
CITY OF KIRKLAND

CITY COUNCIL



Amy Walen, Mayor • Penny Sweet, Deputy Mayor • Jay Arnold • Dave Asher
Shelley Kloba • Doreen Marchione • Toby Nixon • 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.*

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AGENDA

KIRKLAND CITY COUNCIL SPECIAL MEETING

City Council Chamber

Wednesday, November 4, 2015

6:00 p.m. – Study Session

7:30 p.m. – Special Meeting

COUNCIL AGENDA materials are available on the City of Kirkland website www.kirklandwa.gov. Information regarding specific agenda topics may also be obtained from the City Clerk's Office on the Friday preceding the Council meeting. You are encouraged to call the City Clerk's Office (425-587-3190) or the City Manager's Office (425-587-3001) if you have any questions concerning City Council meetings, City services, or other municipal matters. The City of Kirkland strives to accommodate people with disabilities. Please contact the City Clerk's Office at 425-587-3190. If you should experience difficulty hearing the proceedings, please bring this to the attention of the Council by raising your hand.

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

PLEASE CALL 48 HOURS IN ADVANCE (425-587-3190) if you require this content in an alternate format or if you need a sign language interpreter in attendance at this meeting.

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.

1. *CALL TO ORDER*
2. *ROLL CALL*
3. *STUDY SESSION*
 - a. 2015-2016 Mid-Biennial Budget Update
4. *EXECUTIVE SESSION*
5. *HONORS AND PROCLAMATIONS*
6. *COMMUNICATIONS*
 - a. *Announcements*
 - b. *Items from the Audience*
 - c. *Petitions*
7. *SPECIAL PRESENTATIONS*
 - a. Transit Options on the Cross Kirkland Corridor Update
8. *CONSENT CALENDAR*
 - a. *Approval of Minutes:* October 20, 2015

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.

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.

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

c. General Correspondence

d. Claims

e. Award of Bids

f. Acceptance of Public Improvements and Establishing Lien Period

- (1) 2015 Annual Striping Program, Stripe Rite, Sumner, WA

g. Approval of Agreements

- (1) Resolution R-5165, Approving a Contract Between the Municipal Research and Services Center and the City of Kirkland for City Participation in the Small Works, Consultant and Vendor Rosters.

h. Other Items of Business

- (1) Resolution R-5166, Amending the 2014 Surface Water Master Plan to Include the Totem Lake/Juanita Creek Basin Stormwater Retrofit Conceptual Design Project Final Report.
- (2) Furniture Contract Amendment
- (3) Report on Procurement Activities

9. PUBLIC HEARINGS

10. UNFINISHED BUSINESS

- a. 2015 Comprehensive Plan: Nelson/Cruikshank Citizen Amendment Request*

11. NEW BUSINESS

- a. Draft 2016 State Legislative Priorities Agenda*
- b. King County Solid Waste Transfer Station Plan*

12. REPORTS

a. City Council Reports

- (1) Finance and Administration Committee
- (2) Legislative Committee
- (3) Planning, and Economic Development Committee

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.

(4) Public Safety Committee

(5) Public Works, Parks and Human Services Committee

(6) Tourism Development Committee

(7) Regional Issues

b. City Manager Reports

(1) Calendar Update

13. ITEMS FROM THE AUDIENCE

14. 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, Deputy City Manager
Michael Olson, Director of Finance and Administration
Tom Mikesell, Financial Planning Manager

Date: October 22, 2015

Subject: **2015-2016 MID-BIENNIAL BUDGET UPDATE**

RECOMMENDATION:

City Council holds its Mid-Biennial Budget Review on November 4th to receive an update on the City's financial condition and to review the City Manager's recommendation for adjustments to the 2015-2016 biennial budget.

BACKGROUND DISCUSSION:

State law requires that a mid-biennial review be completed after September 1st and before December 31st during the first year of the biennium. The purpose of this memo and its attachments is to provide a brief financial update to the City Council, present recommended Service Packages for 2016 within Council goal areas, present other adjustments to the revised 2015-2016 Budget, and provide information on related policy decisions.

Financial Update

The August dashboard report (Attachment A) provides high level monitoring of General Fund revenues and expenditures status and a few key revenue and expenditure indicators that are especially important to watch.

Revenues

As part of the mid-biennial review, departments were asked to provide updated revenue estimates for 2015. Based on these estimates, General Fund revenue collection is estimated exceed budget in 2015 primarily because of two sources:

- **Sales tax** revenue through August is 4.8 percent higher than the same period last year. Based on the data to date, sales tax revenue for the year is estimated to be approximately 3.9 percent higher than budgeted (approximately \$689,000 more). The City conservatively budgets sales tax with a modified two-year lag – the 2015 and 2016 budgets were set at the estimated 2014 revenue so the current estimate being over budget is not unexpected. The September sales tax memo (Attachment B) includes an

analysis of sales tax revenue trends by business sectors and compares monthly and year-to-date data to last year. Year-to-date revenue has exceeded budget expectations primarily because of increases in the services and retail sectors (particularly automotive sales), and positive growth in all other major sectors.

As seen in prior years, 25 percent and 15.2 percent of 2015 collections have come from the Auto/Gas Retail and Contracting sectors, respectively. Since such a large portion of the sales tax revenue comes from economically volatile sectors, it is prudent to interpret this strong performance cautiously. Consistent with this philosophy and in line with the modified two-year lag approach, the estimate for 2016 collections has been retained at its budgeted level.

In addition, the imminent redevelopment projects at Totem Lake and Park Place will displace retail activity at both retail centers during construction. Though it is likely that construction sales tax collections from this activity will help offset this impact, maintaining the Sales Tax at its 2016 budgeted level will further serve to cushion the City's General Fund revenues from the near term impact.

- **Development services** revenue through August is tracking at approximately 29.5 percent, or \$1.4 million, ahead of last year. Development services staff estimates that due to the robust development activity, total 2015 collections will exceed budget by \$984,000 in 2015 and \$2.4 million in 2016 (when Parkplace and Totem Lake are expected to pay the bulk of their fees). These excess revenues represent fees collected to support current and future work. A portion of the higher revenue has been designated to support temporary development services staffing to keep pace with the high level of current workload, as discussed in the Service Package section below.

The City maintains development reserves to match revenues collected from projects with the work that in many cases is performed in future years. Consistent with that approach, there are a number of service packages and budget adjustments discussed below that draw from these reserves in the current biennium. Due to the dynamic nature of several large projects next year, the revenues in excess of recovery policies will be tracked through to the end of next year, and will be incorporated into the adjustment of development reserves at the end of 2016.

It is worth noting that the strong performance in these two categories is partially offset by below-budget estimates in two sources:

- **Utility Tax** revenue is tracking 5.8 percent below last year's results, due to poor performance in the private utility sectors. This is likely the result of lower gas and electricity usage during the mild winter, as well as competition and shifting service delivery practices in the telecommunications marketplace. Staff estimates that overall utility tax revenues will come in \$486,000 below the 2015 budget. Staff expects this lower level of collections will continue into 2016, resulting in a potential \$638,000 shortfall for this category.
- **Fines and forfeitures** revenue is projected to be approximately \$328,000 below the 2015 budget (about 11.7 percent below budget), primarily due to a decrease in filings in a number of categories. This is partially due to a number of patrol vacancies in Police in 2015. Though it is likely that a portion of this variance is transient in nature, staff estimates that these revenues may fall short of the 2016 budget by \$212,000.

Other non-General Fund revenues that are estimated to be significantly higher than budgeted in 2015 include:

- **Real Estate Excise Tax (REET)** revenue through August is 40 percent higher than the amount received last year and is already \$695,000 higher than the annual amount budgeted for 2015. The additional revenues are set aside in the REET Reserve to address the City's capital needs and will be brought forward at the November 17th Study Session on the 2015-2020 Capital Improvements Program (CIP).
- **Impact Fee** receipts through August reflect the high level of development activity in the community and do not represent any changes to the fees as presented to the City Council in prior meetings. Transportation impact fees are 84 percent higher than the amount budgeted for the year and 28 percent ahead of the same period last year. Similarly, Park impact fee revenue is 216 percent higher than budgeted and 19 percent ahead of the same period last year. As with REET, the implications of this higher revenue will be brought forward for discussion at the November 17th CIP Study Session. Impact fees can only be used for eligible capacity projects. Park impact fees were originally budgeted for annual debt service payments for the KTUB and McAuliffe Park, however, at its June 4th, 2015 the Council approved the use of existing Park impact Fee balances to fully retire the outstanding bonds in advance of their original maturity date. A budget adjustment to reflect this decision is discussed below.

Expenditures

Departments continue to closely monitor their expenditures in 2015. The estimated under-expenditures at the end of 2015 are largely the result of this stewardship. The following are selected highlights of General Fund expenditures:

- Overall, General Fund expenditures are trailing budget expectations through August. The under-expenditure in 2015 is estimated to be approximately \$1.1 million, of which approximately \$0.9 million is in personnel costs, primarily from vacancies, and the remainder is primarily savings in jail contract costs (approximately \$130,000 in 2015). Of this amount, \$25,000 is designated to support a reorganization of the Corrections Division in the Police Department budget, as discussed in the budget adjustment section below.
- Fire suppression overtime in 2015 is projected to be over budget by approximately \$312,000 at year end, as a result of the minimum staffing impacts from a number of factors, including:
 - Backfill for 5 recruits in the academy during the early part of the year;
 - Battalion Chiefs on medical leave/light duty in the first half of the year;
 - Additional vacancies on the line due to temporary Command staff assignments; and,
 - A higher than average number of vacancies due to non-discretionary reasons, including FMLA, disability, or light duty.

A portion of this overage is absorbed by salary savings generated by vacancies, however, a significant portion has no associated salary savings, which may result in some use of the overtime contingency to cover it. A reserve has been set aside as a fire

overtime contingency (budgeted as \$200,000 for the biennium). The table below summarizes the Fire overtime expenditures in 2015 and nets out the salary savings to derive the portion not covered with salary savings.

Fire Suppression Overtime	2015 Estimate
Suppression Overtime Above Budget	312,000
Suppression Salary Savings	(157,000)
Uncovered Overtime	155,000
Fire OT Reserve	\$200,000
Remainder Available for 2016	\$45,000

The reserve exists as an offset against potential future overages that could affect the General Fund. Since the General Fund is appropriated at the fund level it not necessary to formally transfer monies from the reserve to cover the department overage in 2015, though expenditures in this line item will continue to be monitored through 2016 to calculate adequacy of reserves going forward.

- Although the General Fund personnel costs were under budget, some departments were over budget in the benefits category because their demographics varied from the average used to budget benefits. This is not a line item or program that can be "managed" by a Department Director so budget reconciliation of the benefits category is done centrally by Finance.

The biennial impact of the General Fund revenue and expenditure variances discussed above is shown in the table below. Higher revenues from development services are shown on a separate row, as these amounts are dedicated to support current and future development work.

General Fund - Estimated Variance from Budget	2015	2016	Biennial
Total Revenue Variance	1,779,412	1,744,573	3,523,985
Less: Development Services Revenue Variance	984,748	2,433,599	3,418,347
Revenue Variance Excluding Development	794,664	(689,026)	105,638
Expenditure Savings	1,090,215	-	1,090,215
Total General Fund Change in Fund Balance	1,884,879	(689,026)	1,195,853

As shown in the table, due to the better than expected revenues and departmental expenditure savings, General Fund resources at the end of 2016 are expected to be \$1.2 million higher than budgeted, assuming revenues dedicated for future development work are excluded. Of this amount, \$1.1 million is from estimated expenditure savings and \$106,000 is from higher overall revenue estimates. A portion of these savings is recommended for use in funding service packages and budget adjustments as described below.

Property Tax – Implicit Price Deflator

It is worth noting that the revised 2016 revenue budget assumes the 1% optional property tax levy increase, plus the value of new construction in the City, as originally adopted in the 2015-2016 Biennial Budget. State statute limits the annual property tax levy growth to the lesser of 1% per year or the annual growth in the Implicit Price Deflator (IPD), a measure of annual inflation, without a finding of substantial need. In most years 1% is the limiting factor,

however, the Department of Revenue has notified local property tax officials that for 2016 the limiting factor will be the IPD, which is calculated to be 0.25 percent for 2016 levy purposes.

Adopting a property tax levy using the IPD would result in an overall 2016 Regular Property Tax levy that is \$201,000 lower than what is allowed at a 1% limit. The General Fund share of this difference is approximately \$130,000. Statute allows city governing bodies having more than four members to adopt a levy based on the 1% limit if a resolution or ordinance stating substantial need to levy the higher amount is adopted by a majority plus one vote. The last time the IPD was the limiting factor was in 2009, and at that time the City Council adopted a resolution stating substantial need to levy the higher amount.

It is worth noting that decisions on the 2016 limit have long term implications due to the manner in which each year's property tax levy builds on prior year amounts. In effect, the lower revenue allowed under the IPD limit will carry forward into future years, adding to the deficit the City faces as a result of the expiration of the Annexation Sales Tax Credit in 2021 unless a finding of substantial need is adopted. Staff will prepare a draft resolution of substantial need for Council consideration on November 17th with the preliminary property tax levy.

Legislative Changes to State Shared Revenues

The biennial revenue estimates cited in the table above do not include new state shared operating revenue resulting from the 2015 Legislative Session. Most notably, the amount available to Kirkland from State Liquor Excise Tax revenues was increased by \$30,000 in 2015 and \$211,000 in 2016. A detailed Issue Paper on this topic is included as Attachment C. When the legislature reduced these funds from cities in the past, the Council concurred with the City Manager's recommendation that these funds should be used for the Public Safety Sinking Fund rather than to support on-going operations. Consistent with this practice, the City Manager recommends designating this new ongoing revenue stream to support a portion of the annual \$500,000 deposit to the Public Safety Sinking fund, freeing up a like amount of general revenues for funding recommended service packages.

2016 Service Packages

In the 2015-2016 Budget, the City Manager's recommendations were crafted to address the community and City Council priorities within the context of the City Council goals. The funded service packages, key policy recommendations, and major capital investments were presented within the goal areas that they primarily supported.

As part of this mid-biennial budget review process, and consistent with guidance given during the development of the 2015-2016 Biennial Budget, the City Manager requested departments to restrict service packages for 2016 to the following categories: 1) funded with new revenue or offsetting expenditure reductions; 2) directly related to the 2015-2016 City Work Plan. All the service packages recommended by the City Manager are fully funded through expenditure offsets, available one-time cash or reserves, new revenues, or external funding. A summary of the recommendations and funding sources and the service package request details are included as Attachment D.

2016 SERVICE PACKAGE RECOMMENDATIONS BY GOAL AREA

The City Manager's recommended service packages reflect Council direction and have been identified as supportive of the City's work plan for the current biennium. Similar to the presentation in the 2015-2016 Budget message, the recommended 2016 service packages are presented within the context of the City Council goal area they primarily support, although many of them support multiple goals.



Citizens of Kirkland enjoy high quality services that meet the community's priorities.

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

- **State Legislative Advocate** – Use of \$15,000 of revenues, of which \$3,000 is one-time in 2015 and \$12,000 is ongoing in 2016, to fund increases to the Waypoint Consulting firm's legislative advocacy contract.



We are committed to the protection of the natural environment through an integrated natural resource management system.

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

- **Storm Water Pond Safety Improvements** – One-time use of \$30,000 from existing fund balance to establish a funding source to draw on when new fencing, lighting, locks or signage is needed to secure storm water ponds for safety reasons.
- **Addition to Sewer Master Plan Scope: Inflow and Infiltration Study** – One-time use of \$41,000 from existing fund balance to fund a study required by King County that would determine where any failed and leaking sewer infrastructure is located and how to address it as an addendum to the Sewer Comprehensive Plan update.



Kirkland has a diverse, business-friendly economy that supports the community's needs.

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

- **Expired Permit Inspections** – One-time use of \$45,000 in Building reserves for a pilot program in 2016 using inspector overtime to offer Saturday inspections to address a backlog of expired building permits.
- **Building Digitization Project** – One-time use of \$234,887 from building reserves to support the City's ongoing effort to digitize records for improvements in efficiency, retrieval and retention compliance.
- **Convert Temporary Plans Examiner II Position to Ongoing** – Converts a temporary position from one-time in 2016 to a 1.0 regular position. The temporary position was included as part of a larger adjustment in April 2015 to recognize the higher revenues and workload from the Totem Lake and Park Place projects. The department indicates that due to high levels of ongoing development activity and for recruiting purposes this position should be converted to ongoing. This change does not

have a fiscal impact in 2016 beyond the adjustment made in April; the annual ongoing cost of \$115,993 will be added to the base 2017-2018 Biennial Budget, funded by fees.

- **Houghton/Everest Neighborhood Center Plan** – Use of \$30,000 from one-time 2015 expenditure savings in the Planning and Building budget to fund a formal public review and update process for the Houghton/Everest Neighborhood Center per Resolution R-5067.
- **Electrical/Building Inspector** – Ongoing expense of \$109,957 with a one-time component of \$32,900 for the purchase of a vehicle, for a total of \$142,857 in 2016. This position will be supported by new, ongoing development revenues that are in excess of budgeted amount and will help address the high workload of regular development projects.
- **Zoning Charts to Tables** – To further implement the Development Services review recommendations, use of \$12,000 from one-time 2015 expenditure savings in the Planning & Building budget to complete the Zoning Code reformatting project that streamlines and improves the zoning code formatting and accessibility.

 <p>DEPENDABLE INFRASTRUCTURE</p>	<p><i>Kirkland has a well-maintained and sustainable infrastructure that meets the functional needs of the community.</i></p> <p>Goal: To maintain levels of service commensurate with growing community requirements at optimum life-cycle costs.</p>
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- **Small Sweeper for Parking Garage/Park Lane** – Total funding of \$81,374, of which \$70,000 is one-time and \$11,374 is ongoing, to purchase a small sweeper to allow for more frequent power sweeping of the parking garage and Park Lane. Currently the garage is swept quarterly by a contractor. The 2016 amount is funded by a one-time offset of \$71,500 in savings from contracted sweeping, parking study and parking improvement expenses, and the remaining \$9,874 is funded from higher parking revenues due to daytime charging at the Lake and Central lot.
- **CKC Maintenance Vehicle & Equipment Trailer** – Total funding of \$48,635, of which \$3,635 is ongoing in nature, to purchase equipment for the Public Grounds division of Public Works, including:
 - An electric four wheel utility vehicle for various repair and maintenance purposes along the Cross Kirkland Corridor; and,
 - An equipment trailer for hauling tools and equipment used to maintain City facilities.

The one-time component of this service package is offset by one-time expenditure reductions in 2016.

In addition to recommendations directly related to the Goal areas, the following service package is recommended:

Council/City Manager Directed

- **Maintenance Center Reorganization** – Ongoing funding of \$71,617 across all funds from new revenues and existing fund balances to implement changes to the leadership structure and management positions in Public Works. Funds for the first year of

reorganization effective January 1, 2016 will be drawn from available fund balance. An Issue Paper describing this reorganization is included as Attachment E.

The following table summarizes the various sources used to fund the recommended service packages in 2016.

Funding Source	Amount
General Fund	
Prior Year Savings	42,000
Development Services Revenue	142,857
New Revenue	24,000
Reserves	
Development Reserves	279,887
Subtotal General Fund	488,744
Other Funds	
Available Fund Balance	137,253
Expenditure Offsets	116,500
New Revenue	9,874
Subtotal Other Funds	263,627
Total Recommended 2016 Service Packages	752,371

Other Budget Adjustments

In addition to the budget adjustments to recognize service packages recommended above, there will be a variety of other budget adjustments brought forward for Council approval in December. The adjustments are summarized in Attachment F; noteworthy adjustments include:

- *Council Directed/Other Requests and Previously Approved Adjustments* - Any additional changes identified by Council and formalizing previously approved actions (fiscal notes, etc).
 - **Community Point of Distribution Funding** – Based on direction during the Preliminary CIP discussion at the September 1st Council Meeting, provides ongoing funding to establish and stock Community Points of Distribution (CPODs) in neighborhoods across the City. CPODs provide the location and supplies that can be accessed following a disaster. An ongoing amount of \$6,600 from new ongoing revenues would allow the City to stock two CPODs per year, beginning in 2016, then replenish supplies so every POD is available in a disaster.
 - **Corrections Reorganization** – The Police Department is reclassifying two Corrections Officer positions to supervisory positions to allow twenty four hour supervision in the jail and to enable the Corrections Lieutenant to focus on the administrative duties of the unit. The additional ongoing cost will be \$23,600 per year, funded through a reduction in the contract jail budget line item.
 - **Firefighter Over hires** – In 2016, the Fire Department is anticipating a number of Firefighter retirements. As approved by the City Council at its October 20th, 2015 Regular Meeting, the Department will send two additional candidates to the EMTG Academy in January 2016, to replace Firefighters who retire during the

year. This action created 2 regular FTEs that will sunset once the retirements take place. Since Academy classes are only run once per year in the fall/winter, this 'over hire' approach avoids the need to wait for several months to fill vacancies for retirements that happen mid-year. The department will use \$172,102 from new General Fund revenues to hire and train the new positions and pay the accumulated leave balances for the retiring Firefighters. It is anticipated that this strategy will reduce the need for overtime in 2016 and reduce hiring expenditures in 2017, which could help offset this initial cost while facilitating a smooth minimum staffing transition.

- **Temporary Affordable Care Act Support** – One-time use of \$163,987 from the Health Benefits Fund, and \$13,754 of expenditure offsets in the General Fund, for temporary staff, including 1.0 temporary HR Analyst in Human Resources for 2016 and 1.0 temporary Accounting Support Associate for a six month term in the Finance Department to support Affordable Care Act Internal Revenue Service reporting requirements.
- *Housekeeping Items* - Adjustments that may be needed to budget accounts, fund balances, etc. Examples include recognizing unanticipated grant revenue.
 - **Cost of Service Reconciliation** – General fund costs for internal services including Finance & Administration, the City Manager's Office, Human Resources and the City Attorney's Office are charged to departments and funds using an allocation method based on the prior year's estimated costs. An annual reconciliation of these charges is calculated to true-up actual prior year expenses with the budget, which ensures that only the actual costs of these services are being charged. This one-time adjustment will increase internal charge revenue to General Fund by \$62,734.
 - **Surface Water Billing Correction** – The City's Surface Water Utility charges according to the amount of impervious surface area on each public and privately-owned property in the City. In 2014, Utility staff conducted an audit to verify that city-owned parcels were being billed correctly. This study revealed inaccuracies in the billing methodology for several City-owned properties. To correct for this discrepancy an adjustment will be made to contributions from City funds, totaling \$124,059 in the General Fund and \$58,463 across all other City funds.

These adjustments are funded using a mixture of revenue sources, as shown in the following table:

Funding Source	Amount
General Fund	
Available Fund Balance/New Revenue	248,521
External Source	38,870
Expenditure Offsets	37,312
All Other General Fund Fees & Charges	170,857
Interfund Transfers	568,674
Health Benefits Fund	163,987
Subtotal General Fund	1,228,221
Other Funds	
Available Fund Balance	1,295,082
Interfund Transfers	197,346
Fees & Charges	334,166
External Revenues	431,308
Subtotal Other Funds	2,257,901
Total Recommended 2015-2016 Adjustments	3,486,122

Other Policy Issues

Credit Card Fees

Credit card charges have increased across all activities reflecting an increased use in this form of payment for many of the services provided by the City. In 2015, a large portion of the costs are directly related to increased development activity and current revenues are expected to offset the charges. An issue paper describing policy options is included as Attachment G.

Capital Projects Management

At its August 3, 2015 Regular Meeting, the City Council pre-authorized hiring of new positions to begin reducing the existing backlog of CIP projects, and to staff up to address the projected increase in the overall CIP, from \$181 million in the 2013-2018 update to over \$196 million in the preliminary 2015-2020 CIP. An issue paper describing the new staffing, the plan to address the backlog, how the positions will be funded through charges to projects, and the availability of resources in projects budget is included as Attachment H.

Human Services Funding

During its deliberations on the 2015-2016 Biennial Budget, the City Council requested a comparison of overall investments in human services and human services-related activities for Kirkland and surrounding cities. An issue paper responding to this request is included as Attachment I.

Next Steps

The next steps for the budget process are:

November 17 **Study Session**
2015-2020 Capital Improvements Program Study Session

Regular Meeting
Public Hearings on Budget & Preliminary Property Tax Levy

Preliminary Property Tax Levy Adoption (must occur on this date)

December 8 **Regular Meeting**
Mid-Biennial Budget Adoption
Final Property Tax Levy Adoption
2015-2020 CIP Adoption

August 2015 Financial Dashboard Highlights**October 19, 2015**

- The dashboard report reflects the 2015 share of the biennial budget adopted by the City Council on December 9, 2014, as amended by the City Council on April 7, 2015 and on June 6, 2015. The actual revenues and expenditures summarized reflect results through August 31, 2015, 66.6 percent through the year.
- Total General Fund revenues received through August were at 65.0 percent of budget.
 - Sales tax revenues at the end of August were up 5.9 percent compared to August 2014 and were 68.3 percent of budget. Last year's collections included a number of one-time transactions, making the prior year comparison higher than normal. Sales tax was up 7.2 percent if those transactions from 2014 are excluded. The sales tax revenue reflects activity through June 2015 due to the two month lag in receipt of the funds from the Department of Revenue.
 - Utility tax receipts were \$9.3 million through August, which is 68.3 percent of the budget. June, July, and August collections were up 3.2, 1.1, and 1.0 percent over 2014 respectively indicating that lagging revenues for the first five months were mainly due to mild weather conditions and are on a recovering trend.
 - August General Fund business license revenues are 67.4 percent of budget, which is lower than last August's revenue by \$208,614. The decrease is due to the transfer of a portion of business license fees to fund street improvements capital projects in the CIP beginning in 2015. Excluding this transfer, business license fees are up 2.8 percent from 2014.
 - Development fees through the end of August were 81.2 percent of budget due to a high level of single family related development activity this year. Collections of building and engineering fees are 29.5 percent higher than last year.
 - Gas taxes finished August at \$1.1 million, which is 66.2 percent of the annual budget. This is 2.1 percent higher than August 2014.
- Total General Fund expenditures were 60.8 percent of budget at the end of August.
 - General fund salaries and benefits were \$37.4 million, which is 64.9 percent of the annual budget, with 66.6 percent of the year completed. Salaries and benefits are 4.5 percent higher than in 2014, due to one time and ongoing positions added as part of the 2015-16 budget to increase service levels and meet the needs of the citizens.
 - Fire suppression overtime expenditures were \$729,449 at the end of August, which is 99.2 percent of budget, and \$177,650 higher than in 2014. In addition to the higher overtime early in 2015 as discussed in previous dashboards, high overtime through August is partly the result of two vacancies on the line, which are now being offset by salary savings. One of these vacancies is the result of temporary assignments to Command Staff, while the position of Chief is vacant. In addition a higher than average number of people have been on FMLA, disability, or light duty in 2015, and these positions are often backfilled due to minimum staffing requirements.
 - The 2015-16 one-time service package for \$465,944 of additional overtime funding to staff Fire Station #24 is shown separately on the Dashboard. Expenses are on track, with 64.5 percent spent on overtime staffing for the station in August.
 - Contract jail costs were 43.8 percent of budget at the end of August. This budget covers the costs of housing inmates that cannot be kept at the Kirkland Justice Center jail for medical reasons.
 - Fuel costs ended August at \$275,921 or 37.7 percent of budget. This is \$131,352 less than 2014, due to lower gasoline prices. The yearly comparison is expected to remain lower as long as oil prices are down.

Attachments: August Dashboard, August Development Services Report

City of Kirkland Budget Dashboard

Date Completed

9/22/2015

Annual Budget Status as of **8/31/2015** (Note 1)
Percent of Year Complete **66.67%**

	2015 Budget	Year-to-Date Actual	% Received/ % Expended	Status		Notes
				Current Report	Last Report	
General Fund						
Total Revenues (2)	86,564,939	56,255,206	65.0%			
Total Expenditures	91,837,472	55,874,406	60.8%			

Key Indicators (All Funds)

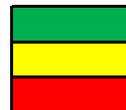
<i>Revenues</i>						
Sales Tax	17,963,747	12,275,600	68.3%			Prior YTD = \$11,596,987
Utility Taxes	14,895,606	9,315,851	62.5%			Excludes \$119,475 recovered in a telephone utility audit
Business License Fees	2,955,769	1,993,342	67.4%			
Development Fees	7,586,037	6,160,155	81.2%			
Gas Tax	1,675,751	1,108,619	66.2%			
<i>Expenditures</i>						
GF Salaries/Benefits	57,713,054	37,442,765	64.9%			Excludes Fire Suppression Overtime
Fire Suppression Overtime	735,411	729,449	99.2%			Excludes FS 24 Overtime
F.S. #24 Overtime Staffing	465,944	300,416	64.5%			
Contract Jail Costs	440,688	193,018	43.8%			
Fuel Costs	731,927	275,921	37.7%			

Status Key

Revenue is higher than expected or expenditure is lower than expected

Revenue/expenditure is within expected range

WATCH - Revenue/expenditure outside expected range



Note 1 - Report shows annual values during the first year of the biennium (2015).

Note 2 - Total budgeted expenditures in 2015 exceed budgeted revenues due to planned use of reserves

n/a - not applicable

Development Services Report – August 2015

Development Services is comprised of the Building, Planning, Public Works and Fire Departments. The Building Department reports on all building construction related permits including electrical, mechanical and plumbing trade permits, signs and grading permits. The Planning Department revenue is the result of land use permits and the Public Works Department revenue is generated from infrastructure improvement permits. The Fire Department permits are not reported on since they are tracked separately. A review of the August, 2015 permit data allows us to offer the following:

- The August, 2015 Building permit related statistics indicates a continuing of our upward trend. New single-family residential permit applications for August were up 41%, with 45 applications received compared to 32 last year; however, commercial tenant improvement and single-family remodel permits decreased (27%) with 44 applications received compared to 60 last August.
- The monthly average of total building related permits received so far this year (528) exceeds the monthly average for 2014 (501) and the total number of permits received in August (546), is more than August 2014 (532).
- Building Department revenue for August, 2015 was \$403,164 which is \$35,626 above the average monthly projected revenue of \$367,538 (74% of the budgeted annual revenue of \$4,410,452 has been collected).
- Public Works Department development revenue for August, 2015 was \$343,254 which is \$217,421 more than the average monthly projected revenue of \$125,833 (116% of the budgeted annual revenue of \$1,510,000 has been collected).
- Planning Department revenue for August, 2015 was \$62,774 which is \$22,723 under the average monthly projected revenue of \$85,497 (83% of the budgeted annual revenue of \$1,025,959 has been collected).



CITY OF KIRKLAND
Department of Finance & Administration
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MEMORANDUM

To: Kurt Triplett, City Manager

From: Michael Olson, Director of Finance & Administration
 Tom Mikesell, Financial Planning Manager
 Alyshia Saltman, Budget Analyst

Date: October 20, 2015

Subject: September Sales Tax Revenue

Year-to-date sales tax revenue through September was **up 5.2 percent** compared to the same period last year. The increase was led by the Auto/Gas Retail and Services sectors, which were up 8.1 and 11.6 percent respectively. Other Retail and Wholesale growth was robust, however, weaknesses in Communications and miscellaneous continue to weigh slightly on collections. Results this month reflect sales activity in July, due to the two month lag in reporting sales tax data.

Comparing September 2015 to September 2014

Comparing collections from the month of September this year and last provides insight into business sector performance controlling for seasonal cycles in sales.

2014 - 2015 Sales Tax Receipts by Business Sector-Monthly Actuals

Business Sector Group	September		Dollar Change	Percent Change	Percent of Total	
	2014	2015			2014	2015
Services	212,434	256,044	43,610	20.5%	13.4%	14.4%
Contracting	247,284	264,630	17,346	7.0%	15.7%	14.9%
Communications	42,406	40,857	(1,549)	-3.7%	2.7%	2.3%
Retail:						
Auto/Gas Retail	362,943	426,004	63,061	17.4%	23.0%	23.9%
Gen Merch/Misc Retail	233,700	241,645	7,945	3.4%	14.8%	13.6%
Retail Eating/Drinking	138,148	143,777	5,629	4.1%	8.7%	8.1%
Other Retail	191,387	226,210	34,823	18.2%	12.1%	12.7%
Wholesale	73,575	79,304	5,729	7.8%	4.7%	4.5%
Miscellaneous	77,792	101,269	23,477	30.2%	4.9%	5.7%
Total	1,579,669	1,779,740	200,071	12.7%	100%	100%

Following the upward trend of 7.6 and 11.2 percent growth in July and August respectively, September sales tax collections are **12.7 percent higher** this year than the same period of 2014. One third of this gain is attributed to the Auto/Gas Retail sector which **increased 17.4 percent** as consumers spent 6.8 million dollars more on vehicles this year than the same period last year.

Continuing on a positive note, Contracting maintained a positive growth trend for the third sequential month and will likely continue through the end of October as the level of construction employment continues to rise. According to the Washington State Economic and Revenue Forecast Council (EFRC), employment gains in the region have been highest in private companies that provide personal services. This information is reinforced by the **20.5 percent increase** in the Services category.

Communications continues to underperform in the wireless category and is the only sector experiencing month-to-month weaknesses compared to 2014. This may be due to the competitive nature of the wireless industry as carriers continually attempt to procure larger market shares by undercutting competitor prices.

Year-to-Date Business Sector Review

Year-to-date sales tax totals are useful for comparing revenues received so far this year with last year's totals through the same period. This information gives context on a sector's longer term performance and allows developing trends to be identified.

City of Kirkland Actual Sales Tax Receipts

Business Sector Group	YTD		Dollar Change	Percent Change	Percent of Total	
	2014	2015			2014	2015
Services	1,690,738	1,886,747	196,009	11.6%	12.7%	13.4%
Contracting	2,110,619	2,142,346	31,727	1.5%	15.8%	15.2%
Communications	384,617	316,190	(68,427)	-17.8%	2.9%	2.2%
Retail:						
Auto/Gas Retail	3,256,578	3,519,220	262,642	8.1%	24.4%	25.0%
Gen Merch/Misc Retail	1,582,722	1,645,946	63,224	4.0%	11.8%	11.7%
Retail Eating/Drinking	1,092,082	1,160,066	67,984	6.2%	8.2%	8.3%
Other Retail	1,789,702	1,878,522	88,820	5.0%	13.4%	13.4%
Wholesale	624,985	704,766	79,781	12.8%	4.7%	5.0%
Miscellaneous	824,629	801,539	(23,090)	-2.8%	6.2%	5.7%
Total	13,356,672	14,055,342	698,670	5.2%	100%	100%

Year-to-date collections remain positive as collections through September were **5.2 percent higher** than last year.

Consistent with month-to-month data, Auto/Gas Retail, Services, and Other Retail were the strongest contributing sectors. Weakness in the Miscellaneous sector is due to one-time factors and does not indicate a trend. The Communications sector weakness continues to be a product of a one-time refund in May 2015 that affected several municipalities in the region; excluding this adjustment the sector would be **down 3.5 percent**.

September marked the third month of positive collections for the Contracting sector as sales tax receipts have grown to be **1.5 percent higher** than last year. Performance this year is due to a rise in single family home construction which has overcome the weight of the downturn in commercial building.

National and Regional Economic Context:

Information about wider trends in the economy provides a mechanism to help understand current results in Kirkland, as well as predict future performance. The table on the following page provides a summary of the most current information available.

Indicator	Most Recent Month of Data	Unit	Month			Yearly Average	
			Current	Previous	Change	2015	2014
Consumer Confidence							
Consumer Confidence Index	September	Index	103.0	101.5	1.5	98.8	86.9
Unemployment Rate							
National	August	%	<i>5.1</i>	5.3	(0.2)	5.4	6.2
Washington State	August	%	5.3	<i>5.3</i>	-	5.7	6.0
King County	August	%	<i>3.6</i>	4.0	(0.4)	4.1	4.7
Kirkland	August	%	<i>2.9</i>	3.4	(0.5)	3.4	4.7
Housing							
New House Permits	July	Thousands	31.4	38.0	(6.6)	43.2	34.4
Seattle Area Home Prices	July	Index	183.3	182.5	0.8	176.8	167.1
Inflation (CPI-W)							
National	August	% Change	(0.3)	(0.3)	-	(0.5)	1.5
Seattle	August	% Change	1.2	1.1	0.1	0.7	1.9
Car Sales							
New Vehicle Registrations	August	Thousands	<i>24.8</i>	25.9	(1.1)	24.6	23.4

Bold numbers indicate data point is highest or lowest in that year.
Numbers in *italics* indicate a negative movement from the previous month's data.

The Consumer Confidence Board reported an increase in the Consumer Confidence Index from 101.5 in August to 103.0 in September. The index's rise is accompanied by a positive view of the current business conditions but a retracted expectation for future conditions. In addition, consumers' views of the labor market were mixed as those expecting more jobs in the months ahead remained flat at 15.0 percent but the anticipation of higher wages increased 2.9 percent.

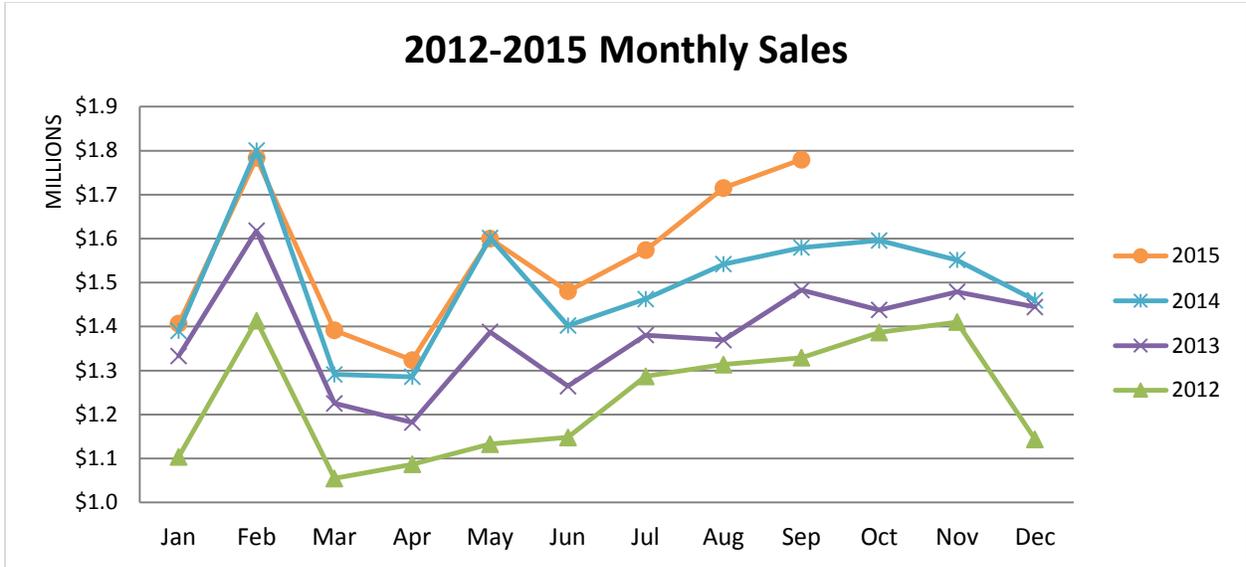
Unemployment Rates were predominately lower in August than they were in July. The national rate fell 0.2 percent, King County lowered 0.4 percent, and the City of Kirkland lowered 0.5 percent. Washington State's unemployment rate remained flat for the third month at 5.3 percent, despite modest job growth, due to a reduction in the number of people participating in the labor force.

Statewide housing market and vehicle sales data indicates strength in the biggest components of our sales tax base at a slower rate than previous months. Statewide housing market values continue to rise as shown by the **Seattle Area Home Price Index**, which was 183.31 in July; just 4.7 percent less than the pre-recession high point of 192.3 in August 2007. As housing prices increase, **New House Permits** declined 6.6 percent from June to July, the first July downturn since 2010. David Crowe, the chief economist at the National Association of Home Builders in Washington, commented to Bloomberg that uncertainty surrounding local water policy and the ability to obtain water connections for new homes or apartment buildings due to the statewide drought could be holding some builders back.

New Vehicle Registrations in Washington experienced a 4.2 percent decrease as new vehicle sales decreased from the post-recession high of 25,900 in July to 24,800 in August. New vehicle registrations remain high despite lower registrations in August and are still comparable to the pre-recession height in November 2007.

Conclusion

As the following chart shows, after several months of somewhat lackluster performance, sales tax revenues have shown four successive months of strong growth compared to last year. The increase is largely due to the Auto/Gas Retail and Services sectors which have benefitted from the regions favorable weather. However, caution is always warranted. While the local economy is strong, economic indicators are beginning to show signs of slowing and we are not immune to the influence of larger global forces.





CITY OF KIRKLAND
Department of Finance & Administration
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MEMORANDUM

To: Kurt Triplett, City Manager

From: Michael Olson, Director of Finance & Administration
Neil Kruse, Senior Financial Analyst

Date: October 14, 2015

Subject: 2015 Legislative Impact to State-Shared Revenues

This memo identifies the impact of legislative action to specific state-shared revenues so that Council can give policy direction.

The state-shared revenues impacted by legislative changes discussed below include:

- Liquor Excise Tax
- Marijuana Enforcement Revenue
- Transportation Package Revenue from Engrossed Substitute Senate Bill (ESSB) 5987

Although they were up for discussion, no legislative action was taken to change annexation sales tax credit and streamlined sales tax mitigation revenues in 2016, so the budget assumptions for these revenues have not changed.

Liquor Excise Tax

The situation for the allocation of Liquor Excise Tax was in flux in 2014, when the 2015-2016 Budget was being developed, as the Legislature was considering various scenarios that reduced the amount of this revenue shared with cities and counties. As a result, MRSC provided pessimistic and optimistic per capita estimates. To be conservative, the City used the pessimistic number to project 2015-2016 revenue. The number ended up being consistent with the optimistic scenario, which increases the expected revenue in 2015 by about \$30,000.

Additional changes to 2016 revenue projections result from legislative action in 2015. The 2013-2015 state budget allocated 77.5 percent of this revenue to the state, leaving only 22.5 percent to be distributed to cities and counties. In addition, the 2012 legislative session created a permanent diversion of \$10 million annually to the state general fund.

The 2015 Legislative session increased the allocation to cities and counties to 35 percent from 22.5 percent, but maintained the \$10 million diversion. The cumulative result of these changes is a revised increase of about \$211,000 in 2016 for Kirkland.

Marijuana Enforcement Revenue

The marijuana legalization legislation initially provides for a \$6 million maximum appropriation for cities and counties based on sales by location from the prior year. The City received its first marijuana enforcement revenue on September 30th and was notified of the amount to be received in state fiscal year 2015 (second half of 2015 and first half of 2016). The total revenue estimate for 2015-2016 is \$28,755 based on the current allocation. However, the distribution amount for the second year of the state biennium (July 2016) will be established next September based on the most recent prior year sales. So, the amount for the second half of 2016 may change as a result.

The only reference in the legislative language regarding the use of this revenue is "The legislature further intends to share marijuana tax revenues with local jurisdictions for public safety purposes and to facilitate the ongoing process of ensuring a safe regulated marijuana market in all communities across the state." This revenue is not currently budgeted. The distribution schedule for all cities and counties receiving this revenue is included as an attachment to this memo.

Transportation Package

The 2015 legislative session passed a transportation package funded by an increase in gas tax of 11.9 cents per gallon and increases to other licensing fees with the intent of providing funding for transportation infrastructure. The first increase to fuel tax will occur over two years with the first effective August 1, 2015 and the second increase July 1, 2016.

The package includes direct funding distribution to cities and counties for transportation purposes. The funding source is 47 percent fuel tax and 53 percent multi modal fees (primarily license and weight fees). This will be the first time cities will receive direct distributions of transportation revenue from something other than gas tax. It should be noted that this allocation is a "direct distribution" in the state's budget, so the shared revenue is only indirectly funded from the increased gas tax and multi-modal account. The amount is guaranteed for the state's current fiscal year.

The first full revenue distribution should have occurred in the last two quarters of calendar year 2015, but the portion funded from the multi modal fees will be delayed until 2016 because of a technical error in the state budget. This is expected to be corrected in 2016, so the balance of the 2015 allocation should be received in 2016. The expected revenue increase from the transportation package for the biennium is about \$160,000. The Association of Washington Cities projection for the ESSB 5987 transportation package revenue starting state fiscal year 2018 (July 2018) is an increase to about \$190,000 per year. The cumulative impact for funding that could be made available to the 2015-2020 Capital Improvement Program (CIP) is almost \$800,000, as shown in the table below. The revenue is restricted to "transportation purposes."

Projected Revenue from ESSB 5987 Transportation Package					
2015-16	2017	2018	2019	2020	Total
160,298	106,829	148,848	190,867	190,867	797,709

Summarized Impact

The table below summarizes the expected impact from legislative action to 2015-16 state-shared revenues discussed above:

	2015	2016	2015-16
General Fund			
Liquor Excise Tax	30,000	211,198	241,198
Marijuana Enforcement	9,585	19,170	28,755
Subtotal General Fund	39,585	230,368	269,953
Street Fund			
Transportation Funding (ESSB 5987)	25,093	135,205	160,298
Total	25,093	135,205	160,298

What's ahead?

MRSC is projecting 2017 state-shared revenue per capita amounts to remain flat compared to the updated 2016 numbers, so revenue would be expected to only increase due to population growth. Marijuana enforcement revenue may be the exception as the allocation will be updated based on sales in the most recent fiscal year. As mentioned in the "Transportation Package" section above, revenue from this funding source is expected to increase as of July 2018. This revenue source is not currently programmed into the proposed 2015-2020 CIP.

Marijuana taxation reforms provides for additional sharing revenue with cities and counties in fiscal year 2018 (as of July 1st), but the calculation formula is complex, which makes projecting potential changes to revenue difficult. As of 2018, the change depends on whether marijuana excise tax collections exceed \$25 million in the prior fiscal year (2017). In that case, the legislature must appropriate an amount equivalent to 30 percent of the deposits for distribution to eligible cities and counties. This revenue, and the additional liquor revenues, are not currently programmed in the 2015-2016 budget.

According to MRSC, the revenues are expected to exceed this benchmark by 2017 and their estimated revenue amount to be distributed to cities and counties is about \$10.2 million compared to the \$6 million allocated in 2016.

The revenue will be distributed:

- 30 percent (estimated \$3,051,945) to cities, towns and counties where licensed marijuana retailers are physically located and in proportional share of the total revenues generated.
- 70 percent (estimated \$7,121,205) to cities, towns and counties on a per capita basis with 60 percent going to counties based on each county's proportional population. Jurisdictions that have prohibited marijuana sales will not receive a distribution.
 - Estimated distributions: cities \$2,848,482 and counties \$4,272,723

Revenue allocation to cities and counties is capped at \$15 million in state fiscal years 2018 and 2019 and at \$20 million thereafter.

Attachment: Fiscal Year 2016 Distributions to Local Governments for Marijuana Enforcement

CITY NAME	QUARTERLY	ANNUAL
AIRWAY HEIGHTS	\$ 3,153.51	\$ 12,614.03
ANACORTES	\$ 2,091.43	\$ 8,365.70
ARLINGTON	\$ 13,689.04	\$ 54,756.16
AUBURN	\$ 4,880.97	\$ 19,523.87
BAINBRIDGE ISLAND	\$ 182.18	\$ 728.71
BATTLE GROUND	\$ 8,896.39	\$ 35,585.57
BELLEVUE	\$ 25,578.72	\$ 102,314.93
BELLINGHAM	\$ 25,571.63	\$ 102,286.57
BINGEN	\$ 4,216.81	\$ 16,867.22
BLAINE	\$ 1,168.12	\$ 4,672.49
BOTHELL	\$ 21,680.25	\$ 86,721.04
BREMERTON	\$ 2.30	\$ 9.18
BUCKLEY	\$ 25,180.21	\$ 100,720.89
CHEHALIS	\$ 1,740.90	\$ 6,963.61
CLARKSTON	\$ 261.84	\$ 1,047.34
COLVILLE	\$ 3,327.68	\$ 13,310.72
COVINGTON	\$ 1,141.49	\$ 4,565.96
DES MOINES	\$ 13,984.04	\$ 55,936.17
EAST WENATCHEE	\$ 5,056.35	\$ 20,225.41
EDGEWOOD	\$ 4.16	\$ 16.63
ELLENSBURG	\$ 4,590.81	\$ 18,363.23
EPHRATA	\$ 1,823.58	\$ 7,294.32
EVERETT	\$ 17,080.58	\$ 68,322.31
GOLDENDALE	\$ 296.57	\$ 1,186.26
GRANITE FALLS	\$ 1,737.84	\$ 6,951.36
HOQUIAM	\$ 862.07	\$ 3,448.29
ISSAQUAH	\$ 5,166.05	\$ 20,664.20
KIRKLAND	\$ 4,792.48	\$ 19,169.90
LACEY	\$ 4,362.85	\$ 17,451.38
LAKE STEVENS	\$ 4,104.50	\$ 16,418.00
LONGVIEW	\$ 15,310.25	\$ 61,241.01
MILLWOOD	\$ 20,956.91	\$ 83,827.64
MOSES LAKE	\$ 2,604.50	\$ 10,417.98
MOUNT VERNON	\$ 9,085.88	\$ 36,343.50
NORTH BONNEVILLE	\$ 1,174.39	\$ 4,697.55
OAK HARBOR	\$ 3,958.23	\$ 15,832.91
OCEAN SHORES	\$ 2,412.74	\$ 9,650.94
OLYMPIA	\$ 13,368.93	\$ 53,475.73
OMAK	\$ 2,063.34	\$ 8,253.36
PORT ANGELES	\$ 4,677.60	\$ 18,710.41
PORT ORCHARD	\$ 16,302.98	\$ 65,211.91
PROSSER	\$ 9,487.35	\$ 37,949.40
PULLMAN	\$ 6,739.38	\$ 26,957.50
RENTON	\$ 2,928.74	\$ 11,714.94
SEATTLE	\$ 95,829.04	\$ 383,316.18
SEDRO WOOLLEY	\$ 3,531.92	\$ 14,127.67
SHELTON	\$ 1,221.61	\$ 4,886.43
SHORELINE	\$ 6,583.00	\$ 26,331.98
SOUTH BEND	\$ 1,162.60	\$ 4,650.39
SPOKANE	\$ 30,752.90	\$ 123,011.62
SPOKANE VALLEY	\$ 18,956.23	\$ 75,824.91
SUNNYSIDE	\$ 3.46	\$ 13.85
TACOMA	\$ 111,970.96	\$ 447,883.87
TENINO	\$ 309.69	\$ 1,238.75
TUMWATER	\$ 1,625.18	\$ 6,500.72
UNION GAP	\$ 23,430.56	\$ 93,722.26
VANCOUVER	\$ 197,629.06	\$ 790,516.28
WENATCHEE	\$ 4,649.79	\$ 18,599.17
YAKIMA	\$ 21.57	\$ 86.27
CITIES TOTAL	\$ 815,374.14	\$ 3,261,496.58

COUNTY NAME	QUARTERLY	ANNUAL
ASOTIN	\$ 392.76	\$ 1,571.02
BENTON	\$ 14,231.03	\$ 56,924.11
CHELAN	\$ 6,974.69	\$ 27,898.76
CLALLAM	\$ 7,016.41	\$ 28,065.62
COWLITZ	\$ 22,965.38	\$ 91,861.51
DOUGLAS	\$ 7,584.53	\$ 30,338.11
GRANT	\$ 6,642.11	\$ 26,568.45
GRAYS HARBOR	\$ 4,912.21	\$ 19,648.85
ISLAND	\$ 5,937.34	\$ 23,749.37
JEFFERSON	\$ 12,783.75	\$ 51,134.99
KING	\$ 241,326.78	\$ 965,307.15
KITSAP	\$ 24,731.17	\$ 98,924.69
KITTITAS	\$ 6,886.21	\$ 27,544.85
KLICKITAT	\$ 6,770.06	\$ 27,080.22
MASON	\$ 1,832.41	\$ 7,329.65
OKANOGAN	\$ 3,095.01	\$ 12,380.03
PACIFIC	\$ 1,743.90	\$ 6,975.58
SAN JUAN	\$ 2,096.85	\$ 8,387.40
SKAGIT	\$ 22,063.83	\$ 88,255.32
SKAMANIA	\$ 1,761.58	\$ 7,046.32
SNOHOMISH	\$ 87,438.32	\$ 349,753.30
SPOKANE	\$ 110,729.32	\$ 442,917.32
STEVENS	\$ 4,991.52	\$ 19,966.07
THURSTON	\$ 29,499.97	\$ 117,999.88
WHATCOM	\$ 40,109.65	\$ 160,438.59
WHITMAN	\$ 10,109.07	\$ 40,436.26
COUNTIES TOTAL	\$ 684,625.86	\$ 2,738,503.42

	QUARTERLY	ANNUAL
TOTAL TO CITIES	\$ 815,374.14	\$ 3,261,496.58
TOTAL TO COUNTIES	\$ 684,625.86	\$ 2,738,503.42
TOTAL DISTRIBUTION	\$ 1,500,000.00	\$ 6,000,000.00

**City of Kirkland
2015 Mid-Bi Budget Review
2016 Service Package Requests**

Pkg. #		2016 Department Request				2016 City Manager Recommended			
		FTE	Ongoing	One-time	Total	FTE	Ongoing	One-time	Total
GENERAL FUND									
City Manager's Office									
16GCM01	State Legislative Advocate	-	15,000	-	15,000	-	15,000	-	15,000
Subtotal City Manager's Office		-	15,000	-	15,000	-	15,000	-	15,000
Public Works									
16GPW01	PW Operations/Maintenance Center Reorganization	-	9,000	-	9,000	-	9,000	-	9,000
Subtotal Public Works		-	9,000	-	9,000	-	9,000	-	9,000
Planning & Building									
16GPB01	Expired Permit Inspections	-	-	45,000	45,000	-	-	45,000	45,000
16GPB02	Building Digitization project	-	-	434,887	434,887	-	-	234,887	234,887
16GPB03	Convert temp Plans Examiner II to Ongoing	1.00	-	-	-	1.00	-	-	-
16GPB04	Houghton/Everest Neighborhood Center Plan	-	-	30,000	30,000	-	-	30,000	30,000
16GPB05	Temporary Electrical/Building Inspector	1.00	-	142,857	142,857	1.00	109,957	32,900	142,857
16GPB06	Zoning Charts to tables	-	-	12,000	12,000	-	-	12,000	12,000
Subtotal Planning & Building		2.00	-	664,744	664,744	2.00	109,957	354,787	464,744
GENERAL FUND TOTAL		2.00	24,000	664,744	688,744	2.00	133,957	354,787	488,744
OTHER FUNDS									
Street Operating Fund									
16SPW01	Small Sweeper for Parking Garage/Park Lane	-	9,874	71,500	81,374	-	9,874	71,500	81,374
16SPW02	CKC Maintenance Vehicle/Equipment Trailer	-	3,635	45,000	48,635	-	3,635	45,000	48,635
16GPW01	PW Operations/Maintenance Center Reorganization	-	4,048	-	4,048	-	4,048	-	4,048
Subtotal Street Operating Fund		-	17,557	116,500	134,057	-	17,557	116,500	134,057
Equipment Rental Fund									
16GPW01	PW Operations/Maintenance Center Reorganization	-	4,902	-	4,902	-	4,902	-	4,902
Subtotal Equipment Rental Fund		-	4,902	-	4,902	-	4,902	-	4,902
Surface Water Management Fund									
16DPW01	Storm Water Pond Safety Improvements	-	-	30,000	30,000	-	-	30,000	30,000
16GPW01	PW Operations/Maintenance Center Reorganization	-	15,995	-	15,995	-	15,995	-	15,995
Subtotal Surface Water Management Fund Fund		-	15,995	30,000	45,995	-	15,995	30,000	45,995
Water/Sewer Operating Fund									
16UPW01	Addition to Sewer Master Plan Scope: Inflow and Infiltration Study	-	-	41,000	41,000	-	-	41,000	41,000
16GPW01	PW Operations/Maintenance Center Reorganization	-	37,673	-	37,673	-	-	37,673	37,673
Subtotal Water/Sewer Operating Fund		-	37,673	41,000	78,673	-	-	78,673	78,673
TOTAL OTHER FUNDS		-	76,127	187,500	263,627	-	38,454	225,173	263,627
TOTAL ALL FUNDS		2.00	100,127	852,244	952,371	2.00	172,411	579,960	752,371

CITY OF KIRKLAND
2015-16 SERVICE PACKAGE REQUEST

TITLE	State Legislative Advocacy Services			16GCM01	
DEPARTMENT	DIVISION		FUND		
City Managers Office	Executive		General Fund		
COUNCIL GOALS					
Financial Stability, Dependable Infrastructure, Balanced Transportation, Economic Development, Human Services, Public Safety, Parks, Open Spaces and Recreation, and Environment.					
DESCRIPTION AND JUSTIFICATION					
<p>This service package request would address a fee increase for legislative advocacy services, thereby maintaining continuity of service through the remainder of 2015, for the 2016 legislative session and the 2016 interim. The approved 2015-16 biennial budget included one-time funding in 2015 of \$48,000 for legislative advocacy, as well as one-time funding in 2016 of \$48,000. This service package request would add one-time funding of \$3,000 in 2015 for state legislative advocacy work in the interim and one-time funding of \$12,000 for state legislative advocacy in 2016.</p> <p>The City's current State Legislative Advocacy Services contract terminated September 30, 2015. Staff initiated a Request For Proposal (RFP) process in August which concludes September 22. The term of the contract contemplated in the RFP is for a period of three (3) years, beginning October 1, 2015.</p> <p>Waypoint Consulting, LLP, has responded to the City's RFP and has proposed an increase in their monthly fee to \$5,000. The City Manager recommends that the City accept Waypoint's proposal and enter into a new three year contract with the firm. Waypoint has been informed that funding above the current monthly retainer fee is contingent upon approval by the City Council of this service package request, as well as approval by the City Council of the 2017-2018 biennial budget.</p> <p>For purposes of planning, this service package request anticipates the City awarding the State Legislative Advocacy Services contract to Waypoint Consulting at \$5,000 per month, beginning October 1, 2015.</p>					
Is this Service Package tied to a CIP Project? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes CIP # _____					
NUMBER OF FTE's REQUESTED					
COST SUMMARY	2015		2016		Total
	Ongoing	One-Time	Ongoing	One-Time	
Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies & Services	\$ -	\$ 3,000	\$ -	\$ 12,000	\$ 15,000
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -
Total Service Package Cost	\$ -	\$ 3,000	\$ -	\$ 12,000	\$ 15,000
Expenditure Savings	\$ -	\$ -	\$ -	\$ -	\$ -
Offsetting Revenue	\$ -	\$ 3,000	\$ -	\$ 12,000	\$ 15,000
Net Service Package Cost	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF KIRKLAND 2015-16 SERVICE PACKAGE REQUEST

TITLE	Public Works Operations and Maintenance Center Reorganization			16GPW01	
DEPARTMENT	DIVISION		FUND		
Public Works	Various		Various		
COUNCIL GOALS					
Dependable Infrastructure					
DESCRIPTION AND JUSTIFICATION					
<p>The service needs of City of Kirkland's Public Works Department work have evolved over the last several years. This proposed reorganization of the Department is to keep pace with those changes, and to better align service delivery with long-range plans and policy direction. Additionally, the proposed organizational changes address the Department's internal business needs through performance management, standardized systems and practices, improved communication, succession planning, and organizational development. Specifically, changes are proposed to the organizational structure in Maintenance and Operations. These changes include the reclassification of the Superintendent to Deputy Director, an Operations Manager, Utility Manager, and Utilities Supervisor, and the reallocation of the current Management Analyst position. These are all explained in further detail in the Issue Paper. Please note the number of positions in operations and maintenance will not change; however, how positions are allocated to the various funds will change to align with the structure proposed. The financial impact of these changes varies by fund.</p>					
Is this Service Package tied to a CIP Project? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes CIP # _____					
NUMBER OF FTE's REQUESTED	0.00				
COST SUMMARY	2015		2016		Total
	Ongoing	One-Time	Ongoing	One-Time	
Personnel Services	\$ -	\$ -	\$ 71,617	\$ -	\$ 71,617
Supplies & Services	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -
Total Service Package Cost	\$ -	\$ -	\$ 71,617	\$ -	\$ 71,617
Expenditure Savings	\$ -	\$ -	\$ -	\$ -	\$ -
Offsetting Revenue	\$ -	\$ -	\$ -	\$ 71,617	\$ 71,617
Net Service Package Cost	\$ -	\$ -	\$ 71,617	\$ (71,617)	\$ -

2015-16 SERVICE PACKAGE REQUEST

TITLE	Public Works Operations and Maintenance Center Reorganization	16GPW01
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Description	Org Key	Object	2015		2016		Total
			Ongoing	One-Time	Ongoing	One-Time	
PERSONNEL SERVICES							
General Fund - See MSP	0102313810	5100100/5200100			\$ 9,000		\$ 9,000
Street Operating - See MSP	1172714290	5100100/5200100			\$ 4,047		\$ 4,047
Equipment Rental - See MSP	5212414860	5100100/5200100			\$ 4,902		\$ 4,902
Surface Water Utility - See MSP	4212633831	5100100/5200100			\$ 15,995		\$ 15,995
Water/Sewer Utility - See MSP	4112513457	5100100/5200100			\$ 37,673		\$ 37,673
							\$ -
Total			\$ -	\$ -	\$ 71,617	\$ -	\$ 71,617

SUPPLIES & SERVICES							
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -				

CAPITAL OUTLAY							
							\$ -
							\$ -
Total			\$ -				

CORRESPONDING EXPENDITURE SAVINGS (if applicable)							
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -				

CORRESPONDING OFFSETTING REVENUE (if applicable)							
Working Capital	Multiple	5990400				\$ 71,617	\$ 71,617
							\$ -
Total			\$ -	\$ -	\$ -	\$ 71,617	\$ 71,617

NET SERVICE PACKAGE REQUEST	\$ -	\$ -	\$ 71,617	\$ (71,617)	\$ -
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CITY OF KIRKLAND **2015-16 SERVICE PACKAGE REQUEST**

TITLE	Expired Permit Inspections			16GPB01	
DEPARTMENT	DIVISION		FUND		
Planning & Building	Building		Building reserves		
COUNCIL GOALS					
Public Safety - Provide public safety through a community-based approach that focuses on prevention of problems and a timely response.					
DESCRIPTION AND JUSTIFICATION					
<p>This service package requests additional funds to allow staff to provide better customer service for the residents of the City of Kirkland, by offering Saturday inspections for their expired permits. Most expired permits are small residential projects like water heater and furnace replacements, air conditioners and similar types of installations that required permits, but inspections weren't scheduled. Providing Saturday inspections allows more flexibility for homeowners to schedule inspections without having to take time off of work.</p> <p>This service package would be funded from the Building Reserve since this is money that was collected in past years to cover these inspections, however, the inspections did not occur at that time. This service needs to be performed on overtime since we currently have no spare capacity during regular work hours due to the increasing upturn in construction activity.</p> <p>We will evaluate this pilot program at the end of 2016 to determine whether this should be continued or possibly expanded.</p> <p>The use of temporary employees, on-call employees and overtime are part of Building Services strategy for working through peak workload periods while minimizing the risk of layoffs during off-peak periods.</p>					
Is this Service Package tied to a CIP Project? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes CIP # _____					
NUMBER OF FTE's REQUESTED					
COST SUMMARY	2015		2016		Total
	Ongoing	One-Time	Ongoing	One-Time	
Personnel Services	\$ -	\$ -	\$ -	\$ 45,000	\$ 45,000
Supplies & Services	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -
Total Service Package Cost	\$ -	\$ -	\$ -	\$ 45,000	\$ 45,000
Expenditure Savings	\$ -	\$ -	\$ -	\$ -	\$ -
Offsetting Revenue (Use of Reserves)	\$ -	\$ -	\$ -	\$ 45,000	\$ 45,000
Net Service Package Cost	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF KIRKLAND

2015-16 SERVICE PACKAGE REQUEST

TITLE	Building Digitization Project			16GPB02	
DEPARTMENT	DIVISION		FUND		
Planning & Building	Building Services		General Fund		
COUNCIL GOALS					
<p>Council value (Efficiency) - Kirkland is committed to providing public services in the most efficient manner possible and maximizing the public's return on their investment. We believe that a culture of continuous improvement is fundamental to our responsibility as good stewards of public funds.</p>					
DESCRIPTION AND JUSTIFICATION					
<p>In January 2015, the Building Division received funding to conduct a 12-month pilot digitization program to evaluate, catalog, and scan our building permit records. A Records Management Specialist was hired to organize the program, finalize a Kirkland retention schedule, and assess the scope of the project. Based on the scale and magnitude of the records which have accumulated over the past 70+ years and to bring us into compliance with our adopted retention schedule, we estimate it will take approximately 10 years for one full-time employee to complete this task.</p> <p>In an effort to expedite this process, we are recommending a blended approach. Hire an outside vendor to do the bulk of the scanning, while maintaining a full-time temporary records specialist to act as staff liaison and coordinator, and to pre-sort and prep documents for scanning. This option would take approximately 24-36 months and would allow us an efficient method to address questions and issues as they arise. Also, once the files are scanned, someone will still need to upload the files appropriately into EnerGov and work with development services staff to troubleshoot and identify new record types as they are discovered.</p> <p>The Building division has the greatest amount of paper records stored off-site, and the highest demand for retrieval of records. This is very costly and not very customer-service friendly. In this age of technology, it is expected that records are easily accessible and digitizing our older paper records makes it easier and more efficient for staff and customers to access. Digitizing our paper records will get all of our records in the same, searchable format. Although this will require resources, it will ultimately greatly reduce the staff time necessary to research and complete public records requests, as well as eliminate the need for off-site storage. It is anticipated it will take approximately 2 -3 years to complete.</p> <p>* Note: This service package provides for a temporary Records Specialist & consultant fees through December 2016. We'll assess the success & speed of the project mid-2016 to determine if additional funds are needed in 2017/18 to continue the Records Specialist and vendor, if we determine the project can be completed by 2017/18.</p>					
<p>Is this Service Package tied to a CIP Project? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes CIP # _____</p>					
NUMBER OF FTE's REQUESTED					
COST SUMMARY	2015		2016		Total
	Ongoing	One-Time	Ongoing	One-Time	
Personnel Services	\$ -	\$ -	\$ -	\$ 34,887	\$ 34,887
Supplies & Services	\$ -	\$ -	\$ -	\$ 200,000	\$ 200,000
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -
Total Service Package Cost	\$ -	\$ -	\$ -	\$ 234,887	\$ 234,887
Expenditure Savings	\$ -	\$ -	\$ -	\$ -	\$ -
Offsetting Revenue	\$ -	\$ -	\$ -	\$ 234,887	\$ 234,887
Net Service Package Cost	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF KIRKLAND 2015-16 SERVICE PACKAGE REQUEST

TITLE	Conversion of Temporary Plans Examiner to Regular (Ongoing)			16GPB03	
DEPARTMENT	DIVISION		FUND		
Planning & Building	Building		General		
COUNCIL GOALS					
Public Safety - Provide public safety through a community-based approach that focuses on prevention of problems and a timely response.					
DESCRIPTION AND JUSTIFICATION					
<p>The Building division is requesting converting a vacant temporary Plans Examiner II, to an ongoing position due to the current economic climate. The temporary position is fully funded so no new revenue is necessary. As part of the 2014/2015 budget development, the Building Division submitted a service package for a temporary Plans Examiner II if the Park Place and Totem Lake redevelopment projects were to move forward. Although the Park Place and Totem Lake Mall projects are one time projects, they are both expected to span multiple years.</p> <p>When we initially advertised the temporary Plans Examiner II position, we receive a very limited response due to the highly competitive job market. We reposted this position pending approval to convert it from temporary to on-going which resulted in receiving four strong candidates. The hiring process is currently stalled pending resolution of this conversion.</p> <p>The Building Division has five regular examiners and one temporary examiner. The Division does not plan to convert the remaining temporary position to regular. All of the Building staff understand that the construction industry is volatile and all positions are subject to lay off if warranted by a decrease in construction activity.</p>					
Is this Service Package tied to a CIP Project? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes CIP # _____					
NUMBER OF FTE's REQUESTED		1.00			
COST SUMMARY	2015		2016		Total
	Ongoing	One-Time	Ongoing	One-Time	
Personnel Services	\$ -	\$ -	\$ 110,713	\$ (110,713)	\$ -
Supplies & Services	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -
Total Service Package Cost	\$ -	\$ -	\$ 110,713	\$ (110,713)	\$ -
Expenditure Savings	\$ -	\$ -	\$ -	\$ 110,713	\$ 110,713
Offsetting Revenue	\$ -	\$ -	\$ 110,713	\$ -	\$ 110,713
Net Service Package Cost	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF KIRKLAND **2015-16 SERVICE PACKAGE REQUEST**

TITLE	Houghton/Everest Neighborhood Center Plan			16GPB04	
DEPARTMENT	DIVISION		FUND		
Planning & Building	Policy and Planning		General		
COUNCIL GOALS					
Neighborhoods, Diverse Housing, Environment, Economic Development, Balanced Transportation					
DESCRIPTION AND JUSTIFICATION					
<p>On September 16, 2014, the City Council adopted Resolution R-5067 regarding the review and update process for the Houghton/Everest Neighborhood Center. The resolution states that the City will initiate a formal public review and update process no later than January 15, 2016 with recommendations by the Planning Commission to be completed by October 31, 2016.</p> <p>This service package is a request for consulting services to assist the City with that update within the time frame noted in the resolution. Such professional services could include public engagement events (e.g. professionally facilitated interactive workshops, charrettes, focus groups, etc.); urban and architectural design studies; and development feasibility analysis.</p> <p>The study and plan update would be coordinated with the 6th Street South/Houghton Business District Corridor Study Capital Improvement Program Project (ST 0087 000).</p>					
Is this Service Package tied to a CIP Project? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes CIP # _____					
NUMBER OF FTE's REQUESTED					
COST SUMMARY	2015		2016		Total
	Ongoing	One-Time	Ongoing	One-Time	
Personnel Services	\$ -	\$ -	\$ -	\$ 30,000	\$ 30,000
Supplies & Services	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -
Total Service Package Cost	\$ -	\$ -	\$ -	\$ 30,000	\$ 30,000
Expenditure Savings	\$ -	\$ -	\$ -	\$ (30,000)	\$ (30,000)
Offsetting Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Net Service Package Cost	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF KIRKLAND

2015-16 SERVICE PACKAGE REQUEST

TITLE	Electrical/Building Inspector				
DEPARTMENT	DIVISION		FUND		
Planning & Building	Building		General		
COUNCIL GOALS					
Public Safety - Provide public safety through a community-based approach that focuses on prevention of problems and a timely response.					
DESCRIPTION AND JUSTIFICATION					
<p>This service package requests an additional inspector to help cover current workload. This specifically addresses current projects under construction (not Park Place and Totem Lake Mall, covered separately) and gets us a more manageable, normal daily inspection/inspector ratio.</p> <p>2015 permit activity has exceeded 2014 activity by 8.8%, and the daily average inspections per inspector, has also increased by 9.3% causing our inspectors to average 17 inspections per day, per inspector. The 2013 Zucker Report recommends that "the average number of inspections per day per inspector fall within a range of between 10 and 15 per day." The trend is expected to continue. This service package provides resources to help maintain our current activity and allows us to continue to meet our customer service goals and inspection obligations. Also we have received a verbal notification that one of our inspectors has purchased a retirement home in Arizona and will be retiring in June of 2016. The recruitment and hiring process for an inspector could take between three to six months in this highly competitive construction industry.</p> <p>The use of temporary employees, on-call employees and overtime are part of Building Services strategy for working through peak workload periods while minimizing the risk of layoffs during off-peak periods.</p>					
Is this Service Package tied to a CIP Project? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes CIP # _____					
NUMBER OF FTE's REQUESTED					
COST SUMMARY	2015		2016		Total
	Ongoing	One-Time	Ongoing	One-Time	
Personnel Services	\$ -	\$ -	\$ 108,357	\$ -	\$ 108,357
Supplies & Services	\$ -	\$ -	\$ 1,600	\$ 32,900	\$ 34,500
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -
Total Service Package Cost	\$ -	\$ -	\$ 109,957	\$ 32,900	\$ 142,857
Expenditure Savings	\$ -	\$ -	\$ -	\$ -	\$ -
Offsetting Revenue	\$ -	\$ -	\$ 109,957	\$ 32,900	\$ 142,857
Net Service Package Cost	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF KIRKLAND 2015-16 SERVICE PACKAGE REQUEST

TITLE	Zoning Code "Charts to Tables" Streamlining Project - Phase 2			16GPB06	
DEPARTMENT	DIVISION		FUND		
Planning & Building	Policy and Planning		General Fund		
COUNCIL GOALS					
Implement the Development Services Organization Review recommendations - simplify the Zoning Code to further the goals of Economic Development and Neighborhoods.					
DESCRIPTION AND JUSTIFICATION					
<p>This service package will allow completion of the Zoning Code reformatting project that was begun in 2014 as a result of the Zucker report and was identified on the 2013 - 2014 City Work Program. Staff and Code Publishing completed Phase 1 in February 2015. That phase included reformatting of approximately 2/3 of the previous Use Zone Charts into a table format. Phase 2 will include the same type of work for the remaining 1/3 of the charts and includes all of the named business districts. Phase 1 cost approximately \$24,000 and Phase 2 will cost an additional \$12,000. Phase 2 will begin in early 2016 and should take approximately six months to complete. Phase 2 of this project is included on the adopted 2015 - 2017 Planning Work Program. It was originally scheduled for the second half of 2015 but was delayed until the completion of Zoning Code amendments associated with the Totem Lake Business District.</p> <p>The advantages of the reformatted code are:</p> <ol style="list-style-type: none"> 1) Reduces volume of code by approximately 350 pages 2) Makes code more user friendly 3) Saves money on printing future supplements 4) Makes code easier to amend 5) Improves code searching capability – current PDF charts cannot be searched 6) Enables eNotes and Pop-up zoning definitions – cannot use these features with PDF charts. 					
Is this Service Package tied to a CIP Project? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes CIP # _____					
NUMBER OF FTE's REQUESTED					
COST SUMMARY	2015		2016		Total
	Ongoing	One-Time	Ongoing	One-Time	
Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies & Services	\$ -	\$ -	\$ -	\$ 12,000	\$ 12,000
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -
Total Service Package Cost	\$ -	\$ -	\$ -	\$ 12,000	\$ 12,000
Expenditure Savings	\$ -	\$ -	\$ -	\$ (12,000)	\$ (12,000)
Offsetting Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Net Service Package Cost	\$ -	\$ -	\$ -	\$ -	\$ -

2015-16 SERVICE PACKAGE REQUEST

TITLE Zoning Code "Charts to Tables" Streamlining Project - Phase 2	16GPB06
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Description	Org Key	Object	2015		2016		Total
			Ongoing	One-Time	Ongoing	One-Time	
PERSONNEL SERVICES							
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

SUPPLIES & SERVICES							
Professional Services	0105305851	5410100		\$ -		\$ 12,000	\$ 12,000
						\$ -	\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ 12,000	\$ 12,000

CAPITAL OUTLAY							
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

CORRESPONDING EXPENDITURE SAVINGS (if applicable)							
Professional Services	0105305851	5410100				\$ (12,000)	\$ (12,000)
							\$ -
							\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ (12,000)	\$ (12,000)

CORRESPONDING OFFSETTING REVENUE (if applicable)							
				\$ -			\$ -
							\$ -
Total			\$ -	\$ -	\$ -	\$ -	\$ -

NET SERVICE PACKAGE REQUEST	\$ -	\$ -	\$ -	\$ -	\$ -
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CITY OF KIRKLAND 2015-16 SERVICE PACKAGE REQUEST

TITLE	Small Sweeper	16SPW01			
DEPARTMENT	DIVISION	FUND			
Public Works	Parking Facilities	Street Operating			
COUNCIL GOALS					
Dependable Infrastructure, Environment					
DESCRIPTION AND JUSTIFICATION					
<p>Efforts are underway to improve parking in the downtown central business area. Currently, sweeping of the downtown parking garage is contracted out and done on a quarterly basis. There are several benefits to sweeping the garage more often, including the perceived appearance cleanliness brings and the environmental benefits. Power sweeping is the most cost effective method for removing paper, leaves, trash and other visible debris as well as unseen particles and hazardous waste products left by vehicles. This can also be used for sweeping along Park Lane and other confined or narrow spaces that are inaccessible for a regular sized sweeper. The festival configuration of Park Lane and the location within the downtown core business area draws a significant amount of pedestrian traffic; therefore, in order to maintain the aesthetic value, the roadway could be cleaned more often. The alternative is to continue with quarterly sweeping of the parking garage, and hand washing Park Lane. Street operating has under expenditures in their current budget that would accommodate this purchase. In addition, ongoing costs will be covered by additional parking revenue projected from the recent changes to paid parking.</p>					
Is this Service Package tied to a CIP Project? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes CIP # _____					
NUMBER OF FTE's REQUESTED					
COST SUMMARY	2015		2016		Total
	Ongoing	One-Time	Ongoing	One-Time	
Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies & Services	\$ -	\$ -	\$ 11,374	\$ -	\$ 11,374
Capital Outlay	\$ -	\$ -	\$ -	\$ 70,000	\$ 70,000
Total Service Package Cost	\$ -	\$ -	\$ 11,374	\$ 70,000	\$ 81,374
Expenditure Savings	\$ -	\$ -	\$ (1,500)	\$ (70,000)	\$ (71,500)
Offsetting Revenue	\$ -	\$ -	\$ 9,874	\$ -	\$ 9,874
Net Service Package Cost	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF KIRKLAND 2015-16 SERVICE PACKAGE REQUEST

TITLE	CKC Maintenance Vehicle & Equipment Trailer	16SPW02			
DEPARTMENT	DIVISION	FUND			
Public Works	Public Grounds	Street Operating			
COUNCIL GOALS					
Dependable Infrastructure					
DESCRIPTION AND JUSTIFICATION					
<p>In 2006, Public Works purchased an electric vehicle to supplement the needs of the Department. The vehicle was initially used to transport staff that performed water meter reading, however, as the vehicle aged, performance on hills and battery limitations of the vehicle led to the purchase of a standard gas powered vehicle for the water meter reader duties. The electric vehicle was surplus to the Public Grounds division and used primarily to service the downtown parking garage.</p> <p>When the City purchased the Cross Kirkland Corridor (CKC), the electric vehicle was shifted to duties of CKC daily inspection. The vehicle has now reached the end of its service life and needs to be replaced. The purchase of a new generation electric vehicle, in this case a four wheel utility vehicle, would allow staff to carry tools and necessary supplies for stocking dog waste stations and making routine repairs and general maintenance needed along the CKC. The purchase of a new vehicle was included in the CKC maintenance plan, but not for three more years. This service package is necessary due to the failure of the existing vehicle.</p> <p>A second component of this service package request is an equipment trailer. The Public Grounds crew currently utilizes a small service trailer for hauling tools and equipment used to maintain City facilities (City Hall, KJC, Fire Stations). The existing (dedicated) trailer was not sized to handle the larger rider mowers that are now employed by Public Grounds; this requires daily shifting of equipment from other trailers in order to transport the rider mowers. A dedicated larger capacity equipment trailer will allow the Public Grounds crew to perform their work more efficiently while also providing additional, secured storage for tools and equipment.</p>					
Is this Service Package tied to a CIP Project? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes CIP # _____					
NUMBER OF FTE's REQUESTED					
COST SUMMARY	2015		2016		Total
	Ongoing	One-Time	Ongoing	One-Time	
Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies & Services	\$ -	\$ -	\$ 3,635	\$ -	\$ 3,635
Capital Outlay	\$ -	\$ -	\$ -	\$ 45,000	\$ 45,000
Total Service Package Cost	\$ -	\$ -	\$ 3,635	\$ 45,000	\$ 48,635
Expenditure Savings	\$ -	\$ -	\$ -	\$ (45,000)	\$ (45,000)
Offsetting Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Net Service Package Cost	\$ -	\$ -	\$ 3,635	\$ -	\$ 3,635

CITY OF KIRKLAND 2015-16 SERVICE PACKAGE REQUEST

TITLE	Storm Water Pond Safety Improvements			16DPW01	
DEPARTMENT	DIVISION		FUND		
Public Works	Surface Water		Surface Water Utility		
COUNCIL GOALS					
Dependable Infrastructure, Environment					
DESCRIPTION AND JUSTIFICATION					
<p>This request is to establish a source of funding to draw on when new fencing, lighting, locks, or signage is needed to secure storm water ponds for safety reasons. The fencing requirements for wet ponds are defined by the degree of slope along the edge of the pond. Sediment and pollutants accumulate in the pond and must be removed periodically. At times, removal of the sediment increases the slope along the edge of the pond to the extent that fencing may be needed to discourage people and pets from entering the storm pond. Funding will help the field staff respond to safety and security needs as they arise.</p>					
<p>Is this Service Package tied to a CIP Project? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes CIP # _____</p>					
NUMBER OF FTE's REQUESTED					
COST SUMMARY	2015		2016		Total
	Ongoing	One-Time	Ongoing	One-Time	
Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies & Services	\$ -	\$ -	\$ -	\$ 30,000	\$ 30,000
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -
Total Service Package Cost	\$ -	\$ -	\$ -	\$ 30,000	\$ 30,000
Expenditure Savings	\$ -	\$ -	\$ -	\$ -	\$ -
Offsetting Revenue	\$ -	\$ -	\$ -	\$ 30,000	\$ 30,000
Net Service Package Cost	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF KIRKLAND
2015-16 SERVICE PACKAGE REQUEST

TITLE	Addition to Sewer Master Plan Scope - Inflow and Infiltration Study				16UPW01
DEPARTMENT	DIVISION		FUND		
Public Works	Sewer		Sewer Utility		
COUNCIL GOALS					
Dependable Infrastructure, Environment					
DESCRIPTION AND JUSTIFICATION					
<p>Inflow and Infiltration (I&I) is groundwater that enters the sewer system through cracked pipes, leaky manholes, or other failed infrastructure. I&I can cause sanitary sewer overflows and backups that release raw sewage into the environment. In addition, excess storm and ground water entering the sanitary sewer system through I&I results in increased wastewater treatment costs. King County plans to charge cities for I&I entering their system. This study would determine where in the City I&I is a problem and how to address it. In particular, a \$21.6 M project for sewermain replacement west of Market Street is included in the unfunded portion of the 2015-2020 CIP. This study would help determine how to phase the project and possibly combine various methods of treatment (chemical grout, full pipe replacement, pipe bursting/replacement). This would be done as a supplement to the Sewer System Plan update currently underway. This is a one-time expense to be funded from utility fund balance.</p>					
Is this Service Package tied to a CIP Project? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes CIP #					
NUMBER OF FTE's REQUESTED					
COST SUMMARY	2015		2016		Total
	Ongoing	One-Time	Ongoing	One-Time	
Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -
Supplies & Services	\$ -	\$ -	\$ -	\$ 41,000	\$ 41,000
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -
Total Service Package Cost	\$ -	\$ -	\$ -	\$ 41,000	\$ 41,000
Expenditure Savings	\$ -	\$ -	\$ -	\$ -	\$ -
Offsetting Revenue	\$ -	\$ -	\$ -	\$ 41,000	\$ 41,000
Net Service Package Cost	\$ -	\$ -	\$ -	\$ -	\$ -

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

MEMORANDUM

To: Kurt Triplett, City Manager

From: Kathy Brown, Public Works Director

Date: September 15, 2015

Subject: Department of Public Works Reorganization

RECOMMENDATION:

The purpose of this memo is to provide background information on how the City of Kirkland's Public Works Department work has evolved over the last several years and to propose a reorganization of the department to better align the current needs of the department with staffing resources. Proposed changes address the department's needs and allows for improved efficiency, communication and collaboration throughout the department.

BACKGROUND DISCUSSION:

A number of factors over the past five years have significantly influenced the work of the City of Kirkland's Public Works Department:

- The annexation of the Juanita, Finn Hill, and Kingsgate (JFK) neighborhoods in 2011;
- Substantial growth in the City of Kirkland's Capital Improvement Program, including transportation, utilities, parks, and facilities;
- Kirkland's role in regional matters, such as transportation, water resources (storm water, wastewater, potable water), solid waste; and
- Major re-development of Totem Lake and Park Place, along with an upswing in development activity in general.

In addition to the factors listed above, there are important issues within the department that need to be addressed to forge a successful path into the future:

- As a majority of the leadership in the Department becomes eligible for retirement, succession planning has become critical.
- Growth in the City as a whole, and in Public Works in particular, has led to the need for more standard practices and protocols, as well as better systems to support these standard practices. The new permit system and Maintenance Management System are examples.
- With growth in staff, future retirement in leadership and key positions, and changes in technology, change management and fostering a positive workplace culture will be key to the organization's success.

To address the multitude of issues in the Public Works Department, and to poise the Department for success moving into the future, the Public Works Director is proposing a reorganization of the Department.

Assessment of the Department

To help evaluate the status of the Department, managers and supervisors were asked to complete a standard questionnaire. The questionnaire focused on strengthening emotional capacity to improve team relationships, expanding team self-awareness, practicing empathy and respectfulness, establishing and regulating team norms, and entrusting team members with appropriate roles.

The Department Director reviewed each questionnaire with each individual, summarized the major themes, and discussed these themes with the Department's Expanded Leadership Team (managers and supervisors). These discussions focused primarily on the need for future work in organizational development, with a particular emphasis on communications, coordination between work units, leadership development/succession planning, and the need for improved processes and systems.

In addition to the questionnaire and meetings, the Director made a focused effort to directly observe daily projects, workflows, and communications, engaging individuals involved in on-the-spot assessments. The Director and managers engaged various work groups in brainstorming sessions to determine what processes work well, what areas could use improvement, and how a shift in organizational structure could foster improvement.

Below is a summary of the assessment efforts.

Customer Service and Daily Business

- *What's going well?*
 - *General delivery of service in all lines of business is done well.*
 - *Customer relations are exceptional.*
 - *Managers and staff work hard.*
 - *Management Team and staff appreciate and care about the City of Kirkland.*
 - *High level planning is well done (examples include: Transportation Master Plan, Surface Water Master Plan, Cross Kirkland Corridor Master Plan, Water Service Plan).*
- *Where do we need improvement?*
 - *Planning, scheduling, monitoring maintenance work.*
 - *Maintenance Service Levels, such as:*
 - *Sidewalk Maintenance/Repair,*
 - *Pavement Surface Conditions,*
 - *Medians/Planter Strips,*
 - *Maintenance of CKC, Park Lane, 120th, 85th and other CIPs.*
 - *Communications:*
 - *Interdivisional communication/coordination,*
 - *CIP Communications.*
 - *Tracking correspondence/service requests.*

- *CIP delivery (output volume).*
- *Recruiting/hiring process.*

Department Leadership

- *What's going well?*
 - *Management Team members get along well.*
 - *Managers, supervisors, and staff are technically competent.*
 - *Managers and staff are open to opportunities to improve the organization.*
 - *In general, the workforce is kind, courteous, and caring.*
 - *There is a strong desire to work as a team. Team miscommunications, failures or miss-steps appear to be unintentional.*
 - *Coordination/working relationships with CMO other departments are good.*
- *Where do we need improvement?*
 - *Succession Planning.*
 - *Communications/coordination between work units.*
 - *Strong leadership role in organizational development/workplace culture.*
 - *Standardized, consistent approach to employee development and performance feedback.*
 - *Licensed, professional engineer to lead utility operations and oversee system installation/repair, provide input and feedback on development and CIP design, and represent the City on regional committees.*

Systems and Processes

- *What's going well?*
 - *New permit system is working. Cooperative approach to working through bugs.*
 - *CIP Dashboard works well.*
 - *Water Division and some other groups use Hansen work order tracking system.*
 - *Staff are creative and competent. Where standard systems don't exist, effective work-a-rounds are used.*
- *Where do we need improvement?*
 - *Lack of Systems/tracking: MMS, Sharepoint, Records Management, Citizen Requests/Correspondence, training, risk management, recruiting and other HR processes.*
 - *Not properly resourced to build and implement a Maintenance Management Program*
 - *Need to continue work on aligning day-to-day work in all areas with policies, Kirkland 2035, master plans, City Work Program, PW Work Program, Quad Chart*
 - *Heavy reliance on creative individuals with "one-off" work-a-rounds.*

Reorganization

Evaluating the results of the departmental assessment, several key work program items were identified:

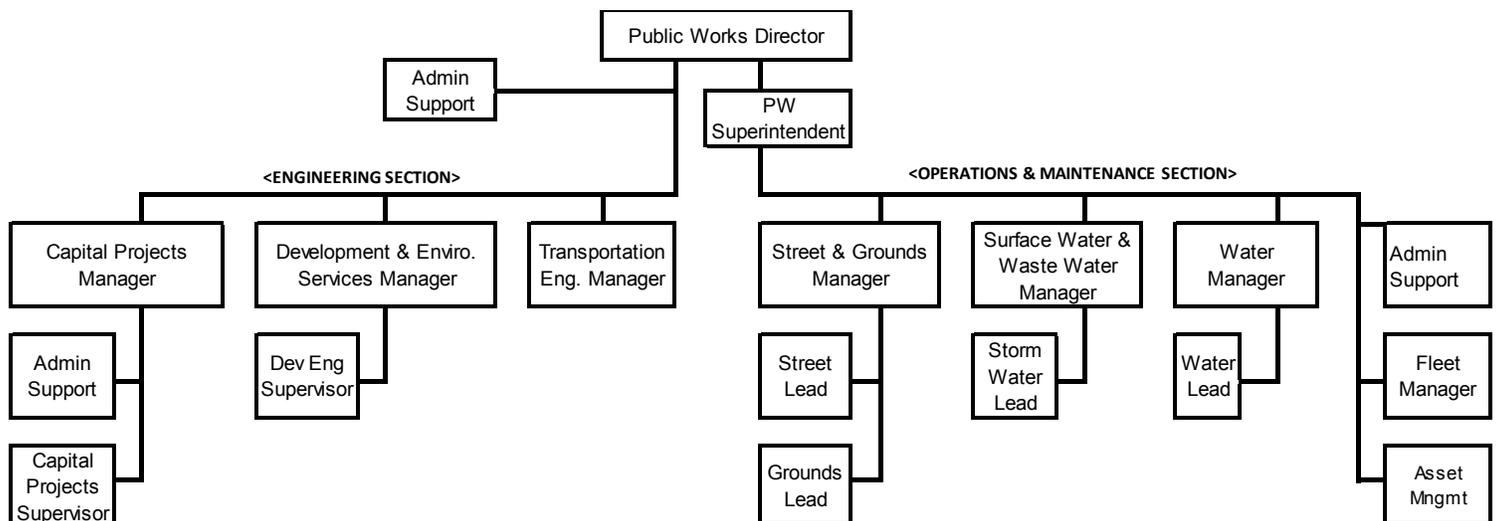
- Enterprise Asset Management/Maintenance Management System
- Standardized systems and processes

- Communications Improvements
- Continued emphasis on alignment with policies and long-range plans
- Organizational Development
- Regional and Internal Utility Management and Coordination
- Increased CIP Project Delivery Output

To support the success of these work program items, and to poise the department for success into the future, changes to the organizational structure in the CIP Division and Maintenance and Operations are being proposed. Several options for reorganization of Development Services were also considered, with particular emphasis on Solid Waste and Surface Water. After careful review and consideration, it is recommended that Development Services remain unchanged organizationally, with focus on better communication and coordination among divisions and work units within the Department.

It is important to note that all work units within the Department will remain intact. Some work units will report to new managers, however, the work units themselves are not being changed.

The following organization chart reflects the current structure of the Public Works Department:

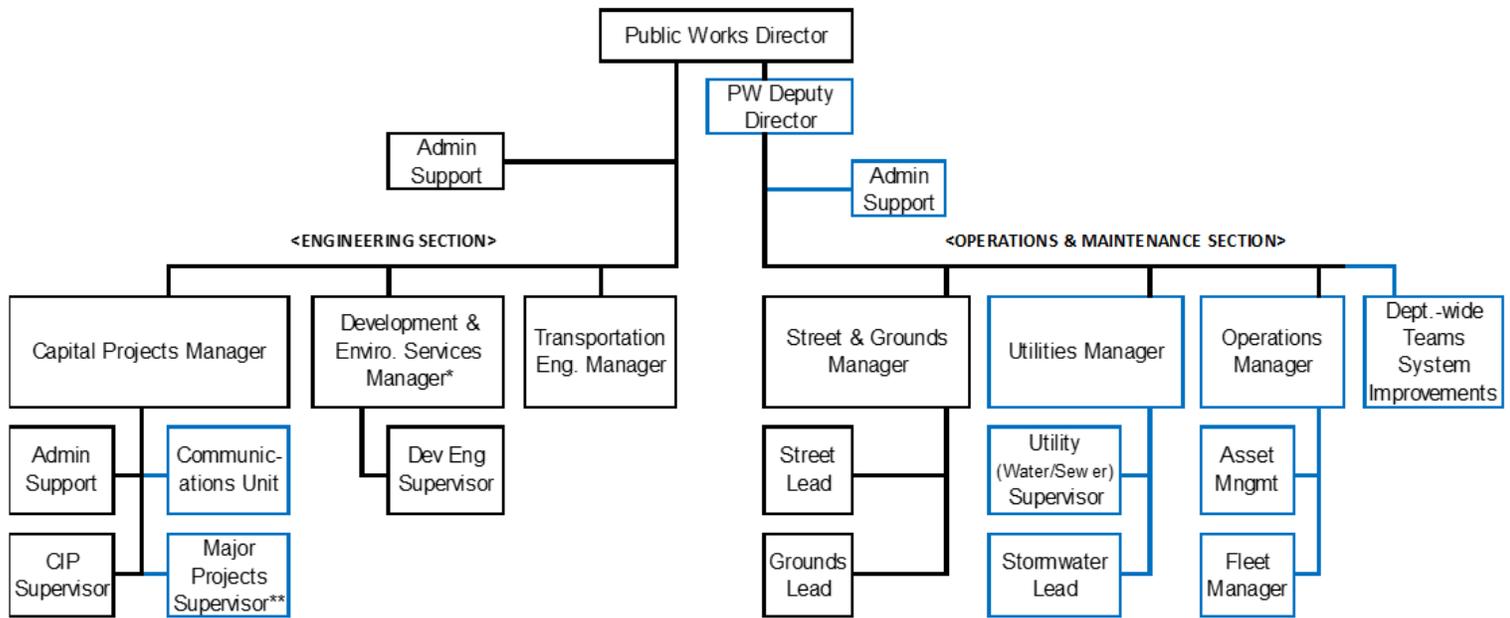


A brief description of the most significant changes proposed follows:

- **Reclassification of the Superintendent to Deputy Director:** The Deputy Director will have primary responsibility for creating, implementing, monitoring and improving new standard systems and processes. New systems and processes will not only be standard and streamlined, but will be created to align with policy and long-term strategic plans. Performance measures that evaluate performance against the City's Quad Chart will be established to help guide managers in their work programs and operations. HR processes, such as recruitments, training, and performance feedback will be improved and standardized. The Deputy Director will be the lead on the Department's organizational development work. The position will continue to oversee the operational divisions, but with less day-to-day oversight, shifting that responsibility to the Division Managers.

- **Operations Manager:** The existing Surface Water and Sewer Manager Position in operations will be re-defined to provide overall leadership for operations and maintenance. This position, and the Operations Planning Unit team that reports to it, will be responsible for developing the new EAM/MMS, and implementing sound maintenance management practices in the organization. On an ongoing basis, this unit will be responsible for planning, scheduling, and monitoring maintenance work in alignment with the City's policies and priorities. Maintenance work will be planned, based on an inventory of roadway/transportation features maintained, standard levels of service, and standard work practices. Planned work will be laid out by task and work unit on a monthly basis, with target production and expenditures. Actual versus planned expenditures and production will be monitored on a monthly basis, with an eye on overall performance and condition of the roadway/transportation/utility system.
- **Utility Manager:** An existing field position will be reclassified to a Utility Manager position that will be a licensed, professional engineer who oversees water, sewer and stormwater operations. This position will represent the City in regional forums, and will provide input into design of City water, sewer, and storm systems.
- **Other Changes:** Reclassification of the Water Division Manager to Operations Supervisor the primary duties will include oversight of the daily operations of the Water and Sewer Divisions of Public Works. In addition, the allocation of the current Management Analyst's time between funds will be realigned to reflect the current work load required by the position.
- **CIP Major Projects Unit:** At the August 3, 2015 Council Meeting the Council granted pre-approval of the hiring of five new positions to increase CIP output. This includes hiring an additional supervisor and positions to deliver larger scale projects and reduce the current CIP carryover. The overall CIP has increased 33% from \$123 M in the 2014 update to over \$163 M in the preliminary 2015 CIP.

The following organization chart summarizes the proposed new structure. Changes to positions reporting status or title have been outlined in blue.



Funding

The cost of the additional five positions to manage and oversee capital projects is built into the cost of all non-park CIP Projects; therefore, the funding source for these positions comes from the capital project budgets to which the new staff will charge their time.

The number of positions in operations and maintenance will not change; however, how positions are allocated to the various funds will change to align with the structure proposed. The financial impact of these identified changes varies by fund, as follows:

Public Works Operations and Maintenance Center Re-org					
	General Fund	Street Operating	Equipment Rental Fund	Surface Water Utility	Water/Sewer Utility
Sup to Deputy	9,261	1,799	(33,389)	33,284	3,651
Utility Manager		-	-	6,771	54,464
Operations Manager		15,420	38,552	(45,772)	(7,220)
Other Changes		(11,822)	-	23,647	(11,821)
Total	\$ 9,261	\$ 5,397	\$ 5,163	\$ 17,930	\$ 39,074

In 2016 these changes will be funded from 2015 year-end cash in the appropriate funds. During the 2017-2018 budget process the cost will be built into the basic budget.

**City of Kirkland
2015 Mid-Bi Budget Review
2015-2016 Budget Adjustments**

		Amount			
		FTE	Ongoing	One-time	Total
GENERAL FUND					
City Manager's Office					
	Kalakala donation	-		500	500
Subtotal City Manager's Office		-	-	500	500
Human Resources					
	Temporary Affordable Care Act Support	-	-	136,480	136,480
Subtotal Human Resources		-	-	136,480	136,480
Parks					
	On-Call Office Specialist	-	8,370	-	8,370
	Misc. Contingent Salary Schedule	-	38,700	-	38,700
	Surface Water Area Billing Revision	-	25,847	98,212	124,059
Subtotal Parks		-	72,917	98,212	171,129
Public Works					
	CIP Engineering	-	508,774	-	508,774
	CIP Engineering vehicle	-	-	24,900	24,900
	CIP Engineering Furniture	-	-	35,000	35,000
	Surface Water Internal Professional Services Chg	-	52,000	-	52,000
	EPSCA Radio Rates	-	(931)	-	(931)
Subtotal Public Works		-	559,843	59,900	619,743
Finance & Administration					
	Parking program	-	-	17,858	17,858
	Temporary Affordable Care Act Support	-	-	41,261	41,261
	Internal Cost of Service Reconciliation	-	-	(62,734)	(62,734)
	State Auditor Contract Increase	-	18,220	-	18,220
Subtotal Finance & Administration		-	18,220	(3,615)	14,605
Planning & Building					
	Temp Elec/Bldg Insp. & Plans Exam II	-	62,299	-	62,299
Subtotal Planning & Building		-	62,299	-	62,299
Police					
	Corrections Reorganization	-	23,558	-	23,558
	Telestaff	-	2,053	12,943	14,996
	Lieutenant Test	-	-	10,000	10,000
	EPSCA Radio rates	-	(18,065)	-	(18,065)
Subtotal Police		-	7,546	22,943	30,489
Fire					
	Firefighter Overhire	-	-	172,102	172,102
	CPODS	-	-	-	-
	Antique pumper	-	-	30,000	30,000
	EPSCA Radio rates	-	(9,126)	-	(9,126)
Subtotal Fire & Building		-	(9,126)	202,102	192,976
GENERAL FUND TOTAL		-	711,699	516,522	1,228,221

**City of Kirkland
2015 Mid-Bi Budget Review
2015-2016 Budget Adjustments**

		Amount			
		FTE	Ongoing	One-time	Total
OTHER FUNDS					
Debt Service Fund					
	McAuliffe/ Teen Center Debt Defeasance	-	-	1,251,543	1,251,543
Subtotal Debt Service Fund		-	-	1,251,543	1,251,543
Street Operating Fund					
	Business Analyst (MMS)	-	-	197,346	197,346
	Surface Water Area Billing Revision	-	8,626	32,225	40,851
Subtotal Street Operating Fund		-	8,626	229,571	238,197
Parks Maintenance Fund					
	Lakeview Elementary Field Turf Reserve	-	9,850	-	9,850
Subtotal Parks Maintenance Fund		-	9,850	-	9,850
Facilities Fund					
	Surface Water Area Billing Revision	-	(963)	2,869	1,906
	Maintenance Center Security Cameras	-	-	32,300	32,300
	Sinking Fund Transfer	-	-	321,429	321,429
	Houghton Court Rentals	-	200,000	128,508	328,508
Subtotal Facilities Fund		-	199,037	485,106	684,143
Information Technology Fund					
	Rental Rate Decrease	-	-	(86,973)	(86,973)
Subtotal Information Technology Fund		-	-	(86,973)	(86,973)
Surface Water Management Fund					
	Surface Water Area Billing Revision	-	476	2,411	2,887
	Grant revenue for NPDES	-	-	50,000	50,000
	Grant Revenue from DOE	-	-	20,500	20,500
Subtotal Surface Water Management Fund		-	476	72,911	73,387
Water/Sewer Operating Fund					
	Water Comp Plan Amendment 2	-	-	12,200	12,200
	Surface Water Area Billing Revision	-	2,477	10,343	12,820
Water/Sewer Operating Fund		-	2,477	22,543	25,020
Other Funds-Multiple					
	Internal Cost of Service Reconciliation	-	-	62,735	62,735
Subtotal Other Funds		-	-	62,735	62,735
TOTAL OTHER FUNDS		-	220,465	2,037,436	2,257,901
TOTAL ALL FUNDS		-	932,164	2,553,958	3,486,122



CITY OF KIRKLAND
Finance and Administration
123 Fifth Avenue, Kirkland, WA 98033 425.587.3100
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MEMORANDUM

To: Kurt Triplett, City Manager

From: Tracey Dunlap, Deputy City Manager
Michael Olson, Director of Finance and Administration
Alyshia Saltman, Budget Analyst

Date: September 15, 2015

Subject: Credit Card Fees

The purpose of this memo is to provide background on credit card fees, describe the current status, and provide fee options for City Council consideration.

Background

The City began accepting credit cards as an appropriate method of payment for services in 2005. Accepting payments by credit card results in the City incurring a variety of processing fees, the exceptions are the Court and Jail which use a third party for some services that charge fees. In most cases departments build an estimate of card fees into their budgets in order to pay these fees, however this can create budget issues. As the dollar volume of card payments increase, fees also increase and often overrun budgeted amounts. Some credit card fees are included in the full cost calculation of development fees, but in those cases the credit card fees are spread across all applicants not just those using credit cards. The use of credit cards for payments has increased over the years, creating a significant increase in fees.

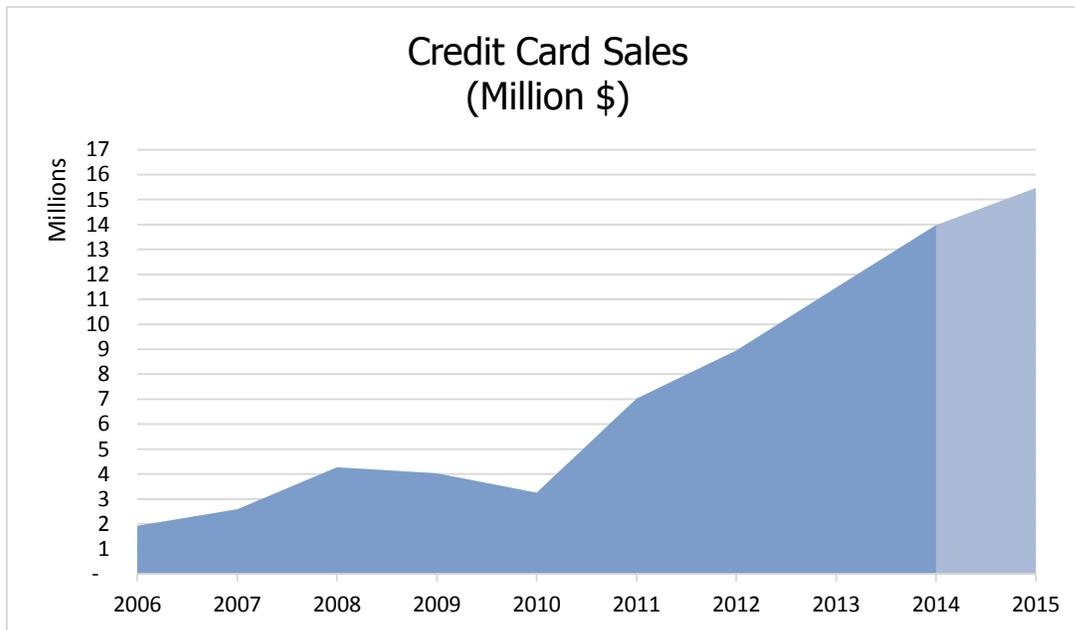
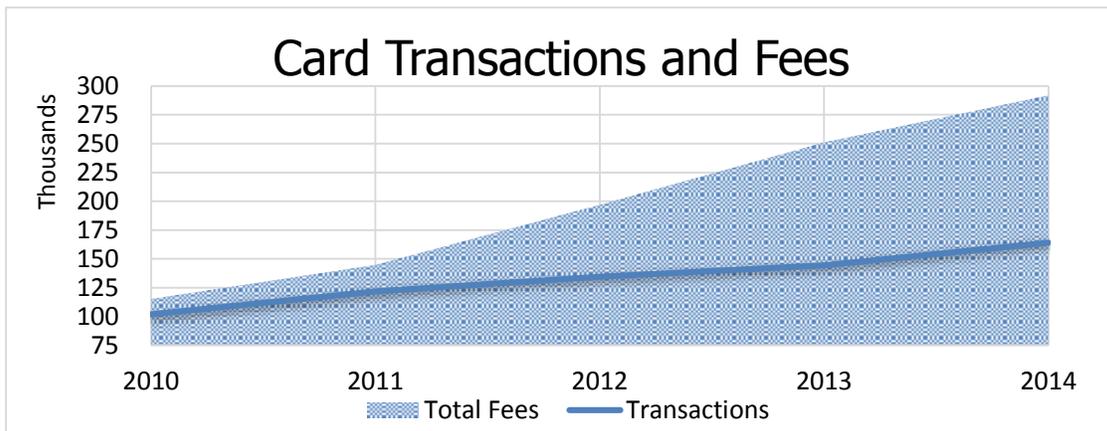
Current Status

The City accepts card payments for utilities, fines and court payments, recreation programs, permits, and parking. Details for 2014 activity are listed in the table below.

	2014					
	Credit Sales Volume	Transactions	Total Fees	Fees % of Sales	Total Revenue	Credit Receipts as a % of Total Revenue
Utilities	6,139,320	28,050	96,431	1.6%	51,170,473	12.0%
Dev Services	4,798,293	5,043	105,133	2.2%	14,838,806	32.3%
Parks & Rec	1,508,298	10,940	28,247	1.9%	1,643,591	91.8%
Court Fines	642,932	4,423	8,503	1.3%	2,625,005	24.5%
Cemetery & Licensing	306,459	1,253	6,722	2.2%	3,173,051	9.7%
Parking	114,039	110,732	40,759	35.7%	259,756	43.9%
Moorage	83,944	3,560	5,141	6.1%	115,259	72.8%
Miscellaneous	46,595	132	963	2.1%	N/A	N/A
Total	13,639,881	164,133	291,898	2.1%	73,825,942	18.5%

In 2014, the City accepted a total of 164,133 card based transactions and 2015 is on track to reach the same volume by the end of the year. In 2014, the City incurred \$291,898 in fees for \$13.6 million in receipts. Card servicing fees are expensed to the department accepting payment by card. The graph below shows increasing trends for both the number of transactions and the amount of fees the City has incurred between 2010 and 2014.

Card payments have nearly doubled since 2010, primarily due to acceptance of credit cards for permits at the counter and increased use of e-permits online. Fees associated with card transactions have grown 2.5 times since 2010 and do not appear to be leveling off. Note that annexation occurred on June 1st, 2011 which also contributes to the growth in transactions and sales. As of June 2015, incurred fees are 33% higher than June 2014, and receipts are 19.3% higher. The bottom graph shows how the dollar volume of receipts has grown from 2006 to 2014. Estimates for 2015 are based on available data and trends.



Convenience Fee and Surcharge Programs

Visa and MasterCard rules do not allow merchants to set monetary limits to transactions, nor do they allow the merchant to accept some card types and not others. Merchants who wish to avoid the negative stigma of charging transaction fees to card paying customers generally build such fees into the price of providing services. Therefore, all customers bear the burden of the fee. In the case of retail merchants, this is appropriate because customers are making voluntary

purchases. In contrast, many municipal fees are obligatory in nature. Wrestling with how to budget the transaction costs for credit cards, some municipalities began assessing transaction fees for services paid with cards. This practice ended in 1993 when Visa and MasterCard became aware of this practice and began enforcing their bylaws which prohibit such action. The result was that Visa and MasterCard ordered banks to cut off service to those entities assessing transaction fees.

Since that time Visa and MasterCard have both developed programs designed for higher education and government agencies to assess convenience fees to the public. The distinction between a transaction fee (surcharge) and a convenience fee is an important one because Visa and MasterCard have strict regulations regarding this issue. A transaction fee (surcharge) is a fee collected to directly offset the cost of allowing the customer to pay with a card. A convenience fee is a fee assessed to the customer for the convenience of using a specific payment mode. In order to participate in these programs, the City must be sponsored by their merchant services bank.

Credit Card Fee Recovery Policy Changes

In November 2012, the federal district court approved a settlement that resolves interchange and merchant acceptance rules in the U.S. and its territories via the *In re Payment Card Interchange Fee and Merchant Discount Antitrust Litigation* (MDL 1720) class action suit against credit service providers. As a result of this settlement, merchants can now assess surcharge fees to credit card transactions thereby allowing the merchant to offset the impact of fees incurred.

Regulations regarding this policy are stringent and would require an increased level of scrutiny when accepting card payments as regulations prohibit surcharges on debit cards regardless of the method used to process the card. Currently, 35 percent of card payments made to the city are made via debit card. The bulk of these transactions are processed for parking.

Neighboring Cities

The City of Kirkland often compares its policies and operations to those of Bellevue and Redmond in order to better determine regional municipal trends.

Bellevue does not charge additional fees for the use of credit cards for any city services, incorporating these costs into the service fees. Redmond also does not charge convenience fees or surcharges for customers paying with a credit card for city services. Credit card fees are considered part of the overall cost of providing a service and incorporates these costs into service fees. Note that King County has charged fees for credit card use in development services but intends to discontinue the practice in the near future and build the cost into permit fees.

Options for Accepting Credit Card Fees

The options below are offered for Council consideration. Due to the complexity and variety of services offered and fees collected by the City, options may be adopted separately for different City functions. For instance, a policy can be adopted to offer a cash payment discount for development services and utilities could enroll in a convenience fee program for online payments.

Option 1: Status Quo

Continue business under the existing model. The City would continue to build card servicing fees into the revenue model. Fees to customers will increase as transaction fees increase which may draw attention as the public becomes increasingly aware of the cost of City services, such as utilities. This method also includes a component of risk due to the unpredictability of the number of card payments as a whole. The positive aspect of this option is from the customer perspective. Customers inquire as to whether there is a separate fee for card payments and are appreciative of the no-fee structure we currently apply in Kirkland.

Option 2: Assess Surcharge Fees

The City can choose to assess surcharge fees for credit cards. Surcharges of up to 4% of the transaction may be charged to credit cards. Surcharges must be clearly communicated and displayed to the customer and must be included on a separate line on the receipt. This option is difficult to implement as fees may not be charged to debit cards regardless of the method used to process the cards. Approximately 35 percent of all card payments processed are made by debit cards.

Option 3: Assess Convenience Fees

Convenience fees are not allowed to be used for the purpose of passing credit card processing fees onto the customer. They are intended to be a charge for the convenience of using a payment channel outside of normal methods. For instance, a customer paying for service on Utilities Online can be assessed a convenience fee, however, if that customer comes to the counter and pays the utility bill in person with a card, a convenience fee may not be charged. In order to charge convenience fees, the City would be required to enroll in the convenience fee programs with the City's financial institution.

Option 4: Cash & Check Discounts

This method is commonly used by convenience stores for the sale of gasoline. The strategy of this method is to incorporate the cost of providing card services into card based transactions but offer discounts to individuals paying with cash or check. Part of this option would include re-evaluating our cost of service models and the capabilities of our systems to process the discounts.

Option 5: Third Party Vendors

The City could contract with third party vendors for all card transactions. In lieu of accepting card transactions at the counter or directly over the phone, customers could be directed to a third party online portal or phone number (or a kiosk at City Hall) where the third party will process the transaction and send a lump sum payment to the City. The time it takes to receive this revenue depends on the type of third party vendor used and its operations but is generally received within 48 hours. Use of third party vendors lowers the City's burden of credit card fees and reduces the risk of charge backs depending on contractual arrangements, but increases the cost to the customer. The City currently contracts with third party vendors for bail payments and court fines.

Potential Impacts of Implementing Credit Card Acceptance Fees by Department

Shifting the cost of accepting credit cards for payment to the customer will have varied affects for each department. The following summarizes the input received from each department regarding the potential impacts of making this change. Regardless of the method, implementing credit card acceptance fees for payment could lead to increased customer complaints,

decreased credit card usage and increased delinquencies and collections which, could create additional workload for staff. Implementing surcharge fees would also lead to increased administrative monitoring and scrutiny as staff ensures the City is correctly operating under Visa and MasterCard's complicated rules and regulations.

Utilities – The City is considered a “merchant.” Merchant accounts for utility payments are allowed a reduced fee of 75 cents per transaction, which results in an overall fee of 1.5 percent of receipts. The utility merchant account would no longer be eligible for the reduced fee if the City attached a surcharge, resulting in overall fees of approximately 2.2 percent of receipts. Implementing an additional charge for credit card fees would result in some customers shifting to cash or check payments. Employee workloads may also increase to process these payments and handle customer complaints. Currently 19.8 percent of all utility billings are paid by card. For some customers, the convenience of paying online will outweigh the impact of the fees on the individual and they will continue to pay by credit card. A portion of the utility customers could become quite upset and register their complaints with the City.

Development Services – Development services is an area of service where assessing credit card processing fees will not likely affect business as a whole. While some customers may complain, the department believes that additional fees will not significantly influence building or development services revenues.

Parks & Recreation – The business model for Parks and Recreation encourages people to use online registration and use credit cards at the counter for parks and recreation programs. This is evidenced by data indicating that credit card payments comprise 91.8 percent of the department's revenue. Staff resources have been adjusted to accommodate this practice. Resources might have to be increased if additional fees are assessed which would result in parks serving more people in person. Considering the populations that use the City's recreational services, a fee could result in disparate treatment for some, such as: senior citizens, teens, and low income individuals. Assessing a fee for services could alter these populations' habits but the effect is unknown at this time. Many customers might consider a different payment type, or might choose to spend their recreation dollar elsewhere.

Court Fines – Implementing additional fees for card payments received at the front counter could result in a greater number of unpaid fines and higher contesting rates. Unpaid fines would negatively affect the budget and increase the City employee workloads as collection attempts are made. The Court's customers are often upset about receiving fines and would be increasingly difficult to serve should additional fees be assessed. Jail and some court costs are collected through a third party agency and would be unaffected by additional fees.

Cemetery & Licensing – Implementing fees in this function could result in decreased card payments as individuals who use this method for convenience would simply mail in a check instead. Customers that have time sensitive needs would likely continue to make their payment via card over the phone as licensing has no online option. Last minute or urgent payments are often done over the phone and these customers are usually unhappy to begin with. The city could experience an increase in complaints and mailed payments.

Parking – Parking is driven by convenience and changes in pricing likely will not affect consumption. This being said, some people will choose to avoid increased parking fees and may avoid downtown or park on residential streets near their destinations creating additional congestion on those roads. The impact of adding fees to parking is more apparent than other categories because the fee as a percentage of revenue is much higher than other categories at 35.7 percent, due to the very small size of each transaction.

Moorage – Credit card payments comprise 72.8 percent of moorage revenues, the business model for which is similar to other parks and recreation programs. An additional fee for credit

cards likely will not affect boat moorage in Kirkland due to the low cost of City owned docks compared to local alternatives.

Example of Credit Card Surcharge Fees Impacts on Customers

	Description	Example Charge	Estimated 2.2% Surcharge	Total Charge to Customer	Fees Paid on Transaction	Amt Over (Under) Transaction Fee
Utilities (billed bi-monthly)	Residential	267.57	5.89	273.46	5.89	0.00
	Multifamily (4 Unit)	698.92	15.38	714.30	15.38	0.00
	Commercial	4,638.16	102.04	4,740.20	102.04	0.00
Dev Services	Building Permit Fee \$300k Residential	2,302.65	50.66	2,353.31	50.66	0.00
	Building Permit Fee \$1.5M Commercial	8,702.65	191.46	8,894.11	191.46	0.00
Parks & Rec	Ballroom Dance (Resident)	54.00	1.19	55.19	1.03	0.16
	Ballroom Dance (Non-Resident)	65.00	1.43	66.43	1.24	0.20
	Zumba Gold 4 Classes Seniors	35.00	0.77	35.77	0.67	0.11
Court Fines	Parking Infraction	35.00	0.77	35.77	0.46	0.32
	Traffic Infraction	136.00	2.99	138.99	1.77	1.22
	Warrant Fees	100.00	2.20	102.20	1.30	0.90
Cemetery & Licensing	Business with Receipts <\$12,000	50.00	1.10	51.10	1.10	0.00
	Business with 10 Employees	1,100.00	24.20	1,124.20	24.20	0.00
	Niche Wall - Level 1 (Resident)	1,868.00	41.10	1,909.10	41.10	0.00
	Niche Wall - Level 1 (Non-Resident)	2,802.00	61.64	2,863.64	61.64	0.00
Parking	Park Place Parking Meter	3.15	0.07	3.22	1.12	(1.06)
Moorage	20' boat	15.00	0.33	15.33	0.92	(0.59)
	Registration and Boat Launch (Res)	60.00	1.32	61.32	3.66	(2.34)

Summary

Credit card fees are increasing as this payment method becomes more popular. Recent changes in industry policies now allow merchants to charge fees to offset the cost of providing card payment services but would result in more complicated administration within the City. Staff is seeking Council direction on how to proceed with the processing of these fees. Staff recommends considering the policy choice through two lenses – customer service and cost recovery.

If the Council prioritizes customer service, continue funding credit card fees as a cost of doing business. Customers have expressed concern about the possibility of the City implementing these fees and are appreciative of current practices. In addition, assessing surcharges creates more complicated administration as staff will need to monitor compliance with Visa and MasterCard rules and regulations as well as process more cash and check based transactions.

If the Council prioritizes cost recovery and it is the Council's desire to pass on the processing fees to the customer, staff recommends that the City contract with third party vendors on select services that generate the largest processing fees. Use of third party vendors will ease the administrative burden and reduce risk to the City. Development services permits and utility billing might be good candidates to begin assessing fees as business will not likely be affected with implementing such fees, although customer reaction should be monitored.

**CITY OF KIRKLAND**

123 Fifth Avenue, Kirkland, WA 98033 425.587.3000

www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager

From: Kathy Brown, Public Works Director

Date: October 19, 2015

Subject: Capital Improvement Program Staffing

The purpose of this memo is to provide background information on how the City of Kirkland's Public Works Department Capital Improvement Program (CIP) has grown and evolved over the last several years and to propose a new organizational structure and staffing level to meet current and anticipated project output expectations.

BACKGROUND DISCUSSION:

As detailed in a separate issue paper, the Public Works Director and Management Team conducted an organizational assessment of the entire Public Works Department, including the CIP Division. The Public Works Reorganization Issue Paper is discussed in a separate memorandum. This issue paper memorandum focuses on staffing levels for the CIP Division.

Pre-authorization for Added Staffing

The overall CIP has increased 33% from \$123M in the 2014 update to over \$163M in the preliminary 2015 - 2020 CIP. In recognition of this growth, at the August 3, 2015 City Council Meeting, Council granted pre-approval for the hiring of five new positions needed to reduce the existing backlog of CIP work, reduce annual CIP carryover amounts, and to keep pace with anticipated CIP growth.

To maximize flexibility, and in anticipation of a higher level of building and parks projects, Capital Project Coordinator positions, rather than Project Engineers, were approved. The Capital Project Coordinators will not necessarily be civil engineers, as is required for the Project Engineering classifications. Capital Project Coordinators could have backgrounds in architecture, landscape architecture, engineering, construction management, or other related fields of expertise. The emphasis for these positions is facilities and/or parks project management knowledge and experience. In addition, the pre-approved addition of staff included one Project Engineer, for non-motorized transportation projects, including Walkable Kirkland, and one CIP Supervisor.

In addition to addressing immediate staffing capacity needs, filling these positions is part of a broader strategy to create a CIP management structure and cultivate in-house expertise needed for potential future large-scale parks and facilities projects, such as the ARC, the remodel/construction of the City's fire stations, and multimodal (transit, pedestrian, bicycle) facilities. Although not all of these larger-scale facilities projects are approved, it is prudent to

lay the groundwork for potential future large-scale projects, while implementing a strategy to more efficiently deliver projects on the proposed 2015-2020 "Funded" CIP project list.

The new positions will all be charged to the relevant capital projects. All construction related CIP projects have engineering and project management costs built in to the cost estimates. These staff additions will charge to those categories and this should not affect the budget or scope. Up to 2012, Parks CIP projects did not traditionally budget in the same way, however, the current Parks CIP does include an estimated 10% for internal professional services. As the current proposed 2015 - 2020 CIP includes a number of capital improvements that will, for the first time, be managed by the Public Works CIP construction management staff, that 10% will be closely monitored and adjusted as the averages become known. At this time we believe the percentage to be reasonable but more time is needed to fully understand the impact on project scopes, if any, for Parks projects with the added staffing.

The Walkable Kirkland program added funding to the School Walk Route and Neighborhood Safety Program budgets. Neither of these program areas have traditionally included budget capacity for project management time – a practice which has resulted in challenges in project delivery. Moving forward, project management staffing hours are assumed at a reasonable level for these programs, although no added funding has been appropriated. Funding adjustments – or decisions on project scope or the number of projects – will have to be made over the course of the 2015-2020 CIP to balance available funding with necessary project management costs.

Staffing Projection Refinement

Public Works CIP staff has been working with Finance staff to re-assess and refine the rough, preliminary staffing needs projections done last summer for the pre-approval of the five new positions. This work involved a detailed, in-depth, project-by-project projection of staffing needs. A staffing allocation model and summary report are both available for further discussion.

Below are the high points of the analysis, at a summary level:

- When the model is run using only known projects on the funded 6-year CIP, it forecasts an immediate need for 3.96 FTEs.
- When the model is run, including an assumption for projects likely to be funded through external sources in the next three years (as described below), the model identifies a need for an additional 5.5 positions, in addition to the 3.96 positions above. It should be noted that this analysis did not include any staffing for development of any type of large-scale parking facility.

These projections, based on a detailed, project-by-project analysis, provide assurance that the pre-approval of 5 FTEs was reasonable. Were we to cut back that approved level to the "known" 3.96 FTEs, it is most likely that our CIP Division would be completely unprepared to launch anticipated, newly funded projects such as: the ARC, new fire stations and/or remodels, the development of the Lake and Central parking lot, other potential grant funded projects in support of the Totem Lake Mall redevelopment, or other similar large-scale projects. Additionally, with an upfront emphasis on reducing the level of project carryover, there will be plenty of work for the new staff to do. Furthermore, it is likely that recruiting and hiring will

take many months, shifting project schedules and creating a need for more staff to deal with this "bow-wave."

With the proposed staffing levels, and commensurate project delivery, the CIP Division will be able to fulfill the following goals:

- Eliminate the large project backlog.
- Reduce annual carryover.
- Maintain pace with the higher level of project funding anticipated in the six-year CIP and the 20 year plan.

The attached chart depicts our project delivery plan. It should be noted that some large-scale, high budget projects will be completed this year, with final billing and close out next year. This fact explains our backlog reduction rate, which, at first glance, might appear somewhat optimistic. Another consideration is that project engineering staff has been required to work unsustainable, long hours to complete some of these large scale projects. Also, project inspection has been, in some cases, performed at unsatisfactory levels due to staffing shortages. In other cases, inspection work has been done by Public Works Operations staff, deferring maintenance service delivery. In still other cases, inspection work has been performed by expensive consultants.

The refinement of staffing estimate has resulted in a fine tuning of the hiring approach and a slightly different mix of staffing is now being recommended with an increased emphasis on project inspection. Below is a comparison of the original estimates at employee classification requirements, versus the results of the more detailed workload analysis.

Original Request	Refined Assessment	Comments
1 Senior Project Coordinator	1 Senior Project Coordinator	No Change
2 Project Coordinators	1 Project Coordinator	Analysis showed greater need for inspection.
1 Project Engineer	1 Project Engineer	No Change
0 Inspectors	1 Inspector	Analysis showed greater need for inspection.
1 Supervisor	1 Supervisor	Will hold off on hiring until after the vote on the ARC. Will hire Supervisor if ARC and/or other major projects move forward.

Funding

The cost of the additional five positions to manage and oversee capital projects is built into the cost of all CIP Projects; therefore, the funding source for these positions comes from the capital project budgets to which the new staff will charge their time.

CIP Engineering Charges

Why we charge

The CIP Engineering Division manages projects in the City's Capital Improvement Program (CIP) and its costs are budgeted in the General Fund. To ensure that project budgets, rather than other City revenues, pay for project management, these costs are recaptured through charges to capital projects based on direct staff time spent on the project.

How we charge

The hourly rate has two components: the direct portion and the indirect portion. The direct cost represents the hourly salary rate for the person working on the project. The indirect portion includes the remainder of the costs involved in employing that individual, as well as the costs of operating and managing the CIP Engineering Division as a whole. These costs include:

- Employee benefits and paid time off;
- Divisional supervisory time;
- Non-project administrative time, including meetings, policy development, etc.;
- Utility, materials, facilities, information technology, and supplies costs;
- A share of Public Works Department management and administration costs; and,
- A share of citywide financial, legal and human resources cost.

To ensure full cost recovery, these indirect costs are allocated across the direct hours spent on projects. The resulting hourly rate that is charged to projects includes both the direct salary cost as well as a proportionate share of these indirect or overhead costs. This combined rate is referred to as the engineering overhead rate.

Where are these costs budgeted in projects?

When a capital improvement project is proposed, a number of project cost elements are considered, including land acquisition costs, construction costs, and external planning/design and engineering costs and contingencies. An additional cost component that can be budgeted is "In-House Professional Services"; this represents the portion of the project budget that is set-aside to pay for staff time and resources expended to manage projects. This amount is estimated as a function of the project's total construction cost. In most cases, when CIP management charges are billed to a project, it is this line item of a project that bears the cost.

Not all projects will include this line item, as they may not require CIP Engineering Division project management. As an example, Information Technology projects and most Parks land acquisition projects do not include monies for this expense. As a final point, as with other elements of a CIP project, the amounts budgeted for In-house Professional Services represent an estimate of the resource need based on an initial projection of a project's scope. The amount actually required will vary with changes in the project scope and complexity.

Rate Implications in the Operating Budget

The current engineering overhead rate of 2.3176 was calculated in 2007; the calculation was updated in 2010, but the result was only slightly different (2.3623) so the current rate was left in place. Since that time, a number of changes to the CIP Engineering function have taken place, including:

- Increases in benefits costs;
- General inflationary increases to materials and supplies purchases;

- Technology cost increases;
- Addition of CIP outreach staff resources; and,
- Additional Supervisory staff resources.

Each of these changes has the effect of increasing the amount of overhead in the CIP Engineering program. As a result, the charges to projects no longer recover the full program costs.

As part of the discussion of adding project management staff resources, it is appropriate that a recalibration of the engineering overhead rate take place to ensure full cost recovery. The following table shows the projected 2016 cost recovery performance under two scenarios:

- The current rate at current staffing levels; and,
- The current rate with 4 new positions and associated costs.

The projected direct and indirect staff hours are based on staff assumptions for 2016.

	Current Staffing	Current & Additional Staffing
Engineering Rate	2.3176	2.3176
Direct Hours	18,709	25,365
Indirect Hours	9,922	11,646
Total Hours	28,631	37,011
Direct hours % of Total	65%	69%
Total Costs	\$2,450,623	\$3,031,295
Total Charges to Projects	\$1,819,519	\$2,399,838
Surplus/Deficit	(\$631,105)	(\$631,457)

It is clear from the table that the current rate does not recover the full costs of the program under either staffing scenario. The implication is that the General Fund covers the deficit. It is worth noting that the addition of new staff does not materially change the underlying shortfall, and only increases it slightly due to the shift in the distribution between direct and indirect time spent by the new staff.

An alternate perspective utilizes the same staffing assumptions, and calculates revised engineering charge rates to recover the full cost.

	Current Staffing	Current & Additional Staffing
Engineering Rate	3.121	2.895
Direct Hours	18,709	25,365
Indirect Hours	9,922	11,646
Total Hours	28,631	37,011
Direct hours % of Total	65%	69%
Total Costs	\$2,450,623	\$3,031,295
Total Charges to Projects	\$2,450,623	\$3,031,295
Surplus/Deficit	\$0	\$0

As shown above, the higher rate provides the mechanism to charge the full cost of the CIP Engineering program to project budgets and removes General Fund support.

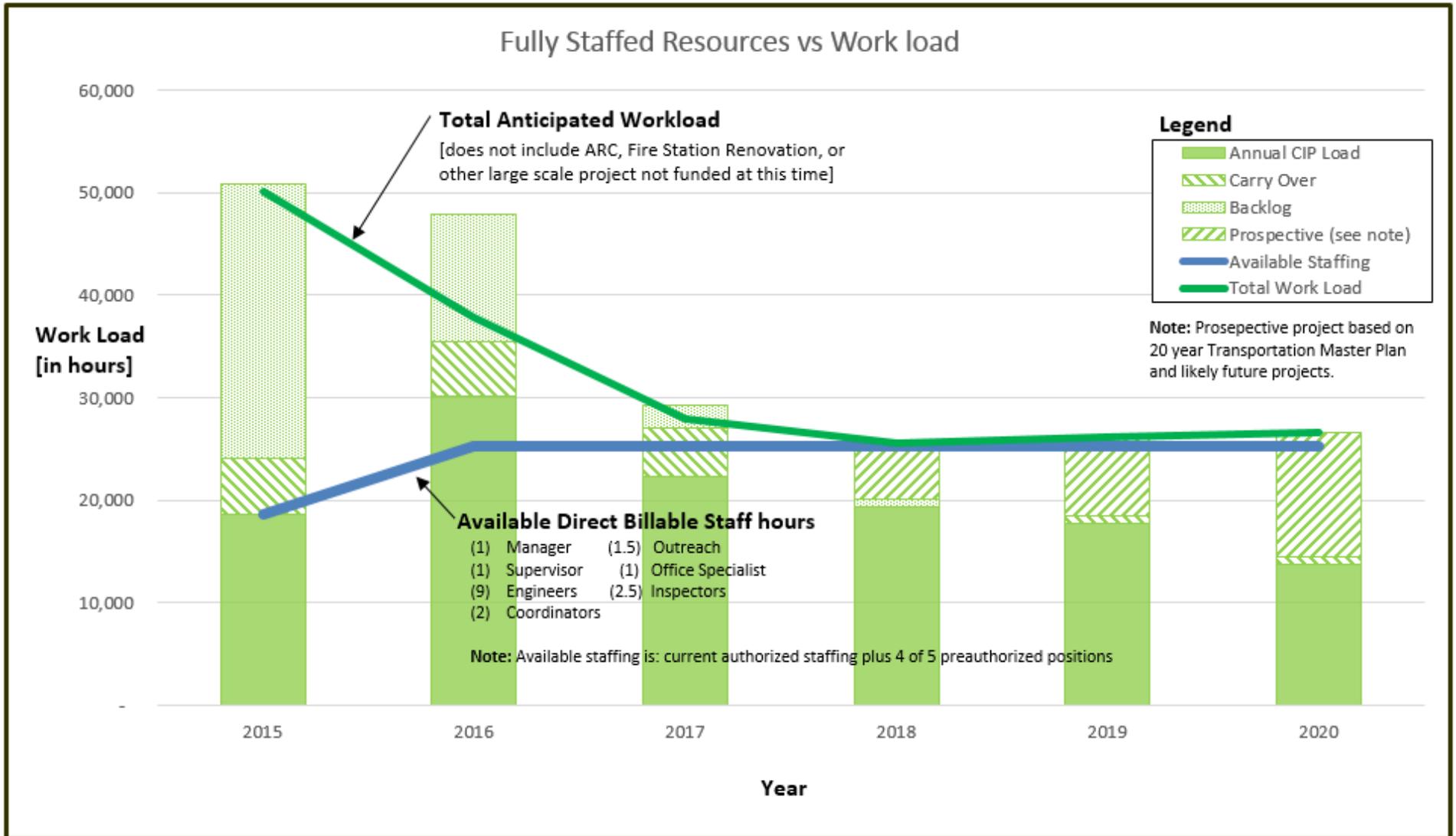
Rate Implication to Project Budgets

Assuming the rate is adjusted to fund the total program costs under the additional staffing scenario, the fiscal impact would be to shift a projected \$631,457 in costs from the General Fund to capital project budgets. In the event that billable hours fall short due to delays in filling positions, the full savings would not be realized since the fixed overhead would not be recovered on the shortfall.

The next step is to analyze the amounts available in current and proposed project budgets in the 2015-2020 CIP, to determine if sufficient budget is available to pay the in-house engineering charges.

The Preliminary 2015-2020 CIP, as presented to the City Council in July, included an additional \$13.9 million in In-house Engineering budget in projects. When added to the projected carryover amount in existing projects as of 12/31/2015, a total of \$15.5 million will be available in projects to pay CIP Engineering charges over the next five years. This equates to roughly \$3.1 million per year, which is slightly above "Total Charges to Projects" amount in the "Additional Staffing" column shown in the table above.

It is important to note that the proposed CIP does not currently include the Aquatics and Recreation Center, the Lake and Central property, nor remodel/reconstruction of the City's fire stations as funded projects. As such, these projects are not included in the project budget estimates cited above. Any or all of these projects will increase workload for the CIP Engineering Division and therefore result in higher charges to support the full costs of the CIP Engineering direct staffing and related overhead costs.





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
 Tracey Dunlap, Deputy City Manager

From: Jennifer Schroder, Director
 Michael Cogle, Deputy Director
 Leslie R. Miller, Human Services Coordinator

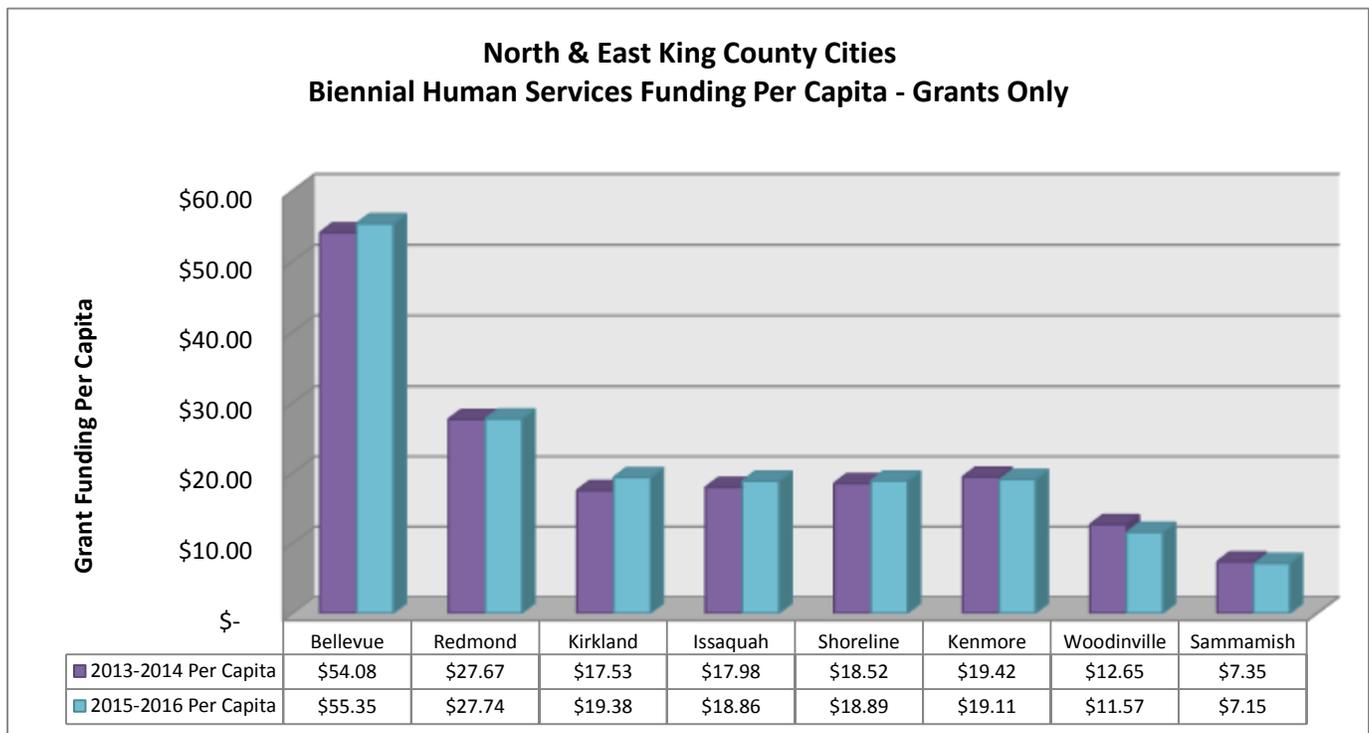
Date: September 25, 2015

Subject: Human Services Funding Comparison

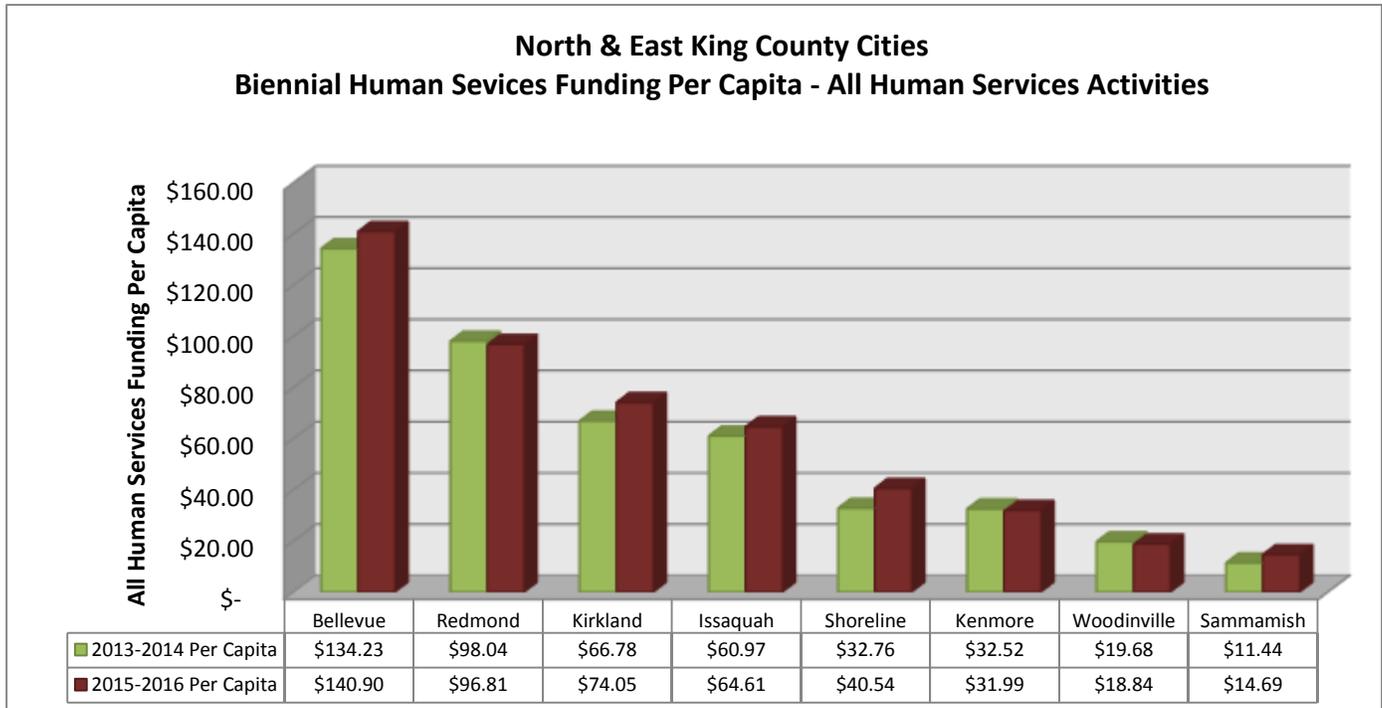
During their deliberations on the City’s 2015-16 budget last fall the City Council expressed interest in seeing a comparison of overall investments in human services and human services-related activities for Kirkland and surrounding cities.

The attached spreadsheets provide detailed information regarding these city investments. The charts below compare the investment levels for both grants and more general human services funding.

The first chart shows the biennial distribution of human services grants to local and regional human service providers on a per capita basis:



The next chart provides a comparison of funding by cities for all human services and human services-related activities, including not only grants but also city-funded activities for: seniors, teens, and special populations; affordable housing; substance abuse; and certain public safety activities such as those related to domestic violence and school resource officers.



To provide some context, the following table shows the proportion of general government revenues used for human services activities for the 2013-2014 budget period for each city:

	General Government Revenues Per Capita	Human Services Expenditures Per Capita	Percentage of Revenues For Human Services
Bellevue	\$2,457.30	\$134.23	5.06%
Redmond	\$2,151.75	\$98.04	4.23%
Kirkland	\$1,719.65	\$66.78	3.83%
Kenmore	\$854.38	\$32.52	3.74%
Issaquah	\$1,679.20	\$60.97	3.44%
Shoreline	\$1,020.39	\$32.76	3.17%
Woodinville	\$1,578.81	\$19.68	1.22%
Sammamish	\$1,220.81	\$11.44	.90%

Human Services Funding Comparative Project 2013-2014								
Kirkland's Definition of HS Funding	Bellevue	Redmond	Kirkland	Issaquah	Shoreline¹	Kenmore²	Woodinville	Sammamish
Human Services Program -- grants	6,738,602	1,531,538	1,428,516	560,000	986,478	408,304	138,680	348,721
Human Services Coordination	1,329,195	491,000	333,833	78,408	364,544	-	-	-
Senior Center Operations	1,040,855	710,140	1,069,672	291,800		-	-	-
KC Alcohol Treatment Prog (\$ from state liquor excise tax)	45,739	21,253	6,885	12,000	21,843	8,994	-	15,154
A Regional Coalition for Housing (ARCH)	1,236,967	633,531	846,817	197,368	-	151,520	77,040	168,067
Community Youth Services Program and/or Teen Center	1,435,211	589,950	621,395	41,000	50,942	-	-	-
Teen Mini Grants	-	-	17,000	-	-	-	-	-
Domestic Violence Programs	970,450	161,744	754,835	32,000	53,210	16,800	-	10,552
Police School Resource Program	1,136,772	730,714	259,205	517,311	-	97,914	-	-
Senior Discounts for Utility and Garbage Services	1,594,303	123,719	78,967	87,333	-	-	-	-
Donations made by utilities customers	-	-	8,000	-	-	-	-	-
Recreation programs for residents with special needs	984,738	425,000	14,000	82,000	167,927	-	-	-
Recreation Class Discounts	211,921	8,900	2,000	-	100,368	-	-	-
Biennial Total	16,724,753	5,427,489	5,441,125	1,899,220	1,745,312	683,532	215,720	542,494
2012 Population	124,600	55,360	81,480	31,150	53,270	21,020	10,960	47,420
Biennial Per Capita Total	134.23	98.04	66.78	60.97	32.76	32.52	19.68	11.44
¹ Kenmore: Senior Center funded through the Human Services grant program. Contracts with KC Sheriff for police so no information regarding DV.								
² Shoreline: Senior Center funded through the Human Services grant program. Youth program does not include overhead, facility use, transportation or supervisor's time. Contracts with KC Sheriff for police--so police expense not included, only advocate. Utilities not provided by the city.								

Human Services Funding Comparative Project 2015-2016								
Kirkland's Definition of HS Funding	Bellevue	Redmond	Kirkland	Issaquah¹	Shoreline²	Kenmore³	Woodinville	Sammamish
Human Services Program -- grants	7,439,227	1,600,460	1,610,696	620,000	1,019,695	408,304	130,000	352,000
Human Services Coordination	1,461,072	496,141	292,721	250,000	392,274	-	-	7,000
Senior Center Operations	1,192,491	716,250	1,107,224	291,800		-	-	-
KC Alcohol Treatment Program (\$ from state liquor excise tax)	64,533	20,000	35,370	18,000	25,746	8,994	-	24,000
A Regional Coalition for Housing (ARCH)	1,295,176	672,770	999,200	180,996	-	151,520	81,736	190,548
Community Youth Services Program and/or Teen Center	1,656,547	350,867	629,008	43,000	60,942	-	-	-
Teen Mini Grants	-	-	17,000	-	-	-	-	-
Domestic Violence Programs	1,163,107	188,850	796,847	32,000	53,210	16,800	-	16,000
Police School Resource Program	1,752,437	952,890	519,753	517,311	370,000	97,914	-	134,000
Senior Discounts for Utility and Garbage Services	1,663,000	130,800	79,996	87,333	-	-	-	-
Donations made by utilities customers	-	-	8,000	-	-	-	-	-
Recreation programs for residents with special needs	999,813	447,737	14,000	84,000	176,012	-	-	-
Recreation Class Discounts	250,000	8,900	6,000	-	91,000	-	-	-
Biennial Total	18,937,403	5,585,665	6,115,815	2,124,440	2,188,879	683,532	211,736	723,548
2014 Population	134,400	57,700	82,590	32,880	53,990	21,370	11,240	49,260
Biennial Per Capita Total	140.90	96.81	74.05	64.61	40.54	31.99	18.84	14.69
¹ Issaquah: Utilizes an annual budget, so 2016 numbers are estimates based upon 2015 totals.								
² Kenmore: Senior Center funded through the Human Services grant program. Contracts with KC Sheriff for police so no information regarding DV.								
³ Shoreline: Utilizes an annual budget, so 2016 numbers are estimates based upon 2015 totals. Senior Center funded through the Human Services grant program. Youth program does not include overhead, facility use, transportation or supervisor's time. Contracts with KC Sheriff for police--so police expense not included, only advocate. Utilities not provided by the city.								

**CITY OF KIRKLAND****123 Fifth Avenue, Kirkland, WA 98033 425.587.3800**
www.kirklandwa.gov**MEMORANDUM**

To: City Council

From: Kurt Triplett, City Manager

Date: October 28, 2015

Subject: UPDATE ON TRANSIT OPTIONS ON THE CROSS KIRKLAND CORRIDOR

RECOMMENDATION:

It is recommended that City Council receives an update on the technical work and the draft outreach plan related to Sound Transit 3 Candidate Projects, including Bus Rapid Transit options on the Cross Kirkland Corridor and on I-405.

BACKGROUND DISCUSSION:

A multi-modal corridor that includes transit on the Cross Kirkland Corridor (CKC) has been a key policy priority of the City since the acquisition of the CKC in 2011. CKC transit service is necessary to create mobility alternatives and support the economic development in Downtown, 6th Street/108th (Google, Nytec, Houghton/Everest Shopping Center) and Totem Lake. Transit use is contemplated as part of the CKC Master Plan adopted in 2014 and is being incorporated into the 2015 Transportation Master Plan and the 2015 Comprehensive Plan update.

On August 27, 2015 the Sound Transit Board adopted a "Candidate Project List (CPL)" of projects that might be included in a 2016 ST3 ballot measure. The CPL includes two options for transit along the Cross Kirkland Corridor. The first is a light rail line from Totem Lake to Bellevue along the CKC and continuing to Issaquah along I-90. The second is a Bus Rapid Transit line (BRT) from Totem Lake to Bellevue. Both CKC projects will be evaluated by ST staff for costs and ridership along with the rest of the CPL projects and ST staff will make a recommendation to the Sound Transit Board for a final package to be included in any potential ballot measure around the end of the year. The Sound Transit Board will then make final decisions about what to include in the first quarter of 2016.

Given Sound Transit's expedited timeline, at the September 15, 2016 Council meeting, the City Council authorized \$250,000 from REET reserves for the pre-design and cost-estimating of BRT options on the CKC and design and service options linking Downtown and 6th Street S./Google to BRT on I-405 to help inform Sound Transit's analysis. The memo and the fiscal note regarding the \$250,000 is included as Attachment A. The Council also asked that staff develop an outreach plan to solicit community feedback on these options once they were developed.

Following the Council action, staff contracted with the Transpo Group, with BRT International and the design firm Perteet as sub-consultants, to do the work. BRT International has developed BRT lines throughout the world and their consultant team are nationally recognized experts in this field. BRT International was tasked with developing conceptual plans and cost estimates that could be accomplished in the 30 foot transit envelope to the east of the Interim Trail that is identified in the CKC Master Plan. Perteet was assigned the task of evaluating potential design concepts and cost estimates, focusing on potentially challenging engineering considerations, such as stormwater and the geometry of various segments of the corridor.

The consultants were also asked to identify potential cost-effective connections linking the proposed BRT on I-405 to Downtown and 6th Street, as well as to the southern portion of the Totem Lake Business District.

Staff will be presenting the consultants' preliminary concepts and costs at the November 4th Council meeting for discussion and direction. The materials are still being refined by the consultants and are not included in the Council packet but will be available at the Council meeting. Staff will also present a draft outreach plan to the Council. A key component of the outreach plan is a proposed community meeting on November 19 where information on light rail and BRT options on the CKC will be presented for community input and feedback.

Attachment A: September 15 CKC update memo and fiscal note



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

MEMORANDUM

To: Kurt Triplett, City Manager

From: Kathy Brown, Public Works Director
Kari Page, Cross Kirkland Corridor Coordinator

Date: September 3, 2015

Subject: Cross Kirkland Corridor Update

RECOMMENDATION:

It is recommended that the City Council receives an update on all things related to the Cross Kirkland Corridor (CKC).

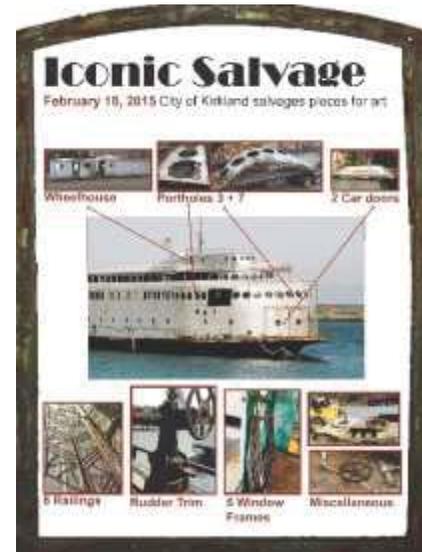
Planning:

- 1. Sound Transit 3 and the CKC:** Transit on the CKC in addition to a trail has always been a key policy priority of the City since the acquisition of the CKC in 2011. CKC transit service is necessary to create mobility alternatives and support the economic development in Downtown, 6th Street/108th (Google, Nytec, Houghton/Everest Shopping Center) and Totem Lake. Transit use is contemplated as part of the CKC Master Plan adopted in 2014 and is being incorporated into the 2015 Transportation Master Plan and the 2015 Comprehensive Plan update. To implement transit on the CKC, Kirkland staff, along with Mayor Walen, Councilmember Arnold and Councilmember Asher, have worked closely over the past 9 months with Sound Transit staff and Sound Transit Board members to include options for transit on the CKC connecting the Totem Lake Urban Center to Eastlink light rail in Bellevue.

On August 27, 2015 the Sound Transit Board adopted a "Candidate Project List (CPL)" of projects that might be included in a 2016 ST3 ballot measure. The CPL includes two options for transit along the CKC. The first is a light rail line from Totem Lake to Bellevue along the CKC and continuing to Issaquah along I-90. The second is a Bus Rapid Transit line (BRT) from Totem Lake to Bellevue. Both CKC projects will be evaluated for costs and ridership along with the rest of the CPL projects and ST staff will make a recommendation to the Sound Transit Board for a final package to be included in any potential ballot measure around the end of the year. Staff believe that the most practical, effective and affordable outcome would be to build BRT along the CKC soon. To help ensure any such BRT plan is compatible with Kirkland values and scale, a budget request for \$250,000 for BRT planning, pre-design and cost-estimating will be in front of the Council at the September 15th Council meeting. Staff will be asking the Council for a motion to authorize the City Manager to appropriate the \$250,000 from REET reserves for this purpose. A fiscal note is included with this memo as an attachment. Kirkland staff and Councilmembers will be following the Sound Transit process closely to ensure that any final system provides robust but appropriate transit service to Kirkland.

- 2. Art Integration Plan:** With the completion of the interim trail, an abundance of art and heritage ideas for installations on the CKC have been put forth. Without a tool for curating art on the corridor, it is difficult to determine which of the ideas is worthy of consideration by the Cultural Arts Commission and City Council and, most importantly, what locations along this precious and limited resource need to be reserved for a variety of art and heritage treatments that the community desires.

Given these exigencies, the Cultural Arts Commission allocated \$1,000 in annual 2015 4Culture funds to develop a framework for an art integration plan. That framework enabled staff to begin seeking funds for art and also to scope the Request for Qualifications (RFQ) for a consultant to develop a full-fledged plan. The City Council followed with an allocation of \$20,000 for the plan, and a call for consultants was issued. The project was awarded to the Berger Partnership, the landscape architecture firm who prepared the Master Plan.



Work will begin in September and run through November, with the expectation that a draft Art Integration Plan for the Cross Kirkland Corridor (CKC PAIP) will be presented to City Council for adoption as an attachment to the Master Plan by the end of the year. In the ensuing months Berger will be gathering input from City staff, arts and heritage constituents and the larger public and coming up with a plan as well as decision tree for art selection in the future. The Cultural Arts Commission will play an important role as conveners of public meetings as well as working closely with the consultants to revise and craft the recommended plan that will go to City Council.

- 3. Regional Issues:** The Eastside Rail Corridor (ERC) Regional Advisory Council (RAC) July 22, 2015 meeting included a panel discussion about potential funding collaboratives envisioned to help finance the development of the ERC. The RAC is considering two organizational options: a "free-standing" organization; or an alliance with an existing organization. The panel included Roger Hoesterey, Eastside Rail Corridor Project Director for The Trust for Public Land; Gene Duvernoy, President, Forterra; Maggie Walker, Principal, Walker Family Foundation; Ron Sher, Managing Partner, Sher Partners; and Nicole Trimble, Senior Advisor, Philanthropy Northwest's The Giving Practice. The panel discussed opportunities and challenges to a funding collaborative, types of projects a philanthropy would be interested in, and the kind of structure needed to be effective. The RAC will continue to invite panel expert to provide advice on possible funding collaborative options. For more information about the RAC and future meetings go to http://www.kingcounty.gov/operations/erc-advisory-council/2015_Meetings.aspx

In late September, RAC members from Sound Transit, City of Bellevue, and King County will meet with staff to review cost estimates and potential timelines for completing two Interim Trail segments of the ERC within the City limits of Bellevue. One connects the CKC to the SR520 nonmotorized trail. The other goes from SR520 adjacent to the Sound Transit Operations & Maintenance Satellite Facility (OMSF) to the Wilburton East Link station just

north of NE 8th Street. The agencies are looking at options to develop an interim trail in the near term, prior to the OMSF and East Link schedule.

The next RAC meeting is scheduled for Wednesday, October 28, 2015 (location to be determined).

Projects:

- 4. South Kirkland TOD CKC Multi-Modal Bridge/Elevator:** The South Kirkland Pedestrian Bridge project will provide a needed ADA-accessible pedestrian route connecting the Cross Kirkland Corridor (CKC) trail with King County Metro's South Kirkland Park & Ride facility. This connection is an element of the South Kirkland Transit-Oriented Development (TOD), which included construction of the King County Metro parking garage and two apartment buildings. There is approximately 60 vertical feet between the elevation of the parking lot and the CKC trail elevation, where the trail intersects 108th Avenue NE. Current pedestrian access between the South Kirkland Park & Ride facility and the CKC trail is limited to a long and strenuous sidewalk along 108th Avenue NE. This project is located at the south terminus of the CKC trail, and so may be considered both a "gateway" to the City of Kirkland trail to the north as well as a significant connection to the Bellevue leg of the future Eastside Rail Corridor to the south.

The connection made by this project will incorporate an elevator and stair tower with an elevated pedestrian bridge connecting to the trail. The 60-foot tower, with access to the parking lot and the bottom level of the adjacent parking garage, will enclose a passenger elevator and staircase within a steel-framed structure wrapped in a combination of glazing, architectural steel mesh, and perforated metal panels. The architecture of the project will be important, as this connection is located at the south terminus of the City of Kirkland's CKC trail, and so may be considered a "gateway" to the trail north. The architecture for this project encourages the "gateway to the City of Kirkland" vision through such methods as selecting transparent materials to be used for the tower and bridge in support of Crime Prevention Through Environmental Design.

The project currently under design is approaching a 60 percent design and engineer's estimate stage. As much of the project represents an addition to an existing and fully-utilized Park & Ride facility, and the structure will be maintained by the City of Kirkland after construction, several aspects of the design of this project and a final agreement to occupy the facility are still being discussed with King County. An important step in the process will be obtaining approval from the Federal Transit Authority to use three parking stalls for the footprint of the new structure.

Initial project funds for the project came from a Washington State capital legislative appropriation under the Projects for Jobs and Economic Development program. Supplemental funds have been committed to the project by King County, once a final agreement is reached between, and approved by, both the City of Kirkland and King County. Based on estimates developed in anticipation of the 60 percent design and the existing facility development, additional funding will be necessary to complete construction of the project. Staff has proposed to fund the project in the CIP currently being reviewed by the Council for adoption in December. The CIP request seeks to balance project affordability with the vision of making this project an iconic "gateway" for the City.



- 5. Rail removal and overlay at 124th Avenue NE and Totem Lake Boulevard:** The rails have been removed and adjacent concrete driveway ramps and sidewalks are nearly complete. Due to weather, grinding and final overlay of the roadway was postponed from the first to the second week in September. Included in this project is the completion of the overlay on 120th Avenue NE between the CKC and where Washington State Department of Transportation terminated their repaving north of NE 116th Street.
- 6. Houghton/Everest Shopping Center bridge and trail connection:** The project is included in the Preliminary 2015-2020 Capital Improvement Program (CIP) with an estimated budget of \$175,000 (NM0114). This project is on the Council-approved list of pre-authorized 2015-2016 CIP projects with construction start dates in 2015.

The bridge and trail connection are currently in the final design/permitting phase and construction is anticipated to start in September and be complete in October. Wetland mitigation is being done through a Puget Sound Energy (PSE) mitigation program at no cost to the City. Invasive plant material will be removed September/October with final planting (of more than 200 plants) scheduled for late this year or early spring of 2016.

- 7. Top Priority Interim Trail Improvements:** As described in the CKC Interim Trail Accept Work memo to the City Council on September 1, there is approximately \$186,000 remaining in the Interim Trail fund for improvements such as trail connections and CKC user/staff requested items. The popularity and heavy use of the trail has resulted in many user/staff recommendations for safety improvements and enhancements. As a result, on September 1, Council approved using the remaining Interim Trail project funds for these improvements. Staff will continue to assess and rank requests as they come in and report back to the Council in future CKC Updates on the status of these projects and remaining funds. The following are examples of the high priority projects:

Americans with Disabilities Act (ADA) plan and access: Staff has been working on both a long-range ADA plan and looking for opportunities for quick wins. SRM Development at Google installed the first ADA accessible parking stall on the east side of 5th Place (along with 7 other parking stalls). The connection to the Houghton/Everest Shopping center will include a second ADA stall. With minimal effort (approximately \$3,000 each), the City can install ADA stalls at 128th Lane NE, 120th Avenue NE, NE 112th Street, 110th Avenue NE, NE 87th Street, and Kirkland Avenue. The east west elevation change along the southern quadrant of the corridor makes installing ADA ramps south of NE 68th Street more complicated. This fact highlights the importance of the South Kirkland TOD CKC Multi-Modal bridge.



Fencing/solution for NE 124th Street/Totem Lake

Boulevard illegal pedestrian crossing: The City Council directed staff to review the signage at the intersection to make sure pedestrians and bicyclists were not inadvertently trying to cross these major roads from the CKC. Additional signage directing trail users to the signalized intersection from the CKC was installed this summer. In addition, after the rail removal and paving project is complete, maintenance crews will install a wooden fence (similar to the one along the trail) where the trail meets the sidewalk along 124th Avenue NE. The trail will

split left and right around the fence forcing the trail user toward the intersection. Staff will continue to monitor the crossing to make sure these improvements are effective.

Runnel at Crestwoods Park connection: The stairs leading to Kirkland Middle School are steep and can be challenging for middle school children walking their bikes. The community has requested a runnel to make it easier and safer for getting to and from school on bikes. This improvement has not yet been scheduled.

CKC Map: Because of the overwhelming number of requests, the first user map of the CKC has been produced and is online with copies available at City Hall, community centers and the Kirkland Library. Bundles of maps will be taken to neighborhood meetings this fall for distribution. The map includes trail connections, mile markers, parking opportunities, restrooms, park amenities, and other landmarks. 1,000 maps were printed.

Trail etiquette campaign/signs/bike bells: Based upon user reports and input, the City has started a trail etiquette campaign. The etiquette list, pulled from other regional trails and jurisdictions, includes specific behaviors to follow to improve the trail user's experience. Examples include alerting pedestrians when passing, staying to the right of the trail, picking up after your pet, keeping pets on a short leash, etc. Bike bells with the CKC logo are being distributed at community events to emphasize the importance of alerting pedestrians while passing on a bicycle. Simple (four word) signs will be added to the trail reminding users of basic rules like "stay to the right."

The new trail map has the full list of trail rules and etiquette to help make the trail safe and allow all users to have a positive trail experience.

The Neighborhood Safety Program (NSP) stair project at NE 68th Street: Through the NSP, neighbors asked for stairs to connect the school walk route/sidewalk on the south side of NE 68th Street to the CKC. The Lakeview Neighborhood requested wooden stairs. But because of the strong support for this project from all of the neighborhoods and the Master Plan's emphasis on the importance of a connection to this busy arterial, staff increased the budget and added \$17,500 from the Interim Trail fund to upgrade the requested wooded stairs to permanent concrete stairs.

Counts on the corridor: As a pilot, in January a VideoLan Camera was purchased and placed on the trail to record images for counting users. The following counts have been tallied. However, because of the time it takes to view the video to tally the users, staff will be upgrading the counters to infrared counters (around \$1,500) to obtain immediate/more reliable counts. Documenting user numbers can help provide statistics for grant applications and provide information for maintenance and operations.

Location	Date	Pedestrians	Bikes	Total
Kirkland Ave	Friday, January 16, 2015	146	9	155
Kirkland Ave	Saturday, January 17, 2015	246	30	276
Kirkland Ave	Sunday, January 18, 2015	130	13	143
NE 52 nd Street	Saturday, January 24, 2015	315	29	344
NE 52 nd Street	Sunday, January 25, 2015	514	59	573
Kirkland Ave	Friday, March 27, 2015	216	93	309
Kirkland Ave	Saturday, March 28, 2015	764	210	974
Kirkland Ave	Sunday, March 29, 2015	668	156	824
Kirkland Ave	Monday, March 30, 2015	187	34	221
NE 87 th Street	Saturday, April 25, 2015	610	196	806
Kirkland Ave	Friday, July 17, 2015	305	155	460
Kirkland Ave	Saturday, July 18, 2015	404	279	683

- 8. Preliminary 2015-2020 CIP Projects on the CKC:** There are a number of projects (funded, unfunded, and potentially funded with external sources) in the upcoming CIP related to the CKC. If approved, Council will stay up to date on the progress of these projects through future CKC updates.

YEAR	PROJECT DESCRIPTION	BUDGET
2015	CKC Bridge Connection to Houghton Shopping Center	\$175,000
2015	CKC Surface Water Drainage at Crestwoods Park	\$40,000
2016	CKC Emergent Projects Opportunity Fund	\$100,000
2016	CKC Emergent Project Surface Water Opportunity Fund	\$100,000
2017	NE 52nd Street Sidewalks (State grant)	\$1,086,000
2018*	Kirkland Way Sidewalk Improvements	\$2,120,000
2015/2016*	South Kirkland TOD/CKC Multi-Modal Connection	\$2,400,000
2015/2016/2017	Totem Lake Park Master Plan Trail Development	\$1,864,000
2016/2017	NE 124th Street/124th Avenue NE Pedestrian Bridge	\$1,500,000
2016/2017*	CKC Surface Water Drainage at Crestwoods Park Design/Construction	\$1,000,000
2017/2018*	NE 124th Street/124th Avenue NE Pedestrian Bridge Construction	\$11,360,000
2018/2019*	Totem Lake Park Development Phase II	\$1,000,000
2018/2019	King County Eastside Rail Acquisition in North Kirkland	\$600,000
2018/2019	CKC North Extension Trail Development	\$1,000,000
	TOTAL	\$24,345,000
*	Includes funding from external sources (some of which has not been awarded).	

Outreach:

- 9. SRM/Google Dedication Celebration:** The August 31, 2015, SRM/Google Dedication of the Family Fun and Fitness area was a great success. The hundreds of enthusiastic participants reflect the community's support for the CKC and improvements thus far. Kirkland Downtown Association (the non-profit sponsor of the beer garden) estimated the turnout to be 1,500. Google reported over 1,000 strawberry short cakes eaten. 250 CKC trail etiquette bells and roughly 300 new trail maps were given out. The last remaining items (childrens zip line and playground) are expected to be installed by the end of September. In the near future, a community naming contest will be started to help SRM Development, Google and the City find a name for this new park.



10. Adding CKC to the Lake Washington School District School Walk Routes: The Public Works Department turned in the formal request to the School District to have the Cross Kirkland Corridor (from NE 52nd Street to the point where 116th Avenue NE in Highlands would intersect to the CKC if it continued through) designated as a school walk route. To qualify as a school walk route the trail must:

- Cover a one-mile walking distance from the school, excluding areas outside the school service area. A walk route does not need to provide details that cover neighborhood streets.
- Seek routes that provide the greatest physical separation between walking children and traffic, expose children to the lowest speeds and volumes of moving vehicles, and have the fewest number of road or rail crossings.
- Consider school age children with disabilities.
- Provide the most direct route possible, given the considerations above, in order to provide a convenient, agreeable way to get to school on foot or by bike.

11. Road show: The International Association of City Management (ICMA) Annual Conference tour on the CKC is happening Monday, September 28 from 9:15 a.m. to 12:15 p.m. The tour will start at Nytec with a presentation by City Manager, Kurt Triplett, and finish at the South Kirkland Park and Ride. The conference, attended mostly by City Management staff and elected officials, will emphasize how the Kirkland City Council embraced opportunity by taking risks during the great recession, created a catalyst for economic development, and leveraged resources by building public/private partnerships. The City has purchased an eight person legislative/grant procurement, solar-powered cart to offer rides during tours. The vehicle is anticipated to be delivered before this event. Since the tour involves a nearly 2-mile walk, some who may otherwise not have been able to join the tour now can. Kirkland's cart will be bright green.



FISCAL NOTE

CITY OF KIRKLAND

Source of Request							
Kathy Brown, Public Works Director							
Description of Request							
Funding of \$250,000 from REET 2 Reserves to fund pre-design and cost-estimating for Bus Rapid Transit on the Cross Kirkland Corridor as described in the attached memo.							
Legality/City Policy Basis							
Fiscal Impact							
One-time use of \$250,000 from the REET 2 Reserve. This reserve is fully able to fund this request.							
Recommended Funding Source(s)							
	Description	2016 Est End Balance	Prior Auth. 2015-16 Uses	Prior Auth. 2015-16 Additions	Amount This Request	Revised 2016 End Balance	2016 Target
	REET 2 Reserves	7,146,044	289,243	0	250,000	6,606,801	2,436,255
Reserve	Prior Authorized Uses of REET 2 Reserve: Juanita Quick Wins (\$270,000) and NE 68th Street/108th Avenue NE Intersection Improvements (\$19,243). No prior authorized additions to REET 2 Reserve.						
Revenue/Exp Savings							
Other Source							
Other Information							

Prepared By	Neil Kruse, Senior Financial Analyst	Date	September 9, 2015
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KIRKLAND CITY COUNCIL REGULAR MEETING MINUTES
October 20, 2015

1. CALL TO ORDER

The Kirkland City Council Study Session and Regular Meeting was called to order at 6 p.m.

2. ROLL CALL

ROLL CALL:

Members Present: Councilmember Jay Arnold, Councilmember Dave Asher, Councilmember Shelley Kloba, Councilmember Doreen Marchione, Councilmember Toby Nixon, Deputy Mayor Penny Sweet, and Mayor Amy Walen.

Members Absent: None.

Mayor Walen requested and received the Council's permission to add Item 10.d. Park Board Interview Selection Committee Recommendation to the agenda.

3. STUDY SESSION

a. Comprehensive Plan Update:

Joining Councilmembers for this discussion were City Manager Kurt Triplett, Director of Planning Eric Shields, Deputy Director of Planning Paul Stewart, Planning Supervisor Jeremy McMahan, Senior Planners Angela Ruggeri and Dorian Collins, and Planning Commission Chair Eric Laliberte.

(1) MRM Follow-up

Senior Planner Angela Ruggeri presented some follow up information to questions about balcony regulations and the recommendation from the Planning Commission to approve the MRM amendments.

(2) Nelson Cruikshank Follow-up

Planning Supervisor Jeremy McMahan presented setback options to the Council and received Council direction.

(3) Totem Lake

(a) Totem Lake Citizen Amendment Requests

Senior Planner Dorian Collins provided an overview of the different Citizen Amendment Requests and Planning Chair Eric Laliberte provided the recommendations of the Planning Commission. Mayor Walen recused herself and left the Chamber for the appearance of fairness during the Council review of the Walen (North Rose Hill) Citizen Amendment Request. Mayor Walen returned to the meeting following the discussion.

(b) Totem Lake Plan

Senior Planner Dorian Collins provided information about the proposed changes to the Totem Lake Neighborhood Plan and reviewed the Planning Commission recommendations.

(4) Planned Action Ordinance

Planning Director Eric Shields presented the staff recommendation that there be further evaluation prior to determining whether to enact a Planned Action Ordinance (PAO) for Totem Lake.

4. EXECUTIVE SESSION

None.

5. HONORS AND PROCLAMATIONS

a. Google and SRM Development Proclamation of Appreciation

Google Head of External Affairs Darcy Nothnagle and SRM Development and Operations Manager Dave Tomson accepted the proclamation from Mayor Walen and Deputy Mayor Sweet.

6. COMMUNICATIONS

a. Announcements

b. Items from the Audience

Susan Musi
Dawn Morse
Ken Davidson
Brent Carson

c. Petitions

7. SPECIAL PRESENTATIONS

a. Representative Joan McBride, 48th Legislative District

Representative McBride spoke to the Council about the Kirkland-related accomplishments of the legislature during the past legislative session.

- b. Puget Sound Regional Council VISION 2040 Award – South Kirkland Park and Ride Transit Oriented Development

Puget Sound Regional Council Executive Director Josh Brown presented the award to the City.

Council recessed for a short break.

8. CONSENT CALENDAR

- a. Approval of Minutes: October 6, 2015

- b. Audit of Accounts:

Payroll \$3,006,546.42

Bills \$5,570,949.78

run #1459 checks #565551 - 565552

run #1460 checks #565579 - 565736

run #1461 checks #565737 - 565785

run #1462 checks #565787 - 565965

- c. General Correspondence
- d. Claims

Claims received from Frontier Communications, Teresa Muro and J.D. Stern were acknowledged via approval of the Consent Calendar.

- e. Award of Bids

(1) Kirkland Median Improvements, Signature Landscape Services, Inc., Redmond, Washington

The contract for the Kirkland Median Improvement project in the amount of \$183,127.34 was awarded to Signature Landscape Service, Inc. of Redmond, Washington via approval of the Consent Calendar.

- f. Acceptance of Public Improvements and Establishing Lien Period
- g. Approval of Agreements

(1) Ratification of 2015 – 2017 Teamsters Local 763 Collective Bargaining Agreement

The 2015-2017 Teamsters Local 763 Collective Bargaining agreement was adopted via approval of the Consent Calendar.

- (2) Resolution R-5158, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND APPROVING AN INTERLOCAL AGREEMENT BETWEEN THE WASHINGTON STATE PATROL AND THE CITY OF KIRKLAND FOR STATE FIRE SERVICE MOBILIZATION PLAN REIMBURSEMENT."

h. Other Items of Business

- (1) Resolution R-5159, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND APPROVING THE CITY OF KIRKLAND'S ALLOCATION FOR THE NORTH EAST KING COUNTY REGIONAL PUBLIC SAFETY COMMUNICATIONS AGENCY (NORCOM) BUDGET."
- (2) Resolution R-5160, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND EXPRESSING ITS INTENT TO AUTHORIZE TEMPORARY FUNDING FOR TWO ADDITIONAL FIREFIGHTER POSITIONS IN 2016."
- (3) Resolution R-5161, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND APPROVING THE SUBDIVISION AND FINAL PLAT OF VINTNER'S PLACE BEING DEPARTMENT OF PLANNING AND COMMUNITY DEVELOPMENT FILE NO. SUB13-01508 AND SETTING FORTH CONDITIONS TO WHICH SUCH SUBDIVISION AND FINAL PLAT SHALL BE SUBJECT."
- (4) Cochran Springs / Lake Washington Blvd. Crossing Enhancement Project and Lake Washington Blvd. Water Main at Cochran Springs – Reject All Bids
- (5) Resolution R-5162, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND RELINQUISHING ANY INTEREST THE CITY MAY HAVE IN AN UNOPENED RIGHT-OF-WAY AS DESCRIBED HEREIN AND REQUESTED BY PROPERTY OWNERS KIRK WARBURTON AND JANET MOORE."

- (6) Purchase of Holiday Tree Replacement

Use of \$32,000.00 in funds from the Council Special Projects Reserve for the purchase of a 29 foot holiday tree from the Wintergreen Corporation was approved via approval of the Consent Calendar.

- (7) Report on Procurement Activities

- (8) Surplus Vehicles for Sale

Sale and Disposal of listed surplus vehicles was approved via approval of the Consent Calendar.

Fleet #	Year	Make	VIN/Serial Number	License #	Mileage
F506	1998	Simon Ladder Towers Truck	1S91K71J5V1020	36371D	42,502
F609	1995	Seagrave N0TB50DA Pumper	1F9E02TXSCST2008	16966D	83,766

Motion to Approve the Consent Calendar.

Moved by Councilmember Dave Asher, seconded by Councilmember Doreen Marchione

Vote: Motion carried 7-0

Yes: Councilmember Jay Arnold, Councilmember Dave Asher, Councilmember Shelley Kloba, Councilmember Doreen Marchione, Councilmember Toby Nixon, Deputy Mayor Penny Sweet, and Mayor Amy Walen.

9. PUBLIC HEARINGS

a. North Kirkland Fire Station:

Mayor Walen opened the public hearing. Deputy City Manager Marilynne Beard provided an overview of the resolution subject to the public hearing clarifying the intent of the interlocal agreement with Fire District #41 and a second, related, resolution, affirming the City's work plan for improving fire and emergency medical services. Testimony was provided by Bill Blanchard and Johanna Palmer. No further testimony was offered and the Mayor closed the hearing.

- (1) Resolution R-5156, Relating to the Accomplishment of the Goals of the Interlocal Agreement Between the City of Kirkland and King County Fire Protection District #41 to Increase the Level of Service to the Former Fire District Territory.

Motion to Approve Resolution R-5156, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND RELATING TO THE ACCOMPLISHMENT OF THE GOALS OF THE INTERLOCAL AGREEMENT BETWEEN THE CITY OF KIRKLAND AND KING COUNTY FIRE PROTECTION DISTRICT #41 TO INCREASE THE LEVEL OF SERVICE TO THE FORMER FIRE DISTRICT TERRITORY."

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

Vote: Motion carried 7-0

Yes: Councilmember Jay Arnold, Councilmember Dave Asher, Councilmember Shelley Kloba, Councilmember Doreen Marchione, Councilmember Toby Nixon, Deputy Mayor Penny Sweet, and Mayor Amy Walen.

- (2) Resolution R-5163, Adopting a Plan for Improving Fire/EMS Services in North Kirkland and for New, Renovated or Enhanced Fire Stations Throughout the City.

Motion to Approve Resolution R-5163, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND ADOPTING A PLAN FOR IMPROVING

FIRE/EMS SERVICES AND FOR NEW, RENOVATED OR ENHANCED FIRE STATIONS THROUGHOUT THE CITY," as amended.

Moved by Councilmember Dave Asher, seconded by Councilmember Toby Nixon

Vote: Motion carried 7-0

Yes: Councilmember Jay Arnold, Councilmember Dave Asher, Councilmember Shelley Kloba, Councilmember Doreen Marchione, Councilmember Toby Nixon, Deputy Mayor Penny Sweet, and Mayor Amy Walen.

Motion to Amend Resolution R-5163, to remove the word "North" in line 3, as amended.

Moved by Councilmember Dave Asher, seconded by Councilmember Toby Nixon

Vote: Motion carried 7-0

Yes: Councilmember Jay Arnold, Councilmember Dave Asher, Councilmember Shelley Kloba, Councilmember Doreen Marchione, Councilmember Toby Nixon, Deputy Mayor Penny Sweet, and Mayor Amy Walen.

Motion to Amend the amendment to Resolution R-5163, to remove the word "North" in line 25 and line 32.

Moved by Councilmember Toby Nixon, seconded by Councilmember Dave Asher

Vote: Motion carried 7-0

Yes: Councilmember Jay Arnold, Councilmember Dave Asher, Councilmember Shelley Kloba, Councilmember Doreen Marchione, Councilmember Toby Nixon, Deputy Mayor Penny Sweet, and Mayor Amy Walen.

Motion to Amend Resolution R-5163, Exhibit A, so that the fifth bullet point reads, "Leave existing six firefighters at Station 27 to serve Juanita, Kingsgate and Totem Lake," as amended.

Moved by Councilmember Toby Nixon, seconded by Councilmember Jay Arnold

Vote: Motion carried 7-0

Yes: Councilmember Jay Arnold, Councilmember Dave Asher, Councilmember Shelley Kloba, Councilmember Doreen Marchione, Councilmember Toby Nixon, Deputy Mayor Penny Sweet, and Mayor Amy Walen.

Motion to Amend the amendment to Resolution R-5163, Exhibit A, so that the fifth bullet point reads, "Leave existing six firefighters at Station 27."

Moved by Councilmember Dave Asher, seconded by Councilmember Toby Nixon

Vote: Motion carried 7-0

Yes: Councilmember Jay Arnold, Councilmember Dave Asher, Councilmember Shelley Kloba, Councilmember Doreen Marchione, Councilmember Toby Nixon, Deputy Mayor Penny Sweet, and Mayor Amy Walen.

Council recessed for a short break.

- b. Resolution R-5157, Opposing Initiative Measure No. 1366, Concerning State Taxes and Fees.

Mayor Walen opened the public hearing. Councilmember Arnold, in the interest of full disclosure, stated that he does contract information technology work for Fuse Washington, an organization that is opposing Initiative 1366 and is doing work on the opposition campaign. He further stated that he is not involved in Fuse Washington's campaign work on I-1366 and Fuse Washington's endorsement would not impact his ability to consider the public input that is received this evening or to deliberate and vote on the Resolution before the Council. Intergovernmental Relations Manager Lorrie McKay provided an overview of the initiative measure. Testimony was provided by Andrew Villeneuve. No further testimony was offered and the Mayor closed the hearing.

- (1) Initiative Measure No. 1366 Initiative Measure No. 1366 concerns state taxes and fees. This measure would decrease the sales tax rate unless the legislature refers to voters a constitutional amendment requiring two-thirds legislative approval or voter approval to raise taxes, and legislative approval for fee increases. Should this measure be enacted into law?
 Yes No

Motion to Approve Resolution R-5157, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND OPPOSING INITIATIVE MEASURE NO. 1366, CONCERNING STATE TAXES AND FEES."

Moved by Councilmember Dave Asher, seconded by Councilmember Shelley Kloba
Vote: Motion carried 6-1

Yes: Councilmember Jay Arnold, Councilmember Dave Asher, Councilmember Shelley Kloba, Councilmember Doreen Marchione, Deputy Mayor Penny Sweet, and Mayor Amy Walen.

No: Councilmember Toby Nixon.

10. UNFINISHED BUSINESS

- a. 2016 Tourism Development Committee Funding Recommendations

Special Projects Coordinator Philly Marsh presented the Committee's recommendations. Because of her involvement with Celebrate Kirkland, Deputy Mayor Sweet recused herself and left the Chamber for the appearance of fairness during the Council deliberations of the recommendations. Deputy Mayor Sweet returned following the vote.

Motion to Approve the recommendation of the Tourism Development Committee for 2016 outside organization funding.

Moved by Councilmember Dave Asher, seconded by Councilmember Jay Arnold
Vote: Motion carried 6-0

Yes: Councilmember Jay Arnold, Councilmember Dave Asher, Councilmember Shelley Kloba, Councilmember Doreen Marchione, Councilmember Toby Nixon, and Mayor Amy Walen.

- b. Resolution R-5164, Approving the Addition of Section 3.24, "Remote Attendance at Council Meetings," to the Kirkland City Council Policies and Procedures, and Readopting All of the Council Policies and Procedures.

There was no formal staff presentation but City Attorney Robin Jenkinson and Deputy City Manager Marilynne Beard responded to questions from the Council.

Motion to Approve Resolution R-5164, entitled "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND APPROVING THE ADDITION OF SECTION 3.24, "REMOTE ATTENDANCE AT COUNCIL MEETINGS," TO THE KIRKLAND CITY COUNCIL POLICIES AND PROCEDURES, AND READOPTING ALL OF THE COUNCIL POLICIES AND PROCEDURES."

Moved by Councilmember Dave Asher, seconded by Councilmember Doreen Marchione

Vote: Motion carried 7-0

Yes: Councilmember Jay Arnold, Councilmember Dave Asher, Councilmember Shelley Kloba, Councilmember Doreen Marchione, Councilmember Toby Nixon, Deputy Mayor Penny Sweet, and Mayor Amy Walen.

- c. Transportation Concurrency Revision

Transportation Engineering Manager David Godfrey provided a briefing and received direction on the draft ordinance presented.

- d. Park Board Interview Selection Committee Recommendation

Councilmember Asher presented the committee recommendation to interview Jennifer Armenta, John Bailey, Eric Carlson and Richard Chung.

Motion to Approve the Park Board Interview Selection Committee Recommendation.

Moved by Councilmember Jay Arnold, seconded by Deputy Mayor Penny Sweet

Vote: Motion carried 7-0

Yes: Councilmember Jay Arnold, Councilmember Dave Asher, Councilmember Shelley Kloba, Councilmember Doreen Marchione, Councilmember Toby Nixon, Deputy Mayor Penny Sweet, and Mayor Amy Walen.

11. NEW BUSINESS

None.

12. REPORTS

- a. City Council Reports

(1) Finance and Administration Committee

None.

(2) Legislative Committee

None.

(3) Planning, and Economic Development Committee

Chair Arnold reported on a change to the scheduling of the CIP Transportation Study and the Houghton/Everest Neighborhood Center Plan; an update on Firwood Lane Village Mobile Home Park; a briefing on the Inovus Community Solar program; and upcoming meetings will address marijuana business siting and sign regulations.

(4) Public Safety Committee

Chair Sweet reported on an update on current use of drones and constitutional protections; residential sprinkler requirements; the North Kirkland Fire Station; the upcoming Citizens Police Academy; and the development of the Fire Services dashboard report.

(5) Public Works, Parks and Human Services Committee

Chair Kloba reported on the Houghton/Everest Neighborhood Center Plan; a discussion about the Inovus Community Solar program; the Parkplace redevelopment and potential easements; a review of proposed revisions to the Kirkland Municipal Code regarding multi-family recycling; and the use of cameras at the beaches.

(6) Tourism Development Committee

None.

(7) Regional Issues

Councilmembers shared information regarding participation in Walk your Child to School events at a number of Kirkland elementary schools; the new playfield at Lakeview Elementary; Chief Olsen's retirement celebration; the Kirkland Performance Center Annual Gala and Auction; the Kirkland Business Roundtable at the new Northwest University business incubator; the Sound Cities Association Public Issues Committee meeting; the Finn Hill Neighborhood Plan listening meeting; the North Rose Hill Neighborhood Association meeting; the upcoming Viva Volunteer Fair; the upcoming Sound Cities Association Networking Dinner; a reminder about Election Day on November 3; the King County-Cities Climate Collaboration (K4C) Electeds Summit; the Puget Sound Regional Council Project Selection Task Force meeting; the Advanced Transportation Technology Conference; the Finn Hill North Kirkland Fire Station public input meeting; the Green Kirkland Partnership Arbor Day Event in Watershed Park; a King County Regional

Water Quality Committee meeting; an Emergency Management Advisory Committee meeting; the Hopelink "Reaching Out" luncheon; Winterfest celebration planning; a Senior Council meeting; a tour of Mary's Place Day Center; a meeting with Sound Transit staff; a King County Regional Policy Committee meeting; and an upcoming Sound Cities Board of Directors meeting.

b. City Manager Reports

City Manager Kurt Triplett updated the Council on the changes to the parking agreement for the parking at the Antique Mall resulting changes to public availability; changes to the program for stickers at the library parking garage; an update on Sound Transit 3 efforts. Councilmember Asher requested a briefing on the Northwest College master plan.

(1) Calendar Update

City Manager Kurt Triplett reported on a request from the Kirkland Youth Council for a meeting with the City Council.

The Council requested a proposal for providing meals or snacks for Boards and Commissions meetings as part of the upcoming budget process. Deputy City Manager Marilynne Beard provided some clarification about an upcoming event with the Association of Washington Cities Executive Director Peter King and the Legislative Committee.

13. ITEMS FROM THE AUDIENCE

None.

14. ADJOURNMENT

The Kirkland City Council regular meeting of October 20, 2015 was adjourned at 10:36 p.m.

City Clerk

Mayor



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

MEMORANDUM

To: Kurt Triplett, City Manager
From: Kathi Anderson, City Clerk
Date: October 22, 2015
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) Matt Essig
11815 NE 75th St.
Kirkland, WA 98033

Amount: Unspecified Amount

Nature of Claim: Claimant states damage to property resulted from a water main break at 75th St. and 119th Ave.

- (2) Jim Johnson
11805 NE 75th St.
Kirkland, WA 98033

Amount: Unspecified Amount

Nature of Claim: Claimant states damage to property resulted from a water main break at 75th St. and 119th Ave.

- (3) Bill Raff
375 Kirkland Ave. #303
Kirkland, WA 98033

Amount: \$1,034.14

Nature of Claim: Claimant states damage to vehicle resulted while driving through road construction zone at NE 85th St. and Kirkland Way.

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



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

MEMORANDUM

To: Kurt Triplett, City Manager

From: Aparna Khanal, P.E., Project Engineer
Dave Snider, P.E., Capital Projects Manager
Kathy Brown, Public Works Director

Date: October 19, 2015

Subject: ANNUAL STRIPING PROGRAM (2015 PROJECT) - ACCEPT WORK

RECOMMENDATION:

Staff recommends that the City Council take the following actions:

- Accept the 2015 Annual Striping Program work, as completed by Stripe Rite of Sumner, WA, thereby establishing the statutory lien period, and
- Approve the return of unspent Project funds to the funding source.

By taking action on this memo during approval of the consent calendar, City Council is accepting the contract work completed for the 2015 annual striping program and returning unspent funds.

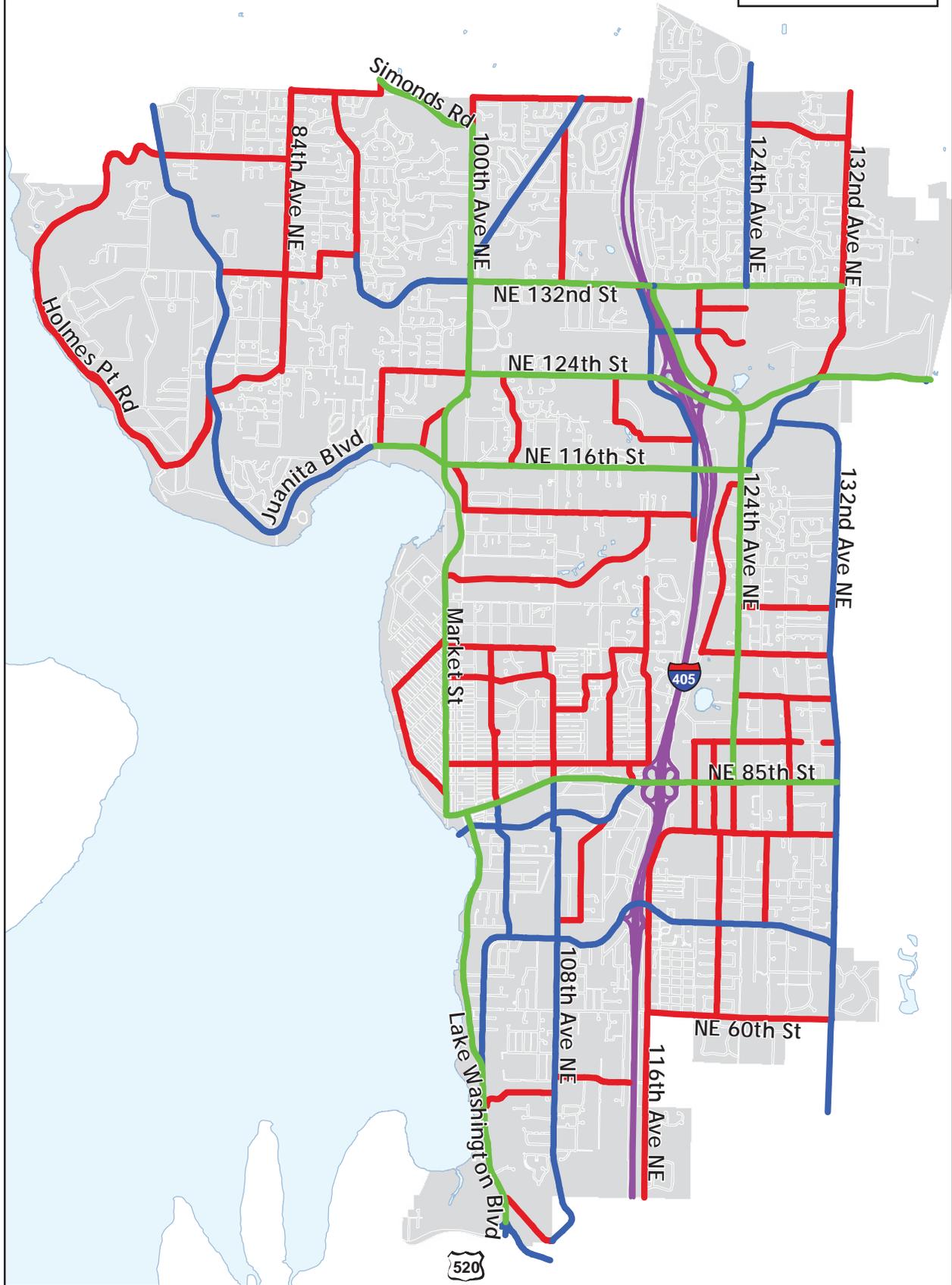
BACKGROUND DISCUSSION:

The purpose of Annual Striping Program is to maintain the pavement markings that define safe travel paths for motorists, bicyclists and pedestrians, primarily on all City arterial and collector streets (Attachment A: shown as green, blue & red streets). In addition to lane striping, the 2015 Project included the replacement of a percentage of worn crosswalk markings, intersection stop bars, on-pavement turn arrows, bike lane symbols and other pavement markings.

The 2015 Striping Program contract was awarded to Stripe Rite, Inc., with an original contract amount of \$265,038.25. The work began in July and was completed in October, 2015 with a total of \$262,411.47 being paid to the contractor.

As approved by City Council at the time of contract award, and in order to spend down the existing construction contingency and more fully maximize the Project budget of \$350,000, staff increased various quantities for thermoplastic crosswalks and markings throughout the City with two change orders totaling \$22,049.50. Based on the savings between estimated and measured material quantities, the 2015 Striping Project was completed with over \$6,600 in funds remaining (Attachment B).

Attachment A – Vicinity Map
Attachment B – Project Budget Report



Street Classification and State Routes

-  Principal Arterial
-  Minor Arterial
-  Collector
-  State Routes and Interstate
-  Lakes
-  City of Kirkland



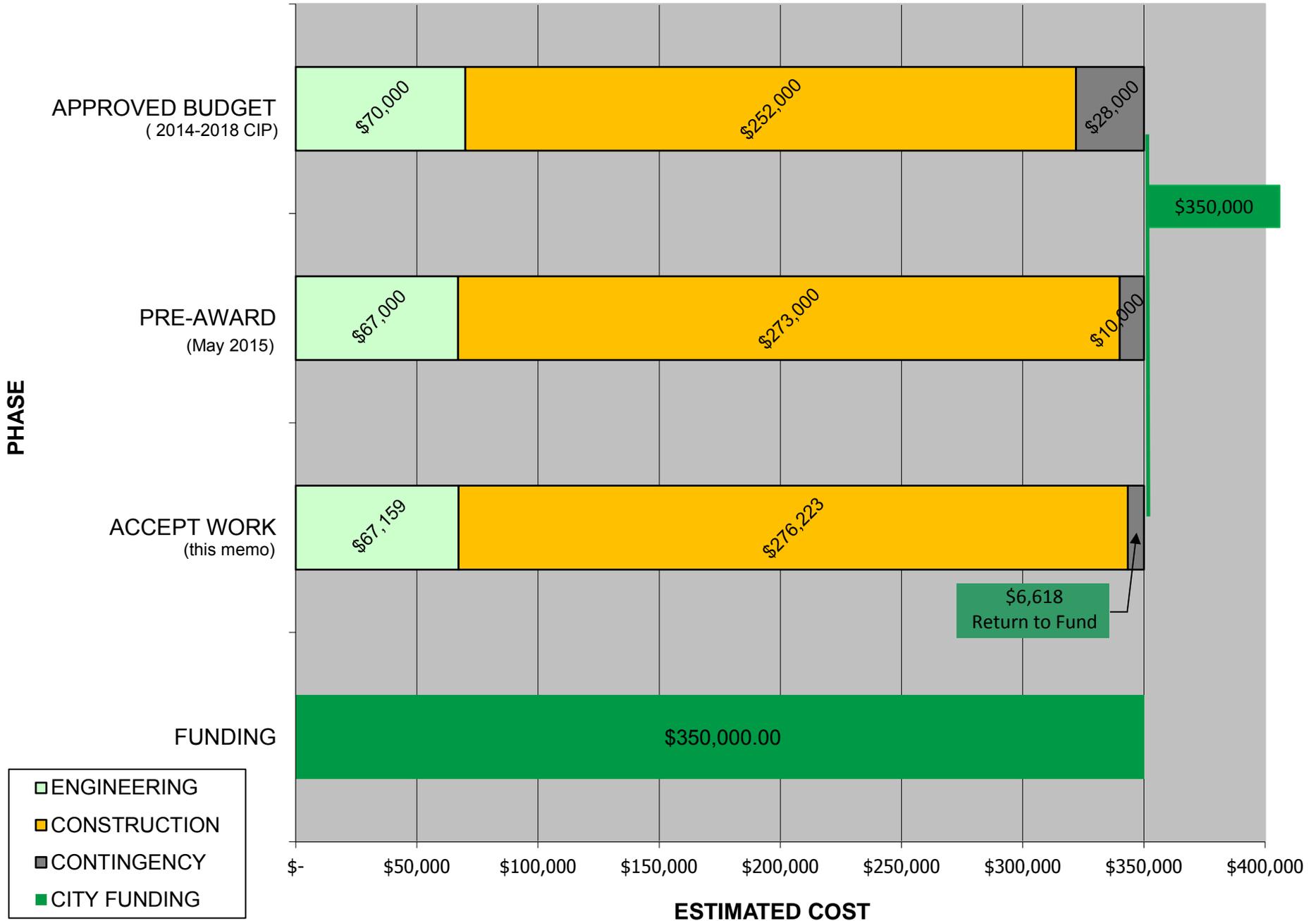
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 No warranties of any sort, including but not limited to accuracy, fitness or merchantability, accompany this product.

VICINITY MAP

**2015 ANNUAL STRIPING PROGRAM
(CST -1580)**

Attachment B

PROJECT BUDGET REPORT





CITY OF KIRKLAND
Department of Finance and Administration
123 Fifth Avenue, Kirkland, WA 98033 425.587.3000
www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager
From: Barry Scott, Purchasing Agent
Date: October 22, 2015
Subject: AGREEMENT TO USE THE SERVICES OF MRSC ROSTERS

RECOMMENDATION:

Staff recommends that the City Manager be authorized to execute a Washington Public Agency Contract with MRSC Rosters to meet the City's roster needs.

BACKGROUND DISCUSSION:

The eCityGov Alliance's Shared Procurement Portal (SPP) has provided the City with its Small Works Roster, Architectural & Engineering Roster and Vendor Roster since 2008. The eCityGov Alliance has made the decision to discontinue supporting the SPP at the end of 2015. This decision is largely due to insufficient revenues received from participating vendors and agencies.

With the discontinuation of the SPP, it is recommended that the City contract with MRSC Rosters to assure that the City's roster needs are met. MRSC Rosters is a service provided by the Municipal Research and Services Center. MRSC Rosters is currently providing roster services to over 400 public agencies statewide. The usage of MRSC Rosters by a large number of public agencies, allows contractors, consultants and suppliers to register on one website to gain access to many opportunities to compete for public sector business. Over 4,800 vendors are registered on MRSC Rosters.

The City's annual fee for participating in MRSC Rosters will be \$600. In addition to maintaining the rosters, MRSC Rosters will be responsible for assuring that public notices regarding the availability of the rosters are published in accordance with all statutory requirements.

The contract with MRSC Rosters may be renewed annually and it may be terminated, with or without cause, by providing 30 days written notice.

With the execution of the MRSC Rosters' Washington Public Agency Contract, the City would begin using MRSC Rosters in January, 2016.

RESOLUTION R-5165

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND APPROVING A CONTRACT BETWEEN THE MUNICIPAL RESEARCH AND SERVICES CENTER AND THE CITY OF KIRKLAND FOR CITY PARTICIPATION IN THE SMALL WORKS, CONSULTANT AND VENDOR ROSTERS.

1 WHEREAS, the City of Kirkland ("City") currently participates in
2 the eCityGov Alliance Small Works Roster, Architectural and Engineering
3 Roster and Vendor Roster through the Shared Procurement Portal
4 ("SPP"); and
5

6 WHEREAS, the eCityGov Alliance will discontinue the SPP at the
7 end of the 2015 calendar year; and
8

9 WHEREAS, Municipal Research Services Center ("MRSC")
10 provides shared roster services through a service called MRSC Rosters;
11 and
12

13 WHEREAS, the City would like to contract with MRSC for
14 participation in MRSC Rosters;
15

16 NOW, THEREFORE, be it resolved by the City Council of the City
17 of Kirkland as follows:
18

19 Section 1. The City Manager is hereby authorized to execute on
20 behalf of the City of Kirkland a contract substantially similar to that
21 attached as Exhibit "A", which is entitled "Washington Public Agency
22 Contract—Small Works, Consultant, and Vendor Rosters."
23

24 Passed by majority vote of the Kirkland City Council in open
25 meeting this ____ day of _____, 2015.
26

27 Signed in authentication thereof this ____ day of _____,
28 2015.

MAYOR

Attest:

City Clerk



Washington Public Agency Contract Small Works, Consultant, and Vendor Rosters

This contract (the "Contract") is made by and between Municipal Research and Services Center of Washington ("MRSC"), a not-for-profit corporation, and the Washington local government (the "Public Agency"),

1. Purpose. The purpose of this Contract is to provide the Public Agency with membership in MRSC Rosters.
2. Scope of Services. MRSC shall host the entire Public Agency's individual Small Public Works Roster ("Small Works Roster"), individual Consultant Roster ("Consultant Roster"), and individual Vendor Roster ("Vendor Roster") (collectively "Rosters"). MRSC shall advertise at least annually for the Small Works Roster and Consultant Roster, and at least biannually for the Vendor Roster in accordance with statutory requirements on behalf of the Public Agency. MRSC will assist small public works, consultant, and vendor business (collectively, "businesses") with roster registration throughout the year, receive applications, review applicant eligibility for compliance with basic statutory eligibility requirements, and maintain business applications in an online database.
3. Effective Date and Term. This Contract shall be effective in the year in which it is signed on either May 1 if signed prior to May 1 or December 1 if signed prior to December 1, for a period of one year.
4. Access to MRSC Rosters by Public Agency Prior to Legal Notice. As of the Contract effective date, the Public Agency may access the MRSC Rosters database at www.mrscrosters.org by entering its account login information, as will be provided by MRSC. The Public Agency may search for and view business applications as of the effective date of the Contract, but it may not contact businesses about roster projects until after the legal notice is posted.
5. Notification of Transition to MRSC Rosters. As of the contract effective date, the Public Agency may begin notifying interested businesses that they may register with the Public Agency at any time in the MRSC Rosters, but that the Public Agency will not begin using the hosted rosters until after the legal notice is posted.
6. Roster Legal Notice. MRSC shall post the statutorily-required roster legal notice on behalf of the Public Agency in a newspaper of general circulation relative to the location of the Public Agency. The notice will occur the first Monday of January or June, or during the week of the first Monday of January or June for weekly newspapers.
7. Use of MRSC Rosters by Public Agency. As of the date of the applicable legal notice in January or June, all departments of the Public Agency will discontinue use of any previously-maintained rosters and begin using the MRSC Rosters exclusively when choosing to follow a roster contracting process, in accordance with the following statutory requirements:
 - (a) Small Works Roster. The Public Agency will use the Small Works Roster to select businesses for public work projects in accordance with RCW 39.04.155, as now or hereafter amended. The Public Agency shall be responsible for its own and the selected businesses' compliance with all other laws and regulations governing public works contracting, including retainage and bonds, prevailing wages, and any other applicable requirements.
 - (b) Consultant Roster. The Public Agency will use the Consultant Roster to select businesses for consultant projects in accordance with the laws and ordinances applicable to the Public Agency, including Chapter 39.80 RCW when contracting for architectural and engineering services. The Public Agency shall be responsible for its own and the selected businesses' compliance with all laws and regulations governing the purchase of services.

(c) Vendor Roster. The Public Agency will use the Vendor Roster to select businesses to award contracts for the purchase of supplies, materials, and equipment not being purchased in connection with public works contracts in accordance with RCW 39.04.190, and any ordinances and other laws applicable to the Public Agency. The Public Agency shall be responsible for its own and the selected business' compliance with all laws governing such purchases.

8. Compensation of Businesses. The Public Agency shall be responsible for payments to any business that it selects as a result of its use of MRSC Rosters. The Public Agency shall make all such payments directly to the businesses selected by the Public Agency.

9. Annual Membership Fee. The Public Agency will pay MRSC an annual membership fee based on the five-year average of the Public Agency's total capital expenditures. Payment of the annual membership fee is due within thirty (30) days of the Contract effective date.

Based on the following Membership Fee Scale, the Public Agency will pay an annual membership fee of \$_____.

Total Capital Expenditures	Annual Membership Fee
Less than 5 million	\$120
5 to 10 million	\$240
10 to 15 million	\$360
15 to 25 million	\$480
25 to 50 million	\$600
More than 50 million	\$900

10. Relationship of Parties. MRSC will perform the services under this Contract as an independent contractor and not as an agent, employee, or servant of the Public Agency. Nothing in this Contract shall be construed to render the parties partners or joint venturers.

11. Limitation of MRSC Liability. MRSC shall not be, directly or impliedly, a party to any contract with small works, consulting, or vendor businesses which the Public Agency may enter into as a result of the Public Agency's use of the MRSC Rosters. MRSC does not accept responsibility or liability for the performance of any business used by the Public Agency as a result of its use of the MRSC Rosters.

12. Hold Harmless and Indemnification. Each party shall defend, indemnify, and hold the other party harmless from any and all claims, injuries, damages, losses, or suits, including attorney fees, to the extent arising from any negligent act or omission of that party's officers, employees, volunteers, and agents in connection with the performance of this Contract.

13. Termination. This Contract may be terminated, with or without cause, by written notice of either party to the other. Termination shall be effective thirty (30) days after written notice. Termination of the contract by the Public Agency does not entitle the Public Agency to a refund of the membership fee prorated as to the time remaining in the contract term following termination.

14. Renewal. This Contract may be renewed annually by completing the online renewal process that includes confirming that the Public Agency will continue abiding by the terms outlined in this Contract and making payment within thirty (30) days from the effective date of either May 1 or December 1.

15. Non-assignment. MRSC shall contract with Upwards Technologies for the hosting of the Public Agency rosters in the online database. MRSC shall not otherwise subcontract or assign any of the rights, duties, or obligations imposed upon it by this Contract without the prior express written consent of the Public Agency.

16. Governing Law and Venue. This Contract shall be governed by the laws of the State of Washington.

18. Severability. Should any clause, phrase, sentence or paragraph of this Contract be declared invalid or void, the remaining provisions of this Contract shall remain in full force and effect.

19. Complete Agreement. This Contract constitutes the entire understanding of the parties. Any written or verbal agreements that are not set forth herein or incorporated herein by reference are expressly excluded.

20. Public Agency Information. For purposes of Contract administration, the Public Agency provides the following information:

Official Public Agency Name: _____

Common Public Agency Name (if different): _____

Mailing Address: _____

County: _____

Type of Public Agency: _____

Website: _____

Primary Contact:

Additional Contact:

Name: _____

Name: _____

Title: _____

Title: _____

Email: _____

Email: _____

Telephone: _____

Telephone: _____

Facsimile: _____

Facsimile: _____

21. Signatures. By signing this Contract, the Public Agency signatory below certifies that he/she has the authority to enter into this Contract on behalf of the entire Public Agency.

PUBLIC AGENCY

MRSC

[Signature]

[Signature]

[Title]

MRSC Rosters Manager
[Title]

[Date]

[Date]

**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: Kathy Brown, Public Works Director
Jenny Gaus, Surface Water Engineering Supervisor

Date: October 23, 2015

Subject: Amend the 2014 Surface Water Master Plan with the Totem Lake/Juanita Basin Stormwater Retrofit Conceptual Design Project Final Report, and notification of grant application for the 132nd Square Park Stormwater Retrofit Facility

RECOMMENDATION:

It is recommended that the City Council approve the attached Resolution which amends the 2014 Surface Water Master Plan to include the Totem Lake/Juanita Creek Basin Stormwater Retrofit Conceptual Design Project Final Report.

BACKGROUND AND DISCUSSION:

The City Council approved Resolution R-5082 adopting the 2014 Surface Water Master Plan (2014 SWMP) on November 18, 2014. The 2014 SWMP sets priorities and recommends programs and projects for operation of the Surface Water Utility in three goal areas: flood reduction, water quality improvement, and aquatic habitat improvement.

The Totem Lake/Juanita Creek Basin Stormwater Retrofit Conceptual Design Project began in parallel with the 2014 SWMP and was completed in August of 2015 ([Totem Lake Stormwater Retrofit Conceptual Design Final Report](#)). An overview of the project is included below. The importance of managing stormwater runoff in the Totem Lake area is discussed in the 2014 SWMP.

Amending the 2014 SWMP to include this work memorializes the City's interest in pursuing stormwater retrofit projects in the Totem Lake basin in general, and in constructing two specific retrofit facilities: NE 120th Street Water Quality Treatment, and 132nd Square Park Stormwater Retrofit. Once these projects are included as part of the 2014 SWMP, they can be programmed into the unfunded portion of Surface Water Capital Improvement Program. This will allow staff to pursue funding more aggressively, as we can note these commitments in grant applications.

The Totem Lake/Juanita Creek Basin Stormwater Retrofit Conceptual Design Project (Totem Lake Project) was funded via a grant from the National Estuary Program. The project builds on a project done by King County under a previous grant that developed ecological targets for stormwater retrofit projects, tested various retrofit scenarios against those targets, and developed costs for implementing basinwide retrofits in the Juanita Creek Watershed ([King County Juanita Retrofit Cost Study](#)). The scenario that came the closest to meeting ecological targets was application of the flow control and water quality treatment requirements that are now included in the 2012 Stormwater Management Manual for Western Washington (2012 Ecology Manual).

The Totem Lake Project quantified the overall need for retrofit facilities to meet requirements of the 2012 Ecology Manual at the subbasin scale (the Totem Lake basin is 665 acres of the 3600-acre Juanita Basin). GIS analysis, screening criteria, and field assessment were then used to identify and narrow a list of potential sites for construction of retrofit facilities. Finally, conceptual designs for retrofit projects were developed for the top 2 identified sites: NE 120th Street Water Quality Treatment, and 132nd Square Park Stormwater Retrofit.

The NE 120th Street Water Quality treatment project routes runoff from approximately 4 acres of public street and right of way (the hill leading down from Lake Washington Institute of Technology between 132nd Ave NE and Slater Ave NE) into water quality treatment facilities adjacent to the sidewalk on NE 120th Street. The estimated cost of design and construction is \$346,000. This estimate will need to be revised to include city staff and administration costs as the project moves forward.

The 132nd Square Park stormwater retrofit would provide water quality treatment and flow control/infiltration for almost 50 acres of upstream area. Facilities to be placed underground at the 132nd Square Park would include two wet/detention vaults, followed by 21 deep infiltration wells. Parks Department staff provided input on site constraints, and park user needs would be the top design consideration as this project moves forward. The estimated cost of design and construction is \$3.8 million, in the final report. This estimate also will need to be revised to include city staff and administration costs as the project moves forward.

The Washington State Department of Ecology solicited proposals for design and construction of stormwater retrofit projects this fall, with applications due on October 16th. Because of the momentum created by the King County and Totem Lake projects, Kirkland has a good chance of receiving funding under this program. It would be to Kirkland's advantage to construct stormwater retrofit projects now using grant funds, as it is likely that retrofit projects will be required in future NPDES Stormwater Permits. The City submitted an application for design and construction of the 132nd Square Park Project.

Next steps are to develop CIP summary sheets for inclusion in the unfunded portion of the Surface Water Utility CIP, and to continue to investigate funding and design options for the project. Staff will be presenting the project to the Park Board on November 18th for initial thoughts and input. If the grant is awarded, staff would return to Council in late 2016 with a grant agreement and a proposal for how to provide 25% match funds for the grant.

Cc: Rob Jammerman, Development and Environmental Services Manager

RESOLUTION R-5166

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KIRKLAND AMENDING THE 2014 SURFACE WATER MASTER PLAN TO INCLUDE THE TOTEM LAKE/JUANITA CREEK BASIN STORMWATER RETROFIT CONCEPTUAL DESIGN PROJECT FINAL REPORT.

1 WHEREAS, the City Council adopted the 2014 Surface Water
2 Master Plan via Resolution R-5082 on November 18, 2014; and
3

4 WHEREAS, the goals of the Surface Water Utility include flood
5 reduction, water quality improvement, infrastructure maintenance, and
6 fish habitat protection, which collectively are intended to improve safety,
7 reduce risk to public and private property, and enhance our natural
8 environment; and
9

10 WHEREAS, the 2014 Surface Water Master Plan recommends
11 programs and projects for the next ten years of Surface Water Utility
12 Operation in accordance with the goals noted above.
13

14 WHEREAS, the Totem Lake/Juanita Creek Basin Stormwater
15 Retrofit Conceptual Design Project Final Report supports the goals
16 above by quantifying the need for stormwater retrofit projects and
17 developing conceptual design for such projects in the Totem Lake basin
18 of Juanita Creek; and
19

20 WHEREAS, amending the 2014 Surface Water Master Plan to
21 include the Totem Lake/Juanita Creek Basin Stormwater Retrofit
22 Conceptual Design Project Final Report facilitates inclusion of projects
23 developed through this work in the Surface Water Capital Improvement
24 Program;
25

26 NOW, THEREFORE, be it resolved by the City Council of the City
27 of Kirkland as follows:
28

29 Section 1. The 2014 Surface Water Master Plan is amended to
30 include the Totem Lake/Juanita Creek Basin Stormwater Retrofit
31 Conceptual Design Project Final Report.
32

33 Passed by majority vote of the Kirkland City Council in open
34 meeting this ____ day of _____, 2015.
35

36 Signed in authentication thereof this ____ day of _____,
37 2015.

MAYOR

Attest:

City Clerk

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

MEMORANDUM

To: Kurt Triplett, City Manager

From: Kathy Brown, Public Works Director
Chris Dodd, Facilities Manager

Date: October 6, 2015

Subject: Public Works Maintenance Center and City Hall Annex Furniture

RECOMMENDATION:

Staff recommends that the City Council approve an increase to the City Hall Remodel Project furniture contract (CON 15/349) by \$68,700 to include purchasing new furniture for both the Public Works Maintenance Center and the City Hall Annex.

By taking action on this memorandum during approval of the consent calendar, City Council is authorizing staff to increase the current contract not-to-exceed amount from \$600,000 to \$668,700. The total cost of the additional furniture is \$80,000, which includes state use tax of 9.5% and contracted service for space planning needs. The total cost will be split between the Maintenance Center Expansion Project (at \$45,000) for the proposed Maintenance Center reconfiguration, and the facilities working capital budget (at \$35,000) for the City Hall Annex. The current balance of the Maintenance Center Expansion Project is \$1.168 million, and there is adequate facilities working capital to fund the \$35,000 for the City Hall Annex furniture.

BACKGROUND DISCUSSION:

Public Works Department staffing has evolved over the last several years in response to the annexation of the Juanita, Finn Hill, and Kingsgate (JFK) neighborhoods in 2011 and to support the substantial growth in the City of Kirkland's Capital Improvement Program (CIP), including transportation, utilities, parks, and facilities. Staff and equipment were added to Public Works maintenance operations in 2011. Additional staffing associated with (CIP) expansion is in the 2015-2020 CIP, and Council has authorized Public Works to move forward with hiring of the new staff. The current configurations of furniture, fixtures, and equipment (FF&E) at the City Hall Annexation (CH Annex) and the Maintenance Center are old and inefficient, do not maximize the use of existing space, and will not accommodate approved added staffing. Both buildings are at capacity and cannot accommodate any additional staffing with the existing FF&E systems.

The excellent pricing for refurbished FF&E for the City Hall Remodel project provides a cost effective opportunity to revamp the office layouts at the Maintenance Center and the CH Annex to provide added capacity for staff expansions. At the Maintenance Center, “drop-in” work stations will also become available to enhance coordination between environmental compliance staff, CIP project engineers, and Maintenance/Operations personnel. Additionally, replacing the FF&E in these two buildings provides an important service and maintenance efficiency for Facilities operations and maintenance. Standardizing FF&E to the greatest extent possible will allow Facilities to more efficiently inventory and store replacement and expansion FF&E components.

The new furniture system purchased for the City Hall remodel provides for smaller, more compact work spaces, while enhancing the usability of each individual workspace. Public Works and Facilities are requesting purchasing the same furniture system for both the City Hall Annexation (CH Annex) and the Maintenance Center (MC). The new system would meet current needs and accommodate some additional future growth.

RECOMMENDED ACTION:

Staff recommends Council approval to amend the current contract with Arnolds Office Furniture from a do-not-exceed amount of \$600,000 to \$668,700 to include the additional cost of furniture requested for the City Hall Annex building and the Maintenance Center. In doing so this action would include authorizing approval to use the funding sources identified above to cover the full cost of the furniture replacement.

FISCAL NOTE

CITY OF KIRKLAND

Source of Request							
Kathy Brown, Public Works Director							
Description of Request							
Authorization to purchase new furniture systems at an estimated cost of \$80,000 for the Maintenance Center and City Hall Annex as described in the attached memo. The funding source for the Maintenance Center purchase (\$45,000) is the Maintenance Center Expansion capital project (CGG 0037 002). The funding source for the City Hall Annex purchase (\$35,000) is from Facilities Fund working capital.							
Legality/City Policy Basis							
Fiscal Impact							
One-time use of \$45,000 from the Maintenance Center Expansion project (CGG 0037 002). This project is able to fully fund this request. One-time use of \$35,000 from Facilities Fund working capital. This reserve is full able to fully fund this request.							
Recommended Funding Source(s)							
	Description	2016 Est End Balance	Prior Auth. 2015-16 Uses	Prior Auth. 2015-16 Additions	Amount This Request	Revised 2016 End Balance	2016 Target
	Facilities Working Capital	1,308,066	0	0	35,000	1,273,066	N/A
Reserve	2016 Estimated balance assumes use of \$3.15 million for funding in the proposed 2015-2020 CIP and an increase to the Facilities Fund Operating Reserve of \$250,000. These actions will be formalized with the 2015 Mid-biennial Budget adjustments adopted by Council in December.						
Revenue/Exp Savings							
Other Source	Maintenance Center Expansion Project CGG 0037 002 has a current project balance of \$1.168 million.						
Other Information							
Prepared By	Neil Kruse, Senior Financial Analyst				Date	October 22, 2015	



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 22, 2015

Subject: REPORT ON PROCUREMENT ACTIVITIES FOR COUNCIL MEETING OF NOVEMBER 4, 2015.

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 October 7, 2015, are as follows:

	Project	Process	Estimate/Price	Status
1.	Police Department Organizational Assessment and Strategic Plan	Request for Proposals	\$75,000 - \$85,000	Advertised on 10/12 with proposals due on 11/2.
2.	Power Stretchers for Fire Department Aid Units (6)	Direct Purchase	\$234,270.96	Competitive process waived by City Manager in accordance with KMC 3.85.210. See attached documentation.

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



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

To: Kurt Triplett, City Manager
From: Barry Scott, Purchasing Agent *B. L. Scott*
Date: September 25, 2015
Subject: REQUEST FOR WAIVER OF COMPETITIVE PROCESS – Stryker Powered Stretchers with Load Systems.

RECOMMENDATION:

Staff recommends that the competitive process be waived for the purchase of Powered Stretchers with Load Systems from Stryker Corporation (Stryker) of Portage, MI.

BACKGROUND INFORMATION:

The Fire Department is seeking to purchase four (4) Stryker Power-PRO XT stretchers to be installed in aid units currently in operation. The Stryker units will meet new requirements established by the Society of Automotive Engineers (SAE) for the purpose of better protecting aid unit passengers riding in the rear cabin. The Stryker units should also serve to reduce the number and severity of injuries to firefighters that are incurred with the loading of patients into the aid units.

QUANTITY CHANGED TO SIX. P.S.L.

As best as staff can determine, Stryker is the only source for stretchers of this kind. While one of their competitors is working to produce a similar power stretcher, they have been unable to demonstrate such a unit to Fire Department staff. While some Stryker manufactured stretchers are available on GSA contract, the Power-PRO XT with the Power LOAD system is not.

The City of Bellevue purchased Stryker power stretchers this June as a single source purchase. As part of their process, Bellevue published a Notice of Intent to Contract in the Seattle Times. No firms came forward to contest the purchase and offer a competing product. Copies of Bellevue's Notice of Intent to Contract and their Competitive Exception Form are attached to this memo. (The City of Redmond is also preparing to purchase Stryker power stretchers and Redmond's Senior Buyer has indicated that they intend it to be a single source purchase.)

As quoted, the total cost for the four Stryker Power-PRO XT units will be \$156,180.63. This cost includes freight and sales tax. Senior Financial Analyst George Dugdale has prepared a separate memo for you review which details the funding sources.

KMC 3.85.210 provides that the competitive process may be waived by the City Manager when the purchase is legitimately limited to a single source of supply. However, for purchases costing more than \$50,000, the purchase must be reported to the City Council. If you approve this purchase, this memo and the supporting documents will be included in my next Procurement Activities Report to the Council.

Request Approved Request Denied

Kurt Triplett
Kurt Triplett, City Manager

**City of Bellevue
Notice of Intent to Contract**

Notice is hereby given that the City of Bellevue has issued the following "Notice of Intent to Contract" without a call for bids.

NOI #: 15078

Project Name: Stryker Power Stretcher and Load Systems

Issue Date: May 28, 2015

Brief Scope of Work: The Contract with Stryker, Inc. (Stryker) will be for the purchase of twelve (12) Power Stretchers and eleven (11) mounted load systems in 2015. Additional systems may be ordered in the future.

Stryker has met the following standards and specifications relating to our need to replace existing medical stretchers with powered stretchers and load systems:

- 1) The manufacture shall be a single source manufacturer of the stretchers and the load systems;
- 2) The manufacture shall be solely responsible for all warranties and warranty claims for all equipment and components;
- 3) The stretchers shall be power assisted and capable of full function and carrying a 700 pound patient;
- 4) The load system shall be capable of accepting the power stretcher and loading the stretcher into the ambulance without assistance of the firefighters caring for the patient other than for operating control switches;
- 5) Pneumatically assisted backrest to help raise and lower patients head and torso;
- 6) The load units will capable of being removed from existing ambulances and mounted into new ambulances;
- 7) The stretcher and load systems shall all meet, or exceed, NFPA standards for ambulance mounted stretcher systems.

The City knows of no other stretcher manufacturer that can provide the same features as Stryker, however, any company who can provide an equal and/or greater product that has been on the market and utilized in the field for at least three (3) years, has local resources which can provide manufacturer approved/authorized routine, warranty and emergency service and repairs within 48 hours of notification, and is able to provide a replacement ('loaner') stretcher within 24 hours in the event that a damaged stretcher will be unavailable for more than 24 hours.

Vendors wishing to object to this decision should submit in writing, specific reasons for their objection to Procurement Services at: procurement@bellevuewa.gov by or before the NOI close date and time. If justified, the City will convene a meeting with City representatives and the vendor (s) to receive representations concerning this objection.

NOI Closes: June 11th, 2015 by or before 10:00 a.m.

Published Date: Seattle Times, May 28th, 2015



City of Bellevue
 Finance - Contracting Services
 450 110th Ave. NE

Competitive Exception Form

General Information:

Method of Procurement:

Purchase Order

Name of Requestor:

Andy Adolfson

Department:

Fire

Type of Exception Request:

Sole Source

Requested Vendor Name:

Stryker, Inc.

Estimated Cost:

\$507,704.40

Requested for the purpose of:

The purchase of new powered stretchers and automatic load systems.

Statement of Need:

My department's recommendation for exception to the competitive process is based upon an objective review of the product/service required and appears to be in the best interest of the City. I know of no conflict of interest on my part or personal involvement in any way with this request. No gratuities, favors or compromising action have taken place. Neither has my personal familiarity with particular brands, types of equipment, materials or service providers been a deciding influence on my request.

Refer to the Exception Justification below as prepared by our department for additional explanation.

Exception Justification:

1. Description of item/service and its function:

The stretchers are used for Basic Life Support and Advanced Life Support units to transport patients to the hospital.

2. Project Scope of Work:

The powered stretchers are designed to reduce the most common cause of firefighter injury which is lifting patients on and off of stretchers and into aid units.

3. Reason, or reasons, a competitive process was not conducted:

- Vendor is sole provider of a licensed or patented good/service.
- Vendor is sole provider of items that are compatible with existing equipment, inventory, systems, programs or services.
- Vendor is sole provider of goods and services for which the City has established a standard.
- Vendor is sole provider of factory-authorized warranty service.
- Vendor is sole provider of goods and services that will meet the specialized needs of the City or perform the intended function (please detail below or in an attachment)
- Item is of special design, shape or manufacture that matches or fits with existing equipment, inventory, systems, programs or devices.
- Vendor is a single provider and has unique knowledge and/or qualifications as described below.
- A unique circumstance exists as described below.
- A thorough search of other providers was conducted and/or a "Notice of Intent to Contract" was advertised in the newspaper and no other provider was found.
- Purchase of an upgrade, license, support agreement, maintenance agreement, etc. for a proprietary

system.

Other - please explain below.

4. Necessary features/knowledge/qualifications this vendor provides which are not available from other vendors.

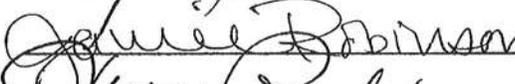
Stryker has met the following standards and specifications relating to our need to replace existing medical stretchers with powered stretchers and load systems: 1) The manufacture shall be a single source manufacturer of the stretchers and the load systems; 2) The manufacture shall be solely responsible for all warranties and warranty claims for all equipment and components; 3)The stretchers shall be power assisted and capable of full function and carrying a 700 pound patient; 4)The load system shall be capable of accepting the power stretcher and loading the stretcher into the ambulance without assistance of the firefighters caring for the patient other than for operating control switches; 5) Pneumatically assisted backrest to help raise and lower patients head and torso; 6) The load units are capable of being removed from existing ambulances and mounted into new ambulances; 7) The stretcher and load systems shall all meet, or exceed, NFPA standards for ambulance mounted stretcher systems.

5. Steps taken to verify that these features/knowledge/qualifications were not available elsewhere.

The fire staff conducted a thorough search for possible vendors and we publish a Notice of Intent to Contract.

6. Explanation of why this option is the only option, makes good business sense, and is in the best interests of the City.

The City knows of no other stretcher manufacturer that can provide the same features as Stryker and have been utilized in the field for at least three years. In addition, Stryker has a proven product that is utilized by our mutual aid partners.

	<u>Signature</u>	<u>Date</u>
Requestor:		6/9/15
Department Director:		6/9/15
Finance:		6/11/15
Legal:		



3800 Centre Ave

Portage, MI

49002

(800) 327-0770

Bill To: City of Kirkland
123 Fifth Ave
Kirkland, WA 98033

Ship To: SAME

Name _____

Fax# _____

PH# _____

Account No. _____

End User: _____

Qty	Part #	Description	Unit Price	Price
4	6506	Power Pro XT	16346.84	\$65,387.36
4	6390	Power LOAD	19310.84	\$77,243.36

Sub-Total	\$142,630.72
Discount	Included
Pre-Tax Total	\$142,630.72
9.50%	\$13,549.92
TOTAL	\$156,180.63

**Tax-Exempt Verification Required*

Sales Tax* (enter % here)

Purchasing Information:

Organization: _____ Please Print	
Name: _____ Please Print	Title: _____ Please Print
Signature: _____ Authorized Purchasing Agent	Date: _____

Payment Information:

<input type="checkbox"/> Net 30 Terms	<input type="checkbox"/> OTHER
<input type="checkbox"/> Visa/MC/AMEX:	Purchase Order #: _____
Card Number: _____	For public services/fire depts:
Name on Card: _____	Point of Contact at Headquarters: _____
Expiration Date: _____	Headquarter's Phone: _____
Security #: _____	Headquarter's Address: _____

Comments:

NET 30 terms
Remit to: PO BOX 93308 Chicago, IL 60673



CITY OF KIRKLAND
PLANNING AND BUILDING DEPARTMENT
123 FIFTH AVENUE, KIRKLAND, WA 98033 425.587.3225
www.kirklandwa.gov

MEMORANDUM

Date: October 23, 2015

To: Kurt Triplett, City Manager

From: Jeremy McMahan, Planning Manager
 Paul Stewart, Deputy Director, AICP
 Eric Shields, Director, AICP

Subject: Study Session: 2013-2015 Comprehensive Plan Update,
 Nelson/Cruikshank Citizen Amendment Request, File CAM13-00465,
 #9

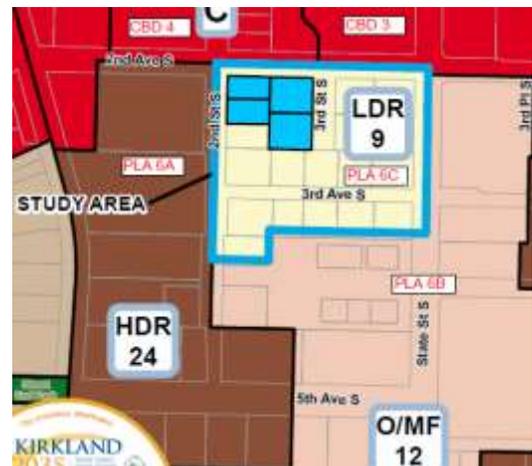
I. RECOMMENDATION

Provide direction on the Nelson/Cruikshank amendments.

II. BACKGROUND DISCUSSION

October 6th Study Session:

The Planning Commission's recommendation on the Nelson/Cruikshank amendments was presented to the City Council at its October 6, 2015 study session. The City Council gave preliminary direction that it was supportive of the Planning Commission recommendation on density for the subarea, but had concerns about the proposed reduced setbacks. The Council asked staff to bring back options to the recommended setbacks, with a particular emphasis on addressing impacts to existing single family homes from larger, aggregated multifamily developments. The Council also requested additional staff direction on the potential for design review for future development in the subarea.



October 20th Study Session:

Staff recommended that the City Council modify the Planning Commission recommendation with the following adjustments to required setbacks:

- **Front** – reduce to 10' but require garages to be setback 20' to maintain a parking pad.

- **Side** – reduce to 5' but require 10' for projects with four or more units abutting existing single family homes.

The City Council appeared to support this change, but identified ongoing concerns about the potential for piecemeal high density development within a subarea of existing single family homes. The Council asked staff to bring back options that might limit development to medium density with an incentive for high density only when adequate property was aggregated to avoid piecemeal redevelopment. Options to address the identified concern are identified and evaluated below.

Examples of high density (24 units/acre) were also requested and are provided in Attachment 1. The table below is provided for easy reference of existing parcel sizes in the subarea and the development potential of those parcels under the medium and high density scenarios.

	Lot sizes	Units/parcel @ 1,800 (24 units/acre)	Units/parcel @ 3,600 (12 units/acre)
	3,200	1.78	0.89
	3,200	1.78	0.89
	4,940	2.74	1.37
	5,130	2.85	1.43
	5,130	2.85	1.43
	5,416	3.01	1.50
	6,024	3.35	1.67
	6,150	3.42	1.71
	6,150	3.42	1.71
	6,150	3.42	1.71
	6,581	3.66	1.83
	6,800	3.78	1.89
	6,800	3.78	1.89
	6,880	3.82	1.91
	6,970	3.87	1.94
	7,120	3.96	1.98
	7,600	4.22	2.11
	7,600	4.22	2.11
	7,600	4.22	2.11
	8,000	4.44	2.22
	8,200	4.56	2.28
Total	131,641		
Max Yield		73 units @ 1800	37 units @ 3600

The Council did not indicate its preference on future consideration of a design review process for development in the subarea.

III. OPTIONS FOR AGGREGATION

1. Minimum Aggregation Incentive. A minimum aggregation regulation would allow medium density development of property in the subarea, regardless of parcel size, and allow high density development if a defined minimum square footage of land were aggregated. The intent of this approach is to reduce piecemeal redevelopment of the subarea into a mix of high density projects among existing single family homes. The following options for minimum aggregation are presented for discussion. Figure 1 (below) illustrates the size of each option relative to the size of the subarea. Note that

there are many permutations of how parcels could be combined into different redevelopment sites.

- a. Low – 10,000 square foot minimum aggregation. The largest parcel in the PLA 6C study area is 8,000 s.f. Therefore, a 10,000 s.f. minimum would ensure that some consolidation of properties is required to achieve high density.
- b. Moderate - 20,000 square foot minimum aggregation. The PLA 6A zone, located to the west of the study area, allows for high density at 24 units/acre and is largely developed. The average parcel size in PLA 6A is approximately 20,000 s.f. This option would be consistent with that average.
- c. Substantial – 38,000 square foot minimum aggregation. According to King County Assessor records, the total square footage of parcels on the south side of 3rd Avenue South is 39,624. If the intent is to allow all of the subarea to redevelop, then this would be the highest aggregation required because there is no opportunity to aggregate more property south of 3rd Avenue South. As a result, this option would require a development to assemble all of the property south of 3rd Avenue South (including the two recently constructed homes) in order to achieve high density. North of 3rd Avenue South, this size would require aggregation of about 41% of the block.

Issues. Staff has identified the following issues for consideration under this approach:

- The allowed building height in medium and high density zones is the same – 30' (see examples in Attachment 1). Incentivizing aggregation may actually encourage larger buildings by incentivizing larger development sites/building footprints.
- Aggregation may make redevelopment of the subarea less likely or a longer term proposition if the market holds out for aggregation at higher density.
- Staff would suggest we draft the code to allow smaller parcels to develop at high density if the abutting property developed at high density. This would avoid "stranding" a property at medium density even though its neighbors had redeveloped at high density.
- Because 3rd Avenue South is narrow and would likely require future right-of-way dedication for adequate sidewalks and travel lanes, staff would suggest calculating the minimum aggregation size prior to any right-of-way dedication.



Figure 2

3. Combine an Aggregation Incentive With the Isolation Rule. This option would combine the results of the options above - the aggregation incentive would reduce piecemeal redevelopment and the single family isolation rule would lessen impacts to existing single family homes.

IV. STAFF RECOMMENDATION

Staff recommends that the City Council adopt the Planning Commission recommendation with the following adjustments:

1. Confirm density. Staff recommends a combined aggregation and isolation approach as requirements for high density (24 units/acre) redevelopment in the subarea. With this approach, staff recommends the low aggregation incentive of 10,000 s.f. combined with a prohibition on isolating a single family home with high density development. Medium density (12 units/acre) would still be allowed as the base density without these limitations.
2. Confirm setbacks. The staff recommendation is as follows:
 - Front – reduce to 10' but require garages to be setback 20' to maintain a parking pad.
 - Side – reduce to 5' but require 10' for projects with four or more units abutting existing single family homes.
3. Confirm design review direction. Staff recommends not expanding design review into this subarea. The zone is residential-only zone and allowed building heights are moderate at 30'. The City's design review program is currently busy with project review in mixed use business districts. The program could expand and get busier with upcoming planning efforts for mixed use neighborhood business districts. In addition, existing zoning regulations for multifamily development, such as land use buffers, building height, and setbacks may address many of the basic transitional concerns.

Council should indicate if it desires this topic to be added to the discussion for the next Planning Work Program.

The suggested modifications to the Planning Commission recommendation would now incorporate three additional mitigations to reduce impacts to existing single family homes from high density redevelopment. Unless the Council provides different direction, this three pronged approach of 10' setbacks, minimum aggregation, and limits on isolating an existing single family home should allow redevelopment and transition of the subarea while minimizing impact to the homes that remain.

V. NEXT STEPS

December 8, 2015: City Council will take final action on the Comprehensive Plan Update, map and code amendments.

Attachments:

1. Examples of high density development



322 5th Ave (26 units/acre), 10,200 sf parcel



312 5th Ave (23 units/acre), 7,650 sf parcel



302 5th Ave (24 units/acre), 12,825 sf parcel



718 7th Ave S (12 units/acre)



125 5th Ave S (24 units/acre), 10,863 sf parcel



427 2nd St S (25 units/acre), 6928 sf parcel



130 5th Ave S. (24 units/acre), 7,245 sf parcel



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

MEMORANDUM

To: Kurt Triplett, City Manager

From: Lorrie McKay, Intergovernmental Relations Manager

Date: October 23, 2015

Subject: CITY OF KIRKLAND DRAFT PROPOSED 2016 STATE LEGISLATIVE PRIORITIES AGENDA

RECOMMENDATION:

It is recommended that the City Council reviews the Draft Proposed 2016 State Legislative Priorities Agenda (Attachment A) and provides comments to staff, so that a final priorities agenda may be brought back to and adopted at the November 17, 2017 Council meeting.

A redline version of the City's adopted legislative priorities from 2015, showing the draft proposed priorities for 2016, is attached (Attachment B).

BACKGROUND DISCUSSION:

The total of the City's annual "Legislative Agenda" consists of three segments: general principles; its top legislative "priorities;" and selected issues/items which the City may "support" (i.e., not 'priority' items). This memo only addresses the proposed top legislative priorities for 2016. Staff will return to Council at a future meeting with items/issues identified for Council's consideration on its Support Items Agenda.

The regular 2016 legislative session is a short, 60-day session. The two month session will begin on Monday, January 11 and end on Thursday, March 10. All indications are that there will be no special session.

At its September 15 Study Session, Council heard from the City's state delegation members about what to expect (or not expect) during the upcoming short legislative session. Council heard that legislators still face huge challenges as a result of McCleary and the Supreme Court's demands for education funding. As a result, the 2016 supplemental budgets will deal largely with McCleary, including the Supreme Court's daily fine and school budget compensation. In other words, the Legislature is likely to leave issues for 2017 (or beyond) particularly if they create controversy or if they are not critically necessary to resolve in 2016.

It is in this context that staff has drafted and is recommending a relatively judicious list of legislative priorities for 2016.

Development of the Draft Proposed 2016 Legislative Agenda

The process for developing the coming session's legislative agenda begins in the preceding year, with the Intergovernmental Relations Manager maintaining a running list of ideas as they come up (from councilmembers, legislators, directors, staff, etc.) throughout the year. Additionally, in June the Intergovernmental Relations Manager proactively reaches out to directors and managers of City departments for potential new issues or ideas.

This year, following Council's September 15 Study Session with members of the City's state delegation and at the request of Council's Legislative Committee, the Intergovernmental Relations Manager surveyed all seven Councilmembers and 50 staff (directors and managers) on the prioritization of the nine issues that resulted from the Study Session. Council and staff were asked to indicate if the issue should be made a "priority," tracked as a "support item" or, if "no action" should be taken. The survey (Attachment C) also invited any suggestions of other issues to be considered as "priority" legislative items. 24 of 57 surveyed responded as follows.

Council / Manager Combined Responses	Priority	Support	No Action	Left Blank
Shared Revenue	14	1		9
New revenues	11	3		10
Housing: Demolition Fee	8	6	1	9
Housing: REET III	4	8	3	9
Housing: Tax Exemption	3	9	3	9
CKC/RCC Capital Project	14		1	9
Councilmanic TBD	2	5	3	14
Body-Cam Legislation	11	4		9
Vesting Bill	9	5		10

The following four suggestions were additional issues offered for consideration as "priority" legislative items this session.

1. Public Works Trust Fund - Alternatives and options to providing the opportunity for low interest grants for infrastructure in Washington State
2. Local Initiative and Referendum Reform
3. Tax increment financing
4. Renewal of community solar incentives

Also, the issues listed below were suggested as possible items on the "support" agenda.

- Non-traditional ("innovative") transportation pilot project funding for the last mile
- Allow local governments to raise the 1% property tax cap only to fund affordable housing
- Retirement of coal from PSE portfolio while protecting the citizen's economic interests
- Uber / Lyft / Airbnb
- Advanced Transportation Technology

Because 2016 is a short 60-day session and based on the results of the survey, staff recommend the following issues be advanced as the Cities legislative priorities for the 2016 legislative session. (Attachment A)

POTENTIAL ISSUES / ITEMS	PROPOSED 2016 LEGISLATIVE PRIORITY
Shared Revenue	<i>Staff recommends this item be included in the general principles section of the agenda, where protecting shared revenue has been included in past sessions.</i>
Affordable Housing financing tools	Kirkland supports new local option funding tools to build affordable housing such as: allowing local jurisdictions the option to impose a demolition fee to be dedicated toward construction of affordable housing, and/or impose up to an additional 0.25% real estate excise tax (REET) specifically for investments in affordable housing.
CKC/RCC Capital Project*	Kirkland supports capital budget funding for a multimodal safety improvement project connecting the Cross Kirkland Corridor with the Redmond Central Connector. (Attachment D)

New revenues	Kirkland supports allowing both the state and local governments the option of replacing the property tax cap, currently fixed at 1 percent, with a cap that is indexed to both population growth and inflation.
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** Attachment E is the one-page project description for the CKC/RCC Capital Project that was developed for the 2015 legislative session. The \$750,000 estimate was based on a 5 foot sidewalk on the shoulder of Willows Road connecting the CKC to the RCC. It is included here for illustrative purposes only. The project is currently being reevaluated by staff as the King County plan proposes a full 10-12 foot bicycle and pedestrian path on the shoulder, which would cost significantly more, but also serve more users. Staff plans to have a revised one-page project description prepared for the November 17th Council meeting.*

While both vesting rights legislation and body-cam legislation listed below are identified as legislative priorities, staff is recommending that Kirkland not propose specific legislation, but be actively engaged in legislation as it develops.

Vesting Bill	Kirkland supports comprehensive and balanced vested rights reform that brings predictability and certainty for real estate developers, local governments and environmental and community advocates.
Body-Cam Legislation	Kirkland supports clarifying records retention, disclosure, and use limitations of video and/or sound recordings made by law enforcement or corrections officers.

Proposed 2016 Legislative Support Items Agenda

Staff will propose a draft 2016 Legislative "Support" Agenda for Council's consideration by its first meeting in January. The Legislative Support Agenda typically includes many issues & interests that have been identified by Council and staff in the process of developing the legislative priorities. It includes selected legislative priority items of partner and ally organizations, such as: the AWC, Eastside Human Services Forum, Transportation Choices, Eastside Transportation Partnership, Cascade Water Alliance, Northwest Product Stewardship Council, Washington Association of Sheriffs & Police Chiefs, Washington Fire Chiefs Association, WRIA 8, etc.

In general, the issues/items included on the Legislative "Support" Agenda already have an organizational champion identified, allowing the City to participate in a supporting capacity, which largely involves signing-in at hearings and sending letters. Formal City backing of these issues and interests is contingent upon reviewing and approving the specific language of any legislative proposal drafted to advance a particular item.

The following items are those that staff recommends for consideration on the 2016 "support items" agenda:

PROPOSED SUPPORT ISSUE/ITEM	SUMMARY	ISSUE CHAMPION
<ul style="list-style-type: none"> Alternatives and options to providing the opportunity for low interest grants for infrastructure in Washington State 	In 2015, the legislature swept the remainder of the Public Works Trust Fund. Stakeholders are looking at potential new legislation.	Cascade Water Alliance and the Assoc. of WA Cities

<ul style="list-style-type: none"> • Non-traditional (“innovative”) transportation pilot project funding for the last mile 		As of the writing of this memo, staff is unaware of a stakeholder champion of this issue.
<ul style="list-style-type: none"> • Allow local governments to raise the 1% property tax cap only to fund affordable housing 	Supports new funding tools to build affordable housing.	As of the writing of this memo, staff is unaware of a stakeholder champion of this issue.
<ul style="list-style-type: none"> • Local Initiative and Referendum Reform 	Align local initiative/referendum power with statewide “Initiative to the Legislature” provisions, including time limitation of signature gathering, ability for council to amend after two years, deferring vote to general election rather than holding a special election, ability of council to propose an alternative after a public hearing	As of the writing of this memo, staff is unaware of a stakeholder champion of this issue.
<ul style="list-style-type: none"> • Tax increment financing 	Allow for growth in property values to help pay for improvements in targeted areas supporting transit oriented development, such as the Eastside Rail Corridor.	As of the writing of this memo, staff is unaware of a stakeholder champion of this issue.
<ul style="list-style-type: none"> • Renewal of community solar incentives 	Support facilitating greater access to rooftop residential and community solar installations by modifying the Renewable Energy System Cost Recovery program to provide greater certainty about financial return for current solar investors while extending the timeframe for solar incentives to encourage future installations.	King County Cities Climate Collaboration
<ul style="list-style-type: none"> • Retirement of coal from PSE portfolio while protecting the citizen’s economic interests 	Support efforts to accelerate Puget Sound Energy’s complete transition from coal to clean renewable energy by 2025 while providing certainty to rate payers on timing and cost. Legislation authorizing increased ownership of Colstrip should include provisions to minimize ratepayer liabilities and accelerate GHG emissions reductions.	King County Cities Climate Collaboration
<ul style="list-style-type: none"> • Uber / Lyft / Airbnb 	Monitor and support legislation on sharing technologies for cars and housing that encourages and enables their development while integrating them into local tax structure, such as hotel/motel tax.	As of the writing of this memo, staff is unaware of a stakeholder champion of this issue.
<ul style="list-style-type: none"> • Advanced Transportation Technology 	Identify any potential items to support the development of autonomous vehicles.	As of the writing of this memo, staff is unaware of a stakeholder champion of this issue.

Drone Legislation. Staff received two separate but different requests to include legislation related to drones on the City’s Support Items agenda. The two requests are:

1. Drone Regulations: Monitor and support legislation that would impact and enhance state or local authority to regulate privacy issues for drones.
2. Drone Exemptions: Support legislation to exempt drones from any restrictions for usage in emergency management, disasters and emergency incidents.

Council's Public Safety Committee has initiated a policy discussion of electronic surveillance technology. Staff recommends waiting for that work to conclude and be brought to the full Council for discussion prior to taking leadership on drone related issues at the state. This policy work will not be concluded before session ends.

The City Council's Legislative Committee

The City Council's Legislative Committee, consisting of Mayor Walen and Councilmembers Asher and Marchione, is staffed by the City Manager and the Intergovernmental Relations Manager with participation from Waypoint Consulting Group, the City's contracted lobbyists. The legislative priority items on the City's legislative agenda represent the primary focus for Council's Legislative Committee, the city's Intergovernmental Relations Manager and contracted lobbyists during session. The committee meets weekly during the session in order to track the status of the priorities and offer support for achieving their success.

It is the goal of the Legislative Committee to have the City's 2016 legislative priorities adopted before it hosts its annual legislative breakfasts with the city's delegation, which may begin in late November.

The City's State Legislative Delegation

The City of Kirkland includes three legislative districts – 1st, 45th, and 48th.

The 1st Legislative District is represented by:

Senator Rosemary McAuliffe and Representatives Luis Moscoso and Derek Stanford.

The 45th Legislative District is represented by:

Senator Andy Hill and Representatives Larry Springer and Roger Goodman.

The 48th Legislative District is represented by:

Senator Cyrus Habib and Representatives Joan McBride and Patty Kuderer. Representative Kuderer (Attachment E) was recently appointed to the seat vacated by Ross Hunter.

State Lobbyists

Waypoint Consulting was retained by contract to serve as Kirkland's State lobbyists. Majken Ryherd and Teresita Torres will participate in the upcoming legislative breakfasts.

NEXT STEPS:

After receiving the City Council's feedback and edits, final Legislative Priorities will be prepared for adoption at the Council's November 17, 2015 regular meeting. Staff will also provide a draft Resolution adopting the priorities at that time. The Support Agenda will be prepared for Council's consideration in January 2016.

- Attachments:
- A. Proposed Draft 2016 Legislative Priorities Agenda
 - B. Redline of council adopted 2015 Legislative Priorities, show proposed 2016 priorities
 - C. Issue Survey sent to Councilmembers and 50 staff in September
 - D. Cross Kirkland Corridor to Redmond Central Connector capital budget request
 - E. Resume for Patty Kuderer: Newly Appointed Representative to the 48th



CITY OF KIRKLAND 2016 LEGISLATIVE AGENDA

General Principles

Kirkland supports legislation to promote the City Council's goals and protect the City's ability to provide basic municipal services to its citizens.

- Protect shared state revenue sources available to the City, including the State Annexation Sales Tax Credit, and provide new revenue options and flexibility in the use of existing revenues.
- Support long-term sustainability efforts related to City financial, environmental and transportation goals.
- Oppose unfunded mandates.
- Oppose any further shifting of costs or services from the State or County to cities.
- Defend against state consolidation/central administration of taxes including business and occupation and telecommunication taxes.

City of Kirkland 2016 Legislative Priorities

- Kirkland supports new local option funding tools to build affordable housing such as: allowing local jurisdictions the option to impose a demolition fee to be dedicated toward construction of affordable housing, and/or impose up to an additional 0.25% real estate excise tax (REET) specifically for investments in affordable housing.
- Kirkland supports capital budget funding for a multimodal safety improvement project connecting the Cross Kirkland Corridor with the Redmond Central Connector.
- Kirkland supports allowing both the state and local governments the option of replacing the property tax cap, currently fixed at 1 percent, with a cap that is indexed to both population growth and inflation.
- Kirkland supports comprehensive and balanced vested rights reform that brings predictability and certainty for real estate developers, local governments and environmental and community advocates.
- Kirkland supports clarifying records retention, disclosure, and use limitations of video and/or sound recordings made by law enforcement or corrections officers.



CITY OF KIRKLAND 2015-2016 LEGISLATIVE AGENDA

General Principles

Kirkland supports legislation to promote the City Council's goals and protect the City's ability to provide basic municipal services to its citizens.

- Protect shared state revenue sources available to the City, including the State Annexation Sales Tax Credit, and provide new revenue options and flexibility in the use of existing revenues.
- Support long-term sustainability efforts related to City financial, environmental and transportation goals.
- Oppose unfunded mandates.
- Oppose any further shifting of costs or services from the State or County to cities.
- Defend against state consolidation/central administration of taxes including business and occupation and telecommunication taxes.

City of Kirkland 2015-2016 Legislative Priorities

- Kirkland supports new funding tools to build affordable housing such as: allowing local jurisdictions the option to impose a demolition fee to be dedicated toward construction of affordable housing, and/or impose up to an additional 0.25% real estate excise tax (REET) specifically for investments in affordable housing.
- ~~Kirkland supports providing state and local transportation revenue to maintain infrastructure investments, transit agency funding flexibility, and complete projects that enhance economic vitality, particularly the SR 520 corridor.~~
- ~~Kirkland supports including funding in any statewide transportation package for the I-405 / NE 132 Interchange Ramp project in the Totem Lake Designated Urban Center: \$75 million~~
- ~~Kirkland supports continued state financial assistance and other tools that further the development of the Cross Kirkland Corridor and implement multiple uses including recreation and transportation.~~
- Kirkland supports capital budget funding for a any of the following multimodal safety investments improvement project connecting the Kirkland Corridor to Redmond Central Connector.
 1. ~~Juanita Drive Multimodal Safety Investments: \$1,021,000~~
 2. ~~Cross Kirkland Corridor to Redmond Central Connector: \$750,000~~
 3. ~~NE 52nd Street Sidewalk: \$1,068,600~~
- ~~Kirkland supports giving cities flexibility to help site marijuana retail facilities and supports sharing marijuana revenue with cities that allow marijuana retail facilities in order to address public safety and other local impacts.~~

- ~~Kirkland supports allowing additional Sound Transit revenue authority and that such authority may also be used to fund trail development and alternative transportation along the Eastside Rail Corridor.~~
- Kirkland supports allowing both the state and local governments the option of replacing the property tax cap, currently fixed at 1 percent, with a cap that is indexed to both population growth and inflation.
- Kirkland supports comprehensive and balanced vested rights reform that brings predictability and certainty for real estate developers, local governments and environmental and community advocates.
- Kirkland supports clarifying records retention, disclosure, and use limitations of video and/or sound recordings made by law enforcement or corrections officers.

The City's Legislative Agenda consists of its top legislative "priorities" and selected issues/items which the City may "support." During a given legislative session, the City's top legislative priorities are the primary focus. Identified "support" items (i.e., not 'priority' items) are tracked/monitored.

At its September 15 Study Session, Council heard from members of the City's delegation about what to expect (or not expect) during the upcoming "short" (60-day) legislative session. Council heard that the 2016 supplemental budgets will deal largely with McCleary (the fine) and school budget compensation. Anticipate that the two-month regular session will not drag into special session. It is in this context that preliminary legislative priorities for 2016 are drafted.

The issues / items listed below are under consideration as either "priority items," "support items," or items with "no action." Please take time to review the issues below and indicate in the survey boxes to the right, your recommendation for how the City might categorize each. Also, suggest/summarize any other priority legislative items.

Please complete this survey and return it to Lorrie McKay by close of business Thursday, October 8.

POTENTIAL ISSUES / ITEMS	BRIEF SUMMARY	Priority Item	Support Item	No Action
Protect Shared Revenue	(Perennial Carryover) Protect the Annexation Sales Tax Credit			
New revenues for state & local governments	(2015 Carryover) Allow state and local governments the option of replacing the property tax cap, currently fixed at 1%, with a cap that is indexed to both population growth & inflation.			
Affordable Housing financing tool (Demolition Fee)	(Kirkland led) Allow local jurisdictions the option to impose a per SFR and a per MFDU demolition fee to be dedicated toward construction of affordable housing.			
Affordable Housing financing tool (REET III)	(Futurewise led) Allow local jurisdictions councilmanic authority to impose up to an additional 0.25% real estate excise tax (REET) specifically for investments in affordable housing.			
Affordable Housing financing tool (Local Option Tax Exemption)	(City of Seattle led) Allow local jurisdictions the option to provide a targeted property tax exemption to existing property owners who agree to restrict rents and income-eligibility for a portion of units within their properties for a minimum period of time.			
Cross Kirkland Corridor/Redmond Central Connector	Joint Cities of Kirkland/Redmond request - Supplemental Capital Budget for project to connect the CKC and RCC.			
Councilmanic TBD	Make councilmanic TBD \$0 to \$40 (rather than \$20 to \$40), with no two-year \$20 provision.			
Body-Cam Legislation	Clarify records retention, disclosure, and use limitations of video and/or sound recordings made by law enforcement or corrections officers			
Vesting Bill (HB 1394/SB 5921)	Reform – Comprehensive and balanced so that standards bring certainty for all.			

Suggestions of Other Potential Issues / Items?



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

October 23, 2014

PROJECT TITLE: Cross Kirkland Corridor to Redmond Central Connector

Kirkland supports funding of \$750,000 to complete the design and construction of a 1/3 mile pedestrian and bicycle connection between the Cross Kirkland Corridor (CKC), and the Redmond Central Connector (RCC) to connect the high tech corridor of Willows Road and the aerospace and manufacturing companies to Totem Lake and the expanding regional trail network.

PROJECT SUMMARY:

This proposed improvement provides for the installation of a continuous ADA compliant sidewalk as well as 5 foot bike lanes between the intersection of NE 124th Street and Willows Road, and the CKC at 139th Avenue NE. Kirkland is currently completing the construction of a 5.75 miles all-weather, crushed-gravel pedestrian/bike trail along the ERC mileposts (MP) 15 to 21. The remaining 3/4 mile trail section is currently owned by King County.

The City of Kirkland, City of Redmond, and King County are actively pursuing connections between regional trail assets. Project benefits include:

- Encouraging convenient alternative transportation connections between city centers
- Providing usable and safe public access to healthy forms of recreation

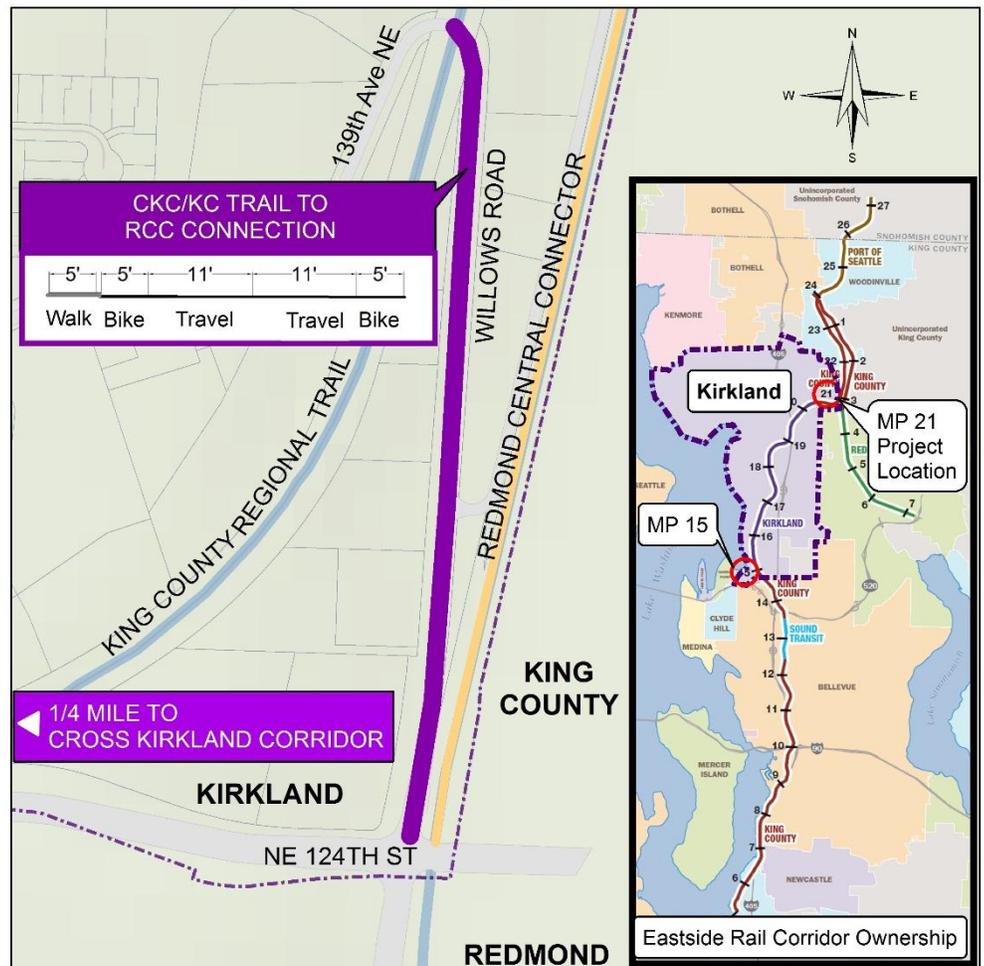
The City of Kirkland is requesting \$750,000 for design and construction. The connection can be designed and constructed in 12-18 months with multi-agency coordination needed.

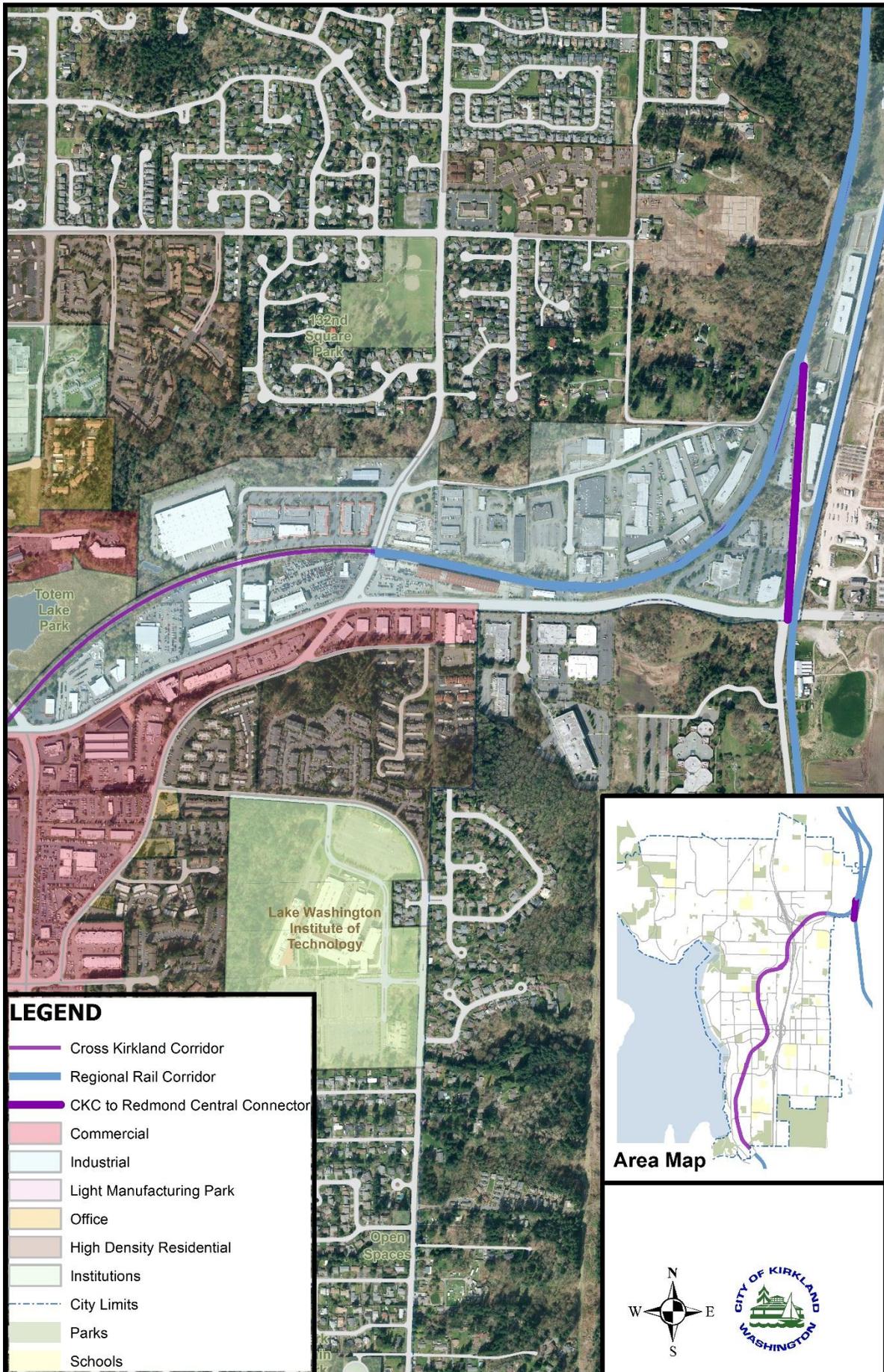
KIRKLAND CONTACTS:

Kurt Triplett
City Manager
425-587-3020

Lorrie McKay,
Intergovernmental
Relations Manager
425-587-3009

Kathy Brown
Public Works Director
425-587-3802





Patricia E. Kuderer

Clyde Hill, WA

Professional Experience:

Kuderer Law Group PLLC. 2012-present. Litigate serious plaintiff personal injury, employment discrimination and public data cases; negotiate/draft settlements, releases and subrogation contracts.

Rossi Vucinovich PC. Of Counsel, 2009-2015. Lead and support attorney on FELA and non-FELA serious personal injury cases; negotiated and drafted partner, employee and vendor contracts; drafted firm promotional content; mentored younger attorneys.

Hoff, Barry & Kuderer, PA. Associate 1986-1990; Managing Partner 1991-1999. Represented public entities, municipalities and non-profit corporations in complex employment and personal injury matters. Former prosecutor and city attorney for the cities of Dayton and Red Wing, MN. Significant civil and criminal appellate work including arguments before the Minnesota Supreme Court. Also represented plaintiffs in employment, personal injury and family law matters.

The Peace Alliance. National Communications Director for The Peace Alliance. Main spokesperson and liaison to national media for the organization; responsible for coordinating the organization's strategic messaging. Responsible for attending and/or arranging media interviews; oversaw and trained regional state media coordinators; drafted and placed press releases, articles, and promotional materials in the media; coordinated communications for national and regional events.

Education:

- JD - William Mitchell College of Law, St. Paul, Minnesota
- Public Relations Certification - University of Washington Extension
- BA - University of Minnesota, Minneapolis, Minnesota

Law Licenses:

State

Minnesota
Washington

Federal

US District Court for the District of Minnesota
US District Court for the Western District of Washington

Associations:

Washington State Bar Association
Washington State Association for Justice

Minnesota State Bar Association
Member: Moderate Means Program

Volunteer Work:**48th LD PCO**

- a. 2004-2005; walked precinct in presidential year election; ran precinct caucus
- b. 2015 - currently serve on the Rules Committee; am KCDCC female alternate delegate; 48th LD representative serving on the KCDCC Endorsement Committee
- c. Currently help on Claudia Balducci for King County Council and Vandana Slatter for Bellevue City Council Campaigns

WSAJ

- a. Lobby State Legislature for laws that protect consumers and individuals
- b. Volunteer for Law Day [helping Veterans with family law issues]
- c. Eagle member

The Peace Alliance

- a. National Director of Communications for issues campaign to create a U.S. Department of Peace and Nonviolence
- b. Lobbied Congress to pass legislation to create a U.S. Department of Peace and Nonviolence

Co-President Chinook Middle School PTSA

- a. Ran the meetings, organized fundraisers, worked collaboratively with teachers and administration to provide in-classroom support and equipment; provided main support for the "Reflections" program; supported Bellevue Schools Foundation to improve education in the Bellevue School District
- b. Awarded the "Golden Acorn" for volunteer service in 2006

Chair/Commissioner Sacred Heart Social Concerns Commission

- a. Organized and directed parishioners' participation in the Congregations for the Homeless program to feed the homeless.
- b. Organized, directed and implemented "service day," a reach-out effort to assist those in need in the general community.
- c. Chair during Church's interfaith "habitat" build right after 9-11 that included Christians, Muslims and Jews
- d. In class aide at the school

Director Virtues Children Nepal

- a. Organized VCN's first major fundraiser
- b. Sponsored children to provide basic needs and educational opportunities including college to lift young Nepalese out of extreme poverty

2004 Kucinich for President Campaign

- a. State Media Coordinator – handled all local media aspects of the campaign; acted as state spokesperson for the campaign; arranged for and participated in media interviews; drafted and published press releases; worked collaboratively with the National Communications Director and other state media coordinators to increase public awareness of candidate issues
- b. National Communications Liaison to Oregon – assisted in media and event preparation for the candidate throughout the state
- c. Legislative and Congressional District Caucus Delegate
- d. Presented to Washington State Democratic Party

Chrysalis Domestic Violence/Family Law Legal Issues Clinic

- a. Attorney advocate for domestic abuse victims

**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: Kathy Brown, Public Works Director
John MacGillivray, Solid Waste Programs Supervisor

Date: October 26, 2015

Subject: Council Briefing – King County Solid Waste Transfer Station Plan

RECOMMENDATION

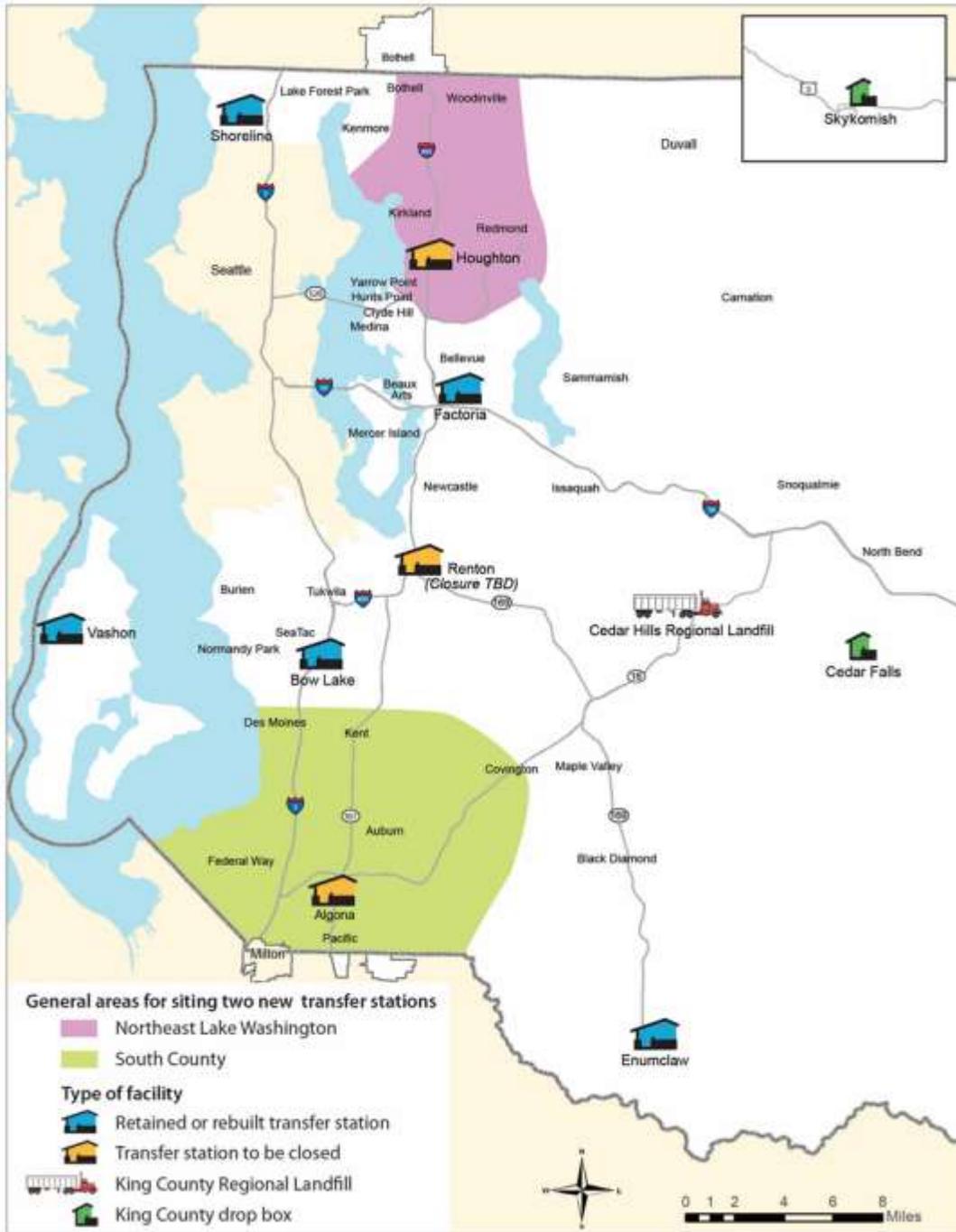
It is recommended that the City Council receive a briefing on the King County Solid Waste Transfer Plan, and how the plan and upcoming King County Council Action could affect eastside cities, including Kirkland.

THE KING COUNTY TRANSFER SYSTEM

Until the late 1950's, solid waste in King County was dumped into fifteen open, unlined landfills. These landfills were forced to close in the late 1950's and early 1960's because they were in the construction paths of I-5 and I-405. At the same time in the early 1960's, the Cedar Hills Regional Landfill was opened, and King County began to develop the regional transfer station system for cities other than Seattle (which operates its own system) to more efficiently consolidate waste at various delivery points before final transport to the landfill. Eventually the transfer station system grew to the eight transfer stations shown in *Map 1* below that exist today. One of these eight is the Houghton Transfer Station (HTS) in Kirkland.

In August, 1988, the City of Kirkland signed a Solid Waste Interlocal Agreement (ILA) which established a solid waste management plan between Kirkland and King County. The original 40-year ILA remained in effect through June 30, 2028. In 2012, the Kirkland, along with 31 other cities, extended its ILA with the County through 2040. The ILA extension gave the County reliable future rate revenue to back long-term bonds to fund its original transfer station capital improvement program that, when completed, would result in the construction of a new NE County station to replace Houghton. The City of Bellevue and the four "Point Cities" elected not to sign the extended ILA and their agreements will expire in 2028.

The ILAs, both old and new, list the general obligations of the cities and King County. Each of the 37 cities with an ILA are responsible for collecting the solid waste produced within its boundaries and contractually directing its hauler to dispose of the waste at King County transfer facilities for a fee (tipping fee). In return, the County is responsible for owning and maintaining the transfer stations, transporting waste from each transfer station to the landfill, and managing the operation and long-term maintenance of the landfill. Further, the agreement designates King County as the "Planning Authority" which, in close collaboration with its cities, must produce and periodically update a Comprehensive Solid Waste Management Plan. Any substantial updates to the Comprehensive Plan must be approved by cities. The current Comprehensive Plan update is tentatively scheduled to be out for city approval some time in 2017.



Map 1: King County Transfer System Plan (2006)

BACKGROUND AND DISCUSSION

The King County-owned and operated Houghton Transfer Station (HTS) in Kirkland has a long and storied history and King County has been contemplating the closure of the facility for the past two decades. The HTS property was first an open dump site between the 1940's and 1960's. In 1965, King County closed the dump and opened the station. In 1992, the Comprehensive Solid Waste Management Plan, proposed replacing the station with a new station at a different location. Unfortunately, in 1995, the rate proposal submitted by the King County Solid Waste Division (KCSWD) was rejected and the KCSWD was directed to continue to operate the existing network of transfer stations which included HTS remaining at its current location.

2005 Memorandum of Understanding

In 2004, the Metropolitan King County Council (MKCC) directed the KCSWD via a budget proviso to negotiate a Memorandum of Understanding (MOU) with the City of Kirkland to mitigate the impacts of the station on the surrounding neighborhood. The proviso prohibited the KCSWD from initiating its capital improvement project to replace the roof until an MOU was duly executed between the two parties which required the KCSWD to expend at least \$150,000 on neighborhood mitigation projects.

In August 2004, the City formed a Solid Waste Subcommittee Task Force comprised of members of the Kirkland City Council, City staff, and Neighborhood Association leaders to negotiate the MOU with the KCSWD. In November 2004, the Kirkland City Council adopted the Revised Houghton Transfer Station Position Statement which stated Kirkland's goal of closing HTS. The statement also listed several mitigation measures that the City expected the KCSWD to implement while the station remained open.

In October of 2005, an MOU between the City and the KCSWD was approved by the Kirkland City Council with the passage of Resolution R-4527. The non-legally binding MOU provided that the KCSWD would proceed with several mitigation projects and measures at the station to include:

1. Replacement of the transfer building roof
2. Installation of a gravity sewer line
3. Construction of a sound wall
4. Changes to traffic controls
5. Construction of an asphalt pathway on the north side of NE 60th St
6. Landscaping improvements
7. Reducing the solid waste at the station to a maximum annual tonnage of 135,000 tons/year over a ten year period (not met)
8. Prohibiting the overnight parking of full or partially full trailers

The MOU also stated the KCSWD's commitment to close the HTS:

MOU Proviso 1

"King County Solid Waste Division agrees to abide by the [Solid Waste Transfer] Waste Export System Plan adopted by the King County Council approved by the King County Executive and codified in King County Code." **The 2006 Transfer Plan explicitly**

recommends Alternative 1 which calls for the closure of HTS after the KCSWD's transfer station capital improvement project is completed.

MOU Proviso 7

"King County shall honor the Comprehensive Solid Waste Management Plan policy RTS-3, which states, 'The county should focus capital investment in part to expand, relocate, or replace, or any combination thereof, transfer stations when safety, efficiency, capacity, or customer services needs cannot be met by existing transfer facilities'". **In the level-of-service criteria examination of the HTS, the station failed to meet established safety goals, efficiency and capacity needs, and some key customer service standards. Accordingly, the [2006] Transfer Plan recommends the closure of the facility upon completion of the KCSWD's transfer station capital improvement project.**

2006 Solid Waste Transfer and Waste Export Plan

Concurrent with the MOU negotiations, the Metropolitan Solid Waste Advisory Committee (MSWAC) worked with the KCSWD on the development of the aforementioned [Solid Waste Transfer and Waste Export System Plan](#). MSWAC is an advisory committee composed of representatives from cities with Solid Waste Interlocal Agreements with King County. MSWAC advises the King County Executive and King County Council on all matters related to solid waste management. The committee functions under King County Ordinance No. 14971 and an Interlocal Agreement as an advisory body. The work of the committee includes review of the development of the Comprehensive Solid Waste Management Plan, Transfer Plan, updates on legislation, discussion of recycling and waste reduction policies and more. MSWAC members are staff and elected officials, representing cities that participate in the county's regional solid waste system. Deputy Mayor Penny Sweet is the City of Kirkland's voting representative on the MSWAC.

In February 2006, the KCSWD published its [Transfer and Waste Export Facility Plan 4th Milestone Report](#) as a precursor to the final Transfer Plan. In the milestone report, several Transfer System Packages for an updated transfer system were presented for consideration. Some of the alternatives called for keeping the HTS open as a self-haul-only facility. Ultimately, however, MSWAC and King County jointly selected Package 1 which is the final recommendation made in the Transfer Plan transmitted to the MKCC in September 2006 and shown below in *Table 1*. The recommendation calls for new stations to be constructed on-site at Bow Lake and Factoria and new facilities to be sited and constructed in South King County (to replace a closed Algona station) and in Northeast King County (to replace a closed HTS). This option also included the closure of the Renton Transfer Station upon the completion of the Transfer Plan.

Table 1: Status of 2006 Transfer Plan Implementation		
Facility	Plan Recommendation	Status
Shoreline Transfer Station	Build New Station On-Site	Opened 2009
Bow Lake Transfer Station	Build New Station On-Site	To Open October 2013
Factoria Transfer Station	Build New Station On-Site	Design – Begin Construction 2014
South King County	Site & Build New/Close Algona	In Siting Process
Northeast King County	Site & Build New/Close Houghton	Begin Siting Process in 2014
Vashon Transfer Station	Retain	Newer Facility – No Change
Enumclaw Transfer Station	Retain	Newer Facility – No Change
Cedar Falls	Retain	Drop Box Facility
Skykomish	Retain	Drop Box Facility

Algona Transfer Station	Close	Open Until South King County Built
Houghton Transfer Station	Close	Open Until Northeast County Built
Renton Transfer Station	Close	Open Until Plan Complete

2007 Third Party Review of the Transfer Plan

MSWAC conditionally approved the Transfer Plan pending the outcome of the [Independent, Third Party Review of the Solid Waste Transfer and Waste Export System Plan](#) which was completed by consultant Gershman, Brickner, and Bratton (GBB) in September 2007. In general, the GBB review supported the Transfer Plan and supported the modernization of the transfer station system.

2011 King County Performance Audit

In 2011, the KCSWD underwent a performance audit by the King County Auditor which focused upon the KCSWD's rate model/financial plan and its transfer system capital projects. The [King County Performance Audit of Solid Waste Transfer Station Capital Projects](#) audit concluded that the Transfer Plan was developed through a collaborative and iterative regional process and that some collective decisions, such as electing to construct new transfer stations in lieu of renovating existing stations, have resulted in increased systems costs. The audit also recommended that the KCSWD should update its 2006 Transfer Plan by including analyses of cost impacts of the number and capacities of the transfer stations; functionalities of the transfer stations; and an assessment of project financing and delivery methods.

TRANSFER PLAN REVIEW PARTS 1 AND 2

2010-2012 Solid Waste Interlocal Agreement Background

Over the course of 2010-2012, King County and MSWMAC worked together to negotiate an extension the *Solid Waste Interlocal Agreement of 1988* (original ILA), which every City in King County, excluding Seattle and Milton, has signed. In 2010, the City of Kirkland played a significant role in initiating the ILA renegotiation process as a means to ensure that the County's capital improvement program would be fully funded and implemented and, consequently, the HTS would be replaced with a more appropriately-sized and modern transfer facility somewhere in northeast King County.

After intensive negotiations, a team of City and County representatives reached an agreement on the terms of a new ILA. This agreement extended the original ILA by 12.5 years, from June 2028 through December 2040, which will keep disposal rates lower by allowing for longer-term bonding for capital improvement projects. In February 2013, the Kirkland City Council voted to authorize the City Manager to sign the extended ILA through 2040. To date, 32 of the 37 King County cities have signed the new ILA. The cities of Bellevue, Medina, Clyde Hill, Hunts Point, and Yarrow Point have elected not to sign and their agreements with the KCSWD will expire in 2028.

Transfer Plan Review Part 1

When the City of Bellevue did not extend its ILA with King County, a number of cities and stakeholders began to call on the KCSWD to conduct a full review of the remaining Transfer Plan projects due to the anticipated 50% reduction in tonnage directed to a new Factoria after 2028 when Bellevue leaves the system and in light of one of the key finding findings of the 2011

Performance Audit that concluded "...by the time the [new] stations reach the end of their expected useful lives, collectively they will be utilizing about 42 percent of their total capacity."

In March 2013, the Sound Cities Association (SCA) adopted a policy position requesting that the KCSWD and MSWAC review and recommend appropriate updates to the Transfer Plan. Subsequent to this request, the MKCC took preventative action and adopted [Ordinance 17619](#) which compelled the KCSWD to conduct a full review of the Transfer Plan before allocating any more than \$750,000 in funding toward the Factoria construction project. The [final report](#) was transmitted to the MKCC in November 2013.

The report recommended the KCSWD should continue with construction of a new Factoria Transfer Station and further study two alternatives to constructing a new Northeast Recycling and Transfer Station (NERTS). Alternative E1 would divert commercial haulers to underutilized stations such as Shoreline and E2 would limit self-haul transactions at Factoria. In [Motion 14145](#), the MKCC instructed the KCSWD to further evaluate Alternatives E1 and E2 and explore strategies to manage transactions across the NE County in the absence of a new NERTS.

During the comment period and subsequent to the transmittal of the final report to the MKCC, the Kirkland City Council passed [Resolution R-5001](#) on September 3, 2013 which expressed the Council's position concerning the timely closure of the Houghton Transfer Station and [Resolution R-5031](#) on February 4, 2014 which reaffirmed the Council's demand that the Houghton Transfer Station be closed by 2021. Further, MSWAC passed a motion on May 9, 2014 which expressed support for a review of an array of strategies to manage transactional demand and for the closure of Houghton by 2021.

Transfer Plan Review Part 2

Per MKCC direction, the KCSWD transmitted the final [Transfer Plan Review Part 2 Report](#) to the MKCC on June 30, 2015. In the draft report, the KCSWD suggested that a new NERTS would not be required in the future. During the comment period, several cities including Kirkland, requested that the County re-evaluate its position on the NERTS and retain it as a future alternative. In May 2015, Mayor Walen sent the attached letter to Executive Constantine concerning Kirkland's request to keep a NERTS as viable future option for the region. In response, the Final Transfer Plan Review Part 2 recommends the following:

- Do not build a NERTS at this time, but keep it as an option for a future potential facility.
- Develop and test the following demand management strategies :
 - Conduct a pilot program to test the effectiveness and potential impacts of using demand management strategies, including web cameras to inform customers of station activity in real time.
 - Work with private industry customers and stakeholders to develop a low-cost bulky item collection pilot in target regions of the County by May 2016.
 - Research point of sale needs to support differential pricing for transactions at the transfer stations and identify implementation needs by May 2016. Implement necessary technology changes by September 2017.

- In 2017, begin a 12-month pilot to test the effectiveness and potential impacts of extended hours and incentive pricing. Following the pilot, transmit a report and recommendation to Council in March 2019.
- Identify the steps needed to achieve 70 percent recycling rates.

Analysis of the Transfer Plan Review Part 2 Report

The Transfer Plan Review Part 2 indicates that there is enough capacity to manage the tonnage in the NE County without a new NERTS. However, there exists a “transactional bottleneck” and the system is not able to manage all of the daily transactions without implementing certain untested demand management strategies (DMS) in conjunction with either diverting commercial traffic to Shoreline or limiting self-haul hours at Factoria.

The DMS include strategies that may have varying effects upon transactional throughput:

- Extend operating hours
- Incentive/peak pricing
- Provide on-line wait time information
- Mandatory curbside garbage collection
- Lower curbside bulky waste collection
- Higher minimum fee
- Lower regional direct rate
- No Household hazardous waste collection at Factoria
- Ban materials from disposal and recycling
- Add scales and queueing lanes
- Add stalls and increase tipping floor capacity
- Provide unloading assistance

If the demand management strategies (DMS) to mitigate transactions in the absence of a NERTS are implemented in 2019, northeast County residents and businesses will be provided with a substantially lower level of service at a relatively higher cost to our ratepayers. For example, per the Transfer Plan Review report, service times and queue lengths at the Factoria and Shoreline Transfer Stations will periodically increase to intolerable levels regardless of the success of DMS.

Alternatively, if DMS do not achieve their goals, as staff contends they may not, after a prolonged pilot process culminating in March 2019 then, by implication, the northeast County will have to wait for a new NERTS to be sited, designed, and built – a process which can take 7-10 years. Optimistically, a new station could not be placed into service until 2026, well beyond the current projected 2023 closure of Houghton as proposed by the County and the 2021 promised date of Houghton closure.

In partnership with other eastside cities to include Bellevue, Bothell, Renton, and Lake Forest Park, Kirkland staff has been steadfast and consistent in making the following assertions to MSWAC and its regional partners to ensure that Houghton is closed no later than 2023. These positions are included in the draft MSWAC motion (*Attachment 2*) which is scheduled to be considered as an action item by MSWAC at its November 13 meeting. The Solid Waste Advisory Committee (SWAC) has already passed a motion which is included at the end of the MSWAC motion for reference.

- 1. A new NERTS must be retained as an option for the future.**
- 2. As a contingency, immediately begin identifying preliminary siting criteria and a siting process for a new NERTS to run concurrently with the testing of DMS. Identify alternative sites and prepare an Environmental Impact Statement for the transfer station project.**

While the County asserts a new NERTS is not needed now but remains as an option for the future, nothing precludes the County from beginning a siting process as a sensible contingency to hedge against the potential infeasibility or ineffectiveness of some or all of the DMS. Staff recommends that the County begin a siting process for a new NERTS immediately and run the process concurrent with any DMS pilot process. If the DMS do not prove to be effective, two years or more will be saved on the NERTS timeline and the County will already have several approved and suitable alternative locations for a new transfer station.

3. The County should expedite the DMS pilot process and report findings and recommendations back to the King County Council no later than January 2018.

In order for the DMS to fully mitigate and disperse transactions in the northeast County, each strategy must work at its optimum efficiency and seamlessly integrate with and complement other strategies. Strategies with the most potential impact such as mandatory curbside service will be extremely difficult to implement countywide due to strong opposition from several cities and variable pricing and higher minimum fees may be open to legal challenge.

In the event DMS do not prove to be effective after the pilot concludes in 2019 and it is determined that the County has no other alternative than to build a NERTS, Houghton would remain open until at least 2026 as the County undertakes a siting (2+ years) and a design build/process (5+ years). If the County insists upon conducting a pilot to test the effectiveness and impacts of DMS, we believe that the pilots and analysis should conclude no later than January 2018 so a new facility could be built and come online by 2023.

Further, Kirkland staff and its regional partners have identified several other key issues with the Transfer Plan Review:

- **Regional equity is not achieved:** The Transfer Plan Review is inconsistent with the County Code requirement for regional equity in siting transfer stations. The result will be that one area of the County will absorb an undue share of impacts. Of particular concern is that the proposals are inconsistent with the Factoria Transfer Station Conditional Use Permit, and Bellevue has indicated it will be enforcing those provisions in the permit as necessary.
- **Disproportionate impacts:** The concepts and strategies relied upon will result in disproportionate impacts across the County, creating a two-class transfer station system with inconsistent and unfair policies, services and rates across the system. The northeast portion of the County will be underserved due to restricted self-haul and recycling opportunities. It will be overburdened with increased traffic and negative environmental impacts to air quality and noise. Higher fees and rates, both at the transfer stations and through increased costs to local collection contracts due to longer hauling distances and traffic congestion, will also disproportionately impact the northeast County. The fees and rates paid by customers in northeast King County will be supporting higher levels of service and increased capital investments in other parts of the County, but not in the northeast.
- **Assumptions and mitigation strategies do not appear to be viable:** The Transfer Plan Review is based on a combination of assumptions and strategies that are untested. Regional support for sweeping policy changes is uncertain at best. This is particularly true for the County's assumption that the region will reach a 70% recycling rate based on

behavioral changes that are notoriously hard to influence. Even if all of the mitigation strategies are successfully implemented, there is no data to support the County's conclusion that the operational and policy changes will fully mitigate the premature decision to not build a new northeast station, and there is no contingency plan if the strategies fail.

- **Self-haul impacts are not adequately addressed:** The proposed strategies did not adequately consider impacts to large institutional self-haulers or small business owners. The Plan fails to consider that self-haulers includes large institutions that run their own collection, such as cities, school districts or Boeing. Self-haulers also include small business landscape companies that depend on easy access to self-haul at the end of each business day. These stakeholders need to be specifically targeted to identify concerns and obtain buy-in to the proposed restrictions and rate impacts.
- **Exacerbated Social Inequities:** The April 2015 edition of the King County bulletin titled "Building Equity and Opportunity" notes serious equity and social justice (ESJ) concerns in King County. The bulletin summarizes inequities by zip code in terms of education, good health, diversity, employment, household income and life expectancy. The bulletin identifies the areas with the lowest "quality of life" indicators to be southwest King County and the area of King County in the northwest, bordering Snohomish County. King County's ESJ Initiative seeks to address these inequities, yet the Transfer Plan Review sites nearly all of its garbage transfer stations precisely in these disadvantaged communities. The concept appears to be a policy that hauls garbage from affluent, thriving areas of the County to the County's disadvantaged areas. Additionally, as mentioned above, the added haul times and inequitable fee structure will be particularly hard on small and disadvantaged businesses.
- **Negative Impact on the Regional Transportation System:** The concentration of transfer stations in the southern and northern ends of western King County will add to traffic along the north-south corridor of the Puget Sound Region. Additionally, the fee structure will encourage individual haulers to travel further distances at peak traffic hours to avoid peak fee times at the Factoria and Houghton stations. These trips will adversely affect pass-through cities near existing transfer stations that may maintain lower rates, such as Bothell, Kenmore, and Lake Forest Park.
- **Environmental Sustainability:** Although the entire plan is premised upon achieving the lofty goal of 70% recycling, the path forward will serve to *discourage* recycling in northeast King County, by not providing the expanded recycling services available at new transfer stations to those residents living in the northeast area of the County.

NEXT STEPS

As mentioned above, although the Northeast Transfer Station remains as an option in the Transfer Plan Review Report, Solid Waste Staff has formally briefed the King County Council, with strong and clear statements that a Northeast Transfer Station is not needed. A King County Auditor's report has concurred with this conclusion. The King County Council is in the process of reviewing the Plan for final adoption.

To ensure that the Northeast Transfer Station remains a viable option for the Eastside in the future, and to make sure that cities' concerns about the analyses in the Plan are addressed, MSWAC is considering adopting formal motion to provide clear feedback to the King County

Council. Leadership in the King County Department of Natural Resources and Parks (DNRP) Director's Office has expressed an interest in working with MSWMAC representatives and staff to jointly draft a motion that will address the cities' concerns, without creating an undue burden of intense analysis, and without excessively delaying the King County Council's approval process. Additionally, the King County Auditor's Office is willing to work with Eastside city staff to revisit the assumptions and findings in their report.

Staff continues to work with the DNRP Director's Office and King County Auditor's Office to forge a path forward that will address Kirkland and other MSWMAC cities' concerns.



May 13, 2015

Dow Constantine, King County Executive
King County Chinook Building
401 Fifth Ave, Suite 800
Seattle, WA 98104

RE: Comments on Transfer Plan Review Part 2 Draft Report

Dear Honorable Constantine:

In response to the request for comments on the Transfer Plan Review Part 2 Draft Report ("Transfer Plan Review"), several City stakeholders, including the City of Kirkland, have written you a letter, strongly urging King County to retain the option of a new Northeast Recycling and Transfer Station (NERTS) as a potential future facility in the Solid Waste Comprehensive Plan. This letter re-iterates the common concerns of stakeholders and provides feedback from the City of Kirkland on broader policy issues.

Impacts to Solid Waste Handling System

As stated in the joint letter from the Cities, retaining this option in the Transfer Plan Review ensures that upon closure of the Houghton and Renton Transfer Stations, there are sufficient facilities capable of handling the future tonnage and traffic generated in the northeast region of the County in an efficient and equitable manner. It is our opinion that the mitigation strategies suggested in the Transfer Plan Review may not accomplish this goal.

Without the option of a NERTS, the negative impacts to the remaining transfer stations, traffic, the environment, regional equity, system efficiency, local collection rates and station users could be significant and unacceptable, including the following:

- **Regional equity is not achieved:** The Transfer Plan Review is inconsistent with the County Code requirement for regional equity in siting transfer stations. The result will be that one area of the County will absorb an undue share of impacts. Of particular concern is that the proposals are inconsistent with the Factoria Transfer Station Conditional Use Permit, and Bellevue has indicated it will be enforcing those provisions in the permit as necessary.
- **Disproportionate impacts:** The concepts and strategies relied upon will result in disproportionate impacts across the County, creating a two class transfer station system with inconsistent and unfair policies, services and rates across the system. The northeast portion of the County will be underserved due to restricted self-haul and recycling opportunities. It will be overburdened with increased traffic and negative environmental impacts to air quality and noise. Higher fees and rates, both at the transfer stations and through increased costs to local collection contracts due to longer hauling distances and traffic congestion, will also disproportionately impact the

northeast County. The fees and rates paid by customers in northeast King County will be supporting higher levels of service and increased capital investments in other parts of the County, but not in the northeast.

- **Assumptions and mitigation strategies are untested and results are uncertain:** The Transfer Plan Review is based on a combination of assumptions and strategies that are untested. Regional support for sweeping policy changes is uncertain at best. This is particularly true for the County’s assumption that the region will reach a 70% recycling rate based on behavioral changes that are notoriously hard to influence. Even if all of the mitigation strategies are successfully implemented, there is no data to support the County’s conclusion that the operational and policy changes will fully mitigate the premature decision to not build a new northeast station, and there is no contingency plan if the strategies fail.
- **Self-haul impacts are not adequately addressed:** The proposed strategies did not adequately consider impacts to large institutional self-haulers or small business owners. King County has failed to consider that self-haulers includes large institutions that run their own collection, such as cities, school districts or Boeing. Self-haulers also include small business landscape companies that depend on easy access to self-haul at the end of each business day. These stakeholders need to be specifically targeted to identify concerns and obtain buy-in to the proposed restrictions and rate impacts.
- **Continued Delay in the Closure of the Houghton Transfer Station:** The Cities of Kirkland and Bellevue are particularly dismayed at yet another proposed delay in the closure of the Houghton Transfer Station. As Metropolitan King County Council Member Jane Hague so eloquently stated during Transfer Plan Review Part 1 deliberations in 2014 concerning the County’s commitment to closing the Houghton Transfer Station (HTS), “A promise made is a promise kept.” Over the past decade, we have waited patiently—but not without growing concern—as the projected closure date of the Houghton Transfer Station has slipped from 2016 to 2018 to 2021. In September 2013 and February 2014, the Kirkland City Council expressed its desire that the transfer station be closed by 2021. In May 2014, the Metropolitan Solid Waste Advisory Committee (MSWAC) representing all of the cities in the King County solid waste system, adopted a motion supporting the closure of Houghton Transfer Station no later than 2021. By the County’s own admission, the facility is outdated, inefficient, not supportive of the County’s recycling goals, and is located in a residential area inconsistent with station’s industrial use. In spite of the past promises, the clear voice of the MSWAC, and the County’s own assessment of the facility, the County is now proposing to delay the closure of the Houghton facility until as late as 2023.

Inconsistencies with King County Policy

As stated in the prologue to King County’s Strategic Plan, the Strategic Plan was created to “reflect the values and priorities of the people of King County.” The Strategic Plan motto is, “Working together for one King County.” The motto is intended to reflect the County’s

commitment to working in partnership with others, including local governments. We feel that the “collaboration” effort associated with the Draft Solid Waste Transfer Station Plan failed to meet the spirit of the King County Strategic Plan. In fact, we feel blindsided by the recent conclusion to exclude a NERTS from consideration. Our staffs and elected officials have participated in good faith in the numerous MSWAC meetings where the Transfer Plan Review has been discussed over the past several months. In every meeting, we were given to believe that the option of a NERTS would remain in the Transfer Plan Review, and that King County supported retaining that option. It was not until mid-April, *after* your transmittal of the Draft Plan to the King County Council, that MSWAC was given a presentation by King County staff, unveiling the County’s position that the option of NERTS was unnecessary.

In addition to the process, we note the following items that are inconsistent with King County’s Strategic Plan:

- **Exacerbated Social Inequities:** The April 2015 edition of the King County bulletin titled “Building Equity and Opportunity” notes serious equity and social justice (ESJ) concerns in King County. The bulletin summarizes inequities by zip code in terms of education, good health, diversity, employment, household income and life expectancy. The bulletin identifies the areas with the lowest “quality of life” indicators to be southwest King County and the area of King County in the northwest, bordering Snohomish County. King County’s ESJ Initiative seeks to address these inequities, yet the Transfer Plan Review sites nearly all of its garbage transfer stations precisely in these disadvantaged communities. The concept appears to be a policy that hauls garbage from affluent, thriving areas of the County to the County’s disadvantaged areas. Additionally, as mentioned above, the added haul times and inequitable fee structure will be particularly hard on small and disadvantaged businesses.
- **Negative Impact on the Regional Transportation System:** The concentration of transfer stations in the southern and northern ends of western King County will add to traffic along the north-south corridor of the Puget Sound Region. Additionally, the fee structure will encourage individual haulers to travel further distances at peak traffic hours to avoid peak fee times at the Factoria and Houghton stations. These trips will adversely affect pass-through cities near existing transfer stations that may maintain lower rates, such as Bothell, Kenmore, and Lake Forest Park.
- **Inadequate Analysis to Support Fiscal Responsibility:** The cost analysis in the Transfer Plan Review did not provide a reasonable comparison of the alternatives. We request that the following be added:
 - Compare the total net increase in operating costs for all concepts, adjusted for inflation over the 40+ year life of a new facility so the estimated cost of each “No Build” concept can be compared apples-to-apples with the capital cost of a new NERTS.
 - Include the cost of each concept in terms of its effect on the average King County resident’s monthly garbage bill.
 - Update the projected annual operating costs for the “No build” concepts to reflect Bellevue’s recent decision to remain in the system after 2028.

- Provide greater detail on the capital cost assumptions for the NERTS, and allow time for a peer review of the capital cost assumptions.

Environmental Sustainability: Although the entire plan is premised upon achieving the lofty goal of 70% recycling, the path forward will serve to *discourage* recycling in northeast King County, by not providing the expanded recycling services available at new transfer stations to those residents living in the northeast area of the County.

In summary, the Transfer Plan Review contains significant service impacts to all of northeast King County that have neither been adequately addressed nor vetted with stakeholders. The conclusions associated with the draft report are in direct conflict with many of King County's regional public policies. We urge the County to carefully consider the future and plan a system that provides a geographically balanced, flexible system of transfer stations that is able to meet the needs of a growing County without placing undue burden on some communities and segments of the population.

Sincerely,



Amy Walen
City of Kirkland Mayor

cc: Mayor Claudia Balducci, City of Bellevue
Mayor Richard Leider, Town of Beaux Arts Village
Mayor George Martin, City of Clyde Hill
Mayor Joshua Freed, City of Bothell
Mayor Joe Sabey, Town of Hunts Point
Mayor Patrick Boyd, City of Medina
Mayor Steven J. Buri, City of Newcastle
Mayor Denis Law, City of Renton
Mayor Dicker Cahill, Town of Yarrow Point
Bellevue City Councilmembers
King County Councilmembers
Brad Miyake, Bellevue City Manager
Diane Carlson, Director of Regional Initiatives, King County Executive
Christie True, Director, Department of Natural Resources and Parks (DNRP)
Bob Burns, Deputy Director, DNRP
Pat McLaughlin, Director, Solid Waste Division, DNRP
Kevin Kiernan, Assistant Division Director, Solid Waste Division, DNRP
Diane Yates, Intergovernmental Liaison, Solid Waste Division, DNRP
Marilynne Beard, Deputy City Manager, City of Kirkland
Tracey Dunlap, Deputy City Manager, City of Kirkland
Kathy Brown, Public Works Director, City of Kirkland
John MacGillivray, Solid Waste Program lead, City of Kirkland
Kurt Triplett, Kirkland City Manager

Metropolitan Solid Waste Management Advisory Committee (MSWMAC)

Transfer Plan Review Part 2 Final Report Motion

MSWMAC is reviewing and discussing the King County Solid Waste Division Transfer Plan Review Part 2 Final Report, including the fact that the data and analyses presented in the Final Report appear largely unchanged from the Draft Report and that many cities expressed concerns regarding the strategies presented in the Draft Report, and therefore:

MSWMAC moves that the King County Solid Waste Division undertake the following:

- Retain a new northeast transfer station in the King County Solid Waste Comprehensive Plan, and as a contingency, begin a preliminary siting process for the new facility in 2016 in order to ensure the timely closure of Houghton Transfer Station, regional equity, environmental protections, system efficiency, and minimal impacts to the local and regional transportation system. (Note: see 8/21/15 *SWAC Adopted Motion below)
- Prepare an analysis that addresses the critical concerns and issues raised by stakeholder comments on the Draft Report to ensure the policies and/or demand management strategies achieve the expected goals without negative impacts prior to including any Draft Report policies or demand management strategies in the King County Solid Waste Comprehensive Plan.
- Prepare an analysis regarding compliance with the Conditional Use Permit for the Factoria Transfer Station.

*Adopted SWAC Motion: I move that SWAC recommend Executive and Council approval of the Transfer Plan Review Part 2 Final Report, providing that: (1) building a NE recycling and transfer station has the same priority as demand management strategies in the Comprehensive Solid Waste Management Plan update; (2) the county immediately begins the process of identifying alternative sites for a NE station, and secures a site if feasible; and (3) alternative sites for a NE station are analyzed in the same EIA, and at the same level of detail, as demand management strategies.