement.

Section 2. Board Meetings and Membership Meetings. The Board shall meet as necessary to oversee the operations of the Consortium. After the initial meeting, the Consortium Members shall meet no less than once per year. To the extent required by law, notice of

Consortium meetings shall be given in a manner consistent with RCW Chapter 42.30, the Open Public Meetings Act.

Section 3. Board Composition, Powers and Responsibilities.

A. Composition. The composition of the Consortium Board shall be set forth in the Consortium Bylaws, provided that the composition of the Consortium Board may not be changed without the approval of 75% or more of the Voting Members of the Consortium. The Consortium Board shall recommend a representative composition of the Board at the Annual Meeting.

B. Consortium Board Terms. The Consortium Board terms shall be set forth in the Consortium Bylaws.

C. Powers. The Consortium Board shall govern the Consortium. The powers of the Consortium Board shall be to: (1) develop and recommend the Consortium's Bylaws for approval by the Consortium Members; (2) create Consortium work programs; (3) determine services to be provided; (4) develop an annual budget for adoption by Consortium Members; (5) review and propose a membership policy; (6) recommend a fee policy for approval by the Consortium Members; (7) make purchases or contract for services to accomplish the purposes of the Consortium; (8) enter into agreements with third parties for goods and services as necessary to carry out the Consortium's purposes; (9) hire staff, consultants or private vendors as necessary; (10) identify and contract for the services of Fiscal Agent for the purposes of carrying out and recording Consortium financial transactions; (11) approve expenditures of funds; and (12) conduct any and all other business allowed by applicable law. The incurrence of debt by the Consortium requires the prior approval of all of the governing bodies of current Voting Members.

D. Responsibilities of Consortium Board Members. Consortium Board Members shall participate fully in matters before the Board, attend all meetings, advocate on behalf of the Consortium, and contribute expertise to guide decisions.

E. Bylaws. The Consortium Members shall adopt Bylaws that govern Consortium operations and decision making.

F. Consortium Membership. Membership in the Consortium shall be limited to government agencies authorized to become signatories to an Interlocal Agreement as authorized by RCW 39.34.030, and who contribute assets, resources, and/or shared services for the benefit of members. The addition of new members shall be subject to the approval of a simple majority of the Consortium Board, as established by the Consortium, to manage its operations.

ARTICLE VII VOTING

In conducting Consortium business, Voting Members will cast a single vote with all votes being equal. A meeting quorum for Board Meetings shall be considered to be a simple majority

of the Board Members. A meeting quorum for Consortium Member meetings shall be a simple majority of Voting Members. It is the desire of the Consortium that decisions be made by consensus, but a simple majority vote of all of the Voting Members present, either in person, electronically or by proxy, shall decide matters at Consortium Member meetings. A simple majority vote of all of the board members present, either in person, electronically or by proxy, shall decide matters at Consortium Board meetings. A second vote may be called in the event of a tie to arrive at a decision. A second tie will table the discussion until the next regularly scheduled meeting.

ARTICLE VIII FINANCE AND BUDGET

The Consortium Board is authorized to accept grants and such other financial opportunities as may arise in order to accomplish the purposes of the Consortium consistent with Chapter 39.34 RCW. The Consortium is empowered to receive all funds and assets allocated to it by its members. The Consortium Board may establish partnerships with public and private corporations or entities as allowed by law. The Consortium Board shall recommend an annual budget for adoption by the Consortium Members.

A. Ownership of Property. The Consortium may own real and personal properties. Ownership of assets, such as fiber strands, equipment or software, shall be defined in the allocation noted within any Consortium Project Agreement to which the Member is signatory. Assets deemed surplus by participants in a Project Agreement shall be held by the Consortium in an Asset Bank administered by the Consortium Board for the benefit of the Consortium Members. Future allocation of surplus assets shall be at the discretion of the Consortium Board. Existing assets owned by the Consortium Members may be transferred to the Consortium for the benefit of Consortium Members at the owner's discretion.

B. Retained Responsibility and Authority. Consortium Members retain the responsibility and authority for managing and maintaining their own internal Fiber Optic systems, including security and privacy of all data which may be linked to the Consortium's network.

C. Fiscal Agent. The Fiscal Agent refers to that agency or government that performs all accounting services for the Consortium as it may require, in accordance with the requirements of Chapter 39.34 RCW. The Consortium Board shall appoint a Fiscal Agent for the Consortium. The Fiscal Agent shall have a non-voting, ex officio seat on the Consortium Board if the agency is not serving on a Consortium Board seat.

D. Intergovernmental Cooperation. The Consortium will cooperate with federal, state, county, and other local agencies to maximize use of any grant funds or other resources and enhance the effectiveness of the Consortium systems, programs and projects.

E. Voting Members. Voting Members shall contribute to the Consortium in accordance with the fee policy adopted by the Consortium Membership.

**ARTICLE IX.
CONSTITUENCY**

There shall be no constituency of the Consortium.

**ARTICLE X
AMENDMENT OF CHARTER AND BYLAWS**

Section 1. Amendments to Bylaws. The Board may propose amendments to the Bylaws for consideration and voting by the general membership at a general membership meeting. Amendments to the Bylaws shall be deemed approved if the amendment proposal receives affirmative votes from a majority of all Voting Members.

Section 2. Amendments to Charter. Proposals to amend this Charter shall be submitted to the Board for review. If the Board recommends approval of the Charter amendment, the amendment proposal shall be submitted to the governing bodies of the Consortium Members. The proposed amendment shall not be effective until approved by the governing bodies of at least 75% of all Voting Members.

**ARTICLE XI
COMMENCEMENT**

The Consortium shall commence its existence effective upon the issuance of its Charter as sealed and attested by the City Clerk of the City of Kirkland, as provided in the Ordinance adopting this Charter.

**ARTICLE XII
DISSOLUTION**

Dissolution of the Consortium shall be in the form and manner set forth in the Interlocal Agreement and as may be required by state law.

CERTIFICATE

I, the undersigned, City Clerk of the City of Kirkland, Washington, do hereby certify that the attached CHARTER OF THE COMMUNITY CONNECTIVITY CONSORTIUM, A WASHINGTON PUBLIC CORPORATION is a true and correct original of such Charter as authorized by Ordinance No. ____ of the City of _____, this ____ day of _____, 2011.

City Clerk of the City of Kirkland, Washington

PUBLICATION SUMMARY
OF ORDINANCE O-4325

AN ORDINANCE OF THE CITY OF KIRKLAND CREATING THE COMMUNITY CONNECTIVITY CONSORTIUM, A PUBLIC CORPORATION AND APPROVING ITS CHARTER.

SECTION 1. Approves and incorporates the Charter of the Consortium and provides for duplicate originals.

SECTION 2. Provides the conditions upon when the Consortium shall commence existence.

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

The full text of this Ordinance will be mailed without charge to any person upon request made to the City Clerk for the City of Kirkland. The Ordinance was passed by the Kirkland City Council at its meeting on the _____ day of _____, 2011.

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

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: David Snider, P.E., Interim Capital Projects Manager
Ray Steiger, P.E., Public Works Director

Date: October 6, 2011

Subject: NE 85th STREET UTILITY UNDERGROUND CONVERSION
AUTHORIZATION TO BID

RECOMMENDATION:

It is recommended that City Council authorize staff to advertise for contractor bids on the NE 85th Street Utility Underground Conversion Project.

BACKGROUND DISCUSSION:

Beginning in 2007, City Council eliminated the procurement step of staff seeking authorization to bid projects and allowed staff to proceed directly to advertisement. The visibility and significance of this element of the overall NE 85th Street Corridor Improvements however warrants this memo and update to the Council.

The NE 85th Street utility underground conversion is a significant element of the ongoing NE 85th Street Corridor Improvements; the improvements combine several individual projects providing enhancements along NE 85th Street between 114th and 132nd Avenues NE (Attachment A). The overall improvements includes the undergrounding of overhead utilities (this memo), the installation of continuous sidewalks on both sides of NE 85th Street together with other pedestrian improvements and public art, the addition of new sidewalks on both sides of 124th Avenue NE between NE 80th and NE 90th Streets, traffic signal upgrades with additional capacity improvements at the key intersections of 124th Avenue NE and 132nd Avenue NE, storm water quality improvements, and finally a full asphalt overlay. Two other corridor elements, the NE 85th Street Signal Video Detection and the NE 85th Street/114th Avenue Intersection Improvements are currently under construction and are anticipated to be completed in November and December, 2011, respectively.

This memo's Underground Conversion Project involves several key design elements that required City staff and the City's design consultant to work closely with representatives from Puget Sound Energy, Frontier Communications (previously Verizon), and Comcast. The design of the Underground Conversion Project required all new system plans for each of these utilities together with a complex utility trenching design that had to be compatible with the roadway drainage and surface improvements. Additionally, the securing of property rights for

this Underground Conversion Project by acquisition and/or easement from 31 property owners was a long and arduous process that is now complete. Electrical system design changes introduced by PSE this summer led to delays in completing the final construction plans and specification documents however those changes have now been incorporated. The construction documents are ready for the advertising of contractor bids.

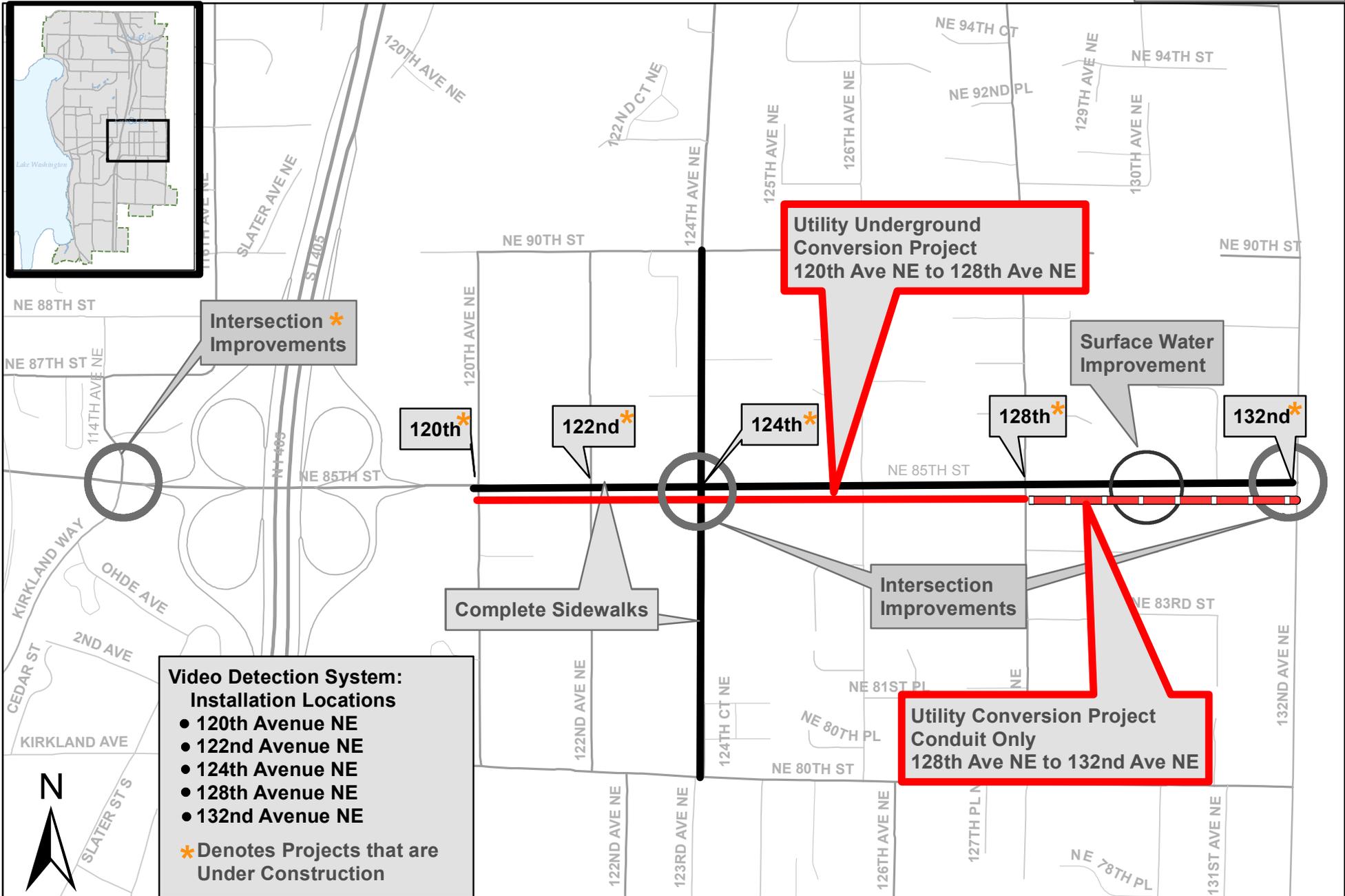
The engineer's estimate for construction of the Underground Conversion Project is \$2,500,000 and includes a 10% construction contingency. When combined with on-going and future Corridor Improvements, the estimated Project construction cost remains near \$10,000,000 and a total Project budget of \$16,000,000, including right-of-way acquisition, legal, engineering, and construction administration costs (Attachment B).

With authorization given by City Council at their meeting of October 18th, staff will advertise for contractor bids in November. Once the bids are opened, staff will return to City Council with a recommendation for award of a construction contract. The estimated 12-month underground conversion would then start in January, 2012, following the historically critical shopping season between Thanksgiving and Christmas.

Given the overall Project's scope, location, and impact limits, City staff has been working closely with various stakeholders to better ensure the success of the Project. As all of the current and future elements of the overall Corridor Improvements come to fruition, staff continues to keep all interested parties well informed on the Project's different elements. Along with project flyers, direct mailings, and the City's web page, staff has provided regular updates through the *NE 85th Corridor Project Newsletter* (Attachment C). The *Newsletter* provides in-depth information regarding the overall general scope, individual project locations, the various Project phases, and general Project schedule. The *Newsletter* also invites those who are interested to participate in a Construction Advisor Group (CAG).

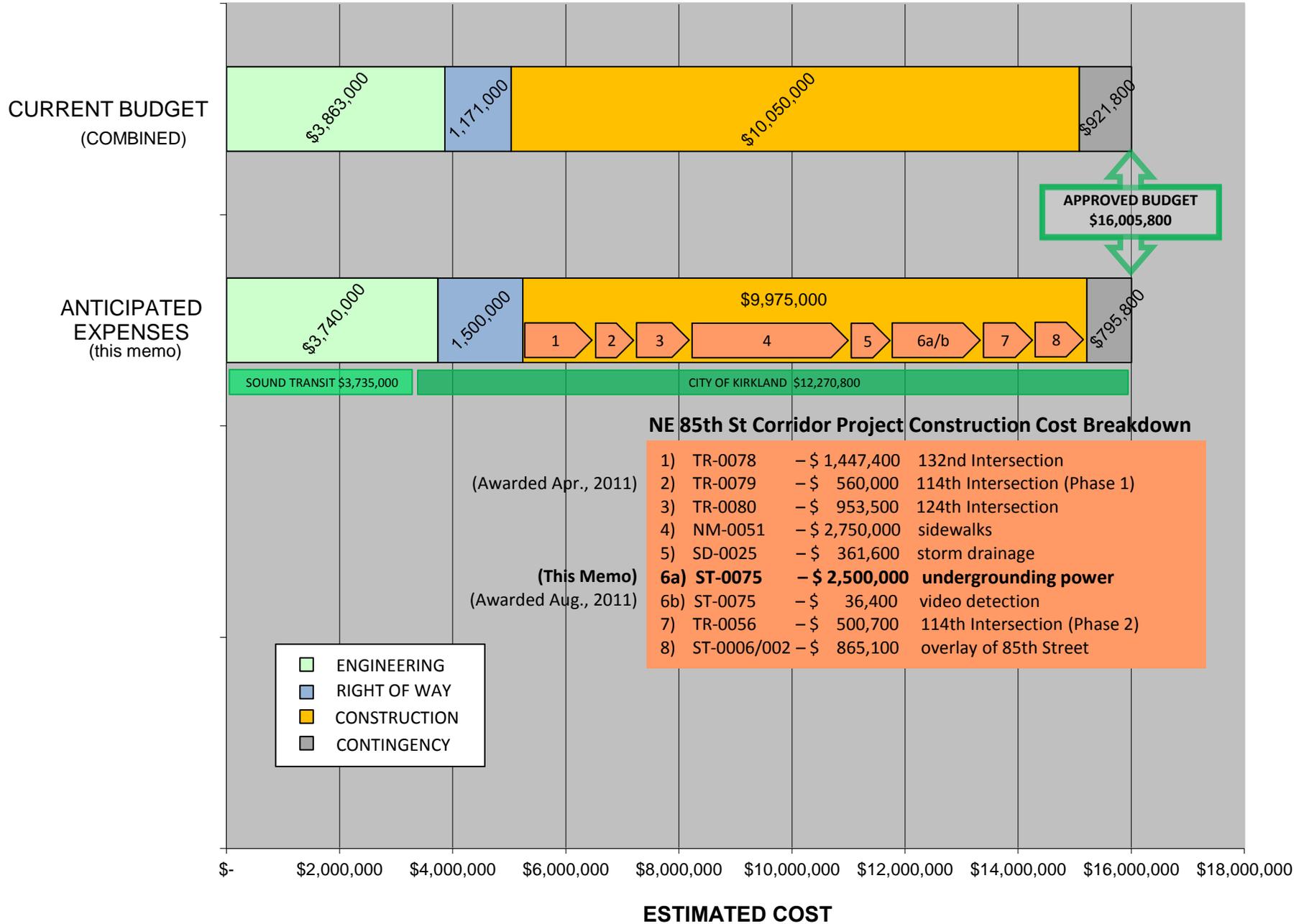
To date, only one volunteer has participated in the CAG, however it is anticipated that membership will soon be made up of business members and other stakeholders along the NE 85th Street corridor as the Underground Conversion Project construction phase draws closer. The CAG has been established to work towards finding solutions for issues that may arise during construction. A key goal of the CAG will be to keep all stakeholders informed of project developments and be involved in the discussion of potential issues such as traffic control, construction sequencing and hours of driveway closures along the Project.

Attachments: (3)



Vicinity Map
NE 85th Street Corridor Improvements
Utility Underground Conversion Project

NE 85th STREET CORRIDOR IMPROVEMENTS NE 85TH STREET UTILITY UNDERGROUND CONVERSION PROJECT BUDGET REPORT



Key Stakeholders Needed for Advisory Group.

A Construction Advisory Group (CAG) for business members along NE 85th Street corridor will be formed as a means of involving impacted stakeholders on construction impacts and options for mitigation.

The key goals of the CAG will be to facilitate information from the community, City and the contractor to increase understanding of problems to be addressed during construction. The CAG will work cooperatively on solutions.

If you are interested in serving on the CAG, please contact:



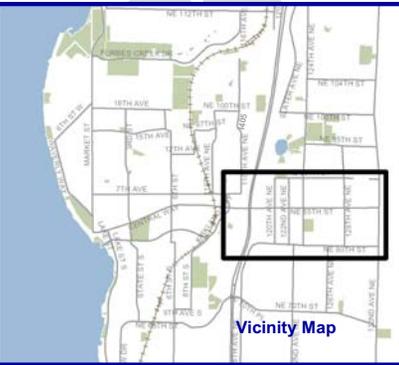
Kari Page
 Neighborhood Outreach Coordinator
 KPage@kirklandwa.gov
 425-587-3011



City of Kirkland
 Public Works Department
 Capital Improvement Program
 123 Fifth Avenue
 Kirkland, WA 98033

DRAFT



	<h2 style="margin: 0;">NE 85th STREET CORRIDOR IMPROVEMENTS PROJECT</h2>	 October 2011
<h3 style="margin: 0;">Transforming NE 85th Street into a more efficient, pedestrian friendly, and visually pleasing corridor.</h3>		
<p>Project Goals:</p> <ul style="list-style-type: none"> ◆ Reduce traffic congestion and increase capacity at key intersections. ◆ Provide continuous sidewalks and landscape planter strips. ◆ Underground overhead utility lines. ◆ Resurface and stripe street. <p>Location: The NE 85th Street Corridor is located east of the City's downtown and Interstate 405. Planned improvements to reduce traffic congestion and enhance pedestrian safety will begin construction summer 2011 and continue into 2013.</p> <p>Subarea Plan: The NE 85th Street Corridor Improvements Project originated from Kirkland's NE 85th Street Subarea Plan adopted by the City Council in April 2001. The Plan goals include improving the visual character of the Rose Hill commercial area, strengthening economic vitality of the business district, encouraging redevelopment of under-utilized commercial centers, and enhancing amenities for pedestrians, automobiles, and transit.</p>	 <p style="text-align: center;">Vicinity Map</p>	
<p>Project Objectives: The Project addresses specific elements of the Subarea Plan by enhancing the overall pedestrian safety and aesthetics, and increasing access, speed, reliability, and ridership of transit. Sound Transit contributed to Phase 1 and 3. The remaining funding comes from the City's Capital Improvement Program (CIP).</p> <p>Project Timeline: The Project has been phased both in time and location to minimize impacts during construction. Construction on the first phase started in the summer of 2011 (after completion of the intersection improvements at 6th Street and Central Way) and will continue through 2013.</p>	 <p style="text-align: center;">Vision for NE 85th Street Corridor</p>	<div style="border: 1px solid blue; padding: 5px;"> <p style="text-align: center;">The City of Kirkland is committed to keeping you informed.</p> <p>See Project information and subscribe to receive Project updates via email. Web site: www.Kirklandwa.gov/85thStreet</p> <p>Watch for quarterly newsletters highlighting each construction phase.</p> <p>Call the Construction Hot Line: 425-587-3838</p> <p>Talk with Project Contacts: Rod Steitzer Project Engineer rsteitzer@kirklandwa.gov 425-587-3825</p> <p style="text-align: right;">Kari Page Neighborhood Outreach Coordinator kpage@kirklandwa.gov 425-587-3011</p> </div>

October 2011 **NE 85th STREET CORRIDOR IMPROVEMENT PROJECT**

Projected Construction Phases

Construction phases will be staggered to minimize traffic congestion and reduce construction impacts. Map colors indicate phases described in chart below.

- Phase 1
- Phase 2
- Phase 3
- Phase 4

Phase	Description	2011				2012				2013			
		S	S	F	W	S	S	F	W	S	S	F	W
Phase 1	NE 85th Street Intersection Improvements •114th Ave NE: install additional southbound 114th Ave NE to eastbound NE 85th St left turn lane. •124th Ave NE: add traffic island at NE 124th Ave NE for future eastbound to northbound turn lane. •132nd Ave NE: add northbound 132nd Ave to eastbound NE 85th St right turn lane.												
Phase 2	Undergrounding Utility Wires •120th Ave NE to 128th Ave NE: underground utility wires. •128th Ave NE to 132nd Ave NE: install conduit for future undergrounding of utility wires.												
Phase 3	Sidewalks with landscape planter strips where there are none •124th Ave NE: provide continuous sidewalks on both sides of 124th Ave NE between NE 80th St and NE 90 St. •NE 85th St: provide continuous sidewalk on both sides of NE 85th St between 120th Ave NE and 132nd Ave NE.												
Phase 4	Resurface Street •NE 85th St Corridor: preserve the City's infrastructure and reduce costly repairs by overlaying street.												



114th Avenue NE and NE 85th Street Intersection Improvements Underway

Phase 1 Planning Design **Construction** Complete

114th Ave NE/NE 85th St intersection: Under construction

Project: Build a second southbound-to-eastbound left turn lane at the 114th Ave NE/NE 85th Street intersection. The Project also improves traffic signal controller equipment and adds Intelligent Transportation System elements to coordinate signal timing along the corridor and create a pathway for connection to the future Traffic Control Center.

Intersection improvements are on schedule and planned to be complete by December. Work hours are scheduled between 7:00 am and 6:00 pm each week day.

Phase 2 Planning Design **Construction** Complete

Undergrounding overhead utility wires: Preparing for construction

Project: Underground overhead utility wires on NE 85th Street from 120th Avenue NE to 128th Avenue NE. Install underground conduit for future undergrounding on NE 85th Street from 128th Avenue NE to 132nd Avenue NE. Construction is scheduled to begin early in 2012.

Signal video detection cameras are being installed at intersections along the corridor in preparation for construction in 2012. Completion is expected in November.

Property acquisition for undergrounding utility wires is complete.

Construction documents for undergrounding utility wires are nearing completion.

Phase 3 Planning Design **Construction** Complete

124th Ave NE sidewalks and planter strips: Preparing for construction

Project: Install sidewalks and where possible planter strips on both sides of 124th Avenue NE from NE 80th Street to NE 90th Street. Construction is scheduled to begin early in 2012.

Utility pole relocation along 124th Avenue NE between NE 80th and NE 90th Street in preparation for sidewalks is complete.

Construction documents and property acquisition for the sidewalks are in progress and nearing completion.

Thank you for your patience and cooperation as we make improvements to this important intersection.



Watch for quarterly newsletters highlighting each new construction phase.



**CITY OF KIRKLAND**

City Attorney's Office

123 Fifth Avenue, Kirkland, WA 98033 425.587.3030

www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager

From: Marilynne Beard, Assistant City Manager
Robin Jenkinson, City Attorney

Date: October 5, 2011

Subject: Independent Ethics Program Agreement/Funding Request

RECOMMENDATION:

That the City Council authorize the City Manager to allocate \$5,000 from the Council's special projects reserve fund for the Seattle Ethics and Elections Commission staff to review the draft Code of Ethics and develop a comprehensive training program.

BACKGROUND DISCUSSION:

At its June 21, 2011, meeting the City Council agreed to contract with an outside agency to serve as the Ethics Officer under the draft Code of Ethics. The Council further directed staff to execute a contract with an appropriate agency.

Under the attached Agreement with the City of Seattle, the staff of the Seattle Ethics and Elections Commission ("SEEC") would fulfill all of the Ethics Officer functions. As one of its first tasks, the SEEC staff will develop and deliver a comprehensive ethics training program for Kirkland. This program shall be designed and implemented to instill a culture of compliance with ethical requirements. This training and awareness program shall include, but not be limited to direct trainings, informational web pages, and written training materials.

In addition to the training required by the attached Agreement, SEEC staff shall review the draft Code of Ethics to assure that the Code is enforceable and contains all of the provisions necessary for its proper administration. Staff recommends that \$5,000 be allocated to allow SEEC staff to develop the training program and review the draft Code of Ethics.

Attachment:

Independent Ethics Program Agreement Between the City of Kirkland and the City of Seattle

INDEPENDENT ETHICS PROGRAM AGREEMENT BETWEEN THE CITY OF KIRKLAND AND THE CITY OF SEATTLE

THIS INDEPENDENT ETHICS PROGRAM AGREEMENT ("Agreement") is hereby made by and between the City of Kirkland ("Kirkland") and the City of Seattle ("Seattle"), referred to collectively herein as the "Parties".

WHEREAS, the City of Kirkland has adopted a Code of Ethics for City Officials to ensure public confidence in the integrity of local government; and

WHEREAS, in order to best strengthen ethical compliance, Kirkland desires to establish an independent ethics investigation program; and

WHEREAS, Seattle has established an independent and well-respected ethics program through the Seattle Ethics and Elections Commission; and

WHEREAS, the Seattle Ethics and Elections Commission staff have proven expertise in providing a comprehensive ethics program; and

WHEREAS, the Parties have negotiated the terms and conditions of this Agreement under which Seattle will provide an independent and comprehensive ethics program to Kirkland;

NOW THEREFORE, in consideration of the mutual covenants contained herein, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

1.0 Term and Termination

1.1 This Agreement shall be effective upon mutual execution by the Parties for an initial term of three years. This Agreement may be extended for such additional terms as are agreed to by the Parties in writing.

1.2 This Agreement may be terminated by either party for its convenience and without cause at any time, upon 60 days written notice delivered by certified mail, return receipt requested, to the other party. In addition, if either party's governing body does not provide the necessary appropriation authority for the following year, this Agreement may be terminated effective January 1st of the following year by giving notice no later than December 2nd of the current year.

1.3 Either party may terminate this Agreement in the event that the other party substantially fails to perform its obligations as described in this Agreement following written notice by certified mail, return receipt requested, of such non-performance and a reasonable opportunity

(of not less than 14 calendar days) for the non-performing party to cure the issues of non-performance.

2.0 Comprehensive Ethics Program

2.1 Program Elements

2.1.1. Seattle, through the executive director and staff of its Ethics and Elections Commission Office ("SEEC"), shall provide an independent and comprehensive Ethics Program ("Program") for Kirkland. The Program shall include, but not be limited to, the elements identified in Section 2.2 through 2.5.

2.1.2. By execution of this Agreement, Kirkland designates the SEEC Executive Director as the Kirkland "Ethics Officer," as that term is used in the existing Kirkland Code of Ethics, and authorizes the SEEC Executive to perform all responsibilities of that office.

2.1.3. Seattle shall carry out the Program with the care and diligence that is customary for a program of this nature. Seattle shall stay abreast of best practices regarding ethics for public agencies and institute such practices in the Program. Seattle shall recommend any amendments to this Agreement that may be necessary to carry out such best practices.

2.2 Code of Ethics Revisions

Seattle shall review the existing Kirkland Code of Ethics and recommend revisions of the Code of Ethics to the Kirkland City Council. Seattle shall seek to provide this recommendation within 30 days after the execution of this Agreement. Such recommendations shall be made in consultation with Kirkland and will take into account the unique issues and interests of Kirkland. The Kirkland City Council will retain the final authority regarding the content of any Code of Ethics revisions. Seattle shall also make such recommendations over time as it deems necessary to ensure the Code of Ethics is complete, effective and enforceable.

2.3 Ethics Investigations and Written Findings

2.3.1. Investigations. Seattle shall in its sole discretion determine, in accordance with the standard practices of the SEEC, which complaints to investigate and the scope of any investigation. Investigations shall be conducted in a thorough, documented, and professional manner so as to provide sufficient evidentiary grounds to support such action as may be taken by the Kirkland City Council for violations of the Code of Ethics. Seattle shall refer to Kirkland those complaints it receives that Seattle has determined do not warrant further investigation as a Code of Ethics violation but that may need other action by Kirkland.

2.3.2. Written Findings. Seattle shall provide Kirkland with a detailed written

investigative report of Seattle's findings ("Written Findings") for each ethics investigation conducted by Seattle. The level of detail in such report shall be commensurate with the complexity of the matter at issue, whether a violation of the Code of Ethics is found to have occurred, and the severity of the violation found. Written Findings involving a violation of the Code of Ethics shall provide sufficient detail to provide the Kirkland City Council with the necessary information to make an informed and defensible decision regarding the appropriate action to take.

2.3.3. City Council Action. The Kirkland City Council considers ethics violations a very serious matter and will carefully review and consider all Written Findings to determine the appropriate action to take. The Kirkland City Council shall be solely responsible for determining if penalties should be imposed and at what level.

2.4 Training and Awareness

Seattle shall develop and deliver a comprehensive ethics training program for Kirkland. This program shall be designed and implemented to instill a culture of compliance with ethical requirements. This training and awareness shall include, but not be limited to direct trainings, informational web pages, and written training materials.

2.5 Advisory Opinions

In addition to the training required by this Agreement, at the request of Kirkland, Seattle shall provide written advisory opinions regarding interpretation, application, and compliance with the Code of Ethics.

2.6 Election Related Matters Not Covered

The Program will not include Kirkland City Council election and campaign related issues. Those matters will continue to be regulated by the Washington State Public Disclosure Commission.

3.0 Data Collection and Reporting

3.1 Seattle shall provide Kirkland with a written report every six months during the term of this Agreement that will detail the Program activities to date, an assessment of the Program's success and recommended Program improvements. The report shall also contain relevant data regarding the Program including, but not limited to: a) the number and type of complaints filed and their disposition; b) investigations conducted; c) trainings conducted; and d) number and type of requests for advisory opinions.

3.2 Seattle shall make such presentations to the Kirkland City Council regarding the Program as are reasonably requested by Kirkland from time to time. If requested by Kirkland, Seattle shall provide an annual presentation to the Kirkland City Council. Such presentations shall include an overview of the Program, review of data collected, assessment of the Program's effectiveness, and recommendations for improvements.

3.3 Should any records held by Seattle related to work for Kirkland under this Agreement become the subject of a request for public records under Chapter 42.56 RCW, Seattle shall use its best efforts to notify Kirkland of such request and consult with Kirkland regarding a proposed response and the date by which Seattle anticipates responding. If Seattle notifies Kirkland in writing that it plans to produce any records and Kirkland disagrees that such records are subject to production, Kirkland may then within a reasonable time of receipt of notification by Seattle, give notice in writing to Seattle that (a) specifically identifies each record, or part thereof that Kirkland asserts is exempt from production, and (b) cites the statutory exemption under Chapter 42.56 RCW, or any other law, and provides a brief explanation of how the exemption applies to the record, so that Seattle may respond to the records requester. Seattle may decide whether or not to withhold or redact those public records that Kirkland reasonably claims are exempt from production based upon Kirkland's explanation. Kirkland at its sole expense may seek a judicial declaration or injunction with respect to the public records request. Kirkland further agrees that it will, at its sole expense, defend the non-disclosure of that information Kirkland claims in the written notice to be exempt from production and indemnify Seattle for any and all penalties assessed and costs that Seattle incurs, if any. The provisions of this paragraph shall survive the termination of this Agreement.

4.0 Independence of Seattle

The Parties are committed to the independent investigation of ethics complaints by Seattle and will take such actions as are necessary to further and maintain such independence during the term of the Agreement.

5.0 Cooperation

5.1 Kirkland shall provide its full cooperation to make the Program a success. This cooperation shall include, but not be limited to, promptly transmitting ethics complaints to Seattle, providing information needed to assist the Program, facilitating investigations where requested, providing assistance in coordinating training, making Kirkland facilities available as needed, and such other assistance as is agreed upon.

5.2 The City Attorney for Kirkland and the SEEC Executive Director, or such other designee identified by a Party in writing, shall serve as the Agreement Coordinators. The designated Agreement Coordinators shall work together as necessary to further the Program and facilitate successful implementation of this Agreement.

6.0 Compensation

6.1 In order to carry out the Program, the Parties agree that it is appropriate for Kirkland to pay Seattle, as sole compensation for the services performed under this Agreement, such sums of money as are arrived at by computing the actual number of hours expended in the performance of this Agreement and multiplying such total hours by \$105.

6.2 Billings should be submitted on a monthly basis. Kirkland will be charged for services rendered on an hourly basis and billings will be reflected in increments of one-tenth of an hour. Each billing statement should set forth for each date services were performed:

A brief summary of the services provided;
The number of hours, or fractions of hours, spent;
Expenses and disbursements in detail.

7.0 Indemnification

7.1 Seattle shall indemnify, defend and hold Kirkland and its officers and employees, free and harmless from any and all claims, demands, suits, judgments, liabilities, costs, expenses, losses and any death, injury or disability of any person or damage to any property or business to the extent arising, directly or indirectly, out of or suffered by any person by reason of or in connection with any action, error, or omission of Seattle, or any of its officers, agents, employees, program agreements or clients. In the event these acts give rise to a lawsuit against Kirkland, Seattle shall appear in and defend the lawsuit, provided Seattle is notified in a timely manner of the suit. In the event that Kirkland and Seattle are held to be jointly liable in any final judgment in any suits arising out of their acts or omissions under this Agreement, the costs and expenses arising therefrom shall be prorated between the parties according to the relative degrees of their liability. Such indemnity and obligation to defend shall not apply to any claims arising as a result of the sole negligence of Kirkland, or any of its officers, employees or agents.

7.2 Kirkland shall indemnify, defend and hold Seattle and its officers and employees, free and harmless from any and all claims, demands, suits, judgments, liabilities, costs, expenses, losses and any death, injury or disability of any person or damage to any property or business to the extent arising, directly or indirectly, out of or suffered by any person by reason of or in connection with any action, error, or omission of Kirkland, or any of its officers, agents, employees, program agreements or clients. In the event these acts give rise to a lawsuit against Seattle, Kirkland shall appear in and defend the lawsuit, provided Kirkland is notified in a timely manner of the suit. In the event that Seattle and Kirkland are held to be jointly liable in any final judgment in any suits arising out of their acts or omissions under this Agreement, the costs and expenses arising therefrom shall be prorated between the parties according to the relative degrees of their liability. Such indemnity and obligation to defend shall not apply to any claims arising as a result of the sole negligence of Seattle.

7.3 The indemnification provided for in this section shall survive any termination or expiration of this Agreement.

8.0 Legal Relations

8.1 It is understood and agreed that this Agreement is solely for the benefit of the parties hereto and gives no right to any other party.

8.2 This Agreement is entered into under the authority of RCW 39.34.080 and does not form a separate organization or administrative entity under RCW 39.34.030. No joint venture or partnership is formed as a result of this Agreement. No employees or agents of one party or its

contractors or subcontractors shall be deemed, or represent themselves to be, employees, agents, contractors or subcontractors of the other party.

8.3 The parties' rights and remedies in this Agreement are in addition to any other rights and remedies provided by law.

8.4 This Agreement shall be interpreted in accordance with the laws of the State of Washington in effect on the date of execution of this Agreement. The Superior Court of King County, Washington, shall have exclusive jurisdiction and venue over any legal action arising under this Agreement.

8.5 Waiver of breach of any provision of this Agreement shall not be deemed to be a waiver of any other or subsequent breach and shall not be construed to be a modification of the terms of this Agreement unless expressly agreed to in writing.

8.6 Neither party may assign this Agreement, in whole or part, without the express written consent of the other party.

8.7 This Agreement and each of its terms and provisions are deemed to have been explicitly negotiated between and mutually drafted by the Parties, and the language in all parts of this Agreement shall, in all cases, be construed according to its fair meaning and construed without regard to who drafted such language.

9.0 Notice

Any notice due under this Agreement shall be provided to Parties at the addresses below:

To Kirkland:	City Manager City of Kirkland 123 5 th Avenue Kirkland, WA 98033-6189	Copy to:	City Attorney's Office City of Kirkland 123 5 th Avenue Kirkland, WA 98033-6189
--------------	---	----------	---

To Seattle:	Attn: Executive Director Seattle Ethics and Elections Commission P.O. Box 94729 Seattle, WA 98124-4729
-------------	---

10.0 Entire Agreement

This Agreement contains all of the agreements of the Parties with respect to any matter covered or mentioned in this Agreement. No provision of the Agreement may be amended or modified except by a written agreement signed by the Parties.

IN WITNESS THEREOF the Parties hereto have executed the Agreement on the dates shown below with their respective signatures.

CITY OF KIRKLAND

CITY OF SEATTLE

By: _____

By: _____

Its: _____

Its: _____

Date: _____

Date: _____

FISCAL NOTE

CITY OF KIRKLAND

Source of Request

Marilynne Beard, Assistant City Manager

Description of Request

Request funding of \$5,000 from the Council's Special Projects Reserve to fund a contract with the Seattle Ethics and Elections Commission to review the draft Code of Ethics and develop a comprehensive training program.

Legality/City Policy Basis

Fiscal Impact

One-time use of \$5,000 of the Council Special Projects Reserve. The reserve is able to fully fund this request.

Recommended Funding Source(s)

	Description	2012 Est End Balance	Prior Auth. 2011-12 Uses	Prior Auth. 2011-12 Additions	Amount This Request	Revised 2012 End Balance	2012 Target
Reserve	Council Special Projects Reserve	251,534	53,000	0	5,000	193,534	N/A
	2011-12 Prior Authorized Use of this reserve: \$5,000 for the Eastside Severe Weather Shelter, \$10,000 for Green Kirkland, \$3,000 for the King County Development Block Grant (CDBG) consortium program, \$10,000 for the Eastside Severe Weather Shelter and \$25,000 Cultural Council Program work plan.						
Revenue/Exp Savings							
Other Source							

Other Information

Prepared By	Karen Terrell, Budget Analyst	Date	October 6, 2011
-------------	-------------------------------	------	-----------------



CITY OF KIRKLAND
City Attorney's Office
123 Fifth Avenue, Kirkland, WA 98033 425.587.3030
www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager

From: Robin S. Jenkinson, City Attorney
Tracey Dunlap, Director of Finance and Administration

Date: October 4, 2011

Subject: Memorandum of Understanding Regarding Utility Tax

RECOMMENDATION

Approve the attached Resolution authorizing the City Manager to execute the Memorandum of Understanding Regarding Utility Taxes Between the Cities of Bellevue, Medina, Issaquah and Kirkland, and the Towns of Hunts Point and Yarrow Point.

BACKGROUND DISCUSSION

In October 2008, the Washington State Supreme Court issued its opinion in the case of *Lane v. City of Seattle* holding that "fire hydrants" are a general government responsibility and cannot be paid through water rates.¹ Based on this ruling, Seattle removed fire protection costs from its water rate and allocated the cost to its General Fund. Fire protection costs were not defined in the *Lane* opinion, but Seattle interpreted fire protection costs to mean the total cost of providing fire protection capacity, including hydrants, oversized pipe, and reservoir storage. Seattle elected to recover ongoing fire protection costs by raising the utility tax on water services and by charging other jurisdictions in its service area.

The City of Bellevue's Water Utility provides fire protection capacity to customers in Bellevue, Medina, Clyde Hill, Hunts Point, Yarrow Point and small portions of Issaquah, Kirkland and King County. Following the *Lane* opinion, Bellevue determined that the full "fire protection" element of its rates should be charged as a general government expense and, in addition to charging its General Fund, billed to other jurisdictions in its service area for a share of fire protection capacity. As a result, Bellevue billed Kirkland for the eight Bellevue hydrants and related infrastructure within the Kirkland city limits (\$2,769 in 2010).

Certain of the cities and towns protested Bellevue's request for payment. (The allocation of fire protection costs to some of the other jurisdictions was significantly higher than Kirkland's.) These jurisdictions requested that Bellevue amend its Utility Occupation Tax Code to tax the gross receipts from water service ratepayers served by Bellevue's water utility outside Bellevue city limits to cover Bellevue's costs of providing these customers with fire protection capacity. This action does not adversely impact the City of Kirkland's utility rate payers.

¹ 164 Wn.2d 875, 194 P.3d 977 (2008).

Bellevue has agreed to this approach. In exchange, the cities and towns joining the Memorandum of Understanding agree that in the event of a successful legal challenge by any taxpayer, customer or ratepayer relating to Bellevue's amendment of its Utility and Occupation Tax, the cities and towns will remit the 2010-2011 amounts requested by Bellevue for fire protection capacity. The Memorandum of Understanding sets forth these terms and conditions.

RESOLUTION R-4899

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND AUTHORIZING THE CITY MANAGER TO EXECUTE A MEMORANDUM OF UNDERSTANDING REGARDING UTILITY TAXES BETWEEN THE CITIES OF BELLEVUE, MEDINA, ISSAQUAH AND KIRKLAND, AND THE TOWNS OF HUNTS POINT AND YARROW POINT.

WHEREAS, the City of Bellevue Utilities Department provides water utility services to residents and ratepayers of the cities of Issaquah, Kirkland and Medina, and to the towns of Hunts Point and Yarrow Point, including the provision of fire hydrants and fireflow water capacity for the purpose of fire suppression; and

WHEREAS, Bellevue has historically included the costs associated with fireflow capacity in water utility rates for customers throughout its water utility service area; and

WHEREAS, in October of 2008, the Washington Supreme Court issued a decision in *Lane v. Seattle Public Utilities*, 164 Wn.2d 875 (2008), holding that the provision of fireflow capacity is a governmental function separate from the proprietary functions of a water utility; and

WHEREAS, the Court further held that the costs of providing fireflow capacity must therefore be paid out of a local government's general fund and that such costs may not be charged directly to water utility ratepayers; and

WHEREAS, in compliance with the Court's ruling, Bellevue transferred the cost of providing fireflow capacity charges to its general fund as a general governmental expense; and

WHEREAS, to offset the impact to Bellevue's general fund from providing fireflow capacity to water utility customers outside of its city limits, Bellevue has agreed to amend its Utility Occupation Tax Code to tax the gross receipts from water service to ratepayers outside its city limits to cover Bellevue's costs of providing those customers with fireflow capacity;

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

Section 1. The City Manager is hereby authorized and directed to execute on behalf of the City of Kirkland a Memorandum of Understanding substantially similar to that attached as Exhibit "A", which is entitled "Memorandum of Understanding Regarding Utility Taxes Between the Cities of Bellevue, Medina, Issaquah and Kirkland, and the Towns of Hunts Point and Yarrow Point."

Passed by majority vote of the Kirkland City Council in open meeting this ____ day of _____, 2011.

Signed in authentication thereof this ____ day of _____,
2011.

Attest: _____
MAYOR

City Clerk

**MEMORANDUM OF UNDERSTANDING REGARDING UTILITY TAXES BETWEEN
THE CITIES OF BELLEVUE, MEDINA, ISSAQUAH
AND KIRKLAND, AND THE TOWNS OF HUNTS POINT AND YARROW POINT**

This Memorandum of Understanding is made as of the _____ day of _____, 2011 Between the Cities of Bellevue, Medina, Issaquah and Kirkland all municipal corporations, which are located in and existing under the laws of the State of Washington and between the towns of Hunts Point and Yarrow Point, both municipal corporations located in and existing under the laws of the State of Washington (which governmental entities may be referred to collectively as “Parties”).

I. RECITALS

WHEREAS, the City of Bellevue Utilities Department (referred to as the “Utility”) provides water utility services to residents and ratepayers of the cities of Issaquah, Kirkland and Medina, and to the Towns of Hunts Point and Yarrow Point. Such utility services include the provision of fire hydrants and fireflow water capacity for the purpose of fire suppression (otherwise referred to as “fireflow capacity”);

WHEREAS, the Utility has historically included the costs associated with fireflow capacity in water utility rates for customers throughout its water utility service area; and

WHEREAS, in October of 2008, the Washington State Supreme Court issued a decision in *Lane v. Seattle Public Utilities*, 164 Wn.2d 875, 194 P.3d 977 (2008) holding that the provision of fireflow capacity is a governmental function separate from the proprietary functions of a water utility. The Court further held that the costs of providing fireflow capacity must therefore be paid for out of a local government’s general fund and that such costs may not be charged directly to water utility ratepayers; and

WHEREAS, in compliance with the Court’s ruling, the City of Bellevue transferred the costs of providing fireflow capacity charges to its General Fund as a general governmental expense; and

WHEREAS, the City of Bellevue, to offset the impact to its General Fund from providing fireflow capacity to water utility customers outside the City limits, requested payment from the Parties for their respective proportionate share of the utility facility costs associated with the Utility’s provision of fireflow capacity to each jurisdiction; and

WHEREAS, certain Parties to this Memorandum of Understanding have protested the City of Bellevue’s request for such a payment for various reasons and have requested that Bellevue amend its Utility Occupation Tax Code to tax the gross receipts from water service ratepayers outside the City limits to cover Bellevue’s costs of providing customers outside the Bellevue City limits with fireflow capacity; and

WHEREAS, the Parties agree that it is inequitable to require the taxpayers of the City of Bellevue to subsidize the provision of fireflow capacity to utility customers located outside of the city limits of Bellevue; and

WHEREAS, the Washington Supreme Court ruled, in *Burba v. Vancouver*, 113 Wn.2d 800, 783 P.2d 1056 (1989), that a municipality may lawfully impose a tax on revenue generated by a utility from customers served outside the city limits provided a reasonable relationship exists between the event taxed and the benefit conferred; and

WHEREAS, the Parties agree that a reasonable relationship exists between the event taxed and the benefit conferred with respect to the Utility's provision of fireflow capacity; and

NOW, THEREFORE, the Parties agree as follows:

II. PRINCIPLES OF UNDERSTANDING

1. Amendment to Bellevue City Code (BCC). Bellevue shall take all necessary steps, including any required public notice, to amend BCC 4.10.025 ("Utility Occupation Tax") to provide for application of its utility tax rate as measured against the gross proceeds of sales from customers of the utility throughout its entire water service area.

2. Adjustment of Rates or Charges. It is expressly understood and agreed to by the Parties that the Utility may adjust rates or charges for utility customers located throughout the service area in order to offset the increase in Utility Occupation Tax imposed on the Utility occasioned by an amendment to BCC 4.10.025 to allow for collection of utility taxes outside of the City of Bellevue's municipal boundaries, and further that nothing herein shall be deemed to prohibit Bellevue from adjusting rates and charges within its lawful authority to recoup costs incurred by the Utility associated with the Court's ruling in *Lane, supra*.

3. Agreement to Pay for Costs Associated with Provision of Fireflow Capacity. Should a successful legal challenge be made by any taxpayer, customer or ratepayer relating to Bellevue's authority to amend the scope of its Utility Occupation Tax or relating to the Utility's authority to tax customers located outside of the City of Bellevue's municipal boundaries, or related to any adjustment in rates or charges to offset the increase in the Utility Occupation Tax imposed on the Utility, each of the Parties shall remit payment to the City of Bellevue for its proportionate share of the cost associated with the Utility's provision of fireflow capacity within ninety (90) days of receipt of a request for payment from the City of Bellevue. PROVIDED, however, that the Parties retain the right to challenge the amount of the payment requested by Bellevue and the right of Bellevue to pass the costs of individual elements of fireflow capacity costs on to the Parties.

4. Term and Termination. This Memorandum of Understanding shall remain in effect so long as the provision of fireflow capacity is legally characterized as a governmental function of a

water utility or municipality and the costs of that service are required to be paid for out of a local government’s general fund. PROVIDED, however, that any Party to this Memorandum of Understanding may choose to opt out by giving at least ninety (90) days written notice to the Utility that it has secured alternative fireflow capacity service. If the Utility chooses to cease provision of fireflow capacity service to any Party, it shall provide at least 365 days written notice to the affected Party. If any other binding Agreement or Contract between the Utility and one or more of the other Parties provides for greater notice of cessation of fireflow capacity service, that longer period shall apply.

5. Modification and Amendment. No modification or amendment of any of the terms or provisions of this Memorandum of Understanding shall be binding upon any Party unless made in writing and signed by all Parties or by a duly authorized representative or agent of such Parties.

6. Severability. In the event that any court shall find any portion of this Memorandum of Understanding unenforceable, the remaining portion shall remain in full force and effect.

7. Governing Law. This Agreement shall be governed in all respects by the law of the State of Washington.

8. Execution in Counterparts. This Memorandum of Understanding may be executed in several counterparts, each of which when so executed shall be deemed an original copy and shall become effective upon all signatures by all Parties upon one or more of such identical counterparts. It is further agreed that a signature page sent by facsimile or by electronic mail shall be deemed to be an original.

IN WITNESS WHEREOF, the PARTIES have executed this Memorandum of Understanding as of the day and year first written above.

CITY OF BELLEVUE

CITY OF KIRKLAND

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

CITY OF ISSAQUAH

CITY OF MEDINA

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

CITY OF YARROW POINT

TOWN OF HUNTS POINT

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

Approved as to form:

Lori Riordan
City Attorney
City of Bellevue

Date

Approved as to form:

Robin Jenkinson
City Attorney
City of Kirkland

Date

Approved as to form:

Wayne Tanaka
City Attorney
City of Issaquah

Date

Approved as to form:

Bruce Disend
City Attorney
City of Medina

Date

Approved as to form:

Wayne Steward
Town Attorney
Town of Yarrow Point

Date

Approved as to form:

Mike Kenyon
Town Attorney
Town of Hunts Point

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: Barry Scott, Purchasing Agent

Date: October 4, 2011

Subject: REPORT ON PROCUREMENT ACTIVITIES FOR COUNCIL MEETING OF OCTOBER 18, 2011

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 September 22, 2011, are as follows:

	Project	Process	Estimate/Price	Status
1.	2011 Emergency Sewer Projects	Invitation for Bids	\$885,000-\$1,040,000	Advertised on 10/3 with bids due on 10/17.
2.	Eductor Truck (Catch Basin Cleaner)	Cooperative Purchase	\$415,313.01	Purchase order issued using WA State Contract with Enviro-Clean.

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

**CITY OF KIRKLAND**

123 Fifth Avenue, Kirkland, WA 98033 425.587.3000
www.ci.kirkland.wa.us

MEMORANDUM

To: Kurt Triplett, City Manager
From: Ellen Miller-Wolfe, Economic Development Manager
Date: October 6, 2011
Subject: 2011-12 Cultural Council Work Plan

RECOMMENDATION:

That the City Council approves the Cultural Council Work Plan for 2011-12.

Background:

The City Council met on July 19, 2011 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, has relied upon an \$8000 grant from 4Culture and some money that it has raised to cover the costs of limited staffing (4hrs. 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 City-affiliated fundraising, and that an evaluation would be undertaken to determine the best option for providing arts programs for the City. The Council asked that staff return with a work plan in October that outlined the evaluation.

Staff prepared a work plan and has since revised it to incorporate input from the KCC meeting of September 21, 2011 and the Economic Development Committee (EDC) meeting of September 26, 2011. Also attached (Attachment A) are recommended changes to the work plan proposed by the KCC.

Staff Recommendation:

That the City Council adopts the work plan and authorizes the Economic Development Committee to oversee the evaluation and receive input from the Kirkland Cultural Council. The Economic Development Manager will prepare a reading item in January, 2012 briefing City Council on the progress of the evaluation and return in May, 2012 with recommendations for future arts programming.

Cultural Council Work Plan and Budget Estimate October 6, 2011

Work Plan Objectives

- Analyze the Cultural Council's founding resolution, current mission, vision and scope of work including goals outlined in the Vision 2020 Plan
- Recommend options for functions that should remain within a City advisory board, what functions might be jettisoned and those that might be taken on by an organization outside the purview of the City.
- Develop an estimate (staffing, operations, etc.) for cultural, arts and heritage programs and services
 - Develop a cost estimate if the City was to retain all or some of these functions and include the cost of possible outsourcing of staffing.
 - Develop an estimate for outside organization or agency assumption of functions and consider what if any contribution the City would make in support
- Take initial steps to explain and implement the model for cultural, arts and heritage services to the community. (Options could include those presented to City Council in July, 2011 and variations).

Information Gathering

Staff, with assistance from an outside consultant, members of the Cultural Council, and other volunteers will conduct research about other cities and agencies to answer questions posed by City Council members. Outside consultant will conduct interviews and meetings with key stakeholders, and facilitate discussions. Research questions may include but not be limited to the following:

- What other cities in King County have arts councils? Provide general demographics of these cities along with arts data.
- What is their mission and scope and how does it compare to the current Kirkland model?
- What level of funding (dollar amount) is allocated to the arts council and other arts-related activities?
- What level of staffing (FTE) supports the arts council and other arts-related activities?
- What City department(s) oversee arts programs?
- What are the sources of funding for the arts? (admissions tax, lodging taxes, general fund...) Differentiate between direct funds to arts agencies versus funds for an advisory board

- Do any arts councils raise funds for their activities?
- Do any arts councils partner with other agencies? If so, what agencies?

Analysis

Research and analysis will aim to answer these questions:

- What is the current involvement of the City in arts programs and services?
- What is the City government role in supporting the arts in this community?
- What benefits come from having an arts council?
- How can we optimize the work of the Cultural Council to enhance benefits to the community? What does the framework for optimizing arts services to the community look like?
- How much financial or staff support is the City willing to provide and what can be accomplished with those resources?
- What are the benefits and challenges of services being provided by the City versus an outside organization or agency?
- How would we measure performance going forward?

Process

The City Council has allotted a little over a year to come up with a plan for arts, culture and heritage for Kirkland. The suggested calendar allows time for analysis as well as for implementing whatever model or models are decided upon.

- Review video of City Council consideration of options for KCC (September, 2011) and letters to the City Council
- Prepare work plan for review by KCC and EDC (September, 2011)
- Bring work plan to City Council for review and approval (October, 2011)
- Determine scope of work and retain consultant for interview, facilitation and other duties as required (October-November, 2011)
- Gather background information from other cities and agencies (October-November, 2011)
- Interview KCC, EDC, staff and others (November-January, 2012)
- Reading file item on progress for City Council (January, 2012)
- Present findings and explore **Analysis** questions with KCC and EDC possibly in a one-day workshop retreat (February, 2012)
- Generate a report of workshop outcomes for general consumption (KCC, EDC, Council reading file (March, 2012)
- Prepare recommendations for future arts model (February-March, 2012)
- Share recommendations and gather input from KCC and EDC (April, 2012)
- Bring recommendations forward to City Council (May, 2012)

- Implement decision (Possible budget revisions, partnership agreements, nonprofit development...) (June-December, 2012)

Budget Estimate

• KCC Staffing	\$ 15,800
• Incidental Costs	
○ CACHET (collaboration with local arts groups)	\$ 4,000
○ Artwalk (monthly activity)	
○ Public/Private art consultation	
○ Other	
• Consultant Services	<u>\$ 6,200</u>
	\$ 25,000

*Does not include anticipated 2012 grant from 4Culture or any carryover of 2011 4Culture funds and fundraising proceeds

Attachment A

September 21, 2011

TO: Kirkland Cultural Council Members, Ellen Miller-Wolfe, Julie Huffman, GG Getz, Kathy Page Feek

FROM: Leah Kliger, Cultural Council Member and Past Chair

RE: Cultural Council Workplan Discussion Draft 09 16 11

Ellen's draft workplan is a good starting point as the City of Kirkland, current and former Cultural Council Members, City staff, the City Manager, and City Council members ponder the future of the Kirkland Cultural Council. My comments on the workplan itself are shown in bold, beginning on page 2.

A note on the workplan. Ellen's draft indicates current members of the Cultural Council would be **unable** to participate in the information gathering and/or the analysis phase of this project. As a Kirkland citizen and member of a City Board (as opposed to being a paid City staff member), I have a 1st amendment right to gather and contribute information to the City of Kirkland for this project. In fact, I have been asked to do so by City Council members. Other members of the Cultural Council have also expressed interest in helping with this project.

Cultural Council members have a wealth of knowledge about the arts, have previously been instrumental in the development and implementation of the recommendations called for in the Vision 20/20 plan for the arts, culture and heritage, and have worked tirelessly to assure that one of the City's main 'brands' is alive and well. We have previously gathered and provided same/similar, reliable and accurate information as is being asked for in both the information gathering and analysis phase of this project. We would save precious City tax dollars payers if we limited the use of an outside consultant.

Estimated breakdown of current funds:

• City Council Funds allocated in July	\$25,000
• 4Culture (remainder of 2011 allocation)	4,000
• 4Culture 2012 allocation	8,500
• ARTisan Gourmet fund raising,	1,800
• Miscellaneous (charm sales, carry forward funds)	<u>5,000</u>
Total	\$ 44,300 ESTIMATED

Managing and using these funds wisely is imperative. Hence, rather than hiring an outside consultant for this project, I propose that the City contract with a professional arts and culture administrator at an hourly rate for the remainder of the budget year (July, 2012). The arts administrator, working with volunteers, could gather the information required for this project.

S/he would also direct, manage, and implement Cultural Council goals and related arts/culture/heritage projects. This would not only save money but would enable our very busy current city staff Ellen and Julie to concentrate on their other roles and responsibilities.

Leah Kliger's comments are in bold:

Cultural Council Workplan

Discussion Draft 091611

Workplan Objectives

- Analyze the Cultural Council's **current mission, vision, current goals, scope of work, and the responsibilities and objectives and goals outlined in the Vision 20/20 Plan reviewed by former City Council members and adopted by the Cultural Council at several Cultural Council retreats.**
- **What are the recommended options for Cultural Council functions?**
 - **What functions should remain within a city advisory board?**
 - **What functions should be jettisoned?**
 - **What functions could be appropriately taken on by an organization or agency outside the purview of the City?**
- Develop an estimate of **bi-ennial dollar support for F.T.E. staff and/or a contractual professional arts administrator to support for city-retained functions,**
- Develop a **dollar estimate of what it would take (i.e. operations, staff, fund raising, etc.) for an outside organization or agency to assume Cultural Council functions. What role and future dollar support from the City would be necessary in this scenario?**
- Take initial steps to **explain and implement the model for cultural, arts and heritage services to the community.** (Options could include those presented to City Council in July, 2011 and variations).

Information Gathering

Staff, with assistance from an outside consultant and volunteers, **including those** currently serving on the Cultural Council, will conduct research about other cities and agencies to answer questions posed by City Council members. Research questions may include but not be limited to the following:

- What other cities in King County have arts councils? Provide general demographics of these cities along with arts data.
- What is their mission and scope (**including % for arts programs**) and how does it compare to the Kirkland model?

- What level of funding (dollar amount) is allocated to the arts council and other arts-related activities?
- **What City department(s) staff/manage the arts council?**
- What level of staffing (FTE) supports the arts council and other arts-related activities ?
- What are the sources of funding for the arts? (admissions tax, lodging taxes, general fund, **grants, 4Culture**), etc. Differentiate between direct funds to arts agencies versus funds for an advisory board
- Do any arts councils raise funds for their activities?
- **How effective do they judge their activities to be?**

Analysis*

Research and analysis will aim to answer these questions:

- What is the City government role in supporting the arts in this community?
- What benefits come from having an arts council?
- How can we optimize the work of the Cultural Council to enhance benefits to the community? What does the framework for optimizing arts services to the community look like?
- How much financial or staff support is the City willing to provide and what can be accomplished with those resources?
- What are the benefits and challenges of services being provided by the City versus an outside **organization** or agency?
- How would we measure performance going forward?

*Note that analysis does not include the existing Cultural Council structure because it is not necessary to analyze maintaining the status quo.

Process

The City Council has allotted a little over a year to come up with a plan for arts, culture and heritage for Kirkland. The suggested calendar allows time for analysis as well as for implementing whatever model or models are decided upon.

- Review video of City Council consideration of options for KCC (September, 2011) and letters to the City Council
- Prepare workplan for review by KCC and EDC (September, 2011)
- Bring workplan to City Council for review and approval (October, 2011)
- **Determine scope of work and retain consultant and/or professional arts administrator** for interview, facilitation and other duties as required (October-November, 2011)

- Gather background information from other cities and agencies (October-November, 2011). **Much of this information can be gathered by volunteers.**
- Interview KCC, EDC, staff and others (November-December, 2011)
- Present findings and explore **Analysis** questions with KCC and EDC possibly in a one-day workshop retreat (January, 2012)
- Generate a report of workshop outcomes for general consumption (KCC, EDC, Council reading file (February, 2012)
- **Obtain input and brainstorm recommendations for future arts model from current Cultural Council members**
- Prepare recommendations for future arts model (February-March, 2012)
- Share **draft** recommendations with KCC and EDC (April, 2012) **and make changes as necessary.**
- Bring recommendations forward to City Council (May, 2012)
- Implement decision (Possible budget revisions, partnership agreements, nonprofit development...) (May-December, 2012)



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
Date: October 10, 2011
Subject: RESERVE REPLENISHMENT PRINCIPLES

RECOMMENDATION:

Council approves a resolution describing the reserve replenishment principles, for incorporation into the reserve fiscal policies during the next update (for 2013-2014 budget).

BACKGROUND DISCUSSION:

At the October 4 Council Study Session, a review of reserve policies and associated recommendations were presented. Based on that discussion, staff recommends proceeding with a two-prong approach to updating the reserve policies:

- Approve the reserve replenishment principles at this time to provide guidance in reserve planning for the mid-biennium budget update, as presented in Exhibit 1. Since it will be some time before the City approaches the target level, replenishment strategies can be put in place while alternate approaches to revising the targets are evaluated.
- Consider revisions to reserve targets during the first quarter of 2012, prior to initiation of the 2013-2014 budget development process. Staff will prepare options for reserve targets based on Council feedback and revisions will be approved by separate resolution during the first quarter. These revisions will then be formalized in the fiscal policies as part of the adoption of the 2013-2014 budget in late 2012.

RESOLUTION R-4900

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND ESTABLISHING RESERVE REPLENISHMENT PRINCIPLES.

WHEREAS, reserves are an integral part of the City’s financial planning strategy and provide a tangible external measure of financial strength; and

WHEREAS, maintaining reserves is a best practice in government financial management and the Government Finance Officers Association (GFOA) has published best practice guidelines, including “Replenishing Fund Balance in the General Fund”; and

WHEREAS, the economic downturn that began in 2008 resulted in the planned use of over \$4 million dollars in reserves to help smooth the transition to lower revenue and service levels; and

WHEREAS, revenues appear to be stabilizing and the 2011-2012 budget was balanced without the use of reserves, however, the continued discussion of the process for replenishing those uses needs to be a priority;

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

Section 1. The City Manager is hereby authorized and directed to implement the Reserve Replenishment Principles as outlined in the attached “Exhibit 1” dated October 18, 2011.

Section 2. The City Manager is further authorized and directed to incorporate the Reserve Replenishment Principles as outlined in attached “Exhibit 1” into the reserve fiscal policies during the next update for the 2013-2014 budget.

Section 3. The City Manager is further authorized and directed to provide updated reserve targets for Council review and adoption by April 30, 2012, for incorporation into the reserve fiscal policies for the 2013-2014 budget.

Passed by majority vote of the Kirkland City Council in open meeting this ____ day of _____, 2011.

Signed in authentication thereof this ____ day of _____, 2011.

MAYOR

Attest:

City Clerk

Exhibit 1: Reserve Replenishment Principles – October 18, 2011

Reserve replenishments occur in two ways during periods of economic recovery:

- Planned - A specific amount is included in the adopted budget, and
- Unplanned - Ending fund balances are higher than budgeted, either due to higher than budgeted revenues or under-expenditures.

Planned amounts are included as part of the adopted budget. **Planned replenishments toward 80% of the target level shall be set to at least 1% of the General Fund adopted budget.**

Unplanned amounts available at the end of each biennium (if any) should help replenish to target faster. A high percentage (up to all) uncommitted funds available at the end of a biennium should be used for reserve replenishment until reserves meet 80% of target and the revenue stabilization reserve is at 100% of target. Some or all of those unplanned funds may be used in place of planned (budgeted) amounts in the following biennium to the extent it meets or exceeds the 1% budgeted amount.

Once reserves reach 80% of target and revenue stabilization reserve is at 100%, funds may be used to meet other one time or on-going needs. Additional funds should be used to fund a variety of needs, based on the following process:

- Set 50% of available cash toward reserves until they are at 100% of target. The remaining 50% shall be available for one or more of the following needs, depending on the nature of the funds available (one-time or on-going) and in the following order of priority (see flowchart on the following page):
 - Fund liabilities related to sinking funds for public safety and information technology equipment,
 - Maintain current service levels,
 - Fund one-time projects or studies,
 - Increase funding for capital purposes,
 - Restore previous program service reductions,
 - Potential program/service enhancements.

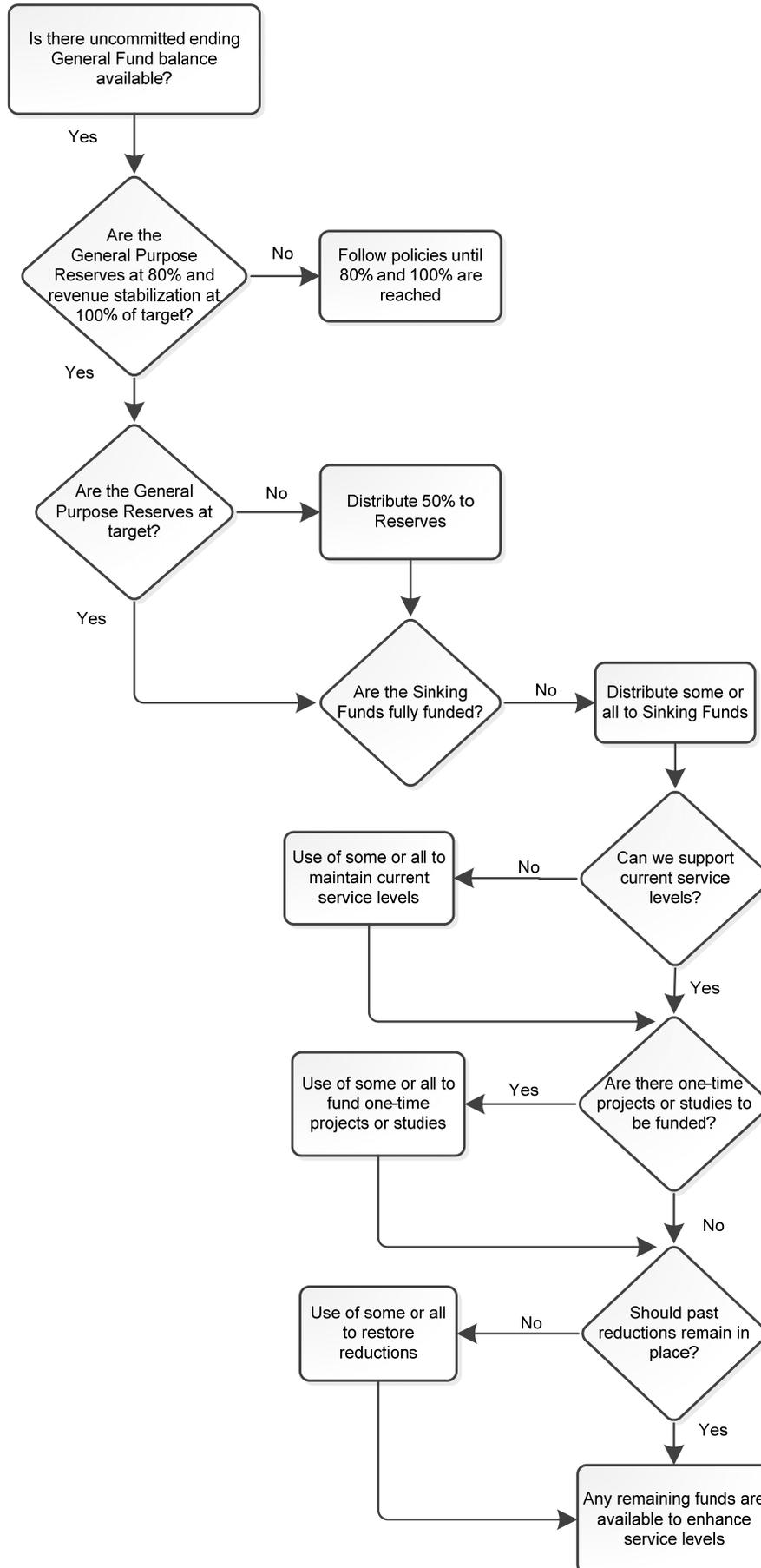
In terms of priority for replenishing the individual reserves, the following guidelines shall be used:

- If the Council Special Projects reserve is below target, replenish to target at the start of each biennium.
- If the revenue stabilization reserve is below target, prioritize replenishing the reserve.
- To the extent cash is from volatile revenues above budgeted amounts, those funds should be applied to revenue stabilization reserve first.
- If unplanned funds are available because planned reserve uses did not occur, those funds should be returned to the source reserve.
- The source of uncommitted funds should be taken into consideration (for example, interest earnings over budget could be applied to the capital contingency, since they are one of the designated sources for this reserve).
- The degree to which an individual reserve is below target (for example, the reserve that is furthest from its target level on a percentage basis might receive a larger share of the funds).

Decisions on how replenishments are allocated to specific reserves will be based on where available funds came from and on each reserve's status at the time the decision is made.

The replenishment policy will provide a mechanism whereby Council may take action to suspend replenishment policies if it was found that special conditions existed warranting such action.

Decision Making Process for Unplanned Fund Balances if Reserves are Greater Than 80% of Target





CITY OF KIRKLAND

City Manager's Office

123 Fifth Avenue, Kirkland, WA 98033 425.587.3001

www.ci.kirkland.wa.us

MEMORANDUM

To: Kurt Triplett, City Manager
From: Kari Page, Neighborhood Outreach Coordinator
Date: October 6, 2011
Subject: Upcoming City Council Meetings in the "New" Juanita Neighborhood

RECOMMENDATION:

City Council finalizes the agenda for the City Council Meeting in the "New" Juanita Neighborhood.

BACKGROUND:

The Council is scheduled to meet with the "New" Juanita Neighborhood residents on Thursday, November 3, 2011 6:45 p.m.–8:45 p.m. at Juanita Elementary Gym, 9635 Northeast 132nd Street.

Unless otherwise instructed by Council, staff will continue to structure the format of the meeting similar to the City Council Meeting with the Finn Hill Neighborhood with information tables and charts for participants to prioritize topics (with dots) to be discussed at the meeting.

The agenda for the meetings is as follows:

- 6:45-7:00 p.m. Informal Casual Conversations
- 7:00-7:05 p.m. Welcome and Introduction—Mayor Joan McBride
- 7:05-7:10 p.m. Comments from the Neighborhood Chair, Mary Dunphy
- 7:10-7:30 p.m. Introductions from City Council Members
- 7:30-8:45 p.m. General Discussion and Questions from Audience
- 8:45 p.m. Social Time

The "New" Juanita Neighborhood leaders have not provided a list of topics in advance. Juanita residents and businesses will submit their questions and comments by October 17 and staff will forward those to Council the next day. Answers will be provided to Council by October 31.

Attachment A outlines the 2011/2012 timeline for receiving the questions and answers in advance of the meetings and a map of the areas. If you have any suggestions or changes to this schedule, please contact Kari Page at (425) 587-3011.

2011

January	February	March
Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28	Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31

April	May	June
Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30	Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30

July	August	September
Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30

October	November	December
Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30	Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31

2012

January	February	March
Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29	Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31

April	May	June
Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30	Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30

July	August	September
Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30

October	November	December
Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31	Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30	Su Mo Tu We Th Fr Sa 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31

Approved Fall 2011 and Spring 2012 City Council Meetings in the Neighborhoods	
Not shown above	Finn Hill Neighborhood: Wednesday, October 19, 2011
	The "New" Juanita Neighborhood: Thursday, November 3, 2011
	Lakeview Neighborhood: Thursday, March 29, 2012
	Moss Bay Neighborhood: Monday, May 21, 2012

Milestone	
	Residents receive mailing and submit questions
	Regular Council meeting to finalize agenda
	Directors answer questions from residents
	City Council receives questions and answers
	City Council meeting with the Neighborhood

