
CITY OF KIRKLAND

CITY COUNCIL



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

Vision Statement

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

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

AGENDA

KIRKLAND CITY COUNCIL SPECIAL MEETING

Peter Kirk Room
Thursday, October 25, 2012
3:00 – 9:00 p.m.

COUNCIL AGENDA materials are available on the City of Kirkland website www.kirklandwa.gov. Information regarding specific agenda topics may also be obtained from the City Clerk's Office on the Friday preceding the Council meeting. You are encouraged to call the City Clerk's Office (587-3190) or the City Manager's Office (587-3001) if you have any questions concerning City Council meetings, City services, or other municipal matters. The City of Kirkland strives to accommodate people with disabilities. Please contact the City Clerk's Office at 587-3190. 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. Resolution R-4939, Authorizing the City Manager to Provide a Billing Credit Equivalent to the Cost of One Week of Garbage, Recycling and Compostables Collection Services to the Customers of Waste Management of Washington, Inc.
4. 2013 – 2014 Budget
5. *ADJOURNMENT*



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
Michael Olson, Deputy Director

Date: October 17, 2012

Subject: Solid Waste Credit to Customers for Missed Pickup (One Week) due to Waste Management Labor Strike, July 25 – August 1, 2012

RECOMMENDATION:

It is recommended that the City Council approve the attached resolution providing a one week credit to all residential and business customers for missed solid waste pickup due to the Waste Management labor strike.

BACKGROUND DISCUSSION:

The idea to provide a one week credit to Kirkland residents and businesses was raised by Councilmember Amy Walen, as Chair of the Council's Finance Committee, during the Council's deliberation and adoption of the Solid Waste rates at the October 16th Council meeting. The consensus of the Council at that time was that the Council needed more information prior to any decision and requested that this issue be brought back to the Council for action at the October 25th Special Meeting of the Council.

Fiscal Impact

Total cost for issuing the one week credit is estimated in the range of \$258,000 - \$278,000. This cost will be withheld from the Waste Management September invoice.

It is possible that some residents may have withheld a portion of the utility payment as a result of the missed service, thereby incurring a late fee on the unpaid portion. Staff is requesting authority (as determined by the Director of Finance and Administration) for the waiver of those associated late fees as long as the customer pays the original bill. It is expected that additional costs to the City due to the waiver of those late fees will be minimal.

Legal Right to Withhold Payment

The City has the right to withhold payment based on the current agreement with Waste Management. The provision in section 4 of the contract: FAILURE TO PERFORM, REMEDIES, TERMINATION, Section 4.2 Performance Fees, paragraph 4 states the following:

“Performance fees, if assessed during a given month, shall be deducted from City payments to the Contractor. Performance fees may be levied only if documented in an incident report presented by the City to the Contractor. Performance fees shall only be assessed after the Contractor has been given the opportunity, but has failed to rectify the deficiencies of which it has been notified.”

Waste Management was presented with the incident report documenting the Performance Fees Assessment on September 12, 2012.

Timing

City staff had originally intended to propose a credit to customers once an agreement was reached with Waste Management to settle all issues related to Performance Fees as outlined in the contract. The staff continues to have productive conversations with Waste Management but it is now likely that negotiations around the Performance Fees may not be concluded for several months. Rather than wait an unknown amount of time, there is logic to providing residents and businesses a credit now to demonstrate that the City is responsive to the impact caused by the strike.

The City of Kirkland bills utilities for the entire City in 8 cycles over a 2 month period. Over half of the garbage customers are billed in the odd months including the new neighborhoods. The next billings beginning in November will be the next opportunity to provide the credit to the majority of the solid waste customers. The next opportunity after November will be the January 2013 billings.

Staff believes there is little financial risk to providing the credit because Waste Management's current offer to settle the Performance Fee issue would be sufficient to fund the credits. However, staff intends to fully pursue all Performance Fees as outlined in the contract, which is a significantly higher amount. Staff will report back to the Council once an agreement is reached for direction on how to use any additional funds received from Waste Management. Examples of potential uses could include solid waste reserve replenishment or solid waste rate reduction.

Staff recommends authorization of the credit.

RESOLUTION R-4939

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND AUTHORIZING THE CITY MANAGER TO PROVIDE A BILLING CREDIT EQUIVALENT TO THE COST OF ONE WEEK OF GARBAGE, RECYCLING AND COMPOSTABLES COLLECTION SERVICES TO THE CUSTOMERS OF WASTE MANAGEMENT OF WASHINGTON, INC.

WHEREAS, due to a labor strike, Waste Management of Washington, Inc., the contractor that provides the City's garbage, recycling and compostables collection services agent, failed to collect all the materials it was obligated to collect between July 25 and August 1, 2012; and

WHEREAS, the Council believes the residents of the City should receive a credit on their bills for the services not provided by Waste Management and has determined that a one week credit is an amount that is fair to all residents, can be easily calculated and does not result in excessive administrative costs for the City; and

WHEREAS, some residents may have withheld part of their payment as a result of the missed service and incurred a late fee on the unpaid portion; and

WHEREAS, the City has, consistent with the City's contract with Waste Management, withheld money from amounts normally paid to Waste Management for providing these collection services in order to fund these credits to the residents and businesses of the City.

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 provide a credit to each customer in an amount equivalent to the cost of one week's service to each Kirkland customer of Waste Management's collection services and further authorized to provide a waiver of any associated late fees due to withheld payments, as determined by the Director of Finance and Administration.

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

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

MAYOR

Attest:

City Clerk



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

MEMORANDUM

To: Kurt Triplett, City Manager

From: Tracey Dunlap, Director of Finance and Administration

Date: October 18, 2012

Subject: 2013-2014 Budget Study Session

The study session will begin with Council discussion and potential action on a Resolution to authorize the City Manager to provide one week solid waste service credits to all residential and commercial customers in Kirkland. Once that item is concluded, the Council will proceed to 2013-2014 budget deliberations.

As supplemental materials to the Preliminary Budget Documents that were provided on October 16 and are available at:

http://www.kirklandwa.gov/depart/Finance_and_Administration/Budget/Budget_Documents.htm

The proposed study session agenda is included in preparation for the first budget study session on October 25th.

**CITY OF KIRKLAND
2013-2014 BUDGET
Proposed Budget Meeting Agendas**

Thursday, October 25, 3:00 p.m. to 9:00 p.m.

- I. Agenda Overview and Introductory Comments
- II. Financial Overview
 - a. Budget Overview
 - b. Revenue Trends
 - c. Expenditure Trends
 - d. Budget Priorities
 - i. Relationship to Financial Stability Goal
 - ii. "Special Condition" Suspension of Reserve Replenishment Policies
 - iii. Citizen Survey
 - iv. Reduction rationale
 - v. Service package approach
- III. Major Discussion Topics (*see related issue papers*)
 - a. Public Safety Building Staffing/Operations
 - b. Fire Strategic Plan Implementation
 - c. Human Services/ARCH Funding
 - d. Outside Agencies/Events Funding
 - e. Council questions on other issue papers

[Break for dinner at approximately 5:30]

- IV. Review by Goal Area
- a. Major Recommendations
- V. Follow-up for Next Meeting

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| <p>Goal Order: <i>Public Safety</i> <i>Balanced Transportation</i> <i>Dependable Infrastructure</i> <i>Parks, Open Spaces and Rec. Services</i> <i>Economic Development</i> <i>Human Services</i> <i>Housing</i> <i>Environment</i> <i>Neighborhoods</i> <i>Financial Stability (see item II-d-i above)</i></p> |
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Wednesday, November 7, 6:00 p.m. Study Session

- I. Continue Review from October 25
- II. Follow-up for Next Meeting
- III. Public Hearing at Regular Council Meeting

Tuesday, November 13, 6:00 p.m. Special Meeting

- I. Follow-up from Previous Meetings and Recap of Council Changes
- II. Complete Council Deliberations and Prepare Council Budget Proposal for Public Hearing

Tuesday, November 20, 7:30 Regular Meeting

- I. Review Changes to Preliminary CIP
- II. Public Hearing
- III. Complete Council Deliberations (Finalize Budget)
- IV. Preliminary Property Tax Levy

Tuesday, December 11, 7:30 Regular Meeting

- I. Year-End Budget Adjustment
- II. CIP Adoption
- III. Final Property Tax Levy Ordinance
- IV. Adoption of Budget and all related Ordinances and Resolutions