



**CITY OF KIRKLAND**  
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## **MEMORANDUM**

**To:** Kurt Triplett, City Manager

**From:** Annexation Staff Team  
Marilynne Beard, Assistant City Manager

**Date:** November 3, 2011

**Subject:** ANNEXATION IMPLEMENTATION STATUS REPORT

### **RECOMMENDATION:**

City Council receives a report on the status of the implementation of the North Juanita, Finn Hill and Kingsgate annexation.

### **BACKGROUND DISCUSSION:**

The City's single largest annexation took effect on June 1, 2011. A significant amount of pre-planning was done to provide for a smooth transition of services and governance. December 1, 2011 will mark six-months from the effective date. As with any annexation, the actual implementation takes place in phases. Given the size of the JFK annexation, all actions relative to annexation will take years to complete (e.g. completion of the Public Safety Building construction and assimilation of annexation area capital needs into the City's Six-year Capital Improvement Program). The purpose of this report is to provide a status on the first six months of implementation, discussion of issues that have arisen since June 1 and a summary of outstanding policy issues and near term actions that will take place. This report is organized similarly to past reports with sections on operations, intergovernmental, financial and communications.

## OPERATIONS

### Police

Police operations are continuing to run smoothly based on the department's original approach and directives. Prior to implementation, command staff spoke with all Patrol squads and emphasized the importance of making positive contacts with the public. Ongoing monitoring systems include:

- Reviewing daily patrol activity
- Reviewing citations issued and the actual violations
- Soliciting feedback from officers on the street as to public comments being received both in person and via email
- Looking for trends in all feedback and responding quickly and appropriately

### Patrol:

Officers are excited to work the new area and have already demonstrated strong knowledge and comfort for the geography and needs of the new area. They are continuing to balance an equal mix of warnings with citations and educating citizens when appropriate. Officers and citizens are observing/reporting a general inattention to speed zones and stop signs and the department has focused their efforts accordingly. The Police Department's *Community Traffic Complaint* program continues to help direct enforcement resources to the areas of greatest community concern. This community driven approach continues to be well utilized throughout the city, and has quickly been embraced by the annexation neighborhoods. For instance, from June 1 through October 31, the Traffic enforcement requests from the annexation neighborhoods alone have generated:

- 39 separate requests for directed patrol at different locations
- 4,473 minutes or 74.55 total hours of directed officer enforcement in response to specific community requests
- Resulting in 216 citations (the majority of which are speeding and stop sign violations)

Public feedback is being received both in person by officers and via email. There have been few actual formal complaints and a great many positive responses from the community with citizens often waving down officers to say thank you. There had initially been some negative feedback regarding what was perceived as a great number of officers generating a great number of citations. This has subsided a great deal and the new community has begun to view the KPD as "their Police Department." This was also evident from the feedback received at the recent Finn Hill and Juanita neighborhood Council meetings.

The district and staffing model configured for annexation seems to be adequate and many citizens have commented positively about the response time to their calls as compared to their previous experience. This input is important and has been disseminated to the officers.

Many of the citizens have expressed amazement that they were responded to so quickly (or at all). A very satisfying theme that has emerged is community feedback with increasingly specific observations of positive changes to poor driving behaviors. Many have remarked that it's obvious that things have changed, because people are driving slower and actually stopping at stop signs. The common concern amongst the neighborhoods is speeding, stop signs and

school zones. The Police Department has responded accordingly and has directed patrol to consider these and school zone violations an enforcement priority.

#### General Calls for Service:

Calls for service in the area were analyzed and compared to similar areas in other parts of the City. The calls for service in the new neighborhoods have been as expected and not unlike other similarly situated Kirkland neighborhoods. For example, Finn Hill is very much like Bridle Trails in that it is highly residential. While they do experience some property crimes such as thefts and burglary, the occurrence of such incidents is much less than areas that have a shared commercial/residential demographic. Specific to the annexation areas, the highest number of calls for service is for accidents, domestic violence, motor vehicle prowls, misdemeanor thefts and warrant arrests. This closely mirrors the primary calls for service in the pre-annexation areas.

The noise complaint situation between the Kingsgate sports bar "Tony's" and the adjacent residential neighbors is improving. The neighbors were originally very skeptical that anything would be done post annexation and they are now admittedly quite surprised with how quickly the situation has improved. The business owner was also originally quite displeased with the focus on his tavern and is now very cooperative and interactive in making many small changes that has led to helpful noise reductions. While it is important to note that such situations are not uncommon in such mixed use areas, the rapid transition from a perception of "nobody cares and nothing will get done" to "maintaining and monitoring an improved situation," is a clear example of overcoming skepticism by delivering what we promised.

Data is used by the department to identify enforcement priorities. When an officer is not on a 911 call, they are expected have an understanding of their patrol district's needs or problems. This allows the officer to develop a pro-active "game plan" to best use their available time to respond to community concerns and community-driven priorities. The officers are encouraged to continually be thinking, "If time allows, what can I do to positively impact my district?"

Each neighborhood is unique as to needs and concerns, and KPD officers are responding accordingly. The schools have been very vocal and supportive regarding positive changes they have observed. The clear message is that we are making a difference.

#### Municipal Court

The case filing trends for the Kirkland Municipal Court have been consistent with the police patrol officers' enforcement emphasis in traffic-related complaints. Traffic related infractions have increased 8 percent from the same period last year (June through October) and criminal traffic charges have increased 28 percent for the same period. In anticipation of the increased caseload, additional court calendars were scheduled in the second courtroom starting in June. Because of this the Court has been able to maintain hearings within regular Court hours to handle the volume.

In September, the Municipal Court requested a new pool of jurors from Superior Court for residents who have a Kirkland zip code. Therefore, citizens from the newly annexed areas should start to receive juror summons notices. Each month 250 jurors are summonsed for a one week period.

## **Fire and Emergency Medical and Emergency Management**

### **Fire Operations:**

Fire operations (Fire & EMS response) are performing as expected based on the department's station and personnel assignments instituted on June 1. The City already had fire and EMS responsibilities in the Finn Hill and Juanita sections of the annexation area through a long-standing contract with King County Fire Distinct #41. This area was covered by staffing Station 27 (Juanita) with 1 engine cross-staffed with an Aid Car plus one dedicated aid car (A29) with a total of 5 personnel each day. On Finn Hill, Station 25 was staffed with one engine also cross-staffed with an aid car and Station 24 was staffed from 7 pm to 5 am by Fire Reserve Association members with one non-transport aid car.

The Kingsgate neighborhood previously served by Woodinville Fire and Rescue added approximately 10,000 residents. In order to maintain appropriate coverage for the larger city the department hired nine firefighters and changed the allocation of department resources on June 1. A "front-line" Engine was added to the existing fleet. This engine is now housed at the Rose Hill station (Station 26) and is cross-staffed with an aid car. The Ladder Company previously located at Station 26 was moved to Station 27 and cross-staffed with an aid car (Aid 29). Aid 29 is no longer a dedicated aid car. Engine 27 and Aid 27 have remained cross-staffed at station 27 (Juanita).

The department has realized the expected benefits of the new resource allocation. Ladder 27 is more centrally located and closer to a more commercial district which is one of a ladder company's main assignments. This location gives the ladder company a greater coverage area for the 5.5 minute fire response time standard. The dual company station allows opportunity for the six person Ladder Technician Team on-duty daily to respond and train together for technical rescues. Non-certified Ladder Technicians can hold a position or be assigned to the team on Engine 27 to receive training to become certified thus reducing detailing of personnel and possible overtime. The Station 26 response area is mostly residential and the engine is capable of faster response times to fire and medical calls than the Ladder was.

The daily minimum staffing of eighteen was increased to a daily minimum staffing of nineteen. Additionally, three firefighters have been promoted to the rank of Lieutenant to supervise the crews assigned to the new Engine 26. The department was able to improve safety to the community and firefighters by promoting three Captains (one per shift). These Captains are assigned as a Battalion Aid to Battalion Chief assisting on critical emergency calls as well as day-to-day activities, such as training and deployment. They assume the role of Acting Battalion Chief in the absence of the shift Battalion. They also replace the first officer position needing to be filled when staffing levels are below minimum by filling the vacant officer position.

Woodinville Fire and Rescue had planned to add an aid car to their response plan after annexation. As of this report, the addition is still under discussion within Woodinville. Station 27 is responding through mutual aid to Woodinville's response area that was previously served by the now-closed station 34.

From June 1 to October 31 (5 months) station 27 responded to 489 engine and ladder truck calls and 968 aid (EMS) calls. In contrast, during the five months from January 1 to May 31, 2011, Station 27 responded to 323 engine calls and 831 aid (EMS) calls.

The added annexation area of the Kingsgate neighborhood seems to have made a smooth transition from Woodinville Fire & Rescue to the Kirkland Fire Department.

#### Emergency Management:

The Fire Department already included the community in emergency management outreach programs such as Map Your Neighborhood and CERT. City emergency planning efforts have necessarily expanded in other departments who will now respond and require recovery effort for the annexation area during a major incident.

#### Fire Prevention:

Plan review for single family residences, both new and additions, has numbered approximately 30. Some of these were permitted in King County and transferred to the City. In some cases, a fire sprinkler system was required, but there is no information as to why. Each permit requires a review by Fire Prevention, whether or not they were already reviewed by King County. Conflicts between the County and City requirements for sprinklers are being addressed with the help of the City Attorney.

It is usually necessary to do a site visit on any permit in the annexation area, as staff has no knowledge of the actual conditions as to hydrant location, access, topography, etc. The information available on the King County permit [website](#) is usually not sufficient. Staff is working with both Northshore Utility District and Woodinville Water District to get the appropriate information as to fire flow and hydrant locations.

Contractors are often confused regarding which entity they are supposed to call for a fire inspection on a fire sprinkler or fire alarm system. Both the City and the County are working hard to correctly refer contractors to the appropriate government during this transition period. We are also finding unmonitored alarm systems, primarily in multi-family complexes. We are working to get those corrected.

Neighbor fire safety complaints significantly increased initially. Typical complaints were related to tall dry grass, outdoor burning/smoke, and fire lane issues. However, now that the summer is over the complaints have tapered off.

Knox box lock cores have been changed over in the area served by Woodinville Fire, but the list provided by Woodinville was incomplete and a number of "extras" are popping up.

Engine companies have begun fire safety inspections in the new neighborhoods which had not been done with much frequency in the past and have discovered issues such as some buildings having out-of-service alarms.

Tracking of business licenses by King County appeared incomplete and has limited our ability to identify occupancies for inspection – this will likely improve over time.

Fire activity and investigations in general have been lower than anticipated in the new Kirkland area (as of October 31, 2011).

## **Streets**

The Street Division anticipated that street sweeping would be a high priority in the new neighborhoods and an operator was hired and an additional new sweeper was purchased concurrent with annexation. New neighborhood residents were expecting this maintenance activity and phone calls of appreciation have been at an all time high.

Right-of-way mowing was not initially thought to be a high priority but public requests for this maintenance activity in the annexation area were unexpectedly high. With the addition of 2011 REET maintenance funds, a second flail mower was rented. In order to mow only appropriate areas, a mowing map was quickly developed and put into service. To accommodate this increased work load with the existing staff, 4-day/10-hour shifts were implemented for the mowing season to have sufficient equipment operators. Again, public appreciation has been very high. Work plans for 2012 now include the purchase or rental of a second mowing machine and hiring of seasonal utility workers to meet the expectations of the new neighborhoods.

Along with the mowing program, the level of needed maintenance adjacent to existing guardrails was not anticipated and will be addressed with the purchase of a truck-mounted sprayer using REET maintenance funds. The new neighborhoods have 17 times the number of guardrails compared to the pre-annexation work load. Conventional flail mowing cannot be used between the guardrail posts and the amount of labor hours makes hand work impractical and cost-prohibitive. The sprayer will allow staff to implement an integrated pest management program (IPM) similar to that used in other areas of the City and by King County. An additional benefit of the purchase of the sprayer is that this unit is designed to be dual purpose; the second purpose for this equipment is as a de-ice applicator. In the de-ice mode, this unit is identical to equipment that was purchased in 2010 and will double our inclement weather capability.

The determination of right-of-way ownership has been an unexpected challenge. In areas where public roads meet private roads, barricades are being reviewed for appropriateness. A policy will be developed to help determine how these areas will be maintained in the future.

The City's GIS group has started to collect data and map street type assets. This project will prioritize the following kinds of assets: trees/canopy, signs, streetlights (public and private), traffic signals, mowing (sensitive area determinations), curbs, paths/trails, sidewalks (condition rating) and greenbelts (as identified in the interlocal agreement with King County).

## **Development Services**

The amount of development activity overall has exceeded expectations in Public Works, Planning and Building Services.

In Public Works, development engineering permit review and inspection revenue is exceeding the year-end estimate by 60 percent as of September 30. Most developers and builders are pleased to be working with the City and have submitted many requests to transfer development permits from King County to the City. The Public Works Development group fields many phone calls from citizens in the new neighborhoods and there has been about four positive comments on annexation to every one complaint.

Building Division permit activity has been increasing in the new neighborhoods. In September, total number of permits was up 54 percent from prior to annexation. Approximately one third of all permits came from the new neighborhoods but they are generally smaller valued projects so the revenue is not proportional to the number of permits (excluding the two new schools). There were 38 new single family permit applications submitted citywide since June 1 with 16 of those from the new neighborhoods.

Land use permits have also increased with the pre-submittal meetings and Planning Official Decisions showing the largest increase. Neither of these, however, have high fees. Consequently, Planning permit revenues have not significantly increased. Both activities are time intensive, but pre-submittals are a good indicator of future activity. The data is not specific to neighborhoods so no conclusions can be drawn about the number of permits from the new neighborhoods at this time. However, it is clear that overall activity is up compared to 2010 as shown in the table below.

	Applications Received	
	2010	2011
<i>Jan - June</i>	80	102
<i>July - Sep</i>	37	57
<i>Year to date</i>	117	159

There are several development applications that started at the County and are being completed by the City which were not anticipated. These projects are taking quite a bit of staff time due to their complexity and coordination requirements with King County staff. Fees were not transmitted from the County for these applications because they had already been expended by the County. Examples of these transferred projects include the Big Finn Hill Park lacrosse/soccer field, Juanita Townhomes Binding Site Plan, the Totem Green Final Subdivision and the Sabour SEPA appeal.

At the counter, Planning staff has been busy with the oversized vehicle registration effort, numerous questions about zoning, and tree removal requests from the new neighborhood residents and applicants. As anticipated, implementation of the County's Holmes Point Overlay zoning in the western portion of Finn Hill has proved challenging, adding significant time to development review, tree removal requests and customer inquiries for affected properties.

**Code Enforcement**

The Planning Department receives and enters all complaints into the permit tracking system except for surface water complaints that are tracked by Public Works. Once entered, complaints are routed to the appropriate department for initial investigation. The code enforcement complaints received by Planning has increased from an average of 17 per month to an average of 26 per month since June 1. The most common complaints from the new neighborhoods that have been investigated are property maintenance/yard appearance/grass height, home occupations and tree removals. The City inherited a number of unresolved violations in the Denny Creek area which have required extra research. In addition, about 50 case files were transferred from King County to the City. Staff has been working to prioritize

cases based on the age and seriousness of the complaint and there may be additional cases opened once the files have been reviewed.

### **Solid Waste**

The majority of customers received carts/dumpsters by the first day of service on July 1, 2011. Some issues were encountered with cart distribution which included incomplete or missed cart deliveries, missed deliveries due to inconsistencies in delivery lists received from Allied Waste and the inadvertent removal of customer-owned carts. Waste Management was flexible and responsive throughout the process and most container delivery complaints were resolved within the first week of service. Both Waste Management and Kirkland Utility Billing received several hundred calls per day in the first week, the majority of which were from customers requesting smaller carts in response to Kirkland variable rate structure.

The total number of missed pick up (MPUs) has been tracked as a means to evaluate the success of the transition from the customer's perspective. In pre-annexation Kirkland between July and September 2010, 69 MPU complaints were received or .48 per 1,000 service events. Between July and September 2011, a total of 568 MPU complaints were received or 2.1 per 1,000 service events. As drivers have learned their routes, the number of MPUs has gradually declined from 274 in July to on 110 in September and staff expects this trend to continue. The total number of MPUs is generated from a total of about 89,000 service events per month.

Staff began outreach to its initial 1,100 self haulers in May via a postcard in an effort to inform them of the City's code requirement to have curbside garbage service. Between May and August, approximately 500 self haulers signed up for service, reducing the number to 585. A second postcard mailer was sent in early September. A third and final postcard was mailed to the remaining 416 self haulers in mid-October. Residents that do not sign up for service by November 7 will automatically receive a default weekly garbage service (\$17.99/month) consisting of a 35 gallon garbage cart, 64 gallon recycling cart, and 96 gallon yard waste cart in the last two weeks of November. Service for these customers will begin on December 1.

The City and Waste Management printed and mailed a comprehensive services guide to all single and multi-family residences. The mailing was well received and generated numerous calls, particularly requests from multifamily residents for free multifamily recycling baskets and assistance in getting a food recycling program established at their condo or apartment. In August, City and consultant staff physically visited each business in the annexation area to explain the City's services, rates, and to offer recycling assistance.

In downsizing estimates made around the time of the adoption of the contract with Waste Management, staff and its consultant estimated that up to 14 percentage points of cart downsizing would occur in the annexation area in 2011 in response to Kirkland variable garbage rate structure based on the City's prior experience. Due to an excellent outreach campaign, annexation area residents downsized 20 percentage points in only three months. The downsizing trend continues but at a much slower rate than what occurred in and around the July 1 transition date.

Prior to the implementation, staff had some concern that the City's outstanding single family recycling diversion rate and that our annual number one ranking in King County might be

affected by the annexation. The historical average diversion rate in the annexation area was about 55 percent compared to pre-annexation Kirkland which typically ranged between 65 to 70 percent. For July to September 2010, the single family recycling diversion rate was 68.5 percent and the multifamily diversion rate was 16.8 percent. For the same three month period in 2011, the diversion rate was 66.6 percent and 16.1 percent, respectively, which is only a slight decline and less than anticipated. The average diversion rate through September 2010 was 69.8 percent for single family and 16.2 percent for multifamily, whereas the average diversion rates for the same period in 2011 were 68.3 percent and 16.4 percent, respectively.

### **Surface Water Engineering and Maintenance**

Prior to the annexation, the King County Water and Land Resources Division completed inspection of drainage facilities in the annexation area and developed approximately \$40,000 in work orders for the Roads Division. Roads noted that they did not have funding to do this work, and so it was left undone as of the annexation date. City crews are now starting this work and recently repaired a serious problem on Goat Hill. Crews are finding that there is a larger amount of structure cleaning needed than anticipated based on City video circuit-inspections. Changing locks and signs and doing basic fence installations and repair of ponds in the annexation area created the need for a 2012 service package request as this "startup" work will exceed the usual budget for such items.

Several parcels of open space lands were transferred to the Surface Water Division for maintenance and management. These parcels have workloads involving drainage complaints, rat/pest controls, hazardous tree removals, invasive species removals, code enforcement issues for illegal dumping and illegal private use on public land and habitat restoration.

Drainage problems continue to be discovered. Most fall into the "neighborhood drainage assistance" type of project, where the County was not liable for a fix, but felt it was warranted given the cost/benefit analysis. Neighborhood drainage project funds were cut by the County in 2010. The number of drainage and water quality complaints is about where we expected the to be.

To meet the new demands, a new eductor truck, mini excavator and utility truck and Lead Worker pick-up truck were purchased to service the annexation area storm water conveyance system. Three new employees were hired for the maintenance and operations storm water division and two more will be hired in January 2012, with the purchase of a dump truck and trailer. Two additional staff will be added for a video inspection team in 2013 and video inspection and mowing equipment will be acquired as the final phase for storm water maintenance and operations hiring for a total of seven new staff and increased seasonal staff funds hired to maintain the new neighborhoods.

The Surface Water Maintenance and Operations Manager has met with multiple agencies in the northeast sector of King County to facilitate a multiple agency construction of a zero waste recycling decant center. A grant will be submitted with the Department of Ecology to assist with the construction of the project and may involve a joint agreement with the City of Redmond, the Northshore Utility District, King County and the Washington State Department of Transportation. Surface water CIP funds would assist funding a portion of the match for this project.

King County started the Billy Creek ravine stabilization project and had pledged to the City that it would be complete by the June 1 annexation date. For several reasons, that did not happen and the cost of the project increased due to further erosion damage and a change in the project scope. Kirkland was asked to contribute funding and to develop an agreement with King County for design and construction of the project. Council approved funding and an agreement in September and construction is now underway and is scheduled to be complete by November 15. The owner of the property where the outfall of the pipe system was supposed to have been placed refused to grant an easement for construction. A temporary outlet has been placed on the next property upstream. Geotechnical engineers estimate that this outfall will remain stable for two to three years, so negotiations with the downstream owner will continue, as will plans and budgeting in the Surface Water CIP for construction of a permanent outfall.

A few surface water revenue issues have been discovered since the annexation took effect. There has been some difficulty in determining expected surface water revenue for the annexed areas and GIS staff is currently cross-checking County files with City records to verify parcels. King County advised the City that it is keeping one month of surface water revenue (for the month of June 2011) that the City was expecting to receive. The budget has been adjusted to reflect the lower revenue. Finally, King County also provided several types of surface water fee discounts that Kirkland does not currently offer. There may be inquiries and concerns about this in the coming years as owners find that their fees are higher because of the lack of discounts.

### **Parks and Community Services**

Standard park signs were installed at Kingsgate, Edith Moulton, Juanita Heights, and Windsor Vista parks. Additionally, park rules signs and some selected informational signs were added to areas of need. Partnering with the community on maintenance is an ongoing effort. In particular, the trails that grace Edith Moulton Park have received significant attention and will continue to be a focus moving forward. The City will also be adding 132<sup>nd</sup> Square Park in January and will begin maintenance at that time. City staff did participate in the new picnic shelter that was built with community volunteerism and the Pomegranate Center at 132<sup>nd</sup> Square Park.

Seasonal staff was hired this summer to assist with tasks and internal promotional opportunities were filled. The bulk of hiring and equipment investment will take place in 2012. This fall and winter staff will work with Human Resources and Fleet to put into motion investment in annexation equipment and to recruit full time positions. The goal will be to bring staff on in January to train, prepare, and orient them in preparation of 2012 summer season.

In recreation, the City has been for many years mailing recreation brochures to the new neighborhoods. There has been a drop in revenue as expected due to resident versus nonresident rates. No new positions were added in the recreation area.

## Capital Improvement Program (CIP)

### Public Works:

The Amended 2011-2016 CIP is scheduled for adoption at the special meeting on December 12. This CIP update does not include specific projects within the new neighborhoods with the exception of the new NE 132nd Street Sidewalk Improvement project. This new project came as a result of its proximity to Finn Hill Junior High and specific requirements of a State funded sidewalk grant opportunity – the grant application was submitted in August, 2011. Additionally, the annual street preservation and striping programs were increased, partially to account for new roads added with annexation. Specific locations are not identified yet.

The next full CIP process for 2013 -2018 begins in early 2012 and will be finalized in December, 2012. This CIP process will involve updating cost estimates for existing CIP projects (funded and unfunded), as well as the addition of new transportation and surface water capital improvements within the new neighborhoods. The water and sewer systems in the new neighborhoods are managed by other agencies.

For the 2013-2018 CIP, candidate projects within the new neighborhoods are being identified through information provided by King County and its previously planned projects. In addition, ideas are coming to staff at various neighborhood meetings and via telephone conversations, email, and the City's Public Works Webpage [Suggest a Capital Project](#). Residents are being encouraged to monitor the City's web site for future information about public involvement opportunities during the next CIP process and to become involved in neighborhood associations as an effective way for promoting capital improvement project ideas.

Capacity transportation projects are generally prioritized as they are envisioned in the City's Comprehensive Plan, while non-motorized transportation candidates are ranked through a [Project Evaluation Process and Summary](#) process. Similarly, utility projects are prioritized through guidance provided by the City's various comprehensive plans for water, sewer, and surface water. The City's Surface Water Master Plan will be updated in 2012 to include the new neighborhoods. The City's next Comprehensive Plan Update, which will include new growth targets and perhaps a new transportation network, is not scheduled to *begin* until 2013 and, as a result, the prioritization of new capacity transportation projects throughout the City will be similar to the current CIP process. To aid in the prioritization of City-wide transportation projects, the City's Transportation Commission now has a [Transportation Commission work plan](#) for 2012 to help guide staff with the process by:

- Developing new level of service standards that align with transportation principles
- Developing clear goals and prioritization systems for project categories
- Developing ideas and strategies for linking pollution, climate change and health into Comprehensive Plan policies
- Reviewing and revising the concurrency system

At their November 1, 2011 meeting, the City Council also asked the Transportation Commission to study possible safety improvements to Juanita Drive.

## Public Safety:

A consultant has been hired to assist the City with the Finn Hill Fire Station siting process. Their proposal includes a robust public outreach element that will be initiated in the coming months.

The Public Safety Building is now at 50 percent conceptual design and an updated cost estimate will be received this week. Initial results indicate that the project cost is higher than first expected due to changes in project scope (number of jail beds and addition of vehicle bay) and some unanticipated structural costs. The cost estimate is being prepared in such a way as to facilitate City decisions with regard to building programming changes that will keep the project within the available budget.

## Technology

Most of the annexation work for IT was related to the GIS function. The following table summarizes the major tasks and current status:

<b>Task</b>	<b>Status</b>
Develop and release priority annexation data RFP	Completed on time; GIS vendor selected
Develop enterprise annexation GIS master plan	Completed on time; adopted by GIS Steering team
Update real property layer	Vendor completed on time and within budget
Update street network layer	Completed by NORCOM ahead of Kirkland's schedule
Update other layers as identified via RFP process	Priority layers done; remaining data development underway
Support departmental annexation GIS needs	Customs maps, analyses, and data development exceeded estimates by at least 1/3; lag in King County production of AA records has delayed some city GIS activities

This work was completed under budget.

## INTERGOVERNMENTAL

### **King County Records**

The interlocal agreement provided for records to be transferred from King County to the City in two batches, with deadlines of June 1, 2011 and September 1, 2011. The City has received some of the records, however, the majority from both batches has not yet been transferred. The City Manager will be sending a letter this week to King County requesting that the County provide us with an updated target for the remaining records awaiting transfer by November 20.

### **Northshore Utility District (NUD)**

The NUD franchise fee discussion between the City and District is continuing. Informational materials were prepared explaining the basis of the franchise fees and how they relate to the

City's tax base and total impact on new residents. The materials were distributed at the Finn Hill and Juanita neighborhood meetings and through multiple list servs. Most citizen contacts about this issue were resolved once they received an explanation and the number of contacts is minimal at this point.

A meeting was held between City and NUD staff to discuss a possible franchise agreement amendment that would temporarily suspend the annual cost of living adjustment for the franchise fee until the percentage of the fee compared to the District's utility revenue is closer to the 10.5 percent utility tax rate. In exchange, the City wanted some consideration of how any potential future hydrant charges would be handled. At that meeting, the NUD staff indicated that the need to defer inflationary increases was not needed at this time. However, they did suggest that the City consider delaying the 2012 CPI increase of 3.7 percent until April when NUD implements their annual rate adjustment. All adjustments for rates and franchise fees would be completed at the same time.

City staff advised NUD that the City's legislative agenda included a request to clarify the issue regarding the obligation for cities to pay utility districts for fire hydrants. The District indicated that they were not aware of any plan for the utility districts to lobby against the legislation. They did however indicate that they would be sending an invoice to the City for hydrant charges. Given the City's differing legal opinion regarding the ability of utility districts to impose hydrant charges on municipalities, the City staff advised NUD that the bill would not be paid. NUD asked the City to keep them advised on legislative progress on this matter and understood the City's position with regard to payment of the invoice.

### **Finn Hill Parks and Recreation District**

Staff from the City Manager's Office, Police, Parks and Community Services and Public Works departments held a series of meetings with the Finn Hill Parks District commissioners regarding clarification of responsibilities and coordination of services. A summary of the topics discussed and follow-up items is included as Attachment A. Since that meeting, most of the items on the list have been completed and City staff is either in the process of completing outstanding tasks or awaiting further direction from the District.

### **City of Redmond Water Utility**

At the southeast corner of the new annexation area, within Totem Lake near NE 124th Street and 139th Avenue NE, there is a small water service area (formerly the Rose Hill Water District) that is currently served by the City of Redmond. Kirkland staff has been in discussions with Redmond staff about the transfer of forty customer accounts (representing sixty-six meters) from Redmond's Water Utility to Kirkland's Water Utility. The on-going discussions have been about whether compensation should be paid to Redmond for the facilities as part of the Joint Operating Agreement. The next regularly scheduled conversation on the matter is set for November 8, 2011, at the Water Utility Joint Board meeting with representatives from Kirkland, Redmond and Bellevue.

## FINANCIAL

The City Council was provided an update on the City's general financial status as well as annexation finances at the mid-biennial budget review held on November 1. The following discussion recaps portions of that discussion and provides additional information on specific issues that have arisen since June 1.

### **Revenue**

The 2011 budget includes revenues projected for the annexation area, most of which are not expected until the last few months of the year. The following are selected highlights:

- **Fire District 41** revenues for the first quarter and two months of the second quarter have been received. The remaining Fire District 41 levy revenues are not expected from King County until December 2011. The City has received the District's fund balance, which has been set-aside for the purposes defined in the interlocal agreement between the City and the District
- **Sales tax** – Although annexation became effective June 1, 2011, businesses in the new neighborhoods were required to begin collecting and reporting at the Kirkland sales tax rate as of July 1, 2011. The City should have received these revenues in September. Analysis of the September sales tax data indicated very few of the businesses from the new neighborhoods were reporting sales tax coded to the City. Initial discussions with the Department of Revenue (DOR) have revealed the following information about the 947 known accounts in the new neighborhoods:
  - 392 or over 40 percent of the businesses are annual reporters, and therefore, the sales tax revenue from these businesses will not be received by the City until the first part of next year.
  - 123 or 13 percent of the businesses are active non-reporters. These are accounts that are not required to file as the Small Business tax credit would eliminate any tax liability. Typically these are small service-based businesses that are not required to collect sales tax.
  - 109 or 11.5 percent of the businesses reported some sales tax in July and/or August coded to Kirkland.

DOR staff is continuing to research the remaining 323 businesses and to verify that all businesses are correctly coding their sales tax remittances. City staff continues its outreach efforts to businesses and to closely monitor annexation area sales tax revenue.

- The City will not begin receiving City-levied **property tax** revenue from the new neighborhoods until 2012. The City will receive a prorated share of the County's road levy and the Fire District levies in December 2011. The exact amount of the levy will not be known until the City receives its final levy worksheet from King County in December.
- Citywide **utility tax** receipts are lagging budget primarily because of the telecommunications sector, which is estimated to be \$627,000 under budget in 2011.

The decline in the telecommunications sector reflects changes in consumer spending patterns in response to the economic downturn and aggressive efforts by providers to ensure that they are only paying on taxable services (excluding broadband and related services). Of this amount, the annexation area shortfall is estimated to be approximately \$146,000. Revenues from other sectors are within expectations. We are continuing to aggressively pursue compliance on the part of telecommunications companies to ensure that they are paying for services provided in the newly annexed areas.

- **Business licenses** were required for businesses in the new neighborhoods prior to June 1, 2011. To date, approximately 800 businesses reporting over 2,500 FTEs have registered, generating revenues of approximately \$280,000. City staff is continuing its canvassing efforts to ensure registration of remaining businesses in the new neighborhoods.
- The City will receive a **one-time payment in December 2011 from Woodinville Fire and Rescue** for a share of the District's assets proportionate to the District's assessed valuation assumed by the City in the annexation.
- **Benefit Service Charges** -- Woodinville Fire & Rescue (WF&R) collects a separate benefit service charge that supports service provision, in addition to its property tax levy. Since the City has been providing services to the newly annexed areas since June 1, the City contends that a prorated share of these revenues should accrue to the City for the remainder of 2011 (similar to the WF&R property tax levy). City staff has discussed this matter with staff from the King County Assessor's Office and the King County Treasurer's Office, and the County's position is that they have no legal authority to send any of the benefit service charge revenues to the City, without specific comment on the validity of the City's arguments. As of this writing, the City is considering its legal options for pursuing a portion of these revenues.

## Expenditures

The 2011 budget included anticipated expenditures related to annexation. In light of the fact that annexation-related revenues would not be received by the City until the fourth quarter of 2011, departments were asked to closely monitor their expenditures. As part of the mid-biennial review, departments were asked to provide updated expenditure estimates for 2011. The following are selected highlights:

- A little over \$1 million in personnel cost savings is due to vacancies in annexation positions in the Police Department in 2011.
- Jail Contract costs are at 36 percent of budget through September and this is partially because the anticipated increase in jail population due to annexation has not yet been realized.
- Under-expenditures in one-time funded annexation service packages results in a reduction in the amount transferred out of the General Fund to the Information Technology Fund of approximately \$119,000 in 2011. Most of this under expenditure is due to lower costs than budgeted for hardware, software, and storage.

The net financial results of annexation will not be fully known until at least the end of 2013 when the City has a full year of revenue and expense experience.

## COMMUNICATIONS AND OUTREACH

Since the Council's acceptance of the annexation in December 2009, communications and outreach efforts have been focused on public education and involvement around defining neighborhood boundaries, addressing the impacts of annexation to the 2011-2012 Budget, and planning efforts for an annexation celebration. Just before the June 2011 effective date, communications efforts were focused on changes in service providers (e.g. Police services), new requirements and regulations (e.g. oversized vehicle registration), explaining the address change process, and encouraging residents to participate in the annexation celebration activities. Since June 1, much of the City's communication has been occurring on the phone, in-person, and via email to address specific issues residents are having.

Communications to new residents in the coming months will include:

- Reminder about oversized vehicle registration requirements
- Explanation about changes in fees and taxes that become effective in January 2012 such as property taxes
- Tips about ways to stay informed through City communications

Below is a summary of the public outreach and public information efforts conducted in 2011.

### **Public Outreach**

#### **Neighborhoods & Community Group Meetings:**

The annexation area is divided into three neighborhood areas – North Juanita, Kingsgate and Finn Hill. The North Juanita neighborhood joined with the existing Juanita Neighborhoods Association and has now applied for a matching grant. The Kingsgate Neighborhood is in the process of incorporating as a 501(c)4 entity, after which they too will be eligible to apply for a matching grant. The Finn Hill area is considering merging with the Denny Creek Neighborhood Alliance. Discussions are ongoing and they anticipate concluding the process by the end of 2011. All of the new neighborhoods have been participating in the Kirkland Alliance of Neighborhoods meetings.

This year's Neighborhood U was designed to welcome and involve residents from the annexation area into Kirkland neighborhoods. Hosted by the Kirkland Alliance of Neighborhoods, the May 11 event brought in over 130 participants. Former and current elected officials, neighborhood leaders, and a City planning commissioner shared experiences on building and sustaining active and vibrant neighborhoods. Also featured were fast-paced informational presentations from City staff providing an insider's view to various City programs, services and operations.

The City Council held meetings in all three of the new neighborhoods.

- The meeting with the Kingsgate Neighborhood was held March 16, 2011 with 65 residents and 24 questions submitted in advance.
- The meeting with the Finn Hill Neighborhood was held October 19, 2011 with 110 residents and 48 questions submitted in advance.
- The meeting with the Juanita Neighborhoods was held on November 3, 2011 with 37 residents and 11 questions submitted in advance.

Staff presentations were made at several neighborhood association meetings regarding updates on Juanita Beach Park, Street Preservation program, and discussions about neighborhood organizing and the City's Neighborhood Service programs.

#### Community Event Outreach:

In late September, City staff were present at the Denny Fest neighborhood event held at O.O. Denny Park. General City, recycling and surface water management information was available.

#### Annexation Website

The City's annexation webpage continues to be a primary source of annexation information. In April, 2011, the City changed its website address to [www.kirklandwa.gov](http://www.kirklandwa.gov). This made for easier access to the annexation webpage at [www.kirklandwa.gov/annexation](http://www.kirklandwa.gov/annexation). Some web trends from 2010 and 2011 interestingly reflect:

- In 2010, there were over 9,700 visits to the annexation homepage. In 2011, the homepage was visited 11,722 from January to September.
- Average monthly visits to the annexation home page in May and June 2011 were about 2,500 visits. There was a decrease in July 2011 (1,000 visits). The May/June spike was most likely attributed to the effective date of annexation and the decrease could be attributed to the direct mailings that annexation residents received.

#### Email Alerts (List Serv)

A great deal of information has been released by the City through the Annexation List Serv (email notification) which, as of October 31, 2011 has 1,360 subscribers. The City sent nine (9) updates in 2011 which explained the address change process, invited residents to the annexation celebration events and, most recently, gave details about utility franchise agreements and fees.

Annexation information has also been released through other City list serv notifications. For example, if the City issues a news release about annexation, it was forwarded to "News Room" subscribers. If the City's newsletter contains an article on annexation, then "City Update" page subscribers were notified.

The following table reflects the increases in four list serv subscribers from April 2009 to October 2011.

Name of List Serv	Subscribers as of April 2009	Subscribers as of April 2010	Subscribers as of December 2010	Subscribers as of October 2011	Increase number of subscribers 2009-11	Percent Increase in Subscribers
Annexation	682	995	1,213	1,360	678	99%
News Room (News Releases)	143	292	391	483	340	238%
City Update (Newsletter)	Unknown	703	914	1,123	420	60%
Neighborhood News	730	856	911	996	266	35%

### **Printed Materials & Direct Mailings**

#### Frequently Asked Questions (FAQ) Handouts:

In April 2011 the Frequently Asked Questions (FAQ) handouts listed below were updated and posted to the website. Hard copies were provided to the City Council and are available at City Hall. They will be made available at neighborhood association and other meetings. Topics include:

- Annexation Process
- City Finances
- Public Safety (fire, EMS, police, court)
- Parks, Recreation & Community Services
- Zoning & Building Requirements
- Utility, Solid Waste & Other Services
- Community Involvement

The "Annexation Process" FAQ is no longer in print and has been converted to a webpage.

#### City Services Guide:

In May 2011, residents in the new neighborhoods received a 40-page booklet "Your Guide to the City of Kirkland." More than 12,000 copies were mailed. The Guide is available online. Copies were made available during the annexation celebration events and have been available at City Hall, both community centers, and both libraries and at neighborhood Council meetings.

#### Garbage/Recycling Collection Mailers:

In May 2011, residents in the new neighborhoods received a postcard mailer from Waste Management, Inc. which explained the old cart pickup and new cart delivery schedule.

Before a single family Comprehensive Services Guide was delivered (attached to annexation area customers' new carts) in the last two weeks of June, the City of Kirkland Public Works Department sent a postcard to approximately 1,100 self-hauler residents notifying them to set up an account with the City for waste management services. In August, a multifamily version

of the Comprehensive Services Guide was delivered to all apartment tenants and condominium owners in the annexation area.

In early fall, the City mailed its "Reuse-Recycle-Conserve" newsletters for single family, multifamily and business customers. All of these included information on the recycling services provided by City of Kirkland and tools and assistance the City offers, primarily the free food scrap buckets, recycling bins, and technical assistance by staff.

In September, City Public Works Solid Waste staff visited businesses in the annexation area to distribute a flyer outlining the recycling services available for businesses and Green Business Kits, which included recycling guidelines. A follow-up outreach effort will occur in the coming year to see how successful this outreach was in getting businesses to sign up for and/or increase their recycling.

#### Business License Notification Letter:

In early May, the Business License Division mailed out almost 3,400 letters to business addresses registered with the State in the annexation area, including home occupations, notifying them of the City's business license requirements. More than 2,000 responses were received. Some notified businesses applied for a license; some notified the City that the company is no longer in business, and others notified the City that the business has relocated. The Business Licensing Division will continue to follow up on those companies that have not responded.

#### Bothell Address Mailer:

In July 2011, annexation homes and businesses whose Bothell, 98011 address changed to Kirkland, 98034 received an informational tri-fold mailer titled "Did Your Address Change from Bothell to Kirkland? Important Information about Address Changes, Updates to Drivers' Licenses, Vehicle Registrations and Passports, and Voter Registration." This mailer was then converted to an informational webpage.

#### City Update Newsletter

The *City Update* newsletter is published quarterly (March, June, September and December). All editions are posted on the City's website and limited copies are made available at City and public buildings and public and neighborhood meetings. Annexation was featured in the 1<sup>st</sup> Quarter, 2<sup>nd</sup> Quarter and 3<sup>rd</sup> Quarter editions in 2011.

#### Electronic Communication

Many questions from annexation residents have been received by the City through the "Ask A Question" feature on the webpage and through the annexation email address ([annexation@kirklandwa.gov](mailto:annexation@kirklandwa.gov)). The annexation Email address is still active and receiving correspondence from the new neighborhoods.

From January through May, 2011, 30 emails were received; 38 were received from June through October.

## Media Messaging

News releases about annexation topics are typically issued when a significant policy issue has been decided by the Council. News releases are forwarded internally and then released to media (TV, radio, newsprint), community organizations, other cities, and community blogs. One news release and one media advisory were issued in 2011 about the annexation celebration events.

Annexation has been featured in editions of "Currently Kirkland," the City's weekly news show. Feature stories, which have been posted to the annexation website, include:

- [Increased Police presence being felt in the new neighborhoods](#) 📄
- [Where are the upcoming annexation celebrations?](#) 📄
- [How will a new fire station in Finn Hill improve fire response times?](#) 📄
- [Will my taxes change in the annexation area?](#) 📄
- [When will my address change?](#) 📄
- [Can annexation residents run for Council?](#) 📄
- [Which County parks in the annexation area will the City of Kirkland Maintain?](#) 📄
- [Finn Hill Neighborhood Feature Story](#) 📄

## CONCLUSION

While there continue to be new issues identified as staff provides service to the new neighborhoods, overall the implementation has been smooth.

***City of Kirkland and Finn Hill Park and Recreation District (FHPRD)  
Meeting Notes  
August 8, 2011***

Attendance: FHPRD Commissioners Rick Smith and Frank Radford  
Dave Asher, Kirkland City Council  
Marilynne Beard, Kirkland City Manager's Office  
Captain Bill Hamilton and Lieutenant John Haslip, Kirkland Police  
Michael Cogle, Deputy Director, Kirkland Parks and Community Services

**Interests and questions from FHPRD regarding O.O. Denny Park:**

- Communication protocol between FHPRD and City of Kirkland, particularly between Commission and Kirkland Police and Kirkland Parks
- Clarification of roles of district's contracted security service and coordination with Kirkland Police
  - Juvenile drinking at O.O. Denny
  - Potential for hiring off-duty Kirkland Police officers for park security and/or special events
- Coordination of special events at O.O. Denny Park
  - Security and planning for Northshore Utility District planned project at O.O. Denny Park to decommission pump station and install new sewer line
- Parking signage and enforcement on Holmes Point Road
- Other issues and general governance
  - GIS mapping needs
  - Animal control
  - Eventual assumption of O.O. Denny Park maintenance and operations by Kirkland
  - Interlocal agreement

**Communications**

The District would like more regular contact from Kirkland Police regarding incidents at O.O. Denny Park. Captain Hamilton described the current protocol followed by Kirkland PD regarding incidents in City parks. Parks Department is notified when there is an incident involving City liability, anything that may have community sensitivity or significant criminal activity or property loss.

- ✓ Lieutenant Haslip will be the primary contact for Commissioner Radford, with Captain Hamilton as a back-up
- ✓ Lieutenant Haslip will provide a brief summary of police activity in and around O.O. Denny prior to the Commission's monthly meeting which occurs the first Thursday of each month
- ✓ Kirkland Police were invited to attend the next commission meeting scheduled for August 11 at O.O. Denny Park

There was also an apparent miscommunication between Kirkland Parks and the District's contracted security service, Puget Sound Security.

- ✓ Frank Radford will forward emails to Michael Cogle so that City staff can follow-up

### **Roles of Puget Sound Security and Kirkland Police**

The Commissioners noted that PSS is responsible for being on site at the park for 6 hours per day on Saturday and Sunday, performing 15-minute walk-throughs at mid-day and securing the park in the evening by assuring that all cars have left the parking lot and that the gate is locked. PSS checks on improper conduct at the park and is to call Kirkland Police for any significant behavior or incidences that are better addressed by a police officer. The District formally adopted Kirkland's park rules with a few minor edits. There was some concern about which agencies should or do have keys to the gate including the District, Kirkland Fire and Kirkland PD and King County Marine Patrol.

- ✓ Kirkland Police will contact King County Marine Patrol to discuss gate lock and access for the District and Kirkland PD and report back to the District
- ✓ Rick Smith will provide a list of emergency contact information to Captain Hamilton who will provide it to his staff, Kirkland Parks and NORCOM (City's 911 dispatch center)
- ✓ The District will provide a list of adopted park rules to Kirkland PD and Kirkland Parks.

The District inquired as to the availability of off-duty Kirkland Police officers to perform security work at O.O. Denny

- ✓ Rick Smith will contact Captain Hamilton to discuss this possibility further

The District is concerned about the tradition of juveniles consuming alcohol in the wooded areas of the park.

- ✓ The District will provide more detailed information to Kirkland PD about the specific locations so that Police patrols can periodically check on those areas

### **Special Events**

The District has a process for renting the shelter at O.O. Denny that includes rules regarding liquor, sound amplification, etc. Special rules apply to groups larger than 100 people. The shelter rental process is handled by the District's landscape maintenance, Total Landscaping. Some events have prompted noise complaints to the District and Kirkland Police. The District Commissioners will begin reviewing all large shelter rental requests that involve sound amplification prior to executing a rental agreement. Michael Cogle described the City's process for coordinating and permitting special events. The District is interested in coordinating with the City's Special Events Coordinator on large events. Michael Cogle provided a copy of the City's special events rules (KMC). Annual large events held at O.O. Denny include DennyFest, Christmas Ships and Park to Park Swim.

- ✓ Kirkland Parks will determine whether the City's special events permit process applies to O.O. Denny Park

- ✓ Michael Cogle will provide the District with contact information for the Special Events Coordinator, Sudie Elkayssi.
- ✓ The District will provide Sudie Elkayssi a list of scheduled shelter rentals for groups over 100 people and other large scheduled events

The Northshore Utility District will be completing a major capital project in the park – decommissioning the pump station and installing new sewer line. The project is scheduled to take place from October 2011 to April 2012. The District noted the need to secure the construction site for the Christmas Ship event that will be held during this period and is seeking assistance from Kirkland Public Works as part of the permitting process. There is also a potential street vacation associated with this project.

- ✓ Marilynne Beard will identify a contact person in Public Works for the District

### **Parking on Holmes Point Drive**

The District would like to work with the City on parking signage and enforcement on Holmes Point Drive.

- ✓ Marilynne Beard will identify a contact person in Public Works who will work with Kirkland Police and the District on this issue.
- ✓ The District suggested that Ken Goodwin would be a good local contact for this issue as he had worked on it in the past. The District will provide contact information for Mr. Goodwin.
- ✓ Captain Hamilton subsequently suggested that before any changes in signage and/or enforcement are made, that we work together on a communication strategy with the surrounding neighbors.

### **Other Issues and Governance**

The District would like to have more detailed mapping of the park available on the City's GIS. This could be of use to the District and the Kirkland PD. The District is working toward mapping the area.

- ✓ In the interim, District Commissioners will conduct a walk-through of the park with the Kirkland Police to identify high traffic and popular areas that may be of interest to the Police
- ✓ The District will send GIS coordinates for park trails to Michael Cogle when available

The District is working with Jason Filan, Kirkland Parks Maintenance Manager, on animal control services. The District now contracts with the City's animal enforcement officer for off-leash dog enforcement at the park. The District has been very pleased with the service and has updated their rules to clarify that dogs must be on a leash at all times in and around the park (including the water).

The District is interested in the eventual assumption of O.O. Denny Park maintenance by the City of Kirkland and understands that budgetary constraints required deferral of that responsibility. In the meantime, it was agreed that an interlocal agreement between the City and the District might be helpful in clarifying roles and responsibilities.

- ✓ Rick Smith will provide a copy of the interlocal agreement between the District and the City of Seattle (owners of the park) for maintenance and operations to the City  
*(completed)*
- ✓ Marilynne Beard will provide a copy of the interlocal agreement between King County and Kirkland for the recent annexation and transference of governance and operations to the District
- ✓ The District will contact their legal counsel (Ken Davidson) and advise him of their interest in executing an interlocal agreement with the City. Marilynne Beard will be the point of contact for Mr. Davidson.